

Supplemental Financial Information

First Quarter Ended March 31, 2021

May 5, 2021



G R O U P

Our Culture:

With an unwavering commitment to integrity, quality, professionalism, and compassion, we make healthcare work better for the patients, families, and communities we are privileged to serve. It's all about helping people.

Forward-Looking Statements

Nasdaq: LHCG

Please visit the Investors section on our website at Investor.LHCgroup.com for additional information on LHC Group and the industry.

This presentation contains “forward-looking statements” (as defined in the Securities Litigation Reform Act of 1995) regarding, among other things, future events or the future financial performance of the Company. Words such as “anticipate,” “expect,” “project,” “intend,” “believe,” “will,” “estimate,” “may,” “could,” “should,” “outlook,” and “guidance” and words and terms of similar substance used in connection with any discussion of future plans, actions, events or results identify forward-looking statements.

Forward-looking statements are based on information currently available to the Company and involve estimates, expectations and projections. Investors are cautioned that all such forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements, including, but not limited to, the risks and uncertainties related to the COVID-19 pandemic and those otherwise described in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Many of these risks, uncertainties and assumptions are beyond the Company’s ability to control or predict. Because of these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements.

Non-GAAP Financial Information

This presentation includes certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), including EBITDA and Adjusted EBITDA. The company uses these non-GAAP financial measures in operating its business because management believes they are less susceptible to variances in actual operating performance that can result from the excluded items. The company presents these financial measures to investors because they believe they are useful to investors in evaluating the primary factors that drive the company’s operating performance. The items excluded from these non-GAAP measures are important in understanding LHC Group’s financial performance, and any non-GAAP measures presented should not be considered in isolation of, or as an alternative to, GAAP financial measures. Since these non-GAAP financial measures are not measures determined in accordance with GAAP, have no standardized meaning prescribed by GAAP and are susceptible to varying calculations, these measures, as presented, may not be comparable to other similarly titled measures of other companies. EBITDA of LHC Group is defined as net income (loss) before income tax benefit (expense), interest expense, and depreciation and amortization expense. Adjusted EBITDA of LHC Group is defined as net income (loss) before income tax expense benefit (expense), depreciation and amortization expense, and transaction costs related to previous transactions.

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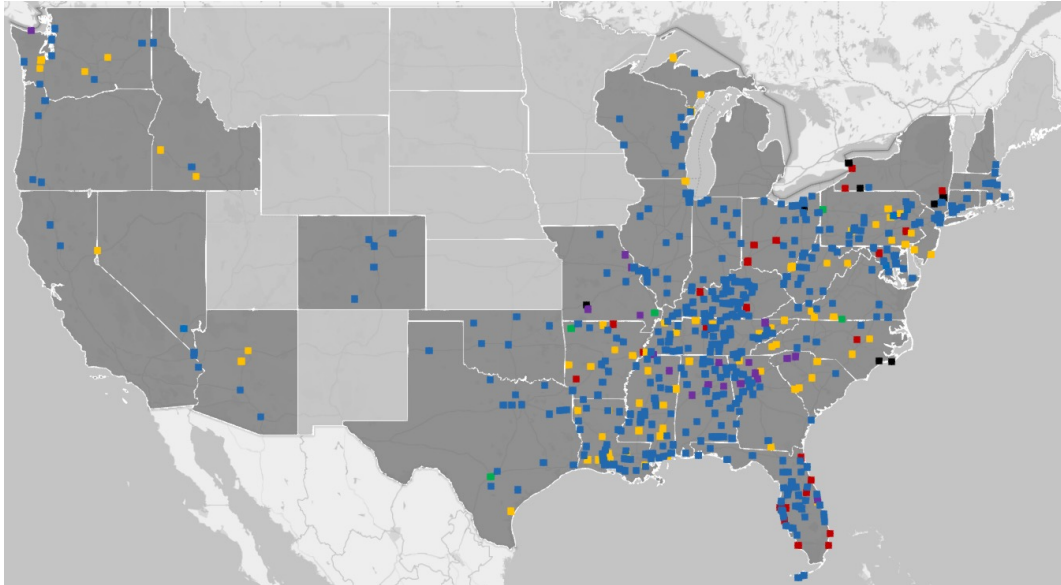
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Overview & Policy Tailwinds

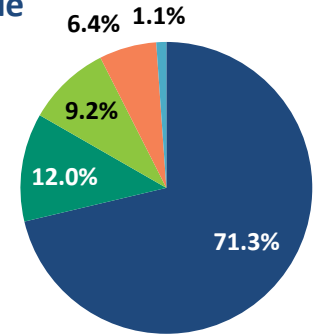
LHC Group Overview



- Home Health
- Hospice
- HCBS
- Home Health & Hospice
- Home Health & HCBS
- Home Health, Hospice, & HCBS

% of 2021 Revenue

- HH
- Hospice
- HCBS
- Facility-based
- HCI



531

home health
locations



60%

Of U.S.
population
aged 65+
included in
service area



120

hospice
locations



129

home & community
based
services
locations



12

Long term
acute care
hospitals
locations



37

other service
locations



829

total
locations



400

leading
hospital
JV partners



35

states and
District of
Columbia

Commentary on Q1 2021

- Organic growth in admissions for home health locations decreased -0.4% for the quarter compared to the same period in 2020 with 5.9% same store sequential growth over the fourth quarter of 2020.
- Our non-Medicare episodic same store admissions increased 22.6% in Q1 as compared to Q1 in 2020 with 25.1% same store sequential growth over the fourth quarter of 2020. The majority of this growth is from episodic contracts that pay Medicare rates.
- Organic growth in admissions for hospice increased 7.6% for the quarter compared to the same period in 2020 with 1.3% same store sequential growth over the fourth quarter of 2020.
- Momentum from new physician referral sources continues with 5,280 new home health referral sources added in the first quarter which is a 34.8% increase over the first quarter of 2020.
- Home Health average daily census of 83,938 in Q1 2021 was 9.0% higher than 76,978 in Q1 2020. Hospice average daily census of 4,457 in Q1 2021 was 3.9% higher than 4,290 in Q1 2020.
- Adjusted net income attributable to LHC Group's common stockholders increased 86.7% to \$43.6 million, or \$1.39 adjusted earnings per diluted share, in Q1 2021 as compared to \$23.4 million, or \$0.75 adjusted earnings per diluted share in Q1 2020.
- Adjusted EBITDA increased 61.3% to \$61.5 million in Q1 2021 compared to \$38.1 million in Q1 2020.
- Our confidence remains high in our PDGM execution as we continue to improve on our revenue per episode sequentially and the execution of sustainable cost initiatives.

At Home Care Policy Tailwinds

- On April 14, President Biden signed into law a bill extending relief through year end for the home health, hospice and other health care sectors from the statutory Medicare 2% sequestration provider payment cut.
- On April 20, Sec. of Health and Human Services Becerra signed an Administrative Order extending the declaration of the Public Health Emergency for an additional 90 days through July 20th thereby extending significant flexibilities for the provision of home health services previously afforded administratively.
 - Flexibilities include a temporary waiver of the home health Medicare homebound requirement, telehealth and remote patient certification flexibilities.
 - Extends the suspension of site neutral payment for LTCHs.
- The Biden administration continues to promote the expansion of home health services, including HCBS services, as a portion of its infrastructure proposal known currently as the American Jobs Plan. This plan includes a proposal to expand HCBS and related services with an outlay of \$400 billion over 10 years.
- The HCBS Access Act proposed by Sens. Hassan, Brown and Casey and Congresswoman Dingell proposes to create an entitlement of HCBS and eliminate the need for state waivers.
 - On April 16, Senators Hassan, Brown, and Casey and Congresswoman Dingell circulated a draft, called the HCBS Access Act, of a proposal to create a new, mandatory entitlement under the Social Security Act for HCBS services.
 - This proposed legislation, among other things, increases the FMAP for HCBS services to 100%, nationalizes a presumption for patients in favor of in-home care as opposed to institutional care and eventually eliminates state Medicaid waivers/State Plans in favor of a new national program.
 - Relatedly, these members of Congress solicited formal comment on the legislation indicating a component of their consideration will be methods to increase payment for providers of HCBS community-based services and a plan to address workforce and minimum wage issues.

At Home Care Policy Tailwinds continued

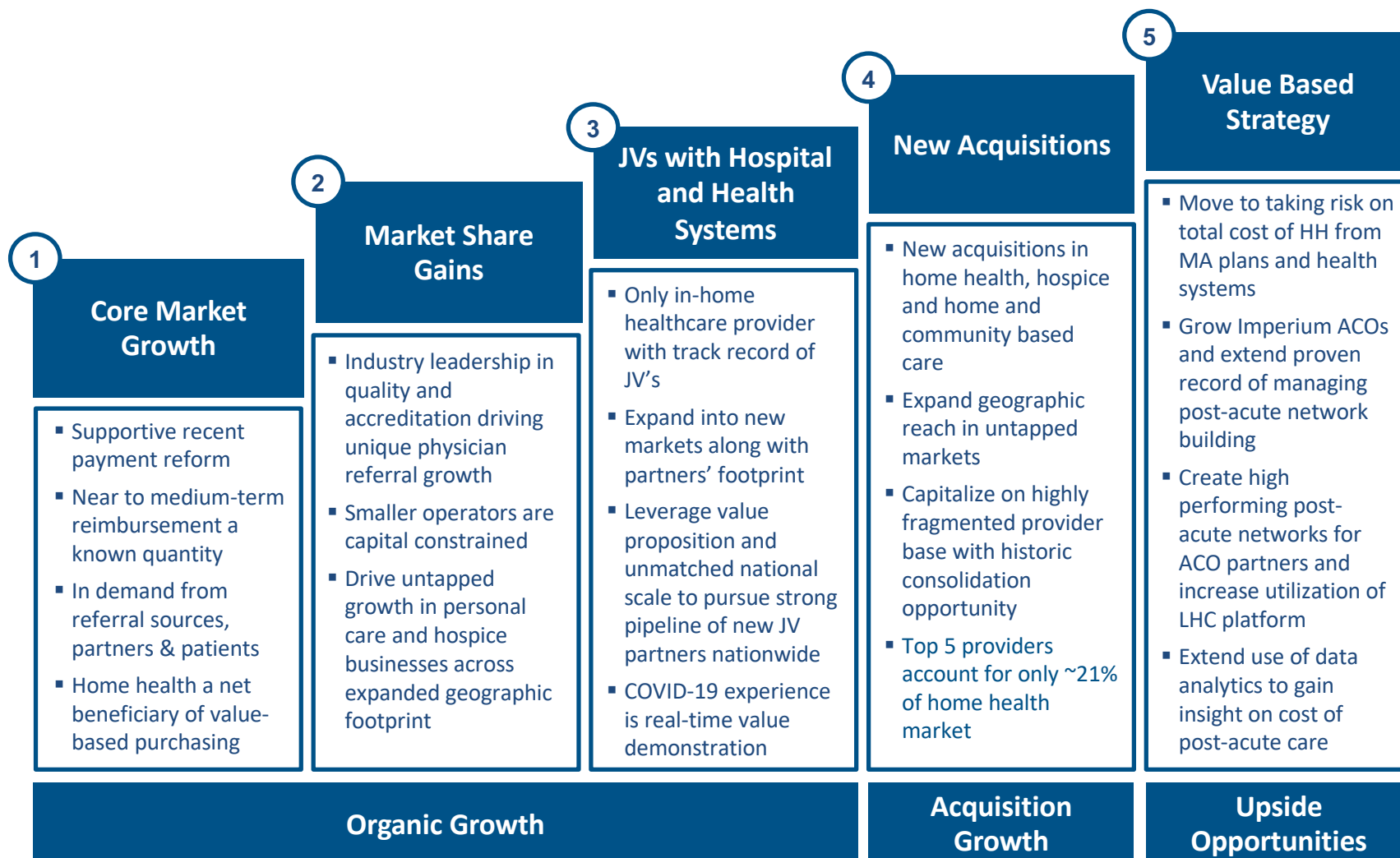
- Senator Casey introduced legislation known as the PACE Plus Act significantly expanding Programs for All-Inclusive Care for the Elderly (PACE), a Medicare and Medicaid program that helps keep people in their homes and communities instead of nursing homes. Congress has previously acknowledged the value of this program and urged CMS to “move forward expeditiously” to expand this program.
- On April 22, a bipartisan group of Senators introduced the new version of the Home Health Emergency Access to Telehealth (HEAT) Act that would give CMS the authority to issue a waiver allowing for telehealth visits to count towards in-person visits as included on the plan of care only during a PHE. The HEAT Act, which seeks to provide reimbursement for telehealth visits, was originally introduced in both the House and Senate in October 2020.
- Several states in which we operate enacted legislation in Q1 to operationalize recently passed federal legislation enabling nurse practitioners to certify Medicare home health services.
- Proposed FY22 regulations for Hospice and LTCHs have recently been released.
 - The Hospice rule includes an increase to the MBI of 2.3% with some significant changes to the quality of care measures, and inclusion of recent legislation affecting program integrity issues.
 - CMS expects LTACH-PPS payments to increase by 1.4%. LTACH-PPS payments for fiscal year 2022 for discharges paid using the standard LTACH payment rate is expected to increase by 1.2% due primarily to the annual standard Federal rate update for fiscal year 2022 of 2.2% and a projected 0.8% decrease in high cost outlier payments. LTACH-PPS payments for fiscal year 2022 for discharges paid the site neutral payment rate is expected to increase by 3%.

Differentiated Strategies

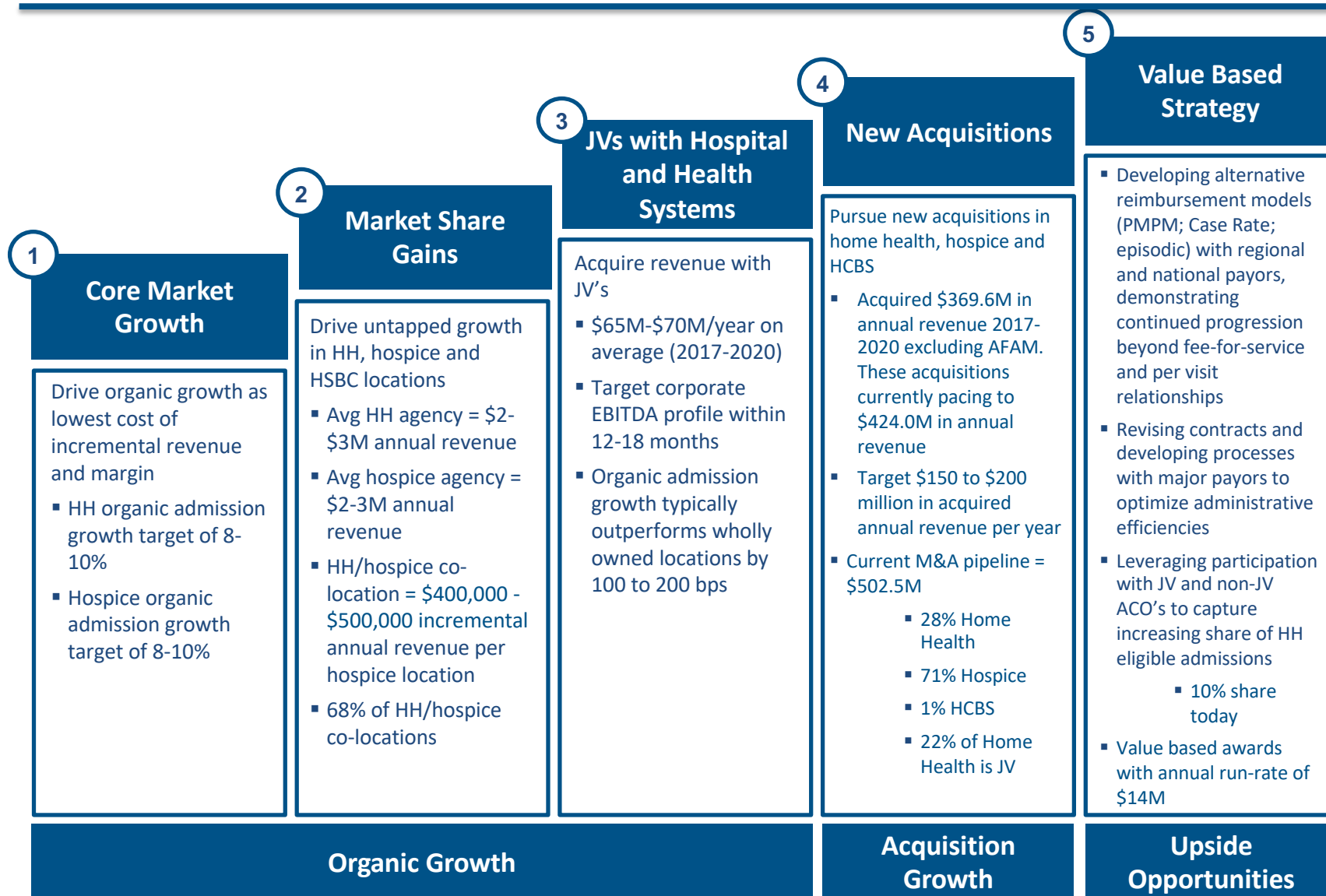
Differentiated Strategy Leading to Quality Growth

- Joint ventures drive organic growth and margin improvement
 - Same store growth for JV locations averaged 200 basis points higher than non-JV locations for the years 2016-2019.
 - Revenue growth rate for JVs average 10% to 15% in year 2 and 3.
 - Margins for JV locations average 100 to 200 basis points higher than non-JV locations.
- Continued focus on growth in episodic admissions and rate improvement on non-Medicare admissions
 - Non-Medicare episodic admissions grew by 32.7% in 2020 compared to 2019; and by 20.6% in Q1 2021 as compared to Q1 2020.
 - Improved rate-per-visit by 8% in 2020 over 2019 and 12% over the last three years; and by 3.7% in Q1 2021 as compared to Q1 2020.
- Continued focus on quality and patient satisfaction to drive higher referrals
 - Increased new home health physician referral sources by 22% in 2020 over 2019; and by 34.8% in Q1 2021 as compared to Q1 2020.
- Untapped growth in home health and hospice co-locations remains top priority
 - 81 hospice locations co-located with home health out of 120 total hospice locations, or 68%.
 - Up from 77 locations in 2020, 63 locations in 2019 and 58 locations in 2018.
 - Currently averaging 15% to 16% of home health census that gets discharged to hospice.
- Continue with strategic rollout strategy for HCBS
 - 55 HCBS locations co-located with home health out of 129 total HCBS locations, or 43%.
 - Grow HCBS in markets with value-based arrangements with JV partners and payors.

Multiple Organic and Inorganic Growth Levers



Building Blocks of Long-Term Earnings Growth



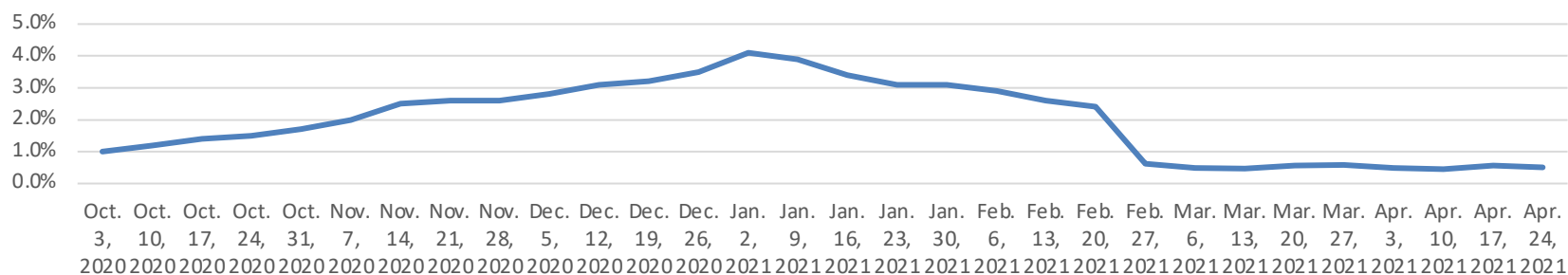
Recruiting and Retention

Recruiting/Hiring Trend

	Q1 2021	Q1 2020	% change
Home Health	1,916	1,225	+56.4%
Hospice	277	261	+6.1%
HCBS	1,967	2,098	-6.2%
Account Executives (i.e. sales team)	78	62	+25.8%

- We continue to see positive trends in recruiting and retention. We have two consecutive quarters in which we have hired a record number of employees while our turnover has continued to decrease. Our headcount statistics are a direct correlation and validation to our company's continued census growth and focus on patient satisfaction and quality.
 - Voluntary Turnover for full time employees company wide in the first quarter of 2021: **14.1%**
 - Voluntary Turnover for full time clinical staff in Home Health and Hospice in the first quarter of 2021: **15.9%**

% of clinicians on quarantine



Sequential Operational Trends Continue to Improve

Home Health, Hospice and HCBS Trends

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	March 2021	April 2021
<u>Home Health:</u>							
Average census	76,978	77,530	82,254	83,686	83,938	86,028	86,545
Admissions	108,182	93,482	104,304	104,440	107,922	38,372	36,585
Admissions per day	1,189	1,027	1,134	1,135	1,199	1,238	1,220
Admission of COVID-19 positive patients	193	3,230	3,623	7,544	9,053	1,113	906
Patient declined admission due to COVID-19 concern	925	1,038	459	548	403	69	65
Missed visits due to COVID-19	14,995	28,267	3,155	5,211	2,566	207	170
<u>Hospice:</u>							
Average census	4,290	4,329	4,393	4,320	4,457	4,395	4,376
Admissions	5,060	4,869	5,077	5,454	5,577	1,866	1,591
Admissions per day	56	54	55	59	62	60	53
Admission of COVID-19 positive patients	3	121	224	381	511	30	30
<u>HCBS:</u>							
HCBS billable hours	1,985,600	1,921,900	1,942,706	1,884,411	1,901,281	676,772	633,092
HCBS billable hours per day	21,820	21,120	21,116	20,483	21,125	21,831	21,103

Home Health and Hospice Growth

Same Store Organic Admission Growth over Prior-Year Periods

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	March 2021	April 2021
Home Health	7.1%	-4.7%	4.7%	2.2%	-0.4%	13.4%	32.0%
Hospice	0.2%	1.8%	12.8%	10.9%	7.6%	16.6%	2.9%

Sequential Same Store Organic Admission Growth

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Home Health	1.5%	-9.1%	13.1%	-0.5%	5.9%
Hospice	-0.3%	2.5%	8.9%	4.2%	1.3%

New Physician Home Health Referral Sources

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	March 2021	April 2021
# of Referrals	3,915	3,996	4,582	4,191	5,280	1,833	1,843
% change compared to prior year	3.2%	16.0%	41.8%	30.5%	34.8%	58.2%	53.3%

Industry-Leading Quality and Patient Satisfaction

Quality	October 2020 ⁽¹⁾
LHC Group excluding 2019 acquisitions	4.27
LHC Group with 2019 acquisitions	4.23
National average	3.25

- 85% of LHC Group same-store providers have CMS 4 stars or greater for quality



Patient Satisfaction	October 2020 ⁽¹⁾
LHC Group excluding 2019 acquisitions	4.42
LHC Group with 2019 acquisitions	4.41
National average	3.98

- 90% of LHC Group same-store providers have CMS 4 stars or greater for patient satisfaction



- 100% of LHC Group home health and hospice agencies are Joint Commission accredited or are in the accreditation process within 12 to 18 months after acquisition.
- Approximately 15% of all Medicare certified home health agencies nationwide are Joint Commission accreditation.



(1) Please note that the October 2020 refresh of the quality and patient satisfaction star ratings is the last scheduled refresh of this data by CMS until January 2022.

First Quarter Consolidated Results

2021 Adjusted Consolidated Results

	Three months ended March 31		
	Consolidated	Total Adjustments	Adjusted Consolidated
Net service revenue	\$524,835	\$0	\$524,835
Cost of service revenue	310,272	(9,240)	301,032
Gross margin	214,563		223,803
General and administrative expenses	163,249	(2,750)	160,499
Impairment of intangibles and other	177	(177)	0
Operating income	\$51,137	\$12,167	\$63,304
Depreciation	4,999	0	4,999
Noncontrolling interests	(6,774)	0	(6,774)
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$49,362	\$12,167	\$61,529
EBITDA less NCI as a percentage of revenue	9.4%		11.7%

Adjusted Consolidated Results – 2021 vs 2020

	Three months ended March 31,			
	2021 Adjusted Consolidated	% of rev	2020 Adjusted Consolidated	% of rev
Net service revenue	\$524,835		\$512,871	
Cost of service revenue	301,032	57.4%	320,892	62.6%
Gross margin	223,803	42.6%	191,979	37.4%
General and administrative expenses	160,499	30.6%	153,320	29.9%
Operating income	\$63,304	12.1%	\$38,659	7.5%
Depreciation	4,999		5,133	
Non-controlling interests	(6,774)		(5,652)	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$61,529		\$38,140	
EBITDA less NCI as a percentage of revenue	11.7%		7.4%	

Adjustments to Net Income

PRE-TAX ADJUSTMENTS	Q1 2021	Q1 2020
Acquisition and <i>de novo</i> expenses (1)	-	\$1,510
Closures/relocations/consolidations (2)	177	468
COVID-19 PPE, supplies and wages (3)	11,990	2,878
Total	\$12,167	\$4,856

ADJUSTMENTS NET OF TAX	Q1 2021	Q1 2020
Acquisition and <i>de novo</i> expenses (1)	-	\$1,106
Closures/relocations/consolidations (2)	131	343
COVID-19 impact:		
PPE, supplies and wages (3)	8,852	2,108
CARES Act tax benefit (4)	-	(2,210)
Total	\$8,983	\$1,347

ADJUSTMENTS NET OF TAX	Q1 2021	Q1 2020
Acquisition and <i>de novo</i> expenses (1)	-	\$0.04
Closures/relocations/consolidations (2)	0.01	0.01
COVID-19 impact:		
PPE, supplies and wages (3)	0.28	0.07
CARES Act tax benefit (4)	-	(0.07)
Total	\$0.29	\$0.05

Footnotes:

1. Expenses and other costs associated with recently announced or completed acquisitions and *de novos* (\$1.5 million pre-tax in the three months ended March 31, 2020).
2. Expenses associated with the impairment on a closed home health location which occurred in the first quarter of 2021 and the closure or consolidation of 4 locations in the first quarter of 2020 along with residual costs and expenses in connection with the closures in the fourth quarter of 2019 (\$0.2 million pre-tax in the three months ended March 31, 2021 and \$0.5 million pre-tax in the three months ended March 31, 2020)
3. COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies and wage adjustments (\$12.0 million pre-tax in the three months ended March 31, 2021; \$2.9 million pre-tax in the three months ended March 31, 2020).
4. Tax benefit related to new legislation in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which lifts certain tax deduction limitations and eliminates 80% of taxable income limitations for Net Operating Losses ("NOL"), which we are now able to fully utilize NOLs associated with Almost Family prior to the merger.

Segment Results

Three Months Ended March 31, 2021 Adjusted Segment Results

	Home health services	Adjustments	Adjusted Home health services	Hospice services	Adjustments	Adjusted Hospice services	HCBS services	Adjustments	Adjusted HCBS services
Net service revenue	\$373,828		\$373,828	\$62,734		\$62,734	\$49,125		\$49,125
Cost of service revenue	212,373	(6,628)	205,745	38,570	(753)	37,817	34,872	(425)	34,447
Gross margin	161,455		168,083	24,164		24,917	14,253		14,678
General and administrative expenses	119,397	(2,130)	117,267	18,127	(264)	17,863	11,529	(202)	11,327
Impairment of intangibles and other	177	(177)	0	0	0	0	0	0	0
Operating income	\$41,881	\$8,935	\$50,816	\$6,037	\$1,017	\$7,054	\$2,724	\$627	\$3,351
Add back depreciation	2,936		2,936	552		552	396		396
Less noncontrolling interests	(4,849)		(4,849)	(1,015)		(1,015)	(279)		(279)
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$39,968	\$8,935	\$48,903	\$5,574	\$1,017	\$6,591	\$2,841	\$627	\$3,468
EBITDA less NCI as a percentage of revenue	10.7%		13.1%	8.9%		10.5%	5.8%		7.1%

	Facility-based services	Adjustments	Adjusted Facility-based services	HCI	Adjustments	Adjusted HCI services
Net service revenue	\$33,369		\$33,369	\$5,779		\$5,779
Cost of service revenue	21,175	(1,388)	19,787	3,282	(46)	3,236
Gross margin	12,194		13,582	2,497		2,543
General and administrative expenses	11,257	(134)	11,123	2,939	(20)	2,919
Impairment of intangibles and other	0	0	0	0	0	0
Operating income	\$937	\$1,522	\$2,459	(\$442)	\$66	(\$376)
Add back depreciation	841		841	274		274
Less noncontrolling interests	(657)		(657)	26		26
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$1,121	\$1,522	\$2,643	(\$142)	\$66	(\$76)
EBITDA less NCI as a percentage of revenue	3.4%		7.9%	-2.5%		-1.3%



Home Health Segment Adjusted Segment Results – 2021 vs 2020

	Three months ended March 31,			
	2021 Adjusted Home Health Services	% of rev	2020 Adjusted Home Health Services	% of rev
Net service revenue	\$373,828		\$367,821	
Cost of service revenue	205,745	55.0%	220,192	59.9%
Gross margin	168,083	45.0%	147,629	40.1%
General and administrative expenses	117,267	31.4%	112,929	30.7%
Operating income	\$50,816	13.6%	\$34,700	9.4%
Depreciation	2,936		3,001	
Noncontrolling interests	(4,849)		(4,606)	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$48,903		\$33,095	
EBITDA less NCI as a percentage of revenue	13.1%		9.0%	

- For the three months ended March 31, 2021, consolidated Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) increased \$15.8 million and improved 410 basis points as a percentage of revenue as compared to Q1 2020. The increase is due to a 9% increase in patient average daily census in Q1 2021 as compared to Q1 2020, a 2.3% improvement in Medicare revenue per episode along with an improvement in cost of service.
- Revenue from sequestration suspension in the first quarter of 2021 was \$4.9 million.

Home Health Revenue Factors

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	March 2021	April 2021*
Revenue per completed Medicare episode	\$2,797	\$2,771	\$2,824	\$2,840	\$2,862	\$2,887	\$3,025
% change compared to prior year	-1.9%	-2.5%	-1.4%	+1.6%	+2.3%	+6.6%	18.6%
% change sequentially		-0.9%	+1.9%	+0.6%	+0.8%		
% of P2s out of total 30-day periods	29.2%	43.7%	43.8%	43.9%	43.7%	44.1%	42.8%
Institutional admit %	65.3%	58.4%	60.5%	63.3%	60.5%	60.8%	61.6%
LUPA %	n/a	9.5%	8.7%	8.9%	9.1%	8.7%	8.3%
60-day case mix	1.064	0.994	1.010	1.014	1.009	1.008	1.037

The first 30-day period in an episode is referred to as P1 or Period 1. All other subsequent 30-day periods are referred to as P2. P1 is considered an early episode and receives a higher payment than a P2.

* April is an estimate



Hospice Segment Adjusted Segment Results – 2021 vs 2020

Three months ended March 31,				
	2021 Adjusted Hospice Services	% of rev	2020 Adjusted Hospice Services	% of rev
Net service revenue	\$62,734		\$60,531	
Cost of service revenue	37,817	60.3%	37,972	62.7%
Gross margin	24,917	39.7%	22,559	37.3%
General and administrative expenses	17,863	28.5%	16,114	26.6%
Operating income	\$7,054	11.2%	\$6,445	10.6%
Depreciation	552		515	
Noncontrolling interests	(1,015)		(967)	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$6,591		\$5,993	
EBITDA less NCI as a percentage of revenue	10.5%		9.9%	

- For the three months ended March 31, 2021, consolidated EBITDA increased \$0.6 million and improved 60 basis points as a percentage of revenue as compared to Q1 2020. The increase is due to a 3.9% increase in patient average daily census in Q1 2021 as compared to Q1 2020, a 3.9% improvement in revenue per patient day along with an improvement in cost of service.
- Revenue from sequestration suspension in the first quarter of 2021 was \$1.2 million.



Home and Community Based Services Segment Adjusted Segment Results – 2021 vs 2020

Three months ended March 31,				
	2021 Adjusted HCBS Services	% of rev	2020 Adjusted HCBS Services	% of rev
Net service revenue	\$49,125		\$48,464	
Cost of service revenue	34,447	70.1%	38,453	79.3%
Gross margin	14,678	29.9%	10,011	20.7%
General and administrative expenses	11,327	23.1%	11,066	22.8%
Operating income (loss)	\$3,351	6.8%	(\$1,055)	-2.2%
Depreciation	396		391	
Noncontrolling interests	(279)		155	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$3,468		(\$509)	
EBITDA less NCI as a percentage of revenue	7.1%		-1.0%	

- For the three months ended March 31, 2021, consolidated EBITDA increased \$4.0 million and improved 810 basis points as a percentage of revenue as compared to Q1 2020. The increase is due to \$2.4 million in improved collections in addition to an increase in contract rates.



Facility-Based Services Segment Adjusted Segment Results – 2021 vs 2020

	Three months ended March 31,			
	2021 Adjusted Facility-based Services	% of rev	2020 Adjusted Facility-based Services	% of rev
Net service revenue	\$33,369		\$29,681	
Cost of service revenue	19,787	59.3%	20,342	68.5%
Gross margin	13,582	40.7%	9,339	31.5%
General and administrative expenses	11,123	33.3%	9,833	33.1%
Operating income (loss)	\$2,459	7.4%	(\$494)	-1.7%
Depreciation	841		931	
Noncontrolling interests	(657)		(243)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$2,643		\$194	
EBITDA less NCI as a percentage of revenue	7.9%		0.7%	

- For the three months ended March 31, 2021, consolidated EBITDA increased \$2.5 million and improved 720 basis points as a percentage of revenue as compared to Q1 2020. The increase is due to a 6.1% increase in patient average daily census in Q1 2021 as compared to Q1 2020, a 12.0% improvement in revenue per patient day due to the Public Health Emergency.
- Revenue from sequestration suspension in the first quarter of 2021 was \$0.3 million.



Home Care Innovations Segment Adjusted Segment Results – 2021 vs 2020

Three months ended March 31,				
	2021 HCI Services	% of rev	2020 Adjusted HCI Services	% of rev
Net service revenue	\$5,779		\$6,374	
Cost of service revenue	3,236	56.0%	3,933	61.7%
Gross margin	2,543	44.0%	2,441	38.3%
General and administrative expenses	2,919	50.5%	3,378	53.0%
Operating income (loss)	(\$376)	-6.5%	(\$937)	-14.7%
Depreciation	274		295	
Noncontrolling interests	26		9	
Earnings before interest, tax and depreciation (EBITDA less NCI)	(\$76)		(\$633)	
EBITDA less NCI as a percentage of revenue	-1.3%		-9.9%	

- For the three months ended March 31, 2021, consolidated EBITDA increased \$0.6 million and improved 860 basis points as a percentage of revenue as compared to Q1 2020. The increase is due to effective cost management strategies within the four business lines that make up the HCI segment.

Guidance, Liquidity & Outlook

Full Year 2021 Guidance

	Original FY 2021 Guidance issued on February 25, 2021	Updated FY 2021 Guidance	% of YOY growth @ Midpoint
Revenue	\$2.200 billion to \$2.260 billion	\$2.215 billion to \$2.265 billion	8.6%
EPS	\$5.65 to \$5.90	\$6.20 to \$6.40	25.7%
EBITDA	\$268 million to \$280 million	\$290 million to \$300 million	23.6%

Assumptions

- Guidance updated for sequestration suspension extension to December 31, 2021, and extension of the Public Health Emergency through July 20, 2021.
- Estimated effective tax rate of 26.0% to 26.5% for full year 2021.
- 8% to 10% organic growth in home health admissions for the year. 8% to 10% organic growth in hospice admissions for the year.
- Increase in Home Health Medicare revenue rates by 1.7%, or \$16 million, and 2.4%, or \$5 million, for Hospice Medicare rates
- Gross margin as a percent of revenue range 42.0% to 43.0%.
- General and administrative expense as a percent of revenue range 29.0% to 30.0%.
- Fully diluted shares of 31.6 million.
- We are estimating COVID-19 related cost in 2021 to be in the range of \$20 to \$25 million, which is down from \$53 million in 2020 and not included in our FY 2021 guidance.

Debt and Liquidity Metrics

Outstanding Debt <i>(amounts in thousands)</i>	As of Mar. 31, 2021	Credit Facility <i>(amounts in thousands)</i>	As of Mar. 31, 2021
Total Debt – Balance Sheet	\$0	Revolver Size	\$500,000
Less: Cash	\$292,317	Less: Outstanding Revolver	\$0
Net Debt	NA	Less: Medicare Advanced Payments and Provider Relief Funds	\$411,219
Net debt to estimated TTM adjusted EBITDA ratio	NA	Less: Letters of Credit	<u>\$25,396</u>
		Available Liquidity	\$63,385
		Plus: Cash	\$292,317
		Plus: Accordion	<u>\$200,000</u>
		Total Liquidity	\$555,702
Cash Flow <i>(amounts in thousands)</i>		As of Mar. 31, 2021	
Free Cash Flow (3 Months Ended)		\$33,183	
+ Cash adjustments net of tax to 2021 EBITDA		8,852	
= Adjusted Free Cash Flow (3 Months Ended)		\$42,035	
DSO's		57 days	

Focus for 2021

- ✓ Maintain proactive posture to COVID-19 pandemic response.
- ✓ Continue to be a leader in the industry in quality and patient satisfaction scores.
- ✓ Maintain disciplined capital allocation with new joint ventures and other M&A activity.
- ✓ Accelerate unlocking the potential of our co-location and tri-location strategies.
- ✓ Capture market share gains and incremental contributions from recent joint ventures, other acquisitions and consolidation.
- ✓ Continue our focus as an industry leader in key areas around employee recruitment and retention including vacancy rate and voluntary turnover.

Appendix

Non-GAAP Reconciliations (Amounts in thousands, unaudited)

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP	Three Months Ended March 31,	Three Months Ended March 31,
	2021	2020
Net income attributable to LHC Group, Inc.'s common stockholders	\$34,659	\$22,024
Add (net of tax):		
Acquisition and <i>de novo</i> expenses (1)	-	1,106
Closures/relocations/consolidations (2)	131	343
COVID-19 impact:		
PPE, supplies and wages (3)	8,852	2,108
CARES Act tax benefit (4)	-	(2,210)
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	\$43,642	\$23,371

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP PER DILUTED SHARE	Three Months Ended March 31,	Three Months Ended March 31,
	2021	2020
Net income attributable to LHC Group, Inc.'s common stockholders	\$1.10	\$0.70
Add (net of tax):		
Acquisition and <i>de novo</i> expenses (1)	-	0.04
Closures/relocations/consolidations (2)	0.01	0.01
COVID-19 impact:		
PPE, supplies and wages (3)	0.28	0.07
CARES Act tax benefit (4)	-	(0.07)
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	\$1.39	\$0.75

Non-GAAP Reconciliations (Amounts in thousands, unaudited)

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net income	\$34,659	\$22,024
Add:		
Income tax expense	9,441	3,359
Interest expense, net	263	2,768
Depreciation and amortization	4,999	5,133
Adjustment items (*)	12,167	4,856
Adjusted EBITDA	\$61,529	\$38,140

(*) Adjustment items (pre-tax):

Acquisition and <i>de novo</i> expenses (1)	\$-	\$1,510
Closures/relocations/consolidations (2)	177	468
COVID-19 PPE, supplies and wages (3)	11,990	2,878
Total adjustments	\$12,167	\$4,856

Footnotes:

- Expenses and other costs associated with recently announced or completed acquisitions and *de novos* (\$1.5 million pre-tax in the three months ended March 31, 2020).
- Expenses associated with the impairment on a closed home health location which occurred in the first quarter of 2021 and the closure or consolidation of 4 locations in the first quarter of 2020 along with residual costs and expenses in connection with the closures in the fourth quarter of 2019 (\$0.2 million pre-tax in the three months ended March 31, 2021 and \$0.5 million pre-tax in the three months ended March 31, 2020)
- COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies and wage adjustments (\$12.0 million pre-tax in the three months ended March 31, 2021; \$2.9 million pre-tax in the three months ended March 31, 2020).



It's all about helping people.