

Investor Presentation

Robert W. Baird & Co. 2018 Global Healthcare Conference

New York, NY
September 2018



HOME HEALTH CARE | HOSPICE CARE | PERSONAL CARE | FACILITY-BASED CARE | ADVANCED CARE

Forward-Looking Statements

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, or anticipated benefits of the transaction. Words such as “anticipate,” “expect,” “project,” “intend,” “believe,” “will,” “estimates,” “may,” “could,” “should” and words and terms of similar substance used in connection with any discussion of future plans, actions or events identify forward-looking statements. Forward-looking statements contained in this presentation include, but are not limited to: our 2018 revenue and earnings guidance, statements about the benefits of the merger, including anticipated earnings accretion, synergies and cost savings and the timing thereof; the Company’s plans, objectives, expectations, projections and intentions; and other statements relating to the transaction that are not historical facts. 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, and important factors could cause actual events or results to differ materially from those indicated by such forward-looking statements. With respect to the merger, these risks, uncertainties and factors include, but are not limited to: the risk that the businesses will not be integrated successfully; the risk that the cost savings, synergies and growth from the transaction may not be fully realized or may take longer to realize than expected; the diversion of management time on integration-related issues; the risk that costs associated with the integration of the businesses are higher than anticipated; and litigation risks related to the transaction. With respect to the Company’s businesses, these risks, uncertainties and factors include, but are not limited to: changes in, or failure to comply with, existing government regulations that impact the Company’s businesses; legislative proposals for healthcare reform; the impact of changes in future interpretations of fraud, anti-kickback, or other laws; changes in Medicare and Medicaid reimbursement levels; changes in laws and regulations with respect to Accountable Care Organizations; changes in the marketplace and regulatory environment for Health Risk Assessments; decrease in demand for the Company’s services; the potential impact of the transaction on relationships with customers, joint venture and other partners, competitors, management and other employees, including the loss of significant contracts or reduction in revenues associated with major payor sources; ability of customers to pay for services; risks related to any current or future litigation proceedings; potential audits and investigations by government and regulatory agencies, including the impact of any negative publicity or litigation; the ability to attract new customers and retain existing customers in the manner anticipated; the ability to hire and retain key personnel; increased competition from other entities offering similar services as offered by the Company; reliance on and integration of information technology systems; ability to protect intellectual property rights; impact of security breaches, cyber-attacks or fraudulent activity on the Company’s reputation; the risks associated with assumptions the parties make in connection with the parties’ critical accounting estimates and legal proceedings; the risks associated with the Company’s expansion strategy, the successful integration of recent acquisitions, and if necessary, the ability to relocate or restructure current facilities; and the potential impact of an economic downturn or effects of tax assessments or tax positions taken, risks related to goodwill and other intangible asset impairment, tax adjustments, anticipated tax rates, benefit or retirement plan costs, or other regulatory compliance costs.

Many of these risks, uncertainties and assumptions are beyond the Company’s ability to control or predict. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the information currently available to the Company on the date they are made, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this presentation. The Company does not give any assurance (1) that the Company will achieve its guidance or expectations, or (2) concerning any result or the timing thereof. All subsequent written and oral forward-looking statements concerning the transaction or other matters and attributable to the Company or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

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.

Proven Value Creator Delivering on Accelerated Growth

Accelerated Growth with Multiple Levers

- ✓ Significant pipeline of joint ventures, extensions of existing relationships and tuck-in service line acquisitions expected to accelerate revenue growth
- ✓ Organic growth driven by industry leading quality and patient satisfaction
- ✓ Virtually untapped potential of co-location strategy and Healthcare Innovations business
- ✓ Low leverage providing flexibility to pursue further inorganic growth opportunities complemented by \$25 million of cost synergies in 2018 and 2019

National Platform Leading Industry Transformation

- ✓ Comprehensive in-home healthcare solution (Home Health, Hospice and Home and Community-Based Care)
- ✓ Scale and continuum of care enable emerging strategic relationships with providers and payors
- ✓ Integration across national platform is on track and leading to future growth and margin improvement
- ✓ Only national provider with a long track record of partnering with hospital and health systems – 76 JV's including 336 hospitals and counting

Favorable Environment for Growth In Home Healthcare

Evolving healthcare landscape benefits in-home healthcare

- **Transition to value-based reimbursement from fee-for-service**
- **Demand for highly coordinated care across home health, hospice, and home and community-based care**
- **Need for national scale**

Government focused on utilization in lower cost settings with higher quality and patient satisfaction

- **Home Health a proven lower cost option compared with other post-acute care providers**
- **Risk-bearing entities beginning to focus on total cost of post-acute care + CMS and MA plans interested in capitated bundle**
- **Higher quality scores lead to higher volumes and reimbursement levels**

Managed care interested in partnering

- **Reduces cost of care for patients with higher quality outcomes**
- **History of setting up ACOs for hospitals**





It's all about helping people.