



Supplemental Financial Disclosures 3Q20 Earnings Release

Tenet Healthcare Corporation
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3Q20 Earnings Release

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TENET HEALTHCARE CORPORATION

Consolidated Statements of Operations

(Unaudited)

(Dollars in millions except per share amounts)

	Three Months Ended			Nine Months Ended
	3/31/2020	6/30/2020	9/30/2020	9/30/2020
Net operating revenues	\$ 4,520	\$ 3,648	\$ 4,557	\$ 12,725
Grant income	—	511	(66)	445
Equity in earnings of unconsolidated affiliates	28	31	44	103
Operating expenses:				
Salaries, wages and benefits	2,187	1,864	2,142	6,193
Supplies	763	611	784	2,158
Other operating expenses, net	1,013	983	1,058	3,054
Depreciation and amortization	203	206	215	624
Impairment and restructuring charges, and acquisition-related costs	55	54	57	166
Litigation and investigation costs	2	2	9	13
Net gains on sales, consolidation and deconsolidation of facilities	(2)	(1)	(1)	(4)
Operating income	327	471	271	1,069
Interest expense	(243)	(255)	(263)	(761)
Other non-operating income, net	1	2	—	3
Loss from early extinguishment of debt	—	(4)	(312)	(316)
Income (loss) from continuing operations, before income taxes	85	214	(304)	(5)
Income tax benefit (expense)	75	(45)	197	227
Income (loss) from continuing operations, before discontinued operations	160	169	(107)	222
Discontinued operations:				
Income (loss) from operations	(1)	—	1	—
Income (loss) from discontinued operations	(1)	—	1	—
Net income (loss)	159	169	(106)	222
Less: Net income available to noncontrolling interests	66	81	90	237
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 93	\$ 88	\$ (196)	\$ (15)
Amounts available (attributable) to Tenet Healthcare Corporation common shareholders				
Income (loss) from continuing operations, net of tax	\$ 94	\$ 88	\$ (197)	\$ (15)
Income (loss) from discontinued operations, net of tax	(1)	—	1	—
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 93	\$ 88	\$ (196)	\$ (15)
Earnings (loss) per share available (attributable) to Tenet Healthcare Corporation common shareholders:				
Basic				
Continuing operations	\$ 0.90	\$ 0.84	\$ (1.87)	\$ (0.14)
Discontinued operations	(0.01)	—	0.01	—
	\$ 0.89	\$ 0.84	\$ (1.86)	\$ (0.14)
Diluted				
Continuing operations	\$ 0.89	\$ 0.83	\$ (1.87)	\$ (0.14)
Discontinued operations	(0.01)	—	0.01	—
	\$ 0.88	\$ 0.83	\$ (1.86)	\$ (0.14)
Weighted average shares and dilutive securities outstanding (in thousands):				
Basic	104,353	104,794	105,263	104,803
Diluted	105,733	105,578	105,263	104,803

TENET HEALTHCARE CORPORATION

Consolidated Statements of Operations

(Unaudited)

(Dollars in millions except per share amounts)

	Three Months Ended				Year Ended
	3/31/2019	6/30/2019	9/30/2019	12/31/2019	12/31/2019
Net operating revenues	\$ 4,545	\$ 4,560	\$ 4,568	\$ 4,806	\$ 18,479
Equity in earnings of unconsolidated affiliates	34	42	38	61	175
Operating expenses:					
Salaries, wages and benefits	2,151	2,145	2,172	2,230	8,698
Supplies	741	753	760	803	3,057
Other operating expenses, net	1,065	1,035	1,036	1,035	4,171
Depreciation and amortization	208	214	205	223	850
Impairment and restructuring charges, and acquisition-related costs	19	36	46	84	185
Litigation and investigation costs	13	18	84	26	141
Net losses on sales, consolidation and deconsolidation of facilities	1	1	1	12	15
Operating income	381	400	302	454	1,537
Interest expense	(251)	(247)	(244)	(243)	(985)
Other non-operating income (expense), net	1	(1)	(3)	(2)	(5)
Loss from early extinguishment of debt	(47)	—	(180)	—	(227)
Income (loss) from continuing operations, before income taxes	84	152	(125)	209	320
Income tax expense	(20)	(33)	(22)	(85)	(160)
Income (loss) from continuing operations, before discontinued operations	64	119	(147)	124	160
Discontinued operations:					
Income from operations	10	2	1	2	15
Income tax expense	(2)	—	—	(2)	(4)
Income from discontinued operations	8	2	1	—	11
Net income (loss)	72	121	(146)	124	171
Less: Net income available to noncontrolling interests	84	95	80	127	386
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ (12)	\$ 26	\$ (226)	\$ (3)	\$ (215)
Amounts available (attributable) to Tenet Healthcare Corporation common shareholders					
Income (loss) from continuing operations, net of tax	\$ (20)	\$ 24	\$ (227)	\$ (3)	\$ (226)
Income from discontinued operations, net of tax	8	2	1	—	11
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ (12)	\$ 26	\$ (226)	\$ (3)	\$ (215)
Earnings (loss) per share available (attributable) to Tenet Healthcare Corporation common shareholders:					
Basic					
Continuing operations	\$ (0.19)	\$ 0.23	\$ (2.19)	\$ (0.03)	\$ (2.19)
Discontinued operations	0.08	0.02	0.01	—	0.11
	\$ (0.11)	\$ 0.25	\$ (2.18)	\$ (0.03)	\$ (2.08)
Diluted					
Continuing operations	\$ (0.19)	\$ 0.23	\$ (2.19)	\$ (0.03)	\$ (2.19)
Discontinued operations	0.08	0.02	0.01	—	0.11
	\$ (0.11)	\$ 0.25	\$ (2.18)	\$ (0.03)	\$ (2.08)
Weighted average shares and dilutive securities outstanding (in thousands):					
Basic	102,788	103,198	103,558	104,048	103,398
Diluted	102,788	104,629	103,558	104,048	103,398

HOSPITAL OPERATIONS AND OTHER SEGMENT
Same-Hospital Growth (Decline) in Revenues and Volumes

	4Q18	FY 2018	1Q19	2Q19	3Q19	4Q19	FY 2019	1Q20	2Q20	3Q20
Net Patient Revenue	(1.3)%	3.6%	1.9%	5.7%	5.8%	5.2%	4.6%	(0.4)%	(20.2)%	(1.7)%
Adjusted Admissions	(0.8)%	—%	0.6%	2.2%	2.8%	1.9%	1.9%	(4.9)%	(27.3)%	(15.9)%
Revenue Per Adjusted Admission ⁽¹⁾	(0.6)%	3.6%	1.3%	3.4%	2.9%	3.2%	2.7%	4.7%	9.7%	16.9%
Inpatient Admissions	(2.7)%	(1.7)%	(0.1)%	3.3%	3.6%	2.6%	2.3%	(4.5)%	(20.3)%	(11.4)%
Outpatient Visits	(2.1)%	(0.9)%	(2.0)%	1.2%	1.6%	2.5%	0.9%	(4.2)%	(41.9)%	(16.2)%

Footnotes and other notations:

(1) Revenue per adjusted admissions growth after implicit price concessions/bad debt expense.

AMBULATORY CARE SEGMENT
Same-Facility System-Wide Growth (Decline) in Revenues and Volumes

	4Q18	FY 2018	1Q19	2Q19	3Q19	4Q19	FY 2019	1Q20	2Q20	3Q20
Surgical (ASCs & Surgical Hospitals) ⁽¹⁾										
Revenue	3.7%	4.9%	4.2%	5.2%	6.9%	7.3%	6.0%	(1.6)%	(28.2)%	6.3%
Cases	1.1%	2.1%	2.8%	2.6%	4.4%	3.4%	3.3%	(8.5)%	(41.6)%	(5.9)%
Revenue per case	2.6%	2.7%	1.4%	2.5%	2.5%	3.8%	2.6%	7.6%	22.9%	13.0%
Non-Surgical (Imaging & Urgent Care)										
Revenue	5.2%	9.9%	4.3%	8.0%	5.9%	10.2%	6.9%	(1.3)%	(27.1)%	11.6%
Visits	0.7%	5.4%	(1.8)%	4.2%	6.3%	9.7%	4.4%	1.8%	(20.9)%	8.2%
Revenue per visit	4.4%	4.2%	6.3%	3.6%	(0.4)%	0.5%	2.5%	(3.1)%	(7.9)%	3.1%
Ambulatory Segment Total										
Revenue	3.8%	5.1%	4.2%	5.3%	6.9%	7.4%	6.1%	(1.5)%	(28.2)%	6.5%
Cases	0.9%	3.4%	0.9%	3.2%	5.1%	5.7%	3.7%	(4.3)%	(33.7)%	(0.3)%
Revenue per case	2.8%	1.6%	3.3%	2.0%	1.7%	1.6%	2.2%	2.9%	8.2%	6.9%

Footnotes and other notations:

(1) Same-facility system-wide includes the results of both consolidated and unconsolidated facilities. Revenue growth and revenue per case growth is presented after implicit price concessions/bad debt expense.

AMBULATORY CARE SEGMENT
Growth (Decline) in Revenues, Adjusted EBITDA, Adjusted EBITDA less NCI

<i>\$ in millions</i>	4Q18	FY 2018	1Q19	2Q19	3Q19	4Q19	FY 2019	1Q20	2Q20	3Q20
Net operating revenues	\$554	\$2,085	\$480	\$524	\$522	\$632	\$2,158	\$490	\$368	\$565
Less: Aspen ⁽¹⁾	0	117	0	0	0	0	0	0	0	0
Net operating revenues excluding Aspen	\$554	\$1,968	\$480	\$524	\$522	\$632	\$2,158	\$490	\$368	\$565
Growth in net operating revenues excluding Aspen	10.6%	11.4%	6.9%	8.3%	8.5%	14.1%	9.7%	2.1 %	(29.8)%	8.2 %
Equity in earnings of unconsolidated affiliates	\$49	\$140	\$31	\$34	\$37	\$58	\$160	\$26	\$35	\$41
Adjusted EBITDA	\$245	\$792	\$177	\$207	\$207	\$304	\$895	\$156	\$167	\$215
Less: Aspen	0	16	0	0	0	0	0	0	0	0
Adjusted EBITDA excluding Aspen	\$245	\$776	\$177	\$207	\$207	\$304	\$895	\$156	\$167	\$215
Growth in Adjusted EBITDA excluding Aspen	12.4%	15.0%	12.0%	8.4%	13.7%	24.1%	15.3%	(11.9)%	(19.3)%	3.9 %
Adjusted EBITDA margin excluding Aspen	44.2%	39.4%	36.9%	39.5%	39.7%	48.1%	41.5%	31.8 %	45.4 %	38.1 %
Net income available to facility-level noncontrolling interests ⁽²⁾	\$94	\$288	\$65	\$75	\$73	\$114	\$327	\$56	\$61	\$77
Less: Aspen	0	0	0	0	0	0	0	0	0	0
Net income available to facility-level NCI excluding Aspen	\$94	\$288	\$65	\$75	\$73	\$114	\$327	\$56	\$61	\$77
Adjusted EBITDA less facility-level NCI excluding Aspen	\$151	\$488	\$112	\$132	\$134	\$190	\$568	\$100	\$106	\$138
Growth in Adjusted EBITDA less facility-level NCI excluding Aspen	7.1%	12.7%	9.8%	9.1%	17.5%	25.8%	16.4%	(10.7)%	(19.7)%	3.0 %
Net income available to Baylor and WCAS ⁽³⁾⁽⁴⁾	\$5	\$20	\$3	\$3	\$4	\$4	\$14	\$1	\$2	\$3
Adjusted EBITDA less NCI (after Baylor and WCAS-related NCI)	\$146	\$468	\$109	\$129	\$130	\$186	\$554	\$99	\$104	\$135
Growth in Adjusted EBITDA less NCI (after Baylor and WCAS-related NCI)⁽⁴⁾	11.5%	18.2%	16.0%	11.2%	16.1%	27.4%	18.4%	(9.2)%	(19.4)%	3.8 %

Footnotes:

- (1) Aspen was the Company's business in the United Kingdom which was divested in the third quarter of 2018.
- (2) Represents facility level noncontrolling interest expense prior to Tenet recording additional NCI expense related to Baylor University Medical Center's (Baylor) 5% ownership interest in USPI and Welsh, Carson, Anderson & Stowe's (WCAS) FY 2018 ownership in the USPI joint venture.
- (3) The amount labeled as net income available to Baylor and WCAS represents noncontrolling interest expense for FY 2019 and 1Q20 and 2Q20 related to Baylor's and, for FY 2018, Baylor's and WCAS's ownership interest in the USPI joint venture; neither Tenet nor USPI intend to make cash distributions to Baylor.
- (4) (i) During 3Q19, Baylor-related NCI was less than \$1 million but would have been \$4 million excluding charges not included in Adjusted EBITDA; (ii) the growth rate for 4Q18 compares to Baylor and WCAS-related NCI of \$10 million in 4Q17 (versus actual of \$33 million) since the \$10 million excludes gains and charges not included in Adjusted EBITDA, primarily \$22 million related to the reduction of USPI's deferred tax liabilities as a result of the reduction in the corporate tax rate; (iii) the growth rate for FY 2018 compares to Baylor and WCAS-related NCI of \$37 million (versus actual of \$60 million) since the \$37 million excludes gains and charges not included in Adjusted EBITDA.

BUSINESS SEGMENTS
Revenues and EBITDA by Quarter

<i>\$ in millions</i>	4Q18	FY 2018	1Q19	2Q19	3Q19	4Q19	FY 2019	1Q20	2Q20	3Q20
HOSPITAL OPERATIONS AND OTHER										
Net operating revenues ⁽¹⁾	\$3,843	\$15,271	\$3,862	\$3,826	\$3,850	\$3,983	\$15,521	\$3,834	\$3,088	\$3,803
EBITDA	\$359	\$1,401	\$347	\$359	\$342	\$401	\$1,449	\$342	\$492	\$240
EBITDA margin	9.3 %	9.2 %	9.0 %	9.4 %	8.9 %	10.1 %	9.3 %	8.9 %	15.9 %	6.3 %
AMBULATORY CARE										
Net operating revenues ⁽¹⁾	\$554	\$2,085	\$480	\$524	\$522	\$632	\$2,158	\$490	\$368	\$565
EBITDA	\$245	\$792	\$177	\$207	\$207	\$304	\$895	\$156	\$167	\$215
EBITDA margin	44.2%	38.0%	36.9%	39.5%	39.7%	48.1%	41.5%	31.8 %	45.4 %	38.1 %
CONIFER										
Net operating revenues ⁽¹⁾	\$372	\$1,533	\$349	\$355	\$336	\$332	\$1,372	\$332	\$305	\$325
<i>Percent from Tenet</i>	40.3 %	38.5 %	41.8 %	41.1 %	41.7 %	42.5 %	41.8 %	41.0 %	37.0 %	41.8 %
<i>Percent from other clients</i>	59.7 %	61.5 %	58.2 %	58.9 %	58.3 %	57.5 %	58.2 %	59.0 %	63.0 %	58.2 %
EBITDA	\$87	\$357	\$99	\$103	\$90	\$94	\$386	\$87	\$73	\$96
EBITDA margin	23.4%	23.3%	28.4%	29.0%	26.8%	28.3%	28.1%	26.2 %	23.9 %	29.5 %
Less: Inter-segment eliminations from revenue	\$(150)	\$(590)	\$(146)	\$(146)	\$(140)	\$(141)	\$(573)	\$(136)	\$(113)	\$(136)
TOTAL, as reported in each period										
Net operating revenues ⁽¹⁾	\$4,619	\$18,299	\$4,545	\$4,559	\$4,568	\$4,806	\$18,478	\$4,520	\$3,648	\$4,557
EBITDA	\$691	\$2,550	\$623	\$669	\$639	\$799	\$2,730	\$585	\$732	\$551
EBITDA margin	15.0 %	13.9 %	13.7 %	14.7 %	14.0 %	16.6 %	14.8 %	12.9 %	20.1 %	12.1 %

Footnotes:

(1) Net operating revenues after implicit price concessions/bad debt.

**AMBULATORY CARE SEGMENT
STATEMENTS OF OPERATIONS
GAAP and Unconsolidated Affiliates**

(Unaudited)

(Dollars in millions)

	Three Months Ended September 30,			
	2020		2019	
	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates
Net operating revenues⁽¹⁾	\$ 565	\$ 697	\$ 522	\$ 622
Grant income	(9)	(13)	—	—
Equity in earnings of unconsolidated affiliates⁽²⁾	41	—	37	—
Operating expenses:				
Salaries, wages and benefits	157	167	157	159
Supplies	128	185	109	160
Other operating expenses, net	97	137	86	120
Depreciation and amortization	21	20	19	20
Litigation and investigation costs	2	—	68	—
Impairment and restructuring charges, and acquisition-related costs	2	—	7	(2)
Net losses (gains) on sales, consolidation and deconsolidation of facilities	(1)	—	1	1
Operating income	191	175	112	164
Interest expense	(33)	(6)	(31)	(6)
Other non-operating income, net	5	—	3	—
Income from continuing operations, before income taxes	163	169	84	158
Income tax expense	(20)	(2)	(13)	(2)
Net income	143	\$ 167	71	\$ 156
Less: Net income available to noncontrolling interests	80		73	
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 63		\$ (2)	
Equity in earnings of unconsolidated affiliates		\$ 41		\$ 37

Footnotes:

- (1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment increased 6.5% during the three months ended September 30, 2020, with cases decreasing 0.3% and revenue per case increasing 6.9%.
- (2) At September 30, 2020, 108 of the 352 facilities in the Company's Ambulatory segment were not consolidated based on the nature of the segment's joint venture relationships with physicians and prominent healthcare systems. Although revenues of the segment's unconsolidated facilities are not recorded as revenues by the Company, equity in earnings of unconsolidated affiliates is nonetheless a significant portion of the Company's overall earnings. To help analyze results of operations, management also uses system-wide operating measures such as system-wide revenue growth, which includes revenues of both consolidated and unconsolidated facilities. We control our remaining 244 facilities and account for these investments as consolidated subsidiaries.

**AMBULATORY CARE SEGMENT
STATEMENTS OF OPERATIONS
GAAP and Unconsolidated Affiliates**

(Unaudited)

(Dollars in millions)

	Nine Months Ended September 30,			
	2020		2019	
	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates
Net operating revenues⁽¹⁾	\$ 1,423	\$ 1,731	\$ 1,526	\$ 1,809
Grant income	28	36	—	—
Equity in earnings of unconsolidated affiliates⁽²⁾	102	1	102	—
Operating expenses:				
Salaries, wages and benefits	438	443	467	462
Supplies	319	458	316	470
Other operating expenses, net	258	369	254	377
Depreciation and amortization	60	61	55	62
Litigation and investigation costs	(1)	—	68	—
Impairment and restructuring charges, and acquisition-related costs	33	—	12	(2)
Net losses (gains) on sales, consolidation and deconsolidation of facilities	(12)	—	(2)	(25)
Operating income	458	437	458	465
Interest expense	(95)	(17)	(94)	(19)
Other non-operating income, net	13	—	9	6
Income from continuing operations, before income taxes	376	420	373	452
Income tax expense	(47)	(6)	(48)	(6)
Net Income	329	\$ 414	325	\$ 446
Less: Net income available to noncontrolling interests	200		219	
Net income available to Tenet Healthcare Corporation common shareholders	\$ 129		\$ 106	
Equity in earnings of unconsolidated affiliates		\$ 102		\$ 102

Footnotes:

- (1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment decreased 7.8% during the nine months ended September 30, 2020, with cases decreasing 12.9% and revenue per case increasing 5.9%.
- (2) At September 30, 2020, 108 of the 352 facilities in the Company's Ambulatory segment were not consolidated based on the nature of the segment's joint venture relationships with physicians and prominent healthcare systems. Although revenues of the segment's unconsolidated facilities are not recorded as revenues by the Company, equity in earnings of unconsolidated affiliates is nonetheless a significant portion of the Company's overall earnings. To help analyze results of operations, management also uses system-wide operating measures such as system-wide revenue growth, which includes revenues of both consolidated and unconsolidated facilities. We control our remaining 244 facilities and account for these investments as consolidated subsidiaries.

HOSPITAL OPERATIONS AND OTHER SEGMENT

Selected Statistics Continuing Total Hospitals⁽¹⁾ (Unaudited)

(Dollars in millions except per adjusted patient day and per adjusted admission amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Change	2020	2019	Change
Admissions, Patient Days and Surgeries						
Number of hospitals (at end of period)	65	65	— *	65	65	— *
Total admissions	150,690	170,004	(11.4)%	451,323	514,082	(12.2)%
Adjusted patient admissions	257,704	306,535	(15.9)%	769,775	918,734	(16.2)%
Paying admissions (excludes charity and uninsured)	141,300	159,299	(11.3)%	422,912	483,220	(12.5)%
Charity and uninsured admissions	9,390	10,705	(12.3)%	28,411	30,862	(7.9)%
Admissions through emergency department	112,131	120,915	(7.3)%	332,615	368,082	(9.6)%
Paying admissions as a percentage of total admissions	93.8 %	93.7 %	0.1 % *	93.7 %	94.0 %	(0.3)% *
Charity and uninsured admissions as a percentage of total admissions	6.2 %	6.3 %	(0.1)% *	6.3 %	6.0 %	0.3 % *
Emergency department admissions as a percentage of total admissions	74.4 %	71.1 %	3.3 % *	73.7 %	71.6 %	2.1 % *
Surgeries — inpatient	39,650	45,637	(13.1)%	116,585	135,073	(13.7)%
Surgeries — outpatient	54,478	60,099	(9.4)%	146,617	179,253	(18.2)%
Total surgeries	94,128	105,736	(11.0)%	263,202	314,326	(16.3)%
Patient days — total	784,013	782,643	0.2 %	2,282,375	2,392,304	(4.6)%
Adjusted patient days	1,302,605	1,381,862	(5.7)%	3,782,576	4,189,961	(9.7)%
Average length of stay (days)	5.20	4.60	13.0 %	5.06	4.65	8.8 %
Licensed beds (at end of period)	17,242	17,206	0.2 %	17,242	17,206	0.2 %
Average licensed beds	17,242	17,208	0.2 %	17,226	17,295	(0.4)%
Utilization of licensed beds	49.4 %	49.4 %	— % *	48.4 %	50.7 %	(2.3)% *
Outpatient Visits						
Total visits	1,402,346	1,673,801	(16.2)%	4,002,194	5,081,998	(21.2)%
Paying visits (excludes charity and uninsured)	1,302,529	1,562,007	(16.6)%	3,710,264	4,747,249	(21.8)%
Charity and uninsured visits	99,817	111,794	(10.7)%	291,930	334,749	(12.8)%
Emergency department visits	463,836	627,055	(26.0)%	1,493,156	1,921,611	(22.3)%
Paying visits as a percentage of total visits	92.9 %	93.3 %	(0.4)% *	92.7 %	93.4 %	(0.7)% *
Charity and uninsured visits as a percentage of total visits	7.1 %	6.7 %	0.4 % *	7.3 %	6.6 %	0.7 % *
Total emergency department admissions and visits	575,967	747,970	(23.0)%	1,825,771	2,289,693	(20.3)%
Revenues						
Net patient service revenues⁽²⁾	\$ 3,508	\$ 3,566	(1.6)%	\$ 9,877	\$ 10,695	(7.6)%
Revenues Per Adjusted Patient Admission and Per Adjusted Patient Day Basis						
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 13,613	\$ 11,633	17.0 %	\$ 12,831	\$ 11,641	10.2 %
Net patient service revenue ⁽²⁾ per adjusted patient day	\$ 2,693	\$ 2,581	4.3 %	\$ 2,611	\$ 2,553	2.3 %
Total selected operating expenses (salaries, wages and benefits, supplies and other operating expenses) per adjusted patient admission	\$ 13,087	\$ 10,993	19.0 %	\$ 12,581	\$ 10,962	14.8 %
Net patient service revenues⁽²⁾ from:						
Medicare	18.9 %	19.6 %	(0.7)% *	19.9 %	20.4 %	(0.5)% *
Medicaid	7.1 %	8.0 %	(0.9)% *	8.0 %	8.6 %	(0.6)% *
Managed care	67.7 %	66.1 %	1.6 % *	66.0 %	65.8 %	0.2 % *
Uninsured	1.4 %	1.2 %	0.2 % *	1.1 %	0.5 %	0.6 % *
Indemnity and other	4.9 %	5.1 %	(0.2)% *	5.0 %	4.7 %	0.3 % *

Footnotes and other notations:

(1) Represents the consolidated results of Tenet's acute care hospitals and related outpatient facilities included in the Hospital Operations and other segment.

(2) Less implicit price concessions/bad debt expense.

* This change is the difference between the 2020 and 2019 amounts shown.

HOSPITAL OPERATIONS AND OTHER SEGMENT
Selected Statistics
Continuing Total Hospitals⁽¹⁾
(Unaudited)

	Three Months Ended		
	3/31/2020	6/30/2020	9/30/2020
<i>(Dollars in millions except per adjusted patient day and per adjusted admission amounts)</i>			
Admissions, Patient Days and Surgeries			
Number of hospitals (at end of period)	65	65	65
Total admissions	165,735	134,898	150,690
Adjusted patient admissions	290,912	221,159	257,704
Paying admissions (excludes charity and uninsured)	155,820	125,792	141,300
Charity and uninsured admissions	9,915	9,106	9,390
Admissions through emergency department	122,291	98,193	112,131
Paying admissions as a percentage of total admissions	94.0 %	93.2 %	93.8 %
Charity and uninsured admissions as a percentage of total admissions	6.0 %	6.8 %	6.2 %
Emergency department admissions as a percentage of total admissions	73.8 %	72.8 %	74.4 %
Surgeries — inpatient	41,962	34,973	39,650
Surgeries — outpatient	53,390	38,749	54,478
Total surgeries	95,352	73,722	94,128
Patient days — total	810,479	687,883	784,013
Adjusted patient days	1,385,763	1,094,208	1,302,605
Average length of stay (days)	4.89	5.10	5.20
Licensed beds (at end of period)	17,219	17,219	17,242
Average licensed beds	17,218	17,219	17,242
Utilization of licensed beds	51.7 %	43.9 %	49.4 %
Outpatient Visits			
Total visits	1,616,527	983,321	1,402,346
Paying visits (excludes charity and uninsured)	1,499,538	908,197	1,302,529
Charity and uninsured visits	116,989	75,124	99,817
Emergency department visits	641,282	388,038	463,836
Paying visits as a percentage of total visits	92.8 %	92.4 %	92.9 %
Charity and uninsured visits as a percentage of total visits	7.2 %	7.6 %	7.1 %
Total emergency department admissions and visits	763,573	486,231	575,967
Revenues			
Net patient service revenues ⁽²⁾	\$ 3,540	\$ 2,829	\$ 3,508
Revenues Per Adjusted Patient Admission and Per Adjusted Patient Day Basis			
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 12,169	\$ 12,792	\$ 13,613
Net patient service revenue ⁽²⁾ per adjusted patient day	\$ 2,555	\$ 2,585	\$ 2,693
Total selected operating expenses (salaries, wages and benefits, supplies and other operating expenses) per adjusted patient admission			
	\$ 11,544	\$ 13,354	\$ 13,087
Net patient service revenues⁽²⁾ from:			
Medicare	19.9 %	21.1 %	18.9 %
Medicaid	7.9 %	9.2 %	7.1 %
Managed care	65.6 %	64.5 %	67.7 %
Uninsured	1.1 %	0.8 %	1.4 %
Indemnity and other	5.5 %	4.4 %	4.9 %

Footnotes:

(1) Represents the consolidated results of Tenet's acute care hospitals and related outpatient facilities included in the Hospital Operations and other segment.

(2) Less implicit price concessions/bad debt expense.

HOSPITAL OPERATIONS AND OTHER SEGMENT
Selected Statistics
Continuing Total Hospitals⁽¹⁾
(Unaudited)

<i>(Dollars in millions except per adjusted patient day and per adjusted admission amounts)</i>	Three Months Ended			
	3/31/2019	6/30/2019	9/30/2019	12/31/2019
Admissions, Patient Days and Surgeries				
Number of hospitals (at end of period)	65	65	65	65
Total admissions	174,726	169,352	170,004	170,815
Adjusted patient admissions	308,133	304,066	306,535	306,384
Paying admissions (excludes charity and uninsured)	164,793	159,128	159,299	160,244
Charity and uninsured admissions	9,933	10,224	10,705	10,571
Admissions through emergency department	126,079	121,088	120,915	122,339
Paying admissions as a percentage of total admissions	94.3 %	94.0 %	93.7 %	93.8 %
Charity and uninsured admissions as a percentage of total admissions	5.7 %	6.0 %	6.3 %	6.2 %
Emergency department admissions as a percentage of total admissions	72.2 %	71.5 %	71.1 %	71.6 %
Surgeries — inpatient	44,795	44,641	45,637	45,109
Surgeries — outpatient	58,218	60,936	60,099	61,290
Total surgeries	103,013	105,577	105,736	106,399
Patient days — total	822,079	787,582	782,643	796,239
Adjusted patient days	1,420,170	1,387,929	1,381,862	1,394,191
Average length of stay (days)	4.70	4.65	4.60	4.66
Licensed beds (at end of period)	17,221	17,221	17,206	17,210
Average licensed beds	17,455	17,221	17,208	17,211
Utilization of licensed beds	52.3 %	50.3 %	49.4 %	50.3 %
Outpatient Visits				
Total visits	1,714,392	1,693,805	1,673,801	1,700,696
Paying visits (excludes charity and uninsured)	1,603,712	1,581,530	1,562,007	1,586,704
Charity and uninsured visits	110,680	112,275	111,794	113,992
Emergency department visits	657,449	637,107	627,055	645,791
Paying visits as a percentage of total visits	93.5 %	93.4 %	93.3 %	93.3 %
Charity and uninsured visits as a percentage of total visits	6.5 %	6.6 %	6.7 %	6.7 %
Total emergency department admissions and visits	783,528	758,195	747,970	768,130
Revenues				
Net patient service revenues ⁽²⁾	\$ 3,582	\$ 3,547	\$ 3,566	\$ 3,673
Revenues Per Adjusted Patient Admission and Per Adjusted Patient Day Basis				
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 11,625	\$ 11,665	\$ 11,633	\$ 11,988
Net patient service revenue ⁽²⁾ per adjusted patient day	\$ 2,522	\$ 2,556	\$ 2,581	\$ 2,635
Total selected operating expenses (salaries, wages and benefits, supplies and other operating expenses) per adjusted patient admission	\$ 10,945	\$ 10,947	\$ 10,993	\$ 11,231
Net patient service revenues⁽²⁾ from:				
Medicare	21.2 %	20.3 %	19.6 %	19.4 %
Medicaid	8.8 %	8.9 %	8.0 %	7.6 %
Managed care	65.7 %	65.7 %	66.1 %	67.4 %
Uninsured	— %	0.3 %	1.2 %	1.0 %
Indemnity and other	4.3 %	4.8 %	5.1 %	4.6 %

Footnotes:

(1) Represents the consolidated results of Tenet's acute care hospitals and related outpatient facilities included in the Hospital Operations and other segment.

(2) Less implicit price concessions/bad debt expense.

HOSPITAL OPERATIONS AND OTHER SEGMENT
Selected Statistics
Continuing Same Hospitals⁽¹⁾
(Unaudited)

(Dollars in millions except per adjusted patient day and per adjusted admission amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Change	2020	2019	Change
Admissions, Patient Days and Surgeries						
Number of hospitals (at end of period)	65	65	— *	65	65	— *
Total admissions	150,690	170,004	(11.4)%	451,323	512,826	(12.0)%
Adjusted patient admissions	257,704	306,535	(15.9)%	769,775	916,472	(16.0)%
Paying admissions (excludes charity and uninsured)	141,300	159,300	(11.3)%	422,912	482,061	(12.3)%
Charity and uninsured admissions	9,390	10,704	(12.3)%	28,411	30,765	(7.7)%
Admissions through emergency department	112,131	120,915	(7.3)%	332,615	367,231	(9.4)%
Paying admissions as a percentage of total admissions	93.8 %	93.7 %	0.1 % *	93.7 %	94.0 %	(0.3)% *
Charity and uninsured admissions as a percentage of total admissions	6.2 %	6.3 %	(0.1)% *	6.3 %	6.0 %	0.3 % *
Emergency department admissions as a percentage of total admissions	74.4 %	71.1 %	3.3 % *	73.7 %	71.6 %	2.1 % *
Surgeries — inpatient	39,650	45,637	(13.1)%	116,585	134,831	(13.5)%
Surgeries — outpatient	54,478	60,099	(9.4)%	146,617	178,931	(18.1)%
Total surgeries	94,128	105,736	(11.0)%	263,202	313,762	(16.1)%
Patient days — total	784,013	782,643	0.2 %	2,282,375	2,385,554	(4.3)%
Adjusted patient days	1,302,605	1,381,862	(5.7)%	3,782,576	4,177,844	(9.5)%
Average length of stay (days)	5.20	4.60	13.0 %	5.06	4.65	8.8 %
Licensed beds (at end of period)	17,242	17,206	0.2 %	17,242	17,206	0.2 %
Average licensed beds	17,242	17,208	0.2 %	17,226	17,217	0.1 %
Utilization of licensed beds	49.4 %	49.4 %	— % *	48.4 %	50.8 %	(2.4)% *
Outpatient Visits						
Total visits	1,402,346	1,673,801	(16.2)%	4,002,194	5,054,470	(20.8)%
Paying visits (excludes charity and uninsured)	1,302,562	1,562,010	(16.6)%	3,710,299	4,721,200	(21.4)%
Charity and uninsured visits	99,784	111,791	(10.7)%	291,895	333,270	(12.4)%
Emergency department visits	463,836	627,055	(26.0)%	1,493,156	1,916,014	(22.1)%
Paying visits as a percentage of total visits	92.9 %	93.3 %	(0.4)% *	92.7 %	93.4 %	(0.7)% *
Charity and uninsured visits as a percentage of total visits	7.1 %	6.7 %	0.4 % *	7.3 %	6.6 %	0.7 % *
Total emergency department admissions and visits	575,967	747,970	(23.0)%	1,825,771	2,283,245	(20.0)%
Revenues						
Net patient service revenues ⁽²⁾	\$ 3,502	\$ 3,562	(1.7)%	\$ 9,874	\$ 10,666	(7.4)%
Revenues Per Adjusted Patient Admission and Per Adjusted Patient Day Basis						
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 13,589	\$ 11,620	16.9 %	\$ 12,827	\$ 11,638	10.2 %
Net patient service revenue ⁽²⁾ per adjusted patient day	\$ 2,688	\$ 2,578	4.3 %	\$ 2,610	\$ 2,553	2.2 %
Net patient service revenues⁽²⁾ from:						
Medicare	18.8 %	19.5 %	(0.7)% *	19.8 %	20.2 %	(0.4)% *
Medicaid	7.2 %	8.0 %	(0.8)% *	8.0 %	8.6 %	(0.6)% *
Managed care	67.8 %	66.2 %	1.6 % *	66.1 %	65.9 %	0.2 % *
Uninsured	1.4 %	1.2 %	0.2 % *	1.1 %	0.5 %	0.6 % *
Indemnity and other	4.8 %	5.1 %	(0.3)% *	5.0 %	4.8 %	0.2 % *

Footnotes and other notations:

(1) Information for our Hospital Operations and other segment is presented on a same-hospital basis, which includes the results of our same 65 hospitals operated throughout the nine months ended September 30, 2020 and 2019, and associated outpatient facilities but excludes the results of hospitals that Tenet divested since January 1, 2019.

(2) Less implicit price concessions/bad debt expense.

* This change is the difference between the 2020 and 2019 amounts shown

HOSPITAL OPERATIONS AND OTHER SEGMENT

Selected Statistics Continuing Same Hospitals⁽¹⁾

(Unaudited)

<i>(Dollars in millions except per adjusted patient day and per adjusted admission amounts)</i>	Three Months Ended		
	3/31/2020	6/30/2020	9/30/2020
Admissions, Patient Days and Surgeries			
Number of hospitals (at end of period)	65	65	65
Total admissions	165,735	134,898	150,690
Adjusted patient admissions	290,912	221,159	257,704
Paying admissions (excludes charity and uninsured)	155,820	125,792	141,300
Charity and uninsured admissions	9,915	9,106	9,390
Admissions through emergency department	122,291	98,193	112,131
Paying admissions as a percentage of total admissions	94.0 %	93.2 %	93.8 %
Charity and uninsured admissions as a percentage of total admissions	6.0 %	6.8 %	6.2 %
Emergency department admissions as a percentage of total admissions	73.8 %	72.8 %	74.4 %
Surgeries — inpatient	41,962	34,973	39,650
Surgeries — outpatient	53,390	38,749	54,478
Total surgeries	95,352	73,722	94,128
Patient days — total	810,479	687,883	784,013
Adjusted patient days	1,385,763	1,094,208	1,302,605
Average length of stay (days)	4.89	5.10	5.20
Licensed beds (at end of period)	17,219	17,219	17,242
Average licensed beds	17,218	17,219	17,242
Utilization of licensed beds	51.7 %	43.9 %	49.4 %
Outpatient Visits			
Total visits	1,616,527	983,321	1,402,346
Paying visits (excludes charity and uninsured)	1,499,540	908,197	1,302,562
Charity and uninsured visits	116,987	75,124	99,784
Emergency department visits	641,282	388,038	463,836
Paying visits as a percentage of total visits	92.8 %	92.4 %	92.9 %
Charity and uninsured visits as a percentage of total visits	7.2 %	7.6 %	7.1 %
Total emergency department admissions and visits	763,573	486,231	575,967
Revenues			
Net patient service revenues ⁽²⁾	\$ 3,542	\$ 2,830	\$ 3,502
Revenues Per Adjusted Patient Admission and Per Adjusted Patient Day Basis			
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 12,176	\$ 12,796	\$ 13,589
Net patient service revenue ⁽²⁾ per adjusted patient day	\$ 2,556	\$ 2,586	\$ 2,688
Net patient service revenues⁽²⁾ from:			
Medicare	19.9 %	21.1 %	18.8 %
Medicaid	7.9 %	9.1 %	7.2 %
Managed care	65.6 %	64.5 %	67.8 %
Uninsured	1.1 %	0.8 %	1.4 %
Indemnity and other	5.5 %	4.5 %	4.8 %

Footnotes:

(1) Information for our Hospital Operations and other segment is presented on a same-hospital basis, which includes the results of our same 65 hospitals operated throughout the nine months ended September 30, 2020 and 2019, and associated outpatient facilities but excludes the results of hospitals that Tenet divested since January 1, 2019.

(2) Less implicit price concessions/bad debt expense.

HOSPITAL OPERATIONS AND OTHER SEGMENT

Selected Statistics Continuing Same Hospitals⁽¹⁾

(Unaudited)

	Three Months Ended			
	3/31/2019	6/30/2019	9/30/2019	12/31/2019
<i>(Dollars in millions except per adjusted patient day and per adjusted admission amounts)</i>				
Admissions, Patient Days and Surgeries				
Number of hospitals (at end of period)	65	65	65	65
Total admissions	173,470	169,352	170,004	170,815
Adjusted patient admissions	305,871	304,066	306,535	306,384
Paying admissions (excludes charity and uninsured)	163,632	159,129	159,300	160,242
Charity and uninsured admissions	9,838	10,223	10,704	10,573
Admissions through emergency department	125,228	121,088	120,915	122,339
Paying admissions as a percentage of total admissions	94.3 %	94.0 %	93.7 %	93.8 %
Charity and uninsured admissions as a percentage of total admissions	5.7 %	6.0 %	6.3 %	6.2 %
Emergency department admissions as a percentage of total admissions	72.2 %	71.5 %	71.1 %	71.6 %
Surgeries — inpatient	44,553	44,641	45,637	45,109
Surgeries — outpatient	57,896	60,936	60,099	61,290
Total surgeries	102,449	105,577	105,736	106,399
Patient days — total	815,329	787,582	782,643	796,239
Adjusted patient days	1,408,053	1,387,929	1,381,862	1,394,191
Average length of stay (days)	4.70	4.65	4.60	4.66
Licensed beds (at end of period)	17,221	17,221	17,206	17,210
Average licensed beds	17,221	17,221	17,208	17,211
Utilization of licensed beds	52.6 %	50.3 %	49.4 %	50.3 %
Outpatient Visits				
Total visits	1,686,864	1,693,805	1,673,801	1,700,696
Paying visits (excludes charity and uninsured)	1,577,635	1,581,555	1,562,010	1,586,707
Charity and uninsured visits	109,229	112,250	111,791	113,989
Emergency department visits	651,852	637,107	627,055	645,791
Paying visits as a percentage of total visits	93.5 %	93.4 %	93.3 %	93.3 %
Charity and uninsured visits as a percentage of total visits	6.5 %	6.6 %	6.7 %	6.7 %
Total emergency department admissions and visits	777,080	758,195	747,970	768,130
Revenues				
Net patient service revenues ⁽²⁾	\$ 3,557	\$ 3,547	\$ 3,562	\$ 3,673
Revenues Per Adjusted Patient Admission and Per Adjusted Patient Day Basis				
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 11,629	\$ 11,665	\$ 11,620	\$ 11,988
Net patient service revenue ⁽²⁾ per adjusted patient day	\$ 2,526	\$ 2,556	\$ 2,578	\$ 2,635
Net patient service revenues⁽²⁾ from:				
Medicare	21.0 %	20.3 %	19.5 %	19.4 %
Medicaid	8.8 %	8.9 %	8.0 %	7.6 %
Managed care	65.9 %	65.7 %	66.2 %	67.4 %
Uninsured	— %	0.3 %	1.2 %	1.0 %
Indemnity and other	4.3 %	4.8 %	5.1 %	4.6 %

(1) Information for our Hospital Operations and other segment is presented on a same-hospital basis, which includes the results of our same 65 hospitals operated throughout the nine months ended September 30, 2020 and 2019, and associated outpatient facilities but excludes the results of hospitals that Tenet divested since January 1, 2019.

(2) Less implicit price concessions/bad debt expense.

UNCOMPENSATED CARE TRENDS

Revenue Recognition Accounting Rules and Uncompensated Care

- a. Effective January 1, 2018, Tenet adopted FASB ASU 2014-09 using a modified retrospective method of application. Under ASU 2014-09, the estimated uncollectible amounts due from uninsured and underinsured patients are now generally considered implicit price concessions that are a direct reduction to net operating revenues.

\$ in millions	4Q18	FY 2018	1Q19	2Q19	3Q19	4Q19	FY 2019	1Q20	2Q20	3Q20
Net Revenue before bad debt and implicit price concessions	\$4,985	\$19,731	\$4,909	\$4,892	\$4,890	\$5,102	\$19,793	\$4,880	\$3,931	\$4,858
Bad Debt Expense and implicit price concessions	\$366	\$1,418	\$364	\$332	\$322	\$296	\$1,314	\$360	\$283	\$301
<i>% of revenue before bad debt</i>	7.3%	7.2%	7.4%	6.8%	6.6%	5.8%	6.6%	7.4 %	7.2 %	6.2 %
<i>% of adjusted revenue ⁽¹⁾</i>	5.9%	5.9%	6.0%	5.3%	5.2%	4.5%	5.2%	5.7 %	5.5 %	4.8 %
Charity Care Write-Offs	\$207	\$852	\$235	\$281	\$273	\$281	\$1,070	\$306	\$293	\$215
<i>% of adjusted revenue ⁽¹⁾</i>	3.4%	3.5%	3.9%	4.5%	4.4%	4.3%	4.3%	4.9 %	5.7 %	3.5 %
Uninsured Discounts	\$971	\$3,491	\$937	\$1,059	\$1,068	\$1,167	\$4,231	\$1,094	\$915	\$1,134
<i>% of adjusted revenue ⁽¹⁾</i>	15.8%	14.5%	15.4%	17.0%	17.1%	17.8%	16.9%	17.4 %	17.8 %	18.3 %
Uncompensated Care ⁽²⁾	\$1,544	\$5,761	\$1,536	\$1,672	\$1,663	\$1,744	\$6,615	\$1,760	\$1,491	\$1,650
Uncompensated Care Percentage ⁽³⁾	25.1%	23.9%	25.3%	26.8%	26.7%	26.6%	26.4%	28.0 %	29.0 %	26.6 %

Footnotes:

(1) Adjusted Revenue equals the sum of: (a) Net operating revenues before provision for doubtful accounts and implicit price concessions, (b) Charity Care Write-Offs, and (c) Uninsured Discounts.

(2) Uncompensated Care equals the sum of: (a) Bad debt and implicit price concessions, (b) Charity Care Write-Offs, and (c) Uninsured Discounts.

(3) The Uncompensated Care Percentage equals: (a) Uncompensated Care, divided by (b) Adjusted Revenue.

TENET HEALTHCARE CORPORATION
Additional Supplemental Non-GAAP disclosures

**Table #1 – Reconciliations of Net Income Available (Loss Attributable) to
Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income Available
from Continuing Operations to Common Shareholders for 2020**

(Unaudited)

(Dollars in millions except per share amounts)

	2020			
	1st Qtr	2nd Qtr	3rd Qtr	YTD
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 93	\$ 88	\$ (196)	\$ (15)
Net income (loss) from discontinued operations	(1)	—	1	—
Net income (loss) from continuing operations	94	88	(197)	(15)
Less: Impairment and restructuring charges, and acquisition-related costs	(55)	(54)	(57)	(166)
Litigation and investigation costs	(2)	(2)	(9)	(13)
Net gains on sales, consolidation and deconsolidation of facilities	2	1	1	4
Loss from early extinguishment of debt	—	(4)	(312)	(316)
Tax impact of above items	14	14	112	140
Adjusted net income available from continuing operations to common shareholders	\$ 135	\$ 133	\$ 68	\$ 336
Diluted earnings (loss) per share from continuing operations	\$ 0.89	\$ 0.83	\$ (1.87)	\$ (0.14)
Less: Impairment and restructuring charges, and acquisition-related costs	(0.52)	(0.51)	(0.54)	(1.57)
Litigation and investigation costs	(0.02)	(0.02)	(0.08)	(0.12)
Net gains on sales, consolidation and deconsolidation of facilities	0.02	0.01	0.01	0.04
Loss from early extinguishment of debt	—	(0.04)	(2.93)	(2.98)
Tax impact of above items	0.13	0.13	1.05	1.32
Adjusted diluted earnings per share from continuing operations	\$ 1.28	\$ 1.26	\$ 0.64	\$ 3.17
Weighted average basic shares outstanding (in thousands)	104,353	104,794	105,263	104,803
Weighted average dilutive shares outstanding (in thousands)	105,733	105,578	106,503	105,938

TENET HEALTHCARE CORPORATION
Additional Supplemental Non-GAAP disclosures

**Table #1 – Reconciliations of Net Income Available (Loss Attributable) to
Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income Available
from Continuing Operations to Common Shareholders for 2019**

(Unaudited)

(Dollars in millions except per share amounts)

	2019				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ (12)	\$ 26	\$ (226)	\$ (3)	\$ (215)
Net income from discontinued operations	8	2	1	—	11
Net income (loss) from continuing operations	(20)	24	(227)	(3)	(226)
Less: Impairment and restructuring charges, and acquisition-related costs	(19)	(36)	(46)	(84)	(185)
Litigation and investigation costs	(13)	(18)	(84)	(26)	(141)
Net losses on sales, consolidation and deconsolidation of facilities	(1)	(1)	(1)	(12)	(15)
Loss from early extinguishment of debt	(47)	—	(180)	—	(227)
Loss from divested and closed businesses	(1)	—	(1)	—	(2)
Noncontrolling interest impact	—	—	4	—	4
Tax impact of above items	(2)	11	14	19	42
Adjusted net income available from continuing operations to common shareholders	\$ 63	\$ 68	\$ 67	\$ 100	\$ 298
Diluted earnings (loss) per share from continuing operations	\$ (0.19)	\$ 0.23	\$ (2.19)	\$ (0.03)	\$ (2.19)
Less: Impairment and restructuring charges, and acquisition-related costs	(0.18)	(0.34)	(0.44)	(0.79)	(1.76)
Litigation and investigation costs	(0.12)	(0.17)	(0.80)	(0.25)	(1.34)
Net losses on sales, consolidation and deconsolidation of facilities	(0.01)	(0.01)	(0.01)	(0.11)	(0.14)
Loss from early extinguishment of debt	(0.45)	—	(1.72)	—	(2.16)
Loss from divested and closed businesses	(0.01)	—	(0.01)	—	(0.02)
Noncontrolling interest impact	—	—	0.04	—	0.04
Tax impact of above items	(0.02)	0.10	0.13	0.18	0.40
Adjusted diluted earnings per share from continuing operations	\$ 0.60	\$ 0.65	\$ 0.64	\$ 0.95	\$ 2.84
Weighted average basic shares outstanding (in thousands)	102,788	103,198	103,558	104,048	103,398
Weighted average dilutive shares outstanding (in thousands)	104,541	104,629	104,582	105,666	104,855

TENET HEALTHCARE CORPORATION
Additional Supplemental Non-GAAP disclosures

Table #2 – Reconciliations of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted EBITDA for 2020

(Unaudited)

(Dollars in millions)

	2020			
	1st Qtr	2nd Qtr	3rd Qtr	YTD
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 93	\$ 88	\$ (196)	\$ (15)
Less: Net income available to noncontrolling interests	(66)	(81)	(90)	(237)
(Loss) income from discontinued operations, net of tax	(1)	—	1	—
Income (loss) from continuing operations	160	169	(107)	222
Income tax benefit (expense)	75	(45)	197	227
Loss from early extinguishment of debt	—	(4)	(312)	(316)
Other non-operating income, net	1	2	—	3
Interest expense	(243)	(255)	(263)	(761)
Operating income	327	471	271	1,069
Litigation and investigation costs	(2)	(2)	(9)	(13)
Net gains on sales, consolidation and deconsolidation of facilities	2	1	1	4
Impairment and restructuring charges, and acquisition-related costs	(55)	(54)	(57)	(166)
Depreciation and amortization	(203)	(206)	(215)	(624)
Adjusted EBITDA	\$ 585	\$ 732	\$ 551	\$ 1,868
Net operating revenues	\$ 4,520	\$ 3,648	\$ 4,557	\$ 12,725
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	2.1 %	2.4 %	(4.3)%	(0.1)%
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	12.9 %	20.1 %	12.1 %	14.7 %

TENET HEALTHCARE CORPORATION
Additional Supplemental Non-GAAP disclosures

Table #2 – Reconciliations of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted EBITDA for 2019

(Unaudited)

(Dollars in millions)

	2019				Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ (12)	\$ 26	\$ (226)	\$ (3)	\$ (215)
Less: Net income available to noncontrolling interests	(84)	(95)	(80)	(127)	(386)
Income from discontinued operations, net of tax	8	2	1	—	11
Income (loss) from continuing operations	64	119	(147)	124	160
Income tax expense	(20)	(33)	(22)	(85)	(160)
Loss from early extinguishment of debt	(47)	—	(180)	—	(227)
Other non-operating income (expense), net	1	(1)	(3)	(2)	(5)
Interest expense	(251)	(247)	(244)	(243)	(985)
Operating income	381	400	302	454	1,537
Litigation and investigation costs	(13)	(18)	(84)	(26)	(141)
Net losses on sales, consolidation and deconsolidation of facilities	(1)	(1)	(1)	(12)	(15)
Impairment and restructuring charges, and acquisition-related costs	(19)	(36)	(46)	(84)	(185)
Depreciation and amortization	(208)	(214)	(205)	(223)	(850)
Loss from divested and closed businesses	(1)	—	(1)	—	(2)
Adjusted EBITDA	\$ 623	\$ 669	\$ 639	\$ 799	\$ 2,730
Net operating revenues	\$ 4,545	\$ 4,560	\$ 4,568	\$ 4,806	\$ 18,479
Less: Net operating revenues from health plans	—	1	—	—	1
Adjusted net operating revenues	\$ 4,545	\$ 4,559	\$ 4,568	\$ 4,806	\$ 18,478
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	(0.3)%	0.6 %	(4.9)%	(0.1)%	(1.2)%
Adjusted EBITDA as a % of adjusted net operating revenues (Adjusted EBITDA margin)	13.7 %	14.7 %	14.0 %	16.6 %	14.8 %

TENET HEALTHCARE CORPORATION
Additional Supplemental Non-GAAP disclosures

**Table #3 – Reconciliations of Net Cash Provided By Operating Activities to Free Cash Flow
and Adjusted Free Cash Flow from Continuing Operations**

(Unaudited)

(Dollars in millions)

	2020			
	1st Qtr	2nd Qtr	3rd Qtr	YTD
Net cash provided by operating activities	\$ 129	\$ 2,239	\$ 593	\$ 2,961
Purchases of property and equipment	(182)	(106)	(86)	(374)
Free cash flow	<u>\$ (53)</u>	<u>\$ 2,133</u>	<u>\$ 507</u>	<u>\$ 2,587</u>
Net cash used in investing activities	\$ (204)	\$ (85)	\$ (117)	\$ (406)
Net cash provided by (used in) financing activities	\$ 426	\$ 747	\$ (690)	\$ 483
Net cash provided by operating activities	\$ 129	\$ 2,239	\$ 593	\$ 2,961
Less: Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(68)	(46)	(138)	(252)
Net cash used in operating activities from discontinued operations	—	—	(1)	(1)
Adjusted net cash provided by operating activities from continuing operations	<u>197</u>	<u>2,285</u>	<u>732</u>	<u>3,214</u>
Purchases of property and equipment	(182)	(106)	(86)	(374)
Adjusted free cash flow – continuing operations	<u>\$ 15</u>	<u>\$ 2,179</u>	<u>\$ 646</u>	<u>\$ 2,840</u>

(Dollars in millions)

	2019				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Net cash provided by operating activities	\$ 10	\$ 284	\$ 419	\$ 520	\$ 1,233
Purchases of property and equipment	(192)	(144)	(156)	(178)	(670)
Free cash flow	<u>\$ (182)</u>	<u>\$ 140</u>	<u>\$ 263</u>	<u>\$ 342</u>	<u>\$ 563</u>
Net cash used in investing activities	\$ (139)	\$ (164)	\$ (123)	\$ (193)	\$ (619)
Net cash used in financing activities	\$ (30)	\$ (123)	\$ (231)	\$ (379)	\$ (763)
Net cash provided by operating activities	\$ 10	\$ 284	\$ 419	\$ 520	\$ 1,233
Less: Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(32)	(48)	(56)	(56)	(192)
Net cash provided by (used in) operating activities from discontinued operations	(2)	(3)	1	(1)	(5)
Adjusted net cash provided by operating activities from continuing operations	<u>44</u>	<u>335</u>	<u>474</u>	<u>577</u>	<u>1,430</u>
Purchases of property and equipment	(192)	(144)	(156)	(178)	(670)
Adjusted free cash flow – continuing operations	<u>\$ (148)</u>	<u>\$ 191</u>	<u>\$ 318</u>	<u>\$ 399</u>	<u>\$ 760</u>

Non-GAAP Financial Measures

- Adjusted EBITDA, a non-GAAP measure, is defined by the Company as net income available (loss attributable) to Tenet common shareholders before (1) the cumulative effect of changes in accounting principles, (2) net loss attributable (income available) to noncontrolling interests, (3) income (loss) from discontinued operations, (4) income tax expense (benefit), (5) gain (loss) from early extinguishment of debt, (6) other non-operating income (expense), net, (7) interest expense, (8) litigation and investigation (costs) benefits, net of reinsurance recoveries, (9) net gains (losses) on sales, consolidation and deconsolidation of facilities, (10) impairment and restructuring charges and acquisition-related costs, (11) depreciation and amortization and (12) income (loss) from divested and closed businesses. Litigation and investigation costs excluded do not include ordinary course of business malpractice and other litigation and related expenses.
- Adjusted diluted earnings (loss) per share from continuing operations per share, a non-GAAP measure, is defined by the Company as Adjusted net income available (loss attributable) from continuing operations to Tenet common shareholders, divided by the weighted average primary or diluted shares outstanding in the reporting period.
- Adjusted net income (loss attributable) from continuing operations to Tenet common shareholders, a non-GAAP measure, is defined by the Company as net income available (loss attributable) to Tenet common shareholders before (1) income (loss) from discontinued operations, (2) gain (loss) from early extinguishment of debt, (3) litigation and investigation (costs) benefits, net of reinsurance recoveries, (4) net gains (losses) on sales, consolidation and deconsolidation of facilities, (5) impairment and restructuring charges and acquisition-related costs, (6) income (loss) from divested and closed businesses and (7) the associated impact of these items on taxes and noncontrolling interests. Litigation and investigation costs excluded do not include ordinary course of business malpractice and other litigation and related expenses.
- Free Cash Flow, a non-GAAP measure, is defined by the Company as (1) net cash provided by (used in) operating activities, less (2) purchases of property and equipment for continuing operations.
- Adjusted Free Cash Flow, a non-GAAP measure, is defined by the Company as (1) Adjusted net cash provided by (used in) operating activities from continuing operations, less (2) purchases of property and equipment from continuing operations.
- Adjusted net cash provided by (used in) operating activities, a non-GAAP measure, is defined by the Company as cash provided by (used in) operating activities prior to (1) payments for restructuring charges, acquisition-related costs and litigation costs and settlement, and (2) net cash provided (used in) operating activities for discontinued operations.

The Company believes the foregoing non-GAAP measures are useful to investors and analysts because they present additional information on the Company's financial performance. Investors, analysts, Company management and the Company's Board of Directors utilize these non-GAAP measures, in addition to GAAP measures, to track the Company's financial and operating performance and compare the Company's performance to its peer companies, which use similar non-GAAP financial measures in their presentations and earnings releases. The Human Resources Committee of the Company's Board of Directors also uses certain of these measures to evaluate management's performance for the purpose of determining incentive compensation. Additional information regarding the purpose and utility of specific non-GAAP measures used in this release is set forth below.

The Company believes that Adjusted EBITDA is a useful measure, in part, because certain investors and analysts use both historical and projected Adjusted EBITDA, in addition to other GAAP and non-GAAP measures, as factors in determining the estimated fair value of shares of the Company's common stock. Company management also regularly reviews the Adjusted EBITDA performance for each operating segment. The Company does not use Adjusted EBITDA to measure liquidity, but instead to measure operating performance.

The Company uses, and believes investors use, Free Cash Flow and Adjusted Free Cash Flow as supplemental non-GAAP measures to analyze cash flows generated from the Company's operations. The Company believes these measures are useful to investors in evaluating its ability to fund distributions paid to noncontrolling interests or for acquisitions, purchasing equity interests in joint ventures or repaying debt.

These non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Because these measures exclude many items that are included in the Company's financial statements, they do not provide a complete measure of the Company's operating performance. For example, the Company's definitions of Free Cash Flow and Adjusted Free Cash Flow do not include other important uses of cash including (1) cash used to purchase businesses or joint venture interests, or (2) any items that are classified as Cash Flows From Financing Activities on the Company's Consolidated Statement of Cash Flows, including items such as (i) cash used to repay borrowings, (ii) distributions paid to noncontrolling interests, or (iii) payments under the Put/Call Agreement for USPI redeemable noncontrolling interest, which are recorded on the Statement of Cash Flows as the purchase of noncontrolling interest. Accordingly, investors are encouraged to use GAAP measures when evaluating the Company's financial performance.