



Supplemental Financial Disclosures

Q2'21 Earnings Release

Disclosures in this document are intended to supplement the financial information in Tenet's Q2'21 earnings release dated July 21, 2021. A copy of that earnings release (including non-GAAP disclosure information) is available via the Company's Investor Relations website at www.tenethealth.com.

Tenet Healthcare Corporation
Supplemental Financial Disclosures
Q2'21 Earnings Release

Table of Contents

Description	Page
Hospital Operations and Other segment	
Adjusted EBITDA and margins; Same-hospital changes in revenues and volumes; Same-hospital select operating expenses	<u>3</u>
Same-hospital selected statistics	<u>4</u>
Total-hospital selected statistics	<u>6</u>
Ambulatory Care segment	
Same-facility system-wide changes in revenues and volumes	<u>8</u>
Changes in revenues, Adjusted EBITDA, Adjusted EBITDA less NCI	<u>8</u>
Statement of Operations - GAAP and Unconsolidated Affiliates	
- Q2'21 vs. Q2'20	<u>9</u>
- YTD Q2'21 vs. YTD Q2'20	<u>10</u>
Consolidated Uncompensated Care Trends	<u>11</u>

HOSPITAL OPERATIONS AND OTHER SEGMENT
Adjusted EBITDA and Margins; Same-Hospital Changes in Revenues and Volumes;
Same-Hospital Selected Operating Expenses
(Unaudited)

	Q2'21	Q2'20	YTD Q2'21	YTD Q2'20
Adjusted EBITDA and margins				
Adjusted EBITDA (including grant income)	\$449	\$492	\$883	\$834
Adjusted EBITDA margin (including grant income)	11.0%	15.9%	11.0%	12.0%
Changes in Same-Hospital Revenues and Volumes versus Prior-Year Period⁽¹⁾				
Net Patient Revenue	33.1%	(20.2)%	16.5%	(10.3)%
Revenue Per Adjusted Admission ⁽²⁾	7.4%	9.7%	13.6%	6.8%
Inpatient Admissions	13.7%	(20.3)%	0.1%	(12.3)%
Adjusted Admissions	23.9%	(27.3)%	2.6%	(16.0)%
Hospital surgeries ⁽³⁾	37.0%	(30.2)%	13.0%	(18.7)%
Outpatient Visits ⁽⁴⁾	70.6%	(41.9)%	19.1%	(23.1)%
Emergency Room Visits — Inpatient	17.0%	(18.9)%	3.2%	(10.5)%
Emergency Room Visits — Outpatient	39.5%	(39.1)%	(3.6)%	(20.1)%
Same-Hospital Select Operating Expenses⁽¹⁾				
Salaries, wages and benefits	\$1,928	\$1,567	\$3,772	\$3,397
Supplies	688	529	1,333	1,178
Other operating expenses	888	836	1,798	1,699
Total select operating expenses	\$3,504	\$2,932	\$6,903	\$6,274

Footnotes and other notations:

(1) *Same-hospital revenues, select operating expenses and statistical data* include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2020 through June 30, 2021. Amounts associated with physician practices are excluded. With the exception of the historical percentage changes presented for Q2'20 and YTD Q2'20, prior period revenues, select operating expenses and statistics have been recast to reflect only the continuously operated facilities.

(2) Revenue per adjusted admission growth after implicit price concessions/bad debt expense

(3) Includes inpatient and outpatient surgeries

(4) Includes emergency room outpatient visits

HOSPITAL OPERATIONS AND OTHER SEGMENT

Same-Hospital Selected Statistics ⁽¹⁾

(Unaudited)

Three Months Ended June 30,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	Change
Admissions and Surgeries			
Number of hospitals (at end of period)	65	65	—
Total admissions	153,319	134,898	13.7 %
Adjusted patient admissions	273,824	220,947	23.9 %
Admissions through emergency department	114,911	98,193	17.0 %
Paying admissions as a percentage of total admissions	93.8 %	93.2 %	0.6 %
Charity and uninsured admissions as a percentage of total admissions	6.2 %	6.8 %	(0.6)%
Emergency department admissions as a percentage of total admissions	74.9 %	72.8 %	2.1 %
Surgeries — inpatient	40,074	34,973	14.6 %
Surgeries — outpatient	60,949	38,749	57.3 %
Total surgeries	101,023	73,722	37.0 %
Patient days — total	757,003	687,883	10.0 %
Adjusted patient days	1,328,952	1,093,144	21.6 %
Average length of stay (days)	4.94	5.10	(3.1)%
Licensed beds (at end of period)	17,164	17,219	(0.3)%
Average licensed beds	17,170	17,219	(0.3)%
Utilization of licensed beds	48.4 %	43.9 %	4.5 %
Outpatient Visits			
Total visits (includes Emergency department visits)	1,478,354	866,436	70.6 %
Emergency department visits	541,417	388,038	39.5 %
Paying visits as a percentage of total visits	92.7 %	91.9 %	0.8 %
Charity and uninsured visits as a percentage of total visits	7.3 %	8.1 %	(0.8)%
Total Emergency department inpatient admissions and outpatient visits	656,328	486,231	35.0 %
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 3,749	\$ 2,816	33.1 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 13,691	\$ 12,745	7.4 %
Select operating expenses ⁽³⁾	\$ 3,504	\$ 2,932	19.5 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 12,799	\$ 13,271	(3.6)%
Payer mix - net patient service revenues⁽²⁾:			
Medicare	18.5 %	21.2 %	(2.7)%
Medicaid	7.7 %	9.2 %	(1.5)%
Managed care ⁽⁴⁾	67.4 %	64.4 %	3.0 %
Uninsured	1.6 %	0.7 %	0.9 %
Indemnity and other	4.8 %	4.5 %	0.3 %

Footnotes and other notations:

(1) Same-hospital revenues, select operating expenses and statistical data include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2020 through June 30, 2021. Amounts associated with physician practices are excluded. With the exception of the historical percentage changes presented for Q2'20 and YTD Q2'20, prior period revenues, select operating expenses and statistics have been recast to reflect only the continuously operated facilities.

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

(3) Select operating expenses include salaries, wages and benefits, supplies and other operating expenses

(4) Includes commercial managed care as well as managed care Medicare and Medicaid

HOSPITAL OPERATIONS AND OTHER SEGMENT

Same-Hospital Selected Statistics ⁽¹⁾

(Unaudited)

	Six Months Ended June 30,		
	2021	2020	Change
<i>(Dollars in millions except per adjusted admission amounts)</i>			
Admissions and Surgeries			
Number of hospitals (at end of period)	65	65	—
Total admissions	300,993	300,633	0.1 %
Adjusted patient admissions	524,663	511,554	2.6 %
Admissions through emergency department	227,641	220,484	3.2 %
Paying admissions as a percentage of total admissions	93.9 %	93.7 %	0.2 %
Charity and uninsured admissions as a percentage of total admissions	6.1 %	6.3 %	(0.2)%
Emergency department admissions as a percentage of total admissions	75.6 %	73.3 %	2.3 %
Surgeries — inpatient	76,861	76,935	(0.1)%
Surgeries — outpatient	114,126	92,139	23.9 %
Total surgeries	190,987	169,074	13.0 %
Patient days — total	1,554,492	1,498,362	3.7 %
Adjusted patient days	2,649,850	2,477,423	7.0 %
Average length of stay (days)	5.16	4.98	3.6 %
Licensed beds (at end of period)	17,164	17,219	(0.3)%
Average licensed beds	17,174	17,219	(0.3)%
Utilization of licensed beds	50.0 %	47.8 %	2.2 %
Outpatient Visits			
Total visits (includes Emergency department visits)	2,748,407	2,308,383	19.1 %
Emergency department visits	992,247	1,029,320	(3.6)%
Paying visits as a percentage of total visits	93.2 %	92.3 %	0.9 %
Charity and uninsured visits as a percentage of total visits	6.8 %	7.7 %	(0.9)%
Total Emergency department inpatient admissions and outpatient visits	1,219,888	1,249,804	(2.4)%
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 7,381	\$ 6,334	16.5 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,068	\$ 12,382	13.6 %
Select operating expenses ⁽³⁾	\$ 6,903	\$ 6,274	10.0 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,157	\$ 12,266	7.3 %
Payer mix - net patient service revenues ⁽²⁾:			
Medicare	18.7 %	20.6 %	(1.9)%
Medicaid	7.4 %	8.5 %	(1.1)%
Managed care ⁽⁴⁾	67.7 %	65.0 %	2.7 %
Uninsured	1.4 %	0.9 %	0.5 %
Indemnity and other	4.8 %	5.0 %	(0.2)%

Footnotes and other notations:

(1) Same-hospital revenues, select operating expenses and statistical data include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2020 through June 30, 2021. Amounts associated with physician practices are excluded. With the exception of the historical percentage changes presented for Q2'20 and YTD Q2'20, prior period revenues, select operating expenses and statistics have been recast to reflect only the continuously operated facilities.

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

(3) Select operating expenses include salaries, wages and benefits, supplies and other operating expenses

(4) Includes commercial managed care as well as managed care Medicare and Medicaid

HOSPITAL OPERATIONS AND OTHER SEGMENT

Total-Hospital Selected Statistics⁽¹⁾

(Unaudited)

Three Months Ended June 30,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	Change
Admissions and Surgeries			
Number of hospitals (at end of period)	65	65	—
Total admissions	153,319	134,898	13.7 %
Adjusted patient admissions	273,824	221,159	23.8 %
Admissions through emergency department	114,911	98,193	17.0 %
Paying admissions as a percentage of total admissions	93.8 %	93.2 %	0.6 %
Charity and uninsured admissions as a percentage of total admissions	6.2 %	6.8 %	(0.6)%
Emergency department admissions as a percentage of total admissions	74.9 %	72.8 %	2.1 %
Surgeries — inpatient	40,074	34,973	14.6 %
Surgeries — outpatient	60,949	38,749	57.3 %
Total surgeries	101,023	73,722	37.0 %
Patient days — total	757,003	687,883	10.0 %
Adjusted patient days	1,328,952	1,094,208	21.5 %
Average length of stay (days)	4.94	5.10	(3.1)%
Licensed beds (at end of period)	17,164	17,219	(0.3)%
Average licensed beds	17,170	17,219	(0.3)%
Utilization of licensed beds	48.4 %	43.9 %	4.5 %
Outpatient Visits			
Total visits (includes Emergency department visits)	1,653,430	983,321	68.1 %
Emergency department visits	541,417	388,038	39.5 %
Paying visits as a percentage of total visits	93.2 %	92.4 %	0.8 %
Charity and uninsured visits as a percentage of total visits	6.8 %	7.6 %	(0.8)%
Total Emergency department inpatient admissions and outpatient visits	656,328	486,231	35.0 %
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 3,782	\$ 2,829	33.7 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 13,812	\$ 12,792	8.0 %
Select operating expenses ⁽³⁾	\$ 3,531	\$ 2,953	19.6 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 12,898	\$ 13,354	(3.4)%
Payer mix - net patient service revenues⁽²⁾:			
Medicare	18.4 %	21.1 %	(2.7)%
Medicaid	7.6 %	9.2 %	(1.6)%
Managed care ⁽⁴⁾	67.3 %	64.5 %	2.8 %
Uninsured	1.6 %	0.8 %	0.8 %
Indemnity and other	5.1 %	4.4 %	0.7 %

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

(3) Select operating expenses include salaries, wages and benefits, supplies and other operating expenses

(4) Includes commercial managed care as well as managed care Medicare and Medicaid

HOSPITAL OPERATIONS AND OTHER SEGMENT

Total-Hospital Selected Statistics⁽¹⁾

(Unaudited)

Six Months Ended June 30,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	Change
Admissions and Surgeries			
Number of hospitals (at end of period)	65	65	—
Total admissions	300,993	300,633	0.1 %
Adjusted patient admissions	524,841	512,071	2.5 %
Admissions through emergency department	227,641	220,484	3.2 %
Paying admissions as a percentage of total admissions	93.9 %	93.7 %	0.2 %
Charity and uninsured admissions as a percentage of total admissions	6.1 %	6.3 %	(0.2)%
Emergency department admissions as a percentage of total admissions	75.6 %	73.3 %	2.3 %
Surgeries — inpatient	76,861	76,935	(0.1)%
Surgeries — outpatient	114,126	92,139	23.9 %
Total surgeries	190,987	169,074	13.0 %
Patient days — total	1,554,492	1,498,362	3.7 %
Adjusted patient days	2,650,842	2,479,971	6.9 %
Average length of stay (days)	5.16	4.98	3.6 %
Licensed beds (at end of period)	17,164	17,219	(0.3)%
Average licensed beds	17,174	17,219	(0.3)%
Utilization of licensed beds	49.7 %	47.8 %	1.9 %
Outpatient Visits			
Total visits (includes Emergency department visits)	3,054,647	2,599,848	17.5 %
Emergency department visits	992,247	1,029,320	(3.6)%
Paying visits as a percentage of total visits	93.4 %	92.6 %	0.8 %
Charity and uninsured visits as a percentage of total visits	6.6 %	7.4 %	(0.8)%
Total Emergency department inpatient admissions and outpatient visits	1,219,888	1,249,804	(2.4)%
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 7,432	\$ 6,369	16.7 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,160	\$ 12,438	13.8 %
Select operating expenses ⁽³⁾	\$ 6,950	\$ 6,311	10.1 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,245	\$ 12,326	7.5 %
Payer mix - net patient service revenues⁽²⁾:			
Medicare	18.6 %	20.4 %	(1.8)%
Medicaid	7.4 %	8.5 %	(1.1)%
Managed care ⁽⁴⁾	67.6 %	65.1 %	2.5 %
Uninsured	1.4 %	1.0 %	0.4 %
Indemnity and other	5.0 %	5.0 %	— %

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

(3) Select operating expenses include salaries, wages and benefits, supplies and other operating expenses

(4) Includes commercial managed care as well as managed care Medicare and Medicaid

AMBULATORY CARE SEGMENT
Same-Facility System-Wide Changes in Revenues and Volumes
(Unaudited)

	Q2'21	Q2'20	YTD Q2'21	YTD Q2'20
Surgical (Ambulatory Surgical Centers & Surgical Hospitals) ⁽¹⁾				
Revenue change versus the prior-year period	50.1%	(28.2)%	25.9%	(15.5)%
Cases versus the prior-year period	68.2%	(41.6)%	29.1%	(25.7)%
Revenue per case change versus the prior-year period	(10.7)%	22.9%	(2.5)%	13.8%

Footnote:

(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. Prior-period amounts for acquired facilities are included in analyses of same-facility system-wide growth rates.

AMBULATORY CARE SEGMENT
Changes in Revenues, Adjusted EBITDA, Adjusted EBITDA less NCI
(Unaudited)

<i>(Dollars in millions)</i>	Q2'21	Q2'20	YTD Q2'21	YTD Q2'20
Net operating revenues	\$664	\$368	\$1,310	\$858
Growth in net operating revenues	80.4 %	(29.8)%	52.7 %	(14.5)%
Equity in earnings of unconsolidated affiliates	\$49	\$35	\$87	\$61
Adjusted EBITDA	\$295	\$167	\$552	\$323
Growth in Adjusted EBITDA	76.6 %	(19.3)%	70.9 %	(15.9)%
Adjusted EBITDA margin (including grant income)	44.4 %	45.4 %	42.1 %	37.6 %
Net income available to facility-level noncontrolling interests ⁽¹⁾	\$108	\$61	\$196	\$117
Adjusted EBITDA less facility-level NCI	\$187	\$106	\$356	\$206
Growth in Adjusted EBITDA less facility-level NCI	76.4 %	(19.7)%	72.8 %	(15.6)%
Net income available to Baylor ⁽²⁾	\$5	\$2	\$9	\$3
Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	\$182	\$104	\$347	\$203
Growth in Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	75.0 %	(19.4)%	70.9 %	(14.7)%

Footnotes:

(1) Represents facility-level noncontrolling interest expense (NCI) prior to Tenet recording additional NCI expense related to the 5% ownership interest in USPI held by Baylor University Medical Center (Baylor).

(2) The amount labeled as net income available to Baylor represents NCI related to Baylor's ownership interest in the USPI joint venture; neither Tenet nor USPI intend to make cash distributions to Baylor.

**AMBULATORY CARE SEGMENT
STATEMENTS OF OPERATIONS
GAAP and Unconsolidated Affiliates**
(Unaudited)

Three Months Ended June 30,

	2021		2020	
	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates
<i>(Dollars in millions)</i>				
Net operating revenues⁽¹⁾	\$ 664	\$ 711	\$ 368	\$ 468
Grant income	15	17	37	49
Equity in earnings of unconsolidated affiliates⁽²⁾	49	—	35	1
Operating expenses:				
Salaries, wages and benefits	169	173	119	124
Supplies	169	189	79	122
Other operating expenses, net	95	139	75	106
Depreciation and amortization	23	21	20	21
Litigation and investigation costs	3	—	(3)	—
Impairment and restructuring charges, and acquisition-related costs	4	—	7	—
Net gains on sales, consolidation and deconsolidation of facilities	(13)	—	—	—
Operating income	278	206	143	145
Interest expense	(32)	(6)	(31)	(5)
Other non-operating income, net	—	—	4	—
Income from continuing operations, before income taxes	246	200	116	140
Income tax expense	(41)	(3)	(15)	(2)
Net income	205	\$ 197	101	\$ 138
Less: Net income available to noncontrolling interests	113		63	
Net income available to Tenet Healthcare Corporation common shareholders	\$ 92		\$ 38	
Equity in earnings of unconsolidated affiliates		\$ 49		\$ 35

Footnotes:

- (1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment increased 50.1% during the three months ended June 30, 2021, with cases increasing 68.2% and revenue per case decreasing (10.7)%.
- (2) At June 30, 2021, 109 of the 341 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 232 facilities and account for these investments as consolidated subsidiaries.

**AMBULATORY CARE SEGMENT
STATEMENTS OF OPERATIONS
GAAP and Unconsolidated Affiliates**
(Unaudited)

(Dollars in millions)

	Six Months Ended June 30,			
	2021		2020	
	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates
Net operating revenues⁽¹⁾	\$ 1,310	\$ 1,345	\$ 858	\$ 1,034
Grant income	22	43	37	49
Equity in earnings of unconsolidated affiliates⁽²⁾	87	—	61	1
Operating expenses:				
Salaries, wages and benefits	343	336	281	276
Supplies	326	361	191	273
Other operating expenses, net	198	270	161	232
Depreciation and amortization	48	42	39	41
Litigation and investigation costs	6	—	(3)	—
Impairment and restructuring charges, and acquisition-related costs	8	—	31	—
Net gains on sales, consolidation and deconsolidation of facilities	(13)	—	(11)	—
Operating income	503	379	267	262
Interest expense	(65)	(12)	(62)	(11)
Other non-operating income, net	—	1	8	—
Income from continuing operations, before income taxes	438	368	213	251
Income tax expense	(68)	(6)	(27)	(4)
Net Income	370	\$ 362	186	\$ 247
Less: Net income available to noncontrolling interests	205		120	
Net income available to Tenet Healthcare Corporation common shareholders	\$ 165		\$ 66	
Equity in earnings of unconsolidated affiliates		\$ 87		\$ 61

Footnotes:

(1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment increased 25.9% during the six months ended June 30, 2021, with cases up 29.1% and revenue per case decreasing (2.5)%.

(2) At June 30, 2021, 109 of the 341 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 232 facilities and account for these investments as consolidated subsidiaries.

**CONSOLIDATED
UNCOMPENSATED CARE TRENDS**
(Unaudited)

<i>(Dollars in millions)</i>	Q2'21	Q2'20	YTD Q2'21	YTD Q2'20
Net operating revenues	\$4,954	\$3,648	\$9,735	\$8,168
Bad debt expense and implicit price concessions	\$320	\$283	\$629	\$643
Charity Care write-offs	\$243	\$293	\$416	\$599
Uninsured discounts	\$1,277	\$915	\$2,544	\$2,009
Uncompensated Care ⁽¹⁾	\$1,840	\$1,491	\$3,589	\$3,251
Net operating revenues excluding Uncompensated Care	\$6,794	\$5,139	\$13,324	\$11,419
Uncompensated Care Percentage ⁽²⁾	27.1 %	29.0 %	26.9 %	28.5 %

Footnotes:

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

(2) The Uncompensated Care Percentage equals uncompensated care as a percentage of net operating revenues excluding uncompensated care.