



Third Quarter 2021 Earnings Release Presentation

October 20, 2021



Cautionary Statements

This presentation includes “forward-looking statements.” These statements relate to future events, including, but not limited to, statements regarding our liquidity, operating results, future earnings, financial position, operational and strategic initiatives, and developments in legislation, regulation, and the healthcare industry more generally. These forward-looking statements represent management’s expectations, based on currently available information, as to the outcome and timing of future events, but, by their nature, address matters that are uncertain, particularly with regard to developments related to the COVID pandemic. Actual results, performance or achievements could differ materially from those expressed in any forward-looking statement.

Examples of uncertainties that may cause our actual results, performance or achievements to be materially different from those expressed or implied by forward-looking statements include, but are not limited to, developments related to COVID and the factors described under “Forward-Looking Statements” and “Risk Factors” in our Form 10-K for the year ended December 31, 2020, subsequent Form 10-Q filings and other filings with the Securities and Exchange Commission.

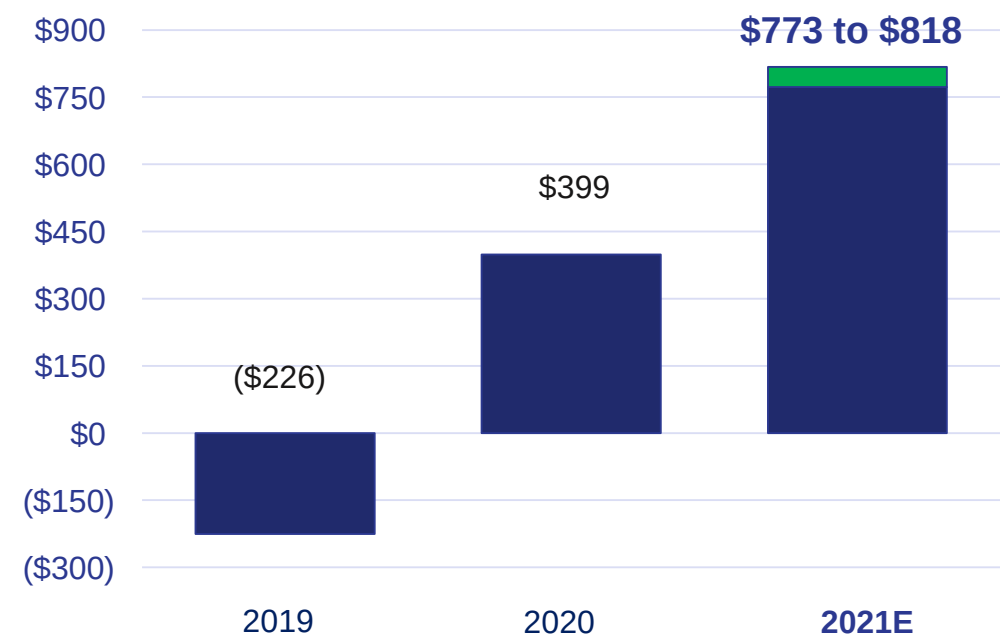
We assume no obligation to update any forward-looking statements or information subsequent to the dates such statements are made. Investors are cautioned not to place undue reliance on our forward-looking statements.

NON-GAAP FINANCIAL INFORMATION

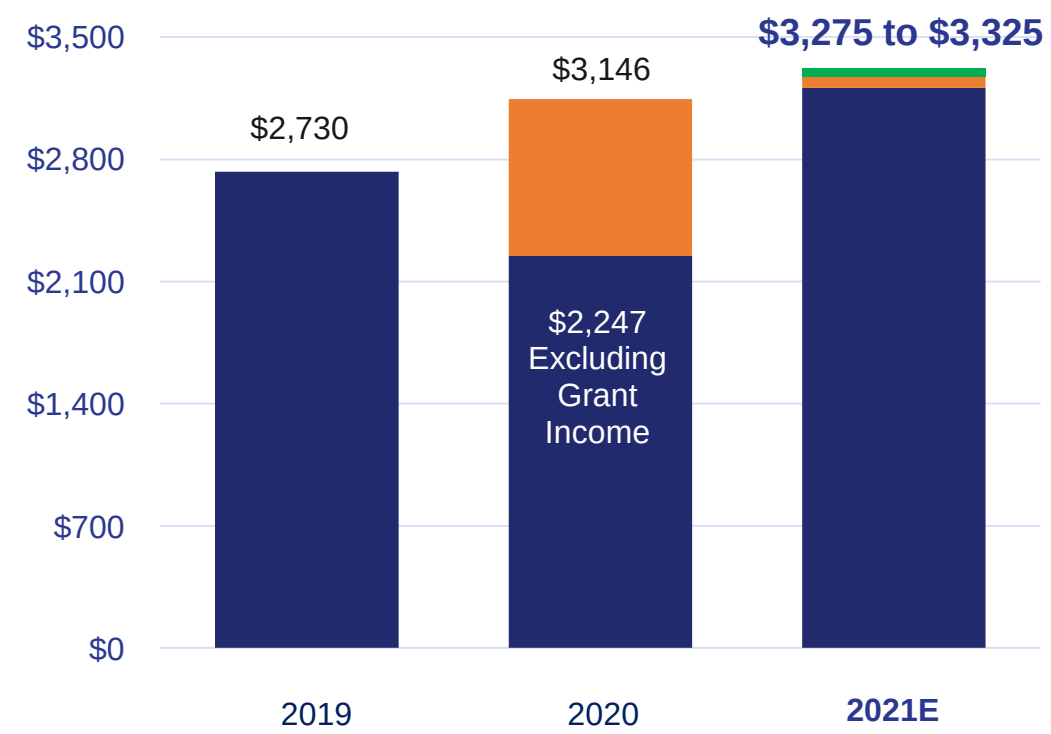
This presentation contains financial measures that are not in accordance with accounting principles generally accepted in the United States of America (GAAP). Reconciliations of these non-GAAP measures to the most comparable GAAP measures and management’s reasoning for using these non-GAAP measures are included in our earnings press release dated October 20, 2021. GAAP to non-GAAP reconciliations are also included at the end of this slide presentation.

FY 2021 Financial Outlook Increased Following Q3'21 *(\$ in millions)*

Income Available (Loss Attributable) to Tenet Common Shareholders from Continuing Operations



Consolidated Adjusted EBITDA



- Grant income
- Outlook range
- Earnings exc. grant income & Outlook range

Q3'21 Highlights

Achievements in Q3'21

- Consolidated Adjusted EBITDA of \$855 million, or \$851 million excluding \$4 million of grant income, substantially better than our Outlook of \$725 million at the mid-point of the range; Consolidated margins (excluding grant income) improved sequentially to 17.4% versus 16.4% in Q2'21
 - Strong Hospital performance with vast majority of markets exceeding expectations even amid COVID surge; acuity well above pre-pandemic levels; volumes returning; strong labor management amid challenges across the sector
 - Solid Ambulatory performance even with slightly higher cancellations due to Delta variant; acquisition milestones on track; higher-acuity procedures continue to expand while lower acuity volumes rebounding; physician recruitment and service line expansion activities ahead of expectations
 - Conifer continues to deliver robust Adjusted EBITDA margins >27%; New business expansion taking hold; Added A/R services for Providence
- Completed sale of Miami-area hospitals for \$1.1 billion at a favorable multiple
- Repaid \$1.1 billion of debt using proceeds from Miami hospital sale, reducing future annual cash interest payments by ~\$50 million

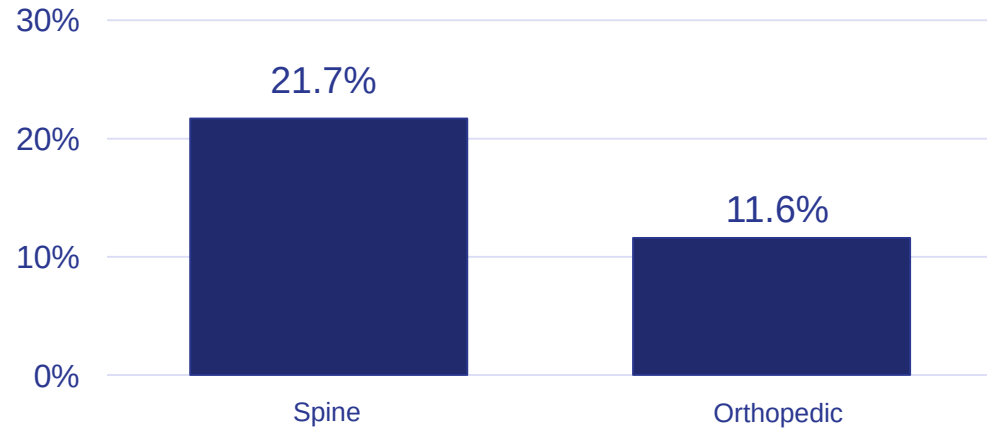
COVID Update

- COVID inpatient cases accelerated in Q3'21 as the impact of the Delta variant spread; current case levels approximate 750 to 800
- COVID cases as percent of admissions of ~10% in Q3'21 vs. ~4% in Q2'21

Driving Growth at USPI

Leader in MSK

4-Year ASC Case CAGR ^(a)



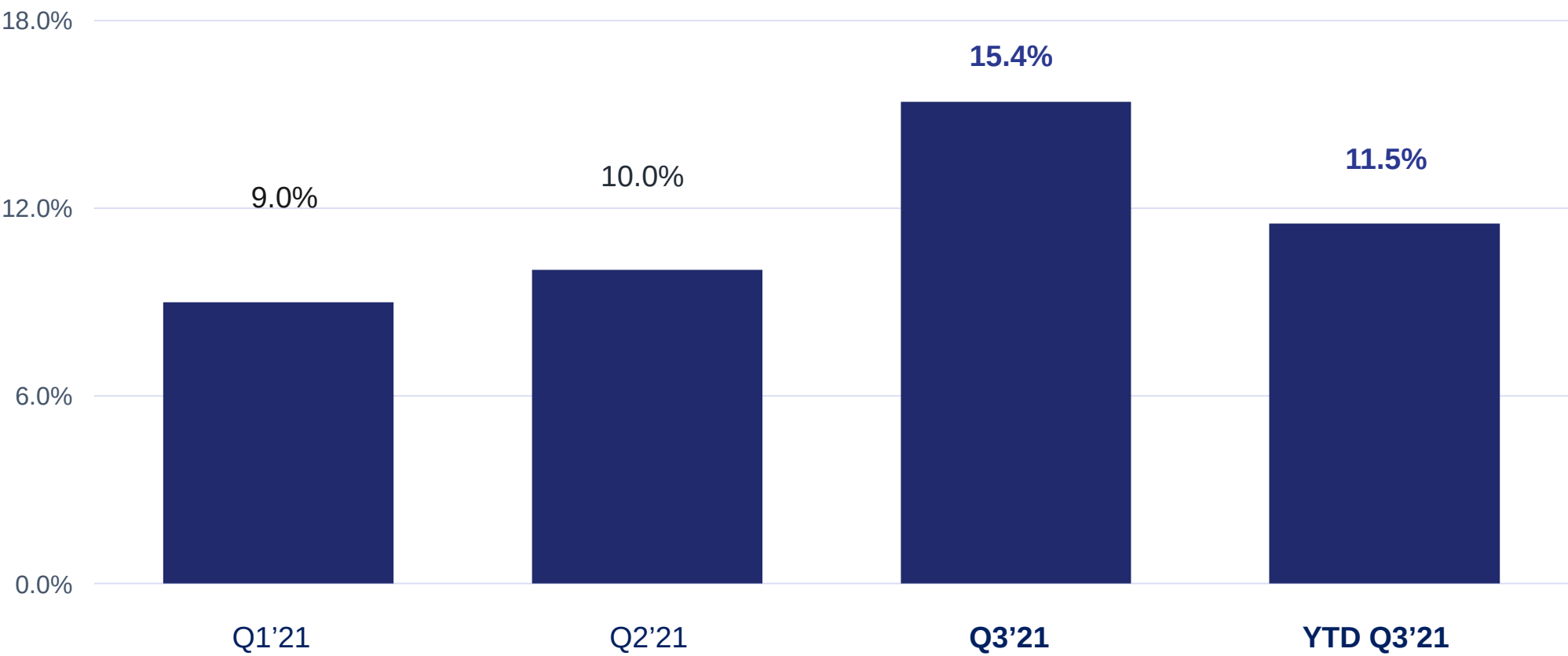
- ~535K MSK cases performed systemwide through YTD September 2021
- ASC Orthopedic growth remains robust
 - ✓ Increased acuity versus YTD September 2020
 - ✓ Total joint volume up 130% versus YTD September 2020

Quality Physicians

- More physicians choosing to join in light of:
 - ✓ Reputation for high-quality care and customer experience
 - ✓ 64 new service lines added year-to-date through September 2021
 - Includes robot-assisted programs, total joints and spine
- ~3,700 physicians joined medical staff in 2020
- ~1,700 physicians joined medical staff YTD September

(a) YTD September 2017 versus YTD September 2021, ASCs only

Consolidated Adjusted EBITDA 2-Year CAGR*



* Excludes grant income

Adjusted EBITDA With and Without Grant Income *(\$ in millions)*

	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	YTD Q3'21
Adjusted EBITDA Excluding Grant Income									
Hospital Segment	\$342	\$18	\$297	\$431	\$1,088	\$410	\$445	\$494	\$1,349
Ambulatory Segment	156	118	228	290	792	244	275	272	791
Conifer Segment	87	73	96	111	367	86	90	85	261
Consolidated, Exc. Grant Income	\$585	\$209	\$621	\$832	\$2,247	\$740	\$810	\$851	\$2,401

Grant Income									
Hospital Segment	-	\$474	(\$57)	\$406	\$823	\$24	\$4	\$2	\$30
Ambulatory Segment	-	37	(9)	31	59	7	15	1	23
Ambulatory Sgmt. Grants in Equity Earnings	-	12	(4)	9	17	6	5	1	12
Conifer Segment	-	-	-	-	-	-	-	-	-
Consolidated Operations	-	\$523	(\$70)	\$446	\$899	\$37	\$24	\$4	\$65

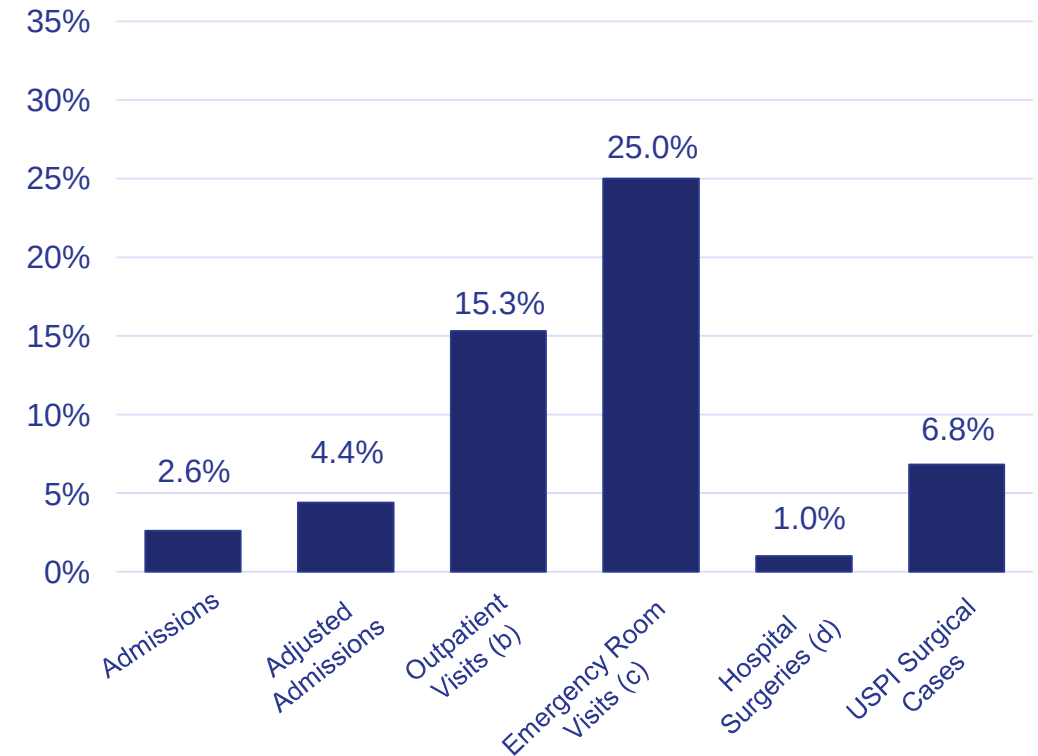
Adjusted EBITDA Including Grant Income									
Hospital Segment	\$342	\$492	\$240	\$837	\$1,911	\$434	\$449	\$496	\$1,379
Ambulatory Segment	156	167	215	330	868	257	295	274	826
Conifer Segment	87	73	96	111	367	86	90	85	261
Consolidated, Inc. Grant Income	\$585	\$732	\$551	\$1,278	\$3,146	\$777	\$834	\$855	\$2,466

Volume Statistics (a)

Recovery Percent of Pre-COVID Levels

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Admissions	~89%	~90%	~85%	~90%	~91%
Outpatient Visits (b)	~84%	~82%	~84%	~96%	~93%
Emergency Room Visits (c)	~77%	~76%	~72%	~86%	~97%
Hospital Surgeries (d)	~89%	~91%	~89%	~97%	~91%
USPI Surgical Cases	~94%	~95%	~94%	~100%	~101%

Q3'21 versus Q3'20 Growth



(a) Same-hospital basis for hospital statistics; USPI surgical cases on a same-facility system-wide basis; same-business day basis for all recovery percentages

(b) Includes hospital ER outpatient visits and hospital outpatient surgeries

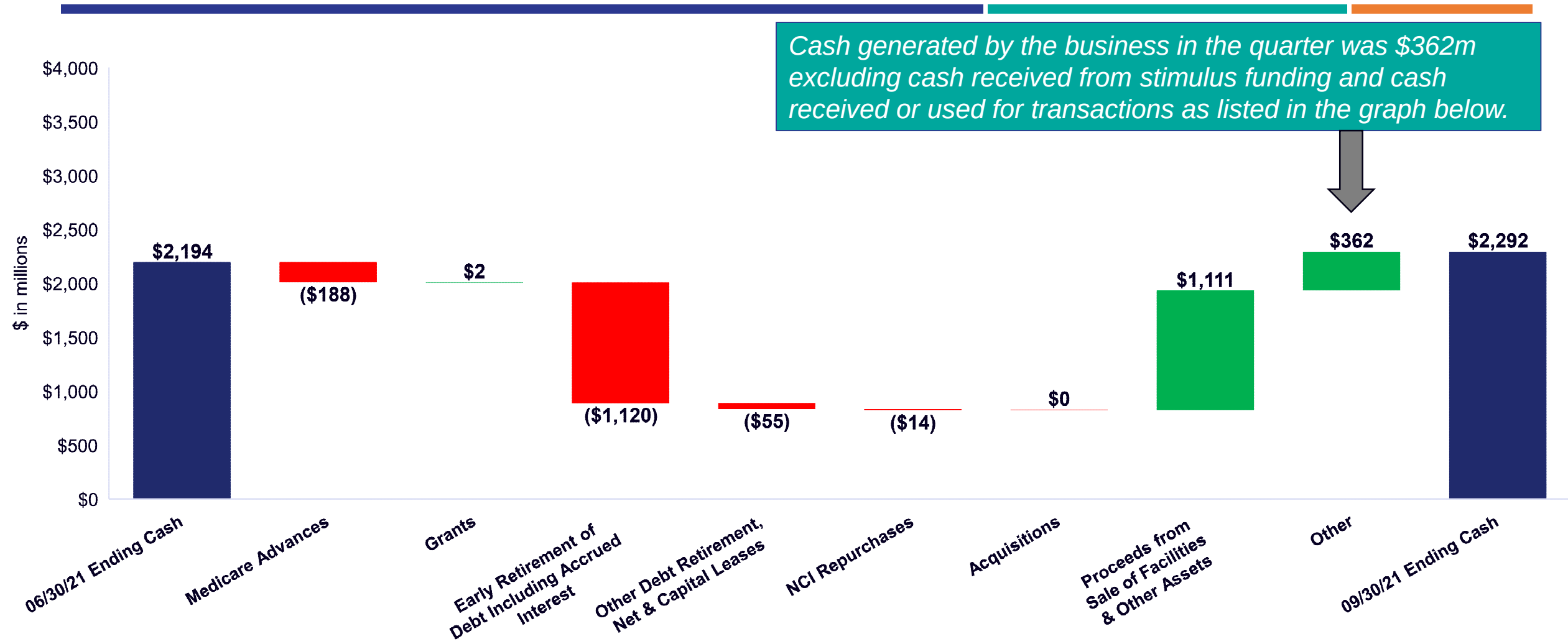
(c) Includes hospital ER inpatient admissions and hospital outpatient ER visits

(d) Includes hospital inpatient and outpatient surgeries

Continuing to Demonstrate Financial Strength

- We continue to maintain sufficient cash resources and available liquidity under our \$1.9 billion line-of-credit facility (no borrowings outstanding)
- As of September 30, 2021, we had \$2.292 billion of available cash on hand
- We generated \$321 million of free cash flow in Q3'21 or \$495 million before the repayment of \$174 million of Medicare advances. Through September 30, 2021, we have produced \$857 million of free cash flow or \$1.184 billion before the repayment of \$327 million of Medicare advances.
- In September 2021, we repaid \$1.100 billion of the \$1.870 billion in 4.625% secured first-lien notes due in 2024 using proceeds from the sale of our Miami hospitals
 - ✓ Reduces future annual cash interest payments by ~\$50 million, which will enhance our free cash flow
- 3.47x leverage ratio (net debt plus Medicare advances liability to Adjusted EBITDA) as of September 30, 2021.
 - ✓ Ratio would be ~3.93x using projected mid-point of increased full year 2021 Adjusted EBITDA Outlook guidance of \$3.300 billion. Q4'20 Adjusted EBITDA, which is part of this trailing 12-month calculation, included \$446 million of grant income due to revised guidance from the government that substantially related to lost revenues as a result of the pandemic prior to Q4'20.

Q3'21 Cash Flow Analysis *(\$ in millions)*



FY 2021 Adjusted EBITDA Outlook Bridge *(\$ in millions)*

	Consolidated
February 2021 Guidance Midpoint	\$3,000
Increase in guidance due to Q1'21 outperformance	63
Q1'21 Grant income earned due to lost revenue/COVID expenses	37
April 2021 Guidance Midpoint	\$3,100
Increase in guidance due to Q2'21 outperformance/revised expectations for 2H 2021	131
Q2'21 Grant income earned due to lost revenue/COVID expenses	24
Anticipated divestiture of Miami-area hospitals in Q3'21	(55)
July 2021 Guidance Midpoint	\$3,200
Increase in guidance due to Q3'21 outperformance/revised expectations for Q4'21	96
Q3'21 Grant income earned due to lost revenue/COVID expenses	4
October 2021 Guidance Midpoint	\$3,300

Questions and Answers

Ron Rittenmeyer

Executive Chairman

Saum Sutaria, M.D.

Chief Executive Officer

Dan Cancelmi

Executive Vice President and Chief Financial Officer

GAAP to Non-GAAP Reconciliations

NON-GAAP FINANCIAL INFORMATION

This presentation contains financial measures that are not in accordance accounting principles generally accepted in the United States of America (GAAP). Reconciliations of these non-GAAP measures to the most comparable GAAP measures and management's reasoning for using these non-GAAP measures are included in our earnings press release dated October 20, 2021. GAAP to non-GAAP reconciliations for those measures used in this slide presentation are also included on the following slides.

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

Table #1 – Reconciliations of Net Income Available to Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income Available from Continuing Operations to Common Shareholders for 2021

(Unaudited)

(Dollars in millions except per share amounts)

	2021	
	Q3	YTD
Net income available to Tenet Healthcare Corporation common shareholders	\$ 449	\$ 665
Net income from discontinued operations	1	—
Net income from continuing operations	448	665
Less: Impairment and restructuring charges, and acquisition-related costs	(15)	(55)
Litigation and investigation costs	(29)	(64)
Net gains on sales, consolidation and deconsolidation of facilities	412	427
Loss from early extinguishment of debt	(20)	(74)
Tax impact of above items	(116)	(98)
Adjusted net income available from continuing operations to common shareholders	\$ 216	\$ 529
Diluted earnings per share from continuing operations	\$ 4.12	\$ 6.13
Less: Impairment and restructuring charges, and acquisition-related costs	(0.14)	(0.51)
Litigation and investigation costs	(0.27)	(0.59)
Net gains on sales, consolidation and deconsolidation of facilities	3.79	3.94
Loss from early extinguishment of debt	(0.18)	(0.68)
Tax impact of above items	(1.07)	(0.91)
Adjusted diluted earnings per share from continuing operations	\$ 1.99	\$ 4.88
Weighted average basic shares outstanding (in thousands)	107,050	106,727
Weighted average dilutive shares outstanding (in thousands)	108,761	108,465

Tenet Healthcare Corporation

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Table #1 – Reconciliations of Net Income Available 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	
	Q3	YTD
Net loss attributable to Tenet Healthcare Corporation common shareholders	\$ (196)	\$ (15)
Net income from discontinued operations	1	—
Net loss from continuing operations	(197)	(15)
Less: Impairment and restructuring charges, and acquisition-related costs	(57)	(166)
Litigation and investigation costs	(9)	(13)
Net gains on sales, consolidation and deconsolidation of facilities	1	4
Loss from early extinguishment of debt	(312)	(316)
Tax impact of above items	112	140
Adjusted net income available from continuing operations to common shareholders	\$ 68	\$ 336
Diluted loss per share from continuing operations	\$ (1.87)	\$ (0.14)
Less: Impairment and restructuring charges, and acquisition-related costs	(0.54)	(1.57)
Litigation and investigation costs	(0.08)	(0.12)
Net gains on sales, consolidation and deconsolidation of facilities	0.01	0.04
Loss from early extinguishment of debt	(2.93)	(2.98)
Tax impact of above items	1.05	1.32
Adjusted diluted earnings per share from continuing operations	\$ 0.64	\$ 3.17
Weighted average basic shares outstanding (in thousands)	105,263	104,803
Weighted average dilutive shares outstanding (in thousands)	106,503	105,938

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

**Table #2 – Reconciliations of Net Income Available to Tenet Healthcare Corporation
Common Shareholders to Adjusted EBITDA for 2021**

(Unaudited)

(Dollars in millions)

	2021	
	Q3	YTD
Net income available to Tenet Healthcare Corporation common shareholders	\$ 449	\$ 665
Less: Net income available to noncontrolling interests	(129)	(392)
Income from discontinued operations, net of tax	1	—
Income from continuing operations	577	1,057
Income tax expense	(197)	(303)
Loss from early extinguishment of debt	(20)	(74)
Other non-operating income, net	7	16
Interest expense	(227)	(702)
Operating income	1,014	2,120
Litigation and investigation costs	(29)	(64)
Net gain on sales, consolidation and deconsolidation of facilities	412	427
Impairment and restructuring charges, and acquisition-related costs	(15)	(55)
Depreciation and amortization	(209)	(654)
Adjusted EBITDA	\$ 855	\$ 2,466
Net operating revenues	\$ 4,894	\$ 14,629
Net income available to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	9.2 %	4.5 %
Adjusted EBITDA as a % of Net operating revenues (Adjusted EBITDA margin)	17.5 %	16.9 %

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

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

(Dollars in millions)

	2020	
	Q3	YTD
Net loss attributable to Tenet Healthcare Corporation common shareholders	\$ (196)	\$ (15)
Less: Net income available to noncontrolling interests	(90)	(237)
Income from discontinued operations, net of tax	1	—
(Loss) income from continuing operations	(107)	222
Income tax benefit	197	227
Loss from early extinguishment of debt	(312)	(316)
Other non-operating income, net	—	3
Interest expense	(263)	(761)
Operating income	271	1,069
Litigation and investigation costs	(9)	(13)
Net gains on sales, consolidation and deconsolidation of facilities	1	4
Impairment and restructuring charges, and acquisition-related costs	(57)	(166)
Depreciation and amortization	(215)	(624)
Adjusted EBITDA	\$ 551	\$ 1,868
Net operating revenues	\$ 4,557	\$ 12,725
Net loss attributable to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	(4.3)%	(0.1)%
Adjusted EBITDA as a % of Net operating revenues (Adjusted EBITDA margin)	12.1 %	14.7 %

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 for 2021

(Unaudited)

(Dollars in millions)

	2021	
	Q3	YTD
Net cash provided by operating activities	\$ 432	\$ 1,211
Purchases of property and equipment	(111)	(354)
Free cash flow	\$ 321	\$ 857
Net cash provided by investing activities	\$ 997	\$ 802
Net cash used in financing activities	\$ (1,331)	\$ (2,167)
Net cash provided by operating activities	\$ 432	\$ 1,211
Less: Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(31)	(116)
Net cash used in operating activities from discontinued operations	(1)	(1)
Adjusted net cash provided by operating activities from continuing operations	464	1,328
Purchases of property and equipment	(111)	(354)
Adjusted free cash flow – continuing operations	\$ 353	\$ 974

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 for 2020

(Unaudited)

(Dollars in millions)

	2020	
	Q3	YTD
Net cash provided by operating activities	\$ 593	\$ 2,961
Purchases of property and equipment	(86)	(374)
Free cash flow	\$ 507	\$ 2,587
Net cash used in investing activities	\$ (117)	\$ (406)
Net cash (used in) provided by financing activities	\$ (690)	\$ 483
Net cash provided by operating activities	\$ 593	\$ 2,961
Less: Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(138)	(252)
Net cash used in operating activities from discontinued operations	(1)	(1)
Adjusted net cash provided by operating activities from continuing operations	732	3,214
Purchases of property and equipment	(86)	(374)
Adjusted free cash flow – continuing operations	\$ 646	\$ 2,840

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

**Table #4 – Reconciliations of Outlook Net Income Available to Tenet Healthcare Corporation
Common Shareholders to Outlook Adjusted EBITDA**

(Unaudited)

(Dollars in millions)

	Q4'21		FY 2021	
	Low	High	Low	High
Net income available to Tenet Healthcare Corporation common shareholders	\$ 108	\$ 153	\$ 773	\$ 818
Less: Net income available to noncontrolling interests	(173)	(193)	(565)	(585)
Income tax expense	(52)	(67)	(355)	(370)
Interest expense	(223)	(213)	(925)	(915)
Loss from early extinguishment of debt ⁽¹⁾	—	—	(74)	(74)
Other non-operating income (expense), net	(1)	4	15	20
Net gains on sales, consolidation and deconsolidation of facilities	—	—	427	427
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements ⁽²⁾	(41)	(21)	(160)	(140)
Depreciation and amortization	(206)	(216)	(860)	(870)
Loss from divested and closed businesses (i.e., health plan businesses)	(5)	—	(5)	—
Adjusted EBITDA	\$ 809	\$ 859	\$ 3,275	\$ 3,325
Net operating revenues	\$ 4,871	\$ 5,171	\$ 19,500	\$ 19,800
Net income available to Tenet Healthcare Corporation common shareholders as a % of operating revenues	2.2 %	3.0 %	4.0 %	4.1 %
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	16.6 %	16.6 %	16.8 %	16.8 %

- (1) The Company does not generally forecast losses from the early extinguishment of debt because the Company does not believe that it can forecast this item with sufficient accuracy since it is indeterminable at the time the Company provides its financial Outlook. The figures shown represent the Company's actual year-to-date results for this item.
- (2) The Company has provided an estimate of restructuring charges and related payments it anticipates in 2021. The figures shown represent the Company's estimate for restructuring charges plus the actual year-to-date results for impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements. The Company does not generally forecast impairment charges, acquisition-related costs, and litigation costs and settlements because it does not believe that it can forecast these items with sufficient accuracy since some of these items are indeterminable at the time the Company provides its financial Outlook.

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

**Table #5 – Reconciliations of Outlook Net Income Available to Tenet Healthcare Corporation
Common Shareholders to Outlook Adjusted Net Income Available from Continuing Operations
to Common Shareholders**

(Unaudited)

(Dollars in millions except per share amounts)

	Q4'21		FY 2021	
	Low	High	Low	High
Net income available to Tenet Healthcare Corporation common shareholders	\$ 108	\$ 153	\$ 773	\$ 818
Net income from discontinued operations, net of tax	—	—	—	—
Net income from continuing operations	108	153	773	818
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements ⁽¹⁾	(41)	(21)	(160)	(140)
Net gains on sales, consolidation and deconsolidation of facilities	—	—	427	427
Loss from early extinguishment of debt ⁽²⁾	—	—	(74)	(74)
Loss from divested and closed businesses (i.e., health plan businesses)	(5)	—	(5)	—
Tax impact of above items	13	8	(85)	(90)
Noncontrolling interests impact of above items	—	—	—	—
Adjusted net income available from continuing operations to common shareholders	\$ 141	\$ 166	\$ 670	\$ 695
Diluted earnings per share from continuing operations	\$ 0.99	\$ 1.40	\$ 7.09	\$ 7.50
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(0.38)	(0.19)	(1.47)	(1.29)
Net gains on sales, consolidation and deconsolidation of facilities	—	—	3.92	3.92
Loss from early extinguishment of debt	—	—	(0.68)	(0.68)
Loss from divested and closed businesses (i.e., health plan businesses)	(0.05)	—	(0.05)	—
Tax impact of above items	0.12	0.07	(0.78)	(0.83)
Noncontrolling interests impact of above items	—	—	—	—
Adjusted diluted earnings per share from continuing operations	\$ 1.29	\$ 1.52	\$ 6.15	\$ 6.38
Weighted average basic shares outstanding (in thousands)	107,000	107,000	107,000	107,000
Weighted average dilutive shares outstanding (in thousands)	109,000	109,000	109,000	109,000

- (1) The Company has provided an estimate of restructuring charges it anticipates in 2021. The figures shown represent the Company's estimate for restructuring charges plus the actual year-to-date results for impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements. The Company does not generally forecast impairment charges, acquisition-related costs, and litigation costs and settlements because it does not believe that it can forecast these items with sufficient accuracy since some of these items are indeterminable at the time the Company provides its financial Outlook.
- (2) The Company does not generally forecast losses from the early extinguishment of debt because the Company does not believe that it can forecast this item with sufficient accuracy since it is indeterminable at the time the Company provides its financial Outlook. The figures shown represent the Company's actual year-to-date results for this item.

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

Table #6 – Reconciliations of Outlook Net Cash Provided by Operating Activities to Outlook Free Cash Flow – Continuing Operations and Outlook Adjusted Free Cash Flow – Continuing Operations
(Unaudited)

(Dollars in millions)

	FY 2021	
	Low	High
Net cash provided by operating activities	\$ 1,165	\$ 1,435
Purchases of property and equipment – continuing operations	(675)	(725)
Free cash flow – continuing operations	\$ 490	\$ 710
Net cash provided by operating activities	\$ 1,165	\$ 1,435
Less: Payments for restructuring charges, acquisition-related costs and litigation costs and settlements ⁽¹⁾	(160)	(140)
Adjusted net cash provided by operating activities – continuing operations	1,325	1,575
Purchases of property and equipment – continuing operations	(675)	(725)
Adjusted free cash flow – continuing operations⁽²⁾	\$ 650	\$ 850

- (1) The Company has provided an estimate of restructuring related payments it anticipates in 2021. The figures shown represent the Company's estimate for restructuring payments plus the actual year-to-date payments for acquisition-related costs, and litigation costs and settlements. The Company does not generally forecast payments for acquisition-related costs, and litigation costs and settlements because it does not believe that it can forecast these items with sufficient accuracy since some of these items are indeterminable at the time the Company provides its financial Outlook.
- (2) The Company's definition of Adjusted Free Cash Flow does 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, and (ii) distributions paid to noncontrolling interests.