



Supplemental Financial Disclosures First Quarter 2023 Earnings Release

Disclosures in this document are intended to supplement the financial information in Tenet's First Quarter 2023 earnings release dated April 25, 2023. A copy of that earnings release is available via the Company's Investor Relations website at www.tenethealth.com.

Tenet Healthcare Corporation
Supplemental Financial Disclosures
First Quarter 2023 Earnings Release

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BUSINESS SEGMENTS
Adjusted Net Operating Revenues, Adjusted EBITDA and Adjusted EBITDA Margins
(Unaudited)

<i>\$ in millions</i>	FY 2020	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23
AMBULATORY CARE												
Net operating revenues ⁽¹⁾	\$2,072	\$646	\$664	\$666	\$742	\$2,718	\$738	\$771	\$806	\$933	\$3,248	\$905
Adjusted EBITDA ⁽²⁾	\$868	\$257	\$295	\$274	\$371	\$1,197	\$282	\$319	\$319	\$407	\$1,327	\$340
Adjusted EBITDA margins ⁽²⁾	41.9 %	39.8 %	44.4 %	41.1 %	50.0 %	44.0 %	38.2 %	41.4 %	39.6 %	43.6 %	40.9 %	37.6 %
HOSPITAL OPERATIONS AND OTHER												
Adjusted net operating revenues ⁽¹⁾⁽²⁾	\$14,769	\$3,947	\$4,095	\$4,030	\$3,910	\$15,982	\$3,798	\$3,645	\$3,778	\$3,840	\$15,061	\$3,899
Adjusted EBITDA ⁽²⁾	\$1,911	\$434	\$449	\$496	\$552	\$1,931	\$514	\$431	\$432	\$400	\$1,777	\$405
Adjusted EBITDA margins ⁽²⁾	12.9 %	11.0 %	11.0 %	12.3 %	14.1 %	12.1 %	13.5 %	11.8 %	11.4 %	10.4 %	11.8 %	10.4 %
CONIFER												
Net operating revenues ⁽¹⁾	\$1,306	\$310	\$319	\$314	\$324	\$1,267	\$324	\$333	\$333	\$326	\$1,316	\$324
Adjusted EBITDA	\$367	\$86	\$90	\$85	\$94	\$355	\$92	\$93	\$90	\$90	\$365	\$87
Adjusted EBITDA margins	28.1 %	27.7 %	28.2 %	27.1 %	29.0 %	28.0 %	28.4 %	27.9 %	27.0 %	27.6 %	27.7 %	26.9 %
INTER-SEGMENT ELIMINATIONS												
Less: Inter-segment eliminations from revenue	\$(528)	\$(122)	\$(124)	\$(116)	\$(120)	\$(482)	\$(115)	\$(111)	\$(116)	\$(109)	\$(451)	\$(107)
CONSOLIDATED												
Adjusted net operating revenues ⁽¹⁾⁽²⁾	\$17,619	\$4,781	\$4,954	\$4,894	\$4,856	\$19,485	\$4,745	\$4,638	\$4,801	\$4,990	\$19,174	\$5,021
Adjusted EBITDA ⁽²⁾	\$3,146	\$777	\$834	\$855	\$1,017	\$3,483	\$888	\$843	\$841	\$897	\$3,469	\$832
Adjusted EBITDA margins ⁽²⁾	17.9 %	16.3 %	16.8 %	17.5 %	20.9 %	17.9 %	18.7 %	18.2 %	17.5 %	18.0 %	18.1 %	16.6 %

Footnotes:

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

(2) Health plan revenues and the related Adjusted EBITDA are excluded from Adjusted net operating revenues, Adjusted EBITDA and Adjusted EBITDA margin calculations; For Adjusted EBITDA and Adjusted EBITDA margins, includes grant income earned by Hospital and Ambulatory segments

AMBULATORY CARE SEGMENT Revenues and Volumes

(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Consolidated		
Surgical facility counts at end of period	313	261
Same-facility surgery cases ⁽¹⁾	369,272	341,024
Same-Facility System-Wide ⁽²⁾		
Revenue change versus the prior-year period	9.3%	9.3%
Change in cases versus the prior-year period	7.9%	8.0%
Revenue per case change versus the prior-year period	1.3%	1.1%

Footnotes:

(1) Same-facility surgical cases reflect those associated with facilities consolidated by USPI, historical cases for facilities acquired and exclude any cases related to facilities deconsolidated or otherwise disposed of during the comparative periods. These statistics are intended as an indicator of growth in procedures at consolidated facilities, including historical cases for facilities acquired, and would not directly correlate to actual revenues for the related periods due to including historical cases for facilities before they were acquired.

(2) 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 and Adjusted EBITDA less NCI

(Unaudited)

	Three Months Ended March 31,	
	2023	2022
<i>(Dollars in millions)</i>		
Net operating revenues	\$905	\$738
Growth in net operating revenues	22.6 %	14.2 %
Equity in earnings of unconsolidated affiliates	\$47	\$42
Adjusted EBITDA	\$340	\$282
Growth in Adjusted EBITDA	20.6 %	9.7 %
Adjusted EBITDA margin (including grant income)	37.6 %	38.2 %
Net income available to facility-level noncontrolling interests ⁽¹⁾	\$126	\$95
Adjusted EBITDA less facility-level NCI	\$214	\$187
Growth in Adjusted EBITDA less facility-level NCI	14.4 %	10.7 %
Net income available to Baylor ⁽²⁾	\$—	\$4
Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	\$214	\$183
Growth in Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	16.9 %	10.9 %

Footnotes:

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

(2) The amount labeled as net income available to Baylor represents NCI related to Baylor's previous ownership interest in the USPI joint venture. Tenet acquired Baylor's interest in USPI on June 30, 2022.

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

(Unaudited)

Three Months Ended March 31,

	2023		2022	
	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⁾	\$ 905	\$ 783	\$ 738	\$ 769
Grant income	—	1	2	1
Equity in earnings of unconsolidated affiliates⁽²⁾	47	—	42	—
Operating expenses:				
Salaries, wages and benefits	235	189	194	192
Supplies	257	216	201	219
Other operating expenses, net	120	158	105	155
Depreciation and amortization	27	26	27	26
Litigation and investigation costs	1	—	—	—
Impairment and restructuring charges, and acquisition-related costs	3	—	3	—
Net gains on sales, consolidation and deconsolidation of facilities	(13)	—	—	—
Operating income	322	195	252	178
Interest expense	(56)	(7)	(52)	(7)
Other non-operating income, net	—	—	1	1
Income from continuing operations, before income taxes	266	188	201	172
Income tax expense	(34)	(3)	(27)	(3)
Net income	232	\$ 185	174	\$ 169
Less: Net income available to noncontrolling interests	126		99	
Net income available to Tenet Healthcare Corporation common shareholders	\$ 106		\$ 75	
Equity in earnings of unconsolidated affiliates		\$ 47		\$ 42

Footnotes:

- (1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment increased 9.3% during the three months ended March 31, 2023, with cases up 7.9% and revenue per case increasing 1.3%.
- (2) Certain of the Company's Ambulatory segment facilities were not consolidated for the period presented 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 the remaining facilities and account for these investments as consolidated subsidiaries.

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

<i>(Dollars in millions)</i>	Three Months Ended March 31,	
	2023	2022
Adjusted EBITDA and margins		
Adjusted EBITDA (including grant income)	\$405	\$514
Adjusted EBITDA margin (including grant income)	10.4 %	13.5 %
Changes in Same-Hospital Revenues and Volumes versus Prior-Year Period ⁽¹⁾		
Net Patient Revenue	1.1 %	2.5 %
Revenue Per Adjusted Admission ⁽²⁾	(5.2)%	4.0 %
Inpatient Admissions	4.3 %	(4.7)%
Adjusted Admissions	6.7 %	(1.4)%
Hospital surgeries ⁽³⁾	2.3 %	(0.2)%
Outpatient Visits ⁽⁴⁾	— %	1.4 %
Emergency Room Visits — Inpatient	3.1 %	(3.1)%
Emergency Room Visits — Outpatient	5.2 %	18.0 %
Same-Hospital Selected Operating Expenses		
Salaries, wages and benefits	\$1,843	\$1,822
Supplies	631	584
Other operating expenses	903	773
Total selected operating expenses	<u>\$3,377</u>	<u>\$3,179</u>

Footnotes and other notations:

(1) For 2023, same-hospital revenues and statistical data include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2022 through March 31, 2023. Amounts associated with physician practices are excluded.

(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

(Unaudited)

Three Months Ended March 31,

(Dollars in millions except per adjusted admission amounts)

	2023	2022	Change
Admissions and Surgeries⁽¹⁾			
Number of hospitals (at end of period)	60	60	—
Total admissions	133,213	127,782	4.3 %
Adjusted patient admissions	243,243	227,933	6.7 %
Admissions through emergency department	100,728	97,684	3.1 %
Paying admissions as a percentage of total admissions	95.6 %	95.3 %	0.3 %
Charity and uninsured admissions as a percentage of total admissions	4.4 %	4.7 %	(0.3)%
Emergency department admissions as a percentage of total admissions	75.6 %	76.4 %	(0.8)%
Surgeries — inpatient	33,848	32,908	2.9 %
Surgeries — outpatient	52,253	51,258	1.9 %
Total surgeries	86,101	84,166	2.3 %
Patient days — total	700,973	705,623	(0.7)%
Adjusted patient days	1,230,048	1,224,824	0.4 %
Average length of stay (days)	5.26	5.52	(4.7)%
Licensed beds (at end of period)	15,372	15,395	(0.1)%
Average licensed beds	15,372	15,395	(0.1)%
Utilization of licensed beds	50.7 %	50.9 %	(0.2)%
Outpatient Visits⁽¹⁾			
Total visits (includes Emergency department visits)	1,373,831	1,373,188	— %
Emergency department visits	526,530	500,665	5.2 %
Paying visits as a percentage of total visits	94.8 %	94.3 %	0.5 %
Charity and uninsured visits as a percentage of total visits	5.2 %	5.7 %	(0.5)%
Total Emergency department inpatient admissions and outpatient visits⁽¹⁾	627,258	598,349	4.8 %
Revenues and Operating Expenses			
Net patient service revenues ⁽¹⁾⁽²⁾	\$ 3,547	\$ 3,507	1.1 %
Net patient service revenue ⁽¹⁾⁽²⁾ per adjusted patient admission	\$ 14,582	\$ 15,386	(5.2)%
Selected operating expenses ⁽³⁾	\$ 3,377	\$ 3,179	6.2 %
Selected operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,878	\$ 13,939	(0.4)%
Payer mix - net patient service revenues⁽¹⁾⁽²⁾			
Medicare	17.2 %	17.7 %	(0.5)%
Medicaid	7.9 %	7.1 %	0.8 %
Managed care ⁽⁴⁾	70.1 %	69.5 %	0.6 %
Uninsured	0.9 %	1.0 %	(0.1)%
Indemnity and other	3.9 %	4.7 %	(0.8)%

Footnotes and other notations:

(1) For 2023, same-hospital revenues and statistical data include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2022 through March 31, 2023. Amounts associated with physician practices are excluded.

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

(3) Selected 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. Prior year figures have been reclassified to conform to current year presentation.

HOSPITAL OPERATIONS AND OTHER SEGMENT

Total-Hospital Selected Statistics

(Unaudited)

Three Months Ended March 31,

(Dollars in millions except per adjusted admission amounts)

	2023	2022	Change
Admissions and Surgeries⁽¹⁾			
Number of hospitals (at end of period)	61	60	1
Total admissions	133,960	127,781	4.8 %
Adjusted patient admissions	244,973	227,933	7.5 %
Admissions through emergency department	101,451	97,688	3.9 %
Paying admissions as a percentage of total admissions	95.6 %	95.3 %	0.3 %
Charity and uninsured admissions as a percentage of total admissions	4.4 %	4.7 %	(0.3)%
Emergency department admissions as a percentage of total admissions	75.7 %	76.4 %	(0.7)%
Surgeries — inpatient	33,938	32,909	3.1 %
Surgeries — outpatient	52,652	51,257	2.7 %
Total surgeries	86,590	84,166	2.9 %
Patient days — total	703,723	705,627	(0.3)%
Adjusted patient days	1,236,417	1,224,824	0.9 %
Average length of stay (days)	5.25	5.52	(4.9)%
Licensed beds (at end of period)	15,472	15,395	0.5 %
Average licensed beds	15,472	15,395	0.5 %
Utilization of licensed beds	50.5 %	50.9 %	(0.4)%
Outpatient Visits⁽¹⁾			
Total visits (includes Emergency department visits)	1,380,062	1,373,188	0.5 %
Emergency department visits	531,328	500,659	6.1 %
Paying visits as a percentage of total visits	94.8 %	94.3 %	0.5 %
Charity and uninsured visits as a percentage of total visits	5.2 %	5.7 %	(0.5)%
Total Emergency department inpatient admissions and outpatient visits⁽¹⁾	632,779	598,347	5.8 %
Revenues and Operating Expenses			
Net patient service revenues ⁽¹⁾⁽²⁾	\$ 3,567	\$ 3,508	1.7 %
Net patient service revenue ⁽¹⁾⁽²⁾ per adjusted patient admission	\$ 14,561	\$ 15,390	(5.4)%
Selected operating expenses ⁽³⁾	\$ 3,393	\$ 3,177	6.8 %
Selected operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,850	\$ 13,935	(0.6)%
Payer mix - net patient service revenues⁽¹⁾⁽²⁾			
Medicare	17.2 %	17.6 %	(0.4)%
Medicaid	7.8 %	7.1 %	0.7 %
Managed care ⁽⁴⁾	70.2 %	69.5 %	0.7 %
Uninsured	0.9 %	1.1 %	(0.2)%
Indemnity and other	3.9 %	4.7 %	(0.8)%

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. Amounts associated with physician practices are excluded.

(2) Less implicit price concessions/bad debt expense

(3) Selected 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. Prior year figures have been reclassified to conform to current year presentation.

**CONSOLIDATED
UNCOMPENSATED CARE TRENDS**
(Unaudited)

<i>(Dollars in millions)</i>	Three Months Ended March 31,	
	2023	2022
Net operating revenues	\$5,021	\$4,745
Bad debt expense and implicit price concessions	\$359	\$260
Charity Care write-offs	\$216	\$194
Uninsured discounts	\$1,122	\$1,053
Uncompensated Care ⁽¹⁾	\$1,697	\$1,507
Net operating revenues excluding Uncompensated Care	\$6,718	\$6,252
Uncompensated Care Percentage ⁽²⁾	25.3 %	24.1 %

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.