



4th Quarter 2024 Earnings Release Presentation

February 12, 2025



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. 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, the factors described under “Forward Looking Statements” and “Risk Factors” in our Forms 10-Q, 10-K, 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 financial measures are included in our earnings press releases dated February 8, 2024 and February 12, 2025, which are available on our website at www.tenethealth.com/investors. We are not able to reconcile certain forward looking non-GAAP financial measures to the most comparable U.S. GAAP financial measures without unreasonable efforts due to uncertainty regarding items outside of our control.

Fourth Quarter 2024 Highlights

Consolidated Adjusted EBITDA of \$1.048 billion, in the upper end of our fourth quarter Outlook range

Ambulatory

- 14.2% Adjusted EBITDA growth
- 8.6% same-facility revenue growth
- 8.5% net revenue per case growth
- 42.1% Adjusted EBITDA margin
- 6 facilities added in fourth quarter

Hospitals

- 13.3% Adjusted EBITDA growth ex-divested hospitals*
- 5.0% same-hospital admission growth
- 13.6% Adjusted EBITDA margin
- Consolidated SW&B as a % of revenue: 41.3% Q4'24 vs. 43.0% Q4'23

FY 2025 Outlook** - Consolidated Adjusted EBITDA of \$3.975 to \$4.175 billion

7.0% Consolidated normalized growth / **8.5%** USPI normalized growth at the midpoint of guidance

* Excluding \$91M of reduced Q4 2024 Adjusted EBITDA in the Hospitals due to 2024 divestitures

** 2025 Financial Outlook is based on the Company's Outlook as of February 12, 2025

2025 Financial Outlook*

Net operating revenues	\$20.6 to \$21.0B
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Adjusted EBITDA

Ambulatory	\$1.915 to \$1.985B
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Hospitals	\$2.060 to \$2.190B
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Consolidated	\$3.975 to \$4.175B
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Adjusted EBITDA margin	19.3% to 19.9%
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First Quarter 2025 Adjusted EBITDA

24-25% of 2025 Adjusted EBITDA at the mid-point of the range

Changes vs. prior year

Ambulatory same facility system-wide revenues	Up 3 - 6%
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Inpatient admissions	Up 2 - 3%
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Adjusted admissions	Up 2 - 3%
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Capital Deployment

Net cash provided by operating activities	\$2.50 to \$2.85B
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Capital expenditures	\$700 to \$800M
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Free cash flow	\$1.80 to \$2.05B
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NCI cash distributions	\$750 to \$800M
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Free cash flow less NCI distributions	\$1.05 to \$1.25B
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*2025 Financial Outlook is based on the Company's Outlook as of February 12, 2025

FY 2025 Adjusted EBITDA* Outlook Bridge from 2024 *(\$ in millions)*

<i>(\$ in millions)</i>	Ambulatory	Hospital	Total
2024 EBITDA	\$1,810	\$2,185	\$3,995
Divestitures	(\$13)	(\$101)	(\$114)
Supplemental Medicaid Revenue favorable out-of-period adjustments	-	(\$74)	(\$74)
2024 Normalized Performance	\$1,797	\$2,010	\$3,807
2025 EBITDA Guidance Mid-Point	\$1,950	\$2,125**	\$4,075
2025 Normalized EBITDA Growth	8.5%	5.7%	7.0%

Expect strong revenue growth and operational performance to drive attractive Adjusted EBITDA growth

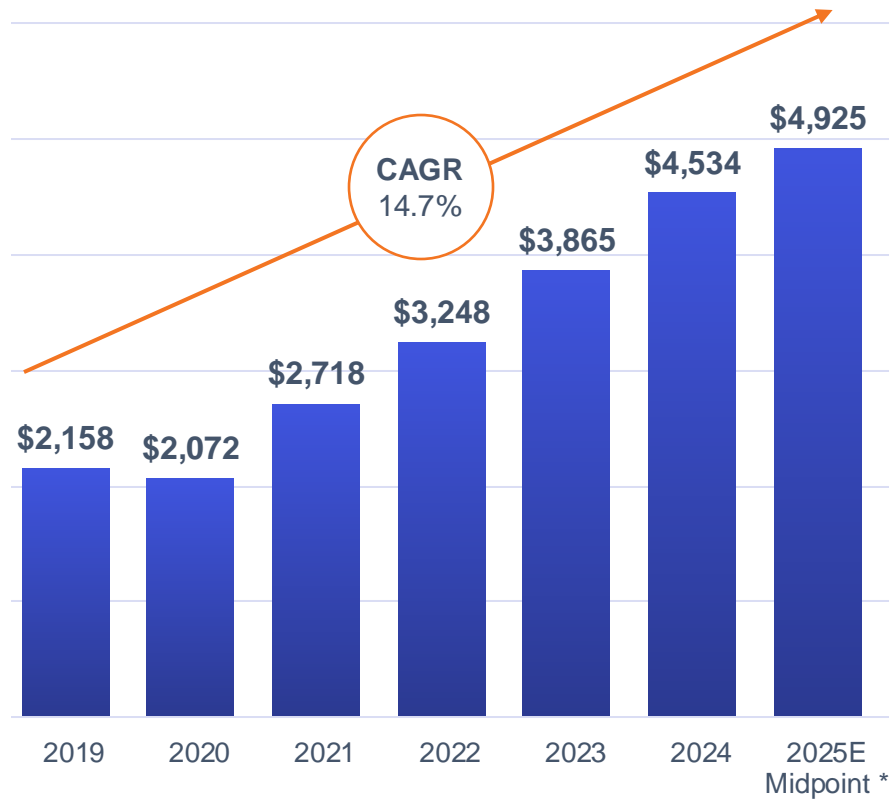
*2025 Adjusted EBITDA Outlook is based on the Company's Outlook as of February 12, 2025

**2025 Adjusted EBITDA Outlook includes \$35M net favorable adjustments related to approval of Tennessee Supplemental Medicaid Revenue Program

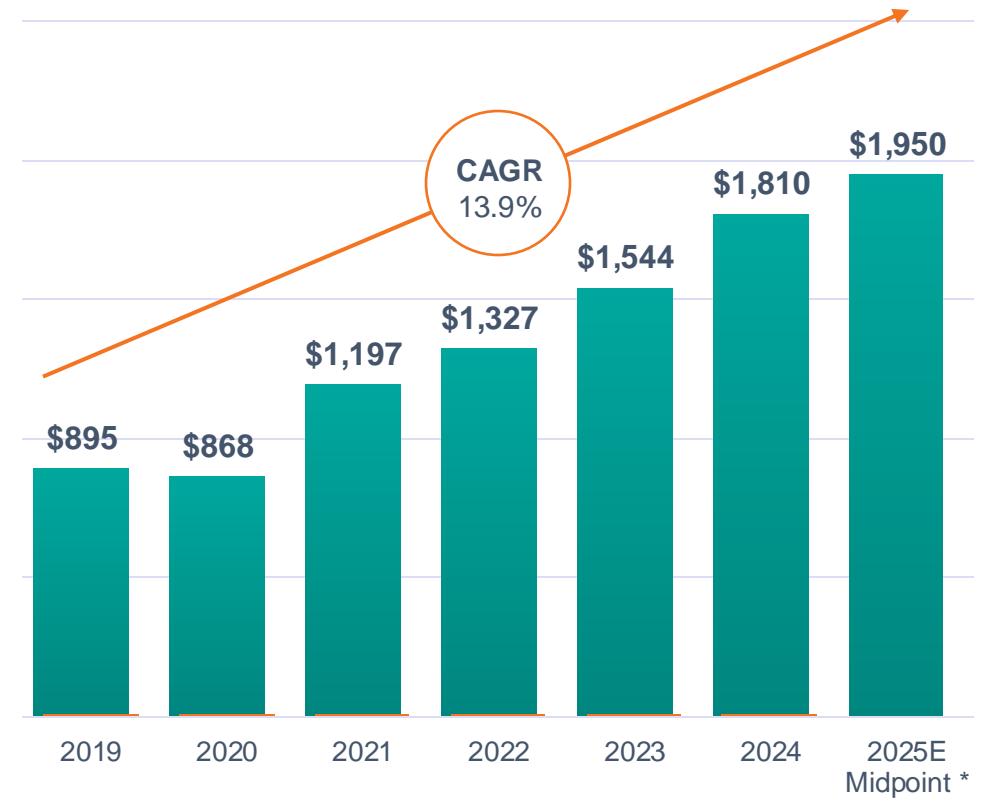
USPI

USPI Track Record of Mid-teens Growth and Strong Margins

Net Revenue (\$M)



Adjusted EBITDA (\$M)

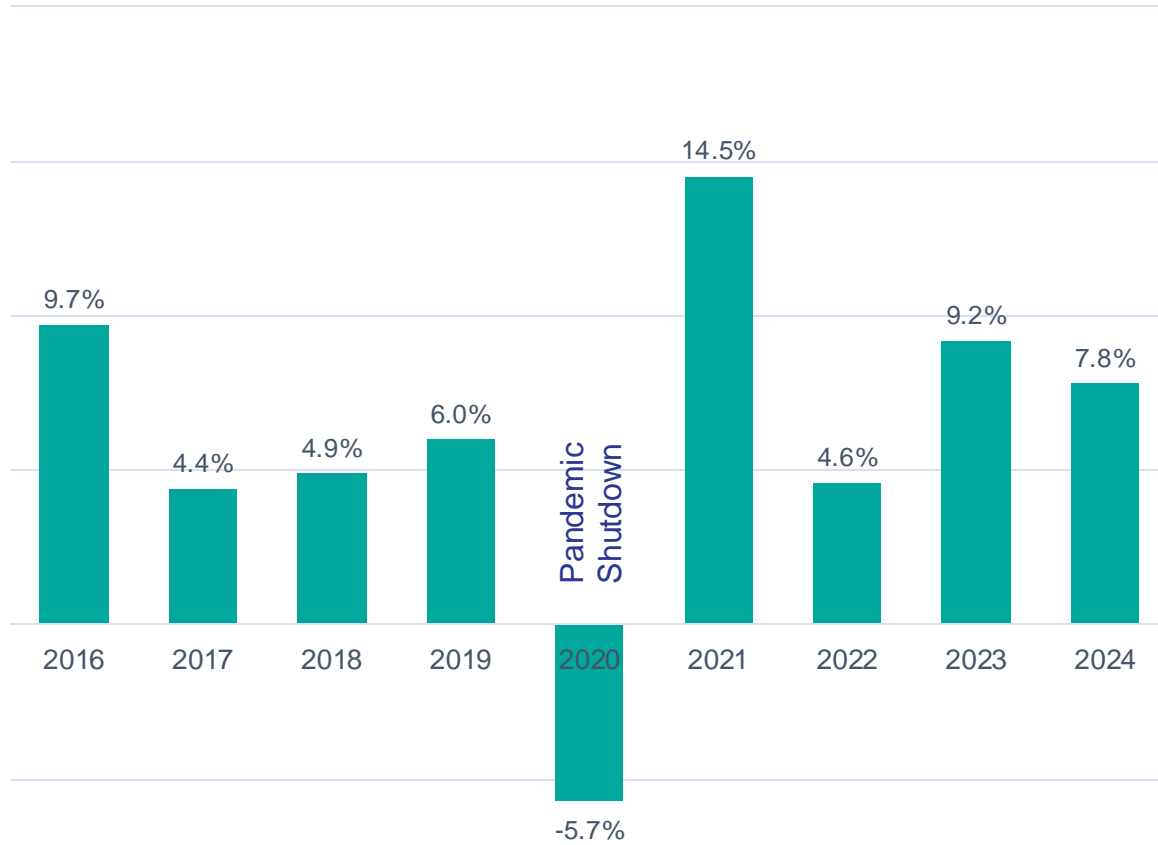


Consistent Track Record of ~40% Adjusted EBITDA Margins

* 2025E is based on the Company's outlook as of February 12, 2025

USPI Long Term Organic Growth Consistency

6.0% Same-facility System-wide Revenue CAGR from 2015-2024



Organic Growth Rates Driven by USPI Leadership in Strategy & Execution

Established Expertise in Starting New Service Lines

213

Service Line Additions
FY 2024

Expansion of High Acuity Cases

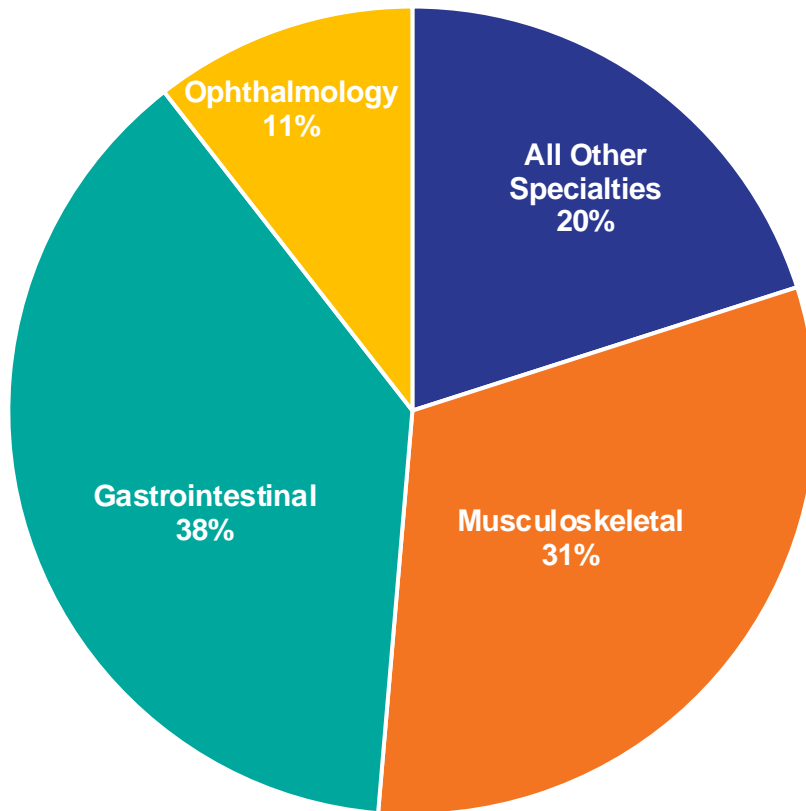
19.4%

Same-facility ASC
Total Joints Growth
FY 2024*

*Same-facility ASCs excludes acquired facilities or de novos opened after December 31, 2023

USPI Case Mix / Clinical Quality

2024 Case Mix



Commitment to Quality Drives Strong Patient Experience



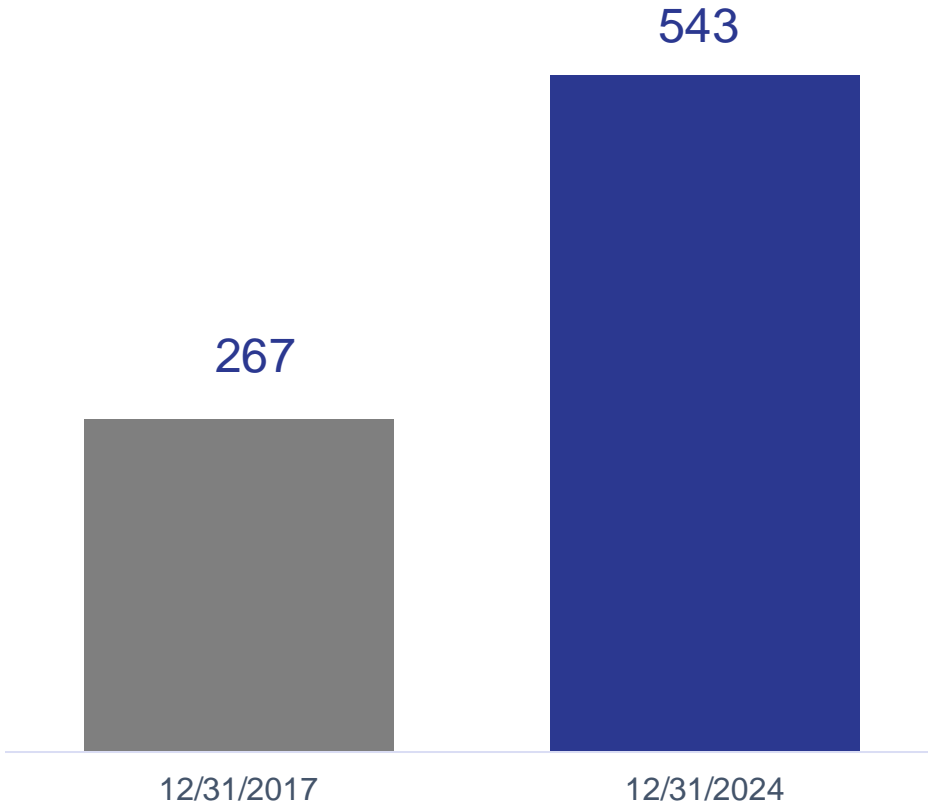
96.6

2024 Overall
Patient
Experience Score

USPI Acquisitions and De Novos Deliver Significant Returns on Invested Capital

Total Number of Facilities

2017 – 2024



Achievement of Attractive Returns

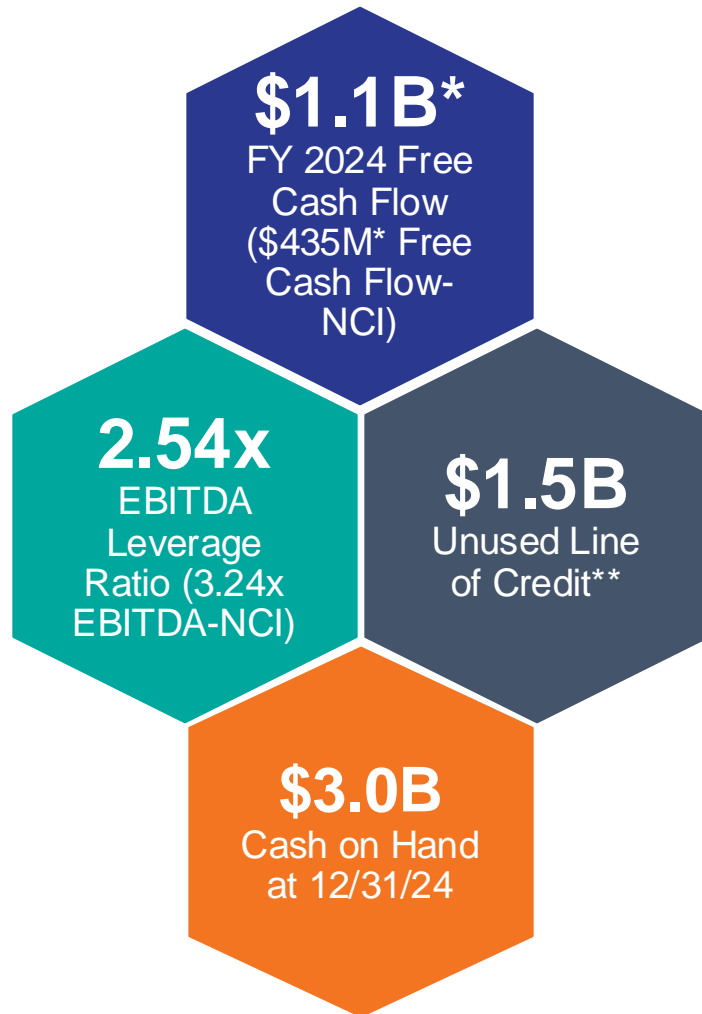


Dedicated development team and strong partnership economic returns drive competitive deal advantages

* Targeted Acquisition Effective Multiple generally realized over a three-year period post-acquisition

Cash Flow and Capital

2024 Cash Flows Continue to Support Growth / De-leveraging



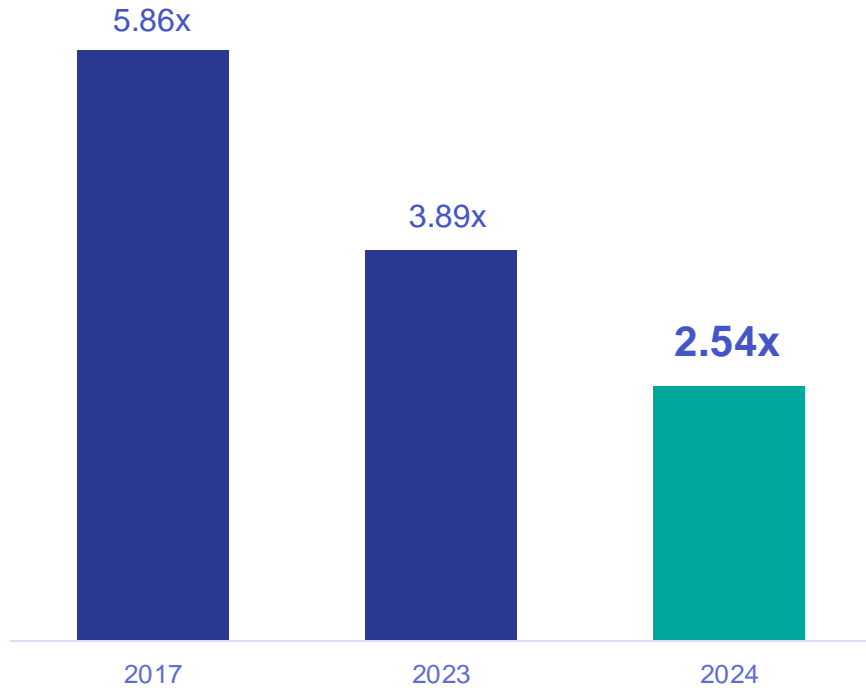
- Our cash flow and balance sheet position provide us capital allocation financial flexibility:
 - ✓ Ample liquidity and access to capital markets to pursue our growth strategy while returning capital to shareholders
- 2024 M&A Activity:
 - ✓ Sold 14 hospitals and related operations for \$4.9B (\$4.0B after-tax)
 - ✓ Acquired 55 facilities
 - ✓ Added 14 de novo ambulatory centers
- Retired \$2.1 billion of 2026 Senior Secured Notes in March 2024
- Repurchased ~5.6 million shares in 2024 for \$672 million
 - ✓ Repurchased ~14% of shares outstanding since inception of stock repurchase program in fourth quarter 2022

* Includes \$855M of income taxes paid related to hospital divestitures completed in 2024.

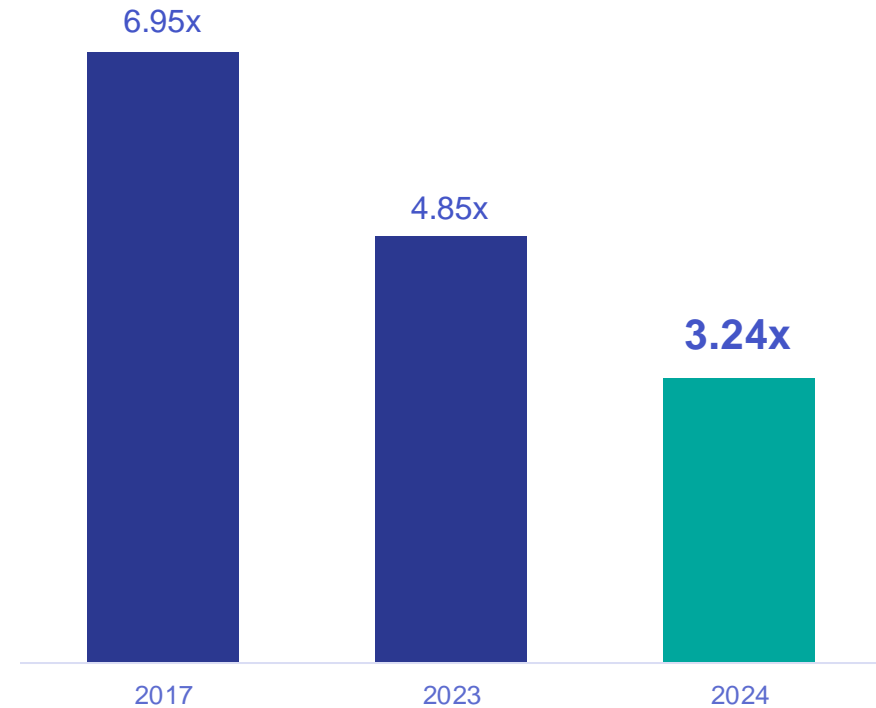
** Subject to periodic updates to overall borrowing base capacity

Significant Deleveraging of the Balance Sheet

LEVERAGE RATIO (EBITDA)



LEVERAGE RATIO (EBITDA-NCI)



Substantial reduction in leverage following significant performance improvement and hospital sales

Capital Deployment Priorities

We prioritize the deployment of the free cash flow generated by our businesses to the following areas:

Investments in our ASC platform

M&A and de novo investments – baseline intention is \$250 million per year

Investments in our Hospital Business

Continued investment in technology, robotics, and targeted surgical hospital expansion focused on higher acuity services

Maintain deleveraged balance sheet

Commitment to a deleveraged balance sheet through earnings growth and debt repayment

Share repurchase program

\$1.38 billion share repurchase authorization remaining

GAAP to Non-GAAP Reconciliations

NON-GAAP FINANCIAL INFORMATION

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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 February 12, 2025. GAAP to non-GAAP reconciliations for those measures used in this slide presentation are also included on the following slides.

Supplemental Non-GAAP disclosures

Table #1 – Reconciliations of Net Income Available to Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income Available to Common Shareholders

(Unaudited)

	Three Months Ended December 31,		Years Ended December 31,	
	2024	2023	2024	2023
<i>(Dollars in millions, except per share amounts)</i>				
Net income available to Tenet Healthcare Corporation common shareholders	\$ 318	\$ 244	\$ 3,200	\$ 611
Less:				
Impairment and restructuring charges, and acquisition-related costs	(27)	(53)	(102)	(137)
Litigation and investigation costs	(17)	(19)	(35)	(47)
Net gains on sales, consolidation and deconsolidation of facilities	10	11	2,916	23
Loss from early extinguishment of debt	—	—	(8)	(11)
Tax and noncontrolling interests impact of above items	22	22	(733)	39
Adjusted net income available to common shareholders	\$ 330	\$ 283	\$ 1,162	\$ 744
Diluted earnings per share	\$ 3.32	\$ 2.30	\$ 32.70	\$ 5.71
Less:				
Impairment and restructuring charges, and acquisition-related costs	(0.28)	(0.51)	(1.04)	(1.31)
Litigation and investigation costs	(0.18)	(0.18)	(0.36)	(0.45)
Net gains on sales, consolidation and deconsolidation of facilities	0.11	0.10	29.79	0.22
Loss from early extinguishment of debt	—	—	(0.08)	(0.10)
Tax and noncontrolling interests impact of above items	0.23	0.21	(7.49)	0.37
Adjusted diluted earnings per share	\$ 3.44	\$ 2.68	\$ 11.88	\$ 6.98
Weighted average basic shares outstanding (in thousands)	95,102	100,956	96,904	101,639
Weighted average dilutive shares outstanding (in thousands)	95,882	104,167	97,881	104,800

Supplemental Non-GAAP disclosures

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

	Three Months Ended December 31,		Years Ended December 31,	
	2024	2023	2024	2023
<i>(Dollars in millions)</i>				
Net income available to Tenet Healthcare Corporation common shareholders	\$ 318	\$ 244	\$ 3,200	\$ 611
Less:				
Net income available to noncontrolling interests	(254)	(212)	(864)	(700)
Net income	572	456	4,064	1,311
Income tax expense	(83)	(63)	(1,184)	(306)
Loss from early extinguishment of debt	—	—	(8)	(11)
Other non-operating income, net	37	11	126	19
Interest expense	(203)	(227)	(826)	(901)
Operating income	821	735	5,956	2,510
Litigation and investigation costs	(17)	(19)	(35)	(47)
Net gains on sales, consolidation and deconsolidation of facilities	10	11	2,916	23
Impairment and restructuring charges, and acquisition-related costs	(27)	(53)	(102)	(137)
Depreciation and amortization	(193)	(216)	(818)	(870)
Adjusted EBITDA	\$ 1,048	\$ 1,012	\$ 3,995	\$ 3,541
Net operating revenues	\$ 5,072	\$ 5,379	\$ 20,665	\$ 20,548
Net income available to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	6.3 %	4.5 %	15.5 %	3.0 %
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	20.7 %	18.8 %	19.3 %	17.2 %

Supplemental Non-GAAP disclosures

Table #3 – Reconciliations of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow and Adjusted Free Cash Flow

(Unaudited)

	2024	
	Q4	YTD
<i>(Dollars in millions)</i>		
Net cash provided by (used in) operating activities	\$ (331)	\$ 2,047
Purchases of property and equipment	(330)	(931)
Free cash flow	\$ (661)	\$ 1,116
Net cash provided by (used in) investing activities	\$ (372)	\$ 3,429
Net cash used in financing activities	\$ (372)	\$ (3,685)
Net cash provided by (used in) operating activities	\$ (331)	\$ 2,047
Less:		
Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(34)	(153)
Adjusted net cash provided by (used in) operating activities	(297)	2,200
Purchases of property and equipment	(330)	(931)
Adjusted free cash flow	\$ (627)	\$ 1,269
	2023	
	Q4	YTD
<i>(Dollars in millions)</i>		
Net cash provided by operating activities	\$ 824	\$ 2,374
Purchases of property and equipment	(208)	(751)
Free cash flow	\$ 616	\$ 1,623
Net cash used in investing activities	\$ (333)	\$ (969)
Net cash used in financing activities	\$ (317)	\$ (1,035)
Net cash provided by operating activities	\$ 824	\$ 2,374
Less:		
Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(49)	(154)
Adjusted net cash provided by operating activities	873	2,528
Purchases of property and equipment	(208)	(751)
Adjusted free cash flow	\$ 665	\$ 1,777

Supplemental Non-GAAP disclosures

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

(Unaudited)

	FY 2025	
	Low	High
<i>(Dollars in millions, except per share amounts)</i>		
Net income available to Tenet Healthcare Corporation common shareholders	\$ 1,040	\$ 1,185
Less:		
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements ⁽¹⁾	(100)	(50)
Tax and noncontrolling interests impact of above items	25	15
Adjusted net income available to common shareholders	\$ 1,115	\$ 1,220
Diluted earnings per share	\$ 10.95	\$ 12.47
Less:		
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(1.05)	(0.53)
Tax and noncontrolling interests impact of above items	0.26	0.16
Adjusted diluted earnings per share	\$ 11.74	\$ 12.84
Weighted average basic shares outstanding (in thousands)	94,000	94,000
Weighted average dilutive shares outstanding (in thousands)	95,000	95,000

(1) The figures shown represent the Company's estimate for restructuring charges. 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.

Supplemental Non-GAAP disclosures

**Table #5 – Reconciliations of Outlook Net Income Available to Tenet Healthcare Corporation
Common Shareholders to Outlook Adjusted EBITDA**
(Unaudited)

<i>(Dollars in millions)</i>	FY 2025	
	Low	High
Net income available to Tenet Healthcare Corporation common shareholders	\$ 1,040	\$ 1,185
Less:		
Net income available to noncontrolling interests	(910)	(960)
Income tax expense	(420)	(465)
Interest expense	(805)	(795)
Other non-operating income, net	105	115
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements ⁽¹⁾	(100)	(50)
Depreciation and amortization	(805)	(835)
Adjusted EBITDA	\$ 3,975	\$ 4,175
Net income available to Tenet Healthcare Corporation common shareholders	\$ 1,040	\$ 1,185
Net operating revenues	\$ 20,600	\$ 21,000
Net income available to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	5.0 %	5.6 %
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	19.3 %	19.9 %

(1) The figures shown represent the Company's estimate for restructuring charges. 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.

Supplemental Non-GAAP disclosures

Table #6 – Reconciliations of Outlook Net Cash Provided by Operating Activities to Outlook Free Cash Flow and Outlook Adjusted Free Cash Flow

(Unaudited)

	FY 2025	
	Low	High
<i>(Dollars in millions)</i>		
Net cash provided by operating activities	\$ 2,500	\$ 2,850
Purchases of property and equipment	(700)	(800)
Free cash flow	\$ 1,800	\$ 2,050
Net cash provided by operating activities	\$ 2,500	\$ 2,850
Less:		
Payments for restructuring charges, acquisition-related costs and litigation costs and settlements ⁽¹⁾	(100)	(50)
Adjusted net cash provided by operating activities	2,600	2,900
Purchases of property and equipment	(700)	(800)
Adjusted free cash flow⁽²⁾	\$ 1,900	\$ 2,100

(1) The figures shown represent the Company's estimate for restructuring payments. 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.

