



Investor Presentation

Quarter ended September 30, 2018



FORWARD-LOOKING STATEMENTS

This presentation includes “forward-looking statements.” These statements relate to future events, including, but not limited to, statements with respect to our business outlook and forecasts with respect to our future earnings and financial position, as well as future developments in the healthcare regulatory environment and healthcare industry more generally. These forward-looking statements represent management’s current 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 and plans could differ materially from those expressed in any forward-looking statement.

Examples of factors that may cause our actual results, performance or achievements, or healthcare industry results, to be materially different from those expressed or implied by forward-looking statements include, but are not limited to, the following: (i) the outcome of the process to explore a sale or other strategic alternatives for our Conifer Health Solutions business; (ii) our ability to realize cost savings under our cost reduction initiatives; (iii) potential disruptions to our business or diverted management attention as a result of the Conifer strategic review process or our cost reduction efforts; (iv) the impact of recent and future modifications of the Affordable Care Act and the enactment of, or changes in, other statutes and regulations affecting the healthcare industry generally; (v) the effect that economic conditions or consumer behaviors have on our volumes and our ability to collect outstanding receivables on a timely basis, among other things; (vi) adverse regulatory developments, government investigations or litigation; (vii) adverse developments with respect to our ability to comply with the terms of the Non-Prosecution Agreement; (viii) our ability to enter into managed care provider arrangements on acceptable terms, including our ability to mitigate the impact of national managed care contracts that expire or are terminated and are not replaced; (ix) cuts to Medicare and Medicaid payment rates or changes in reimbursement practices; (x) competition; (xi) increases in wages and our ability to hire and retain qualified personnel, especially healthcare professionals; (xii) the impact of our significant indebtedness; (xiii) the availability and terms of capital to fund the operation and expansion of our business; and our ability to comply with our debt covenants and, over time, reduce leverage; (xiv) our ability to continue to expand and realize earnings contributions from our business segments; (xv) our ability to achieve operating and financial targets, attain expected levels of patient volumes, and identify and execute on measures designed to save or control costs or streamline operations, including our ability to realize the savings under our recently announced cost reduction initiative; (xvi) our success in divesting sub-scale businesses and completing other corporate development transactions; (xvii) increases in the amount and risk of collectability of uninsured accounts and deductibles and copays for insured accounts; (xviii) changes in service mix, revenue mix and surgical volumes, including potential declines in the population covered under managed care agreements; (xix) the timing and impact of changes in federal tax laws, regulations and policies, and the outcome of pending and any future tax audits, disputes and litigation associated with our tax positions; and (xx) other factors discussed in our Form 10-K for the year ended December 31, 2017 and subsequent Form 10-Q filings, and other filings with the SEC.

We assume no obligation to update any forward-looking statements or information which speak as of their respective dates and you are cautioned not to put undue reliance on these forward-looking statements.

NON-GAAP FINANCIAL INFORMATION

This presentation contains non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in the financial tables at the end of this presentation as well as at the end of the Company’s press release dated November 5, 2018.

Update on Key Priorities

Performance

- Adjusted EBITDA grew 2.8% on a normalized basis in Q3'18 and is up 10.3% YTD (see slide 5)
- Hospital segment EBITDA declined 2.9% on a normalized basis in Q3'18 and is up 4.1% YTD (see slide 6)
- Ambulatory Adjusted EBITDA less facility-level NCI was up 11.5%
- Improved Conifer's Adjusted EBITDA margins by 210 basis points to 21.8% in Q3'18

Portfolio Activities

- Deployed ~\$130 million on Ambulatory acquisitions YTD; anticipate \$225-\$250 million in 2018
- Completed sale of Aspen business in the United Kingdom in Q3'18
- Acquired three off-campus EDs in Texas in November

Conifer Process Update

- Conifer process actively continues
- In addition to a potential sale, we are also considering other strategic alternatives for Conifer, such as a merger, a tax efficient spin-off or a combination of alternative transactions

Q3'18 Financial Highlights

Net Operating Revenues were \$4.489 billion, down 2.1% from Q3'17 primarily due to divestitures

- ❑ Hospital segment same-hospital patient revenue grew 6.0%
 - Adjusted admissions increased 0.3%; admissions declined 2.1%
 - Revenue per adjusted admission increased 5.7% (or 3.6% after adjusting for California Provider Fee revenue in both periods)
- ❑ Ambulatory Care same-facility system-wide surgical revenue grew 6.6%
 - Surgical cases grew 4.0%
 - Surgical revenue per case grew 2.5%
- ❑ Conifer's revenue declined 7.5% to \$371 million, primarily due to client attrition following divestitures by Tenet and other customers

Adjusted EBITDA was \$577 million, up 2.8% year-over-year on a normalized basis

- ❑ Hospital Operations and other: Adjusted EBITDA was \$312 million, down 2.9% on a normalized basis (see slide 6)
- ❑ Ambulatory Care: Adjusted EBITDA was \$184 million, up 15.7%, and Adjusted EBITDA less facility-level NCI was \$116 million, up 11.5%
- ❑ Conifer: Adjusted EBITDA increased 2.5% to \$81 million; margins were 21.8%, an increase of 210 basis points

Cash provided by operating activities was \$799 million in the nine months ended September 30, 2018

- ❑ Free Cash Flow was \$395 million YTD 2018, up from \$217 million YTD 2017
- ❑ Adjusted Free Cash Flow was \$512 million YTD 2018, up from \$308 million YTD 2017
- ❑ Ratio of net debt-to-Adjusted EBITDA was 5.70x as of 9/30/18, down from 5.86x at 12/31/17

Note: The results of the Company's health plans are excluded from Adjusted EBITDA. Tenet's health plan business recognized \$8 million of revenue and \$9 million of Adjusted EBITDA in the third quarter of 2018 versus \$10 million of revenue and negative \$6 million of Adjusted EBITDA in the third quarter of 2017.

Normalized EBITDA Growth

Tenet's Adjusted EBITDA grew 2.8% on a normalized basis in Q3'18 – projecting 8% to 10% normalized growth in 2018

<i>\$ in millions</i>	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18 ⁽¹⁾	2018 ⁽¹⁾
Hospital Operations and other - Adjusted EBITDA as reported	\$309	\$346	\$269	\$538	\$1,462	\$402	\$345	\$312	\$341	\$1,400
Plus: Normalizing items (details on following slide)	\$49	-\$6	\$73	-\$177	-\$61	\$4	\$0	\$20	\$7	\$31
Hospital Operations and other - normalized EBITDA	\$358	\$340	\$342	\$361	\$1,401	\$406	\$345	\$332	\$348	\$1,431
Hospital Operations and other - normalized EBITDA growth						13.4%	1.5%	-2.9%	-3.6%	2.1%
Ambulatory Care - Adjusted EBITDA as reported	\$153	\$164	\$159	\$223	\$699	\$165	\$198	\$184	\$248	\$795
Less: Aspen	-\$7	-\$7	-\$5	-\$5	-\$24	-\$7	-\$7	-\$2	\$0	-\$16
Plus: Hurricane impact	\$0	\$0	\$10	-\$3	\$7	\$0	\$0	\$0	\$0	\$0
Ambulatory Care - normalized EBITDA	\$146	\$157	\$164	\$215	\$682	\$158	\$191	\$182	\$248	\$779
Ambulatory Care - normalized EBITDA growth						8.2%	21.7%	11.0%	15.3%	14.2%
Conifer - Adjusted EBITDA as reported	\$65	\$60	\$79	\$79	\$283	\$98	\$91	\$81	\$85	\$355
Less: EBITDA from Tenet's divested hospitals or health plans	-\$12	-\$13	-\$10	-\$10	-\$45	-\$8	-\$6	-\$4	-\$3	-\$21
Less: Customer termination fees	\$0	\$0	\$0	\$0	\$0	-\$10	-\$7	\$0	\$0	-\$17
Conifer - normalized EBITDA	\$53	\$47	\$69	\$69	\$238	\$80	\$78	\$77	\$82	\$317
Conifer - normalized EBITDA growth						50.9%	66.0%	11.6%	18.8%	33.2%
Tenet - Adjusted EBITDA as reported	\$527	\$570	\$507	\$840	\$2,444	\$665	\$634	\$577	\$674	\$2,550
Plus: Normalizing items	\$30	-\$26	\$68	-\$195	-\$123	-\$21	-\$20	\$14	\$4	-\$23
Tenet - normalized EBITDA	\$557	\$544	\$575	\$645	\$2,321	\$644	\$614	\$591	\$678	\$2,527
Tenet - normalized EBITDA growth						15.6%	12.9%	2.8%	5.1%	8.9%

1. Adjusted EBITDA for Q4'18 and calendar year 2018 represents the midpoint of the company's Outlook for 2018.

Note: A negative sign indicates a reversal of positive EBITDA; a positive number indicates a reversal of negative EBITDA.

Normalized EBITDA Growth – Hospital Operations and other

Adjusted EBITDA in the Hospital Operations and other segment declined 2.9% on a normalized basis in Q3'18

❑ Projecting 1% to 3% normalized growth in the hospital segment in 2018

<i>\$ in millions</i>	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18 ⁽¹⁾	2018 ⁽¹⁾
Hospital Operations and other - Adjusted EBITDA as reported	\$309	\$346	\$269	\$538	\$1,462	\$402	\$345	\$312	\$341	\$1,400
Normalizing items in the Hospital Operations and other segment										
California Provider Fee timing in 2017	\$67	\$66	\$67	-\$200	\$0	\$0	\$0	\$0	\$0	\$0
Completed Divestitures (Houston, MacNeal, Phila., Des Peres & Dallas JV)	-\$21	-\$41	-\$13	-\$6	-\$81	\$4	\$2	\$0	\$0	\$6
Electronic health record incentives	-\$1	-\$6	-\$1	-\$1	-\$9	-\$1	\$0	\$0	\$0	-\$1
Hurricanes	\$0	\$0	\$20	\$7	\$27	\$0	\$0	\$4	\$0	\$4
Executive severance	\$0	\$0	\$0	\$17	\$17	\$0	\$0	\$0	\$0	\$0
Gains on sale of home health and hospice assets	\$0	-\$23	\$0	\$0	-\$23	\$0	\$0	\$0	\$0	\$0
Gain from the sale of a minority interest investment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$16	\$0	-\$16
Risk-based contracts in California	\$0	-\$1	-\$2	\$2	-\$1	\$0	-\$2	\$21	\$5	\$24
Three hospitals pending divestiture	\$4	-\$1	\$2	\$4	\$9	\$1	\$0	\$11	\$2	\$14
Total	\$49	-\$6	\$73	-\$177	-\$61	\$4	\$0	\$20	\$7	\$31
Hospital Operations and other - normalized EBITDA	\$358	\$340	\$342	\$361	\$1,401	\$406	\$345	\$332	\$348	\$1,431
Hospital Operations and other - normalized EBITDA growth						13.4%	1.5%	-2.9%	-3.6%	2.1%

1. Adjusted EBITDA for Q4'18 and calendar year 2018 represents the midpoint of the company's Outlook for 2018.

Note: A negative sign indicates a reversal of positive EBITDA; a positive number indicates a reversal of negative EBITDA.

Same Hospital Growth Rates

Net patient revenue grew 6.0% on a same-hospital basis – up 3.9% excluding the California Provider Fee in both periods

- ❑ Adjusted admissions increased 0.3% and grew approximately 1.3% excluding Detroit and targeted service line closures
 - ❑ Detroit lowered Tenet's same-hospital admissions and adjusted admissions by 70 basis points
 - ❑ Targeted service line closures lowered same-hospital adjusted admissions by ~30 basis points in Q3'18
- ❑ Admissions declined 2.1% and declined 1.0% excluding Detroit and targeted service line closures
- ❑ Revenue per adjusted admission increased 5.7% and was up 3.6% excluding the California Provider Fee in both periods

	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	YTD
Adjusted Admissions	1.4%	-0.5%	0.9%	-2.5%	-1.4%	-2.2%	1.3%	-1.2%	0.6%	-0.2%	0.3%	0.3%
Admissions	0.4%	-0.2%	-0.2%	-3.3%	-2.2%	-2.6%	0.2%	-2.0%	0.3%	-2.3%	-2.1%	-1.3%
Revenue Per Adjusted Admission ⁽¹⁾	3.2%	3.1%	3.5%	0.5%	1.1%	-1.1%	5.2%	1.5%	6.0%	3.5%	5.7%	5.1%
Inpatient Surgeries	0.2%	-2.0%	-0.4%	-3.8%	-4.5%	-4.7%	-1.8%	-3.7%	-2.0%	-2.6%	-3.6%	-2.7%
Outpatient Surgeries	-3.6%	-1.5%	0.5%	-6.5%	-6.0%	-5.3%	-3.8%	-5.4%	-1.8%	0.0%	-0.2%	-0.6%
Surgeries (Inpatient + Outpatient)	-2.0%	-1.7%	0.1%	-5.3%	-5.4%	-5.1%	-2.9%	-4.7%	-1.9%	-1.1%	-1.6%	-1.5%
Emergency Department Visits	0.5%	-0.7%	1.3%	-4.0%	-1.2%	-1.8%	4.3%	-0.7%	5.2%	0.2%	2.1%	2.5%
Total Outpatient Visits	0.8%	-1.3%	1.4%	-2.1%	-3.7%	-5.4%	-0.2%	-2.6%	-1.0%	-1.0%	0.4%	-0.5%

1. Revenue per adjusted admissions growth after implicit price concessions/bad debt expense. Prior to Q1'18, revenue per adjusted admission growth was reported prior to implicit price concessions/bad debt expense; the historical growth rates have been revised to show the growth in revenue per adjusted admission after implicit price concessions/bad debt expense due to new accounting rules.

Ambulatory Care Same-Facility System-Wide Growth

Same-facility system-wide revenue grew 6.7% in Q3'18

- ❑ In the surgical business, same-facility system-wide revenue grew 6.6%, with cases up 4.0% and revenue per case up 2.5%
- ❑ In the non-surgical business, same-facility system-wide revenue grew 9.4%, with visits up 6.6% and revenue per visit up 2.5%

Same-facility system-wide growth ⁽¹⁾	Q3 '16	Q4 '16	2016	Q1 '17	Q2 '17	Q3 '17	Q4 '17	2017	Q1 '18	Q2 '18	Q3 '18	YTD
Surgical (ASCs & Surgical Hospitals) ⁽²⁾												
Revenue	9.6%	5.8%	9.4%	6.9%	4.1%	1.1%	7.0%	4.9%	2.3%	6.6%	6.6%	5.3%
Cases	4.1%	1.5%	5.0%	0.5%	-1.2%	-3.8%	2.2%	-0.5%	-0.5%	3.4%	4.0%	2.4%
Revenue per case	5.3%	4.3%	4.2%	6.4%	5.4%	5.1%	4.7%	5.5%	2.8%	3.1%	2.5%	2.8%
Non-Surgical (Imaging & Urgent Care)												
Revenue	6.0%	6.2%	8.2%	6.1%	1.8%	5.4%	13.1%	6.6%	11.8%	13.6%	9.4%	11.6%
Visits	3.7%	2.2%	5.4%	0.6%	0.6%	-0.1%	8.7%	2.3%	8.7%	5.8%	6.6%	7.1%
Revenue per visit	2.2%	4.0%	2.6%	5.5%	1.2%	5.5%	4.0%	4.1%	2.8%	7.4%	2.5%	4.2%
Ambulatory Segment Total												
Revenue	9.5%	5.8%	9.3%	6.8%	4.1%	1.3%	7.2%	5.0%	2.7%	6.9%	6.7%	5.6%
Cases	4.0%	1.7%	5.2%	0.5%	-0.5%	-2.4%	4.6%	0.6%	3.2%	4.3%	5.0%	4.3%
Revenue per case	5.3%	4.0%	4.0%	6.3%	4.6%	3.7%	2.5%	4.4%	-0.5%	2.4%	1.6%	1.3%

Note: (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. (2) The growth rates for Q3'18 and YTD 2018 exclude Aspen in both the 2017 and 2018 periods. Growth rates for Q2'18 and earlier periods include Aspen. Note that the Company completed its sale of Aspen on August 17, 2018.

Ambulatory Care Segment Financials

EBITDA less facility-level NCI grew 11.5% in Q3'18

- Targeting 11% EBITDA less facility-level NCI growth in 2018
- Aspen sale completed 8/17/18 – Aspen generated \$24 million of EBITDA in 2017 and \$16 million in 2018, including \$2 million in 3Q'18

<i>\$ in millions</i>	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	YTD
Net operating revenues	\$448	\$478	\$1,797	\$455	\$472	\$468	\$545	\$1,940	\$498	\$531	\$502	\$1,531
% growth	36.2%	20.4%	33.8%	6.1%	6.8%	4.5%	14.0%	8.0%	9.5%	12.5%	7.3%	9.7%
Equity in earnings of unconsolidated affiliates	\$28	\$43	\$122	\$27	\$30	\$34	\$49	\$140	\$27	\$33	\$31	\$91
Adjusted EBITDA	\$157	\$183	\$615	\$153	\$164	\$159	\$223	\$699	\$165	\$198	\$184	\$547
% growth	28.7%	15.8%	25.8%	12.5%	18.0%	1.3%	21.9%	13.7%	7.8%	20.7%	15.7%	14.9%
Net income available to facility-level noncontrolling interests ⁽¹⁾	\$54	\$68	\$220	\$53	\$58	\$55	\$78	\$244	\$56	\$70	\$68	\$194
Adjusted EBITDA less facility-level NCI	\$103	\$115	\$395	\$100	\$106	\$104	\$145	\$455	\$109	\$128	\$116	\$353
% growth	21.2%	4.5%	14.2%	11.1%	21.8%	1.0%	26.1%	15.2%	9.0%	20.8%	11.5%	13.9%
Net income available to Baylor and WCAS ⁽²⁾⁽³⁾	\$14	\$18	\$51	\$13	\$8	\$6	\$10	\$37	\$8	\$5	\$2	\$15
Adjusted EBITDA less NCI (after Baylor and WCAS related NCI)	\$89	\$97	\$344	\$87	\$98	\$98	\$135	\$418	\$101	\$123	\$114	\$338
% growth	20.3%	4.3%	14.7%	10.1%	24.1%	10.1%	39.2%	21.5%	16.1%	25.5%	16.3%	19.4%
<i>Adjusted EBITDA margin</i>	35.0%	38.3%	34.2%	33.6%	34.7%	34.0%	40.9%	36.0%	33.1%	37.3%	36.7%	35.7%
<i>Adjusted EBITDA less facility-level NCI Margin</i>	23.0%	24.1%	22.0%	22.0%	22.5%	22.2%	26.6%	23.5%	21.9%	24.1%	23.1%	23.1%

(1) Represents facility level noncontrolling interest expense prior to Tenet recording additional NCI expense related to Baylor University Medical Center's 5% ownership interest in USPI and Welsh, Carson, Anderson & Stowe's (WCAS) historical ownership in the USPI joint venture. (2) The amount labeled as net income available to Baylor and WCAS represents noncontrolling interest expense related to Baylor University Medical Center's and Welsh, Carson, Anderson & Stowe's ownership interest in the USPI joint venture; neither Tenet nor USPI intend to make cash distributions to these shareholders. (3)(i) Baylor and WCAS related NCI expense was \$15 million in Q3'16, but would have been \$14 million excluding gains not included in Adjusted EBITDA; (ii) Baylor and WCAS related NCI expense was \$13 million in Q4'16, but would have been \$18 million excluding charges not included in Adjusted EBITDA; (iii) during 2016, Baylor and WCAS related NCI expense was \$65 million, but would have been \$51 million excluding gains and charges not included in Adjusted EBITDA; (iv) during Q4'17, Baylor and WCAS related NCI was \$33 million, but would have been \$10 million excluding 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; (v) during 2017, Baylor and WCAS related NCI was \$60 million, but would have been \$37 million excluding gains and charges not included in Adjusted EBITDA.

Conifer Health Solutions Segment

Adjusted EBITDA was \$81 million in Q3'18 – margins increased 210 basis points year-over-year to 21.8%

- Expect \$350-\$360 million of Adjusted EBITDA in 2018 and 4%-6% Adjusted EBITDA growth in 2019, driven by further margin improvement
- Targeting Adjusted EBITDA margins of ~22% in 2018 (excluding \$17 million of customer termination fees in 1H18) and ~33% growth in EBITDA on a normalized basis in 2018 (see slide 5)
- Forecasting ~\$85 million of Adjusted EBITDA in Q4'18 representing growth of 7.6% driven by ~300 basis points of year-over-year margin improvement partially offset by revenue declines primarily due to client attrition following divestitures by Tenet and other customers

<i>\$ in millions</i>	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	YTD
Revenue from Tenet	\$159	\$163	\$651	\$159	\$155	\$149	\$155	\$618	\$150	\$144	\$146	\$440
% growth	-2.5%	-8.4%	-2.3%	-4.8%	-4.3%	-6.3%	-4.9%	-5.1%	-5.7%	-7.1%	-2.0%	-5.0%
Other Clients	\$239	\$239	\$920	\$243	\$245	\$252	\$239	\$979	\$254	\$242	\$225	\$721
% growth	29.9%	16.0%	23.2%	11.5%	9.4%	5.4%	0.0%	6.4%	4.5%	-1.2%	-10.7%	-2.6%
Revenue	\$398	\$402	\$1,571	\$402	\$400	\$401	\$394	\$1,597	\$404	\$386	\$371	\$1,161
% growth	14.7%	4.7%	11.2%	4.4%	3.6%	0.8%	-2.0%	1.7%	0.5%	-3.5%	-7.5%	-3.5%
Adjusted EBITDA	\$79	\$72	\$277	\$65	\$60	\$79	\$79	\$283	\$98	\$91	\$81	\$270
% growth	27.4%	18.0%	4.5%	3.2%	-4.8%	0.0%	9.7%	2.2%	50.8%	51.7%	2.5%	32.4%
Adjusted EBITDA Margin	19.8%	17.9%	17.6%	16.2%	15.0%	19.7%	20.1%	17.7%	24.3%	23.6%	21.8%	23.3%

Note: Revenues from Tenet and Catholic Health Initiatives represented approximately 75% of Conifer's revenue in Q3'18.

Outlook for 2018

Key assumptions included in the 2018 Outlook:

- ❑ Same hospital revenue growth of 2.5% to 4.5%
- ❑ Same-facility system-wide revenue growth of 4% to 6% at USPI and a promising pipeline of acquisitions and de novos
- ❑ Realizing \$195 million of cost savings in 2018
- ❑ ~\$260 million of California Provider Fee revenue
- ❑ The Outlook includes ~\$550 million of revenue and breakeven Adjusted EBITDA from operations that were owned for a partial-year in 2018; these facilities were either divested or are expected to be divested by the end of 2018
- ❑ The Outlook for 2018 does not incorporate any impact from a potential Conifer transaction

	Prior Outlook	Updated Outlook
<i>\$ in millions, except EPS</i>		
Net Revenue	\$17,900 - \$18,300	\$18,100 - \$18,300
Adjusted EBITDA ⁽¹⁾	\$2,550 - \$2,650	\$2,525 - \$2,575
Adjusted EBITDA Margin ⁽¹⁾	14.2% - 14.5%	14.0% - 14.1%
Adjusted Diluted E.P.S. from Continuing Operations ⁽¹⁾	\$1.54 - \$1.88	\$1.44 - \$1.83
Adjusted Cash Flow from Operations ⁽¹⁾	\$1,350 - \$1,600	\$1,225 - \$1,475
Capital Expenditures	\$625 - \$675	\$625 - \$675
Adjusted Free Cash Flow ⁽¹⁾	\$725 - \$925	\$600 - \$800
Assumptions:		
Total Hospital Expenses per Adjusted Admission Growth	1.5% - 2.5%	2.75% - 3.25%
Equity in Earnings of Unconsolidated Affiliates	\$160 - \$170	\$150 - \$160
Depreciation and Amortization	\$790 - \$810	\$800 - \$810
Interest Expense	\$1,010 - \$1,020	\$1,000 - \$1,010
Effective Tax Rate ⁽²⁾	25% - 26%	25% - 26%
Net Income Attributable to Noncontrolling Interests ⁽³⁾	\$390 - \$410	\$365 - \$385
Fully Diluted Weighted Average Shares Outstanding	104	104

(1) Please refer to the slides at the end of this presentation for additional information on these non-GAAP measures.

(2) The following formula can be used to estimate Tenet's income tax expense in 2018: a) start with adjusted pre-tax income, which is estimated to be \$700-\$770 million; b) subtract GAAP NCI expense, which is estimated to be \$365-\$385 million in 2018; c) add back permanent differences and non-deductible interest, which are estimated to be \$350-\$370 million in 2018; d) add back \$20 million of non-cash NCI expense that Tenet is recognizing related to the portion of USPI that the Company does not own; and, e) multiply the result by a 23.5% tax rate. In addition, in 2018, increase income tax expense by approximately \$15 million related to other state income taxes. The result is an effective tax rate of approximately 25%-26% on Tenet's adjusted pre-tax income in 2018.

(3) This represents GAAP NCI expense to be recorded on the income statement, including approximately \$20 million related to the portion of USPI that Tenet does not own and \$60-\$70 million related to the portion of Conifer that Tenet does not own. Cash distributions paid to noncontrolling interests are expected to be \$280-\$300 million.

Segment Outlook for 2018

Key changes to the segment Outlook include:

- ❑ Lowering the midpoint of the Adjusted EBITDA Outlook for the hospital segment by \$60 million to reflect: (i) ~\$25 million of losses on risk-based capitated contracts in California, primarily due to adverse claims experience trends; (ii) lower volume and payer mix expectations; and (iii) increased malpractice expense to settle various cases; the date of loss on many of these cases occurred more than five years ago.
- ❑ Increasing the midpoint of the Ambulatory segment's Adjusted EBITDA Outlook by \$10 million and maintaining Conifer's EBITDA Outlook.

Hospital Operations and Other Segment		Ambulatory Segment		Conifer Segment	
Net Operating Revenue (\$M) ⁽¹⁾	\$15,125 - \$15,175	Net Operating Revenue (\$M)	\$2,050 - \$2,150	Net Operating Revenue (\$M)	\$1,500 - \$1,550
Adjusted EBITDA (\$M)	\$1,385 - \$1,415	Adjusted EBITDA (\$M)	\$790 - \$800	Adjusted EBITDA (\$M)	\$350 - \$360
Noncontrolling Interest (\$M) ⁽²⁾	\$0	Noncontrolling Interest (\$M) ⁽¹⁾	\$305 - \$315	Noncontrolling Interest (\$M) ⁽¹⁾	\$60 - \$70
Net Revenue Growth ⁽³⁾	2.5% - 4.5%	Net Revenue Growth ⁽²⁾	4% - 6%	Normalized Revenue Growth ⁽²⁾	0% - 3%
Normalized EBITDA Growth ⁽⁴⁾	1% - 3%	Adjusted EBITDA Growth	13% - 14%	Normalized EBITDA Growth ⁽³⁾	31% - 35%
Adjusted Admissions Growth ⁽³⁾	0.0% - 1.0%	Adjusted EBITDA less NCI Growth ⁽³⁾	11%	(1) GAAP NCI expense. Cash NCI distributions will be zero. (2) Adjusted for approximately \$90 million of lower revenue in 2018 versus 2017 related to Tenet's divestiture of hospitals and health plans. (3) Normalized for: (i) \$17 million of customer termination fees in 2018, and (ii) changes in EBITDA from hospitals and health plans that Tenet has divested or is in the process of divesting. Please see the slide titled "Normalized EBITDA Growth" for additional details.	
Net Revenue per Adjusted Admission ⁽³⁾	2.5% - 3.5%	Case Growth ⁽²⁾	2.0% - 3.0%		
Admissions Growth ⁽²⁾	(2.0%) - (1.0%)	Net Revenue per Case Growth ⁽²⁾	2.0% - 3.0%		
(1) Prior to ~\$575 million of intercompany eliminations with Conifer. (2) Based on GAAP NCI expense. (3) Growth rates on a same hospital basis. (4) Normalized for California Provider Fee revenues, divestitures and other items listed on the slide titled "Normalized EBITDA Growth - Hospital Operations and other".		(1) Based on GAAP NCI expense, including ~\$20 million related to the portion of USPI that Tenet does not own. (2) Growth rates on a same-facility system-wide basis for surgical services; excludes non-surgical services. (3) Represents the expected growth in EBITDA less facility-level NCI. Calculated using \$455 million of Ambulatory segment EBITDA less facility level NCI in 2017. This calculation excludes \$60 million of NCI in 2017 and ~\$20 million in 2018 related to the portion of USPI that Tenet does not own.			

Adjusted EBITDA Bridge from 2017 to 2018

(\$ in millions)	Hospital	Ambulatory	Conifer	Total
2017 Adjusted EBITDA - Actuals	\$1,462	\$699	\$283	\$2,444
California Provider Fee revenue	(7)			(7)
Houston Divestiture completed in 3Q'17	(25)			(25)
Completed divestitures (partial year impact)	(62)	(8)		(70)
Conifer Impact from Hospital Divestitures & wind down of Tenet's Health Plan business			(24)	(24)
Medicare DSH	(20)			(20)
Florida Medicaid Cuts (half in 2017; full year in 2018)	(18)			(18)
HIT Incentives	(8)			(8)
Cost Reduction Initiatives (anticipate realizing \$195 million of the \$250 million in 2018)	95	10	90	195
Hurricanes (impact of Harvey & Irma in 2017 less impact of Florence in 2018)	23	7		30
Executive Severance	17			17
USPI Acquisition & Development Activity		51		51
Customer termination fee revenue			17	17
Loss on risk-based contracts in California	(25)			(25)
Three hospitals pending divestiture	(5)			(5)
Gains on asset sales (\$23 million gain in Q2'17 vs. \$16 million gain in Q3'18)	(7)			(7)
All other items (volume, acuity, payer mix, pricing, expenses, contract wins or losses, etc.)	(20)	36	(11)	5
2018 Adjusted EBITDA Outlook - Midpoint	\$1,400	\$795	\$355	\$2,550

Notable Improvements

- ❑ ***Renewed focus on quality and service*** – reduced hospital-acquired infections by 18% and improved patient experience scores by 70 basis points
- ❑ ***Instituted a sharper approach to expense management*** – remain on track to deliver annualized run-rate cost savings of \$250 million by year-end
- ❑ ***Enhanced our portfolio*** – divested eight hospitals, nine UK facilities and other non-core operations and services, while adding 30 outpatient centers in prime locations
- ❑ ***Refreshed board and leadership team*** – transitioned 20% of corporate leaders and one-third of hospital and market leaders; 50% of board is new since October 2017
- ❑ ***Improved financial performance*** – delivered normalized EBITDA growth of 10.3% year-to-date, expanded margins, improved free cash flow and lowered our ratio of net debt to EBITDA

Priorities for Remainder of 2018

Hospitals

- Prioritizing team's focus and effort on executing plan to deliver **organic volume growth** in 2019
- **Focusing capital on growth** opportunities, including targeted service-lines, micro-hospitals and OCEDs
- Responding to negative changes in payer mix, including growth in uninsured patients

USPI

- Serving the **seasonal increase in demand** for surgical services in November and December
- **Completing acquisitions and joint ventures** and continuing to build the pipeline for acquisitions in 2019

Conifer

- **Cultural realignment on growth** to target small and large wins and restore revenue growth
- Continuing to align the cost structure with the revenue base to **improve margins and competitiveness**
- Complete contract negotiation between Tenet's hospitals and Conifer

Tenet

- Finalizing the business planning process for 2019 – **currently anticipate Adjusted EBITDA growth of 3%-5% in 2019** – Outlook for 2019 to be provided on February 25 with Q4'18 earnings announcement
- Achieving \$250 million of annualized run-rate savings by the end of 2018
- **Further integrating** enterprise-wide corporate and centralized support functions
- Completing the divestitures of three hospitals in Chicago and Golden State Health Plan

Appendix and Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures

Adjusted EBITDA, a non-GAAP measure, is defined by the Company as net income available (loss attributable) to Tenet Healthcare Corporation common shareholders before (1) the cumulative effect of changes in accounting principle, (2) net loss attributable (income available) to noncontrolling interests, (3) income (loss) from discontinued operations, (4) income tax benefit (expense), (5) gain (loss) from early extinguishment of debt, (6) other non-operating income (expense), net, (7) interest expense, (8) litigation and investigation (costs) benefit, net of insurance 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 operations and closed businesses (i.e., the Company's health plan businesses). Litigation and investigation costs do not include ordinary course of business malpractice and other litigation and related expense.

Adjusted net income available (loss attributable) from continuing operations to Tenet Healthcare Corporation common shareholders, a non-GAAP measure, is defined by the Company as net income available (loss attributable) to Tenet Healthcare Corporation common shareholders before (1) net income (loss) from discontinued operations, (2) impairment and restructuring charges, and acquisition-related costs, (3) litigation and investigation costs, (4) net gains (losses) on sales, consolidation and deconsolidation of facilities, (5) gain (loss) from early extinguishment of debt, (6) income (loss) from divested operations and closed businesses, and (7) the associated impact of these items on taxes and noncontrolling interests. Adjusted diluted earnings (loss) per share from continuing operations, a non-GAAP term, is defined by the Company as Adjusted net income available (loss attributable) from continuing operations to Tenet Healthcare Corporation common shareholders divided by the weighted average primary or diluted shares outstanding in the reporting period.

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 from 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 settlements, and (2) net cash provided by (used in) operating activities from 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 utilize similar non-GAAP measures in their presentations. 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.

(continued on the following page)

Non-GAAP Financial Measures

(continued from the prior page)

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.

We use, and we believe investors and analysts use, Free Cash Flow and Adjusted Free Cash Flow as supplemental measures to analyze cash flows generated from our operations because we believe it is useful to investors in evaluating our ability to fund distributions paid to noncontrolling interests, 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 our financial statements, they do not provide a complete measure of our 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.

A reconciliation of net income available (loss attributable) to Tenet Healthcare Corporation common shareholders, the most comparable GAAP measure, to Adjusted EBITDA is set forth in Table #1 below for each quarter in 2017 and 2018. A reconciliation of net income available (loss attributable) to Tenet Healthcare Corporation common shareholders, the most comparable GAAP measure, to Adjusted net income available (loss attributable) from continuing operations to Tenet Healthcare Corporation common shareholders is set forth in Table #2 below for each quarter in 2017 and 2018. A reconciliation of net cash provided by operating activities, the most comparable GAAP measure, to Free Cash Flow and Adjusted Free Cash Flow is set forth in Table #3 below for each quarter in 2017 and 2018.

Revenue and EBITDA by Segment

\$ in millions	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18
Hospital Operations and Other														
Net operating revenues ⁽¹⁾⁽²⁾	\$17,023	\$4,397	\$4,202	\$4,162	\$4,143	\$16,904	\$4,050	\$4,060	\$3,856	\$4,184	\$16,150	\$3,941	\$3,733	\$3,754
EBITDA	\$1,683	\$414	\$415	\$334	\$358	\$1,521	\$309	\$346	\$269	\$538	\$1,462	\$402	\$345	\$312
EBITDA margin	9.9%	9.4%	9.9%	8.0%	8.6%	9.0%	7.6%	8.5%	7.0%	12.9%	9.1%	10.2%	9.2%	8.3%
Ambulatory Care														
Net operating revenues ⁽¹⁾	\$868	\$429	\$442	\$448	\$478	\$1,797	\$455	\$472	\$468	\$545	\$1,940	\$498	\$531	\$502
EBITDA	\$329	\$136	\$139	\$157	\$183	\$615	\$153	\$164	\$159	\$223	\$699	\$165	\$198	\$184
EBITDA margin	37.9%	31.7%	31.4%	35.0%	38.3%	34.2%	33.6%	34.7%	34.0%	40.9%	36.0%	33.1%	37.3%	36.7%
Conifer														
Net operating revenues ⁽¹⁾	\$1,413	\$385	\$386	\$398	\$402	\$1,571	\$402	\$400	\$401	\$394	\$1,597	\$404	\$386	\$371
EBITDA	\$264	\$63	\$63	\$79	\$72	\$277	\$65	\$60	\$79	\$79	\$283	\$98	\$91	\$81
EBITDA margin	18.7%	16.4%	16.3%	19.8%	17.9%	17.6%	16.2%	15.0%	19.7%	20.1%	17.7%	24.3%	23.6%	21.8%
Less: Inter-segment eliminations from revenue	-\$666	-\$167	-\$162	-\$159	-\$163	-\$651	-\$159	-\$155	-\$149	-\$155	-\$618	-\$150	-\$144	-\$146
Total, as reported in each period ⁽³⁾														
Net operating revenues ⁽¹⁾	\$18,638	\$5,044	\$4,868	\$4,849	\$4,860	\$19,621	\$4,748	\$4,777	\$4,576	\$4,968	\$19,069	\$4,693	\$4,506	\$4,481
EBITDA	\$2,276	\$613	\$617	\$570	\$613	\$2,413	\$527	\$570	\$507	\$840	\$2,444	\$665	\$634	\$577
EBITDA margin	12.2%	12.2%	12.7%	11.8%	12.6%	12.3%	11.1%	11.9%	11.1%	16.9%	12.8%	14.2%	14.1%	12.9%

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

(2) Hospital Operations and Other revenue excludes \$65 million, \$25 million, \$10 million, \$10 million, \$6 million, \$0 million and \$8 million of health plan revenues in Q1'17, Q2'17, Q3'17, Q4'17, Q1'18, Q2'18 and Q3'18, respectively.

(3) Data is presented on an as reported basis in each period. Historical financial information has not been revised for health plans or changes in pension expense accounting.

Health Plan Financial Results

Health plans were included in the Adjusted EBITDA for the Hospital Operations and Other segment prior to 2017

<i>\$ in millions</i>	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	0	Q3'17	Q4'17	2017	Q1'18	Q2'18 *	Q3'18 *
Net Operating Revenues	\$423	\$127	\$136	\$122	\$97	\$482	\$65	\$25	\$10	\$10	\$110	\$6	\$0	\$8
Equity in earnings of unconsolidated affiliates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Salaries and Benefits	-\$15	-\$6	-\$6	-\$5	-\$6	-\$23	-\$5	-\$4	-\$4	-\$3	-\$16	-\$2	-\$1	-\$1
% of revenue	3.5%	4.7%	4.4%	4.1%	6.2%	4.8%	7.7%	16.0%	40.0%	30.0%	14.5%	33.3%	n/a	12.5%
Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a	n/a
Other Operating Expenses	-\$391	-\$118	-\$135	-\$123	-\$120	-\$496	-\$76	-\$40	-\$12	-\$7	-\$135	-\$5	\$2	\$2
% of revenue	92.4%	92.9%	99.3%	100.8%	123.7%	102.9%	116.9%	160.0%	120.0%	70.0%	122.7%	83.3%	n/a	n/a
Electronic Health Record Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EBITDA	\$17	\$3	-\$5	-\$6	-\$29	-\$37	-\$16	-\$19	-\$6	\$0	-\$41	-\$1	\$1	\$9
EBITDA margin	4.0%	2.4%	-3.7%	-4.9%	-29.9%	-7.7%	-24.6%	-76.0%	-60.0%	0.0%	-37.3%	-16.7%	n/a	n/a

* Other operating expenses in Q2'18 and Q3'18 included favorable prior-period claims adjustments.

Note: The figures above exclude Golden State Health Plan in California and Tenet's other risk-based contracts in California.

Uncompensated Care Trends

Revenue Recognition Accounting Rules and Uncompensated Care

- 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. Since implicit price concessions are essentially similar to provision for doubtful accounts, for comparability purposes, implicit price concessions in 2018 are compared to provision for doubtful accounts in prior periods.
- For Q3'18, the net revenue before bad debt and implicit price concessions presented below of \$4,848 million equals Tenet's net operating revenue of \$4,489 million plus \$359 million of implicit price concessions.

\$ in millions	2015	Q1 '16	Q2 '16	Q3 '16	Q4 '16	2016	Q1 '17	Q2 '17	Q3 '17	Q4 '17	2017	Q1 '18	Q2 '18	Q3 '18
Net Revenue before bad debt and implicit price concessions	\$20,111	\$5,420	\$5,220	\$5,216	\$5,214	\$21,070	\$5,196	\$5,173	\$4,941	\$5,303	\$20,613	\$5,046	\$4,852	\$4,848
Bad Debt Expense and implicit price concessions	\$1,477	\$376	\$352	\$367	\$354	\$1,449	\$383	\$371	\$355	\$325	\$1,434	\$347	\$346	\$359
% of revenue before bad debt	7.3%	6.9%	6.7%	7.0%	6.8%	6.9%	7.4%	7.2%	7.2%	6.1%	7.0%	6.9%	7.1%	7.4%
% of adjusted revenue ⁽¹⁾	6.2%	5.9%	5.8%	6.0%	5.7%	5.8%	6.2%	6.0%	6.0%	5.1%	5.8%	5.7%	5.9%	6.0%
Charity Care Write-Offs	\$896	\$220	\$152	\$228	\$212	\$812	\$181	\$182	\$182	\$192	\$737	\$223	\$211	\$211
% of adjusted revenue ⁽¹⁾	3.8%	3.5%	2.5%	3.7%	3.4%	3.3%	2.9%	2.9%	3.1%	3.0%	3.0%	3.7%	3.6%	3.5%
Uninsured Discounts	\$2,812	\$713	\$706	\$723	\$766	\$2,908	\$778	\$822	\$824	\$844	\$3,268	\$792	\$824	\$904
% of adjusted revenue ⁽¹⁾	11.8%	11.2%	11.6%	11.7%	12.4%	11.7%	12.6%	13.3%	13.9%	13.3%	13.3%	13.1%	14.0%	15.2%
Uncompensated Care ⁽²⁾	\$5,185	\$1,309	\$1,210	\$1,318	\$1,332	\$5,169	\$1,342	\$1,375	\$1,361	\$1,361	\$5,439	\$1,362	\$1,381	\$1,474
Uncompensated Care Percentage ⁽³⁾	21.8%	20.6%	19.9%	21.4%	21.5%	20.9%	21.8%	22.3%	22.9%	21.5%	22.1%	22.5%	23.5%	24.7%

(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.

Table #1 – Reconciliation of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted EBITDA for 2018

(Unaudited)

(Dollars in millions)

	2018			
	1st Qtr	2nd Qtr	3rd Qtr	YTD
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 99	\$ 26	\$ (9)	\$ 116
Less: Net income available to noncontrolling interests	(92)	(82)	(74)	(248)
Income from discontinued operations, net of tax	1	2	—	3
Income from continuing operations	190	106	65	361
Income tax expense	(70)	(44)	(6)	(120)
Loss from early extinguishment of debt	(1)	(1)	—	(2)
Other non-operating expense, net	(1)	(1)	—	(2)
Interest expense	(255)	(254)	(249)	(758)
Operating income	517	406	320	1,243
Litigation and investigation costs	(6)	(13)	(9)	(28)
Net gains (losses) on sales, consolidation and deconsolidation of facilities	110	8	(7)	111
Impairment and restructuring charges, and acquisition-related costs	(47)	(30)	(46)	(123)
Depreciation and amortization	(204)	(194)	(204)	(602)
Income (loss) from divested and closed businesses	(1)	1	9	9
Adjusted EBITDA	\$ 665	\$ 634	\$ 577	\$ 1,876
Net operating revenues	\$ 4,699	\$ 4,506	\$ 4,489	\$ 13,694
Less: Net operating revenues from health plans	6	—	8	14
Adjusted net operating revenues	\$ 4,693	\$ 4,506	\$ 4,481	\$ 13,680
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	2.1%	0.6%	(0.2)%	0.8%
Adjusted EBITDA as a % of adjusted net operating revenues (Adjusted EBITDA margin)	14.2%	14.1%	12.9 %	13.7%

Table #1 – Reconciliation of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted EBITDA for 2017

(Unaudited)

(Dollars in millions)

	2017				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Net loss attributable to Tenet Healthcare Corporation common shareholders	\$ (53)	\$ (55)	\$ (367)	\$ (229)	\$ (704)
Less: Net income available to noncontrolling interests	(89)	(87)	(78)	(130)	(384)
Income (loss) from discontinued operations, net of tax	(1)	1	(1)	1	—
Income (loss) from continuing operations	37	31	(288)	(100)	(320)
Income tax benefit (expense)	33	12	60	(324)	(219)
Loss from early extinguishment of debt	—	(26)	(138)	—	(164)
Other non-operating expense, net	(5)	(5)	(4)	(8)	(22)
Interest expense	(258)	(260)	(257)	(253)	(1,028)
Operating income	267	310	51	485	1,113
Litigation and investigation costs	(5)	(1)	(6)	(11)	(23)
Net gains on sales, consolidation and deconsolidation of facilities	15	23	104	2	144
Impairment and restructuring charges, and acquisition-related costs	(33)	(41)	(329)	(138)	(541)
Depreciation and amortization	(221)	(222)	(219)	(208)	(870)
Loss from divested and closed businesses	(16)	(19)	(6)	—	(41)
Adjusted EBITDA	\$ 527	\$ 570	\$ 507	\$ 840	\$ 2,444
Net operating revenues	\$ 4,813	\$ 4,802	\$ 4,586	\$ 4,978	\$19,179
Less: Net operating revenues from health plans	65	25	10	10	110
Adjusted net operating revenues	\$ 4,748	\$ 4,777	\$ 4,576	\$ 4,968	\$19,069
Net loss attributable to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	(1.1)%	(1.1)%	(8.0)%	(4.6)%	(3.7)%
Adjusted EBITDA as a % of adjusted net operating revenues (Adjusted EBITDA margin)	11.1 %	11.9 %	11.1 %	16.9 %	12.8 %

Table #2 – Reconciliation of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income Available from Continuing Operations to Common Shareholders for 2018

(Unaudited)

(Dollars in millions except per share amounts)

	2018			
	1st Qtr	2nd Qtr	3rd Qtr	YTD
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 99	\$ 26	\$ (9)	\$ 116
Net income from discontinued operations	1	\$ 2	—	3
Net income (loss) from continuing operations	98	24	(9)	113
Less: Impairment and restructuring charges, and acquisition-related costs	(47)	(30)	(46)	(123)
Litigation and investigation costs	(6)	(13)	(9)	(28)
Net gains (losses) on sales, consolidation and deconsolidation of facilities	110	8	(7)	111
Loss from early extinguishment of debt	(1)	(1)	—	(2)
Income (loss) from divested and closed businesses	(1)	1	9	9
Tax impact of above items	(16)	8	14	6
Adjusted net income available from continuing operations to common shareholders	\$ 59	\$ 51	\$ 30	\$ 140
Diluted earnings (loss) per share from continuing operations	\$ 0.95	\$ 0.23	\$ (0.09)	\$ 1.09
Less: Impairment and restructuring charges, and acquisition-related costs	(0.46)	(0.29)	(0.44)	(1.18)
Litigation and investigation costs	(0.06)	(0.12)	(0.09)	(0.27)
Net gains (losses) on sales, consolidation and deconsolidation of facilities	1.08	0.07	(0.07)	1.07
Loss from early extinguishment of debt	(0.01)	(0.01)	—	(0.02)
Income (loss) from divested and closed businesses	(0.01)	0.01	0.09	0.09
Tax impact of above items	(0.16)	0.08	0.13	0.06
Adjusted diluted earnings per share from continuing operations	\$ 0.57	\$ 0.49	\$ 0.29	\$ 1.35
Weighted average basic shares outstanding (in thousands)	101,392	102,147	102,402	101,980
Weighted average dilutive shares outstanding (in thousands)	102,656	104,177	104,575	103,802

Table #2 – Reconciliation of Net Loss Attributable to Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income Available (Loss Attributable) from Continuing Operations to Common Shareholders for 2017

(Unaudited)

(Dollars in millions except per share amounts)

	2017				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Net loss attributable to Tenet Healthcare Corporation common shareholders	\$ (53)	\$ (55)	\$ (367)	\$ (229)	\$ (704)
Net income (loss) from discontinued operations	(1)	1	(1)	1	—
Net loss from continuing operations	(52)	(56)	(366)	(230)	(704)
Less: Impairment and restructuring charges, and acquisition-related costs	(33)	(41)	(329)	(138)	(541)
Litigation and investigation costs	(5)	(1)	(6)	(11)	(23)
Net gains on sales, consolidation and deconsolidation of facilities	15	23	104	2	144
Loss from early extinguishment of debt	—	(26)	(138)	—	(164)
Loss from divested and closed businesses	(16)	(19)	(6)	—	(41)
Tax impact of above items	14	25	26	49	114
Tax reform adjustment	—	—	—	(252)	(252)
Noncontrolling interests impact of above items	—	—	—	(23)	(23)
Adjusted net income available (loss attributable) from continuing operations to common shareholders	\$ (27)	\$ (17)	\$ (17)	\$ 143	\$ 82
Diluted loss per share from continuing operation	\$ (0.52)	\$ (0.56)	\$ (3.63)	\$ (2.28)	\$ (7.00)
Less: Impairment and restructuring charges, and acquisition-related costs	(0.33)	(0.41)	(3.26)	(1.35)	(5.34)
Litigation and investigation costs	(0.05)	(0.01)	(0.06)	(0.11)	(0.23)
Net gains on sales, consolidation and deconsolidation of facilities	0.15	0.23	1.03	0.02	1.42
Loss from early extinguishment of debt	—	(0.26)	(1.37)	—	(1.62)
Loss from divested and closed businesses	(0.16)	(0.19)	(0.06)	—	(0.40)
Tax impact of above items	0.14	0.25	0.26	0.48	1.12
Tax reform adjustment	—	—	—	(2.47)	(2.49)
Noncontrolling interests impact of above items	—	—	—	(0.23)	(0.23)
Adjusted diluted earnings (loss) per share from continuing operations	\$ (0.27)	\$ (0.17)	\$ (0.17)	\$ 1.40	\$ 0.81
Weighted average basic shares outstanding (in thousands)	100,000	100,612	100,812	100,945	100,592
Weighted average dilutive shares outstanding (in thousands)	100,848	101,294	101,523	101,853	101,380

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)

	2018			
	1st Qtr	2nd Qtr	3rd Qtr	YTD
Net cash provided by operating activities	\$ 113	\$ 348	\$ 338	\$ 799
Purchases of property and equipment	(143)	(125)	(136)	(404)
Free cash flow	\$ (30)	\$ 223	\$ 202	\$ 395
Net cash provided by (used in) investing activities	\$ 373	\$ (148)	\$ (105)	\$ 120
Net cash used in financing activities	\$ (123)	\$ (771)	\$ (136)	\$ (1,030)
Net cash provided by operating activities	\$ 113	\$ 348	\$ 338	\$ 799
Less: Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(33)	(30)	(50)	(113)
Net cash used in operating activities from discontinued operations	(1)	(2)	(1)	(4)
Adjusted net cash provided by operating activities from continuing operations	147	380	389	916
Purchases of property and equipment	(143)	(125)	(136)	(404)
Adjusted free cash flow – continuing operations	\$ 4	\$ 255	\$ 253	\$ 512

(Dollars in millions)

	2017				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Net cash provided by operating activities	\$ 186	\$ 215	\$ 308	\$ 491	\$ 1,200
Purchases of property and equipment	(198)	(150)	(144)	(215)	(707)
Free cash flow	\$ (12)	\$ 65	\$ 164	\$ 276	\$ 493
Net cash provided by (used in) investing activities	\$ (189)	\$ (119)	\$ 535	\$ (206)	\$ 21
Net cash used in financing activities	\$ (141)	\$ (193)	\$ (889)	\$ (103)	\$ (1,326)
Net cash provided by operating activities	\$ 186	\$ 215	\$ 308	\$ 491	\$ 1,200
Less: Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(24)	(38)	(26)	(37)	(125)
Net cash provided by (used in) operating activities from discontinued operations	2	(4)	(1)	(2)	(5)
Adjusted net cash provided by operating activities from continuing operations	208	257	335	530	1,330
Purchases of property and equipment	(198)	(150)	(144)	(215)	(707)
Adjusted free cash flow – continuing operations	\$ 10	\$ 107	\$ 191	\$ 315	\$ 623

Table #4 – Reconciliation of Outlook Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Outlook Adjusted EBITDA

(Unaudited)

(Dollars in millions)

	Q4 2018		2018	
	Low	High	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ (32)	\$ 33	\$ 84	\$ 149
Less: Net income available to noncontrolling interests	(117)	(137)	(365)	(385)
Net income (loss) from discontinued operations, net of tax	(3)	2	—	5
Income tax expense	(55)	(70)	(175)	(190)
Interest expense	(252)	(242)	(1,010)	(1,000)
Loss from early extinguishment of debt ⁽¹⁾	—	—	(2)	(2)
Other non-operating expense, net	(3)	(3)	(5)	(5)
Net gains on sales, consolidation and deconsolidation of facilities ⁽¹⁾	—	—	111	111
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements ⁽²⁾	(39)	(19)	(190)	(170)
Depreciation and amortization	(208)	(198)	(810)	(800)
Income (loss) from divested and closed businesses	(4)	1	5	10
Adjusted EBITDA	\$ 649	\$ 699	\$ 2,525	\$ 2,575
Income (loss) from continuing operations	\$ (29)	\$ 31	\$ 84	\$ 144
Net operating revenues	\$ 4,420	\$ 4,620	\$ 18,100	\$ 18,300
Income (loss) from continuing operations as a % of operating revenues	(0.7)%	0.7%	0.5%	0.8%
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	14.7 %	15.1%	14.0%	14.1%

(1) The Company does not generally forecast losses from the early extinguishment of debt or net gains (losses) on sales, consolidation and deconsolidation of facilities because the Company 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. The figures shown represent the Company's actual year-to-date results for these items.

(2) The Company has provided an estimate of restructuring charges and related payments that it anticipates in 2018. The figures shown represent the Company's estimate for restructuring charges plus the actual year-to-date results for impairment charges, acquisition-related costs, and litigation costs and settlements. The Company does not generally forecast impairment charges, acquisition-related costs, litigation costs and settlements because the Company 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.

Table #5 – Reconciliation of Outlook Net Income Available (Loss Attributable) 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 2018		2018	
	Low	High	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ (32)	\$ 33	\$ 84	\$ 149
Net income (loss) from discontinued operations, net of tax	(3)	\$ 2	—	5
Net income (loss) from continuing operations	(29)	31	84	144
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(39)	(19)	(190)	(170)
Net gains on sales, consolidation and deconsolidation of facilities	—	—	111	111
Loss from early extinguishment of debt	—	—	(2)	(2)
Income (loss) from divested and closed businesses	(4)	1	5	10
Tax impact of above items	4	(1)	10	5
Adjusted net income available from continuing operations to common shareholders	\$ 10	\$ 50	\$ 150	\$ 190
Diluted earnings (loss) per share from continuing operations	\$ (0.28)	\$ 0.30	\$ 0.81	\$ 1.38
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(0.37)	(0.18)	(1.83)	(1.63)
Net gains on sales, consolidation and deconsolidation of facilities	—	—	1.07	1.07
Loss from early extinguishment of debt	—	—	(0.02)	(0.02)
Income (loss) from divested and closed businesses	(0.04)	0.01	0.05	0.10
Tax impact of above items	0.04	(0.01)	0.10	0.05
Adjusted diluted earnings per share from continuing operations	\$ 0.10	\$ 0.48	\$ 1.44	\$ 1.83
Weighted average basic shares outstanding (in thousands)	102,000	102,000	102,000	102,000
Weighted average dilutive shares outstanding (in thousands)	105,000	105,000	104,000	104,000

Table #6 – Reconciliation of Outlook Net Cash Provided by Operating Activities to Outlook Adjusted Free Cash Flow from Continuing Operations

(Dollars in millions)

	2018	
	Low	High
Net cash provided by operating activities	\$ 1,060	\$ 1,335
Less: Payments for restructuring charges, acquisition-related costs and litigation costs and settlements ⁽¹⁾	(160)	(140)
Net cash used in operating activities from discontinued operations	(5)	—
Adjusted net cash provided by operating activities – continuing operations	1,225	1,475
Purchases of property and equipment – continuing operations	(625)	(675)
Adjusted free cash flow – continuing operations⁽²⁾	\$ 600	\$ 800

- (1) The Company has provided an estimate of payments that it anticipates in 2018 related to restructuring charges. The Company does not generally forecast payments related to acquisition-related costs and litigation costs and settlements because the Company does not believe that it can forecast these items with sufficient accuracy since some of these items may be 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, (ii) distributions paid to noncontrolling interests, or (iii) payments under the Put/Call Agreement for USPI redeemable noncontrolling interests, which are recorded on the Statement of Cash Flows as the purchase of noncontrolling interests.

