Tenet Health

38th Annual J.P. Morgan Healthcare Conference

Ronald Rittenmeyer, Executive Chairman and CEO

January 14, 2020

FORWARD-LOOKING STATEMENTS

This presentation includes “forward-looking statements.” These statements relate to future events, including, but not limited to, statements regarding our future earnings, financial position, operational and strategic initiatives, and developments in the healthcare industry. 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 Form 10-K for the year ended December 31, 2018, 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 Generally Accepted Accounting Principles (GAAP). Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in our earnings press release dated November 4, 2019. Management’s reasoning for using these non-GAAP measures is also included in our earnings press release dated November 4, 2019.

Tenet Health

Tenet today – A leading health systems and services platform

65
Hospitals

296
Ambulatory Surgery Centers

107
Urgent Care Centers

77
Imaging Centers

24
Surgical Hospitals

26
Off-Campus EDs & Micro-Hospitals

~$18B
Revenue

10M
Patient Encounters

~$25B
Revenue managed by Conifer

~50
Health System Partners

110K
Employees

Note: As of Jan 6, 2020.

2019 – A Year in Review

Restored organic growth

Consecutive quarters of growth. Same-facility hospital-based adjusted admissions grew +2.8% and ambulatory surgery cases grew +4.4% in Q3 over prior year

Continued to improve quality and patient experience

Overall hospital scores for publically reported CMS quality measures increased, internal measures also demonstrate improvement in quality and experience

Achieved further operational efficiencies

Cost savings program on track. $300M of the $450M target realized by end of 2019 via centralization, overhead reductions, off-shoring, external spend management

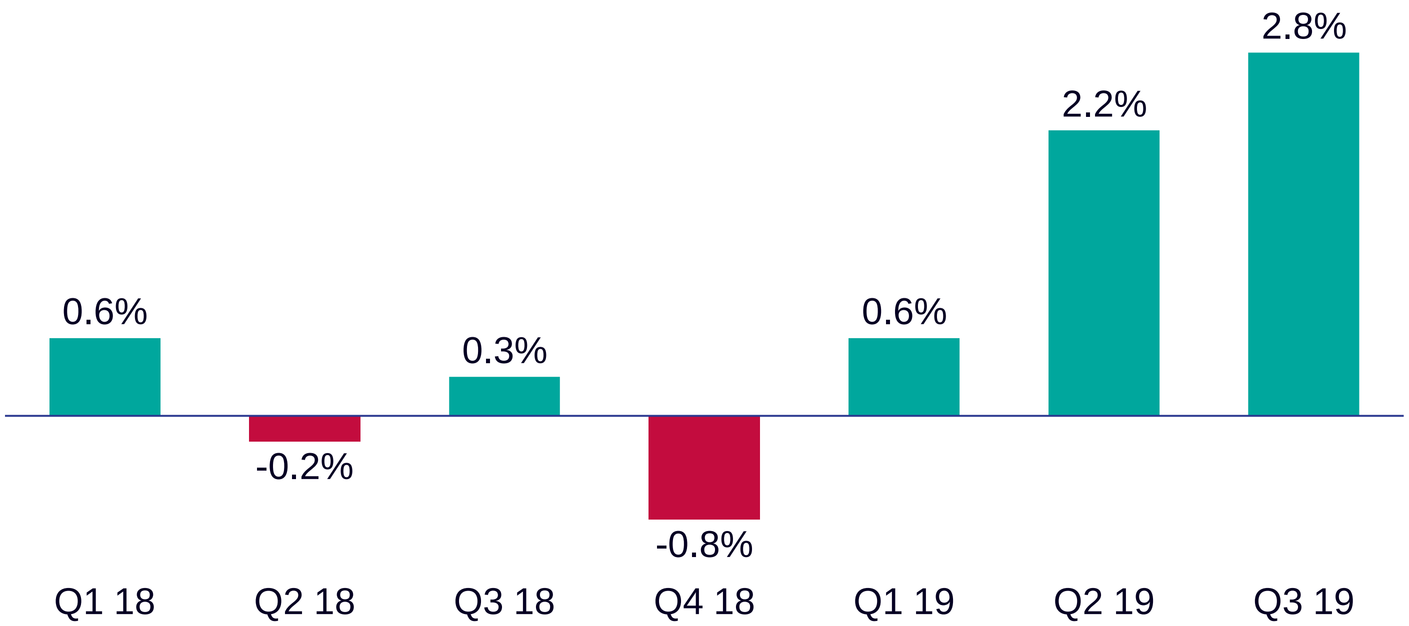
Improved financial flexibility

Refinanced $5.7B of debt. Expect to generate annual cash interest payment savings of $18M, retired all significant debt maturities until April 2022; increased 1st Lien secured borrowing capacity from 3X to 4X EBITDA

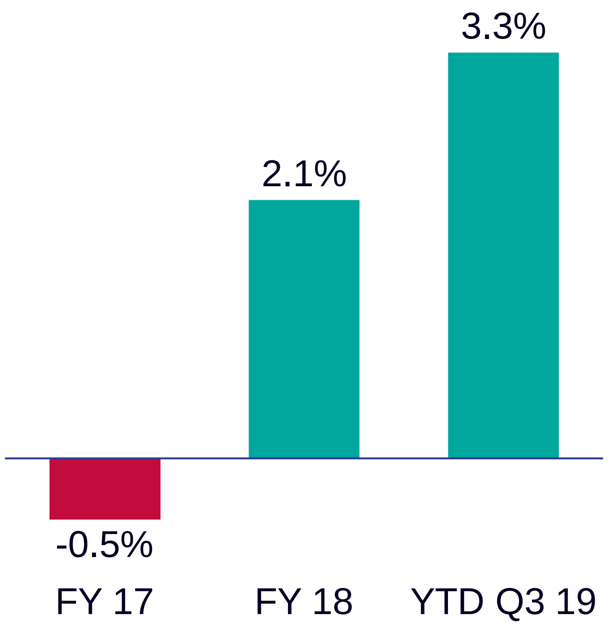
Note: Please see company's Q3'19 earnings presentation dated Nov 4, 2019 for more details.

Accelerating volume growth

Hospital adjusted admissions growth

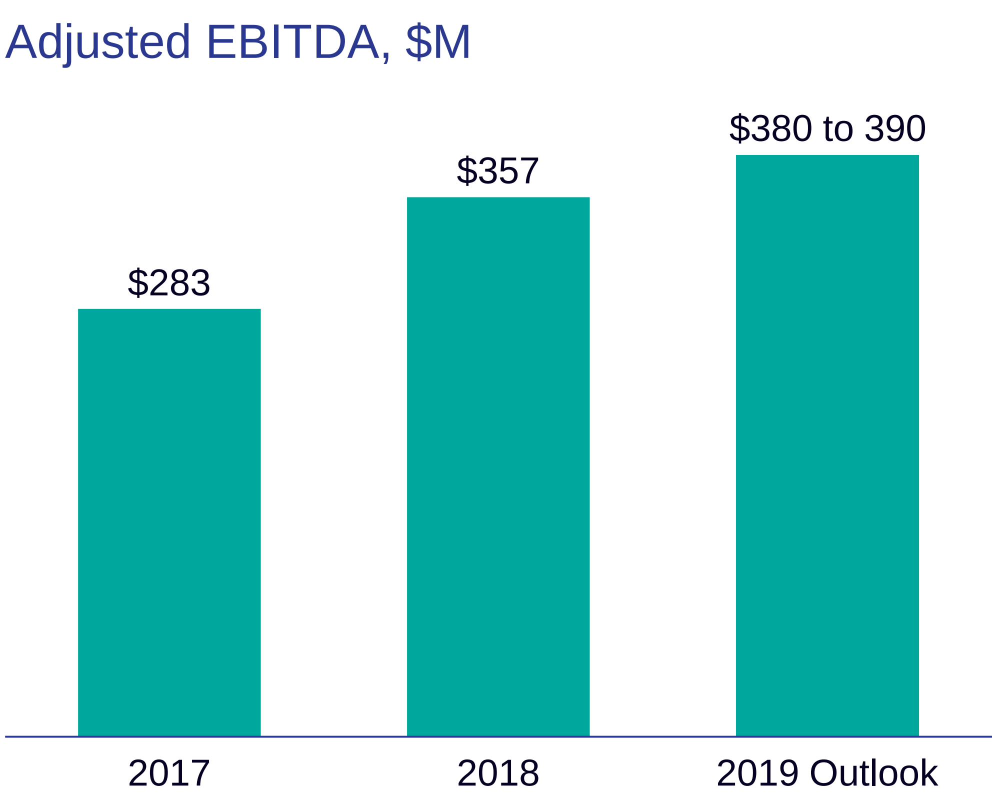


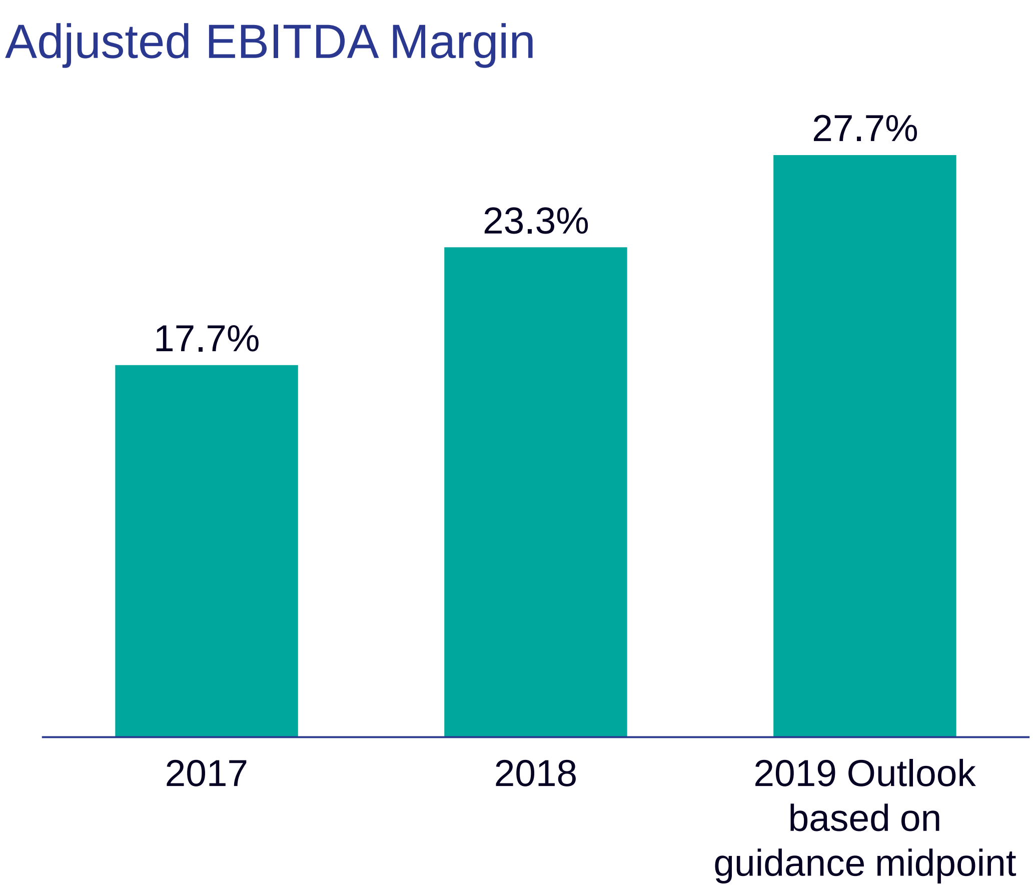
Ambulatory surgical case growth



Note: Same-facility basis. Admissions adjusted by multiplying actual patient admissions by the sum of gross inpatient revenues and outpatient revenues, then dividing the results by gross inpatient revenues.

Increasing Conifer earnings

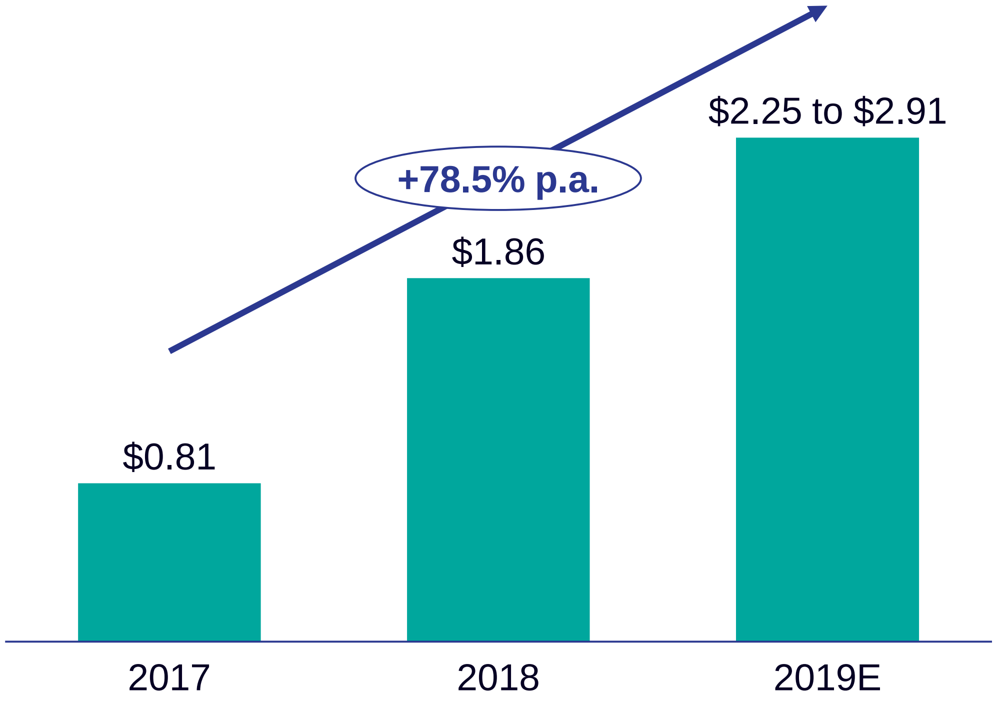




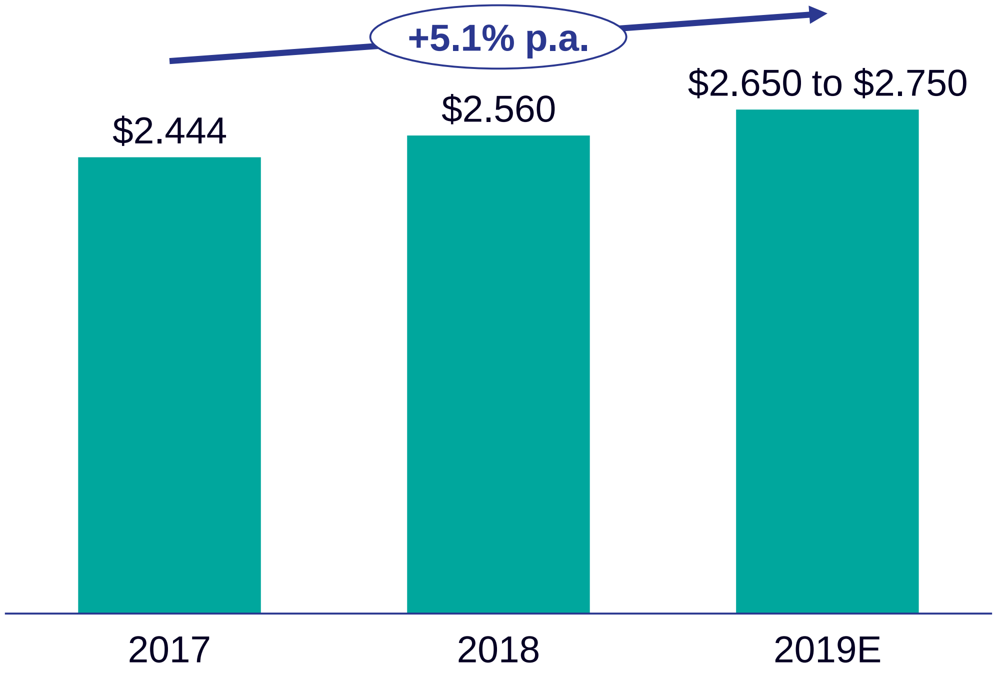
Note: 2019 Outlook as issued on November 4, 2019. Please see company's Q3'19 earnings presentation dated Nov 4, 2019 for more details.

Sustaining growth in continuing operations

Adjusted diluted earnings per share



Adjusted EBITDA, $B



Note: 2019E based on 2019 Outlook as issued on November 4, 2019. 2017-19E compounded average growth rate calculated using mid-point of company's 2019 outlook.

2019 – A Year in Review

Enhanced physician complement

Increased employed quality medical specialists and aligning with other leading medical groups in our markets that meet the need for quality services; implementing scheduling and OR improvements

Continued to invest in talent

Transitioned additional leadership across corporate, hospital, ambulatory, and Conifer as well as improved talent development processes

Strengthened governance

70% of the Board of Directors is new in the last two years and 80% is new since 2015

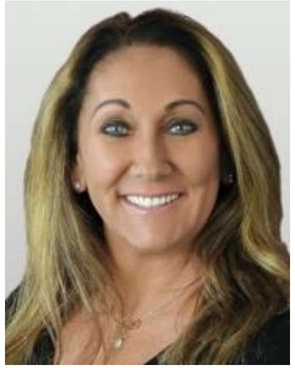
Strengthened specialty medical groups

Paley ORTHOPEDIC & SPINE INSTITUTE
at St. Mary's Medical Center

Biltmore Cardiology
Abrazo Medical Group

EL PASO ORTHOPAEDIC SURGERY GROUP
A PROVIDENCE Medical Partners Practice

Added external talent



Paola Arbour
EVP, CIO

Tom Arnst
CAO, Conifer

Bertrand Dussert
VP, Recruitment

Ernest Franklin, MD
Chief Medical Officer

Carolyn Jackson
CEO, MA Market

Jeff Jones
SVP, Conifer

Owen Morris
CFO, USPI

Deepali Narula
VP, Patient Services & Performance Improvement, Conifer

Kelly Pool
VP, Total Rewards

Marie Quintana
EVP, Communications & Chief Marketing Officer

Bryan Rogers
CEO, OCLA Market

Sharilee Smith
VP, Tax

Jennifer Strickland
COO, TPR

Todd Wyatt
CFO, Conifer

Refreshed Board of Directors

Ronald A. Rittenmeyer

Executive Chairman & CEO, Tenet Healthcare

J. Robert Kerrey

Lead Director, Tenet Healthcare; Managing Director, Allen & Company; Former United States Senator

Lloyd J. Austin, III

General, U.S. Army (Ret.) and Former Commander of U.S. Central Command

James L. Bierman

Former President and CEO, Owens & Minor, Inc.

Richard Fisher

Former President and CEO, Federal Reserve Bank of Dallas

Meghan M. FitzGerald, DrPH

Managing Partner, L1 Health LLC

Chris Lynch

Former National Partner in Charge of the Financial Services division at KPMG, LLC

Richard Mark

Chairman and President, Ameren Illinois Company

Tammy Romo

Executive Vice President and Chief Financial Officer, Southwest Airlines Co.

Nadja West, M.D

Lieutenant General, U.S. Army (Ret.) and 44th Surgeon General of the U.S. Army

Tenet Looking Forward

Drive performance, focusing on free cash flow

Continue to implement a cost management agenda and instill a culture of data-driven management processes to improve EBITDA and free cash flow

Optimize portfolio of assets

Building a leading specialty care platform to serve the growing community needs and evaluating each asset's role in the go-forward portfolio

Scale ambulatory surgery business

Accelerate investments in USPI's strong pipeline via acquisitions to deliver benefits of scale as well as develop de novos to meet growing patient demand

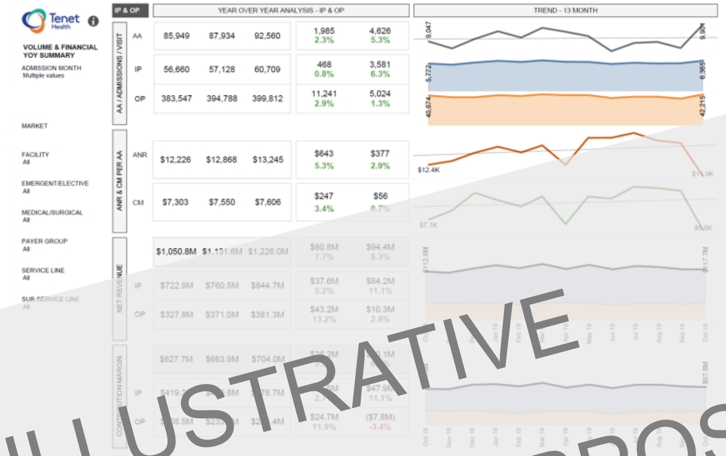
Prepare for Conifer spin

Improve capabilities and margin as well as continue actions to spin Conifer

Increasing data-driven management processes

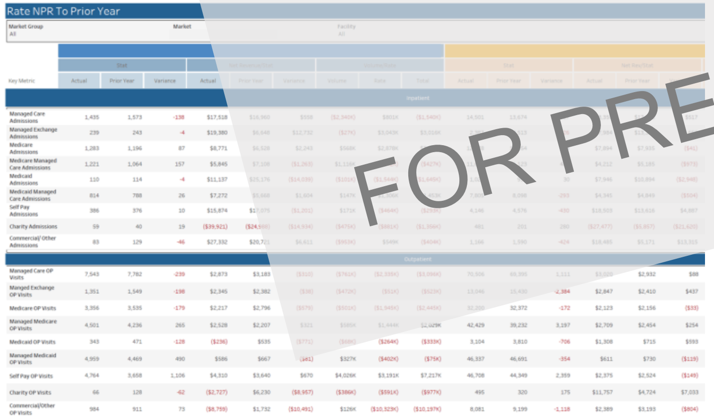
Daily Volume Metrics

Service Line

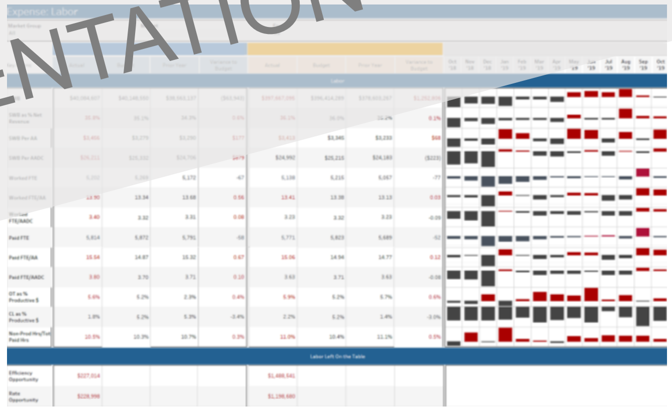


Access

Payor Mix & Yield



Expense Management



Quality & Safety

Measure Name	Threshold	Target	2018 Baseline	YTD 2019	Trend (2019 vs 2018)	Y2019 Monthly Trendline
Overall Hospital Rating	67.2	73.4	72.1	68.9	↓	
CAUTI Infection Rate	0.413	0.107	0.107	0.275	↑	
C-Diff Infection Rate	6.059	3.722	5.664	2.732	↓	
Hospital-wide Mortality O/E Ratio	0.83	0.71	0.71	0.69	↓	
Overall Hospital Rating	67.2	73.4	68.8	63.3	↓	
CAUTI Infection Rate	1.549	1.061	1.549	0.473	↓	
CLABSI Infection Rate	0.781	0.217	0.418	0.219	↓	
Hospital-wide Mortality O/E Ratio	0.83	0.69	0.61	0.61	↑	
Overall Hospital Rating	67.2	73.4	69.5	68.3	↓	
SSI-Hysterectomy Infection Rate	0.847	0.746	0.847	0.000	↓	
MRSA Infection Rate	0.149	0.052	0.149	0.000	↓	
Hospital-wide Mortality O/E Ratio	0.83	0.69	0.68	0.56	↓	
Overall Hospital Rating	64.0	70.4	64.0	65.8	↑	
C-Diff Infection Rate	3.722	3.158	3.158	1.887	↓	
Hospital-wide Mortality O/E Ratio	0.83	0.83	0.83	0.84	↑	

Utilizing predictive and geospatial analytics

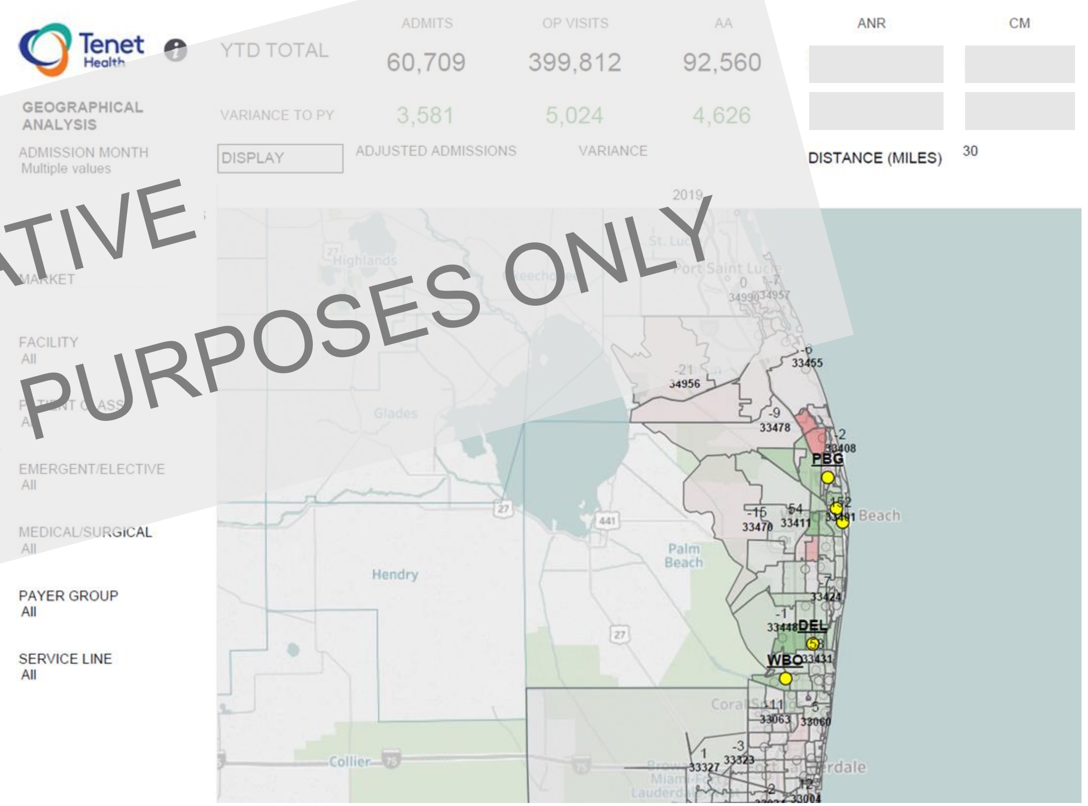
Predictive, mid-month volume tracker

MTD Budget

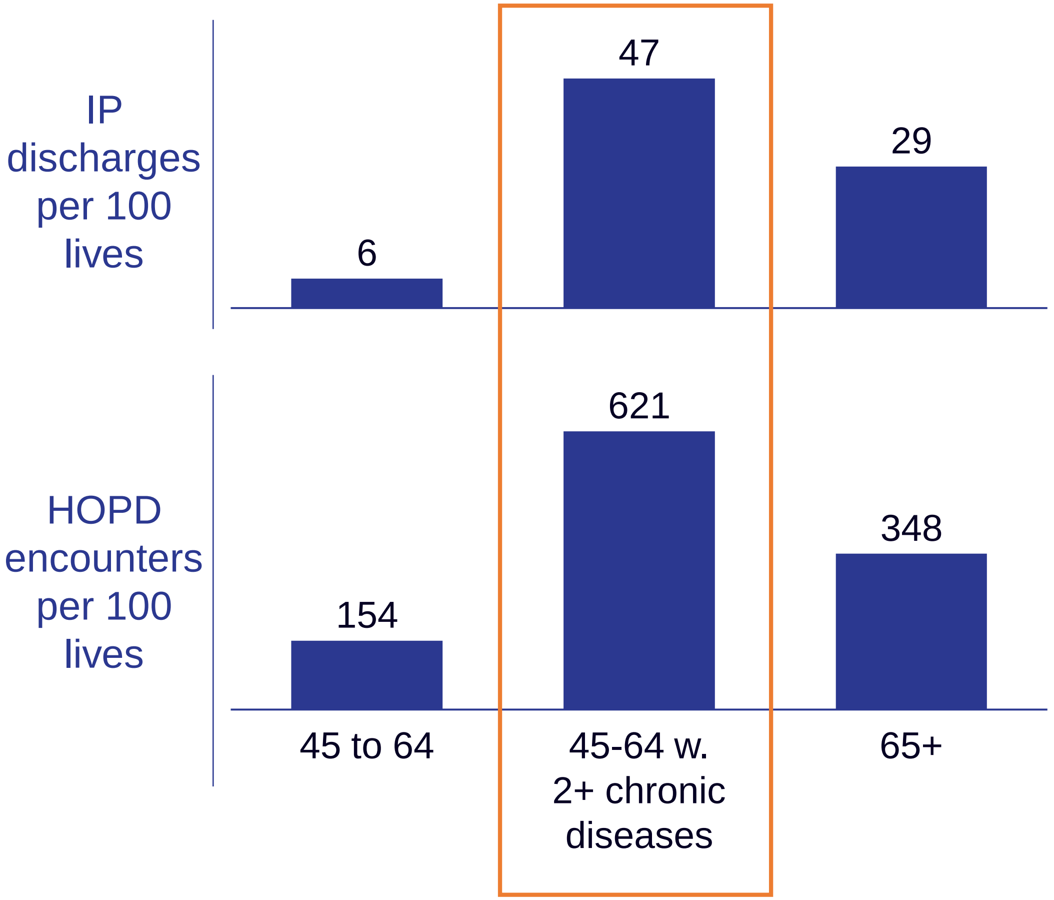
Admits

Group	MTD vs. Budget	Proj	Budget	MTD		Proj vs. Budget (var %)	Proj vs. 18 (var %)
		3,290	3,415	1,860	3,226	(3.7%)	2.0%
		780	724	452	749	7.8%	4.2%
		2,342	2,316	1,331	2,267	1.1%	3.3%
		5,280	5,321	3,003	5,157	(0.8%)	2.4%
		5,467	6,042	3,066	5,527	(9.5%)	(1.1%)
		398	336	233	320	18.5%	24.3%
		3,223	3,298	[illegible]	3,084	(2.3%)	4.5%
		5,865	5,747	3,337	5,556	2.0%	5.6%
		3,351	3,567	1,875	3,409	(6.1%)	(1.7%)
		1,259	1,208	719	1,183	4.2%	6.5%
		2,347	2,251	1,350	2,166	4.3%	8.4%
		5,338	5,522	3,023	5,277	(3.3%)	1.2%

Geospatial, sub-service and payor dashboard



Strategic focus on care for those with chronic diseases

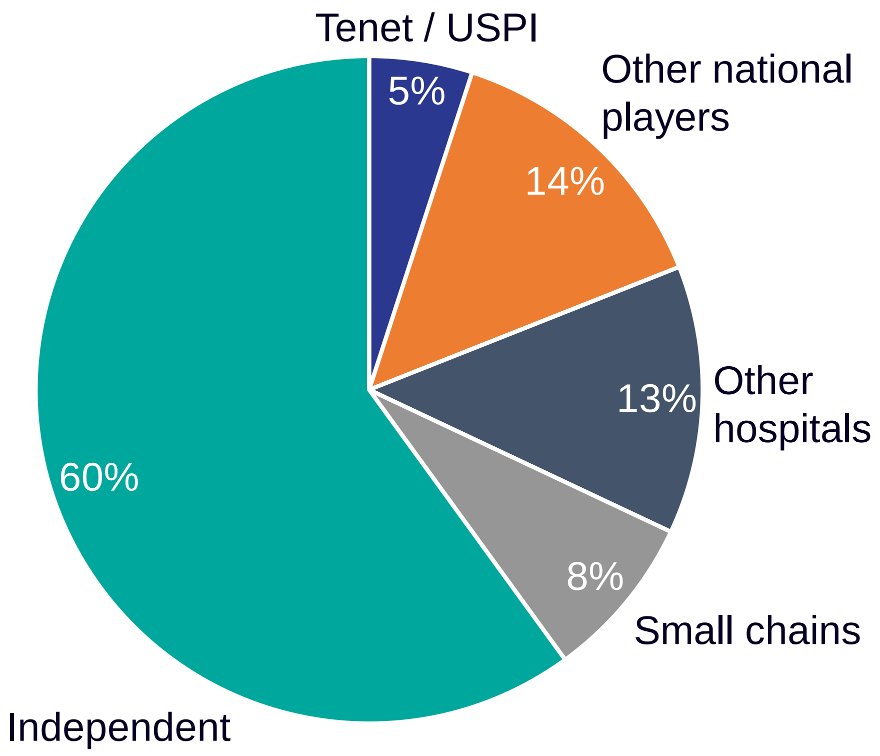


- Expand service lines with a focus on servicing the needs for chronic disease and aging patients
- Continue focus on high-quality physicians as well as access and service excellence
- Improve patient access via operational and scheduling improvements as well as transfer centers
- Continue to improve Quality & Safety and performance in value-based programs (e.g., BPCI-A)
- Align capital placement, with a greater focus on strategic capital and clinical equipment

Source: CMS, Commercial claims data, reflective of all Tenet and USPI markets

Prioritize capital to grow ambulatory surgery footprint

Market share by number facilities

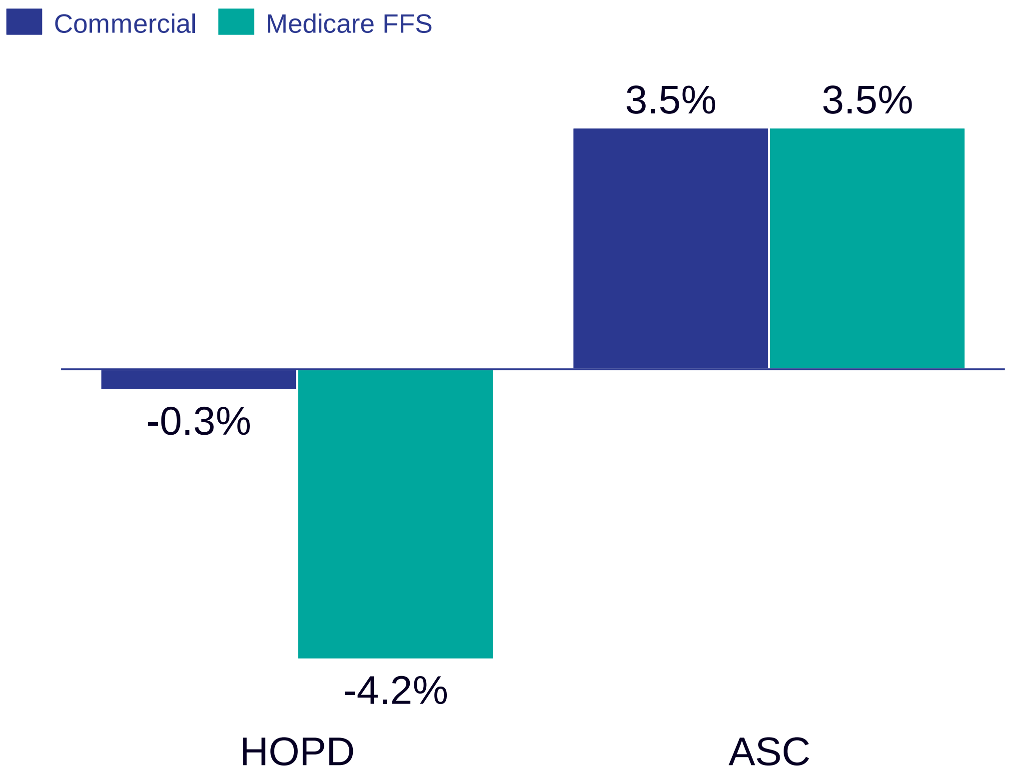


- Build upon USPI's national platform to deliver benefits of scale to a fragmented market
- Sustain strong pipeline of opportunities for individual centers as well as multi-center platforms
- Expect to deploy $150-$175M annually, possibly more if the right opportunities are identified
- Purchase centers at attractive multiples and reduce the EBITDA less NCI multiple to below 5x by year two

Note: Other national providers inclue Envision, UnitedHealth, Surgery Partners, HCA and NueHealth
Source: VMG Intellimarker, company filings

Also investing in de novo ASCs and expanding service offerings

HOPD vs. ASC volume growth, % p.a.



- Continue strong pipeline of de novo opportunities to meet growing demand in existing and new markets
- Maintain strong trajectory of same-facility case growth across the ambulatory surgery portfolio
- Expand orthopedics, spine, cardiovascular and robotics services
- Sustain strong quality & safety, patient experience and physician engagement

Source: 2015-17 Commercial claims data, 2015-17 Medicare claims data, reflective of all Tenet and USPI markets

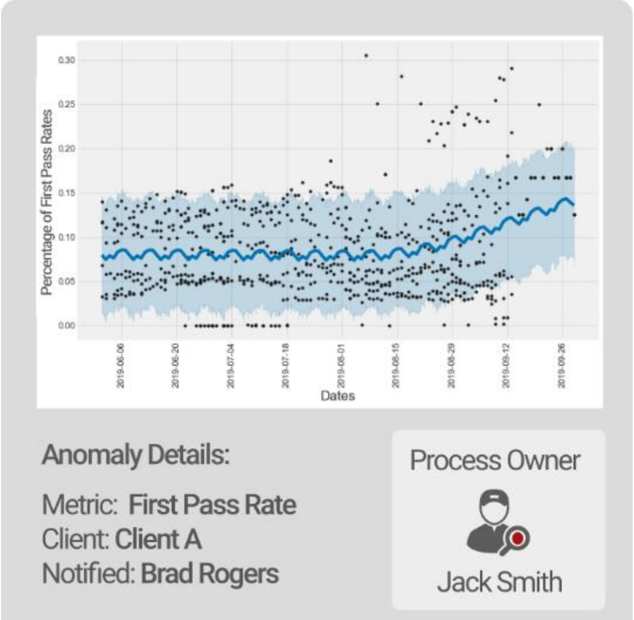
Evolving and globalizing the operating model

- Building upon integrated corporate functions to further streamline processes and improve services
- Continuous improvement in labor and external spend management with further standardization and automation
- Implementing a hybrid service delivery model with a Global Business Center (GBC) and outsource providers
- Selection for outsourcing versus GBC based on balancing strategy with capability, cost, risk, and timing

Conifer today – inventing revenue cycle management

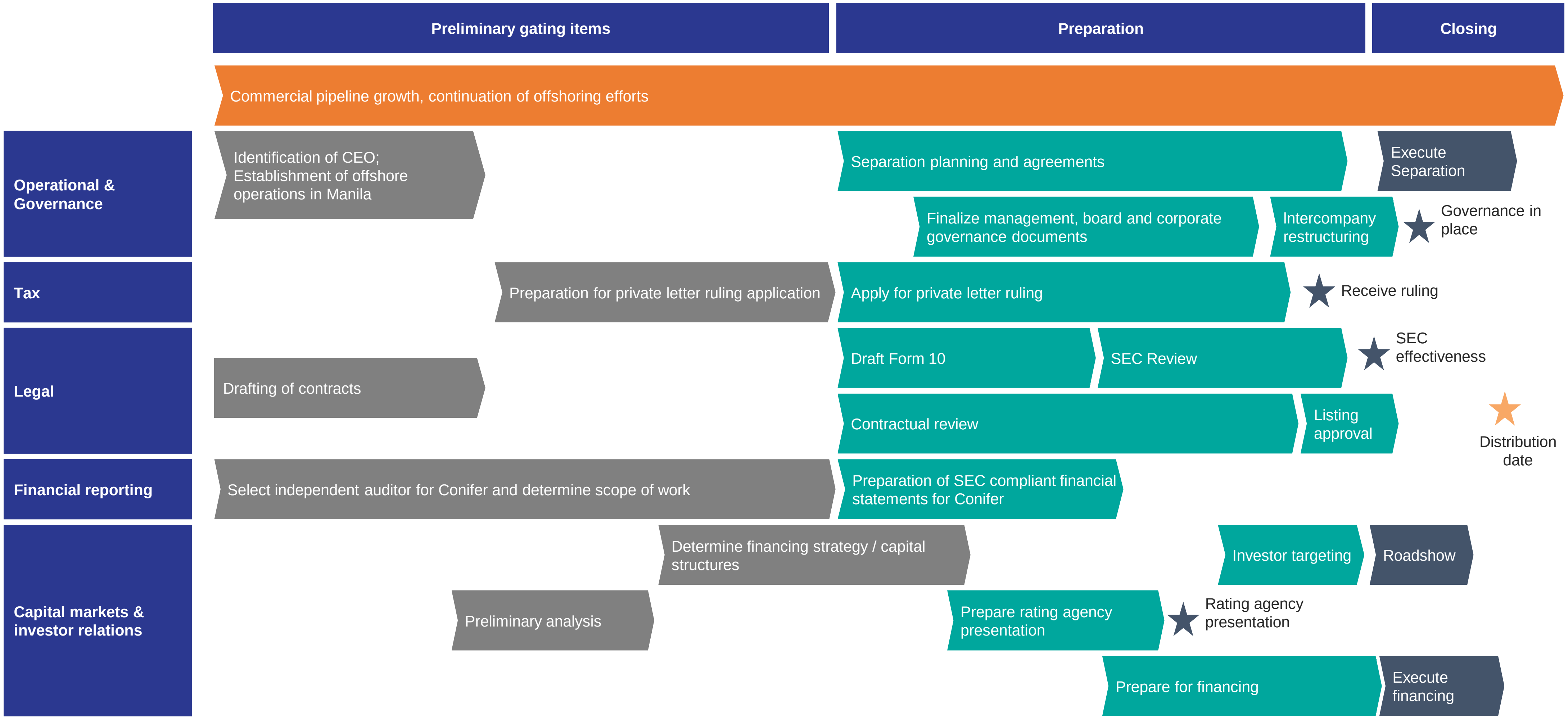
Leveraging scale, expertise and advanced analytics

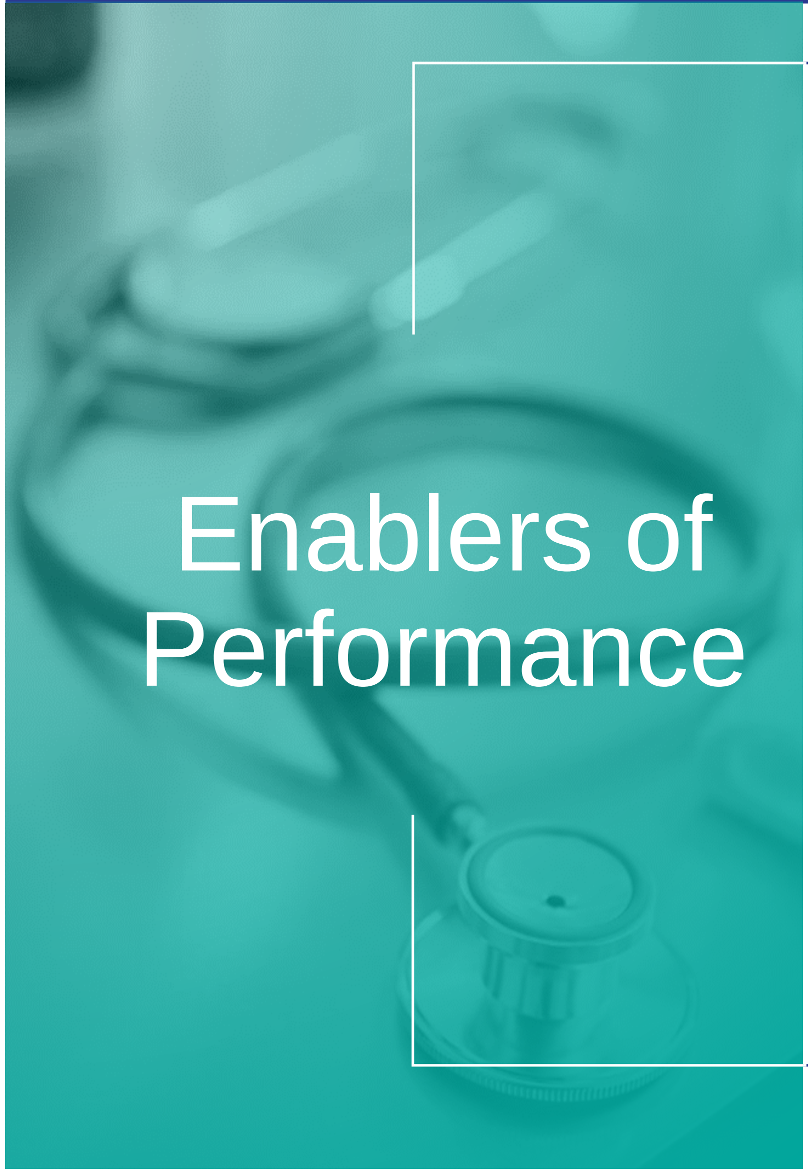
- Powered by Artificial Intelligence and mature predictive analytics to reduce friction and improve performance and patient experience
- Informed by real-time insights, data science and automated workflow that optimizes revenue cycle performance (e.g., denials prevention, coding and payer strategy)
- Automated to optimize quality, efficiency and performance in an ever changing environment
- Designed to provide consumers with a more a retail experience and greater financial transparency



Machine Learning | Deep Learning | Robotic Process Automation | Neural Networks | Digital Service Integration

Preparing to spin Conifer





Enablers of Performance

A high-performance culture

Continue to add and cultivate talent, reduce silos, and align performance evaluation and talent development processes

Fact-based driven decision making

Complement streamlined decision making processes with more rigorous business plans and data to inform decisions

Action-oriented management processes

Utilize analytical insights to focus management processes on identifying root cause issues and problem solving potential solutions to address barriers

MISSION

To provide quality, compassionate care in the communities we serve.

VISION

To consistently deliver the right care, in the right place, at the right time and to be a premier organization to work, where patient care and saving lives remain our focus.

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

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

(Unaudited)

(Dollars in millions)	2019	
	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (220)**	**$ (125)**
Less: Net income available to noncontrolling interests	(390)	(410)
Net income (loss) from discontinued operations, net of tax	10	10
Income tax expense	(150)	(160)
Interest expense	(995)	(985)
Loss from early extinguishment of debt[1]	(227)	(227)
Other non-operating expense, net	(5)	(10)
Net losses on sales, consolidation and deconsolidation of facilities[1]	(3)	(3)
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements[2]	(275)	(250)
Depreciation and amortization	(830)	(840)
Loss from divested and closed businesses	(5)	—
Adjusted EBITDA	**$ 2,650**	**$ 2,750**
Income (loss) from continuing operations	**$ (230)**	**$ (135)**
Net operating revenues	**$ 18,350**	**$ 18,550**
Income (loss) from continuing operations as a % of operating revenues	**(1.3)%**	**(0.7)%**
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	**14.4 %**	**14.8 %**

(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 2019. 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.

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

Reconciliations 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)	2019	
	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (220)**	**$ (125)**
Net income (loss) from discontinued operations, net of tax	10	10
Net income (loss) from continuing operations	(230)	(135)
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(275)	(250)
Net losses on sales, consolidation and deconsolidation of facilities	(3)	(3)
Loss from early extinguishment of debt	(227)	(227)
Loss from divested and closed businesses	(5)	—
Tax impact of above items	40	35
Noncontrolling interests impact of above items	4	4
Adjusted net income available from continuing operations to common shareholders	**$ 236**	**$ 306**
Diluted earnings (loss) per share from continuing operations	**$ (2.23)**	**$ (1.31)**
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(2.62)	(2.38)
Net losses on sales, consolidation and deconsolidation of facilities	(0.03)	(0.03)
Loss from early extinguishment of debt	(2.16)	(2.16)
Loss from divested and closed businesses	(0.05)	—
Tax impact of above items	0.38	0.33
Noncontrolling interests impact of above items	0.04	0.04
Adjusted diluted earnings per share from continuing operations	**$ 2.25**	**$ 2.91**
Weighted average basic shares outstanding (in thousands)	**103,000**	**103,000**
Weighted average dilutive shares outstanding (in thousands)	**105,000**	**105,000**

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

Reconciliations of Adjusted EBITDA to Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders

(Unaudited)

(Dollars in millions)	Years Ended December 31, 2017	Years Ended December 31, 2018
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (704)**	**$ 111**
Less: Net income attributable to noncontrolling interests	(384)	(355)
Income from discontinued operations, net of tax	—	3
Income (loss) from continuing operations	(320)	463
Income tax expense	(219)	(176)
Gain (loss) from early extinguishment of debt	(164)	1
Other non-operating expense, net	(22)	(5)
Interest expense	(1,028)	(1,004)
Operating income	1,113	1,647
Litigation and investigation costs	(23)	(38)
Gains on sales, consolidation and deconsolidation of facilities	144	127
Impairment and restructuring charges, and acquisition-related costs	(541)	(209)
Depreciation and amortization	(870)	(802)
Income (loss) from divested and closed businesses	(41)	9
Adjusted EBITDA	**$ 2,444**	**$ 2,560**
Net operating revenues	$ 19,179	$ 18,313
Less: Net operating revenues from health plans	110	14
Adjusted net operating revenues	**$ 19,069**	**$ 18,299**
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders as a % of net operating	**(3.7)%**	**0.6%**
Adjusted EBITDA as % of adjusted net operating revenues (Adjusted EBITDA margin)	**12.8 %**	**14.0%**

Tenet Healthcare Corporation

Additional Supplemental Non-GAAP disclosures

Reconciliations of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income Available (Loss Attributable) from Continuing Operations to Common Shareholders

(Unaudited)

(Dollars in millions except per share amounts)	Years Ended December 31, 2017	Years Ended December 31, 2018
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (704)**	**$ 111**
Net income (loss) from discontinued operations	—	3
Net loss from continuing operations	(704)	108
Less: Impairment and restructuring charges, and acquisition-related costs	(541)	(209)
Litigation and investigation costs	(23)	(38)
Net gains on sales, consolidation and deconsolidation of facilities	144	127
Gain (loss) from early extinguishment of debt	(164)	1
Income (loss) from divested and closed businesses	(41)	9
Tax impact of above items	114	25
Tax reform adjustment	(252)	—
Noncontrolling interests impact of above items	(23)	—
Adjusted net income available (loss attributable) from continuing operations to common shareholders	**$ 82**	**$ 193**
Diluted earnings (loss) per share from continuing operation	**$ (7.00)**	**$ 1.04**
Less: Impairment and restructuring charges, and acquisition-related costs	**(5.34)**	**(2.01)**
Litigation and investigation costs	**(0.23)**	**(0.37)**
Net gains on sales, consolidation and deconsolidation of facilities	**1.42**	**1.22**
Gain (loss) from early extinguishment of debt	**(1.62)**	**0.01**
Income (loss) from divested and closed businesses	**(0.40)**	**0.09**
Tax impact of above items	**1.12**	**0.24**
Tax reform adjustment	**(2.49)**	—
Noncontrolling interests impact of above items	**(0.23)**	—
Adjusted diluted earnings (loss) per share from continuing operations	**$ 0.81**	**$ 1.86**
Weighted average basic shares outstanding (in thousands)	**100,592**	**102,110**
Weighted average dilutive shares outstanding (in thousands)	**101,380**	**103,881**