tenet HEALTH

Investor Presentation

Quarter ended June 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 sale process we have initiated for our Conifer Health Solutions business unit; (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 sale 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 August 6, 2018.

Progress on Key Priorities

Performance

- Adjusted EBITDA grew 11% on an apples-to-apples basis [1]
- Ambulatory delivering strong and consistent results: EBITDA less facility level NCI up 21%
- Conifer's EBITDA was up 35% on an apples-to-apples basis

Operational Efficiencies

- High visibility on $195 million in cost savings in 2018
- On-track to achieve $250 million of annualized run-rate savings by the end of 2018
- Additional opportunities for 2019 are being vetted; savings would be additive to $250 million target

Growth

- Investing in outpatient services: surgery centers, off-campus EDs, microhospitals and urgent care
- Developing plans for new approach to marketing
- Ongoing review of service lines and portfolios

Portfolio Update

- Conifer process has been narrowed to a few potential strategic and financial buyers
- Agreement to sell Chicago hospitals for $70 million: TTM revenue of ~$330 million and breakeven EBITDA
- Aspen and Golden State divestitures anticipated in 2H18
- Deployed ~$120 million on Ambulatory acquisitions in 1H18

1. Calculated using $627 million and $567 million of Adjusted EBITDA in Q2'18 and Q2'17, respectively, after normalizing for the California Provider Fee (add $67 million to Q2'17), divestitures (subtract $41 million from Q2'17), gain on home health and hospice sales (subtract $23 million from Q2'17), electronic health record incentives (subtract $6 million from Q2'17) and Conifer customer termination fees (subtract $7 million from Q2'18).

Q2’18 Financial Highlights

- **Adjusted EBITDA was $634 million, up $64 million from Q2’17, driven by growth in the Ambulatory and Conifer segments**
- **Hospital segment same-hospital patient revenue grew 3.2%**
  - Adjusted admissions declined 0.2% and admissions declined 2.3%, with growth in many markets offset by declines in Chicago and Detroit
  - Adjusted admissions increased 1.1% excluding targeted service line closures (40 bps) and declines in Chicago and Detroit (90 bps)
  - Revenue per adjusted admission increased 3.5% (1.6% increase on a normalized basis, after adjusting for the California Provider Fee)
  - Adjusted EBITDA was $345 million, up 0.6% after normalizing for the California Provider Fee, divestitures, HIT and gains on asset sales in Q2’17
    - California Provider Fee revenue (add $67 million to Q2’17 on a pro-forma basis which equals one-quarter of $267 million for 2017)
    - Divestitures of Houston, MacNeal Hospital, Philadelphia, Des Peres and the Dallas JV (zero in Q2’18 versus $41 million in Q2’17)
    - Gain on home health and hospice asset sales (zero in Q2’18 versus a $23 million gain recorded as a reduction in other operating expense in Q2’17)
    - HITECH incentive revenue (zero in Q2’18 versus $6 million in Q2’17)
- **Ambulatory Care same-facility system-wide revenue grew 6.9%**
  - Cases grew 4.3% and revenue per case grew 2.4% on a same-facility system-wide basis
  - Adjusted EBITDA was $198 million, up 20.7%, and Adjusted EBITDA less facility-level NCI was $128 million, up 20.8%
- **Conifer’s revenue declined 3.5% to $386 million, primarily due to divestitures**
  - Adjusted EBITDA increased 51.7% to $91 million, representing a margin of 23.6%
  - On a normalized basis, Adjusted EBITDA grew 35% driven by improvements in Conifer’s cost structure
- **Cash provided by operating activities was $461 million in the first half of 2018**
  - Free Cash Flow was $193 million in the first half of 2018, up from $53 million in the first half of 2017
  - Adjusted Free Cash Flow was $259 million in the first half of 2018, up from $117 million in the first half of 2017

Note: The results of the Company’s health plans are excluded from Adjusted EBITDA. Tenet’s health plan business recognized $0 million of revenue and $1 million of positive EBITDA in the second quarter of 2018 versus $25 million of revenue and negative $19 million of Adjusted EBITDA in the second quarter of 2017.

Same Hospital Growth Rates

Net patient revenue grew 3.2% on a same-hospital basis; acuity continues to grow

- Adjusted admissions declined 0.2% and grew approximately 1.1% excluding Chicago, Detroit and targeted service line closures
  - Chicago and Detroit lowered Tenet's same-hospital adjusted admissions by ~90 basis points
  - Targeted service line closures lowered same-hospital adjusted admissions by ~40 bps in Q2'18 and are expected to lower 2H18 adjusted admissions by ~60 bps
- Admissions declined 2.3% and declined 0.9% excluding Chicago, Detroit and targeted service line closures.
- Revenue per adjusted admission increased 3.5% and was up 1.6% excluding the California Provider Fee in both periods.

	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	YTD
Adjusted Admissions	0.5%	1.4%	-0.5%	**0.9%**	-2.5%	-1.4%	-2.2%	1.3%	**-1.2%**	0.6%	-0.2%	**0.2%**
Admissions	-1.1%	0.4%	-0.2%	**-0.2%**	-3.3%	-2.2%	-2.6%	0.2%	**-2.0%**	0.3%	-2.3%	**-1.0%**
Revenue Per Adjusted Admission (1)	3.6%	3.2%	3.1%	**3.5%**	0.5%	1.1%	-1.1%	5.2%	**1.5%**	6.0%	3.5%	**4.8%**
Inpatient Surgeries	-0.1%	0.2%	-2.0%	**-0.4%**	-3.8%	-4.5%	-4.7%	-1.8%	**-3.7%**	-2.0%	-2.6%	**-2.3%**
Outpatient Surgeries	2.0%	-3.6%	-1.5%	**0.5%**	-6.5%	-6.0%	-5.3%	-3.8%	**-5.4%**	-1.8%	0.0%	**-0.9%**
Surgeries (Inpatient + Outpatient)	1.1%	-2.0%	-1.7%	**0.1%**	-5.3%	-5.4%	-5.1%	-2.9%	**-4.7%**	-1.9%	-1.1%	**-1.5%**
Emergency Department Visits	0.9%	0.5%	-0.7%	**1.3%**	-4.0%	-1.2%	-1.8%	4.3%	**-0.7%**	5.2%	0.2%	**2.7%**
Total Outpatient Visits	0.8%	0.8%	-1.3%	**1.4%**	-2.1%	-3.7%	-5.4%	-0.2%	**-2.6%**	-1.0%	-1.0%	**-1.0%**

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 6.9% in Q2'18

- In the surgical business, same-facility system-wide revenue grew 6.6%, with cases up 3.4% and revenue per case up 3.1%, reflecting growth in higher-acuity surgical procedures.
- In the non-surgical business, same-facility system-wide revenue grew 13.6%, with visits up 5.8% and revenue per visit up 7.4%. Non-surgical revenue per visit growth reflects increases in higher revenue per visit services.

Same-facility system-wide growth (1)	Q2 '16	Q3 '16	Q4 '16	2016	Q1 '17	Q2 '17	Q3 '17	Q4 '17	2017	Q1 '18	Q2 '18	YTD
Surgical (ASCs, Surgical Hospitals & Aspen)												
Revenue	11.5%	9.6%	5.8%	**9.4%**	6.9%	4.1%	1.1%	7.0%	**4.9%**	2.3%	6.6%	**4.5%**
Cases	5.1%	4.1%	1.5%	**5.0%**	0.5%	-1.2%	-3.8%	2.2%	**-0.5%**	-0.5%	3.4%	**1.6%**
Revenue per case	6.0%	5.3%	4.3%	**4.2%**	6.4%	5.4%	5.1%	4.7%	**5.5%**	2.8%	3.1%	**2.9%**
Non-Surgical (Imaging & Urgent Care)												
Revenue	8.0%	6.0%	6.2%	**8.2%**	6.1%	1.8%	5.4%	13.1%	**6.6%**	11.8%	13.6%	**12.7%**
Visits	5.4%	3.7%	2.2%	**5.4%**	0.6%	0.6%	-0.1%	8.7%	**2.3%**	8.7%	5.8%	**7.3%**
Revenue per visit	2.5%	2.2%	4.0%	**2.6%**	5.5%	1.2%	5.5%	4.0%	**4.1%**	2.8%	7.4%	**5.0%**
Ambulatory Segment Total												
Revenue	11.3%	9.5%	5.8%	**9.3%**	6.8%	4.1%	1.3%	7.2%	**5.0%**	2.7%	6.9%	**4.8%**
Cases	5.2%	4.0%	1.7%	**5.2%**	0.5%	-0.5%	-2.4%	4.6%	**0.6%**	3.2%	4.3%	**3.8%**
Revenue per case	5.8%	5.3%	4.0%	**4.0%**	6.3%	4.6%	3.7%	2.5%	**4.4%**	-0.5%	2.4%	**1.0%**

(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.

Ambulatory Care Segment Financials

EBITDA less facility-level NCI grew 20.8% in Q2’18 and 15.0% in the first half of 2018

- Targeting 9% to 11% EBITDA less facility-level NCI growth in 2018

$ in millions	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	YTD
Net operating revenues	$442	$448	$478	$1,797	$455	$472	$468	$545	$1,940	$498	$531	$1,029
% growth	*37.3%*	*36.2%*	*20.4%*	*33.8%*	*6.1%*	*6.8%*	*4.5%*	*14.0%*	*8.0%*	*9.5%*	*12.5%*	*11.0%*
Equity in earnings of unconsolidated affiliates	$26	$28	$43	$122	$27	$30	$34	$49	$140	$27	$33	$60
Adjusted EBITDA	**$139**	**$157**	**$183**	**$615**	**$153**	**$164**	**$159**	**$223**	**$699**	**$165**	**$198**	**$363**
% growth	***20.9%***	***28.7%***	***15.8%***	***25.8%***	***12.5%***	***18.0%***	***1.3%***	***21.9%***	***13.7%***	***7.8%***	***20.7%***	***14.5%***
Net income available to facility-level noncontrolling interests (1)	$52	$54	$68	$220	$53	$58	$55	$78	$244	$56	$70	$126
Adjusted EBITDA less facility-level NCI	**$87**	**$103**	**$115**	**$395**	**$100**	**$106**	**$104**	**$145**	**$455**	**$109**	**$128**	**$237**
% growth	***3.6%***	***21.2%***	***4.5%***	***14.2%***	***11.1%***	***21.8%***	***1.0%***	***26.1%***	***15.2%***	***9.0%***	***20.8%***	***15.0%***
Net income available to Baylor and WCAS (2)(3)	$8	$14	$18	$51	$13	$8	$6	$10	$37	$8	$5	$13
Adjusted EBITDA less NCI (after Baylor and WCAS related NCI)	**$79**	**$89**	**$97**	**$344**	**$87**	**$98**	**$98**	**$135**	**$418**	**$101**	**$123**	**$224**
% growth	***8.2%***	***20.3%***	***4.3%***	***14.7%***	***10.1%***	***24.1%***	***10.1%***	***39.2%***	***21.5%***	***16.1%***	***25.5%***	***21.1%***
Adjusted EBITDA margin	*31.4%*	*35.0%*	*38.3%*	*34.2%*	*33.6%*	*34.7%*	*34.0%*	*40.9%*	*36.0%*	*33.1%*	*37.3%*	*35.3%*
Adjusted EBITDA less facility-level NCI Margin	*19.7%*	*23.0%*	*24.1%*	*22.0%*	*22.0%*	*22.5%*	*22.2%*	*26.6%*	*23.5%*	*21.9%*	*24.1%*	*23.0%*

(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

Raising Conifer's Adjusted EBITDA Outlook by $20 million to $350-$360 million in 2018; growth of 24%-27% vs. 2017

- Targeting Adjusted EBITDA margins of ~22% in 2018 (excluding $17 million of customer termination fees in 1H18) and exploring additional opportunities that could further enhance Conifer's margins in 2019.
- Adjusted EBITDA of $91 million in Q2'18 included $10 million of revenue and EBITDA from items that will not recur on a quarterly basis for the remainder of 2018: $7 million of contract termination payments from two health systems (these health systems chose to insource revenue cycle management after acquiring hospitals from Tenet and other customers) and $3 million of customer incentive payments.
- Normalizing for customer termination fees ($10 million in Q1'18 and $7 million in Q2'18) and customer incentive payments ($3 million in Q1'18 and $3 million in Q2'18), Adjusted EBITDA grew ~33% to $166 million in 1H18; anticipate ~$166 million in 2H18, weighted toward Q4.

$ in millions	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	YTD
Revenue from Tenet	$162	$159	$163	$651	$159	$155	$149	$155	$618	$150	$144	$294
% growth	*-1.8%*	*-2.5%*	*-8.4%*	*-2.3%*	*-4.8%*	*-4.3%*	*-6.3%*	*-4.9%*	*-5.1%*	*-5.7%*	*-7.1%*	*-6.4%*
Other Clients	$224	$239	$239	$920	$243	$245	$252	$239	$979	$254	$242	$496
% growth	*28.0%*	*29.9%*	*16.0%*	*23.2%*	*11.5%*	*9.4%*	*5.4%*	*0.0%*	*6.4%*	*4.5%*	*-1.2%*	*1.6%*
Revenue	**$386**	**$398**	**$402**	**$1,571**	**$402**	**$400**	**$401**	**$394**	**$1,597**	**$404**	**$386**	**$790**
% growth	*13.5%*	*14.7%*	*4.7%*	*11.2%*	*4.4%*	*3.6%*	*0.8%*	*-2.0%*	*1.7%*	*0.5%*	*-3.5%*	*-1.5%*
Adjusted EBITDA	**$63**	**$79**	**$72**	**$277**	**$65**	**$60**	**$79**	**$79**	**$283**	**$98**	**$91**	**$189**
% growth	*5.0%*	*27.4%*	*18.0%*	*4.5%*	*3.2%*	*-4.8%*	*0.0%*	*9.7%*	*2.2%*	*50.8%*	*51.7%*	*51.2%*
Adjusted EBITDA Margin	**16.3%**	**19.8%**	**17.9%**	**17.6%**	**16.2%**	**15.0%**	**19.7%**	**20.1%**	**17.7%**	**24.3%**	**23.6%**	**23.9%**

Note: Revenues from Tenet and Catholic Health Initiatives represented approximately 75% of Conifer's revenue in Q2'18.

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
- ~$250 million of California Provider Fee revenue
- Divestitures expected to be completed throughout 2018; the Outlook includes ~$500 million of revenue and ~$25 million of Adjusted EBITDA, representing a partial-year contribution from operations to be divested this year
- The Outlook for 2018 does not incorporate any impact from a potential sale of Conifer

$ in millions, except EPS	Prior Outlook	Updated Outlook
Net Revenue	$17,900 - $18,300	$17,900 - $18,300
Adjusted EBITDA (1)	$2,550 - $2,650	$2,550 - $2,650
Adjusted EBITDA Margin (1)	14.2% - 14.5%	14.2% - 14.5%
Adjusted Diluted E.P.S. from Continuing Operations (1)	$1.36 - $1.70	$1.54 - $1.88
Adjusted Cash Flow from Operations (1)	$1,350 - $1,600	$1,350 - $1,600
Capital Expenditures	$625 - $675	$625 - $675
Adjusted Free Cash Flow (1)	$725 - $925	$725 - $925
Assumptions:		
Total Hospital Expenses per Adjusted Admission Growth	1.5% - 2.5%	1.5% - 2.5%
Equity in Earnings of Unconsolidated Affiliates	$160 - $170	$160 - $170
Depreciation and Amortization	$790 - $810	$790 - $810
Interest Expense	$1,000 - $1,010	$1,010 - $1,020
Effective Tax Rate (2)	26% - 27%	25% - 26%
Net Income Attributable to Noncontrolling Interests (3)	$410 - $430	$390 - $410
Fully Diluted Weighted Average Shares Outstanding	103	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 $745-$810 million; b) subtract GAAP NCI expense, which is estimated to be $390-$410 million in 2018; c) add back permanent differences and non-deductible interest, which are estimated to be $350-$360 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 $25 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 approximately $75 million related to the portion of Conifer that Tenet does not own. Cash distributions paid to noncontrolling interests are expected to be $300-$320 million.

Segment Outlook for 2018

Key changes to the segment Outlook include:

- Increasing Conifer's EBITDA Outlook range by $20 million and lowering the hospital segment's EBITDA Outlook range by $20 million; updating the Outlook for noncontrolling interest expense for the hospital and Conifer segments.
- Raising the hospital segment's Outlook for net revenue per adjusted admissions growth to 2.5%-3.5% and lowering the Outlook for admissions and adjusted admissions growth to negative 1.0% to positive 1.0%. Outlook for same-hospital net revenue growth is unchanged at 2.5%-4.5%.

Hospital Operations and Other Segment	
Net Operating Revenue *($M)* [1]	$14,900 - $15,150
Adjusted EBITDA *($M)*	**$1,430 - $1,490**
Noncontrolling Interest *($M)* [2]	~$20
Net Revenue Growth [3]	2.5% - 4.5%
Pro forma Adjusted EBITDA Growth [4]	1% - 5%
Adjusted Admissions Growth [3]	(1.0%) - 1.0%
Net Revenue per Adjusted Admission [3]	2.5% - 3.5%
Admissions Growth [2]	(1.0%) - 1.0%

(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) Calculated using $1.417 billion of EBITDA in 2017 and $1.430 billion to $1.490 billion of EBITDA in 2018. Please see the slide titled "Adjusted EBITDA Bridge from 2017 to 2018" for additional details.

Ambulatory Segment	
Net Operating Revenue *($M)*	$2,050 - $2,150
Adjusted EBITDA *($M)*	**$770 - $800**
Noncontrolling Interest *($M)* [1]	$295 - $315
Net Revenue Growth [2]	4% - 6%
Adjusted EBITDA Growth	10% - 14%
Adjusted EBITDA less NCI Growth [3]	9% - 11%
Case Growth [2]	2.0% - 3.0%
Net Revenue per Case Growth [2]	2.0% - 3.0%

(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.

Conifer Segment	
Net Operating Revenue *($M)*	$1,525 - $1,575
Adjusted EBITDA *($M)*	**$350 - $360**
Noncontrolling Interest *($M)* [1]	~$75
Pro forma Revenue Growth [2]	3% - 6%
Pro forma Adj. EBITDA Growth [3]	29% - 32%

(1) GAAP NCI expense. Cash NCI distributions will be zero.

(2) Adjusted for approximately $110 million of lower revenue in 2018 versus 2017 related to Tenet's divestiture of hospitals and health plans.

(3) Calculated using $259 million of EBITDA in 2017, which equals the $283 million of EBITDA that Conifer generated in 2017 less $24 million related to hospital divestitures and the wind down of Tenet's health plan business, and $333 million to $343 million of EBITDA in 2018, which equals $350 million to $360 million minus $17 million of customer termination fees in 1H18. Please see the slide titled "Adjusted EBITDA Bridge from 2017 to 2018" for additional details.

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	(17)			(17)
Houston Divestiture completed in 3Q'17	(25)			(25)
Divestitures to be completed in 2018 (partial year impact)	(55)	(4)		(59)
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 (Harvey & Irma)	26	7		33
Executive Severance	17			17
USPI Acquisition & Development Activity		51		51
Customer termination fee revenue			17	17
Volume, Acuity, Payer Mix, Pricing, Other	3	22	(11)	14
2018 Adjusted EBITDA Outlook - Midpoint	**$1,460**	**$785**	**$355**	**$2,600**
YOY Reported Growth	-0.1%	12.3%	25.4%	6.4%
YOY Core Growth (Excludes Divestitures, HIT, Executive Severance, Hurricanes & Termination Fees) [1]	**3.0%**	**11.8%**	**30.5%**	**8.6%**
2017 Adjusted EBITDA Outlook (Excl. Divestitures, HIT, Executive Severance & Hurricanes)	$1,417	$702	$259	$2,378

1. Core growth of 8.6% for Tenet calculated using $2.583 billion of Adjusted EBITDA in 2018 (representing $2.600 billion less $17 million of customer termination fees paid to Conifer) and $2.378 billion in Adjusted EBITDA for 2017. Conifer's core growth of 30.5% calculated using $338 million of Adjusted EBITDA in 2018 (representing $355 million less $17 million of customer termination fees) and $259 million of Adjusted EBITDA in 2017.

Summary

- ✓ Adjusted EBITDA ***up 11%*** in Q2'18 on a normalized basis
- ✓ ***Improving financial performance***
  - Hospital same-facility net patient ***revenue grew 3.2%*** and Adjusted EBITDA was up 0.6% on a normalized basis
  - Ambulatory same-facility system-wide ***revenue grew 6.9%*** and ***Adjusted EBITDA less facility-level NCI was up 20.8%***
  - Conifer's ***Adjusted EBITDA grew 35%*** on a normalized basis
- ✓ ***Better cash generation***, including a $142 million increase in Adjusted Free Cash Flow in 1H18 vs. 1H17
- ✓ Deployed $630 million in cash in Q2'18 to ***increase our ownership in USPI from 80% to 95%***
- ✓ Ratio of net debt-to-Adjusted EBITDA was ***5.76x*** as of 6/30/18; ***targeting 5.0x*** or less by end of 2019
- ✓ ***Raised*** midpoint of the 2018 ***Outlook for Adjusted EPS by 12%*** and maintained the Adjusted EBITDA Outlook

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
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
EBITDA	$1,683	$414	$415	$334	$358	$1,521	$309	$346	$269	$538	$1,462	$402	$345
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%*
Ambulatory Care													
Net operating revenues [(1)]	$868	$429	$442	$448	$478	$1,797	$455	$472	$468	$545	$1,940	$498	$531
EBITDA	$329	$136	$139	$157	$183	$615	$153	$164	$159	$223	$699	$165	$198
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%*
Conifer													
Net operating revenues [(1)]	$1,413	$385	$386	$398	$402	$1,571	$402	$400	$401	$394	$1,597	$404	$386
EBITDA	$264	$63	$63	$79	$72	$277	$65	$60	$79	$79	$283	$98	$91
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%*
Less: Inter-segment eliminations from revenue	-$666	-$167	-$162	-$159	-$163	-$651	-$159	-$155	-$149	-$155	-$618	-$150	-$144
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
EBITDA	$2,276	$613	$617	$570	$613	$2,413	$527	$570	$507	$840	$2,444	$665	$634
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%*

(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 and $0 million of health plan revenues in Q1'17, Q2'17, Q3'17, Q4'17, Q1'18 and Q2'18, 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

$ 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 *
Net Operating Revenues	**$423**	**$127**	**$136**	**$122**	**$97**	**$482**	**$65**	**$25**	**$10**	**$10**	**$110**	**$6**	**$0**
Equity in earnings of unconsolidated affiliates	**$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
% 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*
Supplies	**$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*
Other Operating Expenses	**-$391**	-$118	-$135	-$123	-$120	**-$496**	-$76	-$40	-$12	-$7	**-$135**	-$5	$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*
Electronic Health Record Incentives	**$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**
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*

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

Note: The figures above exclude Golden State Health Plan 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 Q2'18, the net revenue before bad debt and implicit price concessions presented below of $4,852 million equals Tenet's net operating revenue of $4,506 million plus $346 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
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
Bad Debt Expense and implicit price concessions	**$1,477**	$376	$352	$367	$354	**$1,449**	$383	$371	$355	$325	**$1,434**	$347	$346
% 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%*
% 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%*
Charity Care Write-Offs	**$896**	$220	$152	$228	$212	**$812**	$181	$182	$182	$192	**$737**	$223	$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%*
Uninsured Discounts	**$2,812**	$713	$706	$723	$766	**$2,908**	$778	$822	$824	$844	**$3,268**	$792	$824
% 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%*
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**
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%**

(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
(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	YTD
Net income available to Tenet Healthcare Corporation common shareholders	**$ 99**	**$ 26**	**$ 125**
Less: Net income available to noncontrolling interests	(92)	(82)	(174)
Income from discontinued operations, net of tax	1	2	3
Income from continuing operations	190	106	296
Income tax expense	(70)	(44)	(114)
Loss from early extinguishment of debt	(1)	(1)	(2)
Other non-operating expense, net	(1)	(1)	(2)
Interest expense	(255)	(254)	(509)
Operating income	517	406	923
Litigation and investigation costs	(6)	(13)	(19)
Net gains on sales, consolidation and deconsolidation of facilities	110	8	118
Impairment and restructuring charges, and acquisition-related costs	(47)	(30)	(77)
Depreciation and amortization	(204)	(194)	(398)
Gain (loss) from divested and closed businesses	(1)	1	—
Adjusted EBITDA	**$ 665**	**$ 634**	**$ 1,299**
Net operating revenues	$ 4,699	$ 4,506	$ 9,205
Less: Net operating revenues from health plans	6	—	6
Adjusted net operating revenues	**$ 4,693**	**$ 4,506**	**$ 9,199**
Net income available to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	**2.1%**	**0.6%**	**1.4%**
Adjusted EBITDA as a % of adjusted net operating revenues (Adjusted EBITDA margin)	**14.2%**	**14.1%**	**14.1%**

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	YTD
Net income available to Tenet Healthcare Corporation common shareholders	$ 99	$ 26	$ 125
Net income from discontinued operations	1	$ 2	3
Net income from continuing operations	98	24	122
Less: Impairment and restructuring charges, and acquisition-related costs	(47)	(30)	(77)
Litigation and investigation costs	(6)	(13)	(19)
Net gains on sales, consolidation and deconsolidation of facilities	110	8	118
Loss from early extinguishment of debt	(1)	(1)	(2)
Income (loss) from divested and closed businesses	(1)	1	—
Tax impact of above items	(16)	8	(8)
Adjusted net income available from continuing operations to common shareholders	**$ 59**	**$ 51**	**$ 110**
Diluted earnings per share from continuing operations	**$ 0.95**	**$ 0.23**	**$ 1.18**
Less: Impairment and restructuring charges, and acquisition-related costs	**(0.46)**	**(0.29)**	**(0.75)**
Litigation and investigation costs	**(0.06)**	**(0.12)**	**(0.18)**
Net gains on sales, consolidation and deconsolidation of facilities	**1.08**	**0.07**	**1.15**
Loss from early extinguishment of debt	**(0.01)**	**(0.01)**	**(0.02)**
Loss from divested and closed businesses	**(0.01)**	**0.01**	**—**
Tax impact of above items	**(0.16)**	**0.08**	**(0.08)**
Adjusted diluted earnings per share from continuing operations	**$ 0.57**	**$ 0.49**	**$ 1.06**
Weighted average basic shares outstanding (in thousands)	**101,392**	**102,147**	**101,770**
Weighted average dilutive shares outstanding (in thousands)	**102,656**	**104,177**	**103,416**

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	YTD
Net cash provided by operating activities	$ 113	$ 348	$ 461
Purchases of property and equipment	(143)	(125)	(268)
Free cash flow	$ (30)	$ 223	$ 193
Net cash provided by (used in) investing activities	$ 373	$ (148)	$ 225
Net cash used in financing activities	$ (123)	$ (771)	$ (894)
Net cash provided by operating activities	$ 113	$ 348	$ 461
Less: Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(33)	(30)	(63)
Net cash provided by (used in) operating activities from discontinued operations	(1)	(2)	(3)
Adjusted net cash provided by operating activities from continuing operations	147	380	527
Purchases of property and equipment	(143)	(125)	(268)
Adjusted free cash flow – continuing operations	$ 4	$ 255	$ 259

(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)	Q3 2018		2018	
	Low	High	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (15)**	**$ 5**	**$ 110**	**$ 186**
Less: Net income available to noncontrolling interests	(90)	(100)	(390)	(410)
Net loss from discontinued operations, net of tax	(5)	—	(5)	—
Income tax expense	(30)	(35)	(196)	(215)
Interest expense	(245)	(255)	(1,010)	(1,020)
Loss from early extinguishment of debt[1]	—	—	(2)	(2)
Other non-operating expense, net	—	(5)	(5)	(10)
Net gains on sales, consolidation and deconsolidation of facilities[1]	—	—	118	118
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements[2]	(25)	(15)	(150)	(100)
Depreciation and amortization	(195)	(205)	(790)	(810)
Loss from divested and closed businesses	—	(5)	(10)	(15)
Adjusted EBITDA	**$ 575**	**$ 625**	**$ 2,550**	**$ 2,650**
Income (loss) from continuing operations	**$ (10)**	**$ 5**	**$ 115**	**$ 186**
Net operating revenues	**$ 4,300**	**$ 4,500**	**$ 17,900**	**$ 18,300**
Income (loss) from continuing operations as a % of operating revenues	**(0.2)%**	**0.1%**	**0.6%**	**1.0%**
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	**13.4 %**	**13.9%**	**14.2%**	**14.5%**

(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)	Q3 2018		2018	
	Low	High	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (15)**	**$ 5**	**$ 110**	**$ 186**
Net loss from discontinued operations, net of tax	(5)	$ —	(5)	—
Net income (loss) from continuing operations	(10)	5	115	186
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(25)	(15)	(150)	(100)
Net gains on sales, consolidation and deconsolidation of facilities	—	—	118	118
Loss from early extinguishment of debt	—	—	(2)	(2)
Loss from divested and closed businesses	—	(5)	(10)	(15)
Tax impact of above items	5	—	(1)	(10)
Adjusted net income available from continuing operations to common shareholders	**$ 10**	**$ 25**	**$ 160**	**$ 195**
Diluted earnings (loss) per share from continuing operations	**$ (0.10)**	**$ 0.05**	**$ 1.11**	**$ 1.79**
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	**(0.25)**	**(0.14)**	**(1.44)**	**(0.96)**
Net gains on sales, consolidation and deconsolidation of facilities	**—**	**—**	**1.13**	**1.13**
Loss from early extinguishment of debt	**—**	**—**	**(0.02)**	**(0.02)**
Loss from divested and closed businesses	**—**	**(0.05)**	**(0.09)**	**(0.14)**
Tax impact of above items	**0.05**	**—**	**(0.01)**	**(0.10)**
Adjusted diluted earnings per share from continuing operations	**$ 0.10**	**$ 0.24**	**$ 1.54**	**$ 1.88**
Weighted average basic shares outstanding (in thousands)	**102,000**	**102,000**	**102,000**	**102,000**
Weighted average dilutive shares outstanding (in thousands)	**104,000**	**104,000**	**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	**$ 1,220**	**$ 1,525**
Less: Payments for restructuring charges, acquisition-related costs and litigation costs and settlements[1]	(125)	(75)
Net cash used in operating activities from discontinued operations	(5)	—
Adjusted net cash provided by operating activities – continuing operations	**1,350**	**1,600**
Purchases of property and equipment – continuing operations	(625)	(675)
Adjusted free cash flow – continuing operations[2]	**$ 725**	**$ 925**

(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.

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