

# Investor Presentation

November 2024



# Important disclaimers

## Forward-Looking Statements

Certain statements contained in this presentation regarding future operating results or performance or business plans or prospects of Ardent Health Partners, Inc. (collectively, "Ardent", "we," "us," "our," or the "Company") and any other statements not constituting historical fact are "forward-looking statements" subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Where possible, the words "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "could," "would," "will," "may," "can," "continue," "potential," "should" or the negative of such terms, or other comparable expressions, as they relate to Ardent or its management, have been used to identify such forward-looking statements. All forward-looking statements reflect only Ardent's current beliefs and assumptions with respect to future business plans, prospects, decisions and results, and are based on information currently available to Ardent. Accordingly, the statements are subject to significant risks, uncertainties and contingencies, which could cause Ardent's actual operating results, performance or business plans or prospects to differ materially from those expressed in, or implied by, these statements.

Factors that could cause actual results to differ materially from current expectations, such as various factors that may affect Ardent's business or financial results and which, in some instances, are beyond Ardent's control, include, among others: (1) changes in government healthcare programs, including Medicare and Medicaid and supplemental payment programs and state directed payment ("SDP") arrangements; (2) reduction in the reimbursement rates paid by commercial payors, our inability to retain and negotiate favorable contracts with private third-party payors, or an increasing volume of uninsured or underinsured patients; (3) the highly competitive nature of the healthcare industry; (4) inability to recruit and retain quality physicians, as well as increasing cost to contract with hospital-based physicians; (5) increased labor costs resulting from increased competition for staffing or a continued or increased shortage of experienced nurses; (6) changes to physician utilization practices and treatment methodologies and third-party payor controls designed to reduce inpatient services or surgical procedures that impact demand for medical services; (7) continued industry trends toward value-based purchasing, third-party payor consolidation and care coordination among healthcare providers; (8) loss of key personnel, including key members of our senior management team; (9) our failure to comply with complex laws and regulations applicable to the healthcare industry or to adjust our operations in response to changing laws and regulations; (10) inability to successfully complete acquisitions or strategic joint ventures ("JVs") or inability to realize all of the anticipated benefits, including anticipated synergies, of past acquisitions and the risk that transactions may not receive necessary government clearances; (11) failure to maintain existing relationships with JV partners or enter into relationships with additional healthcare system partners; (12) the impact of known and unknown claims brought against our hospitals, physician practices, outpatient facilities or other business operations or against healthcare providers who provide services at our facilities; (13) the impact of government investigations, claims, audits, whistleblower and other litigation; (14) the impact of any security incidents affecting us or any third-party vendor upon which we rely; (15) inability or delay in our efforts to construct, acquire, sell, renovate or expand our healthcare facilities; (16) our failure to comply with federal and state laws relating to Medicare and Medicaid enrollment, permit, licensing and accreditation requirements, or the expansion of existing or the enactment of new laws or regulation relating to permit, licensing and accreditation requirements; (17) failure to obtain drugs and medical supplies at favorable prices or sufficient volumes; (18) operational, legal and financial risks associated with outsourcing functions to third parties; (19) sensitivity to regulatory, economic and competitive conditions in the states in which our operations are heavily concentrated; (20) decreased demand for our services provided due to factors beyond our control, such as seasonal fluctuations in the severity of critical illnesses, pandemic, epidemic or widespread health crisis; (21) inability to accurately estimate market opportunity and forecasts of market growth; (22) general economic and business conditions, both nationally and in the regions in which we operate; (23) the impact of seasonal or severe weather conditions and climate change; (24) inability to demonstrate meaningful use of Electronic Health Record ("EHR") technology; (25) inability to continually enhance our hospitals with the most recent technological advances in diagnostic and surgical equipment; (26) effects of current and future health reform initiatives, including the Affordable Care Act, and the potential for changes to the Affordable Care Act, its implementation or its interpretation (including through executive orders and court challenges); (27) legal and regulatory restrictions on certain of our hospitals that have physician owners; (28) risks related to the master lease agreement that we entered into with Ventas, Inc. ("Ventas") and its restrictions and limitations on our business; (29) the impact of our significant indebtedness, including our ability to comply with certain debt covenants and other significant operating and financial restrictions imposed on us by the agreements governing our indebtedness, and the effects that variable interest rates, and general economic factors could have on our operations, including our potential inability to service our indebtedness; (30) conflicts of interest with certain of our existing large stockholders; (31) effects of changes in federal tax laws; (32) increased costs as a result of operating as a public company; (33) risks related to maintaining an effective system of internal controls; (34) volatility of our share price and size of the public market for our common stock; (35) our guidance differing from actual operating and financial performance; (36) the results of our efforts to use technology, including artificial intelligence, to drive efficiencies and quality initiatives and enhance patient experience; (37) the impact of recent decisions of the U.S. Supreme Court regarding the actions of federal agencies; and (38) other risk factors described in our filings with the SEC.

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## Non-GAAP Financial Information

We have included certain financial measures in this presentation that have not been prepared in a manner that complies with U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA and Adjusted EBITDAR. We define these terms as follows:

**Adjusted EBITDA.** Adjusted EBITDA is defined as net income plus (i) provision for income taxes, (ii) interest expense and (iii) depreciation and amortization expense (or EBITDA), as adjusted to deduct noncontrolling interest earnings, and excludes the effects of losses on the extinguishment and modification of debt; other non-operating losses (gains); Cybersecurity Incident recoveries, net of incremental information technology and litigation costs; restructuring, exit and acquisition-related costs; expenses incurred in connection with the implementation of Epic Systems ("Epic"), our integrated health information technology system; equity-based compensation expense; and loss (income) from disposed operations.

Adjusted EBITDA is a non-GAAP performance measure used by our management and external users of our financial statements, such as investors, analysts, lenders, rating agencies and other interested parties, to evaluate companies in our industry. Adjusted EBITDA is a performance measure that is not defined under GAAP and is presented in this presentation because our management considers it an important analytical indicator that is commonly used within the healthcare industry to evaluate financial performance and allocate resources. Further, our management believes that Adjusted EBITDA is a useful financial metric to assess our operating performance from period to period by excluding certain material non-cash items and unusual or non-recurring items that we do not expect to continue in the future and certain other adjustments we believe are not reflective of our ongoing operations and our performance.

Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. While we believe this is a useful supplemental performance measure for investors and other users of our financial information, you should not consider Adjusted EBITDA in isolation or as a substitute for net income or any other items calculated in accordance with GAAP. Adjusted EBITDA has inherent material limitations as a performance measure, because it adds back certain expenses to net income, resulting in those expenses not being taken into account in the performance measure. We have borrowed money, so interest expense is a necessary element of our costs. Because we have material capital and intangible assets, depreciation and amortization expense are necessary elements of our costs. Likewise, the payment of taxes is a necessary element of our operations. Because Adjusted EBITDA excludes these and other items, it has material limitations as a measure of our performance.

**Adjusted EBITDAR.** Adjusted EBITDAR is defined as Adjusted EBITDA further adjusted to add back rent expense payable to real estate investment trusts ("REITs"), which consists of rent expense pursuant to the master lease agreement (the "Ventas Master Lease") with Ventas Inc. ("Ventas"), lease agreements associated with the MOB Transactions (defined below) and a lease arrangement with Medical Properties Trust ("MPT") for Hackensack Meridian Mountainside Medical Center.

Adjusted EBITDAR is a commonly used non-GAAP valuation measure used by our management, research analysts, investors and other interested parties to evaluate and compare the enterprise value of different companies in our industry. Adjusted EBITDAR excludes: (1) certain material noncash items and unusual or non-recurring items that we do not expect to continue in the future; (2) certain other adjustments that do not impact our enterprise value; and (3) rent expense payable to our REITs. We operate 30 acute care hospitals, 12 of which we lease from two REITs, Ventas and MPT, pursuant to long-term lease agreements. Additionally, during 2022 we completed the sale of 18 medical office buildings to Ventas in exchange for \$204.0 million and concurrently entered into agreements to lease the real estate back from Ventas over a 12-year initial term with eight options to renew for additional five-year terms (the "MOB Transactions"). Our management views both the two long-term lease agreements with Ventas and MPT, as well as the MOB Transactions, as more like financing arrangements than true operating leases, with rent payable to such REITs being similar to interest expense. As a result, our capital structure is different than many of our competitors, especially those whose real estate portfolio is predominately owned and not leased. Excluding the rent payable to such REITs allows investors to compare our enterprise value to those of other healthcare companies without regard to differences in capital structures, leasing arrangements and geographic markets, which can vary significantly among companies. Our management also uses Adjusted EBITDAR as one measure in determining the value of prospective acquisitions or divestitures. Finally, financial covenants in certain of our lease agreements, including the Ventas Master Lease, use Adjusted EBITDAR as a measure of compliance. Adjusted EBITDAR does not reflect our cash requirements for leasing commitments. As such, our presentation of Adjusted EBITDAR should not be construed as a performance or liquidity measure.

Because not all companies use identical calculations, our presentation of Adjusted EBITDAR may not be comparable to other similarly titled measures of other companies. While we believe this is a useful supplemental valuation measure for investors and other users of our financial information, you should not consider Adjusted EBITDAR in isolation or as a substitute for net income or any other items calculated in accordance with GAAP. Adjusted EBITDAR has inherent material limitations as a valuation measure, because it adds back certain expenses to net income, resulting in those expenses not being taken into account in the valuation measure. The payment of taxes and rent is a necessary element of our valuation. Because Adjusted EBITDAR excludes these and other items, it has material limitations as a measure of our valuation.

# KEY MESSAGES



A leading for-profit hospital operator serving mid-size urban markets growing at 3x the national average



At an inflection point for profitability and margins due to Medicaid supplemental reimbursement improvements in two key markets and ramping operational excellence initiatives



Differentiated consumer-focused ecosystem supports a leading market share in most markets and enables organic market share expansion



Strategic focus on operational excellence and ambulatory expansion is expected to drive sustainable low-to-mid double digit Adj. EBITDA growth

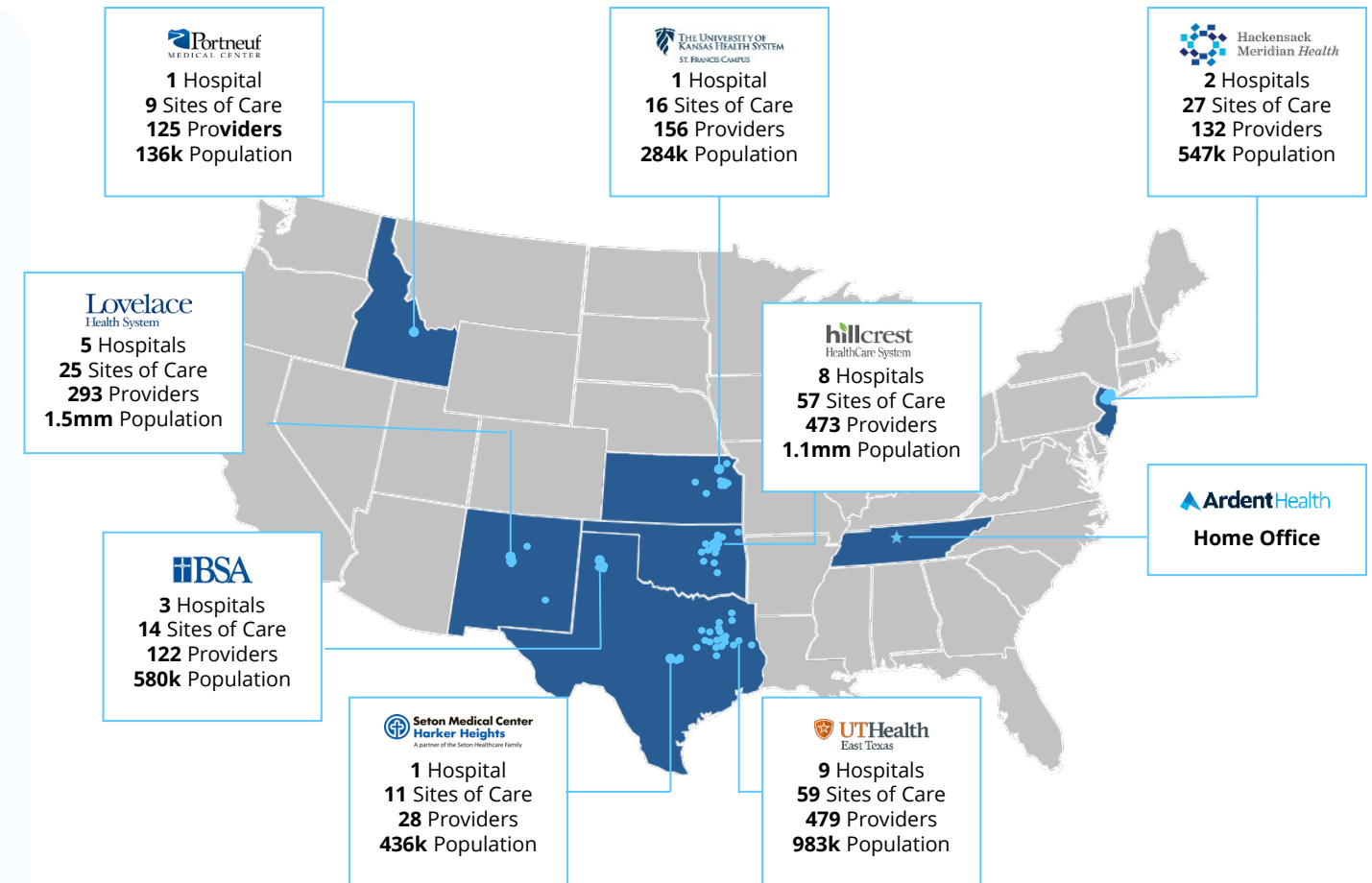


Prioritizing inorganic growth into new markets through opportunistic M&A and by leveraging joint venture framework



# ArdentHealth - WHO WE ARE

- ✓ A leading operator of hospitals and provider of healthcare services with track record of success delivering care in communities across the country
- ✓ Strong footprint in **eight growing mid-sized urban markets** with favorable demographic and economic profiles
- ✓ **Leading (#1 or #2) position** in majority of our markets<sup>1</sup>
- ✓ **Significant scale and density** with broad range of services
- ✓ Rapidly growing **consumer-centric healthcare ecosystem**
- ✓ Well-established and differentiated **JV partnership model**
- ✓ Multi-faceted **growth strategy**



<b>30</b> Hospitals	<b>200+</b> Sites of Care	<b>6</b> States	<b>1,800+</b> Providers <sup>2</sup>	<b>4,200+</b> Licensed Beds	<b>24,000+</b> Team Members	<b>\$5.84bn<sup>3</sup></b> Est. FY2024 Revenue	<b>\$433mm<sup>3</sup></b> Est. FY 2024 Adj. EBITDA	<b>11.5%<sup>4</sup></b> Est. FY 2024 Adj. EBITDAR Margin	<b>3.5x</b> 9/30/24 Lease Adjusted Net Leverage
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Note: See appendix for reconciliation of non-GAAP financial metrics. JV represents joint venture. Sites of care include acute and ambulatory. Minority-owned locations do not consolidate into the Company's financial results. Market population sourced from Strata Decision Technology (2023, 2024) and Esri Geoenrichment Service and is defined by counties, cities, and zip codes that account for approximately 85-90% of the patients we serve in that market.

1. Based on number of hospitals;
2. Represents employed and affiliated providers. Affiliated providers are physicians and advanced practice providers with whom we contract for services through a professional services agreement or other independent contractor agreement
3. Represents mid-point of the Company's FY 2024 guidance issued on November 6, 2024.
4. In order to adjust for the impact of equity method accounting for joint ventures, Adjusted EBITDAR margin is calculated before noncontrolling interest earnings.

# OUR PURPOSE AND VALUES – “THE ARDENT WAY”

**OUR PURPOSE**  
is caring for people:  
our **patients,**  
our **communities,**  
and  
one **another.**



## What we believe



### People first. Always.

We show compassion, celebrate differences and treat one another with respect.



### Teamwork wins

We believe healthcare is a team sport and every player has something to contribute.



### Simplicity is everything

We are passionate about finding new ways to make healthcare easier to access and deliver.



### Think BIG

We pursue extraordinary in everything we do — never settling for good enough.

## How we act



### Do the right thing

We believe integrity matters and that intentions are nothing without actions.



### Make it better

We always look for ways to improve and recognize that even small changes can have a big impact.



### Be curious

We know better begins with a question. We encourage one another to ask why and live “what if?”



### Own it

We take pride in figuring it out — always seeking solutions, not blame.

**Our culture is fundamental to delivering quality health outcomes in the communities we serve and developing our workforce to enable successful strategic execution**

# PROVEN AND HIGHLY EXPERIENCED BOARD & MANAGEMENT TEAM

Strong team of experienced healthcare operators with an average of more than 25 years of industry experience



**Marty Bonick**  
President and Chief Executive Officer, Director

>25 years of Healthcare Experience



**Alfred Lumsdaine**  
Chief Financial Officer

>30 years of Healthcare Experience



**Stephen Petrovich**  
Executive Vice President, General Counsel and Secretary

>25 years of Healthcare Experience



**David Schultz**  
President of Hospital Operations

>25 years of Healthcare Experience



**Ethan Chernin**  
President of Health Services

>15 years of Healthcare Experience



**Frank J. Campbell, MD**  
Chief Medical Officer

>25 years of Healthcare Experience



**Anika Gardenhire**  
Chief Digital & Information Officer

>15 years of Healthcare Experience

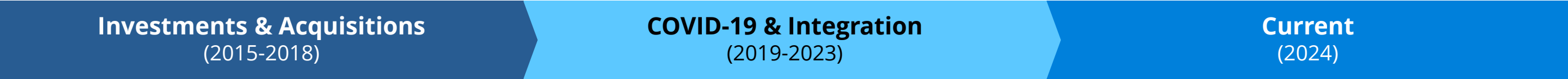


**Carolyn Schneider**  
Chief Human Resources Officer

>25 years of Healthcare Experience



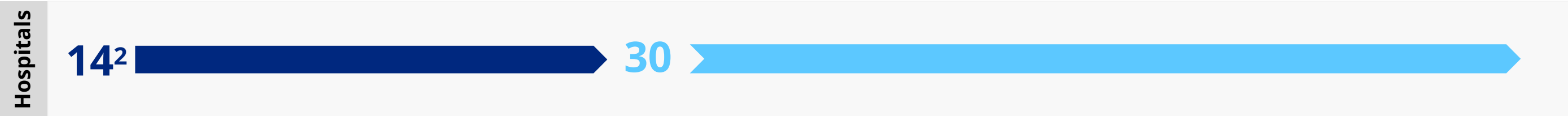
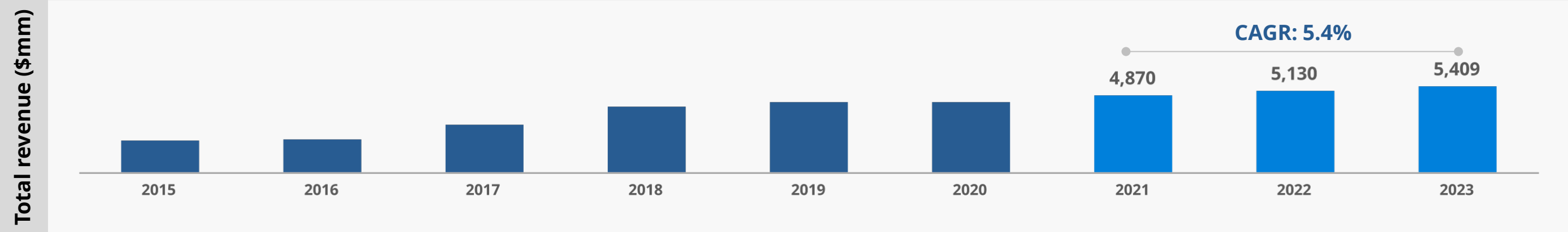
# EVOLUTION OF OUR PLATFORM



- Founded in 2001
- Equity Group Investments (“EGI”) & Ventas<sup>1</sup> acquired Ardent in 2015
- Focused initially on hospital acquisitions
- Acquired and created JV partnerships

- Improved financial performance throughout COVID-19 pandemic
- New management team
- Completed Epic integration
- Internal centralization and standardization

- Significant opportunity for margin enhancement
- Organic growth through clinical service line optimization and outpatient access point expansion
- Opportunistically evaluating M&A in new and adjacent markets



<sup>1</sup> Ventas acquired real estate for 10 of our hospitals; <sup>2</sup> As of initial EGI and Ventas investment







# GROWING URBAN MARKETS

Leading market share in markets with attractive opportunities for sustainable growth

## Selectively scaled into growing markets with

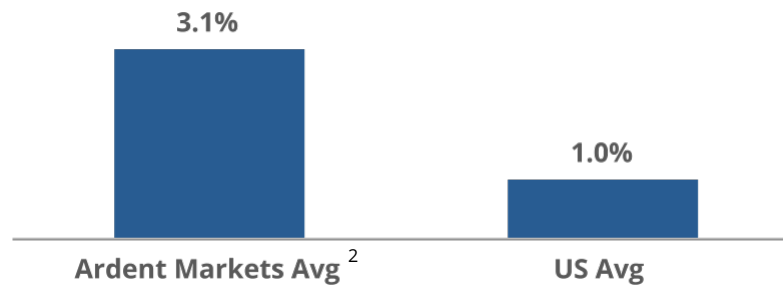
- Strong population and wage growth
- Favorable payor mixes
- Stable and growing job markets
- Significant long-term healthcare demand
- Favorable competitive dynamics

## Strategically positioned in each market as a differentiated provider of scale allow for

-  Strength in recruiting and retaining the best caregivers and partners
-  Patient care in the best possible care setting to provide a better patient experience
-  Favorable contracts with managed care and other payor sources
-  Purchasing power for key medical supplies

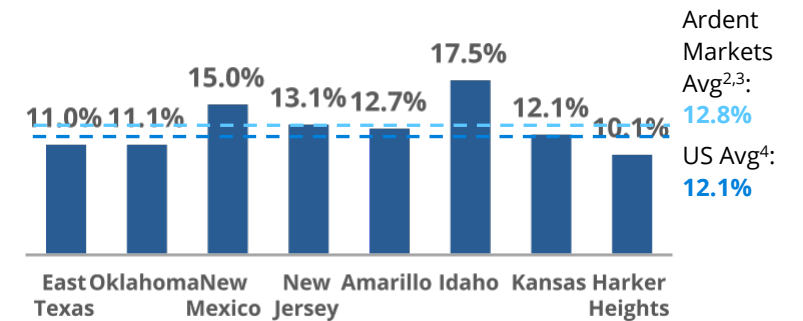
## Market Growth >3x U.S Average

Projected Population Growth<sup>1</sup>



## Above-Average Income Growth

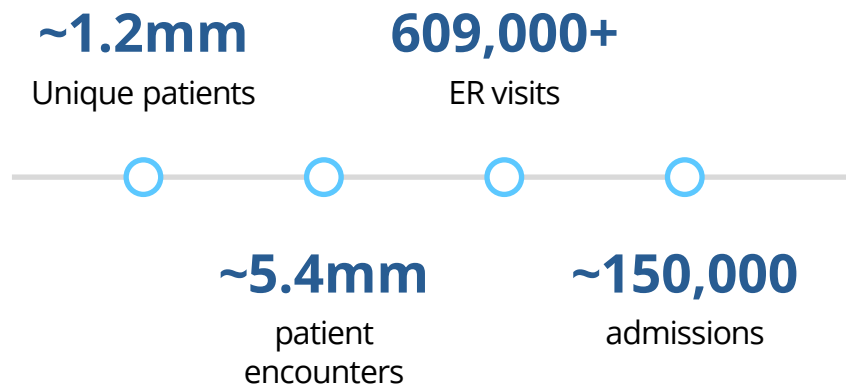
Projected Income Growth



## Leading Market Share

1 <sup>st</sup>	 (Amarillo, TX)	 (Pocatello, ID)		
2 <sup>nd</sup>	 (Tyler, TX)	 (Tulsa, OK)	 (Topeka, KS)	 (Montclair / Westwood, NJ)
3 <sup>rd</sup>	 (Killeen, TX)	 (Albuquerque, NM)		

## Growing Scale & Density

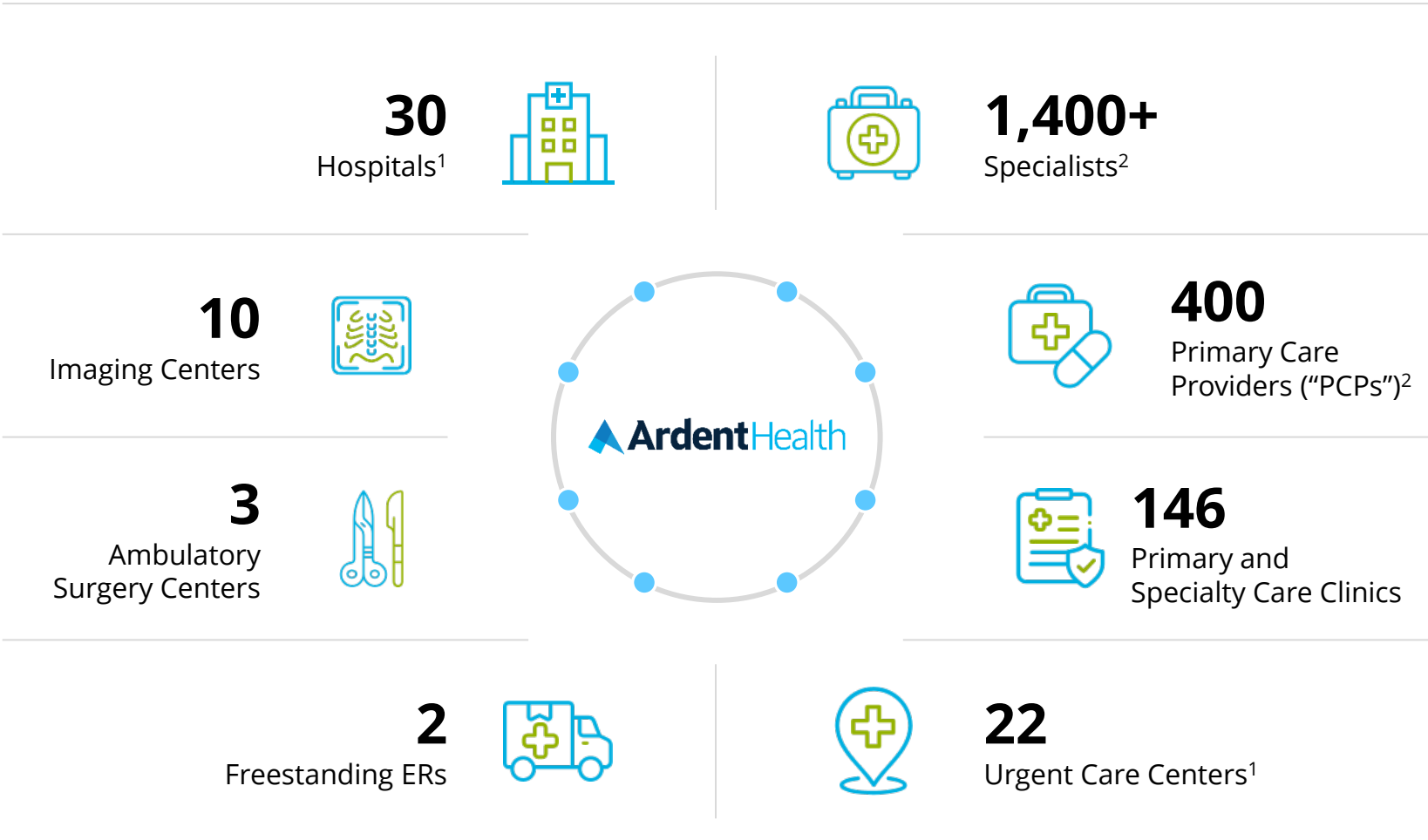


<sup>1</sup> Represents growth from 2023 to 2025E; <sup>2</sup> Sourced via Strata Decision Technology (2023, 2024) and Esri Geoenrichment Service, which projects via US Census estimates; <sup>3</sup> Represents growth from 2023 to 2028E; <sup>4</sup> Represents growth from 2023 to 2027E from S&P Global; <sup>5</sup> Represents 2023 figures; <sup>6</sup> Measured by improved safety of care, readmission, and mortality rates and lower cost compared to applicable CMS benchmarks

# BROAD ACUTE CARE AND AMBULATORY FOOTPRINT



More than 15,000 lives touched each day




Ambulatory footprint is optimized for patient access and positioned for market share growth through investment in ambulatory assets and physicians


<sup>1</sup> Includes facilities owned or operated by Ardent through JVs; <sup>2</sup> Employed and contractually aligned providers, including advanced practice providers

# DEEP AND ALIGNED PHYSICIAN NETWORK

Investment in provider network creates scale and drives greater market share

- 
 Provider network focus **expands the “top of the funnel” for patient access**, creating deeper recurring patient relationships

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- 
 Provider network is foundational to providing **high quality care**, driving **scale**, and expanding into more **longitudinal and value-based care**

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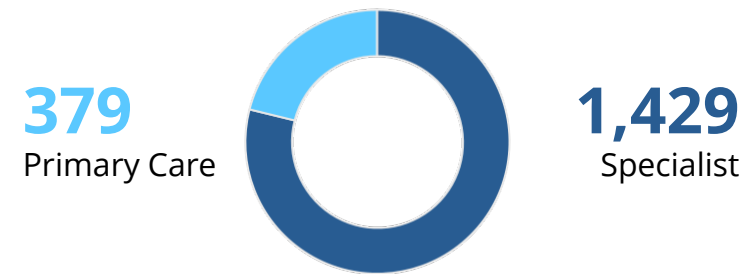
- 
 Employed providers work alongside independent providers in collaborative **clinically integrated networks** and **ACOs** to reduce costs and improve outcomes<sup>1</sup>

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**Significant expansion of provider** base highlighted by 3.4% y/y increase in employed providers and 4.5% y/y increase in specialty providers as of 3Q24

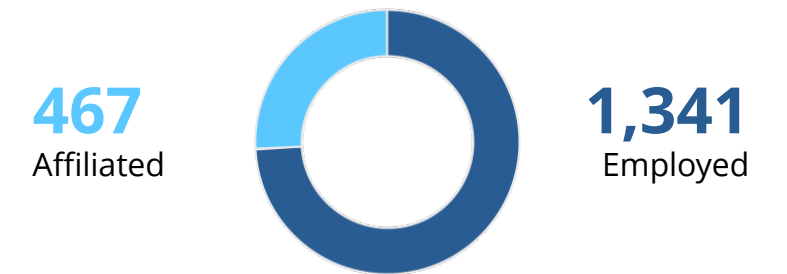
## Total Primary Care & Specialty Providers

Physicians & APPs – September 2024



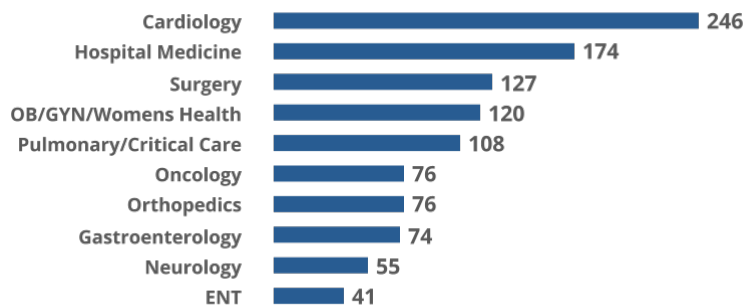
## Total Affiliated & Employed Providers

Physicians & APPs – September 2024



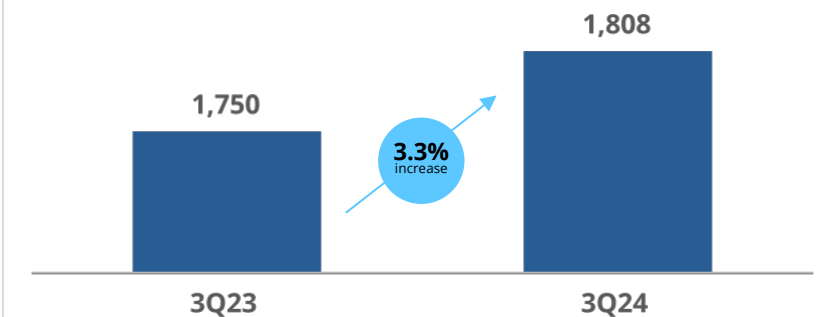
## Top 10 Physician Specialties

Physicians & APPs – September 2024



## Total Affiliated & Employed Providers

Physicians & APPs – Q3 2024 vs. Q3 2023

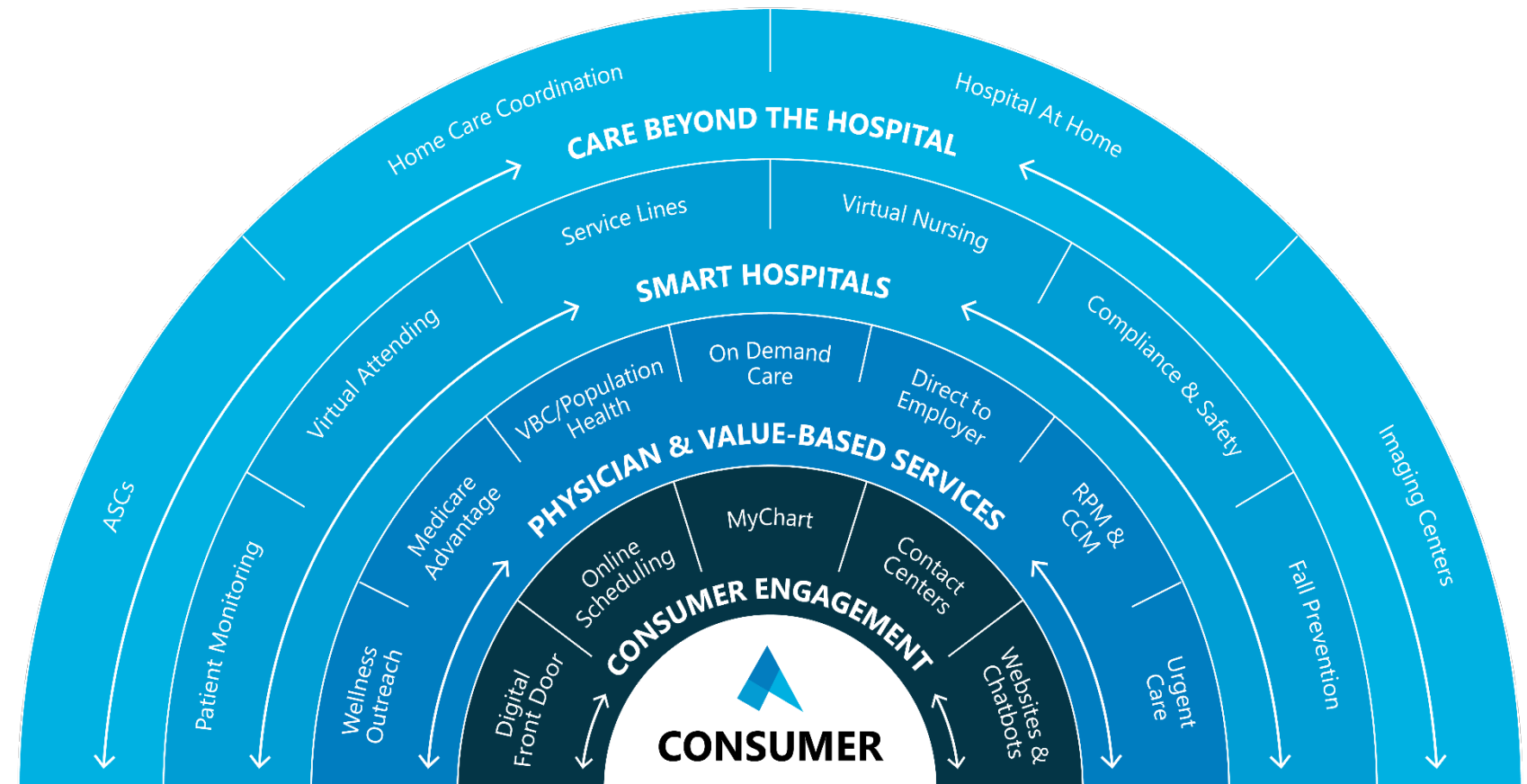


Note: ACOs are accountable care organizations; <sup>1</sup> Based on our safety of care, readmission, and mortality rates measured against CMS benchmarks

# TECHNOLOGY ENABLED, CONSUMER-FOCUSED CARE DELIVERY MODEL

Differentiated care delivery model provides competitive advantage within our markets, enabling organic market share growth and higher patient retention

- ✓ Placing a **primary focus on the patient** (vs. the facility) and understanding his or her **holistic and longitudinal healthcare needs**
- ✓ **Fully integrated clinical operating system** enables consistent and scalable clinical and financial outcomes
- ✓ Epic MyChart enables **patient engagement and delivery of care when and where it is needed**
- ✓ Leveraging network of primary and specialty care providers, technology, and diversified facilities to support the delivery of **high-quality and conveniently accessible care** to patients
- ✓ Drives **better patient experience** measured by **improved safety of care, readmission and mortality rates and lower cost** compared to applicable CMS benchmarks








**Epic**

**MyChart by Epic**

# LEVERAGING TECHNOLOGY TO IMPROVE CLINICAL & FINANCIAL OUTCOMES

Implementing emerging technologies to improve scale, create clinical efficiencies, realize cost savings and improve health outcomes

Technology	Capabilities	Outcome
 <b>Automated Vital Sign Collection</b>	Wearable medical-grade monitoring devices to automate vital sign collection in and outside of the hospital	<ul style="list-style-type: none"><li>• Early detection of patient deterioration/improvement</li><li>• Reduction in length of stay and cost</li></ul>
 <b>Virtual Nursing &amp; Virtual Attending Programs</b>	Hospital-based AI-powered virtual care programs help automate tasks that do not require physical proximity	<ul style="list-style-type: none"><li>• Reducing nursing staff burnout and turnover</li><li>• Democratizing access to specialty care</li></ul>
 <b>Remote Care Management</b>	Remote care programs leveraging patient monitoring and responsive virtual care	<ul style="list-style-type: none"><li>• Improving continuity of care</li><li>• Caring for people where they want care</li></ul>
 <b>Chronic Care Management</b>	Chronic care management program leverages AI to identify patients in need of additional care coordination services	<ul style="list-style-type: none"><li>• Manage chronic health conditions</li><li>• Navigate social determinants of health</li></ul>
 <b>Clinical Decision Support</b>	Decision support tools to optimize clinician workflows	<ul style="list-style-type: none"><li>• Improving nursing and physician experience</li><li>• Saves time, reduces costs<sup>1</sup>, and improves outcomes<sup>2</sup></li></ul>

<sup>1</sup> Compared to CMS benchmarks; <sup>2</sup> Based on our readmission and mortality rates compared to CMS benchmarks

# DIFFERENTIATED AND WELL-ESTABLISHED JV MODEL STRATEGY

Joint venture model provides capital efficient avenue for accretive growth and provides our hospital portfolio with the effective scale of a larger hospital network

## What we do

- We are a **leading for-profit JV partner** of choice for premier academic medical centers, large not-for-profit hospital systems, community physicians, and a community foundation

## What it means for us








- Provides ability to **access brand, regional presence, clinical talent, and JV partner's access points**

## What it means for our partners

- Helps our partners by **enhancing their network and regional presence** while allowing them to retain economics and ownership
- Ability to operate on Epic clinical operating system

## How it works

- We **own majority of each JV**, serve as **day-to-day operator**, and receive management fee while driving clinical, financial, and operating improvements with shared services as needed

		Our Facility	JV Partner	Ardent ownership (%)
Market Entry JV Partners	Academic JV	UT Health East Texas	 UTHealth The University of Texas Health Science Center at Tyler	70%
		The University of Kansas Health System St. Francis Campus	 THE UNIVERSITY OF KANSAS HEALTH SYSTEM	71%
	Not-for-profit JV	Hackensack Meridian Health • Mountainside Medical Center • Pascack Valley Medical Center	 Hackensack Meridian Health	80% <sup>1</sup> 65% <sup>2</sup>
		Seton Medical Center Harker Heights	 Seton ASCENSION	80%
		Portneuf Medical Center	 Portneuf HEALTH TRUST	77%
	Market Expansion JV Partners	Academic JV	Lovelace Health System	 UNM HEALTH
Physician JV		Hillcrest Healthcare System	 Tulsa Spine & Specialty Hospital	51%
		BSA Health System	 PHYSICIANS SURGICAL HOSPITALS, L.L.C.	59%

<sup>1</sup> Represents ownership of Mountainside Medical Center; <sup>2</sup> Represents ownership of Pascack Valley Medical Center;

# WELL POSITIONED FOR THE CONTINUED EVOLUTION TO VALUE-BASED CARE

Our focus on physician alignment and our large provider network opportunistically positions us ahead of the curve on value-based care

## Highlights

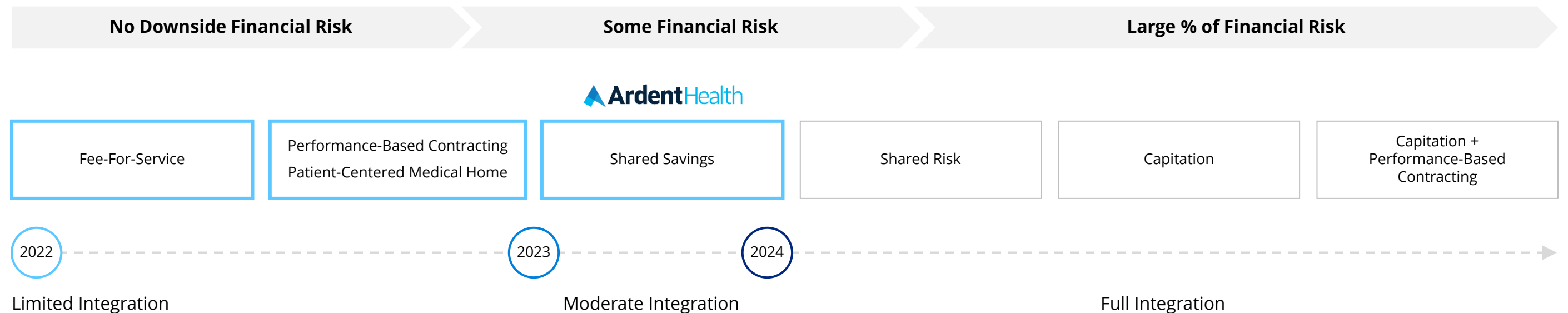
We are **advancing VBC initiatives** and driving improved health outcomes and cost savings<sup>1</sup>

Currently **80+ VBC contracts** and programs, covering over 220k lives

VBC contracts include **shared savings** and allow us to benefit from cost savings generated – we do **not currently expect downside risk**

Focused on **aligning metrics** across value-based payment arrangements, growing **accountable care** relationships, and advancing **health equity**

## Our Position on the Value-Based Continuum



<sup>1</sup> Based on our readmission and mortality rates and lower cost compared to CMS benchmarks

# IMPROVING HEALTHCARE REIMBURSEMENT LANDSCAPE

Recently implemented and proposed state supplemental payment programs ("SPPs") represent substantial near-term margin tailwind



Medicaid supplemental reimbursement represents structural element of healthcare reimbursement environment



Medicaid Directed Payment Programs (DPP) were proposed and implemented in 2016 to compensate healthcare providers for the cost of providing care to Medicaid patients



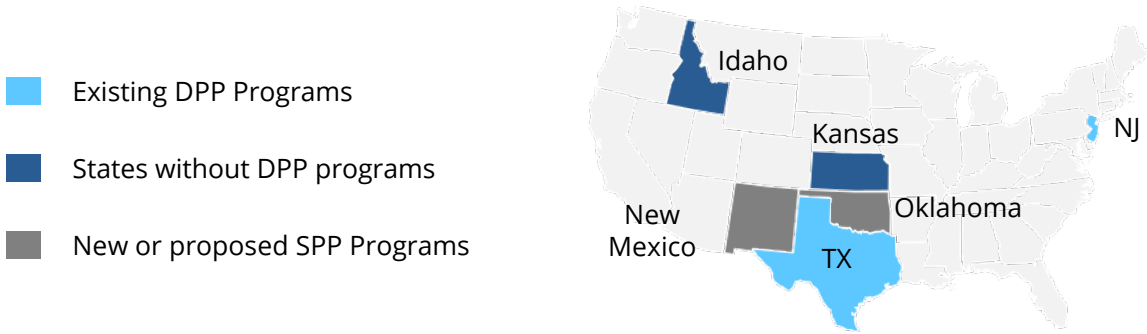
As of 9/30/2024, 44 out of 50 states have implemented Medicaid DPP programs and all states have some form of Medicaid supplemental program in effect

## Ardent Context

- ✓ Trailing-Twelve Months ended 9/30/2024, ~11% of net patient service revenue is derived from Medicaid patients
- ✓ Prior to 3Q24, only 50% of facilities were in states with DPP program vs. 90% upon approval of New Mexico DPP program
- ✓ Oklahoma DPP went into effect on 4/1/2024
- ✓ New Mexico Program submitted for CMS approval in August 2024

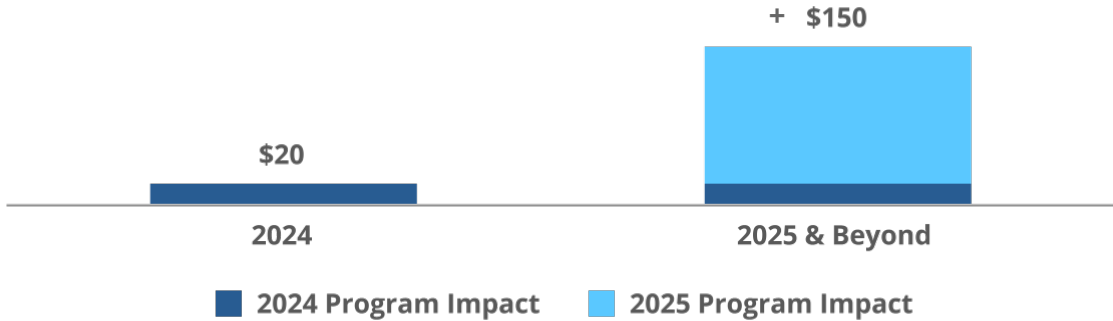
### Medicaid Directed Payment Program Status

Ardent Markets – As of August 2024



### Estimated Medicaid Directed Payment Program Impact<sup>1</sup>

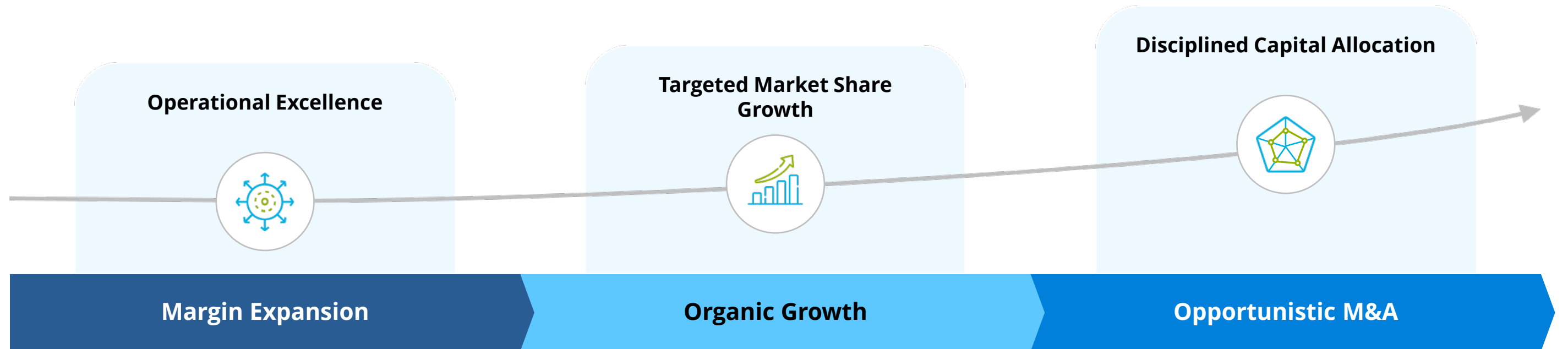
Annual Adj. EBITDA - \$s in Millions



All estimates are (i) preliminary, (ii) subject to change and non-recurrence and (iii) do not include any adjustment for potential quality performance requirements  
<sup>1</sup> Estimated Adjusted EBITDA impact reflects the impact of the DPP programs net of related provider program assessments.



# HIGHLY ACTIONABLE ROADMAP FOR LONG-TERM VALUE CREATION



- Expense management and improved operating efficiencies
  - Implementation of uniform clinical practices
  - Expand technology solutions to drive efficiencies
- Service line efficiency and optimization
  - Maximizing through-put and mix of services
- Leveraging centralized and scaled operating platform to improve margin and operating leverage

- Invest in acute care and ambulatory services, creating additional access points through which patients can receive care
- Grow extensive and diverse provider network
- Invest in digital engagement technologies to acquire new patients and better engage and retain existing patients

- Enter new markets through acquisition and partnership opportunities
- Continually evaluate and selectively pursue strategic growth opportunities
- Target markets with significant unmet needs that fit our target profile

# DRIVE OPERATIONAL EXCELLENCE

Margin improvement plan to achieve mid-teens Adjusted EBITDAR<sup>1</sup> margins

- ✓ Since 2022, successfully outsourced, standardized and centralized enterprise functions resulting in **improved collections, productivity and reduced contract labor costs**
- ✓ Investment in specialized resources (people and technology) to **improve performance and reduce cost redundancies**
- ✓ Centralized and standardized operating model provides **platform for further operational improvements and cost savings**
- ✓ Continued standardization and centralization of key systems, processes and administrative functions estimated to drive **sustainable long-term margin improvement**



## Service Line Optimization

In-depth strategic planning seeking opportunities to create physician alignment, build care delivery networks and assemble physical and digital care platforms to improve the patients' healthcare experience



## Expense Management Initiatives

Inventory management, purchasing optimization, medical/surgical and pharmacy optimization, lab/purchased services management and labor management



## Optimization of Epic Systems

Optimizing uniform clinical practices, and in turn, improving outcomes, optimizing revenue capture, and supporting value-based care programs, all of which we believe will continue to drive growth across our platform

<sup>1</sup> Ardent utilizes Adj. EBITDAR margin as it is most comparable to peers given differences in real estate ownership

# CONTINUE TO BUILD A LEADING MARKET POSITION IN OUR EXISTING MARKETS

Growing market share by improving access to healthcare through ambulatory investment and physician alignment

## Ambulatory Sites of Care

- Ambulatory Surgery Centers
- Urgent Care
- Micro-Hospital
- Freestanding Imaging and Emergency Rooms
- Telehealth



**Focused investment in pipeline of ambulatory sites of care and related outpatient services**

## Physician Alignment & Acquisitions

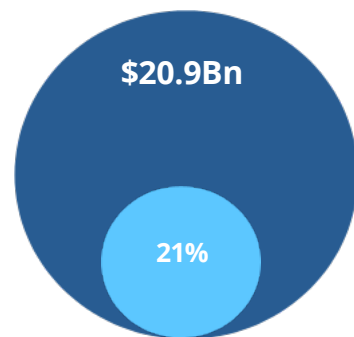
- Curbing Patient Outmigration
- Aligning Independent Physicians
- Targeted Recruiting
- Attracting Top Specialty Physicians
- Medical School Affiliations



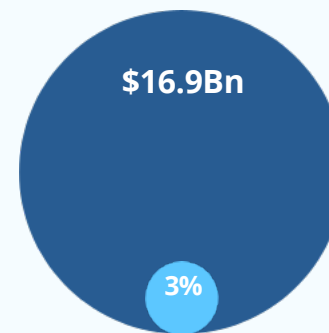
**Expanded focus on physician alignment and acquisition**

## Untapped Opportunity in Our Current Markets<sup>1</sup>

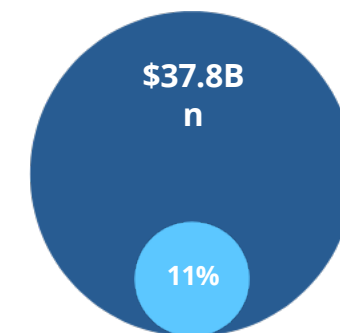
### Hospital Revenue



### Ambulatory Revenue



### Total Revenue



● Total Spend ● Ardent Spend Capture

<sup>1</sup> Total estimated 2020 revenue and accompanying Ardent market share

# OPPORTUNISTIC M&A

Expanding our presence in mid-sized urban markets through M&A and by leveraging differentiated JV model

## Target Market Attributes

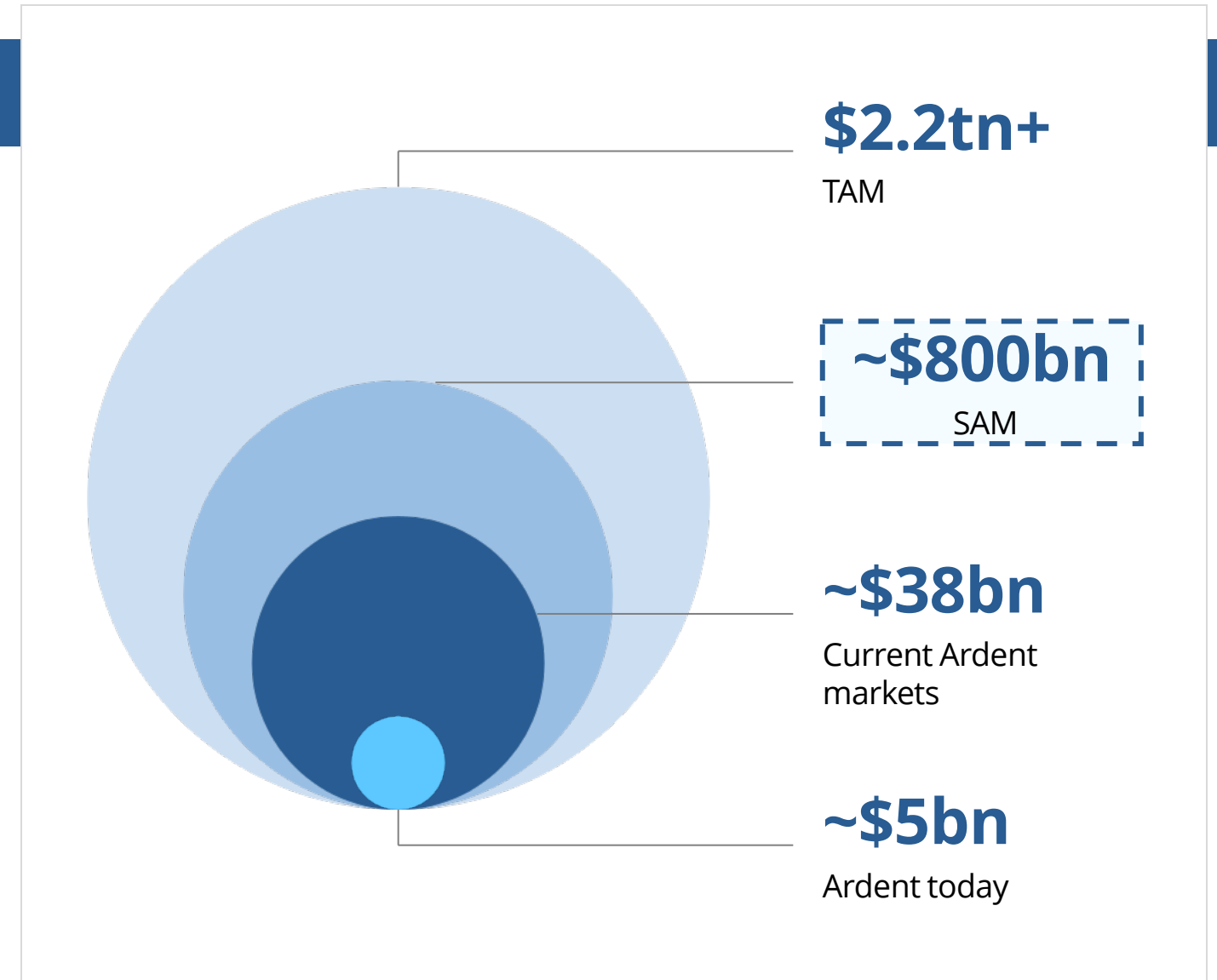
- ✓ Growing mid-sized urban areas
- ✓ Strong population growth
- ✓ Stable and growing job markets
- ✓ Attractive payor mixes
- ✓ Significant long-term market demand
- ✓ Favorable competitive dynamics

Targeting acquisitions of **\$500 million to \$1 billion** in patient revenues; cash flow accretive and margin neutral/enhancing within 24-36 months of closing

We believe there are approximately **350 markets that fit our strategic focus** of mid-sized urban communities within a **serviceable market of \$800 billion**

Seek opportunities in both **existing and new states** where we are confident that we can employ our best practices and established model to **realize operating synergies**

Selectively pursue acquisitions of healthcare systems in new (secondary) urban markets with **favorable demographic trends** and **high unmet healthcare demands**

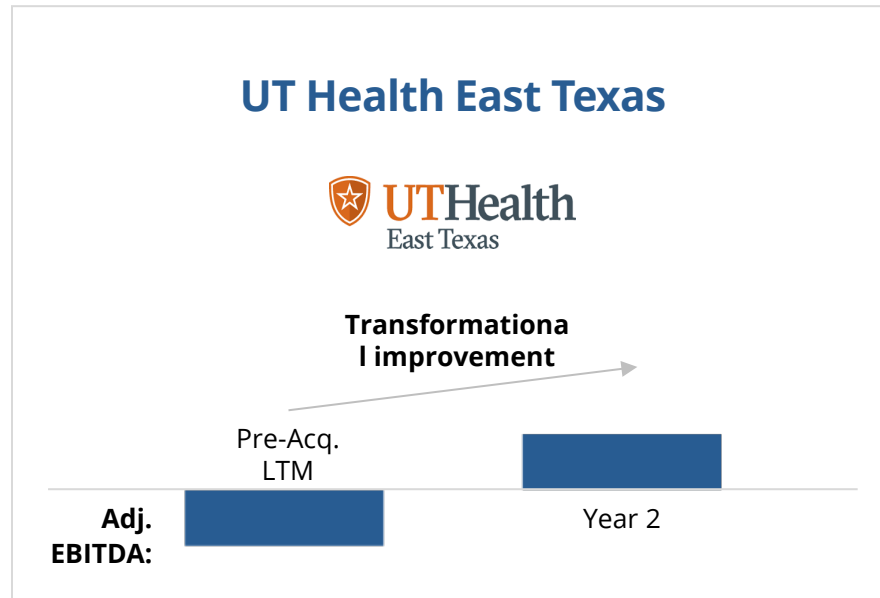


Note: TAM represents total addressable market; SAM represents serviceable addressable market

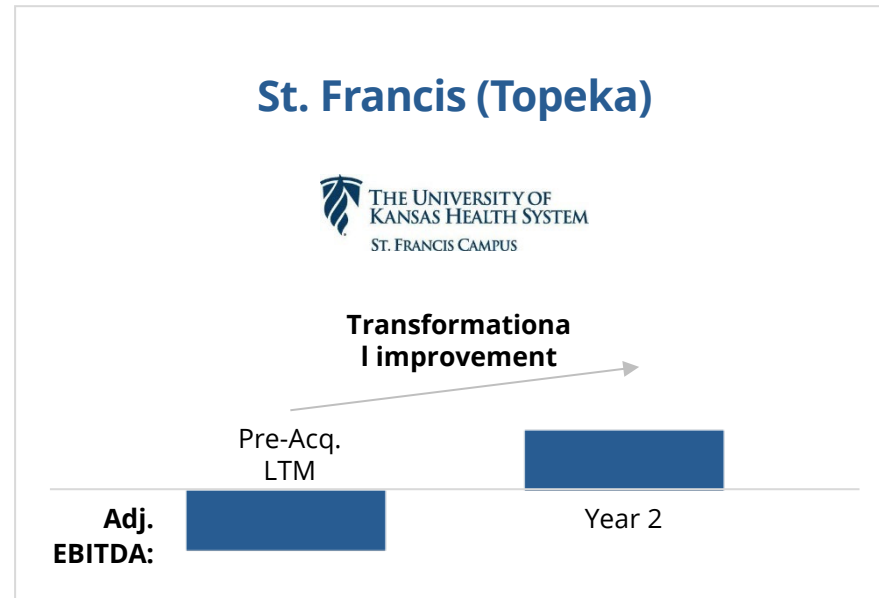
# SUCCESSFUL TRACK RECORD OF OPPORTUNISTIC M&A WITH JV PARTNERS

Successfully generated meaningful synergistic value by leveraging JV partnership in three new markets over the last 10 years

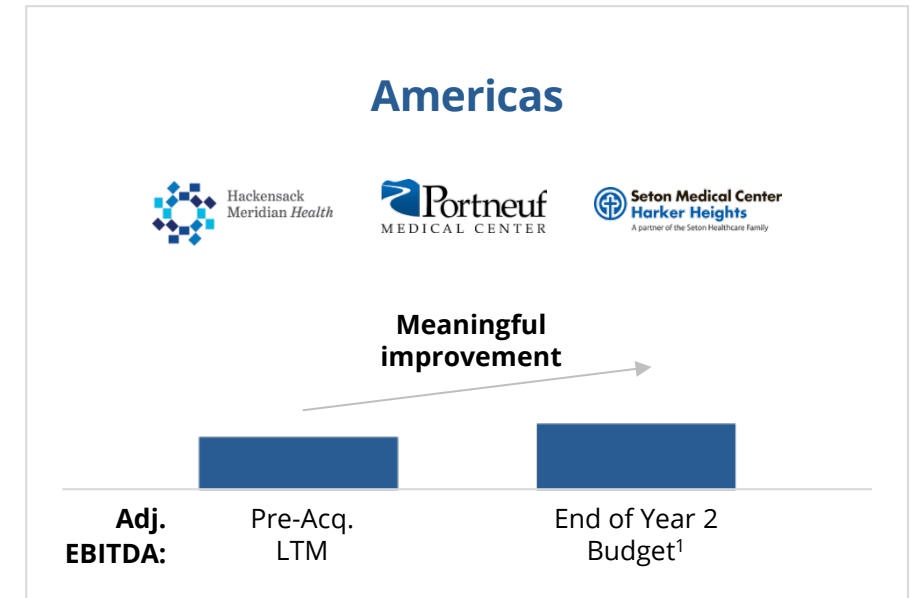
## Selected Case Studies



- Streamlined ED, call center, and transfer center operations; Recaptured leakage from EMS and Trauma Center Designation
- Expanded high acuity cardiac and neurosurgical services
- Consolidated RCM offices and improved RCM related performance throughout.



- Recruited specialists to expand oncology, cardiac, and orthopedic clinical service lines
- Created JV partnership to add 3 urgent care centers to the market
- Improved ED operations to reduce diversion and expand trauma level designation



- Reopened hospital in New Jersey; now thriving full-service hospital with multiple advanced specialties
- Built new hospital in Idaho and now regional service leader

Note: Charts are not to scale; EMS represents emergency medical services; ED represents emergency department; RCM represents revenue cycle management.

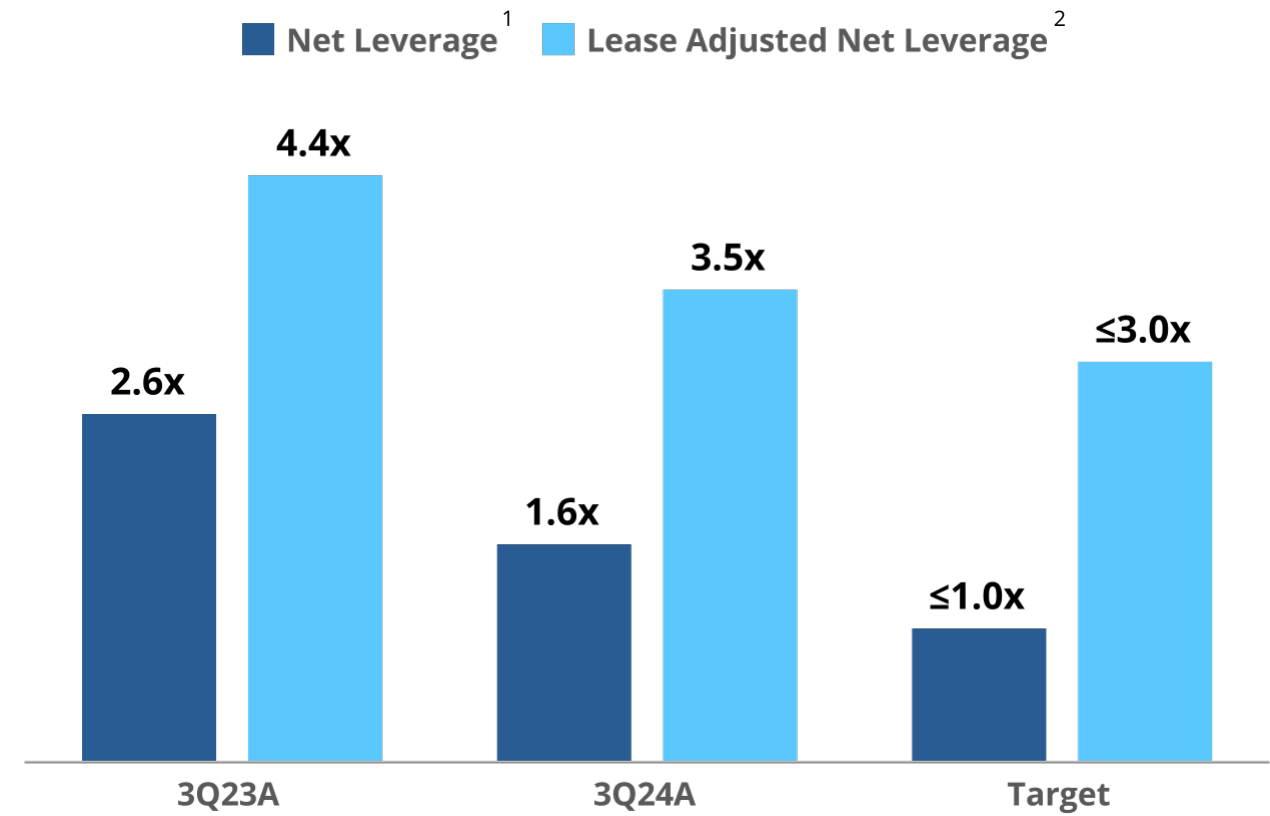
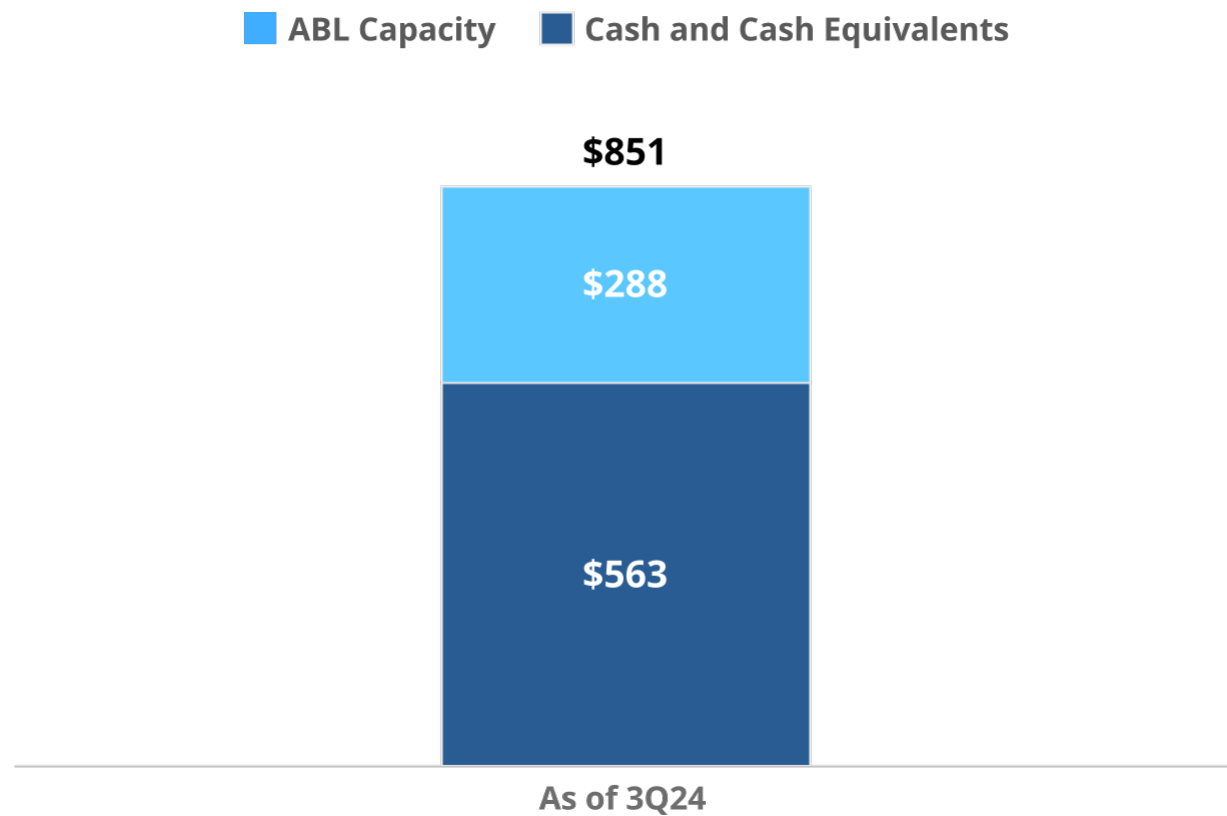
<sup>1</sup> Adjusted EBITDA growth was calculated using FY 2018 budget rather than actual to exclude the adverse impact of Hurricane Michael on Bay Medical Center Sacred Heart, which was sold effective March 14, 2019

# CAPITAL STRUCTURE TO SUPPORT OPPORTUNISTIC GROWTH

Strong balance sheet and ample liquidity to support growth strategy

## ~\$851mm in Available Liquidity (\$mm)

## Net Leverage Profile

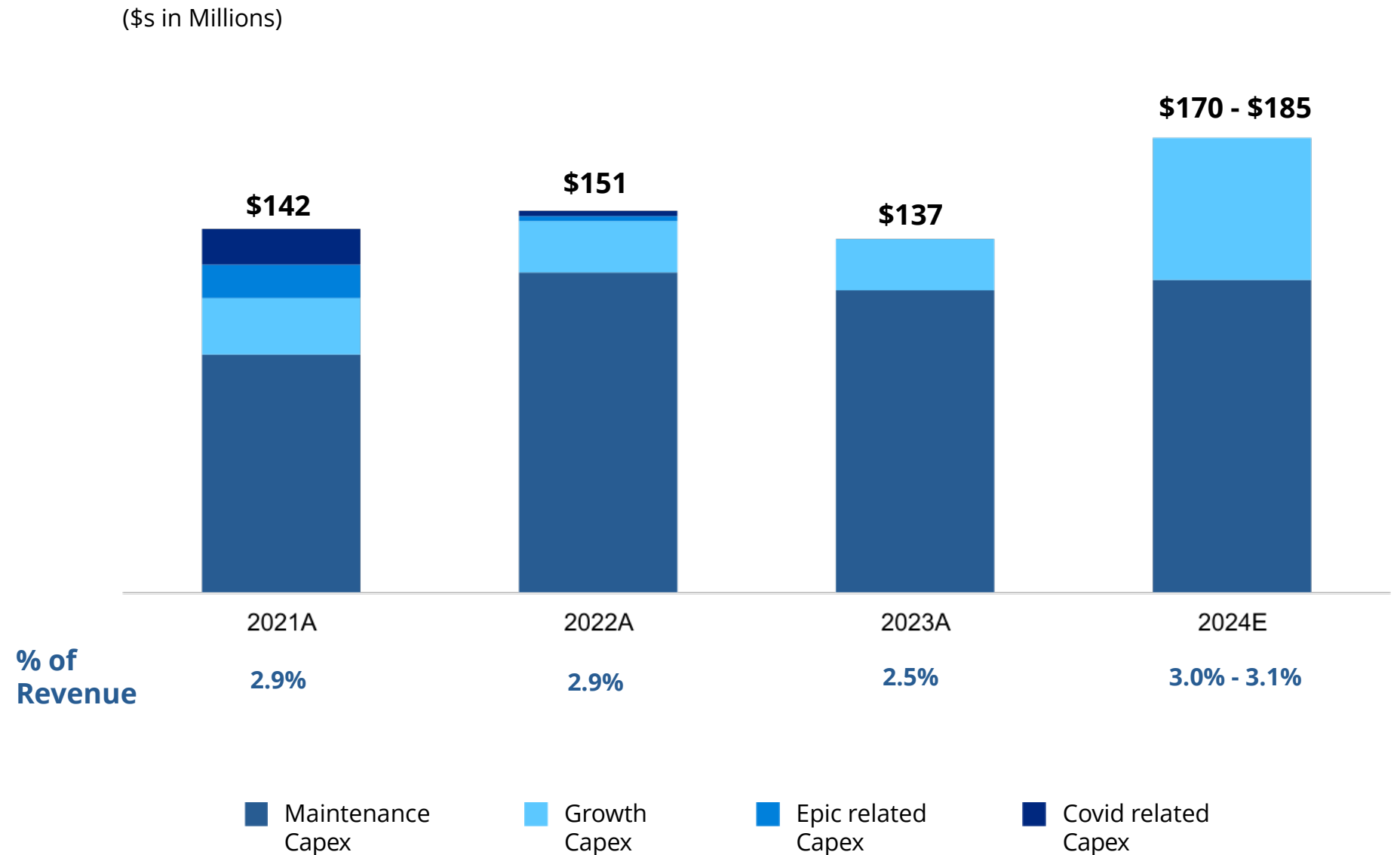


<sup>1</sup> Net leverage calculated as net debt / Adjusted EBITDA, with net debt calculated as total debt less cash and cash equivalents; <sup>2</sup> Lease adjusted net leverage calculated as (net debt + 8x REIT rent expense) / Adjusted EBITDA. Leverage ratios are calculated according to our credit agreements and exclude cash held by JVs of \$58 million and \$46 million at September 30, 2024 and December 31, 2023, respectively.

# CAPITAL ALLOCATION FRAMEWORK

## Key Capital Allocation Priorities

- ✓ **Ambulatory asset investment (M&A and De Novo)**
  - Increasing outpatient access points by investing in ambulatory sites of care
- ✓ **New market M&A**
  - Expanding into new and adjacent markets by leveraging our JV model
- ✓ **Capital investment in new service lines, equipment and technology**
  - Expand service line offerings and through investment in new equipment and state-of-the-art technology



# ARDENT'S LONG-TERM OPERATING AND LEVERAGE TARGETS

## Metrics

### Revenue Growth



**Mid-to-High Single Digit  
Organic Growth**

Steady, durable growth driven by favorable utilization trends and rate increases

Continued expansion of ambulatory footprint

### Adjusted EBITDAR Margin<sup>1</sup>



**Mid Teens  
Adj. EBITDAR Margin**

Opportunity for material margin expansion through service line optimization and expense management initiatives

Supplemental payments to drive significant near-term improvement

### Adjusted EBITDA Growth



**Low-to-Mid Double Digit  
Annual Growth**

Growth supported by steady revenue increase and significant margin expansion

Favorable tailwinds and supplemental payments to drive both near and long-term uplift

### Leverage



**~3.0x  
Lease Adj. Net Leverage<sup>2</sup>**

Prudent deployment of capital to accelerate growth

<sup>1</sup> Adjusted EBITDAR margin calculated as adjusted EBITDAR plus noncontrolling interest earnings, divided by total revenue; <sup>2</sup> Lease adjusted net leverage calculated as (net debt + 8x REIT rent expense) / Adjusted EBITDAR



# 3Q24 KEY HIGHLIGHTS

Solid topline growth and margin expansion, driven by successful strategic execution

## Third Quarter Financial & Operating Performance

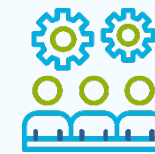
- Total revenue of **\$1.45 billion** increased **5.2%**, driven by **3.8%** y/y increase in adjusted admissions and **0.9%** y/y increase in net patient service revenue/adj admission.
- Adjusted EBITDA of **\$98 million**, an increase of **15%** y/y driven by solid revenue growth and strategic execution on key margin improvement initiatives, including service line optimization and supply expense management. Adjusted EBITDA margin expanded **50 bps** to **6.7%**.
- Adjusted EBITDAR margin of **10.9%**, compared to **10.3%** in 3Q23
- EPS of **\$0.19** per basic and diluted share, an increase of **11.8%** y/y
- Operating cash flow of **\$90 million**, an increase of **\$1 million** y/y
- Total available liquidity of **\$851 million**. Lease adjusted net leverage of **3.5x**, which ARDT expects to approach its **3.0x** target by the end of 2024.

## Strategic Update



### Targeted market share growth

- Through the first half of 2024, expanded ambulatory asset network through addition of eight urgent care centers. Continuing to actively evaluate additional near-term ambulatory expansion opportunities
- Focused on improving patient access and retention by growing network of providers, which has increased by 3.3% y/y in 3Q24



### Operational excellence

- Continued to execute a variety of supply cost reduction initiatives focusing on improved inventory management, standardized surgical supply procurement and strategic sourcing
- Improvements in our supply chain performance resulted in a 70bps y/y improvement in supplies expense as a percentage of total revenue in 3Q24



### Disciplined capital allocation

- In September 2024, amended its term loan credit agreement with lenders to reprice its term loans. The pricing is expected to generate ~\$5mm in annual interest savings and provide flexibility to pursue capital investment priorities

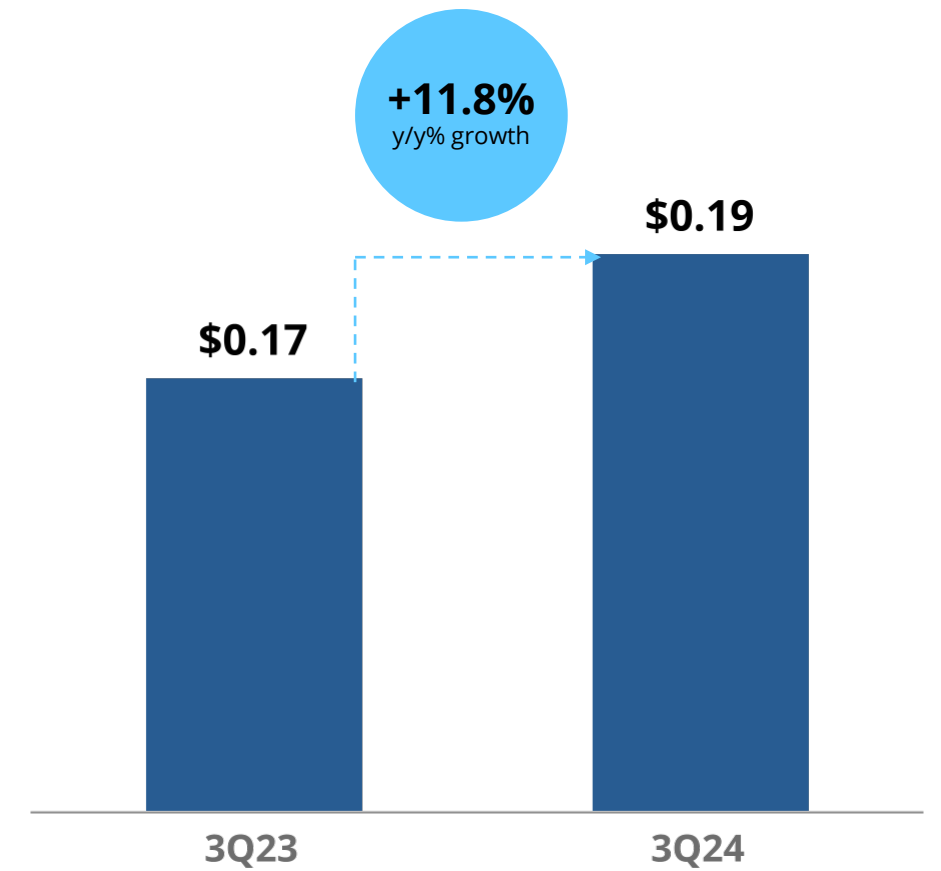
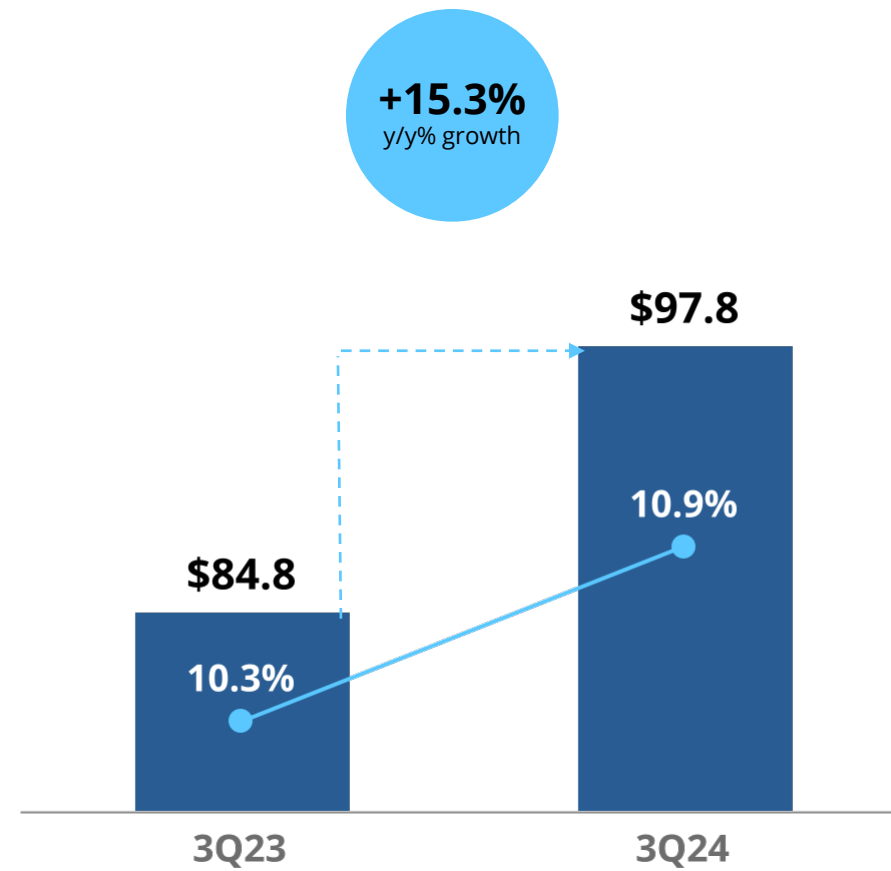
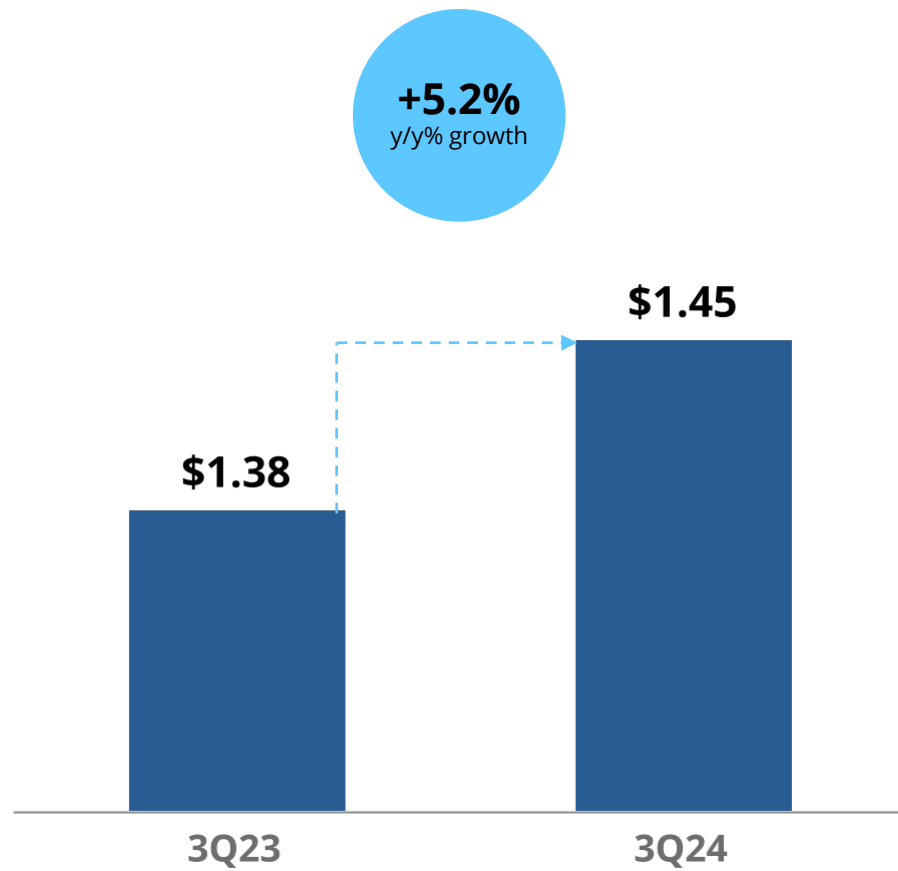
See appendix for reconciliation of Non-GAAP financial metrics, including Adjusted EBITDA and Adjusted EBITDAR margin

# 3Q24 FINANCIAL PERFORMANCE

## Total Revenue (\$B)

## Adjusted EBITDA (\$mm) & Adjusted EBITDAR Margin (% of Revenue)

## Diluted Earnings Per Share



See appendix for reconciliation of Non-GAAP financial metrics, including Adjusted EBITDA and Adjusted EBITDAR margin.

# 3Q24 OPERATING HIGHLIGHTS

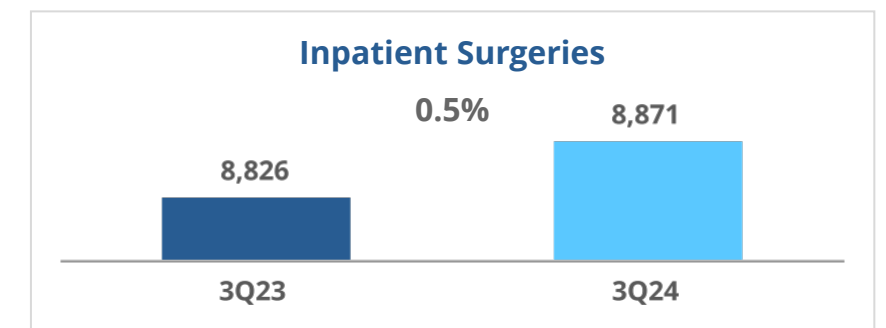
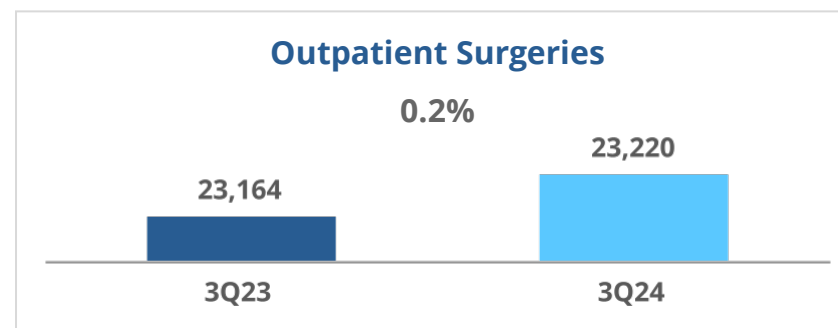
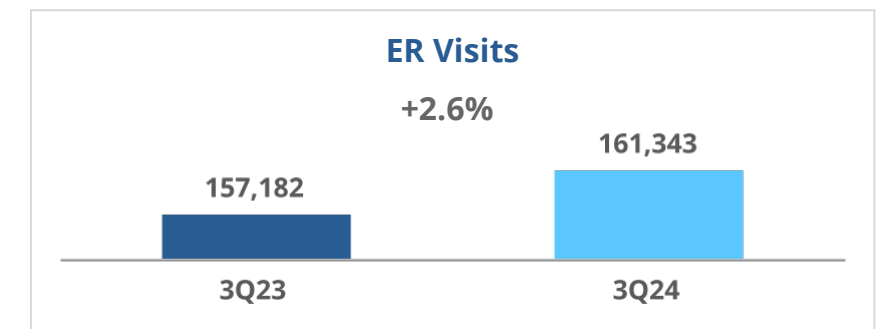
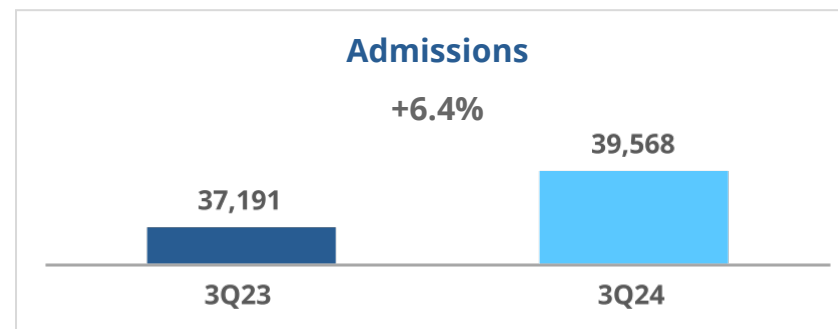
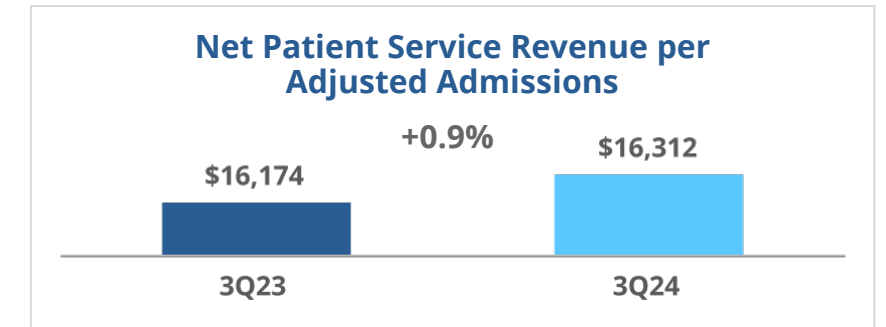
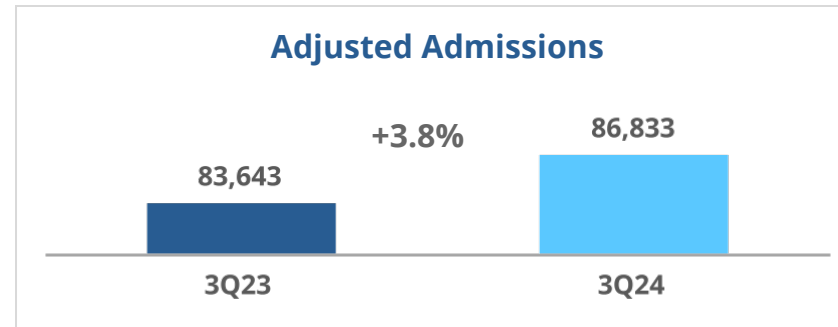
Broad-based volume demand drove revenue growth during 3Q24

✓ Net patient service revenue per adjusted admission growth y/y would have been over 3.0%, excluding \$25 million in discrete non-recurring revenue associated with Medicaid supplemental programs recognized in 3Q23 and a \$10 million decrease in revenue related to the oncology and infusion service transfer

✓ Admissions increased 6.4% y/y driven by growth in general medicine, including strong growth in pulmonology, GI and impact of two-midnight rule

✓ Total surgery increased 0.3% y/y due to a 0.5% y/y increase in inpatient surgeries and a 0.2% increase in outpatient surgeries, which is an improvement from a decline of 1.9% during the first half of 2024 compared to the same prior year period

✓ ER Visits increased 2.6% y/y, partly due to expansion of EMS services in certain markets



# 3Q24 OPERATING HIGHLIGHTS – PAYOR MIX

Payor mix shifts driven by operational excellence initiatives, Medicaid supplemental program changes and Medicaid redeterminations

- ✓ Medicaid payor mix decreased by 70bps y/y, primarily due to Medicaid redeterminations and service line optimization initiatives

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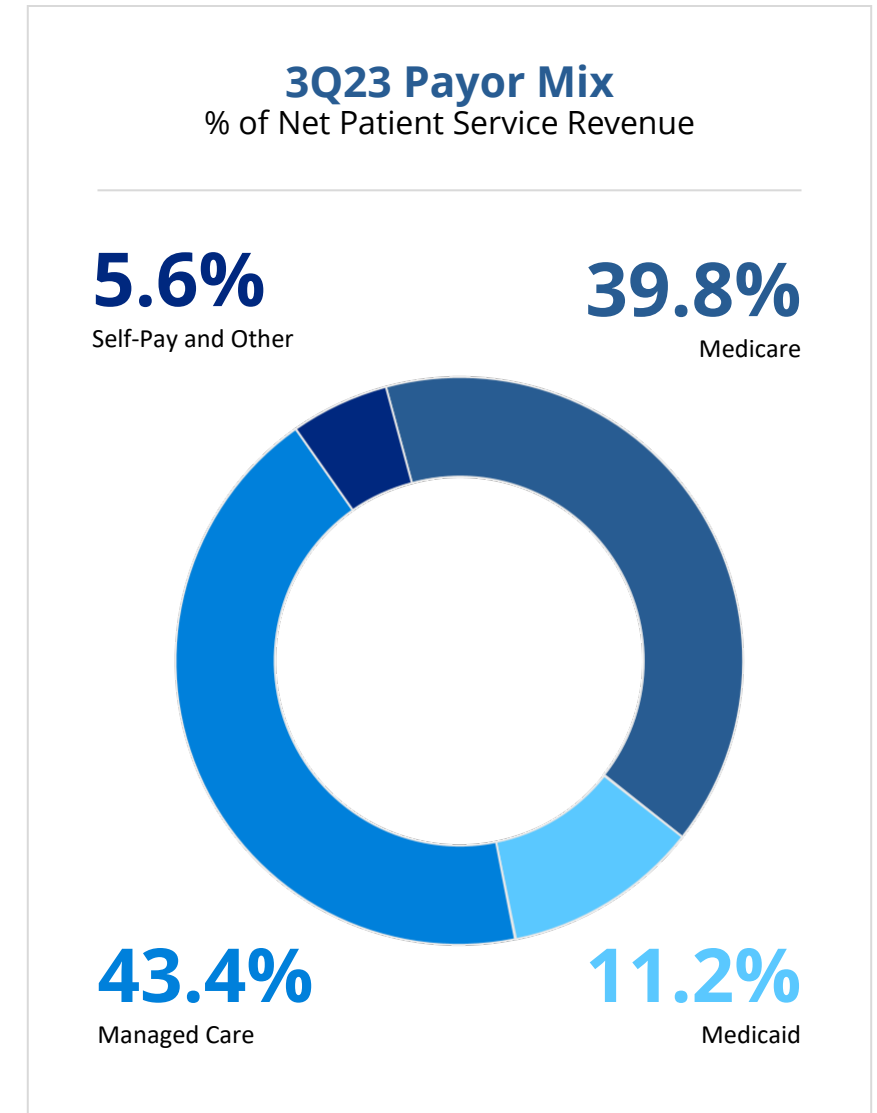
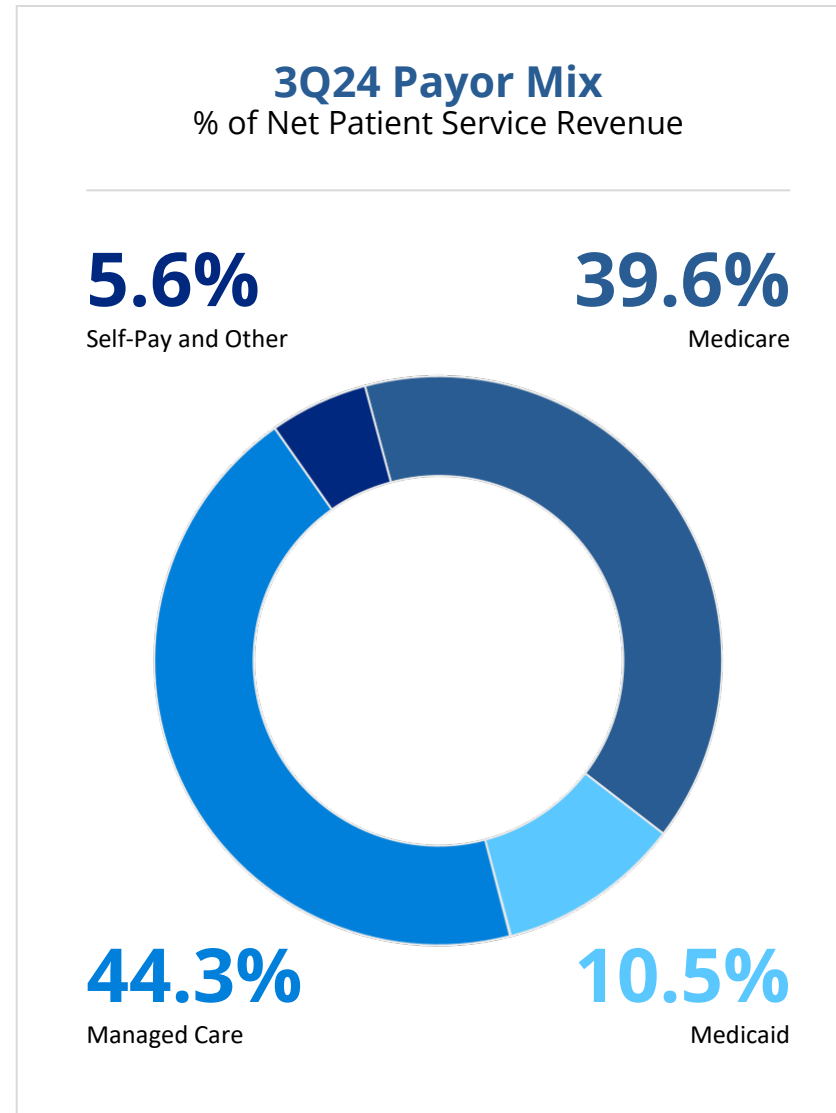
- ✓ Medicaid payor mix also reflects \$25 million in discrete non-recurring revenue associated with Medicaid supplemental programs

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- ✓ More than two-thirds of Medicaid redeterminations have stayed within Medicaid, while approximately 20% have moved to commercial payor plans

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- ✓ Net patient service revenue from healthcare exchange insurance plans was ~4.0% in 3Q24, vs. ~3.4% in 3Q23. YTD healthcare exchange revenue represented 3.6% of total revenue.

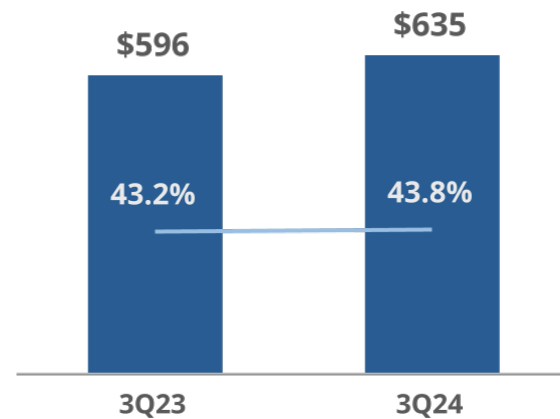


# 3Q24 OPERATING EXPENSE HIGHLIGHTS

Strong margin expansion driven by successful execution on operational execution initiatives

## Salaries & Benefits

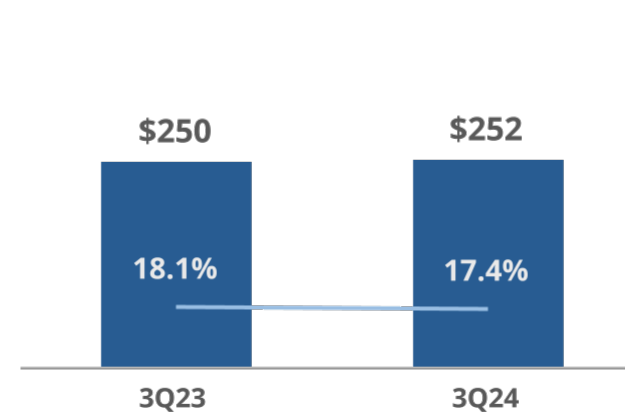
\$s in Millions & as a % of Total Revenue



- The 60bps y/y increase is attributable to an additional \$8 million of stock compensation recorded in 3Q24 results following ARDT's July 2024 IPO
- Contract labor expenses in 3Q24 were 3.9% of total salaries & benefits, compared to 4.6% in 3Q23

## Supplies

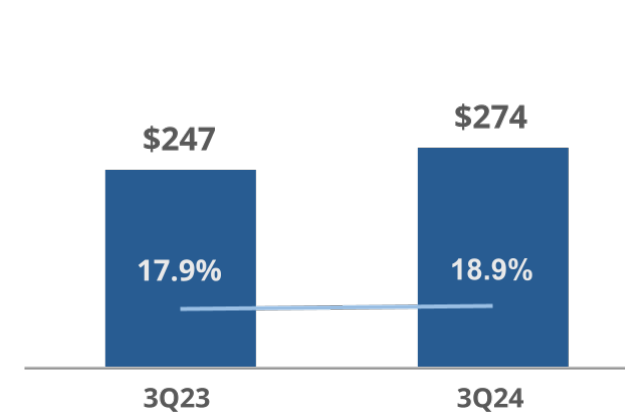
\$s in Millions & as a % of Total Revenue



- Supplies expenses as a percentage of total revenue reflects improvements in our supply chain performance from a number of supply chain initiatives

## Professional Fees

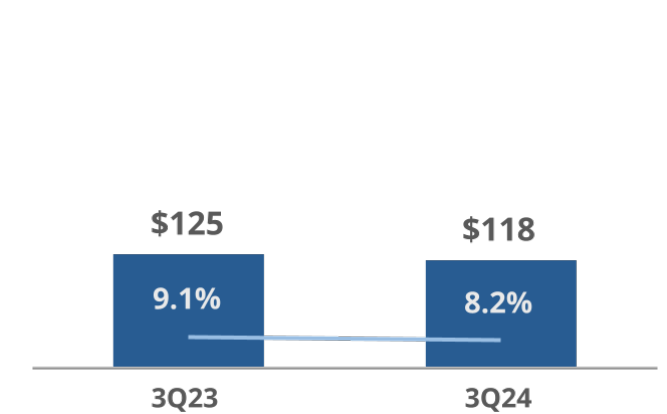
\$s in Millions & as a % of Total Revenue



- Professional fees reflect continued pressure for physician subsidy costs associated with certain specialties such as anesthesia and radiology
- Professional fees also reflect higher revenue cycle management fees driven by increased cash collections

## Other Operating Expenses

\$s in Millions & as a % of Total Revenue




- Other operating expenses improvement was driven by lower provider assessments associated with decreased Medicaid supplemental program revenue and other operating efficiencies


# 2024 GUIDANCE: INCREASING REVENUE & ADJUSTED EBITDA

As of November 6, 2024


## Guidance Assumptions

-  Raising 2024 revenue and Adjusted EBITDA guidance to reflect solid 3Q24 results and momentum from strategic execution

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-  Reducing net income guidance due to a delay in the expected timing of collecting business insurance proceeds related to the cybersecurity incident, partially offset by higher adjusted EBITDA.

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-  Guidance reflects no incremental impacts from potential changes in state supplemental payments beyond the State of Oklahoma

	Full Year 2024 Projected					
	Previous Guidance			New Guidance		
<i>Dollars in millions, except per share data</i>						
<b>Total revenue</b>	\$5,750	-	\$5,900	\$5,800	-	\$5,875
<b>Adjusted EBITDA</b>	\$415	-	\$435	\$425	-	\$440
<b>Rent expense payable to REITs</b>	\$161	-	\$161	\$161	-	\$161
<b>Net income attributable to Ardent Health</b>	\$163	-	\$182	\$156	-	\$176
<b>Diluted earnings per share</b>	\$1.23	-	\$1.37	\$1.18	-	\$1.32
<b>Adjusted admissions growth</b>	4.0%	-	4.5%	4.5%	-	5.0%
<b>Net patient service revenue per adjusted admission growth</b>	2.3%	-	4.4%	2.6%	-	3.3%
<b>Capital expenditures</b>	\$170	-	\$185	\$170	-	\$185

See appendix for reconciliation of non-GAAP financial metrics, including Adjusted EBITDA and Adjusted EBITDAR margin

# ARDENT is well positioned to continue driving **consistent, durable growth**



Leading (#1 or #2) share in mid-sized urban markets growing 3x the U.S. average<sup>1</sup>



Scaled acute, ambulatory, and physician footprint providing exceptional care for patients while driving improved health outcomes and cost savings



Differentiated JV model strategy to grow in new and existing markets while leveraging the local scale and networks of our partners



Poised to drive significant margin expansion, with incremental benefit of \$150mm from supplemental payments<sup>2</sup>



Flexible and well-capitalized balance sheet with significant liquidity to capture ~\$800bn serviceable addressable market<sup>3</sup>



Dynamic and multi-faceted strategy to drive accelerating growth, including expanding high acuity service lines and growing outpatient access

<sup>1</sup> Represents growth from 2023 to 2025. Sourced via Strata Decision Technology (2023, 2024); Esri Geoenrichment Service, US Census estimates; <sup>2</sup> Represents estimated annualized impact of OK and NM SDP programs once both are implemented. Based on internal modeled estimates. All estimates are (i) preliminary, (ii) subject to change and non-recurrence and (iii) do not include any adjustment for potential quality performance requirements; <sup>3</sup> As of 2020



# APPENDIX



# NON-GAAP RECONCILIATIONS – 3Q24 & 3Q23

	Three Months Ended September 30,	
	2024	2023
(in thousands)		
Net income	\$ 46,005	\$ 38,708
Income tax expense	11,062	7,261
Interest expense, net	14,629	19,041
Depreciation and amortization	36,771	35,488
Noncontrolling interest earnings	(19,683)	(17,870)
Loss on extinguishment and modification of debt	1,490	—
Other non-operating losses <sup>1</sup>	47	—
Cybersecurity Incident recoveries, net <sup>2</sup>	(4,976)	—
Restructuring, exit and acquisition-related costs <sup>3</sup>	3,796	1,511
Epic expenses <sup>4</sup>	485	437
Equity-based compensation	8,135	181
Loss from disposed operations	3	3
<b>Adjusted EBITDA</b>	<b>\$ 97,764</b>	<b>\$ 84,760</b>
Rent expense payable to REITs	40,056	39,134
<b>Adjusted EBITDAR</b>	<b>\$ 137,820</b>	<b>\$ 123,894</b>
Plus: noncontrolling interest earnings	\$ 19,683	\$ 17,870
Adjusted EBITDAR, including noncontrolling interest earnings	\$ 157,503	\$ 141,764
Total revenue	\$ 1,449,817	\$ 1,377,727
<b>Adjusted EBITDAR Margin</b>	<b>10.9 %</b>	<b>10.3 %</b>

1. Other non-operating losses include losses realized on certain non-recurring events or events that are non-operational in nature.

2. Cybersecurity Incident recoveries, net represents insurance recovery proceeds associated with the Cybersecurity Incident, net of incremental information technology and litigation costs.

3. Restructuring, exit and acquisition-related costs represent (i) enterprise restructuring costs, including severance costs related to work force reductions of \$3.2 million and \$1.3 million for the three months ended September 30, 2024 and 2023, respectively; (ii) penalties and costs incurred for terminating pre-existing contracts at acquired facilities of \$0.2 million and \$0.1 million for the three months ended September 30, 2024 and 2023, respectively; and (iii) third-party professional fees and expenses, salaries and benefits, and other internal expenses incurred in connection with potential and completed acquisitions of \$0.4 million and \$0.1 million for the three months ended September 30, 2024 and 2023, respectively.

4. Epic expenses consist of various costs incurred in connection with the implementation of Epic, our health information technology system. These costs included professional fees of \$0.5 million and \$0.4 million for the three months ended September 30, 2024 and 2023, respectively. Epic expenses do not include the ongoing costs of the Epic system.

# NON-GAAP RECONCILIATIONS – FY 2024 GUIDANCE

	Full Year Ending December 31, 2024	
	Low	High
<b>(in Millions)</b>		
Net income	\$241	\$263
Income tax expense	39	45
Interest expense, net	66	65
Depreciation and amortization	145	144
Noncontrolling interest earnings	(85)	(87)
Loss on extinguishment and modification of debt	3	3
Cybersecurity Incident recoveries, net <sup>1</sup>	(20)	(25)
Restructuring, exit and acquisition-related costs	13	12
Epic expenses, net	4	3
Equity-based compensation	17	17
Loss from disposed operations	2	—
<b>Adjusted EBITDA</b>	<b>\$425</b>	<b>\$440</b>

<sup>1</sup> Cybersecurity Incident insurance recoveries, net represents estimated insurance recovery proceeds net of incremental information technology and litigation costs associated with the ransomware cybersecurity incident that occurred in November 2023 (the "Cybersecurity Incident"), impacting and disrupting a number of the Company's operational and informational technology systems.