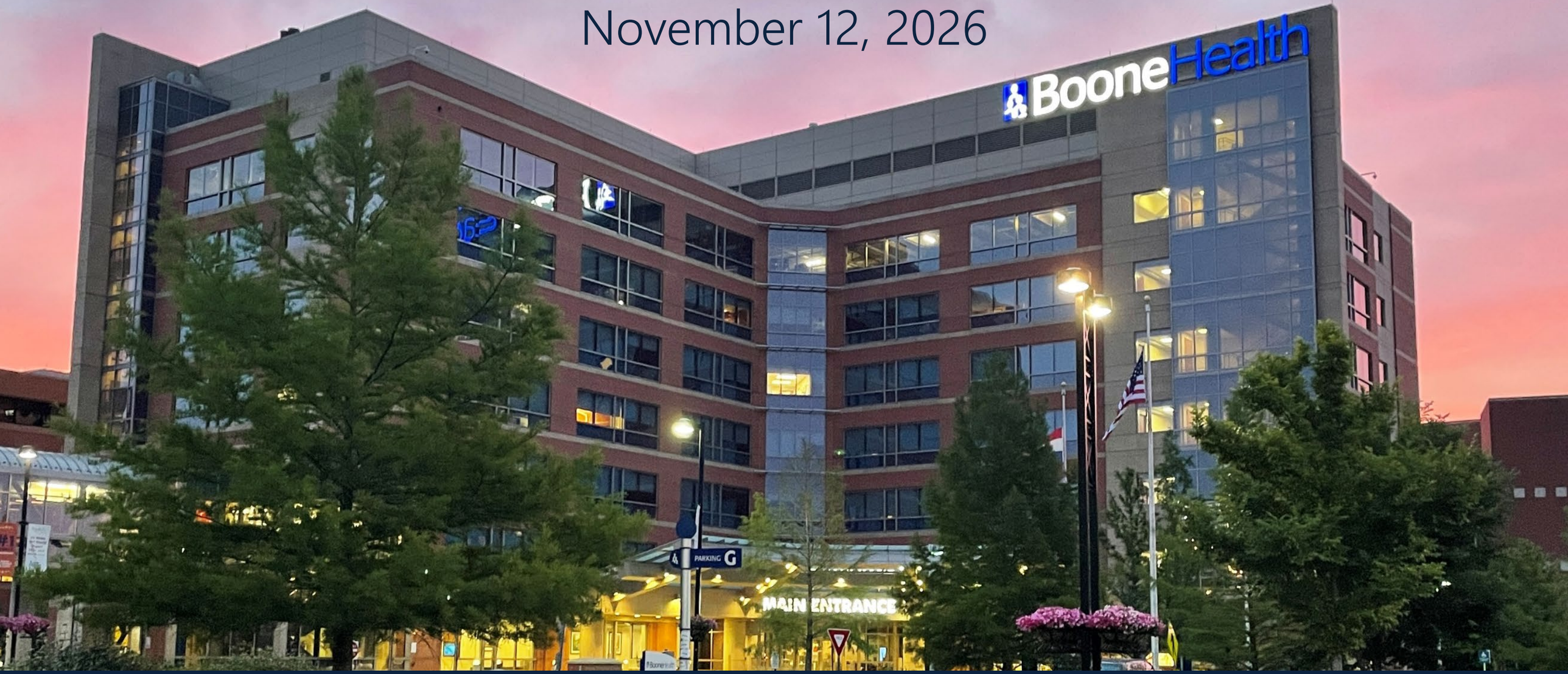
Ardent Health's Acquisition of Boone Health System

November 12, 2026



ArdentHealth

Important disclaimers

Forward-Looking Statements

This presentation contains certain "forward-looking statements," as that term is defined in the U.S. federal securities laws. These forward-looking statements include, but are not limited to, statements other than statements of historical facts, including, among others, statements relating to the pending acquisition of Boone Health, our future financial performance, our business prospects and strategy, anticipated financial position, liquidity and capital needs, the industry in which we operate and other similar matters. Words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "could," "would," "will," "may," "can," "continue," "potential," "should" and the negative of these terms or other comparable terminology often identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements.

Factors, risks, and uncertainties that could cause actual outcomes and results to be materially different from those contemplated include, among others: (i) the risk that the potential sale transaction may not be completed in a timely manner or at all, including the risk that required regulatory and other approvals and consents are not obtained, are delayed, or are obtained subject to conditions that are not anticipated; (ii) the failure to satisfy other closing conditions to the transaction; (iii) uncertainty as to the timing of completion of the acquisition; (iv) the occurrence of any event, change or other circumstances that could give rise to the termination of the purchase agreement; (v) the inability to integrate and/or realize the benefits of the acquisition, including expected synergies; (vi) the ability of the Company to execute on its strategy and achieve its goals and other expectations after completion of the acquisition; (vii) the potential adverse effect of the announcement or pendency of the acquisition on the market price of, or trading in, the Company's securities and on the Company's business relationships, operating results, and business generally; (viii) risks related to diverting management's attention from the Company's ongoing business operations; (ix) the risk that the proposed acquisition may involve unexpected costs, liabilities or delays; (x) potential litigation relating to the transaction that could be instituted against the Company or its affiliates, officers, or directors, and the effects of any outcomes related thereto.

Additional considerations include: (1) general economic and business conditions, both nationally and in the regions in which we operate, including the impact of challenging macroeconomic conditions and inflationary pressures, current geopolitical instability, and impacts from the imposition of, or changes in, tariffs, as well as the potential impact on us of uncertain political, financial, credit and capital conditions; (2) possible reductions or other changes in Medicare, Medicaid and other state programs, including Medicaid supplemental payment programs, Medicaid waiver programs or state directed payments, that could have an adverse effect on our revenues and business; (3) reduction in the reimbursement rates paid by commercial payors, increased reimbursement denials or payment delays 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; (4) effects of changes in healthcare policy or legislation, including the One Big Beautiful Bill Act (the "OBBBA") and any other reforms that have or may be undertaken by the current presidential administration, and legal and regulatory restrictions on our hospitals that have physician owners; (5) the ability to achieve operating and financial targets, develop and execute mitigation plans to offset to the extent possible impacts from the OBBBA, the expiration of temporary enhanced subsidies for individuals eligible to purchase insurance coverage through health insurance marketplaces and imposition of tariffs, attain expected levels of patient volumes and revenues, and control the costs of providing services; (6) security threats, catastrophic events and other disruptions affecting our, our service providers' or our joint venture ("JV") partners' information technology and related systems, which have adversely affected, and could in the future adversely affect, our relationships with patients and business partners and subject us to legal claims and liabilities, reputational harm and business disruption and adversely affect our financial condition; (7) the highly competitive nature of the healthcare industry and continued industry trends towards clinical transparency and value-based purchasing may impact our competitive position; (8) inability to recruit and retain quality physicians and increased labor costs resulting from increased competition for staffing or a continued or increased shortage of experienced nurses, as well as the loss of key personnel, including key members of our management team; (9) changes to physician utilization practices and treatment methodologies and other factors outside our control that impact demand for medical services and may reduce our revenues and ability to grow profitability; (10) continued industry trends toward value-based purchasing, third party payor consolidation and care coordination among healthcare providers; (11) inability to successfully complete acquisitions or strategic JVs or inability to realize all of the anticipated benefits; (12) liabilities because of professional liability and other claims brought against our hospitals, physician practices, outpatient facilities or other business operations; (13) exposure to certain risks and uncertainties by the JVs through which we conduct a significant portion of our operations, including anticipated synergies of past acquisitions and the risk that transactions may not receive necessary government clearances; (14) failure to obtain drugs and medical supplies at favorable prices or sufficient volumes; (15) operational, legal and financial risks associated with outsourcing functions to third parties; (16) our facilities are heavily concentrated in Texas and Oklahoma, which makes us sensitive to regulatory, economic and competitive conditions and changes in those states; (17) negative impact of severe weather, climate change, and other factors beyond our control, which could restrict patient access to care or cause one or more facilities to close temporarily or permanently; (18) risks related to the Master Lease with Ventas ("Ventas Master Lease") and its restrictions and limitations on our business; (19) the impact of our significant indebtedness and the ability to refinance such indebtedness on acceptable terms; (20) 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; (21) the impact of governmental claims or governmental investigations, payor audits and litigation brought against our hospitals, physician practices, outpatient facilities or other business operations; (22) actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements; (23) the impact of a deterioration of public health conditions associated with a future pandemic, epidemic or outbreak of infectious disease; (24) actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, results of operations and financial condition; (25) inability to or delay in building, acquiring, selling, renovating or expanding our healthcare facilities; (26) failure to comply with federal and state laws relating to Medicare and Medicaid enrollment, permit, licensing and accreditation requirements; (27) the results of our efforts to use technology, including artificial intelligence ("AI") and machine learning, to drive efficiencies, better outcomes and an enhanced patient experience; (28) our status as a controlled company; (29) conflicts of interest between our controlling stockholder and other holders of our common stock; and (30) other risk factors described in our filings with the Securities and Exchange Commission.

Important disclaimers

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, Adjusted EBITDA margin, Adjusted EBITDAR, Adjusted EBITDAR margin and free cash flow, net of noncontrolling interest distributions. We define these terms as follows:

Adjusted EBITDA and Adjusted EBITDA Margin. 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 other non-operating losses; recoveries from the cybersecurity incident in November 2023 (the "Cybersecurity Incident"), net of incremental information technology and litigation costs; certain legal matters and related costs; other expenses, including development, restructuring and enterprise system conversion costs; equity-based compensation expense; and loss (income) from disposed operations. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total revenue.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP performance measures 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 and Adjusted EBITDA margin are performance measures that are not prepared in accordance with GAAP and are presented in this presentation because our management considers them important analytical indicators that is commonly used within the healthcare industry to evaluate financial performance and allocate resources. Further, our management believes that Adjusted EBITDA and Adjusted EBITDA margin are useful financial metrics 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 and Adjusted EBITDA margin may not be comparable to other similarly titled measures of other companies. While we believe these are useful supplemental performance measures for investors and other users of our financial information, you should not consider Adjusted EBITDA and Adjusted EBITDA margin in isolation or as a substitute for net income or any other items calculated in accordance with GAAP. Adjusted EBITDA and Adjusted EBITDA margin have inherent material limitations as a performance measures, because they add back certain expenses to net income, resulting in those expenses not being taken into account in the performance measures. 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 and Adjusted EBITDA margin exclude these and other items, they have material limitations as measures of our performance.

Adjusted EBITDAR and Adjusted EBITDAR Margin. 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 with Ventas for 18 medical office buildings and a lease arrangement with Medical Properties Trust, Inc. ("MPT") for the Hackensack Meridian Mountainside Medical Center. Adjusted EBITDAR margin is defined as Adjusted EBITDAR further adjusted to add back noncontrolling interest earnings divided by total revenue.

Adjusted EBITDAR and Adjusted EBITDAR margin are commonly used non-GAAP valuation measures 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 and Adjusted EBITDAR margin exclude: (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, we lease 18 medical office buildings from Ventas pursuant to lease agreements with initial terms of 12 years and eight options to renew for additional five-year terms. Our management views the long-term lease agreements with Ventas and MPT, as more like financing arrangements than true operating leases, with the 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 and Adjusted EBITDAR margin as measures 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 and Adjusted EBITDAR margin do not reflect our cash requirements for leasing commitments. As such, our presentation of Adjusted EBITDAR and Adjusted EBITDAR margin should not be construed as performance or liquidity measures.

Because not all companies use identical calculations, our presentation of Adjusted EBITDAR and Adjusted EBITDAR margin may not be comparable to other similarly titled measures of other companies. While we believe these are useful supplemental valuation measures for investors and other users of our financial information, you should not consider Adjusted EBITDAR and Adjusted EBITDAR margin in isolation or as a substitute for net income or any other items calculated in accordance with GAAP. Adjusted EBITDAR and Adjusted EBITDAR margin have inherent material limitations as valuation measures because they add back certain expenses to net income, resulting in those expenses not being taken into account in the valuation measures. The payment of rent and noncontrolling interest earnings are necessary elements of our valuation. Because Adjusted EBITDAR and Adjusted EBITDAR margin exclude these and other items, they have material limitations as measures of our valuation.

Free Cash Flow, Net of Noncontrolling Interest Distributions. Free cash flow, net of noncontrolling interest distributions is defined as cash flows from operating activities net of (i) capital expenditures and (ii) distributions to noncontrolling interests and is a non-GAAP liquidity 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 the core cash growth of companies in our industry. Free cash flow, net of noncontrolling interest distributions is a liquidity measure that is not prepared in accordance with 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 stability and cash availability. Further, our management believes that free cash flow, net of noncontrolling interest distributions is a useful financial metric to assess our cash availability from period to period by including normal-course capital investment and distributions to noncontrolling interests we believe are required to maintain ongoing operations.

Because not all companies use identical calculations, our presentation of free cash flow, net of noncontrolling interest distributions may not be comparable to other similarly titled measures of other companies. While we believe this is a useful supplemental liquidity measure for investors and other users of our financial information, you should not consider free cash flow, net of noncontrolling interest distributions in isolation or as a substitute for net cash provided by operating activities or any other items calculated in accordance with GAAP. Free cash flow, net of noncontrolling interest distributions has inherent material limitations as a liquidity measure because it deducts certain cash flows from operating cash flows, resulting in those cash flows being taken into account in the liquidity measure. The investment in capital assets and the distribution of cash to noncontrolling interests are necessary elements of our operations. Because free cash flow, net of noncontrolling interest distributions includes these items, it has material limitations as a measure of our liquidity.

See appendix for a reconciliation on non-GAAP financial measures to the most comparable GAAP measure.

Disciplined M&A is a Key Component of Ardent's 3-Part Growth Strategy to Support Long-Term Value Creation



Operational Excellence	Strategic Organic Growth in Core Markets	Intentional Capital Allocation for Value Creation
Strengthen Margins >	**Organic Growth** >	**Strategic Capital Deployment**
IMPACT Program: **Multi-year strategic imperative to optimize operating and financial performance**, implemented to Improve Margins, ensure Performance Agility, and drive Care Transformation • **Strengthen margins across the existing platform through controllable levers** including IMPACT, staffing optimization, greater standardization, disciplined commercial execution and improved patient flow and capacity utilization	• **Build on leading positions in faster-growing mid-sized urban markets** to provide a durable foundation for organic growth and service expansion • Disciplined investments focused **on highest value service lines** • **Leverage Ardent's integrated digital capabilities** to improve patient access, engagement and retention	• **Further reinvest in our business,** with a focus on our core markets and high-value service lines • Maintain a **disciplined approach to M&A**, prioritizing markets with significant unmet needs that fit our target profile • Maintain **balance sheet strength and flexibility** to deploy capital towards the highest return opportunities

Key Investment Highlights of Boone Health Acquisition

STRATEGIC ADVANCEMENT

Boone advances Ardent's disciplined growth strategy by acquiring a high-quality acute care platform in an attractive market, with clear pathways to growth and margin improvement.

1 HIGH-QUALITY ASSET

Strong clinical quality, reputation, market share, and scale anchored by a modern and well maintained 392-bed full-service tertiary hospital system in central Missouri.

$0.5bn of annual revenue

Main bed tower bult in 2011

4 Star CMS rating is highest in the region

Asset quality

2 ATTRACTIVE MARKET

Boone, MO: Strong population growth and attractive demographics in a strategically relevant 26-county region.

Projected population growth in the next 5 years of 3.4%, faster than the national average of 2.0%

Durable demand

3 PERMORMANCE OPTIMIZATION

Leveraging Ardent's scale, capabilities, and infrastructure to improve margins, optimize costs, and accelerate organic growth.

Projecting at least $30mm of synergies in year 3

Free cash flow positive in year 3

Financial & operating upside

4 VALUE CREATING USE OF CAPITAL

$47mm purchase price represents an attractive ROI, consistent with our strategic capital deployment strategy

Purchase price is <2x the year-3 projected EBITDA of $30-40mm (inclusive of synergies)

Modestly accretive to adjusted EBITDA in year-1, increasing to 6-8% in year-3

Disciplined M&A

Ardent's Acquisition of Boone Health Expands Footprint into an Attractive Market with a Strong and Scaled Asset

Boone Health Overview

- **Well-established community hospital system in Columbia, Missouri with ~$480mm in revenue[1] and approximately 30% market share (#2 in the region)[2]**
- **Regional network:** 392-bed flagship hospital, Nifong Medical Plaza outpatient campus and affiliated sites of care, serving 26-county mid-Missouri area
- **Growing and attractive market:**
  - Columbia population projected to increase 3.4%[3] in the next five years
  - Strong employment demographics: 93% insured[4]
- **Strong patient quality, safety, and satisfaction:**
  - Top quality performer: 4 Star CMS hospital rating - highest in the region
  - Risk-adj readmission rate of 13.6%, better than 15% national avg
  - Excellent patient experience: Leads peers and surpasses U.S. averages in key HCAHPS
- **Full-service tertiary hospital** including cardiovascular, orthopedics, women's health/NICU, and oncology.



~$480mm revenue[1]	392 licensed beds; 19 sites of care	22 advanced surgical suites	~11K total annual surgeries	2K+ employees; 350 physicians
	$125mm main bed tower built in 2011			

1. As of CY2025
2. Source: MO HIDI Discharge Data, 2025
3. Source: 2026 Claritas Population Data
4. Source: Esri Demographics – American Community Survey 2026

Overview of Boone Health's Integrated Hospital and Ambulatory Assets

A substantial acute-care and outpatient platform









ACUTE-CARE CAMPUS

Boone Hospital Center





OWNED OUTPATIENT REAL ESTATE

Nifong Medical Plaza

80k sq. ft. today with expandable capacity to 125k sq. ft



FOUR MAIN CAMPUS MOBs

Broadway Medical Plaza

Serves as a concentrated outpatient hub adjacent to the hospital, almost 60 providers across key primary and specialty care service lines, including cardiology, surgery, neurosurgery, pulmonology, and oncology.

OUTPATIENT PLATFORM

Boone Ambulatory Network

2011

$125mm Main bed tower significantly updated the hospital's intensive care and surgical infrastructure

~859K sq. ft. / 17.5 acres

Estimated total campus footprint

Boone's Mid-Missouri Footprint is Anchored in a Growing Market with a Large Referral Service Area

3.6%

Population growth in Columbia, MO over the past five years[1]

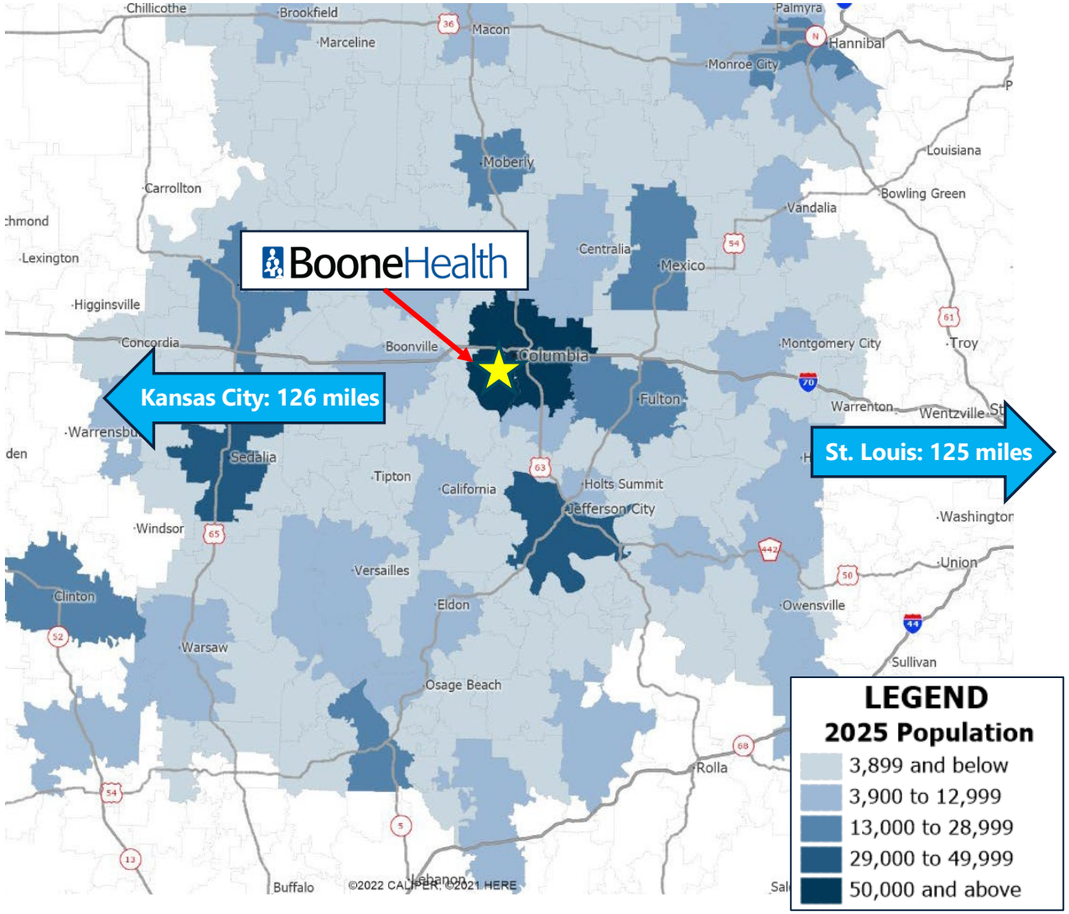
3.4%

Projected population growth in Columbia, MO over the next five years, faster than the national average of 2.0%[2]

3.2%

Year-over-year growth in private-sector establishments in Boone County through Q3 2025[3]

Boone serves as a regional referral center for 26-counties in Mid-Missouri with approximately 756,000 residents

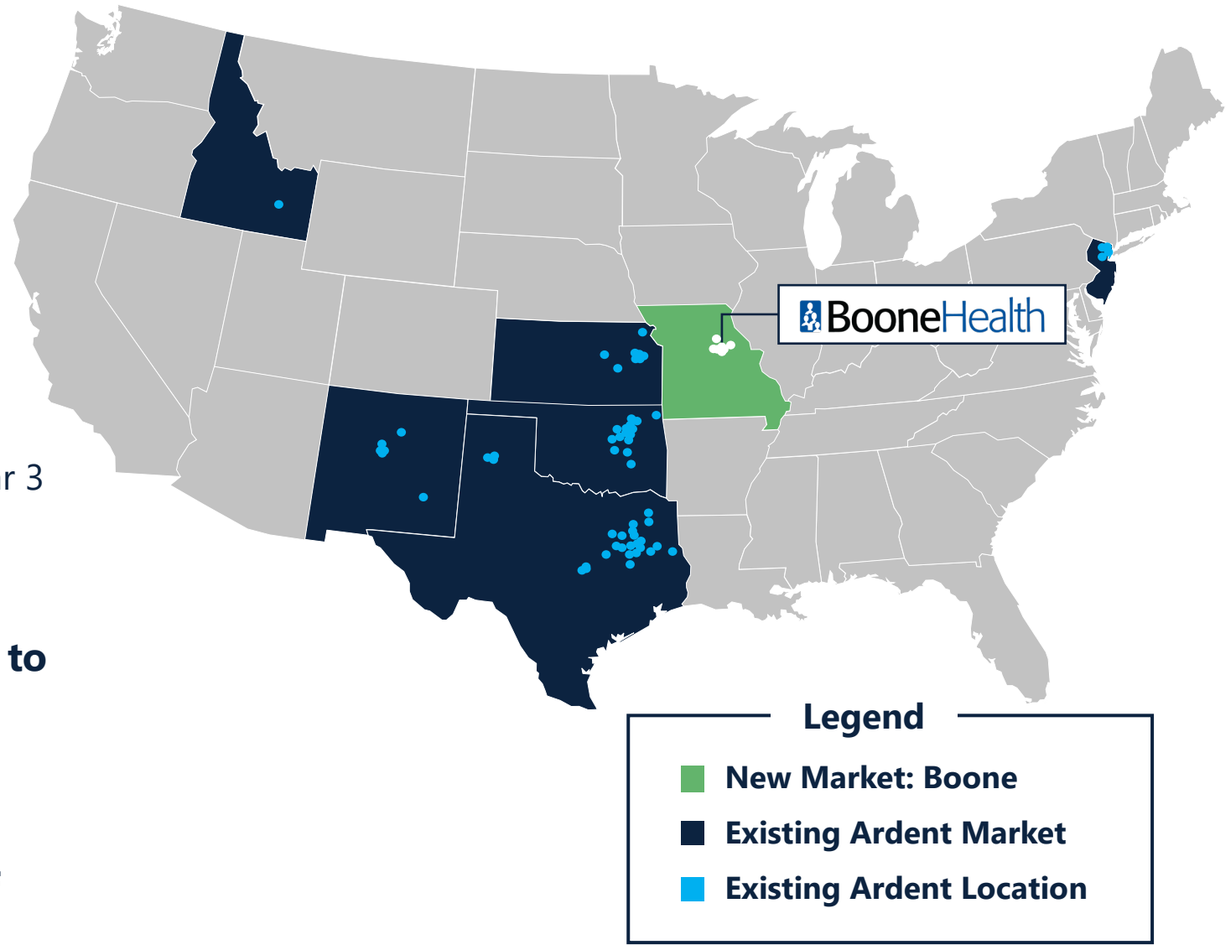


1. Source: U.S. Census Bureau
2. Source: 2026 Claritas Population Data
3. Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), Q3 2025.

ArdentHealth

Compelling Strategic Rationale

- ✓ **Diversifies Ardent's revenue and enhances scale** with a high-quality strategic asset
- ✓ **Expands Ardent's reach into an attractive market with favorable demographic/socioeconomic trends**
- ✓ **Highly aligned cultural and mission fit**
- ✓ **Opportunity to optimize financial performance** with multiple pathways for margin expansion by leveraging Ardent's scale, platform, and operational excellence
  - Clearly defined action plan to achieve at least $30mm of synergies in year 3
  - Additional opportunity for service line growth and market share improvements, which represent upside to synergy target
- ✓ **Capex investments to enhance performance and increase access to care**
  - Initial investments to 1) Renovate the ED to expand capacity; and 2) Modernize operating rooms
- ✓ **$47mm purchase price reflects a disciplined and effective use of capital to generate an attractive ROI**
  - Projecting Year-3 adjusted EBITDA contribution of $30-40mm, inclusive of synergies



Benefits to the Local Market and Boone Health System

Ardent Brings

- Operational and clinical excellence running health systems in mid-sized markets
- Strong balance sheet and financial strength, including $200mm capital commitment over 10 years
- Scale across attractive markets and locations
- Strong IT clinical engine, including:

Epic Ambience Qventus ENSEMBLE HEALTH PARTNERS hellocare.ai

+

Boone Brings

- Trusted local brand with deep community roots
- Strong reputation for clinical quality, safety, and patient care
- Local scale and established regional referral network
- Diversified service lines

Together, Ardent Health and Boone Health create meaningful community benefits.

- **Increased access to care**
- **Expanded specialty services**
- **Facility modernization**
- **Technology upgrades**
- **Physician recruitment**
- **Sustained charity care**
- **Strong local identity and patient-centered culture**
- **Enhanced patient safety and quality care**

Transaction Terms

Purchase Price	• $47mm purchase price, subject to customary working capital and closing adjustments • Funded entirely by Ardent's existing cash • Transaction proceeds will be used by Boone to retire all outstanding debt and satisfy retained obligations.
Debt & Real Estate	• Ardent assumes no debt from Boone Health • Ardent will own 100% of the associated real estate
Capital Commitment	• As part of a multi-year reinvestment plan, Ardent will deploy $200 million over 10 years to support service line development, strategic growth, market expansion, and facility modernization • $200 million of capex represents 3-4% of revenue over that time, consistent with Ardent's current standalone spend • Signals Ardent's commitment to preserve investing and ongoing stewardship
Leverage Ratio	• Immaterial impact on Ardent's net leverage and lease-adjusted net leverage ratios • Real estate ownership further supports balance sheet strength and transaction economics
Approvals & Closing	• Expected to close in 1Q27, subject to customary closing conditions

Enhances Ardent's Financial Results and Creates Shareholder Value

- **Delivers immediate and longer-term value driven by synergies of scale that ramp to at least $30mm in year 3**
  - Synergies primarily comprised of cost efficiencies that leverage Ardent's scale and operational excellence
- **Strengthens and accelerates growth profile**
  - Accretive to adjusted EBITDA beginning in year 1
  - Projecting Year-3 adjusted EBITDA of $30-40mm, representing accretion of 6-8%
- **Value creating use of capital**
- **Maintains balance sheet flexibility**
  - $47mm purchase price funded by existing cash
  - De minimis impact to leverage ratio
- **Accretive to free cash flow in year 3**

≥$30mm

Expected Year-3 Synergies

Driven by proven integration levers across supply chain procurement, revenue cycle optimization, vendor consolidation, and G&A

Attractive ROI; Compelling Valuation

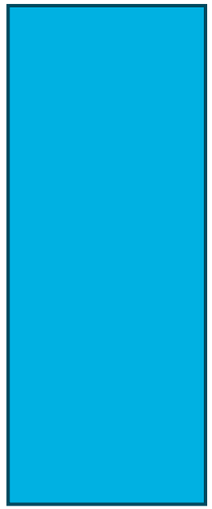
<2x

Purchase price / expected year-3 Adjusted EBITDA

Pro Forma Financial Accretion

Ardent Standalone 2026E Adjusted EBITDA

$517.5mm



ARDT's 2026 Adjusted EBITDA Guidance Midpoint
(per 3Q26 earnings report issued on November 4, 2026)

Boone Health: Projected Year-3 Adjusted EBITDA inclusive of ≥ $30mm of synergies

$30-40mm



Projected Year-3 Adjusted EBITDA

Accretion Expectations

- **Relative to ARDT's 2026E Adjusted EBITDA, pro forma for the acquisition Boone is expected to be:**
  - ➢ **Modestly accretive** **in year 1; and**
  - ➢ **Accretive by 6-8%** **in year 3**
- Boone's year-3 adjusted EBITDA margin expected to improve to 6-7%

Summary of Key Strategic and Financial Benefits

Strongly aligns with Ardent's acquisition criteria

Diversifies Ardent's revenue and establishes Mid-Missouri presence with meaningful scale

Ardent Health + Boone Health

Strengthens Ardent's EBITDA growth profile, driven by clearly defined synergies

Attractive use of capital to maximize shareholder value while preserving balance sheet flexibility

APPENDIX


BooneHealth
MAIN ENTRANCE
STOP
BooneHealth
Main Entrance
Accessible

Non-GAAP Reconciliation: Full-Year 2026 Guidance

	Current (as of Nov 4, 2026)	
Dollars in millions	Low	High
Net income	$209	$254
Income tax expense	56	69
Interest expense, net	56	54
Depreciation and amortization	171	167
Noncontrolling interest earnings	(77)	(87)
Cybersecurity Incident recoveries, net [1]	(7)	(7)
Certain legal matters and related costs	3	3
Enterprise restructuring costs [2]	37	36
Exit and acquisition-related costs [3]	6	5
Enterprise resource planning system conversion costs [4]	17	16
Equity-based compensation	35	31
Income from disposed operations	(6)	(6)
Adjusted EBITDA	**$500**	**$535**
Rent expense payable to REITs	168	168
Adjusted EBITDAR	**$668**	**$703**
Plus: noncontrolling interest earnings	77	87
Adjusted EBITDAR, pre-NCI	**$745**	**$790**

	Midpoint
Total revenue	$6,550
Adjusted EBITDA	$518
Adjusted EBITDA Margin	**7.9%**
Total revenue	$6,550
Adjusted EBITDAR, pre-NCI	$768
Adjusted EBITDAR Margin	**11.7%**

Non-GAAP Reconciliation (continued)

1. Cybersecurity Incident recoveries, net primarily represent gains on insurance recovery proceeds associated with the Cybersecurity Incident, net of incremental information technology and litigation costs.

2. Enterprise restructuring costs represent expenses related to employee termination benefits for position eliminations and executive leadership departures as part of strategic organizational changes and third-party professional fees and expenses for advisory services related to enterprise restructuring activities. These costs reflect severance and related employee benefit expenses associated with a discrete enterprise restructuring program designed to streamline and improve the Company's organizational structure.

3. Exit and acquisition-related costs represent penalties and costs incurred for terminating pre-existing contracts at acquired facilities, third-party professional fees and expenses incurred in connection with potential and completed acquisitions, and system integration costs for completed acquisitions.

4. Enterprise resource planning system conversion costs represent various costs incurred related to a single system conversion project to implement a new enterprise resource planning system. These costs include expected third-party professional fees and expenses incurred in connection with the conversion project and contract labor expense directly related to the conversion project. These costs do not include post-implementation licensing, maintenance and operating costs associated with the new enterprise resource planning system.