ArdentHealth

2Q25 Earnings Presentation

August 2025



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Important Disclaimers

Forward-Looking Statements

This presentation may contain 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 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: (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 scheduled 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, as well as increasing cost to contract with hospital-based physicians; (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) the effects related to the sequestration spending reductions pursuant to both the Budget Control Act of 2011 and the Pay-As-You-Go Act of 2010 and the potential for future deficit reduction legislation; (11) continued industry trends toward value-based purchasing, third party payor consolidation and care coordination among healthcare providers; (12) inability to successfully complete acquisitions or strategic JVs or inability to realize all of the anticipated benefits; (13) liabilities because of professional liability and other claims brought against our hospitals, physician practices, outpatient facilities or other business operations; (14) 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; (15) failure to obtain drugs and medical supplies at favorable prices or sufficient volumes; (16) operational, legal and financial risks associated with outsourcing functions to third parties; (17) our facilities are heavily concentrated in Texas and Oklahoma, which makes us sensitive to regulatory, economic and competitive conditions and changes in those states; (18) 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; (19) risks related to the Ventas Master Lease and its restrictions and limitations on our business; (20) the impact of our significant indebtedness and the ability to refinance such indebtedness on acceptable terms; (21) 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; (22) the impact of governmental claims or governmental investigations, payor audits and litigation brought against our hospitals, physician practices, outpatient facilities or other business operations; (23) actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements; (24) the impact of a deterioration of public health conditions associated with a future pandemic, epidemic or outbreak of infectious disease; (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 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 and Adjusted EBITDAR. We define these terms as follows:

Adjusted EBITDA, 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 loss on extinguishment and modification of debt; other non-operating losses (gains); recoveries from the cybersecurity incident in November 2023 (the "Cybersecurity Incident"), net of incremental information technology and litigation costs; restructuring, exit and acquisition-related costs; expenses incurred in connection with the implementation of Epic Systems, our integrated health information technology system; equity-based compensation expense; and loss 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 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 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. 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.

2Q25 Results Summary

Solid 2Q25 results reflect the successful execution of our strategic priorities and approval of the New Mexico directed payment program

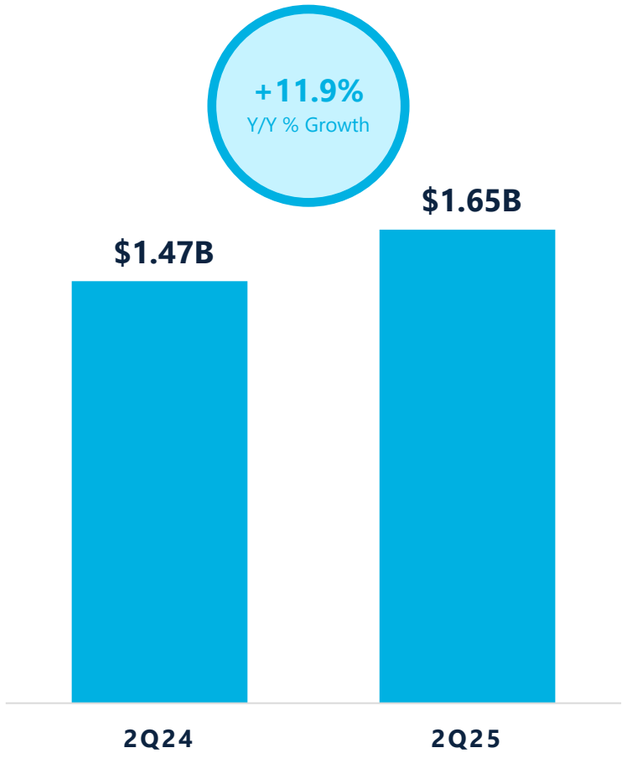
	2Q25		YTD 2Q25	
	Amount	YoY % Growth	Amount	YoY % Growth
Total Revenue (in millions)	$1,645	11.9%	$3,143	8.0%
Adjusted EBITDA (in millions)	$170	38.9%	$268	22.9%
Admissions	41,535	6.6%	82,924	7.1%
Adjusted Admissions	87,167	1.6%	171,703	2.2%
Net Patient Service Revenue per Adjusted Admission	$18,581	10.2%	$18,001	5.7%
	Margin	Margin Δ	Margin	Margin Δ
Adjusted EBITDA Margin	10.3%	200 bps	8.5%	100 bps

- Strong 2Q financial results: Revenue grew 12% YoY and Adjusted EBITDA grew 39% with 200bps of margin expansion.
- CMS approved the renewal of the 2025 New Mexico DPP in late June; 2Q25 includes the impact for the entire 1H25 and is fully consistent with the Adjusted EBITDA contribution assumptions previously embedded in our full year 2025 guidance.
- Strong admissions growth of 6.6% YoY; Adjusted admissions increased 1.6% YoY in 2Q and has grown 2.2% YTD 2Q25.

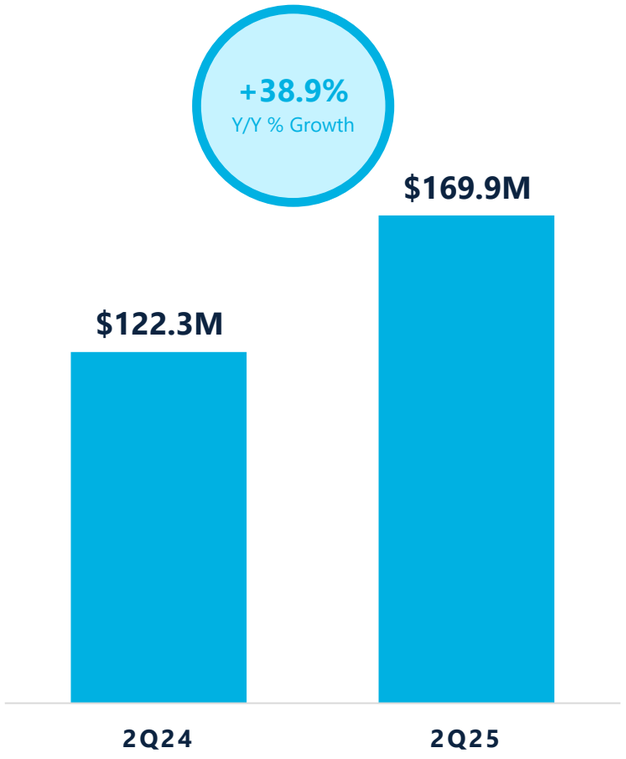
See appendix for reconciliation of Non-GAAP financial metrics, including Adjusted EBITDA, Adjusted EBITDAR and Adjusted EBITDA margin.

2Q25 Financial Performance

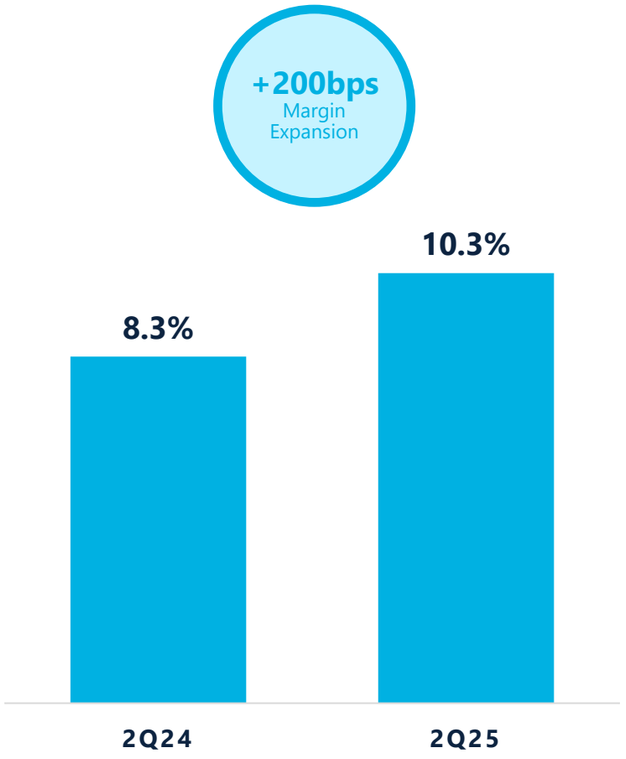
Total Revenue



Adjusted EBITDA



Adjusted EBITDA Margin

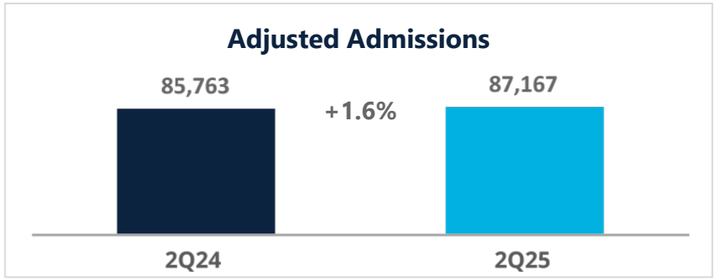


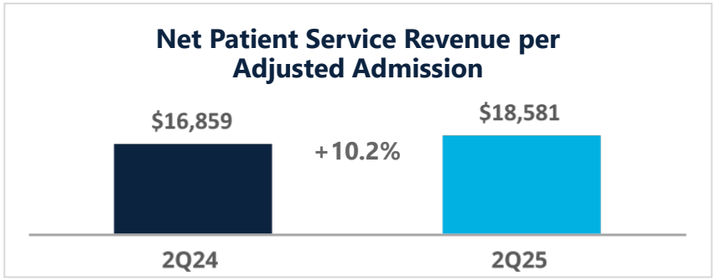
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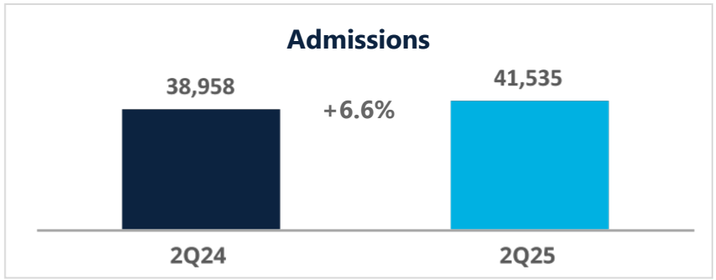
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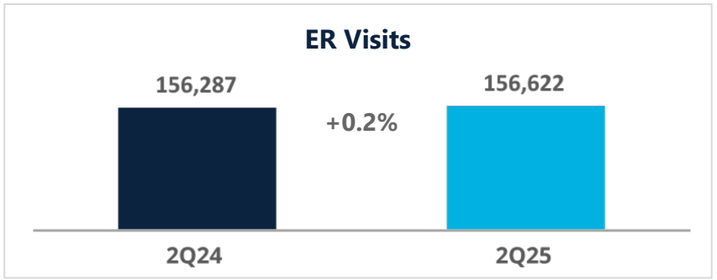
2Q25 Operating Highlights

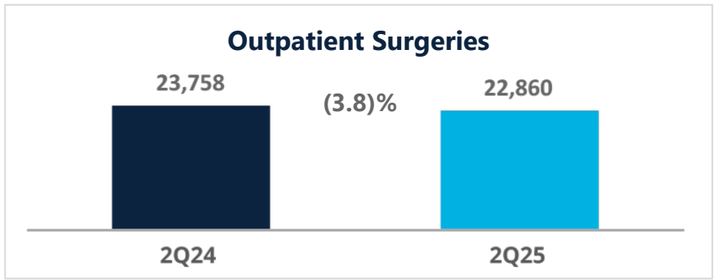
Overall volume trends were steady

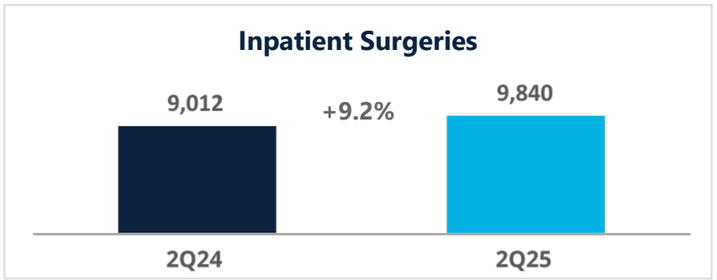










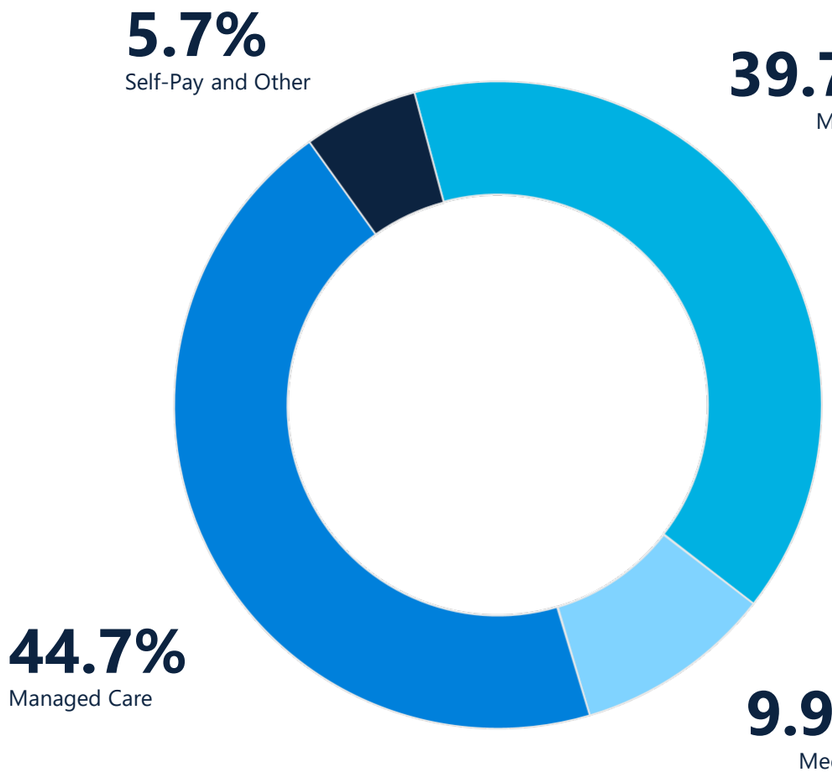


- Net patient service revenue per adjusted admission increased 10.2% YoY, driven by increased supplemental program revenue and reimbursement rates.
- Admissions increased 6.6% YoY driven by solid inpatient surgery growth of 9.2%.
- Total surgeries decreased 0.2% YoY, modestly better than the 0.7% decline in 1Q25.

Operating Highlights: Payor Mix

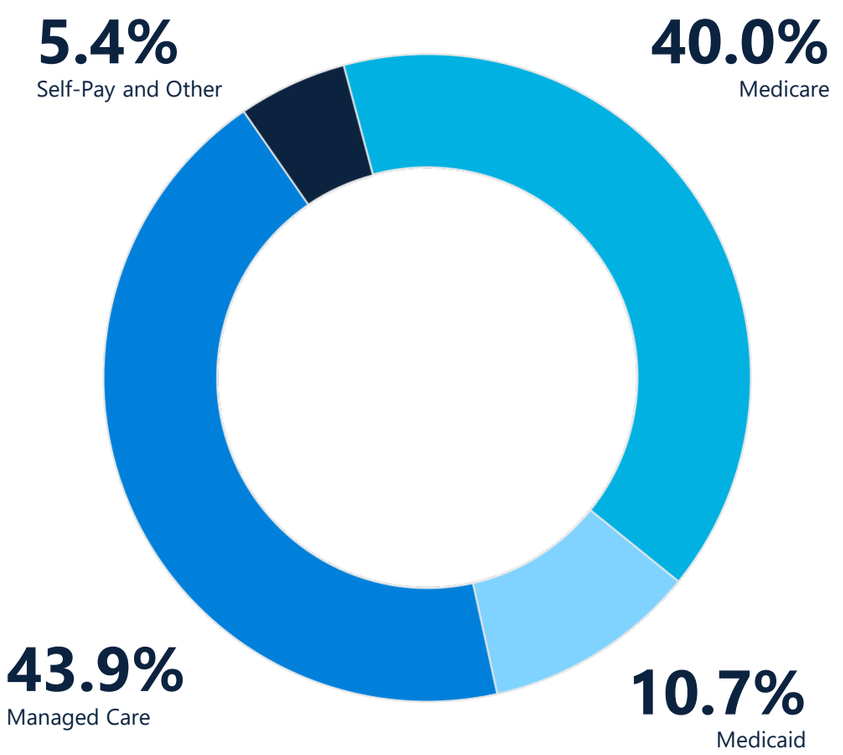
2Q25 Payor Mix

% of Net Patient Service Revenue



2Q24 Payor Mix

% of Net Patient Service Revenue



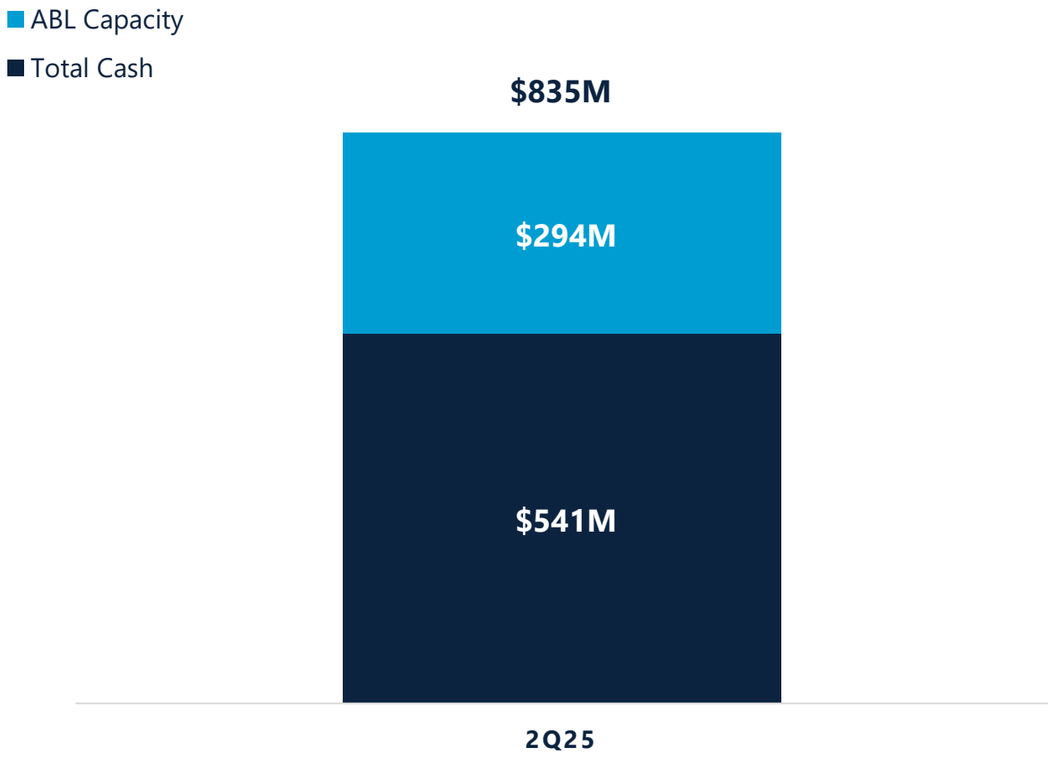
Managed Care increased 80bps YoY driven by strong Exchange growth.

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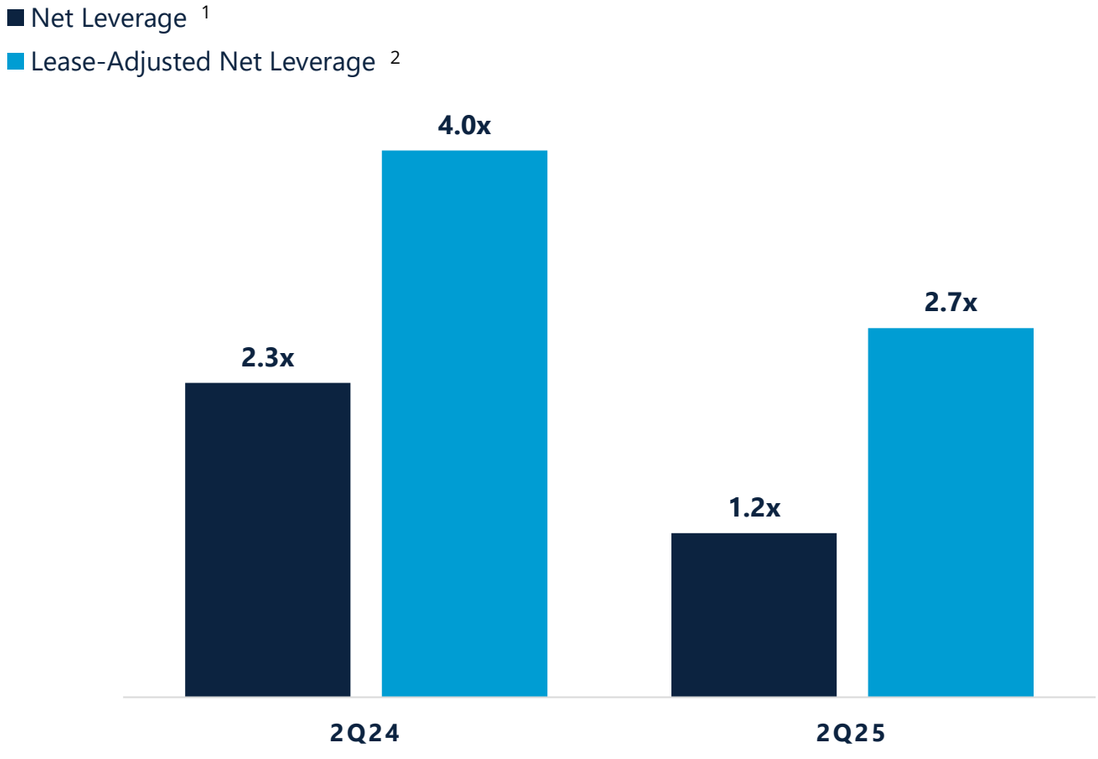
Capital Structure to Support Opportunistic Growth

Strong balance sheet and ample liquidity to support growth strategy. Lease-adjusted net leverage improved to 2.7x in 2Q25 vs 3.0x in 1Q25 and 4.0x in 2Q24.

Available Liquidity



Net Leverage Ratio Profile



1. Net leverage is calculated as net debt / Adjusted EBITDA, with net debt calculated as total debt less cash and cash equivalents;
2. Lease-adjusted net leverage is calculated as (net debt + 8x REIT rent expense) / Adjusted EBITDAR. Leverage ratios are calculated according to our credit agreements and exclude cash held by JVs.

Full-Year 2025 Guidance

Dollars in millions, except per share data	Full Year 2025 Guidance		
Total revenue	$6,200	–	$6,450
Net income attributable to Ardent Health, Inc.	$245	–	$285
Adjusted EBITDA	$575	–	$615
Rent expense payable to REITs	$164	–	$164
Diluted earnings per share	$1.73	–	$2.01
Adjusted admissions growth	2.0%	–	3.0%
Net patient service revenue per adjusted admission growth	2.1%	–	4.4%
Capital expenditures	$215	–	$235

- 2025 guidance midpoint reflects **revenue growth of 6% YoY** and **adjusted EBITDA growth of 19%** with implied **adjusted EBITDAR margin expansion of 110bps**

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



APPENDIX

Non-GAAP Reconciliations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(in thousands)				
Net income	$ 95,701	$ 66,961	$ 154,666	$ 112,812
Income tax expense	26,291	15,222	41,524	25,935
Interest expense	14,729	18,160	28,905	37,421
Depreciation and amortization	39,309	36,312	75,510	71,663
Noncontrolling interest earnings	(22,751)	(24,191)	(40,333)	(42,995)
Loss on extinguishment and modification of debt	—	1,898	—	1,898
Other non-operating losses (gains) [1]	560	(255)	777	(255)
Cybersecurity Incident recoveries, net [2]	—	—	(19,705)	—
Restructuring, exit and acquisition-related costs [3]	3,985	5,561	4,904	7,898
Epic expenses [4]	796	426	1,284	1,015
Equity-based compensation	11,246	226	20,509	738
Loss from disposed operations	7	1,982	33	1,986
Adjusted EBITDA	**$ 169,873**	**$ 122,302**	**$ 268,074**	**$ 218,116**
Total revenue	$ 1,645,280	$ 1,470,920	$ 3,142,514	$ 2,909,966
Adjusted EBITDA Margin	**10.3 %**	**8.3 %**	**8.5 %**	**7.5 %**
Rent expense payable to REITs [5]	40,674	39,769	81,561	79,770
Adjusted EBITDAR	**$ 210,547**	**$ 162,071**	**$ 349,635**	**$ 297,886**

1. Other non-operating losses (gains) include losses and gains realized on certain non-recurring events or events that are non-operational in nature.
2. Cybersecurity Incident recoveries, net represent 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 $3.3 million and $5.0 million for the three months ended June 30, 2025 and 2024, respectively, and $3.3 million and $6.9 million for the six months ended June 30, 2025 and 2024, respectively, (ii) penalties and costs incurred for terminating pre-existing contracts at acquired facilities of $0.2 million for each of the three months ended June 30, 2025 and 2024, and $0.4 million for each of the six months ended June 30, 2025 and 2024, and (iii) third-party professional fees and expenses, salaries and benefits, and other internal expenses incurred in connection with potential and completed acquisitions of $0.5 million and $0.4 million for the three months ended June 30, 2025 and 2024, respectively, and $1.2 million and $0.6 million for the six months ended June 30, 2025 and 2024, 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 $0.8 million and $0.4 million for the three months ended June 30, 2025 and 2024, respectively, and $1.3 million and $1.0 million for the six months ended June 30, 2025 and 2024, respectively. Epic expenses do not include ongoing operating costs of the Epic system.
5. Rent expense payable to REITs consists of rent expense of $37.8 million and $37.0 million for the three months ended June 30, 2025 and 2024, respectively, and $75.9 million and $74.2 million for the six months ended June 30, 2025 and 2024, respectively, related to the Ventas Master Lease and other lease agreements with Ventas for medical office buildings, and rent expense of $2.9 million and $2.8 million for the three months ended June 30, 2025 and 2024, respectively, and $5.7 million and $5.6 million for the six months ended June 30, 2025 and 2024, respectively, related to a lease arrangement with MPT for the lease of Hackensack Meridian Mountainside Medical Center.

Non-GAAP Reconciliation: Full-Year 2025 Guidance

	Full Year Ending December 31, 2025	
	Low	High
(in Millions)		
Net income	$342	$386
Income tax expense	91	101
Interest expense, net	63	59
Depreciation and amortization	146	143
Noncontrolling interest earnings	(97)	(101)
Cybersecurity Incident recoveries, net [1]	(21)	(21)
Restructuring, exit and acquisition-related costs	7	6
Epic expenses, net	6	4
Equity-based compensation	38	38
Adjusted EBITDA	**$575**	**$615**

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