tenet HEALTH

Investor Presentation

Quarter ended March 31, 2018

FORWARD-LOOKING STATEMENTS

This presentation includes "forward-looking statements." These statements relate to future events, including, but not limited to, statements with respect to our business outlook and forecasts with respect to our future earnings and financial position, as well as future developments in the healthcare regulatory environment and healthcare industry more generally. These forward-looking statements represent management's current expectations, based on currently available information, as to the outcome and timing of future events, but, by their nature, address matters that are uncertain. Actual results and plans could differ materially from those expressed in any forward-looking statement.

Examples of factors that may cause our actual results, performance or achievements, or healthcare industry results, to be materially different from those expressed or implied by forward-looking statements include, but are not limited to, the following: (i) the outcome of the sale process we have initiated for our Conifer Health Solutions business unit; (ii) our ability to realize cost savings under our recently announced cost reduction initiatives; (iii) potential disruptions to our business or diverted management attention as a result of the Conifer sale process or our cost reduction efforts; (iv) the impact of recent and future modifications of the Affordable Care Act and the enactment of, or changes in, other statutes and regulations affecting the healthcare industry generally; (v) the effect that economic conditions or consumer behaviors have on our volumes and our ability to collect outstanding receivables on a timely basis, among other things; (vi) adverse regulatory developments, government investigations or litigation; (vii) adverse developments with respect to our ability to comply with the terms of the Non-Prosecution Agreement; (viii) our ability to enter into managed care provider arrangements on acceptable terms, including our ability to mitigate the impact of national managed care contracts that expire or are terminated and are not replaced; (ix) cuts to Medicare and Medicaid payment rates or changes in reimbursement practices; (x) competition; (xi) increases in wages and our ability to hire and retain qualified personnel, especially healthcare professionals; (xii) the impact of our significant indebtedness; (xiii) the availability and terms of capital to fund the operation and expansion of our business; and our ability to comply with our debt covenants and, over time, reduce leverage; (xiv) our ability to continue to expand and realize earnings contributions from our business segments; (xv) our ability to achieve operating and financial targets, attain expected levels of patient volumes, and identify and execute on measures designed to save or control costs or streamline operations, including our ability to realize the savings under our recently announced cost reduction initiative; (xvi) our success in divesting sub-scale businesses and completing other corporate development transactions; (xvii) increases in the amount and risk of collectability of uninsured accounts and deductibles and copays for insured accounts; (xviii) changes in service mix, revenue mix and surgical volumes, including potential declines in the population covered under managed care agreements; (xix) the timing and impact of changes in federal tax laws, regulations and policies, and the outcome of pending and any future tax audits, disputes and litigation associated with our tax positions; and (xx) other factors discussed in our Form 10-K for the year ended December 31, 2017 and subsequent Form 10-Q filings, and other filings with the SEC.

We assume no obligation to update any forward-looking statements or information which speak as of their respective dates and you are cautioned not to put undue reliance on these forward-looking statements.

NON-GAAP FINANCIAL INFORMATION

This presentation contains non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measure are included in the financial tables at the end of this presentation as well as at the end of the Company's press release dated April 30, 2018.

Improving Performance, Operations, Strategic Initiatives and Leadership

Performance

- Adjusted EBITDA exceeded high-end of Outlook in Q1’18; strong performance in each segment
- Positive volume growth in our hospitals with a focus on higher-acuity services
- Ambulatory EBITDA less facility-level NCI up 9.0% on same-facility system-wide revenue growth of 2.7%
- Conifer’s EBITDA grew by more than 30% on a normalized basis; raising Conifer’s Outlook by $50 million

Operational Enhancements

- Anticipate achieving $175 million in cost savings in 2018, up from $125 million; remain on-track to achieve $250 million of annualized run-rate savings by the end of 2018
- Continued streamlining of operations, making enterprise more agile and efficient
- Leapfrog Hospital Safety Grades above the national average; improved HCAHPS Star Rating GPA

Strategic Initiatives

- Conifer sale process continues
- Successfully completed buy-up of USPI – 95% ownership
- Received ~$550M from divestitures in Q1
- Ongoing review of all portfolios

Culture and Leadership

- Recalibrating company culture
- Adding new executives and expanding roles within leaner operating structure
- Continuing to shorten timeframe from idea to action

Q1’18 Financial Highlights

- **Adjusted EBITDA was $665 million. Key items that impacted Adjusted EBITDA growth included:**
  - California Provider Fee revenue ($64 million in Q1’18 versus $0 in Q1’17)
  - Divestitures of Houston, MacNeal Hospital, Philadelphia and the Dallas JV ($6 million loss in Q1’18 versus EBITDA of $20 million in Q1’17)
  - Discount rate ($12 million favorable adjustment in Q1’18 to malpractice and workers’ compensation expense from an increase in the discount rate)
- **Hospital segment same-hospital patient revenue grew 6.7%**
  - Adjusted admissions increased 0.6% and admissions increased 0.3%
  - Revenue per adjusted admission increased 6.0% (4.1% increase on a normalized basis, after adjusting for the California Provider Fee)
  - Case mix increased due to focus on high-acuity services
  - Adjusted EBITDA was $402 million, reflecting strong revenue growth and continued cost discipline
- **Ambulatory Care same-facility system-wide revenue grew 2.7%**
  - Cases grew 3.2% and revenue per case declined 0.5% on a same-facility system-wide basis
  - In the surgical business, same-facility system-wide revenue grew 2.3%, with cases down 0.5% and revenue per case up 2.8%, reflecting growth in higher-acuity surgical procedures
  - Adjusted EBITDA was $165 million, up 7.8%, and Adjusted EBITDA less facility-level NCI was $109 million, up 9.0%
- **Conifer’s revenue grew 0.5% to $404 million**
  - Adjusted EBITDA increased 50.8% to $98 million, representing a margin of 24.3%
  - On a normalized basis, Adjusted EBITDA grew 31% and margins were 21.7% in Q1’18 driven by improvements in Conifer’s cost structure
- **Cash provided by operating activities was $113 million, Free Cash Flow was $(30) million and Adjusted FCF was $4 million**
  - Cash flows were negatively impacted by an anticipated $82 million reduction in receipts related to the California Provider Fee program

Note: The results of the Company’s health plans are excluded from Adjusted EBITDA. Tenet’s health plan business recognized $6 million of revenue and a $1 million EBITDA loss in the first quarter of 2018 versus $65 million of revenue and a $16 million loss in the first quarter of 2017.

Same Hospital Growth Rates

Focused on growing high-acuity inpatient service lines

- Adjusted admissions increased 0.6% and admissions increased 0.3%
- Revenue per adjusted admission increased 6.0% and was up 4.1% excluding the California Provider Fee in both periods
- An increase in flu cases added approximately 100 basis points to same hospital admissions and adjusted admissions growth in Q1’18
- Outpatient visits increased 0.6% excluding the impact of the home health and hospice divestitures completed in Q2’17

	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18
Adjusted Admissions	2.2%	0.5%	1.4%	-0.5%	**0.9%**	-2.5%	-1.4%	-2.2%	1.3%	**-1.2%**	0.6%
Admissions	-0.1%	-1.1%	0.4%	-0.2%	**-0.2%**	-3.3%	-2.2%	-2.6%	0.2%	**-2.0%**	0.3%
Revenue Per Adjusted Admission (1)	3.6%	3.6%	3.2%	3.1%	**3.5%**	0.5%	1.1%	-1.1%	5.2%	**1.5%**	6.0%
Inpatient Surgeries	0.2%	-0.1%	0.2%	-2.0%	**-0.4%**	-3.8%	-4.5%	-4.7%	-1.8%	**-3.7%**	-2.0%
Outpatient Surgeries	5.6%	2.0%	-3.6%	-1.5%	**0.5%**	-6.5%	-6.0%	-5.3%	-3.8%	**-5.4%**	-1.8%
Emergency Department Visits	4.8%	0.9%	0.5%	-0.7%	**1.3%**	-4.0%	-1.2%	-1.8%	4.3%	**-0.7%**	5.2%
Total Outpatient Visits	5.2%	0.8%	0.8%	-1.3%	**1.4%**	-2.1%	-3.7%	-5.4%	-0.2%	**-2.6%**	-1.0%

1. Revenue per adjusted admissions growth after implicit price concessions/bad debt expense. Prior to Q1'18, revenue per adjusted admission growth was reported prior to implicit price concessions/bad debt expense; the historical growth rates have been revised to show the growth in revenue per adjusted admission after implicit price concessions/bad debt expense due to new accounting rules.

Ambulatory Care Same-Facility System-Wide Growth

Same-facility system-wide revenue grew 2.7% in Q1'18

- In the surgical business, same-facility system-wide revenue grew 2.3%, with cases down 0.5% and revenue per case up 2.8%, reflecting growth in higher-acuity surgical procedures. Note that the surgical business is expected to generate over 90% of the Ambulatory segment's system-wide revenue and EBITDA less facility-level NCI in 2018.
- In the non-surgical business, same-facility system-wide revenue grew 11.8%, with revenue per visit up 2.8% and visits up 8.7%. This reflected strong growth in urgent care visits due in part to the flu season.

Same-facility system-wide growth (1)	Q1 '16	Q2 '16	Q3 '16	Q4 '16	2016	Q1 '17	Q2 '17	Q3 '17	Q4 '17	2017	Q1 '18
Surgical (ASCs, Surgical Hospitals & Aspen)											
Revenue	10.7%	11.5%	9.6%	5.8%	**9.4%**	6.9%	4.1%	1.1%	7.0%	**4.9%**	2.3%
Cases	9.0%	5.1%	4.1%	1.5%	**5.0%**	0.5%	-1.2%	-3.8%	2.2%	**-0.5%**	-0.5%
Revenue per case	1.6%	6.0%	5.3%	4.3%	**4.2%**	6.4%	5.4%	5.1%	4.7%	**5.5%**	2.8%
Non-Surgical (Imaging & Urgent Care)											
Revenue	9.8%	8.0%	6.0%	6.2%	**8.2%**	6.1%	1.8%	5.4%	13.1%	**6.6%**	11.8%
Visits	8.1%	5.4%	3.7%	2.2%	**5.4%**	0.6%	0.6%	-0.1%	8.7%	**2.3%**	8.7%
Revenue per visit	1.6%	2.5%	2.2%	4.0%	**2.6%**	5.5%	1.2%	5.5%	4.0%	**4.1%**	2.8%
Ambulatory Segment Total											
Revenue	10.7%	11.3%	9.5%	5.8%	**9.3%**	6.8%	4.1%	1.3%	7.2%	**5.0%**	2.7%
Cases	8.6%	5.2%	4.0%	1.7%	**5.2%**	0.5%	-0.5%	-2.4%	4.6%	**0.6%**	3.2%
Revenue per case	1.9%	5.8%	5.3%	4.0%	**4.0%**	6.3%	4.6%	3.7%	2.5%	**4.4%**	-0.5%

(1) Same-facility system-wide includes the results of both consolidated and unconsolidated facilities. Revenue growth and revenue per case growth is presented after implicit price concessions/bad debt expense.

Ambulatory Care Segment Financials

EBITDA less facility-level NCI grew 9.0% in Q1’18

- ❑ Continue to target 8% to 11% EBITDA less facility-level NCI growth in 2018

$ in millions	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18
Net operating revenues	$429	$442	$448	$478	$1,797	$455	$472	$468	$545	$1,940	$498
% growth	*45.4%*	*37.3%*	*36.2%*	*20.4%*	*33.8%*	*6.1%*	*6.8%*	*4.5%*	*14.0%*	*8.0%*	*9.5%*
Equity in earnings of unconsolidated affiliates	$25	$26	$28	$43	$122	$27	$30	$34	$49	$140	$27
Adjusted EBITDA	**$136**	**$139**	**$157**	**$183**	**$615**	**$153**	**$164**	**$159**	**$223**	**$699**	**$165**
% growth	***44.7%***	***20.9%***	***28.7%***	***15.8%***	***25.8%***	***12.5%***	***18.0%***	***1.3%***	***21.9%***	***13.7%***	***7.8%***
Net income attributable to noncontrolling interests (1)	$46	$52	$54	$68	$220	$53	$58	$55	$78	$244	$56
Adjusted EBITDA less NCI (prior to Welsh Carson related NCI) (2)	**$90**	**$87**	**$103**	**$115**	**$395**	**$100**	**$106**	**$104**	**$145**	**$455**	**$109**
% growth	***34.3%***	***3.6%***	***21.2%***	***4.5%***	***14.2%***	***11.1%***	***21.8%***	***1.0%***	***26.1%***	***15.2%***	***9.0%***
Net income attributable to Welsh Carson's ownership interest (2)(3)	$11	$8	$14	$18	$51	$13	$8	$6	$10	$37	$8
Adjusted EBITDA less NCI (after Welsh Carson related NCI) (2)	**$79**	**$79**	**$89**	**$97**	**$344**	**$87**	**$98**	**$98**	**$135**	**$418**	**$101**
% growth	***31.7%***	***8.2%***	***20.3%***	***4.3%***	***14.7%***	***10.1%***	***24.1%***	***10.1%***	***39.2%***	***21.5%***	***16.1%***
Adjusted EBITDA margin	*31.7%*	*31.4%*	*35.0%*	*38.3%*	*34.2%*	*33.6%*	*34.7%*	*34.0%*	*40.9%*	*36.0%*	*33.1%*
Adjusted EBITDA less NCI Margin (prior to Welsh Carson related NCI)	*21.0%*	*19.7%*	*23.0%*	*24.1%*	*22.0%*	*22.0%*	*22.5%*	*22.2%*	*26.6%*	*23.5%*	*21.9%*

(1) Represents facility level NCI expense prior to Tenet recording additional NCI expense related to Welsh Carson's and other USPI shareholders' ownership interest in the USPI joint venture. (2) The amount labeled as Welsh Carson related NCI represents noncontrolling interest expense related to Welsh Carson's and other USPI shareholders' ownership interest in the USPI joint venture; neither Tenet nor USPI intend to make cash distributions to Welsh Carson or other USPI shareholders. (3)(i) Welsh Carson related NCI expense was $29 million in Q1'16, but would have been $11 million excluding gains not included in Adjusted EBITDA; (ii) Welsh Carson related NCI expense was $15 million in Q3'16, but would have been $14 million excluding gains not included in Adjusted EBITDA; (iii) Welsh Carson related NCI expense was $13 million in Q4'16, but would have been $18 million excluding charges not included in Adjusted EBITDA; (iv) during 2016, Welsh Carson related NCI expense was $65 million, but would have been $51 million excluding gains and charges not included in Adjusted EBITDA; (v) during Q4'17, Welsh Carson related NCI was $33 million, but would have been $10 million excluding gains and charges not included in Adjusted EBITDA, primarily $22 million related to the reduction of USPI’s deferred tax liabilities as a result of the reduction in the corporate tax rate; (vi) during 2017, Welsh Carson related NCI was $60 million, but would have been $37 million excluding gains and charges not included in Adjusted EBITDA.

Conifer Health Solutions Segment

Raising Conifer's Adjusted EBITDA Outlook to $330-$340 million in 2018, representing growth of 17%-20% vs. 2017

- Targeting Adjusted EBITDA margins of 21.6% in 2018, up ~400 basis points from 2017 driven substantially by improvements in Conifer's cost structure. Exploring other potentially meaningful opportunities to further enhance Conifer's margins.
- Adjusted EBITDA of $98 million in Q1'18 included $13 million of revenue and EBITDA from items that will not recur on a quarterly basis for the remainder of 2018: a $10 million contract termination payment related to one of Conifer's customers selling a hospital to a system that chose to insource revenue cycle management and $3 million of customer incentive payments.
- Normalizing for these two items, Adjusted EBITDA grew 31% to $85 million in Q1'18 and we anticipate the growth rate moderating from this level over the next three quarters primarily due to client divestitures.

$ in millions	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18
Revenue from Tenet	$167	$162	$159	$163	$651	$159	$155	$149	$155	$618	$150
% growth	*4.4%*	*-1.8%*	*-2.5%*	*-8.4%*	*-2.3%*	*-4.8%*	*-4.3%*	*-6.3%*	*-4.9%*	*-5.1%*	*-5.7%*
Other Clients	$218	$224	$239	$239	$920	$243	$245	$252	$239	$979	$254
% growth	*19.8%*	*28.0%*	*29.9%*	*16.0%*	*23.2%*	*11.5%*	*9.4%*	*5.4%*	*0.0%*	*6.4%*	*4.5%*
Revenue	**$385**	**$386**	**$398**	**$402**	**$1,571**	**$402**	**$400**	**$401**	**$394**	**$1,597**	**$404**
% growth	*12.6%*	*13.5%*	*14.7%*	*4.7%*	*11.2%*	*4.4%*	*3.6%*	*0.8%*	*-2.0%*	*1.7%*	*0.5%*
Adjusted EBITDA	**$63**	**$63**	**$79**	**$72**	**$277**	**$65**	**$60**	**$79**	**$79**	**$283**	**$98**
% growth	*-23.2%*	*5.0%*	*27.4%*	*18.0%*	*4.5%*	*3.2%*	*-4.8%*	*0.0%*	*9.7%*	*2.2%*	*50.8%*
Adjusted EBITDA Margin	**16.4%**	**16.3%**	**19.8%**	**17.9%**	**17.6%**	**16.2%**	**15.0%**	**19.7%**	**20.1%**	**17.7%**	**24.3%**

Note: Revenues from Tenet and Catholic Health Initiatives represented approximately 70% of Conifer's revenue in Q1'18.

Raising Tenet's Adjusted EBITDA Outlook on Conifer Outperformance

Key assumptions included in the 2018 Outlook:

- Same hospital revenue growth of 2.5% to 4.5%
- Same-facility system wide revenue growth of 4% to 6% at USPI and a promising pipeline of acquisitions and de novos
- Realizing $175 million of savings in 2018 (up from $125 million, with Conifer accelerating $50 million of savings into 2018) from the $250 million cost reduction program
- ~$250 million of California Provider Fee revenue
- Divestitures expected to be completed throughout 2018; the Outlook includes ~$500 million of revenue and ~$30 million of Adjusted EBITDA, representing a partial-year contribution from operations to be divested this year
- Revised Outlook for noncontrolling interest expense reflects accelerated USPI buy-up, substantially offset by higher NCI expense at Conifer, due to outperformance
- The Outlook for 2018 does not incorporate any impact from a potential sale of Conifer

$ in millions, except EPS	**2018 Outlook**
Net Revenue	$17,900 - $18,300
Adjusted EBITDA (1)	$2,550 - $2,650
Adjusted EBITDA Margin (1)	14.2% - 14.5%
Adjusted Diluted E.P.S. from Continuing Operations (1)	$1.36 - $1.70
Adjusted Cash Flow from Operations (1)	$1,350 - $1,600
Capital Expenditures	$625 - $675
Adjusted Free Cash Flow (1)	$725 - $925
Assumptions:	
Total Hospital Expenses per Adjusted Admission Growth	1.5% - 2.5%
Equity in Earnings of Unconsolidated Affiliates	$160 - $170
Depreciation and Amortization	$790 - $810
Interest Expense	$1,000 - $1,010
Effective Tax Rate (2)	26% - 27%
Net Income Attributable to Noncontrolling Interests (3)	$410 - $430
Fully Diluted Weighted Average Shares Outstanding	103

(1) Please refer to the slides at the end of this presentation for additional information on these non-GAAP measures.

(2) The following formula can be used to estimate Tenet's income tax expense in 2018: a) start with adjusted pre-tax income, which is estimated to be $750-$815 million; b) subtract GAAP NCI expense, which is estimated to be $410-$430 million in 2018; c) add back permanent differences and non-deductible interest, which are estimated to be $350-$360 million in 2018; d) add back $15-$20 million of non-cash NCI expense that Tenet is recognizing related to the portion of USPI that the Company does not own; and, e) multiply the result by a 23.5% tax rate. In addition, in 2018, increase income tax expense by approximately $30 million related to other state income taxes. The result is an effective tax rate of approximately 26%-27% on Tenet's adjusted pre-tax income in 2018.

(3) This represents GAAP NCI expense to be recorded on the income statement, including $15-$20 million related to the portion of USPI that Tenet does not own and approximately $70 million related to the portion of Conifer that Tenet does not own. Cash distributions paid to noncontrolling interests are expected to be $320-$350 million.

Segment Outlook for 2018

Hospital Operations and Other Segment

Net Operating Revenue *($M)* [(1)]	$14,900 - $15,150
Adjusted EBITDA *($M)*	**$1,450 - $1,510**
Noncontrolling Interest *($M)* [(2)]	~$45
Net Revenue Growth [(3)]	2.5% - 4.5%
Pro forma Adjusted EBITDA Growth [(4)]	2% - 6%
Adjusted Admissions Growth [(3)]	0.0% - 2.0%
Net Revenue per Adjusted Admission [(3)]	1.5% - 2.5%
Admissions Growth [(2)]	0.0% - 2.0%

(1) Prior to ~$575 million of intercompany eliminations with Conifer

(2) Based on GAAP NCI expense.

(3) Growth rates on a same hospital basis.

(4) Calculated using $1.422 billion of EBITDA in 2017 and $1.450 billion to $1.510 billion of EBITDA in 2018. Please see the slide titled "Adjusted EBITDA Bridge from 2017 to 2018" for additional details.

Ambulatory Segment

Net Operating Revenue *($M)*	$2,050 - $2,150
Adjusted EBITDA *($M)*	**$770 - $800**
Noncontrolling Interest *($M)* [(1)]	$295 - $315
Net Revenue Growth [(2)]	4% - 6%
Adjusted EBITDA Growth	10% - 14%
Adjusted EBITDA less NCI Growth [(3)]	8% - 11%
Case Growth [(2)]	2.0% - 3.0%
Net Revenue per Case Growth [(2)]	2.0% - 3.0%

(1) Based on GAAP NCI expense, including $15-$20 million related to the portion of USPI that Tenet does not own.

(2) Growth rates on a same facility system wide basis.

(3) Represents the expected growth in EBITDA less facility-level NCI. Calculated using $455 million of Ambulatory segment EBITDA less facility level NCI in 2017. This calculation excludes $60 million of NCI in 2017 and $15-$20 million in 2018 related to the portion of USPI that Tenet does not own.

Conifer Segment

Net Operating Revenue *($M)*	$1,525 - $1,575
Adjusted EBITDA *($M)*	**$330 - $340**
Noncontrolling Interest *($M)* [(1)]	~$70
Pro forma Revenue Growth [(2)]	3% - 6%
Pro forma Adj. EBITDA Growth [(3)]	27% - 31%

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

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

(3) Calculated using $259 million of EBITDA in 2017, which equals the $283 million of EBITDA that Conifer generated in 2017 less $24 million related to hospital divestitures and the wind down of Tenet's health plan business, and $330 million to $340 million of EBITDA in 2018. Please see the slide titled "Adjusted EBITDA Bridge from 2017 to 2018" for additional details.

Adjusted EBITDA Bridge from 2017 to 2018

($ in millions)	Hospital	Ambulatory	Conifer	Total
2017 Adjusted EBITDA - Actuals	**$1,462**	**$699**	**$283**	**$2,444**
California Provider Fee revenue	(17)			(17)
Houston Divestiture completed in 3Q'17	(25)			(25)
Divestitures to be completed in 2018 (partial year impact)	(50)	(4)		(54)
Conifer Impact from Hospital Divestitures & wind down of Tenet's Health Plan business			(24)	(24)
Medicare DSH cuts mandated by the ACA	(30)			(30)
Florida Medicaid Cuts (half in 2017; full year in 2018)	(18)			(18)
HIT Incentives	(8)			(8)
Cost Reduction Initiatives	**95**	**10**	**70**	**175**
Hurricanes (Harvey & Irma)	26	7		33
Executive Severance	17			17
USPI Acquisition & Development Activity		51		51
Volume, Acuity, Payer Mix, Pricing, Other	28	22	6	56
2018 Adjusted EBITDA Outlook - Midpoint	**$1,480**	**$785**	**$335**	**$2,600**
YOY Reported Growth	1.2%	12.3%	18.4%	6.4%
YOY Core Growth (Excludes Divestitures, HIT, Executive Severance & Hurricanes)	**4.1%**	**11.8%**	**29.3%**	**9.1%**
2017 Adjusted EBITDA Outlook (Excl. Divestitures, HIT, Executive Severance & Hurricanes)	$1,422	$702	$259	$2,383

Summary

- ✓ ***Sustainably improving*** performance, operations, strategic positioning and leadership
- ✓ ***Delivering compelling financial performance***
  - Adjusted EBITDA ***exceeded*** the high end of the Outlook
  - Hospital same-facility ***revenue grew 6.7%*** with adjusted admissions up 0.6%
  - Ambulatory same-facility system-wide ***revenue grew 2.7%*** and ***Adjusted EBITDA less facility-level NCI was up 9.0%***
  - Conifer's ***Adjusted EBITDA grew 31%*** on a normalized basis; targeting ***~400 basis points of margin expansion*** in 2018
- ✓ Process to explore a sale of ***Conifer is proceeding as planned***
- ✓ Ratio of net debt-to-Adjusted EBITDA improved to ***5.53x*** as of 3/31/18; ***targeting 5.0x*** or less by end of 2019
- ✓ ***Raised*** the midpoint of the 2018 Outlook for Adjusted EBITDA ***by $50 million*** to reflect Conifer outperformance

Appendix and Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures

Adjusted EBITDA, a non-GAAP measure, is defined by the Company as net income (loss) attributable to Tenet Healthcare Corporation common shareholders before (1) the cumulative effect of changes in accounting principle, (2) net loss (income) attributable to noncontrolling interests, (3) income (loss) from discontinued operations, (4) income tax benefit (expense), (5) other non-operating income (expense), net, (6) gain (loss) from early extinguishment of debt, (7) interest expense, (8) litigation and investigation (costs) benefit, net of insurance recoveries, (9) net gains (losses) on sales, consolidation and deconsolidation of facilities, (10) impairment and restructuring charges and acquisition-related costs, (11) depreciation and amortization and (12) income (loss) from divested operations and closed businesses (i.e., the Company's health plan businesses). Litigation and investigation costs do not include ordinary course of business malpractice and other litigation and related expense.

Adjusted net income (loss) from continuing operations attributable to Tenet Healthcare Corporation common shareholders, a non-GAAP measure, is defined by the Company as net income (loss) attributable to Tenet Healthcare Corporation common shareholders before (1) impairment and restructuring charges, and acquisition-related costs, (2) litigation and investigation costs, (3) gains on sales, consolidation and deconsolidation of facilities, (4) gain (loss) from early extinguishment of debt, (5) income (loss) from divested operations and closed businesses, (6) the associated impact of these five items on taxes and noncontrolling interests, and (7) net income (loss) from discontinued operations. Adjusted diluted earnings (loss) per share from continuing operations, a non-GAAP term, is defined by the Company as Adjusted net income (loss) from continuing operations attributable to Tenet Healthcare Corporation common shareholders divided by the weighted average primary or diluted shares outstanding in the reporting period.

Free Cash Flow, a non-GAAP measure, is defined by the Company as (1) net cash provided by (used in) operating activities, less (2) purchases of property and equipment from continuing operations.

Adjusted Free Cash Flow, a non-GAAP measure, is defined by the Company as (1) Adjusted net cash provided by (used in) operating activities from continuing operations, less (2) purchases of property and equipment from continuing operations. Adjusted net cash provided by (used in) operating activities, a non-GAAP measure, is defined by the Company as cash provided by (used in) operating activities prior to (1) payments for restructuring charges, acquisition-related costs and litigation costs and settlements, and (2) net cash provided by (used in) operating activities from discontinued operations.

The Company believes the foregoing non-GAAP measures are useful to investors and analysts because they present additional information on the Company's financial performance. Investors, analysts, Company management and the Company's Board of Directors utilize these non-GAAP measures, in addition to GAAP measures, to track the Company's financial and operating performance and compare the Company's performance to its peer companies, which utilize similar non-GAAP measures in their presentations. The Human Resources Committee of the Company's Board of Directors also uses certain of these measures to evaluate management's performance for the purpose of determining incentive compensation. Additional information regarding the purpose and utility of specific non-GAAP measures used in this release is set forth below.

(continued on the following page)

Non-GAAP Financial Measures

(continued from the prior page)

The Company believes that Adjusted EBITDA is a useful measure, in part, because certain investors and analysts use both historical and projected Adjusted EBITDA, in addition to other GAAP and non-GAAP measures, as factors in determining the estimated fair value of shares of the Company's common stock. Company management also regularly reviews the Adjusted EBITDA performance for each operating segment. The Company does not use Adjusted EBITDA to measure liquidity, but instead to measure operating performance.

We use, and we believe investors and analysts use, Free Cash Flow and Adjusted Free Cash Flow as supplemental measures to analyze cash flows generated from our operations because we believe it is useful to investors in evaluating our ability to fund distributions paid to noncontrolling interests, acquisitions, purchasing equity interests in joint ventures or repaying debt.

These non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Because these measures exclude many items that are included in our financial statements, they do not provide a complete measure of our operating performance. For example, the Company's definitions of Free Cash Flow and Adjusted Free Cash Flow do not include other important uses of cash including (1) cash used to purchase businesses or joint venture interests, or (2) any items that are classified as Cash Flows From Financing Activities on the Company's Consolidated Statement of Cash Flows, including items such as (i) cash used to repay borrowings, (ii) distributions paid to noncontrolling interests, or (iii) payments under the Put/Call Agreement for USPI redeemable noncontrolling interest, which are recorded on the Statement of Cash Flows as the purchase of noncontrolling interest. Accordingly, investors are encouraged to use GAAP measures when evaluating the Company's financial performance.

A reconciliation of net income (loss) attributable to Tenet Healthcare Corporation common shareholders, the most comparable GAAP measure, to Adjusted EBITDA is set forth in Table #1 below for each quarter in 2017 and 2018. A reconciliation of net income (loss) attributable to Tenet Healthcare Corporation common shareholders, the most comparable GAAP measure, to Adjusted net income from continuing operations attributable to Tenet Healthcare Corporation common shareholders is set forth in Table #2 below for each quarter in 2017 and 2018. A reconciliation of net cash provided by (used in) operating activities, the most comparable GAAP measure, to Free Cash Flow and Adjusted Free Cash Flow is set forth in Table #3 below for each quarter in 2017 and 2018.

Revenue and EBITDA by Segment

$ in millions	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18
Hospital Operations and Other												
Net operating revenues (1)(2)	$17,023	$4,397	$4,202	$4,162	$4,143	$16,904	$4,050	$4,060	$3,856	$4,184	$16,150	$3,941
EBITDA	$1,683	$414	$415	$334	$358	$1,521	$309	$346	$269	$538	$1,462	$402
EBITDA margin	*9.9%*	*9.4%*	*9.9%*	*8.0%*	*8.6%*	*9.0%*	*7.6%*	*8.5%*	*7.0%*	*12.9%*	*9.1%*	*10.2%*
Ambulatory Care												
Net operating revenues (1)	$868	$429	$442	$448	$478	$1,797	$455	$472	$468	$545	$1,940	$498
EBITDA	$329	$136	$139	$157	$183	$615	$153	$164	$159	$223	$699	$165
EBITDA margin	*37.9%*	*31.7%*	*31.4%*	*35.0%*	*38.3%*	*34.2%*	*33.6%*	*34.7%*	*34.0%*	*40.9%*	*36.0%*	*33.1%*
Conifer												
Net operating revenues (1)	$1,413	$385	$386	$398	$402	$1,571	$402	$400	$401	$394	$1,597	$404
EBITDA	$264	$63	$63	$79	$72	$277	$65	$60	$79	$79	$283	$98
EBITDA margin	*18.7%*	*16.4%*	*16.3%*	*19.8%*	*17.9%*	*17.6%*	*16.2%*	*15.0%*	*19.7%*	*20.1%*	*17.7%*	*24.3%*
Less: Inter-segment eliminations from revenue	-$666	-$167	-$162	-$159	-$163	-$651	-$159	-$155	-$149	-$155	-$618	-$150
Total, as reported in each period (3)												
Net operating revenues (1)	$18,638	$5,044	$4,868	$4,849	$4,860	$19,621	$4,748	$4,777	$4,576	$4,968	$19,069	$4,693
EBITDA	$2,276	$613	$617	$570	$613	$2,413	$527	$570	$507	$840	$2,444	$665
EBITDA margin	*12.2%*	*12.2%*	*12.7%*	*11.8%*	*12.6%*	*12.3%*	*11.1%*	*11.9%*	*11.1%*	*16.9%*	*12.8%*	*14.2%*

(1) Net operating revenue after implicit price concessions/bad debt.

(2) Hospital Operations and Other revenue excludes $65 million, $25 million, $10 million, $10 million and $6 million of health plan revenues in Q1'17, Q2'17, Q3'17, Q4'17 and Q1'18, respectively.

(3) Data is presented on an as reported basis in each period. Historical financial information has not been revised for health plans or changes in pension expense accounting.

Health Plan Financial Results

Health plans are included in the Hospital Operations and Other segment

$ in millions	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18
Net Operating Revenues	**$423**	**$127**	**$136**	**$122**	**$97**	**$482**	**$65**	**$25**	**$10**	**$10**	**$110**	**$6**
Equity in earnings of unconsolidated affiliates	**$0**	$0	$0	$0	$0	**$0**	$0	$0	$0	$0	**$0**	$0
Salaries and Benefits	**-$15**	-$6	-$6	-$5	-$6	**-$23**	-$5	-$4	-$4	-$3	**-$16**	-$2
% of revenue	*3.5%*	*4.7%*	*4.4%*	*4.1%*	*6.2%*	*4.8%*	*7.7%*	*16.0%*	*40.0%*	*30.0%*	*14.5%*	*33.3%*
Supplies	**$0**	$0	$0	$0	$0	**$0**	$0	$0	$0	$0	**$0**	$0
% of revenue	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Other Operating Expenses	**-$391**	-$118	-$135	-$123	-$120	**-$496**	-$76	-$40	-$12	-$7	**-$135**	-$5
% of revenue	*92.4%*	*92.9%*	*99.3%*	*100.8%*	*123.7%*	*102.9%*	*116.9%*	*160.0%*	*120.0%*	*70.0%*	*122.7%*	*83.3%*
Electronic Health Record Incentives	**$0**	$0	$0	$0	$0	**$0**	$0	$0	$0	$0	**$0**	$0
EBITDA	**$17**	**$3**	**-$5**	**-$6**	**-$29**	**-$37**	**-$16**	**-$19**	**-$6**	**$0**	**-$41**	**-$1**
EBITDA margin	***4.0%***	***2.4%***	***-3.7%***	***-4.9%***	***-29.9%***	***-7.7%***	***-24.6%***	***-76.0%***	***-60.0%***	***0.0%***	***-37.3%***	***-16.7%***

Uncompensated Care Trends

New Revenue Recognition Accounting Rules and Uncompensated Care

- Effective January 1, 2018, Tenet adopted FASB ASU 2014-09 using a modified retrospective method of application. Under ASU 2014-09, the estimated uncollectible amounts due from uninsured and underinsured patients are now generally considered implicit price concessions that are a direct reduction to net operating revenues. Since implicit price concessions are essentially similar to provision for doubtful accounts, for comparability purposes, implicit price concessions in 2018 are compared to provision for doubtful accounts in prior periods.
- For Q1'18, the net revenue before bad debt and implicit price concessions presented below of $5,046 million equals Tenet's net operating revenue of $4,699 million plus $347 million of implicit price concessions.

$ in millions	Q1 '16	Q2 '16	Q3 '16	Q4 '16	2016	Q1 '17	Q2 '17	Q3 '17	Q4 '17	2017	Q1 '18
Net Revenue before bad debt and implicit price concessions	$5,420	$5,220	$5,216	$5,214	**$21,070**	$5,196	$5,173	$4,941	$5,303	**$20,613**	$5,046
Bad Debt Expense and implicit price concessions	$376	$352	$367	$354	**$1,449**	$383	$371	$355	$325	**$1,434**	$347
% of revenue before bad debt	*6.9%*	*6.7%*	*7.0%*	*6.8%*	***6.9%***	*7.4%*	*7.2%*	*7.2%*	*6.1%*	***7.0%***	*6.9%*
% of adjusted revenue (1)	*5.9%*	*5.8%*	*6.0%*	*5.7%*	***5.8%***	*6.2%*	*6.0%*	*6.0%*	*5.1%*	***5.8%***	*5.7%*
Charity Care Write-Offs	$220	$152	$228	$212	**$812**	$181	$182	$182	$192	**$737**	$223
% of adjusted revenue (1)	*3.5%*	*2.5%*	*3.7%*	*3.4%*	***3.3%***	*2.9%*	*2.9%*	*3.1%*	*3.0%*	***3.0%***	*3.7%*
Uninsured Discounts	$713	$706	$723	$766	**$2,908**	$778	$822	$824	$844	**$3,268**	$792
% of adjusted revenue (1)	*11.2%*	*11.6%*	*11.7%*	*12.4%*	***11.7%***	*12.6%*	*13.3%*	*13.9%*	*13.3%*	***13.3%***	*13.1%*
Uncompensated Care (2)	**$1,309**	**$1,210**	**$1,318**	**$1,332**	**$5,169**	**$1,342**	**$1,375**	**$1,361**	**$1,361**	**$5,439**	**$1,362**
Uncompensated Care Percentage (3)	**20.6%**	**19.9%**	**21.4%**	**21.5%**	**20.9%**	**21.8%**	**22.3%**	**22.9%**	**21.5%**	**22.1%**	**22.5%**

(1) Adjusted Revenue equals the sum of: a) Net operating revenues before provision for doubtful accounts and implicit price concessions, b) Charity Care Write-Offs, and c) Uninsured Discounts.
(2) Uncompensated Care equals the sum of: a) Bad debt and implicit price concessions, b) Charity Care Write-Offs, and c) Uninsured Discounts.
(3) The Uncompensated Care Percentage equals: a) Uncompensated Care, divided by b) Adjusted Revenue.

Table #1 – Reconciliation of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted EBITDA

(Unaudited)

(Dollars in millions)	2017					2018
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (53)**	**$ (55)**	**$ (367)**	**$ (229)**	**$ (704)**	**$ 99**
Less: Net income attributable to noncontrolling interests	(89)	(87)	(78)	(130)	(384)	(92)
Income (loss) from discontinued operations, net of tax	(1)	1	(1)	1	—	1
Income (loss) from continuing operations	37	31	(288)	(100)	(320)	190
Income tax benefit (expense)	33	12	60	(324)	(219)	(70)
Loss from early extinguishment of debt	—	(26)	(138)	—	(164)	(1)
Other non-operating expense, net	(5)	(5)	(4)	(8)	(22)	(1)
Interest expense	(258)	(260)	(257)	(253)	(1,028)	(255)
Operating income	267	310	51	485	1,113	517
Litigation and investigation costs	(5)	(1)	(6)	(11)	(23)	(6)
Gains on sales, consolidation and deconsolidation of facilities	15	23	104	2	144	110
Impairment and restructuring charges, and acquisition-related costs	(33)	(41)	(329)	(138)	(541)	(47)
Depreciation and amortization	(221)	(222)	(219)	(208)	(870)	$ (204)
Loss from divested and closed businesses	(16)	(19)	(6)	—	(41)	(1)
Adjusted EBITDA	**$ 527**	**$ 570**	**$ 507**	**$ 840**	**$ 2,444**	**$ 665**
Net operating revenues	$ 4,813	$ 4,802	$ 4,586	$ 4,978	$19,179	$ 4,699
Less: Net operating revenues from health plans	65	25	10	10	110	6
Adjusted net operating revenues	**$ 4,748**	**$ 4,777**	**$ 4,576**	**$ 4,968**	**$19,069**	**$ 4,693**
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders as a % of net operating revenues	**(1.1)%**	**(1.1)%**	**(8.0)%**	**(4.6)%**	**(3.7)%**	**2.1%**
Adjusted EBITDA as a % of adjusted net operating revenues (Adjusted EBITDA margin)	**11.1 %**	**11.9 %**	**11.1 %**	**16.9 %**	**12.8 %**	**14.2%**

Table #2 – Reconciliation of Net Income Available (Loss Attributable) to Tenet Healthcare Corporation Common Shareholders to Adjusted Net Income (Loss) from Continuing Operations Attributable to Common Shareholders

(Unaudited)

(Dollars in millions except per share amounts)	2017 1st Qtr	2017 2nd Qtr	2017 3rd Qtr	2017 4th Qtr	2017 Total	2018 1st Qtr
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	$ (53)	$ (55)	$ (367)	$ (229)	$ (704)	$ 99
Net income (loss) from discontinued operations	(1)	$ 1	(1)	1	—	1
Net income (loss) from continuing operations	(52)	(56)	(366)	(230)	(704)	98
Less: Impairment and restructuring charges, and acquisition-related costs(1)	(33)	(41)	(329)	(138)	(541)	(47)
Litigation and investigation costs	(5)	(1)	(6)	(11)	(23)	(6)
Gains on sales, consolidation and deconsolidation of facilities(2)	15	23	104	2	144	110
Loss from early extinguishment of debt(3)	—	(26)	(138)	—	(164)	(1)
Loss from divested and closed businesses	(16)	(19)	(6)	—	(41)	(1)
Tax impact of above items	14	25	26	49	114	(16)
Tax reform adjustment	—	—	—	(252)	(252)	—
Noncontrolling interests impact of above items	—	—	—	(23)	(23)	—
Adjusted net income (loss) from continuing operations attributable to common shareholders	$ (27)	$ (17)	$ (17)	$ 143	$ 82	$ 59
Diluted earnings (loss) per share	$ (0.52)	$ (0.56)	$ (3.63)	$ (2.28)	$ (7.00)	$ 0.95
Less: Impairment and restructuring charges, and acquisition-related costs	(0.33)	(0.41)	(3.26)	(1.35)	(5.34)	(0.46)
Litigation and investigation costs	(0.05)	(0.01)	(0.06)	(0.11)	(0.23)	(0.06)
Gains on sales, consolidation and deconsolidation of facilities	0.15	0.23	1.03	0.02	1.42	1.08
Loss from early extinguishment of debt	—	(0.26)	(1.37)	—	(1.62)	(0.01)
Loss from divested and closed businesses	(0.16)	(0.19)	(0.06)	—	(0.40)	(0.01)
Tax impact of above items	0.14	0.25	0.26	0.48	1.12	(0.16)
Tax reform adjustment	—	—	—	(2.47)	(2.49)	—
Noncontrolling interests impact of above items	—	—	—	(0.23)	(0.23)	—
Adjusted diluted earnings (loss) per share from continuing operations	$ (0.27)	$ (0.17)	$ (0.17)	$ 1.40	$ 0.81	$ 0.57
Weighted average basic shares outstanding (in thousands)	100,000	100,612	100,812	100,945	100,592	101,392
Weighted average dilutive shares outstanding (in thousands)	100,848	101,294	101,523	101,853	101,380	102,656

(1) Impairment and restructuring charges, and acquisition-related costs of $47 million in the three months ended March 31, 2018 consists of $19 million of impairment charges, primarily related to our Chicago-area facilities, $25 million of restructuring charges and $3 million of acquisition-related costs.

(2) Gain on sales, consolidation and deconsolidation of facilities of $110 million in the three months ended March 31, 2018 was primarily related to a gain on sale of MacNeal Hospital and its related physician practices and related assets in Chicago area and the sales of our minority interests in several Dallas-area hospitals.

(3) Loss from early extinguishment of debt of $1 million in the three months ended March 31, 2018 was related to the Company's debt redemptions.

Table #3 – Reconciliations of Net Cash Provided By Operating Activities to Free Cash Flow and Adjusted Free Cash Flow from Continuing Operations

(Unaudited)

(Dollars in millions)	2017					2018
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr
Net cash provided by operating activities	**$ 186**	**$ 215**	**$ 308**	**$ 491**	**$ 1,200**	**$ 113**
Purchases of property and equipment	(198)	(150)	(144)	(215)	(707)	(143)
Free cash flow	**$ (12)**	**$ 65**	**$ 164**	**$ 276**	**$ 493**	**$ (30)**
Net cash provided by (used in) investing activities	**$ (189)**	**$ (119)**	**$ 535**	**$ (206)**	**$ 21**	**$ 373**
Net cash used in financing activities	**$ (141)**	**$ (193)**	**$ (889)**	**$ (103)**	**$ (1,326)**	**$ (123)**
Net cash provided by operating activities	**$ 186**	**$ 215**	**$ 308**	**$ 491**	**$ 1,200**	**$ 113**
Less: payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(24)	(38)	(26)	(37)	(125)	(33)
Net cash provided by (used in) operating activities from discontinued operations	2	(4)	(1)	(2)	(5)	(1)
Adjusted net cash provided by operating activities from continuing operations	**208**	**257**	**335**	**530**	**1,330**	**147**
Purchases of property and equipment	(198)	(150)	(144)	(215)	(707)	(143)
Adjusted free cash flow – continuing operations	**$ 10**	**$ 107**	**$ 191**	**$ 315**	**$ 623**	**$ 4**

Table #4 – Reconciliation of Outlook Net Income (Loss) Attributable to Tenet Healthcare Corporation Common Shareholders to Outlook Adjusted EBITDA

(Unaudited)

(Dollars in millions)	Q2 2018		2018	
	Low	High	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (10)**	**$ 10**	**$ 100**	**$ 180**
Less: Net income attributable to noncontrolling interests	(95)	(105)	(410)	(430)
Net loss from discontinued operations, net of tax	(5)	—	(5)	—
Income tax expense	(45)	(50)	(205)	(225)
Interest expense	(250)	(260)	(1,000)	(1,010)
Loss from early extinguishment of debt	—	—	(5)	—
Other non-operating expense, net	—	(5)	(10)	(15)
Gains on sales, consolidation and deconsolidation of facilities[(1)]	—	—	110	110
Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements[(1)]	(25)	(15)	(125)	(75)
Depreciation and amortization	(195)	(205)	(790)	(810)
Loss from divested and closed businesses	—	(5)	(10)	(15)
Adjusted EBITDA	**$ 605**	**$ 655**	**$ 2,550**	**$ 2,650**
Income (loss) from continuing operations	**$ (5)**	**$ 10**	**$ 105**	**$ 180**
Net operating revenues	**$ 4,475**	**$ 4,675**	**$ 17,900**	**$ 18,300**
Income (loss) from continuing operations as a % of operating revenues	**(0.1)%**	**0.2%**	**0.6%**	**1.0%**
Adjusted EBITDA as a % of net operating revenues (Adjusted EBITDA margin)	**13.5 %**	**14.0%**	**14.2%**	**14.5%**

(1) The Company has provided an estimate of restructuring charges and related payments that it anticipates in 2018. The Company does not generally forecast impairment charges, acquisition-related costs, litigation costs and settlements, gains (losses) on sales, and consolidation and deconsolidation of facilities because the Company does not believe that it can forecast these items with sufficient accuracy since some of these items are indeterminable at the time the Company provides its financial Outlook.

Table #5 – Reconciliation of Outlook Net Income (Loss) Attributable to Tenet Healthcare Corporation Common Shareholders to Outlook Adjusted Net Income (Loss) from Continuing Operations Attributable to Common Shareholders

(Unaudited)

(Dollars in millions except per share amounts)	Q2 2018		2018	
	Low	High	Low	High
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	**$ (10)**	**$ 10**	**$ 100**	**$ 180**
Net loss from discontinued operations, net of tax	(5)	$ —	(5)	—
Net income (loss) from continuing operations	(5)	10	105	180
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	(25)	(15)	(125)	(75)
Gains on sales, consolidation and deconsolidation of facilities	—	—	110	110
Loss from early extinguishment of debt	—	—	(5)	—
Loss from divested and closed businesses	—	(5)	(10)	(15)
Tax impact of above items	5	—	(5)	(15)
Noncontrolling interests impact of above items	—	—	—	—
Adjusted net income (loss) from continuing operations available (attributable) to common shareholders	**$ 15**	**$ 30**	**$ 140**	**$ 175**
Diluted earnings (loss) per share	**$ (0.05)**	**$ 0.10**	**$ 1.02**	**$ 1.75**
Less: Impairment and restructuring charges, acquisition-related costs, and litigation costs and settlements	**(0.25)**	**(0.14)**	**(1.21)**	**(0.73)**
Gains on sales, consolidation and deconsolidation of facilities	**—**	**—**	**1.07**	**1.07**
Loss from early extinguishment of debt	**—**	**—**	**(0.05)**	**—**
Loss from divested and closed businesses	**—**	**(0.05)**	**(0.10)**	**(0.15)**
Tax impact of above items	**0.05**	**—**	**(0.05)**	**(0.14)**
Noncontrolling interests impact of above items	**—**	**—**	**—**	**—**
Adjusted diluted earnings (loss) per share from continuing operations	**$ 0.15**	**$ 0.29**	**$ 1.36**	**$ 1.70**
Weighted average basic shares outstanding (in thousands)	**101,000**	**101,000**	**102,000**	**102,000**
Weighted average dilutive shares outstanding (in thousands)	**102,000**	**102,000**	**103,000**	**103,000**

Table #6 – Reconciliation of Outlook Net Cash Provided by Operating Activities to Outlook Adjusted Free Cash Flow from Continuing Operations

(Dollars in millions)	2018	
	Low	High
Net cash provided by operating activities	**$ 1,245**	**$ 1,550**
Less: Payments for restructuring charges, acquisition-related costs and litigation costs and settlements[1]	(100)	(50)
Net cash used in operating activities from discontinued operations	(5)	—
Adjusted net cash provided by operating activities – continuing operations	**1,350**	**1,600**
Purchases of property and equipment – continuing operations	(625)	(675)
Adjusted free cash flow – continuing operations[2]	**$ 725**	**$ 925**

(1) The Company has provided an estimate of payments that it anticipates in 2018 related to restructuring charges. The Company does not generally forecast payments related to acquisition-related costs and litigation costs and settlements because the Company does not believe that it can forecast these items with sufficient accuracy since some of these items may be indeterminable at the time the Company provides its financial Outlook.

(2) The Company's definition of Adjusted Free Cash Flow does not include other important uses of cash including (1) cash used to purchase businesses or joint venture interests, or (2) any items that are classified as Cash Flows From Financing Activities on the Company's Consolidated Statement of Cash Flows, including items such as (i) cash used to repay borrowings, (ii) distributions paid to noncontrolling interests, or (iii) payments under the Put/Call Agreement for USPI redeemable noncontrolling interests, which are recorded on the Statement of Cash Flows as the purchase of noncontrolling interests.

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