



A Siemens Healthineers Company

Earnings Call Summary

Hospital Edition: Q2 2025

August 15, 2025

About the Earnings Call Summary

ECG has reviewed and summarized publicly traded hospital operators' earnings reports and call transcripts to highlight key industry trends and quarterly performance metrics.



Ardent Health Partners (ARDT) owns and operates a network of hospitals and clinics in the US.



Community Health Systems (CYH) owns, leases, and operates general acute care hospitals and more than 1,000 other sites of care in the US.



HCA Healthcare owns and operates hospitals and related healthcare entities in the US. It operates general and acute care hospitals and outpatient healthcare facilities that offer medical and surgical services.



Tenet Healthcare Corporation (THC) operates as a diversified healthcare services company in the US. The company primarily serves two segments: (1) hospital operations and services and (2) ambulatory care. It operates hospitals, ambulatory surgery centers, imaging centers, and surgical hospitals.



Universal Health Services (UHS) owns and operates inpatient acute care hospitals, inpatient behavioral health facilities, and a broad network of outpatient care facilities in 39 US states.

Notable Trends: Q2 2025

Nearly all health systems outperformed internal expectations for the quarter, driven by investments in outpatient facilities, payer mix tailwinds, and continued demand for services.

Revenue and EBITDA Growth

Most companies posted strong results, with year-over-year (YOY) growth in net revenue and EBITDA; four of the five companies raised or affirmed FY 2025 guidance.

THC and ARDT benefited from continued outpatient expansion, notably in investments such as urgent care centers, imaging centers, and ASCs. THC's USPI reported an 11.0% increase in EBITDA.

Labor and Workforce Management

Contract labor expense declined YOY, though staffing constraints persist in select markets, particularly within UHS's behavioral health facilities.

Several companies are deploying AI and virtual nursing platforms to lower bedside costs and improve employee retention.

Wage inflation has stabilized compared to pandemic era trends; however, physician expenses continue to rise and are expected to increase going forward.

Political and Economic Trends

Tariff Impact

Tariff commentary varied by company. HCA explicitly noted tariffs as a risk that was addressed in its strategic planning, while other companies did not discuss any tariff-specific items.

Medicaid Cuts

Market commentary sees impacts from Medicaid cuts beginning in 2028, with UHS most exposed given its behavioral health mix. Near-term impacts are considered manageable.

Q2 2025 Healthcare Mergers and Acquisitions (M&A) Activity



CYH completed the sale of Cedar Park Regional Medical Center to Ascension and divested its outpatient reference lab to Labcorp.

CYH stated it will continue pursuing hospital divestitures as part of its ongoing strategic business plan.

Key Takeaway

ARDT, CYH, and THC have emphasized that acquisition and divestiture activities are a key part of strategic growth and portfolio optimization plans. HCA has emphasized it will continue to pursue de-novo projects and joint ventures to expand its network. It is important to note that UHS does not report on acquisition and divestiture opportunities.



HCA had a quiet quarter in terms of M&A activity.

The company is focused on organic investment as a growth strategy, setting aside \$5 billion in CapEx funds for future projects.



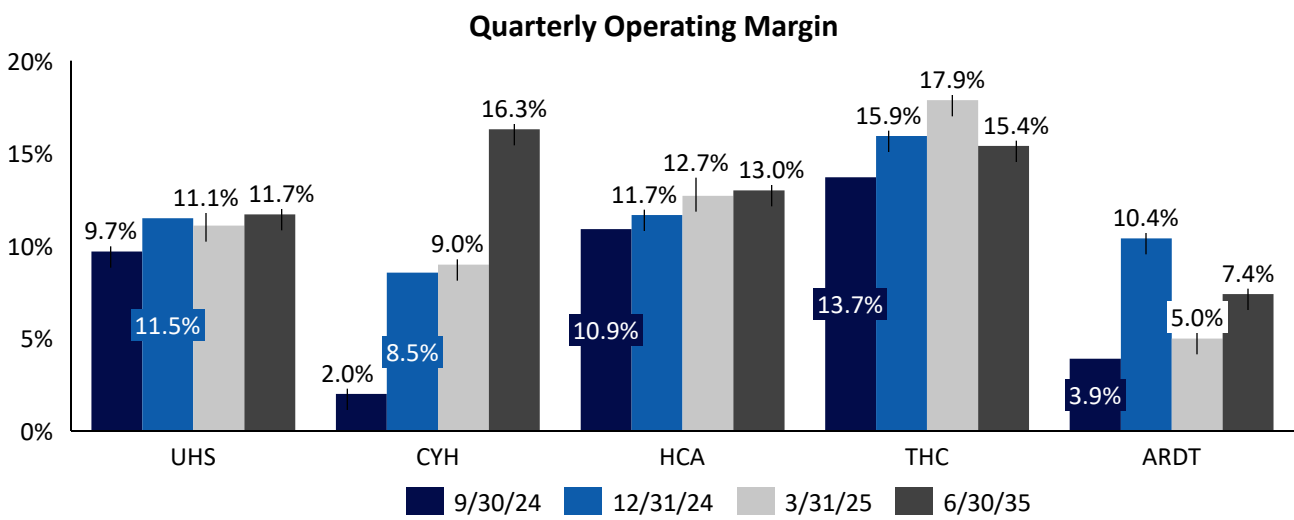
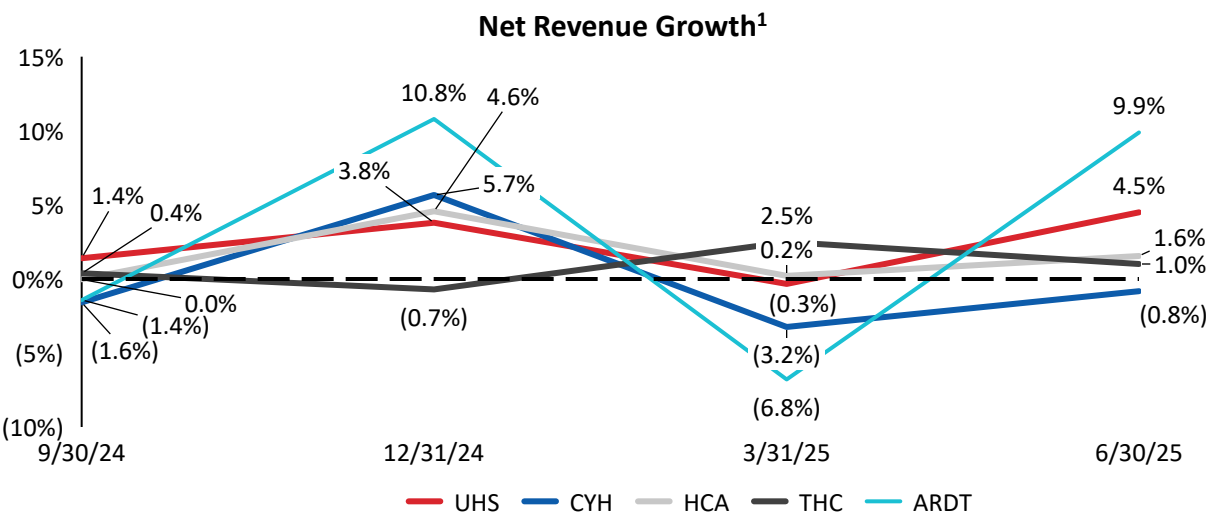
THC added eight new centers in the quarter; continued to express interest in M&A activities.



ARDT has acquired 18 urgent care centers in FY 2025 to date.

ARDT expects to add at least five more urgent care centers and two additional imaging centers to its facility portfolio.

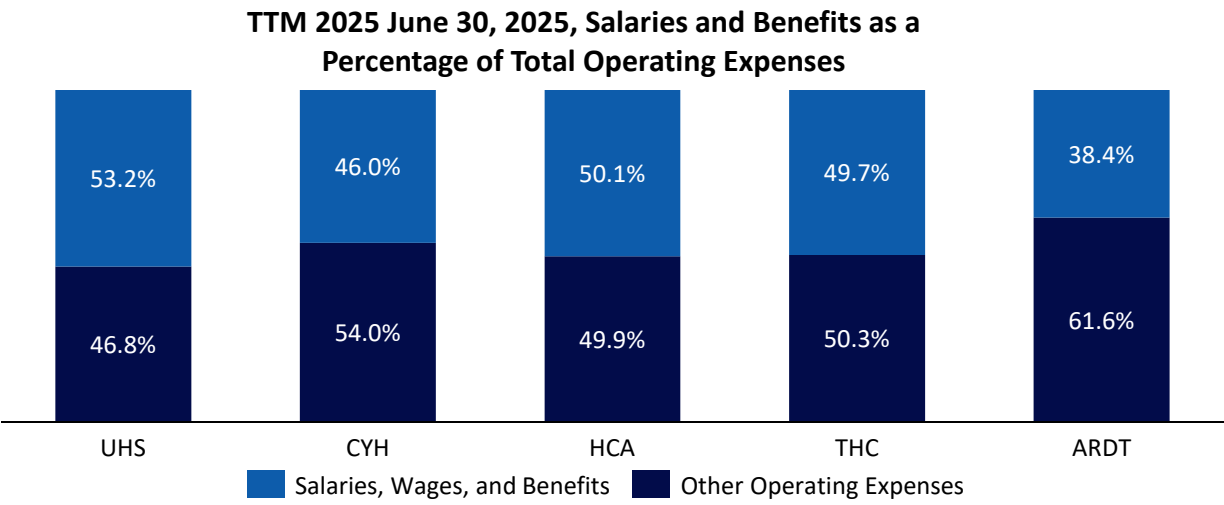
Financial Performance: Select Metrics



Key Takeaways

Most companies had double-digit operating margin performance in Q2 2025.

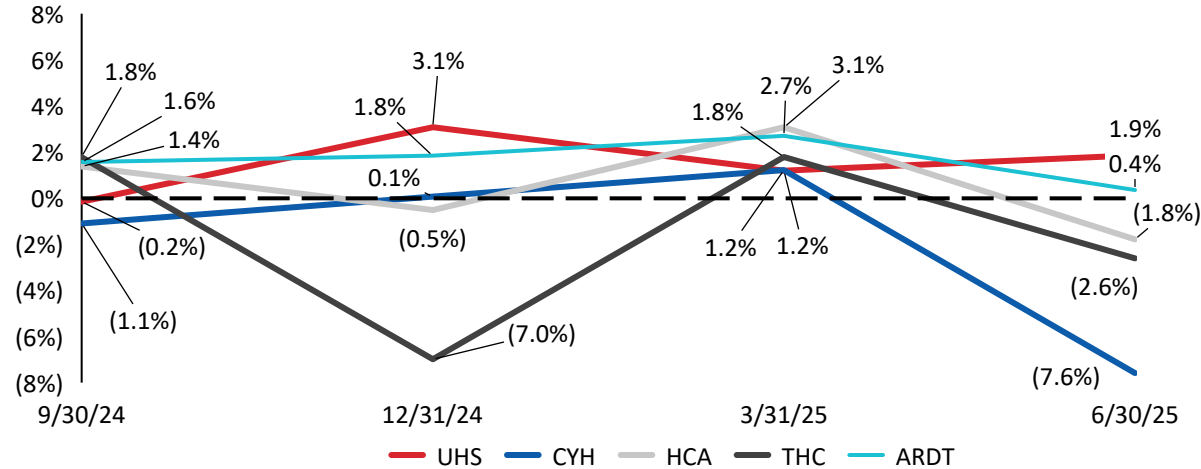
Most public hospital operators reported salaries and benefits expenses near 50% of total operating expenses. Each organization recounted that salaries and wages decreased modestly compared to Q2 2024.



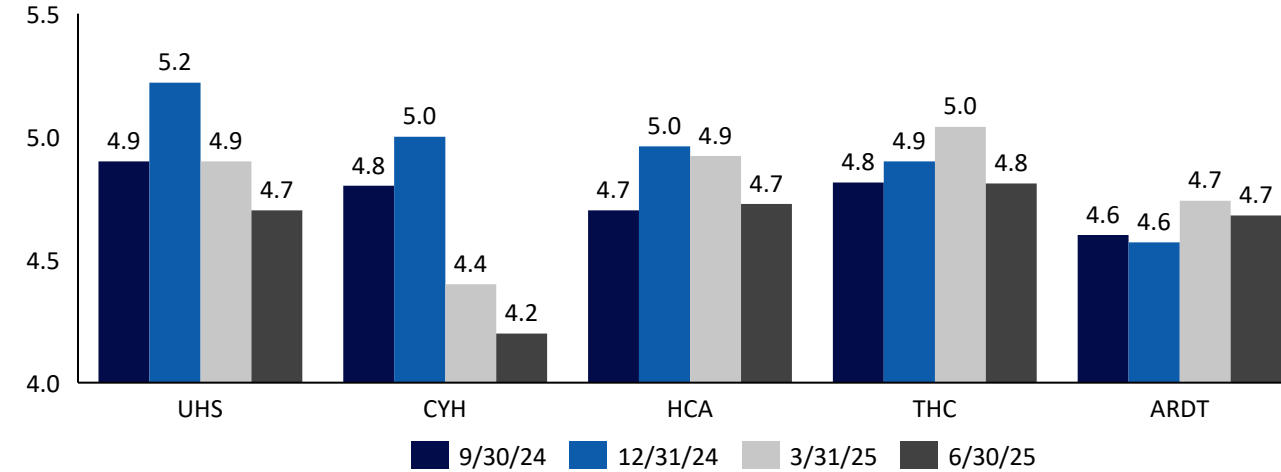
Source: S&P Capital IQ.
¹ Information reported on a quarter-over-quarter basis.

Operating Performance: Select Metrics

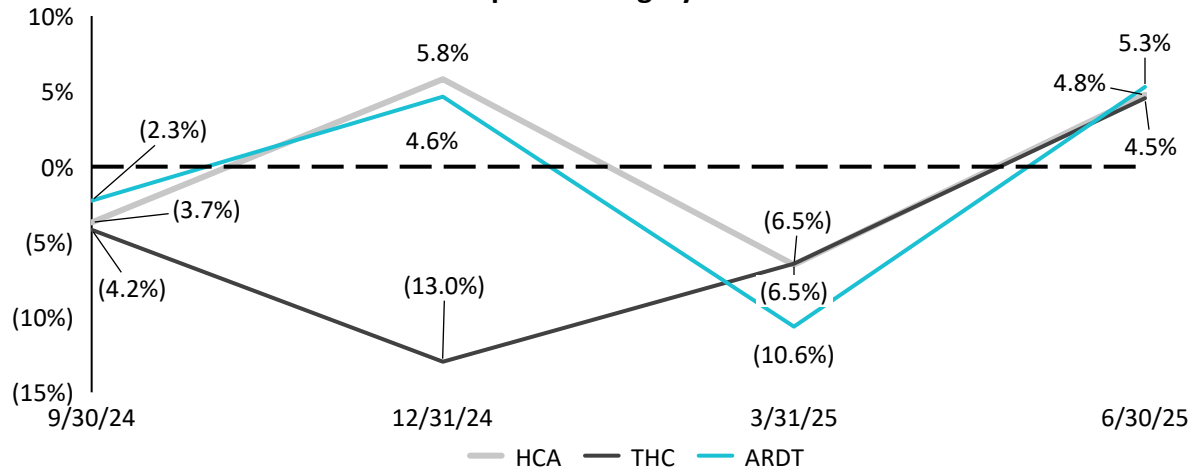
Inpatient Admissions Growth¹



Average Length of Stay



Outpatient Surgery Growth¹



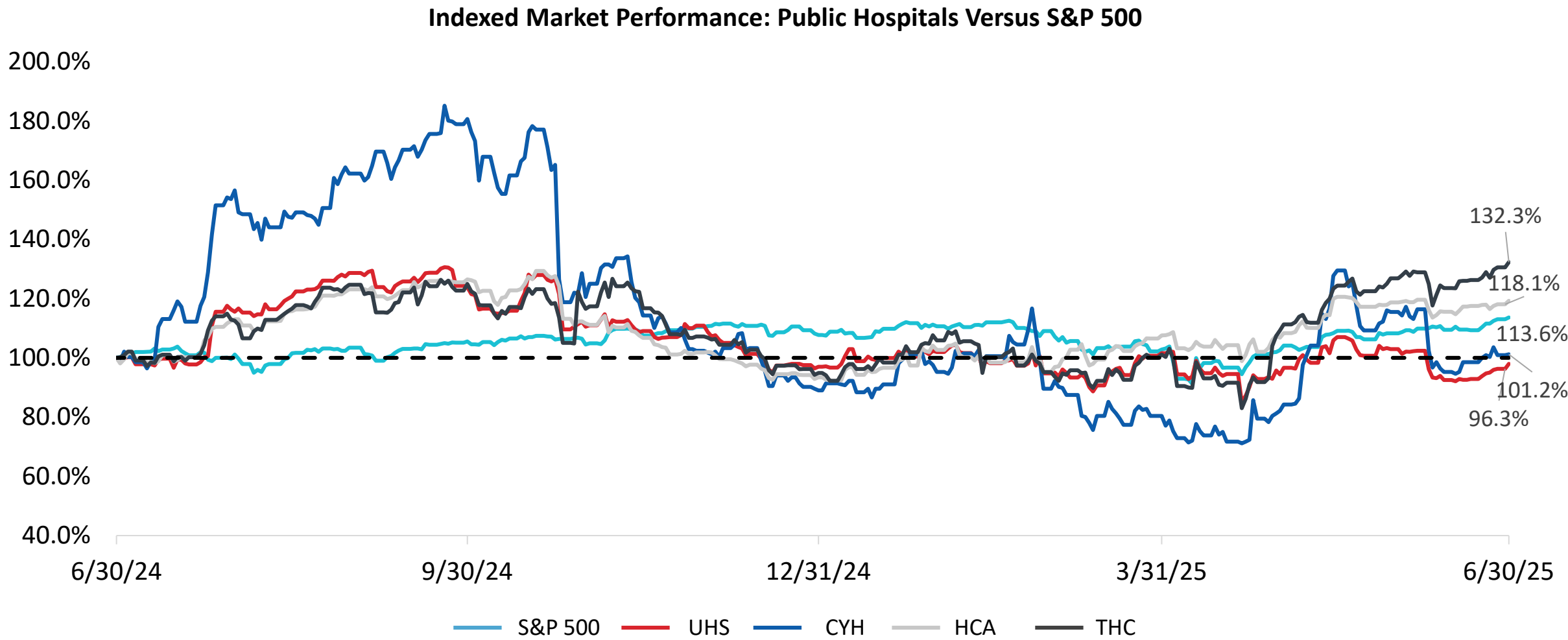
Hospital Operator	Licensed Beds: 3/31/25	Licensed Beds: 6/30/25	Percentage Change
UHS	31,077	31,413	1.08%
CYH	10,788	10,478	(2.87%)
HCA	50,571	50,485	(0.17%)
THC	12,435	12,435	0.00%
ARDT	<u>4,281</u>	<u>4,281</u>	<u>0.00%</u>
Total	109,152	109,092	(0.05%)

Sources: S&P Capital IQ and investor relations reports.

Note: Figures may not be exact due to rounding.

¹ Information reported on a quarter-over-quarter basis.

Market Performance



Source: S&P Capital IQ.
Note: ARDT went public on July 18, 2024. There is insufficient data available to incorporate ARDT into visual analyses.

ECG Mergers, Acquisitions, and Partnerships Team Leadership

From our more than five decades of collective experience, we have learned that successful problem-solving requires deep industry knowledge and expertise, rigorous data and analytics, strategic foresight, political and organizational savvy, and most importantly, practical solutions that get implemented.



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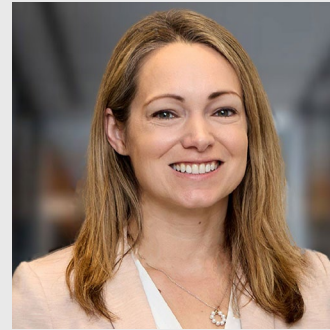
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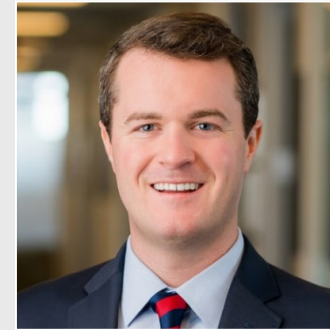
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