ECG MANAGEMENT CONSULTANTS
A Siemens Healthineers Company

Earnings Call Summary

Hospital Edition: Q2 2026

August 19, 2026

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 (ASCs), 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.

Sources: S&P Capital IQ and LinkedIn.

Notable Trends: Q2 2026

Despite continued demand growth across most markets, all five companies are navigating increasing pressure from exchange enrollment declines, elective procedure softness, and payer mix deterioration.

Current and Future Financial Performance

Companies reported continued volume growth in admissions, ED visits, and higher-acuity service lines despite lower elective-procedure volume. Decreased demand is attributable to affordability pressures and economic uncertainty among commercially insured patients.

THC was the only company to raise earnings guidance based on strong hospital and ASC performance. HCA, UHS, and CYH revised outlooks lower or proceeded with more cautious assumptions because of payer mix decline and coverage-related pressures.

Operational Performance

Cost management remains a strategic focus across all companies. Companies continue implementing enterprise-wide productivity programs focused on labor optimization, supply chain efficiencies, and revenue cycle improvements.

Investments remain focused in outpatient networks, ASCs, behavioral health, and capacity expansion projects as operators position themselves for long-term growth and continued migration of care to lower-cost settings.

AI and Technology

AI

AI and automation initiatives are increasingly moving from pilot programs into operational deployment.

Examples

- ARDT highlighted adopting virtual nursing and ambient documentation tools, while HCA, THC, and UHS discussed technology-enabled productivity improvements, digital transformation initiatives, and expense management.

Sources: S&P Capital IQ and public earnings call transcripts.

Q2 2026 Healthcare Mergers and Acquisitions (M&A) Activity

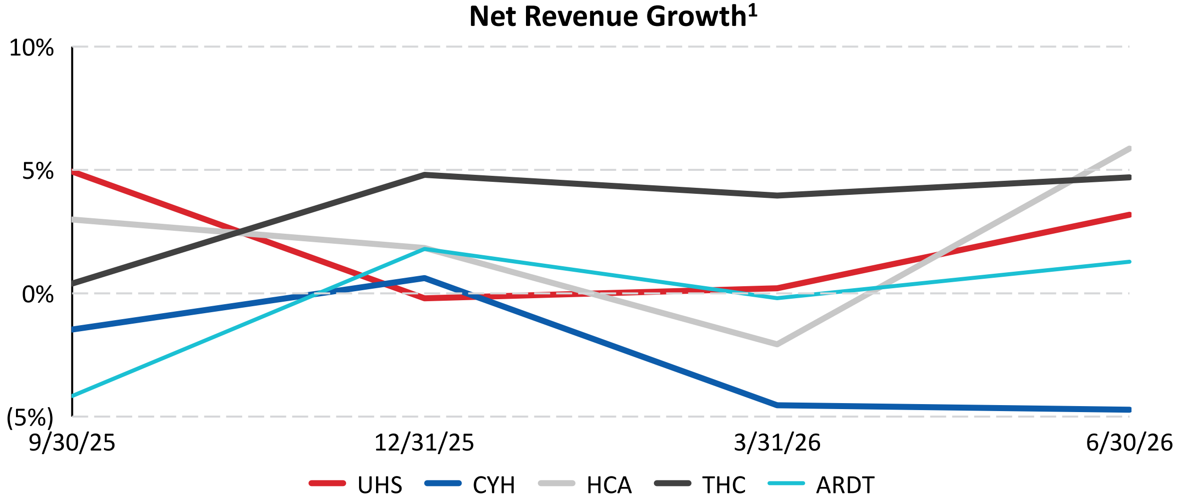
CHS Community Health Systems	HCA Healthcare	Tenet Health	Ardent Health
Completed acquisitions of majority ownership interests in the Surgical Institute of Alabama and South Anchorage Surgery Center	HCA remains focused on organic growth rather than traditional M&A. Management highlighted more than $7 billon of approved capital investments over the next three years.	THC was the most active acquirer among peers through USPI, raising expectations to exceed $300 million of M&A spending in 2026.	No significant acquisitions announced during the quarter
Management indicated continued interest in targeted ambulatory investments within core markets while continuing to divest noncore assets.	HCA continues to prioritize market expansion in high-growth Sun Belt markets.	Management highlighted a robust acquisition pipeline focused on ASCs and outpatient partnerships.	Capital deployment remains focused on higher-margin growth areas, including cardiology, women's services, and outpatient expansion.

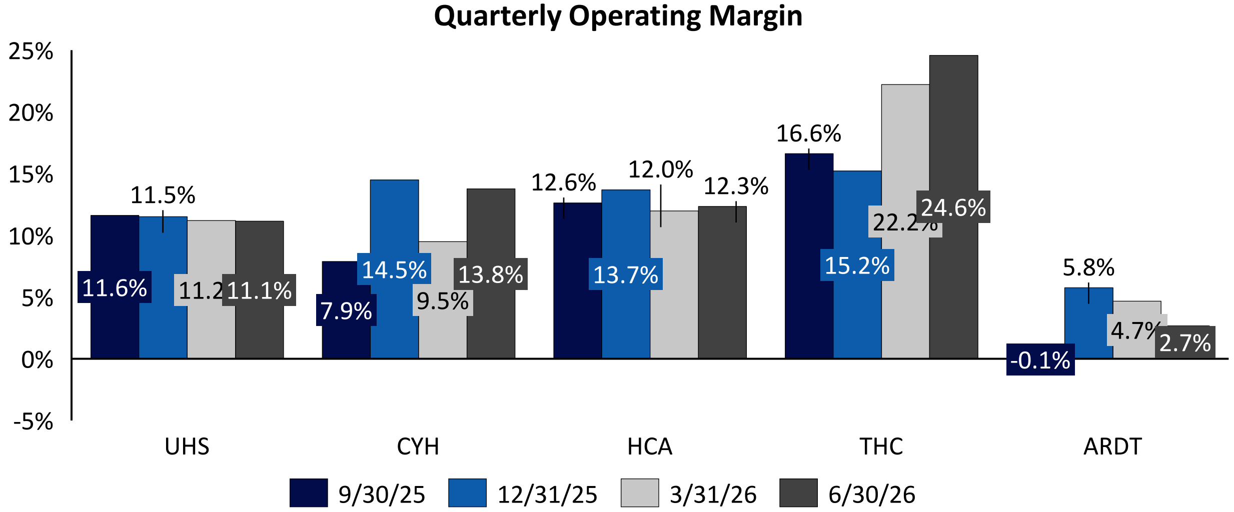
Key Takeaway

Investment activity remains focused in ambulatory, outpatient, behavioral health, and capacity expansion initiatives. THC continues to lead peers in acquisition activity, UHS is finalizing its acquisition of Talkspace, CYH is selectively acquiring ASC assets while divesting hospitals, and HCA remains focused on organic expansion.

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

Financial Performance: Select Metrics

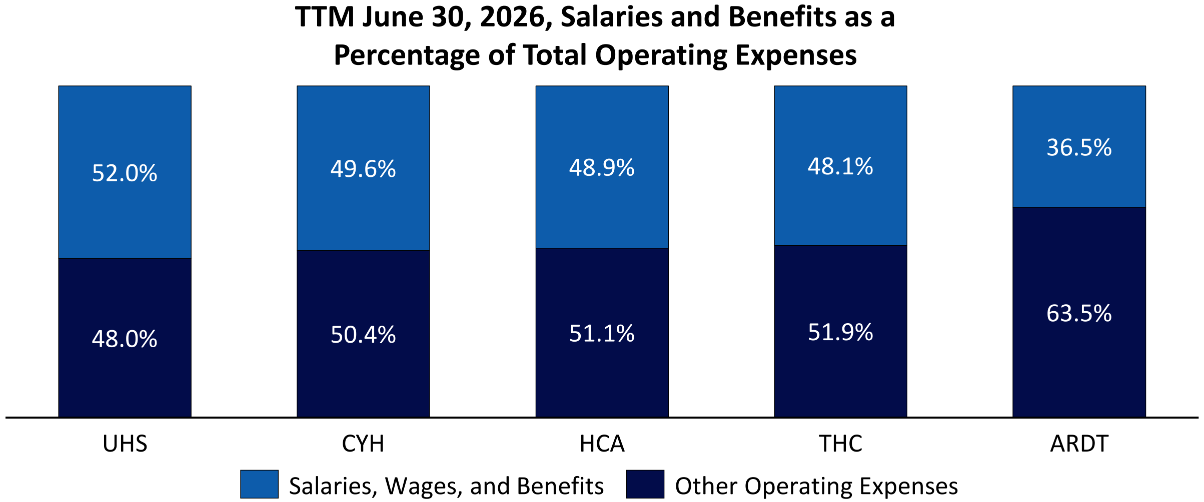




Key Takeaways

Four of the five companies had positive net revenue growth.

Quarterly operating income performance has remained steady for most of the companies. THC continues its quarterly performance with operating margin above 20.0% for the second quarter in a row.



Source: S&P Capital IQ.

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

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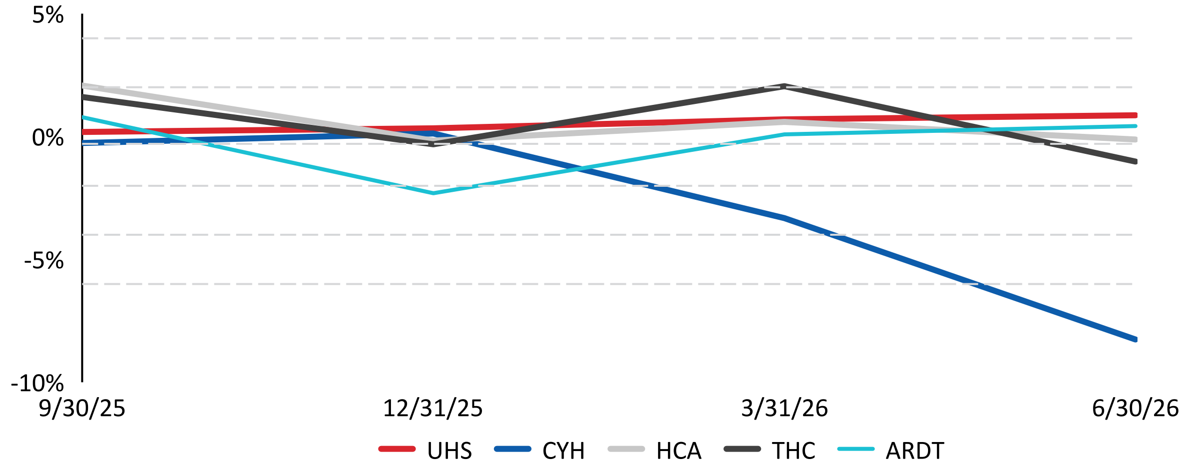
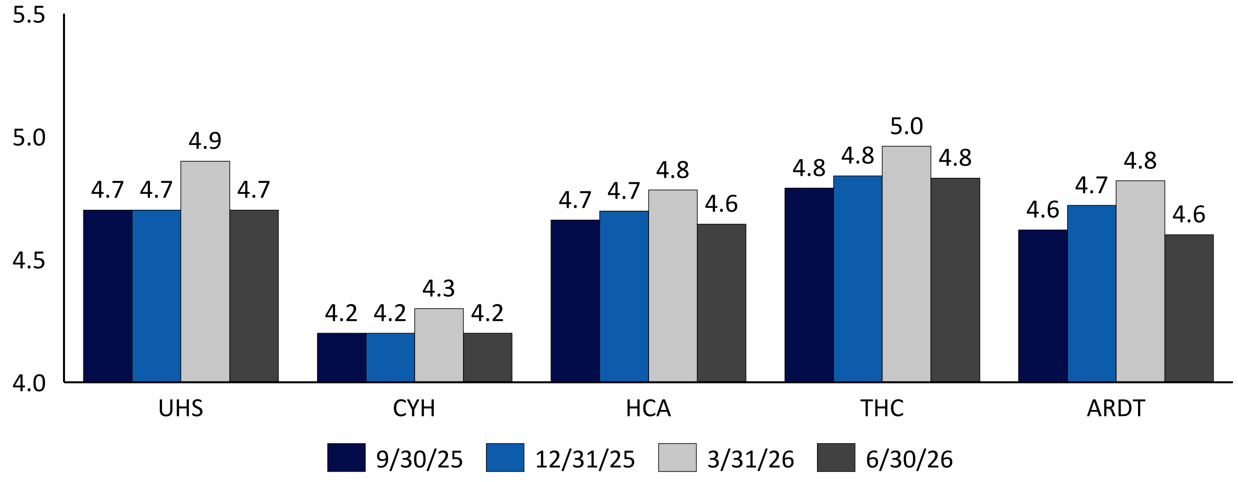
Operating Performance: Select Metrics

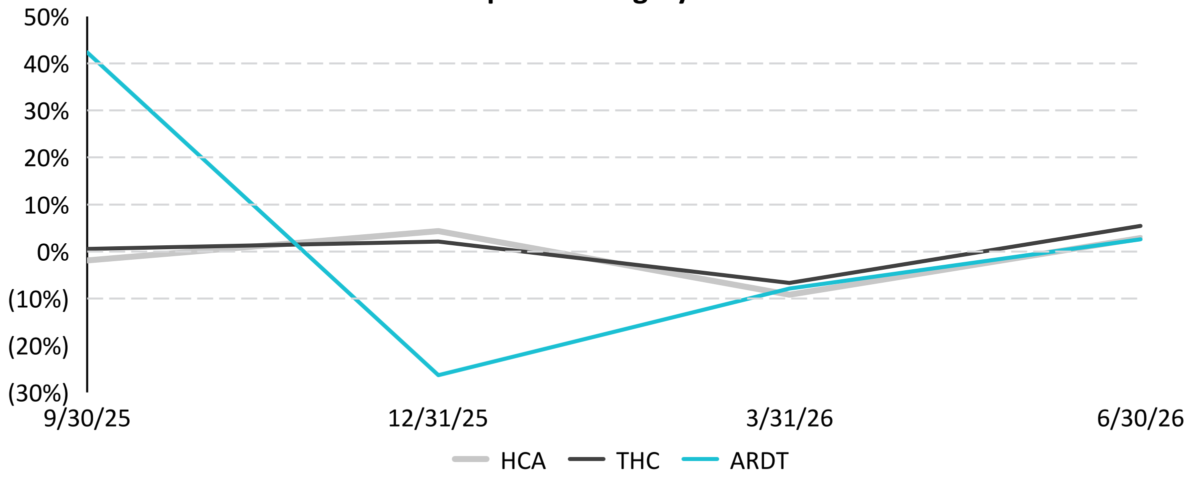
Inpatient Admissions Growth[1]



Average Length of Stay



Outpatient Surgery Growth[1]



Hospital Operator	Licensed Beds: 3/31/26	Licensed Beds: 6/30/26	Percentage Change
UHS	31,735	32,021	0.90%
CYH	9,530	8,863	(7.00%)
HCA	50,459	50,550	0.18%
THC	12,499	12,461	(0.30%)
ARDT	4,281	4,281	0.00%
Total	**108,504**	**108,176**	**(0.30%)**

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.

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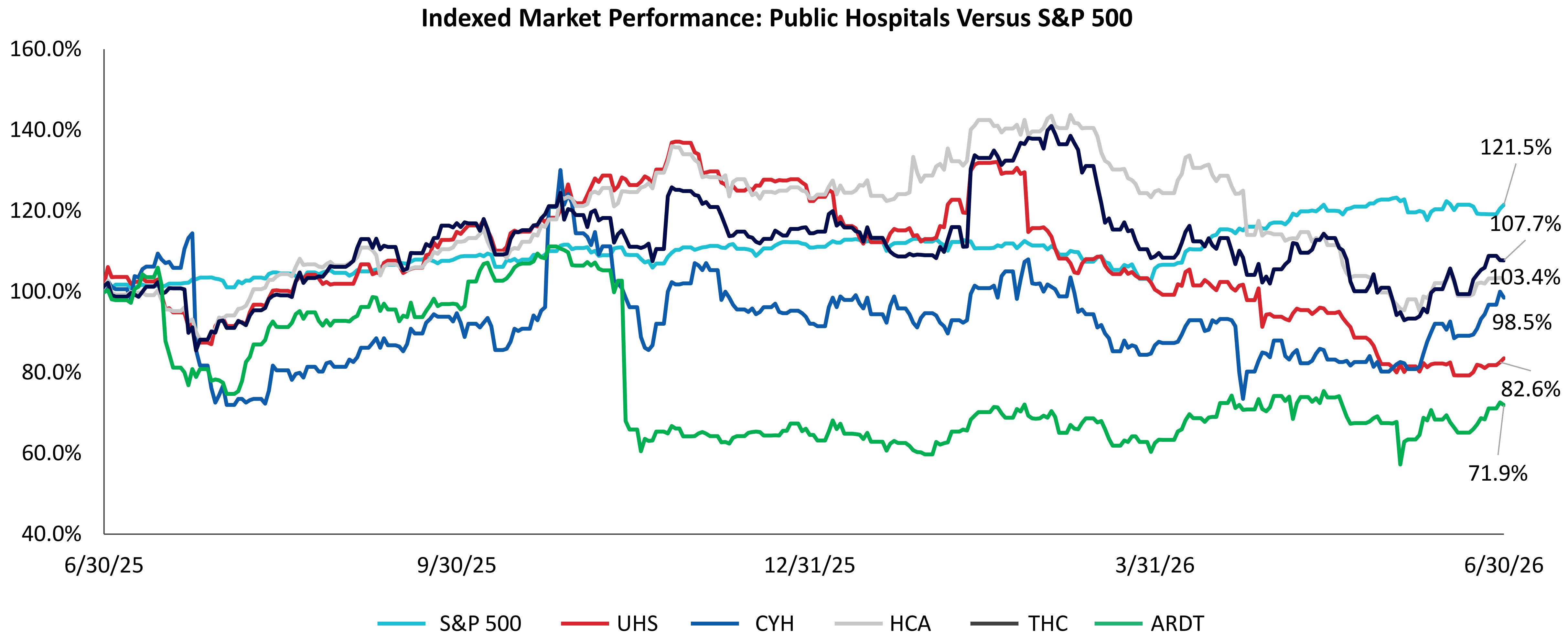
Market Performance



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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