



A Siemens Healthineers Company

Earnings Call Summary

Hospital Edition: Q4 2024

April 4, 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 71 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 27 inpatient acute care hospitals, 333 inpatient behavioral health facilities, and a broad network of outpatient care facilities in 39 US states.

Notable Trends: Q4 2024

Health systems continue to see strong demand, improved financial performance, and easing labor cost pressures.

Revenue and EBITDA Growth

- All five companies reported YoY revenue growth, ranging from mid-single to double digits. Additionally, most achieved higher EBITDA margins compared to Q4 2023.
- Ardent and CHS experienced notable profit boosts from New Mexico's Medicaid supplemental payment program. HCA and UHS also cited Medicaid payments as financial tailwinds but alluded to possible headwinds ahead due to the evolving reimbursement landscapes.

Labor and Workforce Management

- Contact labor costs declined across all organizations, helping drive margin recovery after previous cost pressures.
- Companies are increasingly focused on improving nurse retention, enhancing employee benefits, and investing in administrative support to increase workforce satisfaction and operational efficiency.

Other Key Trends

- **Capacity and Access Expansion**
Organizations expanded care delivery networks in 2024 through new hospital openings, urgent care acquisitions, and ASC growth. These investments aim to improve patient access in high growth markets.
- **Market Uncertainty**
All companies cited regulatory and reimbursement uncertainty as a major concern. Many expressed a cautious outlook for 2025, particularly regarding the sustainability of Medicaid supplemental payments and potential policy changes with a new administration.

Q3 2024 Healthcare Mergers and Acquisitions (M&A) Activity



- ➔ CHS finalized its transaction to acquire 10 urgent care clinics in Tucson, Arizona.
- ➔ It plans to finalize additional divestitures in ShorePoint Health and Lake Normal Regional Medical Center.
- ➔ CHS has mentioned that it will continue to divest its hospital locations as part of its continued strategic divestitures initiative.



- ➔ HCA entered an asset purchase agreement on October 3 to purchase Lehigh Regional Medical Center in Lehigh Acres, Florida.
- ➔ HCA operated Terre Haute Regional Hospital, and the FTC advised Union Health not to merge, citing antitrust regulations.

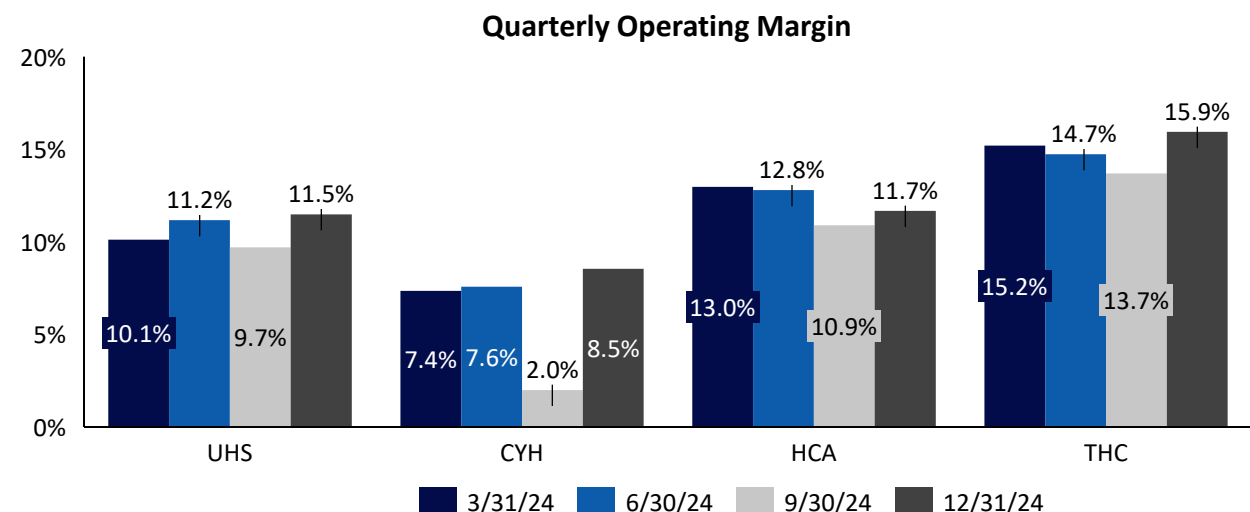
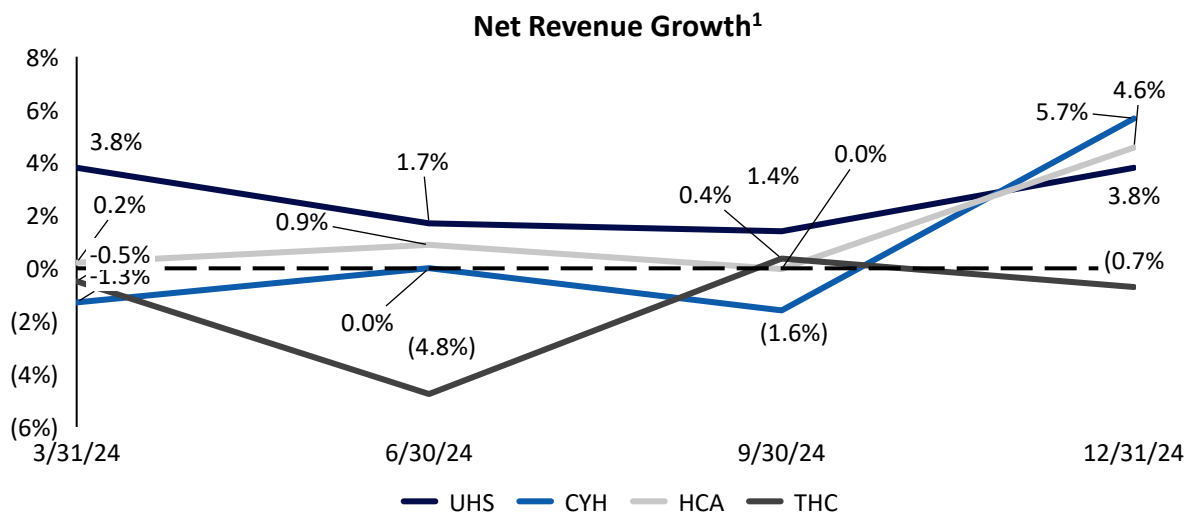


- ➔ Tenet completed the sale of 14 hospitals during 2024, generating approximately \$5 billion in gross income.
- ➔ It plans to invest \$250 million annually in ambulatory M&A, with 10–12 de novo centers expected in 2025.

Key Takeaway

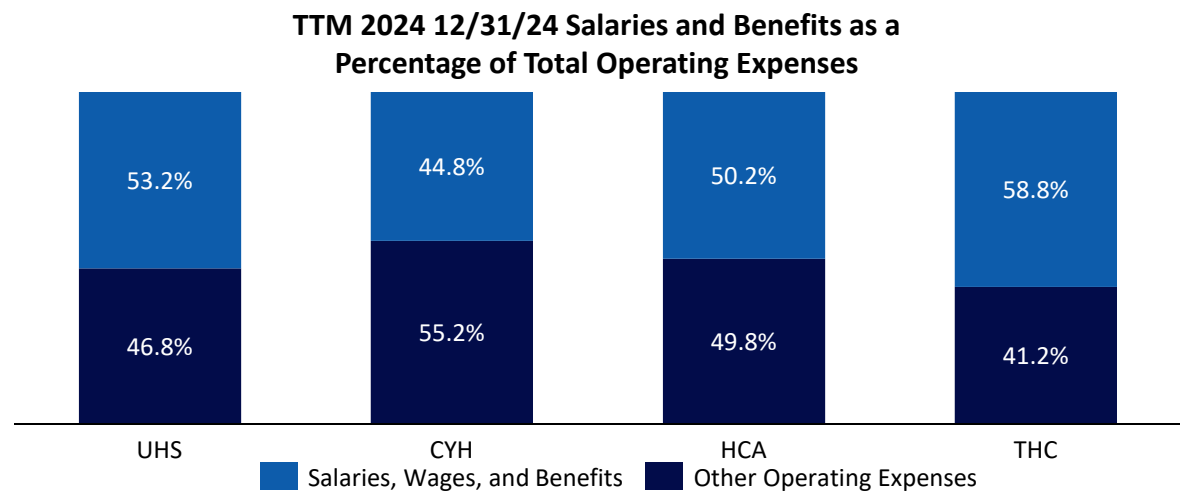
- ➔ Ardent, Community, HCA, and Tenet have emphasized that acquisition and divestiture activities are a key part of strategic growth and portfolio optimization plans. It is important to note that Universal Health Systems does not report on acquisition and divestiture opportunities.

Financial Performance: Select Metrics



Key Takeaways

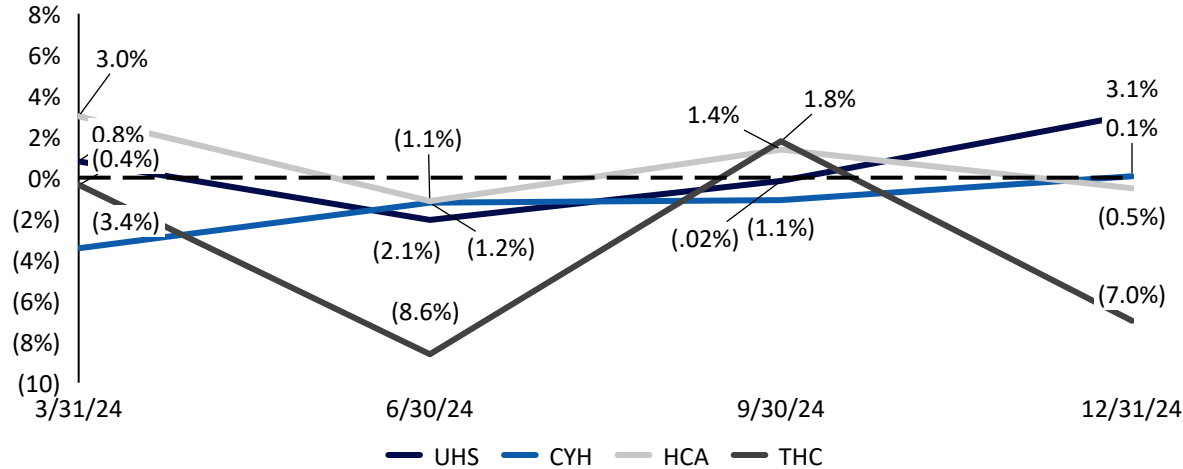
- ➔ Most companies had double-digit operating margin performance in Q4 2024.
- ➔ All public hospital operators reported salaries and benefits expenses near 50% of total operating expenses. Each organization recounted that salaries and wages decreased significantly as compared to Q4 2023.



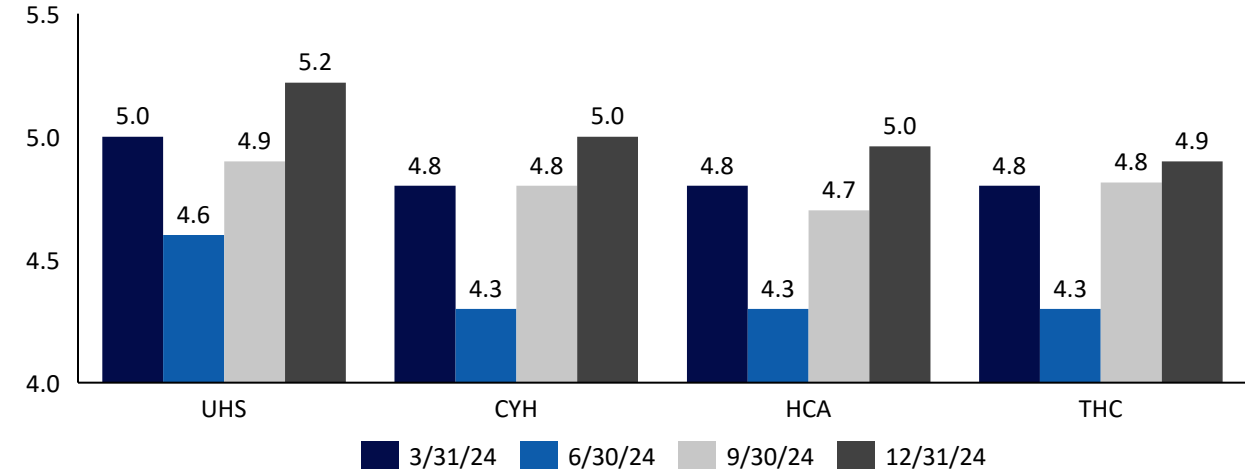
Source: S&P Capital IQ.
Note: ARDT went public on July 18, 2024. There is insufficient data available to incorporate ARDT into visual analyses.
¹ Information reported on a quarter-over-quarter basis.

Operating Performance: Select Metrics

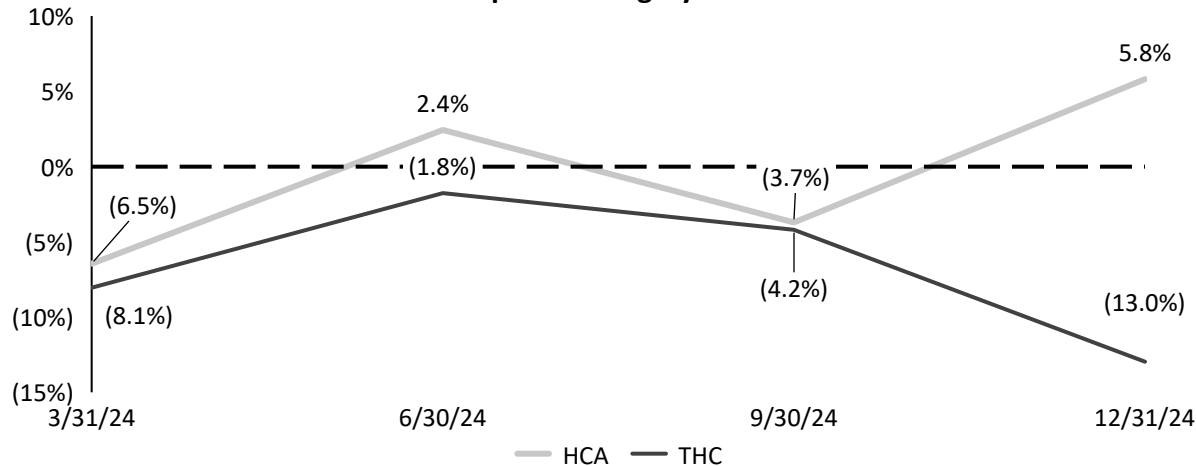
Inpatient Admissions Growth¹



Average Length of Stay



Outpatient Surgery Growth¹



Hospital Operator	Licensed Beds
Universal Health Services	31,037
Community Health Systems	11,403
HCA Healthcare	49,985
Tenet Healthcare	12,435
Ardent Health	4,281
Total	109,141

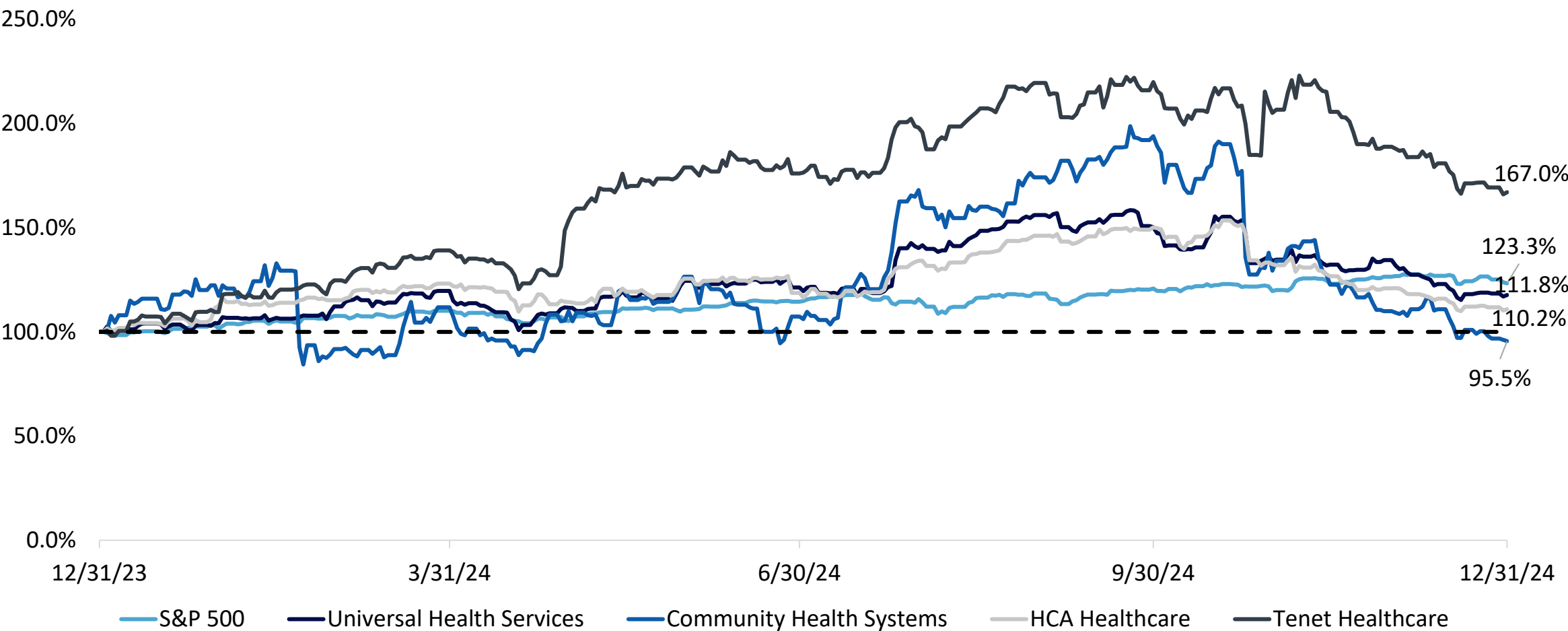
Sources: S&P Capital IQ and investor relations reports.

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Market Performance

Indexed Market Performance: Public Hospitals versus S&P 500



Source: S&P Capital IQ.
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ECG Mergers, Acquisitions, and Transactions 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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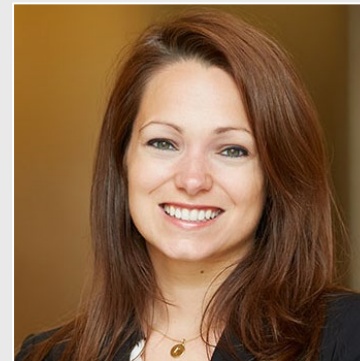
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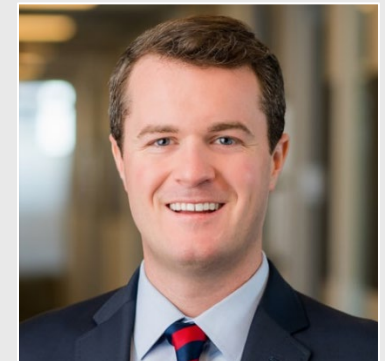
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