HCA Investor Update
This presentation may contain certain forward-looking statements provided by Company management. These statements are intended to be covered by the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, including statements regarding future operations, financial results, cash flows, costs and cost management initiatives, capital structure management, growth rates, and operational and strategic initiatives, and can also be identified by the use of words like “may,” “believe,” “will,” “expect,” “project,” “estimate,” “anticipate,” “intend,” “plan,” “initiative,” “continue” or words or phrases of similar meaning. These forward-looking statements speak only as of the date hereof and are based on our current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond our control. These risks and uncertainties are described under headings such as “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2015 and other reports filed with the Securities and Exchange Commission. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ significantly from those expressed in any forward-looking statements in today’s presentation. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented and we do not intend to update any of these forward-looking statements.

The presentation may contain certain non-GAAP measures, including Adjusted EBITDA. The Company’s earnings releases for the year ended December 31, 2015 and quarter and six months ended June 30, 2016 located on the Company’s investor relations page at www.hcahealthcare.com, include a reconciliation of the difference between certain non-GAAP financial measures with the most directly comparable financial measure calculated in accordance with GAAP. These non-GAAP financial measures should not be considered alternatives to the GAAP financial measures.

References to “Company” used herein refer to HCA Holdings, Inc. and its affiliates, unless otherwise stated or indicated by context.
Our strategy:

To leverage the scale and capabilities of HCA in the local markets to create competitive advantage and be the provider system of choice for patients and physicians

- Industry leading quality and service
- Profitable growth through distinctive physician & patient relationships
- Industry leading efficiency
- A well-informed response to the market environment
- Unparalleled development of future leaders
Driving value for key stakeholders

**Patients**
- Safe
- High quality
- Compassionate
- Convenient
- User friendly
- Cost-effective

**Physicians**
- Clinical capabilities
- Efficient place to practice
- Voice
- Growth

**Employees**
- Compensation and benefits
- Training and development
- Resources
- Advancement

**Payers**
- Comprehensive network of access points and service lines
- Competitively priced
- Physician network
- Clinical Outcomes

**Shareholders**
- Earnings growth
- Return on capital
- Future growth
- Management
- Governance
Today’s site specific care delivery

“*We believe the future will reward comprehensive integrated delivery networks*”

- Urgent Care
- Specialists
- Behavioral Health
- FreeStanding ERs
- Primary Care
- Surgery Centers
- Hospitals
- Imaging Centers
Sustaining top line growth

- Admissions: 1.9M (3.8%)
- Equivalent Admissions: 3.1M (4.8%)
- ER Visits: 8.1M (7.1%)
- Surgeries: 1.4M (2.5%)
- Revenue: $39.7B (7.2%)

Values represent 2015 results
Percentages represent 5 year CAGR: 2010 – 2015
Sustaining market share growth

Note: Percentages represent current market share¹
Market Share Notes: Source = State data via Stratasan
Strengthening a diversified portfolio

Note: Percentages represent current market share\(^1\)
Growing diversification in mix of revenue

- Acute Care
  - 169 Hospitals
  - 44K Licensed Beds

- Ambulatory Services
  - 116 ASCs
  - 15 GI Centers

- Access Centers
  - 69 Urgent Care Centers
  - 57 Freestanding ERs

- Physicians
  - ~830 Physician Clinics
  - 35K Active Medical Staff

Enterprise Services
Quality agenda is yielding results

Delivering clinical excellence

- Data Driven
  - Continuing strong performance on external reporting
  - Reducing complications and mortality through clinical excellence program
  - Maximizing meaningful use incentives
  - Piloting front-end EHR strategies
  - Leveraging the clinical data warehouse for clinical and operational insights
  - Developing a national reputation for improving clinical outcomes
  - Making progress on patient experience, but room exists for improvement

- Team Based (Physician Led)

- Patient Focused
Making significant investments in our markets

$14+ billion since the IPO

Acquisitions
- Hospitals: 17
- Beds: 3,965

Capacity
- Free Standing ERs: 39
- FSER Beds: 452
- ER Beds: 214
- Hospital Beds: 2,258
EBITDA growth up 34% and margins at industry leading levels

5-year Adjusted EBITDA CAGR: 6.2%

5 year Adj.
EPS CAGR: 13.7%*

* Adj. EPS excludes the impact of items such as, but not limited to, gains or losses on sales of facilities, losses on retirement of debt, legal claim costs, impairments of long-lived assets
Balanced approach to capital deployment

- Cash Flows from Operations: $22.8B
- Capital Expenditures: $10.9B
- Acquisitions: $3.9B
- Special Dividends: $3.2B
- Share Repurchases: $8.0B

Use of Cash Flows from March 2011 IPO through 2Q 2016
Strategy is strengthening the sources of differentiation

- Diversified portfolio
- Scale
- Financial strength
- Deep and experienced leadership
- Strong operating culture
Market demand for healthcare is still growing

CMS projects health spending for U.S. to grow 5.8% annually for 2014 – 2024:\(^2\):

**Key Drivers:**
- Population growth
- Aging population
- Chronic conditions
- Clinical innovation
- ACA coverage expansion
National health expenditure projections forecast accelerating growth

- 1% overall population growth annually through ‘24
- Over 64 population to grow 3.4% annually during same time period
- Health spending outpacing GDP growth by 1.1% per year
- Health share of GDP to rise to 19.6% by ‘24, up 220 bps since ‘13
HCA markets are more favorable than U.S.

<table>
<thead>
<tr>
<th>Metric</th>
<th>HCA</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-year Population CAGR^4</td>
<td>1.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td>5-year Demand CAGR^5</td>
<td>2.2%</td>
<td>1.6%</td>
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<tr>
<td>GDP Growth^6</td>
<td>3.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Unemployment Rate^7</td>
<td>4.6%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

Pricing environment is stable

✓ Reimbursement tied to value is still modest
✓ While Shared Saving Program has not proven effective, Medicare has migrated to bundled payment pilots
✓ No significant commercial payer migration to risk or into provider space
✓ Payer consolidation should have a marginal impact, if allowed to move forward
✓ Employers:
  • Continued movement to high-deductible health plans
  • Slow to adopt defined contribution plans
  • Not “moving” employees into exchanges
Alternative payment models are evolving

Revenue Model

- Full Risk
- Corridor risk
- Bundled Payment
- Fee for Value-P4P
- Fee for Service

Management Challenge

Balancing the risk & pace of integration investment vs the changing revenue model

Business Risk

Fast Moving?

Slow Moving

Low

“Fragmented delivery”

High

“Integrated delivery”

Strengthening our delivery capability

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Competitor dynamics are mostly unchanged

- Healthcare is still a local business
- Industry remains largely fragmented with few scaled players
- Pace of change across the industry is slow
- No new entrants are materially disrupting the markets
- Vertical integration (employment) has slowed on the physician side and in the payer space
- Rational pricing environment remains
- Capital spending is increasing in some markets
Growth opportunities still exist in HCA markets

- Local Sustainable Growth
  - Operational Excellence
  - Access and Convenience
  - Coordination Across Continuum
  - Strong Physician Relationships
  - Comprehensive Service Lines

- ✓ Capacity expansion
- ✓ New facilities
- ✓ Intra-network retention
- ✓ Medical staff development
- ✓ Rural outreach
- ✓ Complementary acquisitions
Leveraging our scale to create local market competitive advantage

- **Economies**
  - Make our business better
- **Innovation**
  - Drive more growth
  - Get to market faster
- **Capital**
  - Support even better execution
Capacity coming online continues to accelerate

![Graph showing capacity coming online](chart.png)

- **IP Beds**
  - 2012-2013: 808
  - 2014-2015: 901
  - 2016-2017 Proj: 975

- **ER + FSER Beds**
  - 2012-2013: 202
  - 2014-2015: 355
  - 2016-2017 Proj: 347
Advancing the patient experience

- Adding corporate talent
- Implementing standards on best practices
- Focusing efforts at certain facilities
- Leveraging nursing agenda
- Leadership training
- Incentives
- More granular reporting and analytics
Investing in our people

- Implementing OneHR platform
- Expanding Executive Development Program
- Focusing on nurse retention and nurse directors
- Leveraging Parallon Workforce Solutions (StaRN)
- Ongoing HCA summits for service line networking and leadership training
- Investing in better analytics and management systems
Partnering with physicians

**Corporate Support Areas:**
- Practice Operations
- Provider Relations
- Chief Medical Officers
- Hospital Based
- GME
- Recruitment
- Urgent Care
- Leadership Development
- Credentialing
- Branding Program
- Engagement Surveys
15.3M eligible enrollees remain across HCA’s 20 states, including 30%, or 4.5M, who are tax credit eligible. 

* Tax credit eligible enrollees
Continue to drive for value

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Capitalize further on our sources of differentiation and maintain agility.

- Diversified portfolio
- Scale
- Financial strength
- Deep and experienced leadership
- Strong operating culture
Notes and Sources

1 Market Share Notes:
   • Same Store. Composition Market (In Market + In Migration)
   • Statistics are based on inpatient discharge data for the most recently available 48 month period for 30 defined markets.
   • Analysis includes data for 30 markets with data through 4Q’15
   • Source = State data via Stratasan


4 ESRI – 5 year CAGR, 2015-2020 population projection

5 Sg2 – 5 year CAGR, 2015-2020 inpatient admissions Demand based on epidemiology and population forecasts, 2014 base year. Excludes normal newborns.


8 Potential enrollment eligible population defined as people who were uninsured or buying their own insurance before the ACA went into effect, who are not eligible for Medicaid or employer coverage, including Tax Credit Eligible, Ineligible for Financial Assistance due to Income, ESI Offer or Citizenship, and In the coverage gap who are citizens or authorized immigrants. Source: KFF - Distribution of Eligibility for ACA Health Coverage Among those Remaining Uninsured as of 2015. Timeframe: January 12, 2016.
http://kff.org/health0reform/state0indicator/distribution0of0eligibility0for0aca0coverage0among0the0remaining0uninsured/
for notes and sources