Earnings Presentation – 2nd Quarter, 2021

CHS Community Health Systems

Disclaimer Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995 that involve risk and uncertainties. All statements in this presentation other than statements of historical fact, including statements regarding projections, expected operating results, and other events that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “thinks,” and similar expressions, are forward-looking statements. Although the Company believes that these forward-looking statements are based on reasonable assumptions, these assumptions are inherently subject to significant economic and competitive uncertainties and contingencies, which are difficult or impossible to predict accurately and may be beyond the control of the Company. Accordingly, the Company cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements. A number of factors could affect the future results of the Company or the healthcare industry generally and could cause the Company’s expected results to differ materially from those expressed in this presentation. These factors include, among other things: developments related to COVID-19, including, without limitation, related to the length and severity of the pandemic; the volume of canceled or rescheduled procedures; the volume of COVID-19 patients cared for across our health systems; the timing, availability and adoption of effective medical treatments and vaccines; the spread of potentially more contagious and/or virulent forms of the virus, including any possible variants of the virus that may be resistant to currently available vaccines; measures we are taking to respond to the COVID-19 pandemic; the impact of government and administrative regulation on us; changes in net revenue due to patient volumes, payor mix and negative macroeconomic conditions; increased expenses related to labor, supply chain, capital and other expenditures; workforce disruptions; and supply shortages and disruptions; uncertainty regarding the implementation of the CARES Act, the PPPHCE Act, the CAA, the ARPA and any other future stimulus measures related to COVID-19, including the magnitude and timing of any future payments or benefits we may receive or realize thereunder; general economic and business conditions, both nationally and in the regions in which we operate, including economic and business conditions resulting from the COVID-19 pandemic; the impact of current or future federal and state health reform initiatives, including, without limitation, the Affordable Care Act, and the potential for changes to the Affordable Care Act, its implementation or its interpretation (including through executive orders and court challenges); the extent to and manner in which states support increases, decreases or changes in Medicaid programs, implement health insurance exchanges or alter the provision of healthcare to state residents through regulation or otherwise; the future and long-term viability of health insurance exchanges and potential changes to the beneficiary enrollment process; risks associated with our substantial indebtedness, leverage and debt service obligations, including our ability to refinance such indebtedness on acceptable terms or to incur additional indebtedness, and our ability to remain in compliance with debt covenants; demographic changes; changes in, or the failure to comply with, federal, state or local laws or governmental regulations affecting our business, including any such laws or governmental regulations which are adopted in connection with the COVID-19 pandemic; potential adverse impact of known and unknown government investigations, audits, and federal and state false claims act litigation and other legal proceedings; our ability, where appropriate, to enter into and maintain provider arrangements with payors and the terms of these arrangements, which may be further affected by the increasing consolidation of health insurers and managed care companies and vertical integration efforts involving payors and healthcare providers; changes in, or the failure to comply with, contract terms with payors and changes in reimbursement policies or rates paid by federal or state healthcare programs or commercial payors; any potential impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in inpatient or outpatient Medicare and Medicaid payment levels and methodologies; the effects related to the implementation of sequestration spending reductions pursuant to both the Budget Control Act of 2011 and the Pay-As-You-Go Act of 2010 and the potential for future deficit reduction legislation; increases in the amount and risk of collectability of patient accounts receivable, including decreases in collectability which may result from, among other things, self-pay growth and difficulties in recovering payments for which patients are responsible, including co-pays and deductibles; the efforts of insurers, healthcare providers, large employer groups and others to contain healthcare costs, including the trend toward value-based purchasing; increases in wages as a result of inflation or competition for highly technical positions and higher supply and drug costs due to market pressure from pharmaceutical companies and new product releases; liabilities and other claims asserted against us, including self-insured malpractice claims; competition; our ability to attract and retain, at reasonable employment costs, qualified personnel, key management, physicians, nurses and other healthcare workers; trends toward treatment of patients in less acute or specialty healthcare settings, including ambulatory surgery centers or specialty hospitals or via telehealth; changes in medical or other technology; changes in U.S. GAAP; the availability and terms of capital to fund any additional acquisitions or replacement facilities or other capital expenditures; our ability to successfully make acquisitions or complete divestitures, our ability to complete any such acquisitions or divestitures on desired terms or at all, the timing of the completion of any such acquisitions or divestitures, and our ability to realize the intended benefits from any such acquisitions or divestitures; the impact that changes in our relationships with joint venture or syndication partners could have on effectively operating our hospitals or ancillary services or in advancing strategic opportunities; our ability to successfully integrate any acquired hospitals, or to recognize expected synergies from acquisitions; the impact of seasonal severe weather conditions, including the timing and amount of insurance recoveries in relation to severe weather events; our ability to obtain adequate levels of insurance, including general liability, professional liability, and directors and officers liability insurance; timeliness of reimbursement payments received under government programs; effects related to pandemics, epidemics, or outbreaks of infectious diseases, including the novel coronavirus causing the disease known as COVID-19 as noted above; the impact of cyber-attacks or security breaches; any failure to comply with the terms of the Corporate Integrity Agreement; the concentration of our revenue in a small number of states; our ability to realize anticipated cost savings and other benefits from our current strategic and operational cost savings initiatives; any changes in or interpretations of income tax laws and regulations; and the other risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission on February 18, 2021, and other public filings with the Securities and Exchange Commission.

The consolidated operating results for the three and six months ended June 30, 2021, are not necessarily indicative of the results that may be experienced for any future periods. The Company cautions that the projections for calendar year 2021 set forth in this presentation are given as of the date hereof based on currently available information. The Company undertakes no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

The hospitals, operations, and businesses described in this document are owned and operated by distinct and indirect subsidiaries of Community Health Systems, Inc.

Community Health Systems

- Tim L. Hingtgen
  Chief Executive Officer

- Kevin J. Hammons
  President and CFO

- Lynn T. Simon
  President, Clinical Operations and CMO

Earnings Presentation – 2nd Quarter, 2021

CHS Community Health Systems

A Transformation Journey

CHS Community Health Systems

2017 - 2019	2020	2021 +
Strengthened Our Foundation	**Transformation Continues in a Challenging Environment**	**Focus on Execution to Achieve Enhanced Results**
Divestiture Program In Progress	Effectively Managed COVID-19	Net Revenue Growth
Strategic Imperatives Introduced	Completed Divestiture Program	Increase Profitability and Expand Margins
Net Revenue Initiatives Prioritized	Executed Growth and Margin Initiatives	Continue to Improve Positive Free Cash Flow
Strategic Margin Improvement Program Initiated	Improved Capital Structure / Lowered Leverage	Reduce Leverage

Recent Accomplishments

CHS Community Health Systems

1 Remaining core portfolio of hospitals well-positioned to drive EBITDA growth

- Investing in transfer center, new access points, and other strategic initiatives to grow core markets
- Strategic capital investments advancing competitive position
- Completed announced portfolio rationalization program

2 Implementing key operational improvements

- Revenue cycle enhancements
- Leveraging Shared Service Center model to reduce administrative costs
- Strategic contracting with suppliers and service providers

3 Ongoing balance sheet management and deleveraging

- Over 2.0x reduction in total leverage since January 2020 notes offering
- Reduced indebtedness by over $1.3 billion
- Reduced annual cash interest expense by ~$210 million

CHS has strengthened its foundation for future profitability and growth.

Income Summary

(Amounts in millions, except margin and Net Income (Loss) per Share)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Change	2021	2020	Change
Net Operating Revenues	$ 3,007	$ 2,519	19.4%	$ 6,020	$ 5,544	8.6%
Adjusted EBITDA[1]	$ 453	$ 454	- 0.2%	$ 948	$ 763	24.2%
Adjusted EBITDA Margin [1]	15.1%	18.0%	(290) BPS	15.7%	13.8%	190 BPS
Net Income (Loss) per Share, Excluding Adjustments [2]	$ 0.23	$ 0.85		$ 0.60	$ (0.73)	
Shares Outstanding (Weighted and Fully Diluted)	131	115		126	115	

(1) See the Unaudited Supplemental Information contained in this presentation for a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA, as defined, to net income (loss) attributable to Community Health Systems, Inc. stockholders as derived directly from our condensed consolidated financial statements for the three and six months ended June 30, 2021 and 2020 (slides 18 and 19). During the three and six months ended June 30, 2020, pandemic relief funds of approximately $448 million were recognized.

(2) See reconciliation of diluted net income (loss) per share, excluding adjustments, on slide 7.

Note: Consolidated hospital count of 84 at 6/30/2021 versus 97 at 6/30/2020.

During 2Q21, less than $1M of pandemic relief funds from the CARES Act were recognized.

Diluted EPS – Excluding Adjustments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss), as reported	$ 0.04	$ 0.61	$ (0.46)	$ 0.76
Adjustments:				
Loss from early extinguishment of debt	0.18	-	0.92	0.03
Impairment and (gain) loss on sale of businesses, net	0.01	0.19	0.14	0.50
Expense from government and other legal settlements and related costs	-	0.01	-	0.03
Expense from settlement and legal expenses related to cases covered by the CVR	-	-	-	0.01
Expense related to employee termination benefits and other restructuring charges	-	0.04	-	0.04
Change in tax valuation allowance	-	-	-	(2.09)
Net income (loss), excluding adjustments	$ 0.23	$ 0.85	$ 0.60	$ (0.73)

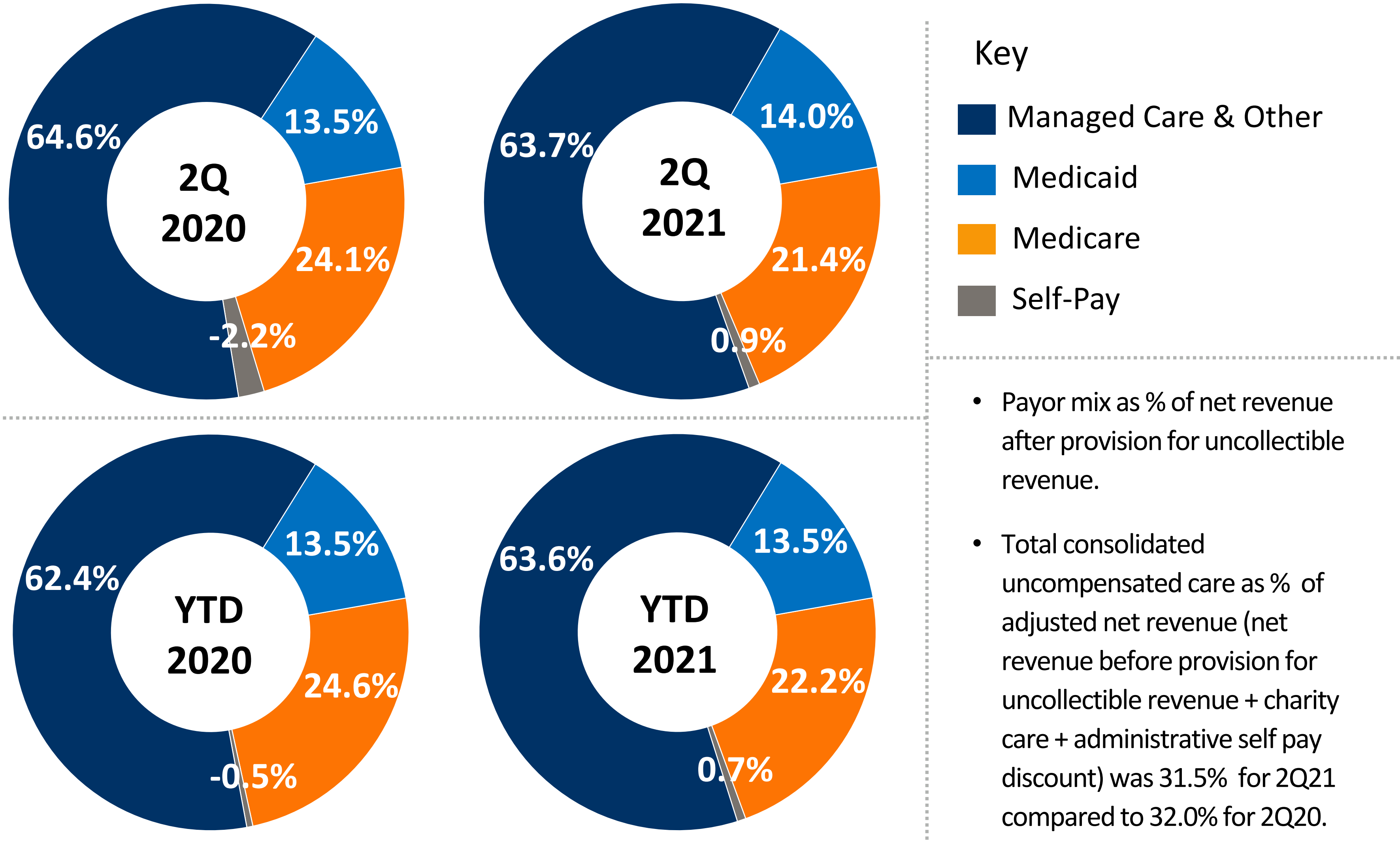
(Total per share amounts may not add due to rounding)

2Q 2021 Highlights

	2Q 2021 compared to 2Q 2020		YTD 2021 compared to YTD 2020	
	Consolidated	Same Store	Consolidated	Same Store
Net Operating Revenue	19.4%	30.2%	8.6%	19.2%
Net Revenue per AA		1.3%		9.6%

Admissions	4.8%	17.0%	-5.5%	5.1%
Adjusted Admissions	15.7%	28.5%	-2.0%	8.7%
Surgeries	32.0%	43.7%	9.2%	18.9%
ER Visits	21.4%	39.2%	-7.8%	5.9%

Payor Mix (Consolidated)



- Payor mix as % of net revenue after provision for uncollectible revenue.
- Total consolidated uncompensated care as % of adjusted net revenue (net revenue before provision for uncollectible revenue + charity care + administrative self pay discount) was 31.5% for 2Q21 compared to 32.0% for 2Q20.

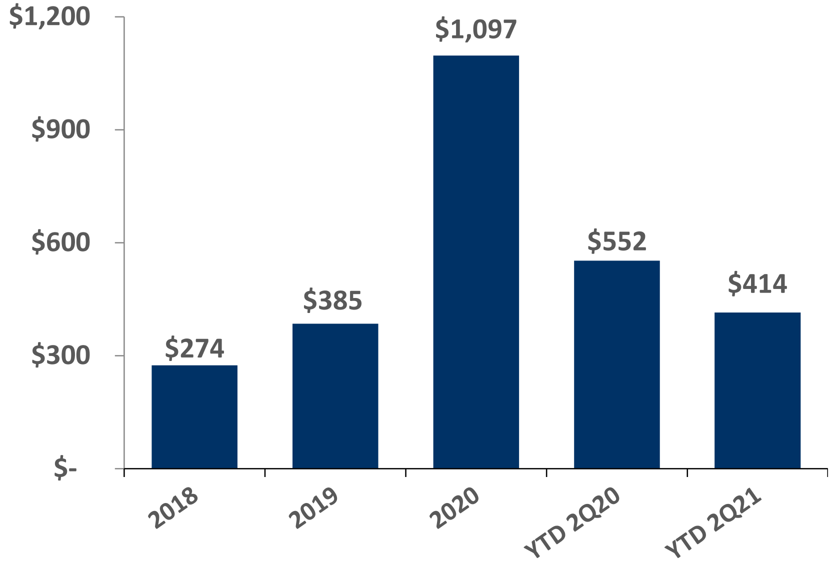
Consolidated payor mix was similar for both 1Q21 and 2Q21.

Cash Flow & Capital Expenditures

Cash Flows from Operations

Excluding Received and Repaid Medicare Accelerated Payments

($ in millions)



Reported Cash Flows from Operations are provided in the Form 8-K dated July 28, 2021.

Excludes Medicare advance payments received of $1,158 million as well as $77 million repaid in 2020, $18 million repaid in 1Q21, and $116 million recouped in 2Q21.

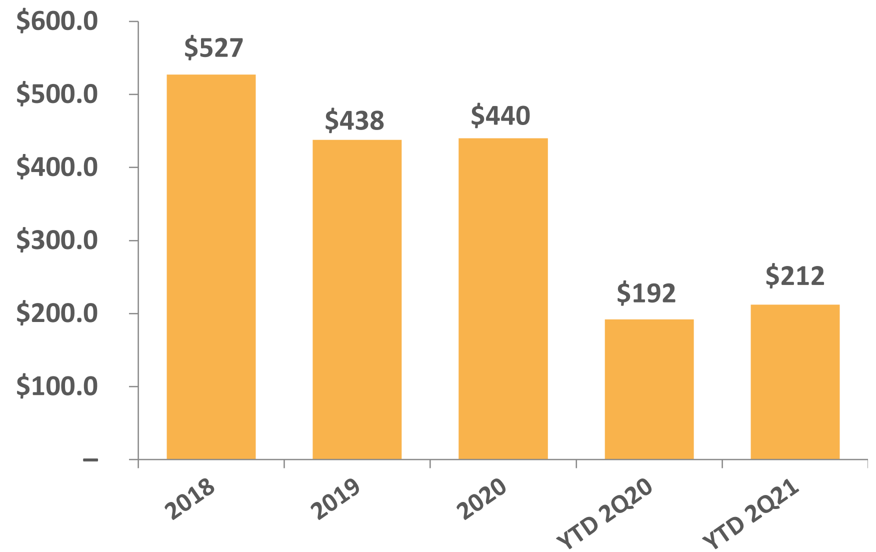
YTD Impacts

- Excluding Medicare advance payments, the change in cash flows from operations was primarily due to changes in net working capital.

Continued focus on improved CFFO.

Capital Expenditures

($ in millions)



	2018	2019	2020	YTD 2Q20	YTD 2Q21
CapEx % of Net Revenue (includes Replacement Hospitals)	3.7%	3.3%	3.7%	3.5%	3.5%
Replacement Hospitals % of Net Revenue	0.0%	0.4%	1.0%	1.1%	0.6%

Capex supports growth initiatives in our highest opportunity markets.

Balance Sheet Data

CHS Community Health Systems

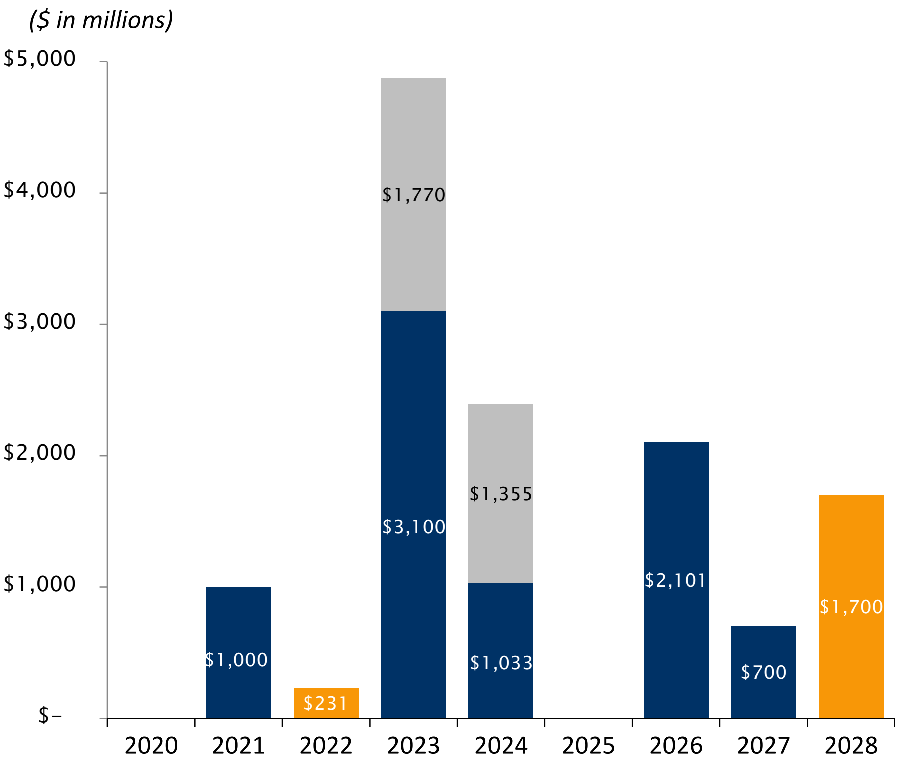
($ in millions)	June 30, 2021	December 31, 2020
Working Capital	$ 1,184	$ 1,695
Total Assets	$ 15,528	$ 16,006
Total Debt	$ 11,953	$ 12,216
Stockholders' Deficit	$ (1,695)	$ (1,625)

- At June 30, 2021, approximately all of our debt was fixed rate debt.
- Days revenue outstanding for same-store hospitals, adjusted for the impact of receivables for state Medicaid supplemental payment programs, was 54 days at June 30, 2021 and 52 days at December 31, 2020.

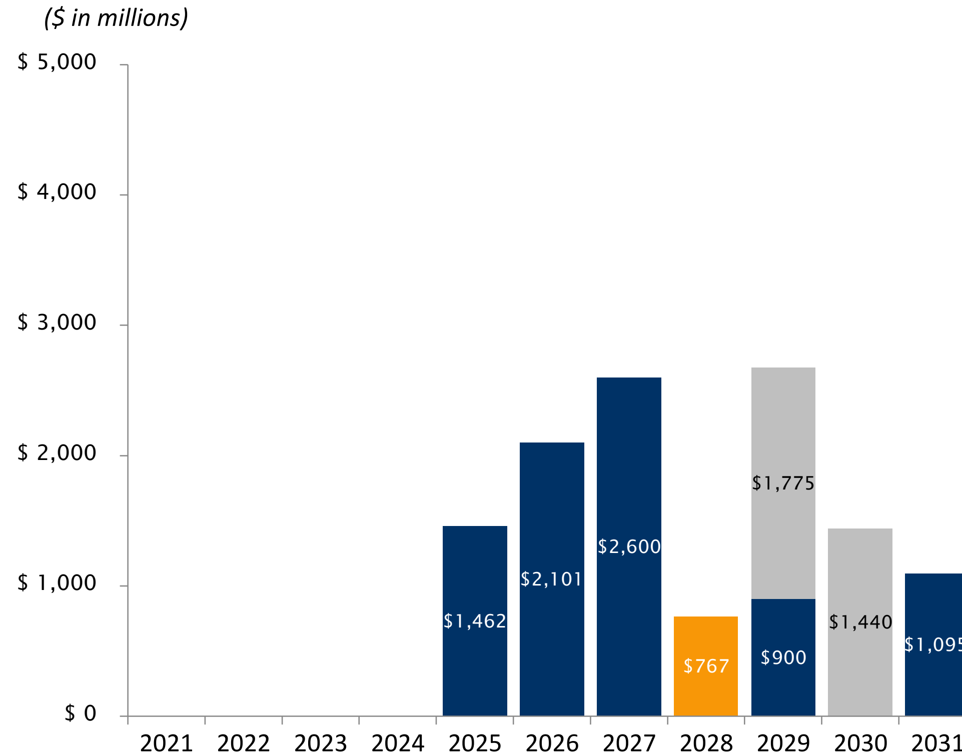
During 1H21, the company continued to reduce total debt.

Debt Maturity Profile

December 31, 2019



June 30, 2021



First Lien Notes   Second Lien Notes   Unsecured Notes

Note: Debt maturity profile does not include $1 billion ABL Facility.

Through capital market transactions, the company has significantly extended debt maturities and lowered annual cash interest.

2021 Guidance issued July 28, 2021

	2021 Projection Range
• Net operating revenues (in millions)	$11,900 to $12,300
• Adjusted EBITDA (in millions)	$1,700 to $1,800
• Depreciation and amortization as a percentage of net operating revenues	4.6%
• Net income per share – diluted	$0.60 to $0.80
• Weighted-average diluted share (in millions)	129 to 130
• Net cash provided by operating activities (in millions) (1)	$700 to $850
• Capital expenditures (in millions)	$400 to $500

Our comprehensive 2021 guidance has been provided on pages 18 and 19 on Form 8-K dated July 28, 2021 and includes important assumptions and exclusions.

(1) Excludes the repayment of Medicare accelerated payments, estimated to be $400 million to $450 million.

2021 guidance excludes recognition of pandemic relief funds.

2021 Adjusted EBITDA Guidance

CHS Community Health Systems

($ in millions)	1Q21 Actual	2Q21 Actual	Full Year Guidance
Adjusted EBITDA (excluding pandemic relief funds)	**$413**	**$452**	**$1,700 - $1,800**

Adjusted EBITDA guidance excludes previously recorded pandemic relief funds and the potential recognition of additional pandemic relief funds.

Medium-Term Financial Goals

- Execute net revenue growth initiatives
- Leverage strategic margin improvement program to achieve 15%+ Adjusted EBITDA margins
- Deliver positive free cash flow annually
- Reduce leverage below 6x

Focused on financial goals to deliver increased stakeholder value.

CHS Strategic Imperatives

CHS Community Health Systems

Strategic Imperatives are driving improved EBITDA margin and EBITDA growth.

APPENDIX: Other Financial Information

Community Health Systems

Unaudited Supplemental Information

EBITDA is a non-GAAP financial measure which consists of net income (loss) attributable to Community Health Systems, Inc. before interest, income taxes, and depreciation and amortization. Adjusted EBITDA, also a non-GAAP financial measure, is EBITDA adjusted to add back net income attributable to noncontrolling interests and to exclude loss (gain) from early extinguishment of debt, impairment and (gain) loss on sale of businesses, (income) expense related to government and other legal settlements and related costs, expense incurred in the fourth quarter of 2020 related to the settlement of certain professional liability claims for which the third-party insurers' obligation to insure the Company against the underlying loss is being litigated, expense related to employee termination benefits and other restructuring charges, expense from settlement and fair value adjustments on the CVR agreement liability related to the HMA legal proceedings and related legal expenses, the impact of changes in estimate to increase the professional liability claims accrual recorded during the second quarter of 2019 (which estimate was further revised in the third quarter of 2019 based on updated actuarial analysis) with respect to claims incurred in 2016 and prior years, and expense related to the valuation allowance recorded in the second quarter of 2019 to reserve the outstanding balance of a promissory note received from the buyer in connection with the sale of two of the Company's hospitals in 2017, as well as income from a reduction of the valuation allowance on the outstanding balance of a promissory note from the buyer of another hospital. The Company has from time to time sold noncontrolling interests in certain of its subsidiaries or acquired subsidiaries with existing noncontrolling interest ownership positions. The Company believes that it is useful to present Adjusted EBITDA because it adds back the portion of EBITDA attributable to these third-party interests and clarifies for investors the Company's portion of EBITDA generated by continuing operations. The Company reports Adjusted EBITDA as a measure of financial performance. Adjusted EBITDA is a key measure used by management to assess the operating performance of the Company's hospital operations and to make decisions on the allocation of resources. Adjusted EBITDA is also used to evaluate the performance of the Company's executive management team and is one of the primary metrics used in connection with determining short-term cash incentive compensation and the achievement of vesting criteria with respect to performance-based equity awards. In addition, management utilizes Adjusted EBITDA in assessing the Company's consolidated results of operations and operational performance and in comparing the Company's results of operations between periods. The Company believes it is useful to provide investors and other users of the Company's financial statements this performance measure to align with how management assesses the Company's results of operations. Adjusted EBITDA also is comparable to a similar metric called Consolidated EBITDA, as defined in the Company's asset-based loan facility (the "ABL Facility"), which is a key component in the determination of the Company's compliance with certain covenants under the ABL Facility (including the Company's ability to service debt and incur capital expenditures), and is used to determine the interest rate and commitment fee payable under the ABL Facility (although Adjusted EBITDA does not include all of the adjustments described in the ABL Facility). Adjusted EBITDA includes the Adjusted EBITDA attributable to hospitals that were divested during the course of such year, but in each case solely to the extent relating to the period prior to the consummation of the applicable divestiture.

Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP. It should not be considered in isolation or as a substitute for net income, operating income, or any other performance measure calculated in accordance with U.S. GAAP. The items excluded from Adjusted EBITDA are significant components in understanding and evaluating financial performance. The Company believes such adjustments are appropriate as the magnitude and frequency of such items can vary significantly and are not related to the assessment of normal operating performance. Additionally, this calculation of Adjusted EBITDA may not be comparable to similarly titled measures presented by other companies.

Unaudited Supplemental Information

The following table reflects the reconciliation of Adjusted EBITDA, as defined, to net income (loss) attributable to Community Health Systems, Inc. stockholders as derived directly from the condensed consolidated financial statements (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss) attributable to Community Health Systems, Inc. stockholders	$ 6	$ 70	$ (58)	$ 87
Adjustments:				
Provision for (benefit from) income taxes	54	(58)	123	(241)
Depreciation and amortization	133	141	272	285
Net income attributable to noncontrolling interests	31	23	60	39
Interest expense, net	219	260	449	523
Loss from early extinguishment of debt	8	-	79	4
Impairment and (gain) loss on sale of businesses, net	2	10	23	56
Expense from government and other legal settlements and related costs	-	2	-	4
Expense from settlement and legal expenses related to cases covered by the CVR	-	1	-	1
Expense related to employee termination benefits and other restructuring charges	-	5	-	5
Adjusted EBITDA	$ 453	$ 454	$ 948	$ 763