Earnings Presentation – 1st Quarter, 2022

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 acceptance of effective medical treatments, vaccines (including additional dosages of vaccines) and tests; the spread of potentially more contagious and/or virulent forms of the virus, including variants of the virus for which currently available vaccines, treatments and tests may not be effective or authorized; measures we are taking to respond to the COVID-19 pandemic; the impact of government actions on us, including with respect to vaccine mandates, testing requirements, travel restrictions and other virus containment measures; changes in net operating revenues due to patient volumes, payor mix and evolving macroeconomic conditions; inflationary conditions and increased expenses related to labor, supply chain, capital and other expenditures; workforce disruptions; and supply shortages and disruptions; uncertainty regarding the magnitude and timing of any future payments or benefits we may receive or realize under the Coronavirus Aid, Relief and Economic Security Act (the CARES Act), the Paycheck Protection Program and Health Care Enhancement Act (the PPPHCE Act), the Consolidated Appropriations Act, 2021 (the CAA), the American Rescue Plan Act of 2021 (the ARPA) and any other future stimulus measures related to COVID-19; 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 the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (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 legislation, 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 legal, regulatory and governmental proceedings and other loss contingencies, including governmental investigations and audits, and federal and state false claims act litigation; 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 security breaches, cyber-attacks, loss of data, other cybersecurity threats or incidents, and any actual or perceived failures to comply with legal requirements governing the privacy and security of health information or other regulated, sensitive or confidential information, or legal requirements regarding data privacy or data protection; 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 the 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; the impact of competitive labor market conditions and the shortage of experienced nurses, including in connection with our ability to hire and retain qualified nurses, physicians, other medical personnel and key management, and increased labor expenses as a result of such competitive labor market conditions, inflation and competition for such positions; any failure to obtain medical supplies or pharmaceuticals at favorable prices; liabilities and other claims asserted against us, including self-insured malpractice claims; competition; 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 and/or outpatient facilities, or to recognize expected synergies from acquisitions; the impact of seasonal severe weather conditions and climate change, as well as 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; any failure to comply with our obligations under license or technology agreements; challenging economic conditions in certain non-urban communities in which we operate; any developments with respect to the final auditing and reporting requirements of, or other adverse developments with respect to, the Corporate Integrity Agreement to which we are subject; 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 risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission on February 17, 2022, and other public filings with the Securities and Exchange Commission.

The consolidated operating results for the three months ended March 31, 2022, are not necessarily indicative of the results that may be experienced for any future periods. The Company cautions that the projections for calendar year 2022 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

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CHS Community Health Systems

Accomplishments

1 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

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

3 Ongoing balance sheet management and deleveraging

Since January 2020 notes offering:

- Over 2.0x reduction in total leverage
- Reduced indebtedness by ~$1.3 billion
- Reduced annual cash interest expense by ~$230 million

CHS has strengthened its foundation for future profitability and growth.

Income Summary

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

	Three Months Ended March 31,		
	2022	2021	Change
Net Operating Revenues	$ 3,111	$ 3,013	3.3%
Adjusted EBITDA[1]	$ 409	$ 495	-17.4%
Adjusted EBITDA Margin [1]	13.1%	16.4%	-330 BPS
Net Income per Share (Diluted), Excluding Adjustments [2]	$ 0.14	$ 0.36	
Shares Outstanding (Weighted and Fully Diluted)	128	126	

(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 loss attributable to Community Health Systems, Inc. stockholders as derived directly from the condensed consolidated financial statements for the three months ended March 31, 2022 and 2021 (slides 17 and 18).

(2) See reconciliation of diluted net income per share, excluding adjustments, on slide 6.

Note: Consolidated hospital count of 83 at 3/31/2022 versus 85 at 3/31/2021.

During 1Q22, approximately $47M of pandemic relief funds were recognized compared to $82M in the prior year period.

Diluted EPS – Excluding Adjustments

	Three Months Ended March 31,	
	2022	2021
Net loss per share (diluted), as reported	$ (0.01)	$ (0.51)
Adjustments:		
Loss from early extinguishment of debt	0.11	0.74
Impairment and (gain) loss on sale of businesses, net	0.04	0.13
Net income per share (diluted), excluding adjustments	$ 0.14	$ 0.36

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

1Q 2022 Highlights

	1Q 2022 compared to 1Q 2021	
	Consolidated	Same Store
Net Operating Revenue	3.3%	3.8%
Net Revenue per AA		0.5%
Admissions	-1.7%	-0.3%
Adjusted Admissions	2.2%	3.2%
Surgeries	4.2%	5.0%
ER Visits	10.2%	11.8%

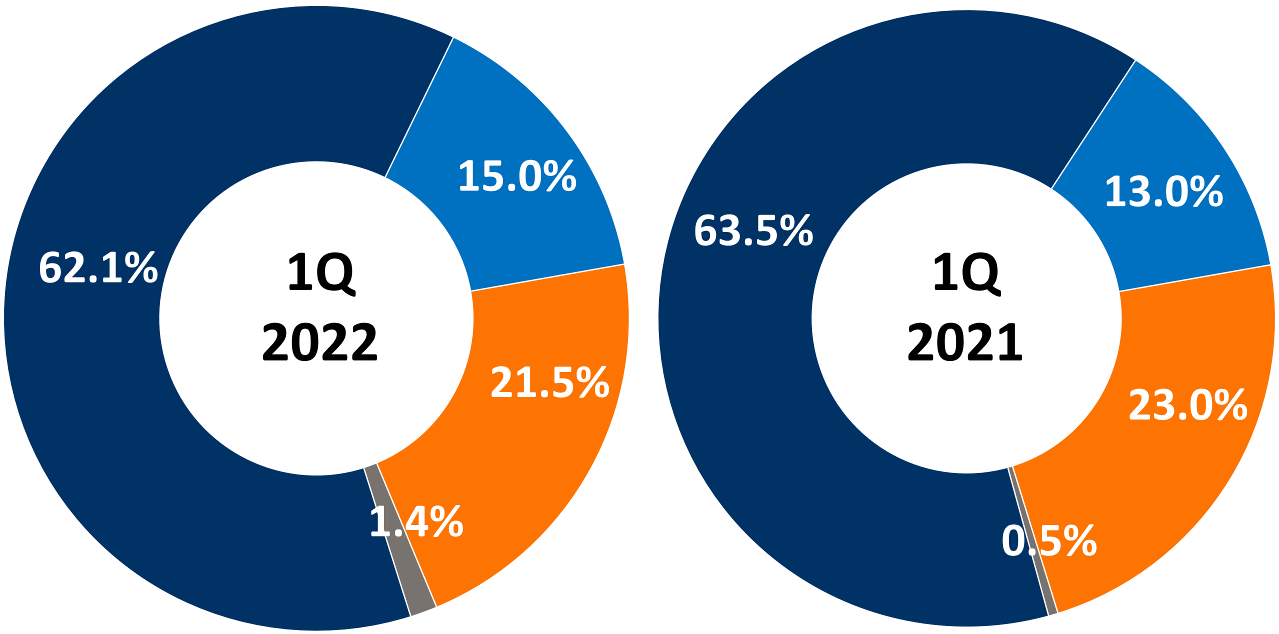
Monthly Financial Performance

	Jan '22	Feb '22	Mar '22	1Q22
Net Revenue	32%	31%	37%	100%
Adjusted EBITDA	21%	20%	59%	100%
COVID IP Admissions	70%	25%	5%	100%

(As a percent of total for 1Q22. Adjusted EBITDA excludes $47 million of pandemic relief funds.)

Financial performance improved as COVID admissions declined.

Payor Mix (Consolidated)



Key

- Managed Care & Other
- Medicaid
- Medicare
- Self-Pay

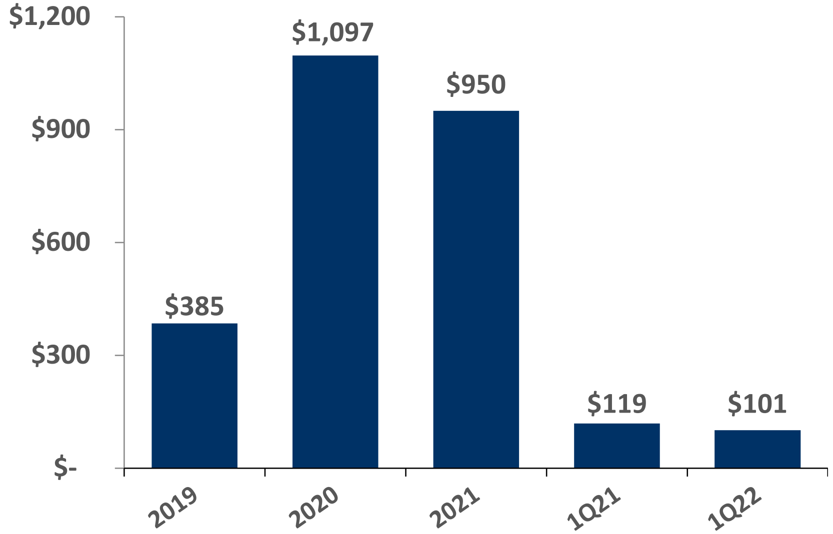
- Payor mix as % of net revenue.
- Total consolidated uncompensated care as % of adjusted net revenue (net revenue before provision for uncollectible revenue + charity care + administrative self pay discount) was 26.4% for 1Q22 compared to 26.4% for 1Q21.

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 April 27, 2022.

Excludes Medicare advance payments received of $1,158 million as well as $77 million repaid in 2020 and $1,081 million repaid in 2021, of which $18 million was repaid in the first quarter of 2021.

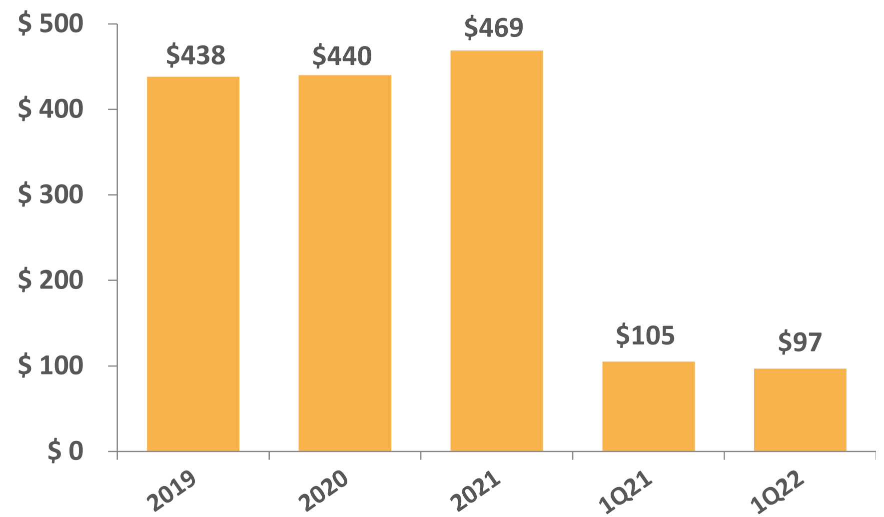
YTD Impacts

- 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)



	2019	2020	2021	1Q 2021	1Q 2022
CapEx % of Net Revenue (includes Replacement Hospitals)	3.3%	3.7%	3.8%	3.5%	3.1%
Replacement Hospitals % of Net Revenue	0.4%	1.0%	0.5%	0.5%	0.4%
Number of Hospitals at Year/Quarter End	102	89	83	85	83

Capex supports growth initiatives in our highest opportunity markets.

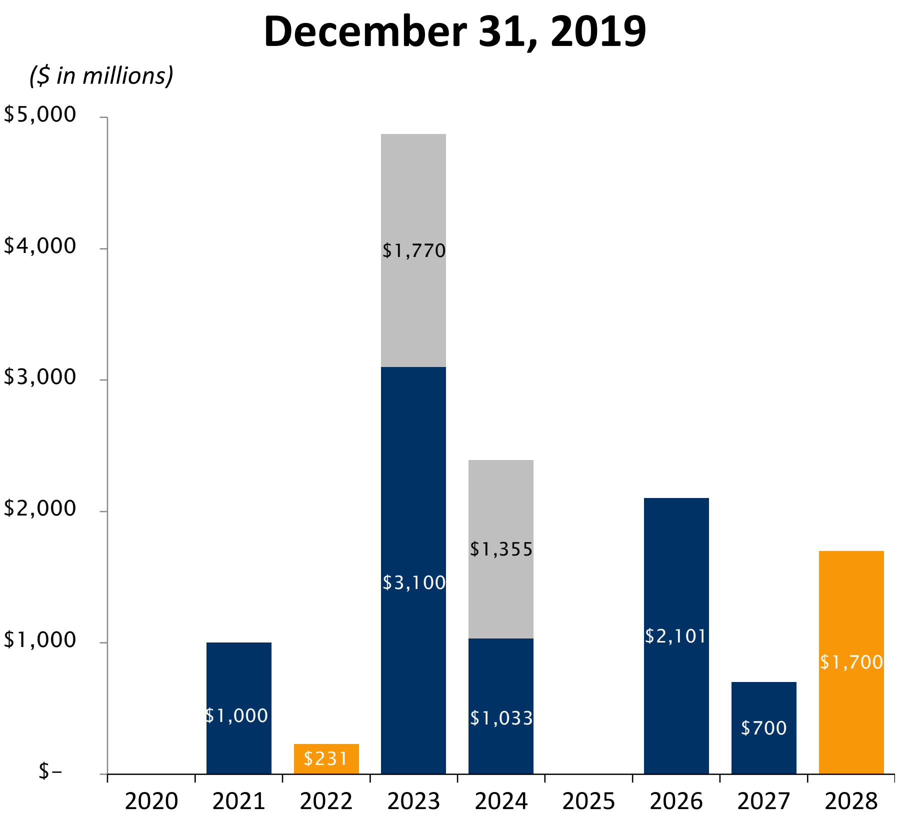
Balance Sheet Data

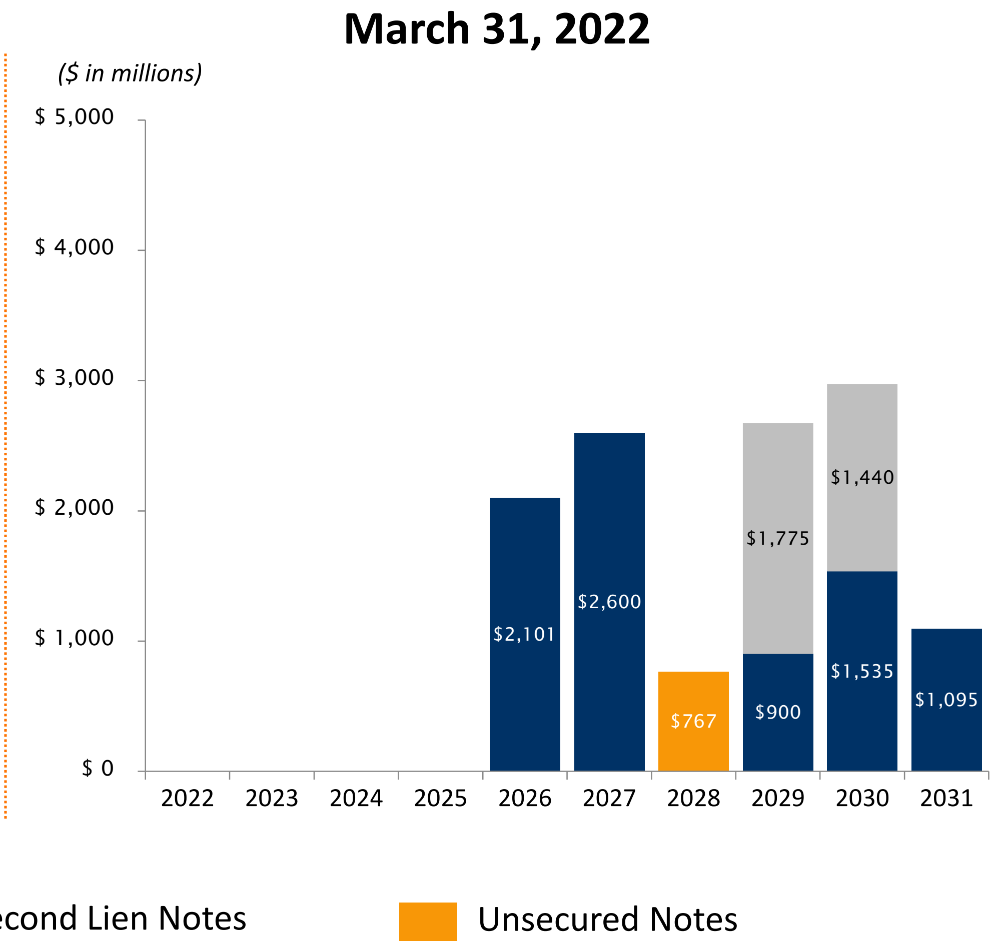
($ in millions)

	March 31, 2022	December 31, 2021
Working Capital	$ 1,141	$ 1,115
Total Assets	$ 15,263	$ 15,217
Total Debt	$ 12,197	$ 12,140
Stockholders' Deficit	$ (1,392)	$ (1,372)

- At March 31, 2022, 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 56 days at March 31, 2022 and 55 days at December 31, 2021.

Debt Maturity Profile





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.

2022 Guidance issued April 27, 2022

CHS Community Health Systems

	2022 Projection Range
• Net operating revenues (in millions)	$12,600 to $13,100
• Adjusted EBITDA (in millions)	$1,775 to $1,925
• Depreciation and amortization as a percentage of net operating revenues	4.2%
• Net income per share – diluted	$0.75 to $1.30
• Weighted-average diluted share (in millions)	133 to 134
• Net cash provided by operating activities (in millions)	$900 to $1,050
• Capital expenditures (in millions)	$500 to $600

The 2022 guidance excludes potential recognition of additional pandemic relief funds.

Our comprehensive 2022 guidance has been provided on pages 13 and 14 on Form 8-K dated April 27, 2022 and includes important assumptions and exclusions.

2022 guidance assumes continued growth.

Near-Term & Medium-Term Financial Goals

CHS Community Health Systems

	Near-Term Within 2 Years	Medium-Term Within 4 Years
Net Revenue Growth	Mid-Single Digit	Mid-Single Digit
Adjusted EBITDA Margin	15%+	16%+
Annual Free Cash Flow	Positive	Positive
Financial Leverage (Net Debt / EBITDA)	Below 6x	Below 5x

Financial goals focused on increasing EBITDA margin and free cash flow as well as reducing financial leverage.

CHS Strategic Imperatives

Strategic Imperatives are driving improved EBITDA margin / EBITDA growth and advancing the portfolio.

APPENDIX: Other Financial Information

Unaudited Supplemental Information

EBITDA is a non-GAAP financial measure which consists of net 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, gain on sale of equity interests in Macon Healthcare, LLC, 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 was being litigated along with income during the fourth quarter of 2021 associated with the settlement of such litigation for the recovery of amounts covered by such third-party insurance policies, expense related to employee termination benefits and other restructuring charges, and expense from settlement and fair value adjustments on the contingent value right agreement liability related to the HMA legal proceedings and related legal expenses. 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. 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") and the Company's existing note indentures, which is a key component in the determination of the Company's compliance with certain covenants under the ABL Facility and such note indentures (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 disclosed by other companies.

Unaudited Supplemental Information

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

	Three Months Ended March 31,	
	2022	2021
Net loss attributable to Community Health Systems, Inc. stockholders	$ (1)	$ (64)
Adjustments:		
Provision for income taxes	23	69
Depreciation and amortization	128	138
Net income attributable to noncontrolling interests	31	29
Interest expense, net	217	231
Loss from early extinguishment of debt	5	71
Impairment and (gain) loss on sale of businesses, net	6	21
Adjusted EBITDA	$ 409	$ 495

Note: During the first quarter of 2022, pandemic relief funds of approximately $47 million were recognized compared to approximately $82 million in the first quarter of 2021.