

Figure 10: Income Statement

HCA Holdings, Inc.  
Consolidated Income Statements  
Fiscal Year ending December 31  
Dollars in millions, except per share amounts and equivalent admissions statistics

	2008	2009	2010	2011	2012	2013	2013	2013	2013	2014E	2014E	2014E	2014E	2014E	2015E	2015E	2015E	2015E	2015E	
<b>Revenues before provision for doubtful accounts</b>	\$28,374	\$30,052	\$30,883	\$32,506	\$36,783	\$8,194	\$8,473	\$8,411	\$8,962	\$38,040	\$8,873	\$10,179	\$10,073	\$10,462	\$40,587	\$10,374	\$10,695	\$10,594	\$10,983	\$42,646
Provision for doubtful accounts	3,409	3,276	2,848	2,824	3,770	754	1,023	955	1,126	3,868	800	1,079	992	1,130	4,001	789	1,080	989	1,133	3,991
<b>Net revenue (cash revenue)</b>	\$24,965	\$26,776	\$28,035	\$29,682	\$33,013	\$8,440	\$8,450	\$8,456	\$8,836	\$34,182	\$8,073	\$9,100	\$9,081	\$9,332	\$36,586	\$9,585	\$9,615	\$9,594	\$9,850	\$38,655
YoY % growth	5.2%	7.3%	4.7%	5.0%	11.2%	0.4%	4.2%	4.3%	4.8%	3.0%	7.5%	7.7%	7.4%	5.6%	7.0%	5.6%	5.7%	5.7%	5.7%	5.7%
<b>Expenses:</b>																				
Salaries and benefits	11,440	11,958	12,484	13,440	15,089	3,917	3,848	3,918	3,965	15,646	4,186	4,145	4,181	4,154	16,685	4,376	4,333	4,371	4,343	17,424
Supplies	4,620	4,961	4,864	5,179	5,717	1,478	1,470	1,457	1,564	5,970	1,604	1,587	1,559	1,635	6,385	1,681	1,664	1,635	1,713	6,692
Other operating expenses	4,554	4,724	5,004	5,470	6,048	1,523	1,507	1,564	1,643	6,237	1,634	1,629	1,672	1,715	6,649	1,703	1,699	1,743	1,788	6,934
HITECH meaningful use incentive payments	N/A	N/A	N/A	(82)1	(53)8	(53)8	(52)7	(57)5	(58)0	(52)16	(51)5	(53)5	(53)5	(51)5	(51)20	(52)0	(52)0	(52)5	(52)5	(51)00
Equity in earnings of affiliates	(22)3	(24)6	(26)2	(25)8	(36)1	(8)1	(12)1	(9)1	(29)1	(29)1	(8)1	(13)1	(9)1	(11)1	(4)1	(9)1	(13)1	(15)1	(12)1	(6)1
Depreciation and amortization	1,416	1,425	1,421	1,460	1,679	424	425	443	461	1,753	442	449	457	465	1,813	473	480	488	496	1,937
Interest expense	2,021	1,987	2,007	2,037	1,788	472	462	458	456	1,848	455	451	447	443	1,798	437	430	423	417	1,708
Losses (gains) on sales of facilities	(9)7	85	(4)1	(14)2	(15)1	16	1	0	(2)1	14	0	0	0	0	0	0	0	0	0	0
Insurance subsidiary losses (gains) and impairments	64	43	123	(88)1	175	17	47	0	0	13	0	0	0	0	0	0	0	0	0	0
<b>Total expenses</b>	23,795	24,774	25,804	26,121	31,119	7,801	7,644	7,755	8,036	31,236	8,296	8,213	8,292	8,365	33,146	8,642	8,573	8,626	8,710	34,551
Income before income taxes	\$1,170	\$2,002	\$2,231	\$3,581	\$2,894	\$639	\$806	\$701	\$800	\$2,946	\$777	\$896	\$809	\$907	\$3,440	\$944	\$1,042	\$969	\$1,150	\$4,105
Provision for income taxes	268	627	668	719	888	201	269	234	244	950	258	295	269	322	1,144	314	346	322	383	1,365
<b>Net income from continuing operations</b>	\$902	\$1,375	\$1,573	\$2,862	\$2,006	\$438	\$537	\$467	\$554	\$1,996	\$519	\$599	\$540	\$584	\$2,296	\$630	\$695	\$647	\$768	\$2,740
Net income attributable to noncontrolling interests	229	321	366	377	401	94	114	102	130	440	122	123	123	126	494	127	127	127	131	512
Income (loss) from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net income attributable to HCA Holdings, Inc.</b>	\$673	\$1,054	\$1,207	\$2,485	\$1,605	\$344	\$423	\$365	\$424	\$1,556	\$396	\$469	\$418	\$458	\$1,802	\$503	\$568	\$519	\$637	\$2,228
<b>Earnings per share:</b>																				
Diluted earnings per share, adjusted for one-time item	\$1.36	\$2.44	\$2.76	\$2.85	\$2.74	\$6.79	\$8.91	\$8.79	\$8.82	\$3.42	\$8.87	\$1.02	\$8.91	\$1.12	\$3.92	\$1.88	\$1.22	\$1.11	\$1.36	\$4.77
YoY % growth	-22.8%	58.2%	12.1%	3.7%	31.0%	-32.6%	7.1%	0.1%	0.4%	-8.0%	9.2%	11.8%	15.0%	21.4%	14.0%	24.0%	19.3%	22.7%	21.1%	21.8%
Diluted earnings per share	\$1.56	\$2.44	\$2.76	\$4.97	\$3.49	\$3.74	\$9.91	\$9.79	\$9.82	\$3.37	\$9.87	\$1.02	\$9.91	\$1.12	\$3.92	\$1.00	\$1.22	\$1.11	\$1.36	\$4.77
Diluted sharecount (in thousands)	430,982	432,227	437,347	495,943	459,403	462,368	463,184	463,569	458,533	461,914	457,002	459,002	461,002	463,002	460,002	464,502	466,002	467,502	469,002	466,752
<b>Income statement ratios:</b>																				
Salaries and benefits (as % of net revenue)	45.8%	44.7%	44.5%	45.3%	45.7%	46.4%	45.5%	46.3%	44.9%	45.8%	46.1%	45.5%	46.0%	44.5%	45.6%	45.7%	45.1%	45.6%	44.0%	45.1%
Supplies (as % of net revenue)	18.5%	18.2%	17.4%	17.4%	17.3%	17.5%	17.4%	17.2%	17.7%	17.5%	17.7%	17.4%	17.2%	17.5%	17.5%	17.5%	17.3%	17.0%	17.4%	17.3%
Other operating expenses (as % of net revenue)	18.2%	17.6%	17.8%	18.4%	18.3%	18.0%	17.8%	18.5%	18.6%	18.2%	18.0%	17.8%	18.4%	18.4%	18.2%	17.8%	17.7%	18.2%	18.1%	17.9%
Provision for doubtful accounts (as % of revenue before doubtful)	12.0%	10.9%	8.6%	8.7%	10.2%	8.2%	10.8%	10.1%	11.3%	10.1%	7.8%	10.6%	8.9%	10.2%	8.9%	7.8%	10.1%	8.9%	10.3%	9.4%
Equity in earnings of affiliates (as % of net revenue)	-0.9%	-0.9%	-1.0%	-0.9%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Depreciation and amortization (as % of net revenue)	5.7%	5.3%	4.9%	4.9%	5.1%	5.0%	5.0%	5.4%	5.2%	5.4%	4.9%	4.9%	5.0%	5.0%	5.0%	4.9%	5.0%	5.1%	5.0%	5.0%
Interest expense (as % of net revenue)	8.1%	7.4%	7.5%	6.9%	5.4%	5.6%	5.5%	5.4%	5.2%	5.4%	5.0%	5.0%	4.9%	4.7%	4.9%	4.8%	4.5%	4.4%	4.2%	4.4%
Net income attributable to noncontrolling interests (as % of income taxes)	0.9%	1.2%	1.3%	1.2%	1.2%	1.1%	1.3%	1.2%	1.5%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Income taxes (as % of income before taxes)	22.9%	31.3%	29.5%	20.2%	30.7%	31.5%	33.4%	33.4%	36.8%	32.2%	33.3%	33.3%	33.3%	33.2%	33.2%	33.3%	33.3%	33.3%	33.3%	33.3%
Income taxes (as % of income before taxes - noncontrolling)	28.5%	37.3%	35.3%	22.6%	35.6%	36.9%	38.9%	39.1%	38.9%	37.9%	39.5%	38.6%	39.2%	38.2%	38.6%	38.4%	37.9%	38.3%	37.5%	38.0%
<b>Margin analysis:</b>																				
Adjusted EBITDA	\$4,574	\$5,472	\$5,888	\$6,991	\$8,531	\$1,568	\$1,689	\$1,683	\$1,714	\$6,574	\$1,674	\$1,706	\$1,713	\$1,875	\$7,048	\$1,854	\$1,932	\$1,886	\$2,062	\$7,749
YoY % growth	-0.4%	19.6%	7.2%	3.7%	7.8%	-14.0%	7.6%	4.6%	6.7%	0.7%	6.7%	5.8%	6.5%	9.4%	7.2%	10.8%	9.3%	9.8%	10.0%	9.9%
Adjusted EBITDA margin (% of revenue before bad debt)	16.1%	18.2%	19.1%	21.5%	23.2%	17.8%	17.8%	17.8%	17.2%	17.3%	17.8%	17.4%	17.4%	17.4%	17.4%	17.9%	18.3%	17.8%	18.8%	18.3%
Adjusted EBITDA margin (% of cash revenue)	33.2%	38.4%	38.9%	30.4%	25.8%	18.6%	20.9%	19.6%	19.4%	19.2%	18.4%	19.6%	18.9%	20.1%	19.3%	19.3%	20.3%	19.6%	20.9%	20.6%
Adjusted EBITDA less noncontrolling interests	\$4,345	\$5,151	\$5,522	\$6,614	\$8,130	\$1,474	\$1,575	\$1,561	\$1,584	\$6,134	\$1,551	\$1,603	\$1,599	\$1,749	\$6,554	\$1,727	\$1,825	\$1,733	\$1,922	\$7,237
Adjusted EBITDA less HITECH	\$5,831	\$6,195	\$6,895	\$8,073	\$9,961	\$1,529	\$1,637	\$1,528	\$1,664	\$6,358	\$1,659	\$1,751	\$1,678	\$1,848	\$6,928	\$1,824	\$1,932	\$1,855	\$2,028	\$7,649
Adjusted EBITDA margin less HITECH (% of cash revenue less HITECH)	18.7%	18.8%	18.1%	18.4%	18.1%	18.1%	18.4%	18.8%	18.6%	18.6%	18.2%	18.2%	18.6%	18.7%	18.8%	18.1%	18.1%	18.3%	18.6%	18.6%
EBIT	\$3,158	\$4,047	\$4,447	\$4,598	\$4,852	\$1,144	\$1,284	\$1,160	\$1,253	\$4,821	\$1,232	\$1,337	\$1,256	\$1,410	\$5,230	\$1,301	\$1,472	\$1,392	\$1,567	\$5,812
EBIT margin (% of net revenue)	12.6%	15.1%	15.8%	15.9%	14.7%	13.6%	15.0%	13.7%	14.2%	14.1%	13.6%	14.7%	13.8%	15.1%	14.3%	14.4%	15.3%	14.6%	15.9%	16.0%
Net margin (% of net revenue)	2.7%	3.9%	4.3%	8.2%	4.9%	4.1%	5.0%	4.3%	4.8%	4.6%	4.4%	5.2%	4.6%	5.8%	4.9%	5.2%	5.9%	5.4%	6.5%	5.8%
<b>Cash revenue analysis:</b>																				
Net revenue - provision for doubtful accounts = cash revenue	\$24,965	\$26,776	\$28,035	\$29,682	\$33,013	\$8,440	\$8,450	\$8,456	\$8,836	\$34,182	\$8,073	\$9,100	\$9,081	\$9,332	\$36,586	\$9,585	\$9,615	\$9,594	\$9,850	\$38,655
YoY % growth	5.2%	7.3%	4.7%	5.0%	11.2%	0.4%	4.2%	4.3%	4.8%	3.0%	7.5%	7.7%	7.4%	5.6%	7.0%	5.6%	5.7%	5.7%	5.7%	
Salaries and benefits (% of cash revenue)	45.8%	44.7%	44.5%	45.3%	45.7%	46.4%	45.5%	46.3%	44.9%	45.8%	46.1%	45.5%	46.0%	44.5%	45.6%	45.7%	45.1%	45.6%	44.0%	45.1%
Supplies (% of cash revenue)	18.5%	18.2%	17.4%	17.4%	17.3%	17.5%	17.4%	17.2%	17.7%	17.5%	17.7%	17.4%	17.2%	17.5%	17.5%	17.5%	17.3%	17.0%	17.4%	17.3%
Other operating expenses (% of cash revenue)	18.2%	17.6%	17.8%	18.4%	18.3%	18.0%	17.8%	18.5%	18.6%	18.2%	18.0%	17.8%	18.4%	18.4%	18.2%	17.8%	17.7%	18.2%	18.1%	17.9%
<b>Per equivalent admission analysis:</b>																				
Equivalent admissions (consolidated)	2,163,600	2,439,000	2,468,400	2,595,900	2,832,100	708,000	708,700	711,800	716,200	2,944,700	738,141	738,312	738,685	730,259	2,947,377	754,832	756,030	756,390	746,772	3,014,025
YoY % growth	0.2%	1.2%	1.1%	5.2%	9.1%	-0.4%	1.1%	0.2%	0.4%	0.4%	4.3%	4.3%	3.9%	2.0%	2.6%	2.7%	2.3%	2.3%	2.3%	