Figure 9: HCA model summary

HCA Holdings, Inc. - Earnings Model Summary
Fiscal Year Ends December 31
($ in MMs, except per share data)

	2008	2009	2010	2011	2012	2013	2014E	2015E
Income statement summary								
Revenues before provision for doubtful accounts	$28,374	$30,052	$30,683	$32,506	$36,783	$38,040	$40,587	$42,646
Cash revenue (net revenue less provision for doubtful accounts)	$24,965	$26,776	$28,035	$29,682	$33,013	$34,182	$36,586	$38,655
HITECH meaningful use incentive payments	N/A	N/A	N/A	$210	$336	$216	$120	$100
Adjusted EBITDA	**$4,574**	**$5,472**	**$5,868**	**$6,061**	**$6,531**	**$6,574**	**$7,048**	**$7,749**
Adjusted EBITDA less HITECH	$4,574	$5,472	$5,868	$5,851	$6,195	$6,358	$6,928	$7,649
Non-controlling interest (NCI) expense	$229	$321	$366	$377	$401	$440	$494	$512
EBITDA less NCI, net of HITECH (DB uses for valuation)	$4,345	$5,151	$5,502	$5,474	$5,794	$5,918	$6,434	$7,137
Operating EPS, excluding extraordinary items	**$1.56**	**$2.44**	**$2.76**	**$2.85**	**$3.74**	**$3.42**	**$3.92**	**$4.77**
Growth rates - YOY % change:								
Net revenue	5.6%	5.9%	2.1%	5.9%	13.2%	3.4%	6.7%	5.1%
Cash revenue	5.2%	7.3%	4.7%	5.9%	11.2%	3.5%	7.0%	5.7%
Adjusted EBITDA	-0.4%	19.6%	7.2%	3.3%	7.8%	0.7%	7.2%	9.9%
Operating EPS	-22.9%	56.2%	13.1%	3.3%	31.0%	-8.5%	14.6%	21.8%
Margin analysis:								
Adjusted EBITDA margin as % of net revenue	16.1%	18.2%	19.1%	18.6%	17.8%	17.3%	17.4%	18.2%
Adjusted EBITDA margin as % of cash revenue	18.3%	20.4%	20.9%	20.4%	19.8%	19.2%	19.3%	20.0%
Adjusted EBITDA margin less HITECH as % of cash revenue	N/A	N/A	N/A	19.7%	18.8%	18.6%	18.9%	19.8%
Revenue model summary								
Number of hospitals, end of period	158	155	156	163	162	165	165	165
Number of beds, end of period	38,504	38,839	38,827	41,594	41,804	42,896	42,896	42,896
Admissions	1,541,800	1,556,500	1,554,400	1,620,400	1,740,700	1,744,100	1,784,863	1,798,250
YOY % growth	*-0.7%*	*1.0%*	*-0.1%*	*4.2%*	*7.4%*	*0.2%*	*2.3%*	*0.7%*
Equivalent admissions	2,363,600	2,439,000	2,468,400	2,595,900	2,832,100	2,844,700	2,947,377	3,014,025
YOY % growth	*0.5%*	*3.2%*	*1.2%*	*5.2%*	*9.1%*	*0.4%*	*3.6%*	*2.3%*
Revenue per equivalent admission	$12,006	$12,322	$12,360	$12,522	$12,987	$13,371	$13,772	$14,151
YOY % growth	*5.2%*	*2.6%*	*0.3%*	*1.3%*	*3.7%*	*3.0%*	*3.0%*	*2.8%*
Same-facility YoY % change:								
Same-store revenues	7.0%	6.0%	2.0%	3.3%	4.5%	3.1%	4.8%	5.0%
Same-store admissions	0.9%	1.2%	0.1%	2.3%	3.0%	0.1%	0.5%	0.7%
Same-store equivalent admissions	1.9%	3.4%	1.4%	3.0%	4.1%	0.1%	1.8%	2.2%
Same-store revenue per equivalent admission	5.1%	2.6%	0.6%	0.3%	0.3%	3.0%	3.0%	2.8%
Balance sheet summary	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014E**	**2015E**
Assets:								
Cash and equivalents	$465	$312	$411	$373	$705	$414	$808	$676
Total debt	26,989	25,670	28,225	27,052	28,930	28,376	27,376	25,376
Net debt	$26,524	$25,358	$27,814	$26,679	$28,225	$27,962	$26,568	$24,700
Leverage statistics:								
Net debt to adjusted EBITDA	5.8x	4.6x	4.7x	4.4x	4.3x	4.3x	3.9x	3.5x
Adj. EBITDA / Interest	2.3x	2.8x	2.8x	3.0x	3.6x	3.6x	3.9x	4.5x
Cash flow summary								
Cash flow from operations (excluding non-controlling interests)	$1,990	$2,747	$3,085	$3,933	$4,175	$3,680	$4,088	$4,580
Capital expenditures	($1,600)	($1,317)	($1,325)	($1,679)	($1,862)	($1,943)	($2,200)	($2,200)
Capex as % of revenue	*5.6%*	*4.4%*	*4.3%*	*5.2%*	*5.1%*	*5.1%*	*5.4%*	*5.2%*
Non-controlling interests	$229	$321	$366	$377	$401	$440	$494	$512
Free cash flow (CFFO - capex - non-controlling interests)	**$161**	**$1,109**	**$1,394**	**$1,877**	**$1,912**	**$1,297**	**$1,394**	**$1,868**
Free cash flow margin	0.6%	3.7%	4.5%	5.8%	5.2%	3.4%	3.4%	4.4%
Revenue Mix Summary								
Inpatient mix	62.6%	62.2%	62.3%	63.0%	61.8%	62.2%	15.4%	14.5%
Outpatient mix	37.4%	37.8%	37.7%	37.0%	38.2%	37.8%	8.9%	9.1%
Payer mix (% of total revenue):								
Medicare	23.0%	23.0%	24.0%	23.5%	22.5%	22.5%	22.5%	22.5%
Managed Medicare	6.0%	7.0%	7.0%	7.5%	8.0%	8.0%	8.0%	8.0%
Medicaid	5.0%	6.0%	6.0%	5.7%	4.0%	4.0%	4.0%	4.0%
Managed Medicaid	3.0%	4.0%	4.0%	3.9%	4.1%	4.1%	4.1%	4.1%
Managed care and other discounted	53.0%	52.0%	53.0%	51.2%	51.8%	51.8%	51.8%	51.8%
Uninsured	10.0%	8.0%	6.0%	8.2%	9.5%	9.5%	9.5%	9.5%

Source: Deutsche Bank, company reports