

37th Annual J.P. Morgan Healthcare Conference

San Francisco, California | January 7, 2019

Nick Turkal M.D., Chief Executive Officer
Dominic J. Nakis, Chief Financial Officer and Treasurer



The following material and presentation contains information which is forward-looking within the meaning of federal securities law. These forward looking statements are based on the current plans and expectations of Advocate Aurora Health Inc. (“AAH”) that, although believed to be reasonable, are subject to a number of known and unknown uncertainties and risks inherent in the operation of health care facilities, many of which are beyond AAH’s control, that could significantly affect current plans and expectations and AAH’s future financial position and results of operations. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and are subject to change without notice. These forward-looking statements speak only as of the date made. Investors are cautioned not to unduly rely on such forward-looking statements. This presentation should be reviewed in conjunction with AAH’s September 30, 2018 continuing disclosure report which can be found at emma.msrb.org.

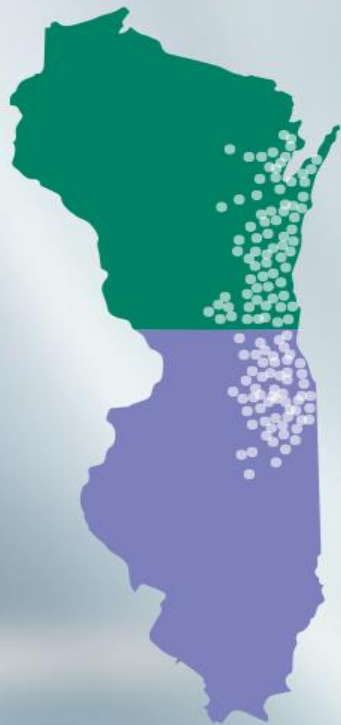
THE PRINTING, DUPLICATING, DOWNLOADING, SCREEN CAPTURING, ELECTRONIC STORING, RECORDING, PUBLISHING OR DISTRIBUTING OF THIS PRESENTATION IN ANY MANNER IS STRICTLY PROHIBITED.

By viewing this presentation you acknowledge that you understand and agree to the provisions of this page.

THIS IS transformation



By the numbers



\$12B
TOTAL
REVENUE

9.7%
OPERATING CASH
FLOW MARGIN



70,000
TEAM MEMBERS

\$18B
TOTAL
ASSETS

262
DAYS CASH
ON HAND

11.5%
EBDIT %



3,300+
EMPLOYED
PHYSICIANS



27
HOSPITALS



500+
SITES OF
CARE



2.7M
UNIQUE
PATIENTS



22,000
NURSES

*Proforma information as of September 30, 2018



Our Purpose and Values

OUR PURPOSE

We help people live well.



OUR VALUES



EXCELLENCE – We are a top performer in all that we do.



COMPASSION – We unselfishly care for others.



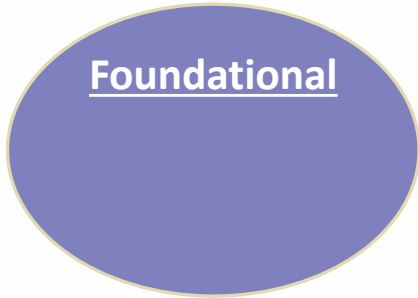
RESPECT – We value the unique needs and preferences of all people.

We Believe Scale Will:

- Improve health outcomes/safety
- Support clinical programs/accelerate innovation
- Attract & retain talent/magnet for future growth
- Create opportunities for new & creative partnerships
- Enhance advocacy stature
- Enhance access to capital
- Diversify revenue/assume risk
- Accelerate synergies/reduce costs

Integration Activities

Direct Financial Impact



Indirect Financial Impact



Integration Accomplishments

- Unified governance and executive leadership team
- Consumer first operating model
- Innovative partnerships (*FoxConn, Wisconn Valley Venture Fund, Oak Street*)
- EPIC
- Strong team member engagement
- Launch/relaunch safety journey
- Strategic plan
- Financial integration
 - ✓ *Debt portfolio consolidated under single indenture, 2018 Healthcare Deal of the Year...\$310M in cash flow savings first 5 years*
 - ✓ *Investment portfolios combined*
 - ✓ *Synergy teams & opportunities identified, execution underway*
 - ✓ *Capital & operating budget processes harmonized*

Cultural Challenges



Our View of the World

SUMMARY

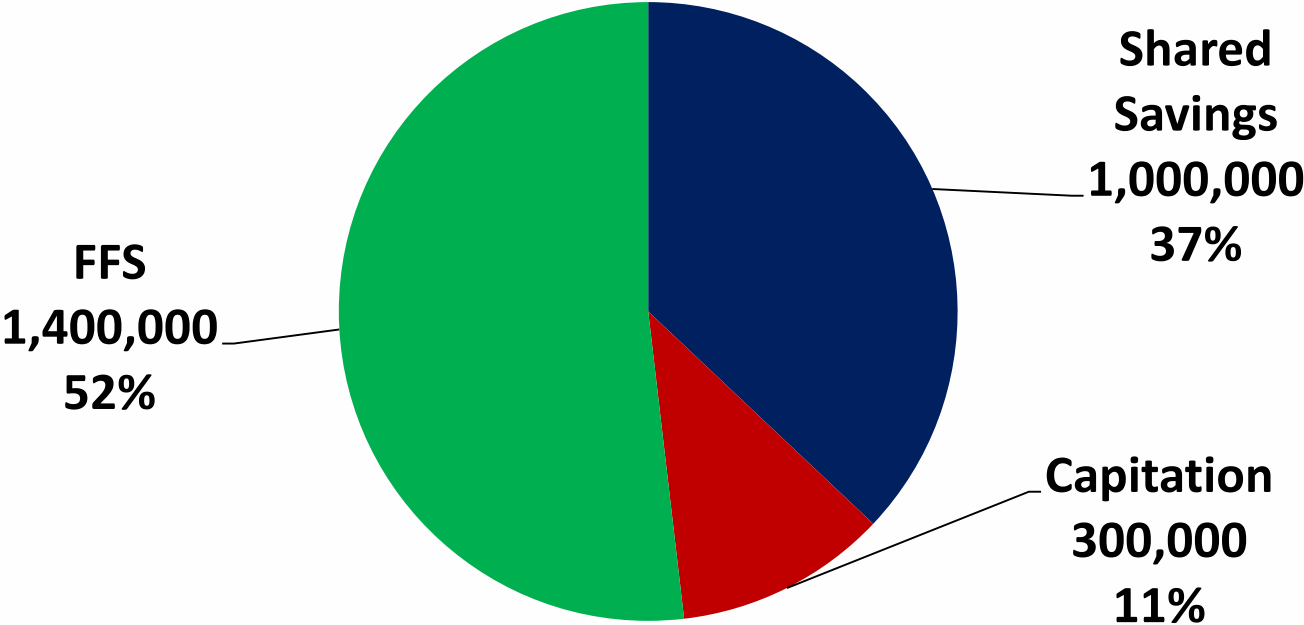
IMPLICATIONS

 CONSUMER	<ul style="list-style-type: none">• Consumers demand world-class experiences on par with other service industries	▶	<ul style="list-style-type: none">• Build capabilities to deliver a superior end-to-end experience, or consumers will defect
 SCIENCE & TECHNOLOGY	<ul style="list-style-type: none">• Technologies (e.g., analytics, AI, digital) enable new care models, settings, and breakthroughs in productivity	▶	<ul style="list-style-type: none">• Reimagine work to drive automation, standardization, access and convenience
 CARE MODELS	<ul style="list-style-type: none">• Increasing awareness and availability of care models that address broader determinants of health	▶	<ul style="list-style-type: none">• Reinvent care models from providing sick care to enabling whole person health
 COMPETITION	<ul style="list-style-type: none">• Well-capitalized, nimble competitors capture business in profitable segments via innovative and disruptive offerings	▶	<ul style="list-style-type: none">• Build scale, capabilities, and new offerings through M&A and partnerships
 ECONOMICS	<ul style="list-style-type: none">• Economics of the hospital-based fee-for-service business continue to worsen	▶	<ul style="list-style-type: none">• Diversify revenue sources to include new products, new customers and full risk offerings

Our Priorities

- Safety
- Health Outcomes
- Innovative Partnerships
- Lower Cost
- Managed Care
- Diversity & Inclusion

Nearly 3 Million Unique Lives



Managed Care



\$50 - 75 million annual surplus/share savings



1.3 million value-based lives

Strong financial performance
ACA exchange, Commercial
and Medicare risk



Top Decile/Quartile
Quality and Safety



3,300 employed physicians
3,500 aligned physicians

Managed Care

- Solid collaborative relationships with majority of payers
- Staggered payer agreement dates
- Majority of fee for service commercial agreements have commodity pricing for selected elective health services
- Accelerating value based contracting strategy

Diversity & Inclusion

WORKFORCE	WORKPLACE	PATIENT	SUPPLIER	COMMUNITY
An increasingly diverse workforce that thrives at all levels, functions and geographies	A workplace environment that maximizes the assets of all team members	Consistent patient experience, safety and health outcomes and is the provider of choice across all communities	Resources invested in our local communities through the utilization of minority and women owned businesses	Partnerships with the community to better understand the needs of our patients, consumers and communities

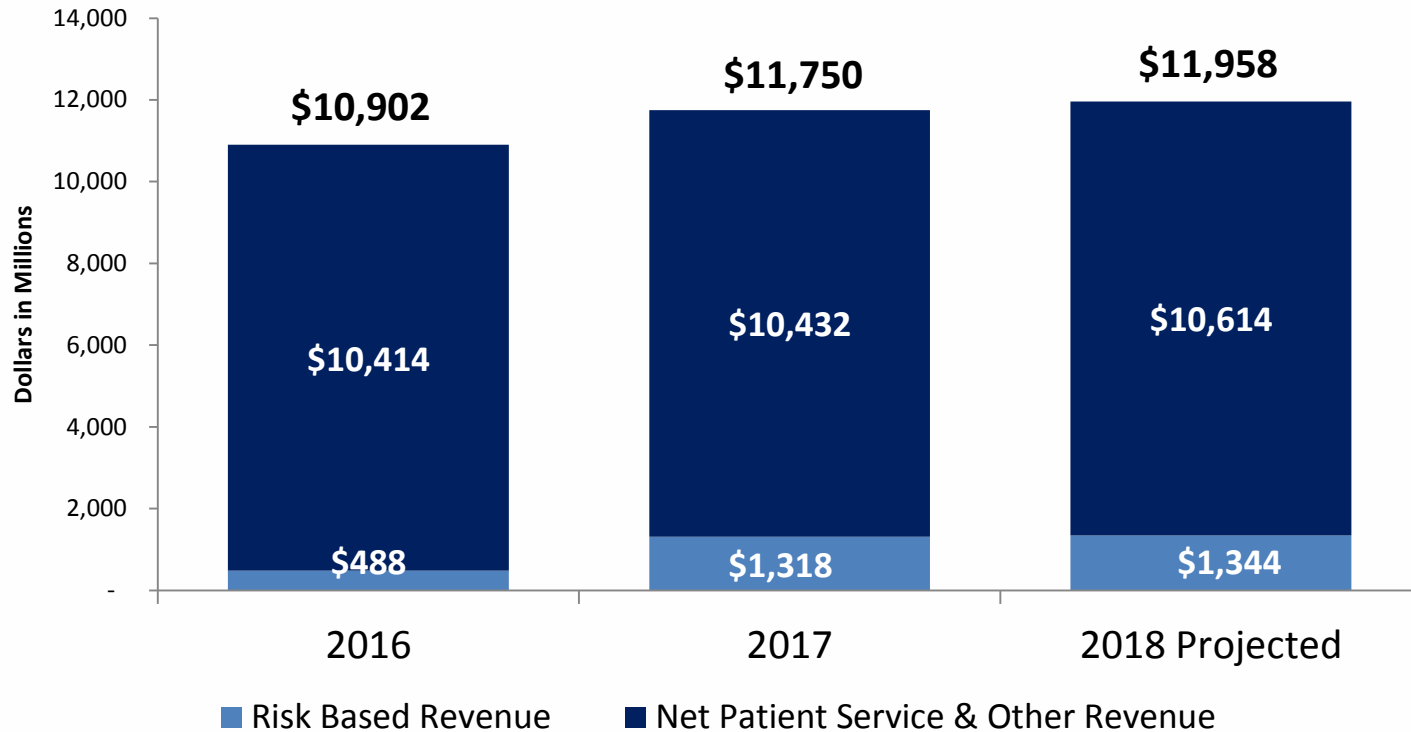
Well Positioned

- Strong governance and leadership
- Consumer first operating model
- Safety & quality focus
- Strong integration framework
- Engaged team members
- Financial strength
- Aa3/AA/AA (M/SP/F), with stable outlooks

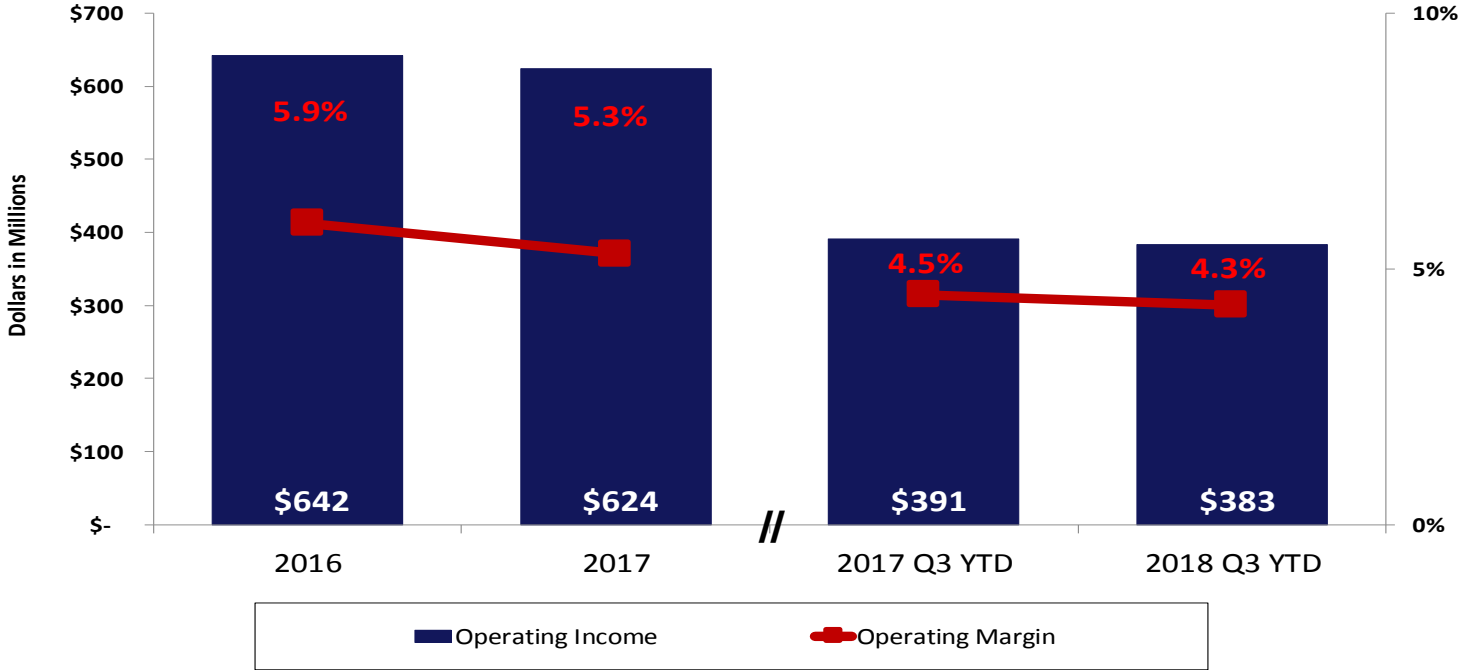
Financial Profile

Dominic J. Nakis, Chief Financial Officer and Treasurer

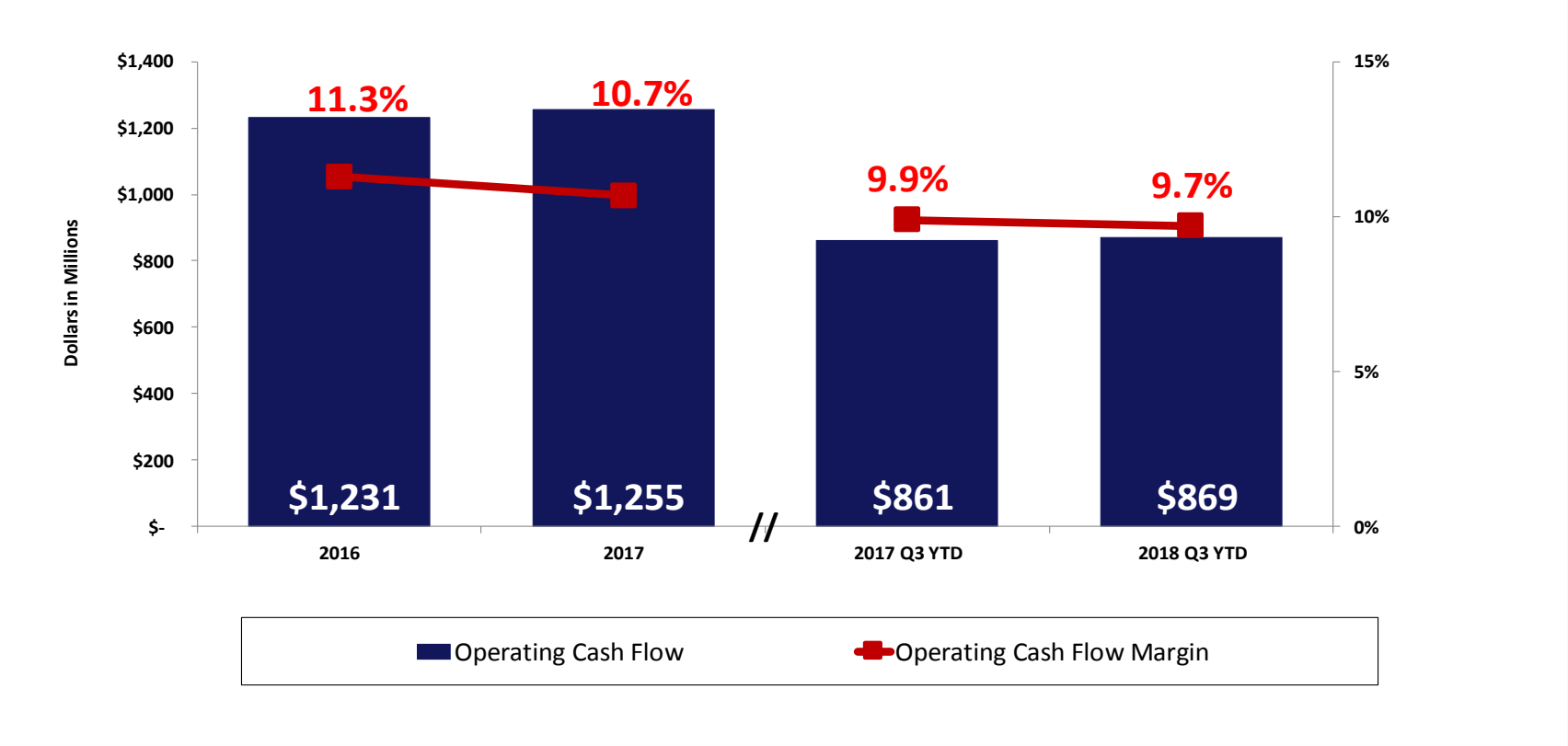
Revenue Growth



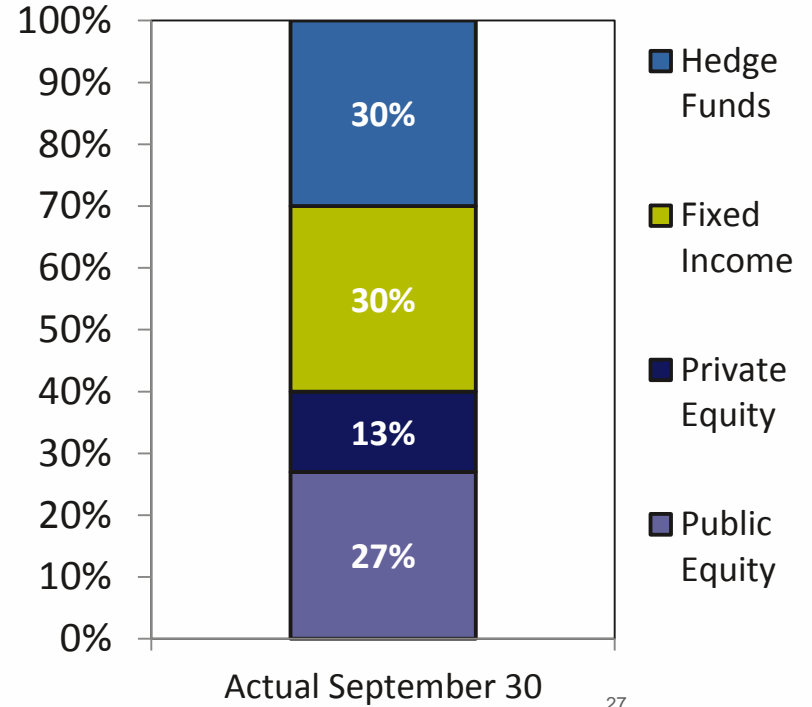
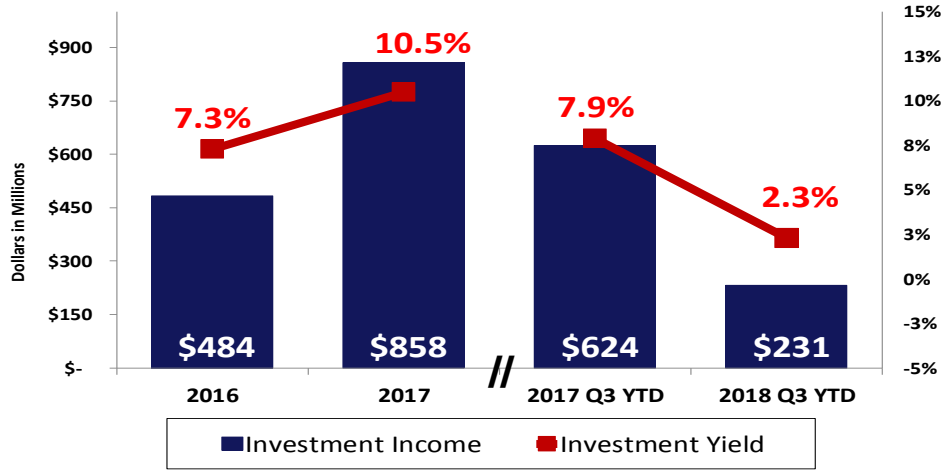
Operating Income & Margin in Line w/Peers



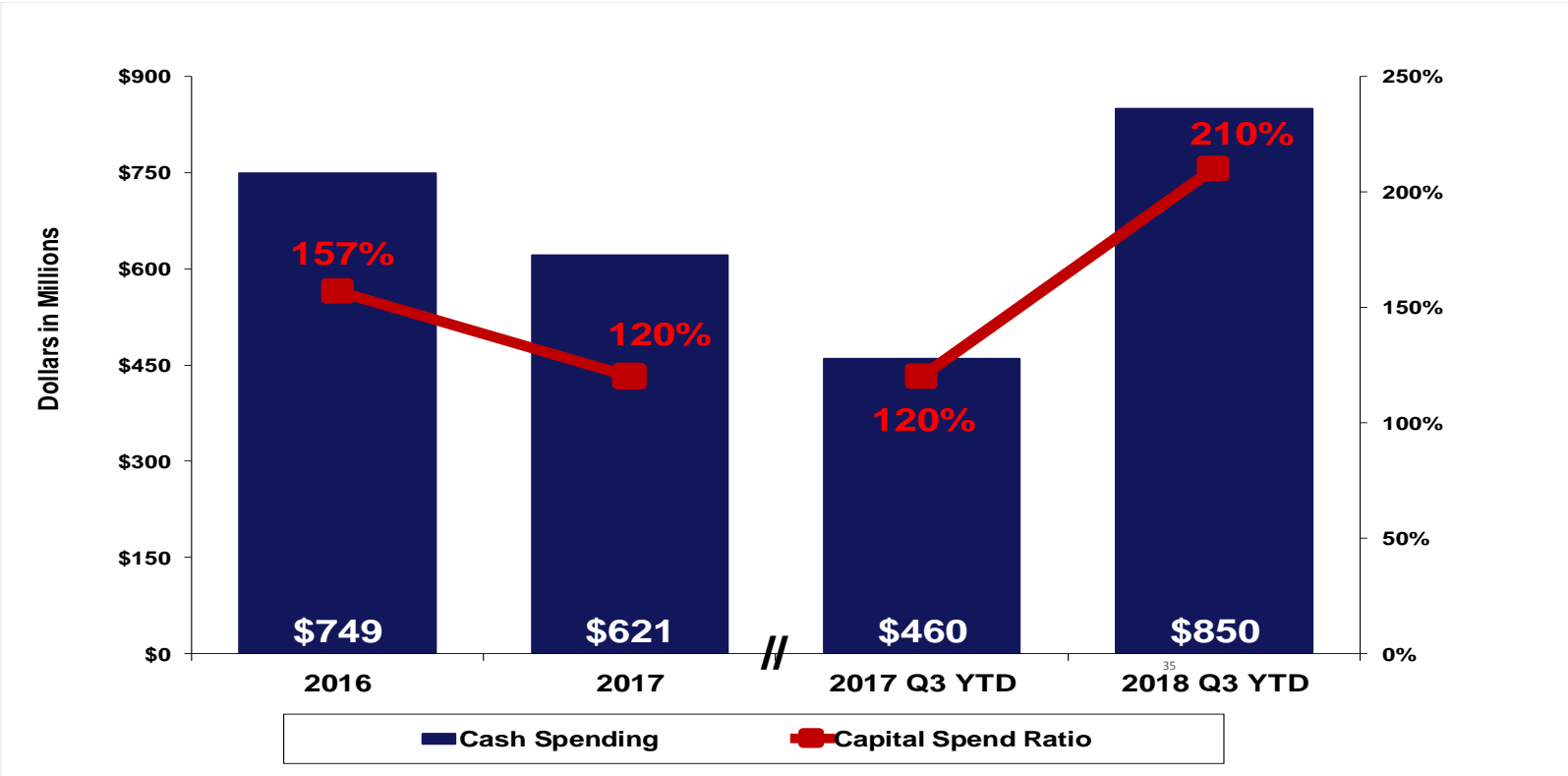
Solid Operating Cash Flow



Strong Investment Assets & Yields

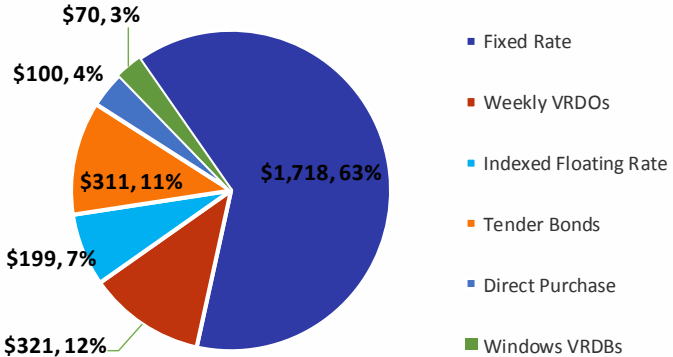


Healthy Capital Investments

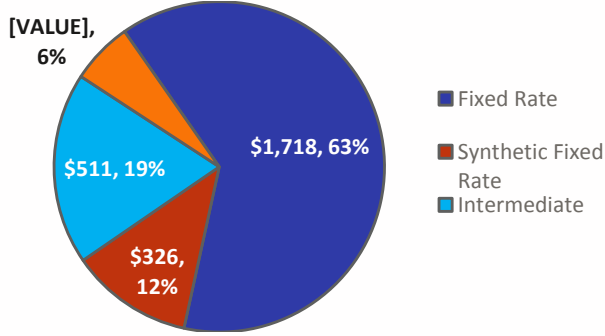


Debt Profile Well Diversified

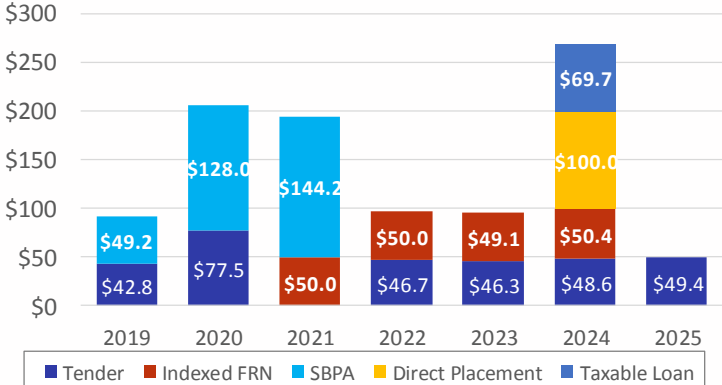
Underlying Debt Mix



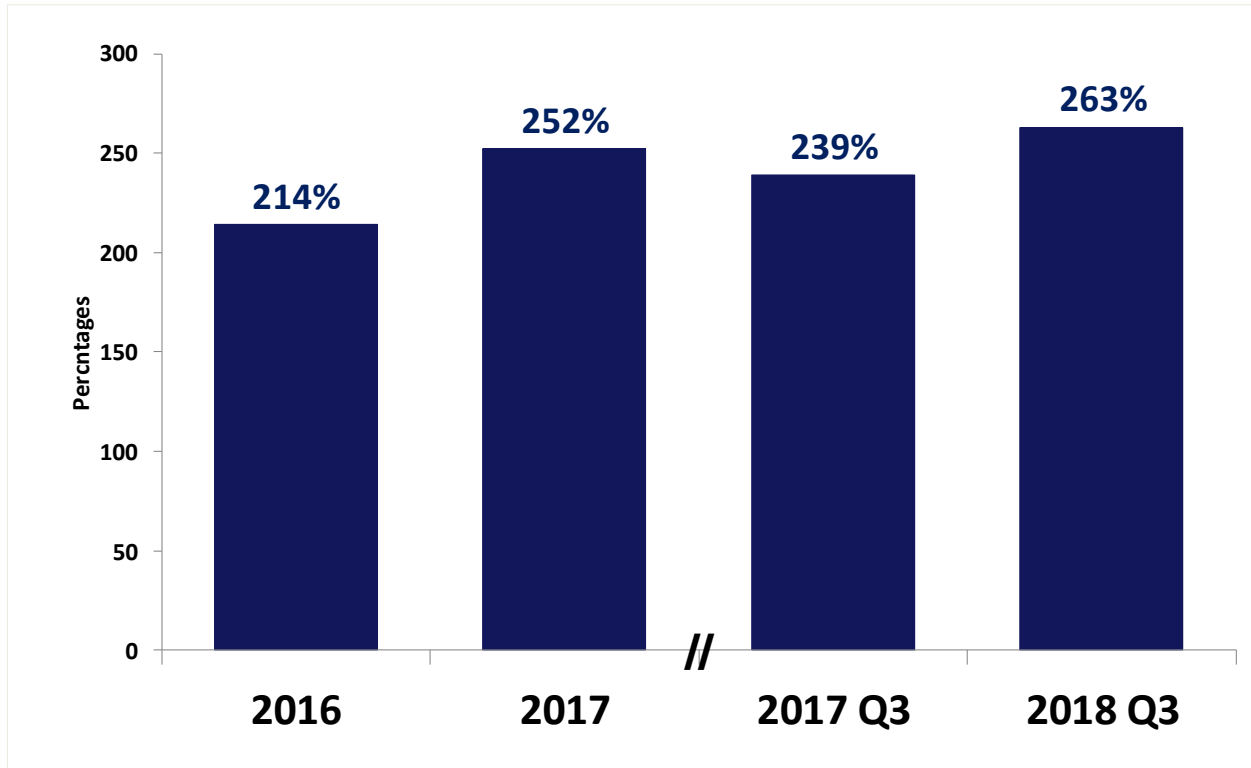
Net Interest Rate Mix



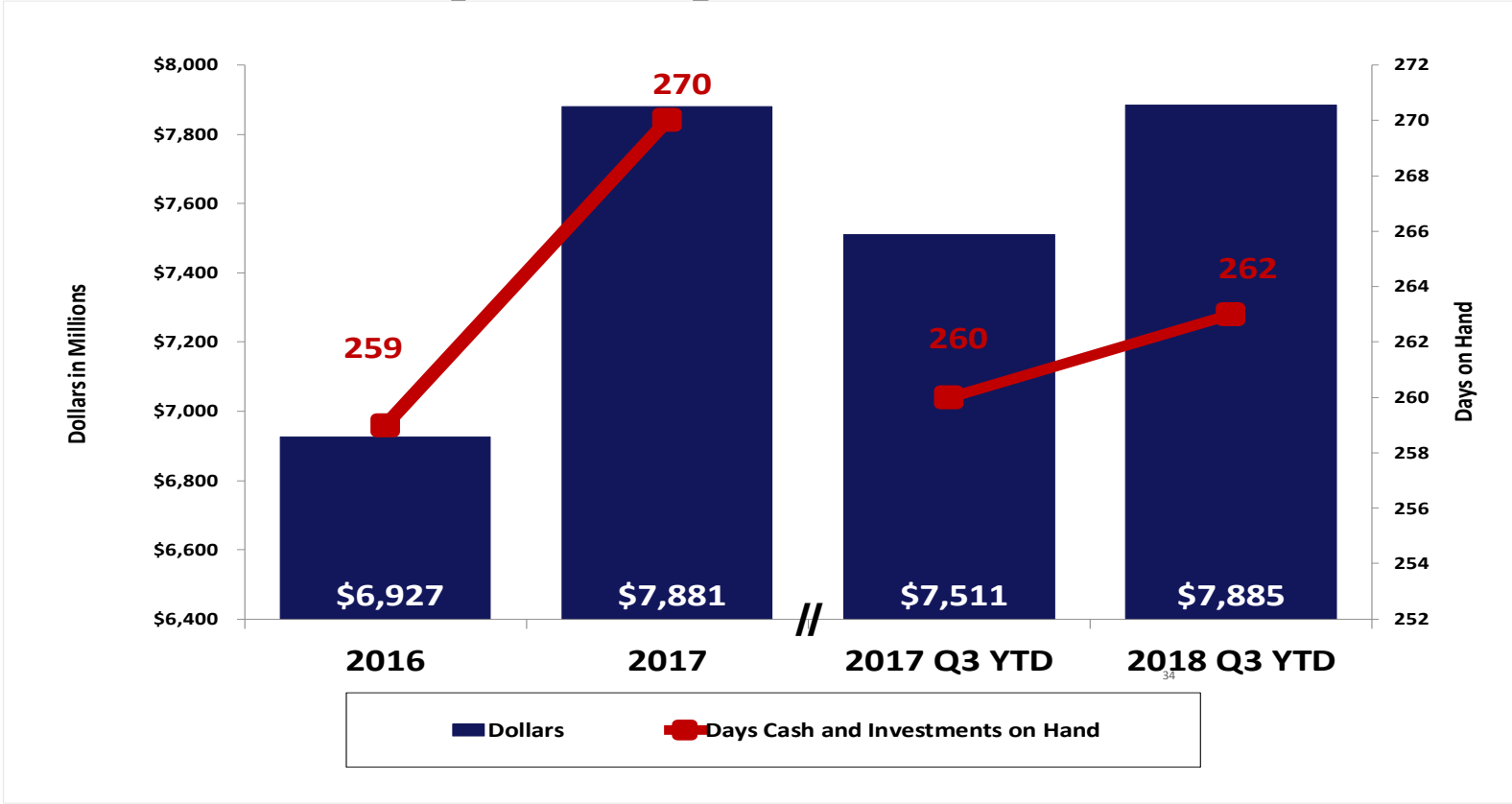
Renewal Risk



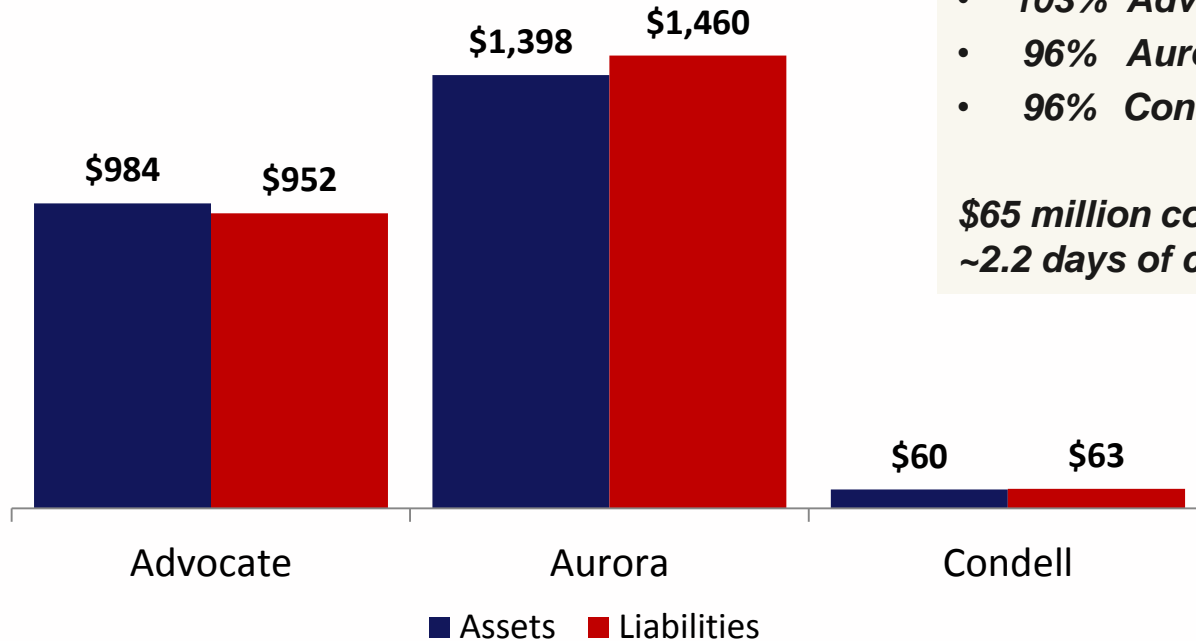
Robust Cash to Debt Ratio



Sizable Liquidity Position



Well Funded Pension Plans



Funded status:

- 103% Advocate Plan *
- 96% Aurora DB Plan **
- 96% Condell DB Plan **

*\$65 million combined funding deficit
~2.2 days of cash*

Well Positioned

- Strong governance and leadership
- Consumer first operating model
- Safety & quality focus
- Strong integration framework
- Engaged team members
- Financial strength
- Aa3/AA/AA (M/SP/F), with stable outlooks



AdvocateAuroraHealth™