### DaVita Inc. 4th Quarter 2022 Results

DENVER, Feb. 22, 2023 /PRNewswire/ -- DaVita Inc. (NYSE: DVA) announced financial and operating results for the quarter and year ended December 31, 2022.

"We continue to have excitement and conviction in our long-term capabilities and strategy to differentiate DaVita as a healthcare provider and employer of choice," said Javier Rodriguez, CEO of DaVita Inc. "I am encouraged by the operating progress we have made in recent months, and we will be closely monitoring volume and the labor environment which remain challenges in 2023."

#### Financial and operating highlights for the quarter and year ended December 31, 2022:

- Consolidated revenues were \$2.917 billion and \$11.610 billion for the three months and year endedDecember 31, 2022, respectively.
- Operating income was \$256 million and adjusted operating income was \$317 million for the three months ended December 31, 2022. Operating income was \$1,339 million and adjusted operating income was \$1,450 million for year ended December 31, 2022.
- Diluted earnings per share from continuing operations was\$0.59 and adjusted diluted earnings per share from continuing operations \$1.11 for three months ended December 31, 2022. Diluted earnings per share from continuing operations was\$5.71 and adjusted diluted earnings per share from continuing operations was \$6.60 for year ended December 31, 2022.
- Operating cash flow was \$344 million and free cash flow was \$75 million for three months ended December 31, 2022.
   Operating cash flow was \$1,565 million and free cash flow was \$817 million for the year ended December 31, 2022.

|   | Three months ended |             |           |                         | Year ended Dec |            |    | ember 31, |  |
|---|--------------------|-------------|-----------|-------------------------|----------------|------------|----|-----------|--|
|   | December           | 31, 2022 Se | •         | ,                       |                | 2022       |    | 2021      |  |
| Net income attributable to DaVita Inc.:                       |                    | (dollars i  | n millior | ıs, except <sub>l</sub> | er s           | share data | )  |           |  |
| Net income from continuing operations                         | \$                 | 55          | \$        | 105                     | \$             | 547        | \$ | 978       |  |
| Diluted per share   | \$                 | 0.59        | \$        | 1.13                    | \$             | 5.71       | \$ | 8.90      |  |
| Adjusted net income from continuing operations <sup>(1)</sup> | \$                 | 102         | \$        | 135                     | \$             | 632        | \$ | 1,016     |  |
| Adjusted diluted per share <sup>(1)</sup>                     | \$                 | 1.11        | \$        | 1.45                    | \$             | 6.60       | \$ | 9.24      |  |
| Net income  | \$                 | 68          | \$        | 105                     | \$             | 560        | \$ | 978       |  |
| Diluted per share   | \$                 | 0.74        | \$        | 1.13                    | \$             | 5.85       | \$ | 8.90      |  |

<sup>(1)</sup> For definitions of non-GAAP financial measures, see the note titled "Note on Non-GAAP Financial Measures" and related reconciliations beginning on page 16.

|   | Three months ended |       |        |                    |       |            | Year ended December 31, |        |          |        |  |  |
|---|--------------------|-------|--------|--------------------|-------|------------|-------------------------|--------|----------|--------|--|--|
| •   | December 31, 2022  |       |        | September 30, 2022 |       |            | 202                     | 2      | 2021     |        |  |  |
|   | Α                  | mount | Margin | Ar                 | nount | Margin     | Amount                  | Margin | Amount   | Margin |  |  |
| Operating income                            |                    |       |        |                    | (     | dollars in | millions)               |        |          |        |  |  |
| Operating income                            | \$                 | 256   | 8.8 %  | \$                 | 312   | 10.6 %     | \$ 1,339                | 11.5 % | \$ 1,797 | 15.5 % |  |  |
| Adjusted operating income <sup>(1)(2)</sup> | \$                 | 317   | 10.9 % | \$                 | 351   | 11.9 %     | \$ 1,450                | 12.5 % | \$ 1,815 | 15.6 % |  |  |

<sup>(1)</sup> For definitions of non-GAAP financial measures, see the note titled "Note on Non-GAAP Financial Measures" and related reconciliations beginning on page 16.

#### U.S. dialysis metrics:

**Volume:** Total U.S. dialysis treatments for the fourth quarter of 2022 were 7,239,660, or an average of 91,641 treatments per day, representing a per day decrease of (1.3)% compared to the third quarter of 2022. Normalized non-acquired treatment growth in the fourth quarter of 2022 compared to the fourth quarter of 2021 was (2.1)%.

|                                  |  | Three months ended |     |                       |    | Year ended      |     |                   |     |                   |    |                |  |
|----------------------------------|--|--------------------|-----|-----------------------|----|-----------------|-----|-------------------|-----|-------------------|----|----------------|--|
|                                  | Dec  | cember 31,<br>2022 | Sep | September 30,<br>2022 |    | uarter<br>hange | Dec | ember 31,<br>2022 | Dec | ember 31,<br>2021 | _  | nnual<br>hange |  |
|                                  | (dollars in millions, except per treatment data) |                    |     |                       |    |                 |     |                   |     |                   |    |                |  |
| Revenue per treatment            | \$   | 366.30             | \$  | 367.67                | \$ | (1.37)          | \$  | 365.24            | \$  | 359.24            | \$ | 6.00           |  |
| Patient care costs per treatment | \$   | 257.60             | \$  | 255.86                | \$ | 1.74            | \$  | 253.31            | \$  | 241.47            | \$ | 11.84          |  |
| General and administrative       | \$   | 283                | \$  | 297                   | \$ | (14)            | \$  | 1,038             | \$  | 926               | \$ | 112            |  |

Primary drivers of the changes in the table above were as follows:

<sup>(2)</sup> Adjusted operating income margin is adjusted operating income divided by consolidated revenues.

Revenue: The quarter change was primarily due to non-recurring favorable adjustments in the third quarter. These changes were partially offset by increased hospital inpatient dialysis revenues, favorable changes in government rate driven by administration of influenza vaccines, favorable changes in commercial mix and the continued migration to Medicare Advantage plans. The annual change was primarily driven by an increase in commercial mix and rate, an increase in the Medicare base rate in 2022 and the continued shift to Medicare Advantage plans, partially offset by the reinstatement of 1% Medicare sequestration beginning April 1, 2022 through June 30, 2022 and 2% Medicare sequestration beginning July 1, 2022 and thereafter.

Patient care costs: The quarter change was primarily due to increased other direct operating expenses associated with our dialysis centers, including increases in utilities expense partially due to lower expense in the third quarter related to our virtual power purchase arrangements. Other drivers of the increase include increases in health benefit expenses, pharmaceutical costs and professional fees. These increases were partially offset by decreases in compensation costs primarily due to a decrease in contract labor costs and improved productivity, and medical supply expense. The annual change was primarily due to increases in compensation expenses, other direct operating expenses associated with our dialysis centers, including increases in utilities expense, as well as closure costs, insurance expenses and costs related to travel. In addition, our fixed other direct operating expenses negatively impacted patient care costs per treatment due to decreased treatments in 2022. These annual increases were partially offset by decreases in pharmaceutical unit costs, health benefit expenses and medical supply costs.

General and administrative: The quarter change was primarily due to decreases in advocacy costs to counter union policy efforts and long-term incentive compensation expense. These quarterly changes were partially offset by increased compensation including severance costs, as described below, health benefit expenses, professional fees and other purchased services. The annual change was primarily due to increases in advocacy costs to counter union policy efforts, compensation expenses, including severance costs, as described below, travel costs, center closure costs, as described below, and higher information technology related costs. These annual increases were partially offset by gains recognized on the sale of our self-developed properties, decreased professional fees and fewer contributions to our charitable foundation.

#### Financial and operating metrics:

|                               | •  | Three months ended<br>December 31, |      |     |    | Twelve months ended<br>December 31, |    |       |  |  |  |
|-------------------------------|----|------------------------------------|------|-----|----|-------------------------------------|----|-------|--|--|--|
| -                             |    | 2022                               | 2021 |     |    | 2022                                |    | 2021  |  |  |  |
| Cash flow:                    |    | (dollars in millions)              |      |     |    |                                     |    |       |  |  |  |
| Operating cash flow           | \$ | 344                                | \$   | 530 | \$ | 1,565                               | \$ | 1,931 |  |  |  |
| Free cash flow <sup>(1)</sup> | \$ | 75                                 | \$   | 290 | \$ | 817                                 | \$ | 1,133 |  |  |  |

<sup>(1)</sup> For definitions of non-GAAP financial measures, see the note titled "Note on Non-GAAP Financial Measures" and related reconciliations beginning on page 16.

|   | Three months ended December 31, 2022 | Year ended<br>December 31, 2022 |
|---|--------------------------------------|---------------------------------|
| Effective income tax rate on:   |                                      |                                 |
| Income from continuing operations   | 23.3 %                               | 20.5 %                          |
| Income from continuing operations attributable to DaVita Inc.(1)          | 38.5 %                               | 26.5 %                          |
| Adjusted income from continuing operations attributable to DaVita Inc.(1) | 31.7 %                               | 26.1 %                          |

<sup>(1)</sup> For definitions of non-GAAP financial measures, see the note titled "Note on Non-GAAP Financial Measures" and related reconciliations beginning on page 16.

**Center activity:** As of December 31, 2022, we provided dialysis services to a total of approximately 245,000 patients at 3,074 outpatient dialysis centers, of which 2,724 centers were located in the United States and 350 centers were located in 11 countries outside of the United States. During the fourth quarter of 2022, we opened a total of six new dialysis centers and closed 58 dialysis centers in the United States. We also acquired three dialysis centers, opened three dialysis centers and closed eight dialysis centers outside of the United States during the fourth quarter of 2022.

**Integrated kidney care (IKC):** As of December 31, 2022, we had approximately 42,000 patients in risk-based integrated care arrangements representing approximately \$3.5 billion in annualized medical spend. We also had an additional 15,000 patients in other integrated care arrangements; we do not include the medical spend for these patients in this annualized medical spend estimate. See additional description of these metrics at Note 2.

### Certain items impacting operating results:

Closure costs. During 2022, we incurred higher than normal charges for center capacity closures. These closures are the result of a strategic review of our outpatient clinic capacity requirements and utilization, which have been impacted both by declines in our patient census in some markets due to the COVID-19 pandemic, as well as by our initiatives toward, and advances in, increasing the proportion of our home dialysis patients.

Our fourth quarter charges for U.S. dialysis center closures were approximately \$35 million, which increased our patient care costs by \$6 million, our general and administrative expenses by \$5 million and our depreciation and amortization expense by \$24 million. During the year ended December 31, 2022, charges for U.S. dialysis center closures were approximately \$86 million, which increased our patient care costs by \$21 million, our general and administrative expenses by \$19 million and our depreciation and amortization

expense by \$46 million. These capacity closures costs included net losses on assets retired, lease costs, asset impairments and accelerated depreciation and amortization.

Severance costs and other. During the fourth quarter of 2022, we committed to a plan to increase efficiencies and cost savings in certain general and administrative support functions. As a result of this plan, we recognized expenses related to termination and other benefit commitments in our U.S. dialysis business, IKC business and corporate administration support function of \$17.0 million, \$0.5 million and \$0.6 million, respectively.

International. During the fourth quarter of 2022, we also committed to a plan to increase efficiencies and cost savings in our international business, which resulted in recognition of expenses related to termination benefits and other charges of \$7.5 million.

Advocacy costs. During the year ended December 31, 2022, we incurred advocacy costs of approximately\$51 million to counter union policy efforts, including a California ballot initiative. These costs are included in the U.S. dialysis segment's general and administrative expense.

#### Outlook:

The following forward-looking measures and the underlying assumptions involve significant known and unknown risks and uncertainties, including those described below, and actual results may vary materially from these forward-looking measures. For example, the widespread impact of the COVID-19 pandemic continues to generate significant risk and uncertainty, and as a result, our future results could vary materially from the guidance provided below. We do not provide guidance for operating income or diluted net income per share attributable to DaVita Inc. on a basis consistent with United States generally accepted accounting principles (GAAP) nor a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures on a forward-looking basis because we are unable to predict certain items contained in the GAAP measures without unreasonable efforts. These non-GAAP financial measures do not include certain items, including capacity closure charges, severance costs and foreign currency fluctuations, which may be significant. The guidance for our effective income tax rate on adjusted income attributable to DaVita Inc. also excludes the amount of third-party owners' income and related taxes attributable to non-tax paying entities.

|  | 2023 expected guidance                 |         |  |  |  |  |  |  |
|--|--|---------|--|--|--|--|--|--|
| -  | Low                                    | High    |  |  |  |  |  |  |
| -  | (dollars in millions, except per share |         |  |  |  |  |  |  |
| Adjusted operating income from continuing operations   | \$1,400                                | \$1,600 |  |  |  |  |  |  |
| Adjusted diluted net income from continuing operations per share attributable to DaVita Inc. | \$5.45                                 | \$6.95  |  |  |  |  |  |  |
| Free cash flow   | \$650                                  | \$900   |  |  |  |  |  |  |

We will be holding a conference call to discuss our results for the fourth quarter ended December 31, 2022, on February 22, 2023, at 5:00 p.m. Eastern Time. To join the conference call, please dial (877) 918-6630 from the U.S. or (517) 308-9042 from outside the U.S., and provide the operator the password 'Earnings'. This call is being webcast and can be accessed at the DaVita Investor Relations website <a href="investors.davita.com">investors.davita.com</a>. A replay of the conference call will also be available atinvestors.davita.com for the following 30 days.

#### Forward looking statements

DaVita Inc. and its representatives may from time to time make written and oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (PSLRA), including statements in this release, filings with the Securities and Exchange Commission (SEC), reports to stockholders and in meetings with investors and analysts. All statements in this release, during the related presentation or other meetings, other than statements of historical fact, are forward-looking statements and as such are intended to be covered by the safe harbor for "forward-looking statements" provided by the PSLRA. These forward-looking statements could include, among other things, DaVita's response to and the expected future impacts of the coronavirus (COVID-19), including statements about our balance sheet and liquidity, our expenses and expense offsets, revenues, billings and collections, availability or cost of supplies, treatment volumes, mix expectation, such as the percentage or number of patients under commercial insurance, the availability, acceptance, impact, administration and efficacy of COVID-19 vaccines, treatments and therapies, the continuing impact on the U.S. and global economies, labor market conditions, and overall impact on our patients and teammates, as well as other statements regarding our future operations, financial condition and prospects, expenses, strategic initiatives, government and commercial payment rates, expectations related to value-based care, integrated kidney care, and Medicare Advantage (MA) plan enrollment and our ongoing stock repurchase program, and statements related to our guidance and expectations for future periods and the assumptions underlying any such projections. All statements in this release, other than statements of historical fact, are forward-looking statements. Without limiting the foregoing, statements including the words "expect," "intend," "will," "could," "plan," "anticipate," "believe," "forecast," "guidance," "outlook," "goals," and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on DaVita's current expectations and are based solely on information available as of the date of this release. DaVita undertakes no obligation to publicly update or revise any forwardlooking statements, whether as a result of changed circumstances, new information, future events or otherwise, except as may be required by law. Actual future events and results could differ materially from any forward-looking statements due to numerous factors

that involve substantial known and unknown risks and uncertainties. These risks and uncertainties include, among other things:

- the continuing impact of the COVID-19 pandemic, current macroeconomic and marketplace conditions, and global events, many of which are interrelated and which relate to, among other things, the impact of the COVID-19 pandemic on our patients, teammates, physician partners, suppliers, business, operations, reputation, financial condition and results of operations; the government's response to the ongoing pandemic, the pandemic's continuing impact on the U.S. and global economies, labor market conditions, interest rates, inflation and evolving monetary policies; the availability, acceptance, impact and efficacy of COVID-19 vaccines, treatments and therapies; further spread or resurgence of the virus, including as a result of the emergence of new strains of the virus; the continuing impact of the pandemic on our revenues and non-acquired growth due to lower treatment volumes; COVID-19's impact on the chronic kidney disease (CKD) population and our patient population including on the mortality of these patients; any potential negative impact on our commercial mix or the number of our patients covered by commercial insurance plans; continued increased COVID-19-related costs; our ability to successfully implement cost savings initiatives; supply chain challenges and disruptions; and elevated teammate turnover and training costs and higher salary and wage expense, including, among other things, increased contract wages, driven in part by persisting labor market conditions and a high demand for our clinical personnel, any of which may also have the effect of heightening many of the other risks and uncertainties discussed below, and in many cases, the impact of the pandemic and the aforementioned global economic conditions on our business may persist even after the pandemic subsides;
- the extent to which the ongoing implementation of healthcare reform, or changes in or new legislation, regulations or guidance, enforcement thereof or related litigation result in a reduction in coverage or reimbursement rates for our services, a reduction in the number of patients enrolled in or that select higher-paying commercial plans, including for example MA plans or other material impacts to our business or operations; or our making incorrect assumptions about how our patients will respond to any such developments;
- risks arising from potential changes in laws, regulations or requirements applicable to us, such as potential and proposed federal and/or state legislation, regulation, ballot, executive action or other initiatives, including, without limitation, those related to healthcare and/or labor matters;
- the concentration of profits generated by higher-paying commercial payor plans for which there is continued downward pressure on average realized payment rates; a reduction in the number or percentage of our patients under such plans, including, without limitation, as a result of restrictions or prohibitions on the use and/or availability of charitable premium assistance, which may result in the loss of revenues or patients, as a result of our making incorrect assumptions about how our patients will respond to any change in financial assistance from charitable organizations, or as a result of payors' implementing restrictive plan designs, including, without limitation, actions taken in response to the U.S. Supreme Court's decision in Marietta Memorial Hospital Employee Health Benefit Plan, et al. v. DaVita Inc. et al. ("Marietta"); how and whether regulators and legislators will respond to the Marietta decision including, without limitation, whether they will issue regulatory guidance or adopt new legislation; how courts will interpret other anti-discriminatory provisions that may apply to restrictive plan designs; whether there could be other potential negative impacts of the Marietta decision; and the timing of each of these items;
- our ability to attract, retain and motivate teammates and our ability to manage operating cost increases or productivity decreases whether due to union organizing activities, legislative or other changes, demand for labor, volatility and uncertainty in the labor market, the current challenging and highly competitive labor market conditions, or other reasons;
- U.S. and global economic and marketplace conditions, interest rates, inflation, unemployment, labor market conditions, and evolving monetary policies, and our ability to respond to these challenging conditions, including among other things our ability to successfully identify cost savings opportunities and to implement cost savings initiatives such as ongoing initiatives that increase our use of third party service providers to perform certain activities, initiatives that relate to clinic optimization and capacity utilization improvement, and procurement opportunities, among other things;
- our ability to successfully implement our strategies with respect to integrated kidney care and value-based care initiatives and home based dialysis in the desired time frame and in a complex, dynamic and highly regulated environment, including, among other things, maintaining our existing business; meeting growth expectations; recovering our investments; entering into agreements with payors, third party vendors and others on terms that are competitive and, as appropriate, prove actuarially sound; structuring operations, agreements and arrangements to comply with evolving rules and regulations; finding, training and retaining appropriate staff; and further developing our integrated care and other capabilities to provide competitive programs at scale;
- a reduction in government payment rates under the Medicare End Stage Renal Disease program, state Medicaid or other government-based programs and the impact of the Medicare Advantage benchmark structure;
- noncompliance by us or our business associates with any privacy or security laws or any security breach by us or a third party involving the misappropriation, loss or other unauthorized use or disclosure of confidential information;
- legal and compliance risks, such as our continued compliance with complex, and at times, evolving government regulations and requirements;
- the impact of the political environment and related developments on the current healthcare marketplace and on our business, including with respect to the Affordable Care Act, the exchanges and many other core aspects of the current healthcare

marketplace, as well as the composition of the U.S. Supreme Court and the current presidential administration and congressional majority;

- changes in pharmaceutical practice patterns, reimbursement and payment policies and processes, or pharmaceutical pricing, including with respect to hypoxia inducible factors, among other things;
- our ability to develop and maintain relationships with physicians and hospitals, changing affiliation models for physicians, and the emergence of new models of care or other initiatives introduced by the government or private sector that, among other things, may erode our patient base and impact reimbursement rates;
- our ability to complete acquisitions, mergers, dispositions, joint ventures or other strategic transactions that we might announce
  or be considering, on terms favorable to us or at all, or to successfully integrate any acquired businesses, or to successfully
  operate any acquired businesses, joint ventures or other strategic transactions, or to successfully expand our operations and
  services in markets outside the United States, or to businesses or products outside of dialysis services;
- continued increased competition from dialysis providers and others, and other potential marketplace changes, including without limitation increased investment in and availability of funding to new entrants in the dialysis and pre-dialysis marketplace;
- the variability of our cash flows, including without limitation any extended billing or collections cycles; the risk that we may not be able to generate or access sufficient cash in the future to service our indebtedness or to fund our other liquidity needs; and the risk that we may not be able to refinance our indebtedness as it becomes due, on terms favorable to us or at all;
- factors that may impact our ability to repurchase stock under our stock repurchase program and the timing of any such stock repurchases, as well as our use of a considerable amount of available funds to repurchase stock;
- risks arising from the use of accounting estimates, judgments and interpretations in our financial statements;
- impairment of our goodwill, investments or other assets;
- our aspirations, goals and disclosures related to environmental, social and governance (ESG) matters, including, among other
  things, evolving regulatory requirements affecting ESG standards, measurements and reporting requirements; the availability of
  suppliers that can meet our sustainability standards; and our ability to recruit, develop and retain diverse talent in our labor
  markets; and
- the other risk factors, trends and uncertainties set forth in our Annual Report on Form 10-K for the year endedDecember 31, 2021 and Quarterly Reports on Form 10-Q for the quarters endedMarch 31, June 30 and September 30, 2022, and the risks and uncertainties discussed in any subsequent reports that we file or furnish with the SEC from time to time.

The financial information presented in this release is unaudited and is subject to change as a result of subsequent events or adjustments, if any, arising prior to the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Year ended December 31.

# DAVITA INC. CONSOLIDATED STATEMENTS OF INCOME (unaudited) (dollars and shares in thousands, except per share data)

Three months ended December 31.

|   | Tillee Illollillis ellueu Decellibei 31, |           |    |           | real ellueu Decellibel 31, |            |    |            |  |
|---|--|-----------|----|-----------|----------------------------|------------|----|------------|--|
| _   |  | 2022      |    | 2021      |                            | 2022       |    | 2021       |  |
| Dialysis patient service revenues                         | \$                                       | 2,803,590 | \$ | 2,843,031 | \$                         | 11,176,464 | \$ | 11,213,515 |  |
| Other revenues  |  | 113,298   |    | 100,936   |                            | 433,430    |    | 405,282    |  |
| Total revenues  |  | 2,916,888 |    | 2,943,967 |                            | 11,609,894 |    | 11,618,797 |  |
| Operating expenses:                                       |  |           |    |           |                            |            |    |            |  |
| Patient care costs  |  | 2,088,681 |    | 2,060,218 |                            | 8,209,553  |    | 7,972,414  |  |
| General and administrative                                |  | 379,711   |    | 322,723   |                            | 1,355,197  |    | 1,195,335  |  |
| Depreciation and amortization                             |  | 194,068   |    | 174,763   |                            | 732,602    |    | 680,615    |  |
| Equity investment income, net                             |  | (1,824)   |    | (3,152)   |                            | (26,520)   |    | (26,937)   |  |
| Total operating expenses                                  |  | 2,660,636 |    | 2,554,552 |                            | 10,270,832 |    | 9,821,427  |  |
| Operating income  |  | 256,252   |    | 389,415   |                            | 1,339,062  |    | 1,797,370  |  |
| Debt expense  |  | (100,962) |    | (72,087)  |                            | (357,019)  |    | (285,254)  |  |
| Other (loss) income, net                                  |  | (7,797)   |    | (2,388)   |                            | (15,765)   |    | 6,378      |  |
| Income from continuing operations before income taxes     |  | 147,493   |    | 314,940   |                            | 966,278    |    | 1,518,494  |  |
| Income tax expense  |  | 34,330    |    | 65,508    |                            | 198,087    |    | 306,732    |  |
| Net income from continuing operations                     |  | 113,163   |    | 249,432   |                            | 768,191    |    | 1,211,762  |  |
| Net income from discontinued operations, net of tax       |  | 13,452    |    | _         |                            | 13,452     |    | _          |  |
| Net income  |  | 126,615   |    | 249,432   |                            | 781,643    |    | 1,211,762  |  |
| Less: Net income attributable to noncontrolling interests |  | (58,512)  |    | (61,959)  |                            | (221,243)  |    | (233,312)  |  |
| Net income attributable to DaVita Inc.                    | \$                                       | 68,103    | \$ | 187,473   | \$                         | 560,400    | \$ | 978,450    |  |
| Earnings per share attributable to DaVita Inc.:           |  |           |    |           |                            |            |    |            |  |
| Basic net income from continuing operations               | \$                                       | 0.61      | \$ | 1.86      | \$                         | 5.88       | \$ | 9.30       |  |

| Basic net income   | \$<br>0.76   | \$<br>1.86    | \$<br>6.03    | \$<br>9.30    |
|--|--------------|---------------|---------------|---------------|
| Diluted net income from continuing operations  | \$<br>0.59   | \$<br>1.79    | \$<br>5.71    | \$<br>8.90    |
| Diluted net income   | \$<br>0.74   | \$<br>1.79    | \$<br>5.85    | \$<br>8.90    |
| Weighted account the second se |              |               |               |               |
| Weighted average shares for earnings per share:  | 90,122       | 100,913       | 92,992        | 105,230       |
| Basic shares   | <br>         | <br>          | <br>          | <br>          |
| Diluted shares   | 91,910       | 104,842       | <br>95,834    | 109,948       |
| Amounts attributable to DaVita Inc.:   |              |               |               |               |
| Net income from continuing operations  | \$<br>54,651 | \$<br>187,473 | \$<br>546,948 | \$<br>978,450 |
| Net income from discontinued operations  | 13,452       | _             | 13,452        | _             |
| Net income attributable to DaVita Inc.   | \$<br>68,103 | \$<br>187,473 | \$<br>560,400 | \$<br>978,450 |

# DAVITA INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited) (dollars in thousands)

|  | Three months ended December 31 |          |    |          | Year ended December 31, |           |    |           |
|--|--------------------------------|----------|----|----------|-------------------------|-----------|----|-----------|
|  | 2022                           |          |    | 2021     | 2022                    |           |    | 2021      |
| Net income   | \$                             | 126,615  | \$ | 249,432  | \$                      | 781,643   | \$ | 1,211,762 |
| Other comprehensive income (loss), net of tax:                         |                                |          |    |          |                         |           |    |           |
| Unrealized gains on interest rate cap agreements:                      |                                |          |    |          |                         |           |    |           |
| Unrealized gains   |                                | 13,008   |    | 4,689    |                         | 108,669   |    | 7,155     |
| Reclassifications of net realized (gains) losses into net income       |                                | (11,905) |    | 1,034    |                         | (8,806)   |    | 4,133     |
| Unrealized gains (losses) on foreign currency translation:             |                                | 65,262   |    | (25,218) |                         | (29,802)  |    | (84,381)  |
| Other comprehensive income (loss)                                      |                                | 66,365   |    | (19,495) |                         | 70,061    |    | (73,093)  |
| Total comprehensive income   |                                | 192,980  |    | 229,937  |                         | 851,704   |    | 1,138,669 |
| Less: Comprehensive income attributable to<br>noncontrolling interests |                                | (58,512) |    | (61,959) |                         | (221,243) |    | (233,312) |
| Comprehensive income attributable to DaVita Inc.                       | \$                             | 134,468  | \$ | 167,978  | \$                      | 630,461   | \$ | 905,357   |

# DAVITA INC. CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited) (dollars in thousands)

|  |           | Year ended December 31, |           |  |  |  |
|--|-----------|-------------------------|-----------|--|--|--|
|  | 2022      |                         | 2021      |  |  |  |
| Cash flows from operating activities:  |           |                         |           |  |  |  |
| Net income \$  | 781,643   | \$                      | 1,211,762 |  |  |  |
| Adjustments to reconcile net income to net cash provided by operating activities:            |           |                         |           |  |  |  |
| Depreciation and amortization  | 732,602   |                         | 680,615   |  |  |  |
| Stock-based compensation expense   | 95,427    |                         | 102,209   |  |  |  |
| Deferred income taxes  | (75,669)  |                         | 60,483    |  |  |  |
| Equity investment income, net  | 8,773     |                         | 5,215     |  |  |  |
| Other non-cash charges, net  | 21,693    |                         | 11,231    |  |  |  |
| Changes in operating assets and liabilities, net of effect of acquisitions and divestitures: |           |                         |           |  |  |  |
| Accounts receivable  | (148,394) |                         | (138,140) |  |  |  |
| Inventories  | (757)     |                         | 5,720     |  |  |  |
| Other receivables and prepaid and other current assets                                       | 27,533    |                         | 128,661   |  |  |  |
| Other long-term assets   | (50,549)  |                         | (26,387)  |  |  |  |
| Accounts payable   | 87,481    |                         | (30,320)  |  |  |  |
| Accrued compensation and benefits  | 34,536    |                         | (16,717)  |  |  |  |
| Other current liabilities  | 89,955    |                         | (93,645)  |  |  |  |
| Income taxes   | (24,103)  |                         | 36,921    |  |  |  |
| Other long-term liabilities  | (15,601)  |                         | (6,732)   |  |  |  |
| Net cash provided by operating activities  | 1,564,570 |                         | 1,930,876 |  |  |  |
| Cash flows from investing activities:  |           |                         |           |  |  |  |
| Additions of property and equipment  | (603,429) |                         | (641,465) |  |  |  |
| Acquisitions   | (57,308)  |                         | (187,050) |  |  |  |
| Proceeds from asset and business sales   | 117,582   |                         | 61,464    |  |  |  |

| Purchase of debt investments held-to-maturity                                 | (129,803)   | (30,849)      |
|---|-------------|---------------|
| Purchase of other debt and equity investments                                 | (3,590)     | (2,987)       |
| Proceeds from debt investments held-to-maturity                               | 71,125      | 15,849        |
| Proceeds from sale of other debt and equity investments                       | 3,781       | 12,030        |
| Purchase of equity method investments   | (31,885)    | (13,924)      |
| Distributions from equity method investments                                  | 3,962       | 2,944         |
| Other   | (782)       | (745)         |
| Net cash used in investing activities   | (630,347)   | (784,733)     |
| Cash flows from financing activities:   |             |               |
| Borrowings  | 2,393,116   | 1,615,370     |
| Payments on long-term debt  | (2,404,395) | (861,115)     |
| Deferred financing and debt redemption costs                                  | (3)         | (9,091)       |
| Purchase of treasury stock  | (802,228)   | (1,538,626)   |
| Distributions to noncontrolling interests                                     | (267,946)   | (244,033)     |
| Net payments related to stock purchases and awards                            | (37,367)    | (60,001)      |
| Contributions from noncontrolling interests                                   | 14,797      | 31,754        |
| Proceeds from sales of additional noncontrolling interests                    | 3,673       | 2,880         |
| Purchases of noncontrolling interests   | (20,775)    | <br>(20,104)  |
| Net cash used in financing activities   | (1,121,128) | (1,082,966)   |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (29,066)    | (10,007)      |
| Net (decrease) increase in cash, cash equivalents and restricted cash         | (215,971)   | 53,170        |
| Cash, cash equivalents and restricted cash at beginning of the year           | 554,960     | <br>501,790   |
| Cash, cash equivalents and restricted cash at end of the period               | \$ 338,989  | \$<br>554,960 |

# DAVITA INC. CONSOLIDATED BALANCE SHEETS (unaudited) (dollars and shares in thousands, except per share data)

|  | Dece | ember 31, 2022 | December 31, 2021 |            |  |
|--|------|----------------|-------------------|------------|--|
| ASSETS   |      |                |                   |            |  |
| Cash and cash equivalents  | \$   | 244,086        | \$                | 461,900    |  |
| Restricted cash and equivalents  |      | 94,903         |                   | 93,060     |  |
| Short-term investments   |      | 77,693         |                   | 22,310     |  |
| Accounts receivable  |      | 2,132,070      |                   | 1,957,583  |  |
| Inventories  |      | 109,122        |                   | 107,428    |  |
| Other receivables  |      | 413,976        |                   | 427,321    |  |
| Prepaid and other current assets   |      | 78,839         |                   | 72,517     |  |
| Income tax receivable  |      | 4,603          |                   | 25,604     |  |
| Total current assets   |      | 3,155,292      |                   | 3,167,723  |  |
| Property and equipment, net of accumulated depreciation of \$5,265,372 and \$4,763,135, respectively |      | 3,256,397      |                   | 3,479,972  |  |
| Operating lease right-of-use assets  |      | 2,666,242      |                   | 2,824,787  |  |
| Intangible assets, net of accumulated amortization of \$49,772 and \$60,730, respectively            |      | 182,687        |                   | 177,693    |  |
| Equity method and other investments  |      | 231,108        |                   | 238,881    |  |
| Long-term investments  |      | 44,329         |                   | 49,514     |  |
| Other long-term assets   |      | 315,587        |                   | 136,677    |  |
| Goodwill   |      | 7,076,610      |                   | 7,046,241  |  |
|  | \$   | 16,928,252     | \$                | 17,121,488 |  |
| LIABILITIES AND EQUITY   |      |                |                   |            |  |
| Accounts payable   | \$   | 479,780        | \$                | 402,049    |  |
| Other liabilities  |      | 802,469        |                   | 709,345    |  |
| Accrued compensation and benefits  |      | 692,654        |                   | 659,960    |  |
| Current portion of operating lease liabilities   |      | 395,401        |                   | 394,357    |  |
| Current portion of long-term debt  |      | 231,404        |                   | 179,030    |  |
| Income tax payable   |      | 18,039         |                   | 53,792     |  |
| Total current liabilities  |      | 2,619,747      |                   | 2,398,533  |  |
| Long-term operating lease liabilities  |      | 2,503,068      |                   | 2,672,713  |  |
| Long-term debt   |      | 8,692,617      |                   | 8,729,150  |  |
| Other long-term liabilities  |      | 105,233        |                   | 119,158    |  |
| Deferred income taxes  |      | 782,787        |                   | 830,954    |  |
| Total liabilities  |      | 14,703,452     |                   | 14,750,508 |  |
| Commitments and contingencies  |      |                |                   |            |  |
| Noncontrolling interests subject to put provisions   |      | 1,348,908      |                   | 1,434,832  |  |
| Equity:  |      |                |                   |            |  |

| Preferred stock (\$0.001 par value, 5,000 shares authorized; none issued)  Common stock (\$0.001 par value, 450,000 shares authorized; 90,411 and 97,289 shares issued | _                | _                |
|--|------------------|------------------|
| and outstanding at December 31, 2022, and 2021, respectively)  | 90               | 97               |
| Additional paid-in capital   | 606,935          | 540,321          |
| Retained earnings  | 174,487          | 354,337          |
| Accumulated other comprehensive loss   | (69,186)         | (139,247)        |
| Total DaVita Inc. shareholders' equity   | 712,326          | <br>755,508      |
| Noncontrolling interests not subject to put provisions   | 163,566          | 180,640          |
| Total equity   | 875,892          | 936,148          |
| . ,  | \$<br>16,928,252 | \$<br>17,121,488 |

### DAVITA INC. SUPPLEMENTAL FINANCIAL DATA (unaudited)

(dollars in millions and shares in thousands, except per treatment data)

|   |    | Three mo        | nths end | led             | Year ended |                  |  |
|---|----|-----------------|----------|-----------------|------------|------------------|--|
|   |    | mber 31,<br>022 |          | nber 30,<br>022 |            | mber 31,<br>2022 |  |
| 1. Consolidated business metrics:   |    |                 |          |                 |            |                  |  |
| Operating margin  |    | 8.8 %           |          | 10.6 %          |            | 11.5 %           |  |
| Adjusted operating margin excluding certain items <sup>(1)(2)</sup>   |    | 10.9 %          |          | 11.9 %          |            | 12.5 %           |  |
| General and administrative expenses as a percent of consolidated revenues(3)  |    | 13.0 %          |          | 12.4 %          |            | 11.7 %           |  |
| Effective income tax rate on income from continuing operations  |    | 23.3 %          |          | 20.5 %          |            | 20.5 %           |  |
| Effective income tax rate on income from continuing operations attributable to DaVita Inc. <sup>(1)</sup> Effective income tax rate on adjusted income from continuing operations |    | 38.5 %          |          | 28.7 %          |            | 26.5 %           |  |
| attributable to DaVita Inc. <sup>(1)</sup>  |    | 31.7 %          |          | 27.9 %          |            | 26.1 %           |  |
| 2. Summary of financial results:  |    |                 |          |                 |            |                  |  |
| Revenues:   | •  | 0.050           | •        | 0.700           | •          | 10.000           |  |
| U.S. dialysis patient services and other  | \$ | 2,658           | \$       | 2,703           | \$         | 10,600           |  |
| Other—Ancillary services  |    | 400             |          | 07              |            | 070              |  |
| Integrated kidney care  |    | 102             |          | 87              |            | 378              |  |
| Other U.S. ancillary  |    | 7               |          | 7               |            | 23               |  |
| International dialysis patient service and other  |    | 177             |          | 175             |            | 700              |  |
| -   |    | 285             | -        | 268             |            | 1,101            |  |
| Eliminations  |    | (27)            |          | (23)            |            | (91)             |  |
| Total consolidated revenues   | \$ | 2,917           | \$       | 2,949           | \$         | 11,610           |  |
| Operating income (loss):  |    | ,               |          |                 |            |                  |  |
| U.S. dialysis   | \$ | 335             | \$       | 351             | \$         | 1,565            |  |
| Other—Ancillary services  |    |                 |          |                 |            |                  |  |
| Integrated kidney care  |    | (34)            |          | (32)            |            | (125)            |  |
| Other U.S. ancillary  |    | (1)             |          | (2)             |            | (9)              |  |
| International <sup>(4)</sup>  |    | (4)             |          | 18              |            | 37               |  |
|   |    | (40)            |          | (15)            |            | (97)             |  |
| Corporate administrative support expenses   |    | (38)            |          | (24)            |            | (130)            |  |
| Total consolidated operating income   | \$ | 256             | \$       | 312             | \$         | 1,339            |  |

### DAVITA INC. SUPPLEMENTAL FINANCIAL DATA - continued (unaudited)

(dollars in millions and shares in thousands, except per treatment data)

|   | Three mo        | nths end             | led   | Year ended           |
|---|-----------------|----------------------|-------|----------------------|
|   | nber 31,<br>022 | September 30<br>2022 |       | December 31,<br>2022 |
| 3. Summary of reportable segment financial results and metrics: |                 |                      |       |                      |
| U.S. dialysis   |                 |                      |       |                      |
| Financial results   |                 |                      |       |                      |
| Revenue:  |                 |                      |       |                      |
| Dialysis patient service revenues                               | \$<br>2,652     | \$                   | 2,697 | \$ 10,575            |
| Other revenues  | 6               |                      | 6     | 24                   |
| Total operating revenues  | 2,658           |                      | 2,703 | 10,600               |

| Operating expenses:  |    |         |    |         |     |         |
|--|----|---------|----|---------|-----|---------|
| Patient care costs   |    | 1,865   |    | 1,877   |     | 7,334   |
| General and administrative   |    | 283     |    | 297     |     | 1,038   |
| Depreciation and amortization  |    | 184     |    | 185     |     | 691     |
| Equity investment income   |    | (8)     |    | (7)     |     | (28)    |
| Total operating expenses   |    | 2,324   |    | 2,352   |     | 9,034   |
| Segment operating income   | \$ | 335     | \$ | 351     | \$  | 1,565   |
| Reconciliation for non-GAAP measure:                                 |    |         |    |         |     |         |
| Closure charges  |    | 35      |    | 40      |     | 86      |
| Severance and other costs  |    | 17      |    | _       |     | 17      |
| Adjusted segment operating income <sup>(1)</sup>                     | \$ | 387     | \$ | 391     | \$  | 1,668   |
| Metrics  |    |         |    |         |     |         |
| Volume:  |    |         |    |         |     |         |
| Treatments   | 7, | 239,660 | 7, | 335,825 | 28, | 954,433 |
| Number of treatment days   |    | 79.0    |    | 79.0    |     | 313.0   |
| Average treatments per day   |    | 91,641  |    | 92,859  |     | 92,506  |
| Per day year-over-year decrease                                      |    | (2.9) % |    | (1.7) % |     | (2.3) % |
| Normalized year-over-year non-acquired treatment growth $\!\!^{(5)}$ |    | (2.1) % |    | (2.1) % |     |         |
| Operating net revenues:  |    |         |    |         |     |         |
| Average patient service revenue per treatment                        | \$ | 366.30  | \$ | 367.67  | \$  | 365.24  |
| Expenses:  |    |         |    |         |     |         |
| Patient care costs per treatment                                     | \$ | 257.60  | \$ | 255.86  | \$  | 253.31  |
| General and administrative expenses per treatment                    | \$ | 39.07   | \$ | 40.52   | \$  | 35.83   |
| Depreciation and amortization expense per treatment                  | \$ | 25.36   | \$ | 25.18   | \$  | 23.86   |
| Accounts receivable:   |    |         |    |         |     |         |
| Receivables  | \$ | 1,899   | \$ | 1,886   |     |         |
| DSO  |    | 66      |    | 65      |     |         |
|  |    |         |    |         |     |         |

### DAVITA INC. SUPPLEMENTAL FINANCIAL DATA - continued (unaudited)

(dollars in millions and shares in thousands, except per treatment data)

|  | Three mor     | nths ende             | d      | Year ended         |       |  |
|--|---------------|-----------------------|--------|--------------------|-------|--|
|  | ber 31,<br>22 | September 30,<br>2022 |        | December 3<br>2022 |       |  |
| 4. Cash flow:  | <br>          |                       |        |                    |       |  |
| Operating cash flow  | \$<br>344     | \$                    | 711    | \$                 | 1,565 |  |
| Operating cash flow, last twelve months  | \$<br>1,565   | \$                    | 1,751  |                    |       |  |
| Free cash flow <sup>(1)</sup>  | \$<br>75      | \$                    | 500    | \$                 | 817   |  |
| Free cash flow, last twelve months <sup>(1)</sup> Capital expenditures:  | \$<br>817     | \$                    | 1,032  |                    |       |  |
| Routine maintenance/IT/other   | \$<br>147     | \$                    | 104    | \$                 | 431   |  |
| Development and relocations  | \$<br>47      | \$                    | 40     | \$                 | 172   |  |
| Acquisition expenditures   | \$<br>13      | \$                    | 34     | \$                 | 57    |  |
| Proceeds from sale of self-developed properties  | \$<br>1       | \$                    | 1      | \$                 | 109   |  |
| 5. Debt and capital structure:   |               |                       |        |                    |       |  |
| Total debt <sup>(6)</sup>  | \$<br>8,969   | \$                    | 9,129  |                    |       |  |
| Net debt, net of cash and cash equivalents <sup>(6)</sup>  | \$<br>8,724   | \$                    | 8,761  |                    |       |  |
| Leverage ratio <sup>(7)</sup> Weighted average effective interest rate:  | 4.03x         |                       | 3.89x  |                    |       |  |
| During the quarter   | 4.49 %        |                       | 4.28 % |                    |       |  |
| At end of the quarter  | 4.52 %        |                       | 4.39 % |                    |       |  |
| On the senior secured credit facilities at end of the quarter<br>Debt with fixed and capped rates as a percentage of total debt: | 4.59 %        |                       | 4.34 % |                    |       |  |
| Debt with rates fixed by its terms   | 51 %          |                       | 50 %   |                    |       |  |
| Debt with rates fixed by its terms or capped by cap agreements   | 90 %          |                       | 89 %   |                    |       |  |
| Amount spent on share repurchases  | \$<br>_       | \$                    | 185    | \$                 | 788   |  |
| Number of shares repurchased   | _             |                       | 2,122  |                    | 8,095 |  |

Certain columns, rows or percentages may not sum or recalculate due to the presentation of rounded numbers.

<sup>(1)</sup> These are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures to their most comparable measure calculated and presented in accordance with GAAP, and for a definition of adjusted amounts, see attached reconciliation schedules.

<sup>(2)</sup> Adjusted operating income margin is adjusted operating income divided by consolidated revenues.

<sup>(3)</sup> General and administrative expenses include certain corporate support, long-term incentive compensation and advocacy costs.

- (4) The reported operating income for the three months ended December 31, 2022 and September 30, 2022 and the year ended December 31, 2022 includes foreign currency (losses) gains embedded in equity method income recognized from our Asia Pacific joint venture of approximately \$(5.0), \$2.3 and \$(0.3), respectively.
- (5) Normalized non-acquired treatment growth reflects year-over-year growth in treatment volume, adjusted to exclude acquisitions and other similar transactions, and further adjusted to normalize for the number and mix of treatment days in a given quarter versus the prior year quarter.
- (6) The debt amounts as of December 31, 2022 and September 30, 2022 presented exclude approximately \$44.5 and \$47.5, respectively, of debt discount, premium and other deferred financing costs related to our senior secured credit facilities and senior notes in effect or outstanding at that time.
- (7) See Note 1: Calculation of the Leverage Ratio on page 14.

## DAVITA INC. SUPPLEMENTAL FINANCIAL DATA-continued (unaudited) (dollars in millions)

### Note 1: Calculation of the Leverage Ratio

Under our senior secured credit facilities (the Credit Agreement) dated August 12, 2019, the leverage ratio is defined as (a) all funded debt plus the face amount of all letters of credit issued, minus unrestricted cash and cash equivalents (including short-term investments) not to exceed \$750 divided by (b) "Consolidated EBITDA." The leverage ratio determines the interest rate margin payable by the Company for its Term Loan A and revolving line of credit under the Credit Agreement by establishing the margin over the base interest rate (LIBOR) that is applicable. The calculation below is based on the last twelve months of "Consolidated EBITDA," as of the end of the reported period and pro forma for acquisitions or divestitures that occurred during the period, and "Consolidated net debt" at the end of the reported period, each as defined in the Credit Agreement. The Company's management believes the presentation of "Consolidated EBITDA" is useful to investors to enhance their understanding of the Company's leverage ratio under its Credit Agreement. The leverage ratio calculated by the Company is a non-GAAP measure and should not be considered a substitute for the ratio of total debt to operating income, determined in accordance with GAAP. The Company's calculation of its leverage ratio might not be calculated in the same manner as, and thus might not be comparable to, similarly titled measures of other companies.

|   | Twelve mor   | nths end | ed  |
|---|--|----------|---|
|   | nber 31,<br>022  | •        | mber 30,<br>022                                       |
| Net income from continuing operations attributable to DaVita Inc. Income taxes Interest expense Depreciation and amortization Noncontrolling interests and equity investment income, net Stock-settled stock-based compensation Other "Consolidated EBITDA" | \$<br>547<br>198<br>326<br>733<br>221<br>95<br>55<br>2,175 | \$       | 680<br>229<br>301<br>713<br>225<br>104<br>11<br>2,263 |
|   | nber 31,<br>022  | •        | mber 30,<br>022                                       |
| Total debt, excluding debt discount and other deferred financing $costs^{(1)}$ Letters of credit issued   | \$<br>8,969<br>109<br>9,077                                | \$       | 9,129<br>108<br>9,237                                 |
| Less: Cash and cash equivalents including short-term investments <sup>(2)</sup> Consolidated net debt   | \$<br>(318)<br>8,759                                       | \$       | (439)<br>8,798  |
| Last twelve months "Consolidated EBITDA"  | \$<br>2,175  | \$       | 2,263   |
| Leverage ratio  | 4.03x  |          | 3.89x   |
| Maximum leverage ratio permitted under the Credit Agreement   | 5.00x  |          | 5.00x   |

Certain columns or rows may not sum or recalculate due to the presentation of rounded numbers.

- (1) The debt amounts as of December 31, 2022 and September 30, 2022 presented exclude approximately \$44.5 and \$47.5, respectively, of debt discount, premium and other deferred financing costs related to our senior secured credit facilities and senior notes in effect at that time.
- (2) This excludes amounts not readily convertible to cash related to the Company's non-qualified deferred compensation plans for all periods presented. The Credit Agreement limits the amount deducted for cash and cash equivalents, including short-term investments, to the lesser of all unrestricted cash and cash equivalents, including short-term investments of the Company or \$750.

### DAVITA INC. INTEGRATED CARE METRICS (unaudited)

### **Note 2: Integrated Care Metrics**

Our integrated kidney care (IKC) business is party to a variety of risk-based integrated care and disease management arrangements, including value-based care (VBC) contracts under which we assume full or shared financial risk for the total medical cost of care for patients below or above a benchmark.

The aggregate amount of medical spend associated with risk-based integrated care arrangements that we disclose includes both medical costs included in our reported expenses for certain risk-based arrangements (such as its special needs plans), as well as the

aggregate estimated benchmark amount above or below which we will incur profit or loss on for VBC arrangements under which third-party medical costs are not included in our reported results. This metric is an annualization of our estimate of this amount for the most recent quarter.

A number of our VBC contracts are subject to complex or novel patient attribution mechanics and benchmark adjustments, some of which are based on information not reported to us until periods after we report our quarterly results. As a result, our estimates of our patients under, and the dollar amount of, our value-based contracts remain subject to estimation uncertainty.

### DAVITA INC. RECONCILIATIONS FOR NON-GAAP MEASURES (unaudited)

#### **Note on Non-GAAP Financial Measures**

As used in this press release, the term "adjusted" refers to non-GAAP measures as follows, each as reconciled to its most comparable GAAP measure as presented in the non-GAAP reconciliations in the notes to this press release: (i) for income and expense measures, the term "adjusted" refers to operating performance measures that exclude certain items such as impairment charges, (gain) loss on ownership changes, capacity closure charges, restructuring charges, accruals for legal matters and debt prepayment and refinancing charges; and (ii) the term "effective income tax rate on adjusted income from continuing operations attributable to DaVita Inc." represents the Company's effective tax rate excluding applicable non-GAAP items and the tax associated with them as well as noncontrolling owners' income, which primarily relates to non-tax paying entities. Note that the non-GAAP measures presented for prior periods below have been conformed to the non-GAAP measures presented for the current period.

These non-GAAP or "adjusted" measures are presented because management believes these measures are useful adjuncts to GAAP results. However, these non-GAAP measures should not be considered alternatives to the corresponding measures determined under GAAP.

Specifically, management uses adjusted measures of operating expenses for its U.S. dialysis business, adjusted U.S. dialysis patient care costs per treatment, adjusted operating income, adjusted net income from continuing operations attributable to DaVita Inc. to compare and evaluate our performance period over period and relative to competitors, to analyze the underlying trends in our business, to establish operational budgets and forecasts and for incentive compensation purposes. We believe these non-GAAP measures also are useful to investors and analysts in evaluating our performance over time and relative to competitors, as well as in analyzing the underlying trends in our business. Furthermore, we believe these presentations enhance a user's understanding of our normal consolidated results by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normalized prior period results.

The effective income tax rate on adjusted income from continuing operations attributable to DaVita Inc. excludes noncontrolling owners' income and certain non-deductible and other charges which we do not believe are indicative of our ordinary results. Accordingly, we believe these adjusted effective income tax rates are useful to management, investors and analysts in evaluating our performance and establishing expectations for income taxes incurred on our ordinary results attributable to DaVita Inc.

Finally, free cash flow represents net cash provided by operating activities less distributions to noncontrolling interests and all capital expenditures (including development capital expenditures, routine maintenance and information technology); plus contributions from noncontrolling interests and proceeds from the sale of self-developed properties. Management uses this measure to assess our ability to fund acquisitions and meet our debt service obligations and we believe this measure is equally useful to investors and analysts as an adjunct to cash flows from operating activities and other measures under GAAP.

It is important to bear in mind that these non-GAAP "adjusted" measures are not measures of financial performance or liquidity under GAAP and should not be considered in isolation from, nor as substitutes for, their most comparable GAAP measures.

The following Notes 3 through 7 provide reconciliations of the non-GAAP financial measures presented in this press release to their most comparable GAAP measures.

# DAVITA INC. RECONCILIATIONS FOR NON-GAAP MEASURES (unaudited) (dollars in millions, except per share data)

Note 3: Adjusted net income from continuing operations and adjusted diluted net income from continuing operations per share attributable to DaVita Inc.

|   |                      |      | Thre | e mon                 | iths | ended  | ł                    |       | Year ended |                      |     |       |    |        |       |       |
|---|----------------------|------|------|-----------------------|------|--------|----------------------|-------|------------|----------------------|-----|-------|----|--------|-------|-------|
|   | December 31,<br>2022 |      |      | September 30,<br>2022 |      |        | December 31,<br>2022 |       |            | December 31,<br>2021 |     | 31,   |    |        |       |       |
|   | Do                   | lars | Per  | share                 | Do   | ollars | Per                  | share | Do         | ollars               | Per | share | Do | ollars | Per : | share |
| Consolidated: Net income from continuing operations attributable to DaVita Inc. | \$                   | 55   | \$   | 0.59                  | \$   | 105    | \$                   | 1.13  | \$         | 547                  | \$  | 5.71  | \$ | 978    | \$    | 8.90  |

| Closure charges impacting:   |           |            |    |      |            |           |            |          |            |
|--|-----------|------------|----|------|------------|-----------|------------|----------|------------|
| Patient care costs   | 6         | 0.07       |    | 7    | 0.07       | 21        | 0.22       | 2        | 0.02       |
| General and administrative:  | 8         | 0.09       |    | 12   | 0.13       | 22        | 0.23       | 3        | 0.03       |
| Depreciation and amortization  | 24        | 0.26       |    | 21   | 0.22       | 46        | 0.48       | 12       | 0.11       |
| Total closure charges  | 38        | 0.42       | -  | 40   | 0.42       | <br>88    | <br>0.92   | 18       | <br>0.16   |
| Severance and other costs  | 23        | 0.25       |    |      |            | 23        | 0.24       | _        |            |
| Related income tax   | (13)      | (0.15)     |    | (10) | (0.11)     | (26)      | (0.27)     | (4)      | (0.04)     |
| Income tax impact related to prior legal settlement                        | `—        | ` _        |    | `—   | ` _        | `—        | ` _        | 25       | 0.23       |
| Adjusted net income from continuing operations attributable to DaVita Inc. | \$<br>102 | \$<br>1.11 | \$ | 135  | \$<br>1.45 | \$<br>632 | \$<br>6.60 | \$ 1,016 | \$<br>9.24 |

Certain columns, rows or percentages may not sum or recalculate due to the presentation of rounded numbers.

### Note 4: Adjusted operating income

| Consolidated:         Consolidated:         September 31, 2022         September 31, 2022         December 31, 2021         December 31, 2021         December 31, 2021         September 31, 2021<   |                               | т  | hree mo | nths ende | ed    | Year ended |        |       |       |  |
|--|-------------------------------|----|---------|-----------|-------|------------|--------|-------|-------|--|
| Operating income         \$ 256         \$ 312         \$ 1,339         \$ 1,797           Closure charges impacting:         8         12         22         3           General and administrative:         8         12         22         3           Sepreciation and amoritzation         24         21         46         12           Total closure charges         38         40         88         18           Severance and other costs         23         —         23         —           Adjusted operating income         \$ 317         \$ 351         \$ 1,450         \$ 1,815           Three morths ended December 31, 2022         \$ 2022         \$ 2022         \$ 2022         \$ 2022         \$ 2022         \$ 2022         \$ 2022         \$ 2021         \$ 2021         \$ 2021         \$ 2021         \$ 2021         \$ 2021         \$ 2021         \$ 2021         \$ 2022   |                               |    | ,       |           |       |            | ,      |       |       |  |
| Patient care costs   |                               | ф  | 050     | Ф         | 210   | Φ          | 1 000  | ф     | 1 707 |  |
| Patient care costs         6         7         21         2           General and administrative:         8         12         22         3           Depreciation and amortization         24         21         46         12           Total closure charges         38         40         88         18           Severance and other costs         23         —         23         —           Adjusted operating income         \$317         \$351         \$1,450         \$1,815           Consolidated:         Use more more more more more more more mor   |                               | Ф  | 256     | Ф         | 312   | Ф          | 1,339  | Ф     | 1,797 |  |
| General and administrative:         8         12         22         3           Depreciation and amortization         24         21         46         12           Total closure charges         38         40         88         18           Severance and other costs         23         —         23         —           Adjusted operating income         \$317         \$351         \$1,450         \$1,815           Three morting income         \$317         \$cptember 30, 2022         December 31, 2022         2021           Three morting income         \$335         \$cptember 30, 2022         December 31, 2022         2021           Us. dialysis:         Three morting income         September 30, 2022         Three morting income         \$335         \$351         \$1,565         \$1,975         Closure charges         35         \$40         86         18         Seyerance and other costs         17         —         17         —         Three morting income         \$387         391         1,668         1,893         Three morting income         \$36         \$34         \$32         \$125         \$(111)         \$32         \$32         \$32         \$32         \$32   |                               |    | _       |           | 7     |            | 01     |       | 0     |  |
| Depreciation and amortization   24   |                               |    |         |           | -     |            |        |       |       |  |
| Total closure charges   38   |                               |    | _       |           |       |            |        |       | _     |  |
| Severance and other costs   23   | Depreciation and amortization |    |         | -         |       |            |        |       |       |  |
| Three months ended   Pecember 31, 2022   Pecember 31, 2021   Pec | Total closure charges         |    |         |           | 40    |            |        |       | 18    |  |
| Three mo-ths ended   December 31,   September 30,   20222   20222   20222   20222   2022   20222   | Severance and other costs     |    |         |           |       |            |        |       |       |  |
| Consolidated:         Use dialysis         September 30, 2022         December 31, 2021         December 31, 2021           U.S. dialysis:         Segment operating income         \$ 335         \$ 351         \$ 1,565         \$ 1,975           Closure charges         35         40         86         18           Severance and other costs         17         —         17         —           Adjusted U.S. dialysis operating income         387         391         1,668         1,993           Other - Ancillary services:           U.S.         Integrated kidney care         (34)         (32)         (125)         (111)           Other U.S. ancillary         (1)         (2)         (9)         3           Segment operating loss         (36)         (34)         (134)         (108)           Severance and other costs         —         —         —         —           Adjusted operating loss         (35)         (34)         (134)         (108)           Segment operating income         (4)         18         37         42           Closure charges         3         —         5         —           Segment operating income         (4)         18         37         42 <td>Adjusted operating income</td> <td>\$</td> <td>317</td> <td>\$</td> <td>351</td> <td>\$</td> <td>1,450</td> <td>\$</td> <td>1,815</td>   | Adjusted operating income     | \$ | 317     | \$        | 351   | \$         | 1,450  | \$    | 1,815 |  |
| Consolidated:           U.S. dilarysis:           Segment operating income         \$ 335         \$ 351         \$ 1,565         \$ 1,975           Closure charges         35         40         86         18           Severance and other costs         17         —         17         —           Adjusted U.S. dialysis operating income         387         391         1,668         1,993           Other - Ancillary services:           U.S.           U.S. ancillary         (34)         (32)         (125)         (111)           Other U.S. ancillary         (1)         (2)         (9)         3           Segment operating loss         (36)         (34)         (134)         (108)           Severance and other costs         —         —         —         —           Adjusted operating loss         (35)         (34)         (134)         (108)           International         1         18         37         42           Closure charges         3         —         3         —           Segment operating income         4         18         37         42           Closure charges  |                               | т  | hree mo | nths ende | ed    |            | Year   | ended |       |  |
| Consolidated:   U.S. dialysis:   Segment operating income   \$ 335   \$ 351   \$ 1,565   \$ 1,975     Closure charges   35   40   86   18     Severance and other costs   17   -   17   -     Adjusted U.S. dialysis operating income   387   391   1,668   1,993     Other - Ancillary services:   U.S.   |                               |    |         |           |       |            |        |       |       |  |
| Segment operating income   | Concelidated                  | 20 | 2022    |           | 22    | 2          | 022    |       | J21   |  |
| Segment operating income         \$ 335         \$ 351         \$ 1,565         \$ 1,975           Closure charges         35         40         86         18           Severance and other costs         17         —         17         —           Adjusted U.S. dialysis operating income         387         391         1,668         1,993           Other - Ancillary services:           U.S.         Integrated kidney care         (34)         (32)         (125)         (111)           Other U.S. ancillary         (1)         (2)         (9)         3           Segment operating loss         (36)         (34)         (134)         (108)           Severance and other costs         —         —         —         —         —           Adjusted operating loss         (35)         (34)         (133)         (108)         (108)           International         Segment operating income         (4)         18         37         42           Closure charges         3         —         3         —         5         —           Severance and other costs         5         —         5         —         5         —           Adjusted operating income<  |                               |    |         |           |       |            |        |       |       |  |
| Closure charges         35         40         86         18           Severance and other costs         17         —         17         —           Adjusted U.S. dialysis operating income         387         391         1,668         1,993           Other - Ancillary services:           U.S.         Integrated kidney care         (34)         (32)         (125)         (111)           Other U.S. ancillary         (1)         (2)         (9)         3           Segment operating loss         (36)         (34)         (134)         (108)           Severance and other costs         —         —         —         —           Adjusted operating loss         (35)         (34)         (133)         (108)           International         Segment operating income         (4)         18         37         42           Closure charges         3         —         3         —         3         —           Severance and other costs         5         —         5         —         —           Adjusted operating income         3         18         44         42           Corporate administrative support expenses:         (38)         (24) <td< td=""><td>-</td><td>\$</td><td>335</td><td>\$</td><td>351</td><td>\$</td><td>1 565</td><td>\$</td><td>1 975</td></td<>  | -                             | \$ | 335     | \$        | 351   | \$         | 1 565  | \$    | 1 975 |  |
| Severance and other costs   17   |                               | Ψ  |         | Ψ         |       | Ψ          | ,      | Ψ     |       |  |
| Adjusted U.S. dialysis operating income 387 391 1,668 1,993  Other - Ancillary services:  U.S.  Integrated kidney care (34) (32) (125) (111) Other U.S. ancillary (1) (2) (9) 3 Segment operating loss (36) (34) (134) (108) Severance and other costs — — — — — — — Adjusted operating loss (35) (34) (133) (108)  International  Segment operating income (4) 18 37 42 Closure charges 3 — 3 — 3 — — Severance and other costs 5 — 5 — 5 — — Adjusted operating income 3 18 44 42 Other - Ancillary services operating loss (32) (15) (89) (66)  Corporate administrative support expenses: Segment expenses (38) (24) (130) (112) Severance and other costs 1 — 1 — Adjusted Corporate administrative support expenses:  Segment expenses (38) (24) (129) (112)   | · ·                           |    |         |           | _     |            |        |       | _     |  |
| Other - Ancillary services:         U.S.       Integrated kidney care       (34)       (32)       (125)       (111)         Other U.S. ancillary       (1)       (2)       (9)       3         Segment operating loss       (36)       (34)       (134)       (108)         Severance and other costs       —       —       —       —         Adjusted operating loss       (35)       (34)       (133)       (108)         International       Segment operating income       (4)       18       37       42         Closure charges       3       —       3       —         Severance and other costs       5       —       5       —         Adjusted operating income       3       18       44       42         Other - Ancillary services operating loss       (32)       (15)       (89)       (66)         Corporate administrative support expenses:       (38)       (24)       (130)       (112)         Severance and other costs       1       —       1       —         Adjusted Corporate administrative support expenses       (38)       (24)       (129)       (112)   |                               |    |         | -         | 391   |            |        | -     | 1 993 |  |
| U.S.       Integrated kidney care       (34)       (32)       (125)       (111)         Other U.S. ancillary       (1)       (2)       (9)       3         Segment operating loss       (36)       (34)       (134)       (108)         Severance and other costs       —       —       —       —         Adjusted operating loss       (35)       (34)       (133)       (108)         International       Segment operating income       (4)       18       37       42         Closure charges       3       —       3       —         Severance and other costs       5       —       5       —         Adjusted operating income       3       18       44       42         Other - Ancillary services operating loss       (32)       (15)       (89)       (66)         Corporate administrative support expenses:       (38)       (24)       (130)       (112)         Severance and other costs       1       —       1       —         Adjusted Corporate administrative support expenses       (38)       (24)       (129)       (112)   |                               |    |         |           |       |            | -,,,,, |       | .,    |  |
| Integrated kidney care   | -                             |    |         |           |       |            |        |       |       |  |
| Other U.S. ancillary       (1)       (2)       (9)       3         Segment operating loss       (36)       (34)       (134)       (108)         Severance and other costs       —       —       —       —       —         Adjusted operating loss       (35)       (34)       (133)       (108)         International       Segment operating income         Seyerance and other costs       3       —       3       —         Severance and other costs       5       —       5       —         Adjusted operating income       3       18       44       42         Other - Ancillary services operating loss       (32)       (15)       (89)       (66)         Corporate administrative support expenses:       (38)       (24)       (130)       (112)         Severance and other costs       1       —       1       —         Adjusted Corporate administrative support expenses       (38)       (24)       (129)       (112)  |                               |    | (34)    |           | (32)  |            | (125)  |       | (111) |  |
| Segment operating loss         (36)         (34)         (134)         (108)           Severance and other costs         —   |                               |    | ` ,     |           |       |            | , ,    |       | , ,   |  |
| Severance and other costs  | •                             |    |         |           |       |            |        |       | _     |  |
| Adjusted operating loss   (35)   (34)   (133)   (108)  |                               |    | —       |           | (O .) |            | (.J.)  |       | (.00) |  |
| International   Segment operating income   (4)   18   37   42  |                               |    | (35)    | -         | (34)  |            | (133)  | -     | (108) |  |
| Segment operating income       (4)       18       37       42         Closure charges       3       —       3       —         Severance and other costs       5       —       5       —         Adjusted operating income       3       18       44       42         Other - Ancillary services operating loss       (32)       (15)       (89)       (66)         Corporate administrative support expenses:       Segment expenses       (38)       (24)       (130)       (112)         Severance and other costs       1       —       1       —         Adjusted Corporate administrative support expenses       (38)       (24)       (129)       (112)  |                               |    | (00)    | -         | (0.)  |            | (100)  | -     | (100) |  |
| Closure charges         3         —         3         —           Severance and other costs         5         —         5         —           Adjusted operating income         3         18         44         42           Other - Ancillary services operating loss         (32)         (15)         (89)         (66)           Corporate administrative support expenses:         Segment expenses         (38)         (24)         (130)         (112)           Severance and other costs         1         —         1         —           Adjusted Corporate administrative support expenses         (38)         (24)         (129)         (112)  |                               |    | (4)     |           | 18    |            | 37     |       | 42    |  |
| Severance and other costs         5         —         5         —           Adjusted operating income         3         18         44         42           Other - Ancillary services operating loss         (32)         (15)         (89)         (66)           Corporate administrative support expenses:         (38)         (24)         (130)         (112)           Severance and other costs         1         —         1         —           Adjusted Corporate administrative support expenses         (38)         (24)         (129)         (112)   |                               |    |         |           | _     |            | _      |       |       |  |
| Adjusted operating income         3         18         44         42           Other - Ancillary services operating loss         (32)         (15)         (89)         (66)           Corporate administrative support expenses:         (38)         (24)         (130)         (112)           Seyerance and other costs         1         —         1         —           Adjusted Corporate administrative support expenses         (38)         (24)         (129)         (112)   |                               |    |         |           | _     |            |        |       | _     |  |
| Other - Ancillary services operating loss         (32)         (15)         (89)         (66)           Corporate administrative support expenses:         (38)         (24)         (130)         (112)           Segment expenses and other costs         1         —         1         —           Adjusted Corporate administrative support expenses         (38)         (24)         (129)         (112)   |                               |    |         |           | 18    |            |        |       | 42    |  |
| Corporate administrative support expenses:           Segment expenses         (38)         (24)         (130)         (112)           Severance and other costs         1         —         1         —           Adjusted Corporate administrative support expenses         (38)         (24)         (129)         (112)   |                               |    | _       | -         |       |            |        | -     |       |  |
| Segment expenses         (38)         (24)         (130)         (112)           Severance and other costs         1         —         1         —           Adjusted Corporate administrative support expenses         (38)         (24)         (129)         (112)  |                               |    | (02)    | -         | (.0)  |            | (00)   | -     | (00)  |  |
| Severance and other costs 1 - 1 - 1 - Adjusted Corporate administrative support expenses (38) (24) (129)   |                               |    | (38)    |           | (24)  |            | (130)  |       | (112) |  |
| Adjusted Corporate administrative support expenses (38) (24) (129)   | •                             |    |         |           | (- ') |            | ` .′   |       | ( )   |  |
|  |                               | -  |         |           | (24)  |            | •      |       | (112) |  |
| Adjusted operating income \$ 317 \$ 351 \$ 1,450 \$ 1,815  |                               | \$ | 317     | \$        | 351   | \$         | 1,450  | \$    | 1,815 |  |

Certain columns, rows or percentages may not sum or recalculate due to the presentation of rounded numbers.

Note 5: Adjusted U.S. dialysis expense measures

|                     |             |                  | Three mont  | hs ended  |                  |           |
|---------------------|-------------|------------------|-------------|-----------|------------------|-----------|
|                     | D           | ecember 31, 2022 | 2           | S         | eptember 30, 202 | 2         |
|                     | <del></del> | Non-GAAP         |             |           | Non-GAAP         |           |
|                     | GAAP        | adjustment       | Adjusted    | GAAP      | adjustment       | Adjusted  |
|                     |             |                  | (dollars in | millions) |                  |           |
| U.S. dialysis       |             |                  |             |           |                  |           |
| Treatments          | 7,239,660   | _                | 7,239,660   | 7,335,825 | _                | 7,335,825 |
| Operating expenses: |             |                  |             |           |                  |           |

| Patient care costs               | \$<br>1,865  | \$<br>(6)  | \$<br>1,859  | \$<br>1,877  | \$<br>(7)  | \$<br>1,870  |
|----------------------------------|--------------|------------|--------------|--------------|------------|--------------|
| General and administrative       | 283          | (22)       | 261          | 297          | (12)       | 285          |
| Depreciation and amortization    | 184          | (24)       | 160          | 185          | (21)       | 164          |
| Equity investment income         | (8)          | _          | (8)          | (7)          | _          | (7)          |
| Total operating expenses         | \$<br>2,324  | \$<br>(52) | \$<br>2,271  | \$<br>2,352  | \$<br>(40) | \$<br>2,312  |
| Patient care costs per treatment | \$<br>257.60 |            | \$<br>256.74 | \$<br>255.86 | <br>       | \$<br>254.96 |

Certain columns, rows, per treatment amounts or percentages may not sum or recalculate due to the presentation of rounded numbers

# DAVITA INC. RECONCILIATIONS FOR NON-GAAP MEASURES - continued (unaudited) (dollars in millions)

Note 6: Effective income tax rates on income from continuing operations attributable to DaVita Inc.

|  | Т           | hree mo       | nths ende | d      | Year ended<br>December 31<br>2022 |        |  |
|--|-------------|---------------|-----------|--------|-----------------------------------|--------|--|
|  | Decem<br>20 | ber 31,<br>22 | Septem 20 | -      |                                   |        |  |
| Income from continuing operations before income taxes                                      | \$          | 147           | \$        | 207    | \$                                | 966    |  |
| Noncontrolling owners' income primarily attributable to non-tax paying entities            |             | (59)          |           | (59)   |                                   | (222)  |  |
| Income from continuing operations before income taxes attributable to DaVita Inc.          | \$          | 89            | \$        | 148    | \$                                | 744    |  |
| Income tax expense for continuing operations   | \$          | 34            | \$        | 43     | \$                                | 198    |  |
| Income tax attributable to noncontrolling interests  |             |               |           |        |                                   | (1)    |  |
| Income tax expense for continuing operations attributable to DaVita Inc.                   | \$          | 34            | \$        | 42     | \$                                | 197    |  |
| Effective income tax rate on income from continuing operations attributable to DaVita Inc. |             | 38.5 %        |           | 28.7 % |                                   | 26.5 % |  |

The effective income tax rate on adjusted income from continuing operations attributable to DaVita Inc. is computed as follows:

|   | Three months ended   |        |                       | Year ended |                      |        |
|---|----------------------|--------|-----------------------|------------|----------------------|--------|
|   | December 31,<br>2022 |        | September 30,<br>2022 |            | December 31,<br>2022 |        |
| Income from continuing operations before income taxes   | \$                   | 147    | \$                    | 207        | \$                   | 966    |
| Closure charges impacting:  |                      |        |                       |            |                      |        |
| Patient care costs  |                      | 6      |                       | 7          |                      | 21     |
| General and administrative:   |                      | 8      |                       | 12         |                      | 22     |
| Depreciation and amortization   |                      | 24     |                       | 21         |                      | 46     |
| Severance and other costs   |                      | 23     |                       | _          |                      | 23     |
| Noncontrolling owners' income primarily attributable to non-tax paying entities                     |                      | (59)   |                       | (59)       |                      | (222)  |
| Adjusted income from continuing operations before income taxes attributable to DaVita Inc.          | \$                   | 150    | \$                    | 187        | \$                   | 855    |
| Income tax expense  | \$                   | 34     | \$                    | 43         | \$                   | 198    |
| Plus income tax related to:   |                      |        |                       |            |                      |        |
| Closure charges impacting:  |                      |        |                       |            |                      |        |
| Patient care costs  |                      | 2      |                       | 2          |                      | 5      |
| General and administrative:   |                      | 1      |                       | 3          |                      | 5      |
| Depreciation and amortization   |                      | 6      |                       | 5          |                      | 11     |
| Severance and other costs   |                      | 5      |                       | _          |                      | 5      |
| Less income tax related to:   |                      |        |                       |            |                      |        |
| Noncontrolling interests  |                      | _      |                       | _          |                      | (1)    |
| Income tax on adjusted income from continuing operations attributable to DaVita Inc.                | \$                   | 48     | \$                    | 52         | \$                   | 223    |
| Effective income tax rate on adjusted income from continuing operations attributable to DaVita Inc. |                      | 31.7 % |                       | 27.9 %     |                      | 26.1 % |

Certain columns, rows or percentages may not sum or recalculate due to the presentation of rounded numbers.

### Note 7: Free cash flow

| Three months ended |              |      |  |  |  |  |
|--------------------|--------------|------|--|--|--|--|
| December 31,       | December 31, |      |  |  |  |  |
| 2022               | 2022         | 2021 |  |  |  |  |

<sup>(1)</sup> Patient care costs per treatment and adjusted patient care costs per treatment are patient care costs or adjusted patient care costs divided by number of U.S. dialysis treatments, respectively.

| Net cash provided by operating activities   | \$ | 344   | \$ | 711   | \$ | 530   |
|---|----|-------|----|-------|----|-------|
| Adjustments to reconcile net cash provided by operating activities to free cash flow: |    |       |    |       |    |       |
| Distributions to noncontrolling interests   |    | (79)  |    | (70)  |    | (67)  |
| Contributions from noncontrolling interests   |    | 3     |    | 2     |    | 3     |
| Expenditures for routine maintenance and information technology                       |    | (147) |    | (104) |    | (132) |
| Expenditures for development and relocations  |    | (47)  |    | (40)  |    | (58)  |
| Proceeds from sale of self-developed properties                                       |    | 1     |    | 1     |    | 13    |
| Free cash flow  | \$ | 75    | \$ | 500   | \$ | 290   |
|   | •  |       | -  |       | -  |       |

|   | Twelve months ended  |       |                       |       |                      |       |  |
|---|----------------------|-------|-----------------------|-------|----------------------|-------|--|
|   | December 31,<br>2022 |       | September 30,<br>2022 |       | December 31,<br>2021 |       |  |
| Net cash provided by operating activities   | \$                   | 1,565 | \$                    | 1,751 | \$                   | 1,931 |  |
| Adjustments to reconcile net cash provided by operating activities to free cash flow: |                      |       |                       |       |                      |       |  |
| Distributions to noncontrolling interests   |                      | (268) |                       | (255) |                      | (244) |  |
| Contributions from noncontrolling interests   |                      | 15    |                       | 15    |                      | 32    |  |
| Expenditures for routine maintenance and information technology                       |                      | (431) |                       | (416) |                      | (421) |  |
| Expenditures for development and relocations  |                      | (172) |                       | (182) |                      | (220) |  |
| Proceeds from sale of self-developed properties                                       |                      | 109   |                       | 120   |                      | 56    |  |
| Free cash flow  | \$                   | 817   | \$                    | 1,032 | \$                   | 1,133 |  |

Certain columns or rows may not sum or recalculate due to the presentation of rounded numbers.

Contact: Investor Relations DaVita Inc. ir@davita.com

### SOURCE DaVita

https://newsroom.davita.com/2023-02-22-DaVita-Inc-4th-Quarter-2022-Results