

the best of times

January 22, 2026



the long and winding road



**senior leadership stability
good vibrations**



finance philosophy you can't always get what you want

- Inherited a finance culture of
 - No, what was your question?
 - No investment
 - Conservative, margins are generated by not spending money
 - No debt
 - Keep charges low
 - Financial data was static, late news, and not actionable
- Had to transition to
 - Strategic, manage finance over a continuum
 - Invest in the right things
 - Margins are generated by strategic thinking, not just by not spending money
 - Use low cost debt strategically to manage balance sheet and fund LT capital
 - Manage charge expectations
 - Financial transparency, use financial data to inform decisions on a current basis

Some key differences between pediatric and adult hospitals roll with the changes

- Most kids are healthy and don't require hospitalization
 - But are much better patients than adults
 - Thus clinical staff have higher satisfaction with their jobs
- Kids are not just small adults; they are different anatomically and require special pediatric trained providers
- Pediatric trained physicians are paid about half what an adult in the same specialty would be paid
- High Medicaid population, usually 55-60% of charges
 - Subject to state regulations and budgetary concerns
 - No copay for these patients
- Customers(the parents) are largely millennials or younger
 - come with an Amazon.com expectation
 - don't answer the phone or email
- Most of our non-provider staff is compensated similar to adult hospitals

growth and achievement



our mission and vision

m the relentless pursuit of optimal health for every child within our reach

v reinventing the path to children's health for families throughout our region and beyond



quick facts(introduction)



*including 48 mental health beds



231
beds*



853,556
total visits



12,232
admissions



4,432
employees



411
physicians



45+
specialties

growth



beds

2013	2025
155	231

↑ 49%



admissions

2013	2025
7,300	12,232

↑ 68%



total visits

2013	2025
284,981	853,556

↑ 200%

financial growth



net patient
revenue

2013	2025
\$244M	\$800M

↑ 228%



community
benefit

2013	2025
\$20.4M	\$78.6M

↑ 285%

decade of growth* 2013 – 2025

blowin in the wind(or...EBIDA for the win)



		000's omitted
Total Revenue	2013	\$250,420
Total Revenue	2025	\$793,100
Total increase		317%
AGR		10.1%
Cash flow margin	13 yrs	8.2%
Operating margin	13 yrs	1.1%
Capital spend	13 yrs	212.4%

destination 2020



goal

to remain an independent, freestanding children's hospital, locally-governed to advance the health of our region's children

destination 2020



key accomplishments

- Improvement in patient experience as measured by NPS
- National recognition and certifications
- Revitalization and expansion of facilities
- Subspecialty care access improvement (~10 days)
- Growth of breadth and depth of subspecialty services
- Strengthened primary care network through employment and CIN
- Key affiliations including Nationwide Children's
- Clinical and business systems upgrades
- Significant topline revenue growth

reinventing the path



the landscape bridge over troubled waters



reinventing the path to children's health



our vision

Reinventing the path to children's health for families in our region and beyond

our mission

The relentless pursuit of optimal health for every child within our reach

our propellers



inclusive mindset
Our ambition for a more inclusive and equitable future where everyone feels valued, understood and welcomed



talent magnet
Our ability to attract, develop and retain top-flight talent and teams



QI culture
Our belief that an always exceptional performance is founded on the principles of continuous quality improvement



financial prowess
Our commitment to strong financial discipline, stewardship and philanthropy that enables us to fulfil our mission



digital manifesto
Our mandate to leverage digitally-enabled, consumer-focused solutions to accelerate the turnaround



strong alliances
Our recognition that achieving our vision requires a community of partners



distinguished brand
Our promise of state-of-the-art care and service for every child within our reach

our propellers

The propellers **propel** the reinvention of the path to children's health. They help us take flight to go above and beyond



inclusive mindset

Our ambition for a more inclusive and equitable future where everyone feels valued, understood, and welcomed



talent magnet

Our ability to attract, develop and retain top-flight talent and teams



QI culture

Our all-in belief that an always exceptional performance is founded on the principles of continuous quality improvement



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Our commitment to strong financial discipline, stewardship and philanthropy that enables us to fulfill our mission



digital manifesto

Our mandate to leverage digitally-enabled, consumer-focused solutions to accelerate the reinvention



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distinguished brand

Our promise of above and beyond care and service for every child within our reach

key financial drivers and opportunities paint it black

- Shifting patterns of patient volumes
 - Less traditional inpatient volume than in the past – impact of primary care/population health/advances in RSV treatments
 - Increase in mental health volumes to meet demand – inpatient and outpatient opportunities as we open and expand the Mathile Center
 - Overall population health care management model – shifting care from ED and admissions to preventive and lower acuity settings
- Focus on improving each area of the hospital every year; rev cycle, staffing, etc
- Specific focus on key areas—what are your big rocks?
- Look for alternative revenue sources; specialty pharmacy, risk contracts, etc
- Continued strength from philanthropy
 - Significant growth in annual giving over the last decade
 - Recently concluded giving campaign targeting mental health and exceeded goal

philanthropic support
you never give me your money

do. more.
so all kids thrive

2019-2025
\$87M



The Women's Board



Reaching
New Heights

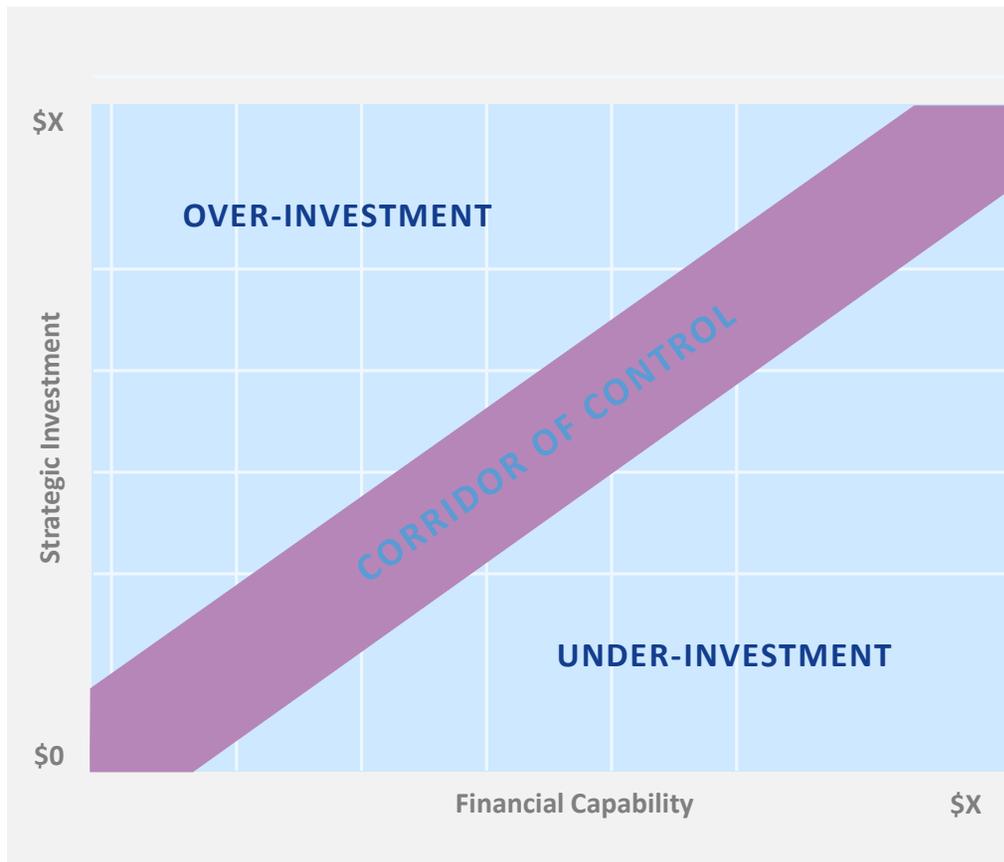
2015-2017
\$27M



IT landscape(peace of mind)

- Reports to the CFO
- Epic and Workday primary systems
 - Separate Epic teams to focus on continual improvements
 - Clinical informatics group to help identify workflow improvement for the org
 - Workday governance team to continue advancing improvements in functionality
- Standardized desktop solutions, all Microsoft
 - Have employed a refresh strategy using a leasing mechanism to keep desktops and laptops current
- Managed one-off and duplicate systems to a minimum
- Have built a reasonable sized cyber team to create a net of protection against cyber attacks
 - prevent and detect controls
 - 24 monitoring service
 - Education including phishing strategy
 - Cyber insurance
- Overall digital health steering committee, with all SLT as members, chaired by Chief Information Officer
- Intention to be fast follower, with focus on supporting strategic plan with technology, not technology as a strategy

future strategic investment balance only time will tell



The **Corridor of Control** is the balancing point between two opposing goals:

1. Compete effectively through aggressive investment of capital and operating dollars, BUT
2. Respect the fiduciary role of management and the board to maintain the long-term financial integrity of a community asset

outcomes



expanding breadth and depth



employed physicians

2013 | 2025

40 | 264

↑ 560%



specialties

2013 | 2025

35 | 45+

↑ 29%



employees

2013 | 2025

1,945 | 4,432

↑ 128%

dayton children's 23

expanding care locations



2013 | Tech Town



2017 | patient tower



2019 | Kids Express



2020 | First St. mental health center



2021 | Hope Center



2025 | Mental Health OCC



2025 | Mathile Center for Mental Health and Wellness



2013

2017

2019

2020

2021

2025

2016

2018

2018

2020

2021

2023



2016 | south campus



2018 | Huber Heights



2019 | Child Health Pavilion



2019 | Troy



2021 | Beavercreek

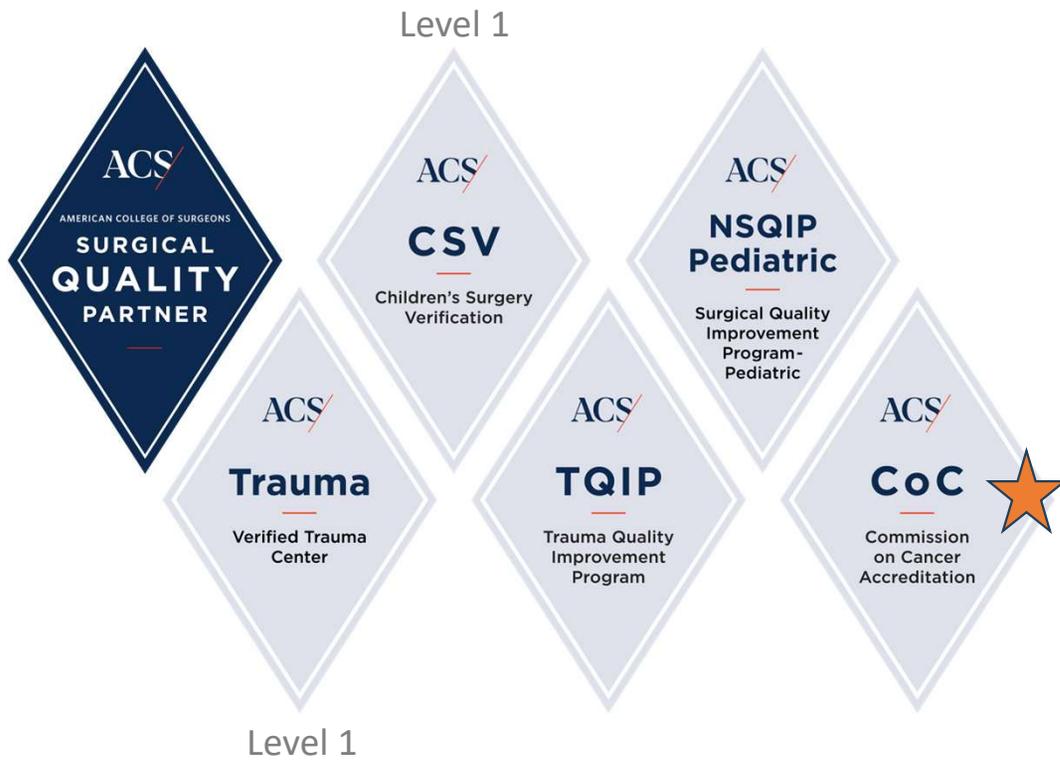


2023 | specialty care center



2025 | Centerville/
Washington Township
dayton children's 24

locally specialized, nationally recognized



 Prior to 2013

quality benchmarks



Congratulations
for being recognized as a
Wellbeing First Champion!



alliances/partnerships we're having a party

- Nationwide Children's Hospital
 - Multiple clinical pathways
 - Springfield partnership for pediatrics
 - Accountable care organization(PFK)
 - On Our Sleeves
- Shriner's Children's Hospital
 - Hospital within a hospital at Dayton Children's
- Kettering Health
 - NICU at Kettering Main(hospital within a hospital)
- Kinship Housing
 - General partner for 26 unit apartment building for families where parents are not the legal guardian

primary care strategy

- Since 2023, integrated approximately 35 primary care physicians through employment or professional services agreement (PSA)
 - Includes most primary care physicians in competitive south market
 - Represents approximately 60% of all primary care referrals to Dayton Children's
- Full integration into Epic should occur by end of 2026
- Continued expansion of Kids Express with four sites open and two under construction

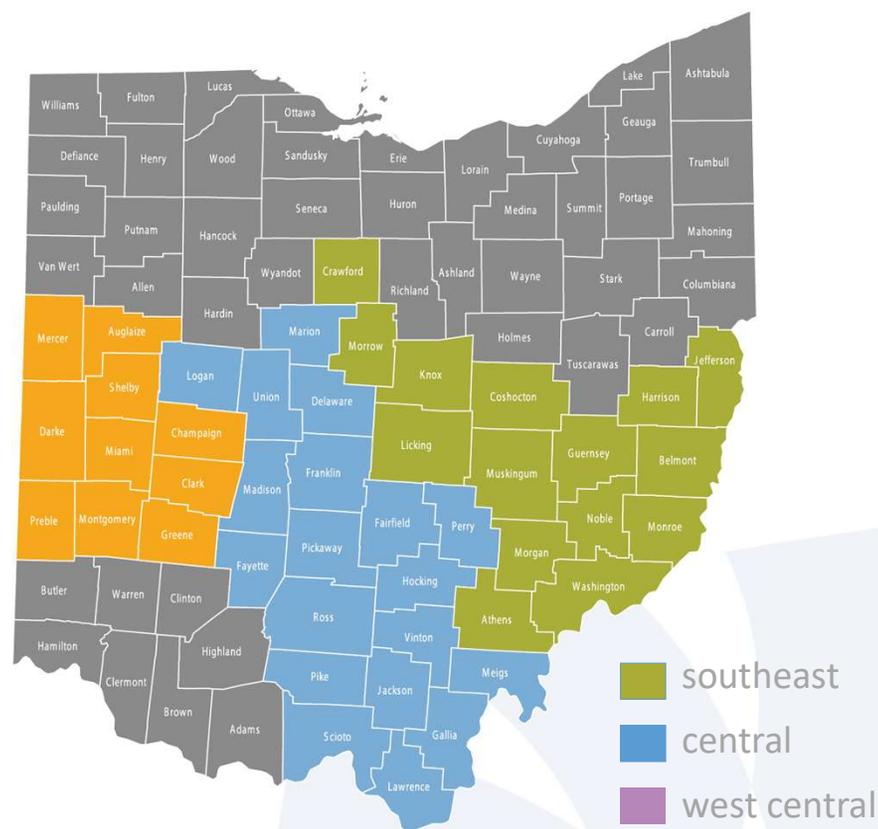
population health strategy through Partners for Kids (PFK)

- accountable care organization
 - founded in 1994
 - responsible for approximately 450,000 children covered by Medicaid in 50+ counties in central, west central and southeast Ohio
- vision of PFK is *a system of care that promotes best outcomes in child health*
 - improves quality and lowers costs of care
 - supports innovation in how we deliver care across the community and the region
 - allows Dayton Children's and contracted providers to respond to and remain competitive in the evolving model of healthcare



PFK west central region

- Effective September 1, 2020, Dayton Children's became a 53% risk owner in the coverage of kids primary 10 counties surrounding the Hospital
- contracts held with CareSource and others to cover approximately 102,000 covered lives
- Leverages the existing PFK infrastructure and processes to improve access and managed care to these members
- Has allowed Dayton Children's to invest almost \$6M annually in a care coordination team designed to manage the kids with the most chronic conditions



Results of Engagement Efforts

- Top 5% in country for MD engagement
- Physician turnover rate < 2%



innovative programs



series 2021 bonds



Dayton Children's Hospital
(A1/NR/AA-)
Series 2021
Tax-Exempt Fixed Rate
Hospital Facilities Revenue Bonds



Sole Managing Bookrunner
October 2021

\$240,650,000

Dayton Children's Hospital
(A1/NR/AA-)
Series 2021
Tax-Exempt Fixed Rate
Hospital Facilities Revenue Bonds



Sole Managing Bookrunner
October 2021

Transaction Overview

- Dayton Children's Hospital ("DCH") is one of 31 freestanding children's hospitals in the United States, with revenues of over \$500 million in FY 2021 (top-line revenue has grown at a 4-year CAGR of 13.4%). Headquartered in Dayton, Ohio, DCH serves the residents of its communities through both its primary 181-bed hospital facility and numerous outpatient care centers in the greater Dayton-Cincinnati area.
- On October 6, RBC Capital Markets served as sole bookrunning manager on a \$240,650,000 tax-exempt fixed rate issue for DCH, its inaugural issuance in the public debt markets. The bonds were issued through the County of Montgomery, Ohio, and carried DCH's underlying ratings of "A1" and "AA-" from Moody's and Fitch, respectively. Proceeds from the bond offering are being used to refund outstanding private bank loans and fund various capital expenditures, the majority of which will finance a new 152,000 square foot ambulatory care center.
- As this was Dayton Children's inaugural public market issuance, RBC led an extensive two week marketing period for the transaction, with management presenting a full investor roadshow and scheduling numerous one-on-one calls with institutional investors.
- In the days leading into pricing, tax-exempt bond markets experienced a sell-off in response to concerns over the debt ceiling discussions in Washington. Despite the market uncertainty, RBC built a strong order book totaling \$1.0 billion in orders (4.1x oversubscribed) and was able to tighten credit spreads between 2-8 bps across the yield curve. Overall, DCH achieved an **all-in cost of 2.87%** on a weighted average life of 19.2 years.

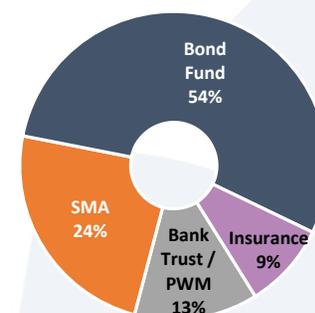
Series 2021 Final Terms

Par Amount	\$240,650,000
Structure	Tax-Exempt Fixed Rate
All-In Cost	2.87%
Average Life	19.2 years
Final Maturity	Aug 1, 2051 (30-years)
Optional Redemption	Aug 1, 2031 @ Par

Series 2021 Term Bond Pricing Levels

Structure	Size	Coupon	Spread	Yield to Call	Yield to Maturity
25-year Term Bond	\$55 mm	4.00%	+76 bps	2.38%	3.18%
30-year Term Bond	\$26 mm	4.00%	+78 bps	2.45%	3.29%
30-year Term Bond	\$40 mm	2.95%	+128 bps	2.95%	2.95%

Breakdown of Orders by Fund Type



\$1.0 billion in orders from 38 Institutional Investors

our quality and safety journey — 2013 to 2025



Recently we achieved two amazing milestones:

- 1. We now rank in the top(or bottom depending on your perspective) decile for malpractice costs per bed**
 - 2. We have gone greater than 693 days without a serious safety event**
- These things didn't happen by chance. These are lagging indicators of something intentionally designed providing world class results
 - We have designed several interventions since 2013 to get us here, particularly in the areas of :
 - A. Patient Safety
 - B. Clinical Care
 - C. Provider Engagement
 - D. Recruiting
 - E. Structure/Systems

our patient safety journey — 2013 to 2025



Children's Hospitals'
Solutions for
Patient Safety™
Every patient. Every day.

2013

- Staffing was a 0.25 FTE for safety
- the physician partner was 0.1 FTE and not actively involved
- We weren't submitting all of our data to Solutions for Patient Safety, the national safety collaborative, and had no organizational plan for making our hospital safer
- We had 6 serious safety events this year

Since 2013

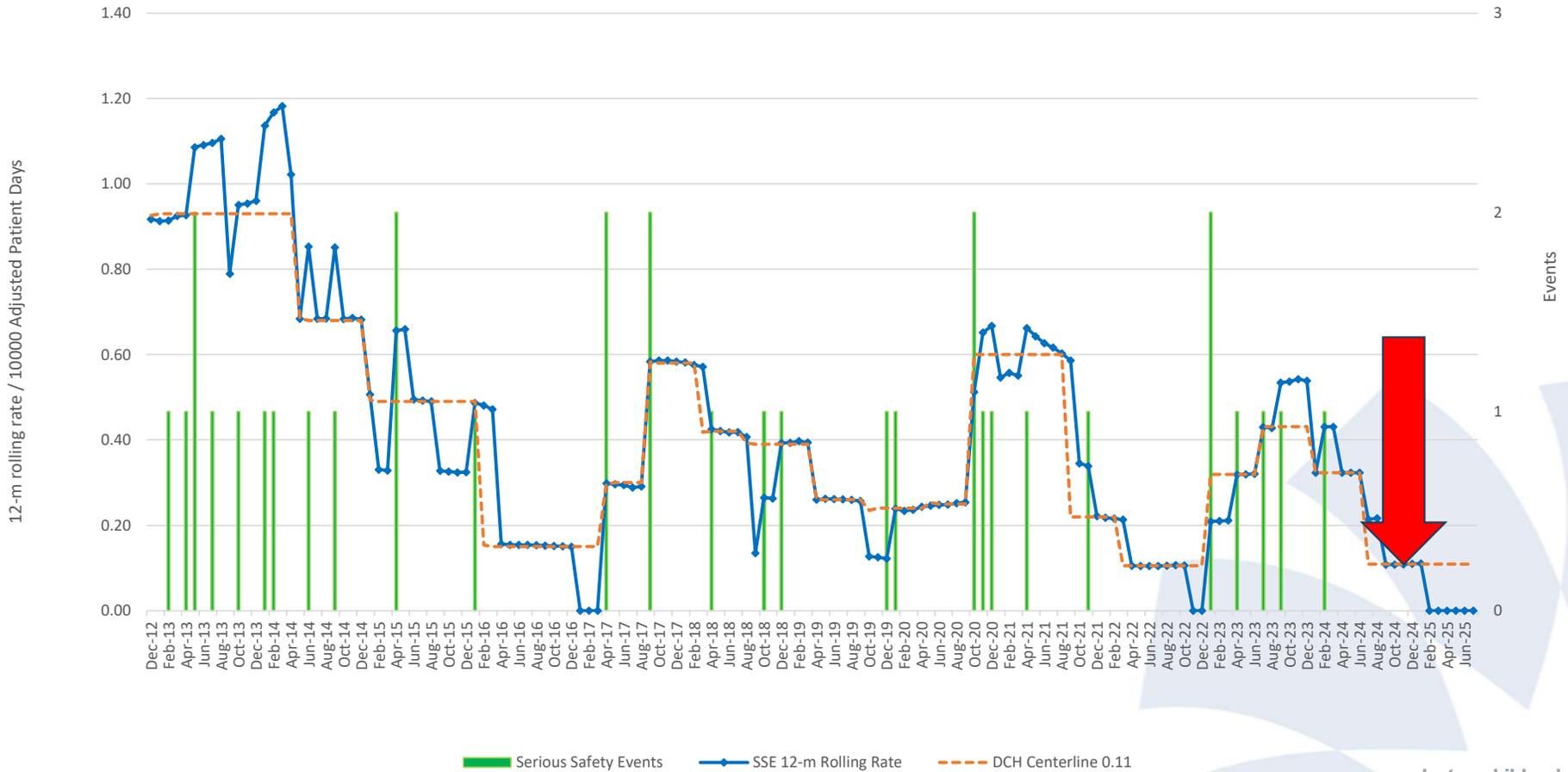
- Added Staffing including MD Dyad partner
- Recognized by national safety collaboration (SPS) as top tier performer in Shine Report and the national safety hospital of the month twice.
- Assumed clinical co-Lead, patient safety committee for the Ohio Children's Hospital Association

Patient Safety Today

- **> 690 days (almost two years) without a serious safety event!! – RARE**
- **(there were 6 in one year in 2013)**
- A serious safety event (SSE) is a deviation from expected practice or generally accepted standards that results in significant patient harm, such as death, severe permanent harm, or significant temporary harm.

Children's Hospitals'
Solutions for
Patient Safety™
Every patient. Every day.

serious safety events (historical graph)



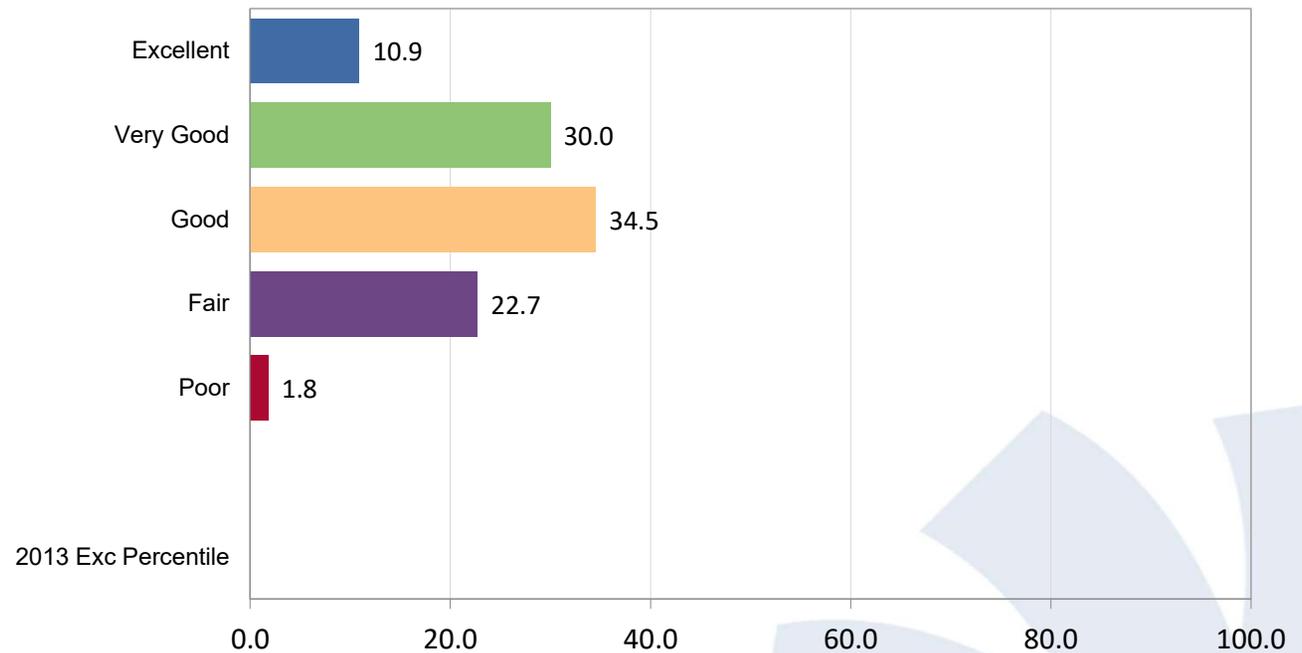
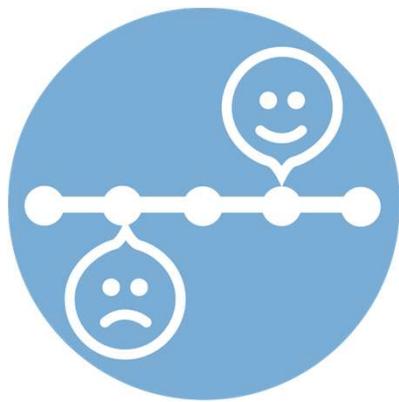
Pedro and Augusto – Connected!



- 3 years old, Pedro and Augusto, came to Dayton Children's from Guatemala in July 2021
- Joined at the top of the head with a 90-degree turn, classified as craniopagus O'Connell class III
- The condition is incredibly rare with an estimated 50 craniopagus twins born every year, with only an estimated 15 of those surviving more than a few months



physicians' perceptions of electronic medical record system won't get fooled again



The actual question is, "Overall, would you say the Electronic Medical Record System at Dayton Children's Hospital is:", and is not a compilation of any other questions on the survey.

An "Excellent" Percentile Ranking is not available for 2013.

KLAS Pinnacle Award EHR experience





mental health

significant progress across the continuum of care... but gaps still remain



expanding mental health efforts



psychologists

2013		2025
8		24

↑ 200%



psychology visits

2013		2025
5,604		18,019

↑ 222%



psychiatrists

2013		2025
0		22



psychiatry visits

2013		2025
0		17,719

expanding mental health efforts



MHRC referrals

2013	2025
998	5,616

↑ 463%



risk assessments

2013	2025
479	4,465

↑ 832%



mental health admissions

2013	2025
115	1,762

↑ 1,432%



outpatient therapy

2013	2025
0	23,286



finance philosophy

pieces of eight

- The search for the money tree
 - Strategic, manage finance over a continuum
 - Invest in the right people
 - Invest in the right things
 - Not everything needs to have a financial ROI
 - Margins are generated by strategic thinking, not just by not spending money
 - Financial transparency, share information with your key leaders and your physicians

**thank you
gratitude**



the playlist

- The best of times--styx
- The long and winding road--beatles
- Good vibrations—beach boys
- You cant always get what you want—rolling stones
- Roll with the changes—REO speedwagon
- Introduction--chicago
- Blowin in the wind—bob dylan
- Bridge over troubled waters—simon and garfunkel
- Paint it black-- rolling stones
- You never give me your money--beatles
- Peace of mind--boston
- Only time will tell--asia
- We're having a party—southside johnny and the Asbury jukes
- Won't get fooled again—the who
- Pieces of eight--styx
- Gratitude—brandon lake