Nutex Health Inc. Second & Third Quarter 2025 Earnings Call Script

Jenn Rodriguez, Moderator Introduction

"Good morning, everyone, and welcome to Nutex Health's combined Second and Third Quarter 2025 earnings call. I'm Jennifer Rodriguez, and I'm pleased to moderate today's discussion. Thank you for joining us as we review our performance and outline our plans for the future. This call is being recorded for future reference.

With me today are our key leaders: Dr. Tom Vo, Chairman and CEO; Jon Bates, Chief Financial Officer; Dr. Warren Hosseinion, President, and we would like to formally welcome our new Chief Operating Officer, Wesley Bamburg. They will provide insights into our financial results, operational progress, and strategic direction, followed by a Q&A session.

Before we begin, a few reminders. Today's discussion may include forward-looking statements based on management's current expectations. These are subject to risks and uncertainties that could cause actual results to differ. For details, please refer to our press release and Form 10-Q, and our other SEC filings. We'll also discuss non-GAAP measures like Adjusted EBITDA, with reconciliations available in our press release and Form 10-Q.

With that, I'm pleased to turn the call over to Dr. Tom Vo, our Founder and CEO. Dr. Vo, the floor is yours."

Dr. Tom Vo, CEO

Thank you, Jen, and good morning, everyone. I'm pleased to report Nutex Health's second and third quarter 2025 results, which reflect continued momentum following a strong 2024 and first quarter of this year. Our commitment to accessible, high-quality, patient-centered care remains the foundation of our growth and operational stability.

We have completed the restatement of 2024 and Q1 2025, with only minor adjustments that did not materially impact revenue, adjusted EBITDA, or cash positions. Jon will provide further details. With these amendments finalized, our financials now benefit from independent verification by two PCAOB audit firms. Having completed a full-year audit for 2024, we expect the 2025 audit process to be significantly more efficient.

Operationally, Q3 2025 showed steady progress, with total patient visits reaching 46232, an 11% increase from 41,668 in Q3 2024.

Financially, revenue reached $267.8 million, up 240% from Q3 2024. Adjusted EBITDA grew to $98.5 million from $9.7 million, and net income was $55.4 million compared to an $8.8 million loss last year. Our balance sheet remains strong, with cash increasing to $166 million from $40.6 million at year-end 2024, and operating cash flow through the first three quarters totaling $177.8 million versus $23 million in the prior year. Our long term debt remains low at $25.6mm.

These results reflect our focus on increasing patient volume, expanding inpatient services, optimizing costs, and improving revenue cycle management. Looking ahead, we are well-positioned for 2026 and beyond. We remain on track to open three new hospitals in 2025—Red River opened last week, and Houston and St. Louis are scheduled to be opened by year-end. Our 2026 pipeline includes three to four hospitals, with planning already underway for new hospital openings in 2027 and 2028.

To provide context for Jon's discussion on share earn-outs, a brief history on Nutex. We have evolved through three distinct phases since 2011 with

1. initial growth as a free-standing ER management company, where we were instrumental in the opening of 23 Free Standing ERs, of which 7 later were converted into Micro Hospitals. Note that Nutex did not have any equity ownership in these early ERs.
2. Beginning in 2017, Nutex expanded into micro-hospitals, where we opened 14 hospitals as a management company, again without equity ownership.
3. In2022, we successfully consolidated 21 hospitals and hospital outpatient departments to transform into a publicly traded company through a share exchange program, where former hospital owners exchanged their hospital shares for Nutex shares. In addition to the 21 facilities at merger, there were17 additional hospitals that were underdevelopment as of 2022. These underdevelopment hospitals were given the same considerations as the opened hospital and had the right to roll their local shares up to Nutex shares at the conclusion of their 2nd year anniversary. All new future hospitals that began development after April 2022 will not have this share exchange option. Jon will also explain this in further detail later.

Today, Nutex Health owns and operates 25 locations across 11 states, with over 15 facilities in the pipeline under development.

Building micro-hospitals requires significant capital, regulatory expertise, and operational discipline, creating very high barriers to entry. This is one reason why our model is very unique in the market, and why we have so much demands around the country to develop and operate these hospitals.

Despite these challenges, we've maintained a strong track record of growth and profitability, with physician retention exceeding 95%. Our facilities have improved the lives of hundreds of physicians, thousands of healthcare workers, and hundreds of thousands of patients. Integrity and resilience define us, and we will continue to adapt and thrive amid changing conditions. I am extremely proud of everything that we have accomplished in the past 14 years, and we look forward to building on this success for years to come.

I'll now turn the call over to Jon Bates, our CFO. Jon—"

Jon Bates, CFO

"Thank you, Tom, and good morning, everyone. I'm happy to present Nutex Health's financial performance for the periods including 1) the full year of 2024 (with a restated 10K/A filed on Tuesday, November 18th), 2) the 1st quarter of 2025 (with a restated 10Q/A filed on Tuesday, November 18th), 3) the 2nd quarter of 2025 (with a 10Q files on Tuesday November 18th) and 4) the 3rd quarter of 2025 (with a 10Q filed on Wednesday, November 19th) – with the completion of these filings bringing us into full compliance with Nasdaq and the SEC.

First, we will discuss the full year of 2024. The good news with this filing is that the changes from the original 2024 10K filing were non-cash in nature with most all of the changes being just reclassifications with-in the balance sheet. The major balance sheet accounts affected by these non-cash adjustments were:

1) We corrected the classification of non-cash, stock-based compensation obligations totaling $16.4 million related to under construction and ramping hospitals from equity to liabilities.
2) We reclassified related party account payable balances of $3.5 million from liabilities to equity,
3) We reclassified $2.9 million of restricted balances out of cash and cash equivalents and into short-term investments, and
4) We increased accrued income tax expense by $0.5 million.

When compared to the previously issued financial statements, the changes resulted in an overall net increase to liabilities (of $13.4 mill), a similar decrease to equity of $13.4 mill), and a nominal decrease in net income (of $0.5 mill).

These adjustments are non-cash in nature, had no material effect on key metrics including revenue, liquidity, short-term and long-term debt, operating cash flow, adjusted EBITDA or number of patients as of and for the periods presented therein, and had an immaterial impact on net income.

As we mentioned when this restatement work began, we believe there was no fundamental impact to the operations of the business and, after completing the work, we re-affirm that belief.

You can see that the 2024 year was a record year for the company with 93.8% revenue growth, adjusted EBITDA of $124.1 million and a 464.4% increase in gross profit - which laid a strong foundation for what we will discuss shortly for each of the 1st 3 quarters of 2025.

Next, we will discuss the 1st quarter 2025. Like discussed previously for the 2024 period, the changes from the original 10Q filing were, again, non-cash in nature and had no fundamental impact to the operations of the business.

The major balance sheet accounts affected by these non-cash adjustments for the 1st qtr 2025 were:

1) We corrected the classification of non-cash, stock-based compensation obligations totaling $20.7 million related to under construction and ramping hospitals from equity to liabilities.
2) We reclassified related party account payable balances of $3.5 million from liabilities to equity (which was the exact same item mentioned in the 2024 work above, just being carried forward into this period),
3) We reclassified $2.9 million of restricted balances out of cash and cash equivalents and into short-term investments (which was the exact same item mentioned in the 2024 work above, just being carried forward into this period), and
4) We increased accrued income tax expense by $2.4 million.

When compared to the previously issued financial statements, the changes resulted in an overall net increase to liabilities (of $19.6 mill), a similar decrease to equity (of $19.6 mill), and an increase in net income (of $6.6 mill).

These adjustments are non-cash in nature, had no material effect on key metrics including revenue, liquidity, short-term and long-term debt, operating cash flow, adjusted EBITDA or number of patients as of and for the periods presented therein, and included a positive impact on net income.

As we mentioned when this restatement work began, we believe there is no fundamental impact to the operations of the business and, after completing the work, we re-affirm that belief.

Therefore, we aren't going to spend much time discussing the 1st qtr 25 as it was materially the same as originally reported with a solid net income attributable to Nutex of $21.2 million, a record high gross profit of 55.9%, a record high $51 million in net cash from operating activities and a record high cash balance of $84.7 million.

Now, let's discuss the key financial metrics for the 2nd qtr and YTD June 2025 period versus the same period in 2024 and the 3rd qtr and YTD September 2025 period versus the same periods in 2024, highlighting percentage changes across revenue, Adjusted EBITDA, net income, EPS, and other indicators, as detailed in our Form 10-Q for the quarter ended June 30, 2025 filed on November 18th and our Form 10-Q for the quarter ended September 30, 2025 filed on November 19th.

Let's start with the 2nd quarter ended June 30, 2025 first and compare those results to the 2nd quarter ended June 30, 2025.

For the 2nd quarter 2025, our total revenue grew 217.5% (or $167.9 million) to $244.0 million vs $76.1 million for the 2nd quarter 2024.

Of the total revenue increase, mature hospitals, which are hospitals that were opened prior to December 31, 2021 (and therefore, provided two full years of comparative results), increased their revenue by 203.2% for the second quarter 2025 vs second quarter 2024.

For Hospital division visits, we saw growth as well during the quarter as they increased by 10.6% (or 4,365 visits) to 45,573 in the second quarter 2025 vs 41,208 in the same period in 2024, with mature hospitals growing at 0.6% in the second quarter 2025 vs second quarter 2024.

Additionally, the Population health division had a revenue reduction of $(0.8) million to $7.7 million in the second quarter 2025 from $8.5 million in the similar period in 2024, due mostly to the divestiture of 1 small entity within the division in the 3rd quarter of 2024.

We discussed the growth in the Hospital revenue and visits we have seen in the second quarter 2025. Now, let’s discuss the overall facility and corporate costs structure and the improvements in that area.

Total facility level operating costs and expenses represented only 48.8% (or $119.1 million) of total revenue for the second quarter 2025 vs 70.3% (or $53.5 million) for the same period in 2024.

As a result of the revenue and facility cost improvement, our 2025 second quarter gross profit was $124.9 million (or 51.2% of total revenue) as compared to $22.6 million (or 29.7% of total revenue) in 2024, a 454% improvement in the second quarter 2025 vs the second quarter 2024.

From a corporate and other costs perspective, the general and administrative expenses, as a percentage of total revenue for the second quarter 2025 decreased to 5.1% compared to 14.0% for the second quarter 2024.

Additionally, on our second quarter 2025 income statement, you will see a line item for “stock-based compensation expense, with the amount for the second quarter 2025 being $78.7 million. Most of that expense is explained in our second quarter 2025 10-Q (within note 11). Within that note, we explain the impact of hospitals subject to Contribution Agreements. In connection with the Merger on April 1, 2022, Nutex Health Holdco LLC entered into certain Contribution Agreements with holders of equity interests of subsidiaries and affiliates. In these agreements these holders agreed to contribute certain equity interests in subsidiaries to Holdco in exchange for equity interests in Holdco. Included in these transactions were 17 subsidiaries considered to be "under-construction" at the time of the Merger. "Under construction" hospitals are hospitals that, at the time of the merger, had not started accepting patients and did not have any operating results to serve as a basis for a valuation. Once these hospitals have opened for two full years (which we denote as the "Measurement Period"), the equity holders of these hospitals are eligible to receive a one-time additional issuance of Company common stock based upon the earnings of the hospital in the 2nd year of their operations.

Of the 17 under-construction hospitals, 6 hospitals had measurement periods that ended on or before June 30, 2025. 4 hospitals have measurement periods that end after June 30, 2025. There are 3 hospitals with no defined measurement periods as the three hospitals have not opened as of June 30th. The remaining 4 hospitals have no measurement period as these hospitals development plans have been abandoned.

For the second quarter 2025, the former equity holders of two hospitals are to receive an additional issuance of 602,798 common stock based on the trailing twelve months results of the hospitals at the end of their measurement periods.

With 4 of these hospitals in their measurement period currently, we are accruing for the stock issuance for each in current liabilities. In the second quarter 2025, that accrual amounted to $24.2 million that will be trued up each quarter until we get to the end of year 2 for each hospital – at which time a final calculation will be done and payment will be made 100% in company stock (and recorded as a non-cash stock compensation expense).

Operating income (including the negative impact of the $78.7 million non-cash stock-based compensation expense) for the second quarter 2025 was $33.7 million compared to $5.3 million in second quarter of 2024, representing a $28.4 million improvement quarter over quarter.

Net loss attributable to Nutex Health, Inc was $17.7 million for the second quarter 2025 (including the negative impact of the $78.7 million non-cash stock-based compensation expense noted previously).

The comparative Net loss attributable to Nutex Health, inc was $0.4 million for the second quarter of 2024, showing a $17.3 million decrease period over period.

From an earnings per share perspective, our Diluted EPS for the second quarter 2025 was a loss of $2.95/share compared to a loss of $(0.07)/share in the second quarter 2024, a $2.88/share decrease period to period.

Adjusted EBITDA attributable to Nutex, increased $64.8 million from $6.8 million in the second quarter of 2024 to $71.6 million in the second quarter of 2025.

Now on to the six months ended June 30, 2025 compared to the six months ended June 30, 2024:

Total revenue for the first six months of 2025 grew by 218% (or $312.2 million) to $455.8 million vs $143.5 million for the first six months of 2024.

Of the total revenue increase, mature hospitals increased their revenue by 195.2% for the first six months of 2025 vs the same period in 2024.

Hospital division visits saw a similar growth as they increased by 15.5% (or 12,566 visits) to 93,842 visits in the first six months of 2025 vs 81,276 visits in the same period in 2024, with mature hospital visits growing at 15.5% in the six months ended June 2025 vs the same period in 2024.

Additionally, the Population health division had revenue decrease by 2% to $15.5 million in the first six months of 2025 from $15.9 million in the first six months of 2024.

Facility and corporate level costs also showed improvement for the first six months of 2025 relative to the first six months of 2024.

Total facility level operating costs and expenses represented 46.6% (or $212.5 million) or total revenue for the six months ended June 2025 vs 77.2% (or $110.8 million) for the same period in 2024, a decrease of 30.6%.

The gross profit for the six months ended June 2025 was $243.3 million (or 53.4% of total revenue) as compared to $32.7 million (or 22.8% of total revenue) in the same period in 2024, a $210.5 million increase for the six months ended June 2025 vs the six months ended June 2024.

From a corporate and other costs perspective, the general and administrative expenses as a percentage of total revenue for the six months ended June 2025 decreased to 4.9% (or $22.5 million) from 13.5% (or $19.3 million) for the same period in 2024.

Operating income for the six months ended June 30, 2025 was $114.3 million compared to $6.7 million for the six months ended June 2024.

Net income attributable to Nutex Health, Inc. improved by $4.2 million from a loss of $0.7 million for the first six months of 2024 to income of $3.5 million in the first six months of 2025.

Adjusted EBITDA attributable to Nutex increased $138.0 million (or 2144.2%) from $6.4 million in the first six months of 2024 to $144.4 million in the first six months of 2025.

Now, I will go over the results of the 3rd quarter ended September 30, 2025 and compare those results to the 3rd quarter ended September 30, 2024.

For the 3rd quarter 2025, our total revenue grew 240% (or $189.0 million) to $267.8 million vs $78.8 million for the 3rd quarter 2024. The hospital division drove most of this growth, generating $260.2 million, up 262.8% from $71.7 million for the same quarter in 2024.

Of the total revenue increase, mature hospitals, which are hospitals that were opened prior to December 31, 2021 (and therefore , provided two full years of comparative results), increased their revenue by 208.9% for the third quarter 2025 vs third quarter 2024.

Of the $260.2 million in hospital revenue, $182.1 million (or approximately 70%) related to a combination of both higher acuity claims as well as success through the Independent Dispute Resolution (IDR) process.

With regard to arbitration related revenue: due to the continual underpayment from payors, we have continued to submit between 60-70% of our visits through the IDR process, we have won a legal determination on over 85% of the claims submitted, and we currently have an average collection rate of over 80% of the legal determination wins.

Arbitration costs approximate 24-26% of the arbitration related revenue.

For Hospital division visits, we saw growth as well during the quarter as they increased by 11.0% (or 4,564 visits) to 46,232 in the third quarter 2025 vs 41,668 in the same period in 2024, with mature hospitals decreased at 0.6% in the third quarter 2025 vs third quarter 2024.

Additionally, the Population health division had a revenue increase of $0.5 million to $7.6 million in the third quarter 2025 from $7.1 million in the similar period in 2024.

We discussed the growth in the Hospital revenue and visits we have seen in the third quarter 2025. Now, let's discuss the overall facility and corporate costs structure and the improvements in that area.

Total facility level operating costs and expenses represented only 42.2% (or $112.9 million) of total revenue for the third quarter 2025 vs 72.2% (or $56.9 million) for the same period in 2024.

As a result of the revenue and facility cost improvement, our 2025 third quarter gross profit was $154.9 million (or 57.8% of total revenue) as compared to $21.9 million (or 27.8% of total revenue) in 2024, a 606.7% improvement in the third quarter 2025 vs the third quarter 2024.

From a corporate and other costs perspective, the general and administrative expenses as a percentage of total revenue for the third quarter 2025 decreased to 4.2% compared to 12.5% for the third quarter 2024.

Additionally, on our third quarter 2025 income statement, you will see a line item for “stock-based compensation expense, with the amount for the third quarter 2025 being $13.2 million. Most of that expense is explained in our third quarter 2025 10-Q (within note 11). Within that note, we explain the impact of hospitals subject to Contribution Agreements. In connection with the Merger on April 1, 2022, Nutex Health Holdco LLC entered into certain Contribution Agreements with holders of equity interests of subsidiaries and affiliates. In these agreements these holders agreed to contribute certain equity interests in subsidiaries to Holdco in exchange for equity interests in Holdco. Included in these transactions were 17 subsidiaries considered to be "under-construction" at the time of the Merger. "Under construction" hospitals are hospitals that, at the time of the merger, had not started accepting patients and did not have any operating results to serve as a basis for a valuation. Once these hospitals have opened for two full years (which we denote as the "Measurement Period"), the equity holders of these hospitals are eligible to receive a one-time additional issuance of Company common stock based upon the earnings of the hospital in the 2nd year of their operations.

Of the 17 under-construction hospitals, 7 hospitals had measurement periods that ended on or before September 30, 2025. 3 hospitals have measurement periods that end after September 30, 2025. There are 3 hospitals with noo defined measurement periods as the three hospitals have not opened as of September 30th. The remaining 4 hospitals have no measurement period as these hospitals development plans have been abandoned.

For the third quarter 2025, the former equity holders of one hospital are to receive an additional issuance of 307,700 common stock based on the trailing twelve months results of the hospitals at the end of their measurement periods.

With 3 of these hospitals in their measurement period currently, we are accruing for the stock issuance for each in current liabilities. In the third quarter 2025, that accrual amounted to $11.2 million that will be trued up each quarter until we get to the end of year 2 for each hospital – at which time a final calculation will be done and payment will be made 100% in company stock (and recorded as a non-cash stock compensation expense).

Operating income (including the negative impact of the $13.2 million non-cash stock-based compensation expense) for the third quarter 2025 was $130.4 million compared to $9.7 million in third quarter of 2024, representing a $120.7 million improvement quarter over quarter.

Net income attributable to Nutex Health, Inc was $55.4 million for the third quarter 2025 (including the negative impact of the $13.2 million non-cash stock-based compensation expense noted previously).

The comparative Net loss attributable to Nutex Health, inc was $8.8 million for the third quarter of 2024, showing a $64.2 million increase period over period.

From an earnings per share perspective, our Diluted EPS for the third quarter 2025 was $7.76/share compared to a loss of $(1.72)/share in the second quarter 2024, a $9.48/share increase period to period.

Adjusted EBITDA attributable to Nutex, increased $88.9 million from $9.7 million in the third quarter of 2024 to $98.5 million in the third quarter of 2025.

Now on to the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024:

Total revenue for the first nine months of 2025 grew by 225% (or $501.2 million) to $723.6 million vs $222.3 million for the first nine months of 2024.

Of the total revenue increase, mature hospitals increased their revenue by 200.0% for the first nine months of 2025 vs the same period in 2024.

Of the $700.5 million in hospital revenue, $462.9 million (or approximately 66.1%) related to a combination of both higher acuity claims as well as success through the Independent Dispute Resolution (IDR) process.

With regard to arbitration related revenue: due to the continual underpayment from payors, we have continued to submit between 60-70% of our visits through the IDR process, we have won a legal determination on over 85% of the claims submitted, and we currently have an average collection rate of over 80% of the legal determination wins.

Arbitration costs approximate 24-26% of the arbitration related revenue.

Hospital division visits saw a similar growth as they increased by 13.9% (or 17,130 visits) to 140,074 visits in the first nine months of 2025 vs 122,944 visits in the same period in 2024, with mature hospital visits growing at 1.8% in the nine months ended September 2025 vs the same period in 2024.

Additionally, the Population health division had revenue increase by 1% to $23.1 million in the first nine months of 2025 from $23.0 million in the first nine months of 2024.

Facility and corporate level costs also showed improvement for the first nine months of 2025 relative to the first nine months of 2024.

Total facility level operating costs and expenses represented 45.0% (or $325.4 million) or total revenue for the nine months ended September 2025 vs 75.4% (or $167.7 million) for the same period in 2024, a decrease of 30.4%.

The gross profit for the nine months ended September 2025 was $398.1 million (or 55.0% of total revenue) as compared to $54.6 million (or 24.6% of total revenue) in the same period in 2024, a $343.5 million increase for the nine months ended September 2025 vs the nine months ended September 2024.

From a corporate and other costs perspective, the general and administrative expenses as a percentage of total revenue for the nine months ended September 2025 decreased to 4.7% (or $33.8 million) from 13.1% (or $29.2 million) for the same period in 2024.

Operating income for the nine months ended September 30, 2025 was $244.7 million compared to $16.4 million for the nine months ended September 2024.

Net income attributable to Nutex Health, Inc. improved by $68.5 million from a loss of $(9.5) million for the first nine months of 2024 to income of $59.0 million in the first nine months of 2025.

Adjusted EBITDA attributable to Nutex increased $226.9 million (or 1408.6%) from $16.1 million in the first nine months of 2024 to $243.0 million in the first nine months of 2025.

Finally, our balance sheet remains very strong with cash and cash equivalents at September 30, 2025 at a record high of $166.0 million, up $125.4 million (or 308.6%) from $40.6 million as of December 31, 2024.

Our continued success with the collection efforts related to the independent dispute resolution arbitratioprocess is allowing us to get paid more fairly for the services we provide and was a big part of this process.

With regard to accounts receivable, our balance at September 30, 2025 was $387.4 million, an increase of $155.0 million from $232.4 million at December 31, 2024.

Of the $387.4 million in A/R, $296.5 mill (or 77%) relates to visits in the IDR process, which was similar to our position at the end of 2024. During the third quarter 2025, the company collected $219.4 million in cash, of which $32.2 (approximately 15%) related to A/R at 12/31/24.

Regarding cash flow, net cash from operating activities was very strong at $177.7 million for the third quarter of 2025, which was an increase of $154.6 million from the same period in 2024.

On the liability side, our total bank/equipment type debt increased by $7.7 million to $49.1 million at September 30, 2025 from $41.4 million at December 31, 2024, with the majority of this debt related to equipment loans at our hospitals for such items as an MRI's, Xray's, Ultrasound's and CT machines.

Outside of this normal $40+ million of bank/equipment-type debt, the only other items of materiality that look like debt on the balance sheet are the liabilities related to financing and operating lease liabilities - which are just the future lease payments due to our landlords on our hospital facilities.

These are reflected on the balance sheet because the accounting rules require us to aggregate all lease payments that we pay to a landlord for the entirety of each lease term (which might be 15-20 years of payments) and then present value the total lease payments for each back to the inception of that lease and record both a right of use asset and, correspondingly, a right of use liability on the balance sheet for that result.

As a result, on our balance sheet at September 30, 2025, the net asset balance for the operating and financing right of use assets amounted to $253.1 million (which is 26.2% of the total assets) and the net liability balance for the operating and financing right of use liabilities amounted to $309.7 million (which is 58.8% of the total liabilities).

Most investors and analysts don't view these right of use liabilities as real operating debt, so I wanted to clarify that for you.

With all this said, our balance sheet remains very solid and we continue to strengthen it with our positive operating performance.

Our current financial position has positioned us well to execute on all of our initiatives in our 2025 operating plan, including the opening of three new hospitals later this year as Tom mentioned earlier. With that, I'll now turn it over to Warren Hosseinion. Warren—"

Warren Hosseinion, President

Thank you Jon, and good morning everyone. Thank you all for joining us today. I'm pleased to provide an update on Nutex Health's population health division, which supports our commitment to value-based care.

As a reminder, our overarching strategy at Nutex Health is to build an integrated healthcare delivery system, combining hospitals and medical groups, also referred to as IPAs. Our IPAs are comprised of networks of primary care physicians and specialists located around our facilities. The IPAs enroll patients from different health plans and are responsible for the total care of these patients. By combining hospitals and IPAs, we believe we will be able to deliver care that is coordinated, cost-effective and with better outcomes for our patients. Our IPAs would send patients to our hospitals, and our hospitals would deliver more efficient and cost-effective care, reducing the medical loss ratios in our IPAs. This is a long-term strategy that will take several years to bear fruit, but we are in this for the long run at Nutex Health. One thing we would like to note is that the physicians in our IPA can refer their non-IPA patients to our emergency rooms as well, and we are already starting to see this in Phoenix, Arizona.

We currently have over 40,000 patients enrolled in our IPAs in various risk-based arrangements. Of note, I am happy to report that we now have slightly more than 1900 Medicare Advantage members in our Houston Physicians IPA. In Phoenix, we now have over 30 primary care physicians and a robust specialist network. Phoenix is now in its first Medicare Annual Enrollment Period and we will find out soon have many patients we will enroll. In the first nine months of 2025,, our IPAs generated $23.1 million in revenue, a 5.6% as compared to$23.0million in the first nine months of 2024. This is despite the fact that we divested two non-core assets in mid-2024 that were generating revenues but had operating losses. Our IPA in Los Angeles is very profitable. Houston is now profitable and Florida continues to be profitable. Margins continue to be moderated by ongoing investments in new markets such as Phoenix and Dallas.

With that, I will now turn it over to Wes Bamburg, our Chief Operating Officer.

Wes Bamburg, COO

Thank you, Warren, and good morning, everyone. I'm pleased to share the company's operational results, which demonstrate our ability to deliver high-quality care while achieving steady growth and service line development.

As previously reported, our overall visits increased by 13.9% in the first nine months of 2025, compared to the same time period in 2024 and our mature hospital visits increased by 1.8% in the first nine months of 2025 vs the same time period in 2024.

Our continued growth reflects the successful execution of our core model. Specifically, this success is powered by our leadership teams' focus on our key strategic growth objectives: increasing overall volume, developing new service lines, and expanding our observation and inpatient services to safely manage more complex patient needs. By leveraging our efficient operating model, we achieve superior patient outcomes and satisfaction, fueling our continued growth.

Having joined Nutex Health in early October and with over 20 years of experience working across the largest publicly traded healthcare companies in the U.S., I have developed a comprehensive understanding of the critical elements required for sustained outperformance in our industry. My initial observations confirm that Nutex possesses the fundamental strengths necessary to thrive in this evolving landscape.

With a sound operational model, financial discipline, and uncompromising patient-centered philosophy, Nutex is exceptionally well-positioned for the future. These positive attributes are the key elements that will allow us to navigate industry challenges, expand our market share, and continue to serve as a trusted, high-value provider for the communities we support. I am confident that our best years of strategic growth and value creation lie ahead. Back to you, Jenn.

Jenn Rodriguez, Closing

Thank you, Wes, and thank you to Tom, Jon, and Warren for those updates. We’ll now move to Q&A. Operator, please provide instructions for our callers.

Thank you all for those valuable questions and answers. For all those joining us today, if you have more questions, please email us at investors@nutexhealth.com and we'll get back to you promptly.

On behalf of the Nutex management team, thank you all for joining us for our second and third quarter 2025 earnings call, and we apologize for the technical difficulties. We've covered a lot and we appreciate your time and interest. A recording of this call will be available on our website for a limited time, so feel free to revisit it. Take care, everyone, and we look forward to keeping you updated on our journey.