
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2025
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 1-14106



Delaware
(State of incorporation)

51-0354549
(I.R.S. Employer Identification No.)

**2000 16th Street
Denver, CO 80202**

Telephone number (720) 631-2100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:
Common Stock, \$0.001 par value

Trading symbol(s):
DVA

Name of each exchange on which registered:
NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

As of May 9, 2025, the number of shares of the registrant's common stock outstanding was approximately 75.5 million shares.

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

	Three months ended March 31,	
	2025	2024
Dialysis patient service revenues	\$ 3,102,993	\$ 2,941,532
Other revenues	120,536	129,023
Total revenues	3,223,529	3,070,555
Operating expenses:		
Patient care costs	2,239,660	2,078,976
General and administrative	374,090	362,480
Depreciation and amortization	176,451	187,083
Equity investment income, net	(5,609)	(6,682)
Gain on changes in ownership interests	—	(35,147)
Total operating expenses	2,784,592	2,586,710
Operating income	438,937	483,845
Debt expense	(135,055)	(99,418)
Other loss, net	(17,549)	(12,641)
Income before income taxes	286,333	371,786
Income tax expense	54,117	65,806
Net income	232,216	305,980
Less: Net income attributable to noncontrolling interests	(69,299)	(66,331)
Net income attributable to DaVita Inc.	\$ 162,917	\$ 239,649
Earnings per share attributable to DaVita Inc.:		
Basic net income	\$ 2.05	\$ 2.73
Diluted net income	\$ 2.00	\$ 2.65
Weighted average shares for earnings per share:		
Basic shares	79,368	87,775
Diluted shares	81,275	90,547

See notes to condensed consolidated financial statements.

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

	Three months ended March 31,	
	2025	2024
Net income	\$ 232,216	\$ 305,980
Other comprehensive income (loss), net of tax:		
Unrealized (losses) gains on interest rate cap agreements:		
Unrealized (losses) gains	(8,535)	13,317
Reclassifications of net realized losses (gains) into net income	1,507	(21,628)
Unrealized gains (losses) on foreign currency translation	90,856	(39,720)
Other comprehensive income (loss)	83,828	(48,031)
Total comprehensive income	316,044	257,949
Less: Comprehensive income attributable to noncontrolling interests	(69,299)	(66,331)
Comprehensive income attributable to DaVita Inc.	\$ 246,745	\$ 191,618

See notes to condensed consolidated financial statements.

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

	March 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 438,780	\$ 794,933
Restricted cash and equivalents	85,793	84,892
Short-term investments	73,163	51,064
Accounts receivable	2,321,818	2,146,975
Inventories	150,522	134,559
Other receivables	422,264	383,166
Prepaid and other current assets	129,967	122,948
Income tax receivable	13,881	27,535
Total current assets	3,636,188	3,746,072
Property and equipment, net of accumulated depreciation of \$6,383,563 and \$6,262,703, respectively	2,901,056	2,940,916
Operating lease right-of-use assets	2,360,829	2,393,558
Intangible assets, net of accumulated amortization of \$32,735 and \$32,408, respectively	205,263	197,431
Equity method and other investments	329,755	336,684
Long-term investments	31,446	33,660
Other long-term assets	238,933	261,731
Goodwill	7,415,560	7,375,216
	<u>\$ 17,119,030</u>	<u>\$ 17,285,268</u>
LIABILITIES AND EQUITY		
Accounts payable	\$ 596,137	\$ 547,200
Other liabilities	900,188	934,145
Accrued compensation and benefits	676,782	800,484
Current portion of operating lease liabilities	420,506	410,411
Current portion of long-term debt	178,648	270,867
Income tax payable	36,577	10,303
Due to related party	97,944	—
Total current liabilities	2,906,782	2,973,410
Long-term operating lease liabilities	2,161,439	2,209,655
Long-term debt	9,559,745	9,175,903
Other long-term liabilities	166,515	169,588
Deferred income taxes	664,580	665,361
Total liabilities	15,459,061	15,193,917
Commitments and contingencies		
Noncontrolling interests subject to put provisions	1,666,521	1,695,483
Equity:		
Preferred stock (\$0.001 par value, 5,000 shares authorized; none issued)	—	—
Common stock (\$0.001 par value, 450,000 shares authorized; 90,770 and 77,277 shares issued and outstanding at March 31, 2025, respectively, and 90,369 and 80,536 shares issued and outstanding at December 31, 2024, respectively)	91	90
Additional paid-in capital	299,467	286,270
Retained earnings	1,697,547	1,534,630
Treasury stock (13,493 and 9,833 shares, respectively)	(2,037,238)	(1,389,072)
Accumulated other comprehensive loss	(226,968)	(310,796)
Total DaVita Inc. shareholders' equity (deficit)	(267,101)	121,122
Noncontrolling interests not subject to put provisions	260,549	274,746
Total equity (deficit)	(6,552)	395,868
	<u>\$ 17,119,030</u>	<u>\$ 17,285,268</u>

See notes to condensed consolidated financial statements.

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

	Three months ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 232,216	\$ 305,980
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	176,451	187,083
Stock-based compensation expense	29,759	24,542
Deferred income taxes	4,335	(3,318)
Equity investment loss, net	20,262	18,531
Gain on changes in ownership interests	—	(35,147)
Other non-cash losses	7,137	7,639
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
Accounts receivable	(155,276)	(561,281)
Inventories	(14,772)	1,929
Other current assets	(41,087)	(13,044)
Other long-term assets	13,026	1,922
Accounts payable	46,195	(14,162)
Accrued compensation and benefits	(128,194)	(135,041)
Other current liabilities	(39,394)	27,237
Income taxes	39,829	60,557
Other long-term liabilities	(10,478)	(8,263)
Net cash provided by (used in) operating activities	180,009	(134,836)
Cash flows from investing activities:		
Additions of property and equipment	(143,258)	(121,015)
Acquisitions	(10,243)	(105,163)
Proceeds from asset and business sales	10,674	7,040
Purchase of debt investments held-to-maturity	(26,894)	(309)
Purchase of other debt and equity investments	(2,471)	(2,975)
Proceeds from debt investments held-to-maturity	3,080	300
Proceeds from sale of other debt and equity investments	5,662	4,547
Purchase of equity method investments	—	(460)
Distributions from equity method investments	1,312	2,829
Net cash used in investing activities	(162,138)	(215,206)
Cash flows from financing activities:		
Borrowings	633,189	1,290,255
Payments on long-term debt	(345,965)	(554,544)
Deferred and debt related financing costs	(6,411)	(99)
Purchase of treasury stock from related party	(31,684)	—
Other purchases of treasury stock	(510,161)	(250,961)
Distributions to noncontrolling interests	(93,022)	(77,348)
Net proceeds from issuance of common stock under employee stock plans	4,937	4,143
Payment of tax withholdings on net share settlements of equity awards	(30,214)	(90,631)
Contributions from noncontrolling interests	2,169	3,725
Purchases of noncontrolling interests	(5,378)	(5,221)
Net cash (used in) provided by financing activities	(382,540)	319,319
Effect of exchange rate changes on cash, cash equivalents and restricted cash	9,417	(3,130)
Net decrease in cash, cash equivalents and restricted cash	(355,252)	(33,853)
Cash, cash equivalents and restricted cash at beginning of the year	879,825	464,634
Cash, cash equivalents and restricted cash at end of the period	\$ 524,573	\$ 430,781

See notes to condensed consolidated financial statements.

DAVITA INC.
CONSOLIDATED STATEMENTS OF EQUITY
(unaudited)
(dollars and shares in thousands)

Three months ended March 31, 2025

Three months ended March 31, 2025										
	Non-controlling interests subject to put provisions	DaVita Inc. shareholders' equity (deficit)								Non-controlling interests not subject to put provisions
		Common stock		Additional paid-in capital	Retained earnings	Treasury stock		Accumulated other comprehensive loss	Total	
		Shares	Amount			Shares	Amount			
Balance at December 31, 2024	\$ 1,695,483	90,369	\$ 90	\$ 286,270	\$ 1,534,630	(9,833)	\$ (1,389,072)	\$ (310,796)	\$ 121,122	\$ 274,746
Comprehensive income:										
Net income	45,230				162,917				162,917	24,069
Other comprehensive income								83,828	83,828	
Stock award plan		401	1	(30,165)					(30,164)	
Stock-settled stock-based compensation expense				29,369					29,369	
Changes in noncontrolling interest from:										
Distributions	(61,321)									(31,701)
Contributions	1,951									218
Acquisitions and divestitures	4,354			682					682	(6,783)
Partial purchases	(5,865)									
Fair value remeasurements	(13,311)			13,311					13,311	
Purchase of treasury stock						(3,660)	(550,222)		(550,222)	
Share purchase obligation							(97,944)		(97,944)	
Balance at March 31, 2025	\$ 1,666,521	90,770	\$ 91	\$ 299,467	\$ 1,697,547	(13,493)	\$ (2,037,238)	\$ (226,968)	\$ (267,101)	\$ 260,549

Three months ended March 31, 2024

	Non-controlling interests subject to put provisions	DaVita Inc. shareholders' equity								Non-controlling interests not subject to put provisions
		Common stock		Additional paid-in capital	Retained earnings	Treasury stock		Accumulated other comprehensive loss	Total	
		Shares	Amount			Shares	Amount			
Balance at December 31, 2023	\$ 1,499,288	88,824	\$ 89	\$ 509,804	\$ 598,288	—	\$ —	\$ (52,084)	\$ 1,056,097	\$ 187,965
Comprehensive income:										
Net income	44,191				239,649				239,649	22,140
Other comprehensive loss								(48,031)	(48,031)	
Stock award plan		998	1	(90,632)					(90,631)	
Stock-settled stock-based compensation expense				23,049					23,049	
Changes in noncontrolling interest from:										
Distributions	(52,928)									(24,420)
Contributions	3,127									598
Partial purchases	(1,227)			(2,996)					(2,996)	20,233
Fair value remeasurements	11,023			(11,023)					(11,023)	
Purchase of treasury stock						(2,119)	(240,117)		(240,117)	
Balance at March 31, 2024	\$ 1,503,474	89,822	\$ 90	\$ 428,202	\$ 837,937	(2,119)	\$ (240,117)	\$ (100,115)	\$ 925,997	\$ 206,516

See notes to condensed consolidated financial statements.

DAVITA INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(dollars and shares in thousands, except per share data)

Unless otherwise indicated in this Quarterly Report on Form 10-Q, "the Company", "we", "us", "our" and similar terms refer to DaVita Inc. and its consolidated subsidiaries.

1. Condensed consolidated interim financial statements

The unaudited condensed consolidated interim financial statements included in this report are prepared by the Company. In the opinion of management, all adjustments necessary for a fair presentation of the results of operations are reflected in these condensed consolidated interim financial statements. All significant intercompany accounts and transactions have been eliminated. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingencies, and noncontrolling interests subject to put provisions. The most significant estimates and assumptions underlying these financial statements and accompanying notes generally involve revenue recognition and accounts receivable, certain fair value estimates, accounting for income taxes, and loss contingencies. The results of operations reflected in these interim financial statements may not necessarily be indicative of annual operating results. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (2024 10-K). Prior period classifications conform to the current period presentation.

2. Revenue recognition

The following tables summarize the Company's segment revenues by primary payor source:

	Three months ended March 31, 2025			Three months ended March 31, 2024		
	U.S. dialysis	Other — Ancillary services	Consolidated	U.S. dialysis	Other — Ancillary services	Consolidated
Dialysis patient service revenues:						
Medicare and Medicare Advantage	\$ 1,609,018	\$	\$ 1,609,018	\$ 1,531,497	\$	\$ 1,531,497
Medicaid and Managed Medicaid	206,509		206,509	210,123		210,123
Other government	76,746	209,747	286,493	82,587	145,785	228,372
Commercial	924,888	87,819	1,012,707	925,831	70,172	996,003
Other revenues:						
Medicare and Medicare Advantage		98,954	98,954		103,110	103,110
Medicaid and Managed Medicaid		2	2		395	395
Commercial		2,701	2,701		6,940	6,940
Other ⁽¹⁾	6,008	15,599	21,607	6,122	15,203	21,325
Eliminations of intersegment revenues	(11,734)	(2,728)	(14,462)	(24,463)	(2,747)	(27,210)
Total	\$ 2,811,435	\$ 412,094	\$ 3,223,529	\$ 2,731,697	\$ 338,858	\$ 3,070,555

(1) Consists primarily of management service fees in the Company's U.S. dialysis business and research fees, management fees, and other non-patient service revenues in the Other - ancillary services businesses.

There are significant uncertainties associated with estimating revenue, many of which take several years to resolve. These estimates are subject to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payor issues, as well as patient issues, including determination of applicable primary and secondary coverage, changes in patient insurance coverage and coordination of benefits. As these estimates are refined over time, both positive and negative adjustments to revenue are recognized in the current period.

Dialysis patient service revenues. Revenues are recognized based on the Company's estimate of the transaction price the Company expects to collect as a result of satisfying its performance obligations. Dialysis patient service revenues are recognized in the period services are provided based on these estimates. Revenues consist primarily of payments from government and commercial health plans for dialysis services provided to patients.

Other revenues. Other revenues consist of revenues earned by the Company's non-dialysis ancillary services as well as fees for management and administrative services to outpatient dialysis businesses that the Company does not consolidate. Other revenues are estimated and recognized in the period the performance obligation is met, subject to applicable measurement

DAVITA INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(continued)
(unaudited)
(dollars and shares in thousands, except per share data)

constraints. The Company's integrated kidney care (IKC) revenues include revenues earned under risk-based arrangements, including value-based care (VBC) arrangements. Under its VBC arrangements, the Company assumes full or shared financial risk for the total medical cost of care for patients below or above a benchmark. The benchmarks against which the Company incurs profit or loss on these contracts are typically based on the underlying premiums paid to the insuring entity (the Company's counterparty), with adjustments where applicable, or on trended or adjusted medical cost targets.

For its IKC business, the Company recognized revenues for performance obligations satisfied in previous years of \$28,463 and \$19,450 during the three months ended March 31, 2025 and 2024, respectively. The delay in recognition of these amounts resulted predominantly from measurement limitations and recognition constraints on the Company's VBC contracts with health plans, many of which are complex. Recognition of revenue from the Company's government Comprehensive Kidney Care Contracting (CKCC) program also have certain constraints for plan years 2024 and 2025.

Measurements of revenue for the Company's IKC risk-based arrangements are complex, sensitive to a number of key inputs, and require meaningful estimates for a number of factors, including but not limited to member alignment data, third-party medical claims expense, outcomes on various quality metrics, and ultimate risk adjustment factor (RAF) scores. Information and other measurement limitations on these factors may constrain revenue recognition for a risk-based arrangement until a period after the Company's performance obligations have been met.

3. Earnings per share

Basic earnings per share is calculated by dividing net income attributable to the Company by the weighted average number of common shares outstanding. Weighted average common shares outstanding include restricted stock unit awards that are no longer subject to forfeiture because the recipients have satisfied either the explicit vesting terms or retirement eligibility requirements.

Diluted earnings per share includes the dilutive effect of outstanding stock-settled stock appreciation rights and unvested stock units as computed under the treasury stock method.

The reconciliations of the numerators and denominators used to calculate basic and diluted earnings per share were as follows:

	Three months ended March 31,	
	2025	2024
Net income attributable to DaVita Inc.	\$ 162,917	\$ 239,649
Weighted average shares outstanding:		
Basic shares	79,368	87,775
Assumed incremental from stock plans	1,907	2,772
Diluted shares	81,275	90,547
Basic net income per share attributable to DaVita Inc.	\$ 2.05	\$ 2.73
Diluted net income per share attributable to DaVita Inc.	\$ 2.00	\$ 2.65
Anti-dilutive stock-settled awards excluded from calculation ⁽¹⁾	187	391

(1) Shares associated with stock awards excluded from the diluted denominator calculation because they were anti-dilutive under the treasury stock method.

DAVITA INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(continued)
(unaudited)
(dollars and shares in thousands, except per share data)

4. Short-term and long-term investments

The Company's short-term and long-term investments, consisting of debt instruments classified as held-to-maturity and equity investments with readily determinable fair values or redemption values, were as follows:

	March 31, 2025			December 31, 2024		
	Debt securities	Equity securities	Total	Debt securities	Equity securities	Total
Certificates of deposit and other time deposits	\$ 68,863	\$ —	\$ 68,863	\$ 44,158	\$ —	\$ 44,158
Investments in mutual funds and common stocks	—	35,746	35,746	—	40,566	40,566
	<u>\$ 68,863</u>	<u>\$ 35,746</u>	<u>\$ 104,609</u>	<u>\$ 44,158</u>	<u>\$ 40,566</u>	<u>\$ 84,724</u>
Short-term investments	\$ 68,863	\$ 4,300	\$ 73,163	\$ 44,158	\$ 6,906	\$ 51,064
Long-term investments	—	31,446	31,446	—	33,660	33,660
	<u>\$ 68,863</u>	<u>\$ 35,746</u>	<u>\$ 104,609</u>	<u>\$ 44,158</u>	<u>\$ 40,566</u>	<u>\$ 84,724</u>

Debt securities. The Company's short-term debt investments are principally bank certificates of deposit with contractual maturities longer than three months but shorter than one year. Typically, any long-term debt investments are bank time deposits with contractual maturities longer than one year. These debt securities are accounted for as held-to-maturity and recorded at amortized cost, which approximated their fair values at March 31, 2025 and December 31, 2024.

Equity securities. Substantially all of the Company's short-term and long-term equity investments are held within a trust to fund existing obligations associated with the Company's non-qualified deferred compensation plans.

5. Goodwill

Changes in the carrying value of goodwill by reportable segment were as follows:

	U.S. dialysis	Other — Ancillary services	Consolidated
Balance at December 31, 2023	\$ 6,416,825	\$ 695,735	\$ 7,112,560
Acquisitions	102,082	246,987	349,069
Divestitures	(1,687)	(1,506)	(3,193)
Foreign currency and other adjustments	—	(83,220)	(83,220)
Balance at December 31, 2024	<u>6,517,220</u>	<u>857,996</u>	<u>7,375,216</u>
Acquisitions	5,236	(4,838)	398
Foreign currency and other adjustments	—	39,946	39,946
Balance at March 31, 2025	<u>\$ 6,522,456</u>	<u>\$ 893,104</u>	<u>\$ 7,415,560</u>
Balance at March 31, 2025:			
Goodwill	\$ 6,522,456	\$ 1,039,716	\$ 7,562,172
Accumulated impairment charges	—	(146,612)	(146,612)
	<u>\$ 6,522,456</u>	<u>\$ 893,104</u>	<u>\$ 7,415,560</u>

The Company did not recognize any goodwill impairment charges during the three months ended March 31, 2025 and 2024.

None of the Company's various reporting units were considered at risk of significant goodwill impairment as of March 31, 2025.

DAVITA INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(continued)
(unaudited)
(dollars and shares in thousands, except per share data)

6. Long-term debt

Long-term debt comprised the following:

	March 31, 2025	December 31, 2024	Maturity date	As of March 31, 2025	
				Interest rate	Estimated fair value ⁽¹⁾
Senior Secured Credit Facilities:					
Term Loan A-1 ⁽²⁾	\$ 2,229,567	\$ 2,259,295	4/28/2028	Base +1.75%	\$ 2,226,780
Term Loan B-1	1,632,050	1,636,150	5/9/2031	SOFR + 2.00%	\$ 1,630,010
Revolving line of credit ⁽²⁾	425,000	—	4/28/2028	Base +1.75%	\$ 425,000
Senior Notes:					
4.625% Senior Notes	2,750,000	2,750,000	6/1/2030	4.625 %	\$ 2,536,875
3.75% Senior Notes	1,500,000	1,500,000	2/15/2031	3.75 %	\$ 1,304,535
6.875% Senior Notes	1,000,000	1,000,000	9/1/2032	6.875 %	\$ 1,005,000
Acquisition obligations and other notes payable ⁽³⁾	53,990	56,483	2025-2038	5.55 %	\$ 53,990
Financing lease obligations ⁽⁴⁾	208,825	216,401	2026-2039	4.56 %	
CHC temporary funding assistance	—	92,777			\$ —
Total debt principal outstanding	9,799,432	9,511,106			
Discount, premium and deferred financing costs ⁽⁵⁾	(61,039)	(64,336)			
	9,738,393	9,446,770			
Less current portion	(178,648)	(270,867)			
	\$ 9,559,745	\$ 9,175,903			

- (1) For the Company's senior secured credit facilities, fair value estimates are based on bid and ask quotes, a level 2 input. For the Company's senior notes, fair value estimates are based on market level 1 inputs. For acquisition obligations and other notes payable, the carrying values presented here approximate their estimated fair values, based on estimates of their present values typically using level 2 interest rate inputs.
- (2) The Company's senior secured credit facilities bear interest at Term SOFR, plus an interest rate margin, with certain portions also subject to a credit spread adjustment (CSA). Term SOFR plus CSA is referred to as "Base" in the table above. The Term Loan A-1 and revolving line of credit bear a CSA of 0.10%.
- (3) The interest rate presented for acquisition obligations and other notes payable is their weighted average interest rate based on the current fixed and variable interest rate components in effect as of March 31, 2025.
- (4) Financing lease obligations are measured at their approximate present values at inception. The interest rate presented is the weighted average discount rate embedded in financing leases outstanding.
- (5) As of March 31, 2025, the carrying amount of the Company's senior secured credit facilities has been reduced by a discount of \$7,759 and deferred financing costs of \$26,965, and the carrying amount of the Company's senior notes has been reduced by deferred financing costs of \$36,081 and increased by a debt premium of \$9,766. As of December 31, 2024, the carrying amount of the Company's senior secured credit facilities was reduced by a discount of \$8,084 and deferred financing costs of \$28,879, and the carrying amount of the Company's senior notes was reduced by deferred financing costs of \$37,612 and increased by a debt premium of \$10,239.

During the first three months of 2025, the Company made regularly scheduled principal payments under its senior secured credit facilities totaling \$29,728 on Term Loan A-1 and \$4,100 on Term Loan B-1.

On March 1, 2024, Change Healthcare (CHC), a subsidiary of UnitedHealth Group, launched a temporary assistance funding program (CHC Funding) to help bridge the gap in short-term cash flow needs for providers impacted by the disruption of CHC's services. Under the program, CHC provided funding to providers for amounts that would otherwise have been received (with certain limitations), but for the disruption in processing electronic claims as a result of the outage. During the first quarter of 2025, the Company repaid all remaining balances outstanding under the CHC Funding program.

As of March 31, 2025, the effective portion of the Company's 2023 interest rate cap agreements have the economic effect of capping the Company's maximum exposure to SOFR variable interest rate changes on equivalent amounts of the Company's floating rate debt, including all of Term Loan B-1 and a portion of Term Loan A-1. The remaining \$361,617 outstanding principal balance of Term Loan A-1 and \$425,000 balance outstanding on the revolving line of credit are subject to SOFR-based interest rate volatility. These cap agreements are designated as cash flow hedges and, as a result, changes in their fair

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values are reported in other comprehensive income. The original premiums paid for the caps are amortized to debt expense on a straight-line basis over the term of each cap agreement starting from its effective date. These cap agreements do not contain credit risk-contingent features.

During the first quarter of 2025 the Company entered into several forward interest rate cap agreements, described below, that have the economic effect of capping the Company's exposure to SOFR variable interest rate changes on specific portions of the Company's floating rate debt (2025 cap agreements). These 2025 cap agreements are designated as cash flow hedges and, as a result, changes in their fair values will be reported in other comprehensive income. These 2025 cap agreements do not contain credit-risk contingent features and become effective and expire as described in the table below.

The following table summarizes the Company's interest rate cap agreements outstanding as of March 31, 2025:

Year cap agreements executed	Initial notional amount	SOFR maximum rate	Approximate effective date	Maturity date	Notional amount effective through December 31			
					2025	2026	2027	2028
2023	\$ 2,000,000	3.75%	6/30/2024	12/31/2025	\$ 1,250,000			
2023	\$ 1,000,000	4.00%	6/30/2024	12/31/2025	\$ 750,000			
2023	\$ 500,000	4.50%	6/30/2024	12/31/2026	\$ 500,000	\$ 500,000		
2023	\$ 250,000	4.50%	12/31/2024	12/31/2025	\$ 250,000			
2023	\$ 750,000	4.00%	12/31/2024	12/31/2026	\$ 750,000	\$ 500,000		
2024	\$ 1,750,000	4.50% ⁽¹⁾	12/31/2025	12/31/2027		\$ 1,750,000	\$ 1,000,000	
2024	\$ 750,000	4.00% ⁽²⁾	12/31/2025	12/31/2027		\$ 750,000	\$ 500,000	
2025	\$ 1,000,000	4.50% ⁽³⁾	12/31/2026	12/31/2028			\$ 1,000,000	\$ 750,000
Total notional coverage					\$ 3,500,000	\$ 3,500,000	\$ 2,500,000	\$ 750,000
Weighted average strike rate					4.02%	4.32%	4.55%	4.75%

(1) Effective December 31, 2026, the maximum rate of 4.50% increases to 4.75% for these interest rate caps.

(2) Effective December 31, 2026, the maximum rate of 4.00% increases to 4.25% for these interest rate caps.

(3) Effective December 31, 2027, the maximum rate of 4.50% increases to 4.75% for these interest rate caps.

The fair value of the Company's interest rate cap agreements, which are classified in other long-term assets on its consolidated balance sheet, was \$21,894 and \$30,062 as of March 31, 2025 and December 31, 2024, respectively.

See Note 9 for further details on amounts reclassified from accumulated other comprehensive loss and recorded as debt expense (offset) related to the Company's interest rate cap agreements for the three months ended March 31, 2025 and 2024.

As a result of the variable rate cap from the Company's 2023 interest rate cap agreements, the Company's weighted average effective interest rate on its senior secured credit facilities at the end of the first quarter of 2025 was 6.62%, based on the current margins in effect for its senior secured credit facilities as of March 31, 2025, as detailed in the table above.

The Company's weighted average effective interest rate on all debt, including the effect of interest rate caps and amortization of debt discount, for the three months ended March 31, 2025 was 5.60% and as of March 31, 2024 was 5.65%.

As of March 31, 2025, the Company's interest rates were fixed and economically fixed on approximately 56% and 92% of its total debt, respectively.

As of March 31, 2025, the Company had \$1,075,000 available and \$425,000 drawn on its \$1,500,000 revolving line of credit under its senior secured credit facilities. Credit available under this revolving line of credit is reduced by the amount of any letters of credit outstanding under the facility, of which there were none as of March 31, 2025. The Company also had letters of credit of approximately \$172,716 outstanding under a separate bilateral secured letter of credit facility as of March 31, 2025.

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7. Commitments and contingencies

The Company operates in a highly regulated industry and is a party to, or has the potential to be a party to, various lawsuits, demands, claims, *qui tam* suits, governmental investigations and audits (including, without limitation, investigations or other actions resulting from its obligation to self-report suspected violations of law) and other legal proceedings, including, without limitation, those described below. The Company records accruals for certain legal proceedings and regulatory matters to the extent that the Company determines an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. As of March 31, 2025 and December 31, 2024, the Company's total recorded accruals with respect to legal proceedings and regulatory matters, net of anticipated third party recoveries, were immaterial. While these accruals reflect the Company's best estimate of the probable loss for those matters as of the dates of those accruals, the recorded amounts may differ materially from the actual amount of the losses for those matters, and any anticipated third party recoveries for any such losses may not ultimately be recoverable. Additionally, in some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal proceedings and regulatory matters, which also may be impacted by various factors, including, without limitation, that they may involve indeterminate claims for monetary damages or may involve fines, penalties or non-monetary remedies; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; are in the early stages of the proceedings; or may result in a change of business practices. Further, there may be various levels of judicial review available to the Company in connection with any such proceeding.

The following is a description of certain lawsuits, claims, governmental investigations and audits and other legal proceedings to which the Company is subject.

Certain Governmental Inquiries and Related Proceedings

2020 U.S. Attorney New Jersey Investigation: In March 2020, the U.S. Attorney's Office, District of New Jersey served the Company with a subpoena and a Civil Investigative Demand (CID) relating to an investigation being conducted by that office and the U.S. Attorney's Office, Eastern District of Pennsylvania. The subpoena and CID request information on several topics, including certain of the Company's joint venture arrangements with physicians and physician groups, medical director agreements, and compliance with its five-year Corporate Integrity Agreement, the term of which expired October 22, 2019. In November 2022, the Company learned that, on April 1, 2022, the U.S. Attorney's Office for the District of New Jersey notified the U.S. District Court for the District of New Jersey of its decision not to elect to intervene in the matter of *U.S. ex rel. Doe v. DaVita Inc.* and filed a Stipulation of Dismissal. On April 13, 2022, the U.S. District Court for the District of New Jersey dismissed the case without prejudice. On October 12, 2022, the U.S. Attorney's Office for the Eastern District of Pennsylvania notified the U.S. District Court, Eastern District of Pennsylvania, of its decision not to elect to intervene at this time in the matter of *U.S. ex rel. Bayne v. DaVita Inc., et al.* The court then unsealed an amended complaint, which alleges violations of federal and state False Claims Acts, by order dated October 14, 2022. On November 8, 2023, the private party relator filed a fourth amended complaint. On November 29, 2023, the Company filed a motion to dismiss the fourth amended complaint. On April 29, 2025, the Court denied the Company's motion to dismiss. The Company disputes the allegations in the complaint and intends to defend this action accordingly.

2020 California Department of Insurance Investigation: In April 2020, the California Department of Insurance (CDI) sent the Company an Investigative Subpoena relating to an investigation being conducted by that office. CDI issued a superseding subpoena in September 2020 and an additional subpoena in September 2021. Those subpoenas request information on a number of topics, including but not limited to the Company's communications with patients about insurance plans and financial assistance from the American Kidney Fund (AKF), analyses of the potential impact of patients' decisions to change insurance providers, and documents relating to donations or contributions to the AKF. The Company is continuing to cooperate with CDI in this investigation.

2023 District of Columbia Office of Attorney General Investigation: In January 2023, the Office of the Attorney General for the District of Columbia issued a CID to the Company in connection with an antitrust investigation into the AKF. The CID covers the period from January 1, 2016 to the present. The CID requests information on a number of topics, including but not limited to the Company's communications with the AKF, documents relating to donations to the AKF, and communications with patients, providers, and insurers regarding the AKF. The Company is cooperating with the government in this investigation.

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2024 Federal Trade Commission Investigation: In April 2024, the Company received from the Federal Trade Commission (FTC) two CIDs in connection with an industry investigation under Section 5 of the Federal Trade Commission Act regarding the acquisition of medical director services and provision of dialysis services. The CIDs cover the period from January 1, 2016 to the present and generally seek information relating to restrictive covenants, such as non-competes, with physicians. The Company is cooperating with the government in this investigation.

* * *

Although the Company cannot predict whether or when proceedings might be initiated or when these matters may be resolved (other than as may be described above), it is not unusual for inquiries such as these to continue for a considerable period of time through the various phases of document and witness requests and ongoing discussions with regulators and to develop over the course of time. In addition to the inquiries and proceedings specifically identified above, the Company frequently is subject to other inquiries by state or federal government agencies. Negative findings or terms and conditions that the Company might agree to accept could result in, among other things, substantial financial penalties or awards against the Company, substantial payments made by the Company, harm to the Company's reputation, required changes to the Company's business practices, an impact on the Company's various relationships and/or contracts related to the Company's business, exclusion from future participation in the Medicare, Medicaid and other federal health care programs and, if criminal proceedings were initiated against the Company, members of its board of directors or management, possible criminal penalties, any of which could have a material adverse effect on the Company.

Other Proceedings

2021 Antitrust Indictment and Putative Class Action Suit: On July 14, 2021, an indictment was returned by a grand jury in the U.S. District Court, District of Colorado against the Company and its former chief executive officer in the matter of *U.S. v. DaVita Inc., et al.* alleging that purported agreements entered into by DaVita's former chief executive officer not to solicit senior-level employees violated Section 1 of the Sherman Act. On April 15, 2022, a jury returned a verdict in the Company's favor, acquitting both the Company and its former chief executive officer on all counts. On April 20, 2022, the court entered judgments of acquittal and closed the case. On August 9, 2021, DaVita Inc. and its former chief executive officer were added as defendants in a consolidated putative class action complaint in the matter of *In re Outpatient Medical Center Employee Antitrust Litigation* in the U.S. District Court, Northern District of Illinois. This class action complaint asserts that the defendants violated Section 1 of the Sherman Act and seeks to bring an action on behalf of certain groups of individuals employed by the Company. On October 27, 2024, the plaintiffs filed a Third Amended Complaint, seeking to bring an action on behalf of certain groups of individuals employed by the Company between March 2008 and January 2021, to which the Company responded on December 20, 2024. The Company disputes the allegations in the class action complaint, as well as the asserted violations of the Sherman Act, and intends to defend this action accordingly.

Additionally, from time to time the Company is subject to other lawsuits, demands, claims, governmental investigations and audits and legal proceedings that arise due to the nature of its business, including, without limitation, contractual disputes, such as with payors, suppliers and others, employee-related matters and professional and general liability claims. From time to time, the Company also initiates litigation or other legal proceedings as a plaintiff arising out of contracts or other matters.

* * *

Other than as may be described above, the Company cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which the Company is or may be subject from time to time, including those described in this Note 7, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on the Company's revenues, earnings and cash flows. Further, any legal proceedings or regulatory matters involving the Company, whether meritorious or not, are time consuming, and often require management's attention and result in significant legal expense, and may result in the diversion of significant operational resources, may impact the Company's various relationships and/or contracts related to the Company's business or otherwise harm the Company's business, results of operations, financial condition, cash flows or reputation.

Other Commitments

The Company also has certain potential commitments to provide working capital funding, if necessary, to certain nonconsolidated dialysis businesses that the Company manages and in which the Company owns a noncontrolling equity interest or which are wholly-owned by third parties of approximately \$6,699.

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8. Shareholders' equity

Stock-based compensation

During the three months ended March 31, 2025, the Company granted 723 stock-settled restricted and performance stock units with an aggregate grant-date fair value of \$104,916 and a weighted average expected life of approximately 3.4 years. Additionally, the Company granted 96 stock-settled stock appreciation rights with an aggregate grant-date fair value of \$4,960 and weighted-average expected life of approximately 4.75 years.

As of March 31, 2025, the Company had \$207,587 in total estimated but unrecognized stock-based compensation expense under the Company's equity compensation and employee stock purchase plans. The Company expects to recognize this expense over a weighted average remaining period of 1.3 years.

Share repurchases

The following table summarizes the Company's common stock repurchases during the three months ended March 31, 2025 and 2024:

	Three months ended March 31, 2025			Three months ended March 31, 2024		
	Shares repurchased	Amount paid ⁽¹⁾	Average price paid per share ⁽²⁾	Shares repurchased	Amount paid ⁽¹⁾	Average price paid per share ⁽²⁾
Open market repurchases:	3,457	\$ 518,221	\$ 148.53	2,119	\$ 240,117	\$ 112.76
Berkshire repurchases:	203	32,001	156.01	—	—	—
Total repurchases:	3,660	\$ 550,222	\$ 148.94	2,119	\$ 240,117	\$ 112.76

- (1) Includes commissions and the 1% excise tax imposed on certain share repurchases by the Inflation Reduction Act of 2022. The excise tax is recorded as part of the cost basis of treasury shares repurchased and, as such, is included in stockholders' equity.
- (2) Excludes commissions and the excise tax described above.

Subsequent to March 31, 2025 through May 12, 2025, the Company repurchased 1,730 shares of its common stock for \$259,152 at an average price paid of \$148.34 per share, inclusive of the shares repurchased from Berkshire Hathaway Inc. as discussed below.

As of March 31, 2025, the Company is authorized to make share repurchases pursuant to a September 5, 2024 Board authorization of \$2,000,000. This authorization allows the Company to make purchases from time to time in the open market or in privately negotiated transactions, including without limitation, through accelerated share repurchase transactions, derivative transactions, tender offers, Rule 10b5-1 plans or any combination of the foregoing, depending upon market conditions and other considerations.

As of May 12, 2025, the Company has a total of \$1,132,566, excluding excise taxes, available under the current authorization for additional share repurchases. Although this share repurchase authorization does not have an expiration date, the Company remains subject to share repurchase limitations, including under the terms of its senior secured credit facilities.

Berkshire share repurchase agreement

Pursuant to the April 30, 2024 share repurchase agreement with Berkshire Hathaway Inc. on behalf of itself and its affiliates (collectively, Berkshire), the Company had a repurchase obligation at March 31, 2025 to purchase shares from Berkshire for \$97,944 in the aggregate, recorded as a payable and classified as Due to related party on the Company's consolidated balance sheet. Subsequent to March 31, 2025, as the Company continued open market share repurchases, the obligation to Berkshire increased. On May 8, 2025, the Company settled the Berkshire repurchase obligation in total for 1,146 shares of common stock for \$170,263 at an average price paid of \$147.11 per share.

See Note 18 to the Company's consolidated financial statements included in the 2024 10-K for further discussion of the Company's relationship with Berkshire and the share repurchase agreement.

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9. Accumulated other comprehensive loss

	Three months ended March 31, 2025				Three months ended March 31, 2024			
	Interest rate cap agreements	Defined benefit pension plan	Foreign currency translation adjustments	Accumulated other comprehensive loss	Interest rate cap agreements	Foreign currency translation adjustments	Accumulated other comprehensive loss	
Beginning balance	\$ (8,557)	\$ 46	\$ (302,285)	\$ (310,796)	\$ 27,853	\$ (79,937)	\$ (52,084)	
Unrealized (losses) gains	(11,373)	—	90,856	79,483	17,745	(39,720)	(21,975)	
Related income tax	2,838	—	—	2,838	(4,428)	—	(4,428)	
	(8,535)	—	90,856	82,321	13,317	(39,720)	(26,403)	
Reclassification into net income	2,009	—	—	2,009	(28,818)	—	(28,818)	
Related income tax	(502)	—	—	(502)	7,190	—	7,190	
	1,507	—	—	1,507	(21,628)	—	(21,628)	
Ending balance	\$ (15,585)	\$ 46	\$ (211,429)	\$ (226,968)	\$ 19,542	\$ (119,657)	\$ (100,115)	

The interest rate cap agreement net realized gains reclassified into net income are recorded as debt expense in the corresponding consolidated statements of income. See Note 6 for further details.

10. Variable interest entities (VIEs)

At March 31, 2025, these condensed consolidated financial statements include total assets of VIEs of \$546,754 and total liabilities and noncontrolling interests of VIEs to third parties of \$252,238. There have been no material changes in the nature of the Company's arrangements with VIEs or its judgments concerning them from those described in Note 22 to the Company's consolidated financial statements included in the 2024 10-K.

11. Fair values of financial instruments

The Company measures the fair value of certain assets, liabilities and noncontrolling interests subject to put provisions (redeemable equity interests classified as temporary equity) based upon certain valuation techniques that include observable or unobservable inputs and assumptions that market participants would use in pricing these assets, liabilities, temporary equity and commitments. The Company has also classified assets, liabilities and temporary equities that are measured at fair value on a recurring basis into the appropriate fair value hierarchy levels as defined by the Financial Accounting Standards Board (FASB).

The following table summarizes the Company's assets, liabilities and temporary equities measured at fair value on a recurring basis as of March 31, 2025:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Investments in equity securities	\$ 35,746	\$ 35,746		
Interest rate cap agreements	\$ 21,894		\$ 21,894	
Liabilities				
Contingent earn-out obligations for acquisitions	\$ 10,384			\$ 10,384
Temporary equity				
Noncontrolling interests subject to put provisions	\$ 1,666,521			\$ 1,666,521

Investments in equity securities represent investments in various open-ended registered investment companies (mutual funds) and common stocks and are recorded at fair value estimated based on reported market prices or redemption prices, as applicable. See Note 4 for further discussion.

Interest rate cap agreements are recorded at fair value estimated from valuation models utilizing the income approach and commonly accepted valuation techniques that use inputs from closing prices for similar assets and liabilities in active markets as well as other relevant observable market inputs at quoted intervals such as current interest rates, forward yield

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curves, implied volatility and credit default swap pricing. The Company does not believe the ultimate amount that could be realized upon settlement of these interest rate cap agreements would be materially different from the fair value estimates currently reported. See Note 6 for further discussion.

As of March 31, 2025, the Company had contingent earn-out obligations associated with business acquisitions that could result in the Company paying the former owners a total of up to approximately \$23,199 if certain performance targets or quality margins are met over the next one year to five years. The estimated fair value measurements of these contingent earn-out obligations are primarily based on unobservable inputs, including key financial metrics such as projected earnings before interest, taxes, depreciation, and amortization (EBITDA), revenue and other key performance indicators. The estimated fair values of these contingent earn-out obligations are remeasured as of each reporting date and could fluctuate based upon any significant changes in key assumptions, such as changes in the Company's credit risk adjusted rate that is used to discount obligations to present value.

The estimated fair value of noncontrolling interests subject to put provisions is based principally on the higher of either estimated liquidation value of net assets or a multiple of earnings for each subject dialysis partnership, based on historical earnings, revenue mix, and other performance indicators that can affect future results. The multiples used for these valuations are derived from observed ownership transactions for dialysis businesses between unrelated parties in the U.S. in recent years, and the specific valuation multiple applied to each dialysis partnership is principally determined by its recent and expected revenue mix and contribution margin. As of March 31, 2025, an increase or decrease in the weighted average multiple used in these valuations of one times EBITDA would change the estimated fair value of these noncontrolling interests by approximately \$225,000. See Notes 16 and 23 to the Company's consolidated financial statements included in the 2024 10-K for further discussion of the Company's methodology for estimating the fair value of noncontrolling interests subject to put obligations. For a reconciliation of changes in noncontrolling interests subject to put provisions for the three months ended March 31, 2025, see the consolidated statement of equity.

The Company's fair value estimates for its senior secured credit facilities are based upon quoted bid and ask prices for these instruments, a level 2 input. For the Company's senior notes, fair value estimates are based on market level 1 inputs. See Note 6 for further discussion of the Company's debt.

The book value of the Company's contingent consideration payable to Medtronic, Inc. for its interest in Mozarc Medical Holding LLC approximates its estimated fair value, which is based on level 3 inputs.

Other financial instruments consist primarily of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable, other accrued liabilities, lease liabilities and debt. The balances of financial instruments other than debt and lease liabilities are presented in these condensed consolidated financial statements at March 31, 2025 at their approximate fair values due to the short-term nature of their settlements.

12. Segment reporting

The Company's operating divisions are composed of its U.S. dialysis and related lab services business (its U.S. dialysis business), its U.S. integrated kidney care business, its U.S. other ancillary services and its international operations (collectively, its ancillary services), as well as its corporate administrative support functions.

The Company's operating segments have been defined based on the separate financial information that is regularly produced and reviewed by the Company's chief operating decision maker in making decisions about allocating resources to and assessing the financial performance of the Company's various operating lines of business. The chief operating decision maker for the Company is its Chief Executive Officer. The chief operating decision maker does not review total assets by segment to make decisions regarding resources; therefore, the total assets by segment disclosure has not been included.

The Company's separate operating segments include its U.S. dialysis and related lab services business, its U.S. integrated kidney care business, its U.S. other ancillary services, and its operations in each foreign sovereign jurisdiction. The U.S. dialysis and related lab services business qualifies as a separately reportable segment, and all other operating segments have been combined and disclosed in the other segments category. See Note 24 to the Company's consolidated financial statements included in the 2024 10-K for further description of how the Company determines and measures results for its operating segments.

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The following is a summary of segment revenues, segment operating margin (loss), and a reconciliation of segment operating margin (loss) to consolidated income before income taxes:

	Three months ended March 31,	
	2025	2024
Segment revenues:		
U.S. dialysis		
Patient service revenues:		
External sources	\$ 2,805,427	\$ 2,725,575
Intersegment revenues	11,734	24,463
U.S. dialysis patient service revenues	2,817,161	2,750,038
Other revenues		
External sources	6,008	6,122
Total U.S. dialysis revenues	2,823,169	2,756,160
Other—Ancillary services		
Patient service revenues	297,566	215,957
Other external sources	114,528	122,901
Intersegment revenues	2,728	2,747
Total ancillary services	414,822	341,605
Total net segment revenues	3,237,991	3,097,765
Elimination of intersegment revenues	(14,462)	(27,210)
Consolidated revenues	<u>\$ 3,223,529</u>	<u>\$ 3,070,555</u>
Significant segment expenses:		
U.S. dialysis		
Patient care costs	\$ 1,913,428	\$ 1,824,579
General and administrative	282,679	274,562
Depreciation and amortization	156,899	172,852
Other segment items ⁽¹⁾	(5,609)	(41,570)
U.S. dialysis segment expenses	2,347,397	2,230,423
Other - Ancillary services expenses	417,631	353,107
Segment operating margin (loss):		
U.S. dialysis	475,772	525,737
Other—Ancillary services ⁽²⁾	(2,809)	(11,502)
Total segment operating margin (loss)	472,963	514,235
Reconciliation of segment operating income to consolidated income before income taxes:		
Corporate administrative support	(34,026)	(30,390)
Consolidated operating income	438,937	483,845
Debt expense	(135,055)	(99,418)
Other loss, net	(17,549)	(12,641)
Income from continuing operations before income taxes	<u>\$ 286,333</u>	<u>\$ 371,786</u>

(1) Other segment items for our U.S. dialysis segment include equity income from nonconsolidated joint ventures and a gain on changes in ownership interests.

(2) Includes depreciation and amortization of \$19,552 and \$14,231 for the three months ended March 31, 2025 and 2024, respectively.

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Expenditures for property and equipment by reportable segment were as follows:

	Three months ended March 31,	
	2025	2024
U.S. dialysis	\$ 113,591	\$ 104,953
Other—Ancillary services	29,667	16,062
	<u>\$ 143,258</u>	<u>\$ 121,015</u>

13. New accounting standards

New standards not yet adopted

In December 2023, the Financial Accounting Standards Board issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands income tax disclosure requirements to include additional information related to the rate reconciliation of effective tax rates to statutory rates, as well as additional disaggregation of taxes paid in both U.S. and foreign jurisdictions. The amendments in the ASU also remove disclosures related to certain unrecognized tax benefits and deferred taxes. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. The amendments may be applied prospectively or retrospectively, and early adoption is permitted. The Company's income tax footnote to the consolidated financial statements for the fiscal year ended December 31, 2025 will reflect the expanded disclosure requirements.

In November 2024, the Financial Accounting Standards Board issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, which requires disaggregated disclosure of income statement expenses, including purchases of inventory, employee compensation, depreciation, and amortization. The amendments in this ASU are effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The amendments in this ASU may be applied prospectively or retrospectively, and early adoption is permitted. The Company is currently assessing the effect this guidance may have on its consolidated financial statements.

14. Subsequent event — cybersecurity incident

On April 12, 2025, the Company became aware of a ransomware incident. Upon discovery, the Company activated its response protocols and implemented containment measures, including proactively disconnecting parts of the Company's network. The Company is actively working to assess and remediate the incident with the assistance of third-party cybersecurity professionals and law enforcement. While the incident resulted in disruption to the Company's operations, it has prioritized and focused its efforts on minimizing disruption to dialysis care, and these efforts have been successful to date. The Company has been able to restore most functions, but it cannot estimate the duration or extent of the disruption at this time.

The Company is aware of the exfiltration of certain data as part of the cybersecurity incident. The Company is in the process of validating the extent and nature of the files that were involved, including the identification of Personally Identifiable Information (PII) and/or Protected Health Information (PHI) involved. Based on the Company's review, it will comply with applicable privacy notice provisions and regulations.

Based on information currently available and the investigation to date, the Company believes that this incident has not had, and is not expected to have, a material adverse impact on its ability to provide patient care or on its business, results of operations or financial condition. However, the Company's investigation remains ongoing and as a result, it does not yet know the full impact of the cybersecurity incident, including how much of the financial impact will be covered by insurance.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-looking statements

This Quarterly Report on Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements that are forward-looking statements within the meaning of the federal securities laws and as such are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These forward-looking statements could include, among other things, statements about our balance sheet and liquidity, our expenses, revenues, billings and collections, patient census, the impact of the recent cybersecurity incident experienced by the Company, including the ultimate duration and extent of the disruption to our network and operations, availability or cost of supplies, including without limitation the impact of evolving trade policies and tariffs and any reduction in clinical and other supplies due to any disruptions experienced by third party vendors, including with respect to our ability to provide home dialysis services, treatment volumes, mix expectation, such as the percentage or number of patients under commercial insurance, the effects on us and our operations of any interruptions in key functions performed by our third party service providers or suppliers, current macroeconomic, marketplace and labor market conditions, and overall impact on our patients and teammates, as well as other statements regarding our future operations, financial condition and prospects, capital allocation plans, expenses, cost saving initiatives, other strategic initiatives, use of contract labor; government and commercial payment rates, expectations related to value-based care (VBC), integrated kidney care (IKC), Medicare Advantage (MA) plan enrollment and our international operations, expectations regarding increased competition and marketplace changes, including those related to new or potential entrants in the dialysis and pre-dialysis marketplace and the potential impact of innovative technologies, drugs, or other treatments on the dialysis industry, and expectations regarding our share repurchase program. All statements in this report, 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" 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 report. DaVita undertakes no obligation to publicly update or revise any forward-looking 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:

- external conditions, including those related to general economic, marketplace and global health conditions, including without limitation, the impact of global events and political or governmental volatility; the impact of the domestic political environment and related developments on the current healthcare marketplace, our patients and on our business; the continuing impact of the COVID-19 pandemic on our financial condition and the chronic kidney disease (CKD) population and our patient population; supply chain challenges and disruptions, including without limitation with respect to certain key services, critical clinical supplies and equipment we obtain from third parties, and including any impacts on our supply chain and cost of supplies as a result of natural disasters or evolving trade policies, including tariffs; the potential impact of new or potential entrants in the dialysis and pre-dialysis marketplace and potential impact of innovative technologies, drugs, or other treatments on our patients and industry; elevated teammate turnover or labor costs; the impact of continued increased competition from dialysis providers and others; and our ability to respond to challenging U.S. and global economic and marketplace conditions, including, among other things, our ability to successfully identify cost saving opportunities;*
- 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 commercial plans, including, without limitation, as a result of continuing legislative efforts to restrict or prohibit the use and/or availability of charitable premium assistance, or as a result of payors implementing restrictive plan designs;*
- risks arising from potential changes in or new laws, regulations or requirements applicable to us, including, without limitation, those related to trade policy, healthcare, privacy, antitrust matters, and acquisition, merger, joint venture or similar transactions and/or labor matters, and potential impacts of changes in interpretation or enforcement thereof or related litigation impacting, among other things, coverage or reimbursement rates for our services or the number of patients enrolled in or that select higher-paying commercial plans, and the risk that we make incorrect assumptions about how our patients will respond to any such developments;*
- our ability to successfully implement our strategies with respect to IKC and VBC initiatives and home based dialysis in the desired time frame and in a complex, dynamic and highly regulated environment;*
- 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 MA benchmark structure;*

- *our reliance on significant suppliers, service providers and other third party vendors to provide key support to our business operations and enable our provision of services to patients, including, among others, suppliers of certain pharmaceuticals, administrative or other services or critical clinical products; and risks resulting from a closure, reduction or other disruption in the services or products provided to us by such suppliers, service providers and third party vendors;*
- *noncompliance by us or our business associates with any privacy or security laws or any security breach by us or a third party, such as the recent cybersecurity incident experienced by the Company, including, among other things, any such non-compliance or breach involving the misappropriation, loss or other unauthorized use or disclosure of confidential information;*
- *legal and compliance risks, such as compliance with complex, and at times, evolving government regulations and requirements, and with additional laws that may apply to our operations as we expand geographically or enter into new lines of business;*
- *our ability to attract, retain and motivate teammates, including key leadership personnel, and our ability to manage potential disruptions to our business and operations, including potential work stoppages, 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, including due to the ongoing nationwide shortage of skilled clinical personnel, or other reasons;*
- *changes in pharmaceutical practice patterns, reimbursement and payment policies and processes, or pharmaceutical pricing, including with respect to oral phosphate binders, 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 that, among other things, may erode our patient base and impact reimbursement rates;*
- *our ability to complete and successfully integrate and operate acquisitions, mergers, dispositions, joint ventures or other strategic transactions on terms favorable to us or at all; and our ability to continue to successfully expand our operations and services in markets outside the United States, or to businesses or products outside of dialysis services;*
- *the variability of our cash flows, including, without limitation, any extended billing or collections cycles including, without limitation, due to defects or operational issues in our billing systems, the impact of the recent cybersecurity incident experienced by the Company or defects or operational issues in the billing systems or services of third parties on which we rely; 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;*
- *the effects on us or others of natural or other disasters, public health crises or severe adverse weather events such as hurricanes, earthquakes, fires or flooding;*
- *factors that may impact our ability to repurchase stock under our share repurchase program and the timing of any such stock repurchases, as well as any use by us of a considerable amount of available funds to repurchase stock;*
- *our 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; and*
- *the other risk factors, trends and uncertainties set forth in our Annual Report on Form 10-K for the year ended December 31, 2024 (2024 10-K), and the risks and uncertainties discussed in any subsequent reports that we file or furnish with the Securities and Exchange Commission (SEC) from time to time.*

The following should be read in conjunction with our condensed consolidated financial statements.

Company Overview

Our principal business is to provide dialysis and related lab services to patients in the United States, which we refer to as our U.S. dialysis business. We also operate our U.S. integrated kidney care (IKC) business, our U.S. other ancillary services, and our international operations, which we collectively refer to as our ancillary services, as well as our corporate administrative support functions. Our U.S. dialysis business is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD) or end stage kidney disease (ESKD).

External Conditions

Developments in external conditions, including those related to general economic, marketplace, environmental and global health conditions, have directly and indirectly impacted the Company and in the future could have a material adverse impact on our patients, teammates, physician partners, suppliers, business, operations, reputation, financial condition, results of operations, share price, cash flows and/or liquidity. Many of these external factors and conditions are interrelated, including, among other things, inflation, interest rate volatility and other economic conditions, labor market conditions, wage pressure, the increased mortality rates of our patients and other ESKD or CKD patients, supply chain challenges and the potential impact and application of innovative technologies, drugs or other treatments. Certain of these impacts could be further intensified by concurrent global events that have continued to drive sociopolitical, geopolitical and economic uncertainty; by severe weather events and other natural disasters; and by the impact of new policies implemented by the U.S. administration. For additional discussion of general economic, marketplace and global health conditions that could impact our business, see Part I Item 1. "*Business*" and Part I Item 1A. "*Risk Factors*" in our 2024 10-K.

In the first quarter of 2025, treatment per day volumes were approximately flat compared to the fourth quarter of 2024. We experienced a negative impact on revenue and treatment volume due to, among other things, a particularly severe flu season that drove continued elevated mortality rates in our patient population as well as missed treatments driven by severe weather events. New-to-dialysis admission rates were strong in the quarter, though these admission rates, treatment volumes, future revenues and non-acquired growth, among other things, could continue to be negatively impacted over time to the extent that the ESKD and CKD populations experience sustained elevated mortality levels. These mortality levels could be influenced by, among other things, the impact of infectious diseases on our patient population and the availability and use of vaccines, treatments and therapies as described in Part I Item 1A. "*Risk Factors*" of our 2024 10-K, and the magnitude of these cumulative impacts could have a material adverse impact on our results of operations, financial condition and cash flows.

Global economic conditions and political and regulatory developments, including, among other things, inflationary pressures and new U.S. administration policies have increased, and may continue to increase, our expenses, including, among others, staffing, labor, and supply costs. We expect certain of these increased staffing and labor costs to continue, due to, among other factors, the continuation of inflationary conditions and a challenging healthcare labor market. The cumulative impact of these increased staffing, labor, and supply costs and other expenses could be material. Our industry has also experienced increased union organizing activities. For example, union petitions have been filed in nine of our clinics in California and eight of these petitions are in different stages of the voting process and have been subject to legal challenges. For additional details on the risks related to rising labor costs and union organizing activities, see the discussion in Part I Item 1A. "*Risk Factors*" of our 2024 10-K under the headings, "*Our business is labor intensive...*" and "*External conditions, including those related to general economic, marketplace and global health conditions...*"

We believe that the aforementioned recent developments and general economic, marketplace and global health conditions will continue to impact the Company in the future. Their ultimate impact depends on future developments that are highly uncertain and difficult to predict.

Cybersecurity Incident

As previously disclosed in a Current Report on Form 8-K filed on April 14, 2025, on April 12, 2025, we became aware of a ransomware incident. Upon discovery, we activated our response protocols and implemented containment measures, including proactively disconnecting parts of our network. We are actively working to assess and remediate the incident with the assistance of third-party cybersecurity professionals and law enforcement. While the incident resulted in disruption to our operations, we have prioritized and focused our efforts on minimizing disruption to dialysis care, and these efforts have been successful to date. We have been able to restore most functions, but we cannot estimate the duration or extent of the disruption at this time.

We are aware of the exfiltration of certain data as part of the cybersecurity incident. We are in the process of validating the extent and nature of the files that were involved, including the identification of Personally Identifiable Information (PII) and/or Protected Health Information (PHI) involved. Based on our review, we will comply with applicable privacy notice

provisions and regulations. We have incurred, and expect to continue to incur, expenses in connection with the investigation and remediation activities related to this incident, including in connection with litigation that has been filed or may in the future be filed related to the incident, but at this time we are unable to predict the extent of other potential liabilities or consequences that may arise from this incident.

Based on information currently available and the investigation to date, we believe that this incident has not had, and is not expected to have, a material adverse impact on our ability to provide patient care or on our business, results of operations or financial condition. However, our investigation remains ongoing and as a result, we do not yet know the full impact of the cybersecurity incident, including how much of the financial impact will be covered by insurance.

For a discussion of the risks associated with privacy and security incidents and risks associated with our information systems or those of our third party service providers upon which we rely, see the discussions in Part I Item 1A. "Risk Factors" of our 2024 10-K under the headings, "*Privacy and information security laws are complex...*" and "*Failing to effectively maintain, operate or upgrade our information systems or those of third-party service providers upon which we rely...*". These risks include, among other things, business or other operational interruptions that may impact, among other things, our billing or clinical systems; the loss, compromise or corruption of data; systems outages; litigation or regulatory actions under privacy and security laws, all of which could have a material adverse effect on our business, results of operations, financial condition and cash flows, or materially harm our reputation.

Financial Results

The discussion below includes analysis of our financial condition and results of operations for the three months ended March 31, 2025 compared to the three months ended December 31, 2024, and the year-to-date periods for the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

Consolidated results of operations

The following tables summarize our revenues, operating income (loss) and adjusted operating income (loss) by line of business. See the discussion of our results for each line of business following the tables. When multiple drivers are identified in the following discussion of results, they are listed in order of magnitude:

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
(dollars in millions)				
Revenues:				
U.S. dialysis	\$ 2,823	\$ 2,888	\$ (65)	(2.3)%
Other — Ancillary services	415	430	(15)	(3.5)%
Elimination of intersegment revenues	(14)	(23)	9	39.1 %
Total consolidated revenues	<u>\$ 3,224</u>	<u>\$ 3,295</u>	<u>\$ (71)</u>	<u>(2.2)%</u>
Operating income (loss):				
U.S. dialysis	\$ 476	\$ 496	\$ (20)	(4.0)%
Other — Ancillary services	(3)	99	(102)	(103.0)%
Corporate administrative support	(34)	(29)	(5)	(17.2)%
Operating income	<u>\$ 439</u>	<u>\$ 565</u>	<u>\$ (126)</u>	<u>(22.3)%</u>
Adjusted operating income (loss)⁽¹⁾:				
U.S. dialysis	\$ 476	\$ 496	\$ (20)	(4.0)%
Other — Ancillary services	(3)	25	(28)	(112.0)%
Corporate administrative support	(34)	(29)	(5)	(17.2)%
Adjusted operating income	<u>\$ 439</u>	<u>\$ 491</u>	<u>\$ (52)</u>	<u>(10.6)%</u>

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

(1) For a reconciliation of adjusted operating income (loss) by reportable segment, see the "Reconciliations of Non-GAAP measures" section below.

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
(dollars in millions)				
Revenues:				
U.S. dialysis	\$ 2,823	\$ 2,756	\$ 67	2.4 %
Other — Ancillary services	415	342	73	21.3 %
Elimination of intersegment revenues	(14)	(27)	13	48.1 %
Total consolidated revenues	<u>\$ 3,224</u>	<u>\$ 3,071</u>	<u>\$ 153</u>	<u>5.0 %</u>
Operating income (loss):				
U.S. dialysis	\$ 476	\$ 526	\$ (50)	(9.5)%
Other — Ancillary services	(3)	(12)	9	75.0 %
Corporate administrative support	(34)	(30)	(4)	(13.3)%
Operating income	<u>\$ 439</u>	<u>\$ 484</u>	<u>\$ (45)</u>	<u>(9.3)%</u>
Adjusted operating income (loss)⁽¹⁾:				
U.S. dialysis	\$ 476	\$ 491	\$ (15)	(3.1)%
Other — Ancillary services	(3)	(12)	9	75.0 %
Corporate administrative support	(34)	(30)	(4)	(13.3)%
Adjusted operating income	<u>\$ 439</u>	<u>\$ 449</u>	<u>\$ (10)</u>	<u>(2.2)%</u>

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

(1) For a reconciliation of adjusted operating income (loss) by reportable segment, see the "Reconciliations of Non-GAAP measures" section below.

U.S. dialysis results of operations

Treatment volume:

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
Dialysis treatments	7,040,519	7,278,605	(238,086)	(3.3)%
Average treatments per day	91,793	91,786	7	— %
Treatment days	76.7	79.3	(2.6)	(3.3)%
Normalized non-acquired treatment growth ⁽¹⁾	(0.6)%	(0.3)%		

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

- (1) 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.

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
Dialysis treatments	7,040,519	7,151,512	(110,993)	(1.6)%
Average treatments per day	91,793	92,159	(366)	(0.4)%
Treatment days	76.7	77.6	(0.9)	(1.2)%

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

Our U.S. dialysis operating revenues and expenses are directly driven by treatment volume. The decrease in our U.S. dialysis treatments for the first quarter of 2025 from the fourth quarter of 2024 was primarily driven by a decrease in treatment days. The decrease in our U.S. dialysis treatments for the three months ended March 31, 2025 from the three months ended March 31, 2024 was primarily driven by a decrease in treatment days, as well as decreased average treatments per day related to increased missed treatments impacted by storms and the seasonal flu as well as increased mortality related to a more severe flu season.

Revenues:

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
(dollars in millions, except per treatment data)				
Total revenues	\$ 2,823	\$ 2,888	\$ (65)	(2.3)%
Average patient service revenue per treatment	\$ 400.14	\$ 395.87	\$ 4.27	1.1 %

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

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
(dollars in millions, except per treatment data)				
Total revenues	\$ 2,823	\$ 2,756	\$ 67	2.4 %
Average patient service revenue per treatment	\$ 400.14	\$ 384.54	\$ 15.60	4.1 %

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

U.S. dialysis average patient service revenue per treatment for the first quarter of 2025 compared to the fourth quarter of 2024 increased primarily due to the incorporation of phosphate binders into the ESRD Prospective Payment System (ESRD PPS) bundle, as further described below, Medicare base rate and other annual rate increases, favorable changes in mix, including seasonal increases in hospital inpatient dialysis treatments, partially offset by a seasonal decline from co-insurance and deductibles, and other normal fluctuations.

U.S. dialysis average patient service revenue per treatment for the three months ended March 31, 2025 increased compared to the three months ended March 31, 2024 primarily driven by the incorporation of phosphate binders into the ESRD PPS bundle, as further described below, Medicare base rate and other annual rate increases, as well as an increase in hospital inpatient dialysis rates and favorable changes in mix, partially offset by other normal fluctuations.

On January 1, 2025, phosphate binders, a drug class taken orally by many ESKD patients to reduce absorption of dietary phosphate, were incorporated into the ESRD PPS bundled payment. Phosphate binders are not included in the ESRD PPS base rate at this time and are reimbursed through a Transitional Drug Add-on Payment Adjustment (TDAPA). During the TDAPA period, Medicare payment for phosphate binders are based on the average sales price increased by a fixed monthly amount of \$36.41 for incremental operational costs. The TDAPA period is expected to continue for a period of at least two years.

Operating expenses and charges:

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
(dollars in millions, except per treatment data)				
Patient care costs	\$ 1,913	\$ 1,926	\$ (13)	(0.7)%
General and administrative	283	316	(33)	(10.4)%
Depreciation and amortization	157	157	—	— %
Equity investment income	(6)	(8)	2	25.0 %
Total operating expenses and charges	<u>\$ 2,347</u>	<u>\$ 2,392</u>	<u>\$ (45)</u>	<u>(1.9)%</u>
Patient care costs per treatment	\$ 271.77	\$ 264.60	\$ 7.17	2.7 %

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

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
(dollars in millions, except per treatment data)				
Patient care costs	\$ 1,913	\$ 1,825	\$ 88	4.8 %
General and administrative	283	275	8	2.9 %
Depreciation and amortization	157	173	(16)	(9.2)%
Equity investment income	(6)	(6)	—	— %
Gain on changes in ownership interests	—	(35)	35	100.0 %
Total operating expenses and charges	<u>\$ 2,347</u>	<u>\$ 2,230</u>	<u>\$ 117</u>	<u>5.2 %</u>
Patient care costs per treatment	\$ 271.77	\$ 255.13	\$ 16.64	6.5 %

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

Patient care costs. U.S. dialysis patient care costs per treatment for the first quarter of 2025 increased from the fourth quarter of 2024 primarily due to increases in pharmaceutical costs, principally due to the administration of phosphate binders, as described above, compensation expenses, including increased wage rates and seasonal increases in payroll taxes, as well as increased medical supplies expense, a gain recognized in the fourth quarter of 2024, and increases in contributions to charitable organizations. These increases were partially offset by decreases in health benefit expense, center closure costs, insurance costs, hurricane-related expenses incurred in the fourth quarter of 2024, routine maintenance costs and other direct operating expenses associated with our dialysis centers.

U.S. dialysis patient care costs per treatment for the three months ended March 31, 2025 increased from the three months ended March 31, 2024 primarily due to increases in pharmaceutical costs, principally due to the administration of phosphate binders, as described above, and compensation expenses, including increased wage rate, as well as increases in medical supplies expense, other direct operating expenses associated with our dialysis centers and health benefit expense. Other drivers of this change include increases in contributions to charitable organizations, center closure costs and travel costs.

General and administrative expenses. U.S. dialysis general and administrative expenses in the first quarter of 2025 decreased from the fourth quarter of 2024 primarily due to a decrease in professional fees and a gain recognized in the first quarter of 2025. Other drivers of this change include decreases in contract salaries, center closure costs, travel costs, health benefit expenses and advocacy costs. These decreases were partially offset by increased compensation expenses, including increased wage rates and seasonal increases in payroll taxes.

U.S. dialysis general and administrative expenses for the three months ended March 31, 2025 increased from the three months ended March 31, 2024 due to increased IT-related expenses, compensation expenses, including increased wage rate and headcount, as well as increased long-term incentive compensation expense. These increases were partially offset by a gain recognized in the first quarter of 2025, and decreases in center closure costs and advocacy costs.

Depreciation and amortization. Depreciation and amortization expense is directly impacted by the number of our dialysis centers and the information technology that we develop and acquire as well as changes in useful lives of assets. U.S. dialysis depreciation and amortization expenses in the first quarter of 2025 were relatively flat compared to the fourth quarter of 2024.

U.S. dialysis depreciation and amortization expenses for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 decreased primarily due to decreases in depreciation related to corporate IT projects and accelerated depreciation related to center closures.

Equity investment income. U.S. dialysis equity investment income for the first quarter of 2025 compared to the fourth quarter of 2024 decreased due to decreased profitability at certain nonconsolidated dialysis partnerships. Equity investment income for the three months ended March 31, 2025 was flat compared to the three months ended March 31, 2024.

Gain on changes in ownership interests. During the first quarter of 2024, we acquired a controlling interest in a previously nonconsolidated dialysis partnership for which we recognized a non-cash gain of \$35.1 million on our prior investment upon consolidation.

Operating income and adjusted operating income:

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
	(dollars in millions)			
Operating income	\$ 476	\$ 496	\$ (20)	(4.0)%

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
	(dollars in millions)			
Operating income	\$ 476	\$ 526	\$ (50)	(9.5)%
Adjusted operating income ⁽¹⁾	\$ 476	\$ 491	\$ (15)	(3.1)%

(1) For a reconciliation of adjusted operating income by reportable segment, see the "Reconciliations of Non-GAAP measures" section below.

U.S. dialysis operating income for the first quarter of 2025 compared to the fourth quarter of 2024 was negatively impacted by a decrease in dialysis treatments, as described above, increased pharmaceutical costs, compensation expense, medical supplies expense and contributions to charitable organizations. Operating income was positively impacted by decreased health benefit expenses, increased average patient service revenue per treatment, as described above, as well as decreases in other direct operating expenses associated with our dialysis centers, center closure costs and insurance costs. Operating income was also positively impacted by decreased routine maintenance costs, professional fees, hurricane-related expenses incurred in the fourth quarter of 2024, contract salaries and advocacy costs.

U.S. dialysis operating income for the three months ended March 31, 2024 was positively impacted by a gain on a change in business ownership interests as described above. U.S. dialysis operating income and adjusted operating income for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 was negatively impacted by a decrease in dialysis treatments, as described above, and increases in pharmaceutical costs, compensation expenses, IT-related costs, health benefit expense and medical supplies expense. Operating income was also negatively impacted by increased long-term incentive compensation expense and travel costs. Operating income was positively impacted by increased average patient service revenue per treatment, as described above, decreased depreciation related to corporate IT projects, a gain recognized in the first quarter of 2025 and decreased center closure costs.

Other—Ancillary services

Our other operations include ancillary services that are primarily aligned with our core business of providing dialysis services to our network of patients. As of March 31, 2025, these consisted principally of our U.S. IKC business, certain U.S. other ancillary businesses (including our clinical research programs, transplant software business, and venture investment group), and our international operations. In the first quarter of 2025, we reallocated the revenues and costs associated with an internal software product from the U.S. IKC business to the U.S. other ancillary business. Prior periods have been recast to reflect this change.

As of March 31, 2025, DaVita IKC provided integrated care and disease management services to approximately 62,100 patients in risk-based integrated care arrangements and to an additional 9,300 patients in other integrated care arrangements. We also expect to add additional service offerings to our business and pursue additional strategic initiatives in the future as circumstances warrant, which could include, among other things, healthcare services not related to kidney disease.

For a discussion of the risks related to IKC and our ancillary services, see the discussion in the risk factors in Part I Item 1A. "Risk Factors" of our 2024 10-K under the headings, "The U.S. integrated kidney care, U.S. other ancillary services and international operations that we operate or invest in now or in the future..." and "If we are not able to successfully implement our strategy with respect to our integrated kidney care and value-based care initiatives..."

As of March 31, 2025, our international dialysis operations provided dialysis and administrative services through a total of 512 outpatient dialysis centers located in 13 countries outside of the United States.

Ancillary services results of operations

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
	(dollars in millions)			
Revenues:				
U.S. IKC	\$ 105	\$ 165	\$ (60)	(36.4)%
U.S. other ancillary	7	7	—	— %
International	302	258	44	17.1 %
Total ancillary services revenues	\$ 415	\$ 430	\$ (15)	(3.5)%
Operating (loss) income:				
U.S. IKC	\$ (29)	\$ 30	\$ (59)	(196.7)%
U.S. other ancillary	(4)	(7)	3	42.9 %
International ⁽¹⁾	30	76	(46)	(60.5)%
Total ancillary services operating (loss) income	\$ (3)	\$ 99	\$ (102)	(103.0)%
Adjusted operating (loss) income⁽²⁾:				
U.S. IKC	\$ (29)	\$ 30	\$ (59)	(196.7)%
U.S. other ancillary	(4)	(7)	3	42.9 %
International ⁽¹⁾	30	1	29	2,900.0 %
Total ancillary services adjusted operating income (loss)	\$ (3)	\$ 25	\$ (28)	(112.0)%

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

(1) The reported operating income and adjusted operating income for the three months ended December 31, 2024 includes foreign currency gains embedded in equity method income recognized from our Asia Pacific (APAC) joint venture, which was consolidated in the fourth quarter of 2024, of approximately \$2.4 million.

(2) For a reconciliation of adjusted operating (loss) income by reportable segment, see the "Reconciliations of Non-GAAP measures" section below.

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
(dollars in millions)				
Revenues:				
U.S. IKC	\$ 105	\$ 115	\$ (10)	(8.7)%
U.S. other ancillary	7	7	—	— %
International	302	219	83	37.9 %
Total ancillary services revenues	<u>\$ 415</u>	<u>\$ 342</u>	<u>\$ 73</u>	<u>21.3 %</u>
Operating (loss) income:				
U.S. IKC	\$ (29)	\$ (21)	\$ (8)	(38.1)%
U.S. other ancillary	(4)	(6)	2	33.3 %
International ⁽¹⁾	30	16	14	87.5 %
Total ancillary services operating (loss) income	<u>\$ (3)</u>	<u>\$ (12)</u>	<u>\$ 9</u>	<u>75.0 %</u>

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

(1) The reported operating income and adjusted operating income for the three months ended March 31, 2024 includes foreign currency gains embedded in equity method income recognized from our APAC joint venture, which was consolidated in the fourth quarter of 2024, of approximately \$1.5 million.

Revenues

IKC revenues for the first quarter of 2025 decreased compared to the fourth quarter of 2024 due to a net decrease in shared savings, partially offset by an increase in revenues from our special needs plans. U.S. other ancillary revenues for the first quarter of 2025 remained relatively flat compared to the fourth quarter of 2024. International revenues for the first quarter of 2025 increased compared to the fourth quarter of 2024 due to acquired treatment growth, charges in the fourth quarter of 2024 for balances deemed uncollectible and average reimbursement rate increases in certain countries.

IKC revenues for the three months ended March 31, 2025 decreased compared to the three months ended March 31, 2024 due to the divestiture of our physician services business in 2024 and a net decrease in shared savings. U.S. other ancillary services revenues for the three months ended March 31, 2025 remained relatively flat compared to the three months ended March 31, 2024. Our international revenues for the three months ended March 31, 2025 increased from the three months ended March 31, 2024 due to acquired and non-acquired treatment growth, partially offset by the negative impact of fluctuations in foreign currency exchange rates in certain countries.

Items impacting operating income

Gain on changes in ownership interests. During the fourth quarter of 2024, we acquired a controlling interest in the previously nonconsolidated partnership known as our APAC joint venture, for which we recognized a non-cash gain of \$74.3 million on our prior investment upon consolidation.

Operating (loss) income and adjusted operating (loss) income

IKC operating loss for the first quarter of 2025 compared to IKC operating income for the fourth quarter of 2024 was driven by a net decrease in shared savings, partially offset by increased revenues and decreased medical costs related to our special needs plans, as well as decreased compensation expenses. U.S. other ancillary services operating loss for the first quarter of 2025 compared to the fourth quarter of 2024 decreased due to a reduction of the earn-out obligations related to our transplant software business. International operating income was impacted by a gain on a change in business ownership interests recognized in the fourth quarter of 2024, as described above. International operating income and adjusted operating income for the first quarter of 2025 compared to the fourth quarter of 2024 were impacted by increased revenues, as described above, partially offset by acquisition-related operating costs and decreased equity income resulting from fluctuations in foreign currency at our APAC joint venture, which was consolidated in the fourth quarter of 2024.

IKC operating loss for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 increased, primarily due to a net decrease in shared savings, partially offset by the divestiture of our physician services business in 2024. Other U.S. ancillary services operating loss for the three months ended March 31, 2025 decreased compared to the three months ended March 31, 2024 primarily due to a reduction of the earn-out obligations in our transplant software business.

International operating income for the three months ended March 31, 2025 increased compared to the three months ended March 31, 2024 primarily driven by increases in revenue, as described above, and the positive impact of fluctuations in foreign currency exchange rates on operating costs in certain countries, partially offset by acquisition-related operating costs and decreased equity income resulting from fluctuations in foreign currency at our APAC joint venture, which was consolidated in the fourth quarter of 2024, as described above.

Corporate administrative support

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
	(dollars in millions)			
Corporate administrative support	\$ (34)	\$ (29)	\$ (5)	(17.2)%

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
	(dollars in millions)			
Corporate administrative support	\$ (34)	\$ (30)	\$ (4)	(13.3)%

Corporate administrative support expenses for the first quarter of 2025 compared to the fourth quarter of 2024 and for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 increased primarily due to increased long-term incentive compensation expense and professional fees.

Corporate-level charges

	Three months ended		Q1 2025 vs. Q4 2024	
	March 31, 2025	December 31, 2024	Amount	Percent
	(dollars in millions)			
Debt expense	\$ 135	\$ 139	\$ (4)	(2.9)%
Weighted average effective interest rate ⁽¹⁾	5.60 %	5.75 %		(0.15)%
Other loss, net	\$ 18	\$ 13	\$ 5	38.5 %
Effective income tax rate	18.9 %	15.6 %		3.3 %
Effective income tax rate attributable to DaVita Inc. ⁽²⁾	24.9 %	19.9 %		5.0 %
Net income attributable to noncontrolling interests	\$ 69	\$ 90	\$ (21)	(23.3)%

(1) Represents our overall weighted average effective interest rate on all debt, including the effect of interest rate caps and amortization of debt discount, premium and deferred financing charges.

(2) For a reconciliation of our effective income tax rate attributable to DaVita Inc., see the "Reconciliations of Non-GAAP measures" section below.

	Three months ended		YTD Q1 2025 vs. YTD Q1 2024	
	March 31, 2025	March 31, 2024	Amount	Percent
	(dollars in millions)			
Debt expense	\$ 135	\$ 99	\$ 36	36.4 %
Weighted average effective interest rate ⁽¹⁾	5.60 %	4.51 %		1.09 %
Other loss, net	\$ 18	\$ 13	\$ 5	38.5 %
Effective income tax rate	18.9 %	17.7 %		1.2 %
Effective income tax rate attributable to DaVita Inc. ⁽²⁾	24.9 %	21.5 %		3.4 %
Net income attributable to noncontrolling interests	\$ 69	\$ 66	\$ 3	4.5 %

(1) Represents our overall weighted average effective interest rate on all debt, including the effect of interest rate caps and amortization of debt discount, premium and deferred financing charges.

(2) For a reconciliation of our effective income tax rate attributable to DaVita Inc., see the "Reconciliations of Non-GAAP measures" section below.

Debt expense

Debt expense for the first quarter of 2025 compared to the fourth quarter of 2024 decreased primarily due to a decrease in our weighted average effective interest rate, partially offset by an increase in our weighted average outstanding credit facility balance. Debt expense for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 increased primarily due to an increase in our weighted average effective interest rate principally related to the expiration of our 2019 interest rate cap agreements on June 30, 2024, which had lower rates than our currently effective interest rate caps. This change was also driven by an increase in our long-term debt balance primarily related to the issuance in third quarter 2024 of 6.875% senior notes due 2032.

Other loss, net

Other loss for the first quarter of 2025 increased compared to the fourth quarter of 2024 primarily due to a decrease in interest income and increased net losses on investments, partially offset by decreased equity investment losses at Mozarc Medical Holding LLC (Mozarc). Other loss for the three months ended March 31, 2025 increased compared to the three months ended March 31, 2024, primarily driven by increased net losses on investments, partially offset by decreased equity investment losses at Mozarc and increased interest income.

Effective income tax rate

The effective income tax rate and the effective income tax rate attributable to DaVita Inc. increased for the first quarter of 2025 compared to the fourth quarter of 2024 primarily due to a tax benefit recognized in the fourth quarter for non-taxable non-cash gains related to previously nonconsolidated businesses and benefits recognized in the fourth quarter in connection with the release of reserves that expired under the statute of limitations.

The effective income tax rate and the effective income tax rate attributable to DaVita Inc. for the three months ended March 31, 2025 increased compared to the three months ended March 31, 2024 primarily due to a tax benefit recognized in the first quarter of 2024 related to a nontaxable non-cash gain on changes in ownership interests and a decrease in benefits recognized in the first quarter of 2025 related to stock-based compensation.

Net income attributable to noncontrolling interests

The decrease in net income attributable to noncontrolling interests for the first quarter of 2025 from the fourth quarter of 2024 was due to decreased profitability at certain U.S. dialysis partnerships. The increase in net income attributable to noncontrolling interests for the three months ended March 31, 2025 from the three months ended March 31, 2024 was due to increased profitability at certain U.S. dialysis partnerships.

U.S. dialysis accounts receivable

Our U.S. dialysis accounts receivable balances at March 31, 2025 and December 31, 2024 were \$1.722 billion and \$1.615 billion, respectively, representing approximately 55 days and 52 days of revenue outstanding (DSO), respectively. The increase in DSO is primarily due to timing of collections. Our DSO calculation is based on the current quarter's average revenues per day. There were no significant changes from the fourth quarter of 2024 to the first quarter of 2025 in the carrying amount of accounts receivable outstanding over one year old.

Liquidity and capital resources

The following table summarizes our major sources and uses of cash, cash equivalents and restricted cash:

	Three months ended March 31,		YTD Q1 2025 vs. YTD Q1 2024	
	2025	2024	Amount	Percent
(dollars in millions and shares in thousands)				
Net cash provided by operating activities:				
Net income	\$ 232	\$ 306	\$ (74)	(24.2)%
Non-cash items in net income	238	199	39	19.6 %
Other working capital changes	(293)	(634)	341	53.8 %
Other	3	(6)	9	150.0 %
	<u>\$ 180</u>	<u>\$ (135)</u>	<u>\$ 315</u>	<u>233.3 %</u>
Net cash used in investing activities:				
Maintenance capital expenditures ⁽¹⁾	\$ (95)	\$ (85)	\$ (10)	(11.8)%
Development capital expenditures ⁽²⁾	(48)	(36)	(12)	(33.3)%
Acquisition expenditures	(10)	(105)	95	90.5 %
Proceeds from sale of self-developed properties	9	3	6	200.0 %
Other	(18)	8	(26)	(325.0)%
	<u>\$ (162)</u>	<u>\$ (215)</u>	<u>\$ 53</u>	<u>24.7 %</u>
Net cash used in financing activities:				
Debt issuances (payments), net	\$ 287	\$ 736	\$ (449)	(61.0)%
Deferred and debt-related financing costs	(6)	—	(6)	(100.0)%
Distributions to noncontrolling interests	(93)	(77)	(16)	(20.8)%
Contributions from noncontrolling interests	2	4	(2)	(50.0)%
Stock award exercises and other share issuances	(25)	(86)	61	70.9 %
Share repurchases	(542)	(251)	(291)	(115.9)%
Other	(5)	(5)	—	— %
	<u>\$ (383)</u>	<u>\$ 319</u>	<u>\$ (702)</u>	<u>(220.1)%</u>
Total number of shares repurchased	3,660	2,119	1,541	72.7 %
Free cash flow ⁽³⁾	\$ (45)	\$ (327)	\$ 282	86.2 %

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

- (1) Maintenance capital expenditures represent capital expenditures to maintain the productive capacity of the business and include those made for investments in information technology, dialysis center renovations, capital asset replacements, and any other capital expenditures that are not development or acquisition expenditures.
- (2) Development capital expenditures principally represent capital expenditures (other than acquisition expenditures) made to expand the productive capacity of the business and include those for new U.S. and international dialysis center developments, dialysis center expansions and relocations, and new or expanded contracted hospital operations.
- (3) For a reconciliation of our free cash flow, see the "Reconciliations of Non-GAAP measures" section below.

Consolidated cash flows

Consolidated cash flows from operating activities during the three months ended March 31, 2025 increased compared to the three months ended March 31, 2024. The increase was principally due to increased collections as compared to the first quarter of 2024 which were adversely impacted by the cybersecurity breach at Change Healthcare (CHC), a subsidiary of UnitedHealth Group, that temporarily suspended claims processing activity at CHC. The increase was partially offset by a decrease in operating results and increases in cash interest paid for the three months ended March 31, 2025.

Free cash flow during the three months ended March 31, 2025 increased as compared to the three months ended March 31, 2024 primarily due to an increase in net cash provided by operating activities, as described above, partially offset by increased distributions to noncontrolling interests and increases in capital expenditures.

Significant sources of cash during the period included net draws on our revolving line of credit of \$425 million. Significant uses of cash during the three months ended March 31, 2025 included the repayment of \$93 million in interest-free funding made available by UnitedHealth Group and its affiliates following the cybersecurity breach that affected CHC during the first quarter of 2024, regularly scheduled principal payments under our senior secured credit facilities totaling approximately \$30 million on our Term Loan A-1 and \$4 million on Term Loan B-1, and additional required payments under other debt arrangements. In addition, during the three months ended March 31, 2025 we used cash to repurchase 3.7 million shares of our common stock.

By comparison, the same period in 2024 included net draws on our revolving line of credit of \$765 million. Significant uses of cash in that period included regularly scheduled principal payments under our senior secured credit facilities totaling approximately \$8 million on Term Loan A-1 and \$7 million on Term Loan B-1, as well as additional required payments under other debt arrangements.

Dialysis center footprint

The table below shows the footprint of our dialysis operations by number of dialysis centers owned or operated:

	U.S.		International	
	Three months ended March 31,		Three months ended March 31,	
	2025	2024	2025	2024
Number of centers operated at beginning of period	2,657	2,675	509	367
Acquired centers	1	9	1	67
Developed centers	6	2	—	—
Net change in non-owned managed or administered centers ⁽¹⁾	1	(8)	4	(3)
Sold and closed centers ⁽²⁾	(3)	(8)	(2)	—
Closed centers ⁽³⁾	(1)	(5)	—	(4)
Number of centers operated at end of period	2,661	2,665	512	427

(1) Represents the change in the number of dialysis centers which we manage or provide administrative services to but in which we own a noncontrolling equity interest or which are wholly-owned by third parties, including our APAC joint venture centers which were consolidated in the fourth quarter of 2024.

(2) Represents dialysis centers that were sold and/or closed for which the majority of patients were not retained.

(3) Represents dialysis centers that were closed for which the majority of patients were retained and transferred to one of our other existing outpatient dialysis centers.

Share repurchases

The following table summarizes our common stock repurchases during the three months ended March 31, 2025 and March 31, 2024:

	Three months ended March 31, 2025			Three months ended March 31, 2024		
	Shares repurchased (in thousands)	Amount paid (in millions) ⁽¹⁾	Average price paid per share ⁽²⁾	Shares repurchased (in thousands)	Amount paid (in millions) ⁽¹⁾	Average price paid per share ⁽²⁾
Total repurchases ⁽³⁾ :	3,660	\$ 550	\$ 148.94	2,119	\$ 240	\$ 112.76

(1) Includes commissions and the 1% excise tax imposed on certain share repurchases by the Inflation Reduction Act of 2022. The excise tax is recorded as part of the cost basis of treasury shares repurchased and, as such, is included in stockholders' equity.

(2) Excludes commissions and the excise tax described above.

(3) Includes share repurchases from Berkshire Hathaway Inc. pursuant to our previously disclosed share repurchase agreement. See further information regarding these share repurchases in Note 8 to the condensed consolidated financial statements.

Available liquidity

As of March 31, 2025, we had \$1,075 million available and \$425 million drawn on our \$1.5 billion revolving line of credit under our senior secured credit facilities. Credit available under this revolving line of credit is reduced by the amount of any letters of credit outstanding thereunder, of which there were none as of March 31, 2025. We separately had approximately \$173 million in letters of credit outstanding under a separate bilateral secured letter of credit facility.

See Note 6 to the condensed consolidated financial statements for components of our long-term debt and their interest rates.

We believe that our cash flow from operations and other sources of liquidity, including from amounts available under our senior secured credit facilities and our access to the capital markets, will be sufficient to fund our scheduled debt service under the terms of our debt agreements and other obligations for the foreseeable future, including the next 12 months. From time to time, depending on market conditions, our capital requirements and the availability of financing, among other things, we may seek to refinance our existing debt and may incur additional indebtedness. Our primary recurrent sources of liquidity are cash from operations and cash from borrowings, which are subject to general, economic, financial, competitive, regulatory and other factors that are beyond our control, as described in Part I Item 1A. "Risk Factors" of our 2024 10-K.

Reconciliations of Non-GAAP measures

The following tables provide reconciliations of adjusted operating income (loss) to operating income (loss) as presented on a U.S. generally accepted accounting principles (GAAP) basis for our U.S. dialysis reportable segment as well as for our U.S. IKC business, our U.S. other ancillary services, our international business, and for our total ancillary services which combines them and is disclosed as our other segments category, in addition to our corporate administrative support.

In connection with a comment letter from the Securities and Exchange Commission Staff, beginning in the second quarter of 2024, we have updated the presentation of our non-GAAP measures to no longer exclude center closure costs for all periods presented. To facilitate comparisons, the non-GAAP measures presented for prior periods also have been conformed to the presentation of the non-GAAP measures for the current period.

These non-GAAP or "adjusted" measures are presented because management believes these measures are useful adjuncts to, but not alternatives for, our GAAP results. Specifically, management uses adjusted operating income (loss) 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 this non-GAAP measure is also 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. We also believe this presentation enhances a user's understanding of our normal operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations.

In addition, our effective income tax rate on income attributable to DaVita Inc. excludes noncontrolling owners' income, which primarily relates to non-tax paying entities. We believe this adjusted effective income tax rate is 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, our free cash flow represents net cash provided by operating activities less distributions to noncontrolling interests, development capital expenditures, and maintenance capital expenditures; 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 under GAAP and should not be considered in isolation from, nor as substitutes for, their most comparable GAAP measures.

	Three months ended March 31, 2025						
	Ancillary services					Corporate administration	Consolidated
	U.S. dialysis	U.S. IKC	U.S. Other	International	Total		
	(dollars in millions)						
Operating income (loss)	\$ 476	\$ (29)	\$ (4)	\$ 30	\$ (3)	\$ (34)	\$ 439
Adjusted operating income (loss)	\$ 476	\$ (29)	\$ (4)	\$ 30	\$ (3)	\$ (34)	\$ 439

	Three months ended December 31, 2024						
	U.S. dialysis	Ancillary services			Total	Corporate administration	Consolidated
		U.S. IKC	U.S. Other	International			
	(dollars in millions)						
Operating income (loss)	\$ 496	\$ 30	\$ (7)	\$ 76	\$ 99	\$ (29)	\$ 565
Gain on changes in ownership interest ⁽¹⁾	—	—	—	(74)	(74)	—	(74)
Adjusted operating income (loss)	\$ 496	\$ 30	\$ (7)	\$ 1	\$ 25	\$ (29)	\$ 491

	Three months ended March 31, 2024						
	U.S. dialysis	Ancillary services			Total	Corporate administration	Consolidated
		U.S. IKC	U.S. Other	International			
	(dollars in millions)						
Operating income (loss)	\$ 526	\$ (21)	\$ (6)	\$ 16	\$ (12)	\$ (30)	\$ 484
Gain on changes in ownership interest ⁽¹⁾	(35)	—	—	—	—	—	(35)
Adjusted operating income (loss) ⁽²⁾	\$ 491	\$ (21)	\$ (6)	\$ 16	\$ (12)	\$ (30)	\$ 449

Certain columns or rows in the above tables may not sum due to the presentation of rounded numbers.

- (1) Represents non-cash gains recognized on the acquisitions of controlling financial interests in previously nonconsolidated partnerships in 2024. See additional discussion above under the heading "Gain on changes in ownership interests" within "U.S. dialysis results of operations" and "Ancillary services results of operations" for the \$35 million and \$74 million, respectively. These gains were to mark our prior investments in these businesses to fair value before consolidation and to recognize related foreign currency gains from translation adjustments previously deferred in accumulated other comprehensive loss. Gains on changes in business ownership interests do not represent a normal and recurring requirement of operating our business or generating revenues and may obscure analysis of underlying trends and financial performance.
- (2) In connection with the conclusion of a comment letter from the Securities and Exchange Commission Staff in July 2024, beginning in the second quarter 2024, we have updated the presentation of our non-GAAP measures to no longer exclude center closure costs for all periods presented. To facilitate comparisons, the non-GAAP measures presented for prior periods also have been conformed to the presentation of the non-GAAP measures for the current period.

	Three months ended		
	March 31, 2025	December 31, 2024	March 31, 2024
(dollars in millions)			
Income before income taxes	\$ 286	\$ 414	\$ 372
Less: Noncontrolling owners' income primarily attributable to non-tax paying entities	(69)	(90)	(66)
Income before income taxes attributable to DaVita Inc.	\$ 217	\$ 324	\$ 305
Income tax expense	\$ 54	\$ 64	\$ 66
Less: Income tax attributable to noncontrolling interests	—	—	—
Income tax expense attributable to DaVita Inc.	\$ 54	\$ 64	\$ 66
Effective income tax rate on income attributable to DaVita Inc.	24.9 %	19.9 %	21.5 %

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

	Three months ended	
	March 31, 2025	March 31, 2024
	(dollars in millions)	
Net cash provided by operating activities	\$ 180	\$ (135)
Adjustments to reconcile net cash provided by operating activities to free cash flow:		
Distributions to noncontrolling interests	(93)	(77)
Contributions from noncontrolling interests	2	4
Maintenance capital expenditures	(95)	(85)
Development capital expenditures	(48)	(36)
Proceeds from sale of self-developed properties	9	3
Free cash flow	<u>\$ (45)</u>	<u>\$ (327)</u>

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

Off-balance sheet arrangements and aggregate contractual obligations

In addition to the debt obligations and operating lease liabilities reflected on our balance sheet, we have commitments associated with letters of credit, as well as certain working capital funding obligations associated with our equity investments in nonconsolidated dialysis ventures that we manage and some that we manage which are wholly-owned by third parties. For additional information see Note 7 to the condensed consolidated financial statements.

We also have potential obligations to purchase the noncontrolling interests held by third parties in many of our majority-owned dialysis partnerships and other nonconsolidated entities. These obligations are in the form of put provisions that are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. For additional information on these obligations and how we measure and report them, see Note 11 to the condensed consolidated financial statements included in this report and Notes 16 and 23 to the consolidated financial statements included in our 2024 10-K.

For information on the maturities and other terms of our long-term debt, see Note 6 to the condensed consolidated financial statements.

As of March 31, 2025, we have outstanding letters of credit in the aggregate amount of approximately \$173 million under a bilateral secured letter of credit facility separate from our senior secured credit facilities.

As of March 31, 2025, we have outstanding purchase agreements with various suppliers to purchase set amounts of dialysis equipment, parts, pharmaceuticals and supplies. If we fail to meet the minimum purchase commitments under these contracts during any year, we are required to pay the difference to the supplier, as described further in Note 16 to the Company's consolidated financial statements included in our 2024 10-K.

On March 5, 2024, we entered into four separate purchase agreements with Fresenius Medical Care AG and its affiliates to acquire their dialysis service operations in Chile, Ecuador, Colombia and Brazil. The Chile, Ecuador and Colombia transactions closed during 2024. The Brazil transaction is expected to close mid-year 2025 and remains subject to customary closing conditions and regulatory approval. The expected cash payment for this remaining transaction is approximately \$100 million, subject to certain customary adjustments.

New Accounting Standards

See discussion of new accounting standards in Note 13 to the condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest rate and foreign currency sensitivity

There has been no material change in the nature of the Company's interest rate risks or foreign currency exchange risks from those described in Part II Item 7A, "Quantitative and Qualitative Disclosures about Market Risk" of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As required by Exchange Act Rule 13a-15(b), our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of March 31, 2025.

Changes in Internal Control over Financial Reporting

In connection with the evaluation required by Exchange Act Rule 13a-15(d), our management, including our CEO and CFO, concluded that no changes in our internal control over financial reporting occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. On April 12, 2025, we became aware of a ransomware incident that encrypted certain elements of our network. See Note 14. *Subsequent event – cybersecurity incident* to our condensed consolidated interim financial statements included in this Quarterly Report on Form 10-Q for additional information. As a result of this cybersecurity incident, we performed certain alternative controls and procedures, and additional compensating controls and tests of controls, in the preparation of our financial and other information included in this report.

PART II.

OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this Part II, Item 1 is incorporated herein by reference to the information set forth under the caption "Commitments and contingencies" in Note 7 to the condensed consolidated financial statements included in this report.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K (2024 10-K) for the year ended December 31, 2024 filed with Securities and Exchange Commission. You should carefully consider the risks included in our 2024 10-K, together with all the other information in this Quarterly Report on Form 10-Q, including the forward-looking statements in Part I, Item 2 of this Quarterly Report on Form 10-Q under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share repurchases

The following table summarizes our repurchases of our common stock during the first quarter of 2025.

Period	Total number of shares purchased	Average price paid per share ⁽¹⁾	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
(dollars and shares in thousands, except per share data)				
January 1-31, 2025	537	\$ 158.13	537	\$ 1,849,629
February 1-28, 2025	1,109	149.24	1,109	\$ 1,684,046
March 1-31, 2025	2,014	146.34	2,014	\$ 1,389,154
	<u>3,660</u>	<u>\$ 148.94</u>	<u>3,660</u>	

(1) Excludes commissions and the 1% excise tax imposed by the Inflation Reduction Act of 2022.

As of March 31, 2025, the Company is authorized to make share repurchases pursuant to a September 5, 2024 Board authorization of \$2,000,000. This authorization allows us to make purchases from time to time in the open market or in privately negotiated transactions, including without limitation, through accelerated share repurchase transactions, derivative transactions, tender offers, Rule 10b5-1 plans or any combination of the foregoing, depending upon market conditions and other considerations.

As of May 12, 2025, we had approximately \$1,133 million, excluding excise taxes, available under the current repurchase authorization for additional share repurchases. Although this share repurchase authorization does not have an expiration date, we remain subject to share repurchase limitations including under our current senior secured credit facilities.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Director and Officer Trading Arrangements

None of the Company's directors or officers adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as defined in Item 408(c) of SEC Regulation S-K) during the quarter ended March 31, 2025, except as described in the table below:

Name and Title	Date Adopted	Type of Trading Arrangement ⁽¹⁾	Nature of Trading Arrangement	Duration of Trading Arrangement	Aggregate Number of Securities
James O. Hearty, Chief Compliance Officer	March 17, 2025	Rule 10b5-1 Trading Arrangement	Sale	June 16, 2025 to November 30, 2025, or such earlier date upon which all transactions are completed or expire without execution	Up to 4,535 shares

(1) The trading arrangement marked as a “Rule 10b5-1 trading arrangement” is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

Item 6. Exhibits

Exhibit Number	
<u>10.1</u>	Form of Performance-Based Restricted Stock Unit Agreement (DaVita Inc. 2020 Incentive Award Plan).*
<u>10.2</u>	Form of Restricted Stock Unit Agreement (DaVita Inc. 2020 Incentive Award Plan).*
<u>10.3</u>	Form of Stock Appreciation Rights Agreement (DaVita Inc. 2020 Incentive Award Plan).*
<u>31.1</u>	Certification of the Chief Executive Officer, dated May 12, 2025, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ✓
<u>31.2</u>	Certification of the Chief Financial Officer, dated May 12, 2025, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ✓
<u>32.1</u>	Certification of the Chief Executive Officer, dated May 12, 2025, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ✓
<u>32.2</u>	Certification of the Chief Financial Officer, dated May 12, 2025, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ✓
101.INS	XBRL Instance Document - the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. ✓
101.SCH	Inline XBRL Taxonomy Extension Schema Document. ✓
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document. ✓
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document. ✓
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document. ✓
101.PRE	Inline XBRL Taxonomy Extension Presentation, Linkbase Document. ✓
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). ✓

✓	Included in this filing.
*	Management contract or executive compensation plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DAVITA INC.

BY: /s/ CHRISTOPHER M. BERRY

Christopher M. Berry
Chief Accounting Officer*

Date: May 12, 2025

* Mr. Berry has signed both on behalf of the Registrant as a duly authorized officer and as the Registrant's principal accounting officer.

DaVita Inc.
Performance-Based Restricted Stock Unit Agreement under the
DaVita Inc. 2020 Incentive Award Plan

This **Performance-Based Restricted Stock Unit Agreement** (this “Agreement”) is dated as of the Grant Date indicated below by and between DaVita Inc., a Delaware corporation (the “Company”), and the Grantee indicated below pursuant to the **DaVita Inc. 2020 Incentive Award Plan** (the “Plan”).

Primary Terms

Grantee:	«Grantee»
Address:	«Address_1» «City», «State» «Zip»
Grant Date:	«Grant Date»
Performance Conditions:	As indicated on <u>Exhibit B</u>
Performance Period:	As indicated on <u>Exhibit B</u>
Vesting Conditions:	As indicated on <u>Exhibit B</u>
Vesting Date:	«Vesting_Date»
Target Number of Units:	«PSU_Award»
Plan Name:	2020 Incentive Award Plan
Plan ID#:	2020

This Agreement includes this cover page and the following Exhibits, which are expressly incorporated by reference in their entirety herein:

Exhibit A – General Terms and Conditions Exhibit B – Performance and Vesting Conditions
Exhibit C – *[Performance Conditions Intentionally Omitted]*

Grantee hereby expressly acknowledges and agrees that he/she/they is an employee at will and may be terminated by the Company or its applicable Affiliate at any time, with or without cause. By accepting this Award, Grantee hereby acknowledges he/she/they has a copy of the Plan, and accepts and agrees to the terms and provisions of this Agreement and the Plan. Capitalized terms that are used but not defined in this Agreement shall have the meanings set forth in the Plan.

IN WITNESS WHEREOF, the Company and the Grantee have accepted this Agreement effective as of the Grant Date.

DaVita Inc.

Grantee*

 *If permitted by the Company, this Agreement may be accepted electronically by the Grantee pursuant to the Company’s third-party stock plan administrator’s procedures.

DaVita Inc.
Performance-Based Restricted Stock Unit Agreement
Exhibit A – General Terms and Conditions

For valuable consideration, the receipt of which is acknowledged, the parties hereto agree as follows:

1. Grant of Performance Stock Units. The Company hereby grants to Grantee this award (the “Award”) of the target number of performance-based restricted stock units indicated on the front page (“Performance Stock Units”) under the Plan, subject to adjustment, forfeiture and the other terms and conditions set forth below and in the Plan. This Award represents Grantee’s right to receive shares of common stock of the Company (“Common Stock”), subject to Grantee’s fulfillment of the performance, vesting and other conditions set forth in this Agreement.

2. Performance and Vesting Conditions. The number of Performance Stock Units that may be earned by and for which shares of Common Stock (“Shares”) become issuable to Grantee (the “Earned Units”) shall be based upon the achievement of the Performance Criteria as reviewed and approved by the Administrator¹ and reflected in Exhibit B (the “Performance Goals”) over the Performance Period or periods reflected in Exhibit B (the “Performance Period”) and the remaining terms of this Agreement (the “Vesting Conditions”). The determination by the Administrator with respect to the achievement of the Performance Goals shall be made as soon as administratively practicable following the end of the applicable Performance Period after all necessary Company information is available.

3. Conversion of Performance Stock Units and Stock Issuance. To the extent that the Administrator determines that some or all of the Performance Goals and the Vesting Conditions have been achieved, then as of the applicable Vesting Date or as soon as administratively practicable thereafter (but in any event no later than 60 days following the applicable Vesting Date or the vesting event, subject to Section 12 below and Exhibit B), the Company shall issue the number of Shares issuable to Grantee (the “Shares”), for the Earned Units determined pursuant to the Administrator’s determination of the level of achievement of the Performance Goals, subject to Section 6 below. Notwithstanding the foregoing, in the event Grantee’s employment is transferred to a non-U.S. Affiliate, then immediately prior to such transfer this Award shall be cancelled and the Grantee shall have no further rights with respect to the Performance Stock Units or any Shares with respect to such Performance Stock Units.

4. Termination of Employment. Except as set forth in Exhibit B or pursuant to the terms of any written employment agreement between the Grantee and the Company or an Affiliate thereof in effect on the Grant Date, Performance Stock Units will cease vesting upon the date Grantee’s employment with the Company or any Affiliate is terminated for any reason. Upon the date that Grantee ceases being an Employee for any reason other than as expressly contemplated in Exhibit B or pursuant to the terms of any written employment agreement between the Grantee and the Company or an Affiliate thereof in effect on the Grant Date, Grantee will forfeit his/her/their right to any unvested Performance Stock Units.

5. Rights to Shares. Grantee shall not have any rights to the Shares subject to the Award, including without limitation, voting rights and rights to dividends, unless and until the Shares shall have been issued by the Company and held of record by or for the benefit of Grantee. The Performance Stock Units shall include a right to Dividend Equivalents equal to the value of any dividends paid on the Common Stock for which the dividend record date occurs between the Grant Date and the date the Performance Stock

¹ For the avoidance of doubt, with respect to Awards granted to individuals who are “officers” under Section 16 of the Exchange Act, the Administrator shall be the Committee (except in the case of the Chief Executive Officer, for whom the independent members of the Board shall make the applicable determination).

Units are settled or forfeited. Subject to vesting, each Dividend Equivalent entitles Grantee to receive the equivalent cash value of any such dividends paid on the number of Shares underlying the Performance Stock Units that are outstanding during such period. Dividend Equivalents will be accrued (without interest) and will be subject to the same conditions as the Performance Stock Units to which they are attributable, including, without limitation, the vesting conditions and the provisions governing the time and form of settlement of the Performance Stock Units.

6. Taxes

(a) **Generally.** Grantee is ultimately liable and responsible for all taxes under all applicable federal, state, local or other laws or regulations (the “Required Tax Payments”) owed in connection with the Award, regardless of any action the Company or any of its Affiliates takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any of its Affiliates makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of the Award or the subsequent sale of Shares issuable pursuant to the Award. The Company and its Affiliates do not commit and are under no obligation to structure the Award to reduce or eliminate Grantee’s tax liability.

(b) **Payment of Withholding Taxes.** As a condition precedent to the delivery to the Grantee of any Shares upon vesting of the Award, the Grantee shall satisfy the Required Tax Payments by the Company withholding from the Shares otherwise to be delivered to the Grantee pursuant to the Award a whole number of Shares having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award (the “Tax Date”), equal to the Required Tax Payments, with the number of Shares withheld rounded up to the nearest whole Share to satisfy the Required Tax Payments; provided that the number of Shares to be withheld shall be based on the minimum statutory withholding rate or, at the election of Grantee in accordance with such procedures as may be established by the Administrator from time to time, such other withholding rates for federal, state, local and foreign income tax and payroll/employment tax purposes that are applicable to such taxable income and that have been determined by the Administrator to avoid adverse accounting consequences. For the avoidance of doubt, in no instance shall the withholding rate for any Grantee exceed the applicable maximum withholding rate. Notwithstanding the foregoing, the Company (or, in the case of a Grantee subject to Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Committee) may, in its sole discretion, establish alternative methods for the Grantee to satisfy the Required Tax Payments, which may include, without limitation, a cash payment, proceeds from the sale of Shares otherwise issuable to Grantee, or delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole Shares, in each case, having an aggregate value, determined as of the Tax Date, equal to the amount necessary to satisfy the Required Tax Payments.

7. **Assignment.** Grantee’s interest in this Award may not be assigned or alienated, whether voluntarily or involuntarily.

8. **Clawback Provision.** Notwithstanding any other provision in this Agreement to the contrary, Grantee and this Award shall be subject to the Company’s Dodd-Frank Policy on Recoupment of Incentive Compensation, Amended and Restated Incentive Compensation Clawback Policy, and any other clawback policy adopted by the Company, each as may be amended from time to time (each, a “Clawback Policy”), in each case, to the extent applicable to the Grantee and this Award. The provisions of this Section 8 are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies (as defined herein below), or any laws or regulations.

9. Amendments. The Company may amend the provisions of this Agreement at any time; provided that, an amendment that would adversely affect the Grantee's rights under this Agreement in a material manner shall be subject to the written consent of the Grantee.

10. Change of Control of the Company. In the event of a Change of Control (as defined in Exhibit B below), the number of Earned Units that are assigned to each Performance Goal issuable shall be determined as specified in the Relative Total Shareholder Return Performance Condition, as set forth in Exhibit B, in the event the Performance Period has not concluded as of the date of such Change of Control. For the avoidance of doubt, in the event the Performance Period has concluded on or prior to the date of the Change of Control, then the Earned Units shall vest and be determined based on the achievement of the applicable Performance Goal during the completed Performance Period.

11. Non-Competition/²Non-Solicitation/Non-Disclosure.

(a) Non-Competition. Grantee acknowledges and recognizes the highly competitive nature of the business of the Company and the unique access to the confidential business, goodwill, personnel, and customer and patient information of the Company, or any of its subsidiaries or affiliates, including trade secret information, that Grantee receives solely as a result of Grantee's employment with the Company, or any of its subsidiaries or affiliates, and accordingly agrees that while Grantee is an Employee, and for the one-year period following termination of such relationship for any reason (whether voluntary or involuntary) (the "Restricted Period"), Grantee shall not, directly or indirectly, as an employee, independent contractor, consultant, or in any other capacity, prepare to provide or provide any of the same or similar services that Grantee performed during his/her/their employment with or service to the Company, or any of its subsidiaries or affiliates, for any other individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity (collectively, "Person") anywhere in the Restricted Territory that competes in any way with the area of business of the Company, or any of its subsidiaries or affiliates, in which Grantee worked and/or performed services during the last five years of Grantee's employment with the Company, or any of its subsidiaries or affiliates. For purposes of the above, preparing to provide any of the same or similar services includes, but is not limited to, planning with any Person on how best to compete with the Company, or any of its subsidiaries or affiliates, or discussing the Company's, or any of its subsidiaries' or affiliates', business plans or strategies with any Person.

Grantee further agrees that during the Restricted Period, Grantee shall not, directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise engage in, act for, or act on behalf of any Person (other than the Company and its subsidiaries and affiliates) engaged in any activity that Grantee was responsible for during the last five years of Grantee's employment with or engagement by the Company, or any of its subsidiaries or affiliates, in the Restricted Territory where such activity is competitive with the activities carried on by the Company, or any of its subsidiaries or affiliates.

Grantee acknowledges that during the Restricted Period, Grantee may be exposed to confidential information and/or trade secrets relating to business areas of the Company, or any of its subsidiaries or affiliates, that are different from and in addition to the areas in which Grantee primarily works for the Company, or any of its subsidiaries or affiliates, (the "Additional Protected Areas of Business"). As a result, Grantee agrees, that during the Restricted Period, he/she/they shall not, directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise act for, act on behalf, or provide the

² Applicability/inclusion in award agreement based on jurisdiction and status.

same or similar services to, any Person (other than the Company and its subsidiaries and affiliates) that engages in the Additional Protected Areas of Business.

Notwithstanding the foregoing, nothing in this Section 11(a) prohibits Grantee from passively owning not in excess of 2% in the aggregate of any company's stock or other ownership interests that are publicly traded on any national or regional stock exchange.

For purposes of this Section 11(a), "Restricted Territory" means the territory or territories or other geographic areas in which the Company and its subsidiaries and affiliates does business and as to which Grantee provided services or had a material presence or influence, and/or about which Grantee learned confidential information and/or trade secrets. Grantee acknowledges and agrees that, given Grantee's role at the Company, or any of its subsidiaries or affiliates, the geographical limitations and duration of this covenant not to compete are reasonable and appropriate, it being understood that the business of the Company and any of its subsidiaries and affiliates can be, and is, practiced throughout the United States, and that the restrictions set forth herein will not impose any undue hardship on Grantee.

To the extent that the provisions of this Section 11(a) conflict with any other agreement signed by Grantee relating to non-competition, the provisions that are most protective of the Company's, and any of its subsidiaries' or affiliates', interests shall govern.

This Section 11(a) (Non-competition) and the rights and obligations of Company hereunder may be assigned by Company and shall inure to the benefit of and shall be enforceable by any such assignee, as well as any of Company's successors in interest. This Section 11(a) (Non-competition) and the rights and obligations of Grantee hereunder may not be assigned by Grantee, but are binding upon Grantee's heirs, administrators, executors, and personal representatives.

(b) Non-Solicitation. Grantee agrees that during the term of his/her/their employment and/or service to the Company or any of its subsidiaries or affiliates and for the one-year period following the termination of his/her/their employment and/or service by either party for any or no reason (whether voluntary or involuntary), Grantee shall not (i) solicit any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, to work for any Person (other than the Company or any of its subsidiaries or affiliates); (ii) hire any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, to work (as an employee or an independent contractor) for any Person (other than the Company or any of its subsidiaries or affiliates); or (iii) take any action that may reasonably result in any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, going to work (as an employee or an independent contractor) for any Person (other than the Company or any of its subsidiaries or affiliates).

(c) Non-Disclosure. In exchange for Grantee's agreement not to disclose or use Information (as defined below) except as permitted in this Agreement and Grantee's agreement to comply with the restrictive covenants in this Section 11, the Company (or its subsidiaries or affiliates) will provide

Grantee access to Information. Grantee agrees not to disclose or use for his/her/their own benefit or purposes or for the benefit or purposes of any Person other than the Company and any of its subsidiaries or affiliates, any trade secrets or other confidential information or data relating to or provided by the Company, or any of its subsidiaries or affiliates, or any of their respective customers including (without limitation) any information relating to development, programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, financing methods, plans, or the business and affairs of the Company, or any of its subsidiaries or affiliates ("Information"); provided, however, the foregoing shall not apply to (i) Information which is generally known to the industry or the public other than as a result of Grantee's breach of any obligation to the Company, or any of its subsidiaries or affiliates; (ii) disclosure that is required by any applicable law, rule or regulation; or (iii) as otherwise provided in Section 11(d). If Grantee receives such a court order or subpoena to produce Information in his/her/their possession, Grantee shall provide the Company reasonable advance notice, in writing, prior to producing said Information, so as to give the Company reasonable time to object to Grantee producing said Information. Grantee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

(d) Protected Rights. Nothing contained in this Agreement prohibits or limits Grantee's ability to file a charge or complaint with any federal, state or local governmental agency or commission, including but not limited to the U.S. Securities and Exchange Commission. This Agreement also does not prohibit or limit Grantee's ability to communicate with any federal, state or local governmental agency or commission (including but not limited to the U.S. Securities and Exchange Commission), or to otherwise participate in any investigation or proceeding that may be conducted by such an agency or commission (including but not limited to the U.S. Securities and Exchange Commission), including providing documents or other information. Moreover, nothing in this agreement prevents Grantee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Grantee has reason to believe is unlawful.

(e) Remedies. Grantee agrees that any breach of Section 11(a), 11(b), or 11(c) will result in immediate and irreparable harm to the Company and its affiliates for which damages alone are an inadequate remedy and cannot readily be calculated. Accordingly, the Grantee agrees that the Company and its affiliates shall be entitled to temporary, preliminary and permanent injunctive relief to prevent any such actual or threatened breach, without posting a bond or other security or limiting other available remedies. If a court finds Section 11 of this Agreement or any of its restrictions are ambiguous, unenforceable, or invalid, the Company and Grantee agree that the court will read Section 11 of the Agreement as a whole and interpret such restriction(s) to be enforceable and valid to the maximum extent allowed by law. If the court declines to enforce Section 11 of this Agreement in the manner provided in this Section 11(e), the Company and Grantee agree that Section 11 of this Agreement will be automatically modified to provide the Company with the maximum protection of its business interests allowed by law, and Grantee agrees to be bound by Section 11 of this Agreement as modified.

(f) Termination of Agreement. This Agreement and the Award shall terminate effective on the date on which Grantee engages in any activity in breach of any or all of Sections 11(a), 11(b), or 11(c). This Agreement and the Award shall also terminate if at any time during Grantee's employment with the Company, or any of its subsidiaries or affiliates, or within one (1) year after the termination of such employment for any reason (whether voluntary or involuntary), Grantee (i) is convicted of a felony; (ii)

has been adjudicated by a court of competent jurisdiction of having committed an act of fraud or dishonesty resulting or intending to result directly or indirectly in personal enrichment at the expense of the Company, or any of its subsidiaries or affiliates; or (iii) is excluded from participating in any federal health care program. In any of the aforementioned cases, in addition to injunctive relief as forth above, the Company may seek an order requiring Grantee to repay the Company any value, gain or other consideration received or realized by Grantee as a result of this Award or any Shares received pursuant to the Award. The provisions of this Section 11(f) are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies, or any laws or regulations. Notwithstanding the foregoing and any other language in this Agreement, for the avoidance of doubt, this Section 11(f) does not supersede or preclude the application or enforceability of Section 8 or any Clawback Policy.

(g) Advice of Counsel; Review Period. Grantee acknowledges and agrees that Grantee has carefully read and fully understands all of the provisions of this Section 11. The Company hereby advises Grantee to consult with an attorney of the Grantee's choosing and at the Grantee's cost before signing this Agreement and Award. Grantee acknowledges that Grantee has had at least fourteen (14) days (or such longer period as may be required under applicable law) to review this Agreement and the Award before agreeing to its terms.

(h) Governing Law. Notwithstanding anything in the Plan or this Agreement to the contrary, this Section 11 shall be construed and regulated under and by the laws of the state where Grantee resides. The parties agree that any and all actions or proceedings to enforce Section 11 shall be brought in the state or federal court where Grantee resides.

12. Section 409A of the Code. This Agreement and the Award are intended to be exempt from or meet the requirements of Section 409A of the Code, as applicable, and shall be interpreted and construed consistent with that intent and each settlement hereunder shall be considered a separate payment for purposes of Section 409A of the Code. Notwithstanding any other provisions of this Agreement, to the extent that the right to any issuance of Shares or payment to Grantee hereunder provides for non-qualified deferred compensation within the meaning of Section 409A(d)(1) of the Code that is subject to Section 409A of the Code, the issuance or payment shall be made in accordance with the following:

If Grantee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date of Grantee's "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code (the "Separation Date"), then no such issuance of Shares or payment shall be made during the period beginning on the Separation Date and ending on the date that is six months following the Separation Date or, if earlier, on the date of Grantee's death, if the earlier making of such issuance of Shares or payment would result in tax penalties being imposed on Grantee under Section 409A of the Code. The amount of any issuance of Shares or payment that would otherwise be made during this period shall instead be made on the first business day following the date that is six months following the Separation Date or, if earlier, the date of Grantee's death. If the Grantee is subject to an employment or other agreement that specifies a time and form of payment that differs from the time and form of payment set forth in Exhibit B, then this Award shall be settled in accordance with such employment or other agreement to the extent required to comply with Section 409A of the Code in a manner permissible under the Plan.

13. Compliance with Policies. It is understood and agreed upon that at all times Grantee will act in full compliance with the Company's policies and procedures as may be in effect from time to time, including without limitation, the Company's Code of Conduct, Joint Venture Arrangements Policy, Medical Director Agreements Compliance Handbook, Acceptance of Gifts Policy and/or credentialing process

(individually, each a “Policy” and, collectively, the “Policies”). If Grantee’s conduct, whether related to the Award granted under this Agreement or otherwise, materially violates the requirements of the Policies, as determined by the independent directors of the Board (with respect to a Grantee who is the Chief Executive Officer of the Company), the Committee (with respect to a Grantee that is an “officer” under Section 16 of the Exchange Act other than the Chief Executive Officer) or the Company’s Chief Executive Officer, Chief Compliance Officer or Chief Legal Officer (with respect to a Grantee that is not an “officer” under Section 16 of the Exchange Act), then the Company may require Grantee to forfeit any unvested portion of the Award granted under this Agreement and be subject to immediate disciplinary action, up to and including termination. The provisions of this Section 13 are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies or any laws or regulations. If at any time Grantee has questions or concerns about the provisions in this Section 13, or suspects any improper conduct related to the Policies, Grantee should immediately contact his/her/their supervisor or Team Quest. Grantee also may anonymously and confidentially call the Company’s Compliance Hotline.

14. Compliance with Law. No Shares shall be issued and delivered pursuant to this Award unless and until all applicable registration requirements of the Securities Act of 1933, as amended, all applicable listing requirements of any national securities exchange on which the Common Stock is then listed, and all other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery, shall have been complied with. In particular, the Committee may require certain investment (or other) representations and undertakings in connection with the issuance of securities in connection with the Plan and this Award in order to comply with applicable law.

If any provision of this Agreement is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law. Furthermore, if any provision of this Agreement is determined to be illegal under any applicable law, such provision shall be null and void to the extent necessary to comply with applicable law, but the other provisions of this Agreement shall remain in full force and effect.

15. Interpretation of Award.

- (a) This Award is granted under the provisions of the Plan and shall be interpreted in a manner consistent with it.
- (b) Any provision in this Award inconsistent with the Plan shall be superseded and governed by the Plan.
- (c) For all purposes under this Award, employment by the Company shall include employment by the Company or any Affiliate thereof.
- (d) This Award shall be subject to the terms of any written employment agreement in effect as of the Grant Date between the Grantee and the Company or any Affiliate thereof to the extent permissible under the Plan.

16. Electronic Delivery and Execution. Grantee will not be able to initiate any stock transactions related to this Award until Grantee has accepted the terms of this Agreement. The Company may, in its sole discretion, decide to deliver any documents related to this Award or future awards made under the

Plan by electronic means or request Grantee's consent to participate in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through any online or electronic system established and maintained by the Company or another third party designated by the Company.

DaVita Inc.
Performance-Based Restricted Stock Unit Agreement
Exhibit B – Performance and Vesting Conditions

Shares issuable under this Agreement will be determined based on the level of performance achieved on specified Performance Goals. Except as set forth in this Exhibit B or the terms of any written employment agreement between the Grantee and the Company or an Affiliate thereof in effect on the Grant Date, vesting in the right to receive the number of shares so determined shall be contingent on Grantee's continued employment by the Company on the Vesting Date (which, for the avoidance of doubt, shall be the date on which the Award is earned).

For purposes of this Exhibit:

- “Cause” shall mean: (a) a material breach by Grantee of his/her/their duties and responsibilities which do not differ in any material respect from the duties and responsibilities of Grantee during the ninety (90) days immediately prior to a Change of Control (for clarity, as defined below) (other than as a result of incapacity due to physical or mental illness) which is demonstrably willful and deliberate on Grantee's part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and which is not remedied in a reasonable period of time after receipt of written notice from the Company specifying such breach; (b) willful misconduct or gross negligence which results in material harm to the Company; (c) the conviction of Grantee of, or a plea of *nolo contendere* by Grantee to, a felony or other crime involving fraud or dishonesty; or (d) willful violation of Company policies which results in material harm to the Company.
- “Change of Control” shall mean:
 - (a) any transaction or series of transactions in which any Person becomes the direct or indirect Beneficial Owner, by way of a stock issuance, tender offer, merger, consolidation, other business combination or otherwise, of greater than 35% of the total voting power (on a fully diluted basis as if all convertible securities had been converted and all warrants and options had been exercised) entitled to vote in the election of directors of the Company (“Company Voting Securities”) (including any transaction in which the Company becomes a wholly-owned or majority-owned subsidiary of another corporation); provided, however, that the following acquisitions shall not be deemed to be a Change of Control: (i) acquisitions by the Company or any Subsidiary; (ii) acquisitions by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; (iii) acquisitions by any underwriter temporarily holding securities pursuant to an offering of such securities; or (iv) any acquisition pursuant to a transaction described in subparagraph (b) of this definition; provided further, that a Change of Control shall not be deemed to occur solely because Berkshire Hathaway Inc., together with its Affiliates (“Berkshire”) acquires Beneficial Ownership of more than 35% of the then-outstanding Company Voting Securities as a result of the acquisition of additional securities by the Company that reduces the number of Company Voting Securities outstanding (except if after such acquisition by the Company, Berkshire becomes the Beneficial Owner of additional Company Voting Securities that increase the percentage of outstanding Company Voting Securities beneficially owned by Berkshire, in which case a Change of Control of the Company shall then occur);

- (b) any merger or consolidation or reorganization of the Company other than a merger, consolidation or reorganization (i) immediately following which those individuals who, immediately prior to the consummation of such merger, consolidation or reorganization, constituted the Board, constitute a majority of the board of directors of the Company or the surviving or resulting entity or any parent thereof, (ii) which results in the Company Voting Securities outstanding immediately prior to such merger, consolidation or reorganization continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, greater than 50% of the combined voting power of the securities of the Company (or such surviving entity or any parent thereof) outstanding immediately after such merger or consolidation, and (iii) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 50% or more of the then outstanding Company Voting Securities;
- (c) any transaction or series of transactions in which all or substantially all of the Company's assets are sold;
- (d) a complete liquidation or dissolution of the Company; or
- (e) during any twenty-four (24) month period, individuals who, as of the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; provided that any Person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such Person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any Person other than the Board shall be deemed to be an Incumbent Director.

Solely for purposes of this definition, the following terms shall have the meaning specified: (A) "Affiliate" shall have the meaning set forth in Rule 12b-2 under Section 12 of the Exchange Act; (B) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, except that a Person shall not be deemed to be the Beneficial Owner of any securities which are reflected on a Schedule 13G; and (C) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (w) the Company or any of its Affiliates; (x) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (y) an underwriter temporarily holding securities pursuant to an offering of such securities; or (z) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

Change of Control Vesting

In the event of a Change of Control (as defined above), this Award shall automatically vest in its entirety upon the earlier of the following two events: (i) immediately prior to the effective date of a Change of Control if the successor in such Change of Control (the "Acquiror") fails to effectively assume, convert or replace this Award, or (ii) if the Award is effectively assumed in a Change of Control, as of the date of termination of Grantee's employment if such termination occurs within

twenty-four (24) months following such Change of Control by the Company (or the Acquiror) (a) other than for “Cause” (defined above) or (b) if applicable, by Grantee in accordance with the termination for “Good Reason” provisions of Grantee’s employment agreement, if any; provided, however, that if the Award constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code, then in the case of clause (i), if the Award is not effectively assumed, converted or replaced and the Change of Control was not a “change in control event” within the meaning of Section 409A of the Code or to the extent distribution would not be permissible under Section 409A of the Code without adverse tax consequences, then the vested Award shall be settled upon the normal Vesting Date or, if earlier and to the extent permitted by Section 409A of the Code, Grantee’s termination of employment, provided that the Grantee would not satisfy the age and service requirements for Rule of 65 Vesting during the term of the Award, and in the case of clause (ii), if the Change of Control was not a “change in control event” within the meaning of Section 409A of the Code and the Grantee would satisfy the age and service requirements for Rule of 65 Vesting during the term of this Award, then the vested Award shall be settled, to the extent required by Section 409A of the Code, upon the Vesting Date, in accordance with the Rule of 65 provisions. In the event of such accelerated vesting due to a Change of Control, the number of Shares issuable for the portion of Condition Target PSUs assigned to the Performance Conditions described in Section A. with respect to any Performance Period that had not concluded on or prior to the date of such Change of Control shall be determined as specified in the Relative Total Shareholder Return Performance Condition described in Section B. below.

To be effectively assumed in the Change of Control, the award received in exchange for the Award in connection with a Change of Control: (i) must be of the same type as the Award; (ii) must have a value intended to preserve the value of the Award; (iii) must relate to publicly traded equity securities of the Company (or the Acquiror or another entity that is affiliated with the Company or the Acquiror); and (iv) must have other terms and conditions that are not less favorable to the Grantee than the terms and conditions of the Award (including the provisions that would apply in the event of a subsequent Change of Control but excluding the Performance Conditions). Without limiting the generality of the foregoing, the replaced Award may take the form of a continuation of the Award if the requirements of the preceding sentence are satisfied. The determination of whether the conditions for effectively assuming the Award have been satisfied shall be made by the Board, as constituted immediately before the Change of Control, in its sole discretion.

Rule of 65 Vesting

In the event that (i) the Grantee has remained continuously employed with the Company for at least one year from the Grant Date, (ii) the Grantee has satisfied the Rule of 65 (as defined below) at the time of his/her/their termination of employment and such termination of employment is not for Cause, and (iii) the Grantee is an “officer” under Section 16 of the Exchange Act at the time of such termination of employment (or, in the event of the Change of Control, a Section 16 officer immediately prior to the effective time of such Change of Control), then the Award shall vest and shall be settled on its normal Vesting Date; provided, however, that if following the Grantee’s termination of employment under this paragraph, there is a Change of Control (as defined above) and the Award is not effectively assumed, converted or replaced and the Change of Control is a “change in control event” within the meaning of Section 409A of the Code, then the vested Award shall be settled upon such Change of Control to the extent permitted without adverse tax consequences by Section 409A of the Code, with the number of Shares issuable as determined above under Change of Control Vesting. If the Grantee satisfies the requirements of the preceding sentence but the Grantee’s termination of employment occurs prior to the first anniversary of the Grant Date, then the number of Condition Target PSUs eligible for vesting shall be prorated based on the number of full months from the Grant Date to the Grantee’s termination of employment divided by 12.

“Rule of 65” shall mean that the sum of the Grantee’s age and years of service equals or exceeds 65, with a minimum age of 55 and a minimum of five years of continuous service.

Death or Disability

In the event of the Grantee’s death or Disability while employed by the Company, any outstanding portion of the Condition Target PSUs shall vest at target level and be settled within 60 days following such death or Disability (or, if later and to the extent permitted under Section 409A of the Code, within 60 days following the conclusion of the Performance Period applicable to the underlying Performance Goals); provided, however, that if the Grantee’s death or Disability occurs following the conclusion of the Performance Period, the Award shall vest based on the achievement of the applicable Performance Goal during such completed Performance Period.

“Disability” shall mean that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, determined in accordance with Section 409A of the Code.

[Performance Conditions Intentionally Omitted]

DaVita Inc.
Restricted Stock Unit Agreement under the DaVita Inc. 2020 Incentive
Award Plan

This **Restricted Stock Unit Agreement** (this “Agreement”) is dated as of the Grant Date indicated below by and between DaVita Inc., a Delaware corporation (the “Company”), and the Grantee indicated below pursuant to the **DaVita Inc. 2020 Incentive Award Plan** (the “Plan”).

Primary Terms

Grantee: «Grantee»
Address: «Address_1»
 «City», «State»
 «Zip»
Grant Date: «Grant Date»
Number of Units: «RSU_Award»
Vesting Schedule: «RSU_Vesting_1»
 «RSU_Vesting_2»
Plan Name: 2020 Incentive Award Plan
Plan ID#: [2020]

This Agreement includes this cover page and the following Exhibits, which are expressly incorporated by reference in their entirety herein:

Exhibit A – General Terms and Conditions
Exhibit B – Events Causing Full Vesting of Awards

Grantee hereby expressly acknowledges and agrees that he/she/they is an employee at will and may be terminated by the Company or its applicable Affiliate at any time, with or without cause. By accepting this Award, Grantee hereby acknowledges he/she/they has a copy of the Plan, and accepts and agrees to the terms and provisions of this Agreement and the Plan. Capitalized terms that are used but not defined in this Agreement shall have the meanings set forth in the Plan.

IN WITNESS WHEREOF, the Company and the Grantee have accepted this Agreement effective as of the Grant Date.

DaVita Inc.

Grantee*

*If permitted by the Company, this Agreement may be accepted electronically by the Grantee pursuant to the Company’s third-party stock plan administrator’s procedures.

DaVita Inc.
Restricted Stock Unit Agreement Exhibit A – General Terms and
Conditions

For valuable consideration, the receipt of which is acknowledged, the parties hereto agree as follows:

- 1. Grant of Restricted Stock Units.** The Company hereby grants to Grantee this award (the “Award”) of the number of restricted stock units indicated on the front page (“Restricted Stock Units”) under the Plan, subject to adjustment, forfeiture and the other terms and conditions set forth below and in the Plan. This Award represents Grantee’s right to receive shares of common stock of the Company (“Common Stock”), subject to Grantee’s fulfillment of the vesting and other conditions set forth in this Agreement.
- 2. Vesting Conditions.** The Restricted Stock Units shall vest in accordance with the Vesting Schedule specified on the front page.
- 3. Conversion of Restricted Stock Units and Stock Issuance.** One share of Common Stock (each, a “Share”) will become issuable to Grantee for each Restricted Stock Unit that vests pursuant to this Agreement, subject to any reduction in the number of Shares pursuant to Section 6 below, with such Shares to be distributed to the Grantee within 60 days following the applicable vesting date or vesting event, subject to Section 12 below and Exhibit B. The number of Shares issuable to Grantee, after any reduction pursuant to Section 6, shall be rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event Grantee’s employment is transferred to a non-U.S. Affiliate, then immediately prior to such transfer this Award shall be cancelled and the Grantee shall have no further rights with respect to the Restricted Stock Units or any Shares with respect to such Restricted Stock Units.
- 4. Termination of Employment.** Except as set forth in Exhibit B or pursuant to the terms of any written employment agreement between the Grantee and the Company or an Affiliate thereof in effect on the Grant Date, Restricted Stock Units will cease vesting upon the date Grantee’s employment with the Company or any Affiliate is terminated for any reason. Upon the date that Grantee ceases being an Employee for any reason other than as expressly contemplated in Exhibit B or pursuant to the terms of any written employment agreement between the Grantee and the Company or an Affiliate thereof in effect on the Grant Date, Grantee will forfeit his/her/their right to any unvested Restricted Stock Units.
- 5. Rights to Shares.** Grantee shall not have any rights to the Shares subject to the Award, including without limitation, voting rights and rights to dividends, unless and until the Shares shall have been issued by the Company and held of record by or for the benefit of Grantee. The Restricted Stock Units shall include a right to Dividend Equivalents equal to the value of any dividends paid on the Common Stock for which the dividend record date occurs between the Grant Date and the date the Restricted Stock Units are settled or forfeited. Subject to vesting, each Dividend Equivalent entitles Grantee to receive the equivalent cash value of any such dividends paid on the number of Shares underlying the Restricted Stock Units that are outstanding during such period. Dividend Equivalents will be accrued (without interest) and will be subject to the same conditions as the Restricted Stock Units to which they are attributable, including, without limitation, the vesting conditions and the provisions governing the time and form of settlement of the Restricted Stock Units.
- 6. Taxes.**

(a) **Generally.** Grantee is ultimately liable and responsible for all taxes under all applicable federal, state, local or other laws or regulations (the “Required Tax Payments”) owed in connection with the Award, regardless of any action the Company or any of its Affiliates takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any of its Affiliates makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of the Award or the subsequent sale of Shares issuable pursuant to the Award. The Company and its Affiliates do not commit and are under no obligation to structure the Award to reduce or eliminate Grantee’s tax liability.

(b) **Payment of Withholding Taxes.** As a condition precedent to the delivery to the Grantee of any Shares upon vesting of the Award, the Grantee shall satisfy the Required Tax Payments by the Company withholding from the Shares otherwise to be delivered to the Grantee pursuant to the Award a whole number of Shares having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award (the “Tax Date”), equal to the Required Tax Payments, with the number of Shares withheld rounded up to the nearest whole Share to satisfy the Required Tax Payments; provided that the number of Shares to be withheld shall be based on the minimum statutory withholding rate or, at the election of Grantee in accordance with such procedures as may be established by the Administrator from time to time, such other withholding rates for federal, state, local and foreign income tax and payroll/employment tax purposes that are applicable to such taxable income and that have been determined by the Administrator to avoid adverse accounting consequences. For the avoidance of doubt, in no instance shall the withholding rate for any Grantee exceed the applicable maximum withholding rate. Notwithstanding the foregoing, the Company (or, in the case of a Grantee subject to Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Committee) may, in its sole discretion, establish alternative methods for the Grantee to satisfy the Required Tax Payments, which may include, without limitation, a cash payment, proceeds from the sale of Shares otherwise issuable to Grantee, or delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole Shares, in each case, having an aggregate value, determined as of the Tax Date, equal to the amount necessary to satisfy the Required Tax Payments.

7. **Assignment.** Grantee’s interest in this Award may not be assigned or alienated, whether voluntarily or involuntarily.

8. **Clawback Provision.** Notwithstanding any other provision in this Agreement to the contrary, Grantee and this Award shall be subject to the Company’s Dodd-Frank Policy on Recoupment of Incentive Compensation, Amended and Restated Incentive Compensation Clawback Policy, and any other clawback policy adopted by the Company, each as may be amended from time to time (each, a “Clawback Policy”), in each case, to the extent applicable to the Grantee and this Award. The provisions of this Section 8 are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies (as defined herein below), or any laws or regulations.

9. **Amendments.** The Company may amend the provisions of this Agreement at any time; provided that, an amendment that would adversely affect the Grantee’s rights under this Agreement in a material manner shall be subject to the written consent of the Grantee.

10. **Change of Control of the Company.** In the event of a Change of Control (as defined in Exhibit B below), the entire Award may vest immediately in accordance with the terms of the Plan. The specific provisions regarding circumstances in which full vesting would occur upon or following a Change of Control under this Agreement are set forth in Exhibit B.

11. Non-Competition/¹Non-Solicitation/Non-Disclosure.

(a) Non-Competition. Grantee acknowledges and recognizes the highly competitive nature of the business of the Company and the unique access to the confidential business, goodwill, personnel, and customer and patient information of the Company, or any of its subsidiaries or affiliates, including trade secret information, that Grantee receives solely as a result of Grantee's employment with the Company, or any of its subsidiaries or affiliates, and accordingly agrees that while Grantee is an Employee, and for the one-year period following termination of such relationship for any reason (whether voluntary or involuntary) (the "Restricted Period"), Grantee shall not, directly or indirectly, as an employee, independent contractor, consultant, or in any other capacity, prepare to provide or provide any of the same or similar services that Grantee performed during his/her/their employment with or service to the Company, or any of its subsidiaries or affiliates, for any other individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity (collectively, "Person") anywhere in the Restricted Territory that competes in any way with the area of business of the Company, or any of its subsidiaries or affiliates, in which Grantee worked and/or performed services during the last five years of Grantee's employment with the Company, or any of its subsidiaries or affiliates. For purposes of the above, preparing to provide any of the same or similar services includes, but is not limited to, planning with any Person on how best to compete with the Company, or any of its subsidiaries or affiliates, or discussing the Company's, or any of its subsidiaries' or affiliates', business plans or strategies with any Person.

Grantee further agrees that during the Restricted Period, Grantee shall not, directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise engage in, act for, or act on behalf of any Person (other than the Company and its subsidiaries and affiliates) engaged in any activity that Grantee was responsible for during the last five years of Grantee's employment with or engagement by the Company, or any of its subsidiaries or affiliates, in the Restricted Territory where such activity is competitive with the activities carried on by the Company, or any of its subsidiaries or affiliates.

Grantee acknowledges that during the Restricted Period, Grantee may be exposed to confidential information and/or trade secrets relating to business areas of the Company, or any of its subsidiaries or affiliates, that are different from and in addition to the areas in which Grantee primarily works for the Company, or any of its subsidiaries or affiliates, (the "Additional Protected Areas of Business"). As a result, Grantee agrees, that during the Restricted Period, he/she/they shall not, directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise act for, act on behalf, or provide the same or similar services to, any Person (other than the Company and its subsidiaries and affiliates) that engages in the Additional Protected Areas of Business.

Notwithstanding the foregoing, nothing in this Section 11(a) prohibits Grantee from passively owning not in excess of 2% in the aggregate of any company's stock or other ownership interests that are publicly traded on any national or regional stock exchange.

For purposes of this Section 11(a), "Restricted Territory" means the territory or territories or other geographic areas in which the Company and its subsidiaries and affiliates does business and as to which Grantee provided services or had a material presence or influence, and/or about which Grantee learned confidential information and/or trade secrets. Grantee acknowledges and agrees that, given Grantee's role at the Company, or any of its subsidiaries or affiliates, the geographical limitations and duration of this covenant not to compete are reasonable and appropriate, it being understood that the business of the

¹ Applicability/inclusion in award agreement based on teammate jurisdiction and status.

Company and any of its subsidiaries and affiliates can be, and is, practiced throughout the United States, and that the restrictions set forth herein will not impose any undue hardship on Grantee.

To the extent that the provisions of this Section 11(a) conflict with any other agreement signed by Grantee relating to non-competition, the provisions that are most protective of the Company's, and any of its subsidiaries' or affiliates', interests shall govern.

This Section 11(a) (Non-competition) and the rights and obligations of Company hereunder may be assigned by Company and shall inure to the benefit of and shall be enforceable by any such assignee, as well as any of Company's successors in interest. This Section 11(a) (Non-competition) and the rights and obligations of Grantee hereunder may not be assigned by Grantee, but are binding upon Grantee's heirs, administrators, executors, and personal representatives.

(b) Non-Solicitation. Grantee agrees that during the term of his/her/their employment and/or service to the Company or any of its subsidiaries or affiliates and for the one-year period following the termination of his/her/their employment and/or service by either party for any or no reason (whether voluntary or involuntary), Grantee shall not (i) solicit any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, to work for any Person (other than the Company or any of its subsidiaries or affiliates); (ii) hire any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, to work (as an employee or an independent contractor) for any Person (other than the Company or any of its subsidiaries or affiliates); or (iii) take any action that may reasonably result in any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, going to work (as an employee or an independent contractor) for any Person (other than the Company or any of its subsidiaries or affiliates).

(c) Non-Disclosure. In exchange for Grantee's agreement not to disclose or use Information (as defined below) except as permitted in this Agreement and Grantee's agreement to comply with the restrictive covenants in this Section 11, the Company (or its subsidiaries or affiliates) will provide Grantee access to Information. Grantee agrees not to disclose or use for his/her/their own benefit or purposes or for the benefit or purposes of any Person other than the Company and any of its subsidiaries or affiliates, any trade secrets or other confidential information or data relating to or provided by the Company, or any of its subsidiaries or affiliates, or any of their respective customers including (without limitation) any information relating to development, programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, financing methods, plans, or the business and affairs of the Company, or any of its subsidiaries or affiliates ("Information"); provided, however, the foregoing shall not apply to (i) Information which is generally known to the industry or the public other than as a result of Grantee's breach of any obligation to the Company, or any of its subsidiaries or affiliates; (ii) disclosure that is required by any applicable law, rule or regulation; or (iii) as otherwise provided in Section 11(d). If Grantee receives such a court order or subpoena to produce Information in his/her/their possession, Grantee shall provide the Company reasonable advance notice, in writing, prior to producing said Information, so as to give the Company reasonable time to object to Grantee producing said Information. Grantee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a Federal, State, or local

government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

(d) Protected Rights. Nothing contained in this Agreement prohibits or limits Grantee's ability to file a charge or complaint with any federal, state or local governmental agency or commission, including but not limited to the U.S. Securities and Exchange Commission. This Agreement also does not prohibit or limit Grantee's ability to communicate with any federal, state or local governmental agency or commission (including but not limited to the U.S. Securities and Exchange Commission), or to otherwise participate in any investigation or proceeding that may be conducted by such an agency or commission (including but not limited to the U.S. Securities and Exchange Commission), including providing documents or other information. Moreover, nothing in this agreement prevents Grantee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Grantee has reason to believe is unlawful.

(e) Remedies. Grantee agrees that any breach of Section 11(a), 11(b), or 11(c) will result in immediate and irreparable harm to the Company and its affiliates for which damages alone are an inadequate remedy and cannot readily be calculated. Accordingly, the Grantee agrees that the Company and its affiliates shall be entitled to temporary, preliminary and permanent injunctive relief to prevent any such actual or threatened breach, without posting a bond or other security or limiting other available remedies. If a court finds Section 11 of this Agreement or any of its restrictions are ambiguous, unenforceable, or invalid, the Company and Grantee agree that the court will read Section 11 of the Agreement as a whole and interpret such restriction(s) to be enforceable and valid to the maximum extent allowed by law. If the court declines to enforce Section 11 of this Agreement in the manner provided in this Section 11(e), the Company and Grantee agree that Section 11 of this Agreement will be automatically modified to provide the Company with the maximum protection of its business interests allowed by law, and Grantee agrees to be bound by Section 11 of this Agreement as modified.

(f) Termination of Agreement. This Agreement and the Award shall terminate effective on the date on which Grantee engages in any activity in breach of any or all of Sections 11(a), 11(b), or 11(c). This Agreement and the Award shall also terminate if at any time during Grantee's employment with the Company, or any of its subsidiaries or affiliates, or within one (1) year after the termination of such employment for any reason (whether voluntary or involuntary), Grantee (i) is convicted of a felony; (ii) has been adjudicated by a court of competent jurisdiction of having committed an act of fraud or dishonesty resulting or intending to result directly or indirectly in personal enrichment at the expense of the Company, or any of its subsidiaries or affiliates; or (iii) is excluded from participating in any federal health care program. In any of the aforementioned cases, in addition to injunctive relief as forth above, the Company may seek an order requiring Grantee to repay the Company any value, gain or other consideration received or realized by Grantee as a result of this Award or any Shares received pursuant to the Award. The provisions of this Section 11(f) are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies, or any laws or regulations. Notwithstanding the foregoing and any other language in this Agreement, for the avoidance of doubt, this Section 11(f) does not supersede or preclude the application or enforceability of Section 8 or any Clawback Policy.

(g) Advice of Counsel; Review Period. Grantee acknowledges and agrees that Grantee has carefully read and fully understands all of the provisions of this Section 11. The Company hereby advises Grantee to consult with an attorney of the Grantee's choosing and at the Grantee's cost before signing this Agreement and Award. Grantee acknowledges that Grantee has had at least fourteen (14) days (or such

longer period as may be required under applicable law) to review this Agreement and the Award before agreeing to its terms.

(h) Governing Law. Notwithstanding anything in the Plan or this Agreement to the contrary, this Section 11 shall be construed and regulated under and by the laws of the state where Grantee resides. The parties agree that any and all actions or proceedings to enforce Section 11 shall be brought in the state or federal court where Grantee resides.

12. Section 409A of the Code. This Agreement and the Award are intended to be exempt from or meet the requirements of Section 409A of the Code, as applicable, and shall be interpreted and construed consistent with that intent and each settlement hereunder shall be considered a separate payment for purposes of Section 409A of the Code. Notwithstanding any other provisions of this Agreement, to the extent that the right to any issuance of Shares or payment to Grantee hereunder provides for non-qualified deferred compensation within the meaning of Section 409A(d)(1) of the Code that is subject to Section 409A of the Code, the issuance or payment shall be made in accordance with the following:

If Grantee is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date of Grantee’s “separation from service” within the meaning of Section 409A(a)(2)(A)(i) of the Code (the “Separation Date”), then no such issuance of Shares or payment shall be made during the period beginning on the Separation Date and ending on the date that is six months following the Separation Date or, if earlier, on the date of Grantee’s death, if the earlier making of such issuance of Shares or payment would result in tax penalties being imposed on Grantee under Section 409A of the Code. The amount of any issuance of Shares or payment that would otherwise be made during this period shall instead be made on the first business day following the date that is six months following the Separation Date or, if earlier, the date of Grantee’s death. If the Grantee is subject to an employment or other agreement that specifies a time and form of payment that differs from the time and form of payment set forth in Exhibit B, then this Award shall be settled in accordance with such employment or other agreement to the extent required to comply with Section 409A of the Code in a manner permissible under the Plan.

13. Compliance with Policies. It is understood and agreed upon that at all times Grantee will act in full compliance with the Company’s policies and procedures as may be in effect from time to time, including without limitation, the Company’s Code of Conduct, Joint Venture Arrangements Policy, Medical Director Agreements Compliance Handbook, Acceptance of Gifts Policy and/or credentialing process (individually, each a “Policy” and, collectively, the “Policies”). If Grantee’s conduct, whether related to the Award granted under this Agreement or otherwise, materially violates the requirements of the Policies, as determined by the independent directors of the Board (with respect to a Grantee who is the Chief Executive Officer of the Company), the Committee (with respect to a Grantee that is an “officer” under Section 16 of the Exchange Act other than the Chief Executive Officer) or the Company’s Chief Executive Officer, Chief Compliance Officer or Chief Legal Officer (with respect to a Grantee that is not an “officer” under Section 16 of the Exchange Act), then the Company may require Grantee to forfeit any unvested portion of the Award granted under this Agreement and be subject to immediate disciplinary action, up to and including termination. The provisions of this Section 13 are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies or any laws or regulations. If at any time Grantee has questions or concerns about the provisions in this Section 13, or suspects any improper conduct related to the Policies, Grantee should immediately contact his/her/their supervisor or Team Quest. Grantee also may anonymously and confidentially call the Company’s Compliance Hotline.

14. Compliance with Law. No Shares shall be issued and delivered pursuant to this Award unless and until all applicable registration requirements of the Securities Act of 1933, as amended, all applicable

listing requirements of any national securities exchange on which the Common Stock is then listed, and all other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery, shall have been complied with. In particular, the Committee may require certain investment (or other) representations and undertakings in connection with the issuance of securities in connection with the Plan and this Award in order to comply with applicable law.

If any provision of this Agreement is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law. Furthermore, if any provision of this Agreement is determined to be illegal under any applicable law, such provision shall be null and void to the extent necessary to comply with applicable law, but the other provisions of this Agreement shall remain in full force and effect.

15. Interpretation of Award.

- (a) This Award is granted under the provisions of the Plan and shall be interpreted in a manner consistent with it.
- (b) Any provision in this Award inconsistent with the Plan shall be superseded and governed by the Plan.
- (c) For all purposes under this Award, employment by the Company shall include employment by the Company or any Affiliate thereof.
- (d) This Award shall be subject to the terms of any written employment agreement in effect as of the Grant Date between the Grantee and the Company or any Affiliate thereof to the extent permissible under the Plan.

16. Electronic Delivery and Execution. Grantee will not be able to initiate any stock transactions related to this Award until Grantee has accepted the terms of this Agreement. The Company may, in its sole discretion, decide to deliver any documents related to this Award or future awards made under the Plan by electronic means or request Grantee's consent to participate in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through any online or electronic system established and maintained by the Company or another third party designated by the Company.

DaVita Inc.
Restricted Stock Unit Agreement Exhibit B – Events Causing Full
Vesting Awards

Change of Control Vesting

In the event of a Change of Control (as defined below), this Award shall automatically vest in its entirety upon the earlier of the following two events: (i) immediately prior to the effective date of a Change of Control if the successor in such Change of Control (the “Acquiror”) fails to effectively assume, convert or replace this Award, or (ii) if the Award is effectively assumed in a Change of Control, as of the date of termination of Grantee’s employment if such termination occurs within twenty-four (24) months following such Change of Control by the Company (or the Acquiror) (a) other than for “Cause” (defined below) or (b) if applicable, by Grantee in accordance with the termination for “Good Reason” provisions of Grantee’s employment agreement, if any; provided, however, that if the Award constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code, then in the case of clause (i), if the Award is not effectively assumed, converted or replaced and the Change of Control was not a “change in control event” within the meaning of Section 409A of the Code or to the extent distribution would not be permissible under Section 409A of the Code without adverse tax consequences, then the vested Award shall be settled in accordance with the Award’s normal Vesting Schedule or, if earlier and to the extent permitted by Section 409A of the Code, Grantee’s termination of employment, provided that the Grantee would not satisfy the age and service requirements for Rule of 65 Vesting during the duration of the Vesting Schedule, and in the case of clause (ii), if the Change of Control was not a “change in control event” within the meaning of Section 409A of the Code and the Grantee would satisfy the age and service requirements for Rule of 65 Vesting during the duration of the Vesting Schedule, then the vested Award shall be settled in accordance with the normal Vesting Schedule, in accordance with the Rule of 65 provisions.

To be effectively assumed in the Change of Control, the award received in exchange for the Award in connection with a Change of Control: (i) must be of the same type as the Award; (ii) must have a value intended to preserve the value of the Award; (iii) must relate to publicly traded equity securities of the Company (or the Acquiror or another entity that is affiliated with the Company or the Acquiror); and (iv) must have other terms and conditions that are not less favorable to the Grantee than the terms and conditions of the Award (including the provisions that would apply in the event of a subsequent Change of Control). Without limiting the generality of the foregoing, the replaced Award may take the form of a continuation of the Award if the requirements of the preceding sentence are satisfied. The determination of whether the conditions for effectively assuming the Award have been satisfied shall be made by the Board, as constituted immediately before the Change of Control, in its sole discretion.

For purposes of this Exhibit:

- “Cause” shall mean: (a) a material breach by Grantee of his/her/their duties and responsibilities which do not differ in any material respect from the duties and responsibilities of Grantee during the ninety (90) days immediately prior to a Change of Control (for clarity, as defined herein below) (other than as a result of incapacity due to physical or mental illness) which is demonstrably willful and deliberate on Grantee’s part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and which is not remedied in a reasonable period of time after receipt of written notice from the Company specifying such breach; (b) willful misconduct or gross negligence which results in material harm

to the Company; (c) the conviction of Grantee of, or a plea of *nolo contendere* by Grantee to, a felony or other crime involving fraud or dishonesty; or (d) willful violation of Company policies which results in material harm to the Company.

- “Change of Control” shall mean:

- (a) any transaction or series of transactions in which any Person becomes the direct or indirect Beneficial Owner, by way of a stock issuance, tender offer, merger, consolidation, other business combination or otherwise, of greater than 35% of the total voting power (on a fully diluted basis as if all convertible securities had been converted and all warrants and options had been exercised) entitled to vote in the election of directors of the Company (“Company Voting Securities”) (including any transaction in which the Company becomes a wholly-owned or majority-owned subsidiary of another corporation); provided, however, that the following acquisitions shall not be deemed to be a Change of Control: (i) acquisitions by the Company or any Subsidiary; (ii) acquisitions by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; (iii) acquisitions by any underwriter temporarily holding securities pursuant to an offering of such securities; or (iv) any acquisition pursuant to a transaction described in subparagraph (b) of this definition; provided further, that a Change of Control shall not be deemed to occur solely because Berkshire Hathaway Inc., together with its Affiliates (“Berkshire”) acquires Beneficial Ownership of more than 35% of the then-outstanding Company Voting Securities as a result of the acquisition of additional securities by the Company that reduces the number of Company Voting Securities outstanding (except if after such acquisition by the Company, Berkshire becomes the Beneficial Owner of additional Company Voting Securities that increase the percentage of outstanding Company Voting Securities beneficially owned by Berkshire, in which case a Change of Control of the Company shall then occur);
- (b) any merger or consolidation or reorganization of the Company other than a merger, consolidation or reorganization (i) immediately following which those individuals who, immediately prior to the consummation of such merger, consolidation or reorganization, constituted the Board, constitute a majority of the board of directors of the Company or the surviving or resulting entity or any parent thereof, (ii) which results in the Company Voting Securities outstanding immediately prior to such merger, consolidation or reorganization continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, greater than 50% of the combined voting power of the securities of the Company (or such surviving entity or any parent thereof) outstanding immediately after such merger or consolidation, and (iii) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 50% or more of the then outstanding Company Voting Securities;
- (c) any transaction or series of transactions in which all or substantially all of the Company's assets are sold;
- (d) a complete liquidation or dissolution of the Company; or
- (e) during any twenty-four (24) month period, individuals who, as of the beginning of such period, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute

at least a majority of the Board; provided that any Person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such Person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any Person other than the Board shall be deemed to be an Incumbent Director.

Solely for purposes of this definition, the following terms shall have the meaning specified: (A) "Affiliate" shall have the meaning set forth in Rule 12b-2 under Section 12 of the Exchange Act; (B) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, except that a Person shall not be deemed to be the Beneficial Owner of any securities which are reflected on a Schedule 13G; and (C) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (w) the Company or any of its Affiliates; (x) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (y) an underwriter temporarily holding securities pursuant to an offering of such securities; or (z) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

Rule of 65 Vesting

In the event that (i) the Grantee has remained continuously employed with the Company for at least one year from the Grant Date, (ii) the Grantee has satisfied the Rule of 65 (as defined below) at the time of his/her/their termination of employment and such termination of employment is not for Cause, and (iii) the Grantee is an "officer" under Section 16 of the Exchange Act at the time of such termination of employment (or, in the event of the Change of Control, a Section 16 officer immediately prior to the effective time of such Change of Control), then the Award shall vest and shall be settled in accordance with the normal Vesting Schedule set forth on the cover page of the Agreement; provided, however, that if following the Grantee's termination of employment under this paragraph, there is a Change of Control (as defined above) and the Award is not effectively assumed, converted or replaced and the Change of Control is a "change in control event" within the meaning of Section 409A of the Code, then the vested Award shall be settled upon such Change of Control to the extent permitted without adverse tax consequences by Section 409A of the Code. If the Grantee satisfies the requirements of the preceding sentence but the Grantee's termination of employment occurs prior to the first anniversary of the Grant Date, then the number of Shares eligible for vesting shall be prorated based on the number of full months from the Grant Date to the Grantee's termination of employment divided by 12.

"Rule of 65" shall mean that the sum of the Grantee's age and years of service equals or exceeds 65, with a minimum age of 55 and a minimum of five years of continuous service.

Death or Disability

In the event of the Grantee's death or Disability while employed by the Company, any outstanding portion of the Award shall fully vest and be settled within 60 days following such death or Disability.

"Disability" shall mean that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, determined in accordance with Section 409A of the Code.

DaVita Inc.
Stock Appreciation Rights Agreement under the DaVita Inc. 2020 Incentive
Award Plan

This **Stock Appreciation Rights Agreement** (this “Agreement”) is dated as of the Grant Date indicated below by and between DaVita Inc., a Delaware corporation (the “Company”), and the Grantee indicated below pursuant to the **DaVita Inc. 2020 Incentive Award Plan** (the “Plan”).

Primary Terms

Grantee: «Grantee»
Address: «Address_1»
 «City», «State»
 «Zip»
Grant Date: «Grant Date»
Base «SSAR_Award»
Shares:
Base Price
per Share: \$«Base_Price»
Vesting «SSAR_Vesting_1»
Schedule: «SSAR_Vesting_2»
Expiration Date: «Expiration_Date»
Plan 2020 Incentive
Name: Award Plan
Plan ID#: 2020

This Agreement includes this cover page and the following Exhibits, which are expressly incorporated by reference in their entirety herein:

Exhibit A – General Terms and Conditions
Exhibit B – Events Causing Full Vesting of Awards

Grantee hereby expressly acknowledges and agrees that he/she/they is an employee at will and may be terminated by the Company or its applicable Affiliate at any time, with or without cause. By accepting this Award, Grantee hereby acknowledges he/she/they has a copy of the Plan, and accepts and agrees to the terms and provisions of this Agreement and the Plan. Capitalized terms that are used but not defined in this Agreement shall have the meanings set forth in the Plan.

IN WITNESS WHEREOF, the Company and the Grantee have accepted this Agreement effective as of the Grant Date.

DaVita Inc.

Grantee*

*If permitted by the Company, this Agreement may be accepted electronically by the Grantee pursuant to the Company’s third-party stock plan administrator’s procedures.

DaVita Inc.

**Stock Appreciation Rights Agreement Exhibit A – General Terms and
Conditions**

For valuable consideration, the receipt of which is acknowledged, the parties hereto agree as follows:

1. Grant of Stock Appreciation Rights Award

The Company hereby grants to Grantee an award of stock appreciation rights ("Award") covering the number of Base Shares of Common Stock indicated on the front page, pursuant to which the Grantee shall be eligible to receive a number of shares ("Gain Shares") of Common Stock with an aggregate value equal to (1) the number of Base Shares indicated on the front page, times (2) the difference between the Fair Market Value of one share of Common Stock on the last trading day prior to exercise of the Stock Appreciation Rights and the Base Price specified on the front page, subject to Grantee's fulfillment of the vesting and other conditions set forth in this Agreement.

2. Term of Stock Appreciation Rights Award

(a) This Award shall be effective for the period ("Term") from the Grant Date shown above through the Expiration Date specified on the front page.

(b) In the case of the termination of Grantee's employment with the Company or any of its subsidiaries or Affiliates for any reason, whether voluntary or involuntary ("Severance"), the date upon which the Award shall terminate shall be determined based on the following:

(i) If Grantee dies while employed by the Company or during the three (3) month period immediately subsequent to his/her/their Severance, the Award shall terminate one (1) year from the date of the Severance.

(ii) If Grantee was disabled (as described in Exhibit B attached hereto) at the time of his/her/their Severance, the Award shall terminate one (1) year following the Severance.

(iii) If the Grantee satisfies the requirements for Rule of 65 vesting (as described in Exhibit B attached hereto) at the time of his/her/their Severance and such Severance is not for Cause (as defined in Exhibit B attached hereto), the Award shall terminate on the Expiration Date.

(iv) In all other cases, the Award shall terminate three (3) months following the Severance.

(v) Notwithstanding the foregoing, the Award shall terminate no later than the Expiration Date, regardless of whether or not Grantee remains in the employ of the Company.

(c) If Grantee is transferred between the Company and an Affiliate thereof, or vice versa, or between Affiliates, Severance shall not be deemed to have occurred, unless the Grantee is transferred to a non-U.S. Affiliate, in which case, notwithstanding anything in this Agreement, the transfer shall be

deemed a Severance and the Award shall terminate immediately at such Severance (and, for the avoidance of doubt, immediately prior to the effective time of the transfer to the non-U.S. Affiliate).

3. Exercisability

(a) The Base Shares subject to this Award shall become exercisable (“vest”) on the dates indicated under the Vesting Schedule indicated on the front page such that this Award shall be fully exercisable on the last date listed on the table on the front page; provided, however, that such vesting shall cease at the time of Grantee's Severance; provided, further, that, if the Grantee is an “officer” under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), at the time of death or Severance, then (i) the Award shall continue to vest on the dates indicated in the Vesting Schedule if the Grantee satisfies the requirements of Rule of 65 vesting (as set forth on Exhibit B) at the time of his/her/their Severance and his/her/their Severance is other than for Cause or (ii) the entire Award shall vest immediately upon the Grantee's Severance due to death or disability (as described in Exhibit B attached hereto). The specific provisions regarding circumstances in which vesting would occur upon death, disability or Rule of 65 are set forth in Exhibit B.

(b) These installments shall be cumulative, so that this Award may be exercised as to any or all of the Base Shares covered by an installment at any time or times after the installment becomes vested and until this Award terminates.

(c) Notwithstanding the foregoing, in the event of a Change of Control (as defined in Exhibit B below), the entire Award may vest immediately in accordance with the terms of the Plan. The specific provisions regarding circumstances in which full vesting would occur upon or following a Change of Control under this Agreement are set forth in Exhibit B.

(d) Except as otherwise provided for herein, Grantee's Severance shall not accelerate the number of Base Shares with respect to which an Award may be exercised.

4. Method of Exercising

This Award may be exercised by Grantee upon delivery of the following documents to the Company at its principal executive offices, or as otherwise required in accordance with a broker-assisted cashless exercise program:

(a) Written notice, in the form of a completed exercise election form, specifying the number of Base Shares with respect to which the Award is being exercised;

(b) Such agreements or undertakings that are required by the Committee pursuant to the Plan;
and

(c) Provision for the payment of any taxes (including withholding taxes), which may be required by the Company, as described in Section 5.

5. Taxes

(a) Grantee is ultimately liable and responsible for all taxes under all applicable federal, state, local or other laws or regulations (the “Required Tax Payments”) owed in connection with the Award, regardless of any action the Company or any of its Affiliates takes with respect to any tax withholding

obligations that arise in connection with the Award. Neither the Company nor any of its Affiliates makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant, vesting or exercise of the Award or the subsequent sale of the Gain Shares issuable pursuant to the Award. The Company and its Affiliates do not commit and are under no obligation to structure the Award to reduce or eliminate Grantee's tax liability.

(b) As a condition precedent to the delivery to the Grantee of any Gain Shares upon exercise of the Award, the Grantee shall satisfy the Required Tax Payments by the Company withholding from the Gain Shares otherwise to be delivered to the Grantee pursuant to the Award a whole number of Shares having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award (the "Tax Date"), equal to the Required Tax Payments, with the number of Shares withheld rounded up to the nearest whole Share to satisfy the Required Tax Payments; provided that the number of Shares to be withheld shall be based on the minimum statutory withholding rate or, at the election of Grantee in accordance with such procedures as may be established by the Administrator from time to time, such other withholding rates for federal, state, local and foreign income tax and payroll/employment tax purposes that are applicable to such taxable income and that have been determined by the Administrator to avoid adverse accounting consequences. For the avoidance of doubt, in no instance shall the withholding rate for any Grantee exceed the applicable maximum withholding rate. Notwithstanding the foregoing, the Company (or, in the case of a Grantee subject to Section 16 of the Exchange Act, the Committee) may, in its sole discretion, establish alternative methods for the Grantee to satisfy the Required Tax Payments, which may include, without limitation, a cash payment, proceeds from the sale of the Gain Shares otherwise issuable to Grantee, or delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole Shares, in each case, having an aggregate value, determined as of the Tax Date, equal to the amount necessary to satisfy the Required Tax Payments.

6. Settlement of Award

Upon exercise of the Award, in whole or in part, the Company shall:

(a) provide for the registration in book-entry form for Grantee's benefit of the Gain Shares (rounded down to the nearest whole number, and which may be reduced by any Gain Shares required to be withheld or sold on behalf of Grantee to satisfy tax withholding requirements); or

(b) deliver to Grantee a stock certificate representing the Gain Shares (rounded down to the nearest whole number, and which may be reduced by any Gain Shares required to be withheld or sold on behalf of Grantee to satisfy tax withholding requirements).

7. Clawback Provision

Notwithstanding any other provision in this Agreement to the contrary, Grantee and this Award shall be subject to the Company's Dodd-Frank Policy on Recoupment of Incentive Compensation, Amended and Restated Incentive Compensation Clawback Policy, and any other clawback policy adopted by the Company, each as may be amended from time to time (each, a "Clawback Policy"), in each case, to the extent applicable to the Grantee and this Award. The provisions of this Section 7 are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies (as defined herein below), or any laws or regulations.

8. Assignments

(a) Subject to Section 8(b) below, this Award shall be exercisable only by Grantee during Grantee's lifetime. In the event of Grantee's death while still employed by the Company or during the three (3) month period immediately subsequent to his/her/their Severance, this Award may be exercised

by any of Grantee's executor, heirs or administrator to whom this Award may have been assigned or transferred.

(b) The rights of Grantee under this Award may not be assigned or transferred except by will or by the laws of descent and distribution.

9. No Rights as a Stockholder

Grantee shall have no rights as a stockholder of any Base Shares or Gain Shares unless and until the Gain Shares are issued to Grantee upon the exercise of the Award.

10. Interpretation of Award

(a) This Award is granted under the provisions of the Plan and shall be interpreted in a manner consistent with it.

(b) Any provision in this Award inconsistent with the Plan shall be superseded and governed by the Plan.

(c) For all purposes under this Award, employment by the Company shall include employment by the Company or any Affiliate thereof.

(d) This Award shall be subject to the terms of any written employment agreement in effect as of the Grant Date between the Grantee and the Company or any Affiliate thereof to the extent permissible under the Plan.

11. Restrictions on Transfer of Shares

Grantee acknowledges that any Gain Shares issued upon exercise of this Award may be subject to such transfer restrictions that prohibit any transfer, pledge, sale or disposition of the Gain Shares as the Company may deem necessary to comply with all applicable state and federal securities laws and regulations.

12. Amendments

The Company may amend the provisions of this Agreement at any time; provided that, an amendment that would adversely affect the Grantee's rights under this Agreement in a material manner shall be subject to the written consent of the Grantee.

13. Non-Competition/¹Non-Solicitation/Non-Disclosure

(a) Non-Competition. Grantee acknowledges and recognizes the highly competitive nature of the business of the Company and the unique access to the confidential business, goodwill, personnel, and customer and patient information of the Company, or any of its subsidiaries or affiliates, including trade secret information, that Grantee receives solely as a result of Grantee's employment with the Company, or any of its subsidiaries or affiliates, and accordingly agrees that while Grantee is an Employee, and for the one-year period following termination of such relationship for any reason (whether voluntary or involuntary) (the "Restricted Period"), Grantee shall not, directly or indirectly, as an employee, independent contractor, consultant, or in any other capacity, prepare to provide or provide any of the same or similar services that Grantee performed during his/her/their employment with or service to the

¹ Applicability/inclusion in award agreement based on teammate jurisdiction and status.

Company, or any of its subsidiaries or affiliates, for any other individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity (collectively, “Person”) anywhere in the Restricted Territory that competes in any way with the area of business of the Company, or any of its subsidiaries or affiliates, in which Grantee worked and/or performed services during the last five years of Grantee’s employment with the Company, or any of its subsidiaries or affiliates. For purposes of the above, preparing to provide any of the same or similar services includes, but is not limited to, planning with any Person on how best to compete with the Company, or any of its subsidiaries or affiliates, or discussing the Company’s, or any of its subsidiaries’ or affiliates’, business plans or strategies with any Person.

Grantee further agrees that during the Restricted Period, Grantee shall not, directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise engage in, act for, or act on behalf of any Person (other than the Company and its subsidiaries and affiliates) engaged in any activity that Grantee was responsible for during the last five years of Grantee’s employment with or engagement by the Company, or any of its subsidiaries or affiliates, in the Restricted Territory where such activity is competitive with the activities carried on by the Company, or any of its subsidiaries or affiliates.

Grantee acknowledges that during the Restricted Period, Grantee may be exposed to confidential information and/or trade secrets relating to business areas of the Company, or any of its subsidiaries or affiliates, that are different from and in addition to the areas in which Grantee primarily works for the Company, or any of its subsidiaries or affiliates, (the “Additional Protected Areas of Business”). As a result, Grantee agrees, that during the Restricted Period, he/she/they shall not, directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise act for, act on behalf, or provide the same or similar services to, any Person (other than the Company and its subsidiaries and affiliates) that engages in the Additional Protected Areas of Business.

Notwithstanding the foregoing, nothing in this Section 13(a) prohibits Grantee from passively owning not in excess of 2% in the aggregate of any company’s stock or other ownership interests that are publicly traded on any national or regional stock exchange.

For purposes of this Section 13(a), “Restricted Territory” means the territory or territories or other geographic areas in which the Company and its subsidiaries and affiliates does business and as to which Grantee provided services or had a material presence or influence, and/or about which Grantee learned confidential information and/or trade secrets. Grantee acknowledges and agrees that, given Grantee’s role at the Company, or any of its subsidiaries or affiliates, the geographical limitations and duration of this covenant not to compete are reasonable and appropriate, it being understood that the business of the Company and any of its subsidiaries and affiliates can be, and is, practiced throughout the United States, and that the restrictions set forth herein will not impose any undue hardship on Grantee.

To the extent that the provisions of this Section 13(a) conflict with any other agreement signed by Grantee relating to non-competition, the provisions that are most protective of the Company’s, and any of its subsidiaries’ or affiliates’, interests shall govern.

This Section 13(a) (Non-competition) and the rights and obligations of Company hereunder may be assigned by Company and shall inure to the benefit of and shall be enforceable by any such assignee, as well as any of Company’s successors in interest. This Section 13(a) (Non-competition) and the rights and obligations of Grantee hereunder may not be assigned by Grantee, but are binding upon Grantee’s heirs, administrators, executors, and personal representatives.

(b) Non-Solicitation. Grantee agrees that during the term of his/her/their employment and/or service to the Company or any of its subsidiaries or affiliates and for the one-year period following the termination of his/her/their employment and/or service by either party for any or no reason (whether voluntary or involuntary), Grantee shall not (i) solicit any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, to work for any Person (other than the Company or any of its subsidiaries or affiliates); (ii) hire any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, to work (as an employee or an independent contractor) for any Person (other than the Company or any of its subsidiaries or affiliates); or (iii) take any action that may reasonably result in any of the Company's, or any of its subsidiaries' or affiliates', employees who are then employed or who have left employment within the past six (6) months and with whom Grantee worked on more than a de minimis basis or whom Grantee directly or indirectly supervised during Grantee's employment or engagement with the Company, or any of its subsidiaries or affiliates, going to work (as an employee or an independent contractor) for any Person (other than the Company or any of its subsidiaries or affiliates).

(c) Non-Disclosure. In exchange for Grantee's agreement not to disclose or use Information (as defined below) except as permitted in this Agreement and Grantee's agreement to comply with the restrictive covenants in this Section 13, the Company (or its subsidiaries or affiliates) will provide Grantee access to Information. Grantee agrees not to disclose or use for his/her/their own benefit or purposes or for the benefit or purposes of any Person other than the Company and any of its subsidiaries or affiliates, any trade secrets or other confidential information or data relating to or provided by the Company, or any of its subsidiaries or affiliates, or any of their respective customers including (without limitation) any information relating to development, programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, financing methods, plans, or the business and affairs of the Company, or any of its subsidiaries or affiliates ("Information"); provided, however, the foregoing shall not apply to (i) Information which is generally known to the industry or the public other than as a result of Grantee's breach of any obligation to the Company, or any of its subsidiaries or affiliates; (ii) disclosure that is required by any applicable law, rule or regulation; or (iii) as otherwise provided in Section 13(d). If Grantee receives such a court order or subpoena to produce Information in his/her/their possession, Grantee shall provide the Company reasonable advance notice, in writing, prior to producing said Information, so as to give the Company reasonable time to object to Grantee producing said Information. Grantee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

(d) Protected Rights. Nothing contained in this Agreement prohibits or limits Grantee's ability to file a charge or complaint with any federal, state or local governmental agency or commission, including but not limited to the U.S. Securities and Exchange Commission. This Agreement also does not prohibit or limit Grantee's ability to communicate with any federal, state or local governmental agency or commission (including but not limited to the U.S. Securities and Exchange Commission), or to otherwise participate in any investigation or proceeding that may be conducted by such an agency or commission

(including but not limited to the U.S. Securities and Exchange Commission), including providing documents or other information. Moreover, nothing in this agreement prevents Grantee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Grantee has reason to believe is unlawful.

(e) Remedies. Grantee agrees that any breach of Section 13(a), 13(b), or 13(c) will result in immediate and irreparable harm to the Company and its affiliates for which damages alone are an inadequate remedy and cannot readily be calculated. Accordingly, the Grantee agrees that the Company and its affiliates shall be entitled to temporary, preliminary and permanent injunctive relief to prevent any such actual or threatened breach, without posting a bond or other security or limiting other available remedies. If a court finds Section 13 of this Agreement or any of its restrictions are ambiguous, unenforceable, or invalid, the Company and Grantee agree that the court will read Section 13 of the Agreement as a whole and interpret such restriction(s) to be enforceable and valid to the maximum extent allowed by law. If the court declines to enforce Section 13 of this Agreement in the manner provided in this Section 13(e), the Company and Grantee agree that Section 13 of this Agreement will be automatically modified to provide the Company with the maximum protection of its business interests allowed by law, and Grantee agrees to be bound by Section 13 of this Agreement as modified.

(f) Termination of Agreement. This Agreement and the Award shall terminate effective on the date on which Grantee engages in any activity in breach of any or all of Sections 13(a), 13(b), or 13(c). This Agreement and the Award shall also terminate if at any time during Grantee's employment with the Company, or any of its subsidiaries or affiliates, or within one (1) year after the termination of such employment for any reason (whether voluntary or involuntary), Grantee (i) is convicted of a felony; (ii) has been adjudicated by a court of competent jurisdiction of having committed an act of fraud or dishonesty resulting or intending to result directly or indirectly in personal enrichment at the expense of the Company, or any of its subsidiaries or affiliates; or (iii) is excluded from participating in any federal health care program. In any of the aforementioned cases, in addition to injunctive relief as forth above, the Company may seek an order requiring Grantee to repay the Company any value, gain or other consideration received or realized by Grantee as a result of this Award or any Shares received pursuant to the Award. The provisions of this Section 13(f) are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies, or any laws or regulations. Notwithstanding the foregoing and any other language in this Agreement, for the avoidance of doubt, this Section 13(f) does not supersede or preclude the application or enforceability of Section 7 or any Clawback Policy.

(g) Advice of Counsel; Review Period. Grantee acknowledges and agrees that Grantee has carefully read and fully understands all of the provisions of this Section 13. The Company hereby advises Grantee to consult with an attorney of the Grantee's choosing and at the Grantee's cost before signing this Agreement and Award. Grantee acknowledges that Grantee has had at least fourteen (14) days (or such longer period as may be required under applicable law) to review this Agreement and the Award before agreeing to its terms.

(h) Governing Law. Notwithstanding anything in the Plan or this Agreement to the contrary, this Section 13 shall be construed and regulated under and by the laws of the state where Grantee resides. The parties agree that any and all actions or proceedings to enforce Section 13 shall be brought in the state or federal court where Grantee resides.

14. Compliance with Policies

It is understood and agreed upon that at all times Grantee will act in full compliance with the Company's policies and procedures as may be in effect from time to time, including without limitation, the Company's Code of Conduct, Joint Venture Arrangements Policy, Medical Director Agreements Compliance Handbook, Acceptance of Gifts Policy and/or credentialing process (individually, each a "Policy," and, collectively, the "Policies"). If Grantee's conduct, whether related to the Award granted under this Agreement or otherwise, materially violates the requirements of the Policies, as determined by the independent directors of the Board (with respect to a Grantee who is the Chief Executive Officer of the Company), the Committee (with respect to a Grantee that is an "officer" under Section 16 of the Exchange Act other than the Chief Executive Officer) or the Company's Chief Executive Officer, Chief Compliance Officer or Chief Legal Officer (with respect to a Grantee that is not an "officer" under Section 16 of the Exchange Act), then the Company may require Grantee to forfeit any unvested portion of the Award granted under this Agreement and be subject to immediate disciplinary action, up to and including termination. The provisions of this Section 14 are in addition to and not in lieu of any other remedies available to the Company in the event Grantee violates the Policies or any laws or regulations. If at any time Grantee has questions or concerns about the provisions in this Section 14, or suspects any improper conduct related to the Policies, Grantee should immediately contact his/her/their supervisor or Team Quest. Grantee also may anonymously and confidentially call the Company's Compliance Hotline.

15. Compliance with Law

No Shares shall be issued and delivered for a Gain Share unless and until all applicable registration requirements of the Securities Act of 1933, as amended, all applicable listing requirements of any national securities exchange on which the Common Stock is then listed, and all other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery, shall have been complied with. In particular, the Committee may require certain investment (or other) representations and undertakings in connection with the issuance of securities in connection with the Plan and this Award in order to comply with applicable law.

If any provision of this Agreement is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law. Furthermore, if any provision of this Agreement is determined to be illegal under any applicable law, such provision shall be null and void to the extent necessary to comply with applicable law, but the other provisions of this Agreement shall remain in full force and effect.

16. Electronic Delivery and Execution

Grantee will not be able to initiate any stock transactions related to this Award until Grantee has accepted the terms of this Agreement. The Company may, in its sole discretion, decide to deliver any documents related to this Award or future awards made under the Plan by electronic means or request Grantee's consent to participate in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through any online or electronic system established and maintained by the Company or another third party designated by the Company.

DaVita Inc.

Stock Appreciation Rights Agreement

Exhibit B – Events Causing Full Vesting Awards

For purposes of this Exhibit:

- “Cause” shall mean: (a) a material breach by Grantee of his/her/their duties and responsibilities which do not differ in any material respect from the duties and responsibilities of Grantee during the ninety (90) days immediately prior to a Change of Control (for clarity, as defined below) (other than as a result of incapacity due to physical or mental illness) which is demonstrably willful and deliberate on Grantee’s part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and which is not remedied in a reasonable period of time after receipt of written notice from the Company specifying such breach; (b) willful misconduct or gross negligence which results in material harm to the Company; (c) the conviction of Grantee of, or a plea of *nolo contendere* by Grantee to, a felony or other crime involving fraud or dishonesty; or (d) willful violation of Company policies which results in material harm to the Company.
- “Change of Control” shall mean:
 - (a) any transaction or series of transactions in which any Person becomes the direct or indirect Beneficial Owner, by way of a stock issuance, tender offer, merger, consolidation, other business combination or otherwise, of greater than 35% of the total voting power (on a fully diluted basis as if all convertible securities had been converted and all warrants and options had been exercised) entitled to vote in the election of directors of the Company (“Company Voting Securities”) (including any transaction in which the Company becomes a wholly-owned or majority-owned subsidiary of another corporation); provided, however, that the following acquisitions shall not be deemed to be a Change of Control: (i) acquisitions by the Company or any Subsidiary; (ii) acquisitions by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; (iii) acquisitions by any underwriter temporarily holding securities pursuant to an offering of such securities; or (iv) any acquisition pursuant to a transaction described in subparagraph (b) of this definition; provided further, that a Change of Control shall not be deemed to occur solely because Berkshire Hathaway Inc., together with its Affiliates (“Berkshire”) acquires Beneficial Ownership of more than 35% of the then-outstanding Company Voting Securities as a result of the acquisition of additional securities by the Company that reduces the number of Company Voting Securities outstanding (except if after such acquisition by the Company, Berkshire becomes the Beneficial Owner of additional Company Voting Securities that increase the percentage of outstanding Company Voting Securities beneficially owned by Berkshire, in which case a Change of Control of the Company shall then occur);
 - (b) any merger or consolidation or reorganization of the Company other than a merger, consolidation or reorganization (i) immediately following which those individuals who, immediately prior to the consummation of such merger, consolidation or reorganization, constituted the Board, constitute a majority of the board of directors of

the Company or the surviving or resulting entity or any parent thereof, (ii) which results in the Company Voting Securities outstanding immediately prior to such merger, consolidation or reorganization continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, greater than 50% of the combined voting power of the securities of the Company (or such surviving entity or any parent thereof) outstanding immediately after such merger or consolidation, and (iii) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 50% or more of the then outstanding Company Voting Securities;

- (c) any transaction or series of transactions in which all or substantially all of the Company's assets are sold;
- (d) a complete liquidation or dissolution of the Company; or
- (e) during any twenty-four (24) month period, individuals who, as of the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; provided that any Person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such Person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any Person other than the Board shall be deemed to be an Incumbent Director.

Solely for purposes of this definition, the following terms shall have the meaning specified: (A) "Affiliate" shall have the meaning set forth in Rule 12b-2 under Section 12 of the Exchange Act; (B) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, except that a Person shall not be deemed to be the Beneficial Owner of any securities which are reflected on a Schedule 13G; and (C) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (w) the Company or any of its Affiliates; (x) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (y) an underwriter temporarily holding securities pursuant to an offering of such securities; or (z) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

Change of Control Vesting

In the event of a Change of Control (as defined above), this Award shall automatically vest in its entirety upon the earlier of the following two events: (i) immediately prior to the effective date of a Change of Control if the successor in such Change of Control (the "Acquiror") fails to effectively

assume, convert or replace this Award, or (ii) if the Award is effectively assumed in a Change of Control, as of the date of termination of Grantee's employment if such termination occurs within twenty-four (24) months following such Change of Control by the Company (or the Acquiror) (a) other than for "Cause" (defined above) or (b) if applicable, by Grantee in accordance with the termination for "Good Reason" provisions of Grantee's employment agreement, if any.

To be effectively assumed in the Change of Control, the award received in exchange for the Award in connection with a Change of Control: (i) must be of the same type as the Award; (ii) must have a value intended to preserve the value of the Award; (iii) must relate to publicly traded equity securities of the Company (or the Acquiror or another entity that is affiliated with the Company or the Acquiror); and (iv) must have other terms and conditions that are not less favorable to the Grantee than the terms and conditions of the Award (including the provisions that would apply in the event of a subsequent Change of Control). Without limiting the generality of the foregoing, the replaced Award may take the form of a continuation of the Award if the requirements of the preceding sentence are satisfied. The determination of whether the conditions for effectively assuming the Award have been satisfied shall be made by the Board, as constituted immediately before the Change of Control, in its sole discretion.

Rule of 65 Vesting

In the event that (i) the Grantee has remained continuously employed with the Company for at least one year from the Grant Date, (ii) the Grantee has satisfied the Rule of 65 (as defined below) at the time of his/her/their termination of employment and such termination of employment is not for Cause, and (iii) the Grantee is an "officer" under Section 16 of the Exchange Act at the time of such termination of employment (or, in the event of the Change of Control, a Section 16 officer immediately prior to the effective time of such Change of Control), then the Award shall vest and become exercisable in accordance with its normal vesting schedule set forth on the cover page of the Agreement; provided, however, that if following the Grantee's termination of employment under this paragraph, there is a Change of Control (as defined above) and the Award is not effectively assumed, converted or replaced, then the Award shall vest and become exercisable upon such Change of Control. If the Grantee satisfies the requirements of the preceding sentence but the Grantee's termination of employment occurs prior to the first anniversary of the Grant Date, then the portion of the Award eligible for vesting shall be prorated based on the number of full months from the Grant Date to the Grantee's termination of employment divided by 12.

"Rule of 65" shall mean that the sum of the Grantee's age and years of service equals or exceeds 65, with a minimum age of 55 and a minimum of five years of continuous service.

Death or Disability

In the event of the Grantee's death or Disability while employed by the Company, any outstanding portion of the Award shall become exercisable upon such death or Disability.

"Disability" shall mean that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

SECTION 302 CERTIFICATION

I, Javier J. Rodriguez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DaVita Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JAVIER J. RODRIGUEZ

Javier J. Rodriguez
Chief Executive Officer

Date: May 12, 2025

SECTION 302 CERTIFICATION

I, Joel Ackerman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DaVita Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joel Ackerman

Joel Ackerman
Chief Financial Officer and Treasurer

Date: May 12, 2025

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of DaVita Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Periodic Report”), I, Javier J. Rodriguez, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ JAVIER J. RODRIGUEZ

Javier J. Rodriguez
Chief Executive Officer
May 12, 2025

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of DaVita Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Periodic Report”), I, Joel Ackerman, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joel Ackerman

Joel Ackerman
Chief Financial Officer and Treasurer
May 12, 2025

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.