



FINANCIAL AND STATISTICAL REPORT
June 30, 2021
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED JUNE 30, 2021 AND 2020

(in thousands of dollars)

	June 30, 2021				June 30, 2020			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 1,738,736	\$ 12,151	\$ -	\$ 1,750,887	\$ 943,318	\$ 93,463	\$ -	\$ 1,036,781
Other revenue	107,092	63,376	(33,211)	137,257	146,470	63,990	(12,246)	198,214
Total operating revenues and other support	<u>1,845,828</u>	<u>75,527</u>	<u>(33,211)</u>	<u>1,888,144</u>	<u>1,089,788</u>	<u>157,453</u>	<u>(12,246)</u>	<u>1,234,995</u>
Operating expenses								
Salaries and employee benefits	969,079	45,019	(884)	1,013,214	654,344	65,050	(1,073)	718,321
Supplies and other	667,517	55,338	(30,668)	692,187	376,781	101,788	(12,748)	465,821
Total operating expenses	<u>1,636,596</u>	<u>100,357</u>	<u>(31,552)</u>	<u>1,705,401</u>	<u>1,031,125</u>	<u>166,838</u>	<u>(13,821)</u>	<u>1,184,142</u>
Operating cash flow	209,232	(24,830)	(1,659)	182,743	58,663	(9,385)	1,575	50,853
Depreciation and amortization	84,167	3,568	-	87,735	55,178	8,297	-	63,475
Interest	26,007	1,578	-	27,585	18,467	218	-	18,685
Operating income (loss)	99,058	(29,976)	(1,659)	67,423	(14,982)	(17,900)	1,575	(31,307)
Non-operating income (expense)								
Investment income (loss)	114,726	24,289	-	139,015	223,413	(2,755)	-	220,658
Income tax (expense) benefit	(134)	(387)	-	(521)	(17)	139	-	122
Other net periodic pension (costs) benefit	(308)	48	-	(260)	(185)	1	-	(184)
Excess (deficit) of revenues over expenses	<u>\$ 213,342</u>	<u>\$ (6,026)</u>	<u>\$ (1,659)</u>	<u>\$ 205,657</u>	<u>\$ 208,229</u>	<u>\$ (20,515)</u>	<u>\$ 1,575</u>	<u>\$ 189,289</u>

NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

(in thousands of dollars)

	June 30, 2021				June 30, 2020			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 2,958,296	\$ 388,848	\$ -	\$ 3,347,144	\$ 2,015,706	\$ 245,228	\$ -	\$ 2,260,934
Other revenue	152,047	146,549	(51,907)	246,689	215,478	118,093	(30,076)	303,495
Total operating revenues and other support	<u>3,110,343</u>	<u>535,397</u>	<u>(51,907)</u>	<u>3,593,833</u>	<u>2,231,184</u>	<u>363,321</u>	<u>(30,076)</u>	<u>2,564,429</u>
Operating expenses								
Salaries and employee benefits	1,702,759	246,102	(2,427)	1,946,434	1,298,702	153,440	(3,077)	1,449,065
Supplies and other	1,092,708	267,470	(47,753)	1,312,425	756,767	216,303	(31,683)	941,387
Total operating expenses	<u>2,795,467</u>	<u>513,572</u>	<u>(50,180)</u>	<u>3,258,859</u>	<u>2,055,469</u>	<u>369,743</u>	<u>(34,760)</u>	<u>2,390,452</u>
Operating cash flow	314,876	21,825	(1,727)	334,974	175,715	(6,422)	4,684	173,977
Depreciation and amortization	140,358	24,911	-	165,269	105,217	21,655	-	126,872
Interest	28,958	5,189	-	34,147	44,069	5,506	-	49,575
Operating income (loss)	145,560	(8,275)	(1,727)	135,558	26,429	(33,583)	4,684	(2,470)
Non-operating income (expense)								
Investment income (loss)	224,566	32,224	-	256,790	(159,017)	(23,895)	-	(182,912)
Income tax (expense) benefit	(134)	(389)	-	(523)	(17)	138	-	121
Other net periodic pension (costs) benefit	(469)	(18)	-	(487)	(371)	10	-	(361)
Excess (deficit) of revenues over expenses	<u>\$ 369,523</u>	<u>\$ 23,542</u>	<u>\$ (1,727)</u>	<u>\$ 391,338</u>	<u>\$ (132,976)</u>	<u>\$ (57,330)</u>	<u>\$ 4,684</u>	<u>\$ (185,622)</u>

**NOVANT HEALTH, INC.
COMBINING BALANCE SHEETS**

	June 30, 2021				December 31, 2020			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<i>(in thousands of dollars)</i>								
Assets								
Current assets								
Cash and cash equivalents	\$ 677,417	\$ 176,559	\$ -	\$ 853,976	\$ 556,179	\$ 155,643	\$ -	\$ 711,822
Accounts receivable, net	827,661	113,631	-	941,292	580,439	90,297	-	670,736
Short-term investments	324,533	160	-	324,693	330,582	160	-	330,742
Current portion of assets limited as to use	27,868	12,645	-	40,513	30,029	12,645	-	42,674
Receivable for settlement with third-party payors	33,717	5,841	-	39,558	21,129	3,980	-	25,109
Other current assets	329,361	66,684	(26,993)	369,052	234,386	42,033	(17,165)	259,254
Total current assets	2,220,557	375,520	(26,993)	2,569,084	1,752,744	304,758	(17,165)	2,040,337
Assets limited as to use	281,365	17,550	-	298,915	203,681	30,995	-	234,676
Long-term investments	2,995,435	329,877	-	3,325,312	2,640,842	343,829	-	2,984,671
Property and equipment, net	2,710,844	422,640	-	3,133,484	2,059,045	341,024	-	2,400,069
Right-of-use assets, net	535,299	67,881	(80,762)	522,418	520,722	57,319	(84,687)	493,354
Intangible assets and goodwill, net	660,553	247,588	-	908,141	61,164	248,883	-	310,047
Investments in affiliates	1,629,402	27,441	(1,598,426)	58,417	95,496	28,597	(69,139)	54,954
Deferred tax asset	-	5,057	-	5,057	-	5,317	-	5,317
Other assets	200,699	20,862	(81,627)	139,934	114,987	14,067	(801)	128,253
Total assets	\$ 11,234,154	\$ 1,514,416	\$ (1,787,808)	\$ 10,960,762	\$ 7,448,681	\$ 1,374,789	\$ (171,792)	\$ 8,651,678
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 54,658	\$ 1,067	\$ -	\$ 55,725	\$ 53,968	\$ 880	\$ -	\$ 54,848
Short-term borrowings	130,400	265	-	130,665	149,300	292	-	149,592
Accounts payable	309,588	37,992	(14,634)	332,946	257,409	31,387	(11,486)	277,310
Accrued liabilities	593,609	137,938	(8,256)	723,291	592,148	93,854	(3,329)	682,673
Current portion of operating lease liabilities	93,218	19,305	(9,667)	102,856	86,057	11,857	(9,118)	88,796
Estimated third-party payor settlements	150,304	20,732	-	171,036	78,411	9,571	-	87,982
Due to (from) related organizations	(289,467)	289,467	-	-	(247,392)	247,392	-	-
Total current liabilities	1,042,310	506,766	(32,557)	1,516,519	969,901	395,233	(23,933)	1,341,201
Long-term debt, net of current portion	2,939,648	14,337	(80,457)	2,873,528	1,262,576	13,411	-	1,275,987
Deferred tax liability	-	5,196	-	5,196	-	5,194	-	5,194
Operating lease liabilities, net of current portion	43,652	-	-	43,652	449,276	45,038	(76,303)	418,011
Derivative financial instruments	455,667	49,548	(72,224)	432,991	51,803	-	-	51,803
Employee benefits and other liabilities	648,517	17,475	-	665,992	548,888	40,695	-	589,583
Total liabilities	5,129,794	593,322	(185,238)	5,537,878	3,282,444	499,571	(100,236)	3,681,779
Net assets								
Without donor restrictions- attributable to Novant Health	6,102,182	786,806	(1,663,134)	5,225,854	4,164,059	769,155	(127,403)	4,805,811
Without donor restrictions - noncontrolling interests	-	17,748	60,564	78,312	-	23,405	55,847	79,252
Total unrestricted net assets	6,102,182	804,554	(1,602,570)	5,304,166	4,164,059	792,560	(71,556)	4,885,063
With donor restrictions	2,178	116,540	-	118,718	2,178	82,658	-	84,836
Total net assets	6,104,360	921,094	(1,602,570)	5,422,884	4,166,237	875,218	(71,556)	4,969,899
Total liabilities and net assets	\$ 11,234,154	\$ 1,514,416	\$ (1,787,808)	\$ 10,960,762	\$ 7,448,681	\$ 1,374,789	\$ (171,792)	\$ 8,651,678

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

<i>(in thousands of dollars)</i>	June 30, 2021	June 30, 2020
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 452,985	\$ (189,172)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	165,389	129,063
Gain on sale of real estate	-	(529)
Share of earnings in affiliates, net of distributions	3,438	18,053
Net realized and unrealized (gains) losses on assets limited as to use and investments	(236,521)	196,776
Change in fair value of interest rate swap	(8,151)	14,326
Contributions restricted for capital	(11,308)	(942)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(123,176)	59,390
Other current assets	28,471	(67,592)
Accounts payable and accrued liabilities	9,401	7,345
Proceeds from (repayments of) Medicare advanced payments	(13,790)	46,083
Third-party payor settlements	72,249	31,064
Other assets and liabilities, net	(4,551)	(6,882)
Net cash provided by operating activities	334,436	236,983
Cash flows from investing activities		
Capital expenditures	(140,540)	(183,714)
Proceeds from sales of long-term investments	397,670	1,319,350
Purchase of long-term investments	(458,391)	(1,352,926)
Proceeds from sales of short-term investments	252,892	188,544
Purchase of short-term investments	(250,005)	(294,732)
Proceeds from sale of property and equipment	922	2,213
Acquisition of business, net of cash acquired	(1,506,430)	-
Investments in unconsolidated affiliates	(4,066)	-
Other investing activities	343	(194)
Net cash used in investing activities	(1,707,605)	(321,459)
Cash flows from financing activities		
Principal payments on long-term debt	(4,378)	-
Proceeds from long-term debt, net of issuance costs	1,491,682	264,165
Proceeds from sale of accounts receivable, net	16,004	15,034
Proceeds (payments) on repurchase agreements, net	(18,900)	90,263
Proceeds from revolving credit facility	1,600,000	471,985
Proceeds (payments) on revolving credit facility	(1,493,000)	471,985
Other financing activities	3,064	2,029
Net cash provided by financing activities	1,594,472	1,315,461
Net increase in cash and cash equivalents	221,303	1,230,985
Cash, cash equivalents and restricted cash		
Beginning of year	861,678	634,049
End of quarter	\$ 1,082,981	\$ 1,865,034

**NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED JUNE 30, 2021 AND 2020**

	Novant Health Presbyterian Medical Center	Novant Health Matthews Medical Center	Novant Health Huntersville Medical Center	Novant Health Charlotte Orthopedic Hospital	Novant Health Mint Hill Medical Center	Novant Health Forsyth Medical Center	Novant Health Medical Park Hospital	Novant Health Thomasville Medical Center	Novant Health New Hanover Medical Center	Novant Health Brunswick Medical Center	Novant Health Kernersville Medical Center	Novant Health Clemmons Medical Center	Novant Health Prince William Medical Center	Novant Health Haymarket Medical Center	Three Months Ended	
															June 30, 2021	June 30, 2020
<u>INPATIENT STATISTICS</u>																
Average Daily Census	479	126	89	19	25	599	7	63	636	45	33	11	85	17	2,234	1,398
Discharges	7,494	2,816	2,066	574	788	8,573	191	984	9,631	1,040	709	360	2,200	489	37,915	25,878
Average Length of Stay	5.8	4.1	3.9	3.1	2.9	6.4	3.4	5.8	6.0	3.9	4.3	2.7	3.5	3.2	5.4	4.9
Patient Days	43,597	11,452	8,120	1,772	2,289	54,545	640	5,754	57,864	4,070	3,025	986	7,752	1,569	203,435	127,229
<u>ADJUSTED STATISTICS</u>																
Adjusted Patient Days	88,198	26,440	23,512	3,857	8,527	89,001	4,508	15,262	132,946	12,882	9,838	3,835	17,795	6,119	442,720	238,100
Adjusted Discharges	15,161	6,501	5,982	1,249	2,935	13,989	1,345	2,610	22,128	3,292	2,306	1,400	5,050	1,907	85,855	50,476
<u>OUTPATIENT STATISTICS</u>																
ED Visits	19,059	10,302	9,976	-	6,540	20,474	-	7,996	36,282	8,214	9,029	5,220	9,761	5,818	148,671	81,839
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,317,237	1,009,736
Cases	54,848	26,185	23,579	8,040	13,618	41,564	6,420	16,223	208,083	21,172	15,130	10,086	21,577	14,873	481,398	189,695
<u>SURGERY STATISTICS</u>																
IP Surgical Cases	1,301	366	290	684	45	2,212	191	214	2,909	275	219	251	151	152	9,260	5,742
OP Surgical Cases	4,686	1,091	1,111	2,241	354	3,183	2,256	1,134	7,673	1,082	656	752	523	487	27,229	13,026
Total Surgical Cases	5,987	1,457	1,401	2,925	399	5,395	2,447	1,348	10,582	1,357	875	1,003	674	639	36,489	18,768
<u>OTHER STATISTICS</u>																
Total Births	1,480	650	474	-	160	1,088	-	127	1,118	132	-	-	499	1	5,729	4,390
Cath Lab Patients	574	489	250	-	-	1,376	-	23	-	10	-	-	307	-	3,029	2,200
Open Heart Surgeries	118	-	-	-	-	132	-	-	212	-	-	-	-	-	462	149
Endoscopy Procedures	1,691	748	976	-	86	1,703	-	214	3,308	508	210	-	255	412	10,111	4,245
Radiology Procedures	43,901	26,757	22,904	5,016	15,144	61,497	1,173	15,713	93,832	19,893	15,045	9,880	23,871	15,683	370,309	200,153
Licensed Beds	590	157	139	48	36	859	22	146	800	74	50	36	130	60	3,147	2,333
Staffed Beds	520	127	114	25	32	683	10	80	752	61	44	18	94	22	2,582	1,528
Occupancy as % of Staffed Beds	92.1%	99.2%	78.1%	76.0%	78.1%	87.7%	70.0%	78.8%	84.6%	73.8%	75.0%	61.1%	90.4%	77.3%	86.5%	91.5%

**NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020**

	Novant Health Presbyterian Medical Center	Novant Health Matthews Medical Center	Novant Health Huntersville Medical Center	Novant Health Charlotte Orthopedic Hospital	Novant Health Mint Hill Medical Center	Novant Health Forsyth Medical Center	Novant Health Medical Park Hospital	Novant Health Thomasville Medical Center	Novant Health New Hanover Medical Center	Novant Health Brunswick Medical Center	Novant Health Kernersville Medical Center	Novant Health Clemmons Medical Center	Novant Health Prince William Medical Center	Novant Health Haymarket Medical Center	Six Months Ended	
															June 30, 2021	June 30, 2020
<u>INPATIENT STATISTICS</u>																
Average Daily Census	488	132	91	21	27	619	8	63	524	46	38	12	88	17	2,174	1,508
Discharges	15,022	5,759	4,153	1,235	1,605	17,034	463	2,073	15,585	2,041	1,405	815	4,361	957	72,508	55,877
Average Length of Stay	5.9	4.2	4.0	3.1	3.1	6.6	3.2	5.5	6.1	4.1	4.9	2.8	3.7	3.2	5.4	4.9
Patient Days	88,378	23,964	16,457	3,841	4,953	111,998	1,500	11,410	94,913	8,331	6,822	2,253	15,926	3,048	393,794	274,464
<u>ADJUSTED STATISTICS</u>																
Adjusted Patient Days	174,452	52,314	45,210	7,787	17,156	178,411	8,984	29,644	216,751	25,039	20,258	8,014	35,378	11,860	831,258	531,361
Adjusted Discharges	29,652	12,572	11,409	2,504	5,559	27,135	2,773	5,386	35,591	6,134	4,172	2,899	9,688	3,724	159,198	112,882
<u>OUTPATIENT STATISTICS</u>																
ED Visits	35,075	19,229	18,574	-	11,967	38,837	-	14,888	57,271	15,051	16,865	9,582	17,985	10,708	266,032	202,067
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,664,434	2,289,858
Cases	105,937	49,088	43,810	12,866	24,980	80,074	11,462	29,516	295,329	42,142	27,335	18,006	40,544	28,464	809,553	433,126
<u>SURGERY STATISTICS</u>																
IP Surgical Cases	2,544	739	617	1,430	103	4,250	462	408	4,423	543	387	516	293	286	17,001	12,668
OP Surgical Cases	9,183	2,115	2,185	4,255	672	6,210	4,661	2,224	13,382	2,093	1,267	1,445	1,010	937	51,639	29,696
Total Surgical Cases	11,727	2,854	2,802	5,685	775	10,460	5,123	2,632	17,805	2,636	1,654	1,961	1,303	1,223	68,640	42,364
<u>OTHER STATISTICS</u>																
Total Births	3,040	1,252	843	-	292	2,086	-	268	1,790	253	-	-	975	1	10,800	8,698
Cath Lab Patients	1,157	984	461	-	-	2,580	-	54	-	25	-	-	589	-	5,850	4,878
Open Heart Surgeries	221	-	-	-	-	244	-	-	357	-	-	-	-	-	822	329
Endoscopy Procedures	3,383	1,431	1,830	-	135	3,223	-	406	5,388	914	391	-	491	819	18,411	10,294
Radiology Procedures	86,336	51,748	44,610	9,859	29,370	120,462	2,317	30,210	154,041	38,434	29,235	18,779	44,825	30,409	690,635	456,554
Licensed Beds	590	157	139	48	36	859	22	146	800	74	50	36	130	60	3,147	2,333
Staffed Beds	524	134	112	26	34	690	11	80	749	61	48	20	96	21	2,606	1,656
Occupancy as % of Staffed Beds	93.1%	98.5%	81.3%	80.8%	79.4%	89.7%	72.7%	78.8%	70.0%	75.4%	79.2%	60.0%	91.7%	81.0%	83.4%	91.1%