



FINANCIAL AND STATISTICAL REPORT
March 31, 2024
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(in thousands of dollars)

	March 31, 2024				March 31, 2023			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 1,735,509	\$ 281,616	\$ -	\$ 2,017,125	\$ 1,578,442	\$ 153,246	\$ -	\$ 1,731,688
Other revenue	287,540	26,805	(11,483)	302,862	159,167	64,826	(16,441)	207,552
Total operating revenues and other support	<u>2,023,049</u>	<u>308,421</u>	<u>(11,483)</u>	<u>2,319,987</u>	<u>1,737,609</u>	<u>218,072</u>	<u>(16,441)</u>	<u>1,939,240</u>
Operating expenses								
Salaries and employee benefits	1,047,692	156,483	(1,090)	1,203,085	1,019,956	110,498	(806)	1,129,648
Supplies and other	805,327	135,049	(10,391)	929,985	649,047	89,454	(15,624)	722,877
Depreciation and amortization expense	64,272	13,525	-	77,797	70,471	7,786	-	78,257
Impairment charge	-	-	-	-	-	-	-	-
Interest expense	16,640	27,723	-	44,363	21,178	2,464	-	23,642
Total operating expenses	<u>1,933,931</u>	<u>332,780</u>	<u>(11,481)</u>	<u>2,255,230</u>	<u>1,760,652</u>	<u>210,202</u>	<u>(16,430)</u>	<u>1,954,424</u>
Operating income (loss)	89,118	(24,359)	(2)	64,757	(23,043)	7,870	(11)	(15,184)
Non-operating income (expense)								
Investment income	153,654	13,307	-	166,961	90,809	8,711	-	99,520
Income tax benefit (expense)	206	1	-	207	-	(35)	-	(35)
Other net periodic pension costs	(97)	(35)	-	(132)	(97)	(2)	-	(99)
Excess (deficit) of revenues over expenses	<u>\$ 242,881</u>	<u>\$ (11,086)</u>	<u>\$ (2)</u>	<u>\$ 231,793</u>	<u>\$ 67,669</u>	<u>\$ 16,544</u>	<u>\$ (11)</u>	<u>\$ 84,202</u>

NOVANT HEALTH, INC. COMBINING BALANCE SHEETS

	March 31, 2024				December 31, 2023			
	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	\$ 235,511	\$ 183,728	\$ -	\$ 419,239	\$ 596,066	\$ 143,731	\$ -	\$ 739,797
Accounts receivable, net	1,009,307	219,559	-	1,228,866	967,693	88,305	-	1,055,998
Short-term investments	(7)	213	-	206	10,867	213	-	11,080
Current portion of assets limited as to use	24,337	-	-	24,337	24,337	3,280	-	27,617
Receivable for settlement with third-party payors	45,554	3,814	-	49,368	11,123	1,527	-	12,650
Other current assets	411,762	126,298	(8,513)	529,547	453,586	68,146	(8,674)	513,058
Total current assets	1,726,464	533,612	(8,513)	2,251,563	2,063,672	305,202	(8,674)	2,360,200
Assets limited as to use	274,649	5,050	-	279,699	262,689	7,543	-	270,232
Long-term investments	3,119,710	439,974	-	3,559,684	2,972,024	415,865	-	3,387,889
Property and equipment, net	2,776,454	676,603	-	3,453,057	2,742,247	477,690	-	3,219,937
Right-of-use assets, net	505,317	51,524	(68,970)	487,871	481,408	57,679	(76,530)	462,557
Intangible assets and goodwill, net	597,512	2,201,322	-	2,798,834	598,493	23,423	-	621,916
Investments in affiliates	1,714,097	305,969	(1,628,340)	391,726	1,723,082	302,265	(1,628,140)	397,207
Deferred tax asset	-	3,642	-	3,642	-	3,570	-	3,570
Other assets	106,601	15,466	(2,406)	119,661	108,566	16,809	(2,573)	122,802
Total assets	\$ 10,820,804	\$ 4,233,162	\$ (1,708,229)	\$ 13,345,737	\$ 10,952,181	\$ 1,610,046	\$ (1,715,917)	\$ 10,846,310
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 79,011	\$ 1,887	\$ -	\$ 80,898	\$ 78,998	\$ 67	\$ -	\$ 79,065
Short-term borrowings	2,360,000	278	-	2,360,278	350,733	60,098	(8,674)	402,157
Accounts payable	279,385	65,918	(8,513)	336,790	350,733	60,098	(8,674)	402,157
Accrued liabilities	491,423	172,843	-	664,266	616,326	113,090	-	729,416
Current portion of operating lease liabilities	100,768	10,198	(9,987)	100,979	101,506	15,405	(10,826)	106,085
Estimated third-party payor settlements	98,951	(9,077)	-	89,874	98,189	4,638	-	102,827
Due to (from) related organizations	(3,053,223)	3,053,370	-	147	(450,500)	450,500	-	-
Total current liabilities	356,315	3,295,417	(18,500)	3,633,232	1,145,985	703,896	(28,174)	1,821,707
Long-term debt, net of current portion	2,597,714	4,809	-	2,602,523	2,586,125	2,298	-	2,588,423
Deferred tax liability	-	14,932	-	14,932	-	14,932	-	14,932
Operating lease liabilities, net of current portion	436,644	43,412	(61,341)	418,715	410,754	44,439	(68,231)	386,962
Derivative financial instruments	9,346	-	-	9,346	12,254	-	-	12,254
Employee benefits and other liabilities	418,335	31,333	-	449,668	396,858	45,159	-	442,017
Total liabilities	3,818,354	3,389,903	(79,841)	7,128,416	4,551,976	810,724	(96,405)	5,266,295
Net assets								
Without donor restrictions- attributable to Novant Health	7,002,169	729,251	(1,628,388)	6,103,032	6,750,653	748,797	(1,628,186)	5,871,264
Without donor restrictions - noncontrolling interests	-	6,856	-	6,856	-	4,806	-	4,806
Total net assets without donor restrictions	7,002,169	736,107	(1,628,388)	6,109,888	6,750,653	753,603	(1,628,186)	5,876,070
With donor restrictions	281	107,152	-	107,433	285	105,817	-	106,102
Total net assets	7,002,450	843,259	(1,628,388)	6,217,321	6,750,938	859,420	(1,628,186)	5,982,172
Total liabilities and net assets	\$ 10,820,804	\$ 4,233,162	\$ (1,708,229)	\$ 13,345,737	\$ 11,302,914	\$ 1,670,144	\$ (1,724,591)	\$ 11,248,467

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

<i>(in thousands of dollars)</i>	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Increase in net assets	\$ 235,149	\$ 85,138
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	78,179	78,263
Share of earnings in affiliates, net of distributions	8,638	(4,014)
Net realized and unrealized gains on assets limited as to use and investments	(155,596)	(89,634)
Change in fair value of interest rate swap	(2,908)	1,806
Contributions restricted for capital	-	(460)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(106,486)	(52,169)
Accounts payable and accrued liabilities	(121,156)	(27,455)
Medicare advanced repayments	-	(91,117)
Long-term liabilities	6,906	19,729
Other current assets	17,420	(87,387)
Third-party payor settlements	(48,172)	(7,675)
Deferred taxes, net	(72)	176
Other assets and liabilities, net	600	5,439
Net cash used in operating activities	<u>(87,498)</u>	<u>(169,360)</u>
Cash flows from investing activities		
Capital expenditures	(128,278)	(116,117)
Proceeds from sales of long-term investments	261,828	287,846
Purchases of long-term investments	(236,185)	(265,296)
Proceeds from sales of short-term investments	10,867	250,000
Purchases of short-term investments	-	(518,223)
Proceeds from sale of property and equipment	799	1,679
Purchase of consolidated entities, net of cash acquired	(2,469,403)	-
Proceeds from sale of consolidated entities, net of cash disposed	-	229,828
Investments in unconsolidated affiliates	(3,053)	(47,878)
Other investing activities	(74)	(518)
Net cash used in investing activities	<u>(2,563,499)</u>	<u>(178,679)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(398)	(546)
Proceeds from sale of accounts receivable, net	5,240	4,042
Proceeds from revolving credit facility	2,372,500	11,000
Other financing activities	-	176
Net cash provided by financing activities	<u>2,377,342</u>	<u>14,672</u>
Net decrease in cash and cash equivalents	(273,655)	(333,367)
Cash, cash equivalents and restricted cash		
Beginning of period	873,079	850,183
End of period	<u>\$ 599,424</u>	<u>\$ 516,816</u>

NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	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 Kernersville Medical Center	Novant Health Clemmons Medical Center	Novant Health New Hanover Regional Medical Center	Novant Health Brunswick Medical Center	Three Months Ended	
													March 31, 2024	March 31, 2023
<u>INPATIENT STATISTICS</u>														
Average Daily Census	524	133	121	29	27	682	3	62	49	15	703	54	2,402	2,140
Discharges	8,139	2,825	2,824	580	882	10,181	118	1,199	1,032	541	10,439	1,449	40,209	34,476
Average Length of Stay	5.9	4.3	3.9	4.5	2.8	6.1	2.6	4.7	4.3	2.6	6.1	3.4	5.4	5.6
Patient Days	47,695	12,147	11,039	2,628	2,499	62,037	311	5,633	4,417	1,383	63,985	4,944	218,718	192,624
<u>ADJUSTED STATISTICS</u>														
Adjusted Patient Days	94,170	26,767	27,264	5,462	9,709	98,780	3,284	15,568	13,340	4,761	147,274	15,333	461,712	429,153
Adjusted Discharges	16,070	6,225	6,975	1,205	3,427	16,211	1,246	3,314	3,117	1,862	24,027	4,494	88,173	79,977
<u>OUTPATIENT STATISTICS</u>														
Emergency Department Visits	19,458	8,331	10,543	-	7,964	21,101	-	8,306	9,466	6,524	37,618	9,978	139,289	128,489
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	1,576,487	1,475,184
Cases	54,317	26,340	21,791	4,775	14,866	35,215	3,574	14,334	14,677	10,573	124,561	24,030	349,053	352,055
<u>SURGERY STATISTICS</u>														
Inpatient Surgical Cases	1,758	523	513	704	73	2,277	113	184	189	290	3,203	281	10,108	9,610
Outpatient Surgical Cases	<u>4,619</u>	<u>1,058</u>	<u>1,384</u>	<u>2,296</u>	<u>361</u>	<u>3,717</u>	<u>2,392</u>	<u>1,149</u>	<u>792</u>	<u>682</u>	<u>6,062</u>	<u>1,133</u>	<u>25,645</u>	<u>25,697</u>
Total Surgical Cases	6,377	1,581	1,897	3,000	434	5,994	2,505	1,333	981	972	9,265	1,414	35,753	35,307
<u>OTHER STATISTICS</u>														
Total Births	1,408	551	585	-	118	1,055	-	143	9	-	1,083	179	5,131	5,286
Total Cath Cases	682	403	298	-	-	1,205	-	11	138	-	2,785	5	5,527	5,215
Total EP Cases	402	23	47	-	-	585	-	-	42	-	920	-	2,019	1,956
Open Heart Surgeries	122	-	-	-	-	149	-	-	-	-	252	-	523	491
Endoscopy Procedures	2,187	745	1,106	-	130	1,884	-	216	150	-	4,292	479	11,189	10,792
Radiology Procedures	46,823	29,477	24,858	5,602	14,714	63,946	1,132	17,389	18,722	12,593	103,610	24,847	363,713	340,185
Licensed Beds	576	157	139	58	36	859	22	146	50	36	800	74	2,953	2,943
Staffed Beds	565	149	137	34	35	731	8	71	60	24	748	66	2,628	2,492
Occupancy as % of Staffed Beds	92.7%	89.3%	88.3%	85.3%	77.1%	93.3%	37.5%	87.3%	81.7%	62.5%	94.0%	81.8%	91.4%	85.9%