



**FINANCIAL AND STATISTICAL REPORT  
SEPTEMBER 30, 2022  
(UNAUDITED)**

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**NOVANT HEALTH, INC.**  
**COMBINED STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

(in thousands of dollars)

	September 30, 2022				September 30, 2021			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<b>Operating revenues and other support</b>								
Net patient service revenues	\$ 1,471,352	\$ 163,260	\$ -	\$ 1,634,612	\$ 1,401,147	\$ 303,584	\$ -	\$ 1,704,731
Other revenue	121,860	64,771	(23,188)	163,443	71,591	60,871	(23,228)	109,234
Total operating revenues and other support	1,593,212	228,031	(23,188)	1,798,055	1,472,738	364,455	(23,228)	1,813,965
<b>Operating expenses</b>								
Salaries and employee benefits	928,505	108,992	(888)	1,036,609	814,575	161,707	(1,759)	974,523
Supplies and other	625,323	98,908	(24,639)	699,592	524,713	173,025	(15,411)	682,327
Depreciation and amortization	71,401	10,220	-	81,621	70,164	19,725	-	89,889
Interest	12,897	1,994	-	14,891	15,363	6,460	-	21,823
Total operating expenses	1,638,126	220,114	(25,527)	1,832,713	1,424,815	360,917	(17,170)	1,768,562
Operating (loss) income	(44,914)	7,917	2,339	(34,658)	47,923	3,538	(6,058)	45,403
<b>Non-operating (expense) income</b>								
Investment (loss) income	(98,228)	(10,788)	-	(109,016)	23,307	5,890	-	29,197
Loss on defeasance of bonds	-	-	-	-	-	(4,456)	-	(4,456)
Income tax expense	(157)	(762)	-	(919)	(138)	(435)	-	(573)
Other net periodic pension (costs) benefit	(485)	-	-	(485)	(246)	2	-	(244)
<b>(Deficit) excess of revenues over expenses</b>	<b>\$ (143,784)</b>	<b>\$ (3,633)</b>	<b>\$ 2,339</b>	<b>\$ (145,078)</b>	<b>\$ 70,846</b>	<b>\$ 4,539</b>	<b>\$ (6,058)</b>	<b>\$ 69,327</b>

**NOVANT HEALTH, INC.**  
**COMBINED STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

(in thousands of dollars)

	September 30, 2022				September 30, 2021			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<b>Operating revenues and other support</b>								
Net patient service revenues	\$ 4,392,130	\$ 494,172	\$ -	\$ 4,886,302	\$ 4,359,443	\$ 692,432	\$ -	\$ 5,051,875
Other revenue	356,626	177,467	(61,900)	472,193	223,638	207,420	(75,135)	355,923
Total operating revenues and other support	4,748,756	671,639	(61,900)	5,358,495	4,583,081	899,852	(75,135)	5,407,798
<b>Operating expenses</b>								
Salaries and employee benefits	2,763,681	338,031	(2,537)	3,099,175	2,517,334	407,809	(4,186)	2,920,957
Supplies and other	1,798,498	317,468	(72,640)	2,043,326	1,617,421	440,495	(63,164)	1,994,752
Depreciation and amortization expense	217,263	30,043	-	247,306	210,522	44,636	-	255,158
Interest expense	38,092	5,841	-	43,933	44,321	11,649	-	55,970
Total operating expenses	4,817,534	691,383	(75,177)	5,433,740	4,389,598	904,589	(67,350)	5,226,837
Operating (loss) income	(68,778)	(19,744)	13,277	(75,245)	193,483	(4,737)	(7,785)	180,961
<b>Non-operating (expense) income</b>								
Investment (loss) income	(386,081)	(38,248)	-	(424,329)	247,873	38,114	-	285,987
Loss on defeasance of bonds	-	-	-	-	-	(4,456)	-	(4,456)
Income tax expense	(278)	(1,142)	-	(1,420)	(272)	(824)	-	(1,096)
Other net periodic pension costs	(750)	(1)	-	(751)	(715)	(16)	-	(731)
<b>(Deficit) excess of revenues over expenses</b>	<b>\$ (455,887)</b>	<b>\$ (59,135)</b>	<b>\$ 13,277</b>	<b>\$ (501,745)</b>	<b>\$ 440,369</b>	<b>\$ 28,081</b>	<b>\$ (7,785)</b>	<b>\$ 460,665</b>

# NOVANT HEALTH, INC. COMBINING BALANCE SHEETS

	September 30, 2022				December 31, 2021			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<i>(in thousands of dollars)</i>								
<b>Assets</b>								
Current assets								
Cash and cash equivalents	\$ 298,088	\$ 359,346	\$ -	\$ 657,434	\$ 573,852	\$ 221,750	\$ -	\$ 795,602
Accounts receivable, net	814,793	56,402	-	871,195	815,295	80,968	-	896,263
Short-term investments	314,666	213	-	314,879	411,280	160	-	411,440
Current portion of assets limited as to use	25,503	9,111	-	34,614	31,516	9,111	-	40,627
Receivable for settlement with third-party payors	25,363	1,712	-	27,075	15,084	1,231	-	16,315
Other current assets	344,002	56,945	(13,324)	387,623	334,336	45,832	(37,016)	343,152
Total current assets	1,822,415	483,729	(13,324)	2,292,820	2,181,363	359,052	(37,016)	2,503,399
Assets limited as to use	221,817	5,091	-	226,908	282,918	16,345	-	299,263
Long-term investments	2,644,274	305,277	-	2,949,551	3,158,635	355,710	-	3,514,345
Property and equipment, net	2,603,766	333,094	-	2,936,860	2,543,474	339,756	-	2,883,230
Right-of-use assets, net	498,639	62,529	(67,888)	493,280	532,017	60,736	(72,642)	520,111
Intangible assets and goodwill, net	644,950	205,147	-	850,097	626,991	227,258	-	854,249
Investments in affiliates	1,651,890	24,044	(1,626,457)	49,477	1,655,952	24,862	(1,626,860)	53,954
Deferred tax asset	-	3,499	-	3,499	-	3,980	-	3,980
Other assets	108,482	13,940	(1,784)	120,638	117,760	19,445	(1,326)	135,879
Total assets	\$ 10,196,233	\$ 1,436,350	\$ (1,709,453)	\$ 9,923,130	\$ 11,099,110	\$ 1,407,144	\$ (1,737,844)	\$ 10,768,410
<b>Liabilities and Net Assets</b>								
Current liabilities								
Current portion of long-term debt	\$ 54,425	\$ 5,007	\$ -	\$ 59,432	\$ 53,992	\$ 645	\$ -	\$ 54,637
Short-term borrowings	-	266	-	266	124,300	218	-	124,518
Accounts payable	283,166	30,597	(13,324)	300,439	298,262	22,107	(7,618)	312,751
Accrued liabilities	661,241	108,050	-	769,291	717,849	108,701	(16,090)	810,460
Current portion of operating lease liabilities	101,509	15,853	(8,701)	108,661	101,350	13,918	(8,494)	106,774
Estimated third-party payor settlements	76,487	5,227	-	81,714	72,611	7,596	-	80,207
Due to (from) related organizations	(474,499)	474,499	-	-	(368,471)	368,471	-	-
Total current liabilities	702,329	639,499	(22,025)	1,319,803	999,893	521,656	(32,202)	1,489,347
Long-term debt, net of current portion	2,600,546	3,593	-	2,604,139	2,601,877	8,405	-	2,610,282
Deferred tax liability	-	5,204	-	5,204	-	5,201	-	5,201
Operating lease liabilities, net of current portion	13,060	-	(60,999)	(47,939)	447,208	47,953	(65,533)	429,628
Derivative financial instruments	415,420	48,220	-	463,640	39,260	-	-	39,260
Employee benefits and other liabilities	344,488	8,161	-	352,649	450,447	15,705	-	466,152
Total liabilities	4,075,843	704,677	(83,024)	4,697,496	4,538,685	598,920	(97,735)	5,039,870
Net assets								
Without donor restrictions- attributable to Novant Health	6,120,390	638,739	(1,626,429)	5,132,700	6,560,425	710,627	(1,640,109)	5,630,943
Without donor restrictions - noncontrolling interests	-	5,938	-	5,938	-	6,675	-	6,675
Total unrestricted net assets	6,120,390	644,677	(1,626,429)	5,138,638	6,560,425	717,302	(1,640,109)	5,637,618
With donor restrictions	-	86,996	-	86,996	-	90,922	-	90,922
Total net assets	6,120,390	731,673	(1,626,429)	5,225,634	6,560,425	808,224	(1,640,109)	5,728,540
Total liabilities and net assets	\$ 10,196,233	\$ 1,436,350	\$ (1,709,453)	\$ 9,923,130	\$ 11,099,110	\$ 1,407,144	\$ (1,737,844)	\$ 10,768,410

**NOVANT HEALTH, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

<i>(in thousands of dollars)</i>	<b>September 30, 2022</b>	<b>September 30, 2021</b>
<b>Cash flows from operating activities</b>		
(Decrease) increase in net assets	\$ (502,906)	\$ 412,679
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	247,398	254,949
Change in net assets due to sale of consolidated affiliate	-	63,934
Loss on sale of consolidated entities	-	29,682
Loss on extinguishment of debt	-	4,456
Share of earnings in affiliates, net of distributions	4,907	4,262
Net realized and unrealized losses (gains) on assets limited as to use and investments	450,572	(256,188)
Change in fair value of interest rate swap	(26,200)	(10,658)
Contributions restricted for capital	(63)	(10,832)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	7,833	(167,466)
Other current assets	(16,523)	(21,083)
Accounts payable and accrued liabilities	23,727	155,539
Medicare advanced repayments	(111,011)	(21,766)
Third-party payor settlements	(9,253)	31,771
Long-term liabilities	(65,278)	64,342
Other assets and liabilities, net	7,609	33,688
Net cash provided by operating activities	<u>10,812</u>	<u>567,309</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(327,973)	(208,564)
Proceeds from sales of long-term investments	1,319,202	469,240
Purchase of long-term investments	(1,323,681)	(525,670)
Proceeds from sales of short-term investments	525,001	369,995
Purchase of short-term investments	(427,768)	(427,038)
Proceeds from sale of property and equipment	2,100	1,407
Proceeds from sale of consolidated entities	-	170,449
Acquisition of business, net of cash acquired	-	(1,510,207)
Investments in unconsolidated affiliates	(430)	(7,272)
Other investing activities	(675)	(251)
Net cash used in investing activities	<u>(234,224)</u>	<u>(1,667,911)</u>
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt	(4,632)	(4,990)
Proceeds from long-term debt, net of issuance costs	-	1,491,682
Proceeds from sale of accounts receivable, net	16,808	22,864
Extinguishment of bonds	-	(145,228)
Payments on repurchase agreements, net	(124,300)	(16,000)
Proceeds from revolving credit facility	2,000	1,600,000
Payments on revolving credit facility	-	(1,600,000)
Other financing activities	2,804	7,331
Net cash (used in) provided by financing activities	<u>(107,320)</u>	<u>1,355,659</u>
Net (decrease) increase in cash and cash equivalents	<u>(330,732)</u>	<u>255,057</u>
<b>Cash, cash equivalents and restricted cash</b>		
Beginning of period	<u>1,140,466</u>	<u>861,678</u>
End of period	<u>\$ 809,734</u>	<u>\$ 1,116,735</u>

**NOVANT HEALTH, INC.**  
**COMBINED GROUP STATISTICS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

	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 Regional Medical Center	Novant Health Brunswick Medical Center	Novant Health Kernersville Medical Center	Novant Health Clemmons Medical Center	Three Months Ended	
													September 30, 2022	September 30, 2021
<b><u>INPATIENT STATISTICS</u></b>														
Average Daily Census	432	126	92	18	28	513	5	52	609	51	31	17	1,974	2,290
Discharges	7,166	2,597	2,134	512	834	7,243	145	895	9,327	1,231	598	456	33,138	36,297
Average Length of Stay	5.6	4.5	4.0	3.2	3.1	6.5	3.3	5.4	6.0	3.8	4.7	3.4	5.5	5.8
Patient Days	39,780	11,580	8,460	1,620	2,617	47,155	475	4,829	55,990	4,726	2,808	1,548	181,588	210,679
<b><u>ADJUSTED STATISTICS</u></b>														
Adjusted Patient Days	80,753	26,680	24,192	3,632	10,284	81,143	4,112	14,909	130,731	14,726	10,290	6,246	407,698	430,636
Adjusted Discharges	14,547	5,983	6,102	1,148	3,277	12,464	1,255	2,763	21,778	3,836	2,191	1,840	77,184	76,591
<b><u>OUTPATIENT STATISTICS</u></b>														
Emergency Department Visits	19,042	8,494	9,763	-	7,236	17,689	-	7,888	34,728	9,051	9,104	6,265	129,260	142,213
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	1,343,160	1,384,462
Cases	52,364	24,511	22,463	4,770	14,309	33,319	4,315	13,662	97,786	21,805	14,067	6,584	309,955	329,112
<b><u>SURGERY STATISTICS</u></b>														
Inpatient Surgical Cases	1,661	484	436	597	94	1,891	127	194	2,537	322	187	222	8,752	9,289
Outpatient Surgical Cases	4,503	999	1,216	2,159	310	2,948	2,138	987	6,258	1,004	690	759	23,971	23,141
Total Surgical Cases	6,164	1,483	1,652	2,756	404	4,839	2,265	1,181	8,795	1,326	877	981	32,723	32,430
<b><u>OTHER STATISTICS</u></b>														
Total Births	1,596	670	594	-	169	1,227	-	170	1,241	193	-	-	5,860	5,910
Cath Lab Patients	639	441	218	-	-	1,346	-	17	2,618	5	-	-	5,284	4,925
Open Heart Surgeries	87	-	-	-	-	124	-	-	215	-	-	-	426	385
Endoscopy Procedures	1,899	743	930	-	84	1,660	-	248	3,029	483	181	-	9,257	8,791
Radiology Procedures	41,898	24,462	23,080	5,069	16,152	54,033	1,018	15,705	92,484	21,327	16,068	11,016	322,312	329,659
Licensed Beds	576	157	139	48	36	859	22	146	800	74	50	36	2,943	2,943
Staffed Beds	481	150	125	25	39	607	11	75	643	74	51	28	2,309	2,527
Occupancy as % of Staffed Beds	89.8%	84.0%	73.6%	72.0%	71.8%	84.5%	45.5%	69.3%	94.7%	68.9%	60.8%	60.7%	85.5%	90.6%

**NOVANT HEALTH, INC.**  
**COMBINED GROUP STATISTICS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

	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 Regional Medical Center	Novant Health Brunswick Medical Center	Novant Health Kernersville Medical Center	Novant Health Clemmons Medical Center	Nine Months Ended	
													September 30, 2022	September 30, 2021
<b><u>INPATIENT STATISTICS</u></b>														
Average Daily Census	452	129	92	18	31	566	5	57	619	50	31	15	2,065	2,218
Discharges	20,986	7,774	6,210	1,502	2,463	22,863	440	2,778	27,399	3,504	1,831	1,263	99,013	108,805
Average Length of Stay	5.9	4.5	4.0	3.3	3.4	6.8	3.2	5.6	6.2	3.9	4.7	3.2	5.7	5.6
Patient Days	123,347	35,285	25,145	4,938	8,384	154,632	1,402	15,550	169,021	13,572	8,568	3,994	563,838	605,492
<b><u>ADJUSTED STATISTICS</u></b>														
Adjusted Patient Days	249,118	82,227	70,002	11,305	31,304	258,210	11,911	44,643	386,466	42,323	29,441	15,510	1,232,460	1,264,577
Adjusted Discharges	42,384	18,116	17,288	3,439	9,196	38,177	3,738	7,975	62,648	10,927	6,292	4,905	225,085	235,747
<b><u>OUTPATIENT STATISTICS</u></b>														
Emergency Department Visits	55,861	26,428	28,677	-	20,889	55,460	-	23,518	100,843	26,186	26,508	17,899	382,269	407,323
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	4,000,856	4,048,896
Cases	152,625	73,353	67,280	18,445	43,363	98,798	16,075	40,080	288,348	64,908	40,824	25,676	929,775	991,040
<b><u>SURGERY STATISTICS</u></b>														
Inpatient Surgical Cases	5,105	1,393	1,266	1,742	276	5,929	405	614	7,822	881	561	729	26,723	27,860
Outpatient Surgical Cases	13,585	3,117	3,549	6,597	1,034	8,385	6,386	3,051	18,514	3,078	1,950	2,307	71,553	73,062
Total Surgical Cases	18,690	4,510	4,815	8,339	1,310	14,314	6,791	3,665	26,336	3,959	2,511	3,036	98,276	100,922
<b><u>OTHER STATISTICS</u></b>														
Total Births	4,592	1,935	1,612	-	462	3,454	-	462	3,369	482	-	-	16,368	16,711
Cath Lab Patients	1,848	1,408	682	-	-	3,904	-	58	7,402	19	-	-	15,321	15,213
Open Heart Surgeries	294	-	-	-	-	371	-	-	565	-	-	-	1,230	1,169
Endoscopy Procedures	5,398	2,213	2,643	-	343	4,922	-	714	9,141	1,513	609	-	27,496	27,202
Radiology Procedures	125,042	73,716	68,323	15,331	47,067	167,827	3,039	46,877	270,056	62,575	45,604	31,225	956,682	1,020,293
Licensed Beds	576	157	139	48	36	859	22	146	800	74	50	36	2,943	2,943
Staffed Beds	506	155	124	25	41	658	10	78	650	69	46	25	2,387	2,440
Occupancy as % of Staffed Beds	89.3%	83.2%	74.2%	72.0%	75.6%	86.0%	50.0%	73.1%	95.2%	72.5%	67.4%	60.0%	86.5%	88.0%