



FINANCIAL AND STATISTICAL REPORT
September 30, 2023
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(in thousands of dollars)

	September 30, 2023				September 30, 2022			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 1,564,927	\$ 164,109	\$ -	\$ 1,729,036	\$ 1,471,352	\$ 163,260	\$ -	\$ 1,634,612
Other revenue	201,650	20,657	(14,043)	208,264	121,860	64,771	(23,188)	163,443
Total operating revenues and other support	<u>1,766,577</u>	<u>184,766</u>	<u>(14,043)</u>	<u>1,937,300</u>	<u>1,593,212</u>	<u>228,031</u>	<u>(23,188)</u>	<u>1,798,055</u>
Operating expenses								
Salaries and employee benefits	963,992	113,559	(844)	1,076,707	928,505	108,992	(888)	1,036,609
Supplies and other	715,521	89,804	(13,187)	792,138	625,323	98,908	(24,639)	699,592
Depreciation and amortization expense	68,816	10,434	-	79,250	71,401	10,220	-	81,621
Interest expense	16,176	1,674	-	17,850	12,897	1,994	-	14,891
Total operating expenses	<u>1,764,505</u>	<u>215,471</u>	<u>(14,031)</u>	<u>1,965,945</u>	<u>1,638,126</u>	<u>220,114</u>	<u>(25,527)</u>	<u>1,832,713</u>
Operating income (loss)	2,072	(30,705)	(12)	(28,645)	(44,914)	7,917	2,339	(34,658)
Non-operating income (expense)								
Investment loss	(14,527)	(1,885)	-	(16,412)	(98,047)	(10,788)	-	(108,835)
Income tax expense	(2,309)	(1,129)	-	(3,438)	(157)	(762)	-	(919)
Other net periodic pension benefit (costs)	725	1,060	-	1,785	(485)	-	-	(485)
Excess (deficit) of revenues over expenses	<u>\$ (14,039)</u>	<u>\$ (32,659)</u>	<u>\$ (12)</u>	<u>\$ (46,710)</u>	<u>\$ (143,603)</u>	<u>\$ (3,633)</u>	<u>\$ 2,339</u>	<u>\$ (144,897)</u>

NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(in thousands of dollars)

	September 30, 2023				September 30, 2022			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 4,701,487	\$ 465,816	\$ -	\$ 5,167,303	\$ 4,392,130	\$ 494,172	\$ -	\$ 4,886,302
Other revenue	541,164	115,133	(45,585)	610,712	356,626	177,467	(61,900)	472,193
Total operating revenues and other support	<u>5,242,651</u>	<u>580,949</u>	<u>(45,585)</u>	<u>5,778,015</u>	<u>4,748,756</u>	<u>671,639</u>	<u>(61,900)</u>	<u>5,358,495</u>
Operating expenses								
Salaries and employee benefits	2,961,422	334,362	(2,526)	3,293,258	2,763,681	338,031	(2,537)	3,099,175
Supplies and other	2,039,068	263,555	(43,023)	2,259,600	1,798,498	317,468	(72,640)	2,043,326
Depreciation and amortization expense	210,814	26,596	-	237,410	217,263	30,043	-	247,306
Interest expense	53,871	5,897	-	59,768	38,092	5,841	-	43,933
Total operating expenses	<u>5,265,175</u>	<u>630,410</u>	<u>(45,549)</u>	<u>5,850,036</u>	<u>4,817,534</u>	<u>691,383</u>	<u>(75,177)</u>	<u>5,433,740</u>
Operating income (loss)	(22,524)	(49,461)	(36)	(72,021)	(68,778)	(19,744)	13,277	(75,245)
Non-operating income (expense)								
Investment income (loss)	131,206	11,979	-	143,185	(368,854)	(38,248)	-	(407,102)
Income tax expense	(2,309)	(1,150)	-	(3,459)	(278)	(1,142)	-	(1,420)
Other net periodic pension benefit (costs)	<u>5,920</u>	<u>1,923</u>	<u>-</u>	<u>7,843</u>	<u>(750)</u>	<u>(1)</u>	<u>-</u>	<u>(751)</u>
Excess (deficit) of revenues over expenses	<u>\$ 112,293</u>	<u>\$ (36,709)</u>	<u>\$ (36)</u>	<u>\$ 75,548</u>	<u>\$ (438,660)</u>	<u>\$ (59,135)</u>	<u>\$ 13,277</u>	<u>\$ (484,518)</u>

NOVANT HEALTH, INC. COMBINING BALANCE SHEETS

	September 30, 2023				December 31, 2022			
	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	\$ 327,345	\$ 176,200	\$ -	\$ 503,545	\$ 520,545	\$ 123,452	\$ -	\$ 643,997
Accounts receivable, net	889,701	75,805	-	965,506	827,599	74,724	-	902,323
Short-term investments	10,468	213	-	10,681	234,040	213	-	234,253
Current portion of assets limited as to use	23,401	3,797	-	27,198	23,411	5,421	-	28,832
Receivable for settlement with third-party payors	25,752	4,106	-	29,858	13,477	508	-	13,985
Other current assets	405,580	49,467	(12,035)	443,012	424,414	227,388	(6,801)	645,001
Total current assets	1,682,247	309,588	(12,035)	1,979,800	2,043,486	431,706	(6,801)	2,468,391
Assets limited as to use	242,587	7,168	-	249,755	233,988	5,790	-	239,778
Long-term investments	2,829,621	379,937	-	3,209,558	2,711,276	318,692	-	3,029,968
Property and equipment, net	2,661,092	472,388	-	3,133,480	2,693,249	310,983	-	3,004,232
Right-of-use assets, net	480,794	62,433	(80,111)	463,116	483,398	61,041	(67,192)	477,247
Intangible assets and goodwill, net	600,366	42,521	-	642,887	614,693	30,727	-	645,420
Investments in affiliates	1,729,243	303,771	(1,630,801)	402,213	1,682,113	215,713	(1,630,294)	267,532
Deferred tax asset	-	2,144	-	2,144	-	2,658	-	2,658
Other assets	108,157	15,364	(2,440)	121,081	113,257	20,242	(1,916)	131,583
Total assets	\$ 10,334,107	\$ 1,595,314	\$ (1,725,387)	\$ 10,204,034	\$ 10,575,460	\$ 1,397,552	\$ (1,706,203)	\$ 10,266,809
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 56,386	\$ 293	\$ -	\$ 56,679	\$ 56,227	\$ 4,992	\$ -	\$ 61,219
Accounts payable	276,638	49,679	(12,035)	314,282	353,486	23,195	(6,801)	369,880
Accrued liabilities	546,672	98,085	-	644,757	653,153	109,187	-	762,340
Current portion of operating lease liabilities	100,641	16,273	(10,923)	105,991	100,694	15,290	(9,034)	106,950
Estimated third-party payor settlements	57,066	2,475	-	59,541	57,355	2,176	-	59,531
Due to (from) related organizations	(490,409)	490,409	-	-	(302,150)	302,150	-	-
Total current liabilities	546,994	657,214	(22,958)	1,181,250	918,765	456,990	(15,835)	1,359,920
Long-term debt, net of current portion	2,610,448	3,165	-	2,613,613	2,585,572	3,581	-	2,589,153
Deferred tax liability	-	19,755	-	19,755	-	19,551	-	19,551
Operating lease liabilities, net of current portion	405,864	48,285	(71,613)	382,536	401,361	47,367	(60,090)	388,638
Derivative financial instruments	6,930	-	-	6,930	13,191	-	-	13,191
Employee benefits and other liabilities	381,186	27,512	-	408,698	367,772	14,949	-	382,721
Total liabilities	3,951,422	755,931	(94,571)	4,612,782	4,286,661	542,438	(75,925)	4,753,174
Net assets								
Without donor restrictions- attributable to Novant Health	6,382,330	737,935	(1,630,816)	5,489,449	6,288,799	754,668	(1,630,278)	5,413,189
Without donor restrictions - noncontrolling interests	-	5,131	-	5,131	-	5,059	-	5,059
Total net assets without donor restrictions	6,382,330	743,066	(1,630,816)	5,494,580	6,288,799	759,727	(1,630,278)	5,418,248
With donor restrictions	355	96,317	-	96,672	-	95,387	-	95,387
Total net assets	6,382,685	839,383	(1,630,816)	5,591,252	6,288,799	855,114	(1,630,278)	5,513,635
Total liabilities and net assets	\$ 10,334,107	\$ 1,595,314	\$ (1,725,387)	\$ 10,204,034	\$ 10,575,460	\$ 1,397,552	\$ (1,706,203)	\$ 10,266,809

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

<i>(in thousands of dollars)</i>	September 30, 2023	September 30 2022
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 77,617	\$ (502,906)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	238,884	247,398
Change in funded status of defined benefit plans	1,229	-
Share of earnings in affiliates, net of distributions	(6,043)	4,907
Net realized and unrealized (gains) losses on assets limited as to use and investments	(112,002)	450,572
Change in fair value of interest rate swap	(6,261)	(26,200)
Contributions restricted for capital	(460)	(63)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(78,477)	7,833
Accounts payable and accrued liabilities	(73,028)	23,727
Medicare advanced repayments	(91,117)	(111,011)
Long-term liabilities	12,949	(65,278)
Other current assets	(36,689)	(16,523)
Third-party payor settlements	(15,863)	(9,253)
Deferred taxes, net	718	-
Other assets and liabilities, net	12,126	7,609
Net cash provided by (used in) operating activities	<u>(76,417)</u>	<u>10,812</u>
Cash flows from investing activities		
Capital expenditures	(388,510)	(327,973)
Proceeds from sales of long-term investments	1,090,431	1,319,202
Purchase of long-term investments	(1,230,953)	(1,323,681)
Proceeds from sales of short-term investments	724,287	525,001
Purchase of short-term investments	(493,175)	(427,768)
Proceeds from sale of property and equipment	9,279	2,100
Proceeds from sale of consolidated entities, net of cash disposed	229,828	-
Investments in unconsolidated affiliates	(91,138)	(430)
Other investing activities	(1,132)	(675)
Net cash used in investing activities	<u>(151,083)</u>	<u>(234,224)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(9,501)	(4,632)
Payments on repurchase agreements, net	-	(124,300)
Proceeds from sale of accounts receivable, net	14,785	16,808
Proceeds from revolving credit facility	29,754	2,000
Other financing activities	(513)	2,804
Net cash provided by (used in) financing activities	<u>34,525</u>	<u>(107,320)</u>
Net decrease in cash and cash equivalents	(192,975)	(330,732)
Cash, cash equivalents and restricted cash		
Beginning of period	850,183	1,140,466
End of period	<u>\$ 657,208</u>	<u>\$ 809,734</u>

NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

	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, 2023	September 30, 2022
<u>INPATIENT STATISTICS</u>														
Average Daily Census	456	121	100	23	21	599	4	53	691	49	35	13	2,165	1,974
Discharges	7,451	2,759	2,393	565	717	9,148	125	979	9,786	1,231	800	500	36,454	33,138
Average Length of Stay	5.6	4.0	3.9	3.7	2.8	6.0	2.7	5.0	6.5	3.6	4.0	2.4	5.5	5.5
Patient Days	41,948	11,149	9,231	2,115	1,976	55,126	335	4,881	63,534	4,488	3,219	1,221	199,223	181,588
<u>ADJUSTED STATISTICS</u>														
Adjusted Patient Days	86,122	26,184	24,998	4,581	9,338	91,206	3,132	14,357	145,594	14,463	11,284	4,617	435,876	407,698
Adjusted Discharges	15,297	6,480	6,480	1,224	3,388	15,135	1,169	2,880	22,426	3,967	2,804	1,891	83,141	77,184
<u>OUTPATIENT STATISTICS</u>														
Emergency Department Visits	18,063	8,088	10,081	-	7,260	19,730	-	7,704	39,129	9,434	8,880	6,019	134,388	129,260
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	1,445,425	1,427,306
Cases	53,641	25,824	22,433	4,844	14,686	36,493	4,043	14,399	106,987	23,572	15,518	10,213	332,653	309,955
<u>SURGERY STATISTICS</u>														
Inpatient Surgical Cases	1,719	506	495	637	63	2,259	129	184	3,108	260	174	267	9,801	8,752
Outpatient Surgical Cases	<u>4,558</u>	<u>1,038</u>	<u>1,295</u>	<u>2,229</u>	<u>311</u>	<u>3,420</u>	<u>2,305</u>	<u>887</u>	<u>5,785</u>	<u>1,024</u>	<u>733</u>	<u>651</u>	<u>24,236</u>	<u>23,971</u>
Total Surgical Cases	6,277	1,544	1,790	2,866	374	5,679	2,434	1,071	8,893	1,284	907	918	34,037	32,723
<u>OTHER STATISTICS</u>														
Total Births	1,484	655	569	-	133	1,135	-	173	1,121	183	-	-	5,453	5,860
Cath Lab Patients	631	454	249	-	-	1,300	-	12	2,816	-	160	-	5,622	5,284
Open Heart Surgeries	116	-	-	-	-	133	-	-	204	-	-	-	453	426
Endoscopy Procedures	2,126	762	977	-	131	1,839	-	183	3,830	546	165	-	10,559	9,257
Radiology Procedures	44,691	24,740	23,624	5,310	13,926	60,607	1,200	16,256	102,380	22,839	18,444	11,682	345,699	324,486
Licensed Beds	576	157	139	58	36	859	22	146	800	74	50	36	2,953	2,943
Staffed Beds	508	144	126	29	31	679	8	67	748	65	49	24	2,478	2,308
Occupancy as % of Staffed Beds	89.8%	84.0%	79.4%	79.3%	67.7%	88.2%	50.0%	79.1%	92.4%	75.4%	71.4%	54.2%	87.4%	85.5%

NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

	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, 2023	September 30, 2022
<u>INPATIENT STATISTICS</u>														
Average Daily Census	457	122	97	20	24	596	4	55	662	46	33	14	2,130	2,065
Discharges	22,152	7,983	7,099	1,572	2,220	26,624	412	2,956	28,183	3,557	2,147	1,544	106,449	99,013
Average Length of Stay	5.6	4.2	3.7	3.5	2.9	6.1	2.9	5.1	6.4	3.5	4.2	2.5	5.5	5.7
Patient Days	124,875	33,184	26,607	5,493	6,422	162,785	1,181	15,086	180,615	12,613	8,964	3,854	581,679	563,838
<u>ADJUSTED STATISTICS</u>														
Adjusted Patient Days	257,394	78,602	75,002	11,903	28,952	270,905	10,558	42,816	424,393	42,812	32,420	13,733	1,289,490	1,232,460
Adjusted Discharges	45,660	18,909	20,011	3,406	10,008	44,307	3,683	8,390	66,222	12,073	7,765	5,502	245,936	225,085
<u>OUTPATIENT STATISTICS</u>														
Emergency Department Visits	55,037	25,345	29,787	-	21,607	58,009	-	22,539	110,356	26,501	25,818	18,068	393,067	382,269
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	4,367,291	4,221,986
Cases	163,918	77,149	70,009	14,569	44,067	104,934	13,230	40,351	313,990	67,839	42,809	29,924	982,789	929,775
<u>SURGERY STATISTICS</u>														
Inpatient Surgical Cases	5,228	1,510	1,383	1,881	220	6,592	416	572	8,930	752	474	861	28,819	26,723
Outpatient Surgical Cases	<u>14,261</u>	<u>3,135</u>	<u>3,914</u>	<u>6,744</u>	<u>1,108</u>	<u>10,311</u>	<u>7,044</u>	<u>2,820</u>	<u>18,300</u>	<u>3,210</u>	<u>2,217</u>	<u>1,970</u>	<u>75,034</u>	<u>71,553</u>
Total Surgical Cases	19,489	4,645	5,297	8,625	1,328	16,903	7,460	3,392	27,230	3,962	2,691	2,831	103,853	98,276
<u>OTHER STATISTICS</u>														
Total Births	4,430	1,836	1,715	-	400	3,303	-	457	3,289	482	-	-	15,912	16,368
Cath Lab Patients	1,826	1,355	769	-	-	3,951	-	48	8,273	2	273	-	16,497	15,321
Open Heart Surgeries	364	-	-	-	-	397	-	-	647	-	-	-	1,408	1,230
Endoscopy Procedures	6,434	2,233	3,021	-	431	5,534	-	631	11,698	1,576	590	-	32,148	27,496
Radiology Procedures	132,152	74,246	72,669	15,905	46,819	182,495	3,735	46,690	299,270	66,528	52,132	34,815	1,027,456	963,171
Licensed Beds	576	157	139	58	36	859	22	146	800	74	50	36	2,953	2,943
Staffed Beds	511	145	123	26	33	683	9	70	712	64	48	25	2,449	2,389
Occupancy as % of Staffed Beds	89.4%	84.1%	78.9%	76.9%	72.7%	87.3%	44.4%	78.6%	93.0%	71.9%	68.8%	56.0%	87.0%	86.5%