



FINANCIAL AND STATISTICAL REPORT
March 31, 2022
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(in thousands of dollars)

	March 31, 2022				March 31, 2021			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 1,468,450	\$ 165,130	\$ -	\$ 1,633,580	\$ 1,219,560	\$ 382,857	\$ -	\$ 1,602,417
Other revenue	121,496	55,745	(18,225)	159,016	44,955	83,851	(18,696)	110,110
Total operating revenues and other support	<u>1,589,946</u>	<u>220,875</u>	<u>(18,225)</u>	<u>1,792,596</u>	<u>1,264,515</u>	<u>466,708</u>	<u>(18,696)</u>	<u>1,712,527</u>
Operating expenses								
Salaries and employee benefits	936,729	116,551	(855)	1,052,425	733,680	204,662	(1,543)	936,799
Supplies and other	589,987	88,491	(16,667)	661,811	425,191	215,022	(17,085)	623,128
Depreciation and amortization expense	73,007	9,955	-	82,962	56,191	21,659	-	77,850
Interest expense	10,878	1,674	-	12,552	2,951	3,611	-	6,562
Total operating expenses	<u>1,610,601</u>	<u>216,671</u>	<u>(17,522)</u>	<u>1,809,750</u>	<u>1,218,013</u>	<u>444,954</u>	<u>(18,628)</u>	<u>1,644,339</u>
Operating (loss) income	(20,655)	4,204	(703)	(17,154)	46,502	21,754	(68)	68,188
Non-operating (expense) income								
Investment (loss) income	(66,262)	(11,774)	-	(78,036)	109,840	7,935	-	117,775
Income tax benefit (expense)	1	12	-	13	-	(3)	-	(3)
Other net periodic pension costs	(133)	(1)	-	(134)	(161)	(66)	-	(227)
(Deficit) excess of revenues over expenses	<u>\$ (87,049)</u>	<u>\$ (7,559)</u>	<u>\$ (703)</u>	<u>\$ (95,311)</u>	<u>\$ 156,181</u>	<u>\$ 29,620</u>	<u>\$ (68)</u>	<u>\$ 185,733</u>

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

	March 31, 2022				December 31, 2021			
	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	\$ 470,320	\$ 267,673	\$ -	\$ 737,993	\$ 573,852	\$ 221,750	\$ -	\$ 795,602
Accounts receivable, net	852,713	75,383	-	928,096	815,295	80,968	-	896,263
Short-term investments	351,161	213	-	351,374	411,280	160	-	411,440
Current portion of assets limited as to use	31,516	9,111	-	40,627	31,516	9,111	-	40,627
Receivable for settlement with third-party payors	15,696	1,323	-	17,019	15,084	1,231	-	16,315
Other current assets	375,026	78,222	(45,359)	407,889	334,336	45,832	(37,016)	343,152
Total current assets	2,096,432	431,925	(45,359)	2,482,998	2,181,363	359,052	(37,016)	2,503,399
Assets limited as to use	257,011	12,982	-	269,993	282,918	16,345	-	299,263
Long-term investments	3,079,179	346,779	-	3,425,958	3,158,635	355,710	-	3,514,345
Property and equipment, net	2,543,920	336,295	-	2,880,215	2,543,474	339,756	-	2,883,230
Right-of-use assets, net	524,513	63,280	(70,368)	517,425	532,017	60,736	(72,642)	520,111
Intangible assets and goodwill, net	646,554	206,296	-	852,850	626,991	227,258	-	854,249
Investments in affiliates	1,653,120	24,523	(1,626,734)	50,909	1,655,952	24,862	(1,626,860)	53,954
Deferred tax asset	-	4,507	-	4,507	-	3,980	-	3,980
Other assets	111,545	16,015	(1,470)	126,090	117,760	19,445	(1,326)	135,879
Total assets	\$ 10,912,274	\$ 1,442,602	\$ (1,743,931)	\$ 10,610,945	\$ 11,099,110	\$ 1,407,144	\$ (1,737,844)	\$ 10,768,410
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 53,977	\$ 652	\$ -	\$ 54,629	\$ 53,992	\$ 645	\$ -	\$ 54,637
Short-term borrowings	109,255	293	-	109,548	124,300	218	-	124,518
Accounts payable	305,167	25,666	(9,347)	321,486	298,262	22,107	(7,618)	312,751
Accrued liabilities	763,790	123,608	(21,991)	865,407	717,849	108,701	(16,090)	810,460
Current portion of operating lease liabilities	102,282	15,317	(8,408)	109,191	101,350	13,918	(8,494)	106,774
Estimated third-party payor settlements	53,948	5,130	-	59,078	72,611	7,596	-	80,207
Due to (from) related organizations	(417,110)	417,110	-	-	(368,471)	368,471	-	-
Total current liabilities	971,309	587,776	(39,746)	1,519,339	999,893	521,656	(32,202)	1,489,347
Long-term debt, net of current portion	2,601,614	8,271	-	2,609,885	2,601,877	8,405	-	2,610,282
Deferred tax liability	-	5,201	-	5,201	-	5,201	-	5,201
Operating lease liabilities, net of current portion	439,323	49,256	(63,499)	425,080	447,208	47,953	(65,533)	429,628
Derivative financial instruments	28,419	-	-	28,419	39,260	-	-	39,260
Employee benefits and other liabilities	380,114	9,634	-	389,748	450,447	15,705	-	466,152
Total liabilities	4,420,779	660,138	(103,245)	4,977,672	4,538,685	598,920	(97,735)	5,039,870
Net assets								
Without donor restrictions- attributable to Novant Health	6,491,495	686,186	(1,640,686)	5,536,995	6,560,425	710,627	(1,640,109)	5,630,943
Without donor restrictions - noncontrolling interests	-	6,562	-	6,562	-	6,675	-	6,675
Total unrestricted net assets	6,491,495	692,748	(1,640,686)	5,543,557	6,560,425	717,302	(1,640,109)	5,637,618
With donor restrictions	-	89,716	-	89,716	-	90,922	-	90,922
Total net assets	6,491,495	782,464	(1,640,686)	5,633,273	6,560,425	808,224	(1,640,109)	5,728,540
Total liabilities and net assets	\$ 10,912,274	\$ 1,442,602	\$ (1,743,931)	\$ 10,610,945	\$ 11,099,110	\$ 1,407,144	\$ (1,737,844)	\$ 10,768,410

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

<i>(in thousands of dollars)</i>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (95,267)	\$ 215,547
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	82,812	77,428
Share of earnings in affiliates, net of distributions	3,365	751
Net realized and unrealized losses (gains) on assets limited as to use and investments	86,253	(113,026)
Change in fair value of interest rate swap	(10,841)	(10,541)
Contributions restricted for capital	(55)	(10,790)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(37,404)	(37,830)
Accounts payable and accrued liabilities	34,042	(19,351)
Third-party payor settlements	(21,833)	36,606
Other current assets	(22,883)	22,133
Long-term liabilities	(69,597)	(14,671)
Other assets and liabilities, net	(328)	(324)
Net cash (used in) provided by operating activities	<u>(51,736)</u>	<u>145,932</u>
Cash flows from investing activities		
Capital expenditures	(89,430)	(68,949)
Proceeds from sales of long-term investments	218,945	158,881
Purchase of long-term investments	(129,149)	(208,482)
Proceeds from sales of short-term investments	200,000	57,050
Purchase of short-term investments	(140,610)	(99,992)
Proceeds from sale of property and equipment	484	659
Acquisition of business, net of cash acquired	-	(1,506,431)
Investments in unconsolidated affiliates	(320)	(2,663)
Other investing activities	(232)	507
Net cash provided by (used in) investing activities	<u>59,688</u>	<u>(1,669,420)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(427)	(467)
Proceeds from sale of accounts receivable, net	5,215	6,196
Payments on repurchase agreements, net	(15,045)	(4,500)
Proceeds from revolving credit facility	-	1,600,000
Other financing activities	163	2,940
Net cash (used in) provided by financing activities	<u>(10,094)</u>	<u>1,604,169</u>
Net (decrease) increase in cash and cash equivalents	(2,142)	80,681
Cash, cash equivalents and restricted cash		
Beginning of quarter	<u>1,140,466</u>	<u>861,678</u>
End of quarter	<u>\$ 1,138,324</u>	<u>\$ 942,359</u>

**NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED MARCH 31, 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	
													March 31, 2022	March 31, 2021
<u>INPATIENT STATISTICS</u>														
Average Daily Census	480	139	98	18	29	626	5	69	636	53	40	14	2,207	2,123
Discharges	7,092	2,647	2,059	493	799	8,022	147	1,032	8,418	1,153	700	425	32,987	34,593
Average Length of Stay	6.1	4.7	4.3	3.3	3.3	7.0	3.3	6.0	6.8	4.2	5.2	3.0	6.0	5.5
Patient Days	43,175	12,521	8,785	1,616	2,619	56,358	492	6,219	57,265	4,798	3,619	1,261	198,728	191,107
<u>ADJUSTED STATISTICS</u>														
Adjusted Patient Days	84,874	28,582	23,248	3,774	9,157	90,045	3,916	15,639	127,040	14,542	10,615	4,483	415,915	390,023
Adjusted Discharges	13,942	6,042	5,449	1,151	2,794	12,817	1,170	2,595	18,675	3,495	2,053	1,511	71,694	73,446
<u>OUTPATIENT STATISTICS</u>														
Emergency Department Visits	17,713	8,874	9,199	-	6,542	18,695	-	7,683	31,986	8,122	8,637	5,750	123,201	116,371
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	1,355,151	1,347,197
Cases	46,966	23,181	21,740	8,490	14,366	32,329	7,094	13,109	95,011	22,246	12,616	9,320	306,468	298,837
<u>SURGERY STATISTICS</u>														
Inpatient Surgical Cases	1,733	455	435	564	83	1,973	144	192	2,617	259	183	256	8,894	8,711
Outpatient Surgical Cases	4,395	1,021	1,139	2,232	352	2,552	2,070	1,022	6,037	1,065	602	729	23,216	23,423
Total Surgical Cases	6,128	1,476	1,574	2,796	435	4,525	2,214	1,214	8,654	1,324	785	985	32,110	32,134
<u>OTHER STATISTICS</u>														
Total Births	1,552	645	513	-	144	1,103	-	148	1,053	146	-	-	5,304	5,071
Cath Lab Patients	586	486	235	-	-	1,275	-	24	2,296	7	-	-	4,909	4,632
Open Heart Surgeries	105	-	-	-	-	117	-	-	171	-	-	-	393	343
Endoscopy Procedures	1,643	731	793	-	148	1,592	-	205	2,837	542	212	-	8,703	8,300
Radiology Procedures	41,154	24,559	22,052	5,170	14,942	56,901	948	15,473	87,237	19,756	14,524	9,794	312,510	320,325
Licensed Beds	590	157	139	48	36	859	22	146	800	74	50	36	2,957	3,147
Staffed Beds	536	143	124	25	35	709	9	88	715	69	53	24	2,530	2,625
Occupancy as % of Staffed Beds	89.6%	97.2%	79.0%	72.0%	82.9%	88.3%	55.6%	78.4%	89.0%	76.8%	75.5%	58.3%	87.2%	80.9%