



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

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

(in thousands of dollars)

	June 30, 2022				June 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	\$ 1,452,328	\$ 165,782	\$ -	\$ 1,618,110	\$ 1,738,736	\$ 5,991	\$ -	\$ 1,744,727
Other revenue	113,270	56,951	(20,487)	149,734	107,092	62,698	(33,211)	136,579
Total operating revenues and other support	<u>1,565,598</u>	<u>222,733</u>	<u>(20,487)</u>	<u>1,767,844</u>	<u>1,845,828</u>	<u>68,689</u>	<u>(33,211)</u>	<u>1,881,306</u>
<b>Operating expenses</b>								
Salaries and employee benefits	898,447	112,488	(794)	1,010,141	969,079	41,440	(884)	1,009,635
Supplies and other	583,188	130,069	(31,334)	681,923	667,517	52,448	(30,668)	689,297
Depreciation and amortization	72,855	9,868	-	82,723	84,167	3,252	-	87,419
Interest	14,317	2,173	-	16,490	26,007	1,578	-	27,585
Total operating expenses	<u>1,568,807</u>	<u>254,598</u>	<u>(32,128)</u>	<u>1,791,277</u>	<u>1,746,770</u>	<u>98,718</u>	<u>(31,552)</u>	<u>1,813,936</u>
Operating income (loss)	(3,209)	(31,865)	11,641	(23,433)	99,058	(30,029)	(1,659)	67,370
<b>Non-operating (expense) income</b>								
Investment (loss) income	(221,591)	(15,686)	-	(237,277)	114,726	24,289	-	139,015
Income tax expense	(122)	(392)	-	(514)	(134)	(386)	-	(520)
Other net periodic pension (costs) benefit	(132)	-	-	(132)	(308)	48	-	(260)
<b>(Deficit) excess of revenues over expenses</b>	<u>\$ (225,054)</u>	<u>\$ (47,943)</u>	<u>\$ 11,641</u>	<u>\$ (261,356)</u>	<u>\$ 213,342</u>	<u>\$ (6,078)</u>	<u>\$ (1,659)</u>	<u>\$ 205,605</u>

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

(in thousands of dollars)

	June 30, 2022				June 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	\$ 2,920,778	\$ 330,912	\$ -	\$ 3,251,690	\$ 2,958,296	\$ 388,848	\$ -	\$ 3,347,144
Other revenue	234,766	112,696	(38,712)	308,750	152,047	146,549	(51,907)	246,689
Total operating revenues and other support	<u>3,155,544</u>	<u>443,608</u>	<u>(38,712)</u>	<u>3,560,440</u>	<u>3,110,343</u>	<u>535,397</u>	<u>(51,907)</u>	<u>3,593,833</u>
<b>Operating expenses</b>								
Salaries and employee benefits	1,835,176	229,039	(1,649)	2,062,566	1,702,759	246,102	(2,427)	1,946,434
Supplies and other	1,173,175	218,560	(48,001)	1,343,734	1,092,708	267,470	(47,753)	1,312,425
Depreciation and amortization expense	145,862	19,823	-	165,685	140,358	24,911	-	165,269
Interest expense	25,195	3,847	-	29,042	28,958	5,189	-	34,147
Total operating expenses	<u>3,179,408</u>	<u>471,269</u>	<u>(49,650)</u>	<u>3,601,027</u>	<u>2,964,783</u>	<u>543,672</u>	<u>(50,180)</u>	<u>3,458,275</u>
Operating (loss) income	(23,864)	(27,661)	10,938	(40,587)	145,560	(8,275)	(1,727)	135,558
<b>Non-operating (expense) income</b>								
Investment (loss) income	(287,853)	(27,460)	-	(315,313)	224,566	32,224	-	256,790
Income tax expense	(121)	(380)	-	(501)	(134)	(389)	-	(523)
Other net periodic pension costs	(265)	(1)	-	(266)	(469)	(18)	-	(487)
<b>(Deficit) excess of revenues over expenses</b>	<u>\$ (312,103)</u>	<u>\$ (55,502)</u>	<u>\$ 10,938</u>	<u>\$ (356,667)</u>	<u>\$ 369,523</u>	<u>\$ 23,542</u>	<u>\$ (1,727)</u>	<u>\$ 391,338</u>

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

	June 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>								
<b>Current assets</b>								
Cash and cash equivalents	\$ 293,480	\$ 304,462	\$ -	\$ 597,942	\$ 573,852	\$ 221,750	\$ -	\$ 795,602
Accounts receivable, net	817,047	62,291	-	879,338	815,295	80,968	-	896,263
Short-term investments	364,877	213	-	365,090	411,280	160	-	411,440
Current portion of assets limited as to use	25,489	9,111	-	34,600	31,516	9,111	-	40,627
Receivable for settlement with third-party payors	12,969	1,220	-	14,189	15,084	1,231	-	16,315
Other current assets	349,852	57,675	(14,086)	393,441	334,336	45,832	(37,016)	343,152
Total current assets	1,863,714	434,972	(14,086)	2,284,600	2,181,363	359,052	(37,016)	2,503,399
Assets limited as to use	230,750	6,632	-	237,382	282,918	16,345	-	299,263
Long-term investments	2,820,872	316,765	-	3,137,637	3,158,635	355,710	-	3,514,345
Property and equipment, net	2,560,281	334,513	-	2,894,794	2,543,474	339,756	-	2,883,230
Right-of-use assets, net	515,655	61,349	(68,072)	508,932	532,017	60,736	(72,642)	520,111
Intangible assets and goodwill, net	645,752	205,743	-	851,495	626,991	227,258	-	854,249
Investments in affiliates	1,652,421	25,321	(1,626,592)	51,150	1,655,952	24,862	(1,626,860)	53,954
Deferred tax asset	-	4,007	-	4,007	-	3,980	-	3,980
Other assets	106,937	16,089	(1,635)	121,391	117,760	19,445	(1,326)	135,879
Total assets	\$ 10,396,382	\$ 1,405,391	\$ (1,710,385)	\$ 10,091,388	\$ 11,099,110	\$ 1,407,144	\$ (1,737,844)	\$ 10,768,410
<b>Liabilities and Net Assets</b>								
<b>Current liabilities</b>								
Current portion of long-term debt	\$ 54,101	\$ 660	\$ -	\$ 54,761	\$ 53,992	\$ 645	\$ -	\$ 54,637
Short-term borrowings	-	273	-	273	124,300	218	-	124,518
Accounts payable	289,725	28,626	(11,736)	306,615	298,262	22,107	(7,618)	312,751
Accrued liabilities	634,507	124,179	-	758,686	717,849	108,701	(16,090)	810,460
Current portion of operating lease liabilities	101,873	14,334	(8,347)	107,860	101,350	13,918	(8,494)	106,774
Estimated third-party payor settlements	63,679	5,697	-	69,376	72,611	7,596	-	80,207
Due to (from) related organizations	(425,080)	425,080	-	-	(368,471)	368,471	-	-
Total current liabilities	718,805	598,849	(20,083)	1,297,571	999,893	521,656	(32,202)	1,489,347
Long-term debt, net of current portion	2,597,910	8,074	-	2,605,984	2,601,877	8,405	-	2,610,282
Deferred tax liability	-	5,202	-	5,202	-	5,201	-	5,201
Operating lease liabilities, net of current portion	431,810	48,436	(61,401)	418,845	447,208	47,953	(65,533)	429,628
Derivative financial instruments	21,398	-	-	21,398	39,260	-	-	39,260
Employee benefits and other liabilities	362,221	8,883	-	371,104	450,447	15,705	-	466,152
Total liabilities	4,132,144	669,444	(81,484)	4,720,104	4,538,685	598,920	(97,735)	5,039,870
<b>Net assets</b>								
Without donor restrictions- attributable to Novant Health	6,264,238	641,749	(1,628,901)	5,277,086	6,560,425	710,627	(1,640,109)	5,630,943
Without donor restrictions - noncontrolling interests	-	6,342	-	6,342	-	6,675	-	6,675
Total unrestricted net assets	6,264,238	648,091	(1,628,901)	5,283,428	6,560,425	717,302	(1,640,109)	5,637,618
With donor restrictions	-	87,856	-	87,856	-	90,922	-	90,922
Total net assets	6,264,238	735,947	(1,628,901)	5,371,284	6,560,425	808,224	(1,640,109)	5,728,540
Total liabilities and net assets	\$ 10,396,382	\$ 1,405,391	\$ (1,710,385)	\$ 10,091,388	\$ 11,099,110	\$ 1,407,144	\$ (1,737,844)	\$ 10,768,410

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

<i>(in thousands of dollars)</i>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>Cash flows from operating activities</b>		
(Decrease) increase in net assets	\$ (357,256)	\$ 452,985
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	165,675	165,389
Share of earnings in affiliates, net of distributions	3,234	3,438
Net realized and unrealized losses (gains) on assets limited as to use and investments	315,672	(236,521)
Change in fair value of interest rate swap	(17,862)	(8,151)
Contributions restricted for capital	(58)	(11,308)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(5,706)	(123,176)
Other current assets	(10,786)	28,471
Accounts payable and accrued liabilities	(47,570)	9,401
Repayments of Medicare advanced payments	(67,349)	(13,790)
Third-party payor settlements	(8,705)	72,249
Long-term liabilities	(46,458)	14,980
Other assets and liabilities, net	10,514	(19,531)
Net cash (used in) provided by operating activities	(66,655)	334,436
<b>Cash flows from investing activities</b>		
Capital expenditures	(187,115)	(140,540)
Proceeds from sales of long-term investments	1,055,312	397,670
Purchase of long-term investments	(797,742)	(458,391)
Proceeds from sales of short-term investments	350,000	252,892
Purchase of short-term investments	(304,169)	(250,005)
Proceeds from sale of property and equipment	1,335	922
Acquisition of business, net of cash acquired	-	(1,506,430)
Investments in unconsolidated affiliates	(430)	(4,066)
Other investing activities	142	343
Net cash provided by (used in) investing activities	117,333	(1,707,605)
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt	(4,201)	(4,378)
Proceeds from long-term debt, net of issuance costs	-	1,491,682
Proceeds from sale of accounts receivable, net	11,237	16,004
Payments on repurchase agreements, net	(124,300)	(18,900)
Proceeds from revolving credit facility	-	1,600,000
Proceeds (payments) on revolving credit facility	-	(1,493,000)
Other financing activities	151	3,064
Net cash (used in) provided by financing activities	(117,113)	1,594,472
Net (decrease) increase in cash and cash equivalents	(66,435)	221,303
<b>Cash, cash equivalents and restricted cash</b>		
Beginning of period	1,140,466	861,678
End of period	\$ 1,074,031	\$ 1,082,981

**NOVANT HEALTH, INC.  
COMBINED GROUP STATISTICS  
FOR THE THREE MONTHS ENDED JUNE 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	
													June 30, 2022	June 30, 2021
<b><u>INPATIENT STATISTICS</u></b>														
Average Daily Census	442	123	87	19	25	562	5	49	613	44	24	13	2,006	2,239
Discharges	6,728	2,530	2,017	497	830	7,598	148	851	8,796	1,120	533	382	32,030	37,915
Average Length of Stay	6.0	4.4	3.9	3.4	2.7	6.7	2.9	5.3	6.3	3.6	4.0	3.1	5.7	5.4
Patient Days	40,243	11,184	7,900	1,702	2,271	51,119	435	4,502	55,766	4,048	2,141	1,185	182,496	203,706
<b><u>ADJUSTED STATISTICS</u></b>														
Adjusted Patient Days	83,171	26,925	22,511	3,904	8,614	86,879	3,871	13,942	128,624	13,004	8,229	4,853	404,527	443,490
Adjusted Discharges	13,905	6,091	5,747	1,140	3,148	12,913	1,317	2,635	20,288	3,598	2,049	1,564	74,395	85,855
<b><u>OUTPATIENT STATISTICS</u></b>														
Emergency Department Visits	19,106	9,060	9,715	-	7,111	19,076	-	7,947	34,129	9,013	8,767	5,884	129,808	148,739
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	1,302,545	1,317,237
Cases	53,295	25,661	23,077	5,185	14,688	33,150	4,666	13,309	95,551	20,857	14,141	9,772	313,352	363,091
<b><u>SURGERY STATISTICS</u></b>														
Inpatient Surgical Cases	1,711	454	395	581	99	2,065	134	228	2,668	300	191	251	9,077	9,860
Outpatient Surgical Cases	4,687	1,097	1,194	2,206	372	2,885	2,178	1,042	6,219	1,009	658	819	24,366	26,498
Total Surgical Cases	6,398	1,551	1,589	2,787	471	4,950	2,312	1,270	8,887	1,309	849	1,070	33,443	36,358
<b><u>OTHER STATISTICS</u></b>														
Total Births	1,444	620	505	-	149	1,124	-	144	1,075	143	-	-	5,204	5,729
Cath Lab Patients	623	481	229	-	-	1,283	-	17	2,488	7	-	-	5,128	5,656
Open Heart Surgeries	102	-	-	-	-	130	-	-	179	-	-	-	411	441
Endoscopy Procedures	1,856	739	920	-	111	1,670	-	261	3,275	488	216	-	9,536	10,111
Radiology Procedures	41,990	24,695	23,191	5,092	15,973	56,893	1,073	15,699	90,335	21,492	15,012	10,415	321,860	370,309
Licensed Beds	576	157	139	48	36	859	22	146	800	74	50	36	2,943	3,133
Staffed Beds	500	142	94	25	33	670	10	70	691	63	34	24	2,356	2,582
Occupancy as % of Staffed Beds	88.4%	86.6%	92.6%	76.0%	75.8%	83.9%	50.0%	70.0%	88.7%	69.8%	70.6%	54.2%	85.1%	86.7%

**NOVANT HEALTH, INC.  
COMBINED GROUP STATISTICS  
FOR THE SIX MONTHS ENDED JUNE 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	Six Months Ended	
													June 30, 2022	June 30, 2021
<b><u>INPATIENT STATISTICS</u></b>														
Average Daily Census	461	131	92	18	27	594	5	59	624	49	32	14	2,106	2,181
Discharges	13,820	5,177	4,076	990	1,629	15,620	295	1,883	17,214	2,273	1,233	807	65,017	72,508
Average Length of Stay	6.0	4.6	4.1	3.4	3.0	6.9	3.1	5.7	6.6	3.9	4.7	3.0	5.9	5.4
Patient Days	83,418	23,705	16,685	3,318	4,890	107,477	927	10,721	113,031	8,846	5,760	2,446	381,224	394,813
<b><u>ADJUSTED STATISTICS</u></b>														
Adjusted Patient Days	168,043	55,550	45,808	7,680	17,804	177,001	7,804	29,746	255,710	27,597	19,159	9,320	821,222	833,633
Adjusted Discharges	27,840	12,132	11,190	2,292	5,931	25,724	2,483	5,224	38,943	7,091	4,101	3,075	146,026	159,198
<b><u>OUTPATIENT STATISTICS</u></b>														
Emergency Department Visits	36,819	17,934	18,914	-	13,653	37,771	-	15,630	66,115	17,135	17,404	11,634	253,009	265,110
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	2,657,696	2,664,434
Cases	100,261	48,842	44,817	13,675	29,054	65,479	11,760	26,418	190,562	43,103	26,757	19,092	619,820	661,928
<b><u>SURGERY STATISTICS</u></b>														
Inpatient Surgical Cases	3,444	909	830	1,145	182	4,038	278	420	5,285	559	374	507	17,971	18,571
Outpatient Surgical Cases	9,082	2,118	2,333	4,438	724	5,437	4,248	2,064	12,256	2,074	1,260	1,548	47,582	49,921
Total Surgical Cases	12,526	3,027	3,163	5,583	906	9,475	4,526	2,484	17,541	2,633	1,634	2,055	65,553	68,492
<b><u>OTHER STATISTICS</u></b>														
Total Births	2,996	1,264	1,018	-	293	2,227	-	292	2,128	289	-	-	10,507	10,800
Cath Lab Patients	1,209	967	464	-	-	2,558	-	41	4,784	14	-	-	10,037	10,288
Open Heart Surgeries	207	-	-	-	-	247	-	-	350	-	-	-	804	784
Endoscopy Procedures	3,499	1,470	1,713	-	259	3,262	-	466	6,112	1,030	428	-	18,239	18,411
Radiology Procedures	83,144	49,254	45,243	10,262	30,915	113,794	2,021	31,172	177,572	41,248	29,536	20,209	634,370	690,635
Licensed Beds	576	157	139	48	36	859	22	146	800	74	50	36	2,943	3,133
Staffed Beds	518	143	109	25	34	689	9	79	703	66	44	24	2,443	2,606
Occupancy as % of Staffed Beds	89.0%	91.6%	84.4%	72.0%	79.4%	86.2%	55.6%	74.7%	88.8%	74.2%	72.7%	58.3%	86.2%	83.7%