



FINANCIAL AND STATISTICAL REPORT
March 31, 2023
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(in thousands of dollars)

	March 31, 2023				March 31, 2022			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 1,578,442	\$ 153,246	\$ -	\$ 1,731,688	\$ 1,468,450	\$ 165,130	\$ -	\$ 1,633,580
Other revenue	159,167	64,826	(16,441)	207,552	121,496	55,745	(18,225)	159,016
Total operating revenues and other support	<u>1,737,609</u>	<u>218,072</u>	<u>(16,441)</u>	<u>1,939,240</u>	<u>1,589,946</u>	<u>220,875</u>	<u>(18,225)</u>	<u>1,792,596</u>
Operating expenses								
Salaries and employee benefits	1,019,956	110,498	(806)	1,129,648	936,729	116,551	(855)	1,052,425
Supplies and other	649,047	89,454	(15,624)	722,877	589,987	88,491	(16,667)	661,811
Depreciation and amortization expense	70,471	7,786	-	78,257	73,007	9,955	-	82,962
Interest expense	21,178	2,464	-	23,642	10,878	1,674	-	12,552
Total operating expenses	<u>1,760,652</u>	<u>210,202</u>	<u>(16,430)</u>	<u>1,954,424</u>	<u>1,610,601</u>	<u>216,671</u>	<u>(17,522)</u>	<u>1,809,750</u>
Operating income (loss)	(23,043)	7,870	(11)	(15,184)	(20,655)	4,204	(703)	(17,154)
Non-operating income (expense)								
Investment income (loss)	90,809	8,711	-	99,520	(101,781)	(11,774)	-	(113,555)
Income tax benefit (expense)	-	(35)	-	(35)	1	12	-	13
Other net periodic pension costs	<u>(97)</u>	<u>(2)</u>	<u>-</u>	<u>(99)</u>	<u>(133)</u>	<u>(1)</u>	<u>-</u>	<u>(134)</u>
Excess (deficit) of revenues over expenses	<u>\$ 67,669</u>	<u>\$ 16,544</u>	<u>\$ (11)</u>	<u>\$ 84,202</u>	<u>\$ (122,568)</u>	<u>\$ (7,559)</u>	<u>\$ (703)</u>	<u>\$ (130,830)</u>

NOVANT HEALTH, INC.
COMBINING BALANCE SHEETS

	March 31, 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	\$ 114,973	\$ 164,391	\$ -	\$ 279,364	\$ 520,545	\$ 123,452	\$ -	\$ 643,997
Accounts receivable, net	875,087	72,036	-	947,123	827,599	74,724	-	902,323
Short-term investments	506,084	213	-	506,297	234,040	213	-	234,253
Current portion of assets limited as to use	23,411	3,797	-	27,208	23,411	5,421	-	28,832
Receivable for settlement with third-party payors	17,594	2,815	-	20,409	13,477	508	-	13,985
Other current assets	383,627	120,395	(8,408)	495,614	424,414	227,388	(6,801)	645,001
Total current assets	1,920,776	363,647	(8,408)	2,276,015	2,043,486	431,706	(6,801)	2,468,391
Assets limited as to use	248,813	5,790	-	254,603	233,988	5,790	-	239,778
Long-term investments	2,786,635	326,350	-	3,112,985	2,711,276	318,692	-	3,029,968
Property and equipment, net	2,728,986	312,001	-	3,040,987	2,693,249	310,983	-	3,004,232
Right-of-use assets, net	487,834	59,302	(66,236)	480,900	483,398	61,041	(67,192)	477,247
Intangible assets and goodwill, net	601,969	42,612	-	644,581	614,693	30,727	-	645,420
Investments in affiliates	1,729,535	220,183	(1,630,294)	319,424	1,682,113	215,713	(1,630,294)	267,532
Deferred tax asset	-	2,482	-	2,482	-	2,658	-	2,658
Other assets	108,882	15,450	(2,037)	122,295	113,257	20,242	(1,916)	131,583
Total assets	\$ 10,613,430	\$ 1,347,817	\$ (1,706,975)	\$ 10,254,272	\$ 10,575,460	\$ 1,397,552	\$ (1,706,203)	\$ 10,266,809
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 56,240	\$ 4,910	\$ -	\$ 61,150	\$ 56,227	\$ 4,992	\$ -	\$ 61,219
Accounts payable	331,907	49,847	(8,408)	373,346	353,486	23,195	(6,801)	369,880
Accrued liabilities	503,856	127,560	-	631,416	653,153	109,187	-	762,340
Current portion of operating lease liabilities	99,832	15,223	(9,639)	105,416	100,694	15,290	(9,034)	106,950
Estimated third-party payor settlements	57,662	618	-	58,280	57,355	2,176	-	59,531
Due to (from) related organizations	(193,925)	193,925	-	-	(302,150)	302,150	-	-
Total current liabilities	855,572	392,083	(18,047)	1,229,608	918,765	456,990	(15,835)	1,359,920
Long-term debt, net of current portion	2,596,222	3,500	-	2,599,722	2,585,572	3,581	-	2,589,153
Deferred tax liability	-	19,551	-	19,551	-	19,551	-	19,551
Operating lease liabilities, net of current portion	412,454	45,855	(58,640)	399,669	401,361	47,367	(60,090)	388,638
Derivative financial instruments	14,997	-	-	14,997	13,191	-	-	13,191
Employee benefits and other liabilities	385,682	6,270	-	391,952	367,772	14,949	-	382,721
Total liabilities	4,264,927	467,259	(76,687)	4,655,499	4,286,661	542,438	(75,925)	4,753,174
Net assets								
Without donor restrictions- attributable to Novant Health	6,348,503	779,223	(1,630,288)	5,497,438	6,288,799	754,668	(1,630,278)	5,413,189
Without donor restrictions - noncontrolling interests	-	5,115	-	5,115	-	5,059	-	5,059
Total net assets without donor restrictions	6,348,503	784,338	(1,630,288)	5,502,553	6,288,799	759,727	(1,630,278)	5,418,248
With donor restrictions	-	96,220	-	96,220	-	95,387	-	95,387
Total net assets	6,348,503	880,558	(1,630,288)	5,598,773	6,288,799	855,114	(1,630,278)	5,513,635
Total liabilities and net assets	\$ 10,613,430	\$ 1,347,817	\$ (1,706,975)	\$ 10,254,272	\$ 10,575,460	\$ 1,397,552	\$ (1,706,203)	\$ 10,266,809

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

<i>(in thousands of dollars)</i>	March 31, 2023	March 31, 2022
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 85,138	\$ (95,267)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	78,263	82,812
Share of earnings in affiliates, net of distributions	(4,014)	3,365
Net realized and unrealized losses (gains) on assets limited as to use and investments	(89,634)	86,253
Change in fair value of interest rate swap	1,806	(10,841)
Contributions restricted for capital	(460)	(55)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(52,169)	(37,404)
Accounts payable and accrued liabilities	(27,455)	69,694
Medicare advanced repayments	(91,117)	(35,652)
Long-term liabilities	19,729	(69,597)
Other current assets	(87,387)	(22,883)
Third-party payor settlements	(7,675)	(21,833)
Deferred taxes, net	176	-
Other assets and liabilities, net	5,439	(328)
Net cash used in operating activities	(169,360)	(51,736)
Cash flows from investing activities		
Capital expenditures	(116,117)	(89,430)
Proceeds from sales of long-term investments	287,846	218,945
Purchase of long-term investments	(265,296)	(129,149)
Proceeds from sales of short-term investments	250,000	200,000
Purchase of short-term investments	(518,223)	(140,610)
Proceeds from sale of property and equipment	1,679	484
Proceeds from sale of consolidated entities, net of cash disposed	229,828	-
Investments in unconsolidated affiliates	(47,878)	(320)
Other investing activities	(518)	(232)
Net cash provided by (used in) investing activities	(178,679)	59,688
Cash flows from financing activities		
Principal payments on long-term debt	(546)	(427)
Payments on repurchase agreements, net	-	(15,045)
Proceeds from sale of accounts receivable, net	4,042	5,215
Proceeds from revolving credit facility	11,000	-
Other financing activities	176	163
Net cash provided by (used in) financing activities	14,672	(10,094)
Net decrease in cash and cash equivalents	(333,367)	(2,142)
Cash, cash equivalents and restricted cash		
Beginning of quarter	850,183	1,140,466
End of quarter	\$ 516,816	\$ 1,138,324

**NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED MARCH 31, 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	
													March 31, 2023	March 31, 2022
<u>INPATIENT STATISTICS</u>														
Average Daily Census	467	121	98	20	26	606	5	60	648	45	31	13	2,140	2,215
Discharges	7,335	2,606	2,326	538	765	8,455	143	996	9,128	1,110	641	474	34,517	33,385
Average Length of Stay	5.7	4.2	3.8	3.3	3.0	6.4	3.2	5.4	6.4	3.7	4.4	2.5	5.6	6.0
Patient Days	42,042	10,924	8,795	1,791	2,297	54,511	453	5,426	58,299	4,071	2,833	1,177	192,619	199,345
<u>ADJUSTED STATISTICS</u>														
Adjusted Patient Days	86,829	25,417	25,252	3,808	9,804	91,253	3,845	14,577	139,126	14,412	10,576	4,242	429,141	417,844
Adjusted Discharges	15,149	6,063	6,678	1,144	3,265	14,154	1,214	2,676	21,783	3,930	2,393	1,708	80,157	72,577
<u>OUTPATIENT STATISTICS</u>														
Emergency Department Visits	18,398	8,496	9,602	-	7,063	18,733	-	7,416	34,661	8,151	8,253	6,057	126,830	123,201
Novant Health Medical Group Encounters Cases	-	-	-	-	-	-	-	-	-	-	-	-	1,384,680	1,355,151
	55,306	25,448	24,169	4,878	14,702	35,587	4,766	13,167	103,016	22,339	13,835	10,171	327,384	306,468
<u>SURGERY STATISTICS</u>														
Inpatient Surgical Cases	1,776	514	446	671	85	2,133	150	189	2,689	232	153	285	9,323	8,894
Outpatient Surgical Cases	4,893	995	1,358	2,268	413	3,347	2,423	1,018	6,553	1,095	745	696	25,804	23,216
Total Surgical Cases	6,669	1,509	1,804	2,939	498	5,480	2,573	1,207	9,242	1,327	898	981	35,127	32,110
<u>OTHER STATISTICS</u>														
Total Births	1,483	607	574	-	139	1,066	-	135	1,062	134	-	-	5,200	5,304
Cath Lab Patients	586	441	275	-	-	1,374	-	15	2,546	2	-	-	5,239	4,909
Open Heart Surgeries	117	-	-	-	-	124	-	-	284	-	-	-	525	393
Endoscopy Procedures	2,178	768	1,001	-	133	1,843	-	217	3,940	491	210	-	10,781	8,703
Radiology Procedures	43,220	24,392	23,506	5,359	16,518	61,184	1,293	15,571	97,988	21,493	16,733	11,576	338,833	313,699
Licensed Beds	576	157	139	48	36	859	22	146	800	74	50	36	2,943	2,943
Staffed Beds	527	146	128	26	35	710	10	78	693	65	49	27	2,494	2,510
Occupancy as % of Staffed Beds	88.6%	82.9%	76.6%	76.9%	74.3%	85.4%	50.0%	76.9%	93.5%	69.2%	63.3%	48.1%	85.8%	88.2%