



FINANCIAL AND STATISTICAL REPORT
March 31, 2021
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(in thousands of dollars)

	March 31, 2021				March 31, 2020			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 1,219,560	\$ 376,697	\$ -	\$ 1,596,257	\$ 1,072,388	\$ 151,765	\$ -	\$ 1,224,153
Other revenue	44,955	83,173	(18,696)	109,432	69,008	54,103	(17,830)	105,281
Total operating revenues and other support	<u>1,264,515</u>	<u>459,870</u>	<u>(18,696)</u>	<u>1,705,689</u>	<u>1,141,396</u>	<u>205,868</u>	<u>(17,830)</u>	<u>1,329,434</u>
Operating expenses								
Salaries and employee benefits	733,680	201,083	(1,543)	933,220	644,358	88,390	(2,004)	730,744
Supplies and other	425,191	212,132	(17,085)	620,238	379,986	114,515	(18,935)	475,566
Total operating expenses	<u>1,158,871</u>	<u>413,215</u>	<u>(18,628)</u>	<u>1,553,458</u>	<u>1,024,344</u>	<u>202,905</u>	<u>(20,939)</u>	<u>1,206,310</u>
Operating cash flow	105,644	46,655	(68)	152,231	117,052	2,963	3,109	123,124
Depreciation and amortization	56,191	21,343	-	77,534	50,039	13,358	-	63,397
Interest	2,951	3,611	-	6,562	25,602	5,288	-	30,890
Operating income (loss)	46,502	21,701	(68)	68,135	41,411	(15,683)	3,109	28,837
Non-operating income (expense)								
Investment income (loss)	109,840	7,935	-	117,775	(382,430)	(21,140)	-	(403,570)
Income tax expense	-	(2)	-	(2)	-	(1)	-	(1)
Other net periodic pension (costs) benefit	(161)	(66)	-	(227)	(186)	9	-	(177)
Excess (deficit) of revenues over expenses	<u>\$ 156,181</u>	<u>\$ 29,568</u>	<u>\$ (68)</u>	<u>\$ 185,681</u>	<u>\$ (341,205)</u>	<u>\$ (36,815)</u>	<u>\$ 3,109</u>	<u>\$ (374,911)</u>

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

	March 31, 2021				December 31, 2020			
	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	\$ 451,958	\$ 276,045	\$ -	\$ 728,003	\$ 556,179	\$ 155,643	\$ -	\$ 711,822
Accounts receivable, net	593,131	277,016	-	870,147	580,439	90,297	-	670,736
Short-term investments	372,285	160	-	372,445	330,582	160	-	330,742
Current portion of assets limited as to use	29,132	12,645	-	41,777	30,029	12,645	-	42,674
Receivable for settlement with third-party payors	42,079	13,986	-	56,065	21,129	3,980	-	25,109
Other current assets	261,093	174,526	(20,282)	415,337	234,386	42,033	(17,165)	259,254
Total current assets	1,749,678	754,378	(20,282)	2,483,774	1,752,744	304,758	(17,165)	2,040,337
Assets limited as to use	202,459	99,331	-	301,790	203,681	30,995	-	234,676
Long-term investments	2,746,553	401,856	-	3,148,409	2,640,842	343,829	-	2,984,671
Property and equipment, net	2,029,427	1,117,392	-	3,146,819	2,059,045	341,024	-	2,400,069
Right-of-use assets, net	518,134	103,392	(83,002)	538,524	520,722	57,319	(84,687)	493,354
Intangible assets and goodwill, net	61,165	846,954	-	908,119	61,164	248,883	-	310,047
Investments in affiliates	1,635,049	32,148	(1,608,125)	59,072	95,496	28,597	(69,139)	54,954
Deferred tax asset	-	5,317	-	5,317	-	5,317	-	5,317
Other assets	198,897	18,022	(81,176)	135,743	114,987	14,067	(801)	128,253
Total assets	\$ 9,141,362	\$ 3,378,790	\$ (1,792,585)	\$ 10,727,567	\$ 7,448,681	\$ 1,374,789	\$ (171,792)	\$ 8,651,678
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 53,974	\$ 1,413	\$ -	\$ 55,387	\$ 53,968	\$ 880	\$ -	\$ 54,848
Short-term borrowings	144,800	285	-	145,085	149,300	292	-	149,592
Accounts payable	227,685	103,276	(13,160)	317,801	257,409	31,387	(11,486)	277,310
Accrued liabilities	564,394	185,121	(4,701)	744,814	592,148	93,854	(3,329)	682,673
Current portion of operating lease liabilities	88,615	21,823	(9,756)	100,682	86,057	11,857	(9,118)	88,796
Estimated third-party payor settlements	135,529	16,371	-	151,900	78,411	9,571	-	87,982
Due to (from) related organizations	(252,355)	252,355	-	-	(247,392)	247,392	-	-
Total current liabilities	962,642	580,644	(27,617)	1,515,669	969,901	395,233	(23,933)	1,341,201
Long-term debt, net of current portion	2,862,197	95,533	(80,178)	2,877,552	1,262,576	13,411	-	1,275,987
Deferred tax liability	-	5,194	-	5,194	-	5,194	-	5,194
Operating lease liabilities, net of current portion	444,926	78,874	(74,182)	449,618	449,276	45,038	(76,303)	418,011
Derivative financial instruments	41,262	-	-	41,262	51,803	-	-	51,803
Employee benefits and other liabilities	564,805	88,021	-	652,826	548,888	40,695	-	589,583
Total liabilities	4,875,832	848,266	(181,977)	5,542,121	3,282,444	499,571	(100,236)	3,681,779
Net assets								
Without donor restrictions- attributable to Novant Health	4,263,352	2,396,816	(1,666,248)	4,993,920	4,164,059	769,155	(127,403)	4,805,811
Without donor restrictions - noncontrolling interests	-	22,500	55,640	78,140	-	23,405	55,847	79,252
Total unrestricted net assets	4,263,352	2,419,316	(1,610,608)	5,072,060	4,164,059	792,560	(71,556)	4,885,063
With donor restrictions	2,178	111,208	-	113,386	2,178	82,658	-	84,836
Total net assets	4,265,530	2,530,524	(1,610,608)	5,185,446	4,166,237	875,218	(71,556)	4,969,899
Total liabilities and net assets	\$ 9,141,362	\$ 3,378,790	\$ (1,792,585)	\$ 10,727,567	\$ 7,448,681	\$ 1,374,789	\$ (171,792)	\$ 8,651,678

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

<i>(in thousands of dollars)</i>	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 215,547	\$ (379,400)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation, amortization, and accretion	77,428	65,041
Gain on sale of real estate	-	(529)
Share of earnings in affiliates, net of distributions	751	11,250
Net realized and unrealized (gains) losses on assets limited as to use and investments	(113,026)	407,839
Change in fair value of interest rate swap	(10,541)	15,195
Contributions restricted for capital	(10,790)	(478)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(37,830)	59,094
Accounts payable and accrued liabilities	(19,351)	(45,551)
Third-party payor settlements	36,606	(25,281)
Other assets and liabilities, net	7,138	(43,884)
Net cash provided by operating activities	<u>145,932</u>	<u>63,296</u>
Cash flows from investing activities		
Capital expenditures	(68,949)	(84,463)
Proceeds from sales of long-term investments	158,881	1,219,613
Purchase of long-term investments	(208,482)	(1,274,599)
Proceeds from sales of short-term investments	57,050	50,000
Purchase of short-term investments	(99,992)	(68,932)
Proceeds from sale of property and equipment	659	1,370
Acquisition of business, net of cash acquired	(1,506,431)	-
Investments in unconsolidated affiliates	(2,663)	-
Other investing activities	507	132
Net cash used in investing activities	<u>(1,669,420)</u>	<u>(156,879)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(467)	-
Proceeds from long-term debt	-	264,165
Proceeds from sale of accounts receivable, net	6,196	6,682
Proceeds from repurchase agreements, net	(4,500)	219,025
Proceeds from revolving credit facility	1,600,000	200,034
Other financing activities	2,940	1,989
Net cash provided by financing activities	<u>1,604,169</u>	<u>691,895</u>
Net increase in cash and cash equivalents	80,681	598,312
Cash, cash equivalents and restricted cash		
Beginning of quarter	<u>861,678</u>	<u>634,049</u>
End of quarter	<u>\$ 942,359</u>	<u>\$ 1,232,361</u>

NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

	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 Brunswick Medical Center	Novant Health Kernersville Medical Center	Novant Health Clemmons Medical Center	Novant Health Prince William Medical Center	Novant Health Haymarket Medical Center	Three Months Ended	
														March 31, 2021	March 31, 2020
<u>INPATIENT STATISTICS</u>															
Average Daily Census	494	139	93	23	30	638	10	63	47	42	14	91	16	1,700	1,618
Discharges	7,528	2,943	2,087	661	817	8,461	272	1,089	1,001	696	455	2,161	468	28,639	29,999
Average Length of Stay	5.9	4.3	4.0	3.1	3.3	6.8	3.2	5.2	4.3	5.5	2.8	3.8	3.2	5.3	4.9
Patient Days	44,417	12,512	8,337	2,069	2,664	57,453	860	5,656	4,261	3,797	1,267	8,174	1,479	152,946	147,235
<u>ADJUSTED STATISTICS</u>															
Adjusted Patient Days	85,558	25,874	21,745	3,910	8,587	89,370	4,533	14,395	12,151	10,343	4,140	17,548	5,741	303,895	293,266
Adjusted Discharges	14,501	6,086	5,443	1,249	2,633	13,161	1,434	2,772	2,855	1,896	1,487	4,639	1,817	59,973	62,408
<u>OUTPATIENT STATISTICS</u>															
ED Visits	16,016	8,927	8,598	-	5,427	18,363	-	6,892	6,837	7,836	4,362	8,224	4,890	96,372	120,228
Novant Health Medical Group Encounters	-	-	-	-	-	-	-	-	-	-	-	-	-	1,347,197	1,280,122
Cases	51,089	22,903	20,231	4,826	11,362	38,510	5,042	13,293	20,970	12,205	7,920	18,967	13,591	240,909	243,431
<u>SURGERY STATISTICS</u>															
IP Surgical Cases	1,243	373	327	746	58	2,038	271	194	268	168	265	142	134	6,227	6,926
OP Surgical Cases	4,497	1,024	1,074	2,014	318	3,027	2,405	1,090	1,011	611	693	487	450	18,701	16,670
Total Surgical Cases	5,740	1,397	1,401	2,760	376	5,065	2,676	1,284	1,279	779	958	629	584	24,928	23,596
<u>OTHER STATISTICS</u>															
Total Births	1,560	602	369	-	132	998	-	141	121	-	-	476	-	4,399	4,309
Cath Lab Patients	583	495	211	-	-	1,204	-	31	15	-	-	282	-	2,821	2,678
Open Heart Surgeries	103	-	-	-	-	112	-	-	-	-	-	-	-	215	180
Endoscopy Procedures	1,692	683	854	-	49	1,520	-	192	406	-	-	236	407	6,039	5,881
Radiology Procedures	42,435	24,991	21,706	4,843	14,225	58,965	1,144	14,497	18,541	14,190	8,899	20,954	14,726	260,116	256,401
Licensed Beds	590	157	139	48	36	859	22	146	74	50	36	130	60	2,347	2,333
Staffed Beds	522	140	111	26	35	698	13	79	61	52	21	98	20	1,876	1,784
Occupancy as % of Staffed Beds	94.6%	99.3%	83.8%	88.5%	85.7%	91.4%	76.9%	79.7%	77.0%	80.8%	66.7%	92.9%	80.0%	90.6%	90.7%