



Universal Health Services, Inc.

Universal Health Services, Inc. Reports 2017 Second Quarter Financial Results And Revises 2017 Full Year Earnings Guidance

July 25, 2017



Webcast - [Live](#)

Q2 2017 Universal Health Services Earnings Conference Call
07/26/17 at 9:00 a.m. ET

Consolidated Results of Operations, As Reported and As Adjusted - Three-month periods ended June 30, 2017 and 2016:

KING OF PRUSSIA, Pa., July 25, 2017 /PRNewswire/ -- Universal Health Services, Inc. (NYSE: UHS) announced today that its reported net income attributable to UHS was \$185.4 million, or \$1.91 per diluted share, during the second quarter of 2017 as compared to \$185.6 million, or \$1.89 per diluted share, during the comparable quarter of 2016.

Net revenues increased 7.5% to \$2.61 billion during the second quarter of 2017 as compared to \$2.43 billion during the second quarter of 2016. As calculated on attached Schedule of Non-GAAP Supplemental Information ("Supplemental Schedule"), our earnings before interest, taxes, depreciation & amortization ("EBITDA") increased 3.2% to \$438.3 million during the second quarter of 2017 as compared to \$424.8 million during the second quarter of 2016.

For the three-month period ended June 30, 2017, our adjusted net income attributable to UHS, as calculated on the attached Supplemental Schedule, was \$188.1 million, or \$1.94 per diluted share, as compared to \$191.1 million, or \$1.94 per diluted share, during the second quarter of 2016. As reflected on the Supplemental Schedule, included in our reported results during the second quarter of 2017, is a net aggregate unfavorable after-tax impact of \$2.7 million, or \$.03 per diluted share, consisting of: (i) a favorable after-tax impact of \$1.4 million, or \$.01 per diluted share, resulting from our January 1, 2017 adoption of ASU 2016-09, "Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"), as discussed below, offset by; (ii) an unfavorable after tax impact of \$4.0 million, or \$.04 per diluted share, related to the depreciation and amortization expense recorded in connection with the implementation of electronic health records ("EHR") applications at our acute care hospitals. Included in our reported results during the second quarter of 2016 is an unfavorable after tax impact of \$5.5 million, or \$.05 per diluted share, related to the depreciation and amortization expense recorded in connection with the implementation of EHR applications at our acute care hospitals.

Consolidated Results of Operations, As Reported and As Adjusted – Six-month periods ended June 30, 2017 and 2016:

Reported net income attributable to UHS was \$391.4 million, or \$4.03 per diluted share, during the first six months of 2017 as compared to \$376.3 million, or \$3.81 per diluted share, during the comparable period of 2016.

Net revenues increased 7.1% to \$5.23 billion during the first six months of 2017 as compared to \$4.88 billion during the first six months of 2016. As calculated on attached Supplemental Schedule, our EBITDA increased 4.5% to \$898.6 million during the six-month period ended June 30, 2017 as compared to \$860.2 million during the comparable six-month period of 2016.

For the six-month period ended June 30, 2017, our adjusted net income attributable to UHS, as calculated on the attached Supplemental Schedule, was \$392.4 million, or \$4.04 per diluted share, as compared to \$387.0 million, or \$3.92 per diluted share, during the first six months of 2016. As reflected on the Supplemental Schedule, included in our reported results during the six-month period ended June 30, 2017, is a net aggregate unfavorable after-tax impact of \$1.0 million, or \$.01 per diluted share, consisting of: (i) a favorable after-tax impact of \$8.1 million, or \$.08 per diluted share, resulting from our January 1, 2017 adoption of ASU 2016-09, offset by; (ii) an unfavorable after tax impact of \$9.1 million, or \$.09 per diluted share, related to the depreciation and amortization expense recorded in connection with the implementation of EHR applications at our acute care hospitals. Included in our reported results during the six-month period ended June 30, 2016 is an unfavorable after tax impact of \$10.7 million, or \$.11 per diluted share, related to the depreciation and amortization expense recorded in connection with the implementation of EHR applications at our acute care hospitals.

Acute Care Services – Three and six-month periods ended June 30, 2017 and 2016:

During the second quarter of 2017, at our acute care hospitals owned during both periods ("same facility basis"), adjusted admissions (adjusted for outpatient activity) increased 6.0% and adjusted patient days increased 2.7%, as compared to the second quarter of 2016. Net revenues from our acute care services increased 5.1% during the second quarter of 2017 as compared to the comparable quarter of the prior year. At these facilities, net revenue per adjusted admission remained unchanged while net revenue per adjusted patient day increased 3.2% during the second quarter of 2017 as compared to the comparable quarter of 2016.

During the six-month period ended June 30, 2017, at our acute care hospitals on a same facility basis, adjusted admissions increased 5.5% and adjusted patient days increased 2.2%, as compared to the first six months of 2016. Net revenues from our acute care services increased 4.9% during the first six months of 2017 as compared to the comparable period of the prior year. At these facilities, net revenue per adjusted admission decreased 0.2% while net revenue per adjusted patient day increased 3.1% during the first six months of 2017 as compared to the comparable six-month period of 2016.

We provide care to patients who meet certain financial or economic criteria without charge or at amounts substantially less than our established rates. Because we do not pursue collection of amounts determined to qualify as charity care, they are not reported in net revenues or in accounts receivable, net. Our acute care hospitals provided charity care and uninsured discounts, based on gross charges, amounting to approximately \$485 million and \$339 million during the three-month periods ended June 30, 2017 and 2016, respectively, and \$901 million and \$684 million during the six-month periods ended June 30, 2017 and 2016, respectively. The provision for doubtful accounts at our acute care hospitals amounted to approximately \$187 million and \$179 million during the three-month periods ended June 30, 2017 and 2016, respectively, and \$368 million and \$319 million during the six-month periods ended June 30, 2017 and 2016, respectively.

Behavioral Health Care Services – Three and six-month periods ended June 30, 2017 and 2016:

During the second quarter of 2017, at our behavioral health care facilities on a same facility basis, adjusted admissions increased 3.7% while adjusted patient days increased 1.4% as compared to the second quarter of 2016. At these facilities, net revenue per adjusted admission decreased 1.4% while net revenue per adjusted patient day increased 0.9% during the second quarter of 2017 as compared to the comparable quarter in 2016. On a same facility basis, our behavioral health care services' net revenues increased 2.2% during the second quarter of 2017 as compared to the second quarter of 2016.

During the six-month period ended June 30, 2017, at our behavioral health care facilities on a same facility basis, adjusted admissions increased 3.1% while adjusted patient days increased 0.8% as compared to the first six months of 2016. At these facilities, net revenue per adjusted admission decreased 1.2% while net revenue per adjusted patient day increased 1.0% during the first six months of 2017 as compared to the comparable six-month period of 2016. On a same facility basis, our behavioral health care services' net revenues increased 1.8% during the first six months of 2017 as compared to the comparable period of 2016.

Net Cash Provided by Operating Activities and Share Repurchase Program:

For the six months ended June 30, 2017, our net cash provided by operating activities decreased to \$534 million from \$836 million generated during the comparable six-month period of 2016. The \$302 million decrease was caused primarily by a \$217 million unfavorable change in other working capital accounts resulting primarily from changes in accrued compensation and accounts payable due to timing of disbursements, and a \$92 million unfavorable change in cash flows from foreign currency forward exchange contracts related to our investments in the U.K.

In February of 2016, our Board of Directors authorized a \$400 million increase to our stock repurchase program, which increased the aggregate authorization to \$800 million from the previous \$400 million authorization approved during the third quarter of 2014. Pursuant to this program, we may purchase shares of our Class B Common Stock, from time to time as conditions allow, on the open market or in negotiated private transactions.

In conjunction with this program, during the second quarter of 2017, we have repurchased 983,900 shares at an aggregate cost of \$115.9 million (approximately \$118 per share). During the first six months of 2017, we have repurchased approximately 1.1 million shares at an aggregate cost of approximately \$127.1 million (approximately \$117 per share). Since inception of the program through June 30, 2017, we have repurchased approximately 5.47 million shares at an aggregate cost of approximately \$641.2 million (approximately \$117 per share).

Revision of 2017 Full Year Earnings Guidance Range:

Based upon the operating trends and financial results experienced during the first six months of 2017, we are revising our estimated range of adjusted net income attributable to UHS for the year ended December 31, 2017 to \$7.50 to \$8.00 per diluted share from the previously provided range of \$7.70 to \$8.20 per diluted share. This revised guidance range decreases both the lower and upper end of the previously provided range by approximately 2.5%.

This revised guidance excludes the expected EHR unfavorable impact of \$.15 per diluted share for the year, as well as the impact on our provision for income taxes and net income attributable to UHS resulting from our January 1, 2017 adoption of ASU 2016-09, which as discussed below, we are unable to estimate at this time. This guidance range also excludes the impact of future items, if applicable, that are nonrecurring or non-operational in nature including items such as, but not limited to, gains/losses on sales of assets and businesses, costs related to extinguishment of debt, reserves for settlements, legal judgments and lawsuits, impairments of long-lived assets, impact of share repurchases and other material amounts that may be reflected in our financial statements that relate to prior periods. It is also subject to certain conditions including those as set forth below in *General Information, Forward-Looking Statements and Risk Factors and Non-GAAP Financial Measures*.

Adoption of ASU 2016-09:

Effective January 1, 2017, we adopted ASU 2016-09, "Compensation – Stock Compensation (Topic 718): Improvements to

Employee Share-Based Payment Accounting", which amends the accounting for employee share-based payment transactions to require recognition of the tax effects resulting from the settlement of stock-based awards as income tax expense or benefit in the income statement in the reporting period in which they occur. In connection with the adoption of ASU 2016-09, during the three and six-month periods ended June 30, 2017, we recorded reductions to our provision for income taxes of \$1.4 million and \$8.1 million, respectively, which resulted in a corresponding increases in our net income attributable to UHS of \$1.4 million, or \$.01 per diluted share, during the second quarter of 2017 and \$8.1 million, or \$.08 per diluted share, during the first six months of 2017.

Since the impact of ASU 2016-09 on our future financial statements is dependent upon the timing of stock option exercises, and the market price of our stock at the time of exercise, we are unable to estimate the impact this adoption will have on our future provision for income taxes and net income attributable to UHS. This reporting change is applied prospectively, effective as of January 1, 2017, with the exception of the change in the presentation of the excess income tax benefits related to stock-based compensation in the Statement of Cash Flows, which was applied retrospectively.

Conference call information:

We will hold a conference call for investors and analysts at 9:00 a.m. eastern time on Wednesday, July 26, 2017. The dial-in number is 1-877-648-7971.

A live broadcast of the conference call will be available on our website at www.uhsinc.com. A replay of the call will be available following the conclusion of the live call and will be available for one full year.

General Information, Forward-Looking Statements and Risk Factors and Non-GAAP Financial Measures:

Universal Health Services, Inc. ("UHS") is one of the nation's largest hospital companies operating through its subsidiaries acute care hospitals, behavioral health facilities and ambulatory centers located throughout the United States, the United Kingdom, Puerto Rico and the U.S. Virgin Islands. It acts as the advisor to Universal Health Realty Income Trust, a real estate investment trust (NYSE:UHT). For additional information on the Company, visit our web site: <http://www.uhsinc.com>.

This press release contains forward-looking statements based on current management expectations. Numerous factors, including those disclosed herein, those related to healthcare industry trends and those detailed in our filings with the Securities and Exchange Commission (as set forth in *Item 1A-Risk Factors* and in *Item 7-Forward-Looking Statements and Risk Factors* in our Form 10-K for the year ended December 31, 2016 and in *Item 2-Forward-Looking Statements and Risk Factors* in our Form 10-Q for the quarterly period ended March 31, 2017), may cause the results to differ materially from those anticipated in the forward-looking statements. Many of the factors that will determine our future results are beyond our capability to control or predict. These statements are subject to risks and uncertainties and therefore actual results may differ materially. Readers should not place undue reliance on such forward-looking statements which reflect management's view only as of the date hereof. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

We believe that adjusted net income attributable to UHS, adjusted net income attributable to UHS per diluted share, EBITDA and adjusted EBITDA, which are non-GAAP financial measures ("GAAP" is Generally Accepted Accounting Principles in the United States of America), are helpful to our investors as measures of our operating performance. In addition, we believe that, when applicable, comparing and discussing our financial results based on these measures, as calculated, is helpful to our investors since it neutralizes the effect in each year of material items that are nonrecurring or non-operational in nature including, but not limited to, costs/benefits related to the impact on our provision for income taxes and net income attributable to UHS resulting from our January 1, 2017 adoption of ASU 2016-09, the implementation of EHR applications at our acute care hospitals, extinguishment of debt, gains/losses on sales of assets and businesses, reserves for settlements, legal judgments and lawsuits, impairments of long-lived assets, and other items and other material amounts that may be reflected in the current or prior year financial statements that relate to prior periods.

To obtain a complete understanding of our financial performance these measures should be examined in connection with net income, determined in accordance with GAAP, as presented in the condensed consolidated financial statements and notes thereto in this report or in our other filings with the Securities and Exchange Commission including our Report on Form 10-K for the year ended December 31, 2016 and our Report on Form 10-Q for the quarterly period ended March 31, 2017. Since the items included or excluded from these measures are significant components in understanding and assessing financial performance under GAAP, these measures should not be considered to be alternatives to net income as a measure of our operating performance or profitability. Since these measures, as presented, are not determined in accordance with GAAP and are thus susceptible to varying calculations, they may not be comparable to other similarly titled measures of other companies. Investors are encouraged to use GAAP measures when evaluating our financial performance.

Universal Health Services, Inc.
Consolidated Statements of Income
(in thousands, except per share amounts)
(unaudited)

Three months

Six months

| | ended June 30, | | ended June 30, | |
|---|------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Net revenues before provision for doubtful accounts | \$2,827,709 | \$2,638,848 | \$5,653,181 | \$5,258,441 |
| Less: Provision for doubtful accounts | <u>215,353</u> | <u>207,993</u> | <u>427,967</u> | <u>377,788</u> |
| Net revenues | 2,612,356 | 2,430,855 | 5,225,214 | 4,880,653 |
| <i>Operating charges:</i> | | | | |
| Salaries, wages and benefits | 1,236,294 | 1,130,933 | 2,474,258 | 2,279,072 |
| Other operating expenses | 632,193 | 585,995 | 1,239,553 | 1,147,579 |
| Supplies expense | 274,539 | 254,422 | 552,153 | 509,672 |
| Depreciation and amortization | 113,112 | 101,411 | 223,910 | 205,460 |
| Lease and rental expense | <u>26,027</u> | <u>24,806</u> | <u>51,216</u> | <u>49,258</u> |
| | <u>2,282,165</u> | <u>2,097,567</u> | <u>4,541,090</u> | <u>4,191,041</u> |
| Income from operations | 330,191 | 333,288 | 684,124 | 689,612 |
| Interest expense, net | <u>35,920</u> | <u>30,442</u> | <u>71,427</u> | <u>60,042</u> |
| Income before income taxes | 294,271 | 302,846 | 612,697 | 629,570 |
| Provision for income taxes | <u>103,883</u> | <u>107,397</u> | <u>211,782</u> | <u>218,402</u> |
| Net income | 190,388 | 195,449 | 400,915 | 411,168 |
| Less: Net income attributable to noncontrolling interests | 4,994 | 9,872 | 9,466 | 34,832 |
| Net income attributable to UHS | <u>\$185,394</u> | <u>\$185,577</u> | <u>\$391,449</u> | <u>\$376,336</u> |
| Basic earnings per share attributable to UHS (a) | <u>\$1.93</u> | <u>\$1.91</u> | <u>\$4.06</u> | <u>\$3.86</u> |
| Diluted earnings per share attributable to UHS (a) | <u>\$1.91</u> | <u>\$1.89</u> | <u>\$4.03</u> | <u>\$3.81</u> |

Universal Health Services, Inc.
Footnotes to Consolidated Statements of Income
(in thousands, except per share amounts)
(unaudited)

| (a) Earnings per share calculation: | Three months | | Six months | |
|---|------------------|------------------|------------------|------------------|
| | ended June 30, | ended June 30, | ended June 30, | ended June 30, |
| | 2017 | 2016 | 2017 | 2016 |
| Basic and diluted: | | | | |
| Net income attributable to UHS | \$185,394 | \$185,577 | \$391,449 | \$376,336 |
| Less: Net income attributable to unvested restricted share grants | <u>(82)</u> | <u>(84)</u> | <u>(176)</u> | <u>(173)</u> |
| Net income attributable to UHS - basic and diluted | <u>\$185,312</u> | <u>\$185,493</u> | <u>\$391,273</u> | <u>\$376,163</u> |
| Weighted average number of common shares - basic | <u>96,247</u> | <u>97,109</u> | <u>96,416</u> | <u>97,358</u> |
| Basic earnings per share attributable to UHS: | <u>\$1.93</u> | <u>\$1.91</u> | <u>\$4.06</u> | <u>\$3.86</u> |
| Weighted average number of common shares | 96,247 | 97,109 | 96,416 | 97,358 |
| Add: Other share equivalents | <u>795</u> | <u>1,280</u> | <u>791</u> | <u>1,284</u> |
| Weighted average number of common shares and equiv. - diluted | <u>97,042</u> | <u>98,389</u> | <u>97,207</u> | <u>98,642</u> |
| Diluted earnings per share attributable to UHS: | <u>\$1.91</u> | <u>\$1.89</u> | <u>\$4.03</u> | <u>\$3.81</u> |

Universal Health Services, Inc.
Schedule of Non-GAAP Supplemental Information ("Supplemental Schedule")
For the three months ended June 30, 2017 and 2016
(in thousands, except per share amounts)
(unaudited)

Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

| | Three months ended <u>June 30, 2017</u> | % Net <u>revenues</u> | Three months ended <u>June 30, 2016</u> | % Net <u>revenues</u> |
|--|--|--------------------------|--|--------------------------|
| Net income attributable to UHS | \$185,394 | | \$185,577 | |
| Depreciation and amortization | 113,112 | | 101,411 | |
| Interest expense, net | 35,920 | | 30,442 | |
| Provision for income taxes | 103,883 | | 107,397 | |
| EBITDA | <u>\$438,309</u> | 16.8% | <u>\$424,827</u> | 17.5% |
| EHR-related net income attributable to noncontrolling interests, pre-tax | 29 | | (455) | |
| Adjusted EBITDA | <u>\$438,338</u> | 16.8% | <u>\$424,372</u> | 17.5% |
| Net revenues | <u><u>\$2,612,356</u></u> | | <u><u>\$2,430,855</u></u> | |

Calculation of Adjusted Net Income Attributable to UHS

| | Three months ended <u>June 30, 2017</u> | | Three months ended <u>June 30, 2016</u> | |
|---|--|-----------------------------|--|-----------------------------|
| | <u>Amount</u> | Per <u>Diluted Share</u> | <u>Amount</u> | Per <u>Diluted Share</u> |
| Net income attributable to UHS | \$185,394 | \$1.91 | \$185,577 | \$1.89 |
| Plus/minus after-tax adjustments: | | | | |
| Impact of ASU 2016-09 | (1,382) | (0.01) | - | - |
| After-tax impact of EHR-related items | 4,038 | 0.04 | 5,477 | 0.05 |
| Subtotal | <u>2,656</u> | <u>0.03</u> | <u>5,477</u> | <u>0.05</u> |
| Adjusted net income attributable to UHS | <u><u>\$188,050</u></u> | <u><u>\$1.94</u></u> | <u><u>\$191,054</u></u> | <u><u>\$1.94</u></u> |

Universal Health Services, Inc.
Schedule of Non-GAAP Supplemental Information ("Supplemental Schedule")
For the six months ended June 30, 2017 and 2016
(in thousands, except per share amounts)
(unaudited)

Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

| | Six months ended <u>June 30, 2017</u> | % Net <u>revenues</u> | Six months ended <u>June 30, 2016</u> | % Net <u>revenues</u> |
|--|--|--------------------------|--|--------------------------|
| Net income attributable to UHS | \$391,449 | | \$376,336 | |
| Depreciation and amortization | 223,910 | | 205,460 | |
| Interest expense, net | 71,427 | | 60,042 | |
| Provision for income taxes | 211,782 | | 218,402 | |
| EBITDA | <u>\$898,568</u> | 17.2% | <u>\$860,240</u> | 17.6% |
| EHR-related net income attributable to noncontrolling interests, pre-tax | (173) | | (1,417) | |
| Adjusted EBITDA | <u>\$898,395</u> | 17.2% | <u>\$858,823</u> | 17.6% |

Net revenues

\$5,225,214

\$4,880,653

Calculation of Adjusted Net Income Attributable to UHS

| | Six months ended <u>June 30, 2017</u> | | Six months ended <u>June 30, 2016</u> | |
|---|--|----------------------|--|----------------------|
| | Amount | Per Diluted Share | Amount | Per Diluted Share |
| Net income attributable to UHS | \$391,449 | \$4.03 | \$376,336 | \$3.81 |
| Plus/minus after-tax adjustments: | | | | |
| Impact of ASU 2016-09 | (8,132) | (0.08) | - | - |
| After-tax impact of EHR-related items | 9,111 | 0.09 | 10,711 | 0.11 |
| Subtotal | <u>979</u> | <u>0.01</u> | <u>10,711</u> | <u>0.11</u> |
| Adjusted net income attributable to UHS | <u>\$392,428</u> | <u>\$4.04</u> | <u>\$387,047</u> | <u>\$3.92</u> |

Universal Health Services, Inc.
Consolidated Statements of Comprehensive Income
(in thousands)
(unaudited)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|------------------|------------------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Net income | \$190,388 | \$195,449 | \$400,915 | \$411,168 |
| Other comprehensive income (loss): | | | | |
| Unrealized derivative gains (losses) on cash flow hedges | (129) | (3,769) | 2,937 | (18,068) |
| Amortization of terminated hedge | 0 | (83) | 0 | (167) |
| Unrealized gain (loss) on marketable security | 3,066 | (621) | 4,160 | (621) |
| Foreign currency translation adjustment | 1,713 | (4,163) | 8,949 | 1,823 |
| Other comprehensive income (loss) before tax | 4,650 | (8,636) | 16,046 | (17,033) |
| Income tax expense (benefit) related to items of other comprehensive income | 1,095 | (1,667) | 2,646 | (7,027) |
| Total other comprehensive income (loss), net of tax | <u>3,555</u> | <u>(6,969)</u> | <u>13,400</u> | <u>(10,006)</u> |
| Comprehensive income | 193,943 | 188,480 | 414,315 | 401,162 |
| Less: Comprehensive income attributable to noncontrolling interests | 4,994 | 9,872 | 9,466 | 34,832 |
| Comprehensive income attributable to UHS | <u>\$188,949</u> | <u>\$178,608</u> | <u>\$404,849</u> | <u>\$366,330</u> |

Universal Health Services, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

| | <u>June 30,</u> | <u>December 31,</u> |
|--------------------------------|--------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 66,446 | \$ 33,747 |
| Accounts receivable, net | 1,456,999 | 1,439,553 |
| Supplies | 130,698 | 125,365 |
| Other current assets | <u>109,017</u> | <u>82,706</u> |
| Total current assets | <u>1,763,160</u> | <u>1,681,371</u> |
| Property and equipment | 7,604,631 | 7,314,437 |
| Less: accumulated depreciation | <u>(3,162,756)</u> | <u>(2,983,481)</u> |

| | | |
|--|----------------------|----------------------|
| | <u>4,441,875</u> | <u>4,330,956</u> |
| Other assets: | | |
| Goodwill | 3,803,386 | 3,784,106 |
| Deferred charges | 11,720 | 13,520 |
| Deferred income taxes | 1,301 | 1,234 |
| Other | <u>531,045</u> | <u>506,615</u> |
| Total Assets | <u>\$ 10,552,487</u> | <u>\$ 10,317,802</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Current maturities of long-term debt | \$ 126,109 | \$ 105,895 |
| Accounts payable and accrued liabilities | 1,182,396 | 1,209,329 |
| Federal and state taxes | <u>13,724</u> | <u>2,149</u> |
| Total current liabilities | <u>1,322,229</u> | <u>1,317,373</u> |
| Other noncurrent liabilities | 282,732 | 275,167 |
| Long-term debt | 3,988,912 | 4,030,230 |
| Deferred income taxes | 73,813 | 88,119 |
| Redeemable noncontrolling interest | 6,974 | 9,319 |
| UHS common stockholders' equity | 4,812,854 | 4,533,220 |
| Noncontrolling interest | <u>64,973</u> | <u>64,374</u> |
| Total equity | 4,877,827 | 4,597,594 |
| Total Liabilities and Stockholders' Equity | <u>\$ 10,552,487</u> | <u>\$ 10,317,802</u> |

Universal Health Services, Inc.
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

Six months
ended June 30,
2017 2016

Cash Flows from Operating Activities:

| | | |
|--|-----------|-----------|
| Net income | \$400,915 | \$411,168 |
| <i>Adjustments to reconcile net income to net cash provided by operating activities:</i> | | |
| Depreciation & amortization | 223,910 | 205,460 |
| Stock-based compensation expense | 29,053 | 24,693 |
| <i>Changes in assets & liabilities, net of effects from acquisitions and dispositions:</i> | | |
| Accounts receivable | 941 | (45,729) |
| Accrued interest | 211 | 9,158 |
| Accrued and deferred income taxes | (5,529) | 17,997 |
| Other working capital accounts | (93,715) | 123,315 |
| Other assets and deferred charges | (19,927) | (8,149) |
| Other | (23,411) | 52,050 |

| | | |
|--|-----------------|-----------------|
| Excess income tax benefits related to stock-based compensation | 0 | 35,247 |
| Accrued insurance expense, net of commercial premiums paid | 58,903 | 44,231 |
| Payments made in settlement of self-insurance claims | <u>(37,759)</u> | <u>(33,012)</u> |
| Net cash provided by operating activities | <u>533,592</u> | <u>836,429</u> |

Cash Flows from Investing Activities:

| | | |
|--|------------------|------------------|
| Property and equipment additions, net of disposals | (262,452) | (247,715) |
| Acquisition of property and businesses | (19,610) | (27,525) |
| Increase in capital reserves of commercial insurance subsidiary | (3,000) | 0 |
| Costs incurred for purchase and implementation of information technology application | <u>(19,448)</u> | <u>0</u> |
| Net cash used in investing activities | <u>(304,510)</u> | <u>(275,240)</u> |

Cash Flows from Financing Activities:

| | | |
|--|------------------|------------------|
| Reduction of long-term debt | (45,675) | (843,351) |
| Additional borrowings | 21,600 | 1,022,239 |
| Acquisition of noncontrolling interests in majority owned businesses | 0 | (418,000) |
| Financing costs | 0 | (10,734) |
| Repurchase of common shares | (147,463) | (239,139) |
| Dividends paid | (19,280) | (19,484) |
| Issuance of common stock | 4,927 | 4,362 |
| Profit distributions to noncontrolling interests | <u>(11,430)</u> | <u>(59,615)</u> |
| Net cash used in financing activities | <u>(197,321)</u> | <u>(563,722)</u> |

| | | |
|--|-----------------|-----------------|
| Effect of exchange rate changes on cash and cash equivalents | 938 | (2,422) |
| Increase (decrease) in cash and cash equivalents | 32,699 | (4,955) |
| Cash and cash equivalents, beginning of period | <u>33,747</u> | <u>61,228</u> |
| Cash and cash equivalents, end of period | <u>\$66,446</u> | <u>\$56,273</u> |

Supplemental Disclosures of Cash Flow Information:

| | | |
|---|------------------|------------------|
| Interest paid | <u>\$66,765</u> | <u>\$53,558</u> |
| Income taxes paid, net of refunds | <u>\$216,214</u> | <u>\$165,947</u> |
| Noncash purchases of property and equipment | <u>\$63,089</u> | <u>\$42,747</u> |

Universal Health Services, Inc.
Supplemental Statistical Information
(unaudited)

| Same Facility: | % Change | % Change |
|-----------------------|----------------------------|-----------------------------|
| | Quarter ended 6/30/2017 | 6 months ended 6/30/2017 |

Acute Care Hospitals

| | | |
|----------------------------------|------|-------|
| Revenues | 5.1% | 4.9% |
| Adjusted Admissions | 6.0% | 5.5% |
| Adjusted Patient Days | 2.7% | 2.2% |
| Revenue Per Adjusted Admission | 0.0% | -0.2% |
| Revenue Per Adjusted Patient Day | 3.2% | 3.1% |

Behavioral Health Hospitals

| | | |
|-----------------------|------|------|
| Revenues | 2.2% | 1.8% |
| Adjusted Admissions | 3.7% | 3.1% |
| Adjusted Patient Days | 1.4% | 0.8% |

| | | |
|----------------------------------|-------|-------|
| Revenue Per Adjusted Admission | -1.4% | -1.2% |
| Revenue Per Adjusted Patient Day | 0.9% | 1.0% |

| UHS Consolidated | Second quarter ended | | Six months ended | |
|---------------------------------|----------------------|-------------|------------------|-------------|
| | 6/30/2017 | 6/30/2016 | 6/30/2017 | 6/30/2016 |
| Revenues | \$2,612,356 | \$2,430,855 | \$5,225,214 | \$4,880,653 |
| EBITDA (1) | \$438,309 | \$424,827 | \$898,568 | \$860,240 |
| EBITDA Margin (1) | 16.8% | 17.5% | 17.2% | 17.6% |
| Cash Flow From Operations | \$50,584 | \$361,200 | \$533,592 | \$836,429 |
| Days Sales Outstanding | 51 | 50 | 50 | 50 |
| Capital Expenditures | \$118,114 | \$120,501 | \$262,452 | \$247,715 |
| Debt | | | \$4,115,021 | \$3,594,177 |
| UHS' Shareholders Equity | | | \$4,812,854 | \$4,302,978 |
| Debt / Total Capitalization | | | 46.1% | 45.5% |
| Debt / EBITDA (2) | | | 2.43 | 2.21 |
| Debt / Cash From Operations (2) | | | 3.99 | 2.67 |

(1) Net of Minority Interest

(2) Latest 4 quarters

Universal Health Services, Inc.
Acute Care Hospital Services
For the three and six months ended
June 30, 2017 and 2016
(in thousands)

**Same Facility Basis - Acute
Care Hospital Services**

| | Three months ended June 30, 2017 | | Three months ended June 30, 2016 | | Six months ended June 30, 2017 | | Six months ended June 30, 2016 | |
|--|-------------------------------------|----------------------|-------------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
| | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues |
| Net revenues before provision for doubtful accounts | \$1,472,401 | | \$1,409,777 | | \$2,978,717 | | \$2,821,963 | |
| Less: Provision for doubtful accounts | 178,447 | | 178,918 | | 351,845 | | 318,673 | |
| Net revenues | 1,293,954 | 100.0% | 1,230,859 | 100.0% | 2,626,872 | 100.0% | 2,503,290 | 100.0% |
| Operating charges: | | | | | | | | |
| Salaries, wages and benefits | 534,475 | 41.3% | 507,371 | 41.2% | 1,072,630 | 40.8% | 1,019,331 | 40.7% |
| Other operating expenses | 308,211 | 23.8% | 301,796 | 24.5% | 617,213 | 23.5% | 586,886 | 23.4% |
| Supplies expense | 218,899 | 16.9% | 203,517 | 16.5% | 441,868 | 16.8% | 410,285 | 16.4% |
| Depreciation and amortization | 62,716 | 4.8% | 56,294 | 4.6% | 122,705 | 4.7% | 115,603 | 4.6% |
| Lease and rental expense | 14,263 | 1.1% | 13,875 | 1.1% | 27,474 | 1.0% | 26,917 | 1.1% |
| Subtotal-operating expenses | 1,138,564 | 88.0% | 1,082,853 | 88.0% | 2,281,890 | 86.9% | 2,159,022 | 86.2% |
| Income from operations | 155,390 | 12.0% | 148,006 | 12.0% | 344,982 | 13.1% | 344,268 | 13.8% |
| Interest expense, net | 690 | 0.1% | 822 | 0.1% | 1,434 | 0.1% | 1,643 | 0.1% |
| Income before income taxes | \$154,700 | 12.0% | \$147,184 | 12.0% | \$343,548 | 13.1% | \$342,625 | 13.7% |

**All Acute Care Hospital
Services**

| | Three months ended June 30, 2017 | Three months ended June 30, 2016 | Six months ended June 30, 2017 | Six months ended June 30, 2016 |
|--|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
|--|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|

| | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues |
|---|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|
| Net revenues before provision for doubtful accounts | \$1,553,826 | | \$1,432,246 | | \$3,124,356 | | \$2,859,148 | |
| Less: Provision for doubtful accounts | 187,369 | | 178,918 | | 368,352 | | 318,673 | |
| Net revenues | 1,366,457 | 100.0% | 1,253,328 | 100.0% | 2,756,004 | 100.0% | 2,540,475 | 100.0% |
| Operating charges: | | | | | | | | |
| Salaries, wages and benefits | 551,735 | 40.4% | 507,745 | 40.5% | 1,106,695 | 40.2% | 1,019,767 | 40.1% |
| Other operating expenses | 343,669 | 25.2% | 324,496 | 25.9% | 675,968 | 24.5% | 624,457 | 24.6% |
| Supplies expense | 224,924 | 16.5% | 203,520 | 16.2% | 453,409 | 16.5% | 410,288 | 16.2% |
| Depreciation and amortization | 73,017 | 5.3% | 65,482 | 5.2% | 144,355 | 5.2% | 134,097 | 5.3% |
| Lease and rental expense | 14,545 | 1.1% | 13,891 | 1.1% | 28,461 | 1.0% | 26,933 | 1.1% |
| Subtotal-operating expenses | 1,207,890 | 88.4% | 1,115,134 | 89.0% | 2,408,888 | 87.4% | 2,215,542 | 87.2% |
| Income from operations | 158,567 | 11.6% | 138,194 | 11.0% | 347,116 | 12.6% | 324,933 | 12.8% |
| Interest expense, net | 690 | 0.1% | 822 | 0.1% | 1,435 | 0.1% | 1,643 | 0.1% |
| Income before income taxes | \$157,877 | 11.6% | \$137,372 | 11.0% | \$345,681 | 12.5% | \$323,290 | 12.7% |

We believe that providing our results on a "Same Facility" basis (which is a non-GAAP measure), which includes the operating results for facilities and businesses operated in both the current year and prior year periods, is helpful to our investors as a measure of our operating performance. Our Same Facility results also neutralize (if applicable) the impact of the EHR applications, the effect of items that are non-operational in nature including items such as, but not limited to, gains on sales of assets and businesses, impacts of settlements, legal judgments and lawsuits and other amounts that may be reflected in the current or prior year financial statements that relate to prior periods. Our Same Facility basis results exclude from net revenues and other operating expenses, provider tax assessments incurred in each period. However, these provider tax assessments are included in net revenues and other operating expenses as reflected in the table under *All Acute Care Hospital Services*. The provider tax assessments had no impact on the income before income taxes as reflected on the above tables since the amounts offset between net revenues and other operating expenses. To obtain a complete understanding of our financial performance, the Same Facility results should be examined in connection with our net income as determined in accordance with GAAP and as presented in the condensed consolidated financial statements and notes thereto as contained in our Form 10-K for the year ended December 31, 2016 and our Form 10-Q for the quarterly period ended March 31, 2017.

The *All Acute Care Hospital Services* table summarizes the results of operations for all our acute care operations during the three and six-month periods ended June 30, 2017 and 2016. These amounts include: (i) our acute care results on a same facility basis, as indicated above; (ii) the impact of the implementation of EHR applications at our acute care hospitals; (iii) the impact of provider tax assessments which increased net revenues and other operating expenses but had no impact on income before income taxes, and; (iv) certain other amounts including the results of facilities acquired or opened during the last twelve months.

Universal Health Services, Inc.
Behavioral Health Services
For the three and six months ended
June 30, 2017 and 2016
(in thousands)

Same Facility - Behavioral Health

| | Three months ended June 30, 2017 | | Three months ended June 30, 2016 | | Six months ended June 30, 2017 | | Six months ended June 30, 2016 | |
|---|-------------------------------------|-------------------|-------------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues |
| Net revenues before provision for doubtful accounts | \$1,209,123 | | \$1,184,696 | | \$2,390,357 | | \$2,349,621 | |
| Less: Provision for doubtful accounts | 28,047 | | 29,109 | | 58,662 | | 58,897 | |
| Net revenues | 1,181,076 | 100.0% | 1,155,587 | 100.0% | 2,331,695 | 100.0% | 2,290,724 | 100.0% |
| Operating charges: | | | | | | | | |
| Salaries, wages and benefits | 590,987 | 50.0% | 564,335 | 48.8% | 1,174,551 | 50.4% | 1,125,008 | 49.1% |
| Other operating expenses | 233,260 | 19.7% | 222,502 | 19.3% | 458,255 | 19.7% | 436,619 | 19.1% |
| Supplies expense | 48,896 | 4.1% | 48,524 | 4.2% | 96,657 | 4.1% | 96,623 | 4.2% |
| Depreciation and amortization | 33,633 | 2.8% | 33,006 | 2.9% | 66,632 | 2.9% | 65,749 | 2.9% |
| Lease and rental expense | 10,920 | 0.9% | 10,746 | 0.9% | 21,497 | 0.9% | 21,815 | 1.0% |
| Subtotal-operating expenses | 917,696 | 77.7% | 879,113 | 76.1% | 1,817,592 | 78.0% | 1,745,814 | 76.2% |
| Income from operations | 263,380 | 22.3% | 276,474 | 23.9% | 514,103 | 22.0% | 544,910 | 23.8% |
| Interest expense, net | 439 | 0.0% | 438 | 0.0% | 1,162 | 0.0% | 882 | 0.0% |
| Income before income taxes | \$262,941 | 22.3% | \$276,036 | 23.9% | \$512,941 | 22.0% | \$544,028 | 23.7% |

All Behavioral Health Care Services

| | Three months ended June 30, 2017 | | Three months ended June 30, 2016 | | Six months ended June 30, 2017 | | Six months ended June 30, 2016 | |
|---|-------------------------------------|-------------------|-------------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues | Amount | % of Net Revenues |
| Net revenues before provision for doubtful accounts | \$1,270,547 | | \$1,203,826 | | \$2,520,295 | | \$2,394,916 | |
| Less: Provision for doubtful accounts | 27,986 | | 29,071 | | 59,612 | | 59,115 | |
| Net revenues | 1,242,561 | 100.0% | 1,174,755 | 100.0% | 2,460,683 | 100.0% | 2,335,801 | 100.0% |
| Operating charges: | | | | | | | | |
| Salaries, wages and benefits | 622,829 | 50.1% | 567,280 | 48.3% | 1,236,678 | 50.3% | 1,132,152 | 48.5% |
| Other operating expenses | 268,241 | 21.6% | 240,714 | 20.5% | 522,719 | 21.2% | 477,729 | 20.5% |
| Supplies expense | 49,984 | 4.0% | 48,664 | 4.1% | 99,020 | 4.0% | 97,000 | 4.2% |
| Depreciation and amortization | 37,564 | 3.0% | 33,887 | 2.9% | 74,509 | 3.0% | 67,419 | 2.9% |
| Lease and rental expense | 11,358 | 0.9% | 10,856 | 0.9% | 22,518 | 0.9% | 22,118 | 0.9% |
| Subtotal-operating expenses | 989,976 | 79.7% | 901,401 | 76.7% | 1,955,444 | 79.5% | 1,796,418 | 76.9% |
| Income from operations | 252,585 | 20.3% | 273,354 | 23.3% | 505,239 | 20.5% | 539,383 | 23.1% |
| Interest expense, net | 439 | 0.0% | 438 | 0.0% | 1,162 | 0.0% | 882 | 0.0% |
| Income before income taxes | \$252,146 | 20.3% | \$272,916 | 23.2% | \$504,077 | 20.5% | \$538,501 | 23.1% |

We believe that providing our results on a "Same Facility" basis (which is a non-GAAP measure), which includes the operating results for facilities and businesses operated in both the current year and prior year periods, is helpful to our investors as a measure of our operating performance. Our Same Facility results also neutralize (if applicable), the effect of items that are non-operational in nature including items such as, but not limited to, gains on sales of assets and businesses, impacts of settlements, legal judgments and lawsuits and other amounts that may be reflected in the current or prior year financial statements that relate to prior periods. Our Same Facility basis results exclude from net revenues and other operating expenses, provider tax assessments incurred in each period. However, these provider tax assessments are included in net revenues and other operating expenses as reflected in the table under *All Behavioral Health Care Services*. The provider tax assessments had no impact on the income before income taxes as reflected on the above tables since the amounts offset between net revenues and other operating expenses. To obtain a complete understanding of our financial performance, the Same Facility results should be examined in connection with our net income as determined in accordance with GAAP and as presented in the condensed consolidated financial statements and notes thereto as contained in our Form 10-K for the year ended December 31, 2016 and our Form 10-Q for the quarterly period ended March 31, 2017.

The *All Behavioral Health Care Services* table summarizes the results of operations for all our behavioral health care facilities during the three and six-month periods ended June 30, 2017 and 2016. These amounts include: (i) our behavioral health results on a same facility basis, as indicated above; (ii) the impact of provider tax assessments which increased net revenues and other operating expenses but had no impact on income before income taxes, and; (iii) certain other amounts including the results of facilities acquired or opened during the last twelve months.

Universal Health Services, Inc.

Selected Hospital Statistics

For the three months ended
June 30, 2017 and 2016

AS REPORTED:

| | ACUTE | | | BEHAVIORAL HEALTH | | |
|----------------------------|-------------|-------------|----------|-------------------|-------------|----------|
| | 6/30/17 | 6/30/16 | % change | 6/30/17 | 6/30/16 | % change |
| Hospitals owned and leased | 26 | 24 | 8.3% | 294 | 213 | 38.0% |
| Average licensed beds | 6,120 | 5,854 | 4.5% | 23,133 | 21,824 | 6.0% |
| Patient days | 324,249 | 306,907 | 5.7% | 1,625,692 | 1,511,204 | 7.6% |
| Average daily census | 3,563.2 | 3,372.6 | 5.7% | 17,864.7 | 16,606.6 | 7.6% |
| Occupancy-licensed beds | 58.2% | 57.6% | 1.1% | 77.2% | 76.1% | 1.5% |
| Admissions | 73,552 | 66,824 | 10.1% | 119,142 | 114,873 | 3.7% |
| Length of stay | 4.4 | 4.6 | -4.0% | 13.6 | 13.2 | 3.7% |
| Inpatient revenue | \$5,430,997 | \$4,682,682 | 16.0% | \$2,249,135 | \$1,995,992 | 12.7% |
| Outpatient revenue | 3,286,930 | 2,838,852 | 15.8% | 257,312 | 229,243 | 12.2% |

| | | | | | | |
|--|-------------|-------------|-------|-------------|-------------|-------|
| Total patient revenue | 8,717,927 | 7,521,534 | 15.9% | 2,506,447 | 2,225,235 | 12.6% |
| Other revenue | 118,177 | 118,988 | -0.7% | 52,883 | 53,053 | -0.3% |
| Gross hospital revenue | 8,836,104 | 7,640,522 | 15.6% | 2,559,330 | 2,278,288 | 12.3% |
| Total deductions | 7,282,278 | 6,208,276 | 17.3% | 1,288,783 | 1,074,462 | 19.9% |
| Net hospital revenue before provision for doubtful accounts | 1,553,826 | 1,432,246 | 8.5% | 1,270,547 | 1,203,826 | 5.5% |
| Provision for doubtful accounts | 187,369 | 178,918 | 4.7% | 27,986 | 29,071 | -3.7% |
| Net hospital revenue | \$1,366,457 | \$1,253,328 | 9.0% | \$1,242,561 | \$1,174,755 | 5.8% |

SAME FACILITY:

| | ACUTE (1) | | | BEHAVIORAL HEALTH (2) | | |
|----------------------------|-----------|---------|----------|-----------------------|-----------|----------|
| | 6/30/17 | 6/30/16 | % change | 6/30/17 | 6/30/16 | % change |
| Hospitals owned and leased | 24 | 24 | 0.0% | 212 | 212 | 0.0% |
| Average licensed beds | 5,965 | 5,854 | 1.9% | 21,922 | 21,713 | 1.0% |
| Patient days | 318,555 | 306,907 | 3.8% | 1,526,725 | 1,505,750 | 1.4% |
| Average daily census | 3,500.6 | 3,372.6 | 3.8% | 16,777.2 | 16,546.7 | 1.4% |
| Occupancy-licensed beds | 58.7% | 57.6% | 1.9% | 76.5% | 76.2% | 0.4% |
| Admissions | 71,557 | 66,824 | 7.1% | 118,887 | 114,627 | 3.7% |
| Length of stay | 4.5 | 4.6 | -3.1% | 12.8 | 13.1 | -2.2% |

(1) Henderson Hospital and Desert View Hospital are excluded in current year.

(2) CAMBIAN facilities are excluded in current year.

Universal Health Services, Inc.

Selected Hospital Statistics

For the six months ended
June 30, 2017 and 2016

AS REPORTED:

| | ACUTE | | | BEHAVIORAL HEALTH | | |
|--|--------------|-------------|----------|-------------------|-------------|----------|
| | 6/30/17 | 6/30/16 | % change | 6/30/17 | 6/30/16 | % change |
| Hospitals owned and leased | 26 | 24 | 8.3% | 294 | 213 | 38.0% |
| Average licensed beds | 6,114 | 5,854 | 4.4% | 23,094 | 21,788 | 6.0% |
| Patient days | 657,249 | 632,141 | 4.0% | 3,218,146 | 3,011,909 | 6.8% |
| Average daily census | 3,631.2 | 3,473.3 | 4.5% | 17,779.8 | 16,549.0 | 7.4% |
| Occupancy-licensed beds | 59.4% | 59.3% | 0.2% | 77.0% | 76.0% | 1.3% |
| Admissions | 147,903 | 136,498 | 8.4% | 237,472 | 230,294 | 3.1% |
| Length of stay | 4.4 | 4.6 | -4.0% | 13.6 | 13.1 | 3.6% |
| Inpatient revenue | \$11,028,847 | \$9,648,219 | 14.3% | \$4,432,137 | \$3,955,562 | 12.0% |
| Outpatient revenue | 6,581,107 | 5,606,181 | 17.4% | 503,772 | 450,886 | 11.7% |
| Total patient revenue | 17,609,954 | 15,254,400 | 15.4% | 4,935,909 | 4,406,448 | 12.0% |
| Other revenue | 239,442 | 230,545 | 3.9% | 104,359 | 103,591 | 0.7% |
| Gross hospital revenue | 17,849,396 | 15,484,945 | 15.3% | 5,040,268 | 4,510,039 | 11.8% |
| Total deductions | 14,725,040 | 12,625,797 | 16.6% | 2,519,973 | 2,115,123 | 19.1% |
| Net hospital revenue before provision for doubtful accounts | 3,124,356 | 2,859,148 | 9.3% | 2,520,295 | 2,394,916 | 5.2% |
| Provision for doubtful accounts | 368,352 | 318,673 | 15.6% | 59,612 | 59,115 | 0.8% |

Net hospital revenue \$2,756,004\$2,540,475 8.5%\$2,460,683\$2,335,801 5.3%

SAME FACILITY:

| | ACUTE (1) | | | BEHAVIORAL HEALTH (2) | | |
|----------------------------|-----------|---------|----------|-----------------------|-----------|----------|
| | 6/30/17 | 6/30/16 | % change | 6/30/17 | 6/30/16 | % change |
| Hospitals owned and leased | 24 | 24 | 0.0% | 212 | 212 | 0.0% |
| Average licensed beds | 5,959 | 5,854 | 1.8% | 21,840 | 21,601 | 1.1% |
| Patient days | 646,514 | 632,141 | 2.3% | 3,020,202 | 2,995,902 | 0.8% |
| Average daily census | 3,571.9 | 3,473.3 | 2.8% | 16,686.2 | 16,461.0 | 1.4% |
| Occupancy-licensed beds | 59.9% | 59.3% | 1.0% | 76.4% | 76.2% | 0.3% |
| Admissions | 144,209 | 136,498 | 5.6% | 236,842 | 229,762 | 3.1% |
| Length of stay | 4.5 | 4.6 | -3.2% | 12.8 | 13.0 | -2.2% |

(1) Henderson Hospital and Desert View Hospital are excluded in current year.

(2) CAMBIAN facilities are excluded in current year.

View original content: <http://www.prnewswire.com/news-releases/universal-health-services-inc-reports-2017-second-quarter-financial-results-and-revises-2017-full-year-earnings-guidance-300493922.html>

SOURCE Universal Health Services, Inc.

Steve Filton, Chief Financial Officer, 610-768-3300