



UNIVERSAL HEALTH SERVICES, INC. ANNOUNCES 2023 FIRST QUARTER FINANCIAL RESULTS

April 25, 2023

Consolidated Results of Operations, As Reported and As Adjusted – Three-month periods ended March 31, 2023 and 2022:

KING OF PRUSSIA, Pa., April 25, 2023 /PRNewswire/ -- Universal Health Services, Inc. (NYSE: UHS) announced today that its reported net income attributable to UHS was \$163.1 million, or \$2.28 per diluted share, during the first quarter of 2023, as compared to \$153.9 million, or \$2.02 per diluted share, during the first quarter of 2022. Net revenues increased by 5.3% to \$3.468 billion during the first quarter of 2023, as compared to \$3.293 billion during the first quarter of 2022.

As reflected on the Schedule of Non-GAAP Supplemental Information ("Supplemental Schedule"), our adjusted net income attributable to UHS during the first quarter of 2023, was \$167.6 million, or \$2.34 per diluted share, as compared to \$163.5 million, or \$2.15 per diluted share, during the first quarter of 2022.

As reflected on the Supplemental Schedule, included in our reported results were unrealized losses of \$4.5 million, or \$.06 per diluted share, (\$5.8 million pre-tax) during the first quarter of 2023 and \$9.5 million, or \$.13 per diluted share, (\$12.5 million pre-tax) during the first quarter of 2022. These unrealized losses, which are included in "Other (income) expense, net", resulted from decreases in the market value of certain equity securities.

As calculated on the attached Supplemental Schedule, our earnings before interest, taxes, depreciation & amortization ("EBITDA net of NCI", NCI is net income attributable to noncontrolling interests), was \$407.3 million during the first quarter of 2023, as compared to \$368.3 million during the first quarter of 2022. Our adjusted earnings before interest, taxes, depreciation & amortization ("Adjusted EBITDA net of NCI"), which excludes the impact of other (income) expense, net, was \$421.1 million during the first quarter of 2023, as compared to \$379.5 million during the first quarter of 2022.

Acute Care Services – Three-month periods ended March 31, 2023 and 2022:

During the first quarter of 2023, at our acute care hospitals owned during both periods ("same facility basis"), adjusted admissions (adjusted for outpatient activity) increased by 10.5% while adjusted patient days increased by 3.7%, as compared to the first quarter of 2022. At these facilities, during the first quarter of 2023, net revenue per adjusted admission decreased by 7.5% while net revenue per adjusted patient day decreased 1.5%, as compared to the first quarter of 2022. Net revenues generated from our acute care services on a same facility basis increased by 3.5% during the first quarter of 2023, as compared to the first quarter of 2022.

Behavioral Health Care Services – Three-month periods ended March 31, 2023 and 2022:

During the first quarter of 2023, at our behavioral health care facilities on a same facility basis, adjusted admissions increased by 7.5% while adjusted patient days increased by 4.7%, as compared to the first quarter of 2022. At these facilities, during the first quarter of 2023, net revenue per adjusted admission increased by 2.2% and net revenue per adjusted patient day increased by 5.0%, as compared to the first quarter of 2022. Net revenues generated from our behavioral health care services increased by 9.7% during the first quarter of 2023, as compared to the first quarter of 2022.

Net Cash Provided by Operating Activities and Liquidity:

Net Cash Provided by Operating Activities:

During the three-month period ended March 31, 2023, our net cash provided by operating activities was \$291 million as compared to \$445 million during the first three months of 2022. The \$155 million net decrease in our net cash provided by operating activities was due primarily to an unfavorable change of \$183 million in other working capital accounts due primarily to the timing of disbursements for accrued compensation and accounts payable.

Liquidity:

As of March 31, 2023, we had \$875 million of aggregate available borrowing capacity pursuant to our \$1.2 billion revolving credit facility, net of outstanding borrowings and letters of credit.

Stock Repurchase Program:

As of December 31, 2022, we had an aggregate remaining repurchase authorization of approximately \$947 million pursuant to our stock repurchase program. Pursuant to the terms of our stock repurchase program, shares of our Class B Common Stock may be repurchased, from time to time as conditions allow, on the open market or in negotiated private transactions. During the first quarter of 2023, we have repurchased 650,000 shares at an aggregate cost of approximately \$78.7 million (approximately \$121 per share) pursuant to the program. As of March 31, 2023, we had an aggregate available repurchase authorization of approximately \$869 million.

Conference call information:

We will hold a conference call for investors and analysts at 9:00 a.m. eastern time on April 26, 2023. A live webcast of the call will be available on our website at www.uhs.com. To participate via telephone, please register in advance at this [link](#).

Upon registration, all telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number along with a unique passcode and registrant ID that can be used to access the call. A replay of the call will be available for one full year following the live call.

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

One of the nation's largest and most respected providers of hospital and healthcare services, Universal Health Services, Inc. has built an impressive record of achievement and performance. Growing steadily since our inception into an esteemed Fortune 500 corporation, our annual revenues during 2022 were approximately \$13.4 billion. UHS ranked #297 on the Fortune 500; and #391 on *Forbes'* list of America's Largest Public Companies. UHS was again recognized as one of the World's Most Admired Companies by *Fortune*.

Our operating philosophy is as effective today as it was upon the Company's founding in 1979, enabling us to provide compassionate care to our patients and their loved ones. Our strategy includes building or acquiring high quality hospitals in rapidly growing markets, investing in the people and equipment needed to allow each facility to thrive, and becoming the leading healthcare provider in each community we serve.

Headquartered in King of Prussia, PA, UHS has approximately 93,800 employees and, through its subsidiaries, operates 27 inpatient acute care hospitals, 331 inpatient behavioral health facilities, 40 outpatient facilities and ambulatory care access points, an insurance offering, a physician network and various related services located in 39 states, Washington, D.C., the United Kingdom and Puerto Rico. It acts as the advisor to Universal Health Realty Income Trust, a real estate investment trust (NYSE:UHT). For additional information visit www.uhs.com.

This press release contains forward-looking statements based on current management expectations. Numerous factors, including those disclosed herein, those related to the anticipated impact of COVID-19 on our operations and financial results, 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, 2022), may cause the results to differ materially from those anticipated in the forward-looking statements. 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.

Many of the factors that could affect our future results are beyond our control or ability to predict, including, but not limited to:

- The nationwide shortage of nurses and other clinical staff and support personnel has been a significant operating issue facing us and other healthcare providers. In some areas, the labor scarcity is putting a strain on our resources and staff, which has required us to utilize higher-cost temporary labor and pay premiums above standard compensation for essential workers. These factors, which had a material unfavorable impact on our results of operations during 2022, could continue to have an unfavorable material impact on our results of operations for the foreseeable future.
- The impact of the COVID-19 pandemic, which began during the second half of March, 2020, has had a material effect on our operations and financial results since that time. The length and extent of the disruptions caused by the COVID-19 pandemic are currently unknown; however, we expect such disruptions to continue into the future which could materially affect our financial performance.
- A significant portion of our revenues are derived from federal and state government programs including the Medicare and Medicaid programs. Payments from these programs are subject to statutory and regulatory changes, administrative rulings, interpretations and determinations, requirements for utilization review, and federal and state funding restrictions. Changes to these programs, if adopted, could materially affect program payments which could materially impact our results of operations.
- The increase in interest rates has substantially increased our borrowings costs and reduced our ability to access the capital markets on favorable terms. Additional increases in interest rates could have a significant unfavorable impact on our future results of operations and the resulting effect on the capital markets could adversely affect our ability to carry out our strategy.

We believe that adjusted net income attributable to UHS, adjusted net income attributable to UHS per diluted share, EBITDA net of NCI and Adjusted EBITDA net of NCI, 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 of material items impacting our net income attributable to UHS, such as, changes in the market value of shares of certain equity securities and other potential material items that are nonrecurring or non-operational in nature including, but not limited to, impairments of goodwill and long-lived and intangible assets, reserves for various matters including settlements, legal judgments and lawsuits, costs related to extinguishment of debt, gains/losses on sales of assets and businesses, and other 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 attributable to UHS, as determined in accordance with GAAP, and 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, 2022. 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.

(more)

(unaudited)

	Three months ended March 31,	
	<u>2023</u>	<u>2022</u>
Net revenues	\$3,467,518	\$3,292,956
<i>Operating charges:</i>		
Salaries, wages and benefits	1,753,335	1,692,270
Other operating expenses	878,951	820,934
Supplies expense	379,989	371,073
Depreciation and amortization	141,621	143,784
Lease and rental expense	<u>34,922</u>	<u>32,038</u>
	<u>3,188,818</u>	<u>3,060,099</u>
Income from operations	278,700	232,857
Interest expense, net	50,876	21,673
Other (income) expense, net	<u>13,723</u>	<u>11,201</u>
Income before income taxes	214,101	199,983
Provision for income taxes	<u>51,726</u>	<u>48,962</u>
Net income	162,375	151,021
Less: Net income (loss) attributable to noncontrolling interests ("NCI")	(740)	(2,892)
Net income attributable to UHS	<u>\$163,115</u>	<u>\$153,913</u>

Basic earnings per share attributable to UHS (a)	<u>\$2.31</u>	<u>\$2.05</u>
Diluted earnings per share attributable to UHS (a)	<u>\$2.28</u>	<u>\$2.02</u>

Universal Health Services, Inc.

Footnotes to Consolidated Statements of Income

(in thousands, except per share amounts)

(unaudited)

<u>(a) Earnings per share calculation:</u>	Three months ended March 31,	
	<u>2023</u>	<u>2022</u>
<u>Basic and diluted:</u>		
Net income attributable to UHS	\$163,115	\$153,913
Less: Net income attributable to unvested restricted share grants	<u>(129)</u>	<u>(249)</u>
Net income attributable to UHS - basic and diluted	<u>\$162,986</u>	<u>\$153,664</u>
Weighted average number of common shares - basic	<u>70,535</u>	<u>75,030</u>
Basic earnings per share attributable to UHS:	<u>\$2.31</u>	<u>\$2.05</u>

Weighted average number of common shares	70,535	75,030
Add: Other share equivalents	952	1,011
Weighted average number of common shares and equiv. - diluted	<u>71,487</u>	<u>76,041</u>
Diluted earnings per share attributable to UHS:	<u>\$2.28</u>	<u>\$2.02</u>

Universal Health Services, Inc.
Schedule of Non-GAAP Supplemental Information ("Supplemental Schedule")
For the Three Months ended March 31, 2023 and 2022
(in thousands, except per share amounts)
(unaudited)

Calculation of Earnings/Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA/Adjusted EBITDA net of NCI")

	Three months ended <u>March 31, 2023</u>	% Net revenues	Three months ended <u>March 31, 2022</u>	% Net revenues
Net income attributable to UHS	\$163,115		\$153,913	
Depreciation and amortization	141,621		143,784	
Interest expense, net	50,876		21,673	
Provision for income taxes	51,726		48,962	
EBITDA net of NCI	<u>\$407,338</u>	<u>11.7 %</u>	<u>\$368,332</u>	<u>11.2 %</u>
Other (income) expense, net	13,723		11,201	
Adjusted EBITDA net of NCI	<u>\$421,061</u>	<u>12.1 %</u>	<u>\$379,533</u>	<u>11.5 %</u>
Net revenues	<u>\$3,467,518</u>		<u>\$3,292,956</u>	

Calculation of Adjusted Net Income Attributable to UHS

	Three months ended <u>March 31, 2023</u>		Three months ended <u>March 31, 2022</u>	
	<u>Amount</u>	Per <u>Diluted Share</u>	<u>Amount</u>	Per <u>Diluted Share</u>
Net income attributable to UHS	\$163,115	\$2.28	\$153,913	\$2.02
Plus/minus after-tax adjustments:				
Unrealized loss on equity securities	4,461	0.06	9,537	0.13
Subtotal adjustments	<u>4,461</u>	<u>0.06</u>	<u>9,537</u>	<u>0.13</u>
Adjusted net income attributable to UHS	<u>\$167,576</u>	<u>\$2.34</u>	<u>\$163,450</u>	<u>\$2.15</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Assets		

Current assets:		
Cash and cash equivalents	\$ 109,969	\$ 102,818
Accounts receivable, net	2,032,184	2,017,722
Supplies	216,236	218,517
Other current assets	200,710	198,283
Total current assets	<u>2,559,099</u>	<u>2,537,340</u>
Property and equipment	11,251,315	11,085,852
Less: accumulated depreciation	<u>(5,297,174)</u>	<u>(5,167,394)</u>
	<u>5,954,141</u>	<u>5,918,458</u>
Other assets:		
Goodwill	3,913,906	3,909,456
Deferred income taxes	90,918	68,397
Right of use assets-operating leases	458,189	454,650
Deferred charges	5,987	6,264
Other	573,719	599,623
Total Assets	<u>\$ 13,555,959</u>	<u>\$ 13,494,188</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt	\$ 96,235	\$ 81,447
Accounts payable and other liabilities	1,636,102	1,760,588
Operating lease liabilities	73,189	67,776
Federal and state taxes	57,858	4,608
Total current liabilities	<u>1,863,384</u>	<u>1,914,419</u>
Other noncurrent liabilities	532,080	487,669
Operating lease liabilities noncurrent	396,488	395,522
Long-term debt	4,707,321	4,726,533
Redeemable noncontrolling interest	4,269	4,695
UHS common stockholders' equity	6,012,108	5,920,582
Noncontrolling interest	40,309	44,768
Total equity	<u>6,052,417</u>	<u>5,965,350</u>
Total Liabilities and Stockholders' Equity	<u>\$ 13,555,959</u>	<u>\$ 13,494,188</u>

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

Three months
ended March 31,
2023 **2022**

Cash Flows from Operating Activities:

Net income	\$162,375	\$151,021
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation & amortization	141,621	143,784
(Gain) loss on sale of assets and businesses	(295)	1,084
Stock-based compensation expense	20,964	19,055
<i>Changes in assets & liabilities, net of effects from acquisitions and dispositions:</i>		
Accounts receivable	(15,723)	(15,073)
Accrued interest	(662)	180
Accrued and deferred income taxes	46,576	47,548

Other working capital accounts	(119,605)	63,308
Medicare accelerated payments and deferred CARES Act and other grants	136	250
Other assets and deferred charges	24,727	26,042
Other	7,030	(4,020)
Accrued insurance expense, net of commercial premiums paid	42,545	41,685
Payments made in settlement of self-insurance claims	(18,936)	(29,431)
Net cash provided by operating activities	<u>290,753</u>	<u>445,433</u>

Cash Flows from Investing Activities:

Property and equipment additions	(168,752)	(200,002)
Proceeds received from sales of assets and businesses	9,259	10,232
(Outflows) inflows from foreign exchange contracts that hedge our net U.K. investment	(18,818)	20,710
Decrease in capital reserves of commercial insurance subsidiary	0	100
Net cash used in investing activities	<u>(178,311)</u>	<u>(168,960)</u>

Cash Flows from Financing Activities:

Repayments of long-term debt	(16,489)	(11,966)
Additional borrowings	11,300	117,400
Financing costs	(292)	0
Repurchase of common shares	(85,039)	(365,505)
Dividends paid	(14,214)	(14,875)
Issuance of common stock	2,988	3,503
Profit distributions to noncontrolling interests	(4,145)	(5,289)
Sale of ownership interests from minority members	0	(1,307)
Net cash used in financing activities	<u>(105,891)</u>	<u>(278,039)</u>

Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,650	(2,232)
Increase (decrease) in cash, cash equivalents and restricted cash	8,201	(3,798)
Cash, cash equivalents and restricted cash, beginning of period	200,837	178,934
Cash, cash equivalents and restricted cash, end of period	<u>\$209,038</u>	<u>\$175,136</u>

Supplemental Disclosures of Cash Flow Information:

Interest paid	<u>\$50,279</u>	<u>\$20,388</u>
Income taxes paid, net of refunds	<u>\$2,360</u>	<u>\$4,423</u>
Noncash purchases of property and equipment	<u>\$61,341</u>	<u>\$90,730</u>

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

	% Change
	3 Months ended
Same Facility:	<u>3/31/2023</u>

Acute Care Hospitals

Revenues	3.5 %
Adjusted Admissions	10.5 %
Adjusted Patient Days	3.7 %
Revenue Per Adjusted Admission	-7.5 %
Revenue Per Adjusted Patient Day	-1.5 %

Behavioral Health Hospitals

Revenues	9.7 %
Adjusted Admissions	7.5 %

Adjusted Patient Days	4.7 %
Revenue Per Adjusted Admission	2.2 %
Revenue Per Adjusted Patient Day	5.0 %

UHS Consolidated	First Quarter Ended	
	3/31/2023	3/31/2022
Revenues	\$3,467,518	\$3,292,956
EBITDA net of NCI	\$407,338	\$368,332
EBITDA Margin net of NCI	11.7 %	11.2 %
Adjusted EBITDA net of NCI	\$421,061	\$379,533
Adjusted EBITDA Margin net of NCI	12.1 %	11.5 %
Cash Flow From Operations	\$290,753	\$445,433
Days Sales Outstanding	53	48
Capital Expenditures	\$168,752	\$200,002
Debt	\$4,803,556	\$4,299,175
UHS' Shareholders Equity	\$6,012,108	\$5,867,872
Debt / Total Capitalization	44.4 %	42.3 %
Debt / EBITDA net of NCI (1)	2.94	2.32
Debt / Adjusted EBITDA net of NCI (1)	2.82	2.32
Debt / Cash From Operations (1)	5.71	3.42

(1) Latest 4 quarters.

Universal Health Services, Inc.

Acute Care Hospital Services

For the Three months ended

March 31, 2023 and 2022

(in thousands)

Same Facility Basis - Acute Care Hospital Services

	Three months ended March 31, 2023		Three months ended March 31, 2022	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Net revenues	\$1,889,080	100.0 %	\$1,824,697	100.0 %
Operating charges:				
Salaries, wages and benefits	810,553	42.9 %	811,643	44.5 %
Other operating expenses	492,400	26.1 %	434,470	23.8 %
Supplies expense	316,256	16.7 %	310,082	17.0 %
Depreciation and amortization	86,927	4.6 %	91,764	5.0 %
Lease and rental expense	23,592	1.2 %	20,705	1.1 %
Subtotal-operating expenses	1,729,728	91.6 %	1,668,664	91.4 %
Income from operations	159,352	8.4 %	156,033	8.6 %
Interest expense, net	(577)	(0.0) %	638	0.0 %
Other (income) expense, net	6,213	0.3 %	201	0.0 %
Income before income taxes	\$153,716	8.1 %	\$155,194	8.5 %

All Acute Care Hospital Services

Three months ended March 31, 2023	Three months ended March 31, 2022
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	<u>Amount</u>	<u>% of Net Revenues</u>	<u>Amount</u>	<u>% of Net Revenues</u>
Net revenues	\$1,973,532	100.0 %	\$1,912,316	100.0 %
Operating charges:				
Salaries, wages and benefits	843,960	42.8 %	843,906	44.1 %
Other operating expenses	544,300	27.6 %	482,078	25.2 %
Supplies expense	328,060	16.6 %	321,427	16.8 %
Depreciation and amortization	93,326	4.7 %	94,534	4.9 %
Lease and rental expense	24,154	1.2 %	20,852	1.1 %
Subtotal-operating expenses	<u>1,833,800</u>	<u>92.9 %</u>	<u>1,762,797</u>	<u>92.2 %</u>
Income from operations	139,732	7.1 %	149,519	7.8 %
Interest expense, net	(577)	(0.0) %	638	0.0 %
Other (income) expense, net	<u>7,013</u>	<u>0.4 %</u>	<u>201</u>	<u>0.0 %</u>
Income before income taxes	<u>\$133,296</u>	<u>6.8 %</u>	<u>\$148,680</u>	<u>7.8 %</u>

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 material items that are nonrecurring or non-operational in nature including items such as, but not limited to, reserves for various matters, settlements, legal judgments and lawsuits, cost related to extinguishment of debt, gains/losses on sales of assets and businesses, impairments of long-lived and intangible assets 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 herein and the condensed consolidated financial statements and notes thereto as contained in our Form 10-K for the year ended December 31, 2022.

The *All Acute Care Hospital Services* table summarizes the results of operations for all our acute care operations during the periods presented. These amounts include: (i) our acute care 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.

Behavioral Health Care Services

For the Three months ended

March 31, 2023 and 2022

(in thousands)

Same Facility - Behavioral Health Care Services

	<u>Three months ended</u> <u>March 31, 2023</u>		<u>Three months ended</u> <u>March 31, 2022</u>	
	<u>Amount</u>	<u>% of Net Revenues</u>	<u>Amount</u>	<u>% of Net Revenues</u>
Net revenues	\$1,459,719	100.0 %	\$1,330,812	100.0 %
Operating charges:				
Salaries, wages and benefits	805,946	55.2 %	746,160	56.1 %
Other operating expenses	277,369	19.0 %	268,548	20.2 %
Supplies expense	52,330	3.6 %	49,618	3.7 %
Depreciation and amortization	45,001	3.1 %	45,482	3.4 %
Lease and rental expense	10,582	0.7 %	10,261	0.8 %
Subtotal-operating expenses	<u>1,191,228</u>	<u>81.6 %</u>	<u>1,120,069</u>	<u>84.2 %</u>
Income from operations	268,491	18.4 %	210,743	15.8 %
Interest expense, net	1,078	0.1 %	1,227	0.1 %
Other (income) expense, net	<u>(576)</u>	<u>(0.0) %</u>	<u>(115)</u>	<u>(0.0) %</u>
Income before income taxes	<u>267,989</u>	<u>18.4 %</u>	<u>\$209,631</u>	<u>15.8 %</u>

All Behavioral Health Care Services

	Three months ended March 31, 2023		Three months ended March 31, 2022	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Net revenues	\$1,490,489	100.0 %	\$1,366,467	100.0 %
Operating charges:				
Salaries, wages and benefits	809,786	54.3 %	753,886	55.2 %
Other operating expenses	305,232	20.5 %	298,467	21.8 %
Supplies expense	52,488	3.5 %	50,178	3.7 %
Depreciation and amortization	45,619	3.1 %	46,079	3.4 %
Lease and rental expense	10,668	0.7 %	10,820	0.8 %
Subtotal-operating expenses	1,223,793	82.1 %	1,159,430	84.8 %
Income from operations	266,696	17.9 %	207,037	15.2 %
Interest expense, net	1,211	0.1 %	1,365	0.1 %
Other (income) expense, net	(871)	(0.1) %	(115)	(0.0) %
Income before income taxes	266,356	17.9 %	\$205,787	15.1 %

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 material items that are nonrecurring or non-operational in nature including items such as, but not limited to, reserves for various matters, settlements, legal judgments, lawsuits and reserves established in connection with the government's investigation of our behavioral health care facilities, cost related to extinguishment of debt, gains/losses on sales of assets and businesses, impairments of long-lived and intangible assets 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 herein and in the condensed consolidated financial statements and notes thereto as contained in our Form 10-K for the year ended December 31, 2022.

The All Behavioral Health Care Services table summarizes the results of operations for all our behavioral health care facilities during the periods presented. 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 as well as the results of certain facilities that were closed or restructured during the past year.

Universal Health Services, Inc.

Selected Hospital Statistics

For the Three months ended
March 31, 2023 and 2022

AS REPORTED:

	ACUTE			BEHAVIORAL HEALTH		
	3/31/23	3/31/22	% change	3/31/23	3/31/22	% change
Hospitals owned and leased	27	27	0.0 %	331	336	-1.5 %
Average licensed beds	6,798	6,749	0.7 %	24,232	24,243	0.0 %
Average available beds	6,626	6,577	0.7 %	24,132	24,143	0.0 %
Patient days	404,253	405,952	-0.4 %	1,572,571	1,506,351	4.4 %
Average daily census	4,491.7	4,510.6	-0.4 %	17,473.0	16,737.2	4.4 %
Occupancy-licensed beds	66.1 %	66.8 %	-1.1 %	72.1 %	69.0 %	4.4 %
Occupancy-available beds	67.8 %	68.6 %	-1.2 %	72.4 %	69.3 %	4.4 %
Admissions	80,126	75,289	6.4 %	120,560	112,433	7.2 %
Length of stay	5.0	5.4	-6.4 %	13.0	13.4	-2.6 %
Inpatient revenue	\$11,401,491	\$10,239,231	11.4 %	\$2,627,990	\$2,436,474	7.9 %

Outpatient revenue	<u>7,296,116</u>	<u>5,775,539</u>	<u>26.3 %</u>	<u>272,371</u>	<u>257,113</u>	<u>5.9 %</u>
Total patient revenue	<u>18,697,607</u>	<u>16,014,770</u>	<u>16.8 %</u>	<u>2,900,361</u>	<u>2,693,587</u>	<u>7.7 %</u>
Other revenue	<u>221,993</u>	<u>184,481</u>	<u>20.3 %</u>	<u>65,318</u>	<u>66,697</u>	<u>-2.1 %</u>
Gross hospital revenue	<u>18,919,600</u>	<u>16,199,251</u>	<u>16.8 %</u>	<u>2,965,679</u>	<u>2,760,284</u>	<u>7.4 %</u>
Total deductions	<u>16,946,068</u>	<u>14,286,935</u>	<u>18.6 %</u>	<u>1,475,190</u>	<u>1,393,817</u>	<u>5.8 %</u>
Net hospital revenue	<u>\$1,973,532</u>	<u>\$1,912,316</u>	<u>3.2 %</u>	<u>\$1,490,489</u>	<u>\$1,366,467</u>	<u>9.1 %</u>

SAME FACILITY:

	ACUTE			BEHAVIORAL HEALTH		
	<u>3/31/23</u>	<u>3/31/22</u>	<u>% change</u>	<u>3/31/23</u>	<u>3/31/22</u>	<u>% change</u>
Hospitals owned and leased	26	26	0.0 %	329	329	0.0 %
Average licensed beds	6,452	6,467	-0.2 %	23,986	23,887	0.4 %
Average available beds	6,280	6,295	-0.2 %	23,886	23,787	0.4 %
Patient days	392,589	390,258	0.6 %	1,557,918	1,488,843	4.6 %
Average daily census	4,362.1	4,336.2	0.6 %	17,310.2	16,542.7	4.6 %
Occupancy-licensed beds	67.6 %	67.1 %	0.8 %	72.2 %	69.3 %	4.2 %
Occupancy-available beds	69.5 %	68.9 %	0.8 %	72.5 %	69.5 %	4.2 %
Admissions	77,737	72,507	7.2 %	119,021	110,735	7.5 %
Length of stay	5.1	5.4	-6.2 %	13.1	13.4	-2.6 %

 View original content: <https://www.prnewswire.com/news-releases/universal-health-services-inc-announces-2023-first-quarter-financial-results-301807382.html>

SOURCE Universal Health Services, Inc.

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