

Thomas Jefferson University

Interim Consolidated Financial Statements

Quarterly Disclosure

For the Three-Month Period Ending September 30, 2026

Management's Discussion and Analysis

Operating Performance

Quarter Ending September 2026

Thomas Jefferson University (TJU) consolidated operations experienced an $80.9 million loss (-1.9% margin) compared to an $103.8 million loss (-2.6% margin) in the prior year. Total operating revenue and total operating expenses excluding restructuring costs were $316.6 million (7.9%) and $313.0 million (7.6%) greater than the prior year, respectively. Inpatient admissions, outpatient visits, and physician visits were greater than the prior year by 2.3%, 0.3%, and 3.9%, respectively. Average length-of-stay of 5.6 days was favorable to prior year by 0.9% or 0.1 days. Additionally, for the quarter ending 9/30/25, restructuring costs of $19.4 million were recognized for a total loss from operations after restructuring costs of $103.8 million. Restructuring includes severance and other strategic actions to align operations and obtain cost efficiencies to sustain TJU's mission of service and access to care in the communities it serves.

Key Financial Indicators

Operating Ratios:
For the Quarter Ending September 30, 2026

	FYTD 9/30/26	FYTD 9/30/25
Loss from operations	($80,889)	($103,801)
Operating Margin	-1.9%	-2.6%
EBIDA	$93,423	$79,939
EBIDA Margin	2.2%	2.0%

	Sep 2026	Jun 2026
Days Cash on Hand - excluding Jefferson Health Plan	140	141
Days Revenue in Receivable - TJU	50.0	49.2
Days Revenue in Receivable - LVHN	38.7	34.4
Debt to Capitalization	43.0%	42.6%
Current Ratio	1.2	1.3

Non-operating Items

Non-operating items and other changes in net assets without donor restriction resulted in a $94.2 million decrease in net assets through September 30th. Driving this decrease are returns on investments, net of amounts classified as operating revenue, of $92.3 million.

Net Assets with Donor Restriction

Net assets with donor restriction experienced a decrease of $17.9 million. The decrease is primarily due to net assets released from restriction of $22.2 million and investment losses of $9.3 million, offset in part by contribution revenue of $13.6 million.

Balance Sheet

Total net assets at September 30th decreased $193.0 million (-2.2%) compared to the beginning of the fiscal year. Net assets without donor restriction decreased by $175.1 million and net assets with donor restriction decreased $17.9 million.

Total assets at September 30th experienced a net decrease of $98.7 million (-0.5%). Cash and short-term investments decreased $237.98 million mainly due to principal repayments, operating performance and capital expenditure activity. Additionally, assets whose use is limited decreased $52.4 million from utilization of bond proceeds for capital projects. Partially offsetting these decreases were increases in other current assets of $98.6 million due to the prepayment of insurance premiums, right-of-use assets of $64.4 million for new leases of clinical facilities, and land, buildings and equipment, net of depreciation, $64.2 million.

Total liabilities at September 30th increased $94.3 million (0.9%). The increase in is mainly due to deferred revenues of $89.9 million related to student tuition and fees that will be recognized as revenue over the course of the fall semester, operating lease obligations of $64.0 million for the aforementioned new leases of clinical facilities, and accrued professional liability claims of $24.0 million. Partially offsetting these increases were reductions of $46.3 million in long-term obligations due to principal payments.

Jefferson Statistics

	As of September 30,		
	2024 *	**2025**	**2026**
Bed Capacity			
Licensed Beds	3,819	5,690	5,747
Available Beds	3,423	4,855	4,806
Total Patient Days	303,465	353,262	357,865
Occupancy Rate	74%	80%	81%
Total Admissions	51,464	62,899	64,370
Average Length of Stay (Days)	5.7	5.7	5.6
OR Procedures	39,623	48,106	47,700
Emergency Room Visits	202,340	237,084	241,447
Total Outpatient Visits **	563,502	746,375	748,890
JMG Faculty Headcount	11,554	11,861	11,798
JMG Outpatient Office Visits	1,807,895	2,281,808	2,370,596
Insurance Membership Enrollment	357,587	370,673	409,687

* September 30, 2024 Utilization Statistics encompass two months of data of LHVN (acquired 8/1/24).

THOMAS JEFFERSON UNIVERSITY
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2026 AND JUNE 30, 2026
(IN THOUSANDS)

	9/30/26	6/30/26
Assets		
Current Assets:		
Cash and cash equivalents	$640,631	$858,492
Short-term investments	558,301	578,314
Accounts receivable, less allowance for doubtful accts	2,161,234	2,192,656
Insurance recoverable, current	148,260	146,589
Pledges receivable, current	38,716	44,505
Inventory and supplies	296,305	296,724
Assets whose use is limited, current	1,248	12,449
Other current assets	301,715	203,164
Total Current Assets	4,146,409	4,332,894
Noncurrent Assets:		
Assets whose use is limited, noncurrent	598,974	640,127
Insurance recoverable, noncurrent	389,062	389,062
Assets held by affiliated foundation	66,044	65,296
Pledges receivable, noncurrent	92,189	93,044
Goodwill	251,665	251,271
Loans receivable from students, net	19,041	18,962
Land, buildings & equipment, net	6,310,946	6,246,707
Long-term investments	5,837,818	5,854,803
Right-of-use assets	693,289	628,904
Defined benefit pension	191,529	177,442
Other noncurrent assets	473,601	470,750
Total Assets	**$19,070,567**	**$19,169,263**
Liabilities and Net Assets		
Current Liabilities:		
Current portion of:		
Deferred revenues	$174,950	$86,113
Long-term obligations	66,848	86,439
Accrued professional liablity claims	233,125	233,125
Accrued workers' compensation claims	23,871	23,871
Operating lease obligations	83,577	84,293
Advances	360,717	363,080
Accrued payroll and related costs	772,641	786,359
Accounts payable and accrued expenses	1,580,896	1,599,579
Total Current Liabilities	3,296,625	3,262,859
Noncurrent Liabilities:		
Long-term obligations	5,137,302	5,163,973
Accrued professional liability claims	934,252	910,287
Federal student loan advances	4,923	4,839
Deferred revenues	6,562	5,508
Accrued workers' compensation claims	34,026	32,298
Operating lease obligations	629,004	564,987
Interest rate hedges	6,260	9,014
Other noncurrent liabilities	346,441	347,311
Total Liabilities	10,395,394	10,301,077
Net Assets:		
Net assets without donor restriction	6,824,660	6,998,744
Noncontrolling interest in joint ventures	84,035	85,051
Net assets with donor restriction	1,766,479	1,784,392
Total Net Assets	8,675,173	8,868,186
Total Liabilities and Net Assets	**$19,070,567**	**$19,169,263**

THOMAS JEFFERSON UNIVERSITY
CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTION
FOR THE THREE-MONTH PERIOD ENDING ENDING SEPTEMBER 30, 2026 AND 2025
(IN THOUSANDS)

	9/30/2026	9/30/2025**
Revenues:		
Net patient service revenue	$2,901,776	$2,783,179
Insurance premium revenue	742,801	613,073
Grants and contracts	54,988	54,745
Tuition and fees, net	66,513	62,011
Investment income	74,951	70,138
Contributions	1,380	1,279
Other revenue	479,450	413,842
Government support for COVID-19	1,933	8,083
Net assets released from restriction	21,057	21,936
Total revenues	4,344,850	4,028,285
Expenses:		
Salaries, wages and benefits	1,974,180	1,879,282
Insurance services medical expenses	613,475	539,685
Supplies	344,074	332,903
Drugs	543,951	449,393
Insurance	84,013	73,673
Utilities	33,785	30,908
Depreciation and amortization	123,174	130,544
Interest	51,137	53,195
Other	657,948	623,126
Total expenses	4,425,738	4,112,709
Loss from operations excluding restructuring costs	($80,889)	($84,424)
Restructuring costs	0	19,377
Loss from operations including restructuring costs	**($80,889)**	**($103,801)**
Nonoperating items and other changes in net assets without donor restriction:		
Return on investments, net of amounts classified as operating revenue	(92,348)	108,180
Distribution to noncontrolling interest	(8,621)	(7,208)
Net assets released from restrictions used for purchase of property and equipment	1,339	316
Other changes in net assets	5,418	2,093
Nonoperating items and other changes in net assets without donor restriction	(94,211)	103,381
Decrease in net assets without donor restriction	**($175,100)**	**($420)**

** Revenues and employee benefit expenses for the three-month period ending 9/30/25 have been adjusted to exclude the value of subsidized healthcare services provided to employees and their dependents for comparability.