

## Medical Properties Trust and HCA Healthcare Agree to 15-Year Master Lease for Hospitals Representing \$1.2 Billion of MPT Assets

September 21, 2021

### *HCA Healthcare to Become One of MPT's Top-Five Tenants*

#### ***New Master Lease Follows HCA Healthcare's Agreement to Purchase the Operations of Five Utah Facilities from Steward Health Care System***

BIRMINGHAM, Ala.--(BUSINESS WIRE)--Sep. 20, 2021-- Medical Properties Trust, Inc. (the "Company" or "MPT") (NYSE: MPW) today announced that it has entered into an agreement to lease substantially all of its Utah hospitals to HCA Healthcare ("HCA Healthcare") (NYSE: HCA), following an agreement by HCA Healthcare to purchase the operations of five Utah facilities from Steward Health Care System ("Steward"), for which the financial terms of the sale will remain confidential. MPT's purchase price of \$1.2 billion for the Utah hospitals represents approximately 5.0% of the Company's total pro forma gross assets, which will place HCA Healthcare among the five largest tenants in the MPT portfolio. Following completion of this agreement with HCA Healthcare and closing of other recently announced transactions, the percentage of MPT's portfolio represented by Steward assets is expected to decrease to approximately 17%.

Since the acquisition of the Utah hospitals in 2017, MPT has recorded more than \$300 million in real estate rent and interest from these properties. Upon completion of the transaction between HCA Healthcare and Steward, MPT and HCA Healthcare will enter into a new 15-year master lease for the five Utah hospitals, with no change to the cash rent payable to MPT under the existing Steward master lease. The lease agreement will include five extension options of five years each, and rental payments will increase annually at CPI, subject to a 2.0% floor and 5.0% ceiling. HCA Healthcare will have certain options to purchase the facilities starting in 2028, while MPT will have certain options to sell the facilities to HCA Healthcare. The purchase price under either option scenario will not be less than fair value.

"We are excited to welcome HCA Healthcare to our family of world-class hospital operators," said Edward K. Aldag, Jr., MPT's Chairman, President, and CEO. "HCA is a well-known industry leader with a proven track record of improving patient care by leveraging its learning health system model capabilities. Through this new master lease agreement, we are pleased to continue to play an important role in supporting best-in-class care to communities in Utah, while continuing to expand and diversify our portfolio of operator relationships."

Aldag continued, "These transactions are confirmation of MPT's underwriting expertise, which identifies facilities that are essential to communities, and support of healthcare operators in their efforts to improve healthcare delivery. Our \$1.2 billion investment in the Utah facilities was based in part on our confidence in Steward's track record and ability to create sustainable cash flow to cover rental payments by at least 200%. In the four years since the initial transactions, Steward reported consistently increased revenue and EBITDAR and maintained attractive coverage levels. The resulting new 15-year lease with HCA Healthcare strongly validates our initial underwriting and \$1.2 billion purchase price for these properties."

Closing of the sale by Steward to HCA Healthcare and completion of the HCA Healthcare master lease are expected in the first half of 2022, subject to the receipt of certain regulatory approvals and other customary conditions. There is no assurance that such approvals will be obtained or that other conditions will be satisfied.

#### **About Medical Properties Trust, Inc.**

Medical Properties Trust, Inc. is a self-advised real estate investment trust formed in 2003 to acquire and develop net-leased hospital facilities. From its inception in Birmingham, Alabama, the Company has grown to become one of the world's largest owners of hospitals with roughly 440 facilities and 46,000 licensed beds (on a pro forma basis) in nine countries and across four continents. MPT's financing model facilitates acquisitions and recapitalizations and allows operators of hospitals to unlock the value of their real estate assets to fund facility improvements, technology upgrades and other investments in operations. For more information, please visit the Company's website at [www.medicalpropertiestrust.com](http://www.medicalpropertiestrust.com).

*This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "would", "could", "expect", "intend", "plan", "estimate", "target", "anticipate", "believe", "objectives", "outlook", "guidance" or other similar words, and include statements regarding our strategies, objectives, future expansion and development activities, and expected financial performance. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results or future events to differ materially from those expressed in or underlying such forward-looking statements, including, but not limited to: (i) the economic, political and social impact of, and uncertainty relating to, the COVID-19 pandemic, including governmental assistance to hospitals and healthcare providers, including certain of our tenants; (ii) the ability of our tenants, operators and borrowers to satisfy their obligations under their respective contractual arrangements with us, especially as a result of the adverse economic impact of the COVID-19 pandemic, and government regulation of hospitals and healthcare providers in connection with same (as further detailed in our Current Report on Form 8-K filed with the SEC on April 8, 2020); (iii) our expectations regarding annual run-rate net income and NFFO per share; (iv) our success in implementing our business strategy and our ability to identify, underwrite, finance, consummate and integrate acquisitions and investments; (v) the nature and extent of our current and future competition; (vi) macroeconomic conditions, such as a disruption of or lack of access to the capital markets or movements in currency exchange rates; (vii) our ability to obtain debt financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and pay down, refinance, restructure or extend our indebtedness as it becomes due; (viii) increases in our borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of LIBOR or other reference rates after 2021; (ix) international, national and local economic, real estate and other market conditions, which may negatively impact, among other things, the financial condition of our tenants, lenders and institutions that hold our cash balances, and may expose us to increased risks of default by these parties; (x) factors affecting the real estate industry generally or the healthcare real estate industry in particular; (xi) our ability to maintain our status as a REIT for federal and state income tax purposes; (xii) federal and state healthcare and other regulatory requirements, as well as those in the foreign jurisdictions where we own properties; (xiii) the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain equity or debt financing secured by our*

*properties or on an unsecured basis; (xiv) the ability of our tenants and operators to comply with applicable laws, rules and regulations in the operation of the our properties, to deliver high-quality services, to attract and retain qualified personnel and to attract patients; (xv) potential environmental contingencies and other liabilities; (xvi) the closing of the expected Priory operating loan repayment, the Springstone behavioral health sale-leaseback and operator investments, and the HCA sale-leaseback investment; and (xvii) the risk that the Steward Massachusetts partnership transaction and unrelated property sales, loan repayments, and other capital recycling transactions do not occur.*

*The risks described above are not exhaustive and additional factors could adversely affect our business and financial performance, including the risk factors discussed under the section captioned "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 and as updated in our quarterly reports on Form 10-Q. Forward-looking statements are inherently uncertain and actual performance or outcomes may vary materially from any forward-looking statements and the assumptions on which those statements are based. Readers are cautioned to not place undue reliance on forward-looking statements as predictions of future events. We disclaim any responsibility to update such forward-looking statements, which speak only as of the date on which they were made.*

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