



MEDICAL PROPERTIES TRUST



**\$1.4 BILLION HOSPITAL REAL ESTATE INVESTMENT AND
LONG-TERM LEASE/LOAN TO STEWARD HEALTHCARE**

MAY 19, 2017





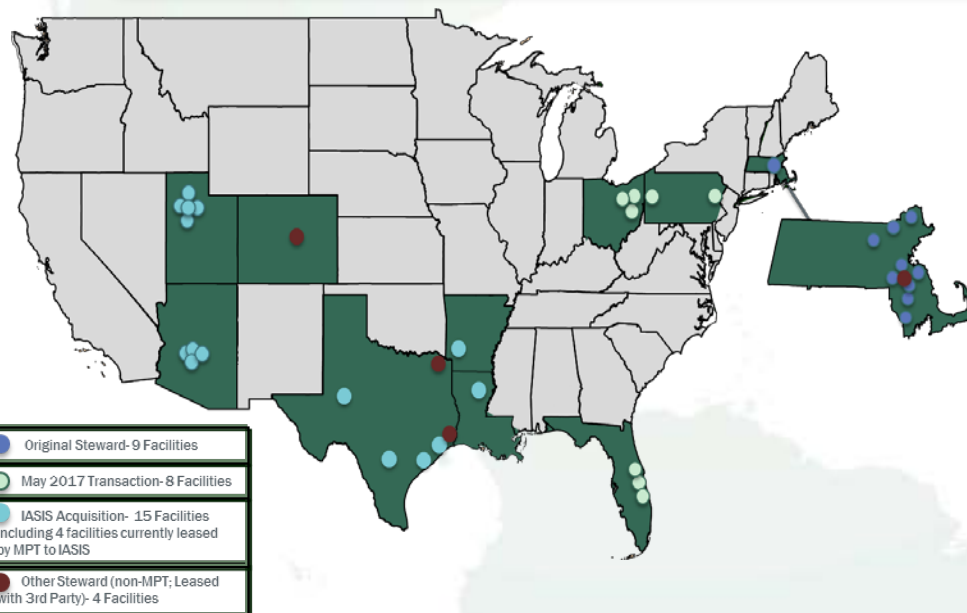
AT THE VERY HEART OF HEALTHCARE

FORWARD-LOOKING STATEMENTS

This presentation includes “forward-looking statements” within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “would”, “could”, “expect”, “intend”, “plan”, “aim”, “estimate”, “target”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words, and include statements regarding MPT’s plans, strategies, objectives, targets, future expansion and development activities and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of MPT, and its officers, employees, agents or associates, such as: our ability to successfully consummate the Steward/IASIS transaction discussed in this presentation; national and local and foreign business, real estate, and other market conditions, the competitive environment in which we operate, the execution of our business plan, financing risks, acquisition and development risks, including risks around the closing and/or timing of the close of Steward/IASIS transaction, potential environmental contingencies, and other liabilities, other factors affecting the real estate industry generally or the healthcare real estate industry in particular, our ability to maintain our status as a REIT for federal and state income tax purposes, our ability to attract and retain qualified personnel, federal and state healthcare and other regulatory requirements, U.S. national and local economic conditions, as well as conditions in foreign jurisdictions where we own healthcare facilities which may have a negative effect on the following, among other things: the financial condition of our tenants, our lenders, and institutions that hold our cash balances, which may expose us to increased risks of default by these parties; 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 refinance existing debt and our future interest expense; and 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, and the factors referenced under the section captioned “Item 1.A Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2016 and in our Form 10-Q for the quarter ended March 31, 2017. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements, and MPT disclaims any responsibility to update such information.

STEWARD/IASIS ACQUISITION

- Medical Properties Trust has entered into a definitive agreement to acquire the real estate interests of ten acute care hospitals and one behavioral health facility currently operated by IASIS Healthcare and to be operated by Steward Health Care
 - \$1.4 billion transaction
 - \$700 million sale leaseback
 - \$700 million mortgage investment
 - \$100 million minority preferred equity investment
- Acquisitions immediately accretive to Normalized FFO by approximately \$0.10 per diluted share (and to net income by \$0.05 per share)
- Steward will become the largest private for-profit hospital operator in the U.S. with almost \$8 billion in projected 2018 revenues
- Steward is backed by Cerberus, a private equity firm with \$30 billion under asset management
- Largest hospital in MPT's pro forma portfolio represents less than 4% of MPT's total real estate investments
- Greatly increases MPT's tenant revenues driven by rapidly evolving "population health" strategies and begins to capitalize on the shift from fee-for-service to value-based reimbursement
- Provides future opportunities for continued growth with operators other than Steward
- Offers opportunities for synergies in major MPT markets including Texas, Arizona and Utah



TOP FOR-PROFIT U.S. HOSPITAL CHAINS

(Based on number of acute care hospitals)

	RANK/COMPANY	LOCATION	HOSPITALS
1	HCA	Nashville, TN	173
2	Community Health Systems	Franklin, TN	154
3	Tenet Healthcare Corp.	Dallas, TX	64
3	LifePoint Hospitals	Brentwood, TN	64
4	Steward Health Care System ⁽¹⁾	Boston, MA	36
5	Prime Healthcare Services	Ontario, CA	30
6	Universal Health System	King of Prussia, PA	32
7	RCCH HealthCare Partners	Brentwood, TN	17
8	Ardent Health Services	Nashville, TN	12
9	National Surgical Hospitals	Chicago, IL	8
10	AHMC Healthcare	Alhambra, CA	6

MPT operators highlighted in green.

Source: Becker's Hospital Review, 1/13/2017, and company reports

(1) Steward is shown pro forma for the IASIS transaction. Prime Healthcare Services is shown excluding Prime's 12 not-for-profit foundation hospitals.



TRANSACTION HIGHLIGHTS



- Steward Health Care acquiring IASIS Healthcare operations
- New MPT \$1.4 billion investment in IASIS real estate to be combined in master lease and mortgage loan agreements with MPT's existing \$1.5B Steward and \$0.4B IASIS real estate

- Strong FFO and coverage accretion
- Pro forma Steward portfolio totaling \$3.3 billion:
 - Generates approximately \$298 million in annual revenues split 67% rental income and 33% interest income from mortgages

- Strategies to mitigate operator concentration:
 - Joint venture/co-investors in Steward assets
 - Strong non-Steward pipeline
 - <4% single property exposure

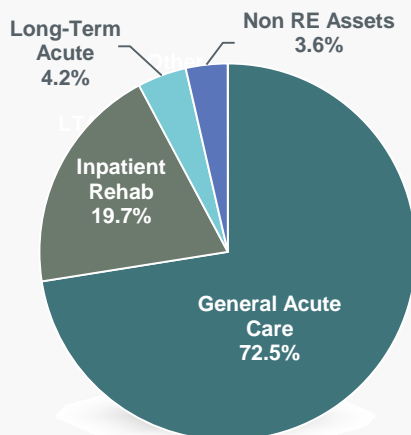


- Pre-equitized with recent \$570 million offering
- Expect to finance acquisition with unsecured bonds and possibly joint venture capital
- MPT is at lowest leverage levels in more than five years at 4.5x Net Debt / EBITDA and pro forma leverage is estimated at between 5.2x to 5.7x
- Obtained a \$1.0 billion commitment for a 2-year term loan as interim financing, if necessary
- Transaction is subject to regulatory approval and is expected to close by September 30, 2017

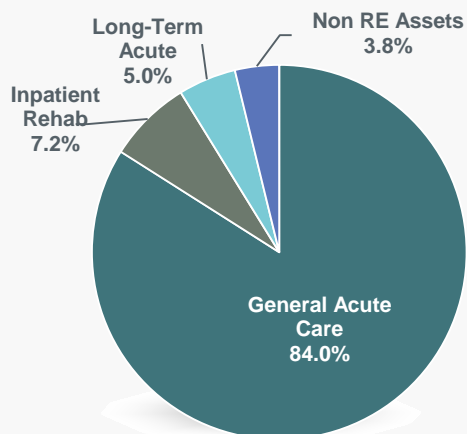
STRENGTHENED PORTFOLIO

Pro Forma 3/31/2017

Global Portfolio Mix – Property Type



U.S. Portfolio Mix – Property Type



269
Properties

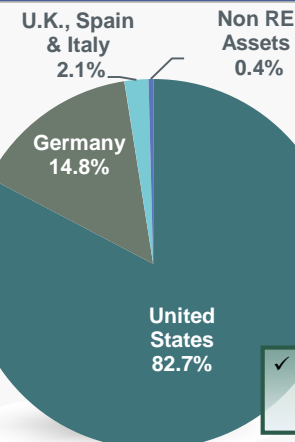
30
Operators

31,266
Beds

29
States

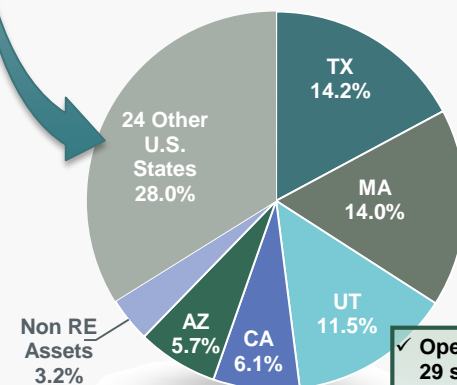
5
Countries

Global Portfolio Mix – Countries



✓ Operates in 14 German states

U.S. Portfolio Mix – States



✓ Operates in 29 states domestically



MPT TO MANAGE OPERATOR CONCENTRATION

MPT has a number of alternatives to manage the overall Steward concentration:



Continued non-Steward acquisitions



Potential joint venture of existing Steward assets



Joint venture of additional Steward investments



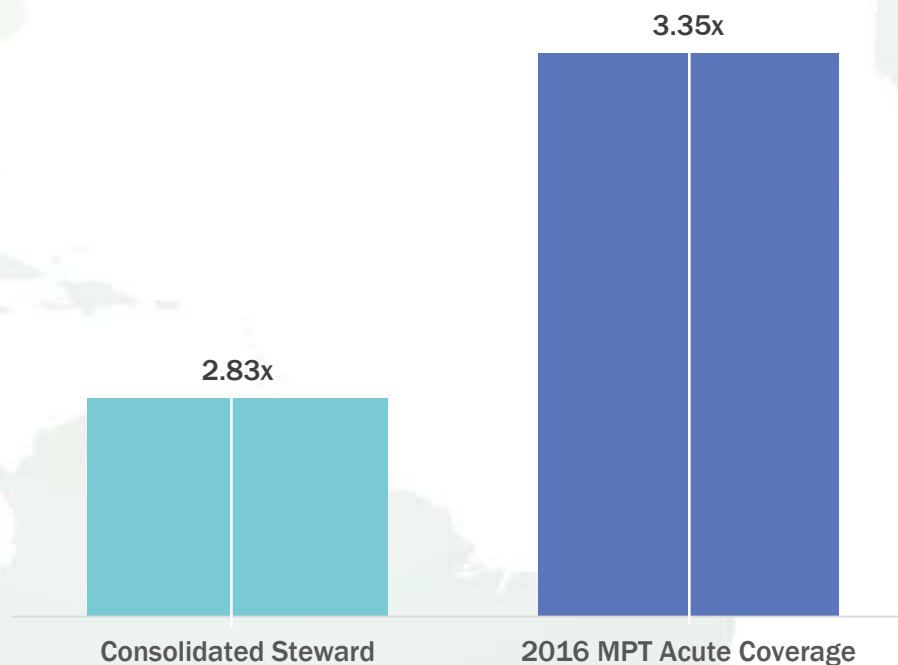
Goal is to reduce to <25%



EXPECTED TOTAL STEWARD RENT COVERAGES

Existing Steward	Pro Forma Steward		
2016A	2017E	2018E	2019E
2.03x	2.08x	2.83x	3.26x

2018E RENT COVERAGES



STEWARD'S PRUDENT BALANCE SHEET

(\$mm) Pro Forma YE 12/31/18

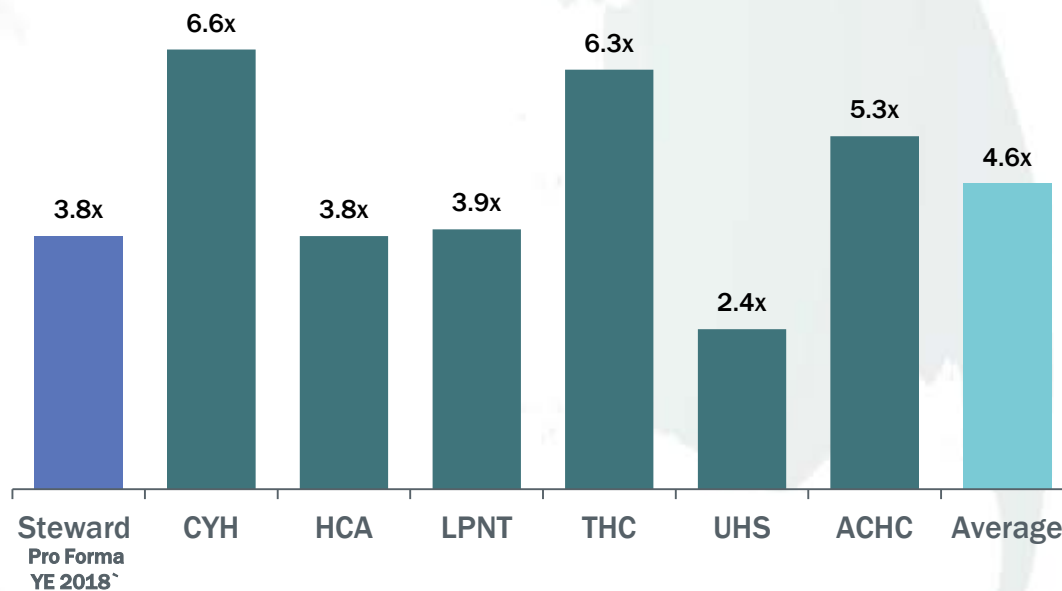
Mortgage loans	\$1,434
Capital leases	75
ABL outstanding	-
Gross debt	\$1,509
Available cash	(57)
Net debt	\$1,452
Lease adjustment	1,264
Total adjusted net debt	\$2,716

EBITDAR	\$718
Leverage ratio	3.78x

Lease adjustments

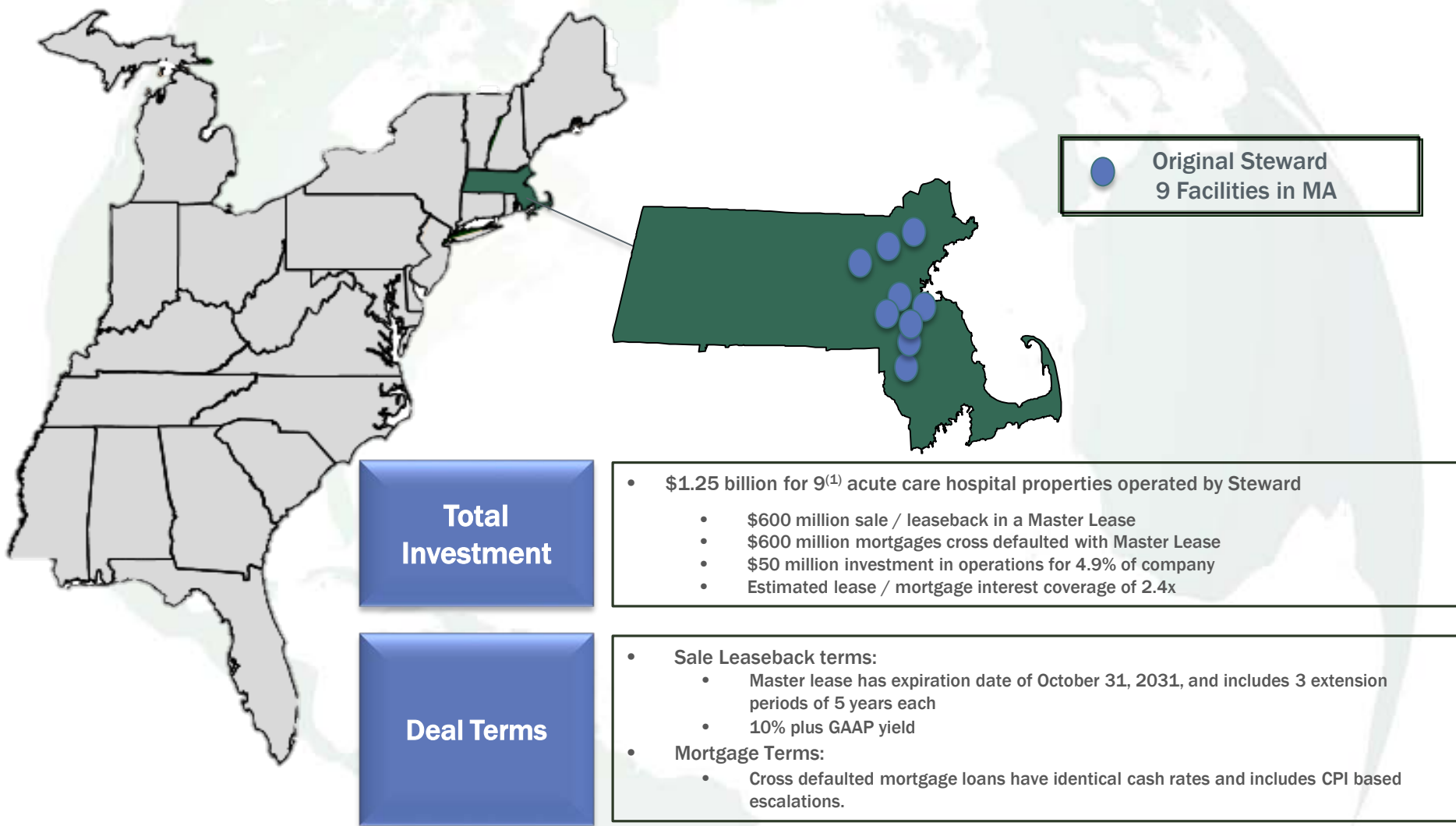
SLB rent expense (base)	\$119
Additional from convert Ignite leases	-
Additional from convert SHC leases	-
Existing Ignite SLB rent	39
Total rent	\$158
Capitalization factor	8.0x
Lease adjustment	\$1,264

4Q16 Healthcare Facilities Net Debt / (EBITDA – NCI)



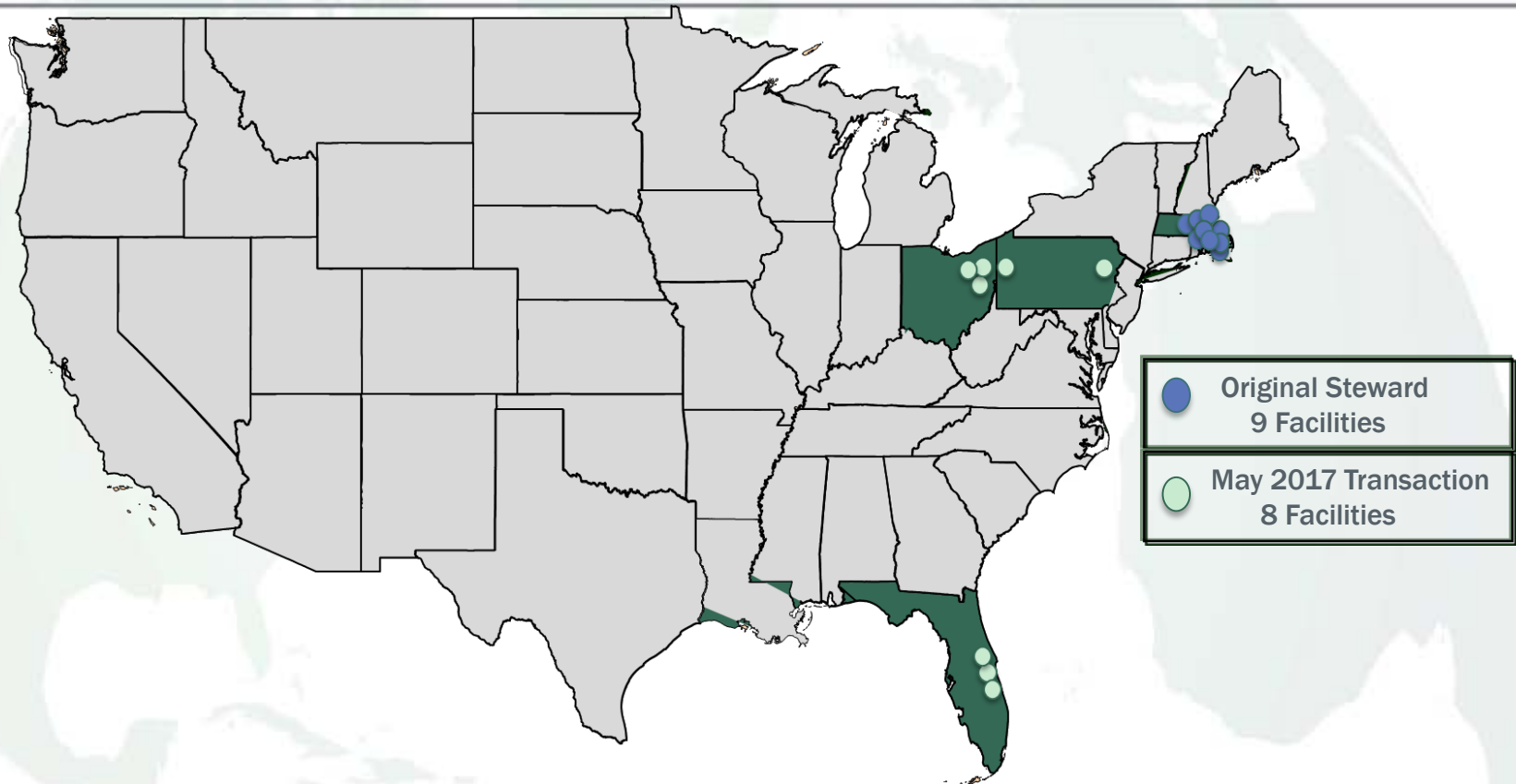
Source: Company reports; Leerink Partners LLC Research Estimates

ORIGINAL STEWARD TRANSACTION



(1) Holy Family Hospital is comprised of two campuses that operate under one license.

MPT / STEWARD ACQUISITION OF 8 CHS HOSPITALS



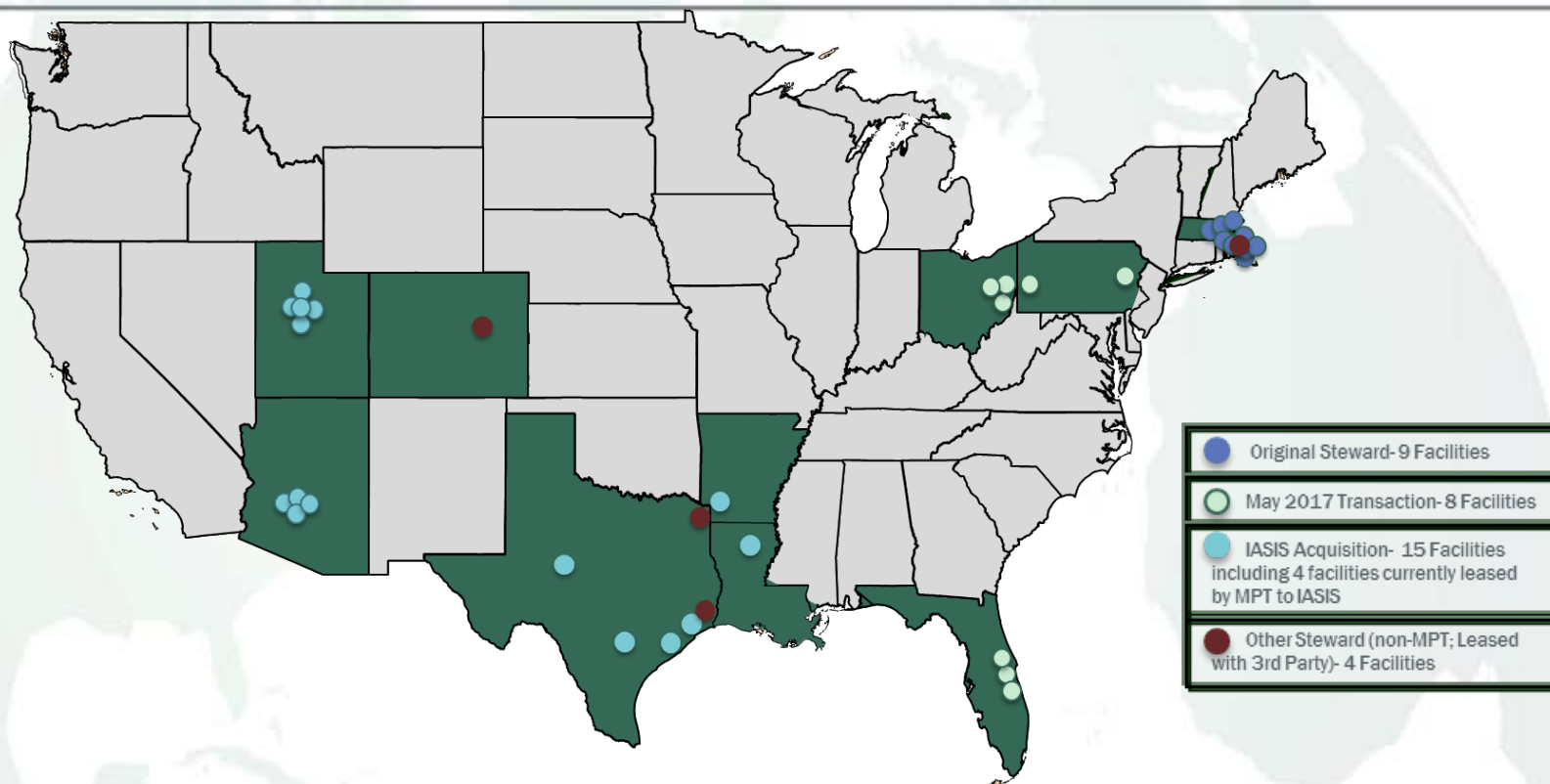
Acquisition Investment

- **\$301 million sale/leaseback for 8 additional hospitals (including 7 acute care and 1 inpatient rehabilitation hospital) located in three markets**
 - **Locations: (3) Ohio, (2) Pennsylvania & (3) Florida**

Deal Terms

- **Sale Leaseback terms:**
 - Master lease has expiration date of **October 31, 2031**, and includes 3 extension periods of 5 years each
- **10% plus GAAP yield**

MPT / STEWARD ACQUISITION OF IASIS HOSPITALS



Acquisition Investment

- \$1.4 billion for ten acute care hospitals and one behavioral health facility currently operated by IASIS and to be acquired by Steward Health Care System
 - Locations: (4) Utah, (3) Arizona, (3) Texas & (1) Arkansas
- Pro forma Steward portfolio totaling \$3.3 billion includes four hospitals currently leased by MPT to IASIS
 - >60% of our investment in Steward's hospitals are under a single master lease and annual revenues split 67% rental income and 33% interest income from mortgages

Deal Terms

- Sale Leaseback terms:
 - Master lease has expiration date of October 31, 2031, and includes 3 extension periods of 5 years each
 - 10% plus GAAP yield



Appendix

ACQUISITION ADJUSTED EBITDA RECONCILIATION

PRO FORMA NET DEBT / ANNUALIZED EBITDA

(Unaudited)

(Amounts in thousands)

Net income attributable to MPT common stockholders
Pro forma adjustments for capital transactions and acquisitions
that occurred after the period ^(A)
Pro forma net income

Add back:

Interest expense
Debt refinancing costs
Depreciation and amortization
Stock-based compensation
Mid-quarter acquisitions / divestitures
Gain on sale of real estate and other asset dispositions, net
Acquisition expenses
Income tax expense

1Q 2017 Pro forma EBITDA

Annualization

Total debt
Pro forma changes to debt balance after March 31, 2017 ^(A)
Cash ^(A)

Net debt

Net debt / pro forma annualized EBITDA

For the Three Months Ended

March 31, 2017

\$	67,970
	48,660
\$	116,630
	38,029
	13,629
	29,468
	1,971
	385
	(7,413)
	2,767
	867
\$	196,333
\$	785,332

\$	3,277,986
	1,384,000
	(200,740)
\$	4,461,246

5.7x

(A) Reflects net proceeds from recent equity offering and impact from previously disclosed investments, including two RCCH facilities, two Alecto facilities, 8 Steward/CHS facilities, 14 facilities in Germany and the Steward/IASIS transaction.

NORMALIZED FFO TO NET INCOME RECONCILIATION

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES

Estimated Annual Accretion ⁽¹⁾

(Unaudited)

Net income attributable to MPT common stockholders	\$	0.05
Depreciation and amortization		0.04
Funds from operations - accretion	\$	0.09
Acquisition expenses		0.01
Normalized funds from operations - accretion	\$	0.10

(1) The accretion estimate is based on current expectations and actual results or future events may differ materially from those expressed in this table, which is a forward-looking statement within the meaning of the federal securities laws. Please refer to the forward-looking statement included in this press release and our filings with the Securities and Exchange Commission for a discussion of risk factors that affect our performance.



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