

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): December 23, 2019**

**MEDICAL PROPERTIES TRUST, INC.  
MPT OPERATING PARTNERSHIP, L.P.**

(Exact Name of Registrant as Specified in Charter)

**Maryland  
Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-32559  
333-177186**  
(Commission  
File Number)

**20-0191742  
20-0242069**  
(I.R.S. Employer  
Identification No.)

**1000 Urban Center Drive, Suite 501  
Birmingham, AL**  
(Address of principal executive offices)

**35242**  
(Zip Code)

**Registrant's telephone number, including area code: (205) 969-3755**

**N/A**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
<b>Common Stock, par value \$0.001 per share, of Medical Properties Trust, Inc.</b>	<b>MPW</b>	<b>The New York Stock Exchange</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

**Medical Properties Trust, Inc.**

Emerging growth company ☐

**MPT Operating Partnership, L.P.**

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Medical Properties Trust, Inc.**

☐

**MPT Operating Partnership, L.P.**

☐

This Current Report on Form 8-K is filed by Medical Properties Trust, Inc., a Maryland corporation (the “Company”), and MPT Operating Partnership, L.P., a Delaware limited partnership through which the Company conducts substantially all of its operations (the “Operating Partnership”). Through one of its wholly-owned subsidiaries, the Company serves as the sole general partner of the Operating Partnership. Unless otherwise indicated or unless the context requires otherwise, references to “we” and “our” refer to the Company, the Operating Partnership and any other subsidiaries thereof.

# **Item 1.01. Entry into a Material Definitive Agreement.**

## ***Acquisition of BMI Portfolio***

On December 23, 2019, the Operating Partnership entered into definitive agreements pursuant to which certain of its subsidiaries will acquire a portfolio of 30 acute care hospitals located throughout the United Kingdom currently operated by BMI Healthcare Ltd. (“BMI”) and owned by an affiliate of BMI, for approximately £1.5 billion, or approximately \$2.0 billion (the “BMI Acquisition”). In a related transaction, affiliates of Circle Health Ltd. (“Circle”) entered into definitive agreements to acquire BMI and assume operations of its 52 facilities in the United Kingdom. Circle has been one of the Company’s tenants since 2014.

Upon closing of the transactions, we will lease back the hospitals to affiliates of Circle under 30 cross-defaulted leases guaranteed by Circle. The leases will each have an initial fixed term to 2050, with two five-year extension options and annual rent escalators linked to UK consumer price inflation.

The table below sets forth certain details with respect to the hospitals in the BMI portfolio that we are acquiring:

<u>Hospital</u>	<u>City</u>	<u>Form of Investment</u>	<u>Hospital Type</u>	<u>Licensed Beds</u>
London Independent	London	Fee simple	Acute	73
Blackheath	London	Fee simple	Acute	68
Alexandra	Cheadle	Fee simple	Acute	171
Ross Hall	Glasgow	Fee simple	Acute	101
Highfield	Rochdale	Fee simple	Acute	47
Beaumont	Bolton	Fee simple	Acute	34
Droitwich	Droitwich Spa	Long leasehold	Acute	56
Priory	Edgbaston	Fee simple and long leasehold	Acute	118
Hampshire Clinic	Basingstoke	Fee simple	Acute	65
Sarum Road	Winchester	Fee simple	Acute	48
Albyn	Aberdeen	Fee simple	Acute	28
Winterbourne	Dorchester	Long leasehold	Acute	38
Hendon	London	Fee simple	Acute	30
Goring Hall	Worthing	Fee simple	Acute	37
Werndale	Carmarthen	Fee simple	Acute	27
Bath Clinic	Bath	Fee simple	Acute	67
Ridgeway	Swindon	Fee simple	Acute	50
Beardwood	Blackburn	Fee simple	Acute	18
Thornbury	Sheffield	Fee simple	Acute	77
Park	Arnold	Fee simple	Acute	85
Clementine Churchill	Harrow	Fee simple	Acute	141
Mount Alvernia	Guildford	Fee simple	Acute	76
Chaucer	Canterbury	Fee simple	Acute	55
Chelsfield Park	Orpington	Fee simple	Acute	36
Shirley Oaks	Croydon	Fee simple	Acute	42
Sloane	Beckenham	Fee simple	Acute	32
Princess Margaret	Windsor	Fee simple	Acute	78
Chiltern	Great Missenden	Fee simple	Acute	66
Saxon Clinic	Milton Keynes	Fee simple	Acute	37
Manor	Biddenham	Fee simple	Acute	23
<b>Total Licensed Beds</b>				<u><u>1,824</u></u>

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Subject to customary closing conditions, the Company expects to consummate the BMI Acquisition in the first quarter of 2020.

The BMI Acquisition was documented pursuant to the terms of a share purchase agreement, dated December 23, 2019, between GHG Holdco 3 Limited, an affiliate of BMI and indirect owner of the properties, as seller, and Medical Properties Trust Limited, our affiliate, as purchaser (the “Share Purchase Agreement”). The Share Purchase Agreement contemplates that five non-core properties, with an aggregate purchase price of less than £10.0 million, owned by the seller and not included in the portfolio of properties listed above will be sold to third parties either prior to or following the closing.

The Company intends to finance the BMI Acquisition with cash on hand, including proceeds from recent U.S. dollar equity and sterling-denominated bond offerings and borrowings under an unsecured sterling-denominated term loan facility. We cannot assure you that the BMI Acquisition will be completed on the terms described herein or at all.

#### **Item 7.01. Regulation FD Disclosure.**

On December 23, 2019, the Company issued a press release announcing the BMI Acquisition described in Item 1.01 of this Current Report on Form 8-K. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

The information contained in this Item 7.01 and exhibits thereto is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise. The information in this Item 7.01, including the exhibit thereto, shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended (the “Securities Act”), or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

#### ***Forward-Looking Statements***

This Current Report on Form 8-K contains certain “forward-looking” statements as defined by Section 27A of the Securities Act and Section 21E of the Exchange Act. 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 the Company’s plans, strategies, objectives, targets, future expansion and development activities and expected financial performance that are not historical facts. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company or future events to differ materially from those expressed in or underlying such forward-looking statements, including, without limitation: the satisfaction of all conditions to, and the closing of the BMI Acquisition and related transactions on the terms contemplated or at all; the ability of the Company’s tenants to meet the terms of their agreements; expected payout ratio; the amount of acquisitions of healthcare real estate, if any; capital markets conditions; the repayment of debt arrangements; statements concerning the additional income to the Company as a result of ownership interests in certain hospital operations and the timing of such income; the payment of future dividends, if any; completion of additional debt or equity arrangements, and additional investments; national and international economic, business, real estate and other market conditions; the competitive environment in which the Company operates; the execution of the Company’s business plan; financing risks; the Company’s ability to maintain its status as a real estate investment trust for federal income tax purposes; acquisition and development risks; potential environmental and other liabilities; and other factors affecting the real estate industry generally or healthcare real estate in particular; 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 the Annual Report on Form 10-K of the Company and the Operating Partnership for the year ended December 31, 2018 and the Quarterly Report on Form 10-Q of the Company and the Operating Partnership for the quarter ended September 30, 2019, and other risks described in documents subsequently filed by the Company or the Operating Partnership from time to time with the Securities and Exchange Commission.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release Dated December 23, 2019</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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## SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

### **MEDICAL PROPERTIES TRUST, INC.**

By: /s/ R. Steven Hamner  
Name: R. Steven Hamner  
Title: Executive Vice President and Chief Financial Officer

### **MPT OPERATING PARTNERSHIP, L.P.**

By: /s/ R. Steven Hamner  
Name: R. Steven Hamner  
Title: Executive Vice President and Chief Financial Officer of the sole member of the general partner of MPT Operating Partnership, L.P.

Date: December 26, 2019



Contact: Tim Berryman  
 Director – Investor Relations  
 Medical Properties Trust, Inc.  
 (205) 969-3755  
 tberryman@medicalpropertystrust.com

## MEDICAL PROPERTIES TRUST ANNOUNCES £1.5 BILLION ACQUISITION OF 30 UK HOSPITAL FACILITIES

*Portfolio Comprised of Invaluable Hospitals Essential to Meet Growing Demand for UK Healthcare*

*Company Increases Annual Run-Rate Estimates of Per Share Net Income and Normalized FFO*

**BIRMINGHAM, Ala. — December 23, 2019** — Medical Properties Trust, Inc. (“MPT” or the “Company”) (NYSE: MPW), today announced that it has entered into definitive agreements to acquire the real estate of 30 acute care hospital facilities located throughout the United Kingdom for an aggregate purchase price of approximately £1.5 billion, or approximately \$2.0 billion. The facilities are leased under long-term inflation protected net leases to affiliates of BMI Healthcare (“BMI”), the largest private operator of acute hospitals in the United Kingdom. In a related transaction, affiliates of Circle Health (“Circle”) are to acquire BMI and assume operations of its 52 facilities in the United Kingdom. Circle, an award winning operator of UK acute hospitals and successful MPT tenant, has committed to a multi-million pound program of investment in facility infrastructure, technology and people as part of the transaction.

The lease arrangement is expected to provide a GAAP-basis yield of 8.9%. The acquisition was underwritten by MPT to provide initial lease payment coverages of approximately 2.0 times recent EBITDAR, with the expectation of expanding coverage as Circle implements its strategic and operational initiatives. The hospitals will be leased under a master lease structure guaranteed by Circle with an initial fixed term of 30 years, two 5-year extension options, and annual rent escalators linked to UK consumer price inflation. MPT expects to fund the acquisition with cash on hand, including proceeds from recent U.S. dollar equity and sterling-denominated bond offerings and borrowings under an unsecured sterling-denominated term loan facility. The transaction is expected to close in the first quarter of 2020 subject to customary closing conditions.

“These hospitals represent a unique collection of facilities that are critical to the delivery of acute health services across the United Kingdom,” said Edward K. Aldag, Jr., MPT’s Chairman, President and CEO. “We are confident in the growing opportunities for private hospital operators in UK healthcare. We look forward to advancing our relationship with our UK operators in contributing to improved facility efficiency, quality of care and health outcomes for all hospital patients throughout the United Kingdom.”

### Benefits of Transaction

- **Achieves Immediate Accretion.** The strong cash and GAAP returns, along with MPT’s attractive cost of capital will result in immediate improvement of per share net income and funds from operations.

- **Increases UK Footprint.** This transaction significantly increases the Company's footprint throughout the United Kingdom, resulting in a total investment of approximately \$2.5 billion in the UK. The UK market is highly attractive for future growth with its appealing demographics and unwavering governmental and social commitment to providing healthcare to its population.
- **Reduces Tenant Concentration.** MPT's total gross assets increases to approximately \$16.2 billion and exposure to its largest tenant declines to 25%, down from almost 40% at the beginning of 2019.

Based on year-to-date transactions in 2019, along with an assumed capital structure that results in a net debt to EBITDA ratio of approximately 5.5 times, MPT expects an annual run-rate of \$1.24 to \$1.27 per diluted share for net income and \$1.65 to \$1.68 per diluted share for Normalized Funds from Operations ("NFFO").

A reconciliation of NFFO guidance to net income and a reconciliation of pro forma total gross assets to total assets are included in the financial tables accompanying this press release.

These estimates do not include the effects, if any, of unexpected real estate operating costs, changes in accounting pronouncements, litigation costs, debt refinancing costs, acquisition costs, currency exchange rate movements, interest rate hedging activities, write-offs of straight-line rent or other non-recurring or unplanned transactions. These estimates may change if the Company acquires or sells assets in amounts that are different from estimates, market interest rates change, debt is refinanced, new shares are issued, additional debt is incurred, other operating expenses vary, income from our equity investments vary from expectations, or existing leases do not perform in accordance with their terms.

MPT will be acquiring the real estate portfolio from an affiliate of BMI pursuant to the terms of a share purchase agreement, which also contemplates that an additional five non-core properties will be disposed of either prior to or following the closing.

#### **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 390 facilities and approximately 42,000 licensed beds in eight countries and across three 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.medicalpropertytrust.com](http://www.medicalpropertytrust.com).

*The statements in this press release that are forward looking are based on current expectations and actual results or future events may differ materially. Words such as "expects," "believes," "anticipates," "intends," "will," "should" and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company or future events to differ materially from those expressed in or underlying such forward-looking statements, including without limitation: the satisfaction of all conditions, and the timely closing (if at all) of the transactions described above; annual run-rate net income and NFFO per share; the amount of acquisitions of healthcare real estate, if any; results from potential sales and joint venture arrangements, if any; capital markets conditions; estimated leverage metrics; the repayment of debt arrangements; statements concerning the additional income to the Company as a result of ownership interests in equity investments and the timing of such income; the payment of future dividends, if any;*

completion of additional debt arrangements, and additional investments; national and international economic, business, real estate and other market conditions; the competitive environment in which the Company operates; the execution of the Company's business plan; financing risks; the Company's ability to maintain its status as a REIT for income tax purposes; acquisition and development risks; potential environmental and other liabilities; and other factors affecting the real estate industry generally or healthcare real estate in particular. For further discussion of the factors that could affect outcomes, please refer to the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and as updated by the Company's subsequently filed Quarterly Reports on Form 10-Q and other SEC filings. Except as otherwise required by the federal securities laws, the Company undertakes no obligation to update the information in this press release.

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**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**Annual Run-Rate Guidance Reconciliation**  
(Unaudited)

	Annual Run-Rate Guidance - Per Share <sup>(1)</sup>	
	Low	High
Net income attributable to MPT common stockholders	\$ 1.24	\$ 1.27
Participating securities' share in earnings	—	—
Net income, less participating securities' share in earnings	\$ 1.24	\$ 1.27
Depreciation and amortization	0.41	0.41
Funds from operations	\$ 1.65	\$ 1.68
Other adjustments	—	—
Normalized funds from operations	<u>\$ 1.65</u>	<u>\$ 1.68</u>

- (1) The guidance 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.

**Pro Forma Total Gross Assets**  
(Unaudited)

Total Assets	September 30, 2019
	\$ 12,452,153
Add:	
Completed investments since September 30, 2019, the BMI acquisition and committed developments and building improvement projects <sup>(2)</sup>	2,962,028
Accumulated depreciation and amortization	571,589
Incremental gross assets of our joint ventures <sup>(3)</sup>	530,593
Cash proceeds from November 2019 equity offering	1,026,519
Net cash proceeds from November 2019 sterling bond offering and other sterling debt	1,629,543
Less:	
Cash used for funding transactions included above	(2,977,028)
<b>Pro Forma Total Gross Assets<sup>(4)</sup></b>	<b><u>\$ 16,195,397</u></b>

- (2) Reflects commitments to invest in 30 facilities in the United Kingdom and to finance the development of a facility in Texas, as well as investments in 10 facilities in the United States, and certain other facilities.
- (3) Adjustment to reflect our share of our joint ventures' gross assets.
- (4) Pro forma total gross assets is total assets before accumulated depreciation/amortization and assumes all real estate binding commitments on new investments and unfunded amounts on development deals and commenced capital improvement projects are fully funded. We believe pro forma total gross assets is useful to investors as it provides a more current view of our portfolio and allows for a better understanding of our concentration levels as our binding commitments close and our other commitments are fully funded.