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): July 10, 2019

MEDICAL PROPERTIES TRUST, INC.
MPT OPERATING PARTNERSHIP, L.P.
(Exact Name of Registrant as Specified in Charter)

Maryland **Delaware**	**001-32559** **333-177186**	**20-0191742** **20-0242069**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

1000 Urban Center Drive, Suite 501 **Birmingham, AL**	**35242**
(Address of principal executive offices)	**(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
Common Stock, par value $0.001 per share, of Medical Properties Trust, Inc.	**MPW**	**The New York Stock Exchange**

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).

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. ☐

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 Prospect Hospital Portfolio

On July 10, 2019, the Operating Partnership entered into definitive agreements pursuant to which certain of its subsidiaries will invest approximately $1.55 billion in a portfolio of 14 acute care hospitals and two behavioral health facilities currently owned and operated by Prospect Medical Holdings, Inc. ("Prospect").

Under the terms of the agreements, certain subsidiaries of the Operating Partnership will acquire from Prospect all of its interests in the real estate of 11 acute care hospitals and two behavioral health facilities for an aggregate purchase price of approximately $1.4 billion. Such hospitals and facilities will then be leased back to Prospect under two separate master leases. In addition, (i) a subsidiary of the Operating Partnership will make a mortgage loan in the amount of approximately $51.3 million, secured by a first mortgage on an acute care hospital, and (ii) a subsidiary of the Company's taxable REIT subsidiary will make a term loan of approximately $112.9 million, which will mature upon the earlier of three years or the satisfaction of certain conditions. After the maturity of the term loan and upon satisfaction of certain conditions, other subsidiaries of the Operating Partnership will acquire from Prospect all of its interests in the real estate of two additional acute care hospitals, which real estate will be added to one of the master leases. The master leases, mortgage loan, and term loan will be cross-defaulted and cross-collateralized. The master leases and mortgage loan will have substantially similar terms, with 15-year fixed term subject to three extension options, plus annual increases at the greater of CPI or 2%, with a cap of 4%.

The table below sets forth pertinent details with respect to the hospitals and behavioral health facilities in the Prospect portfolio:

Hospital	City	State	Form of Investment	Hospital Type	Licensed Beds
Southern CA Hospital at Hollywood	Los Angeles	California	Fee Simple	Acute	100
Southern CA Hospital at Van Nuys	Van Nuys	California	Fee Simple	Behavioral	57
Southern CA Hospital at Culver City	Culver City	California	Fee Simple	Acute	420
Los Angeles Community Hospital at Norwalk	Norwalk	California	Fee Simple	Acute	50
Los Angeles Community Hospital	Los Angeles	California	Fee Simple	Acute	129
Los Angeles Community Hospital at Bellflower	Bellflower	California	Fee Simple	Behavioral	144
Foothill Regional Medical Center	Tustin	California	Mortgage Loan	Acute	177
Manchester Memorial Hospital	Manchester	Connecticut	Fee Simple	Acute	249
Rockville General Hospital	Vernon	Connecticut	Fee Simple	Acute	102
Waterbury Hospital	Waterbury	Connecticut	Fee Simple	Acute	357
Crozer-Chester Medical Center	Upland	Pennsylvania	Fee Simple	Acute	300
Springfield Hospital	Springfield	Pennsylvania	Fee Simple	Acute	25
Taylor Hospital	Ridley Park	Pennsylvania	Fee Simple	Acute	105
Delaware County Memorial Hospital	Drexel Hill	Pennsylvania	Fee Simple	Acute	168
Total Licensed Beds*					2,383

* Excludes two properties subject to a delayed closing depending upon satisfaction of certain conditions.

The agreements provide for the potential for a future purchase price adjustment of up to an additional $250.0 million based on achievement of certain performance thresholds over a three-year period. Any such adjustment will be added to the lease base upon which the Company will earn a return in accordance with the master leases.

Subject to customary closing conditions, the Company expects to consummate the transactions described above in the second half of 2019 with respect to all of the real estate other than the two properties subject to a delayed closing.

The Company intends to finance the transaction with funds from various financing arrangements, which may include borrowings under the bridge loan facility described below and revolving credit facility, proceeds from security issuances, cash on hand or a combination thereof. We cannot assure you that we will be able to successfully complete the Prospect investment on the terms described or at all.

Bridge Loan Facility Commitment Letter

On July 10, 2019, the Company received a commitment to provide a senior unsecured bridge loan facility in an original principal amount of $1.55 billion to fund its investment in the Prospect portfolio, if necessary, pursuant to a commitment letter from Barclays Bank PLC. The Company will pay certain customary fees in connection with the bridge loan facility. The bridge loan facility, if funded, will mature 364 days after the closing date of the Prospect portfolio investment. The funding of the bridge loan facility is contingent on the satisfaction of customary conditions, including, but not limited to, the execution and delivery of definitive documentation and the consummation of the Prospect portfolio. The principal amount of the bridge loan facility may be reduced in connection with certain equity and debt issuances by the Operating Partnership and/or the Company. We cannot assure you that we will be able to successfully borrow under the bridge loan facility on the terms described or at all.

Item 7.01. Regulation FD Disclosure.

On July 15, 2019, the Company issued a press release announcing the Prospect investment 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.

In addition, the Company has prepared an investor presentation in connection with the Prospect investment for use with analysts and investors beginning on July 15, 2019. A copy of this presentation is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The presentation may also be viewed on the Company's website at www.medicalpropertiestrust.com.

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 exhibits thereto and referenced materials posted to the Company's website, 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 Securities Exchange Act of 1934, as amended, except as otherwise expressly stated in any such filing.

Item 8.01. Other Events

Attached as Exhibit 99.3 to this Current Report and incorporated herein by reference are the consolidated balance sheets, statements of operations, statements of comprehensive loss, statements of changes in members' deficit, and statements of cash flows of Steward Health Care System LLC ("Steward") as of and for the years ended December 31, 2018 and 2017 (unaudited) but excludes the notes at this time. Since the concentration of the Company's leases with Steward was greater than 20% of the Company's total assets at December 31, 2018, Steward's financial statements may be material to investors in our Company. The Company intends to file the full audited financial statements of Steward as of and for the years ended December 31, 2018 and 2017 via Form 10-K/A promptly upon such full set of financial statements (including the notes) becoming available. The financial information attached as Exhibit 99.3 hereto was provided to us by Steward, and the Company did not participate in its preparation or review.

As of the date of this Current Report on Form 8-K, Steward is current on all lease rent and loan interest payments to the Company.

Forward-Looking Statements

This Current Report on Form 8-K contains certain "forward-looking" statements as that term is 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 Prospect 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 other risks described in documents subsequently filed by the Company or the Operating Partnership from time to time with the Securities and Exchange Commission.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated July 15, 2019
99.2	Investor Presentation dated July 15, 2019
99.3	Steward Health Care System LLC consolidated balance sheets, statements of operations, statements of comprehensive loss, statements of changes in members' deficit, and statements of cash flows as of and for the years ended December 31, 2018 and 2017 (unaudited)

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunder duly authorized.

MEDICAL PROPERTIES TRUST, INC.

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

Date: July 15, 2019

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: July 15, 2019

Medical Properties Trust

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

MEDICAL PROPERTIES TRUST ANNOUNCES $1.75 BILLION INVESTMENT IN 24 HOSPITAL FACILITIES

Year-to-Date Acquisitions of $3.0 Billion Surpasses 2019 Full Year Acquisition Goal and Establishes Record Acquisitions Year

Weighted Average GAAP Rate of 8.2% for 2019 YTD Acquisitions

Transactions Immediately Accretive; Increases Run Rate Guidance for Net Income to $1.08 to $1.12 and NFFO to $1.54 to $1.58 Per Share

Birmingham, AL – July 15, 2019 – Medical Properties Trust, Inc. ("MPT" or the "Company") (NYSE: MPW), today announced that it has entered into definitive agreements with two new operators and completed a transaction with a third new operator involving in the aggregate 24 hospital facilities for a total investment of approximately $1.75 billion. With these transactions, MPT has surpassed its 2019 acquisition guidance of $2.5 billion, with a total investment of $3.0 billion at a blended GAAP rate of 8.2%, within its previously estimated range of 7.5% to 8.5%.

The agreements include investments in:

- 14 acute care hospitals and 2 behavioral health hospital facilities operated by Prospect Medical Holdings, Inc. ("Prospect") for $1.55 billion;
- 7 community hospitals operated by Saint Luke's Health System ("Saint Luke's") for $145 million; and
- 1 acute care hospital operated by Halsen Healthcare, LLC ("Halsen") for $55 million.

The Company has posted a presentation with additional information regarding these transactions on its website at www.medicalpropertiestrust.com.

"We are very pleased with the acquisition of these outstanding hospitals which continues our sector leading record of accretive growth, increases the size and diversity of our portfolio, and further reinforces our reputation as the global leader in hospital real estate," said Edward K. Aldag, Jr., MPT's Chairman, President and CEO. "This is a marquee year for Medical Properties Trust as we entered 2019 in a prime position for accretive capital deployment and subsequently increased our acquisitions guidance by $1.0 billion due to our rapid execution on our deep and diverse global pipeline. We have not only achieved - but surpassed - our full year acquisition goal of $2.5 billion at just the half-way mark of the year. Importantly, with the addition of these properties to our portfolio, we have initiated three new operator relationships, extended into new geographic markets, and expanded service lines, including not-for-profit and behavioral. "

Mr. Aldag continued, “Looking ahead, we remain confident that our preeminent global hospital real estate platform, the unique and balanced portfolio that we have deliberately and strategically built, and the robustness of our pipeline will enable us to create consistently strong cash returns for our shareholders while continuing to deliver accretive growth. Specifically, our growth trajectory reflects the mounting interest among premier healthcare institutions in the long-term capital that our financing model provides and Medical Properties Trust’s strong position as the global leader in hospital real estate finance. We are pleased with our achievements for the year thus far, and look forward to continuing our progress and enhancing shareholder value in the second half of 2019 and beyond.”

Benefits of Transactions

- **Achieves Immediate Accretion:** Immediately accretive to Normalized Funds from Operations (“NFFO”) per share; increases run rate guidance for net income to $1.08 to $1.12 and NFFO to $1.54 to $1.58 per diluted share.
- **Improves Portfolio Diversification:** Reduces exposure to MPT’s largest tenant, Steward Healthcare, to 30.3%, a 23% reduction from 39.5% as of December 31, 2018, and its two largest tenants combined to 42.6%, down from 51.1%. Expands MPT’s geographical presence to 30 U.S. states and increases acute care hospitals to 79.0% as a percentage of MPT’s total portfolio, up from 70.5% as of December 31, 2018, and 86.8% as a percentage of MPT’s U.S. portfolio, up from 84.2%.
- **Establishes New Operator Relationships:** Adds three new tenants to MPT’s portfolio of industry leading operators, each with unique characteristics that strengthen our overall portfolio and exhibit significant growth potential.
    - **Prospect Medical Holdings:** MPT’s investment in the real estate interests of 14 acute care hospitals and 2 behavioral health facilities operated by Prospect in the Medicaid expansion states of California, Pennsylvania, and Connecticut creates a new avenue of growth for the Company. Prospect’s mission-critical hospitals are infrastructure assets located in large, densely-populated urban communities having rapidly growing populations and significant need of hospital care. An experienced management team at Prospect, led by CEO and Chairman, Samuel Lee, has a unique understanding of how to run their hospitals profitably in a lower, state-based reimbursement environment by providing high quality care and efficiently managing costs. Prospect’s hospitals are necessary to the communities they serve and relieve pressure on other health systems that are unable to effectively serve all patients.
    - **Saint Luke’s Health System:** With the completion of Company’s investment in June in seven high quality, new construction community hospitals within Saint Luke’s Health System, MPT continues to penetrate the not-for-profit sector with leading operators. Saint Luke’s is an investment grade-rated (Moody’s: A1/S&P: A+), not-for-profit healthcare operator, based in Missouri that employs over 8,600 people across the Kansas City market area. Each facility that MPT acquired currently serves as an access point for Saint Luke’s in high traffic retail areas. The majority of the facilities are located in Johnson County, which is the fastest growing county in the Kansas City metropolitan area.
    - **Halsen Healthcare:** The Company’s investment in Watsonville Community Hospital, a 106-bed acute care hospital profitably serving the healthcare needs of Watsonville, California and its surrounding market area south of San Jose, initiates a new operator relationship for MPT. Halsen, a newly-established operator boasts a deeply experienced executive team, comprised of former Tenet, Community and HCA executives, whom the Company expects to grow with in the coming years.

- **Achieves Greater Scale:** Increases the number of properties in MPT's portfolio to 326 and the number of licensed beds to over 37,500; raises the Company's total gross assets to approximately $12.6 billion on a pro forma basis, up 30% from $9.7 billion as of December 31, 2018.

Mr. Aldag concluded by discussing the current cap rate environment and investment spreads. "There has been some compression of cap rates in the global hospital real estate market due to the increased competition from sophisticated institutional investors – such as sovereign wealth – who are attracted to MPT's model of securing long-term, predictable, inflation protected cash flows from hospitals. However, we are still able to grow our earnings as spreads have remained relatively constant and in some recent transactions, have been higher than historic due to our low cost of capital, as a result of lower inflation and interest rates. In this globally low inflationary environment, MPT continues to achieve internal growth for its shareholders through built in lease protections, such as our minimum annual escalators."

The Prospect and Halsen transactions are expected to close in the second half of 2019, subject to customary closing conditions. Barclays acted as exclusive financial advisor to MPT and provided committed financing for a new $1.55 billion senior unsecured bridge loan in connection with the Prospect transaction. The Company intends to refinance the acquisitions as market conditions warrant with a combination of new unsecured debt and equity.

Included in the $1.55 billion initial investment amount for Prospect is a $113 million three-year term loan which, upon satisfaction of certain conditions, will be canceled in return for MPT's acquisition of the real estate of two of the acute care hospitals noted previously. In addition, the Prospect agreement provides for a future purchase price adjustment of up to $250 million based on achievement of certain performance thresholds over a three-year period. Any such additional investment will be added to the lease base, and MPT will earn additional rent based on the then effective lease rates in accordance with the master leases.

About Medical Properties Trust, Inc.
Medical Properties Trust, Inc. is a self-advised real estate investment trust formed to acquire and develop net-leased hospital facilities. The Company'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.

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 to, and the timely closing (if at all) of pending transactions, including Prospect and Halsen investments; 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.*

# # #

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

	Annual Run-Rate Guidance - Per Share(1)	
	Low	High
Net income attributable to MPT common stockholders	$ 1.08	$ 1.12
Participating securities' share in earnings	-	-
Net income, less participating securities' share in earnings	$ 1.08	$ 1.12
Depreciation and amortization	0.45	0.45
Funds from operations	$ 1.53	$ 1.57
Other adjustments	0.01	0.01
Normalized funds from operations	**$ 1.54**	**$ 1.58**

(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)

	Pro Forma March 31, 2019
Total Assets	$ 9,231,453
Add:	
Completed investments since March 31, 2019 and current committed acquisitions and developments	3,108,777
Accumulated depreciation and amortization	498,915
Incremental gross assets of our joint ventures(2)	540,542
Less:	
Cash and cash equivalents	(745,548)
Pro Forma Total Gross Assets(3)	**$ 12,634,139**

(2) Adjustment needed to reflect our share of our joint ventures' gross assets.

(3) Pro forma total gross assets is total assets before accumulated depreciation/amortization, includes investments completed since March 31, 2019 and assumes real estate binding commitments on new investments and unfunded amounts on development deals and commenced capital improvement projects are funded, and assumes cash on hand is used in these transactions. 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.

Exhibit 99.2

Medical Properties Trust Acquires 24 Hospitals for $1.75 Billion

July 2019

Safe Harbor & Disclaimer

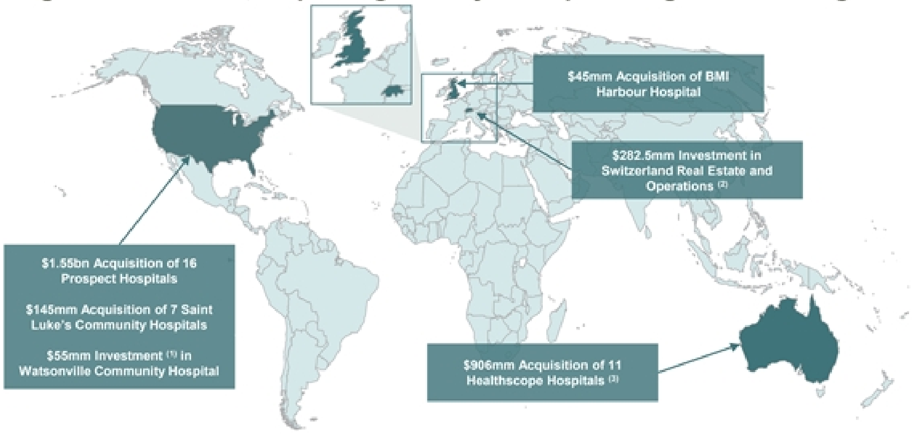
This presentation contains certain "forward-looking" statements as that term is defined by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "would", "could", "expect", "intend", "plan", "aim", "estimate", "target", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding our 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 our actual results 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 Prospect acquisition and the other transactions described herein on the terms contemplated or at all; our tenants ability 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 us 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 we operate; the execution of our business plan; financing risks; our ability to maintain our 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 our Annual Report on Form 10-K for the year ended December 31, 2018, and other risks described in documents subsequently filed by us or MPT Operating Partnership, L.P., our operating partnership, from time to time with the Securities and Exchange Commission.

The pro forma information included in this presentation adjusts our historical information to give effect to the pro forma events that are directly attributable to the Prospect acquisition and other transactions referred herein and is factually supportable. The pro forma adjustments are preliminary and are not necessarily indicative of results that may have actually occurred had the Prospect acquisition and other transactions referred herein taken place on the dates noted. The pro forma adjustments are based upon available information and assumptions that we believe reasonable.

This presentation is for informational purposes only and shall not constitute an offer to sell or a solicitation of an offer to buy any securities the company.

A Marquee Year for Medical Properties Trust

With the acquisitions described in today's announcement, MPT has committed $3.0 billion in hospital investments across the globe in 2019 YTD, surpassing its full-year acquisition guidance during the first half of the year



2019 YTD Highlights

Total Investments:
$3.0 billion

Run-Rate Net Income Range:
$1.08 – $1.12 / share

Run-Rate NFFO Range:
$1.54 – $1.58 / share

Blended GAAP Yield:
8.2%

	Properties	Operators	Largest Operator Concentration	Countries
12/31/2018	275	30	40%	5
Pro Forma Today	326	36	30%	7

Note Prospect and Halsen acquisitions are pending. No assurances can be made that announced and pending transactions will close on the terms indicated or at all.
1. *Includes working capital loan.*
2. *Gross investment in Switzerland real estate and operator is ~$456mm.*
3. *Includes stamp duties and registration fees.*

A Proven Growth Strategy

Acute care real estate opportunity is rapidly expanding

Large Domestic & International Opportunity Set	Consolidation of Hospital Systems	Growing Acceptance of Sale-Leaseback Model Among Not-For-Profit Operators	Further Accretive Opportunities in 2H 2019 and Beyond
• Substantial domestic and international potential acquisition targets • ~5,000 community hospitals in the U.S. and ~20,000+ globally • Estimated $0.5 trillion of U.S. hospital real estate • Additional $0.5 – $1.0 trillion international hospital real estate	• Consolidation of hospital systems continues, searching for cost efficiencies and economies of scale • Increasing ownership of hospitals by for-profit systems established in the past decade (i.e. Steward, Prospect) and increasing investment from global private equity (i.e. Apollo, Cerberus, Brookfield)	• ~75% of all community hospitals in the U.S. are owned by not-for-profit (“NFP”) operators • Leading NFP operators continue building relationships with private real estate owners and REITs to leverage their scale and cost of capital	• ~$6 billion invested since 2016 while supporting growth of best-in-class operators • MPT’s platform is positioned to continue growing in the acute care space in the second half of 2019 and beyond

Sources: Company filings, American Hospital Association, World Health Organization and Wall Street research.

Preeminent Global Hospital Real Estate Platform

Global leader in hospital real estate finance focused on investments in licensed hospitals, unlocking value around the globe to deliver continued shareholder growth

Best-in-class acute care portfolio driven by strong operator relationships

- *Over 325 properties in 7 countries and 30 states*
- *36 total operators, including leading not-for-profit and for-profit systems in the U.S. and abroad*

Established source of capital for leading hospital operators around the globe

- *Over $12 billion gross investments worldwide*
- *$3.0bn new investments announced or completed 2019 YTD at a blended GAAP yield of approximately 8.2%*

Unlocking new global growth opportunities

- *New and compelling international markets (Australia, Switzerland) enhance existing global platform*
- *Completed over $3.2 billion of international investments since 2013*
- *Leased to best-in-class international hospital operators*

Strong track record of delivering superior returns to shareholders

- *5-year total return of 101% vs. 43% for healthcare REIT sector [1]*
- *5.4% dividend yield [2]*
- *Historically accretive investment activity*

Sources: Company filings and SNL Financial.
Note: No assurances can be made that announced and pending transactions will close on the terms indicated or at all. Figures pro forma for newly announced acquisitions.
1. *As of 7/12/2019. Healthcare REIT sector per SNL Financial.*
2. *Based on closing price of $18.51 as of 7/12/2019 and regular dividend paid on 7/11/2019.*

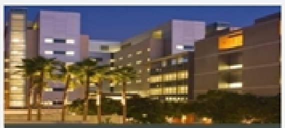
$3.0bn Cumulative Investments 2019 YTD

2019 transactions include:

53	**Hospitals**
6	**New Operators**
$1.6bn	**Pending Investments**
$1.4bn	**Completed Investments**
$3.0bn	**2019 YTD Investments**

On July 15, 2019, Medical Properties Trust announced new acquisitions comprising 24 hospitals for a total investment of $1.75 billion with three new operators

- $1.55 billion unsecured bridge loan to support Prospect acquisition



Prospect Medical Holdings

14
Acute care hospitals

2
Behavioral health facilities

3
States (CA, CT, PA) (4)

$1.55B

Saint Luke's Health System *

7
Community hospitals

1
Market (Kansas City)

A1 / A+
Investment Grade Rating (5)

$145M

* Acquisition Completed

Halsen Healthcare, LLC

1
Acute care hospital

1
State (California)

Highly Experienced Management Team

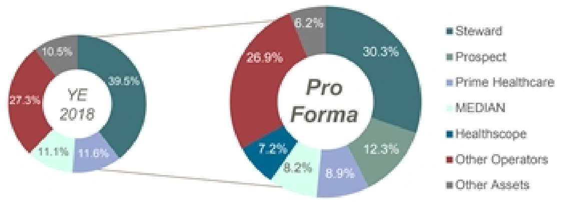
$55M

1. Includes Steward Big Spring, BMI Harbour, Aevis equity investment and one other acquisition.
2. Gross investment value of $410mm.
3. Includes stamp duties and registration fees.
4. Excludes two properties subject to a delayed closing depending upon satisfaction of certain conditions.
5. Per Moody's and S&P, respectively.

Strengthening Portfolio Quality Through Diversification

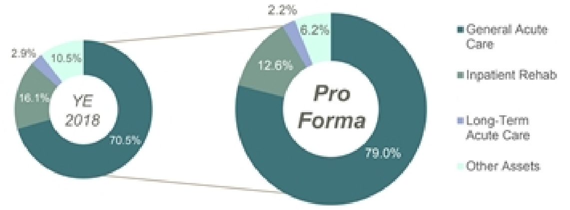
Operator

Reduces Steward concentration to 30.3%, from 39.5% as of December 31, 2018

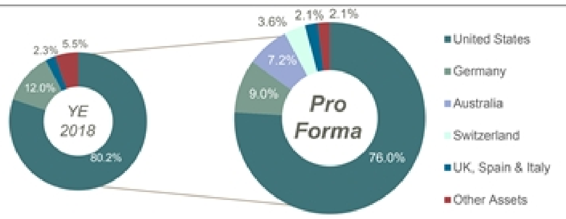


Asset Type

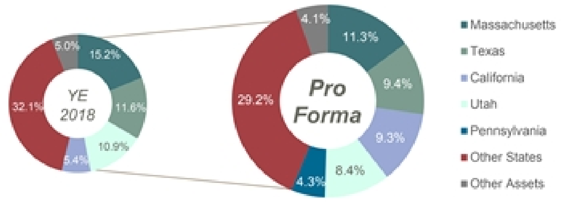
Increases general acute care to 79.0%, from 70.5% of total portfolio as of December 31, 2018



Global



Domestic (U.S. Only)



MPT's largest property represents less than 3.0% of the total portfolio

Note: "YE 2018" figures do not include Healthscope acquisition (completed in June 2019). "Pro Forma" adjusted for material events subsequent to quarter end including: (i) closing and funding of Saint Luke's acquisition for $145 million, (ii) closing and funding of Infracore / Aevis investments for $288 million, (iii) closing and funding of Healthscope acquisition for $906 million including capitalized costs, (iv) closing and funding of Steward Big Spring, BMI Harbour and one other acquisition for $78 million, (v) closing and funding of Prospect portfolio acquisition for $1.55 billion, (vi) closing and funding of Halsen acquisition for $55 million including a working capital loan and (vii) sale of two ancillary properties for net proceeds of $3.5 million and funding of approximately $144.7 million for development projects, capital improvement projects and working capital purposes.

2019 YTD Acquisitions Benefits

Achieves Immediate Earnings Accretion

- *Transactions expected to be immediately accretive*
- *Net Income run-rate estimated to be $1.08 to $1.12 per share; increases run-rate NFFO guidance to a range of $1.54 to $1.58 per share*
- *2019 YTD blended GAAP yield on announced and completed transactions of approximately 8.2% (in line with previously estimated 7.5% - 8.5% range)*

Establishes New Operator Relationships

- *Adds six new tenants to MPT's portfolio of industry leading operators, including new relationship with A-rated not-for-profit health system*
- *Unique characteristics of each operator strengthen the overall portfolio and exhibit material future growth potential*

Increases Portfolio Diversification

- *Reduces exposure to MPT's largest tenant, Steward Health Care System, to 30% from 40% as of December 31, 2018, and its two largest tenants combined to 43% from 51%*
- *Expands MPT's geographical presence to 30 U.S. states*
- *Increases acute care hospitals to 79% as a percentage of MPT's total portfolio, up from 71% as of December 31, 2018, and 87% as a percentage of MPT's U.S. portfolio, up from 84%*

Achieves Benefits of Greater Scale

- *YTD acquisitions of $3.0 billion surpass FY 2019 acquisition goal*
- *Adds 50 hospital facilities to MPT's portfolio increasing the number of properties to 326 and the number of licensed beds to over 37,500*
- *Raises MPT's total gross assets 30% from $9.7 billion as of December 31, 2018 to approximately $12.6 billion on a pro forma basis*


$1.75bn Acquisitions Overview

Prospect Medical Holdings

Investment Properties:
14 Acute care hospitals
2 Behavioral health facilities

Investment:
$1.55 billion

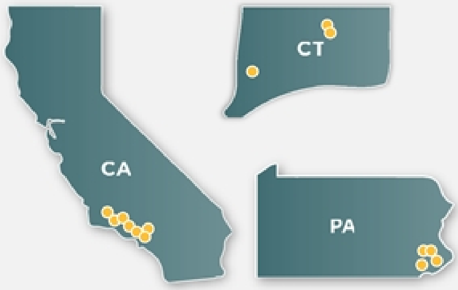
Locations:
California, Connecticut and Pennsylvania [1]

Term:
15-year initial term with three renewal options

Operated by:
Prospect Medical Holdings, Inc.

Annual Escalator:
Greater of CPI or 2% with a ceiling of 4%

- Prospect is a fully-integrated healthcare management company led by an experienced management team
- Provides services to patients through various business segments, including hospital services & facilities, medical groups and coordinated regional care
- Serves densely populated markets in Medicaid expansion states through large, organized physician groups
- Market is oriented toward high managed care penetration
- Mission-critical hospitals providing integral healthcare infrastructure to the communities they serve



1. *Excludes two properties subject to a delayed closing depending upon satisfaction of certain conditions.*

Prospect Medical Holdings

Prospect is a proven operator of community-based hospitals in urban markets and a fundamental player in the acute care national hospital system

- **Targeting Urban Communities**
  - *Mission-critical hospitals in irreplaceable locations for state-level reimbursed patients in densely populated, urban markets*
  - *Low cost of operations, with service profitably supported by market demographics*
  - *Other hospital networks in Prospect's markets either not equipped or not properly staffed to deliver and manage costs effectively*

- **Award Winning Management Team**
  - *Prospect is led by CEO and Chairman Samuel Lee, who has over 25 years of industry experience*
  - *Deep and experienced leadership team with 10+ years of average tenure at Prospect*
  - *Prospect has been recognized by the American Heart Association, BlueCross BlueShield of Texas and U.S. News and World Report, among others, as a leader in clinical quality and care*

- **Integrated Behavioral Health Services**
  - *Behavioral services are typically delivered through carve-out arrangements separate from traditional healthcare*
  - *Prospect integrates behavioral service within many of its facilities, offering a full spectrum of care to its patients*
  - *Mental health (prevalent with the Medicaid population) impacts >20% of the U.S. population, totaling >$300 billion of direct treatment expense annually*

- **Integral Hospital Assets**
  - *Necessary to the communities they serve, relieving pressure from larger hospitals*
  - *Provide support in certain services (i.e. emergency departments and behavioral health) to communities largely unaddressed by regional hospital networks*

- **Experience with State-Level Reimbursement Programs**
  - *Deep understanding of state reimbursement system and hospital operational network*
  - *Strategic physician / payor alignment creates successful business model*
  - *Expert medical management of high utilizer patient population*

- **Large, Densely Populated Markets**
  - *Patient migration to cities; increase in behavioral patients / government pay mix*
  - *Medicaid expansion states*
  - *Essential infrastructure for healthcare delivery in growing markets*

16 Hospitals Across 3 states	2,383 (1) Licensed Beds	~750 Employed Physicians	~500,000 Members Managed	~160 Outpatient Facilities

1. *Excludes two properties subject to a delayed closing depending upon satisfaction of certain conditions.*

Select Prospect Hospitals

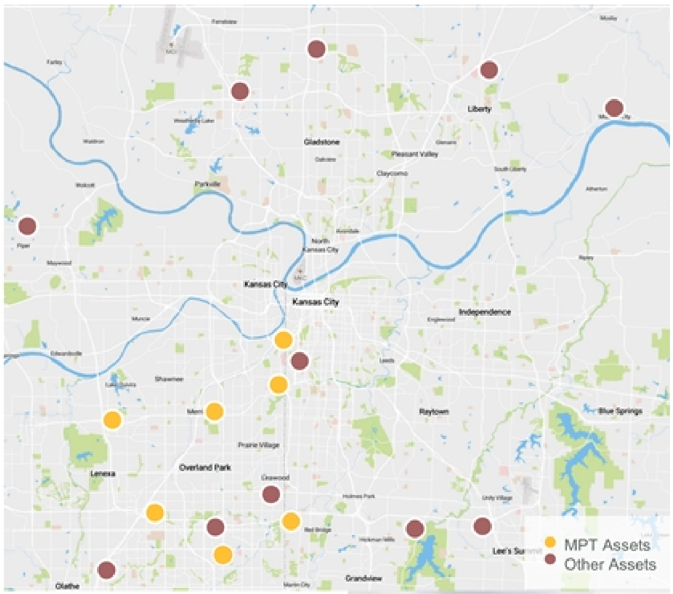
Southern California Hospital at Culver City | Culver City, CA

Rockville General Hospital | Vernon, CT

Cozer-Chester Medical Center | Upland, PA

Manchester Memorial Hospital | Manchester, CT

Saint Luke's Community Hospitals



Investment Properties:
7 community hospitals

Location:
Kansas City metropolitan area

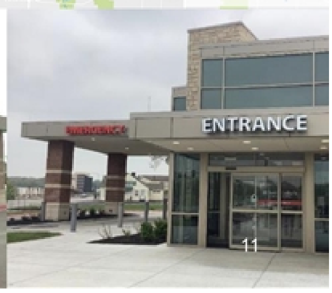
Operated and Guaranteed by:
Saint Luke's Health System
(A1 / A+ rated) (1)

Investment:
$145.4 million

Term:
14-year initial term with two 5-year renewal options

Annual Escalator:
Average 2% fixed escalators

- Saint Luke's Health System is a not-for-profit healthcare operator based in Kansas City, Missouri
- Currently operates 18 hospitals (including a 382-bed flagship hospital), 13 convenient care clinics and three surgery centers across the greater Kansas City region
- High quality, new construction community hospitals built within the last two years
- Located in high-income demographic areas on major roads / intersections within Johnson County, Kansas - the fastest growing county in the Kansas City region
- New relationship between MPT and A-rated not-for-profit (with comprehensive diagnostic and treatment facilities) signifies rapidly evolving and expanding hospital market



1. Per Moody's and S&P, respectively.

Halsen Healthcare

Investment Properties:
1 Acute care hospital

Investment:
$40 million [1]

Location:
California

Term:
15-year initial term with three 5-year renewal options

Operated by:
Halsen Healthcare, LLC.

Annual Escalator:
Greater of CPI or 2% with a ceiling of 5%

- Halsen Healthcare, a newly established operator based in Orange County, CA, boasts a deeply experienced executive team comprised of former Tenet, Community Health Systems and HCA executives, whom the Company expects to grow with in the coming years
- MPT's investment in Watsonville Community Hospital, a 106-bed acute care hospital profitably serving the healthcare needs of its surrounding markets, initiates a new operator relationship for MPT
- Watsonville is a coastal city located south of San Jose, a region with expected population growth of ~3% over the next five years

1. *Real estate only. Total investment of $55mm including a working capital loan.*

2019 Completed Acquisitions Previously Announced

BMI Harbour Hospital

Invested Properties:
1 Acute care hospital

Location:
England

Operated by:
BMI Healthcare

Investment:
$45 million

Term:
14 years remaining

Annual Escalator:
Fixed 2.5%

- 38-bed acute care hospital located in Poole, England, an affluent coastal city southwest of London
- Offers orthopedic, oncology and physiotherapy services
- BMI Healthcare is the largest private hospital operator in the United Kingdom
  - 56 hospitals with 20 facilities in London
- Transaction closed April 3, 2019

Infracore

Ownership Acquired:
46% stake in Infracore SA

Investment:
$410 million [1]

Location:
Switzerland

Operated by:
Swiss Medical Network

- Infracore SA is a Swiss healthcare real estate company with real estate holdings valued at approximately $900 million
- Portfolio consists of 13 acute care campuses and two additional properties across Switzerland
- Hospitals are operated by the Swiss Medical Network (Switzerland's second largest private hospital operator)
- Hospitals total approximately 1.5 million square feet of high-quality assets, with an average 23 year remaining lease term
- Through the acquisition, which closed on May 27, 2019, MPT became the largest shareholder in Infracore
- On June 28, 2019, MPT acquired 4.9% shareholding in AEVIS VICTORIA SA which owns 19% of Infracore and wholly owns Swiss Medical Network
  - Investment leads to closer alignment and potential growth with Swiss Medical Network

1. *Represents gross real estate investment.*

Healthscope

Invested Properties:
11 Hospitals

Investment:
$858 million [1]

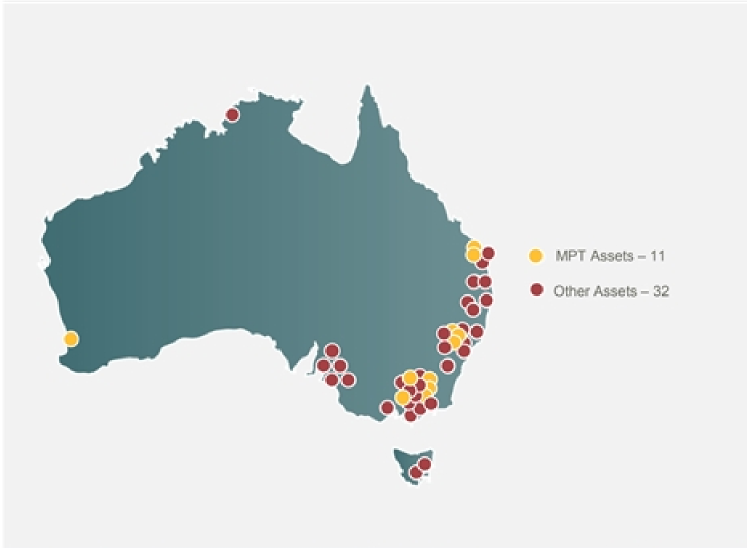
Locations:
Sydney, Melbourne, Brisbane and Perth

Term:
20-year weighted average initial term with multiple extension options

Operated by:
Healthscope Ltd.

Annual Escalator:
Fixed 2.5%

- Healthscope is the second largest private hospital operator in Australia with 18,000 employees and 5,100 beds
- Operates 43 hospitals located around large metropolitan centers, including 30 acute hospitals, seven mental health hospitals and six rehabilitation hospitals
- Transaction agreements include provisions for MPT to invest up to an additional $350 million for expansion and redevelopment projects in 2019 and future years
- Transaction with Healthscope closed on June 6, 2019 (transaction financed with a five-year unsecured term loan at a 2.45% fixed interest rate)



1. Excludes stamp duties and registration fees.


Portfolio Update

Portfolio Update

Steward

- Steward integrated operations of IASIS and other acquisitions which expanded the company from Massachusetts to 8 additional states, increasing its portfolio to 36 hospitals from 9 facilities
- Integrated operations of over 1,500 employed physician providers located in over 600 locations
- Expanded the network of affiliated providers from 2,700 to over 5,000
- Conversion of Electronic Health Record systems to maintain the reliability and consistency of electronic records and integrate billing processes to increase the speed at which charges are collected
- Centralization of all three corporate offices to Dallas, TX
  - Workforce reductions led to substantial one-time severance charges; savings to be realized in 2019

2018 EBITDAR Reconciliation

($ in millions)

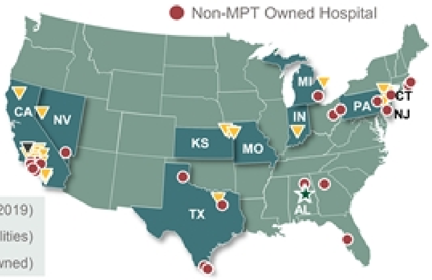
Loss From Operations, Before Income Taxes	**($269.2)**
Gain on Sale	(36.4)
Depreciation and Amortization	230.8
Interest	169.8
Operating Leases	212.9
EBITDAR	**$307.9**
Staffing and Vendor Consolidation and Integration	82.5
Revenue Cycle Integration Adjustments	49.5
Electronic Health Record Conversion Impact	133.8
Integration Cost[1]	89.5
Facility Disposal and Transition Costs	19.6
Other Non-Recurring	27.0
Adjusted EBITDAR	**$709.8**
MPT Coverage Rent / Interest	**$249.3**
Consolidated Adjusted EBITDAR Coverage	**2.85x**

Prime Healthcare

- Generated substantial cost savings in supply chain management, labor optimization, and improved Medical Group efficiencies
- Further increased liquidity through revenue cycle improvements

Investment	$1.1 billion (3/31/2019)
# of Beds	6,073 (4,520 MPT Facilities)
# of Hospitals	45 (22 MPT owned)

Acute Care Hospital
Rehabilitation Hospital
Non-MPT Owned Hospital

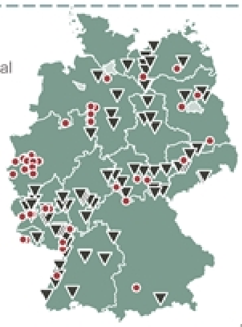


MEDIAN

Rehabilitation Hospital
Non-MPT Owned Hospital

- Expense management initiatives realized in 2018 as well as renegotiated certain payer contracts
- Renovated selected units across the portfolio

Investment	$1.0 billion (3/31/2019)
# of Beds	18,073 (14,435 MPT Facilities)
# of Hospitals	120 (77 MPT owned)



Note: Steward Health Care System information provided by Steward Health Care System. MPT did not participate in the preparation of this information.
1. Includes Houston facility remediation.

Appendix

FFO Run-Rate and Gross Assets Reconciliation

Annual Run-Rate Guidance – Per Share [1]

	Low	High
Net income attributable to MPT common stockholders	$1.08	$1.12
Participating securities' share in earnings	-	-
Net income, less participating securities' share in earnings	**$1.08**	**$1.12**
Depreciation and amortization	0.45	0.45
Funds from operations	**$1.53**	**$1.57**
Other adjustments	0.01	0.01
Normalized funds from operations	**$1.54**	**$1.58**

Pro Forma Total Gross Assets

	Pro Forma March 31, 2019
Total assets	$9,231,453
Add:	
Completed investments since March 31, 2019 and current committed acquisitions and developments	3,108,777
Accumulated depreciation and amortization	498,915
Incremental gross assets of our joint ventures [2]	540,542
Less:	
Cash and cash equivalents	(745,548)
Pro forma total gross assets [3]	**$12,634,139**

1. *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 the corresponding press release and our filings with the Securities and Exchange Commission for a discussion of risk factors that affect MPT's performance.*
2. *Adjustment needed to reflect MPT's share of joint ventures' gross assets.*
3. *Pro forma total gross assets is total assets before accumulated depreciation/amortization, includes investments completed since March 31, 2019 and assumes real estate binding commitments on new investments and unfunded amounts on development deals and commenced capital improvement projects are funded, and assumes cash on hand is used in these transactions. 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.*


MPT
At the Very Heart of Healthcare
St. Elizabeth's Medical Center

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Steward Health Care System LLC
Years Ended December 31, 2018 and 2017

Steward Health Care System LLC

Consolidated Balance Sheets

	December 31 2018	December 31 2017
	(Amounts in Thousands)	
Assets		
Cash and cash equivalents	**$ 74,258**	$ 69,088
Patient accounts receivable, less allowance for doubtful accounts of $424,396 and $135,535 in 2018 and 2017, respectively	**669,094**	686,748
Other accounts receivable	**266,811**	203,132
Income tax receivable	**–**	63,230
Estimated settlements with third-party payors	**10,853**	8,865
Inventories	**119,407**	126,027
Prepaid expenses	**48,735**	61,204
Other current assets	**19,294**	18,922
Total current assets	**1,208,452**	1,237,216
Property and equipment – net	**1,339,786**	2,655,647
Other assets	**119,289**	198,060
Goodwill and other intangible assets	**548,044**	567,253
Total assets	**$ 3,215,571**	$ 4,658,176
Liabilities and members' deficit		
Current liabilities:		
Current portion of long-term debt	**$ 17,875**	$ 79,853
Accounts payable and accrued expenses	**805,544**	690,196
Accrued compensation and benefits	**239,900**	222,635
Medical claims	**155,476**	163,458
Estimated settlements with third-party payors	**20,221**	16,620
Current portion of deferred gain	**57,639**	6,536
Current portion of sale-leaseback financing obligation	**10,891**	67,579
Other current liabilities	**135,016**	105,298
Total current liabilities	**1,442,562**	1,352,175
Long-term debt – net of current portion and debt issuance costs	**1,335,434**	1,907,157
Professional liability costs	**163,923**	138,253
Deferred tax liabilities	**479**	13,204
Deferred gain – net of current portion	**645,665**	39,769
Sale-leaseback financing obligation - net of current portion	**182,622**	1,552,311
Other liabilities	**654,444**	560,088
Total liabilities	**4,425,129**	5,562,957
Non-controlling interests with redemption rights	**87,835**	85,125
Members' deficit	**(1,324,117)**	(1,017,634)
Non-controlling interests - non-redeemable	**26,724**	27,728
Total deficit	**(1,297,393)**	(989,906)
Total liabilities and members' deficit	**$ 3,215,571**	$ 4,658,176

Steward Health Care System LLC

Consolidated Statements of Operations

	Year Ended December 31 2018	2017
	(Amounts in Thousands)	
Net patient service revenue	**$ 5,434,043**	$ 3,327,312
Less provision for bad debts	**(580,378)**	(284,765)
Net patient service revenue, less provision for bad debts	**4,853,665**	3,042,547
Premium revenue	**1,449,638**	465,651
Other revenue	**322,886**	197,443
Total revenues	**6,626,189**	3,705,641
Expenses:		
Salaries, wages, and fringe benefits	**2,744,635**	1,780,182
Supplies and other expenses	**2,628,183**	1,561,051
Medical claims expense	**1,151,875**	363,978
Depreciation and amortization	**230,802**	154,772
Interest	**169,777**	108,604
Transaction expenses	**–**	49,792
Gain on sale-leaseback transaction, net	**(3,931)**	–
Gain on sale of assets and business	**(31,274)**	–
Reorganization expenses	**5,308**	8,859
Total expenses	**6,895,375**	4,027,238
Loss from operations	**(269,186)**	(321,597)
Other non-operating income, net	**(403)**	(2,223)
Loss before income taxes	**(268,783)**	(319,374)
Income tax expense (benefit)	**10,764**	(112,193)
Net loss	**(279,547)**	(207,181)
Net loss (earnings) attributable to non-controlling interests	**8,443**	(248)
Net loss attributable to Steward Health Care System LLC	**$ (271,104)**	$ (207,429)

Steward Health Care System LLC

Consolidated Statements of Comprehensive Loss

	Year Ended December 31	
	2018	**2017**
	(Amounts in Thousands)	
Net loss	**$ (279,547)**	$ (207,181)
Other comprehensive loss:		
Unrealized loss on available-for-sale securities	**(5,950)**	–
Pension liability adjustment	**(1,392)**	(2,065)
Other comprehensive loss before income taxes	**(7,342)**	(2,065)
Income tax expense	**–**	–
Total other comprehensive loss, net of tax	**(7,342)**	(2,065)
Net loss (earnings) attributable to non-controlling interests	**8,443**	(248)
Comprehensive loss attributable to Steward Health Care System LLC	**$ (278,446)**	$ (209,494)

Steward Health Care System LLC

Consolidated Statements of Changes in Members' Deficit

	Members' Deficit			
	Accumulated Deficit	**Accumulated Other Comprehensive Loss**	**Non-controlling interests Non-redeemable**	**Total Deficit**
	(Amounts in Thousands)			
BALANCE, JANUARY 1, 2017	$ (908,524)	$ (1,707)	$ -	$ (910,231)
Net (loss) income	(207,429)	-	1,189	(206,240)
Pension liability adjustment	-	(2,065)	-	(2,065)
Non-controlling interests acquired	-	-	26,539	26,539
Issuance of convertible preferred interests	100,000	-	-	100,000
Distributions	(89)	-	-	(89)
Equity-based compensation expense	2,180	-	-	2,180
BALANCE, DECEMBER 31, 2017	$ (1,013,862)	$ (3,772)	$ 27,728	$ (989,906)
Net (loss) income	**(271,104)**	-	**3,196**	**(267,908)**
Pension liability adjustment	-	**(1,392)**	-	**(1,392)**
Unrealized loss on available-for-sale securities	-	**(5,950)**	-	**(5,950)**
Repurchase of equity	**(5,275)**	-	-	**(5,275)**
Distributions	-	-	**(4,200)**	**(4,200)**
Adjustment to redemption value of non-controlling interests with redemption rights	**(24,942)**	-	-	**(24,942)**
Equity-based compensation expense	**2,180**	-	-	**2,180**
BALANCE, DECEMBER 31, 2018	**$ (1,313,003)**	**$ (11,114)**	**$ 26,724**	**$ (1,297,393)**

Steward Health Care System LLC

Consolidated Statements of Cash Flows

	Year Ended December 31 2018	2017
	(Amounts in Thousands)	
Operating Activities		
Net loss	**$ (279,547)**	$ (207,181)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	**230,802**	154,772
Provision for bad debts	**580,378**	284,765
Equity-based compensation expense	**2,180**	2,180
Deferred tax, net	**(29,589)**	(244,051)
Non-cash interest expense	**7,963**	2,342
Amortization of deferred gains	**(15,093)**	(6,214)
Gain on sale-leaseback transaction, net	**(3,931)**	–
Gain on sale of assets and business	**(31,274)**	(1,953)
Other	**–**	(6,682)
Increase (decrease) in cash resulting from a change in:		
Patient accounts receivable	**(563,349)**	(315,064)
Establishment of accounts receivable of recent acquisitions	**–**	(128,634)
Other assets	**73,516**	(50,816)
Accounts payable, accrued expenses, and other liabilities	**267,598**	494,372
Net cash provided by (used in) operating activities	**239,654**	(22,164)
Investing Activities		
Purchase of property and equipment	**(200,895)**	(83,403)
Proceeds from sale of assets and business	**57,851**	–
Purchase of available-for-sale securities	**(7,500)**	–
Cost of acquisitions, net of cash acquired	**(1,082)**	(440,623)
Increase in noncurrent other assets	**(4,413)**	(51,209)
Net cash used in investing activities	**(156,039)**	(575,235)
Financing Activities		
Payment of debt issuance costs	**–**	(16,598)
Proceeds from issuance of debt	**38,648**	15,000
Proceeds under revolving credit facility	**30,000**	650,000
Payments under revolving credit facility	**(80,000)**	(35,000)
Repayments of debt and capital lease obligations	**(87,448)**	(65,994)
Distributions	**(12,320)**	(89)
Proceeds from preferred equity issuance	**–**	100,000
Net proceeds from sale-leaseback transaction	**42,823**	–
Repurchases of equity interests	**(5,275)**	–
Cash paid for the repurchase of non-controlling interests	**(2,348)**	–
Other	**(2,525)**	(745)
Net cash (used in) provided by financing activities	**(78,445)**	646,574
Net increase in cash and cash equivalents	**5,170**	49,175
Cash and cash equivalents at beginning of year	**69,088**	19,913
Cash and cash equivalents at end of year	**$ 74,258**	$ 69,088

Consolidated Statements of Cash Flows (continued)

	2018	2017
	(Amounts in Thousands)	
Supplemental disclosure of cash flow information		
Cash paid for interest	**$ 168,025**	$ 95,640
Net cash paid for income taxes	**$ –**	$ 58,561
Supplemental schedule of non-cash investing and financing activity		
Purchase of property and equipment financed by capital leases	**$ 11,399**	$ 37,735
Reduction of financing obligations resulting from qualifying for sale-leaseback accounting	**$ 2,016,881**	$ –
Non-cash financing to fund acquisitions	**$ –**	$ 1,711,300