



How Can Community Health (CYH) Address its Near-Term Unsecured Maturities?

We would first acknowledge that we have no idea what, if anything, CYH will do to address its unsecured debt maturities over the near term. That said, it's our view that the company should consider some sort of exchange on both the 8% bonds and the 7.125% bonds at the same time. Investors could exchange into a combination of new secured and unsecured debt that would mature on 2/1/22 (the same day as the 6.875% bonds). This would give CYH a significant amount of time (assuming it could refinance other secured debt with secured debt) to address its capital structure. This could include actions such as selling more significant numbers of hospitals (and/or markets), a strategic overhaul to attempt to improve margins, selling the company, etc. And although these options may seem like low probability outcomes today, we believe a lot can change over a 3-4 year period. As such, we believe time could be a valuable asset for CYH.