Figure 96: MPW 3Q16 results preview

MPW	3Q15	2Q16	3Q16			2016			
Earnings	**Actual**	**Actual**	**Actual**	**DBe**	**Cons**	**Pre 3Q Guide**	**Post 3Q Guide**	**DBe**	**Cons**
Normalized FFO/sh	$0.32	$0.32		$0.30	$0.30	$1.29 - $1.33		$1.29	$1.26
FFO/sh	$0.18	$0.23		$0.30				$1.14	
FAD/sh	$0.30	$0.28		$0.27				$1.17	
Operating Metrics	**Actual**	**Actual**	**Actual**	**DBe**		**Pre 3Q Guide**	**Post 3Q Guide**	**DBe**	
Total Portfolio EBITDAR Coverage (stable portfolio, TTM basis)	3.8x	3.6x							
General Acute Care	4.7x	4.5x							
LTACH	1.9x	1.8x							
IRF	2.9x	2.2x							
Master Lease EBITDAR Coverage (stable portfolio, TTM basis)	3.1x	3.0x							
Master Leases as % of Total Portfolio	80%	71%							
Construction Pipeline	326.7	255.0		255.0					
Deliveries	24.0	30.9		62.2					

Note: consensus estimates are based on ThomsonReuters compiled data as of 10/14/16

- Updated sector outlooks for acute care hospitals, freestanding emergency rooms, long-term acute care hospitals, and inpatient rehab facilities
- Additional details on the Steward acquisition and future growth potential stemming from the new relationship with Steward and Cerberus
- Comments on the pace of $300MM in Median acquisitions and expected timing (2016 closings vs. 2017)
- Updated investment outlook and which assets/regions are most attractive for capital deployment. With our pro-forma net debt-to-EBITDA of roughly 5.0x we believe MPW has plenty of dry powder to make accretive investments
- Disposition update and plans to sell additional LTACHs (7% exposure as of last Q's call)
- Development pipeline update as $62MM of freestanding ER completions are scheduled for 3Q16
- Operator/tenant update, most notably comments on Prime Healthcare (on-going DOJ lawsuit) and Adeptus Health (views on recent freestanding ER scrutiny)
- Update on EBITDAR rent coverage (reported on a 1-Q lag) and the impact of 2Q16 LTACH and IRF sales on coverage ratios
- After updating our model to reflect the Steward deal and related financing activity, our 2016 norm FFO/sh estimate remains unchanged at $1.29 (vs. $1.29-$1.33 guidance). Our 2017 norm FFO/sh moves to $1.39 from $1.32. Our norm FAD/sh estimates move to $1.17 (from $1.16) in 2016 and to $1.29 (from $1.20) in 2017. Please see Figure 98 for a summary of our full year estimate revisions

Source: Deutsche Bank, company data, Thomson