

HEDGEYE



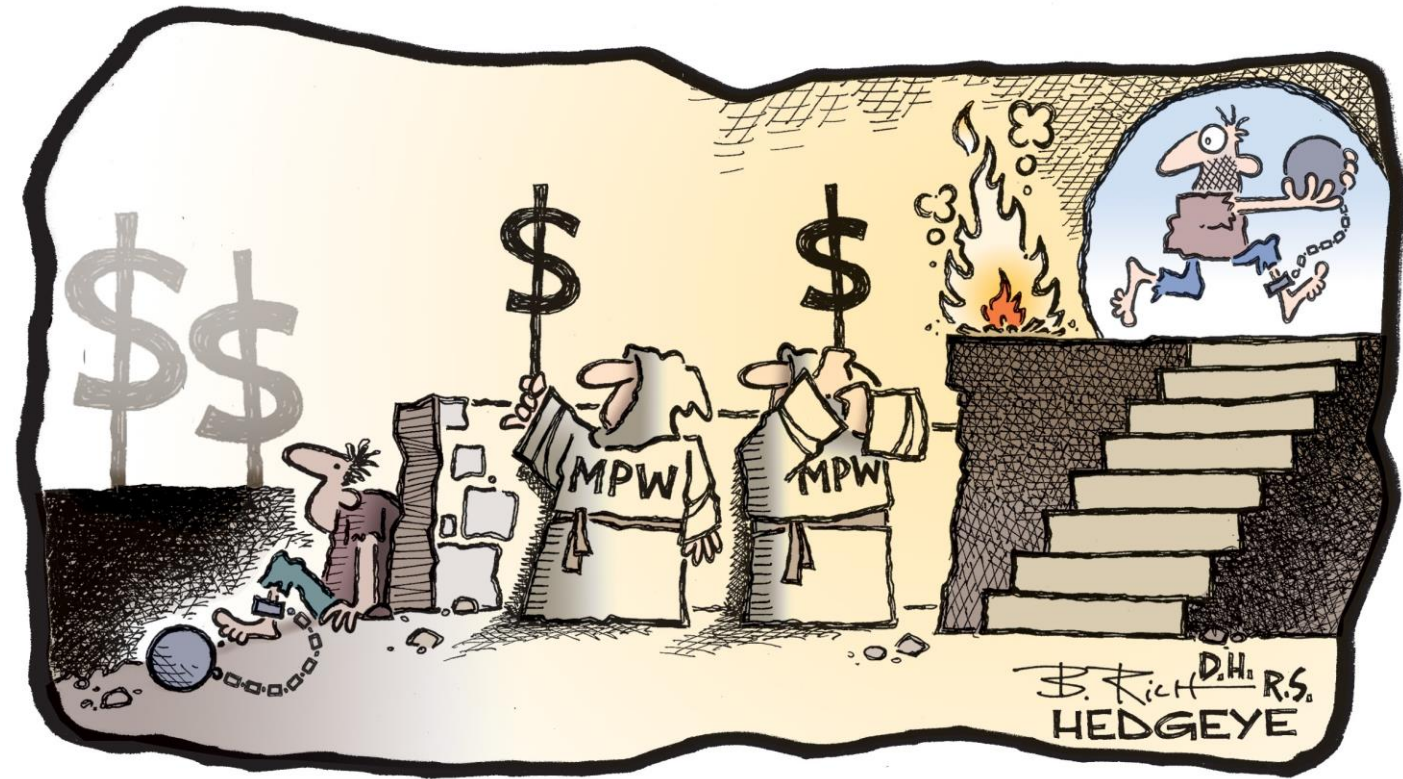
# Active **Short** Medical Properties (Dis)Trust (MPW)

“Going Going, Back Back, to Wadley  
Wadley...”

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Medical Properties Trust



HEDGEYE REITs

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# MPW'S / STEWARD'S WADLEY REGIONAL DEVELOPMENT

## Checking in on the progress (or lack thereof) every few months...

- Enclosed are photos of the **Wadley Regional Texarkana** development as of **5.5.23**, including a few over-the-top shots.
- **Timeline & FACTS:**
  - **September 2021:** Steward (not MPW as the owner/developer/source of capital) “broke ground” for the first time on the ~\$227 million (~\$1.8 million per bed) replacement hospital development.
  - **April 2022:** MPW in its 1Q22 supplemental reported **~\$56.9 million funded towards the project**, implying an **incremental ~\$50 million over-and-above the allocated land value**, and a 2Q24 rent commencement date. MPW’s total expected investment was listed at ~\$169.4 million.
  - **August 2022:** MPW reported with 2Q22 results that **~\$57.4 million had been funded**.
  - **October 2022:** KTLA [reported](#) no activity at the site and that construction had been put on hold. With 3Q22 results MPW reported **~\$57.9 million funded**.
  - **November 2022:** Hedgeye hired a photographer and [confirmed](#) no activity at the site. MPW told investors at the time that Steward was “cash flow positive.” At the same time, questions were being raised around Steward’s “interim extension” on its ABL facility.
  - **December 2022:** Steward [announced](#) a 1-year extension on its ABL facility. **MPW later confirmed with 1Q23 results that it had lent another ~\$28 million to Steward in late-2022.**
  - **January 2023:** Steward [announced](#) a second ground-breaking for Wadley. The total project cost was reported then at ~\$254 million (+\$27 million higher), or ~\$2.1 million per bed.
  - **February 2023:** Hedgeye went back to Texarkana, and [confirmed](#) that “Chernobyl” was rebuilding. MPW also reported with 4Q22 results that **~\$57 million had been funded**, or ~\$900k less than the prior quarter. Completion was now expected 1Q26.
  - **April 2023:** MPW reported with 1Q23 results that **~\$57 million had been funded**, so no change q/q. MPW also disclosed the ~\$28 million loan made to Steward in 4Q22 (above), as well as an **incremental ~\$50 million advanced to its largest operator in 2023.**
- What follows is a current look at the site, >1.5 years after activity first began and MPW funded its ~\$50 million. We would just highlight again that, factually and observably, MPW is nowhere to be found in the signage/collateral while “CREF” is.



# SITE PHOTOS

Over-the-top shots this time!





# SITE PHOTOS (CONT'D)





# SITE PHOTOS (CONT'D)





# SITE PHOTOS (CONT'D)



# SITE PHOTOS (CONT'D)





# SITE PHOTOS (CONT'D)



# SITE PHOTOS (CONT'D)

Upright again!





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