



Finding Efficient Frontiers



## MEDICAL PROPERTIES TRUST, INC.

After 2 years of turnaround struggle, it should be apparent that MPT, a medical REIT, is not a candidate for going out of business. The return to normal was confirmed when the company reported good 4th quarter 2025 earnings, demonstrating positive cash flow *after* share dividend, Capital expense and the deduction of non-cash straight line rent. Investors may get additional upside since 25% of the shares are shorted and may need to be repurchased over the next few years. Medical Properties Trust (MPT) owns health care properties and is the 10th largest medical real estate investment trust in the U.S. (rated by equity value or market cap). The company's 15-billion-dollar portfolio contains 384 properties in 9 different countries, and the primary types of facilities are general acute care hospitals and post-acute care facilities.

- In early 2022 MPT began to experience problems with 2 of its' largest tenants, Steward Health Care and Prospect Medical, which accounted for over 30% of their assets. Both operators ended up declaring bankruptcy
- By the end of 2025 the properties operated by these tenants, along with other problem assets, had been mostly re-tenanted or sold
- Through the process MPT's S&P senior unsecured debt rating fell BB to CCC+
- Re-leased properties contained provisions for initially discounted rent for newly transitioned tenants that ramp up through 2026

The company faces \$3 billion in debt maturities in 2026 and 2027 and we expect an interest rate increase from the 4% area to the 6.5% area for the refinance. Our forecast is for debt reduction of \$3 or \$400 million with cash on hand, possible asset sales and our estimated free cash flow. A key initiative for management will also be the lowering of Capital expenditures. Management stated that: "We retain numerous options for refinancing maturing debt over the next 2 years. [including]...refinancing with secured debt, additional asset sales and other transactions."

We reiterate our buy and raise our price target from \$6.50 to 8.00. We project increasingly positive EPS for the company, over the next 3 years with increasing retained cash flow after deducting capex, dividends and straight line rent. Due to the volatility, we advise investors to buy on pullbacks into the low \$5 area and below. The shares have visited the mid 6 area numerous times without passing the late 2024 high of 6.55.

### INVEST/STAY CONNECTED

INITIAL REPORT SEPTEMBER 2023  
LAST UPDATED FEBRUARY 22, 2026

**\$5.66 / Buy, Target \$8.00**

2026 PROJECTIONS IN MM	2026
Revenue	1,160
EBITDA	1,093
Enterprise Value	12,064
<b>EV/EBITDA</b>	<b>11.0</b>
Interest	545
Adjusted FFO (pre capex)	373
Capitalized Expense	100
Cash Flow after CAPEX	273
<b>Common Dividend</b>	<b>216</b>
Adjusted FFO / Share	0.62
Adj. FFO / Share less Capex	0.46
<b>Equity Dividends per share</b>	<b>0.36</b>
Dividend Yield	6.36%
Broxton Adj. FFO Yield	11.01%
P.E Ratio	26.40
Dec 31, 2025, cash holdings	541

### [MPT INVESTOR RELATIONS](#)

### MPT Weekly Chart Since 2020



**BROXTON CAPITAL ADVISORS MPT Inc. as of 12/31/2025**

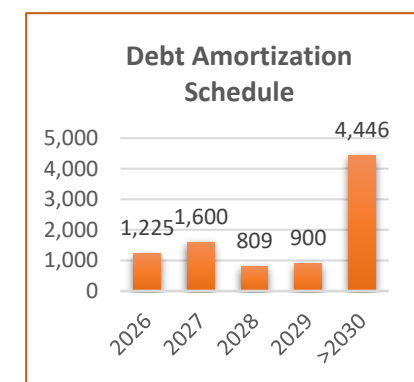
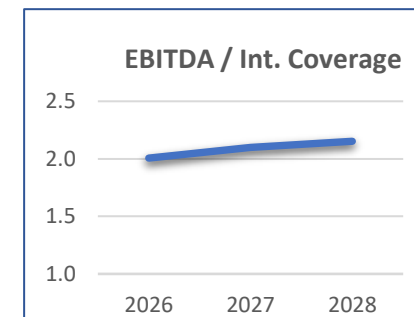
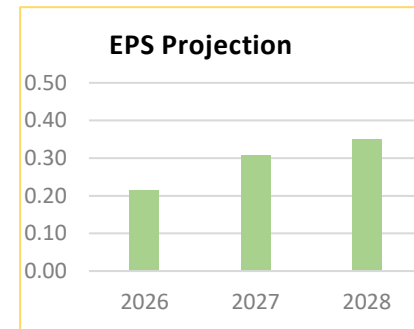
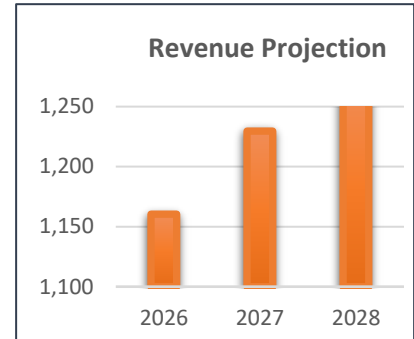
Sunday, February 22, 2026

share price	\$5.66		
<b>PROJECTIONS IN MM fiscal yr</b>	2026	2027	2028
<b>Income Statement</b>			
Revenue	1,160	1,230	1,270
EBITDA	1,093	1,165	1,205
Interest	545	555	560
Pre-Tax Income	173	225	250
Net Income	128	184	209
Adjusted FFO (pre capex)	373	449	479
Capitalized Expense	100	90	85
Cash Flow after CAPEX	273	359	394
<b>Common Dividend</b>			
Common Dividend	216	216	216
Retained Cash Flow After Div	58	143	179
EPS	0.21	0.31	0.35
Adjusted FFO / Share	0.62	0.75	0.80
Adjusted FFO / Share less Capex	0.46	0.60	0.66
Projected Dividend / Share	0.36	0.36	0.36
<b>Valuations</b>			
Cash Flow Yield Vs. Equity	8.0%	10.5%	11.6%
EV/EBITDA	11.0	10.3	9.9
P.E Ratio	26.4	18.5	16.2
Enterprise Value	12,064	11,963	11,963
Ending Net Debt	8,656	8,556	8,556
Equity Market Cap	3,407	3,407	3,407
<b>Debt Ratios</b>			
EBITDA/Interest Coverage ratio	2.0	2.1	2.2
Debt/EBITDA	7.9	7.3	7.1
<b>Liquidity</b>			
Cash	541		
Borrowing Availability est.	1000+		
Total Assets	15,002		
Total Liabilities	10,394		
Book Value	4,608		
Book Value per share	\$7.65		

<b>Debt</b>	
Borrowings (MPT: Debt Net)	9,697

**NOTES:**

Broxton **Adjusted FFO** does not include straight line rent. Broxton does not forecast fair value adjustments on securities, write downs or write offs or other adjustments for MPT in this report. Debt Amortization schedule does not include individual property mortgages



**Disclosures 02022025**

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