

Mission Health System, Inc. and Affiliates

Stout Presentation to NCDOJ

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PRIVILEGED AND CONFIDENTIAL



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Legal Disclaimer



This presentation is in all respects subject to and qualified by the assumptions, limitations, qualifications, and other terms set forth in the personal services agreement (the “PSA”) between Stout Risius Ross, LLC (“Stout”) and the State of North Carolina, Department of Justice (the “NCDOJ”) dated September 19, 2018, and in the opinion to be delivered by Stout to the NCDOJ. These materials have been prepared solely for the confidential use of the NCDOJ except as contemplated by the PSA and as required by North Carolina law.

The information herein has been prepared by Stout based upon information supplied by the NCDOJ, Mission Health System, Inc. and Affiliates (“Mission”), or publicly available. Transaction summaries contained herein are based on the transaction documents provided to Stout and on discussions with Mission’s management, financial and tax advisors, and legal counsel. We have relied upon the accuracy and completeness of the foregoing information, and have not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of Mission, or any other entity. With respect to financial forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Mission as to the future financial performance; we assume no responsibility for and express no view as to such forecasts or the assumptions on which they are based. The information set forth herein is based upon economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof, unless indicated otherwise.

The preparation of these materials involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to particular circumstances and, therefore, are not readily susceptible to summary description. Furthermore, we did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Thus, the analyses contained in these materials must be considered as a whole. Selecting portions of the analyses, without considering all analyses, could create an incomplete view. Estimates of value contained in the analyses are not necessarily indicative of actual value or predictive of future results/values, which may be significantly more or less favorable.

These materials are not intended to represent an opinion but to serve as discussion materials for the NCDOJ to review and as a summary of the basis upon which Stout may render an opinion. Any opinion rendered by Stout will be limited and qualified in its entirety by the conditions, limitations, assumptions, qualifications, and other terms set forth in the PSA. Because this material was prepared for use in the context of an oral presentation to the NCDOJ, which is familiar with the business and affairs of Mission, Stout does not take any responsibility for the accuracy or completeness of any of this material if used by persons other than the NCDOJ.

No selected public company is directly comparable to Mission, and no precedent transaction is directly comparable to the Transaction.

I. Transaction & Engagement Overview



Transaction & Engagement Overview

Role of Stout Risius Ross, LLC

We understand that Mission Health System, Inc. and Affiliates (“Mission”, the “Company”, or the “Seller”) operates as a health system dedicated to improving the health and wellness of the people of Western North Carolina. Mission operates Mission Hospital, Inc., a 763-bed, Level II trauma center in Asheville, North Carolina, as well as five community hospitals: Angel Medical Center (“Angel”), Blue Ridge Regional Hospital (“Blue Ridge”), Highlands-Cashiers Hospital (“Highlands”), Mission Hospital McDowell (“McDowell”), and Transylvania Regional Hospital (“Transylvania”). (Angel, Blue Ridge, Highlands, McDowell, and Transylvania are collectively referred to as the “Local Hospitals.”) The Company also operates numerous outpatient and surgery centers, a post-acute care provider, CarePartners, and a long-term acute care provider, Asheville Specialty Hospital.

We understand that Mission has entered into an Asset Purchase Agreement dated August 30, 2018 (the “Agreement”) with MH Master Holdings, LLLP and HTI Hospital Holdings, Inc., affiliates of HCA Healthcare, Inc. (“HCA” or the “Buyer”), and Dogwood Health Trust (the “Foundation”), pursuant to which HCA will acquire substantially all of the assets of Mission (other than certain excluded assets, services and entities as discussed herein). The purchase consideration, pursuant to Section 2.5 of the Agreement, is \$1.468 billion subject to certain adjustments outlined in the Agreement (the “Consideration”). The foregoing transaction is referred to hereinafter as the “Transaction.”

The NCDOJ has requested that Stout Risius Ross, LLC (“Stout”) render an opinion (the “Opinion”) with respect to the fairness, from a financial point of view, of the Consideration to be received by Mission pursuant to the Transaction.

The Opinion is only to be utilized by the NCDOJ as one input to consider in the process of analyzing the contemplated Transaction. The NCDOJ acknowledges that neither Stout’s verbal conclusions nor the Opinion are in any way intended for, nor may they be relied upon by, any other person or used for any other purpose without Stout’s express, prior written consent. The Opinion shall not constitute legal, regulatory, accounting, insurance, tax or other similar professional advice, and shall not in any manner address the following: (i) the underlying business decision of the entities involved in the proposed Transaction, their stakeholders or any other party, including the NCDOJ to proceed with or effect the Transaction; (ii) the merits of the Transaction relative to any alternative business strategies that may exist for the stakeholders, the NCDOJ, or other parties, nor the effect of any other transactions in which the stakeholders, the NCDOJ, or other parties might have engaged; (iii) the terms of any arrangements, understandings, agreements or documents related to, or the form or any other portion or aspect of, the Transaction or otherwise, except as expressly addressed in the Opinion; (iv) the fairness of any portion or aspect of the Transaction to the holders of any class of securities, creditors, or other constituencies of the stakeholders, the NCDOJ, or other parties not

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specifically addressed in the Opinion; (v) the solvency, creditworthiness or fair value of any transacting entities or any other participant in the Transaction under any applicable laws relating to bankruptcy, insolvency or similar matters or (vi) how the transacting entities, stakeholders, NCDOJ, or any other person should act with respect to the Transaction.

Further, if the Transaction is subject to NCDOJ approval, Stout's Opinion is not intended to and does not constitute a recommendation to the NCDOJ or stakeholders as to how each should vote in regard to the Transaction. The NCDOJ acknowledges that Stout has not been engaged to (a) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the Transaction, the assets, businesses or operations of the transacting entities or any other party, or any alternatives to the Transaction, or (b) negotiate the terms of the Transaction. The NCDOJ acknowledges that Stout has no obligation to conduct any appraisal of any specific assets or liabilities of the transacting entities or any other party.

Notwithstanding anything to the contrary contained herein, the parties acknowledge that Stout will not function as a broker or dealer with respect to the Transaction and, accordingly, will not (a) engage in, and will not receive any compensation under the PSA for: (i) identifying, introducing to the transacting entities, or screening for creditworthiness, any prospective investors, lenders or other participants in the Transaction, (ii) making any offers to sell, or soliciting any offers to purchase, the transacting entities or any other party or any securities or assets thereof, (iii) structuring the Transaction, or (iv) participating in negotiations on the Transaction with a counterparty, or (b) act in the capacity of agent or other intermediary for, or otherwise have the authority to make representations, commitments or contracts on behalf of, the transacting entities, the NCDOJ, or any other party in connection with any Transaction.

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Due Diligence

The principal sources of information used, and procedures employed, in performing our analysis included, but were not limited to:

- Mission's audited financial statements for the fiscal years ended September 30, 2014 through 2017;
- Mission's internally-prepared financial statements for the fiscal year ended September 30, 2018;
- Mission's internally-prepared interim financial statements for the 11-month periods ended August 31, 2017 and 2018;
- the Asset Purchase Agreement, including associated exhibits and disclosure schedules, between Mission and its component entities, MH Master Holdings, LLLP, HTI Hospital Holdings, Inc., and Dogwood Health Trust, dated August 30, 2018 (previously defined as the "Agreement");
- Mission's long-range plan for the fiscal years ending September 30, 2019 through 2026, including projected income statements and balance sheets;
- Mission's Finance Committee Presentation titled "*Update: Long Range Financial Plan*," inclusive of Mission's current proposed capital plan, dated September 29, 2017;
- Mission's federal income tax returns for the fiscal years ended September 30, 2015 through 2017;
- Mission's internally-prepared financial statements for the latest twelve-month ("LTM") period ended July 31, 2018 for Adult Day Care, Expanded Bereavement Support Program, Regional Asthma Program, Safe Kids, and Children's Weight Management (collectively, the "Excluded Services");
- Mission's internally-prepared historical financial statements for the LTM period ended June 30, 2018 and/or July 31, 2018 (as applicable) and certain projected financial information for Blue Ridge Home Care, Inc.; Advanced Home Care, Inc.; BMH Solutions, Inc.; ABCCM Doctors' Medical Clinic, Inc.; ProCare, Inc.; Healthcare III Limited Partnership; Healthcare LLC, VII; and Blue Ridge DME, LLC (collectively, the "Excluded Entities");
- Mission's internally-prepared financial statements for the LTM period ended June 30, 2018 for Imaging Realty, LLC; Provider-Led, Patient-Centered Care, LLC; WNC Stone Center, LLC; Assuring Affordable, Quality Healthcare in North Carolina, LLC; Western North Carolina Healthcare Innovators, LLC; Blue Ridge-TKC, LLC; and Spruce Pine Healthcare, LLC (collectively, the "Potentially Excluded Joint Ventures");
- Mission's internally-prepared financial statements for the LTM period ended July 31, 2018 for The McDowell Hospital and for the LTM period ended August 31, 2018 for the PACE Program and Asheville Specialty Hospital (collectively, the Potentially Excluded Entities");
- Mission's Notice of Merger or Transfer of Assets by a Charitable or Religious Corporation to the North Carolina Attorney General, dated September 1, 2018;

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- Mission's letter to the NCDOJ, including related attachments, regarding the potential acquisition of Mission by HCA and the evaluation of other prospective partners, dated August 16, 2018;
- certain Minutes of the Meetings of the Board of Directors of Mission Health System, Inc. and Mission Hospital, Inc. for 2017 and 2018;
- the Fairness Opinion presentation prepared by Cain Brothers & Company, LLC ("Cain Brothers") for Mission, dated August 29, 2018;
- the Foundation Analysis presentation prepared by Cain Brothers for Mission, dated February 2018;
- Board materials to be reviewed for its Strategic Planning Board Retreat on January 17, 2018, inclusive of the *Strategic Planning Board Retreat: External Perspectives* presentation prepared by [REDACTED] [REDACTED] dated January 2018;
- Board materials for its March 8, 2018 meeting, inclusive of HCA's letters of intent ("LOI") for a proposed joint venture with Mission and for a full asset acquisition of Mission;
- Mission's HCA Letter of Intent Announcement presentation;
- a certificate from senior management of Mission containing, among other things, representations regarding the accuracy of the information, data, and other materials (financial or otherwise) provided by or on behalf of the Company;
- a review of publicly available financial data of certain publicly traded companies that we deemed relevant;
- a review of available information regarding certain merger and acquisition transactions that we deemed relevant;
- discussions with Mission's management concerning its business, industry, history, and prospects;
- a site visit to Mission's main hospital campus located in Asheville, North Carolina; and
- an analysis of other facts and data resulting in our conclusions.

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Summary of the Transaction¹

Seller	■ Mission Health System, Inc. and Affiliates (“Mission” or the “Seller”) ²
Buyer	■ MH Master Holdings, LLLP, an affiliate of HCA Healthcare, Inc. (“HCA” or the “Buyer”) ■ HTI Hospital Holdings, Inc., the Buyer guarantor
Foundation	■ Dogwood Health Trust (the “Foundation”)
Description of the Transaction	■ HCA will acquire substantially all of the assets of Mission (other than certain excluded assets, services and entities as discussed later herein).
Consideration	■ A base purchase price of \$1.468 billion plus the assumption of the Assumed Liabilities, subject to purchase price adjustments including, but not limited to: (i) plus (minus) the difference by which Closing Working Capital exceeds (is less than) Target Working Capital; (ii) minus the Assumed Indebtedness; (iii) minus the amount by which Required Seller New Tower Expenditures exceeds Final Seller New Tower Expenditures; (iv) plus, in the event that Closing occurs after December 31, 2018, the amount that Final Seller New Tower Expenditures exceeds \$323.5 million; (v) minus Buyer Funded Liabilities; and (vi) minus holdbacks with respect to certain entities, ownership interests and/or services where approval for transfer has not been received as of closing.

¹ Capitalized terms not defined herein have the definitions given them in the Agreement (as defined on page 5). This Summary is provided for discussion purposes only. It is not intended to be a comprehensive listing of all relevant terms in the Agreement, or a complete description of the terms described in this Summary, for which reference should be made to the Agreement and any other definitive agreements.

² The Seller includes the following entities: Mission Health System, Inc.; Mission Hospital, Inc.; Mission Medical Associates, Inc.; Mission Imaging Services, LLC; Blue Ridge Regional Hospital, Inc.; Transylvania Community Hospital Inc.; Angel Medical Center, Inc.; MSJHS and CCP Joint Development Company, LLC d/b/a Asheville Specialty Hospital; The McDowell Hospital, Inc.; Community CarePartners, Inc.; Highlands-Cashiers Hospital, Inc.; WNC CareSource, LLC; Avenu Health, Inc.; McDowell Hospital Imaging Services, LLC; Mission Community Anesthesiology Specialists, LLC; Transylvania Physician Services, Inc.; Transylvania Services, Inc.; Transylvania Hospital Imaging Services, LLC; Highlands-Cashiers Physician Services, Inc.; and The Eckerd Living Center LLC.

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Purchased Assets

- Purchased Assets includes all assets, properties, rights, and interests, whether real, personal, or mixed, tangible or intangible, used in or held for use in, or otherwise relating to the business (other than the Excluded Assets), including, but not limited to: (i) Owned Real Property; (ii) Leased Real Property; (iii) all Personal Property; (iv) all Inventory; (v) all Prepaid Expenses; (vi) all medical records and patient files; (vii) all Transferred Intellectual Property; (viii) goodwill; (ix) to the extent transferrable, all accounts receivable; (x) the Transferred Interests³; and (xi) to the extent not included in any of the foregoing, (a) any assets included in the calculation of Closing Working Capital; (b) any assets purchased or otherwise acquired since the Balance Sheet Date that are used or held for use in the Business, and (c) all other assets that are owned, leased or used by the Seller that are used or held for use in the Business.

Excluded Assets

- The Excluded Assets include, but are not limited to: (i) all cash and cash equivalents, marketable securities, and other investments; (ii) all organizational documents, corporate records, etc.; (iii) any restricted funds of the Seller that are not capable of being transferred to Buyer and any gift documentation, agreements, and obligations related thereto; (iv) any assets of the Legacy Foundation; the Foundation; Blue Ridge Regional Hospital Foundation, Inc.; McDowell Healthcare Foundation, Inc.; CarePartners Foundation, Inc.; TRH Foundation, Inc.; or Highlands-Cashiers Hospital Foundation; (v) the assets of the Excluded Services to the extent not also used in the operations of the Purchased Assets⁴; and (vi) the assets and equity of the Excluded Entities.

Assumed Liabilities

- Assumed Liabilities include, but are not limited to: (i) liabilities in respect to Assumed Paid Time Off and accrued and unpaid salaries to Transferred Employees (but only if such liabilities are included in the calculation of Closing Working Capital); (ii) all liabilities arising under the Assumed Contracts but only to the extent such liabilities are not New Tower Excluded Liabilities; (iii) liabilities related to the Assumed Capital Leases; and (iv) all other liabilities included in the calculation of Closing Working Capital.

Excluded Liabilities

- Other than the Assumed Liabilities, Buyer shall not be responsible to pay or discharge and none of the Purchased Assets shall become liable for or subject to, any liabilities of Seller, any liabilities related to ownership or operation of the Business or the Purchased Assets prior to the Effective Time, or any liabilities related to the Excluded Assets or any acts or omissions by the Seller. Excluded Liabilities include any taxes and other losses in respect of taxes arising out of relating to (a) Sellers before or after closing and (b) the Purchased Assets or the business with respect to any taxable period (or portion thereof) ending prior to the

³ Transferred interests includes the equity, membership, or other similar interests in Mission Health Partners, Inc.; Healthy State, Inc.; Imaging Realty, LLC; Provider-Led, Patient-Centered Care, LLC; WNC Stone Center, LLC; Assuring Affordable, Quality Healthcare in North Carolina, LLC; Western North Carolina Healthcare Innovators, LLC; Blue Ridge-TKC, LLC; and Spruce Pine Healthcare, LLC.

⁴ Based on discussions with Mission management, it is our understanding that the Safe Kids and Regional Asthma Program services may ultimately convey in the Transaction. However, due to the uncertainty regarding their eligibility to be transferred in the Transaction, as of the issuance of this presentation, we assume that these services are excluded for the purposes of our analysis.

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Post-Closing Transfers

Effective Time. The Seller shall pay, perform, and discharge all Excluded Liabilities that it is obligated to pay, perform and discharge when such Excluded Liabilities become due and payable.

- To the extent that Mission is unable to obtain the requisite consent or approvals to transfer the Transferred Interests (other than the Mission Acquired Entities), Asheville Specialty Hospital, the PACE Program, and the assets of The McDowell Hospital, Inc., by the Effective Time, then these assets shall be deemed Excluded Assets unless and until subsequently transferred by Seller to Buyer. As provided in the Agreement, if the Consideration has been reduced by a holdback amount with respect to these entities, then the Buyer shall pay Seller the holdback amount on the eventual date of transfer.⁵

Escrow

- The Buyer shall deposit an amount equal to \$150.0 million into an escrow account established pursuant to the terms of the Escrow Agreement to support Seller's and the Foundation's indemnification obligations pursuant to the Agreement.

Capital Expenditures Commitments

- Within five years following the Effective Time, Buyer shall make capital expenditures (excluding the Committed Capital Projects other than any New Tower expenditures in excess of projected cost of completion to be borne by the Buyer) equal to or greater than the Capital Expenditure Target of \$232.0 million.
- The Buyer commits to completing certain Committed Capital Projects, including: (i) completing the New Tower pursuant to the New Tower Plan; (ii) the construction of a replacement facility for Angel; and (iii) the construction of a 120-bed inpatient behavioral health hospital in Asheville, North Carolina.

Other Commitments

- The Parties will establish an Advisory Board composed of eight individuals, with four individuals appointed by the Buyer and four individuals appointed by the Seller, to: (i) approve any modifications to Buyer's obligations set forth in the Agreement; (ii) consulting with and providing recommendations to Buyer regarding capital expenditures; and (iii) receiving reports prepared by Buyer pursuant to the Agreement.
- The Buyer and each Local Hospital will establish a Local Advisory Board composed of eight individuals, with four individuals appointed by the Buyer and four individuals appointed by the Local Hospital, to: (i) approve the discontinuance of the provision of services at its applicable Local Hospital Facility; (ii) approve the sale or

⁵ Based on discussions with Mission management, it is our understanding that it fully expects to transfer its interests in the Transferred Interests and Asheville Specialty Hospital at the Closing Date. Necessary permissions for The McDowell Hospital, Inc. to transfer have already been received. Mission management expects to meet the requirements for the PACE Program to transfer; however, these requirements will not be met until after the Closing Date. We assumed in our analysis that the Transferred Interests, Asheville Specialty Hospital, The McDowell Hospital, Inc., and the PACE Program will transfer in the Transaction.

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Other Commitments (Continued)

closure of its applicable Local Hospital Facility; and (iii) approve any change to the Uninsured and Charity Care Policy of its applicable Local Hospital Facility.

- Unless otherwise consented to in writing by the Advisory Board, for a period of ten years following the Closing Date, the Buyer will not discontinue services identified in the Agreement at the Mission Hospital Campus Facility or the Community CarePartners Facilities. Following such ten-year period, unless otherwise consented to in writing by the Advisory Board, the services at the Mission Hospital Campus Facility and the Community CarePartners Facilities may only be discontinued upon the occurrence of a Contingency⁶ or a “force majeure” event.
- Unless otherwise consented to in writing by the applicable Local Advisory Board, for a period of five years following the Closing Date, the Buyer will not discontinue services identified in the Agreement at the Local Hospital Facilities. Following such five-year period, the Buyer shall have the right to discontinue any service at any of the Local Hospital Facilities; provided that Buyer must maintain emergency services at each of the Local Hospital Facilities for a period of at least ten years immediately following the Closing Date.
- The Buyer will not sell or close any of the Material Facilities for a ten-year period from the Closing Date, unless consented to by the Advisory Board or Local Advisory Board (as applicable) or a “force majeure” event. Following such ten-year period, the Buyer shall not close a Material Facility until the occurrence of a Contingency.
- Unless otherwise consented to in writing by the Advisory Board, for a two-year period immediately following the Closing Date, the Buyer will not discontinue long-term acute care services at the St. Joseph campus of Mission Hospital, subject to a “force majeure” event. Following such two-year period, the Buyer has the right to discontinue any long-term acute care service at the St. Joseph campus of Mission Hospital.
- For a ten-year period following the Closing Date, the Buyer will implement and maintain at the Hospitals the Uninsured and Charity Care Policy, subject to revisions as (i) are approved by the Advisory Board / Local Advisory Board, (ii) provide no less access to necessary medical care regardless of ability to pay for services rendered than the Uninsured and Charity Care Policy, or (iii) are necessary to comply with applicable law. Thereafter, for as long as Buyer continues to operate the Hospitals, Buyer agrees to maintain policies for the treatment of indigent patients at the Hospitals that: (i) comply with applicable law; and (ii) provide the greater amount of access to necessary medical care regardless of ability to pay for services rendered as between (a)

⁶ A Contingency includes: (i) a change in the availability of qualified physicians and/or clinical staff necessary to continue operations; (ii) a facility experiencing a significant decrease in patient volumes for any reason not within the control of the Buyer; (iii) a change in Law having a material adverse effect on the operations of the Material Facilities; (iv) a Material Facility no longer being financially viable; (v) a change in the needs of the communities; and (vi) a Material Facility fails to achieve or maintain the Level of Safety and Quality that is at least equal to, or better than, the median Level of Safety and Quality at any other similarly situated facilities owned and operated by the Buyer.

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individuals who are at or below 200% of the federal poverty line, pursuant to poverty guidelines then published by the United States Department of Health and Human Services; or (b) the policies maintained by the then largest North Carolina not-for-profit healthcare system.

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Background on the Transaction⁷

- According to its management, Mission's Board regularly evaluates its strategic options for how best to maintain the availability and affordability of healthcare services in Western North Carolina. The Board identified significant challenges facing Mission, including an unfavorable payer mix heavily weighted towards Medicare and Medicaid on which Mission earns a negative margin, an aging population causing a further shift from commercial insurance to Medicare, modest rate increases from commercial payers, North Carolina's decision not to expand Medicaid resulting in a larger population of uninsured patients, the restructuring of the 340B Discount Drug Program, and continually reducing operating expenses without compromising the quality of clinical care. The Board unanimously agreed that continuing as an independent system was not viable, as continuous cost-cutting would ultimately undermine clinical programs, leading to diminished quality, access, and affordability, and very possibly some hospital closures.⁸
- In July/August 2017, Dr. John Ball, Mission's Board Chair, established a seven-member working group made of current and recent Board leadership to spearhead Mission's strategic option evaluation process. The working group consisted of Dr. Ball, Dr. John Garrett (Board Vice Chair), Mr. Wyatt Stevens (Past Board Chair), Mr. Robert Roberts (Immediate Past Chair), Dr. Ronald Paulus (Mission's President and Chief Executive Officer), Mr. Phillip Green (Mission's external strategic advisor), and Ms. Ann Young (Mission's then-Senior Vice President and General Counsel).
- The Board identified [REDACTED] healthcare systems that it believed had sufficient scale, financial strength, geographic proximity, and expertise to warrant a more detailed vetting process: [REDACTED] and HCA.
- The working group also considered several other regional healthcare systems with which Mission was familiar, [REDACTED]. The working group concluded that these systems did not warrant serious consideration to be preferred affiliation partners of Mission, particularly given the [REDACTED] and HCA) ability to achieve economies of scale while maintaining clinical quality.
- During the Transaction process, the Board hired Mr. Green (PDG Consulting), an attorney and long-standing external strategic advisor to Mission, whose background includes extensive experience in developing, structuring, and negotiating business ventures for and providing business development and financial and management advice to the executive teams of many of the largest United States healthcare systems. Through discussions with Mission management and Mr. Green, we understand that the working group and the Board was responsible for identifying prospective partners/buyers. We understand that Mr. Green's roles and responsibilities included arranging meetings with HCA, [REDACTED] as well as serving as the lead negotiator (and obtaining the best deal structure possible) with these [REDACTED] prospective partners. Mr. Green indicated that he was engaged on a monthly-fee basis with no success fee.
- On August 12, 2017, HCA provided Mission with a written affiliation proposal, which Dr. Paulus provided to Dr. Ball. On September 17th and 18th, 2017, most of the working group traveled to Nashville, Tennessee for a visit with HCA to evaluate HCA as a potential partner for Mission.

⁷ Unless otherwise noted herein, the following Background is derived from information contained in Mission's letter to the NCDOJ, including related attachments, regarding the potential acquisition of Mission by HCA and the evaluation of other prospective partners, dated August 16, 2018.

⁸ Source: Mission's Notice of Merger or Transfer of Assets by a Charitable or Religious Corporation to the North Carolina Attorney General, dated September 1, 2018.

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- The working group focused on the relative strengths and weaknesses of [REDACTED] HCA, [REDACTED]. The working group directed Mr. Green to negotiate proposed term sheets with HCA for both a 50/50 joint venture model and a full asset acquisition model. To ensure a comparable, data-driven approach to evaluating affiliation partners, the working group developed a set of key criteria for a prospective partner and a high-level set of key service and facility protections for all Mission entities, which would be incorporated into a letter of inquiry to be sent to other prospective partners. The working group intended that this letter could determine and make directly comparable what other prospective partners might offer relative to what HCA might offer. At its meeting on September 28, 2017, the Board authorized Dr. Paulus to engage in calls and meetings with potential affiliation partners, with any further actions being subject to Board approval.
- The working group ultimately decided to drop [REDACTED] from further consideration [REDACTED]. [REDACTED] The working group began to focus on HCA, [REDACTED] - using HCA's interest as negotiating leverage with [REDACTED].
- At its October 26, 2017 meeting, the Board created the Strategic Planning Committee (the "Committee") for the purpose of providing guidance to Mission's management in the formal exploration of potential partnerships. Mission then sent formal letters of inquiry and an invitation to make a proposal to each of [REDACTED] to gauge how their offers might compare to HCA's.
- At its meeting on December 4, 2017, the Committee discussed whether Mission "had the right slate of options/possible partners." The Committee again discussed the viability of [REDACTED] and decided not to recommend pursuing any of these potential partners. Likewise, the Committee members did not identify any other viable potential partners. The Committee confirmed its strategy to use HCA's interest to pursue the best possible offers from [REDACTED].
- At its meeting on December 14, 2017, the full Board evaluated whether Mission "had the right slate of options/possible partners." As with the Committee, the Board evaluated whether to approach other regional health systems [REDACTED]. These discussions did not identify any other viable potential partners, and the Board concluded not to approach UNC or any of the other health systems. The Board also discussed whether a non-traditional acquirer such as Amazon or Google might be interested in Mission.
- On January 17, 2018, the Mission Board held a Strategic Planning Retreat. At this retreat, [REDACTED] shared its perspectives and discussed with the Board whether Mission had the right slate of potential partners, and whether in [REDACTED] view, any non-traditional partners might be interested in Mission.
- On January 25, 2018, the Board unanimously decided that Mission should explore opportunities to partner with another healthcare system. Additionally, the Board reviewed the details of the offers that Mission had received from [REDACTED], HCA, and [REDACTED]. The Board decided unanimously to invite only HCA and [REDACTED] to make presentations to the Board at its strategic meeting on February 12, 2018.⁹ [REDACTED]
[REDACTED]
[REDACTED] During the January 25, 2018 Board Meeting, the Board decided to retain Cain Brothers to assist Mission as a strategic advisor.¹⁰

⁹ Source: Mission's Minutes of the Meeting of the Board of Directors of Mission Health System, Inc., and Mission Hospital Inc., dated January 25, 2018.

¹⁰ Ibid.

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- Based on materials provided by Cain Brothers, Cain Brothers provided several services, support, and advice under its engagement with Mission, including but are not limited to: (i) organized and led working group calls; (ii) provided ad hoc financial analysis; (iii) assisted with coordination and tracking of Mission responses to HCA due diligence information requests; (iv) provided analysis regarding post-sale Foundation mechanics and comparative projection of future Foundation assets; (v) assisted Mission and its advisors in reviewing, negotiating, and finalizing the definitive agreements; (vi) assisted in the resolution of working capital-related items in the definitive agreement; (vii) assisted Mission and its advisors in the preparation of regulatory filings and approval processes; and (viii) provided a written opinion to Mission as to the fairness, from a financial point of view, of the consideration to be received in the Transaction.
- HCA and ██████ presented to the Board on February 12, 2018. After hearing from and questioning both prospective partners, and after consulting with its advisors, the Board decided to unanimously approve pursuing further discussions with HCA.¹¹ Mission's management indicated that HCA was selected due to its scale and because HCA's offer would result in more proceeds to the Foundation.
- On March 8, 2018, the Board discussed the presented options of pursuing a joint venture with, or full asset acquisition by, HCA. After discussing each option, the Board unanimously approved management to proceed with signing a letter of intent ("LOI") to pursue the full asset acquisition by HCA, noting that a final agreement is subject to the due diligence process, the signing of definitive agreements, and required regulatory approvals.¹²
- On March 14, 2018, Mission executed an LOI with HCA.
- On August 29, 2018, the Board held a specially-called meeting to review and study the final purchase agreement, a fully updated summary of terms, and the fairness opinion presented by Cain Brothers. The Board unanimously approved and authorized the execution and delivery of the purchase agreement, which was executed on August 30, 2018.¹³

¹¹ Source: Mission's Minutes of the Special Called Meeting of the Board of Directors of Mission Health System, Inc., dated February 12, 2018.

¹² Source: Mission's Minutes of the Special Called Meeting of the Board of Directors of Mission Health System, Inc., dated March 8, 2018.

¹³ Source: Mission's Notice of Merger or Transfer of Assets by a Charitable or Religious Corporation to the North Carolina Attorney General, dated September 1, 2018.

I. Transaction & Engagement Overview



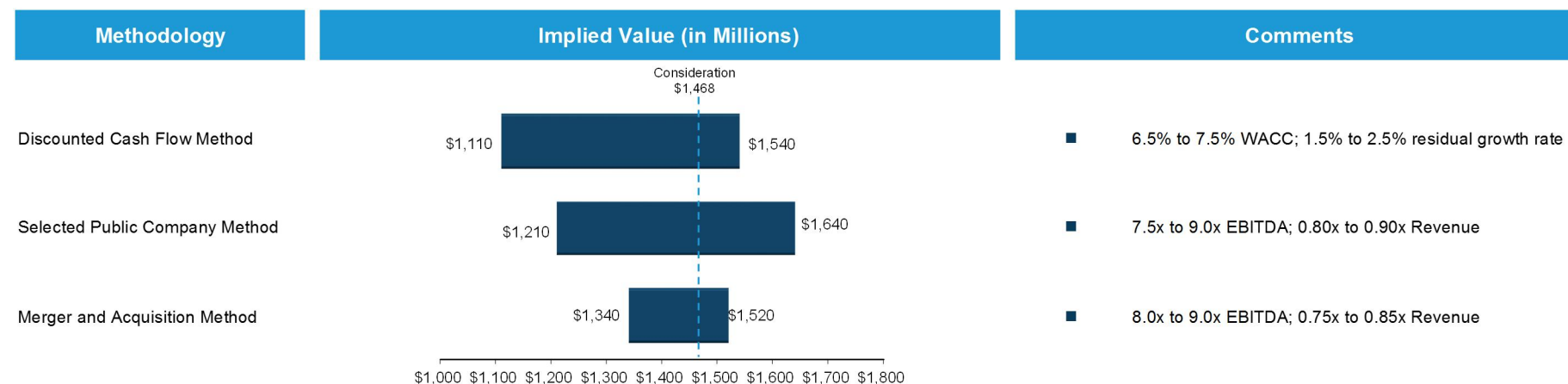
Transaction Considerations

- Based on discussions with Mission management and a review of relevant documentation, HCA's full asset acquisition offer was ultimately selected by the Mission Board due to:
 - HCA's significant scale and back-office synergies (e.g., IT infrastructure, revenue cycle management, supply chain management, supplies purchasing power, legal, human resources, etc.). The Mission Board felt that if it remained independent that it would need to undergo continuous cost-cutting which would ultimately undermine clinical programs, leading to diminished quality, access, and affordability, and very possibly some hospital closures. HCA's scale puts Mission in the best position to mitigate this effect.
 - HCA is among the nation's top hospital operators in terms of core measures and other clinical performance parameters;
 - Mission was satisfied with the protections afforded its member hospitals inherent in HCA's offer and the commitments (including capital commitments) that HCA agreed to make;
 - HCA has a strong research and education infrastructure; and
 - HCA's offer would result in the highest contributed net proceeds (along with other Mission assets not part of the Transaction) to the Foundation. Following the Transaction, Cain Brothers estimates the Foundation assets to be approximately [REDACTED] Annual distributions from the Foundation will be used to address the social determinants of health to improve the health and well-being of the residents of Western North Carolina.

II. Fairness Analysis



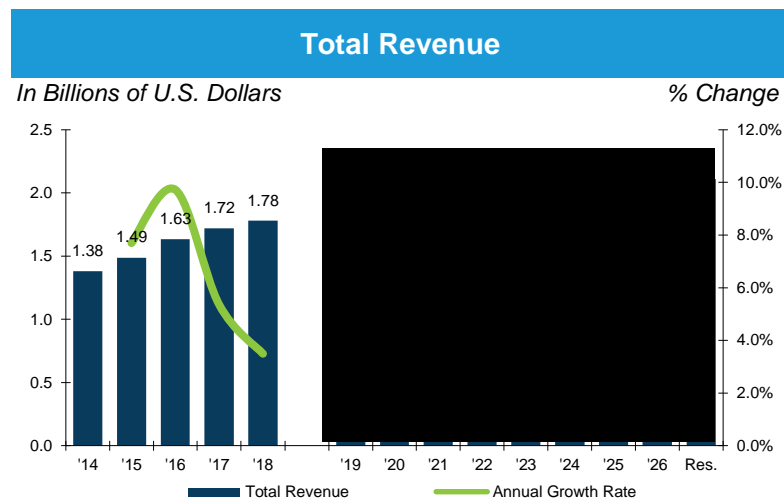
Fairness Analysis



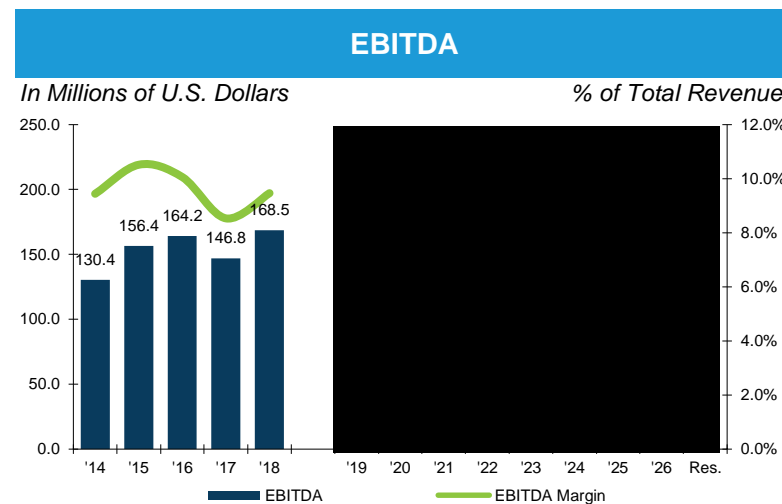
II. Fairness Analysis



Financial Summary



Source: Exhibits A.4 and A.5



Source: Exhibits A.4 and A.5

II. Fairness Analysis



Discounted Cash Flow Method

In Thousands of U.S. Dollars

	Notes	Year 1 9/30/2019	Year 2 9/30/2020	Year 3 9/30/2021	Year 4 9/30/2022	Year 5 9/30/2023	Year 6 9/30/2024	Year 7 9/30/2025	Year 8 9/30/2026	Residual																																																
Free Cash Flows																																																										
1 EBITDA		\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]																																																
2 Depreciation (Tax Basis)		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]																																																
3 Income Taxes	[a]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]																																																
4 Debt-Free Net Income		19,944	25,324	29,494	34,855	44,216	56,214	69,486	82,589	86,023																																																
5 Depreciation (Tax Basis)		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]																																																
6 Capital Expenditures		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]																																																
7 Additional Working Capital		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]																																																
8 Free Cash Flows		(27,382)	62,720	51,122	65,270	88,647	95,782	103,602	113,572	72,592																																																
9 Partial Period Adjustment	[b]	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00																																																
10 Free Cash Flows Allocated to Projection Period		(24,036)	62,720	51,122	65,270	88,647	95,782	103,602	113,572	72,592																																																
Present Value of Free Cash Flows																																																										
11 Weighted Average Cost of Capital		7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%																																																	
12 Discount Period	[c]	0.44	1.38	2.38	3.38	4.38	5.38	6.38	7.38																																																	
13 Present Value Factor		0.9707	0.9110	0.8514	0.7957	0.7436	0.6950	0.6495	0.6070																																																	
14 Present Value of Free Cash Flows		\$ (23,332)	\$ 57,138	\$ 43,525	\$ 51,935	\$ 65,922	\$ 66,568	\$ 67,292	\$ 68,942																																																	
Indicated Enterprise Value																																																										
15 Present Value of Free Cash Flows (Through 2026)		397,989																																																								
23 Present Value of Residual Free Cash Flows		881,319																																																								
24 Add: PV of NOL Tax Benefit	[d]	1,282																																																								
25 Indicated Enterprise Value		1,280,591																																																								
26 Rounded		\$ 1,280,000																																																								
Sensitivity Analysis (In Millions)																																																										
<table><tr><td colspan="2"></td><td colspan="3">Residual Growth Rate</td></tr><tr><td colspan="2"></td><td>1.5%</td><td>2.0%</td><td>2.5%</td></tr><tr><td rowspan="3">WACC</td><td>6.5%</td><td>1,330</td><td>1,420</td><td>1,540</td></tr><tr><td>7.0%</td><td>1,210</td><td>1,280</td><td>1,370</td></tr><tr><td>7.5%</td><td>1,110</td><td>1,160</td><td>1,230</td></tr></table>													Residual Growth Rate					1.5%	2.0%	2.5%	WACC	6.5%	1,330	1,420	1,540	7.0%	1,210	1,280	1,370	7.5%	1,110	1,160	1,230																									
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<table><tr><td colspan="2"></td><td colspan="3">Residual Free Cash Flow Value</td><td></td></tr><tr><td colspan="2"></td><td colspan="3">Residual Free Cash Flow</td><td>\$ 72,592 16</td></tr><tr><td colspan="2"></td><td colspan="3">Weighted Average Cost of Capital</td><td>7.0% 17</td></tr><tr><td colspan="2"></td><td colspan="3">Less: Residual Growth Rate</td><td>-2.0% 18</td></tr><tr><td colspan="2"></td><td colspan="3">Capitalization Rate</td><td>5.0% 19</td></tr><tr><td colspan="2"></td><td colspan="3">Residual Free Cash Flow Value</td><td>1,451,845 20</td></tr><tr><td colspan="2"></td><td colspan="3">Present Value Factor</td><td>0.6070 21</td></tr><tr><td colspan="2"></td><td colspan="3">PV of Residual Free Cash Flows</td><td>\$ 881,319 22</td></tr></table>													Residual Free Cash Flow Value						Residual Free Cash Flow			\$ 72,592 16			Weighted Average Cost of Capital			7.0% 17			Less: Residual Growth Rate			-2.0% 18			Capitalization Rate			5.0% 19			Residual Free Cash Flow Value			1,451,845 20			Present Value Factor			0.6070 21			PV of Residual Free Cash Flows			\$ 881,319 22
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		PV of Residual Free Cash Flows			\$ 881,319 22																																																					

[a] Income taxes were calculated using a tax rate of 23.4%, which is based on the prevailing combined federal and North Carolina corporate tax rates in effect as of the Valuation Date.

[b] The partial period adjustment represents the percentage of free cash flows for the full year that is expected to be received between the Valuation Date and the end of the first projection year.

[c] Calculated utilizing the "mid-year convention," which assumes that cash flows will be received evenly throughout the projection period rather than at the end of the period.

[d] The NOL tax benefit is calculated based on an existing NOL balance of \$6.5 million as of December 31, 2017.

II. Fairness Analysis



Selected Public Company Method										
<i>In Thousands of U.S. Dollars</i>										
Measure of Performance	Range of Indicated Multiples					Selected Multiples		Mission Results	Indicated Enterprise Value	
	Minimum	Lower Quartile	Median	Upper Quartile	Maximum	Low	High		Low	High
1 EV / LTM Revenue	0.71x	0.92x	1.04x	1.38x	1.82x			\$ 1,780,428	\$ 1,420,000	\$ 1,600,000
2 EV / 2019 Revenue	0.72x	0.91x	1.08x	1.33x	1.70x				1,430,000	1,610,000
3 EV / 2020 Revenue	0.72x	0.89x	1.06x	1.28x	1.62x				1,460,000	1,640,000
4 EV / LTM EBITDA	6.9x	8.7x	9.4x	14.8x	16.7x			168,479	1,260,000	1,520,000
5 EV / 2019 EBITDA	7.1x	7.5x	8.3x	8.8x	9.2x				1,210,000	1,450,000
6 EV / 2020 EBITDA	7.1x	7.3x	7.9x	8.4x	9.2x				1,230,000	1,470,000
7 Indicated Enterprise Value									\$ 1,210,000	\$ 1,640,000

EV = Enterprise Value

LTM = Latest Twelve Months

EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortization

II. Fairness Analysis



Indicated Pricing Multiples

Company	EV / LTM Revenue	EV / 2019 Revenue	EV / 2020 Revenue	EV / LTM EBITDA	EV / 2019 EBITDA	EV / 2020 EBITDA
Community Health Systems, Inc.	1.05x	1.09x	1.08x	16.6x	9.2x	9.2x
HCA Healthcare, Inc.	1.82x	1.70x	1.62x	9.5x	8.9x	8.4x
LifePoint Health, Inc.	0.88x	0.85x	0.84x	8.5x	7.1x	7.1x
Tenet Healthcare Corporation	1.03x	1.07x	1.04x	6.9x	7.3x	7.2x
Universal Health Services, Inc.	1.49x	1.41x	1.35x	9.3x	8.6x	8.2x
Quorum Health Corporation	0.71x	0.72x	0.72x	16.7x	7.9x	7.6x
Maximum	1.82x	1.70x	1.62x	16.7x	9.2x	9.2x
Upper Quartile	1.38x	1.33x	1.28x	14.8x	8.8x	8.4x
Median	1.04x	1.08x	1.06x	9.4x	8.3x	7.9x
Mean	1.16x	1.14x	1.11x	11.3x	8.2x	7.9x
Lower Quartile	0.92x	0.91x	0.89x	8.7x	7.5x	7.3x
Minimum	0.71x	0.72x	0.72x	6.9x	7.1x	7.1x

Source: Exhibit C.3

II. Fairness Analysis



Relative Rankings

In Millions of U.S. Dollars

Size LTM Revenue		Size 2020 Projected Revenue		Size LTM EBITDA		Size 2020 Projected EBITDA	
HCA	\$45,965.0	HCA	\$51,651.5	HCA	\$8,801.0	HCA	\$9,920.9
THC	18,672.0	THC	18,559.8	THC	2,775.0	THC	2,679.7
CYH	13,760.0	CYH	13,347.9	UHS	1,702.9	UHS	1,931.2
UHS	10,660.6	UHS	11,765.6	CYH	866.0	CYH	1,568.6
LPNT	6,220.0	LPNT	6,515.7	LPNT	643.1	LPNT	772.3
QHC	1,935.0	QHC	1,909.5	Mission	82.3	QHC	181.2
Mission		Mission		QHC		Mission	
Selected Company Median		\$12,210.3		\$12,556.7		\$1,284.5	
Selected Company Median		\$1,749.9					
Growth 4-Yr Hist. Revenue CAGR		Growth LTM to '20 Revenue CAGR		Growth 4-Yr Hist. EBITDA CAGR		Growth LTM to '20 EBITDA CAGR	
THC	14.7%	HCA	5.3%	THC	15.7%	QHC	42.0%
LPNT	14.4%	UHS	4.5%	LPNT	9.3%	CYH	30.2%
UHS	9.0%	LPNT	2.1%	Mission		LPNT	8.5%
Mission		Mission		UHS	6.3%	UHS	5.7%
HCA	6.3%	THC	-0.3%	HCA	5.8%	HCA	5.5%
CYH	4.6%	QHC	-0.6%	CYH	-14.6%	Mission	
QHC	1.6%	CYH	-1.3%	QHC	-15.0%	THC	-1.5%
Selected Company Median		7.7%		0.9%		6.0%	
Selected Company Median		7.1%					
Profitability 5-Yr Avg. EBITDA Margin		Profitability 2019 Projected EBITDA Margin		Capital Requirements 5-Yr Avg. Net Work. Capital to Revenue		Capital Requirements 5-Yr Avg. Capital Expend. to Revenue	
HCA	19.6%	HCA	19.2%	QHC	11.5%	Mission	
UHS	17.7%	UHS	16.3%	CYH	8.9%	HCA	6.2%
THC	12.2%	THC	14.6%	LPNT	8.2%	LPNT	5.7%
LPNT	12.1%	LPNT	11.9%	HCA	7.2%	THC	4.9%
CYH	11.3%	CYH	11.8%	Mission		UHS	4.9%
Mission		QHC	9.2%	UHS	4.6%	CYH	4.3%
QHC	8.3%	Mission		THC	2.5%	QHC	3.3%
Selected Company Median		12.2%		13.2%		7.7%	
Selected Company Median		4.9%					
Profitability 2020 Projected EBITDA Margin		Leverage 5-Yr Avg. Debt & Pfd. to EV		Leverage LTM Debt + Preferred / EBITDA		Key Ticker Symbols and Company Names	
HCA	19.2%	QHC	89.0%	CYH	16.0x	Mission	Mission Health System, Inc. and Affiliates
UHS	16.4%	CYH	88.4%	QHC	14.7x	CYH	Community Health Systems, Inc.
THC	14.4%	THC	76.9%	THC	5.5x	HCA	HCA Healthcare, Inc.
LPNT	11.9%	LPNT	52.5%	LPNT	4.5x	LPNT	LifePoint Health, Inc.
CYH	11.8%	HCA	49.9%	HCA	3.8x	THC	Tenet Healthcare Corporation
QHC	9.5%	UHS	25.2%	Mission		UHS	Universal Health Services, Inc.
Mission		Mission		UHS	2.4x	QHC	Quorum Health Corporation
Selected Company Median		13.1%		64.7%		5.0x	

Source: S&P Capital IQ, Inc. and Mission Health System, Inc. and Affiliates financials.

II. Fairness Analysis



Merger & Acquisition Method (Target Revenue Greater Than \$500 Million)

In Thousands of U.S. Dollars

Measure of Performance	Range of Indicated Multiples						Selected Multiples		Mission Results	Indicated Enterprise Value	
	Minimum	Lower Quartile	Mean	Median	Upper Quartile	Maximum	Low	High		Low	High
1 EV / LTM Revenue	0.12x	0.67x	0.74x	0.77x	0.90x	1.30x	0.75x	0.85x	\$ 1,780,428	\$ 1,340,000	\$ 1,510,000
2 EV / LTM EBITDA	3.0x	7.2x	7.9x	8.6x	9.4x	10.5x	8.0x	9.0x	168,479	1,350,000	1,520,000
3 Indicated Enterprise Value										\$ 1,340,000	\$ 1,520,000

EV = Enterprise Value

LTM = Latest Twelve Months

EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortization

II. Fairness Analysis



Summary of Comparable M&A Transactions (Revenue Greater Than \$500 Million)

Close Date	Target	Indicated Multiples	
		EV / LTM Revenue	EV / LTM EBITDA
Pending	LifePoint Health, Inc.	0.90x	8.7x
2/1/2018	Memorial University Medical Center, Inc.	0.74x	n/a
2/1/2018	2 Oklahoma Hospitals	0.81x	7.2x
1/11/2018	Tenet HealthSystem St. Christopher's Hospital For Children And Tenet HealthSystem Hahnemann	0.22x	nmf
9/29/2017	Community Health Systems, Inc., Five Pennsylvania Hospitals	0.67x	9.8x
7/31/2017	4 Houston Hospitals from Tenet	1.30x	9.4x
10/3/2016	9 Acute Care Hospitals	0.77x	3.0x
5/2/2016	Capella Healthcare, Inc.	0.70x	5.8x
3/31/2016	Tenet Healthcare Corp., Five Atlanta Area Hospitals and Certain Related Facilities	0.93x	10.5x
12/14/2015	Daughters of Charity Health System (nka:Verity Health System of California, Inc.)	0.22x	nmf
8/31/2015	Capella Holdings, Inc.	1.26x	n/a
8/4/2015	AHS Medical Holdings LLC	0.88x	n/a
9/2/2014	Conemaugh Health System, Inc.	0.24x	n/a
1/27/2014	Health Management Associates Inc.	1.29x	8.6x
10/1/2013	Vanguard Health Systems Inc.	0.71x	8.0x
9/30/2013	Glenwood Regional Medical Center and Mountain Vista Medical Center and Southeast Texas Hospital	0.12x	n/a
5/31/2013	St. Luke's Health System Corporation	0.78x	nmf

Source: Exhibit E.3

n/a = Not Available

nmf = Not Meaningful

A. Financial Statements



Reported Balance Sheets

Exhibit A.1

In Thousands of U.S. Dollars

	Notes	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
1 Cash and Cash Equivalents	[a]	\$ 66,265	\$ 97,479	\$ 112,341	\$ 97,557	\$ 149,404
2 Investments	[a]	4,500	13,303	31,983	36,228	15,484
3 Current Portion of Assets Limited as to Use	[a]	17,679	17,288	18,786	19,689	19,011
4 Patient Accounts Receivable, Net		218,346	220,464	245,628	254,494	288,873
5 Other Receivables		35,297	27,369	37,736	52,250	42,249
6 Inventories		22,389	23,143	23,428	23,891	29,061
7 Prepaid Expenses and Other		21,857	22,766	30,512	35,872	42,536
8 Total Current Assets		386,333	421,812	500,414	519,981	586,618
9 Land and Land Improvements		105,686	106,329	111,229	110,571	n/a
10 Buildings		930,347	958,328	992,462	1,053,361	n/a
11 Equipment and Capitalized Software Costs		548,035	584,409	619,452	662,104	n/a
12 Construction in Progress		71,751	93,240	132,733	218,934	n/a
13 Less: Accumulated Depreciation		(811,559)	(877,580)	(954,761)	(1,029,166)	n/a
14 Net Property and Equipment		844,260	864,726	901,115	1,015,804	1,148,611
15 Assets Limited as to Use	[a]	959,773	941,212	940,676	991,615	921,235
16 Other Assets	[b]	46,793	51,934	47,069	55,904	50,717
17 Total Other Assets		1,006,566	993,146	987,745	1,047,519	971,952
18 Total Assets		\$ 2,237,159	\$ 2,279,684	\$ 2,389,274	\$ 2,583,304	\$ 2,707,181
19 Current Portion of Long-Term Debt	[a]	\$ 12,969	\$ 13,022	\$ 21,208	\$ 19,525	\$ 14,453
20 Lines of Credit	[a]	27,000	500	15,500	0	0
21 Accounts Payable		41,701	42,129	48,172	53,760	66,143
22 Accrued Salaries, Wages, and Benefits		59,310	69,615	77,644	81,281	143,436
23 Other Accrued Expenses		16,306	25,403	21,273	28,580	n/a
24 Interest Payable	[a][c]	10,060	9,995	8,434	8,193	5,180
25 Employee Health Liability		10,822	10,928	12,297	12,284	n/a
26 Patient Credit Balances		6,824	12,038	11,058	15,340	n/a
27 Workers' Compensation Liability		4,212	4,393	0	0	n/a
28 Due to Related Party		678	2,330	0	0	n/a
29 Due to Third-Party Payors	[a]	22,005	50,816	57,367	58,749	66,783
30 Total Current Liabilities		211,887	241,169	272,953	277,712	295,995
31 Long-Term Debt	[a]	552,482	563,333	549,813	568,112	568,578
32 Accrued IBNR and Case Loss Reserves	[a]	29,327	20,546	25,878	28,243	n/a
33 Fair Value of Derivative Financial Instruments	[a]	516	327	159	49	n/a
34 Deferred Compensation Payable	[a]	13,314	13,975	14,297	13,286	n/a
35 Annuities Payable	[a]	1,665	524	1,854	1,565	n/a
36 Other Long-Term Liabilities	[a]	1,363	9,967	726	675	44,479
37 Total Long-Term Liabilities		598,667	608,672	592,727	611,930	613,057
38 Total Liabilities		810,554	849,841	865,680	889,642	909,052
39 Unrestricted		1,398,105	1,405,826	1,498,824	1,660,710	1,781,394
40 Temporarily Restricted		21,394	17,908	18,289	26,313	9,995
41 Permanently Restricted		5,755	5,848	6,148	6,160	6,121
42 Noncontrolling Interest		1,351	261	333	479	619
43 Total Net Assets		1,426,605	1,429,843	1,523,594	1,693,662	1,798,129
44 Total Liabilities & Net Assets		\$ 2,237,159	\$ 2,279,684	\$ 2,389,274	\$ 2,583,304	\$ 2,707,181

Source: Audited financial statements for 2014 through 2017 and unaudited financial statements prepared by Company management for 2018.

[a] These assets and liabilities are excluded from the Transaction.

[b] Excluded assets totaling approximately \$2.0 million as of August 31, 2018 are included in other assets.

[c] The interest payable balance as of 2018 was estimated to be equivalent to Mission's interest payable balance as of August 31, 2018.

A. Financial Statements



Reported Income Statements

Exhibit A.2

In Thousands of U.S. Dollars

	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
1 Net Patient Service Revenue	\$ 1,406,019	\$ 1,526,342	\$ 1,682,256	\$ 1,778,174	\$ 1,876,962
2 Provision for Bad Debts	(98,645)	(123,299)	(141,609)	(142,052)	(213,037)
3 Other Revenue	74,513	85,190	92,235	117,346	135,309
4 Total Revenue	1,381,887	1,488,233	1,632,882	1,753,468	1,799,234
5 <i>Annual Growth Rate</i>	<i>n/a</i>	<i>7.7%</i>	<i>9.7%</i>	<i>7.4%</i>	<i>2.6%</i>
6 Salaries and Wages	653,256	700,063	784,457	865,212	866,583
7 Employee Benefits	125,595	137,866	149,350	151,296	164,142
8 Supplies and Other Expenses	472,665	493,908	534,884	560,520	584,664
9 Depreciation and Amortization	83,215	88,019	89,021	90,892	106,314
10 Interest	25,656	23,624	21,419	17,842	13,870
11 Total Operating Expenses	1,360,387	1,443,480	1,579,131	1,685,762	1,735,573
12 Operating Income	21,500	44,753	53,751	67,706	63,661
13 Investment Income, Net	61,150	(35,957)	45,438	92,459	58,898
14 Net Unrealized Gains on Investments Recharacterized as Trading	0	10,879	0	0	0
15 Other Nonoperating Gains, Net	31,796	(5,634)	(8,785)	267	(4,909)
16 Total Nonoperating Gains (Losses)	92,946	(30,712)	36,653	92,726	53,989
17 Earnings Before Taxes	\$ 114,446	\$ 14,041	\$ 90,404	\$ 160,432	\$ 117,650
18 Net Capital Expenditures	110,489	107,683	129,716	184,237	214,379
19 Depreciation and Amortization	83,215	88,019	89,021	90,892	106,314
20 EBIT	\$ 140,102	\$ 37,665	\$ 111,823	\$ 178,274	\$ 131,520
21 EBIT Margin	10.1%	2.5%	6.8%	10.2%	7.3%
22 EBITDA	\$ 223,317	\$ 125,684	\$ 200,844	\$ 269,166	\$ 237,834
23 EBITDA Margin	16.2%	8.4%	12.3%	15.4%	13.2%

Source: Audited financial statements for 2014 through 2017 and unaudited financial statements prepared by Company management for 2018.

A. Financial Statements



Adjustments to Reported Income Statements

Exhibit A.3

In Thousands of U.S. Dollars

	Notes	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
1 Reported Total Revenue		\$ 1,381,887	\$ 1,488,233	\$ 1,632,882	\$ 1,753,468	\$ 1,799,234
2 Out of Period CMS Reserve Recognition	[a]	n/a	n/a	n/a	(21,100)	0
3 Rural Designation	[a]	n/a	n/a	n/a	10,400	0
4 Medicare Shared Savings Gain Share	[a]	n/a	n/a	n/a	(3,600)	0
5 HCH Foundation Operating Subsidy	[b]	n/a	n/a	n/a	(1,500)	(1,500)
6 CCP Foundation Revenue	[b]	n/a	n/a	n/a	(3,000)	(3,000)
7 Consolidated MHS Foundations, Net	[b]	n/a	n/a	n/a	(6,000)	(6,000)
8 Other Interest Income - New Tower Proceeds	[c]	n/a	n/a	n/a	(5,000)	(5,000)
9 Excluded Services - Revenue Adj.	[d]	n/a	n/a	n/a	(2,811)	(2,811)
10 Excluded Entities - Revenue Adj.	[e]	n/a	n/a	n/a	(495)	(495)
11 Adjusted Total Revenue		1,381,887	1,488,233	1,632,882	1,720,362	1,780,428
12 Annual Growth Rate		n/a	7.7%	9.7%	5.4%	3.5%
13 Reported EBIT		140,102	37,665	111,823	178,274	131,520
14 Total Adjustments to Total Revenue		0	0	0	(33,106)	(18,806)
15 Excluded Services - Operating Ex. Adj.	[d]	n/a	n/a	n/a	3,002	3,002
16 Excluded Services - Depreciation and Amortization Adj.	[d]	n/a	n/a	n/a	72	72
17 Excluded Entities - Operating Ex. Adj.	[e]	n/a	n/a	n/a	438	438
18 Investment Income, Net	[c]	(61,150)	35,957	(45,438)	(92,459)	(58,898)
19 Net Unrealized Gains on Investments Recharacterized as Trading	[f]	0	(10,879)	0	0	0
20 Other Nonoperating Gains, Net	[f]	(31,796)	5,634	8,785	(267)	4,909
21 Adjusted EBIT		47,156	68,377	75,170	55,954	62,237
22 Adjusted EBIT Margin		3.4%	4.6%	4.6%	3.3%	3.5%
23 Reported Earnings Before Taxes		114,446	14,041	90,404	160,432	117,650
24 Total Adjustments to EBIT		(92,946)	30,712	(36,653)	(122,320)	(69,283)
25 Interest	[g]	25,656	23,624	21,419	17,842	13,870
26 Adjusted Earnings Before Taxes		47,156	68,377	75,170	55,954	62,237
27 Adjusted Earnings Before Taxes Margin		3.4%	4.6%	4.6%	3.3%	3.5%
28 Adjusted EBIT		\$ 47,156	\$ 68,377	\$ 75,170	\$ 55,954	\$ 62,237
29 Adjusted EBIT Margin		3.4%	4.6%	4.6%	3.3%	3.5%
30 Adjusted EBITDA		\$ 130,371	\$ 156,396	\$ 164,191	\$ 146,774	\$ 168,479
31 Adjusted EBITDA Margin		9.4%	10.5%	10.1%	8.5%	9.5%

[a] Nonrecurring revenue items were removed.

[b] Revenue attributable to the Foundation was removed as Foundation assets are not being transferred in the Transaction.

[c] Interest income and investment income was removed since the cash and marketable securities balances on which this income is derived are considered separately in this analysis and are not part of the Transaction.

[d] Revenue and expenses attributable to Excluded Services were removed as these services are not being transferred in the Transaction.

[e] Revenue and expenses attributable to Excluded Entities were removed as these entities are not being transferred in the Transaction.

[f] Gains and losses were removed because they are noncash transactions and are not a part of ongoing operations.

[g] Interest expense was removed to reflect Mission's earnings on a debt-free basis.

A. Financial Statements



Adjusted Income Statements

Exhibit A.4

In Thousands of U.S. Dollars

	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
1 Net Patient Service Revenue	\$ 1,406,019	\$ 1,526,342	\$ 1,682,256	\$ 1,767,474	\$ 1,876,962
2 Provision for Bad Debts	(98,645)	(123,299)	(141,609)	(142,052)	(213,037)
3 Other Revenue	74,513	85,190	92,235	94,940	116,503
4 Total Revenue	1,381,887	1,488,233	1,632,882	1,720,362	1,780,428
5 <i>Annual Growth Rate</i>	<i>n/a</i>	<i>7.7%</i>	<i>9.7%</i>	<i>5.4%</i>	<i>3.5%</i>
6 Salaries and Wages	653,256	700,063	784,457	865,212	866,583
7 Employee Benefits	125,595	137,866	149,350	151,296	164,142
8 Supplies and Other Expenses	472,665	493,908	534,884	557,080	581,224
9 Depreciation and Amortization	83,215	88,019	89,021	90,820	106,242
10 Interest	0	0	0	0	0
11 Total Operating Expenses	1,334,731	1,419,856	1,557,712	1,664,408	1,718,191
12 Operating Income	47,156	68,377	75,170	55,954	62,237
13 Investment Income, Net	0	0	0	0	0
14 Net Unrealized Gains on Investments Recharacterized as Trading	0	0	0	0	0
15 Other Nonoperating Gains, Net	0	0	0	0	0
16 Total Nonoperating Gains (Losses)	0	0	0	0	0
17 Earnings Before Taxes	\$ 47,156	\$ 68,377	\$ 75,170	\$ 55,954	\$ 62,237
18 Net Capital Expenditures	110,489	107,683	129,716	184,237	214,379
19 Depreciation and Amortization	83,215	88,019	89,021	90,820	106,242
20 EBIT	\$ 47,156	\$ 68,377	\$ 75,170	\$ 55,954	\$ 62,237
21 EBIT Margin	3.4%	4.6%	4.6%	3.3%	3.5%
22 EBITDA	\$ 130,371	\$ 156,396	\$ 164,191	\$ 146,774	\$ 168,479
23 EBITDA Margin	9.4%	10.5%	10.1%	8.5%	9.5%

A. Financial Statements



Projected Income Statements

Exhibit A.5

In Thousands of U.S. Dollars

	Notes	Year 1 9/30/2019	Year 2 9/30/2020	Year 3 9/30/2021	Year 4 9/30/2022	Year 5 9/30/2023	Year 6 9/30/2024	Year 7 9/30/2025	Year 8 9/30/2026	Residual
1 Inpatient Revenue										
2 Outpatient Revenue										
3 Professional Revenue										
4 Contractual Allowances										
5 Charity										
6 Provision For Bad Debts										
7 Other Operating Revenue										
8 Other Operating Revenue Adj.	[a]									
9 Excluded Services Revenue Adj.	[b]									
10 Excluded Entities Revenue Adj.	[c]									
11 Total Revenue										
12 <i>Annual Growth Rate</i>										
13 Salaries and Wages										
14 Contract Labor										
15 Employee Benefits										
16 Fees										
17 Supplies										
18 Utilities										
19 Purchased Services										
20 Other Expenses Including Original Mitigation										
21 Excluded Services Op Ex. Adj.	[b]									
22 Excluded Entities Op Ex. Adj.	[c]									
23 Total Operating Expenses										
24 EBITDA										
25 EBITDA Margin										

Source: Mission's long-term plan.

- [a] Revenue attributable to the Foundation was removed as Foundation assets are not being transferred in the Transaction. [REDACTED] Mission management indicated that there are no expenses related to this revenue stream.
- [b] Revenue and expenses attributable to Excluded Services were removed as these services are not being transferred in the Transaction. [REDACTED]
- [c] Revenue and expenses attributable to Excluded Entities were removed as these entities are not being transferred in the Transaction. The projection for the Excluded Entities was based on projected financial statements provided by Mission management and extended thereafter by Stout based on discussions with management.

B. Discounted Cash Flow Method



Discounted Cash Flow Method

In Thousands of U.S. Dollars

Exhibit B.1

	Notes	Year 1 9/30/2019	Year 2 9/30/2020	Year 3 9/30/2021	Year 4 9/30/2022	Year 5 9/30/2023	Year 6 9/30/2024	Year 7 9/30/2025	Year 8 9/30/2026	Residual
Free Cash Flows										
1 EBITDA		\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
2 Depreciation (Tax Basis)		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3 Income Taxes	[a]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4 Debt-Free Net Income		19,944	25,324	29,494	34,855	44,216	56,214	69,486	82,589	86,023
5 Depreciation (Tax Basis)		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6 Capital Expenditures		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
7 Additional Working Capital		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8 Free Cash Flows		(27,382)	62,720	51,122	65,270	88,647	95,782	103,602	113,572	72,592
9 Partial Period Adjustment	[b]	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10 Free Cash Flows Allocated to Projection Period		(24,036)	62,720	51,122	65,270	88,647	95,782	103,602	113,572	72,592
Present Value of Free Cash Flows										
11 Weighted Average Cost of Capital		7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
12 Discount Period	[c]	0.44	1.38	2.38	3.38	4.38	5.38	6.38	7.38	
13 Present Value Factor		0.9707	0.9110	0.8514	0.7957	0.7436	0.6950	0.6495	0.6070	
14 Present Value of Free Cash Flows		\$ (23,332)	\$ 57,138	\$ 43,525	\$ 51,935	\$ 65,922	\$ 66,568	\$ 67,292	\$ 68,942	
Indicated Enterprise Value										
15 Present Value of Free Cash Flows (Through 2026)		397,989								
23 Present Value of Residual Free Cash Flows		881,319								
24 Add: PV of NOL Tax Benefit	[d]	1,282								
25 Indicated Enterprise Value		1,280,591								
26 Rounded		\$ 1,280,000								
27 Sensitivity Analysis (In Millions)										
		Residual Growth Rate								
		1.5%	2.0%	2.5%						
WACC	6.5%	1,330	1,420	1,540						
	7.0%	1,210	1,280	1,370						
	7.5%	1,110	1,160	1,230						

[a] Income taxes were calculated using a tax rate of 23.4%, which is based on the prevailing combined federal and North Carolina corporate tax rates in effect as of the Valuation Date.

[b] The partial period adjustment represents the percentage of free cash flows for the full year that is expected to be received between the Valuation Date and the end of the first projection year.

[c] Calculated utilizing the "mid-year convention," which assumes that cash flows will be received evenly throughout the projection period rather than at the end of the period.

[d] The NOL tax benefit is calculated based on an existing NOL balance of \$6.5 million as of December 31, 2017.

B. Discounted Cash Flow Method



Weighted Average Cost of Capital

Exhibit B.2

Required Return on Equity			
Modified Capital Asset Pricing Model			
	Notes		
1 Risk-Free Rate of Return	[a]		3.3%
2 Long-Term Market Equity Risk Premium	[b]	6.0%	
3 Selected Equity Beta	[c]	0.70	4.2%
4 Small Stock Risk Premium	[b]		1.6%
5 Company-Specific Risk Premium			0.0%
6 Concluded Required Return on Equity			9.1%
Cost of Debt			
Corporate Bond Yields			
7 "AA"-Rated Corporate Bond Yield	[d]		4.3%
8 Less: Income Tax Factor		23.1%	-1.0%
9 Concluded Cost of Debt			3.3%
Weighted Average Cost of Capital			
10 Equity Allocation of Capital Structure	[c]	60.0%	5.5%
11 Debt Allocation of Capital Structure	[c]	40.0%	1.3%
12 Weighted Average Cost of Capital (Rounded)			7.0%

[a] 20-year U.S. Treasury bond yield as of the Valuation Date.

[b] Based on: *Valuation Handbook: U.S. Guide to Cost of Capital*, Duff & Phelps, LLC.

[c] Based on the results of comparable public companies and relevant data for Mission's applicable SIC code. Refer to Exhibit B.3.

[d] Based on the "AA"-rated corporate bond yield as of the Valuation Date, as reported by Bloomberg, L.P.

B. Discounted Cash Flow Method



Capital Structure and Beta Analysis

Exhibit B.3

In Millions of U.S. Dollars

Guideline Companies [a]	Ticker	Credit Rating [b]	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	EV / LTM EBITDA	LTM Debt / EBITDA	5-year Debt & Pfd. to EV [c]	5-year Debt & Pfd. to Equity [d]	5-year Cash to TIC [d]	Beta [e][f]		
											β_L	β_U	β_{RL}
1 Community Health Systems, Inc.	CYH	CCC+	\$ 13,760.0	\$ 866.0	6.3%	16.6x	16.0x	88.4%	1919.5%	1.8%	1.10	0.08	0.11
2 HCA Healthcare, Inc.	HCA	BB+	45,965.0	8,801.0	19.1%	9.5x	3.8x	49.9%	104.7%	1.1%	0.78	0.46	0.70
3 LifePoint Health, Inc.	LPNT	BB-	6,220.0	643.1	10.3%	8.5x	4.5x	52.5%	113.0%	4.4%	0.73	0.44	0.66
4 Tenet Healthcare Corporation	THC	B	18,672.0	2,775.0	14.9%	6.9x	5.5x	76.9%	659.2%	2.3%	1.14	0.22	0.34
5 Universal Health Services, Inc.	UHS	BB+	10,660.6	1,702.9	16.0%	9.3x	2.4x	25.2%	34.2%	0.4%	0.77	0.63	0.95
6 Quorum Health Corporation	QHC	B-	1,935.0	82.3	4.3%	16.7x	14.7x	89.0%	821.3%	1.1%	0.88	0.15	0.23
7 Upper Quartile			17,444.0	2,507.0	15.7%	14.8x	12.4x	85.5%	780.8%	2.2%	1.05	0.46	0.69
8 Median			12,210.3	1,284.5	12.6%	9.4x	5.0x	64.7%	386.1%	1.4%	0.83	0.33	0.50
9 Average			16,202.1	2,478.4	11.8%	11.3x	7.8x	63.7%	608.7%	1.8%	0.90	0.33	0.50
10 Lower Quartile			7,330.1	698.8	7.3%	8.7x	3.9x	50.6%	106.8%	1.1%	0.77	0.17	0.26
SIC Codes [g]													
11 SIC Code 80 - Latest			n/a	n/a	n/a	n/a	n/a	25.0%	33.6%	n/a	n/a	n/a	0.79
12 SIC Code 80 - 5-Year Avg.			n/a	n/a	n/a	n/a	n/a	19.1%	23.7%	n/a	n/a	n/a	0.79
13 Selected			AA					40.0%					0.70

[a] Source: S&P Capital IQ, Inc.

[b] Reflects long-term ratings by Standard & Poor's.

[c] EV is presented on a cash-free basis.

[d] Equity and TIC (Total Invested Capital) are presented on a cash-inclusive basis.

[e] Betas represent five-year betas based on weekly volatility measurements.

[f] Unlevered and levered betas are calculated using the following formulas:

Where:

β_u = Unlevered beta

β_L = Levered beta

β_{RL} = Relevered beta

D = Debt plus preferred stock of Guideline Company

E = Market value of equity of Guideline Company

t = Applicable Tax rate

Cash = Cash and cash equivalents of Guideline Company

TIC = Total invested capital (i.e., EV plus cash)

Target D/E = 66.7%

$$\beta_u = \left[\frac{\beta_L}{1 + \text{Actual } \frac{D}{E} (1 - t)} \right] \div \left[1 - \frac{\text{Cash}}{\text{TIC}} \right]$$

$$\beta_{RL} = \beta_u \times \left(1 + \text{Target } \frac{D}{E} (1 - t) \right)$$

[g] Source: Valuation Handbook: U.S. Industry Cost of Capital, Duff & Phelps, LLC.

C. Selected Public Company Method



Selected Public Company Method

Exhibit C.1

In Thousands of U.S. Dollars

Measure of Performance	Range of Indicated Multiples					Selected Multiples		Mission Results	Indicated Enterprise Value	
	Minimum	Lower Quartile	Median	Upper Quartile	Maximum	Low	High		Low	High
1 EV / LTM Revenue	0.71x	0.92x	1.04x	1.38x	1.82x	■	■	\$ 1,780,428	\$ 1,420,000	\$ 1,600,000
2 EV / 2019 Revenue	0.72x	0.91x	1.08x	1.33x	1.70x	■	■	■	1,430,000	1,610,000
3 EV / 2020 Revenue	0.72x	0.89x	1.06x	1.28x	1.62x	■	■	■	1,460,000	1,640,000
4 EV / LTM EBITDA	6.9x	8.7x	9.4x	14.8x	16.7x	■	■	168,479	1,260,000	1,520,000
5 EV / 2019 EBITDA	7.1x	7.5x	8.3x	8.8x	9.2x	■	■	■	1,210,000	1,450,000
6 EV / 2020 EBITDA	7.1x	7.3x	7.9x	8.4x	9.2x	■	■	■	1,230,000	1,470,000
7 Indicated Enterprise Value									\$ 1,210,000	\$ 1,640,000

EV = Enterprise Value

LTM = Latest Twelve Months

EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortization

C. Selected Public Company Method



Derivation of Enterprise Value

Exhibit C.2

In Millions of Shares and U.S. Dollars, Except Stock Price

	Community Health Systems, Inc.	HCA Healthcare, Inc.	LifePoint Health, Inc.	Tenet Healthcare Corporation	Universal Health Services, Inc.	Quorum Health Corporation
1 Ticker Symbol	CYH	HCA	LPNT	THC	UHS	QHC
2 Stock Exchange	NYSE	NYSE	NasdaqGS	NYSE	NYSE	NYSE
3 Common Stock Price (11/14/2018)	\$3.70	\$139.85	\$64.96	\$23.74	\$127.29	\$4.90
4 Diluted Shares Outstanding	112.9	352.0	39.9	102.5	93.0	31.5
5 Market Value of Equity ("MVE")	\$ 417.7	\$ 49,223.9	\$ 2,594.9	\$ 2,433.3	\$ 11,837.1	\$ 154.5
6 Add: Total Debt	13,828.0	33,152.0	2,887.0	15,180.0	4,026.3	1,209.3
7 Add: Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0
8 Add: Noncontrol. Int. in Subs.	570.0	1,875.0	137.9	2,210.0	81.8	16.8
9 Less: Cash and Equivalents	(436.0)	(624.0)	(160.1)	(557.0)	(89.7)	(6.1)
10 Enterprise Value ("EV")	\$ 14,379.7	\$ 83,626.9	\$ 5,459.7	\$ 19,266.3	\$ 15,855.5	\$ 1,374.5

Source: S&P Capital IQ, Inc. Additionally, the information above may include adjustments made by Stout Risius Ross, LLC, as applicable.

C. Selected Public Company Method



Implied Pricing Multiples

Exhibit C.3

In Millions of U.S. Dollars

Company	Notes	Ticker	Enterprise Value ("EV") [a]	LTM Revenue	2019 Revenue	2020 Revenue	LTM EBITDA	2019 EBITDA	2020 EBITDA	LTM EBITDA Margin	2019 EBITDA Margin	2020 EBITDA Margin
1 Community Health Systems, Inc.		CYH	\$ 14,379.7	\$ 13,760.0	\$ 13,186.1	\$ 13,347.9	\$ 866.0	\$ 1,562.3	\$ 1,568.6	6.3%	11.8%	11.8%
2 HCA Healthcare, Inc.		HCA	83,626.9	45,965.0	49,199.6	51,651.5	8,801.0	9,444.9	9,920.9	19.1%	19.2%	19.2%
3 LifePoint Health, Inc.		LPNT	5,459.7	6,220.0	6,418.3	6,515.7	643.1	766.5	772.3	10.3%	11.9%	11.9%
4 Tenet Healthcare Corporation		THC	19,266.3	18,672.0	18,034.4	18,559.8	2,775.0	2,624.3	2,679.7	14.9%	14.6%	14.4%
5 Universal Health Services, Inc.		UHS	15,855.5	10,660.6	11,259.8	11,765.6	1,702.9	1,838.6	1,931.2	16.0%	16.3%	16.4%
6 Quorum Health Corporation		QHC	1,374.5	1,935.0	1,901.5	1,909.5	82.3	174.1	181.2	4.3%	9.2%	9.5%

Company	Notes	Ticker	EV / LTM Revenue	EV / 2019 Revenue	EV / 2020 Revenue	EV / LTM EBITDA	EV / 2019 EBITDA	EV / 2020 EBITDA
7 Community Health Systems, Inc.		CYH	1.05x	1.09x	1.08x	16.6x	9.2x	9.2x
8 HCA Healthcare, Inc.		HCA	1.82x	1.70x	1.62x	9.5x	8.9x	8.4x
9 LifePoint Health, Inc.		LPNT	0.88x	0.85x	0.84x	8.5x	7.1x	7.1x
10 Tenet Healthcare Corporation		THC	1.03x	1.07x	1.04x	6.9x	7.3x	7.2x
11 Universal Health Services, Inc.		UHS	1.49x	1.41x	1.35x	9.3x	8.6x	8.2x
12 Quorum Health Corporation		QHC	0.71x	0.72x	0.72x	16.7x	7.9x	7.6x

Analysis of Multiples	Notes	EV / LTM Revenue	EV / 2019 Revenue	EV / 2020 Revenue	EV / LTM EBITDA	EV / 2019 EBITDA	EV / 2020 EBITDA
13 Maximum		1.82x	1.70x	1.62x	16.7x	9.2x	9.2x
14 Upper Quartile		1.38x	1.33x	1.28x	14.8x	8.8x	8.4x
15 Median		1.04x	1.08x	1.06x	9.4x	8.3x	7.9x
16 Mean		1.16x	1.14x	1.11x	11.3x	8.2x	7.9x
17 Lower Quartile		0.92x	0.91x	0.89x	8.7x	7.5x	7.3x
18 Minimum		0.71x	0.72x	0.72x	6.9x	7.1x	7.1x

Source: S&P Capital IQ, Inc.

[a] Refer to Exhibit C.2.

C. Selected Public Company Method



Relative Rankings

Exhibit C.4

In Millions of U.S. Dollars

Size				Size				Size				Size							
LTM Revenue				2020 Projected Revenue				LTM EBITDA				2020 Projected EBITDA							
HCA			\$45,965.0	HCA			\$51,651.5	HCA			\$8,801.0	HCA			\$9,920.9				
THC			18,672.0	THC			18,559.8	THC			2,775.0	THC			2,679.7				
CYH			13,760.0	CYH			13,347.9	UHS			1,702.9	UHS			1,931.2				
UHS			10,660.6	UHS			11,765.6	CYH			866.0	CYH			1,568.6				
LPNT			6,220.0	LPNT			6,515.7	LPNT			643.1	LPNT			772.3				
QHC			1,935.0	QHC			1,909.5	Mission				QHC			181.2				
Mission				Mission				QHC			82.3	Mission							
Selected Company Median				\$12,210.3	Selected Company Median				\$12,556.7	Selected Company Median				\$1,284.5	Selected Company Median				\$1,749.9
Growth				Growth				Growth				Growth							
4-Yr Hist. Revenue CAGR				LTM to '20 Revenue CAGR				4-Yr Hist. EBITDA CAGR				LTM to '20 EBITDA CAGR							
THC			14.7%	HCA			5.3%	THC			15.7%	QHC			42.0%				
LPNT			14.4%	UHS			4.5%	LPNT			9.3%	CYH			30.2%				
UHS			9.0%	LPNT			2.1%	Mission				LPNT			8.5%				
Mission				Mission				UHS			6.3%	UHS			5.7%				
HCA			6.3%	THC			-0.3%	HCA			5.8%	HCA			5.5%				
CYH			4.6%	QHC			-0.6%	CYH			-14.6%	Mission							
QHC			1.6%	CYH			-1.3%	QHC			-15.0%	THC			-1.5%				
Selected Company Median				7.7%	Selected Company Median				0.9%	Selected Company Median				6.0%	Selected Company Median				7.1%
Profitability				Profitability				Capital Requirements				Capital Requirements							
5-Yr Avg. EBITDA Margin				2019 Projected EBITDA Margin				5-Yr Avg. Net Work. Capital to Revenue				5-Yr Avg. Capital Expend. to Revenue							
HCA			19.6%	HCA			19.2%	QHC			11.5%	Mission							
UHS			17.7%	UHS			16.3%	CYH			8.9%	HCA			6.2%				
THC			12.2%	THC			14.6%	LPNT			8.2%	LPNT			5.7%				
LPNT			12.1%	LPNT			11.9%	HCA			7.2%	THC			4.9%				
CYH			11.3%	CYH			11.8%	Mission				UHS			4.9%				
Mission				QHC			9.2%	UHS			4.6%	CYH			4.3%				
QHC			8.3%	Mission				THC			2.5%	QHC			3.3%				
Selected Company Median				12.2%	Selected Company Median				13.2%	Selected Company Median				7.7%	Selected Company Median				4.9%
Profitability				Leverage				Leverage				Key							
2020 Projected EBITDA Margin				5-Yr Avg. Debt & Pfd. to EV				LTM Debt + Preferred / EBITDA				Ticker Symbols and Company Names							
HCA			19.2%	QHC			89.0%	CYH			16.0x	Mission	Mission Health System, Inc. and Affiliates						
UHS			16.4%	CYH			88.4%	QHC			14.7x	CYH	Community Health Systems, Inc.						
THC			14.4%	THC			76.9%	THC			5.5x	HCA	HCA Healthcare, Inc.						
LPNT			11.9%	LPNT			52.5%	LPNT			4.5x	LPNT	LifePoint Health, Inc.						
CYH			11.8%	HCA			49.9%	HCA			3.8x	THC	Tenet Healthcare Corporation						
QHC			9.5%	UHS			25.2%	Mission				UHS	Universal Health Services, Inc.						
Mission				Mission				UHS			2.4x	QHC	Quorum Health Corporation						
Selected Company Median				13.1%	Selected Company Median				64.7%	Selected Company Median				5.0x					

Source: S&P Capital IQ, Inc. and Mission Health System, Inc. and Affiliates financials.

D. Selected Public Company Descriptions

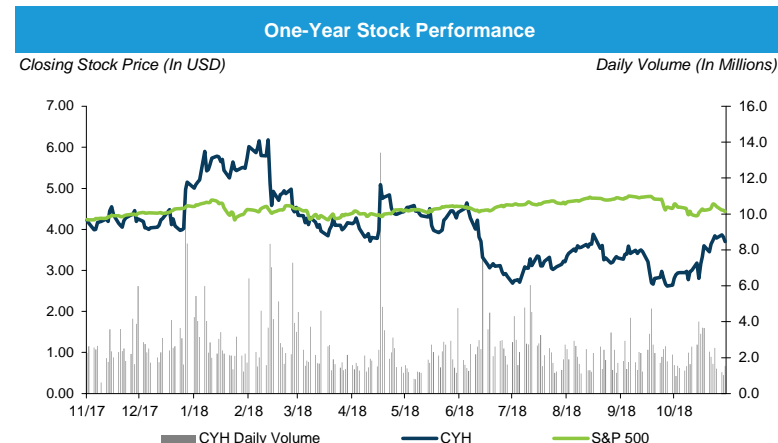


Community Health Systems, Inc.

Ticker:	CYH	Sales (MM)	LTM	2019E	2020E
Exchange:	NYSE	EBITDA (MM)	\$ 13,760.0	\$ 13,186.1	\$ 13,347.9
Stock Price:	\$3.70	EBITDA Margin	\$ 866.0	\$ 1,562.3	\$ 1,568.6
			6.3%	11.8%	11.8%
As of 11/14/2018					
52-Week High:	\$6.18	Enterprise Value (MM)	\$ 14,379.7		
52-Week Low:	\$2.62	Equity Market Cap. (MM)	\$ 417.7		
Avg. Vol. (3 mo.):	2,258,053				

Company Description:

Community Health Systems, Inc., together with its subsidiaries, owns, leases, and operates general acute care hospitals in the United States. It offers general acute care, emergency room, general and specialty surgery, critical care, internal medicine, obstetrics, diagnostic, psychiatric, and rehabilitation services, as well as skilled nursing and home care services. The company also provides outpatient services at urgent care centers, occupational medicine clinics, imaging centers, cancer centers, and ambulatory surgery centers. As of December 31, 2017, it owned or leased 125 hospitals, including 123 general acute care hospitals and 2 stand-alone rehabilitation or psychiatric hospitals with an aggregate of 20,850 licensed beds in 19 states. The company was founded in 1985 and is headquartered in Franklin, Tennessee.

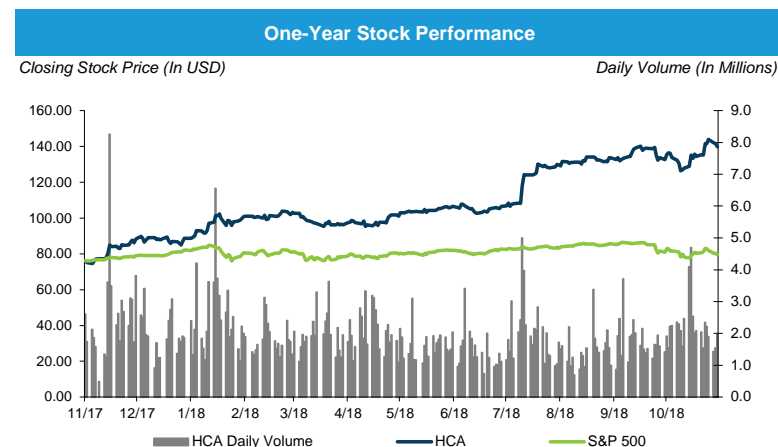


HCA Healthcare, Inc.

Ticker:	HCA	Sales (MM)	LTM	2019E	2020E
Exchange:	NYSE	EBITDA (MM)	\$ 45,965.0	\$ 49,199.6	\$ 51,651.5
Stock Price:	\$139.85	EBITDA Margin	\$ 8,801.0	\$ 9,444.9	\$ 9,920.9
			19.1%	19.2%	19.2%
As of 11/14/2018					
52-Week High:	\$143.95	Enterprise Value (MM)	\$ 83,626.9		
52-Week Low:	\$74.61	Equity Market Cap. (MM)	\$ 49,223.9		
Avg. Vol. (3 mo.):	1,892,618				

Company Description:

HCA Healthcare, Inc., through its subsidiaries, provides health care services. The company operates general, acute care hospitals that offer medical and surgical services, including inpatient care, intensive care, cardiac care, diagnostic, and emergency services; and outpatient services, such as outpatient surgery, laboratory, radiology, respiratory therapy, cardiology, and physical therapy services. It also operates psychiatric hospitals, which provide therapeutic programs comprising child, adolescent and adult psychiatric care, and adolescent and adult alcohol and drug abuse treatment and counseling. In addition, the company operates outpatient health care facilities consisting of freestanding ambulatory surgery centers, freestanding emergency care facilities, urgent care facilities, walk-in clinics, diagnostic and imaging centers, rehabilitation and physical therapy centers, radiation and oncology therapy centers, physician practices, and various other facilities. As of February 12, 2018, it owned and operated 179 hospitals and 120 freestanding surgery centers, and various other healthcare facilities in 20 states and the United Kingdom. The company was formerly known as HCA Holdings, Inc. HCA Healthcare, Inc. was founded in 1968 and is headquartered in Nashville, Tennessee.



Source: S&P Capital IQ, Inc.

D. Selected Public Company Descriptions

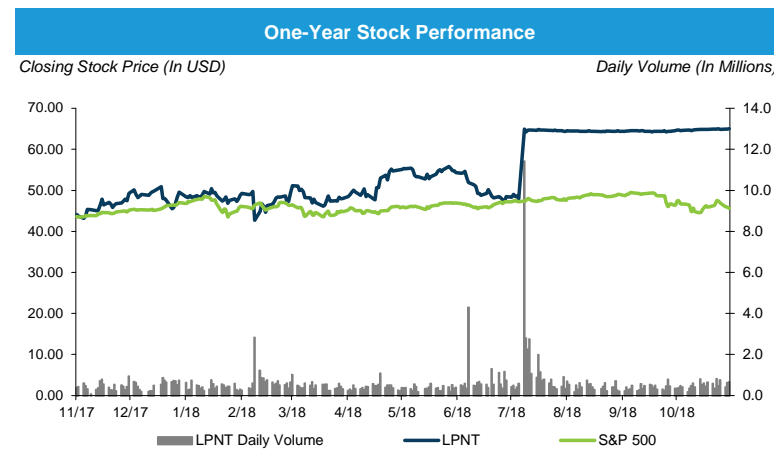


LifePoint Health, Inc.

Ticker:	LPNT	Sales (MM)	LTM	2019E	2020E
Exchange:	NasdaqGS	EBITDA (MM)	\$ 6,220.0	\$ 6,418.3	\$ 6,515.7
Stock Price:	\$64.96	EBITDA Margin	\$ 643.1	\$ 766.5	\$ 772.3
	As of 11/14/2018		10.3%	11.9%	11.9%
52-Week High:	\$64.96	Enterprise Value (MM)	\$ 5,459.7		
52-Week Low:	\$42.75	Equity Market Cap. (MM)	\$ 2,594.9		
Avg. Vol. (3 mo.):	728,526				

Company Description:

LifePoint Health, Inc., through its subsidiaries, owns and operates community hospitals, regional health systems, physician practices, outpatient centers, and post-acute facilities in the United States. Its hospitals provide a range of medical and surgical services, such as general surgery, internal medicine, obstetrics, emergency room care, radiology, oncology, diagnostic care, coronary care, rehabilitation, and pediatric, as well as specialized services, including open-heart surgery, skilled nursing, psychiatric care, and neuro-surgery. The company's hospitals also offer outpatient services comprising same-day surgery, laboratory, X-ray, respiratory therapy, imaging, sports medicine, and lithotripsy. In addition, it owns and operates schools of nursing and other allied health professions. As of December 31, 2017, the company operated 71 hospital campuses with a total of 9,254 licensed beds in 22 states. The company was formerly known as LifePoint Hospitals, Inc. and changed its name to LifePoint Health, Inc. in May 2015. LifePoint Health, Inc. was founded in 1997 and is based in Brentwood, Tennessee.

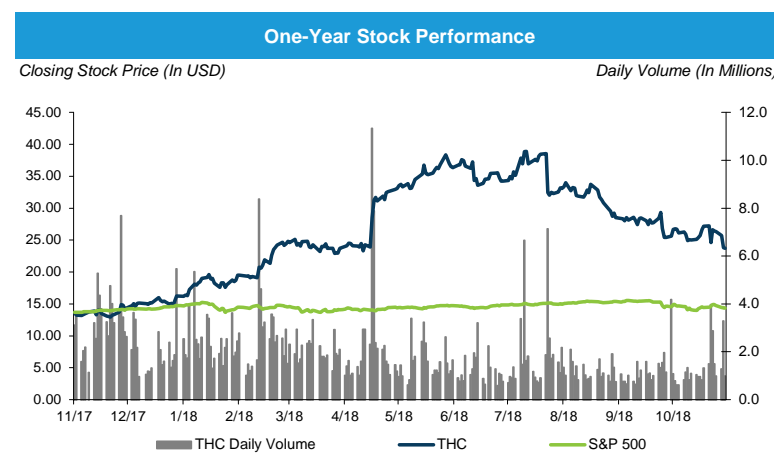


Tenet Healthcare Corporation

Ticker:	THC	Sales (MM)	LTM	2019E	2020E
Exchange:	NYSE	EBITDA (MM)	\$ 18,672.0	\$ 18,034.4	\$ 18,559.8
Stock Price:	\$23.74	EBITDA Margin	\$ 2,775.0	\$ 2,624.3	\$ 2,679.7
	As of 11/14/2018		14.9%	14.6%	14.4%
52-Week High:	\$38.88	Enterprise Value (MM)	\$ 19,266.3		
52-Week Low:	\$12.95	Equity Market Cap. (MM)	\$ 2,433.3		
Avg. Vol. (3 mo.):	1,474,936				

Company Description:

Tenet Healthcare Corporation operates as a diversified healthcare services company. The company's general hospitals offer acute care services, operating and recovery rooms, radiology and respiratory therapy services, clinical laboratories, and pharmacies. It also provides intensive and critical care, and coronary care units; physical therapy, orthopedic, oncology, and outpatient services; tertiary care services, including cardiothoracic surgery, neonatal intensive care, and neurosciences; quaternary care in heart, liver, kidney, and bone marrow transplants areas; tertiary and quaternary pediatric, and burn services; and limb-salvaging vascular procedures, acute level 1 trauma services, intravascular stroke care, minimally invasive cardiac valve replacement, imaging technology, and telemedicine access. In addition, the company operates ambulatory surgery and urgent care centers, imaging centers, and surgical hospitals, as well as Aspen's hospitals and clinics; and offers healthcare business process services in the areas of hospital and physician revenue cycle management, as well as value-based care solutions. As of December 31, 2017, the company operated 76 hospitals, 20 surgical hospitals, and approximately 470 outpatient centers, as well as 247 ambulatory surgery, 34 urgent care, and 23 imaging centers in the United States; and 9 private hospitals and clinics in the United Kingdom. The company was founded in 1967 and is headquartered in Dallas, Texas.



Source: S&P Capital IQ, Inc.

D. Selected Public Company Descriptions

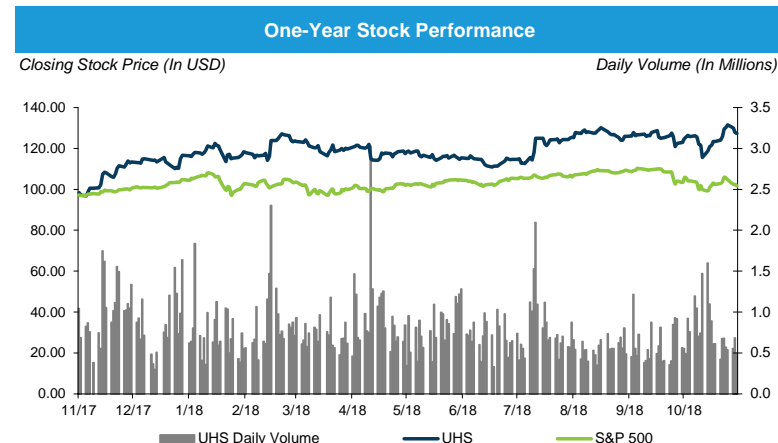


Universal Health Services, Inc.

			LTM	2019E	2020E
Ticker:	UHS	Sales (MM)	\$ 10,660.6	\$ 11,259.8	\$ 11,765.6
Exchange:	NYSE	EBITDA (MM)	\$ 1,702.9	\$ 1,838.6	\$ 1,931.2
Stock Price:	\$127.29	EBITDA Margin	16.0%	16.3%	16.4%
As of 11/14/2018					
52-Week High:	\$131.49	Enterprise Value (MM)	\$ 15,855.5		
52-Week Low:	\$95.77	Equity Market Cap. (MM)	\$ 11,837.1		
Avg. Vol. (3 mo.):	705,783				

Company Description:

Universal Health Services, Inc., through its subsidiaries, owns and operates acute care hospitals, outpatient facilities, and behavioral health care facilities. The company operates through Acute Care Hospital Services, Behavioral Health Care Services, and Other segments. Its hospital offer general and specialty surgery, internal medicine, obstetrics, emergency room care, radiology, oncology, diagnostic care, coronary care, pediatric services, pharmacy services, and/or behavioral health services. As of February 28, 2018, it owned and/or operated 326 inpatient facilities, and 32 outpatient and other facilities located in 37 states, Washington, D.C., the United Kingdom, Puerto Rico, and Virgin Islands. Universal Health Services, Inc. founded in 1978 and is headquartered in King Of Prussia, Pennsylvania.

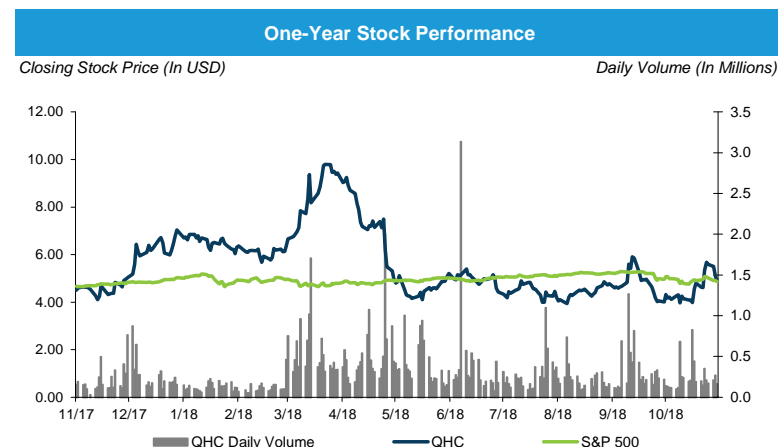


Quorum Health Corporation

			LTM	2019E	2020E
Ticker:	QHC	Sales (MM)	\$ 1,935.0	\$ 1,901.5	\$ 1,909.5
Exchange:	NYSE	EBITDA (MM)	\$ 82.3	\$ 174.1	\$ 181.2
Stock Price:	\$4.90	EBITDA Margin	4.3%	9.2%	9.5%
As of 11/14/2018					
52-Week High:	\$9.80	Enterprise Value (MM)	\$ 1,374.5		
52-Week Low:	\$3.94	Equity Market Cap. (MM)	\$ 154.5		
Avg. Vol. (3 mo.):	281,098				

Company Description:

Quorum Health Corporation provides hospital and outpatient healthcare services in the United States. Its hospital and outpatient healthcare services include general and acute care, emergency room, general and specialty surgery, critical care, internal medicine, obstetric, diagnostic, psychiatric, and rehabilitation services. Quorum Health Corporation offers its healthcare services through its hospitals and affiliated facilities, including urgent care centers, diagnostic and imaging centers, physician clinics, and surgery centers. The company, through its subsidiary, Quorum Health Resources, LLC, provides hospital management advisory and healthcare consulting services to non-affiliated hospitals. As of January 5, 2018, it owned or leased 31 hospitals with an aggregate of approximately 3,000 licensed beds. The company was incorporated in 2015 and is headquartered in Brentwood, Tennessee.



Source: S&P Capital IQ, Inc.

E. Merger & Acquisition Method



Merger & Acquisition Method (Target Revenue Greater Than \$500 Million)

Exhibit E.1

In Thousands of U.S. Dollars

Measure of Performance	Range of Indicated Multiples						Selected Multiples		Mission Results	Indicated Enterprise Value	
	Minimum	Lower Quartile	Mean	Median	Upper Quartile	Maximum	Low	High		Low	High
1 EV / LTM Revenue	0.12x	0.67x	0.74x	0.77x	0.90x	1.30x	0.75x	0.85x	\$ 1,780,428	\$ 1,340,000	\$ 1,510,000
2 EV / LTM EBITDA	3.0x	7.2x	7.9x	8.6x	9.4x	10.5x	8.0x	9.0x	168,479	1,350,000	1,520,000
3 Indicated Enterprise Value										\$ 1,340,000	\$ 1,520,000

EV = Enterprise Value

LTM = Latest Twelve Months

EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortization

E. Merger & Acquisition Method



Statistical Analysis (Target Revenue Greater Than \$500 Million) Exhibit E.2

In Millions of U.S. Dollars

	Analysis of Targets				Analysis of Multiples	
	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
1 Maximum	\$ 7,591.0	\$ 6,220.0	\$ 880.1	25.7%	1.30x	10.5x
2 Upper Quartile	1,250.0	2,000.0	446.0	13.5%	0.90x	9.4x
3 Median	750.0	921.4	87.7	10.9%	0.77x	8.6x
4 Mean	1,569.8	1,923.9	233.3	11.5%	0.74x	7.9x
5 Lower Quartile	418.0	713.4	38.6	8.8%	0.67x	7.2x
6 Minimum	121.3	515.0	(64.0)	2.1%	0.12x	3.0x
7 Mission	n/a	\$ 1,780.0	\$ 166.6	9.4%	n/a	n/a

Source: S&P Capital IQ, Inc. and Irving Levin Associates, Inc.

n/a= Not Available

Enterprise Value is presented on a "net of cash" basis.

E. Merger & Acquisition Method



Comparable M&A Transactions (Target Revenue Greater Than \$500 Million)

Exhibit E.3.1

In Millions of U.S. Dollars

Closed Announced	Target	Acquirer	Implied Enterprise Value [a]	Target Fundamentals			Indicated Multiples	
				LTM Revenue	LTM EBITDA	LTM EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
1	Pending 7/23/2018	LifePoint Health, Inc. Owns and operates community hospitals, regional health systems, physician practices, outpatient centers, and post-acute facilities in the United States						
		RCCH HealthCare Partners Owns and operates hospitals, outpatient centers, physician practices, and urgent care centers in the United States	\$ 5,598.1	\$ 6,220.0	\$ 643.1	10.3%	0.90x	8.7x
2	2/1/2018 4/19/2017	Memorial University Medical Center, Inc. A tertiary care hospital that provides healthcare services to patients in southeast Georgia and southern South Carolina						
		HCA Holdings, Inc. (nka:HCA Healthcare, Inc.) Owns and operates hospitals, freestanding surgery centers, and various other healthcare facilities in the United States and the United Kingdom	430.0	581.0	n/a	n/a	0.74x	n/a
3	2/1/2018 10/26/2016	2 Oklahoma Hospitals Hospital operations of Oklahoma University Medical Center (688 beds) and OU Medical Center						
		University Hospitals Authority and Trust Provides construction and facility management services to the health care industry	750.0	921.4	104.8	11.4%	0.81x	7.2x
4	1/11/2018 9/1/2017	Tenet HealthSystem St. Christopher's Hospital For Children And Tenet HealthSystem Hahnemann Tenet HealthSystem Hahnemann, L.L.C. operates as an academic medical center in Philadelphia and Tenet HealthSystem St. Christopher's Hospital For Children, L.L.C. operates a children hospital that offers pediatric care						
		American Academic Health System, LLC Owns and operates academic medical centers and general acute care hospitals across the country	170.0	790.0	(15.0)	nmf	0.22x	nmf
5	9/29/2017 5/30/2017	Community Health Systems, Inc., Five Pennsylvania Hospitals Hospitals include Brandywine Hospital (169 beds), Chestnut Hill Hospital (148 beds), Jennersville Hospital (63 beds), Phoenixville Hospital (151 beds), and Pottstown Memorial Medical Center (232 beds)						
		Tower Health Comprises more than 1,000 physicians and providers across 46 locations which offers comprehensive care ranging from prevention, screenings, and education to clinical services and treatments	418.0	620.9	42.6	6.9%	0.67x	9.8x
6	7/31/2017 5/1/2017	4 Houston Hospitals from Tenet Three acute care hospitals and one long-term acute care hospital in the Houston area						
		HCA Holdings, Inc. (nka:HCA Healthcare, Inc.) Owns and operates hospitals, freestanding surgery centers, and various other healthcare facilities in the United States and the United Kingdom	750.0	575.0	80.0	13.9%	1.30x	9.4x
7	10/3/2016 9/26/2016	9 Acute Care Hospitals Real estate interests in nine acute care hospitals in Massachusetts						
		Medical Properties Trust, Inc. Self-advised real estate investment trust formed to capitalize on the changing trends in healthcare delivery by acquiring and developing net-leased healthcare facilities	1,250.0	1,631.6	420.0	25.7%	0.77x	3.0x
8	5/2/2016 3/22/2016	Capella Healthcare, Inc. Operates 10 acute care and specialty hospitals in five states for a total of 1,153 beds						
		RegionalCare Hospital Partners Inc. Owns and operates hospitals throughout the United States	550.0	787.8	95.3	12.1%	0.70x	5.8x
9	3/31/2016 12/1/2015	Tenet Healthcare Corp., Five Atlanta Area Hospitals and Certain Related Facilities Comprises hospitals and related facilities						
		WellStar Health System, Inc. A not-for-profit hospital that provides healthcare services in Georgia	661.0	714.5	62.7	8.8%	0.93x	10.5x
10	12/14/2015 12/14/2015	Daughters of Charity Health System (nka:Verity Health System of California, Inc.) Operates as a nonprofit healthcare system that owns and operates hospitals and medical foundation in Northern and Southern California						
		BlueMountain Capital Management LLC Privately owned hedge fund manager	260.0	1,155.7	(64.0)	nmf	0.22x	nmf

Source: S&P Capital IQ, Inc. and Irving Levin Associates, Inc.

n/a = Not Available

nmf = Not Meaningful

Enterprise Value is presented on a "net of cash" basis.

[a] The indicated values represent the implied value of 100% of the target for acquisitions involving less than 100% of the target and excludes capital investment commitments.

E. Merger & Acquisition Method



Comparable M&A Transactions (Target Revenue Greater Than \$500 Million)

Exhibit E.3.2

In Millions of U.S. Dollars

	Closed Announced	Target	Acquirer	Implied Enterprise Value [a]	Target Fundamentals			Indicated Multiples	
					LTM Revenue	LTM EBITDA	LTM EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
11	8/31/2015 7/27/2015	Capella Holdings, Inc. Operates general acute care hospitals and ancillary healthcare facilities	MPT Operating Partnership, L.P. Subsidiary of Medical Properties Trust, Inc.	\$ 900.0	\$ 713.4	n/a	n/a	1.26x	n/a
12	8/4/2015 4/6/2015	AHS Medical Holdings LLC Owns and operates a network of health systems that provide healthcare services for patients and their families in the United States	Ventas, Inc. Real estate investment trust	1,750.0	2,000.0	n/a	n/a	0.88x	n/a
13	9/2/2014 3/14/2014	Conemaugh Health System, Inc. Provides healthcare services through group of physicians, medical staff, a network of hospitals, specialty clinics, and patient providers focused programs in Pennsylvania	DLP Healthcare, LLC Engages in building a network of hospitals and healthcare providers	121.3	515.0	n/a	n/a	0.24x	n/a
14	1/27/2014 7/30/2013	Health Management Associates Inc. Engages in the operation of general acute care hospitals and other health care facilities in non-urban communities in the United States	Community Health Systems, Inc. Owns, leases, and operates general acute care hospitals in the United States	7,591.0	5,868.3	\$ 880.1	15.0%	1.29x	8.6x
15	10/1/2013 6/24/2013	Vanguard Health Systems Inc. Owns and operates general acute care and specialty hospitals, and outpatient facilities in urban and suburban markets in the United States	Tenet Healthcare Corporation Operates as a diversified healthcare services company	4,204.1	5,936.7	523.9	8.8%	0.71x	8.0x
16	9/30/2013 8/8/2013	Glenwood Regional Medical Center and Mountain Vista Medical Center and Southeast Texas Hospital IASIS Healthcare LLC, Three Facilities in Louisiana, Arizona and Texas represent the combined operations of Iasis Glenwood Regional Medical Center, LP, Mountain Vista Medical Center, LP, and The Medical Center of Southeast Texas, LP	MPT Operating Partnership, L.P. Subsidiary of Medical Properties Trust, Inc.	283.3	2,400.0	n/a	n/a	0.12x	n/a
17	5/31/2013 4/19/2013	St. Luke's Health System Corporation Operates a network of hospitals and medical centers in Texas	Catholic Health Initiatives Operates as a healthcare system in the United States	1,000.0	1,275.7	26.5	2.1%	0.78x	n/mf

Source: S&P Capital IQ, Inc. and Irving Levin Associates, Inc.

n/a = Not Available

n/mf = Not Meaningful

Enterprise Value is presented on a "net of cash" basis.

[a] The indicated values represent the implied value of 100% of the target for acquisitions involving less than 100% of the target and excludes capital investment commitments.