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Apollo to buy LifePoint in a $5.6B deal

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Following the close of the transaction, the combined company will be named LifePoint Health, and the companyâ??s headquarters will continue to be in Brentwood, TN, where both companiesâ?? headquarters are currently located.



LifePoint Health, Inc. and RCCH HealthCare Partners which is owned by certain funds managed by affiliates of Apollo Global Management, LLC has announced that they have entered into a definitive agreement to merge. Upon closing of the transaction, LifePoint shareholders will receive $65.00 per share in cash for each share of LifePoint common stock they own, resulting in a LifePoint enterprise value of approximately $5.6 billion, including $2.9 billion of net debt and minority interest. The purchase price represents a premium of approximately 36% to LifePoint's closing share price on July 20, 2018, the last trading day prior to the announcement.

Upon completion of the transaction, the combined company will be privately held, operate under the LifePoint Health name and be led by William F. Carpenter III, chairman and chief executive officer of LifePoint.

LifePoint and RCCH are among the nation's leading healthcare providers, owning and operating networks of hospitals, post-acute service providers and outpatient centers that are integral to their communities. Both companies share a commitment to providing high quality care to regional markets. The combination of these two companies will create an even stronger healthcare provider with pro forma 2017 revenues of more than $8 billion as well as 7,000 affiliated physicians, approximately 60,000 employees and more than 12,000 licensed beds. Following the close of the transaction, LifePoint will operate a diversified portfolio of healthcare assets, including 84 non-urban hospitals in 30 states, regional health systems, physician practices, outpatient centers and post-acute service providers, with leading market positions as the sole community healthcare provider in the majority of the regions it serves. The combined company intends to maintain strategic partnerships with well-known leaders in patient safety and clinical quality to bring leading practices in quality and patient safety to each of its communities.

William F. Carpenter III, chairman and chief executive officer of LifePoint, said, "LifePoint and RCCH are aligned in our missions and commitment to ensuring that non-urban communities across the country have access to quality care, close to home. Together, we can extend this shared focus while generating new opportunities for growth and partnerships that will help us navigate the changing healthcare industry dynamics. I am eager to work with the outstanding teams at LifePoint and RCCH as we continue advancing high quality patient care and Making Communities Healthier."

Martin Rash, chairman and chief executive officer of RCCH, said, "The opportunity to join with LifePoint marks a significant milestone in RCCH's history. The size, scale and focus on growth for the new organization will be impactful for our patients, employees and partners. I am thrilled that these two great companies are coming together."

Matthew Nord, a senior partner at Apollo, said, "We are excited that LifePoint and RCCH are combining to create a national leader in community-based healthcare, and are looking forward to the next chapter of the combined company's growth."

Following the close of the transaction, the combined company will be named LifePoint Health, and the company's headquarters will continue to be in Brentwood, TN, where both companies' headquarters are currently located.

The transaction is expected to be completed over the course of the next several months, subject to customary closing conditions, including approval by LifePoint's shareholders and receipt of applicable regulatory approvals.

Under the terms of the definitive agreement, which has been unanimously approved by the LifePoint Board of Directors, LifePoint may actively solicit alternative acquisition proposals during a 30-day period following the execution date of the definitive agreement, continuing until 12:01 a.m. ET on August 22, 2018. There can be no assurances that this process will result in a superior proposal, and LifePoint does not intend to discuss any developments with regard to this process unless and until the LifePoint Board of Directors makes a decision with respect to any potential superior proposal.

Financing is being provided by Barclays, Citigroup, RBC Capital Markets and Credit Suisse. PSP Investments Credit USA LLC and an affiliate of Qatar Investment Authority have also committed to provide a portion of the debt financing. The financing also includes an equity contribution from funds managed by Apollo.

Goldman Sachs & Co. LLC is acting as financial advisor to LifePoint and White & Case LLP is acting as legal advisor. Barclays and MTS Health Partners, L.P. are acting as financial advisors to RCCH, and Akin Gump Strauss Hauer & Feld LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP are acting as legal advisors.