



Case Study:

North Mississippi Health Services

Bond Sale Date: February 5, 2020 (Fixed), February 11, 2020 (Variable)

\$44,565,000 2020 Series I Fixed Rate Bonds

\$38,430,000 2020 Series II 7-Year Fixed Rate Put Bonds

\$23,875,000 2020 Series III Flexible Rate Mode Bonds

\$28,460,000 2020 Series IV Fixed Rate Bonds (7/9/2020 Delivery)

About North Mississippi Health Services:

North Mississippi Health Services ("NMHS") is the largest integrated health system consisting of a 634-bed flagship hospital in Tupelo (the largest non-metropolitan hospital in the country), six community hospitals (with 304 total licensed beds), forty outpatient clinics, six outpatient centers, four skilled nursing facilities (with 266 total licensed beds) and a 963-member clinically integrated network of providers. NMHS is the largest integrated health system in Northeast Mississippi and Northwest Alabama providing a full continuum of care to over 700,000 residents while maintaining a 77% market share in its primary service area. Both NMHS and its flagship hospital are Malcom Baldrige national Quality Award recipients.

Pricing Results:

Credit Ratings: (NR/A+/AA)

Series 2020 Tax-Exempt Bonds (Final Maturity Coupon)

Series	Maturity	Par Amount (millions)	Coupon	Yield to Call	Spread to MMD	Yield to Maturity	Spread to MMD
I	2029	\$3.385	5.00%	N/A	N/A	1.480%	+31bps
IV	2039	\$4.700	5.00%	2.25%	+61bps	3.378%	+174bps

Series 2020 Tax-Exempt Put Bonds

Series	Put Date	Par Amount (millions)	Coupon	Yield to Call	Spread to MMD	Yield to Maturity	Spread to MMD
II	2027	\$38.430	5.00%	1.37%	+37bps	1.480%	+48bps

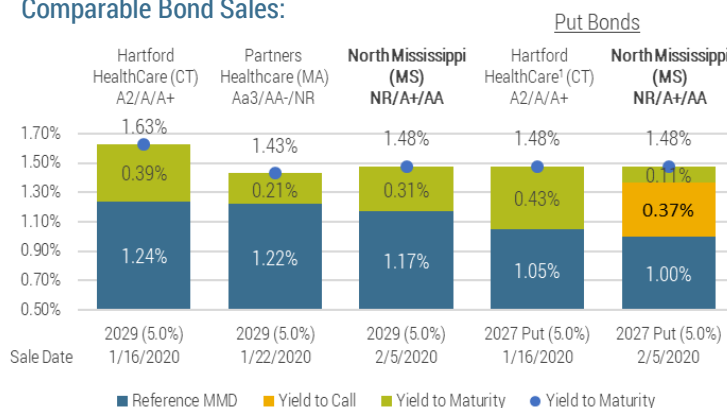
Focus on Value:

Prior to the 2020 financing, NMHS' debt portfolio consisted of \$73.1M of self-liquidity weekly variable rate demand bonds, \$50M of variable rate direct placement coming due in calendar year 2020, and \$34.1M of fixed rate bonds with an October 1, 2020 optional redemption date. NMHS restructured their variable rate programs, refinancing \$99.5M to tax-exempt fixed rate & 7-year fixed rate put bonds with a combined all-in total interest cost of 1.56%. \$23.6M was converted to a form of tax-exempt commercial paper supported by self-liquidity to continue to serve as a hedge to NMHS' fixed payer swap. Refinancing NMHS' variable rate programs eliminated NMHS' variable rate exposure while reducing self-liquidity exposure from \$91.4M of weekly requirements to \$11.9M of monthly requirements providing NMHS with significantly more asset allocation flexibility within their investment portfolio.

NHMS priced forward delivery tax-exempt fixed rate bonds to provide for a current refunding of their existing \$34.1M fixed rate bond issue. Upon delivery of the bonds, the refunding will generate \$10.5M of cash flows savings and \$7.2M of present value savings (21% of the outstanding par amount).

NMHS' last public issuance of debt took place in 2010. Ponder's role included development of the rating agency presentation, investor presentation, and disclosure documents to reflect the significant growth of the system over the past ten years. Ponder worked closely with NMHS & the financing team to develop & execute the plan of finance including amending their 22 year old master trust indenture. Ponder has provided financial advisory services to NMHS since 2003.

Comparable Bond Sales:



1. Hartford Healthcare sold put bonds with a premium call price.



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