MOODY'S
INVESTORS SERVICE

Rating Action: Moody's Affirms Jupiter Medical Center's (FL) Baa2 Rating, Outlook Stable

Global Credit Research - 13 Mar 2017

New York, March 13, 2017 -- Summary Rating Rationale

Moody's Investors Service affirms the Baa2 assigned to Jupiter Medical Center's (FL) Series 2013A bonds issued through Palm Beach County Health Facilities Authority. The rating outlook remains stable. Our rating action affects $40.1 million of debt.

The Baa2 reflects Jupiter's consistent financial performance, highlighted by growing balance sheet resources and liquidity metrics, definitive market share of a wealthy service area, and strong management team. The rating is constrained by Jupiter's small size, potential for elevated capital spend and a competitive broader market area.

Rating Outlook

The stable outlook reflects our expectation that, despite the possibility of resources being deployed for increased capital, relative credit metrics will remain within the rating range.

Factors that Could Lead to an Upgrade

Sustained margins aligned with Baa1 medians

Durability of recent revenue growth as evidenced by increased scope and scale of operations

Continued build of balance sheet resources and strengthening of all related debt ratios

Factors that Could Lead to a Downgrade

Significant departure from operating metrics

Decline in liquidity or additional borrowings which measurably dilutes the complexion of the balance sheet and debt ratios

Legal Security

The Series 2013A Bonds are secured by gross receipts of the Obligated Group comprised of Jupiter Medical Center, Inc., Jupiter Medical Center Foundation, Inc., and Jupiter Medical Center Pavilion, Inc. The Members of the Obligated Group are jointly and severally obligated on all Obligations, which are issued pursuant to the Master Indenture.

Use of Proceeds

Not applicable

Obligor Profile

Jupiter is a single-site hospital system with 207 licensed beds in the town of Aaa-rated Jupiter, in Aaa-rated Palm Beach County, FL. The hospital provides a full range of acute care patient services.

Methodology

The principal methodology used in this rating was Not-For-Profit Healthcare Rating Methodology published in November 2015. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Regulatory Disclosures

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