

Encompass Health Corporation Announces Amendments to Consent Solicitation of Holders of its 4.500% Senior Notes due 2028, 4.750% Senior Notes due 2030 and 4.625% Senior Notes due 2031

BIRMINGHAM, Ala., Jan. 20, 2022 /PRNewswire/ -- Encompass Health Corporation ("Encompass Health" or the "Company") (NYSE: EHC), a national leader in integrated healthcare, offering facility-based and home-based patient care through its network of inpatient rehabilitation hospitals and home health and hospice agencies, today announced that it is amending its previously announced solicitation of consents (the "Consent Solicitation") from the holders of its 4.500% Senior Notes due 2028 (the "2028 Notes"), 4.750% Senior Notes due 2030 (the "2030 Notes") and 4.625% Senior Notes due 2031 (the "2031 Notes" and together with the 2028 Notes and the 2030 Notes, the "Notes") to certain proposed amendments (the "Proposed Amendments") described in the Consent Solicitation Statement, dated December 9, 2021 (as previously amended on December 16, 2021, January 12, 2022 and January 18, 2022, as amended hereby and as may be further amended or supplemented from time to time, the "Statement") to the indenture governing the Notes (the "Indenture").



The Company is modifying the terms of the Statement to provide for an aggregate consent payment of \$16 million in respect of the 2028 Notes, an aggregate consent payment of \$16 million in respect of the 2030 Notes and an aggregate consent payment of \$8 million in respect of the 2031 Notes (each, an "Aggregate Consent Payment").

In the event that the Consent Effective Time (as defined in the Statement) for a series of Notes occurs, the Company will pay 50% of the applicable Aggregate Consent Payment for such series of Notes on the first business day after the expiration date for such series of Notes and 50% of the applicable Aggregate Consent Payment for such series of Notes on the Settlement Date (as defined in the Statement) (if any), in each case, for the benefit, on a pro rata basis, of each Holder of record of such series of Notes on the Record Date (as defined in the Statement) that has validly delivered a consent to the Proposed Amendments on or prior to the expiration date for such series of Notes and not validly revoked its consent.

All holders of Notes should review the Statement in its entirety, including the section entitled "Certain U.S. Federal Income Tax Considerations," with their tax advisors, noting that, as a result of the increased Aggregate Consent Payments announced today (as compared with the amounts of the consent payments described in the amendment to the Statement dated January 18, 2022) the Company anticipates that the receipt of a Consent Payment by a consenting U.S. Holder (as such terms are defined in the Statement) with respect to a Note (as defined herein) of any series will result in a deemed exchange of such Note. **All holders should consult their tax advisors as to the specific tax consequences to them of the adoption of the Proposed Amendments and receipt of the Consent Payment (or the First Consent Payment (as defined in the Statement) in the event the Settlement Date does not occur), including the applicability and effect of any U.S. federal, state and local or non-U.S. tax laws and any applicable tax treaties.**

The expiration time for the Consent Solicitation with respect to the Notes is 5:00 p.m., New York City time, on January 24, 2022, unless further extended or earlier terminated by the Company.

Except as described above, all other terms and conditions of the Consent Solicitation as set forth in the Statement remain unchanged and in effect. Holders of the Notes who have validly delivered their consents with respect to the Proposed Amendments do not need to deliver new consents or take any other action in response to this announcement in order to consent to the Proposed Amendments. Consents (whether previously or hereafter delivered) with respect to the Notes may only be revoked in the manner described in the Statement.

Encompass Health reserves the right to modify the Statement and the terms and conditions of the Consent Solicitation or to terminate the Consent Solicitation at any time.

Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC are the solicitation agents in the Consent Solicitation and Global Bondholder Services Corporation has been retained to serve as the information and tabulation agent. Persons with questions regarding the Consent Solicitation should contact Citigroup Global Markets Inc. at (toll free) +1 (800) 558-3745 or (collect) +1 (212) 723-6106 or by e-mail at ny.liabilitymanagement@citi.com and Goldman Sachs & Co. LLC at (toll free) +1 (800) 828-3182 or (collect) +1 (212) 902-5962 or by e-mail at GS-LM-NYC@gs.com. Requests for the Statement should be directed to Global Bondholder Services Corporation, at (toll free) +1 (855) 654-2015, (banks and brokers) +1 (212) 430-3774, by facsimile (for Eligible Institutions only) at +1 (212) 430-3775/3779 or by e-mail to contact@gbsc-usa.com.

None of the Company, the solicitation agents, the information and tabulation agent and the indenture trustee or any of their respective affiliates is making any recommendation as to whether holders of the Notes should deliver consents in response to the Consent Solicitation. Holders must make their own decisions as to whether to deliver consents.

This press release is for informational purposes only and is neither an offer to sell nor a solicitation of an offer to buy any security. This announcement is also not a solicitation of consents with respect to the Proposed Amendments or otherwise. The Consent Solicitation is being made solely through the Statement referred to above and related materials. The Consent Solicitation is not being made to holders of the Notes in any jurisdiction in which the Company is aware that the making of the Consent Solicitation would not be in compliance with the laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Consent Solicitation to be made by a licensed broker or dealer, the Consent Solicitation will be deemed to be made on the Company's behalf by the solicitation agents or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction. Neither the Statement nor any documents related to the Consent Solicitation have been filed with, or approved or reviewed by, any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of the Statement or any documents related to the Consent Solicitation, and it is unlawful and may be a criminal offense to make any representation to the contrary.

About Encompass Health

As a national leader in integrated healthcare services, Encompass Health (NYSE: EHC) offers both facility-based and home-based patient care through its network of inpatient rehabilitation hospitals, home health agencies and hospice agencies. With a national footprint that includes 145 hospitals, 251 home health locations, and 96 hospice locations in 42 states and Puerto Rico, the Company provides high quality, cost-effective integrated healthcare. Encompass Health is ranked as one of Fortune's 100 Best Companies to Work For. For more information, visit encompasshealth.com, or follow us on our newsroom, Twitter, Instagram and Facebook.

Forward-Looking Statements

Statements contained in this press release which are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, Encompass Health, through its senior management, may from time to time make forward-looking public statements concerning the matters described herein. All such estimates, projections, and forward-looking information speak only as of the date hereof, and Encompass Health undertakes no duty to publicly update or revise such forward-looking information, whether as a result of new information, future events, or otherwise. Such forward-looking statements are necessarily estimates based upon current information, and involve a number of risks and uncertainties about Encompass Health's business plans and strategies, and actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those factors which may be identified from time to time in Encompass Health's SEC filings and other public announcements, including Encompass Health's current reports on Form 8-K, quarterly reports on Form 10-Q and its latest annual report on Form 10-K for the year ended December 31, 2020. No assurance can be given that the transactions described herein will be consummated or as to the ultimate terms of any such transactions.

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