

HCA Inc.'s Proposed Senior Unsecured Notes Due 2030 Rated 'BB-' (Recovery Rating: '6')

February 11, 2020

NEW YORK (S&P Global Ratings) Feb. 11, 2020--S&P Global Ratings today assigned its 'BB-' issue-level rating and '6' recovery rating to Nashville, Tenn.-based HCA Inc.'s proposed senior unsecured notes due 2030. The '6' recovery rating indicates our expectation for negligible (0%-10%; rounded estimate: 0%) recovery for lenders in the event of a payment default and is the same as our recovery rating on HCA's existing unsecured debt. The transaction is leverage neutral because the company will use the proceeds from the debt to refinance HCA Healthcare Inc.'s 6.25% senior notes due 2021 and extend HCA's maturity schedule.

Our 'BB+' issuer credit rating on parent company HCA Healthcare Inc. continues to reflect its substantial scale, diversified business mix, and market presence, which favorably distinguish it from other investor-owned health care services companies. The rating also reflects our belief that HCA will likely maintain leverage in the 4x area despite increasing its EBITDA. We expect the company to remain resilient amid the challenging operating environment, although we recognize that its modest growth and financial policies will likely prevent any further sustained improvement in its credit metrics.

For the complete issuer rating rationale, please see our most recent full analysis on HCA Healthcare Inc., published Aug. 5, 2019, on RatingsDirect.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Health Care Services Industry, April 16, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013

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- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- HCA Healthcare Inc., Aug. 5, 2019

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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