Section 1: 8-K (8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 24, 2020

EPR Properties
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)
001-13561
(Commission File Number)
43-1790877
(I.R.S. Employer Identification No.)

909 Walnut Street, Suite 200
Kansas City, Missouri 64106
(Address of principal executive offices) (Zip Code)

(816) 472-1700
(Registrant’s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading symbol(s)</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common shares, par value $0.01 per share</td>
<td>EPR</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5.75% Series C cumulative convertible preferred shares, par value $0.01 per share</td>
<td>EPR PrC</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>9.00% Series E cumulative convertible preferred shares, par value $0.01 per share</td>
<td>EPR PrE</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5.75% Series G cumulative redeemable preferred shares, par value $0.01 per share</td>
<td>EPR PrG</td>
<td>New York Stock Exchange</td>
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</table>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company □

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. □
Item 7.01. Regulation FD Disclosure.

On March 24, 2020, EPR Properties (the "Company") issued a press release providing an update on the impact of COVID-19 on its business and announcing that its Board of Trustees (the "Board") has approved a share repurchase program. The Company's press release is attached as Exhibit 99.1 hereto and is incorporated by reference in this Item 7.01.

The information set forth in this Item 7.01, including Exhibit 99.1, is being "furnished" and shall not be deemed "filed" for purposes of, or otherwise subject to, liabilities under Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed to be incorporated by reference into the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 8.01. Other Events.

Share Repurchase Program

On March 24, 2020, the Company's Board approved a share repurchase program pursuant to which the Company may repurchase up to $150 million of the Company's common shares of beneficial interest, par value $0.01 per share (the "Common Shares"). The share repurchase program is scheduled to expire on December 31, 2020, unless extended or earlier terminated by the Board. Under the share repurchase program, the Company may repurchase its Common Shares in the open market, through block trades, in privately negotiated transactions, pursuant to a trading plan separately adopted in the future, or by other means, in accordance with federal securities laws and other applicable laws. The actual timing, number and value of Common Shares repurchased under the share repurchase program will be determined by management at its discretion and will depend on a number of factors, including, but not limited to, the market price of the Common Shares, general market and economic conditions, the Company's financial condition, and applicable legal requirements. The share repurchase program does not obligate the Company to repurchase a minimum number of Common Shares, and the share repurchase program may be modified, suspended or terminated by the Company at any time without prior notice.

Supplemental Risk Factor

The Company is supplementing the risk factors set forth under "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (the "2019 Annual Report") with the additional risk factor set forth below. This supplemental risk factor should be read in conjunction with the additional risk factors set forth in the 2019 Annual Report.

The current outbreak of the novel coronavirus, or COVID-19, or the future outbreak of any other highly infectious or contagious diseases, could materially and adversely impact or cause disruption to our performance, financial condition, results of operations and cash flows.

A novel strain of coronavirus (COVID-19) was reported to have surfaced in Wuhan, China in December 2019, and has since spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19.

The outbreak of COVID-19 has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and many countries, including the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel. As a result, the COVID-19 pandemic is negatively impacting almost every industry directly or indirectly, and is severely impacting experiential real estate properties given that such properties rely on social interaction and discretionary consumer spending. A number of our tenants have announced temporary closures of their operations during this pandemic. Many experts predict that the outbreak will trigger a period of global economic slowdown or a global recession. COVID-19 (or a future pandemic) could have material and adverse effects on our ability to successfully operate and on our financial condition, results of operations and cash flows due to, among other factors:

• a complete or partial closure of, or other operational issues at, one or more of our properties resulting from government or tenant action;
• the reduced economic activity severely impacts our tenants' businesses, financial condition and liquidity and may cause one or more of our tenants to be unable to meet their obligations to us in full, or at all, or to otherwise seek modifications of such obligations;
• the reduced economic activity could result in a recession, which could negatively impact consumer discretionary spending;
• difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities on a timely basis and our tenants' ability to fund their business operations and meet their obligations to us;
• a general decline in business activity and demand for real estate transactions would adversely affect our ability or
desire to grow our portfolio of experiential real estate properties;

- a deterioration in our and our tenants' ability to operate in affected areas or delays in the supply of products or services to us and our tenants from vendors that are needed for our and our tenants' efficient operations would adversely affect our operations and those of our tenants; and
- the potential negative impact on the health of our personnel, particularly if a significant number of them are impacted, would result in a deterioration in our ability to ensure business continuity during a disruption.

The extent to which COVID-19 impacts our operations and those of our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the outbreak, the actions taken to contain the outbreak or mitigate its impact, and the direct and indirect economic effects of the outbreak and containment measures, among others. Revenues from AMC Theatres, Regal Entertainment Group and Cinemark, each of which have announced temporary closures of their theatres, accounted for 17.6%, 10.8% and 5.5% of our total revenues for the year ended December 31, 2019, respectively. A continued reduction in our cash flows could impact our ability to continue paying dividends to our shareholders at expected levels or at all. The financial impact of COVID-19 could negatively impact our future compliance with financial covenants of our credit facility and other debt agreements and result in a default and potentially an acceleration of indebtedness. Such non-compliance could negatively impact our ability to make additional borrowings under our revolving credit facility, pay dividends and repurchase common shares under our share repurchase program. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19. Nevertheless, COVID-19 presents material uncertainty and risk with respect to our performance, financial condition, results of operations and cash flows.

**Item 9.01 Financial Statements and Exhibits.**

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>104</td>
<td>Cover Page Interactive Data File (embedded within the Inline XBRL document)</td>
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</tbody>
</table>
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EPR PROPERTIES

By:  /s/ Mark A. Peterson

Mark A. Peterson
Executive Vice President, Treasurer and Chief Financial Officer

Date: March 24, 2020
EPR PROPERTIES PROVIDES UPDATE REGARDING THE IMPACT OF COVID-19

Announces $150 Million Share Repurchase Program

KANSAS CITY, MO (BUSINESS WIRE) - March 24, 2020 - EPR Properties (NYSE:EPR) a leading experiential net lease real estate investment trust (REIT), today provided the following update regarding the evolving impact of COVID-19.

Company CEO Greg Silvers stated, “As we are all keenly aware, our nation and the world continue to navigate through the unprecedented challenges brought on by COVID-19. Our top priorities are taking care of our employees and all of our key stakeholders, to make sure everyone stays healthy and to position the Company to best navigate these difficult times. As we all work together to mitigate the spread of the virus, many of our tenants are temporarily closing their operations. While this period will impact our tenants’ businesses, we are committed to working with them as appropriate for our long-term mutual benefit.”

Mr. Silvers continued, “We have the ability to withstand the situation as we currently view it, given the Company’s strong balance sheet and liquidity position, including a precautionary draw on our line of credit. Also, in response to the market dislocation of our stock price, our Board of Trustees has authorized a limited share repurchase program which we will selectively deploy while carefully considering our liquidity position. By placing a pause on acquisitions and development, we are intensely focused on maximizing our financial flexibility and capacity until we have better visibility to the depth and duration of this situation.”

Key Updates:

- **Strong Liquidity Position** - As of March 24, 2020, the Company had cash of approximately $1.25 billion, including $750 million borrowed by the Company on March 20, 2020 under its Revolving Credit Facility as a precautionary measure to increase its cash position and preserve financial flexibility considering the current uncertainty in the global markets.

- **Share Repurchase Program** - Today the Company announced that its Board of Trustees (the "Board") approved a limited share repurchase program in response to the extraordinary dislocation in the Company’s stock price. The Company may repurchase up to $150 million of the Company's Common Shares, but is not required to repurchase a minimum number of Common Shares. The share repurchase program is scheduled to expire on December 31, 2020, unless extended or earlier terminated by the Board.

- **Reduced Capital Needs** - The Company has no debt maturities until 2023. Additionally, as previously disclosed, the Company revised its 2020 anticipated investment spending to include only previously committed investment spending totaling approximately $100.0 million.

Mr. Silvers concluded, “Despite the current environment, we continue to firmly believe in the long-term advantages of our portfolio and our strategy. Once the country emerges from this pandemic, we believe the demand for affordable out-of-home entertainment will be stronger than ever, as people re-engage, socialize and enjoy the experiences that our properties provide.”

**Additional Information Regarding the Share Repurchase Program**

The actual timing, number and value of Common Shares repurchased under the share repurchase program will be determined by management at its discretion and will depend on a number of factors, including, but not limited to, the market price of the Common Shares, general market and economic conditions, and applicable legal requirements. The share repurchase program may be modified, suspended or terminated by the Company at any time without prior notice. Under the share repurchase program, the Company may repurchase its Common Shares in the open market, through block trades, in privately negotiated transactions, pursuant to a trading plan separately adopted in the future, or by
other means, in accordance with federal securities laws and other applicable laws. As of March 23, 2020, the Company had approximately 78 million Common Shares outstanding.

About EPR Properties

EPR Properties is a leading experiential net lease real estate investment trust (REIT), specializing in select enduring experiential properties in the real estate industry. We focus on real estate venues which create value by facilitating out of home leisure and recreation experiences where consumers choose to spend their discretionary time and money. We have over $6.7 billion in total investments across 44 states. We adhere to rigorous underwriting and investing criteria centered on key industry, property and tenant level cash flow standards. We believe our focused approach provides a competitive advantage, and the potential for higher growth and better yields. Further information is available at www.eprkc.com.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

With the exception of historical information, certain statements contained or incorporated by reference herein may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), such as those pertaining to the uncertain financial impact of COVID-19, our share repurchase program, our acquisition or disposition of properties, our capital resources, future expenditures for development projects and our results of operations and financial condition. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of actual events. There is no assurance the events or circumstances reflected in the forward-looking statements will occur. You can identify forward-looking statements by use of words such as “will be,” “intend,” “continue,” “believe,” “may,” “expect,” “hope,” “anticipate,” “goal,” “forecast,” “pipeline,” “estimates,” “offers,” “plans,” “would” or other similar expressions or other comparable terms or discussions of strategy, plans or intentions contained or incorporated by reference herein. References to our earnings guidance and investment spending guidance are forward-looking statements. Forward-looking statements necessarily are dependent on assumptions, data or methods that may be incorrect or imprecise. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. For further discussion of these factors see “Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K and, to the extent applicable, our Quarterly Reports on Form 10-Q and other filings with the SEC.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date hereof or the date of any document incorporated by reference herein. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except as required by law, we do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances after the date hereof.

EPR Properties

Brian Moriarty, 888-EPR-REIT

www.eprkc.com

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