



The GEO Group Announces It Has Entered Into a Purchase Agreement to Acquire the 770-Bed Western Region Detention Facility in San Diego, California for \$60 Million

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BOCA RATON, Fla.--(BUSINESS WIRE)--Jul. 1, 2025-- **The GEO Group, Inc. (NYSE: GEO)** ("GEO" or the "Company") announced today that it has entered into a purchase agreement with SDCC Middle Block, LLC (the "Seller"), an affiliate of Holland Partners Group, to acquire the 770-bed Western Region Detention Facility located in San Diego, California (the "San Diego Facility") for \$60 million. GEO currently leases the San Diego Facility for approximately \$5.1 million annually under a lease agreement that expires on March 31, 2029. GEO has a contract with the U.S. Marshals Service for the exclusive use of the San Diego Facility, which generates approximately \$57 million in annualized revenues.

The purchase of the San Diego Facility is expected to close on July 31, 2025, subject to the satisfaction of customary closing conditions, and is expected to be funded as a like kind real estate property exchange with proceeds from the previously announced sale of the GEO-owned Lawton Correctional Facility in Oklahoma (the "Lawton Facility"), which is expected to close on July 25, 2025, resulting in an estimated capital gains cash tax savings of approximately \$9.5 million.

Following the closing of the sale of the Lawton Facility and the purchase of the San Diego Facility, GEO expects to have approximately \$222 million in net proceeds. GEO expects to use the net proceeds, along with cash on hand and available liquidity, to pay off senior secured debt, including approximately \$300 million in floating rate debt, which is expected to position GEO to consider potential future capital returns.

George C. Zoley, Executive Chairman of GEO, said, "The purchase of the San Diego Facility is expected to be accretive to our annualized Adjusted EBITDA and is expected to result in significant capital gains cash tax savings as a like kind real estate property exchange in connection with the previously announced sale of our Lawton Facility. The San Diego Facility has provided federal detention capacity and transportation services on behalf of the U.S. Marshals Services for approximately 25 years, and we believe it is ideally suited to provide these essential services due to its close proximity to the U.S. District Courthouse for the Southern District of California in downtown San Diego. Our Management Team and Board of Directors remain focused on the disciplined allocation of capital to enhance long-term value for our shareholders."

About The GEO Group

The GEO Group, Inc. (NYSE: GEO) is a leading diversified government service provider, specializing in design, financing, development, and support services for secure facilities, processing centers, and community reentry centers in the United States, Australia, South Africa, and the United Kingdom. GEO's diversified services include enhanced in-custody rehabilitation and post-release support through the award-winning GEO Continuum of Care®, secure transportation, electronic monitoring, community-based programs, and correctional health and mental health care. GEO's worldwide operations include the ownership and/or delivery of support services for 98 facilities totaling approximately 77,000 beds, including idle facilities and projects under development, with a workforce of up to approximately 18,000 employees.

Use of forward-looking statements

This news release may contain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on these forward-looking statements and any such forward-looking statements are qualified in their entirety by reference to the cautionary statements and risk factors contained in GEO's filings with the U.S. Securities and Exchange Commission including its Form 10-K, 10-Q and 8-K reports. All forward-looking statements speak only as of the date of this news release and are based on current expectations and involve a number of assumptions, risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. Readers are strongly encouraged to read the full cautionary statements and risk factors contained in GEO's filings with the U.S. Securities and Exchange Commission, including those referenced above. GEO disclaims any obligation to update or revise any forward-looking statements, except as required by law.

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