

Toronto Stock Exchange Symbol: **DR** Recent Price: **C\$16.26*** 52-week Range (low-high): **C\$12.99–C\$17.60** Yield: **6.9%** (approx.)*
 Market Capitalization: **C\$504.95 million*** Common Shares Outstanding: **31.0 million*** Annualized Dividend Per Share: **C\$1.125** Convertible Debentures Symbol: **DR.DB.A**
 All figures are in Canadian dollars unless otherwise noted. *As at March 12, 2019.



PROFILE

Medical Facilities Corporation (“MFC”), in partnership with physicians, owns surgical facilities in the United States. MFC’s portfolio includes controlling interest in five specialty surgical hospitals located in Arkansas, Indiana, Oklahoma and South Dakota, and an ambulatory surgery center located in California. In addition, through a partnership with NueHealth LLC, MFC owns controlling interest in seven ambulatory surgery centers. The specialty surgical hospitals offer a range of high volume, non-emergency surgical, imaging, diagnostic, and pain management procedures, and other ancillary services such as urgent care and occupational health. The ambulatory surgery centers specialize in outpatient surgical procedures, with patient stays of less than 24 hours. MFC is structured so that a majority of its free cash flow from operations is distributed to the holders of its common shares in the form of dividends.

INVESTMENT HIGHLIGHTS

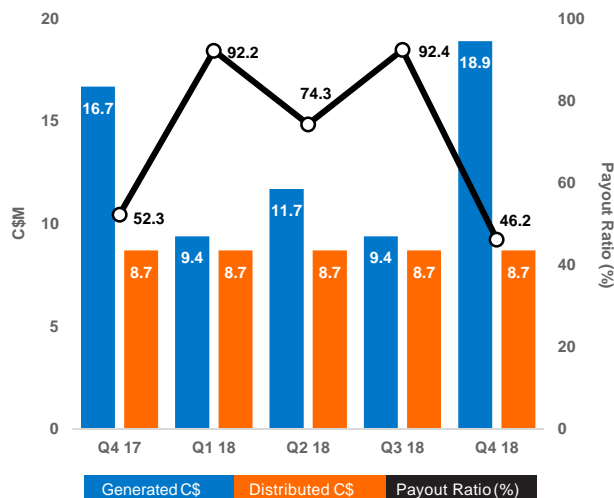
- Large, growing and fragmented market for outpatient services
- Portfolio of highly rated, high quality facilities
- Scalable platform for growth – organically and through acquisitions
- Long-term track record of stable returns to shareholders
- Experienced, entrepreneurial management team

FINANCIAL REVIEW – 2018¹

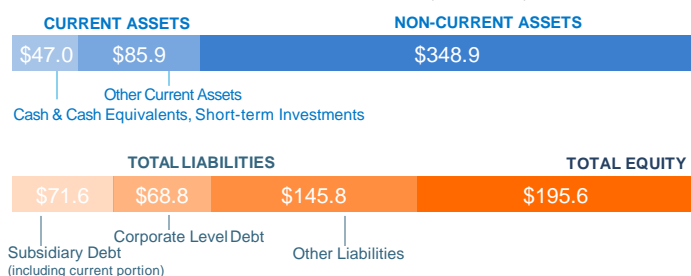
(US\$M, EXCEPT % AMOUNTS AND AS OTHERWISE INDICATED)	TWELVE MONTHS ENDED December 31, 2018	TWELVE MONTHS ENDED December 31, 2017
Facility Service Revenue	431.6	385.3
Operating Expenses	358.2	326.8
Income from Operations	73.4	58.5
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	99.0	94.62 ²
EBITDA Margin	22.9%	24.6%
Cash Available for Distribution (US\$M)	37.7	39.8
Cash Available for Distribution (C\$M)	48.8	51.7
Total Distributions (C\$M)	34.9	34.9
Payout Ratio	71.4%	67.5%

¹ EBITDA, distributions, cash available for distribution and payout ratio are non-IFRS financial measures. Please refer to “Non-IFRS Financial Measures” and “Reconciliation of Non-IFRS Financial Measures” sections in the Management’s Discussion and Analysis.
² Adjusted for goodwill impairment of \$8.4M in Q4’17.

CASH AVAILABLE FOR DISTRIBUTION, TOTAL DISTRIBUTIONS AND PAYOUT RATIO



SOLID FINANCIAL POSITION – 2018 (US\$ millions)



1.3x Current Ratio **63.4%** Net Debt/Equity **1.3x** Debt/Adj. EBITDA (LTM)

COMPANY OVERVIEW

5 Specialty Surgical Hospitals

48 operating rooms

6 procedure rooms

154 overnight rooms

6 urgent care clinics

8 Ambulatory Surgery Centers

20 operating rooms

8 procedure rooms

11 States

KEY SPECIALTIES

- Orthopaedics
- Neurosurgery
- Ophthalmology
- Pain Management
- Gastroenterology/Urology
- Obstetrics/Gynaecology
- General Surgery

MFC OFFERS STAKEHOLDERS

PATIENT

- Highest quality care
- Extraordinary customer service
- Predictable scheduling

SURGEON

- Ownership stake
- Increased productivity
- Improved professional income
- Involvement in management

PAYOR

- Competitive rates
- Efficient billing procedures

INVESTOR

- Stable, secure income
- High-yielding investment

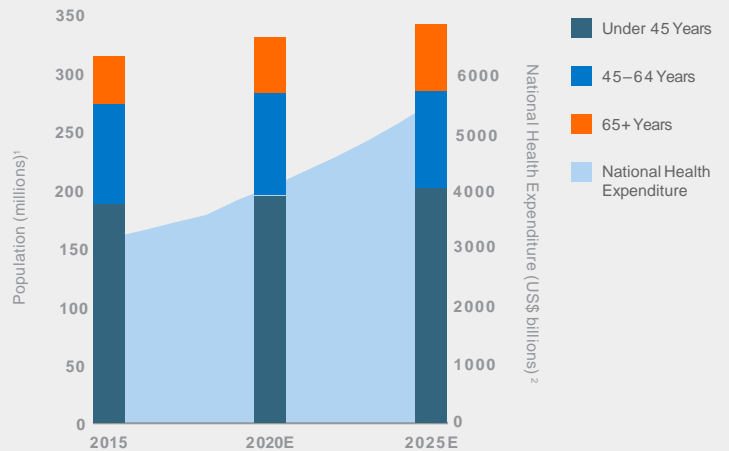
HCAHPS SURVEY*

73%
U.S. average

89%
Average of MFC patients who would definitely recommend MFC hospitals

* Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), a survey conducted by the U.S. Department of Health and Human Services, is the first national, standardized and publicly reported survey of patients' perspectives of hospital experiences, based on ten important hospital quality topics. Ratings presented above are as of February 2019.

INDUSTRY DRIVERS



SOURCES:
 1 U.S. Census Bureau, 2014 based on National Population Projections
 2 Centers for Medicare & Medicaid Services, National Health Expenditure Projections 2011-2021

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