MEDICAL FACILITIES CORPORATION

Investor Update

August 9, 2019

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the Securities Act (Ontario) and other provincial securities law in Canada. These forward-looking statements include, among others, statements with respect to our objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words “may”, “will”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. For more information on the risk factors related to these forward-looking statements, please refer to the management’s discussion and analysis, annual information form and ongoing quarterly filings of Medical Facilities Corporation available on SEDAR at www.sedar.com.

MFC Overview

US$431.6 million

2018 Revenue

US$73.4 million

2018 Income from Operations

US$99.0 million

2018 Adj. EBITDA

207

Physician Partners*

- **HIGHER PATIENT SATISFACTION** ratings resulting from **HIGHER QUALITY OF CARE**
- **DIRECT PHYSICIAN INVOLVEMENT** in facility management, resulting in **SUPERIOR PROCESSES AND EFFICIENCIES**

* As of June 30, 2019

Strategic Guiding Principles

MFC delivers value from a strong foundation of high-quality facilities providing exceptional patient care while exercising prudent financial management that has resulted in a long track record of solid returns.

Industry leading quality and service

Strong physician-centric management model

Organic and acquisition growth strategies

Maximized operating efficiencies

Diverse High Quality Portfolio

Specialty Surgical Hospitals

Ambulatory Surgery Centers

- 13 facilities in 11 states
- 68 operating rooms
- 154 overnight beds
- 14 procedure rooms
- 6 urgent care clinics

Strong Payor Mix

Source: Centers for Medicare & Medicaid Services, National Health Expenditure Projections

Growing Demand for Healthcare

Drivers:

- Overall population growth
- Aging population

Source: Census.gov

The U.S. Healthcare Landscape

Facility type	Number	Services	MFC's position
Acute Care Hospital	Approx. 5,500	General medicine and surgery, including emergency and maternity care, open 24/7	
Specialty Surgical Hospital	<300 physician-owned	Selected elective procedures (e.g. orthopedics, neurosurgery, pain management)	Owns 5 in conjunction with physician partners
Ambulatory Surgery Center	Approx. 5,500	Selective elective procedures Day surgery only	Owns 8 in conjunction with physician partners

Focused on Growth

Expand capacity of existing facilities

- Recruit new physicians
- Add operating / procedure rooms

Diversify our revenue base

- Add ancillary services
  - i.e. urgent care clinics

Leverage our MFC Nueterra Partnership

- Establishes a platform for growth that facilitates future acquisitions

Disciplined Approach to Acquisitions

Strict acquisition criteria

1. Accretion, with growth available from a strong provider base and opportunities for operating enhancements
2. High quality and optimum clinical outcomes
3. Continued strong earnings and opportunity for growth

Operating Results – Q2 2019[1]

(US$ millions, except where noted otherwise)	Q2 2019	Q2 2018	Change %	FY2018
REVENUE	**101.0**	106.5	(5.2%)	431.6
INCOME (LOSS) FROM OPERATIONS	**(19.4)**	17.9	(208.8%)	73.4
ADJUSTED EBITDA[2]	**19.1**	23.9	(20.2%)	99.0
ADJUSTED EBITDA MARGIN[2]	**18.9%**	22.5%	(16.0%)	22.9%
CASH DISTRIBUTIONS (C$ MILLIONS)	**8.7**	8.7	-	34.9
PAYOUT RATIO	**179.0%**	74.3%	140.9%	71.4%

1 Adjusted EBITDA, cash distributions 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 $29.5M in Q2’19.

Well Resourced for Continued Growth

$49.8 million

Cash & Short-term Investments

1.1x

Current Ratio

109.8%

Net Debt / Equity*

1.9x

Net Debt / Adj. EBITDA (LTM)*

As at June 30, 2019.

* inclusive of lease liabilities per IFRS 16

Management Team

Robert O. Horrar
President and Chief Executive Officer
Formerly: Community Health Systems, Humana

David N. T. Watson
Chief Financial Officer
Formerly: Clearway Pain Solutions, National Surgical Hospitals

James D. Rolfe
Chief Development Officer
Formerly: VMG Health, Community Health Systems

Jimmy Porter
Vice President, Operations
Formerly: Community Health Systems

Investment Highlights

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

As at August 2, 2019

Capital Markets Profile

Stock Symbol:	TSX: DR
Shares Outstanding:	31.1 million
Price:	$12.09
52-Week Low / High:	$11.90 / $17.64
Market Capitalization:	$375.48 million
Annualized Distribution (per share):	$1.125
Current Yield:	9.3%
Payout Ratio (TTM):**	91.9%

*All figures in Canadian dollars
**As at June 30, 2019

MEDICAL FACILITIES CORPORATION

To learn more, contact

Trevor Heisler

NATIONAL Capital Markets

416-848-1434

theisler@national.ca