



Investor Update

MARCH 2018



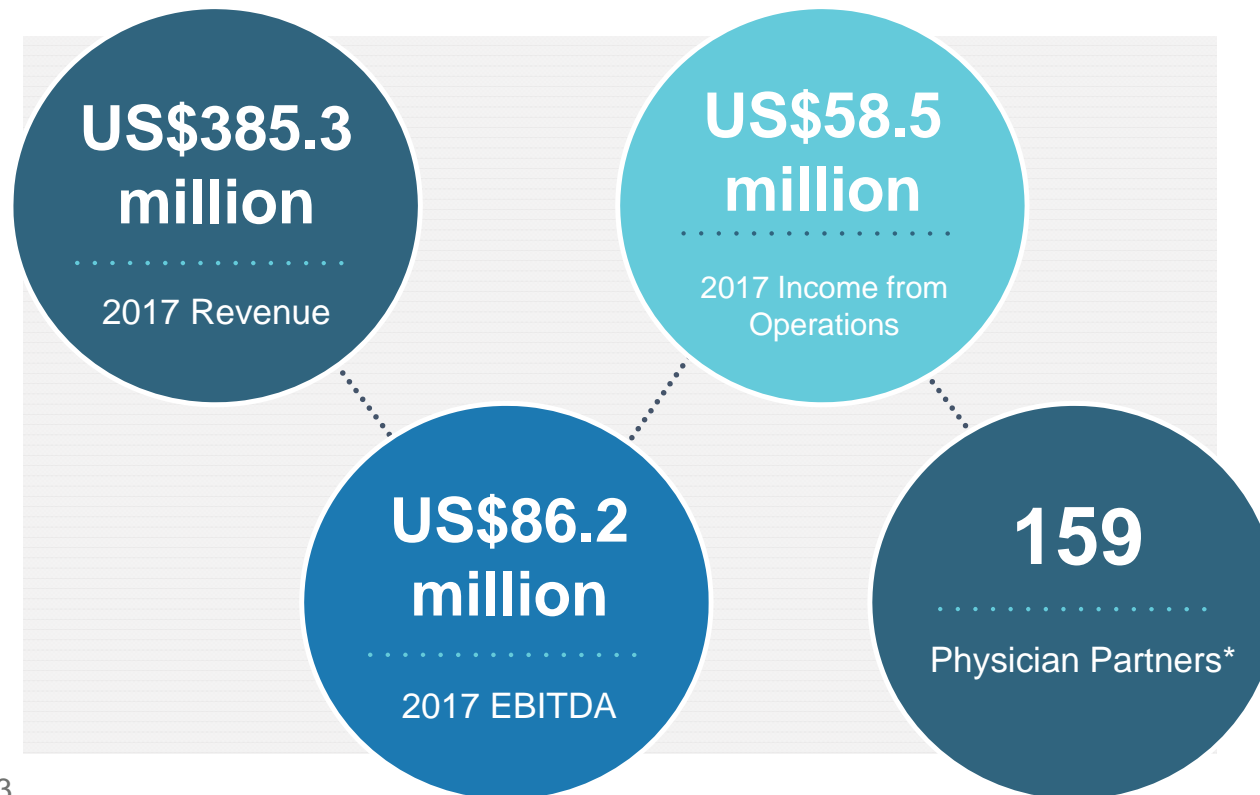
The Preferred Physician Partner™

TSX: DR

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.

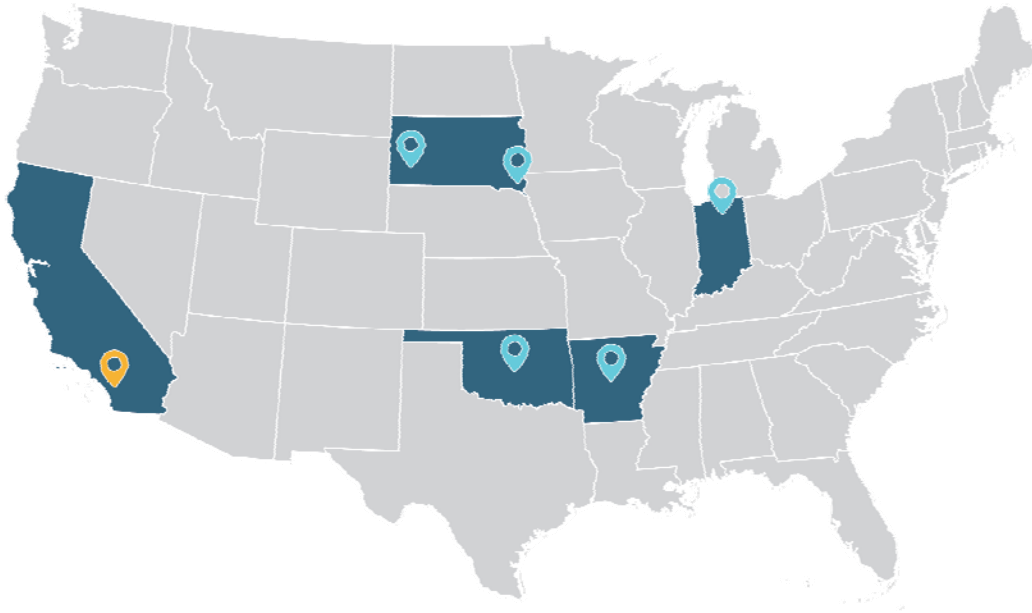
MFC Overview



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

*Estimate as of Q4 2017

Our Legacy Facilities



Facility	Operating Since	Acquired	Operating Rooms	Overnight Rooms
Arkansas Surgical Hospital	2005	2012	11	41
Unity Medical and Surgical Hospital	2009	2016	4	29
Oklahoma Spine Hospital	1999	2005	7	25
Black Hills Surgical Hospital	1997	2004	11	26
Sioux Falls Specialty Hospital	1985	2004	14	34
The Surgery Center of Newport Coast	2004	2008	2	0

2018 Strategic Guiding Principles

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



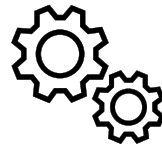
Industry leading quality and service



Strong physician-centric management model



Organic and acquisition growth strategies



Maximized operating efficiencies

Strict Acquisition Criteria

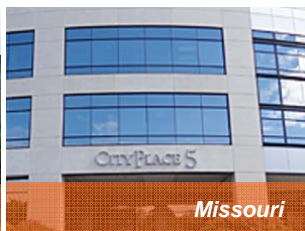
- Accretion, with growth available from a local strong provider base, attractive demographics, and opportunities for operating enhancements
- High quality and optimum clinical outcomes
- Continued strong earnings and opportunity for growth



Arkansas



Michigan



Missouri



Nebraska



Ohio



Oregon



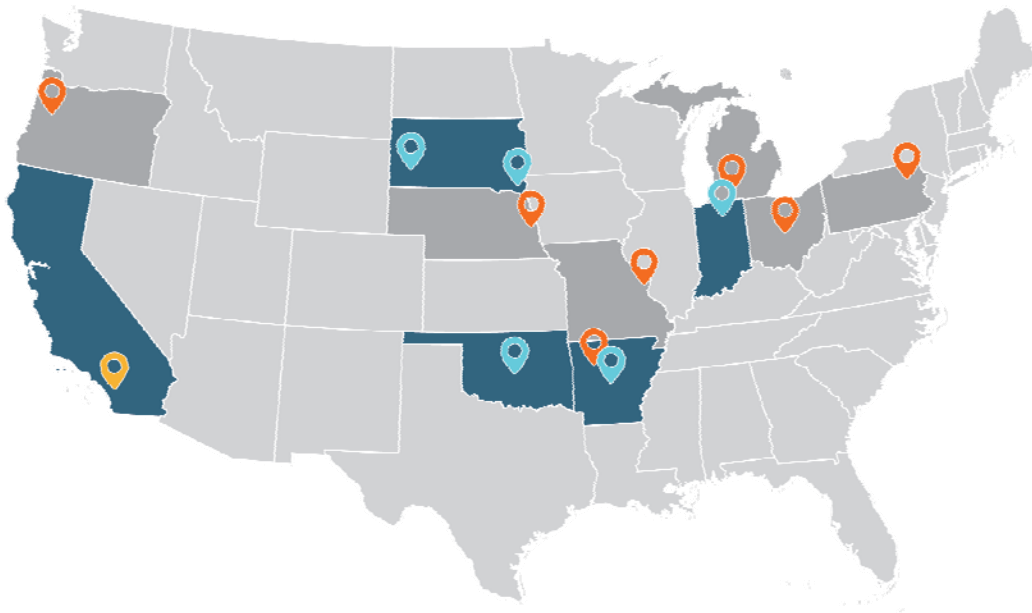
Pennsylvania

Investing in Growth

- Formed a partnership with NueHealth in January 2018
 - National surgery center operator
 - Has developed, managed or owned >150 facilities
 - Provides day-to-day management and operations support
- Acquired majority interest in 7 ambulatory surgical centers for total price of US\$46.5 million
- Establishes a platform for growth that enables further acquisitions

Our Newly Acquired Facilities

11
STATES



Newly Acquired Ambulatory Surgery Centers

- Brookside Surgery Center
- Central Arkansas Surgical Center
- City Place Surgery Center
- Eastwind Surgical
- Miracle Hills Surgery Center
- Riverview Ambulatory Surgical Center
- Two Rivers Surgery Center

Ambulatory Surgery Center

The Surgery Center of Newport Coast

Specialty Surgical Hospitals

Arkansas Surgical Hospital | Unity Medical and Surgical Hospital | Oklahoma Spine Hospital
Black Hills Surgical Hospital | Sioux Falls Specialty Hospital



Capital Markets Profile as at March 29, 2018

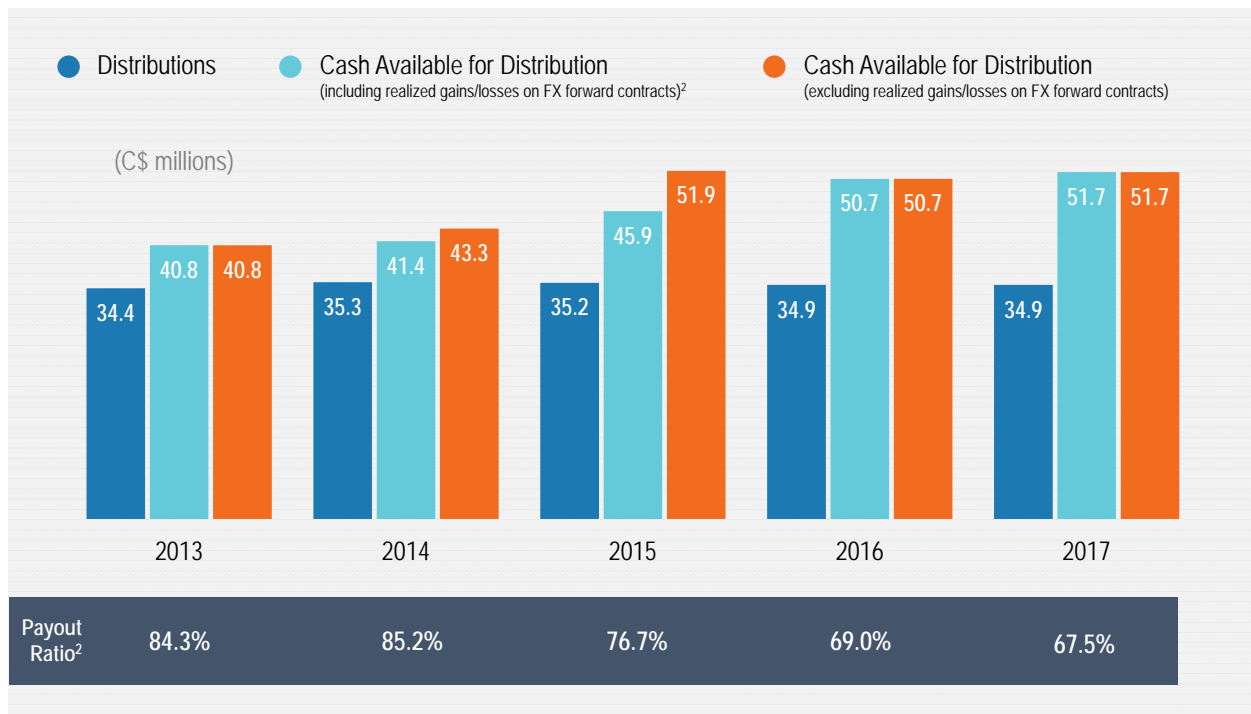
Delivering Shareholder Value

Stock Symbol:	TSX: DR
Shares Outstanding:	31.0 million
Price:	\$14.03
52-Week Low / High:	\$11.14/\$18.96
Market Capitalization:	\$429.3 million
Annualized Distribution (per share):	\$1.125
Current Yield:	8.0%
Payout Ratio (TTM):**	67.5%

*All figures in Canadian dollars

**As at December 31, 2017

Strong Cash Flow¹



67.5 %
2017
PAYOUT RATIO

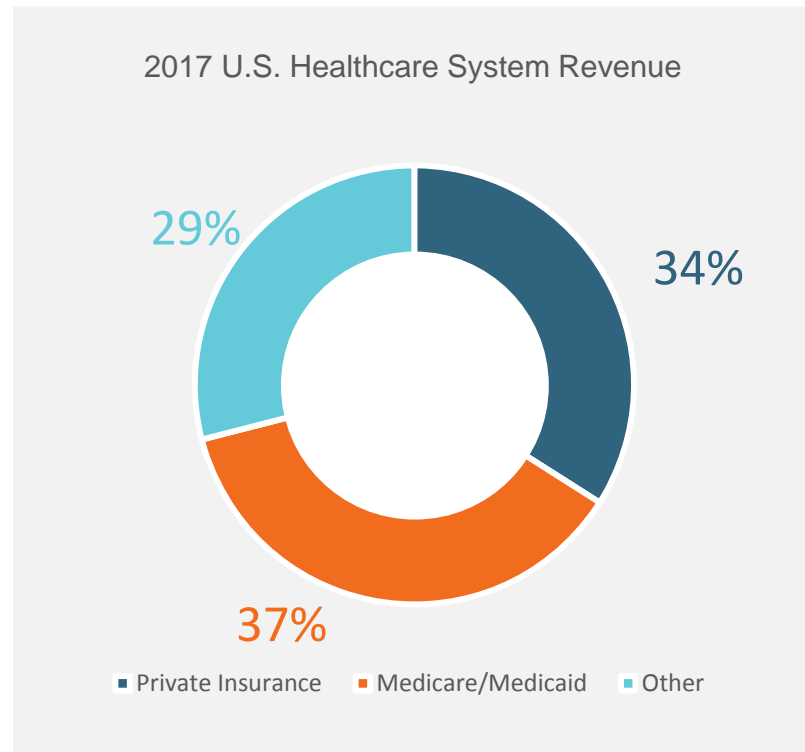
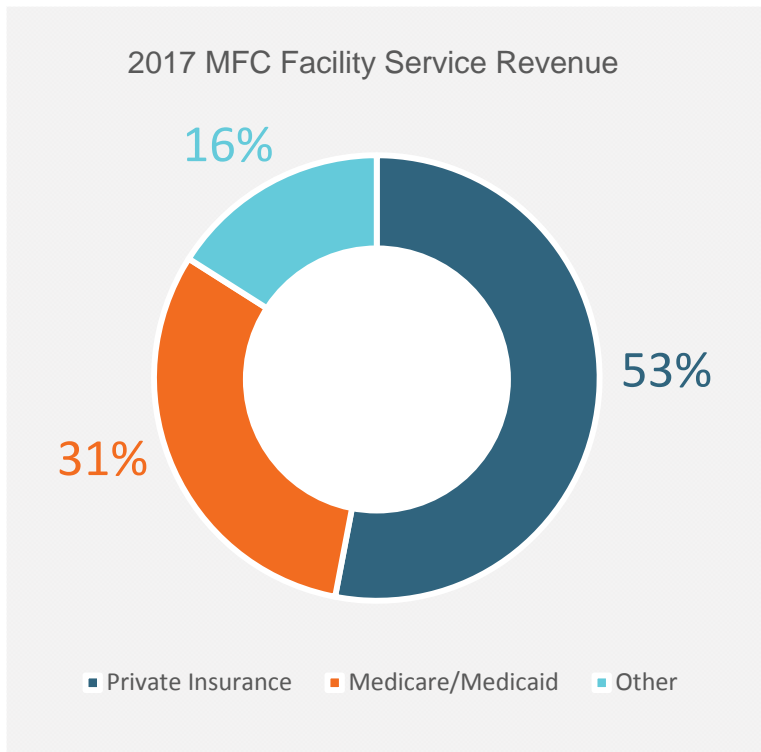
1. Distributions, cash available for distribution and payout ratio are non-IFRS financial measures. Please refer to "Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures" sections in the Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations for the respective periods.
2. Including realized gains/losses of FX forward contracts for years 2012-2015.

Operating Results – Q4 2017¹

<i>(US\$ millions, except where noted otherwise)</i>	Q4 2017	Q4 2016	Change %	FY2017
REVENUE	111.3	108.0	3.0%	385.3
INCOME FROM OPERATIONS	16.6	25.3	(34.6%)	58.5
ADJ. EBITDA	32.1	32.3	(0.6%)	94.6
ADJ. EBITDA MARGIN	28.8%	29.9%	(3.7%)	24.6%
CASH DISTRIBUTIONS (C\$ MILLIONS)	8.7	8.7	—	34.9
PAYOUT RATIO	52.3%	49.0%	6.7%	67.5%

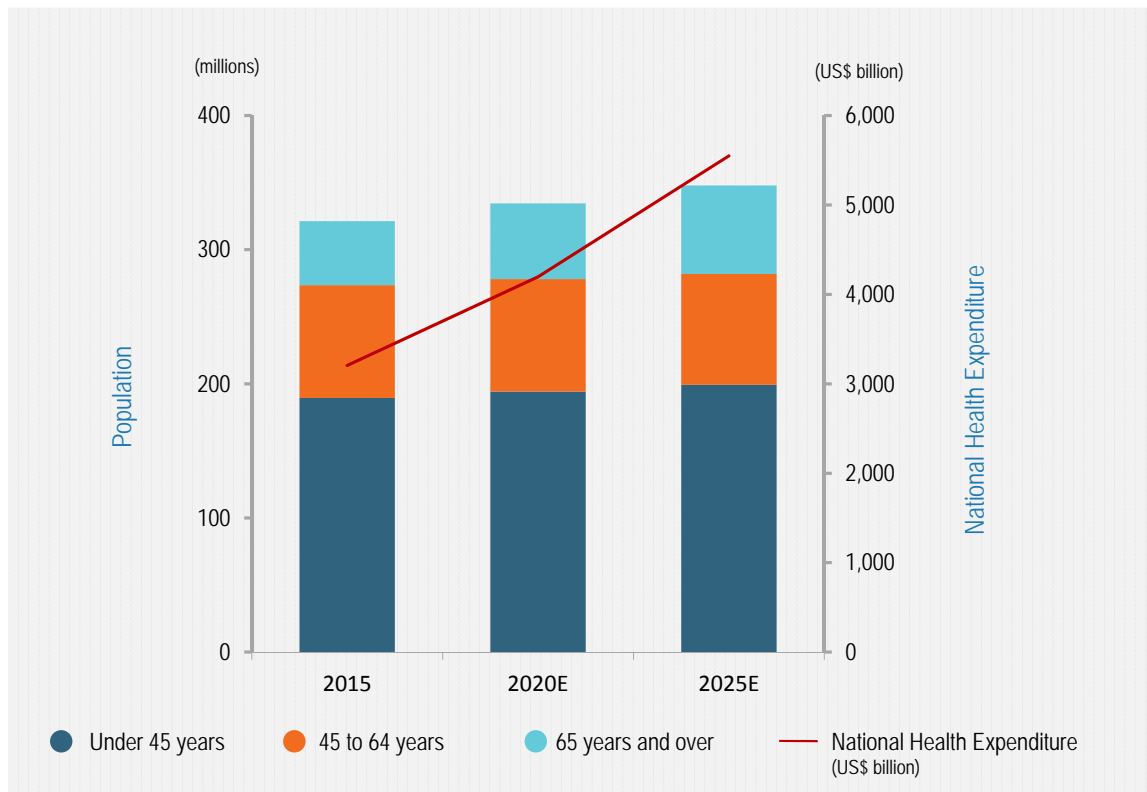
¹ Adj. EBITDA, cash distributions and payout ratio are non-IFRS financial measures. Please refer to "Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures" sections in the Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations for the three-month and full year periods ended December 31, 2017.

Strong Payor Mix



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

Growing Demand for Healthcare



DRIVERS:

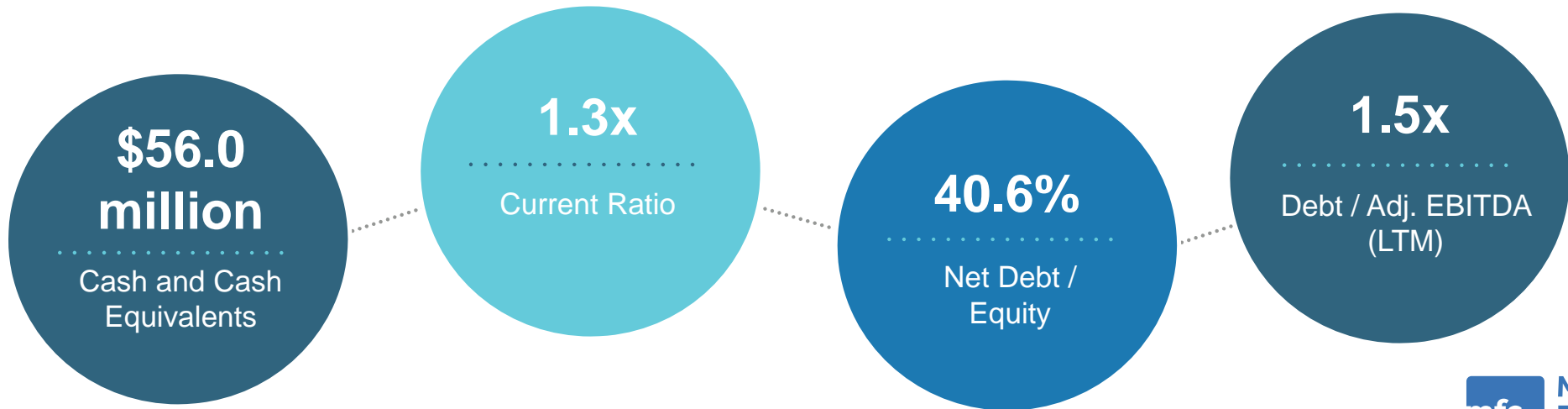
- Overall population growth
- Aging population

Source: U.S. Census Bureau, 2014 National Population Projections
Centers for Medicare & Medicaid Services, National Health Expenditure Projections

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)	Owens 5 in conjunction with physician partners
Ambulatory Surgery Center	Approx. 5,500	Selective elective procedures Day surgery only	Owens 8 in conjunction with physician partners

Well Resourced for Continued Growth



Investment Highlights

- Long-term track record of delivering stable returns to shareholders
- Highly rated, high quality facilities with strong organic growth opportunities
- Favorable industry consolidation trends
- Resources in place to execute on growth strategy
- Experienced, entrepreneurial management team

Management Team

Robert O. Horrar

President and Chief Executive Officer

Formerly: Community Health Systems, Humana

Tyler C. Murphy

Chief Financial Officer

Formerly: Tenet Healthcare, HealthSouth

James D. Rolfe

Chief Development Officer

Formerly: VMG Health, Community Health Systems

Jimmy Porter

VP of Operations

Formerly: Community Health Systems

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**MEDICAL
FACILITIES**
CORPORATION

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