



Investor Update

MAY 2018



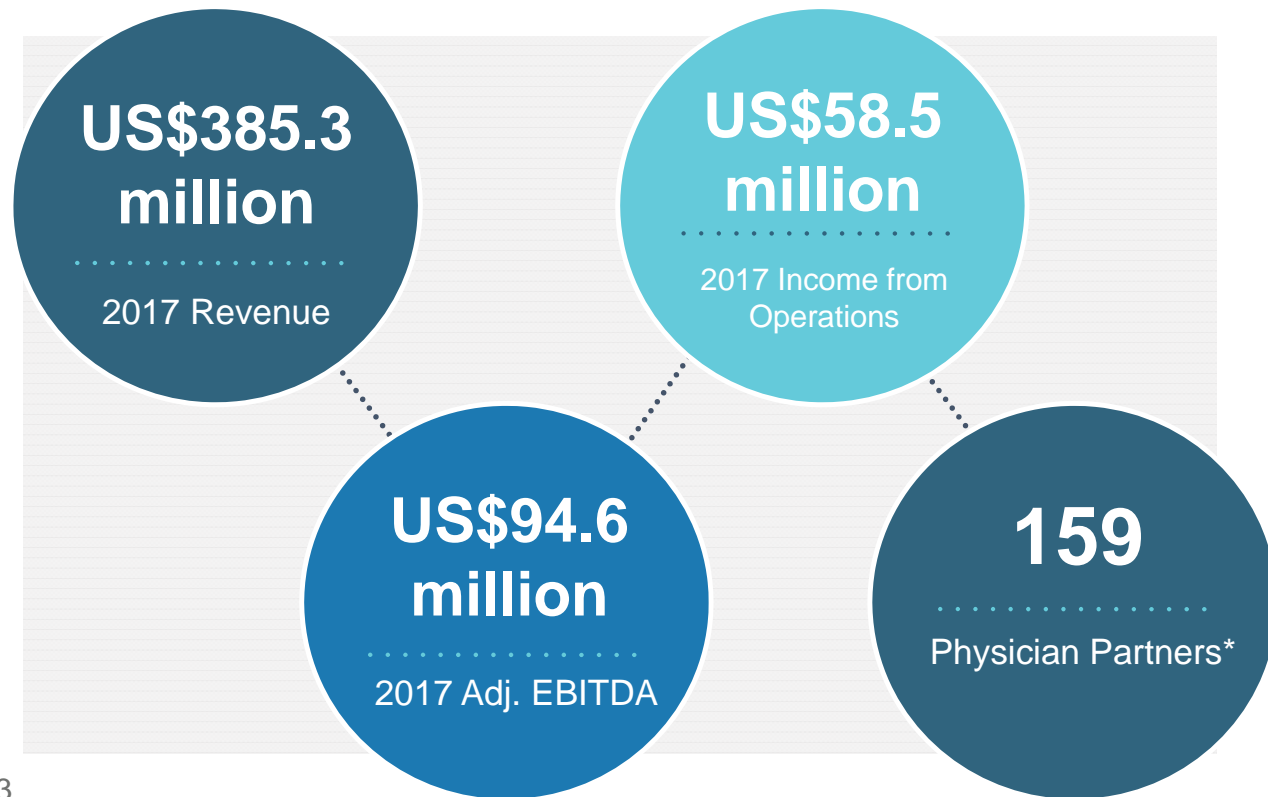
The Preferred Physician Partner™

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.

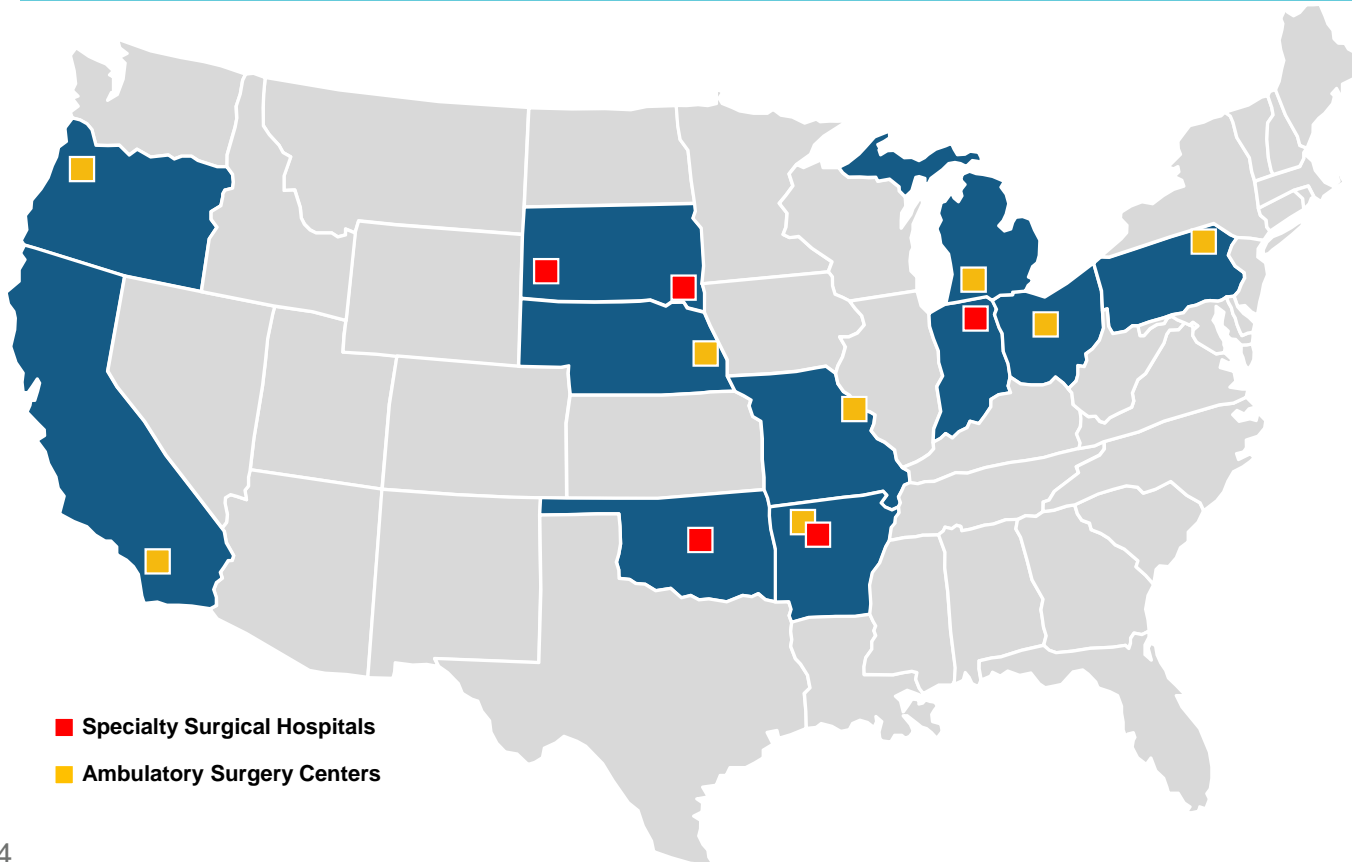
MFC Overview



- **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

Diverse High Quality Portfolio



- 13 facilities in 11 states
- 67 operating rooms
- 155 overnight beds
- 15 procedure rooms
- 5 urgent care clinics

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.



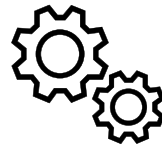
Industry leading quality and service



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



Executing on our Growth Strategy

- Acquired majority interest in 7 ambulatory surgery centers
- 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
- Establishes a platform for growth that enables further acquisitions

Capital Markets Profile as at May 10, 2018

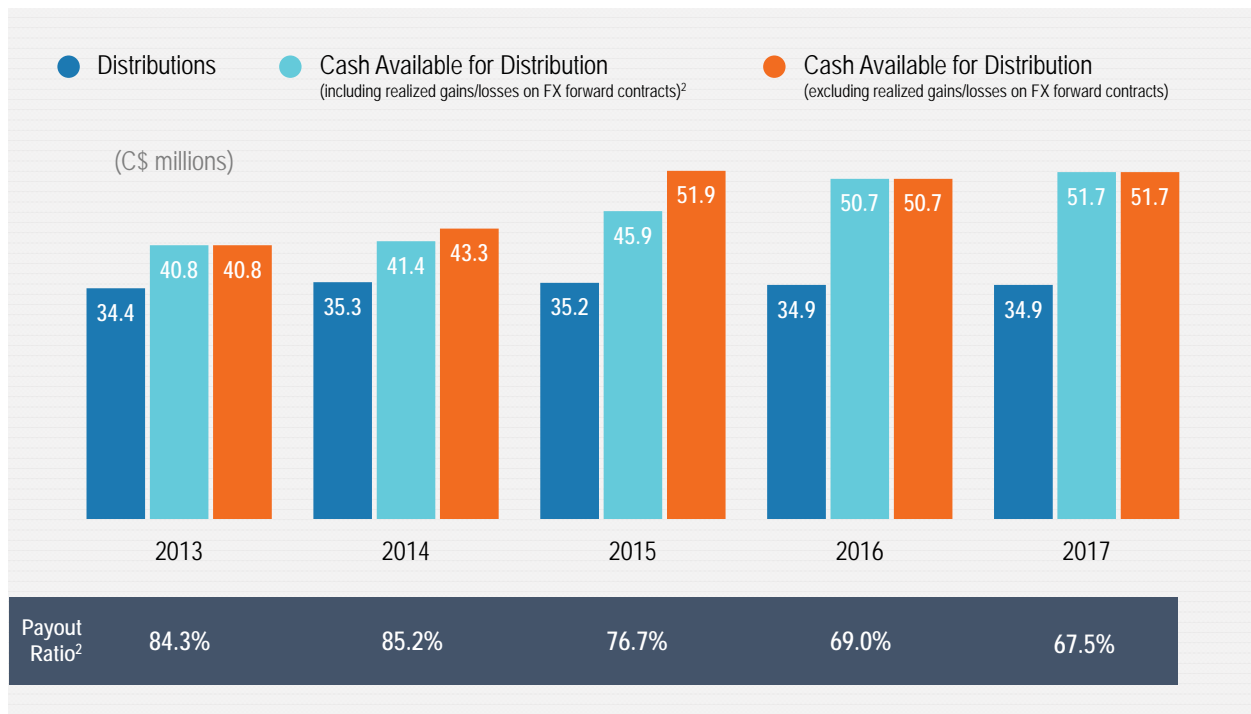
Delivering Shareholder Value

Stock Symbol:	TSX: DR
Shares Outstanding:	31.0 million
Price:	\$14.01
52-Week Low / High:	\$11.14/\$16.88
Market Capitalization:	\$434.3 million
Annualized Distribution (per share):	\$1.125
Current Yield:	8.6%
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 2013-2015.

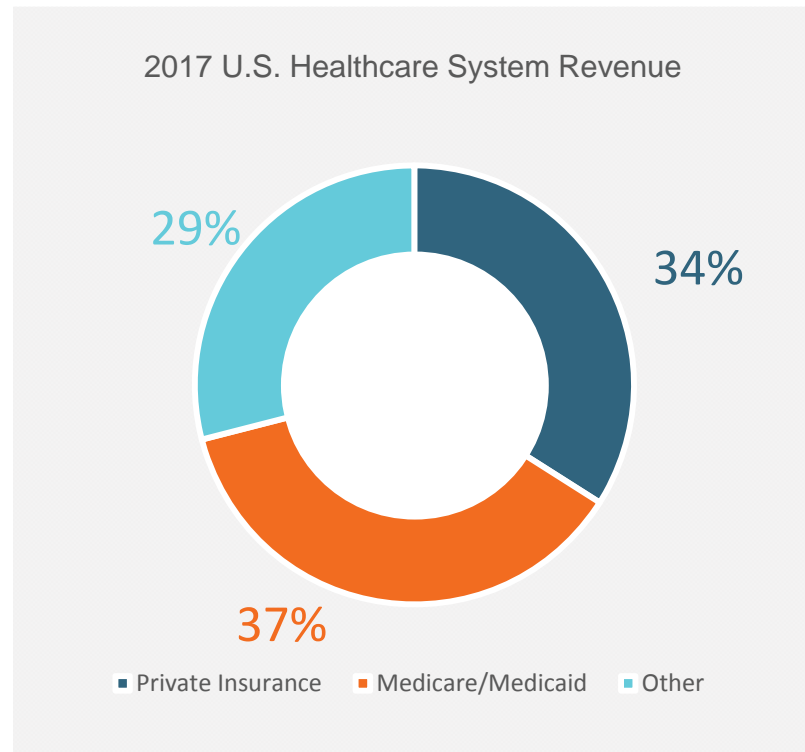
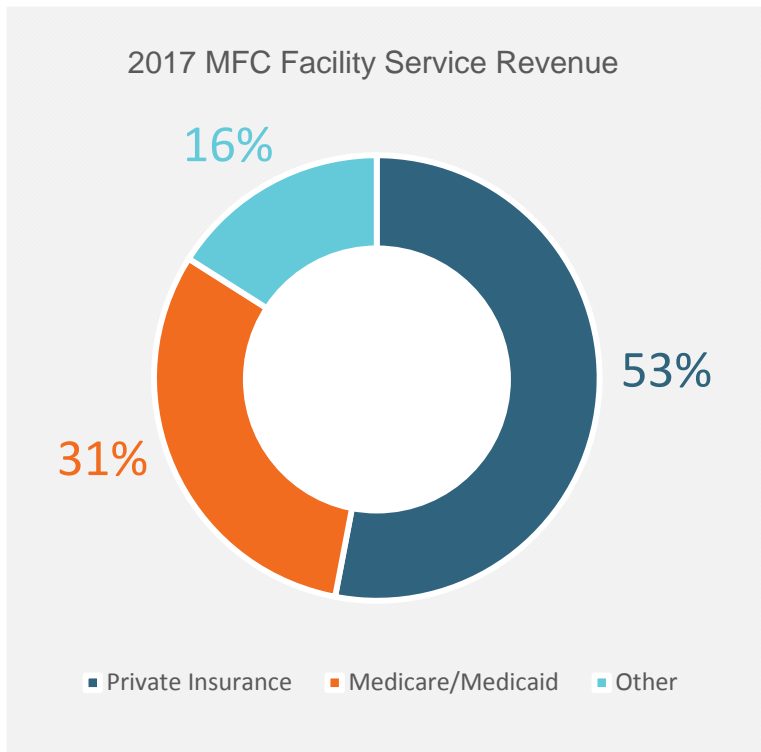
Operating Results – Q1 2018¹

<i>(US\$ millions, except where noted otherwise)</i>	Q1 2018	Q1 2017	Change %	FY2017
REVENUE	97.6	89.0	9.6%	385.3
INCOME FROM OPERATIONS	14.1	13.3	6.0%	58.5
EBITDA	20.1	20.1	—	94.6 ²
EBITDA MARGIN	20.6%	22.6%	(2.0)	24.6%
CASH DISTRIBUTIONS (C\$ MILLIONS)	8.7	8.7	—	34.9
PAYOUT RATIO	92.2%	80.9%	11.3	67.5%

¹ EBITDA, 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.

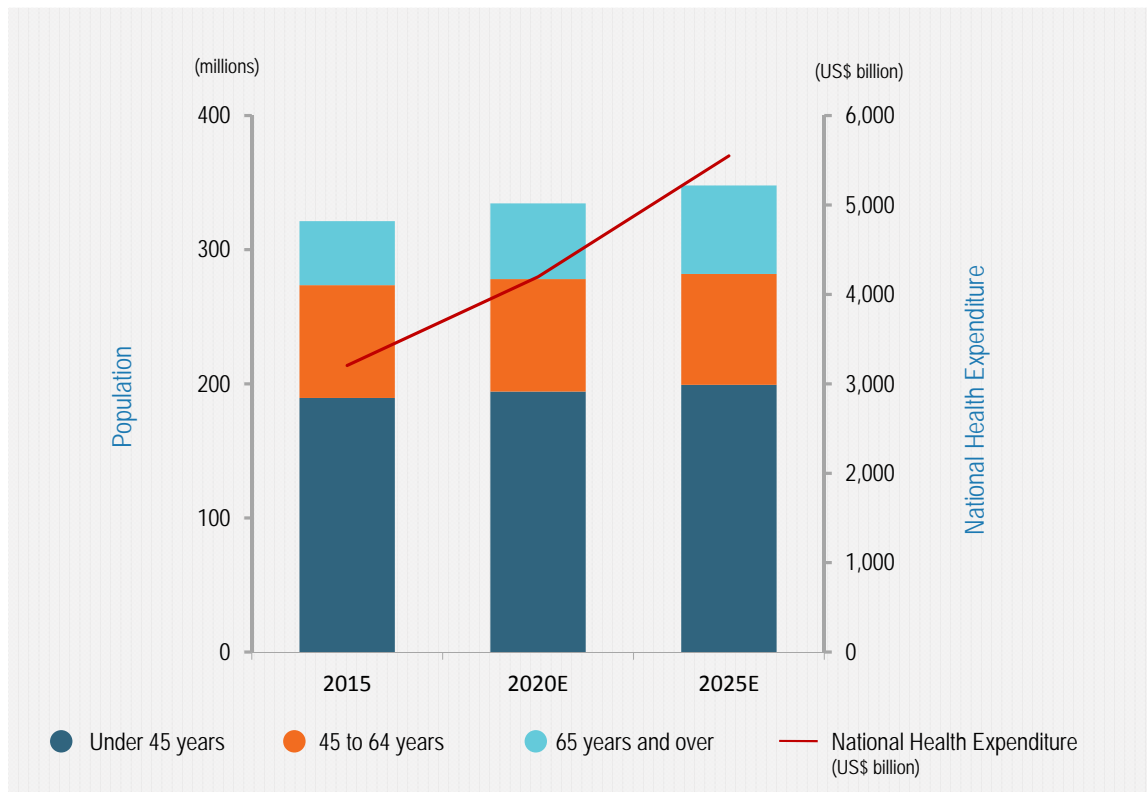
² Adjusted for goodwill impairment of \$8.4M in Q4’17.

Strong Payor Mix



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

Growing Demand for Healthcare



DRIVERS:

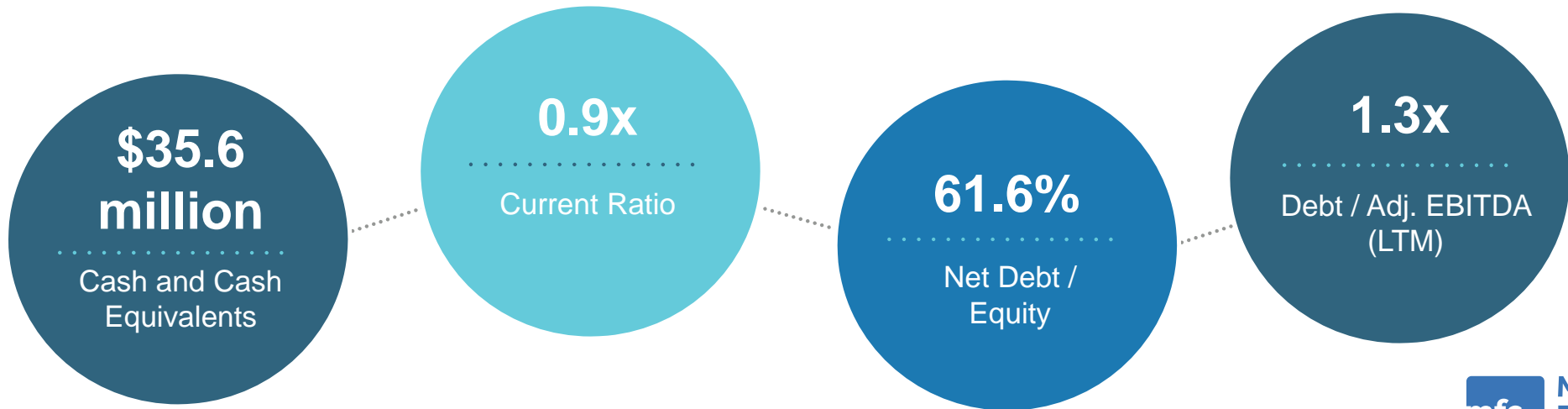
- Overall population growth
- Aging population

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)	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

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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