

Toronto Stock Exchange Symbol: **DR** Recent Price: **C\$15.44*** 52-week Range (low-high): **C\$11.14 – C\$19.90** Yield: **8.5%** (approx.)*
 Market Capitalization: **C\$477.9 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 February 1, 2018.



PROFILE

Medical Facilities Corporation, in partnership with physicians, owns surgical facilities in the United States. Medical Facilities' 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 joint venture with NueHealth LLC, Medical Facilities owns approximately 53% 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. Medical Facilities also owns controlling interest in a diversified healthcare service company located in Oklahoma City that provides third-party business solution to healthcare entities such as physician practices, facilities, and insurance companies.

INVESTMENT HIGHLIGHTS

- Well-located facilities providing stable cash flows
- Favorable industry growth drivers
- Experienced, entrepreneurial management team
- Resources in place to execute on growth strategy

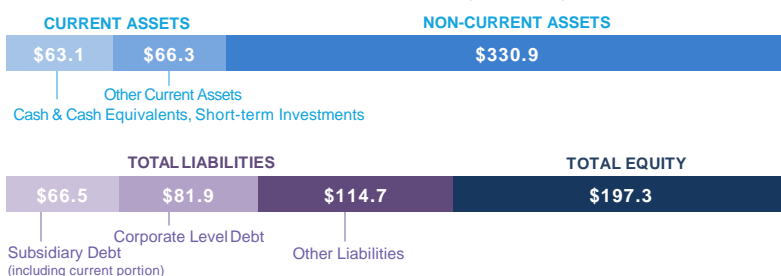
FINANCIAL REVIEW – Q3 2017¹

(US\$M, EXCEPT % AMOUNTS AND AS OTHERWISE INDICATED)	THREE MONTHS ENDED SEPTEMBER 30, 2017	THREE MONTHS ENDED SEPTEMBER 30, 2016
Facility Service Revenue from Continuing Operations	89.0	78.8
Operating Expenses from Continuing Operations	76.5	64.6
Income from Continuing Operations ²	12.4	14.2
Operating Margin from Continuing Operations	14.0%	18.0%
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	19.3	19.6
Cash Available for Distribution (US\$M)	9.8	8.0
Cash Available for Distribution (C\$M)	12.3	10.5
Total Distributions (C\$M)	8.7	8.7
Payout Ratio ³	70.7%	83.1%

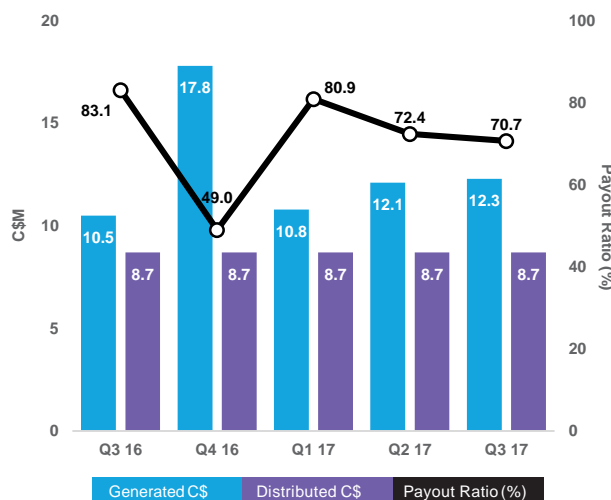
¹ EBITDA, distributions, cash available for distribution and payout ratio are non-IFRS financial measures. Please refer to "Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures" sections in the Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations for the three-month and nine-month periods ended September 30, 2017.

² Income from continuing operations before interest expense, gains or losses on foreign currency translation and other non-operating income and expenses.

SOLID FINANCIAL POSITION – Q3 2017 (US\$ millions)



CASH AVAILABLE FOR DISTRIBUTION, TOTAL DISTRIBUTIONS AND PAYOUT RATIO



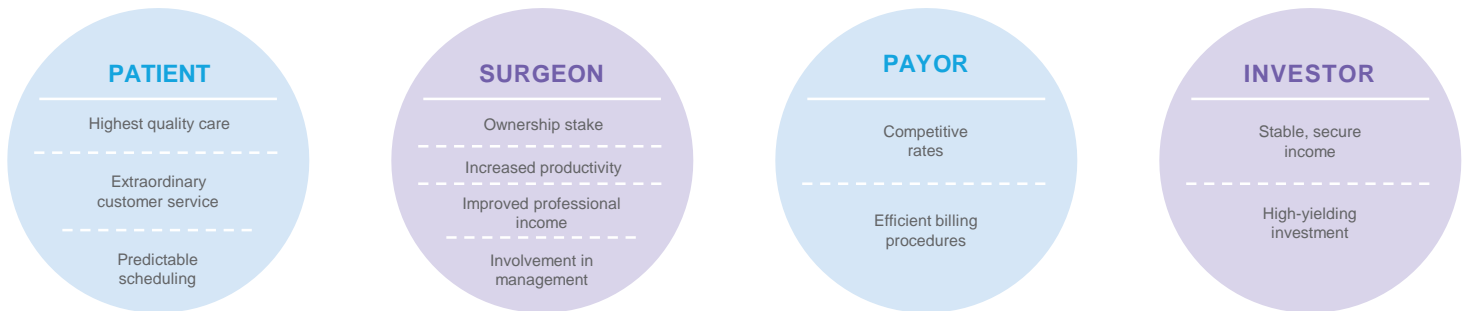
2.4x
Current Ratio

48.8%
Net Debt/
Equity

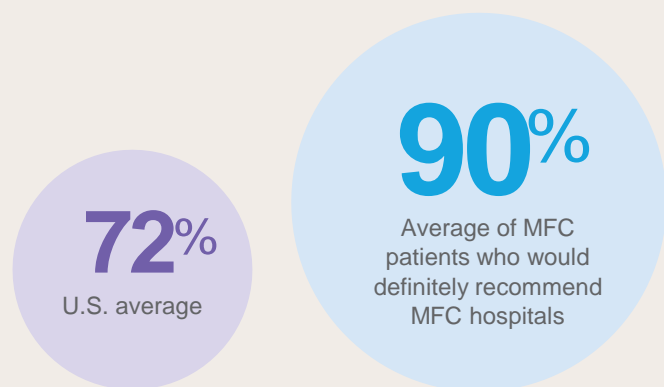
1.6x
Debt/EBITDA
(LTM)

	SPECIALTIES	OPERATING ROOMS	OVERNIGHT ROOMS	SIZE ('000 SQ.FEET)
Specialty Surgical Hospitals				
Arkansas Surgical Hospital North Little Rock, Arkansas	Orthopaedics, Neurosurgery	11	41	126
Unity Medical and Surgical Hospital Mishawaka, Indiana	Orthopaedics, Ophthalmology, Pain Management, Spine Surgery	6	29	44
Oklahoma Spine Hospital Oklahoma City, Oklahoma	Pain Management, Neurosurgery	7	25	61
Black Hills Surgical Hospital Rapid City, South Dakota	Neurosurgery, Orthopaedics	11	26	75
Sioux Falls Specialty Hospital Sioux Falls, South Dakota	Orthopaedics (ENT)	13	35	76
	SPECIALTIES	OPERATING ROOMS	PROCEDURE ROOMS	SIZE ('000 SQ.FEET)
Ambulatory Surgery Centers				
Central Arkansas Surgical Center Russellville, Arkansas	Orthopedics, Pain Management, Otolaryngology (ENT)	2	1	8
Newport Center Surgical Newport Beach, California	Orthopedics, Obstetrics/Gynaecology, Pain Management, Gastroenterology/Urology	2	1	7
Brookside Surgery Center Battle Creek, Michigan	Orthopedics, Ophthalmology, Plastic Surgery	3	2	12
City Place Surgery Center Creve Coeur, Missouri	Orthopedics, Neurosurgery	4	-	14
Miracle Hills Surgery Center Omaha, Nebraska	Ophthalmology, Podiatry, Pain Management	2	2	5
Eastwind Surgical Westerville, Ohio	Neurosurgery, Pain Management	2	2	10
Two Rivers Surgical Center Eugene, Oregon	Neurosurgery, Pain Management	2	-	8
Riverview Ambulatory Surgical Center Kingston, Pennsylvania	Urology, Otolaryngology (ENT), Orthopedics	3	1	9

MFC OFFERS STAKEHOLDERS

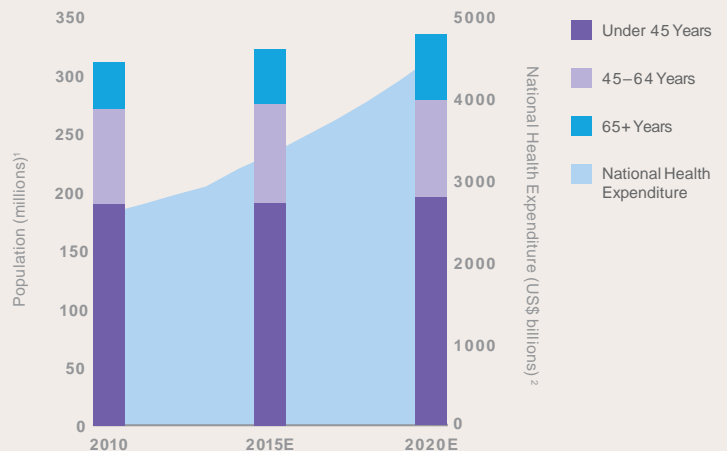


HCAHPS SURVEY*



* 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 for the reporting period from Q2 2016 through Q1 2017.

INDUSTRY DRIVERS



SOURCES:

¹ U.S. Census Bureau, 2010 based on National Population Projections 2008; 2015 & 2020 based on National Population Projections 2012

² Centers for Medicare & Medicaid Services, National Health Expenditure Projections 2011-2021

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