

Toronto Stock Exchange Symbol: **DR** Recent Price: **C\$14.08*** 52-week Range (low-high): **C\$11.14–C\$14.41** Yield: **8.0%** (approx.)*
 Market Capitalization: **C\$445.7 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 May 22, 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 partnership with NueHealth LLC, Medical Facilities 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. Medical Facilities 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

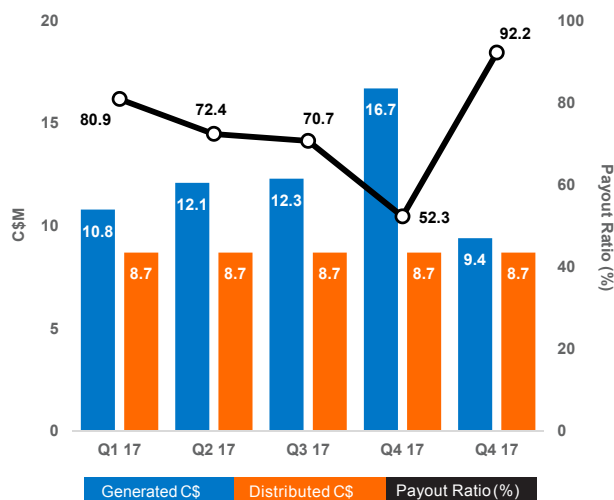
- Long-term track record of delivering stable returns to shareholders
- Highly rated, high quality facilities with strong organic growth opportunities
- Favorable industry consolidation trends
- Resources in place to execute on growth strategy
- Experienced, entrepreneurial management team

FINANCIAL REVIEW – Q1 2018¹

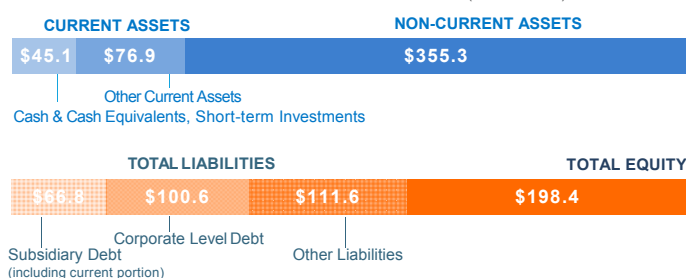
(US\$M, EXCEPT % AMOUNTS AND AS OTHERWISE INDICATED)	THREE MONTHS ENDED MARCH 31, 2018	THREE MONTHS ENDED MARCH 31, 2017
Facility Service Revenue	97.6	89.0
Operating Expenses	83.5	75.7
Income from Operations	14.1	13.3
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	20.1	20.1
EBITDA Margin	20.6%	22.6%
Cash Available for Distribution (US\$M)	7.5	8.2
Cash Available for Distribution (C\$M)	9.4	10.8
Total Distributions (C\$M)	8.7	8.7
Payout Ratio	92.2%	80.9%

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.

CASH AVAILABLE FOR DISTRIBUTION, TOTAL DISTRIBUTIONS AND PAYOUT RATIO



SOLID FINANCIAL POSITION – Q1 2018 (US\$ millions)



0.9x Current Ratio
61.6% Net Debt/Equity
1.3x Debt/Adj. EBITDA (LTM)

COMPANY OVERVIEW

5 Specialty Surgical Hospitals

47 operating rooms

155 overnight rooms

5 urgent care clinics

8 Ambulatory Surgery Centers

19 operating rooms

9 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

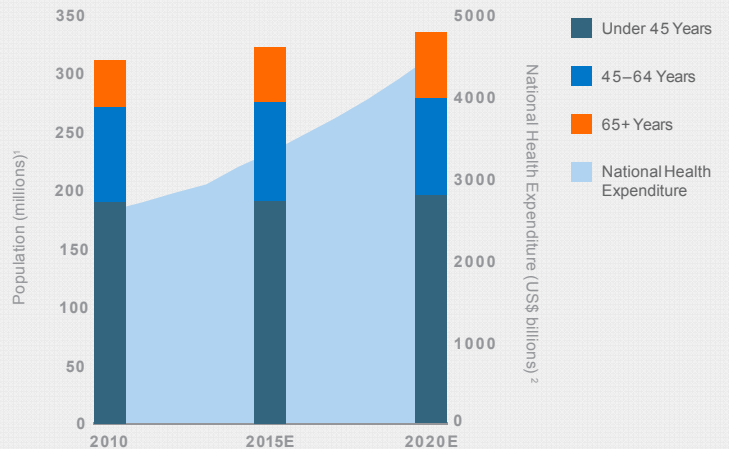
HCAHPS SURVEY*

72%
U.S. average

90%
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 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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