



**MEDICAL
FACILITIES
CORPORATION**

Investor Update

March 2024

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.sedarplus.ca.

MFC Overview

**US\$445.6
million**

.....
2023 Revenue &
Other Income

**US\$67.1
million**

.....
2023 Income from
Operations

**US\$88.6
million**

.....
2023 EBITDA

115

.....
Physician Partners*

In partnership with physicians, MFC owns a portfolio of highly rated, **high-quality** surgical facilities in the United States.

* As at December 31, 2023.



STRONG PARTNERS

- Our business model encourages physician owners to remain an integral part of their operations
- Direct physician involvement in facility management, resulting in superior processes and efficiencies

High-Quality Surgical Facilities

Arkansas Surgical Hospital
North Little Rock, Arkansas

Black Hills Surgical Hospital
Rapid City, South Dakota

Sioux Falls Specialty Hospital
Sioux Falls, South Dakota

Oklahoma Spine Hospital
Oklahoma City, Oklahoma

Newport Center Surgical
Newport Beach, California

MFC's ownership includes controlling interest in four specialty surgical hospitals and an ambulatory surgery center (“ASC”).

Our focus is on short-duration, non-emergency surgical, diagnostic, imaging, and pain management procedures. Orthopedic and neurosurgical procedures represent the majority of our case volumes.

BEST IN CLASS

Higher patient experience ratings resulting from higher quality of care

Hospital	Star Rating
Arkansas Surgical Hospital	★★★★★
Black Hills Surgical Hospital	★★★★★
Oklahoma Spine Hospital	★★★★
Sioux Falls Specialty Hospital	★★★★★

Source: US News Health (results were similar for knee replacement patients and hip replacement patients).

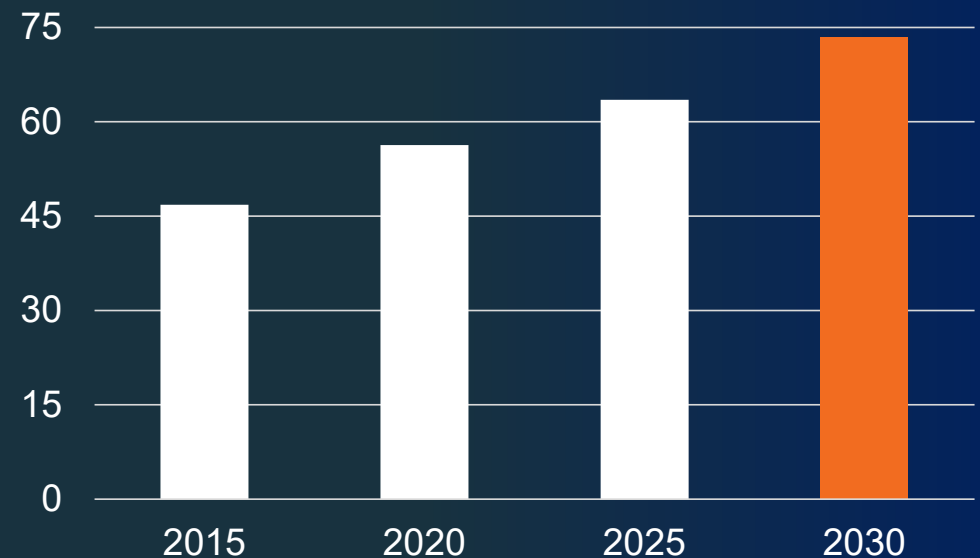
STRONG FUNDAMENTALS

Growing demand for healthcare

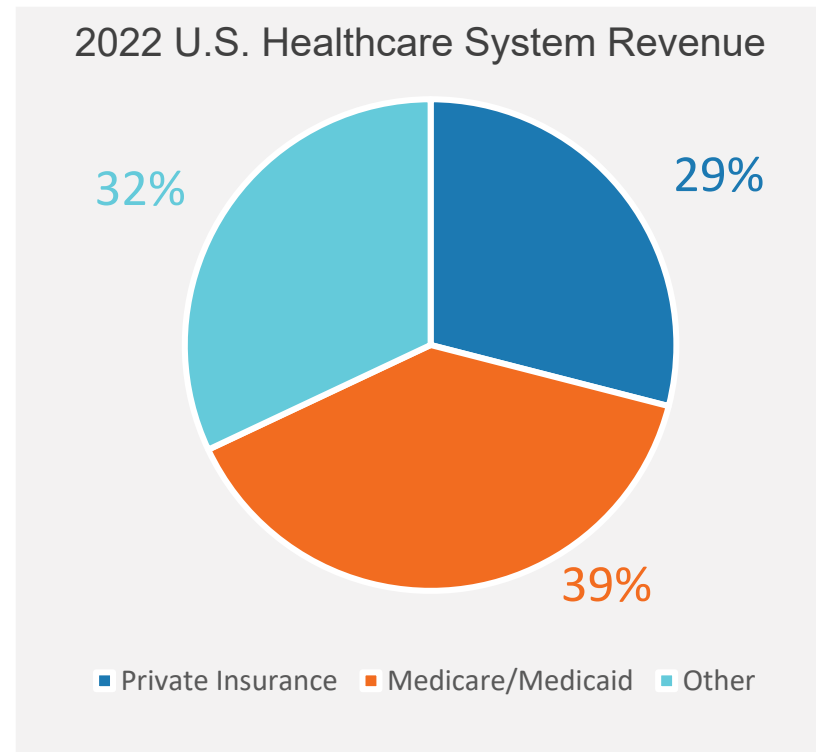
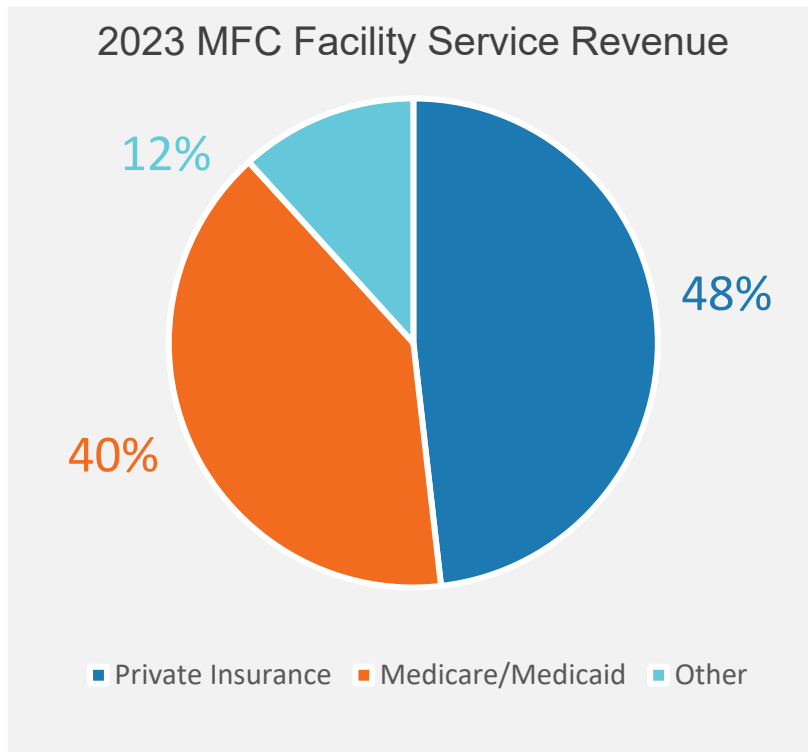
Drivers:

- Overall population growth
- Aging population

U.S. population aged 65+ (millions)



Payor Mix Compared to U.S. Healthcare System



Source: Centers for Medicare & Medicaid Services, National Health Expenditure Fact Sheet (December 13, 2023).

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	Scheduled elective procedures (e.g. orthopedics, neurosurgery, pain management)	Owns 4 in conjunction with physician partners
Ambulatory Surgery Center	Approx. 5,900	Scheduled elective procedures; Day surgery only	Owns 1 in conjunction with physician partners

Focused on Shareholder Returns

Normal Course Issuer Bid (“NCIB”)

- Purchased **1,191,500** common shares for a total consideration of **\$7.4 million** during the year ended December 31, 2023
- NCIB renewed on December 1, 2023¹

Since September 13, 2022:

4,677,897

common shares purchased for aggregate consideration of

\$35.8 million²

¹ As at December 31, 2023, 2,379,556 shares remain available for purchase under this NCIB.

² Includes 3,053,097 shares purchased under a Substantial Issuer Bid in 2022 and 1,624,800 shares purchased under the Normal Course Issuer Bid (“NCIB”).

Financial Highlights

(US\$ thousands, except where noted otherwise)	Q4 2023	Q4 2022	Change %	FY 2023	FY 2022	Change %
Facility service revenue	122,265	119,434	2.4%	445,582	424,551	5.0%
Government stimulus income, net of reversals	-	(12,335)	100.0%	-	(10,162)	100.0%
Total revenue and other income	122,265	107,099	14.2%	445,582	414,389	7.5%
Income (loss) from operations	25,510	(6,627)	484.9%	67,109	34,939	92.1%
Adjusted EBITDA	30,534	15,281	99.8%	88,646	72,251	22.7%
Adjusted EBITDA margin	25.0%	14.3%	74.8%	19.9%	17.4%	14.4%
Cash available for distribution (C\$ thousands)	12,769	9,900	29.0%	30,302	27,536	10.0%
Payout ratio	15.6%	21.2%	(26.4%)	26.7%	33.8%	(21.0%)

Adjusted EBITDA, 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 months and year ended December 31, 2023.

Strong Financial Position

As at December 31, 2023



* Inclusive of lease liabilities per IFRS 16.

A close-up, low-angle shot of a modern surgical light fixture. The fixture is white and features several circular light lenses, some of which are illuminated with a bright, cool blue light. The background is a plain, light color.

Investment Highlights

- Growing demand for healthcare due to overall population growth and an aging population
- Portfolio of highly rated, high-quality facilities
- Experienced, entrepreneurial management team
- Competitive dividend

As at March 13, 2024

Capital Markets Profile

Stock Symbol:	TSX: DR
Shares Outstanding:	24.5 million
Price:	\$9.33
Market Capitalization:	\$228.8 million
Annualized Distribution (per share):	\$0.322
Current Yield:	3.45%

**All dollar amounts are in Canadian currency.*



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CORPORATION**

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