

The logo for Medical Facilities Corporation, consisting of the lowercase letters 'mfc' in a bold, sans-serif font, enclosed within a white rounded square.

**mfc**

**MEDICAL  
FACILITIES  
CORPORATION**

# Investor Update

December 2023

# Forward-Looking Statements

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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](http://www.sedar.com).

# MFC Overview

**US\$414.4  
million**

.....  
2022 Total Revenue  
& Other Income

**US\$34.9  
million**

.....  
2022 Income from  
Operations

**US\$72.3  
million**

.....  
2022 Adjusted  
EBITDA

**115**

.....  
Physician Partners\*

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

\* As at September 30, 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

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**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).

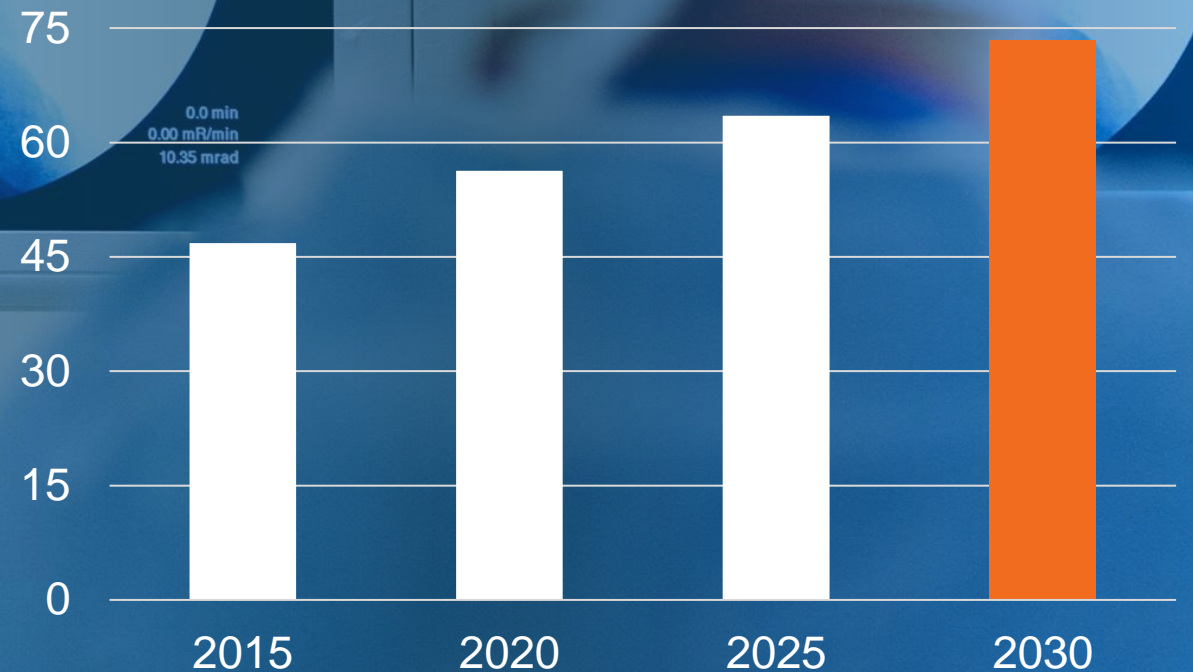
# STRONG FUNDAMENTALS

## Growing demand for healthcare

### Drivers:

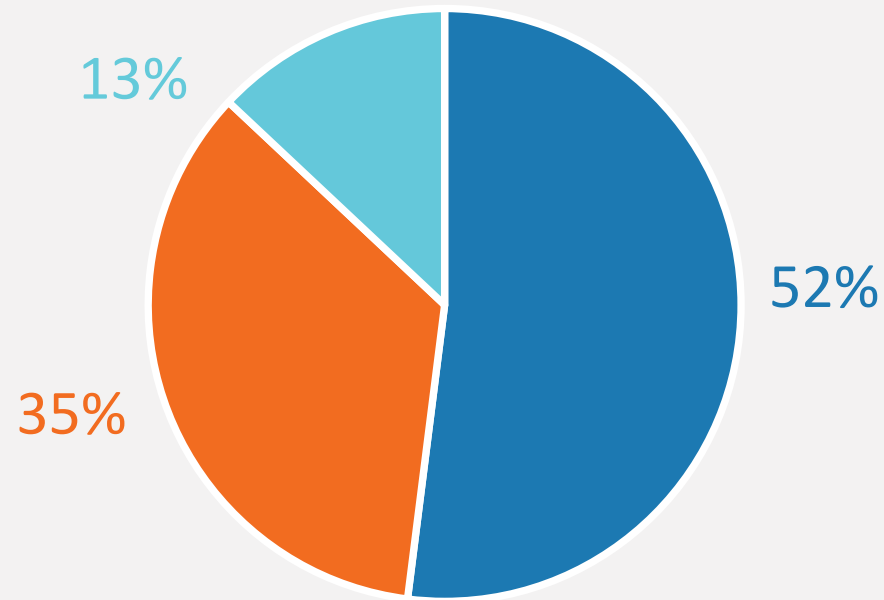
- Overall population growth
- Aging population

U.S. population aged 65+ (millions)



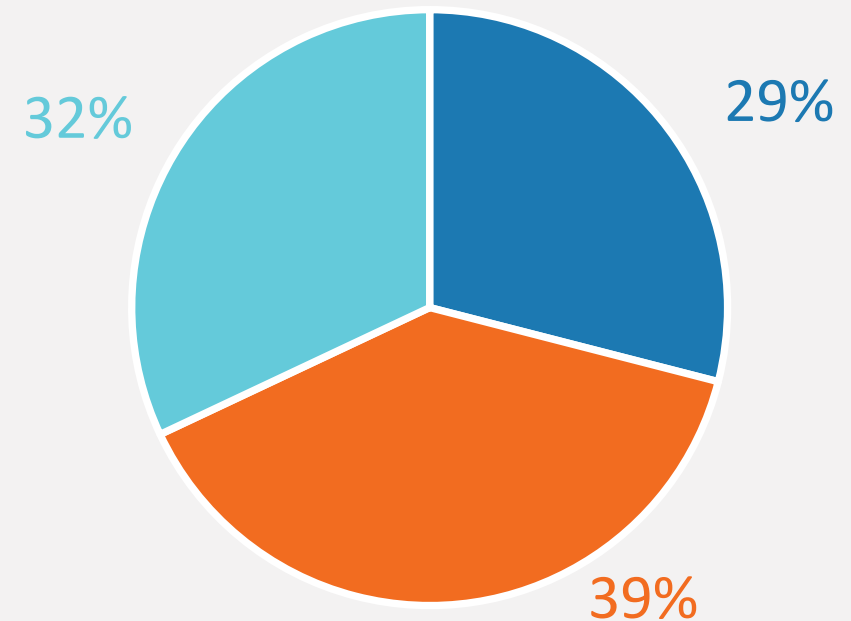
# Favourable Payor Mix

2022 MFC Facility Service Revenue



■ Private Insurance ■ Medicare/Medicaid ■ Other

2022 U.S. Healthcare System Revenue



■ Private Insurance ■ Medicare/Medicaid ■ Other

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

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2022 Total:

**4,880,297**

common shares  
purchased for aggregate  
consideration of

**~\$38M<sup>1</sup>**

YTD 2023:

**891,700**

common shares  
purchased for aggregate  
consideration of

**\$5.5M<sup>2</sup>**

<sup>1</sup> Included 3,053,097 shares purchased under a Substantial Issuer Bid and 1,827,200 shares purchased under a Normal Course Issuer Bid ("NCIB").

<sup>2</sup> Purchased under existing NCIB as of September 30, 2023. 1,439,786 shares remain available for purchase under this NCIB.

# Financial Highlights

(US\$ thousands, except where noted otherwise)	Q3 2023	Q3 2022	Change %
Facility service revenue	<b>104,579</b>	102,167	2.4%
Income from operations	<b>12,542</b>	10,425	20.3%
EBITDA	<b>17,742</b>	15,610	13.7%
EBITDA Margin	<b>17.0%</b>	15.3%	11.1%
Cash available for distribution (C\$ thousands)	<b>5,429</b>	3,846	41.2%
Payout Ratio	<b>36.9%</b>	61.5%	(40.0%)

*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 and nine months ended September 30, 2023.*

# Strong Financial Position

As at September 30, 2023

**\$27.0  
million**

Cash & Cash  
Equivalents

**1.16**

Current Ratio

**0.93**

Net Debt\* /  
Equity

**1.77**

Net Debt\* /  
EBITDA (LTM)

\* Inclusive of lease liabilities per IFRS 16.

# Investment Highlights

A pair of white surgical lights with four glowing blue circular lenses, positioned at the top of the slide. An orange horizontal line is located below the title.

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

As at November 9, 2023

# Capital Markets Profile

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Stock Symbol:	<b>TSX: DR</b>
Shares Outstanding:	<b>25.0 million</b>
Price:	<b>\$9.01</b>
Market Capitalization:	<b>\$225.2 million</b>
Annualized Distribution (per share):	<b>\$0.322</b>
Current Yield:	<b>3.57%</b>

*\*All dollar amounts are in Canadian currency.*

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# MEDICAL FACILITIES CORPORATION

To learn more, contact:

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