



**MEDICAL
FACILITIES
CORPORATION**

Investor Update

May 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

114

.....
Physician Partners*

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

* As at March 31, 2024.



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: Hospital Consumer Assessment of Healthcare Providers and Systems data from CMS; August 2023.

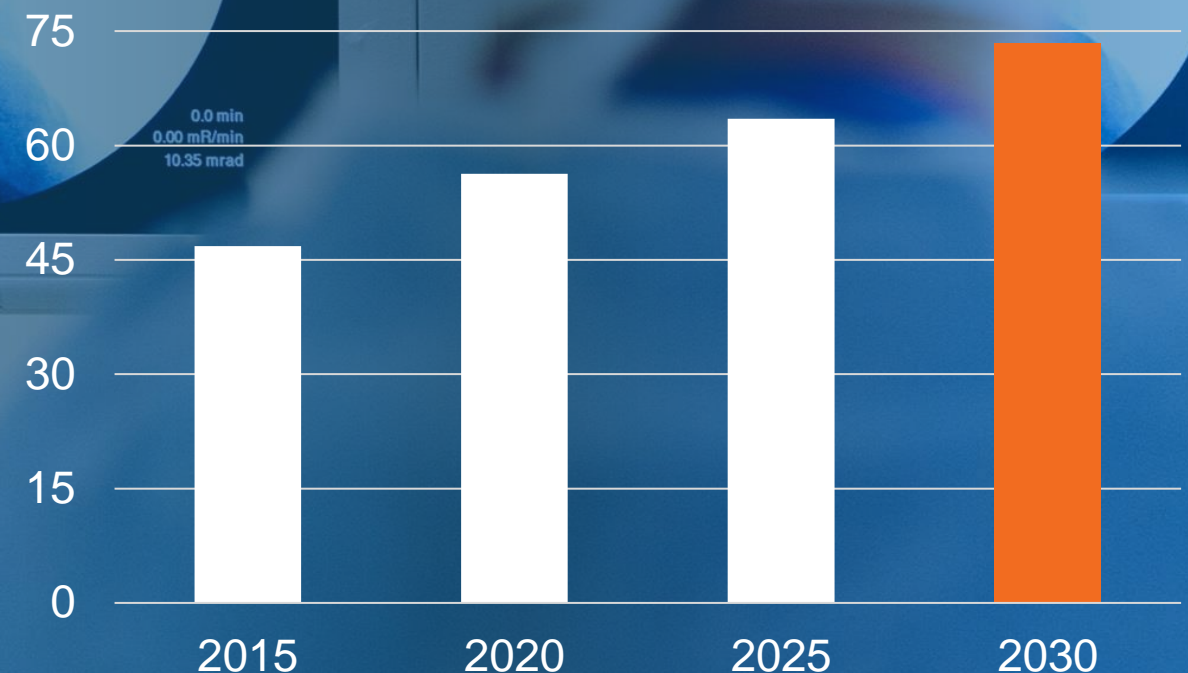
STRONG FUNDAMENTALS

Growing demand for healthcare

Drivers:

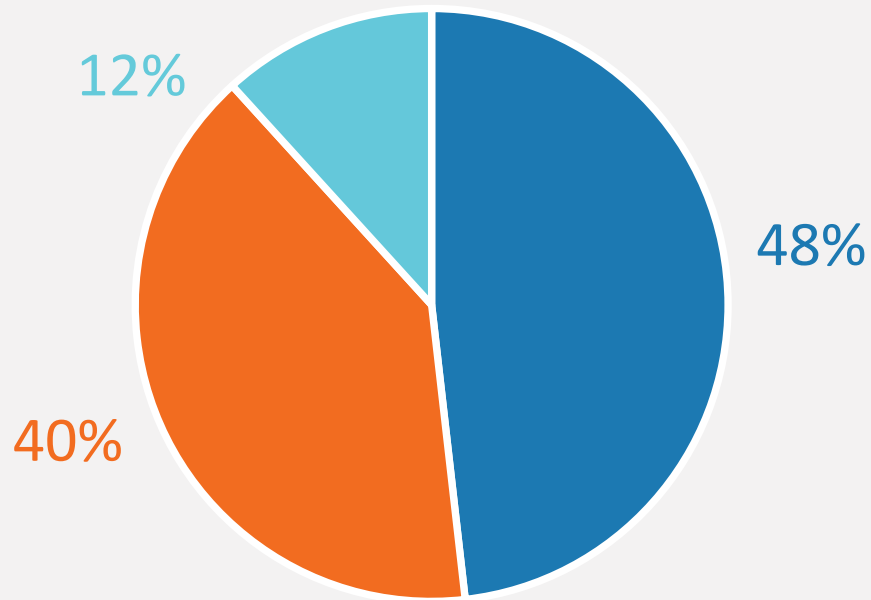
- Overall population growth
- Aging population

U.S. population aged 65+ (millions)



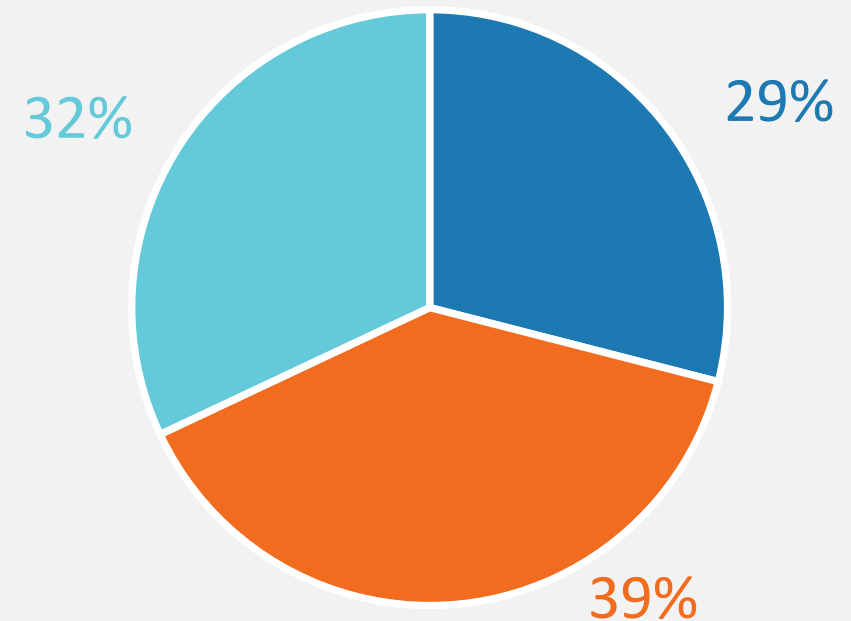
Payor Mix Compared to U.S. Healthcare System

2023 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

- Purchased **253,900** common shares for a total consideration of **\$1.8 million** during the quarter ended March 31, 2024
- Announced **11.8% dividend increase** on May 9, 2024, commencing with the Q2 dividend payable to the shareholders of record at the close of business on June 28, 2024

Since September 13, 2022:

5,025,297

common shares purchased
for aggregate consideration of

**\$38.3
Million^{1,2}**

¹ As at May 3, 2024, approximately 2 million shares remain available for purchase under the Normal Course Issuer Bid ("NCIB") renewed on December 1, 2023.

² Includes 3,053,097 shares purchased under a Substantial Issuer Bid in 2022 and 1,972,000 shares purchased under the NCIBs.

Financial Highlights

(US\$ thousands, except where noted otherwise)	Q1 2024	Q1 2023	Change %
Facility service revenue	108,258	109,250	(0.9%)
Income from operations	17,402	13,505	28.9%
EBITDA	22,276	19,145	16.4%
EBITDA margin	20.6%	17.5%	17.7%
Cash available for distribution (C\$ thousands)	8,777	5,583	57.2%
Payout ratio	22.4%	36.9%	(39.3%)

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 ended March 31, 2024.

Strong Financial Position

As at March 31, 2024

**\$25.7
million**

Cash & Cash
Equivalents

1.09

Current Ratio

0.76

Net Debt* /
Equity

0.90

Net Debt* /
EBITDA (LTM)

** Inclusive of lease liabilities per IFRS 16.*

A close-up, low-angle shot of a modern surgical light fixture. The fixture is white and has several circular light heads, some of which are illuminated with a bright blue light. The background is a solid blue 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 May 9, 2024 (All dollar amounts are in Canadian currency)

Capital Markets Profile

Stock Symbol:	TSX: DR
Shares Outstanding:	24.4 million
Share Price:	\$11.40
Market Capitalization:	\$277.9 million
Annualized Distribution (per share):	\$0.36¹
Current Yield:	3.16%¹

¹ Based on the go forward dividend rate announced on May 9, 2024.



MEDICAL FACILITIES CORPORATION

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