

Toronto Stock Exchange Symbol: **DR** Recent Price: **C\$3.16\*** 52-week Range (low-high): **C\$3.16–C\$17.64** Yield: **8.86%** (approx.)\*  
 Market Capitalization: **C\$98.30million\*** Common Shares Outstanding: **31.1 million\*** Quarterly Dividend Per Share: **C\$0.07**  
 All figures are in Canadian dollars unless otherwise noted. \*As at February 28, 2020.



## PROFILE

Medical Facilities, in partnership with physicians, owns surgical facilities in the United States. MFC's portfolio includes controlling interest in four specialty surgical hospitals located in Arkansas, Oklahoma, and South Dakota, and an ambulatory surgery center located in California. MFC also has a non-controlling interest in a specialty surgical hospital in Indiana. In addition, through a partnership with NueHealth LLC, Medical Facilities owns controlling interest in six ambulatory surgery centers located in Michigan, Missouri, Nebraska, Ohio, Oregon, and Pennsylvania. The specialty surgical hospitals perform scheduled surgical, imaging, diagnostic and other procedures, including primary and urgent care, and derive their revenue from the fees charged for the use of their facilities. The ambulatory surgery centers specialize in outpatient surgical procedures, with patient stays of less than 24 hours.

## INVESTMENT HIGHLIGHTS

- Large, growing & fragmented market for outpatient services
- Diverse portfolio of highly rated, high quality facilities
- Scalable platform for growth – organically and via acquisitions
- Experienced, entrepreneurial management team
- Competitive dividend

## FINANCIAL REVIEW – Q4 2019<sup>1</sup>

(US\$M, EXCEPT % AMOUNTS AND AS OTHERWISE INDICATED)	THREE MONTHS ENDED December 31, 2019	THREE MONTHS ENDED December 31, 2018
Facility Service Revenue <sup>2</sup>	114.0	112.0
Operating Expenses <sup>2</sup>	88.0	88.1
Income from Operations <sup>2</sup>	25.9	23.8
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) <sup>2</sup>	32.7	30.1
Adjusted EBITDA Margin <sup>2</sup>	28.7%	26.9%
Cash Available for Distribution (US\$M)	8.9	14.1
Cash Available for Distribution (C\$M)	11.8	18.9
Total Distributions (C\$M)	4.4	8.7
Payout Ratio	37.0%	46.2%

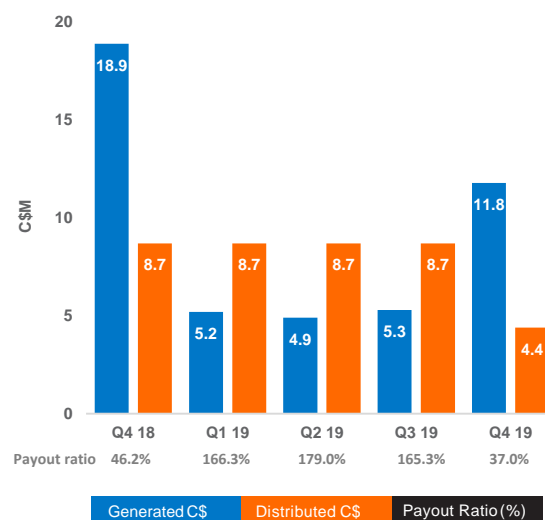
<sup>1</sup> Adj. EBITDA, distributions, cash available for distribution and payout ratio are non-IFRS financial measures. Please refer to "Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures" sections in the Management's Discussion and Analysis.

<sup>2</sup> Figures have been modified to reflect continuing operations only, which is defined as consolidated operations excluding Unity Medical and Surgical Hospital and RRI Mishawaka Hospital, LP. These entities are treated as discontinued operations in the financial results for the fourth quarter and year ended December 31, 2019.

## SOLID FINANCIAL POSITION – Q4 2019 (US\$ millions)

CURRENT ASSETS		NON-CURRENT ASSETS	
\$32.0	\$124.8	\$313.7	
Cash & Cash Equivalents, Short-term Investments			
Other Current Assets			
TOTAL LIABILITIES		TOTAL EQUITY	
\$66.6	\$84.8	\$145.8	\$173.3
Subsidiary Debt (including current portion)		Corporate Level Debt	
		Other Liabilities	

## CASH AVAILABLE FOR DISTRIBUTION, TOTAL DISTRIBUTIONS AND PAYOUT RATIO



**1.8x**  
Current Ratio

**1.08**  
Net Debt\*/  
Equity

**1.94**  
Net Debt\*/  
Adj. EBITDA  
(LTM)

\* inclusive of lease liabilities per IFRS 16

COMPANY OVERVIEW

**4** Specialty Surgical Hospitals

**44** operating rooms

**4** procedure rooms

**127** overnight rooms

**6** urgent care clinics

**7** Ambulatory Surgery Centers

**18** operating rooms

**7** procedure rooms

**10** 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**

- Competitive dividend
- Exposure to growing U.S. healthcare market

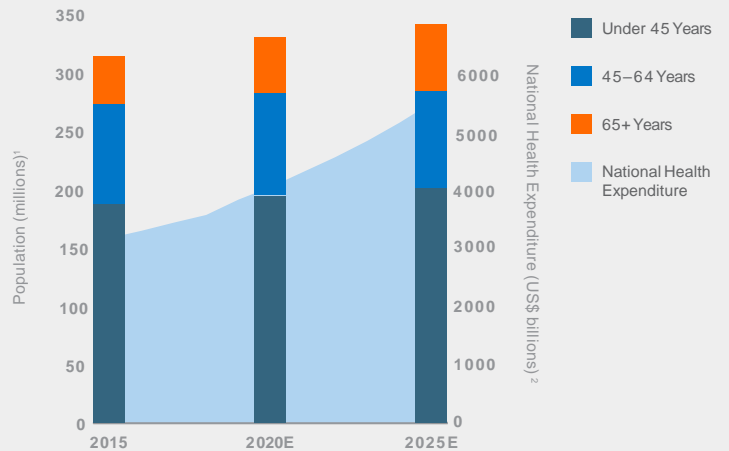
HCAHPS SURVEY\*

**72%**  
U.S. average

**89%**  
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 as of January 2020.

INDUSTRY DRIVERS



SOURCES:  
<sup>1</sup> U.S. Census Bureau, 2014 based on National Population Projections  
<sup>2</sup> Centers for Medicare & Medicaid Services, National Health Expenditure Projections 2011-2021

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