

Douglas W. Loe, PhD MBA | Managing Director & Analyst | dloe@leede.ca | 416.365.9924

Owen Jones, M.Hsc. | Research Associate | 647.973.6664

DR-TSX	
Rating:	Hold
Target:	C\$15.50
Price:	C\$16.20
Return:	(2.1%) (inc. div yield)
Valuation:	15x AFFO, 5x EV/EBITDA (F2027 ests)

Market Data	
Basic Shares O/S (M)	17.8
Market capitalization (US\$M)	210.3
Enterprise Value (US\$)	132.1
Pro forma cash (US\$M)	110.8
Debt (US\$M, most rec Q)	32.6
52 Week Range (TSX; C\$)	\$9.63-\$12.53
Avg. Weekly Volume (M)	0.112
Quarterly dividend (C\$)	\$0.09
Dividend yield (%)	2.2%
Fiscal Year End	Dec-31

Financial Metrics		2024A	2025E	2026E	2027E
In US\$					
Revenue (\$M)		410.1	336.8	251.4	253.9
EBITDA (\$M)		84.8	70.7	54.3	54.9
Net Income (\$M)		68.6	45.2	23.1	24.0
Adj net inc, ex non-ctrl minor int (\$M)		38.2	29.7	17.4	18.0
EPS		\$2.89	\$2.43	\$1.36	\$1.52
Adj EPS		\$1.61	\$1.60	\$1.02	\$1.14
AFFO		\$1.03	\$1.27	\$0.97	\$1.08
P/E		7.4x	7.4x	11.6x	10.4x
EV/EBITDA		4.8x	5.7x	7.7x	7.7x

Valuation Data		2025E	2026E	2027E
EV/EBITDA Current		5.7x	7.7x	7.7x
Peers		9.3x	9.3x	8.7x
P/E Current		7.4x	11.6x	10.4x
Peers		16.2x	18.0x	17.2x

Quarterly Data		Q1	Q2	Q3	Q4
In US\$M					
Revenue	2025E	\$81.7	\$80.6	\$82.6	\$91.9
	2026E	\$61.2	\$59.1	\$60.6	\$70.5
EBITDA	2025E	\$17.3	\$16.0	\$16.1	\$21.4
	2026E	\$12.6	\$12.6	\$12.7	\$16.4

Company Description

Medical Facilities is a US-based operator of physician-owned specialty surgical hospitals & ambulatory surgery centers, mostly in mid-western US states (South Dakota, Arkansas)



Source: Refinitiv, Leede Financial

Monetization Of Surgical Hospital Assets Continues, With Divestiture Of Oklahoma Spine & Newport Coast - Hold

SD-based physician-owned specialty hospital operator Medical Facilities sustained divestiture momentum for its US-based specialty hospital portfolio by selling its 64% ownership stake in OK-based Oklahoma Spine Hospital to OK-based peer SSM Health Care for US\$46.0M last week, adding this transaction to the firm's recent history of hospital divestitures that includes selling its 54.2% ownership stake in SD-based Black Hills Surgery Center (to regional peer Sanford Health [private]) for net proceeds of US\$92.5M back in Dec/23, realizing a US\$33.6M after-tax gain on the sale, & then going back several years, also including its sale of its 65% ownership stake in also-SD-based Dakota Plains Surgical Center to regional peer Avera Health (private) in Jun/15 for US\$36.9M, realizing US\$20.9M in after-tax net cash proceeds after closing. Both SD-based hospitals, as was Oklahoma Spine, were profitable on an EBIT basis at the time of divestiture.

Clear strategy to monetize parts of the surgical hospital portfolio continues, consolidating operations at Sioux Falls & Arkansas Surgical Hospital in the process.

By valuing its 64% ownership stake in Oklahoma Spine at US\$46.0M, this implies facility value of US\$71.9M, corresponding to 0.92x T12M revenue for the hospital (TQ424-to-FQ325 surgical procedure revenue was US\$78.3M) & 7.8x T12M operating income/EBIT of US\$9.2M (11.8% margin). For reference, Medical Facilities originally acquired a 51% stake in Oklahoma Spine back in Jun/05 for US\$44.1M, thus valuing the facility at the time on an ownership-adjusted basis at US\$86.5M.

The Jun/05 transaction thus valued Oklahoma Spine at the time at a far higher annualized revenue multiple of 2.0x (FQ305-to-FQ206 revenue for the first four quarters post-acquisition was US\$44.0M) but at a lower EBIT multiple of 6.3x, back when Oklahoma Spine was routinely generating quarterly EBIT margin at/above 25%. While transaction details ascribed to a hospital acquisition that transpired twenty-one years ago has long ago lost its relevance to contemporary valuations, we do believe that comparison to the price originally ascribed to Oklahoma Spine does bear positively on the profitability multiples garnered by Medical Facilities in divestiture of the same facility.

Final net cash proceeds could still be tax-affected but final cash inflow should provide funds for ongoing capital structure revision through share repurchasing activity. Tax implications on Medical Facilities' eventual cash proceeds are as yet undetermined but we obviously expect proceeds to be cash-positive & thus providing the firm with discretionary capital that in recent quarters it has deployed to accelerating repurchase of its shares.

A structured share buyback is in our view a prudent use of discretionary capital when considering Medical Facilities current share value, even before considering the firm's overt intentions to focus on stabilizing profitability for its existing facilities (now limited to AR-based Arkansas Surgical Hospital for which Medical Facilities acquired a 51% ownership stake in Nov/12 for US\$36.2M, & SD-based Sioux Falls Surgical Hospital that formed part of the original hospital portfolio overseen by Medical Facilities when it went public in 2004).

Separate transaction to sell ASC operations in CA has minimal bearing on our forecasts or on our DR investment thesis. Medical Facilities also sold its ambulatory surgery center (ASC) infrastructure in California (Newport Coast) for a notional value of US\$1.5M, a magnitude that after considering tax implications is likely to be even more modest. The elimination of Newport Coast financial data from our model is destined to be equally modest, with the firm generating T12M revenue/EBIT to end-of-FQ325 of US\$9.4M/US\$0.5M, implying transaction value of about 0.17x T12M revenue & 3x T12M EBIT.

Exhibit 1. Financial Forecast Summary for Medical Facilities

<i>Year-end December 31</i> (US\$000, except EPS)	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E
Sioux Falls Surg Hosp, revenue	\$97,562	\$114,143	\$115,635	\$118,489	\$119,316	\$128,619	\$134,132	\$147,183	\$153,726	\$153,108	\$154,639	\$156,185	\$157,747
Sioux Falls Surg Hosp, EBIT	\$33,665	\$42,265	\$37,873	\$37,904	\$36,474	\$40,496	\$35,248	\$34,121	\$40,436	\$30,124	\$28,729	\$29,648	\$31,668
Sioux Falls Surg Hosp, margin	35%	37%	33%	32%	31%	31%	26%	23%	26%	20%	19%	19%	20%
Arkansas Surg Hosp, revenue	\$67,349	\$70,600	\$67,849	\$69,711	\$71,955	\$71,085	\$73,231	\$90,983	\$92,347	\$95,794	\$96,752	\$97,719	\$98,697
Arkansas Surg Hosp, EBIT	\$14,364	\$15,499	\$13,359	\$14,318	\$18,814	\$15,384	\$8,224	\$18,718	\$21,481	\$19,384	\$19,578	\$19,773	\$19,971
Arkansas Surg Hosp, margin	21%	22%	20%	21%	26%	22%	11%	21%	23%	20%	20%	20%	20%
Other Hosp now divested, rev	\$176,445	\$205,665	\$251,907	\$233,266	\$198,591	\$212,028	\$207,026	\$207,416	\$164,010	\$87,874	\$0	\$0	\$0
Other Hosp now divested, EBIT	\$40,982	\$35,942	\$46,129	\$28,246	\$31,140	\$40,043	\$20,182	\$23,665	\$25,379	\$9,865	\$0	\$0	\$0
Other Hosp now divested, marg.	23%	17%	18%	12%	16%	19%	10%	11%	15%	11%	NA	NA	NA
Total revenue	\$339,473	\$385,329	\$431,602	\$398,103	\$389,862	\$411,732	\$414,389	\$445,582	\$410,083	\$336,775	\$251,391	\$253,904	\$256,443
Revenue growth (%)	9%	14%	12%	(8%)	(2%)	6%	1%	8%	(8%)	(18%)	(25%)	1%	1%
EBITDA	\$90,706	\$94,647	\$99,018	\$96,248	\$95,682	\$104,127	\$72,251	\$88,646	\$84,797	\$70,720	\$54,323	\$54,866	\$55,414
EBITDA growth (%)	(9%)	4%	5%	(3%)	(1%)	9%	(31%)	23%	(4%)	(17%)	(23%)	1%	1%
EBITDA margin (%)	27%	25%	23%	24%	25%	25%	17%	19.9%	20.7%	21.0%	21.6%	21.6%	21.6%
Consolidated net income	\$39,689	\$46,579	\$51,549	\$59,677	\$39,259	\$46,618	\$12,869	\$43,999	\$68,554	\$45,185	\$23,135	\$24,009	\$24,838
Net inc, minority interest	\$47,440	\$25,942	\$30,622	\$25,422	\$37,520	\$30,993	\$16,700	\$21,145	\$30,348	\$15,464	\$5,784	\$6,002	\$6,209
Net inc, common share hrs	(\$7,751)	\$20,637	\$20,927	\$34,255	(\$1,837)	\$15,625	(\$3,831)	\$22,854	\$38,206	\$29,721	\$17,352	\$18,007	\$18,628
Consolidated EPS	\$1.28	\$1.50	\$1.66	\$1.92	\$1.26	\$1.50	\$0.45	\$1.75	\$2.89	\$2.43	\$1.36	\$1.52	\$1.58
EPS, minority interest	\$1.53	\$0.84	\$0.99	\$0.82	\$1.21	\$1.00	\$0.58	\$0.84	\$1.28	\$0.83	\$0.34	\$0.38	\$0.39
EPS, common share hrs	(\$0.25)	\$0.67	\$0.68	\$1.10	(\$0.06)	\$0.50	(\$0.13)	\$0.91	\$1.61	\$1.60	\$1.02	\$1.14	\$1.18
Consolidated AFFO/unit	\$1.23	\$1.29	\$1.22	\$0.66	\$0.96	\$0.96	\$0.69	\$0.89	\$1.03	\$1.27	\$0.97	\$1.08	\$1.02
Consolidated AFFO/unit (C\$)	\$1.64	\$1.67	\$1.60	\$0.87	\$1.28	\$1.21	\$0.89	\$1.21	\$1.41	\$1.75	\$1.33	\$1.48	\$1.40
Adj AFFO/unit (C\$; share hldrs)	\$0.86	\$0.88	\$0.86	\$0.45	\$0.67	\$0.64	\$0.47	\$0.63	\$0.75	\$0.93	\$0.68	\$0.76	\$0.71
Payout per IPS unit (C\$)	\$1.13	\$1.13	\$1.13	\$0.98	\$0.28	\$0.29	\$0.33	\$0.33	\$0.34	\$0.36	\$0.36	\$0.36	\$0.36
Payout ratio (%)	69%	68%	70%	113%	22%	24%	37%	27%	24%	21%	27%	24%	26%
Share of financial data ascribed to common shareholders													
Adj EBITDA (US\$000) ¹	\$47,893	\$50,071	\$53,127	\$49,999	\$50,213	\$55,235	\$37,905	\$46,507	\$44,877	\$37,524	\$27,705	\$27,982	\$28,261
Adj EPS (US\$) ^{1,2}	(\$0.25)	\$0.67	\$0.68	\$1.10	(\$0.06)	\$0.50	(\$0.13)	\$0.91	\$1.61	\$1.60	\$1.02	\$1.14	\$1.18
Adj AFFO (US\$) ¹	\$0.65	\$0.68	\$0.65	\$0.34	\$0.50	\$0.51	\$0.36	\$0.47	\$0.54	\$0.67	\$0.50	\$0.55	\$0.52
Proportion of facilities owned by common shareholders	52.8%	52.9%	53.7%	51.9%	52.5%	53.0%	52.5%	52.5%	52.9%	53.1%	51.0%	51.0%	51.0%
Adjusted AFFO multiple	13.3x	12.7x	13.3x	25.2x	17.2x	16.9x	24.0x	18.5x	15.9x	12.8x	17.4x	15.7x	16.6x
Price-to-adj EPS multiple	NA	17.8x	17.5x	10.7x	NA	23.5x	NA	13.0x	7.4x	7.4x	11.6x	10.4x	10.0x
Adj EV/EBITDA multiple	4.5x	4.3x	4.0x	4.3x	4.3x	3.9x	5.7x	4.6x	4.8x	5.7x	7.7x	7.7x	7.6x

¹ Adjusted for proportion of financial data ascribed to common shareholders and not to non-controlling interests

Source: Historic data – Medical Facilities financial filings; Forecasts/Estimates – Leede Financial Inc.

Oklahoma Spine & Newport Coast invariably generated EBIT/margin at the low end of Medical Facilities' hospital portfolio, but both facilities still contributed positively to distributable cash. The impact of divesting Oklahoma Spine & Newport Coast is straightforward, at least at initial inspection, with our model assuming that Medical Facilities administration & corporate costs will be unimpeded by the divestiture. Our model has long assumed that Medical Facilities various surgical hospitals, now down to two in AR & SD, operated as independent regional service providers with no overlap in addressable patient population (though there may have been when the firm simultaneously operated Sioux Falls-Black Hills-Dakota Plains in SD) & those no achievable operating synergies available to the overall firm. Our model previously projected sequentially stable F2026 revenue/EBIT/margin for Oklahoma Spine of US\$79.3M/US\$9.3M/11.8% & F2027 revenue/EBIT/margin for the facility of US\$80.1M/US\$9.4M/11.8%, with those financial projections now eliminated from our F2026/27 forecasts. In parallel, we will remove Newport Coast's ACS operations from our F2026/27 revenue/EBIT/margin forecasts, though to a less dramatic degree of US\$9.3M/US\$0.5M/5.4% & US\$9.2M/US\$0.5M/5.2%, respectively.

We will not dwell too extensively on historic performance for Oklahoma Spine & Newport Coast, but both operations generated mixed financial data over the years, usually generating positive EBIT if at a lower margin level than typically generated by Sioux Falls & Arkansas Surgical Hospital (& even by divested Black Hills & Dakota Plains operations). Since FQ116, Oklahoma Spine

contributed cumulative EBIT/margin to end-of-FQ325 of US\$73.3M/10.2% while Newport Coast contributed cumulative EBIT/margin of US\$11.2M/13.3% over the same time period. For comparison, corresponding EBIT/margin data for ongoing operations at Sioux Falls & Arkansas Surgical Hospital were far higher (which is presumably why they are both ongoing) at US\$359.0M/29.0% & US\$154.3M/20.7%, respectively over the FQ116-to-FQ325 period.

Exhibit 2. Valuation Summary for Medical Facilities

AFFO multiple (F2027)	5x	10x	12.5x	15x	17.5x	20x	23x
Implied unit price ^{1,2}	\$2.77	\$5.53	\$6.91	\$8.30	\$9.68	\$11.06	\$12.45
EV/EBITDA multiple (F2027)	2x	3x	4x	5x	6x	7x	8x
Implied share price (\$) ^{1,2}	\$8.52	\$10.29	\$12.07	\$13.84	\$15.62	\$17.40	\$19.17
One-year Medical Facilities target price (US\$)				\$11.07			
One-year Medical Facilities target price (C\$) ^{2,3}				\$15.14			

¹ Based on adjusted F2027 EBITDA of \$28.0M & F2027 adjusted AFFO of \$0.55/shr; EV incorporates FQ325 debt of \$32.6M & pro forma cash (including gross proceeds from Oklahoma Spine & Newport Coast divestitures, excluding eventual tax impact on cash proceeds) of \$110.8M

² Current S/O of 17.8M; F2027 forecasts based on notional S/O of 15.8M that assumes sustained share buyback at recent pace out to end-of-F2027

³ Consolidated F2027 financial forecasts including non-controlling interest & after adjusting for physician ownership - EBITDA of \$54.9M & F2027 AFFO of \$1.08/shr

⁴ Based on a USD to CAD conversion rate of 1.37x

Source: Leede Financial Inc.

Our model assumes minimal interaction between Medical Facilities' surgical hospitals, so our revised forecasts are impacted only through removing OK/CA-specific revenue/EBIT data from our model. Excluding downstream impact on Medical Facilities' cash flow statement from the eventual after-tax proceeds from these two divestitures, our income statement forecasts are impacted solely by eliminating Oklahoma Spine & Newport Coast-specific projections from our model without any impact on revenue or EBIT or margins for Sioux Falls or Arkansas Surgical Hospital. Accordingly, our model now projects consolidated F2026 revenue/EBITDA/margin of US\$251.4M/US\$54.3M/21.6%, increasing modestly to US\$253.9M/US\$54.9M/21.6% in F2027, which we will herein establish as the reference year in our valuation. We expect Medical Facilities to record any financial data generated by Oklahoma Spine & Newport Coast during FQ126 so far to be recorded as discontinued operations. Though we expect positive EBITDA/net income from both operations, we will not overtly incorporate any residual profitability from those facilities in our valuation or model.

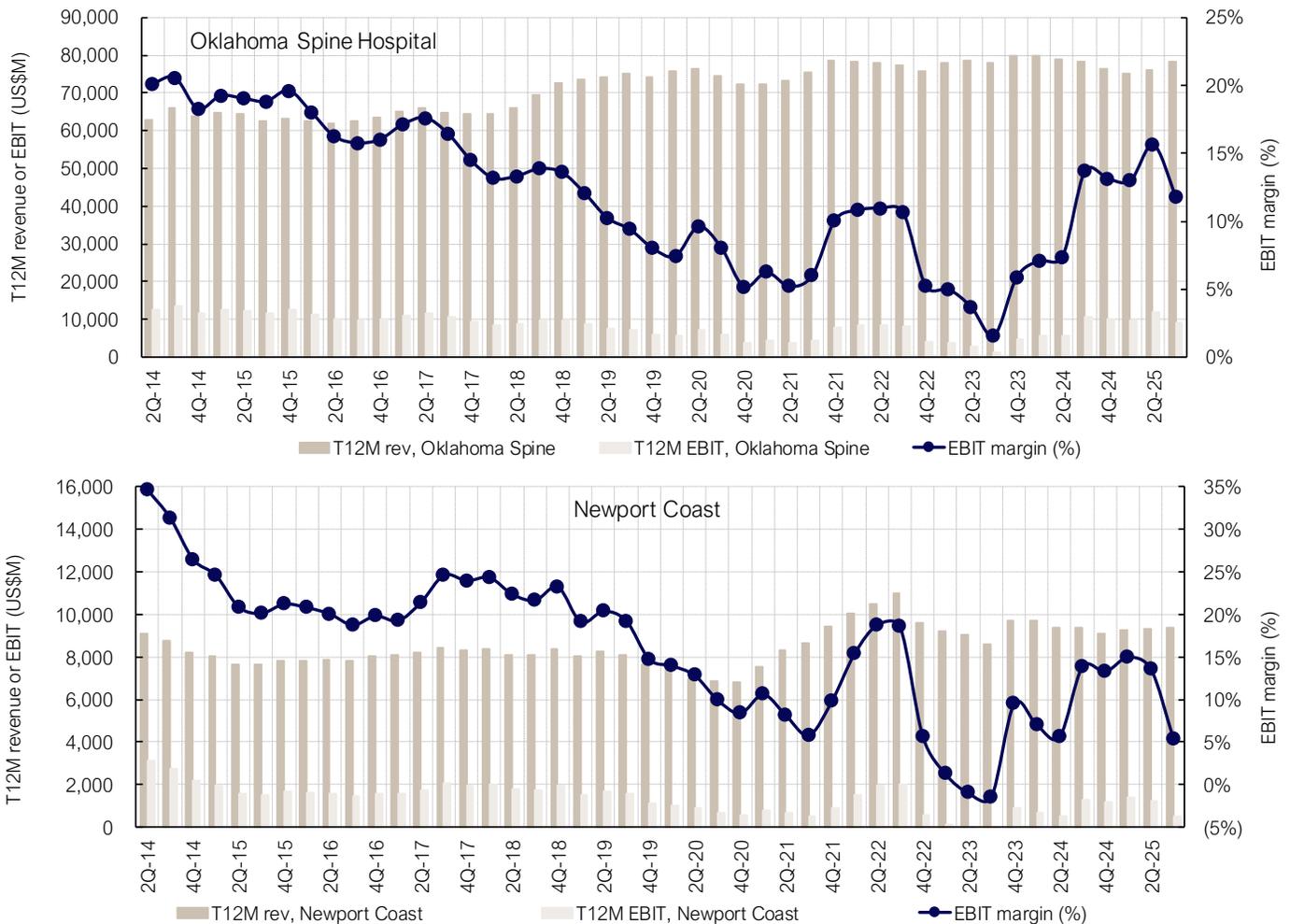
Summary & valuation. We are maintaining our Hold rating & one-year PT of C\$15.50 on DR, with our PT corresponding to total one-year return including 2.2% dividend yield of negative (2.1%). Our valuation is based as before on multiples of our adjusted EBITDA/AFFO forecasts in a reference year, in this case F2027. Specifically we apply a 5x EV-to-EBITDA multiple to our adjusted F2027 EBITDA forecast of US\$28.0M (51% of our unadjusted F2027 EBITDA forecast of US\$54.9M as indicated above, to adjust for the proportion of consolidated EBITDA ascribed to common shareholders & not to physician owners/non-controlling interests) & a 15x AFFO multiple to our adjusted F2027 AFFO forecast of US\$0.55/shr (again taking 51% of our consolidated F2027 AFFO forecast of US\$1.08/shr). We take the average of these two calculations as shown in Exhibit 2 to derive our one-year PT of US\$11.07/C\$15.14, which we do not consider to be sufficiently different from our prior PT to compel revision, especially with the stock showing a clear upward bias in the wake of the cash-generating Oklahoma Spine/Newport Coast divestitures.

Our F2026-to-F2028 forecasts assume that historic pace of share repurchasing will continue, reducing notional S/O on which we base our valuation in the process. It seems clear to us that capital markets are anticipating another scheduled share buyback from Medical Facilities & that the buyback will be priced at or near current share value, hence partially explaining to us the anachronistic share price performance post-divestiture; just on an arithmetic basis, eliminating cumulative Oklahoma Spine/Newport Coast EBIT from our F2026/27 financial forecasts of US\$9.8M & US\$9.9M, respectively should notionally add risk to dividend yield & pay-out ratio & yet capital markets responded last week as if dividend risk went down, not up.

Accordingly, & in a bit of an unusual decision for us, we are basing our F2026-to-F2028 share-based forecasts on notional S/O that assume that over the next few quarters, Medical Facilities will undertake a share buyback program that will reduce S/O from current level of 17.8M down to 15.8M, a magnitude that clearly we will revise as required but which seems like a reasonable expectation for capital structure revision when considering that since FQ321 undertaken aggressive share repurchasing with quarterly operating cash, lowering S/O from 31.6M in that quarter to 29.4M by FQ322, to 25.0M by FQ323, to 23.5M by FQ324 & then to 18.3M by end-of-FQ325. Bloomberg & other financial data management services indicate that current S/O are now 17.8M, from which we project our S/O expectations out to end-of-F2027.

With our PT clearly implying minimal achievable return on fundamental share price appreciation, we believe that the main justification for holding DR at current levels is three-fold. First of all, we still expect minimal risk to the firm’s dividend policy, with our distributable cash/AFFO forecasts still corresponding to 51% pay-out ratio during F2026-to-F2028. Secondly, we believe that Sioux Falls/Arkansas Surgical Hospital both have a long track record of positive EBIT/margin performance that we expect to continue (especially with seasonally strong FQ425 financial data now generated), independently mitigating risk to distributable cash & AFFO going forward. Thirdly, we believe it is reasonable to assume that Medical Facilities will continue to purchase shares without any overt motivation to do so based on price softness that usually forms the basis for share purchase programs.

Exhibit 3. T12M Revenue-EBIT-Margin Data For Now-Divested Oklahoma Spine Hospital (OSH) & Surgery Center of Newport Coast (SCNC), FQ214-FQ325 – Cumulatively Positive Contribution To Revenue/EBITDA Despite Trendline On EBIT Margin



Source: Medical Facilities financial filings; adapted graphically by Leede Financial

Exhibit 4. Comparable Companies for Medical Facilities

Company	Curr.	Sym	Shares Out	Share Price 8-Feb	Mkt Cap (\$M)	Ent. Value (\$M)	EV/EBITDA			Price/Earnings			Description
							(T12M)	(2025E)	(2026E)	(T12M)	(2025E)	(2026E)	
Specialty Healthcare Services Peers													
Acadia Healthcare Company Inc	USD	ACHC	92.3	\$13.37	\$1,233	\$3,425	5.5x	5.5x	5.5x	3.9x	6.7x	7.6x	TN-based psychiatric services firm
Addus Homecare Corp	USD	ADUS	18.5	\$105.88	\$1,957	\$2,006	11.2x	11.2x	10.3x	24.3x	17.3x	15.6x	IL-based home care services firm
AMN Healthcare Services Inc	USD	AMN	38.4	\$20.30	\$780	\$1,574	6.8x	6.8x	8.9x	2.5x	14.4x	30.0x	CA-based healthcare workforce & staffing services firm
Option Care Health Inc	USD	OPCH	158.7	\$34.00	\$5,397	\$6,221	13.2x	13.2x	12.6x	23.7x	19.7x	18.1x	Home infusion services for administering IV medications targeting multiple medical
Chemed Corp	USD	CHE	14.2	\$447.74	\$6,342	\$6,076	12.9x	12.9x	11.7x	21.2x	20.2x	17.6x	Hospice & palliative care services
DaVita Inc	USD	DVA	68.5	\$140.83	\$9,654	\$19,028	6.9x	6.9x	6.7x	17.9x	13.3x	10.7x	Renal dialysis services, including Rx services to patients with end-stage renal disease
Pediatrix Medical Group Inc	USD	MD	85.9	\$20.89	\$1,794	\$1,933	6.9x	6.9x	6.8x	16.7x	10.0x	9.6x	FL-based neonatal care services
Quipt Home Medical Corp	USD	PTQ	44.0	\$4.85	\$214	\$305	5.5x	5.5x	4.7x	NA	NA	NA	US-based consolidator of home healthcare service providers
Viemed Healthcare Inc	USD	VMD	38.0	\$8.64	\$328	\$336	5.5x	5.5x	4.8x	32.0x	25.0x	18.4x	US-based consolidator of home healthcare service providers
Average							8.3x	8.3x	8.0x	17.8x	15.8x	16.0x	
Surgical Hospital & Ambulatory Surgery Center Peers													
Select Medical Holdings Corp	USD	SEM	127.1	\$29.05	\$3,694	\$7,052	10.1x	8.7x	7.9x	18.1x	14.6x	12.2x	PA-based specialty hospitals, outpatient rehab clinics, LT acute care hospitals, rehab clinics
Surgery Partners Inc	USD	SGRY	126.5	\$35.51	\$4,492	\$6,188	12.8x	14.2x	12.7x	NA	37.1x	34.5x	TN-based surgical facility operator
Average							11.5x	11.4x	10.3x	18.1x	25.8x	23.3x	
Hospital Operator Peers													
Community Health Systems Inc	USD	CYH	138.5	\$3.15	\$436	\$10,565	6.7x	6.9x	7.0x	1.3x	3.6x	3.6x	TN-based operator of general acute care hospitals (155 hospitals, 26,222 beds in 21 states at last update)
HCA Healthcare Inc	USD	HCA	228.2	\$501.69	\$114,483	\$158,817	10.3x	10.3x	9.9x	17.5x	18.2x	18.2x	US-based operator of general & acute care hospitals, freestanding surgery centers & endoscopy centers.
Tenet Healthcare Corp	USD	THC	87.9	\$201.37	\$17,697	\$24,970	5.6x	5.5x	5.4x	13.7x	12.5x	12.5x	TX-based hospital operator; 53 general hospitals with 14,352 beds
UnitedHealth Group Inc	USD	UNH	905.8	\$276.65	\$250,600	\$274,738	11.8x	10.5x	9.7x	20.9x	17.0x	17.0x	Provides hospital and medical services plans, acquired LHC Group in Q123
Universal Health Services Inc	USD	UHS	62.5	\$218.40	\$13,646	\$18,224	7.1x	7.0x	6.8x	10.2x	10.0x	10.0x	PA-based owner/operator of acute care hospitals, ASCs, radiation oncology centers, surgical hospitals
Average							8.3x	8.1x	7.8x	12.7x	12.3x	12.3x	
Medical Facilities 1,2,3	USD	DR	17.8	\$11.84	\$210	\$132	2.5x	3.5x	4.0x	NA	19.2x	22.7x	US-based physician-owned specialty surgical hospital & ASC operator

¹ DR share price converted to US\$; EV calculated using pro forma balance sheet data (includes gross proceeds from Oklahoma Spine/Newport Coast divestitures)

² Multiples ascribed to consensus F2024-to-F2026 EBITDA & EPS forecasts for Medical Facilities are adjusted for proportionate ownership by common shareholders

Source: Leede Financial, Consensus Data - Refinitiv

Disclosures None

Important Information and Legal Disclaimers

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Buy	9	53%
Speculative Buy	5	29%
Hold	1	6%
Sell	-	-
Tender	1	6%
Under Review	1	6%

Historical Target Price

