



*Second Quarter 2014  
Financial Results Conference Call*

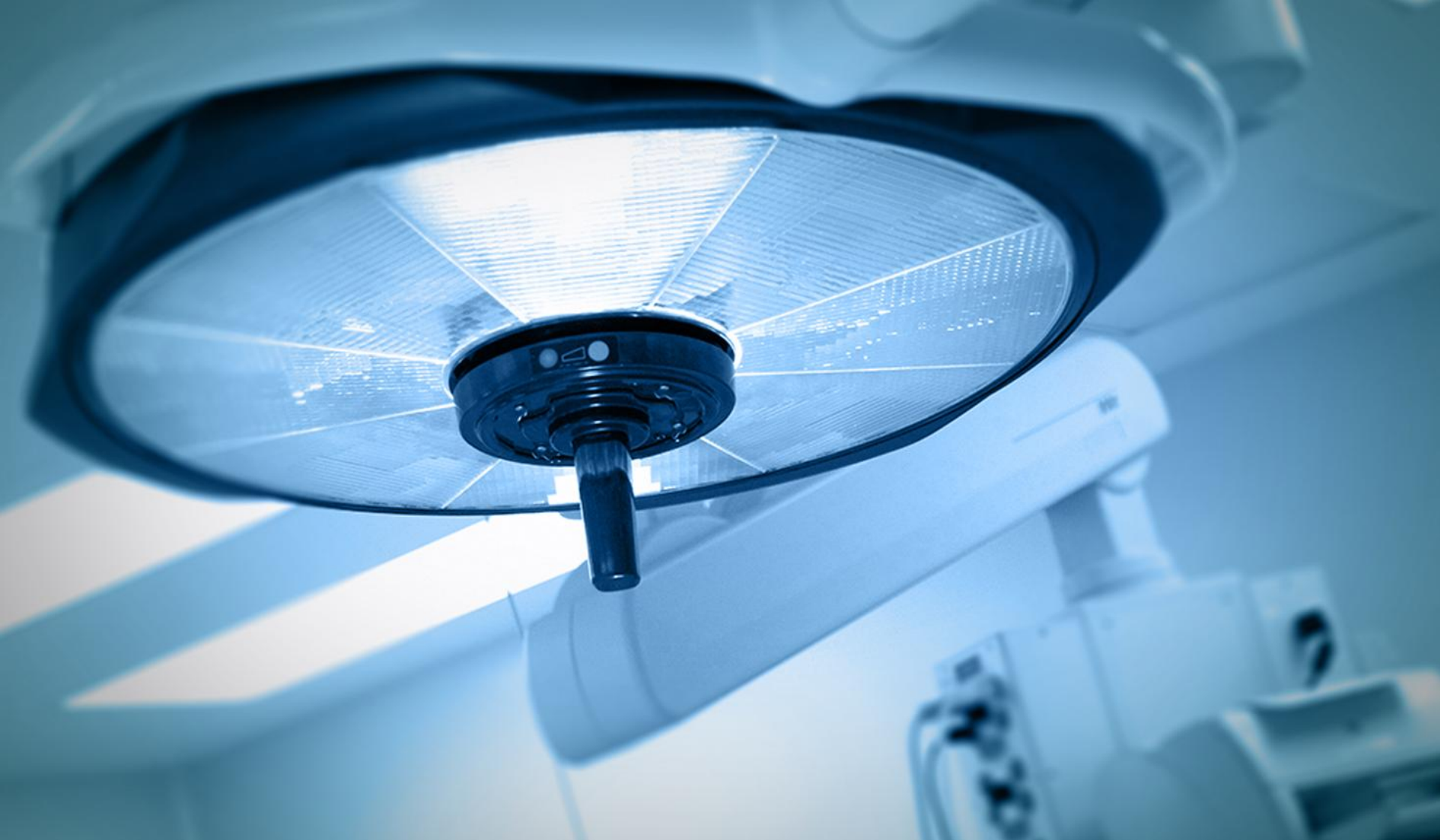
AUGUST 6, 2014



# Forward Looking Statements

*Certain of the statements contained in this presentation are "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, business strategy, plans and other expectations, beliefs, goals, objectives, information and statements about possible future events. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. You are cautioned not to place undue reliance on such forward-looking information. Forward-looking information is based on current expectations, estimates and assumptions that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Centric Health and described in the forward-looking information contained in this presentation. No assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits Centric Health will derive therefrom and neither Centric Health nor any other person assumes responsibility for the accuracy and completeness of any forward-looking information. Other than as specifically required by applicable laws, Centric Health assumes no obligation and expressly disclaims any obligation to update or alter the forward-looking information whether as a result of new information, future events or otherwise.*

*All dollar figures are in Canadian dollars unless otherwise stated.*



David Cutler  
*President & Chief Executive Officer*



# Agenda

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***1. Key Developments***

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***2. Financial Review***

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***3. Outlook***

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***4. Questions***

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# Refocused Strategy



- Leverages our core capabilities
- Focused on operations with:
  - High margins
  - Strong cash flows
  - Low capital expenditures
  - Limited exposure to regulatory & funding changes

# Discontinued Operations

Divestiture of MEDlchair &  
Motion Specialties Retail  
Operations

Divestiture of Methadone  
Pharmacy Operations

Divestiture of Seniors  
Wellness & Home Care  
Operations

**\$160M**

Revenue

**\$8M**

Adj. EBITDA

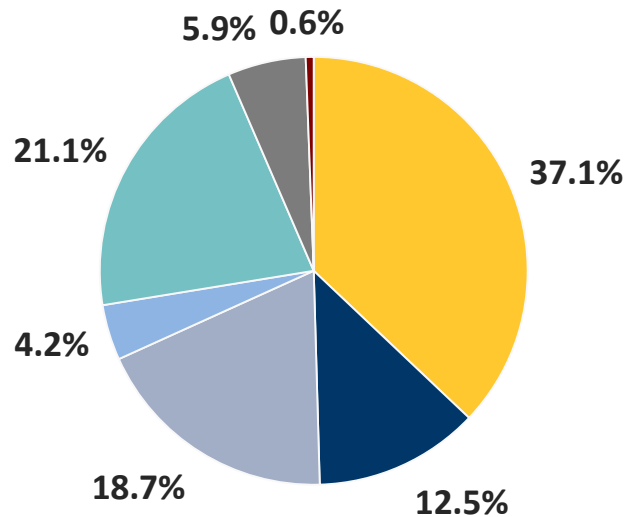
**4.9%**

Margin

# Reduced Exposure to Funding Changes

12 Months Revenue Ended March 31, 2014

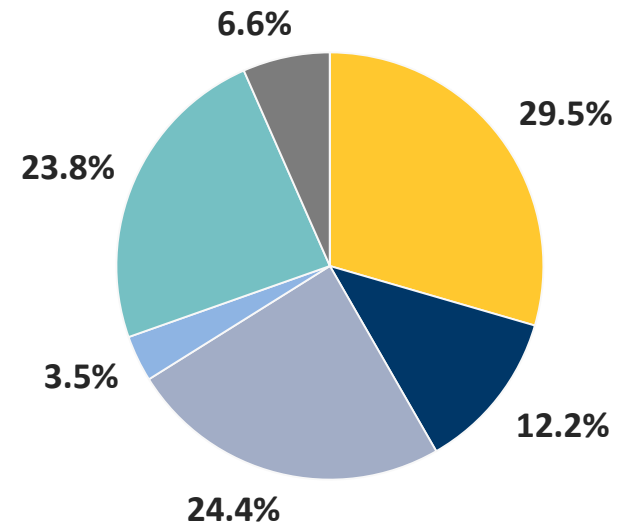
*Pre-Divestitures*



■ OHIP/Government  
■ WSIB/WCB  
■ Insurance

■ Corporations  
■ Private Pay

*Pro Forma Divestitures*



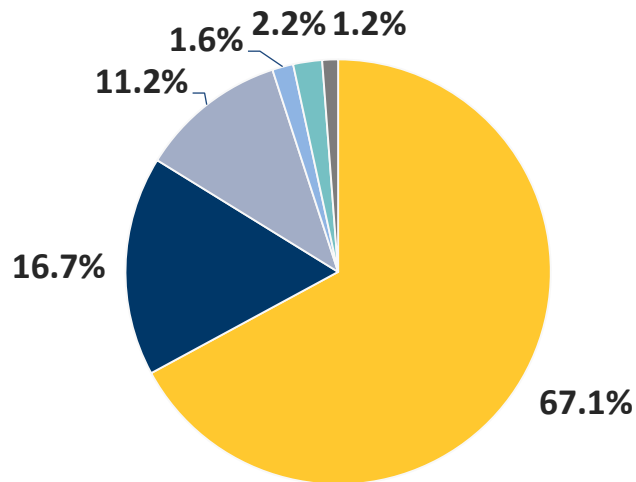
■ Other  
■ Royalty

*High Quality Payors: ~90%*

# Greater Geographic Diversification

12 Months Revenue Ended March 31, 2014

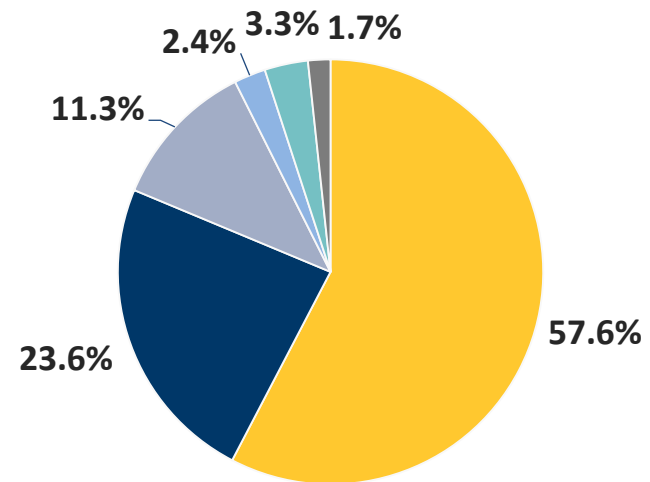
*Pre-Divestitures*



■ Ontario  
■ Alberta

■ British Columbia  
■ Manitoba

*Pro Forma Divestitures*



■ Nova Scotia  
■ Saskatchewan

*Less Concentration in Ontario*



# Strong Financial Results from Core Businesses

From continuing operations

## Q2

*Revenue*

↑ 9%

## YTD

*Revenue*

↑ 10%

*Adj. EBITDA*

↑ 10%

*Adj. EBITDA*

↑ 21%

*9th consecutive quarter of positive cash flow from operations*

# Use of Divestiture Proceeds

Net  
Proceeds  
from  
Divestitures

*Minimum*

**\$25M**

*Debt  
Repayment*

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*Growth Opportunities*

**Accretive  
Acquisitions**

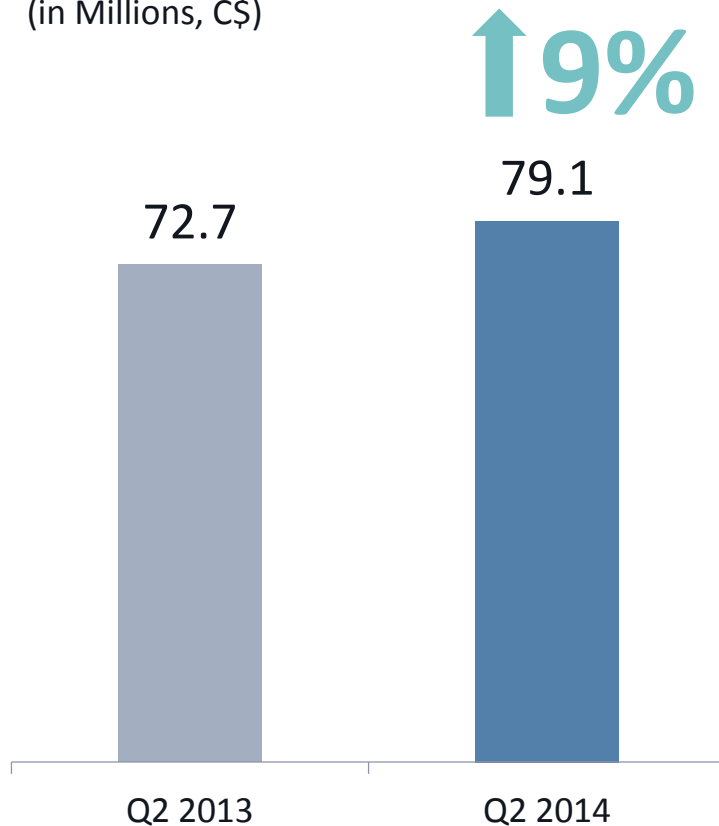


Daniel Gagnon  
*Chief Financial Officer*



# Q2/14 Revenue

(in Millions, C\$)

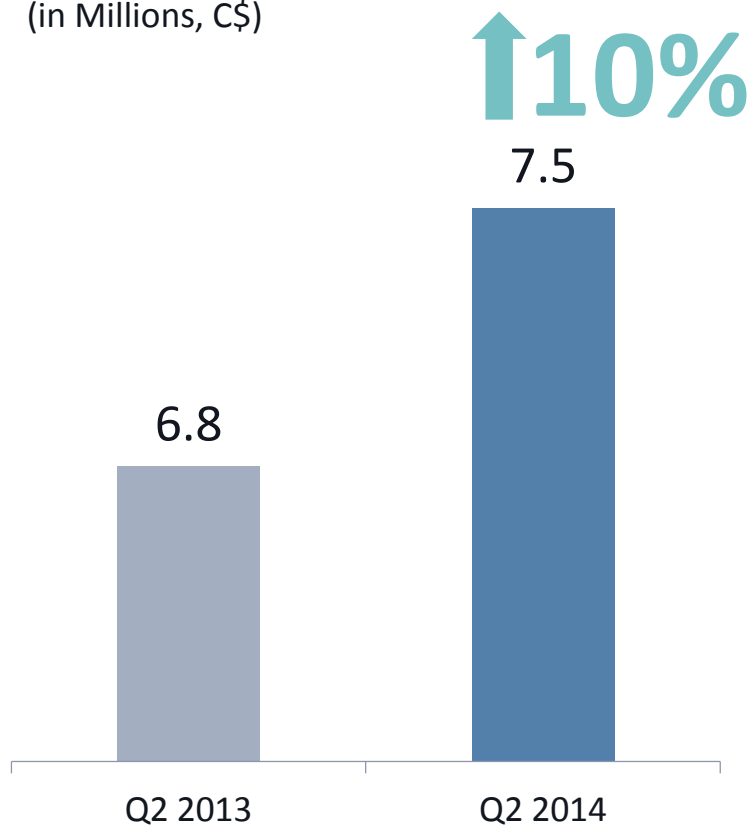


- Driven by:
  - Organic growth of ~8%
  - Acquisitions: SWLC and other start-up initiatives
- Offset by:
  - Impact from one less business day

*Growth in each business segment*

# Q2/14 Adjusted EBITDA

(in Millions, C\$)



*Adjusted EBITDA Margin*

Q2/13: **9.3%**

Q2/14: **9.4%**

*Growth in each business segment*

# Year to Date Results

## Revenue

(in Millions, C\$)

↑ 10%

139.6

154.2

YTD 2013

YTD 2014

## Adj. EBITDA

(in Millions, C\$)

↑ 21%

11.6

14.0

YTD 2013

YTD 2014

*Growth in each business segment*



# Segment Results - Physiotherapy, Rehabilitation and Assessments

**Q2 2014**

**Q2 2013**

Division	Revenue \$M	Adjusted EBITDA \$M	Margin %	Revenue \$M	Adjusted EBITDA \$M	Margin %
Physiotherapy, Rehabilitation and Assessments	45.7	6.9	15.2	43.0	6.6	15.4
Specialty Pharmacy	23.8	2.7	11.5	22.2	2.1	9.5
Surgical and Medical Centres	9.6	1.1	11.6	7.5	0.9	11.4
Corporate	-	(3.3)	-	-	(2.8)	-
<b>Total</b>	<b>79.1</b>	<b>7.5</b>	<b>9.4</b>	<b>72.7</b>	<b>6.8</b>	<b>9.3</b>

# Segment Results - Specialty Pharmacy

**Q2 2014**

**Q2 2013**

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# Segment Results - Surgical and Medical Centres

**Q2 2014**

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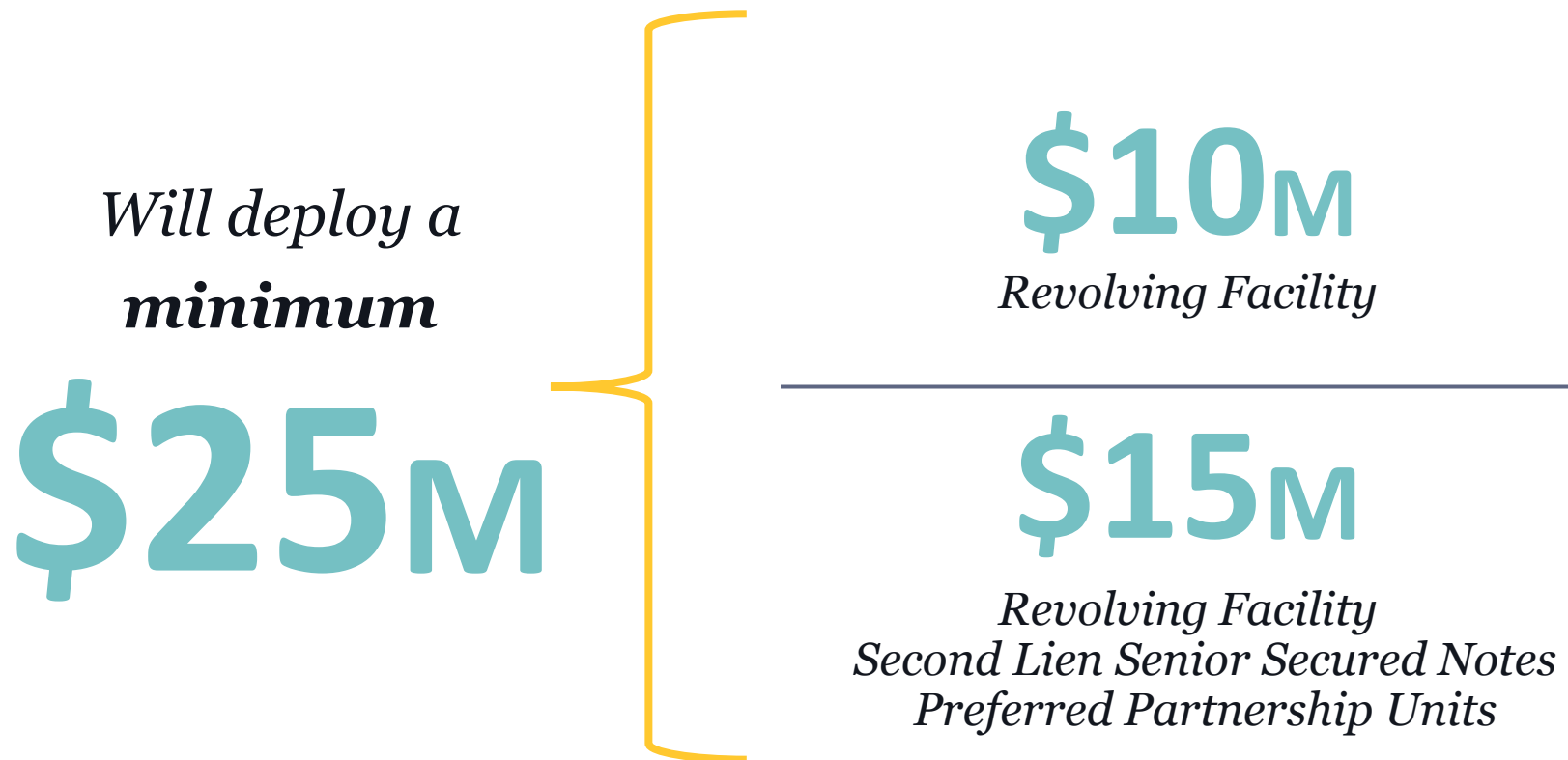
# Segment Results - Corporate

**Q2 2014**

**Q2 2013**

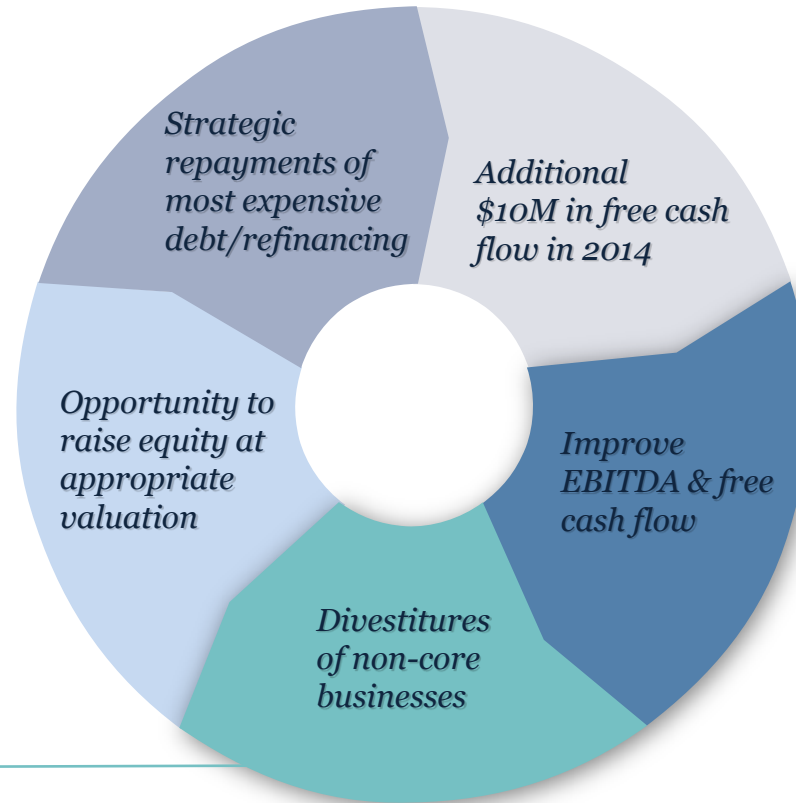
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# Use of Divestiture Proceeds: Debt Reduction



*Will evaluate opportunities to further deploy proceeds to debt*

# Balance Sheet Strategy



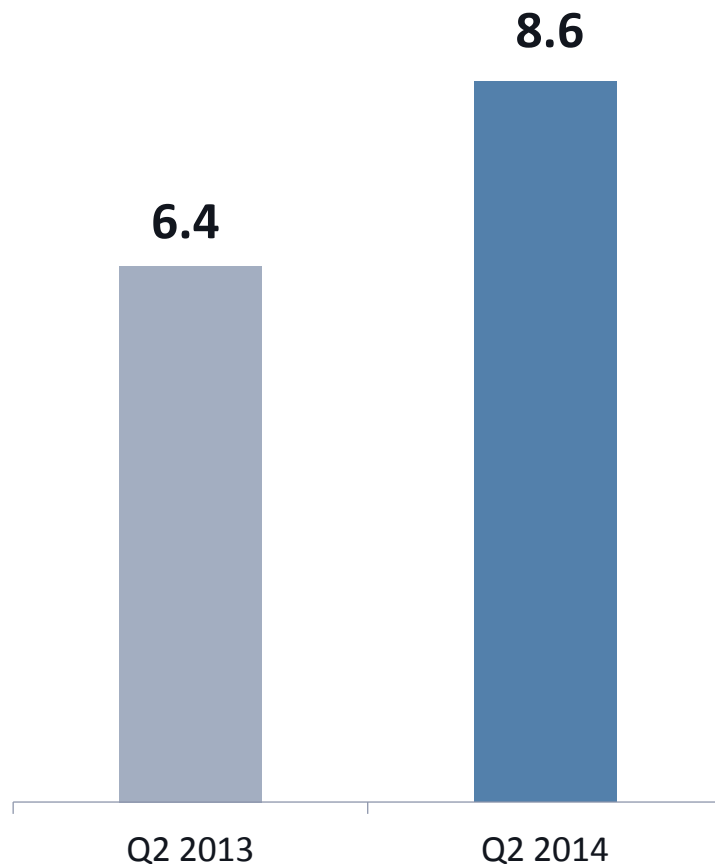
- Net proceeds to come from completed/announced divestitures

- Sustainable organic growth
- Corporate cost savings
- Working capital improvement



# Cash Flow from Operations

(in Millions, C\$)



- 9th consecutive quarter of positive cash flow from operations
- On track to generate cash from operations to meet all debt obligations for remainder of year



**David Cutler**  
*President & Chief Executive Officer*



# A New Era



- Irreplaceable platform
- More focused strategy, more focused operations
- Steady progress on balance sheet strategy
- Potential for step-function growth through deployment of divestiture proceeds to accretive acquisitions

# Positioned for Steady Growth

Segment	Key Growth Initiatives	Margin Potential %
Physiotherapy, Rehabilitation & Assessments	<p>Clinic Network</p> <ul style="list-style-type: none"> <li>• Expansion of preferred provider relationships</li> <li>• Expanded local marketing initiatives</li> <li>• Strategic, tuck-in acquisitions</li> <li>• Specialized rehabilitation programs</li> </ul> <p>Assessments</p> <ul style="list-style-type: none"> <li>• Capture market share through successful RFPs</li> </ul>	Mid to high “teens”
Specialty Pharmacy	<ul style="list-style-type: none"> <li>• Expansion of script counts/number of beds serviced</li> <li>• Expansion into Western Canada</li> <li>• Co-location pharmacy services within existing facilities</li> </ul>	Low to mid “teens”
Surgical & Medical Centres	<p>Drive utilization of capacity through multi-faceted plan:</p> <ul style="list-style-type: none"> <li>• Innovative programs and new technologies – roll out of proven SmartShape bariatrics program</li> <li>• Partnerships with local physicians/health authorities</li> <li>• Marketing and brand development</li> </ul>	Low “teens”

## Employer Healthcare Management & Wellness

- Lower overall employer costs by reducing both the cost of care and the need for care by promoting prevention
- Established a cross-divisional support team to pursue opportunities in this market





# Questions





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