

MEDNAX, Inc.
2020 Quarterly Income from Continuing Operations and
Reconciliations of (Loss) Income from Continuing Operations to Adjusted Earnings Before Interest, Taxes,
Depreciation and Amortization and Transformation and Restructuring Related Expenses
(“Adjusted EBITDA from Continuing Operations”)
and Diluted (Loss) Income from Continuing Operations per Share to Adjusted Income from Continuing
Operations per Share (“Adjusted EPS from Continuing Operations”)
(in thousands, except per share data)
(Unaudited)

	2020 Quarters		
	First	Second	Third
Net revenue	\$ 441,245	\$ 415,441	\$ 460,635
Operating expenses:			
Practice salaries and benefits	316,279	282,985	309,904
Practice supplies and other operating expenses	23,842	20,173	22,440
General and administrative expenses	67,442	60,488	66,346
Depreciation and amortization	6,803	6,751	7,195
Transformation and restructuring related expenses	16,076	10,479	34,291
Total operating expenses	430,442	380,876	440,176
Income from operations	10,803	34,565	20,459
Investment and other (expense) income	(1,046)	3,576	10,534
Interest expense	(27,665)	(28,265)	(27,250)
Equity in earnings of unconsolidated affiliate	494	305	282
Total non-operating expenses	(28,217)	(24,384)	(16,434)
(Loss) income from continuing operations before income taxes	(17,414)	10,181	4,025
Income tax provision	(1,085)	(3,097)	(6,677)
(Loss) income from continuing operations	<u>\$ (18,499)</u>	<u>\$ 7,084</u>	<u>\$ (2,652)</u>
Per common and common equivalent share data:			
(Loss) income from continuing operations:			
Basic	<u>\$ (0.22)</u>	<u>\$ 0.08</u>	<u>\$ (0.03)</u>
Diluted	<u>\$ (0.22)</u>	<u>\$ 0.08</u>	<u>\$ (0.03)</u>
Weighted average common shares:			
Basic	<u>82,799</u>	<u>83,490</u>	<u>83,862</u>
Diluted	<u>82,799</u>	<u>83,745</u>	<u>83,862</u>
Adjusted EBITDA from continuing operations:			
(Loss) income from continuing operations	\$ (18,499)	\$ 7,084	\$ (2,652)
Interest expense	27,665	28,265	27,250
Income tax provision	1,085	3,097	6,677
Depreciation and amortization	6,803	6,751	7,195
Transformation and restructuring related expenses	16,076	10,479	34,291
Adjusted EBITDA from continuing operations	<u>\$ 33,130</u>	<u>\$ 55,676</u>	<u>\$ 72,761</u>
Adjusted EBITDA margin from continuing operations ⁽¹⁾	7.5%	13.4%	15.8%
⁽¹⁾ Adjusted EBITDA as a percentage of GAAP net revenue			
Adjusted income and EPS from continuing operations⁽²⁾:			
Adjusted income from continuing operations	\$ 5,369	\$ 21,425	\$ 31,171
Adjusted EPS from continuing operations	\$ 0.06	\$ 0.26	\$ 0.37

⁽²⁾ See separate reconciliations