

PEDIATRIX MEDICAL GROUP, INC.
RECONCILIATION OF DILUTED NET INCOME (LOSS) PER SHARE
TO ADJUSTED INCOME PER DILUTED SHARE ("ADJUSTED EPS")
(in thousands, except per share data)
(Unaudited)

	<u>Three Months Ended March 31, 2024</u>		<u>Three Months Ended June 30, 2024</u>		<u>Three Months Ended September 30, 2024</u>		<u>Nine Months Ended September 30, 2024</u>	
Weighted average diluted shares outstanding	83,275		83,332		84,523		83,223	
Net income (loss) and diluted income (loss) per share	\$ 4,035	\$ 0.05	\$ (153,025)	\$ (1.84)	\$ 19,441	\$ 0.23	\$ (129,549)	\$ (1.56)
Adjustments ⁽¹⁾ :								
Amortization (net of tax of \$863, \$533, \$446 and \$1,842)	2,589	0.03	1,599	0.02	1,338	0.02	5,526	0.07
Stock-based compensation (net of tax of \$716, \$500, \$656 and \$1,872)	2,146	0.03	1,501	0.02	1,969	0.02	5,616	0.07
Transformational and restructuring expenses (net of tax of \$2,120, \$3,395, \$4,640 and \$10,155)	6,360	0.08	10,184	0.12	13,920	0.16	30,464	0.37
Goodwill impairment (net of tax of \$15,490 and \$21,625)	-	-	138,753	1.67	(6,135)	(0.07)	132,618	1.59
Fixed assets impairments (net of tax of \$5,028)	-	-	15,084	0.18	-	-	15,084	0.18
Intangible assets impairments (net of tax of \$1,920)	-	-	5,759	0.07	-	-	5,759	0.07
Loss on disposal of businesses (net of tax of \$2,718, \$15 and \$2,733)	-	-	8,155	0.10	44	-	8,199	0.10
Net impact from discrete tax events	1,676	0.01	328	-	6,452	0.08	8,456	0.10
Adjusted income and diluted EPS	<u>\$ 16,806</u>	<u>\$ 0.20</u>	<u>\$ 28,338</u>	<u>\$ 0.34</u>	<u>\$ 37,029</u>	<u>\$ 0.44</u>	<u>\$ 82,173</u>	<u>\$ 0.99</u>

⁽¹⁾A blended tax rate of 25% was used to calculate the tax effects of the adjustments, other than for goodwill impairment for the relevant period. Tax effects for the goodwill impairment approximate 10% for the three months ended June 30, 2024 and 14% for the nine months ended September 30, 2024, due to a portion of the expense being non-deductible. The change in the tax effects for goodwill impairment for the three months ended September 30, 2024 is presented as goodwill impairment for purposes of this table.