

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)

	Three Months Ended March 31, 2024		Three Months Ended June 30, 2024		Three Months Ended September 30, 2024		Three Months Ended December 31, 2024		Twelve Months Ended December 31, 2024	
Weighted average diluted shares outstanding	83,275		83,332		84,523		85,160		83,330	
Net income (loss) and diluted income (loss) per share	\$ 4,035	\$ 0.05	\$ (153,025)	\$ (1.84)	\$ 19,441	\$ 0.23	\$ 30,480	\$ 0.36	\$ (99,069)	\$ (1.19)
Adjustments ⁽¹⁾ :										
Amortization (net of tax of \$863, \$533, \$446, \$531 and \$2,373)	2,589	0.03	1,599	0.02	1,338	0.02	1,594	0.02	7,120	0.09
Stock-based compensation (net of tax of \$716, \$500, \$656, \$601 and \$2,473)	2,146	0.03	1,501	0.02	1,969	0.02	1,804	0.02	7,420	0.09
Transformational and restructuring expenses (net of tax of \$2,120, \$3,395, \$4,640, \$5,910 and \$16,065)	6,360	0.08	10,184	0.12	13,920	0.16	17,731	0.21	48,195	0.58
Impairment losses (net of tax of \$22,438, \$ -, \$ - and \$31,633)	-	-	159,596	1.92	(6,135)	(0.07)	(6,659)	(0.08)	146,802	1.76
Loss (gain) on disposal of businesses (net of tax of \$2,718, \$15, \$308 and \$2,425)	-	-	8,155	0.10	44	-	(925)	(0.01)	7,274	0.09
Net impact from discrete tax events	1,676	0.01	328	-	6,452	0.08	(544)	(0.01)	7,912	0.09
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>\$ 43,481</u>	<u>\$ 0.51</u>	<u>\$ 125,654</u>	<u>\$ 1.51</u>

⁽¹⁾A blended tax rate of 25% was used to calculate the tax effects of the adjustments, other than impairment losses. The impairment losses in the third and fourth quarter of 2024 reflect tax effects and related adjustments to goodwill impairment recognized in the second quarter of 2024.