









31st Annual J.P. Morgan Healthcare Conference January 9, 2013

Take great care of the patient™



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Certain statements and information in this presentation may be deemed to contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, and all statements, other than statements of historical facts, that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future. These statements are often characterized by terminology such as "believe", "hope", "may", "anticipate", "should", "intend", "plan", "will", "expect", "estimate", "project", "positioned", "strategy" and similar expressions, and are based on assumptions and assessments made by MEDNAX's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Any forward-looking statements in this press release are made as of the date hereof, and MEDNAX undertakes no duty to update or revise any such statements, whether as a result of new information, future events or otherwise. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. Important factors that could cause actual results, developments, and business decisions to differ materially from forward-looking statements are described in MEDNAX's most recent Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, including the sections entitled "Risk Factors", as well MEDNAX's current reports on Form 8-K, filed with the Securities and Exchange Commission.



# What is a National Medical Group Practice?

- A network of local group practices that provide clinical care in their communities supported by a national administrative infrastructure that allows them to practice state of the art, efficient, outcomes-based medicine.
- When MEDNAX acquires a practice, all of the back office functions are removed.
  - Managed care contract negotiations, coding, billing, collections, recruitment, medical malpractice, payroll, finance, risk management, legal, compliance, etc. are managed centrally by our business professionals.
- This provides our physicians the opportunity to spend more time caring for their patients in their communities.



# What is MEDNAX National Medical Group?

 A proven National Group Practice with over 30 years experience that combines stability and practice experience with clinical autonomy, supported by superior back office systems, and driven by research, education and quality patient care.

- Unique and durable healthcare model in place for over 30 years
- Adaptive to the current healthcare environment, and growing
- Positioned well for the future of healthcare
- Team of peers, made up of physicians, practitioners, and administrators whose interests and goals are aligned for success
- Financial resources and administrative infrastructure necessary to maximize position as group practice model
- Focus on what is important...patient care and patient outcomes



### **MEDNAX** at a Glance





# Over 1,440 physicians and 600 nurse practitioners

Staff 300 NICUs

#### **Clinical Continuum from:**

- High-risk pregnancy
- Delivery
- Newborn and pediatric critical care
- Pediatric hospitalist
- Pediatric cardiology
- Pediatric surgery





### More than 600 physicians and 875 nurse anesthetists serve:

- Approximately 50 hospitals
- Approximately 55 surgery centers
- Approximately 20 pain management centers

#### **Highlights:**

- National Group Practice
- · More than 2,000 Physicians
- 85 Metropolitan Areas
- 34 States and Puerto Rico.
- \$1.6 Billion in Revenue
  - o 14.6% Five-Year CAGR
- 30+ Years Experience

#### **Pediatrix Medical Group**

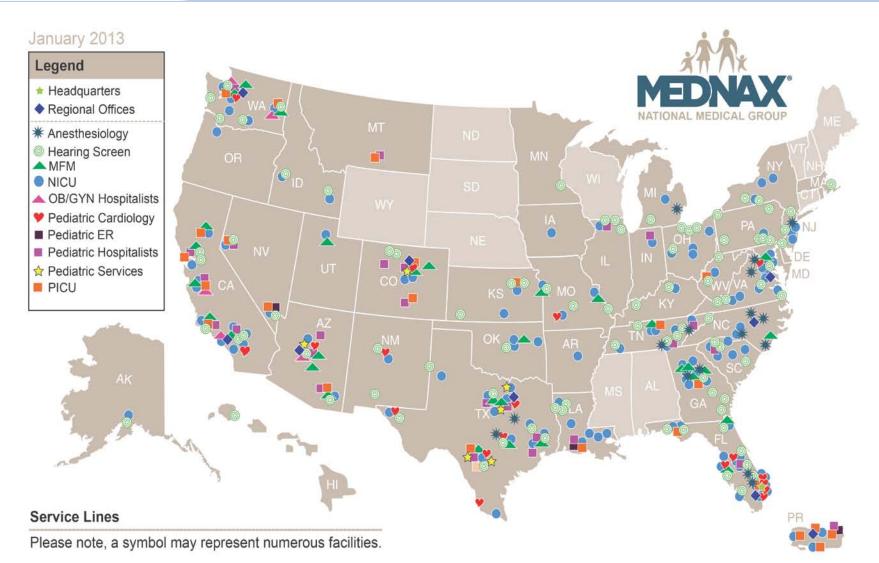
- Neonatal
- Maternal Fetal
- Pediatric Cardiology
- · Pediatric Critical Care
- Pediatric Surgery

#### **American Anesthesiology**

Anesthesiology



# **MEDNAX Market Presence**





### What Makes MEDNAX Different?

Specialty focused physicians, not all things to all people

Stability in uncertain healthcare environment

World's most extensive neonatal database with over 15 million patient days and 850,000 patients

Focused on bringing value to physicians and hospital partners

Evolutionary, not revolutionary, approach to growth

MEDNAX National Group Practice Physician run CREQ program drives clinical quality improvement, clinical research, continuing medical education

Baby Steps Electronic Health Record in use since late 90's



# How MEDNAX excels in today's healthcare environment

#### **Departmental Depth and Operational Excellence**

- Advocacy support through our government affairs and regulatory efforts at the federal and state level
- Outcomes data warehouse and QUANTUM Clinical Navigation System drive clinical quality improvement through CQI programs, research and continuing medical education efforts
- Risk Management team provides proactive and strategic support services to identify, manage and reduce risk associated with patient care and the company's business operations
- Business Development team focuses on future growth and ensures the acquisition pipeline is full, deep and active



# How MEDNAX excels in today's healthcare environment (continued)

- Managed Care Contracting team addresses our payors and our long term contracts, making sure they are competitive in the current environment
- Compliance team establishes the methods through which the company seeks to foster the highest levels of ethical and legal conduct by our associates as they focus on patient care
- Human Resources and Recruiting teams focus on the attraction and retention of quality physicians throughout our regions and practices
- Medical Affairs team enhances practice collaboration by assuring we are credentialing quality physicians



### Revenue (\$ millions)



- Five-year CAGR 14.6% thru 2011
- Twelve months ended Dec. 31, 2011
  - 13.3% revenue growth
  - \$186.7 million increase in revenue
  - 3.5% same-unit growth
- Nine months ended Sept. 30, 2012
  - 13.7% revenue growth
  - \$161.9 million increase in revenue
  - 3.2% same-unit growth



### Operating Income (\$ millions)



- Five-year CAGR 12.8% thru 2011
- Twelve months ended Dec. 31, 2011
  - 13.6% operating income growth
  - \$42.5 million increase in operating income
- Nine months ended Sept. 30, 2012
  - 8.6% operating income growth
  - \$22.6 million increase in operating income



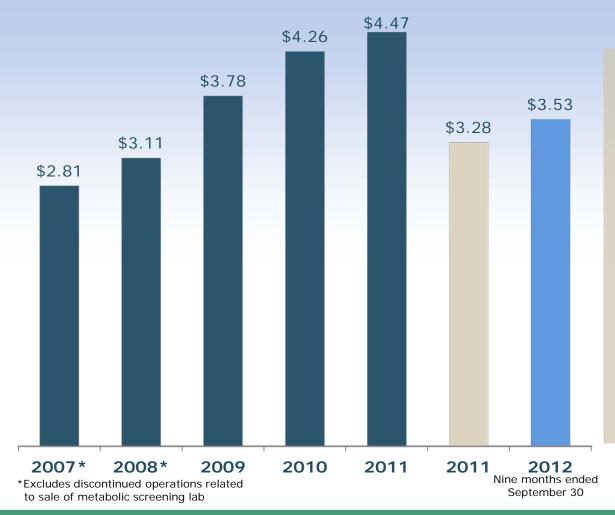
## Net Income (\$ millions)



- Five-year CAGR\* 11.9% thru 2011
- Twelve months ended Dec. 31, 2011
  - 7.5% net income growth
  - \$15.3 million increase in net income
- Nine months ended Sept. 30, 2012
  - 9.5% net income growth
  - \$15.2 million increase in net income



## **Earnings Per Share**



- Five-year CAGR\* 12.6% through 2011
- Twelve months ended Dec. 31, 2011
  - 4.9% earnings per share growth
  - \$0.21 increase in earnings per share
- Nine months ended Sept. 30, 2012
  - 7.6% earnings per share growth
  - \$0.25 increase in earnings per share



# **Annual Cash Flow From Operations**(\$ millions)



- Strong cash flow
  - \$30.4 million increase from 2010 – 2011
  - \$38.8 million increase for nine months ended Sept. 30
- Mostly free cash flow
  - Minimal capex
- Cash flow available for investing back into the growth of our business



# Annual GAAP Net Income/Cash Flow From Operations (\$ millions)



- Net income continues to generate increase in cash flow
- Strong cash flow from operations provides self funding growth mechanism

<sup>\*</sup>Net income excludes discontinued operations related to sale of metabolic screening lab



# **MEDNAX Investment Highlights**

#### Successful Model

- Unique and durable healthcare model that has been in place for over three decades
- Adaptive to the current healthcare environment and growing
- Physicians are integral part of improving care in their communities

# Clearly Defined Growth Opportunities

- Leading presence in core neonatology and related pediatric subspecialties
- Growing presence in large anesthesia market

#### Platform for Long-Term Growth

- Proven track record acquiring, integrating physician group practices
- Administrative infrastructure generates financial efficiencies
- Strong cash flow from operations provides self funding growth mechanism





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