MEDNAX, INC. NYSE-MED

### Recent Price

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
<th>P/E Ratio</th>
<th>Dividend Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>68.45</td>
<td>16.1</td>
<td>0.88</td>
</tr>
</tbody>
</table>

### Target Price Range

- **2019**: 3.8 - 3.3
- **2020**: 4.5 - 4.2
- **2021**: 5.2 - 5.1

### Relative P/E Ratio

- **2019**: 82.8
- **2020**: 80.0
- **2021**: 77.8

### Dividend Yield

- **2019**: 0.8
- **2020**: 0.7
- **2021**: 0.6

### Value Line

- **2019**: 12
- **2020**: 12
- **2021**: 12

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### Earnings Growth

- **Earnings Growth should approximate 10% in 2017 from our anticipated 2016 level.**

### BUSINESS: MEDNAX

- Provides physician management services to hospital-based neonatal intensive care units administering medical care to newborn infants and to hospital-based pediatric intensive care units providing care to critically ill children. It also has operations in the anesthesia arena. Its network of doctors includes 1,240 physicians specializing in the management of neonatal and pediatric care. The company has bought Dued Health, a leading developer of patient engagement software. Terms were not disclosed, but adding clinics has aided in revenue comparisons over the last few years. Its move helps to flesh out MEDNAX’s offerings. Over time and as healthcare continues to evolve, we believe this will prove to be money well spent.

Small-scale acquisitions have been paying off handsomely here, and we like the latest bolt-on. MedData is a branch of a MD that provides technology-enabled enterprise solutions designed to help physicians and hospitals better engage their patients. The company has bought Dued Health, a leading developer of patient engagement software. Terms were not disclosed, but adding clinics has aided in revenue comparisons over the last few years. Its move helps to flesh out MEDNAX’s offerings. Over time and as healthcare continues to evolve, we believe this will prove to be money well spent.

MEDNAX stock is accurately priced. 

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We continue to look for MEDNAX to earn $4.24 a share this year. First-quarter earnings benefited due to amortization and stock-option expenses. We do not anticipate these costs to be troublesome over the balance of the year, and for the aforementioned damage done to EPS to be recouped over the remaining quarters, the company’s financial strength is confirmed.

- **FULL YEAR**
  - **Average of 31/316**
  - **Sales**
  - **Income**
  - **Shr. Equity**
  - **Long-Term Debt**
  - **Current Liab.**

- **ANNUAL RATES**
  - **Past 10 yrs.**
  - **Past 5 yrs.**
  - **Past Est’d 15 yrs.**

- **Stock’s Price Stability**
  - **Price Growth Persistence**
  - **Price Circumstantiality**

- **Time Series**

- **DIVIDENDS TO EARNINGS**

- **LONG-TERM GROWTH**
  - **3 yr.**
  - **5 yr.**

- **Financial Strength**
  - **Company’s Financial Strength**
  - **Stock’s Price Stability**
  - **Price Growth Persistence**
  - **Earnings Predictability**

Erik M. Manning

June 10, 2016