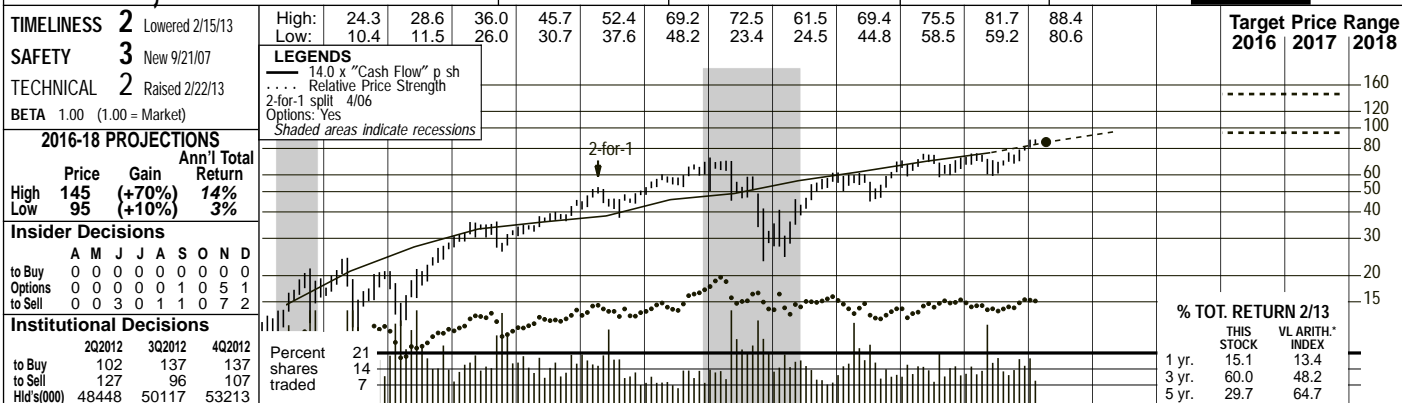


MEDNAX, INC NYSE-MD

RECENT PRICE **85.85** P/E RATIO **16.1** (Trailing: 17.7; Median: 15.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **Nil** VALUE LINE



2016-18 PROJECTIONS

Price	Gain	Ann'l Total Return
High 145	(+70%)	14%
Low 95	(+10%)	3%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	0	5	0
to Sell	0	0	3	0	1	1	1	0	7

Institutional Decisions

	2Q2012	3Q2012	4Q2012	Percent shares traded
to Buy	102	137	137	21
to Sell	127	96	107	14
Hld's(000)	48448	50117	53213	7

<p>MEDNAX, Inc. (formerly Pediatrix Medical Group) was founded in 1979 by Drs. Roger Medel and Gregory Melnick to provide neonatal physician services to hospital-based neonatal intensive care units. The stock was brought public in September, 1995 by Dean Witter Reynolds and Montgomery Securities in an offering of 4.4 million shares priced at \$10.00 a share. A subsequent offering took place in July, 1996 of 1.7 million shares at \$17.75 a share.</p>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
	11.60	13.75	14.62	16.75	18.95	23.38	27.40	29.21	32.46	36.27	42.70	47.70	Sales per sh	58.50
	1.95	2.37	2.56	2.74	3.27	3.50	4.02	4.45	4.97	5.45	6.20	6.90	"Cash Flow" per sh	9.20
	1.72	1.98	2.33	2.52	2.96	3.11	3.70	4.03	4.47	4.85	5.50	6.10	Earnings per sh A	8.00
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	.32	.16	.17	.26	.18	.34	.32	.25	.64	.29	.35	.40	Cap'l Spending per sh	.60
	12.05	12.68	14.58	17.72	19.81	21.13	25.31	30.17	35.38	40.64	47.00	53.00	Book Value per sh B	76.00
	47.52	45.05	47.46	48.86	48.42	45.68	47.02	47.98	48.93	50.08	50.00	50.00	Common Shs Outst'g C	50.00
	11.8	16.0	15.9	18.5	19.9	17.1	12.0	14.0	15.1	14.6	Avg Ann'l P/E Ratio	15.0		
	.67	.85	.85	1.00	1.06	1.03	.80	.89	.95	.92	Relative P/E Ratio	1.00		

<p>CAPITAL STRUCTURE as of 12/31/12 Total Debt \$144.3 mill. Due in 5 Yrs Nil LT Debt \$144.2 mill. LT Interest \$8.0 mill. (7% of Cap'l)</p> <p>Leases, Uncapitalized: Annual rentals \$21.0 mill. No Defined Benefit Pension Plan</p> <p>Pfd Stock None</p> <p>Common Stock 50,078,638 shs.</p> <p>MARKET CAP: \$4.3 billion (Mid Cap)</p>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Sales (\$mill)	2925
	551.2	619.6	693.7	818.6	917.6	1068.3	1288.3	1401.6	1588.2	1816.6	2135	2385	Operating Margin	25.9%
	26.4%	26.7%	27.2%	25.4%	26.5%	23.9%	23.3%	22.7%	24.0%	24.3%	24.6%	24.9%	Depreciation (\$mill)	60.0
	8.4	9.4	9.9	9.5	10.6	13.2	16.7	22.0	25.3	30.8	35.0	40.0	Net Profit (\$mill)	400
	84.3	97.6	111.5	124.5	147.8	146.7	172.1	191.7	218.0	249.9	275	305	Income Tax Rate	38.5%
	38.0%	37.1%	37.3%	38.2%	38.1%	39.2%	38.9%	34.9%	38.3%	38.5%	38.5%	38.5%	Net Profit Margin	13.7%
	15.3%	15.7%	16.1%	15.2%	16.1%	13.7%	13.4%	13.7%	13.7%	13.3%	12.9%	12.8%	Working Cap'l (\$mill)	200
	24.5	21.1	d2.2	80.3	99.2	d32.2	d54.0	d24.9	83.0	90.7	110	130	Long-Term Debt (\$mill)	45.0
	1.2	54.7	.6	.4	.5	139.9	50.2	146.6	29.3	144.2	125	100	Shr. Equity (\$mill)	3800
	572.4	571.0	691.8	865.8	959.1	1190.1	1447.5	1731.0	2035.4	2350	2650	2650	Return on Total Cap'l	11.0%

<p>ANNUAL RATES of change (per sh)</p> <p>Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 to '16-'18</p> <p>Sales 15.0% 14.5% 10.0%</p> <p>"Cash Flow" 16.0% 12.0% 11.0%</p> <p>Earnings 21.0% 12.5% 10.0%</p> <p>Dividends -- -- Nil</p> <p>Book Value 14.0% 15.0% 14.0%</p>	2010	2011	2012	2013	2014	Return on Shr. Equity	11.0%							
	14.7%	17.1%	16.1%	14.4%	15.4%	15.2%	14.5%	13.2%	12.6%	11.8%	11.5%	11.5%	Retained to Com Eq	11.0%
	14.7%	17.1%	16.1%	14.4%	15.4%	15.2%	14.5%	13.2%	12.6%	11.8%	11.5%	11.5%	All Div'ds to Net Prof	Nil
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	Cash Assets	43.6	22.7	27.9										
	Receivables	181.3	230.4	248.1										
	Other	71.0	84.2	83.0										
	Current Assets	295.9	337.3	359.0										
	Accts Payable	307.7	234.5	255.7										
	Debt Due	.1	.1	.1										

BUSINESS: MEDNAX, Inc. (formerly Pediatrix Medical Group, Inc.) 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 over 2,100 physicians, 1,000 of which are based in the neonatal field. Another 200 are maternal-fetal specialists. Operates in 34 states and Puerto Rico. FMR, LLC. owns 8.5% of common. Offs. & dirs. own 3.6% (4/12 proxy). Chairman: John K. Carlyle. Pres. and CEO: Roger J. Medel, M.D. Inc.: FL. Addr.: 1301 Concord Terrace, Sunrise, FL 33323. Tel.: 954-384-0175. Internet: www.mednax.com.

<p>QUARTERLY SALES (\$mill.)</p>	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
	2010	332.9	349.1	351.1	368.5	1401.6
	2011	382.2	393.4	407.7	404.9	1588.2
	2012	422.6	449.5	473.1	471.4	1816.6
	2013	505	535	550	545	2135
	2014	570	600	610	605	2385

<p>EARNINGS PER SHARE A</p>	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
	2010	.82	1.04	1.06	1.11	4.03
	2011	.94	1.15	1.19	1.19	4.47
	2012	.98	1.22	1.32	1.33	4.85
	2013	1.10	1.40	1.50	1.50	5.50
	2014	1.25	1.55	1.65	1.65	6.10

<p>QUARTERLY DIVIDENDS PAID</p>	Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
	2009					
	2010					
	2011					
	2012					
2013						

NO CASH DIVIDENDS BEING PAID

MEDNAX shares continue to trade near all-time high levels. Fourth-quarter earnings edged out both our and Wall Street's expectations to close out 2012. The company's pediatric division has shown a strong resiliency against anything the economy can throw at it, and the anesthesia unit, which has been built up over the past few years, continues to flourish. Last year's figures set records on both the revenues and earnings lines and our estimates for both 2013 and 2014 call for more of the same.

Much of the investment community is thinking long term with regard to the healthcare space, and MEDNAX is getting a large amount of positive press. The reform that is coming should lead to a much larger number of Americans having health insurance. This should in turn open up MD to a significantly wider client base. The neonatal field is expected to play a large role in this, as the comfortability that insurance affords should lead many to start families. With that, pundits are calling for stocks like MD to lead the charge once the Affordable Care Act is in full swing.

The acquisition pipeline is stuffed, which provides the company with another growth avenue to explore. For 2012, management planned to spend \$300 million on M&A activity, but saw so much potential that it went as high as \$450 million. Presently, the budgeted amount is set at \$400 million for 2013. No deals were made in January, as integration of previous assets was the focus. Initial dealings were commenced in late February, and we look for the pace to hasten as the year goes on. We look for a three-to-one ratio with regard to the spending, with the anesthesia group receiving more attention due to its loftier growth rates.

Partnerships with hospitals can only serve to pad results. Now that the pediatrics segment is in a mature stage, interest is arising from hospitals that want to expand on MD's offerings. These moves can be a win-win for both parties and lead to greater relationships down the road. More color on this should be provided as 2013 wears on.

These shares are currently best suited for momentum accounts.

Erik M. Manning March 15, 2013

(A) Diluted earnings. Excludes nonrecurring losses (gain): '02, \$0.02; '04, \$0.01; '05, \$0.37; '07, \$0.10; '08, (\$0.49); '09, (\$0.08); '10, (\$0.23). Next egs. report due late April.
 (B) Includes intangibles 2012: \$2165.7 million, \$43.24/share.
 (C) In millions, adjusted for a stock split.