Forward-Looking Statements

Statements contained in this presentation, including the question and answer portion of the presentation, other than statements of historical fact, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential,” or the negative of those terms, and similar expressions and comparable terminology intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements regarding the future financial position of Surgery Partners, Inc. and its subsidiaries (the “Company”), including financial and growth targets, business strategy, plans and objectives for future operations and future operating results and cash flows. These statements are subject to risks and uncertainties, including, without limitation: the impact of natural disasters, reductions in payments from, or inability to contract with, government healthcare programs managed care organizations and private third-party payors, changes in the regulatory, economic and other conditions of the states where our surgical facilities are located, the timing of the Company’s strategic portfolio activity, including acquisitions and dispositions and the conclusion of the Company’s review of strategic alternatives for its Optical business, our ability to consummate acquisitions in the pipeline on commercially reasonable terms, or at all, and to realize the anticipated benefits, as well as other factors set forth under “Risk Factors” in the Company’s Annual Report on Form 10-K for fiscal year 2017 (“10-K”) filed with the Securities and Exchange Commission (the “SEC”) and other information we file with the SEC, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ending September 30, 2018. You should read the Company’s annual and quarterly reports, when available, and any and all other filings with the SEC, available at www.sec.gov, for a discussion of these and other risks and uncertainties. The forward-looking statements contained in this presentation speak only as of the date of the presentation, and the Company undertakes no obligation to update or revise any forward-looking statements for any reason, except as required by law. The business of the Company is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties and should not place considerable reliance on the forward-looking statements contained in this presentation.

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This presentation also contains market research, estimates and forecasts, which is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Certain data in this presentation was obtained from various external sources, and neither the Company nor its affiliates, advisers or representatives has verified such data with independent sources. Accordingly, neither the Company nor any of its affiliates, advisers or representatives makes any representations as to the accuracy or completeness of that data or to update such data after the date of this presentation. Such data involves risks and uncertainties and is subject to change based on various factors. The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of such owners.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, including EBITDA and Adjusted EBITDA. A “non-GAAP financial measure” is defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company. We present non-GAAP financial measures when we believe that the additional information is useful and meaningful to investors. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. For additional information about our non-GAAP financial measures, and a reconciliation of certain non-GAAP financial measures to the comparable GAAP measures, see slide 14 of this presentation, the Company’s 10-K, Quarterly Reports on Form 10-Q and other information the Company files with the SEC.

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You should not rely on the information contained in this Presentation and this Presentation does not purport to be all-inclusive or to contain all of the information that a prospective participant may consider material or desirable in making its decision to become a lender. In all cases, prospective participants should conduct their own investigation and analysis of the Company, their assets, financial condition and prospects, and of the data set forth in this Presentation. The guidance for the fiscal year ended December 31, 2018 contained in this presentation are based on results of the Company through November 2018 and is subject to quarter and year-end adjustments in connection with the completion of our customary financial closing procedures, including management’s review and finalization of the results for the full year 2018 and to accounting review procedures by our independent registered public accounting firm, which have not yet been performed.
Leading Independent Surgical Facility Operator

- **32 States**
- **109 ASCs**
- **18 Surgical Hospitals**
- **4,000 Affiliated Physicians**
- **600,000+ Annual Patients**

$230-$235 million
ADJUSTED EBITDA GUIDANCE FOR FY’18
Diversified Mix, Focused on High Value-Add Specialties, Supported by an Aging Population

**Surgery Partners Case Mix**

- **Musculoskeletal** (1) 35%
- **GI** 22%
- **Other** (2) 15%
- **Ophthalmology** 28%

- Strength with high acuity patients
- Leading musculoskeletal platform
- Expansive network of surgical capabilities
- Leading trend to lower cost setting

(1) Includes pain management.
(2) Includes cardiology, ENT, general surgery, plastic surgery, and other.
Leading Musculoskeletal Platform is Key to Future Growth

- **2x**: Increase in hip revision procedures projected by 2026
- **$7 billion**: Annual Medicare spend on total joint procedures\(^{(1)}\)
- **100 million**: Adults in the U.S. with chronic pain\(^{(2)}\)

- Leading national musculoskeletal surgical facilities operator
- Reduced Costs for payors and patients over acute care settings
- Expanded network of total joint, orthopedic and spine capabilities
- Front-end of industry trend toward moving high acuity cases to lower cost settings

\(^{(1)}\) 2014 CMS data: [https://innovation.cms.gov/initiatives/cjr](https://innovation.cms.gov/initiatives/cjr).
\(^{(2)}\) Institute of Medicine Report from the Committee on Advancing Pain Research, Care, and Education: Relieving Pain in America. A Blueprint for Transforming Prevention, Care, Education and Research. The National Academies Press, 2011.
Well Positioned to Capture Incremental Share in a Fragmented Market

Number of ASCs in the U.S.

- 2006: 4,608
  - Independents: 64%
  - Other Hospitals: 16%
  - National Operators: 20%

- 2016: 5,591
  - Independents: 58%
  - Other Hospitals: 14%
  - National Operators: 28%

'06-'16A CAGR
- Total: +2%
- Independents: +1%
- Other Hospitals: +1%
- National Operators: +5%

Source: Definitive Healthcare
Strong, Vertically Integrated Management Team…

Carollee Brinkman  
National Group President  
22 Years Healthcare Experience  
13 Years with Surgery Partners

Wayne DeVeydt  
Chief Executive Officer  
25 Years Healthcare Experience  
0 Years with Surgery Partners

Jennifer Baldock  
EVP & Chief Legal Officer  
22 Years Healthcare Experience  
0 Years with Surgery Partners

Angela Justice, PhD  
EVP & Chief Human Resources Officer  
16 Years Healthcare Experience  
1 Year with Surgery Partners

George Goodwin  
American Group President  
31 Years Healthcare Experience  
20 Years with Surgery Partners

David Kretschmer  
EVP & Chief Strategy and Transformation Officer  
25 Years Healthcare Experience  
0 Years with Surgery Partners

Tony Taparo  
Eastern Group President  
30 Years Healthcare Experience  
22 Years with Surgery Partners

Donna Giles  
SVP & Chief Clinical Officer  
30 Years Healthcare Experience  
0 Years with Surgery Partners

Tom Cowhey  
EVP & Chief Financial Officer  
17 Years Healthcare Experience  
1 Year with Surgery Partners

Ben Jacobs  
SVP & Chief Development Officer  
13 Years Healthcare Experience  
4 Years with Surgery Partners

Brandan Lingle  
Ancillary Group President  
10 Years Healthcare Experience  
6 Years with Surgery Partners

Veteran management team, averaging over 20+ years of experience
... That has Built a Solid Foundation to Capture Growth

**Where We Were**

- Solid, but un-pruned assets
- Great platform, but fragmented
- Lack of strategic clarity

**Where We Are**

- Streamlined, surgical facility assets
- Holistic infrastructure
- Focused management and vision

**FROM:** A collection of great assets, but under-managed...

**TO:** ... A scalable Platform with clear strategic direction and purpose
Three Primary Initiatives to Drive Profitability and Scale

**Pruning the Asset Base**
- Data-driven strategic assessment of opportunities and challenges across portfolio
- Divested or shut-down underperforming sites
- Instilled a purpose-driven culture based on transparency, execution, and accountability

**Consolidating the Platform**
- Initiated enterprise-wide system consolidation
- Consolidated enterprise functions in shared services and commenced realignment of key functions
- Data-driven assessment of value creation related to market development, payor strategy, cost management and revenue cycle management

**Investing in the Business**
- Strengthened senior management
- Innovative development of long-term partnerships with providers, health systems and payors
- Rebuilt de novo, in-market and M&A pipelines
Financial Update
Q3 2018 Performance Review

Q3 2018 Total Net Revenues of $443.9 million increased 44.9% from $306.3 million for the third quarter of 2017.

- Surgical cases increased 13.9% from Q3 2017 to 127,199 cases.
- Same-facility revenues increased 11.4% from the same period last year.
  - Same-facility cases increased 0.9%.
  - Same-facility net revenue per case increased 10.5%.
- Q3 2018 Adjusted EBITDA$(1)$ of $59.0 million compared to third quarter of 2017 Adjusted EBITDA of $23.2 million.

YTD 3Q18 Financial Performance & Trends

- Total revenues through Q3 2018 increased 48.3% to $1,306.1 million from $880.9 million for the same period last year.
- Same-facility revenues increased 4.6% year to date.
  - Same-facility cases decreased 1.5%.
  - Same-facility net revenue per case increased 6.2%.

2018 Guidance

- Revenue of $1.75 - $1.8 billion.
- Adjusted EBITDA of $230 - $235 million.
- Capital deployed of at least $100 million for acquisitions.

$(1)$ For a reconciliation to Adjusted EBITDA, refer to slide 14 of this presentation.
## Attractive Financial Profile

### Net Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue ($Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1,145.4</td>
</tr>
<tr>
<td>2017</td>
<td>$1,341.2</td>
</tr>
<tr>
<td>9/30/18 LTM</td>
<td>$1,766.4</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA⁽¹⁾

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA ($Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$179.3</td>
</tr>
<tr>
<td>2017</td>
<td>$164.3</td>
</tr>
<tr>
<td>9/30/18 LTM</td>
<td>$225.4</td>
</tr>
</tbody>
</table>

### Case Volume

<table>
<thead>
<tr>
<th>Year</th>
<th>Case Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>428,742</td>
</tr>
<tr>
<td>2017</td>
<td>468,443</td>
</tr>
<tr>
<td>9/30/18 LTM</td>
<td>519,821</td>
</tr>
</tbody>
</table>

### Net Revenue per Case

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue per Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$2,672</td>
</tr>
<tr>
<td>2017</td>
<td>$2,863</td>
</tr>
<tr>
<td>9/30/18 LTM</td>
<td>$3,398</td>
</tr>
</tbody>
</table>

⁽¹⁾ For a reconciliation Adjusted EBITDA, refer to slide 14 of this presentation.
Three Pillars of Profit Growth

**Organic**
2% to 3% Volume
2% to 3% Rate
Revenue Cycle Management

4-6% CAGR

**Fit For Growth**
Corporate and organizational synergies to drive margin improvement

3-5% CAGR

**M&A**
Seeking to execute in high-growth specialties at attractive values

3-5% CAGR

+10-16% CAGR

Long Term Growth Target
## Reconciliation to Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>3Q 2017</th>
<th>3Q 2018</th>
<th>LTM 9/30/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income (Loss) Before Income Taxes</strong></td>
<td>$92.20</td>
<td>$82.30</td>
<td>$(19.20)</td>
<td>$7.80</td>
<td>$95.20</td>
</tr>
<tr>
<td>Minus: Net Income Attributable to Non-Controlling Interests</td>
<td>75.60</td>
<td>81.70</td>
<td>15.30</td>
<td>23.00</td>
<td>102.50</td>
</tr>
<tr>
<td>Plus: Depreciation and amortization</td>
<td>39.50</td>
<td>51.90</td>
<td>10.90</td>
<td>17.00</td>
<td>67.70</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>100.60</td>
<td>117.70</td>
<td>34.00</td>
<td>37.20</td>
<td>140.30</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>156.70</td>
<td>170.20</td>
<td>10.40</td>
<td>39.00</td>
<td>200.70</td>
</tr>
<tr>
<td>Plus: Transaction, Integration &amp; Practice Acquisition Costs</td>
<td>11.60</td>
<td>17.00</td>
<td>6.40</td>
<td>7.50</td>
<td>31.30</td>
</tr>
<tr>
<td>Non-cash Stock Compensation Expense</td>
<td>2.00</td>
<td>5.60</td>
<td>3.30</td>
<td>1.50</td>
<td>6.50</td>
</tr>
<tr>
<td>Loss on Debt Extinguishment</td>
<td>11.90</td>
<td>18.20</td>
<td>18.20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contingent Acquisition Compensation Expense</td>
<td>5.10</td>
<td>7.00</td>
<td>1.80</td>
<td>0.50</td>
<td>2.80</td>
</tr>
<tr>
<td>Gain on Litigation Settlement</td>
<td>(14.10)</td>
<td>(12.50)</td>
<td>-</td>
<td>-</td>
<td>(8.70)</td>
</tr>
<tr>
<td>Loss on Disposals and Deconsolidations, net</td>
<td>2.40</td>
<td>1.70</td>
<td>0.50</td>
<td>12.60</td>
<td>15.60</td>
</tr>
<tr>
<td>Tax Receivable Agreement (TRA) Expense (Benefit)</td>
<td>3.70</td>
<td>(25.30)</td>
<td>-</td>
<td>-</td>
<td>(25.30)</td>
</tr>
<tr>
<td>Gain on Amendment to Tax Receivable Agreement</td>
<td>-</td>
<td>(16.40)</td>
<td>(16.40)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on Acquisition Escrow Release</td>
<td>-</td>
<td>(1.20)</td>
<td>(1.00)</td>
<td>-</td>
<td>(0.20)</td>
</tr>
<tr>
<td>Reserve Adjustments (1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2.10)</td>
<td>2.70</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$179.30</td>
<td>$164.30</td>
<td>$23.20</td>
<td>$59.00</td>
<td>$225.40</td>
</tr>
</tbody>
</table>

(1) This amount represents adjustments to revenue in connection with applying consistent policies across the combined company as a result of the integration of Surgery Partners and NSH.

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