

SURGERY PARTNERS

39th Annual J.P. Morgan Healthcare Conference





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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 anticipated timing and strength of the opportunities available to Surgery Partners, Inc. and its subsidiaries (the “Company”), as well as the future financial position of the Company, including financial 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 duration and severity of the COVID-19 outbreak in the United States and the regions in which we operate; the impact to the state and local economies of prolonged restrictions as a result of the pandemic generally; our ability to respond nimbly to challenging economic conditions; the unpredictability of our case volume both in the current environment and if and when restrictions are eased; our ability to preserve or raise sufficient funds to continue operations throughout this period of uncertainty; the impact of our cost-cutting measures on our future performance; our ability to cause distributions from our subsidiaries; the responsiveness of our payors, including Medicaid and Medicare, to the challenging operating conditions, including their willingness and ability to continue paying in a timely manner and to advance payments in a timely manner, if at all; the impact of COVID-19 related stimulus programs, including the CARES Act, and uncertainty in how these programs may be administered, monitored and modified in the future; our ability to execute on our operational and strategic initiatives; the timing and impact of our portfolio optimization efforts; our ability to continue to improve same-facility volume and revenue growth on the timeline anticipated, if at all; our ability to successfully integrate acquisitions; the anticipated impact and timing of our ongoing efficiency efforts, as well as our ongoing procurement and revenue cycle efforts; the impact of adverse weather conditions and other events outside of our control; and the risks and uncertainties set forth under the heading “Risk Factors” in our 2019 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020 and September 30, 2020, and discussed from time to time in our reports filed with the Securities and Exchange Commission (the “SEC”). You should read the Company’s annual report 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 contains certain non-GAAP financial measures. 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. Reconciliations of these non-GAAP measures are included in our filings with the SEC and slides 49 and 50.



Agenda

- 1 Who We Are**
- 2 What Makes Us Unique**
- 3 How We Drive Shareholder Value**



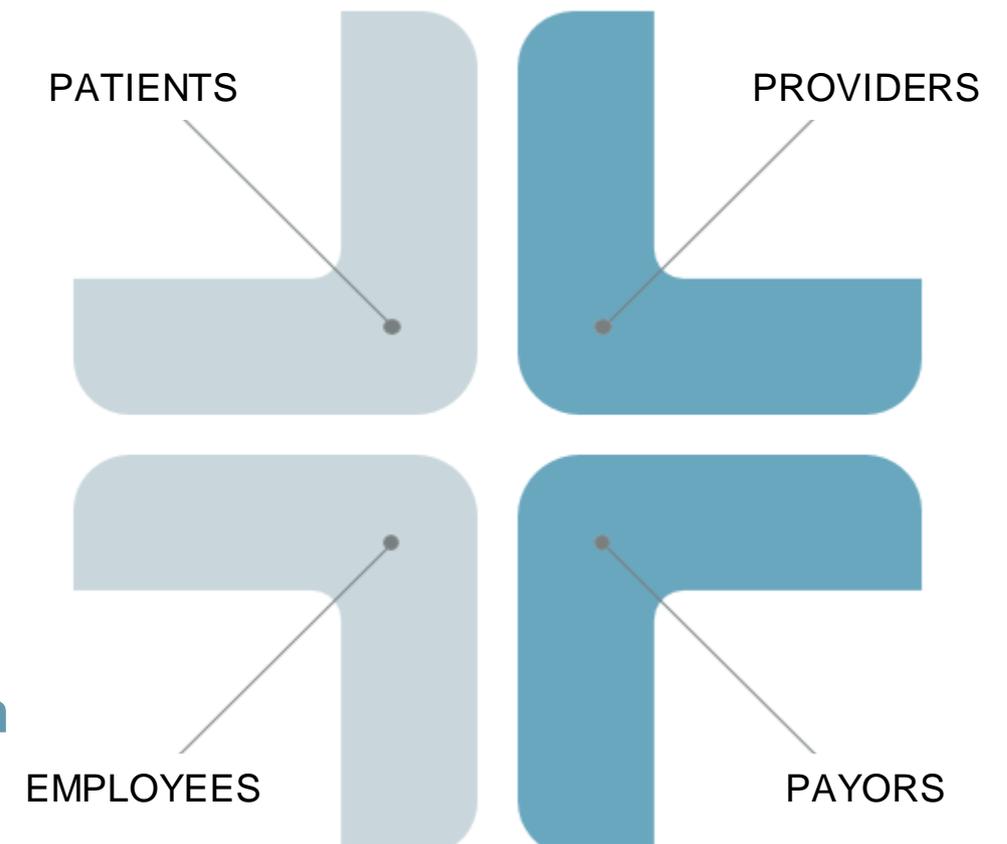
Who We Are

Section 1



Our Core Values are Foundational to Who We Are

- ✓ Act with **integrity and transparency**
- ✓ Be **accountable**
- ✓ Drive **clinical and service excellence**
- ✓ Promote a culture of **diversity and inclusion**
- ✓ Demonstrate **compassion and kindness**
- ✓ Set and **exceed expectations**

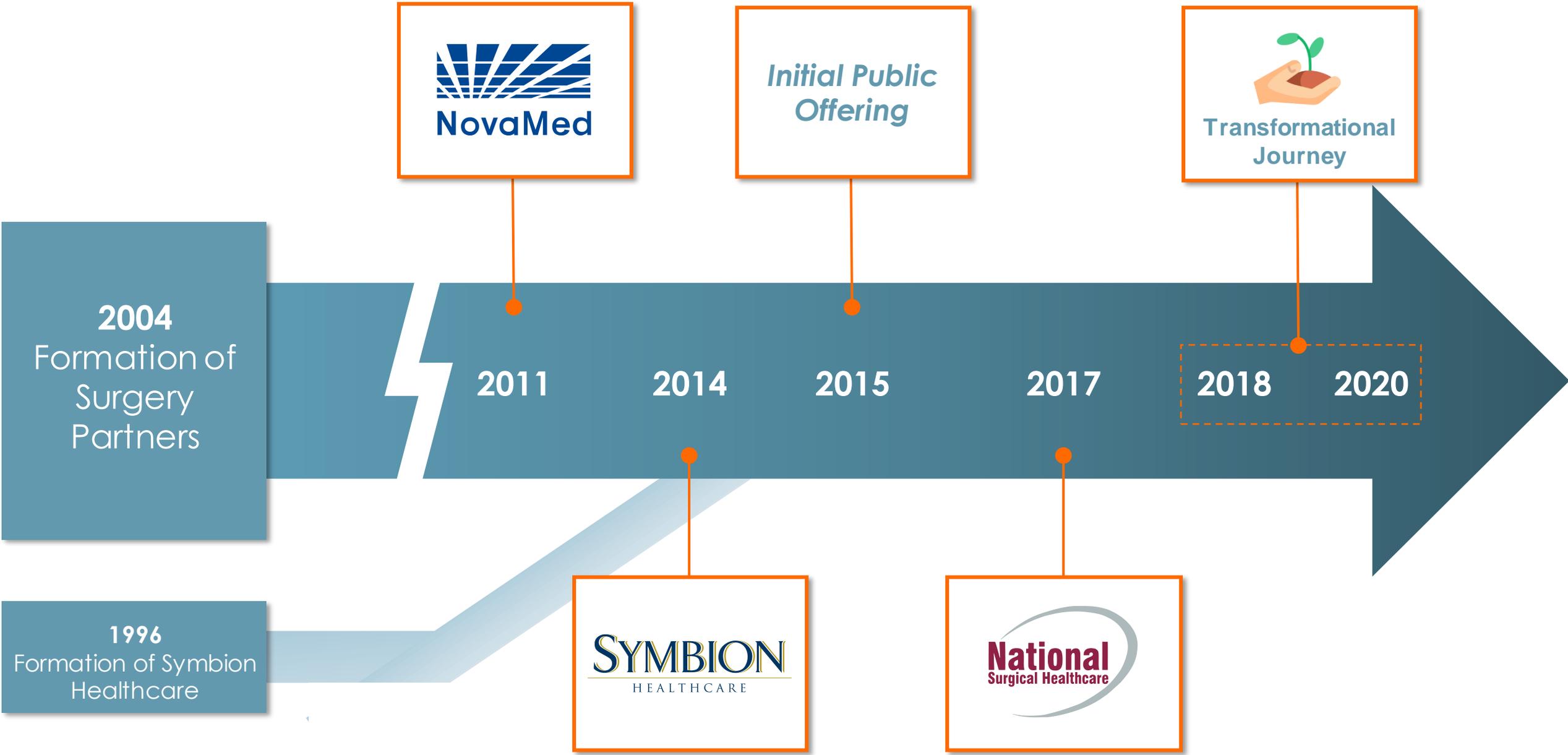


Each quadrant represents a Surgery Partners stakeholder

Enhancing patient quality of life through partnership



We are a Business Built Over the Course of 20+ Years...





... Resulting in the Leading Independent Surgical Facility Operator



30 States



116 Ambulatory Surgery Centers



17 Short-Stay Surgical Hospitals



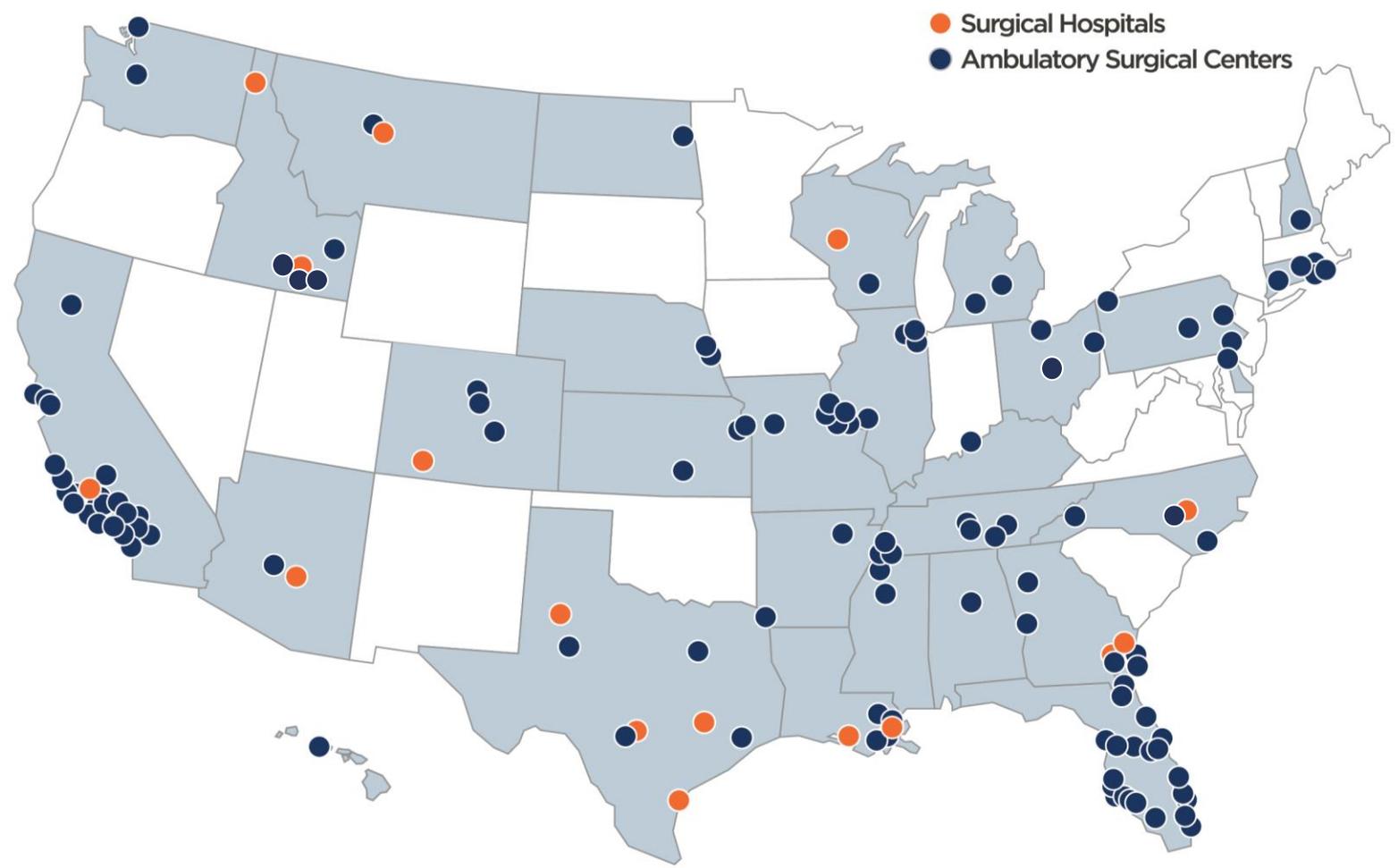
4,000 Affiliated Physicians



600,000+ Annual Patients

~\$1.9 Billion Adjusted Revenues⁽¹⁾

10%+ Adjusted EBITDA Growth Target⁽²⁾



(1) 2019 FY adjusted revenues of \$1,857M, see page 50 for reconciliation to GAAP Revenues
 (2) See page 49 for reconciliation to Adjusted EBITDA
 Note: Q3 2020 SEC reported ASC count of 110 based on Tax Identification Number



We Have a Diversified Mix, Focused on High Value-Add Specialties, Supported by an Aging Population

Surgery Partners' Case Mix



Over 50% of Net Revenue From Musculoskeletal Procedures



And a Strong, Vertically Integrated Management Team



Wayne DeVeydt

Executive Chairman of the Board

27 Years Healthcare Experience
3 Years with Surgery Partners



Eric Evans

Chief Executive Officer

15 Years Healthcare Experience
2 Years with Surgery Partners



Tom Cowhey

EVP & Chief Financial Officer

18 Years Healthcare Experience
3 Years with Surgery Partners



Jennifer Baldock

EVP & Chief Administrative Officer

24 Years Healthcare Experience
11 Years with Surgery Partners



Patricia Hannon

Chief Clinical Officer - National

35 Years Healthcare Experience
1 Year with Surgery Partners



Laura Brocklehurst

SVP & Chief Human Resources Officer

21 Years Experience
2 Years with Surgery Partners



George Goodwin

American Group President

33 Years Healthcare Experience
22 Years with Surgery Partners



Brad Owens

National Group President

26 Years Healthcare Experience
2 Years with Surgery Partners



Tony Taparo

Chief Growth Officer

32 Years Healthcare Experience
24 Years with Surgery Partners

Veteran management team, averaging over 25 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

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

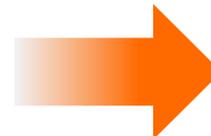
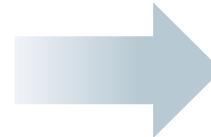
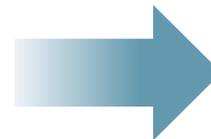
Where We Are

Streamlined, surgical facility assets

Holistic infrastructure

Focused management and vision

TO: ... A scalable platform with clear strategic direction and purpose





... Of the Over \$150B Total Addressable Market (TAM)



Same-store volume growth



Physician recruitment in targeted specialties



Idaho Falls Community Hospital



Expansion programs



Case shift in core specialties like Orthopedics, Spine & Cardiology



Investment in innovative technologies for service line expansion



Surgical cases moving to outpatient setting - \$60B+ opportunity



Consolidation of a fragmented market through capital deployment

Several near and long-term catalysts to capture this opportunity



What Makes Us Unique

Section 2



What Makes Us Unique



Uniquely positioned due to our focus on **high growth specialties**



Supported by our **superior clinical quality and customer experience**



Only **independent** surgical facility operator of national size and scale



Focused on consolidating an under-valued and fragmented industry with our **distinctive scalable** platform **driving a more efficient and effective operation**



Trusted partner of choice



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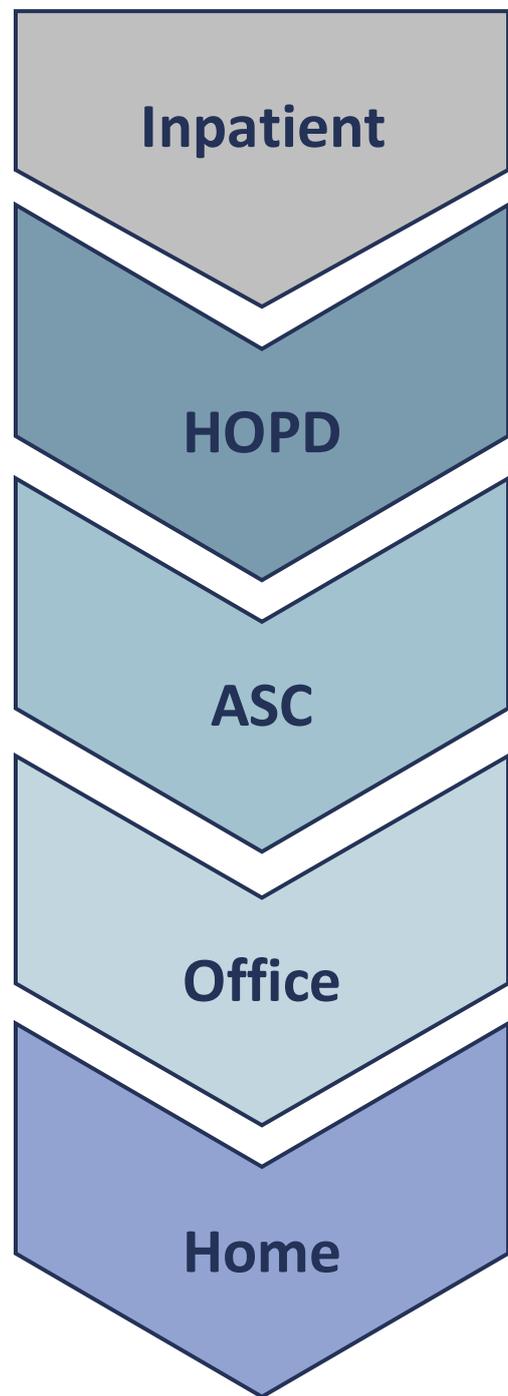
Focused on consolidating an under-valued and fragmented industry with our **distinctive scalable** platform **driving a more efficient and effective operation**



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Well Positioned to Capture \$90B+ Existing Outpatient Surgical Market and ~\$60B of Cases Migrating to Outpatient

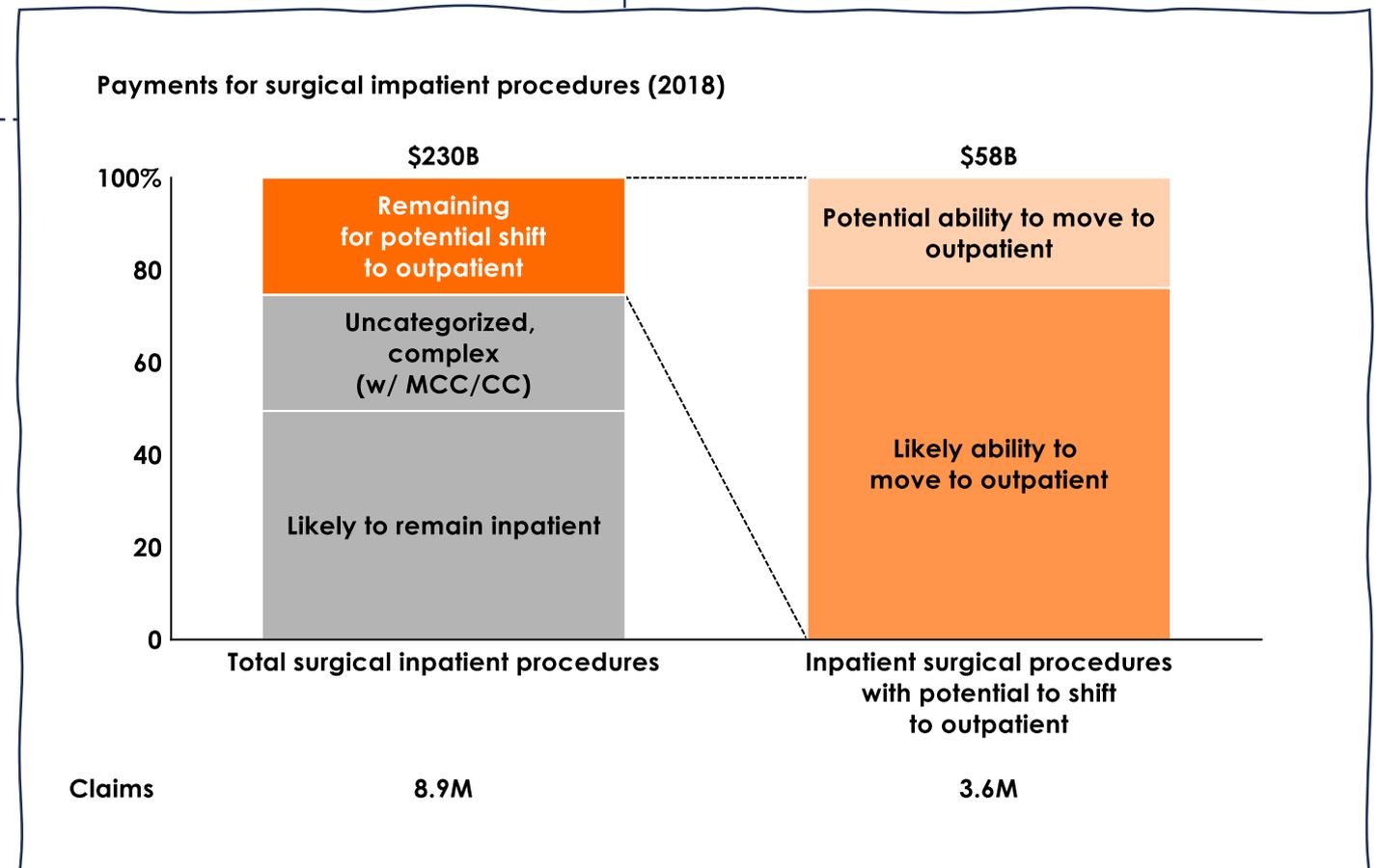


| Annual Revenue (US) | Annual Volume Growth |
|----------------------------------|----------------------|
| \$500B+ \$230B surgery | -2% |
| \$470B+ \$55B+ surgery | 2% |
| \$35B+ surgery | 6% |

~\$60B Incremental Shift of Inpatient Surgical Cases to the Outpatient Setting

\$550B+

\$100B+



Source: Bain & Co, McKinsey, Advisory Board, Sg2, AMA, Avanza, OECD, CMS, Management estimates

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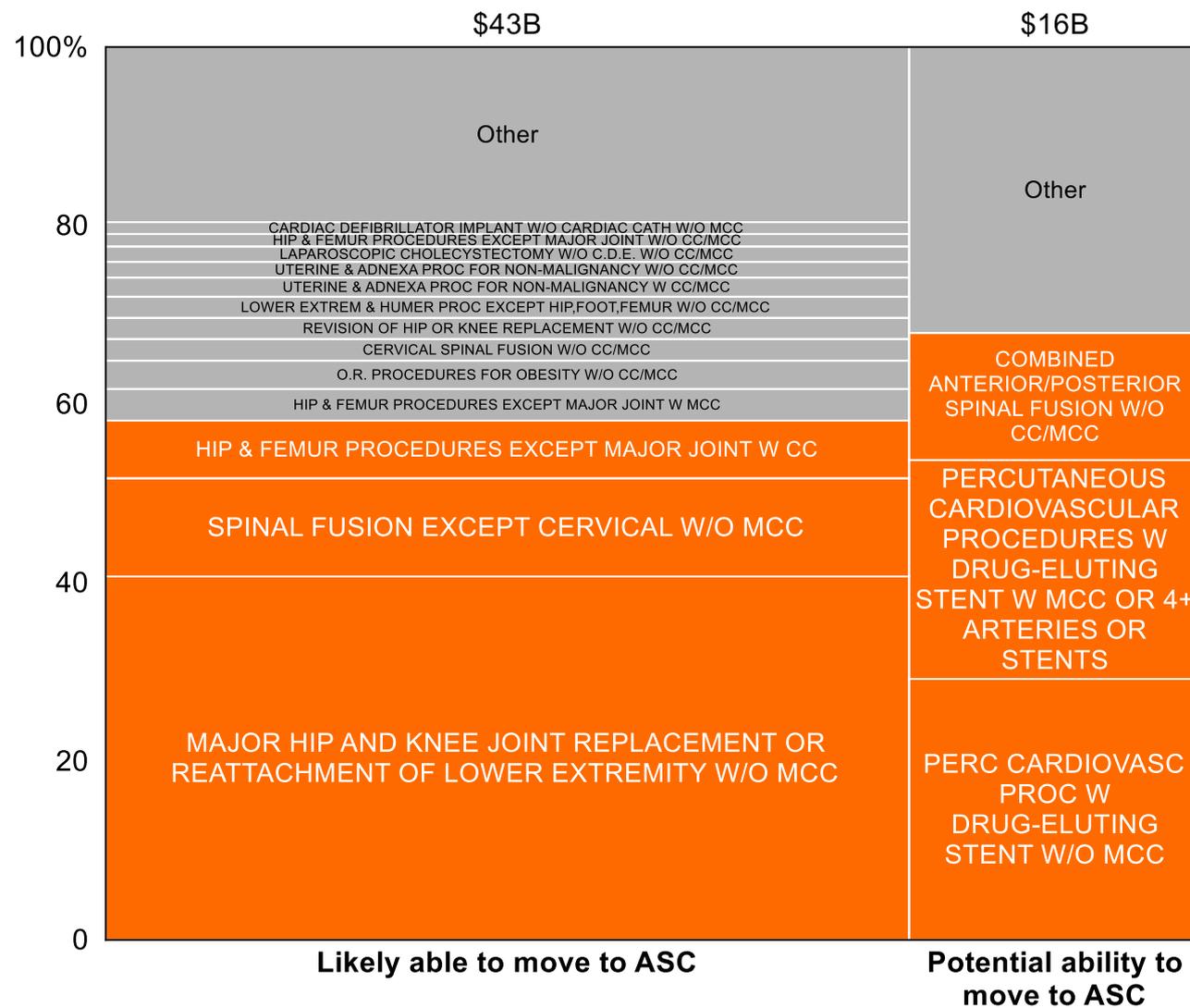


Musculoskeletal and Cardio Procedures Make Up 60%+ of Inpatient to Outpatient Opportunity

Inpatient Surgical Procedures with Potential to Shift to Outpatient Setting

Payments for surgical inpatient procedures (2018)

Total = \$58B

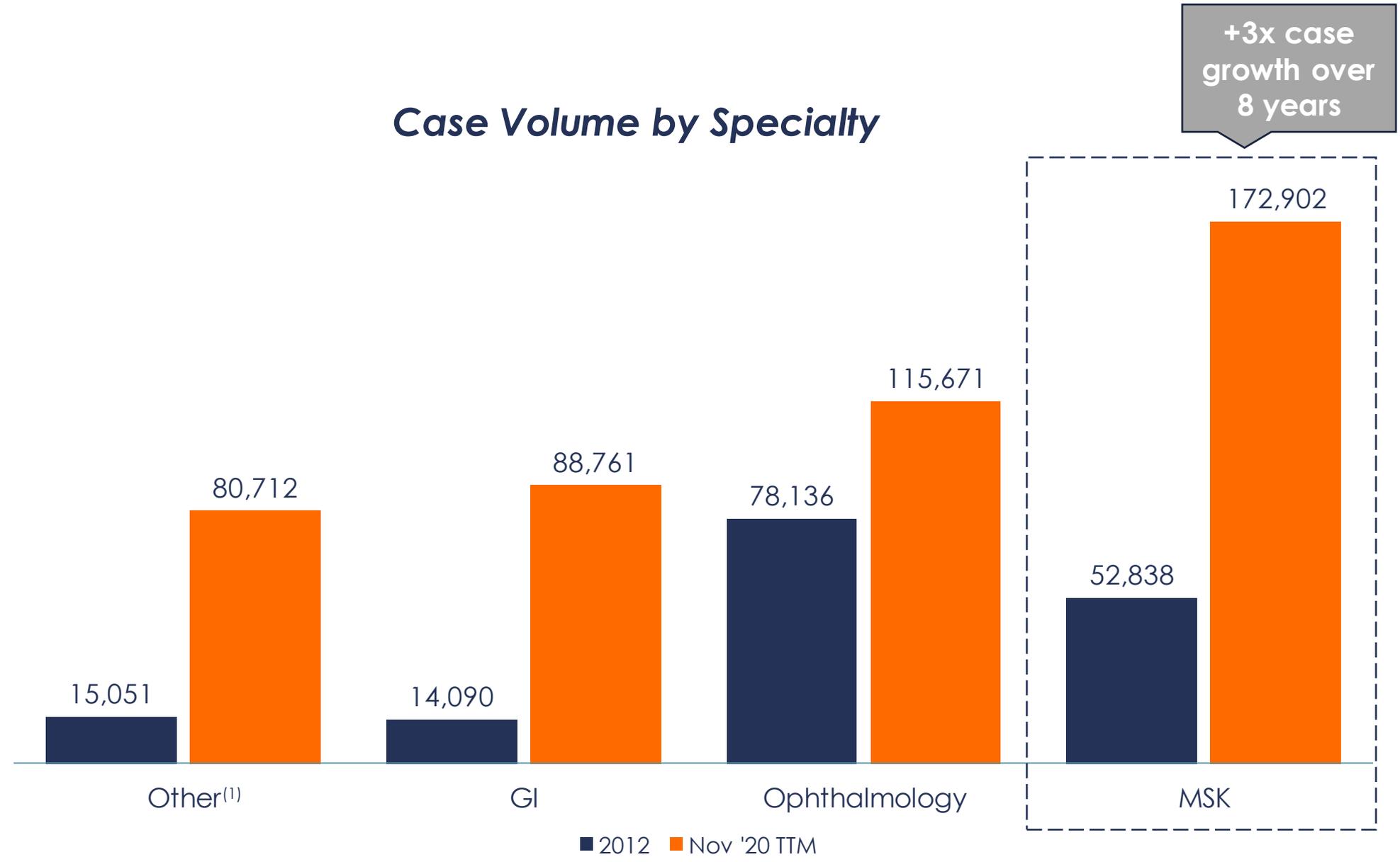


Surgery Partners' Clinical and Operations platform well-positioned to accommodate shift



We Have an Increasing Opportunity With the Highest Acuity Specialties...

Case Volume by Specialty



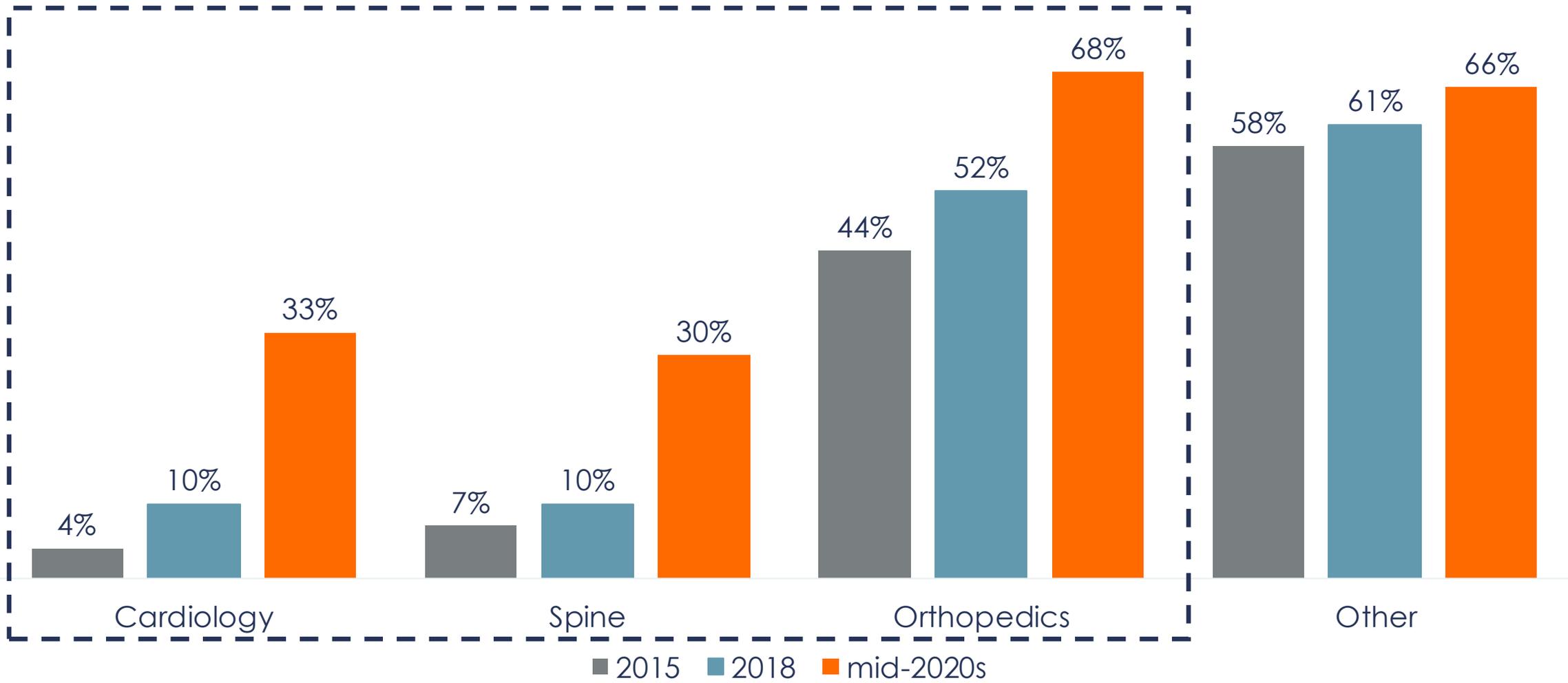
- ✓ Net Revenue CAGR of **+30%** from 2012 to 2019
- ✓ Case mix aligned with **higher acuity**



... Which Are Projected to Grow at a Disproportionately Higher Rate

Migration of Orthopedic, Spine and Cardio procedures will fuel rapid ASC growth

Percentage of procedures performed in ASCs





Leading Musculoskeletal & Cardio Platform

Musculoskeletal



\$3 billion

Annual savings by shifting 50% of joint cases to ASCs⁽¹⁾



9%+

Surgery Partners' historic orthopedic case growth



11

Robots added in 2020, bringing total to 30



80%+

Surgery Partners' facilities perform MSK procedures



Cardio



17

Cardiac catheterization procedures approved in 2019



6

PCI procedures approved in 2020



6%+

Surgery Partners' historic cardio case growth



60%+

Surgery Partners' facilities with potential for Cardio

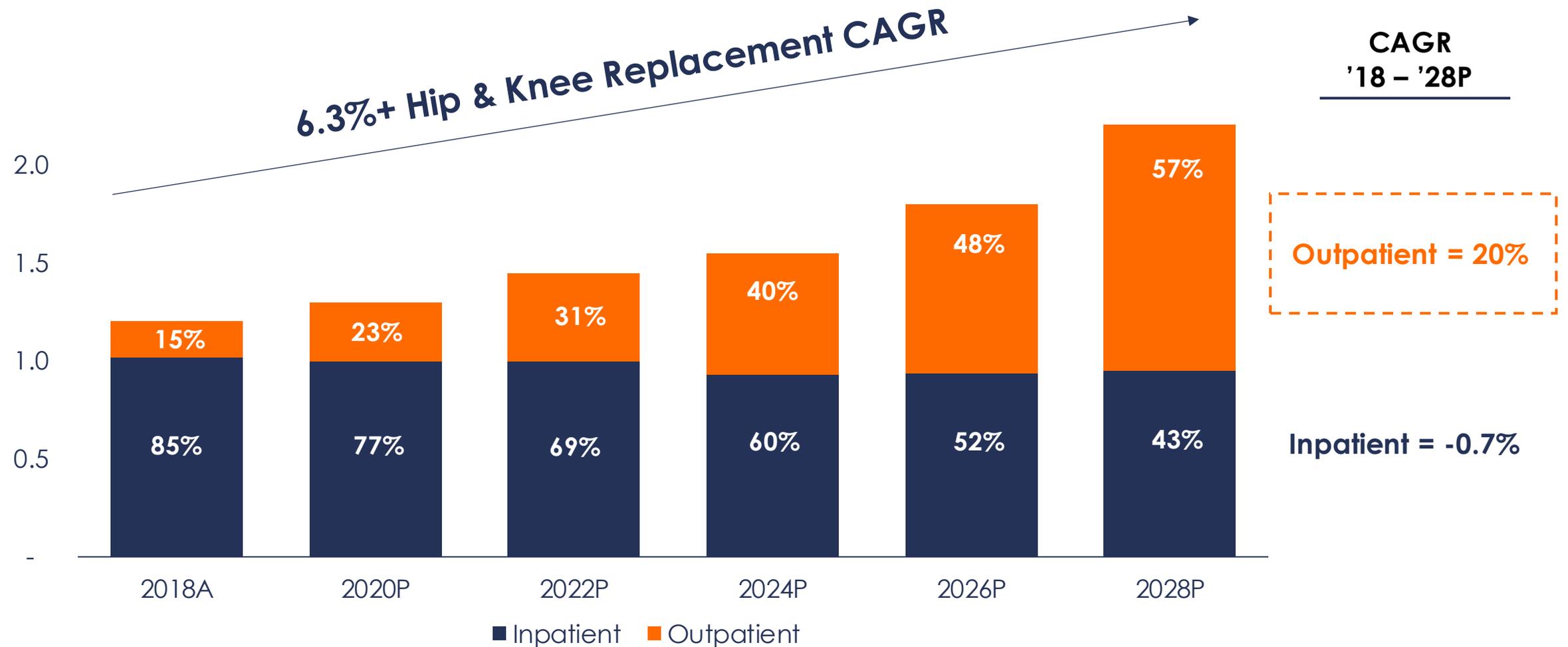




Considerable Growth Ahead for Joint Replacements...

Inpatient and Outpatient Hip & Knee Replacement Forecast

Volume (millions)



Outpatient volume expected to increase over 1 million cases and to comprise over 50% of total knee & hip volume



... And Medicare Continues to Advantage Outpatient Surgical Facilities

Recent CMS Changes



Approved Total Joint Replacements

- 2020 - Total Knee Arthroplasty approved for ASCs
- 2021 - Total Hip Arthroplasty approved for ASCs



Eliminated Inpatient-Only List

- ~300 musculoskeletal procedures will be removed from the inpatient-only list over a three-year period, including 266 codes for 2021
- ~1,400 additional procedures are expected to be removed from the inpatient-only list over a three-year period



2.4% headline ASC increase, 2.9% SGRY mix-adjusted rate increase in 2021

20% cost savings for hip replacements⁽¹⁾

17% cost savings for knee replacements⁽²⁾

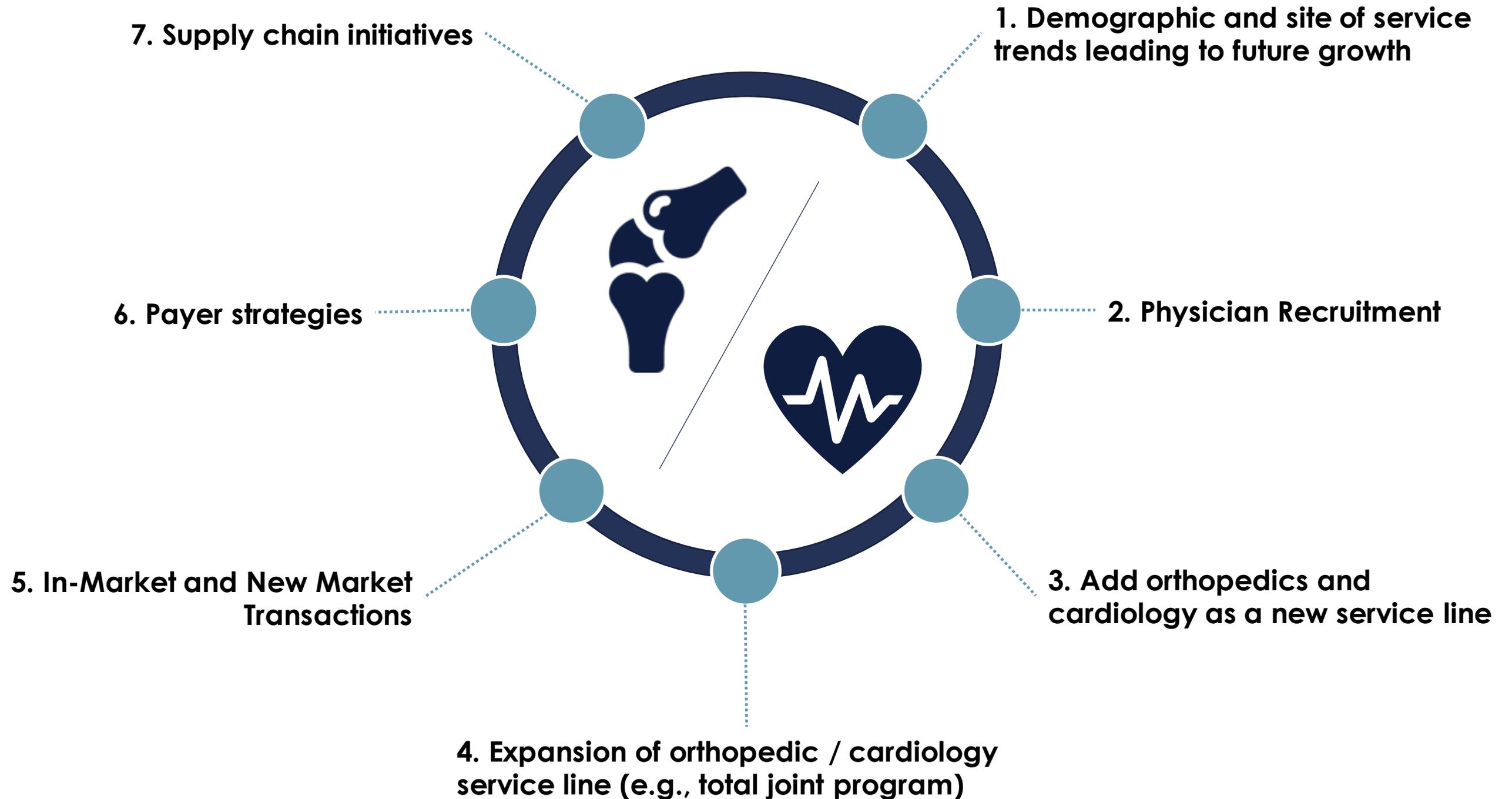
500,000 fewer overnight stays for patients⁽³⁾

\$3B annual savings⁽³⁾

(1) Savings compares: Commercial Hip - \$34.3K cost inpatient vs. \$27.6K cost in ASC; Medicare Hip - \$13.8K cost inpatient vs. \$11K cost in ASC.
 (2) Savings compares: Commercial Knee - \$34.3K cost inpatient vs. \$28.6K cost in ASC; Medicare Knee - \$14.9K cost inpatient vs. \$12.4K cost in ASC.
 (3) Assumes half routine joint replacements performed in hospitals on an inpatient basis moved to ASCs.
 Sources: "New Research Highlights the Safety and Cost Savings Associated with Ambulatory Surgery Centers," UNH Research, 2020.



Differentiated and Highly Capital Efficient Approach to Growing and Enhancing Orthopedics & Cardiology...





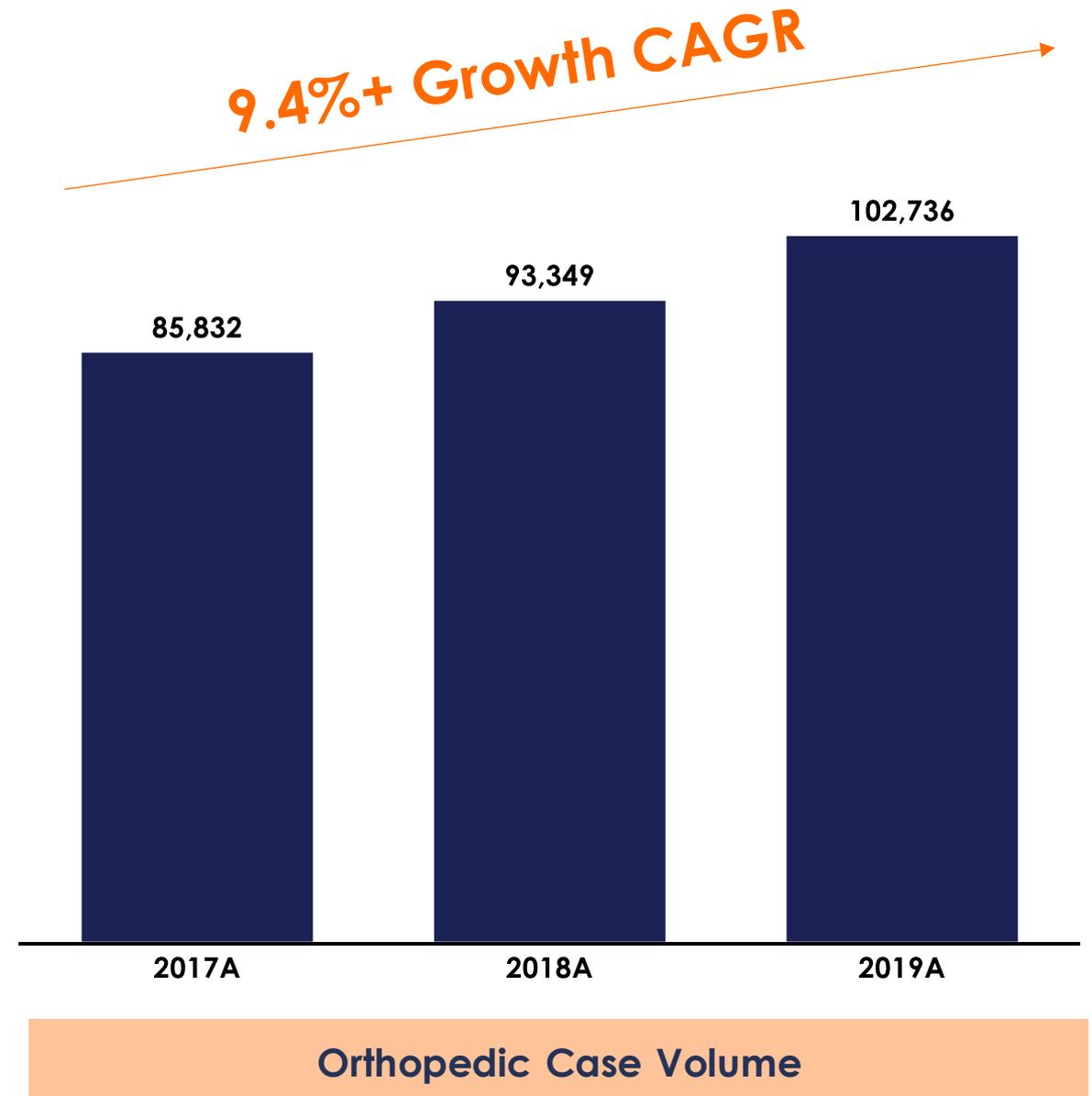
.... Leading to 9%+ Orthopedic Service Line Volume Growth

 **90** Locations

 **109k** Orthopedic Procedures

 **650+** Orthopedic Physicians

 **97%+** Joint Case Growth at ASCs⁽¹⁾

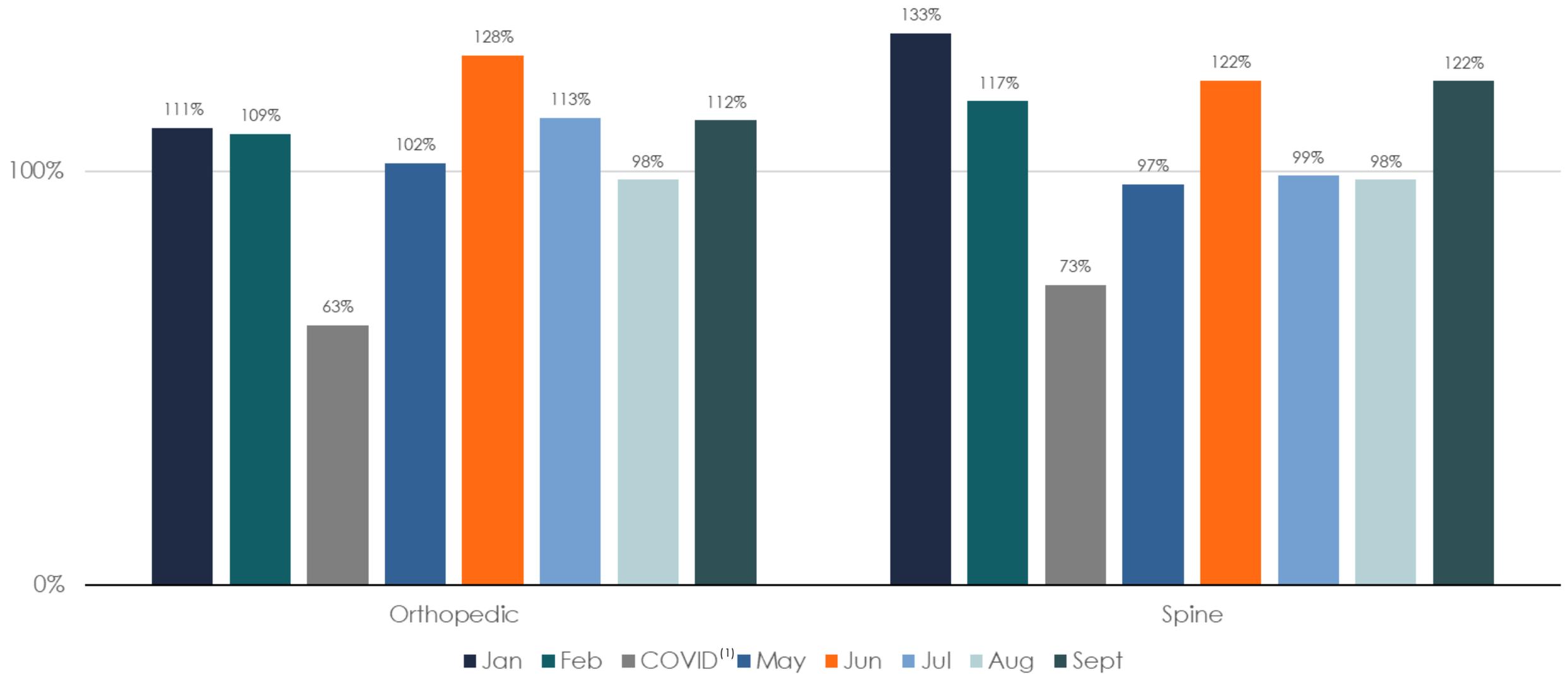


(1) November YTD '20 compared to November YTD '19



Musculoskeletal has Proven Most Resilient Through COVID Disruption

Year-over-year surgical cases by key service lines





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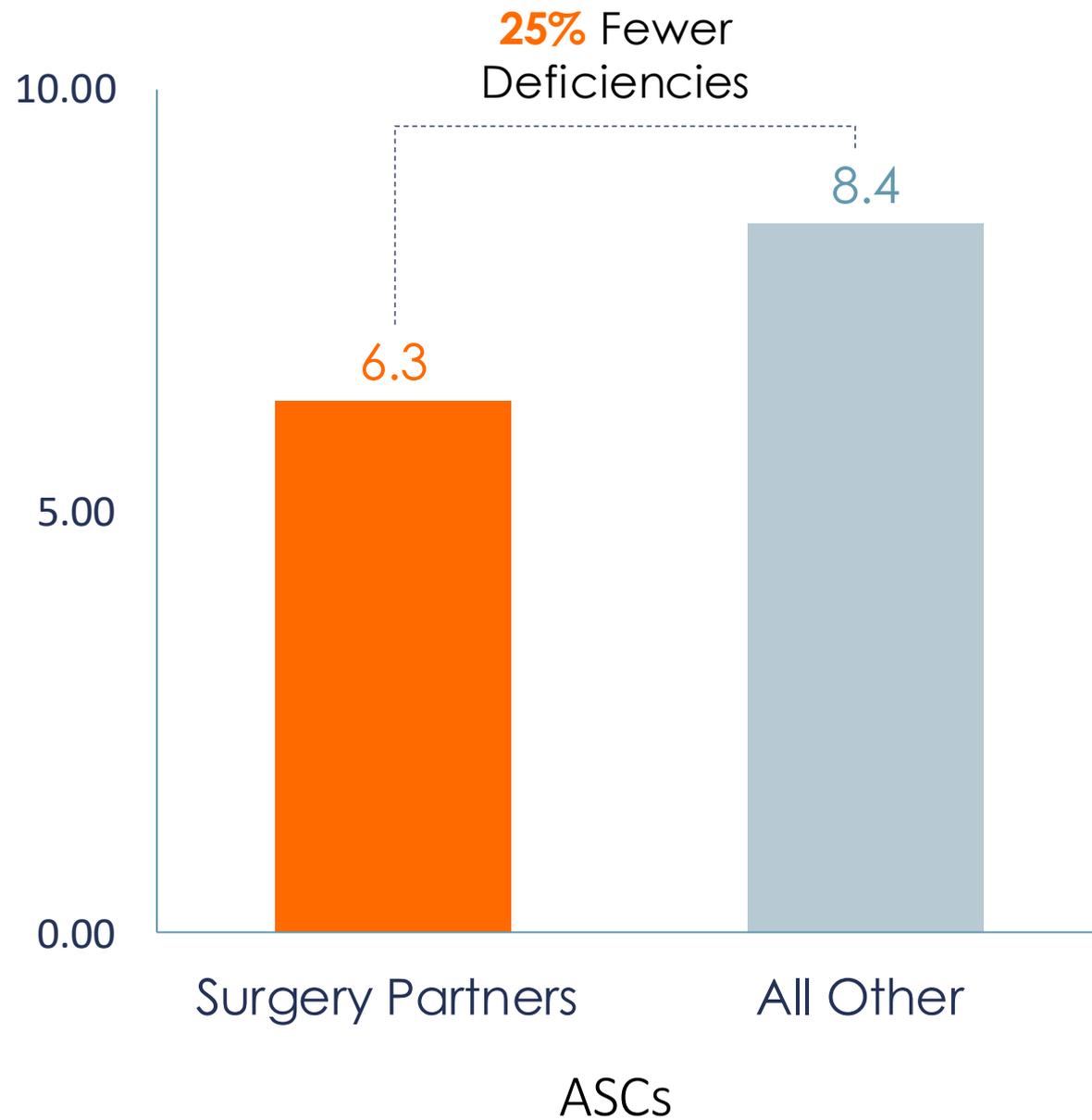


Trusted partner of choice

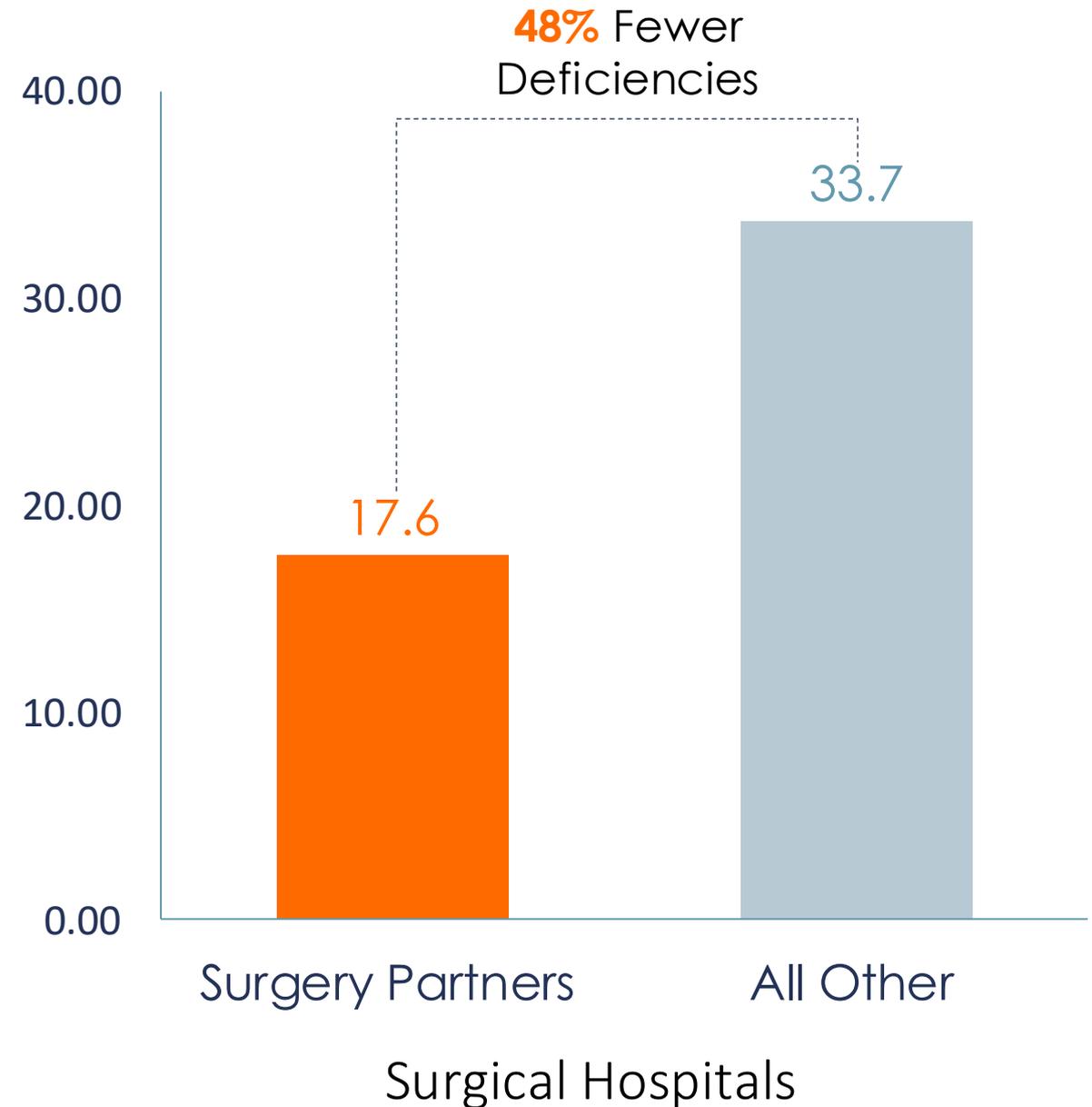


We Hold Ourselves to the Highest Standards...

Average Deficiencies per Survey⁽¹⁾



Average Deficiencies per Survey⁽²⁾



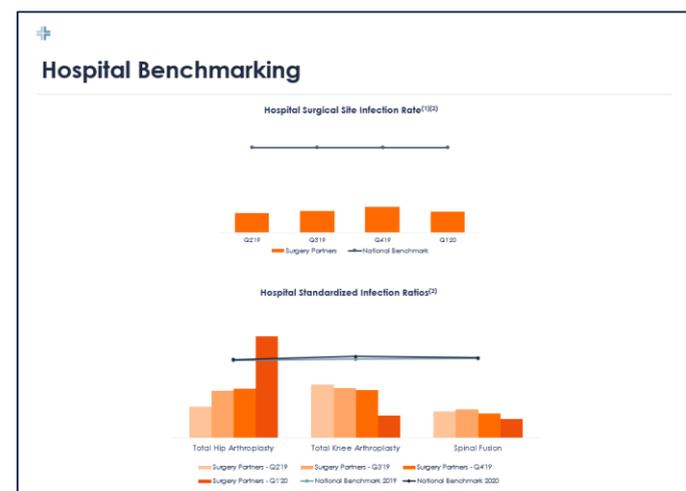
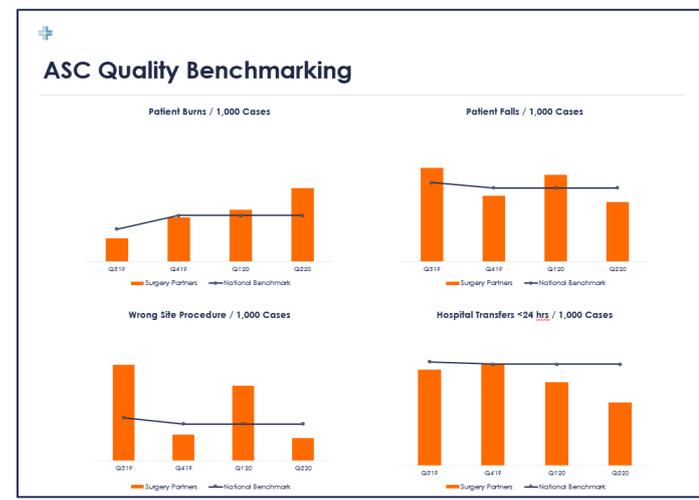


... And Regularly Report and Benchmark Our Performance to Emphasize our Culture of Safety...

Sample Metrics

- ✓ Patient burns
- ✓ Patient falls
- ✓ Wrong site procedures
- ✓ Hospital transfers
- ✓ Surgical site infections rate
- ✓ ER visits within 24 hours of discharge
- ✓ Hospital admissions within 24 hours of discharge
- ✓ Normothermia rate upon arrival to the PACU
- ✓ Unplanned anterior vitrectomy rate
- ✓ Toxic anterior segment syndrome (TASS) rate

Sample Reporting





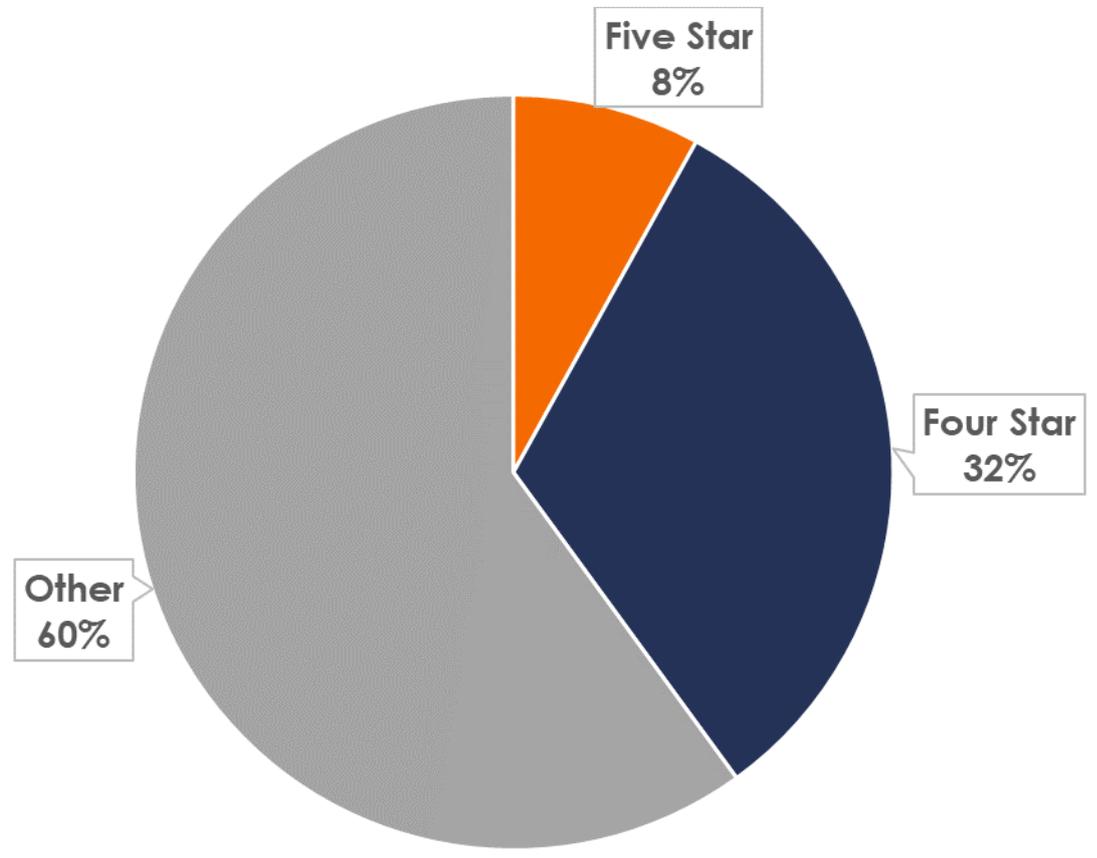
... With A Proven Record of Exceptional Clinical Care...



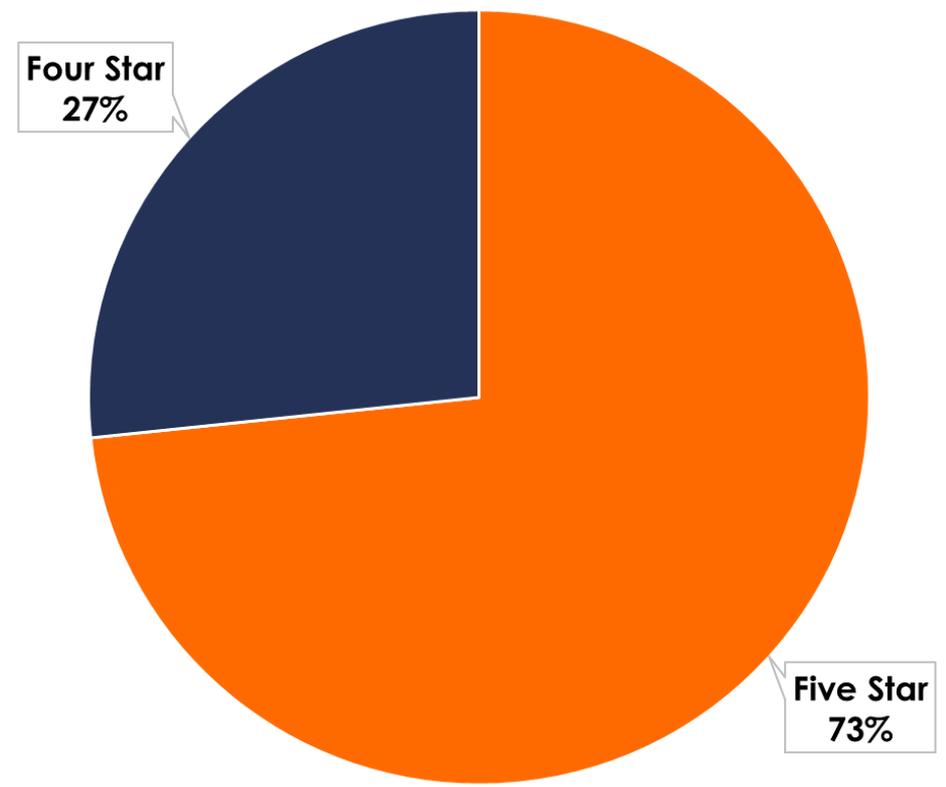


... And Clinical Efficacy that Results in a Better Patient Experience

Nationwide Hospitals



Surgery Partners⁽¹⁾



Best in Class Patient Experience

(1) Includes hospitals that were owned / operated by Surgery Partners FY2019
Note: Based on CMS star rating score



We Focus on Patient Experience...



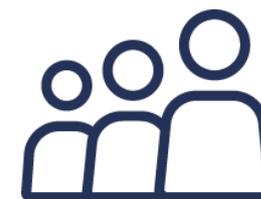
Cleanliness and comfort



Communication on insurance and financial responsibility



Exceptional administrative and clinical staff



Kept informed and procedure explanations

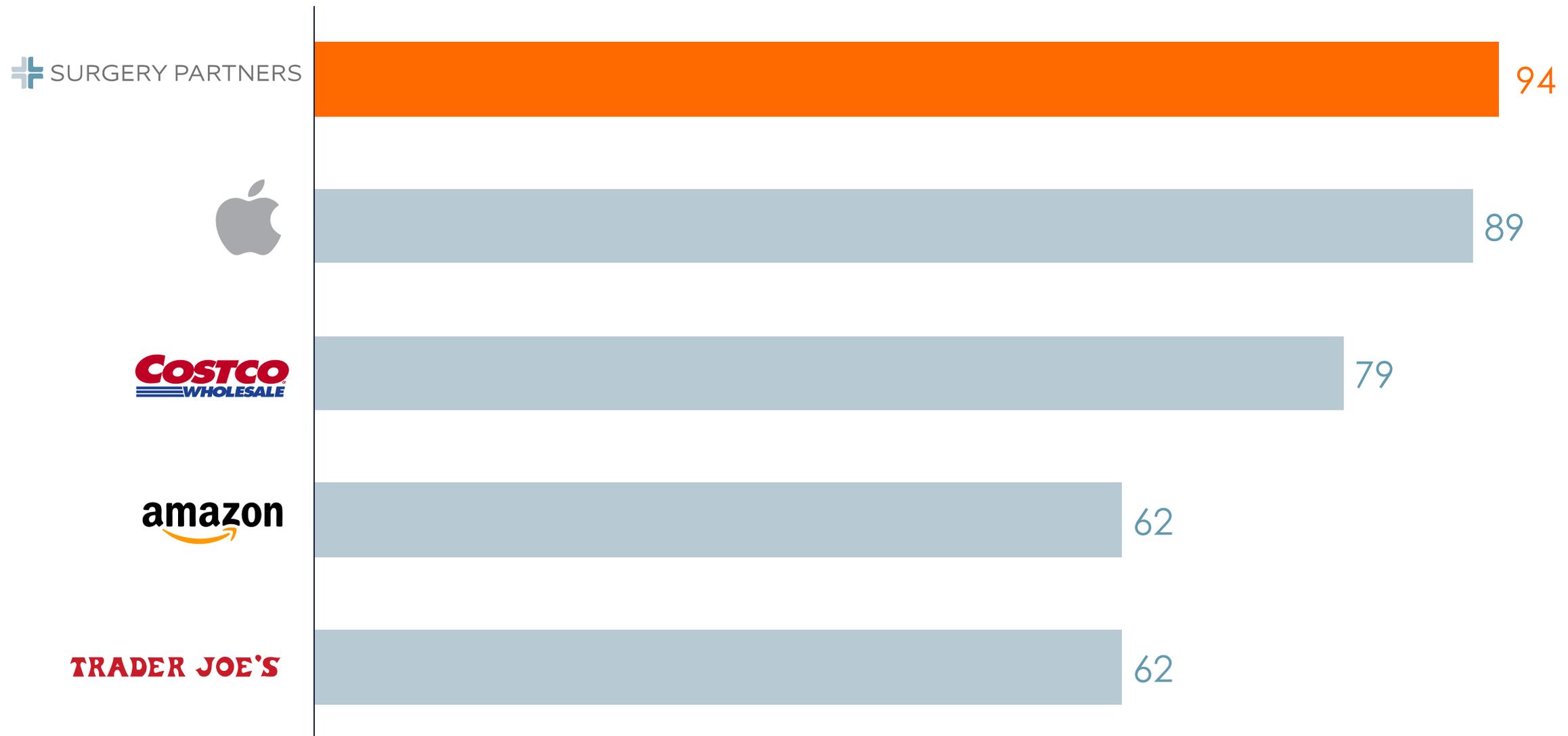


Patient experience and registration workflow



... Which has Resulted in a Best-in-Class Patient Net Promoter Score

Patient Net Promoter Score





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Trusted partner of choice



Surgery Partners is the Only Pure-Play of National Size and Scale

| | Surgical Facility Revenue ⁽¹⁾ | | Parent Company | Number of Surgical Facilities ⁽²⁾ | Specialty Focus |
|---|--|------------|--|--|--|
| | Revenue | % of Total | | | |
| SURGERY PARTNERS | \$1.9B | 95%+ | Public Only Pure-Play Surgery Center Operator | 133 | <ul style="list-style-type: none"> MSK, Cardiovascular, & Ophthalmology |
| AMSURG | \$1.3B | ~15% | Private Division of Envision | 250+ | <ul style="list-style-type: none"> Gastrointestinal |
| SCA Surgical Care Affiliates® | \$2.5B | ~1% | Division of UHG | 230+ | <ul style="list-style-type: none"> MSK & Cardiovascular |
| HCA® Hospital Corporation of America® | NA | NA | Division of HCA | 140+ | <ul style="list-style-type: none"> NA |
| United Surgical Partners INTERNATIONAL | \$2.6B | ~15% | Division of Tenet | 334 | <ul style="list-style-type: none"> MSK |

(1) Surgery Partners data reflects 2019 FY adjusted revenues of \$1,857M, see page 50 for reconciliation to GAAP Revenues, Envision based on LTM 6/30/2018 data, SCA revenues based on CFO.com article 5/15/2019 and Tenet based on 2019A results pro forma for SCD acquisition per 12/10/2020 Investor Presentation.

(2) Reflects latest available data from company websites; Tenet data is pro forma for SCD acquisition based on 12/10/2020 Investor Presentation.

Note: Based on most recent publicly available data
Source: Company filings and websites



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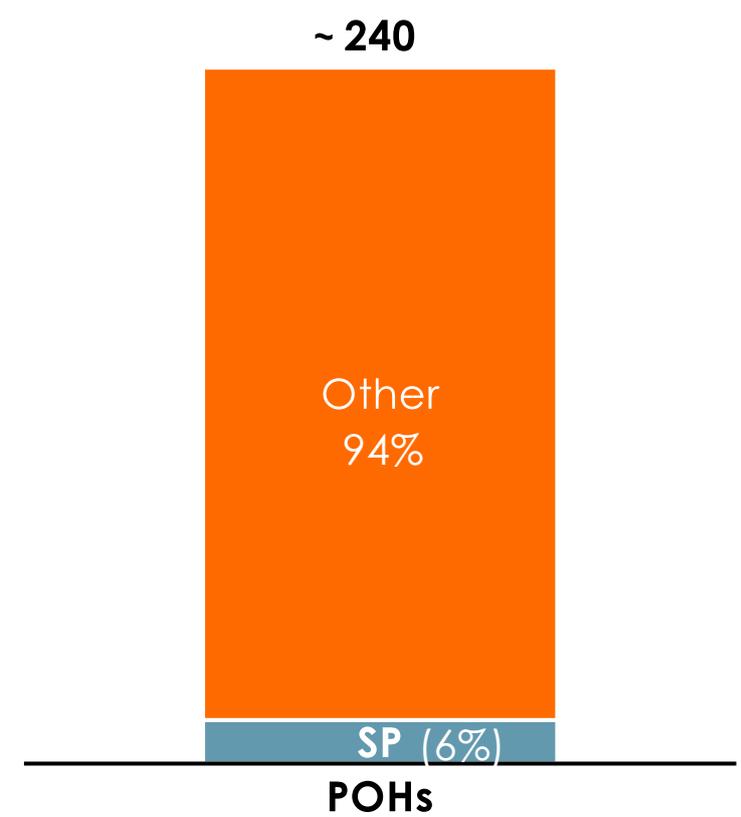
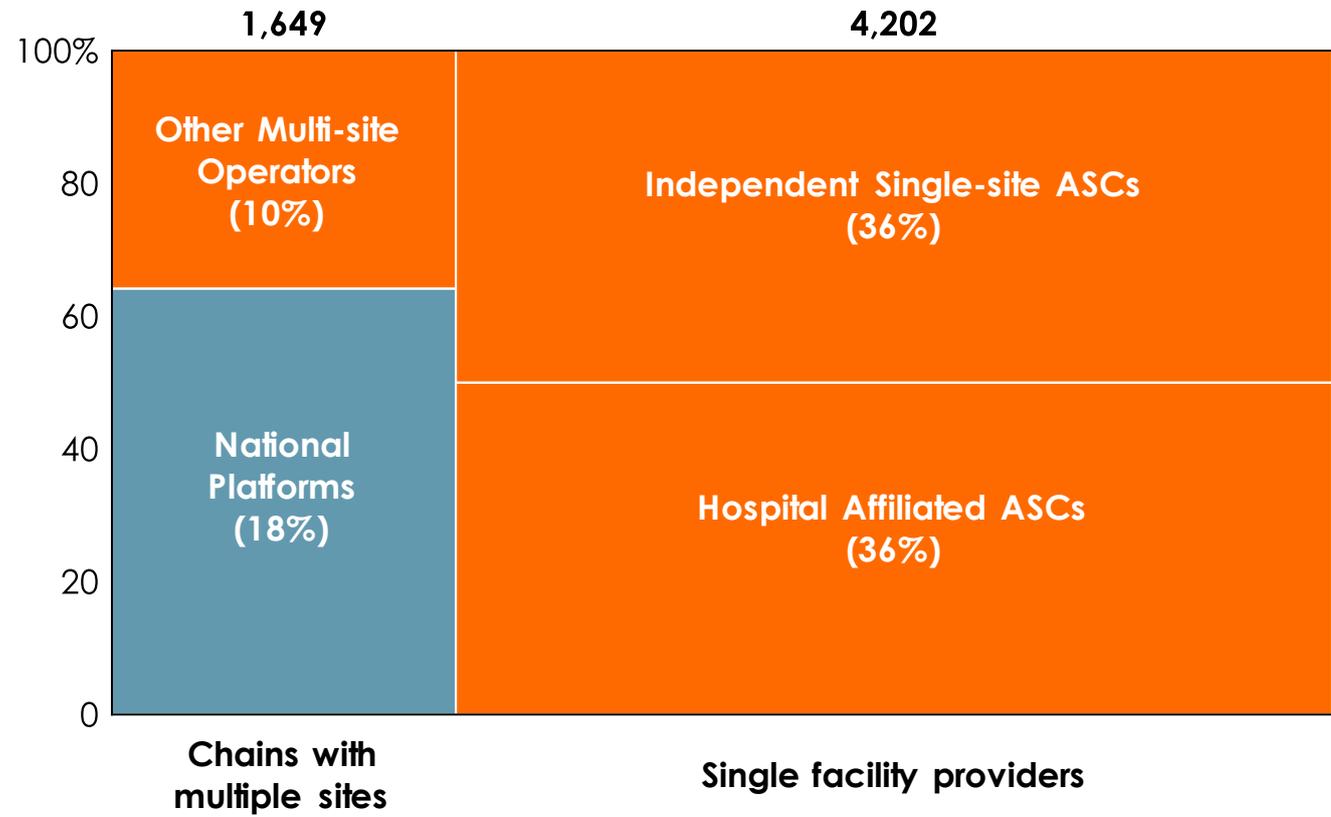


Well Positioned to Capture Share in a Fragmented Market

Number of ASCs in the U.S.

Number of POHs in U.S.

US Ambulatory Surgery Centers (2020) Total = 5,851 ASCs



Total Addressable Market: ~\$90B+ Current and ~\$60B+ Incremental To Come



Surgery Partners has Invested in Systems and Processes to Build a Platform Capable of Driving Acquisition-led Growth

Managed Care

- Invested in key talent
- Continuing to enhance our health plan value proposition through higher acuity service line expansions and growing regional presence/depth
- Piloting enterprise-wide contract management system

Revenue Cycle

- Invested in key talent
- Restructured shared service center
- Migrated 95%+ of facilities to unified clearinghouse
- Investing in denials management and coding technologies

Supply Chain

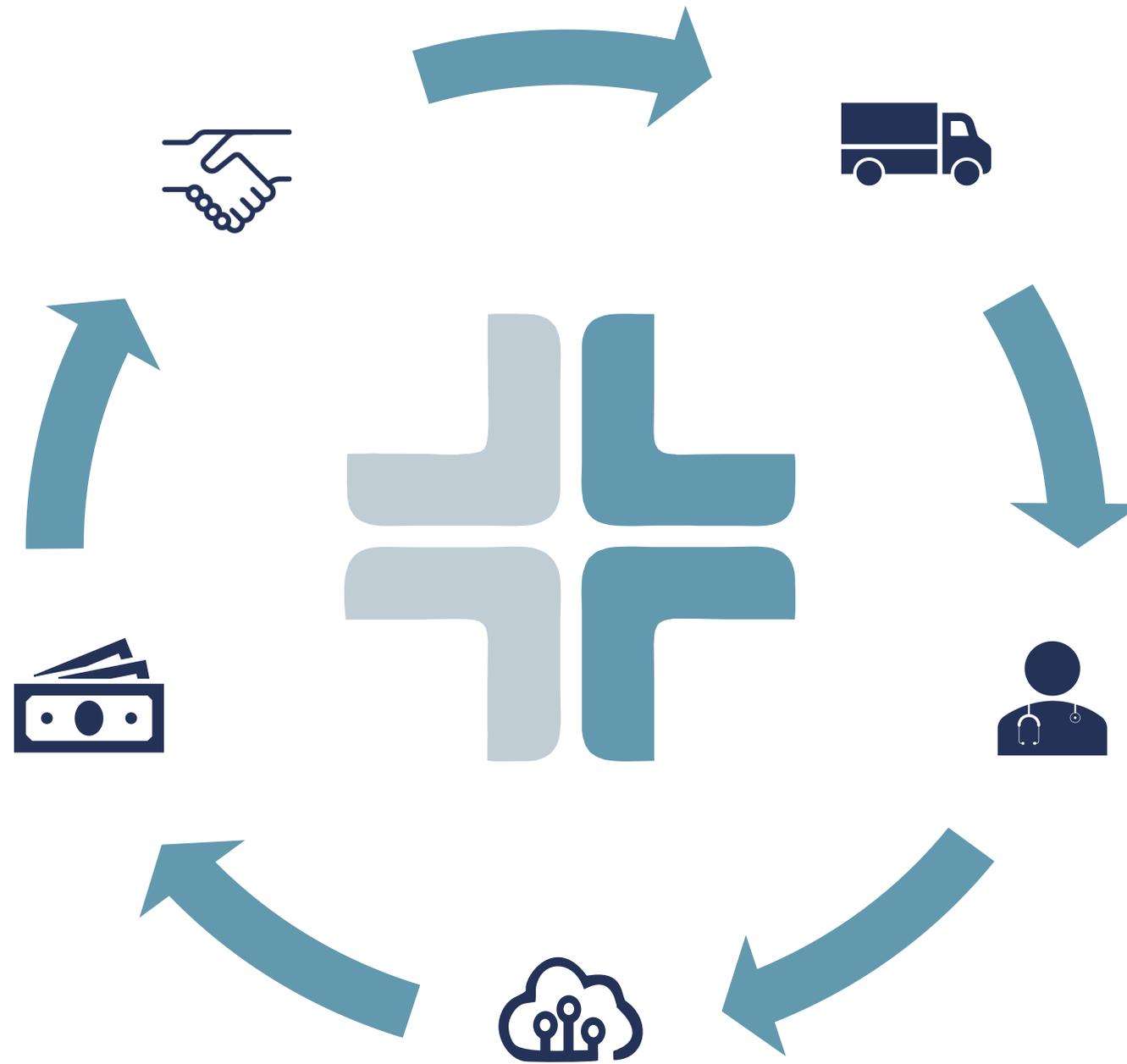
- Invested in key talent
- Migrated to one company-wide GPO
- Rationalizing implant vendors to secure best deals
- Investing in tools and processes to enhance compliance

Recruiting

- Invested in key talent
- Invested in data to better understand key physicians in target markets
- Launched innovative marketing programs
- Selected investments to enhance attractiveness of facilities (e.g., robotics)

Data / Analytics

- Invested in key talent
- Centralized data warehouse
- Migrating disparate systems to end-state platforms



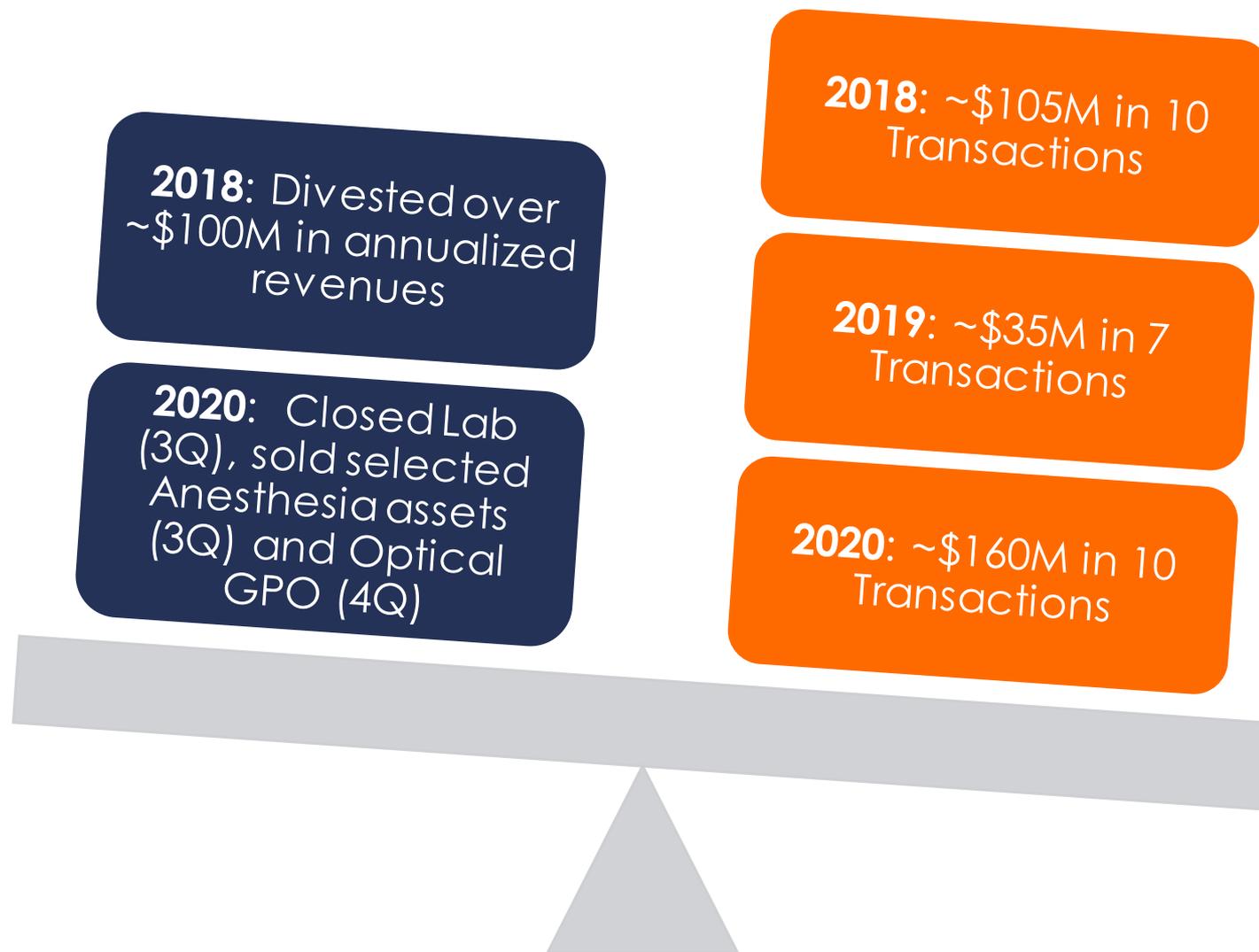


We have Re-Focused on Short-Stay Surgical and are Re-Accelerating the Pace of Capital Deployment

Closed or Sold

Acquisitions

Transaction Highlights



- Refocused portfolio on growing short-stay surgical assets
- 7 transactions to enhance presence and footprint in Idaho
- 4 transactions to enhance presence in Southern California market, including
 - ✓ Bakersfield Heart Hospital (Oct 2020)
 - ✓ GI-focused ASC (Dec 2020)
- Average multiple paid of ~7x since 2018

Surgery Partners has deployed ~\$300 million of capital since early 2018; Seeking to deploy an additional \$100M+ in 2021



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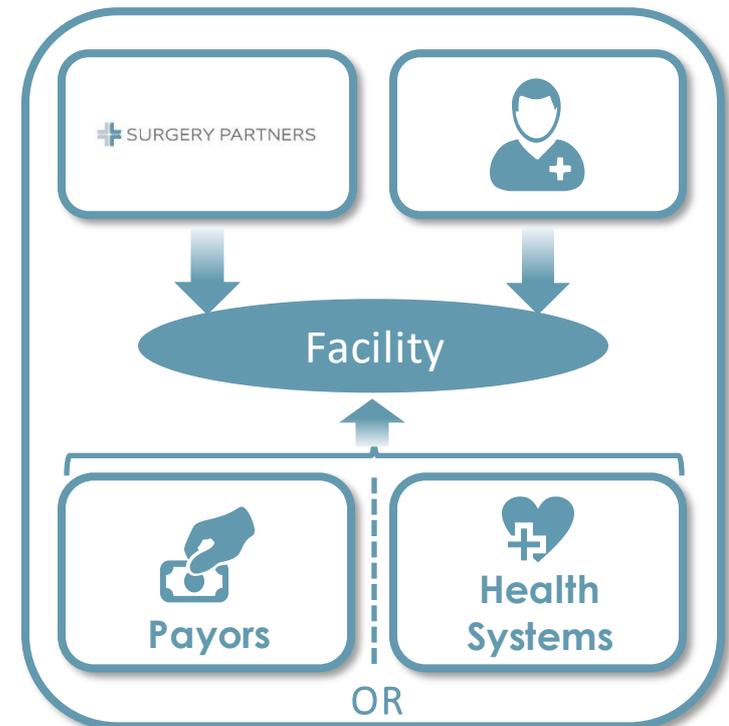
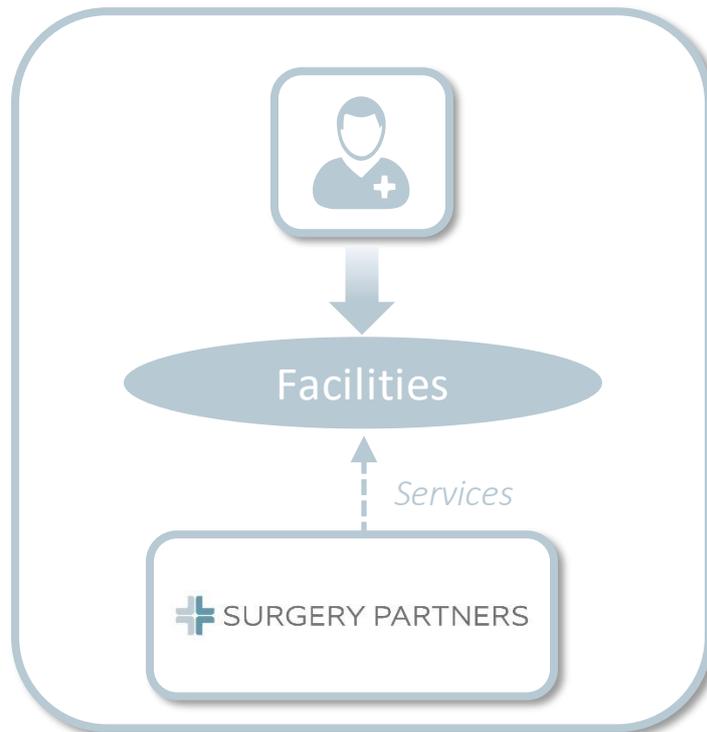
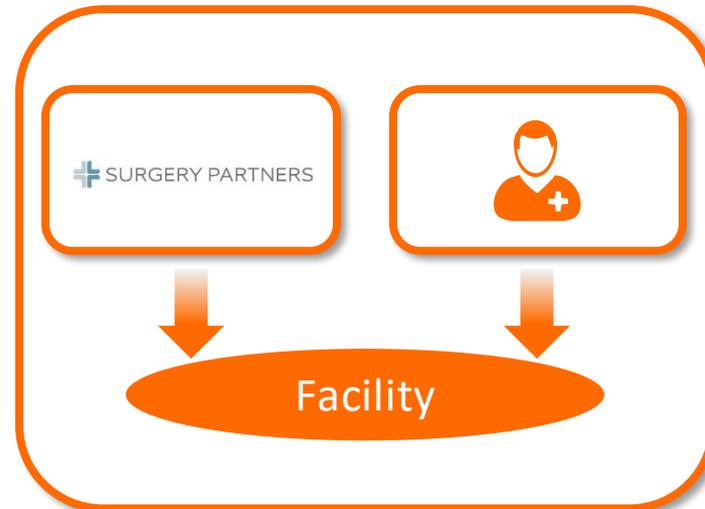
Focused on consolidating an under-valued and fragmented industry with our **distinctive scalable** platform **driving a more efficient and effective operation**



Trusted partner of choice



We Have a Highly Flexible Model...



We have a tailored approach to partnership and physician engagement



... Which Results in Highly Satisfied Physician Partners...

Physician Net Promoter Score





... And Strong Physician Engagement and Retention

BETTER PARTNERS. BETTER CARE.

We are focused on physicians. Through decades of experience, we have observed that an outstanding patient experience begins with an outstanding physician relationship. Everyone wins when physicians have what they need to do their best work and can exercise autonomy within their place of work.



We proudly boast **95%+ partner retention⁽¹⁾**, and the findings from our most recent Net Promoter Score, the national ranking system used to measure satisfaction, nearly max out the upper end of the NPS scale.



How We Drive Shareholder Value

Section 3



Recognizing the Benefits of Our Transformational Journey

2018



Foundation of our Transformational Journey

Pruned Asset Base

Recharged Organic Growth

Rebuilt M&A Pipeline

Leveraged Scale

2019 – 2020



Executing on Our Strategy

Invested in Our Surgical Facilities

Accelerated Organic Growth

Bolstered In-Market Pipeline

Leveraged Scale

2021 – 2024



Reaping the Benefits

Top-Line Growth

Margin Expansion

Capital Investment Returns

TRANSFORMATION



EXECUTION



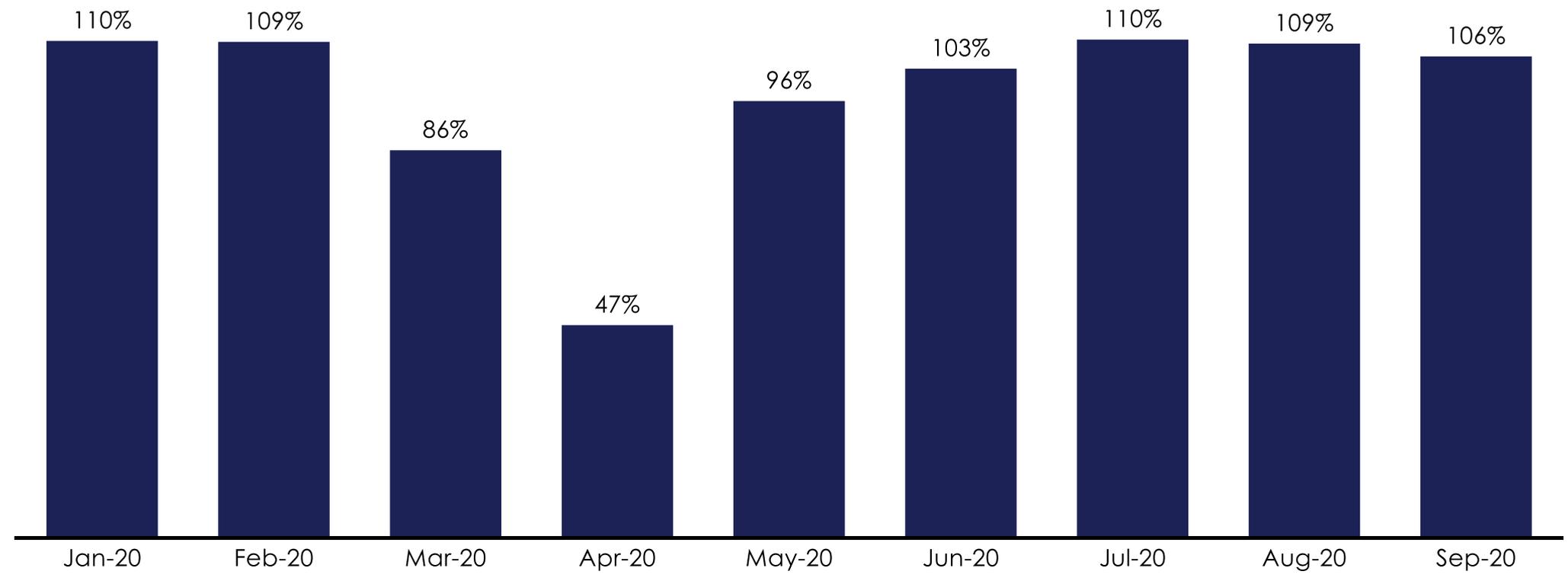
DOUBLE-DIGIT EBITDA GROWTH



Business Has Proven Resilient Through COVID-19 Disruption

Net Revenue Has Experienced Strong Rebound Since April

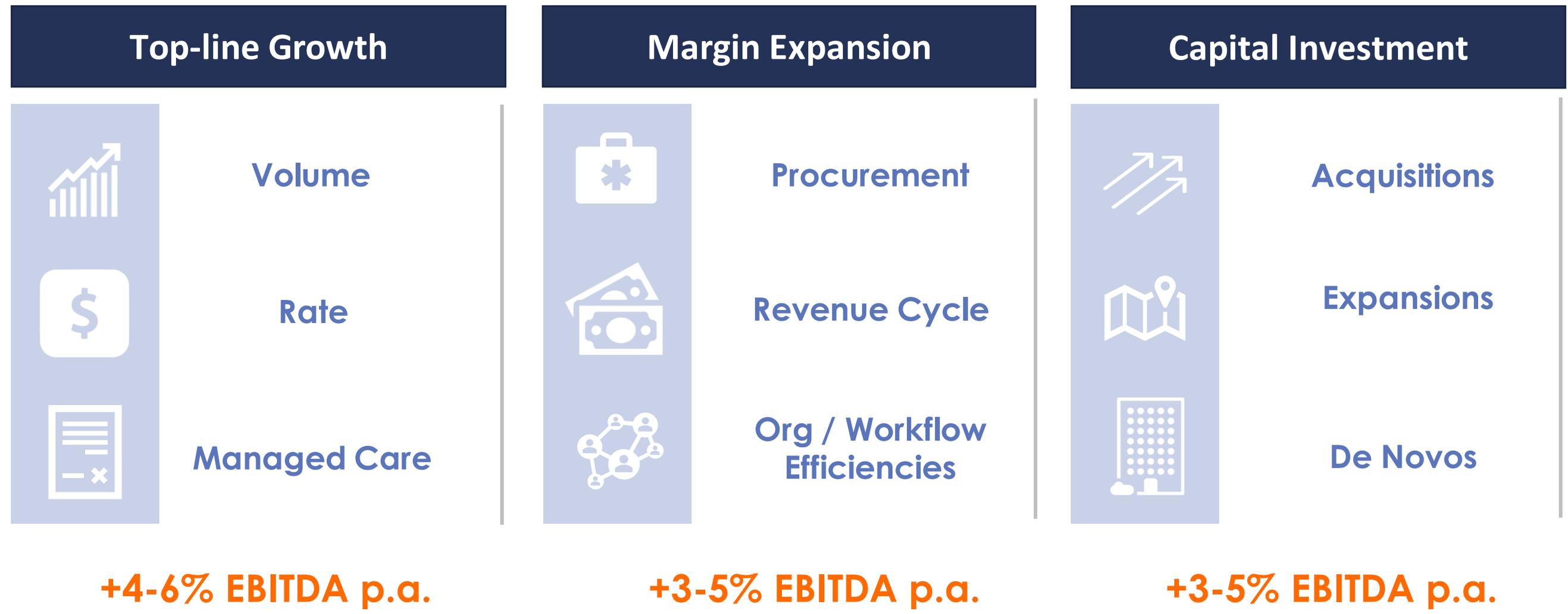
Same Facility Net Revenue vs. Prior Year



Same facility net revenue continues to exceed prior year in 4Q 2020



Reaping the Benefits: Proven Organic Growth Model

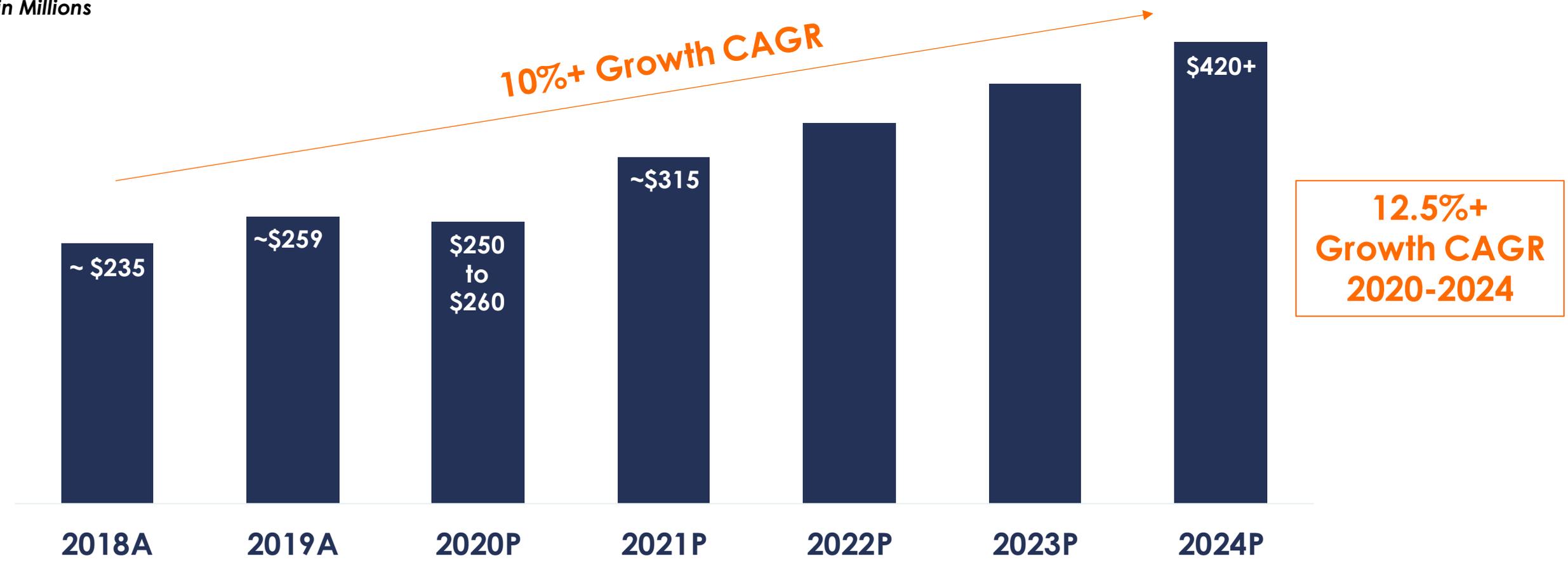


Sustainable double-digit organic EBITDA growth model



Reaping the Benefits: Sustainable Long-term Double-Digit AEBITDA Growth

\$ in Millions



Near-term

- ✓ Return to growth
- ✓ Standardization
- ✓ Rationalization

Mid-term

- ✓ High-end / exceed 4-6% same-store revenues
- ✓ Managed Care, Revenue Cycle & Procurement opportunities
- ✓ IFCH achieves profitability

Long-term

- ✓ Medicare and Managed Care opportunity continues to drive strong same-store growth
- ✓ Capital deployment



The Surgery Partners' Advantage

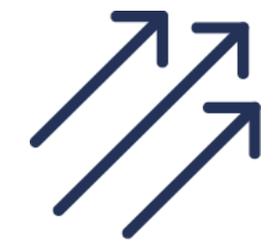
\$150B+ Total Addressable Market



Purpose-built, Veteran Management Team



Focused on High Growth Specialties



Superior Clinical Quality and Customer Experience



Independent, Trusted Partner of Choice



Scalable Platform



Equating to Near, Mid & Long-term Double-Digit Growth



Appendix



Reconciliation to Adjusted EBITDA

The following table reconciles Adjusted EBITDA to Income before income taxes, the most directly comparable GAAP financial measure (in millions and unaudited):

| EBITDA Adjustments | |
|---|---------------|
| | 2019 |
| Income (loss) before income taxes | \$ 55 |
| Plus (minus): | |
| Net income attributable to non-controlling interests | (120) |
| Interest expense, net | 179 |
| Depreciation and amortization | 77 |
| Equity-based compensation expense | 10 |
| Transaction, integration & acquisition costs ⁽¹⁾ | 36 |
| Gain on disposals and deconsolidations, net | (4) |
| Loss on litigation settlements & other litigation costs | 5 |
| Loss on debt extinguishment | 12 |
| Tax receivable agreement expense | 2 |
| Impairment charges | 8 |
| Adjusted EBITDA | \$ 259 |

(1) This amount includes transaction and integration costs of \$19 million, acquisition costs of \$3 million and \$14 million for start-up costs related to a de novo surgical hospital.



Reconciliation to Adjusted Revenues

The following table reconciles Adjusted Revenues⁽¹⁾ to GAAP Revenues, the most directly comparable GAAP financial measure (in millions and unaudited):

| Revenue Adjustments | |
|--|-----------------|
| | 2019 |
| Revenues | \$ 1,831 |
| Plus (minus): | |
| Provision for doubtful accounts | 25 |
| Adjusted Revenues⁽¹⁾ | \$ 1,857 |

(1) In accordance with a new accounting standard that was effective prospectively January 1, 2018, we reflected our estimated provision for doubtful accounts net of revenues rather than as an operating expense, as it had historically been presented. Adjusted Revenues add back the estimated provision of doubtful accounts. We believe such an adjustment is appropriate, as the new standard did not affect historical results prior to 2018, which impacts historical comparability. Our calculation of adjusted revenues may not be comparable to similarly titled measures reported by other companies.