
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 12, 2025

Surgery Partners, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37576
(Commission
File Number)

47-3620923
(IRS Employer
Identification No.)

**340 Seven Springs Way, Suite 600
Brentwood, Tennessee 37027**
(Address of Principal Executive Offices) (Zip Code)

(615) 234-5900
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SGRY	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 12, 2025, Surgery Partners, Inc. issued a press release announcing results for the three months ended March 31, 2025. See the press release attached as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Surgery Partners makes reference to non-GAAP financial measures in the attached press release and a reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measures is provided therein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

99.1	Press release dated May 12, 2025
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SURGERY PARTNERS, INC.

Date: May 12, 2025

By: /s/ David T. Doherty

David T. Doherty

Executive Vice President and Chief Financial Officer



**SURGERY PARTNERS, INC. ANNOUNCES FIRST QUARTER 2025 RESULTS
REAFFIRMS FULL YEAR 2025 GUIDANCE**

BRENTWOOD, Tenn., May 12, 2025 (GLOBE NEWSWIRE) - Surgery Partners, Inc. (NASDAQ:SGRY) (“Surgery Partners” or the “Company”), a leading short-stay surgical facility owner and operator, today announced results for the first quarter ended March 31, 2025.

First Quarter 2025 Financial Highlights

(All comparisons are year-over-year unless otherwise noted)

- Revenue increased 8.2% for the first quarter
 - Same-facility revenues increased 5.2% for the first quarter
 - Same-facility cases increased 6.5% for the first quarter
- Net loss attributable to Surgery Partners, Inc. was \$37.7 million for the first quarter
 - Adjusted EBITDA increased 6.6% to \$103.9 million for the first quarter

2025 Guidance

- Full year 2025 revenue and Adjusted EBITDA guidance reaffirmed to be in the range of \$3.30 billion to \$3.45 billion and \$555 million to \$565 million, respectively

Eric Evans, Chief Executive Officer, stated, “I am pleased with our strong start to 2025, as the Company continues to deliver growth that is consistent with Surgery Partners’ long-term growth algorithm. Our continued focus on maximizing portfolio performance, advancing a robust M&A pipeline and driving greater operating efficiencies, combined with a bullish outlook on surgical trends and the regulatory landscape, have us positioned to continue delivering industry leading earnings growth in 2025 and beyond.”

Dave Doherty, Chief Financial Officer, commented, “The results we report today are very much aligned with our internal expectations and give us increased confidence in reaffirming our guidance for the full year. Our guidance implies continued margin expansion, reflecting our on-going operating system improvements as well as the integration benefits from recent acquisitions and contributions from de novos we expect to open this year. We also have sufficient liquidity from our cash on hand, our revolver capacity and cash generated from operations to fund future M&A activity at levels that support our long-term growth objectives without having to access incremental capital from the debt or equity markets over the next five years.”

First Quarter 2025 Results

Revenues for the first quarter of 2025 increased 8.2% to \$776.0 million as compared to \$717.4 million for the first quarter of 2024. Same-facility revenues for the first quarter of 2025 increased 5.2% as compared to the same period in prior year, with a (1.2)% decrease in revenue per case and a 6.5% increase in same-facility cases. For the first quarter of 2025, the Company’s Adjusted EBITDA was \$103.9 million, compared to \$97.5 million for the same period in 2024.

Liquidity

Surgery Partners had cash and cash equivalents of \$229.3 million and \$388.9 million of borrowing capacity under its revolving credit facility as of March 31, 2025. Cash flows from operating activities was \$6.0 million for the first quarter of 2025, compared to \$40.7 million for the same period in 2024. The period-over-period change is due to timing of routine transactions involving working capital.

The Company’s ratio of total net debt to EBITDA, as calculated under the Company’s credit agreement, was approximately 4.1x at the end of the first quarter of 2025.

2025 Outlook

The Company reaffirmed its outlook for 2025 revenues and Adjusted EBITDA to be in the range of \$3.30 billion to \$3.45 billion and \$555 million to \$565 million, respectively.

Conference Call Information

Surgery Partners will hold a conference call today, May 12, 2025 at 8:30 a.m. (Eastern Time). The conference call can be accessed live over the phone by dialing 1-877-451-6152, or for international callers, 1-201-389-0879. A replay will be available three hours after the call and can be accessed by dialing 1-844-512-2921, or for international callers, 1-412-317-6671. The passcode for the live call and the replay is 13752904. The replay will be available until May 26, 2025.

Interested investors and other parties may also listen to a simultaneous webcast of the conference call by logging onto the Investor Relations section of the Company's website at www.surgerypartners.com. The replay will also be available on this same website for a limited time following the call.

To learn more about Surgery Partners, please visit the Company's website at www.surgerypartners.com. Surgery Partners uses its website as a channel of distribution for material Company information. Financial and other material information regarding Surgery Partners is routinely posted on the Company's website and is readily accessible.

About Surgery Partners

Headquartered in Brentwood, Tennessee, Surgery Partners is a leading healthcare services company with a differentiated outpatient delivery model focused on providing high quality, cost effective solutions for surgical and related ancillary care in support of both patients and physicians. Founded in 2004, Surgery Partners is one of the largest and fastest growing surgical services businesses in the country, with more than 200 locations in 30 states, including ambulatory surgery centers, surgical hospitals, multi-specialty physician practices and urgent care facilities. For additional information, visit www.surgerypartners.com.

Forward-Looking Statements

This press release contains forward-looking statements, including those regarding growth, our anticipated operating results for future periods and other similar statements. These statements can be identified by the use of words such as "believes," "anticipates," "expects," "intends," "plans," "continues," "estimates," "predicts," "projects," "forecasts," "may," "could," and similar expressions. All forward-looking statements are based on current expectations and beliefs as of the date of this release and are subject to risks, uncertainties and other factors that may cause actual results to differ materially from the expectations discussed in, or implied by, the forward-looking statements. Many of these factors are beyond our ability to control or predict including, without limitation, reductions in payments from government health care programs and private insurance payors, such as health maintenance organizations, preferred provider organizations, and other managed care organizations and employers; our ability to contract with private insurance payors; changes in our payor mix or surgical case mix; failure to maintain or develop relationships with physicians on beneficial or favorable terms, or at all; the impact of payor controls designed to reduce the number of surgical procedures; our efforts to integrate operations of acquired or developed businesses and surgical facilities, attract new physician partners, or acquire additional surgical facilities; supply chain issues, including shortages or quality control issues with surgery-related products, equipment and medical supplies; competition for physicians, nurses, strategic relationships, acquisitions and managed care contracts; our ability to attract and retain qualified health care professionals; our ability to enforce non-compete restrictions against our physicians; our ability to manage material liabilities whether known or unknown incurred as a result of acquiring or operating surgical facilities; the impact of future legislation and other health care regulatory reform actions, and the effect of that legislation and other regulatory actions on our business; our ability to comply with current health care laws and regulations; the outcome of legal and regulatory proceedings that have been or may be brought against us; the impact of cybersecurity attacks or intrusions, changes in the regulatory, economic and other conditions of the states where our surgical facilities are located; our indebtedness; the social and economic impact of a pandemic, epidemic or outbreak of a contagious disease on our business; and the risks and uncertainties identified and discussed from time to time in the Company's reports filed with the SEC, including in Item 1A under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 and other reports filed with the SEC. Except as required by law, the Company undertakes no obligation to revise or update publicly any forward-looking statements to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events or circumstances.

Use of Non-GAAP Financial Measures

In addition to the results prepared in accordance with generally accepted accounting principles in the United States ("GAAP") provided throughout this press release, Surgery Partners has presented the following non-GAAP financial measures: Adjusted

net income (loss) attributable to common stockholders, Adjusted net income (loss) per share attributable to common stockholders, Adjusted EBITDA, and Adjusted EBITDA related to unconsolidated affiliates, which exclude various items detailed in the "Reconciliation of Non-GAAP Financial Measures" below.

These non-GAAP financial measures are not intended to replace financial performance measures determined in accordance with GAAP. Rather, they are presented as supplemental measures of the Company's performance that management believes may enhance the evaluation of the Company's ongoing operating results. These non-GAAP financial measures are not presented in accordance with GAAP, and the Company's computation of these non-GAAP financial measures may vary from similar measures used by other companies. These measures have limitations as an analytical tool and should not be considered in isolation or as a substitute or alternative to revenue, net income or loss, operating income or loss, cash flows from operating activities, total indebtedness or any other measures of operating performance, liquidity or indebtedness derived in accordance with GAAP.

SURGERY PARTNERS, INC.
Selected Consolidated Financial Data
(Dollars in millions, except per share amounts, shares in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenues	\$ 776.0	\$ 717.4
Operating expenses:		
Salaries and benefits	238.6	215.2
Supplies	215.8	188.8
Professional and medical fees	95.3	82.6
Lease expense	20.8	21.4
Other operating expenses	43.6	54.1
Cost of revenues	614.1	562.1
General and administrative expenses	36.0	33.2
Depreciation and amortization	36.3	33.7
Transaction and integration costs	24.7	17.4
Net loss on disposals, consolidations and deconsolidations	6.4	1.5
Equity in earnings of unconsolidated affiliates	(5.6)	(2.7)
Litigation settlement	2.2	(1.8)
Other income, net	—	(2.0)
	714.1	641.4
Operating income	61.9	76.0
Interest expense, net	(62.2)	(47.3)
(Loss) income before income taxes	(0.3)	28.7
Income tax expense	—	(4.4)
Net (loss) income	(0.3)	24.3
Less: Net income attributable to non-controlling interests	(37.4)	(36.7)
Net loss attributable to Surgery Partners, Inc.	\$ (37.7)	\$ (12.4)
Net loss per share attributable to common stockholders		
Basic	\$ (0.30)	\$ (0.10)
Diluted ⁽¹⁾	\$ (0.30)	\$ (0.10)
Weighted average common shares outstanding		
Basic	126,602	125,972
Diluted ⁽¹⁾	126,602	125,972

⁽¹⁾ The impact of potentially dilutive securities for all periods was not considered because the effect would be anti-dilutive.

SURGERY PARTNERS, INC.
Selected Financial and Operating Data
(Dollars in millions, except per case and per share amounts)
(Unaudited)

	March 31, 2025	December 31, 2024
Balance Sheet Data (at period end):		
Cash and cash equivalents	\$ 229.3	\$ 269.5
Total current assets	1,074.6	1,119.4
Total assets	7,949.2	7,890.0
Current maturities of long-term debt	103.9	101.4
Total current liabilities	569.4	624.4
Long-term debt, less current maturities	3,446.9	3,268.9
Total liabilities	4,362.7	4,254.8
Non-controlling interests—redeemable	430.5	438.8
Total Surgery Partners, Inc. stockholders' equity	1,740.4	1,789.7
Non-controlling interests—non-redeemable	1,415.6	1,406.7
Total stockholders' equity	3,156.0	3,196.4

	Three Months Ended March 31,	
	2025	2024
Cash Flow Data:		
Net cash provided by (used in):		
Operating activities	\$ 6.0	\$ 40.7
Investing activities	(76.4)	(83.1)
Purchases of property and equipment	(22.7)	(21.0)
Payments for acquisitions, net of cash acquired	(44.0)	(54.6)
Purchases of equity investments	(3.8)	(2.0)
Financing activities	30.2	31.7
Distributions to non-controlling interest holders	(62.3)	(40.5)

	Three Months Ended March 31,	
	2025	2024
Other Data:		
Number of surgical facilities as of the end of period	164	165
Number of consolidated surgical facilities as of the end of period	118	124
Cases	160,300	153,392
Revenue per case	\$ 4,841	\$ 4,677
Adjusted EBITDA ⁽¹⁾	\$ 103.9	\$ 97.5
Adjusted EBITDA margin ⁽²⁾	13.4 %	13.6 %
Adjusted net income per share attributable to common stockholders - Basic ⁽¹⁾	\$ 0.04	\$ 0.10
Adjusted net income per share attributable to common stockholders - Diluted ⁽¹⁾	\$ 0.04	\$ 0.10

⁽¹⁾ A reconciliation of these non-GAAP financial measures appears below.

⁽²⁾ Defined as Adjusted EBITDA as a % of Revenues.

SURGERY PARTNERS, INC.
Supplemental Information
(Dollars in millions, except per case amounts)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Same-facility Information ⁽¹⁾:		
Cases	172,375	164,483
Case growth	4.8 %	N/A
Revenue per case	\$ 4,839	\$ 4,896
Revenue per case growth	(1.2)%	N/A
Number of work days in the period	63	64
Case growth (days adjusted)	6.5 %	N/A
Revenue growth (days adjusted)	5.2 %	N/A

⁽¹⁾ Same-facility information includes cases and revenues from our consolidated and non-consolidated surgical facilities (excluding facilities acquired in new markets or divested during the current and prior periods).

SURGERY PARTNERS, INC.
Reconciliation of Non-GAAP Financial Measures
(Dollars in millions, except per share amounts, shares in thousands)
(Unaudited)

The following table reconciles Adjusted EBITDA to (loss) income before income taxes in the reported consolidated financial information, the most directly comparable GAAP financial measure:

	Three Months Ended March 31,	
	2025	2024
(Loss) income before income taxes	\$ (0.3)	\$ 28.7
Net income attributable to non-controlling interests	(37.4)	(36.7)
Interest expense, net	62.2	47.3
Depreciation and amortization	36.3	33.7
Equity-based compensation expense	7.6	4.9
Transaction and integration costs ⁽¹⁾	24.7	17.4
De novo start-up costs	1.7	1.5
Net loss on disposals, consolidations and deconsolidations	6.4	1.5
Litigation settlements and other litigation costs ⁽²⁾	2.7	(1.2)
Other	—	0.4
Adjusted EBITDA ⁽³⁾	\$ 103.9	\$ 97.5

⁽¹⁾ For the three months ended March 31, 2025, this amount includes due diligence, transaction and integration costs related to acquisitions (both completed and in the pipeline) and divested facilities (collectively "M&A costs") of \$16.8 million and other costs, including severance, IT implementation, revenue cycle standardization of \$7.9 million. For the three months ended March 31, 2024, this amount includes due diligence, transaction and integration costs related to acquisitions (both completed and in the pipeline) and divested facilities (collectively "M&A costs") of \$16.1 million and other costs, including severance, IT implementation, revenue cycle standardization of \$1.3 million.

⁽²⁾ This amount includes a litigation settlement loss of \$2.2 million and a litigation settlement gain of \$1.8 million for the three months ended March 31, 2025 and 2024, respectively. This amount also includes other litigation costs of \$0.5 million and \$0.6 million for the three months ended March 31, 2025 and 2024, respectively.

⁽³⁾ We use Adjusted EBITDA as a measure of financial performance. Adjusted EBITDA is a key measure used by management to assess operating performance, make business decisions and allocate resources. Non-controlling interests represent the interests of third parties, such as physicians, and in some cases, healthcare systems that own an interest in surgical facilities that we consolidate for financial reporting purposes. We believe that it is helpful to investors to present Adjusted EBITDA as defined above because it excludes the portion of net income attributable to these third-party interests and clarifies for investors our portion of Adjusted EBITDA generated by our surgical facilities and other operations. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered in isolation or as a substitute for net income, operating income or any other measure calculated in accordance with GAAP. The items excluded from Adjusted EBITDA are significant components in understanding and evaluating our financial performance. We believe such adjustments are appropriate, as the magnitude and frequency of such items can vary significantly and are not related to the assessment of normal operating performance. Our calculation of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table provides supplemental information for Adjusted EBITDA related to unconsolidated affiliates:

	Three Months Ended March 31,	
	2025	2024
Adjusted EBITDA related to unconsolidated affiliates:		
Management fee revenues ⁽¹⁾⁽²⁾	\$ 8.2	\$ 6.5
Equity in earnings of unconsolidated affiliates ⁽²⁾	5.6	2.7
<i>Plus:</i>		
Start-up costs related to unconsolidated de novo surgical facilities ⁽³⁾	0.3	0.8
Adjusted EBITDA related to unconsolidated affiliates	\$ 14.1	\$ 10.0

⁽¹⁾ Includes management and administrative service fees derived from the non-consolidated facilities that the Company accounts for under the equity method and management of surgical facilities in which it does not own an interest. Management fee revenues are included in Revenues on the Consolidated Statements of Operations.

⁽²⁾ Included as a component of (loss) income before income taxes in the Adjusted EBITDA reconciliation table above.

⁽³⁾ Included as a component of de novo start-up costs in the Adjusted EBITDA reconciliation table above.

From time to time, the Company incurs certain non-recurring gains or losses that are normally non-operational in nature and management does not consider relevant in assessing its ongoing operating performance. When significant, Surgery Partners' management and the Company's Board of Directors typically exclude these gains or losses when evaluating the Company's operating performance and in certain instances when evaluating performance for incentive compensation purposes. Additionally, management believes that certain investors and equity analysts exclude these or similar items when evaluating the Company's current or future operating performance and in making informed investment decisions regarding the Company. Accordingly, the Company provides adjusted net income attributable to common stockholders and adjusted net income per share attributable to common stockholders as supplements to the comparable GAAP financial measures. Adjusted net income attributable to common stockholders and adjusted net income per share attributable to common stockholders should not be considered measures of financial performance under GAAP, and the items excluded from such measures are significant components in understanding and assessing financial performance. These measures should not be considered in isolation or as an alternative to the comparable GAAP measures as presented in the consolidated financial statements.

The following table reconciles net (loss) income as reflected in the consolidated statements of operations to adjusted net income attributable to common stockholders used to calculate adjusted net income per share attributable to common stockholders:

	Three Months Ended March 31,	
	2025	2024
Consolidated Statements of Operations Data:		
Net (loss) income	\$ (0.3)	\$ 24.3
<i>Plus (minus):</i>		
Net income attributable to non-controlling interests	(37.4)	(36.7)
Equity-based compensation expense	7.6	4.9
Transaction and integration costs	24.7	17.4
De novo start-up costs	1.7	1.5
Net loss on disposals, consolidations and deconsolidations	6.4	1.5
Litigation settlements and other litigation costs	2.7	(1.2)
Other	—	0.4
Adjusted net income attributable to common stockholders	\$ 5.4	\$ 12.1
Adjusted net income per share attributable to common stockholders		
Basic	\$ 0.04	\$ 0.10
Diluted	\$ 0.04	\$ 0.10
Weighted average common shares outstanding		
Basic	126,602	125,972
Diluted	127,697	127,357

Contact

Surgery Partners Investor Relations
(615) 234-8940
IR@surgerypartners.com