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

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**FORM 8-K**

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

Date of Report (Date of earliest event reported): **March 25, 2019**

**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.)

**310 Seven Springs Way, Suite 500  
Brentwood, Tennessee 37027**  
(Address of Principal Executive Offices) (Zip Code)

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

**Not Applicable**  
(Former Name or Former Address, If Changed Since Last Report)

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))

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. ☐

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**Item 1.01 Entry into a Material Definitive Agreement.**

On March 25, 2019, Surgery Partners, Inc. (the “Company”) announced that SP Holdco I, Inc., a Delaware corporation (“Holdings”), and Surgery Center Holdings, Inc., a Delaware corporation (the “Borrower”), each a wholly-owned subsidiary of the Company, together with certain wholly-owned subsidiaries of the Borrower, entered into an amendment to the credit agreement governing their revolving credit facility (the “Revolver”), dated as of March 25, 2019 (“the Amendment”), with Jefferies Finance LLC, as administrative agent and collateral agent, and the other financial institutions party thereto from time to time, which amended and supplemented the credit agreement, dated as of August 31, 2017, and amended on October 23, 2018, by and among the Borrower, Holdings, certain wholly-owned subsidiaries of the Borrower party thereto from time to time, Jefferies Finance LLC, as administrative agent and collateral agent, and the other financial institutions party thereto from time to time (the “Credit Agreement”) to provide for an increase in the outstanding commitments under the Revolver in an amount equal to \$45.0 million. These additional commitments will automatically become operative upon satisfaction by the Borrower of certain conditions precedent set forth in the Amendment.

The foregoing description of the Amendment is qualified in its entirety by the text of the Amendment, which is attached as exhibit 10.1 to this Current Report on Form 8-K.

**Item 7.01 Regulation FD Disclosure.**

On March 25, 2019, the Company announced that its wholly-owned subsidiary, Surgery Center Holdings, Inc., intends to offer, subject to market and other considerations, \$430.0 million aggregate principal amount of senior unsecured notes due 2027 (the “Offering”). The Offering is expected to be conducted pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended (the “Securities Act”).

**Forward-Looking Statements**

This report contains “forward-looking” statements, including those regarding Surgery Partners’ intention to offer and sell, and apply the net proceeds of, the notes. These statements include, but are not limited to, the Company’s expectations regarding the Offering. These statements can be identified by the use of words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “continues,” “estimates,” “predicts,” “projects,” “forecasts,” and similar expressions. All forward-looking statements are based on management’s current expectations and beliefs only as of the date of this report and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements, including but not limited to the risk that the proposed offering and related redemption is not completed on the terms or in the amounts anticipated, or at all and, and the other risks identified in Item 1A under the heading “Risk Factors” recent Annual Report on Form 10-K. 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.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit Number	Description
10.1	<a href="#"><u>Amendment to the Credit Agreement, dated as of March 25, 2019, by and among SP Holdco I, Inc., Surgery Center Holdings, Inc., Jefferies Finance LLC and the other guarantors and lenders party thereto.</u></a>
99.1	<a href="#"><u>Press Release, dated March 25, 2019</u></a>
99.2	<a href="#"><u>Investor Presentation, dated March 2019</u></a>

## SIGNATURES

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

Date: March 25, 2019

**SURGERY PARTNERS, INC.**

By: /s/ Thomas F. Cowhey  
Name: Thomas F. Cowhey  
Title: Executive Vice President and Chief Financial Officer

## INCREMENTAL REVOLVING LOAN AMENDMENT

This INCREMENTAL REVOLVING LOAN AMENDMENT (this “Amendment”), dated as of March 25, 2019, by and among Surgery Center Holdings, Inc., a Delaware corporation (the “Borrower”), SP Holdco I, Inc., a Delaware corporation (“Holdings”), the other Guarantors party hereto, each 2019 Incremental Revolving Lender (as defined below) party hereto, Jefferies Finance LLC, as administrative agent for the Lenders (in such capacity, the “Administrative Agent”) and as collateral agent for the Secured Parties (in such capacity, the “Collateral Agent” or, as Administrative Agent or Collateral Agent, “Agent”), Jefferies Finance LLC, as an Issuing Bank, and KKR Corporate Lending LLC, as an Issuing Bank.

## WITNESSETH:

**WHEREAS**, the Borrower, Holdings, Guarantors, Lenders and Agent, among others, are parties to that certain Credit Agreement, dated as of August 31, 2017, as amended pursuant to that certain Incremental Term Loan Amendment, dated as of October 23, 2018, among the Borrower, Holdings, the other Guarantors party thereto, the Agent and the Lenders party thereto, and as the same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof (the “Credit Agreement”);

**WHEREAS**, pursuant to, and in accordance with Section 2.19 of the Credit Agreement (as amended pursuant to this Amendment, the “Amended Credit Agreement”), (i) the Borrower has requested that each Person party hereto (the “2019 Incremental Revolving Lenders”) whose name is set forth on Schedule 2.01 hereto under the heading “2019 Incremental Revolving Lender” provide a Revolving Commitment Increase in an aggregate principal amount equal to the amount set forth opposite such 2019 Incremental Revolving Lender’s name on Schedule 2.01 hereto under the heading “2019 Incremental Revolving Commitment” (the “2019 Incremental Revolving Commitments”), effective as of the Second Incremental Amendment Date (as defined below), which 2019 Incremental Revolving Commitments will constitute the same Class as the Revolving Commitments in effect immediately prior to giving effect to such Revolving Commitment Increase (the “Existing Revolving Commitments”) and shall have the terms set forth herein and in the Amended Credit Agreement and (ii) each 2019 Incremental Revolving Lender and the Administrative Agent have agreed, upon the terms and subject to the conditions set forth herein, that, effective as of the date hereof, each 2019 Incremental Revolving Lender will provide its respective 2019 Incremental Revolving Commitments to the Borrower on the Second Incremental Amendment Date;

**WHEREAS**, this Amendment is an Incremental Amendment under and as defined in Section 2.19 of the Credit Agreement; and

**WHEREAS**, Agent and the 2019 Incremental Revolving Lenders are willing, on the terms and subject to the conditions set forth below, to enter into the amendments, modifications and agreements set forth in this Amendment.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Defined Terms.** Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings ascribed thereto in the Amended Credit Agreement.

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2. Incremental Revolving Commitments. Subject to the satisfaction of the conditions precedent set forth in Section 5 below, the Borrower, the Guarantors, the 2019 Incremental Revolving Lenders and Agent hereby agree as follows:

(a) The Borrower is requesting 2019 Incremental Revolving Commitments in the aggregate principal amount of \$45,000,000 from the 2019 Incremental Revolving Lenders pursuant to, and on the terms set forth in, Section 2.19 of the Credit Agreement, effective on the Second Incremental Amendment Date (as defined below). The full principal amount of such 2019 Incremental Revolving Commitments are being incurred initially in reliance on clause (i)(x) of the first proviso of Section 2.19(a) under the Credit Agreement.

(b) Each 2019 Incremental Revolving Lender agrees, severally and not jointly, to provide to the Borrower its 2019 Incremental Revolving Commitments as a Revolving Commitment Increase under the Amended Credit Agreement commencing on the Second Incremental Amendment Date in an amount equal to such 2019 Incremental Revolving Lender's 2019 Incremental Revolving Commitments as set forth on Schedule 2.01 hereto, and to make Revolving Loans to the Borrower under the Amended Credit Agreement, in each case, at any time and from time to time on and after the Second Incremental Amendment Date until the earlier of the Revolving Maturity Date and the termination of the Revolving Commitment of such Revolving Lender in accordance with the terms of the Amended Credit Agreement, in an aggregate principal amount at any time outstanding not to exceed such 2019 Incremental Revolving Lender's Revolving Commitment. With effect from and after the Second Incremental Amendment Date, after giving effect to the Revolving Commitment Increase pursuant to the 2019 Incremental Revolving Commitments, (x) each Revolving Lender (each such Revolving Lender, an "Existing Revolving Lender") that has Revolving Exposure with respect to Revolving Loans that are outstanding under its Existing Revolving Commitments as of the Second Incremental Amendment Date ("Existing Revolving Loans"), shall assign to each 2019 Incremental Revolving Lender, and each 2019 Incremental Revolving Lender shall purchase from such Existing Revolving Lender, at the principal amount thereof, such interests in the Existing Revolving Loans outstanding on the Second Incremental Amendment Date as shall be necessary in order that, after giving effect to all such assignments and purchases under this clause (x), and taking into account all Credit Extensions of Revolving Loans made on the Second Incremental Amendment Date, such Existing Revolving Loans will be held by Existing Revolving Lenders and 2019 Incremental Revolving Lenders having a 2019 Incremental Revolving Commitment ratably in accordance with their Revolving Commitments after giving effect to the Revolving Commitment Increase pursuant to the 2019 Incremental Revolving Commitments and (y) the LC Exposure of each Revolving Lender shall be based on such Revolving Lender's Pro Rata Share (for the avoidance of doubt, determined after giving effect to the Revolving Commitment Increase pursuant to the 2019 Incremental Revolving Commitments) of the aggregate LC Exposure. The Administrative Agent and each Issuing Bank hereby consents to each 2019 Incremental Revolving Lender to the extent required pursuant to Section 2.19 and/or Section 10.04 under the Credit Agreement.

(c) The obligations of each 2019 Incremental Revolving Lender to provide the 2019 Incremental Revolving Commitments to the Borrower pursuant to this Section 2 shall not become effective until the date on which each of the following conditions (the "Second Incremental Amendment Conditions") in this Section 2(c) is first satisfied (the date of such satisfaction being the "Second Incremental Amendment Date") (provided that the Second Incremental Amendment Date shall not be deemed to occur, and no 2019 Incremental Revolving Lender shall be obligated to provide the 2019 Incremental Revolving Commitments, if the Second Incremental Amendment Conditions are not satisfied on or prior to the date that is 30 calendar days after the date hereof):

(i) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower, certifying that, as of the Second Incremental Amendment Date, (x) each of the representations and warranties made by the Loan Parties set forth in this Amendment, in Article 5 of the Credit Agreement and in all other Loan Documents are true and correct in all material respects on and as of the Second Incremental Amendment Date with the same effect as though made on and as of the Second Incremental Amendment Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date; provided, that any such representation and warranty that is qualified by “materiality,” “material adverse effect” or similar language is true and correct in all respects (after giving effect to any such qualification therein) on and as of such earlier date with the same effect as though made on and as of the Second Incremental Amendment Date or such earlier date, as applicable and (y) after giving effect to the Revolving Commitment Increase contemplated hereby, no Event of Default exists or would result from the incurrence of the 2019 Incremental Revolving Commitments contemplated by this Amendment;

(ii) Holdings and the Borrower shall have paid on or prior to the Second Incremental Amendment Date to the Administrative Agent and the 2019 Incremental Revolving Lenders, as applicable, all expenses payable in connection with this Amendment, in each case, to the extent invoiced at least three Business Days prior to the Second Incremental Amendment Date (except as otherwise reasonably agreed by the Borrower);

(iii) the Administrative Agent shall have received, on behalf of itself, the Collateral Agent and the 2019 Incremental Revolving Lenders, an opinion of (x) Ropes & Gray LLP, counsel for the Loan Parties and (y) each local counsel for the Loan Parties listed on Schedule 4.02(d) to this Amendment (or other local counsel reasonably acceptable to the Administrative Agent), in each case, with respect to the Amendment and dated on or after the Effective Date and on or prior to the Second Incremental Amendment Date and addressed to the Administrative Agent, the Collateral Agent and the 2019 Incremental Revolving Lenders and in customary form and substance (it being understood that, without limitation, any such opinions in form and substance consistent with the corresponding opinions provided in connection with the First Incremental Amendment shall be deemed to be in customary form and substance);

(iv) the Administrative Agent shall have received (x) a certificate as to the good standing of each Loan Party as of a recent date, (y) a certificate of a Responsible Officer of each Loan Party dated on the Second Incremental Amendment Date certifying (A) that attached thereto is a copy of the certificate or articles of incorporation or organization or certificate of formation, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State of the state of its organization, or, in the alternative, certifying that such certificate or articles of incorporation or organization or certificate of formation has not been amended since delivery thereof to the Administrative Agent on the Closing Date or the First Incremental Amendment Date, as applicable, (B) that attached thereto is a true and complete copy of the by-laws or operating (or limited liability company) agreement of such Loan Party as in effect on the Second Incremental Amendment Date (or that the by-laws or operating (or limited liability company) agreement of such Loan Party has not been amended or otherwise modified since the delivery of such documents to the Administrative Agent on the Closing Date or the First Incremental Amendment Date, as applicable), (C) that attached

thereto is a true and complete copy of resolutions duly adopted by the board of directors (or equivalent governing body) of such Loan Party authorizing or ratifying the execution, delivery and performance of the Amendment and, in the case of the Borrower, the borrowings and/or incurrence of the 2019 Incremental Revolving Commitments and the Revolving Loans thereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party and (z) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (y) above;

(v) the Administrative Agent shall have received Notes executed by the Borrower in favor of each 2019 Incremental Revolving Lender that has requested a Note at least ten Business Days in advance of the Second Incremental Amendment Date;

(vi) the Administrative Agent shall have received a solvency certificate, substantially in the form set forth in Exhibit H to the Credit Agreement, from the chief financial officer, chief operating officer or other officer with similar responsibilities of the Borrower;

(vii) the Administrative Agent shall have received all documentation and other information about the Borrower and the Guarantors required under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act, that has been reasonably requested in writing at least three days prior to the Second Incremental Amendment Date;

(viii) the Borrower shall have issued senior unsecured notes, the net proceeds of which are applied, directly or indirectly, to discharge its outstanding obligations under the 2021 Unsecured Notes and the 2021 Unsecured Notes Indenture; and

(ix) any interest with respect to any Existing Revolving Loans and Commitment Fees with respect to any Existing Revolving Commitments that have accrued and are owing to the Existing Revolving Lenders (in each case, even if not yet due and payable at such time) as of the calendar day prior to the Second Incremental Amendment Date shall have been paid to the Administrative Agent on behalf of the Existing Revolving Lenders;

provided that, without limitation, the Second Incremental Amendment Date shall be deemed to be the date that the certificate set forth in clause (i) above is delivered to the Administrative Agent if as of the date such certificate is delivered each of the Second Incremental Amendment Conditions (other than clause (i) above) has been satisfied.

(d) Section 1.01 of the Credit Agreement is hereby amended by adding the following defined terms in correct alphabetical order:

“**2019 Incremental Revolving Commitments**” shall have the meaning set forth in the Second Incremental Amendment.

“**Existing Revolving Commitments**” shall have the meaning set forth in the Second Incremental Amendment.

**“Second Incremental Amendment”** shall mean the Incremental Revolving Loan Amendment, dated as of March 25, 2019, by and among the Borrower, the Guarantors, the 2019 Incremental Revolving Lenders and the Administrative Agent.

**“Second Incremental Amendment Date”** shall have the meaning set forth in the Second Incremental Amendment.

(e) Subject to satisfaction of the Second Incremental Amendment Conditions, the Existing Revolving Commitments and the 2019 Incremental Revolving Commitments shall be deemed to be, and treated as, part of a single Class of Revolving Commitments (and any Revolving Loans made pursuant to the Existing Revolving Commitments and the 2019 Incremental Revolving Commitments shall be deemed to be, and treated as, part of a single Class of Revolving Loans).

(f) Subject to satisfaction of the Second Incremental Amendment Conditions, Section 2.01 of the Credit Agreement is hereby amended by amending and restating the definition of “Revolving Commitment” as follows:

**“Revolving Commitment”** shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans hereunder up to the amount set forth on Schedule 2.01 under the caption “Revolving Loan Commitment” or in the Assignment and Acceptance or Refinancing Amendment pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Lender pursuant to an Assignment and Acceptance, (ii) a Refinancing Amendment, (iii) an Extension Amendment or (iv) an Incremental Amendment. The aggregate principal amount of the Lenders’ Revolving Commitments on the Closing Date was \$75,000,000 and the aggregate principal amount of the Lenders’ Revolving Commitments on the Second Incremental Amendment Date is \$120,000,000.

(g) Subject to satisfaction of the Second Incremental Amendment Conditions, Section 2.01 of the Credit Agreement is hereby amended by adding the following sentence to the definition of “Class” therein:

Notwithstanding any provision herein to the contrary, from and after the Second Incremental Amendment Date, the Existing Revolving Commitments and the 2019 Incremental Revolving Commitments shall be deemed to be, and treated as, part of a single Class of Revolving Commitments (and any Revolving Loans made pursuant to the Existing Revolving Commitments and the 2019 Incremental Revolving Commitments shall be deemed to be, and treated as, part of a single Class of Revolving Loans).

(h) Subject to satisfaction of the Second Incremental Amendment Conditions, for the avoidance of doubt, (i) the loans made pursuant to the 2019 Incremental Revolving Commitments shall be deemed to be “Loans” and “Revolving Loans”, (ii) each 2019 Incremental Revolving Lender shall be deemed to be a “Lender” and a “Revolving Lender” and (iii) the 2019 Incremental Revolving Commitments shall be deemed to be a “Incremental Revolving Commitment”, a “Revolving Commitment Increase” and a “Revolving Commitment”.

(i) For the avoidance of doubt, subject to satisfaction of the Second Incremental Amendment Conditions, the 2019 Incremental Revolving Commitments, and the Revolving

Loans made in connection therewith, shall have the same terms as the Existing Revolving Commitments and Existing Revolving Loans, as applicable, and shall bear interest and Commitment Fees, as applicable, as provided for in the Amended Credit Agreement with respect to Revolving Loans and Revolving Commitments, respectively. The parties hereto hereby agree that, notwithstanding anything in the Amended Credit Agreement to the contrary, the Administrative Agent is hereby authorized to take all actions as it may reasonably deem to be necessary to ensure that the 2019 Incremental Revolving Commitments constitute a Revolving Commitment Increase.

(j) This Amendment shall constitute notice to the Administrative Agent by the Borrower requesting the 2019 Incremental Revolving Commitments pursuant to Section 2.19(a) of the Credit Agreement, and, for the avoidance of doubt, shall satisfy such notice requirement set forth in Section 2.19(a) of the Credit Agreement.

3. Joinder. Each 2019 Incremental Revolving Lender acknowledges and agrees that, effective as of the Effective Date, such 2019 Incremental Revolving Lender commits to provide its 2019 Incremental Revolving Commitment from and after the Second Incremental Amendment Date, as set forth on Schedule 2.01 attached hereto on the terms set forth herein and in the Amended Credit Agreement and subject to the conditions set forth herein and, from and after the Second Incremental Amendment Date, shall be a “Revolving Lender” and “Lender” under, and for all purposes of, the Amended Credit Agreement and the other Loan Documents and shall be subject to and bound by the terms thereof (and shall perform all the obligations of and shall have all the rights of a Lender thereunder).

4. Representations and Warranties. In order to induce the other parties hereto to enter into this Amendment in the manner provided herein, each of Holdings, the Borrower and each Guarantor represents and warrants to the other parties hereto:

(a) immediately prior to giving effect to this Amendment, on and as of the date hereof, each of the representations and warranties set forth in Article 5 of the Credit Agreement and in each other Loan Document are true and correct in all material respects on and as of the date hereof with the same effect as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date (provided, that any such representation and warranty that is qualified by “materiality,” “material adverse effect” or similar language is true and correct in all respects (after giving effect to any such qualification therein) on and as of such earlier date with the same effect as though made on and as of the date hereof or such earlier date, as applicable);

(b) on and as of the Second Incremental Amendment Date, each of the representations and warranties set forth in Article 5 of the Amended Credit Agreement and in each other Loan Document shall be true and correct in all material respects with the same effect as though made on and as of the Second Incremental Amendment Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (provided, that any such representation and warranty that is qualified by “materiality,” “material adverse effect” or similar language is true and correct in all respects (after giving effect to any such qualification therein) on and as of such earlier date with the same effect as though made on and as of the Second Incremental Amendment Date or such earlier date, as applicable);

(c) as of the date hereof and immediately after giving effect to this Amendment, no Event of Default has occurred and is continuing;  
and

(d) as of the Second Incremental Amendment Date, no Event of Default shall have occurred and be continuing.

5. Condition to Effectiveness. The effectiveness of this Amendment is subject solely to the condition that the Administrative Agent shall have received counterparts of this Amendment duly executed by Holdings, the Borrower, each Subsidiary Guarantor, the Administrative Agent, the Collateral Agent, each Issuing Bank and each 2019 Incremental Revolving Lender (the time at which such condition is so satisfied is referred to herein as the “Effective Date”).

6. Acknowledgement.

(a) The Borrower and each Guarantor hereby confirm that, as of the date hereof and as of the Second Incremental Amendment Date, each Loan Document to which it is a party or otherwise bound and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents the payment and performance of all Obligations and Secured Obligations under each of the Loan Documents to which it is a party (in each case as such terms are defined in the applicable Loan Document).

(b) The Borrower and each Guarantor acknowledge and agree that, as of the date hereof and as of the Second Incremental Amendment Date, any of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment.

(c) Each of the Borrower and each Guarantor hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to the amendment of the Credit Agreement effected pursuant to this Amendment and acknowledges and agrees that, effective as of the Second Incremental Amendment Date, each 2019 Incremental Revolving Lender (and any assignee thereof) is a “Lender” and a “Secured Party” for all purposes under the Loan Documents to which the Borrower or such Guarantor is a party.

(d) Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor to any future amendments to the Credit Agreement.

(e) The parties hereto agree and acknowledge that, for all purposes under the Credit Agreement and the other Loan Documents, this Amendment constitutes an Incremental Amendment contemplated by Section 2.19 of the Credit Agreement.

(f) Each of the Borrower and each Guarantor hereby (i) acknowledges and agrees that all of its obligations under the Guarantees set out in the Amended Credit Agreement and any other guaranties in the Loan Documents to which it is a party are reaffirmed and remain in full force and effect on a continuous basis, (ii) reaffirms each Lien granted by each Loan Party to the Collateral Agent for the benefit of the Secured Parties and reaffirms the Guarantees made

pursuant to the Amended Credit Agreement, (iii) acknowledges and agrees that the grants of security interests by and the Guarantees of the Loan Parties contained in the Amended Credit Agreement and the other Collateral Documents are, and shall remain, in full force and effect after giving effect to this Amendment, and (iv) agrees that, effective as of the Second Incremental Amendment Date, the Obligations include, among other things and without limitation, the prompt and complete payment and performance by the Borrower when due and payable (whether at the stated maturity, by acceleration or otherwise) of principal and interest on, the Revolving Loans made pursuant to the 2019 Incremental Revolving Commitments under the Amended Credit Agreement. Nothing contained in this Amendment shall be construed as substitution or novation of the obligations outstanding under the Credit Agreement or the other Loan Documents, which shall remain in full force and effect, except to any extent modified hereby.

7. GOVERNING LAW AND WAIVER OF JURY TRIAL.

(a) THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW PRINCIPLES THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7(B).

8. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or other electronic imaging transmission shall be as effective as delivery of a manually executed counterpart of this Amendment.

9. Reference to and Limited Effect on the Credit Agreement and the Other Loan Documents.

(a) On and after the Effective Date and the Second Incremental Amendment Date, (x) each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and (B) each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof”, “therein” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement after giving effect to this Amendment (but, with respect to the items expressly stated herein to be

subject to the satisfaction of the Second Incremental Amendment Conditions, subject to the satisfaction of such Second Incremental Amendment Conditions).

(b) Except as specifically amended by this Amendment, the Credit Agreement and each of the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Agent or Lender under, the Credit Agreement or any of the other Loan Documents.

(d) Each of Holdings, the Borrower and each other Guarantor hereby (i) ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements under the Credit Agreement and the other Loan Documents and (ii) acknowledges, ratifies and confirms that such liabilities, obligations and agreements constitute valid and existing Obligations under the Credit Agreement, in each case, to the extent Holdings, the Borrower or such Guarantor, as applicable, is a party thereto. In addition, each of Holdings, the Borrower and each Guarantor hereby ratifies, confirms and reaffirms (i) the liens and security interests granted, created and perfected under the Collateral Documents and any other Loan Documents and (ii) that each of the Collateral Documents to which it is a party remain in full force and effect notwithstanding the effectiveness of this Amendment. Without limiting the generality of the foregoing, each of Holdings, the Borrower and each other Guarantor further agrees (A) that any reference to "Obligations" contained in any Collateral Documents shall include, without limitation, the "Obligations" as such term is defined in the Credit Agreement (as amended by this Amendment from and after the Second Incremental Amendment Date) and (B) that the related guarantees and grants of security contained in such Collateral Documents shall include and extend to such Obligations. This Amendment shall not constitute a modification of the Credit Agreement, except as specified under Section 2 hereto, or a course of dealing with Agent or any Lender at variance with the Credit Agreement such as to require further notice by Agent or any Lender to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein. This Amendment contains the entire agreement among Holdings, the Borrower, the other Guarantors, and the 2019 Incremental Revolving Lenders contemplated by this Amendment. Neither Holdings nor the Borrower nor any other Guarantor has any knowledge of any challenge to Agent's or any Lender's claims arising under the Loan Documents or the effectiveness of the Loan Documents. Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Nothing in this Amendment is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the Obligations or to modify, affect or impair the perfection, priority or continuation of the security interests in, security titles to or other Liens on any Collateral for the Obligations.

10. Expenses. The Borrower and Holdings agree, jointly and severally, to pay on demand all reasonable out-of-pocket costs and expenses incurred by the Agent and the 2019 Incremental Revolving Lenders in connection with the preparation, negotiation and execution of this Amendment, including, without limitation, all Attorney Costs of Agent, in each case, to the extent required under Section 10.05 of the Credit Agreement.

11. Successors and Assigns. Notwithstanding the foregoing and anything to the contrary in any Loan Document, this Amendment (and the 2019 Incremental Revolving Commitments) shall not be assignable by the 2019 Incremental Revolving Lenders prior to the Second Incremental Amendment Date

without the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed) and any purported assignment without such consent shall be null and void.

12. Severability. In the event any one or more of the provisions contained in this Amendment should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

13. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or to be taken into consideration in interpreting, this Amendment.

*[Signature pages follow]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first written above.

SURGERY CENTER HOLDINGS, INC.,  
as Borrower

By:        /s/ Thomas F. Cowhey  
Name:     Thomas F. Cowhey  
Title:     Chief Financial Officer

SP HOLDCO I, INC.,  
as Holdings

By:        /s/ Thomas F. Cowhey  
Name:     Thomas F. Cowhey  
Title:     Chief Financial Officer

[Signature Page to Incremental Revolving Loan Amendment]

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**SUBSIDIARY GUARANTORS:**

AMBULATORY RESOURCE CENTRES INVESTMENT  
COMPANY, LLC  
AMBULATORY RESOURCE CENTRES OF WASHINGTON, LLC  
AMBULATORY RESOURCE CENTRES OF WILMINGTON, LLC  
ANESTHESIOLOGY PROFESSIONAL SERVICES, INC.  
APS OF BRADENTON, LLC  
APS OF HAMMOND, LLC  
ARC DEVELOPMENT, LLC  
ARC FINANCIAL SERVICES, LLC  
ASC OF NEW ALBANY, LLC  
SGRY HOLDINGS, LP  
SGRY, LLC  
HAMMOND ANESTHESIA SERVICES, LLC  
IDAHO FALLS COMMUNITY HOSPITAL, LLC  
LOGAN LABORATORIES, LLC  
NEOSPINE SURGERY OF PUYALLUP, LLC  
NEOSPINE SURGERY, LLC  
NOVAMED ACQUISITION COMPANY, LLC  
NOVAMED ALLIANCE, INC.  
NOVAMED MANAGEMENT OF KANSAS CITY, LLC  
NOVAMED MANAGEMENT SERVICES, LLC  
NOVAMED OF BETHLEHEM, LLC  
NOVAMED OF LEBANON, LLC  
NOVAMED OF SAN ANTONIO, LLC  
NOVAMED OF TEXAS, LLC  
NOVAMED OF WISCONSIN, LLC  
NOVAMED, LLC  
PSC DEVELOPMENT COMPANY, LLC  
PSC OPERATING COMPANY, LLC  
RIVERSIDE ANESTHESIA SERVICES, LLC  
RIVERSIDE BILLING AND MANAGEMENT COMPANY, LLC  
RIVERSIDE SPINE & PAIN PHYSICIANS, LLC  
SARASOTA ANESTHESIA SERVICES, LLC  
SARC/ASHEVILLE, LLC

By: /s/ Thomas F. Cowhey  
Name: Thomas F. Cowhey  
Title: Chief Financial Officer

[Signature Page to Incremental Revolving Loan Amendment]

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SARC/FT. MYERS, INC.  
SARC/GEORGIA, INC.  
SARC/KENT, LLC  
SARC/LARGO ENDOSCOPY, LLC  
SARC/LARGO, INC.  
SARC/PROVIDENCE, LLC  
SARC/ST. CHARLES, INC.  
SMBI DOCS, LLC  
SMBI GREAT FALLS, LLC  
SMBI HAVERTOWN, LLC  
SMBI IDAHO, LLC  
SMBI LHH, LLC  
SMBI PORTSMOUTH, LLC  
SMBI STLWSC, LLC  
SMBIMS BIRMINGHAM, LLC  
SMBIMS DURANGO, LLC  
SMBIMS FLORIDA I, LLC  
SMBIMS KIRKWOOD, LLC  
SMBIMS STEUBENVILLE, INC.  
SMBIMS WICHITA, LLC  
SMBISS BEVERLY HILLS, LLC  
SMBISS CHESTERFIELD, LLC  
SMBISS ENCINO, LLC  
SMBISS IRVINE, LLC  
SP MANAGEMENT SERVICES, INC.  
SP NORTH DAKOTA, LLC  
SP PRACTICE MANAGEMENT, LLC  
SURGERY PARTNERS ACQUISITION COMPANY, LLC  
SURGERY PARTNERS OF CORAL GABLES, LLC  
SURGERY PARTNERS OF LAKE MARY, LLC  
SURGERY PARTNERS OF LAKE WORTH, LLC  
SURGERY PARTNERS OF MERRITT ISLAND, LLC  
SURGERY PARTNERS OF MILLENIA, LLC  
SURGERY PARTNERS OF NEW TAMPA, LLC  
SURGERY PARTNERS OF PARK PLACE, LLC  
SURGERY PARTNERS OF SARASOTA, LLC  
SURGERY PARTNERS OF WEST KENDALL, L.L.C.  
SURGERY PARTNERS OF WESTCHASE, LLC  
SURGERY PARTNERS, LLC  
SYMBION AMBULATORY RESOURCE CENTRES, LLC

By: /s/ Thomas F. Cowhey  
Name: Thomas F. Cowhey  
Title: Chief Financial Officer

[Signature Page to Incremental Revolving Loan Amendment]

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SYMBION HOLDINGS, LLC  
TAMPA PAIN RELIEF CENTER, INC.  
TEXARKANA SURGERY CENTER GP, LLC  
UNIPHY HEALTHCARE OF JOHNSON CITY VI, LLC  
VASC, LLC  
VILLAGE SURGICENTER, LLC  
APS OF JONESBORO, LLC  
BLUE RIDGE NOVAMED, INC.  
COMMUNITY HOSPITAL HOLDING COMPANY, LLC  
COMMUNITY HOSPITAL MANAGEMENT COMPANY, LLC  
JENKINS COUNTY HOSPITAL, LLC  
JONESBORO ANESTHESIA SERVICES, LLC  
NATIONAL SURGICAL HOSPITALS, LLC  
NOVAMED OF LAREDO, INC.  
NSH BRYAN HOSPITAL, INC.  
NSH CALIFORNIA, LLC  
NSH CONNECTICUT, LLC  
NSH DURHAM, INC.  
NSH EL PASO INC.  
NSH EL PASO SPECIALTY HOSPITAL, INC.  
NSH GEORGIA, LLC  
NSH LOGAN, INC.  
NSH LOUISIANA, LLC  
NSH MANAGEMENT OF ARIZONA, LLC  
NSH MANAGEMENT OF CALIFORNIA, LLC  
NSH MESA, LLC  
NSH MICHIGAN PROPERTIES, LLC  
NSH MICHIGAN, INC.  
NSH NORTH IDAHO, LLC  
NSH SAN ANTONIO SURGICAL HOSPITAL, LLC  
NSH TEXAS, LLC  
NSH WISCONSIN, LLC  
QUAHOG HOLDING COMPANY, LLC  
SCREVEN COUNTY FAMILY HEALTH CENTER, LLC

By: /s/ Thomas F. Cowhey  
Name: Thomas F. Cowhey  
Title: Chief Financial Officer

[Signature Page to Incremental Revolving Loan Amendment]

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SCREVEN COUNTY HOSPITAL, LLC  
SENTRY MEDICAL BILLING, LLC  
SP LOUISIANA, LLC  
SPACE COAST ANESTHESIA SERVICES, LLC  
SURGERY CENTER OF PENNSYLVANIA, LLC  
SYMBIONARC SUPPORT SERVICES, LLC  
THE CENTER FOR SPECIAL SURGERY, LLC  
THE VILLAGES SURGERY CENTER, LLC

By: /s/ Thomas F. Cowhey

Name: Thomas F. Cowhey

Title: Chief Financial Officer

[Signature Page to Incremental Revolving Loan Amendment]

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JEFFERIES FINANCE LLC,  
as Administrative Agent, Collateral Agent and an Issuing Bank

By:       /s/ Paul Chisholm  
Name:     Paul Chisholm  
Title:     Managing Director

[Signature Page to Incremental Revolving Loan Amendment]

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KKR CORPORATE LENDING LLC,  
as an Issuing Bank

By: /s/ Cade Thompson  
Name: Cade Thompson  
Title: Member

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[Signature Page to Incremental Revolving Loan Amendment]

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JEFFERIES FINANCE LLC,  
as a 2019 Incremental Revolving Lender

By:       /s/ Paul Chisholm  
Name:     Paul Chisholm  
Title:     Managing Director

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[Signature Page to Incremental Revolving Loan Amendment]

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KKR CORPORATE LENDING LLC,  
as a 2019 Incremental Revolving Lender

By: /s/ Cade Thompson  
Name: Cade Thompson  
Title: Member

[Signature Page to Incremental Revolving Loan Amendment]

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MACQUARIE CAPITAL FUNDING LLC,  
as a 2019 Incremental Revolving Lender

By: /s/ Mimi Shih  
Name: Mimi Shih  
Title: Authorized Signatory

By: /s/ Jeff Abt  
Name: Jeff Abt  
Title: Authorized Signatory

[Signature Page to Incremental Revolving Loan Amendment]

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**Schedule 2.01**

<b>2019 Incremental Revolving Lender</b>	<b>2019 Incremental Revolving Commitment</b>
Jefferies Finance LLC	\$15,000,000
KKR Corporate Lending LLC	\$15,000,000
Macquarie Capital Funding LLC	\$15,000,000
<b>Total</b>	<b>\$45,000,000</b>

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**Schedule 4.02(d)**

**Local Counsel Opinions**

<b>State</b>	<b>Counsel Information</b>
Florida	McDermott Will & Emery LLP 333 Avenue of the Americas, Suite 4500 Miami, FL 33131-4336
Georgia	Bryan Cave LLP One Atlantic Center 1201 W Peachtree NW Atlanta, GA 30309
Illinois	Bryan Cave LLP One Atlantic Center 1201 W Peachtree NW Atlanta, GA 30309
Indiana	Wooden & McLaughlin LLP One Indiana Square, Suite 1800 Indianapolis, IN 46204
Missouri	Husch Blackwell LLP 4801 Main Street, Suite 1000 Kansas City, MO 64112
Tennessee	Waller Lansden Dortch & Davis, LLP 511 Union Street, Suite 2700 PO Box 198966 Nashville, TN 37219-8966
Texas	McGuire, Craddock & Strother, P.C. 2501 N Harwood, Suite 1800 St Anns Court Dallas, TX 75201
North Carolina	Carruthers & Roth, P.A. Post Office Box 540 235 North Edgeworth Street Greensboro, NC 27401
Wisconsin	Quarles & Brady LLP 411 East Wisconsin Avenue, Suite 2400 Milwaukee, WI 53202-4426

**Surgery Partners, Inc. (NASDAQ:SGRY)** (“Surgery Partners”) today announced that its wholly-owned subsidiary, Surgery Center Holdings, Inc. (the “Issuer”), intends to offer, subject to market and other considerations, \$430,000,000 aggregate principal amount of senior unsecured notes due 2027 (the “notes”). The notes will be guaranteed (the “guarantees”) on a senior unsecured basis by each domestic wholly-owned subsidiary of the Issuer that guarantees its obligations under its senior secured credit facilities. The terms of the notes, including interest rate and principal amount, will depend on market conditions at the time of pricing and will be determined by negotiations among Surgery Partners and the initial purchasers of the notes.

Surgery Partners intends to use the net proceeds from this offering, together with cash on the balance sheet, to redeem all of the Issuer’s outstanding 8.875% senior unsecured notes due April 15, 2021, to pay the accrued interest and the redemption premium for such notes and to pay related fees and expenses in connection with this offering and such redemption.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy securities, nor shall there be any offer, solicitation or sale in any jurisdiction in which, or to any person to whom, such offer, solicitation or sale would be unlawful. The notes and the guarantees are being offered and sold only to “qualified institutional buyers” in the United States pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. The notes and the guarantees have not been, and will not be, registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state laws.

### **Forward-Looking Statements**

This press release contains forward-looking statements, including those regarding Surgery Partners’ intention to offer and sell, and apply the net proceeds of, the notes. These statements can be identified by the use of words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “continues,” “estimates,” “predicts,” “projects,” “forecasts,” 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 assumptions that could cause actual results or events to differ materially from those discussed in, or implied by, the forward-looking statements, including but not limited to, the risk that the proposed offering and related redemption is not completed on the terms or in the amounts anticipated, or at all and the other risks identified in Item 1A under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018, filed on March 15, 2019. Except as required by law, neither Surgery Partners, nor the Issuer, undertakes any 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.

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## 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 180 locations in 31 states, including ambulatory surgical facilities, surgical hospitals, a diagnostic laboratory, multi-specialty, physician practices and urgent care facilities.

### Investors:

Thomas F. Cowhey, Chief Financial Officer  
Surgery Partners, Inc.  
(615)234-8940  
IR@surgerypartners.com

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# Investor Presentation

March 2019

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#### 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 anticipated timing and strength of the opportunities in our pipeline of potential acquisitions, the anticipated timing and terms of the offering proceeds, as well as the future financial position of Surgery Partners, Inc. and its subsidiaries (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: that we may not be able to consummate the notes offering on the terms or timeline set forth in this presentation, if at all, the impact of future legislation and other healthcare regulatory reform actions, and the effect of that legislation and other regulatory actions on our business, our ability to comply with current healthcare laws and regulations, reductions in payments from government healthcare programs and managed care organizations, our ability to contract with private third-party payors, changes in our payor mix or surgical case mix, failure to maintain or develop relationships with our physicians on beneficial terms, or at all, the impact of payor controls designed to reduce the number of surgical procedures, our efforts to integrate operations of acquired businesses and surgical facilities, attract new physician partners, or acquire additional surgical facilities, 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 healthcare 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 surgical facilities, economic and competitive conditions, the outcome of legal and regulatory proceedings that have been or may be brought against us, changes in the regulatory, economic and other conditions of the states where our surgical facilities are located, substantial payments we are required to make under the tax receivable agreement, our substantial indebtedness, 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 2018 ("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 10-K. You should read the Company's annual report and any and all other filings with the SEC, available at [www.sec.gov](http://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.

#### Data and Information Contained in this Presentation

This presentation also contains market research, estimates and forecasts, which are 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, Adjusted EBITDA and Credit Agreement 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 most nearly comparable GAAP measures, see slides 23 and 24 of this presentation and the Company's 10-K.

#### Important Notice Regarding Information Contained in this Presentation

This investor presentation (this "Presentation") is intended to facilitate discussions with representatives of certain institutions regarding a notes offering for Surgery Partners, Inc. and its subsidiaries. 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 an investor in the notes. 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.



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# Transaction Overview

Section 1



# Transaction Overview

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- Surgery Partners, Inc. ("Surgery Partners" or the "Company") is a leading independent operator of short-stay surgical facilities, focused on providing high quality, cost effective solutions for surgical and related ancillary care
  - National network of 123 surgical facilities comprised of 108 ambulatory surgery centers (ASCs) and 15 surgical hospitals across 31 states as of December 31, 2018
  - 2018 Revenue and Credit Agreement EBITDA of \$1,771.5 million and \$273.5 million, respectively<sup>(1)</sup>
  - Favorable positioning and industry trends:
    - Leading musculoskeletal platform
    - Aging demographic
    - Recent CMS proposals to increase reimbursement and covered procedures at ASCs
    - Payor alignment due to high quality and lower cost
- Surgery Center Holdings, Inc. intends to raise \$430.0 million Senior Unsecured Notes (the "Notes") to refinance its existing Senior Unsecured Notes due 2021
  - Pro Forma for the transaction, the Company will have secured net leverage and total net leverage of 4.8x and 7.9x, respectively, based on 2018 Credit Agreement EBITDA of \$273.5 million<sup>(2)</sup>
  - The Company expects to increase revolving credit commitments by \$45.0 million concurrently with the issuance of the Notes

<sup>(1)</sup> See pages 23 and 24 for full reconciliations of Adjusted EBITDA to income (loss) before income taxes and Credit Agreement EBITDA to cash from operating activities.

<sup>(2)</sup> Net leverage and total net leverage calculations exclude debt of non-wholly owned subsidiaries that corresponds to the equity interest of third parties in such subsidiaries.

# Sources and Uses and As Adjusted Capitalization

(\$ in Millions)

Sources and Uses					
New Senior Unsecured Notes due 2027	\$	430.0	Redemption of Senior Unsecured Notes due 2021	\$	400.0
Cash on Balance Sheet		15.0	Redemption Premium (104.438%) and Accrued Interest		36.5
			Estimated Fees and Expenses		8.5
<b>Total Sources</b>	<b>\$</b>	<b>445.0</b>	<b>Total Uses</b>	<b>\$</b>	<b>445.0</b>

(as of 12/31/18) As Adjusted Capitalization					
	Actual	As Adjusted		Actual	As Adjusted
Cash and Cash Equivalents	\$ 184.3	\$ 169.3	<b>2018 Credit Agreement EBITDA<sup>(1)</sup></b>	\$ 273.5	\$ 273.5
<b>Debt</b>			Secured Net Leverage	4.7x	4.8x
Revolver <sup>(1)</sup>	-	-	Total Net Leverage	7.7x	7.9x
Term Loan	1,453.4	1,453.4			
Capital Leases and Facility Level Debt of Wholly Owned Subsidiaries <sup>(2)</sup>	15.2	15.2			
<b>Total Secured Debt</b>	<b>1,468.6</b>	<b>1,468.6</b>	<b>Equity / Total Capitalization</b>	<b>30.7%</b>	<b>30.4%</b>
Senior Unsecured Notes due 2021	400.0	-			
Senior Unsecured Notes due 2025	370.0	370.0			
New Senior Unsecured Notes due 2027	-	430.0			
Capital Leases and Facility Level Debt of Non Wholly Owned Subsidiaries <sup>(2)</sup>	50.6	50.6			
<b>Total Debt</b>	<b>2,289.2</b>	<b>2,319.2</b>			
<b>Net Debt</b>	<b>2,104.9</b>	<b>2,149.9</b>			
Preferred Equity	359.3	359.3			
Total Market Capitalization <sup>(3)</sup>	654.9	654.9			
<b>Total Capitalization<sup>(4)</sup></b>	<b>\$ 3,303.4</b>	<b>\$ 3,333.4</b>			

- (1) In connection with the transactions, the Revolver has increased from \$75.0 million to \$120.0 million.  
(2) Excludes debt of non wholly owned subsidiaries that corresponds to the equity interest share of third parties in such subsidiaries. Such debt is reflected as notes payable and secured loans on a consolidated basis in the Company's financial statements, and for the year ended December 31, 2018, such excluded debt totaled \$38.9 million.  
(3) Market cap based on stock price as of 5/15/19 and 48.0 million shares outstanding, per 2018 10-K. Total equity as reported in the Company's financial statements is approximately \$1,098.9 million as of December 31, 2018.  
(4) Excludes non-controlling redeemable interests valued at approximately \$326.6 million.  
(5) See pages 23 and 24 for full reconciliations of Adjusted EBITDA to income (loss) before income taxes and Credit Agreement EBITDA to cash from operating activities.



## Summary of Terms

<b>Issuer</b>	Surgery Center Holdings, Inc.
<b>Guarantors</b>	Each of the existing and subsequently acquired or organized direct and indirect wholly-owned domestic restricted subsidiaries that guarantees the Company's senior secured credit facilities, with certain exceptions
<b>Issue</b>	\$430.0 million Senior Unsecured Notes (the "Notes")
<b>Distribution</b>	Rule 144A for life
<b>Security</b>	None
<b>Maturity</b>	8 years
<b>Optional Redemption</b>	<ul style="list-style-type: none"><li>▪ Non-callable for 3 years, callable after 3 years at 50% of the coupon declining ratably to par</li><li>▪ Equity claw back allowing redemption of up to 40% of the Notes at par + coupon with equity issuance proceeds</li></ul>
<b>Mandatory Redemption</b>	None, with customary change of control offer to purchase at 101% of par plus accrued interest and asset sale offer to purchase at par plus accrued interest, subject to customary exceptions
<b>Covenants</b>	Customary high yield covenants

March 2019							April 2019						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	20	21	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30				
31													

 Key Event

Date	Title
March 26 - 27	Roadshow meetings
March 28	Price and allocate
Week of April 8	Close and fund (T + 10)



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# Company Update

Section 2

# Leading Independent Surgical Facility Operator



**31** States



**108** ASCs



**15** Surgical  
Hospitals



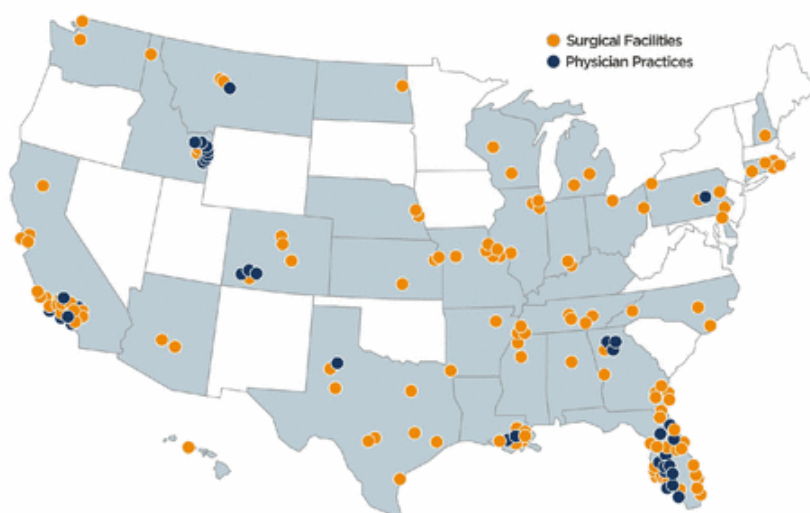
**4,000**  
Affiliated  
Physicians



**600,000+**  
Annual Patients

**\$1.77 billion**  
GAAP Revenue<sup>(1)</sup>

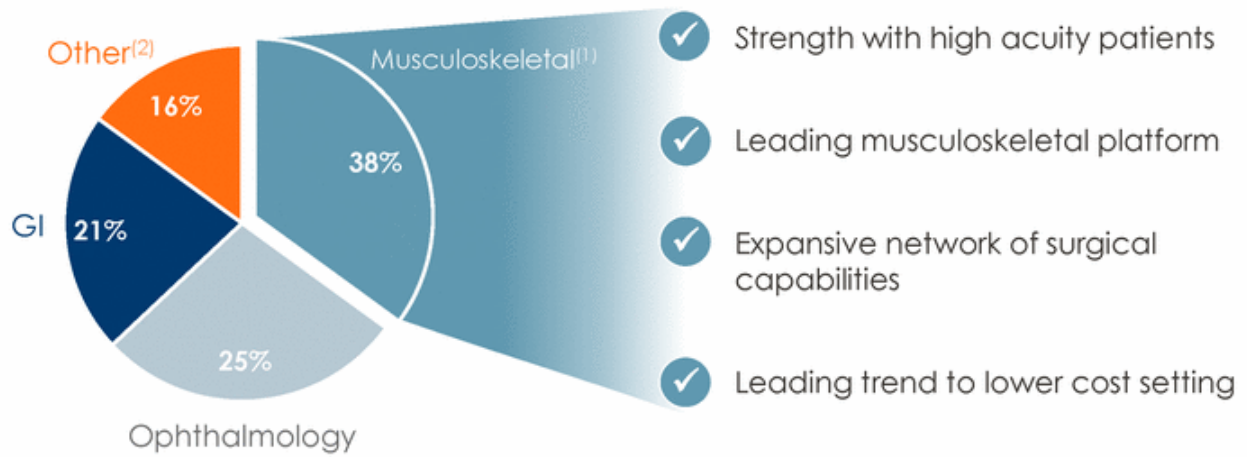
**\$273.5 million**  
Credit Agreement  
EBITDA<sup>(2)</sup>



(1) GAAP Revenue for the year ended December 31, 2018.  
(2) Credit Agreement EBITDA for the year ended December 31, 2018. See page 24 for a reconciliation to cash flow from operating activities.

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


## Surgery Partners Case Mix



**2018: Revenue \$1,771 million<sup>(3)</sup>**

# 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



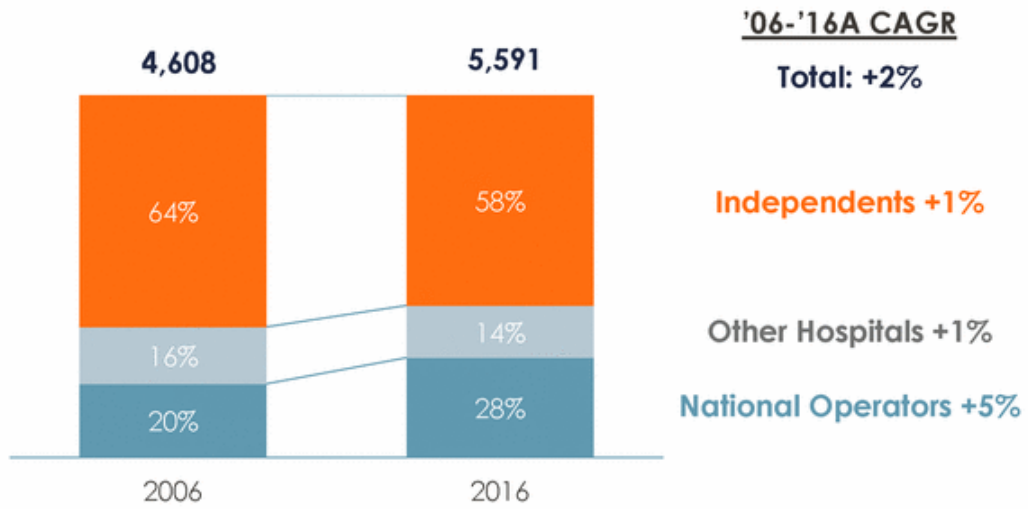
**100 million**  
Adults in the U.S. with  
chronic pain

- ✓ 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



# We Are Well Positioned to Capture Incremental Share in a Fragmented Market

## Number of ASCs in the U.S.



# Strong, Vertically Integrated Management Team...



**Eric Evans**

*EVP & Chief Operating Officer*

**15** Years Healthcare Experience  
**1** Year with Surgery Partners



**Wayne DeVeydt**

*Chief Executive Officer*

**26** Years Healthcare Experience  
**1** Year with Surgery Partners



**Tom Cowhey**

*EVP & Chief Financial Officer*

**18** Years Healthcare Experience  
**1** Year with Surgery Partners



**Jennifer Baldock**

*EVP & Chief Legal Officer*

**23** Years Healthcare Experience  
**10** Years with Surgery Partners



**Donna Giles**

*SVP & Chief Clinical Officer*

**31** Years Healthcare Experience  
**6** Years with Surgery Partners



**Angela Justice, PhD**

*EVP & Chief Human Resources Officer*

**17** Years Healthcare Experience  
**1** Year with Surgery Partners



**Carollee Brinkman**

*National Group President*

**23** Years Healthcare Experience  
**14** Years with Surgery Partners



**George Goodwin**

*American Group President*

**32** Years Healthcare Experience  
**21** Years with Surgery Partners



**Brandan Lingle**

*Ancillary Group President*

**11** Years Healthcare Experience  
**7** Years with Surgery Partners



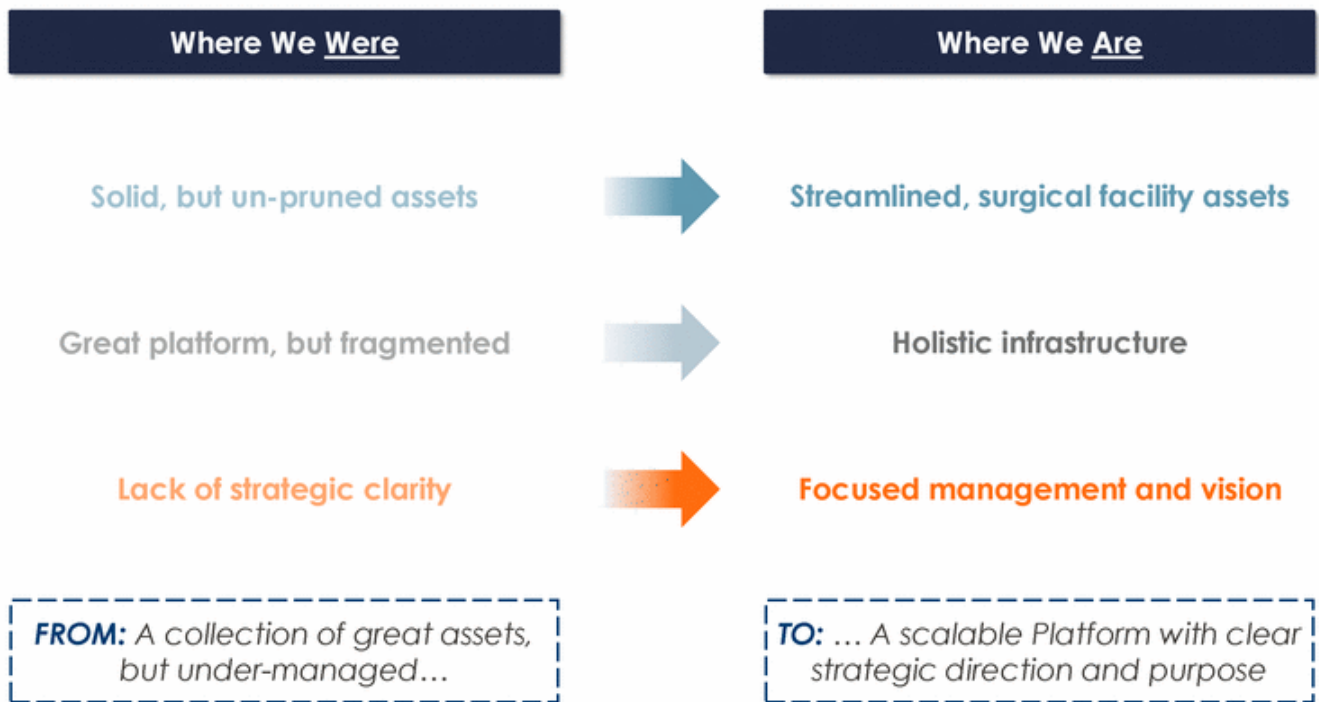
**Tony Taparo**

*Eastern Group President*

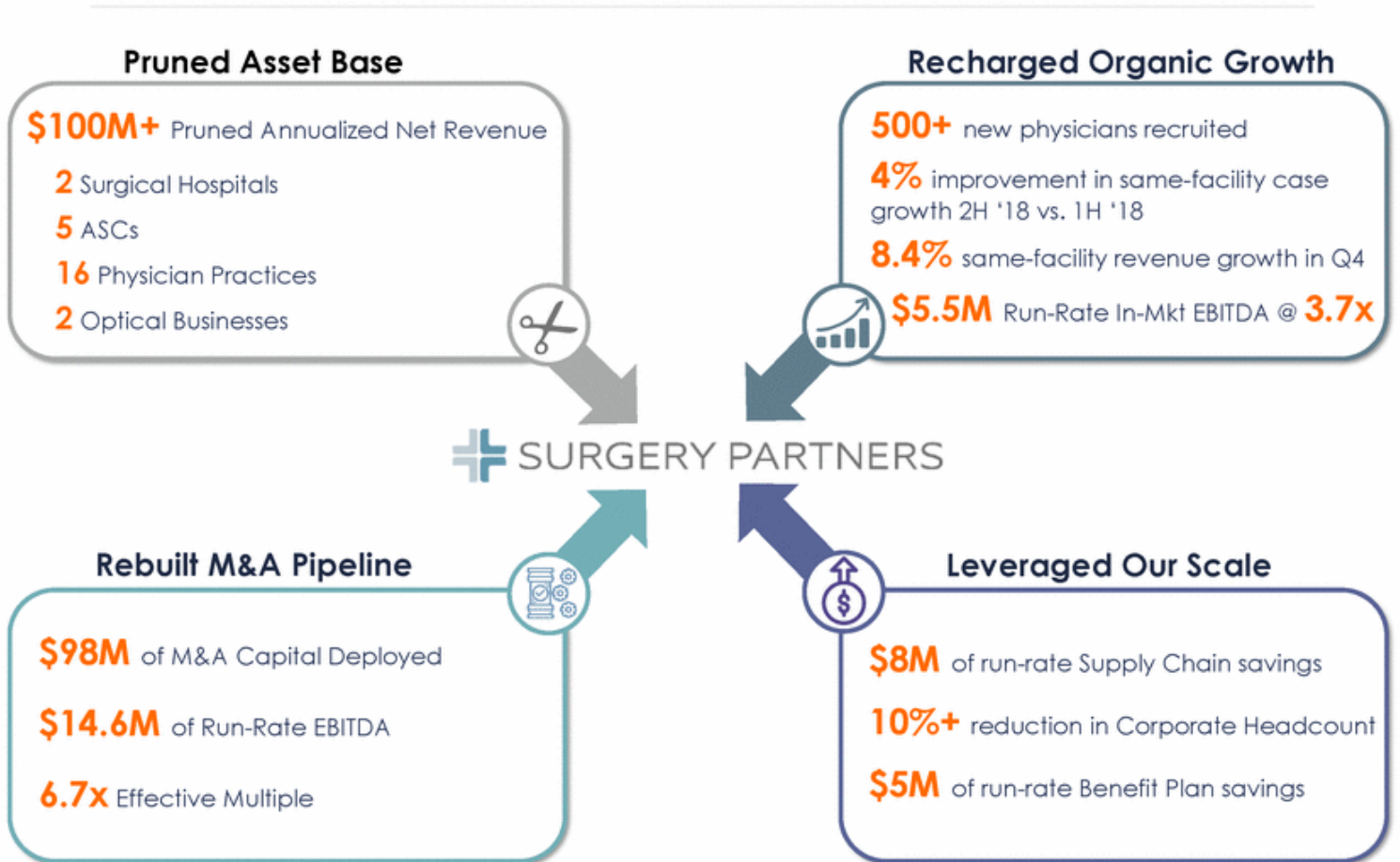
**31** Years Healthcare Experience  
**23** Years with Surgery Partners

**Veteran management team, averaging over 20+ years of experience**

# ... That has Built a Solid Foundation to Capture Growth



# 2018 was a Year of Substantial Accomplishments



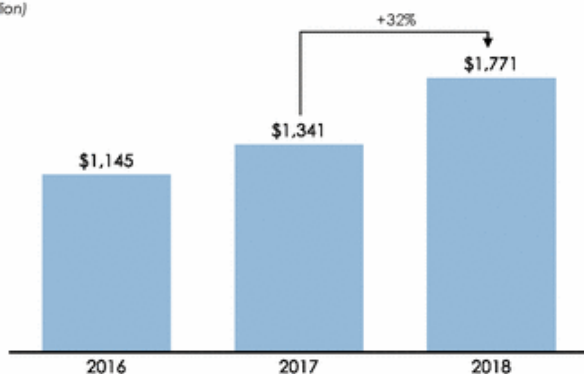


# 2018 Financial Results

As Reported Basis

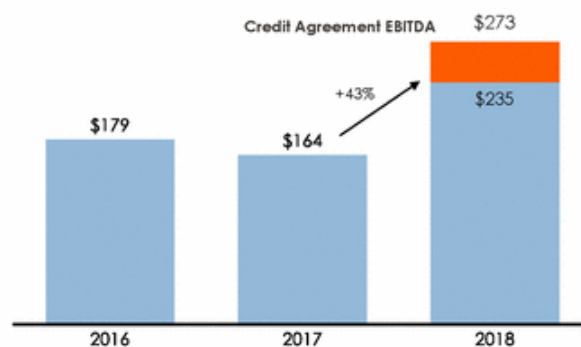
## Revenue

(\$ Million)



## Adjusted EBITDA<sup>(1)</sup>

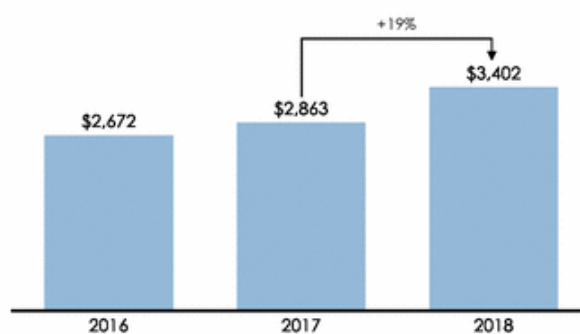
(\$ Million)



## Case Volume<sup>(2)</sup>



## Net Revenue Per Case<sup>(2)</sup>



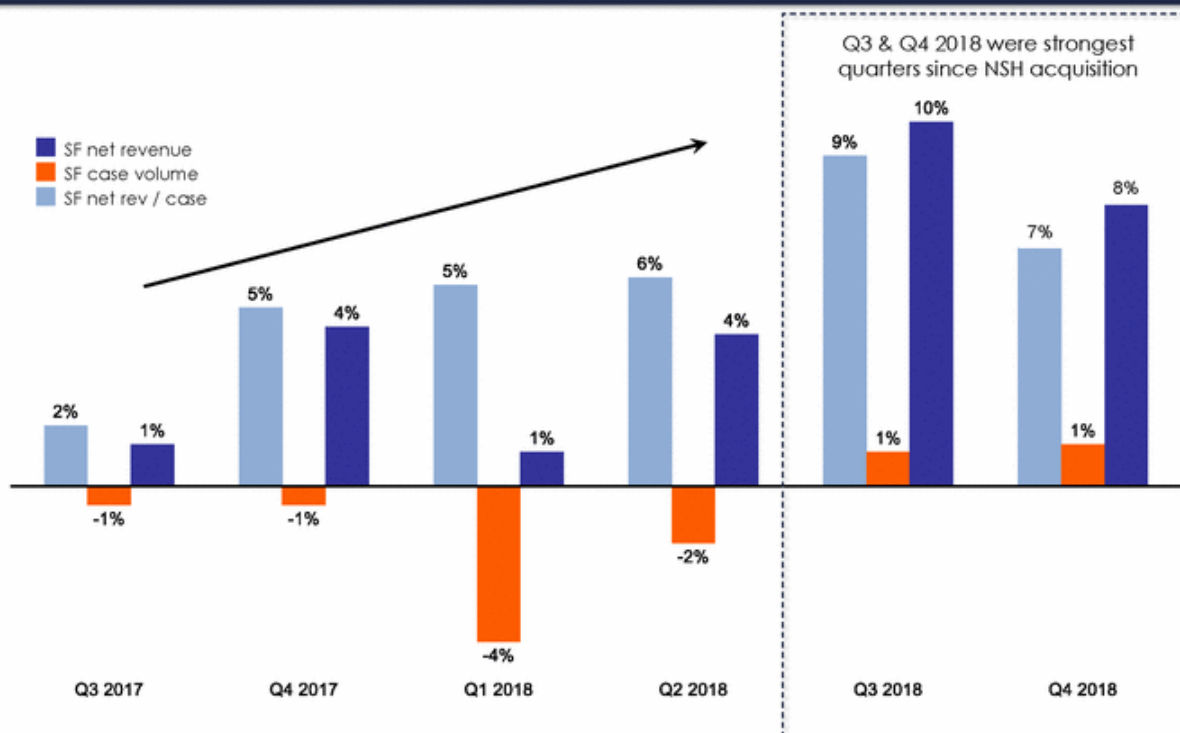
<sup>(1)</sup> See pages 23 and 24 for full reconciliations of Adjusted EBITDA to income (loss) before income taxes and Credit Agreement EBITDA to cash from operating activities.

<sup>(2)</sup> Case volume and net revenue per case are attributable to consolidated facilities only. Case volume and net revenue per case are also represented in Company filings on a same-facility basis, which includes both consolidated and non-consolidated facilities.



# Considerable Momentum Entering 2019

## Same-Facility Revenue Growth<sup>(1)</sup>



<sup>(1)</sup> Same facility information as reported in the Company's public filings includes ancillary business (same facility case volume growth of (0.3%), (0.5%), (4.1%), (1.4%), 0.9% and 1.1% for Q3 2017, Q4 2017, Q1 2018, Q2 2018, Q3 2018 and Q4 2018, respectively, same facility net revenue per case growth of 3.3%, 2.1%, 3.8%, 4.5%, 10.5% and 6.3% for Q3 2017, Q4 2017, Q1 2018, Q2 2018, Q3 2018 and Q4 2018, respectively and same facility net revenue of 3.0%, 1.6%, (0.3%), 3.1%, 11.4% and 7.4% for Q3 2017, Q4 2017, Q1 2018, Q2 2018, Q3 2018 and Q4 2018, respectively).



## Three Pillars of Adjusted EBITDA Growth

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### **Organic**

*Consistent  
volume and rate  
growth  
Procurement  
savings*

### **Fit For Growth**

*Corporate and  
organizational  
synergies to drive  
margin  
improvement*

### **M&A**

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

***Long-Term Double-Digit Adjusted EBITDA Growth Target***

Strong Tailwinds from Growth Pillars Position the Company to Achieve Double-Digit Adjusted EBITDA Growth Target

### Tailwinds



#### Organic

Physician recruitment  
Creative in-market partnerships  
Total Joint Program  
Bundled payment arrangements



#### Fit For Growth

Supply chain optimization  
Benefit plan savings  
Corporate synergies



#### M&A

Attractive M&A opportunities  
Transformational de novos



### Headwinds

Divestitures  
Medicare growth

## Transformational De Novo Opportunity in Idaho Falls Expected to Receive Licensure in Q1 2020

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### Idaho Falls Community Hospital



- 100% owned by Surgery Partners
- Scheduled to open in November 2019, with licensure likely in Q1 2020
- New services will include Emergency Room, Intensive Care Unit and 88 new private rooms

**Large and Growing Industry with Favorable Outpatient Dynamics**

**Physician Centric Value Proposition Designed to Drive High Quality Patient Care in a Low Cost Setting**

**Diversified Mix of Payors and Procedures**

**Multiple Growth Opportunities with Successful Track Record**

**Attractive Financial Profile with Strong Free Cash Flow Characteristics**

**Experienced Management Team**



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## Appendix

# Reconciliation to Adjusted EBITDA

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

EBITDA Adjustments			
	2018	2017	2016
<b>(Loss) income before income taxes</b>	<b>\$ (69,165)</b>	<b>\$ 82,286</b>	<b>\$ 92,178</b>
Plus (minus):			
Net income attributable to non-controlling interests	(110,080)	(81,721)	(75,630)
Interest expense, net	147,003	117,669	100,571
Depreciation and amortization	67,440	51,928	39,551
Equity-based compensation	9,344	5,584	2,021
Contingent acquisition compensation expense	1,510	7,039	5,092
Transaction, integration & acquisition costs <sup>(1)</sup>	33,856	17,007	11,617
Loss (gain) on litigation settlements	46,009	(12,534)	(14,101)
Gain on acquisition escrow release	-	(1,167)	-
Loss on disposals and deconsolidations, net	31,822	1,720	2,355
Reserve adjustments <sup>(2)</sup>	2,670	-	-
Impairment charges	74,359	-	-
Gain on amendment to tax receivable agreement	-	(16,392)	-
Tax receivable agreement expense (benefit) expense	-	(25,329)	3,733
Loss on debt refinancing	-	18,211	11,876
<b>Adjusted EBITDA</b>	<b>\$ 234,768</b>	<b>\$ 164,301</b>	<b>\$ 179,263</b>

(1) This amount includes transaction and integration costs of \$31.7 million, \$13.1 million and \$8.7 million in 2018, 2017 and 2016, respectively, and acquisition costs of \$2.2 million, \$3.9 million and \$2.9 million in 2018, 2017 and 2016, respectively.

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

# Reconciliation to Credit Agreement EBITDA

The following table reconciles Credit Agreement EBITDA to cash flows from operating activities, the most directly comparable GAAP financial measure (in thousands and unaudited):

Credit Agreement EBITDA Adjustments	
	2018
<b>Cash flows from operating activities</b>	<b>\$ 144,600</b>
Plus (minus):	
Net income attributable to non-controlling interests	(110,080)
Non-cash interest income, net	1,415
Deferred income taxes	(25,272)
Income from equity investments, net of distributions received	(243)
Changes in operating assets and liabilities, net of acquisitions and divestitures	(33,161)
Income tax expense	26,461
Interest expense, net	147,003
Transaction, integration and acquisition costs	33,856
Reserve adjustments	2,670
Contingent acquisition compensation expense	1,510
Loss on litigation settlement	46,009
Other strategic initiatives <sup>(1)</sup>	38,701
<b>Credit Agreement EBITDA</b>	<b>\$ 273,469</b>

(1) Represents impact of acquired physician practices and surgical facilities as if each acquisition had occurred on January 1, 2018, including cost savings from reductions in corporate overhead, supply chain rationalization, enhanced physician engagement, improved payer contracting and revenue synergies associated with the NSH acquisition. Further, this includes revenue synergies from other business initiatives as defined in the Credit Agreement.