

Overview: On November 9th, Surgery Partners reported another quarter of strong results for the quarter ending September 30, 2016. Overall, revenues increased 18% over prior year period driven by strong same-facility revenue growth of 10%. Highlights from the report include:

- Revenues increased 18.0% over third quarter 2015 to \$282.7 million
- Same-facility revenue increased 10.3% over third quarter 2015 to \$281.2 million
- Net loss attributable to Surgery Partners decreased to \$2.3 million from \$3.1 million in the third quarter 2015
- Adjusted EBITDA increased 12.3% over third quarter 2015 to \$44.7 million
- Diluted net loss per share of (\$0.05) vs. (\$0.10) in the third quarter 2015
- Adjusted diluted net income per share of \$0.21 vs. \$0.02 in the third quarter 2015

“Surgery Partners produced strong revenue growth for the third quarter with an 18.0% increase over prior year driven by solid same-facility revenue growth of 10.3%,” said Mike Doyle, Chief Executive Officer. “We continue to demonstrate strong volume growth as we add higher acuity cases to our surgical facilities and expand services in our existing markets.”

“Our differentiated operating model strategically aligns physicians in an outpatient setting through employment and partnership opportunities. Our strategy provides for significant growth potential as we provide solutions for independent physicians, physician group practices, health systems and payors pursuing a path to value based care. We appreciate and respect the efforts of our physicians and staff as they deliver high quality healthcare in a setting that is convenient and more cost effective for patients and payors.”

“Also, during the quarter we amended our First Lien Credit Agreement reducing the applicable margin by 50 basis points and resulting in an annual interest savings of approximately \$5 million.”

At the end of the quarter, the company closed on four transactions: an ambulatory surgery center in Louisiana, two physician practices and an anesthesia practice. In addition, the company entered into a relationship with a health system in Florida, partnering with the system to implement their outpatient strategy. “We are encouraged by the recent performance of our facilities and our pipeline remains full,” commented Mike Doyle. “We continue to see opportunities with both physician practices which enhance our investments in existing markets and surgical facilities which expand our presence in new markets.”

[Click here to view the preliminary transcript for the Q3 2016 earnings call.](#)