

June 22, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



acquires

CARDON OUTREACH®

for

\$400 million

Courtesy of:



***The Only Investment Bank
Focused Exclusively on Financial Technology***

Financial Technology Partners
555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

www.ftpartners.com



Steve McLaughlin
Managing Partner
Tel: 415.992.8880
steve.mclaughlin@ftpartners.com

Highly Confidential and proprietary information. Unauthorized distribution without prior consent from Financial Technology Partners LP or FTP Securities LLC (together "FT Partners") is strictly prohibited.
This communication should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product or service, nor is it an official confirmation of any transaction, or representative of an official position or statement of Financial Technology Partners LP, FTP Securities LLC or any other related entity. FTP Securities LLC is a FINRA registered broker-dealer. © 2016

MedData Acquires Cardon Outreach for \$400 mm

Transaction Overview

Transaction Summary

- **On June 13, 2016, MedData announced the acquisition of revenue cycle management service provider Cardon Outreach for \$400 mm**
 - The transaction is subject to customary closing conditions, including regulatory approvals and is expected to close within the next 30 days
- **MedData is a subsidiary of MEDNAX, Inc. (NYSE: MD), a national provider of technology-enabled healthcare services**
- **Upon closing of the acquisition, the combined companies will have 2,000 employees**
 - Each entity will retain its brand and all current facilities will remain in place as they are today
- **Cardon Outreach is currently expected to generate 2016 annualized EBITDA of \$36 mm**
 - The purchase price equates to a 2016E EV / EBITDA multiple of 11.1x
- **The acquisition is expected to be accretive to MEDNAX's GAAP earnings, adding an initial \$0.06 in annualized diluted earnings per share (EPS) and \$0.14 in annualized adjusted EPS; these come on a base of consensus GAAP EPS for 2016 of \$3.72 and adjusted EPS of \$4.31**

Transaction Commentary

"Cardon Outreach is a clear market leader of revenue cycle management services. As reimbursement models evolve to reflect a more value-based, consumer friendly healthcare system, so do our clients' needs for innovative revenue cycle management solutions. Our combined capabilities will enhance MedData's ability to provide superior patient-focused services with an even richer set of offerings to reduce costs and optimize clients' operations."

MedData®



Ann Barnes
President & CEO

"This transaction is yet another important step forward in the strategic development of our integrated management services capability. Our hospital partners face numerous challenges related to the dramatic expansion of Medicaid coverage across the country and the increasing financial responsibility placed on the shoulders of patients. We believe that the combination of MedData and Cardon Outreach, complemented by our own hospital relationships, can provide us with the opportunity for significant future growth through cross-selling of our diverse solutions."

MEDNAX
NATIONAL MEDICAL GROUP



Roger J. Medel
CEO

CARDON OUTREACH®



Glen Laschober
CEO

"Joining with MedData gives us the opportunity to deliver even more value to our hospital partners who trust us to manage their revenue cycle. We value what is important to our clients...their patients. And we look forward to working together to continue building long lasting relationships."

MedData Acquires Cardon Outreach for \$400 mm

Cardon Outreach Overview

Cardon Outreach Overview

Headquarters: The Woodlands, TX
 Founded: 1996
 Employees: 1,001

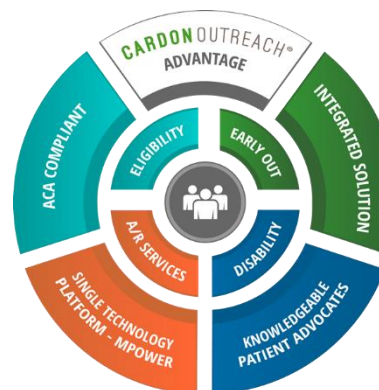
- Cardon Outreach is a provider of services and technology solutions focused on helping hospitals and healthcare systems lower costs, reduce operating and capital expenses, recover revenue and increase productivity
- The Company offers a range of solutions that include specialized eligibility assistance, accounts receivable recovery services, third party liability, workers' compensation, social security disability and denials management and appeals to more than 800 hospitals and other healthcare facilities in 46 states

Select M&A Transactions

Date	Size (\$ mm)	Type	Target / Investor
08/25/16	NA	M&A	Acquired: 
01/10/14	NA	M&A	Acquired: VIA Health
01/24/12	NA	Merger of Equals	Cardon Healthcare & Outreach Services

Product Overview

The Cardon Outreach Advantage is the combination of integrated service lines operating through the use of a single technology platform (MPower)



- Services are managed by knowledgeable advocates working in hospitals, in the field, and in call centers while serving patients with the utmost respect
- They also do so with adherence to current healthcare regulations and in compliance with the Affordable Care Act

Eligibility Services

Helping hospitals and the uninsured find appropriate programs to help pay for care

Early Out Services

Accelerating self-pay recovery efforts without compromising patient satisfaction

A/R Services

Identifying liability sources, mitigating payer denials and protecting insurance proceeds

Disability Advocacy

Easing the financial burden on providers, individuals and payers through screening

MedData Acquires Cardon Outreach for \$400 mm

MedData Overview

On September 3, 2014, MEDNAX acquired MedData from Baird Capital for an undisclosed amount

MedData Overview



Headquarters: Brecksville, OH
 Founded: 1980
 Employees: 501

- MedData, a subsidiary of MEDNAX, is a provider of medical billing, coding and data management services
- The Company offers personalized coding, training, feedback and claims processing for emergency medical physicians and facilities, hospitalists and anesthesiologists etc.

Selected M&A Transactions

Date	Size (\$ mm)	Type	Target / Acquiror
05/02/16	NA	M&A	Acquired:
09/18/15	NA	M&A	Acquired:
09/03/14	NA	M&A	Acquired By:
10/08/07	NA	M&A	Acquired By:

Product Overview

MedData offers a suite of technology-enabled and patient-focused solutions

- Coding**
200 million patients served with a proven compliance record
- Billing**
10% higher proven adjudication on insured accounts than the industry average
- Patient Balances / Early Out**
36% higher increase on collections of patient responsibility accounts
- Eligibility & Enrollment**
Onsite experts to guide patients through the application and appeals process
- Third Party Liability**
Legal experts to navigate the personal injury process to ensure you get paid
- Account Resolution & Appeals**
Pursue claims for all payer types and obtain all necessary information and documentation required to trigger reimbursement

The MedData Difference

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>✓ Dedicated to Service
MedData employs more dedicated client service managers and three times more billing and collection resources than the competition</p> | <p>✓ Healthcare Expertise
MedData serves as an educational resource for both the patient and the provider, including extensive provider education training, webinars, business assessments, and resources</p> |
| <p>✓ Comprehensive Reporting & Analytics
Employing enhanced security features, our cloud-based portals provide easy access to detailed operational, financial, productivity and clinical information occurring within your organization</p> | <p>✓ Innovative Technology
Proprietary, state-of-the-art coding platform, account management systems, and patient portals have all been build internally at the patient level, rather than the insurance level, to optimize visibility, accessibility and adjudication</p> |

MedData Acquires Cardon Outreach for \$400 mm

MEDNAX Overview

MEDNAX Overview



Headquarters: Sunrise, FL
Founded: 1979
Employees: 3,300

MEDNAX is a provider of neonatal, maternal-fetal, other pediatric sub-specialty, and anesthesia physician services in the United States and Puerto Rico

Product Overview



Pediatrix Medical Group is the nation's leading provider of maternal-fetal, newborn and pediatric subspecialty care and related services



American Anesthesiology is a growing physician group of more than 1,150 physicians and 1,575 anesthesiologists providing anesthesia solutions for hospital operating rooms, ambulatory surgery centers, pain management clinics and office-based medical and dental practices



Surgical Directions is a national healthcare management consulting firm that guides healthcare facilities through financial, operational and strategic performance improvements, specializing in perioperative and anesthesia services

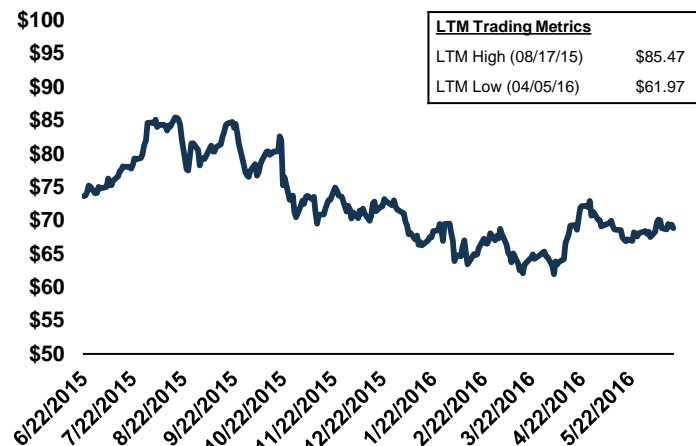


A leading national provider of revenue cycle management and patient financial lifecycle solutions, including billing, coding, collections, and patient satisfaction



A global telemedicine company and the nation's leading radiology practice with over 350 U.S. board-certified and eligible physicians serving 2,100+ client hospital, health system and radiology group facilities, interpreting over 5 million patient studies annually

LTM Stock Performance (NYSE: MD)



Key Financials Metrics (LTM as of 03/31/16)

Total Revenue (mil.)	\$2,893
Growth Over Prior Year	+15.2%
Gross Profit (mil.)	\$997
Margin %	34.5%
EBITDA (mil.)	\$637
Margin %	22%
Net Income (mil.)	\$335
Margin %	11.6%
Diluted EPS Excl. Extra Items	\$3.59

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on some of the most prominent transactions in the Healthcare and Insurance IT sectors

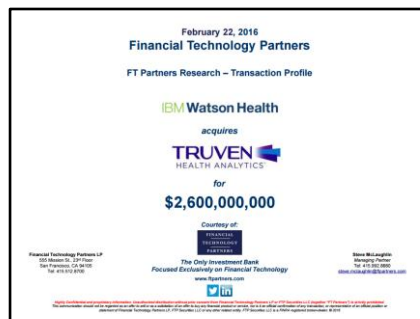
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>renaissance in its sale to</p> <p>wex for a total consideration of</p> <p>\$ 80,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>ACCRETIVE HEALTH results providers trust in its</p> <p>\$138,000,000 Initial Public Offering valuing the equity at approximately</p> <p>\$ 1,200,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>Performant in its</p> <p>\$93,150,000 Initial Public Offering valuing the equity at approximately</p> <p>\$ 453,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>AmWINS Group, Inc. in its growth recapitalization by</p> <p>NMC NEW MOUNTAIN CAPITAL LLC valued at approximately</p> <p>\$ 1,300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive Strategic and Financial advisor to</p> <p>ZYWAVE in its sale of Zywave Insurance Solutions to</p> <p>AURORA CAPITAL GROUP</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>insureon in its \$30mm equity capital raise led by</p> <p>OAK HC/FT</p> <p>\$ 31,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p>aplifi We Simply Selling Insurance in its sale to</p> <p>iPipeline</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>square trade protection plans in its recapitalization by</p> <p>BainCapital BainCapital Ventures of approximately</p> <p>\$ 238,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>SAFE-GUARD on its sale to an Affiliate of</p> <p>Goldman Sachs</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p>insureon in its acquisition of</p> <p>IN insurance NOODLE a subsidiary of</p> <p>Willis</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>

Overview of FT Partners

Selected FT Partners' Research (click to view)



Wipro Acquires HealthPlan Services for \$460 million



IBM Watson Health Acquires Truven Health Analytics for \$2.6 billion



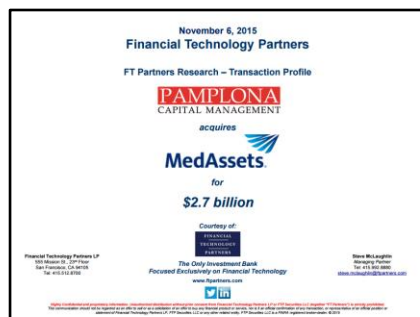
Maestro Health Raises \$53 million in Financing



New Mountain Capital Acquires Equian for \$225 million



Bright Health Raises \$80 million in Series A Financing



Pamplona Acquires MedAssets for \$2.7 billion



Insureon Raises \$31 million in Series B Led by Oak HC/FT



Benaisance's Sale to WEX for \$80 million

FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



**M&A Advisor
Awards**

2016	<ul style="list-style-type: none"> ■ Investment Banking Firm of the Year ■ Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Technology Deal of the Year
2014	<ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm
2012	<ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100mm
2011	<ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i>
2010	<ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm
2007	<ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm



**Institutional Investor
Annual Ranking**

2015	■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006-2008	■ Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



**Middle Market
Financing Awards**

2008	<ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year
2006	<ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i>

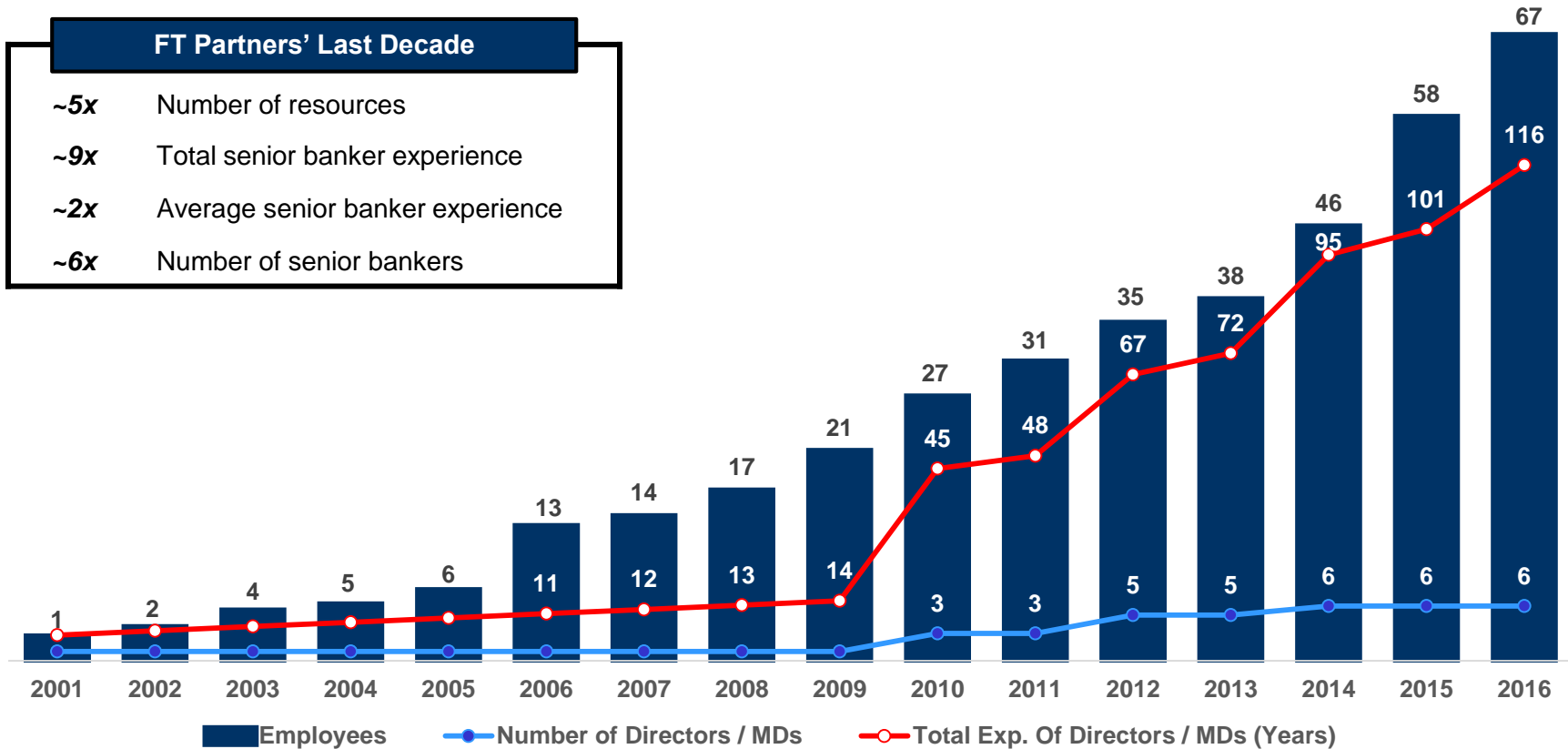
Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

Overview of FT Partners

Platform of Choice for Clients and Bankers Alike

FT Partners' Last Decade

- ~5x Number of resources
- ~9x Total senior banker experience
- ~2x Average senior banker experience
- ~6x Number of senior bankers



Avg Years of Director / MD Experience



Overview of FT Partners

The FT Partners Senior Banking Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included WU, EEFT, DST, ENV, FISV, FIS, V, MA, GPN & HPY among others 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data 	18
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10