Third Quarter 2016 Update: Another Record-Breaking Year in Process
Is Your Practice a Candidate for Acquisition by a National Consolidator?

For the nine months ending September 30, 2016, Haverford Healthcare Advisors has identified 27 completed transactions involving the acquisition of an anesthesiology or pain management practice. See the table below for a listing of the practice acquisitions completed so far in 2016.

The 27 transactions were completed by eight separate acquirers, including several multi-billion dollar publicly traded companies, along with various private equity-backed anesthesiology practice consolidators. Haverford estimates that these well-capitalized buyers have spent over $600 million on practice acquisitions so far in 2016.

These buyers have maintained a high level of demand for quality anesthesiology practices resulting in a competitive “seller’s market” with transaction values generally higher than we have observed in previous years. Despite the large number of completed deals, the anesthesia practice consolidators still have a limited or non-existent market share throughout most of the U.S. Based on this low rate of penetration, Haverford projects the recent high level of transaction activity to continue for at least the next 18 to 24 months.

Haverford’s team is comprised of leading national experts skilled in providing transaction advisory and practice valuation services to anesthesiology practices. In the past 12 months, we have helped five of our anesthesiology practice clients successfully complete sale transactions with a combined valuation in excess of $230 million making Haverford the most active anesthesiology practice advisory firm in the U.S.

To learn more about Haverford Healthcare Advisors, please visit our website: www.HaverfordHealthcare.com or contact one of our Managing Directors.

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Anesthesiology Practice Acquisitions

Anesthesiology Practice Acquisition Activity Increases at Dramatic Rate

Based on Haverford Healthcare Advisors’ research, anesthesia consolidation has steadily increased over the past seven years as acquirers are investing substantial capital in buyouts of independent anesthesiology practices.

<table>
<thead>
<tr>
<th>Completed Anesthesiology &amp; Pain Practice Acquisitions</th>
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<tbody>
<tr>
<td>Year</td>
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<td>2016(a)</td>
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<td>Total</td>
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(a) Haverford's Projection

Completed anesthesia and pain management practice acquisitions have increased at a seven year compound annual growth rate of 44.8% from 2009 through projected 2016. Haverford projects that 2016 is likely to bring 40 or more announcements of completed practice acquisitions.

Florida, New Jersey, Texas and New York Among the Most Active States for Anesthesiology Acquisition Activity

Over the past several years, the majority of anesthesiology practice acquisitions have taken place along the eastern seaboard. The state of Texas has also experienced a significant amount of activity. Most of the practice acquirers have expressed to Haverford a desire to expand their presence geographically by completing acquisitions in other states. Despite the substantial number of transactions that have been completed over the past few years, the map below illustrates the substantial room for future growth that is available to the national anesthesia companies throughout much of the United States.
Haverford Completes Two More Transaction Advisory Projects

**CASE STUDY #1**

**Medical Anesthesia Consultants, LLC**

has been acquired by

[Graphic of American Anesthesiology]

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Medical Anesthesia Consultants, LLC of Florence, South Carolina

Haverford Healthcare Advisors is pleased to announce our role as advisor to Medical Anesthesia Consultants, LLC in connection with the company’s sale to American Anesthesiology in September 2016. Medical Anesthesia Consultants, LLC’s 20 anesthesiologists provide anesthesia care across a wide spectrum of subspecialty areas including pediatrics, high-risk obstetrics, thoracic, cardiovascular, urology, neuro-anesthesia, orthopedics and acute pain management for post-operative pain. They are the exclusive provider of services to multiple facilities within the McLeod Health system including McLeod Regional Medical Center, McLeod Seacoast, McLeod Loris, McLeod Dillon and McLeod Health Cheraw.

MEDNAX, Inc. (NYSE: MD) is a national health solutions partner comprised of the nation’s leading providers of physician services. Physicians and advanced practitioners practicing as part of MEDNAX are reshaping the delivery of care within their specialties and subspecialties, using evidence-based tools, continuous quality initiatives, clinical research and telemedicine to enhance patient outcomes and provide high-quality, cost-effective care. The Company was founded in 1979, and today, through its affiliated professional corporations, MEDNAX provides services through a network of more than 3,400 physicians in all 50 states and Puerto Rico. In addition to its national physician network, MEDNAX provides services to healthcare facilities and physicians in over 40 states through two complementary businesses, consisting of a revenue cycle management company and a consulting services company. Additional information is available at www.mednax.com.

MEDNAX and AmSurg/Sheridan - Most Active Acquirers so far in 2016

For the past several years, American Anesthesiology (MEDNAX, Inc. – NYSE: MD) has been the most active acquirer of anesthesiology practices in the U.S. American Anesthesiology has completed seven anesthesiology practice transactions through September 30, 2016, already matching the seven transactions it completed during all of 2015. AmSurg/Sheridan (NASDAQ: AMSG) has also completed seven anesthesiology deals through the end of the third quarter 2016. Despite MEDNAX’s and AmSurg/Sheridan’s current market dominance in terms of completed anesthesiology transactions, there are several other well-capitalized buyers who are also fueling a high level of demand for quality anesthesiology practices.

**CASE STUDY #2**

**Northwest Anesthesia, PA**

has been acquired by

[Graphic of American Anesthesiology]

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Northwest Anesthesia, PA of Minneapolis, Minnesota

Haverford Healthcare Advisors is pleased to announce our role as advisor to Northwest Anesthesia, PA in connection with the company’s sale to American Anesthesiology, a subsidiary of MEDNAX, Inc., in June 2016. Northwest Anesthesia, PA’s 37 full-time equivalent anesthesiologists and 91 full-time equivalent anesthetists provide services to seven Allina Health facilities, including Abbott Northwestern Hospital, the Minneapolis Heart Institute and The Mother Baby Center. In addition, Northwest Anesthesia is the exclusive provider of professional anesthesia services to several off-campus surgical centers throughout Minneapolis and other Allina Health tertiary hospitals.
Completed Anesthesiology Practice Transactions

**Medical Anesthesia Consultants, LLC**
Florence, SC

has been acquired by

![American Anesthesiology](https://example.com/logo)

A subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford initiated this transaction and acted as exclusive financial advisor to Medical Anesthesia Consultants, LLC

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**Northwest Anesthesia**
Minneapolis, MN

has been acquired by

![American Anesthesiology](https://example.com/logo)

A subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford initiated this transaction and acted as exclusive financial advisor to Northwest Anesthesia, PA

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**Anesthesia Associates of York, Inc. and Anesthesia Associates of Laurel, LLC**
York, PA

have been acquired by

![NAPA](https://example.com/logo)

North American Partners in Anesthesia

Haverford initiated this transaction and acted as exclusive financial advisor to Anesthesia Associates of York, Inc. and Anesthesia Associates of Laurel, LLC

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**MEMAC Associates, PC and Synergy Anesthesia, PLLC**
West Bloomfield, MI

have been acquired by

![American Anesthesiology](https://example.com/logo)

A subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford initiated this transaction and acted as exclusive financial advisor to MEMAC Associates, PC and Synergy Anesthesia, PLLC

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**Lebanon Anesthesia Associates, Ltd. and Lebanon Pain Management Associates, Inc.**
Lebanon, PA

have been acquired by

![PhyMed Healthcare Group](https://example.com/logo)

PhyMed Healthcare Group

Haverford initiated this transaction and acted as exclusive financial advisor to Lebanon Anesthesia Associates, Ltd. & Lebanon Pain Management Assoc., Inc.

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**Newton Anesthesia Associates, LLC**
Newton, NJ

has been acquired by

![NAPA](https://example.com/logo)

North American Partners in Anesthesia

Haverford initiated this transaction and acted as exclusive financial advisor to Newton Anesthesia Associates, LLC

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**Fredericksburg Anesthesia Associates**
Fredericksburg, VA

has been acquired by

![American Anesthesiology](https://example.com/logo)

A subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford initiated this transaction and acted as exclusive financial advisor to Fredericksburg Anesthesia Associates, Inc.

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**The Pain Management Center**
Hamilton, NJ

has been acquired by

![Prospira PainCare](https://example.com/logo)

Prospira PainCare

Haverford initiated this transaction and acted as exclusive financial advisor to The Pain Management Center

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**Austin Anesthesiology Group, L.P.**
Austin, TX

has been acquired by

![American Anesthesiology](https://example.com/logo)

A subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford initiated this transaction and acted as financial advisor to Austin Anesthesiology Group, L.L.P.

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**Transaction Advisory and Business Valuation Services**

for Anesthesiology Practices

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