



DISCLAIMER

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PLEASE SUBMIT QUESTIONS* TO

QA@HEDGEYE.COM

**ANSWERED AT THE END OF THE CALL*

OUR INVESTMENT PROCESS

INTEGRATING FUNDAMENTALS AND MACRO RESEARCH

1. Idea Generation

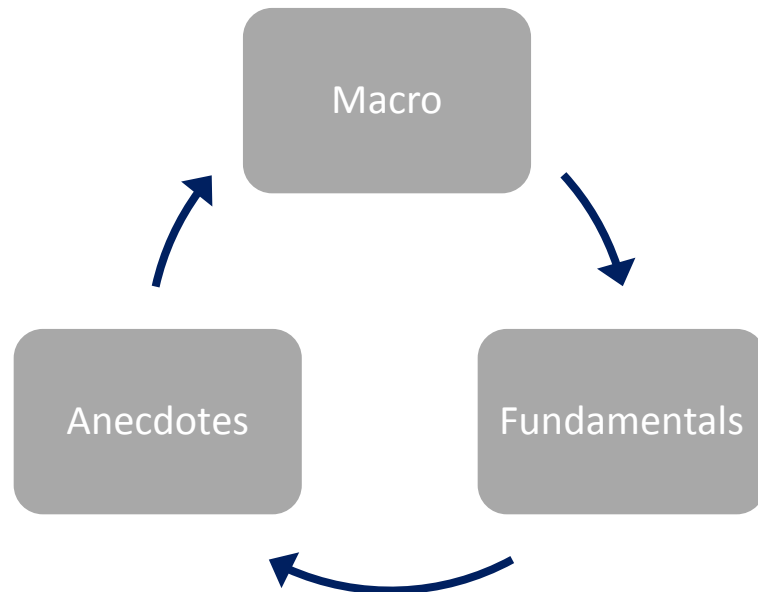
- Relative and absolute performance
- Valuation, estimate, and sentiment trends and relevance
- Battleground stocks
- Market research

2. Fundamentals

- Detailed financial models
- Identify Key Drivers
- Filings, transcripts, unstructured data, proprietary algorithms
- Professional interviews, surveys
- Multiple and sentiment forecast regressions

3. Macro Integration with Macro Monitor Database

- Database of 4000+ (and growing) curated time series data
- Automatically calculates and sorts correlations and significance
- Analyze leading and lagging relationships across multiple durations
- Identify, update, track, and chart high frequency Key Drivers



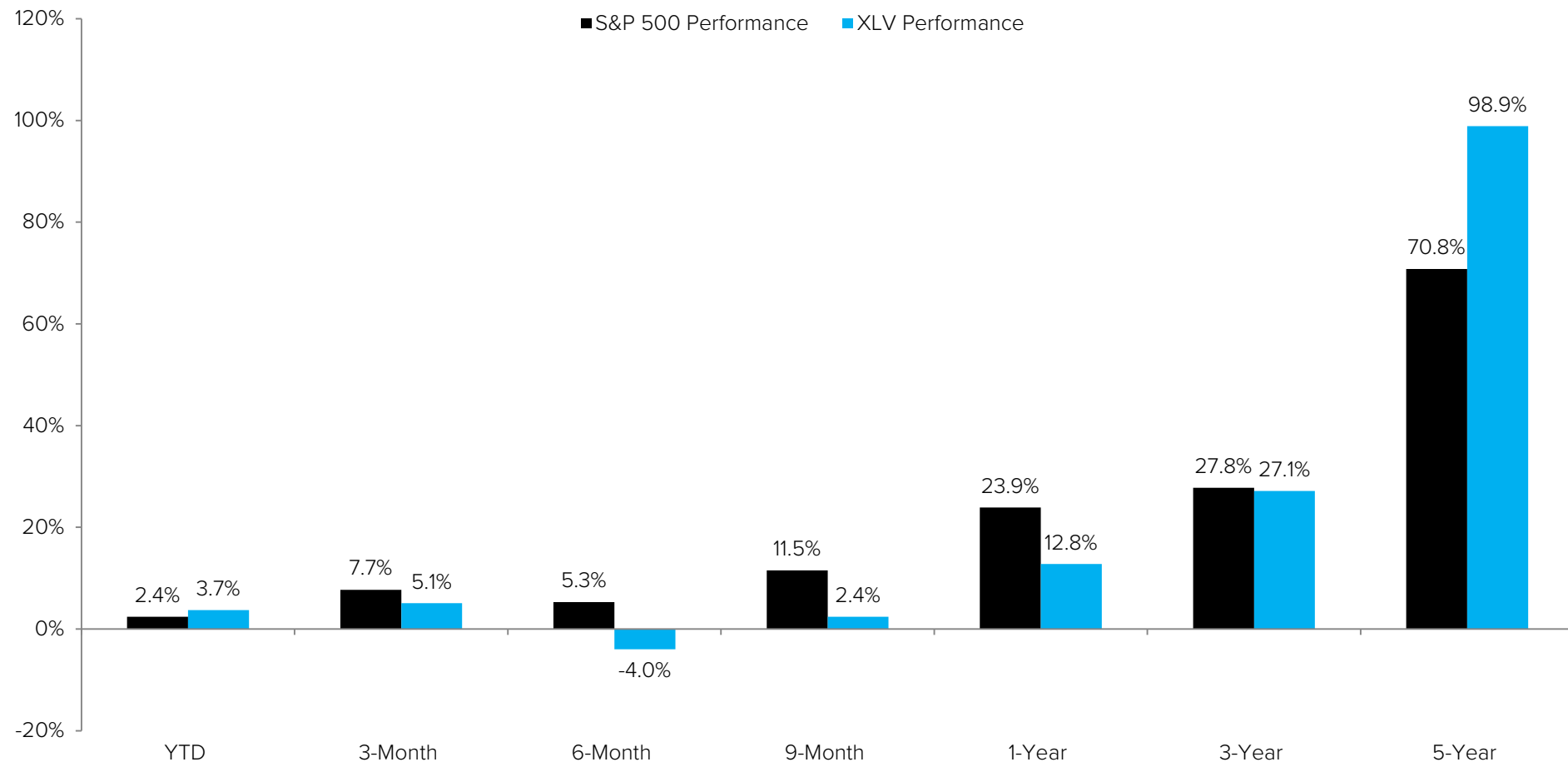
HEALTHCARE POSITION MONITOR

Sentiment	Investment Ideas - Longs			Trade	Trend	Tail	Sentiment	Investment Ideas - Shorts			Trade	Trend	Tail
Score ¹	LONG						Score ¹	SHORT					
11	EXAS	Exact Sciences Corporation		✓	✓	✓	85	ZBH	Zimmer Biomet Holdings, Inc.		---	×	×
15	ATHN	athenahealth, Inc.		✓	✓	✓	83	HOLX	Hologic, Inc.		×	×	×
							60	QSII	Quality Systems, Inc.		---	×	×
							58	AMN	AMN Healthcare Services, Inc.		×	×	×
							47	HCA	HCA Holdings, Inc.		×	×	×
							45	CERN	Cerner Corporation		×	×	×
							25	MDRX	Allscripts Healthcare Solutions, Inc.		×	×	×
							24	MD	MEDNAX, Inc.		×	×	×
							1	CPSI	Computer Programs and Systems, Inc.		---	×	×
Sentiment	Long Bench						Sentiment	Short Bench					
Score ¹	LONG						Score ¹	SHORT					
10	EVH	Evolent Health Inc Class A		---	---	---	85	OMCL	Omniceil, Inc.		---	---	---
28	ILMN	Illumina, Inc.		---	---	---	84	LH	Laboratory Corporation of America Holdings		---	---	---
75	HQY	HealthEquity Inc		---	---	---	75	HQY	HealthEquity Inc		---	---	---
							65	ABCO	Advisory Board Company		---	---	---
							55	MDSO	Medidata Solutions, Inc.		---	---	---
							21	DGX	Quest Diagnostics Incorporated		---	---	---
							8	LPNT	LifePoint Health, Inc.		---	---	---
							5	THC	Tenet Healthcare Corporation		---	---	---
							5	TDOC	Teladoc Inc		---	---	---
							3	CYH	Community Health Systems, Inc.		---	---	---

¹Percentile rank within sub-sector (1 = High Short Interest, Negative Sell Side / 100 = Low Short Interest, Positive Sell Side)

Bench = Timing is not right, or research in progress.

S&P 500 VS XLV PERFORMANCE

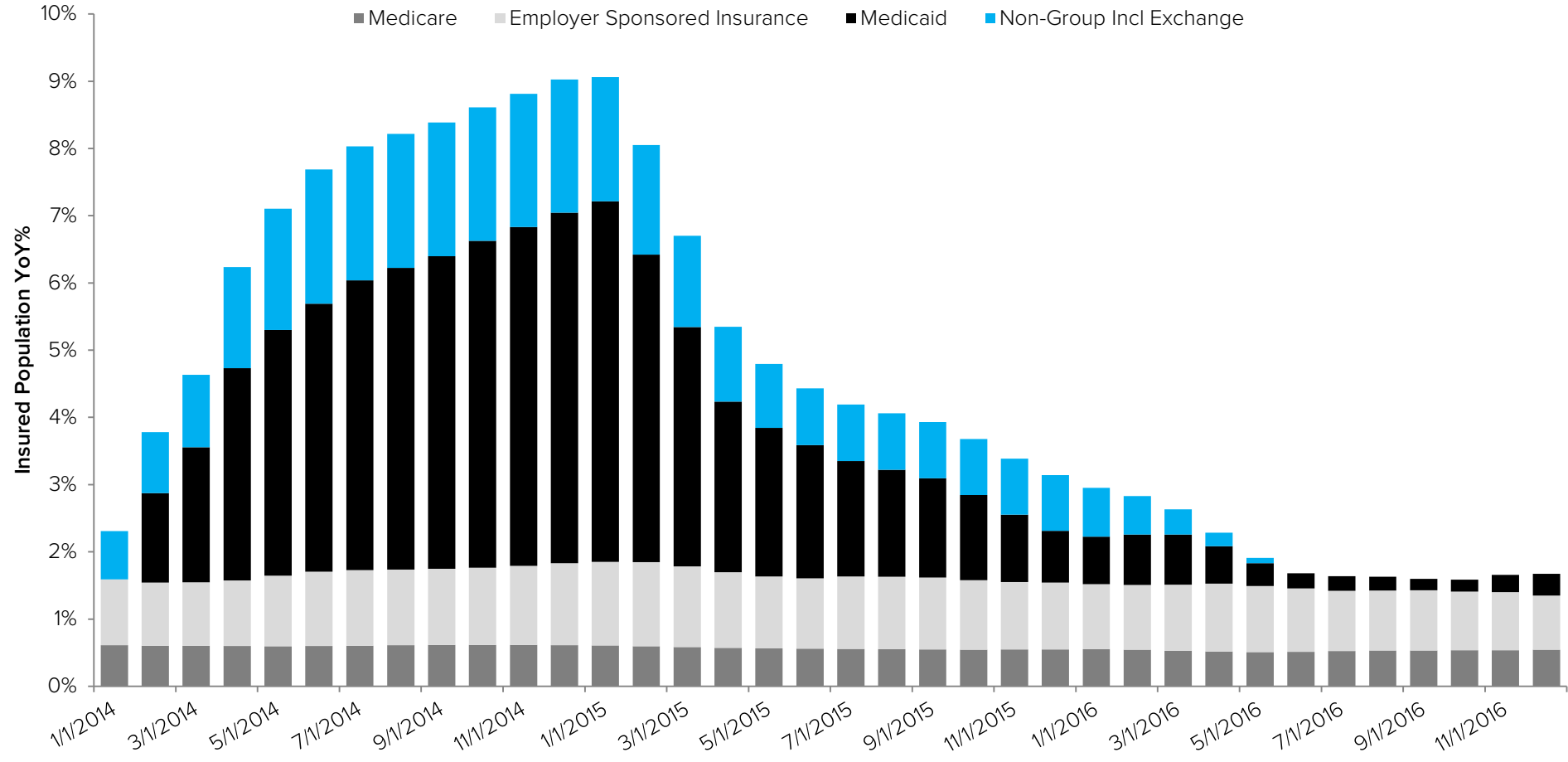


HARD TO FIND LONG IDEAS

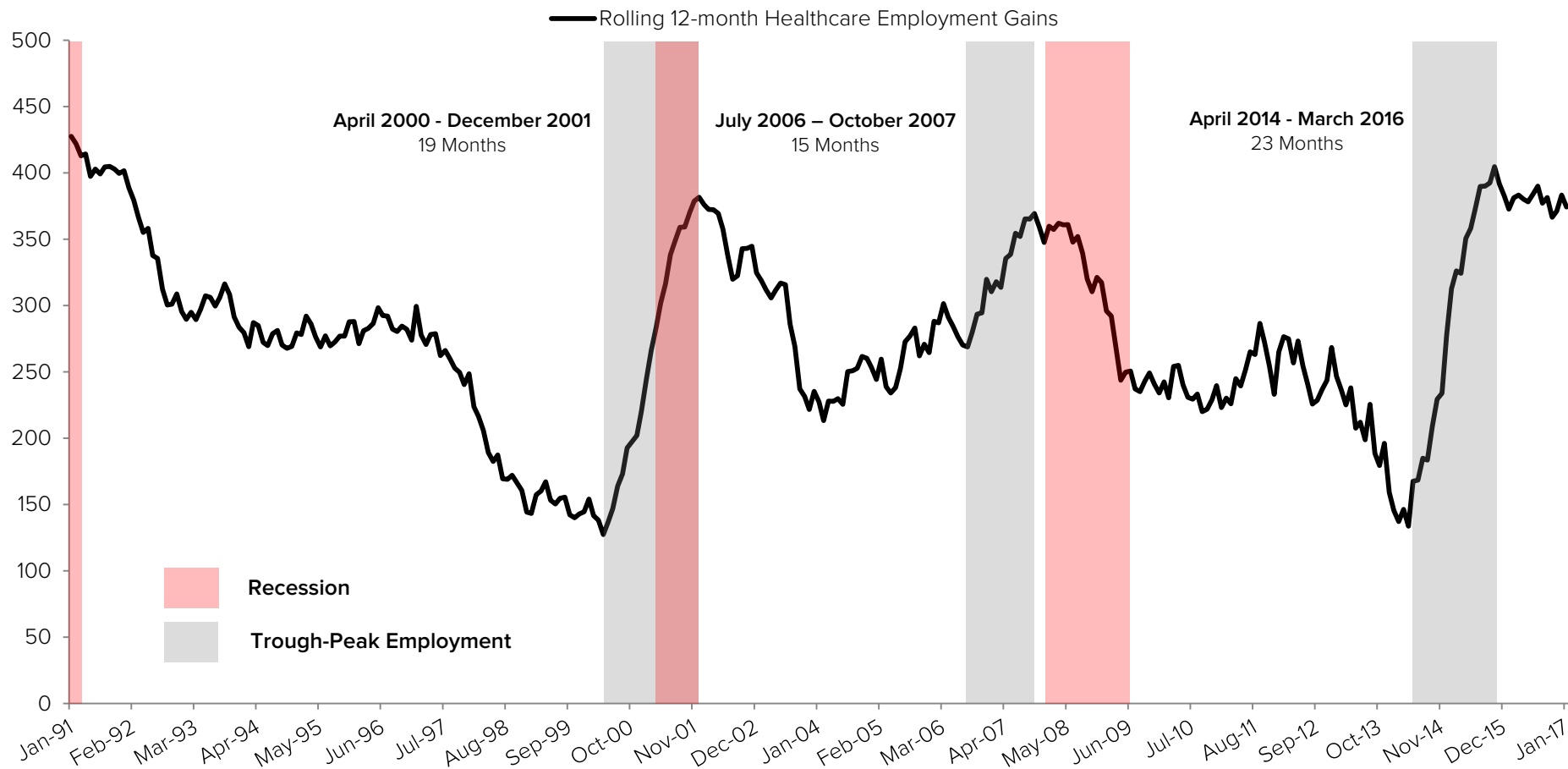
WHEN EVERYTHING IS LINED UP ON THE SHORT SIDE

- **SHORT** THE U.S. MEDICAL CONSUMER
- **SHORT** REGULATORY ENVIRONMENT
- **SHORT** MANAGEMENT TEAMS WHO ARE DOWNPLAYING THE #ACATAPER AND #ACA2.0
- **SHORT** HEALTHCARE RELATIVE GROWTH
- **SHORT** PEAK DEBT AND PEAK M&A
- **SHORT** HEALTHCARE CAPEX
- **LONG** LOW COST OF CARE
- **LONG** SHARE TAKERS
- **LONG** PRODUCT CYCLES

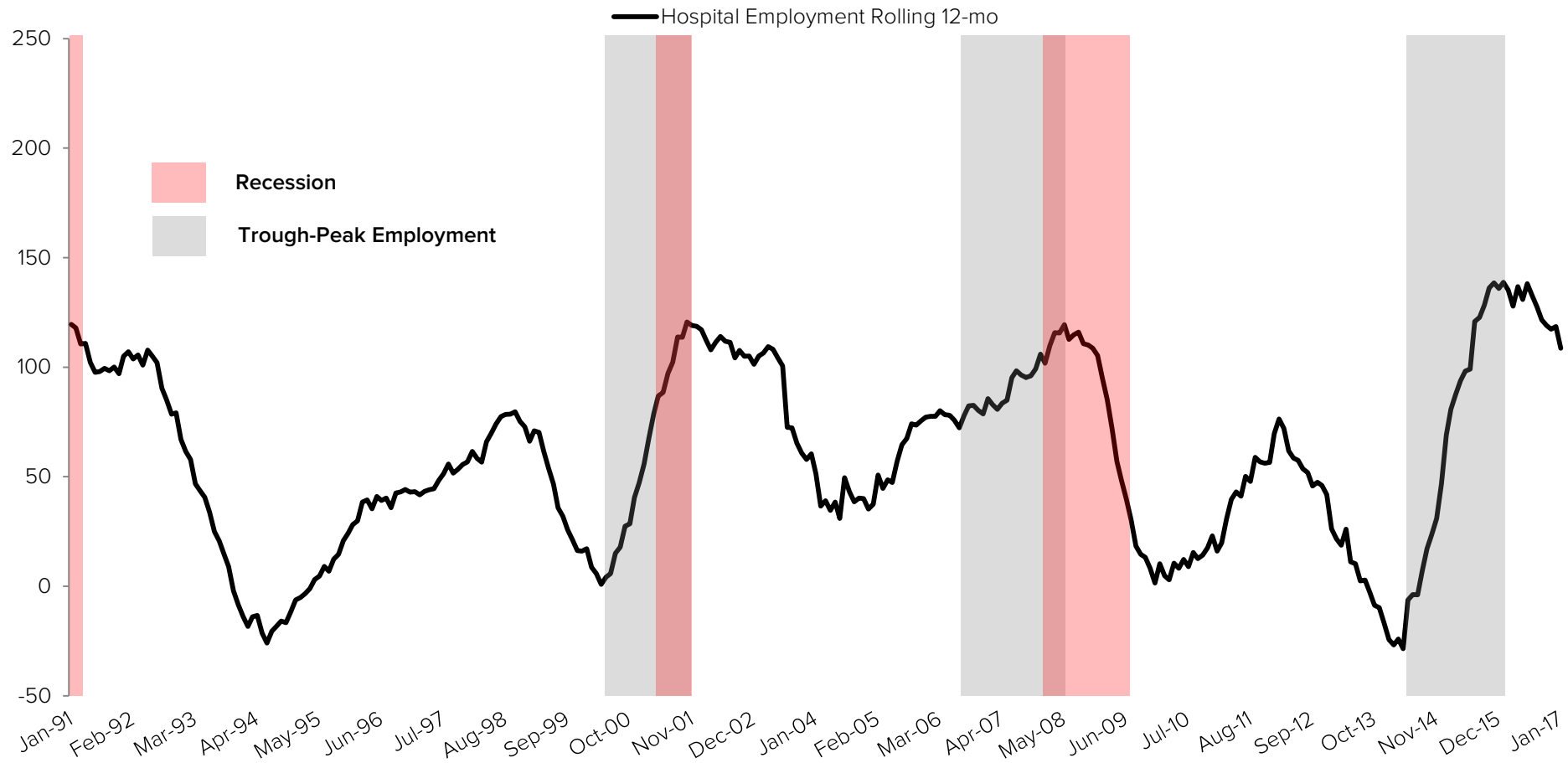
INSURED POPULATION SLOWING



HEALTHCARE EMPLOYMENT GAINS



HOSPITAL EMPLOYMENT GAINS





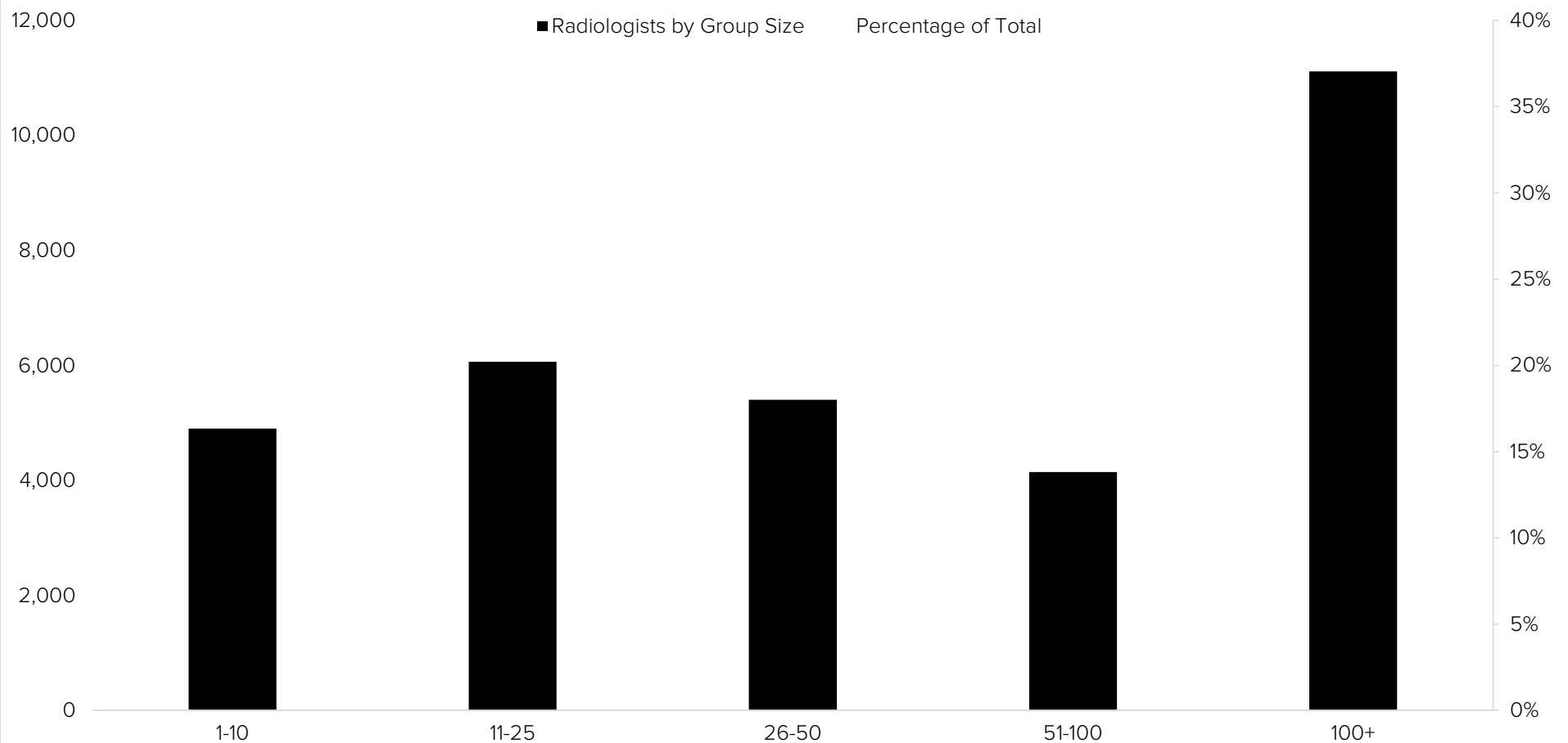
THOUGHTS AFTER THE PRINT

MD | MISSING EVERYWHERE

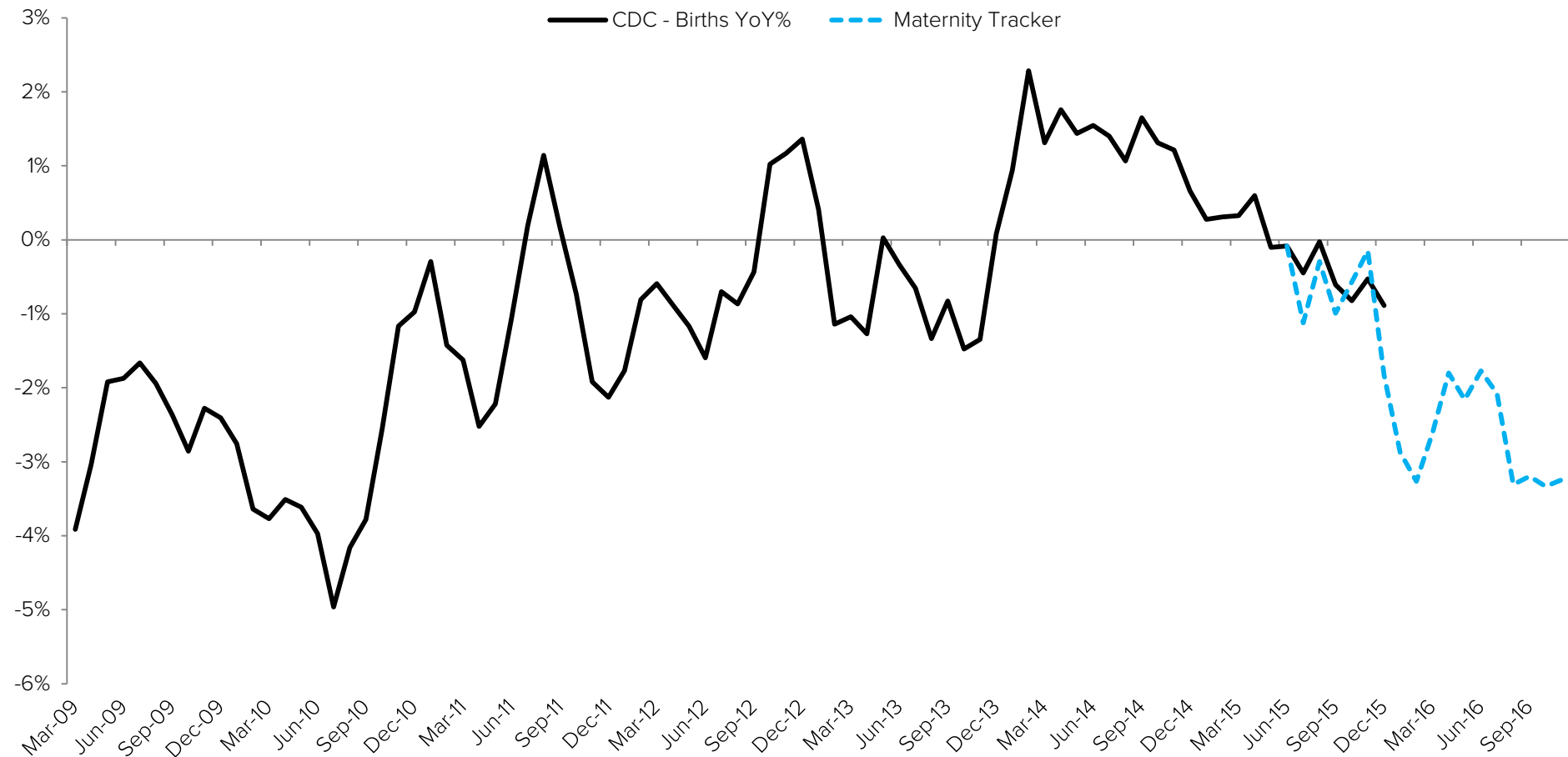
Mednax 4Q16				
	Guidance	Consensus	Actual	Actual Versus Consensus % Difference
Sales	-	\$842.30	\$830.77	-1.4%
Adjusted EPS	\$1.04 - \$1.08	\$1.06	\$1.00	-5.7%
EBITDA	\$174.18 - \$180.95	\$178.10	\$168.00	-5.7%
Net Income	-	\$84.90	\$78.00	-8.1%
Same Unit Revenue Growth	1% - 3%	-	0.70%	-

Mednax 1Q17				
	Guidance	Consensus	Actual	Actual Versus Consensus % Difference
Sales	-	\$845.70	-	-
Adjusted EPS	\$0.86 - \$0.90	\$0.92	-	-
EBITDA	\$148.13 - \$153.89	\$158.00	-	-
Net Income	-	\$70.60	-	-
Same Unit Revenue Growth	1% - 3%	-	-	-

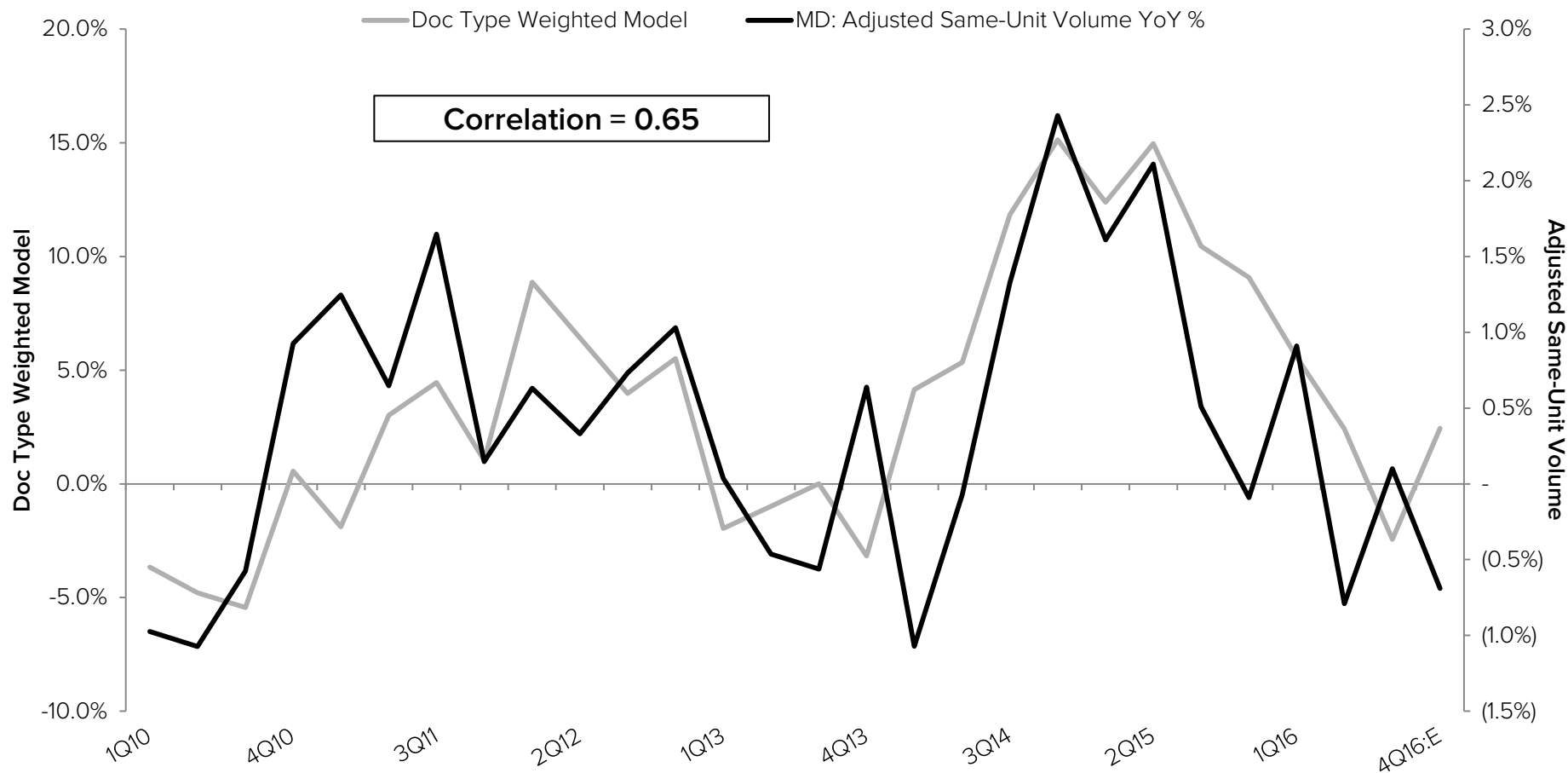
MD | RADIOLOGISTS BY GROUP SIZE



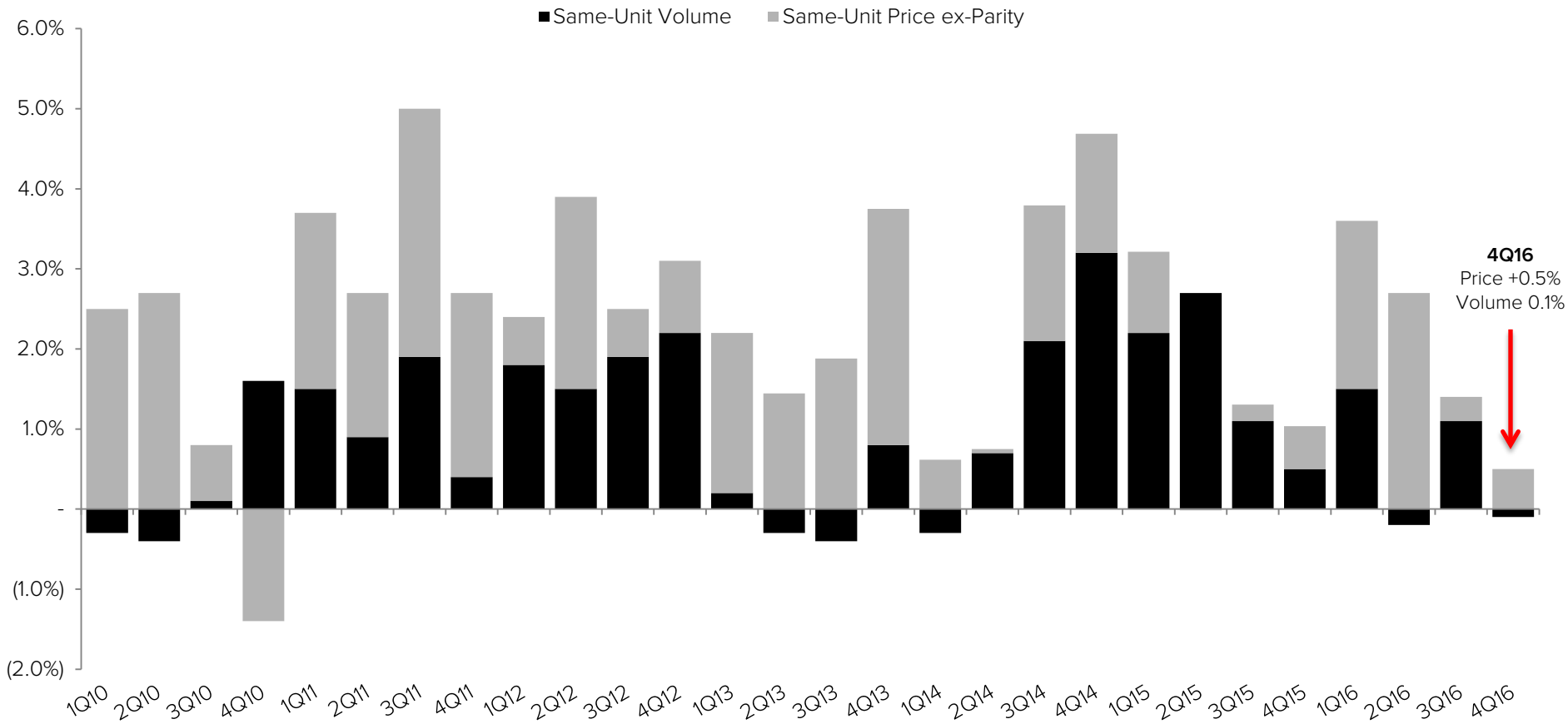
MATERNITY CONTINUES NEGATIVE



MD | DATA FORECAST MODEL

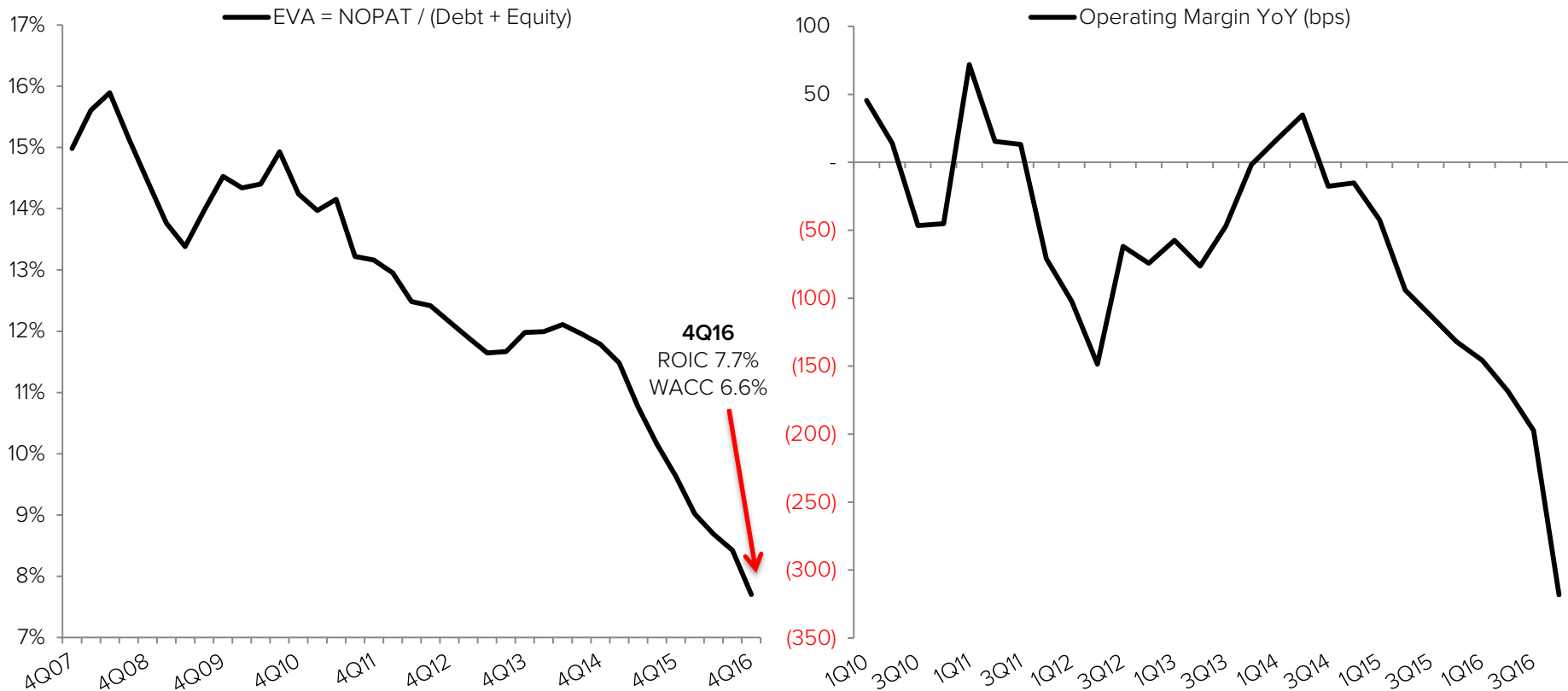


MD | WEAK VOLUME AND WEAK PRICE



MD | RETURN ON INVESTED CAPITAL

GROWTH AT THE COST OF PROFITABILITY



FOR MORE INFORMATION, CONTACT US AT:

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