



# AMN Healthcare Investor Presentation

December 2017

The Innovator in Healthcare Workforce Solutions and Staffing Services



# Forward-Looking Statements

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This investor presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company bases these forward-looking statements on its current beliefs, expectations, estimates, forecasts and projections about future events and the industry in which it operates. Forward-looking statements are identified by words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “will,” “should,” “would,” “project,” “may,” variations of such words and other similar expressions. In addition, statements that refer to performance; plans, objectives and strategies for future operations; and other characterizations of future events or circumstances, are forward-looking statements.

The Company’s actual results could differ materially from those discussed in, or implied by, these forward-looking statements. Factors that could cause actual results to differ from those discussed in or implied by the forward-looking statements contained in this presentation are set forth in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 and its other periodic reports, its current reports and its other filings with the SEC. Developments subsequent to this presentation are likely to cause these statements to become outdated with the passage of time.

# Our Mission



## Every day, we . . .

**Deliver** the best talent and insights to help healthcare organizations optimize their workforce

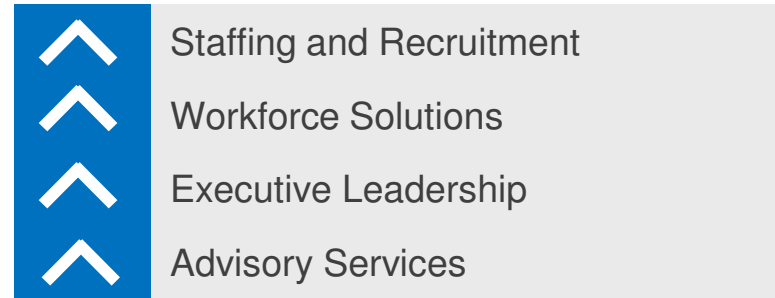
**Give** healthcare professionals opportunities to do their best work towards quality patient care

**Create** a values-based culture of innovation where our team members can achieve their goals

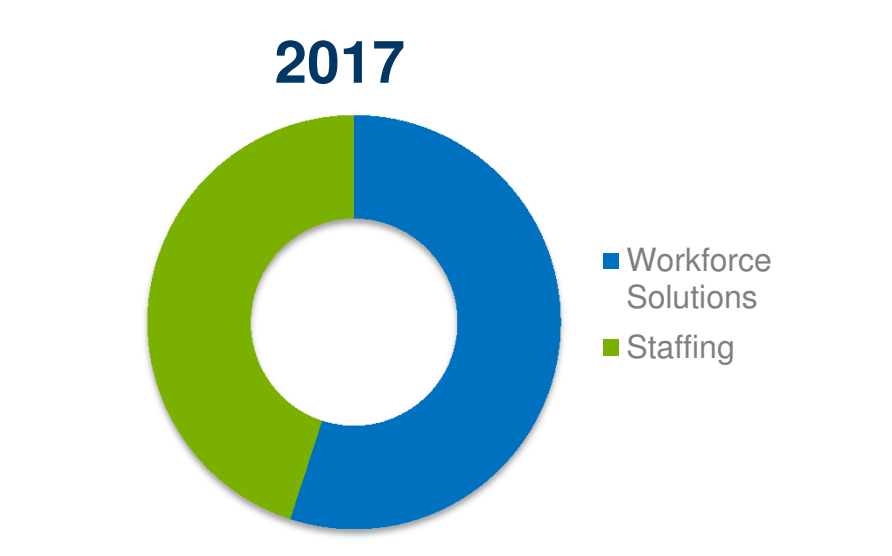
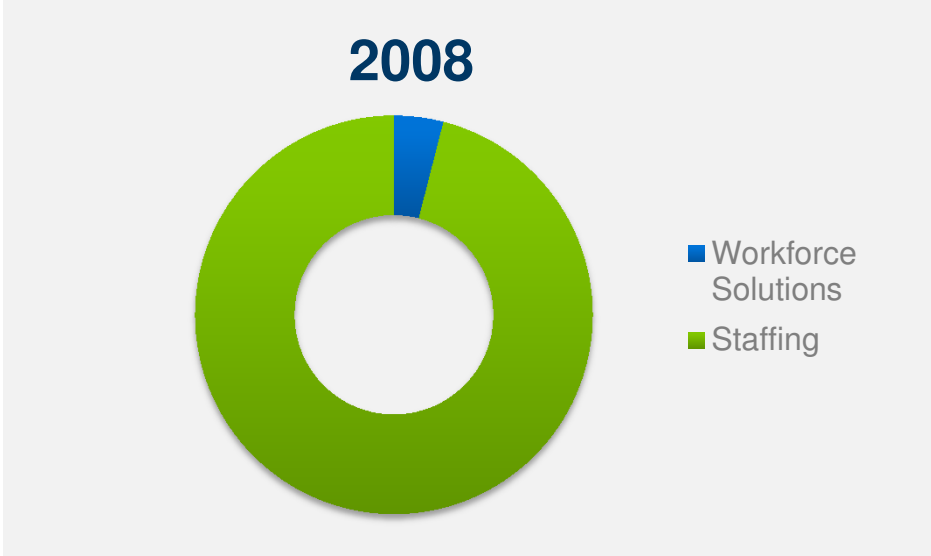
# AMN at a Glance

## The Innovator in Healthcare Workforce Solutions and Staffing Services

AMN continues to evolve from a traditional healthcare staffing provider to a full-service comprehensive workforce solutions company.

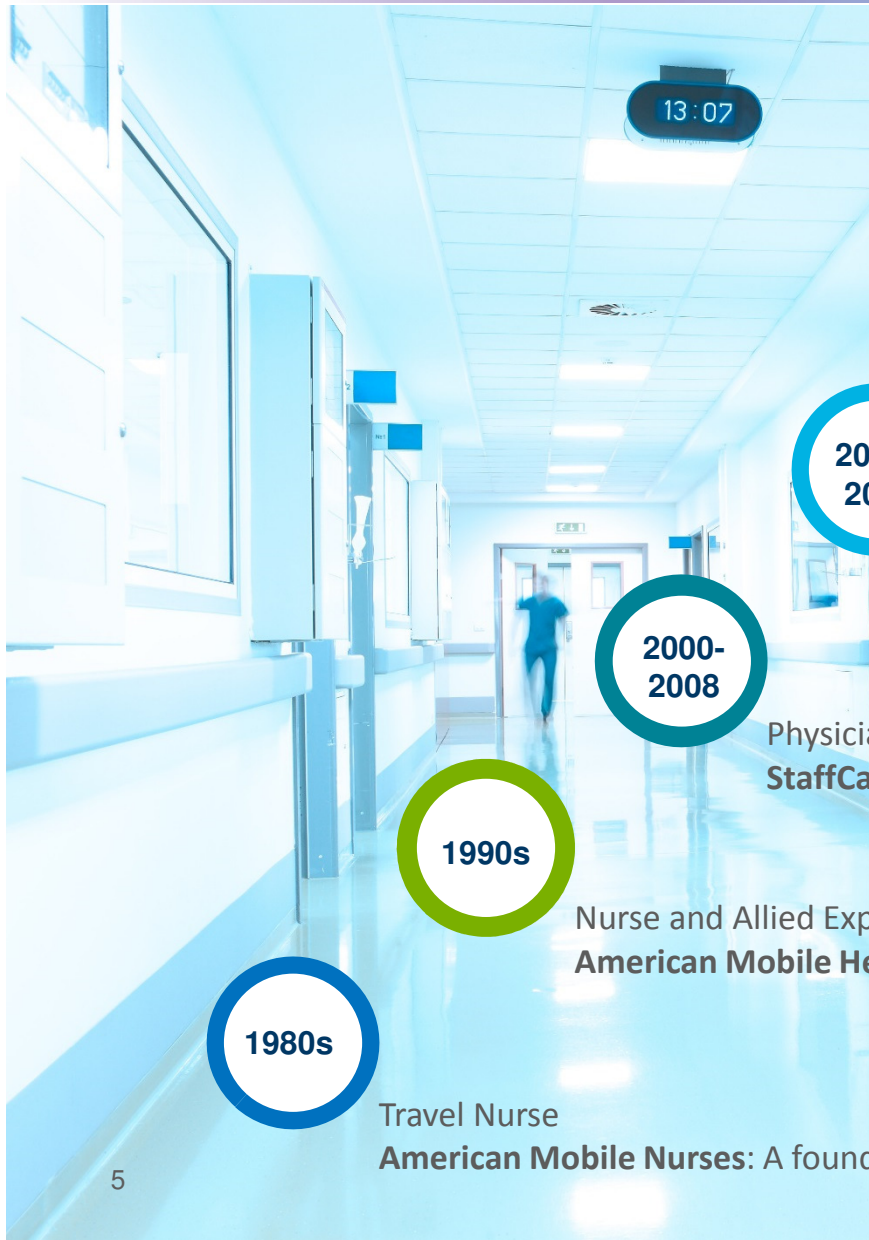


### Workforce Solutions Revenue Growth



Workforce Solutions = MSP, Leadership, Physician Perm, VMS, Workforce Optimization, Medical Coding, and RPO

# Continued Evolution in Workforce Solutions



1980s

Travel Nurse  
**American Mobile Nurses: A founding company**

1990s

Nurse and Allied Expansion  
**American Mobile Healthcare, MedicalExpress**

2000-  
2008

Physician, Allied, Nurse and Search Expansion **Merritt Hawkins, StaffCare, MedTravelers, O'Grady Peyton**

2009 -  
2013

Workforce Solutions: MSP, RPO and VMS  
**MedFinders, ShiftWise**

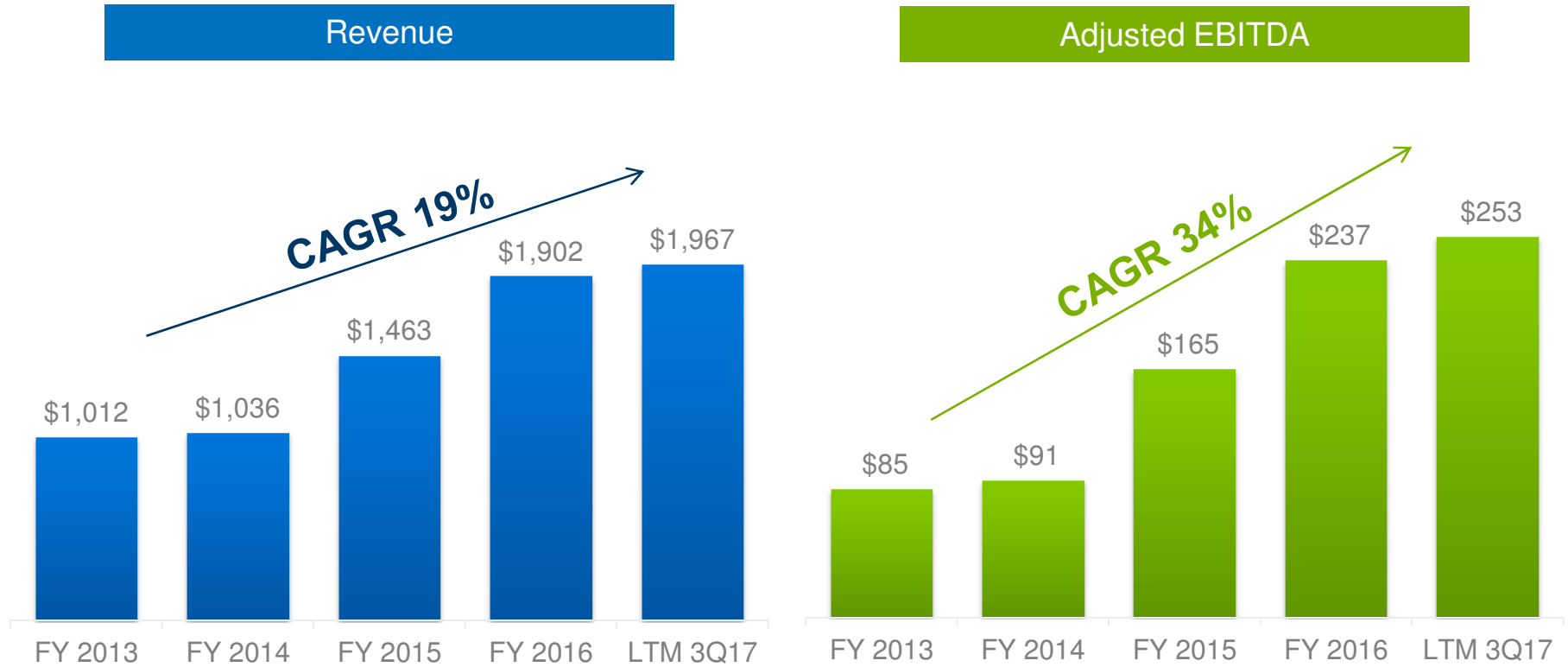
2014 -  
2015

Nurse, Physician, VMS, Leadership, Predictive Analytics **Onward Healthcare, Locum Leaders, Medefis, The First String, MillicanSolutions, Avantas**

2016

Interim Leadership and Executive Search, Project Staffing, Medical Coding **B.E. Smith, Healthsource Global, Peak Health**

# Financial Growth with Leverage







# Business Overview



# AMN Portfolio of Solutions



Staffing and Recruitment	Workforce Solutions	Executive Leadership	Advisory Services
<ul style="list-style-type: none"> <li>• Travel nursing</li> <li>• Local staffing</li> <li>• Locum tenens</li> <li>• Allied staffing</li> <li>• Physician placement</li> <li>• Rapid response</li> <li>• EMR implementation</li> <li>• Labor disruption</li> </ul>	<ul style="list-style-type: none"> <li>• Managed services programs (MSP)</li> <li>• Vendor management systems (VMS)</li> <li>• Recruitment process outsourcing (RPO)</li> <li>• Remote medical coding</li> <li>• Scheduling and labor management</li> <li>• Education services</li> <li>• Float pool management</li> </ul>	<ul style="list-style-type: none"> <li>• Interim leadership</li> <li>• Executive search</li> <li>• Physician leadership search</li> <li>• Nurse leadership search</li> <li>• Leadership training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce analysis and optimization</li> <li>• Predictive modeling and analytics</li> <li>• Consulting</li> </ul>

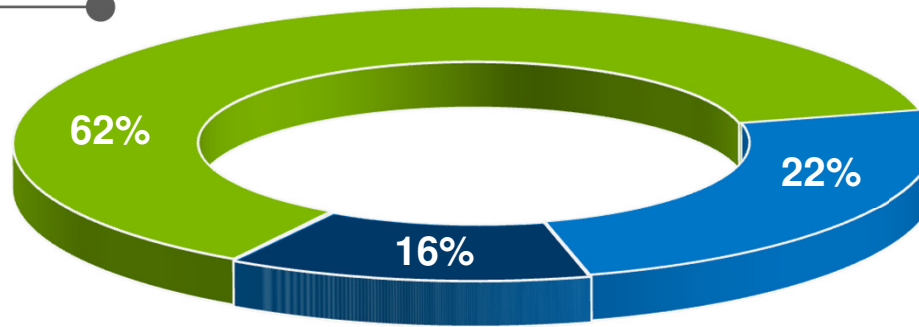
Value through leadership, innovation and strategic insight



# Reportable Segments

## Nurse & Allied

- Travel nurse
- Travel allied
- Local staffing
- EMR staffing
- Labor disruption
- Managed services programs (MSP)



## Locum Tenens

- Temporary physicians
- Locums billing services
- Managed services programs (MSP)

## Other Workforce Solutions

- Interim leadership
- Executive search
- Physician search
- Recruitment process outsourcing (RPO)
- Vendor management systems (VMS)
- Scheduling system
- Education
- Medical coding
- Predictive analytics
- Workforce consulting

# Nurse and Allied Solutions



## Short- and long-term travel and local healthcare staffing

- Travel nurse assignments are typically 13 weeks
- Over 55% of revenue through exclusive MSP relationships

AMN is the largest travel nurse and allied staffing company

### Includes:

- All nursing specialties
- Physical and occupational therapists
- Respiratory, imaging, lab
- Pharmacists, techs

## Robust Demand: Key Drivers



- Shortage of nurses
- Shift to MSP relationships
- Shift to flexible staffing models
- Aging U.S. and clinical population
- Favorable economy and low unemployment

## AMN Recruiting Brands



# Locum Tenens Solutions

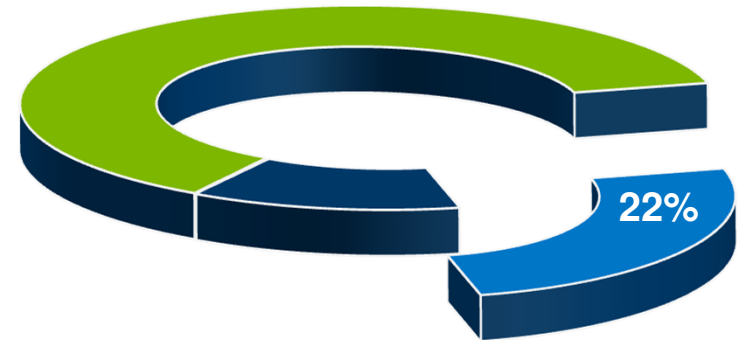


## All physician and advanced practice specialties, including:

Primary Care & Internal Medicine  
Psychiatry  
Hospitalists  
Surgery

Emergency Medicine  
Radiology  
Dentistry

Typical assignments range from days to multiple months



### Robust Demand: Key Drivers



- Shortage of physicians
- Growing demand for healthcare services
- Specialty specific demand
- Aging physician population

### AMN Brands

**STAFF CARE**   
an AMN Healthcare company

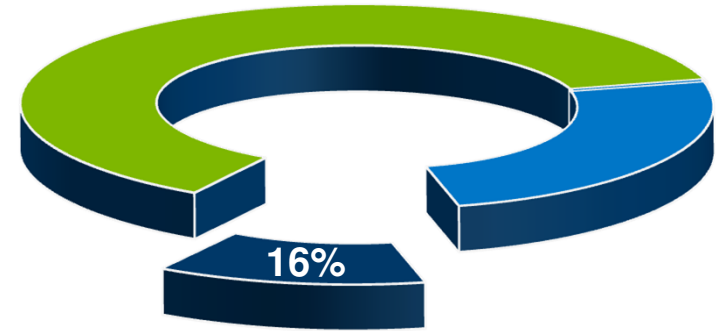
**locumleaders**™   
an AMN Healthcare company



# Other Workforce Solutions



- **Interim and permanent executive leadership and permanent physician placement** across all healthcare settings
- **Vendor Management Systems** are proprietary SaaS-based technology solutions for managing contingent labor
- **Recruitment Process Outsourcing** leverages AMN expertise and systems to replace or complement a client's internal permanent recruiting function
- **Workforce Optimization Solutions** include consulting, data analytics, predictive modeling and SaaS-based scheduling technology



- **Informed Decision Making**
- **Reduce Complexity**
- **Increase Efficiency**
- **Drive Optimal Workforce Mix**

## Key Drivers

## Brands



- Workforce and leadership shortages
- Rising healthcare costs
- Increased administrative complexity
- Increased healthcare utilization/spend
- Increased need for insights





# Leader in Managed Services Programs (MSP)

- Outsourced partner to manage all supplemental workforce needs under one contract
- Recruitment, credentialing, clinical support, reporting, consolidated invoicing

## Client Perspective

- ↑ Higher fill rates
- ↑ Improved fulfillment time
- ↑ Staffing optimization
- ↑ Controlled spend
- ↑ Accountability
- ↑ Regulatory compliance

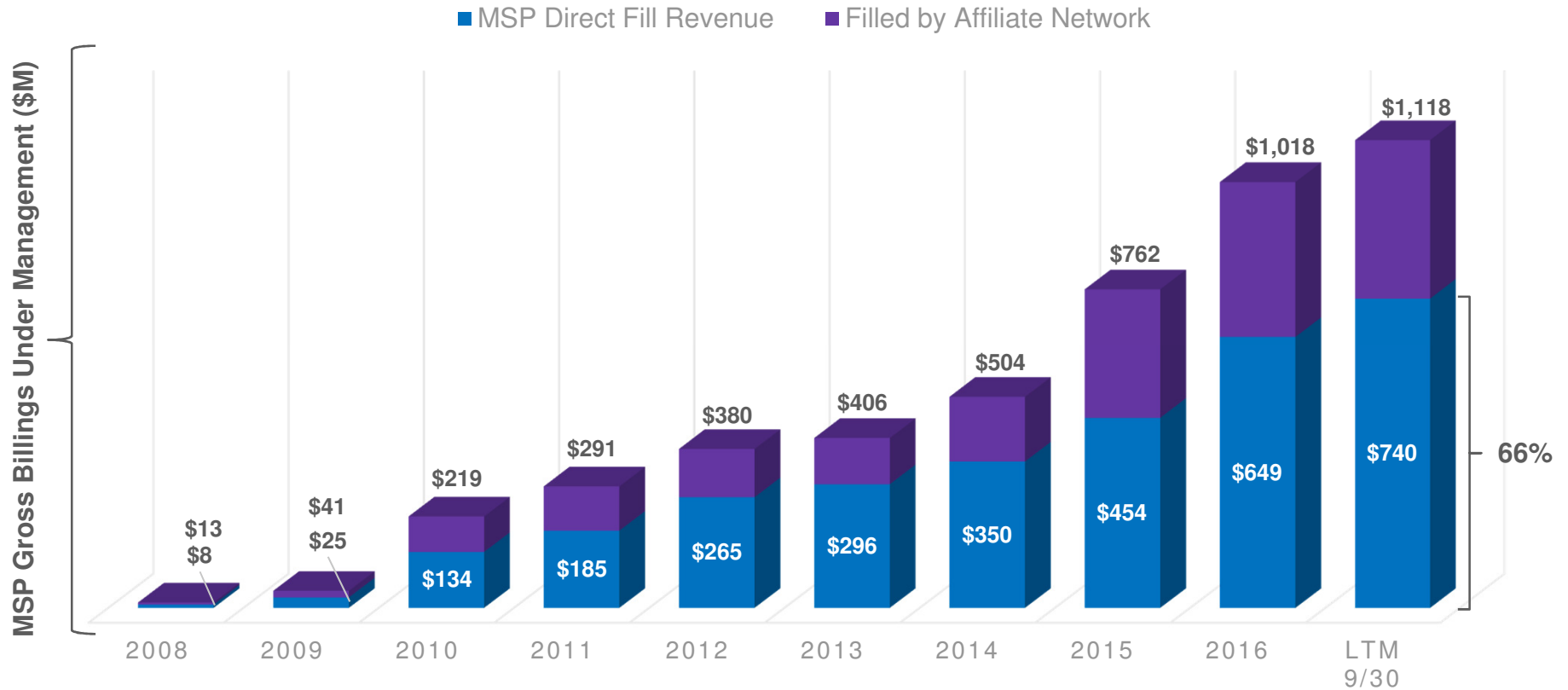
## AMN Perspective

- ↑ Cross-selling opportunities
- ↑ Recruitment advantages
- ↑ Less cyclical
- ↑ Improved demand visibility
- ↑ Strong client relationships
- ↑ High client retention



# MSP Growth

Adoption of MSP has gained substantial momentum in recent years



MSP direct fill revenue as a % of AMN staffing revenue has grown from 1% in 2008 to >45% today <sup>(1)</sup>

(1) Staffing revenue consists of Nurse, Allied, and Locum Tenens revenue; on a consolidated basis, MSP is greater than 35% of revenue



# Leader in Vendor Management Systems (VMS)



- ↑ Fill rates
- ↑ Clinician quality
- ↑ Efficiency
- ↑ Staffing optimization
- ↑ Controlled spend

Cloud based technology that automates temporary and float pool staffing through online order and fulfillment, scheduling, credential tracking, time keeping, invoicing and reporting



**~ \$1.3 Billion**  
Annualized Spend Under Management

# Leader in Workforce Optimization: Predictive Analytics & Forecasting



Nurse labor spend approximately 25% of hospital budget

Typical savings:  
4% to 7% of  
nurse labor  
spend



- ✓ Workforce predictive analytics
- ✓ Optimization and advisory services
- ✓ Scheduling technology & tools
- ✓ Business intelligence
- ✓ Centralized resource management



# Leader in Recruitment Process Outsourcing (RPO)

Outsourced partner to manage all recruitment, hiring, and on-boarding processes for clinician permanent positions



Recruitment savings & productivity



State-of-the-art sourcing



Fewer bad hires & lost candidates

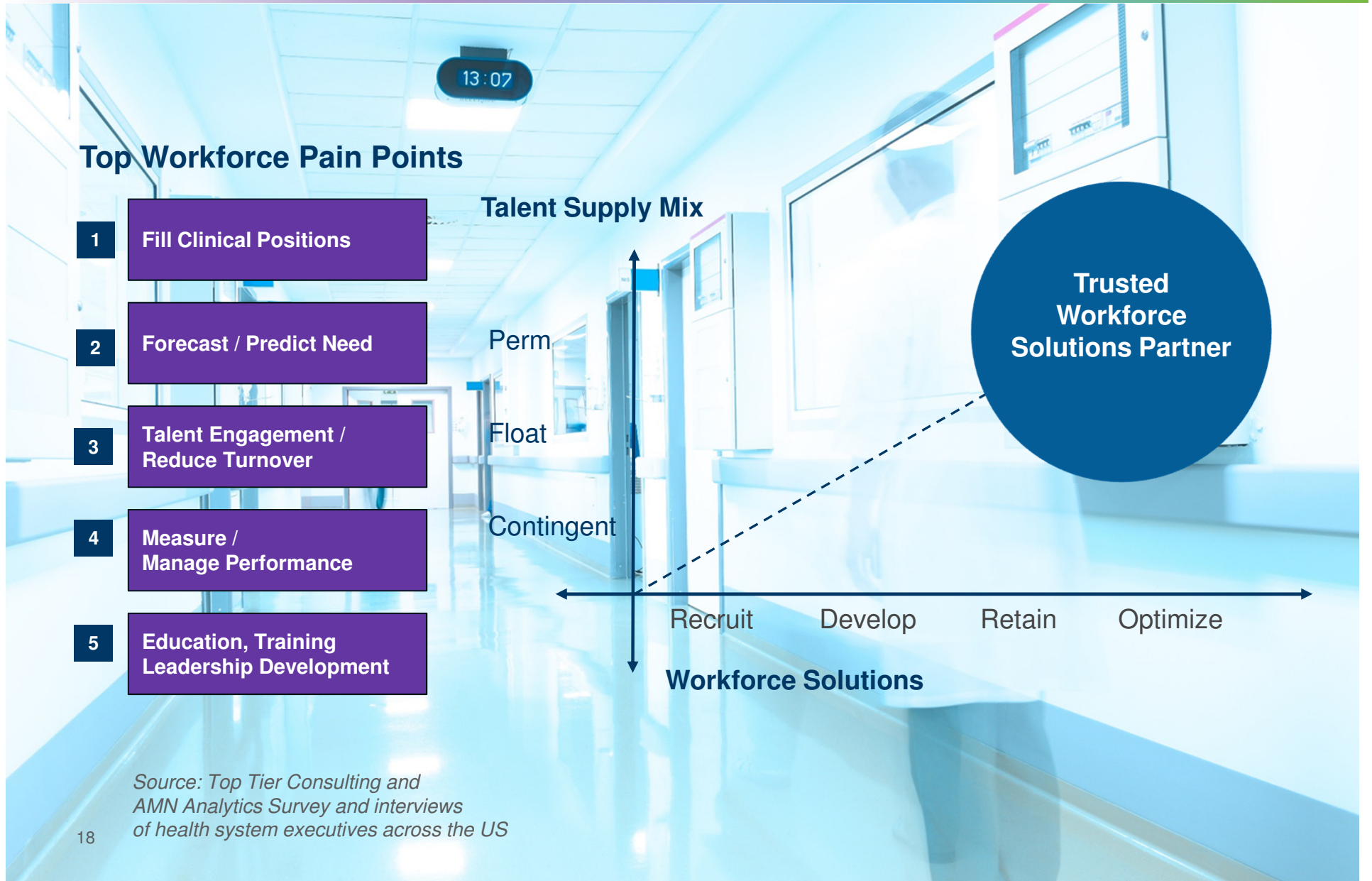


Variable cost, flexible delivery model



Better decision-making through data & insights

# Evolving AMN's Workforce Solutions Strategy





# Diverse Client Base

*As the market leader, AMN has over 100 MSP clients, including many blue chip healthcare systems*



*“AMN knows the national landscape. They know what’s out there and what the trends are. They bring that valuable information to us so that we can better plan as partners.”*

- Chief Nursing Officer,  
Large Integrated Health System & AMN MSP Client





## Industry Overview

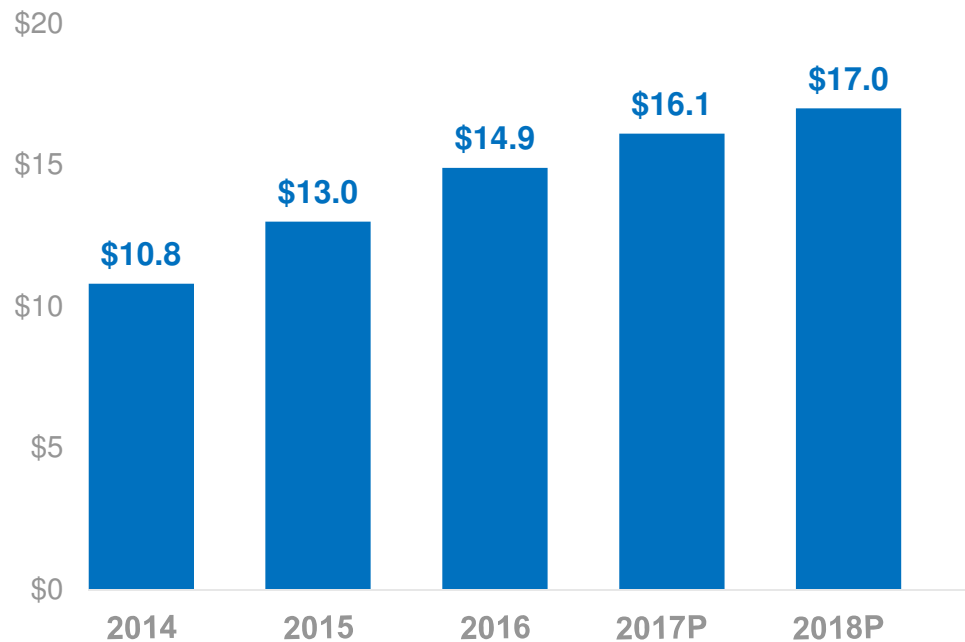




# Healthcare Staffing Market Overview

## U.S. Temporary Healthcare Staffing

(\$ in billions)



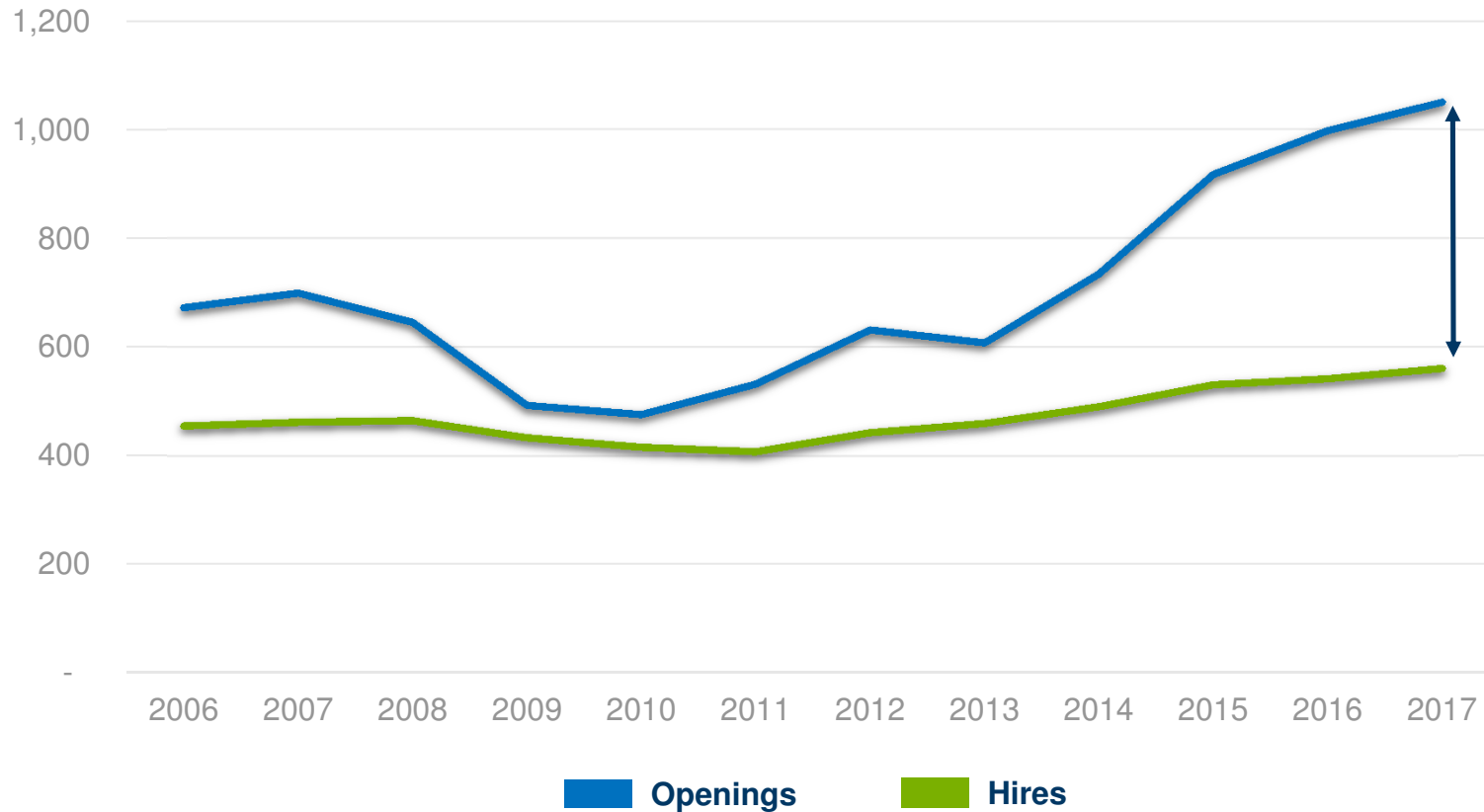
## Demand Drivers

- Stable or improving economy
- Low unemployment
- Shortage of clinician & physicians
- Increased healthcare utilization
- Adoption of outsourced solutions
- Aging population & medical advances
- New emerging clinical roles

**Other Addressable Markets: Approximately \$5 Billion**  
(Perm, RPO, Coding, Workforce Consulting, VMS)

# Healthcare Job Openings and Hires

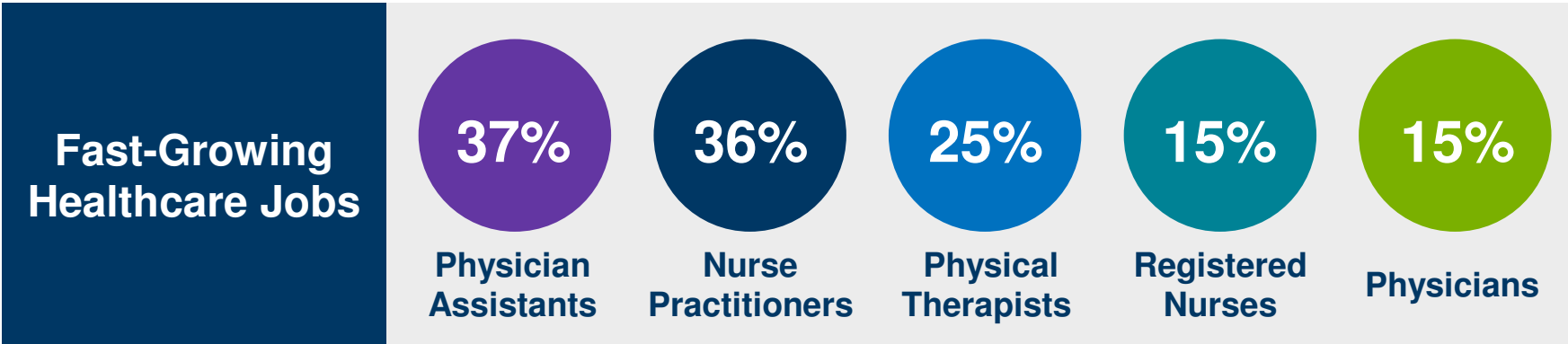
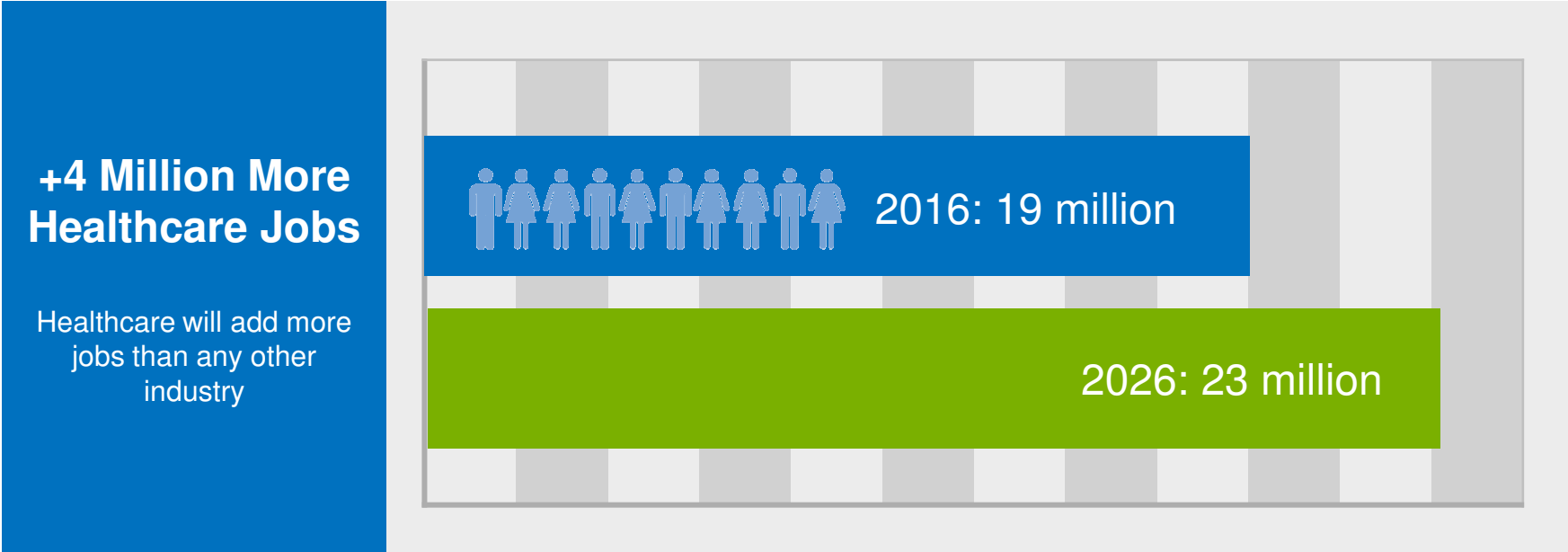
*Job openings are 1.9x monthly hires*



Seasonally adjusted, full-year averages, with 10-month average for 2017. Numbers in thousands.  
Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics, U.S. Department of Labor



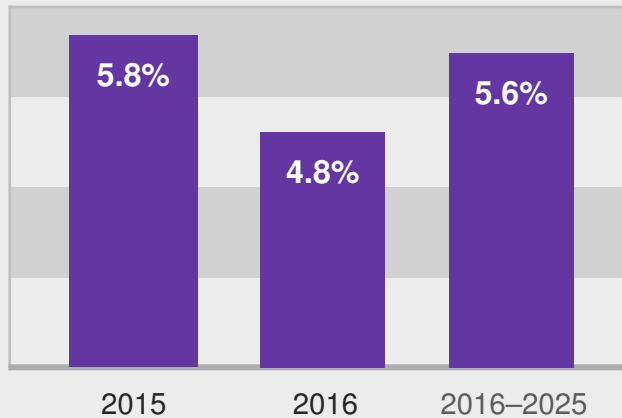
# Growth in Healthcare Employment



Source: Bureau of Labor Statistics – Employment Projections, 2016 - 2026

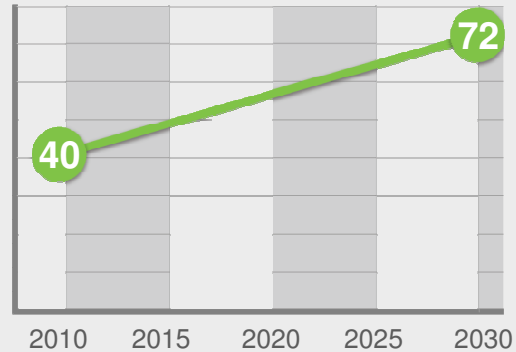
# Drivers of Healthcare Employment Growth

## Annual Growth in Healthcare Spend



## Aging Population and Healthcare Utilization

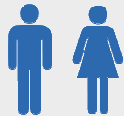
U.S. population aged 65+  
in millions



- Over 65 - 3x more hospital days
- Over 75 - 4x more healthcare days

Source: U.S. Department of Health and Human Services

## Aging Healthcare Professionals



~ 50% of RNs and physicians are age 50+  
55% of RNs who plan to retire will do so by 2020  
~38% of active physicians are age 56 & older

## Projected Healthcare Labor Shortage in 2025



**94,700**  
physician shortage



Regional & specialty  
nurse shortages

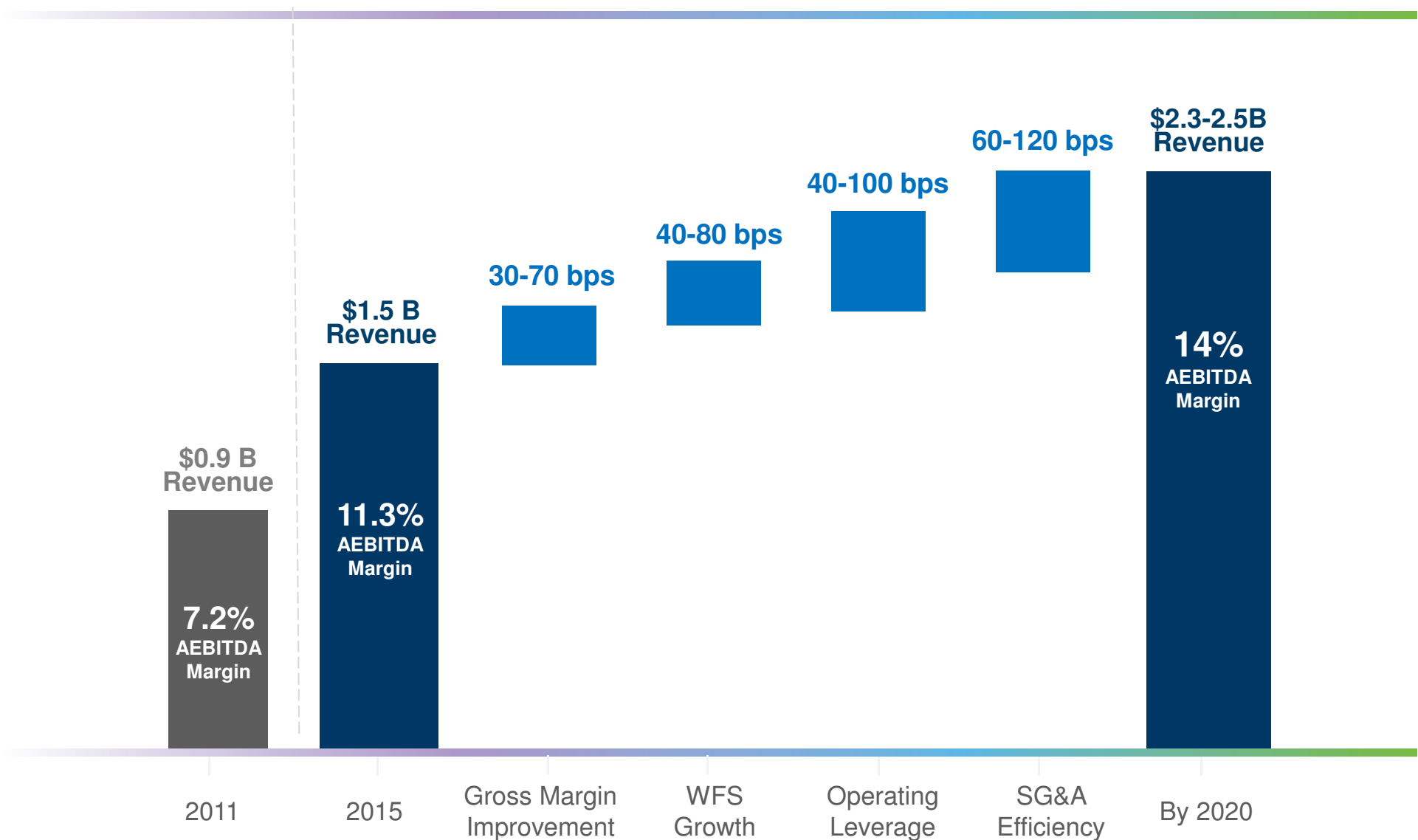
Sources: National Council of State Boards of Nursing and The Forum of State Nursing Workforce Centers – 2013 data and Association of American Medical Colleges April 5, 2016; AMN Healthcare survey, November 2017; AMA Physician Master File and 2012 Physicians Foundation Survey conducted by Merritt Hawkins – 2012 data; National Health Expenditure Projections – CMS, February 2017; AMN Healthcare 2013 Clinical Workforce Survey of Hospital Leaders; Association of American Medical Colleges, April 5, 2016; Future of the Nursing Workforce, Health Resources and Services Administration, December 2014.



## Financial Overview



# Long-term Adjusted EBITDA Margin Target

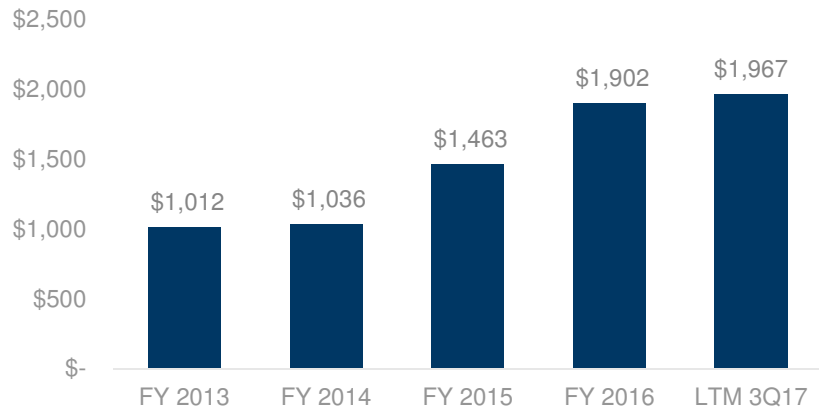


Note: The information set forth herein are based on our current belief of how we may be able to achieve our long-term goal. Please refer to page 2 of this presentation titled "Forward-Looking Statements."

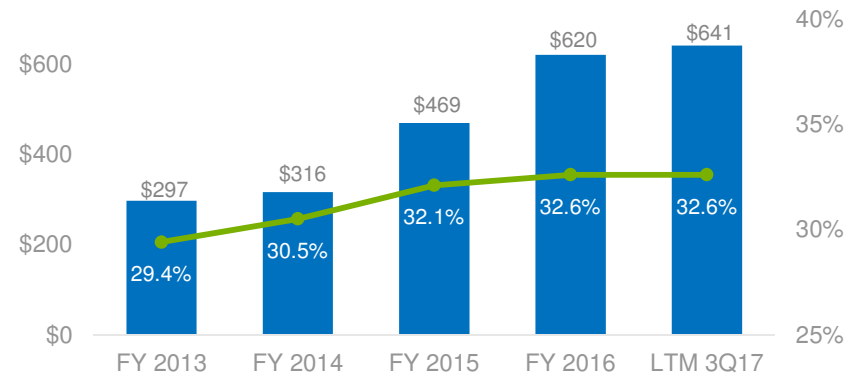


# Historical Financial Summary

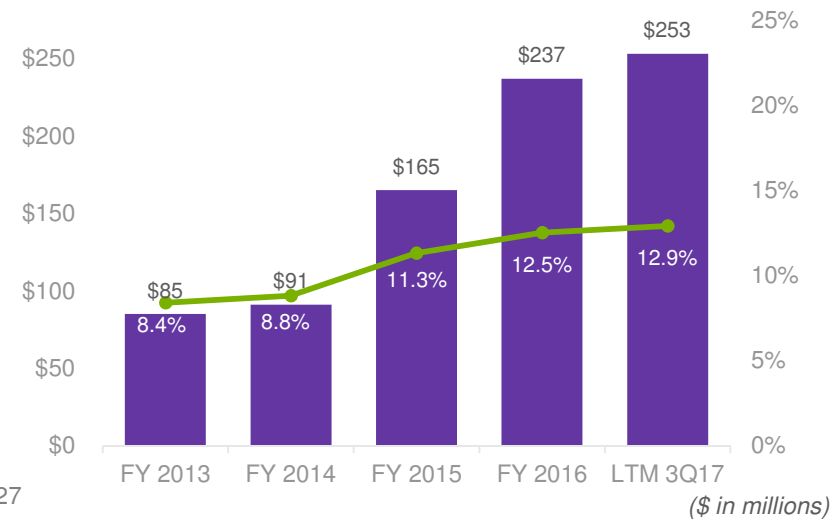
## Total Revenue



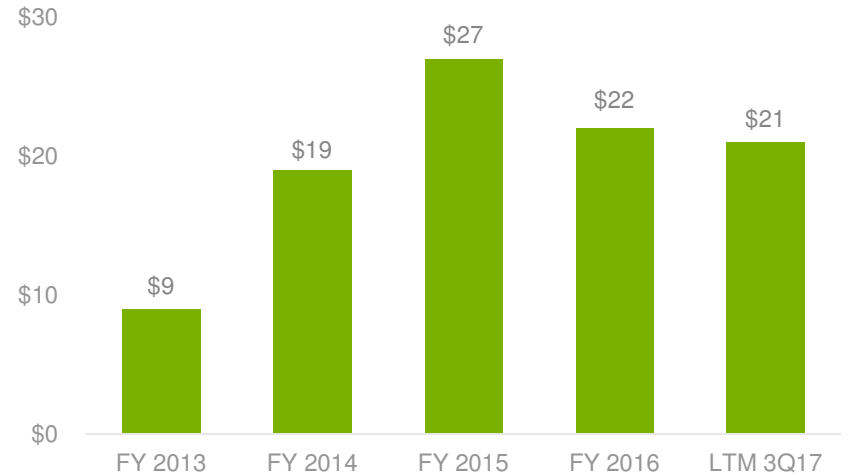
## Gross Profit



## Adjusted EBITDA

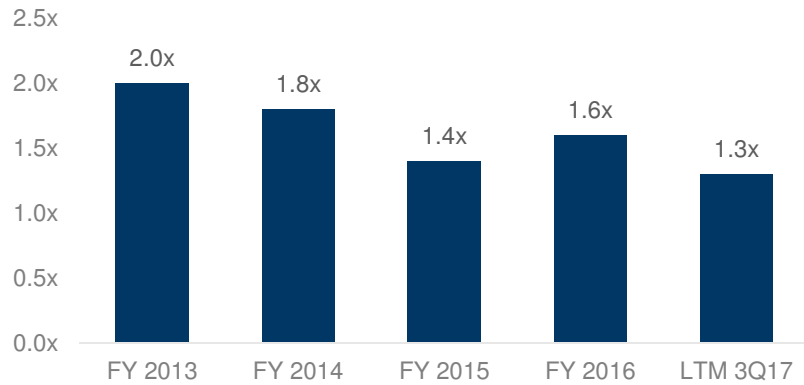


## Capital Expenditures

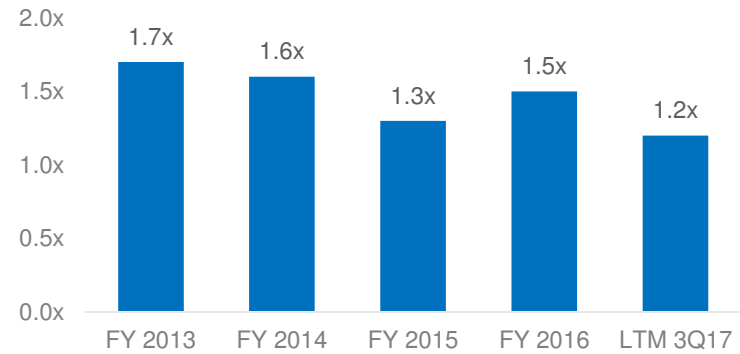


# Historical Credit Statistics

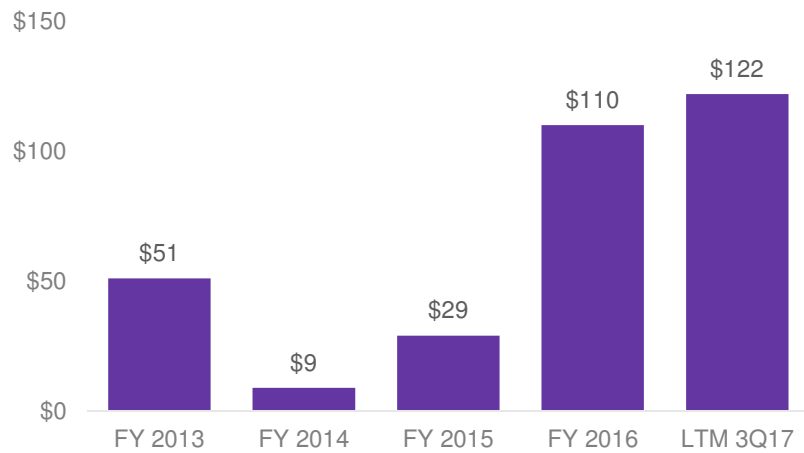
## Total Leverage Ratio\*



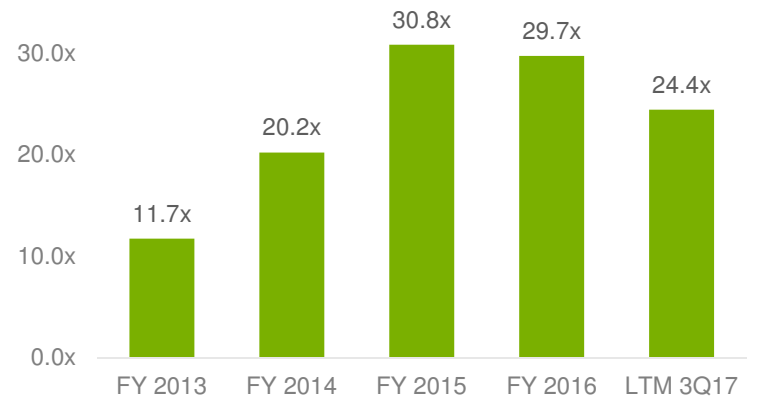
## Total Net Leverage Ratio\*



## Free Cash Flow



## Interest Coverage Ratio\*



\* As defined by AMN's credit agreement



# Financial Highlights



## Balance Sheet Items 9/30/17

Cash and cash equivalents	\$20
Accounts receivable, net	\$344
Net working capital	\$198
Total assets	\$1,191
Total debt outstanding	\$325
Stockholders' equity	\$532

## Balance Sheet Metrics 9/30/17

Days sales outstanding	64
Working capital ratio	1.8x
Leverage ratio	1.3x

## Cash Flow Metrics Q3 2017

Operating cash flow	\$26
Capex	\$5

# Q4 2017 Outlook



Financial Metric	Q4 2017
Revenue	\$498 to \$504 million
Gross margin	~ 32.0%
SG&A, percentage of revenue	~ 20%
Adjusted EBITDA margin	12.0 - 12.5%

Source: Earnings release and earnings call on November 2, 2017. Guidance is not being updated or reaffirmed, and AMN does not intend to update guidance prior to its next quarterly earnings release and earnings call. Refer to our earnings release for a reconciliation of non-GAAP measures or visit <http://amnhealthcare.investorroom.com/financialreports>.



# Key Investor Highlights

- ✔ **Market leader** and **trusted partner** in healthcare staffing services - nurse, allied, locums, physician and executive search, interim leadership
- ✔ **Innovator** in healthcare workforce solutions: MSP, VMS, RPO, medical coding, workforce optimization; expanding solutions to support clients
- ✔ Strong **demand** environment supported by aging population and clinical labor shortages
- ✔ Positive macro and **secular trends** support growth
- ✔ Investment in **technology** differentiates AMN services, enhances recruiting capabilities, and reduces costs
- ✔ **Scalable** operating model with leverage
- ✔ **Stable** with strong cash flow & balance sheet

