

AMN Healthcare Segment Reporting Realignment

During the fourth quarter 2015 earnings call, AMN Healthcare Services, Inc. (NYSE: AHS) announced an update to our reportable segments. Effective January 1, 2016, our three reportable segments are Nurse and Allied Solutions, Locum Tenens Solutions, and Other Workforce Solutions. The Nurse and Allied Solutions segment includes our nurse, allied and local staffing divisions. The Locum Tenens Solutions segment includes our locum tenens staffing services. The Other Workforce Solutions Segment includes our healthcare leadership staffing and placement businesses, physician placement, recruitment process outsourcing, SaaS-based vendor neutral management systems, consulting and predictive analytics and education divisions.

Presented below are the unaudited supplemental financial and operating data for the years ended December 31, 2015, 2014 and 2013, reflecting this realignment.

AMN Healthcare Segment Reporting Realignment (Unaudited)

AMN Healthcare Services, Inc.
Supplemental Financial and Operating Data
(dollars in thousands, except for operating data)
(unaudited)

	Year Ended December 31, 2015					Years Ended December 31,	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year	2014	2013
Revenue							
Nurse and allied solutions	\$ 216,992	\$ 226,494	\$ 246,748	\$ 263,019	\$ 953,253	\$ 674,055	\$ 673,797
Locum tenens solutions	86,692	97,388	101,755	99,256	385,091	296,166	287,484
Other workforce solutions	23,826	26,262	34,356	40,277	124,721	65,806	50,535
	<u>\$ 327,510</u>	<u>\$ 350,144</u>	<u>\$ 382,859</u>	<u>\$ 402,552</u>	<u>\$ 1,463,065</u>	<u>\$ 1,036,027</u>	<u>\$ 1,011,816</u>
Segment operating income ⁽¹⁾							
Nurse and allied solutions	\$ 27,362	\$ 31,159	\$ 32,354	\$ 33,094	\$ 123,969	\$ 82,498	\$ 84,824
Locum tenens solutions	9,110	11,711	13,321	13,869	48,011	30,985	24,712
Other workforce solutions	7,810	7,513	13,074	11,993	40,390	14,566	6,563
	<u>44,282</u>	<u>50,383</u>	<u>58,749</u>	<u>58,956</u>	<u>212,370</u>	<u>128,049</u>	<u>116,099</u>
Unallocated corporate overhead	10,960	11,006	13,127	12,101	47,194	36,559	30,927
Adjusted EBITDA ⁽²⁾	33,322	39,377	45,622	46,855	165,176	91,490	85,172
Adjusted EBITDA margin ⁽³⁾	10.2%	11.2%	11.9%	11.6%	11.3%	8.8%	8.4%
Depreciation and amortization	5,095	5,232	5,304	5,322	20,953	15,993	13,545
Share-based compensation	2,377	2,153	2,021	3,733	10,284	7,157	6,125
Acquisition and integration costs	1,065	1,833	690	1,472	5,060	437	-
Interest expense, net, and other	1,807	1,977	2,013	1,993	7,790	9,237	9,665
Income before income taxes	22,978	28,182	35,594	34,335	121,089	58,666	55,837
Income tax expense	10,769	12,312	1,947	14,170	39,198	25,449	22,904
Net income	<u>\$ 12,209</u>	<u>\$ 15,870</u>	<u>\$ 33,647</u>	<u>\$ 20,165</u>	<u>\$ 81,891</u>	<u>\$ 33,217</u>	<u>\$ 32,933</u>

AMN Healthcare Segment Reporting Realignment (Unaudited)

	Year Ended December 31, 2015					Years Ended December 31,	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year	2014	2013
Gross Margin							
Nurse and allied solutions	26.6%	27.2%	27.5%	27.1%	27.1%	26.9%	26.6%
Locum tenens solutions	29.4%	29.2%	30.7%	31.2%	30.2%	29.3%	29.1%
Other workforce solutions	76.6%	76.0%	78.2%	73.6%	75.9%	73.1%	68.0%
<u>Operating Data:</u>							
Nurse and allied solutions							
Average healthcare professionals on assignment ⁽⁴⁾	7,223	7,227	7,564	8,032	7,512	5,715	5,880
Revenue per healthcare professional per day ⁽⁵⁾	\$ 334	\$ 344	\$ 355	\$ 356	\$ 348	\$ 323	\$ 314
Locum tenens solutions							
Days filled ⁽⁶⁾	54,260	59,844	59,267	55,929	229,300	192,171	197,006
Revenue per day filled ⁽⁷⁾	\$ 1,598	\$ 1,627	\$ 1,717	\$ 1,775	\$ 1,679	\$ 1,541	\$ 1,459

(1) **Segment operating income** represents net income plus interest expense (net of interest income) and other, income tax expense, depreciation and amortization, unallocated corporate overhead, acquisition and integration costs and share-based compensation.

(2) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income tax expense, depreciation and amortization, acquisition and integration costs and share-based compensation. Management believes that adjusted EBITDA provides an effective measure of the Company's results, as it excludes certain items that management believes are not indicative of the Company's operating performance and is a measure used in credit facilities. Adjusted EBITDA is not intended to represent cash flows for the period, nor has it been presented as an alternative to income from operations or net income as an indicator of operating performance. Although management believes that some of the items excluded from adjusted EBITDA are not indicative of the Company's operating performance, these items do impact the statement of comprehensive income, and management therefore utilizes adjusted EBITDA as an operating performance measure in conjunction with GAAP measures such as net income.

(3) **Adjusted EBITDA margin** represents adjusted EBITDA divided by revenue.

(4) **Average healthcare professionals on assignment** represents the average number of nurse and allied healthcare professionals on assignment during the period presented.

(5) **Revenue per healthcare professional per day** represents the revenue of the Company's nurse and allied solutions segment divided by average healthcare professionals on assignment, divided by the number of days in the period presented.

(6) **Days filled** is calculated by dividing the locum tenens hours filled during the period by 8 hours.

(7) **Revenue per day filled** represents revenue of the Company's locum tenens solutions segment divided by days filled for the period presented.