

TEAMHealth[®]

First Quarter 2015 Earnings Results

May 5, 2015

Forward Looking Statement

Information included in this presentation that are not historical facts and that reflect the current view of Team Health Holdings, Inc. (the “Company”) about future events and financial performance are hereby identified as “forward looking statements.” Some of these statements can be identified by terms and phrases such as “anticipate,” “believe,” “intend,” “estimate,” “expect,” “continue,” “could,” “should,” “may,” “plan,” “project,” “predict” and similar expressions. The Company cautions that such “forward looking statements,” including without limitation, those relating to the Company’s future business prospects, revenue, working capital, professional liability expense, liquidity, capital needs, interest costs and income, wherever they occur in this presentation or in other statements attributable to the Company, are necessarily estimates reflecting the judgment of the Company’s senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the “forward looking statements.” Factors that could cause our actual results to differ materially from those expressed or implied in such “forward looking statements,” include but are not limited to current or future government regulation of the healthcare industry, exposure to professional liability lawsuits and governmental agency investigations, the adequacy of insurance coverage and insurance reserves, as well as those factors detailed from time to time in the Company’s filings with the Securities and Exchange Commission.

The Company’s forward looking statements speak only as of the date hereof and the date they are made. The Company disclaims any intent or obligation to update “forward looking statements” made in this presentation to reflect changed assumptions, the occurrence of unanticipated events, or changes to future operating results over time.

Quarterly Financial Slides



Q1 2015 Highlights

Net Revenue increased 31.0%

Net Earnings were \$28.1 million; \$49.4 million after adjustments

Diluted Net earnings per share of \$0.38
Adjusted EPS increased 25.9% to \$0.68

Adjusted EBITDA increased 24.4% to \$89.3 million

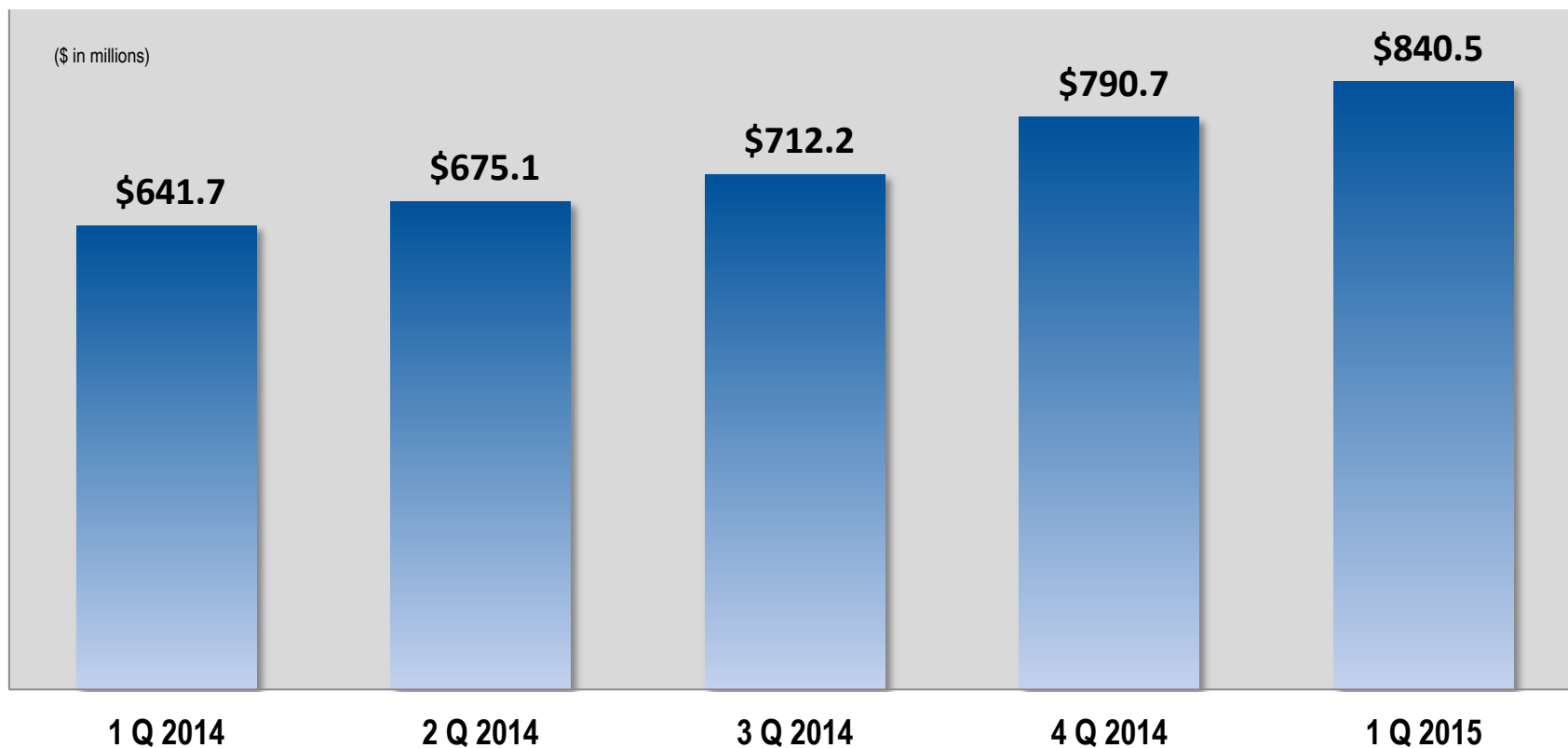
Completed 18 acquisitions in 2014 and 1st Quarter 2015

Projected growth in 2015 Net Revenue increased to a range of 19.0% to 21.0%;
Adjusted EBITDA margin remains between 10.5% and 11.0%

Net Revenue Growth

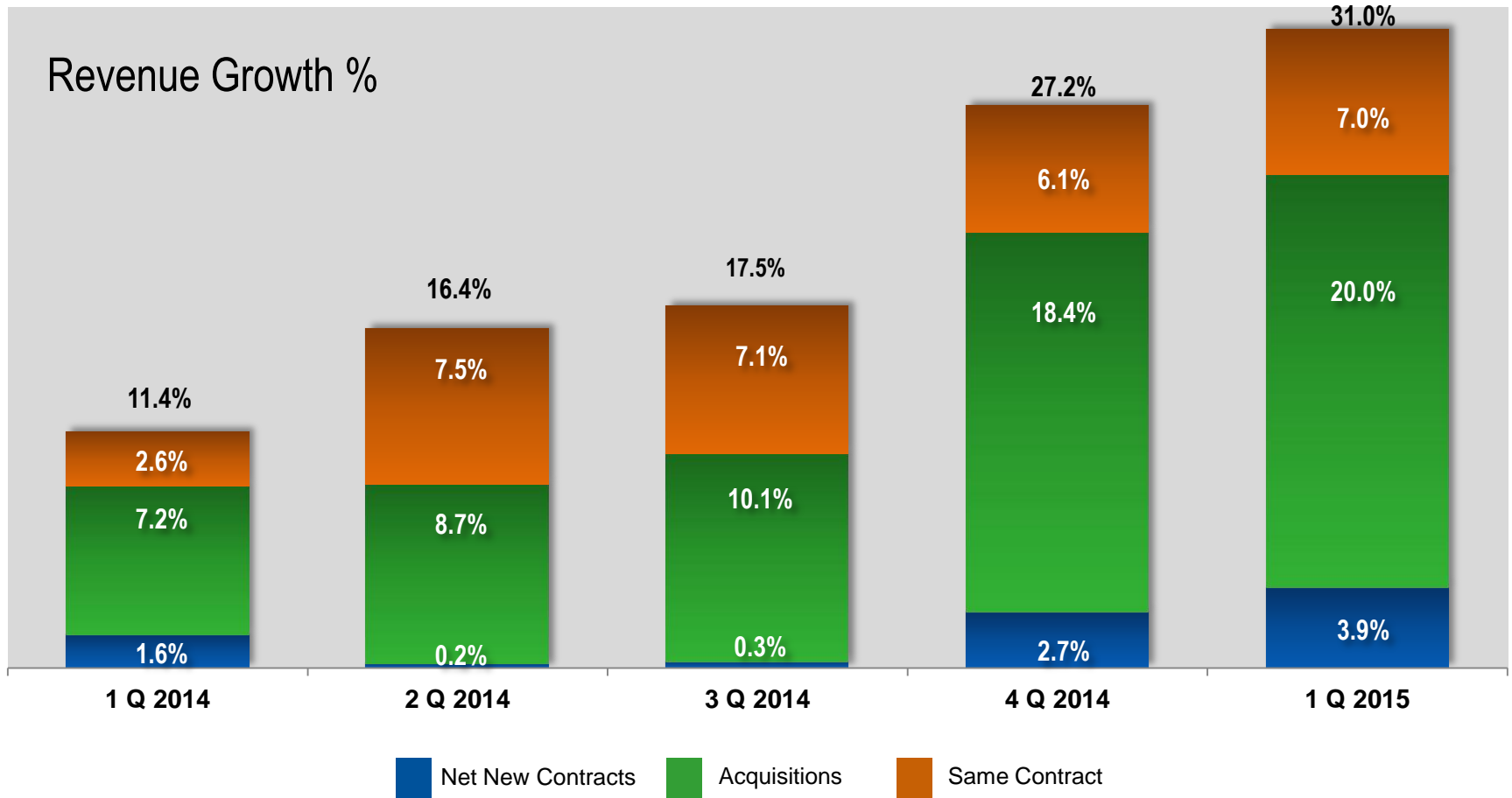
Net Revenue increased 31.0% 1st quarter 2015 over 2014

- **Significant benefit from the increased pace of acquisitions completed in the 3rd and 4th quarters of 2014**
- **9.1% same contract volume growth driven by more severe flu activity early in the quarter**



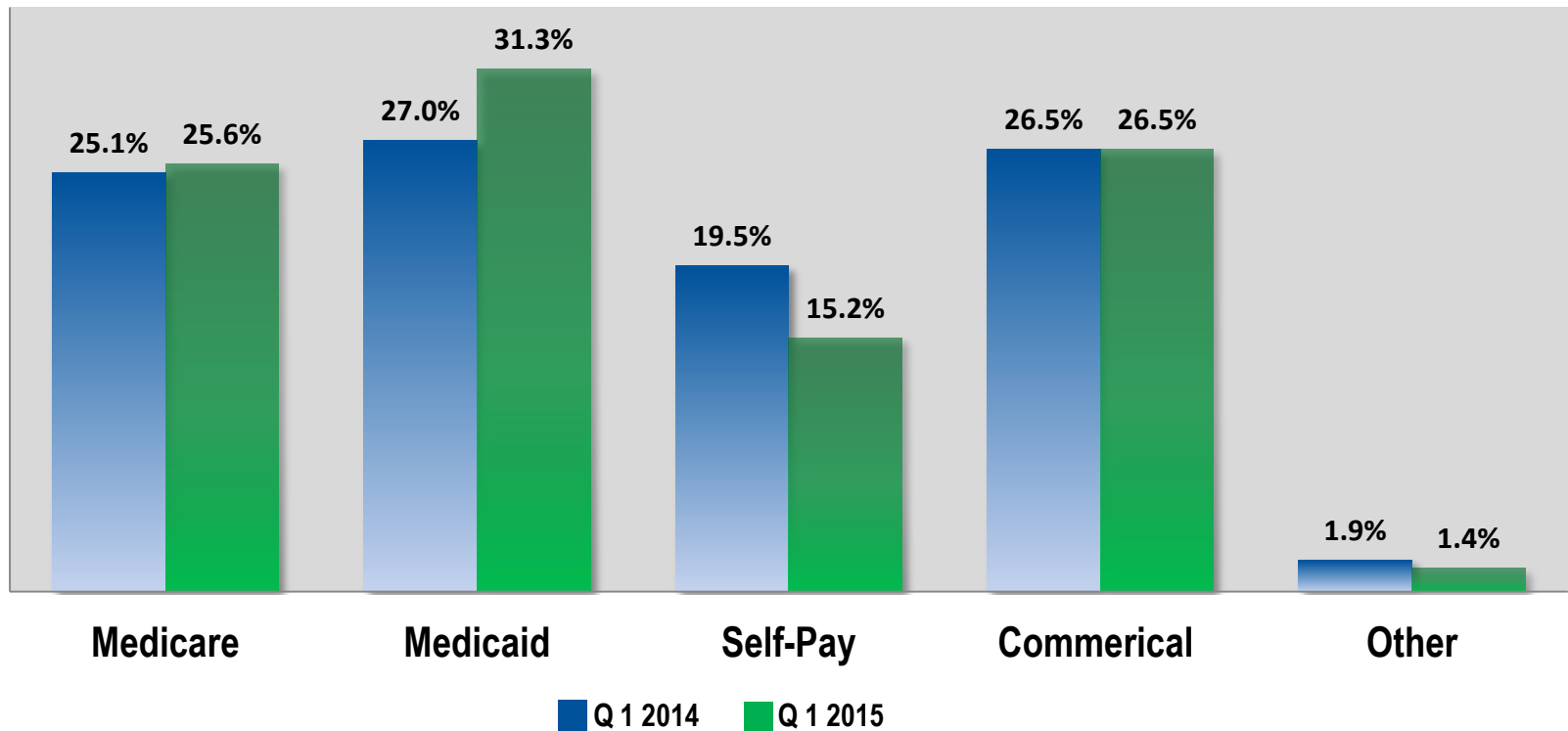
Net Revenue Growth and Contribution by Category

Balanced approach to achieving revenue growth, led by recent acquisitions



Payor Mix

Payor Mix by Volume – Q 1 2014 vs. Q 1 2015

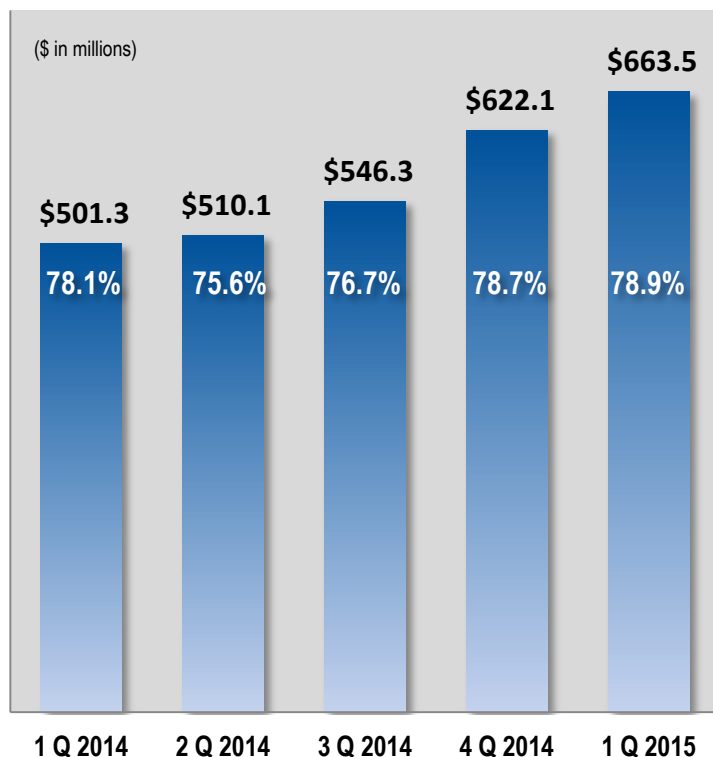


Compared to the prior year, we realized significant declines in the percentage of self-pay visits and corresponding increases primarily in the percentage of Medicaid visits

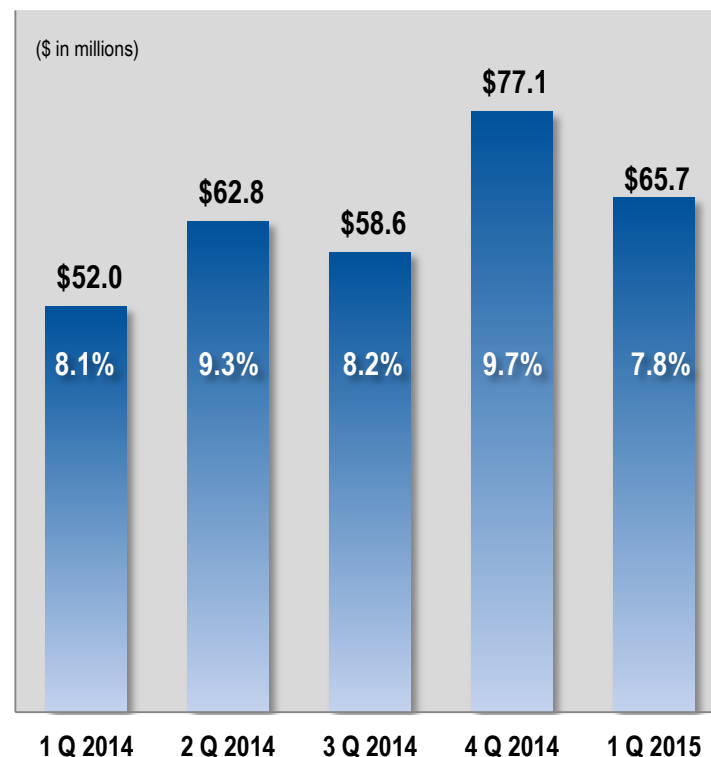
Payor mix by volume is based on fee for service revenue only.

Key Operating Expenses and Margin

Professional Service Expense



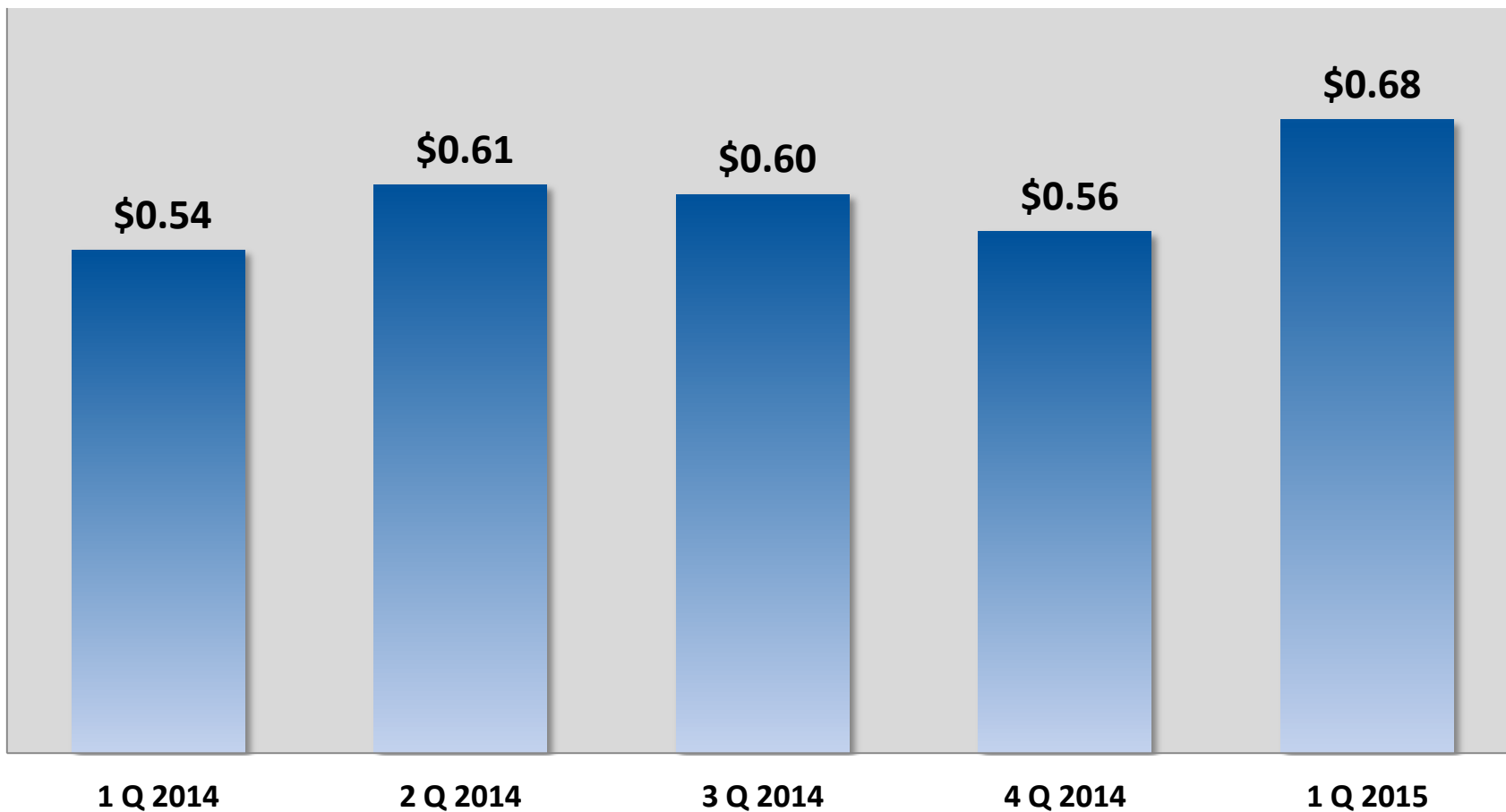
General and Administrative Expenses (1)



(1) Excludes contingent purchase compensation expense

Adjusted EPS

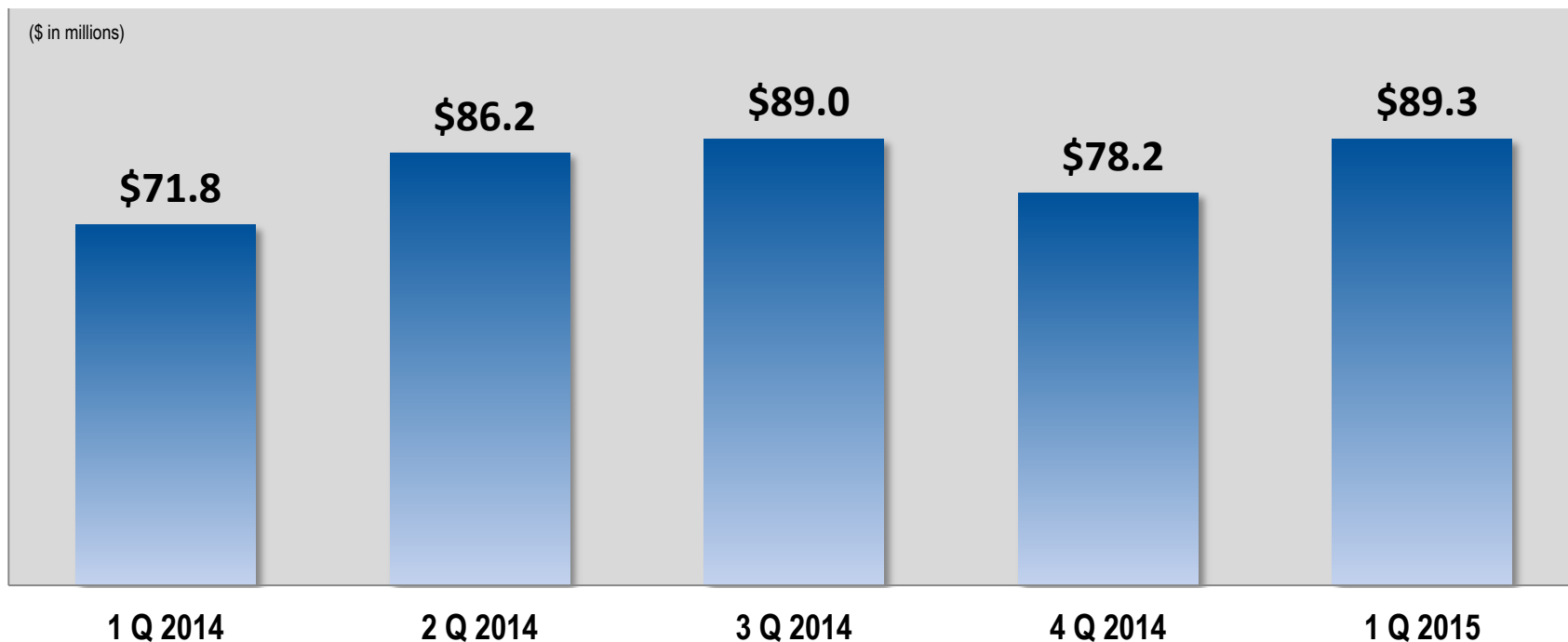
Adjusted EPS increased 25.9% 1st quarter 2015 over 2014



See Reconciliation of Adjusted Net Earnings to GAAP measures in the attached Appendix.

Adjusted EBITDA and Margin

Adjusted EBITDA increased 24.4% 1st quarter 2015 over 2014



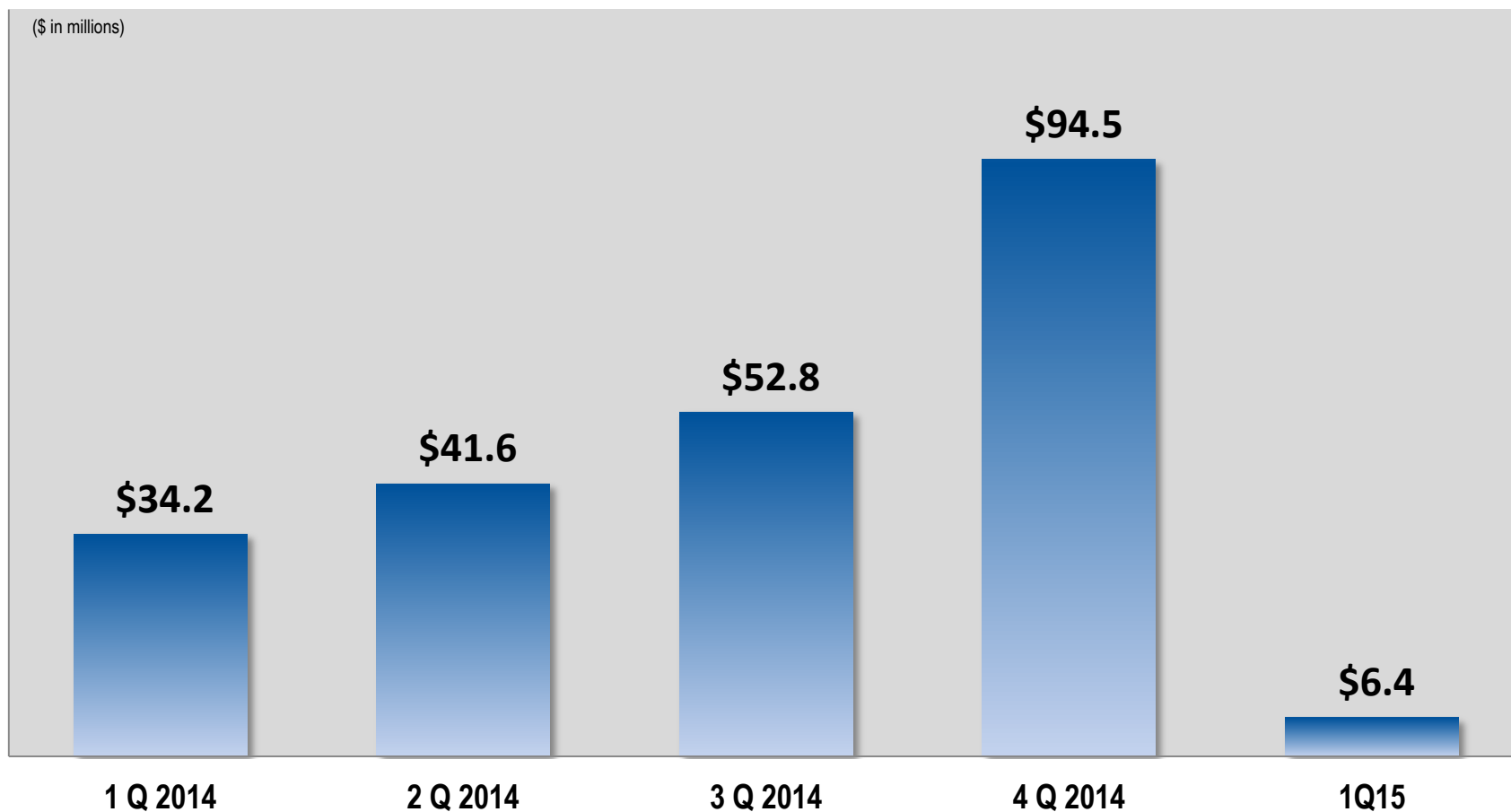
	1 Q 2014	2 Q 2014	3 Q 2014	4 Q 2014	1 Q 2015
Adjusted EBITDA Margin – as reported	11.2%	12.8%	12.5%	9.9%	10.6%
Adjusted EBITDA Margin – excluding parity ⁽¹⁾	10.4%	12.0%	11.6%	9.0%	10.5%

See Reconciliation of Adjusted Net Earnings to GAAP measures in the attached Appendix.

Cash Flow from Operations ⁽¹⁾

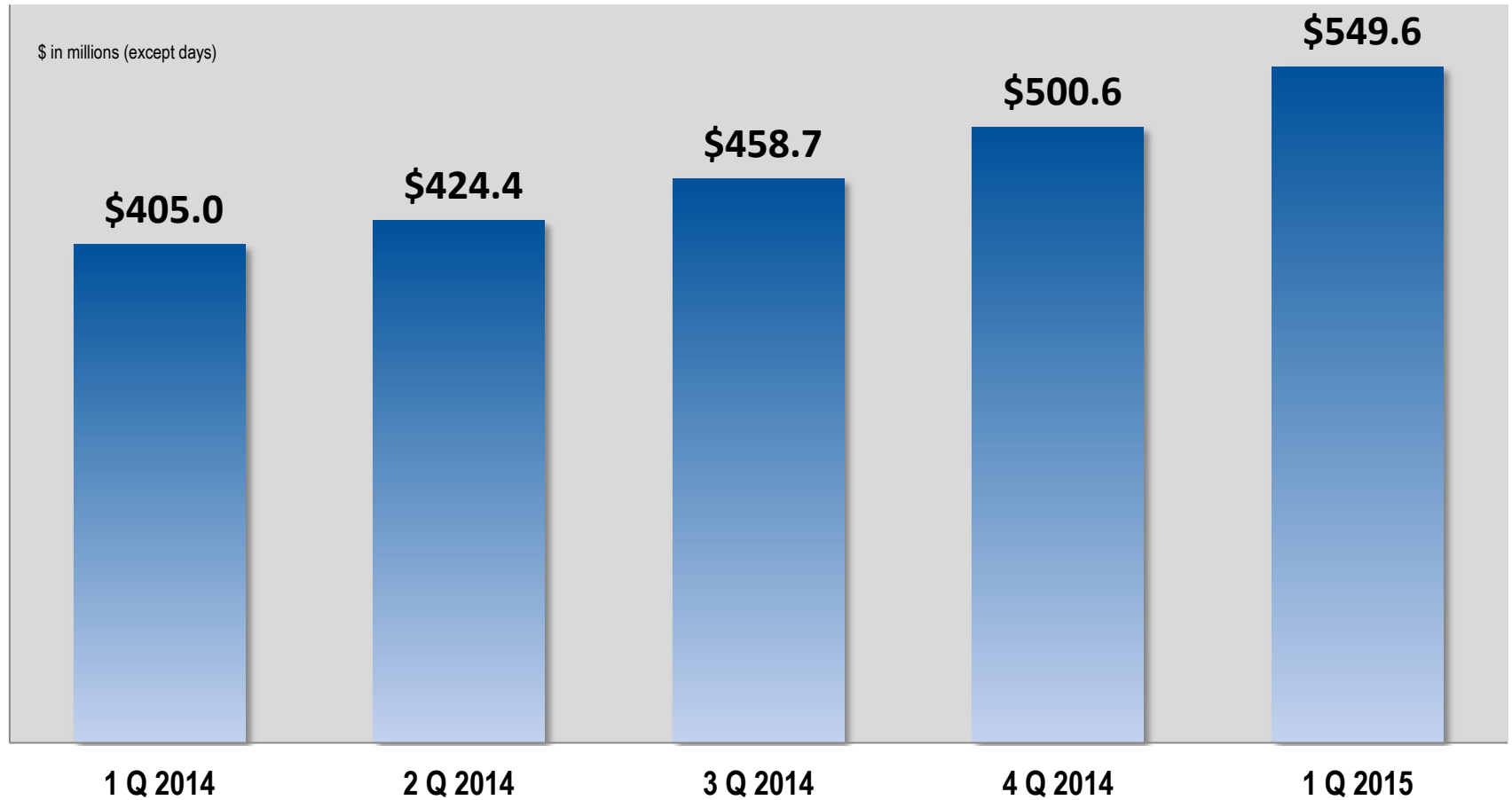
1st quarter 2015 impacted by —

- Increased level of Net A/R funding associated with new and acquired contracts - \$48.0 million in 2015 vs. \$12.5 million in 2014
- Increase in funding of accrued compensation, benefit and incentive plans - \$39.9 million in 2015 vs. \$27.6 million in 2014



⁽¹⁾ Excludes contingent purchase and other acquisition compensation expense payments

Net Accounts Receivable



Net Days in Accounts Receivable	1 Q 2014	2 Q 2014	3 Q 2014	4 Q 2014	1 Q 2015
	57.7	58.0	59.9	59.0	60.0

Balance Sheet

Capitalization Table

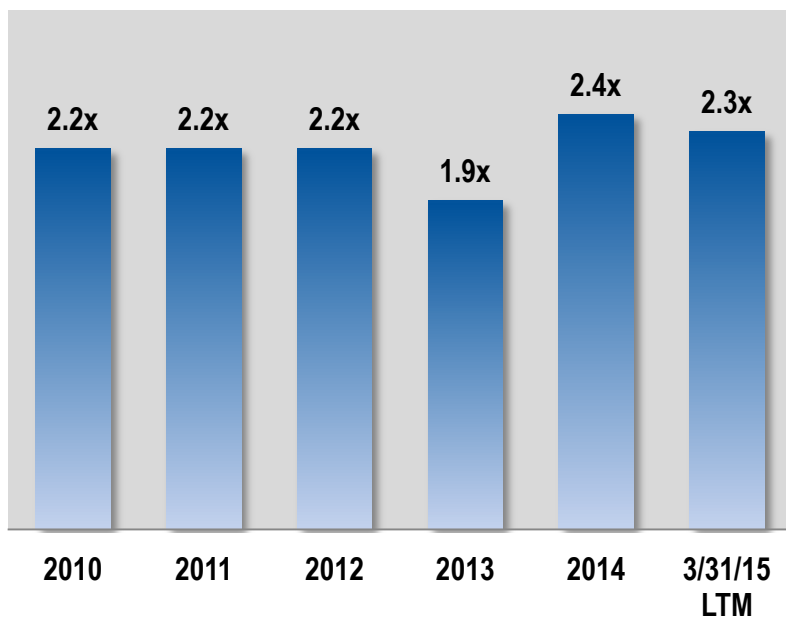
<i>(\$ in millions)</i>	Maturity	Actual 12/31/14	Actual 03/31/15
Cash and Cash Equivalents		\$20.1	\$ 17.4
Term Loan A (L+1.75)	Oct 2019	596.3	592.5
Revolving Line of Credit - \$650.0mm (L+1.75)	Oct 2019	209.0	227.5
Total Debt		\$805.3	\$820.0
Team Health Shareholders' Equity		420.5	468.7
Total Capitalization		\$1,225.8	\$1,288.7
Total Debt / Adjusted EBITDA⁽¹⁾		2.5x	2.4x
Net Debt⁽²⁾ / Adjusted EBITDA⁽¹⁾		2.4x	2.3x

(1) Based on full year 2014 Adjusted EBITDA of \$325.2 million and LTM March 2015 Adjusted EBITDA of \$342.8 million. LTM is calculated as full year 2014, minus the three months ended 3/31/14, plus the three months ended 3/31/15.

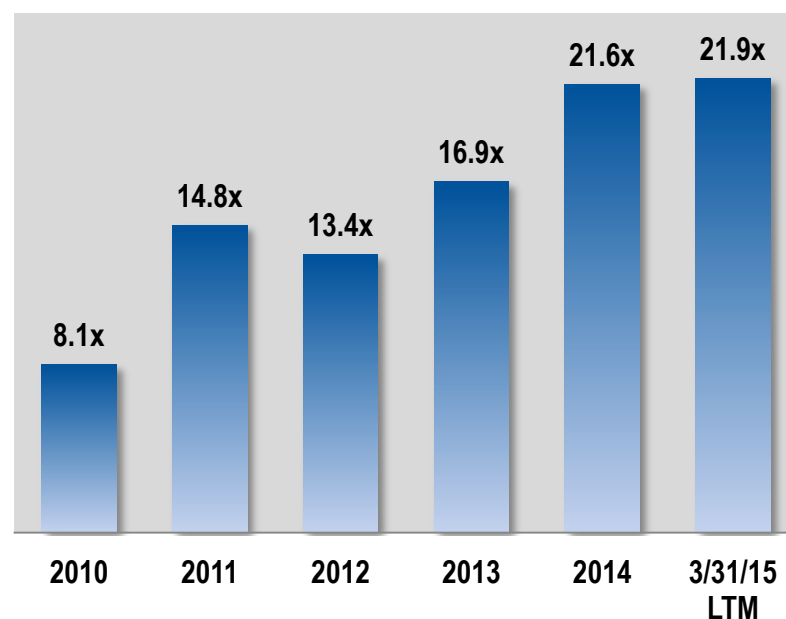
(2) Reflects total debt less cash.

Leverage Trends

Net Debt⁽²⁾ / Adjusted EBITDA⁽¹⁾



Adjusted EBITDA⁽¹⁾ / Interest



(1) See Reconciliation of Adjusted Net Earnings to GAAP measures in the attached Appendix.

(2) Reflects total debt less cash.

2015 Outlook

Projected Net Revenue growth of 19.0% to 21.0%

Adjusted EBITDA Margin between 10.5% and 11.0%

Robust Acquisition Pipeline

2015 Outlook Reflects a Modest Increase on Net Revenue from Prior Guidance

Appendix



Non-GAAP Financial Measures Reconciliations

In this presentation we refer to Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Earnings per Share ("Adjusted EPS") which are financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Adjusted EBITDA is defined as net earnings attributable to Team Health Holdings, Inc. before interest expense, taxes, depreciation and amortization, as further adjusted to exclude the non-cash items and the other adjustments shown in the table under "Adjusted EBITDA" in the Appendix. Adjusted EBITDA margin represents Adjusted EBITDA divided by net revenue. Adjusted EPS is defined as diluted earnings per share attributable to Team Health Holdings, Inc. excluding non-cash and other adjustments, including the impact of contingent purchase and other acquisition compensation expense and amortization expense relating to purchase accounting for historical acquisitions and the other adjustments shown in the table under "Adjusted Earnings Per Share" in the Appendix. For a reconciliation of each of Adjusted EBITDA and Adjusted EPS to the most directly comparable GAAP measure, we refer you to the tables under "Adjusted EBITDA" and "Adjusted Earnings Per Share," respectively, contained in the Appendix.

Adjusted EBITDA

Reported Net Earnings to Adjusted EBITDA Reconciliation

(\$ in millions)	1 Q 2014	2 Q 2014	3 Q 2014	4 Q 2014	YTD 2014	1 Q 2015	LTM 2015
Net earnings	\$ 23.8	\$ 30.2	\$ 27.6	\$ 16.1	\$ 97.7	\$ 28.1	\$ 102.0
Interest expense, net	3.4	3.4	3.9	4.3	15.0	4.0	15.6
Provision for income taxes	16.0	19.6	20.9	8.7	65.2	21.2	70.4
Depreciation	4.6	4.9	5.8	5.6	20.9	5.6	21.9
Amortization	11.1	11.1	13.0	20.4	55.6	20.3	64.8
Other (income) expenses, net	(2.2)	(1.6)	0.3	(1.1)	(4.6)	(3.3)	(5.7)
Loss on extinguishment and refinancing of debt	-	-	-	3.6	3.6	-	3.6
Contingent purchase and other acquisition compensation expense	10.1	9.3	3.1	8.2	30.7	7.9	28.5
Transaction costs	1.0	1.6	3.1	1.4	7.2	1.1	7.3
Equity based compensation expense	3.0	6.4	3.3	3.5	16.2	3.5	16.7
Insurance subsidiary interest income	0.5	0.5	0.5	0.5	2.0	0.5	2.0
Severance and other charges	0.4	0.8	0.4	7.0	8.6	0.5	8.7
Unfavorable actuarial adjustments associated with prior periods	-	-	7.1	-	7.1	-	7.1
Adjusted EBITDA	\$ 71.8	\$ 86.2	\$ 89.0	\$ 78.2	\$ 325.2	\$ 89.3	\$ 342.8

Free Cash Flow Calculation

Net cash provided by operating activities (as reported)	\$ 34.2	\$ 40.4	\$ 32.1	\$ 91.9	\$ 198.6	\$ 2.5	\$ 166.9
Contingent purchase payments	-	1.2	20.7	2.6	24.5	3.9	28.4
Bond redemption cash costs (tax effected)	-	-	-	-	-	-	-
Capital expenditures	(5.9)	(6.1)	(4.8)	(7.8)	(24.6)	(9.8)	(28.5)
Change in investments at insurance subsidiary, net ⁽¹⁾	(3.6)	(2.6)	(1.0)	(3.3)	(10.5)	(0.8)	(7.7)
Free Cash Flow	\$24.7	\$32.9	\$47.0	\$83.4	\$ 188.0	(\$4.2)	\$159.1

(1) Excludes liquidation of investments from captive subsidiary acquired in 2014 transaction.

Adjusted Earnings Per Share

Reported Diluted EPS to Adjusted Diluted EPS Reconciliation

<i>(\$ in millions except for share data)</i>	1 Q 2014	2 Q 2014	3 Q 2014	4 Q 2014	1 Q 2015
Diluted weighted average shares outstanding	71.4	71.9	72.3	72.6	72.9
Net earnings attributable to Team Health Holdings, Inc., as reported	\$ 23.8	\$ 30.2	\$ 27.6	\$ 16.1	\$ 28.1
Adjustments (net of tax):					
Contingent purchase and other acquisition compensation expense	7.0	6.4	2.4	7.2	6.8
Amortization expense	7.5	7.5	8.8	14.9	14.5
Professional liability loss reserve adjustments associated with prior years	-	-	4.4	-	-
Loss on refinancing of debt	-	-	-	2.2	-
Net earnings attributable to Team Health Holdings, Inc., as adjusted	\$ 38.3	\$ 44.1	\$ 43.2	\$ 40.5	\$ 49.4
Diluted net earnings per share attributable to Team Health Holdings, Inc., as reported	\$ 0.33	\$ 0.42	\$ 0.38	\$ 0.22	\$ 0.38
Adjustments (net of tax):					
Contingent purchase and other acquisition compensation expense	0.10	0.09	0.03	0.10	0.09
Amortization expense	0.11	0.10	0.12	0.20	0.20
Professional liability loss reserve adjustments associated with prior years	-	-	0.06	-	-
Loss on refinancing of debt	-	-	-	0.03	-
Net earnings attributable to Team Health Holdings, Inc., as adjusted	\$ 0.54	\$ 0.61	\$ 0.60	\$ 0.56	\$ 0.68

Adjusted Effective Tax Rate

For the Three Months Ended March 31, 2015

	Earnings before Income Taxes	Provision for Income Taxes	Net Earnings (Loss) Attributable to Noncontrolling Interests	Net Earnings Attributable to Team Health Holdings, Inc.	Effective Tax Rate
As Reported	\$ 49,194	\$ 21,155	\$ (15)	\$ 28,054	43.0%
Contingent Purchase and Other Compensation Expense	7,904	1,071	-	6,833	13.6%
Amortization Expense	20,277	5,756	-	14,521	28.4%
Adjusted	<u>\$ 77,375</u>	<u>\$ 27,982</u>	<u>\$ (15)</u>	<u>\$ 49,408</u>	<u>36.2%</u>

For the Three Months Ended March 31, 2014

	Earnings before Income Taxes	Provision for Income Taxes	Net Earnings (Loss) Attributable to Noncontrolling Interests	Net Earnings Attributable to Team Health Holdings, Inc.	Effective Tax Rate
As Reported	\$ 39,936	\$ 16,018	\$ 73	\$ 23,845	40.1%
Contingent Purchase and Other Compensation Expense	10,144	3,181	-	6,963	31.4%
Amortization Expense	11,126	3,588	-	7,538	32.2%
Adjusted	<u>\$ 61,206</u>	<u>\$ 22,787</u>	<u>\$ 73</u>	<u>\$ 38,346</u>	<u>37.2%</u>