

TEAMHealth[®]

Third Quarter 2015 Earnings Results

November 4, 2015

Forward Looking Statement

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations and businesses of the Company, IPC and the combined businesses of the Company and IPC. 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 acquisition being completed within the anticipated timeframe or at all, the realization of the expected benefits of the acquisition, the Company’s, IPC’s and the combined business’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 or IPC are necessarily estimates reflecting the judgment of the Company’s and IPC’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 the occurrence of any event that could give rise to a termination of the merger agreement, the risks that the proposed acquisition disrupts current plans and operations, 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 and IPC’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



Q3 2015 Highlights

Net Revenue increased 26.2%

Net Earnings were \$35.4 million; \$50.0 million after adjustments

Diluted Net earnings per share of \$0.48
Adjusted EPS increased 13.3% to \$0.68

Adjusted EBITDA increased 13.6% to \$101.1 million

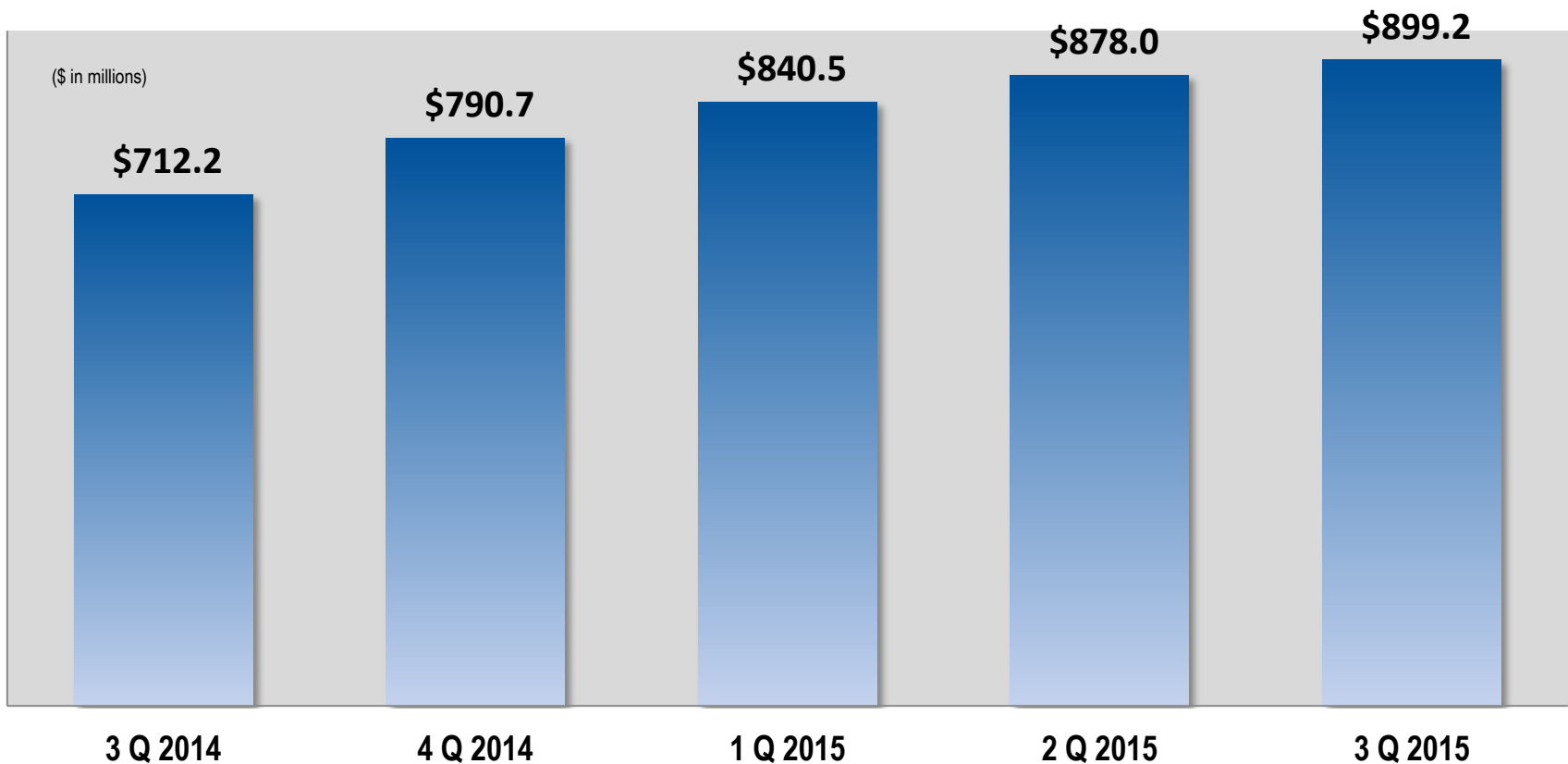
Completed 21 acquisitions in 2014 and YTD September 2015

Projected growth in 2015 Net Revenue increased to a range of 25.0% to 26.0%;
Adjusted EBITDA margin remains between 10.5% and 11.0%

Net Revenue Growth

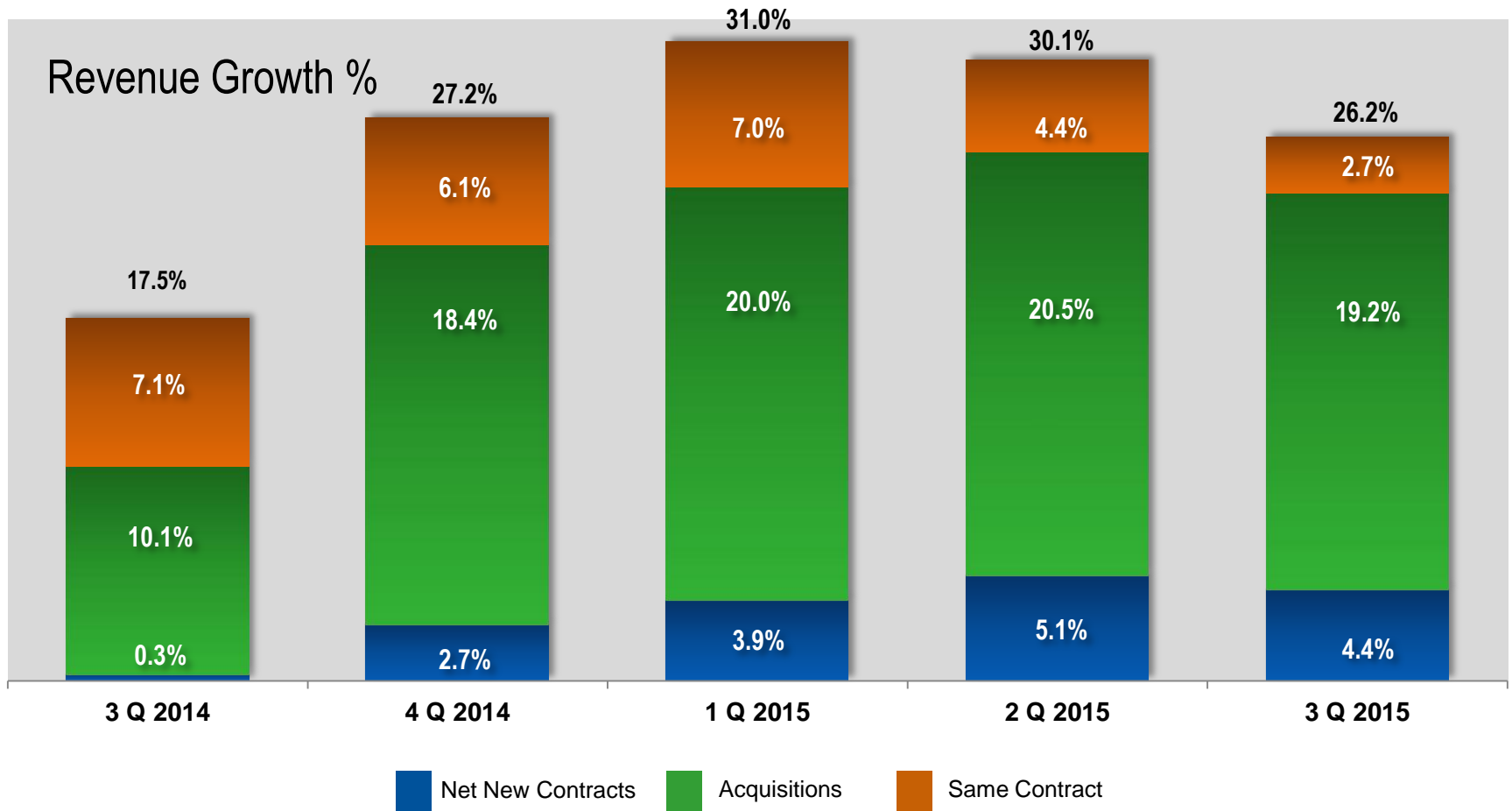
Net Revenue increased 26.2% 3rd quarter 2015 over 2014

- **Significant benefit from the increased pace of acquisitions completed in the 3rd and 4th quarters of 2014**
- **3.3% same contract volume growth**



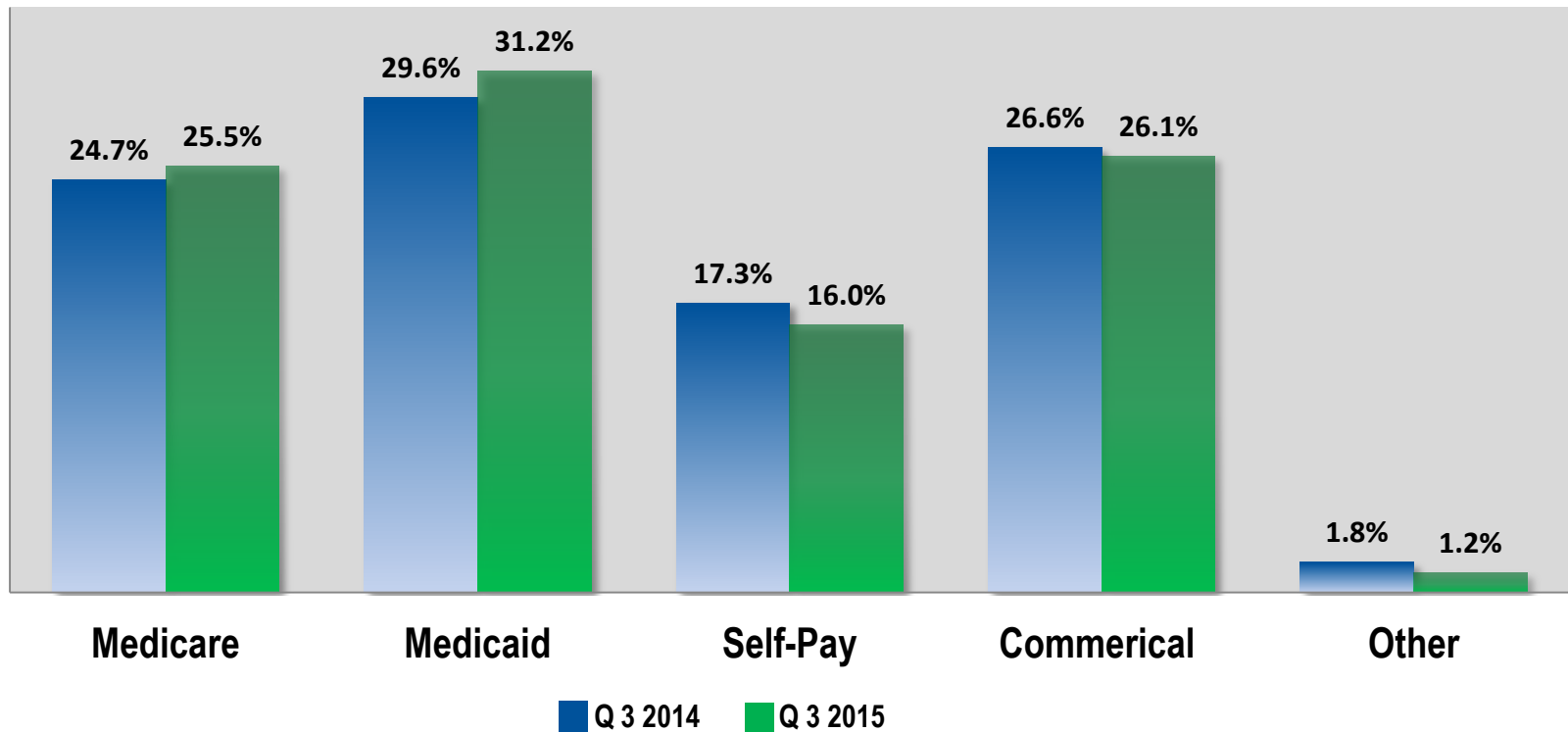
Net Revenue Growth and Contribution by Category

Balanced approach to achieving revenue growth, led by recent acquisitions



Payor Mix

Payor Mix by Volume – Q 3 2014 vs. Q 3 2015

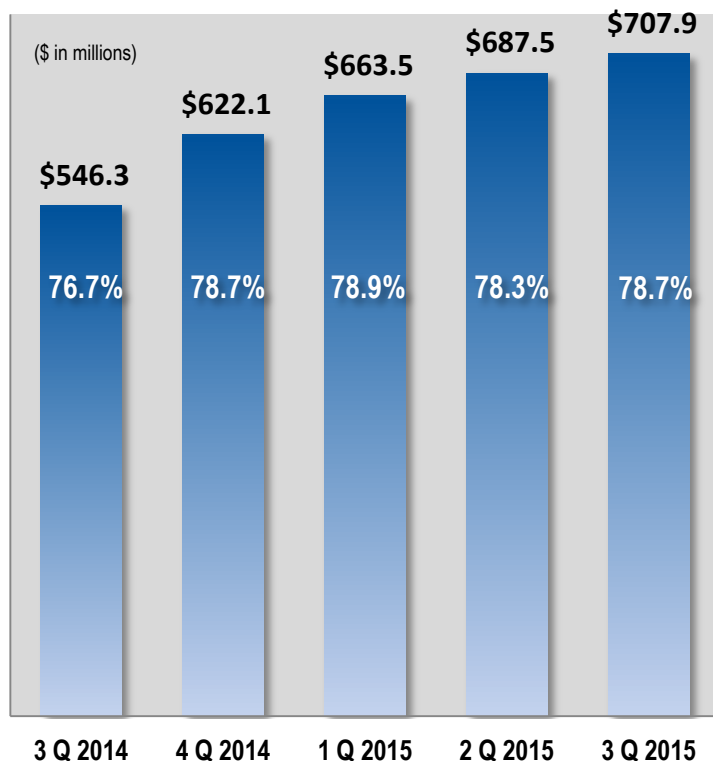


Compared to the prior year, we realized significant declines in the percentage of self-pay visits and corresponding increases primarily in the percentage of Medicaid visits

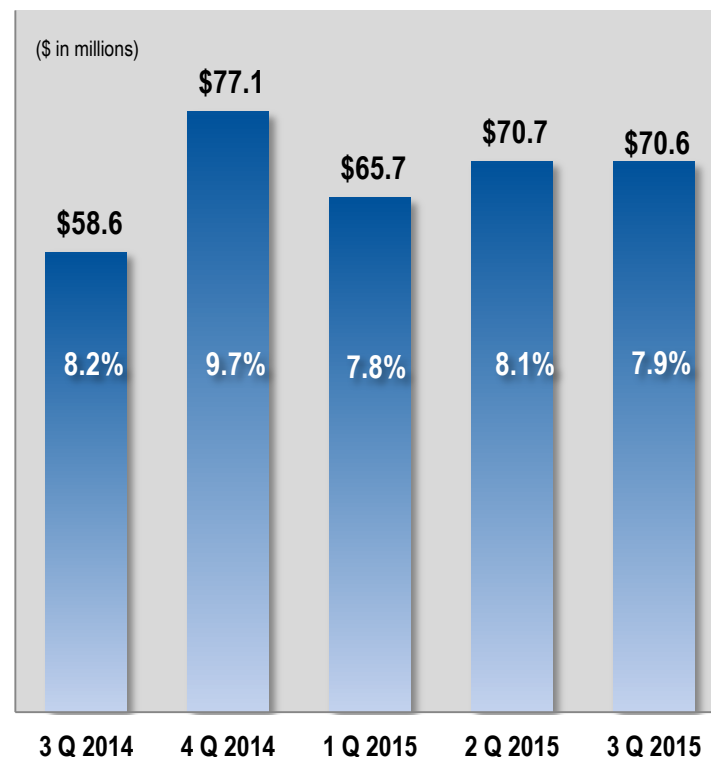
Payor mix by volume is based on fee for service revenue only.

Key Operating Expenses and Margin

Professional Service Expense



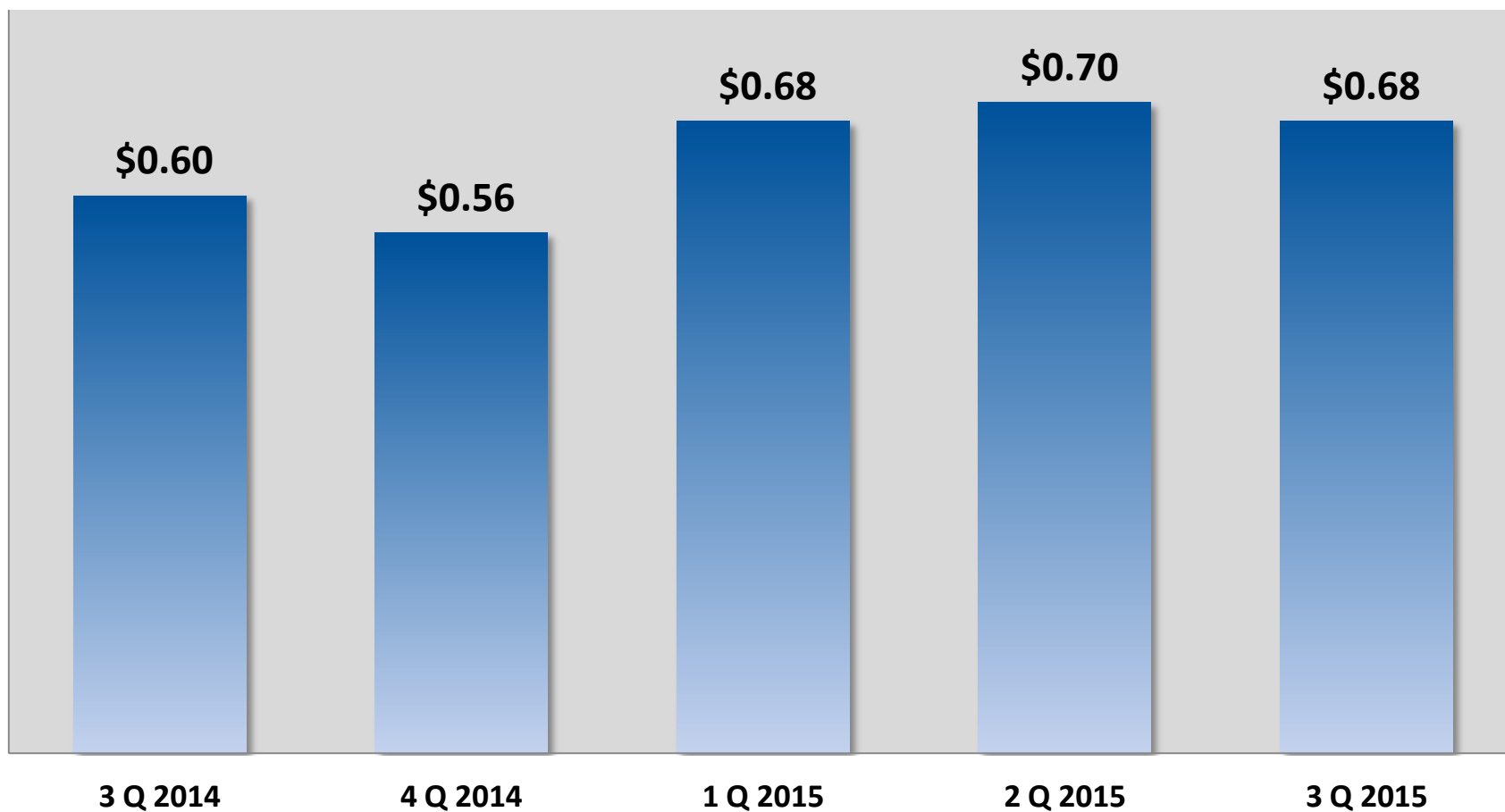
General and Administrative Expenses (1)



(1) Excludes contingent purchase compensation expense

Adjusted EPS

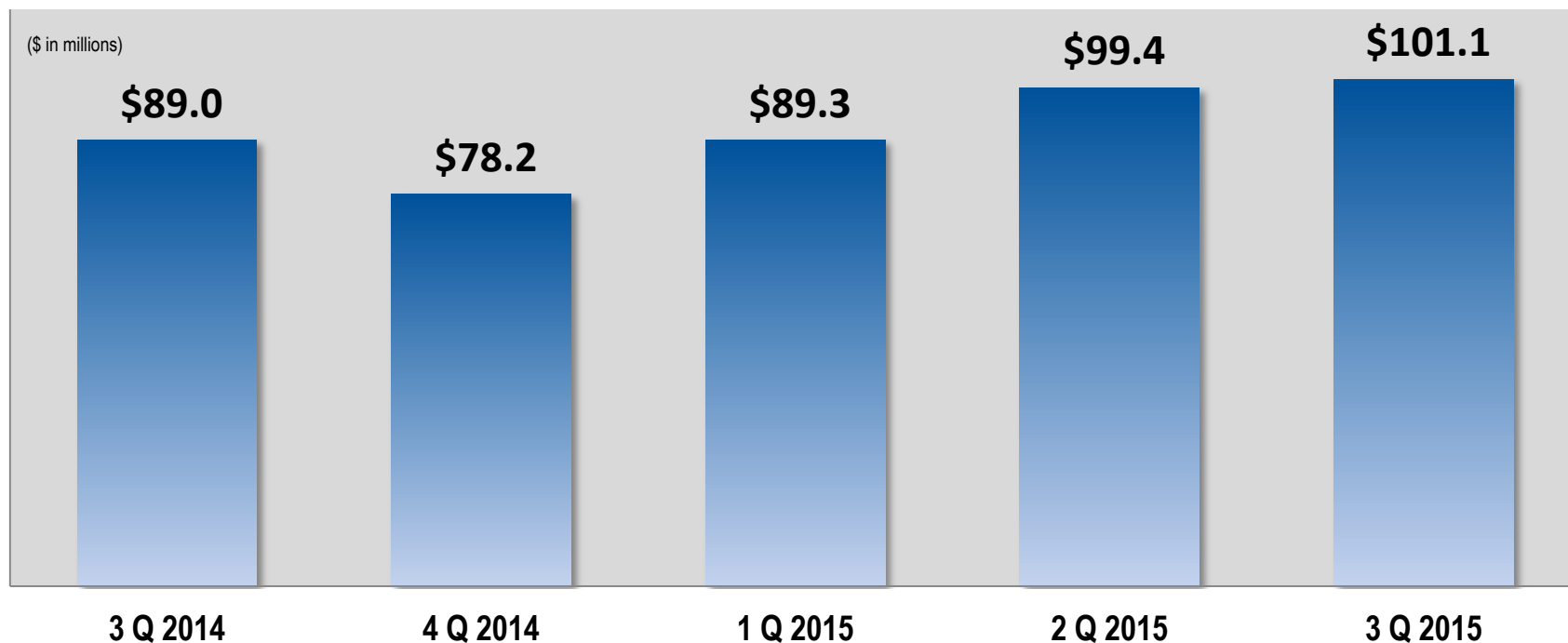
Adjusted EPS increased 13.3% 3rd quarter 2015 over 2014



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

Adjusted EBITDA and Margin

Adjusted EBITDA increased 13.6% 3rd quarter 2015 over 2014



	3 Q 2014	4 Q 2014	1 Q 2015	2 Q 2015	3 Q 2015
Adjusted EBITDA Margin – as reported	12.5%	9.9%	10.6%	11.3%	11.2%
Adjusted EBITDA Margin – excluding parity ⁽¹⁾	11.6%	9.0%	10.5%	11.3%	11.2%

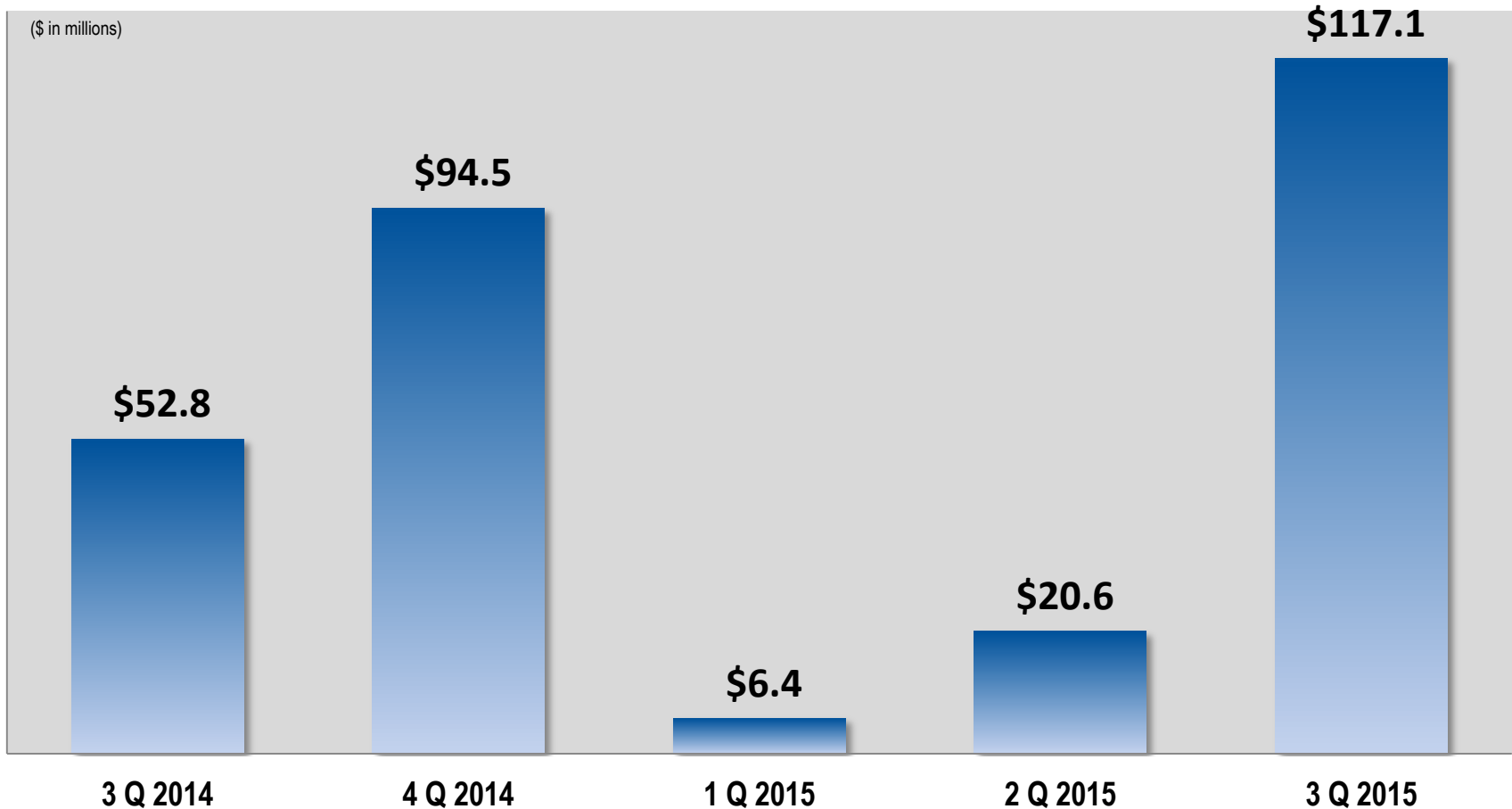
(1) Excludes impact of Medicaid parity assuming an Adjusted EBITDA margin of approximately 70% on parity revenue.

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

Cash Flow from Operations ⁽¹⁾

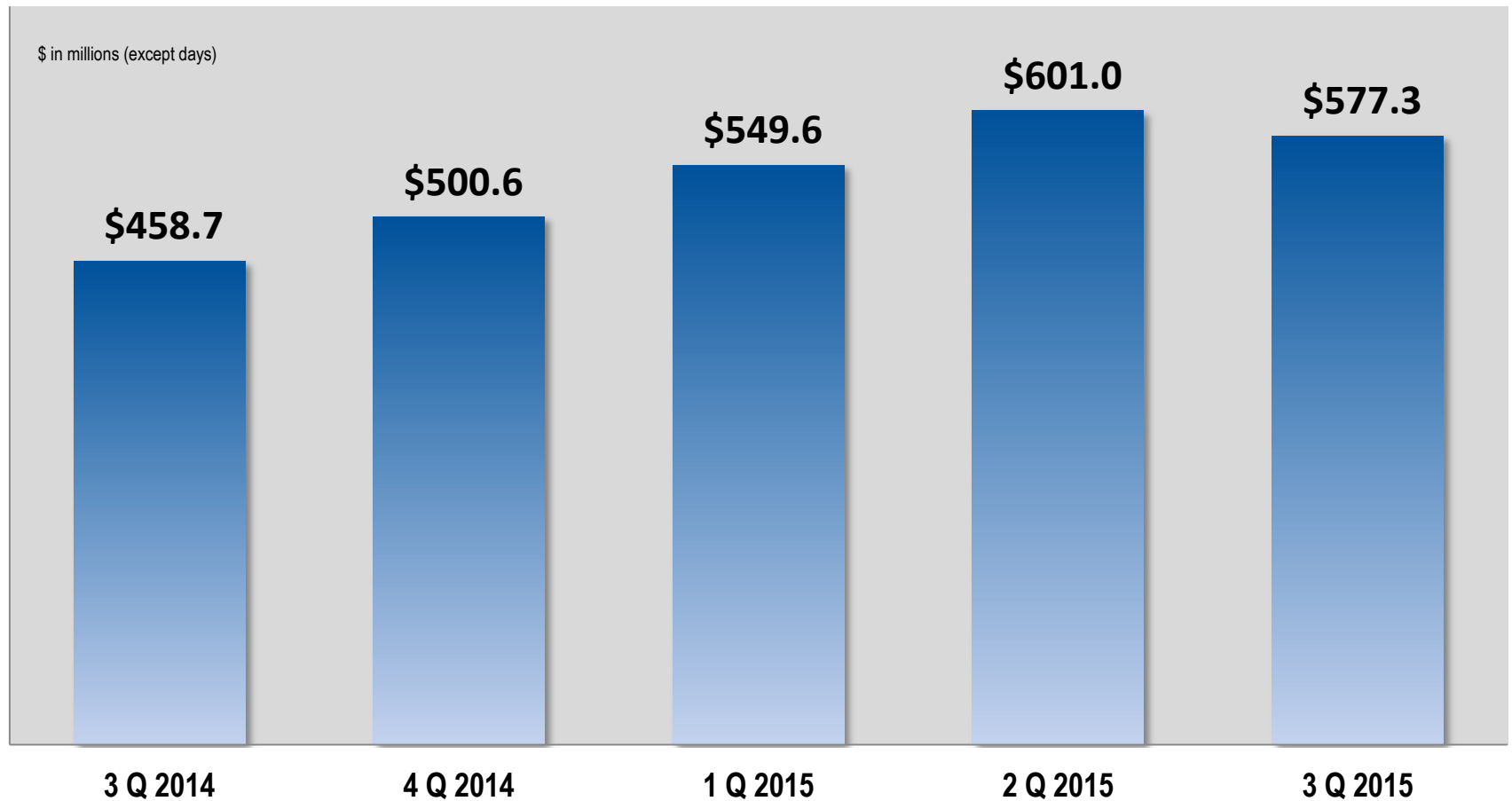
3rd quarter 2015 impacted by —

- Increased level of profitability and reduction in Net A/R funding associated with new and acquired contracts – receipt of \$23.7 million in 2015 vs. funding of \$19.0 million in 2014



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

Net Accounts Receivable



	3 Q 2014	4 Q 2014	1 Q 2015	2 Q 2015	3 Q 2015
Net Days in Accounts Receivable	59.9	59.0	60.0	63.0	60.4

Balance Sheet

Capitalization Table

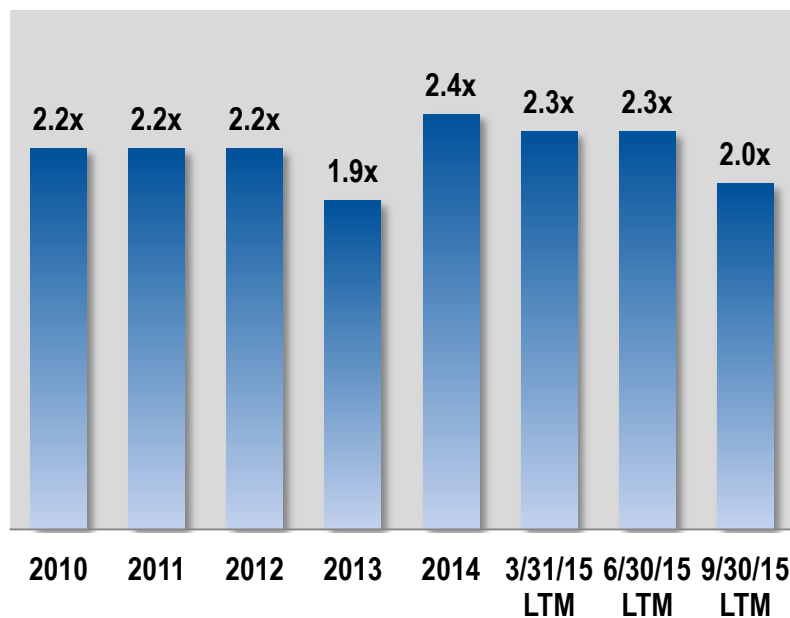
<i>(\$ in millions)</i>	Maturity	Actual 12/31/14	Actual 09/30/15
Cash and Cash Equivalents		\$20.1	\$ 18.2
Term Loan A (L+1.75)	Oct 2019	596.3	585.0
Revolving Line of Credit - \$650.0mm (L+1.75)	Oct 2019	209.0	170.0
Total Debt		\$805.3	\$755.0
Team Health Shareholders' Equity		420.5	565.7
Total Capitalization		\$1,225.8	\$1,320.7
Total Debt / Adjusted EBITDA⁽¹⁾		2.5x	2.1x
Net Debt⁽²⁾ / Adjusted EBITDA⁽¹⁾		2.4x	2.0x

(1) Based on full year 2014 Adjusted EBITDA of \$325.2 million and LTM September 2015 Adjusted EBITDA of \$368.0 million. LTM is calculated as full year 2014, minus the nine months ended 9/30/14, plus the nine months ended 9/30/15.

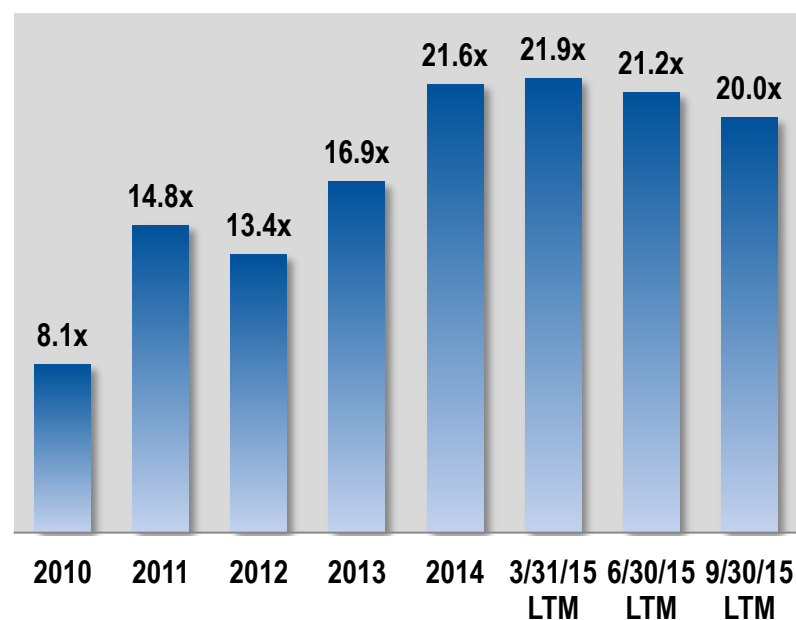
(2) Reflects total debt less cash.

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 25.0% to 26.0%

Adjusted EBITDA Margin between 10.5% and 11.0%

Robust Acquisition Pipeline

2015 Outlook Reflects an Increase in 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)	3 Q 2014	4 Q 2014	YTD 2014	1 Q 2015	2 Q 2015	3 Q 2015	LTM 2015
Net earnings attributable to Team Health Holdings, Inc.	\$ 27.6	\$ 16.1	\$ 97.7	\$ 28.1	\$ 28.9	\$ 35.4	\$ 108.5
Interest expense, net	3.9	4.3	15.0	4.0	4.6	5.6	18.4
Provision for income taxes	20.9	8.7	65.2	21.2	21.1	22.8	73.9
Depreciation	5.8	5.6	20.9	5.6	5.6	6.3	23.0
Amortization	13.0	20.4	55.6	20.3	21.2	20.6	82.6
Other (income) expenses, net	0.3	(1.1)	(4.6)	(3.3)	1.0	2.1	(1.3)
Loss on extinguishment and refinancing of debt	-	3.6	3.6	-	-	-	3.6
Contingent purchase and other acquisition compensation expense	3.1	8.2	30.7	7.9	7.9	(3.5)	20.4
Transaction costs	3.1	1.4	7.2	1.1	2.2	3.9	8.6
Equity based compensation expense	3.3	3.5	16.2	3.5	5.7	4.0	16.7
Insurance subsidiaries interest income	0.5	0.5	2.0	0.5	0.5	0.5	2.1
Severance and other charges	0.4	7.0	8.6	0.5	0.7	3.3	11.6
Actuarial adjustments associated with prior periods	7.1	-	7.1	-	-	-	-
Adjusted EBITDA	\$ 89.0	\$ 78.2	\$ 325.2	\$ 89.3	\$ 99.4	\$ 101.1	\$ 368.0

Free Cash Flow Calculation

Net cash provided by operating activities (as reported)	\$ 32.1	\$ 91.9	\$ 198.6	\$ 2.5	\$ 15.6	\$ 113.8	\$ 223.9
Contingent purchase payments	20.7	2.6	24.5	3.9	5.0	3.4	14.8
Capital expenditures	(4.8)	(7.8)	(24.6)	(9.8)	(7.5)	(13.8)	(38.9)
Change in investments at insurance subsidiary, net ⁽¹⁾	(1.0)	(3.3)	(10.5)	(0.8)	(0.2)	4.7	0.4
Free Cash Flow	\$47.0	\$83.4	\$ 188.0	(\$4.2)	\$12.9	\$108.1	\$200.2

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

Note: Some totals may not foot due to rounding

Adjusted Earnings Per Share

Reported Diluted EPS to Adjusted Diluted EPS Reconciliation

<i>(\$ in millions except for share data)</i>	3 Q 2014	4 Q 2014	1 Q 2015	2 Q 2015	3 Q 2015
Diluted weighted average shares outstanding	72.3	72.6	72.9	73.6	73.7
Net earnings attributable to Team Health Holdings, Inc., as reported	\$ 27.6	\$ 16.1	\$ 28.1	\$ 28.9	\$ 35.4
Adjustments (net of tax):					
Contingent purchase and other acquisition compensation expense	2.4	7.2	6.8	7.0	(3.1)
Amortization expense	8.8	14.9	14.5	15.3	15.1
IPC Transaction costs	-	-	-	-	2.6
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	\$ 43.2	\$ 40.5	\$ 49.4	\$ 51.2	\$ 50.0
Diluted net earnings per share attributable to Team Health Holdings, Inc., as reported	\$ 0.38	\$ 0.22	\$ 0.38	\$ 0.39	\$ 0.48
Adjustments (net of tax):					
Contingent purchase and other acquisition compensation expense	0.03	0.10	0.09	0.09	(0.04)
Amortization expense	0.12	0.20	0.20	0.21	0.20
IPC Transaction costs	-	-	-	-	0.04
Professional liability loss reserve adjustments associated with prior years	0.06	-	-	-	-
Loss on refinancing of debt	-	0.03	-	-	-
Diluted earnings per share attributable to Team Health Holdings, Inc., as adjusted	\$ 0.60	\$ 0.56	\$ 0.68	\$ 0.70	\$ 0.68

Adjusted Effective Tax Rate

For the Nine Months Ended September 30, 2015

	Pretax Income	Tax Expense	Minority Interest	Net Income	Effective Tax Rate
As Reported	\$ 157,531	\$ 65,178	\$ (78)	\$ 92,431	41.4%
IPC Transaction Expense (1)	2,582	-	-	2,582	0.0%
Contingent Purchase Expense (1)	12,230	1,508	-	10,722	12.3%
Amortization Expense (1)	62,085	17,145	-	44,940	27.6%
Adjusted	<u>\$ 234,428</u>	<u>\$ 83,831</u>	<u>\$ (78)</u>	<u>\$ 150,675</u>	<u>35.8%</u>

For the Nine Months Ended September 30, 2014

	Pretax Income	Tax Expense	Minority Interest	Net Income	Effective Tax Rate
As Reported	\$ 138,388	\$ 56,542	\$ 212	\$ 81,634	40.9%
PLI Adjustment	7,088	2,729	-	4,359	38.5%
Contingent Purchase Expense (1)	22,483	6,744	-	15,739	30.0%
Amortization Expense (1)	35,203	11,345	-	23,858	32.2%
Adjusted	<u>\$ 203,162</u>	<u>\$ 77,360</u>	<u>\$ 212</u>	<u>\$ 125,590</u>	<u>38.1%</u>

(1) Effective tax rate on adjustments for IPC transaction costs, contingent purchase and other compensation expense and amortization expense is impacted by the tax treatment associated with the related acquisitions