



AMN Healthcare Could Surprise on Results

Ticker/Price: AMN (\$48.2)

Analysis:

AMN Healthcare Services (AMN) with 1,150 May \$55 calls trading to open \$2.50 to \$2.75 on 4/21 and becomes the only notable open interest in the name. AMN closed weak on the day near its recent lows for the year and also back near 2019 bottom support. The \$2.44B company provides healthcare workforce solutions and staffing services to hospitals and healthcare facilities. AMN is a trusted partner in healthcare staffing services as well as workforce solutions like MSP, VMS, RPO, workforce optimization, scheduling and credentialing solutions. Workforce solutions now account for 67% of revenues with staffing at 33%. Its Stratus Video solution operates in a fast growing \$1.2B video remote interpreting solution for physicians, and it purchased it for \$475M cash and brings rising EBITDA margins and exposure to the fast growing telehealth market. AMN now trades 13.6X Earnings estimates, 1.1X Sales, 8.8X EV/EBITDA and 12.9X FC. Analysts have an average target on shares of \$75 and short interest at 2.5% of the float is hitting a five-year low and coming down sharply, down 55% Q/Q. Benchmark out raising its target to \$78 in mid-February after strong revenue guidance. Sidoti out on 3/31 upgrading shares to Buy with a \$74 target seeing shares attractive into the pullback expecting a 7% EPS decline in 2020 followed by a 15% increase in 2021 with strong demand for the company's Travel and Rapid Response Nurse staffing services mitigation the closures and softness in the Locum Tenens business. Hedge Fund ownership fell 2.85% in Q4 filings. AMN will report results 5/11.

Hawk Vision:



Hawk's Perspective: AMN is very oversold back to support and trading poorly, but its workforce solutions segment should be positioned well for the COVID-19 environment and see value in the name at this level.

Confidence Ranking: \$\$