

Investor Presentation

January 2022



THE LEADER AND INNOVATOR IN TOTAL TALENT SOLUTIONS



Forward-Looking Statements

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 “Exchange Act”). Forward-looking statements include, among others, statements concerning the trajectory of the healthcare industry and economic recovery, future demand for our services and demand within the healthcare industry, our debt and leverage strategies, our capabilities related to our digital customer experience and technology-enabled solutions and analytics, our ability to attract and retain talent and continue to serve the needs of large and growing clients, our ability to deliver long-term profitable growth, and our capabilities to address challenges and trends in the healthcare industry. AMN Healthcare Services, Inc. (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 and other cautionary statements 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 (i) the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, (ii) its subsequent periodic reports, current reports, and other SEC filings issued after the Company’s Annual Report on Form 10-K for the year ended Dec. 31, 2020, and (iii) the cautionary statements included in the Company’s most recent earnings release issued on Nov. 5, 2021, including the magnitude and duration of the effects of the COVID-19 pandemic on demand trends, our business, our financial condition and our results of operations, our ability to effectively address client demand by attracting and placing nurses and other clinicians, our ability to recruit and retain sufficient quality healthcare professionals at reasonable costs, our ability to anticipate and quickly respond to changing marketplace conditions, such as alternative modes of healthcare delivery, reimbursement, or client needs, and our ability to manage the pricing impact that the COVID-19 pandemic and consolidation of healthcare delivery organizations may have on our business.

Be advised that developments subsequent to this presentation are likely to cause these statements to become outdated and the Company is under no obligation (and expressly disclaims any such obligation) to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Non-GAAP Measures

This presentation contains certain financial measures that are not in accordance with generally accepted accounting principles in the United States (“GAAP”) or with rules adopted by the SEC that apply to registration statements under the Securities Act of 1933, as amended, and periodic reports under the Exchange Act. These “non-GAAP financial measures,” as defined under the rules of the SEC, are intended as supplemental measures of our operating performance that are not required by, or presented in accordance with GAAP, and are not intended to be an alternative to the Company's condensed consolidated financial statements presented in accordance with GAAP. The non-GAAP financial measures included in this presentation consist of (1) Adjusted EBITDA, (2) Adjusted Net Income, (3) Adjusted EBITDA Margin, (4) Free Cash Flow and (5) Free Cash Flow Conversion referenced throughout the presentation. Management believes that the items excluded from Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin, Free Cash Flow and Free Cash Flow Conversion are significant components in understanding and assessing operating performance. Therefore, Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin, Free Cash Flow (which means cash flow from operations less capital expenditures) and Free Cash Flow Conversion (which means Free Cash Flow as a percentage of Adjusted EBITDA) should not be considered a substitute for net income, cash flows from operating, investing or financing activities, operating margin, or cash flow from operations, as the case may be. Because Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin, Free Cash Flow and Free Cash Flow Conversion are not measurements determined in accordance with GAAP and are thus susceptible to varying calculations, the Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin, Free Cash Flow and Free Cash Flow Conversion numbers contained herein may not be comparable to other similarly titled measures of other companies. In addition, our management believes that Adjusted EBITDA and Adjusted EBITDA Margin serve as industry-wide financial measures. The non-GAAP measures contained in this presentation should not be used in isolation to evaluate the Company's performance. A quantitative reconciliation of the Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin and Free Cash Flow non-GAAP measures identified in this presentation, along with further detail about the use and limitations of certain of these non-GAAP measures, to the most directly comparable GAAP financial measures may be found in the appendix slides to this presentation and on the Company's website at <http://ir.amnhealthcare.com>.

Investment Highlights



Purpose-Driven, Values-Based Organization

Committed to
Serving All Our
Stakeholders



Leader and Innovator in Total Talent Solutions for Healthcare;

Uniquely Positioned
to Serve Growing
Health Systems
and Diverse Care
Settings



Experienced, Diverse and Deep Leadership Team

Driving Tech-
Enabled Innovation
that Benefits
Healthcare
Professionals and
Clients



Well-Positioned to
Generate Long-
Term Profitable
Growth with **Strong
Balance Sheet
and Cash Flow
Generation**



**Continued
Opportunity for
Disciplined and
Strategic M&A** to
Deliver Higher
Margins and More
Resilient Revenues

AMN Overview



Annual revenue is for FY 2021 according to our pre-release on Jan. 10, 2022 that provided an update on expected fourth quarter revenue. Market capitalization as of Jan. 10, 2022.

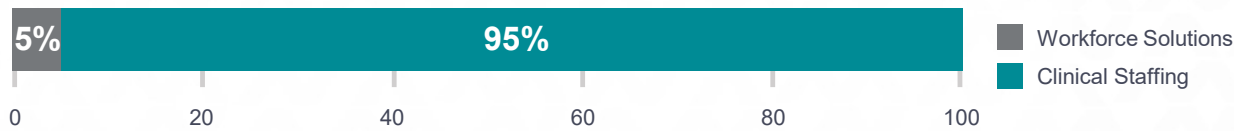
Our Transformation to Leader in Total Talent Solutions

2008

Where We Were

Limited Offerings with Strong Foundation

- Managed Services Programs (MSPs) had little market penetration
- Business was primarily diversified staffing fulfillment
- Smaller average client size

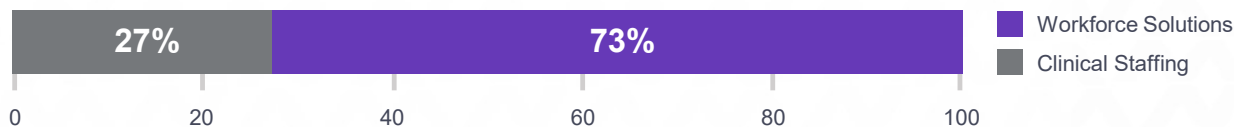


2021

Where We Are

Innovative Staffing and Total Talent Solutions Partner

- Strategic partner to major health systems
- Top 40 MSPs use average of >4 AMN solutions
- Full spectrum of workforce technology, staffing and search solutions
- Added businesses that reduce our economic sensitivity



Revenue mix for 2021 is LTM as of Sept. 30, 2021.

2022+

WHERE WE ARE GOING

Provider of **comprehensive total talent solutions**

Creating new, tech-enabled solutions for an **industry that needs innovation** to cost-effectively manage persistent labor challenges

Enhanced digital experience for clinicians and clients

Focus on Being the Total Talent Solutions Partner for Our Clients

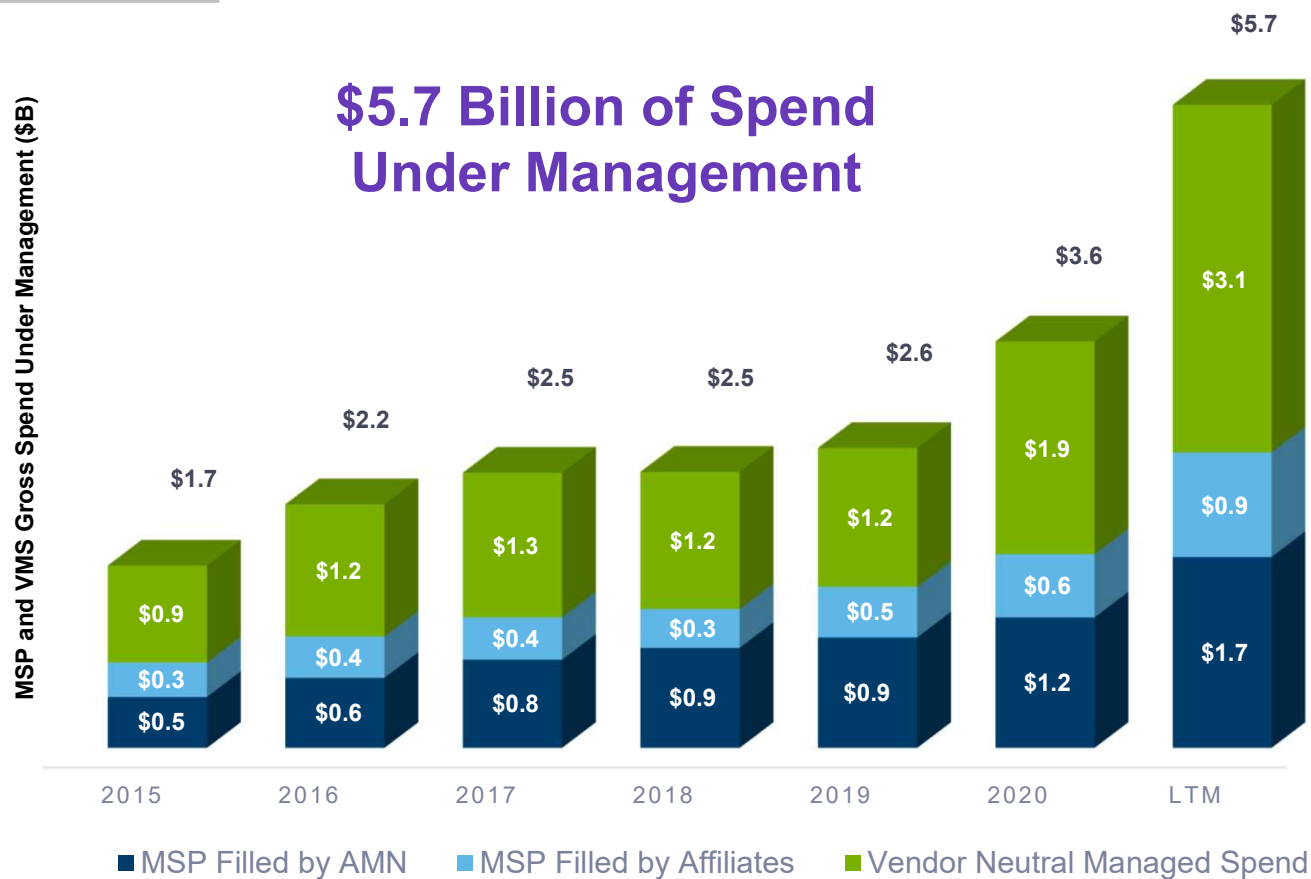
Our Sustainable Competitive Advantages

- Passionate and Engaged **Company Culture**
- **Leader and Innovator** in Total Talent Solutions
- Strong Team Blending **Deep Industry Expertise with Dynamic New Leadership**
- **Leading Digital and Analytics Capabilities** Support Deeper Client and Clinician Relationships
- Ability to Create **Repeatable, Predictable and Value-Added MSP Programs**
- Unparalleled Ability to **Serve the Needs of Large, Diverse Health Systems and Multiple Care Settings**
- Recognized **Leader in ESG, Committed to Diversity, Equality and Inclusion** in Partnership with Our Clients and Communities



Value-Based
Organization
Committed To
Serving All Our
Stakeholders

MSP Leads Our Value Proposition



LTM data are as of Sept. 30, 2021



brings together people, processes and technology to deliver better care. We offer a complete range of managed services solutions, from technology-only VMS to vendor-neutral and staffing-led MSP

Diverse, Industry-Leading Talent



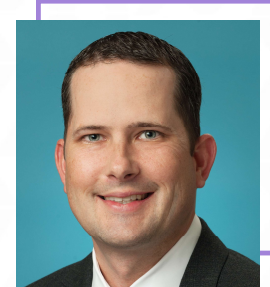
Susan Salka
President & CEO
Joined: 1990



Jeff Knudson
Chief Financial & Accounting
Officer
Joined: 2021



Kelly Rakowski
Group President & COO,
Strategic Talent Solutions
Joined: 2018



Landry Seedig
Group President & COO,
Nursing and Allied Solutions
Joined: 2008



James Taylor
Group President & COO,
Physician & Leadership Solutions
Joined: 2021



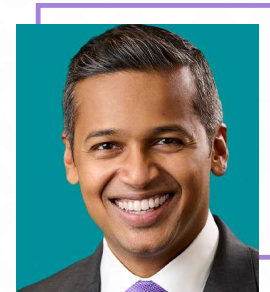
Denise Jackson
Chief Legal Officer
& Corporate Secretary
Joined: 2000



Mark Hagan
Chief Information
and Digital Officer
Joined: 2018



Dr. Cole Edmonson
Chief Clinical Officer
Joined: 2019



Nishan Sivathanasan
Chief Strategy & Experience Officer
Joined: 2019

Culture of Accountability and Continuous Improvement

Talented, Diverse Board of Directors



Douglas Wheat
Chairman of the Board, AMN Healthcare
Managing Partner, Wheat Investments
Director Since: 1999



Susan Salka
President & CEO,
AMN Healthcare
2003



Jeffrey Harris
Former General Counsel,
Apogent Technologies
2005



Martha Marsh
Former President & CEO,
Stanford Hospital
2010



Mark Foletta
Former CFO, Amylin
Pharmaceuticals
2012



Daphne Jones
Former SVP,
GE Healthcare
2018



Teri Fontenot
CEO Emeritus,
Woman's Hospital
2019



Sylvia Trent-Adams
SVP & Chief Strategy Officer, University of North
Texas Health Science Center
2020



Jorge A. Caballero
Managing Partner,
Deloitte Business Tax Services
2021



Skills Matrix

Healthcare Industry **89%**

Strategy **89%**

C-Suite Leadership **78%**

Board Leadership / Governance **78%**

M&A **67%**

Finance **56%**

Risk Mgmt. / Legal **56%**

Digital **11%**

Seasoned & New
Directors Focused
on Increasing
Stakeholder Value

ESG is in Our DNA

Our CSR Mission: Deliver Sustainable Value to All Stakeholders by Promoting a Diverse, Inclusive and Supportive Culture That Fosters Innovation and Trust at All Levels of AMN and in Communities We Serve



Investing in Diversity, Equality and Inclusion

- Named to **Bloomberg Gender-Equality Index**
- Named to **Human Rights Campaign Corporate Equality Index**
- Named to **Newsweek America's Most Responsible Companies**
- Recognized by the **Women's Forum of NY** and **2020 Women on Boards** for advancing gender parity in the boardroom
 - **65%** of AMN team members identify as women
 - **64%** of supervisor through senior manager roles are held by women
 - **63%** of AMN Board of Directors identify as women
 - **32%** of workforce identify as people of color
- 31% of our MSP positions were filled by **diverse suppliers**

Committed to Our Communities

- **\$1.2 million** donated to community not-for-profit organizations in 2020
- **7,200** paid volunteer hours contributed in 2020
- Honored with **American Staffing Association (ASA) Care Award** in recognition of partnership with International Esperanza Project
 - **Produced more than 24,000 face masks** for team members and healthcare professionals
 - Masks manufactured in Guatemala **employing 150 people**
 - Mask sales funded **emergency food aid for more than 9,400** Guatemalan people

Values-Based, Purpose-Driven Organization Creating a Positive Impact

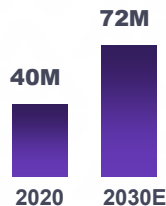
Well-Positioned to Capture Long-Term U.S. Secular Trends

Aging Population

U.S. Population Aged 65+

More Days Spent in Hospital

- **3x** for 65+
- **4x** for 75+



U.S. Population Aged 65+



~50% RNs and physicians are 50+

~33% physicians will be 65+ by 2030

Job Openings / Turnover

~139,000 Shortage

of U.S. physicians by 2033

Regional & Specialty Nurse Shortage

is expected by 2032

~33% Turnover

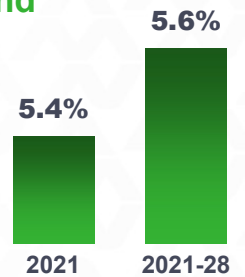
each year – and the pandemic is accelerating the impact of anticipated labor shortages

Healthcare Spend

Annual Growth in Healthcare Spend

Price inflation for medical goods and services is projected to accelerate, **+2.4% per year for 2019–28**,

reflecting **faster expected growth in healthcare wages**



Sources: U.S. Census, Population Surveys; National Health Expenditure Projections – CMS, 3/20; "The Complexities of Physician Supply and Demand," AAMC, 4/20; "Future of the Nursing Workforce," HRSA, 12/14; "State of the RN Workforce as a New Era of Health Reform Emerges," Nursing Economics, 9/17-10/17.

We Are Proactively Addressing These Trends

- Working with clients to develop a long-term vision to build a flexible, sustainable workforce
- Providing flexible work opportunities for older workers, enabling them to stay in the labor force longer
- Helping clients to have the right clinician, in the right place, at the right time
- Bringing new solutions that enable clients to optimize workforce mix
- Continuing to build the industry's most powerful healthcare recruiting engine
- Focusing on unparalleled capabilities to serve large health systems, which are gaining share by consolidation
- Sharpening recruiting tools as demand grows faster than labor supply
- Investing more heavily in digital to increase value

Significant Opportunity with a Large, Fragmented Market

Total Addressable Market: ~\$31B



Well-Positioned To Increase Market Share

Commentary

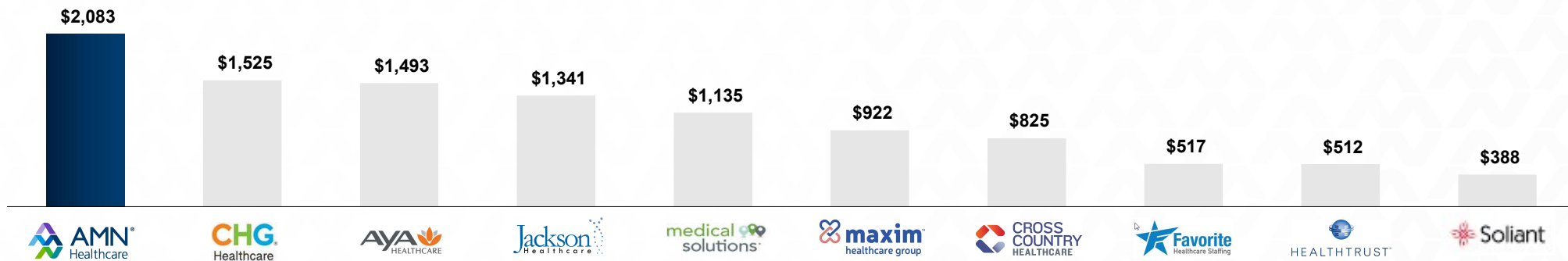
- Evolving to serve more diverse needs driven by increasingly complexity of large, growing health systems
- Proactively anticipating needs driven by dramatic changes in care delivery and value-based reimbursement
- Other addressable markets we serve:
 - Permanent Placement / Search
 - Recruitment Process Outsourcing
 - Workforce Consulting
 - Credentialing
 - Language Interpretation

¹ Source: Staffing Industry Analysts / Crain Communications. ² Source: AMN internal estimates of other markets.

³ Revenue is for FY 2021 according to our pre-release on Jan. 10, 2022 that provided an update on expected Q4 revenue.

Healthcare Staffing Market Landscape

Top 10 Largest Firms Ranked by U.S. Healthcare Temporary Staffing Revenue



Most Comprehensive Set of Total Talent Solutions

	Staffing Solutions			Workforce Solutions				
	Travel Nurse	Allied Health	Locum Tenens	MSP	Leadership / Search	RPO	VMS	Video Interpretation
AMN Healthcare	#2	#1	#3	#1	#1	✓	#1	#1
CHG Healthcare	✓	✓	✓				✓	
Jackson Healthcare	✓	✓	✓	✓	✓			
medical solutions	✓	✓		✓			✓	
CROSS COUNTRY HEALTHCARE	✓	✓	✓	✓	✓	✓		

Source: Staffing Industry Analysts 2020 total healthcare temporary staffing revenues.

Key Pillars To Our Long-Term Growth

INVEST
in
Innovation



LEVERAGE
Total Talent
Solutions



SUSTAIN
Financial
Discipline

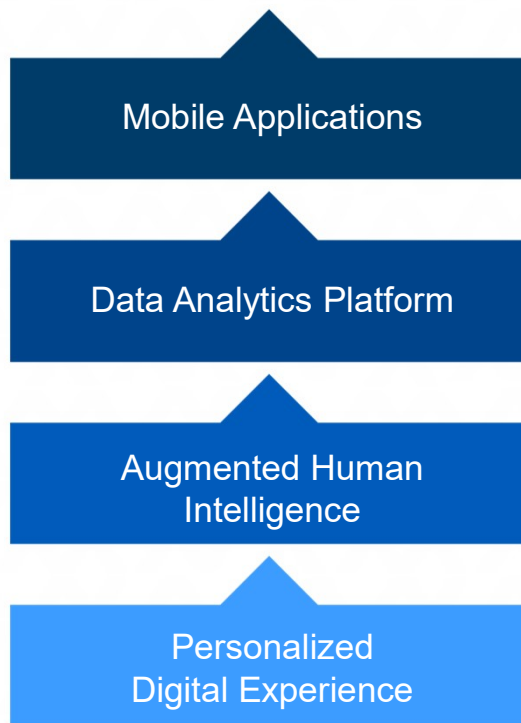


BE A HOLISTIC PARTNER FOR OUR CLIENTS



Invest in Innovation

Where We Are Making Investments Internally



How We Are Addressing Current Challenges

Invest in Innovation through Internal Development and Strategic Acquisitions to Expand Our Total Talent Solutions

Over 50% of Our Annual Capex is for Innovation and Digital Enhancements

Select Acquisitions



Nurse & Allied Staffing

2010: Nursefinders | 2015: Onward
| 2019: Advanced Medical



Vendor Management Systems

2013: ShiftWise | 2015: Medefis |
2019: b4health



Language Interpretation

2020: Stratus Video



Credentialing

2019: Silversheet



Leadership Solutions

2015: The First String | 2016: B.E.
Smith | 2018: PDA/LFT*



Scheduling & Predictive Workforce Analytics

2014: Avantas



Teletherapy and Virtual Care

2019: Advanced Medical | 2021: Synzi



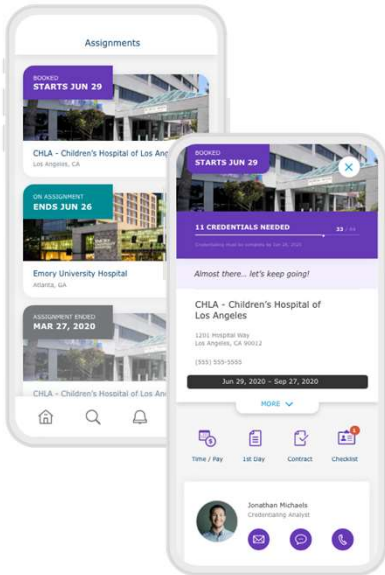
Revenue Cycle Solutions

2016: Peak | 2018: MedPartners

* Phillips DiPisa and Leaders For Today

Continue To Expand Our Solutions Into More Stages Of Talent Lifecycle

Innovation in Action: AMN Passport



Personalized Top Jobs



Timely Notifications



Self-Service Capabilities



AMN Contact List



Time & Pay Details



Profile Management

Our Technology Roadmap

Candidate Engagement	Client Experience	Total Talent Solutions	AMN Operations
<ul style="list-style-type: none"> More mobile, two-way, seamless Mobile apps for recruiting and engagement 	<ul style="list-style-type: none"> Insightful reporting and predictive analytics Data integrations for speed and accuracy 	<ul style="list-style-type: none"> Shifting to an integrated tech ecosystem Help clients manage/ optimize total workforce Investing in AI 	<ul style="list-style-type: none"> Creating new big-data assets 360° view of clients and candidates

Continuing Our Long Track Record of Innovation

Leverage Scale and Expertise to Drive Client Efficiencies



Our Scale and Expertise

- **Largest provider of healthcare staffing** with 10% of total healthcare staffing market share*
- **Largest provider of MSP** with unique capabilities to serve multiple, large customers
 - **Expanding relationships with largest healthcare systems** as they grow and consolidate
- **Leading provider focused on total talent solutions for large health systems** that address the full spectrum of labor spend (clinical and non-clinical; contingent and core flex and permanent talent)
- **Resources to bring innovation and solve problems** in crises
- Leveraging **strong AMN Healthcare brand**

*SIA Largest Healthcare Staffing Firms in the United States (2021 Update)

Our Impact

Assisting clients to centralize and better utilize contingent staff spending

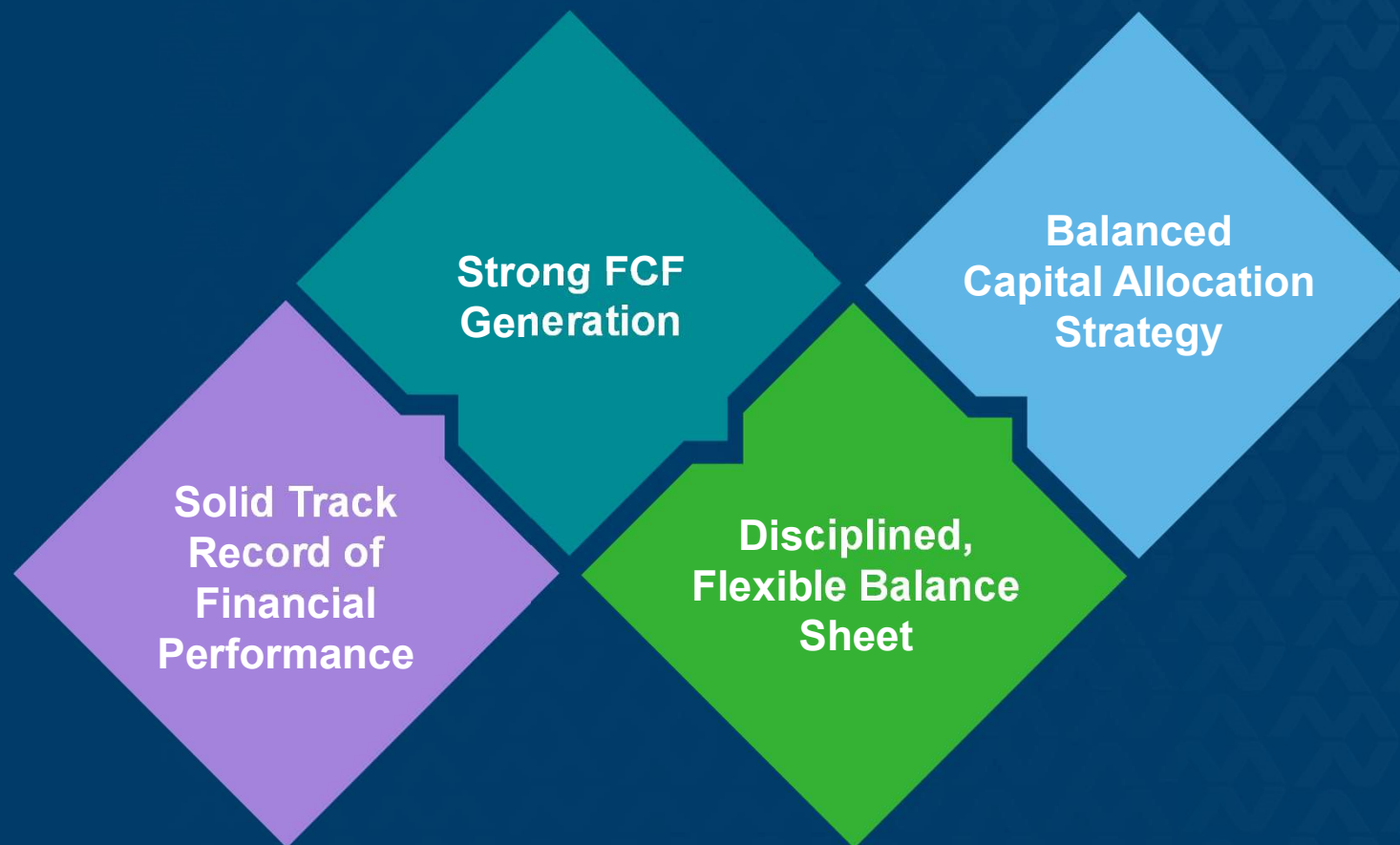
Ensuring flexibility in labor planning to drive efficiency

Accelerating time to hire and fulfilling the need for healthcare professionals

Maintaining or improving consistently high quality of care

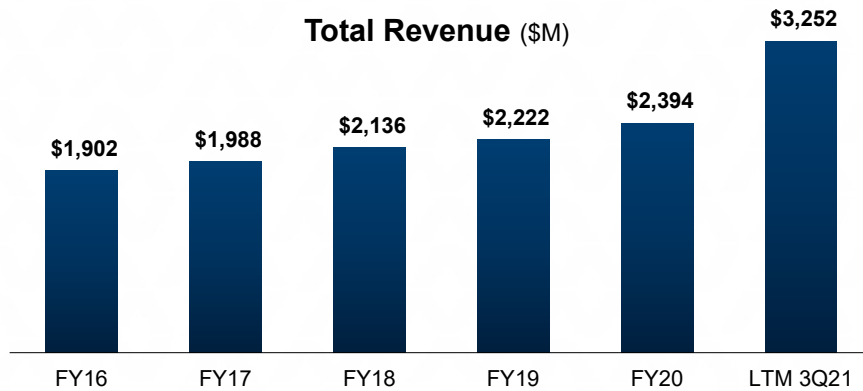
Expanding Relationships with Largest Healthcare Systems

Sustainable Financial Discipline

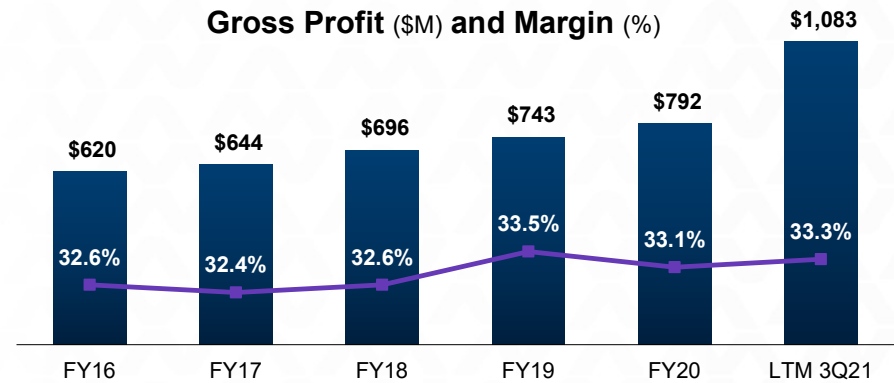


AMN Historical Financial Summary

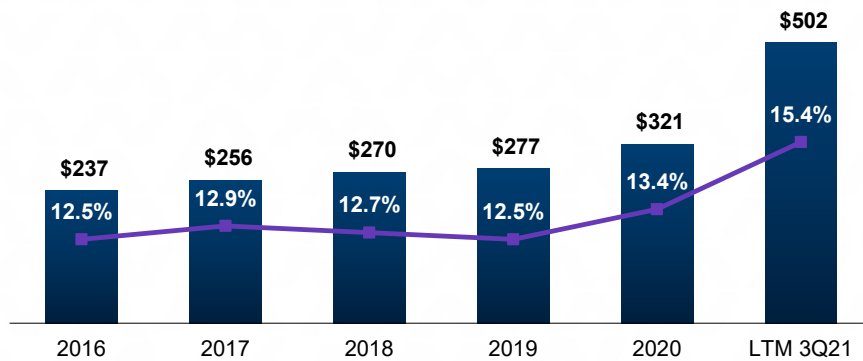
Total Revenue (\$M)



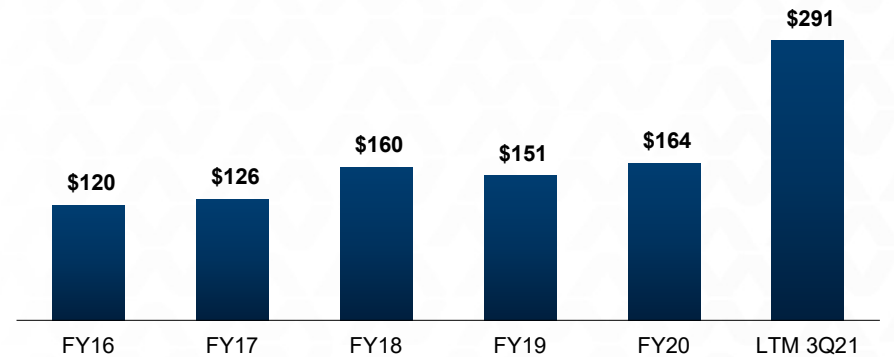
Gross Profit (\$M) and Margin (%)



Adjusted EBITDA (\$M) and Margin (%)



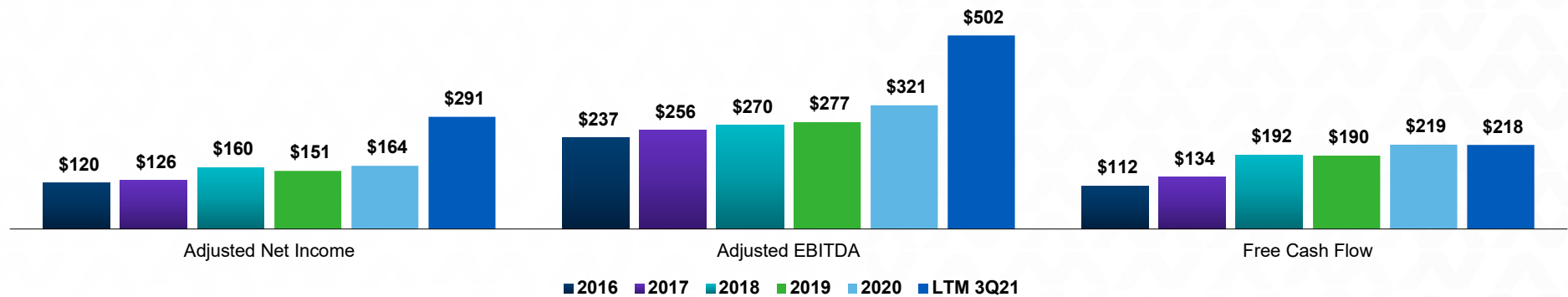
Adjusted Net Income (\$M)



Please refer to non-GAAP reconciliations in the appendix of this presentation.

Strong Free Cash Flow Generation

Adjusted Net Income, Adjusted EBITDA & Free Cash Flow (\$M)



Commentary

- Scalable operating model – ability to flex cost structure and create operating leverage to drive attractive cash flow and earnings growth
- Strong free cash generation supports balanced capital allocation strategy and future growth
- 95% growth in FCF since 2016 as earnings grew and working capital needs normalized
- We project \$50M - \$70M annual capital expenditures, or about 1.5% - 2.0% of revenue
- Capex budget is less than \$20M maintenance, more than half innovation and digital enhancements

Cash Flows Enable Multi-faceted Growth Strategy

Disciplined, Flexible Balance Sheet

Summary Balance Sheet (\$M, 9/30/21)

Cash and Cash Equivalents	\$ 137
Total Current Assets	\$ 900
Total Assets	\$ 2,709
Total Current Liabilities	\$ 641
Total Debt	\$ 850
Total Equity	\$ 1,042

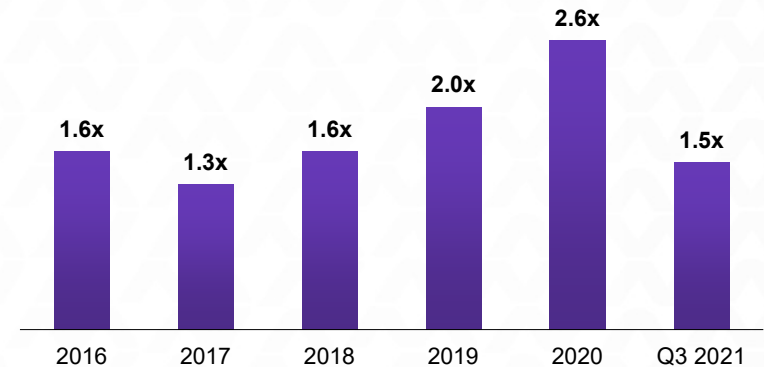
(\$M, 9/30/21)

Cash and Cash Equivalents	\$ 137
Available Credit ²	\$ 379
Total Available Liquidity	\$ 516

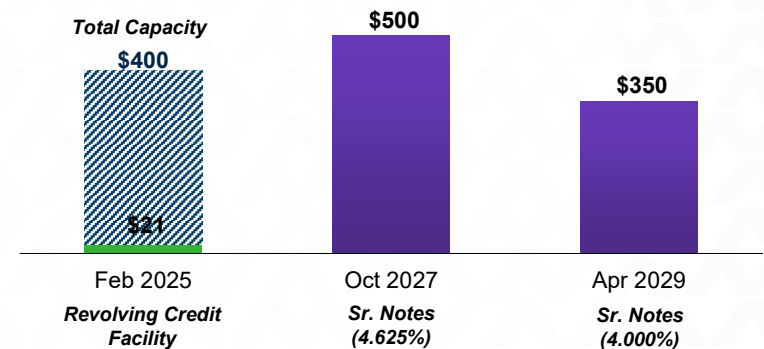
¹ Leverage ratio represents the ratio of the consolidated funded indebtedness (as calculated per the Company's credit agreement) at the end of the subject period to the consolidated adjusted EBITDA (as calculated per the credit agreement) for the 12-month period ended at the end of the subject period.

² Available credit is net of \$20.8 million used as collateral for letters of credit (in green in chart on right).

Total Leverage Ratio¹



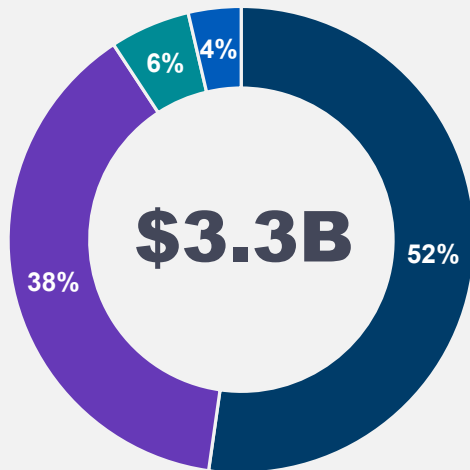
Debt Maturity Schedule (\$M)



Total Leverage Ratio Objective Is In Range Of 2-2.5x

Balanced Capital Allocation Strategy

Historical Use of Capital
(2016 - 2021)



- Debt Reduction
- M&A
- Reinvestment
- Buybacks

Debt Reduction

- Target net leverage ratio of 2-2.5x
- Current leverage ratio opens borrowing capacity for future investments

M&A

- Acquisitions remain a high priority in uses of capital
- Seek tech-enabled solutions that deepen our expertise

Reinvestment

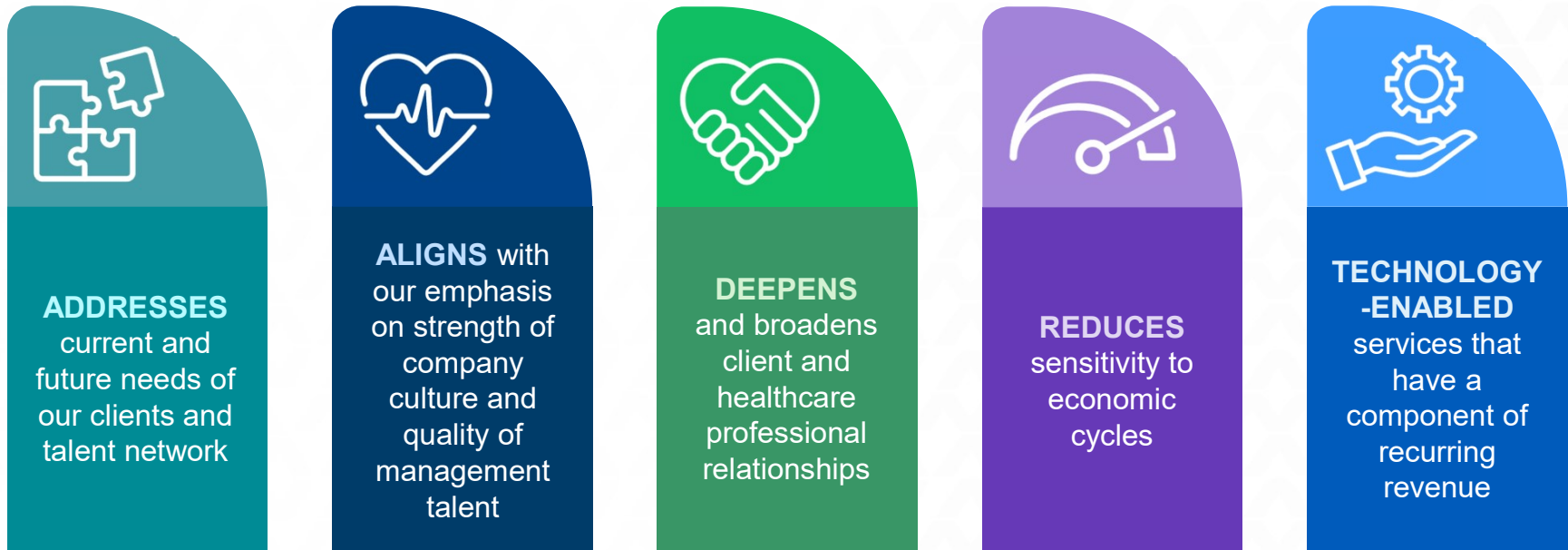
- Development to drive future growth
- Making IT systems smarter and more integrated

Share Buybacks

- Since 2016, AMN repurchased 2.6 million shares for \$119M
- \$181M remains authorized for buybacks

Totals are through September 30, 2021

Our Strategic Approach to M&A



FINANCIAL FILTERS

Accretive to Profit Margins and Revenue Growth

ROIC > Cost of Capital

Adjusted EPS Accretion in First Full Year

Investment Highlights



Purpose-Driven, Values-Based Organization

Committed to
Serving All Our
Stakeholders



Leader and Innovator in Total Talent Solutions for Healthcare;

Uniquely Positioned
to Serve Growing
Health Systems
and Diverse Care
Settings



Experienced, Diverse and Deep Leadership Team

Driving Tech-
Enabled Innovation
that Benefits
Healthcare
Professionals and
Clients



Well-Positioned to
Generate Long-
Term Profitable
Growth with **Strong
Balance Sheet
and Cash Flow
Generation**



**Continued
Opportunity for
Disciplined and
Strategic M&A** to
Deliver Higher
Margins and More
Resilient Revenues

Appendix

AMN Reconciliation of Non-GAAP Items (unaudited)

For the Twelve Months Ended September 30, 2021					
(Dollars in thousands)	Fourth Quarter 2020	First Quarter 2021	Second Quarter 2021	Third Quarter 2021	Twelve Months Ended
Net income	\$ 9,308	\$ 70,378	\$ 66,770	\$ 74,023	\$ 220,479
Income tax expense (benefit)	(3,330)	25,080	22,293	26,583	70,626
Income before income taxes	5,978	95,458	89,063	100,606	291,105
Interest expense, net, and other	22,681	8,944	10,111	5,223	46,959
Income from operations	28,659	104,402	99,174	105,829	338,064
Depreciation and amortization	23,670	23,254	24,740	26,104	97,768
Depreciation (included in cost of revenue) ⁽¹⁾	440	471	616	686	2,213
Share-based compensation	5,419	9,287	6,019	2,589	23,314
Acquisition, integration, and other costs ⁽²⁾	31,106	3,502	2,999	3,143	40,750
Adjusted EBITDA ⁽³⁾	\$ 89,294	\$ 140,916	\$ 133,548	\$ 138,351	\$ 502,109
Revenue	\$ 631,271	\$ 885,945	\$ 857,445	\$ 877,800	\$ 3,252,461
Gross profit	\$ 207,539	\$ 288,868	\$ 280,543	\$ 305,865	\$ 1,082,815
Gross margin	32.9 %	32.6 %	32.7 %	34.8 %	33.3 %
Net income	\$ 9,308	\$ 70,378	\$ 66,770	\$ 74,023	\$ 220,479
Net income as a % of revenue	1.5 %	7.9 %	7.8 %	8.4 %	6.8 %
Adjusted EBITDA ⁽³⁾	\$ 89,294	\$ 140,916	\$ 133,548	\$ 138,351	\$ 502,109
Adjusted EBITDA margin ⁽⁴⁾	14.1 %	15.9 %	15.6 %	15.8 %	15.4 %

AMN Reconciliation of Non-GAAP Items (unaudited)

For the Years Ended December 31,

(Dollars in thousands)	2016	2017	2018	2019	2020
Net income	\$ 105,838	\$ 132,558	\$ 141,741	\$ 113,988	\$ 70,665
Income tax expense	70,329	60,205	44,944	34,500	20,858
Income before income taxes	176,167	192,763	186,685	148,488	91,523
Interest expense, net, and other	15,465	19,677	16,143	28,427	57,742
Income from operations	191,632	212,440	202,828	176,915	149,265
Depreciation and amortization	29,620	32,279	41,237	58,520	92,766
Depreciation (included in cost of revenue) ⁽¹⁾	—	—	—	—	1,421
Share-based compensation	11,399	10,237	10,815	16,241	20,465
Acquisition, integration, and other costs ⁽²⁾	4,226	1,458	3,358	25,723	56,756
Legal settlement accrual increases ⁽⁵⁾	—	—	12,140	—	—
Adjusted EBITDA ⁽³⁾	\$ 236,877	\$ 256,414	\$ 270,378	\$ 277,399	\$ 320,673
Revenue	\$ 1,902,225	\$ 1,988,454	\$ 2,136,074	\$ 2,222,107	\$ 2,393,714
Gross profit	\$ 619,724	\$ 644,419	\$ 696,383	\$ 743,465	\$ 791,778
Gross margin	32.6 %	32.4 %	32.6 %	33.5 %	33.1 %
Net income	\$ 105,838	\$ 132,558	\$ 141,741	\$ 113,988	\$ 70,665
Net income as a % of revenue	5.6 %	6.7 %	6.6 %	5.1 %	3.0 %
Adjusted EBITDA ⁽³⁾	\$ 236,877	\$ 256,414	\$ 270,378	\$ 277,399	\$ 320,673
Adjusted EBITDA margin ⁽⁴⁾	12.5 %	12.9 %	12.7 %	12.5 %	13.4 %

AMN Reconciliation of Non-GAAP Items (unaudited)

For the Twelve Months Ended September 30, 2021

(Dollars in thousands)

Revenue

	Fourth Quarter 2020	First Quarter 2021	Second Quarter 2021	Third Quarter 2021	Twelve Months Ended
Nurse and allied solutions	\$ 447,802	\$ 656,661	\$ 624,485	\$ 627,049	\$ 2,355,997
Physician and leadership solutions	111,042	140,756	139,104	150,663	541,565
Technology and workforce solutions	72,427	88,528	93,856	100,088	354,899
	<u>\$ 631,271</u>	<u>\$ 885,945</u>	<u>\$ 857,445</u>	<u>\$ 877,800</u>	<u>\$ 3,252,461</u>

Segment operating income ⁽⁶⁾

Nurse and allied solutions	\$ 58,299	\$ 101,530	\$ 89,674	\$ 92,564	\$ 342,067
Physician and leadership solutions	16,910	21,216	21,849	19,301	79,276
Technology and workforce solutions	30,398	42,089	42,653	47,210	162,350
	<u>\$ 105,607</u>	<u>\$ 164,835</u>	<u>\$ 154,176</u>	<u>\$ 159,075</u>	<u>\$ 583,693</u>

Unallocated corporate overhead ⁽⁷⁾

Adjusted EBITDA ⁽³⁾

	<u>16,313</u>	<u>23,919</u>	<u>20,628</u>	<u>20,724</u>	<u>81,584</u>
	\$ 89,294	\$ 140,916	\$ 133,548	\$ 138,351	\$ 502,109

AMN Reconciliation of Non-GAAP Items (unaudited)

	For the Twelve Months Ended September 30, 2021				
	Fourth Quarter 2020	First Quarter 2021	Second Quarter 2021	Third Quarter 2021	Twelve Months Ended
(Dollars in thousands)					
Net income	\$ 9,308	\$ 70,378	\$ 66,770	\$ 74,023	\$ 220,479
Adjustments:					
Amortization of intangible assets	15,746	15,201	15,806	16,011	62,764
Acquisition, integration, and other costs ⁽²⁾	31,106	3,502	2,999	3,143	40,750
Fair value changes of equity investments and instruments ⁽⁸⁾	—	(1,271)	—	(5,412)	(6,683)
Debt financing related costs	11,513	158	—	—	11,671
Tax effect of above adjustments	(15,175)	(4,574)	(4,889)	(3,573)	(28,211)
Tax effect of COLI fair value changes ⁽⁹⁾	(2,403)	(1,086)	(1,093)	(600)	(5,182)
Excess tax deficiencies (benefits) related to equity awards ⁽¹⁰⁾	(813)	(676)	(877)	(230)	(2,596)
Restructuring tax benefits ⁽¹¹⁾	(1,615)	—	—	—	(1,615)
Adjusted net income ⁽¹²⁾	\$ 47,667	\$ 81,632	\$ 78,716	\$ 83,362	\$ 291,377

AMN Reconciliation of Non-GAAP Items (unaudited)

(Dollars in thousands)	For the Years Ended December 31,				
	2016	2017	2018	2019	2020
Net income	\$ 105,838	\$ 132,558	\$ 141,741	\$ 113,988	\$ 70,665
Adjustments:					
Amortization of intangible assets	18,310	18,628	24,239	36,493	63,817
Acquisition, integration, and other costs ⁽²⁾	4,226	1,458	3,358	25,723	56,756
Legal settlement accrual increases ⁽⁵⁾	—	—	12,140	—	—
Fair value changes of equity investments and instruments ⁽⁸⁾	—	—	(7,349)	—	1,891
Debt financing related costs	921	—	574	594	13,286
Tax effect of above adjustments	(9,162)	(7,833)	(8,570)	(16,331)	(35,711)
Tax correction related to prior periods ⁽¹³⁾	—	—	(2,501)	—	—
Tax effect of COLI fair value changes ⁽⁹⁾	—	—	1,676	(3,266)	(2,622)
Excess tax deficiencies (benefits) related to equity awards ⁽¹⁰⁾	—	(5,449)	(5,401)	(5,915)	(2,840)
Tax law effect on deferred taxes ⁽¹⁴⁾	—	(13,039)	—	—	—
Restructuring tax benefits ⁽¹¹⁾	—	—	—	—	(1,615)
Adjusted net income ⁽¹²⁾	\$ 120,133	\$ 126,323	\$ 159,907	\$ 151,286	\$ 163,627

AMN Reconciliation of Non-GAAP Items (unaudited)

For the Twelve Months Ended September 30, 2021

(Dollars in thousands)

	Fourth Quarter 2020	First Quarter 2021	Second Quarter 2021	Third Quarter 2021	Twelve Months Ended
Net cash provided by operating activities	\$ 39,845	\$ 39,131	\$ 171,494	\$ 16,746	\$ 267,216
Purchase and development of fixed assets	(10,345)	(11,607)	(11,462)	(15,641)	(49,055)
Free cash flow ⁽¹⁵⁾	\$ 29,500	\$ 27,524	\$ 160,032	\$ 1,105	\$ 218,161

For the Years Ended December 31,

(Dollars in thousands)

	2016	2017	2018	2019	2020
Net cash provided by operating activities	\$ 133,909	\$ 160,518	\$ 226,993	\$ 224,862	\$ 256,826
Purchase and development of fixed assets	(21,956)	(26,529)	(35,206)	(35,218)	(37,702)
Free cash flow ⁽¹⁵⁾	\$ 111,953	\$ 133,989	\$ 191,787	\$ 189,644	\$ 219,124

AMN Reconciliation of Non-GAAP Items (unaudited)

(1) A portion of depreciation expense for AMN Language Services (formerly known as Stratus Video, which was acquired in February 2020 and has since been rebranded) is included in cost of revenue. We exclude the impact of depreciation included in cost of revenue from the calculation of adjusted EBITDA.

(2) **Acquisition, integration, and other costs** include acquisition and integration costs, net changes in the fair value of contingent consideration liabilities for recently acquired companies, one-time insurance policy benefits, extraordinary legal expenses, and restructuring expenses, which we exclude from the calculation of adjusted EBITDA and adjusted net income because we believe that these expenses are not indicative of the Company's operating performance. Extraordinary legal expenses for the three months ended and the year ended December 31, 2020 were approximately \$20,000,000 and \$21,000,000, respectively, and primarily relate to an increase to the Company's legal accrual during the fourth quarter of 2020 for a wage and hour claim.

(3) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income tax expense (benefit), depreciation and amortization, depreciation (included in cost of revenue), acquisition, integration, and other costs, restructuring expenses, extraordinary legal expenses, 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. 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.

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

(5) During the third quarter of 2018, the Company recorded increases to its legal accruals established in connection with settlement agreements entered into during September and October 2018 in two class actions related to wage and hour claims, both of which were paid during 2019. Since the settlements are largely unrelated to the Company's operating performance, we excluded their impact in the calculation of adjusted EBITDA and adjusted net income. Amounts recorded in prior quarters in these two class actions and legal accruals related to other matters are immaterial and their impact was not excluded in the calculation of adjusted EBITDA or adjusted net income.

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

(7) **Unallocated corporate overhead** (as presented in the tables above) consists of unallocated corporate overhead (as reflected in our quarterly and annual financial statements filed with the SEC) less acquisition, integration, and other costs.

(8) Changes in the fair value of equity investments and instruments are recognized through net income. Since the changes in fair value are unrelated to the Company's operating performance, we exclude the impact from the calculation of adjusted net income.

(9) The Company records net tax expense (benefit) related to the income tax treatment of the fair value changes in the cash surrender value of its company owned life insurance. Since this change in fair value is unrelated to the Company's operating performance, we excluded the impact on adjusted net income.

AMN Reconciliation of Non-GAAP Items (unaudited)

(10) The consolidated effective tax rate is affected by the recording of excess tax benefits and tax deficiencies relating to equity awards vested and exercised during the period. As a result of the adoption of a new accounting pronouncement on January 1, 2017, the Company no longer records excess tax benefits and tax deficiencies to additional paid-in capital, but such excess tax benefits and tax deficiencies are now recognized in income tax expense. The magnitude of the impact of excess tax benefits and tax deficiencies generated in the future, which may be favorable or unfavorable, is dependent upon the Company's future grants of share-based compensation, the Company's future stock price on the date awards vest or exercise in relation to the fair value of the awards on the grant date or the exercise behavior of the Company's stock appreciation rights holders. Since these excess tax benefits and tax deficiencies are largely unrelated to our income before taxes and are unrepresentative of our normal effective tax rate, we excluded their impact in the calculation of adjusted net income.

(11) The Company recorded a restructuring tax benefit during the year ended December 31, 2020, which was related to the acquisition of Stratus Video. Since this benefit is largely unrelated to our income before taxes and is unrepresentative of our normal effective tax rate, we excluded its impact in the calculation of adjusted net income.

(12) **Adjusted net income** represents GAAP net income excluding the impact of the (A) amortization of intangible assets, (B) acquisition, integration, and other costs, (C) extraordinary legal expenses, (D) changes in fair value of equity instruments, (E) deferred financing related costs, (F) tax effect, if any, of the foregoing adjustments, (G) excess tax benefits and tax deficiencies relating to equity awards vested and exercised since January 1, 2017, (H) net tax expense (benefit) related to the income tax treatment of fair value changes in the cash surrender value of its company owned life insurance, and (I) restructuring tax benefits. Management included this non-GAAP measure to provide investors and prospective investors with an alternative method for assessing the Company's operating results in a manner that is focused on its operating performance and to provide a more consistent basis for comparison between periods. However, investors and prospective investors should note that this non-GAAP measure involves judgment by management (in particular, judgment as to what is classified as a special item to be excluded in the calculation of adjusted net income). Although management believes the items in the calculation of adjusted net income are not indicative of the Company's operating performance, these items do impact the statement of comprehensive income, and management therefore utilizes adjusted net income as an operating performance measure in conjunction with GAAP measures such as GAAP net income.

(13) During the first quarter of 2018, the Company recorded a net tax benefit to adjust for an immaterial out-of-period error identified in that quarter related to the income tax treatment of fair value changes in the cash surrender value of its company owned life insurance for years ended December 31, 2015 through December 31, 2017. These fair value changes had not previously been included as a benefit in the tax provision of the related years.

(14) During the year ended December 31, 2017, we recorded a discrete net tax benefit of \$14,039,000 and a discrete tax expense of \$1,000,000 from a remeasurement of our deferred tax assets and liabilities related to the impact of the Tax Cuts and Jobs Act and prior period share based awards, respectively. We excluded these non-cash items in the calculation of adjusted net income as they were unrelated to our prior year's income before taxes.

(15) **Free cash flow** represents cash flow from operations less capital expenditures.