

# 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

**~4K**  
Corporate Employees

**500+**  
MSP Clients

**~\$4.0B**  
Annual Revenue

**\$5.1B**  
Market Cap

**#1**  
Largest Healthcare Staffing Firm, Staffing Industry Analysts

## Nurse & Allied Solutions

- WORKFORCE STAFFING**
- Travel Nursing
  - Allied Healthcare
  - Local Staffing
  - Rapid Response
  - Revenue Cycle Solutions
  - School Staffing
  - Labor Disruption

## Physician & Leadership Solutions

- WORKFORCE STAFFING**
- Physician Staffing
  - Interim Leadership
- LEADERSHIP SEARCH**
- Executive Search
  - Academic Leadership
  - Clinical Leadership
- PHYSICIAN SEARCH**
- Retained Search for Physicians and Advanced Practices

## Technology & Workforce Solutions

- TALENT MANAGEMENT**
- Vendor Management Systems
  - Recruitment Solutions
  - Float Pool Management
  - Scheduling & Staff Planning
  - Credentialing
  - Analytics & Assessment
- VIRTUAL CARE**
- Language Services
  - Teleservices Platforms

**>60%**

*of Revenue from These Segments is Derived from Managed Services Programs (MSPs)*

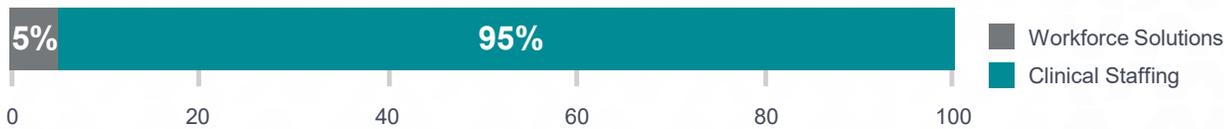
# Our Transformation to Leader in Total Talent Solutions

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

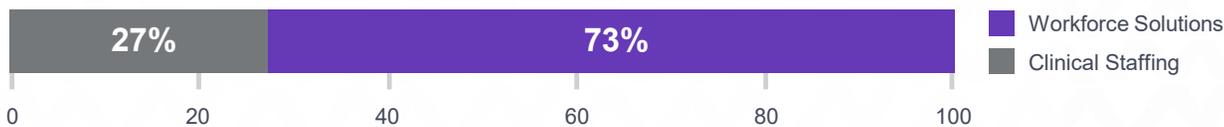


2021

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**

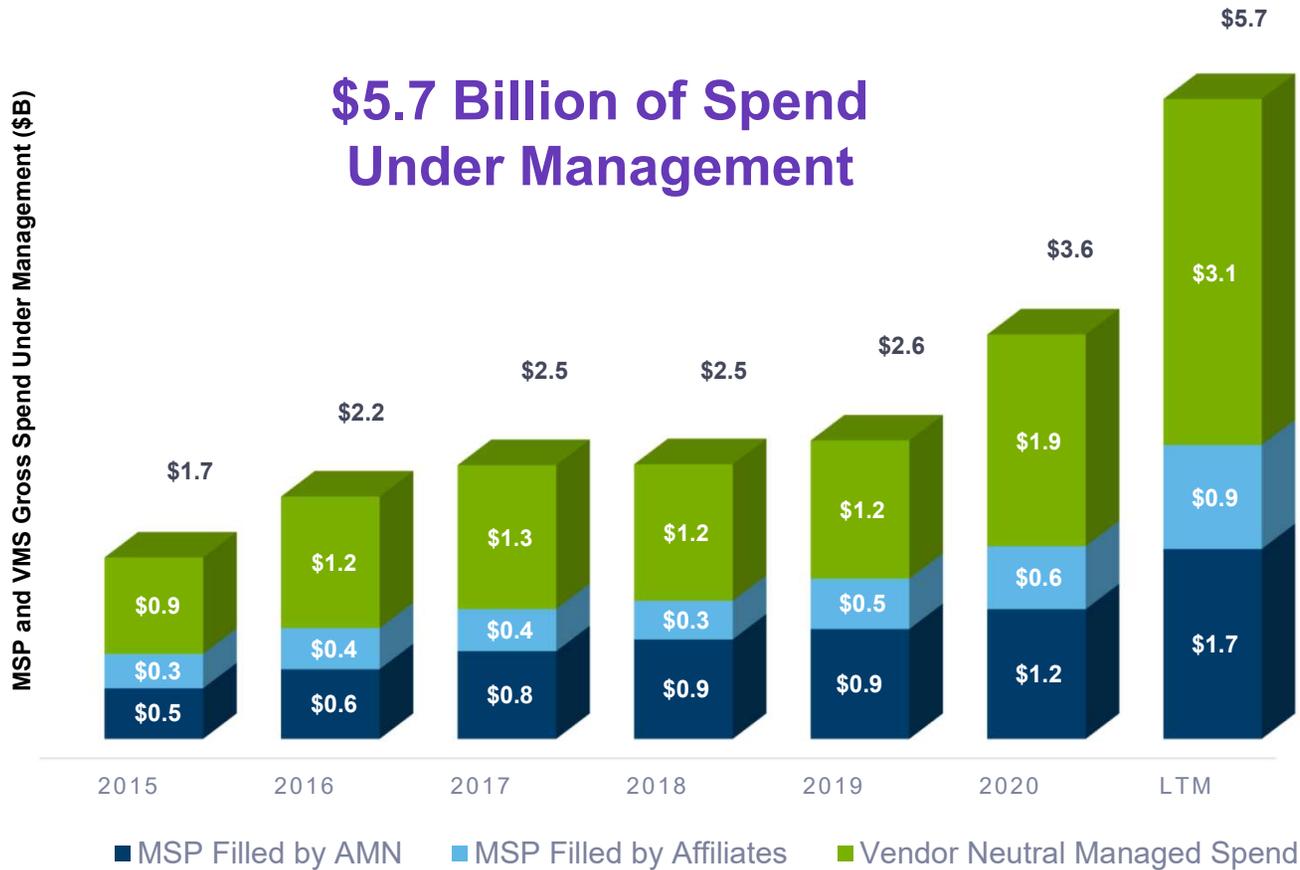
# Our Sustainable Competitive Advantages

- 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



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

LTM data are as of Sept. 30, 2021

# 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 Sivathanan**  
*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



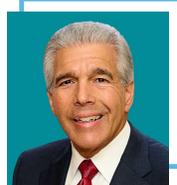
**Daphne Jones**  
 Former SVP,  
 GE Healthcare  
 2018



**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



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**

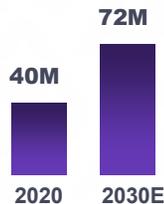
# Well-Positioned to Capture Long-Term U.S. Secular Trends

## 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

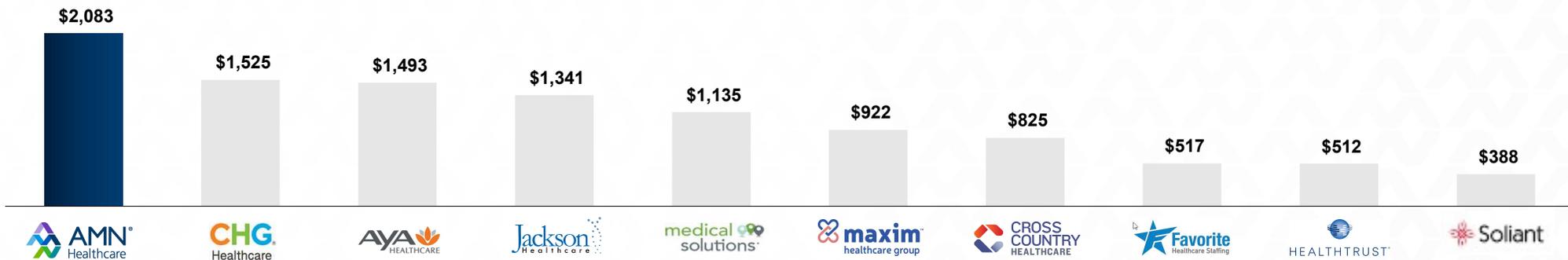
## Commentary

- 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

<sup>1</sup> Source: Staffing Industry Analysts / Crain Communications. <sup>2</sup> Source: AMN internal estimates of other markets. <sup>3</sup> 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

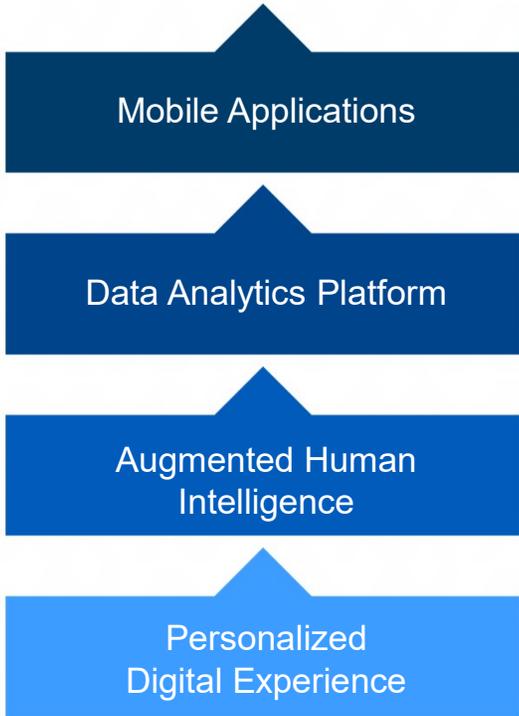


**BE A HOLISTIC PARTNER FOR OUR CLIENTS**



# 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

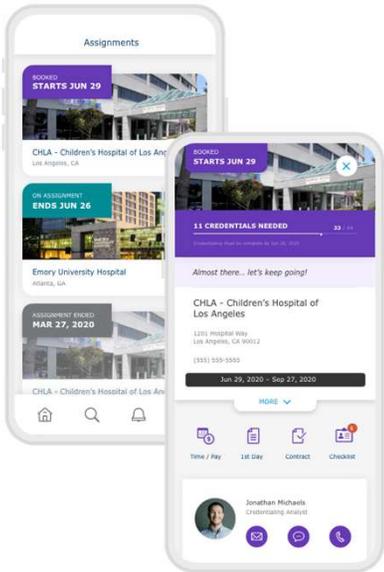


**Revenue Cycle Solutions**  
 2016: Peak | 2018: MedPartners

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

*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

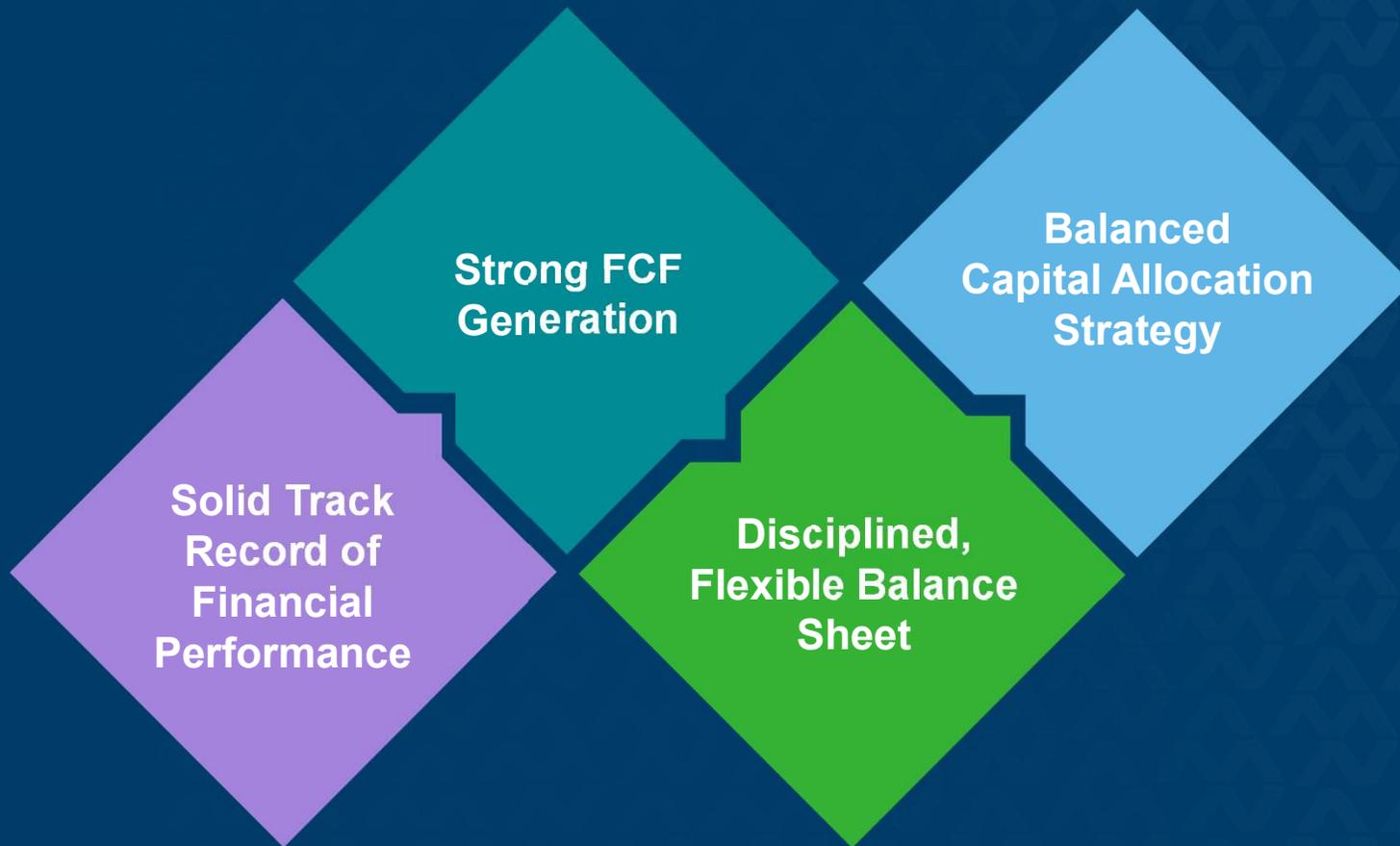
**Ensuring** flexibility in labor planning to drive efficiency

**Accelerating** time to hire and fulfilling the need for healthcare professionals

**Maintaining or improving** consistently high quality of care

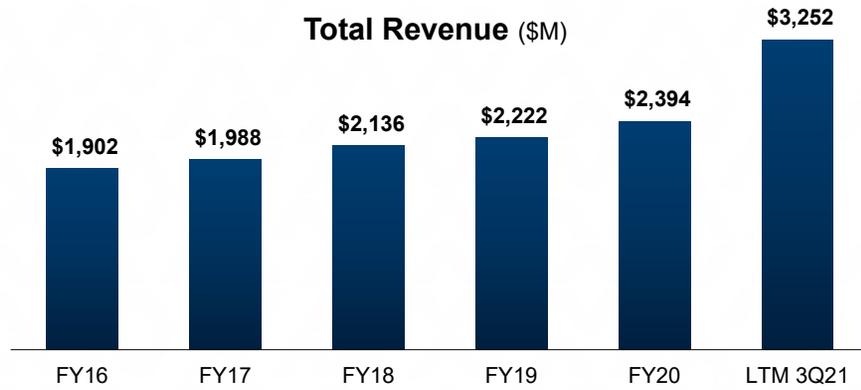
*Expanding Relationships with Largest Healthcare Systems*

# Sustainable Financial Discipline

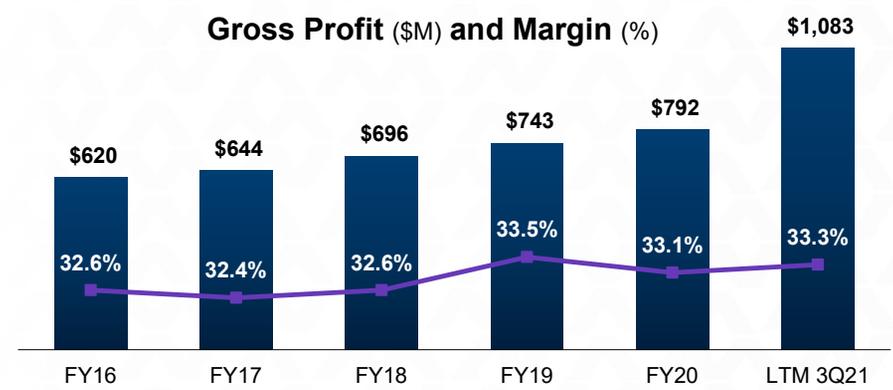


# AMN Historical Financial Summary

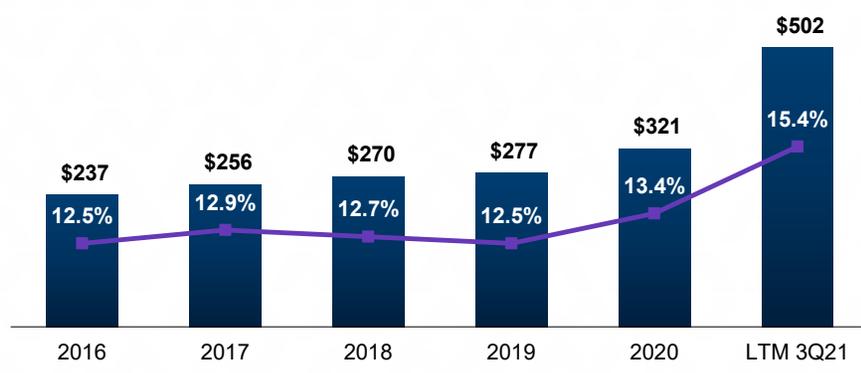
**Total Revenue (\$M)**



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



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



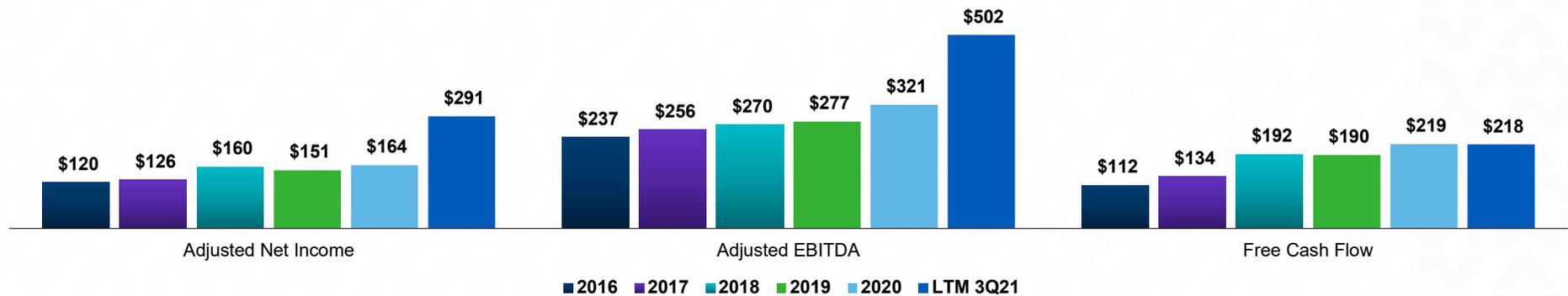
**Adjusted Net Income (\$M)**



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

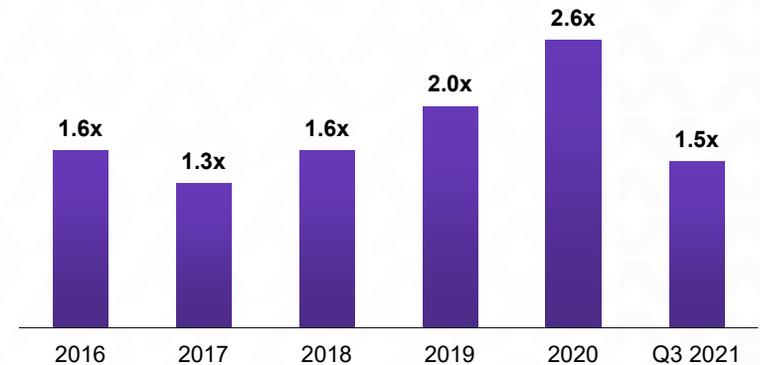
(\$M, 9/30/21)

Cash and Cash Equivalents	\$ 137
Available Credit <sup>2</sup>	\$ 379
Total Available Liquidity	\$ 516

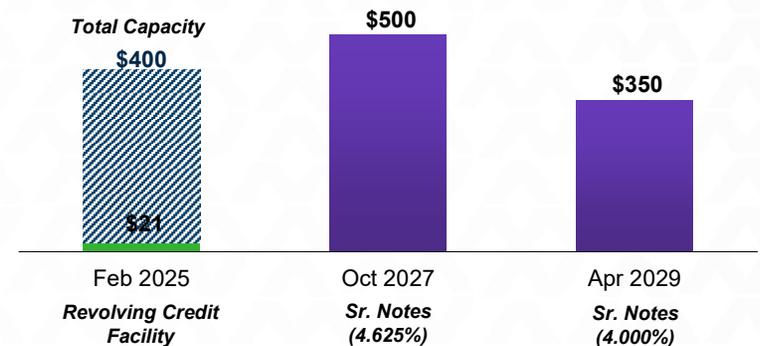
<sup>1</sup> Leverage ratio represents the ratio of the consolidated funded indebtedness (as calculated per the Company's credit agreement) at the end of the subject period to the consolidated adjusted EBITDA (as calculated per the credit agreement) for the 12-month period ended at the end of the subject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

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

## Total Leverage Ratio<sup>1</sup>



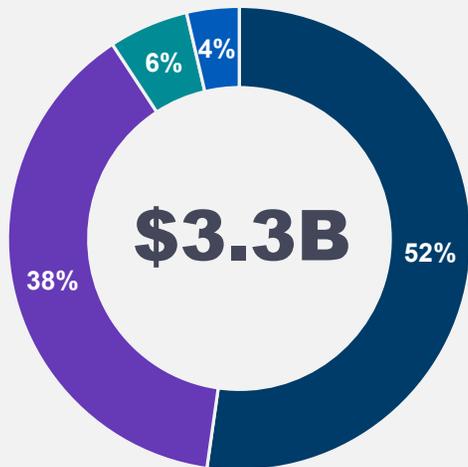
## Debt Maturity Schedule (\$M)



*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



**ADDRESSES**  
current and future needs of our clients and talent network



**ALIGNS** with our emphasis on strength of company culture and quality of management talent



**DEEPENS** and broadens client and healthcare professional relationships



**REDUCES** sensitivity to economic cycles



**TECHNOLOGY-ENABLED** services that have a component of recurring revenue

## 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) <sup>(1)</sup>	440	471	616	686	2,213
Share-based compensation	5,419	9,287	6,019	2,589	23,314
Acquisition, integration, and other costs <sup>(2)</sup>	31,106	3,502	2,999	3,143	40,750
Adjusted EBITDA <sup>(3)</sup>	\$ 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 <sup>(3)</sup>	\$ 89,294	\$ 140,916	\$ 133,548	\$ 138,351	\$ 502,109
Adjusted EBITDA margin <sup>(4)</sup>	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) <sup>(1)</sup>	—	—	—	—	1,421
Share-based compensation	11,399	10,237	10,815	16,241	20,465
Acquisition, integration, and other costs <sup>(2)</sup>	4,226	1,458	3,358	25,723	56,756
Legal settlement accrual increases <sup>(5)</sup>	—	—	12,140	—	—
Adjusted EBITDA <sup>(3)</sup>	\$ 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 <sup>(3)</sup>	\$ 236,877	\$ 256,414	\$ 270,378	\$ 277,399	\$ 320,673
Adjusted EBITDA margin <sup>(4)</sup>	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)	Fourth Quarter 2020	First Quarter 2021	Second Quarter 2021	Third Quarter 2021	Twelve Months Ended
<b>Revenue</b>					
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>
<b>Segment operating income <sup>(6)</sup></b>					
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 <sup>(7)</sup>	<u>16,313</u>	<u>23,919</u>	<u>20,628</u>	<u>20,724</u>	<u>81,584</u>
Adjusted EBITDA <sup>(3)</sup>	<u>\$ 89,294</u>	<u>\$ 140,916</u>	<u>\$ 133,548</u>	<u>\$ 138,351</u>	<u>\$ 502,109</u>

# 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
Adjustments:					
Amortization of intangible assets	15,746	15,201	15,806	16,011	62,764
Acquisition, integration, and other costs <sup>(2)</sup>	31,106	3,502	2,999	3,143	40,750
Fair value changes of equity investments and instruments <sup>(8)</sup>	—	(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 <sup>(9)</sup>	(2,403)	(1,086)	(1,093)	(600)	(5,182)
Excess tax deficiencies (benefits) related to equity awards <sup>(10)</sup>	(813)	(676)	(877)	(230)	(2,596)
Restructuring tax benefits <sup>(11)</sup>	(1,615)	—	—	—	(1,615)
Adjusted net income <sup>(12)</sup>	<u>\$ 47,667</u>	<u>\$ 81,632</u>	<u>\$ 78,716</u>	<u>\$ 83,362</u>	<u>\$ 291,377</u>

# 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 <sup>(2)</sup>	4,226	1,458	3,358	25,723	56,756
Legal settlement accrual increases <sup>(5)</sup>	—	—	12,140	—	—
Fair value changes of equity investments and instruments <sup>(8)</sup>	—	—	(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 <sup>(13)</sup>	—	—	(2,501)	—	—
Tax effect of COLI fair value changes <sup>(9)</sup>	—	—	1,676	(3,266)	(2,622)
Excess tax deficiencies (benefits) related to equity awards <sup>(10)</sup>	—	(5,449)	(5,401)	(5,915)	(2,840)
Tax law effect on deferred taxes <sup>(14)</sup>	—	(13,039)	—	—	—
Restructuring tax benefits <sup>(11)</sup>	—	—	—	—	(1,615)
Adjusted net income <sup>(12)</sup>	\$ 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 <sup>(15)</sup>	\$ 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 <sup>(15)</sup>	\$ 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.