

Reconciliation of Non-GAAP Items (Unaudited)

(\$ in thousands, except per share amounts)	Three Months Ended		
	March 31,		December 31,
	2016	2015 ⁽¹⁾	2015 ⁽¹⁾
Revenue			
Nurse and allied solutions	\$ 297,724	\$ 216,992	\$ 263,019
Locum tenens solutions	102,738	86,692	99,256
Other workforce solutions	67,540	23,826	40,277
	<u>468,002</u>	<u>327,510</u>	<u>402,552</u>
Segment operating income ⁽²⁾			
Nurse and allied solutions	\$ 41,618	\$ 27,362	\$ 33,094
Locum tenens solutions	13,291	9,110	13,869
Other workforce solutions	17,586	7,810	11,993
	<u>72,495</u>	<u>44,282</u>	<u>58,956</u>
Unallocated corporate overhead	13,805	10,960	12,101
Adjusted EBITDA ⁽³⁾	58,690	33,322	46,855
Adjusted EBITDA margin ⁽⁴⁾	12.5%	10.2%	11.6%
Depreciation and amortization	6,765	5,095	5,322
Share-based compensation	3,381	2,377	3,733
Acquisition and integration costs	1,234	1,065	1,472
Interest expense, net, and other	3,249	1,807	1,993
Income before income taxes	<u>44,061</u>	<u>22,978</u>	<u>34,335</u>
Income tax expense	18,192	10,769	14,170
Net income	<u>\$ 25,869</u>	<u>\$ 12,209</u>	<u>\$ 20,165</u>

Reconciliation of Non-GAAP Items (Unaudited)

	Three Months Ended		
	March 31, 2016	March 31, 2015	December 31, 2015
GAAP diluted net income per share (EPS)	\$ 0.53	\$ 0.25	\$ 0.41
Adjustments (net of tax):			
Amortization of intangible assets	0.05	0.04	0.04
Acquisition and integration costs	0.02	0.01	0.02
Adjusted diluted EPS ⁽⁵⁾	<u>\$ 0.60</u>	<u>\$ 0.30</u>	<u>\$ 0.47</u>

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(1) Effective as of January 1, 2016, we modified our reportable segments. We previously utilized three reportable segments, which we identified as follows: (a) nurse and allied healthcare staffing, (b) locum tenens staffing, and (c) physician permanent placement services. In light of our acquisitions over the past several years as well as our transition to a healthcare workforce solutions company, our management renamed our three reportable segments and also placed several of our business lines that were in our nurse and allied healthcare staffing segment into a different segment to better reflect how the business is evaluated by our chief operating decision maker. As of January 1, 2016, we began to disclose the following three reportable segments: (a) nurse and allied solutions, (b) locum tenens solutions, and (c) other workforce solutions. The nurse and allied solutions segment includes our travel nurse, allied and local staffing businesses. The locum tenens solutions segment includes our locum tenens staffing business. The other workforce solutions segment includes our healthcare interim leadership staffing and executive search services business, physician permanent placement services business, recruitment process outsourcing business, vendor management systems business, workforce optimization services business, and education business. Prior period data has been reclassified to conform to the new segment reporting structure.

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

(3) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income tax expense, depreciation and amortization, acquisition and integration costs 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 and is a measure used in credit facilities. 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) **Adjusted diluted EPS** represents GAAP diluted EPS excluding the impact of 1) amortization of intangible assets, and 2) acquisition and integration costs. 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 from adjusted diluted EPS). Although management believes the items excluded from adjusted diluted EPS are not indicative of the Company's operating performance, these items do impact the statement of comprehensive income, and management therefore utilizes adjusted diluted EPS as an operating performance measure in conjunction with GAAP measures such as GAAP diluted EPS.