Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Three Months Ended June 30, 2019	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Revenue					
Nurse and allied solutions	$ 362,533	$ 306,292	$ 331,627	$ 1,031,189	$ 977,199
Locum tenens solutions	84,164	101,102	82,074	246,728	311,516
Other workforce solutions	120,900	119,448	121,476	357,298	318,724
	$ 567,597	$ 526,842	$ 535,177	$ 1,635,215	$ 1,607,439
Segment operating income [1]					
Nurse and allied solutions	$ 47,544	$ 42,165	$ 48,694	$ 144,160	$ 137,906
Locum tenens solutions	6,156	10,992	7,128	18,985	34,321
Other workforce solutions	27,806	29,010	27,127	81,121	77,437
	81,506	82,167	82,949	244,266	249,664
Unallocated corporate overhead	12,255	14,739	16,217	42,306	45,657
Adjusted EBITDA [2]	69,251	67,428	66,732	201,960	204,007
Adjusted EBITDA margin [3]	12.2%	12.8%	12.5%	12.4%	12.7%
Depreciation and amortization	17,085	11,296	12,718	41,513	29,788
Share-based compensation [4]	2,825	1,809	3,702	11,713	7,954
Acquisition, integration, and other costs [5]	9,602	(452)	5,156	18,787	1,474
Legal settlement accrual increases [6]	—	12,140	—	—	12,140
Income from operations	39,739	42,635	45,156	129,947	152,651
Operating margin [7]	7.0%	8.1%	8.4%	7.9%	9.5%
Interest expense, net, and other	7,830	4,649	6,065	19,568	16,360
Income before income taxes	31,909	37,986	39,091	110,379	136,291
Income tax expense	8,394	10,068	10,222	23,873	30,163
Net income	$ 23,515	$ 27,918	$ 28,869	$ 86,506	$ 106,128

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Reconciliation of Non-GAAP Items (Unaudited)

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	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2019	2018	2019	2019	2018
GAAP diluted net income per share (EPS)	$ 0.49	$ 0.58	$ 0.61	$ 1.82	$ 2.17
Adjustments:					
Amortization of intangible assets	0.24	0.14	0.15	0.53	0.36
Acquisition, integration, and other costs (5)	0.20	(0.01)	0.11	0.40	0.03
Legal settlement accrual increases (6)	—	0.25	—	—	0.25
Equity investment fair value changes (8)	—	(0.03)	—	—	(0.03)
Debt financing related costs	—	—	—	—	0.01
Tax effect of above adjustments	(0.11)	(0.09)	(0.07)	(0.24)	(0.16)
Tax correction related to prior periods (9)	—	—	—	—	(0.05)
Tax effect of COLI fair value changes (10)	—	—	(0.01)	(0.05)	—
Excess tax benefits (11)	(0.01)	—	(0.02)	(0.13)	(0.11)
Adjusted diluted EPS (12)	$ 0.81	$ 0.84	$ 0.77	$ 2.33	$ 2.47

Reconciliation of Non-GAAP Items (Unaudited)

(1) **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, extraordinary legal expenses, legal settlement accrual increases and share-based compensation.

(2) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income tax expense, depreciation and amortization, acquisition and integration costs, extraordinary legal expenses, legal settlement accrual increases 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 the Company's credit agreement and the indentures governing our 5.125% Senior Notes due 2024 and our 4.625% Senior Notes due 2027. 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.

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

(4) Share-based compensation for the nine months ended September 30, 2019 was impacted by two modifications during the first quarter and effective in 2019, a new vesting condition that resulted in accelerated expense recognition.

(5) Acquisition, integration, and other costs of $9,602,000 and $18,787,000 for the three and nine months ended September 30, 2019, respectively, include net increases in the fair value of contingent consideration liabilities for recently acquired companies of $4,441,000 and $2,283,000, respectively, and extraordinary legal expenses of approximately $2,100,000 and $6,700,000, respectively. Beginning in 2019, we exclude the impact of extraordinary legal expenses from the calculation of adjusted EBITDA because we believe that these expenses are not indicative of the Company's operating performance.

(6) 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. For the three months ended September 30, 2018, the increases amounted to $12,140,000. Since the settlements are largely unrelated to the Company's operating performance, we excluded the impact on adjusted EBITDA and adjusted diluted EPS for the three months ended September 30, 2018. 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 from adjusted EBITDA or adjusted diluted EPS.

(7) **Operating margin** represents income from operations divided by revenue.

(8) As a result of the adoption of a new accounting pronouncement on January 1, 2018, the Company now measures equity investments, except those accounted for using the equity method of accounting, at fair value with changes in fair value recognized through net income. For the three and nine months ended September 30, 2018, changes in fair value of equity investments recognized in interest expense, net, and other were $1,359,000. Since this favorable change in fair value is unrelated to the Company's operating performance, we excluded the impact on adjusted diluted EPS for the three and nine months ended September 30, 2018.

(9) During the first quarter of 2018, the Company recorded a net tax benefit of $2,501,000 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.

(10) The Company recorded a net tax benefit of $162,000 and $2,264,000 related to the income tax treatment of the fair value changes in the cash surrender value of its company owned life insurance for the three and nine months ended September 30, 2019, respectively. Since these changes in fair value are unrelated to the Company's operating performance, we exclude the impact on adjusted diluted EPS.

Reconciliation of Non-GAAP Items (Unaudited)

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(11) The consolidated effective tax rate for the three and nine months ended September 30, 2019 was favorably affected by the recording of excess tax benefits 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, we no longer record excess tax benefits as an increase to additional paid-in capital, but record such excess tax benefits on a prospective basis as a reduction of income tax expense, which amounted to $576,000 and $5,000 for the three months ended September 30, 2019 and 2018, respectively. For the nine months ended September 30, 2019 and 2018, excess tax benefits recorded as a reduction of income tax expense were $6,118,000 and $5,099,000, respectively. The magnitude of the impact of excess tax benefits 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 favorable tax benefits are largely unrelated to our current year's income before taxes and is unrepresentative of our normal effective tax rate, we exclude their impact on adjusted diluted EPS.

(12) **Adjusted diluted EPS** represents GAAP diluted EPS excluding the impact of the (A) amortization of intangible assets, (B) acquisition and integration costs, (C) extraordinary legal expenses, (D) legal settlement accrual increases, (E) changes in fair value of equity investments since January 1, 2018, (F) deferred financing costs, (G) tax effect, if any, of the foregoing adjustments, (H) excess tax benefits relating to equity awards vested and exercised since January 1, 2017, and (I) correction of prior periods error. 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.

Reconciliation of Guidance Adjusted EBITDA Margin to Guidance Operating Margin

	Three Months Ending December 31, 2019
Adjusted EBITDA margin [1]	12.0%
Deduct:	
Share-based compensation	0.6%
Acquisition, integration, and other costs	0.2%
EBITDA margin	11.2%
Depreciation and amortization	3.0%
Operating margin	8.2%

(1) Guidance percentage metrics are approximate.

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