

Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended			Twelve Months Ended	
	December 31,		September 30,	December 31,	
	2024	2023	2024	2024	2023
Revenue					
Nurse and allied solutions	\$ 454,654	\$ 537,588	\$ 399,368	\$ 1,815,718	\$ 2,624,509
Physician and leadership solutions	173,141	168,161	180,605	728,608	669,701
Technology and workforce solutions	106,914	112,520	107,536	439,455	495,044
	<u>\$ 734,709</u>	<u>\$ 818,269</u>	<u>\$ 687,509</u>	<u>\$ 2,983,781</u>	<u>\$ 3,789,254</u>
Segment operating income ⁽¹⁾					
Nurse and allied solutions	\$ 38,932	\$ 62,838	\$ 35,110	\$ 173,591	\$ 362,158
Physician and leadership solutions	17,032	21,801	18,134	79,049	94,966
Technology and workforce solutions	40,278	41,439	41,948	173,755	214,736
	<u>96,242</u>	<u>126,078</u>	<u>95,192</u>	<u>426,395</u>	<u>671,860</u>
Unallocated corporate overhead ⁽²⁾	21,119	22,074	21,318	85,645	92,744
Adjusted EBITDA ⁽³⁾	<u>\$ 75,123</u>	<u>\$ 104,004</u>	<u>\$ 73,874</u>	<u>\$ 340,750</u>	<u>\$ 579,116</u>
Adjusted EBITDA margin ⁽⁴⁾	10.2 %	12.7 %	10.7 %	11.4 %	15.3 %
Segment operating margin ⁽⁵⁾					
Nurse and allied solutions	8.6 %	11.7 %	8.8 %	9.6 %	13.8 %
Physician and leadership solutions	9.8 %	13.0 %	10.0 %	10.8 %	14.2 %
Technology and workforce solutions	37.7 %	36.8 %	39.0 %	39.5 %	43.4 %
	<u>As of December 31,</u>	<u>As of December 31,</u>	<u>As of September 30,</u>		
	<u>2024</u>	<u>2023</u>	<u>2024</u>		
Leverage ratio ⁽⁶⁾	3.0	2.2	2.8		

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(in thousands)	Three Months Ended			Twelve Months Ended	
	December 31,		September 30,	December 31,	
	2024	2023	2024	2024	2023
Net income (loss)	\$ (187,533)	\$ 12,489	\$ 6,989	\$ (146,979)	\$ 210,679
Net income (loss) as a % of revenue	(25.5)%	1.5 %	1.0 %	(4.9)%	5.6 %
Income tax expense (benefit)	(38,133)	1,516	819	(25,595)	73,610
Income (loss) before income taxes	(225,666)	14,005	7,808	(172,574)	284,289
Interest expense, net, and other ⁽⁷⁾	23,114	20,165	14,444	69,901	54,140
Income (loss) from operations	(202,552)	34,170	22,252	(102,673)	338,429
Operating margin ⁽⁸⁾	(27.6)%	4.2 %	3.2 %	(3.4)%	8.9 %
Depreciation and amortization	40,161	41,315	41,122	167,103	154,914
Depreciation (included in cost of revenue) ⁽⁹⁾	1,313	1,817	1,928	6,676	6,013
Goodwill impairment losses	222,457	—	—	222,457	—
Share-based compensation	3,666	2,578	5,555	23,317	18,020
Acquisition, integration, and other costs ⁽¹⁰⁾	10,078	24,124	3,017	23,870	40,740
Legal settlement accrual changes ⁽¹¹⁾	—	—	—	—	21,000
Adjusted EBITDA ⁽³⁾	\$ 75,123	\$ 104,004	\$ 73,874	\$ 340,750	\$ 579,116
Selling, general and administrative (“SG&A”) expenses	\$ 158,922	\$ 185,463	\$ 149,681	\$ 632,489	\$ 756,238
SG&A margin ⁽¹²⁾	21.6 %	22.7 %	21.8 %	21.2 %	20.0 %
Share-based compensation	3,666	2,578	5,555	23,317	18,020
Acquisition, integration, and other costs ⁽¹⁰⁾	10,078	24,124	3,017	23,870	40,740
Legal settlement accrual changes ⁽¹¹⁾	—	—	—	—	21,000
Adjusted SG&A expenses ⁽¹³⁾	\$ 145,178	\$ 158,761	\$ 141,109	\$ 585,302	\$ 676,478
Adjusted SG&A margin ⁽¹⁴⁾	19.8 %	19.4 %	20.5 %	19.6 %	17.9 %

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	Three Months Ended			Twelve Months Ended	
	December 31,		Sept 30,	December 31,	
	2024	2023	2024	2024	2023
Net income (loss)	\$ (187,533)	\$ 12,489	\$ 6,989	\$ (146,979)	\$ 210,679
Adjustments:					
Amortization of intangible assets	21,036	23,416	22,104	92,770	89,756
Acquisition, integration, and other costs ⁽¹⁰⁾	10,078	24,124	3,017	23,870	40,740
Goodwill impairment losses	222,457	—	—	222,457	—
Legal settlement accrual changes ⁽¹¹⁾	—	—	—	—	21,000
Fair value changes of equity investments and instruments ⁽⁷⁾	9,730	6,701	—	9,730	6,701
Cumulative effect of change in accounting principle ⁽¹⁵⁾	—	—	—	—	2,974
Tax effect of above adjustments	(47,100)	(14,103)	(6,532)	(69,337)	(41,905)
Tax effect of COLI fair value changes ⁽¹⁶⁾	(290)	(3,446)	(2,530)	(6,464)	(5,770)
Tax deficiencies (benefits) related to equity awards and ESPP ⁽¹⁷⁾	465	1,174	206	610	(1,172)
Adjusted net income ⁽¹⁸⁾	<u>\$ 28,843</u>	<u>\$ 50,355</u>	<u>\$ 23,254</u>	<u>\$ 126,657</u>	<u>\$ 323,003</u>
GAAP diluted net income (loss) per share (EPS)	\$ (4.90)	\$ 0.33	\$ 0.18	\$ (3.85)	\$ 5.36
Adjustments	5.65	0.99	0.43	7.16	2.85
Adjusted diluted EPS ⁽¹⁹⁾⁽²⁰⁾	<u>\$ 0.75</u>	<u>\$ 1.32</u>	<u>\$ 0.61</u>	<u>\$ 3.31</u>	<u>\$ 8.21</u>

Reconciliation of Non-GAAP Items (Unaudited)

- (1) **Segment operating income** represents net income (loss) 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, legal settlement accrual changes, share-based compensation and goodwill impairment losses.
- (2) **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 and legal settlement accrual changes.
- (3) **Adjusted EBITDA** represents net income (loss) 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, certain legal expenses, share-based compensation and goodwill impairment losses. 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 (loss) from operations or net income (loss) 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 consolidated statements of comprehensive income (loss), and management therefore utilizes adjusted EBITDA as an operating performance measure in conjunction with GAAP measures such as net income (loss).
- (4) **Adjusted EBITDA margin** represents adjusted EBITDA divided by revenue.
- (5) **Segment operating margin** represents segment operating income divided by revenue.
- (6) **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 Company's credit agreement) for the twelve-month period ended at the end of the subject period.
- (7) Changes in the fair value of equity investments and instruments are recognized in interest expense, net, and other. Since the changes in fair value are unrelated to the Company's operating performance, we exclude the impact from the calculations of adjusted net income and adjusted diluted EPS.
- (8) **Operating margin** represents income (loss) from operations divided by revenue.
- (9) A portion of depreciation expense for AMN Language Services is included in cost of revenue. We exclude the impact of depreciation included in cost of revenue from the calculation of adjusted EBITDA.

Reconciliation of Non-GAAP Items (Unaudited)

(10) **Acquisition, integration, and other costs** include acquisition and integration costs, net changes in the fair value of contingent consideration liabilities for recently acquired companies, certain legal expenses, restructuring expenses and other costs associated with exit or disposal activities, and certain nonrecurring expenses, which we exclude from the calculation of adjusted EBITDA, adjusted net income, and adjusted diluted EPS because we believe that these expenses are not indicative of the Company's operating performance. For the three and twelve months ended December 31, 2024, acquisition and integration costs were approximately \$0.4 million and \$2.2 million, respectively, expenses related to the closures of certain office leases were approximately \$0.5 million and \$2.3 million, respectively, restructuring expenses and other costs associated with exit or disposal activities were approximately \$0.4 million and \$6.7 million, respectively, and other expenses were approximately \$8.8 million and \$14.1 million, respectively. Included in other expenses was an immaterial out-of-period adjustment of \$7.3 million related to a revenue-based state tax audit. Certain legal expenses were approximately \$1.0 million for the twelve months ended December 31, 2024. Additionally, the aforementioned costs for the twelve months ended December 31, 2024 were partially offset by an immaterial out-of-period adjustment of \$2.4 million related to acquisition-related costs incurred in connection with the acquisition of MSDR. For the three and twelve months ended December 31, 2023, acquisition and integration costs were approximately \$10.4 million and \$13.7 million, respectively, expenses related to the closures of certain office leases were approximately \$1.1 million and \$4.8 million, respectively, certain legal expenses were approximately \$(0.1) million and \$2.1 million, respectively, restructuring expenses and other costs associated with exit or disposal activities were approximately \$10.2 million and \$13.9 million, respectively, and other expenses were approximately \$2.5 million and \$3.7 million, respectively. Additionally, acquisition, integration, and other costs for the twelve months ended December 31, 2023 included increases in contingent consideration liabilities for recently acquired companies of approximately \$2.4 million.

(11) During the year ended December 31, 2023, the Company recorded an increase to its legal accrual for a wage and hour claim in connection with reaching an agreement to settle the matter in its entirety. Since the settlement is largely unrelated to the Company's operating performance for the year ended December 31, 2023, we excluded its impact in the calculations of adjusted EBITDA, adjusted net income, and adjusted diluted EPS.

(12) **SG&A margin** represents selling, general and administrative ("SG&A") expenses divided by revenue.

(13) **Adjusted SG&A expenses** represent SG&A expenses excluding the impact of share-based compensation, acquisition, integration, and other costs and legal settlement accrual changes. 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 SG&A expenses). Although management believes the items in the calculation of adjusted SG&A expenses are not indicative of the Company's operating performance, these items do impact the consolidated statements of comprehensive income (loss), and management therefore utilizes adjusted SG&A expenses as an operating performance measure in conjunction with GAAP measures such as GAAP SG&A expenses.

(14) **Adjusted SG&A margin** represents adjusted SG&A expenses divided by revenue.

(15) As a result of a change in accounting principle on January 1, 2023 related to forfeitures of share-based awards, the Company recognized the cumulative effect of the change in share-based compensation expense during the three months ended March 31, 2023. The cumulative effect of the change in accounting principle is immaterial to prior periods and, therefore, was recognized in the period of the change. Since the cumulative effect is unrelated to the Company's operating performance for the year ended December 31, 2023, we excluded its impact in the calculation of adjusted net income and adjusted diluted EPS.

(16) 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 and adjusted diluted EPS.

Reconciliation of Non-GAAP Items (Unaudited)

(17) The consolidated effective tax rate is affected by the recording of tax benefits and tax deficiencies relating to equity awards vested during the period and tax benefits recognized for disqualifying dispositions related to our employee stock purchase plan (“ESPP”). The magnitude of the impact of tax benefits and tax deficiencies generated in the future related to equity awards and ESPP is dependent upon the Company’s future grants of share-based compensation, the Company’s future stock price on the date awards vest in relation to the fair value of the awards on the grant date, the Company’s future stock price on either the ESPP’s offering date or purchase date, whichever is lower, and the length of time the shares issued under the ESPP are held by employees. Since these tax benefits and tax deficiencies are largely unrelated to our income (loss) before taxes and are unrepresentative of our normal effective tax rate, we excluded their impact in the calculations of adjusted net income and adjusted diluted EPS.

(18) **Adjusted net income** represents GAAP net income (loss) excluding the impact of the (A) amortization of intangible assets, (B) acquisition, integration, and other costs, (C) goodwill impairment losses, (D) certain legal expenses, (E) changes in fair value of equity investments and instruments, (F) deferred financing related costs, (G) tax effect, if any, of the foregoing adjustments, (H) tax benefits and tax deficiencies relating to equity awards vested and ESPP, (I) 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 (J) 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 consolidated statements of comprehensive income (loss), and management therefore utilizes adjusted net income as an operating performance measure in conjunction with GAAP measures such as GAAP net income (loss).

(19) **Adjusted diluted EPS** represents adjusted net income divided by diluted weighted average common shares outstanding. 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 consolidated statements of comprehensive income (loss), and management therefore utilizes adjusted diluted EPS as an operating performance measure in conjunction with GAAP measures such as GAAP diluted EPS.

(20) As GAAP net loss is reported for the three and twelve months ended December 31, 2024, basic weighted average common shares outstanding was used to calculate GAAP diluted EPS for both periods because the dilutive potential common shares have an anti-dilutive effect (i.e., result in a lower loss per share). As adjusted net income is reported for the three and twelve months ended December 31, 2024, diluted weighted average common shares outstanding (including dilutive potential common shares) of 38,329 and 38,273, respectively, were used to calculate adjusted diluted EPS.

Reconciliation of Guidance Operating Margin to Guidance Adjusted EBITDA Margin

	Three Months Ending	
	March 31, 2025	
	Low⁽¹⁾	High⁽¹⁾
Operating margin	(0.3)%	0.4%
Depreciation and amortization (total)	6.2%	6.0%
EBITDA margin	5.9%	6.4%
Share-based compensation	1.4%	1.4%
Acquisition, integration, and other costs	0.4%	0.4%
Adjusted EBITDA margin	<u>7.7%</u>	<u>8.2%</u>

(1) Guidance percentage metrics are approximate.