

# Investor Presentation

February 2026

---



THE LEADER AND INNOVATOR IN TOTAL TALENT SOLUTIONS



# 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, and (4) Free Cash Flow (which means cash flow from operations less capital expenditures) referenced throughout the presentation. Management believes that the items excluded from Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin, and Free Cash Flow are significant components in understanding and assessing operating performance. Therefore, Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin, and Free Cash Flow 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, and Free Cash Flow are not measurements determined in accordance with GAAP and are thus susceptible to varying calculations, the Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA Margin, and Free Cash Flow 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>. Due to the forward-looking nature of certain measures included herein, the charges excluded from the forward-looking Non-GAAP financial measures, including with respect to depreciation, amortization, share based compensation, and acquisition, integration and other costs that would be required to reconcile the Non-GAAP financial measures to GAAP measures are inherently uncertain or difficult to predict, so it is not feasible to provide accurate forecasted Non-GAAP reconciliations without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included, and no reconciliation of the forward-looking Non-GAAP financial measures is included.

# 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, future demand for our services and demand within the healthcare industry, duration and severity of labor shortages, 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, our ability to effectively incorporate acquisitions into our business operations, our ability to automate tasks and reduce costs, our working capital needs 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, 2025, (ii) its subsequent periodic reports, current reports, and other SEC filings, and (iii) the cautionary statements included in the Company’s most recent earnings release issued on February 19, 2026, including our financial condition and our results of operations, future demand for staffing and other services, our ability to attract new clients and the opportunities ahead for AMN, the intensity, impact and duration of workforce shortages, our ability to anticipate and quickly respond to changing marketplace conditions, such as alternative modes of healthcare delivery, reimbursement, or client needs, our ability to implement our strategic plan and advancement in our technology platform and processes, our projected capital expenditures, and our ability to manage the pricing impact that the labor market 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.

# Investment Highlights



**We Innovate to Solve Problems in the Healthcare Labor Force**  
 Technology-Enabled Solutions Provide Flexibility for Professionals and Their Employers



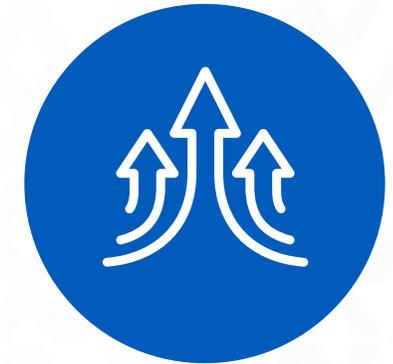
**Sustainable Long-Term Macro Growth Drivers**  
 Aging U.S. and Clinical Population Driving Higher Demand for Workforce Solutions



**Purpose-Driven, Value-Based Organization**  
 Celebrating 40 Years, Broad Solutions, High-Quality Leadership with Diverse Experience and Industry Knowledge



Well-Positioned to Generate Long-Term Revenue Growth and Operating Leverage to Deliver **>10% Annual Growth in Adjusted EBITDA**



**Opportunity for Strategic M&A** to Expand Offerings, Grow Share, Increase Margins and Sustain More Resilient Revenues

# AMN Overview: Healthcare Total Talent Solutions

**~\$40B**  
 2026 U.S. Healthcare Staffing Market Size

Based on Staffing Industry Analysts estimates

**2,000+**  
 Clients Supported

**~96K**  
 Healthcare Professional Placements in 2025

Recognized Leader in  
**Technology Innovation**

**\$2.7B**  
 FY'25 Revenue

Strategic partner to healthcare providers offering a market-leading spectrum of staffing and workforce solutions

Career partner for professionals across the care spectrum

## Nurse & Allied Solutions

**WORKFORCE STAFFING**  
 Travel Nursing  
 Allied Specialties  
 International Nurse  
 Local/Per Diem Staffing  
 Labor Disruption  
 School Staffing  
 Revenue Cycle Solutions

**VIRTUAL CARE**  
 Televate

Revenue Mix: 60%  
 Segment Operating Margin: 8%

## Physician & Leadership Solutions

**WORKFORCE STAFFING**  
 Locum Tenens  
 Interim Leadership

**LEADERSHIP SEARCH**  
 Executive Search  
 Clinical Leadership

**PHYSICIAN SEARCH**  
 Retained Search for Physicians and AP

Revenue Mix: 26%  
 Segment Operating Margin: 8%

## Technology & Workforce Solutions

**TALENT MANAGEMENT**  
 Vendor Management System  
 Recruitment Solutions  
 Float Pool Management  
 Analytics & Assessment

**VIRTUAL CARE**  
 Language Services

Revenue Mix: 14%  
 Segment Operating Margin: 33%

# Strategic Growth Pillars



## Expand Share Across the Broader Market

- Serve clients across all delivery models (supplier-led, vendor neutral, direct)
- Cross-sell our portfolio of solutions into our client base
- Accelerate growth in faster growing markets and care settings (post-acute, imaging, PT, schools, etc.)



## Accelerate Growth as Industry Demand Increases

- Gain incremental share from improved speed to fill and fulfillment initiatives
- Benefit from demand increases across our broader market footprint
- Drive scale benefit from our tech-enabled global workforce



## Drive Earnings Growth with Operating Leverage

- Continue automation of tasks and process redesign to lower costs, improve speed and leverage talent
- Grow higher-margin service lines to improve operating leverage
- Grow revenue 2x operating expenses, leading to double-digit long-term earnings growth

# Factors That Enable Our Growth Model

## Macro Factors



Aging patient and clinician populations driving demand faster than supply

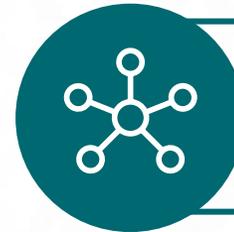


Growing supply of clinicians who prefer/demand flexible work models

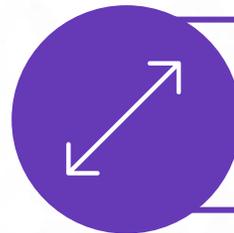


Increasing specialization and creation of tech-intensive caregiving roles

## AMN Factors



Breadth of solutions increases market potential and operating leverage



Outsized growth opportunity in previously under-penetrated markets and service models



Productivity-enhancing technology enables high quality, lower cost services

# Long-term Secular Trends Drive Healthcare Labor Demand

## U.S. Population Aged 65+

**61M** (2024) | **78M** (2035E)

### Aging Population

More Hospital Days

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

**50%** RNs and physicians are 50+

**33%** physicians will be 65+ by 2030

## Labor Demand and Supply\*\*

**~4.5 Million Global Shortage** of nurses is expected by 2030

**~86,000 Shortage** of U.S. physicians by 2036

**~900,000 RNs** could leave the workforce by the end of 2027

**~ 24% Voluntary Turnover** in 2025 – still ranks among highest on record

## Annual Growth in Healthcare Spend

**5.8%** (2024-33E)

### Healthcare Spend\*\*

Projected to average **+5.8% per year** for 2024-33

Medicare spending is projected to reach **+7.4% per year**

## Large Patient Population and Shift to Outsourcing and Remote Drive Language Services Demand

**28 Million Limited English Proficiency** and **11.5 Million Deaf/Hard of Hearing Population** in the US as of 2025, with an increasing percentage who have health insurance coverage

**Use of Outsourced Interpretation is Rising** due to demonstrated higher quality care and time savings, along with improved regulatory compliance

**Healthcare Providers Value Technology** in video interpretation and integration with telehealth, as language barriers are among the leading causes of disparities in quality of care

\*\*Sources: U.S. Census, Population Surveys; National Health Expenditure Projections - 6/24; "The Complexities of Physician Supply and Demand," AAMC, 3/24; "Examining the Impact of the COVID-19 Pandemic on Burnout & Stress Among U.S. Nurses", NCSBN, April 2023; "Nursing and midwifery", WHO 5/24; Job Openings and Labor Turnover Survey, Dec. 2025; Occupational Employment and Wage Statistics, May 2025

# Industry Positioned to Return to Growth

**2000-19: Healthcare staffing industry revenue grew at a CAGR of 5%**

- 7% excluding per diem nurse staffing

**2019-22: Industry revenue nearly tripled**

- Travel nurse revenue up ~415%

**2022-25: Industry revenue down 45%**

- Travel nurse revenue fell nearly 70%

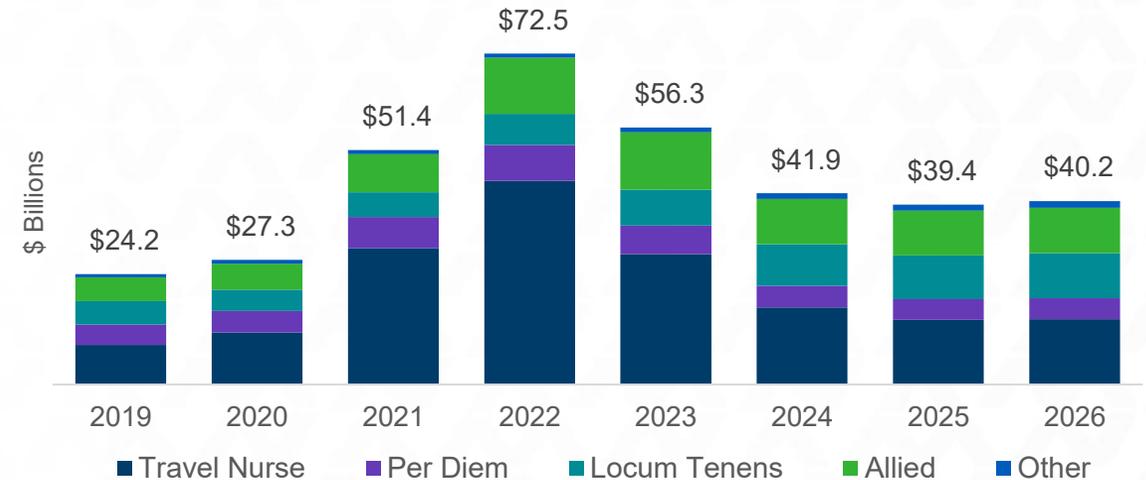
**Looking at 2026 Year over Year Growth:**

- SIA projects 1% revenue growth in travel nurse and allied and 4% for locum tenens
- Recovery for interim leadership and contingent search
- Growth rebound in international nurse post-retrogression

**Travel nurse premium trended down through 2025, falling below the pre-pandemic range**

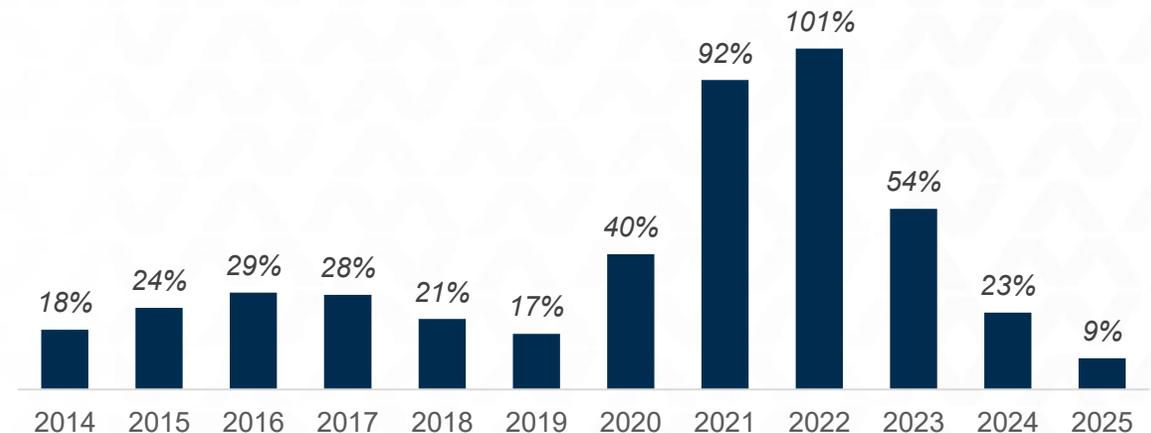
- Bill rates have been stable over the last four quarters

**US Healthcare Staffing Industry Forecast**



Source: SIA US Staffing Industry Forecast - September 2025

**Travel Nurse Bill Rate Variance vs. Hospital RN Compensation**



Sources: Employer Costs for Employee Compensation, US Census Bureau and Bureau of Labor Statistics, and AMN Healthcare historical bill rate data

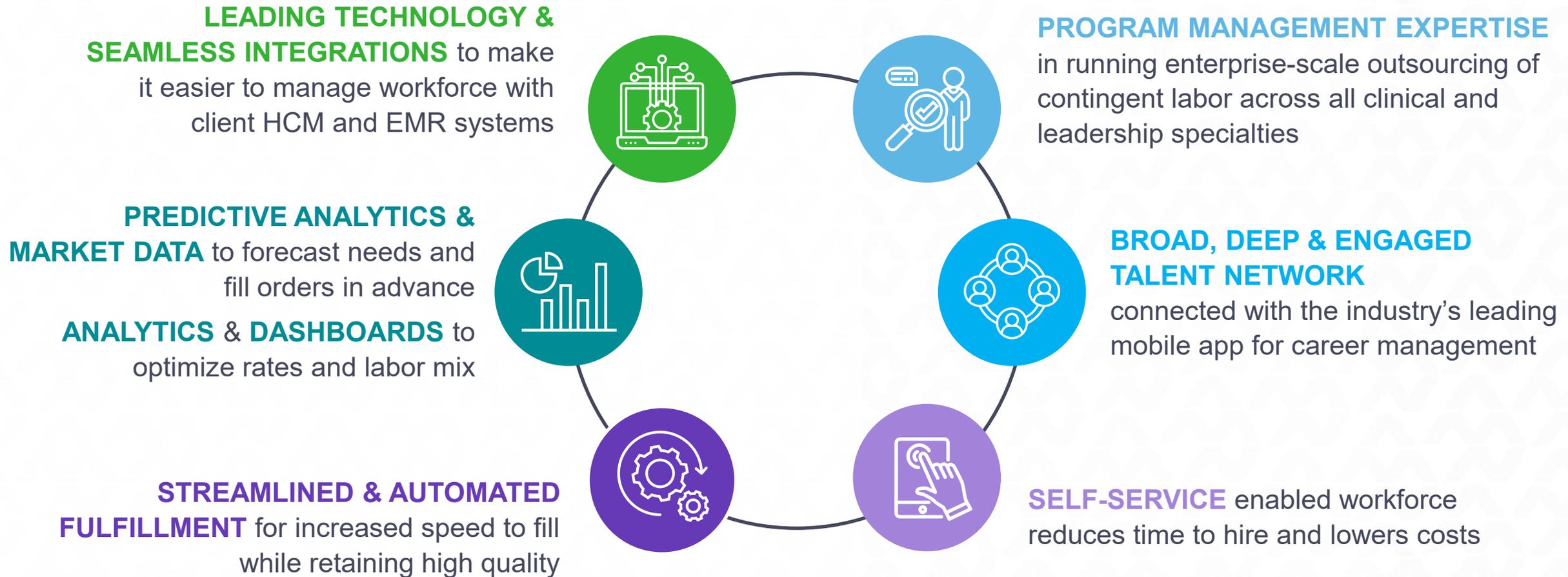
# AMN: A History of Evolving to Meet Changing Needs



## AMN's Response



# Value Proposition: Solving Healthcare Workforce Problems



# Our Enabling Technology Is Differentiated

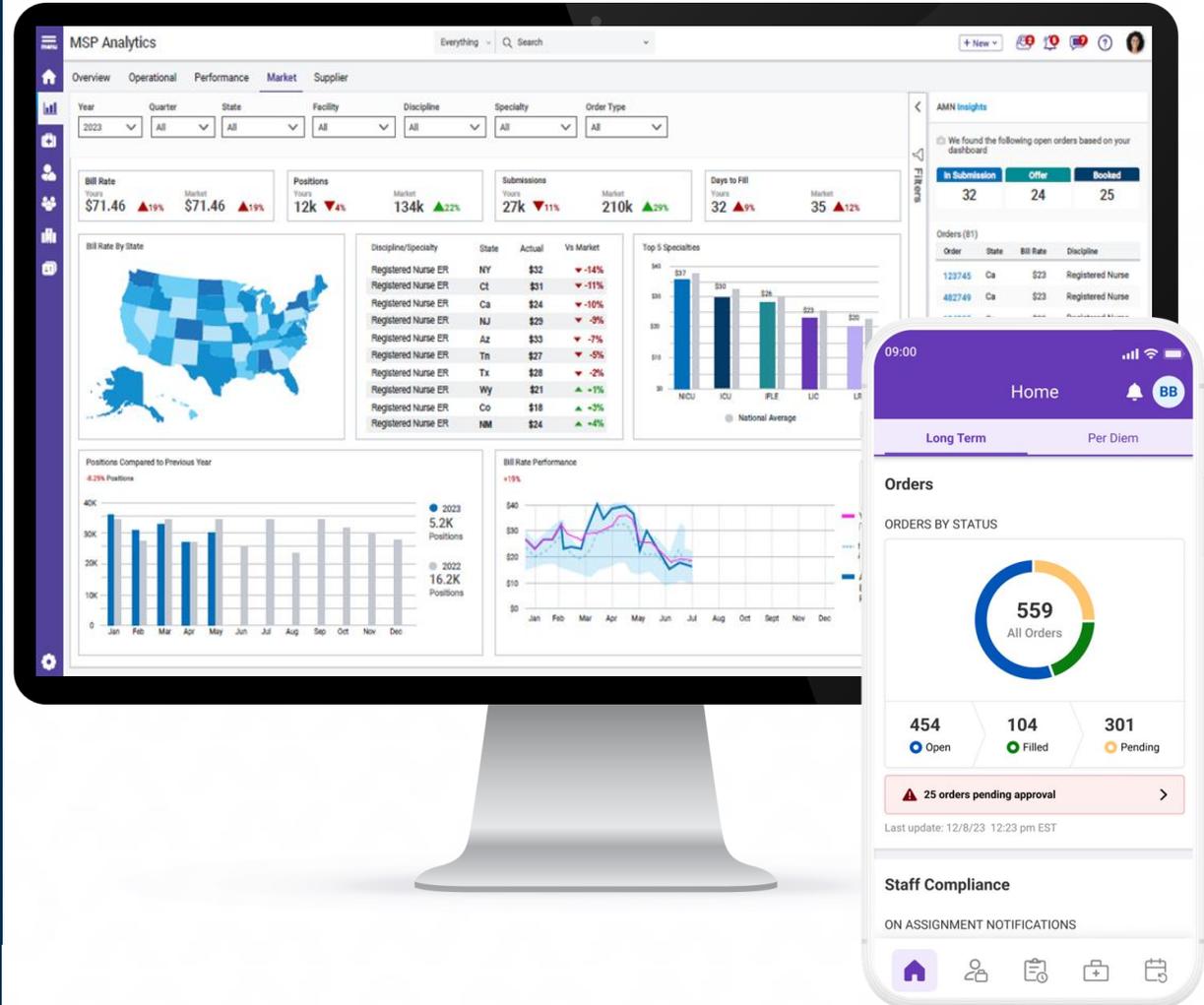
**AMN Has the Industry's Freshest Tech Stack**

We adopted innovative technology to speed business processes, integrate our vast data resources to power knowledge-rich solutions, and provide the world-class data security that our stakeholders deserve



*We Continue to Expand Our Solutions into More Stages of Talent Lifecycle*

# Our Leading Client VMS Solution: ShiftWise Flex



- ✓ Managing all clinical and non-clinical roles along with all assignment lengths, float pools, internal agency, permanent positions and SOW
- ✓ **Artificial Intelligence Pillars**
  - Candidate Scoring
  - Job Descriptions
  - Supplier Scoring & Management
  - Predictive Analytics
- ✓ Advanced Analytics for contingent spend, supplier performance, and market insights
- ✓ Submission Workflow
- ✓ Compliance Automation
- ✓ Time and Invoice
- ✓ Spend Management

**53k**  
Submissions/month  
2025 Avg.

**1,200+**  
Supplier Network

**86%**  
2025 Order Fill Rate

# Innovation in Action: AMN Passport



**MOBILE APP THAT SUPPORTS NURSING, ALLIED, AND LOCUMS NEEDS ACROSS TRAVEL, PERM AND PER DIEM OPPORTUNITIES**

**AI DRIVE**

Utilizes AI to process secure documents and match clinicians to jobs based on work history and personal preferences

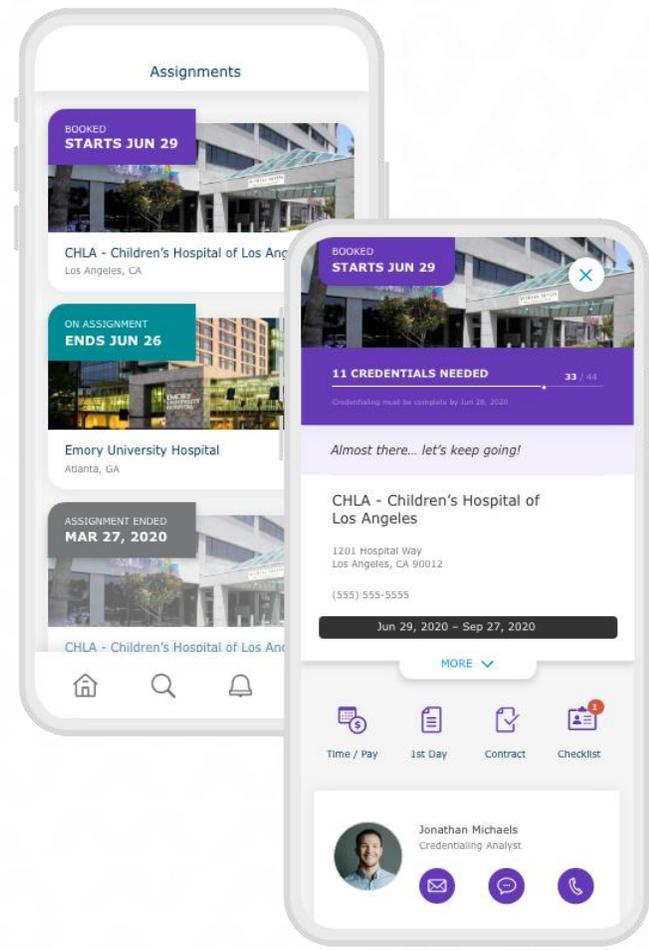



**SELF SERVICE**

Simplify staffing and administration with self-service workflows, mobile scheduling, and time & expense management

**WORKWISE INTEGRATION**

Seamless data flow with VMS and ATS to accelerate placements

**48k** Monthly Active Users

**340k** Registered Users

“ **2025** Modern Healthcare **TOP Innovators** ”

# Our Signs of Stabilization and Potential for Growth

## Nurse & Allied Solutions



Nurse/Allied Q425 sequential growth of 5%

- Best Q4 seq. volume growth since 2021
- Winter orders up 16% YoY

Bill rates trending modestly higher as clients seek better fill rates

Expecting 15-20% YoY growth in 2026 for International Nurse

Potential for Nurse and Allied gross margin to improve from Q4'25 level

Doubled our vendor-neutral direct fill rate YoY in 2025, with more opportunity to expand

## Physician & Leadership Solutions



Revenue growth rebound in Locum Tenens MSP

Demand improving for Interim Leadership and Search after multi-year decline

Demand trend sets up for sequential revenue growth in these high-margin solutions

## Client Relationships



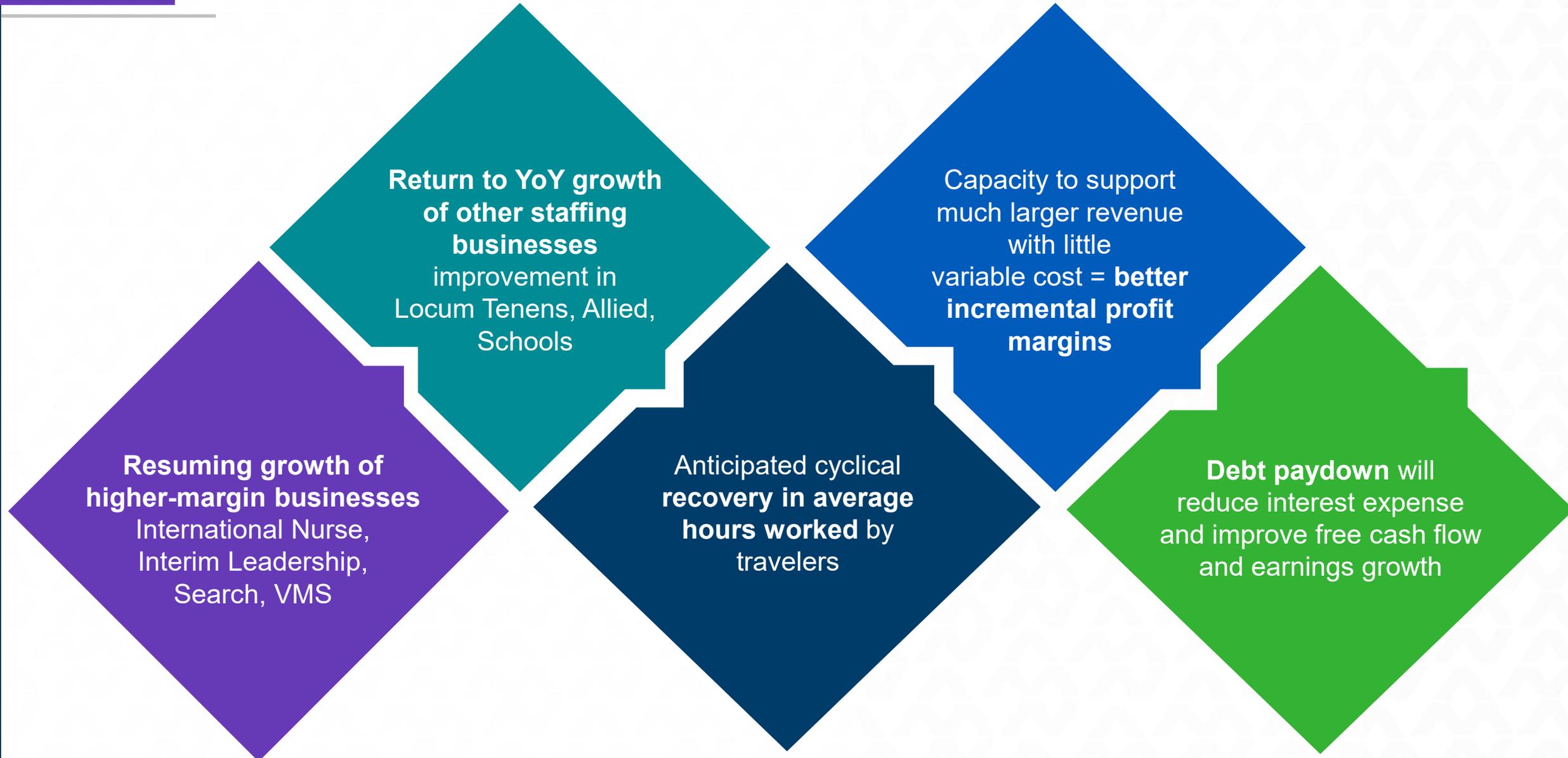
Upswell in RFP pipeline with improved demand for MSPs

Sharp improvement in enterprise client satisfaction scores

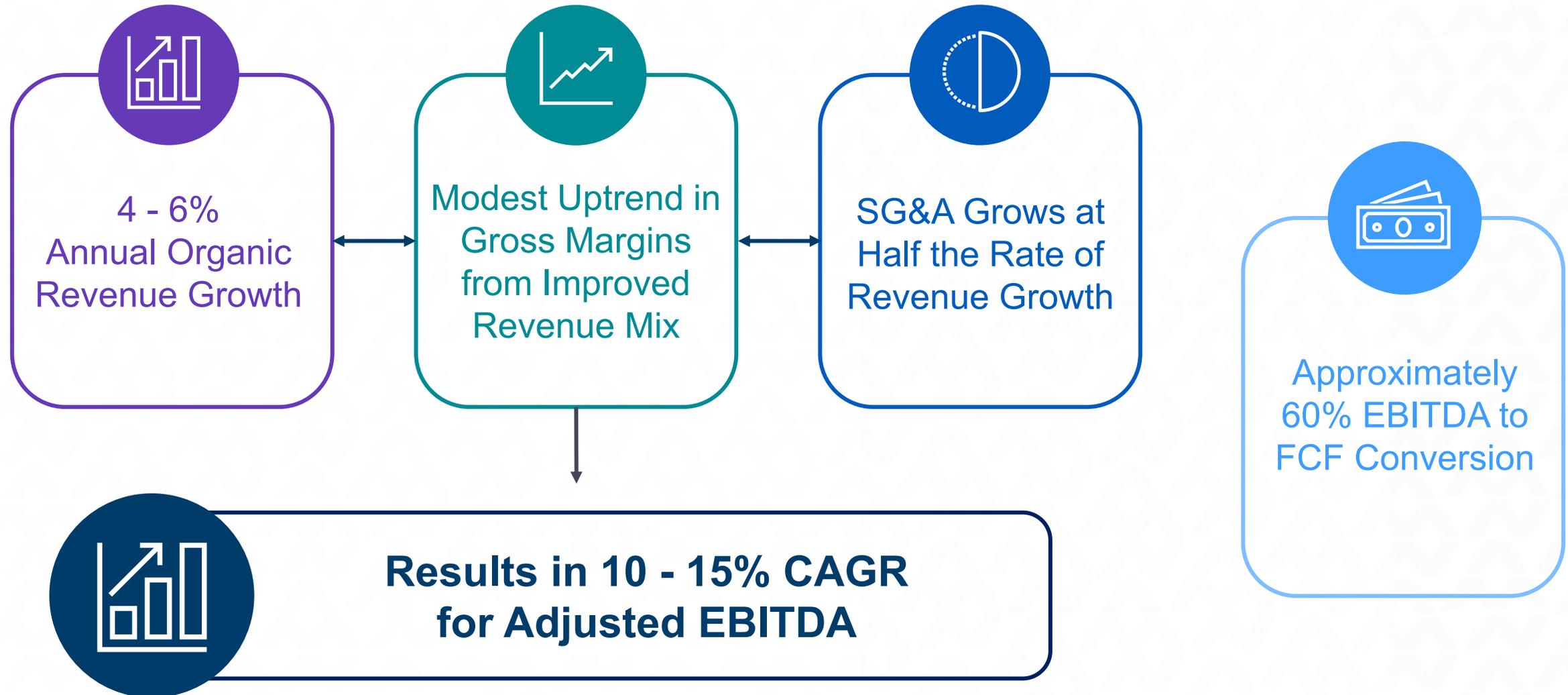
Healthcare facilities slowed aggressive pace of permanent hiring, seeking greater labor cost flexibility

More clients prioritizing higher order fill rates to address continued growth in patient volumes

# Leverage Points Moving Forward



# After 2026, Our Growth Model



# Next Chapter in Our Industry & Our Positioning



Healthcare staffing market is turning from a focus on restrained demand to concerns about sustainable labor supply



AMN has the brand strength, breadth and depth of expertise, and transparency that healthcare organizations need now in a partner



AI-empowerment reaches into every step from workforce planning to recruiting, credentialing, onboarding and career guidance



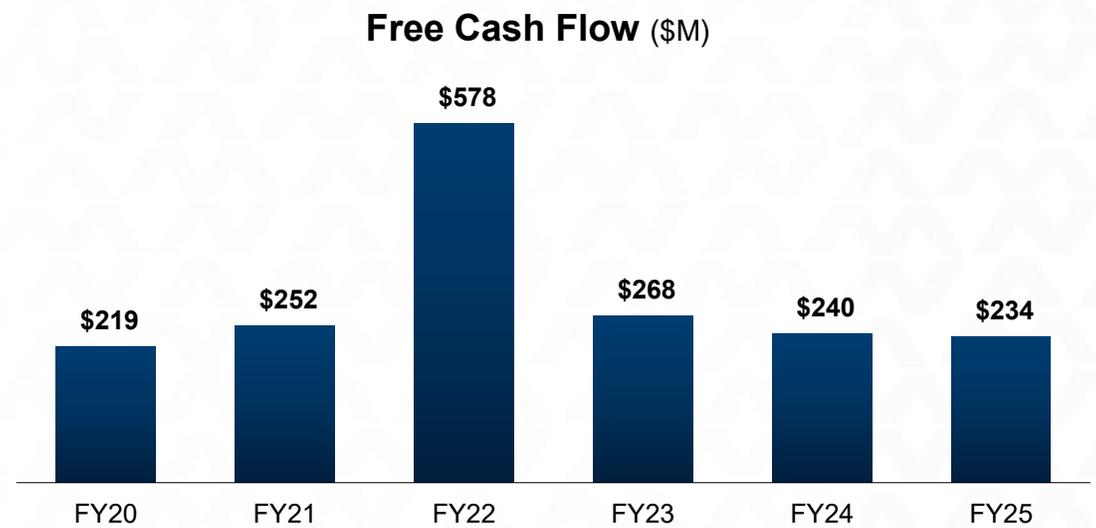
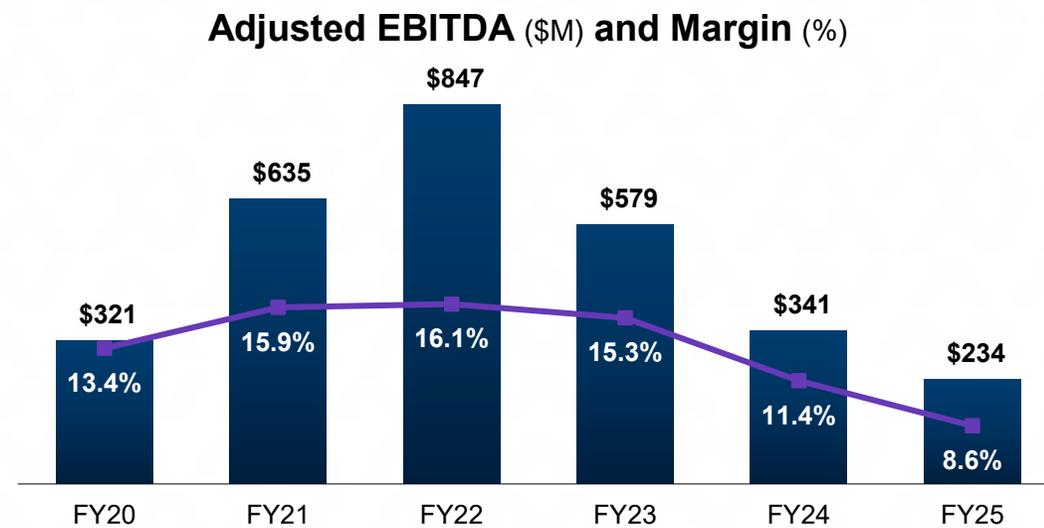
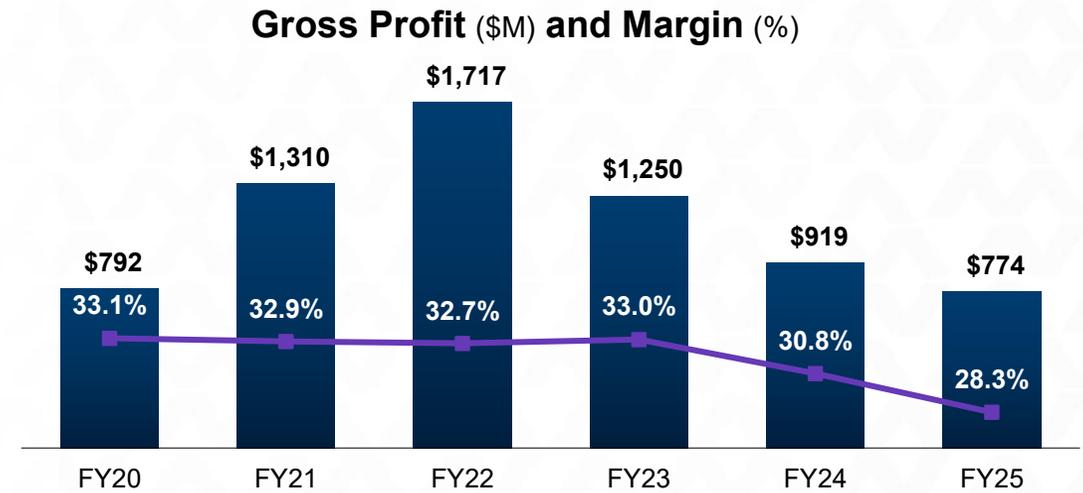
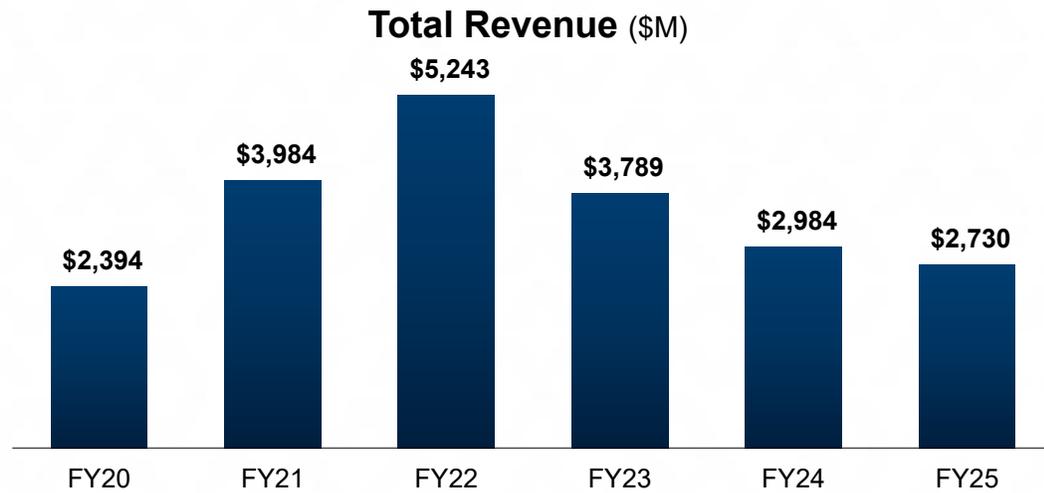
Need for scale, breadth and depth will force industry consolidation, and AMN will participate

# Appendix

---

---

# AMN Historical Financial Summary



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

# Balance Sheet Highlights

## Summary Balance Sheet (\$M, 12/31/25)

Cash and Cash Equivalents	\$ 34
Total Current Assets	\$ 545
Total Assets	\$ 2,094
Total Current Liabilities	\$ 578
Total Debt	\$ 775
Total Equity	\$ 642

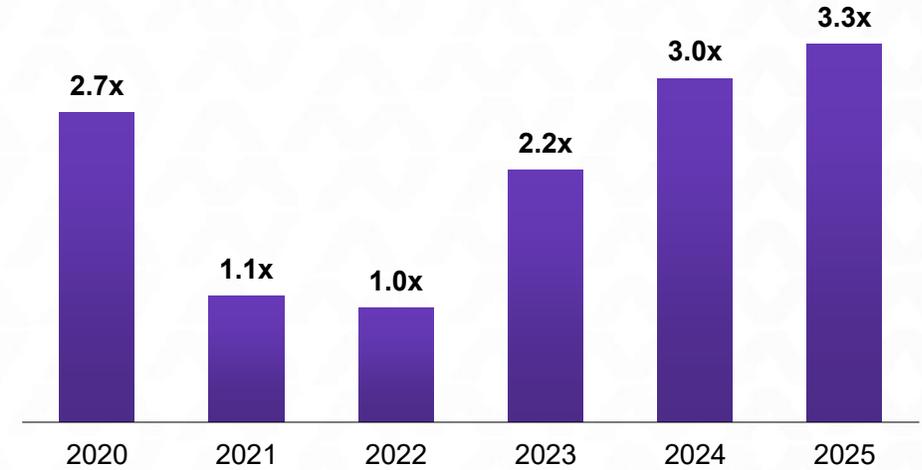
(\$M, 12/31/25)

Cash and Cash Equivalents	\$ 34
Available Credit <sup>2</sup>	\$ 405
Total Available Liquidity	\$ 439

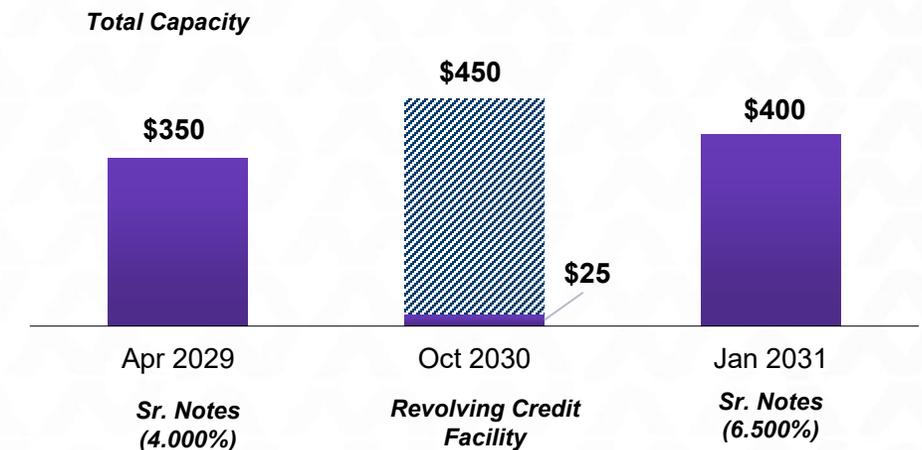
<sup>1</sup> Leverage ratio represents the ratio of the consolidated funded indebtedness (as calculated per the Company's credit agreement) at the end of the subject period to the consolidated adjusted EBITDA (as calculated per the Company's credit agreement) for the 12-month period ended at the end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

<sup>2</sup> Available credit is net of \$20.2 million used as collateral for letters of credit

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



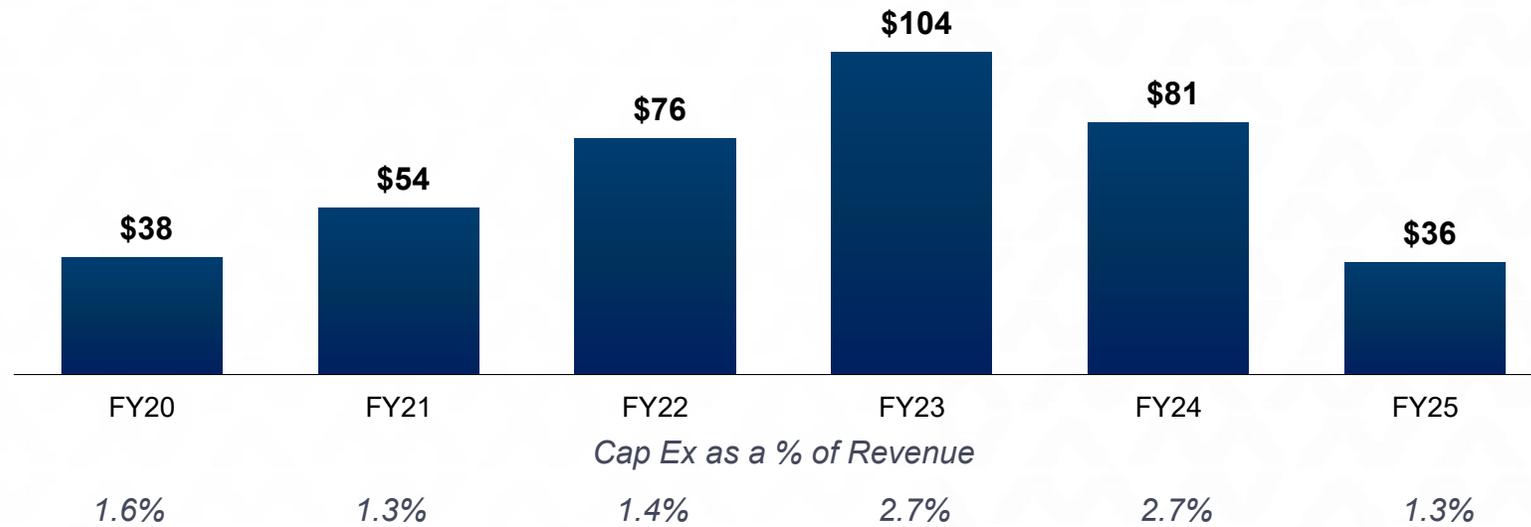
## Debt Maturity Schedule (\$M)



Total Leverage Ratio Objective Is Range Of 2-2.5x

# Capital Expenditure Breakdown

Capital Expenditure Spend (\$M)



## Recent Capex Investments

- Nurse & Allied Technology Enhancements - ATS, ERP, and AMN Passport
- Language Services devices and technology
- VMS technology – ShiftWise Flex
- Data analytics platform
- Business process automation

## Capex Priorities Moving Forward

- Continue enhancing our Client and Clinician technology
- AI Enablement Across our Platforms and Operations
- Consolidate service lines onto our core platforms
- Enhance data sets, reporting and analytics capabilities
- Further integration with client HCM and EMR systems

# Reconciliation of Non-GAAP Items (Unaudited)

(Dollars in thousands)	For the Years Ended December 31,					
	2020	2021	2022	2023	2024	2025
Net income (loss)	\$ 70,665	\$ 327,388	\$ 444,050	\$ 210,679	\$ (146,979)	\$ (95,702)
Income tax expense (benefit)	20,858	116,533	162,653	73,610	(25,595)	(5,361)
Income (loss) before income taxes	91,523	443,921	606,703	284,289	(172,574)	(101,063)
Interest expense, net, and other <sup>(1)</sup>	57,742	34,077	40,398	54,140	69,901	45,591
Income (loss) from operations	149,265	477,998	647,101	338,429	(102,673)	(55,472)
Depreciation and amortization	92,766	101,152	133,007	154,914	167,103	147,869
Depreciation (included in cost of revenue) <sup>(2)</sup>	1,421	2,545	4,104	6,013	6,676	8,731
Gain on sale of disposal group	—	—	—	—	—	(39,138)
Goodwill impairment losses	—	—	—	—	222,457	109,515
Long-lived assets impairment loss	—	—	—	—	—	18,262
Share-based compensation	20,465	25,217	30,066	18,020	23,317	30,683
Acquisition, integration, and other costs <sup>(3)</sup>	56,756	28,514	32,409	40,740	23,870	14,028
Legal settlement accrual changes <sup>(4)</sup>	—	—	—	21,000	—	—
Adjusted EBITDA <sup>(5)</sup>	<u>\$ 320,673</u>	<u>\$ 635,426</u>	<u>\$ 846,687</u>	<u>\$ 579,116</u>	<u>\$ 340,750</u>	<u>\$ 234,478</u>
Revenue	\$ 2,393,714	\$ 3,984,235	\$ 5,243,242	\$ 3,789,254	\$ 2,983,781	\$ 2,730,429
Gross profit	\$ 791,778	\$ 1,309,601	\$ 1,716,684	\$ 1,249,581	\$ 919,376	\$ 774,058
Gross margin	33.1 %	32.9 %	32.7 %	33.0 %	30.8 %	28.3 %
Net income (loss)	\$ 70,665	\$ 327,388	\$ 444,050	\$ 210,679	\$ (146,979)	\$ (95,702)
Net income (loss) as a % of revenue	3.0 %	8.2 %	8.5 %	5.6 %	(4.9)%	(3.5)%
Adjusted EBITDA <sup>(5)</sup>	\$ 320,673	\$ 635,426	\$ 846,687	\$ 579,116	\$ 340,750	\$ 234,478
Adjusted EBITDA margin <sup>(6)</sup>	13.4 %	15.9 %	16.1 %	15.3 %	11.4 %	8.6 %

# Reconciliation of Non-GAAP Items (Unaudited)

(Dollars in thousands)	<u>For the Year Ended Dec 31,</u>	
	<u>2025</u>	
Revenue		
Nurse and allied solutions	\$	1,647,318
Physician and leadership solutions		696,362
Technology and workforce solutions		386,749
	<u>\$</u>	<u>2,730,429</u>
Segment operating income <sup>(7)</sup>		
Nurse and allied solutions	\$	125,966
Physician and leadership solutions		56,596
Technology and workforce solutions		126,244
		<u>308,806</u>
Unallocated corporate overhead <sup>(8)</sup>		74,328
Adjusted EBITDA <sup>(5)</sup>	\$	234,478
Segment operating margin <sup>(9)</sup>		
Nurse and allied solutions		7.6 %
Physician and leadership solutions		8.1 %
Technology and workforce solutions		32.6 %

# Reconciliation of Non-GAAP Items (Unaudited)

(Dollars in thousands)	For the Years Ended December 31,					
	2020	2021	2022	2023	2024	2025
Net income (loss)	\$ 70,665	\$ 327,388	\$ 444,050	\$ 210,679	\$ (146,979)	\$ (95,702)
Adjustments:						
Amortization of intangible assets	63,817	63,015	83,078	89,756	92,770	78,027
Acquisition, integration, and other costs <sup>(3)</sup>	56,756	28,514	32,409	40,740	23,870	14,028
Gain on sale of disposal group	—	—	—	—	—	(39,138)
Goodwill impairment losses	—	—	—	—	222,457	109,515
Long-lived assets impairment loss	—	—	—	—	—	18,262
Legal settlement accrual changes <sup>(4)</sup>	—	—	—	21,000	—	—
Fair value changes of equity investments and instruments <sup>(1)</sup>	1,891	(6,683)	3,429	6,701	9,730	—
Debt financing related costs	13,286	158	—	—	—	1,156
Cumulative effect of change in accounting principle <sup>(10)</sup>	—	—	—	2,974	—	—
Tax effect of above adjustments	(35,711)	(22,101)	(30,918)	(41,905)	(69,337)	(33,538)
State tax audit reserve <sup>(11)</sup>	—	—	—	—	—	2,889
Tax effect of COLI fair value changes <sup>(12)</sup>	(2,622)	(2,767)	4,665	(5,770)	(6,464)	(6,637)
Tax deficiencies (benefits) related to equity awards and ESPP <sup>(13)</sup>	(2,840)	(1,820)	(2,971)	(1,172)	610	3,642
Restructuring tax benefits <sup>(14)</sup>	(1,615)	—	—	—	—	—
Adjusted net income <sup>(15)</sup>	<u>\$ 163,627</u>	<u>\$ 385,704</u>	<u>\$ 533,742</u>	<u>\$ 323,003</u>	<u>\$ 126,657</u>	<u>\$ 52,504</u>

# Reconciliation of Non-GAAP Items (Unaudited)

(Dollars in thousands)	For the Years Ended December 31,					
	2020	2021	2022	2023	2024	2025
Net cash provided by operating activities	\$ 256,826	\$ 305,356	\$ 653,733	\$ 372,165	\$ 320,418	\$ 269,457
Purchase and development of fixed assets	(37,702)	(53,573)	(75,831)	(103,687)	(80,891)	(35,629)
Free cash flow <sup>(16)</sup>	<u>\$ 219,124</u>	<u>\$ 251,783</u>	<u>\$ 577,902</u>	<u>\$ 268,478</u>	<u>\$ 239,527</u>	<u>\$ 233,828</u>
Revenue	\$ 2,393,714	\$ 3,984,235	\$ 5,243,242	\$ 3,789,254	\$ 2,983,781	\$ 2,730,429
Purchase and development of fixed assets as a % of revenue	1.6%	1.3%	1.4%	2.7%	2.7%	1.3%

# Reconciliation of Non-GAAP Items (Unaudited)

- (1) 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.
- (2) 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.
- (3) **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 year ended December 31, 2025, acquisition and integration costs were approximately \$2.3 million, certain legal expenses were approximately \$5.2 million, expenses related to the closures of certain office leases were approximately \$0.7 million, restructuring expenses and other costs associated with exit or disposal activities were approximately \$3.2 million, and other expenses were approximately \$2.7 million. For the year ended December 31, 2024, acquisition and integration costs were approximately \$2.2 million, expenses related to the closures of certain office leases were approximately \$2.3 million, restructuring expenses and other costs associated with exit or disposal activities were approximately \$6.7 million, and other expenses were approximately \$14.1 million. 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 year 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.
- (4) 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, we excluded its impact in the calculations of adjusted EBITDA and adjusted net income.
- (5) **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), gain on sale of disposal group, acquisition, integration, and other costs, restructuring expenses, certain legal expenses, share-based compensation, goodwill impairment losses and long-lived assets impairment loss. 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).
- (6) **Adjusted EBITDA margin** represents adjusted EBITDA divided by revenue.
- (7) **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, goodwill impairment losses, long-lived assets impairment loss and gain on sale of disposal group.

# Reconciliation of Non-GAAP Items (Unaudited)

- (8) **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.
- (9) **Segment operating margin** represents segment operating income divided by revenue.
- (10) 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 year ended December 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 calculations of adjusted net income and adjusted diluted EPS.
- (11) The Company recorded a reserve related to a state tax audit during the year ended December 31, 2025. Since this reserve is largely unrelated to our income (loss) before taxes and is unrepresentative of our normal effective tax rate, we excluded its impact in the calculation of adjusted net income and adjusted diluted EPS.
- (12) 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.
- (13) 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.
- (14) 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.
- (15) **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) gain on sale of disposal group, (D) goodwill impairment losses, (E) long-lived assets impairment loss, (F) certain legal expenses, (G) changes in fair value of equity investments and instruments, (H) deferred financing related costs, (I) tax effect, if any, of the foregoing adjustments, (J) state tax audit reserve, (K) tax benefits and tax deficiencies relating to equity awards vested and ESPP, (L) 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 (M) 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).
- (16) **Free cash flow** represents cash flow from operations less capital expenditures.