Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Three Months Ended March 31, 2024	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenue					
Nurse and allied solutions	$ 442,399	$ 689,015	$ 519,297	$ 961,696	$ 1,513,495
Physician and leadership solutions	186,065	176,229	188,797	374,862	341,986
Technology and workforce solutions	112,221	126,055	112,784	225,005	262,041
	$ 740,685	$ 991,299	$ 820,878	$ 1,561,563	$ 2,117,522
Segment operating income (1)					
Nurse and allied solutions	$ 46,207	$ 102,993	$ 53,342	$ 99,549	$ 216,438
Physician and leadership solutions	21,661	26,456	22,222	43,883	51,556
Technology and workforce solutions	47,259	55,623	44,270	91,529	122,633
	115,127	185,072	119,834	234,961	390,627
Unallocated corporate overhead (2)	21,040	23,254	22,168	43,208	49,245
Adjusted EBITDA (3)	$ 94,087	$ 161,818	$ 97,666	$ 191,753	$ 341,382
Adjusted EBITDA margin (4)	12.7 %	16.3 %	11.9 %	12.3 %	16.1 %
Segment operating margin (5)					
Nurse and allied solutions	10.4 %	14.9 %	10.3 %	10.4 %	14.3 %
Physician and leadership solutions	11.6 %	15.0 %	11.8 %	11.7 %	15.1 %
Technology and workforce solutions	42.1 %	44.1 %	39.3 %	40.7 %	46.8 %

	As of June 30, 2024	As of June 30, 2023	As of December 31, 2023
Leverage ratio (6)	2.6	1.5	2.2

Reconciliation of Non-GAAP Items (Unaudited)

	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
(in thousands)	2024	2023	2024	2024	2023
Net income	$ 16,237	$ 60,906	$ 17,328	$ 33,565	$ 145,016
Net income as a % of revenue	2.2 %	6.1 %	2.1 %	2.1 %	6.8 %
Income tax expense	5,730	18,582	5,989	11,719	49,883
Income before income taxes	21,967	79,488	23,317	45,284	194,899
Interest expense, net, and other	15,715	12,175	16,628	32,343	22,434
Income from operations	37,682	91,663	39,945	77,627	217,333
Operating margin (7)	5.1 %	9.2 %	4.9 %	5.0 %	10.3 %
Depreciation and amortization	43,101	36,847	42,719	85,820	74,424
Depreciation (included in cost of revenue) (8)	1,637	1,387	1,798	3,435	2,644
Share-based compensation	6,357	4,818	7,739	14,096	15,136
Acquisition, integration, and other costs (9)	5,310	6,103	5,465	10,775	10,845
Legal settlement accrual changes (10)	—	21,000	—	—	21,000
Adjusted EBITDA (3)	$ 94,087	$ 161,818	$ 97,666	$ 191,753	$ 341,382
Selling, general and administrative ("SG&A") expenses	$ 149,044	$ 201,771	$ 174,842	$ 323,886	$ 407,370
SG&A margin (11)	20.1 %	20.4 %	21.3 %	20.7 %	19.2 %
Share-based compensation	6,357	4,818	7,739	14,096	15,136
Acquisition, integration, and other costs (9)	5,310	6,103	5,465	10,775	10,845
Legal settlement accrual changes (10)	—	21,000	—	—	21,000
Adjusted SG&A expenses (12)	$ 137,377	$ 169,850	$ 161,638	$ 299,015	$ 360,389
Adjusted SG&A margin (13)	18.5 %	17.1 %	19.7 %	19.1 %	17.0 %

Reconciliation of Non-GAAP Items (Unaudited)

	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2024	2023	2024	2024	2023
Net income	$ 16,237	$ 60,906	$ 17,328	$ 33,565	$ 145,016
Adjustments:					
Amortization of intangible assets	24,744	22,120	24,886	49,630	43,777
Acquisition, integration, and other costs [9]	5,310	6,103	5,465	10,775	10,845
Legal settlement accrual changes [10]	—	21,000	—	—	21,000
Cumulative effect of change in accounting principle [14]	—	—	—	—	2,974
Tax effect of above adjustments	(7,814)	(12,798)	(7,891)	(15,705)	(20,435)
Tax effect of COLI fair value changes [15]	(910)	(1,744)	(2,734)	(3,644)	(3,551)
Tax deficiencies (benefits) related to equity awards and ESPP [16]	(235)	(1,798)	174	(61)	(2,480)
Adjusted net income [17]	$ 37,332	$ 93,789	$ 37,228	$ 74,560	$ 197,146
GAAP diluted net income per share (EPS)	$ 0.42	$ 1.55	$ 0.45	$ 0.88	$ 3.58
Adjustments	0.56	0.83	0.52	1.07	1.29
Adjusted diluted EPS [18]	$ 0.98	$ 2.38	$ 0.97	$ 1.95	$ 4.87

AMN Healthcare

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 (benefit), depreciation and amortization, depreciation (included in cost of revenue), unallocated corporate overhead, acquisition, integration, and other costs, legal settlement accrual changes, and share-based compensation.
(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 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, 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) **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 12-month period ended at the end of the subject period.
(7) **Operating margin** represents income from operations divided by revenue.
(8) 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.
(9) **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 six months ended June 30, 2024, acquisition and integration costs were approximately $0.7 million and $1.5 million, respectively, expenses related to the closures of certain office leases were approximately $0.6 million and $1.1 million, respectively, certain legal expenses of approximately $2.1 million and $3.3 million, respectively, restructuring expenses and other costs associated with exit or disposal activities were approximately $2.0 million and $3.0 million, respectively, and other nonrecurring expenses were approximately $2.3 million and $4.3 million, respectively. Additionally, the aforementioned costs for the three and six months ended June 30, 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 six months ended June 30, 2023, acquisition and integration costs were approximately $1.0 million and $2.0 million, respectively, expenses related to the closures of certain office leases were approximately $0.9 million and $2.0 million, respectively, increases in contingent consideration liabilities for recently acquired companies were approximately $2.4 million, restructuring expenses and other costs associated with exit or disposal activities were approximately $1.7 million and $3.5 million, respectively, and other nonrecurring expenses were approximately $0.1 million and $(0.1) million, respectively. Additionally, acquisition, integration, and other costs for the six months ended June 30, 2023 included certain legal expenses of approximately $1.0 million.

Reconciliation of Non-GAAP Items (Unaudited)

(10) During the three months ended June 30, 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, adjusted net income, and adjusted diluted EPS.
(11) **SG&A margin** represents selling, general and administrative ("SG&A") expenses divided by revenue.
(12) **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 statement of comprehensive income, and management therefore utilizes adjusted SG&A expenses as an operating performance measure in conjunction with GAAP measures such as GAAP SG&A expenses.
(13) **Adjusted SG&A margin** represents adjusted SG&A expenses divided by revenue.
(14) 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 current period. Since the cumulative effect is unrelated to the Company's operating performance for the three months ended March 31, 2023, we excluded its impact in the calculation of adjusted net income and adjusted diluted EPS.
(15) 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.
(16) 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 equity 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 related to equity awards and ESPP 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 and adjusted diluted EPS.
(17) **Adjusted net income** represents GAAP net income excluding the impact of the (A) amortization of intangible assets, (B) acquisition, integration, and other costs, (C) certain legal expenses, (D) changes in fair value of equity investments and instruments, (E) deferred financing related costs, (F) cumulative effect of change in accounting principle, (G) tax effect, if any, of the foregoing adjustments, (H) excess 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 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.

Reconciliation of Non-GAAP Items (Unaudited)

(18) **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 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 Operating Margin to Guidance Adjusted EBITDA Margin

	Three Months Ending September 30, 2024	
	Low [1]	High [1]
Operating margin	2.1%	2.9%
Depreciation and amortization (total)	6.6%	6.4%
EBITDA margin	8.7%	9.3%
Share-based compensation	0.9%	0.9%
Acquisition, integration, and other costs	0.9%	0.9%
Adjusted EBITDA margin	10.6%	11.1%

(1) Guidance percentage metrics are approximate.