



# **2015 Q3 INVESTOR PRESENTATION**



NURSE & ALLIED STAFFING  
PHYSICIAN STAFFING  
OTHER HUMAN CAPITAL MANAGEMENT SERVICES

## Forward Looking Statements

This presentation contains forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “appears”, “seeks”, “will” and variations of such words and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2014, and our other Securities and Exchange Commission filings made prior to the date hereof.

Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results and readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s opinions only as of the date of this filing. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors’ likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. The Company undertakes no obligation to update or revise forward-looking statements.

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# Cross Country Healthcare : Capitalizing on Opportunities in Healthcare Staffing



**National and local market presence to meet the dynamic needs of our clients by providing a full suite of workforce solutions**

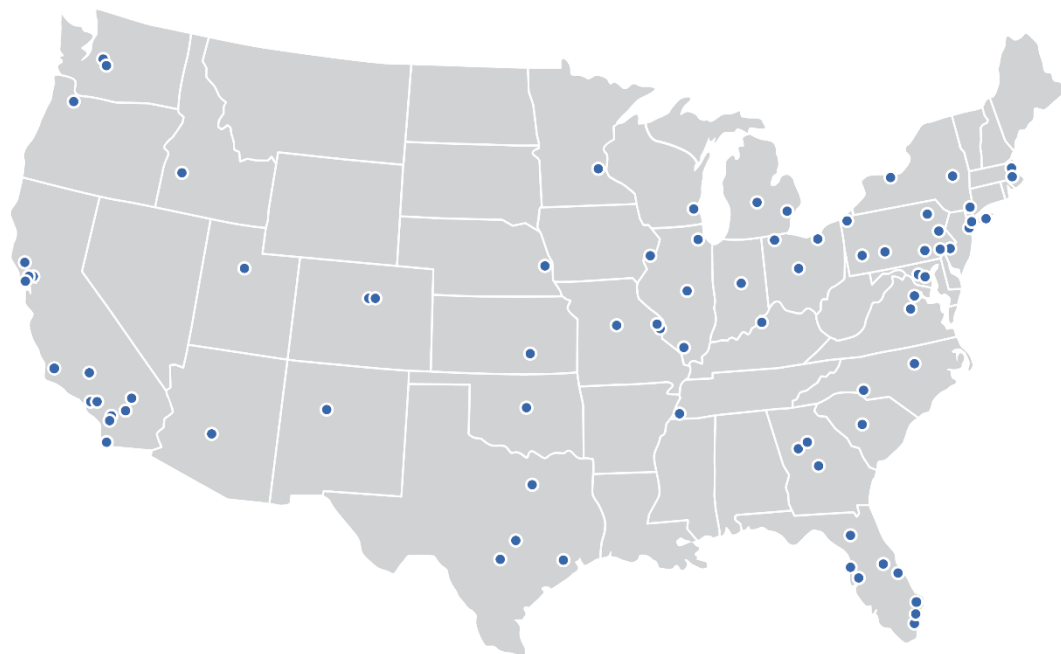
- ✓ **Leader in Healthcare Staffing Solutions**
- ✓ **Compelling Market Opportunity**
- ✓ **Growth Oriented Strategy**
- ✓ **Innovative Solutions**
- ✓ **Strong Value Proposition**



The background of the slide is a 3D rendering of white puzzle pieces. Some pieces are assembled into a grid, while others are scattered and floating in the air, creating a sense of depth and movement.

# ✓ Leader in Healthcare Staffing Solutions

# Leading national provider of healthcare staffing and workforce solutions



- Leading provider of innovative and value-added Workforce Solutions
- Full suite of staffing services
- Largest branch network and local market program
- Over 50 MSP programs serving more than 1,100 facilities
- More than 26,000 HCPs on assignment at more than 4,600 facilities in the last 12 months
- Tenured Leadership

## Our Businesses

### Nurse and Allied Staffing



### Physician Staffing



### Other Human Capital Management



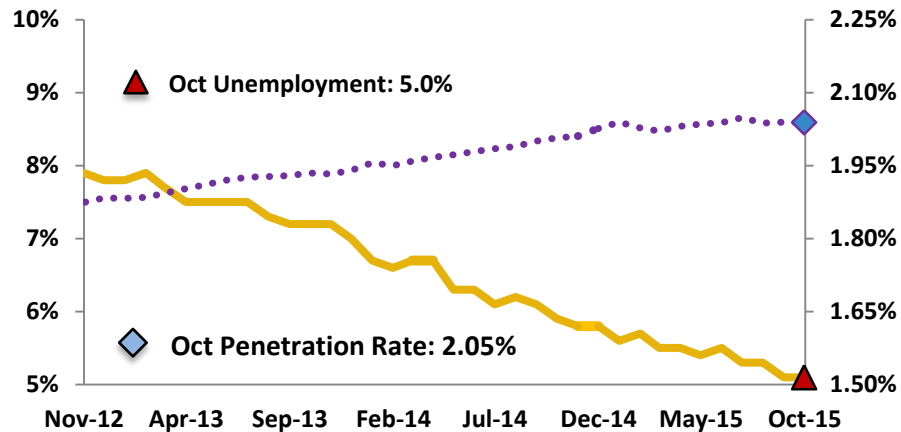
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# ✓ Compelling Market Opportunity



# Compelling Market Opportunity: Labor Market Trends

## National Unemployment Rate

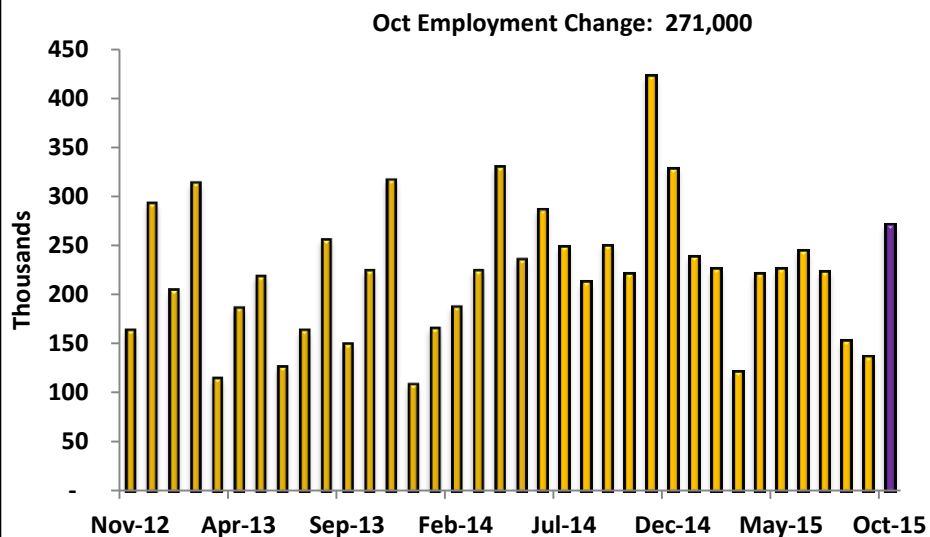


Source: U.S. Bureau of Labor Statistics

## Economic Update

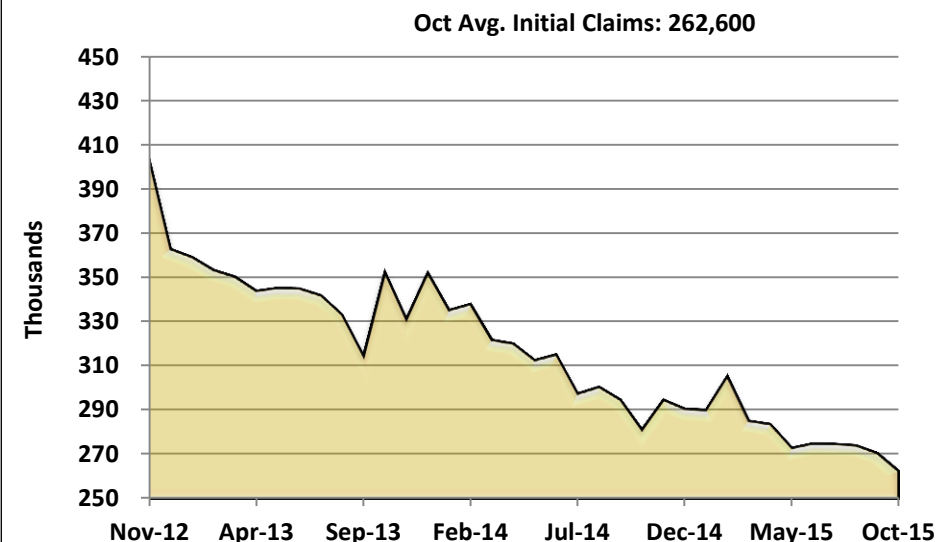
- Unemployment at lowest rate since April 2008
- Over the last twelve months, job growth has averaged 235,000 per month
- Over the last 12 months, 18% of all job growth came from healthcare
- Weekly unemployment initial claims near all time historic lows

## Nonfarm Payroll Employment Over-the-Month Change



Source: U.S. Bureau of Labor Statistics

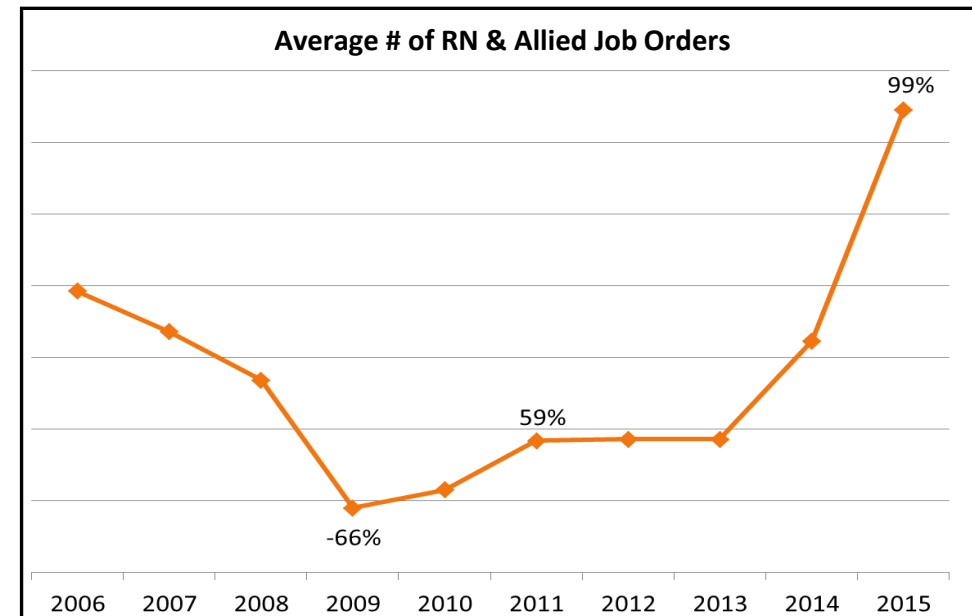
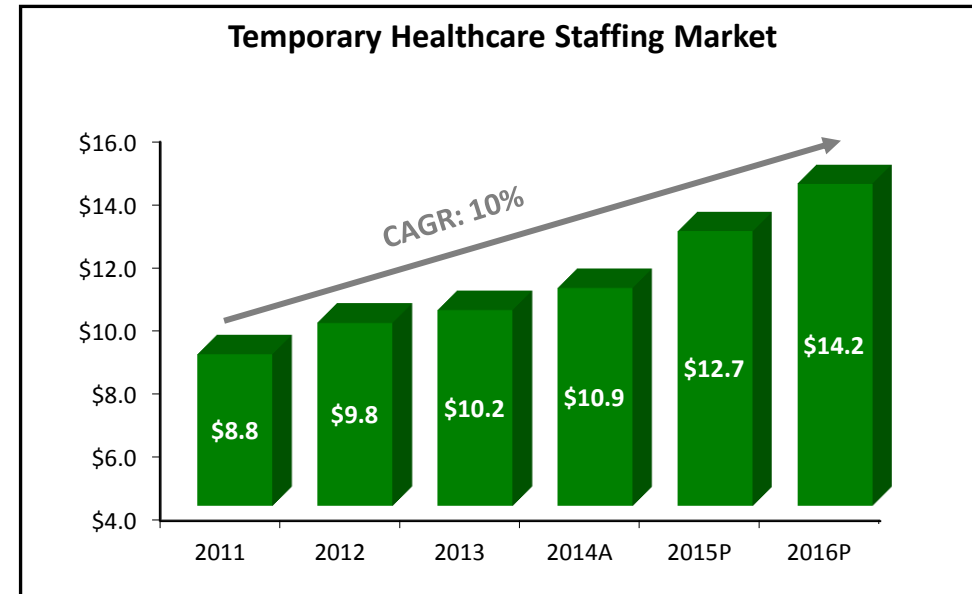
## Weekly Unemployment Insurance Initial Claims



Source: Department Of Labor

# U.S. Temporary Healthcare Staffing Market is Rebounding

- High healthcare consumption by elderly positively effects demand
  - Americans  $\geq 65$  years old to grow est. 36-39% by 2020 and consume 3x-4x as much healthcare
  - All baby boomers are now over 50 years of age (24.5% of the total population)
- Healthcare reform increases healthcare utilization
  - 30MM uninsured people to gain healthcare coverage by 2017
  - Of the ~2.1M jobs created in 2015, 20% came from the healthcare industry
  - Affordable Care Act upheld by U.S. Supreme Court



Sources: Staffing Industry Analysts, Inc.; December 2014 estimates

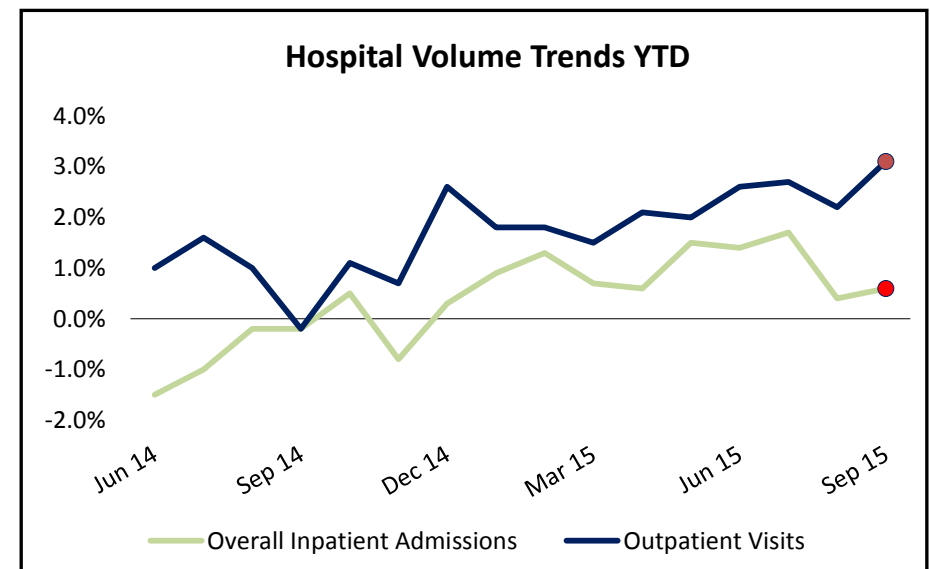
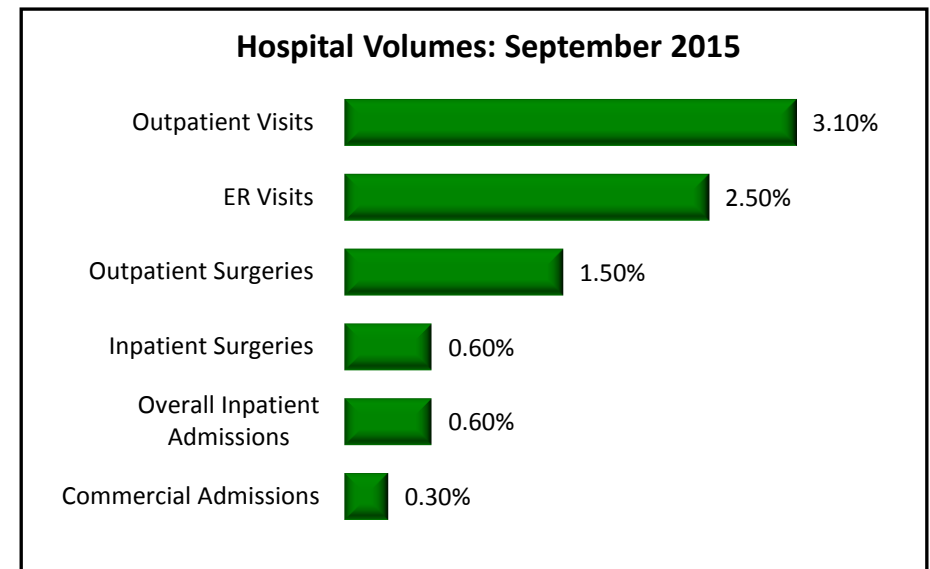


# Shift to Outpatient Services Across U.S. Hospitals

As a result of the Affordable Care Act and other market dynamics, there continues to be a shift from inpatient to outpatient services.





- September 2015 Hospital Volume
  - Outpatient visits up 3.1%
  - Inpatient admits up 0.6%
- 2015 Hospital Volume Average to date
  - Outpatient visits up 1.7%
  - Inpatient admits up 0.7%

\* Source: UBS October Hospital Survey; as of October 20, 2015







# Market Overview

## Nursing

-  **2.9MM nurses currently in the United States<sup>1</sup>**
-  **Projected shortfall of RN's by region and specialty over the next ten years<sup>1</sup>**
-  **1/3 of the current workforce will reach retirement age in the next ten years<sup>2</sup>**
-  **>150K taking nurse board exam for the first time – not keeping up with demand<sup>3</sup>**






## Locum Tenens

-  **700K practicing physicians in the United States under the age of 75<sup>3</sup>**
-  **Physicians between 55 and 75 comprised over 30% of the workforce<sup>3</sup>**
-  **Study suggests demand for physician services is growing faster than supply<sup>3</sup>**
-  **Demand will increase in variety of specialties as the Affordable Care Act is implemented<sup>3</sup>**



## Allied / Other

-  **63% of hospital leaders include expansion of outpatient services among methods used to fuel financial growth<sup>4</sup>**
-  **73% of hospitals surveyed will be a part of an Accountable Care Organization (HCO) within the next 5 years<sup>5</sup>**
-  **Variety of allied specialties expected to experience shortfalls**



Source: <sup>1</sup>U.S. Department of Health and Human Services, Health Resources and Services Administration, National Center for Health Workforce Analysis. The Future of the Nursing Workforce: National- and State-Level Projections, 2012-2025. Rockville, Maryland, 2014; <sup>2</sup>Future of the Nursing Workforce, Health Resources and Services Administration December 2014; <sup>3</sup>Association of Medical Colleges: The Complexities of Physician Supply and Demand: Projections from 2013 to 2025 – IHS inc. March 2015; <sup>4</sup> HealthLeaders Media, 2015 HealthLeaders Media Industry Survey; <sup>5</sup>HealthLeaders Media, Intelligence, HealthLeaders Media 2011 Overall Cross-Sector Survey

# Achieving Key Elements of Cross Country Healthcare's Strategy

## Previous Cross Country Healthcare Market Share:

*Based on FY 2013 Results*

- Travel Nurse: 10%
- Locum Tenens: 5%
- Per Diem: 1%
- Allied: 1%

- 
- Overall Market Share 4%

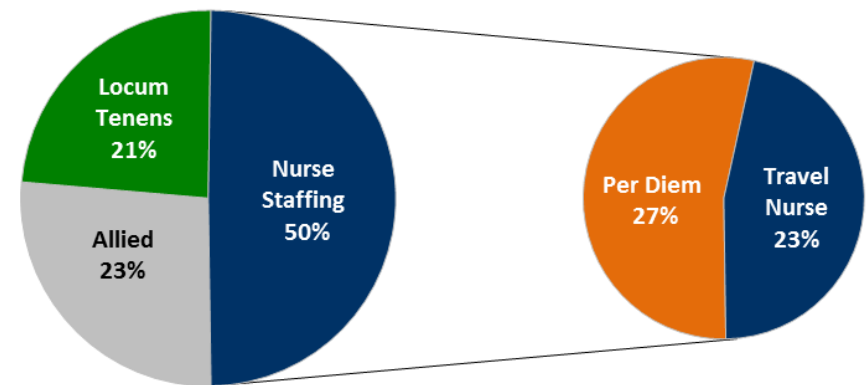
## Current Cross Country Healthcare Market Share:

*Based on Pro Forma 2014 Results*

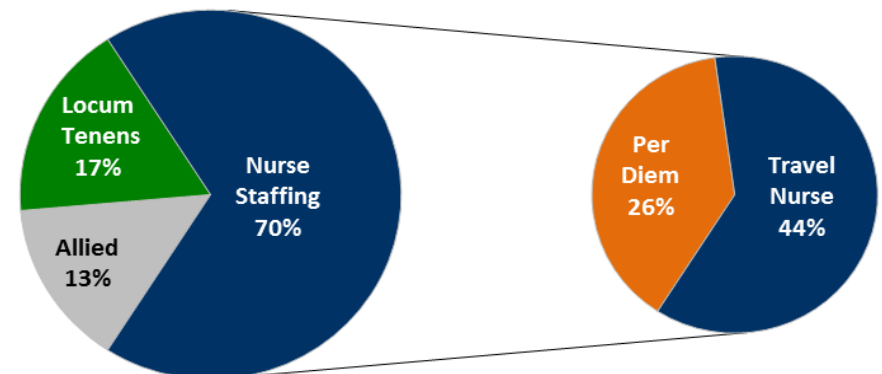
- Travel Nurse: 12%
- Locum Tenens: 5%
- Per Diem: 7%
- Allied: 4%

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- Overall Market Share 6% - 7%

2014 Healthcare Staffing by Category  
Total: \$10.9 Billion



CCH Staffing by Category – 2014 Pro Forma  
\*Staffing Revenue of ~\$740.0M

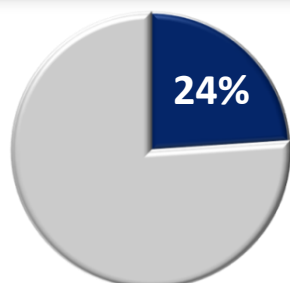


\*Includes recent acquisition of Mediscan;  
Excludes Other Human Capital Management Revenue

## Market Position & Mix: CCH Services

Healthcare temporary staffing revenues projected to grow at 12% in 2016

### TRAVEL NURSING



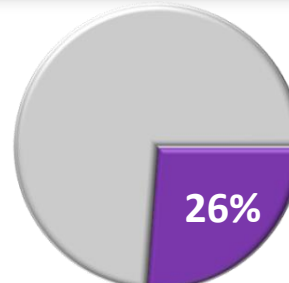
Size - \$3.0B

Growth YOY

2016 (P) 16%

Ranked #2

### PER DIEM



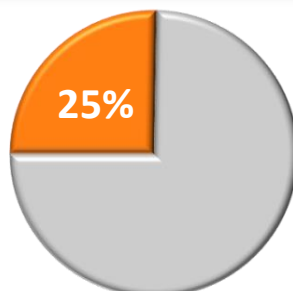
Size - \$3.3B

Growth YOY

2016 (P) 10%

Ranked #2

### ALLIED / OTHER



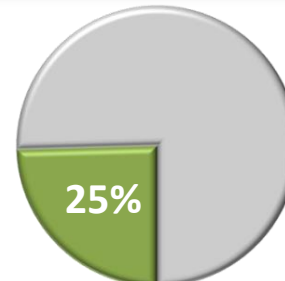
Size - \$3.2B

Growth YOY

2016 (P) 9%

Ranked #5

### LOCUMS



Size - \$3.1B

Growth YOY

2016 (P) 14%

Ranked #5

Sources: Staffing Industry Analysts, Inc: US Staffing Industry Forecast – September 2015 Update

# Cross Country Healthcare: Addressing the Opportunities in Healthcare Staffing



- Growing \$13B market with multiple secular demand drivers
  - Increasing, aging population demanding more hospital services
  - Aging RN/physician populations; significant shortages expected over the next 5-10 years
  - Affordable Care Act
  - Shift to ambulatory care
- Demand near all time historic highs
- Candidate attraction is key to success in this market



**CCRN well positioned to capitalize on these opportunities**

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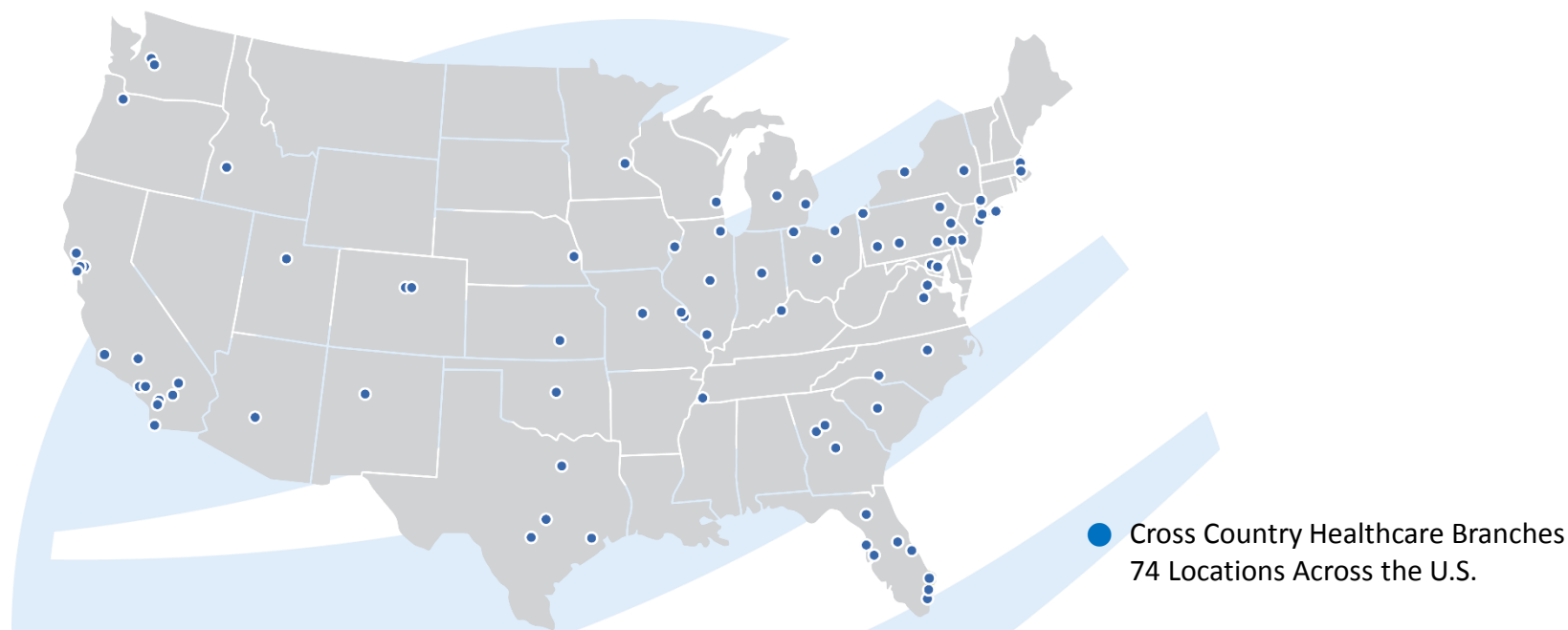
# ✓ Growth Oriented Strategy



# Our Strategy



## Expanding National and Local Market Presence To Meet the Needs of Our Clients



### The importance of our national footprint

- Supporting shift to ambulatory care
- Expanding market share through new local presence
- Supporting smaller, local customers
- Providing cross-selling opportunities to customers
- Full suite of healthcare staffing services
- Retail vs. wholesale
- Broadening customer base
- Access to additional HCPs

## Mediscan Acquisition

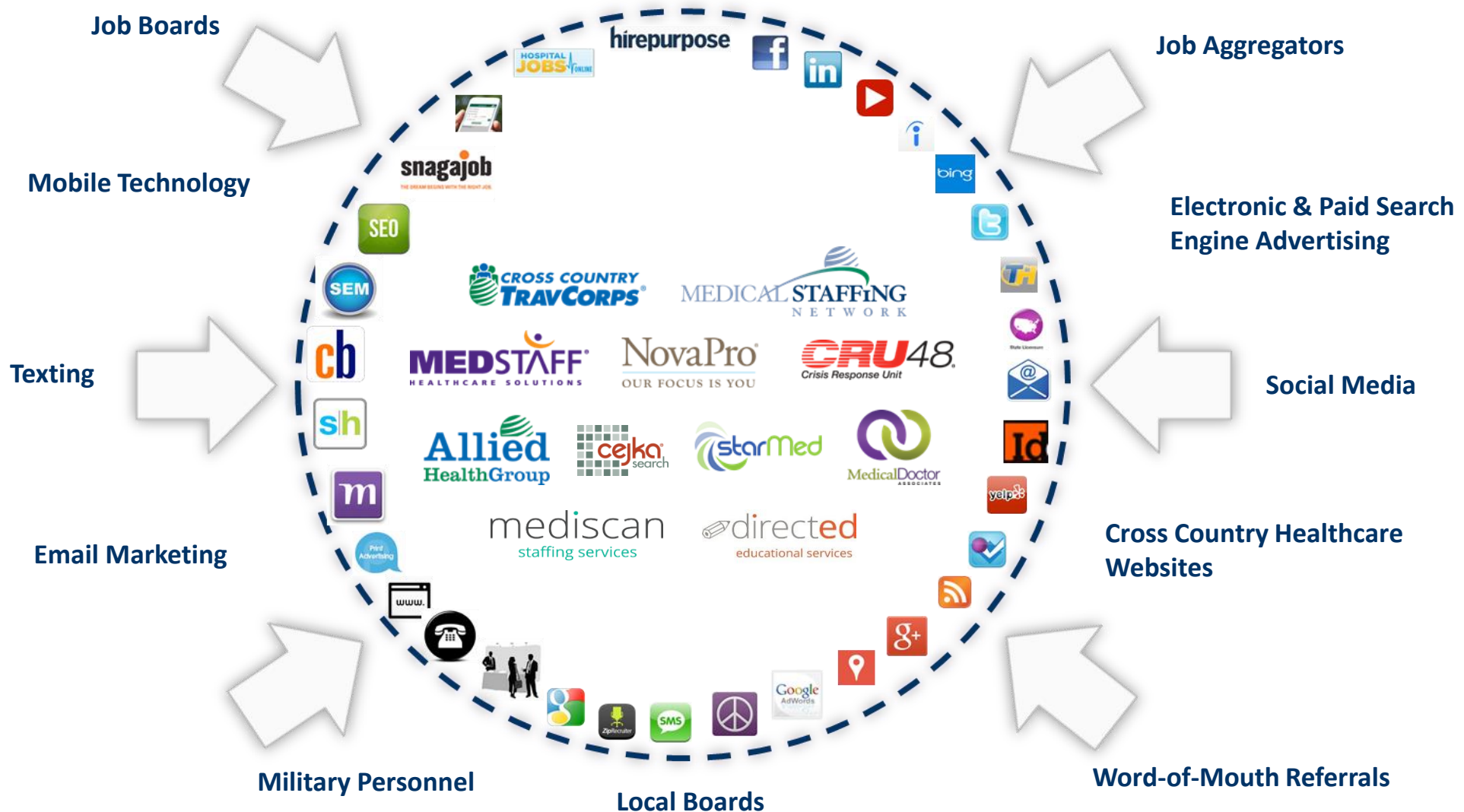
- Company acquired on October 30, 2015 for \$33 million (\$28 million in cash plus \$5 million in equity)
- ~\$40 million in revenue in 2015 across more than 70 specialties at more than 300 clients serving 11 states (mainly CA)
- Implied multiples of ~0.8x revenue and ~8x EBITDA
- Strengthens our footprint in a large and growing market – 6 of top 7 healthcare staffing markets reside in CA
- Expands customer base outside acute/ambulatory care
- The business is equally split between acute/ambulatory care and public and charter schools
- Offers access to additional candidates
- Operates using the following 2 brands:

mediscan  
staffing services

directed  
educational services

# Candidate Acquisition

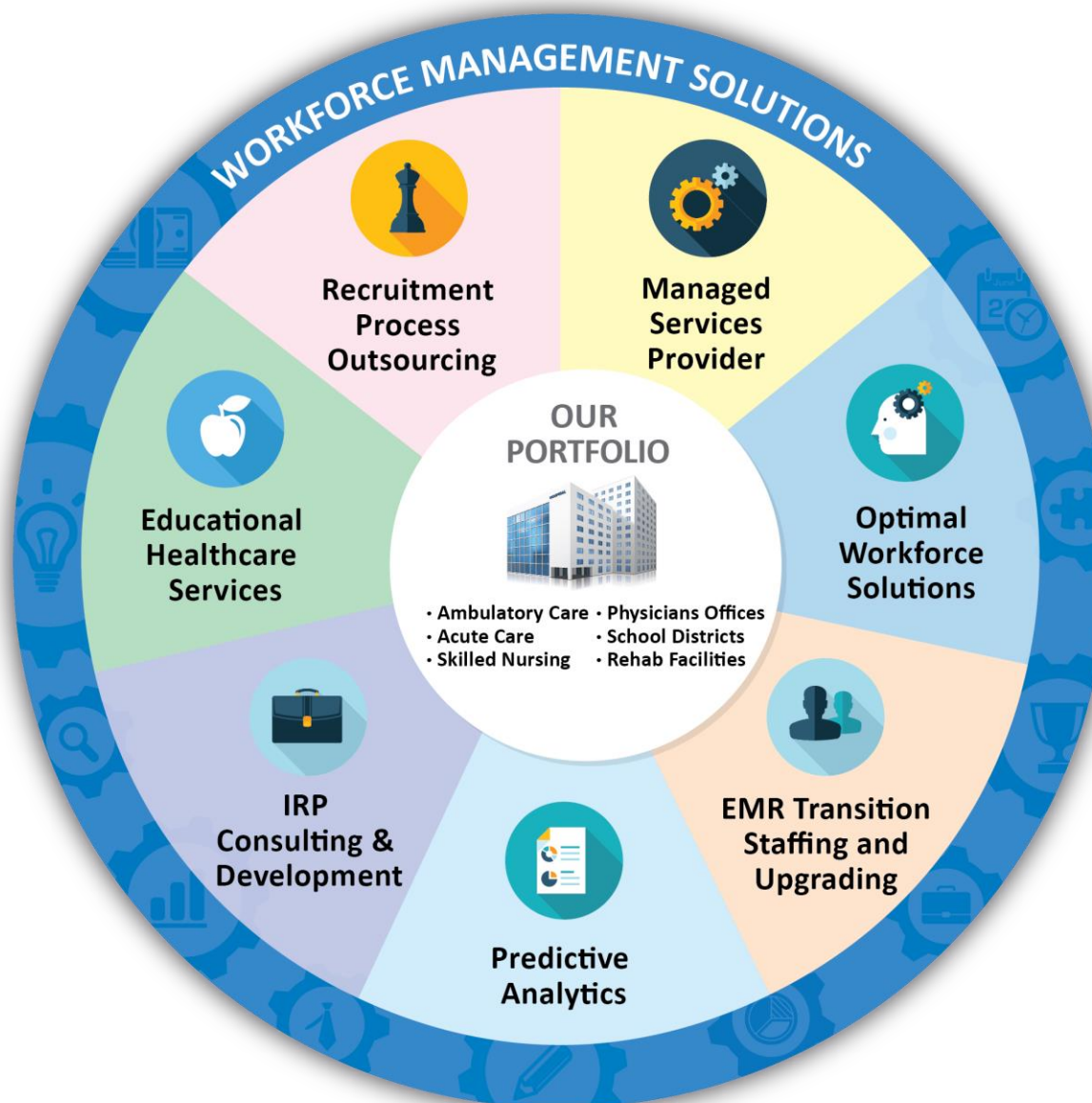
Our talent management strategy includes a multi-media approach to sourcing candidates through paid advertising, organic search, digital media and Cross Country Healthcare websites



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# ✓ Innovative Solutions

# Providing Strategic and Comprehensive Workforce Management Solutions





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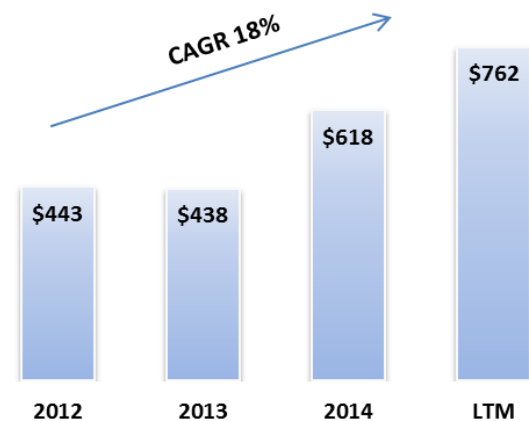
# ✓ Strong Value Proposition

# Financial Performance

- Robust organic and acquisition growth
- Strong cash flow generation
- Improving Adjusted EBITDA Margins
  - Achieved 6.3% in Q3 2015
- Adjusted EBITDA margin target of 8% by end of 2017 (or earlier)
  - Leverage from growth
  - Operational improvements
- Held approximately \$85M in pretax Federal NOL's as of December 2014

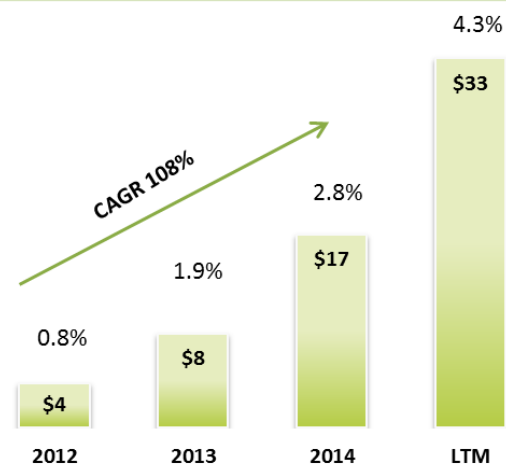
## Revenue Growth

(\$ in millions)



## Adjusted EBITDA Growth

(\$ in millions)

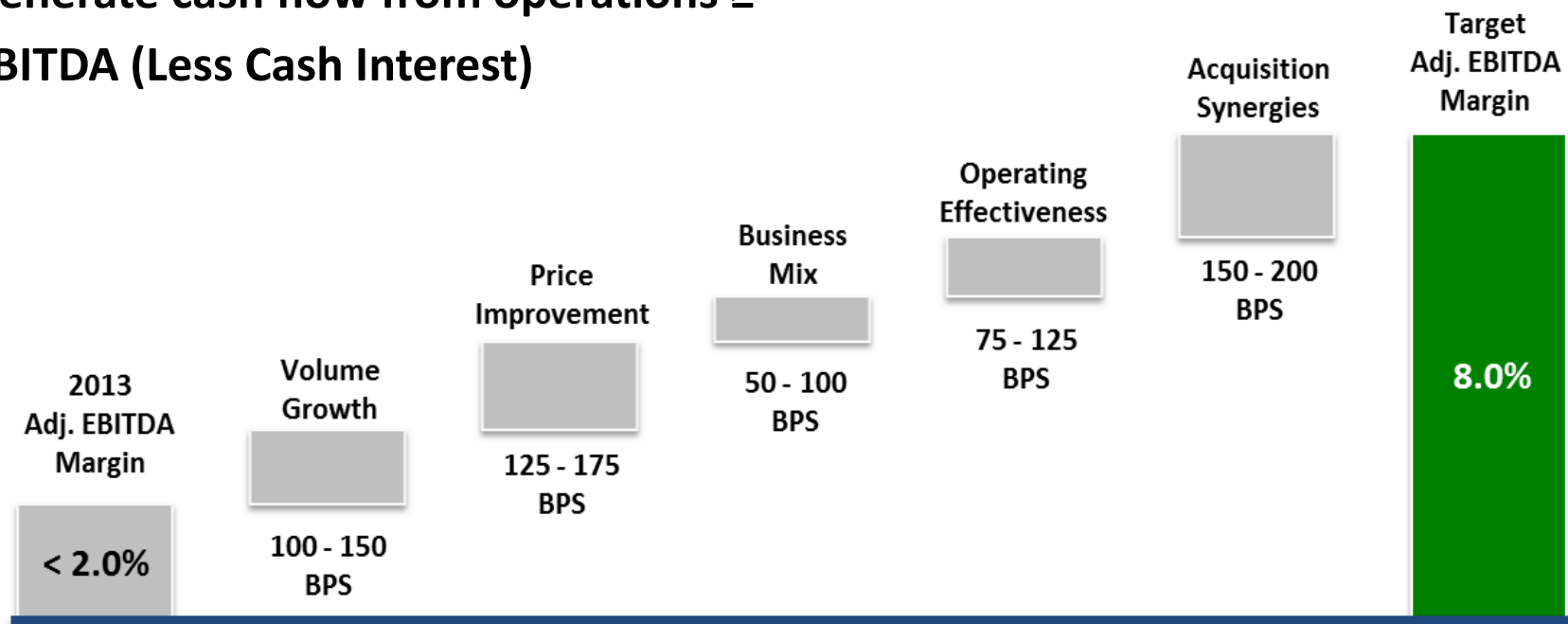


As reported

# Our Long-Term Financial Objectives

- Grow revenue at or above the market
- Expand Gross Profit Margin
- 8% Adjusted EBITDA margin
- Generate cash flow from operations  $\geq$  EBITDA (Less Cash Interest)

**Our goal is to achieve an 8% Adj. EBITDA on a run rate basis in 2017**



# Financial Liquidity



- Q3 2015 YTD generated \$18.6M of cash flow from operations
- Cash and Cash Equivalents as of 9/30 was \$24.6M
- As of 9/30, the company had net debt at par of \$30.5M
- \$47M of availability under our Asset Based Borrowing line
- Fixed Charge Coverage Ratio was ~ 4.2x
- Total Net Leverage Ratio was ~ 0.9 : 1.0

## Capital Structure (\$ in millions)

Description	Rate	Expiration	9/30/2015	% of Total Cap
Senior Secured Credit Facility	L + 150	Jun-17	\$ -	0.0%
Second Lien Term Loan	L + 475	Jun-19	30.0	6.5%
Convertible Notes	8.00%	Jun-20	25.0	5.4%
Capital Leases	Various	Various	0.1	0.0%
Less: Cash & Cash Equivalents			24.6	
Total Consolidated Net Debt @ Par			\$ 30.5	7.0%
Equity @ Market			\$ 407.9	88.1%
Net Debt to Equity Ratio			0.07	

# Financial Results



## Income Statement

*\$ in millions*

	Q3 2015	Prior Year	2015 YTD	Prior Year
Revenue	\$195.7	3.6%	\$574.3	25.2%
Gross Margin	26.3%	130 bp	25.6%	(10) bp
Adj EBITDA Margin	6.3%	280 bp	4.6%	210 bp

## Q3 2015 Guidance



### GUIDANCE

	Guidance	Variance: YoY	
		Low	High
Revenue	\$193M - \$198M	3.0%	5.0%
Gross Margin	25.50% - 26.00%	15 bps	70 bps
Adj. EBITDA %	5.50% - 6.00%	220 bps	270 bps
Adj. EPS	\$0.18 - \$0.20	\$0.15	\$0.17

*As reported*



# Cross Country Healthcare Summary



- Leading national provider of healthcare staffing and workforce solutions
- Tenured/experienced team
- Compelling \$13B market with favorable dynamics
  - Supply & Demand
  - Improving economic conditions
  - Aging patient population
  - Projected RN and Physician shortages
  - Affordable Care Act
  - Shift to ambulatory care
- Complimentary & innovative services
- 8% adjusted EBITDA target
- Grow company faster than the market



**CCRN is well positioned to capitalize on trends!**

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# ✓ Appendix

## Non-GAAP Financial Measures

- This presentation references non-GAAP (Generally Accepted Accounting Principles) financial measures. Such non-GAAP financial measures are provided as additional information and should not be considered substitutes for, or superior to, financial measures calculated in accordance with U.S. GAAP. Such non-GAAP financial measures are provided for consistency and comparability to prior year results; furthermore, management believes they are useful to investors when evaluating the Company's performance as they exclude certain items that management believes are not indicative of the Company's operating performance. Such non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies. The financial statement tables that accompany our press releases include a reconciliation of each non-GAAP financial measure to the most directly comparable U.S. GAAP financial measure and a more detailed discussion of each financial measure; as such, the financial statement tables should be read in conjunction with the presentation of these non-GAAP financial measures.
- This presentation also references pro-forma information which reflects the impact from acquisitions and divestitures as of the beginning of periods being presented or compared.
- Adjusted EBITDA is defined as net income (loss) attributable to common shareholders before depreciation and amortization, interest expense, income tax expense (benefit), acquisition and integration costs, restructuring costs, legal settlement charge, (gain) loss on derivative liability, impairment charges, other expense (income), net equity compensation, and net income attributable to non-controlling interest in subsidiary.
- Adjusted Earnings Per Diluted Share (EPS) is defined as net income (loss) attributable to common shareholders per diluted share before acquisition and integration costs, restructuring costs, impairment charges, and (gain) loss on derivative liability.