



Nurse & Allied Staffing

Physician Staffing

Education & Retained Search

Cross Country Healthcare Q4 2013 Investor Presentation



MARCH 2014

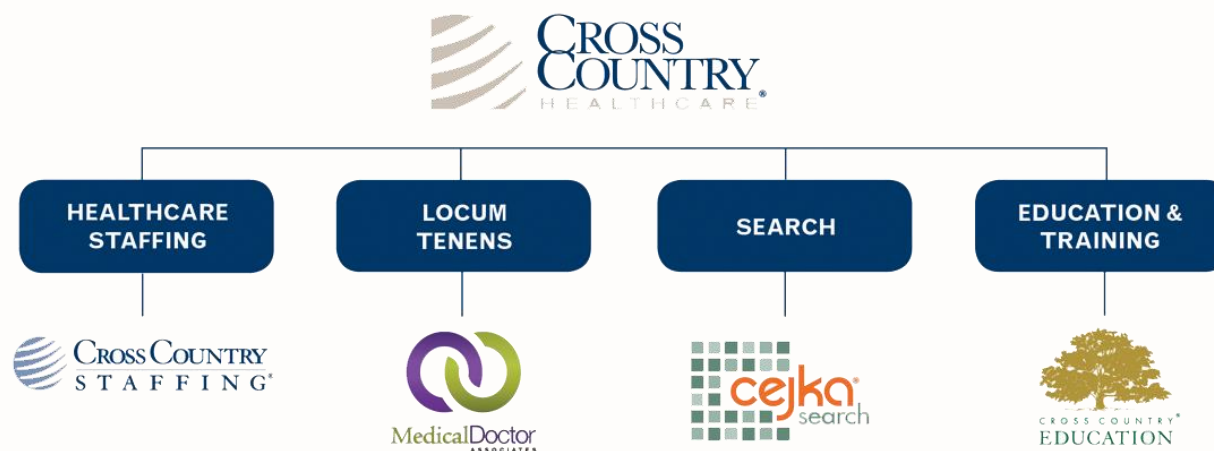
Forward Looking Statements

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, 2012, 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.

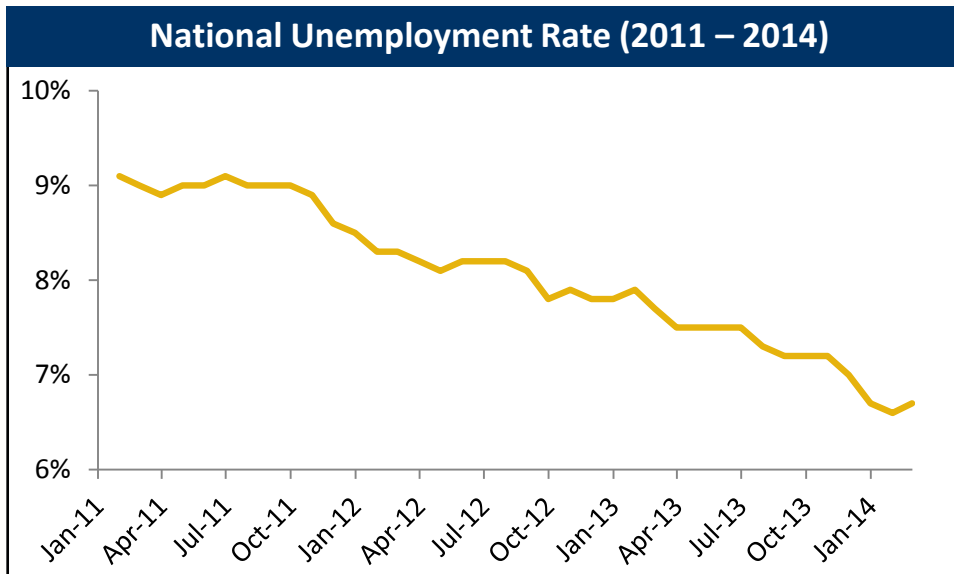
Cross Country: Capitalizing on Opportunities in Healthcare Staffing

- Leading player in \$10B market with good fundamental drivers
 - One of top two providers of nurse and allied staffing services
 - One of top four providers of temporary physician staffing services
 - Leading provider of healthcare education and training programs



- Drivers of healthcare staffing demand:
 - Improving economic conditions
 - Aging patient population
 - Aging RN and physician populations
 - Large projected shortages of RNs and physicians in next 5-10 years
 - Affordable Care Act
 - Shift to ambulatory care

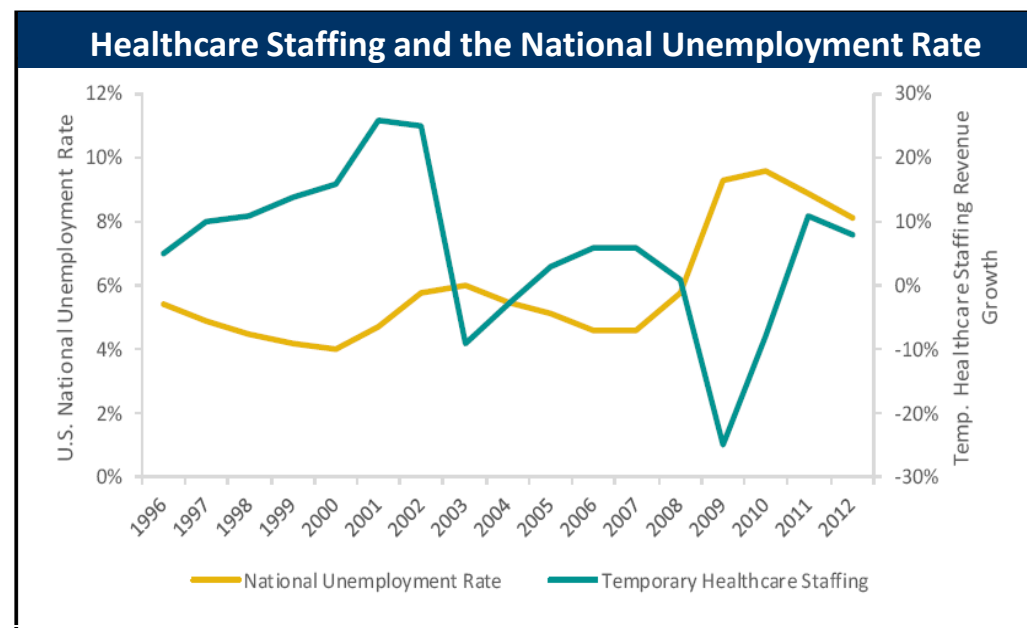
Market Update



Source: U.S. Bureau of Labor Statistics

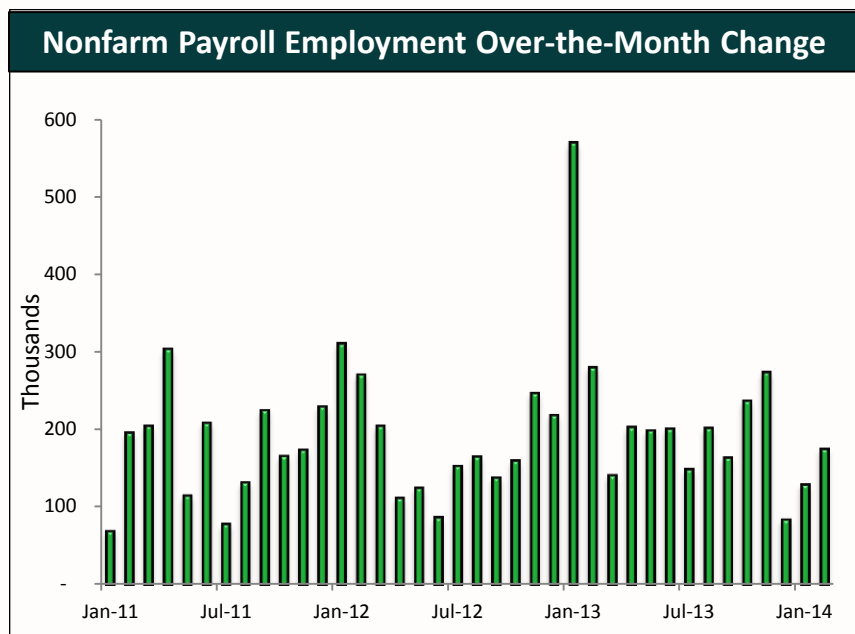
- The current unemployment rate is 6.7%, down from its peak of 10.0% in October 2009
- As of the latest BLS survey, the unemployment rate for those who hold a bachelor’s degree is 3.2%

- Of nurses who are employed, about 90% are female, of which 64% are married and are mostly secondary income earners
- When the unemployment rate declines, there is a general increase in demand of temporary healthcare staffing

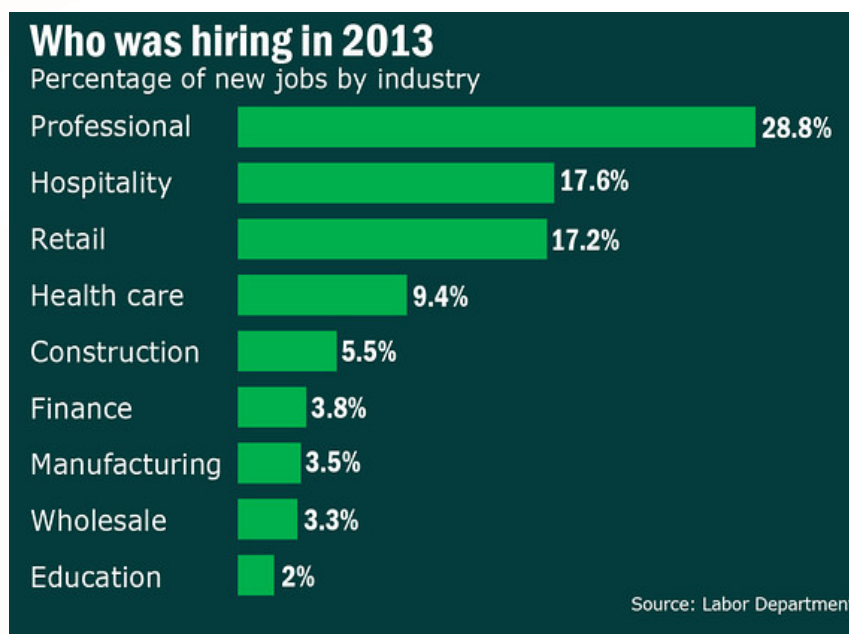


Sources: U.S. Bureau of Labor Statistics and Staffing Industry Analysts

Market Update

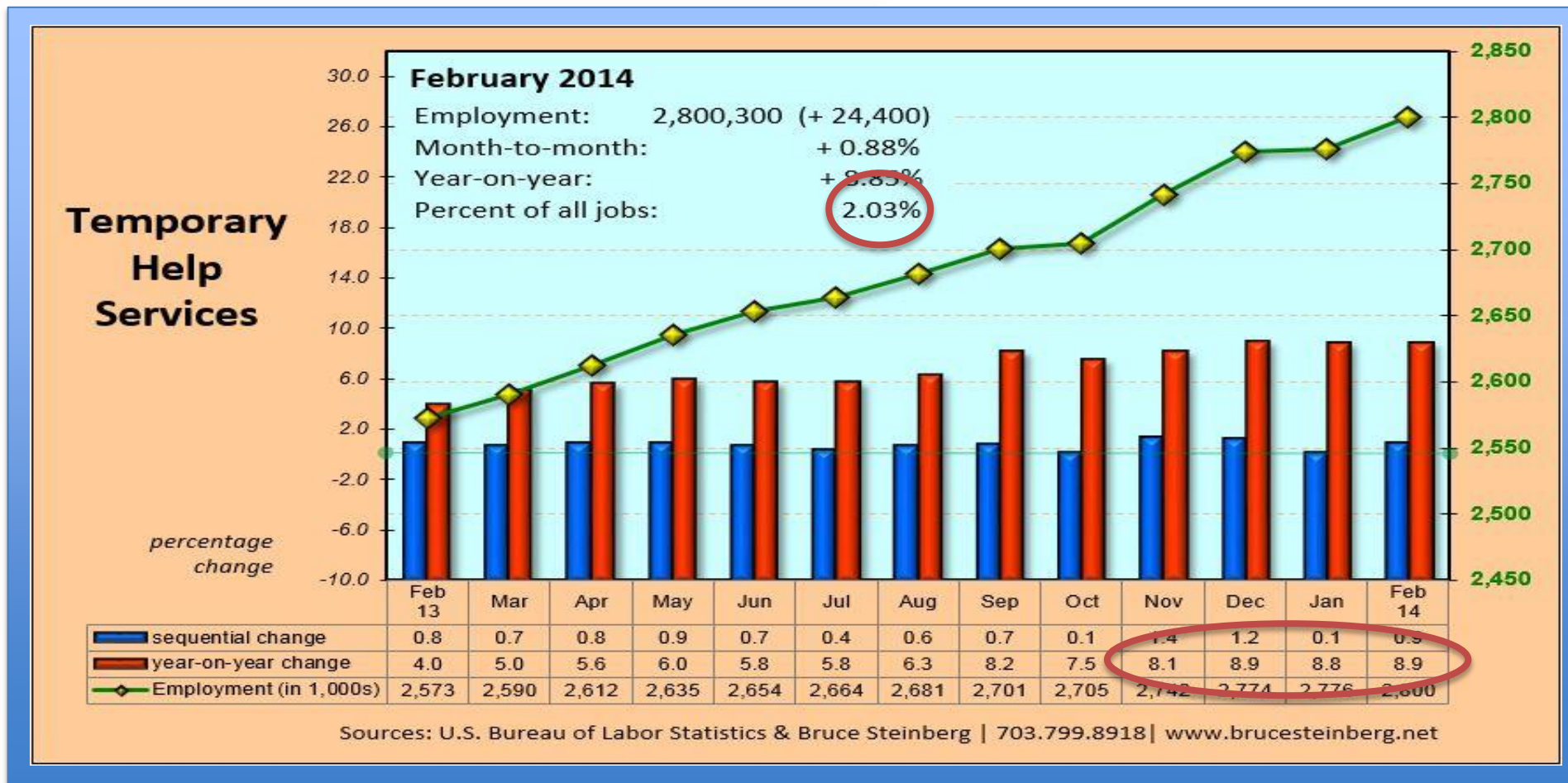


Source: U.S. Bureau of Labor Statistics



- On average 17,000 healthcare jobs were created per month in 2013
- Healthcare was in the top 4 job creation industries in 2013

Market Update



- Temp penetration rate above previous all time peak of 2.03%
(Expected to reach 2.50% this cycle)
- 3-month average growth rate is at highest level in twelve months
- Early indicator of further employment improvement

Market Update

| U.S Temp. Staffing Revenue – Estimated and Projected | | | | | |
|---|-------------|-------------|-------------|--------------|--------------|
| Industry Segment (\$B) | 2010 | 2011 | 2012 | 2013P | 2014P |
| Travel Nurse | 1.2 | 1.5 | 1.7 | 1.8 | 2.0 |
| Year-over-Year Change | -25% | 25% | 15% | 8% | 8% |
| Per Diem Nurse | 2.5 | 2.7 | 2.7 | 2.8 | 3.0 |
| Year-over-Year Change | -6% | 6% | 0% | 5% | 7% |
| Locum Tenens | 1.8 | 2.0 | 2.2 | 2.4 | 2.5 |
| Year-over-Year Change | -1% | 9% | 11% | 8% | 8% |
| Allied / Other | 2.4 | 2.7 | 2.9 | 2.8 | 3.0 |
| Year-over-Year Change | -4% | 11% | 10% | -3% | 5% |
| Healthcare | 7.9 | 8.8 | 9.5 | 9.8 | 10.5 |
| Year-over-Year Change | -8% | 11% | 8% | 4% | 7% |

Source: Staffing Industry Analysts, US Staffing Industry Update – Sept. 2013

U.S. Temporary Healthcare Staffing Market is Rebounding

Healthcare Staffing Industry Revenue

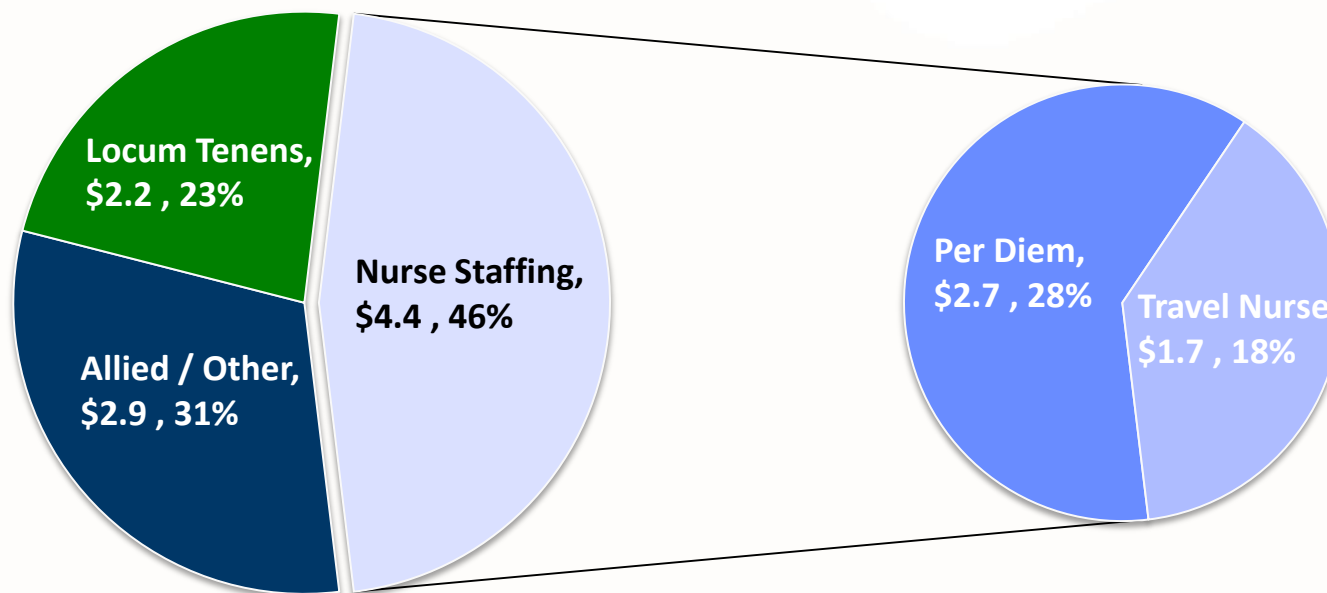


- Projected CAGR of 8.4% from 2010 to 2014
- Industry is approaching prior peak levels

Sources: Staffing Industry Analysts, Inc.; Company estimates

Market Size by Segment

Total Healthcare Staffing by Category – 2012A Revenue (\$B)



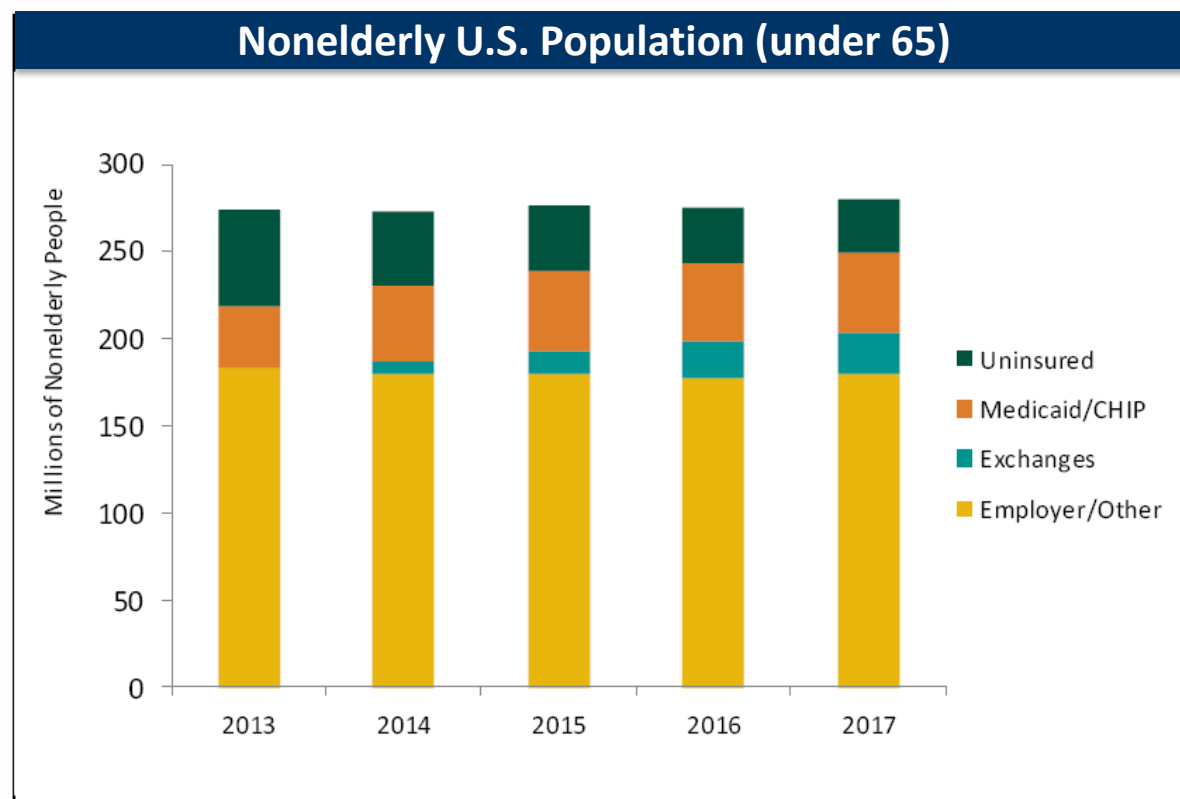
Healthcare Staffing Industry Components:

- Nursing – Travel
- Nursing – Per Diem
- Allied Health
- Locum Tenens

Total Market: \$9.5 Billion

Source: 2013 List of Largest U.S. Healthcare Staffing Firms and Market Share Analysis – July 30, 2013

Drivers of Healthcare Demand

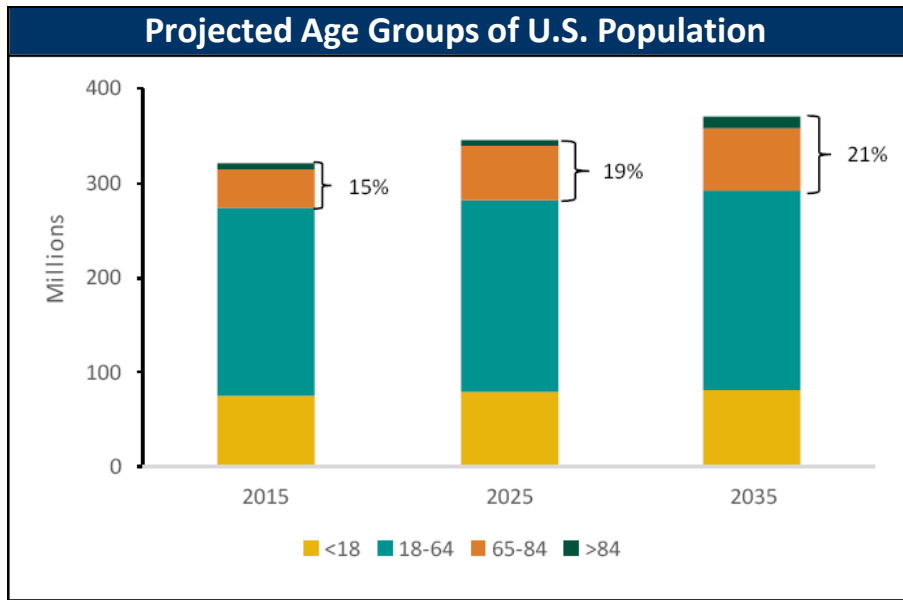


Source: U.S. Congressional Budget Office, May, 2013

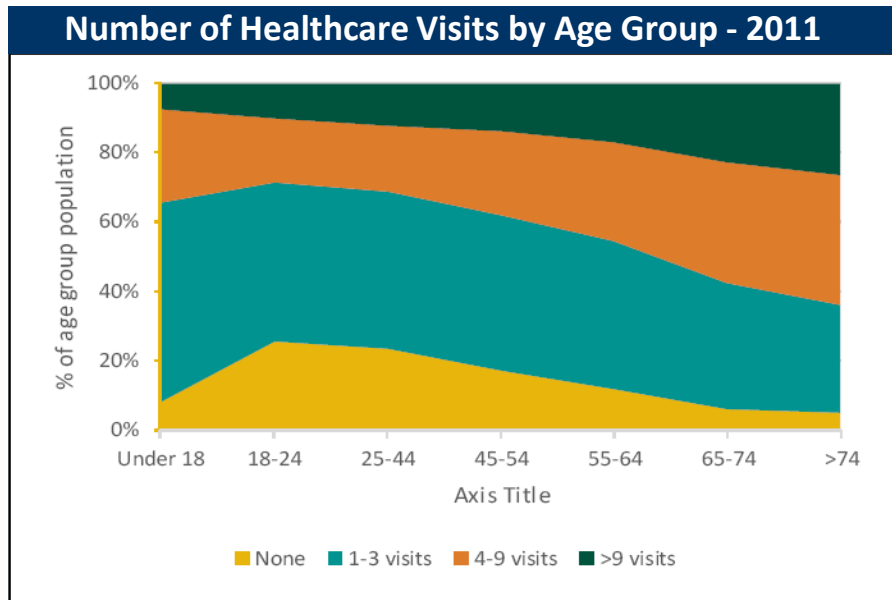
- By 2017, the projected number of people insured and under 65 will grow to 249 million from the current standing of 219 million
- This substantial increase is a result of the Affordable Care Act, in addition to Medicaid expansion and health insurance exchanges absorbing some of the uninsured

Sources: Staffing Industry Analysts, Inc.

Drivers of Healthcare Demand



Source: U.S. Census Bureau, 2012

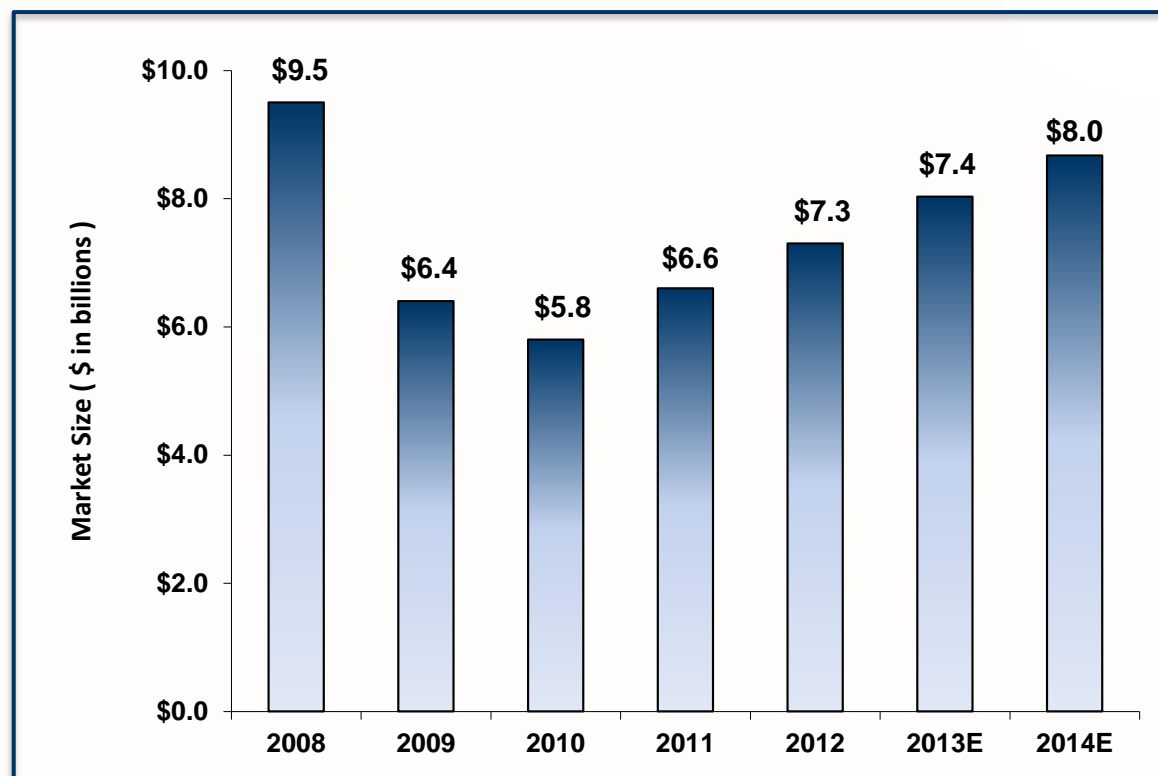


Source: National Center for Health Statistics, "Health, United States, 2012"

- The U.S. Census Bureau projects an increase in number of people over the age 65, all of whom are eligible for Medicare
- This number is expected to grow from 15% of the U.S. population in 2015 to 21% in 2035. This growth is in addition to the number of nonelderly insured
- Our aging population will have a significant impact on healthcare delivery because older people generally have a higher utilization of healthcare services
- The bottom graph indicates that the majority of people over 65 had at least four visits in 2011 (including visits to doctor's offices, emergency departments, and home visits)

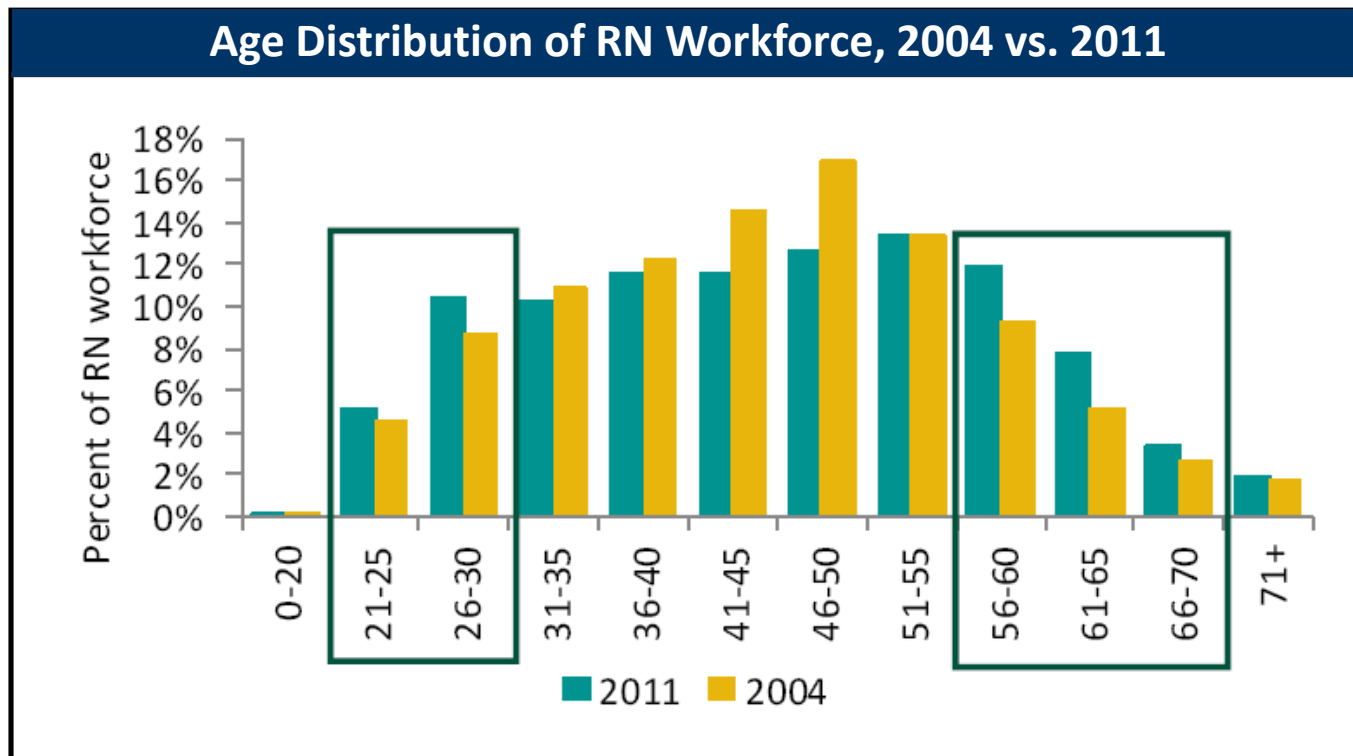
Sources: Staffing Industry Analysts, Inc.; Company estimates

Nursing & Allied Staffing Market Recovering



- Near-term recovery from downturn
- Long-term favorable demographic fundamentals
 - Continued aging of nursing professionals
 - Growing and aging population demanding more hospital services
 - Nursing professionals' desire for job flexibility and better working conditions

Sources: Staffing Industry Analysts, Inc.; Company estimates

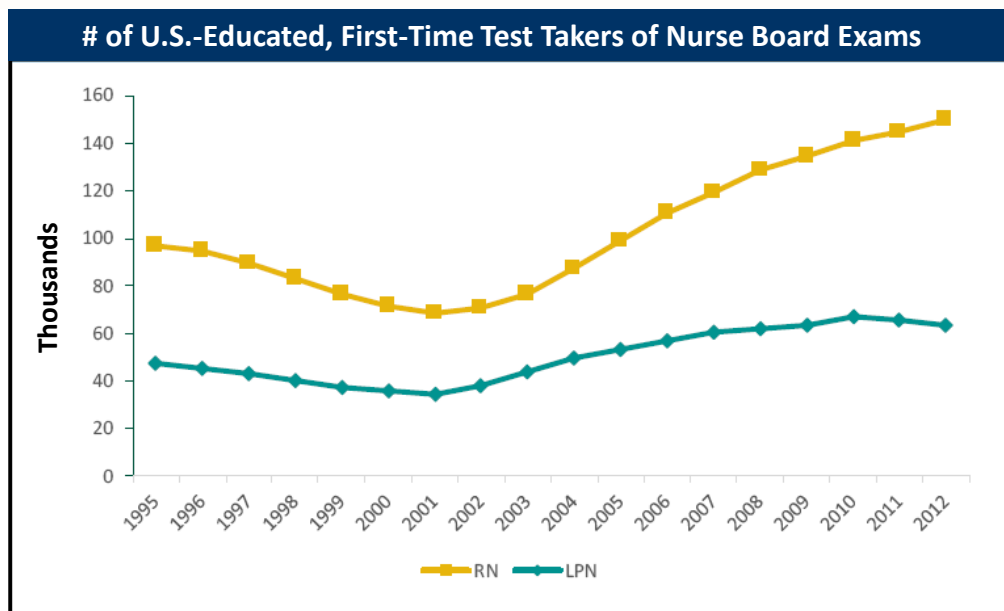


Source: U.S. Census Bureau

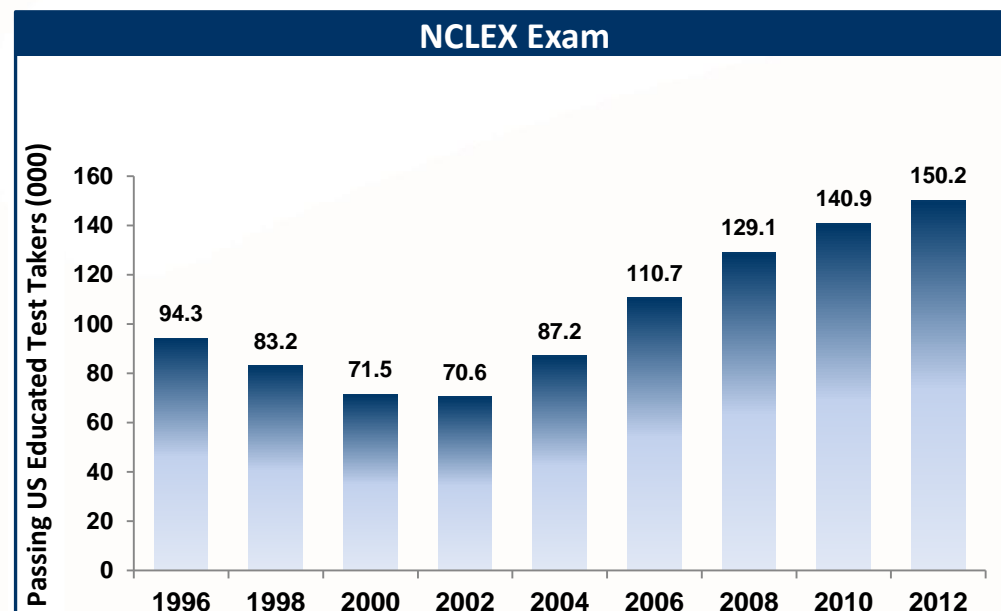
- The RN workforce is made up of nurses 30 years old or younger, as well as those 56 or older and was substantially higher in 2011 than it was in 2004. A recent higher than expected influx of young RNs to the workforce, helping to reduce projected nurse shortages. In addition, older nurses have delayed retirement or returned to the workforce.

Sources: Staffing Industry Analysts, Inc.

Favorable Nursing Supply & Demand Dynamics



Source: National Council of State Boards of Nursing

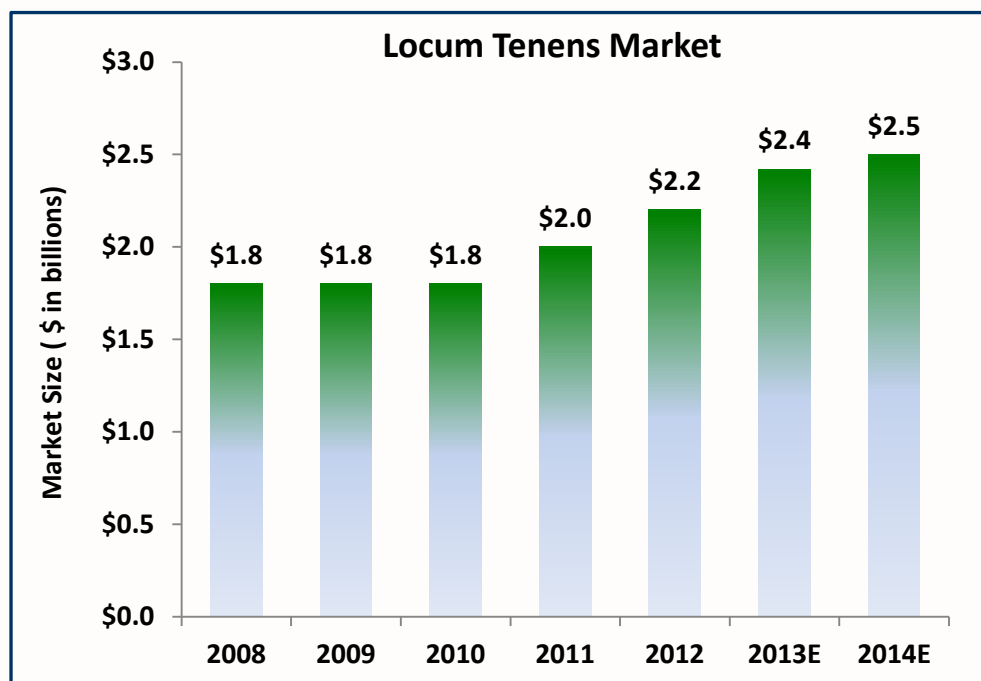


- Over the last decade, the number of U.S. educated, first-time takers of nurse board exams has risen, particularly for RNs and to a lesser degree, LPNs. This increase is consistent with the growing nursing school enrollment

- Increases over past decade in nursing school enrollment, graduations and candidates taking NCLEX® national licensing exam
- Historically, high correlation between increases in NCLEX exam takers and RNs seeking travel assignments

Sources: Health Resources and Services Administration; Company Estimates; National Council of State Boards of Nursing, Inc.; and Peter Buerhaus PhD, RN, FAAN, Valere Potter Professor of Nursing at Vanderbilt University School of Nursing (Forum on Health Care Leadership, August 1, 2010)

Physician Staffing Market Held Up Well in Recession Strong Growth in Recovery



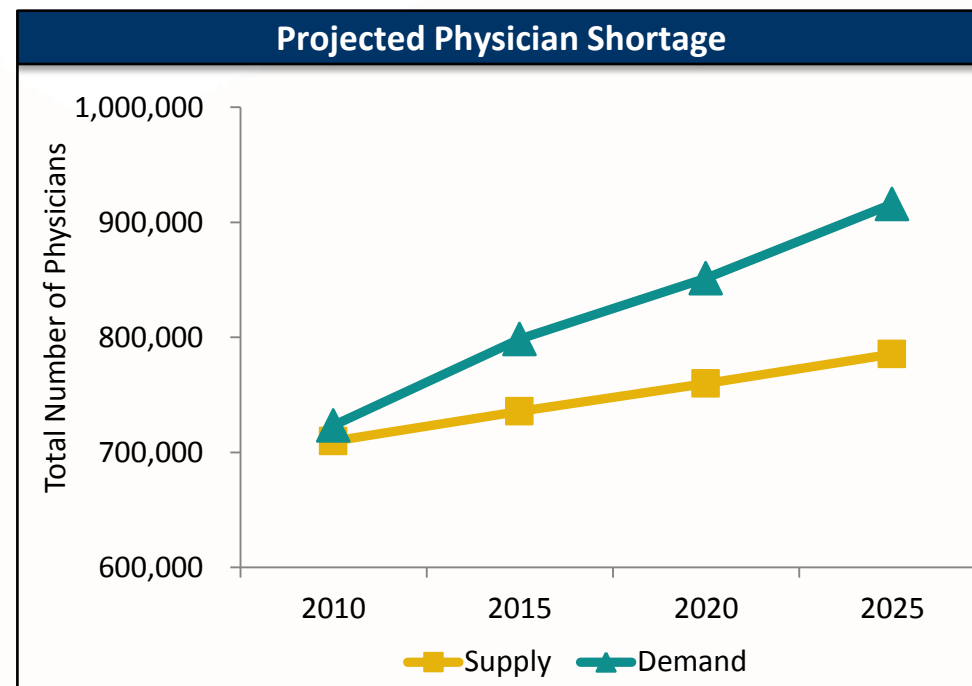
- Employment of physicians by hospitals grew to 115,000 in 2010 from 88,000 in 2005
 - Employed physician more likely to take vacation than independent physician
- Temporary physicians allow healthcare facilities to compensate for:
 - Shortages
 - Absent staff
 - Vacancies due to illness, vacations, etc.
- Physicians choose temporary assignments for various reasons
 - Physicians just out of residency who want to sample different practices / geographies
 - Seasoned physicians who want to scale down from full-time practice and/or supplement income

Source(s): Staffing Industry Analysts; American Hospital Association 2011

Drivers of Physician Supply & Demand

- Number of applicants to medical schools is increasing but will not keep pace with expected future demand
 - Supply of physicians expected to increase only 7% in next 10 years
 - ~25% of physician workforce is age 60+
 - ~1/3 of physicians plan to retire in next decade

- Projected shortage of primary care, surgical and medical specialty physicians
 - 90,000+ by 2020
 - 130,000+ by 2025



Source: Association of American Medical Colleges

Cross Country Healthcare Update

- **Divestiture of Non-Core Business:** In February 2013, Clinical Trial Services business sold for \$52 million, plus an earn-out. Revenue from discontinued operations in 2012 was \$68 million
- **Management Transition:** In July 2013, William J. Grubbs became Chief Executive Officer and President, following retirement of Joseph A. Boshart. Grubbs has over 25 years of staffing industry experience
- **Management Transition:** Effective April 1, 2014, William Burns will succeed Emil Hensel as Chief Financial Officer. Emil Hensel is retiring after serving 23 years with the company.
- **Acquisition:** On December 2, 2013 CCHI acquired the operating assets of On Assignment, Inc.'s Allied Healthcare Staffing Division for an aggregate purchase price of \$28.7 million



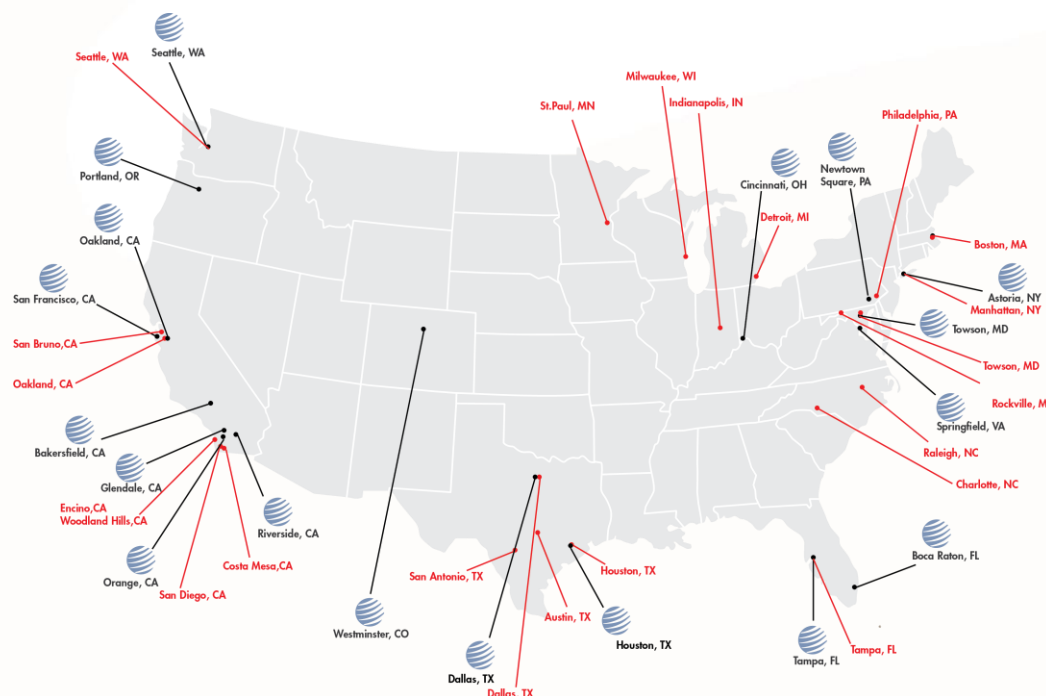
Allied Healthcare Acquisition: Business Overview

- **Local “branch based” Allied Staffing business**
 - 23 branch offices
 - 84 employees
 - 31% gross margin
 - 600-650 FTEs on assignment
- **Largest Specialty Areas:**
 - Clinical Lab Staffing
(Medical Assistants, Phlebotomists, Pharmacists)
 - Healthcare Financial Staffing (Admin/Support Assistants, Biller and Coders)
 - Diagnostic (RAD Techs)
 - Local Nursing (both non-acute and acute; Case Managers)
 - Respiratory Therapists
 - Surgical Techs
 - Dental Techs



Allied Healthcare Acquisition: Strategic Rationale

- Retail vs. wholesale
- Expanding service lines and market penetration, especially in ambulatory care
- Improving our position to serve the rapidly growing outpatient market
- Expanding local market presence from 18 to 29 branch office locations
- Providing a national footprint of branch offices
- Leveraging current and new client relationships
- Doubling our market share in the Allied market
- Increasing branch revenue from \$35MM to \$75MM




Allied
HealthGroup
a Cross Country Staffing company

Allied Healthcare Acquisition: Financial Overview

| Financial Overview (\$000s) | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| | 2012 A | 2013 F | 2014 F | 2014 vs. 2013 |
| Revenue | 39,507 | 41,101 | 43,323 | 5.4% |
| COGS | (26,870) | (28,116) | (29,460) | -4.8% |
| Insurance (PL, GL, Auto) | (149) | (155) | (164) | -5.8% |
| Gross Profit | 12,488 | 12,830 | 13,699 | 6.8% |
| Branch Operating Expenses | (8,215) | (8,664) | (8,869) | -2.4% |
| Branch Contribution Income | 4,273 | 4,166 | 4,830 | 15.9% |
| Gross Margin | 31.6% | 31.2% | 31.6% | 1.3% |

The financial information presented for the acquired operating assets of the Allied Healthcare staffing division are based on unaudited financial statements.

Allied Healthcare Acquisition: Deal Terms

| Purchase Price Agreement | Acquisition Deal Terms (\$ Millions) | |
|---|---|----------------------|
| Purchase Price | | \$28.7 |
| - Adjustment for working capital retained by Seller (a) | | <u>3.7</u> |
| Adjusted Purchase Price | | <u>\$32.4</u> |

(a) Includes net accounts receivable less operating liabilities retained by Seller.

- Adjusted purchase price represents a 10.2x multiple of 2013 EBITDA and an 8.5x multiple of 2014F EBITDA
- Acquisition is expected to be \$0.04 accretive in 2014F

Cross Country Healthcare: Selected Financial Data

| Segment Revenue From Services | 2013 | 2012 | 2011 |
|--|--|---------------|---------------|
| | <i>(\$000'S except per share data)</i> | | |
| Nurse and Allied Staffing ^(a) | \$ 278,973 | \$ 277,754 | \$ 242,160 |
| Physician Staffing | 121,371 | 123,545 | 121,598 |
| Other Human Capital Management | <u>37,967</u> | <u>41,336</u> | <u>42,846</u> |
| Consolidated Revenues from Services | 438,311 | 442,635 | 406,604 |
| Segment Contribution Income ^(b) | | | |
| Nurse and Allied Staffing ^(c) | 19,188 | 11,360 | 20,078 |
| Physician Staffing | 8,617 | 10,652 | 13,052 |
| Other Human Capital Management | 746 | 1,944 | 3,768 |
| Nurse and Allied Staffing Data | | | |
| FTEs ^(d) | 2,420 | 2,446 | 2,185 |
| Average Revenue Per FTE Per Day ^(e) | \$ 316 | \$ 310 | \$ 304 |
| Physician Staffing Data | | | |
| Physician Staffing Days Filled ^(f) | 80,294 | 85,001 | 89,421 |
| Revenue Per Day Filled ^(g) | \$ 1,512 | \$ 1,453 | \$ 1,360 |
| Other Data | | | |
| Cash Flow From Operations | \$ 8,659 | \$ 10,146 | \$ 31,522 |
| Total Debt | \$ 8,576 | \$ 33,859 | \$ 53,513 |

- a) Includes the results from operations of the On Assignment Inc. Allied Healthcare staffing division, which was acquired on December 2nd, 2013.
- b) Contribution income is defined as income or loss from operations before depreciation, amortization, acquisition costs, restructuring costs, legal settlement charges, impairment charges and corporate expenses not specifically identified to a reporting segment.
- c) Certain prior year amounts have been reclassified to conform to the current period's presentation. In 2013, the Company refined its methodology for allocating certain corporate overhead expenses and the nurse and allied staffing expenses to more accurately reflect this segments profitability.
- d) FTEs represent the average number of nurse and allied contract staffing personnel on a full-time equivalent basis.
- e) Average revenue per FTE per day is calculated by dividing the nurse and allied staffing revenue by the number of days worked in the respective periods. Nurse and allied staffing revenue also includes revenue from permanent placement of nurses
- f) Days filled is calculated by dividing the total hours filled during the period by 8 hours.
- g) Revenue per day filled is calculated by dividing the applicable revenue generated by the Company's physician staffing segment by days filled for the period presented.

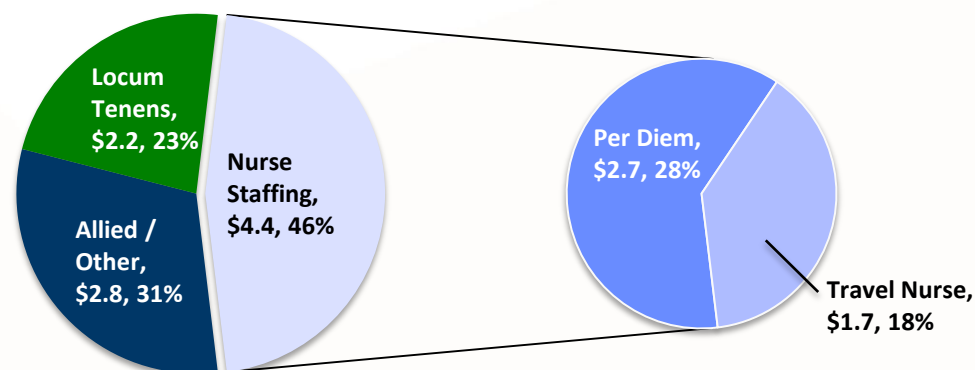
2014 Strategic Priorities

- Disciplined acquisitions
- Segmented Sales
 - Enterprise Sales
 - Specialized by Business
 - Workforce Solutions
 - MSP
 - EMR
- Independent MSP Operations
- Per Diem & Allied Expansion



Our Goal is to Look More Like the Market

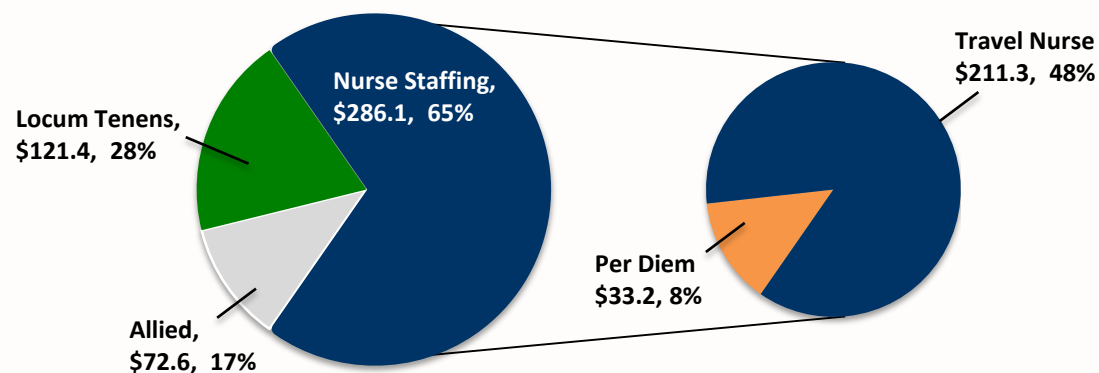
Total Healthcare Staffing by Category – 2012A Revenue (\$B)



Cross Country Healthcare Market Share

- Travel Nurse: 12%
- Locum Tenens: 6%
- Allied: 3%
- Per Diem: 1%

CCH Staffing by Category – 2013 Pro Forma Revenue (\$MM)*

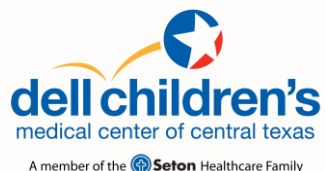


*The pro forma information does not purport to be indicative of what the financial condition or results of operations would have been had the transaction been completed on the applicable dates of this pro forma financial information. The pro forma financial statements are based upon the historical financial statements of On Assignment's Inc.'s Allied Division and Cross Country Healthcare and do not purport to project the future financial condition and results of operations after giving effect to the transaction.

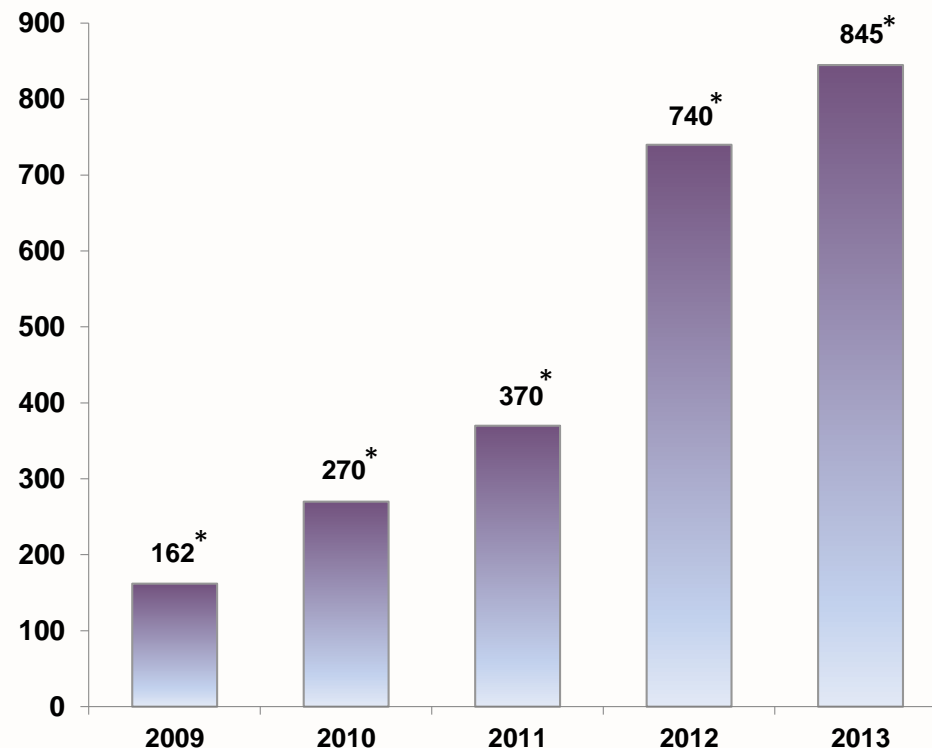
We Have Proven Electronic Medical Record Experience

25+ EMR staffing project implementations since 2006

EMR Project Engagements



Number of EMR Placements



* Estimates

The MSP Opportunity: Key Elements of Our MSP Model



- ▶ Rate standardization and contract administration
- ▶ Dedicated management
- ▶ Technology and custom reporting
- ▶ Clinical screening and interviewing services
- ▶ Credential management
- ▶ Flexible vendor staffing model
- ▶ Agency consolidation
- ▶ Decrease annual staffing expenditures
- ▶ Educational assessment and onboarding consultation
- ▶ Simplified billing and reconciliation process
- ▶ Improved internal efficiencies and utilization management

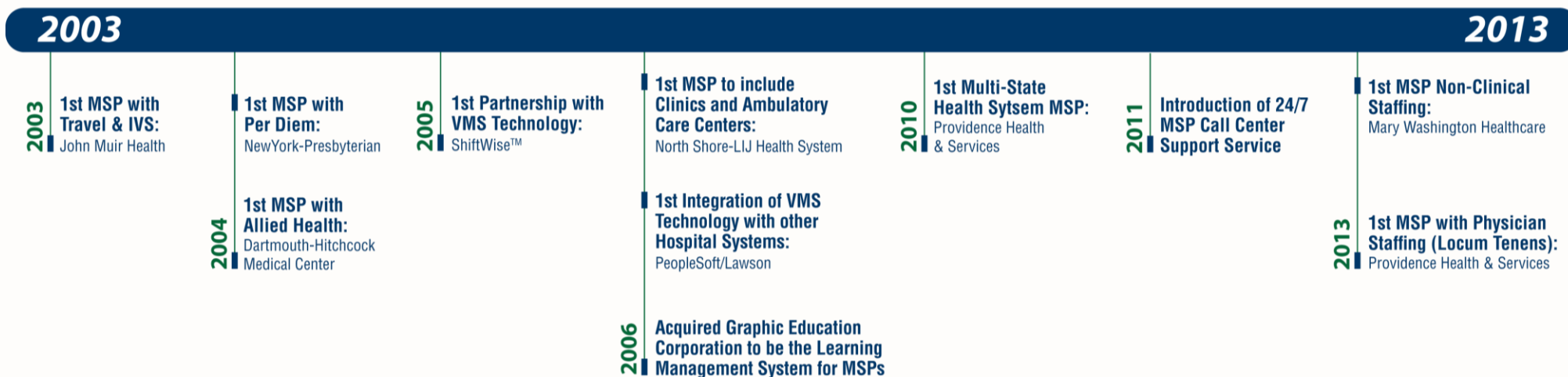
MSP penetration within the U.S. temporary staffing market is between 35% & 40 %

Sources: 2013 VMS and MSP Supplier Competitive Landscape, SIA

Managed Services Provider Solution

- Won first MSP contract in 2003 and have continued to expand our program by adding new service lines and clients
- Expanding our MSP solution to include locum tenens physician staffing services
- Celebrated 10 years as Managed Service Provider to John Muir Health

Cross Country MSP Milestones



Some of Our MSP Clients



| | |
|----------------------------|------------|
| Acute Care Facilities | 169 |
| Ambulatory Care Facilities | 507 |
| TOTAL | 676 |

Cross Country Healthcare Summary

- **8% EBITDA target**
- **Grow company organically and by acquisitions**
- **Leverage healthcare market dynamics:**
 - Supply and demand
 - Improving economic conditions
 - Aging patient population
 - Aging RN and physician populations
 - Large projected shortages of RNs and physicians in next 5-10 years
 - Affordable Care Act
 - Shift to ambulatory care

