



Cross Country Healthcare acquires Advantage RN



NURSE AND ALLIED STAFFING ■ PHYSICIAN STAFFING ■ OTHER HUMAN CAPITAL MANAGEMENT

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, 2016, 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.

Agenda



About Advantage RN



Value Proposition



Market Outlook and Q2 Guidance



Financial Strength

About Advantage RN

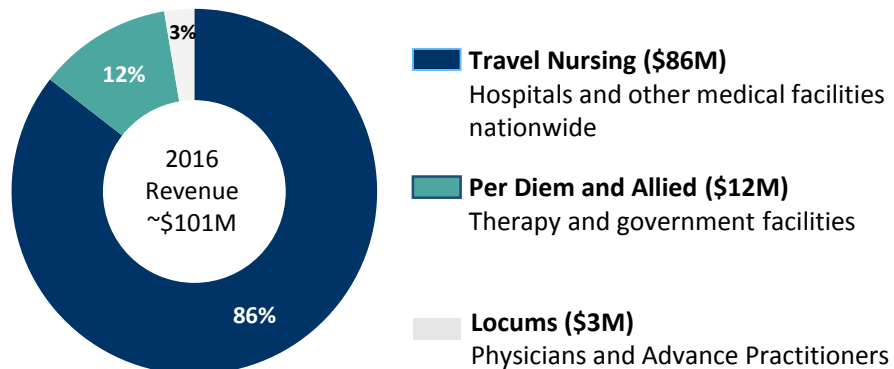


Company Background

- ❑ Founded in 2003 and headquartered in Ohio
- ❑ Diversified customer base of both local and national customers, spanning more than 1,000 facilities
- ❑ Experienced executive team with relevant industry expertise
- ❑ Ranked as the 14th largest Travel Nursing company¹, one of the largest independent travel nursing staffing firms
- ❑ Strong brand recognition and reputation for delivering high quality service levels and leveraging best practices
- ❑ National footprint with 11 office locations

¹ Staffing Industry Analysts, August 3rd 2016

Lines of Business

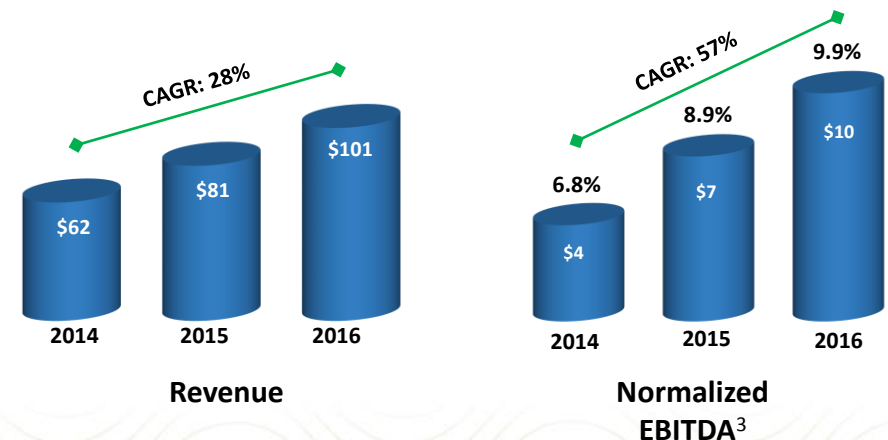


Deal Highlights

- ❑ Asset deal with \$88M purchase price
- ❑ Funded with combination of \$19.9M in cash and \$66.9M in borrowings under our Senior Credit Facility
- ❑ Competitive deal multiples of 8.8x Normalized EBITDA; 0.9x Revenue ⁽²⁾
- ❑ Expected to be accretive by \$0.05 to \$0.07 in 2017 and \$0.10 to \$0.14 in 2018
- ❑ Key management retained with 5 year non-compete agreements

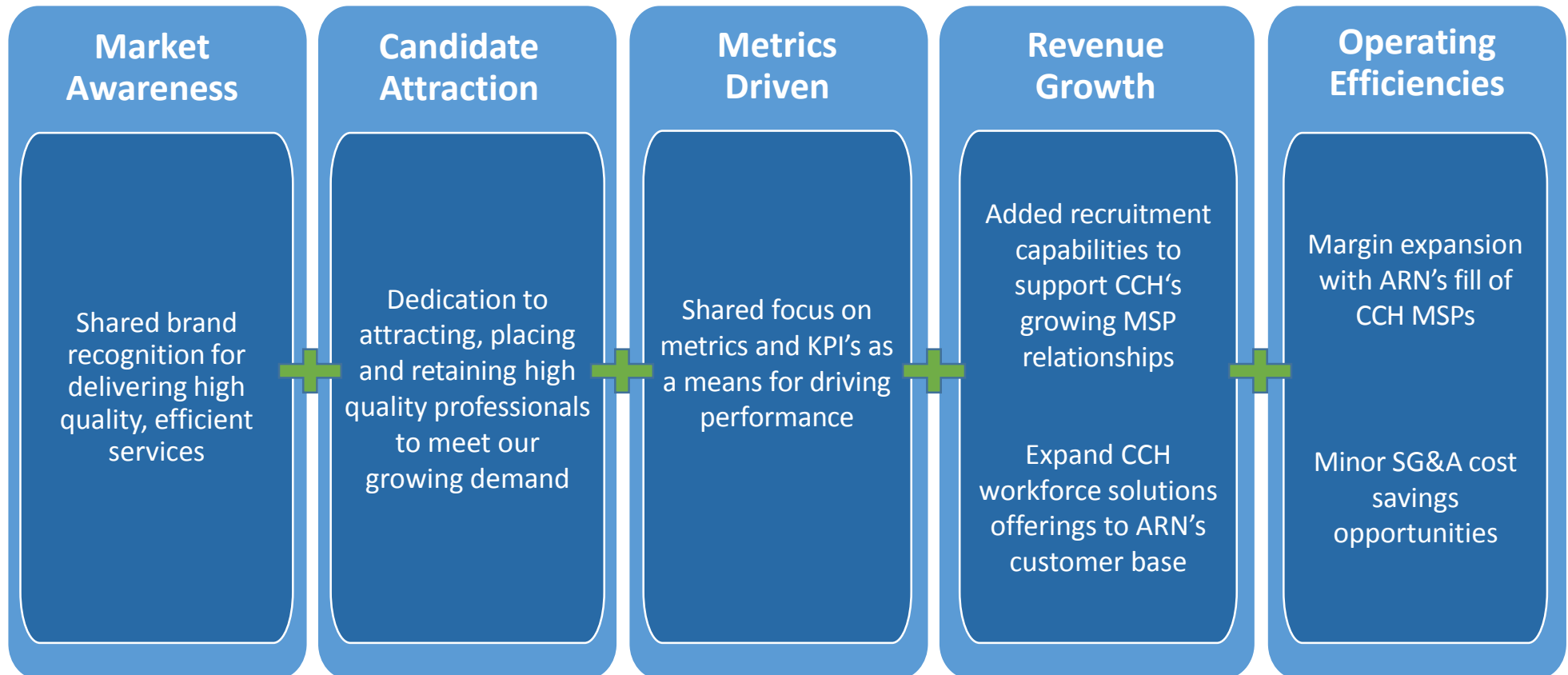
² Based on FY 2016 Normalized Results

Strong Financial Performance



³ See appendix for reconciliation

Strategic Rationale



Travel Nursing remains the largest and fastest growing segment of the market

Managed Services Provider

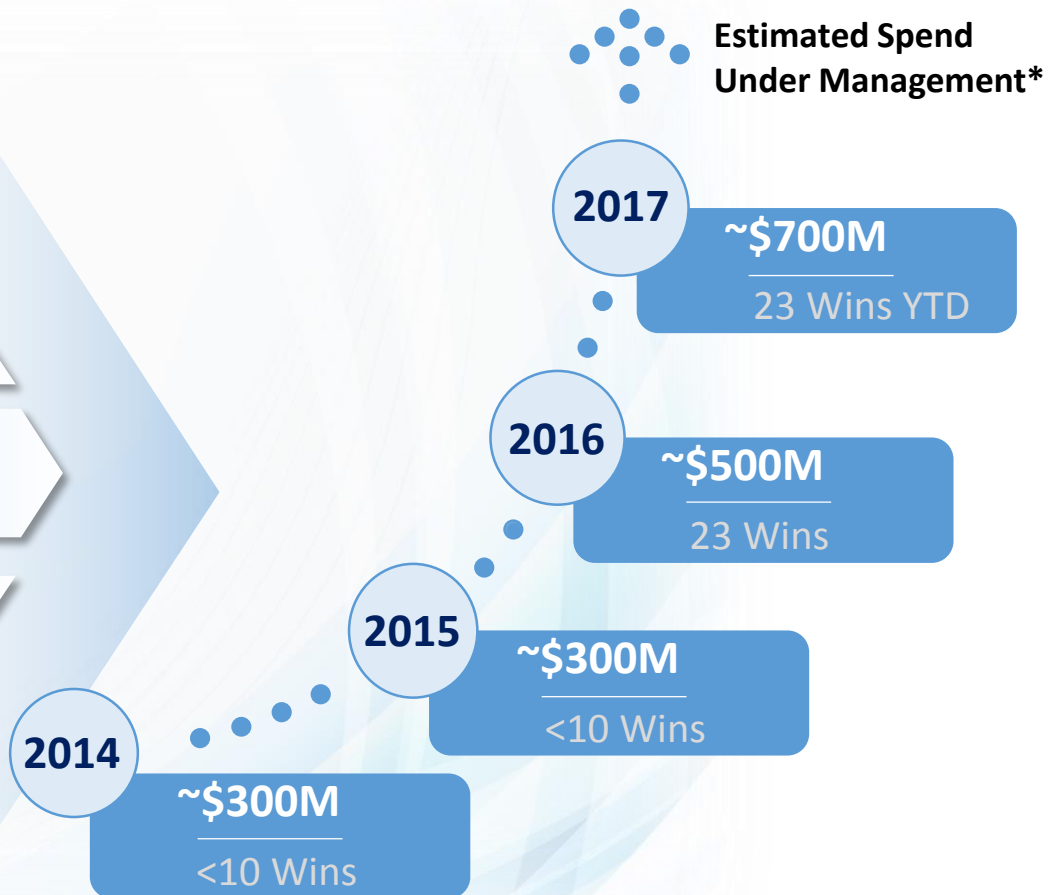
80+ MSP clients

~350 acute care facilities

~2,200 ambulatory care and
other healthcare facilities

~2,550 total facilities

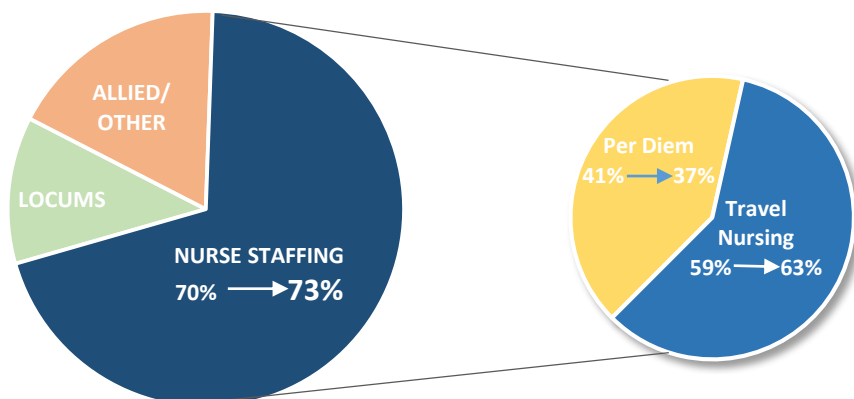
~66,000 beds



* Estimate based on annualized run-rate. 2017 based on current projection.

Market Share pre and post acquisition

CCH Staffing by Category
Proforma FY 2016 Revenue of \$934.5M



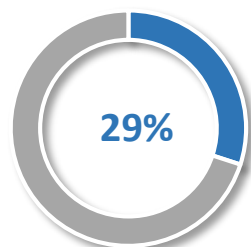
CCH FY 2016 Proforma
\$ in millions

	CCH	ARN	CCH + ARN
Revenue	\$ 833.5	\$ 101.0	\$ 934.5
Gross Profit	\$ 221.7	\$ 23.5	\$ 245.2
Gross Margin %	26.6%	23.3%	26.2%
Adj. EBITDA	\$ 44.7	\$ 10.0	\$ 54.7
Adj. EBITDA %	5.4%	9.9%	5.8%

Advantage results Normalized, see appendix for reconciliation

2016 Healthcare Staffing by Category
Total: ~\$14.8 Billion *

TRAVEL NURSING

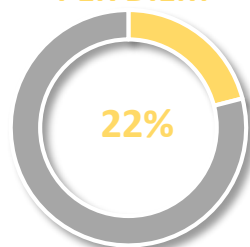


SIZE
\$4.3B

GROWTH YOY
2016 25%

EST. MARKET SHARE*
8% → 10% with ARN

PER DIEM

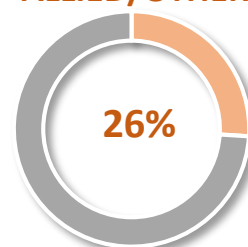


SIZE
\$3.2B

GROWTH YOY
2016 5%

EST. MARKET SHARE*
7% → 8% with ARN

ALLIED/OTHER

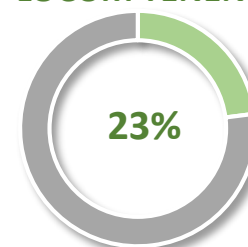


SIZE
\$3.9B

GROWTH YOY
2016 14%

EST. MARKET SHARE*
4%

LOCUM TENENS



SIZE
\$3.4B

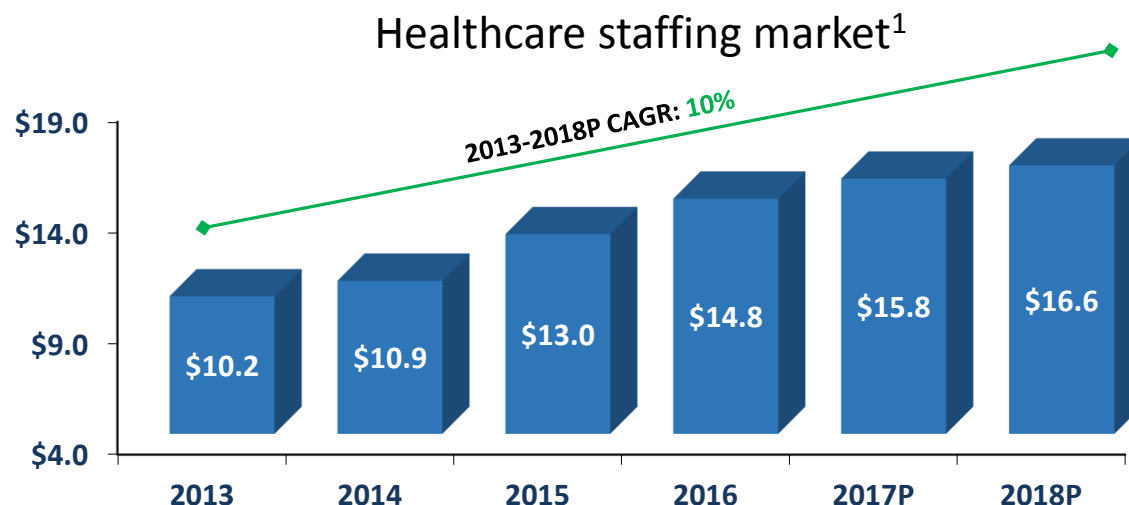
GROWTH YOY
2016 12%

EST. MARKET SHARE*
3%

*Source: SIA April 11, 2017 U.S. Staffing Industry Forecast

Market Outlook

\$ in billions



Continued growth projected in 2017 & 2018, across all segments

U.S. Temp. Staffing Revenue – Estimated and Projected (in \$B)						
Industry Segment	2013	2014	2015	2016	2017P	2018P
Travel Nursing	\$2.2	\$2.5	\$3.5	\$4.3	\$4.8	\$5.1
YoY	8%	12%	40%	25%	10%	6%
Per Diem	\$2.7	\$2.9	\$3.1	\$3.2	\$3.4	\$3.5
YoY	2%	8%	6%	5%	4%	4%
Locums	\$2.4	\$2.6	\$3.0	\$3.4	\$3.6	\$3.7
YoY	10%	8%	17%	12%	6%	4%
Allied/Other	\$2.8	\$2.9	\$3.4	\$3.9	\$4.1	\$4.3
YoY	-3%	2%	17%	14%	6%	4%
Healthcare	\$10.2	\$10.9	\$13.0	\$14.8	\$15.8	\$16.6
YoY	4%	7%	19%	14%	7%	5%

Travel Nursing remains the largest and fastest growing segment of the market

Q2-17 Guidance

	Original Guidance	Expected Performance
Revenue	\$207M - \$212M	Mid-range
Gross Margin %	26.0% - 26.5%	Upper-end of the range
Adj EBITDA \$	\$8M - \$9M	Upper-end of the range
Adj EPS	\$0.08 - \$0.10	Upper-end of the range

❑ We anticipate that our Physician Staffing segment will report YoY growth in Q2

Financial Strength

Financial Measure	as of 3/31	Post deal
Term Loan(s)	\$38.5M	\$78M
\$100M Revolving Credit Facility	-	~\$28M
Cash and cash equivalents	\$13M	\$13M ¹
Net Debt, at par	\$25.5M	~\$93M
Adjusted EBITDA (TTM)	\$42.7M	~\$53M
Total net leverage ratio ²	~0.6x	~1.8x

M&A Focus

- ❑ National expansion of healthcare staffing to **education** – public and charter schools
- ❑ Strong margins and EBITDA potential in a small, but growing **local allied** market
- ❑ Expansion of **physician staffing** practice areas complemented by existing strong management

¹ Represents an estimate, as actual balance not available as of the date of this presentation

² Pro forma Net Debt, at par / Adjusted EBITDA (including Advantage Normalized EBITDA). Pro forma Total Leverage Ratio per Senior Credit Facility is estimated to be ~2.6x

Questions and more information



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Questions

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-related contingent consideration acquisition and integration costs, restructuring costs, loss on early extinguishment of debt, (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-related contingent consideration, acquisition and integration costs, loss on early extinguishment of debt, restructuring costs, impairment charges, and (gain) loss on derivative liability.

Advantage RN, Normalized Results

Advantage	December 31, 2016	December 31, 2015	December 31, 2014
Net income	\$ 8.5	\$ 6.0	\$ 2.4
Depreciation & Amortization	0.1	0.1	0.1
Interest expense	0.2	0.2	0.1
Legal fees (a)	0.5	0.1	0.6
Transaction related costs (b)	0.1	0.0	0.0
Restructuring costs	0.1	0.1	0.0
Other non-recurring adjustments (c)	0.4	0.5	(0.2)
Normalized EBITDA	\$ 10.0	\$ 7.0	\$ 4.0

(a) Legal fees relate to a specific liability the Company is not assuming in accordance with the terms of the asset purchase agreement.

(b) Transaction related costs are fees incurred by the Seller pertaining to the sale of business.

(c) Other non-recurring adjustments are costs that are not anticipated to continue post acquisition such stock purchase distributions, board expenses, and certain other non-operating or immaterial prior period adjustments.

