



**CROSS  
COUNTRY  
HEALTHCARE**

**INVESTOR RELATIONS**  
Q2 2020



# 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, 2019, 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



Cross Country Healthcare Today



Marketplace Dynamics



Cross Country Healthcare Evolution



Financials

# Key Investment Rationale



**One Vision.**  
**One Brand.**  
**One Cross Country.**



## Ongoing Digital Transformation & Investments in Leading Edge Technologies

Modernizing and integrating our technology ecosystem and digitally transforming our enterprise to improve speed to market and productivity



## Comprehensive Suite of Services

MSP, Workforce Solutions: nurse, allied, locum tenens, physician and executive search. Non-clinical staffing



## Leadership with Proven Track Record

Tenured, disciplined, and innovative management in a highly fragmented and growing market that favors companies of scale



## Scalable Business Model

Ability to react to changing market dynamics to gain operating leverage



## Financial Strength

Strong cash flow generating ability, conservative liquidity profile, opportunity for margin accretion

# COVID-19 Response

## Business Impact

- We entered 2020 with strong momentum and positive trajectory
- Demand begun to increase in late March and peaked in Q2'20 as a result of the pandemic
- Demand correlated with the gradual reduction in COVID-19 cases
- Deferral of elective procedures and lower hospital census resulted in top line pressure
- While demand began to improve throughout late Q2 and into Q3, orders remain below pre COVID levels

## Proactive Response

- Enacted business continuity plan with remote workforce
- Significant cost actions \$20M - \$22M to mitigate impact
- Pivoted to virtual business model in majority of markets
- Protected our employees, our healthcare professionals, as well as our clients
- Pricing guidelines established and rapid response to meet urgent needs
- Ensured continuity of service amidst the crisis and manage the market response


We have a clear mission and an important call to action. We must continue to place Cross Country healthcare professionals wherever they are needed to care for those affected.

# Proud History

1986

Cross Country  
Healthcare  
Founded

2001

IPO listing  
on  
 Nasdaq

2013-  
2015

Acquisitions  
to diversify  
service  
offering

2018

Became a  
market leader in  
workforce  
solutions with  
record MSP wins

2019

Embarked on  
a 5-year plan  
to digitally  
transform and  
improve  
profitability

2020

Significant re-  
organization, top  
grading talent,  
technology  
initiatives, key  
partnerships



Joint Commission  
Certified



Trusted Partner  
Committed to Quality

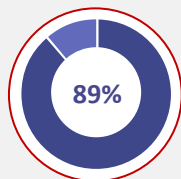


Dedicated Clinical  
Team of RNs

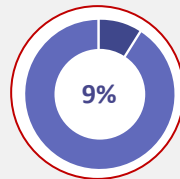


Delivering value through  
TTM offering

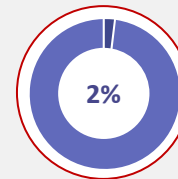
# Cross Country at a Glance



**Nurse & Allied**



**Physician Staffing**



**Search**



**Top 5 player in the Healthcare Staffing Market with Revenues of \$822M**

**Full national coverage with 80+ MSP programs**

**More than 30,000 healthcare professionals on assignment at more than 6,700 facilities in the last 12 months**

**Tenured and experienced leadership**

# Corporate Vision

Become the leading Total Talent Management Solution provider for Healthcare, by utilizing the latest technologies for end to end connectivity and ease of use, delivering exceptional customer service and a world class candidate experience, to increase shareholder value.

Leveraging **One Cross Country**, we will deliver on our commitment to be recognized by healthcare providers, practitioners, and clients as the best in class innovative workforce solutions company.



# Operational Vision



Exceptional candidate experience



Consultative sales force



Efficient shared services



Centralized credentialing



Innovative integrated IT platform



# Enablers for Success

## Mission

Connecting people and jobs through intuitive technologies and innovative solutions, we enable healthcare practitioners and organizations to achieve their goals, always ensuring clinical excellence and exceptional patient care comes first.

## Values

We are Cross Country... Guided by our core values, how we conduct our business, how we treat our employees and how we serve our customers is what defines us!

**We Are Connected...** Providing an effortless experience with simplicity and ease-of-use

**We Are Accountable...** Operating with the highest level of integrity and respect

**We Are Compassionate...** Nurturing relationships with those we serve

**We Are Driven...** Delivering proven quality service and excellence

**We Are Entrepreneurial...** Fostering creativity that encourages innovation and fun

# Creating Business Impact and Value for our Clients



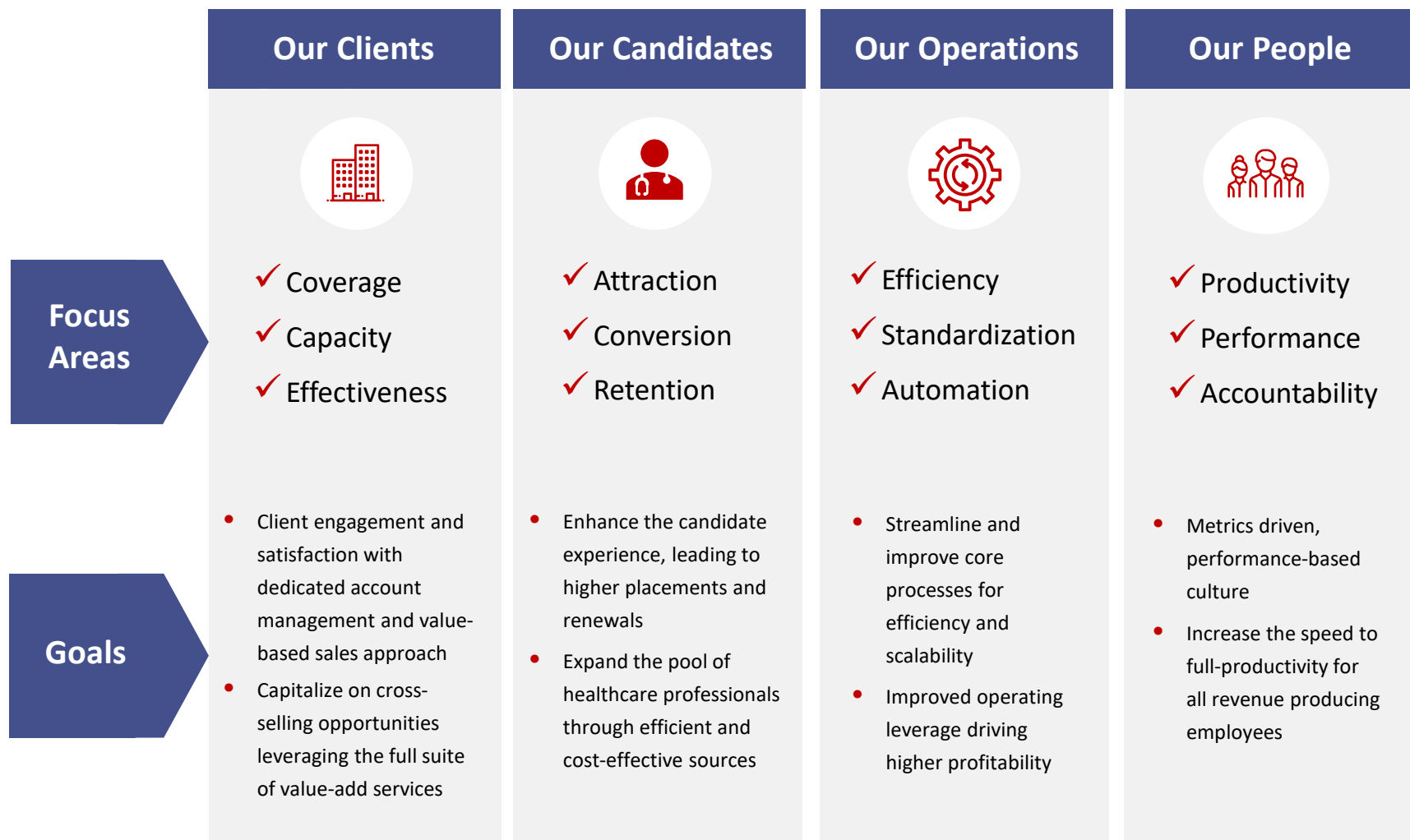
# Staffing is

no longer *just*  
about branches and recruiters...



...*its connecting* people to job opportunities  
in real time...

# Delivering Value Across the Landscape



# Strategic Roadmap



## Digital Transformation

- Best in class agile technology
- One platform for candidate exp
- Increased speed to market
- Gain productivity, reduce attrition



## Rightsizing Organization

- Reorganization, leaner and virtual workforce
- Centralize credentialing
- Middle and back office automation



## Go to Market

- Simplified brand strategy
- Enterprise wide sales, SDR launch
- Centralize recruitment, MSP focus
- B2B, social media marketing
- Tele services & partnerships



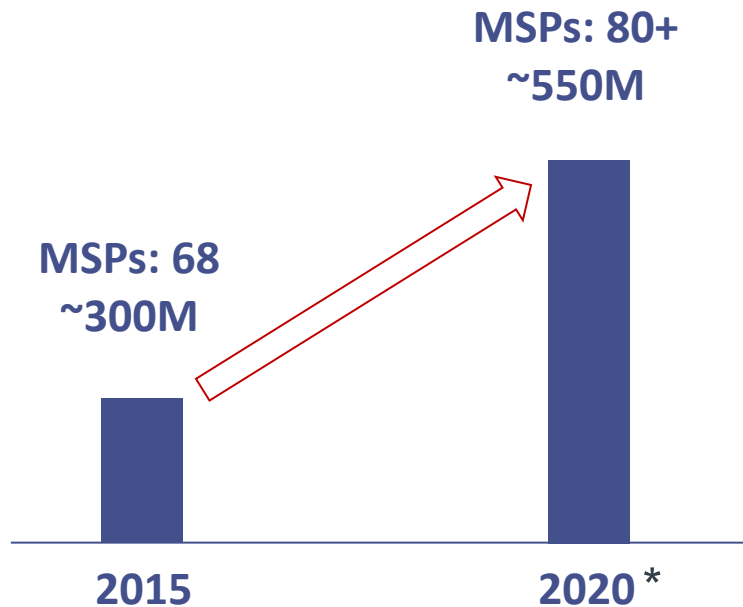
## Total Talent Management

- Continued expansion of services
- Strategic Partnerships



# Continued Expansion of Managed Service Programs

Expanding customer relationships represent significant opportunity for growth with increased spend under management, new cross-selling opportunities and improved capture rates



\* Represents Q2'20 annualized run rate



One Vision. One Brand. One Cross Country.



80+ MSP Programs across more than 550 facilities



9,600+ Healthcare Professionals in 300+ clinical and non-clinical specialties placed



154,000+ Travel Assignments and Per Diem Shifts were filled



Significant growth in number of MSPs and Spend Under Management

# Marketplace – On Demand, Mobile Enabled Job Search

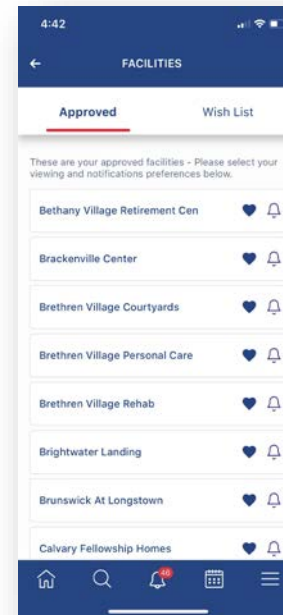
## Self shift booking



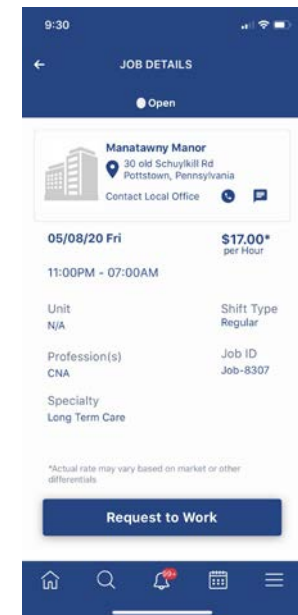
## Calendar



## Preferences

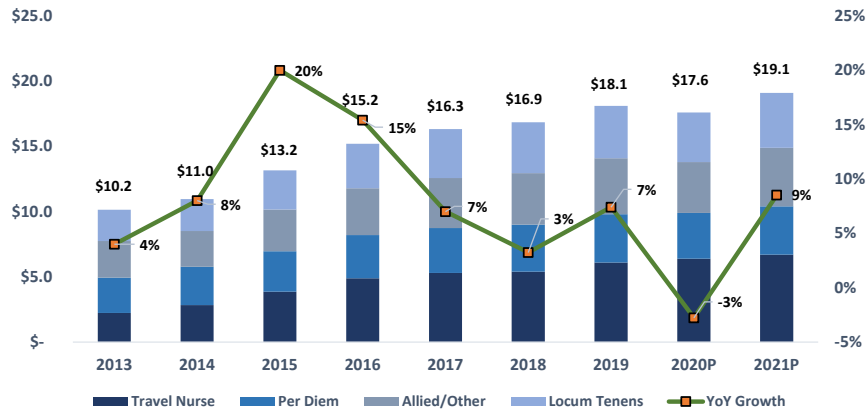


## Job details



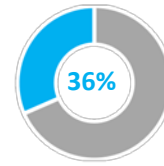
# Healthcare Staffing Market and Economic Update

## Healthcare Staffing Projections



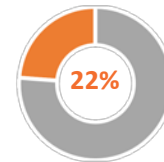
As of Jul 7, 2020

## Travel Nurse



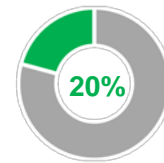
- Size: \$6.4B
- Growth: 5%
- Market Share: 6%
- Rank: X4

## Allied / Other



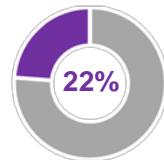
- Size: \$3.9B
- Growth: -9%
- Market Share: 4%
- Rank: 5

## Per Diem



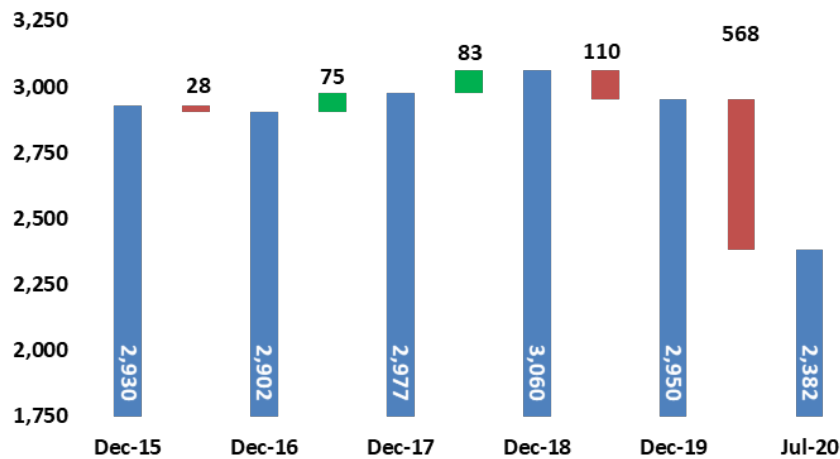
- Size: \$3.5B
- Growth: -5%
- Market Share: 7%
- Rank: 2

## Locums

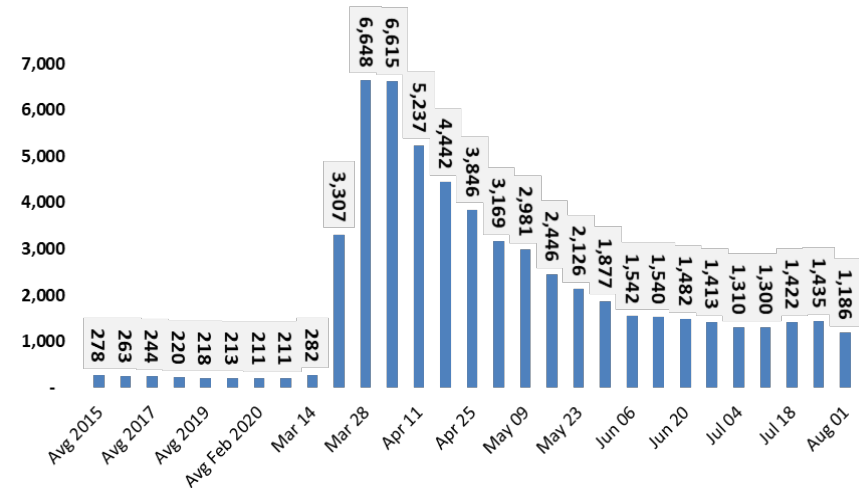


- Size: \$3.8B
- Growth: -5%
- Market Share: 2%
- Rank: 9

## Total Temp Jobs by Year



## Weekly Unemployment Insurance Claims



# Market Dynamics



## General Trends

- Significant cost pressure
- Fee for value environment with higher emphasis on quality care and patient experience
- Increased Adoption of strategic staffing partnerships such as MSPs on the rise and favor larger players
- Shift from acute to outpatient and ambulatory care centers
  - Expect 16% growth in outpatient volume in next 10 years
  - Outpatient care accounts for 60% of hospital revenue
  - Lower acuity urgent visits are expected to decline by 2% in the next 5 years, shifting to lower cost facilities



## Supply & Demand

- Supply Constrained Environment both nationally and in key markets
- New and emerging roles within hospitals such as care coordinators, documentation specialists, experience officers and telehealth specialties
- Healthcare staffing buyers are traditionally less “strategic” in their use of contingent labor reacting to temporary shortages rather than managing temp labor as part of a broader workforce plan



## Technology

- Tech enabled services and data analytics are gaining adoption
- Gig economy requires agile and mobile solutions
- Increased utilization of systems to attract candidates and interact with clients
- Predictive Intelligence, Real Time Dashboards, Artificial Intelligence, are all gaining momentum



## Aging Demographics

- 75M baby boomers now over 50 years of age (25% of population), of which, 80% have at least one Chronic condition
- Americans ≥ 65 years. to grow ~39% by 2020 and consume 3x-4x as much healthcare
- 1/3 of the current RNs will reach retirement in next 10 years
- 700K physicians in the US under the age of 75
- 30% of workforce comprised of physicians aged 55 to 75
- 70,000 nurses retiring annually
- 73% of baby boomer nurses plan to retire in 3 years or less

# Implications for Health Systems and Clinicians

## Health Systems



- New Delivery Models Shift Risk to Providers
- Redefining Healthcare and Care Coordination
- Retail-Based Model Improving Access & Cost
- Independent Physicians Aligning with Hospitals/Payers
- Hospitals Taking control of Continuum of Care
- Wellness Programs Gaining Momentum
- Greater Financial Responsibility Shifting to Consumers
- IT Adoption is Critical for Healthcare Industry

## Clinicians



- More technology savvy
- Preference towards high quality care environments
- Require improved experience with service providers, enabled by latest technology
- Prefer flexible schedules and seek to select employment based on multiple options
- Seek opportunities that offer competitive compensation packages with benefits
- Millennials change jobs more frequently and tend to work less hours than older nurses, creating unplanned vacancies

# Healthcare Facility Impact

## Patient Anxiety

More than **50%** of the public has skipped or postponed medical care because of the outbreak<sup>1</sup>

In the same survey, more than **33%** said they will need care within the next three months



## Economic Instability

Decreased demand as individuals & families lost coverage amid furloughs & layoffs

Nearly **40%** of people had coverage through a lost or furloughed job<sup>2</sup>



## Capacity & Efficiency

Nearly **82%** of hospital admissions are related to Surgical, Emergency or Maternity procedures<sup>3</sup>

Restrictions and safety protocols reduced utilization in terms of beds & staffing



**Varying factors impacting patient volumes in healthcare facilities**

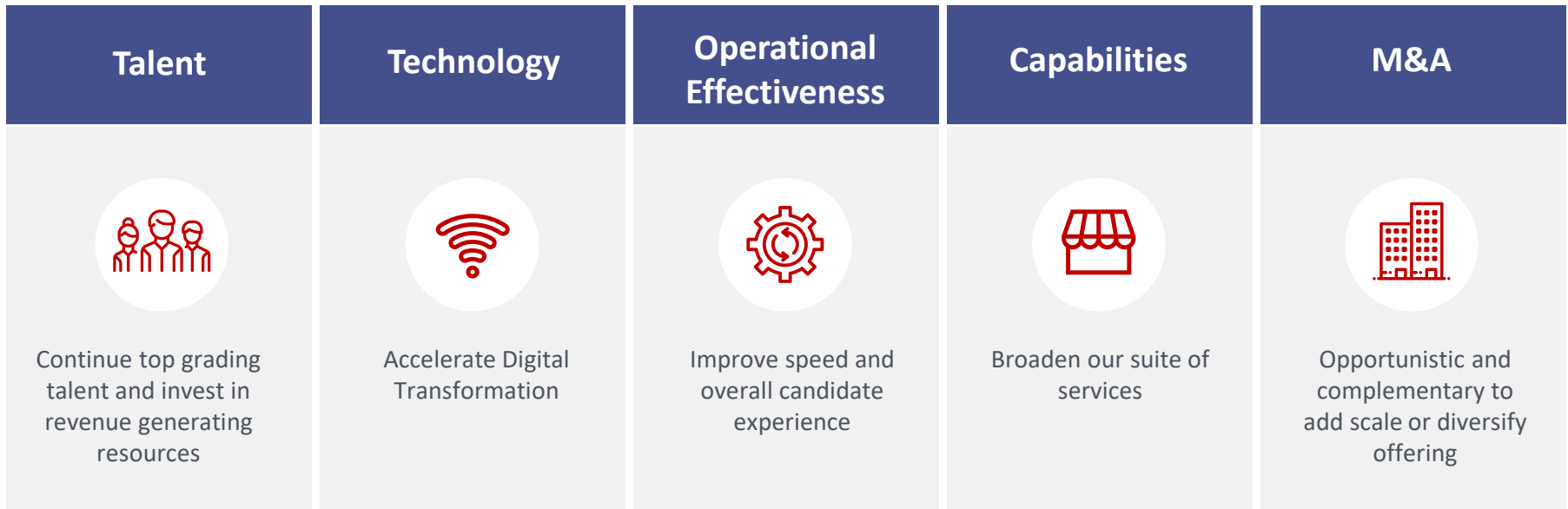
# Expected Rebound

- **The lack of preventative care services and neglected medical procedures is likely to create a surge in demand.**
  - According to a recent survey, **60%** of physicians believe patients will experience avoidable illness due to diverted or avoided care<sup>1</sup>
- **Regional differences in COVID cases will fluctuate demand levels**
  - Northeast states have trended more favorably since June compared to the Southern & Western States
- **Federal and state funding for COVID testing, and Contact Tracing will foster safer environments for patients**



**Volumes are likely to rebound**

# Key Priorities



- Grow Scale and Market Share
- Innovate and modernize

- Achieve Consistent and Sustainable Growth
- Expand and Diversify Offering

# Selected Financial Metrics

Financial Summary	Q2 2020 Actuals
Revenue	\$216.8
<i>Gross Margin %</i>	23.4%
Adj EBITDA \$	\$11.6
<i>Adj EBITDA %</i>	5.4%
Adj EPS	\$0.16
Cash Flow Provided by Operations	\$16.6

Dollars in millions, except Adj EPS

## Highlights



Revenue +7% YoY and +2% sequentially



Adj EBITDA +84% YoY and +152% sequentially



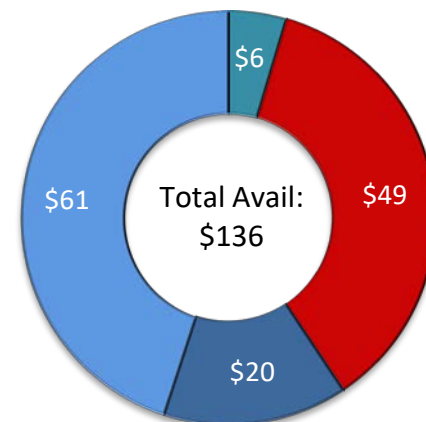
Adj EPS +\$0.15 YoY and +\$0.17 sequentially



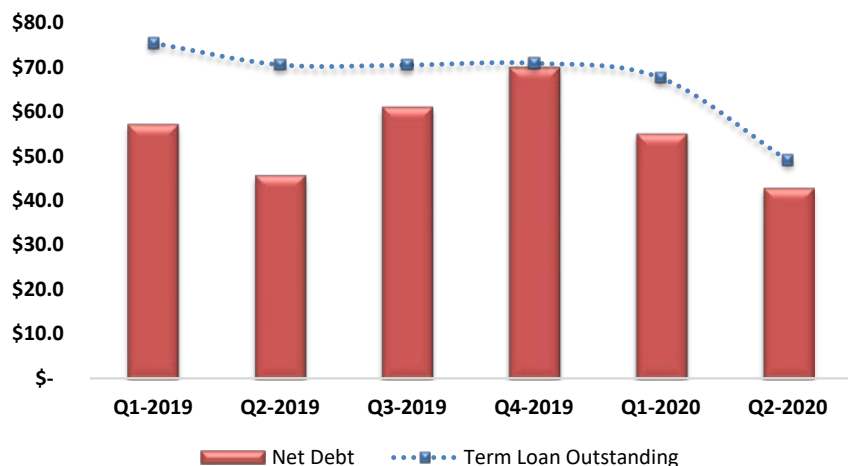
Cash Flow Provided by Operations +34%

# Liquidity Profile

Cash Flow From Operations (YTD)	\$ 33.4
Term Loan Outstanding	\$ 49.1
Cash & Cash Equivalents	\$ 6.2
Net Funded Debt	\$ 42.9
Total Net Leverage Ratio <sup>(a)</sup>	~1.4x
Fixed Charge Coverage Ratio <sup>(b)</sup>	~4.0x



■ Cash & Cash Equivalents ■ Revolver ■ LOC ■ Excess Availability



## Capital Allocation Strategy

- Targeted Investments
- Debt Repayment
- Strategic, Accretive, Acquisitions



# 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 interest expense, income tax expense (benefit), depreciation and amortization, acquisition-related contingent consideration, acquisition and integration costs, restructuring costs, legal settlements and fees, impairment charges, gain on derivative liability, loss on early extinguishment of debt, other income, net, equity compensation, legacy system replacement costs, 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 the diluted EPS impact of acquisition-related contingent consideration, acquisition and integration costs, restructuring costs, impairment charges, (gain) loss on derivative liability, loss on early extinguishment of debt, legacy system replacement costs, and nonrecurring income tax adjustments.



CDC Has  
Answers!  
cdc.gov/screenforlife



WE STAND TOGETHER  
WE FIGHT TOGETHER  
WE WILL BEAT THIS AS ONE  
#FLATTENTHECURVE



CCRN NasdaqListed



APRIL 10

TIGERTAIL

TO PROTECT THOSE WE LOVE,  
WE HAVE TEMPORARILY CLOSED