



# Q2 2019 Investor Relations Presentation



# 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, 2017, 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 and Evolution



Where We Are Headed



Financials

# Proud History

2018

Became a market leader in workforce solutions with record MSP wins

2017

Became the largest provider of Per Diem Staffing in the U.S

2013-  
2015

Acquisitions to diversify service offering

2001

IPO listing on  Nasdaq

1998  
1999

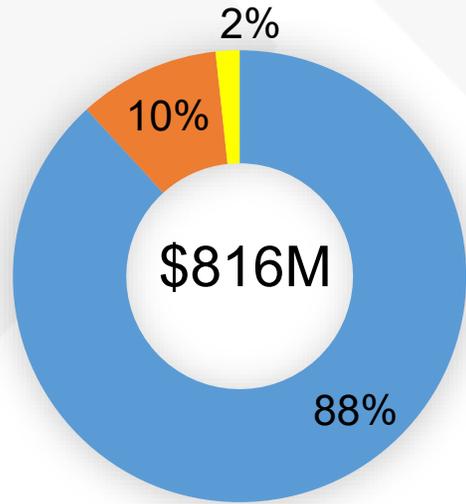
1<sup>st</sup> MSP and 1<sup>st</sup> Joint Venture

1986

Cross Country Healthcare Founded

- Joint Commission Certified
- Trusted Partner Committed to Quality
- Dedicated Clinical Team of RNs
- Delivering value through TTM offering

# Who We Are



■ Nurse & Allied ■ Physician Staffing ■ Search



**Nurse &  
Allied Staffing**



CROSS COUNTRY  
NURSES



Medical Staffing  
Network  
BY CROSS COUNTRY HEALTHCARE



CROSS COUNTRY  
WORKFORCE SOLUTIONS



CROSS COUNTRY  
ALLIED



DirectEd  
BY CROSS COUNTRY HEALTHCARE



**Physician Staffing**



CROSS COUNTRY  
LOCUMS



**Search**



CROSS COUNTRY  
SEARCH

- Full national coverage through our large branch network
- 80+ MSP programs serving more than 3,000 facilities
- More than 30,000 healthcare professionals on assignment at more than 6,700 facilities in the last 12 months
- Tenured and experienced leadership

**FINANCIAL STABILITY**

**33**

YEARS



**third largest**

HEALTHCARE STAFFING ORGANIZATION IN AMERICA

**largest branch network**

IN THE US





**publicly traded**

NASDAQ: CCRN

**Comprehensive Solutions**

Measurable Results

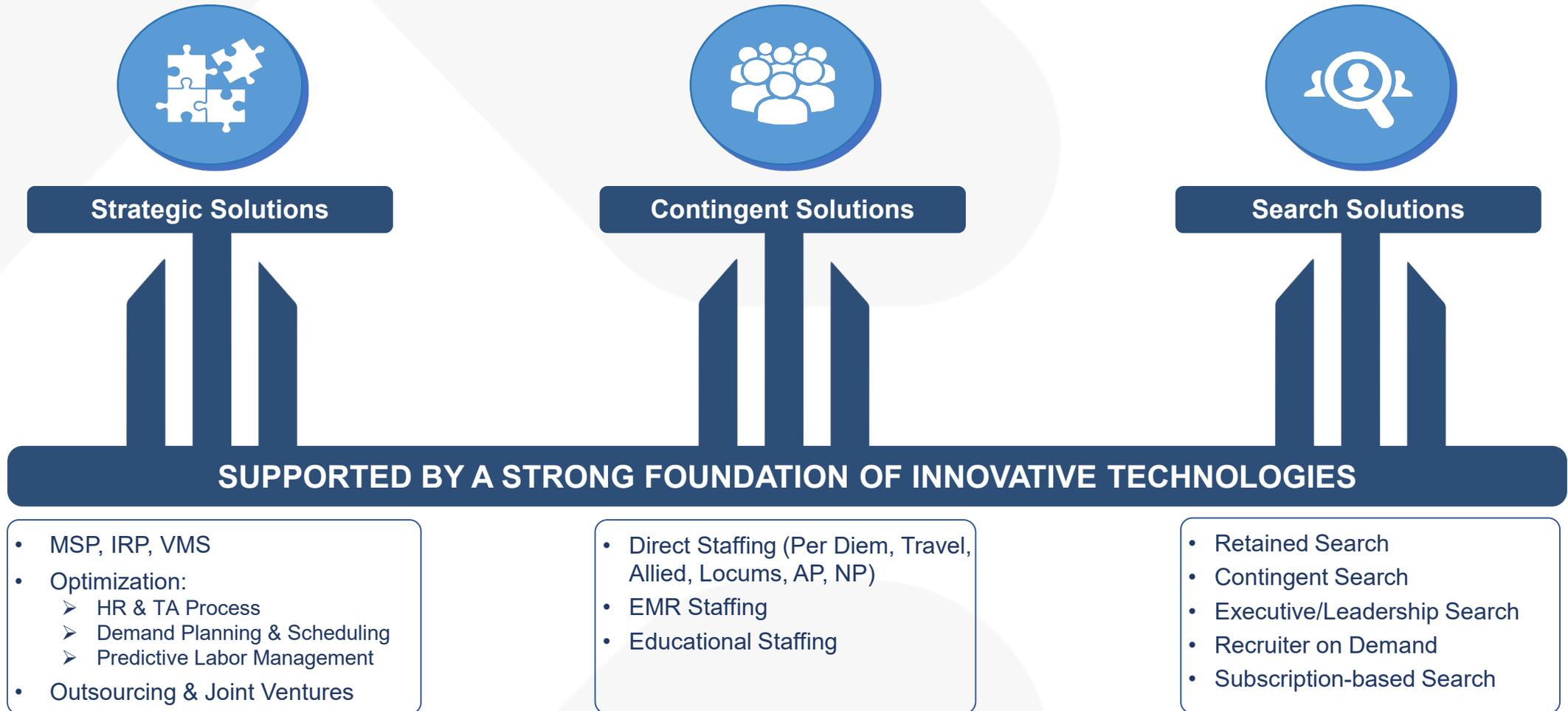


**80+ MSP clients**

**1000+ hospitals**



# How We Go To Market: Total Talent Management Solution



# Delivering Value Across the Landscape

	Focus Areas	Goals
<b>Our Clients</b>	<ul style="list-style-type: none"> <li>✓ Coverage</li> <li>✓ Capacity</li> <li>✓ Effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Drive client engagement and satisfaction with a dedicated account management and a value-based sales approach</li> <li>• Capitalize on cross-selling opportunities leveraging the full suite of value-add services</li> </ul>
<b>Our Candidates</b>	<ul style="list-style-type: none"> <li>✓ Attraction</li> <li>✓ Conversion</li> <li>✓ Retention</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance the total candidate experience, leading to higher placements and renewals</li> <li>• Expand the pool of healthcare professionals through efficient and cost-effective sources</li> </ul>
<b>Our Operations</b>	<ul style="list-style-type: none"> <li>✓ Efficiency</li> <li>✓ Standardization</li> <li>✓ Automation</li> </ul>	<ul style="list-style-type: none"> <li>• Streamline and improve core processes for efficiency and scalability</li> <li>• Improved operating leverage driving higher profitability</li> </ul>
<b>Our People</b>	<ul style="list-style-type: none"> <li>✓ Productivity</li> <li>✓ Performance</li> <li>✓ Accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Metrics driven, performance-based culture</li> <li>• Increase the speed to full-productivity for all revenue producing employees</li> </ul>

# Continued Expansion of Managed Service Programs (MSP)

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

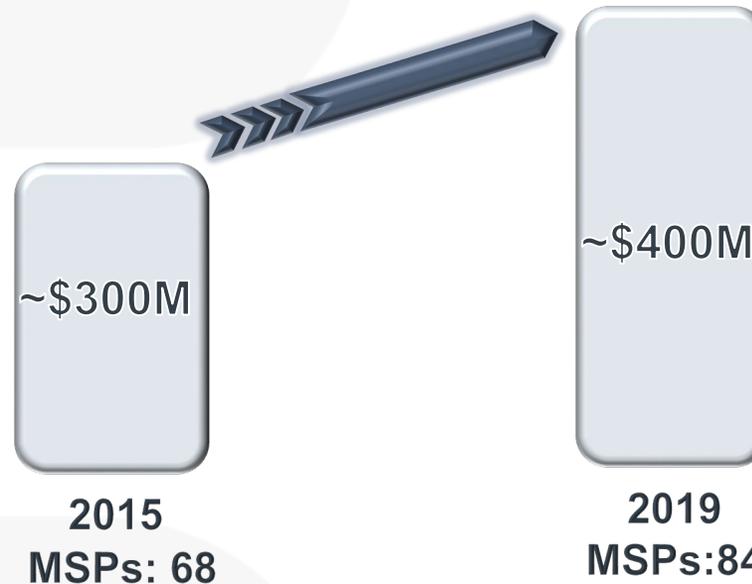
80+ MSP Clients at 300+ acute care facilities

2,850+ ambulatory care and other healthcare facilities

9,600+ Healthcare Professionals in 250+ clinical and non-clinical specialties placed

135,000+ Travel Assignments and Per Diem Shifts were filled

Significant growth in number of MSPs and Spend Under Management



# Strength of a National Footprint

## National Presence with Local Expertise



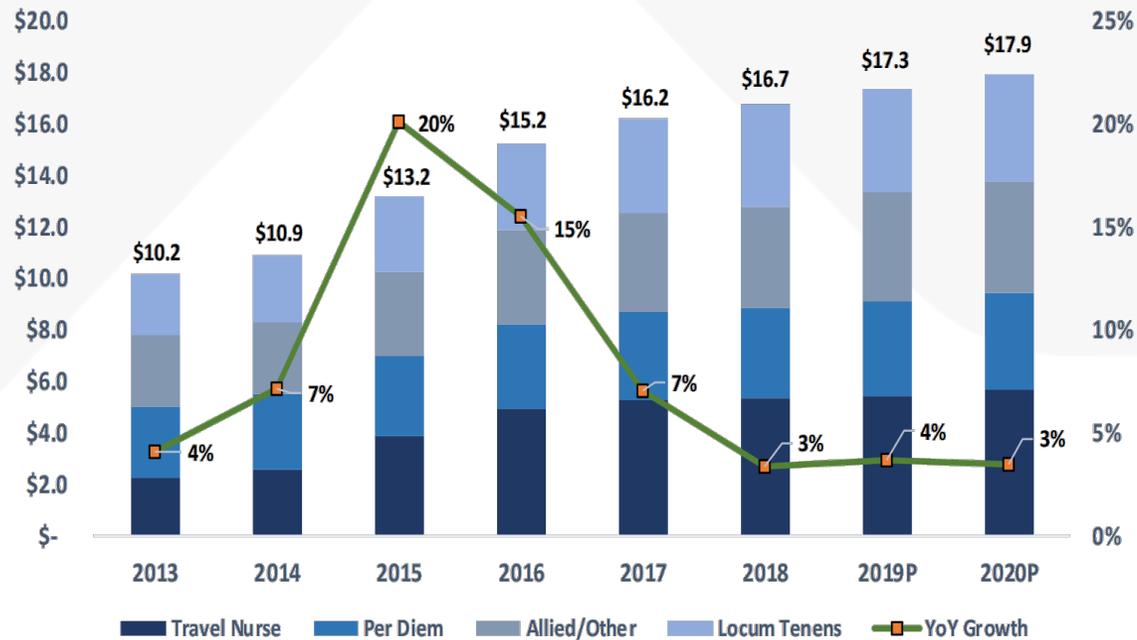
● Cross Country Healthcare Locations

**~75 Locations across the U.S.**

- Provides platform for winning MSPs
- Supports the growth in ambulatory & outpatient services
- Trend towards MSP contracting requires partners with national scale
- National presence increases brand awareness and enhances appeal to healthcare professionals
- Provides opportunity for cross-selling additional capabilities through existing channels

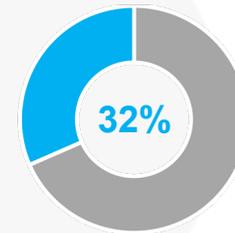
# Healthcare Staffing Market Overview

## Healthcare Staffing Projections



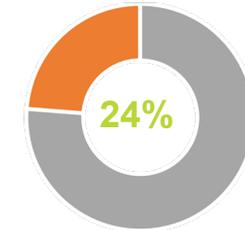
Source: SIA April 8, 2019

### Travel Nurse



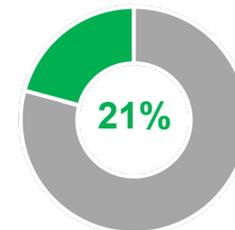
- Size: \$5.3B
- Growth: 1%
- Market Share: 7%
- Rank: 3

### Allied / Other



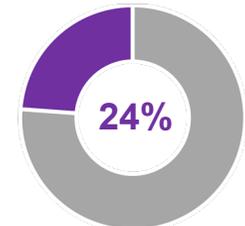
- Size: \$4.0B
- Growth: 7%
- Market Share: 4%
- Rank: 5

### Per Diem



- Size: \$3.5B
- Growth: 2%
- Market Share: 6%
- Rank: 1

### Locums



- Size: \$4.0B
- Growth: 4%
- Market Share: 2%
- Rank: 6

Per Diem generally represents nurse assignments for individual shifts;  
Allied includes healthcare professionals other than doctors or nurses

- Market projected to grow by mid single digits in 2018 and 2019 reaching ~\$17.5B by 2019
- CCH enjoys a strong presence in each segment

# Who we serve...



# 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

# Transforming to a Total Talent Management Solution

## PAST

- Primary focus on staff augmentation
- Dominant position in MSP space
- High concentration in traditional staffing services
- Multi-brand go-to-market approach
- Aging technology solutions

## FUTURE

- Embrace value-add service environment and diversify offering
  - Consultative/advisory/strategic solutions
  - Predictive analytics
  - Recruitment Process Outsourcing (RPO)
  - Internal Resource Pool (IRP)
  - Dashboards and Data Intelligence
- Flexible, dynamic technology solutions
  - Create best in class experience for our HCPs and Clients
  - Empower our clients with real time dashboards and businesses intelligence tools
- Focus on Brand Value
- Foster entrepreneurial and innovative environment

# Top Priorities



# Financial Summary

Financial Summary (\$ in millions)		
	Q2 2019 Actuals	Q3 2019 Guidance (Low – High)
Revenue	\$202.8M	\$200M - \$205M
Gross Margin %	25.4%	24.50% - 25.00%
Adj EBITDA \$	\$6.3M	\$5.5M - \$6.5M

# Liquidity Profile

	As of 6/30/19 (\$ in millions)
Cash Flow form Operations (YTD)	\$25M
Term Loan Outstanding	\$71M
Cash & Cash Equivalents	\$25M
Net Funded Debt	\$47M
Total Net Leverage Ratio <sup>(a)</sup>	~1.9x
Fixed Charge Coverage Ratio <sup>(b)</sup>	~1.6x

(a) Net Funded Debt at period end divided by Adj. EBITDA (on TTM basis)

(b) EBITDA less capital expenditures, taxes paid, and restricted payments divided by fixed charges (on TTM basis)

## Capital Allocation Strategy

- Targeted Investments
- Debt Repayment
- Strategic Acquisitions



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COUNTRY  
HEALTHCARE



# 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 settlement charge, loss on sale of business, 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.



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