

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 5, 2021



**Cross Country Healthcare, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**0-33169**  
(Commission  
File Number)

**13-4066229**  
(I.R.S. Employer  
Identification No.)

**6551 Park of Commerce Boulevard, N.W., Boca Raton, Florida 33487**  
(Address of Principal Executive Office) (Zip Code)

**(561) 998-2232**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

**Securities registered pursuant to Section 12(b) of the Act:**

**Title of each class**  
Common stock, par value \$0.0001 per share

**Trading Symbol**  
CCRN

**Name of each exchange on which registered**  
The Nasdaq Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Section 2 – Financial Information

### Item 2.02 Results of Operations and Financial Condition

(a) On May 5, 2021, Cross Country Healthcare, Inc. (“the Company”) issued a press release announcing results for the quarter ended March 31, 2021, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K. This information is being furnished under Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of such section.

## Section 7 – Regulation FD

### Item 7.01 Regulation FD Disclosure

Incorporated by reference is a press release issued by the Company on May 5, 2021, which is attached hereto as Exhibit 99.1. This information is being furnished under Item 7.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of such section.

## Section 9 – Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit              | Description   |
|----------------------|---|
| <a href="#">99.1</a> | <a href="#">Press Release issued by the Company on May 5, 2021</a>          |
| 104                  | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

**CROSS COUNTRY HEALTHCARE, INC.**

By: /s/ William J. Burns

William J. Burns

Executive Vice President & Chief Financial Officer

Dated: May 5, 2021

## Cross Country Healthcare Announces First Quarter 2021 Financial Results

BOCA RATON, Fla.--(BUSINESS WIRE)--May 5, 2021--Cross Country Healthcare, Inc. (the "Company") (Nasdaq: CCRN) today announced financial results for its first quarter ended March 31, 2021.

### SELECTED FINANCIAL INFORMATION:

| Dollars are in thousands, except per share amounts | Q1 2021     | Variance<br>Q1 2021 vs<br>Q1 2020 | Variance<br>Q1 2021 vs<br>Q4 2020 |
|--|-------------|-----------------------------------|-----------------------------------|
| Revenue  | \$ 329,241  | 57 %                              | 53 %                              |
| Gross profit margin*                               | 21.7 %      | (190) bps                         | (350) bps                         |
| Net income attributable to common shareholders     | \$ 19,448   | 1,031 %                           | 322 %                             |
| Diluted EPS  | \$ 0.53     | \$ 0.59                           | \$ 0.40                           |
| Adjusted EBITDA*                                   | \$ 26,733   | 480 %                             | 132 %                             |
| Adjusted EBITDA margin*                            | 8.1 %       | 590 bps                           | 280 bps                           |
| Adjusted EPS*                                      | \$ 0.58     | \$ 0.59                           | \$ 0.39                           |
| Cash flows used in operations                      | \$ (24,927) | (245) %                           | (1,392) %                         |

\* Refer to accompanying tables and discussion of non-GAAP (Generally Accepted Accounting Principles) financial measures below.

"We entered the year on a very positive trajectory, with solid execution, higher productivity, and exceptional performance," said Kevin Clark, Co-founder and Chief Executive Officer for Cross Country Healthcare. He continued, "This was the single largest revenue quarter in our Company's history and was fueled by our passionate, tireless efforts to deliver the critical professionals needed across the country."

First quarter consolidated revenue was \$329.2 million, an increase of 57% year-over-year and 53% sequentially. Consolidated gross profit margin was 21.7%, down 190 basis points year-over-year and 350 basis points sequentially. Net income attributable to common shareholders was \$19.4 million compared to a net loss of \$2.1 million in the prior year and net income of \$4.6 million in the prior quarter. Diluted earnings per share (EPS) was \$0.53 per share compared to a loss of \$0.06 per share in the prior year and income of \$0.13 per share in the prior quarter. Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) was \$26.7 million or 8.1% of revenue, as compared with \$4.6 million or 2.2% of revenue in the prior year, and \$11.5 million or 5.3% of revenue in the prior quarter. Adjusted EPS was \$0.58 compared to a loss of \$0.01 in the prior year and income of \$0.19 in the prior quarter.

## Quarterly Business Segment Highlights

In the first quarter of 2021, the Company modified its reportable segments to the following two reportable segments – Nurse and Allied Staffing and Physician Staffing. Previously reported Search segment results have been reclassified to Nurse and Allied Staffing. See accompanying tables below.

### *Nurse and Allied Staffing*

Revenue was \$313.0 million, an increase of 63% year-over-year and 57% sequentially. Contribution income was \$37.4 million, an increase compared to \$13.8 million in the prior year and \$22.8 million in the prior quarter. Average field contract personnel on a full-time equivalent (FTE) basis were 6,614 as compared with 7,145 in the prior year and 5,798 in the prior quarter. Revenue per FTE per day was \$522 compared to \$290 in the prior year and \$368 in the prior quarter. As a result of the rise in demand and a tight labor market, our average travel bill rates increased due to the increases in pay rates required to attract healthcare professionals. Throughout the coronavirus pandemic (COVID-19), we have worked with our clients to adjust bill rates, both increasing and decreasing rates as necessary, to provide critical healthcare professionals.

### *Physician Staffing*

Revenue was \$16.2 million, a decrease of 11% year-over-year and 1% sequentially. Contribution income was \$1.4 million, an increase compared to \$0.6 million in the prior year and \$0.9 million in the prior quarter. Total days filled were 9,469 as compared with 10,199 in the prior year and 9,911 in the prior quarter. Revenue per day filled was \$1,714 as compared with \$1,783 in the prior year and \$1,658 in the prior quarter.

## Cash Flow and Balance Sheet Highlights

Cash flow used in operations for the quarter was \$24.9 million compared to cash flow provided by operations of \$17.2 million in the prior year and \$1.9 million in the prior quarter, primarily due to strong sequential revenue growth which resulted in a \$76.6 million increase in receivables since the start of the year. Days' sales outstanding was 56 days as of March 31, 2021, flat year-over-year and down 2 days sequentially.

At March 31, 2021, the Company had \$13.5 million in cash and cash equivalents, \$96.0 million of borrowings drawn under its asset-based loan facility (ABL), and \$18.5 million of letters of credit outstanding. Availability under the ABL is subject to a borrowing base, which was \$150.0 million as of March 31, 2021, with \$35.5 million available for borrowing as of March 31, 2021.

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## Outlook for Second Quarter 2021

The guidance below applies to management's expectations for the second quarter of 2021.

|                      | Q2 2021 Range                   | Year-over-Year Change | Sequential Change   |
|----------------------|---------------------------------|-----------------------|---------------------|
| Revenue              | \$300 million - \$310 million   | 38% - 43%             | (9)% - (6)%         |
| Gross Profit Margin* | 22.0% - 22.5%                   | (140) bps - (90) bps  | 30 bps - 80 bps     |
| Adjusted EBITDA*     | \$19.0 million - \$21.0 million | 64% - 81%             | (29)% - (21)%       |
| Adjusted EPS*        | \$0.37 - \$0.42                 | \$0.21 - \$0.26       | \$(0.21) - \$(0.16) |

\* Refer to discussion of non-GAAP financial measures below.

The above estimates are based on current management expectations and, as such, are forward-looking and actual results may differ materially. The above ranges do not include the potential impact of any future divestitures, mergers, acquisitions, or other business combinations, changes in debt structure, or future share repurchases. We expect COVID-19 will continue to impact our business throughout the second quarter, with average bill rates remaining higher than the prior year though declining sequentially for certain assignments, as well as lower demand for certain services such as locum tenens, education, and search. See accompanying non-GAAP financial measures and tables below.

### INVITATION TO CONFERENCE CALL

The Company will hold its quarterly conference call on Wednesday, May 5, 2021, at 5:00 P.M. Eastern Time to discuss its first quarter 2021 financial results. This call will be webcast live and can be accessed at the Company's website at [ir.crosscountryhealthcare.com](http://ir.crosscountryhealthcare.com) or by dialing 888-566-1099 from anywhere in the U.S. or by dialing 773-799-3716 from non-U.S. locations - Passcode: Cross Country. A replay of the webcast will be available from May 5th through May 19th at the Company's website and a replay of the conference call will be available by telephone by calling 800-510-0118 from anywhere in the U.S. or 203-369-3808 from non-U.S. locations - Passcode: 2021.

### ABOUT CROSS COUNTRY HEALTHCARE

Cross Country Healthcare, Inc. (CCH) is a leader in providing total talent management including strategic workforce solutions, contingent staffing, permanent placement, and consultative services for healthcare customers. Leveraging our 35 years of industry expertise and insight, CCH solves complex labor-related challenges for customers while providing high-quality outcomes and exceptional patient care. As a multi-year Best of Staffing® Award winner, CCH is committed to an exceptionally high level of service to both our clients and our healthcare professionals. CCH was the first publicly traded staffing firm to obtain The Joint Commission Certification, which it still holds with a Letter of Distinction. In February 2021, CCH earned Energage's inaugural 2021 Top Workplaces USA award. CCH has a longstanding history of investing in its diversity, equality, and inclusion strategic initiatives as a key component of the organization's overall corporate social responsibility program which is closely aligned with its core values to create a better future for its people, communities, the planet, and its shareholders.

Copies of this and other news releases as well as additional information about the Company can be obtained online at [ir.crosscountryhealthcare.com](http://ir.crosscountryhealthcare.com). Shareholders and prospective investors can also register to automatically receive the Company's press releases, filings with the Securities and Exchange Commission (SEC), and other notices by e-mail.

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## NON-GAAP FINANCIAL MEASURES

This press release and the accompanying financial statement tables reference non-GAAP financial measures, such as gross profit margin, adjusted EBITDA, and adjusted EPS. 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 future operating performance. Pro forma measures, if applicable, are adjusted to include the results of our acquisitions, and exclude the results of divestments, as if the transactions occurred in the beginning of the periods mentioned. Such non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies. The financial statement tables that accompany this press release 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.

## FORWARD LOOKING STATEMENTS

*In addition to historical information, this press release contains statements relating to our future results (including certain projections and business trends) that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act, and are subject to the "safe harbor" created by those sections. Forward-looking statements consist of statements that are predictive in nature, depend upon or refer to future events. Words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "suggests", "appears", "seeks", "will", "could", and variations of such words and similar expressions are intended to identify forward-looking statements. Forward-looking 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. These factors include, but are not limited to, the following: the potential impacts of the COVID-19 pandemic on our business, financial condition, and results of operations, our ability to attract and retain qualified nurses, physicians and other healthcare personnel, costs and availability of short-term housing for our travel healthcare professionals, demand for the healthcare services we provide, both nationally and in the regions in which we operate, the functioning of our information systems, the effect of cyber security risks and cyber incidents on our business, the effect of existing or future government regulation and federal and state legislative and enforcement initiatives on our business, our clients' ability to pay us for our services, our ability to successfully implement our acquisition and development strategies, including our ability to successfully integrate acquired businesses and realize synergies from such acquisitions, the effect of liabilities and other claims asserted against us, the effect of competition in the markets we serve, our ability to successfully defend the Company, its subsidiaries, and its officers and directors on the merits of any lawsuit or determine its potential liability, if any, and other factors set forth in Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and in our other filings with the SEC. You should consult any further disclosures the Company makes on related subjects in its filings with the SEC.*

*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 press release. 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, and/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. All references to "we", "us", "our", or "Cross Country" in this press release mean Cross Country Healthcare, Inc. and its subsidiaries.*

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**Cross Country Healthcare, Inc.**  
**Consolidated Statements of Operations**  
(Unaudited, amounts in thousands, except per share data)

|   | Three Months Ended |                   |                      |
|---|--------------------|-------------------|----------------------|
|   | March 31,<br>2021  | March 31,<br>2020 | December 31,<br>2020 |
| Revenue from services   | \$ 329,241         | \$ 210,064        | \$ 215,606           |
| Operating expenses:   |                    |                   |                      |
| Direct operating expenses   | 257,776            | 160,461           | 161,214              |
| Selling, general and administrative expenses                              | 46,327             | 45,881            | 44,870               |
| Bad debt expense  | 504                | 539               | 652                  |
| Depreciation and amortization   | 2,253              | 3,296             | 2,199                |
| Acquisition and integration-related costs                                 | —                  | 77                | —                    |
| Restructuring costs   | 1,238              | 564               | 842                  |
| Impairment charges  | 149                | —                 | 166                  |
| Total operating expenses  | <u>308,247</u>     | <u>210,818</u>    | <u>209,943</u>       |
| Income (loss) from operations   | 20,994             | (754)             | 5,663                |
| Other expenses (income):  |                    |                   |                      |
| Interest expense  | 671                | 867               | 671                  |
| Other (income) expense, net   | (37)               | (31)              | 326                  |
| Income (loss) before income taxes   | <u>20,360</u>      | <u>(1,590)</u>    | <u>4,666</u>         |
| Income tax expense (benefit)  | 912                | 178               | (156)                |
| Consolidated net income (loss)  | <u>19,448</u>      | <u>(1,768)</u>    | <u>4,822</u>         |
| Less: Net income attributable to noncontrolling interest in subsidiary    | —                  | 321               | 210                  |
| Net income (loss) attributable to common shareholders                     | <u>\$ 19,448</u>   | <u>\$ (2,089)</u> | <u>\$ 4,612</u>      |
| Net income (loss) per share attributable to common shareholders - Basic   | <u>\$ 0.54</u>     | <u>\$ (0.06)</u>  | <u>\$ 0.13</u>       |
| Net income (loss) per share attributable to common shareholders - Diluted | <u>\$ 0.53</u>     | <u>\$ (0.06)</u>  | <u>\$ 0.13</u>       |
| Weighted average common shares outstanding:                               |                    |                   |                      |
| Basic   | <u>36,181</u>      | <u>35,873</u>     | <u>36,177</u>        |
| Diluted   | <u>37,034</u>      | <u>35,873</u>     | <u>36,778</u>        |



**Cross Country Healthcare, Inc.**  
**Reconciliation of Non-GAAP Financial Measures**  
(Unaudited, amounts in thousands, except per share data)

|   | Three Months Ended |                   |                      |
|---|--------------------|-------------------|----------------------|
|   | March 31,<br>2021  | March 31,<br>2020 | December 31,<br>2020 |
| <b>Adjusted EBITDA:<sup>a</sup></b>   |                    |                   |                      |
| Net income (loss) attributable to common shareholders                         | \$ 19,448          | \$ (2,089)        | \$ 4,612             |
| Interest expense  | 671                | 867               | 671                  |
| Income tax expense (benefit)  | 912                | 178               | (156)                |
| Depreciation and amortization   | 2,253              | 3,296             | 2,199                |
| Acquisition and integration-related costs <sup>b</sup>                        | —                  | 77                | —                    |
| Restructuring costs <sup>c</sup>  | 1,238              | 564               | 842                  |
| Legal settlements and fees <sup>d</sup>                                       | 375                | —                 | 600                  |
| Impairment charges <sup>e</sup>   | 149                | —                 | 166                  |
| Loss on disposal of fixed assets  | —                  | —                 | 364                  |
| Other income, net   | (37)               | (31)              | (38)                 |
| Equity compensation   | 1,349              | 927               | 1,340                |
| Applicant tracking system costs <sup>f</sup>                                  | 375                | 502               | 690                  |
| Net income attributable to noncontrolling interest in subsidiary <sup>g</sup> | —                  | 321               | 210                  |
| Adjusted EBITDA <sup>a</sup>  | <u>\$ 26,733</u>   | <u>\$ 4,612</u>   | <u>\$ 11,500</u>     |
| Adjusted EBITDA margin <sup>a</sup>   | <u>8.1%</u>        | <u>2.2%</u>       | <u>5.3%</u>          |
| <b>Adjusted EPS:<sup>h</sup></b>  |                    |                   |                      |
| Numerator:  |                    |                   |                      |
| Net income (loss) attributable to common shareholders                         | \$ 19,448          | \$ (2,089)        | \$ 4,612             |
| Non-GAAP adjustments - pretax:  |                    |                   |                      |
| Acquisition and integration-related costs <sup>b</sup>                        | —                  | 77                | —                    |
| Restructuring costs <sup>c</sup>  | 1,238              | 564               | 842                  |
| Legal settlements and fees <sup>d</sup>                                       | 375                | —                 | 600                  |
| Impairment charges (excluding rebranding impacts) <sup>e</sup>                | 149                | —                 | 166                  |
| Rebranding impairments and accelerated amortization <sup>e</sup>              | —                  | 731               | —                    |
| Applicant tracking system costs <sup>f</sup>                                  | 375                | 502               | 690                  |
| Nonrecurring income tax adjustments   | —                  | —                 | (18)                 |
| Tax impact of non-GAAP adjustments  | (2)                | (12)              | (2)                  |
| Adjusted net income (loss) attributable to common shareholders - non-GAAP     | <u>\$ 21,583</u>   | <u>\$ (227)</u>   | <u>\$ 6,890</u>      |
| Denominator:  |                    |                   |                      |
| Weighted average common shares - basic, GAAP                                  | 36,181             | 35,873            | 36,177               |
| Dilutive impact of share-based payments <sup>i</sup>                          | 853                | 455               | 601                  |
| Adjusted weighted average common shares - diluted, non-GAAP                   | <u>37,034</u>      | <u>36,328</u>     | <u>36,778</u>        |
| Reconciliation:   |                    |                   |                      |
| Diluted EPS, GAAP   | \$ 0.53            | \$ (0.06)         | \$ 0.13              |
| Non-GAAP adjustments - pretax:  |                    |                   |                      |
| Restructuring costs <sup>c</sup>  | 0.03               | 0.02              | 0.02                 |
| Legal settlements and fees <sup>d</sup>                                       | 0.01               | —                 | 0.02                 |
| Rebranding impairments and accelerated amortization <sup>e</sup>              | —                  | 0.02              | —                    |
| Applicant tracking system costs <sup>f</sup>                                  | 0.01               | 0.01              | 0.02                 |
| Adjusted EPS, non-GAAP <sup>h</sup>   | <u>\$ 0.58</u>     | <u>\$ (0.01)</u>  | <u>\$ 0.19</u>       |

**Cross Country Healthcare, Inc.**  
**Consolidated Balance Sheets**  
(Unaudited, amounts in thousands)

|   | March 31,<br>2021 | December 31,<br>2020 |
|---|-------------------|----------------------|
| <b>Assets</b>   |                   |                      |
| Current assets:   |                   |                      |
| Cash and cash equivalents                                 | \$ 13,488         | \$ 1,600             |
| Accounts receivable, net                                  | 245,489           | 170,003              |
| Prepaid expenses  | 5,430             | 5,455                |
| Insurance recovery receivable                             | 4,752             | 4,698                |
| Other current assets                                      | 575               | 1,355                |
| Total current assets                                      | 269,734           | 183,111              |
| Property and equipment, net                               | 13,026            | 12,351               |
| Operating lease right-of-use assets                       | 9,835             | 10,447               |
| Goodwill  | 90,924            | 90,924               |
| Trade names, indefinite-lived                             | 5,900             | 5,900                |
| Other intangible assets, net                              | 33,341            | 34,831               |
| Other non-current assets                                  | 19,593            | 19,409               |
| Total assets  | \$ 442,353        | \$ 356,973           |
| <b>Liabilities and Stockholders' Equity</b>               |                   |                      |
| Current liabilities:                                      |                   |                      |
| Accounts payable and accrued expenses                     | \$ 59,797         | \$ 49,877            |
| Accrued employee compensation and benefits                | 53,383            | 35,540               |
| Operating lease liabilities - current                     | 4,803             | 4,509                |
| Other current liabilities                                 | 3,677             | 3,497                |
| Total current liabilities                                 | 121,660           | 93,423               |
| Revolving credit facility                                 | 96,025            | 53,408               |
| Operating lease liabilities - non-current                 | 13,978            | 15,234               |
| Non-current deferred tax liabilities                      | 6,858             | 6,592                |
| Long-term accrued claims                                  | 24,624            | 25,412               |
| Other long-term liabilities                               | 5,534             | 7,995                |
| Total liabilities   | 268,679           | 202,064              |
| Commitments and contingencies                             |                   |                      |
| Stockholders' equity:                                     |                   |                      |
| Common stock  | 4                 | 4                    |
| Additional paid-in capital                                | 309,711           | 310,388              |
| Accumulated other comprehensive loss                      | (1,286)           | (1,280)              |
| Accumulated deficit                                       | (135,289)         | (154,737)            |
| Total Cross Country Healthcare, Inc. stockholders' equity | 173,140           | 154,375              |
| Noncontrolling interest in subsidiary                     | 534               | 534                  |
| Total stockholders' equity                                | 173,674           | 154,909              |
| Total liabilities and stockholders' equity                | \$ 442,353        | \$ 356,973           |

**Cross Country Healthcare, Inc.**  
**Segment Data**  
(Unaudited, amounts in thousands)

|  | Three Months Ended |               |                   |               |                      |               | Year-over-Year<br>% change<br>Fav (Unfav) | Sequential<br>% change<br>Fav (Unfav) |
|--|--------------------|---------------|-------------------|---------------|----------------------|---------------|---|---------------------------------------|
|  | March 31,<br>2021  | % of<br>Total | March 31,<br>2020 | % of<br>Total | December 31,<br>2020 | % of<br>Total |   |                                       |
| Revenue from services:                                 |                    |               |                   |               |                      |               |   |                                       |
| Nurse and Allied Staffing                              | \$ 313,008         | 95%           | \$ 191,883        | 91%           | \$ 199,177           | 92%           | 63%                                       | 57%                                   |
| Physician Staffing                                     | 16,233             | 5%            | 18,181            | 9%            | 16,429               | 8%            | (11)%                                     | (1)%                                  |
|  | <u>\$ 329,241</u>  | 100%          | <u>\$ 210,064</u> | 100%          | <u>\$ 215,606</u>    | 100%          | 57%                                       | 53%                                   |
| Contribution income: <sup>k</sup>                      |                    |               |                   |               |                      |               |   |                                       |
| Nurse and Allied Staffing                              | \$ 37,417          |               | \$ 13,822         |               | \$ 22,835            |               | 171%                                      | 64%                                   |
| Physician Staffing                                     | 1,428              |               | 631               |               | 942                  |               | 126%                                      | 52%                                   |
|  | <u>38,845</u>      |               | <u>14,453</u>     |               | <u>23,777</u>        |               | 169%                                      | 63%                                   |
| Corporate overhead <sup>l</sup>                        | 14,211             |               | 11,270            |               | 14,907               |               | (26)%                                     | 5%                                    |
| Depreciation and amortization                          | 2,253              |               | 3,296             |               | 2,199                |               | 32%                                       | (2)%                                  |
| Acquisition and integration-related costs <sup>b</sup> | —                  |               | 77                |               | —                    |               | 100%                                      | —%                                    |
| Restructuring costs <sup>c</sup>                       | 1,238              |               | 564               |               | 842                  |               | (120)%                                    | (47)%                                 |
| Impairment charges <sup>e</sup>                        | 149                |               | —                 |               | 166                  |               | (100)%                                    | 10%                                   |
| Income (loss) from operations                          | <u>\$ 20,994</u>   |               | <u>\$ (754)</u>   |               | <u>\$ 5,663</u>      |               | NM  | 271%                                  |

NM-Not meaningful

**Cross Country Healthcare, Inc.**  
**Summary Condensed Consolidated Statements of Cash Flows**  
**(Unaudited, amounts in thousands)**

|   | Three Months Ended |                   |                      |
|---|--------------------|-------------------|----------------------|
|   | March 31,<br>2021  | March 31,<br>2020 | December 31,<br>2020 |
| Net cash (used in) provided by operating activities | \$ (24,927)        | \$ 17,162         | \$ 1,929             |
| Net cash used in investing activities               | (1,186)            | (962)             | (956)                |
| Net cash provided by (used in) financing activities | 38,004             | (4,599)           | (2,827)              |
| Effect of exchange rate changes on cash             | (3)                | (34)              | 8                    |
| Change in cash and cash equivalents                 | 11,888             | 11,567            | (1,846)              |
| Cash and cash equivalents at beginning of period    | 1,600              | 1,032             | 3,446                |
| Cash and cash equivalents at end of period          | <u>\$ 13,488</u>   | <u>\$ 12,599</u>  | <u>\$ 1,600</u>      |

**Cross Country Healthcare, Inc.**  
**Other Financial Data**  
**(Unaudited)**

|  | Three Months Ended |                   |                      |
|--|--------------------|-------------------|----------------------|
|  | March 31,<br>2021  | March 31,<br>2020 | December 31,<br>2020 |
| Consolidated gross profit margin <sup>m</sup>                          | 21.7%              | 23.6%             | 25.2%                |
| <u>Nurse and Allied Staffing statistical data:</u>                     |                    |                   |                      |
| FTEs <sup>n</sup>  | 6,614              | 7,145             | 5,798                |
| Average Nurse and Allied Staffing revenue per FTE per day <sup>o</sup> | \$ 522             | \$ 290            | \$ 368               |
| <u>Physician Staffing statistical data:</u>                            |                    |                   |                      |
| Days filled <sup>p</sup>   | 9,469              | 10,199            | 9,911                |
| Revenue per day filled <sup>q</sup>                                    | \$ 1,714           | \$ 1,783          | \$ 1,658             |

- (a) Adjusted EBITDA, a non-GAAP financial measure, is defined as net (loss) income attributable to common shareholders before interest expense, income tax expense (benefit), depreciation and amortization, acquisition and integration-related costs, restructuring costs, legal settlements and fees, impairment charges, gain or loss on derivative, loss on early extinguishment of debt, gain or loss on disposal of fixed assets, gain or loss on sale of business, other expense (income), net, equity compensation, applicant tracking system costs, and includes net income attributable to noncontrolling interest in subsidiary. Adjusted EBITDA should not be considered a measure of financial performance under GAAP. Management presents Adjusted EBITDA because it believes that Adjusted EBITDA is a useful supplement to net income attributable to common shareholders as an indicator of operating performance. Management uses Adjusted EBITDA for planning purposes and as one performance measure in its incentive programs for certain members of its management team. Adjusted EBITDA, as defined, closely matches the operating measure typically used in the Company's credit facilities in calculating various ratios. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by the Company's consolidated revenue.
- (b) Acquisition and integration-related costs include costs for valuation adjustments related to the contingent consideration liability for the Mediscan acquisition.
- (c) Restructuring costs are primarily comprised of employee termination costs, lease-related exit costs, and reorganization costs as part of planned cost savings initiatives.
- (d) Legal settlements and fees include legal settlement charges as presented on the consolidated statements of operations as well as legal fees pertaining to non-operational legal matters which are included in selling, general and administrative expenses. For the three months ended March 31, 2021 and December 30, 2020, we incurred legal fees related to various legal matters outside the normal course of operations.
- (e) Impairment charges of \$0.1 million for the three months ended March 31, 2021 related to the write-off of a discontinued software development project. Impairment charges of \$0.2 million for the three months ended December 31, 2020 related to right-of-use assets and related property and equipment in connection with leases that were vacated during the second and third quarters of 2020. Rebranding impairments and accelerated amortization related to finite-lived trade names in connection with the rebranding initiatives.
- (f) Applicant tracking system costs are related to the Company's project to replace its legacy system supporting its travel nurse staffing business. These costs are reported in selling, general and administrative expenses on the consolidated statement of operations and included in corporate overhead in segment data.
- (g) Cross Country Talent Acquisition Group, LLC was controlled by the Company but not wholly owned. The Company recorded the ownership interest of the noncontrolling shareholder as noncontrolling interest in subsidiary. Effective December 31, 2020, the sole professional staffing services agreement held by this joint venture was terminated. The Company subsequently entered into a direct staffing agreement with the hospital system.
- (h) Adjusted EPS, a non-GAAP financial measure, is defined as net (loss) income attributable to common shareholders per diluted share before the diluted EPS impact of acquisition and integration-related costs, restructuring costs, legal settlements and fees, impairment charges, rebranding impairments and accelerated amortization, gain or loss on derivative, loss on early extinguishment of debt, gain or loss on sale of business, applicant tracking system costs, and nonrecurring income tax adjustments. Adjusted EPS should not be considered a measure of financial performance under GAAP. Management presents Adjusted EPS because it believes that Adjusted EPS is a useful supplement to its reported EPS as an indicator of operating performance. Management believes it provides a more useful comparison of the Company's underlying business performance from period to period and is more representative of the future earnings capacity of the Company.
- (i) Due to the net loss for the three months ended March 31, 2020, 455 shares (in thousands) were excluded from diluted weighted average shares.
- (j) Segment data provided is in accordance with the Segment Reporting Topic of the FASB ASC. In the first quarter of 2021, the Company modified its reportable segments and disclosed two reportable segments - Nurse and Allied Staffing and Physician Staffing beginning in the first quarter of 2021. Revenue in the amount of \$2.8 million and \$3.6 million, and contribution income of \$0.6 million and contribution loss of \$0.3 million, included in the previously-reported Search segment have been reclassified to Nurse and Allied Staffing for the three months ended December 31, 2020 and March 31, 2020, respectively.
- (k) Contribution income is defined as income (loss) from operations before depreciation and amortization, acquisition and integration-related costs, restructuring costs, legal settlement charges, impairment charges, and corporate overhead. Contribution income is a financial measure used by management when assessing segment performance.
- (l) Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs such as finance, IT, legal, human resources, and marketing, as well as public company expenses and corporate-wide projects (initiatives).
- (m) Gross profit is defined as revenue from services less direct operating expenses. The Company's gross profit excludes allocated depreciation and amortization expense. Gross profit margin is calculated by dividing gross profit by revenue from services.
- (n) FTEs represent the average number of Nurse and Allied Staffing contract personnel on a full-time equivalent basis.
- (o) Average revenue per FTE per day is calculated by dividing Nurse and Allied Staffing revenue, excluding permanent placement, per FTE by the number of days worked in the respective periods.
- (p) Days filled is calculated by dividing the total hours invoiced during the period, including an estimate for the impact of accrued revenue, by 8 hours.
- (q) Revenue per day filled is calculated by dividing revenue as reported by days filled for the period presented.

## Contacts

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