

# **The New Workforce**

**On Assignment Q4 2017 Earnings Release  
Supplemental Materials**



**On  
Assignment**

# Safe Harbor

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and involve a high degree of risk and uncertainty. Forward-looking statements include statements regarding the Company's anticipated future financial and operating performance. All statements in this presentation, other than those setting forth strictly historical information, are forward-looking statements. Forward-looking statements are not guarantees of future performance, and actual results might differ materially. In particular, the Company makes no assurances that estimates of revenues, gross margin, SG&A, Adjusted EBITDA, cash flow and other financial metrics will be achieved. Factors that could cause or contribute to such differences include actual demand for our services, our ability to attract, train and retain qualified staffing consultants, our ability to remain competitive in obtaining and retaining staffing clients, the availability of qualified temporary and permanent placement professionals, management of our growth, continued performance of our enterprise-wide information systems, and other risks detailed from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on March 1, 2017. We specifically disclaim any intention or duty to update any forward-looking statements contained in this presentation.

# Q4 2017 Consolidated Performance

## CONSOLIDATED REVENUES

**\$679.1M** ↑ 9.4%

SIA '17/'16 Growth Estimates:  
Industry: 3%  
IT: 4%

## SELECT FINANCIAL METRICS

### GROSS MARGIN

Q4 2017	Q4 2016
32.5%	31.9%

### REVENUE MIX

	Q4 2017	Q4 2016
Assignment	95.3%	95.3%
Perm Placement	4.7%	4.7%

### ADJUSTED EBITDA

Q4 2017	Q4 2016
\$82.9M	\$70.7M
12.2%	11.4%

### EPS (DILUTED)

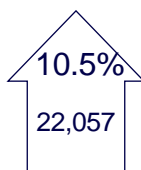
	Q4 2017	Q4 2016
GAAP	\$1.28	\$0.45
Adjusted	\$1.44	\$0.64

## SELECT OPERATING METRICS (Y/Y Growth)

Avg. Staffing Consultants



Avg. Contract Professionals



Avg. Customers



Avg. Bill Rate



GP/SC



## GEOGRAPHIC FOOTPRINT

Domestic

**\$644.9M**

95.0% of Consolidated Revenues

International

**\$34.2M**

5.0% of Consolidated Revenues

## RETURNING CASHFLOW TO INVESTORS

Strong free cash flow

**\$172.2M**

Year-to-date 12/31/2017

Share repurchases

**\$101.2M**

(2.4M shares)  
Year-to-date 12/31/2017

Debt Payment

**\$68.0M**

Year-to-date 12/31/2017

Leverage Ratio

**1.89x**

As of 12/31/2017

This presentation includes non-GAAP financial measures. A description of these non-GAAP financial measures is available in our quarterly earnings release.

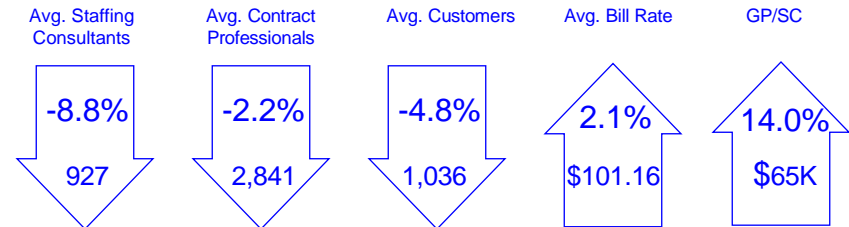
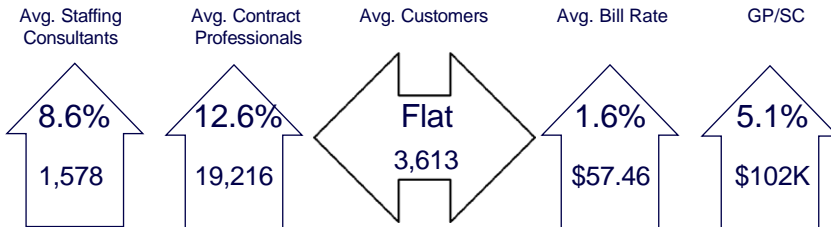
# Q4 2017 Segment Performance

## REVENUES

**APEX** **\$534.7M** **12.3%**  
 GROSS MARGIN 30.0%  
 78.7% of Consolidated Revenues

**OXFORD** **\$144.4M** **-0.3%**  
 GROSS MARGIN 41.8%  
 21.3% of Consolidated Revenues

## SELECT OPERATING METRICS (Y/Y Growth)



## SERVICE OFFERINGS



Provides mission critical IT skills and solutions



Provides Clinical and Scientific skills and solutions



Provides Creative/Digital skills and solutions



Provides high-end IT and Engineering skills and solutions



Provides Permanent Placement solutions



Provides Clinical and Scientific skills and solutions in Europe

# Go-To-Market Strategy

## Staffing & Professional Services Overview

ASGN ADDRESSABLE MARKET

**\$150B**

ESTIMATED MARKET SIZE  
Staffing and Professional Services  
(IT, Engineering, Creative and Scientific)

**\$275B**

ASGN ADDRESSABLE MARKET

$$\begin{array}{ccccc}
 \$50B^1 & + & 100B^2 & = & \$150B \\
 \text{Temporary Staffing} & & \text{Professional Services} & & \text{On Assignment Model}
 \end{array}$$

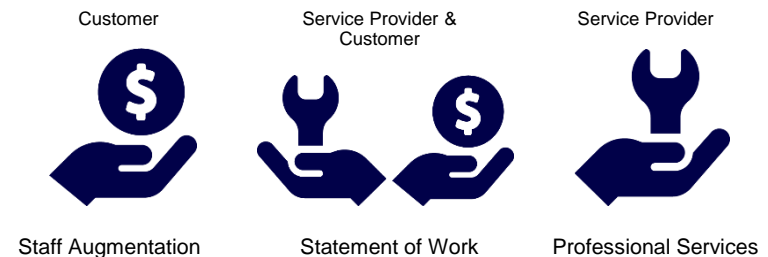
### DELIVERY MODELS

<b>Staff Augmentation</b>	Contingent labor pool
<b>Statement of Work</b>	Contingent labor pool
<b>Professional / Consulting</b>	Full time employees
<b>Offshore</b>	Full time employees located outside the US

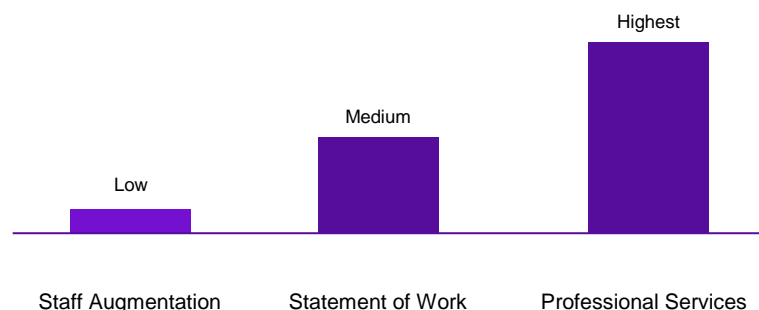
### DELIVERABLES ASSIGNED TO SERVICE PROVIDER

<b>Staff Augmentation</b>	None
<b>Statement of Work</b>	Moderate to few
<b>Professional Services</b>	Heavy to many
<b>Offshore</b>	Heavy to many

### RESPONSIBILITY FOR PROJECT OVERSIGHT



### COST OF USING SERVICE PROVIDER



<sup>1</sup> Staffing Industry Analyst (Sept. 2017)  
<sup>2</sup> IBISWorld, AdAge and third party independent research

# Financial Estimates and Key Takeaways

(In millions, except per share amounts)

	Low	High
<b>Revenues</b>	\$672.0	\$682.0
<i>YoY growth rate</i>	7.3%	8.9%
<i>YoY growth rate (Same billable day basis)</i>	7.6%	9.2%
<b>Gross Margin</b>	31.5%	31.8%
<b>SG&amp;A Expenses<sup>1</sup></b>	\$164.7	\$166.9
<b>Amortization of Intangible Assets</b>	\$7.6	
<b>Net Income:</b>		
<i>GAAP<sup>1</sup></i>	\$24.4	\$26.6
<i>Adjusted<sup>2</sup></i>	\$39.0	\$41.2
<b>EPS (Diluted):</b>		
<i>GAAP<sup>1</sup></i>	\$0.46	\$0.50
<i>Adjusted<sup>2</sup></i>	\$0.74	\$0.78
<b>Adjusted EBITDA<sup>3</sup></b>	\$69.0	\$72.0
<b>Diluted Shares</b>	52.8	

- Assumes 62.8 billable days in Q1 2018; 0.25 fewer than Q1 2017; each “Billable Day” is approximately \$10.8 million in revenues
- On a same “Billable Days” basis, our implied year-over-year growth rate ranges from 7.6 to 9.2 percent
- Effective tax rate of 26.5 percent
- Estimating leverage ratio at 3/31/18 of 1.81x to 1

<sup>1</sup> These estimates do not include any acquisition, integration or strategic planning expenses other than the \$10.0 million estimated acquisition expenses related to the announced pending acquisition of ECS Federal, LLC.

<sup>2</sup> Adjusted Net Income, a non-GAAP financial measure, is defined as net income adjusted for (i) acquisition, integration and strategic planning expenses and (ii) amortization of identifiable intangible assets. Does not include the “Cash Tax Savings on Indefinite-lived Intangible Assets.” These savings total \$4.6 million each quarter, or \$0.09 per diluted share, and represent the economic value of the tax deduction that we receive from the amortization of goodwill and trademarks.

<sup>3</sup> Adjusted EBITDA, a non-GAAP financial measure, is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for, among other things, acquisition, integration and strategic planning expenses.

# Apex & Oxford Segment Billable Days

	Q1	Q2	Q3	Q4	Full Year
<b>Business Days<sup>1,3</sup></b>					
2018	64.0	64.0	63.0	61.0	252.0
2017	64.0	64.0	63.0	60.0	251.0
2016	64.0	64.0	64.0	61.0	253.0
2018/17	0.0	0.0	0.0	1.0	1.0
2017/16	0.0	0.0	-1.0	-1.0	-2.0
<b>Billable Days<sup>2,3</sup></b>					
2018 Est.	62.8	63.7	62.4	60.2	249.1
2017	63.0	63.8	62.6	60.0	249.4
2016	63.3	63.9	63.1	60.2	250.5
2018/17	-0.3	-0.1	-0.2	0.2	-0.3
2017/16	-0.4	-0.1	-0.5	-0.2	-1.1

1. Observable holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, day after Thanksgiving and Christmas.

2. Besides weekends and holidays, Billable Days consider other factors, such as the day of the week a holiday occurs, additional time taken off around holidays, year-end client furloughs and inclement weather.

3. These Business and Billable Days pertain to our Apex and Oxford segments only.