

# The New Workforce



## ASGN Incorporated Q2 2018 Earnings Release Supplemental Materials

# Safe Harbor

Certain statements made in this news release are “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 financial and operating performance.

All statements in this release, 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 the estimates of revenues, gross margin, SG&A, amortization, effective tax rate, net income, diluted shares outstanding, contract backlog, Adjusted EBITDA, Adjusted Net Income, and related per share amounts (as applicable) set forth above 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 clients, the availability of qualified contract professionals, management of our growth, continued performance and improvement of our enterprise-wide information systems, our ability to manage our litigation matters, the successful integration of our acquired subsidiaries, and other risks detailed from time to time in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on March 1, 2018 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, as filed with the SEC on May 10, 2018. We specifically disclaim any intention or duty to update any forward-looking statements contained in this news release.

# Q2 2018 Consolidated Performance

## CONSOLIDATED REVENUES

**\$878.5M** ↑ 34.5%

SIA '18/'17 Growth Estimates:  
Industry: 4%  
IT: 4%

## SELECT FINANCIAL METRICS

### GROSS MARGIN

Q2 2018	Q2 2017
30.0%	32.6%

### REVENUE MIX

	Q2 2018	Q2 2017
Assignment	77.9%	94.9%
Perm Placement	4.5%	5.1%
ECS	17.6%	—%

### ADJUSTED EBITDA

Q2 2018	Q2 2017
\$106.6M	\$80.5M
12.1%	12.3%

### EPS (DILUTED)

	Q2 2018	Q2 2017
GAAP	\$0.63	\$0.62
Adjusted	\$1.11	\$0.78

## APEX & OXFORD SEGMENTS SELECT OPERATING METRICS (Y/Y Growth)

Avg. Staffing Consultants

4.0%

2,461

Avg. Contract Professionals

10.4%

22,449

Avg. Customers

2.3%

4,668

Avg. Bill Rate

2.0%

\$64.52

Gross Profit Per Staffing Consultant

6.5%

\$96K

## GEOGRAPHIC FOOTPRINT

Domestic

**\$838.0M**

95.4% of Consolidated Revenues

International

**\$40.5M**

4.6% of Consolidated Revenues

## RETURNING CASH FLOW TO INVESTORS

Free Cash Flow

**\$116.9M**

Year-to-date 6/30/2018

Debt Payment

**\$143.0M**

\$10.0 million in Q1 2018 and an additional \$133.0 million in Q2 2018

Leverage Ratio

**3.2x**

As of 6/30/2018

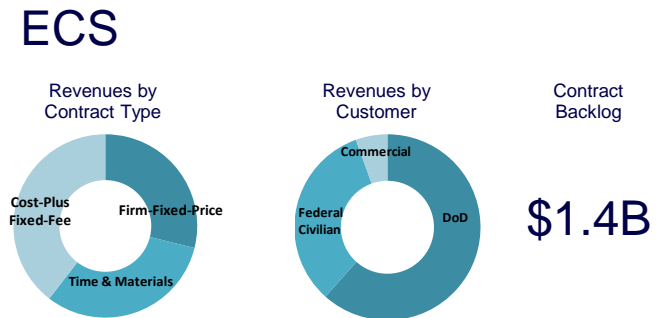
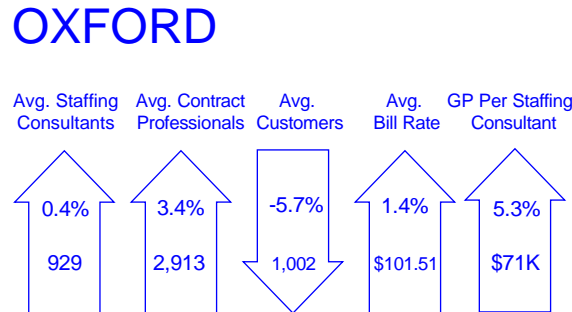
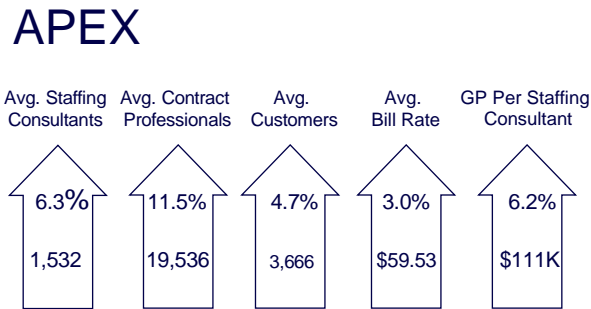
This presentation includes non-GAAP financial measures. A description of these non-GAAP financial measures and the reconciliation from the comparable GAAP measures to the non-GAAP measures are included in our earnings releases.

# Q2 2018 Segment Performance

## REVENUES



## SELECT OPERATING METRICS (Y/Y Growth)



## SERVICE OFFERINGS

**APEX Systems**  
 Provides mission critical IT skills and solutions

**APEX LIFE SCIENCES**  
 Provides Clinical and Scientific skills and solutions

**creativecircle**  
 DIGITAL • CREATIVE STAFFING  
 Provides Creative/Digital skills and solutions

**OXFORD**  
 Provides high-end IT and Engineering skills and solutions

**CyberCoders.**  
 Provides Permanent Placement solutions

**LAB SUPPORT** **valesta** **LabResource**  
 clinical research solutions  
 Provides Clinical and Scientific skills and solutions in Europe

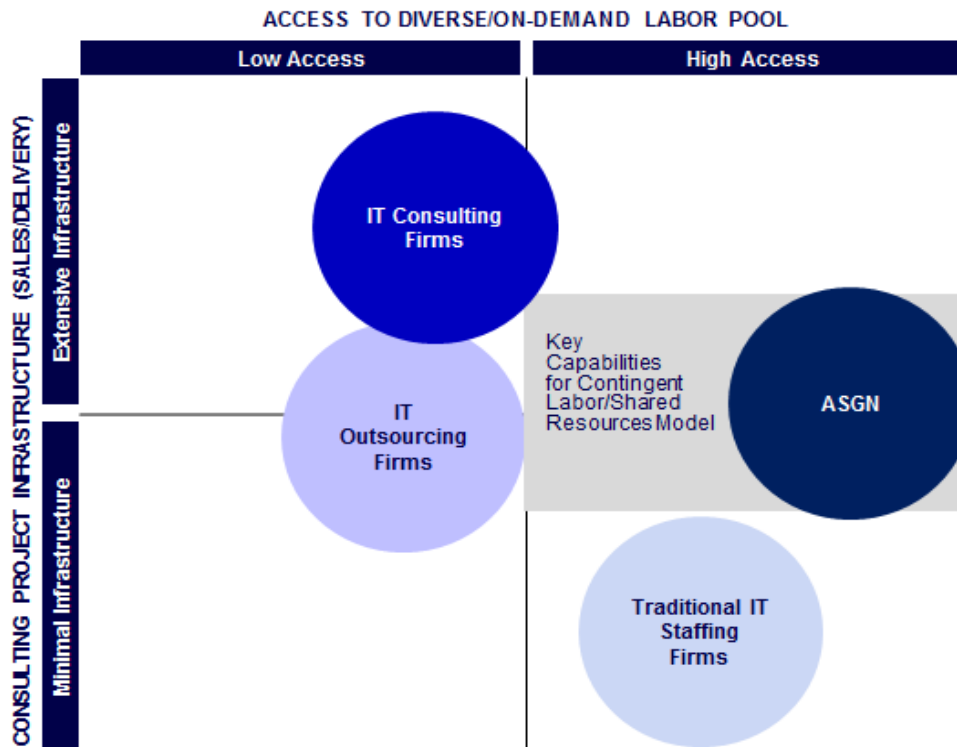
**ECS**  
 Provides critical Government IT services and solutions

**Cybersecurity & Infrastructure**  
**Agile Software & Cloud Solutions**  
**Advanced Science & Engineering**

<sup>1</sup> ECS Y/Y change based on 2017 Pro Forma results.

# Go-To-Market Strategy

- Entry into Federal IT & Professional services demonstrates ASGN's commitment to executing domestic, non-commodity technology services opportunities
- The acquisition of ECS provides ASGN with access to the ~\$129 billion Federal IT & Professional services sector
- The Federal IT & Professional Services sector consists of both Civilian and Defense and is estimated to be \$65 and \$64 billion, respectively, in 2018
- Nearly doubles ASGN's addressable market to \$279 billion and ECS' highly specialized skill sets reinforce the Company's positioning as a premium human capital provider and complements its highly technical IT offerings



## ASGN's Contingent Labor/Shared Resources delivery model provides:

- Direct access to deep, talented technical labor pool
- Sophisticated project delivery capabilities

## and delivers:

- Market share gains
- Consistent growth above industry average

# Q3 2018 Financial Estimates and Key Takeaways

(In millions, except per share amounts)

	Low	High
<b>Revenues</b>	\$888.0	\$898.0
<i>YoY pro forma growth rate</i>	8.3%	9.5%
<b>Gross Margin<sup>1</sup></b>	29.8%	30.3%
<b>SG&amp;A Expenses</b>	\$180.2	\$182.6
<b>Amortization of Intangible Assets</b>	\$18.6	
<b>Net Income:</b>		
<i>GAAP</i>	\$37.9	\$41.6
<i>Adjusted<sup>2</sup></i>	\$56.2	\$59.8
<b>EPS (Diluted):</b>		
<i>GAAP</i>	\$0.71	\$0.78
<i>Adjusted<sup>2</sup></i>	\$1.06	\$1.13
<b>Adjusted EBITDA<sup>3</sup></b>	\$103.0	\$108.0
<b>Diluted Shares</b>	53.1	

- **Effective tax rate of 26.5 percent**
- **Estimating leverage ratio of 3.0x to 1 at 9/30/18**

<sup>1</sup> Includes \$2.6 million in depreciation related to an ECS project that is included in cost of services.

<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, (ii) amortization of identifiable intangible assets and (iii) credit facility amendment expenses. Does not include the "Cash Tax Savings on Indefinite-lived Intangible Assets." These savings total \$6.8 million each quarter, or \$0.13 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. Excludes \$2.6 million in depreciation related to an ECS project that is included in cost of services.

# 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
<i>2018/17</i>	0.0	0.0	0.0	1.0	1.0
<i>2017/16</i>	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
<i>2018/17</i>	-0.3	-0.1	-0.2	0.2	-0.3
<i>2017/16</i>	-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.



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