

The New Workforce



ASGN Incorporated Q3 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, book-to-bill ratio, 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 Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018, as filed with the SEC on May 10, 2018 and August 9, 2018, respectively. We specifically disclaim any intention or duty to update any forward-looking statements contained in this news release.

Q3 2018 Consolidated Performance

CONSOLIDATED REVENUES

\$906.4M

35.9%



10.9% Pro Forma Growth on a Same Billable Days and Constant Currency Basis

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

SELECT FINANCIAL METRICS

GROSS MARGIN

Q3 2018	Q3 2017
29.8%	30.0% Pro Forma

REVENUE MIX

	Q3 2018	Q3 2017
Assignment	95.9%	96.0% Pro Forma
Perm Placement	4.1%	4.0% Pro Forma

ADJUSTED EBITDA

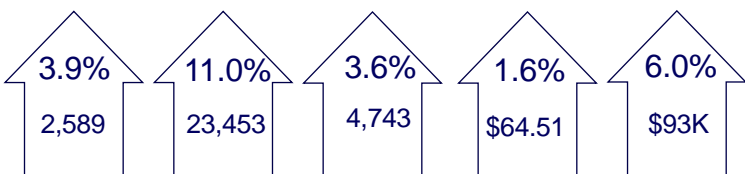
Q3 2018	Q3 2017
\$112.9M	\$100.2M Pro Forma
12.4%	12.2% Pro Forma

EPS (DILUTED)

	Q3 2018	Q3 2017
GAAP	\$0.93	\$0.66
Adjusted	\$1.30	\$0.83

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

Avg. Staffing Consultants	Avg. Contract Professionals	Avg. Customers	Avg. Bill Rate	Gross Profit Per Staffing Consultant
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ECS SELECT OPERATING METRICS

Contract Backlog	Book-to-Bill Ratio	Billable Professionals
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\$1.5B **1.7** **2,212**

GEOGRAPHIC FOOTPRINT

Domestic

\$867.7M

95.7% of Consolidated Revenues

International

\$38.7M

4.3% of Consolidated Revenues

RETURNING CASH FLOW TO INVESTORS

Free Cash Flow

\$201.5M

Year-to-date 9/30/2018

Debt Payment

\$231.0M

\$10 million in Q1 2018,
\$133 million in Q2 2018,
\$88 million in Q3 2018

Leverage Ratio

2.89x

As of 9/30/2018

YEAR 1 PROGRESS AGAINST 5 YEAR FINANCIAL TARGETS

Revenue: 2.8% - 3.8% ahead of target

Adjusted EBITDA Growth: 0.5% - 1.4% ahead of target

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.

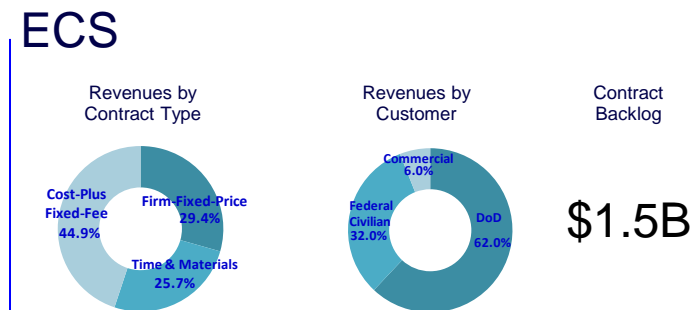
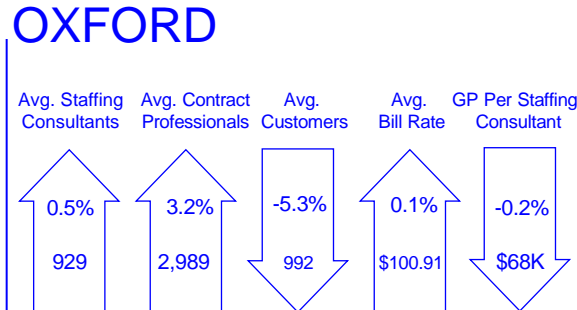
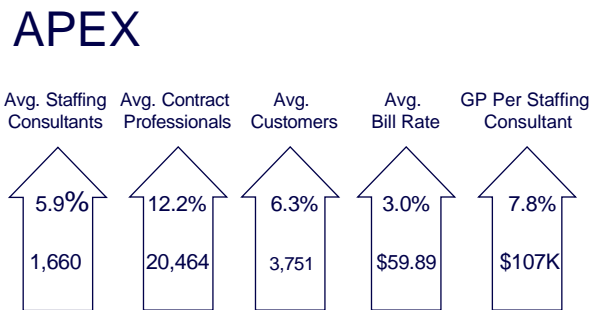
Pro Forma assumes the acquisition of ECS occurred at the beginning of 2017.

Q3 2018 Segment Performance

REVENUES



SELECT OPERATING METRICS (Y/Y Growth)



SERVICE OFFERINGS

APEX

- Mission critical IT skills and solutions
- Clinical and Scientific skills and solutions
- Creative/Digital skills and solutions

OXFORD

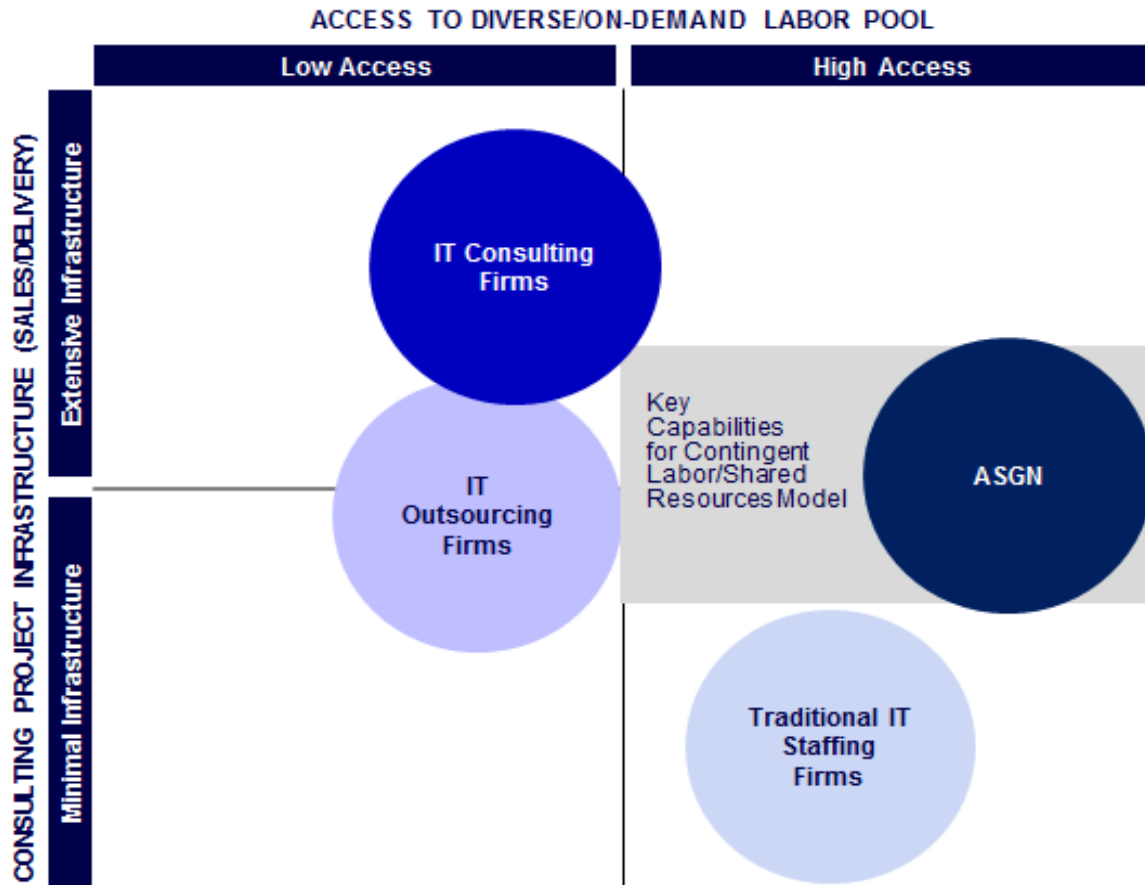
- High-end IT and Engineering skills and solutions
- Permanent Placement solutions
- Clinical and Scientific skills and solutions in Europe

ECS

- Critical Government IT services and solutions
- Infrastructure
- Agile Software & Cloud Solutions
- Advanced Science & Engineering

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

Go-To-Market Strategy



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

Q4 2018 Financial Estimates and Key Takeaways

(In millions, except per share amounts)

	Low	High
Revenues	\$905.0	\$915.0
<i>YoY pro forma growth rate</i>	8.8%	10.0%
Gross Margin¹	29.5%	30.0%
SG&A Expenses	\$178.7	\$181.2
Amortization of Intangible Assets	\$18.6	
Net Income:		
GAAP	\$40.9	\$44.6
Adjusted ²	\$59.2	\$62.9
EPS (Diluted):		
GAAP	\$0.77	\$0.84
Adjusted ²	\$1.11	\$1.18
Adjusted EBITDA³	\$107.0	\$112.0
Diluted Shares	53.3	

- **Effective tax rate of 26.0 percent**
- **Estimating leverage ratio of 2.7x to 1 at 12/31/18**

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

² 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.

³ 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.

2018 Projection vs. 5-Year Plan

(\$ in millions)

	5-Year Targets		Year 1 Projection	Year 1 Progress Relative to 5 Year Targets
	Year Ending 12/31/22		Pro Forma 2018F ¹	
	Low Case	High Case		
Revenues (before acquisitions)	\$ 4,300	\$ 4,510	\$ 3,529	<ul style="list-style-type: none"> Projected 2018 Pro Forma Revenue Growth expected to exceed 5 Year Targeted Growth Rates Margins are in-line with 5 Year Targets; 5 Year Targets assumed operating leverage in the outer years and greater economies of scale Free Cash Flow as a percentage of revenues is projected to be 7.6%, which is at the high end of the 5 Year Target range
Acquired Revenues	700	490	-	
Total Revenues	5,000	5,000	3,529	
Adjusted EBITDA	600	625	420	
Free Cash Flow²	355	380	269	
5-Year Cumulative Free Cash Flow	1,440	1,535	N/A	
5-Year CAGR (Y-Y Change 2018):				
Revenues (before acquisitions)	6.0%	7.0%	9.8%	
Revenues (including Acquisitions)	9.3%	9.3%	9.8%	
Adjusted EBITDA	9.6%	10.5%	11.1%	
Free Cash Flow	15.5%	17.2%	N/A	
Margins:				
Gross	29.8%	30.0%	29.8%	
Cash SG&A Expense (as a % of revenues)	17.8%	17.5%	17.8%	
Adjusted EBITDA	12.0%	12.5%	11.9%	
Free Cash Flow (as a % of revenues) ²	7.1%	7.6%	7.6%	

¹ Projection for full year 2018 on a pro forma basis, which assumes ECS was acquired at the beginning of 2017.

² Estimate for 2018 assumes Q4 free cash flow will be 7.6 percent of revenues.

Apex & Oxford Segment Billable Days

	Q1	Q2	Q3	Q4	Full Year
Business Days^{1,3}					
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
Billable Days^{2,3}					
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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