

The New Workforce



ASGN Incorporated Q4 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 our 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, we make 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, June 30, 2018 and September 30, 2018, as filed with the SEC on May 10, 2018, August 9, 2018 and November 8, 2018, respectively. We specifically disclaim any intention or duty to update any forward-looking statements contained in this news release.

Q4 2018 Consolidated Performance

CONSOLIDATED REVENUES

\$929.7M

36.9%



11.8% Pro Forma Growth

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

SELECT FINANCIAL METRICS

GROSS MARGIN

Q4 2018	Q4 2017
29.2%	29.8% Pro Forma

REVENUE MIX

	Q4 2018	Q4 2017
Assignment	77.5%	77.9% Pro Forma
Perm Placement	3.8%	3.8% Pro Forma
ECS	18.7%	18.3% Pro Forma

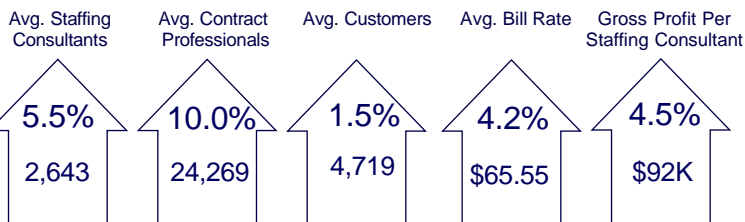
ADJUSTED EBITDA

Q4 2018	Q4 2017
\$109.0M	\$99.3M Pro Forma
11.7%	11.9% Pro Forma

EPS (DILUTED)

	Q4 2018	Q4 2017
GAAP	\$0.86	\$1.28
Adjusted	\$1.14	\$1.44

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



ECS SELECT OPERATING METRICS

Contract Backlog	Book-to-Bill Ratio	Billable Professionals
\$1.4B	1.1	2,294

GEOGRAPHIC FOOTPRINT

Domestic	International
\$888.8M	\$40.9M
95.6% of Consolidated Revenues	4.4% of Consolidated Revenues

RETURNING CASH FLOW TO INVESTORS

Free Cash Flow

\$258.8M

Year-to-date 12/31/2018

Debt Payment

\$286.0M

\$10 million in Q1 2018,
\$133 million in Q2 2018,
\$88 million in Q3 2018,
\$55 million in Q4 2018

Leverage Ratio

2.69x

As of 12/31/2018

2018 PROGRESS AGAINST 5 YEAR FINANCIAL TARGETS

Revenue: 2.2% ahead of target

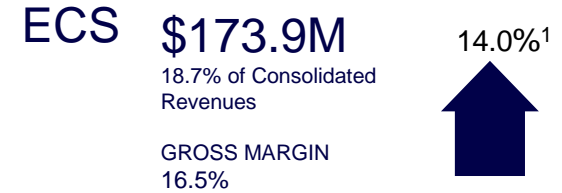
Adjusted EBITDA Growth: 3.9% ahead of target

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.

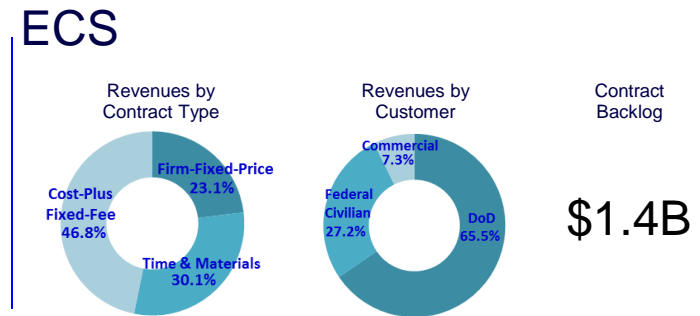
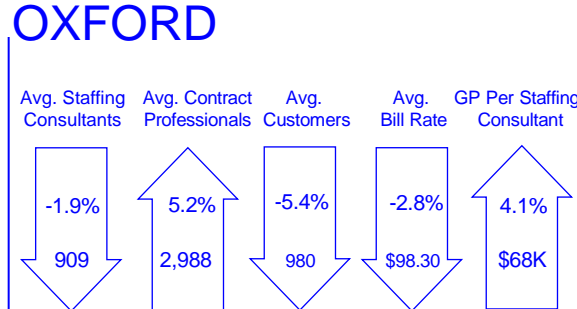
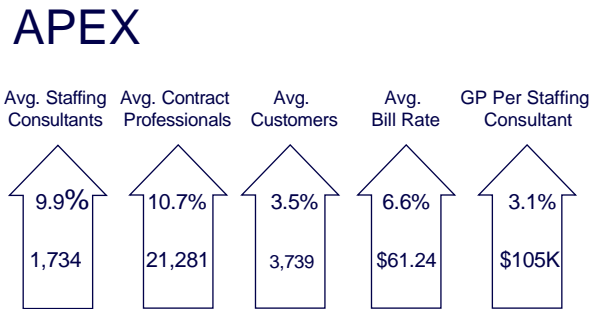
Pro Forma assumes the acquisition of ECS occurred at the beginning of 2017.

Q4 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

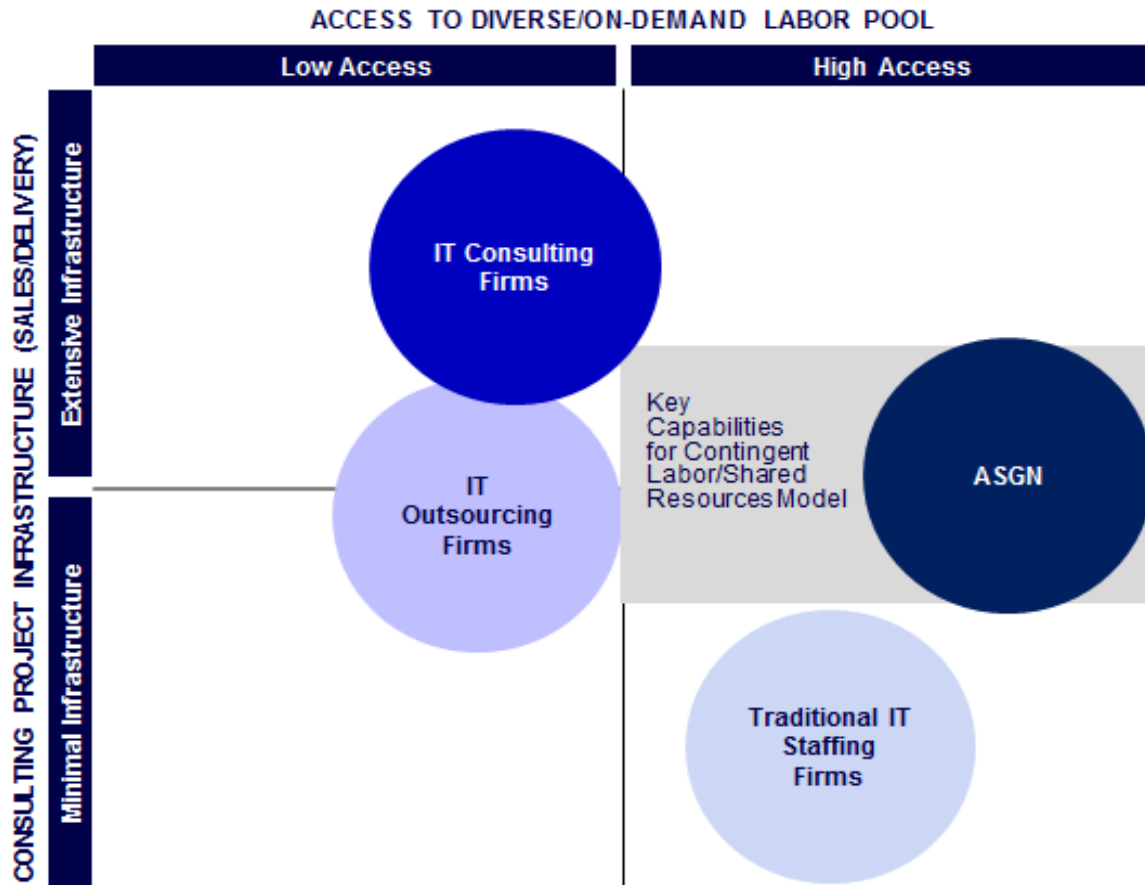
- High-end IT and Engineering skills and solutions
- Permanent Placement solutions
- Clinical and Scientific skills and solutions in Europe

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

Q1 2019 Financial Estimates and Key Takeaways

(In millions, except per share amounts)

	Low	High
Revenues	\$916.6	\$926.6
<i>YoY pro forma growth rate Excluding DHA¹</i>	10.6%	11.8%
Gross Margin²	28.8%	29.2%
SG&A Expenses	\$187.6	\$189.2
Amortization of Intangible Assets	\$13.3	
Net Income:		
<i>GAAP</i>	\$35.8	\$39.5
<i>Adjusted³</i>	\$48.8	\$52.5
EPS (Diluted):		
<i>GAAP</i>	\$0.67	\$0.74
<i>Adjusted³</i>	\$0.92	\$0.99
Adjusted EBITDA	\$96.3	\$101.3
Diluted Shares	53.2	

- **Effective tax rate of 26.5 percent**
- **Estimating leverage ratio of 2.65x to 1 at 3/31/19**

¹ As if ECS were acquired at the beginning of 2017, on a same "Billable Days" and "Constant Currency" basis.

² Includes \$2.7 million in depreciation related to an ECS project that is included in cost of services.

³ 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 \$6.9 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. These savings do not include the added benefit of the DHA acquisition, which we will provide at a later date.

2018 Projection vs. 5-Year Plan

(\$ in millions)

	5-Year Targets		Year 1 Results	Year 1 Progress Relative to 5 Year Targets
	Year Ending 12/31/22		Pro Forma 2018 ¹	
	Low Case	High Case		
Revenues (before acquisitions)	\$ 4,300	\$ 4,510	\$ 3,549	<p>2018 Pro Forma Revenue Growth exceeded 5 Year Targeted Growth Rates</p> <p>Margins are slightly unfavorable to 5 Year Targets due to software sales under one of ECS' government contracts (which carry a low gross margin) and higher than expected flow of revenues from certain of Apex's larger customers (which carry lower gross margin); 5 Year Targets assumed operating leverage in the outer years and greater economies of scale</p>
Acquired Revenues	700	490	-	
Total Revenues	5,000	5,000	3,549	
Adjusted EBITDA	600	625	420	
Free Cash Flow	355	380	259	
5-Year Cumulative Free Cash Flow	1,440	1,535	N/A	<p>Free Cash Flow as a percentage of revenues is within the 5 Year Target range</p>
5-Year CAGR (Y-Y Change 2018):				
Revenues (before acquisitions)	6.0%	7.0%	10.4%	
Revenues (including Acquisitions)	9.3%	9.3%	10.4%	
Adjusted EBITDA	9.6%	10.5%	10.9%	
Free Cash Flow	15.5%	17.2%	N/A	
Margins:				
Gross	29.8%	30.0%	29.6%	<p>Free Cash Flow as a percentage of revenues is within the 5 Year Target range</p>
Cash SG&A Expense (as a % of revenues)	17.8%	17.5%	18.2%	
Adjusted EBITDA	12.0%	12.5%	11.8%	
Free Cash Flow (as a % of revenues)	7.1%	7.6%	7.6% ²	

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

² Free Cash flow as a % of revenues shown on an as reported basis.

Apex & Oxford Segments Business & Billable Days

	Q1	Q2	Q3	Q4	Full Year
Business Days^{1,3}					
2019	63.0	64.0	63.0	62.0	252.0
2018	64.0	64.0	63.0	61.0	252.0
2017	64.0	64.0	63.0	60.0	251.0
2019/18	-1.0	0.0	0.0	1.0	0.0
2018/17	0.0	0.0	0.0	1.0	1.0
Billable Days^{2,3}					
2019 Est.	62.0	64.0	63.0	60.5	249.5
2018	62.8	63.7	62.4	60.2	249.1
2017	63.0	63.8	62.6	60.0	249.4
2019/18	-0.8	0.3	0.6	0.3	0.4
2018/17	-0.3	-0.1	-0.2	0.2	-0.3

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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