CONFERENCE CALL

PREPARED REMARKS FROM:
Peter T. Dameris, Chief Executive Officer, ASGN Incorporated
Edward L. Pierce, Chief Financial Officer, ASGN Incorporated
Theodore S. Hanson, President, ASGN Incorporated
Randolph C. Blazer, President, Apex Systems, LLC
George Wilson, President, ECS Federal, LLC

April 25, 2018

FIRST QUARTER 2018 FINANCIAL RESULTS CONFERENCE CALL
APRIL 25, 2018
PREPARED REMARKS

EDWARD L. PIERCE
CFO, ASGN:

Good afternoon and thank you for joining us today. With me today are Peter Dameris, Chief Executive Officer, Ted Hanson, President, Rand Blazer, President of Apex Systems and George Wilson, President of ECS.

Before we get started, I would like to remind everyone that our presentation contains forward-looking statements. Although we believe these statements are reasonable, they are subject to risks and uncertainties and our actual results could differ materially from those statements. Certain of these risks and uncertainties are described in today's press release and in our SEC filings. We do not assume the obligation to update statements made on this call.

For your convenience, our prepared remarks and supplemental materials can be found in the Investor Relations section of our website.

Please note that on this call we will be referencing certain non-GAAP measures, such as Adjusted EBITDA and Adjusted Net Income. These non-GAAP measures are intended to supplement the comparable GAAP measures. Reconciliations between the GAAP and non-GAAP measures are included in today's press release.

I will now turn the call over to Peter Dameris.

PETER T. DAMERIS
CEO, ASGN:

Welcome to the ASGN 2018 first quarter earnings conference call. During our call today, I will comment on the markets we serve, our financial highlights, the closing of the ECS Federal acquisition and our name change. Ted and Rand will then discuss the performance of our operating segments in greater detail, before turning the call over to Ed for a detailed review of our first quarter results and our estimates for the second quarter of 2018. On today's call, we will not be discussing specifics regarding ECS' first quarter performance given the close of the acquisition occurred post-quarter close on April 2nd. However, George Wilson will be available to answer qualitative questions regarding ECS. We will then open the call up for questions.

Now on to the first quarter results. Across all of our guided metrics, our results for the quarter were at, or above, the high-end of our previously announced financial estimates. Revenues for the quarter were $685.2 million, up 9.4 percent year-over-year. Our growth rate reflected, among other things, the deepening of many large customer relationships established over the last five years and the continuing increase in the rate of adoption of our delivery model.

This marked the 17th consecutive quarter that our company grew above the IT staffing industry's projected annual growth rate. Our size and service offerings allow us to grow faster than published staffing industry growth rates and we believe that we are well positioned to generate solid above-market revenue growth in the future. During the quarter, we saw strong revenue growth at Apex Systems, improving revenue trends at Creative Circle and a return to year-over-year growth at Oxford Core and our Oxford segment. Customer demand was strong across our local, mid-market, and large national accounts.

Adjusted EBITDA for the quarter was $74.8 million, up 15.8 percent from $64.6 million in the first quarter of 2017. Cash generation continues to be at or above our expectations and since closing the Creative Circle acquisition, we have repaid $297 million of our debt through March 31, 2018. Free cash flow, a non-GAAP measure, was $49.6 million for the quarter, or 7.2 percent of revenues, compared with $37.0 million, or 5.9 percent of revenues, in the first quarter of 2017. Our leverage ratio was 1.80 times trailing twelve months Adjusted EBITDA as of March 31, 2018 and increased to approximately 3.67 times with the closing of the ECS acquisition. During the second quarter, we expect to pay down approximately $90.0 million of our debt, which will reduce our leverage ratio to 3.34 times by the end of the second quarter.

With respect to recent production at our Apex and Oxford Segments, our weekly assignment revenues, which exclude conversion, billable expenses and direct placement revenues averaged $49.8 million for the last two weeks, up 7.1 percent over the same period in 2017. As for ECS, we estimate revenues will range between $150.0 and $153.0 million for the second quarter.

Our IT business continues to see high demand from its customers, driven in part by greater adoption of staff augmentation as a viable alternative to outsourcing, offshoring and consulting. We believe that we are well positioned to continue to service our customers' IT needs as technology rapidly evolves and is adopted.

We also continue to see signs that the ongoing debate regarding the "on demand" workforce or "gig-economy" is accelerating the usage of contract labor. "Fractionalization of human capital" by using the staffing industry's services is the only way to avoid the risk of misclassification of employees as independent contractors. Our customers have - and are - realizing this, creating attractive secular growth opportunities for the entire professional staffing industry.

Our new Federal IT services and solutions business continues to see new long-term contract awards, robust spending against existing contracts, and the forward positive benefits of increased funding and visibility of defense, intelligence, and federal civilian agency budgets, particularly in the areas of artificial intelligence and machine learning.

As a reminder, we announced the closing of the ECS Federal acquisition on April 2, 2018 and ECS' results are not included in our consolidated results for Q1, but will be included in our consolidated results beginning with Q2. ECS delivers cyber security, cloud, DevOps, IT modernization and advanced science and engineering solutions to the U.S. Federal government. This acquisition nearly doubles our addressable end market to $279 billion as we enter the $129 billion Government Services space and ECS' highly specialized skill offerings strengthen our position as a premier human capital provider and complements our highly technical IT offerings. ECS' domain expertise and first-hand experience will position our combined company well to support commercial engagements in cyber security, artificial intelligence and biometrics.

As we publicly announced on Monday of this week, we will be hosting an Analyst & Investor Day on May 23rd in New York City. The meeting will be held at the Lotte New York Palace Hotel and will begin at 8:00 a.m. EDT. Our executive management team will present our strategic positioning and long-term growth plans. There will also be a panel discussion on the "Future of Technology: Risks and Challenges" featuring guest speakers. Seating for this event is limited and if you are interested in attending please contact Addo Investor Relations.

Finally, I would like to remind you that we officially changed our name to ASGN Incorporated on April 2, 2018.

I would now like to turn the call over to Ted Hanson, who will review the operations of the segments and then over to Rand.

THEODORE S. HANSON
President, ASGN:

We were pleased with our segment results in the quarter, with both our Apex and Oxford Segments performing better than anticipated. Demand in the end markets we serve - IT, Creative/Digital/Marketing, Engineering and Life Sciences - remains steady. Apex Systems, our largest division, continued to achieve growth rates above the market growth rate and led the performance of their segment, which Rand will discuss in a few minutes.

Our Oxford Segment, which is comprised of Oxford Core, CyberCoders, our permanent placement business, and Life Sciences Europe, delivered revenues of $146.7 million, which is up 1.8 percent year-over-year. Revenues increased 1.6 percent on a sequential basis.

Oxford Core revenues, which account for 74.7 percent of the segment revenues, were up approximately one percent year-over-year, 1.3 percent sequentially, and exceeded our initial expectations. Growth was led by our European business unit followed by our Engineering and Life Sciences service offerings.

CyberCoders, which accounts for 96.5 percent of the segment's permanent placement revenues, had mid-single digit year-over-year growth which was in-line with our expectations. Momentum throughout the quarter was strong.

Our Life Sciences offerings in Europe, the smallest contributor to total segment revenue, was up year-over-year mid-single digits, and exceeded our initial expectations. Demand for our Life Sciences skillsets in the Benelux geographic markets remains steady.

Gross margin for the segment was 40.3 percent, down 10 basis points year-over-year due to business mix within the segment.

Based on the above, and better expense management and productivity within the Oxford Core unit specifically, the segment's Adjusted EBITDA results exceeded our expectations and grew over the first quarter of 2017. Much of the hard work to improve lost EBITDA margin at Oxford Core continues to show itself in the latest quarter's results.

I will now turn the call over to Rand Blazer.

RANDOLPH C. BLAZER
President, Apex Systems:

The Apex Segment, which consists of Apex Systems, Apex Life Sciences and Creative Circle business units, once again reported solid results for the quarter. Revenues for the Segment in the first quarter were $538.5 million, up 11.6 percent year-over-year.

Apex Systems, which accounts for 74.9 percent of the segment's revenues, led the way with 12.5 percent year-over-year growth in the first quarter. Our Creative Circle unit's revenues grew high single digits and slightly exceeded our expectations in all performance areas. Our Life Sciences' unit, including Stratacuity, delivered double-digit revenue growth in the quarter on an as reported basis and also exceeded our expectations.

As we usually do on these calls, we will provide additional insight into the performance of our principal IT Services business unit, Apex Systems. Revenue for the unit was propelled by a number of factors including:

- Continued growth in our accounts in all industry verticals we service, with double-digit revenue growth in: Aerospace and Defense, Financial Services, Consumer Industrial, Telecommunications, and Technology Industry accounts.
- Business Services and Healthcare also exhibited positive single digit growth year-over-year.
- Double-digit growth was achieved in both our retail and top accounts, with retail accounts growing more than our top accounts in the quarter.
- Our bookings for SOW type work remained strong, as has been reported in previous quarters, and continues to exceed our expectations.

Gross Margin for the segment was also higher year-over-year largely reflecting increased bill rate/pay rate differentials and a higher mix of perm placement revenue despite larger volume discounts incurred with some of our top accounts.

Our segment's EBITDA contribution also grew and is up on a percent of revenue basis year-over-year. This performance reflects high conversion of gross profit to EBITDA and is driven by continued strong productivity of our sales, delivery and infrastructure teams.

Overall, the Apex Segment had another solid quarter.

I will now turn the call over to Ed Pierce to discuss ASGN's overall financial results.

EDWARD L. PIERCE
CFO, ASGN:

Revenues for the quarter were up 9.4 percent year-over-year on a reported basis and 9.2 percent after adjusting for year-over-year changes in foreign exchange rates and differences in the number of Billable Days. Revenues for the quarter included $5.3 million in revenues from Stratacuity, which was acquired in August of last year.

Gross margin for the quarter was 31.8 percent, which was at the high-end of our previously-announced financial estimates and up 20 basis points over the first quarter of 2017. The year-over-year expansion in gross margin related to lower state unemployment tax rates in certain states and a slightly higher mix of higher-margin business in certain divisions.

SG&A expenses were $164.4 million, or 24.0 percent of revenues, and were in line with our previously-announced estimates. SG&A expenses included $9.8 million in one-time expenses related to the ECS acquisition.

Interest expense for the quarter was $6.5 million, down from $8.5 million in the first quarter of 2017. Interest expense for the quarter was comprised of $5.3 million of interest on the credit facility, $0.9 million of amortization of deferred loan costs and $0.3 million of expenses related to the amendment of our credit facility to fund the acquisition of ECS. The year-over-year decrease in interest expense reflected a lower debt balance and a lower interest rate as a result of the amendments to our credit facility in 2017.

Our effective tax rate was 25.3 percent, which was lower than our previously-announced estimate primarily related to excess tax benefits on stock-based compensation, which we do not include in our financial estimates.

Net Income for the quarter was $29.1 million, or $0.55 per diluted share, up from $22.4 million, or $0.42 per diluted share, in the first quarter of last year. Net income for the quarter included $9.8 million, or $7.4 million after tax in expenses related to the ECS acquisition. Adjusted Net Income, a non-GAAP measure, which among other things, adjusts for amortization of intangible assets and acquisition, integration and strategic planning expenses and credit facility amendment expenses, was $44.0 million, or $0.83 per share, up from $32.2 million, or $0.61 per share, in the first quarter of 2017. Adjusted EBITDA for the quarter was $74.8 million. Reconciliations of Net Income to Adjusted Net Income and to Adjusted EBITDA, both non-GAAP measures, are included in today's press release.

Cash flows from operating activities were $55.8 million and free cash flow, a non-GAAP measure, was $49.6 million.

Before commenting on our overall financial estimates for the second quarter, please note that our financial estimates for the second quarter include estimates for ECS, which accounts for approximately

17.5 percent of our total estimated revenues and 17.0 percent of our Adjusted EBITDA for the second quarter.

Second, our estimate for interest expense includes a one-time charge of $5.8 million related to the amendment of our credit facility in April to fund the acquisition of ECS. This expense is "added back" in the determination of Adjusted Net Income.

Third, please note that stock-based compensation expense is increasing $3.8 million over the first quarter due to awards granted to ECS management and employees and the expense of the 2018 performance awards that for accounting purposes were calculated using a stock price of $85.53, which was the closing price on the day the performance targets were approved by the Compensation Committee.

Now moving on to our overall financial estimates for the second quarter of 2018. We are estimating revenues of $860.0 to $870.0 million; Net Income of $31.1 to $34.8 million, or $0.59 to $0.66 per diluted share; Adjusted Net Income of $53.6 to $57.3 million, or $1.01 to $1.08 per diluted share; and Adjusted EBITDA of $100.0 to $105.0 million. Adjusted Net Income does not include the cash tax savings related to the amortization deduction of goodwill and trademarks. With the acquisition of ECS, the quarterly cash tax savings are now $6.8 million, or $0.13 per diluted share, up from $4.5 million, or $0.09 per diluted share, in the first quarter.

As we have previously commented, the acquisition of ECS is accretive to our Adjusted Net Income. We estimate the accretion in the second quarter to be approximately $0.11 to $0.13 per diluted share.

On a pro forma basis, which assumes our acquisition of ECS occurred at the beginning of 2017, our consolidated revenue estimates for the second quarter imply year-over-year growth of 7.7 to 9.0 percent.

I will now turn the call back over to Peter for some closing remarks.

PETER T. DAMERIS
CEO, ASGN:

We continue to believe our scale, size and breadth of services has us well positioned to take advantage of what we believe will be historic secular growth for the staffing industry and dynamic changes in the technology world as it moves more into the digital one. While the entire ASGN team is very proud of our performance, we remain focused on continuing to profitably grow our business and increase our rate of growth. We would like to once again, thank our many loyal, dedicated and talented employees whose efforts have allowed us to progress to where we are today. I would like to now open the call up to participants for questions.