UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-35636

ASGN Incorporated

(Exact name of registrant as specified in its charter)

Delaware	**95-4023433**
(State of Incorporation)	(I.R.S. Employer Identification No.)

4400 Cox Road, Suite 110
Glen Allen, Virginia 23060
(Address, including zip code, of Principal Executive Offices)

(888) 482-8068
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of exchange on which registered**
Common Stock	ASGN	NYSE

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☒ No

At April 28, 2023, the total number of outstanding shares of the Common Stock of ASGN Incorporated (the "Company") ($0.01 par value) was 49.3 million.

ASGN INCORPORATED AND SUBSIDIARIES

INDEX

PART I — FINANCIAL INFORMATION

Item 1 — Condensed Consolidated Financial Statements (Unaudited)

ASGN INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (*Unaudited*)
(*in millions, except share data*)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 65.0	$ 70.3
Accounts receivable, net	822.8	853.6
Prepaid expenses and income taxes	23.5	39.9
Other current assets	15.5	17.3
Total current assets	926.8	981.1
Property and equipment, net	71.8	66.3
Operating lease right-of-use assets	52.5	51.1
Identifiable intangible assets, net	551.5	569.6
Goodwill	1,893.5	1,892.0
Other non-current assets	29.2	25.6
Total assets	$ 3,525.3	$ 3,585.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 34.0	$ 35.2
Accrued payroll	251.6	285.1
Operating lease liabilities	21.1	22.9
Other current liabilities	79.2	98.7
Total current liabilities	385.9	441.9
Long-term debt	1,035.4	1,066.6
Operating lease liabilities	36.2	32.3
Deferred income tax liabilities	129.2	129.2
Other long-term liabilities	15.1	14.4
Total liabilities	1,601.8	1,684.4
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value; 1.0 million shares authorized; no shares issued	—	—
Common stock, $0.01 par value; 75.0 million shares authorized; 49.2 million and 49.5 million shares outstanding at March 31, 2023 and December 31, 2022, respectively	0.5	0.5
Paid-in capital	714.4	703.5
Retained earnings	1,210.3	1,200.0
Accumulated other comprehensive loss	(1.7)	(2.7)
Total stockholders' equity	1,923.5	1,901.3
Total liabilities and stockholders' equity	$ 3,525.3	$ 3,585.7

See notes to condensed consolidated financial statements.

ASGN INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (*Unaudited*)
(*in millions, except per share data*)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenues	$ 1,128.8	$ 1,091.0
Costs of services	802.4	764.4
Gross profit	326.4	326.6
Selling, general and administrative expenses	224.1	212.1
Amortization of intangible assets	18.1	13.9
Operating income	84.2	100.6
Interest expense	(15.4)	(9.3)
Income before income taxes	68.8	91.3
Provision for income taxes	19.3	23.7
Income from continuing operations	49.5	67.6
Income from discontinued operations, net of income taxes	—	(0.8)
Net income	$ 49.5	$ 66.8
Earnings per share:		
Basic —		
Continuing operations	$ 1.00	$ 1.31
Discontinued operations	—	(0.01)
	$ 1.00	$ 1.30
Diluted —		
Continuing operations	$ 0.99	$ 1.29
Discontinued operations	—	(0.01)
	$ 0.99	$ 1.28
Shares and share equivalents used to calculate earnings per share:		
Basic	49.3	51.6
Diluted	49.8	52.3
Reconciliation of net income to comprehensive income:		
Net income	$ 49.5	$ 66.8
Foreign currency translation adjustment	1.0	—
Comprehensive income	$ 50.5	$ 66.8

See notes to condensed consolidated financial statements.

ASGN INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (*Unaudited*)
(*in millions*)

	Common Stock					
	Shares	Par Value	Paid-in Capital	Retained Earnings	Other	Total
Three Months Ended March 31, 2023						
Balance at December 31, 2022	49.5	$ 0.5	$ 703.5	$ 1,200.0	$ (2.7)	$ 1,901.3
Stock-based compensation expense	—	—	12.1	—	—	12.1
Issuances under equity plans	0.2	—	11.1	—	—	11.1
Tax withholding on restricted stock vesting	—	—	(4.2)	—	—	(4.2)
Stock repurchases and retirement of shares	(0.5)	—	(8.1)	(39.2)	—	(47.3)
Other	—	—	—	—	1.0	1.0
Net income	—	—	—	49.5	—	49.5
Balance at March 31, 2023	49.2	$ 0.5	$ 714.4	$ 1,210.3	$ (1.7)	$ 1,923.5
Three Months Ended March 31, 2022						
Balance at December 31, 2021	51.8	$ 0.5	$ 690.8	$ 1,174.4	$ (0.3)	$ 1,865.4
Stock-based compensation expense	—	—	12.8	—	—	12.8
Issuances under equity plans	0.2	—	10.4	—	—	10.4
Tax withholding on restricted stock vesting	—	—	(8.8)	—	—	(8.8)
Stock repurchases and retirement of shares	(0.7)	—	(9.2)	(68.2)	—	(77.4)
Net income	—	—	—	66.8	—	66.8
Balance at March 31, 2022	51.3	$ 0.5	$ 696.0	$ 1,173.0	$ (0.3)	$ 1,869.2

See notes to condensed consolidated financial statements.

ASGN INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (*Unaudited*)
(*in millions*)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash Flows from Operating Activities		
Net income	$ 49.5	$ 66.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24.9	20.1
Stock-based compensation	12.1	12.8
Other	1.5	2.8
Changes in operating assets and liabilities, net of effects of acquisitions and divestiture:		
Accounts receivable	31.0	(67.7)
Prepaid expenses and income taxes	16.5	23.1
Accounts payable	(1.2)	(0.5)
Accrued payroll	(33.8)	6.6
Other	(20.0)	(8.0)
Net cash provided by operating activities	80.5	56.0
Cash Flows from Investing Activities		
Cash paid for property and equipment	(11.7)	(9.6)
Cash received from sale of the Oxford business	—	9.8
Other	(0.6)	—
Net cash provided by (used in) investing activities	(12.3)	0.2
Cash Flows from Financing Activities		
Proceeds from long term debt	36.0	—
Principal payments of long term debt	(67.5)	—
Proceeds from employee stock purchase plan	11.1	10.4
Repurchases of common stock	(48.8)	(76.9)
Payment of employment taxes related to release of restricted stock awards	(4.2)	(8.8)
Payment of contingent consideration	—	(8.1)
Net cash used in financing activities	(73.4)	(83.4)
Effect of exchange rate changes on cash and cash equivalents	(0.1)	—
Net decrease in cash and cash equivalents	(5.3)	(27.2)
Cash and cash equivalents at beginning of year	70.3	529.6
Cash and cash equivalents at end of period	$ 65.0	$ 502.4
Supplemental Disclosure of Cash Flow Information		
Cash paid for —		
Income taxes	$ 2.0	$ 1.9
Interest	$ 8.6	$ 2.4
Operating leases	$ 6.6	$ 6.9
Noncash transactions —		
Operating lease right of use assets obtained in exchange for operating lease liabilities	$ 7.7	$ 2.5

See notes to condensed consolidated financial statements.

ASGN INCORPORATED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. General

Basis of presentation — The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations. The December 31, 2022 balance sheet was derived from audited financial statements. The financial statements include adjustments consisting of normal recurring items, which, in the opinion of management, are necessary for a fair presentation of the financial position of ASGN Incorporated and its subsidiaries ("ASGN" or the "Company") and its results of operations for the interim dates and periods set forth herein. The results for any of the interim periods are not necessarily indicative of the results to be expected for the full year or any other period. This Quarterly Report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 10-K").

2. Goodwill and Identifiable Intangible Assets

The following table summarizes the activity related to the carrying amount of goodwill by segment since December 31, 2021 (in millions).

	Commercial	Federal Government	Total
Balance as of December 31, 2021	$ 829.3	$ 740.2	$ 1,569.5
2022 acquisitions	246.4	85.5	331.9
Purchase price adjustments	0.4	(8.5)	(8.1)
Translation adjustment	(1.4)	—	(1.4)
Balance as of December 31, 2022	1,074.7	817.2	1,891.9
Purchase price adjustments	—	1.1	1.1
Translation adjustment	0.5	—	0.5
Balance as of March 31, 2023	$ 1,075.2	$ 818.3	$ 1,893.5

Approximately $250.7 million of the goodwill for the 2022 acquisitions is deductible for income tax purposes.

Acquired identifiable intangible assets consisted of the following (in millions):

		March 31, 2023			December 31, 2022		
	Estimated Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer and contractual relationships	1 - 13	$ 589.3	$ 330.8	$ 258.5	$ 589.3	$ 315.7	$ 273.6
Contract backlog	1 - 3	44.1	38.4	5.7	44.1	36.5	7.6
Non-compete agreements	1 - 7	41.2	26.7	14.5	41.2	25.6	15.6
		674.6	395.9	278.7	674.6	377.8	296.8
Not subject to amortization:							
Trademarks		272.8	—	272.8	272.8	—	272.8
Total		$ 947.4	$ 395.9	$ 551.5	$ 947.4	$ 377.8	$ 569.6

Estimated future amortization expense follows (in millions):

Remainder of 2023	$ 53.7
2024	58.1
2025	48.8
2026	41.8
2027	32.0
Thereafter	44.3
	$ 278.7

3. Long-Term Debt

Long-term debt consisted of the following (in millions):

	March 31, 2023	December 31, 2022
Senior Secured Credit Facility:		
Borrowings under $460 million revolving credit facility, due November 2024	$ —	$ 31.5
Term B loan facility, due April 2025	490.8	490.8
Unsecured Senior Notes, due May 2028	550.0	550.0
	1,040.8	1,072.3
Unamortized deferred loan costs	(5.4)	(5.7)
	$ 1,035.4	$ 1,066.6

Senior Secured Credit Facility — The senior secured credit facility (the "facility") consists of a term B loan and a $460.0 million revolving credit facility (the "revolver"). Borrowings under the term B loan bear interest at the secured overnight financing rate plus a 10 basis points adjustment ("SOFR") plus 1.75 percent, or the bank's base rate plus 0.75 percent. Borrowings under the revolver bear interest at SOFR plus 1.25 to 2.25 percent, or the bank's base rate plus 0.25 to 1.25 percent, depending on leverage levels. A commitment fee of 0.20 to 0.35 percent is payable on the undrawn portion of the revolver. There are no required minimum payments on the facility. The revolver is limited to a maximum ratio of senior secured debt to trailing-twelve-months of lender-defined consolidated EBITDA of 3.75 to 1, which was 0.90 to 1 at March 31, 2023. The facility is secured by substantially all of the Company's assets and includes various restrictive covenants. At March 31, 2023, the Company was in compliance with its debt covenants.

Unsecured Senior Notes — The Company has $550.0 million of unsecured senior notes, which bear interest at 4.625 percent payable semiannually in arrears on May 15 and November 15. These notes are unsecured obligations and are subordinate to the senior secured credit facility. These notes also contain certain customary limitations including, the Company's ability to incur additional indebtedness, engage in mergers and acquisitions, transfer or sell assets and make certain distributions.

4. Commitments and Contingencies

The Company is involved in various legal proceedings, claims and litigation arising in the ordinary course of business, and collective class and Private Attorneys General Act ("PAGA") actions alleging violations of wage and hour laws. The Company does not believe that the disposition of matters that are pending or asserted will have a material effect on its consolidated financial statements.

5. Income Taxes

For interim reporting periods, the Company's provision for income taxes is calculated using its annualized estimated effective tax rate for the year. This rate is based on its estimated full year income and the related income tax expense for each jurisdiction in which the Company operates. The effective tax rate can be affected by changes in the geographical mix, permanent differences and the estimate of full year pretax accounting income. This rate is adjusted for the effects of discrete items occurring in the period.

6. Earnings per Share

The following table shows the calculation of basic and diluted earnings per share (in millions, except per share data).

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Income from continuing operations	$ 49.5	$ 67.6
Income from discontinued operations, net of income taxes	—	(0.8)
Net income	$ 49.5	$ 66.8
Weighted-average number of common shares outstanding — basic	49.3	51.6
Dilutive effect of common share equivalents	0.5	0.7
Weighted-average number of common shares and share equivalents outstanding — diluted	49.8	52.3
Basic earnings per share:		
Continuing operations	$ 1.00	$ 1.31
Discontinued operations	—	(0.01)
	$ 1.00	$ 1.30
Diluted earnings per share:		
Continuing operations	$ 0.99	$ 1.29
Discontinued operations	—	(0.01)
	$ 0.99	$ 1.28

7. Segment Reporting

ASGN provides information technology ("IT") services and professional solutions, including technology and creative digital marketing, across the commercial and government sectors. ASGN operates through two segments, Commercial and Federal Government. The Commercial Segment, which is the largest segment, provides consulting, creative digital marketing and permanent placement services primarily to large enterprises and Fortune 1000 companies. The Federal Government Segment provides mission-critical solutions to the Department of Defense, the intelligence community and federal civilian agencies. Virtually all of the Company's revenues are generated in the United States.

Management evaluates the performance of each segment primarily based on revenues, gross profit and operating income derived directly from internal financial reporting of the segments used for corporate management purposes, which is presented below by segment (in millions):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Commercial		
Revenues	$ 832.1	$ 832.9
Gross profit	262.4	272.6
Operating income	83.9	104.9
Depreciation	4.6	3.5
Amortization	8.8	5.6
Federal Government		
Revenues	$ 296.7	$ 258.1
Gross profit	64.0	54.0
Operating income	22.6	17.3
Depreciation	1.4	1.5
Amortization	9.3	8.3
Consolidated		
Revenues	$ 1,128.8	$ 1,091.0
Gross profit	326.4	326.6
Operating income	84.2	100.6
Depreciation	6.8	6.2
Amortization	18.1	13.9

Consolidated operating income includes corporate operating expenses, which are not allocated to the segments. These include stock-based compensation expense, depreciation expense, compensation for corporate employees, acquisition, integration and strategic planning expenses and public company expenses.

The majority of the revenues from the Commercial Segment are generated from time-and-materials ("T&M") contracts where payments are based on fixed hourly rates for each direct labor hour expended and reimbursements for allowable material costs and out-of-pocket expenses. Revenues from the Federal Government Segment are generated from: (i) firm-fixed-price, (ii) T&M and (iii) cost reimbursable contracts. Revenues by segment and by type are as follows (in millions):

	Three Months Ended March 31,	
	2023	2022
Commercial		
Assignment	$ 560.4	$ 628.2
Consulting	271.7	204.7
	832.1	832.9
Federal Government		
Firm-fixed-price	92.8	76.9
Time and materials	121.9	107.0
Cost reimbursable	82.0	74.2
	296.7	258.1
Consolidated	$ 1,128.8	$ 1,091.0

Federal Government Segment revenues by customer type are as follows (in millions):

	Three Months Ended March 31,	
	2023	2022
Department of Defense and Intelligence Agencies	$ 132.9	$ 133.6
Federal Civilian	153.1	116.4
Other	10.7	8.1
	$ 296.7	$ 258.1

8. Fair Value Measurements

Recurring Fair Value Measurements — The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued payroll approximate their fair value based on their short-term nature.

Nonrecurring Fair Value Measurements — Certain assets, such as goodwill and trademarks, are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances, such as, when there is evidence of impairment. There were no fair value adjustments for non-financial assets or liabilities during the three months ended March 31, 2023.

The carrying amount of long-term debt recorded in the Company's accompanying condensed consolidated balance sheet at March 31, 2023 was $1.0 billion (see *Note 3. Long-Term Debt*) and its fair value, determined using quoted prices in active markets for identical liabilities (Level 1 inputs), was slightly less than the carrying amount.

9. Subsequent Events

On April 24, 2023, the Company's Board of Directors approved a new stock repurchase program under which the Company may repurchase $500.0 million of its common stock over the next two years. Under terms of the program, purchases can be made in the open market or under a Rule 10b5-1 trading plan. The stock repurchase program does not obligate the Company to acquire any particular amount of the Company's stock and may be suspended at any time at the Company's discretion. The new program replaces the Company's previous stock repurchase program.

Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations

The information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations, as well as management's beliefs and assumptions and involve a high degree of risk and uncertainty. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Statements that include the words "believes," "anticipates," "plans," "expects," "intends," and similar expressions that convey uncertainty of future events or outcomes are forward-looking statements. Our actual results could differ materially from those discussed or suggested in the forward-looking statements herein. Factors that could cause or contribute to such differences include those described in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 10-K"). In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. All forward-looking statements in this document are based on information available to us as of the filing date of this Quarterly Report on Form 10-Q and we assume no obligation to update any forward-looking statements or the reasons why our actual results may differ.

OVERVIEW

ASGN provides information technology ("IT") services and professional solutions, including technology and creative digital marketing, across the commercial and government sectors. We operate through two segments, Commercial and Federal Government. The Commercial Segment, which is the largest segment, provides consulting, creative digital marketing and permanent placement services primarily to large enterprises and Fortune 1000 companies. Our Federal Government Segment provides mission-critical solutions to the Department of Defense, the intelligence community and federal civilian agencies. Virtually all of the Company's revenues are generated in the United States.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2023 COMPARED WITH THE THREE MONTHS ENDED MARCH 31, 2022

Revenues

Revenues for the quarter were $1.1 billion, up 3.5 percent over the first quarter of last year. Revenues for the quarter included approximately $50.4 million from businesses acquired in the last 12 months. Excluding the contributions from these recent acquisitions, revenue declined 1.2 percent year-over-year. The table below shows our revenues by segment for the three months ended March 31, 2023 and 2022 (in millions).

				% of Total		
	2023	2022	Change	2023	2022	Change
Commercial						
Assignment	$ 560.4	$ 628.2	(10.8 %)	49.6 %	57.6 %	(8.0 %)
Consulting	271.7	204.7	32.7 %	24.1 %	18.7 %	5.4 %
	832.1	832.9	(0.1 %)	73.7 %	76.3 %	(2.6 %)
Federal Government	296.7	258.1	15.0 %	26.3 %	23.7 %	2.6 %
Consolidated	$ 1,128.8	$ 1,091.0	3.5 %	100.0 %	100.0 %	

Commercial Segment — Revenues from our Commercial Segment (73.7 percent of total revenues) were essentially flat year-over-year. Assignment revenues were $560.4 million (67.3 percent of the segment's revenues), down 10.8 percent year-over-year. Consulting services revenues were $271.7 million (32.7 percent of the segment's revenues), up 32.7 percent year-over-year. Excluding the contribution of $25.9 million from GlideFast, consulting services revenues were up 20.0 percent.

From an industry perspective, Commercial revenues fall into five broad industry verticals: (i) Financial Services, (ii) Consumer and Industrials, (iii) Technology, Media and Telecom ("TMT"), (iv) Healthcare, and (v) Business and Government Services. Our Financial Services, Consumer and Industrials, and Healthcare verticals saw single-digit revenue growth year-over-year. The TMT and Business and Government Services verticals were down compared with the first quarter of 2022.

Within the Commercial Segment, IT services and solutions revenues, which accounted for 85.4 percent of the segment's revenues in the quarter, were up 3.1 percent over the first quarter of last year driven by double-digit growth in consulting services. The segment's more discretionary and cyclical businesses, creative digital marketing and permanent placement, accounted for 14.6 percent of the segment's revenues and were down 15.5 percent year-over-year.

Federal Government Segment — Revenues from our Federal Government Segment (26.3 percent of revenues) were up 15.0 percent year-over-year. Excluding the contribution from Iron Vine of $24.5 million, revenues increased by 5.5 percent.

Gross Profit and Gross Margin

The table below shows gross profit and gross margin by segment for the three months ended March 31, 2023 and 2022 (in millions).

	Gross Profit			Gross Margin		
	2023	2022	Change	2023	2022	Change
Commercial	$ 262.4	$ 272.6	(3.7 %)	31.5 %	32.7 %	(1.2 %)
Federal Government	64.0	54.0	18.5 %	21.6 %	20.9 %	0.7 %
Consolidated	$ 326.4	$ 326.6	(0.1 %)	28.9 %	29.9 %	(1.0 %)

Gross profit is comprised of revenues less costs of services, which consist primarily of compensation for our contract professionals, other direct costs and reimbursable out-of-pocket expenses.

Gross margin was 28.9 percent, a reduction of 100 basis points from the first quarter of 2022. The compression mainly related to business mix, including a slightly higher mix of revenues from the Federal Government Segment, which have a lower gross margin than commercial revenues, and, within the Commercial Segment, a lower mix of revenues from the creative digital marketing and permanent placement divisions, which have higher gross margins.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses consist primarily of compensation expense for our field operations and corporate staff, rent, information systems, marketing, telecommunications, public company expenses and other general and administrative expenses. SG&A expenses were $224.1 million (19.9 percent of revenues), compared with $212.1 million (19.4 percent of revenues) in the first quarter of 2022. This increase reflected investments in workforce and technology that were made over the course of the prior year, in support of business growth. Despite attrition during the current quarter, our workforce was larger than the year ago period.

Amortization of Intangible Assets

Amortization of intangible assets was $18.1 million, up from $13.9 million in the first quarter of 2022. This increase reflects amortization expense related to businesses acquired in the last 12 months.

Interest Expense

Interest expense was $15.4 million, up from $9.3 million in the first quarter of 2022, primarily as a result of higher interest rates on the senior secured credit facility. Interest expense was comprised of $8.5 million of interest on the senior secured credit facility, $6.4 million of interest on the unsecured senior notes, and $0.5 million in amortization of deferred loan costs. The weighted-average outstanding borrowings and interest rate in the first quarter of 2023 and 2022 were $1.1 billion and 5.6 percent, and $1.0 billion and 3.4 percent, respectively.

Provision for Income Taxes

The provision for income taxes was $19.3 million, down from $23.7 million in the first quarter of 2022 due to lower income before income taxes. The effective tax rate was 28.1 percent, up from 26.0 percent in the first quarter of 2022, which benefited from discrete tax benefits related to stock-based compensation.

Income from Continuing Operations

Income from continuing operations was $49.5 million, down from $67.6 million in the first quarter of 2022.

Loss from Discontinued Operations

Loss from discontinued operations was $0.8 million in the first quarter of 2022.

Net Income

Net income was $49.5 million, down from $66.8 million in the first quarter of 2022.

Commercial Segment - Consulting Metrics

Commercial consulting bookings are defined as the value of new contracts entered into during a specified period, including adjustments for the effects of changes in contract scope and contract terminations. The underlying contracts are terminable by the client on short notice with little or no termination penalties. The book-to-bill ratio for our commercial consulting revenues is the ratio of our commercial consulting bookings to the commercial consulting revenues for a specified period. The average duration of commercial consulting projects is one year.

	Three Months Ended March 31,		Trailing-Twelve-Months Ended March 31,	
(Dollars in millions)	2023	2022	2023	2022
Bookings	$ 391.9	$ 297.5	$ 1,286.6	$ 925.8
Book-to-Bill Ratio	1.4 to 1	1.5 to 1	1.3 to 1	1.3 to 1

Federal Government Segment Metrics

Contract backlog for our Federal Government Segment represents the estimated amount of future revenues to be recognized under awarded contracts including task orders and options. These estimates are subject to change and may be affected by the execution of new contracts, the extension or early termination of existing contracts, the non-renewal or completion of current contracts and adjustments to estimates for previously included contracts. Changes in the funded contract backlog are also affected by the funding cycles of the government.

(Dollars in millions)	March 31, 2023	December 31, 2022	March 31, 2022
Funded Contract Backlog	$ 559.8	$ 582.3	$ 488.4
Negotiated Unfunded Contract Backlog	2,482.2	2,681.2	2,382.9
Contract Backlog	$ 3,042.0	$ 3,263.5	$ 2,871.3
Contract Backlog Coverage Ratio	2.6 to 1	2.9 to 1	2.6 to 1

Contract backlog coverage ratio is calculated as total contract backlog divided by trailing-twelve-months of Federal Government Segment revenues.

The book-to-bill ratio for our Federal Government Segment was 0.9 to 1 for the trailing-twelve-months ended March 31, 2023 and 2022. The book-to-bill ratio was calculated as the sum of the change in total contract backlog during the period plus revenues for the period, divided by revenues for the period.

Liquidity and Capital Resources

Our working capital at March 31, 2023 was $540.9 million, and our cash and cash equivalents were $65.0 million. Our cash flows from operating activities have been our primary source of liquidity and have been sufficient to meet our working capital and capital expenditure needs. At March 31, 2023, we had full availability under the $460.0 million revolving credit facility. We believe that our cash and cash equivalents on hand, expected operating cash flows and availability under our revolving credit facility will be sufficient to fulfill our obligations, working capital requirements and capital expenditures for the next 12 months.

Net cash provided by operating activities was $80.5 million for the first three months of 2023, compared with $56.0 million in the same period of 2022. The year-over-year increase mainly relates to changes in accounts receivable and accounts receivable days sales outstanding.

Net cash used in investing activities was $12.3 million for the first three months of 2023 and included $11.7 million for capital expenditures. Net cash provided by investing activities in the first three months of last year was $0.2 million and was comprised of $9.8 million from the sale of Oxford, partially offset by $9.6 million for capital expenditures.

Net cash used in financing activities was $73.4 million for the first three months of 2023 and included $48.8 million to repurchase the Company's common stock, as well as net repayments of borrowings under the revolving credit facility totaling $31.5 million. Net cash used in financing activities in the first three months of last year was $83.4 million and primarily consisted of $76.9 million of stock repurchases.

For details on the Company’s senior secured facility, comprised of a revolving credit facility and term B loan, and unsecured senior notes, see *Note 3. Long-Term Debt* in Part I Item 1.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements that significantly impact the Company.

Critical Accounting Policies

There were no significant changes to our critical accounting policies and estimates during the first quarter of 2023 compared with those disclosed in *Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations* of our 2022 10-K.

Commitments

There were no material changes to the significant commitments or contractual obligations that were disclosed in our 2022 10-K.

Item 3 — Quantitative and Qualitative Disclosures about Market Risks

With respect to our quantitative and qualitative disclosures about interest rates risks, there have been no material changes to the information included in our 2022 10-K. A hypothetical 100 basis-point change in interest rates on variable-rate debt would have resulted in an interest expense fluctuation of approximately $4.9 million based on $490.8 million of debt outstanding for any 12-month period.

Item 4 — Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based on this evaluation, our Chief Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report. The term "disclosure controls and procedures" means controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within required time periods. We have established disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal controls over financial reporting that occurred during the three months ended March 31, 2023 that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1 — Legal Proceedings

We are involved in various legal proceedings, claims and litigation arising in the ordinary course of business, and collective class and PAGA actions alleging violations of wage and hour laws. However, based on the facts currently available, we do not believe that the disposition of matters that are pending or asserted will have a material effect on our financial position, results of operations or cash flows.

Item 1A — Risk Factors

There have been no material changes to the risk factors previously described in our 2022 10-K.

Item 2 — Unregistered Sales of Securities and Use of Proceeds

On July 27, 2022, the Company's Board of Directors approved a stock repurchase program under which the Company may repurchase $400.0 million of its common stock over the following two years. On April 24, 2023, the Company's Board of Directors approved a new stock repurchase program under which the Company may repurchase $500.0 million of its common stock over the following two years and this replaces the previous program. Under terms of these programs, purchases can be made in the open market or under a Rule 10b5-1 trading plan. The stock repurchase programs do not obligate the Company to acquire any particular amount of the Company's stock and may be suspended at any time at the Company's discretion.

The Company's repurchases of its common stock during the three months ended March 31, 2023 are shown in the table below.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet be Purchased Under the Plans or Programs (in millions)
January	221,268	$ 86.42	221,268	$ 294.8
February	135,481	$ 90.96	135,481	$ 282.4
March	182,116	$ 84.22	182,116	$ 267.1
Total	538,865	$ 86.82	538,865	$ 267.1

In connection with our stock-based compensation plans, during the three months ended March 31, 2023, 50,909 shares of our common stock with an aggregate value of $4.2 million were tendered by employees for payment of applicable statutory tax withholding. These shares are excluded from the table above.

Item 3 — Defaults Upon Senior Securities

None.

Item 4 — Mine Safety Disclosures

None.

Item 5 — Other Information

None.

Item 6 — Exhibits

INDEX TO EXHIBITS

Number	Description
3.1	Amended and Restated Certificate of Incorporation of On Assignment, Inc., effective June 23, 2014 (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on June 25, 2014)
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of On Assignment, Inc. effective April 2, 2018 (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2018)
3.3	Fifth Amended and Restated Bylaws of ASGN Incorporated, effective December 7, 2022 (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on December 13, 2022)
4.1	Specimen Common Stock Certificate (incorporated by reference from an exhibit to the Company's Registration Statement on Form S-1 (File No. 33-50646) declared effective on September 21, 1992) (P)
10.1*	Severance Term Letter, dated April 19, 2023, by and between ASGN Incorporated and Rose L. Cunningham
31.1*	Certification of Theodore S. Hanson, Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14(a)
31.2*	Certification of Marie L. Perry, Chief Financial Officer, pursuant to Rule 13a-14(a) or 15d-14(a)
32.1*	Certification of Theodore S. Hanson, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350
32.2*	Certification of Marie L. Perry, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350
101	The following material from this Quarterly Report on Form 10-Q of ASGN Incorporated, Part I, Item 1 of this Form 10-Q formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Operations and Comprehensive Income; (iii) Condensed Consolidated Statement of Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) related notes to these financial statements.
104	Cover page interactive data file (formatted in Inline XBRL and contained in Exhibit 101)

* Filed herewith.

(P) This exhibit originally filed in paper format. Accordingly, a hyperlink has not been provided.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASGN Incorporated

Date: May 4, 2023	By:	/s/ Marie L. Perry
		Marie L. Perry Executive Vice President and Chief Financial Officer (Principal Financial Officer and Duly Authorized Officer)
Date: May 4, 2023	By:	/s/ Rose L. Cunningham
		Rose L. Cunningham Vice President, Chief Accounting Officer and Controller

April 19, 2023

Dear Rose,

As you know, you are a party to a retention letter dated June 28, 2021 (the "Retention Letter"), by and between you and ASGN Incorporated (the "Company"). As we agree, certain provisions of the Retention Letter are no longer effective and as such this letter agreement (this "Agreement"), effective as of the date hereof (the "Effective Date"), supersedes and replaces the Retention Letter, and sets forth certain benefits the Company has determined to provide you in connection with a qualifying termination of employment, as described in further detail below.

Qualifying Termination. In the event your employment with the Company is terminated by the Company for its convenience (and not for cause or due to your death or disability), you will be eligible to receive:

- 12 months' of your then-current annual base salary, payable in substantially equal installments in accordance with the Company's normal payroll procedures during the period commencing on your termination date and ending on the 12-month anniversary thereof (the "Severance Period"); and

- during the Severance Period, and subject to your valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code and the regulations thereunder (together, the "Code"), Company-reimbursed or Company-paid coverage under its group health plans at the same levels as would have applied if your employment had not been terminated, based on your elections in effect on your termination date, provided, however, that (A) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover you under its group health plans without incurring penalties, then, in either case, an amount equal to each remaining Company payment or reimbursement shall thereafter be paid to you in substantially equal monthly installments over the continuation coverage period (or the remaining portion thereof).

A termination by the Company for its convenience shall include a termination of your employment by you should you be required without your consent to move to an office location greater than 25 miles from your current office location. Your eligibility to receive the payments and benefits described above will be subject to your timely execution and non-revocation of a general release of claims to be set forth in a Separation Agreement in a form prescribed by the Company.

Change in Control Termination. Notwithstanding anything contained in this Agreement, you acknowledge and agree that the Company has adopted a Change in Control Severance Plan as amended from time to time (the "CIC Plan"), and, that, in the event that you become entitled to compensation or benefits under the CIC Plan (as determined solely under the terms of the CIC Plan), the terms of the Retention Letter shall be superseded by the CIC Plan and no further compensation or benefits in any form shall become payable under the Retention Letter.

Section 409A. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other such guidance that may be issued after the Effective Date (collectively, "Section 409A").

Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. Any payments subject to Section 409A that are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Section 409A. All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment under this Agreement may only be made upon your "separation from service" from the Company (within the meaning of Section 409A, a "Separation from Service").

Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments under this Agreement, shall be paid to you during the six-month period following your Separation from Service if the Company determines that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of your death), the Company shall pay you a lump-sum amount equal to the cumulative amount that would have otherwise been payable to you during such period (without interest).

Miscellaneous. Your employment remains terminable at will by the Company or by you at any time (for any reason or for no reason), subject to the provisions contained herein. This Agreement is governed by California law. No amendment or other modification of this Agreement shall be effective unless made in writing and signed by the parties hereto. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

We look forward to your continued contributions to ASGN!

Respectfully,

ASGN Incorporated

____
Theodore S. Hanson
Chief Executive Officer

Agreed, acknowledged and accepted:

____
Rose Cunningham
VP, Chief Accounting Officer and Controller

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Theodore S. Hanson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ASGN Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ Theodore S. Hanson

Theodore S. Hanson
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Marie L. Perry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ASGN Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ Marie L. Perry

Marie L. Perry
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

The undersigned, the Chief Executive Officer of ASGN Incorporated (the "Company"), hereby certifies that, to his knowledge on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2023 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2023

/s/ Theodore S. Hanson

Theodore S. Hanson
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

The undersigned, the Chief Financial Officer of ASGN Incorporated (the "Company"), hereby certifies that, to her knowledge on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2023 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2023

/s/ Marie L. Perry
Marie L. Perry
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)