

# *On Assignment*



## On Assignment, Inc. 2014 Analyst Day

March 26, 2014

Updated on April 11, 2014 to include in an Appendix supplemental data on new reporting Segments and Adjusted Income from Continuing Operations, along with per share amounts

# Safe Harbor



This presentation contains “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 future financial and operating performance. All statements in this presentation, 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 estimates of revenues, gross margin, SG&A, Adjusted EBITDA, cash flow and other financial metrics 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 staffing clients, the availability of qualified temporary and permanent placement professionals, management of our growth, continued performance of our enterprise-wide information systems, and other risks detailed from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC on March 3, 2014. We specifically disclaim any intention or duty to update any forward-looking statements contained in this presentation.

# ASGN: A Decade of Growth

Strategic Actions

Acquisitions

Revenue (\$M)

Peter Dameris  
Appointed CEO

Implemented  
Revitalization  
Plan



Established \$1B  
revenue goal



\$373



\$516

Surpassed \$1B  
NYSE Listing



\$1,138

Developed 5 Year  
Strategic Plan

Divested Nurse  
Travel

Divested Allied  
Healthcare



\$1,632

2003-2005

2006 - 2009

2010

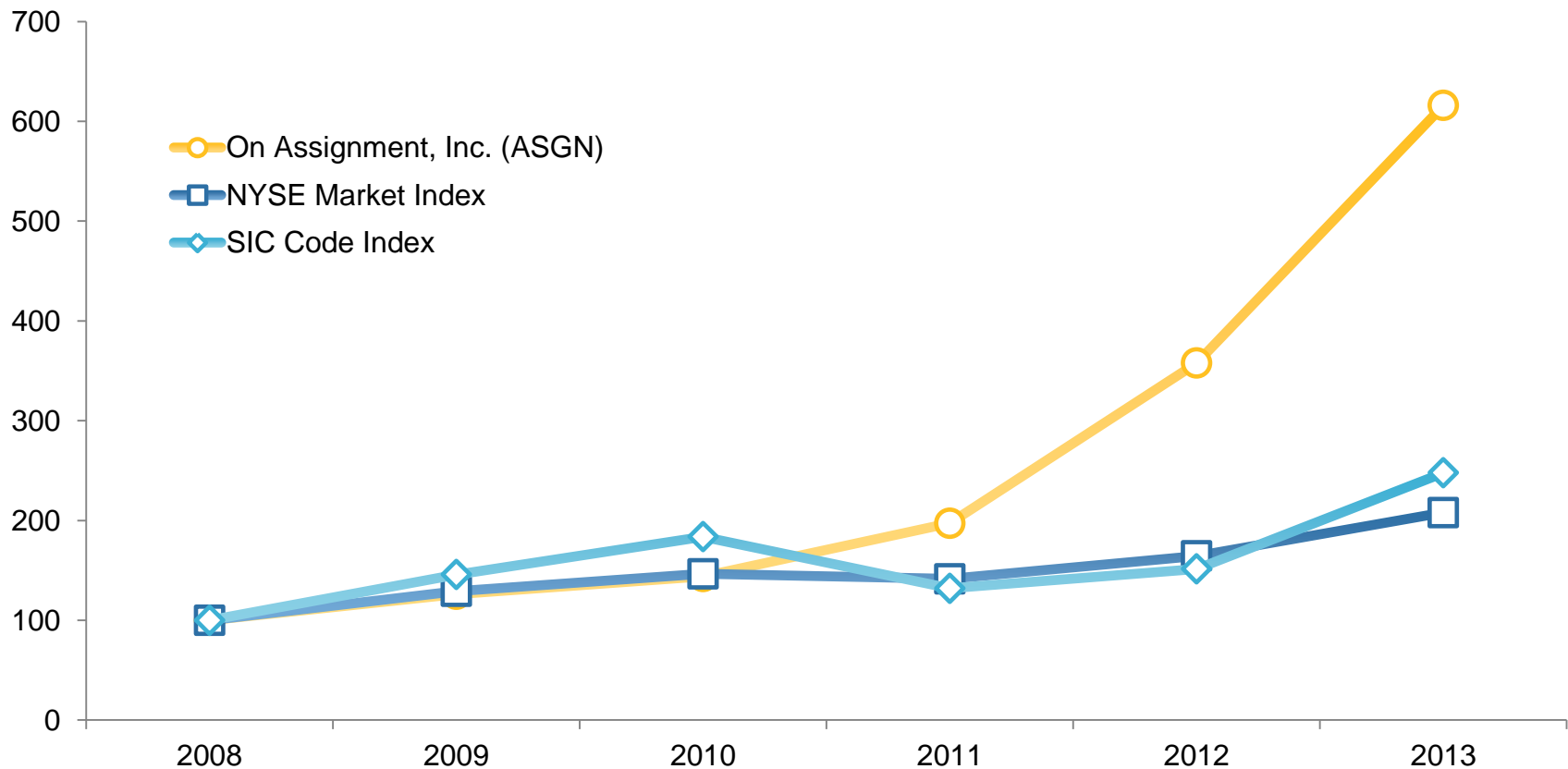
2011

2012

2013

# Delivering Shareholder Value

## Cumulative Total Return Summary



**Notes:** 1) Assumes \$100 invested on January 1, 2008 and dividends reinvested.  
2) SIC Code No. 736 Index – Personnel Supply Services Company Index.

# Compelling Results



- Generated 10 year revenue CAGR of 22.8%
- Proven ability to leverage and de-leverage
- Delivered industry leading margins and conversion rates
- Increased market cap from \$150 million to \$2.0 billion
- Maintained strong cash flow through economic cycles
- Executed strategic and accretive acquisitions

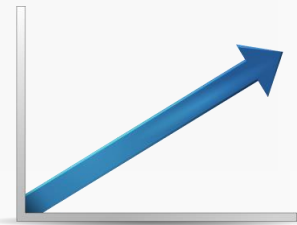
# ASGN Is a Growth Story

2018



**\$3 Billion**

Revenue



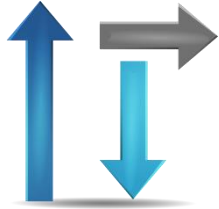
**+100 to 200 bps**

Adjusted EBITDA Margin

# On Assignment Strategic Plan

2014 - 2018

*On Assignment*



Reviewed  
industry  
dynamics



Analyzed  
professional staffing  
market segments



Assessed  
market  
opportunity



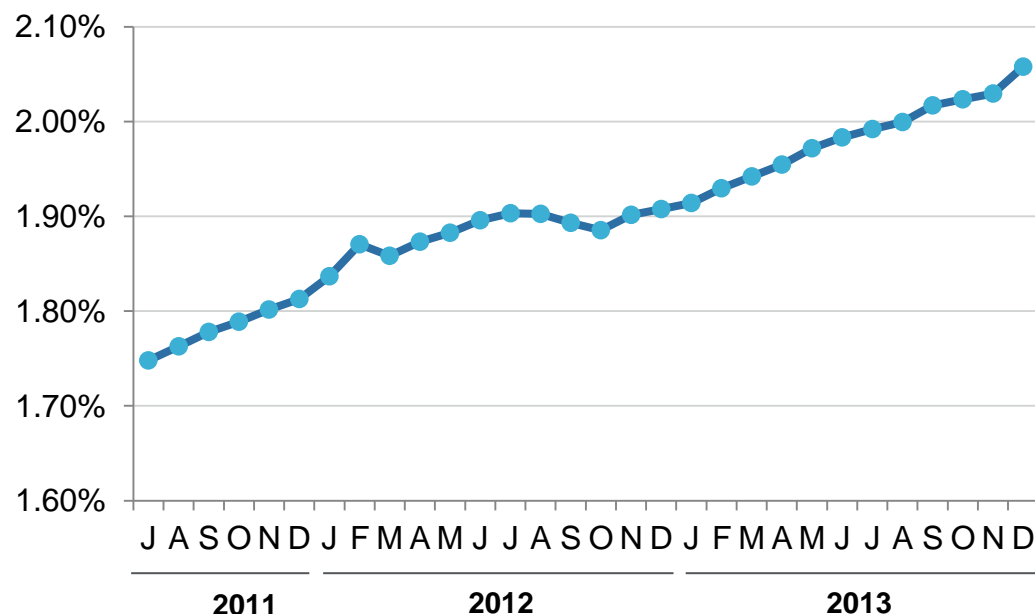
Refined long-term  
vision and goals



Developed strategic  
objectives and  
growth plans

# Staffing Industry Dynamics

## U.S. Temp Penetration Rate 2011-2013

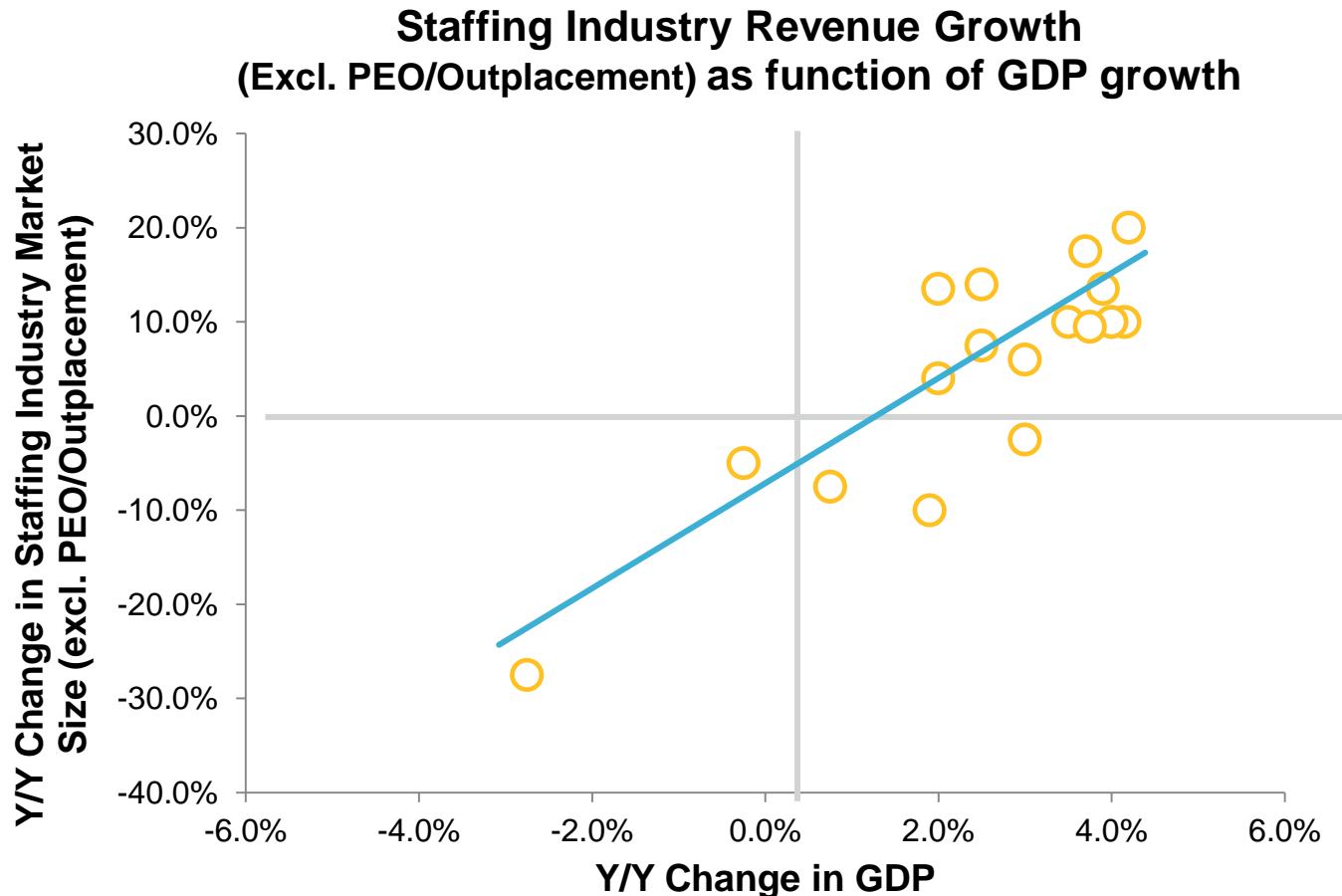


- For every 100 U.S. employees, there are 2 temp workers
- Current U.S. temp penetration rate is close to the historical peak in April 2000
- Temp penetration is expected to reach a new high in 2014
- U.S. still well below temp penetration rate in developed European economies
- Rate for computer and mathematical temporary occupations expanding rapidly



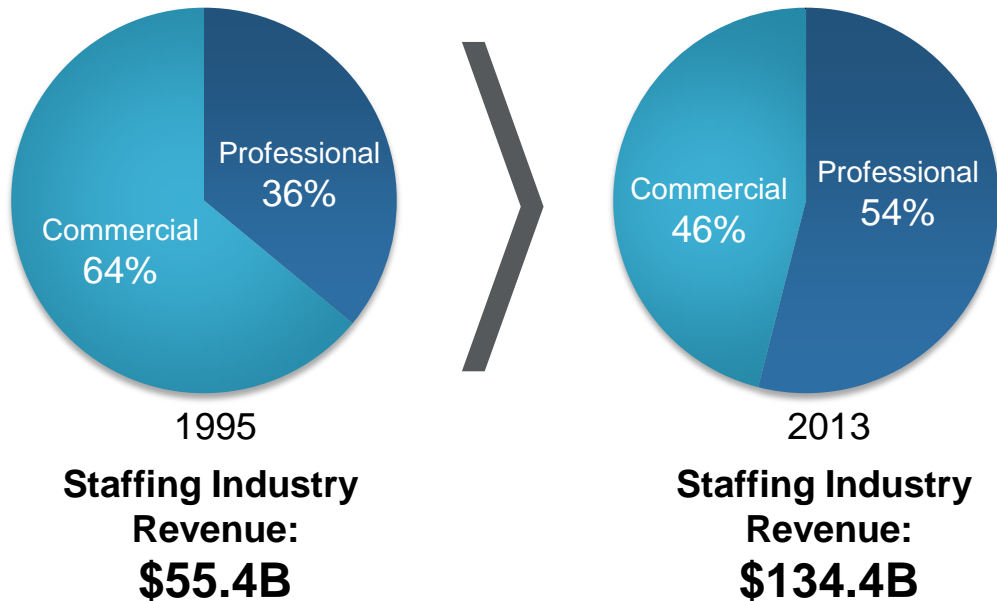
# Staffing Industry Dynamics

## GDP Is a Significant Predictor of Staffing Industry Growth



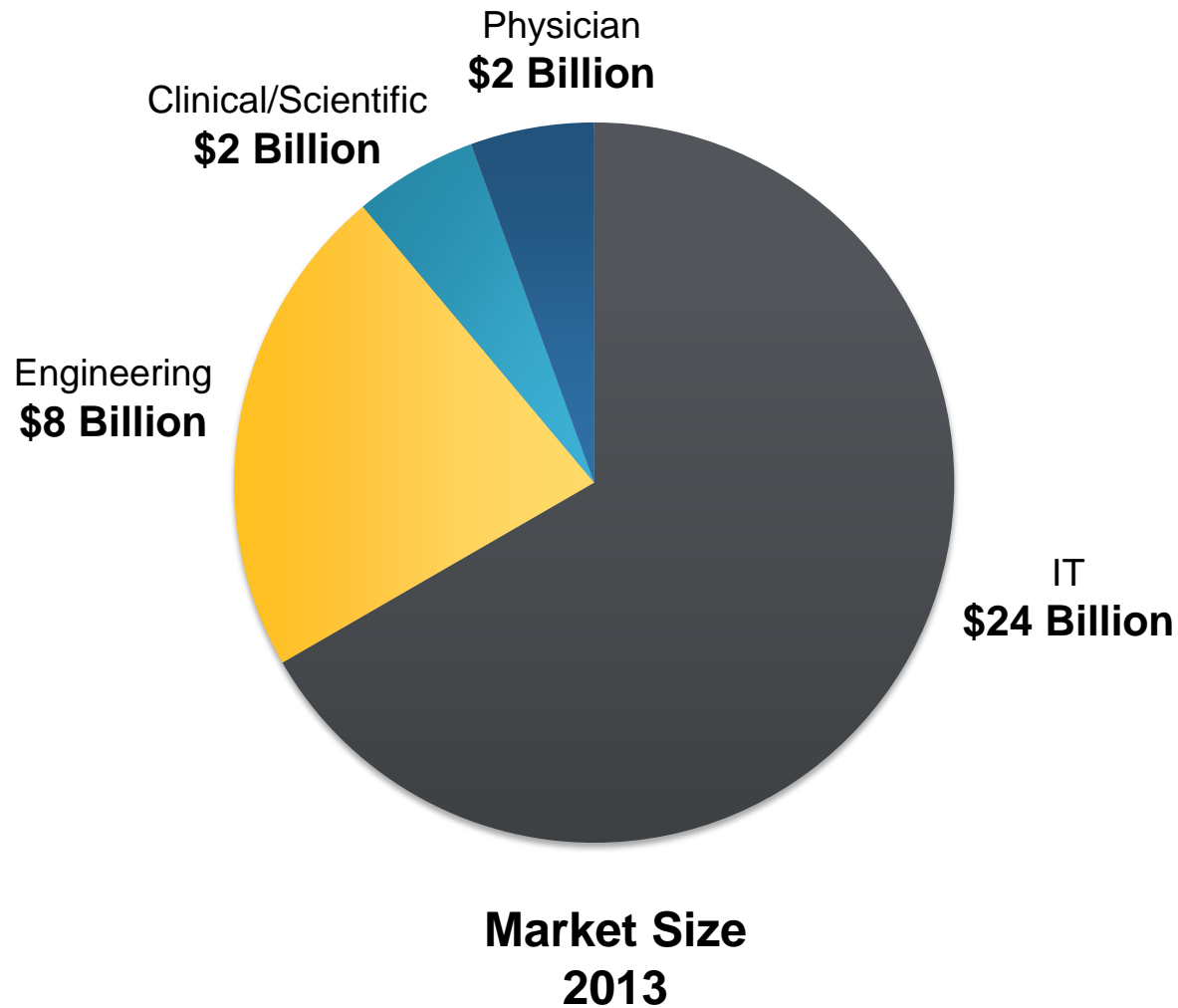
# Staffing Industry Dynamics

## Long-Term Shift from Commercial to Professional Staffing



- Increasing level of contract vs. permanent staffing
  - Relieves legislative burdens
  - Reduces costs
  - Provides flexibility, quality and control
- Continuing economic uncertainty

# ASGN Operates in Dynamic Markets






















# Benefits of Size and Scale

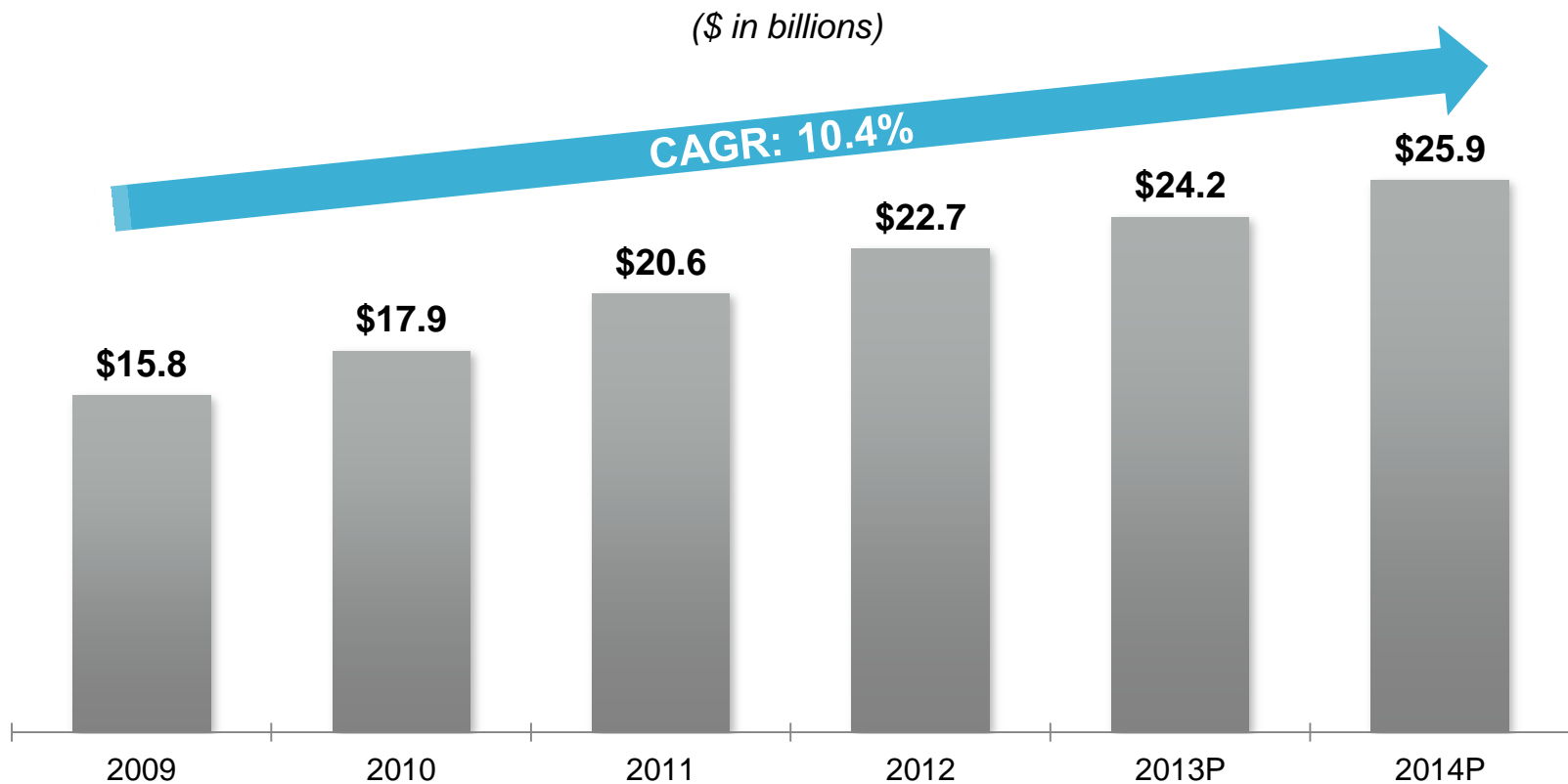
- Ongoing threat of security breaches
- Clients demanding higher levels of insurance and contractual terms
- Vendor lists are being consolidated
- Large, established firms winning and smaller firms squeezed out



# On Assignment's Strategic Assessment

Category	Market	Market Attractiveness	ASGN's Position	Ability to Execute	Commentary
Currently Served Markets	IT Staffing				<ul style="list-style-type: none"> <li>• Largest market</li> <li>• Solid growth</li> <li>• ASGN's best competitive position</li> </ul>
	Clinical/Scientific				<ul style="list-style-type: none"> <li>• High growth market</li> <li>• High margins</li> </ul>
	Engineering				<ul style="list-style-type: none"> <li>• Solid margins</li> <li>• Fits well with "STEM"</li> </ul>
	Physician (Locum Tenens)				<ul style="list-style-type: none"> <li>• Expect strong demand</li> <li>• High average bill rate</li> </ul>
Past Served Markets	Allied Healthcare				<ul style="list-style-type: none"> <li>• Extreme fragmentation of customer and competitors</li> <li>• Solid HIM business</li> </ul>
	Nursing			N/A	<ul style="list-style-type: none"> <li>• Large market, tough competitive dynamics</li> </ul>
Adjacent Markets	Finance & Accounting		N/A		<ul style="list-style-type: none"> <li>• Large market</li> <li>• Competitive structure (RHI) is tough</li> </ul>
	Legal		N/A		<ul style="list-style-type: none"> <li>• Small (\$1B) and lower growth = dilutive to portfolio</li> </ul>

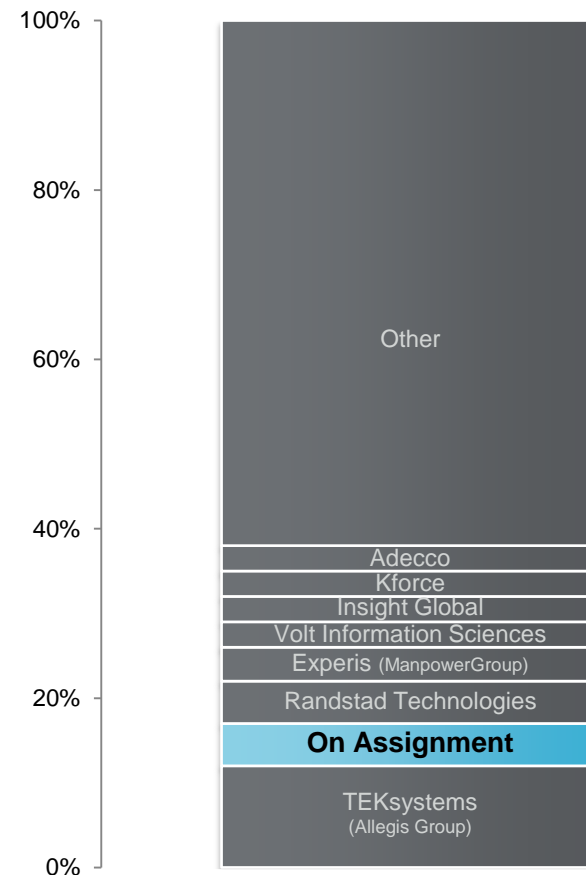
# IT Staffing Market Size and Growth



# IT Staffing Industry Dynamics

- On Assignment is 2<sup>nd</sup> largest U.S. IT staffing firm with 2013 revenues of \$1.3 billion
- Technology is increasingly embedded in business
- Development cycles are becoming shorter
- Current technical skills are becoming obsolete
- Shortages of new technical skills are becoming more acute
- Staffing industry as a disrupter
- Immigration reform and “political winds” driving trends toward onshore resources
- Most attractive IT deployment model

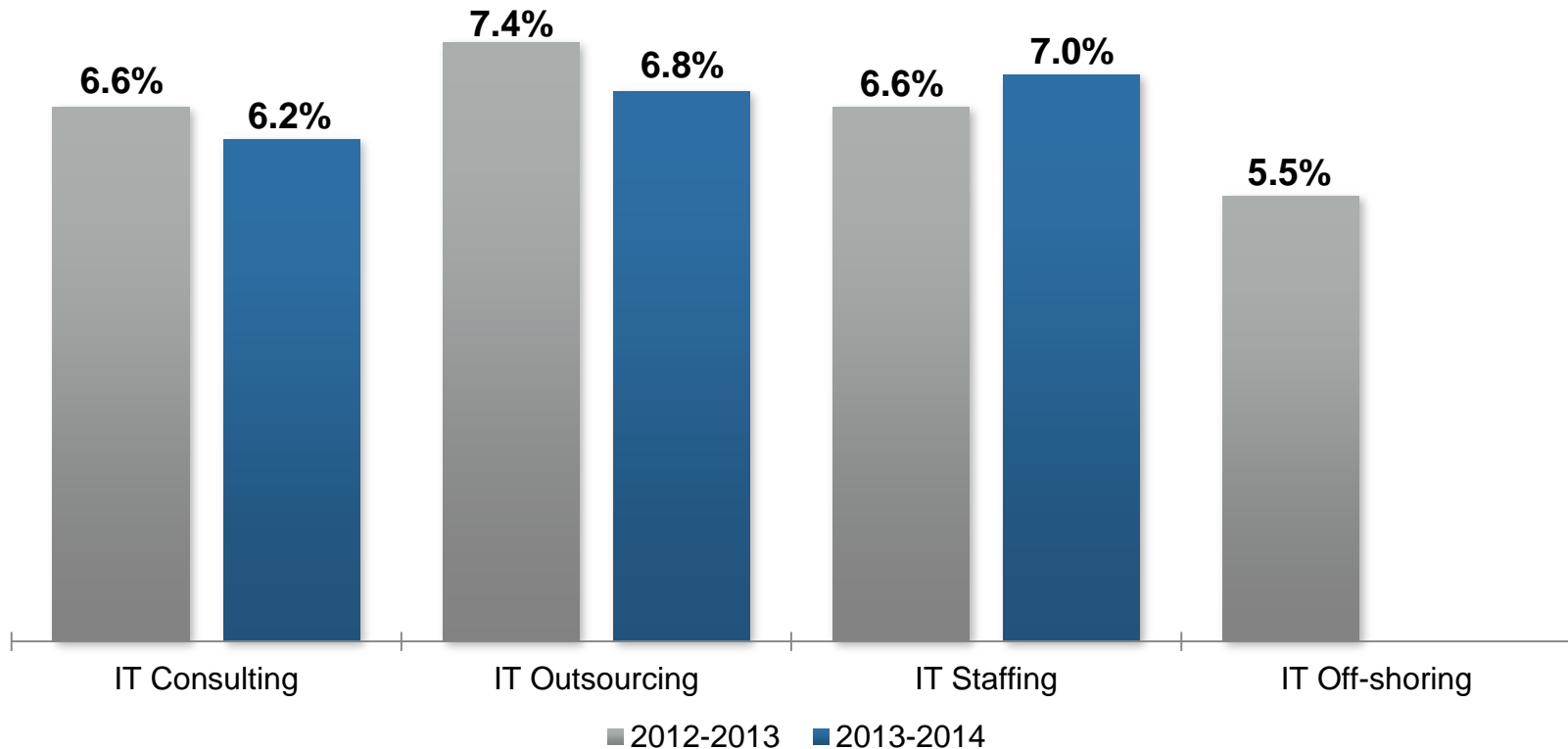
**U.S. IT Staffing  
Revenue by Competitor, 2012**



# The CIO Perspective

## Four IT Deployment Models

Expected Growth: 2013 and 2014



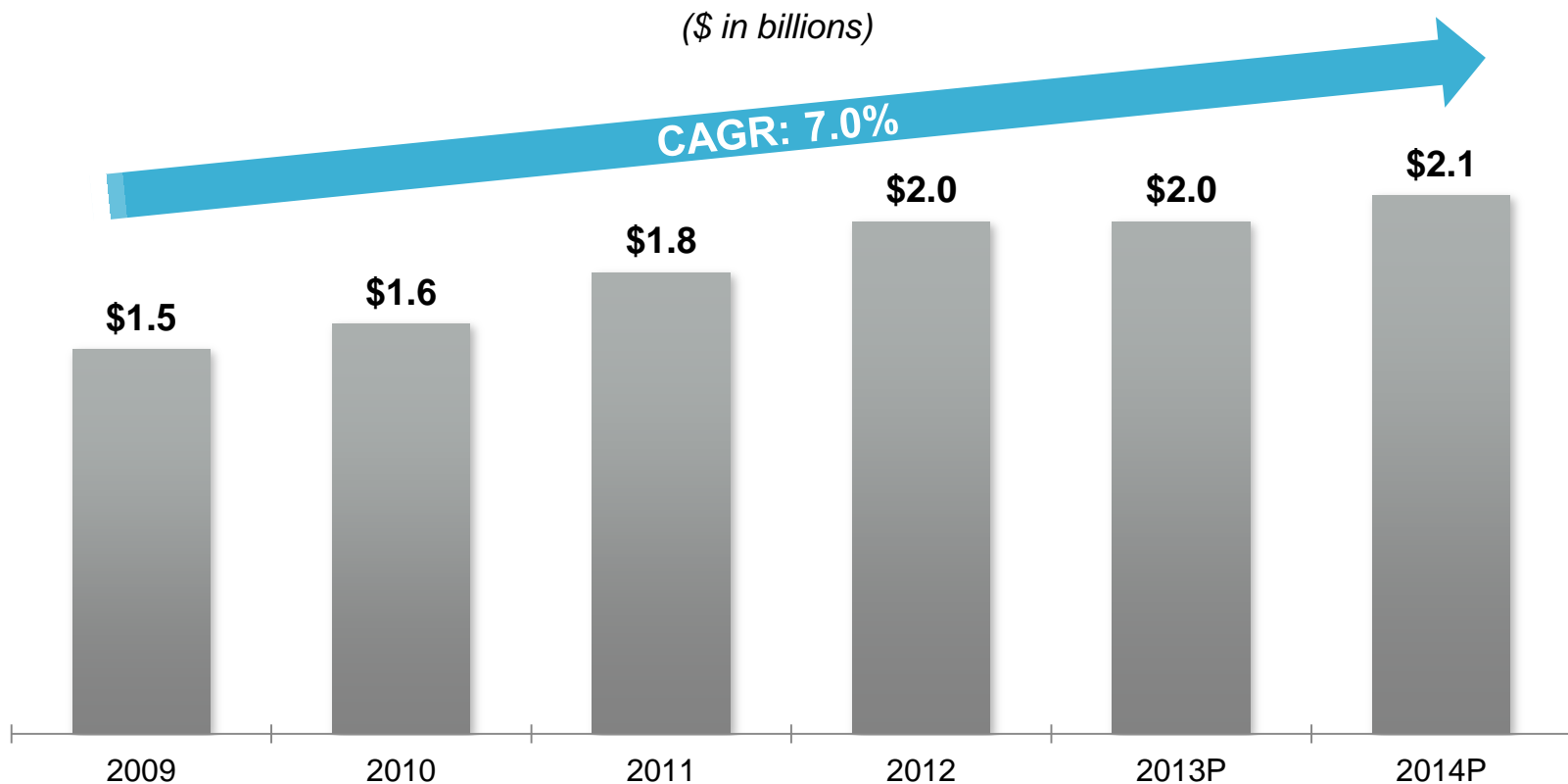
**SOURCE:** IT Consulting, IT Outsourcing, and IT Off-shoring: Gartner. IT Staffing: Staffing Industry Analysts.

**Notes:** (1) 2014 IT Off-shoring growth forecast not yet available. (2) IT Staffing 6.6% in 2012-2013 rounds to 7% in other slides in deck. 16



# Clinical/Scientific Staffing Market Size and Growth

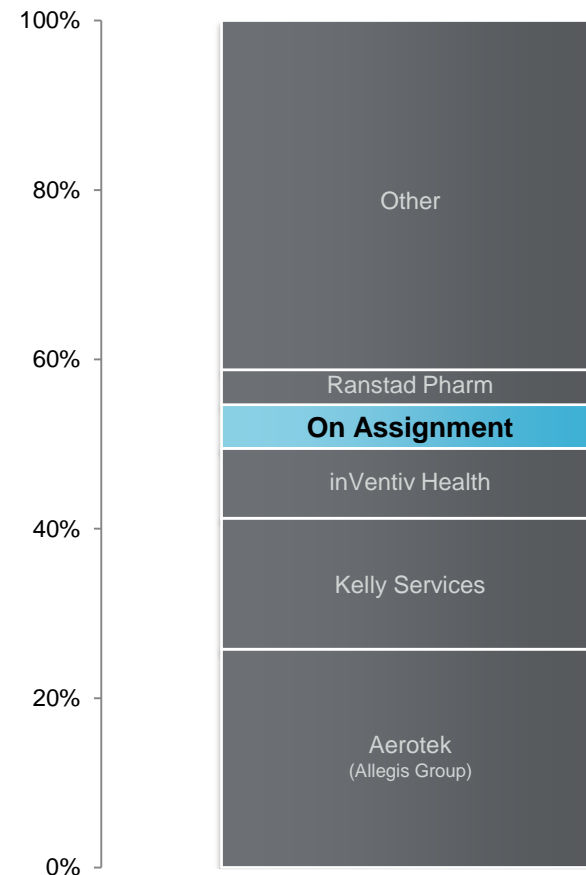
*On Assignment*



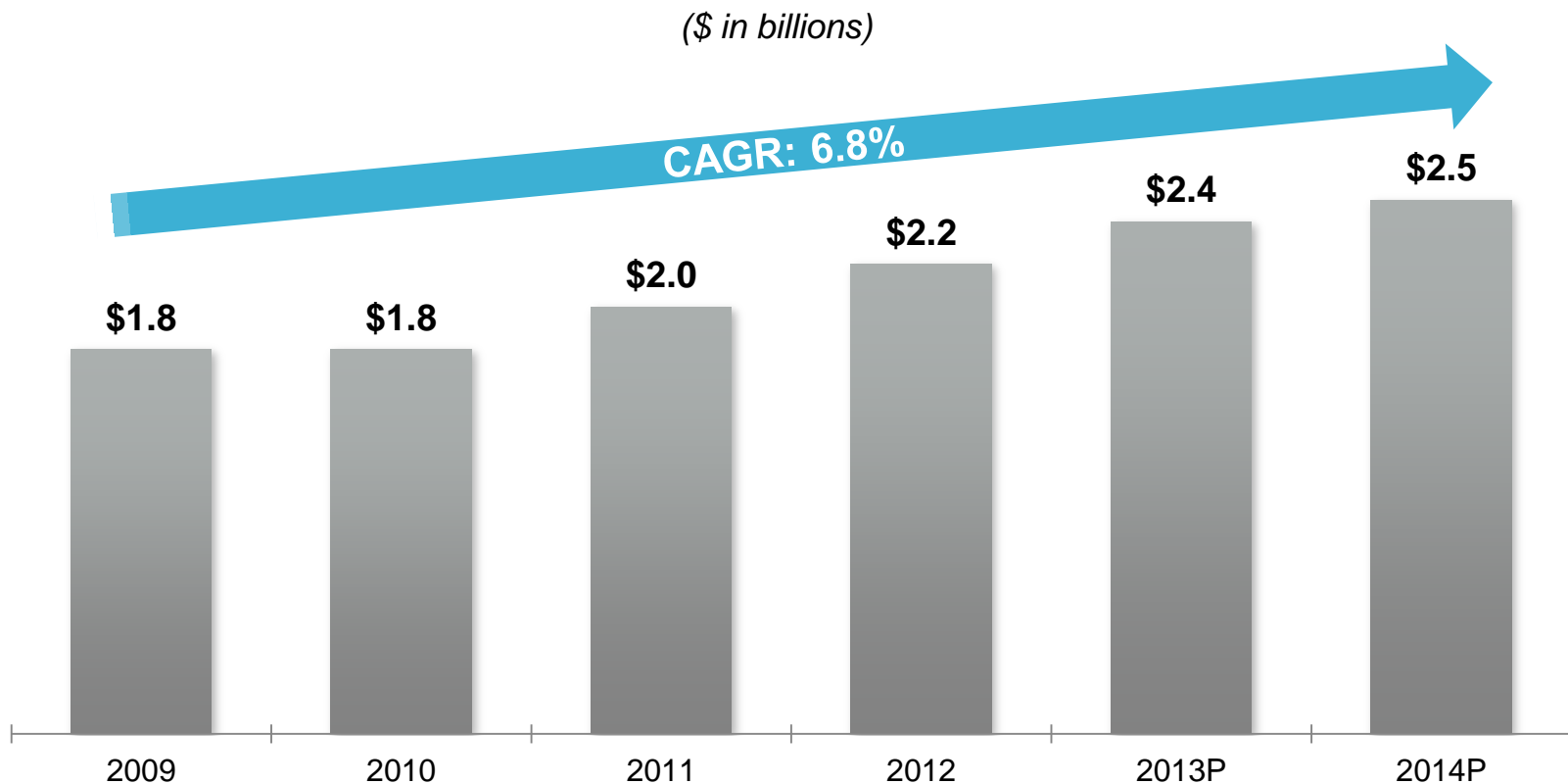
# Clinical/Scientific Staffing Market Dynamics

- On Assignment is the 4<sup>th</sup> largest U.S. clinical/scientific staffing firm with 2013 revenues of \$172 million
- Highly fragmented; favorable market dynamics
- Mid-market, small/medium clients favor personalized service
- Clinical trials in progress tend to carry through the assignments
- Many VC-backed start-ups with the need for a flexible workforce

**U.S. Clinical / Scientific Staffing  
Revenue by Competitor, 2012**



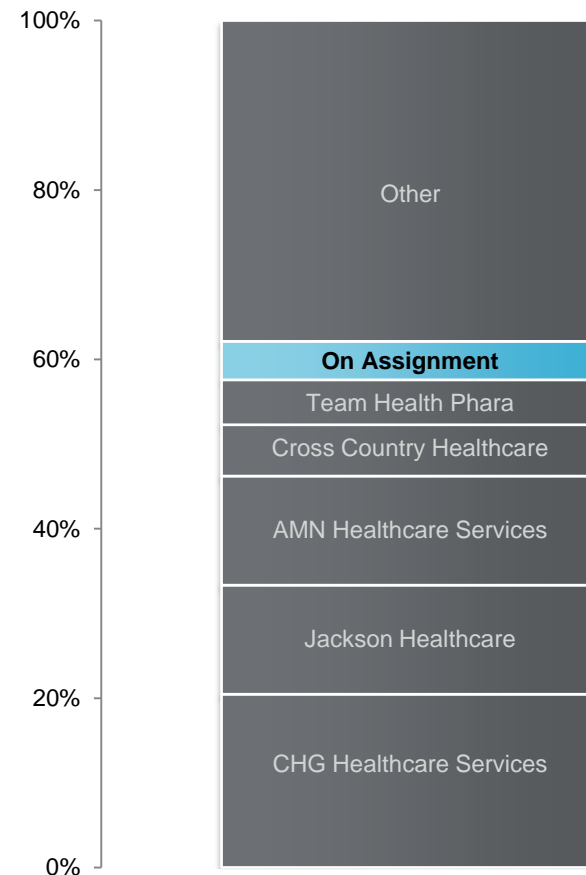
# Physician Staffing Market Size and Growth



# Physician Staffing Market Dynamics

- On Assignment is the 4<sup>th</sup> largest U.S. physician staffing firm (post-Whitaker Medical acquisition) with 2013 revenues of \$106 million
- Expected shortage of up to 45,000 primary care doctors in the U.S. by 2020 <sup>2</sup>
- High Barriers to Entry: Insurance, complexity, specialization, licensing
- Physician Workforce Demographics: More part-time workers; increasing desire for flex-time
- Long-term growth expected to be fueled by physician shortage, aging population, more accessible healthcare insurance


**U.S. Physician Staffing  
Revenue by Competitor, 2012 <sup>1</sup>**



SOURCE: <sup>1</sup> Staffing Industry Analysts

<sup>2</sup> Association of American Medical Colleges

# ASGN Market Opportunity

- 
- Secular trends driving growth
  - Diverse market segment characteristics
  - Domestically focused
  - Significant competitive advantages
  - Positioned to capture market share:  
**Size, Sophistication, Brand Awareness**

# On Assignment Vision



*The pre-eminent provider for skilled positions in technology and science.*



# Strategic Planning Conclusions



- Specialize in large and growing professional staffing markets:  
**Technology, Life Sciences and Healthcare**
- Be a **dominant competitor** in each of these markets
- **Refocus** non-physician healthcare staffing expertise on business and technology opportunities and away from clinical skills
- **Domestic markets** provide significant growth opportunities over more fragmented and complex international markets
- **Leverage fixed cost** so revenue growth provides higher incremental adjusted EBITDA margin

# Key Strategic Planning Actions



1. Invest in domestic opportunities in the large and growing technology, life sciences and healthcare markets
2. Exit Allied Healthcare due to small market size and our limited ability to become a dominant player
3. Grow our physician staffing business
4. Pursue growth in permanent placement staffing
5. Realign business units by business model to leverage our scale and expertise
6. Continue disciplined strategic acquisitions



# On Assignment Business Models

## High Skill, High Bill Rate Market

### Market Characteristics

- Specialized skills
- Scarce talent; typically travels
- Direct buyer with urgent need
- Many small competitors

### Business Model

- Recruiting-driven
- Served via long-line approach
- Quality/unique skill of candidate and speed of response most valued
- Fewer assignments per client
- Higher rates and gross margins

### Market Characteristics

- More accessible skills
- Large and local talent pool
- Centralized buyer program
- More large and small competitors

### Business Model

- Sales-driven
- Fortune 500 and local retail clients
- Served by local offices
- Relationship, speed, reliability, price most valued
- More assignments per client
- Lower rates and gross margins
- Scale matters. Requires highly efficient delivery system.



## Mid-tier Skill, Volume Market

# Before Organizational Realignment

**Business units were aligned by skill specialty**



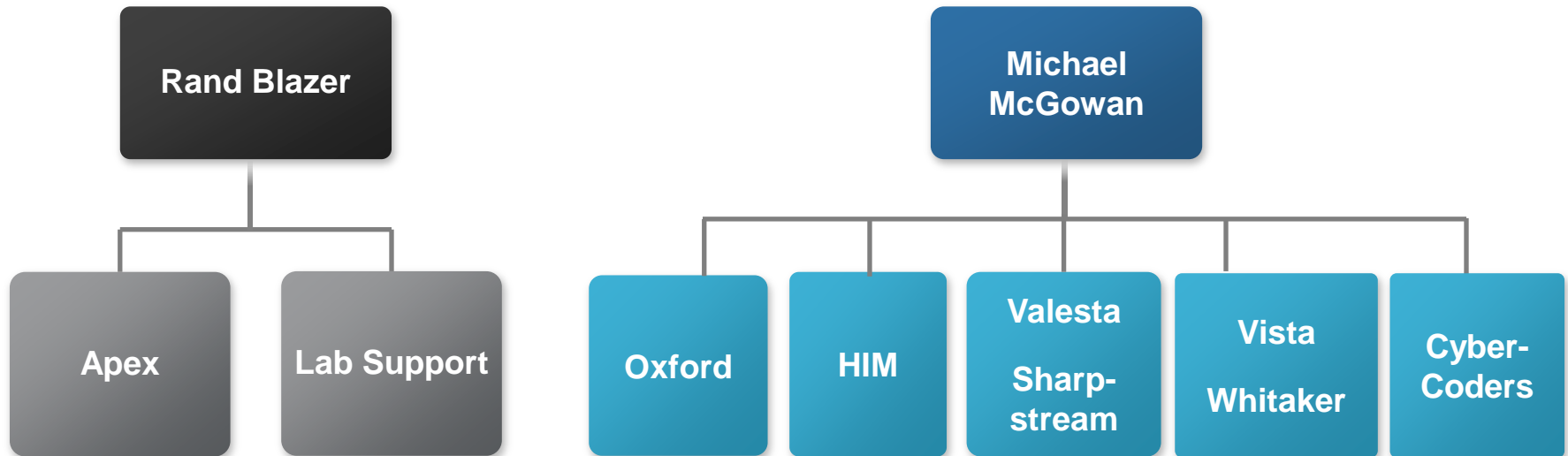
# After Organizational Realignment

- Divested On Assignment healthcare staffing
- Realigned business units by business model

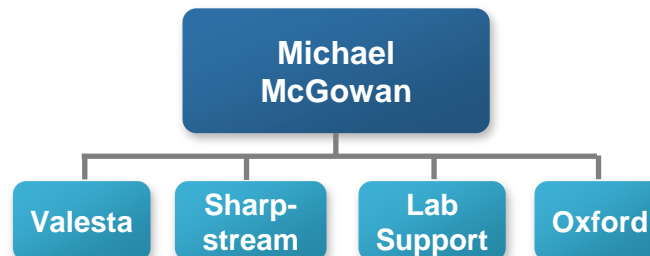


# New Divisional Reporting Structure


## U.S.



## Europe



# Major Benefits of Realignment

- 
- ✓ Accelerate revenue growth in Lab Support, Valesta, and HIM
  - ✓ Enhanced capability to address entire market segments
  - ✓ Increased efficiencies
  - ✓ Deeper management bench strength
  - ✓ Shared customers
  - ✓ Simplified structure opens capacity to integrate future acquisitions

# Aligning U.S. Lab Support with Apex

- Accelerate Lab Support's growth in high-volume segment of scientific staffing by leveraging Apex's expertise and go-to-market strategy
- Complements existing retail business
- Enhance ability to train, develop and grow recruiting and sales
- Improve esprit de corps among Lab Support employees



# Aligning U.S. Valesta with Oxford

- Both businesses have similar go-to-market approaches
- Leverages Oxford as platform for Valesta growth
- Provides opportunity to pursue higher margin business
- Increases lead-sharing capability



# Aligning HIM with Oxford

- Improved collaboration with Oxford Healthcare IT
- Once EHR system implemented by Oxford Healthcare IT, HIM can supply coders to use the system
- Increased opportunity for growth and market share expansion





# European Business

- Maintaining single leadership structure
- Concentrate service offerings
- React quickly to market conditions
- Introduce new tools and training programs
- Increase investments to drive sales and recruiting activities



# Whitaker Medical – Acquired December 2013

- Combined with VISTA Staffing Solutions
- Pro forma 2013 revenue \$27 million
- Establishes VISTA as 4<sup>th</sup> largest physician staffing business in the U.S.
- Rapid growth and strong margins
- Improves sub-specialties and geographic coverage



# CyberCoders – Acquired December 2013

- Right time to invest in perm placement
  - SIA reports direct hire growth (16% Y/Y) outpacing temp staffing (12% Y/Y) as of January, 2014\*
- Increases mix of perm placement revenue from 1.7% to 4.5%
- Expands gross margin by 175 to 200 bps; increases Adjusted EBITDA margin by 50 bps
- Strong track record of consistent top line growth and high margins
- Accelerate growth through permanent placement leads from On Assignment sales force



# Back Office Optimization



- Reduce number of systems supporting back office
- Better absorption of fixed costs
- Component of expanding EBITDA margins
- Building platform to support \$3 billion business
- Detailed planning underway with Deloitte

# Experienced & Committed Management Team

**Peter Dameris**

President & CEO

**16 years in industry**

**10 years with ASGN**

**Edward Pierce**

Executive VP  
& CFO

**13 years CFO experience**

**7 years with ASGN**

**James Brill**

Senior VP, CAO  
& Treasurer

**25 years CFO experience**

**7 years with ASGN**

**Michael McGowan**

COO, On Assignment & President,  
Oxford Global Resources

**19 years in industry**

**7 years with ASGN**

**Rand Blazer**

President  
Apex Systems

**30 years in industry**

**2 years with ASGN**

**Ted Hanson**

CFO, Apex Systems &  
President, Lab Support

**15 years in industry**

**2 years with ASGN**

**Christian Rutherford**

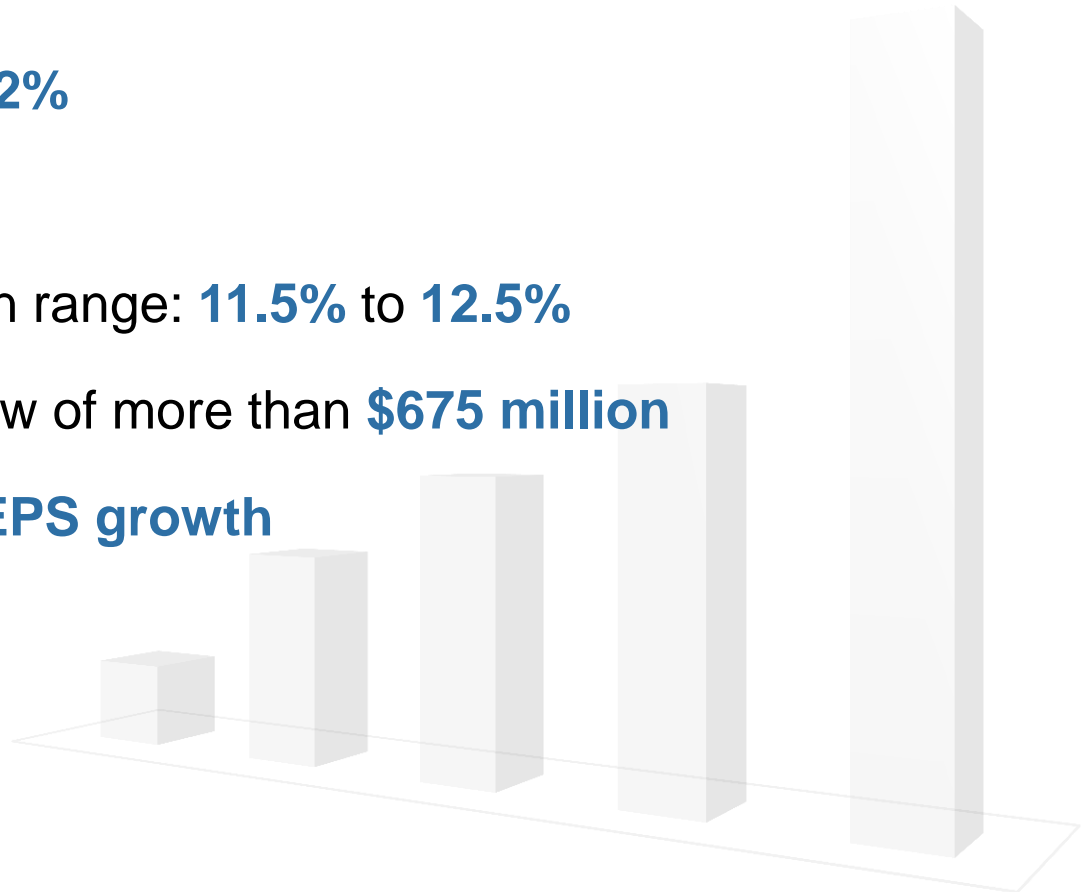
President  
VISTA Staffing Solutions

**19 years in industry**

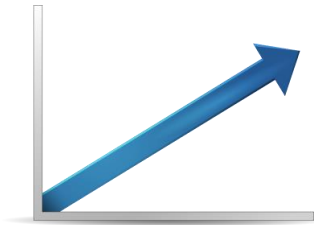
**2 years with ASGN**

# Five-year Aspirational Financial Goals

- **\$3 billion** in revenue
- Stable gross margin ~ **32%**
- SG&A rate ~ **19.5%**
- Adjusted EBITDA margin range: **11.5%** to **12.5%**
- Cumulative free cash flow of more than **\$675 million**
- Continued double digit **EPS growth**



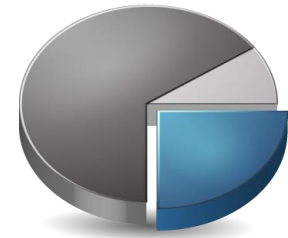
# Strategic Focus



**Drive**  
**organic growth**  
across all operating  
divisions



Identify additional  
opportunities  
to **capture**  
**cross-selling**  
and back office  
**synergies**



Disciplined  
**pursuit** of  
complementary  
and accretive  
**acquisitions**



# On Assignment



Apex

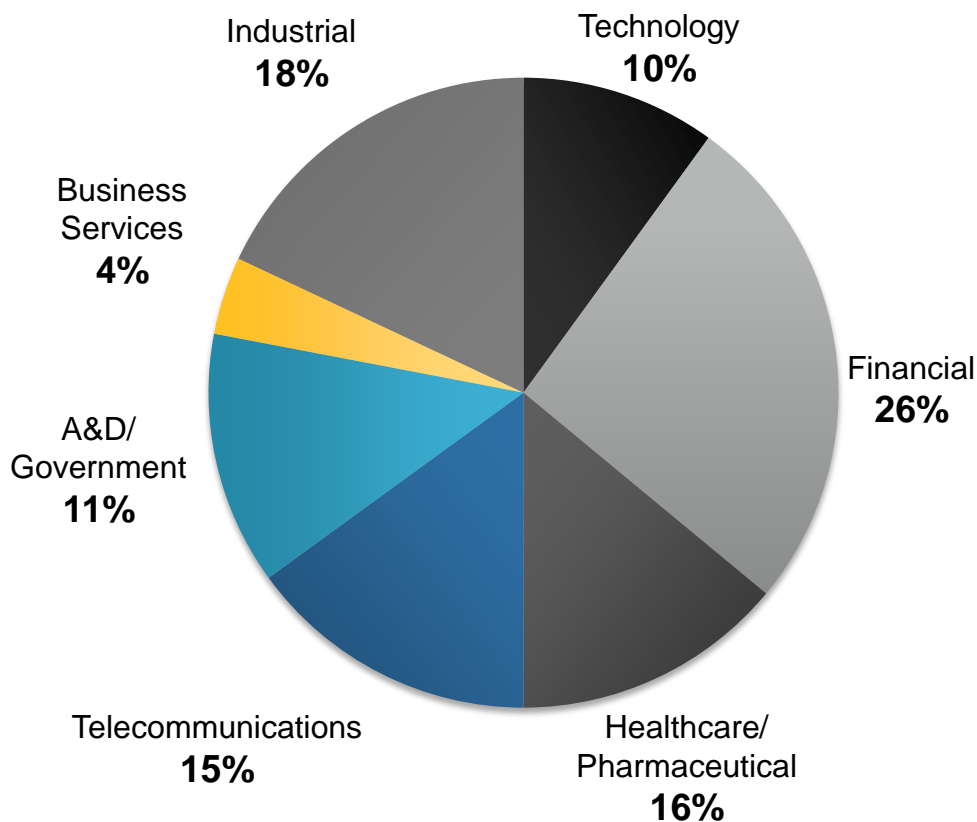
*Market:* IT Staffing

Rand Blazer

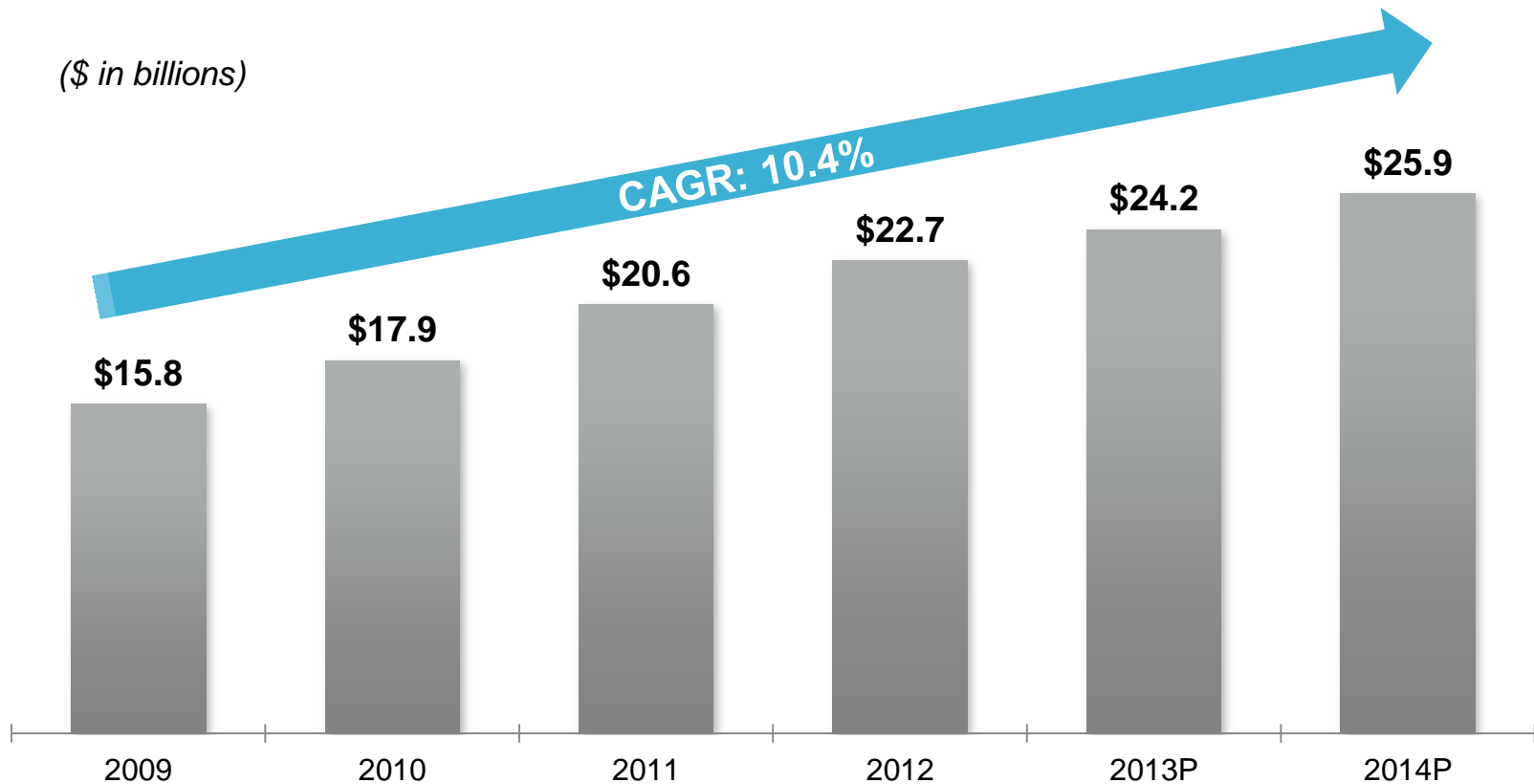


# Apex Overview

- Provides mission-critical and emerging IT skill sets to Fortune 500 and mid-market companies
- 200+ National Accounts with a presence in 66 markets
  - Over 16,000 temporary IT professionals staffed annually
- Services clients in 7 industry verticals
- Provides highly skilled IT professionals across 13 skill areas including:
  - Network engineers
  - Application developers
  - Cloud computing
  - Infrastructure
  - Cyber security
- Current statistics:
  - Approximately 7,200 contract professionals at ~600 clients
  - Average bill rate at \$60 an hour
  - Top ten clients represent ~35% of segment revenue



# IT Staffing Industry Size and Growth



# IT Staffing Growth Drivers



- **Constant** technology change and specialization
- **Growth** in IT **spend**
- Supply/demand **imbalance** for IT professionals
- **Increasing** compliance requirements in financial services and healthcare industries
- **Aging** U.S. population will constrain supply of available workforce
- **Healthcare reform** will stimulate demand for staffing in the long run
- **Changing** business model for resource use by CIO's

# Emerging Trends Constantly Drive New IT Skill Sets

*On Assignment*

## Financial Services



- Technology has transformed day-to-day operations in the finance sector
- Consolidation amongst industry players continues
- Regulation and innovation
- Global financial markets are increasingly intertwined

## Healthcare Digitization



- Healthcare IT is an evolving industry
- IT staffing will be integral to catalogue, cleanse, and support system development
- Conversion to EHR projected to save Medicare and private payers \$50+ billion per year

## Mobile/Applications/Cloud Infrastructure



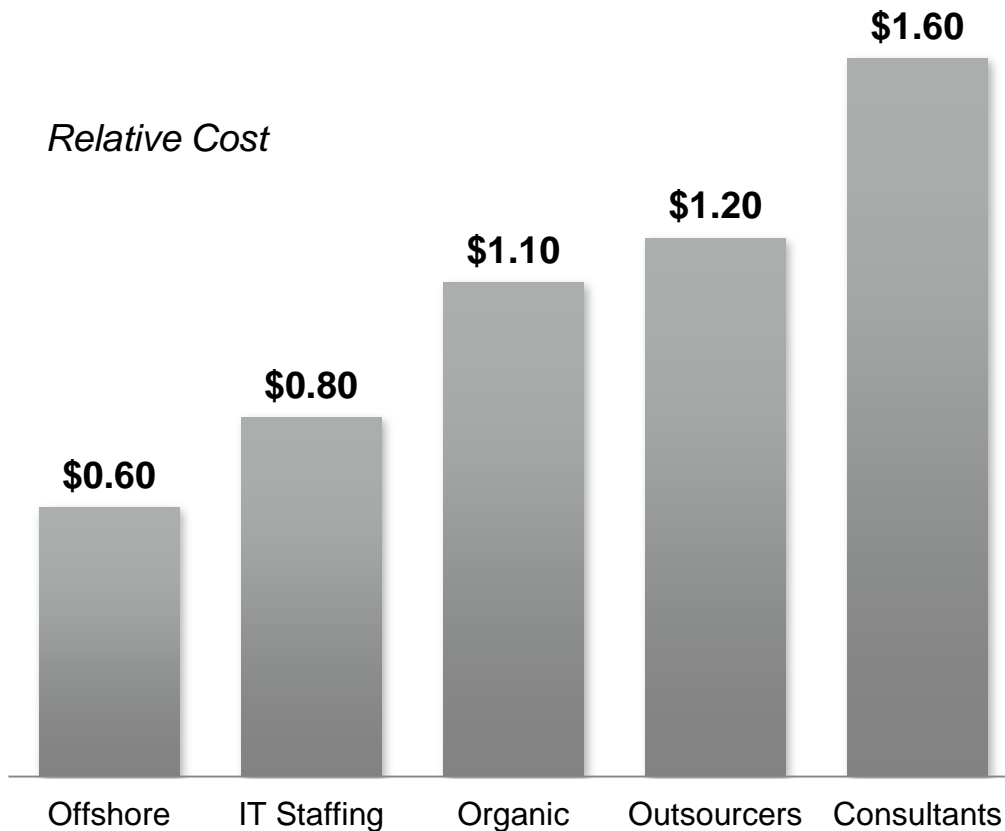
- Mobile adoption continues to increase rapidly
- Widespread smartphone adoption
- Need for mobile app developers
- Rapidly evolving customer needs
- Cyber security threats are increasing

## Social Media



- Extends reach to customers and potential employees
- Corporations are seeking programmers fluent in social media platform development
- Extends brand beyond traditional space

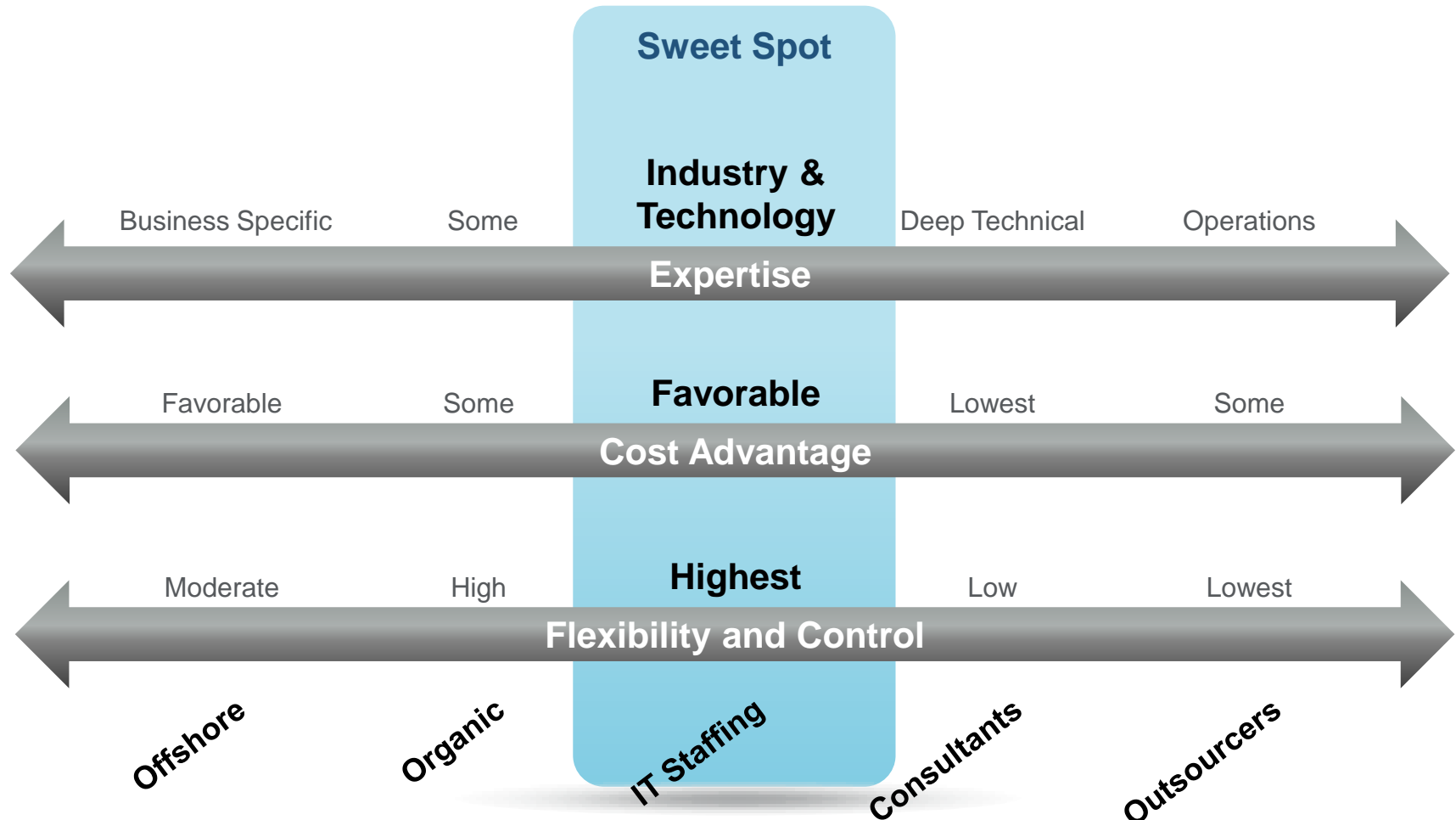
# Changing Business Model for CIO's



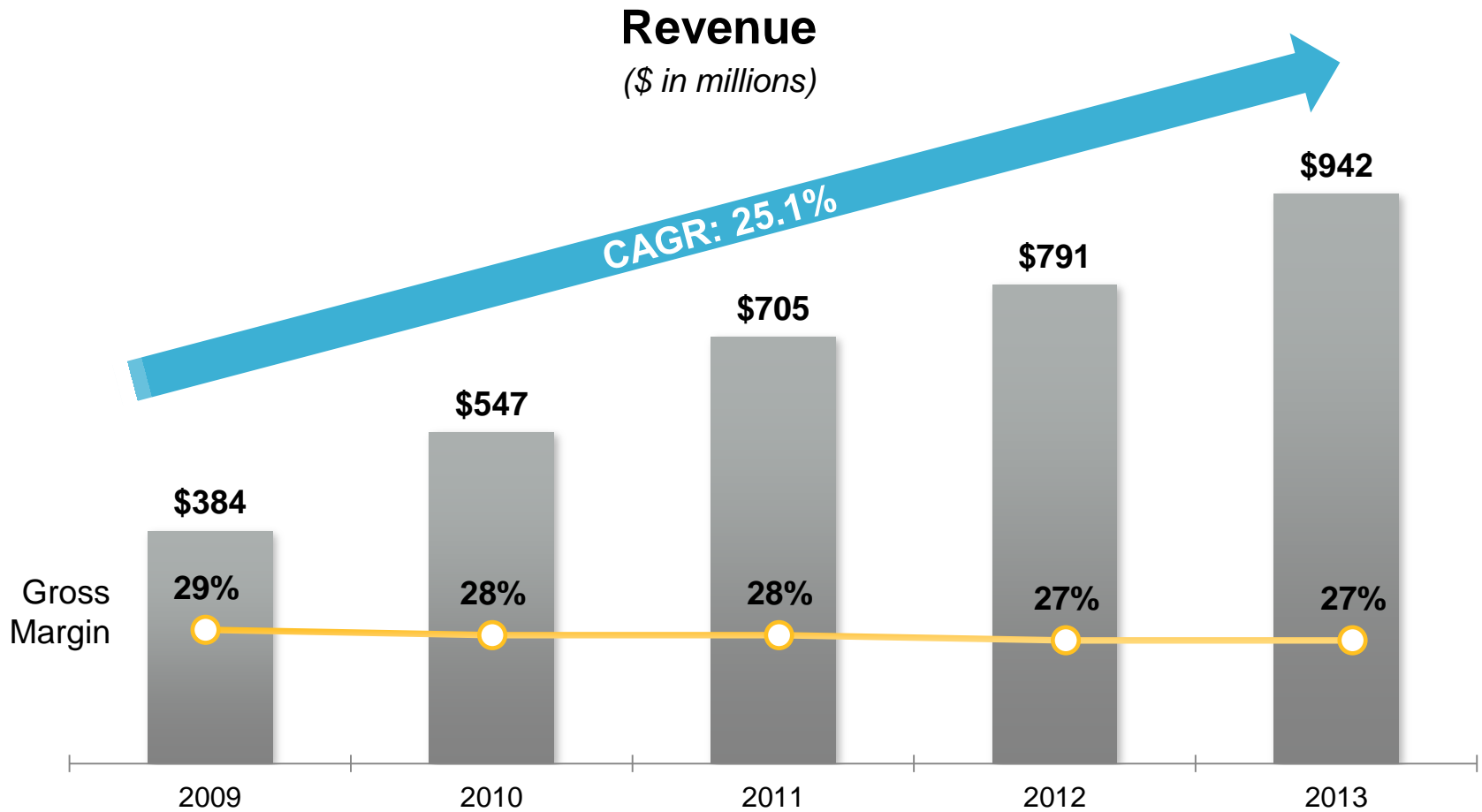
## CIOs balance their use of resources to accomplish:

- Efficient execution
- Flexibility in workforce
- Technology infusion
- Cost optimization
- Risk management and control

# Apex Hits the Sweet Spot in Terms of Strategic Value

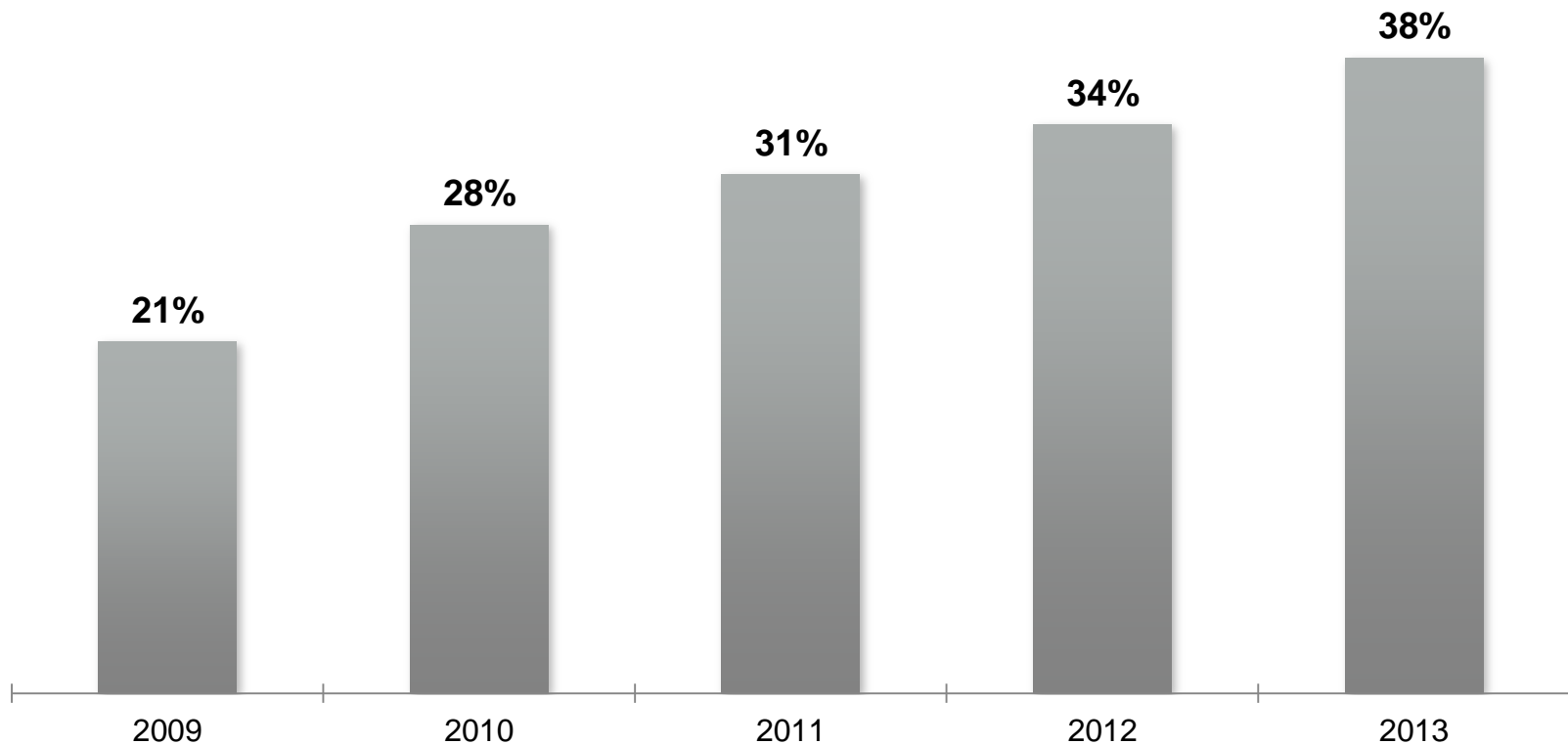


# Apex Financial Performance



# Apex Conversion Ratio

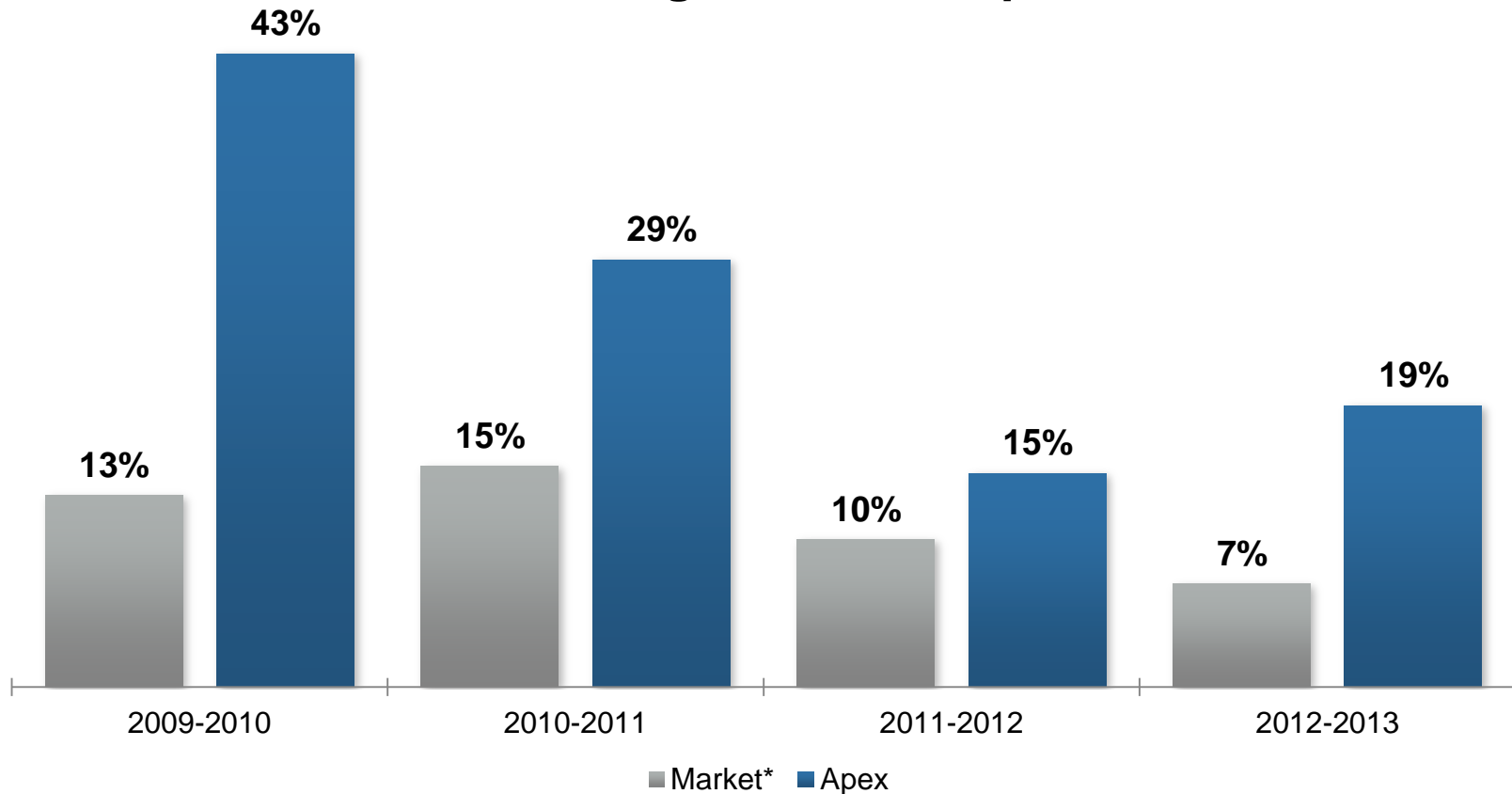
## GP to Segment Contribution Is Driven by Productivity





# Apex Performance vs Market

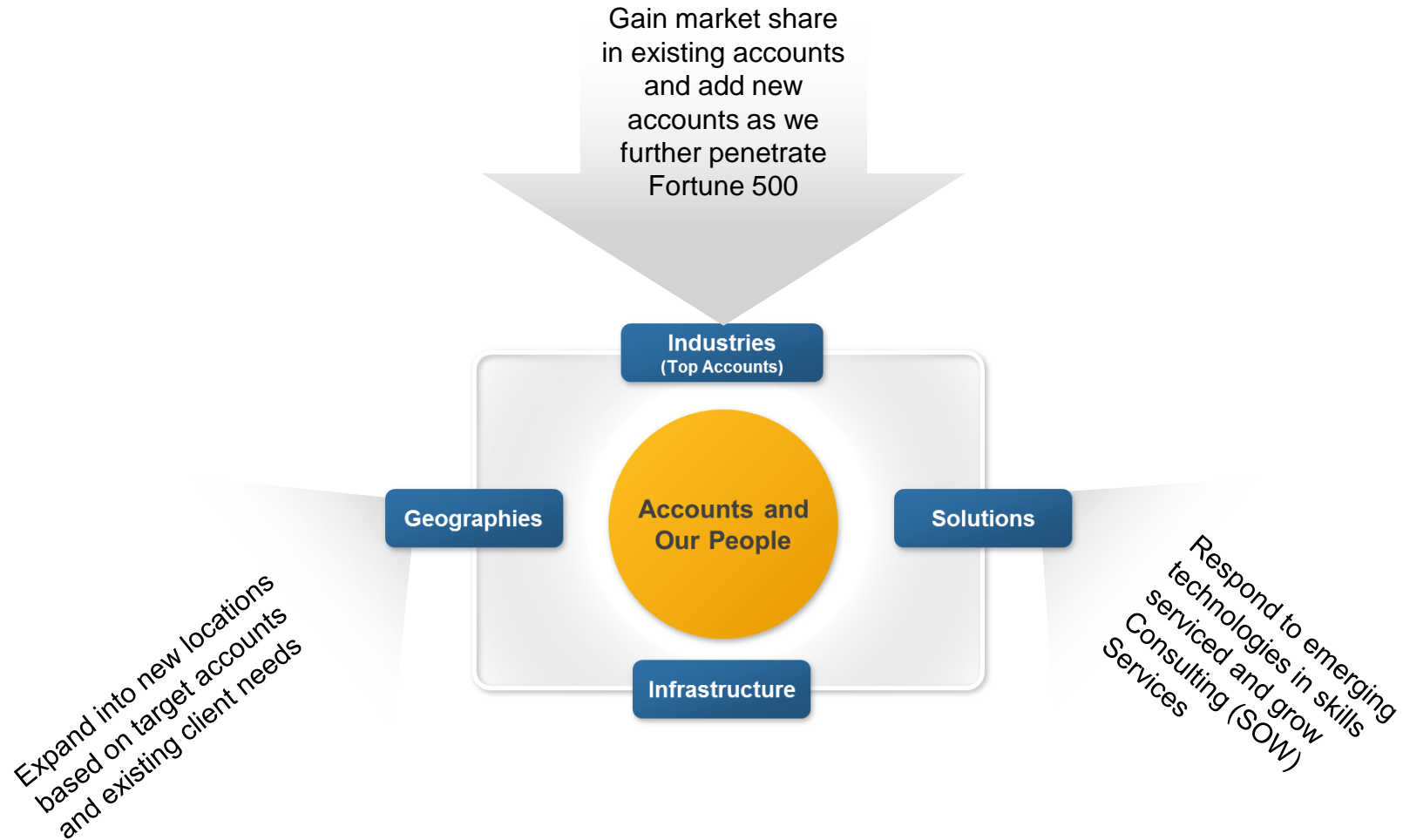
## Annual Revenue Growth: IT Staffing Market vs. Apex



# Apex Go-to-Market Approach



# Apex Growth Strategies



# Apex Competitive Advantages



# On Assignment



Lab Support

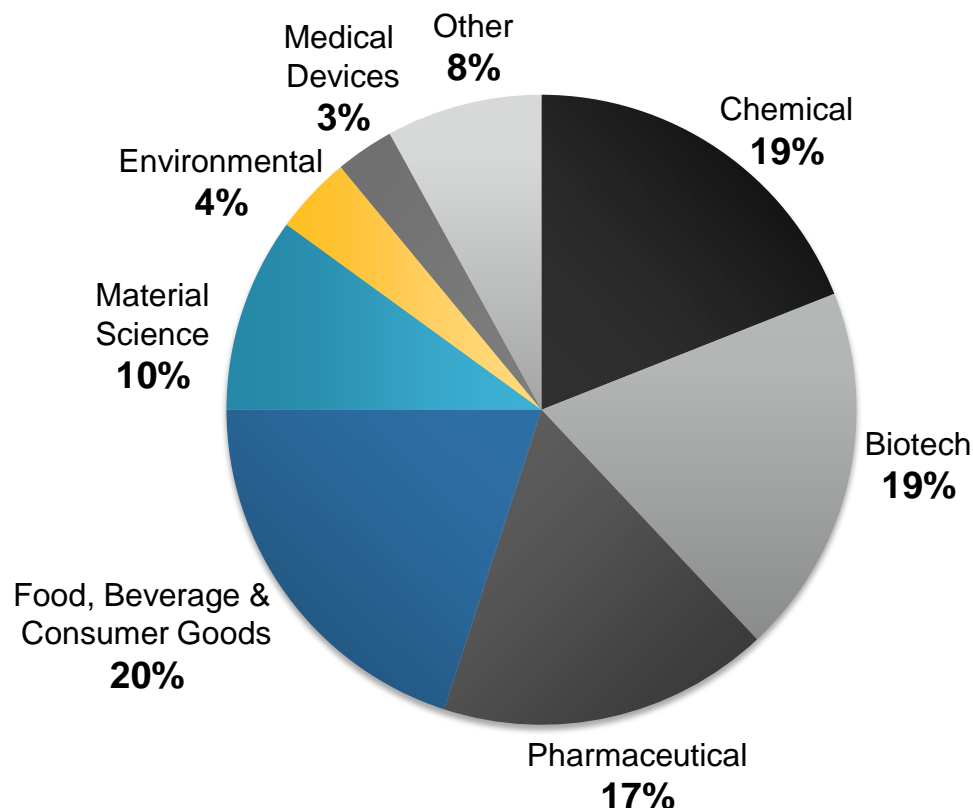
*Market:* Scientific Staffing

Ted Hanson

# Lab Support Business Overview

- Market leader placing science, engineering, and pre-clinical professionals in contract, contract-to-hire and direct hire opportunities.
- Provides highly skilled professionals:
  - Scientists
  - Chemists
  - Biologists
  - Biochemists
  - Lab workers
  - Related Engineering and technical skillsets
- Current statistics:
  - Approximately 2,000 contract professionals at ~ 800 clients
  - Average bill rate at \$30 an hour
  - Top 10 clients represent ~28% of division revenue
- Business Characteristics:
  - Broad mix of skill specialties
  - Large and local talent pools
  - Centralized buyer programs
  - Increasing focus on large customer segment

**% of 2013 Revenue by Industry**



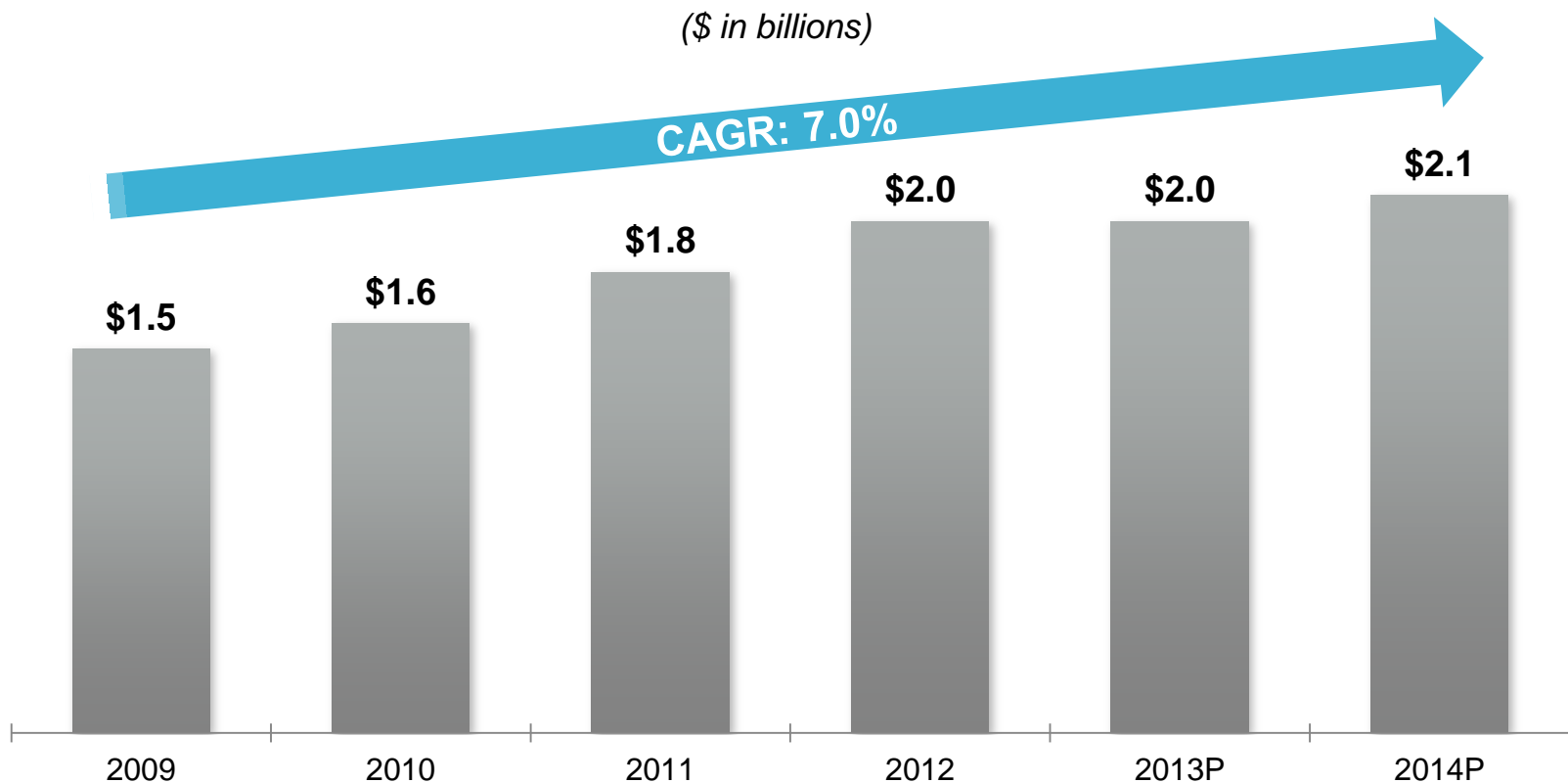
# Aligning U.S. Lab Support with Apex

- Accelerate Lab Support's growth in high-volume segment of scientific staffing by leveraging Apex's expertise and go-to-market strategy
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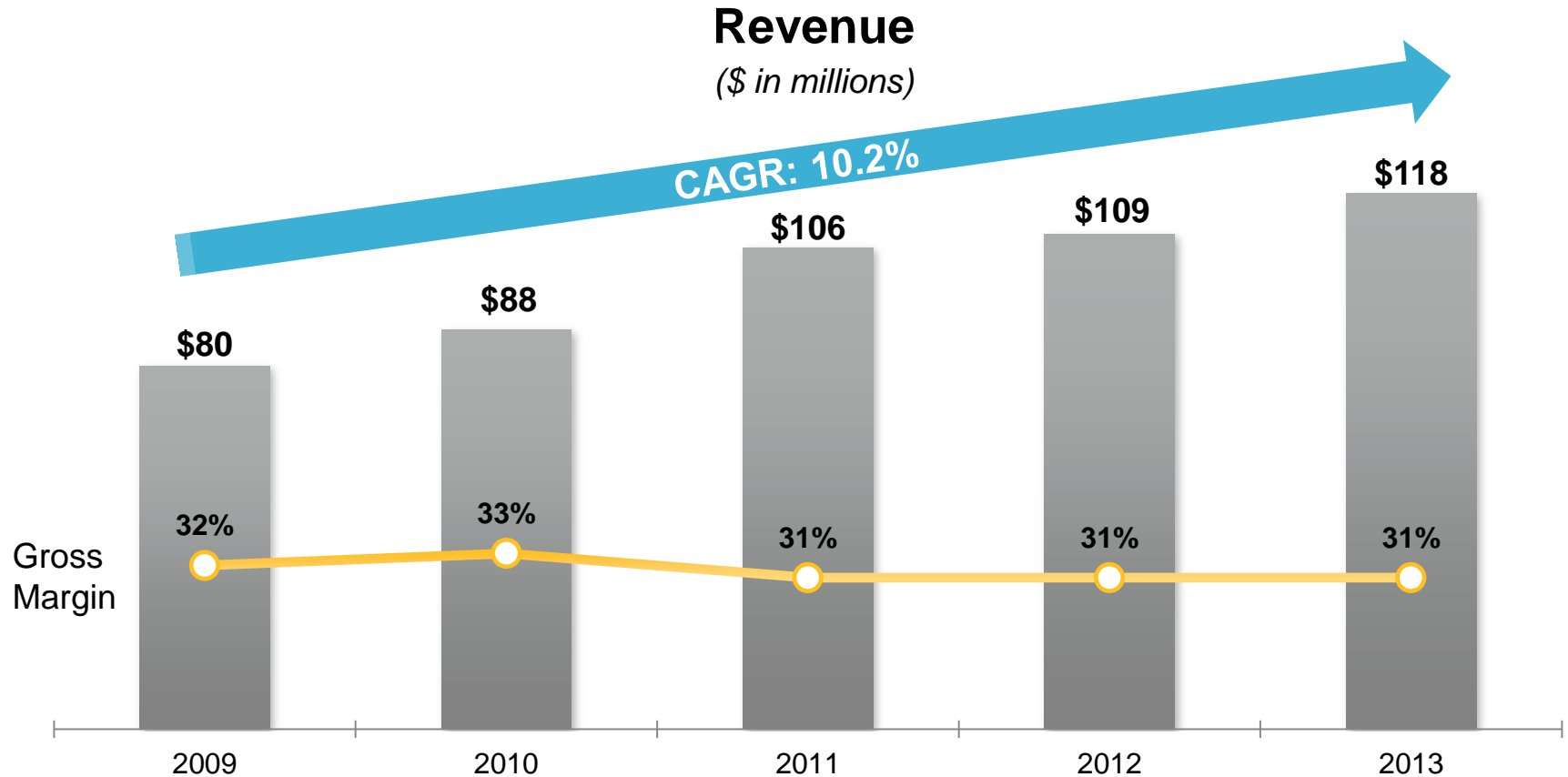
# Clinical/Scientific Staffing Industry Size and Growth

*On Assignment*



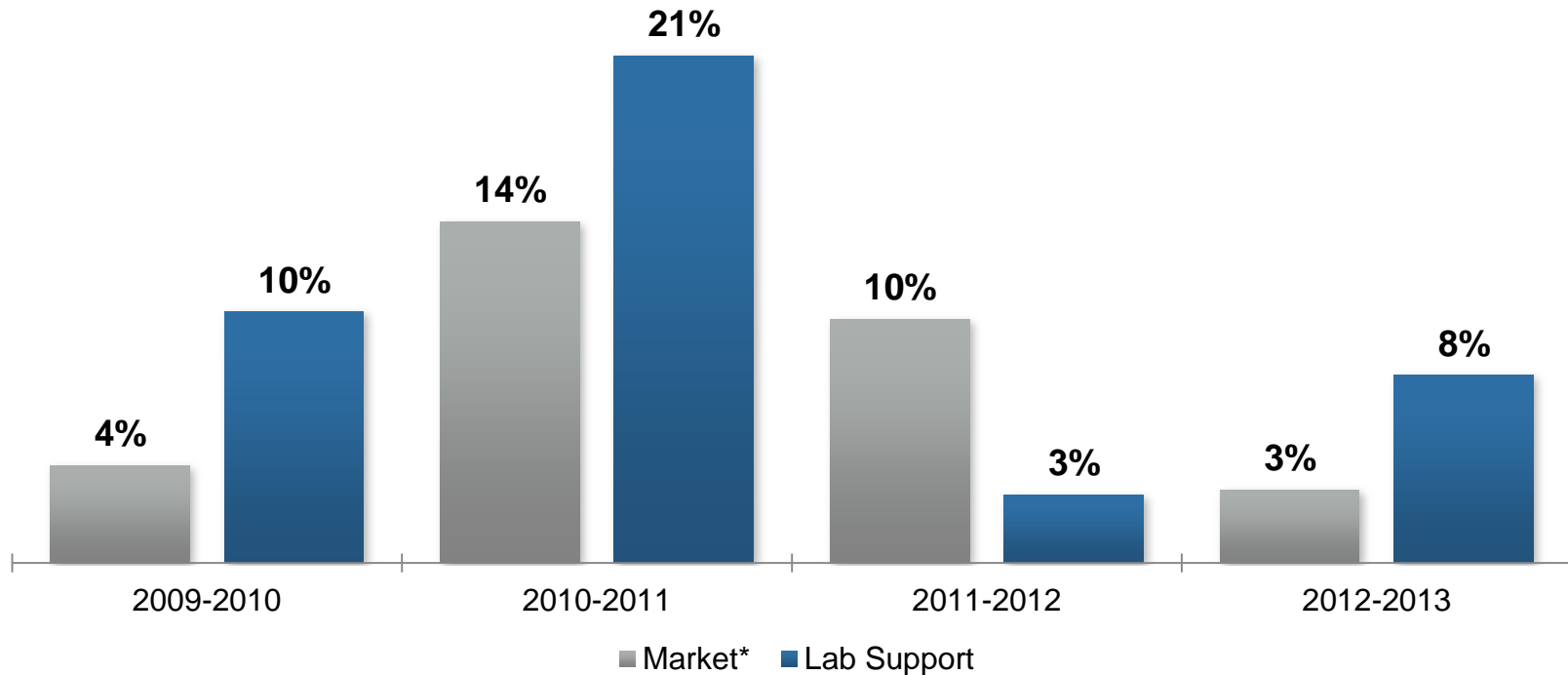


# Lab Support Financial Performance



# Lab Support Performance vs Market

## Annual Revenue Growth Scientific Staffing Market vs. Lab Support



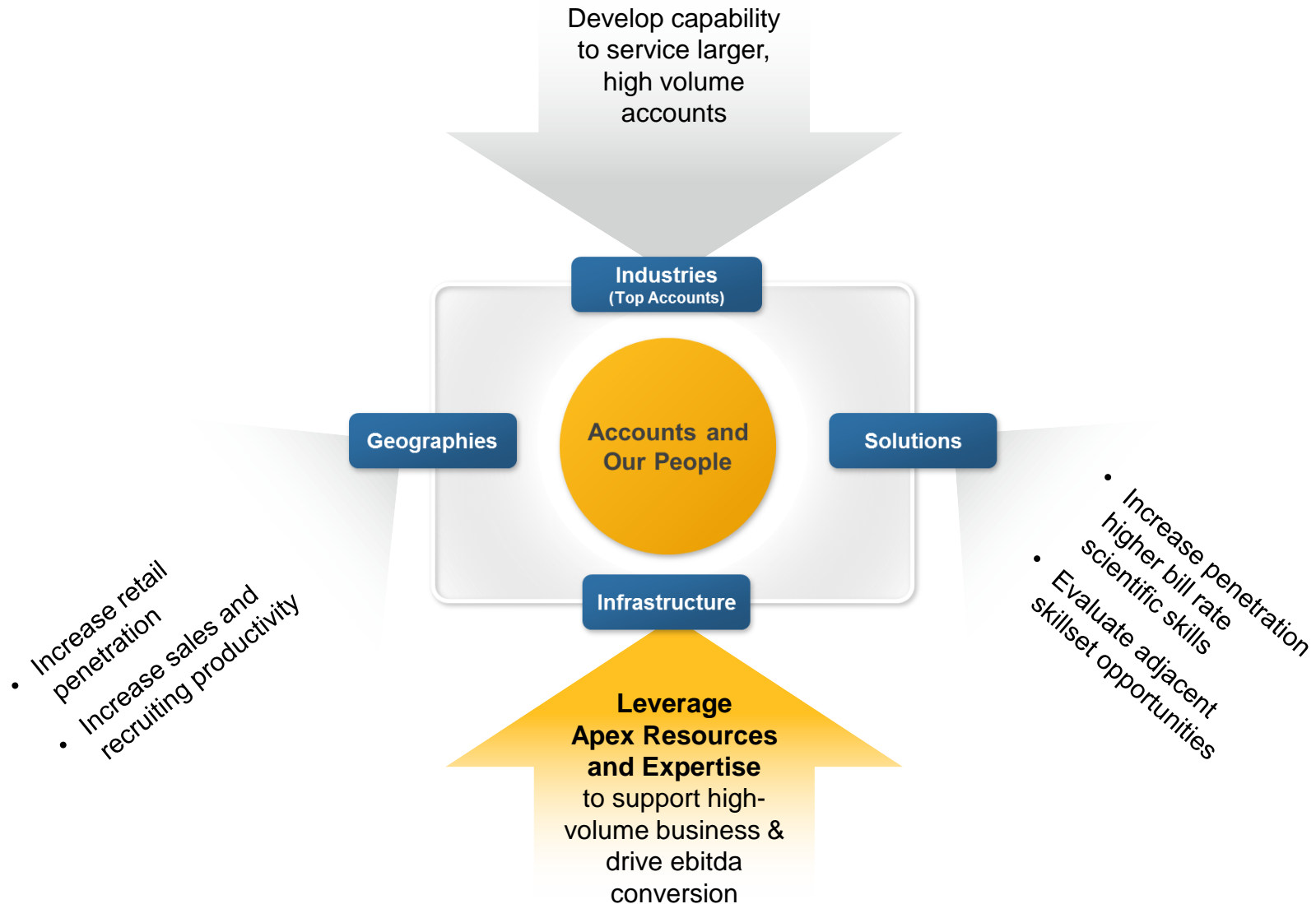
# Lab Support Go-to-Market Approach



# Lab Support Competitive Advantages



# Lab Support Growth Strategies



# On Assignment



Oxford Global Resources

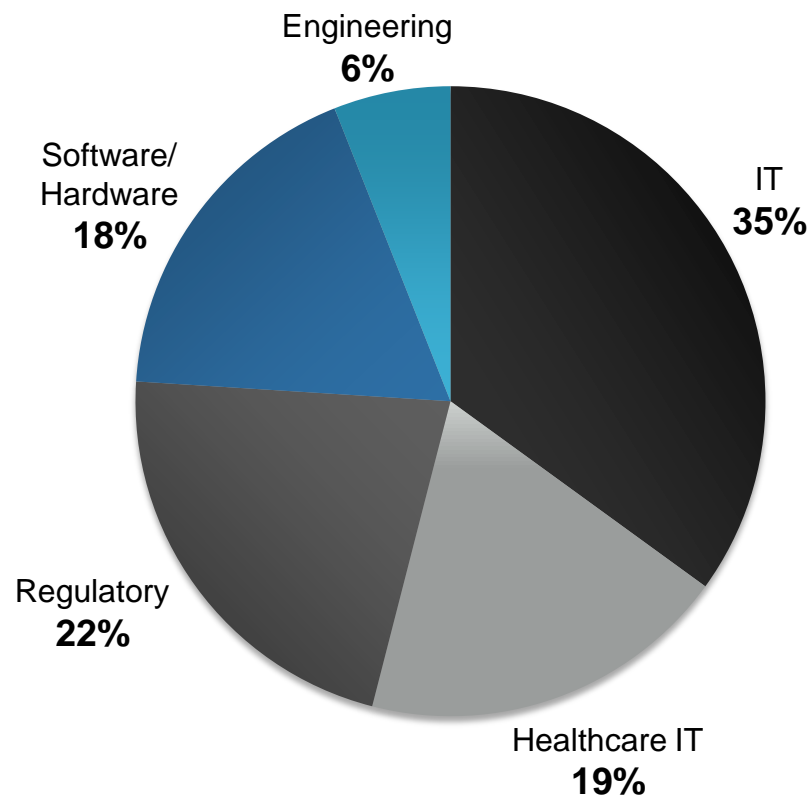
*Market:* High-end IT and Engineering Staffing

Michael McGowan

# Oxford Overview

- Disciplined focus on the high-end of select IT and engineering markets
  - IT: Enterprise Applications, IT Infrastructure, IT Security, Applications Development
  - Healthcare IT
  - Software/Hardware
  - Engineering: Mechanical, Electrical, Process
  - Regulatory & Compliance: Regulatory Affairs, Quality Assurance, Validation
- Proactive, recruiting-driven organization
  - Time sensitive project requirements
  - Significantly higher success rate filling engagements than competitors
- Industry leading bill rates and margins
- Current statistics
  - Approximately 1,740 consultants at 670 clients
  - Average bill rate of \$123 per hour
  - Top ten clients represent ~19% of revenue
  - Average assignment length of ~ 5 months

**% of 2013 Revenue by Skill**



# Industry Dynamics

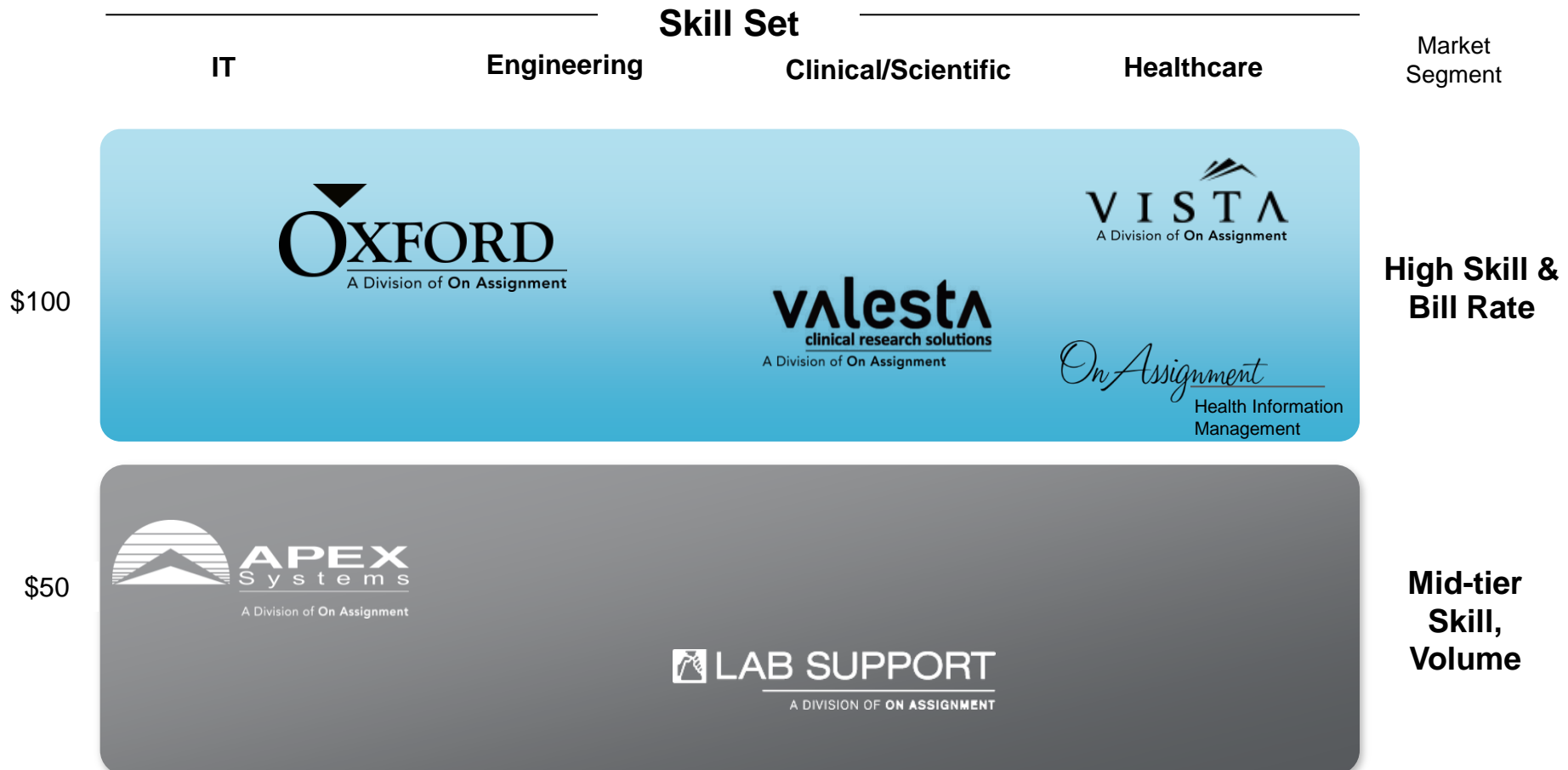


- U.S. staffing market growth in 2014 forecasted to be approximately 7% for IT and 5% for engineering
- Demand for senior-level IT and engineering consultants among the most robust in staffing
- The high skill, high bill rate segment of the market characterized by:
  - Scarce talent; typically travels
  - Quality/unique skill of candidate and speed of response most valued
  - Fewer assignments per client
  - Higher margins
- Cycle of current technical skills becoming obsolete and shortages of new technical skills becoming more acute




# Oxford's Market Position

Oxford operates in the high skill and bill rate segment of the IT and Engineering markets



# Oxford Operating Model: Specialize and Focus

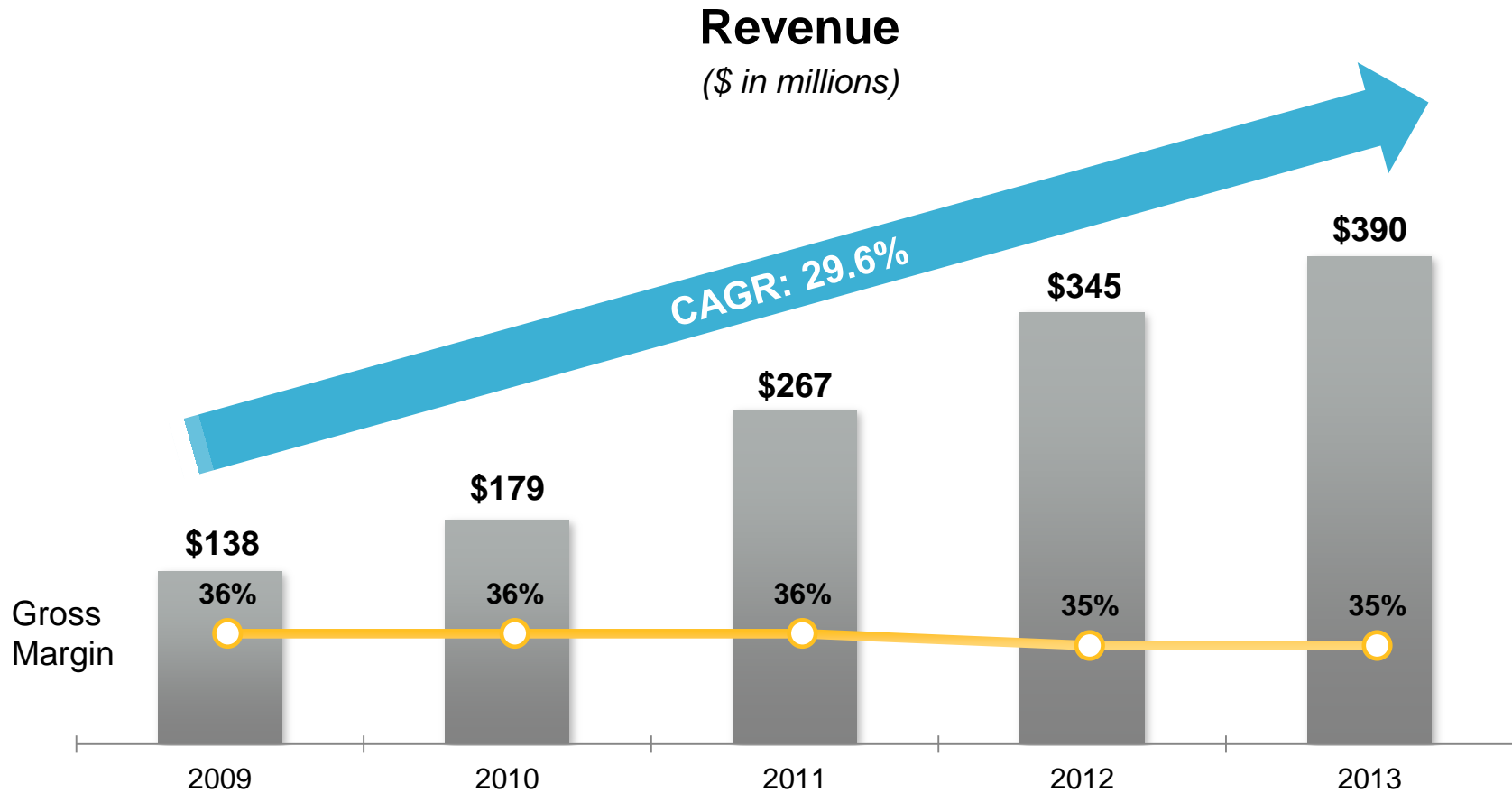
- 
- **Core expertise:** Recruiting
  - **Market position:** High-end, urgent need
  - **Skill focus:** Select disciplines
  - **Services:** Consulting talent
  - **Customers:** Direct users

# The Oxford Process

Unique, recruiting-driven system

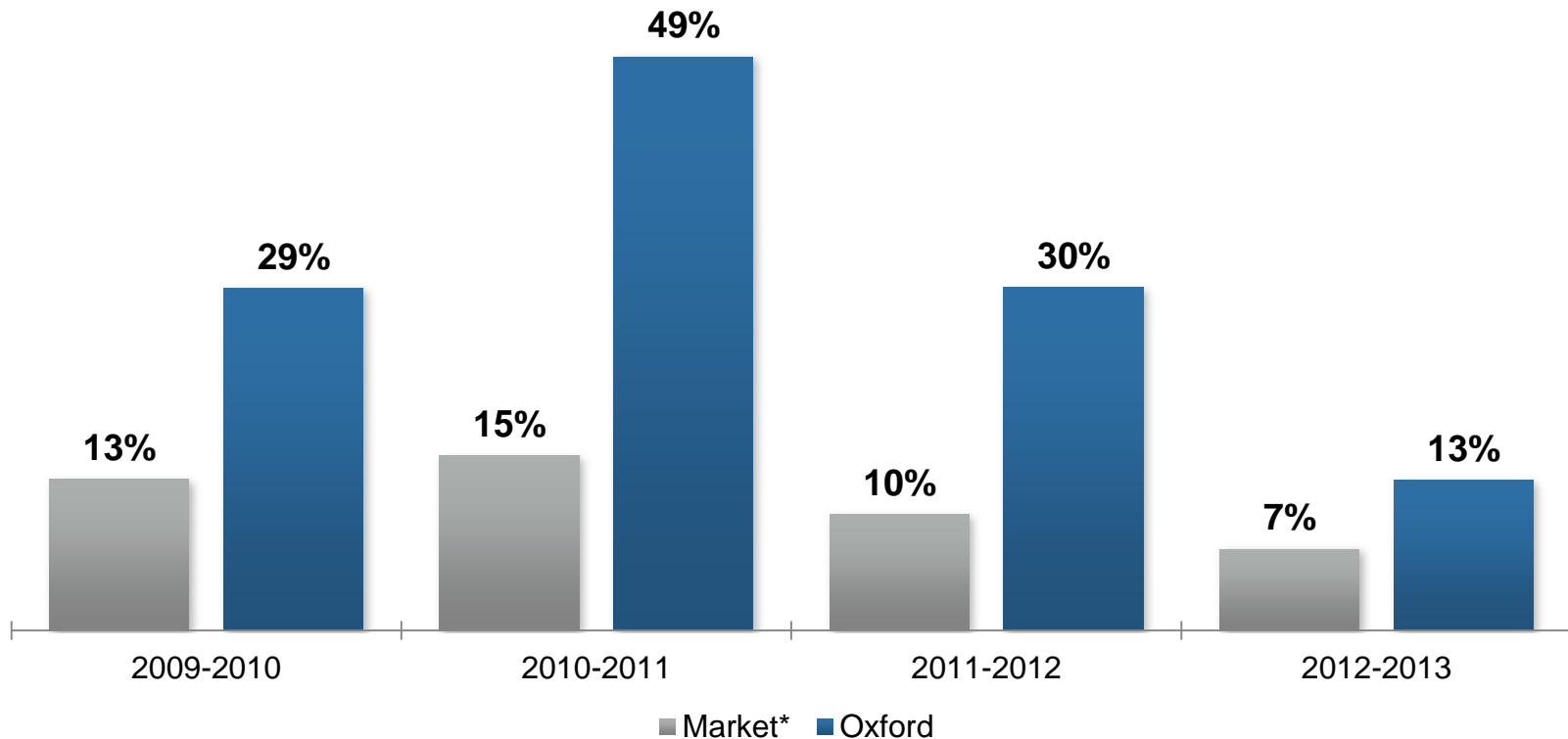


# Oxford Financial Performance



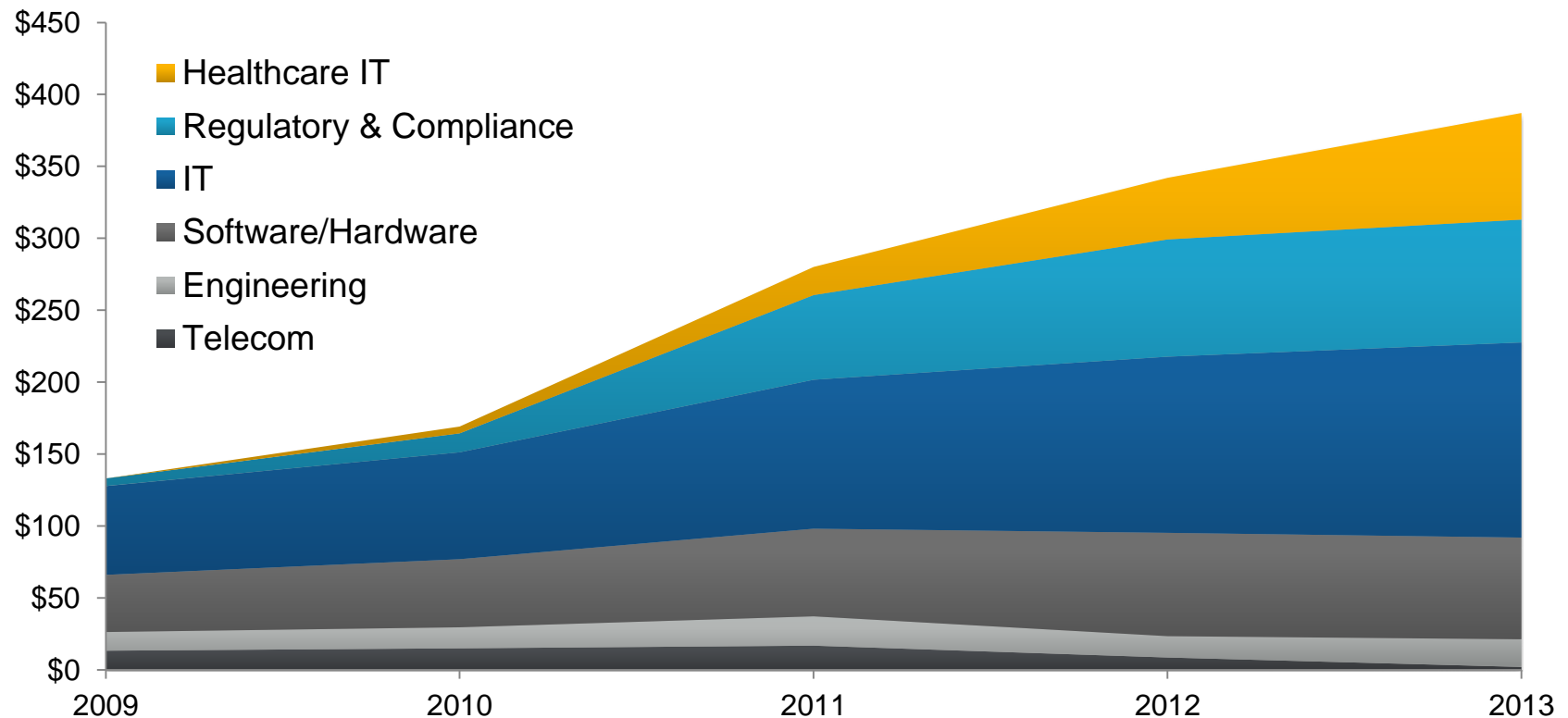
# Oxford Performance vs Market

## Annual Revenue Growth: IT Staffing Market vs. Oxford



# Growth Has Been Driven by New Markets

**Revenue by Discipline**  
(\$ in millions)



# Oxford Competitive Advantages



- Specialize by skill
- Recruiting-driven
  - References and referrals
  - Build relationships
  - Understand interests and availability
- Superior execution
  - Control the hiring process
  - Pre-empt the competition
  - Speed of response
  - High quality candidates
- Process adaptable to new markets

# Oxford Growth Strategies

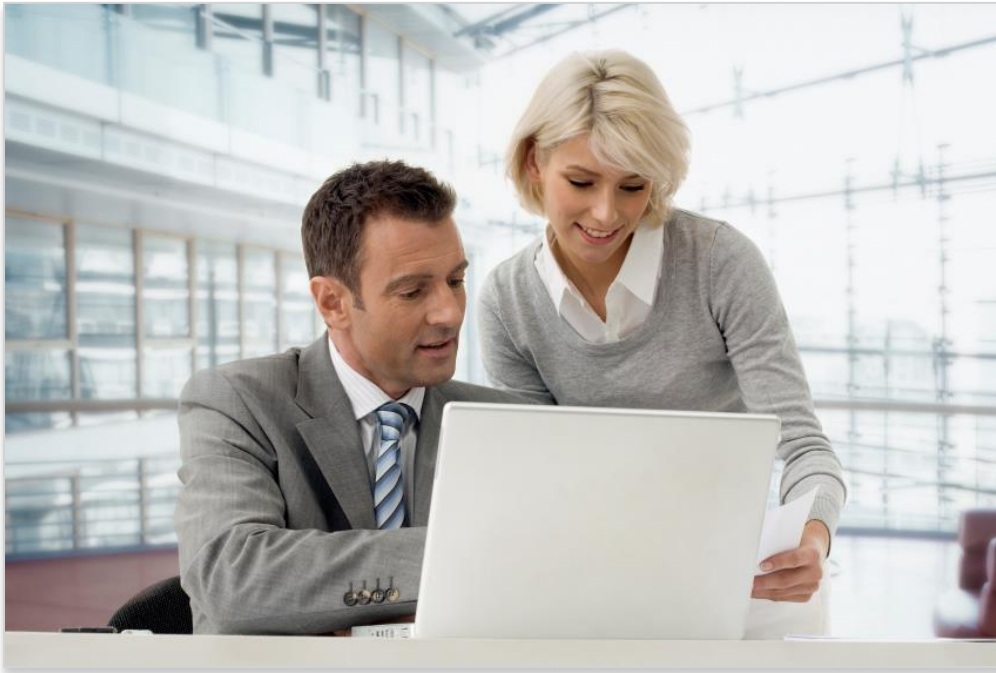
- Staff development
- Top accounts strategy
- Expand Healthcare IT
- Pursue new markets
- Integrate Valesta





# Invest in Staff Development to Improve Productivity

*On Assignment*



- Enhance new hire and on-boarding program
- Develop career paths
- Continue and improve management training

# Develop Top Accounts

- Strategic account and territory management
- Leverage national recruiting reach with local presence

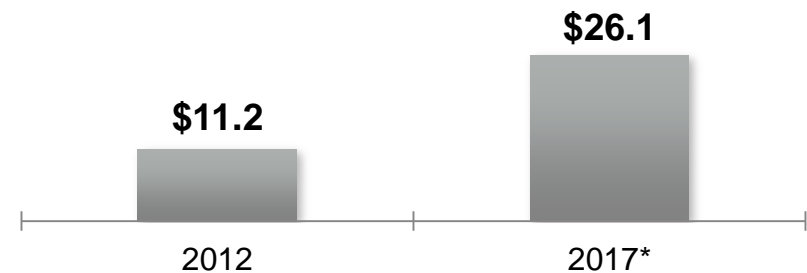


# Healthcare IT Growth Opportunities

- IT priorities for U.S. healthcare organizations
  - Short-term: Deploy electronic health records
  - Longer-term: Robust analysis of data within EHR systems
- Growth beyond clinical applications
  - ICD-10
  - Revenue Management Systems
  - Analytics
  - Infrastructure to support advanced analytics
  - Emergency Response Systems
- Oxford Healthcare IT growth strategies
  - Post-EMR implementation services: upgrades, optimization, legacy support
  - Expand into growth areas beyond clinical apps
  - Develop cross-selling strategy with HIM
  - Add sales staff

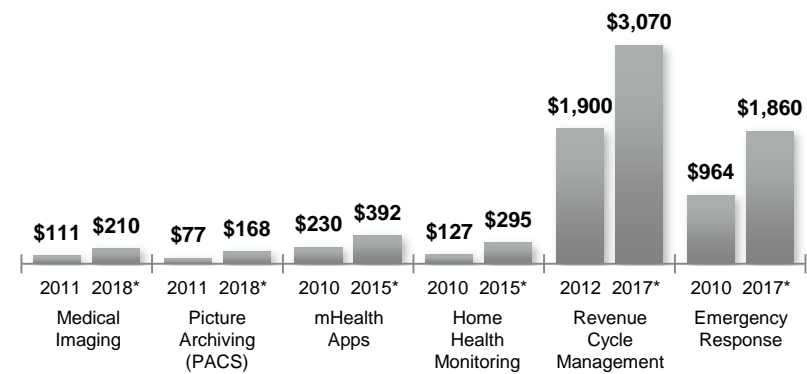
## U.S. Healthcare IT Spending for Hardware and Software

(\$ in billions)



## Where Some Growth IT Markets Will Be

(\$ in millions)



**SOURCE:** [http://www.cio.com/article/722987/Big\\_Data\\_EHR\\_Driving\\_Healthcare\\_IT\\_Innovation?page=3&taxonomyId=3147](http://www.cio.com/article/722987/Big_Data_EHR_Driving_Healthcare_IT_Innovation?page=3&taxonomyId=3147), BCC Research, Wellesley, Frost & Sullivan

\* Projected

# Pursue New Markets and Service Offerings



- Enhance and expand existing market skill research capability
- Explore new market opportunities
  - Additional segments within IT, Engineering, Regulatory
  - New segments beyond our existing markets
- Consulting (SOW) services

# Align U.S. Valesta with Oxford

- Both businesses have similar go-to-market approaches
- Leverages Oxford as platform for Valesta growth
- Provides opportunity to pursue higher margin business
- Increases lead-sharing capability





# On Assignment



CyberCoders

*Market:* Permanent Placement Professional Staffing

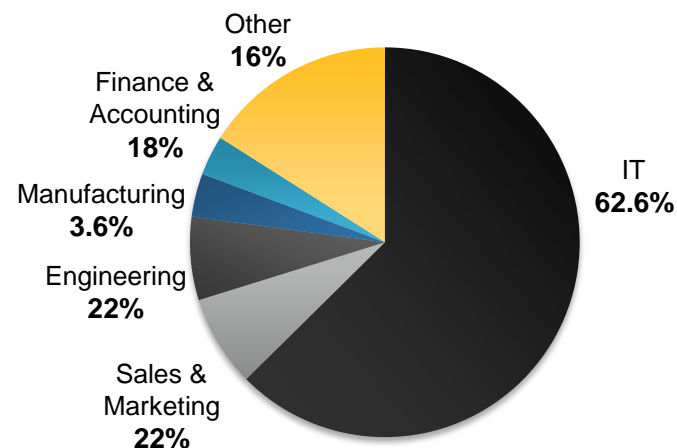
Michael McGowan

# CyberCoders Overview

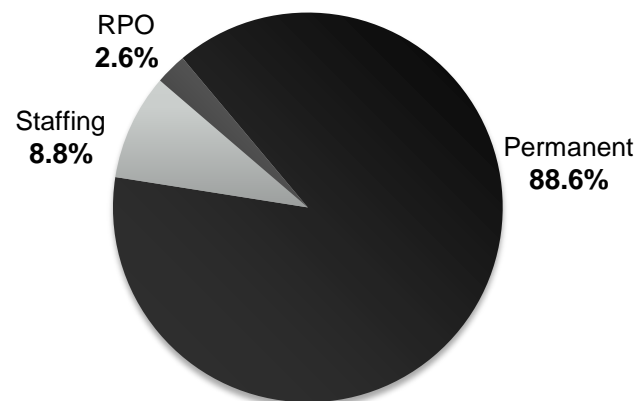
- Founded in 1999
- Technology driven model has produced industry-leading revenue growth
- 50% revenue CAGR since 2010 vs. ~18% industry CAGR <sup>1</sup>
- Greater than 25% EBITDA margins, 60% greater than market leader <sup>2</sup>
- \$229k <sup>3</sup> revenue per employee
- Seasoned recruiters generate an average of \$262k perm revenue per year
- ~11,000 unique clients and 2,815 perm placements in 2013; no client composing more than 2% of revenue
- ~60% of revenue comes from repeat clients

## % of 2013 Revenue

### by Job Type



### by Service

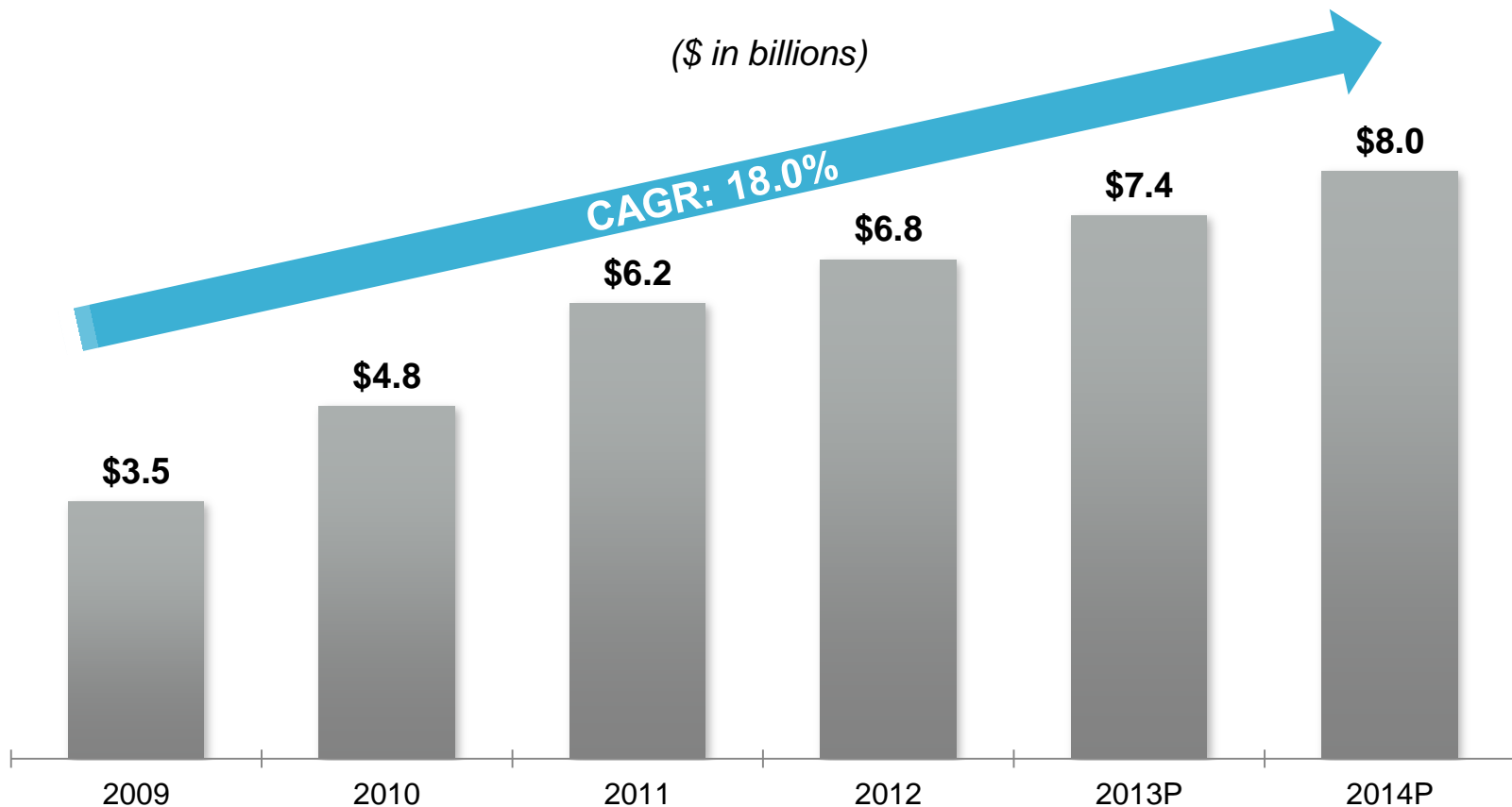


<sup>1</sup> Source: Staffing Industry Analysts (SIA).

<sup>2</sup> RHI 2012 permanent placement EBITDA margin = 16.7%.

<sup>3</sup> Includes Perm Placement, Retained / RPO Lite and Net Contract Staffing Fee revenue; excludes Advertising Revenue.

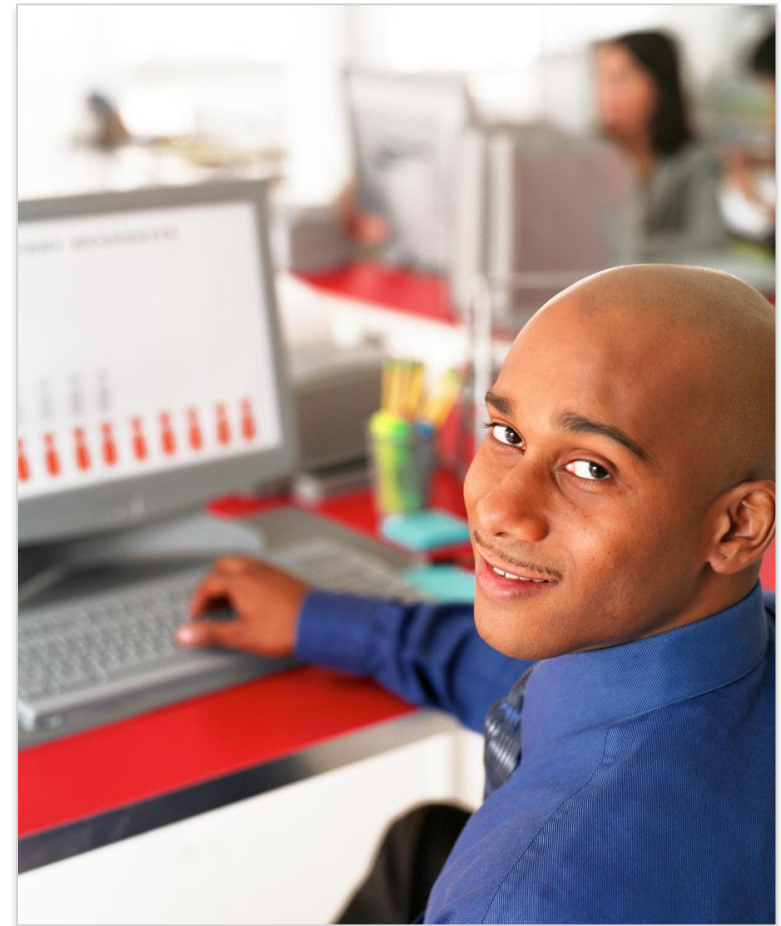
# Permanent Placement Market Size and Growth





# Permanent Placement Industry Dynamics

- The U.S. direct hire market grew approximately 8% in 2013
- Expected to grow another 8% in 2014 to reach \$8.0 billion
- Growth being driven by increased business confidence
- Recovery of demand from recession declines is expected to continue
- Good timing to invest in permanent placement business

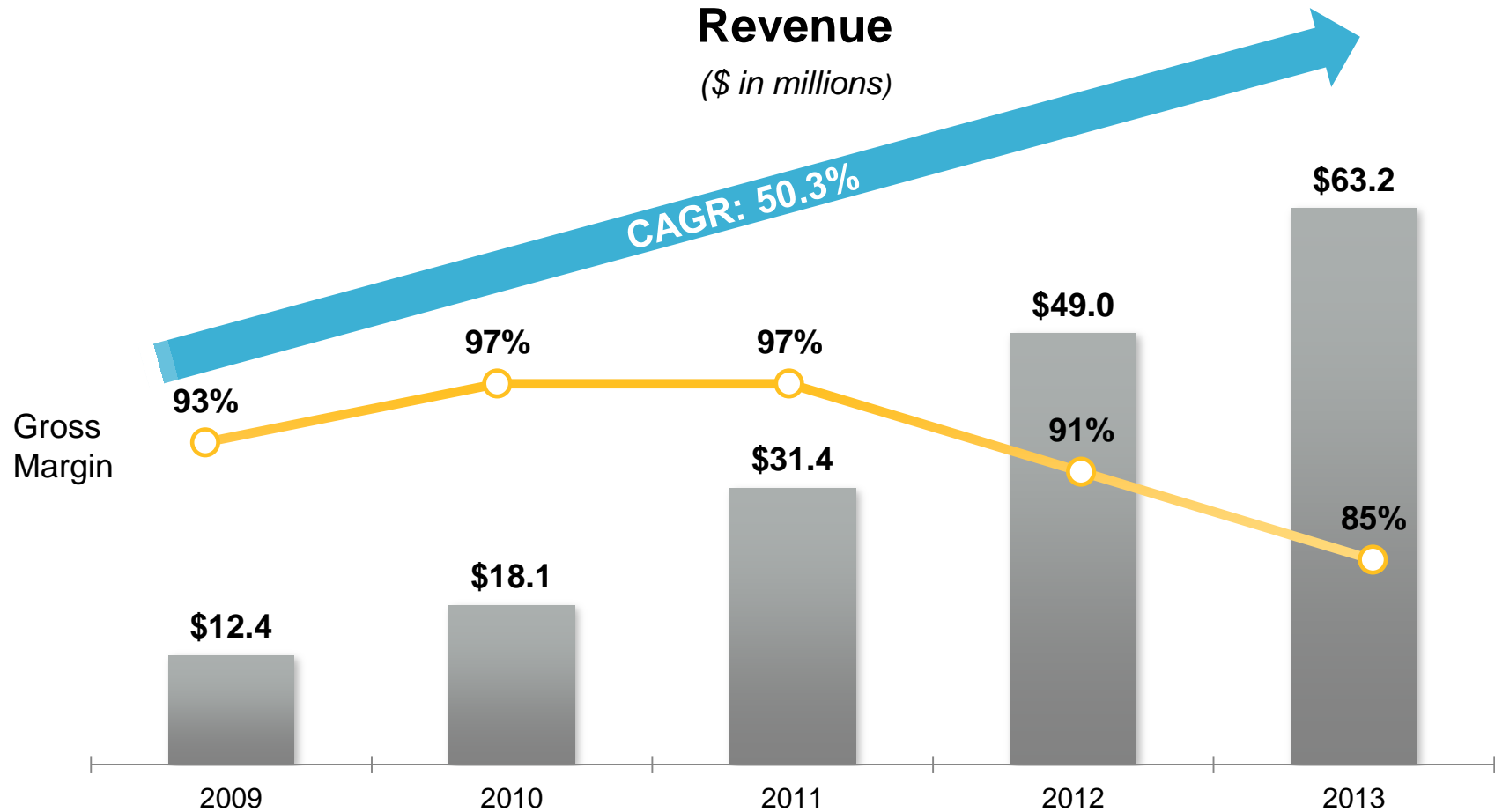


# CyberCoders Operating Model

- High tech and high touch
- Revolutionizing recruiting with technology and culture
- Automation at every step of the process
  - Client generation
  - Lead distribution
  - Candidate sourcing
  - New global cloud solution



# CyberCoders Financial Performance

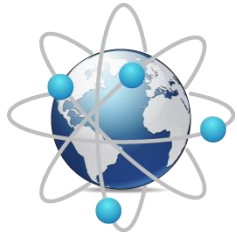


# CyberCoders Competitive Advantages

- CYRUS platform
- Brand recognition
- Web presence
- Client base
- Scalable
- Centralized recruiting



# Unique CYRUS Recruiting Platform



Automated  
Client  
Generation



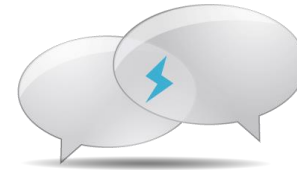
Automated  
Candidate  
Sourcing



Knowledge  
Sharing



Automated  
Candidate  
Communication



Automated  
Client  
Communication



Gamification  
to Maximize  
Productivity

# Powerful Brand Recognition

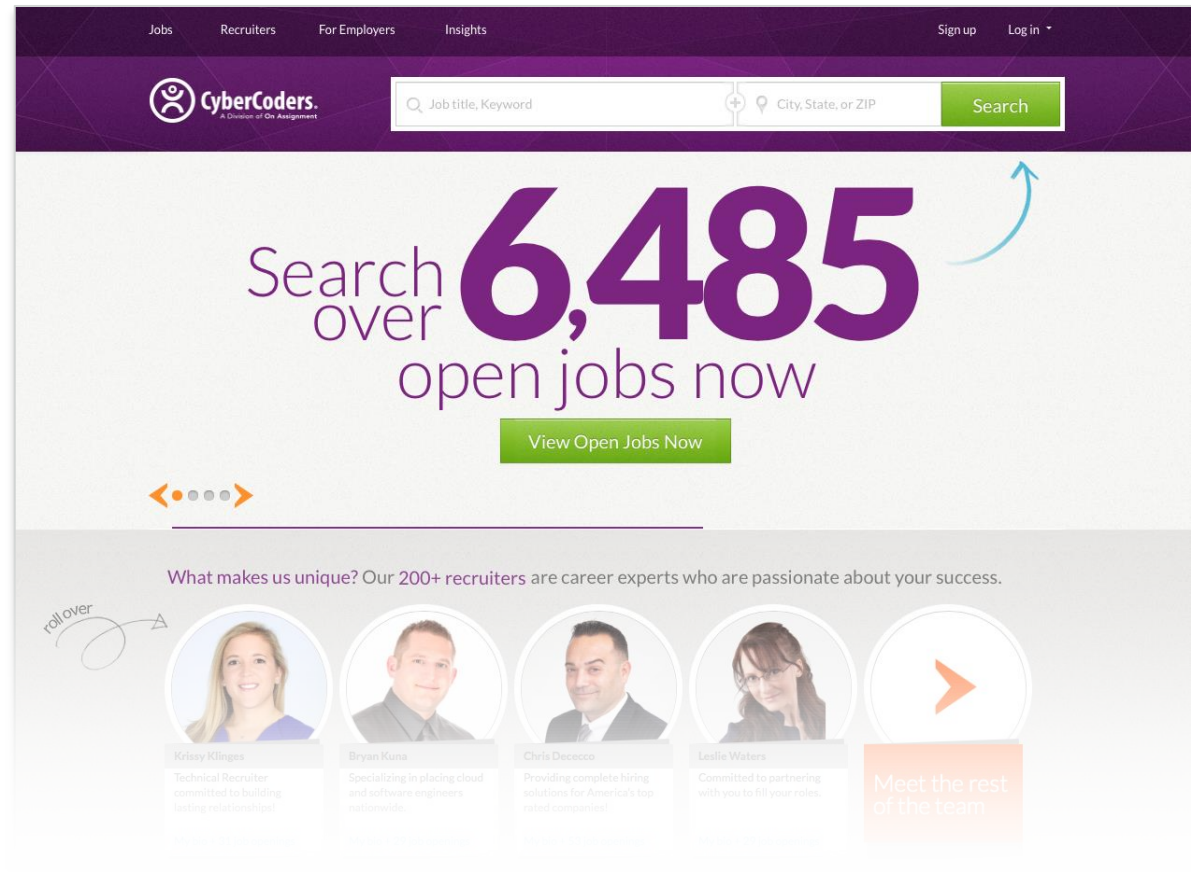
- Most jobs, clicks, and networks on LinkedIn
- 60,000+ Facebook fans
- < 10% voluntary recruiter turnover





# Ubiquitous Web Presence

- 2.5 million opt-in recipients
- 700K unique monthly visitors
- 115K web-based applications per month



# Strong and Diversified Client Base

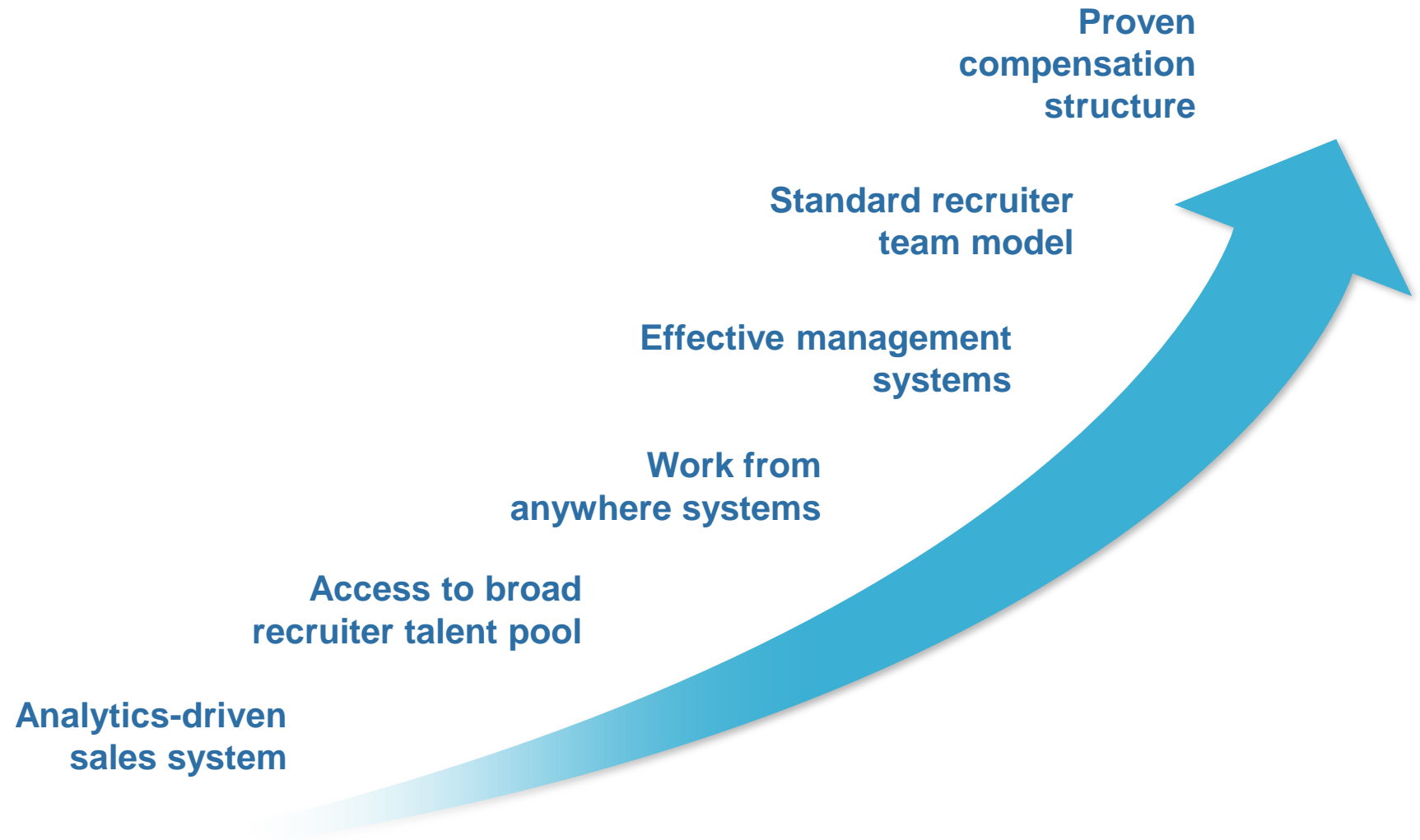
- No significant revenue concentration
- 60% of revenue from repeat clients
- Marquee clients in high-growth industries



Wilson Sonsini Goodrich & Rosati  
PROFESSIONAL CORPORATION



# Scalable Business Model



# Growth Strategies

- Add recruiters and improve recruiter core
- Increase focus on Staffing and Retained/RPO Lite
- Develop SaaS platform



# On Assignment Leads

- On Assignment sales executives uncover a permanent hiring opportunity
- They pass the job lead to CyberCoders through online system
- CyberCoders pursues and qualifies the lead
- On Assignment sales executive receives monetary incentive if the job lead is filled



The screenshot shows the CyberCoders website interface. At the top is a purple banner with the CyberCoders logo and the text "A Division of On Assignment". Below the banner is a row of logos for various partner companies: On Assignment Health Information Management, APEX Systems, OXFORD, VISTA, sharpstream Life Sciences, and valesta clinical research solutions. The main heading is "Submit a Lead to CyberCoders". Underneath is the section "Your Contact Info" which contains three input fields: "Name \*" with the placeholder "Your full name", "Phone Number \*" with the placeholder "Your phone number", and "Email Address \*" with the placeholder "Your email address".

**CyberCoders.**  
A Division of On Assignment

On Assignment Health Information Management

APEX Systems

OXFORD  
A Division of On Assignment

VISTA  
STARTING SOLUTIONS  
A DIVISION OF ON ASSIGNMENT

sharpstream Life Sciences  
A DIVISION OF ON ASSIGNMENT

valesta clinical research solutions  
A DIVISION OF ON ASSIGNMENT

## Submit a Lead to CyberCoders

Your Contact Info

Name \*  
Your full name

Phone Number \*  
Your phone number

Email Address \*  
Your email address

# On Assignment



VISTA

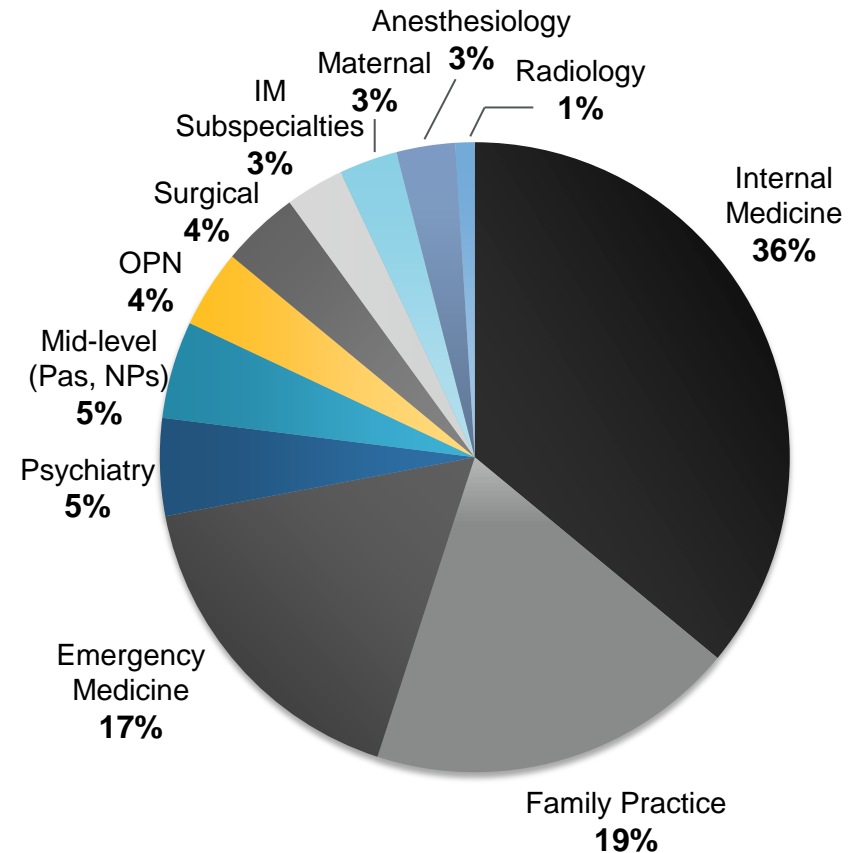
*Market:* Physician Staffing

Michael McGowan

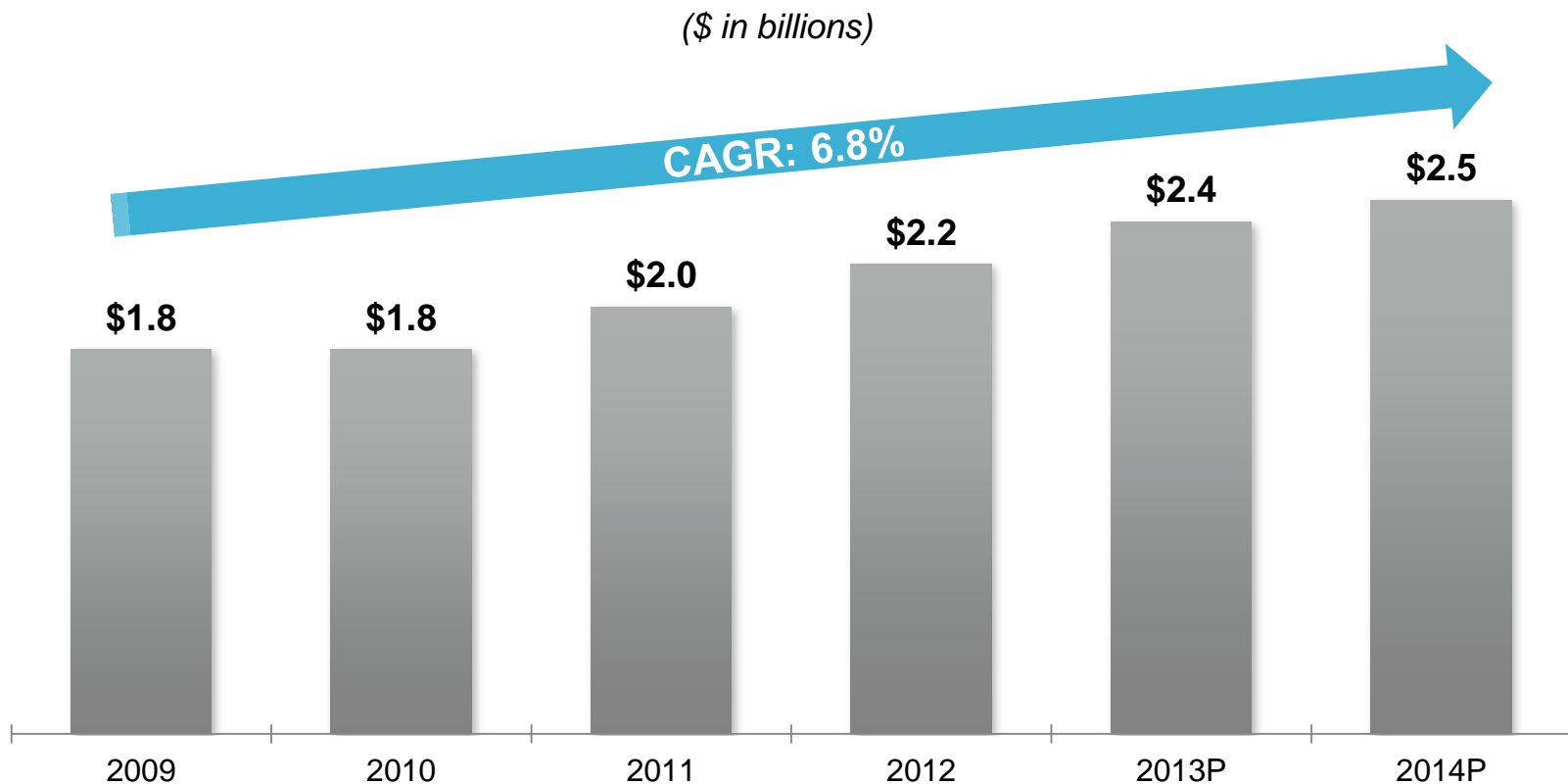
# VISTA Business Overview

- Full-service physician recruitment and staffing company
  - Offering contract staffing solutions to commercial, government, and correctional facilities in a variety of physician specialties
- Places physicians, physician assistants and nurse practitioners throughout the United States, Australia and New Zealand
- Summary statistics:
  - Approximately 30 specialties through 17 employee teams
  - Pool of 2,000+ physicians worldwide, with a range of medical specialties
  - Approximately 325 physicians on assignment daily
  - 40% government mix
  - Average domestic locum tenens assignment lasts 6 weeks
  - 4 month average sales cycle
  - 285 FTE

**% of 2013 Revenue by Specialty**



# Physician Staffing Market Size and Growth





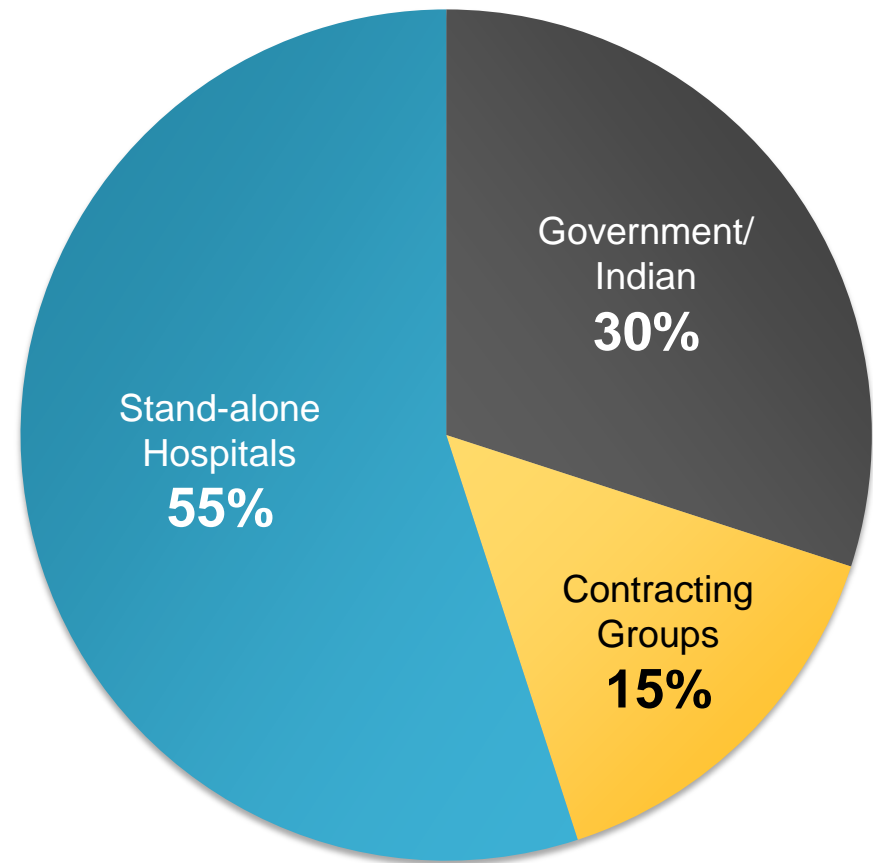
# Physician Staffing Market Perspective



- **High barriers** to entry
- Physician **shortage** in U.S.
- Approximately **30 million newly insured** entering the health care system over the next 12-24 months
- **One-third** of physician groups are hospital owned
- **Top-heavy** space

# Physician Staffing Industry Dynamics

- Expected shortage of up to 45,000 primary care doctors in the U.S. by 2020\*
- Private practices being consolidated into large hospital systems
- MD's increasingly being employed by hospitals and systems
- The MSP/VMS environment expected to proliferate





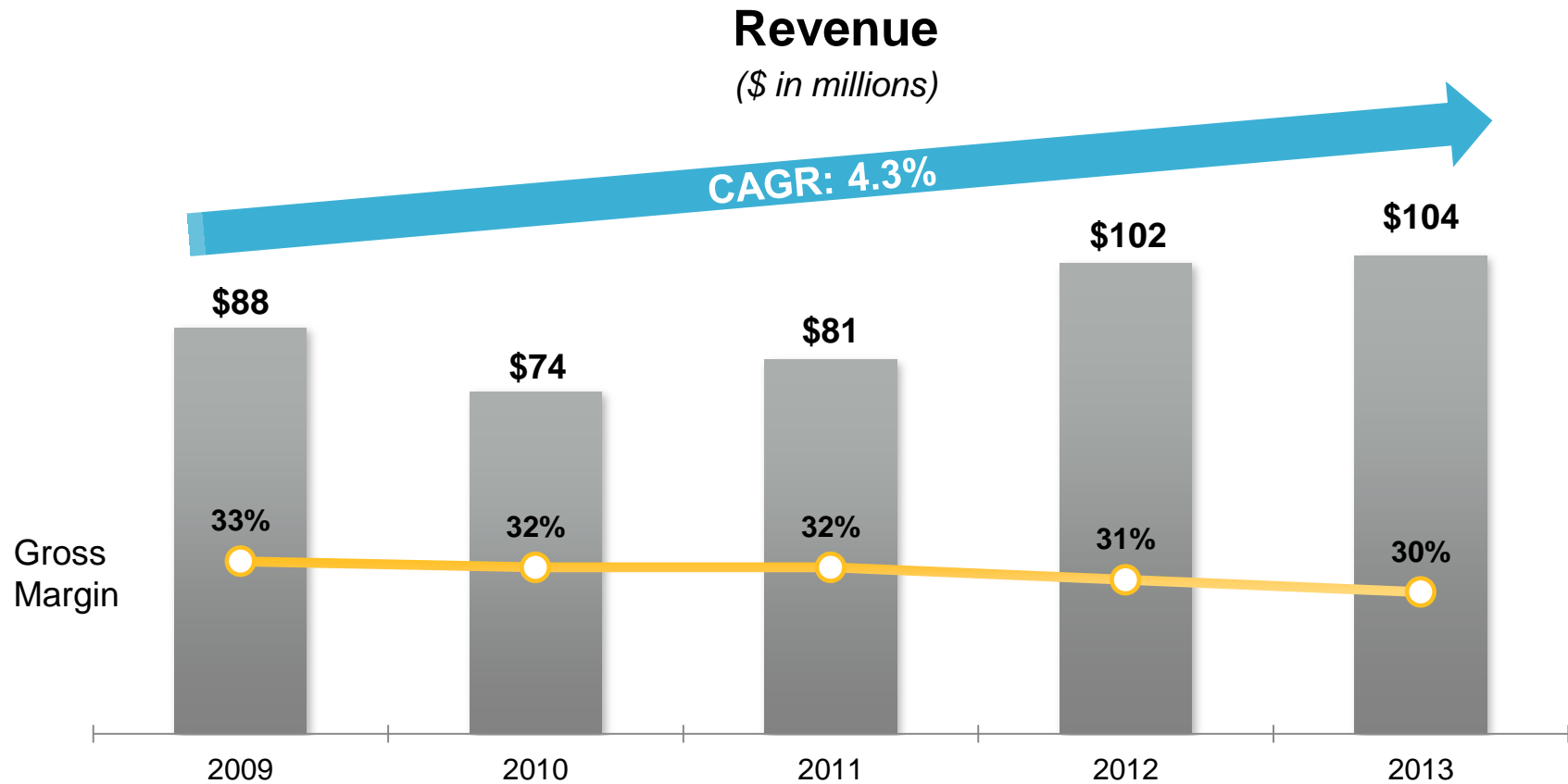
# VISTA Operating Model

Focus on high-demand primary care specialties:



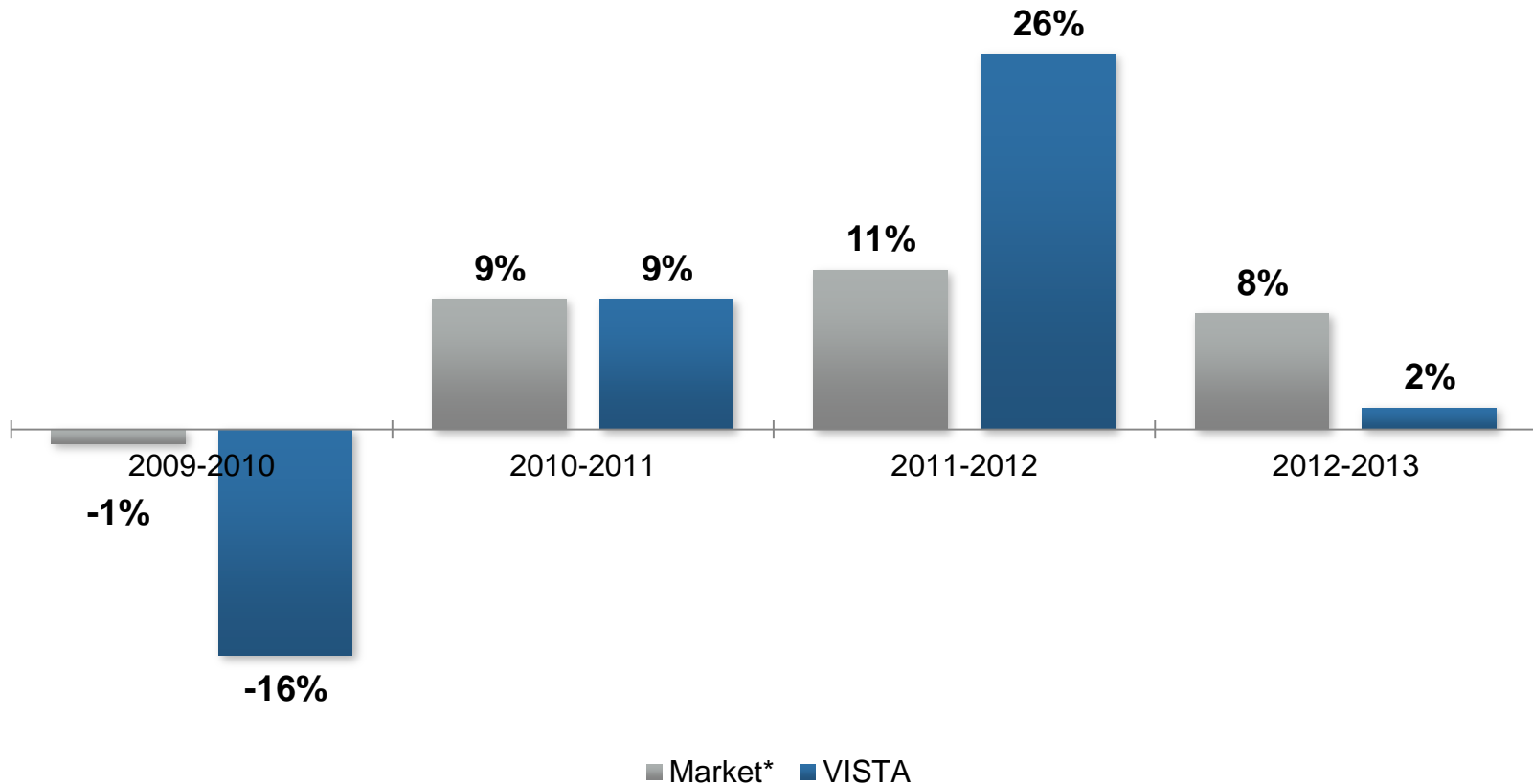
Acquisitive: Purchase of Whitaker Medical positions VISTA as 4<sup>th</sup> in market

# VISTA Financial Performance



# VISTA Performance vs Market

## Annual Revenue Growth: Physician Staffing Market vs. VISTA



# VISTA Diagnosis



## Recent Sales Trends

- Headcount and attrition
- Client cycling
- Cancellations



## Action Plans

- New senior leadership
- Adding sales staff
- Focus on sales in core locums business
- Retain and penetrate top client base while selling incremental commercial business

# VISTA Competitive Advantages



- Broad range of medical specialties
- Broad range of job settings and types
- Strong presence in regions with physician shortages
- Superior satisfaction rate (NPS)
- Industry-leading margins
- Of size to take market share (4<sup>th</sup> largest)

# VISTA Growth Strategies

- **Build exclusive client relationships**
  - Defend against VMS/MPS
- **Expand into new/adjacent markets:**
  - Mid-level (NP & PA)
  - Urgent Care
- **Invest in high impact subspecialties**
  - New teams
  - Dedicated resources



# Whitaker Medical – Acquired December 2013

- Pro forma 2013 revenue \$27 million
- Establishes VISTA as fourth largest physician staffing business in U.S.
- Better than industry sales growth trends with good margins
- Expands primary care physician and mid-level coverage
- Expands geographic footprint into south and southeast





# *On Assignment*



## Financial Strength, Segment Reporting Changes & Future Growth

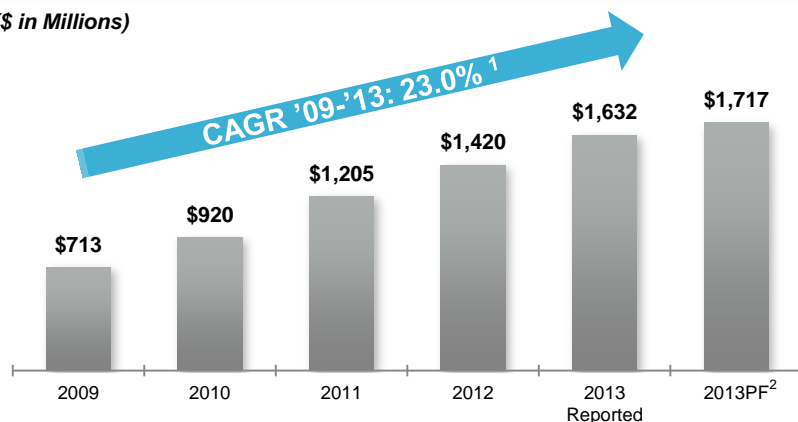
Ed Pierce, Chief Financial Officer



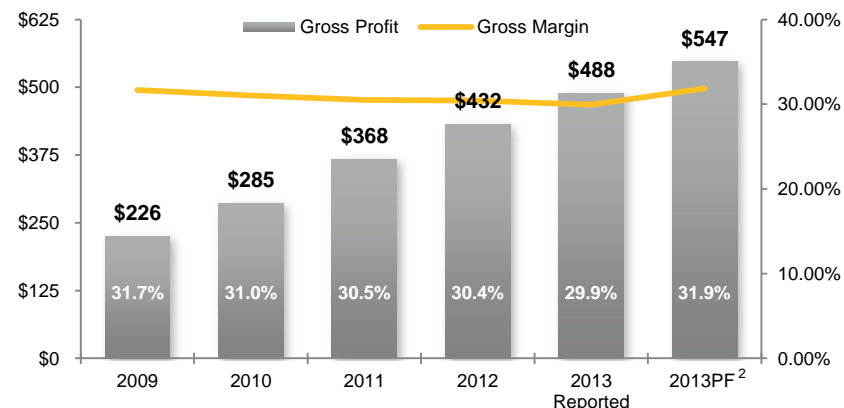
# Strong Track Record of Growth

## Revenues

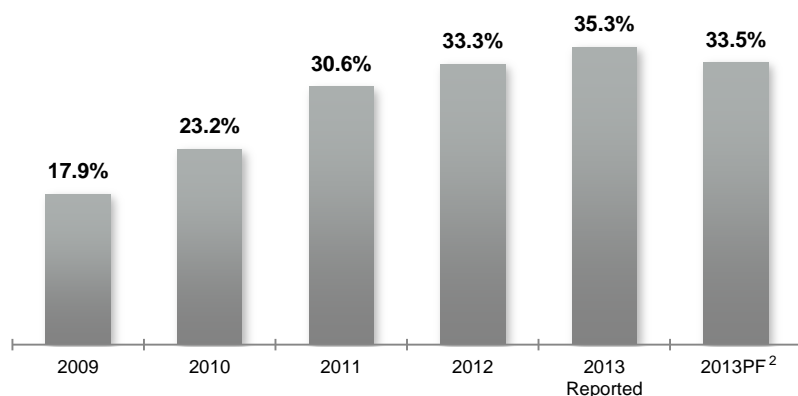
(\$ in Millions)



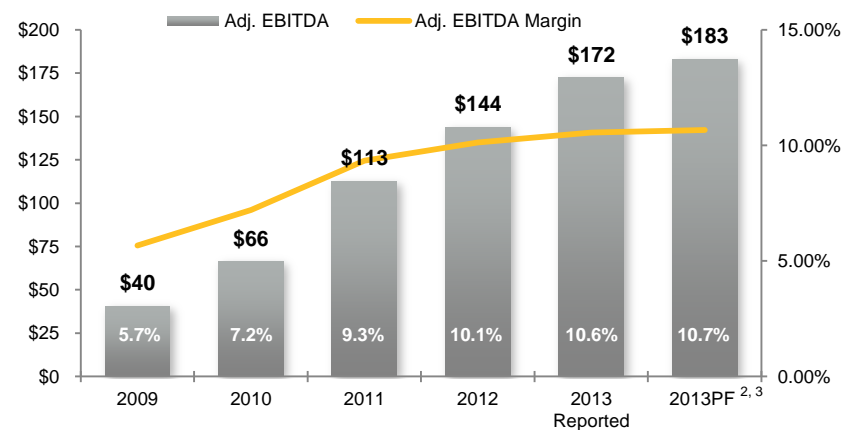
## Gross Profit & Margin



## Conversion of Gross Profit to Adj. EBITDA



## Adjusted EBITDA & Margin



Note: Results for all periods are the combined results of ASGN and Apex Systems which was acquired on May 15, 2012.

<sup>1</sup> CAGR is calculated using the 4-year period from 2009 to the Reported 2013.

<sup>2</sup> Pro forma for the acquisitions of CyberCoders and Whitaker Medical as if those acquisitions occurred at the beginning of 2013.

<sup>3</sup> Adjusted to exclude benefits related to reductions in earn-out obligations (\$3.5 million in FY 2013).

# Selected Operating and Balance Sheet Data

(\$ in millions)

Operating Data (Year Ended December 31):	2013	2012 <sup>1</sup>
Adjusted EBITDA	\$172.2	\$125.4
Cash Flows from Operating Activities	110.5	40.7
Capital Expenditures	16.5	14.4
Free Cash Flow	94.0	26.3
Free Cash Flow as a percent of Adjusted EBITDA	54.6%	21.0%
Balance Sheet Data (as of December 31):		
Cash and Cash Equivalents	\$37.4	\$27.5
Working Capital	180.9	177.2
Long-term Debt (includes current portion)	399.8	426.6
Shareholders' Equity	640.1	532.7
Leverage Ratio (debt to trailing 12-months EBITDA)	2.20x	2.88x

Note: All data are as reported.

<sup>1</sup> Includes results of operations of Apex Systems from the date of acquisition (May 15, 2012) through the end of the year.

# New Segment Reporting

Pro Forma 2013 <sup>1</sup> (\$ in millions)								
				Pre- Realignment	% of Total		Post- Realignment	% of Total
Revenues	Apex		\$942.5	54.9%		Apex (incl. Lab Support US)	\$1,060.0	61.8%
	Oxford <sup>2</sup>		471.8	27.5%		Oxford <sup>2</sup> (incl. Clinical Research US)	483.3	28.2%
	Life Sciences:							
	Lab Support US		117.5	6.8%		Physician <sup>3</sup>	130.8	7.6%
	Clinical Research US		11.5	0.7%				
	Other (Europe)		42.5	2.5%				
	Total		171.5	10.0%		Other (Life Sciences Europe)	42.5	2.5%
	Physician <sup>3</sup>		130.8	7.6%				
Consolidated Revenues		\$1,716.5		Consolidated Revenues	\$1,716.5			
Gross Profit	Apex		\$258.2	47.2%		Apex (incl. Lab Support US)	\$294.6	53.8%
	Oxford <sup>2</sup>		194.2	35.5%		Oxford <sup>2</sup> (incl. Clinical Research US)	198.2	36.2%
	Life Sciences:							
	Lab Support US		36.5	6.7%		Physician <sup>3</sup>	38.5	7.0%
	Clinical Research US		4.0	0.7%				
	Other (Europe)		15.8	2.9%				
	Total		56.3	10.3%		Other (Life Sciences Europe)	15.8	2.9%
	Physician <sup>3</sup>		38.5	7.0%				
Consolidated Gross Profit		\$547.1		Consolidated Gross Profit	\$547.1			

<sup>1</sup> Pro forma assumes acquisitions of CyberCoders and Whitaker Medical occurred at the beginning of the year.

<sup>2</sup> Oxford includes full year 2013 results of CyberCoders.

<sup>3</sup> Physician includes full year 2013 results of Whitaker Medical.

# Key Assumptions Underlying 5-Year Growth in Adjusted EBITDA & Earnings

*On Assignment*

## Revenue Growth

- Assumes 10 percent year-over-year organic revenue growth in current base of business
- Organic growth will be augmented by revenues from acquisitions, which is estimated to contribute at least \$240 million in 2018 to reach \$3 billion revenue target
- Organic revenue growth of 10 percent assumes continuation of current macroeconomic trends and assumes growth above estimated industry market rates

## Maintain Gross Margins of 31-32%

- Assumes shift in mix of revenues toward higher volume/lower margin business (i.e. higher growth in Apex Segment)
- Compression in margin caused by shift in mix of revenues partially offset by higher mix of permanent placement revenues

## Improved Operating Leverage

- Assumes a 2 percentage point reduction in cash SG&A expenses as a percent of sales
- Improvement driven by:
  - Increase in staffing consultant productivity from the operational realignment
  - Greater economies of scale due to growth in the business
  - Higher efficiencies related to integration/consolidation initiatives

## Higher Growth in EPS than Adjusted EBITDA

- Free cash flow (FCF) generated over 5-year period of \$675 to \$700 million will be used to:
  - Pay-down indebtedness resulting in lower interest expense
  - Fund a significant portion of the costs of future acquisitions and pay-down acquisition borrowings
  - Repurchase common stock out of FCF not used for acquisitions or debt repayment
- Lower effective tax rate as pre-tax income should grow faster than book-to-tax permanent differences
- Lower amortization of intangible assets due to high amortization rates in earlier years

# 2018 Estimates Compared with Pro Forma 2013

(\$ in millions)

Year Ended(ing) December 31	Pro Forma 2013 <sup>1</sup>	2018	5-Year CAGR
<b>Revenues</b>	\$1,717	\$3,000 <sup>2</sup>	11.8% <sup>2</sup>
<b>Gross Profit</b>	547	930 - 960	11.2% - 11.9%
<b>Cash SG&amp;A Expenses</b>	369	585	9.7%
<b>Adjusted EBITDA</b>	183	345 - 375	13.5% - 15.4%
<b>Free Cash Flow</b>	94	175 - 195	13.2% - 15.7%
<b>Margins:</b>			
Gross	31.9%	31.0% - 32.0% <sup>3</sup>	
Cash SG&A Expense (as % of revenues)	21.5%	19.5% - 19.5% <sup>4</sup>	
Adjusted EBITDA	10.7%	11.5% - 12.5%	
<b>Conversion of Gross Profit into Adjusted EBITDA</b>	33.5%	37.1% - 39.1%	

<sup>1</sup> Includes the results for Whitaker Medical & CyberCoders as if these acquisitions had occurred at the beginning of the year.

<sup>2</sup> Year-over-year revenue growth of 10 percent and contribution of approximately \$240 million from future acquisitions.

<sup>3</sup> Margin remains stable over 5-year period and assumes higher mix from higher volume/lower margin segment, partially offset by a higher mix of revenues from permanent placement. High-end of margin assumes higher contribution from permanent placement.

<sup>4</sup> Improvement in operating leverage driven by the operational realignment, higher economies of scale and cost savings from integration/consolidation initiatives.

# Adjusted Net Earnings



**Adjusted Net Earnings (a non-GAAP measurement) is considered by management to be:**

- A better indicator of operating performance than GAAP earnings; and
- Improves the comparability of the Company's earnings with those of non-acquisitive companies

**Adjustments to GAAP earnings to derive Adjusted Net Earnings relate to the accounting effects of acquisitions. Principal adjustments include add-backs for:**

- Non-cash amortization of identifiable intangible assets for financial reporting purposes; and
- Cash income tax benefit from the income tax deduction of amortization of Goodwill & Trademarks
  - The income tax deduction relates to the step-up in tax basis in the acquired assets of certain acquisitions resulting from a Sec. 338(h)10 election, which treats a stock purchase as an asset purchase for income tax purposes
  - These assets are not deductible for GAAP purposes and the cash income tax benefit is fully offset by a deferred tax provision

**Certain sell-side analysts include Adjusted EPS in their financial models but all do not use the same methodology employed by the Company**

# Adjusted Net Earnings (continued)

(\$ in millions)

Year ending December 31,	2014	2015	2016	2017	2018
<b>Add-backs</b>					
Amortization of identifiable assets <sup>1</sup>	\$24.5	\$21.3	\$17.7	\$12.9	\$10.3
Cash income tax savings on amortization of indefinite-lived intangible assets (Goodwill & Trademarks) <sup>2</sup>	16.1	16.1	16.1	16.1	16.1
<b>Deductions</b>					
Estimated excess of capital expenditures over depreciation, net-of-tax	(4.1)	(2.7)	(2.1)	(1.4)	(1.2)
Income taxes on amortization for financial reporting purposes not deductible for income tax purposes <sup>3</sup>	(2.1)	(2.0)	(1.6)	(1.2)	(1.2)
<b>Net Adjustment to GAAP Net Income to Calculate Adjusted Net Income</b>	<b>\$34.4</b>	<b>\$32.7</b>	<b>\$30.1</b>	<b>\$26.3</b>	<b>\$24.0</b>

## Notes:

Table above shows adjustments to GAAP Net Income to calculate Adjusted Net Income.

<sup>1</sup> Amortization of identifiable intangible assets (e.g., customer/contractor relationships, non-compete agreements, etc.) related to the acquired businesses. The year-over-year reductions in this add-back will result in a corresponding increase in operating income for GAAP purposes.

<sup>2</sup> Income tax benefit (using 39 percent marginal tax rate) from amortization for income tax purposes of certain indefinite-lived intangible assets (goodwill & trademarks), on acquisitions in which the company received a step-up in tax basis. For income tax purposes, these assets are amortized on a straight-line basis over 15 years. For financial reporting purposes, these assets are not amortized and a deferred tax provision is recorded that fully offsets the cash tax benefit in the determination of net income.

<sup>3</sup> Income taxes (assuming a 39 percent marginal rate) on the portion of amortization of identifiable intangible assets, which are not deductible for income tax purposes (mainly amortization associated with the CyberCoders acquisition that the Company was not able to step-up the tax basis in those acquired assets for tax purposes).

# Key Considerations



- Strong track record of growth
- Proven acquisition strategy
- Operate in dynamic and growing markets
- Realigned businesses to drive growth and operating leverage
- Strong and committed management team



# *On Assignment*



On Assignment, Inc.  
2014 Analyst Day

March 26, 2014

# Appendix



## Contents

### Historical Segment Data (Revised for Changes in Reporting Structure)

- Revenues A-2
- Gross profit A-3
- Statistical data A-4

### Adjusted Income from Continuing Operations & Related per Share Amounts

- 2013 A-5
- 2012 A-6

# Historical Segment Data (Revised for Changes in Reporting Structure)

*On Assignment*

(\$ in thousands)

## Total Revenues:

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Apex <sup>1</sup>	\$ 27,453	\$ 125,781	\$ 229,936	\$ 234,674	\$ 239,765	\$ 262,347	\$ 276,849	\$ 281,032
Oxford <sup>2</sup>	85,328	95,001	96,274	98,594	102,688	109,153	107,413	104,416
Physician	24,089	25,039	27,479	26,072	26,302	26,466	26,223	26,836
Other <sup>3</sup>	11,407	10,565	10,193	10,101	10,289	9,898	11,006	11,314
Consolidated	\$ 148,277	\$ 256,386	\$ 363,882	\$ 369,441	\$ 379,044	\$ 407,864	\$ 421,491	\$ 423,598

## Direct hire and conversion revenues:

Apex <sup>1</sup>	\$ 869	\$ 2,056	\$ 3,535	\$ 3,277	\$ 3,229	\$ 2,968	\$ 3,414	\$ 3,221
Oxford <sup>2</sup>	1,674	2,078	1,536	1,395	1,903	1,789	1,613	4,065
Physician	1,133	664	1,239	824	1,019	632	1,033	746
Other <sup>3</sup>	1,295	910	874	1,069	1,027	823	1,120	838
Consolidated	\$ 4,971	\$ 5,708	\$ 7,184	\$ 6,565	\$ 7,178	\$ 6,212	\$ 7,180	\$ 8,870
As a percent of Consolidated Revenues	3.4%	2.2%	2.0%	1.8%	1.9%	1.5%	1.7%	2.1%

The tables above reflect the retrospective restatement to (i) exclude the results of Nurse Travel and Allied Healthcare, which were sold in 2013 and are reported as discontinued operations and (ii) present the data according to new reporting scheme following the operational realignment that occurred in the first quarter of 2014. The changes to the reporting segment were to move (i) Lab Support U.S. (formerly part of the Life Sciences Segment) to Apex Systems and (ii) Clinical Research (formerly part of the Life Sciences Segment) to Oxford and report the European operations of Life Sciences as Other.

<sup>1</sup> Apex Segment is comprised of Apex Systems and Lab Support U.S. (formerly part of the Life Sciences Segment). Apex Systems was acquired on May 15, 2012 and its results are included from the date of acquisition.

<sup>2</sup> Oxford Segment is comprised of Oxford, the Health Information Management division (formerly part of the Healthcare Segment), the Clinical Research division (formerly part of the Life Sciences Segment) and CyberCoders, which was acquired in December 2013 and included from the date of acquisition.

<sup>3</sup> Other is the European operations of Life Sciences (formerly part of the Life Sciences Segment).

# Historical Segment Data (Revised for Changes in Reporting Structure) - Cont'd

*On Assignment*

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Gross profit (\$ in thousands):</b>								
Apex <sup>1</sup>	\$ 8,069	\$ 35,804	\$ 65,701	\$ 65,394	\$ 63,981	\$ 72,912	\$ 78,854	\$ 78,864
Oxford <sup>2</sup>	29,779	33,925	34,028	34,302	34,815	37,122	36,825	38,586
Physician	7,499	7,718	8,370	7,868	7,483	7,640	7,382	8,109
Other <sup>3</sup>	4,770	4,062	4,114	4,490	3,832	3,658	4,149	4,194
Consolidated	\$ 50,117	\$ 81,509	\$ 112,213	\$ 112,054	\$ 110,111	\$ 121,332	\$ 127,210	\$ 129,753
<b>Gross margin:</b>								
Apex <sup>1</sup>	29.4%	28.5%	28.6%	27.9%	26.7%	27.8%	28.5%	28.1%
Oxford <sup>2</sup>	34.9%	35.7%	35.3%	34.8%	33.9%	34.0%	34.3%	37.0%
Physician	31.1%	30.8%	30.5%	30.2%	28.5%	28.9%	28.2%	30.2%
Other <sup>3</sup>	41.8%	38.4%	40.4%	44.5%	37.2%	37.0%	37.7%	37.1%
Consolidated	33.8%	31.8%	30.8%	30.3%	29.0%	29.7%	30.2%	30.6%
<b>Gross profit per staffing consultant:</b>								
Apex <sup>1,4</sup>	\$ 84,000	\$ 50,000	\$ 88,000	\$ 86,000	\$ 83,000	\$ 94,000	\$ 99,000	\$ 98,000
Oxford <sup>2</sup>	58,000	64,000	63,000	60,000	62,000	65,000	63,000	58,000
Physician	79,000	79,000	82,000	73,000	70,000	77,000	79,000	77,000
Other <sup>3</sup>	81,000	73,000	73,000	76,000	65,000	53,000	66,000	71,000
Consolidated	66,000	58,000	78,000	75,000	73,000	80,000	83,000	80,000

The tables above reflect the retrospective restatement to (i) exclude the results of Nurse Travel and Allied Healthcare, which were sold in 2013 and are reported as discontinued operations and (ii) present the data according to new reporting scheme following the operational realignment that occurred in the first quarter of 2014. The changes to the reporting segment were to move (i) Lab Support U.S. (formerly part of the Life Sciences Segment) to Apex Systems and (ii) Clinical Research (formerly part of the Life Sciences Segment) to Oxford and report the European operations of Life Sciences as Other.

<sup>1</sup> Apex Segment is comprised of Apex Systems and Lab Support U.S. (formerly part of the Life Sciences Segment). Apex Systems was acquired on May 15, 2012 and its results are included from the date of acquisition.

<sup>2</sup> Oxford Segment is comprised of Oxford, the Health Information Management division (formerly part of the Healthcare Segment), the Clinical Research division (formerly part of the Life Sciences Segment) and CyberCoders, which was acquired in December 2013 and included from the date of acquisition.

<sup>3</sup> Other is the European operations of Life Sciences (formerly part of the Life Sciences Segment).

<sup>4</sup> Data for the 2nd quarter of 2012 are calculated using reported results that include Apex Systems from the date of acquisition (May 15, 2012) through the end of the period. Pro forma gross profit per staffing consultant, which assumes Apex Systems was acquired at the beginning of the quarter, was \$87,000 for the Apex Segment and \$77,000 on a consolidated basis.

# Historical Segment Data (Revised for Changes in Reporting Structure) - Cont'd

*On Assignment*

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contract professionals (total)	3,973	10,408	10,705	10,760	10,834	11,199	11,763	12,363
Average number of staffing consultants:								
Apex <sup>1</sup>	96	723	747	763	772	777	796	805
Oxford <sup>2</sup>	514	526	539	574	565	572	580	660
Physician	95	98	103	108	107	100	93	106
Other <sup>3</sup>	59	56	56	59	59	69	63	59
Consolidated	764	1,403	1,445	1,504	1,503	1,518	1,532	1,630
Average number of customers:								
Apex <sup>1</sup>	733	1,320	1,346	1,358	1,312	1,331	1,345	1,381
Oxford <sup>2</sup>	708	736	741	742	747	770	757	892
Physician	175	186	194	180	173	177	188	214
Other <sup>3</sup>	161	154	161	153	144	147	148	156
Consolidated	1,777	2,396	2,442	2,433	2,376	2,425	2,438	2,643
Top 10 customers as a percentage of revenues:								
Apex <sup>1,4</sup>	22.1%	29.4%	29.2%	30.4%	29.7%	30.3%	35.1%	31.1%
Oxford <sup>2</sup>	14.5%	15.2%	14.2%	14.5%	15.5%	18.9%	17.2%	14.6%
Physician	22.0%	19.8%	19.2%	22.1%	21.6%	22.3%	21.4%	20.9%
Other <sup>3</sup>	50.9%	57.1%	50.1%	55.8%	54.4%	62.8%	55.0%	54.3%
Consolidated	10.4%	18.9%	18.8%	19.9%	19.1%	19.8%	20.5%	20.6%
Average bill rate:								
Apex <sup>1</sup>	\$ 30.13	\$ 53.06	\$ 53.06	\$ 52.80	\$ 53.59	\$ 54.26	\$ 54.10	\$ 53.41
Oxford <sup>2</sup>	112.85	114.53	113.73	116.25	117.67	118.25	116.80	113.75
Physician	175.63	175.11	181.59	184.57	185.92	183.95	182.71	186.44
Other <sup>3</sup>	52.10	52.95	52.46	53.90	53.95	53.57	51.68	51.91
Consolidated	67.82	64.82	65.23	65.32	65.89	66.54	65.29	64.11

The tables above reflect the retrospective restatement to (i) exclude the results of Nurse Travel and Allied Healthcare, which were sold in 2013 and are reported as discontinued operations and (ii) present the data according to new reporting scheme following the operational realignment that occurred in the first quarter of 2014. The changes to the reporting segment were to move (i) Lab Support U.S. (formerly part of the Life Sciences Segment) to Apex Systems and (ii) Clinical Research (formerly part of the Life Sciences Segment) to Oxford and report the European operations of Life Sciences as Other.

<sup>1</sup> Apex Segment is comprised of Apex Systems and Lab Support U.S. (formerly part of the Life Sciences Segment). Apex Systems was acquired on May 15, 2012 and its results are included from the date of acquisition.

<sup>2</sup> Oxford Segment is comprised of Oxford, the Health Information Management division (formerly part of the Healthcare Segment), the Clinical Research division (formerly part of the Life Sciences Segment) and CyberCoders, which was acquired in December 2013 and included from the date of acquisition.

<sup>3</sup> Other is the European operations of Life Sciences (formerly part of the Life Sciences Segment).

<sup>4</sup> Data for the 2nd quarter of 2012 are on a pro forma basis as if Apex Systems was acquired at the beginning of the quarter.

# Adjusted Income from Continuing Operations & Related per Share Amounts for 2013

*On Assignment*

(\$ in thousands, except per share amounts)	Q1	Q2	Q3	Q4	Full Year
<b>Income from Continuing Operations - GAAP Basis<sup>1</sup></b>	<b>\$ 10,216</b>	<b>\$ 7,243</b>	<b>\$ 19,471</b>	<b>\$ 17,425</b>	<b>\$ 54,355</b>
<b>Add-backs for:</b>					
Write-off of loan costs related to refinancing, net of income taxes	-	9,181	-	-	9,181
Acquisition-related expenses, net of income taxes	93	143	159	1,296	1,691
Strategic planning expenses, net of income taxes	281	249	152	246	928
<b>Non-GAAP Income from Continuing Operations</b>	<b>10,590</b>	<b>16,816</b>	<b>19,782</b>	<b>18,967</b>	<b>66,155</b>
<b>Adjustments to Calculate Adjusted Income from Continuing Operations:</b>					
<b>Add-back for--</b>					
Amortization of identifiable intangible assets <sup>2</sup>	5,379	5,275	5,199	5,898	21,751
Cash income tax savings on amortization of indefinite-lived intangible assets (Goodwill & Trademarks) <sup>3</sup>	3,850	3,850	3,850	4,015	15,565
<b>Deductions for--</b>					
Estimated excess of capital expenditures over depreciation, net-of-tax	(1,050)	(1,050)	(1,050)	(1,050)	(4,200)
Income taxes on amortization for GAAP purposes not deductible for income tax purposes <sup>4</sup>	-	-	-	(347)	(347)
<b>Adjusted Income from Continuing Operations (non-GAAP measurement)</b>	<b>\$ 18,769</b>	<b>\$ 24,891</b>	<b>\$ 27,781</b>	<b>\$ 27,483</b>	<b>\$ 98,924</b>
<b>Income from Continuing Operations per Diluted Share:</b>					
<b>GAAP Basis</b>	<b>\$ 0.19</b>	<b>\$ 0.13</b>	<b>\$ 0.36</b>	<b>\$ 0.32</b>	<b>\$ 1.00</b>
<b>Non-GAAP</b>	<b>\$ 0.20</b>	<b>\$ 0.31</b>	<b>\$ 0.36</b>	<b>\$ 0.35</b>	<b>\$ 1.21</b>
<b>Adjusted (non-GAAP measurement)</b>	<b>\$ 0.35</b>	<b>\$ 0.46</b>	<b>\$ 0.51</b>	<b>\$ 0.50</b>	<b>\$ 1.81</b>

<sup>1</sup> Historical results on a GAAP basis have been retroactively restated to exclude from continuing operations the results of Nurse Travel and Allied Healthcare, which were sold in 2013.

<sup>2</sup> Amortization of identifiable intangible assets (e.g., customer/contractor relationships, non-compete agreements, etc.) related to acquired businesses.

<sup>3</sup> Income tax benefits (using a 39 percent marginal tax rate) from amortization for income tax purposes of indefinite-lived assets (Goodwill & Trademarks) on acquisitions that the Company obtained a full tax-basis step up in the assets acquired. For income tax purposes, these assets are amortized on a straight-line basis over 15 years. For financial reporting purposes, these assets are not amortized and a deferred tax provision is recorded that fully offsets the cash tax benefit in the determination of net income.

<sup>4</sup> Income taxes (using a 39 percent marginal rate) on the portion of amortization of intangible assets that are non-deductible for income tax purposes (amortization related to CyberCoders, which is not deductible for tax purposes).

# Adjusted Income from Continuing Operations & Related per Share Amounts for 2012

*On Assignment*

(\$ in thousands, except per share amounts)	Q1	Q2	Q3	Q4	Full Year
<b>Income from Continuing Operations - GAAP Basis<sup>1</sup></b>	<b>\$ 4,791</b>	<b>\$ 5,586</b>	<b>\$ 14,078</b>	<b>\$ 12,004</b>	<b>\$ 36,459</b>
<b>Add-backs for:</b>					
Write-off of loan costs related to refinancing, net of income taxes	-	701	-	-	701
Acquisition-related expenses, net of income taxes	1,451	3,788	649	(56)	5,832
Strategic planning expenses, net of income taxes	-	-	-	-	-
<b>Non-GAAP Income from Continuing Operations</b>	<b>6,242</b>	<b>10,075</b>	<b>14,727</b>	<b>11,948</b>	<b>42,992</b>
<b>Adjustments to Calculate Adjusted Income from Continuing Operations:</b>					
<b>Add-back for--</b>					
Amortization of identifiable intangible assets <sup>2</sup>	634	3,884	6,679	6,819	18,016
Cash income tax savings on amortization of indefinite-lived intangible assets (Goodwill & Trademarks) <sup>3</sup>	1,151	2,496	3,850	3,850	11,347
<b>Deductions for--</b>					
Estimated excess of capital expenditures over depreciation, net-of-tax	(453)	(2,150)	(1,188)	(1,019)	(4,810)
Income taxes on amortization for GAAP purposes not deductible for income tax purposes <sup>4</sup>	-	-	-	-	-
<b>Adjusted Income from Continuing Operations (non-GAAP measurement)</b>	<b>\$ 7,574</b>	<b>\$ 14,305</b>	<b>\$ 24,068</b>	<b>\$ 21,598</b>	<b>\$ 67,544</b>
<b>Income from Continuing Operations per Diluted Share:</b>					
<b>GAAP Basis</b>	<b>\$ 0.13</b>	<b>\$ 0.12</b>	<b>\$ 0.26</b>	<b>\$ 0.22</b>	<b>\$ 0.76</b>
<b>Non-GAAP</b>	<b>\$ 0.16</b>	<b>\$ 0.22</b>	<b>\$ 0.28</b>	<b>\$ 0.22</b>	<b>\$ 0.90</b>
<b>Adjusted (non-GAAP measurement)</b>	<b>\$ 0.20</b>	<b>\$ 0.31</b>	<b>\$ 0.45</b>	<b>\$ 0.40</b>	<b>\$ 1.41</b>

<sup>1</sup> Historical results on a GAAP basis have been retroactively restated to exclude from continuing operations the results of Nurse Travel and Allied Healthcare, which were sold in 2013.

<sup>2</sup> Amortization of identifiable intangible assets (e.g., customer/contractor relationships, non-compete agreements, etc.) related to acquired businesses.

<sup>3</sup> Income tax benefits (using a 39 percent marginal tax rate) from amortization for income tax purposes of indefinite-lived assets (Goodwill & Trademarks) on acquisitions that the Company obtained a full tax-basis step up in the assets acquired. For income tax purposes, these assets are amortized on a straight-line basis over 15 years. For financial reporting purposes, these assets are not amortized and a deferred tax provision is recorded that fully offsets the cash tax benefit in the determination of net income.

<sup>4</sup> Income taxes (using a 39 percent marginal rate) on the portion of amortization of intangible assets that are non-deductible for income tax purposes (amortization related to CyberCoders, which is not deductible for tax purposes).