



# On Assignment

## **Investor Update**

January 12, 2017

**Peter Dameris**  
CEO

# Safe Harbor

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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, 2015, as filed with the SEC on February 29, 2016 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, as filed with the SEC on November 8, 2016. We specifically disclaim any intention or duty to update any forward-looking statements contained in this presentation.

# Key Investment Highlights

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STAFFING IN STEP WITH  
**THE FUTURE**



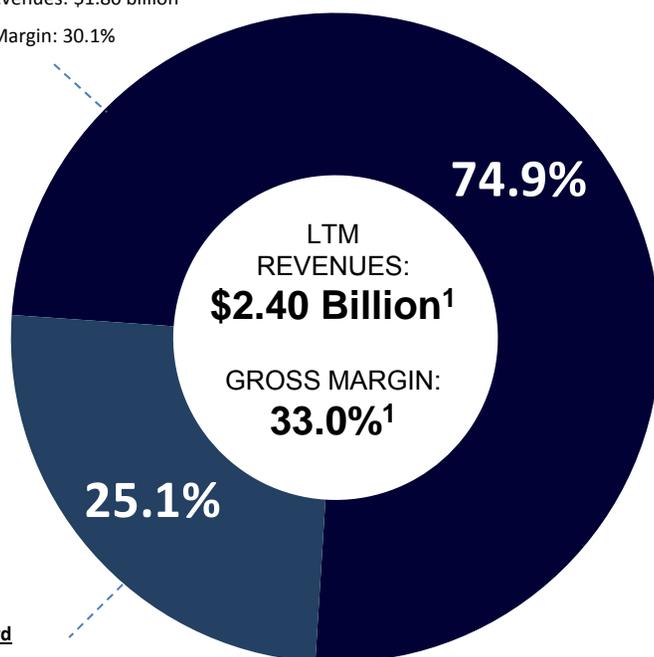
- Large and Growing Provider of Professional Staffing Services
- Strategically Positioned to Capitalize on Secular Shift in Professional Staffing and the Convergence of IT and Digital/Creative Skill Sets
- Differentiated Platform Featuring High-end and Mission Critical Skill Sets
- Established Footprint with Significant Scale
- Experienced Management Team with a Proven Track Record to Execute On Assignment's Growth
- Attractive Financial Characteristics – Strong Operating Margins and Substantial Free Cash Flow Generation

# Large and Growing Provider of Professional Staffing Services

## Apex

LTM Revenues: \$1.80 billion

Gross Margin: 30.1%



## Oxford

LTM Revenues: \$602 million

Gross Margin: 41.5%

## Broad Capabilities

- One of the largest professional staffing companies in the U.S.
- \$2.40 billion LTM revenues<sup>1</sup>
- Approximately 19,000 contract professionals at ~4,600 clients<sup>2</sup>
- Focused on placing professionals with higher-end math, science and digital/creative skills

## Established Footprint

- Approximately 2,400 staffing consultants in approximately 155 branch offices in North America and Europe
- Delivers fast, quality sales and fulfillment services

## Large and Growing End Markets

- Staffing industry revenues projected to be \$145 billion in 2017<sup>3</sup>
- Participates in the most attractive sub-segments of staffing: IT, Engineering, Life Sciences and Digital/Creative
- 2nd largest U.S. professional IT staffing firm
- 2nd largest digital/creative staffing firm in the U.S.

## Attractive Business Model

- One of the highest gross margins in the industry – 33.0%<sup>1</sup>
- High operating efficiency

<sup>1</sup> LTM as of September 30, 2016.

<sup>2</sup> As of Q3 2016.

<sup>3</sup> Staffing Industry Analysts Insight: Staffing Industry Forecast (September 2016).

# Secular Shift in Professional Staffing

## Growth Drivers

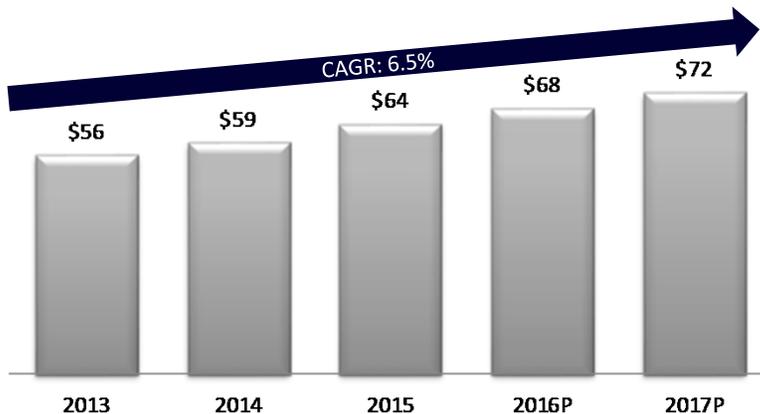
- Variable cost structure provides potential cost savings and staff flexibility
- Technology is increasingly embedded in business
- Aging U.S. population may constrain workforce supply
- Immigration reform would drive demand for domestic labor
- Companies are utilizing temporary labor as a large percentage of their workforce

## Structural Change Toward Professional Staffing

- Driven in part by IT staffing (the largest)
- Rapid rate of technological change driving companies to flexible workforces
- Increasing scarcity of math & science skills and new graduates
- Specialized expertise eliminates the need for training for long lead times to reach full productivity

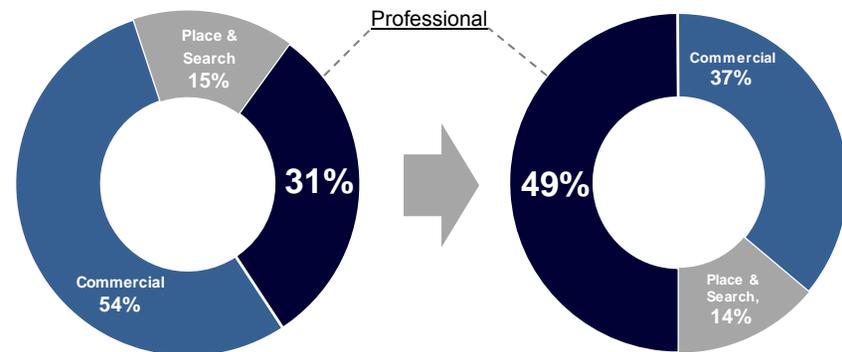
## Professional Staffing Industry Revenue

(Dollars in billions)

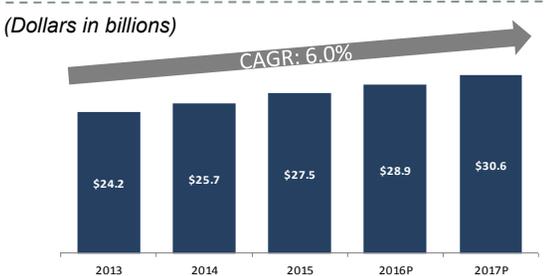
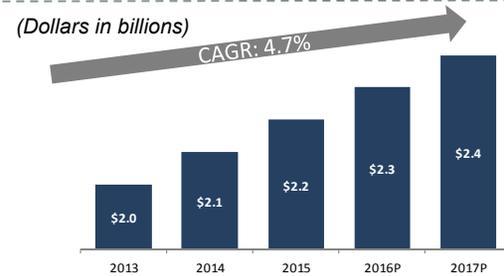


## Commercial vs. Professional Staffing Trend

Staffing Industry Revenues:



# Market Overview

	Information Technology	Clinical/Scientific	Digital/Creative																														
Description	<ul style="list-style-type: none"> <li>IT staffing involves providing temporary professionals and placing full-time employees in areas ranging from multiple platform systems integration to end-user support, including specialists in programming, networking systems integration, database design and help desk support</li> </ul>	<ul style="list-style-type: none"> <li>Scientific professionals assist clients in the life sciences industries with research and development, production, quality control assurance, regulatory affairs and compliance, engineering, consumer testing and clinical research</li> </ul>	<ul style="list-style-type: none"> <li>Digital/Creative professionals assist both creative agencies and marketing departments with their digital, marketing, advertising and creative needs</li> </ul>																														
Projected Market Size & Growth <sup>1</sup>	<p>(Dollars in billions)</p>  <table border="1"> <caption>IT Market Size (Dollars in billions)</caption> <thead> <tr> <th>Year</th> <th>Market Size</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>\$24.2</td> </tr> <tr> <td>2014</td> <td>\$25.7</td> </tr> <tr> <td>2015</td> <td>\$27.5</td> </tr> <tr> <td>2016P</td> <td>\$28.9</td> </tr> <tr> <td>2017P</td> <td>\$30.6</td> </tr> </tbody> </table>	Year	Market Size	2013	\$24.2	2014	\$25.7	2015	\$27.5	2016P	\$28.9	2017P	\$30.6	<p>(Dollars in billions)</p>  <table border="1"> <caption>Clinical/Scientific Market Size (Dollars in billions)</caption> <thead> <tr> <th>Year</th> <th>Market Size</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>\$2.0</td> </tr> <tr> <td>2014</td> <td>\$2.1</td> </tr> <tr> <td>2015</td> <td>\$2.2</td> </tr> <tr> <td>2016P</td> <td>\$2.3</td> </tr> <tr> <td>2017P</td> <td>\$2.4</td> </tr> </tbody> </table>	Year	Market Size	2013	\$2.0	2014	\$2.1	2015	\$2.2	2016P	\$2.3	2017P	\$2.4	<table border="1"> <thead> <tr> <th>Growth Driver</th> <th>CAGR: 2016 - 2018</th> </tr> </thead> <tbody> <tr> <td>Marketing Spend &amp; Digital Growth</td> <td>6 – 8%</td> </tr> <tr> <td>Use of Contingent Labor</td> <td>2 – 4%</td> </tr> </tbody> </table>	Growth Driver	CAGR: 2016 - 2018	Marketing Spend & Digital Growth	6 – 8%	Use of Contingent Labor	2 – 4%
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Industry Dynamics	<ul style="list-style-type: none"> <li>IT is one of the fastest growth areas of staffing, fueled by:                             <ul style="list-style-type: none"> <li>The penetration of technology</li> <li>Rate for computer and mathematical temporary occupations expanding rapidly</li> <li>Cycle of current technical skills becoming obsolete and shortage of new technical skills becoming more acute</li> <li>Shorter development cycle</li> <li>IT is a priority for U.S. healthcare organizations</li> <li>Immigration reform and “political winds” driving trends toward onshore resources</li> </ul> </li> <li>Demand for senior-level IT and engineering consultants among the most robust in staffing</li> </ul>	<ul style="list-style-type: none"> <li>Highly fragmented; market dynamics favorable</li> <li>Middle markets, small/medium clients favor personalized service</li> <li>Clinical trials already in progress tend to carry through the length of assignments which can last several months or even years</li> <li>The industry is saturated with start-up companies with venture capital-backed funding that, in some cases, may have a need for the use of temporary help or “temp-to-perm” staffing models as a way of managing a flexible workforce</li> </ul>	<ul style="list-style-type: none"> <li>The rapid growth of digital / IT and interactive media has led the creative staffing industry to experience growth at rates far more robust than the broader staffing industry</li> <li>The market is highly fragmented with limited competitors of significant size or scale</li> <li>Strong growth in online advertising and the increasing importance of CMO and marketing departments with budgets for IT/digital spend is fueling demand for temporary digital/creative professionals</li> <li>Current estimated market size of \$8 billion, growing 8 – 12% per year (temporary staffing capturing \$2 billion of this market)<sup>2</sup></li> </ul>																														

<sup>1</sup> Staffing Industry Analysts (September 2016).

<sup>2</sup> 3<sup>rd</sup> party independent research.

# ASGN Operates in the Most Attractive End Markets

“With over 30 years in the staffing industry, our strong position as an experienced leader in technology, life sciences, and creative staffing is a key differentiator for On Assignment.”

•Peter T. Dameris  
•CEO

**ASGN Service Offerings**

**Apex:**

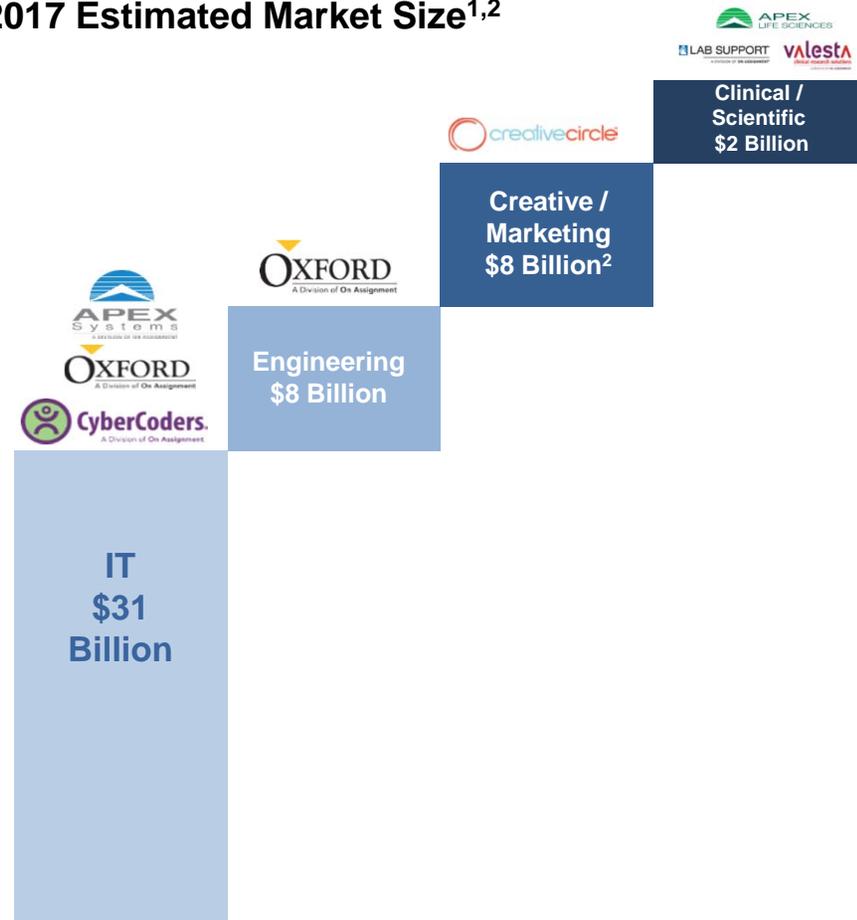
- IT
- Clinical / Scientific
- Digital / Creative

**Oxford:**

- IT
- Engineering
- Clinical / Scientific
- Perm Placement

• **SELECT PROFESSIONAL STAFFING INDUSTRY REVENUES**

2017 Estimated Market Size<sup>1,2</sup>



<sup>1</sup> Staffing Industry Analysts Insight: Staffing Industry Forecast (September 2016).

<sup>2</sup> 3<sup>rd</sup> party independent research.

# IT Growth Drivers

## HIGHLIGHTS

- Constant technology change and specialization
- Growth in IT spending
- Supply/demand imbalance for IT professionals
- Increasing compliance requirements in financial services and healthcare industries
- Immigration reform would drive demand for domestic labor
- Changing business model for resource use by CIO's

## EMERGING TRENDS

### 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 Digitalization



- 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

### Digital/Creative



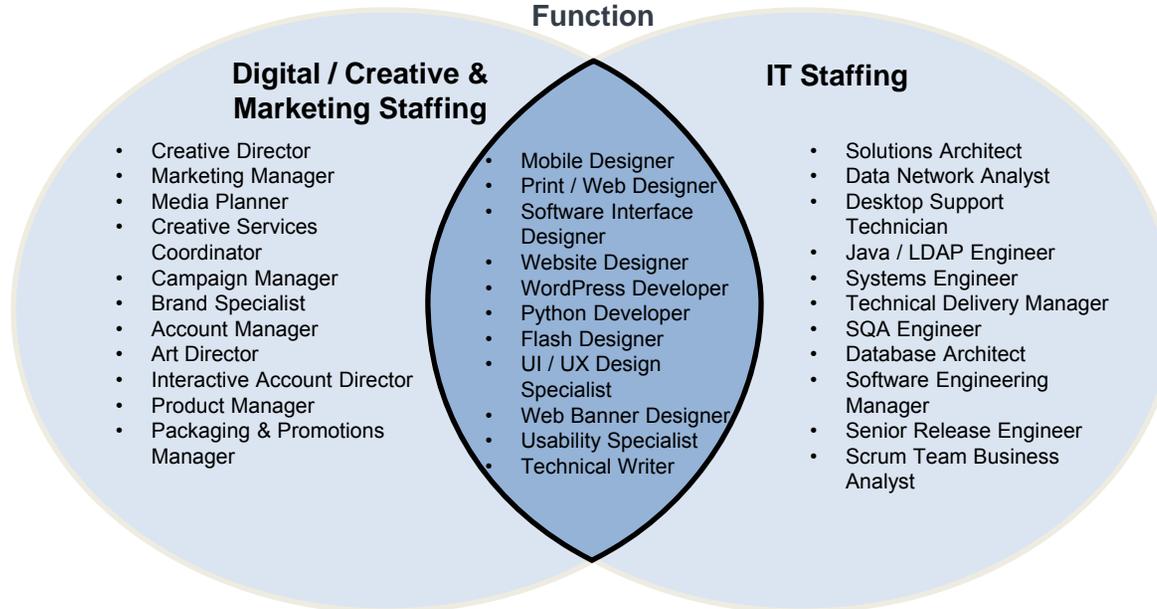
- Many marketing and creative functions require specific IT competencies
- Digital is the fastest growing segment of the market and an area where companies struggle to source talent

# Convergence of IT and Digital / Creative Staffing

## MARKET DYNAMICS

- Variable cost structure provides potential cost savings and staff flexibility
- Technology is increasingly embedded in business
- Aging U.S. population may constrain workforce supply
- Immigration reform would drive demand for domestic labor
- Companies are utilizing temporary labor as a large percentage of their workforce

### Sample Skill Specializations by Function



# The “Sharing Economy”

## Freelancers<sup>1</sup> are a significant & growing portion of U.S. workers

- 54 million people, representing 34% of the U.S. workforce
- From 2014 to 2015, the number of diversified workers has increased from 9.3 mm to 14.1 mm professionals, largely due to increased participation in the “sharing economy”

<b>Independent Contractors</b>	- <b>19.3 million people</b> - 36% of Freelancers	<i>Don't have an employer...do freelance, temporary, or supplemental work on a project-by-project basis</i>
<b>Moonlighters</b>	- <b>13.2 million people</b> - 25% of Freelancers	<i>Professionals with a primary, traditional job who also moonlight doing freelance work</i>
<b>Diversified workers</b>	- <b>14.1 million people</b> - 26% of Freelancers	<i>Multiple sources of income; mix of traditional and Freelance work</i>
<b>Temporary workers</b>	- <b>4.6 million people</b> - 8% of Freelancers	<i>Single employer, client, job, or contract project where employment is temporary</i>
<b>Freelance Business Owners</b>	- <b>2.5 million people</b> - 5% of Freelancers	<i>Business owners with 1-5 employees</i>

<sup>1</sup>Freelancers defined as individuals who have engaged in supplemental, temporary, project - or contract-based work within the past 12 months.  
Source: “Freelancing in America,” an online survey of 7,107 U.S. adults who have done paid work in the past 12 months. Commissioned by Freelancer’s Union and Upwork and conducted by independent research firm Edelman Berland from July 30 to August 14, 2015.

# Fractionalization of Human Capital: Staffing Firms vs. Independent Freelancers

By working with a trustworthy staffing firm, companies (buyers) can reduce time, cost and risk – and take advantage of top talent that meets all compliance requirements

## Advantages of utilizing staffing agencies

- Firms are best able to leverage the source of quality consultants with the skills, experience and pay rate that meets clients' needs
- Firms can ensure compliance with federal and state employment laws, thereby freeing clients from the risks associated with hiring contingent labor directly
  - Avoid employee misclassification and reduce the risk of lawsuits challenging the classification of a group of workers paid on a 1099 basis
- Enhance security by delivering vetted technical resources that can present reliable work backgrounds
- Savings:
  - Time. Firms hours cover finding consultants and screening them as well as processing payroll, benefits and taxes
  - Cost Reduction. Firms finance the bulk of recruitment processes and pay most fees for background checks

## 10-Year Plan: Buyers' plan for various types of labor force

	Net Increase- Decrease <sup>1</sup>
<b>High-skill contingent workers</b>	<b>54%</b>
<b>SOW, projected-based workers</b>	<b>43%</b>
Offshore workers	36%
Outsourced company functions	32%
<b>Agency temporary workers</b>	<b>21%</b>
Traditional full-time employees	17%
Part-time employees	13%
Online staffing workers	9%
Former employees	7%
<b>Independent contractors/Freelancers</b>	<b>-10%</b>
Low-skill contingent workers	-13%

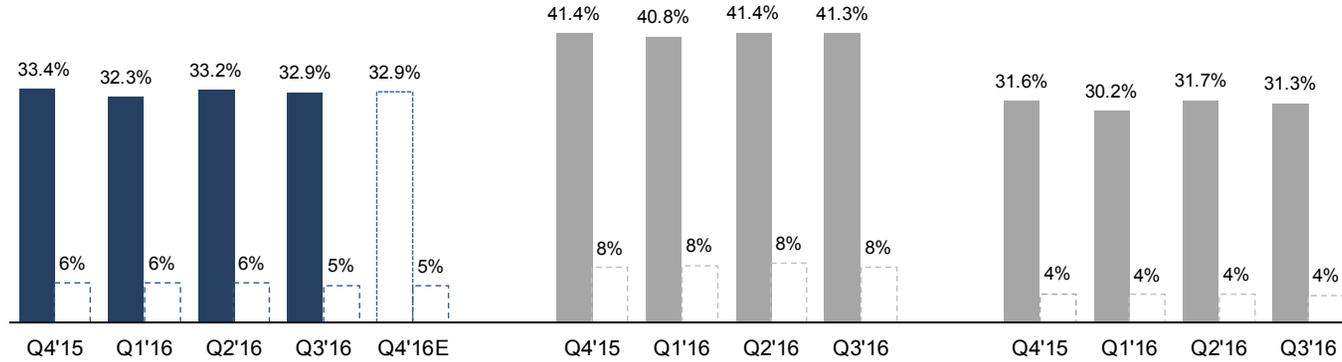
**N=145**

*"In two categories of labor – independent contractors/freelancers and low skilled contingent workers – more buyers planned to reduce usage than increase usage."*

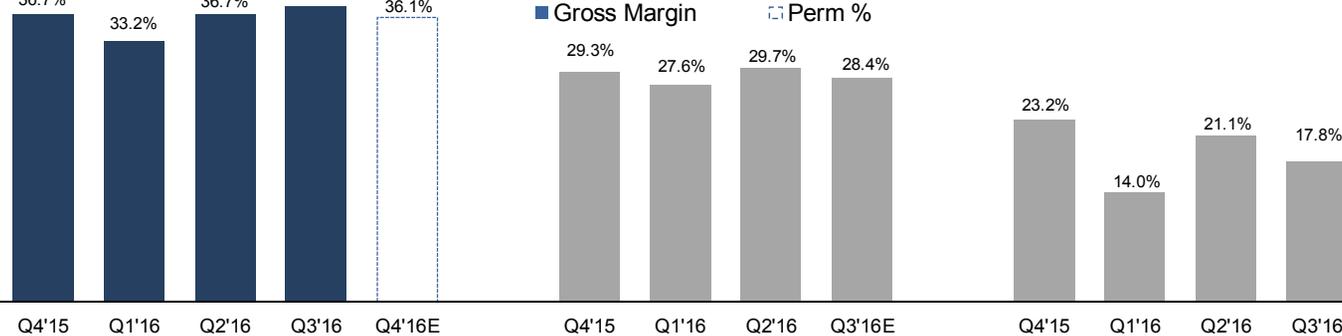
<sup>1</sup> Source: Staffing Industry Analysts; 2015 North America Contingent Buyers: All 2015 Reports & Cumulative Appendix of 2009 – 2014 Reports (December 10, 2015)

# High Margins & Conversion Rates

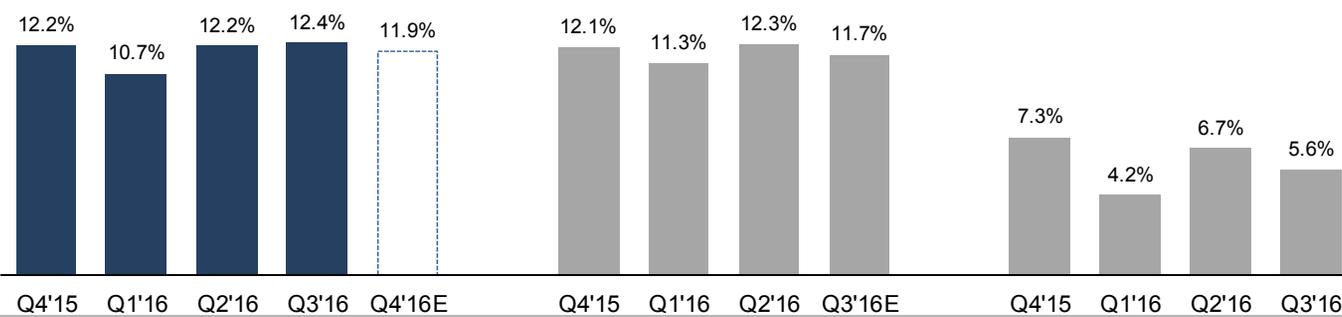
Gross Margin & Perm Placement (% of Revenues)



Conversion of Gross Profit into Adjusted EBITDA

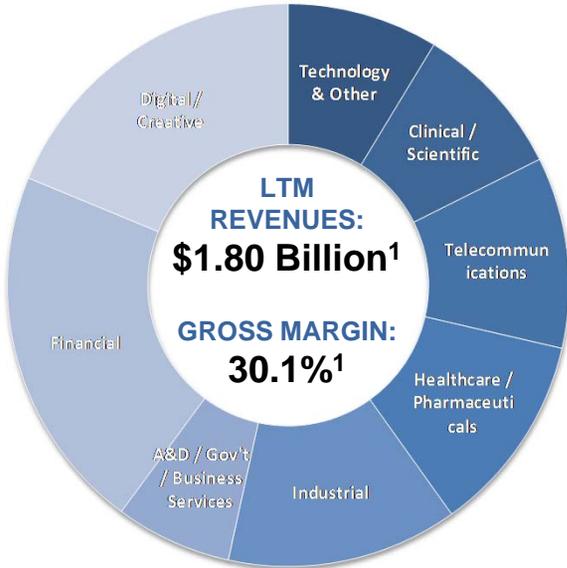


Adjusted EBITDA Margin



Source: Company management and company filings; ASGN Q4 estimate assumes high end of management guidance; Robert Half & Kforce results have been adjusted to exclude certain one-time items.

# Apex Overview



## SEGMENT KEY STATISTICS

<b>Average # of Customers:</b>	<b>3,530</b>
<b>Average Bill Rate:</b>	<b>\$56</b>
<b>Top 10 Customers as a % of Revenues:</b>	<b>25.3%</b>

## Geographic Footprint

**U.S. and Canada**



### Provides mission critical IT skill sets

- 100+ National Accounts with a presence in 65 markets
- Service clients in IT, business services, financials, healthcare, pharmaceuticals, government services, consumer industrials and telecommunications industries
- Approximately 10,500 contract professionals at ~800 clients
- Average bill rate of \$61 an hour



### Provides scientific skill sets

- Service clients in the biotechnology, pharmaceutical, food & beverage, medical devices, personal care, chemical, automotive, educational and environmental industries
- Approximately 2,300 contract professionals at ~700 clients
- Average bill rate of \$30 an hour

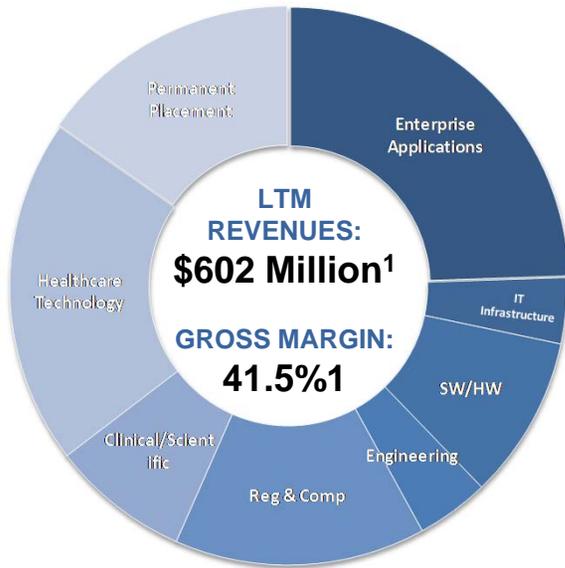


### Provides creative/digital professionals

- Supports creative and marketing departments for over 200 of the Fortune 1000 listed companies
- Large, attractive end markets; spans virtually all industries including retail, financial services, automotive, entertainment & leisure, and consumer
- Approximately 3,200 contract professionals at ~2,100 clients
- Average bill rate of \$62 an hour

<sup>1</sup> LTM as of September 30, 2016.

# Oxford Overview



## SEGMENT KEY STATISTICS

Average # of Customers:	<b>1,057</b>
Average Bill Rate:	<b>\$102</b>
Top 10 Customers as a % of Revenues:	<b>15.6%</b>

## Geographic Footprint

**U.S. and Europe**



**Provides high-end IT & engineering professionals**

- Minimal client and industry business concentration; no customer accounts for more than 3% of sales
- Significantly higher success rate filling engagements than competitors
- Average bill rate of \$121 per hour



**Provides permanent placement staffing**

- Dedicated perm placement practice with automated client generation, lead distribution, and candidate sourcing supported by global cloud solution
- 2.5 million opt-in recipients of job alerts
- 900,000 website visitors per month
- 200,000 web-based job applications received per month



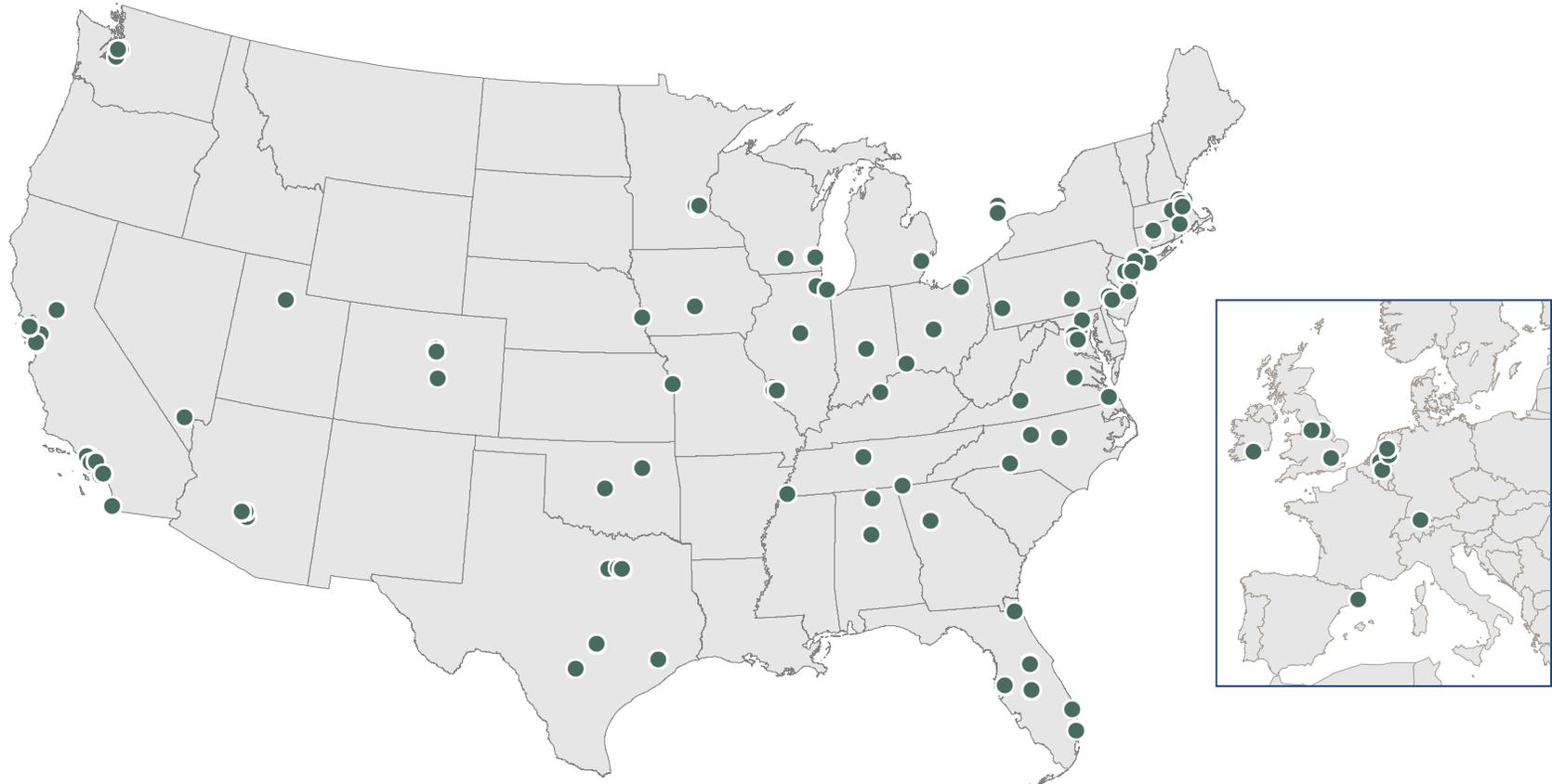
**Provides clinical & scientific skill sets in Europe**

- Chemists, clinical research associates, clinical lab assistants, engineers, biologists, biochemists, microbiologists, and other skilled scientific professionals
- European operations in the Netherlands, Belgium and U.K.
- Approximately 500 contract professionals at ~165 clients
- Average bill rate of \$46 an hour

<sup>1</sup> LTM as of September 30, 2016.

# Established Domestic Footprint With Significant Scale

***Our 2,403 staffing consultants in 155 branch offices provide staffing solutions for in-demand, skilled talent***



# On Assignment's Strategic Growth Opportunities

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## Secular Trends Favors On Assignment

- Aging U.S. population may constrain supply of available workforce
- On Assignment focuses on the highly-skilled component of the labor force, which companies typically find most difficult to fill/hire

## Numerous Areas of Opportunity for Incremental Revenues

- Information technology
- Scientific
- Digital/creative
- Permanent placement

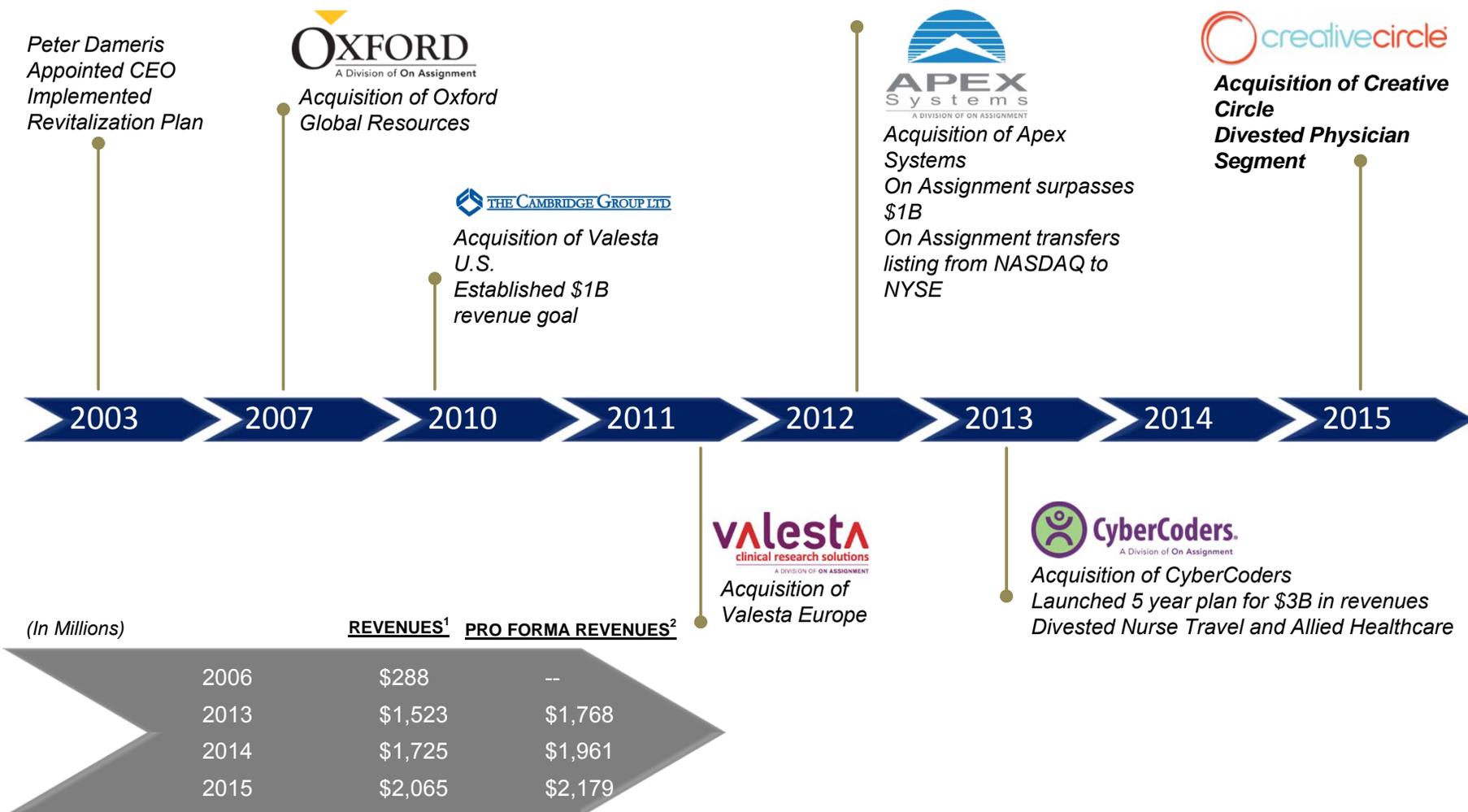
## Acquisition Environment Is Favorable

- On Assignment is well positioned to enhance its market position and/or capitalize on new capabilities / service offerings
- Low borrowing costs and quick deleveraging

## Significant Sources of EPS Leverage

- Revenue growth vs. fixed costs creates margin opportunity
- Strong cash flow generation provides liquidity for rapid deleveraging and executing acquisition strategies with internally generated cash
- Approximately \$33 million in annual cash tax savings<sup>1</sup>

# ASGN: A History of Persistent Growth



<sup>1</sup> Revenues as reported in the Company's Forms 10-K.

<sup>2</sup> Adjusted for the divestiture of the Physician Segment and pro forma for the acquisitions.

# Experienced Management Team

## A Proven Track Record to Execute On Assignment's Growth Strategy

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<b>Peter Dameris</b>	CEO	19 years in industry	13 years with ASGN
<b>Ted Hanson</b>	President, On Assignment	17 years in industry	5 years with ASGN
<b>Edward Pierce</b>	Executive VP & CFO	16 years CFO experience	10 years with ASGN
<b>James Brill</b>	Senior VP, CAO & Treasurer	24 years CFO experience	10 years with ASGN
<b>Rand Blazer</b>	President, Apex Systems	32 years in industry	5 years with ASGN

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*In our pursuit of "talent for the digital world™" On Assignment is positioned to continue as a highly respected and highly profitable organization. Our strategic advantage not only comes from our 30 years of experience and connections, but also from our unmatched ability to provide what companies need most, today and in the future – the right people, with the right skills.*

# Update on Five-Year Strategic Plan Financial Targets

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## Financial Targets for 2018 (final year of 5-Year Strategic Plan) published in March 2014

- **Revenues of \$3 billion (\$1.7 billion for 2013, the Base Year of the 5-Year Plan)**
  - Financial target implied 5-Year CAGR of 11.8 percent
  - Assumed year-over-year organic growth of 10 percent, and
  - Contribution of approximately \$240 million from future acquisitions
- **Gross margin of 31 to 32 percent (31.9 percent for 2013)**
  - Assumed shift in mix of revenues toward higher volume/lower gross margin business (i.e., higher growth in Apex Segment)
  - Compression in margin caused by shift in mix of revenues to be partially offset by higher mix of permanent placement revenues
- **Adjusted EBITDA margin of 11.5 to 12.5 percent (10.7 percent for 2013)**
  - Assumed a 2 percentage point reduction in cash SG&A expenses as a percent of revenues
  - Improvement assumed higher staffing consultant productivity, greater economies of scale & higher efficiency from integration/consolidation initiatives

## Progress through 2015 on 5-Year Plan

- **Revenues of \$2.2 billion (2-Year Pro Forma CAGR of 13.3 percent)**
  - Includes Creative Circle, which increased 2013 pro forma revenues \$174 million & improved annual growth rates & margins
  - Excludes Physician Segment (2013 revenues totaled \$106 million)
- **Gross Margin of 33.4 percent (140 basis points above the high-end of 2018 targeted range)**
- **Adjusted EBITDA margin of 12.1 percent (slightly above the mid-point of 2018 targeted range)**

## Update on Five-Year Strategic Plan Financial Targets - (cont'd)

### Financial Performance for 2016-18 necessary to achieve 2018 Targets

- **Achieve Revenue CAGR of 11.2 percent for 2016 – 2018 (inclusive)**
  - Growth mainly from organic revenue growth in current base of business
  - Any shortfall in 11.2 percent CAGR would need to be augmented by revenues from acquisitions to reach target (every half point variance in the CAGR is approximately \$40.0 million)
- **Maintain gross margins within 50 to 100 basis points of current operating level**
- **Maintain or lower cash SG&A expense margin from current level**

(\$ in millions)

	2018 Financial Targets <sup>1</sup>		Implied CAGR 2016-18 <sup>2,3</sup>		CAGR 2014-15 <sup>4</sup>
	Low	High	Low	High	
Revenues	\$3,000	\$3,000	11.2%		13.3%
Gross Profit	930	960	8.6%	9.7%	17.3%
Adjusted EBITDA	345	375	9.3%	12.4%	16.7%
<b>Gross Margin</b>	31.0% / 32.0%				
<b>Adjusted EBITDA Margin</b>	11.5% / 12.5%				
<b>Conversion of GP into Adj. EBITDA</b>	37.1% / 39.1%				

<sup>1</sup> Financial goals for 2018 as set forth in the 5-Year Strategic Plan (2018 was the final year of the 5-Year Plan).

<sup>2</sup> Implied annual growth rate for 2016, 2017 & 2018 (3-Year CAGR) to achieve the financial goals for 2018 set forth in 5-Year Strategic Plan.

<sup>3</sup> Each one-half percentage point variance from the implied CAGR for Revenues is approximately \$40.0 million.

<sup>4</sup> Calculated on a pro forma basis, which assumes the acquisition of Creative Circle and the sale of the Physician Segment occurred at beginning of 2013.

Pro forma revenues for 2013 totaled \$1.7 billion after adjustment to include \$174 million from Creative Circle (acquired in 2015) & to exclude \$106 million from Physician Segment (sold in 2014).

# Billable Days

	Q1	Q2	Q3	Q4	Full Year
<b>Business Days<sup>1</sup></b>					
2017	64.0	64.0	63.0	60.0	251.0
2016	64.0	64.0	64.0	61.0	253.0
2015	63.0	64.0	64.0	62.0	253.0
2017/16 Δ	0.0	0.0	-1.0	-1.0	-2.0
2016/15 Δ	1.0	0.0	0.0	-1.0	0.0
<b>Billable Days<sup>2</sup></b>					
2017 Est.	63.0	63.8	62.6	60.0	249.4
2016 Est.	63.3	63.9	63.1	60.0	250.4
2015	62.1	63.6	63.9	61.5	251.0
2017/16 Δ	-0.3	-0.1	-0.5	0.0	-1.0
2016/15 Δ	1.3	0.3	-0.7	-1.5	-0.7

1. *Observable holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, day after Thanksgiving and Christmas.*
2. *Besides weekends and holidays, Billable Days consider other factors, such as the day of the week a holiday occurs, additional time taken off holidays, year-end client furloughs and inclement weather*

# Financials

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# Summary Operating Results

(In thousands, except per share amounts)

	As Reported		
	Q3		
	2016	2015	Y-Y Chg.
<b>Revenues:</b>			
Apex	\$ 473,546	\$ 422,632	12.0%
Oxford	155,855	149,491	4.3%
	<b>629,401</b>	<b>572,123</b>	<b>10.0%</b>
<b>Consolidated Gross Margin</b>	<b>32.9%</b>	<b>33.5%</b>	<b>-0.5%</b>
<b>EPS (Diluted):</b>			
From Continuing Operations (Non-GAAP) <sup>1</sup>	\$ 0.57	\$ 0.50	14.6%
As Adjusted <sup>2,3</sup>	\$ 0.74	\$ 0.70	5.7%
<b>Adjusted EBITDA</b>	<b>\$ 77,765</b>	<b>\$ 74,914</b>	<b>3.8%</b>
<b>Adjusted EBITDA Margin</b>	<b>12.4%</b>	<b>13.1%</b>	<b>-0.7%</b>

<sup>1</sup> EPS on GAAP basis is adjusted to exclude (i) the write-off of loan costs related to refinancing of the credit facility and (ii) acquisition, integration and strategic planning expenses.

<sup>2</sup> Adjusted EPS, a non-GAAP measurement, is calculated by adjusting GAAP EPS for (i) after-tax acquisition, strategic planning and integration expenses and (ii) amortization of identifiable intangible assets.

<sup>3</sup> Does not include the "Cash Tax Savings on Indefinite-lived Intangible Assets." These savings total \$6.7 million each quarter, or \$0.12 per diluted share, and represent the economic value of the tax deduction that we receive from the amortization of goodwill trademarks.

# Selected Cash Flow and Balance Sheet Data

(\$'s in millions)

## Cash Flows Data:

	LTM	
	9/30/2016	12/31/2015
Adjusted EBITDA	\$ 285.1	\$ 240.4
Cash Flows from Operating Activities	170.5	117.5
Capital Expenditures	27.1	24.7
Free Cash Flow	143.5	92.8
Free Cash Flow as a % of Adjusted EBITDA	50.3%	38.6%
Debt Repayment <sup>1</sup>	129.0	101.0
Cash Paid to Repurchase Shares	21.5	1.6

## Balance Sheet Data:

	September 30,	December 31,
	2016	2015
Cash and Cash Equivalents	\$ 17.0	\$ 23.9
Working Capital	260.4	253.9
Long-term Debt <sup>2</sup>	658.6	755.5
Shareholders' Equity	861.2	784.8
Leverage Ratio ( <i>debt to trailing 12-months EBITDA</i> )	2.38x	3.02x

<sup>1</sup> Net debt payments made since entering into a new \$975 million credit facility.

<sup>2</sup> Long-term debt is net of unamortized deferred loan costs.

# Management Financial Estimates for Q4 2016

(In millions, except per share amounts)

	Low	-	High
<b>Revenues</b>	\$608.0	-	\$618.0
<i>Growth Rate</i> <sup>1</sup>	5.3%	-	7.0%
<b>Gross Margin</b>	32.6%	-	32.9%
<b>SG&amp;A Expenses</b> <sup>2</sup>	\$140.1	-	\$142.1
<b>Amortization of Intangible Assets</b>		\$9.7	
<b>Net Income:</b>			
GAAP	\$25.4	-	\$27.3
Adjusted <sup>3</sup>	\$34.8	-	\$36.7
<b>EPS (Diluted):</b>			
GAAP	\$0.47	-	\$0.51
Adjusted <sup>3</sup>	\$0.65	-	\$0.69
<b>Adjusted EBITDA</b> <sup>4</sup>	\$70.5	-	\$73.5
<b>Diluted Shares</b>		53.6	

<sup>1</sup> Growth rate based on revenues for Q4 2015.

<sup>2</sup> These estimates do not include any acquisition, integration or strategic planning costs.

<sup>3</sup> Adjusted Net Income, a non-GAAP financial measure, is defined as net income adjusted for, (i) acquisition, integration and strategic planning expenses and (ii) amortization of identifiable intangible assets.

<sup>4</sup> Adjusted EBITDA, a non-GAAP financial measure, is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for, among other things, (i) equity-based compensation expense and (ii) acquisition, integration and strategic planning expenses.

# Adjusted EPS Estimates for Q4 2016

(In millions, except per share amounts)

	<u>Low</u>	<u>High</u>
Net Income - GAAP Basis <sup>1</sup>	\$ 25.4	\$ 27.3
<u>Add-backs:</u>		
Amortization of identifiable intangible assets <sup>2</sup>	9.7	9.7
<u>Deductions:</u>		
Income taxes on amortization for financial reporting purposes not deductible for income tax purposes <sup>3</sup>	(0.3)	(0.3)
<b>Net Income - As Adjusted<sup>4</sup></b>	<b><u>\$ 34.8</u></b>	<b><u>\$ 36.7</u></b>
Earnings Per Share (Diluted):		
GAAP Basis	\$ 0.47	\$ 0.51
<b>As Adjusted<sup>4</sup></b>	<b><u>\$ 0.65</u></b>	<b><u>\$ 0.69</u></b>

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

1. These estimates do not include acquisition, integration, or strategic planning expenses.
2. Amortization of identifiable intangible assets (e.g., customer/contractor relationships, non-compete agreements, etc.) related to the acquired businesses.
3. Income taxes (assuming a 39 percent marginal rate) on the portion of amortization of identifiable intangible assets that 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).
4. Does not include the "Cash Tax Savings on Indefinite-lived Intangible Assets." These savings total \$6.7 million each quarter, or \$0.12 per diluted share, and represent the economic value of the tax deduction that we receive from the amortization of goodwill and trademarks.

# Potential Tax Reform

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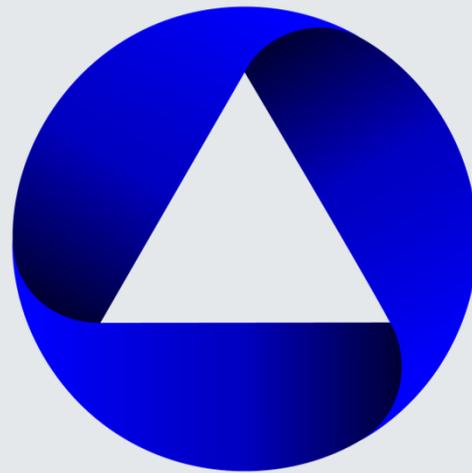
**Corporate tax reform is a high legislative priority of the new Administration & Republican Congress**

## **Significant Potential Corporate Tax Reform Proposals**

- Reduce federal corporate income tax rate from 35 percent to 15 to 20 percent
- Mandatory 10 percent “deemed” repatriation tax on accumulated foreign earnings
- Eliminate business credits except for the R&D credit

## **Potential Effect on ASGN**

- Reduce our effective tax rate 13 to 18 percentage points
  - Increase GAAP Net Income 22 to 30 percent (actual benefit would depend level of pre-tax earnings)
  - Reduce annual economic value of cash tax shield (tax amortization of Goodwill & Trademarks) to \$17.0 million (\$0.32 per share) from \$26.5 million (\$0.49 per share)
  - Eliminate benefit of the WOTC (\$1.3 million benefit in 2016)
  - Immediate tax on accumulated foreign earnings to the extent the revised US rate is higher than the foreign tax rate (effect should be minimal as the tax rate differential between the US and foreign rates should be insignificant)
- Reduction in net deferred tax liabilities once new rates are implemented
  - Estimated net liability balance at 12/31/16 of \$72 million would be reduced \$26 to \$35 million
  - Reduction would reduce the provision for income taxes and increase Net Income
- Assuming \$160 million in pre-tax accounting income (estimate for 2016), rate reduction would lower income tax provision and increase Net Income by \$21 to \$29 million, or \$0.39 to \$0.54 per diluted share (does not include the benefit from the reduction in the deferred tax liabilities noted above)



**Thank You**