

A man in a dark suit stands with his back to the camera, looking out a large window at a city skyline. The scene is bathed in warm, golden light, suggesting sunrise or sunset. The city features numerous skyscrapers and modern buildings.

# Acquisition of ECS Federal, LLC

**January 31, 2018**

**Peter Dameris, Chief Executive Officer  
Ed Pierce, Chief Financial Officer**

# 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 anticipated future financial and operating performances of On Assignment, Inc. (the “Company”). 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 or guarantees: (i) that a potential transaction with ECS Federal, LLC would occur; (ii) what the final terms related to such a potential transaction would be; (iii) that the assumptions made in determining the value of the transaction would be realized; or (iv) that the Company would be able to finance the potential transaction per the terms set forth in the presentation below. Further, 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, 2016, as filed with the SEC on March 1, 2017 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, as filed with the SEC on November 8, 2017. We specifically disclaim any intention or duty to update any forward-looking statements contained in this presentation.

# Transaction Overview

## **On Assignment to acquire ECS Federal, LLC, one of the largest privately held government services contractors, for \$775 million in cash**

- Transformative transaction combines two leading human capital providers to offer clients a more integrated suite of IT and professional services solutions and positions the combined company to compete directly with end-to-end IT services providers
- On Assignment has secured committed financing from Wells Fargo to complete the acquisition
  - \$200 million 5-year revolver and \$1.4 billion term B loan; On Assignment expects to execute a portion of the financing via an amendment to its existing facilities
  - Estimated leverage at close of 3.7x
- Transaction will be an asset acquisition with a tax basis step-up
  - Cash tax savings estimated to be approximately \$12 million per year for 15 years
- Expected to be immediately accretive to Adjusted EPS
- Transaction is expected to close in April 2018
  - Standard closing conditions including HSR approval
- ECS is a strategic platform for On Assignment and will operate under the ECS brand post-transaction
  - The current ECS leadership team will continue to oversee the day-to-day operations of the business

# Attractive Business & Financial Model

**ECS is positioned at the forefront of high-end capabilities – providing next generation, mission critical technology solutions to the U.S. Federal Government**

- ECS' solutions address complex technology challenges including Cyber Security, Data Analytics, Artificial Intelligence and Cloud Integration
- ECS maintains partnerships with the world's leading cyber and cloud technology organizations, bringing high-end, mission critical technology solutions that address multi-faceted challenges and has garnered certified experience in the Federal space

**Attractive business model with industry-leading organic growth and revenue visibility**

- Revenue is derived from a mix of firm-fixed-price, time and materials and cost-plus contracts, with ~68% from defense agencies, ~27% from civilian agencies and ~5% from commercial customers
- ECS' reliable customers are excellent payers, typically with no bad debt expense and high cash conversion, providing predictable revenue and cash flow
- Long-term contracts provide significant revenue and profitability visibility. ECS has a current backlog of \$1.6 billion

# Compelling Strategic Combination

**ECS provides a comprehensive platform to expand into the broader IT services market and is aligned to robust and growing areas of the federal budget**

- Improving outlook for increased spending in defense and not operating under continuing resolutions
- Government revenue base tends to be more resistant to downturns, especially in the areas ECS focuses on, mitigating On Assignment's risk during a correction in the economy
- Past performance and certifications allow for bids on large, complex, competitive long-term contracts as well as the ability to capture limited competition procurements, providing ample room for growth
- Strong platform in a highly fragmented market with a number of extremely small players

**ECS' capabilities complement and elevate On Assignment's highly technical IT offerings**

- Diversifies On Assignment's client base into the large and attractive federal government end market
- Adds talented workforce with over ~1,500 cleared employees with deep technical and domain expertise that reinforce On Assignment's positioning as a "premium" human capital provider
- Combination with On Assignment enhances ECS' long-term expansion strategy into the private sector as well as other areas of the federal government, such as intelligence and homeland security

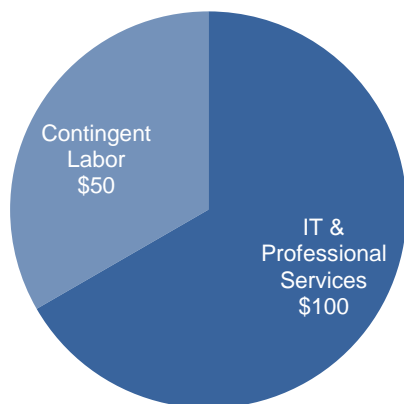
# ECS Significantly Expands Addressable Market

## Entry into Federal IT and professional services demonstrates On Assignment's commitment to executing domestic, non-commodity technology services opportunities

- Provides On Assignment with access to the ~\$129 billion Federal IT and professional services sector
- The Federal IT & Professional Services sector consists of both Civilian and Defense and is estimated to be \$65 and \$64 billion, respectively in 2018 and is larger than On Assignment's markets
- Nearly doubles On Assignment's addressable market to \$279 billion and ECS' highly specialized skill sets reinforce the Company's positioning as a premium human capital provider and complements its highly technical IT offerings

### Current Addressable Market

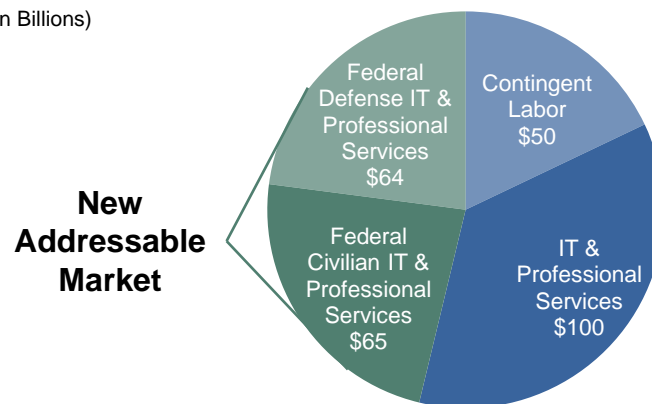
(\$ in Billions)



**TAM: \$150 Billion**

### Pro Forma Addressable Market

(\$ in Billions)



**TAM: \$279 Billion**

Note: Staffing includes the IT/Engineering, Creative/Marketing and Clinical/Scientific markets  
Source: Staffing Industry Analysts (September 2017), IBIS World, AdAge and third party independent research

# ECS Capabilities Align Well With Federal Priorities

ECS has a meaningful presence in priority growth markets with differentiated expertise

Federal IT Market	Growth <sup>1</sup>	ECS 2017E Revenue <sup>2</sup>	Key Customers		
NextGen IT	9.0%	\$210+ Million	 USDI	 FBI	 USPS
Cyber Security	8.3%	\$130+ Million	 Army	 DHA	 DHS
Research & Development	3.9%	\$50+ Million	 PEO IWS	 DARPA	 Classified
IT Modernization	2.4%	\$400+ Million	 Navy	 HHS	 DHA

<sup>1</sup> Source: Deltek Federal Market Reports, Market Research Media, Whitehouse.gov and National Science Foundation

<sup>2</sup> Revenue falls into multiple market categories

Note: Dollar figures rounded

# Favorable Transaction Environment

## Compelling Purchase Terms

- Purchase price, including tax savings with a net present value of \$84 million, represents 10.2x 2017E Adjusted EBITDA

## Opportunistic Financing Market

- Committed financing package allowing On Assignment to take advantage of favorable market conditions
- Optimized capital structure enables On Assignment to generate more attractive shareholder returns
- On Assignment has a proven track record of rapidly deleveraging following transformative acquisitions

## Tax Reform Benefits

- Reduction in corporate tax rate significantly improves cash flow profile
- Pro forma for the acquisition, 96% of revenue will be derived domestically and benefit from the tax reform

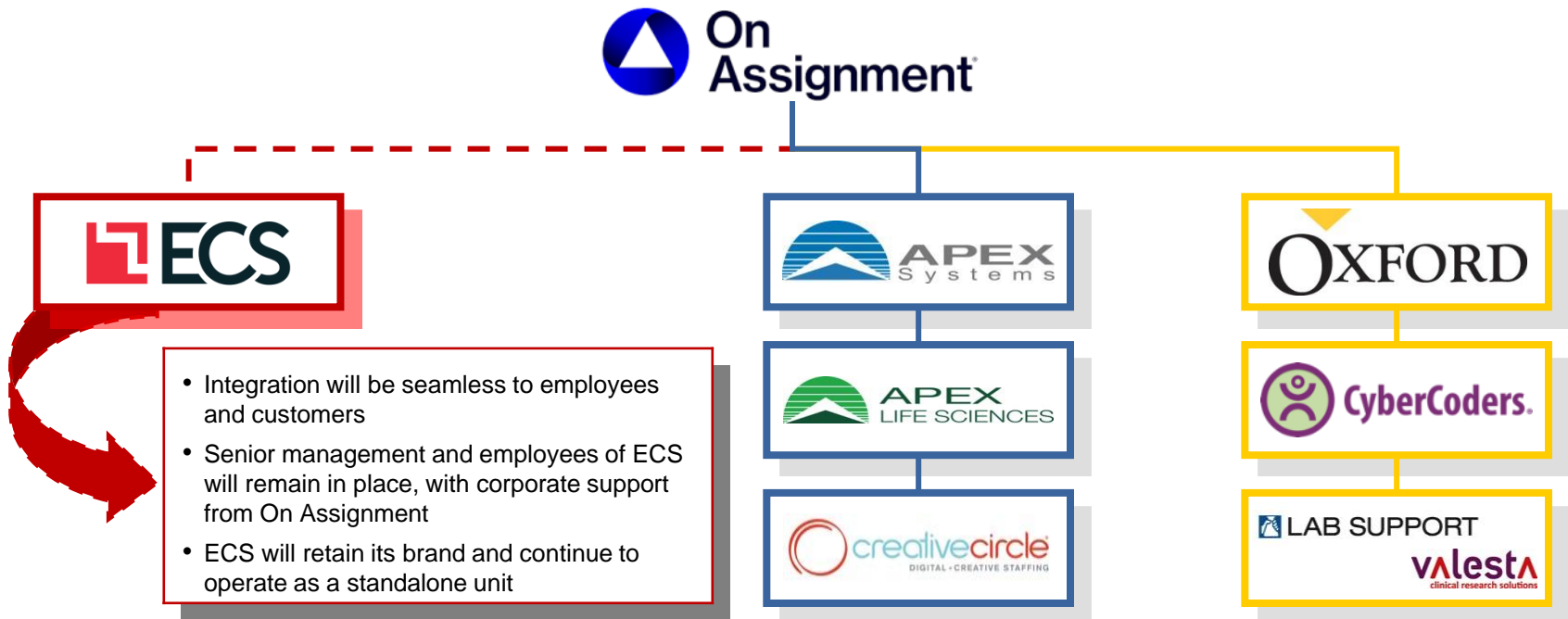
## Immediate Accretion

- Transaction is expected to be immediately accretive to Adjusted EPS



# Business Integration

On Assignment has proven its ability to identify, execute and integrate acquisitions



## Ease of Integration

- On Assignment has a successful track record of acquisitions and a proven ability to retain and incentivize key personnel for the long-term
- Minimal overlap in existing customers and end-markets minimizes integration risk
- Provides ECS with ability to accelerate growth organically and via acquisitions

# On Assignment & ECS Federal – A Unique Combination



**\$150 Billion**  
End Market

**14,000+**  
Clients

**155**  
Branch Offices

**\$129 Billion**  
End Market

**\$1.6 Billion**  
Total Backlog

**82%**  
Prime Contract  
Revenue

**\$2.6 Billion**  
2017E Revenue

**50,000+<sup>1</sup>**  
Contract  
Employees

**3,500**  
Internal  
Employees

**\$586 Million**  
2017E Revenue

**\$9.8 Billion**  
Opportunity Pipeline  
(Unfactored)

**~2,300**  
Highly Skilled  
Employees

- On Assignment and ECS Federal will create a unique platform, offering an integrated suite of human capital solutions and expertise in the IT & Professional Services sector
- ECS Federal has developed long relationships with key Government contractors. With On Assignment's ability to find cleared personnel, ECS will enhance positioning for upcoming contract bids and recompetes
  - One of the largest inhibitors of growth in the Federal services sector is timely finding and placing technical talent. Therefore, On Assignment's recruiting capabilities will enhance ECS' performance and value proposition versus Government services peers
  - On Assignment has 22,000+ contract professionals on billing on a daily basis; ~1,400 currently cleared
- ECS Federal has developed differentiated expertise in highly transferable domains that would be applicable for On Assignment's Fortune 1000 client base
  - Given the increased frequency and complexity, cyber security, for instance, is a top Fortune 1000's technology priority
  - ECS' domain expertise and first-hand experience are invaluable and will position the combined company well to support commercial engagements in cyber security, artificial intelligence and biometrics

<sup>1</sup> Total number of contract professionals placed on assignment during each year that are considered employees; this number does not include employees of our subcontractors

# Pro Forma Financial Profile

## 2017E Revenue

APEX
\$2,037 million

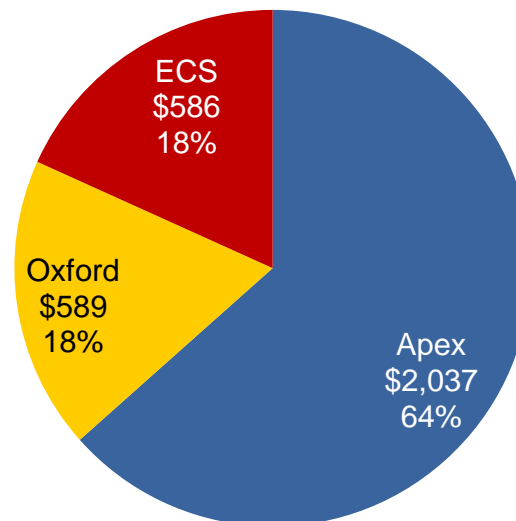
OXFORD
\$589 million

ECS
\$586 million

## Pro Forma 2017E Segment Revenue

**Pro Forma 2017E Revenue: \$3.2 billion**

(\$ in Millions)



### Compelling Financial Characteristics

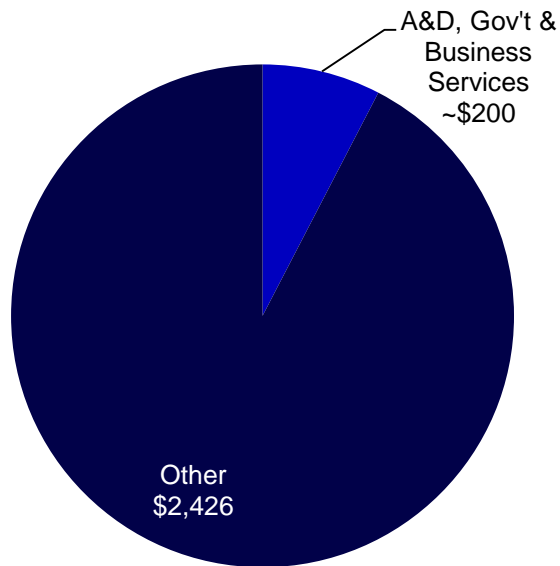
- Increased scale, with pro forma 2017E revenues of \$3.2 billion with industry-leading EBITDA margin profile and robust cash flow generation
- Enables rapid deleveraging with the flexibility to pursue strategic acquisition opportunities
- Enhances On Assignment's revenue growth and is immediately accretive to Adjusted EPS

# Business Diversification

Acquisition of ECS significantly increases the Government Services sector's contribution to On Assignment's revenue base

On Assignment 2017E Sector Revenue

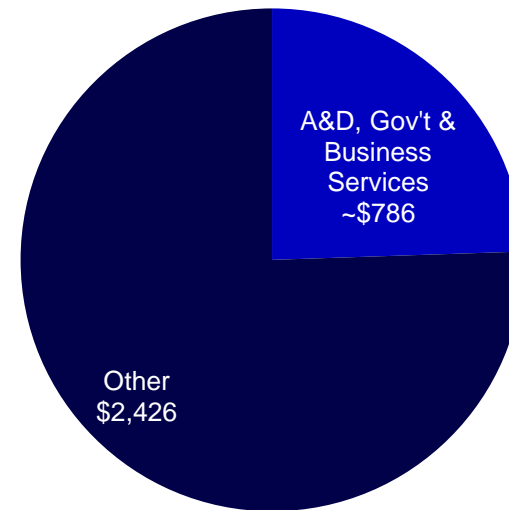
(\$ in Millions)



**\$2.6 Billion Total**

Pro Forma 2017E Sector Revenue

(\$ in Millions)



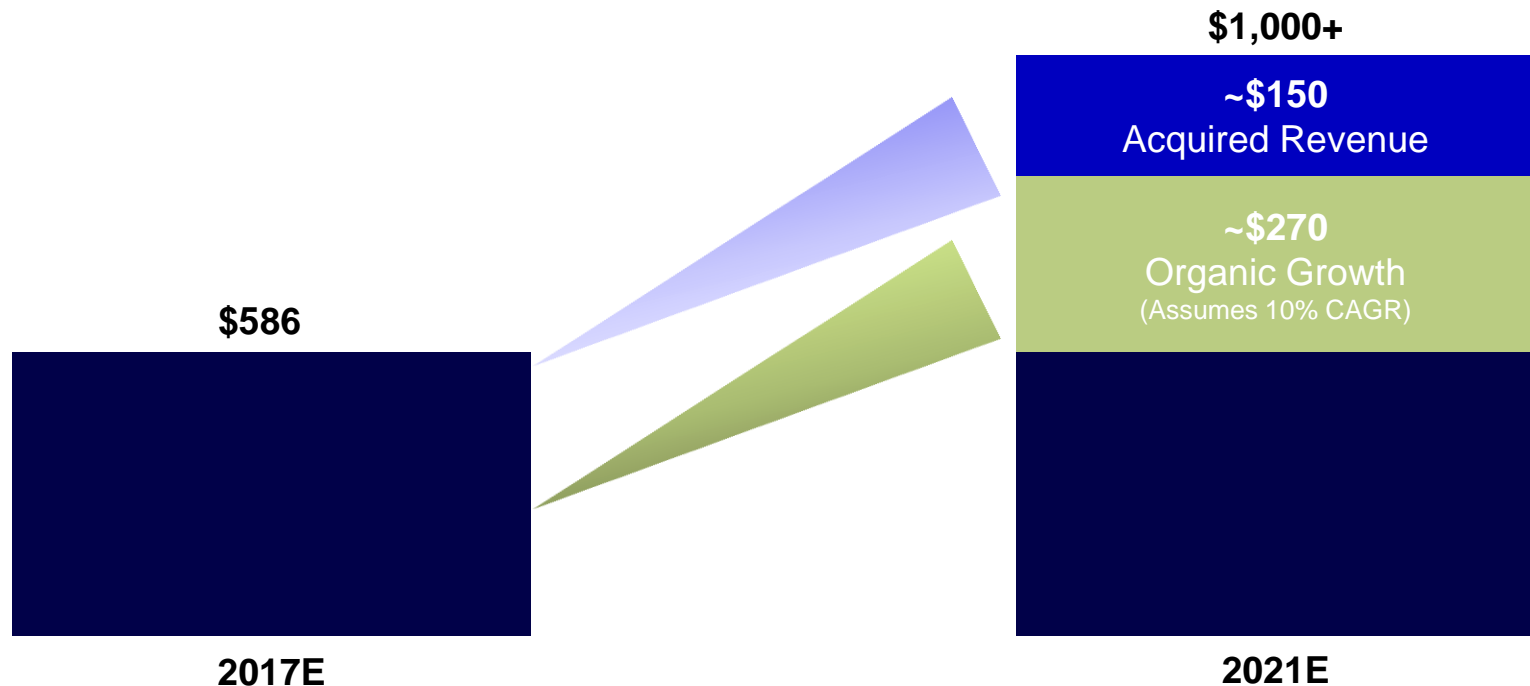
**\$3.2 Billion Total**

# ECS Federal's Trajectory to \$1 Billion in Revenue

- As a division within On Assignment, ECS will have a multi-pronged growth strategy:
  - ECS will continue to execute its current pipeline and \$1.6 billion backlog
  - Based on historical performance, On Assignment's assistance in placing technical talent, and Government and commercial growth opportunities, ECS could organically achieve a ~10% growth rate
  - Further, we have identified over 50 potential acquisition targets with up to \$100 million of revenue that will provide unique capabilities and / or attractive contracts for ECS
- Through organic growth and strategic acquisitions, ECS will become a \$1 billion platform for On Assignment by 2021

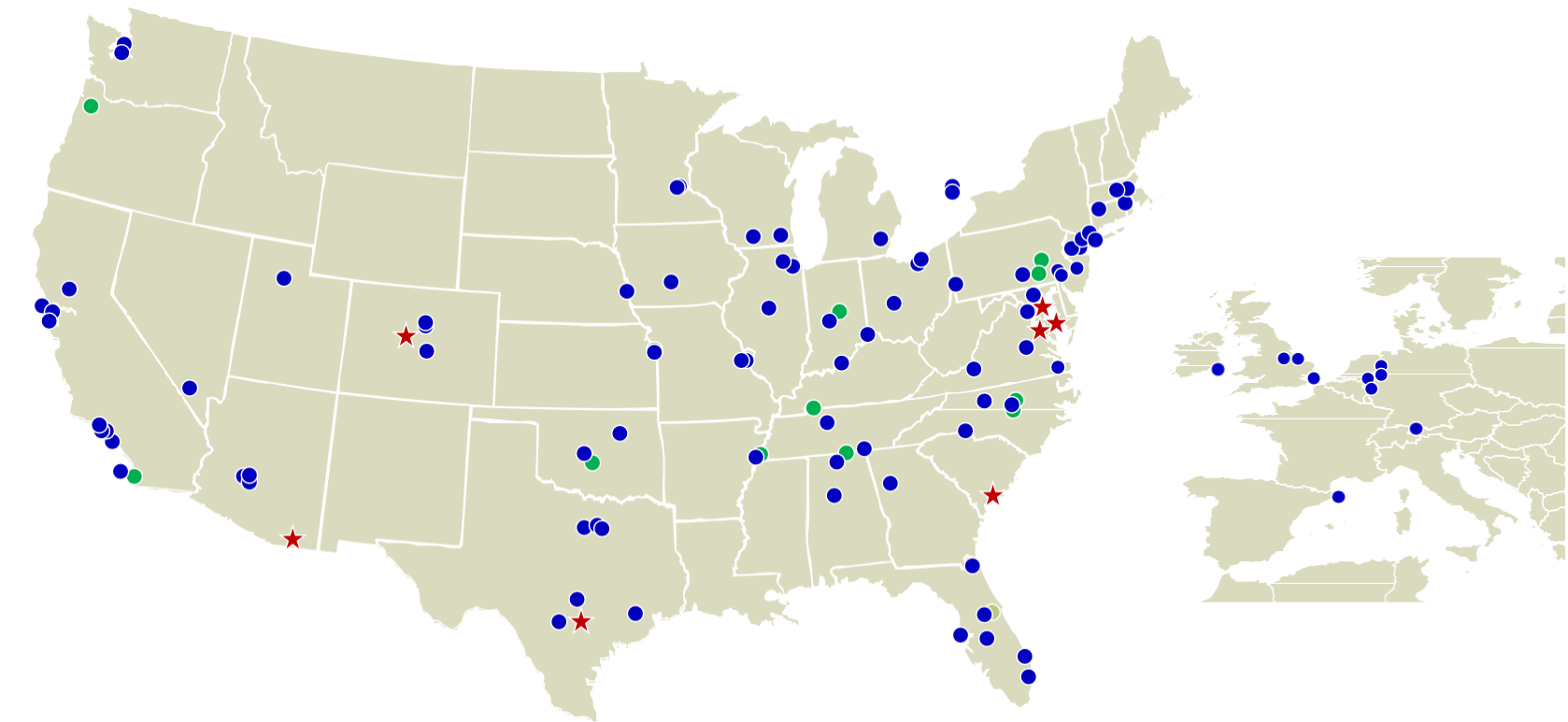
## ECS Will Become a \$1 Billion Platform for On Assignment By 2021

(\$ in Millions)



# Enhanced Combined Scale

Combination provides increased geographic coverage



- On Assignment Locations
- ECS Customer Sites
- ★ ECS Locations

# Transaction Highlights

## Large Addressable Market

- Allows On Assignment to enter the attractive ~\$129 billion Federal IT and professional services sector
- ECS is a differentiated business in the Federal IT and professional services market, providing high-end solutions in cyber security, agile software development and advanced engineering

## Attractive Strategic Combination

- ECS' highly specialized skills reinforce On Assignment's positioning as a "premium" human capital provider
- Adds talented workforce with ~1,500 cleared employees with deep technical & domain expertise
- Entry into Federal IT and professional services further demonstrates On Assignment's commitment to executing domestic, specialized project opportunities

## Ease of Integration

- ECS Federal will operate as a separate division run by ECS management
- Minimal integration costs and challenges given customer bases and end markets
- On Assignment maintains a successful track record of post-transaction integration and has demonstrated its ability to retain key personnel

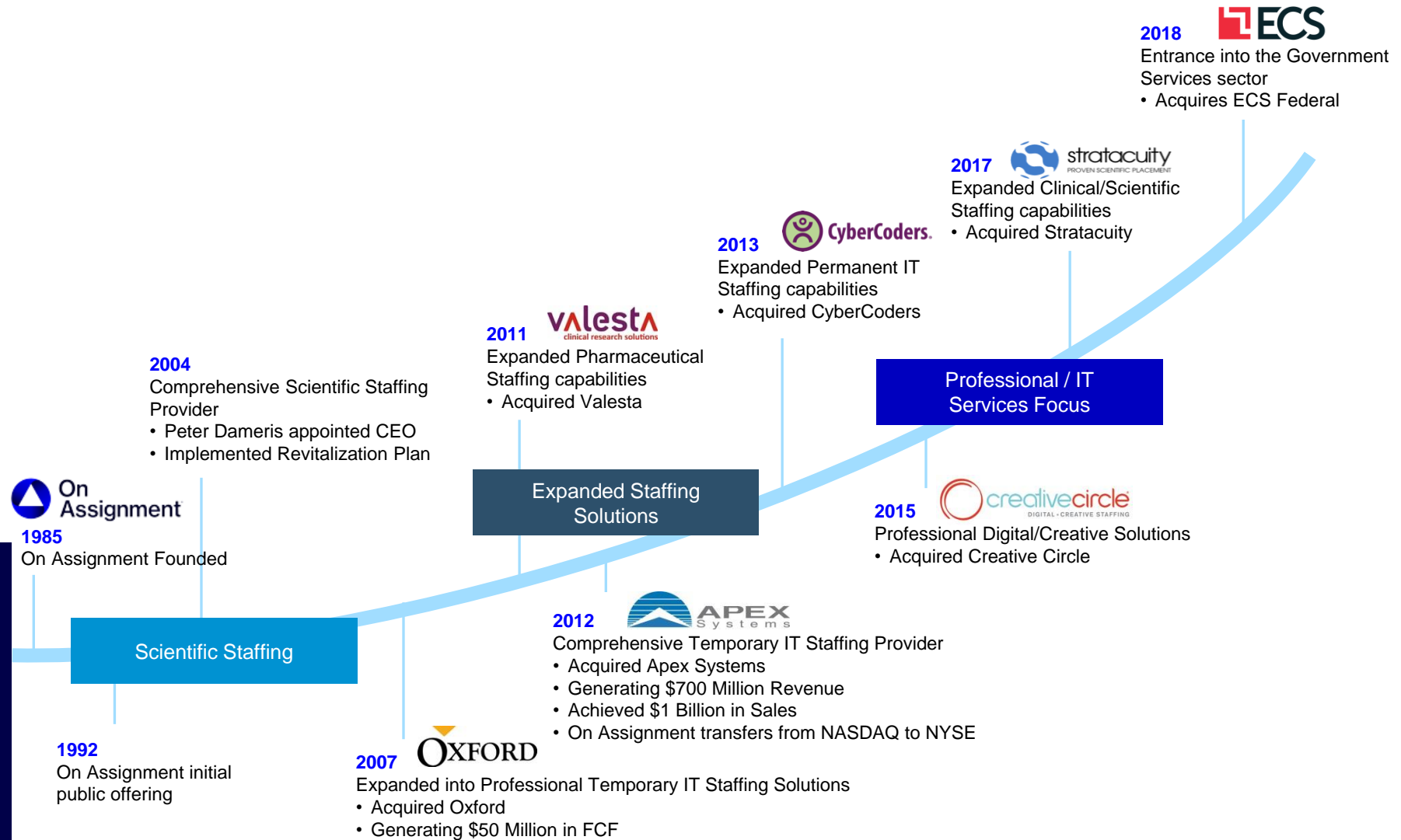
## Attractive Financial Characteristics

- Long-term contracts (average 5 years in length) provide significant revenue visibility; ECS has a backlog of \$1.6 billion
- Past performance and certifications allow for bids on large, complex, competitive long-term contracts as well as the ability to capture limited-competition procurements, providing ample opportunity for growth
- ECS' customers are excellent payers, typically with no bad debt expense and high cash conversion
- Enhances On Assignment's revenue growth and is immediately accretive to Adjusted EPS
- Expect to be under 2.5x leverage by end of 2019 due to attractive debt financing and strong free cash flow

## Experienced Management

- "Best-in-class" talent pool of industry professionals in the government services market place
- Industry veterans with a combined 120+ years of Federal services experience

# A History Of Persistent Growth





# Free Cash Flows & Financial Leverage

Industry-leading EBITDA margins and strong free cash flows conversion allows for focus on quick deleveraging of balance sheet (leverage profile since Creative Circle transaction below)

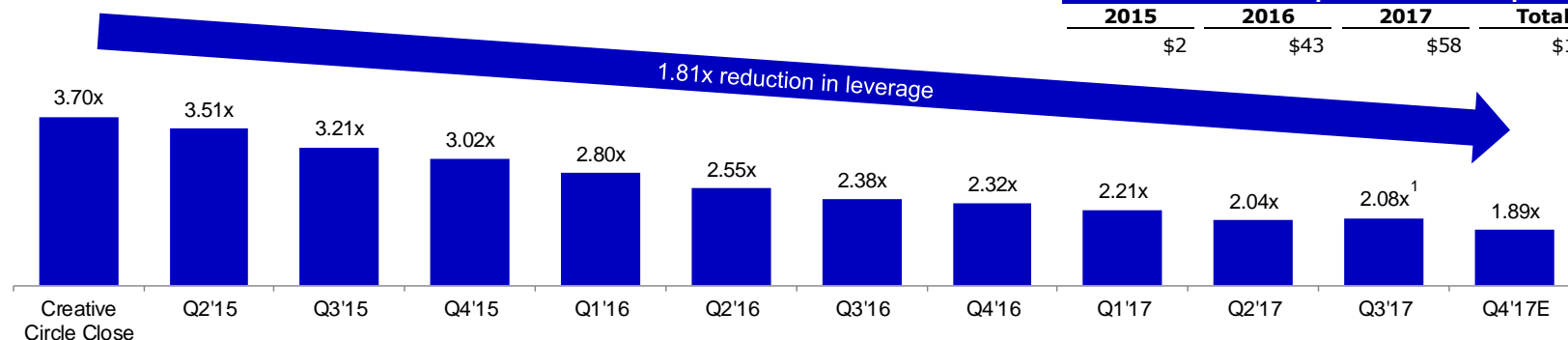
- On Assignment has reduced leverage while executing share repurchases and acquisitions

## Leverage Ratio

(\$ in Millions)

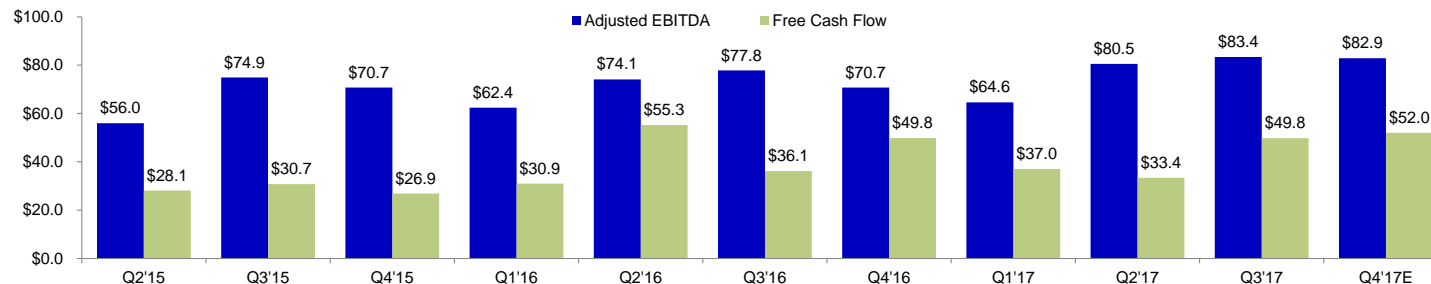
### Cash Used for Share Repurchases and Acquisitions

2015	2016	2017	Total
\$2	\$43	\$58	\$103



## Free Cash Flow Generation <sup>2</sup>

(\$ in Millions)



Cumulative<sup>3</sup>

\$798

\$430

<sup>1</sup> Q3'17 leverage increased due to the acquisition of Stratacuity and share repurchases

<sup>2</sup> Free Cash Flow is defined as cash flows from operating activities less capital expenditures, as reported in 10-Q and 10-K filings

<sup>3</sup> Cumulative adj. EBITDA and free cash flow since Creative Circle acquisition

Note: Q4'17 figures are per the management team

# Financial Estimates for Q4 and Full Year 2017

(\$ in Millions)

	Q4			Full Year		
	2017 P <sup>1</sup>	2016	Y-Y Chg.	2017 P <sup>1</sup>	2016	Y-Y Chg.
Revenues <sup>2</sup>	\$ 679.0	\$ 620.9	9.4%	\$ 2,625.9	\$ 2,440.4	7.6%
Gross Profit	\$ 220.7	\$ 198.2	11.3%	\$ 850.1	\$ 795.2	6.9%
Gross Margin	32.5%	31.9%		32.4%	32.6%	
Adjusted EBITDA <sup>3</sup>	\$ 82.9	\$ 70.7	17.3%	\$ 311.4	\$ 285.0	9.3%
Adjusted EBITDA Margin	12.2%	11.4%		11.9%	11.7%	

<sup>1</sup> Preliminary financial results for fourth quarter and full year 2017, which exceeded previously-announced estimates. These preliminary results are subject to completion of our financial and accounting procedures and the annual independent audit

<sup>2</sup> Results include contribution of Stratacuity, which was acquired on August 8, 2017. Revenues from Stratacuity were \$4.5 million for the fourth quarter and \$7.5 million for full year 2017

<sup>3</sup> Adjusted EBITDA (a non-GAAP measure) is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) further adjusted for, among other things (i) equity-based compensation expense and (ii) acquisition, integration and strategic planning expenses

# Update on Five-Year Strategic Plan Financial Targets

## 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 revenue CAGR of 11.8%
  - Assumed year-over-year organic growth of 10 percent, and contribution of approximately \$240 million from acquisitions
- **Gross margin of 31 to 32 percent (31.9 percent for 2013)**
  - Assumed revenue mix shift 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% (10.7% for 2013)**
  - Assumed a 2% 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
- **Cumulative Free Cash Flow of \$675 million**

(\$ in Millions)

	2018 Financial	Status
	Targets <sup>1</sup>	
	Low / High	
Revenues	\$3,000	✓
Gross Profit	930 / 960	✓
Adjusted EBITDA	345 / 375	✓
Gross Margin <sup>2</sup>	31.0% / 32.0%	✓
Adjusted EBITDA Margin	11.5% / 12.5%	✓
Conversion of GP into Adj. EBITDA	37.1% / 39.1%	✓
Cumulative Free Cash Flow	\$675	✓

<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> Gross margin target applied to our core business only

# ECS Federal Company Overview

- ECS Federal, one of the largest privately held government services providers (82% prime contracts), delivers cyber security, cloud, DevOps, IT modernization and advanced science and engineering solutions
- ECS has well established positions on critical IT systems of national importance which provide unmatched customer access and unique visibility into future technology transformation initiatives
  - Engagements are generally longer in duration than management consulting-led models (e.g. PwC, McKinsey) and are among the most highly differentiated in the sector from a technical standpoint
  - In some cases (e.g., NETCOM), ECS is responsible for the design, build and operation of IT systems that have mission-critical functionality for demanding customers
  - Operates four business units: 1) Mission Solutions; 2) Enterprise Solutions; 3) Cyber and Health IT; 4) Advanced Science and Engineering
  - Primary capabilities include 1) Cyber Security and Infrastructure Support; 2) Agile Software Development and Cloud Solutions; 3) Advanced Science, Engineering and Program Support
- Strong positions on critical IT systems of national importance which provide customer access and unique visibility into future technology transformation initiatives
- ~2,300 employees with deep mission knowledge and a diverse set of domain experience as well as 1,000+ unique certifications and accreditations
  - ~1,500 cleared employees
- 2017 Revenue and adjusted EBITDA of \$586 million and \$68 million, respectively

# ECS Federal Business Units

## Mission Solutions

- Focuses on complex technical solutions, especially for the Department of Defense, National Security and Intelligence Community customers
  - Particularly fixed-priced and managed service solutions
  - Commercial managed cyber clients
- Top customers include US Army, US Marine Corps, US Navy, US Air Force, DHS, Office of Secretary of Defense, USTRANSCOM and DHA
- Strategic partnerships with industry-leading manufacturers, providing lead generation, special pricing and integrated delivery teams

## Enterprise Solutions

- Delivers advanced technical solutions primarily in the civilian sector
  - Strong focus on cloud and managed service solutions
  - Natural synergy with ECS' Software Engineering and IT Operations services
- Top customers include US Postal Office, Department of Labor, Health and Human Services, DoJ / FBI, Department of Energy, General Accounting Office and Department of Agriculture
- Key partnerships with Microsoft, AWS, IBM and Gimmel

## Cyber & Health IT

- Focuses on end-to-end cyber security design, engineering, deployment and sustainment
- Capabilities include cyber engineering, network engineering and enterprise solutions and engineering & deployment
- Top customers include Defense Health Agency, Space & Naval Warfare Systems Center Atlantic and Navy Bureau of Medicine and Surgery
- Global infrastructure supports 220,000+ users and over 700 facilities worldwide

## Advanced Science & Engineering

- Delivers high-quality personnel that provide first-class engineering, information technology and program analysis support to Department of Defense and federal civilian programs
- Works closely with the government's own engineering and acquisition staff members to advance their respective missions
- Delivers high-performance, high-fidelity radar cross section systems and flight termination systems
- Top customers include US Army, Missile Defense Agency, EPA, US Navy and NOAA

# ECS Federal Capabilities

## Cyber Security & Infrastructure Support

- Delivers advanced cyber security services and solutions to US public sector, Department of Defense and Fortune 500
- Architect and deploy advanced endpoint Security-as-a-Service solutions
- Provides application and infrastructure support to worldwide systems
- Provides Continuous Diagnostics of Mitigation for Department of Homeland Security and .gov domains and performs advanced security, engineering, assessments and authorizations
- 643 billable employees



Army



Navy



DHS

**\$196 Million**  
2017E Revenue

## Agile Software Development & Cloud Solutions

- Recognized cloud solutions leader deploying cloud solutions across the AWS and Microsoft Azure / Office 365 platforms within both US public sector and commercial markets
- Develops artificial intelligence to sense, detect, identify, track and geolocate high-value targets
- Develops mission critical enterprise-level solutions using agile and development operations methodologies
- Performs agency-wide migration of data and operations to the cloud
- 644 billable employees



USDI



FBI



USPS

**\$236 Million**  
2017E Revenue

## Advanced Science, Engineering & Program Support

- Advanced engineering services, including systems integration, analysis for NextGen weapons systems and ship, aircraft and drone design and maintenance
- Delivers high-performance, high-fidelity radar cross-section systems, flight termination systems and classified solutions
- Delivering the first Flight Termination System upgrade at the Department of Defense's largest missile range
- Supports shipbuilding and marine operations
- 834 billable employees



Navy PEO IWS



DARPA

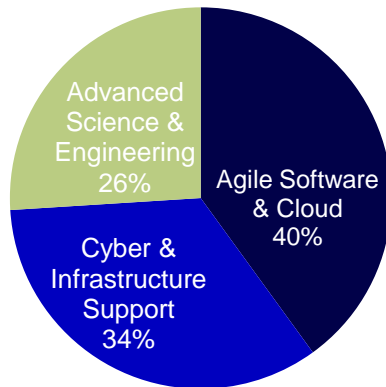


NOAA

**\$154 Million**  
2017E Revenue

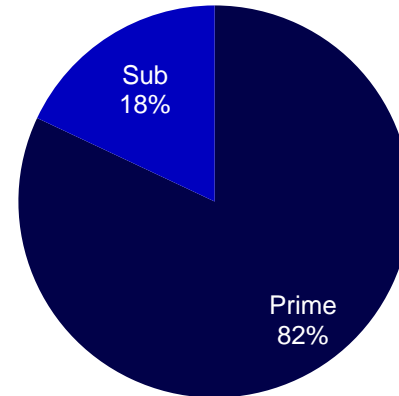
# ECS Federal Revenue Composition

## Revenue by Capability



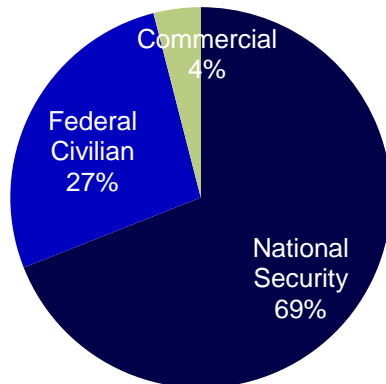
- Leading provider of next generation IT and advanced science & engineering solutions across multiple mission-critical customer domains to address complex technical challenges of national security

## Prime vs. Sub



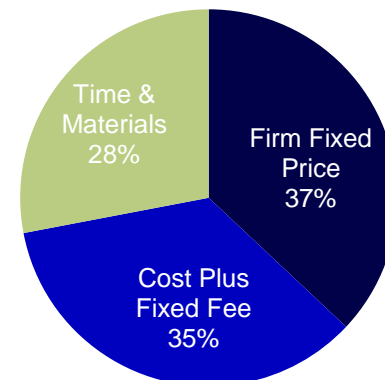
- Prime position on the most coveted GWAC and IDIQ vehicles with \$188 billion of aggregate value, including the recently awarded full and open Alliant II and DISA Encore III vehicles

## Revenue by Customer



- National Security: Army, Navy, DHA, etc.
- Federal Civilian: DHS, EPA, USPS, etc.

## Revenue by Contract Type



- Operating margins have increased due to the blend of Time & Materials, Firm-Fixed-Price and Cost-Plus Fixed Fee contracts

# ECS Federal Key Prime Contract Vehicles

Prime Vehicle	Customer		Ceiling	Term	End	Strategic Importance
OASIS	GSA		NA	10 years	2024	<ul style="list-style-type: none"> <li>Gov-wide contract vehicle for complex, best-value services; position in Pools 1, 2 and 3</li> </ul>
ALLIANT	GSA		\$50 Billion	10 years	2019	<ul style="list-style-type: none"> <li>Flexible, gov-wide vehicle for procuring high-quality IT support services</li> </ul>
ALLIANT II	GSA		\$50 Billion	10 years	2027	<ul style="list-style-type: none"> <li>Follow on to Alliant vehicle, for procuring high-quality IT support services</li> </ul>
CIO-SP3	NIH		\$20 Billion	10 years	2022	<ul style="list-style-type: none"> <li>Gov-wide contract for NextGen IT services and solutions</li> </ul>
SEWP V	NASA		\$20 Billion	10 years	2025	<ul style="list-style-type: none"> <li>Gov-wide vehicle for providing NextGen IT and cyber solutions</li> </ul>
CIO-CS	NIH		\$20 Billion	5 years	2020	<ul style="list-style-type: none"> <li>Gov-wide vehicle fulfilling IT requirements including cyber and hardware deployment</li> </ul>
ENCORE III	DISA		\$17.5 Billion	10 years	2027	<ul style="list-style-type: none"> <li>High profile, high value IDIQ contract vehicle to provide IT services to DISA</li> </ul>
NETCENTS-2	USAF		\$8 Billion	7 years	2022	<ul style="list-style-type: none"> <li>Air Force mandatory use contract providing network operation and infrastructure</li> </ul>
FBI MS & Web	DOJ		\$900 Million	7 years	2024	<ul style="list-style-type: none"> <li>Microsoft Consulting, engineering and web support services across the DOJ</li> </ul>
PIRMDS-2	Navy		\$809 Million	5 years	2021	<ul style="list-style-type: none"> <li>IT services for creating, integrating, sustaining and improving business applications</li> </ul>
PMSS-3	Army		\$461 Million	5 years	2020	<ul style="list-style-type: none"> <li>Information systems security, enterprise design, integration and consolidation</li> </ul>

Note: Other ECS prime contract vehicles include: Seaport-e, EAGLE II, NASPO ValuePoint Cloud Solutions, GSA Schedule 70, GSA Schedule 520 (FABS), GSA Schedule 874 (MOBIS), GSA Professional Engineering Services and GSA Environmental Services



# ECS Federal Has Franchise Positions In Critical Programs



Army

NETCOM

**\$182M**

Contract Value

**2016 - 2021**

Period of  
Performance

- Implementing the largest endpoint security system in the world to assist the DoD's mission to counter cyber and advanced persistent threats to the Army's enterprise
- One of largest cyber managed services contracts in the federal government



DHS

EINSTEIN

**\$65M**

Contract Value

**2014 - 2019**

Period of  
Performance

- Conducts testing, assessment, authorization and security engineering for EINSTEIN, DHS's baseline system used for detecting, blocking and responding to cyber attacks
- DHS and EINSTEIN system touches entire .gov and should receive steady funding given EINSTEIN's integral role



Army

SUNet / Infra.

**\$111M**

Contract Value

**2017 - 2022**

Period of  
Performance

- Coordinates all next-gen planning and execution for SUNet Infrastructure, a secure unclassified network for official use by US and allied governments to collaborate and share data



USPS

NCED

**\$66M**

Contract Value

**2016 - 2024**

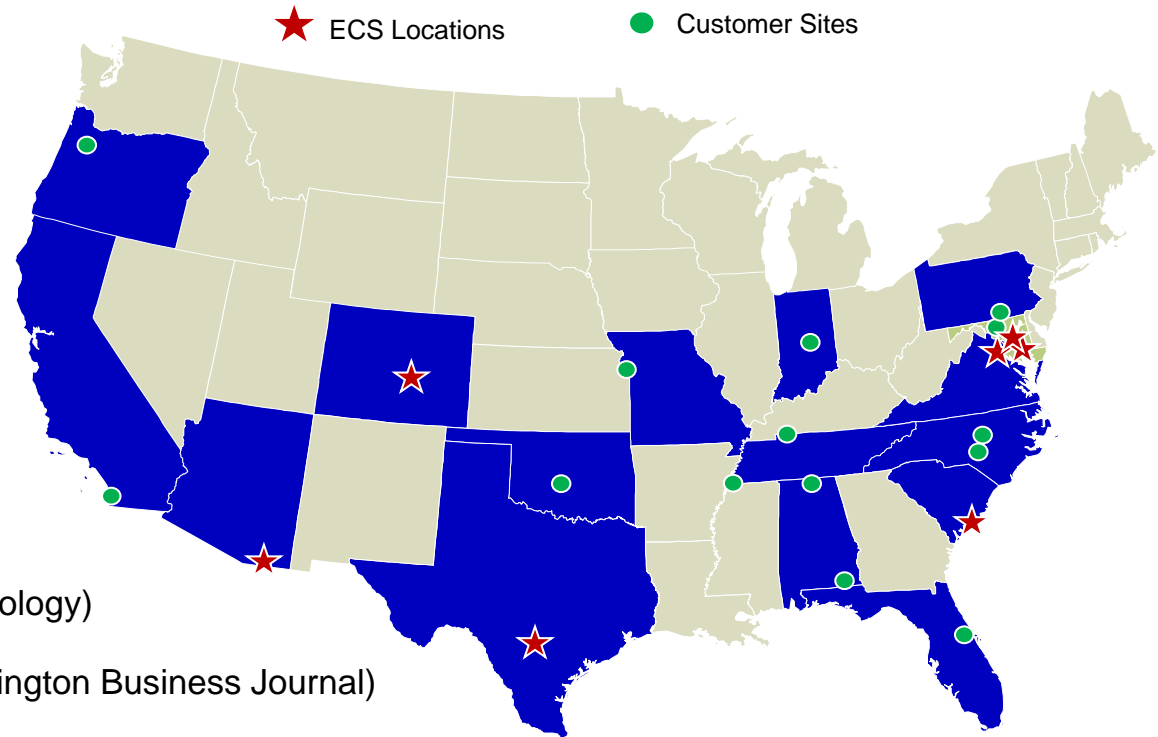
Period of  
Performance

- NCED is USPS' training, learning and conference facility; extensive use of high-technology, computerized equipment in all areas of business creates continuing needs for advanced technical and job-proficiency training

# ECS Federal National Footprint, Partners & Recognition

## Key Statistics & Nationwide Footprint

- ~2,300 Total Employees
- 2,141 Billable Employees
- 15% Voluntary Turnover Rate
- 90% Utilization Rate
- 76% Customer Site / 24% ECS Site
- 1,000+ Certifications & Accreditations
- ~1,500 Cleared Employees
- Top 100 Contractor (Washington Technology)
- Top 50 Government Technology (Washington Business Journal)



## Technology Partners

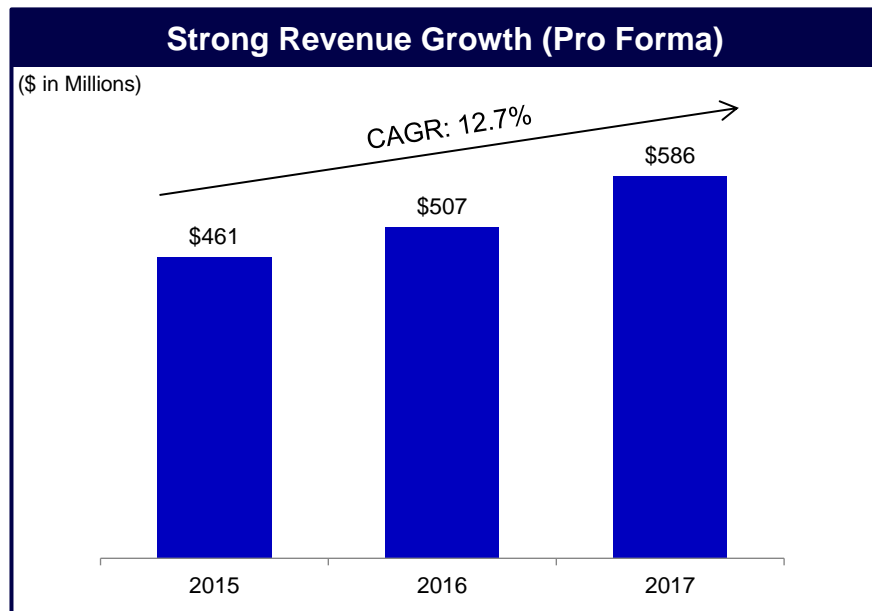


## Certificates & Recognition

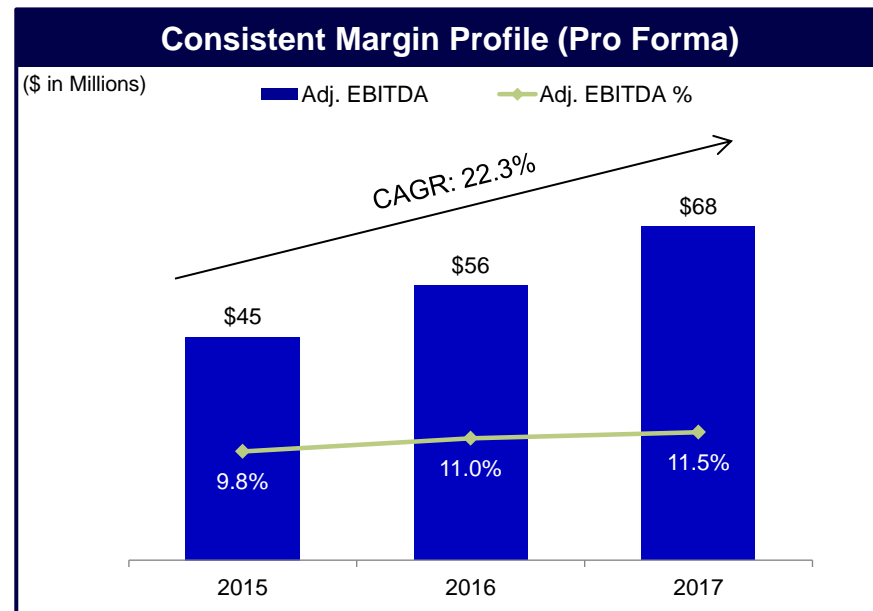


# ECS Federal Has A Highly Attractive Financial Profile

## Proven ability to grow revenues while maintaining industry-leading margins



- Revenue is largely derived from desirable prime contractor contract vehicle awards
- Long-term (avg. 5 years in length) contracts and robust backlog (\$1.6 billion) provide strong revenue visibility and mitigate volatility from permanent placement revenue and a more challenging economic environment



- High value-add service and efficient delivery model results in industry-leading margins
- Favorable operating margin profile

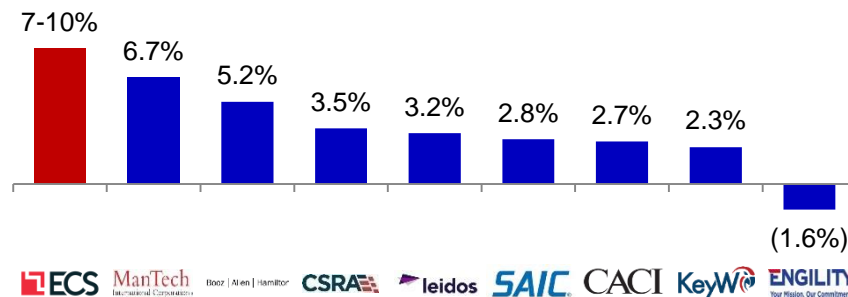
# ECS Has An Attractive Financial Profile Versus Peers

## Commentary

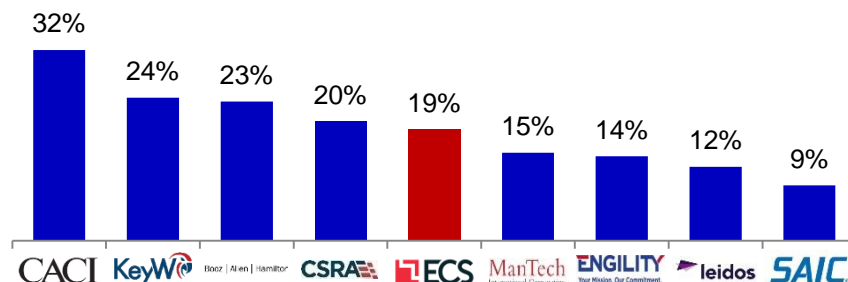
- ECS has an attractive financial profile compared to its peers in the government services sector
  - Historical and projected growth outpaces peers
  - Revenue driven by business development strategy, recompute success and unique capabilities
- ECS gross margin is in line with peers, however, government services companies and investors do not focus on gross profit for comparison purposes
  - Gross profit varies significantly based on accounting treatment of indirect, selling and administrative costs
- Gross margins for government services peers range significantly from 9% - 32%
  - CACI has a 32% gross and 8% EBITDA margin
  - SAIC has a 9% gross and 7% EBITDA margin
- Post-transaction, On Assignment will focus on the EBITDA margins for ECS Federal
  - However, gross margin will remain an important metric for On Assignment's core business
- ECS' EBITDA margins are strong, relative to its government services peers
  - Have optimized business to compete efficiently
  - Unique set of high-end capabilities has allowed ECS to win mandates and demand premium margins

Source: Company filings and Capital IQ

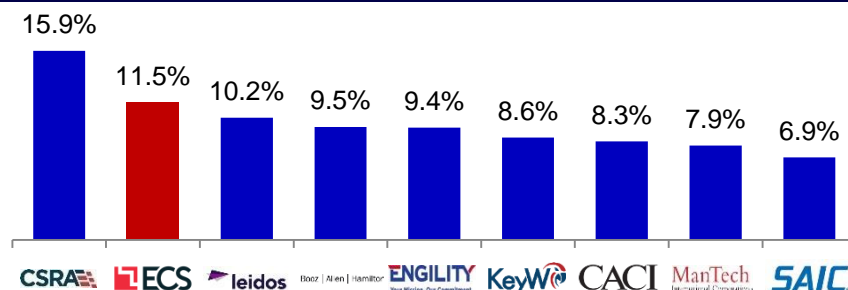
## 2017E – 2018E Revenue Growth



## 2017E Gross Margin



## 2017E Adjusted EBITDA Margin



# ECS Federal Leadership Team

**Strong leadership team with deep management experience leading business units, capabilities offerings and business development**



## **George Wilson – Chief Executive Officer & President**

- Joined ECS in 2011 as Chief Strategy Officer and led efforts to accelerate growth through acquisitions
- Promoted to CEO in February 2014
- Prior to joining ECS, Mr. Wilson was instrumental in growing Stanley Inc. before its eventual sale to CGI in 2010



## **Tom Weston – Senior VP & Chief Financial Officer**

- 27 years of industry experience
- Prior to joining ECS, Mr. Weston was the Executive Vice President and Chief Financial Officer for Acentia LLC
- Graduated from James Madison University and is a certified public accountant



## **John Magee – Senior VP, Strategic Operations**

- 29 years of progressive experience
- Mr. Magee served in the Navy with operational tours aboard the USS Constellation, USS Chosin and ashore as the PEO Surface Combatants Operations Readiness Officer
- Holds a BS degree from the University of Southern California



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