ASGN Incorporated

William Blair 39th Annual Growth Stock Conference

Ted Hanson, President & CEO
Ed Pierce, CFO
George Wilson, President, ECS
June 5th, 2019

Safe Harbor

ASGN Incorporated

Certain statements made in this news release are “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 our anticipated financial and operating performance.

All statements in this release, 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, we make no assurances that the estimates of revenues, gross margin, SG&A, amortization, effective tax rate, net income, diluted shares outstanding, contract backlog, book-to-bill ratio, Adjusted EBITDA, Adjusted Net Income, and related per share amounts (as applicable) set forth above 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 clients, the availability of qualified contract professionals, management of our growth, continued performance and improvement of our enterprise-wide information systems, our ability to manage our litigation matters, the successful integration of our acquired subsidiaries, and other risks detailed from time to time in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC on March 1, 2019 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, as filed with the SEC on May 10, 2019. We specifically disclaim any intention or duty to update any forward-looking statements contained in this news release.

ASGN At a Glance

ASGN Incorporated

History of Success

(NYSE: ASGN) is one of the foremost providers of IT and professional services in the technology, digital, creative, engineering and life sciences fields across commercial and government sectors. Operating through its Apex, Oxford and ECS segments, ASGN helps leading corporate enterprises and government organizations develop, implement and operate critical IT and business solutions through its integrated offering of professional staffing and IT solutions.

Addressable Market of $282 billion

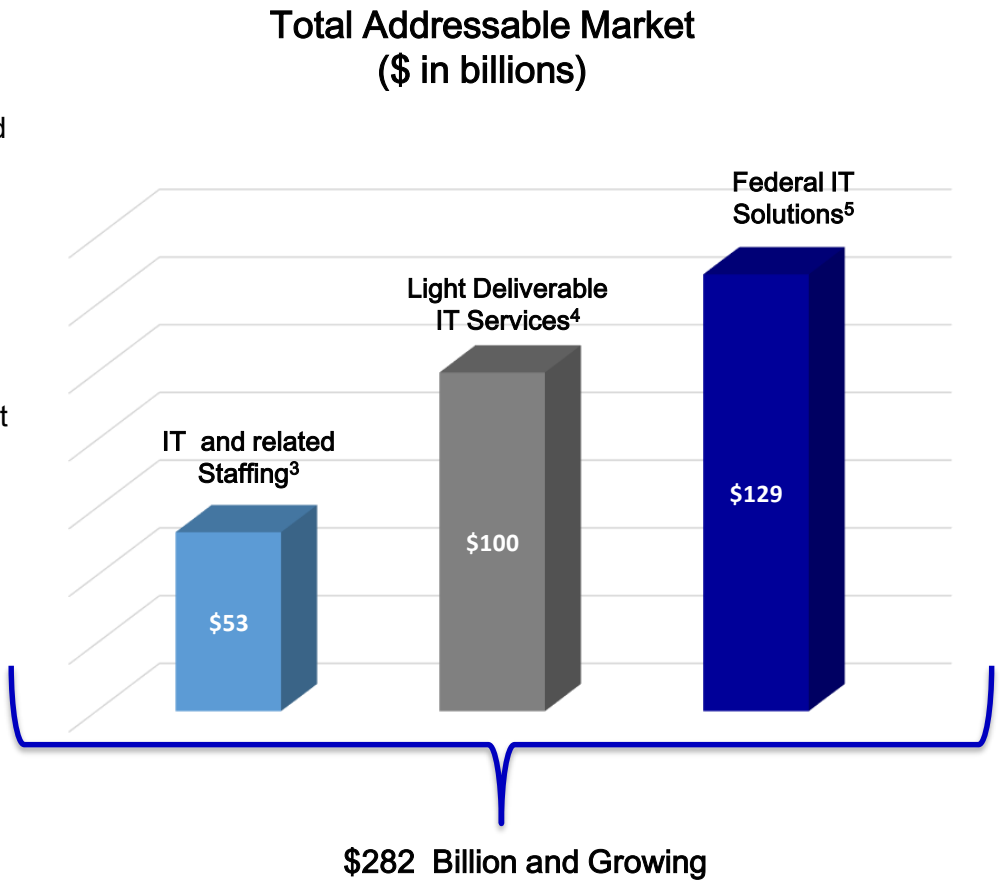
- Early mover in the "shared economy"
- Favorable tailwinds: digital transformation; favorable legislation; improving government market

Track Record of Financial Excellence

- 21 consecutive quarters of above industry growth
- $3.6 billion in LTM revenue[1,2]
- $426 million in LTM Adj. EBITDA
- $247 million in LTM free cash flow

Deep, Trusted Customer Relationships

- 15,000 customer relationships
- Relationships with 350 of Fortune 500
- ~26,000 billable professionals



[1] Last twelve months as of 3/31/19.
[2] Pro forma to include acquisitions of ECS and Creative Circle as if these acquisitions occurred at the beginning of 2015. Does not include DHA pre-acquisition.
[3] U.S. Staffing market size from Staffing Industry Analysts' "US Staffing Industry Forecast, April 19, 2019" and independent 3rd party (Parthenon) analysis of freelance market.
[4] Commercial IT Services from Gartner; Technavio; Comptia; SIA Parthenon-EY CIO Survey (Light Deliverable Services).
[5] Government IT Solutions from Wolf Den Associates.

Well-Positioned to Benefit from Market Forces

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The World of Work is Changing

- More task and project-based work
- Variable human capital cost to improve productivity
- Increased adoption of shared resources delivery model
- Increasing client demand for value-added services

Increasing Technology Adoption & Specialization

- Increasing demand for specialized technical talent
- Specialized in skillsets and specific industry technologies
- Cybersecurity, Analytics, AI, Cloud & Digital are fastest-growing

Favorable Labor and Immigration Legislation

- Increasing risk of worker misclassification
- Ever-changing laws impacting worker usage
- Increasing demand for domestic technical resources

Strong and Resilient U.S. Government Market

- Favorable budget and procurement trends driving long-term contract awards
- Continued demand for NextGen IT offerings and secure, modernized systems

Position

Segment Overview

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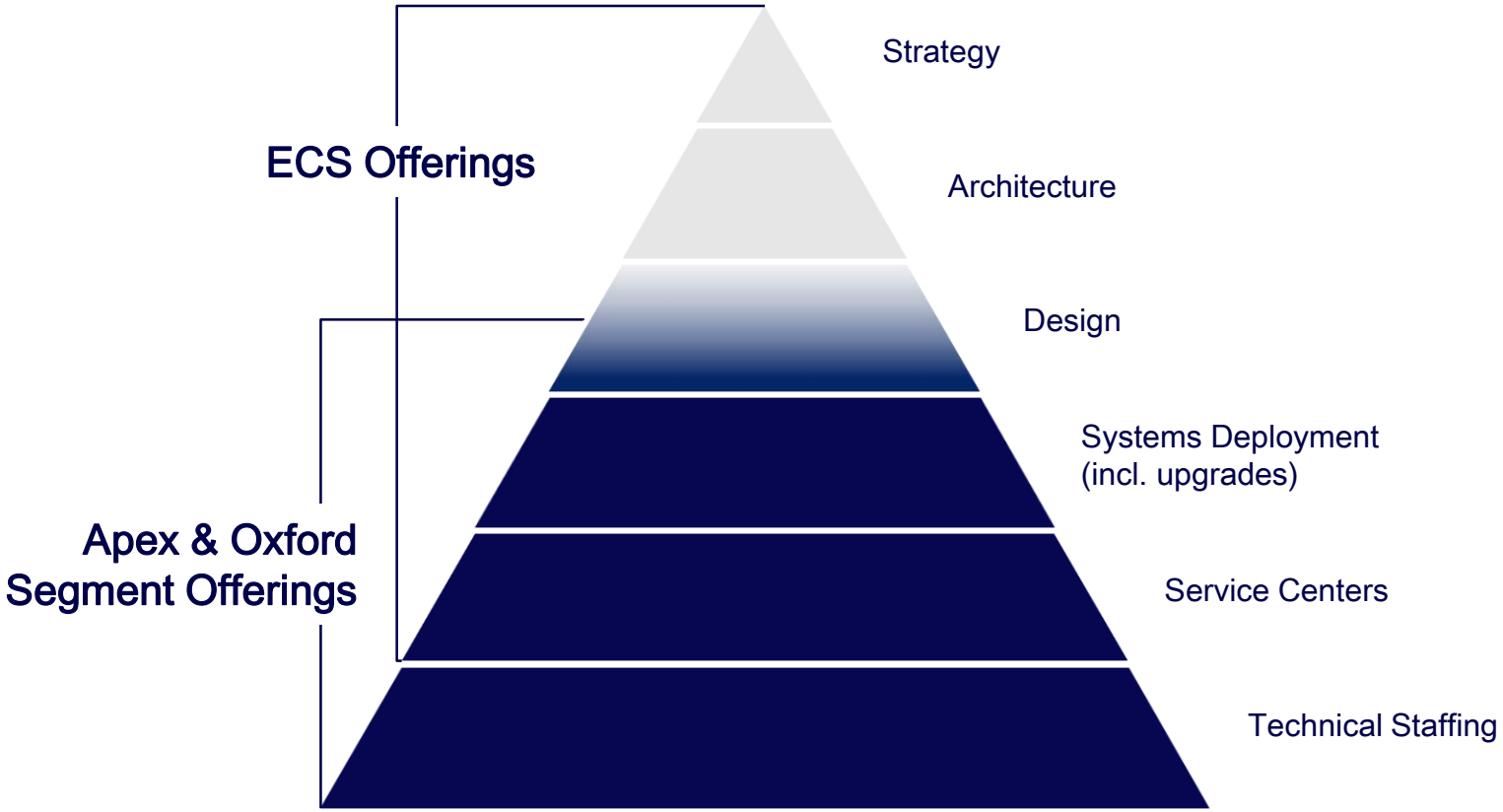
APEX SEGMENT	OXFORD SEGMENT	ECS SEGMENT
SERVICE OFFERINGS		
APEX Systems, Inc. Mission critical IT skills and solutions	Oxford High-end IT, Engineering and Life Sciences skills and solutions	ECS High-end IT solutions for the Federal Government
creativecircle Creative/Digital skills and solutions	CyberCoders. Permanent Placement solutions Information Technology, Engineering, F&A, Healthcare	
LTM REVENUES		
$2.4 Billion	**$609.5 Million**	**$661.1 Million**
65.1% of Consolidated Revenues 13.1% Growth Year-Over-Year	16.8% of Consolidated Revenues 3.0% Growth Year-Over-Year	18.1% of Consolidated Revenues 10.3% Growth Year-Over-Year

Includes DHA revenues from the date of acquisition of January 25, 2019.
Pro forma to include ECS as if the acquisition occurred at the beginning of 2017. Does not include DHA pre-acquisition.

ASGN Range of IT Services



Competitive Differentiators
Apex and Oxford Segments

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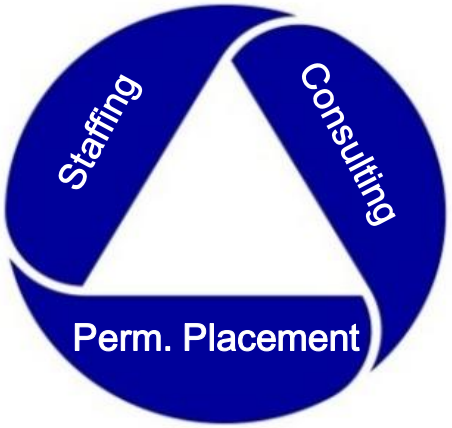
Client Flexibility
- Talent that meets project needs
- Adaptable resources
- Higher utilization rates

Competitive Pricing
- Lower fixed costs without sacrificing quality
- Reduced recruiting, onboarding and training fees



Access to Highly Skilled Labor
- Deep candidate database
- Access to highly-skilled, agile labor pool

Strong Project Control
- Greater control over project visibility & quality
- Decreased project ramp-up time
- Prequalified, vetted resources

Delivery Model	Client Flexibility	Competitive Pricing Policy	Access to Skilled Labor	Strong Project Control
Apex and Oxford	Fully	Fully	Fully	Fully
Client FTEs	Not Likely	Not Likely	Likely	Fully
IT Consulting Firm	Not Likely	Not Likely	Fully	Likely
IT Staffing Firm	Fully	Fully	Not Likely	Not Likely
Offshore Labor	Likely	Likely	Likely	Not Likely
Outsourced Labor	Likely	Likely	Likely	Not Likely

Category Representation:

Fully | Likely | Not Likely

Value Added Service Offerings
Apex & Oxford Segments

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Managed Services

Workforce Management
Demand Planning, Resource Management, Recruiting, Training & Logistics

Support Service Centers
SOC, NOC, Help Desk, Desk-Side, Legacy Applications, EHR & ERP, Call Centers

Centers of Excellence
Project Management, QA & Testing, Trainer Programs, SW Dev Centers, EHR & ERP, Research Support & COEs

Coding & Auditing
ICD-10 Coding and Quality Assurance for Medical Records

Managed Projects

Digital Enterprise Solutions
Marketing, Finance, Healthcare, Human Resources, CRM, Analytics

PMO Consulting
IT Governance, Assessments, Advisory Services, OCM, Future State Visioning

Compliance & Quality Assurance
Support Compliance with Int'l Regulations, Standards and Industry Practices

Commissioning, Qualification & Validation
Enable Facilities, Equipment & Processes to Function as Intended

Software Development
Data Management, Business Intelligence, Custom Application Development, Mobile Devices

Migration Services
Windows, Desktop, Servers, Data Center, Server Consolidations

IT Security
Cybersecurity Assessments & Security-Related Projects

ECS - Federal IT Solutions Capabilities

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ECS is an emerging large IT solutions and services provider to major government and commercial clients

ECS relies on highly skilled teams to solve hard, large scale problems via long-term contracts. We combine technical talent, deep customer knowledge, employee and corporate certifications, and leading edge technical partnerships to provide superior solutions

Our Expertise

- Cloud Solutions
- Cybersecurity
- AI / Machine Learning
- Software & Systems
- Digital Modernization
- Science & Engineering

Our Customers

- Department of Defense
- Intel and Homeland Security
- Federal Civilian
- State, Local, and Education
- Leading Commercial Companies

Key Technology Partners

- Amazon Web Services (AWS)
- Microsoft
- McAfee
- Google
- Elastic

High Free Cash Flow Supports Acquisition Strategy

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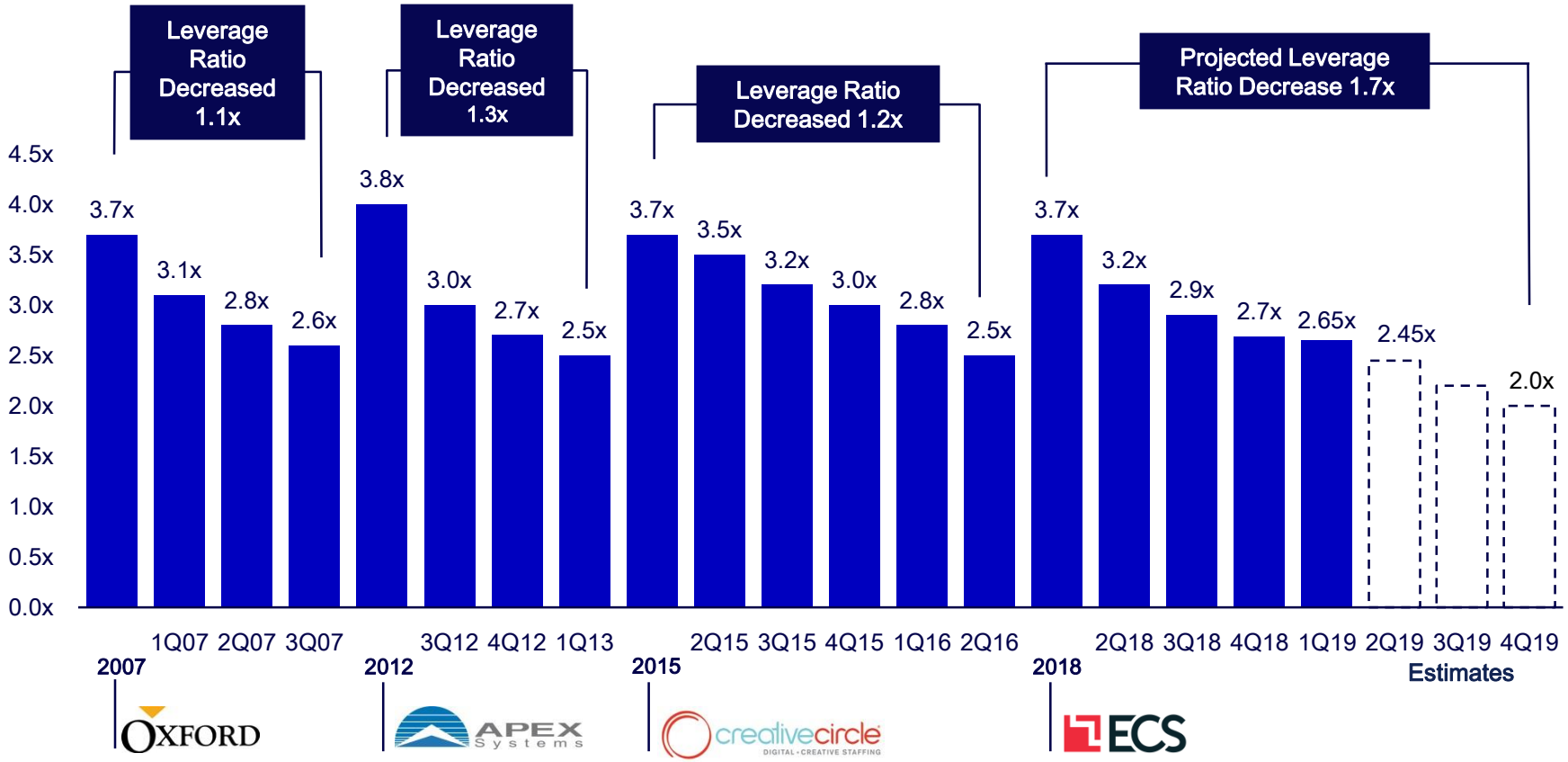
- Maintained Strong Credit Rating throughout Periods of Leveraging & Deleveraging
- Transformed Business from Purely Staffing to Foremost Provider of IT Consulting Solutions
- Expanded through Organic Growth & Strategic Acquisitions



Disciplined Approach to Capital Allocation

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Strong Free Cash Flow Generation & Borrowing Capacity

Acquisition

Acquired ECS Federal on April 2, 2018; Adds new cloud, cybersecurity, software development, IT modernization, science and engineering solutions to clients in the Federal Government

Debt Repayment

Raised $822 million in debt (TLB) to acquire ECS; total debt at close was $1.6 billion with $200 million undrawn; Repaid $286 million throughout 2018

Leverage[1]

Leverage increased to 3.7x TTM EBITDA at 4/2/18; 2.69x TTM EBITDA at Year End

ASGN's free cash flow increased 50.3% Y-Y. The company strategically allocated its free cash flow between organic investments, acquisitions and debt repayment, while simultaneously maintaining a fairly low leverage ratio. ASGN is on track to generate roughly $368 million in free cash flow by 2022.

[1] Leverage ratio provides information about our compliance with loan covenants and is calculated in accordance with our credit agreement, as filed with the Securities and Exchange Commission ("SEC"), by dividing our total indebtedness by trailing 12 month Adjusted EBITDA.

5-Year Growth Plan to $5 Billion in 2022

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2017 Revenues[1]

$3.2B

Targeted CAGR of 6 to 7 percent
(3 to 4 percentage points above industry growth rates)

Leverage Market Position

- Geographic footprint, sales driven platform and long-standing customer relationships

Scale Value-Added Services

- Leverages vast contingent labor pool rather than full-time bench resources
- Value-added services have grown and will continue to grow faster than staffing

Expand Presence in Government IT Services

- Broad contract vehicle access to facilitate continued growth
- Capitalize on improving federal market dynamics
- Focus efforts on cybersecurity, infrastructure, science & engineering, NextGen IT

2022 Revenues (Before Acquisitions)

$4.3B to $4.5B

Acquired Revenues

Pursue Strategic Acquisitions

- Leverage track record of successful integrations
- Acquirer of choice
- Target $500 - $700 million of acquired revenue through 2022

2022 Revenues (Including Acquisitions)

$5.0B

5-Year CAGR of 9.3 Percent

[1] Pro forma to include ECS as if the acquisition occurred at the beginning of 2017.

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Financial Review

Summary of Pro Forma Financial Results

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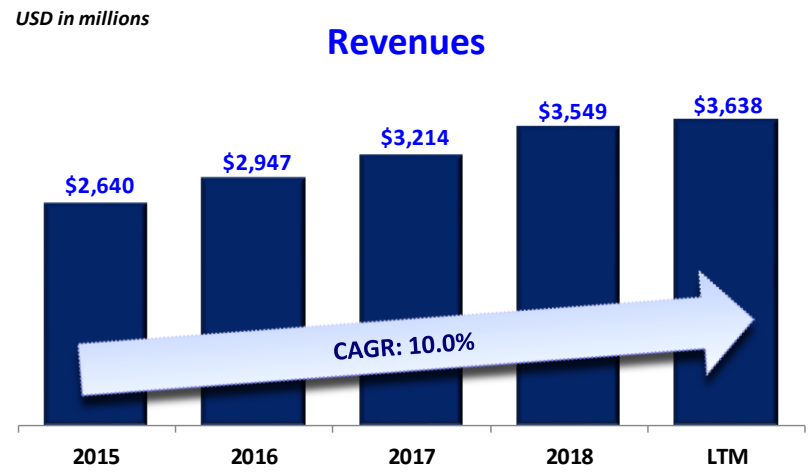
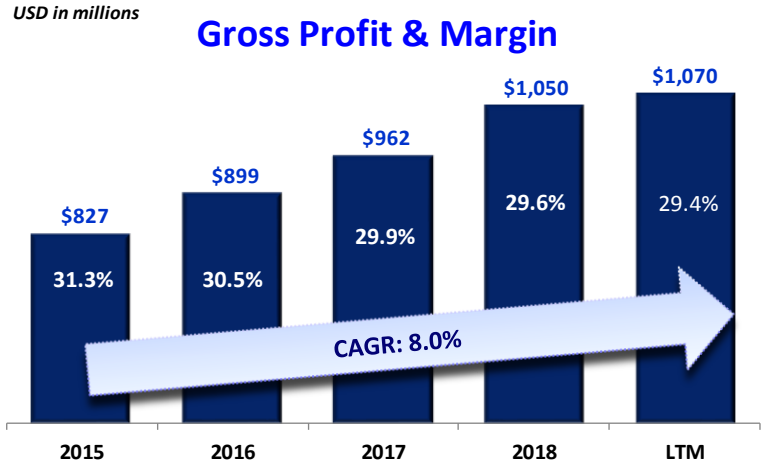
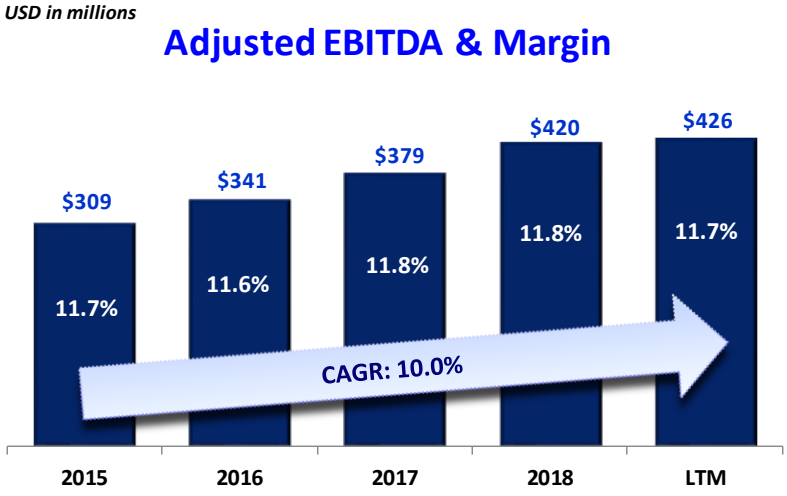
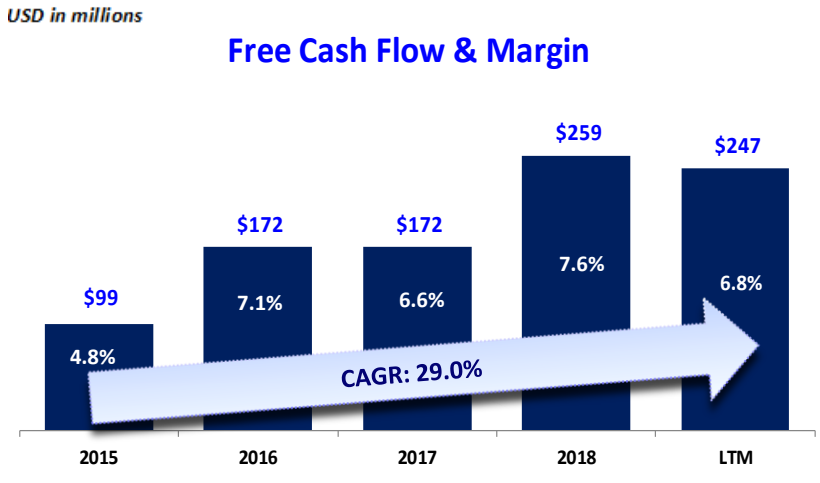
Consistent above industry growth, stable margins and high free cash flow generation









Note: Results are presented on a pro forma basis, which assume the acquisitions of Creative Circle and ECS occurred at the beginning of 2015, except Free Cash Flow & Margin, which are on a reported basis.

Q1 2019 Comparative Financial Results

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$ in millions, except per share amounts

	Revenues	Net Income	EPS	Adj. EPS	Adj. EBITDA
Total	$923.7	$34.9	$0.66	$0.93	$97.1
Y-Y	+34.8%	+20.1%	+18.7%	+11.1%	+29.9%
	+10.7% Pro Forma				

Adjusted EPS, a non-GAAP financial measure, is defined as EPS adjusted for (i) acquisition, integration and strategic planning expenses, (ii) amortization of identifiable intangible assets and (iii) credit facility amendment expenses. Does not include the "Cash Tax Savings on Indefinite-lived Intangible Assets." These savings total $7.0 million per quarter ($0.13 per diluted share) and represent the economic value of the tax deduction that we receive from the amortization of goodwill and trademarks.

Adjusted EBITDA, a non-GAAP financial measure, is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for, among other things, acquisition, integration, strategic planning expenses and stock based compensation.

Pro forma revenue growth rate assumes the acquisition of ECS occurred at the beginning of 2017.

Financial Estimates for Q2 2019

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Revenue	Gross Margin	Net Income
$967.0 - $977.0	29.3% - 29.7%	$48.6 - $52.3
Y-Y Growth of 10.1% to 11.2%		

EPS	Adj. EPS	Adj. EBITDA
$0.91 - $0.98	$1.15 - $1.22	$113.7 - $118.7
		Y-Y Growth of 6.7% to 11.4%

Adjusted EPS, a non-GAAP financial measure, is defined as EPS adjusted for (i) acquisition, integration and strategic planning expenses, (ii) amortization of identifiable intangible assets and (iii) credit facility amendment expenses. Does not include the "Cash Tax Savings on Indefinite-lived Intangible Assets." These savings total $7.0 million per quarter ($0.13 per diluted share) and represent the economic value of the tax deduction that we receive from the amortization of goodwill and trademarks.

Adjusted EBITDA, a non-GAAP financial measure, is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for, among other things, acquisition, integration, strategic planning expenses and stock based compensation.

Depreciation of $2.6 million included in costs of services related to an ECS project and depreciation of $7.6 million included in SG&A expenses are added back in the determination of Adjusted EBITDA.

Progress on 5-Year Plan Targets

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5-Year Plan Financial & Operating Targets (2018 – 2022)

- Annual Revenue growth of 6 to 7 percent[1]
- Revenues from acquisitions $0.5 to $0.7 billion[2]
- Maintain Gross Margins[3]
- Increase Adjusted EBITDA margin from 11.8% in 2017 to 12.0% to 12.5% in 2022
- 5 Year Cumulative Free Cash Flow target $1.4 to $1.5 billion

[1] Approximately 3 to 4 percentage points above current estimated industry growth rate.
[2] Estimate necessary to close gap between organic growth and 2022 revenue target of $5.0 billion.
[3] Before the effects of new Acquisitions.

Progress Relative to 5-Year Plan

($ in millions)	2022 Targets	LTM 3/31/19	
Revenues	$ 5,000.0	$ 3,638.3	
Growth Rate	9.3%	10.8%	Growth rate above the 5-year CAGR to achieve 2022 target
Adjusted EBITDA	$ 612.5	$ 425.5	
Adjusted EBITDA Margin	12.3%	11.7%	In-line with Year 1 Target Variance related to improvement in operating leverage
Free Cash Flow ("FCF")	$ 367.5	$ 246.7	
FCF as a % of Revenues	7.4%	6.8%	Below Target Variance related to acquisition/integration expenses and higher DSO at period end

Adjusted EBITDA and Free Cash Flow amounts and margins are at the mid-point of the 2022 targets.

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Appendix

Selected Financial Data ($ in millions)

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	2017					2018					2019
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Revenues											
Consolidated											
Assignment	$ 594.5	$ 620.0	$ 634.4	$ 647.5	$ 2,496.4	$ 650.3	$ 684.0	$ 705.6	$ 720.6	$ 2,760.5	$ 721.6
Permanent Placement	32.0	33.3	32.7	31.6	129.6	34.9	39.4	36.8	35.2	146.3	34.1
ECS	137.0	144.9	153.1	152.6	587.6	149.1	155.1	164.0	173.9	642.1	168.0
	$ 763.5	$ 798.2	$ 820.2	$ 831.7	$ 3,213.6	$ 834.3	$ 878.5	$ 906.4	$ 929.7	$ 3,548.9	$ 923.7
Apex Segment											
Assignment	$ 471.3	$ 491.3	$ 506.4	$ 524.3	$ 1,993.3	$ 524.9	$ 553.7	$ 575.2	$ 590.7	$ 2,244.5	$ 592.2
Permanent Placement	11.2	11.2	11.1	10.4	43.9	13.6	13.9	14.4	13.9	55.8	13.9
	$ 482.5	$ 502.5	$ 517.5	$ 534.7	$ 2,037.2	$ 538.5	$ 567.6	$ 589.6	$ 604.6	$ 2,300.3	$ 606.1
Oxford Segment											
Assignment	$ 123.2	$ 128.7	$ 128.0	$ 123.2	$ 503.1	$ 125.4	$ 130.3	$ 130.4	$ 129.9	$ 516.0	$ 129.4
Permanent Placement	20.8	22.1	21.6	21.2	85.7	21.3	25.5	22.4	21.3	90.5	20.2
	$ 144.0	$ 150.8	$ 149.6	$ 144.4	$ 588.8	$ 146.7	$ 155.8	$ 152.8	$ 151.2	$ 606.5	$ 149.6
ECS Segment	$ 137.0	$ 144.9	$ 153.1	$ 152.6	$ 587.6	$ 149.1	$ 155.1	$ 164.0	$ 173.9	$ 642.1	$ 168.0
Reconciliation of Net Income to Adjusted EBITDA											
Net Income	$ 22.4	$ 33.1	$ 34.9	$ 67.3	$ 157.7	$ 29.1	$ 33.6	$ 49.1	$ 45.9	$ 157.7	$ 34.9
Loss from discontinued operations, net of tax	(0.0)	0.1	0.0	0.0	0.2	0.1	0.1	-	0.1	0.3	-
Interest expense	8.5	6.1	7.1	6.0	27.6	6.6	20.5	14.6	14.3	56.0	14.5
Provision for income taxes	12.7	20.2	18.9	(12.6)	39.2	9.9	11.5	10.5	14.3	46.2	13.3
Depreciation	6.0	6.1	6.4	6.7	25.2	6.8	10.1	9.7	9.9	36.5	9.7
Amortization of intangible assets	8.5	8.3	8.2	8.4	33.4	7.6	18.5	18.6	13.8	58.5	13.8
EBITDA (non-GAAP measure)	58.1	73.8	75.5	75.9	283.3	60.1	94.3	102.5	98.3	355.2	86.2
Stock-based compensation	5.6	6.0	6.4	6.1	24.0	4.9	8.9	8.6	9.1	31.5	9.5
Acquisition, integration and strategic planning expenses	0.9	0.7	1.5	0.9	4.1	9.8	3.4	1.7	1.7	16.6	1.4
Adjusted EBITDA (non-GAAP measure)	$ 64.6	$ 80.5	$ 83.4	$ 82.9	$ 311.4	$ 74.8	$ 106.6	$ 112.8	$ 109.1	$ 403.3	$ 97.1
Reconciliation of Net Income to Adjusted Net Income											
Net income	$ 22.4	$ 33.1	$ 34.9	$ 67.3	$ 157.7	$ 29.1	$ 33.6	$ 49.1	$ 45.9	$ 157.7	$ 34.9
Loss from discontinued operations, net of tax	(0.0)	0.1	0.0	0.0	0.2	0.1	0.1	-	0.1	0.3	-
Credit facility amendment expenses	2.0	(0.1)	0.8	-	2.7	0.3	5.9	-	-	6.2	-
Acquisition, integration and strategic planning expenses	0.9	0.7	1.5	0.9	4.1	9.8	3.4	1.7	1.7	16.6	1.4
Tax effect on adjustments	(1.1)	(0.3)	(0.9)	(0.4)	(2.7)	(2.6)	(2.5)	(0.4)	(0.5)	(6.0)	(0.4)
Non-GAAP net income	24.2	33.6	36.3	67.9	161.9	36.7	40.5	50.4	47.2	174.8	35.9
Amortization of intangible assets	8.5	8.3	8.2	8.4	33.4	7.6	18.5	18.6	13.8	58.5	13.8
Income taxes on amortization for financial reporting purposes not deductible for income tax purposes	(0.4)	(0.4)	(0.4)	(0.4)	(1.6)	(0.3)	(0.2)	(0.3)	(0.2)	(1.0)	(0.3)
Adjusted Net Income (non-GAAP measure)	$ 32.3	$ 41.5	$ 44.1	$ 75.9	$ 193.8	$ 44.0	$ 58.8	$ 68.7	$ 60.8	$ 232.3	$ 49.4
Cash tax savings on indefinite-lived intangible assets	$ 6.7	$ 6.7	$ 6.7	$ 6.8	$ 26.9	$ 4.5	$ 6.8	$ 6.8	$ 6.8	$ 25.1	$ 7.0
Calculation of free cash flow											
Cash provided by operating activities	$ 43.8	$ 39.8	$ 54.6	$ 58.3	$ 196.4	$ 54.7	$ 76.7	$ 92.1	$ 63.9	$ 287.5	$ 44.0
Capital expenditures	(6.8)	(6.4)	(4.8)	(6.2)	(24.3)	(6.2)	(8.4)	(7.5)	(6.6)	(28.7)	(7.5)
Free cash flow (non-GAAP measure)	$ 37.0	$ 33.4	$ 49.8	$ 52.0	$ 172.2	$ 48.5	$ 68.4	$ 84.6	$ 57.3	$ 258.8	$ 36.5

Note: Revenues are presented on a pro forma basis, which assumes the acquisition of ECS occurred at the beginning of 2017. Adjusted EBITDA and Adjusted Net Income are presented on a reported basis.