

CONFERENCE CALL

PREPARED REMARKS FROM:
Theodore S. Hanson, President and Chief Executive Officer, ASGN Incorporated
Edward L. Pierce, Chief Financial Officer, ASGN Incorporated

July 1, 2021

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DISCLAIMER

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 proposed revenue scenarios outlined in our financial guidance will be achieved. Additional examples of forward-looking statements in this press release include, without limitation, our ability to attract, train and retain qualified staffing consultants, 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, 2020, as filed with the SEC on March 1, 2021. We specifically disclaim any intention or duty to update any forward-looking statements contained in this news release.

KIMBERLY ESTERKIN
ADDO Investor Relations:

Good morning, and thank you for joining us today to discuss today's announcement. With me are Ted Hanson, ASGN's President and Chief Executive Officer, and Ed Pierce, ASGN's Chief Financial Officer.

Before we get started, I would like to remind everyone that our commentary contains forward-looking statements. Although we believe these statements are reasonable, they are subject to risks and uncertainties, and as such, our actual results could differ materially from those statements. Certain of these risks and uncertainties are described in today's press release and in ASGN's SEC filings. We do not assume any obligation to update statements made on today's call.

For your convenience, the prepared remarks and related supplemental materials, including an updated Q1 2021 presentation that presents the Oxford business as Discontinued Operations for the last nine quarters and full years 2019 and 2020, can be found on the Events & Presentations page of the Investor Relations' section of ASGN's website at investors.asgn.com.

Please also note that on this call we will be referencing certain non-GAAP measures, such as Adjusted EBITDA, Adjusted Net Income and Free Cash Flow. These non-GAAP measures are intended to supplement the comparable GAAP measures. Reconciliations between the GAAP and non-GAAP measures are included in today's supplemental materials. I will now turn the call over to Ted Hanson, ASGN's President and Chief Executive Officer.

THEODORE S. HANSON
President and CEO, ASGN:

Opening Remarks

Today we announced the sale of one of our business units, Oxford Global Resources, reconfirming to all of our stakeholders our long-term strategy to be an industry leading provider of IT services and solutions to large commercial enterprises and federal government clients.

With that said, I'd like to take the opportunity today to provide some additional background on our strategic thought processes regarding the sale of Oxford and what this means for our business' long-term growth strategy. Ed Pierce, our CFO, will then address the financial impact of this sale and our increased estimates for the second quarter, figures which reflect ASGN's strong performance to-date and clearly demonstrate the strength of our underlying business. So, let me turn to some background on today's announcement.

Sale of Oxford Global Resources

Today we announced that we entered into a definitive purchase agreement to sell the Oxford business unit for $525 million in cash to an affiliate of H.I.G. Capital, a global alternative investment firm.

In connection with the decision to divest our Oxford business, we will now be reporting only two business segments, including the Commercial Segment and the Federal Government Segment. The Commercial Segment includes the former Apex Segment along with CyberCoders, our permanent placement business which was previously part of the Oxford Segment. Our ECS business will now comprise the Federal Government Segment.

Now back to the sale of Oxford. As many of you may know, ASGN acquired Oxford in 2007. Oxford offers high-end on-demand consulting talent for niche commercial IT, healthcare, life sciences and engineering clients. At the time of Oxford's acquisition, we were much more focused on providing high-end, niche services to the life sciences, healthcare and engineering markets and serviced a greater number of small, mid-market customer accounts.

Our business model has significantly evolved since that time, and over the past several years, we've become much more IT-centric and, in doing so, expanded and increased our market share in our large account Fortune 500 and Federal Government portfolios.

As would be prudent, we regularly evaluate our portfolio of businesses and their strategic fit with our long-term strategy. With the economy improving, we looked at each of our business units again. For those who have been following ASGN, you know that we have been actively adding strategic tuck-in acquisitions over the past few years to bolster our capabilities and industry expertise. We therefore reevaluated Oxford's place within this new set of businesses, and while Oxford has consistently shown improvement since the lows of the pandemic, their business is no longer as relevant to our overall model now that we are focusing on large account IT services and consulting solutions.

All of ASGN's business units compete for new capital investment, and naturally we support our highest growth, highest margin units that drive our long-term strategy forward. With that said, new ownership by H.I.G. is exactly what the Oxford business needs to continue to grow and achieve its potential.

We believe that M&A offers the highest return on invested capital for all of our stakeholders, enabling us to bring in new capabilities with industry domain expertise that will position ASGN as a leading provider of IT services and solutions to the commercial and government marketplaces. I am therefore pleased that the proceeds from the sale of Oxford, our cash on hand, which was $386.5 million at the end the first quarter, and no borrowings under our $250.0 million revolving credit facility, will enable us to continue to be highly active in M&A.

We will also be able to redistribute our capital into faster growing, higher margin businesses. With a sharpened focus on IT services and solutions, you can expect that we will continue to make strategic tuck-in acquisitions that provide new capabilities, solutions or contracts that are in high demand by our customers. One of these we announced just today.

Acquisition of the ERP Healthcare and Manufacturing Unit of Avaap

On June 30th, ASGN acquired the enterprise resource planning, or ERP, healthcare and manufacturing consulting business unit of Avaap, a modern enterprise solutions integrator with domain expertise, for $86 million in cash. The Avaap unit and its roughly 240 talented employees are now part of Apex Consulting Services and will strengthen our modern enterprise solutions capabilities in the Healthcare and Consumer & Industrials sectors.

Through this acquisition, we will be able to provide our current Healthcare and Consumer & Industrials customers with new and expanded advisory and managed service offerings, while also enhancing the offerings the Avaap team can provide their current customers now that they are a part of Apex and ASGN.

With budgets for major IT investments expanding, we expect significant opportunities ahead for the Avaap business as legacy users of the Infor enterprise platform upgrade to the cloud, specifically healthcare and manufacturing users amongst other industry users as well.

Before I speak further about our long-term strategy, I'll now turn the call over to Ed Pierce, our CFO, to discuss the financial impact of these transactions and our updated second quarter guidance.

EDWARD L. PIERCE
CFO, ASGN:

Financial Impact of Sale of Oxford Global Resources

As announced, we entered into a definitive agreement to sell our Oxford business for $525.0 million in cash and the after-tax proceeds from the sale are estimated to exceed $400.0 million. This transaction is expected to close after the receipt of the HSR and all anti-trust approvals.

To provide some perspective on the size of Oxford relative to the Company as a whole, Oxford for the past three years has accounted for just over 10.0 percent of ASGN's consolidated revenues, Net Income and Adjusted EBITDA. Over the preceding four quarters, Oxford generated revenues of $442.1 million, or 11.1 percent of consolidated revenues, and Adjusted EBITDA of $46.8 million, or 10.5 percent of consolidated Adjusted EBITDA.

As a result of our decision to divest the Oxford business, we will present the financial results of Oxford as Discontinued Operations. Since this change in reporting applies to historical periods, we have included in our updated supplemental materials restated financial results that present the Oxford business as Discontinued Operations for each of the last nine quarters and for the full years 2019 and 2020. These materials can be found in the Events & Presentations section of our Investor Relations website.

These updated materials also reflect the changes made to our segment reporting, which is also on a retrospective basis. As Ted noted, with this divesture, we now have two financial segments, Commercial and Federal Government. Our Commercial Segment is comprised of Apex Systems, Creative Circle and CyberCoders, while our ECS Segment has been renamed as our Federal Government Segment.

Revised Q2 2021 Guidance Estimates

In today's announcement, we included revised guidance estimates for Q2 of 2021, as well as restated historical results for Q1 of this year and Q2 of last year to present the Oxford business as Discontinued Operations. Our revised guidance estimates, together with our restated historical results, are also included in our updated supplemental materials.

Keep in mind that our earnings estimates do not include any acquisition, integration or strategic planning expenses. We currently estimate these expenses will total approximately $5.5 million, of which approximately $2.5 million relate to Continuing Operations and will be included in SG&A Expenses and $3.0 million relate to Discontinued Operations. Virtually all of these expenses relate to either the Oxford transaction or ongoing acquisition activities.

Our guidance estimates for continuing operations for Q2 of 2021, which excludes our Oxford business, are above our previously announced estimates primarily related to the higher-than-expected operating performance of our Commercial Segment and approximately 10.0 percent growth in our Federal Government Segment despite a difficult prior-year comp.

For the quarter, we are estimating year-over-year revenue growth from continuing operations of 15.4 percent to 16.6 percent, which is up from the previous estimate of 11.8 percent to 14.2 percent, and Adjusted EBITDA growth of 19.7 percent to 22.3 percent, up from the previous estimate of 10.2 percent to 15.5 percent growth.

We are expecting both gross and Adjusted EBITDA margin expansion as a result of the higher relative growth of our Commercial Segment, which carries higher margins than our Federal Government Segment. Within the Commercial Segment, margins are benefiting from the high growth in consulting services and permanent placement revenues.

For the second quarter, we are estimating revenues from continuing operations of $960.0 million to $970.0 million. Our Net Income, which includes income for Discontinued Operations, of $8.7 million, is estimated to range from $64.6 million to $66.4 million. Our Adjusted EBITDA from continuing operations ranges from $114.0 million to $116.5 million. Consistent with commentary on our first quarter call, all operating divisions will be up both year-over-year and sequentially.

We plan on announcing our second quarter results on Wednesday, July 28th and will not be providing any additional information on the quarter on this call. A formal announcement of the release date and details on the regular quarterly investor conference call will be made next week.

Thank you for your time. I'll turn the call back over to Ted for some closing remarks.

THEODORE S. HANSON
President and CEO, ASGN:

Positioning ASGN for Success

The economy is improving, our customers are actively increasing their IT budgets, and we are executing on our long-term business model exactly as planned. With a strong balance sheet and ample cash flow, we will continue to make acquisitions in the commercial and government end markets that provide us with industry expertise along with new capabilities, new customers and new contract vehicles. You can expect us to become increasingly focused on building our commercial consulting practice, which has reached an annual revenue run rate of $470.0 million and continues to grow as a percentage of our total business mix. We will also continue to invest in our federal government business, which has now surpassed $1.0 billion in annual revenues.

The divesture of our Oxford business marks an important milestone for the Company. It accomplishes a number of strategic objectives, including the freeing up of both capital and management bandwidths to focus sharply on building a high-growth, high-margin, diversified IT services business in the commercial and federal government sectors. Our acquisition strategy will continue to focus on businesses that expand our IT consultative capabilities, which can be leveraged across the breadth of our entire

organization. Our operational planning will continue to focus on making appropriate investments that support higher growth and profitability of our business.

With this divesture, the strong resurgence of our commercial business and the growth and stability of our federal government business, we are confident that we have taken the appropriate actions to not only weather the pandemic, but to position the Company for long-term sustainable growth in the markets we serve. We are currently planning an investor day later this year in which we will communicate to our investors and the market our near and long-term vision, strategy and goals. The details of this event will be forthcoming.

To conclude, ASGN is in the right markets, with the right capabilities, at the right time. Thank you for your time today. We will now open up the call to your questions.