

CONFERENCE CALL

PREPARED REMARKS FROM:
Theodore S. Hanson, Chief Executive Officer, ASGN Incorporated
Shiv Iyer, President, ASGN Incorporated
Marie L. Perry, Chief Financial Officer, ASGN Incorporated

October 22, 2025

THIRD QUARTER 2025 FINANCIAL RESULTS CONFERENCE CALL
OCTOBER 22, 2025
PREPARED REMARKS

DISCLAIMER

Certain statements made in these prepared remarks are “forward-looking statements” within the meaning of Section 27A of the Securities Exchange Act of 1933, as amended, and 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 these prepared remarks include, without limitation, statements regarding 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 successfully adapt, integrate, and leverage developing technologies, including generative AI, 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, 2024, as filed with the SEC on February 24, 2025. We specifically disclaim any intention or duty to update any forward-looking statements contained in these prepared remarks.

KIMBERLY ESTERKIN
Vice President Investor Relations:

Good afternoon. Thank you for joining us today for ASGN's third quarter 2025 conference call. With me are Ted Hanson, Chief Executive Officer, Shiv Iyer, President, and Marie Perry, 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 our SEC filings. We do not assume any obligation to update statements made on this call.

For your convenience, our prepared remarks and supplemental materials can be found in the Investor Relations section of our 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 GAAP and non-GAAP measures are included in today's press release.

I will now turn the call over to Ted Hanson, Chief Executive Officer.

THEODORE S. HANSON
Chief Executive Officer:

Thank you, Kim, and thank you for joining ASGN's third quarter 2025 earnings call.

Market Sentiment Remains Steady as Drive for AI Adoption Continues

ASGN delivered solid performance in the third quarter, with revenues reaching $1.01 billion and Adjusted EBITDA margin of 11.1 percent - both at the high end of our guidance ranges. Our IT consulting business continues to be a key growth driver, representing approximately 63 percent of total revenues in the third quarter, up from 58 percent in the same period last year.

Commercial consulting bookings totaled $324 million, translating to a book-to-bill of 1.2 times on a trailing twelve-month basis. While bookings remain weighted towards renewals, we are seeing the volume of new wins grow as we take on more complex, multi-capability engagements and assessment projects.

In our Federal Segment, new contract awards totaled $461 million for the third quarter, or a book-to-bill of 1.0 times on a trailing twelve-month basis and 1.5 times for the quarter. As anticipated, bookings increased in the third quarter, coinciding with the end of the government fiscal year. Federal contract backlog was approximately $3.1 billion at quarter end, or a coverage ratio of 2.6 times the segment's trailing twelve-month revenues.

Although IT spending levels remain steady quarter-to-quarter, our commercial and government clients continue to acknowledge the importance of executing their key initiatives despite macroeconomic conditions. Strong quarterly bookings reflect the demand across our client base, and ongoing investment in AI highlights a significant commitment to digital advancement.

Reflecting upon this ongoing trend, ISG highlighted on their third quarter 2025 index call that AI spending is not merely a passing fad, but a "fundamental re-platforming of enterprise technology." We are witnessing this firsthand, as we deploy a growing number of AI use cases on behalf of our client base and are witnessing an increasing volume of data and cloud initiatives flowing through our pipeline as clients prepare for their next phases of digital and AI growth.

That said, even with this continued drive towards AI, the path to enterprise-wide AI adoption is not without its challenges. Organizational readiness and operational governance remain hurdles, as companies work to streamline and integrate these new technologies into their stacks. In addition, many commercial enterprises and government agencies lack the skills and engineering talent needed to successfully deploy AI. This reality is driving greater reliance on IT service partners, like ASGN, that can offer the breadth and depth of capabilities needed. On the topic of specialized skillsets, we are actively tracking the potential changes to the H-1B Visa application process and believe that any changes to the process will be an incremental positive to ASGN.

To further illustrate the demand for our expertise, I'd like to turn the call over to our President, Shiv Iyer.

SHIV IYER
President:

Consumer & Industrial Industry Leads Commercial Segment Progress, While National Security Agencies Drive Federal Bookings

Let me begin with an overview of our Commercial Segment industries. Our Consumer & Industrial accounts saw the greatest improvement in the third quarter, posting mid-teens growth year-over-year. This strong performance was driven by gains across our Materials, Utilities, Industrials, Consumer Discretionary, and Consumer Staples clients. Healthcare was our second-best performing industry, up high single digits as compared to the year-ago due to double-digit growth amongst our Healthcare Provider, Pharmaceutical, and Biotech clients. Financial Services, TMT, and Business Services all experienced year-over-year declines.

Looking sequentially, we saw growth in three of our five Commercial industries. The Healthcare industry saw the largest sequential growth and was led by our Provider clients. Consumer & Industrial accounts also posted modest sequential gains, driven by our work with Utility, Materials, and Consumer Staples customers. In TMT, growth was supported by our e-Commerce group, as well as incremental gains in Telecom, Hardware, and Equipment accounts.

Beyond these three industries, we continue to watch Financial Services closely, as these customers are some of the largest spenders on IT. While our Financial Services revenues declined from the second quarter, new wins for the industry outpaced renewals in Q3, with much of this work slated to begin in Q4.

In our Federal Segment, we track our revenues across four customer types, which are Defense and Intelligence, National Security, Civilian, and other clients. In the third quarter, Defense, Intelligence, and National Security accounts comprised approximately 70 percent of our total government revenues. Notably, National Security revenues improved 12 percent year-over-year, driven by our work with the Department of Homeland Security (DHS).

Looking ahead, we are encouraged by the future of our Federal Segment, particularly due to the increased defense budget under the One Big Beautiful Bill, as well as the strong quarterly bookings that Ted highlighted earlier. Also, of note, given the mission critical nature of the work we perform, the government shutdown to date has had an immaterial impact on our operations. That said, we continue to stay very close to our clients and monitor what is a very dynamic situation.

Pioneering Progress Through an Industry-First Approach

Let's now turn to our solutions capabilities. For the quarter, we saw an increase in projects focused on data and AI, application development and engineering, customer experience, and cybersecurity. I'd like to share a few examples of each, beginning with our data and AI work.

For a Fortune 500 managed care organization, we partnered to develop a centralized data supply chain platform, leveraging Databricks, AWS, Snowflake, and MongoDB. Through this engagement, not only did we modernize our client's core data capabilities, but we also laid the groundwork for advanced AI and machine learning workflows that will enable our client to offer smarter, faster, and more efficient healthcare delivery.

Our deep expertise in platforms like Databricks and Snowflake, along with our ability to tailor these solutions to each client's unique environment, truly sets ASGN apart in the marketplace. Additionally, our suite of AI-embedded developer productivity tools created for specific industry use cases provides a competitive edge. For example, when a global, privately held hospitality company sought to modernize its loyalty application, our AI accelerators shortened the discovery phase by 25 percent and captured 40 percent more of the project's detailed requirements than traditional, manual methods. This approach reduced project risk and laid a solid foundation for faster modernization of the new loyalty application.

We're also building accelerators and custom AI solutions for our government clients. In the third quarter, we secured an extension with DHS to continue supporting the agency's Enterprise Data Warehouse. Our team provides a range of data engineering, data

science, and data analytics capabilities to DHS and is leveraging both commercial and our own custom-built AI solutions to advance DHS' mission critical initiatives.

Our data and AI work is closely aligned with the work we are conducting in our application development and engineering space. As an example, under the FBI's Information Technology Supplies and Support Services contract (ITSSS-2), a re-compete won during the third quarter, we are delivering enterprise-scale software development and application modernization services to help the FBI accelerate DNA analytics delivery across federal, state, and international partners.

On the Commercial side, with a leading U.S. crop insurance provider, we secured our largest application engineering services contract to date. Our selection was based on our deep industry expertise, proven accelerators for legacy modernization, and cost optimization through a blend of onshore, nearshore, and offshore delivery. This three-year contract will modernize policy administration, claims, and customer engagement platforms, enabling real-time data access and insights that enhance underwriting accuracy, claims efficiency, and customer experience.

Using AI to reinvent customer experience represents a growing area within our creative digital solutions portfolio. For a Fortune 250 pharmaceutical company, we are leading a full-scale transformation of their in-house agency, reimagining how customer experiences are delivered globally. Using our in-house agency excellence framework, we embedded Adobe-powered personalized and AI-driven operations into their workflows, combining translation, reasoning, and execution with human strategy and creativity. This project is one of our many customer experience projects that demonstrate in the AI era, human creativity isn't replaced, it's amplified with AI.

Just as we help our clients elevate their own customers' experiences, we too strive to provide the highest level of service to our clients. This approach often helps us outpace the competition during the proposal process. For example, our cloud and infrastructure team recently replaced a long-standing incumbent as the new Level 3 Network Support for a Fortune 500 athletic footwear and apparel company. Our deep understanding of this client's business needs was the key differentiator during the selection process. Now, as this retailer's highest-level network support, our team of network engineers are responsible for everything from network triage to strategic decisions and network optimization across the company's distribution centers, stores, and headquarters.

Similarly, broader network protection, or cybersecurity, remains in demand across our client base, particularly among our federal government customers. In the third quarter, we won a re-compete contract with the U.S. House of Representatives to support their 24x7 Security Operations Team. As the House's first line of defense, our teams provide real-time network security monitoring, endpoint detection and analysis, and cyber incident response and reporting for more than 20,000 geographically disperse endpoints.

These are just a few of the many projects our commercial and government teams secured over the past three months. The breadth of this work underscores our deep industry expertise and engineering capabilities. It also highlights the growing strength of our ecosystem and alliance partnerships, all of which position our business for continued growth.

With that, I'll turn the call over to our CFO, Marie Perry, to discuss ASGN's third quarter segment performance and fourth quarter guidance.

MARIE L. PERRY
Chief Financial Officer:

Q3 2025 Financial Performance and Q4 2025 Financial Estimates

For the third quarter, revenues totaled $1.01 billion, a decrease of 1.9 percent year-over-year, but at the top end of our guidance expectations.

Revenues from our Commercial Segment were $711.3 million, a decrease of 1.0 percent compared to the prior year. Assignment revenues totaled $376.4 million, a decrease of 13.2 percent year-over-year reflecting continued softness in portions of our Commercial Segment that are more sensitive to changes in macroeconomic cycles. Revenues from our Commercial Consulting, the largest of our high-margin revenue streams, totaled $334.9 million, an increase of 17.5 percent year-over-year. Excluding TopBloc, which we acquired in March 2025, consulting revenues improved mid-single digits year-over-year.

Revenues from our Federal Government Segment were $300.1 million, a decrease of 3.9 percent year-over-year.

Turning to margins. Gross margin for the third quarter of 2025 was 29.4 percent, an increase of 30 basis points from the third quarter of last year.

Gross margin for the Commercial Segment was 33.2 percent, up 40 basis points year-over-year, reflecting a higher mix of consulting revenues.

Gross margin from our Federal Government Segment was 20.3 percent, a decline of 40 basis points year-over-year, due to the loss of higher margin work related to DOGE and the completion of certain projects.

SG&A for the quarter was $212.2 million, compared to $207.5 million in the third quarter of 2024. SG&A expenses included $4.2 million in acquisition, integration, and strategic planning expenses. These items were not included in our previously announced guidance estimates.

For the third quarter, net income was $38.1 million, Adjusted EBITDA was $112.6 million, and Adjusted EBITDA margin was 11.1 percent.

Also at quarter end, cash and cash equivalents were $126.5 million, and we had approximately $460 million available on our $500 million senior secured revolver. Our net leverage ratio was 2.4 times at the end of the quarter.

Our strong Free Cash Flow provides a strategic advantage that enables ASGN to fund growth initiatives, invest in strategic M&A, and opportunistically repurchase shares, all while maintaining a healthy balance sheet. Free Cash Flow was $72 million for the third quarter, a conversion rate of approximately 64 percent of Adjusted EBITDA, well within our target of 60 to 65 percent conversion.

We deployed roughly $46 million of our Free Cash Flow to repurchase 0.9 million shares, at an average share price of $51.46. At quarter end, we had approximately $423 million remaining under our $750 million share repurchase authorization.

Turning to guidance. Our financial estimates for the fourth quarter of 2025 are set forth in our earnings release and supplemental materials. These estimates are based on current market conditions and assume no further deterioration in the markets we serve. In addition, estimates do not include any acquisition, integration, and strategic planning expenses.

Guidance also assumes 61 Billable Days in the fourth quarter, which is the same number of Billable Days as the year-ago period and 2.5 days fewer than the third quarter. We typically see a larger sequential decline in Billable Days between the third and fourth quarters due to holidays. The fourth quarter has the lowest number of quarterly Billable Days.

In terms of our business segments, on a same Billable Day basis, our estimates assume a slight sequential improvement in our Commercial Segment from the third to the fourth quarter. The Federal Government Segment estimates assume some caution due to uncertainty around the end of the government shutdown.

With that as background, for the fourth quarter of 2025, we are estimating revenues of $960 million to $980 million, net income of $32.1 million to $35.7 million, Adjusted EBITDA of $102 million to $107 million, and Adjusted EBITDA margin of 10.6 percent to 10.9 percent.

Thank you; I'll now turn the call back over to Ted.

THEODORE S. HANSON
Chief Executive Officer:

Setting New Targets – November Investor Day

As we progress through the final quarter of 2025, I'm genuinely excited about the path ahead and eager to share more about our vision for sustainable growth and long-term value creation. On November 20, we'll be hosting an investor day in New York City, where we'll offer an in-depth look at our strategy and unveil new three-year financial targets. I encourage you to listen to the webcast and hear directly from our expanded leadership team about the next phase of our growth journey. A link to register for the webcast is available on our investor relations website.

This concludes our prepared remarks. I want to express my deep gratitude to every one of our employees for your steadfast dedication throughout this past quarter. Your hard work has been instrumental in strengthening our client partnerships and driving our continued move into high value technology and engineering solutions.