



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

April 22, 2026



FIRST QUARTER 2026 FINANCIAL RESULTS CONFERENCE CALL APRIL 22, 2026 PREPARED REMARKS

DISCLAIMER

Certain statements made in these prepared remarks 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 the prepared remarks, 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, expense, and profit estimates outlined above will be achieved. Additional examples of forward-looking statements include, without limitation, statements regarding our ability to attract, train, and retain qualified internal employees, the availability of qualified billable professionals, management of our growth, continued performance and improvement of our enterprise-wide information systems, our ability to successfully adapt to, integrate, and leverage new and developing technologies, including generative artificial intelligence, our ability to manage our litigation matters, the successful integration of acquisitions, statements related to the Company’s brand transition to Everforth, 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, 2025 as filed with the SEC on February 25, 2026. We specifically disclaim any intention or duty to update any forward-looking statements contained in the prepared remarks.

KIMBERLY ESTERKIN

Vice President Investor Relations:

Good afternoon. Thank you for joining us today for ASGN's, soon to be Everforth’s first quarter 2026 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 our first quarter 2026 earnings call.

Positioning for the Long Term and Executing our Next Wave Growth Strategy

Today marks an important milestone for our Company. This will be our final earnings call under the ASGN name, and on Friday we will officially begin operating as Everforth and trading under our new stock ticker, EFOR. This transition reflects the continued transformation of our business, bringing our capabilities together under the Everforth brand to support a more integrated operating model focused on higher-value solutions and deeper client relationships. By pursuing this path, we will unlock further scale and increase our cross-selling opportunities.

As part of this evolution, we are also updating our Commercial Segment reporting to more clearly reflect how we are evolving the business, which is by industry rather than mode of delivery. This change is intentional and aligns with our Next Wave Growth Strategy and industry-led approach, which we previewed at our Investor Day this past November.

Ultimately, the delivery structure of our engagements is much less meaningful than the outcomes we drive and the strong value we create for our clients. We will, therefore, provide color through the lenses that matter most to how we compete in the Commercial space - our five industries and our six solution capabilities. In addition, to help track demand for our higher-value work and our ability to win in the marketplace, we will disclose our Commercial Consulting book to bill, consistent with what we've shared in prior quarters. With that as background, let's discuss our first quarter results.

Revenues for the first quarter were \$968.3 million, in line with the prior year and our guidance. Commercial Segment revenues were driven by demand in AI and data, cloud and infrastructure, and application engineering and modernization. Our AI and data and cloud and infrastructure pipelines continue to build, reinforcing momentum in these areas of our business. Commercial consulting book-to-bill was 1.1 times on a trailing twelve-month basis.

Federal Segment new contract awards totaled \$151.3 million, or a book-to-bill of 0.7 times on a trailing twelve-month basis. Federal contract backlog was approximately \$2.8 billion at quarter end, or a coverage ratio of 2.4 times the segment's trailing twelve-month revenues. Similar to the Commercial Segment, AI and data work was a solid contributor to revenues, bookings, and pipeline within our federal business. Cybersecurity contracts also nicely contributed to revenue and bookings in the quarter.

We are beginning to see award activity at many government agencies pick up following the passage of the Federal budget in early February. That said, we experienced some funding delays at the Department of Homeland Security (DHS), which is navigating both a shutdown and a leadership transition. Importantly, we have not seen any disruption to award funding related to the conflict in Iran. Instead, we are seeing evolving requirements in partner collaboration, particularly around cyber threat analysis and data management and analytics, as agencies seek to strengthen decision-making expertise.

While our revenues were within guidance, Adjusted EBITDA margin of 8.6 percent was below our expectations for the quarter. This miss was driven largely by business mix related to a lower-than-expected contribution of some of our higher-margin solutions within the Commercial Segment. Nevertheless, we continue to closely manage our expenses.

As discussed during our Investor Day, we are making strategic pivots in our business that will position us well for the long-term. Those changes are being shaped by how our clients themselves are evolving, and the expectations they have for partners that can support them through that change. Our clients are navigating a very volatile macro environment with continued uncertainty around how technologies such as AI and enterprise software will ultimately impact the technology landscape and influence their IT spending. While this dynamic can create some near-term variability, we are focused on strengthening our foundation by building a more unified brand, enhancing our go-to-market approach, and maintaining disciplined expense management and capital allocation. These actions give us conviction that we are building a stronger, more resilient platform aligned with client demand and positioned to drive topline growth and margin expansion.

Against this backdrop, I want to step back and revisit our Next Wave Growth Strategy. We continue to make progress executing our long-term initiatives, and during the first quarter, we took several important actions that reinforce our strategic priorities. First, we announced key leadership appointments across both our Commercial and Federal Government Segments to support our next phase of growth. We welcomed Ashish Jandial as President of Commercial, North America; Sangita Singh, as President of India and International; and Donnie Scott, as President of our Federal Government Segment. Each leader brings deep experience scaling global services organizations, driving AI-enabled digital transformations, and building delivery platforms designed for long-term value creation. Collectively, this team enhances our ability to execute our strategy while building on the solid foundation already in place.

We also successfully closed the acquisition of Quinnox, marking another important milestone in advancing our strategy toward enhancing our solutions capabilities and margins. Quinnox meaningfully expands our ability to deliver technical end-to-end application engineering and modernization solutions for our commercial clients, while establishing a strong foundation for our offshore delivery platform in India. Although still early, integration is progressing well and we are already co-selling their services.

Ultimately, these actions enhance our ability to support growing client demand for AI-led transformation, scalable delivery, and outcomes-based solutions across industries. We remain focused on executing with discipline and building a higher-value, more integrated Everforth.

With that, I'll turn the call over to Shiv.

SHIV IYER
President:

Industry-Led Approach Provides Meaningful Lens for Client Demand

As Ted noted, we go to market through a combination of industry and solutions expertise. We believe industry is the most meaningful lens for understanding where client demand is emerging and how our customers are prioritizing their IT investments. With that in mind, I will begin with our industry performance for the first quarter.

Within our Commercial Segment, we delivered year-on-year growth in the Healthcare, Consumer and Industrial, and TMT industries, reflecting broad-based demand for AI and data, cloud and infrastructure, application engineering and modernization, and enterprise platforms. Healthcare grew at a high single-digit rate, driven by increased engagement from healthcare payers, while the Consumer and Industrial and TMT industries achieved mid-single-digit growth, supported by software, utilities, and industrial customers leveraging our capabilities across AI and data, cloud, experience, and cybersecurity. Though the Financial Services industry, one of the biggest spenders on IT, declined mid-single-digits year-over-year, we saw high single-digit growth amongst insurance customers where application engineering and AI engagements continued to gain traction.

Consistent with the typical first-quarter seasonality in which certain projects conclude at year end, most industries softened sequentially, with TMT relatively flat. That said, we saw pockets of strength within several industries. In Consumer and Industrial, for example, utilities delivered low single-digit growth, supported by demand in application engineering, cloud and infrastructure, and AI and data.

Turning to our Federal Segment. We track our federal revenues across four customer types, including Defense and Intelligence, National Security, Civilian, and Other clients. Defense, Intelligence, and National Security customers continue to comprise approximately 70 percent of our total federal revenues, with the remaining balance coming from civilian agencies, government-sponsored entities, state and local agencies, and select commercial customers.

National Security customers delivered the strongest growth for the segment, both year-over-year and sequentially. This was primarily driven by cybersecurity work supporting the Continuous Diagnostics and Mitigation, or CDM, Service Program within DHS. We also saw mid-single digit growth in our Other clients year-over-year, led by the USPS, where we deployed a purpose-built AI application designed to significantly reduce undeliverable mail and improve operational efficiency.

AI Continues to Underpin Solutions and Pipeline Growth

Building on the industry discussion, I'd like to transition to our solutions' performance, which provides a clear view of where the client demand is strongest today and how it is evolving. AI and data remain a significant driver of demand across our portfolio. Our clients are increasingly focused on modernizing data foundations to support analytics, AI-enabled decision making, and operational agility. Let me provide a few examples.

In the Consumer industry, we partnered with a leading global athletic apparel and footwear company to design and deploy a unified analytics platform powered by Databricks Genie, an agentic AI interface that enables secure access to governed data. By consolidating product assortment planning, demand, bookings, and sales into a single governed experience, our client improved product creation decisioning and speed to market, while also establishing a reusable foundation to scale across broader demand planning and supply chain use cases.

Databricks is one of our core strategic partners, and during the quarter our Commercial business was recognized as a Databricks Silver Tier Partner. Leveraging that partnership, our Industrial team supported a Fortune 100 energy and utilities company in migrating from legacy architectures to a Databricks-based integration. This effort aligned the client to its enterprise data strategy, while also reducing long-term risk and strengthening governance. Following the success of this project, our client is engaging our teams to support legacy migrations into Databricks across other areas of the organization.

We are also helping customers unlock the full value of modern hyperscaler AI services in the cloud. In the TMT vertical, for example, our AI and cloud teams partnered with AWS to support a Fortune 50 media company in building a digital twin of its streaming platform. This solution combines advanced cloud engineering with AI-powered simulations to help our client proactively identify performance risks ahead of some of the largest global streaming sporting events that commonly draw over 100 million viewers. A successful project, we now have a repeatable use case that can be extended across TMT clients with similarly streaming and gaming environments.

As AI adoption and data volumes accelerate, cybersecurity has become an increasingly integral component of nearly every client engagement. In the Healthcare industry, we secured an extension with a large national insurance payer to modernize their identity governance using SailPoint. This work established a centralized identity framework that supports regulatory compliance while safeguarding sensitive patient and member data. Alongside this modernization work, we continue to provide ongoing SailPoint platform support, reinforcing our long-term client relationship.

In the Federal market, we are supporting the Cybersecurity and Infrastructure Security Agency, or CISA, through the aforementioned CDM Program, by delivering Security Information and Event Management as a Service. This capability standardizes security data collection across federal agencies and enables real-time threat detection and rapid response.

We also delivered a first-of-its-kind, ATO-accredited development environment for the U.S. Navy, a secure, government-approved workspace where teams can safely build, test, and manage software and data. By combining our DevLabs and Software Factory with Elastic's cloud infrastructure and AI-enabled automation, we created a development environment that aligns with the DoD's Zero Trust requirements.

Enterprise platforms also remain central to our clients' digital transformations, particularly as organizations look to embed AI into their systems of record. We continue to advance co-selling and co-development efforts across our partner ecosystem, with a focus on accelerating time to value through automation, data readiness, and agent-enabled workflows.

In our Commercial business, we are helping clients embed agentic capabilities across core data platforms, hyperscaler cloud environments, and enterprise systems of record. During the quarter, we became a Snowflake Cortex Code Preferred Partner, working closely with Snowflake to build hands-on labs, develop AI-readiness case studies, and create customer-facing applications leveraging Cortex, Snowflake's native agentic engineering capability. Similarly, with AWS, we are partnering to build a Workday Data Loading Agent that combines AWS' agentic technology with TopBloc's proprietary SmartLoader tools. With Salesforce, we are investing in Agentforce to enable AI-driven digital work that supports faster delivery cycles and improved testing outcomes, and



with ServiceNow, we were one of the top ten global partners selected for the launch of Employee Works, a new offering that integrates AI assistants with workflow automation.

Although we are seeing progress in our enterprise platforms work, we are operating in a more deliberate buying environment. Decision cycles have lengthened, as customers take a more measured approach to large, long-term initiatives while they assess how AI fits into their broader technology roadmaps. The enterprise software market is also undergoing change, from evolving go-to-market models focused on consumption rather than per seat, to organizational realignments with changes in sales and executive leadership.

That said, we view this as a moment in time. While customers are being more deliberate about how, when, and where they invest, we do not see them stepping away from enterprise platforms, nor do we see AI displacing these systems of record. In fact, AI is increasing their relevance. Enterprise platforms remain where data, workflows, and governance reside, and without that foundation, AI lacks context and scale. Our role is to help clients modernize, integrate, and optimize these platforms, while enabling practical AI applications that drive measurable business outcomes. As spending normalizes and IT programs move forward, we are well positioned to support our clients across this ecosystem.

With that, I'll turn the call over to our CFO, Marie Perry, to discuss our first quarter 2026 performance and second quarter guidance.

MARIE L. PERRY
Chief Financial Officer:

Q1 2026 Financial Performance and Q2 2026 Financial Estimates

For the first quarter, revenues totaled \$968.3 million, within our guidance range and consistent with the prior-year period. Given the timing of the acquisition close, Quinnox contributed less than one month to the quarterly results.

Revenues from our Commercial Segment were \$675.5 million, an increase of 0.5 percent compared to the prior year.

Revenues from our Federal Government Segment were \$292.8 million, a decrease of 1.1 percent year-over-year.

Turning to margins. Gross margins for the first quarter of 2026 were 27.5 percent, a decrease of 90 basis points from the prior year. Commercial Segment gross margins totaled 31.0 percent, a decrease of 140 basis points year-over-year. Gross margins for the Federal Government Segment were 19.6 percent, an increase of 10 basis points year-over-year, but slightly lower than our expectations due to a higher than anticipated contribution of cost-plus revenues in the quarter.

As Ted mentioned, this decline in margins was primarily driven by business mix related to a lower-than-expected contribution from some of our higher-margin solutions within the Commercial Segment. We also experienced headwinds from changes in our foreign exchange rate related to our delivery center in Mexico.

SG&A for the quarter was \$224.4 million compared to \$214.5 million in the first quarter of 2025. SG&A expenses included \$12.8 million in acquisition, integration, and strategic planning expenses that were not included in our previously announced guidance estimates. Excluding these expenses, SG&A expenses were relatively consistent with the prior year.

For the first quarter, net income was \$5.5 million, Adjusted EBITDA was \$83.6 million, and Adjusted EBITDA margin was 8.6 percent. Adjusted EBITDA margin was below our guidance range due to the lower gross margin just discussed.

In addition, our estimates assumed an effective tax rate of 28 percent. For the quarter, the effective tax rate was 48.1 percent, reflecting the one-time discrete items not included in our guidance.



As previously noted, in March, we completed our acquisition of Quinnox for \$290 million. We also deployed \$39 million in cash to repurchase 0.8 million shares at an average share price of \$47.69. At quarter end, we had approximately \$934 million remaining under our \$1 billion share repurchase authorization.

Cash and cash equivalents were \$143.6 million at quarter end. We had approximately \$160 million available on our \$500 million senior secured revolver. Our net leverage ratio was 3.1 times at the end of the quarter. We are committed to reducing our debt over time in order to bring our net leverage ratio closer to our 2.5 times target. We will continue to opportunistically balance capital deployment with organic investment and share repurchases and have remained active in buying back our shares in the second quarter.

Free cash flow was \$9.1 million. While free cash flow is generally seasonally softer in the first quarter, it was lower than we typically see in past quarters primarily due to an increase in DSO.

Turning to guidance. Our financial estimates for the second quarter of 2026 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.

As we execute against our strategic plan, we expect some continued upfront investments. Our second quarter estimates include \$8 million to \$10 million in strategic planning expenses related to the execution of our Next Wave Growth Strategy, which we expect will decline over the coming quarters. Alongside these investments, as we highlighted at Investor Day, we are implementing targeted initiatives that will generate meaningful structural cost savings for the business. These efforts are progressing as planned.

With that as background, for the second quarter of 2026, we are estimating revenues of \$970 million to \$1.0 billion, net income of \$8.0 million to \$13.7 million, Adjusted EBITDA of \$85 million to \$95 million, and Adjusted EBITDA margin of 8.8 percent to 9.5 percent.

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

THEODORE S. HANSON
Chief Executive Officer:

Strategic Progress and Long-term Vision

As we step back from the quarter, the most important takeaway is the consistency between our strategy and our actions. The projects Shiv walked through today illustrate how our industry depth and solutions capabilities are translating into meaningful outcomes for clients navigating increasingly complex environments. The acquisition of Quinnox strengthens our ability to deliver end-to-end application engineering and modernization at scale, while the leadership additions we made earlier this year further align our Company to execute our Next Wave Growth Strategy. These are deliberate actions, focused on building a higher-value, more unified company positioned for durable, long-term growth and expanded margins.

This long-term orientation is a central theme in our annual shareholder letter, which will be released later this week. This letter discusses the evolution of enterprise technology and how those shifts are shaping our strategic priorities. As AI moves from experimentation towards broader enterprise adoption, it is driving greater integration and modernization across IT environments and increasing the need for sophisticated services to support that transition. Solution providers that can modernize data and infrastructure and embed AI into real-life business processes and workflows are best positioned to succeed, and these are the areas where we have a clear position and right to win. Our diversified client base, differentiated delivery model, deep industry relationships, and portfolio of in-demand solutions, collectively create structural advantages in an AI-driven world.

Before we open the call for questions, I want to thank our employees for their dedication this past quarter. Your adaptability and commitment to our clients is the foundation of our progress and our future. As I noted at the start of today's discussion, this call marks an important transition as we prepare to operate and report as Everforth. I look forward to continuing the conversation with you next quarter under our new name.

With that, let's open up the call to questions.