

# ICF Investor Presentation

August 2020





## Cautionary Statement

Certain statements made by us in this presentation that are not historical facts or that relate to future plans, events, or performances are forward-looking statements within the meaning of the federal securities laws. Our actual results may differ materially from those expressed in any forward-looking statements made by us. All statements made by us in this presentation are qualified in all respects by the information disclosed in our filings with the Securities and Exchange Commission and specifically, the risks described therein under the heading “Risk Factors”. We are under no duty to update or revise any forward-looking statements pursuant to actual results or events, and do not intend to do so.

# ICF: A professional + technology services firm

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Serve a roster of government clients, energy utilities + commercial clients

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Leverage deep domain expertise to achieve superior results for clients

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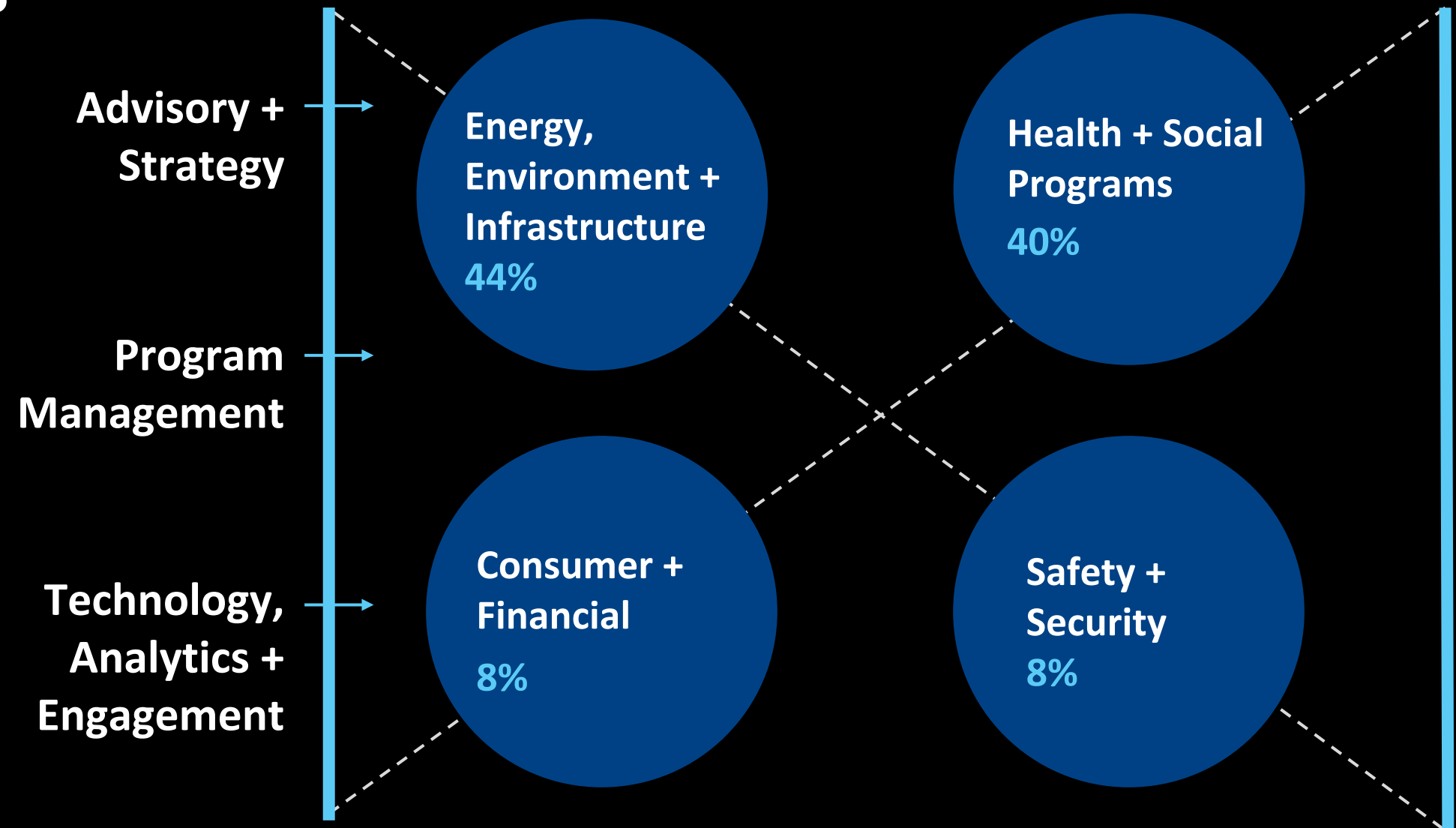
Deliver strong cross-cutting capabilities in technology + engagement

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Benefit from visibility of a substantial backlog + growth profile of commercial revenues

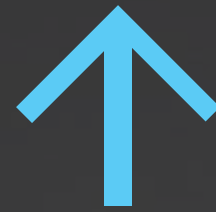
**A growth platform combining organic initiatives + acquisitions**

# Synergy in markets + capabilities



Revenue percentages are based on Q2 2020 TTM financial performance released on August 4, 2020

# Track record of strong revenue + EPS growth



Revenue:  
5-year CAGR  
**7.1%**



GAAP EPS:  
5-year CAGR  
**12.4%**



# YTD COVID-19 impacts

~90% of ICF's business proceeding apace

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International government events work postponed

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Commercial marketing work for certain clients cancelled or postponed

ICF has contract vehicles in all federal agencies actively involved in handling COVID-19 crisis

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Plus-ups and new contracts awarded by US federal government clients in **Response Phase**

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Project to understand the virus and how it spreads, assist in communicating with healthcare professionals and general public

# COVID-19 opportunities: Recovery and Reinvent Phases

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Increased spending  
on public health

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Guidelines for government  
roles and responsibilities  
in a pandemic

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Management of  
national stockpile of  
vaccines and  
medical equipment

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Modernization of disease  
surveillance systems

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Evaluation of hospital  
surge capacity

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**ICF is recognized for deep domain expertise in public health and its expanded  
IT modernization capabilities**

# ITG acquisition

ITG is a unique IT consulting firm delivering application modernization and business transformation for U.S. federal government clients

## Key business statistics

**\$90M**

2019 Revenue

**+\$100M**

revenue run-rate

**92%**

prime contract  
revenue

**>**

**EBITDA**

margin  
than ICF's

**350**

Digital transformation  
consultants

**65+**

CSM & SAFe  
certifications

## Key tech partners

**servicenow**

**aws**

**Appian**

**MuleSoft**

**salesforce**

## Representative systems ITG builds

Case  
Management

Purchasing +  
Acquisitions

Grants  
Management

Asset  
Management

Contract  
Writing

Content  
Management

Financial  
Management

Audit  
Tracking

Inspections

Workforce  
Management

Healthcare  
Compliance

Emergency Management



# Meaningful joint growth opportunities

**ICF's Domain  
Expertise + Client  
Relationships**

**ICF's Robust Business  
Development Engine**

**ICF's Best-in-Class  
Contract Vehicles**

**Selective  
Insourcing**

**ITG's  
Qualifications**

**ITG brings a substantial business  
development pipeline and a backlog that  
provides visibility**

**ICF has a large number of net new  
opportunities in its pipeline for which  
ITG enhances our win potential**

**Combination of ICF's deep domain  
expertise and broad client base with  
ITG's IT modernization skills will allow us  
to identify "new-new" opportunities**

**Opportunity also exists to bring inhouse  
the revenues historically subcontracted  
out by ITG**

# Catalysts for long-term organic growth

## Federal Government

- Civilian agency spending
- Public health
- IT modernization
- Citizen engagement

## State + Local Government

- Disaster management: recovery + mitigation
- Infrastructure spending

## Electric Utilities

- Energy efficiency outsourcing in California
- Distributed energy resources
- Resilience planning

## Digital Transformation

- Personalization/loyalty platforms
- Data convergence
- Data analytics
- CRM systems



# ICF culture: a source of competitive advantage

## Purpose

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To build a more prosperous and resilient world for all.

## Values

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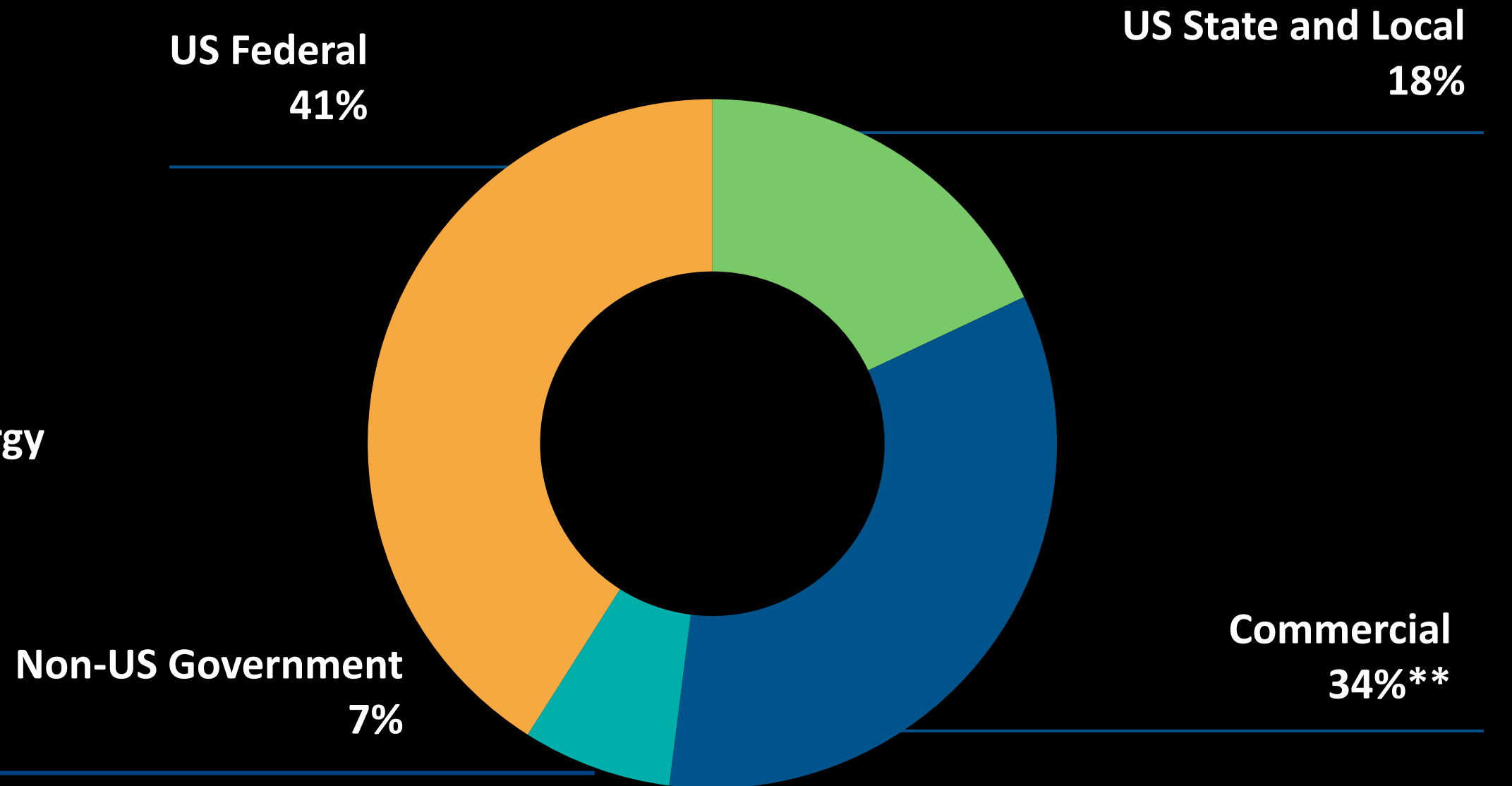
Interact with integrity  
Bring your passion  
Embrace differences  
Challenge assumptions  
Work together  
Be greater than



**We serve a roster of  
government clients,  
energy utilities +  
commercial clients\***

**>80% of revenues from  
government clients + energy  
utility clients**

**Provides significant  
opportunities for  
expansion**



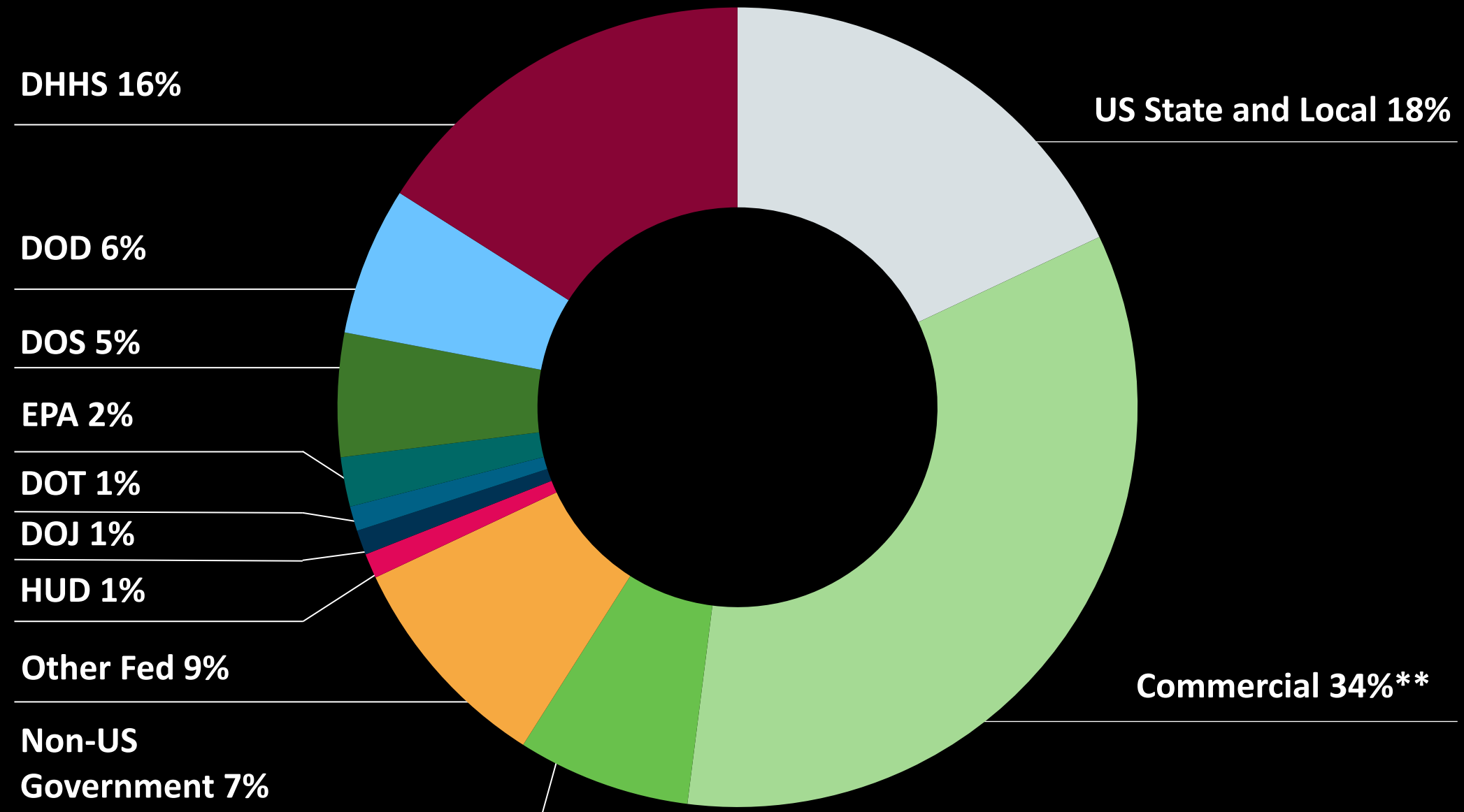
**\*\*Energy utilities, commercial marketing, + other**

\*Based on Q2 2020 TTM financial performance released on August 4, 2020

# We work with a broad array of government clients

Government revenues 66% of total revenues\*

US federal revenues primarily from civilian agencies



\*Based on Q2 2020 TTM financial performance released on August 4, 2020

\*\*Energy utilities, commercial marketing, + other

# Utility industry clients

Energy efficiency programs for utilities:  
State-mandated

Utility transformation:  
distributed energy + grid modernization

Majority long-term contracts







# ICF's go-to-market brand for digital transformation services



Technology



Analytics



Engagement



Strategy



Loyalty

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Combines creativity of  
an agency with deep  
domain expertise of  
a consultancy

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Designs solutions that  
drive real participation  
with customers,  
citizens, colleagues

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Built specifically to  
realize the benefits of  
an integrated model

**At ICF, our business, environmental, and social responsibilities are intertwined.**

We create  
impact through  
our client work...

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\$650+M revenue from  
services supporting  
health, education,  
development, and  
social justice programs

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\$550+M revenue from  
services supporting energy  
saving, carbon reduction,  
and natural resource  
protection programs

...and in the  
way we  
operate

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Minimizing our  
carbon  
footprint—net  
zero carbon status  
since 2006

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Investing in the  
communities where  
we work and live

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Ensuring value through  
governance—corporate  
policies and structure help  
us operate ethically and in  
compliance with the law



# Corporate citizenship performance highlights of 2019

Investing in our people	Provided opportunities for all employees to develop and advance.	<b>Leadership</b> 53% female leaders  25% female board members	<b>Pay equity</b> no pay disparity across gender and race in the same roles, based on an external audit	<b>Low turnover</b> <b>15.4%</b> as compared to 19.2% benchmark
Making a sustainable commitment	Made progress on our carbon reduction goal and remained carbon neutral.	<b>100%</b> net renewable electricity for global operations via renewable energy certificates	<b>31%</b> reduction in greenhouse gas emissions per employee since 2013 baseline	<b>Zero</b> net zero carbon status since 2006 due to investments in high-quality carbon offsets
Supporting important causes	Donated to causes important to our employees and communities.	<b>\$433,500</b> corporate cash donations	<b>\$200,000</b> employee contributions through our giving program	<b>1 to 1</b> ICF matched employee donations
Recognition	<b>Climate Leadership:</b> recognized by CDP (global environmental disclosure system) as a corporate pioneer against climate change, scoring A-  <b>MarCom Awards 2019:</b> 2 gold awards for corporate citizenship reporting			

# Drivers of long-standing client relationships

—  
Institutional  
memory of  
government and  
utility programs

—  
Long-term  
contract vehicles  
with government  
and utility clients

—  
Workforce of  
long-time  
industry experts

—  
Proprietary  
IP/loyalty  
programs

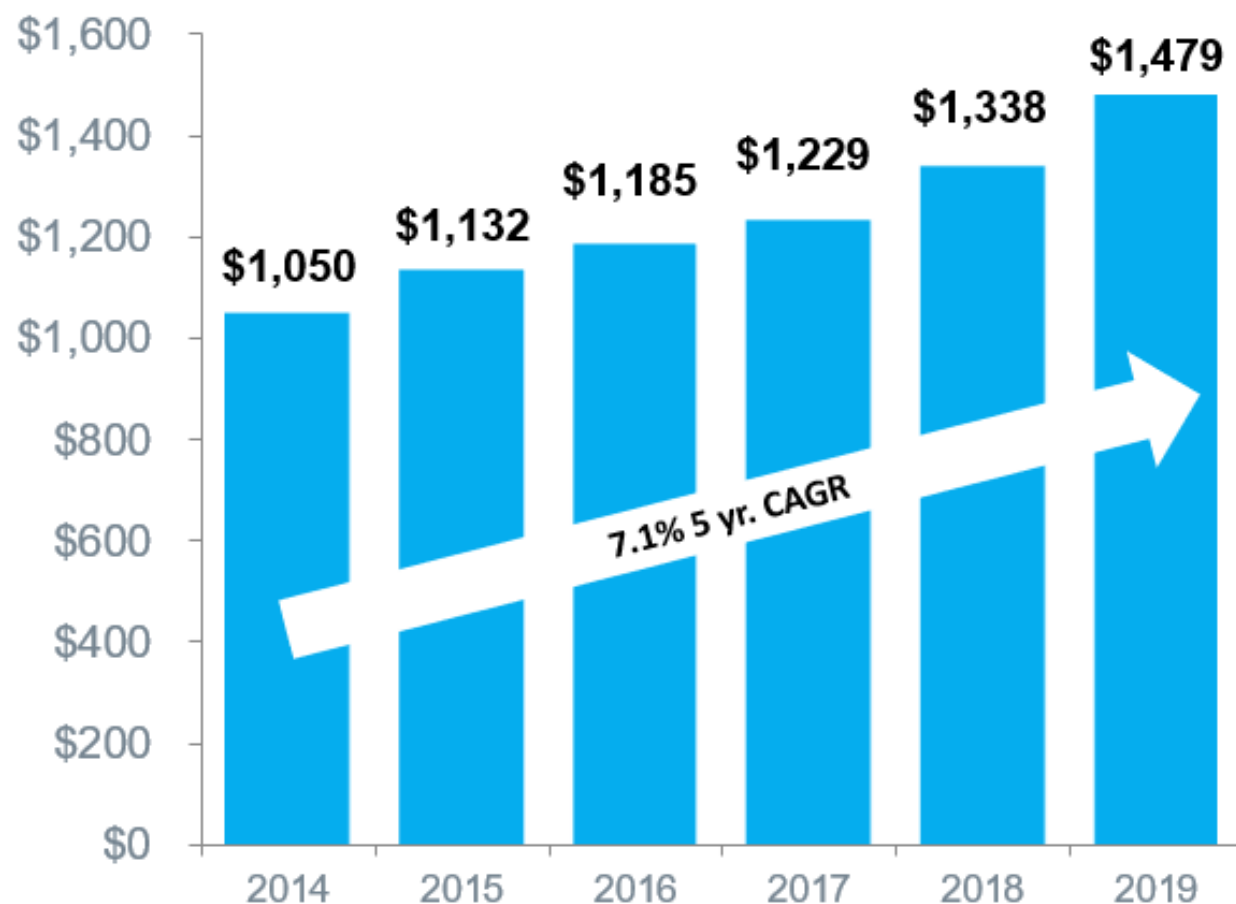
# Financial Performance



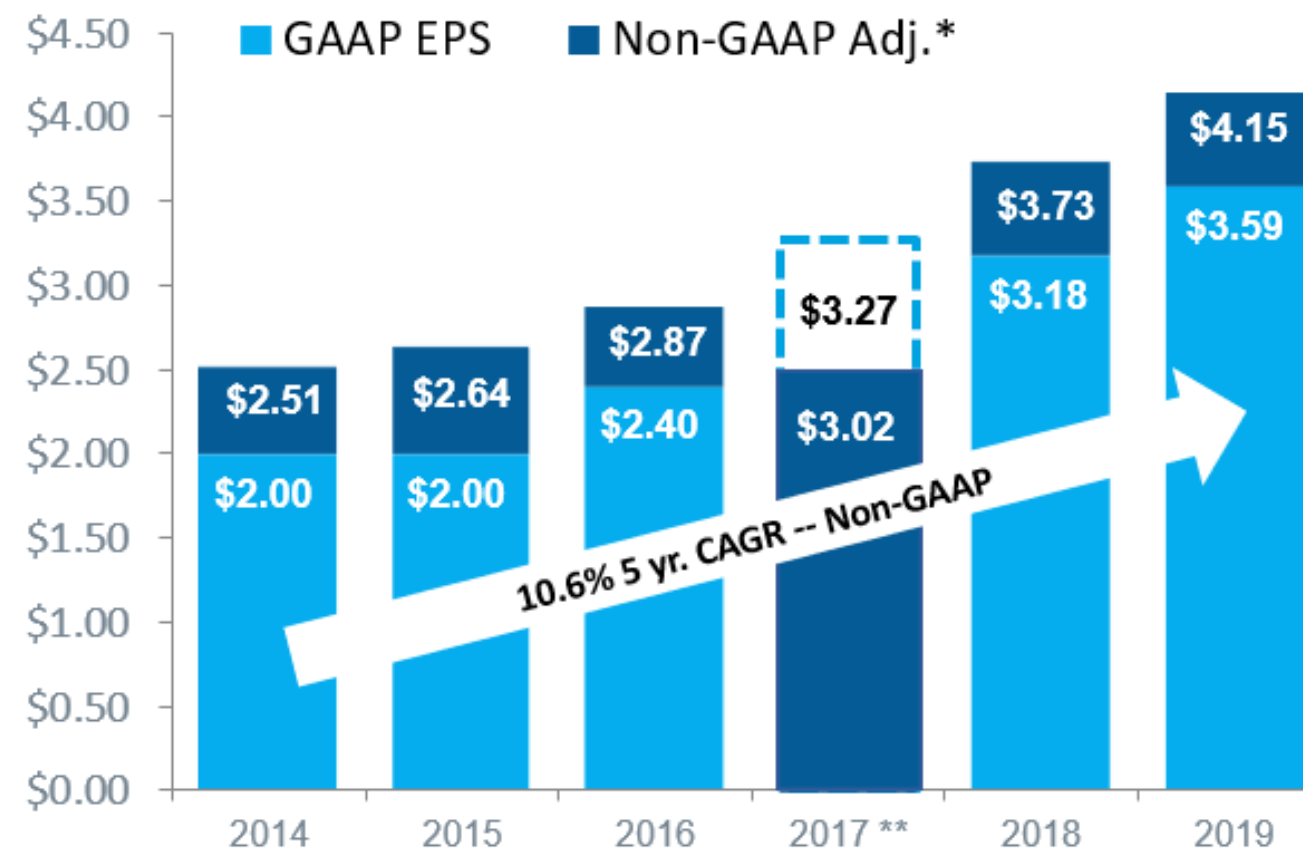


# Track record of consistent revenue + earnings growth

## Revenue (\$ Millions)



## EPS



\*Non-GAAP EPS: GAAP EPS plus tax-affected impact of acquisition-related charges, special charges, and amortization of intangibles

\*\*2017 Non-GAAP EPS excludes the one-time benefit of a Deferred Tax Liability (DTL) revaluation for 2017, as a result of the 2017 Tax Reform Act

# 2020 guidance

**Revenue** \$1.450B - \$1.510B

**EBITDA** \$126M - \$136M

**GAAP EPS** \$2.85 - \$3.15\*

**Non-GAAP EPS** \$3.50 - \$3.80

**Operating Cash Flow** ~\$110M

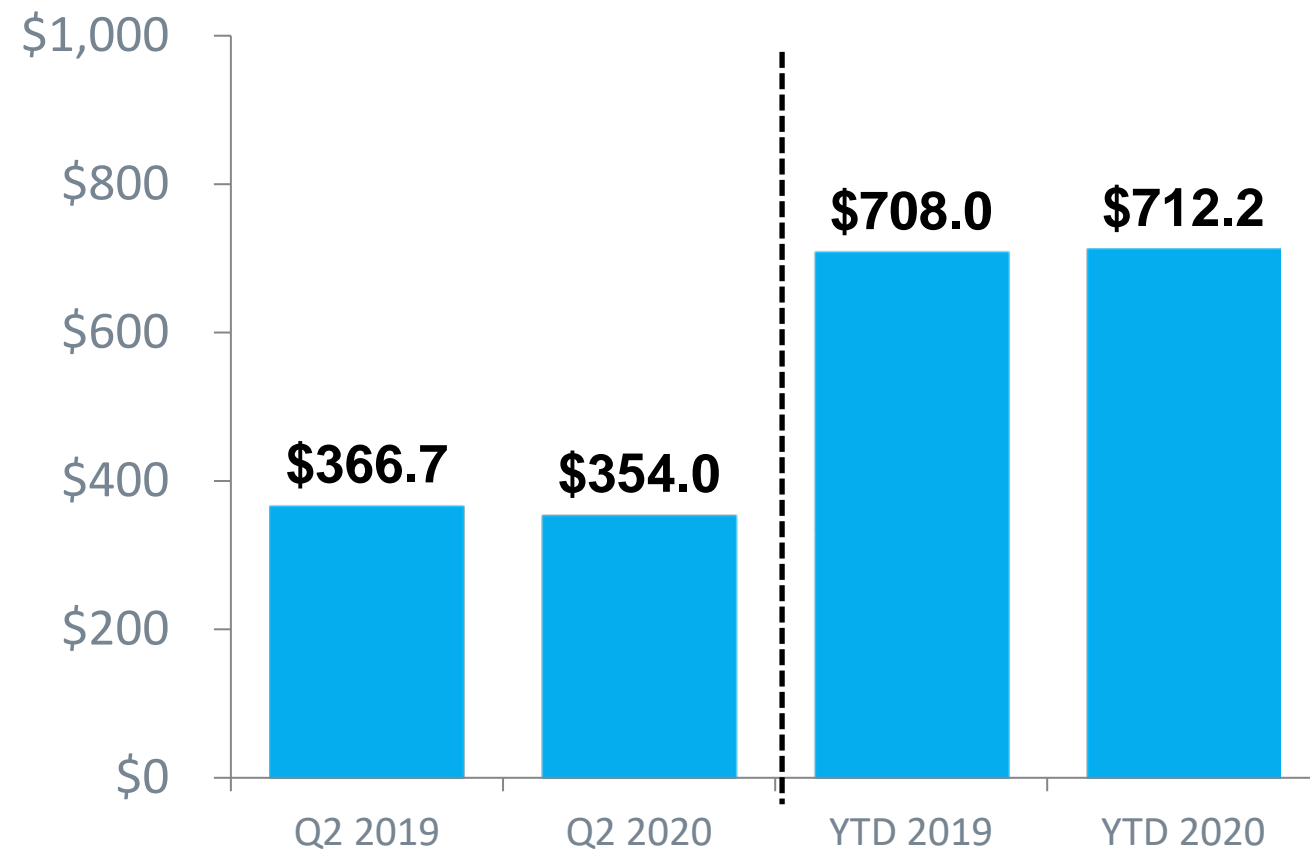
Assumes no material new revenues in H2 associated with COVID-19 opportunities or other meaningful opportunities in our pipeline

\* Exclusive of special charges

# Q2 2020 performance

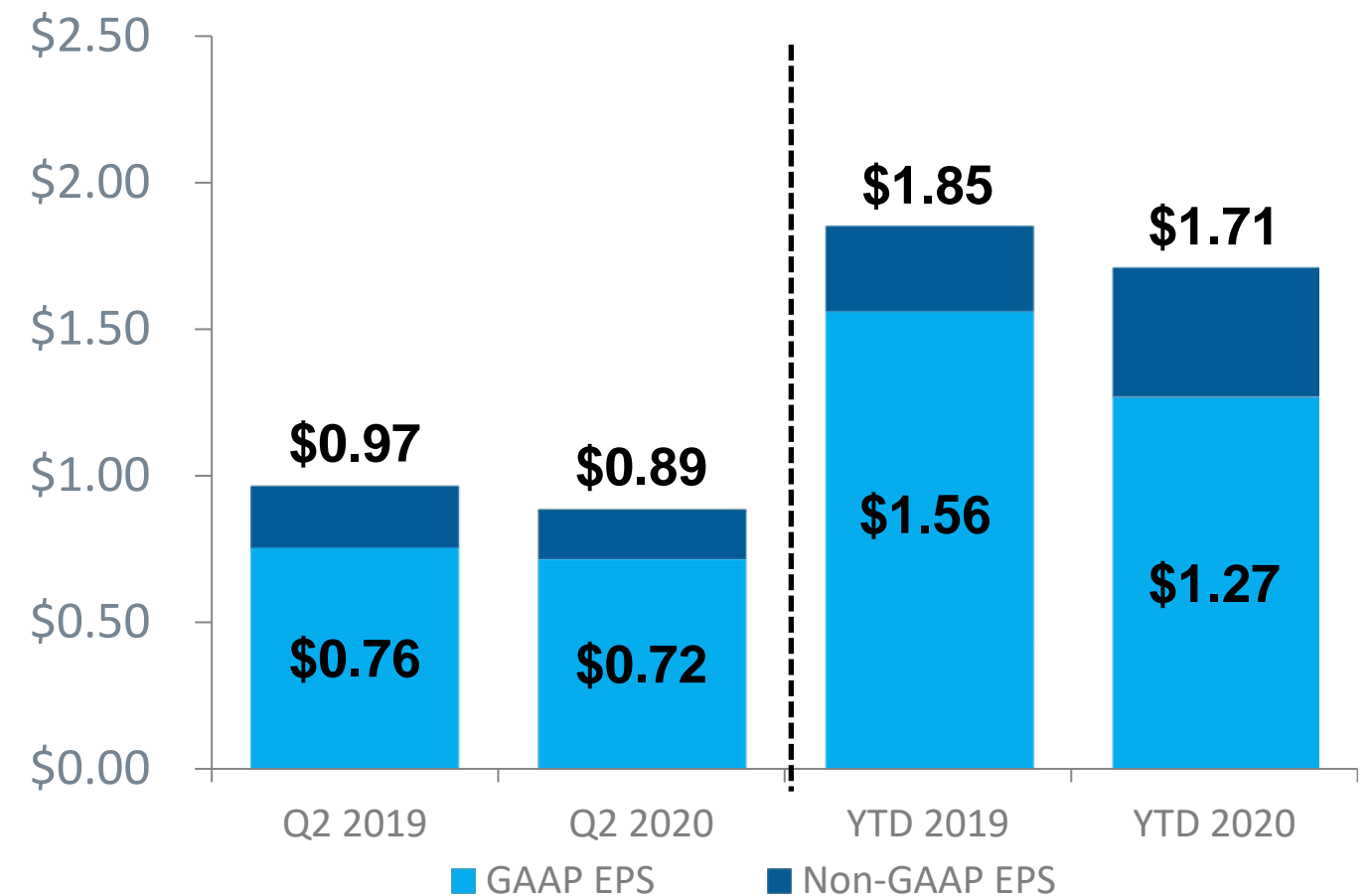
Q2 2020 service revenue of \$261.2M up 3.5% vs. Q2 2019  
H1 2020 service revenue up 4.6% vs. H1 2019

## Revenue (\$ Millions)\*



YTD performance supports our FY guidance

## EPS\*



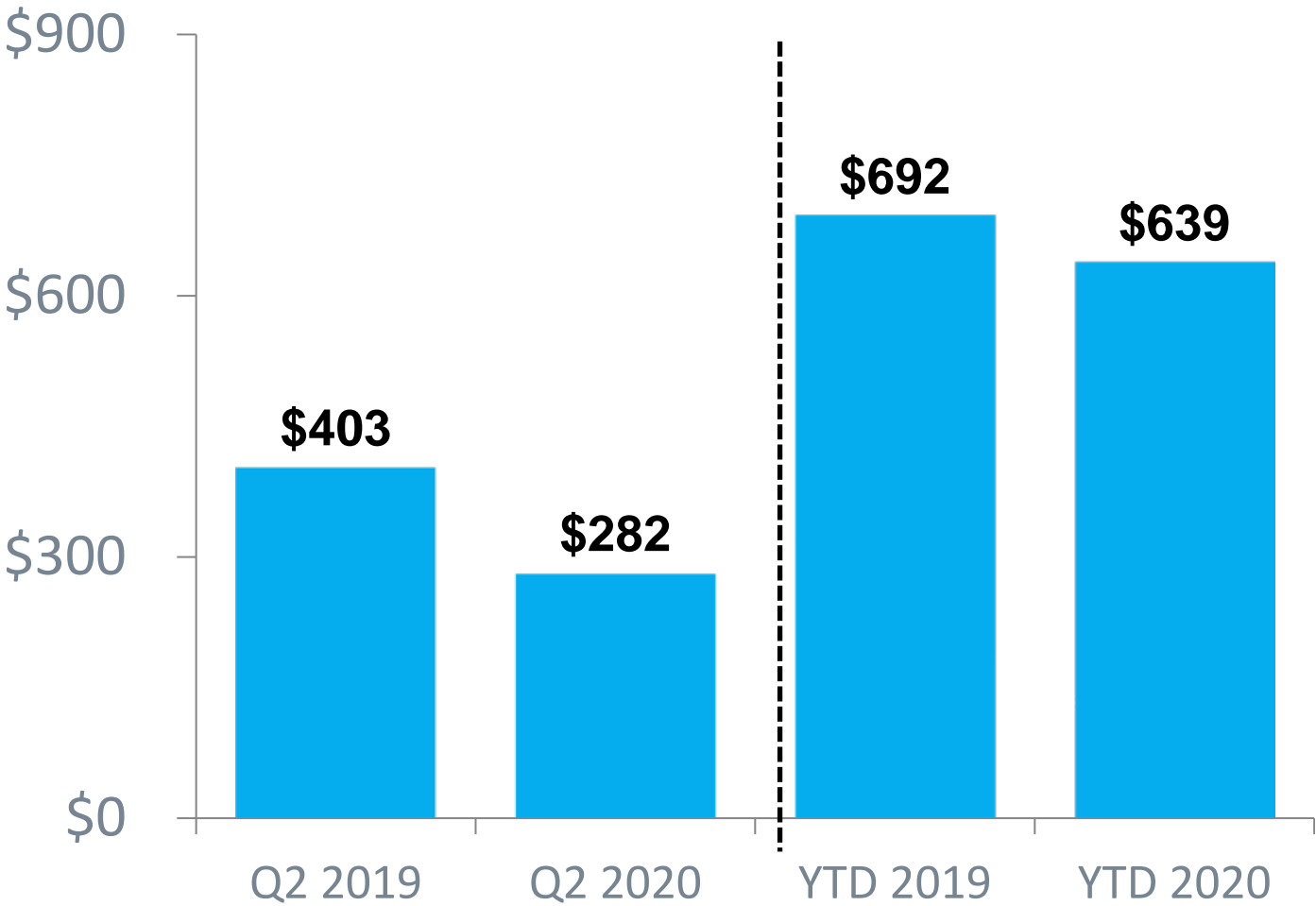
\*Based on Q2 2020 financial performance released on August 4, 2020

Non-GAAP EPS: GAAP EPS plus tax-affected impact of acquisition-related charges, special charges, and amortization of intangibles

# Contract Awards (\$ Millions)\*

## Book-to-Bill Ratio (TTM)

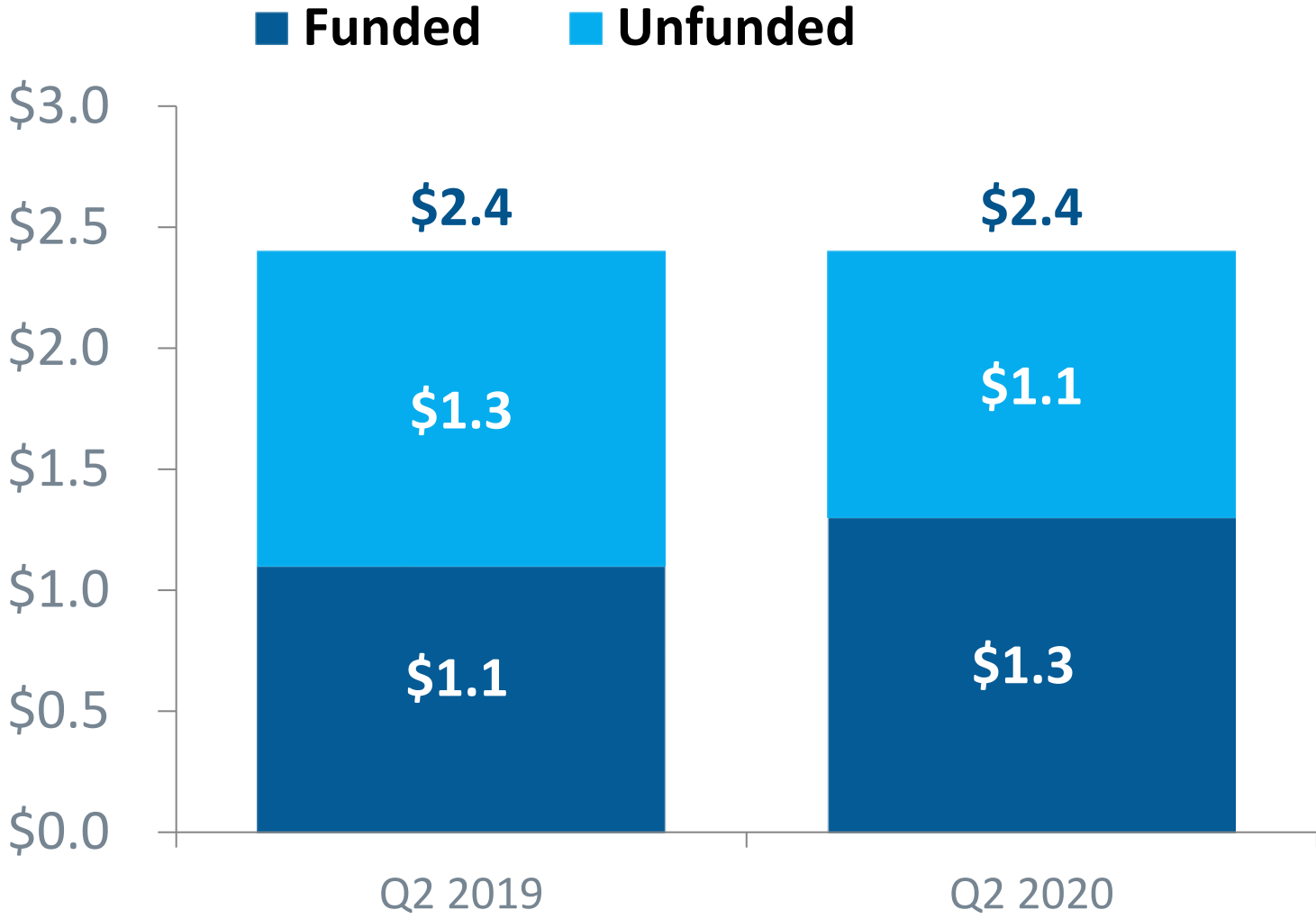
Q2 2019 1.15    Q2 2020 1.00



\*Based on Q2 2020 financial performance released on August 4, 2020

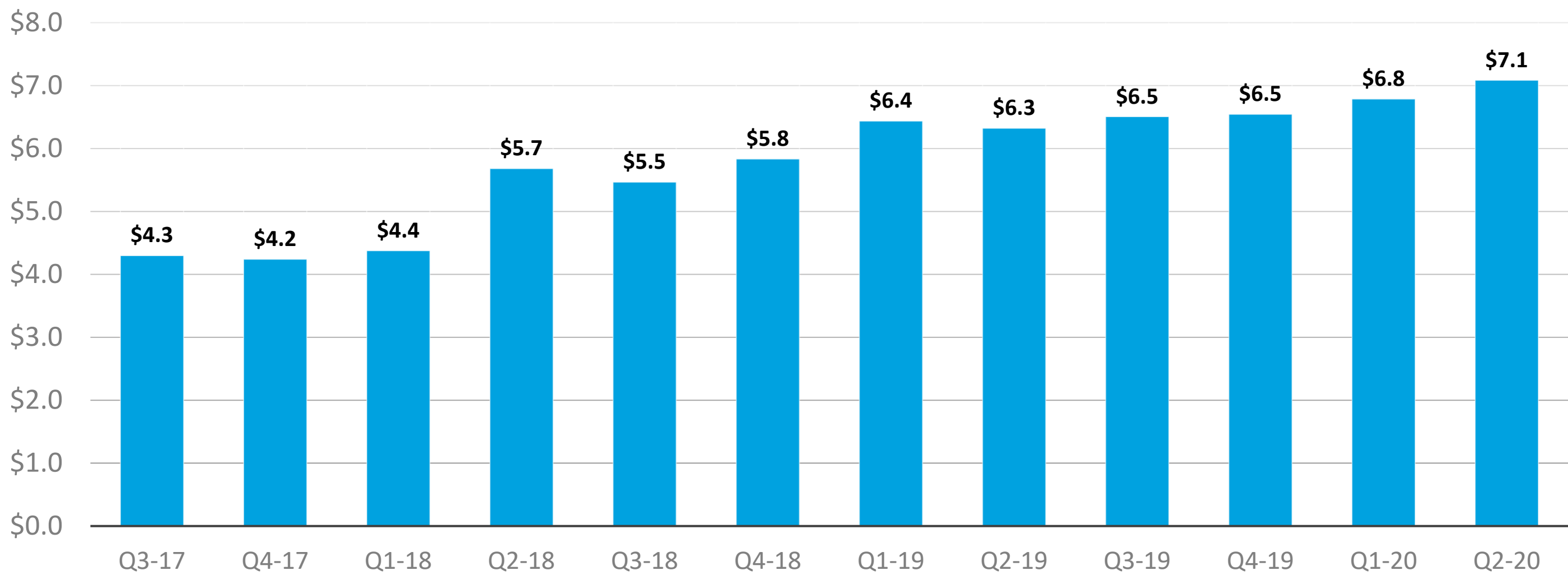
# Backlog (\$ Billions)\*

Q2 2020 backlog does not include \$250M+ of award notices expected to be included in Q3 contract awards



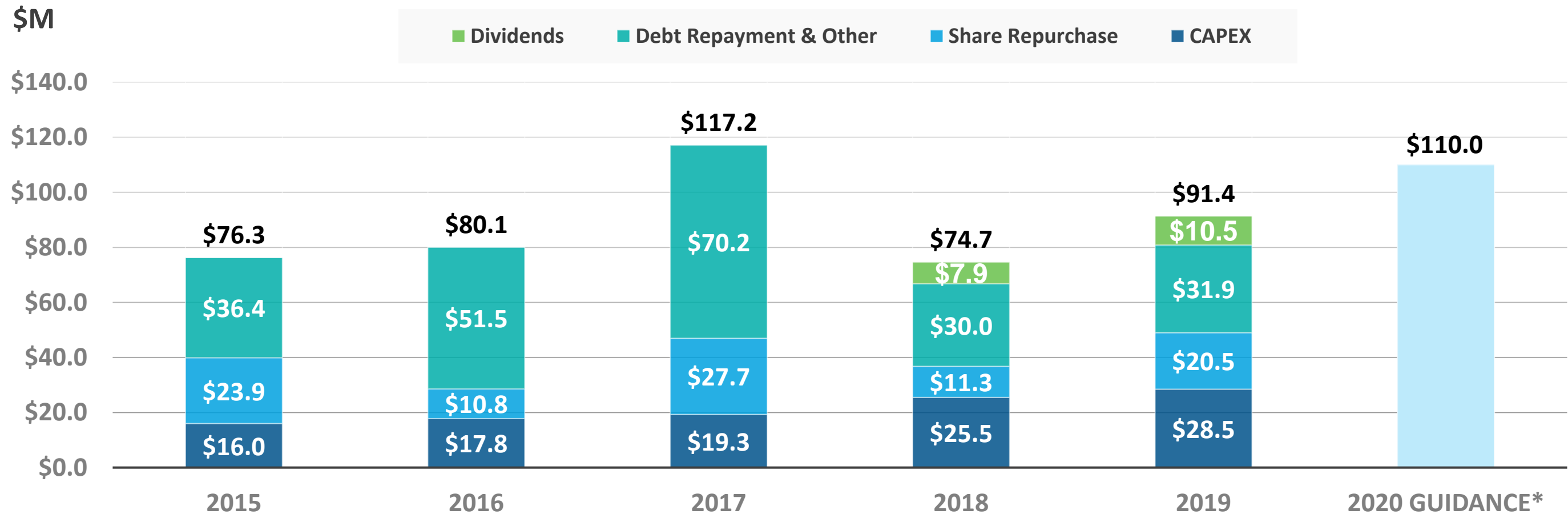


# Pipeline (\$B)



**Record pipeline at end of Q2 2020 includes over \$4 billion of federal government opportunities**

# Operating cash flow, 2015 - 2020



Net Debt	\$303.8	\$253.3	\$194.4	\$188.7	\$159.0
Debt/ EBITDA**	2.64x	2.15x	1.73x	1.57x	1.17x

\*Based on Q2 2020 financial performance released on August 4, 2020

\*\*As defined by banking agreement

# In summary — ICF

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**Distinctive expertise in high-growth sectors of government, energy utility industry + digital transformation**

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**Established long-term client and contract relationships**

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**Substantial contract backlog – robust business development pipeline and track record of high win rates**

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**All leading to substantial organic growth opportunities + the potential for accretive acquisitions**



The background is a solid blue color with a subtle halftone dot pattern. There are several decorative elements: a dotted line with circular markers curves from the bottom left towards the center; three arrows point upwards and to the right, with one large arrow in the top right and two smaller ones in the upper left and lower center; and a series of overlapping circles follows a curved path from the bottom left towards the center.

**Thank you**





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