

# ICF Investor Presentation

## Baird 2020 Global Consumer, Technology & Services Conference

June 2, 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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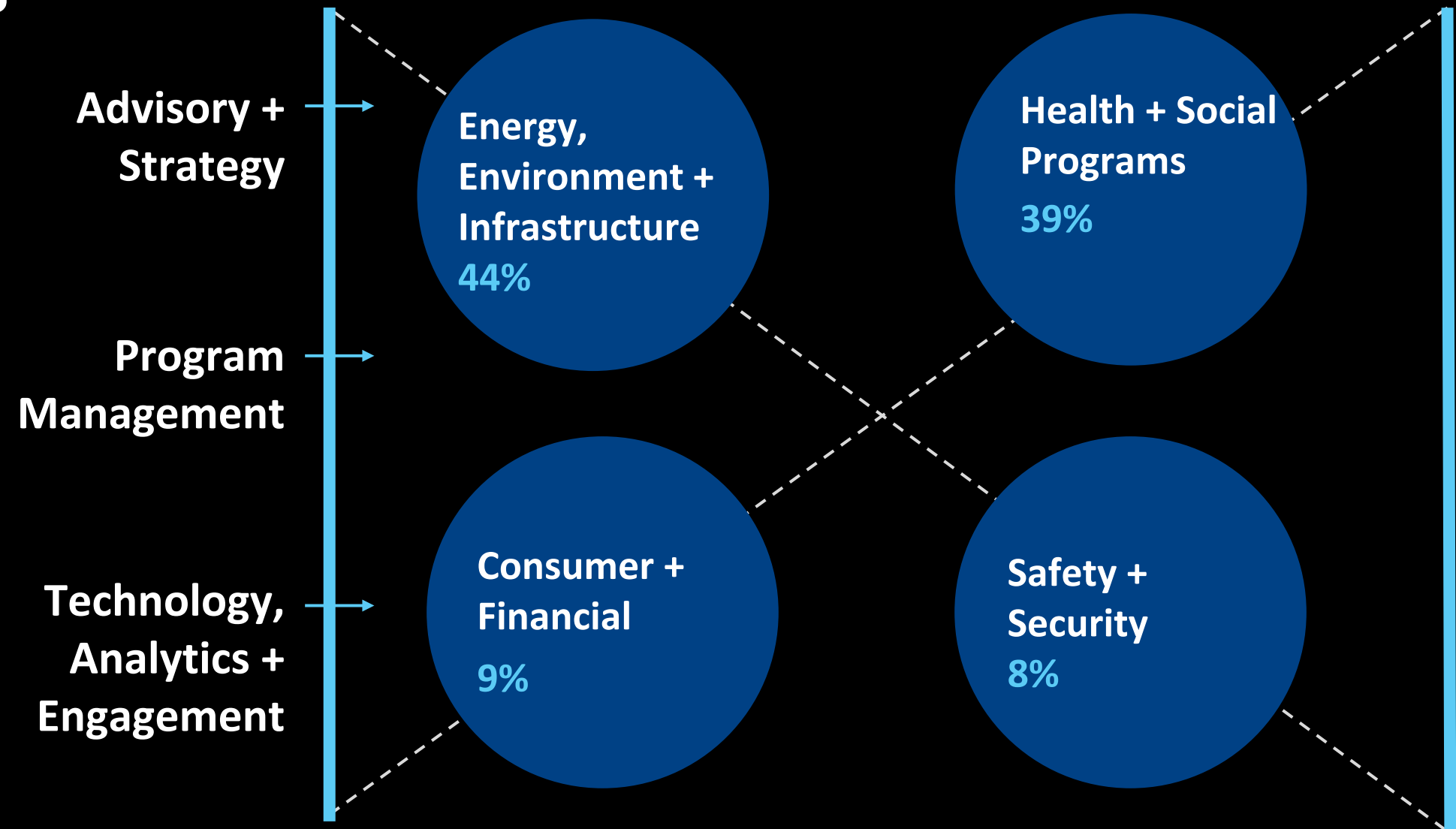
Deliver strong cross-cutting capabilities in technology + engagement

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

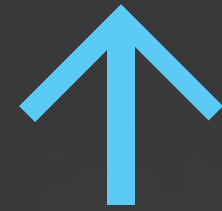
**A growth platform combining organic initiatives + acquisitions**

# Synergy in markets + capabilities



Revenue percentages are based on Q1 2020 TTM financial performance released on May 5, 2020

# Track record of strong revenue + EPS growth



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



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

# COVID-19 impact

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Impact on Q1 2020 revenue ~\$4M

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Due to program cancellations in commercial marketing services and postponed events for international government clients

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**Expect short-term impact to be more than offset by medium- to long-term opportunities**

# COVID-19 opportunities

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Increased spending on public health at federal agencies that are existing clients

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Pandemic response and recovery spending under President's national emergency declaration

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\$2T government stimulus spending across public health, infrastructure, disaster recovery and resilience

# 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

# Drivers of long-standing client relationships

— Institutional  
memory of  
government and  
utility programs

— Long-term  
contract vehicles  
with government  
and utility clients

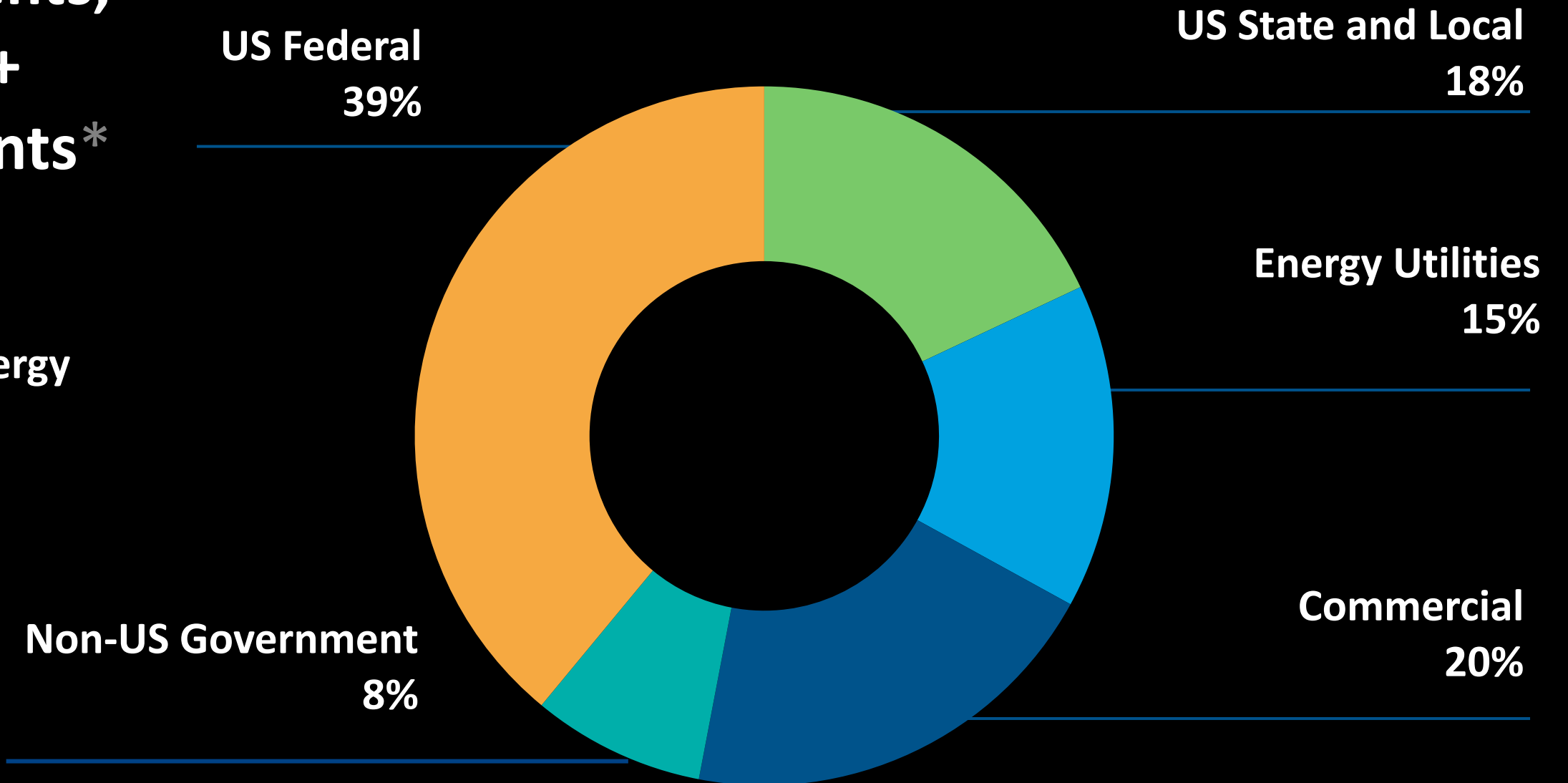
— Workforce of  
long-time  
industry experts

— Proprietary  
IP/loyalty  
programs

# 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

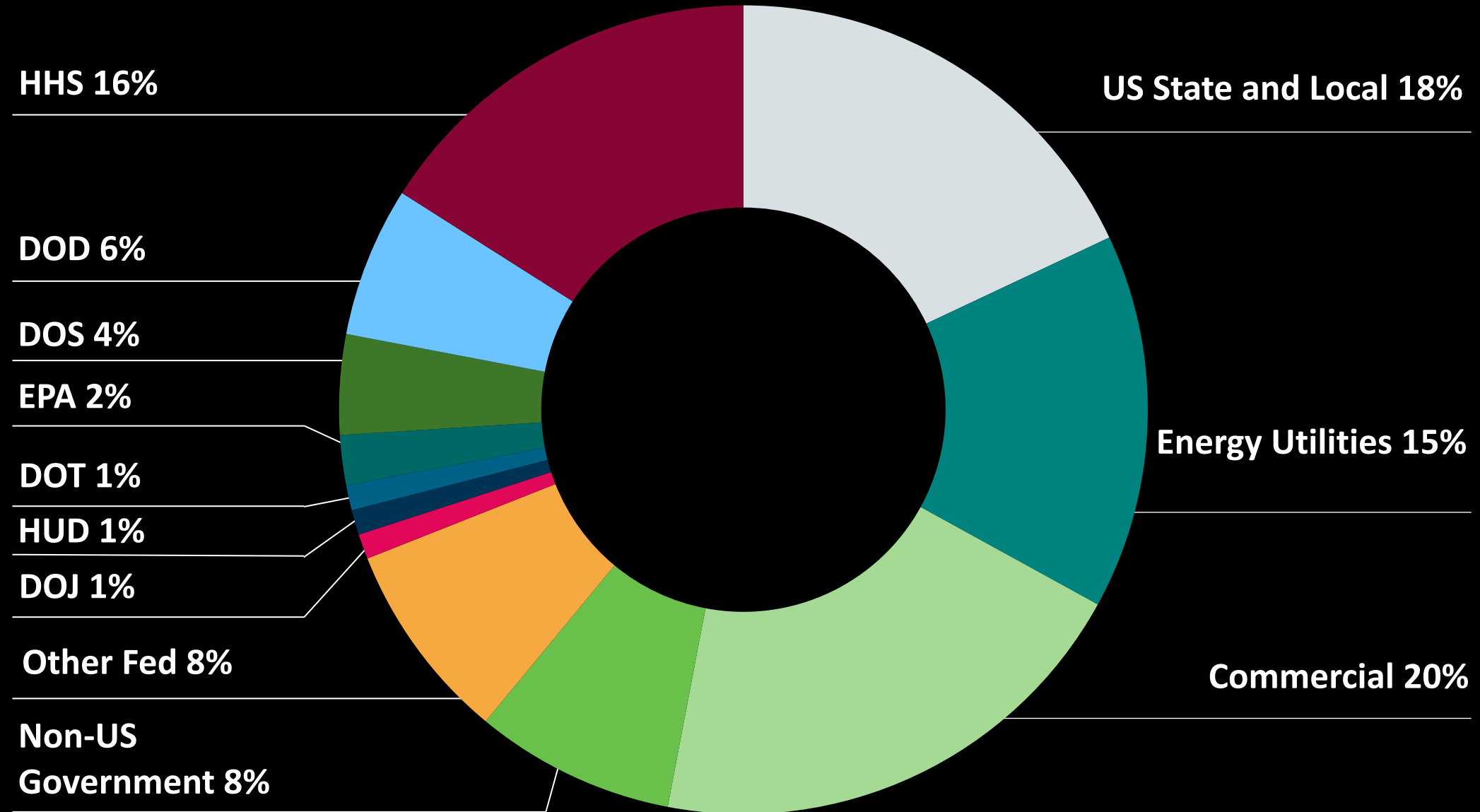


\*Based on Q1 2020 TTM financial performance released on May 5, 2020

# We work with a broad array of government clients

Government revenues 65% of total revenues\*

US federal revenues primarily from civilian agencies



\*Based on Q1 2020 TTM financial performance released on May 5, 2020

# 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

ICF  
Next+



Technology

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



Analytics

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



Engagement



Strategy

Built specifically to realize the benefits of an integrated model



Loyalty

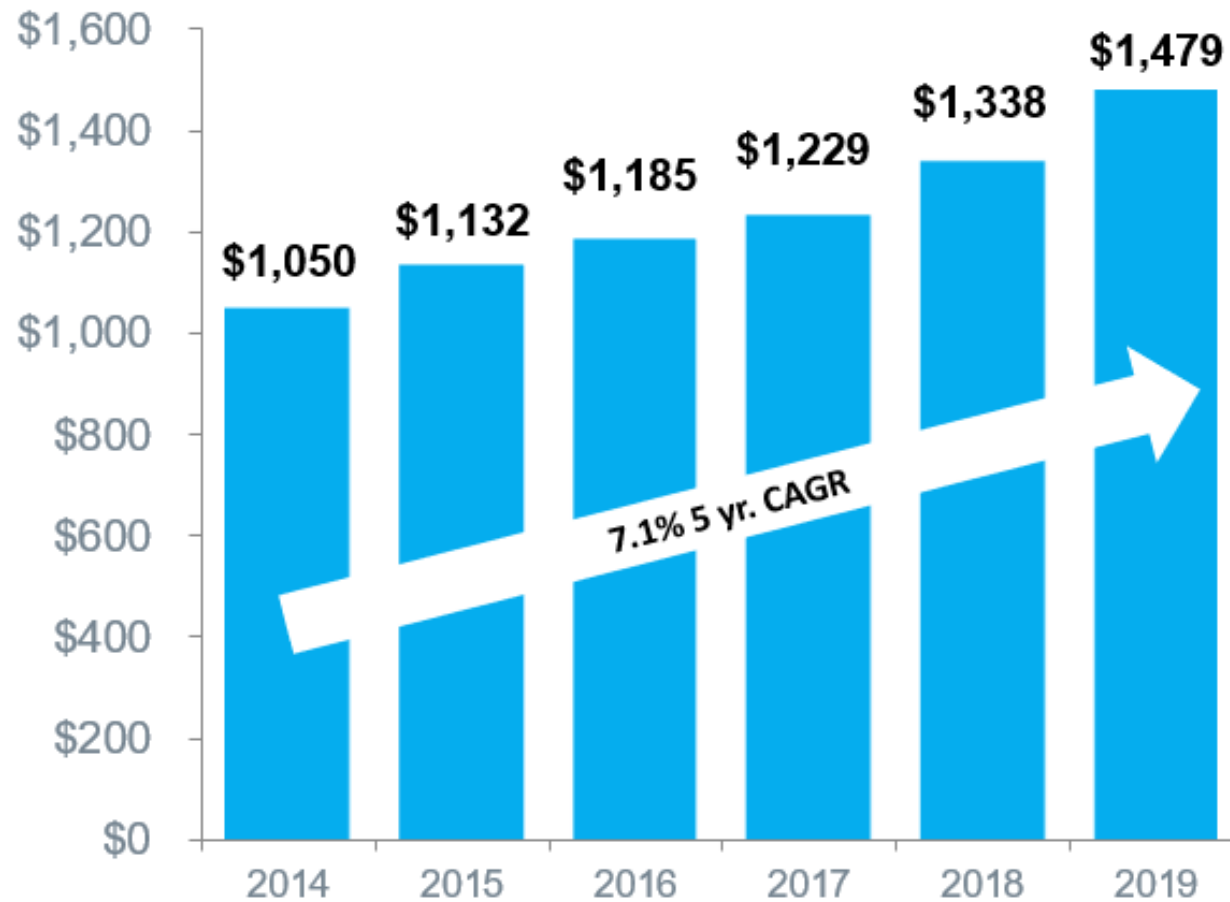


# Financial Performance

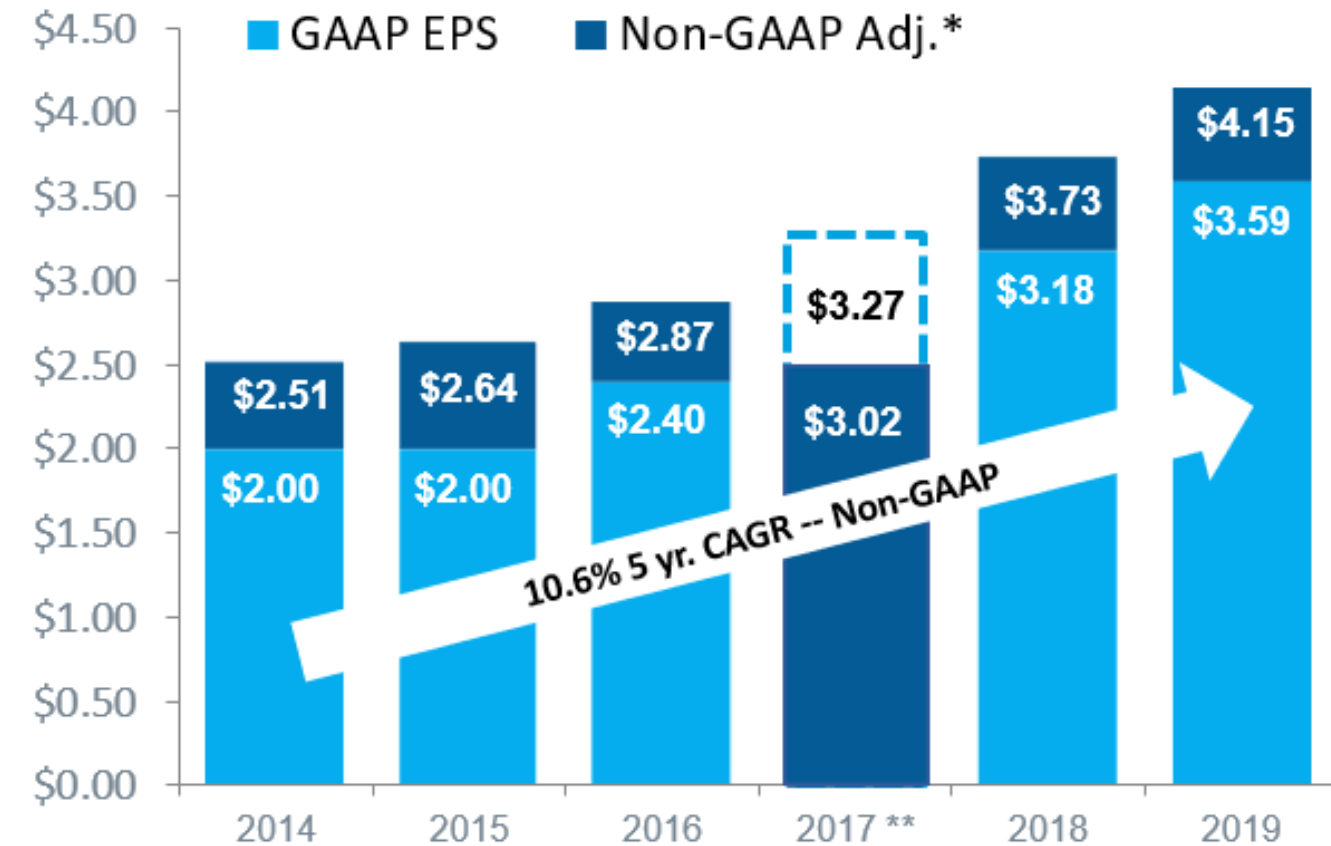


# Track record of consistent revenue + earnings growth

## 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** \$126.0M - \$136.0M

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

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

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

Reflects lower YoY revenues in commercial marketing and events work for international government clients due to COVID-19

Anticipates a progressive return to more normalized business conditions in H2

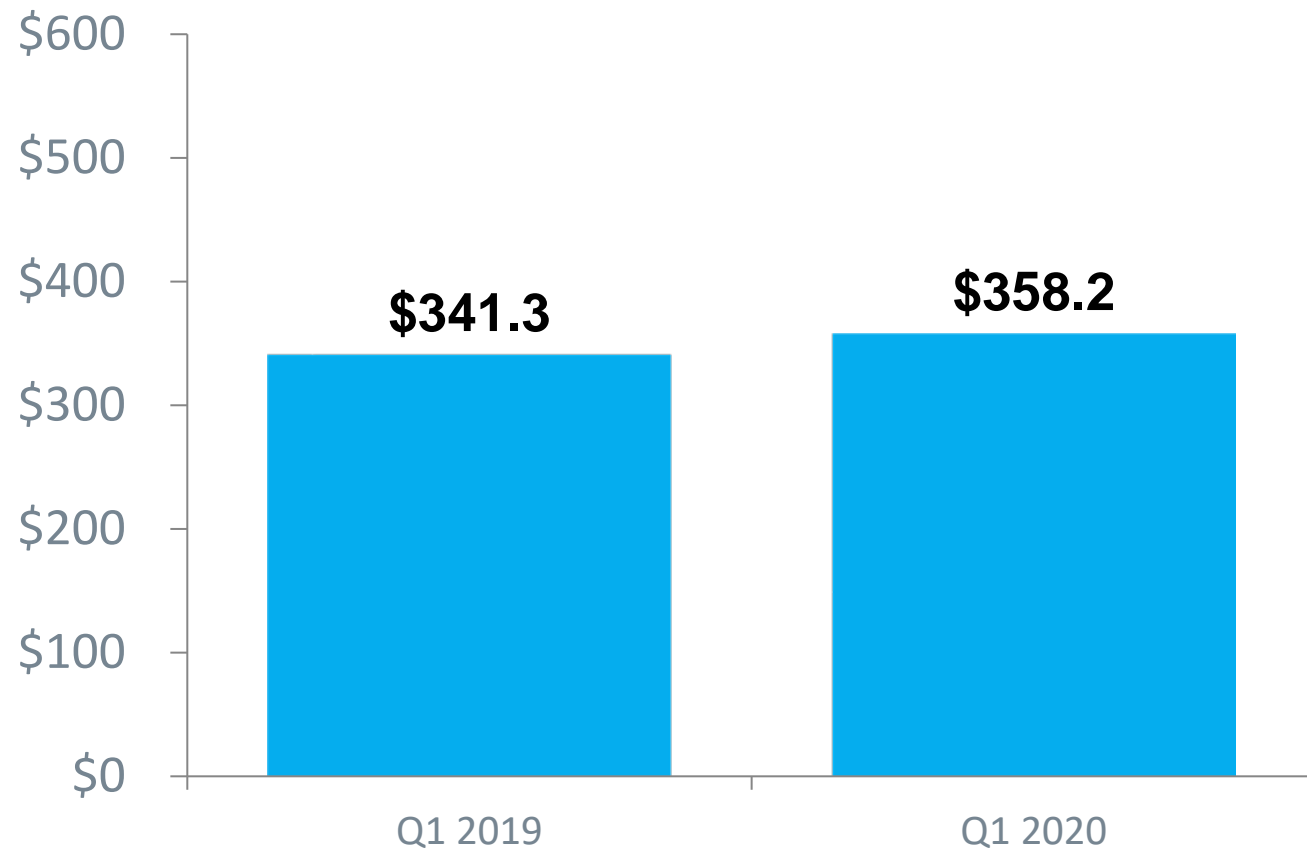
Assumes no material new revenues in H2 associated with COVID-19 opportunities or other meaningful opportunities in our pipeline

\* Exclusive of special charges

# Revenue + EPS, Q1 2020

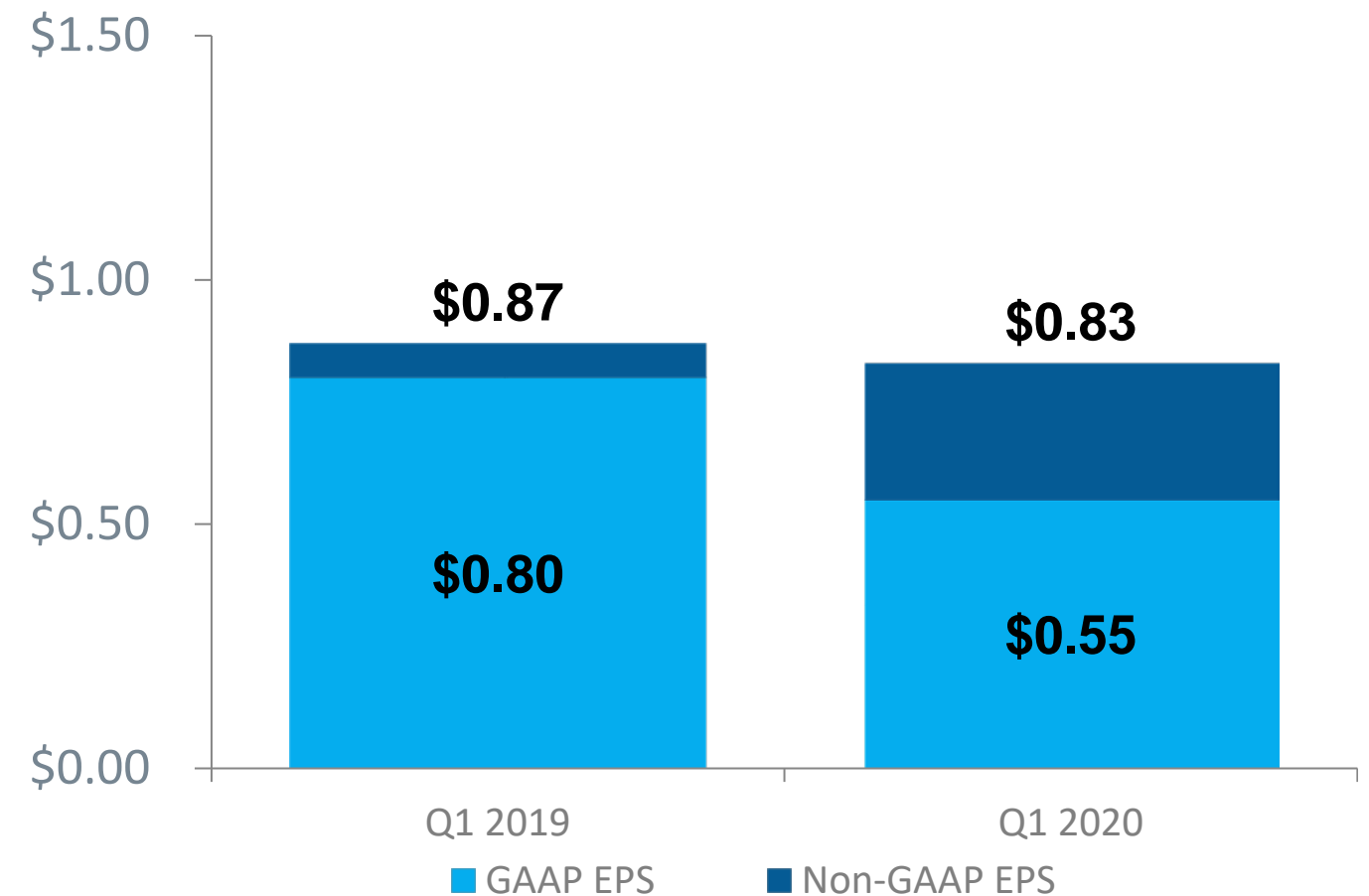
## Revenue (\$ Millions)\*

Q-o-Q Growth: 5.0%



## EPS\*

Non-GAAP EPS\*\* Q-o-Q Growth: -4.6%

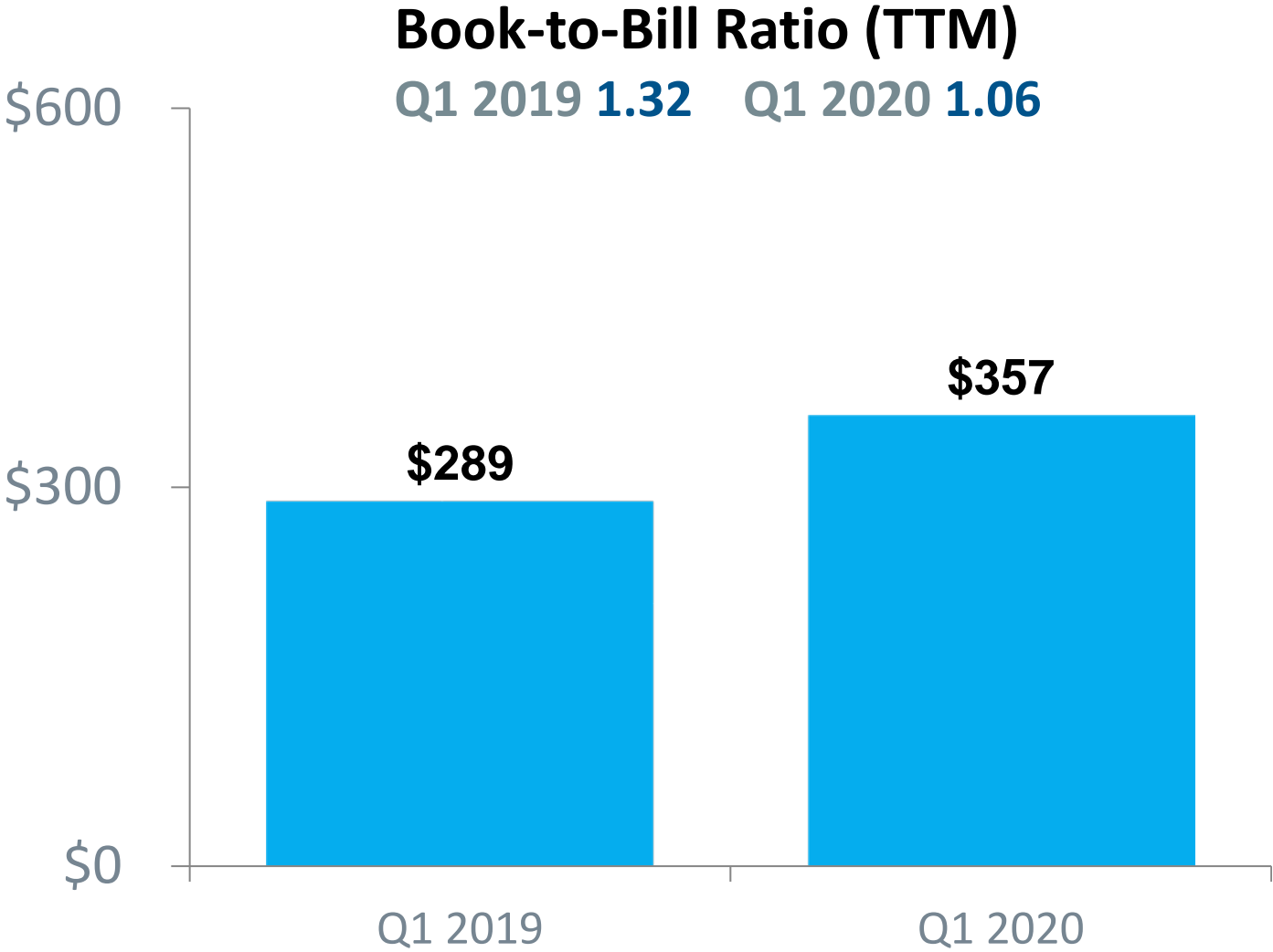


\*Based on Q1 2020 financial performance released on May 5, 2020

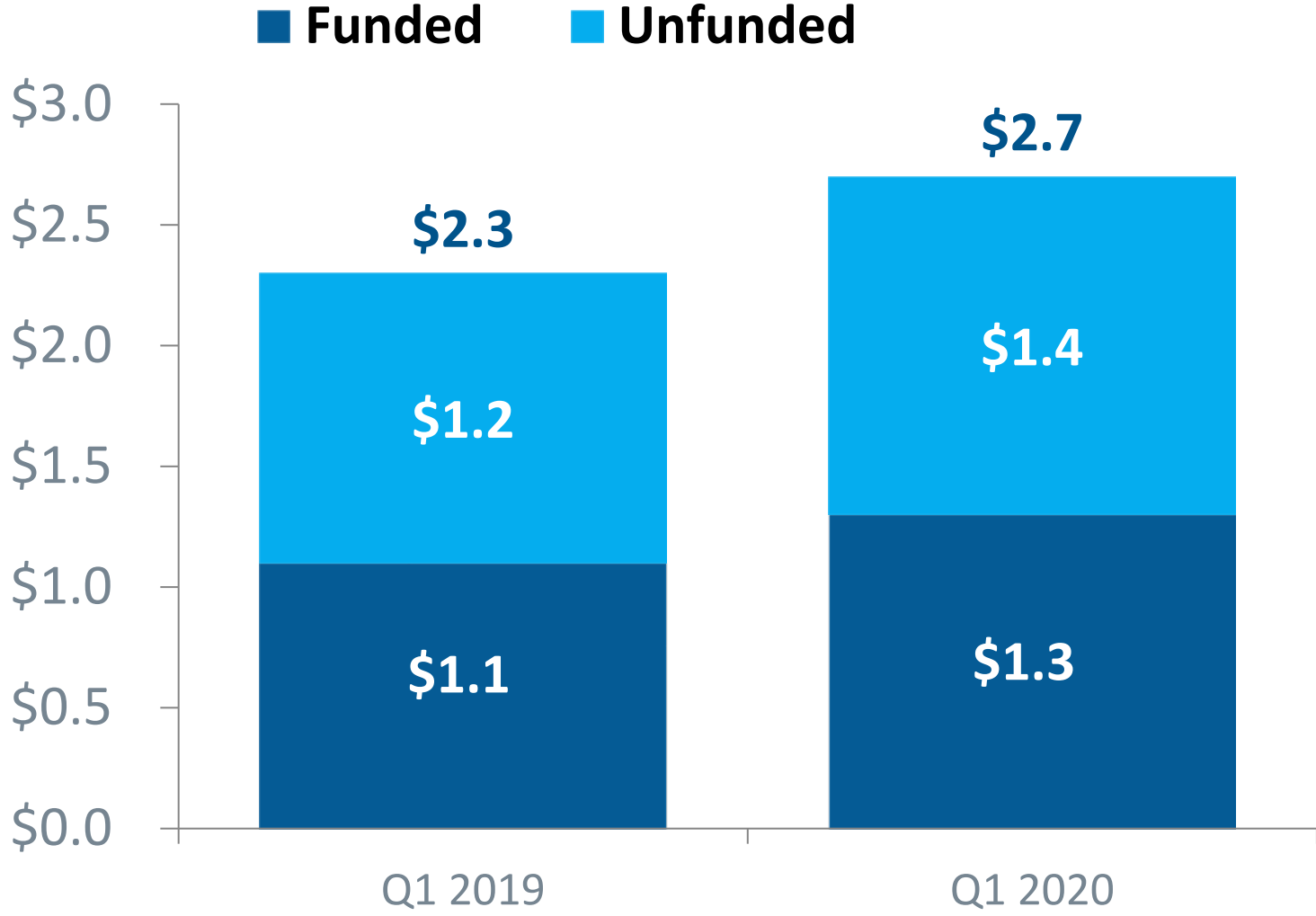
\*\*Non-GAAP EPS: GAAP EPS plus tax-affected impact of acquisition-related charges, special charges, and amortization of intangibles

# Contract awards + backlog

## Contract Awards (\$ Millions)\*

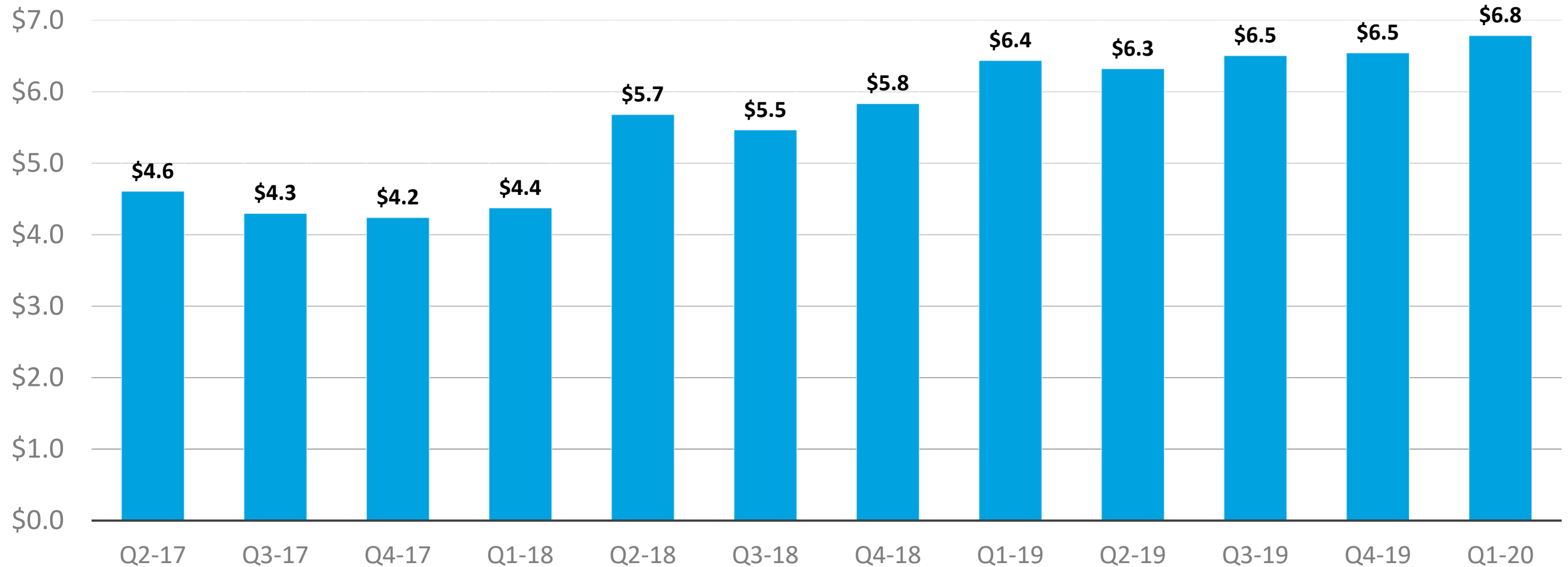


## Backlog (\$ Billions)\*



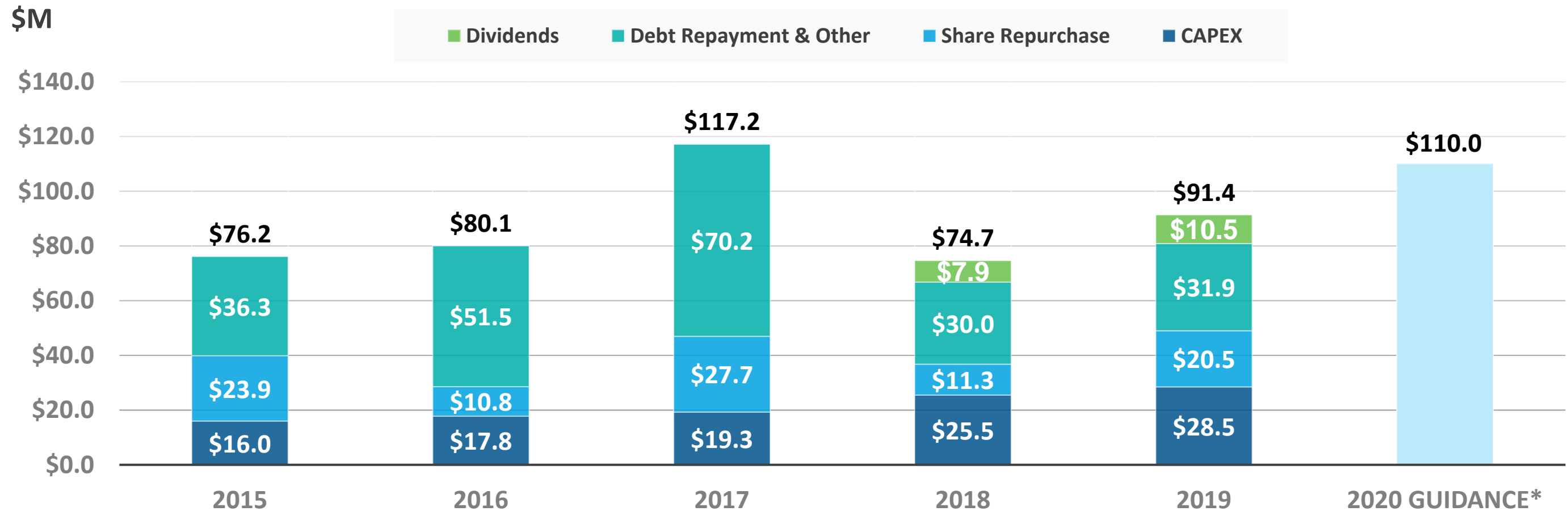
\*Based on Q1 2020 financial performance released on May 5, 2020

# Pipeline (\$B)



Increasing pipeline of qualified opportunities, the majority of which relate to U.S. federal clients

# 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 Q1 2020 financial performance released on May 5, 2020

\*\*As defined by banking agreement

# Corporate citizenship – it matters

## Investing in Our People

Provided opportunities for all employees to develop + advance.

**56%**

female leaders

**29%**

female board members

## Gender Pay Equity

no meaningful disparity across genders in the same roles\*

## Lower Turnover

16.5% voluntary turnover rate, as compared to 18.6% benchmark

## Making a Sustainable Commitment

Made progress on our carbon reduction goal + remained carbon neutral.



**100%**

net renewable electricity for global operations—via renewable energy certificates



**31%**

reduction in greenhouse gas emissions per employee since baseline 2013



**Zero**

net zero carbon status since 2006 due to investments in high-quality carbon offsets

## Supporting Important Causes

Donated to causes important to our employees + communities.

**\$473,000**

corporate cash donations

**\$140,000**

employee donations through our giving program

**1 to 1**

ICF-matched employee donations

\*Annual audit concluded no statistically significant disparities across genders for comparable incumbents in the same roles.



# 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**



**Thank you**



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