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PRESENTATION

Operator

Welcome to the third quarter 2016 ICF earnings conference call. My name is Sherry and I'll be your operator for today's call. (Operator Instructions).

Please note that this conference is being recorded on Tuesday, November 1, 2016, and cannot be reproduced or rebroadcast without permission from the Company.

I would now like to turn the call over to Lynn Morgen of MBS Value Partners. Lynn, you may begin.

Lynn Morgen - *MBS Value Partners - IR*

Thank you, Operator. Good afternoon, everyone, and thank you for joining us to review ICF's third quarter 2016 performance. With us today from ICF are Sudhakar Kesavan, Chairman and CEO; John Wasson, President and COO; and James Morgan, CFO.

During this conference call, we will make forward-looking statements to assist you in understanding ICF management's expectations about our future performance. These statements are subject to a number of risks that could cause actual events and results to differ materially, and I refer you to our November 1, 2016, press release and our SEC filings for discussions of those risks.

In addition, our statements during this call are based on our views as of today. We anticipate that future developments will cause our views to change. Please consider the information presented in that light. We may at some point elect to update the forward-looking statements made today but specifically disclaim any obligation to do so.

I will now turn the call over to ICF's CEO, Sudhakar Kesavan, to discuss third quarter 2016 performance. Sudhakar?

Sudhakar Kesavan - *ICF International, Inc. - Chairman & CEO*

Thank you, Lynn, and good afternoon, everyone. We appreciate your joining us today to review our third quarter results and discuss our business outlook.

We had our first conference call as a public company almost exactly 10 years ago, and we at ICF are pleased with the way our company's evolved and grown over the past decade. We have consistently executed our strategy of leveraging our advisory work into implementation assignments, driving substantial revenue growth across all of our key client categories.

At the same time, we have made investment to diversify and expand our revenue sources. Both actions have resulted in significant earnings growth. Now back to the present.

Revenue from US government clients showed solid growth in the third quarter, following two consecutive quarters of strong year-on-year comparisons. Health, energy, environment, and infrastructure issues are amongst the leading federal priorities. ICF's recognized subject matter expertise in these areas and our skill in digital and IT services have enabled us to increase our win rate for federal contracts and position the company's continued growth in these markets.

Revenue from our commercial clients increased 9.4% compared to last year's third quarter. If commercial rate, energy and digital marketing work performed for state and local government clients is included, our commercial revenues grew 11.4%.

Our energy markets business is benefitting from our leadership in energy efficiency work, which is again where the combination of advisory work and program implementation capabilities helped us grow. Also, ICF marketing (inaudible) customer engagement skills significantly enhance our business proposition in this market, as ultimately, the success of energy efficiency programs is dependent on the participation and engagement of utility customers.

In the first nine months of this year has been a period of record energy efficiency contract awards for ICF. Additionally, our end-to-end capabilities and longstanding relationships are setting the stage for us to broaden our work for utility clients in two ways. First, we are helping them as they evaluate how to integrate distributed energy resources, such as solar and wind, into their investment decisions, and second, helping them design and implement programs to reflect their evolving business model.

Our commercial digital marketing business also performed well in the third quarter, showing solid year-on-year growth in line with our expectation. Revenues benefitted from additional work for existing clients and the new business that we have been winning over the last several months.

Many of the new wins have involved collaboration across ICF Olson, as well as integrated pitches with ICF business units, specifically with utility, aviation, and healthcare payer provider clients, and across state lottery opportunities.

Our state and local government business continues to post impressive double-digit revenue growth. This is partly due to energy and digital work that we are doing, but also reflects a substantial increase in assignments around infrastructure and environmental planning.

International government revenues, as anticipated, continued to be soft in the third quarter. In London and Brussels where we have large offices, our clients are grappling with major European Union issues, including Brexit, which has resulted in postponement for some of the programs we're working on.

Across our international business, we continue to be focused on managing costs and aligning resources where we believe we have potential for growth. We achieved third quarter diluted EPS growth of 18.6% on 6.1% revenue growth thanks to a high utilization and increased contribution from our commercial business, along with the benefit of lower depreciation and amortization expense.

We expect to continue to grow earnings at higher rates and revenues. We will also continue to invest in bid and proposal activity in other areas that will drive long-term revenue growth in all of our markets. These investments have served us well in the past and have contributed to the record-setting year-to-date contract awards, backlog, and pipeline figures that we just reported.

In addition, this strong showing represents how we have successfully leveraged our business development dollars over larger implementation contracts. This was a key part of our stated growth strategy 10 years ago at the time of our IPO. Providing our implementation capabilities such as technology, data analytics, marketing services, customer engagement, and program management to a broader range of clients remains an essential element of our future growth plan.

We see our current client set in both the government and commercial arenas as an excellent market for these function capabilities. In addition, ICF Olson is an activator for our business, driving new client relationships that we can leverage across our entire organization.

I will now turn the call over to John Wasson, ICF's President and Chief Operating Officer, who will provide more insight on our operating performance in the third quarter and the developments that underpin our expectations for continued growth. John?

John Wasson - *ICF International, Inc. - President & COO*

Thanks, Sudhakar, and good afternoon.

We are very pleased with our third quarter financial results, as they were in line with our expectations. We also had an excellent quarter for contract wins, which were $579 million, 24.5% above last year's third quarter, bringing year-to-date wins to a record $1.2 billion. These sales, together with our record pipeline of $4 billion at the end of Q3, set the stage for continued future growth.

The breakdown of third quarter revenues by client category was as follows. US federal government counted for 49% of total revenues, comparable to the 2015 period and last quarter. Revenues from commercial clients increased to 35% of total revenues, up from 34% in last year's third quarter and in Q2 of this year. And state and local government increased to 11%, showing year-over-year growth and more than compensating for the decline in international government revenues, which only accounted for 5% of total Q3 revenues.

Revenues from US federal government clients increased 4.6% compared to last year's third quarter, representing execution on over 1,000 contracts across a broad range of primarily civilian agencies. This business is characterized by generally stable revenues and long-term contracts. It gives us good visibility through our multiyear backlog, which reached a record $2.2 billion at the end of the quarter, the majority of which is for federal clients.

Our federal government work is well diversified, and year to date, about 90% of our federal government revenues represented work for civilian agencies.

In the third quarter, we had a number of large wins in the federal arena, including multiple contracts, valued at $71.5 million, with the Administration for Children and Families within HHS. Under this program, we will support a broad range of services, such as clearinghouse development, child welfare, and Head Start, among others.

Under multiple contracts valued at $41 million, we will provide technical assistance to the US Centers for Disease Control and Prevention, including IT, training and technical assistance, communications, data management, and other services.

A $35.5 million contract with the US Defense Health Agency, to provide support services to defense centers of excellence for psychological health.

A contract with the US Navy's cyber warfare and engineering division, Naval Service Warfare Center for $33.5 million to support the defense-critical infrastructure program, and a contract with the US Department of Justice Office for Victims of Crime for $33.4 million to provide training and technical assistance.

There were many more contracts this quarter, as we noted in our release, but this gives you a good sense of the type of work and the size of the engagements that we are currently winning. We continue to expect mid-single-digit growth in our federal government work for full-year 2016.

As Sudhakar mentioned, third quarter revenues from our commercial clients increased 9.4% year over year, and has shown continuous sequential improvement throughout the year.

Digital marketing services and energy markets together increased 13.7% this quarter and accounted for 79% of commercial revenue.

Our commercial energy markets business, comprised of both our energy efficiency and energy advisory work, had an outstanding quarter and posted a 25.5% year-over-year increase in revenue and was up 15.3% sequentially from last quarter. This performance more than offset the ongoing wind-down of a large energy infrastructure project on the West Coast that we have discussed previously.

Key commercial energy contract wins announced in the quarter included a previously mentioned contract with a combined value of $95.5 million to support energy efficiency programs for industrial and commercial clients of a major utility holding company. This is the largest energy efficiency contract ever awarded, and ICF is one of only a few companies with the skill to bid and win an energy efficiency contract of this size.

Additionally, we won a $23 million contract with a major Midwest utility to provide energy efficiency implementation services and proprietary marketing, analytics, and IT platforms to support residential programs, and two contracts with a combined value of $17.9 million to support residential, commercial, and industrial energy efficiency programs for a major utility in the east.

In addition to the transformational forces at work within the utility industry that Sudhakar mentioned, other long-term positives for our business include the federal Clean Power Plan rulemaking, the recent guidance by the California Public Utilities Commission, directing utilities to use more third party administrators in implementing energy efficiency programs, and the consolidation by utility companies and state utility regulators of fragmented energy efficiency programs within their portfolios that can be bundled to be more efficient and cost effective.

Turning to the commercial work performed by ICF Olson, as expected, we saw solid improvement this quarter with revenue growth of 5.8% year over year, and 2% sequentially. We had a number of important wins this quarter, including three contracts with a combined value of $4 million to provide customer loyalty and communication services for a major hotel chain, and multiple contracts valued at $2 million with an international tracking technologies and services company to provide digital solutions.

We have a number of innovative pitches underway, including four with our commercial energy group, where we have an opportunity to build upon the multimillion-dollar project that we have discussed previously, as well as two others with new clients and two in the health arena. What we are seeing today is really what we had expected from the acquisition of Olson. We have a very powerful offering when we combined our digital services with our traditional lines of business. And, as we market together, we are gaining traction and uncovering new opportunities that neither company could have won separately.

Overall, the ICF pipeline continues to be strong and we had wins in financial services, hospitality and food services, and distribution of retail, among other key verticals. The lottery pipeline remains active, with six new opportunities under pursuit. During the quarter, we won five additional opportunities for two existing lottery clients, Ontario Lottery and Gaming, and California.

State and local government revenues grew by 20% in the third quarter. The increased level of state and local activity was driven by digital, energy efficiency, transportation, and infrastructure projects.

Finally, our international government business revenues declined to 5.3% of third quarter revenues, down 18.9% from Q3 of last year. We have previously discussed that the implementation of new projects within our largest client in the European Union has been delayed due to issues associated with the migration crisis, security concerns, and with the Brexit vote that occur at the very end of Q2.

That being said, our international government business continues to be successful in getting new contracts, and has a trailing 12-month book-to-bill ratio that is substantially above one. It is difficult to predict the timing of when these programs will be activated, but we remain positive for the long term and are keeping costs carefully in check.

Let me end by providing you an overview of our business development performance and employee turnover metrics. Our pipeline was a record $4 billion at the end of the third quarter, after winning $579 million in awards this quarter. The pipeline includes 33 opportunities greater than $25 million and 59 opportunities between $10 million and $25 million.

Finally, our annualized domestic turnover rate was 15.8%. Now let me turn the call over to our CFO, James Morgan.

James Morgan - *ICF International, Inc. - EVP & CFO*

Thanks, John. Good afternoon, everyone.

I'm pleased to report that this was a record revenue and earnings quarter for ICF. Revenue was $306.5 million for the third quarter, an increase of $17.6 million, or 6.1% over last year's third quarter.

Approximately 50% of the revenue increase reflected growth in our commercial business. The other 50% represented year-on-year revenue growth across our federal and our state and local government markets, which more than compensated for the decline in international government revenue, which as John noted, continued to be impacted by program delays and changes in foreign currency exchange rates.

Service revenue increased 3.1%, to $223.2 million from the 2015 third quarter.

Gross profit increased $4.1 million, or 3.7% as compared to 2015.

Gross margin was 37.6%, ahead of the 36.4% we reported in this year's second quarter, but below the 38.4% of last year's third quarter. The year-on-year variation is mainly due to an increase in pass-through revenues in 2016, primarily from government clients which negatively affected 2016 Q3 gross margin by an estimated 80 basis points.

As previously mentioned in prior earnings calls, we continue to work to effectively manage our indirect cost and selling expenses while investing in long-term growth drivers. Indirect selling expenses for the third quarter were $84.2 million, a sequential decline of $0.4 million from the second quarter, but $3.2 million higher than 2015. However, as percentage of revenue, indirect selling expenses declined to 27.5%, as compared to 28% a year ago and 27.7% in this year's second quarter.

Operating income increased 10.6% to $23.8 million on a year-over-year basis. Excluding $0.4 million of special charges related to severance for staff realignment and international office closures, operating incoming would have been $24.2 million in this year's third quarter.

Depreciation and amortization expense was $4.1 million, down $0.2 million from $4.3 million in 2015's third quarter.

As expected, certain intangibles from prior acquisitions become fully amortized this past quarter. As a result, amortization of intangibles decreased from $4.3 million reported in 2015's third quarter to $3.1 million in the third quarter of 2016.

The effective tax rate was 39.2% for the quarter, compared to 38.5% in the third quarter of 2015. This increase was primarily due to reserves for tax positions related to prior years, partly offset by return to provision true-ups. We continue to expect the full-year tax rate for 2016 to be no more than 38%.

Net income was a record $13.4 million, an increase of $1.9 million, or 16.4% from the $11.5 million reported in last year's third quarter.

EBITDA was $31 million for the quarter, inclusive of the $0.4 million of previously mentioned special charges. For the quarter, EBITDA margin was 10.1%. Adjusted EBITDA margin, to exclude the impact of special charges, was 10.3%. Excluding the impact of higher year-over-year pass-through revenues, our adjusted EBITDA margin for Q3 was 10.5%, which is aligned with our Q3 expectations and similar to what we expect for Q4 of 2016.

As previously mentioned, net income was a record $13.4 million for the quarter, or $0.70 per diluted share, compared to $0.59 in last year's third quarter, an increase of 18.6%.

Non-GAAP EPS, which excludes amortization of intangibles as well as any special charges related to severance for staff realignments, office closures, and acquisitions, was $0.81 per diluted share for the quarter, an increase of 8% over the $0.75 in the third quarter of 2015.

Cash provided by operating activities for the year totaled $57.8 million, a $14.9 million increase over the $42.9 million reported for the same period in 2015.

Strong cash flow for the quarter allowed us to pay down our credit facility by $36.7 million. As of September 30, 2016, our long-term debt decreased $281.2 million. I should also note that during the third quarter of 2016, the Company entered into a hedging transaction to mitigate the financial risk associated with potential future interest rate volatility for a portion of the debt outstanding under our credit facility. The details of this transaction are presented in our 8-K filing, dated October 5, 2016.

Day sales outstanding for the third quarter decreased to 74 days, as compared to 73 days at the end of 2015. We continue to anticipate the year-end DSO to be in the 72 to 77 day range, including the impact of deferred revenues.

Capital expenditures for the first nine months of 2016 were $13.7 million. We expect capital expenditures for the full year of 2016 to be between $18 million to $20 million.

Year to date, we repurchased 305,590 shares at an average price of $37.28 per share. As a result, we have more than achieved our previously stated intention to make share repurchases at a level to offset the dilution caused by our employee incentive programs. Per-share guidance for the full year of 2016 assumes weighted average diluted shares outstanding for the year of approximately 19.3 million.

Additional full-year 2016 guidance for financial modeling purposes is as follows. Full-year 2016 depreciation and amortization expense is expected to be in the range of $16.3 million to $16.8 million. Amortization of intangibles is expected to be between $12.3 million to $12.8 million, for a tax-affected impact of approximately $0.40 per share. Full-year interest expense is expected to be in the range of $9 million to $9.5 million. And full-year cash flow from operations is expected to be in the range of $85 million to $95 million for 2016.

With that, I'd like to turn the call back to Sudhakar.

Sudhakar Kesavan - *ICF International, Inc. - Chairman & CEO*

Thanks, James. To sum up, we executed well in the third quarter and expect full-year 2016 results to be in line with our previous guidance. Based on our performance to date and current visibility, we have narrowed our revenue range for the year to $1.185 billion to $1.195 billion; our diluted EPS range to $2.45 to $2.50; and our non-GAAP EPS range to $2.91 to $2.96.

At the midpoints of these ranges, diluted EPS for 2016 will increase 23.8% from 2015 levels, and non-GAAP EPS will increase 11.2% over last year's levels, both achieved on a 5% revenue gain.

Looking ahead, here are the takeaways we discussed at the end of our 2016 investor day, which took place on September 20 of this year. We believe ICF is positioned to outperform projected federal government spending forecast of 0.2% growth in 2017, because we work in growth areas like public health, climate change, resilience, energy and cyber. We have a fast-growing commercial energy business, where we have won large amounts of work, both in market analysis and advisory, and in energy efficiency implementation.

We believe the utility industry work will continue to grow due to significant change in the structure of the industry and increased regulation to reduce greenhouse gas emissions. And ICF Olson is an activator for ICF's entire business. We will continue to take their skillsets and experience into our legacy client set and will continue to invest in expanding our combined client roster by taking advantage of the increasing digitization and consumerization of the economy.

Operator, I would now like to open the call to questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Tobey Sommer, SunTrust.

Tobey Sommer - *SunTrust Robinson Humphrey - Analyst*

Thank you. Just a couple questions for me. Could you give us some color on what opportunities there are in the marketplace for sort of the chunkier contract that you described in the energy space where there's more rarified competition? Is this kind of a really rare opportunity or are there more of these to be had?

Sudhakar Kesavan - *ICF International, Inc. - Chairman & CEO*

You know, I think in the utility space, there are the traditional opportunities which we have been doing quite well in, the energy markets work and the advisory work, as well as all the implementation work in the energy efficiency space. But yeah, the industry is restructuring and there are significant changes to the way the industry is going to be structured going forward, primarily because of the fact that there's enormous amounts of distributed energy resources which all of us are sort of putting in place, like solar energy in homes and others.

And I think that the utilities are figuring out how to cope with the fact that there's all kinds of regulations which force them to take this energy generated by the decentralized sources into their grid while they have these costs of the grid and costs of generation facilities which currently exist across their service territory.

So I think that combining the centralized generation with distributed energy resources and how exactly they'll procure energy to supply to their customers is all changing, and I think how to change and how things are going to change is something which we have developed some expertise in and we have invested quite a bit to figure out the whole distributed energy resources structure and how the utilities are going to evolve, and we are helping them figure this out, and as they implement programs in these areas, we will I think continue to have a good position in helping them do so.

So that is sort of the more rarified kinds of opportunities which we are just about seeing, and I think there are certain states, the progressive ones, which potentially do things on regulatory fronts more quickly like New York and California, and this year is also Minnesota, which are doing things which are quite different from what other states are doing, and we are quite involved in some of those programs in this sort of rarified arena.

Tobey Sommer - *SunTrust Robinson Humphrey - Analyst*

Okay. Thank you. And then on the Olson front, I'd just like you to maybe comment on the opportunities that you see. Are you working on a set of RFPs and business opportunities to take Olson into your legacy customers now, that we may be able to hear about in incoming quarters, or is this sort of more of a long-term push to be able to offer Olson services into those clients?

Sudhakar Kesavan - *ICF International, Inc. - Chairman & CEO*

You know, we have talked to you about things which we have successfully done with some of our clients. We have worked with healthcare clients on customer engagement issues. We have worked with our utility clients on where Olson has been front and center in trying to do social listening, social media analytics. We have worked fairly significantly with -- you know, we won this utility project in Canada, which is quite a significant one, which couldn't have been won.

So after the investor day feedback, we did add up the awards which we have gotten over the last two years since we've had Olson, and if you look at where we worked with them and where they worked with us, it's in the tens of millions of dollars, and it's a fairly nice pipeline which we have.

So I think that we have won some work, we have learned from it, and I think we now know exactly where to focus on, so I think you'll be hearing more about these areas going forward.

John Wasson - *ICF International, Inc. - President & COO*

And I would say that I think we're making progress on multiple verticals -- energy, aviation, federal, lotteries, and health care. And so, yeah, I think there will be more to say across multiple verticals, Tobey, and we really are seeing the leverage of putting together our subject matter expertise with the digital capabilities.

Tobey Sommer - *SunTrust Robinson Humphrey - Analyst*

Okay. Last question for me. I was wondering if you could comment on having a continuing resolution and whether that has impacted the cadence and the rhythm of business. Thanks.

John Wasson - *ICF International, Inc. - President & COO*

You know, we haven't seen any impact of that. I mean, I would say that, as you've seen from our growth in the federal arena over the last three quarters, we've had robust growth. I think our clients are generally showing a willingness to move out on new programs and new initiatives, and we really haven't seen any change in that environment. And so I think we remain confident that we can continue to grow and grow more rapidly than the underlying budgets in the civilian agencies.

Tobey Sommer - *SunTrust Robinson Humphrey - Analyst*

Thank you, John.

Operator

Bill Loomis, Stifel.

Bill Loomis - *Stifel Nicolaus & Company - Analyst*

Hi. Thank you. Good quarter. Just one question on the income statement. The other income had a jump, $732,000. What was that related to?

James Morgan - *ICF International, Inc. - EVP & CFO*

We had some proceeds from a corporate-owned insurance policy that impacted that to some degree, and so we had a benefit there which, to be honest, if you'd look at that from the standpoint of that's roughly about $0.02 of a positive impact. At the same time, we had some higher tax rate for this quarter, which was also about $0.02 impact going the other way, so the net of those two is -- they essentially netted each other out for the quarter.

Bill Loomis - *Stifel Nicolaus & Company - Analyst*

Okay. On the international, what's the margin drag? Is international still profitable? Can you give us the sense of how much that's dragging results right now on the margin side?

John Wasson - *ICF International, Inc. - President & COO*

No, the international is still profitable, Bill. I mean, I think we're definitely profitable there. It's probably mid-single-digit profitability.

Bill Loomis - *Stifel Nicolaus & Company - Analyst*

Okay. And just on international, any thought on when the customers will start moving forward on some of those programs? And it sounds like they've won a lot of business. Based on that book-to-bill you talked about, substantially over one, but customers just put it on the shelf but they haven't cancelled the program. So what are they looking for to start those up? Is there any timeline?

John Wasson - *ICF International, Inc. - President & COO*

You know, I think a part of it's the distraction factor, Bill. I mean, I think these clients, between the migration crisis in Europe, security concerns, the whole Brexit vote, there's been a lot of distraction in the European commission, I would say, and the clients are distracted. I think, as we've talked about for the last several quarters on this call, it certainly impacted us, the slow activation of work. I would say that we see some early signs of things improving, and there's generally a more positive outlook of our European leaders of that business. But I think we're being pretty cautious and we'll want to see it for several quarters before we're comfortable that the activation has truly picked up.

But as you say, the book-to-bill remains terrific, and there's some early signs that the clients are starting to spend again, and we're monitoring it carefully, and in the interim we're watching the costs very carefully to make sure we are profitable in Europe. And I think in the long run, the global issues we work on are going to be highly relevant to Europe, and we're in a good position there, and so with these contracts I think we have a positive long-term look. We're just managing it very carefully.

Sudhakar Kesavan - *ICF International, Inc. - Chairman & CEO*

Yeah, I think to some extent, Bill, there is some analog to what happened to us here in the US. We had a good book-to-bill from 2012 to 2014. Nothing really moved. So hopefully, that analog will work out the way it worked out here. We'll see.

Bill Loomis - *Stifel Nicolaus & Company - Analyst*

Great. And then just on state and local, I know you guys talked I guess last year with the Superstorm Sandy tough comps that that would slow, but you've been doing very well on state and local. What is kind of the pipeline over the next year? Do you expect things to slow down there or is it strong enough that you could still show good growth on state and local?

John Wasson - *ICF International, Inc. - President & COO*

I mean, I think as we've talked about, certainly over the last couple quarters, we've been doing some significant implementation work on the state and local front that have had very high pass-throughs related to that work, infrastructure projects with an environmental focus. Energy, transportation projects. And so, we've had very high pass-throughs, which have driven up the growth rate significantly. We do make some margin on those pass-throughs, but obviously not as much as when we're doing the work ourselves.

I think we remain generally optimistic that we can grow the state and local business going forward, kind of in the low to mid-single digits. I think we've had some very unusual and high pass-throughs over the last several quarters on several major contracts.

Bill Loomis - *Stifel Nicolaus & Company - Analyst*

Okay, great. Thank you.

Operator

Tim McHugh, William Blair.

Trevor Romeo - *William Blair & Company - Analyst*

Hi, guys. This is actually Trevor Romeo in for Tim today. Thanks for taking my question. Really quick, just to follow up on the pass-throughs, I know you just mentioned state and local, but it appeared that they were higher in general again this quarter. Is there anything else that's driving that, and then do you expect that trend to continue, going forward?

James Morgan - *ICF International, Inc. - EVP & CFO*

I would say that the majority of it ? it's not only state and local. There are some on the government side, US federal side also, but the majority of it is through the federal or through the government business area.

As far as going forward, it's always difficult to perfectly predict that, especially from a timing perspective, but this year we're running somewhere in the neighborhood of around between 26% and 27% of our revenues are in pass-throughs. Last year, it was more in the 24% to 25% range. I would say as we move forward into next year, given the type of work that we're doing and more and more implementation type of work in larger programs, there will probably be a tendency for a little higher pass-throughs this coming year.

Trevor Romeo - *William Blair & Company - Analyst*

Okay, great. Thanks. And then just one more. Going back to energy efficiency, I think you guys mentioned on the last call that you had won about $300 million in new contracts to date. One, do you have an update to that number as at the end of Q3, and then two, are we seeing a full quarter contribution at this point, or are those still kind of in ramp mode?

John Wasson - *ICF International, Inc. - President & COO*

I mean, in terms of the numbers, I think we're all in year-to-date through the end of the third quarter on energy efficiency wins. We're certainly north of, slightly above $300 million has been won through the end of the third quarter. I think we're still in the ramp-up phase. I would say that the third quarter, obviously with the significant growth we just talked about, north of 25% growth in the energy business, you're certainly seeing the effect of a variety of programs ramping up in the third quarter.

I think certainly, we're pretty close on ramping up most of those major programs and we'll benefit from them obviously over the next three quarters as they continue to go full out. And over the next several years. I mean, many of those contracts are long-term contracts. They're three- to four-year contracts.

Trevor Romeo - *William Blair & Company - Analyst*

Okay, great.

James Morgan - *ICF International, Inc. - EVP & CFO*

I would say the one thing to keep in mind, too, on the wins, I would just say when John mentioned the $300 million, probably the biggest change that's happened since Q2 to now is that more of those wins have been formalized and they've actually, contractual documents have been signed, as opposed to verbal agreements.

John Wasson - *ICF International, Inc. - President & COO*

Verbal agreements, right.

Trevor Romeo - *William Blair & Company - Analyst*

Got it. Okay. Thank you guys very much for taking my questions.

Operator

(Operator Instructions). Mark Jordan, Noble Financial.

Ben Klieve - *Noble Financial - Analyst*

Hi, guys. This is actually Ben Klieve filling in here for Mark Jordan. Thanks for taking my call and I have a couple of quick questions for you. First, regarding the guidance that you've issued for the rest of the year, it looks like you narrowed the diluted GAAP earnings figure -- excuse me, you narrowed the GAAP earnings range, but then you lifted the non-GAAP ranges at above prior expectations. So first, I was just wondering if you could comment on that quickly.

James Morgan - *ICF International, Inc. - EVP & CFO*

Yeah, I think the biggest change there is that there's two things impacting the difference between the GAAP earning CPS and the non-GAAP, and one is obviously the amortization of intangibles. That is somewhat impacted, the EPS is impacted by the number of shares outstanding, and as share counts have gone down that's a little bit of an impact to improving it.

The biggest impact is really the other special items that we've mentioned throughout the year and continuing this quarter that have impacted the difference between the two. So you add everything up between GAAP to non-GAAP, it's about $0.46 difference at the midpoint, and $0.06 of that is related to the special items.

Ben Klieve - *Noble Financial - Analyst*

Okay, perfect. Thank you. And then regarding the pipeline, I was wondering if you can provide a little bit of context in terms of what contracts you have out regarding specifically the size. Are there any kind of big contracts that are really driving that $4 billion pipeline, or is it kind of just a general mix of a lot of seven-, eight-figure bids that are outstanding?

John Wasson - *ICF International, Inc. - President & COO*

Yeah. I mean, I think in general we have a very diverse pipeline, a very large pipeline of diverse entities. I did give at the end of our remarks, which I'll just reiterate, in terms of the largest opportunities currently in the pipeline, we have 33 opportunities greater than $25 million and 59 opportunities between $10 million and $25 million. So given that, it certainly gives you a sense that we have a lot of potential deals in the pipeline, and so it's a very diverse pipeline.

Ben Klieve *- Noble Financial - Analyst*

Perfect, thank you. Sorry, I guess I maybe missed those figures before. Sorry about that.

John Wasson *- ICF International, Inc. - President & COO*

No, it's fine. I have it at my fingertips.

Ben Klieve *- Noble Financial - Analyst*

All right. Well, thanks a lot for that, guys.

Operator

Thank you. And then at this time, I would like to turn the call back to management for closing remarks.

Sudhakar Kesavan *- ICF International, Inc. - Chairman & CEO*

Thank you for joining today's call. We look forward to keeping you updated in the coming months and then we will talk to you again for the fourth quarter numbers early next year. Thank you again.

Operator

Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.

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