



KFORCE REPORTS THIRD QUARTER 2025 REVENUE OF \$332.6 MILLION AND EPS OF \$0.63
BOARD OF DIRECTORS APPROVES INCREASE IN SHARE BUYBACK AUTHORIZATION TO \$100 MILLION

TAMPA, FL, November 3, 2025 — **Kforce Inc.** (NYSE: KFRC), a solutions firm that specializes in technology and other professional staffing services, today announced results for the third quarter of 2025.

Joseph J. Liberatore, President and Chief Executive Officer, said, "We are pleased with our performance in the third quarter where we exceeded both top and bottom line expectations led by better-than-expected results in both our Technology and FA businesses. We are particularly encouraged that, following the early third quarter lows, consultants on assignment in our Technology segment improved throughout the third quarter. Our team has also done a nice job stabilizing and now meaningfully growing our FA business sequentially. The momentum has largely been carried into the fourth quarter, which puts us in a position to expect to deliver sequential billing day growth in both our Technology and FA businesses in the fourth quarter."

Quarterly Financial Highlights

- Revenue for the quarter ended September 30, 2025 was \$332.6 million, a decrease of 0.5% sequentially and 5.9% year over year.
- Technology Flex revenue decreased 1.2% sequentially and 5.5% year over year. FA Flex revenue increased 6.9% sequentially and decreased 7.3% year over year.
- Gross profit margin of 27.7% increased 60 basis points sequentially and decreased 20 basis points year over year. Flex gross profit margin of 26.3% increased 50 basis points sequentially and remained flat year over year.
- SG&A expenses as a percentage of revenue was 22.8% for the quarter ended September 30, 2025, which increased 60 basis points sequentially and year over year.
- Operating margin was 4.5% for the quarter ended September 30, 2025, which remained flat sequentially and decreased 80 basis points year over year.
- Diluted earnings per share for the quarter ended September 30, 2025 was \$0.63, an increase of 6.8% sequentially and a decrease of 16.0% year over year.
- We returned \$16.2 million in capital to our shareholders in the form of open market share repurchases and quarterly dividends during the third quarter of 2025.
- Our Board of Directors approved a fourth quarter cash dividend of \$0.39 per share to shareholders of record as of the close of business on December 5, 2025, which will be payable on December 19, 2025.
- In October 2025, the Board approved an increase in our stock repurchase authorization, bringing the total authorization to \$100.0 million.

Fourth Quarter 2025 - Guidance

Looking forward to the fourth quarter of 2025, there will be 62 billing days, compared to 64 billing days in the third quarter of 2025 and 62 billing days in the fourth quarter of 2024. Current estimates for the fourth quarter of 2025 are:

- Revenue of \$326 million to \$334 million
- Earnings per share of \$0.43 to \$0.51
- Gross profit margins of 27.1% to 27.3%
- Flex gross profit margins of 25.7% to 25.9%
- SG&A expenses as a percent of revenue of 22.8% to 23.0%
- Operating margin of 3.7% to 4.1%
- WASO of 17.4 million
- Effective tax rate of 32.4%

Conference Call

On Monday, November 3, 2025, Kforce will host a conference call at 5:00 p.m. E.T. to discuss these results. The dial-in number is (800) 715-9871 and the conference passcode is "Kforce." The prepared remarks for this call and webcast are available on the Investor Relations page of the Kforce Inc. website in the News and Events section. The replay of the call can be accessed at <http://investor.kforce.com>.

About Kforce Inc.

Kforce Inc. (the "Firm") is a solutions firm specializing in technology, finance and accounting, and other professional staffing services. Our KNOWLEDGEforce® empowers industry-leading companies to achieve their digital transformation goals. We curate teams of technical experts who deliver solutions custom-tailored to each client's needs. These scalable, flexible outcomes are shaped by deep market knowledge, thought leadership and our multi-industry expertise.

Our integrated approach is rooted in 60 years of proven success deploying highly skilled professionals on a temporary and direct-hire basis. Each year, approximately 18,000 talented experts work with Fortune 500 and other leading companies. Together, we deliver Great Results Through Strategic Partnership and Knowledge Sharing®.

Michael R. Blackman, Chief Corporate Development Officer

(813) 552-2927

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

All statements in this press release, other than those of a historical nature, are forward-looking statements including, but not limited to, statements regarding the momentum in both our Technology and FA businesses, and the Firm's guidance for the fourth quarter of 2025. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Factors that could cause actual results to differ materially include the following: general business conditions; global trade policy, Department of Government Efficiency (DOGE) actions, federal administration actions, and the impacts of the recent government shutdown, and their potential impacts on our operations and the broader economy; growth rates in temporary staffing and the general economy; competitive factors; risks due to shifts in the market demand, including those resulting from the growth of artificial intelligence (AI); changes in demand, or our ability to adapt to such changes; a constraint in the supply of consultants and candidates, or the Firm's ability to attract and retain such individuals; the success of the Firm in attracting and retaining its management team and key operating employees; changes in business or service mix; the ability of the Firm to repurchase shares and issue dividends; the occurrence of unanticipated expenses, income, gains or losses; the effect of adverse weather conditions; changes in our effective tax rate; our ability to comply with or respond to government regulations, laws, orders, guidelines and policies that impact our business; risk of contract performance, delays, termination or the failure to obtain new assignments, contracts, or funding under contracts; ability to comply with our obligations in a remote work environment, including consultants engaging in unauthorized or fraudulent activity; continued performance, security of, and improvements to, our enterprise information systems; and impacts of actual or potential litigation, or other legal or regulatory matters or liabilities, including the risk factors and matters listed from time to time in the Firm's reports filed with the Securities and Exchange Commission, including, but not limited to, the Firm's Form 10-K for the fiscal year ended December 31, 2024, as well as assumptions regarding the foregoing. The terms "should," "believe," "estimate," "expect," "intend," "anticipate," "plan" and similar expressions and variations thereof contained in this press release identify certain of such forward-looking statements, which speak only as of the date of this press release. As a result, such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Future events and actual results may differ materially from those indicated in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements and the Firm undertakes no obligation to update any forward-looking statements.

Kforce Inc.
Summary of Operations
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Revenue	\$ 332,645	\$ 334,316	\$ 353,319
Direct costs	240,388	243,668	254,752
Gross profit	92,257	90,648	98,567
Selling, general and administrative expenses	75,884	74,370	78,308
Depreciation and amortization	1,371	1,390	1,543
Income from operations	15,002	14,888	18,716
Other expense, net	758	1,029	429
Income before income taxes	14,244	13,859	18,287
Income tax expense	3,176	3,410	4,078
Net income	\$ 11,068	\$ 10,449	\$ 14,209
Earnings per share – diluted	\$ 0.63	\$ 0.59	\$ 0.75
Weighted average shares outstanding – diluted	17,645	17,759	18,823
Adjusted EBITDA	\$ 19,407	\$ 19,885	\$ 23,808
Billing days	64	64	64

Kforce Inc.
Consolidated Balance Sheets
(In Thousands)
(Unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,252	\$ 349
Trade receivables, net of allowances	204,468	215,690
Prepaid expenses and other current assets	12,116	9,367
Total current assets	217,836	225,406
Fixed assets, net	6,304	7,723
Other assets, net	119,819	94,656
Deferred tax assets, net	5,153	5,009
Goodwill	25,040	25,040
Total assets	\$ 374,152	\$ 357,834
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 62,777	\$ 61,753
Accrued payroll costs	47,991	38,823
Current portion of operating lease liabilities	3,225	3,038
Income taxes payable	2,099	8,843
Total current liabilities	116,092	112,457
Long-term debt – credit facility	65,000	32,700
Other long-term liabilities	60,939	58,059
Total liabilities	242,031	203,216
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock	739	738
Additional paid-in capital	554,511	543,109
Retained earnings	554,083	546,202
Treasury stock, at cost	(977,212)	(935,431)
Total stockholders' equity	132,121	154,618
Total liabilities and stockholders' equity	\$ 374,152	\$ 357,834

Kforce Inc.
Key Statistics
(Unaudited)

	Q3 2025		Q2 2025		Q3 2024
Total Firm					
Total Revenue (000's)	\$	332,645	\$	334,316	\$ 353,319
GP %		27.7%		27.1%	27.9%
Flex revenue (000's)	\$	326,263	\$	328,411	\$ 345,832
Hours (000's)		3,795		3,787	4,008
Flex GP %		26.3%		25.8%	26.3%
Direct Hire revenue (000's)	\$	6,382	\$	5,905	\$ 7,487
Placements		276		269	342
Average fee	\$	23,143	\$	21,964	\$ 21,907
Billing days		64		64	64
Technology					
Total Revenue (000's)	\$	307,145	\$	310,527	\$ 325,511
GP %		26.8%		26.3%	26.9%
Flex revenue (000's)	\$	304,272	\$	307,844	\$ 322,118
Hours (000's)		3,383		3,404	3,553
Flex GP %		26.1%		25.6%	26.1%
Direct Hire revenue (000's)	\$	2,873	\$	2,683	\$ 3,393
Placements		117		116	156
Average fee	\$	24,633	\$	23,154	\$ 21,813
Finance and Accounting					
Total Revenue (000's)	\$	25,500	\$	23,789	\$ 27,808
GP %		38.9%		38.1%	39.8%
Flex revenue (000's)	\$	21,991	\$	20,567	\$ 23,714
Hours (000's)		412		383	455
Flex GP %		29.1%		28.5%	29.4%
Direct Hire revenue (000's)	\$	3,509	\$	3,222	\$ 4,094
Placements		159		153	186
Average fee	\$	22,050	\$	21,063	\$ 21,985

Kforce Inc.
Non-GAAP Financial Measures
(Unaudited)

In addition to our financial results presented in accordance with GAAP, Kforce may use certain non-GAAP financial measures, which we believe provide useful information to investors in evaluating our core operating performance. The following non-GAAP financial measures presented may not provide information that is directly comparable to that provided by other companies, as other companies may calculate such financial results differently. Our non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to amounts presented in accordance with GAAP. We view these non-GAAP financial measures as supplemental, which are not intended to be a substitute for, or superior to, the information provided by GAAP financial results. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures is provided below.

Revenue Growth Rates

“Revenue growth rates,” a non-GAAP financial measure, is defined by Kforce as revenue growth after removing the impacts on reported revenues from the changes in the number of billing days. Management believes this data is particularly useful because it aids in evaluating revenue trends over time. The impact of billing days is calculated by dividing each comparative period’s reported revenues by the number of billing days for the respective period to arrive at a per billing day amount for each quarter. Growth rates are then calculated using the per billing day amounts as a percentage change compared to the respective period. Management calculates the number of billing days for each reporting period based on the number of holidays and business days in the quarter.

	Sequential Growth Rates (GAAP)				
	2025			2024	
	Q3	Q2	Q1	Q4	Q3
Technology Flex	(1.2)%	1.8%	(3.7)%	(2.5)%	(0.6)%
FA Flex	6.9%	2.1%	(12.8)%	(2.7)%	(4.1)%
Total Flex revenue	(0.7)%	1.8%	(4.3)%	(2.5)%	(0.8)%

	Sequential Growth Rates (Non-GAAP)				
	2025			2024	
	Q3	Q2	Q1	Q4	Q3
Billing Days	64	64	63	62	64
Technology Flex	(1.2)%	0.2%	(5.2)%	0.6%	(0.6)%
FA Flex	6.9%	0.5%	(14.2)%	0.5%	(4.1)%
Total Flex revenue	(0.7)%	0.2%	(5.8)%	0.6%	(0.8)%

	Year-Over-Year Growth Rates (GAAP)				
	2025			2024	
	Q3	Q2	Q1	Q4	Q3
Technology Flex	(5.5)%	(5.0)%	(5.0)%	(3.7)%	(3.6)%
FA Flex	(7.3)%	(16.8)%	(23.2)%	(22.1)%	(20.7)%
Total Flex revenue	(5.7)%	(5.8)%	(6.4)%	(5.2)%	(5.0)%

	Year-Over-Year Growth Rates (Non-GAAP)				
	2025			2024	
	Q3	Q2	Q1	Q4	Q3
Billing Days	64	64	63	62	64
Technology Flex	(5.5)%	(5.0)%	(3.5)%	(5.2)%	(5.1)%
FA Flex	(7.3)%	(16.8)%	(22.0)%	(23.3)%	(21.9)%
Total Flex revenue	(5.7)%	(5.8)%	(4.9)%	(6.7)%	(6.5)%

Free Cash Flow

“Free Cash Flow,” a non-GAAP financial measure, is defined by Kforce as net cash provided by operating activities determined in accordance with GAAP, less capital expenditures. Management believes this provides an additional way of viewing our liquidity that, when viewed with our GAAP results, provides a more complete understanding of factors and trends affecting our cash flows and is useful information to investors as it provides a measure of the amount of cash generated from the business that can be used for strategic opportunities including investing in our business, repurchasing common stock, paying dividends or making acquisitions. Free Cash Flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. Therefore, we believe it is important to view Free Cash Flow as a complement to, but not a replacement of, our unaudited condensed consolidated statements of cash flows.

The following table presents Free Cash Flow:

(in thousands)	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 41,937	\$ 65,084
Capital expenditures	(11,798)	(8,501)
Free cash flow	30,139	56,583
Change in debt	32,300	(14,700)
Repurchases of common stock	(41,450)	(21,189)
Cash dividends	(20,778)	(21,282)
Proceeds from company-owned life insurance	1,383	2,377
Premiums paid for company-owned life insurance	(686)	(1,777)
Other	(5)	(4)
Change in cash and cash equivalents	\$ 903	\$ 8

Adjusted EBITDA

“Adjusted EBITDA,” a non-GAAP financial measure, is defined by Kforce as net income before depreciation and amortization; stock-based compensation expense; interest expense, net; and income tax expense. Adjusted EBITDA should not be considered a measure of financial performance under GAAP. Items excluded from Adjusted EBITDA are significant components in understanding and assessing our past and future financial performance, and this presentation should not be construed as an inference by us that our future results will be unaffected by those items excluded from Adjusted EBITDA. Adjusted EBITDA is a key measure used by management to assess our operations including our ability to generate cash flows and our ability to repay our debt obligations, and management believes it provides a good metric of our core profitability in comparing our performance to our competitors, as well as our performance over different time periods. Consequently, management believes it is useful information to investors. The measure should not be considered in isolation or as an alternative to net income, cash flows or other financial statement information presented in the unaudited condensed consolidated financial statements as indicators of financial performance or liquidity. Also, Adjusted EBITDA, as presented, may not be comparable to similarly titled measures of other companies.

In addition, although we excluded stock-based compensation expense because it is a non-cash expense, we expect to continue to incur stock-based compensation expense in the future and the associated stock issued may result in an increase in our outstanding shares of stock, which may result in the dilution of our shareholder ownership interest. We suggest that you evaluate these items and the potential risks of excluding such items when analyzing our financial position.

The following table presents Adjusted EBITDA and includes a reconciliation of Net income to Adjusted EBITDA:

(in thousands)	Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Net income	\$ 11,068	\$ 10,449	\$ 14,209
Depreciation and amortization	1,371	1,390	1,543
Stock-based compensation expense	3,034	3,618	3,549
Interest expense, net	758	1,018	429
Income tax expense	3,176	3,410	4,078
Adjusted EBITDA	\$ 19,407	\$ 19,885	\$ 23,808