



KFORCE Q4 2021 INVESTOR PRESENTATION



Forward Looking Statements

All of the information presented that is not historical in nature should be considered to be forward-looking statements that are subject to certain risks, uncertainties or assumptions and may be affected by certain other factors, including but not limited to the specific factors discussed in the Firm's periodic filings with the SEC. Should one or more of these risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements expressed or implied by such forward-looking statements may vary materially from any future results, performance or achievements expressed or implied in this presentation. Forward-looking statements are not guarantees of performance and the Firm undertakes no obligation to update any of the information presented in light of new information or future events.

We use several non-GAAP financial measures, such as adjusted EBITDA and other adjusted financial performance measures when presenting our financial results in this presentation in order to provide greater clarity into our operating performance. Please refer to the reconciliations between our GAAP and non-GAAP financial measures on our website at www.kforce.com, following the "Investor Relations" link and in our filings with the SEC.

Kforce Overview

WHO WE ARE



We are a solutions Firm matching the needs of large, dynamic companies with highly-skilled talent and capabilities.

Founded in 1962, public (NASDAQ:KFRC) since 1995

OUR FOOTPRINT AND SCALE



100% of our revenue stream is generated domestically and supported by approximately 2,000 associates located across the U.S.

More than 30,000 consultants engaged annually. Centralized delivery capability gives us great scalability.

LASTING PERSONAL RELATIONSHIPS



Our relationships and client portfolio are a differentiator. Kforce serves approximately 70% of the Fortune ranked companies.



Solid long-standing relationships and proven ability to service large clients, at scale.

FOCUS ON TECHNOLOGY



Strategic decision to focus on our technology service offering coming out of the Great Recession.

TECHNOLOGY CHARACTERISTICS

Strong secular drivers, only enhanced by COVID-19 pandemic.



Average bill rates of ~\$82.

Avg. assignment length approximately 10 months.

Expanding presence in IT solutions market due to client demand.

Large addressable market in staffing and solutions.

SOLID FINANCIAL PERFORMANCE



Q3 2021 TTM revenues of \$1.52 billion

Technology revenues grew nearly 30% on a YoY basis in Q3 '21 and grew 24% over Q3 '19

CAGR in our Technology business (2007-2020) through two recessions was approximately 6%; roughly 2x the market

Strong balance sheet with no net debt.

BRAND RECOGNITION & REPUTATION

3 YEAR WINNER



2020 Best of Staffing Client

5 YEAR WINNER



2020 Best of Staffing Talent



2020 Best of Staffing Talent Diamond



#1 recognized brand by IT consultants

Ranked Top 5 for IT and for FA domestic staffing firms

Key Investment Highlights



LARGE, ATTRACTIVE END MARKET WITH POSITIVE SECULAR TRENDS

Technology staffing spend projected at \$36 billion in 2022, up from \$20 billion in 2007, and is expected to be the largest domestic staffing market, per SIA, in 2021.
Strong demand being driven by companies' investments in technology to improve customer-facing applications and gain operational efficiencies
Solid longer-term secular trends as employers seek a flexible human capital solution against an increasingly complex regulatory environment
Addressable market expanding into managed team and services opportunities within our client base



STRONG POSITION IN HIGH-END SKILL SETS

Participates in the "sweet spot" of professional staffing (~85% Technology)
High-end domestic focus yields higher bill rates, better spreads, longer assignments and embedded customer relationships
Outsized growth in our managed services and managed teams business



OUR OPERATING MODEL

Focused on providing highly-skilled professionals to world class companies (primarily Fortune 1000)
Talent delivery capabilities, including centralized delivery and a dedicated and highly specialized group focused on access to highly skilled foreign workers in the U.S.
Focus on ensuring compliance with regulations and client requirements



ATTRACTIVE FINANCIAL MODEL WITH TANGIBLE GROWTH OPPORTUNITIES

Above-market revenue growth in technology business
Improving profitability levels and capital efficient model
Strong balance sheet and capital return to shareholders; flexibility exists to executing on strategic acquisitions

Strategically Focused on Technology

Large, Growing & Attractive End Markets...

POWERFUL SECULAR GROWTH DRIVERS

Technology implementation and digitization are in the early innings, with powerful secular growth drivers and resiliency through the cycle

TECHNOLOGY MOVING TO THE FOREFRONT

Clients have prioritized the modernization of consumer facing technologies in addition to back-office applications

PANDEMIC WAS A GAME CHANGER

The pandemic pulled forward by several years the need, and the demand, for forward-thinking digitization

HIGH-END DOMESTIC FOCUS

Higher bill rates, better spreads, longer assignments, and embedded, longstanding & personal customer relationships
...and 100% domestic

Competitively Positioned to Win

#5 IN TECHNOLOGY AND TAKING SHARE

3-4% market share and expanding, growing at roughly 2x the rate of the broader sector and experiencing industry leading growth

ATTRACTIVE BLUE CHIP CLIENT BASE

Providing 70% of the Fortune companies with highly-skilled professionals, as clients continue to narrow their vendor lists to providers with the appropriate scale and capabilities

BETTER RECRUITING MEANS BETTER TALENT

Vast & efficient recruiting machine (people and technology) plus strong consultant relationships creates greater opportunity

INVESTING IN IT & PROCESSES

Strategically investing in front office technologies (ex. CRM and TRM) to create enhanced interactions with clients and consultants; significant opportunity exists to transform our back-office support

Our Technology Business

Expanding our Addressable Market

Expanding capabilities beyond traditional staff augmentation by providing higher-value, differentiated solutions

- ✓ Invested in creating a dedicated organization of IT solutions leaders, practice experts, and delivery assurance professionals to partner with our clients in providing flexible engagement models as to the level of service and oversight Kforce will provide.

- ✓ The growth rate in this offering is significantly greater than our overall Technology business
- ✓ Gross margins in this offering are 400+ basis points greater than our Technology staffing business
- ✓ Based on demand, we will continue to disproportionately invest in this capability

WHAT CLIENTS WANT

LOWER COST FOR MORE
VALUE SOLUTION WORK



MORE OWNERSHIP /
CONTROL OF SOLUTION



MORE FLEXIBILITY WITH
PARTNER SUPPORT



MORE RESOURCE /
TEAM FLUIDITY





Financial Performance Overview

Confidential and Proprietary

Kforce 2021 Financial Performance



Solid Revenue Performance

Revenue on a YTD basis as of Q3 '21 is up 12.7% on a year-over-year basis.

Our Technology business is up 19% on a YTD basis as of Q3 '21 year-over-year with Q3 '21 up approximately 30%.

Our FA business is down slightly on a YTD basis as of Q3 '21 year-over-year given the repositioning efforts to higher level skillsets.



Improved Profitability

Stable Flex gross profit margins in our Technology business

We continue to drive improvements in associate productivity and lower our fixed operating costs in areas including real estate (given our hybrid future work environment). Operating margins of 7.3% in the third quarter of 2021.

EPS on a YTD basis as of Q3 '21 of \$2.58 improved approximately 45% year-over-year as we continue to benefit from improved profitability levels as revenues expand.



Solid Balance Sheet and Return to Shareholders

Net cash of \$15.6m as of Q3 '21 and TTM EBITDA of \$121.9m

Returned approximately \$59m in capital to our shareholders on a YTD basis as of Q3 '21

Increased our quarterly dividend for a second time in 2021 to \$0.26 per share

Significant flexibility under our \$200m credit facility to return further capital & pursue strategic M&A opportunities.

Our Technology Business

Resilient and Solid Growth



"Enthusiasm is running high in the US IT staffing sector as the pace of recovery has exceeded expectations almost universally across our checks with industry contacts."

- Staffing Industry Analysts (SIA) – US Staffing Industry Forecast (09/2021)

"In the past year, the COVID-19 crisis has made clear the business imperative of making technology-driven changes, which are more ubiquitous now than ever."

- McKinsey Insights (03/21)

"The next decade of economic performance for every business will be defined by the speed of their digital transformation. We are innovating across our full modern tech stack to help our customers in every industry improve time to value, increase agility, and reduce costs." – Satya Nadella, Microsoft CEO

"I've been on more sales calls with more CEOs in the last two months than at any time in my career, and there's universal agreement among them: Digital transformation, while this isn't a one app [solution], it's a must-have. Organizations and governments around the world have a digital transformation imperative like never before, and many of them are accelerating their plans for a digital-first work-from-anywhere environment." – Marc Benioff, Salesforce CEO

Technology Staffing – Addressable Market

	2017	2018	2019	2020	2021P	2022P
IT	29.9	31.0	32.3	30.8	34.0	35.9
Year-over-year chg.	4%	4%	4%	-5%	11%	6%

Source: Staffing Industry Analysts

Our Performance

- Our technology business was essentially flat for the full year of 2020 and troughed at a YoY decline in Q3 '20 of 4.2%.
- Resumed YoY growth in Q4 '20 and experienced approx. 29% organic growth in Q3 '21 (and 28.5% at the midpoint of our Q4 '21 guidance).

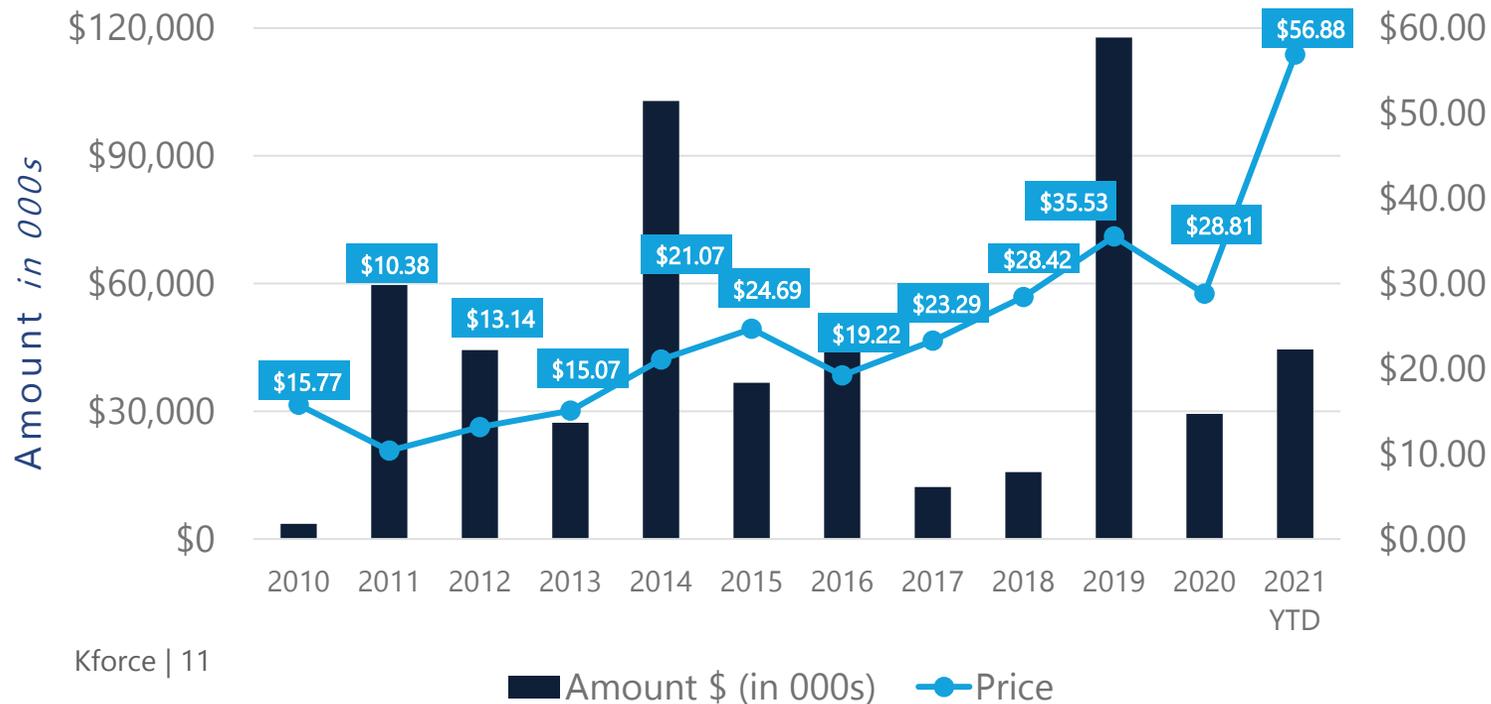
Key Statistics

- Average bill rate: ~\$82
- Predominant skillset: Application Development
- Assignment length: ~10 months
- Consultants on assignment: ~8,000
- Flex GP%: 26.9%

Returning Capital to Shareholders

Consistently deployed capital towards share repurchases and dividends benefiting shareholders

Share Repurchases



Dividends



Positioned to Excel



85% of our revenues are in Technology, which is experiencing solid longer-term secular demand



#1 Recognized Tech Staffing Brand per SIA and **World Class Net Promoter Scores** by ClearlyRated



Stable margin profile given mix of growth in Technology and repositioning efforts in FA



Business model provides **strong, predictable cash flows** and **debt-free balance sheet**.



100% domestic revenue stream with market share of 3% in Technology staffing; creates singular focus on the U.S. markets.



Driving exponential growth in expanded Technology offerings in our managed teams and managed services business.



Committed to growing profitability levels through productivity improvements and lower structural operating costs



#1 in total shareholder return of approximately 230% versus our peers since 2017.