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# KFORCE INVESTOR PRESENTATION

*Confidential and Proprietary*



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# Forward Looking Statements

All 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 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](http://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.

Approximately 25,000 consultants engaged annually. Superior local/national recruiting capabilities.

## LASTING PERSONAL RELATIONSHIPS



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

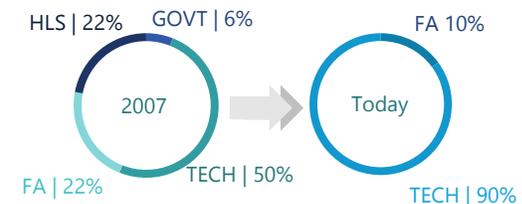
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FORTUNE 1000

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 long-term secular drivers.

Expanding presence in IT solutions market due to client demand.

Avg bill rates approximately \$90 per hour.



Large addressable market in staffing and solutions.

Average assignment length of approximately 10 months.

## WE ARE EXECUTING WELL



Q3 '23 revenues of \$373.1m declined -13.4% YoY.

Technology flex revenues declined -11.1% on a YoY basis.

Took prudent actions to control SG&A while preserving investments to enhance our long-term positioning

Returned nearly 90% of operating cash flows to shareholders

Return on invested capital (ROIC) of approximately 40%

## BRAND RECOGNITION & REPUTATION

8 year winner



5 year winner



#1 recognized brand by IT consultants

# Strategically Focused on Technology

Large, Growing & Attractive End Markets...

## POWERFUL SECULAR GROWTH DRIVERS

Digitization and other technology transformations such as cloud and data are driving strong secular tailwinds and have demonstrated resilience in disruptive economic environments

## HIGH-END DOMESTIC FOCUS

Over the course of economic cycles, historically technology has had higher bill rates, better spreads, longer assignments, and embedded, longstanding & personal customer relationships  
...and 100% domestic

## TECHNOLOGY HAS MOVED TO THE FOREFRONT

Clients are prioritizing the modernization of consumer and employee experience technologies in addition to more traditional back-office applications

GenAI is expected to be yet another powerful driver of technology investments

## MACRO CREATING TREMENDOUS BACKLOG

Technology investments are simply not optional from a competitive positioning standpoint.

The caution exercised in this environment we believe is creating a sizable backlog of desired technology investments.

# Competitively Positioned to Win

## CAPTURING SIGNIFICANT SHARE IN TECHNOLOGY

We are uniquely positioned to meet our clients' evolving needs in the managed teams and project solutions space at higher bill rates and gross margins than our traditional staffing solutions

## ATTRACTIVE BLUE CHIP CLIENT BASE

Providing a significant majority of Fortune companies with highly-skilled technologists, at scale, across a spectrum of engagement models

## BETTER RECRUITING MEANS BETTER TALENT

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

## INVESTING IN I.T. & PROCESSES

Continued technology investments to drive higher levels of productivity (front and back office) and enhanced interactions with clients and consultants



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# Financial Performance Overview

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# Kforce Q3 '23 Financial Performance



## Revenue Performance

Q3 '23 revenue of \$373.1m was down approximately -13% on a year-over-year basis.

Flex revenues in our Technology business were down approximately 11% year-over-year in Q3 '23. Experienced stability in our consultants on assignment mid-way through the third quarter.



## Profitability

Reasonably stable Flex gross profit margins in our Technology business.

A variable cost compensation model that provides leverage during periods of uncertainty, and our office-occasional work model allows for continued real estate footprint optimization.

Reduced structural annual operating costs from current run rates by approximately \$14m, or \$3.5m per quarter.

EPS in Q3 '23 of \$0.90 when adjusted for one-time charges addressed in our Q3 '23 Press Release.



## Balance Sheet and Return to Shareholders

TTM EBITDA of approximately \$115m and outstanding borrowings of approximately \$21m.

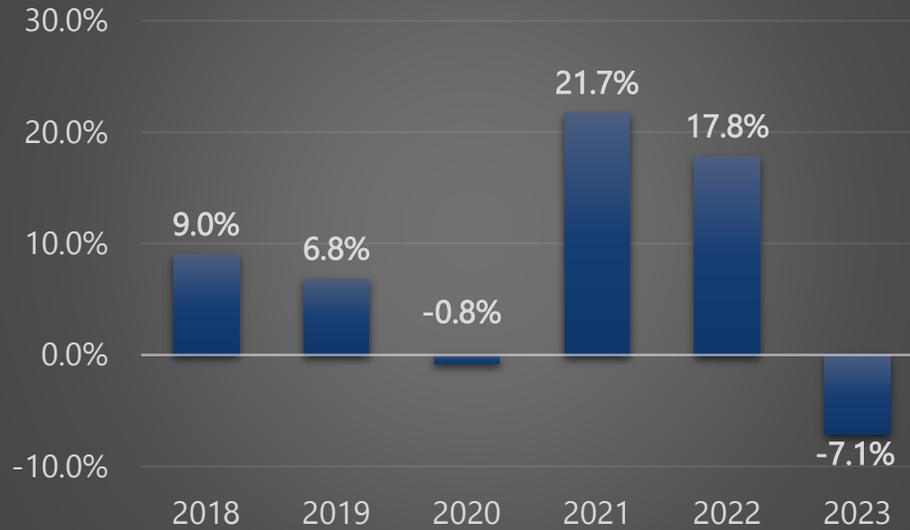
Returned \$25m in capital to our shareholders in Q3 '23 via share repurchases and dividends, which was nearly 90% of operating cash flows in Q3 '23.

Significant flexibility under our \$200m credit facility to return further capital to shareholders regardless of the economic climate.

# Our Technology Business

# Relative Performance Top of Class

## Technology YoY Growth



- 2023 assumes mid-point of Q4 2023 guidance

## Our Performance

- Drove significant compound growth in our Technology business.
- Continued to see improvement in Q3 2023 in our overall average bill rate year-over-year (+2.3%) and relative stability sequentially.
- We continue to further integrate our managed teams and project solutions capabilities within our overall Technology business.

## Technology Staffing – Addressable Market

	2019	2020	2021	2022	2023P	2024P
IT	32.3	30.8	36.8	42.5	41.2	43.2
Year-over-year chg.	4%	-5%	20%	16%	-3%	5%

Source: SIA

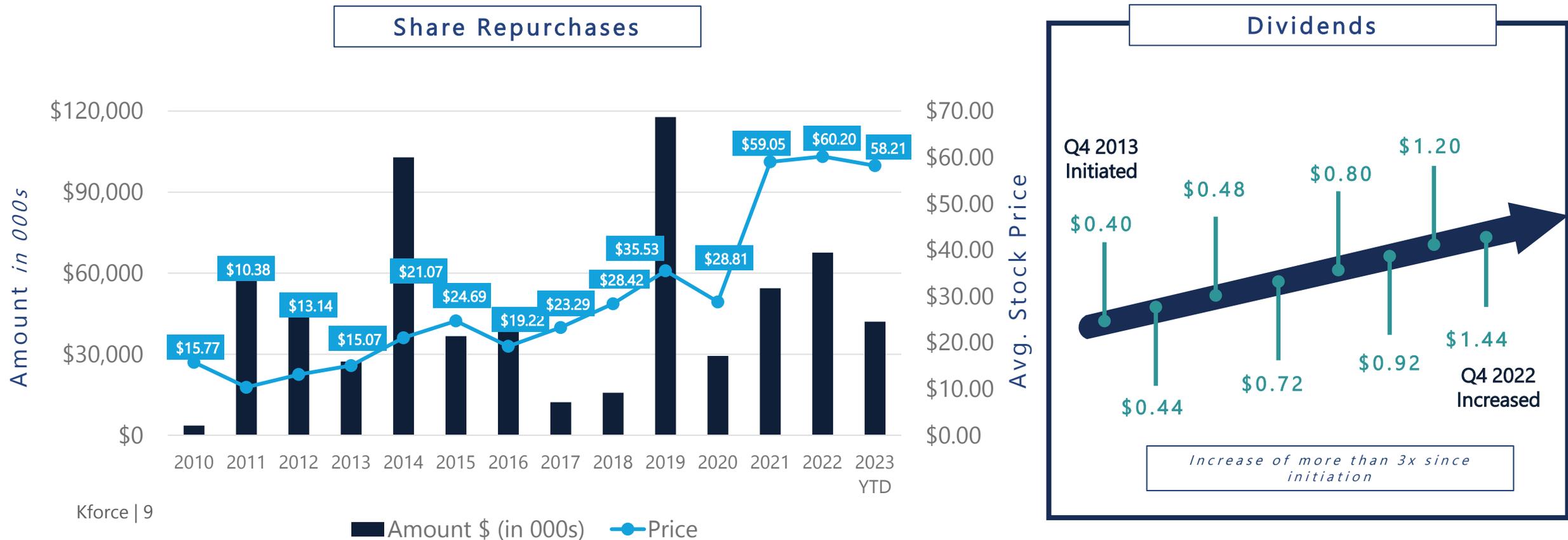
- SIA data above is from the September 2023 update, is not likely reflective of current market conditions and is subject to change in a future update.

## Key Statistics

- Average bill rate: ~\$90
- Predominant skillset: Application Development
- Assignment length: ~10 months
- Consultants on assignment: ~7,400
- Flex GP%: 25.5%

# Returning Capital to Shareholders

Consistently deployed capital towards share repurchases and dividends benefiting shareholders; have returned roughly 75% of the capital generated over the last 10+ years



# Positioned to Excel



Nearly 90% of our revenues are concentrated in **technology staffing and solutions** and 100% of revenues are **domestic**.



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



**Committed to growing profitability levels** through productivity improvements and lower structural operating costs; **path to double digits**.



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



**Strategic opportunity** to further scale our managed teams and **project solutions capabilities** within our Technology business.



**Total shareholder return** of more than 160% since 2017.



Published our 2022 **Sustainability Report** and 2023 **Supplemental GHG Report**; continue to advance our **ESG efforts**



**World Class Net Promoter Scores** and recently named to Fortune's 2023 list for **Best Workplaces in Consulting & Professional Services** and **Best Workplaces for Women**