Kforce Inc.

J.P. Morgan Ultimate Services Investor Conference
November 14, 2017

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 in the appendix to this presentation and on our website at www.kforce.com under the "Events and Presentations" section.

Kforce At a Glance

Kforce is a professional staffing solutions firm providing Technology and Finance/ Accounting flexible and direct hire staffing services to the commercial and government sectors

- **50+ years operating history – public since August 1995**
- **100% domestic revenue footprint with approximately 70% in Technology**
- **Q3 ‘17 Adjusted Revenue:** $342.1 Million
- **Market Cap:** Approximately $635 Million
- **Employees**: Approximately 2,600 core associates
- **Consultants:** ~11,600
- **Clients**: ~3,000
- **Geographic presence**: 41 markets with 60 offices
- **Headquarters**: Tampa, Florida

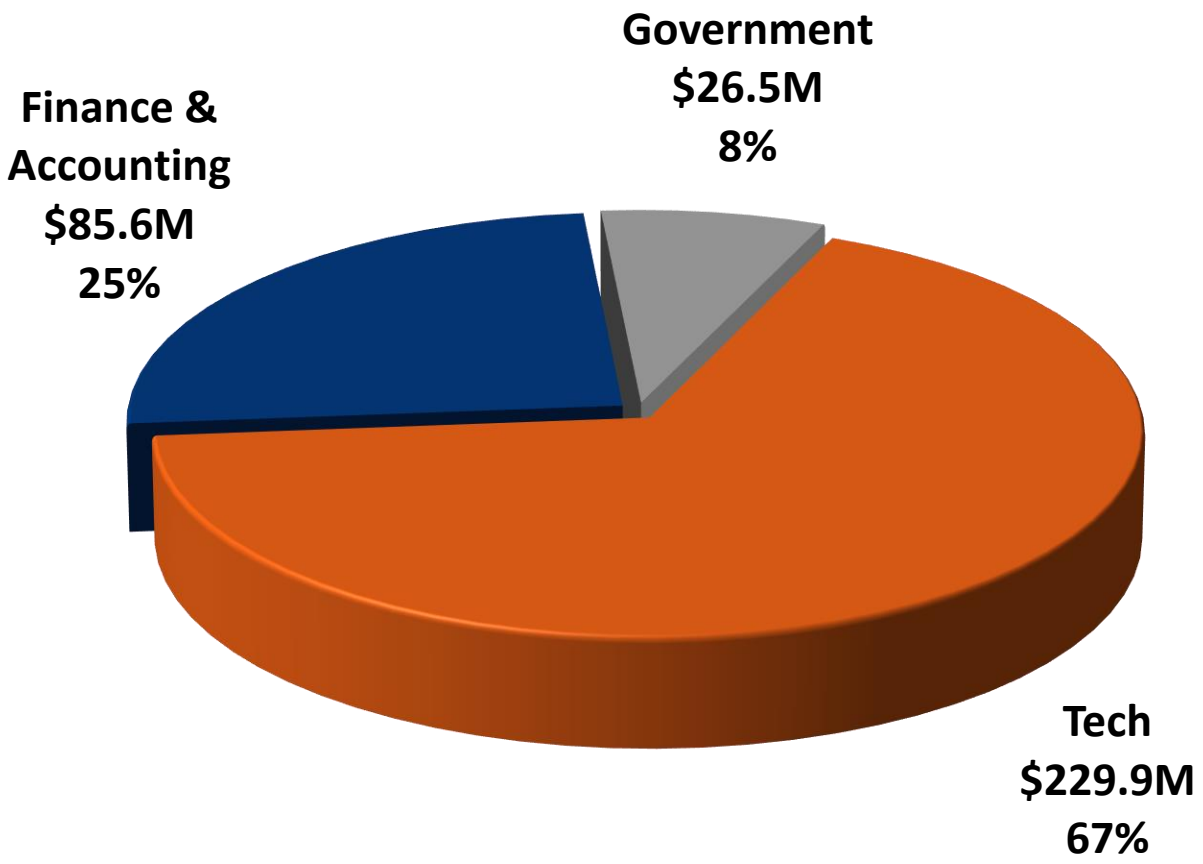
Key Investment Highlights

- **Large, attractive end market with positive recent trends**
  - Tech staffing spend projected at $30 billion in 2017
  - Federal Government is largest buyer of Tech services. KGS won nearly $100 million in recent prime contract awards.
  - Strong demand for higher skill sets in a temp led recovery
  - Positive long-term secular trends as employers seek a flexible human capital solution against regulatory, economic and healthcare uncertainties
- **Strong position in high-end skill sets**
  - Participates in the “sweet spot” of professional staffing (~70% Tech)
  - High-end domestic focus yields higher bill rates, better spreads, longer assignments and long-tenured customers
  - Technology now ubiquitous to our clients front and back of the house operations
- **Unique business and operating model**
  - Diversified business model serving attractive segments
  - Unique Centralized Delivery (Tampa & Phoenix)
  - Can operate without a physical location
- **Attractive financial model with tangible growth opportunities**
  - Capital efficient model drives strong FCF
  - Stock repurchased at scale
  - Quarterly dividend
  - Kforce effective tax rate will move in conjunction with changes in the Federal income tax rate.

Current Revenue Stream

by Line of Business

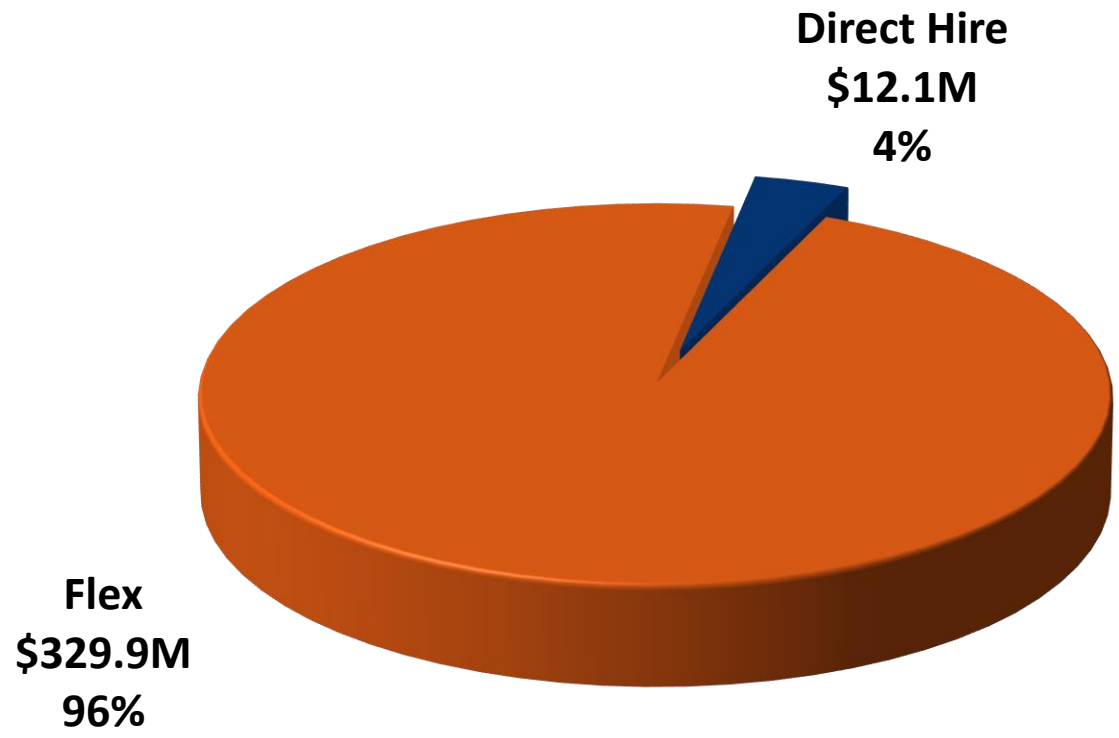
Q3 ‘17 Adjusted Revenue – $342.1M



Current Revenue Stream

by Product

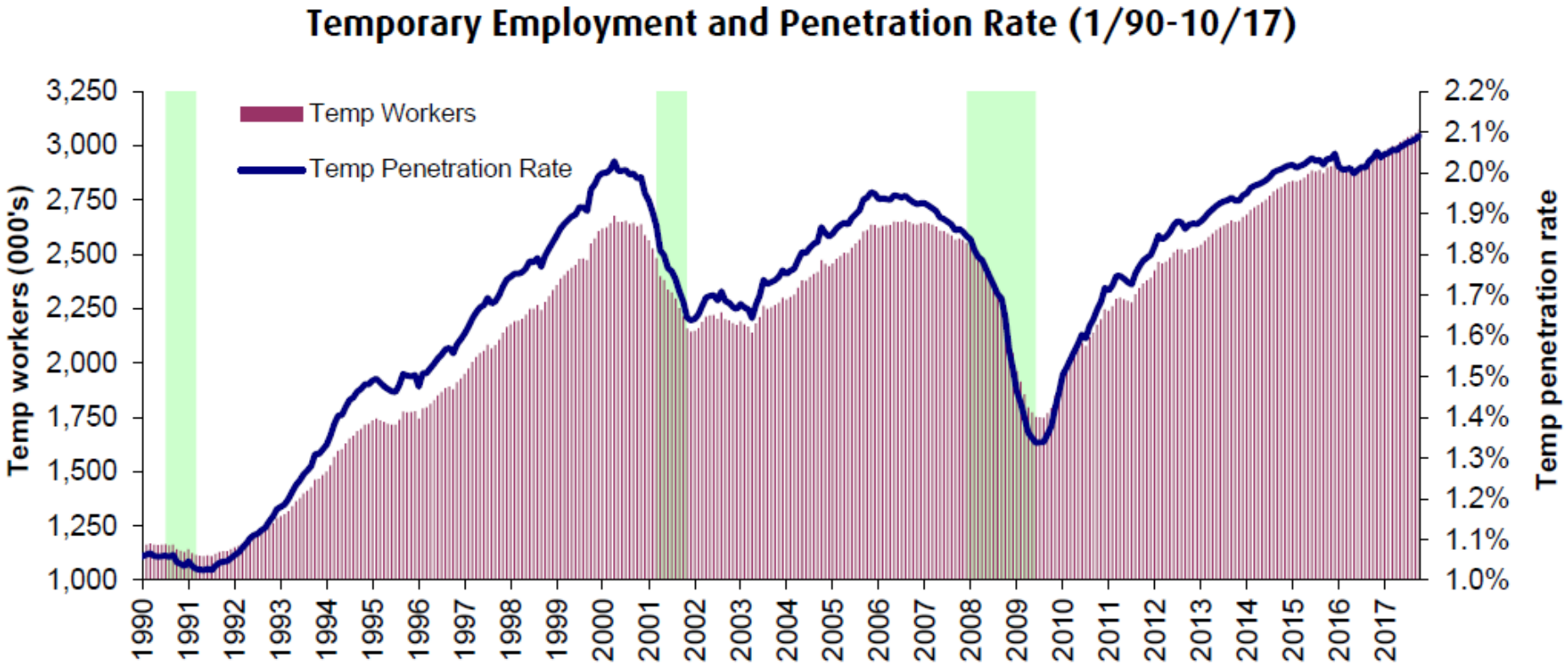
Q3 ‘17 Adjusted Revenue – $342.1M



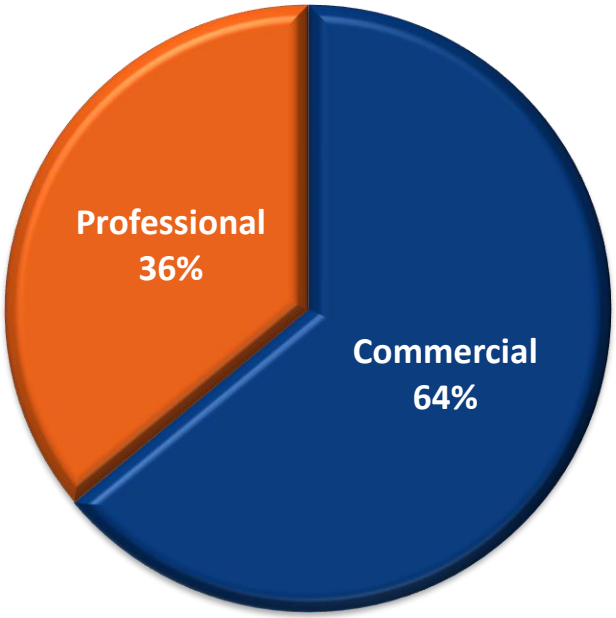
Secular Staffing Growth Drivers

- As buyers/clients become more sophisticated in managing their workforce, companies are structurally utilizing temporary labor as a larger percentage of their workforce.
- Regulatory (compliance) uncertainties have incented companies to pursue shifting more of their workforce to contingent.
- Technology largely project driven (Tech penetration rate estimated at 5%+).
- Technology skills are in short supply and becoming increasingly more scarce.
- Jobs in science, technology, engineering and math (“STEM”) are increasing 3x vs. the rest of the US economy.
- College educated unemployment about half of overall unemployment rate.

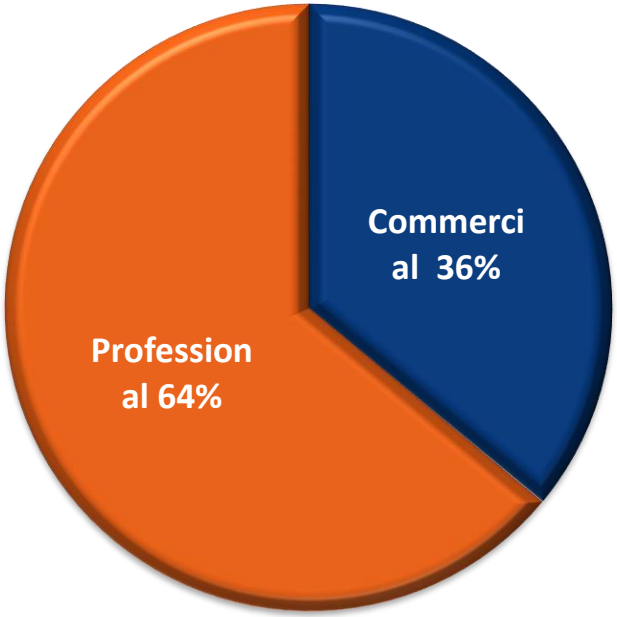
Temp Penetration Rate at All Time High



Trend Is Our Friend



1995
Industry Revenue: $55 Billion



2015
Industry Revenue: $132 Billion

Large End-Markets with Significant Growth Opportunities

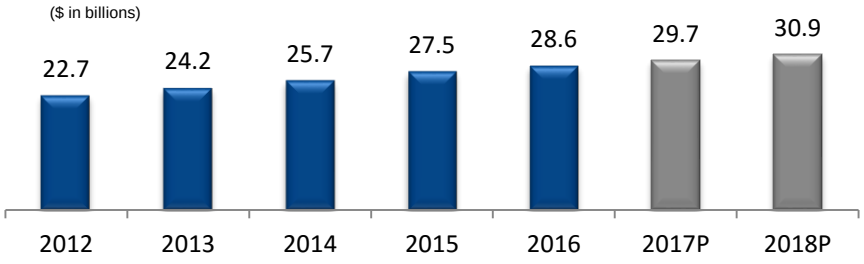
Technology

- IT staffing sector is expected to grow due to multiple demand drivers:
  - Rapid pace of technological change
  - Growth in the volume of project-based work
  - Opportunity to expand service offerings
  - New IT investments and ongoing maintenance requirements
  - S.I.A. projects 4% growth in 2017 and 2018.
  - Kforce Tech 3% domestic market share

Finance & Accounting

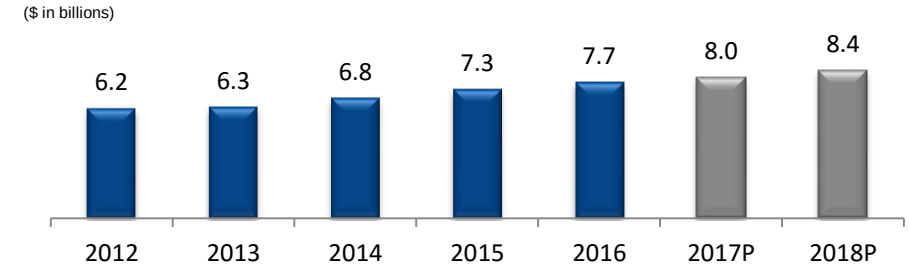
- F&A staffing sector is expected to grow due to multiple demand drivers:
  - Lack of skilled finance and accounting professionals
  - Increasing levels of projects related to M&A, tax, systems conversions and transaction processing
  - S.I.A. projects 4% revenue growth in 2017 and 5% growth in 2018.
  - Kforce F&A 4% domestic market share

Technology historical and projected spending



Source: Staffing Industry Analyst

Finance & Accounting historical and projected spending



Source: Staffing Industry Analyst

Government

- Government staffing sector facing budgetary pressure; however:
  - $74 billion in U.S. Government domestic consumer spending in technology services
  - Aging technology infrastructure
  - Governments looking for effective recruitment capabilities which is not a core competency for many agencies

Technology

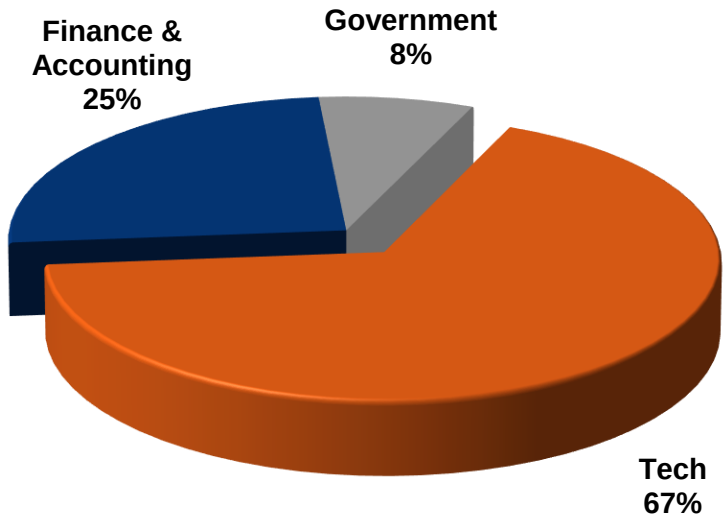
67% of Q3 '17 Revenue

Key Trends:

- Cloud computing, cyber security, e-commerce, digital marketing, big data, and business intelligences are driving current spending coupled with systems of engagement where the customer directly interacts through mobile applications
- $30 billion domestic market for Tech staffing projected in 2017

Key Statistics:

- Average bill rate: ~$67.75
- Assignment length: ~8 months
- Billable headcount: ~6,100
- Adjusted Tech Flex GP%: 27.1%
- Tech Direct Hire: $5.1M (2.3% of Tech Revenue)



Finance and Accounting

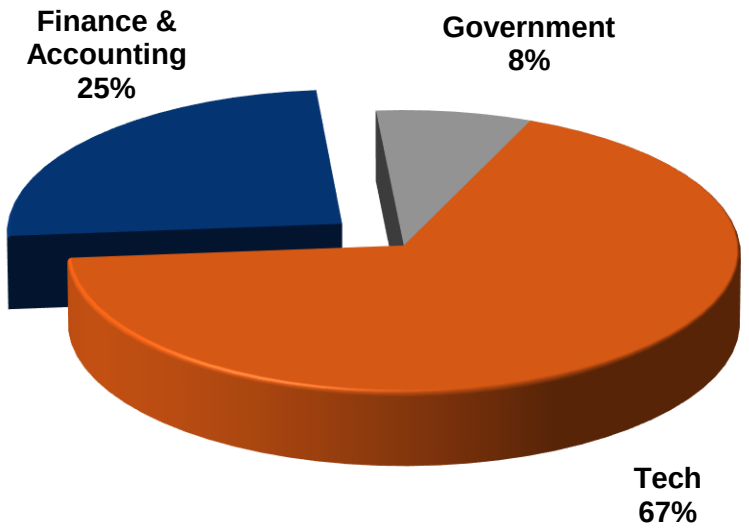
25% of Q3 '17 Revenue

Key Trends:

- Skilled F&A professionals
- Projects related to general accounting, financial services transaction processing and rev cycle
- $8 billion domestic market for F&A staffing projected in 2017

Key Statistics:

- Average bill rate: ~$33.40
- Assignment length: ~3 to 4 months
- Billable headcount: ~5,000
- Adjusted FA Flex GP%: 29.2%
- FA Direct Hire: $7.0M (8.2% of FA Revenue)

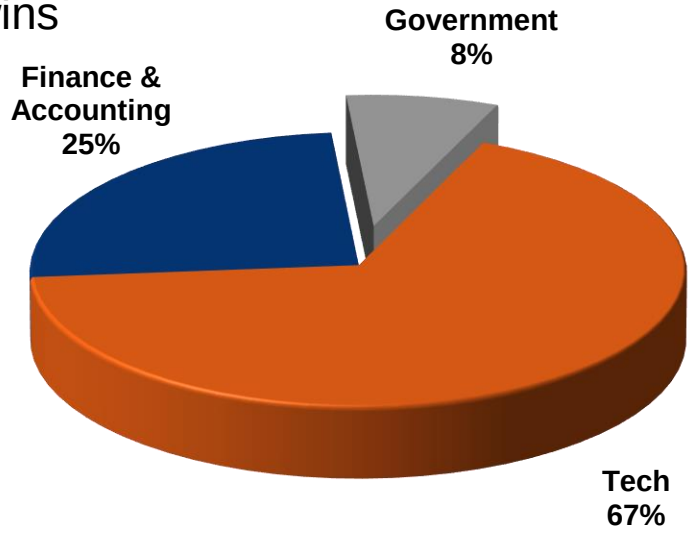


Government

8% of Q3 '17 Revenue

Key Trends:

- Government provides clients with integrated solutions across the finance, accounting and technology disciplines
- Long-term annuity contracts (4-5 years)
- Nearly $100m in recent Prime T4 Next Gen wins



Key Statistics:

- Billable headcount: ~500
- Defense / civilian split: 38/62
- Services of 90% and Product of 10%
- Prime / Sub contract split: 50/50
- Government GP%: 34.3%

Financial Overview

Strong Financial Model

Revenue growth acceleration

- Highly focused sales & delivery alignment
- Focus on the "sweet spot" of staffing; domestic professional and technical
- Tech Flex growth accelerating
- KGS growth prospects improving

Improving operating margin profile

- Large client focus provides operating leverage opportunities
- Improving associate productivity
- Strong expense discipline
- Committed to 6.3% operating margin at $1.4 billion run-rate and 7.5% at $1.6 billion

KFORCE®

Scalable business model

- Mature infrastructure and leverageable operating platform
- Highly tenured management team
- Embedded capacity in associate headcount

Strong liquidity position

- $300m five-year credit facility with ample availability
- Approximately $82m in share repurchases and $34.1m paid in dividends since the beginning of 2015
- Healthy free cash flow

Revenue
Year-Over-Year Growth Rates

	Three Months Ended (000's)		
	Adjusted Q3 '17 *	GAAP Q3 '16	Q3 '17 YoY Growth%
Tech Flex	$ 224,798	$ 220,376	3.6%
Tech Direct Hire	5,133	5,148	1.3%
Total Tech	229,931	225,524	3.6%
FA Flex	78,559	76,290	4.6%
FA Direct Hire	7,016	7,828	-9.0%
Total FA	85,575	84,118	3.3%
Total Staffing (Tech & FA)	315,506	309,642	3.5%
GS	26,547	26,818	0.6%
Total Firm	342,053	336,460	3.3%

** We have provided a schedule as Appendix A reconciling "as reported GAAP" results to "adjusted" results for Q3 '17.*

Financial Results

Q3 2017

	Three Months Ended (000's)		
	GAAP Q3 '17	Adjustments	Adjusted Q3 '17
Revenue	$ 341,053	$ 1,000	$ 342,053
GP %	30.6%	0.1%	30.7%
Flex GP%	28.0%	0.2%	28.2%
SG&A %	24.0%	0.3%	24.3%
Operating Income	20,344	(443)	19,901
Operating Income %	6.0%	-0.2%	5.8%
Net Income	10,099	1,397	11,496
EPS	$ 0.40	$ 0.05	$ 0.45

We have provided a schedule as Appendix A reconciling "as reported GAAP" results to "adjusted" results for Q3 '17.

Financial Results
Q3 2017

	Three Months Ended (000's)		
	Adjusted Q3 '17 *	GAAP Q2 '17	GAAP Q3 '16
Revenue	$ 342,053	$ 340,309	$336,460
GP %	30.7%	30.5%	31.3%
Flex GP%	28.2%	27.6%	28.6%
SG&A %	24.3%	24.2%	26.1%
Operating Income	19,901	19,360	15,502
Operating Income %	5.8%	5.7%	4.6%
Net Income	11,496	11,144	9,020
EPS	$ 0.45	$ 0.44	$ 0.34

** We have provided a schedule as Appendix A reconciling "as reported GAAP" results to "adjusted" results for Q3 '17.*

Financial Results - Continued

(Millions)

	Q3 ’17	Q2 ’17	Q3 ’16
Working Capital	$171.1	$160.5	$136.3
AR Gross Balance	$246.3	$227.6	$211.5
AR % Over 90 Days	6.0%	3.6%	2.8%
Long Term Debt	$128.9	$127.4	$105.0
Debt/Equity Ratio	91.9%	95.7%	82.6%
Adjusted EBITDA *	$24.2	$23.3	$18.9

** Adjusted EBITDA is a Non-GAAP financial measure. Please reference Appendix B for reconciliation to GAAP measures.*

Return of Capital

	2015	2016	Q3 YTD 2017	2015-2017
Shares Purchased (000's)	1,487	2,291	74	3,852
Amount Purchased (000's)	$36,712	$44,032	$1,428	$82,172
Dividends (000's)	$12,545	$12,447	$9,125	$34,117
Total Return to Shareholders (000's)	$49,257	$56,479	$10,553	$116,289

Summary

- Professional domestic staffing sector experiencing secular and cyclical growth drivers
- 100% domestic revenue stream with market share of 3% Tech and 4% FA
- Tech Flex well positioned to gain market share
- Improving prospects in KGS
- Efficient use of cash to benefit shareholders
- Investing in long-term sustained growth

Appendix A
Adjusted Financial Performance Measures

	Three Months Ended September 30, 2017		
	Reported (GAAP)	Adjustments (1)	Adjusted (Non-GAAP)
Reconciliation of Revenue and Gross Profit:			
Net service revenues (2)	$ 341,053	$ 1,000	$ 342,053
Gross profit	$ 104,375	$ 713	$ 105,088
GP %	30.6%	0.1 %	30.7%
Flex GP % (3)	28.0%	0.2 %	28.2%
Reconciliation of SG&A and Operating Margin:			
Selling, general & administrative expenses (4)	$ 81,921	$ 1,156	$ 83,077
SG&A as a percentage of net service revenues	24.0%	0.3 %	24.3%
Income from operations	$ 20,344	$ (443)	$ 19,901
Operating margin	6.0%	(0.2)%	5.8%
Reconciliation of Tax Impact and Profitability:			
Income before income taxes	$ 18,980	$ (443)	$ 18,537
Income tax expense (5)	$ 8,881	$ (1,840)	$ 7,041
Effective tax rate	46.8%	(8.8)%	38.0%
Net income	$ 10,099	$ 1,397	$ 11,496
Earnings per share - diluted	$ 0.40	$ 0.05	$ 0.45

See next slide for additional detail on adjustments

Appendix A
Adjustment Details

Adjusted Financial Performance Measures

The "Adjusted Financial Performance Measures" present non-GAAP financial information and should not be considered a measure of financial performance under generally accepted accounting principles. These measures are presented as an alternative method for assessing the Company's operating results by adjusting for the impact of certain non-recurring, infrequent or unusual items in a manner that is focused on the performance of our underlying operations. Each of these measures are intended to provide greater consistency, comparability and clarity of our results. Management uses this non-GAAP financial information to assess the Company's core operating results and consequently, management believes it is similarly useful information to investors.

(1) Adjustments include the impact from Hurricanes Harvey and Irma, charges for role eliminations related to refining how we support and service our largest strategic clients and a gain on sale of the assets of Kforce Global Solutions, Inc. (a wholly-owned subsidiary located in Manila, Philippines, "Global").

(2) The $1.0 million revenue adjustment related to $0.65 million for Tech Flex and $0.35 million for FA Flex. Revenue growth rates per billing day were 3.3% for Tech Flex, 4.1% for FA Flex and 3.0% for Total Firm. Adjusted revenue growth rates per billing day were 3.6% for Tech Flex, 4.6% for FA Flex and 3.3% for Total Firm.

(3) Tech Flex GP% was 27.0% and FA Flex GP% was 29.0%. Adjusted Tech Flex GP% was 27.1% and Adjusted FA Flex GP% was 29.2%.

(4) The $1.2 million adjustment was related to a $1.0 million disaster relief contribution and $1.1 million in charges for the aforementioned role eliminations, offset by a $3.3 million gain on sale of Global's assets.

(5) Adjustments to income tax expense include (i) a $1.6 million valuation allowance placed on our foreign tax credit deferred tax asset that we expect may not be realizable as a result of the sale of Global's assets and (ii) a net income tax benefit of $0.2 million related to the income before income taxes adjustments described within this table, which was calculated using the quarterly effective tax rate, of 38.0%.

Appendix B
Adjustment Details

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 similarly useful information to investors.

	Three Months Ended		
	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016
Net income	$ 10,099	$ 11,144	$ 9,020
Depreciation & amortization	2,165	2,105	2,102
Stock-based compensation expense	1,798	1,805	1,336
Interest expense, net	1,295	1,345	757
Income tax expense	8,881	6,859	5,704
Adjusted EBITDA	$ 24,238	$ 23,258	$ 18,919