Kforce Inc.

Q3 2016

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 publicly any of the information presented in light of new information or future events.

Kforce at a Glance

COMPANY OVERVIEW

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**
- **Q3 '16 Revenue:** $336.5 Million
- **Market Cap:** Approximately $460 Million
- **Employees**: Approximately 3,000 core associates
- **Consultants:** ~11,400
- **Clients**: ~3,000
- **Geographic presence**: 41 markets with 62 offices
- **Headquarters**: Tampa, Florida

Key Investment Highlights

- **Large, attractive end market with positive recent trends**
  - Tech staffing spend projected at $29 billion in 2016
  - 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 critical 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 integral to our clients front and back of the house operations
- **Solid business and operating model**
  - Diversified business model serving attractive segments
  - Centralized Delivery (Tampa & Phoenix) and Shared Service support platform
  - 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

Q3 2016 Highlights

- Revenues of $336.5 million, which is an increase of 0.4% quarter-over-quarter.

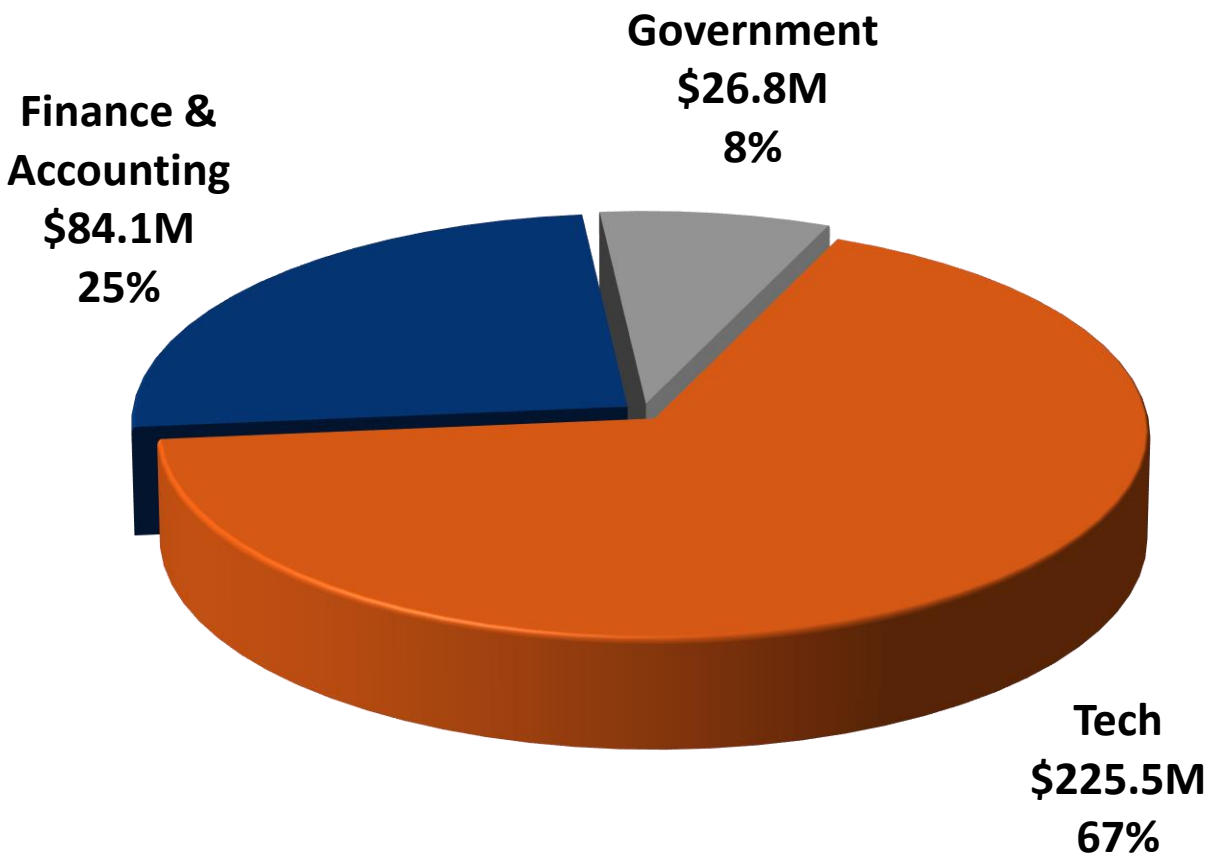
- Earnings per share of $0.34 in Q3 was impacted by $4.3 million in severance related costs which impacted GAAP earnings per share by 10 cents. Excluding the impact of the severance related costs, earnings per share would have been 44 cents, which would have exceeded the top end of guidance.

- Returned $38.5 million to shareholders through the first nine months of the year in the form of $29.1 million in share repurchases and $9.4 million in quarterly dividends.

- Q4 guidance implies return to year-over-year growth for both Tech Flex and Kforce as a whole.

Current Revenue Stream

Q3 2016 Revenue – $336.5M

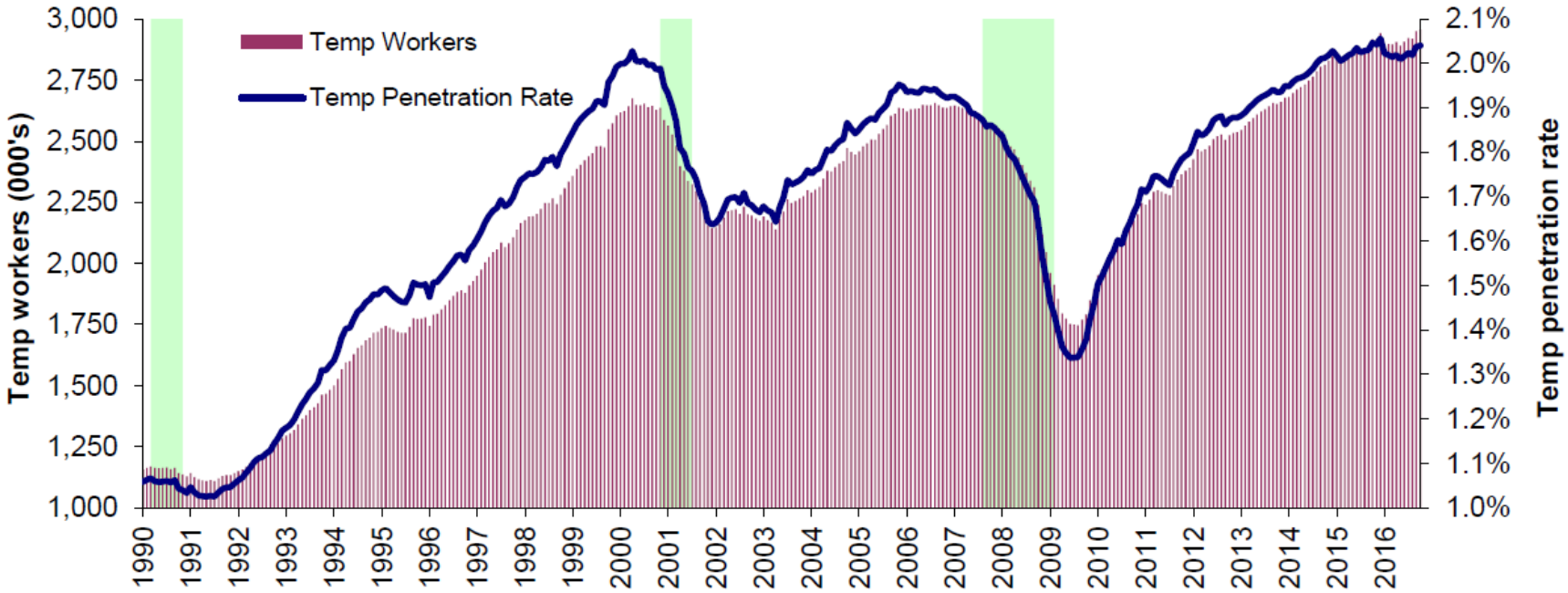


Secular Staffing Growth Drivers

- As buyers/clients become more sophisticated in managing their workforce, companies are structurally utilizing temporary labor as a larger percentage of their workforce.
- Tepid recovery (low GDP) and regulatory (i.e. healthcare reform) 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.
- Projected shortfall of 230,000 STEM workers by 2018.
- College educated unemployment at 2.5%, about half of overall unemployment rate.

Temporary Penetration Rate Near Record Level

Exhibit 3: Temporary Employment and Penetration Rate (1/90- 10/16)



Source: Bureau of Labor Statistics and BMO Capital Markets. Note: Shaded area represents recessionary period.

Large End-markets with Significant Growth Opportunities

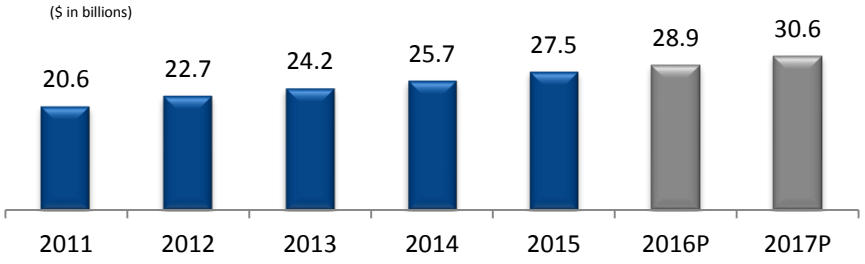
Technology

- 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
  - Supply/demand imbalance for IT professionals
  - New IT investments and ongoing maintenance requirements
  - S.I.A. projects 5% revenue growth in 2016 and 6% in 2017.
  - Kforce Tech 3% domestic market share

Finance & Accounting

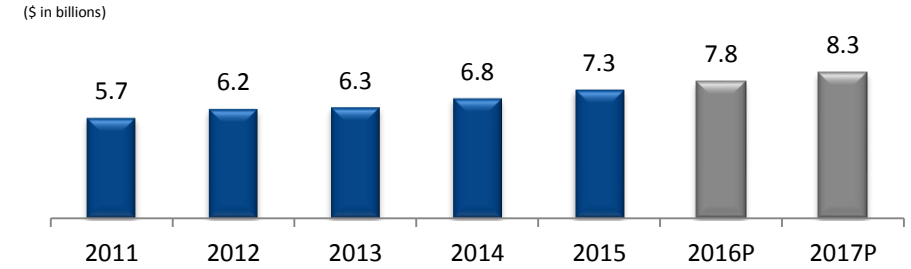
- F&A staffing sector is expected to grow due to multiple demand drivers:
  - Lack of skilled finance and accounting professionals
  - Increasing levels of projects related to M&A, tax, systems conversions and transaction processing
  - S.I.A. projects 7% revenue growth in 2016 and 6% for 2017.
  - Kforce 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

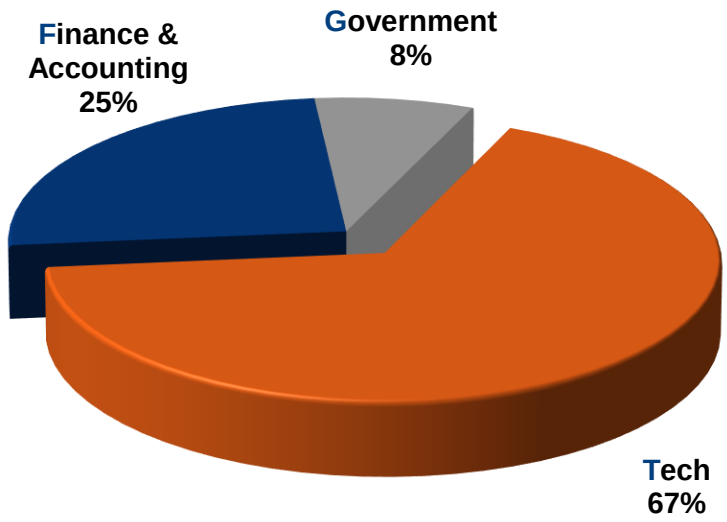
$225.5M; *67% of Q3 '16 revenue*

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
- $29 billion domestic market for Tech staffing projected in 2016
- Tech penetration rate estimated at 5%

Key Statistics:

- Average bill rate: ~$67.50
- Assignment length: ~8 months
- Billable Head Count: ~6,000



Q3-16

Finance and Accounting

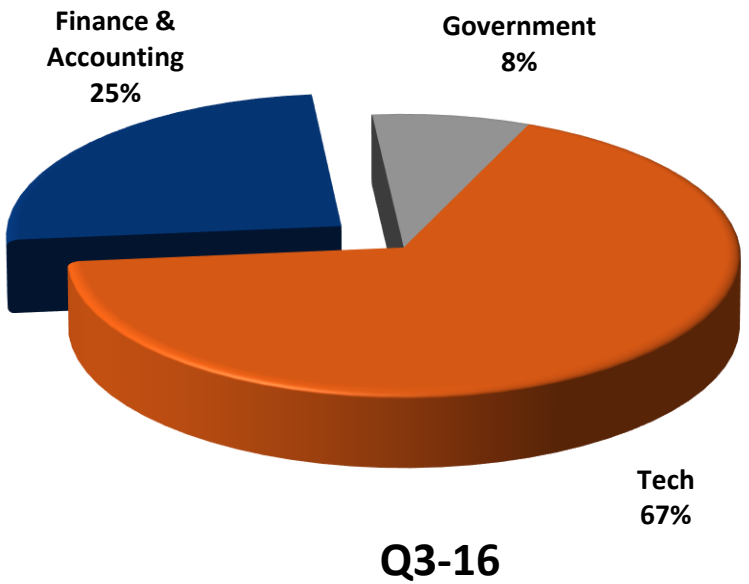
$84.1M; 25% of Q3 '16 revenue

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 2016

Key Statistics:

- Average bill rate: ~$32.50
- Assignment length: ~3 to 4 months
- Billable Head Count: ~4,875



Q3-16

Government

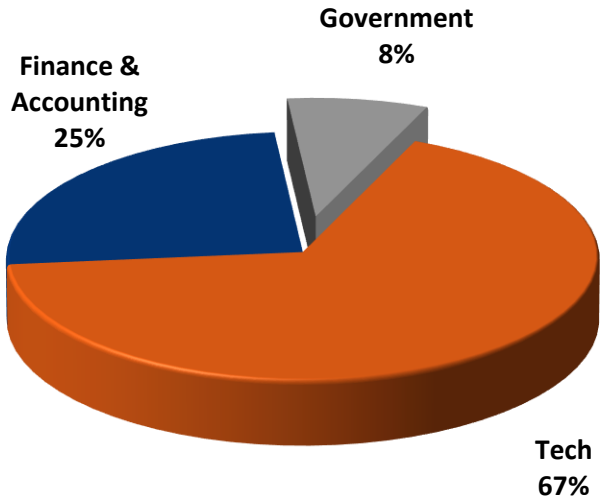
$26.8M; 8% of Q3 '16 revenue

Key Trends:

- Government provides clients with integrated solutions across the finance, accounting and technology disciplines
- Long-term contract profile
- Low cost procurement environment
- 38% of business mix in the V.A.

Key Statistics:

- Billable Headcount: ~500
- Defense / civilian split: 53/47
- Services of 80% and Product of 20%



Q3-16

KGS T4 Next Generation Update

- During the third quarter, task orders began to be awarded on this ten year, $22 billion contract vehicle
- As a result of Congressional mandatory set-aside provisions, the vast majority of initial awards went to small businesses. As a result, KGS was not eligible to submit responses as a prime contractor on a number of task orders for which we believe it was well qualified.
- KGS was successful in retaining existing business as a subcontractor under two large re-competes, one of which was bid under the T4 contract vehicle, which have overall contract values of nearly $60 million, which should provide further stability to KGS' revenue base in 2017 and beyond.

Financial Overview

Strong Financial Model

Revenue growth acceleration

- Measured headcount additions to take advantage of market opportunity
- High end domestic market exposure
- Focus on the "sweet spot" of staffing; domestic professional and technical
- 47% of Tech Flex revenues in top 25 clients

Improving margin profile

- Increase in large client volume is creating operating leverage opportunities
- Recent realignment to drive improved efficiencies and productivity
- Strong expense discipline
- Committed to 7.5% operating margin at $1.6 billion run-rate

KFORCE®

Scalable business model

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

Strong liquidity position

- Healthy free cash flow
- $170m five year credit facility
- Quarterly dividend $0.12
- Repurchased 1.5m shares in 2015 and 1.6m shares 2016 YTD

Income Statement

Q3 2016

	Three Months Ended (000's)			
	GAAP Q3 '16	Adjusted * Q3 '16	Q2 '16	Q3 '15
Revenue	$336,460	$336,460	$335,047	$341,575
GP %	31.3%	31.3%	31.7%	32.2%
Flex GP%	28.6%	28.6%	28.8%	29.2%
SG&A %	26.1%	24.9%	25.5%	24.6%
Operating Income	15,387	19,660	18,443	23,075
Operating Income %	4.6%	5.8%	5.5%	6.8%
Net Income	9,020	11,638	10,864	13,545
EPS	$ 0.34	$ 0.44	$ 0.41	$ 0.48

* Normalized for severance of $4.3M ($2.6M after tax) which had a $0.10 impact on GAAP EPS.

Return of Capital

	2013	2014	2015	Q3 2016 YTD	2013-2016
Shares Purchased (000's)	1,812	4,883	1,487	1,610	9,792
Average Price	$15.07	$21.07	$24.69	$18.05	$20.01
Amount Purchased (000's)	$27,313	$102,886	$36,712	$29,068	$ 195,979
Dividends (000's)	$3,297	$12,776	$12,545	$9,397	$38,015
Total Return to Shareholders (000's)	$30,610	$115,662	$49,257	$38,465	$233,994

Balance Sheet / Cash Flow

(Millions)

	Q3 ’16 *	Q2 ‘16	Q3 ‘15
Working Capital	$136.3	$137.2	$124.8
AR Gross Balance	$211.5	$217.9	$218.9
AR % Over 90 Days	2.8%	3.0%	2.7%
Long Term Debt	$105.0	$99.7	$81.4
Debt/Equity Ratio	82.6%	77.1%	57.8%
Adjusted EBITDA	$18.8	$22.5	$27.0

* Q3 ‘16 adjusted EBITDA excluding severance of $4.3m would have been $23.5m.

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 and FA flex well positioned to gain market share
- Efficient use of cash to benefit shareholders
- Investing in long-term sustained growth:
  - Accelerated hiring in Tech Flex sales to capture market share
  - Q4 sales transformation bringing uniformity to our methodology and process
  - Upgrading technology platform