KFORCE, INC.



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 Overview



$1.4 billion in
annual revenue
20+ years publicly traded



Consistently ranked in the
top 5 for IT and for Finance
& Accounting staffing firms



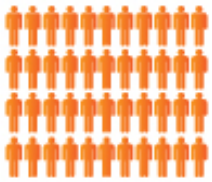
More than 60 offices
throughout the U.S. and
two National Recruiting
Centers



Serves 70% of
the Fortune 100



Financial Services
Business Services
Retail
Communications
Technology Services/Mfg
Insurance
Health Services



30,000+ consultants
deployed and 3,300
permanent
placements annually

Key Investment Highlights

Large, attractive end market with positive secular trends

- Tech staffing spend projected at $31 billion in 2018; roughly doubled over last 10 yrs.
- Federal Government is largest buyer of technology services. KGS won nearly $100 million in prime contract awards in Q3 2017.
- Strong demand being driven by companies investments in technology to improve customer-facing applications and gain operational efficiencies
- Positive longer-term secular trends as employers seek a flexible human capital solution against increasingly complex regulatory environment

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

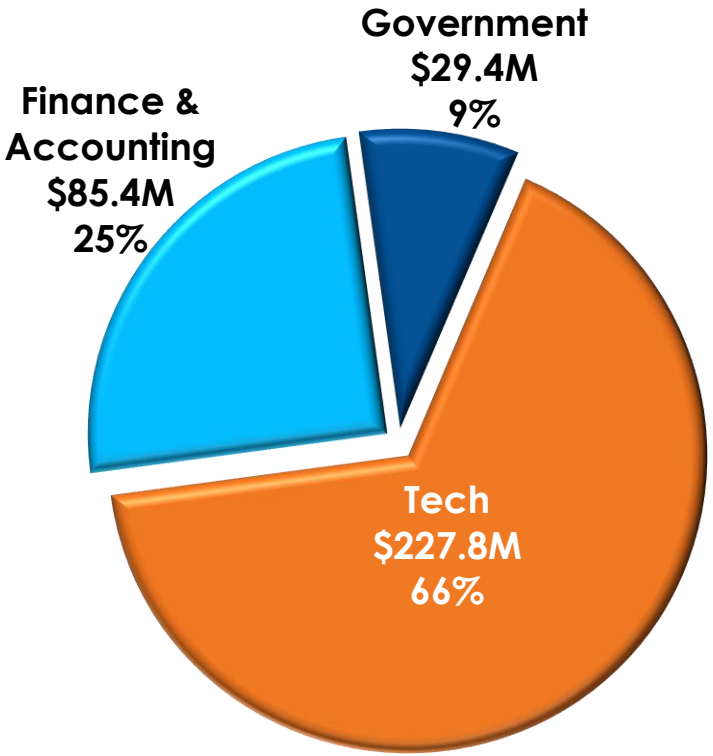
- Diversified business model serving attractive segments
- Unique Centralized Delivery (Tampa & Phoenix)
- Access to highly skilled foreign workers through our dedicated and specialized group
- Focus on ensuring compliance with regulations and client requirements

Attractive financial model with tangible growth opportunities

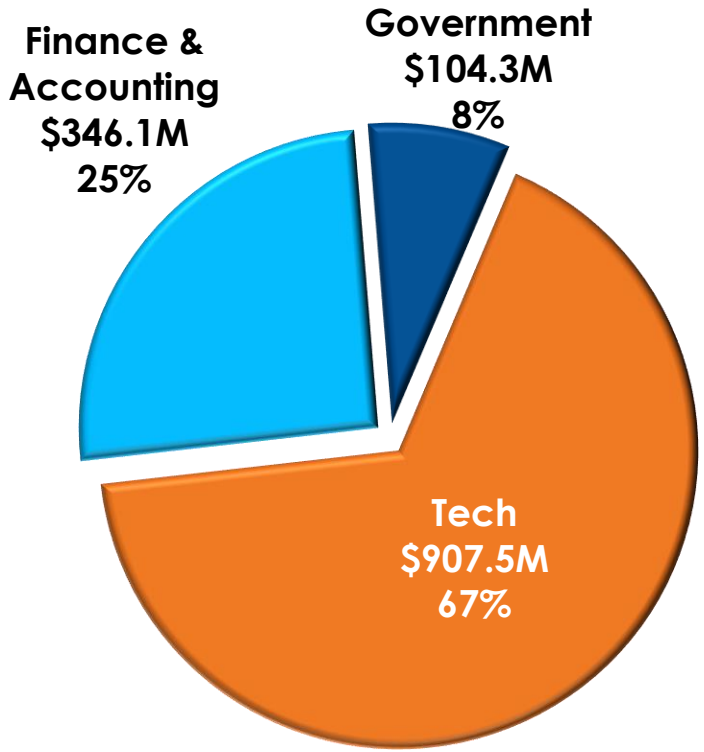
- Capital efficient model drives strong FCF
- Significant return of capital to shareholders via quarterly dividend and stock repurchases
- Recent tax reform expected to generate incremental $10 million in operating cash flows in 2018

Current Revenue Stream

Q4 '17 Revenue
$342.6M



2017 Revenue
$1.36B



Technology

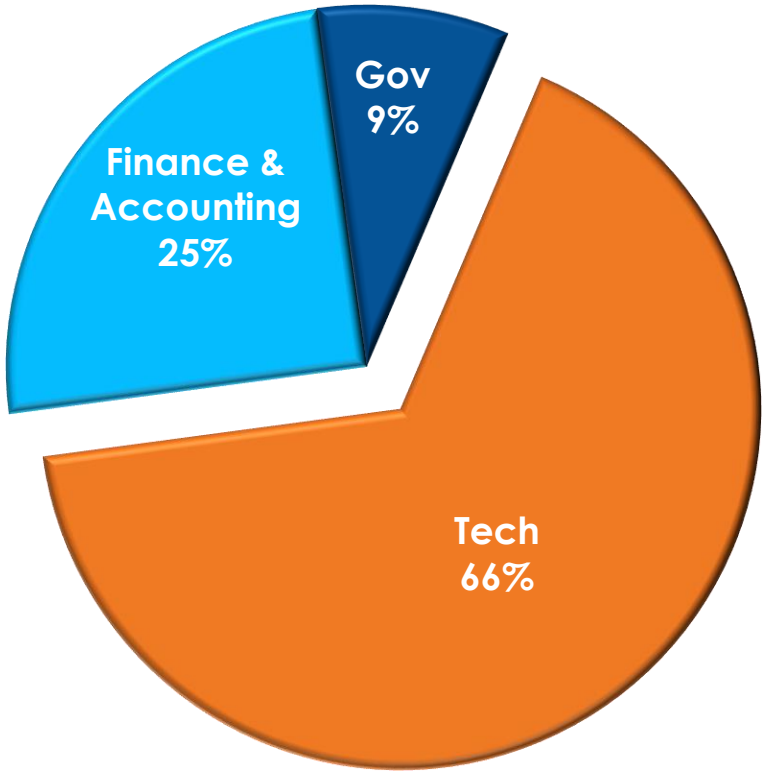
66% of Q4 '17 revenue

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
- $31 billion domestic market for Tech staffing projected in 2018

Key Statistics:

- Average bill rate: ~$71.75
- Assignment length: ~8 months
- Billable headcount: ~6,300
- Tech Flex GP%: 27.2%
- Tech Direct Hire: $3.9M (1.7% of Tech Revenue)



Finance & Accounting

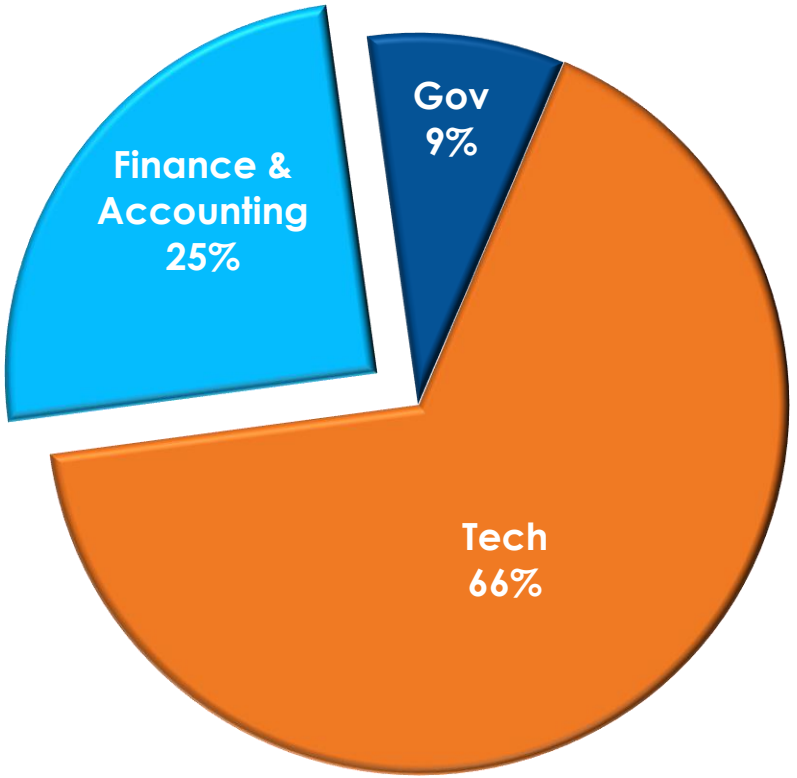
25% of Q4 '17 revenue

Key Trends:

- Skilled F&A professionals
- Projects related to general accounting, financial services transaction processing and rev cycle
- $8.4 billion domestic market for F&A staffing projected in 2018

Key Statistics:

- Average bill rate: ~$33.25
- Assignment length: ~3 to 4 months
- Billable headcount: ~5,100
- FA Flex GP%: 28.5%
- FA Direct Hire: $6.3M (7.3% of FA Revenue)

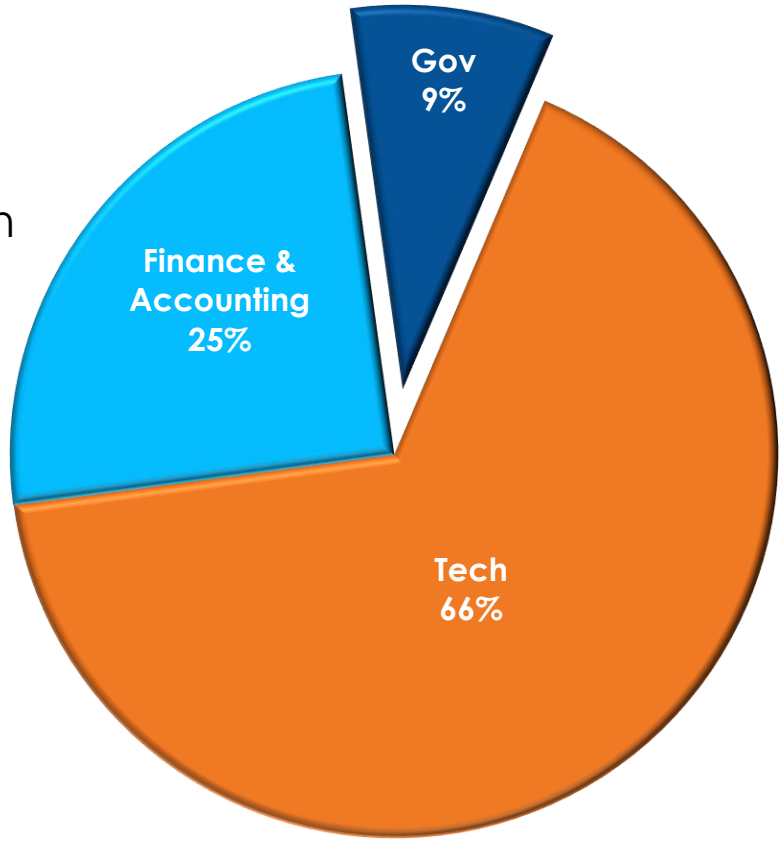


Government

9% of Q4 '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: 39/61
- Services of 87% and Product of 13%
- Prime / Sub contract split: 53/47
- Government GP%: 30.3%

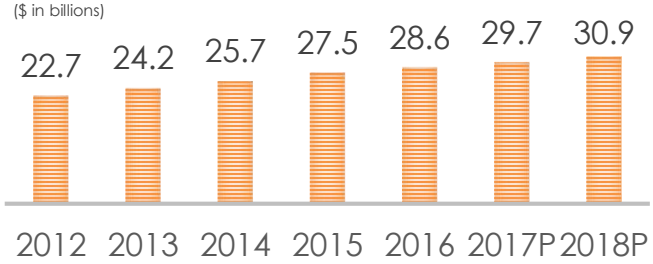
Significant Growth Opportunities In End Markets

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 for companies to achieve efficiencies, improve customer facing applications, maintain relevance, and expand service offerings
- S.I.A. projects 4% growth in 2017 and 2018.
- Kforce 3% domestic market share in Technology

Technology Historical and Projected Spending

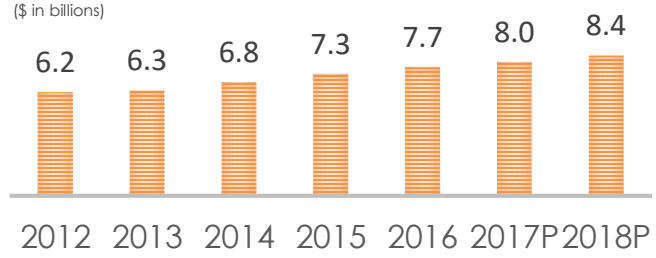


Finance & Accounting

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
- Demand in administrative and functional outsourcing opportunities
- S.I.A. projects 4% revenue growth in 2017 and 5% growth in 2018.
- Kforce F&A 4% domestic market share

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 and migration to cloud-based solutions
- Governments looking for effective recruitment capabilities which is not a core competency for many agencies

2017 FINANCIAL OVERVIEW



Attributes of the Kforce 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 prime contract wins establish solid base to build upon

IMPROVING OPERATING MARGIN PROFILE

- Fortune 1000 and similarly sized companies 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®

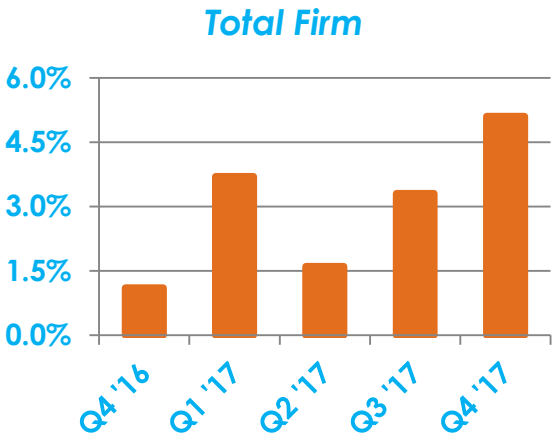
SCALABLE BUSINESS MODEL

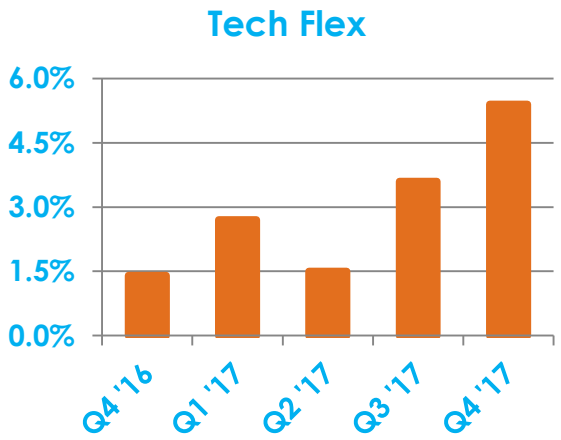
- Mature infrastructure and leverageable operating platform
- Highly tenured management team
- Embedded capacity in associate headcount

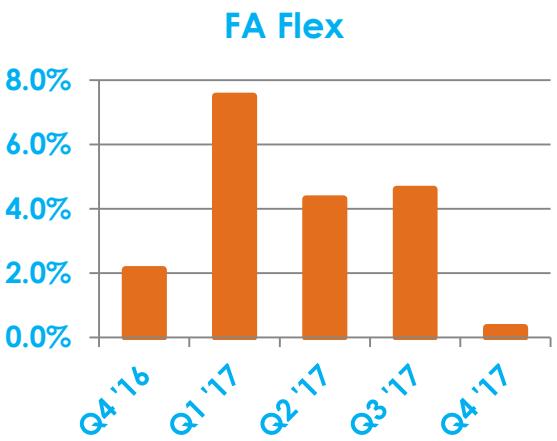
STRONG LIQUIDITY POSITION

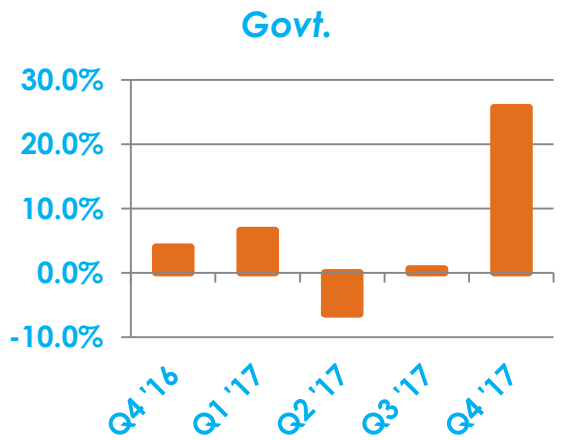
- $300m five-year credit facility with ample availability
- Nearly 100% of operating cash flows returned to shareholders via quarterly dividends and share repurchases
- Healthy free cash flow

YoY Revenue Growth









Year over Year

- *Revenue changes are on a billing day basis.*
- *Q3 '17 reflects adjusted results. We have provided a schedule as Appendix A reconciling "as reported GAAP" results to "adjusted" results for Q3 '17.*

Financial Results

Q4 2017

Three Months Ended (000's)

	Adjusted Q4' 17*	Adjusted Q3 '17*	GAAP Q4 '16
Revenue	$ 342,586	$ 342,053	$ 325,998
GP %	30.0%	30.7%	30.6%
Flex GP%	27.8%	28.2%	28.1%
SG&A %	24.0%	24.3%	25.2%
Operating Income	18,518	19,901	15,591
Operating Income %	5.4%	5.8%	4.8%
Net Income	11,500	11,496	9,239
EPS	$ 0.45	$ 0.45	$ 0.36

** We have provided a schedule as Appendix A reconciling "as reported GAAP" results to "adjusted" results for Q4 '17 and Q3 '17.*

Financial Results

2017 vs 2016

Twelve Months Ended (000's)

	Adjusted 2017*	Adjusted 2016*	Adjusted Variance	GAAP 2017	GAAP 2016	GAAP Variance
Revenue	$ 1,358,940	$ 1,319,706	$ 39,234	$1,357,940	$ 1,319,706	$ 38,234
GP %	30.1%	31.0%	-0.9%	30.0%	31.0%	-1.0%
Flex GP%	27.5%	28.2%	-0.7%	27.5%	28.2%	-0.7%
SG&A %	24.5%	25.4%	-0.9%	24.4%	25.8%	-1.4%
Operating Income	68,186	65,071	3,115	68,629	59,056	9,573
Operating Income %	5.0%	4.9%	0.1%	5.1%	4.5%	0.6%
Net Income	40,042	38,107	1,935	33,285	32,773	512
EPS	$ 1.57	$ 1.45	$ 0.12	$ 1.30	$ 1.25	$ 0.05

** We have provided a schedule as Appendix A reconciling "as reported GAAP" results to "adjusted" results for 2017 and 2016.*

Financial Results

Continued (Millions)

	Q4 '17	Q3 '17	Q4 '16
Working Capital	$161.7	$171.1	$135.4
AR Gross Balance	$228.2	$246.3	$208.4
AR % Over 90 Days	6.3%	6.0%	3.2%
Long Term Debt	$119.1	$128.9	$115.5
Debt/Equity Ratio	90.2%	91.9%	96.4%
Adjusted EBITDA*	$23.2	$24.2	$19.3

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

Return of Capital

	2015	2016	2017	2015-2017
Shares Purchased (000's)	1,487	2,291	526	4,304
Amount Purchased (000's)	$36,712	$44,032	$12,240	$92,984
Dividends (000's)	$12,545	$12,447	$12,144	$37,136
Total Return to Shareholders (000's)	$49,257	$56,479	$24,384	$130,120

Note: Return to shareholders has been nearly 100% of Operating Cash Flow.

Q1 2018 Financial Estimates

Financial Estimates	Ranges of Estimates	
Revenues (in millions)	$343	$347
Tech Flex YoY	5.0%	5.7%
Total Firm YoY	2.7%	3.9%
Gross Margin	29.0%	29.2%
SG&A as a % of Revenue	24.4%	24.6%
Operating Income as a % of Revenue	3.8%	4.2%
EPS	$0.35	$0.38
Effective Tax Rate	26.0%	
WASO Diluted (in millions)	25.4	

Billing Days	Q1	Q2	Q3	Q4	Full Year
2018	64	64	63	62	253
2017	64	64	63	61	252
2016	64	64	64	61	253

2017 Highlights

- Optimized the alignment of our COO organization.
- Meaningfully accelerated YoY Tech Flex revenue growth in 2H 2017.
- Significantly improved the productivity of our revenue-generating talent; continued improvement expected to be realized in 2018.
  - Completed our sales transformation initiative in Q4 2016 and executed sustainment activities throughout 2017.
  - Implementation of new CRM system in 2H 2017
  - Expect continued investments in 2018 with a bias towards improving the candidate and consultant experience.
- Optimized our customer segmentation and diversification efforts; growth in 2H 2017 predominately from Fortune 1000-like companies.
- Experienced stabilization of Flex margin spreads in the 2H of 2017 after early declines through pricing discipline
- Completed a $300 million (up from $170 million) cash-flow based revolving credit facility in May 2017.
- Kforce continued to return capital to our shareholders in the form of share repurchases and dividends, totaling $24 million in 2017.

Summary

- ***Professional domestic staffing*** sector experiencing solid secular demand
- ***100% domestic revenue*** stream with market share of 3% in Tech and 4% in FA
- ***Tech Flex well positioned*** to gain market share
- ***Improving prospects*** in KGS
- ***Strong return of capital*** to shareholders
- ***Investing in long-term*** sustained growth

Appendix A

Adjusted Q4 '17 Financial Performance Measures

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 a supplemental 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. These non-GAAP financial measures should not be considered in isolation from, or as a substitute for or superior to, financial measures reported in accordance with GAAP.

(In Thousands, Except Per Share Amounts)	Three Months Ended December 31,			
	2017			2016
	Reported (GAAP)	Adjustments (1)	Adjusted (Non-GAAP)	Reported (GAAP) (2)
Reconciliation of Tax Impact and Profitability:				
Income before income taxes	$ 17,889	$ —	$ 17,889	$ 14,767
Income tax expense	$ 11,749	$ (5,360)	$ 6,389	$ 5,528
Effective tax rate	65.7%	(30.0)%	35.7%	37.4%
Net income	$ 6,140	$ 5,360	$ 11,500	$ 9,239
Earnings per share - diluted	$ 0.24	$ 0.21	$ 0.45	$ 0.36

(1) The $5.4 million income tax expense adjustment is related to the remeasurement of our net deferred tax assets as a result of the Tax Cuts and Jobs Act.

(2) For the three months ended December 31, 2016, there were no charges or similar items requiring an adjustment.

Appendix A

Adjusted Q3 '17 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: Q3 '17

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 A

Adjusted 2017 Financial Performance Measures

(In Thousands, Except Per Share Amounts)	Twelve Months Ended December 31, 2017		
	Reported (GAAP)	Adjustments	Adjusted (Non-GAAP)
Reconciliation of Revenue and Gross Profit:			
Net service revenues (3)	$ 1,357,940	$ 1,000	$ 1,358,940
Gross profit (3)	$ 408,056	$ 713	$ 408,769
GP %	30.0%	0.1 %	30.1%
Flex GP %	27.5%	— %	27.5%
Reconciliation of SG&A and Operating Margin:			
Selling, general & administrative expenses (4)	$ 331,172	$ 1,156	$ 332,328
SG&A as a percentage of net service revenues	24.4%	0.1 %	24.5%
Income from operations	$ 68,629	$ (443)	$ 68,186
Operating margin	5.1%	(0.1)%	5.0%
Reconciliation of Tax Impact and Profitability:			
Income before income taxes	$ 64,094	$ (443)	$ 63,651
Income tax expense (5)	$ 30,809	$ (7,200)	$ 23,609
Effective tax rate	48.1%	(11.0)%	37.1%
Net income	$ 33,285	$ 6,757	$ 40,042
Earnings per share - diluted	$ 1.30	$ 0.27	$ 1.57

(3) The $1.0 million revenue adjustment and the related $0.7 million gross profit adjustment was related to the impact from Hurricanes Harvey and Irma.

(4) The $1.2 million adjustment was related to a $1.0 million disaster relief contribution and $1.1 million in charges for role eliminations related to refining how we support and service our largest strategic clients, offset by a $3.3 million gain on sale of Global's assets.

(5) Adjustments to income tax expense include (i) tax expense of $5.4 million related to the remeasurement of our net deferred tax assets as a result of the Tax Cuts and Jobs Act, (ii) 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 (iii) 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 third quarter effective tax rate, of 38.0%.

Appendix A

Adjusted 2016 Financial Performance Measures

	Twelve Months Ended December 31, 2016		
	Reported (GAAP)	Adjustments	Adjusted (Non-GAAP)
Reconciliation of SG&A and Operating Margin:			
Selling, general & administrative expenses (1)	340,742	(6,015)	334,727
SG&A as a percentage of net service revenues	25.8%	(0.4)%	25.4%
Income from operations	59,056	6,015	65,071
Operating margin	4.5%	0.4 %	4.9%
Reconciliation of Tax Impact and Profitability:			
Income before income taxes	55,955	6,015	61,970
Income tax expense (2)	23,182	681	23,863
Effective tax rate	41.4%	(2.9)%	38.5%
Net income	32,773	5,334	38,107
Earnings per share - diluted	$ 1.25	$ 0.20	$ 1.45

(1) The $6.0 million adjustment was related to severance charges associated with certain realignment activities focused on further streamlining our organization.

(2) The income tax expense reconciling item is composed of (i) an income tax expense of $1.7 million related to certain one-time non-cash adjustments, and (ii) an income tax benefit of $0.7 million related to the severance costs, which was calculated using the effective tax rate, excluding the impact of the severance costs and certain tax adjustments, of 39.3%.

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. Management believes it is useful information to investors as 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. 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 consolidated financial statements as indicators of financial performance or liquidity. The measure is not determined in accordance with GAAP and is susceptible to varying calculations, and as presented, may not be comparable to similarly titled measures of other companies.

(In Thousands)	Three Months Ended		
	Dec. 31, 2017	Sept. 30, 2017	Dec. 31, 2016
Net income	$ 6,140	$ 10,099	$ 9,239
Depreciation and amortization	2,135	2,165	2,094
Stock-based compensation expense	1,933	1,798	1,663
Interest expense, net	1,226	1,295	759
Income tax expense	11,749	8,881	5,528
Adjusted EBITDA	$ 23,183	$ 24,238	$ 19,283

(In Thousands)	Twelve Months Ended	
	Dec. 31, 2017	Dec. 31, 2016
Net income	$ 33,285	$ 32,773
Depreciation and amortization	8,508	8,796
Stock-based compensation expense	7,600	6,705
Interest expense, net	5,039	3,050
Income tax expense	30,809	23,182
Adjusted EBITDA	$ 85,241	$ 74,506