

KFORCE®

KFORCE

Great People = Great Results®

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
- Q4 '15 Revenue: \$327.7 Million
- 2015 Revenue: \$1.32 Billion
- Market Cap: Approximately \$475 Million
- Employees: Approximately 2,800 core associates
- Consultants: ~11,600
- Clients: 3,000+
- Geographic presence: 41 markets with 63 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
 - Diverse client portfolio
- **Unique business and operating model**
 - Diversified business model serving attractive segments
 - Unique NRC (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

The New Era

Focus. Simplicity. Accountability

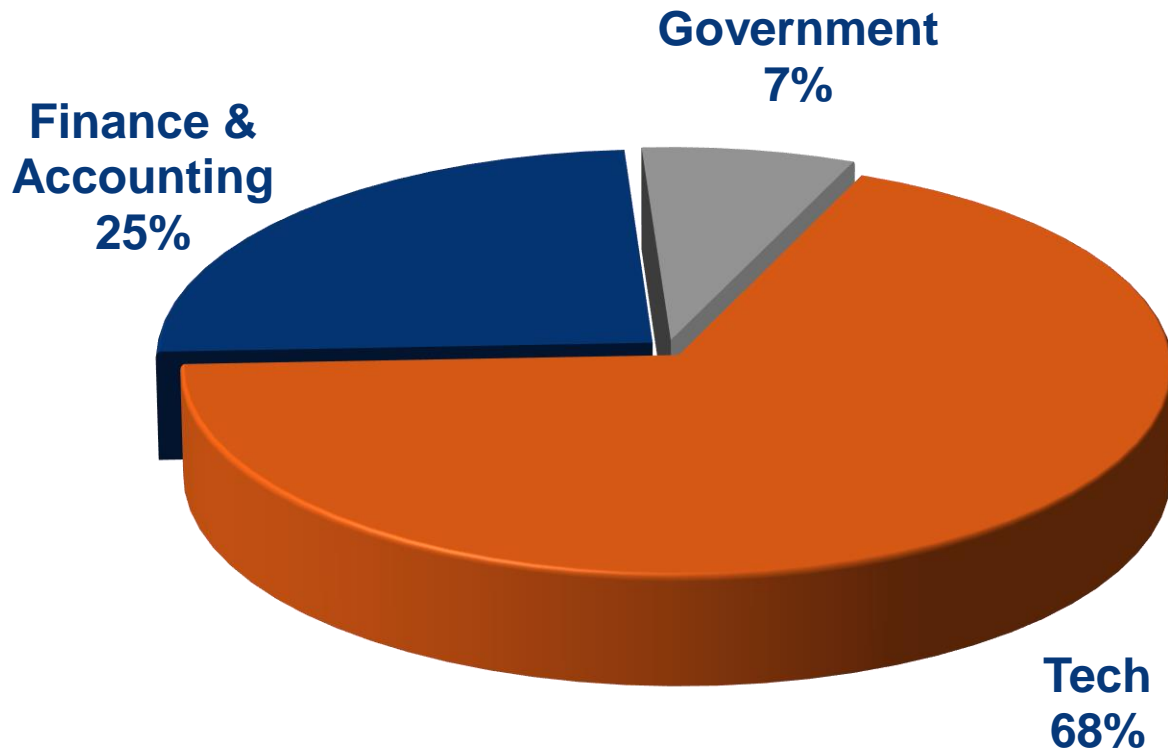
- Simplified our service offerings to focus on our core business lines.
- Aggressive investment in revenue generating resources; particularly in Tech Flex Sales
- A focus on organic growth and execution
- Significant progress in optimizing our infrastructure
- Clear roadmap to 7.5% operating margin

2015 Highlights

- Achieved record annual revenues of \$1.32 billion, which represents an 8.4% increase year-over year.
- Tech Flex revenue growth of 6.1% and FA Flex revenue growth of 18.0%
- Earnings per share from continuing operations of \$1.52 in 2015 increased 63% year-over-year.
- Returned nearly \$50 million of capital to shareholders via share repurchases and quarterly dividend program.

Current Revenue Stream

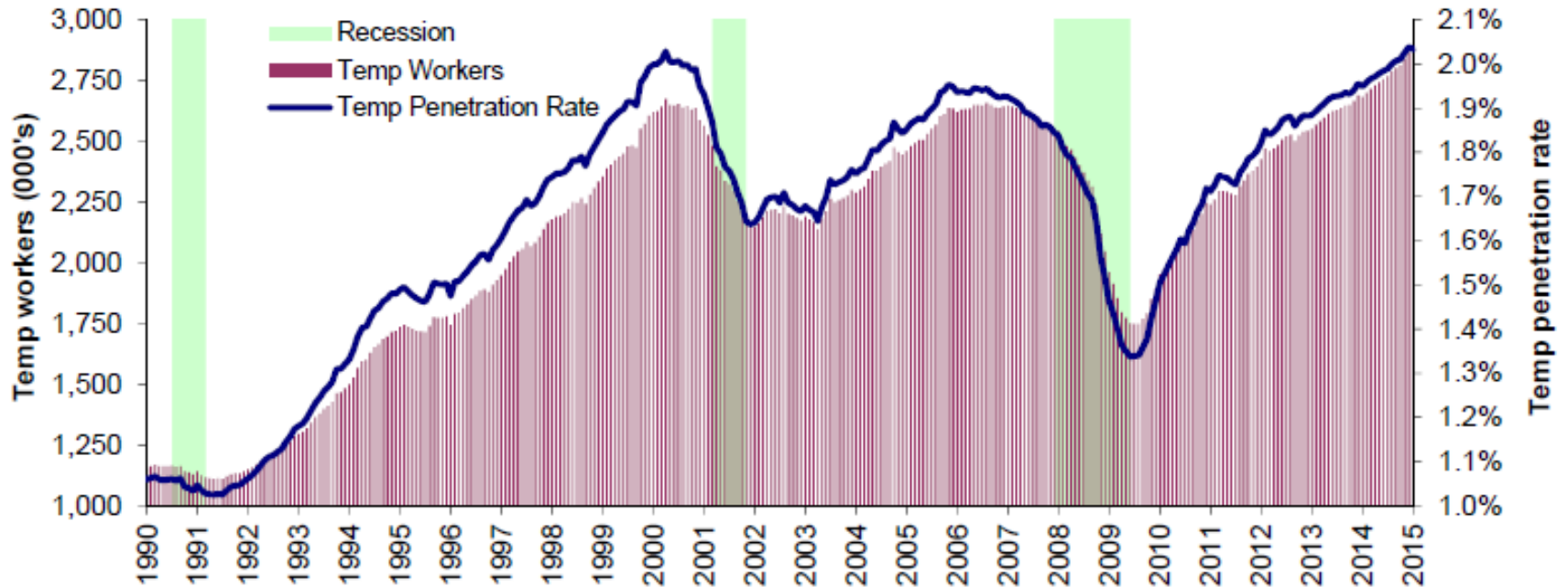
2015 Revenue – \$1.32B



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 incited 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 2.06%



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

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 6% revenue growth in 2016.
 - Kforce Tech 3% domestic market share

Technology historical and projected spending

(\$ in billions)



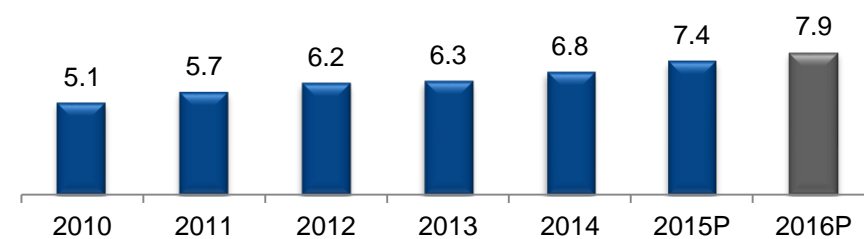
Source: Staffing Industry Analyst

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 6% revenue growth in 2016.
 - Kforce F&A 4% domestic market share

Finance & Accounting historical and projected spending

(\$ in billions)



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

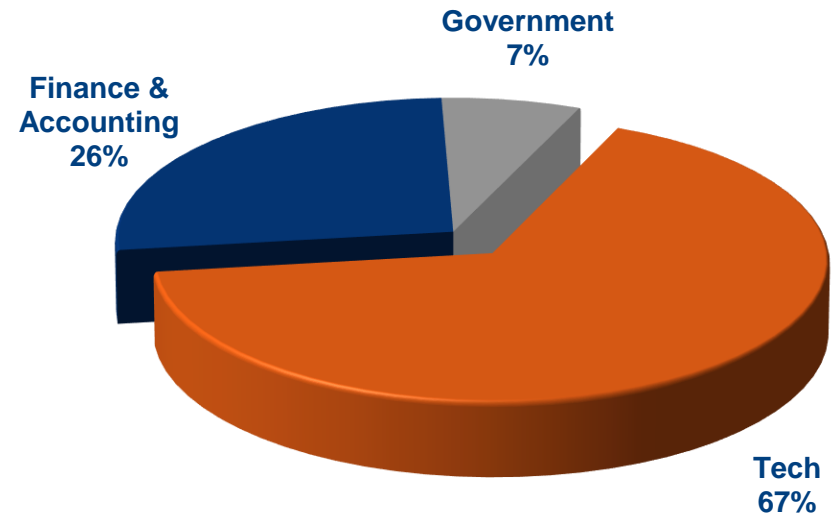
67% of Q4 '15 revenue

Key Trends:

- Obsolescence, deferred maintenance and upgrades 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: ~\$67.00
- Assignment length: approximately 6 to 7 months
- Billable Head Count: ~6,000



Q4-15

Finance and Accounting

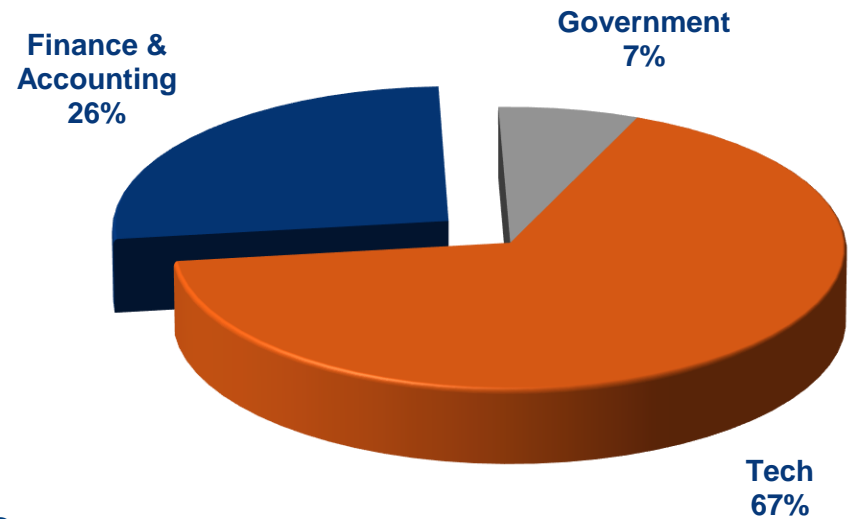
26% of Q4 '15 revenue

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: ~\$32.00
- Assignment length: approximately 3 to 4 months
- Billable Head Count: ~5,200



Q4-15

Government

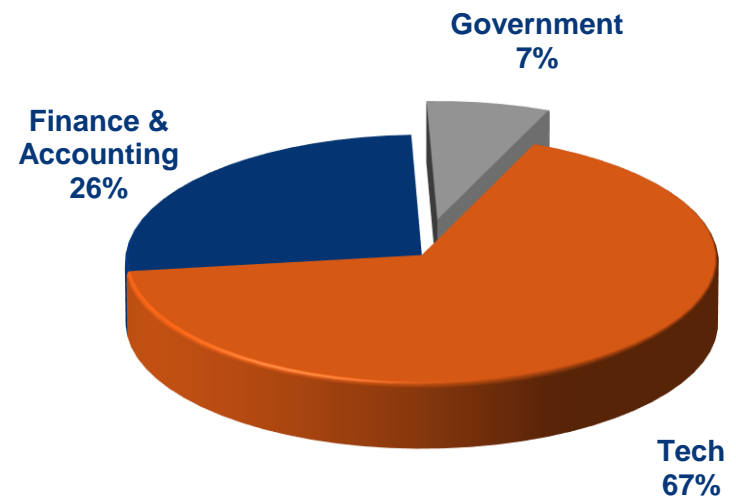
7% of Q4 '15 revenue

Key Trends:

- Government provides clients with integrated solutions across the finance, accounting and technology disciplines
- Long-term contract profile
- Low cost procurement environment

Key Statistics:

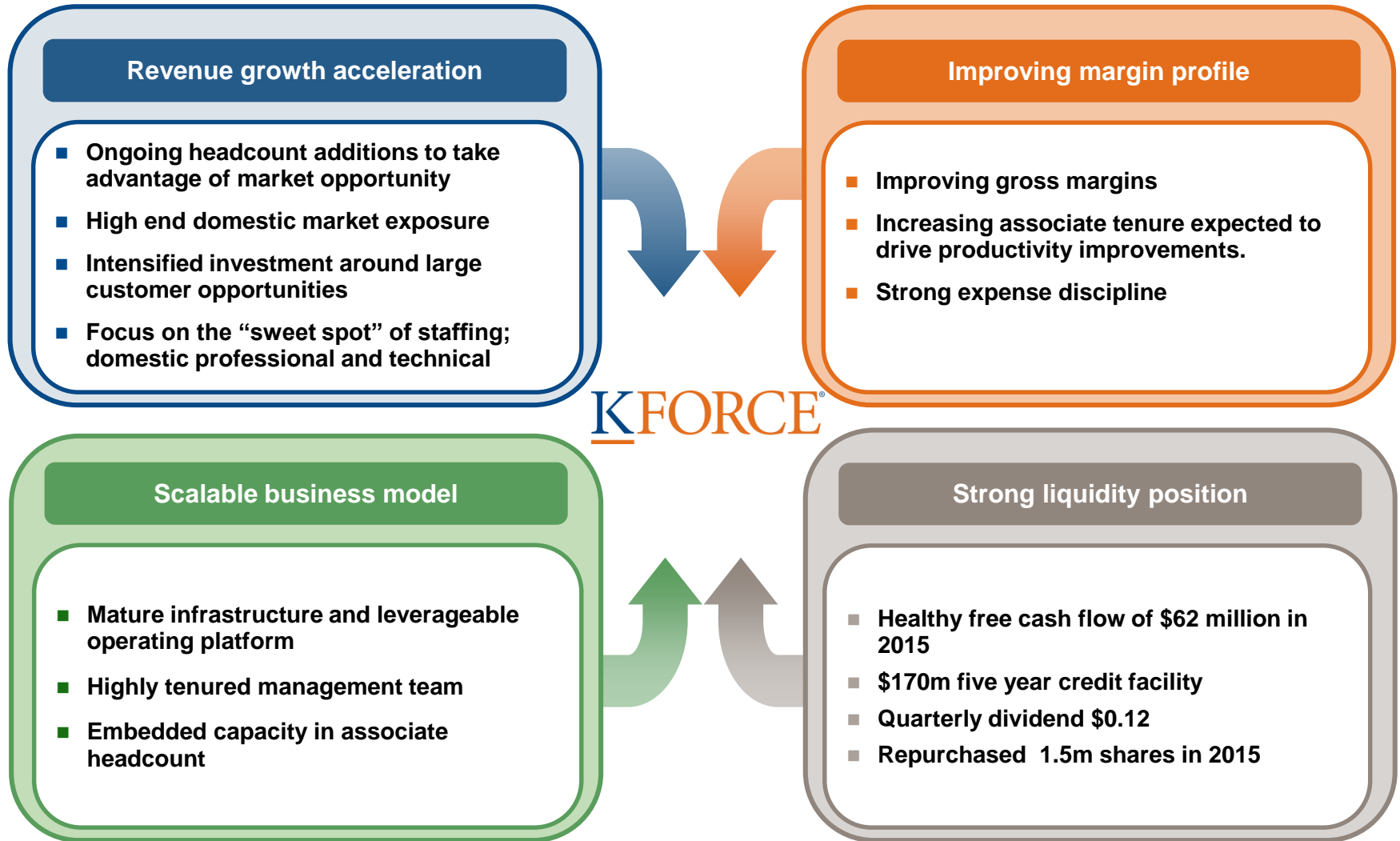
- Billable Headcount: ~500
- Defense / civilian split: 47/53
- Services of 85% and Product of 15%



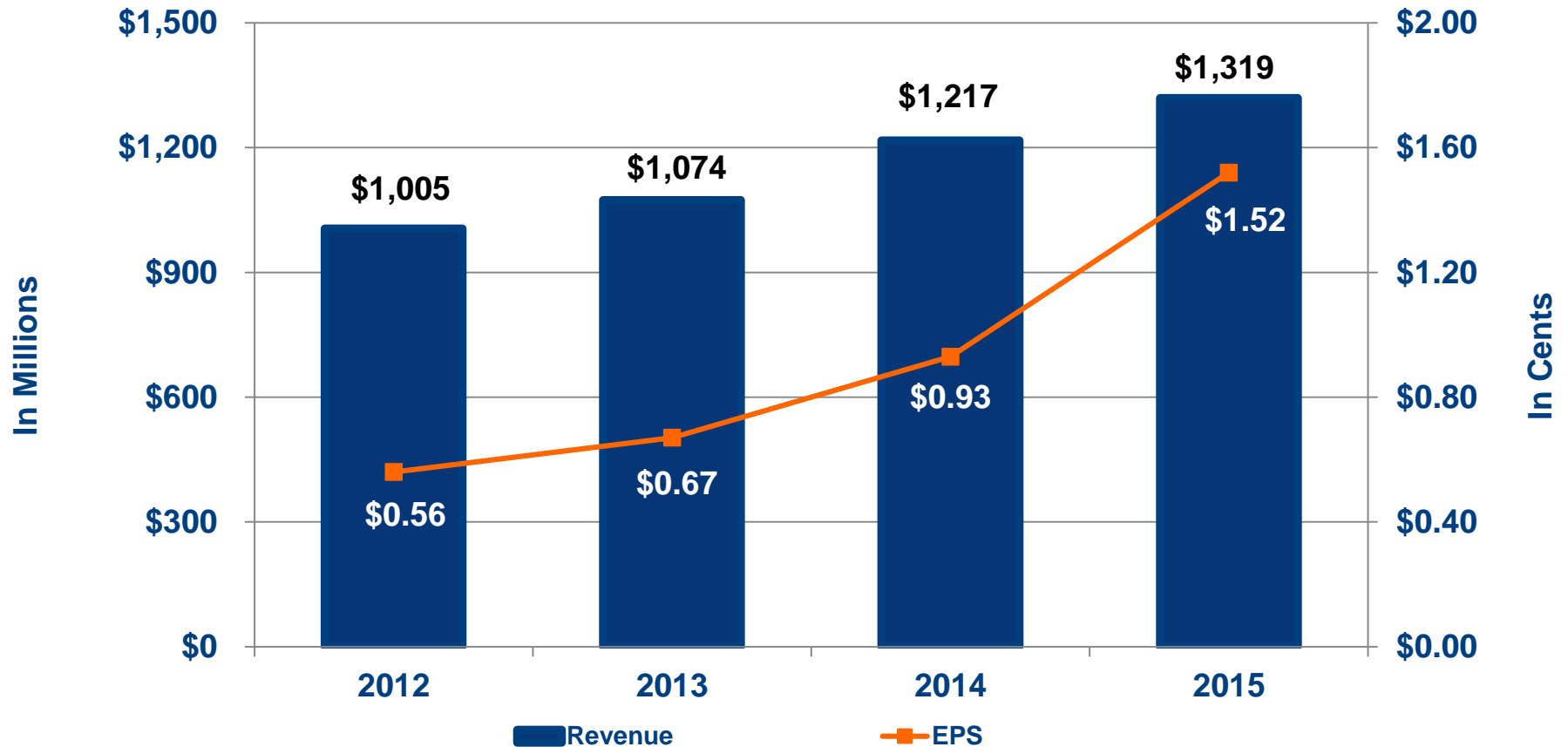
Q4-15

Financial Overview

Strong Financial Model



Annual Performance History



Income Statement – Continuing Operations

2015 vs 2014

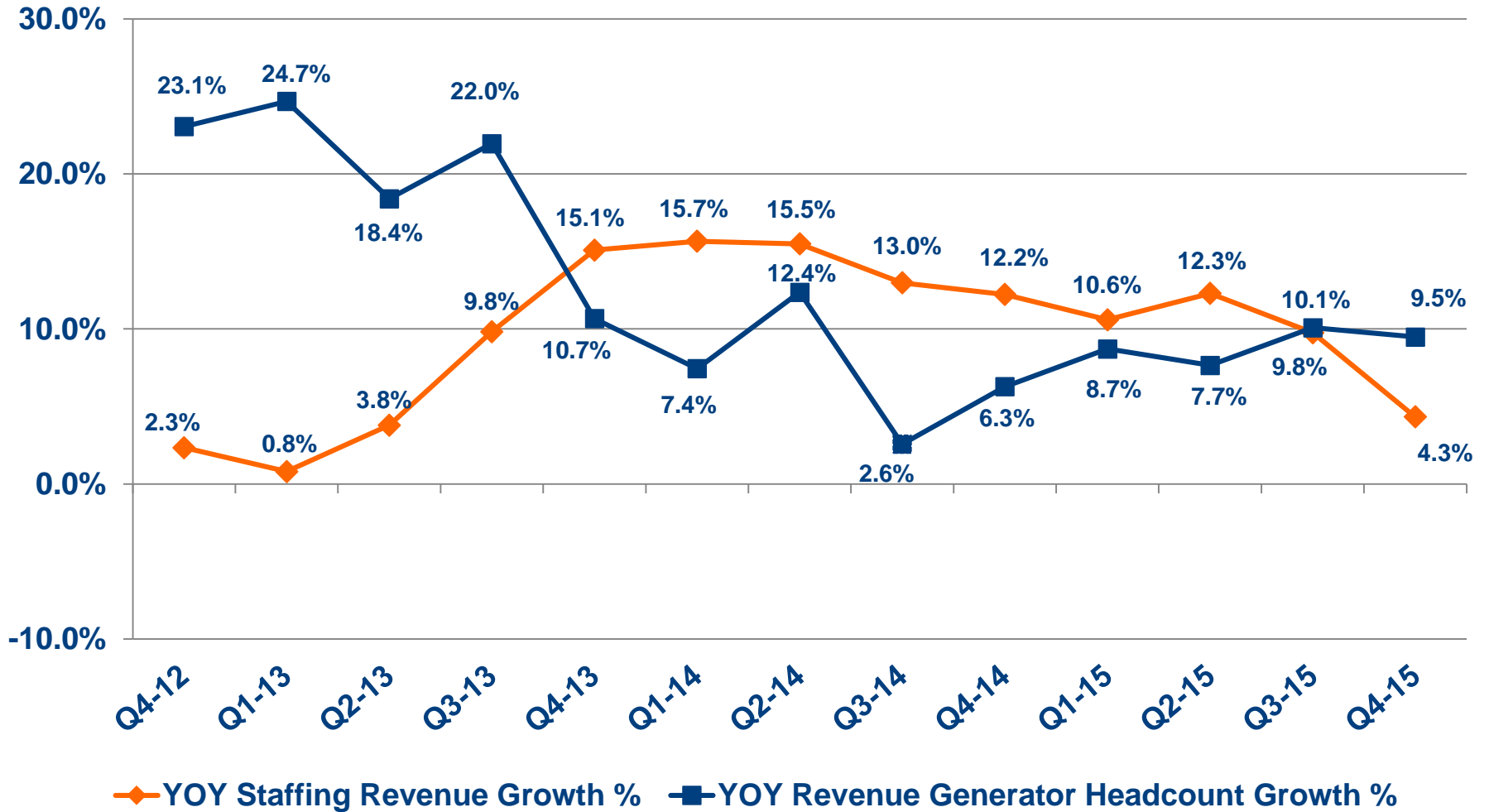
	Twelve Months Ended (000's)		
	Dec. 31, 2015	Dec. 31, 2014	Increase / (Decrease)
Revenue	\$ 1,319,238	\$ 1,217,331	8.4%
GP %	31.4%	30.8%	60 bps
Flex GP%	28.5%	28.0%	50 bps
SG&A %	25.0%	25.9%	-90 bps
Operating Income	\$ 73,867	\$ 49,349	49.7%
Operating Income %	5.6%	4.1%	150 bps
Net Income	\$ 42,824	\$ 29,398	45.7%
EPS Continuing Ops	\$ 1.52	\$ 0.93	63.4%
Adjusted EBITDA	\$ 89,282	\$ 62,216	43.5%

Income Statement – Continuing Operations

Q4 2015 Year-over-Year

	Three Months Ended (000's)		
	Dec. 31, 2015	Dec. 31, 2014	Increase / (Decrease)
Revenue	\$327,699	\$ 318,739	2.8%
GP %	31.6%	30.9%	70 bps
Flex GP%	28.7%	28.2%	50 bps
SG&A %	24.6%	25.5%	-90 bps
Operating Income / (Loss)	20,384	14,755	38.1%
Operating Income %	6.2%	4.6%	160 bps
Net Income	11,901	8,945	33.0%
EPS Continuing Ops	\$ 0.43	\$ 0.31	38.7%

Return on Staffing Revenue Generating Investment



Shares Repurchased & Adjusted EBITDA

	2012	2013	2014	2015	2012-2015
Shares Purchased (000's)	3,376	1,812	4,883	1,487	11,558
Average Price	\$13.14	\$15.07	\$21.07	\$24.69	\$18.28
Amount Purchased (000's)	\$44,375	\$27,313	\$102,886	\$36,712	\$211,286

	Prior Peak Q3'07	Actual Q4' 15	Prior Peak Operating Margins Exceeded
Operating Margins	7.4%	6.2%	7.5%
EBITDA (000's)	\$ 24,033	\$ 24,556	\$29,000 - \$33,000
Shares (000's)	42,544	27,793	27,300
EBITDA per Share	\$ 0.56	\$ 0.88	\$1.06 - \$1.21

Balance Sheet / Cash Flow

(Millions)

	Qtr4 2015	Qtr3 2015	Qtr4 2014
Working Capital	\$126.8	\$124.8	\$130.2
AR Gross Balance	\$201.1	\$218.9	\$206.8
AR % Over 90 Days	3.6%	2.7%	3.0%
Long Term Debt	\$83.8	\$81.4	\$93.9
Debt/Equity Ratio	61.0%	57.8%	68.1%
Adjusted EBITDA	\$24.6	\$27.0	\$18.2

Summary

- Professional domestic staffing sector experiencing strong secular and cyclical growth drivers
- Domestic revenue stream with market share of 3% Tech and 4% FA
- Tech and FA flex well positioned to gain market share
- Improving operating margins
- Efficient use of cash to benefit shareholders
- Accelerated hiring in Tech Flex to capture market share