

Investor Presentation

Divestiture of KGS



Forward Looking Statements



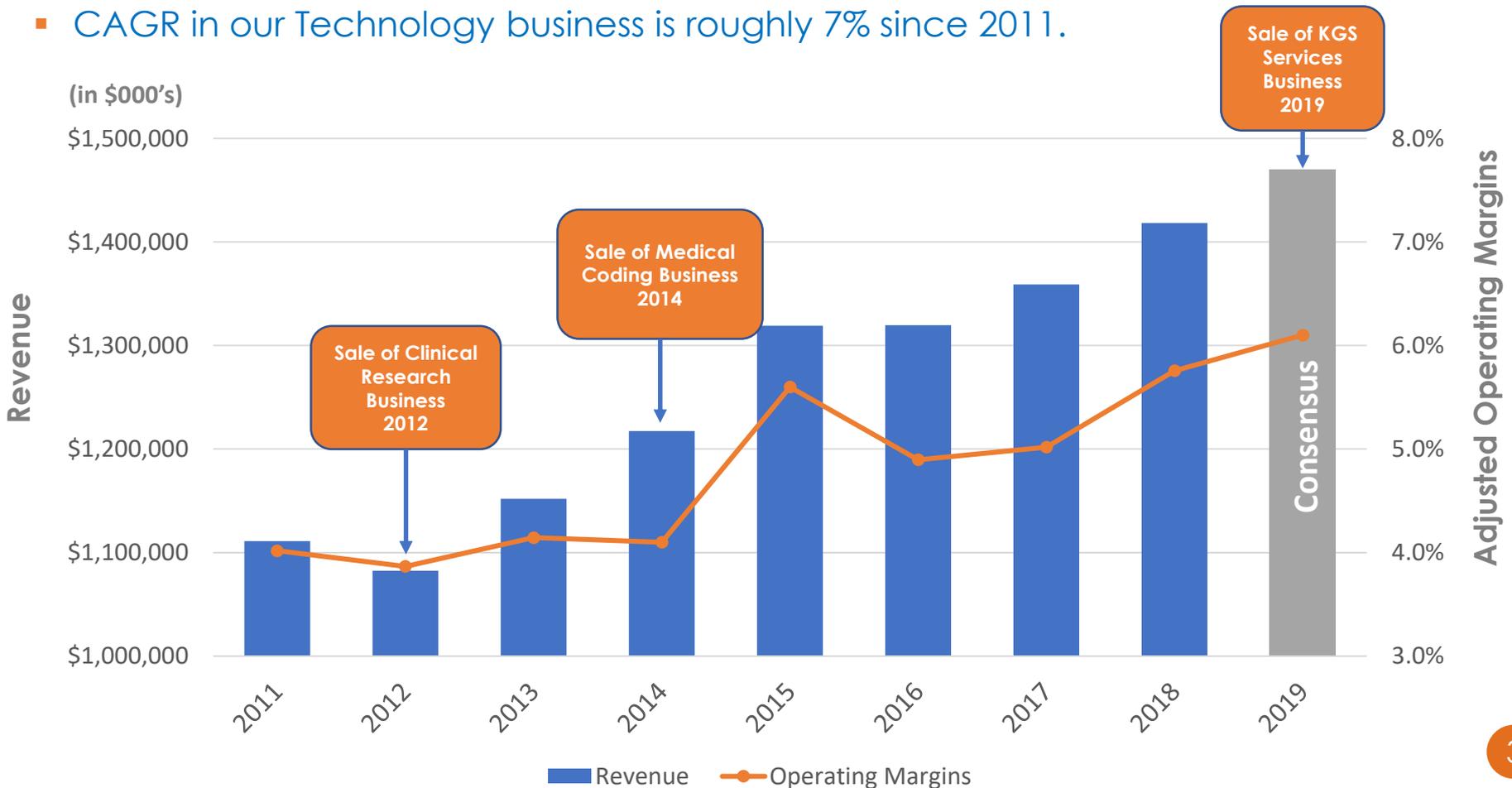
All of the information presented herein that is not historical in nature should be considered to be forward-looking statements that are subject to certain risks, uncertainties or assumptions and may be affected by certain other factors, including but not limited to the specific factors discussed in the 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 operating margins 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 on our website at www.kforce.com, following the "Investor Relations" link and under the "Events and Presentations" section and in our filings with the SEC for the relevant reporting period.

Focus on Core Offerings



- Divestiture of KGS services business results in nearly 100% of revenues in domestic commercial technical and professional staffing.
- Despite the loss of revenues from our divestitures, we have continued to accelerate revenue growth and improved profitability.
- CAGR in our Technology business is roughly 7% since 2011.

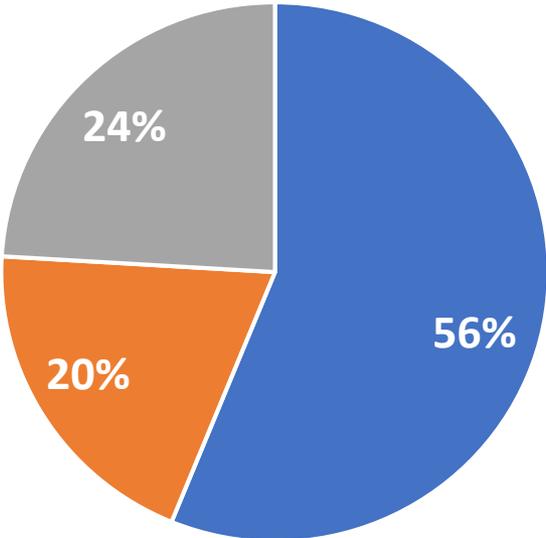


Revenue Mix



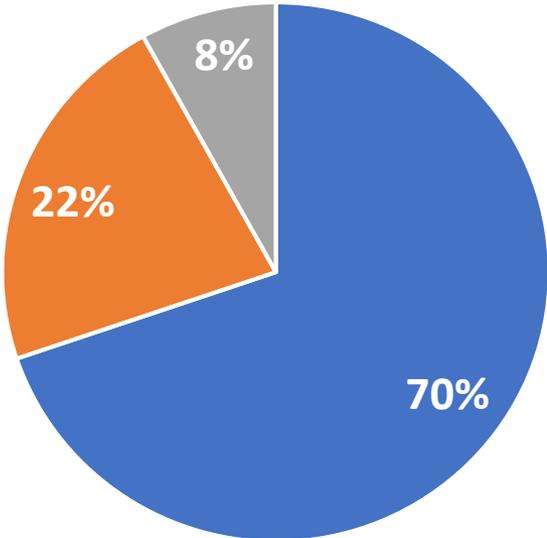
The following illustrates the progress we've made accelerating growth in our Technology and Finance and Accounting businesses.

2011 Revenue
\$1.1 Billion



■ Tech ■ FA ■ Other

2018 Revenue
\$1.4 Billion



■ Tech ■ FA ■ Other

Market Overview



Technology

IT staffing sector has doubled since the Great Recession and is expected to grow due to multiple secular demand drivers:

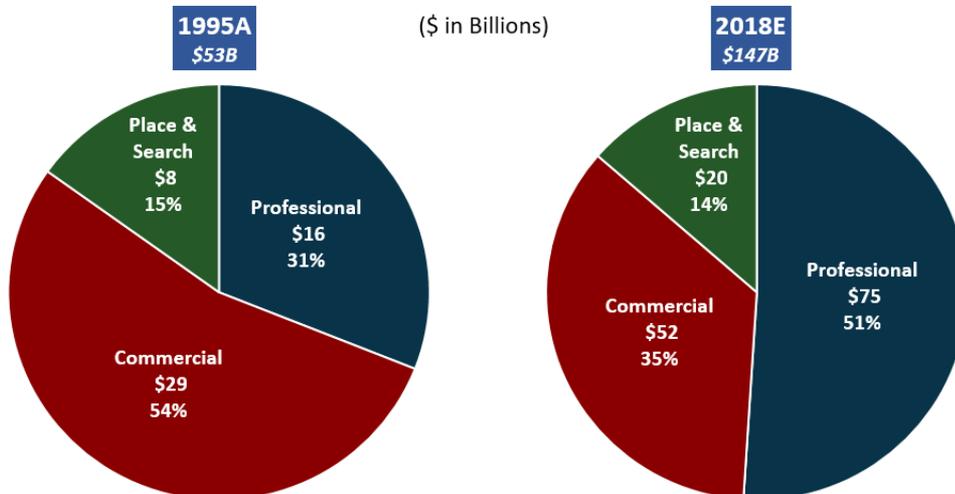
- Rapid pace of technological change
- Nontraditional competitors entering new end markets; putting increased pressure on companies to innovate and evolve
- Opportunity for companies to achieve efficiencies, improve customer facing applications, maintain relevance, and expand service offerings
- Growth in the volume of project-based work
- Kforce has a 3% domestic market share in Technology

Incremental to the \$32B technology staffing market, the addressable market for commercial IT solutions and consulting is greater than \$100B, where staffing companies are increasingly gaining share.

Domestic Technology Staffing Historical and Projected Spending



Source: Staffing Industry Analyst



Source: Staffing Industry Analysts

Market Overview – Continued

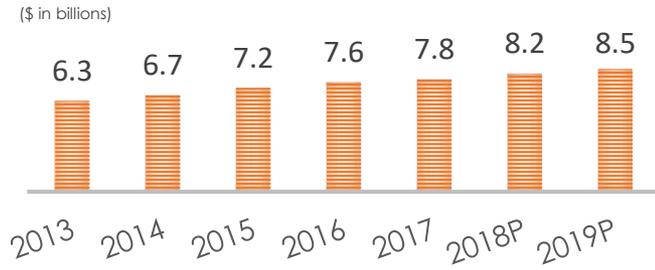


Finance & Accounting

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 functional outsourcing opportunities
- Kforce has a 4% domestic market share in F&A

Domestic Finance & Accounting Historical and Projected Spending



Source: Staffing Industry Analyst

Transaction Overview and Rationale



High-Level Transaction Economics

- Purchase Price: \$115 million (implied multiple of 12x to 13x EBITDA)
- Expected Book Gain: \$70 million to \$75 million
- Expected After-Tax Net Proceeds: \$90 million to \$95 million
- Expected Closing is in Q1 2019.

Transaction Considerations & Investor Takeaways

- This divestiture does not include KGS' products-based business, TraumaFX. We are exploring strategic alternatives for this business.
- We anticipate utilizing the net after-tax proceeds from this divestiture primarily for share repurchases though we are well positioned should we identify other strategic investments.
- The incremental profitability of additional commercial staffing revenues is greater than the contribution from KGS services revenues.
- The improved profitability we expect from a more streamlined and efficient organization, when combined with the share repurchases, is anticipated to be EPS neutral or better on an annualized basis.
- Now expect operating margins to be at least 6.5% at \$350 million, and 7.1% at \$375 million and 7.7% at \$400 million in revenues.

Pro Forma Q1 2019 Guidance



The following table provides our Q1 2019 guidance (as originally issued) and on a pro forma basis excluding any contribution from our KGS services business:

	As Originally Stated	KGS Services at Midpoint	Pro Forma
Revenue (millions)	\$351 - \$356	\$23	\$328 - \$333
GP %	28.2% - 28.4%	22.8%	28.6% - 28.8%
Operating Margin	4.1% - 4.3%	5.0%	4.0% - 4.2%
EPS	\$0.40 - \$0.42	\$0.03	\$0.37 - \$0.39

Appendix



Pro Forma Financials - 2018



Fiscal 2018

	As Reported		Pro Forma
	Kforce Inc.	Adjustments	Net of KGS
Net service revenues	\$ 1,418,353	\$ 98,214	\$ 1,320,139
Direct costs of services	999,745	75,926	923,819
Gross profit	418,608	22,288	396,320
<i>GP%</i>	<i>30%</i>	<i>23%</i>	<i>30%</i>
Selling, general and administrative expenses	329,126	15,661	313,465
Depreciation and amortization	7,831	724	7,107
Income from operations	81,651	5,903	75,748
Other (income) expense	4,498	(13)	4,511
Income before income taxes	77,153	5,916	71,237
Income tax expense	19,173	1,551	17,622
Net income	\$ 57,980	\$ 4,365	\$ 53,615
<i>Earnings per share - diluted</i>	<i>\$ 2.30</i>		<i>\$ 2.12</i>
<i>Weighted shares outstanding - diluted</i>	<i>25,251</i>		<i>25,251</i>