



# FIRST QUARTER 2019 INVESTOR PRESENTATION WHAT'S **NEXT.**

**KELLY**®

# Non-GAAP Measures

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2019 acquisitions, 2019 restructuring charges and the 2019 and 2018 gain on the investment in Persol Holdings are useful to understand the Company's fiscal 2019 financial performance and increases comparability. Specifically, Management believes that removing the impact of these items allows for a meaningful comparison of current period operating performance with the operating results of prior periods. Additionally, the Company does not acquire businesses on a predictable cycle and the terms of each acquisition are unique and may vary significantly. Management also believes that such measures are used by those analyzing performance of companies in the staffing industry to compare current performance to prior periods and to assess future performance. These non-GAAP measures may have limitations as analytical tools because they exclude items which can have a material impact on cash flow and earnings per share. As a result, Management considers these measures, along with reported results, when it reviews and evaluates the Company's financial performance. Management believes that these measures provide greater transparency to investors and provide insight into how Management is evaluating the Company's financial performance. Non-GAAP measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation to the most comparable GAAP measures is included with our earnings release dated May 6, 2019 and is available on our Investor Relations website.

# SAFE HARBOR STATEMENT

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. These factors include, but are not limited to, competitive market pressures including pricing and technology introductions and disruptions, changing market and economic conditions, our ability to achieve our business strategy, the risk of damage to our brand, the risk our intellectual property assets could be infringed upon or compromised, our ability to successfully develop new service offerings, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, our increasing dependency on third parties for the execution of critical functions, the risks associated with past and future acquisitions, exposure to risks associated with investments in equity affiliates including PersolKelly Asia Pacific, material changes in demand from or loss of large corporate customers as well as changes in their buying practices, risks particular to doing business with the government or government contractors, risks associated with conducting business in foreign countries, including foreign currency fluctuations, the exposure to potential market and currency exchange risks relating to our investment in Persol Holdings, risks associated with violations of anti-corruption, trade protection and other laws and regulations, availability of qualified full-time employees, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits and collective actions, risks arising from failure to preserve the privacy of information entrusted to us or to meet our obligations under global privacy laws, the risk of cyber attacks or other breaches of network or information technology security, our ability to sustain critical business applications through our key data centers, our ability to effectively implement and manage our information technology projects, our ability to maintain adequate financial and management processes and controls, risk of potential impairment charges triggered by adverse industry developments or operational circumstances, unexpected changes in claim trends on workers' compensation, unemployment, disability and medical benefit plans, the impact of changes in laws and regulations (including federal, state and international tax laws), competition law risks, the risk of additional tax or unclaimed property liabilities in excess of our estimates, our ability to realize value from our tax credit and net operating loss carryforwards, our ability to maintain specified financial covenants in our bank facilities to continue to access credit markets, and other risks, uncertainties and factors discussed in the Company's filings with the Securities and Exchange Commission. Actual results may differ materially from any forward-looking statements contained herein, and we have no intention to update these statements.

# KELLY'S NOBLE PURPOSE DRIVES OUR BUSINESS STRATEGY

## NOBLE PURPOSE

We connect people to work in ways that enrich their lives.

## STRATEGIC PILLARS

Leadership Positions  
via scale or specialty

Embracing the Future  
of Work

Being the Destination  
for Top Talent

Investing in Technology for  
Innovation and Efficiency

## FOCUS AREAS

Commercial

Education

Engineering

Science

MSP

## KELLY BUSINESS SEGMENTS

GLOBAL TALENT  
SOLUTIONS

AMERICAS  
STAFFING

INTERNATIONAL

# KELLY AT A GLANCE: 73 YEARS OF INDUSTRY LEADERSHIP



**REVENUES OF \$5.5  
BILLION**

#1 provider of K-12  
educational staffing;  
Top 5 scientific,  
engineering and  
office/clerical  
workforce solutions  
provider in the U.S.



**LEADING MANAGED  
SERVICES PROVIDER WITH  
\$8.3 BILLION SPEND UNDER  
MANAGEMENT**

\$4+ billion across all  
diverse supplier  
categories over  
5 years



**GLOBAL  
WORKFORCE  
SOLUTIONS  
NETWORK**

Staffing, outsourcing  
and advisory services  
delivered through  
operations across  
Americas, EMEA and  
APAC via 4,600+  
supplier partners



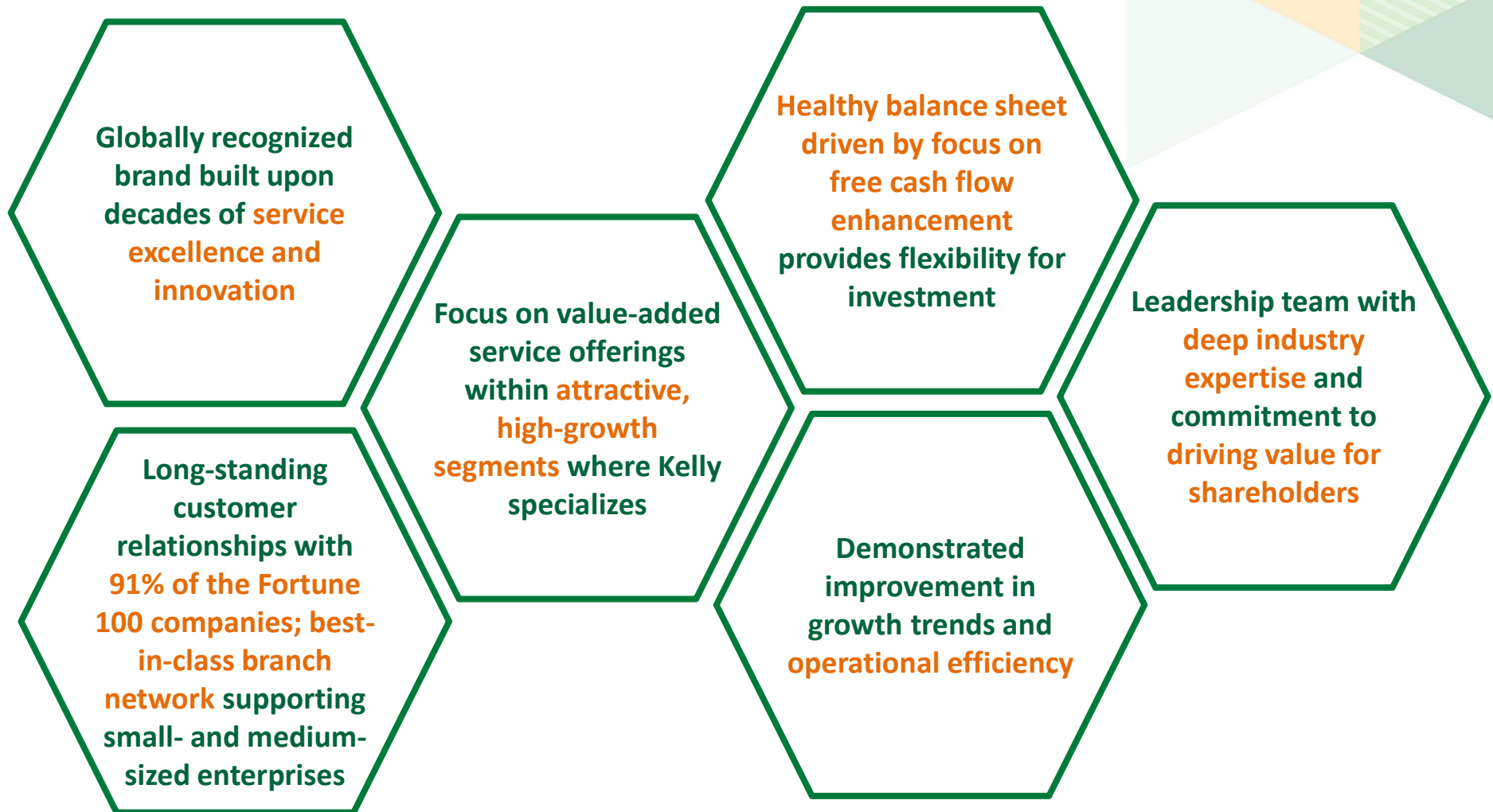
**SERVING 91% OF  
FORTUNE 100  
COMPANIES**

Expertise spans wide  
array of industries  
and numerous talent  
management  
strategies

At Kelly, we're always thinking about *what's next* in the evolving world of work.  
We help people adopt new ways of thinking and embrace the value of all work styles in the workplace.

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Note: Data as of 12/31/2018

# KELLY IS A LEADING PROVIDER OF WORKFORCE SOLUTIONS





# KELLY PLACES TEMPORARY EMPLOYEES WORLDWIDE



Kelly provides workforce solutions to a diversified group of customers in three regions: the **Americas**; Europe, the Middle East, and Africa (“**EMEA**”); and Asia Pacific\* (“**APAC**”).

**In 2018, we assigned approximately 500,000 temporary employees to a variety of customers around the globe.**

\*In 2016, Kelly and Persol created a Joint Venture to service our clients’ staffing needs throughout Asia. The JV created one of the largest workforce solutions companies in the region with over \$700M in revenue across 13 countries and 50 offices.

# KELLY AWARDS AND RECOGNITION

Kelly takes great pride in being recognized by prestigious organizations on a global, national and local level. In 2018-19, Kelly was honored with multiple awards in these areas:

## Best PLACE: Women's Business Enterprises

Supplier Diversity and Inclusion

America's Best Recruiting Firms

Top Companies for Remote Workers

Continuous Quality Improvement

2018 HR Vendor of the Year



Best PLACE: LGBTQ Equality

BEST COMPANIES: Seniors

Military Friendly Employer

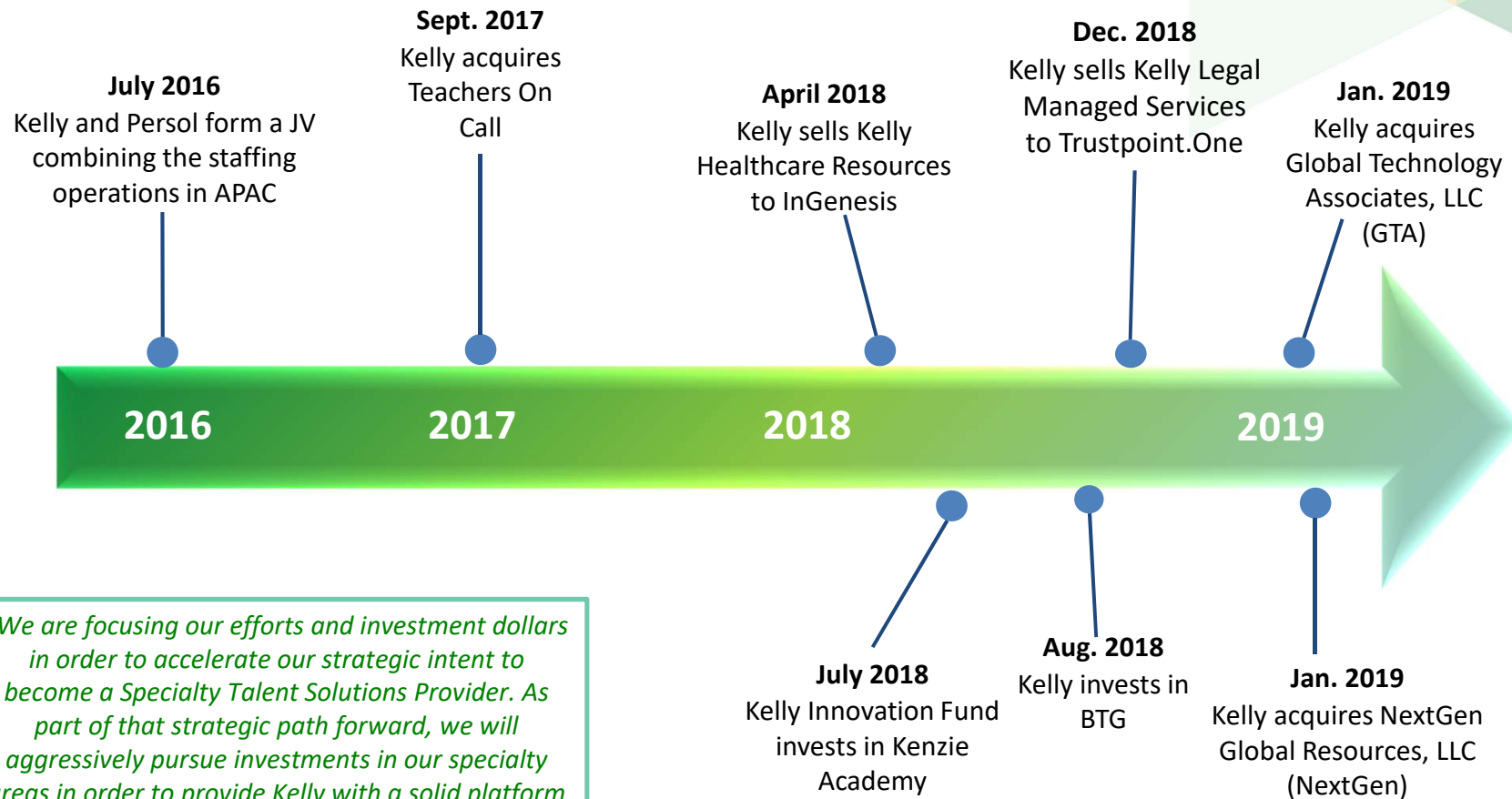
Military Friendly Spouse Employer

Minority Supplier Diversity

Top 100: Remote Work



# KELLY STRATEGIC M&A ACTIONS: 2016 - PRESENT



*"We are focusing our efforts and investment dollars in order to accelerate our strategic intent to become a Specialty Talent Solutions Provider. As part of that strategic path forward, we will aggressively pursue investments in our specialty areas in order to provide Kelly with a solid platform for high-margin growth."*

George Corona, President & CEO, Kelly Services

# RECENT ACQUISITIONS: NEXTGEN AND GTA



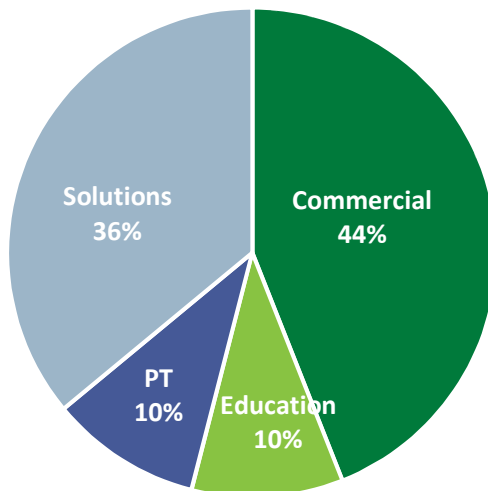
- Leading provider of telecommunications, wireless, and connected technology staffing solutions to Fortune 500 companies
- Works side-by-side with clients, across the U.S. and in select global markets, to meet the staffing challenges of the ever-changing tech landscape



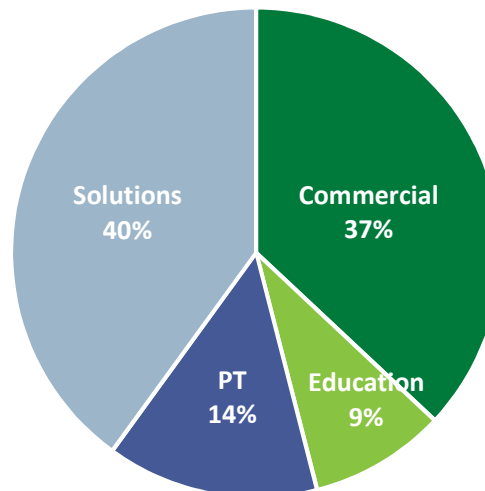
- Leading provider of engineering, technology, and business consulting solutions and services in the telecommunications industry
- Provides telecommunications network design, implementation, testing optimization, and software development services
- Couples high-value engineering, technology, and business consulting services with proprietary software products and solutions

# VALUE-ADDED SERVICE OFFERINGS BY PRODUCT MIX

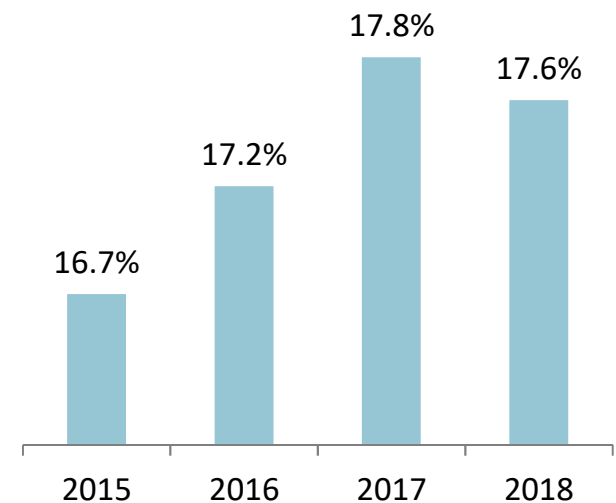
Q1 2019  
Revenue Breakdown



Q1 2019  
GP Breakdown



2015-2018  
GP Rate



Focused investment in high-growth, high-margin solutions (e.g., Outcome Based Services, PT, Education) over the last several years has led to an outsized contribution to our bottom-line (+130 bps gross margin expansion from '15-'18)

# THE KELLY JOURNEY

## Strong Improvement Over Past Two Years

### 2018:

- Kelly delivered solid full-year results in a tight labor market, effectively managing costs while also investing in our future. Earnings from operations for 2018 totaled \$87.4 million compared to \$83.3 million in 2017. Conversion rate, or return on gross profit, was 9.0% compared to 8.7% in 2017. We sold our healthcare and legal businesses during 2018, which now allows us to place a greater focus on our commercial, education, engineering and science specialties.

### 2019:

- Kelly continued to deliver solid results for Q1 in what remains a tight labor market. Revenue for the quarter was up 0.9%, up 2.9% in constant currency. Earnings from Operations grew 40% YOY and the Conversion Rate improved 170 basis points. These earnings include the results of our recent acquisitions and a \$6.3 million restructuring charge related to our U.S. business. We restructured our U.S. branch operations in Q1 and completed the integration of two high-margin acquisitions in the engineering specialty solutions market. Completing these two strategic priorities places us in a stronger position for future growth.

## Strategy in Action

With more than one-third of the world's workforce now participating as independent workers, more companies are adopting strategies that recognize contingent labor, consultants and project-based work as keys to their ongoing success. We continue to refine our core competencies to help them connect with talent and realize their business objectives. Kelly offers world-class staffing on a temporary and direct placement basis, as well as a comprehensive array of outsourcing, consulting and talent advisory services. Kelly continues to target our areas of investment and expertise to solve our customers' workforce challenges and create opportunity for talent in the changing marketplace.

# KELLY'S PORTFOLIO OF SOLUTIONS

## Americas Staffing

- Local branch network in the U.S., Puerto Rico, Canada, Mexico, and Brazil, delivers high-touch Commercial & Professional Technical (PT) staffing solutions
- Longstanding relationships with small- and medium-sized enterprises across North America
- Market-leading educational staffing platform operating under the KES brand
- Top 5 position in scientific, engineering and office/clerical staffing

## International Staffing

- Local/branch-delivered Commercial & PT staffing business in EMEA provides services to customers across Top 15 major European markets
- PersolKelly Asia Pacific JV serves the APAC regions with staffing solutions, and benefits from Persol's world-class leadership in these markets

## Global Talent Solutions

- Talent Fulfillment businesses: Contingent Workforce Outsourcing (CWO), Payroll Process Outsourcing (PPO), Recruitment Process Outsourcing (RPO), Centrally Delivered Staffing
- Delivers outcome-based services focused around STEM, call center management, and talent advisory services for the talent supply chain
- Network of 4,600+ providers deliver talent to global and local customers

Peter Quigley, President – Global Staffing

Teresa Carroll, President –  
Global Talent Solutions

# AMERICAS STAFFING JOURNEY



## TARGETED RECRUITMENT AND SALES PLANS

Strong sales and talent pipelines aligned with chosen niches



## INCREASED ONSITE PRESENCE

Embedded relationships leading to local/regional account growth



## CRITICAL MASS IN TARGETED MARKETS

Strong base of niche recruiters and sales resources in top markets



## MARKET LEADER IN U.S. EDUCATIONAL STAFFING

#1 provider of K-12 educational staffing, including largest school districts

### Our Q1 Progress:

- YOY revenue for Americas Staffing increased 4%, favorably impacted by the strategic acquisition of NextGen.
- Gross profit rate increased 80 basis points from last year, at 18.7%.
- Excluding restructuring charges, operating profit was up 39% over the prior year.
- KES, now operating as a standalone business, delivered revenue growth of 7%.

### Our Forward Focus:

- Continue executing strategic plan to optimize U.S. Commercial business for efficiency and growth.
- Grow and invest in high-margin, professional/technical specialties, particularly Engineering and Science, during the quarter to capitalize on fast-growing markets.
- Continue to refine our education delivery model and grow the business.
- Expand into high opportunity educational adjacencies.

# INTERNATIONAL STAFFING JOURNEY



**Profitable recruitment and delivery platforms in countries with the largest staffing markets**



**Industry leading cross-country sourcing expertise**



**Brand recognition in chosen industry verticals and specialties**



**Employer of choice for consultants and recruiters**



**Large global sales accounts presence in large markets**

## Our Q1 Progress:

- Q1 revenue from International Staffing Services was down 1.5% in constant currency from the prior year, as demand conditions softened across Western Europe. YOY expenses decreased 1% in constant currency.
- Revenue declines in the UK, France, Germany and Portugal were partially offset by growth in Russia, Switzerland and Italy.
- Focused strategies in Life Sciences, BPS and Project Resourcing are delivering favorable results and remain on track to the end of the year.

## Our Forward Focus:

- Reduce SG&A expenses and continue to monitor and make additional adjustments as needed.
- Focus on accelerating new customer wins and sales activities, targeting large account and Life Science opportunities.
- Work to improve productivity and the speed-to-productivity of new hires through onboarding improvement initiatives.



# GLOBAL TALENT SOLUTIONS (GTS) JOURNEY



## LEADING PROVIDER OF TALENT SUPPLY CHAIN MANAGEMENT

Hired to design holistic solutions across all talent categories



## HIGH-PERFORMING SALES AND DELIVERY TEAMS

Working seamlessly to deliver client-centered, profitable solutions



## TRUSTED TALENT ADVISOR TO WORLD'S TOP FIRMS

Viewed as a strategic partner by senior stakeholders in our clients' business



## HIGH-PERFORMING CENTRALIZED RECRUITING TEAMS

Capable of adapting to all solutions/models



## EFFICIENT, EFFECTIVE DELIVERY TEAMS

Leveraging centralization and technology

### Our Q1 Progress:

- Delivered strong results in Q1, driving value with return to growth, acceleration in GP performance, conversion, and operating earnings.
- GP was up 9.4% YOY primarily due to Outcome-Based Services, which increased 38% YOY. GP growth was favorably impacted by the GTA acquisition.
- Overall, Q1 operating profit for GTS was \$25.7 million, an increase of 61% compared to the prior year, including the acquisition of GTA.

### Our Forward Focus:

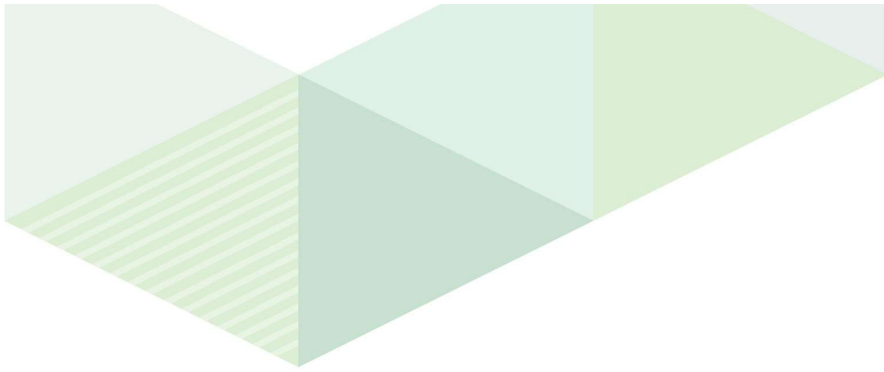
- Continue optimizing our customer portfolio, investing where we can win and exiting where we cannot.
- Retain our large, key accounts upon completion of their protracted RFP processes.
- Aggressively pursue higher margin specialty business.
- Focus on growing profitable GTS Staffing within existing accounts.

# CAPITAL ALLOCATION PRIORITIES

- Focused investment in attractive areas of business where Kelly has opportunities to realize growth, generate efficiencies, and capture market share.
  - Organic investments in technology solutions to support and accelerate growth.
  - Opportunistic acquisitions that can provide new technologies, talent, and enhancements to growth and profitability.
- Maintain dividend and consider future increases based on sustained operating performance.
- Share repurchases to be evaluated on an ongoing basis.

# Q1 2019 CONCLUSION AND OUTLOOK

- A ***strong start*** to the year – from both a financial perspective and a strategic one. Significant improvement from Q1 2018.
- Another quarter of ***solid execution*** in a tight labor market with sustained strong demand.
- ***Excellent Expense Management*** – We managed the company well and delivered on key financial performance metrics.
- ***Inorganic Growth*** – Through our NextGen and GTA specialty solutions – these high-margin acquisitions are already delivering excellent results.
- We expect to generate ***organic growth*** through our restructuring of U.S. Operations combined with our strategic investments.



# PERFORMANCE UPDATE

## FIRST QUARTER 2019

**KELLY**®  
WHAT'S NEXT.



# FIRST QUARTER 2019 KEY FINANCIAL PERFORMANCE METRICS

	Reported	Adjusted
Gross Profit Rate <sup>(1)</sup>	18.2% Up 80 bps	18.0% Up 60 bps
Conversion Rate <sup>(1),(2)</sup>	6.7% Up 170 bps	8.6% Up 360 bps
Free Cash Flow Growth	Up \$25.7M	Up \$25.7M
Earnings per Share <sup>(1),(2),(3)</sup>	\$0.56 Down 24.3%	\$0.40 Up 25.0%

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<sup>(1)</sup>Adjusted excludes 2019 results from the NextGen and GTA acquisitions, which were acquired on January 2, 2019, and were included in the reported results of operations in Americas Staffing and GTS, respectively, from the date of acquisition.

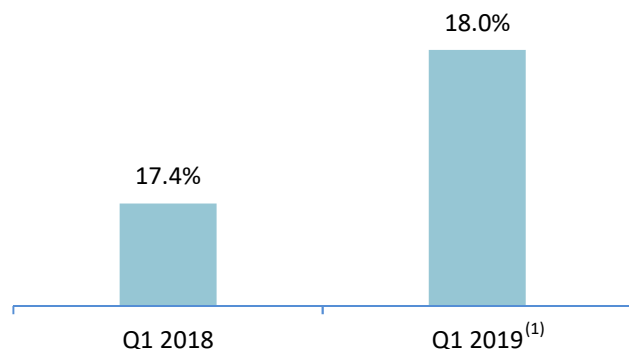
<sup>(2)</sup>Adjusted excludes \$6.3 million of restructuring charges in Q1 2019 in Americas Staffing.

<sup>(3)</sup>Adjusted excludes \$13.2 million gain on investment in Persol Holdings, \$9.1 million net of tax or \$0.23 per share in Q1 2019 and \$23.7 million gain on investment in Persol Holdings, \$16.4 million net of tax or \$0.42 per share in Q1 2018.

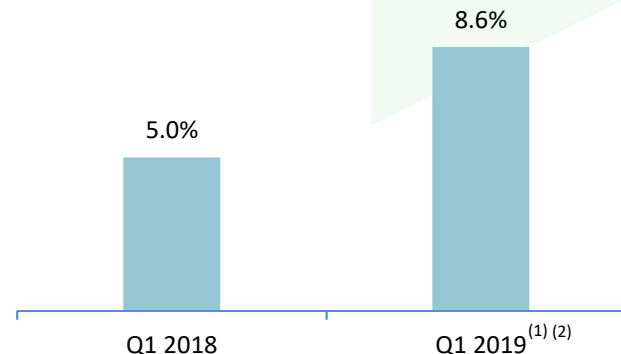
# KEY FINANCIAL PERFORMANCE METRICS

(Adjusted)

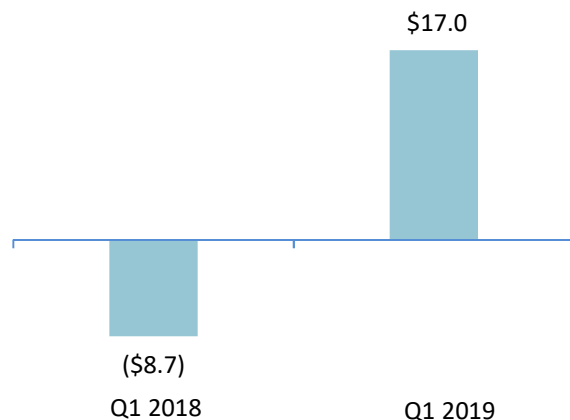
## Gross Profit Rate



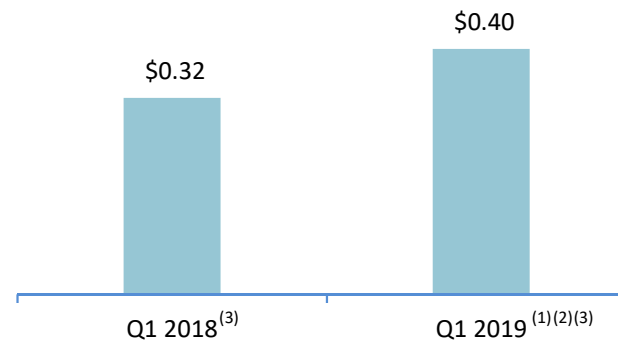
## Conversion Rate



## Free Cash Flow (millions)



## Earnings Per Share



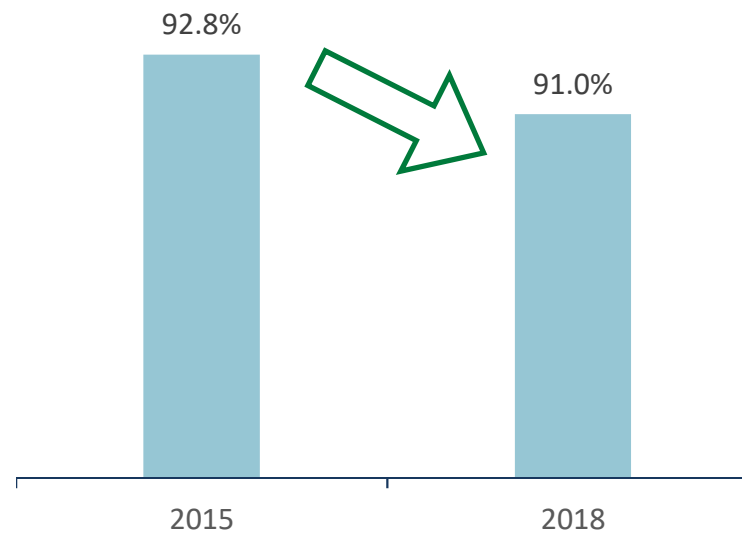
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<sup>(1)</sup>Adjusted excludes 2019 results from the NextGen and GTA acquisitions, which were acquired on January 2, 2019, and were included in the reported results of operations in Americas Staffing and GTS, respectively, from the date of acquisition.

<sup>(2)</sup>Adjusted excludes \$6.3 million of restructuring charges in Q1 2019 in Americas Staffing.

<sup>(3)</sup>Adjusted excludes \$13.2 million gain on investment in Persol Holdings, \$9.1 million net of tax or \$0.23 per share in Q1 2019 and \$23.7 million gain on investment in Persol Holdings, \$16.4 million net of tax or \$0.42 per share in Q1 2018.

# CONTINUED IMPROVEMENTS IN COST EFFICIENCIES

Total SG&A as % of Gross Profit



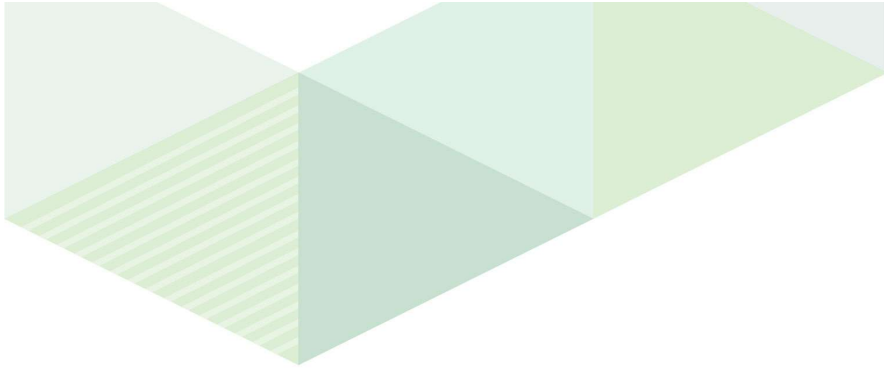


# OUTLOOK – SECOND QUARTER 2019

- Reported Revenue up 1.5% to 2.5% YOY
  - 100 basis point unfavorable impact due to currency
  - Includes inorganic growth from recent acquisitions
- Gross profit rate up 40 bps to 60 bps
  - Includes acceleration expected from recent acquisitions
- SG&A up 2% to 3% YOY
  - Includes recent acquisitions and the impact of additional amortization of purchased intangible assets

# OUTLOOK – FULL YEAR 2019

- Reported Revenue up 2.5% to 3.5% YOY
  - 100 basis point unfavorable impact due to currency
  - Includes inorganic growth from recent acquisitions
  - Expected that growth accelerates in the second half of the year as Americas Staffing delivery model changes take effect
- Gross profit rate up 30 bps to 50 bps
  - Includes acceleration expected from recent acquisitions
- SG&A up 3% to 4% YOY
  - Includes recent acquisitions and the impact of additional amortization of purchased intangible assets
- Effective income tax rate in the mid-teens
- Overall, conversion rate expected to improve



# KEY FINANCIAL INFORMATION

## FIRST QUARTER 2019



# FIRST QUARTER 2019 SEGMENT FINANCIALS

(\$ in millions)

## Kelly Services

Sales	\$1,383
GP	\$252
Expenses	\$235
Earnings from Operations	\$17
Return on Sales	1.2%

## Americas Staffing

Sales	\$627
GP	\$117
Expenses	\$101
Earnings from Operations	\$16
Return on Sales	2.6%

## Global Talent Solutions

Sales	\$501
GP	\$100
Expenses	\$75
Earnings from Operations	\$26
Return on Sales	5.1%

## International Staffing

Sales	\$259
GP	\$35
Expenses	\$31
Earnings from Operations	\$3
Return on Sales	1.3%

# FIRST QUARTER 2019 FINANCIAL SUMMARY

	<u>Actual Results</u>	<u>Change</u>	<u>Constant Currency Change<sup>(1)</sup></u>
Revenue	\$1.4B	0.9%	2.9%
GP %	18.2%	80 bps	
Earnings from Operations	\$16.8M	40.0%	43.7%
ROS %	1.2%	30 bps	
EPS	\$0.56	(\$0.18)	

- Revenue growth reflects modest growth in Americas Staffing and Global Talent Solutions (GTS), including the acquisitions of NextGen and GTA, partially offset by lower revenue in International Staffing
- GP rate improves from the impact of higher margin acquisitions, structural improvement in product mix in GTS, and lower employee related costs in GTS and Americas Staffing, partially offset by the impact of unfavorable customer mix in International Staffing
- Earnings from Operations includes \$6.3M of restructuring charges, but improved as compared to last year due to a combination of modest revenue growth and a higher GP rate, which produced higher GP dollars, and expense control efforts delivered improving expense leverage
- EPS includes \$0.23 non-cash impact from gain on equity investment compared to a \$0.42 gain in Q1 2018

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<sup>(1)</sup>Constant Currency represents year-over-year changes resulting from translating 2019 financial data into USD using 2018 exchange rates.

# FIRST QUARTER 2019 FINANCIAL SUMMARY

(Excluding Gain on Investment in Persol Holdings, Acquisitions, and Restructuring)

	<u>Adjusted Results</u>	<u>Change</u>	<u>Constant Currency Change<sup>(4)</sup></u>
Revenue <sup>(1)</sup>	\$1.3B	(1.7%)	0.3%
GP % <sup>(1)</sup>	18.0%	60 bps	
Earnings from Operations <sup>(1),(2)</sup>	\$20.8M	74.1%	77.8%
ROS % <sup>(1),(2)</sup>	1.6%	70 bps	
EPS <sup>(1),(2),(3)</sup>	\$0.40	\$0.08	

- Revenue growth in constant currency reflects modest growth in Americas Staffing and GTS in the face of a challenging environment in the U.S., partially offset by lower revenue in International Staffing
- GP rate improves on structural improvement in product mix in GTS and lower employee related costs in GTS and Americas Staffing, partially offset by the impact of customer mix in International Staffing
- Earnings from Operations improved as compared to last year due to a combination of modest revenue growth and a higher GP rate, which produced higher GP dollars, and expense control efforts delivered an improving expense leverage
- EPS improves as solid earnings are partially offset by a higher effective tax rate

<sup>(1)</sup>Excludes 2019 results from the NextGen and GTA acquisitions, which were acquired on January 2, 2019, and were included in the reported results of operations in Americas Staffing and GTS, respectively, from the date of acquisition.

<sup>(2)</sup>Excludes \$6.3 million of restructuring charges, \$4.7 million net of tax or \$0.12 per share in Q1 2019.

<sup>(3)</sup>Excludes \$13.2 million gain on investment in Persol Holdings, \$9.1 million net of tax or \$0.23 per share in Q1 2019 and \$23.7 million gain on investment in Persol Holdings, \$16.4 million net of tax or \$0.42 per share in Q1 2018.

<sup>(4)</sup>Constant Currency represents year-over-year changes resulting from translating 2019 financial data into USD using 2018 exchange rates.

# FIRST QUARTER 2019 EPS SUMMARY

\$ in millions except per share data

	First Quarter			
	2019		2018	
	Amount	Per Share	Amount	Per Share
Net earnings	\$ 22.1	\$ 0.56	\$ 29.1	\$ 0.74
Gain on investment in Persol Holdings, net of taxes <sup>(1)</sup>	(9.1)	(0.23)	(16.4)	(0.42)
Restructuring charges, net of taxes <sup>(2)</sup>	4.7	0.12	-	-
Net earnings from acquisitions <sup>(3)</sup>	(1.7)	(0.04)	-	-
Adjusted net earnings	<u>\$ 16.0</u>	\$ 0.40	<u>\$ 12.7</u>	\$ 0.32

- As adjusted, net earnings and EPS increased as improving earnings from operations are partially offset by higher income tax expense

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<sup>(1)</sup>Gain on investment in Persol Holdings of \$13.2 million, \$9.1 million net of tax or \$0.23 per share in Q1 2019 and gain on investment in Persol Holdings of \$23.7 million, \$16.4 million net of tax or \$0.42 per share in Q1 2018.

<sup>(2)</sup>Restructuring charges, net of taxes include \$6.3 million of restructuring charges, \$4.7 million net of tax or \$0.12 per share in Q1 2019.

<sup>(3)</sup>NextGen and GTA were acquired on January 2, 2019, and were included in the reported results of operations of Americas Staffing and GTS segments, respectively, from the date of acquisition.



# FIRST QUARTER 2019 ORGANIC REVENUE GROWTH

\$ in millions

	First Quarter					
	2019			2018		Constant Currency Change <sup>(2)</sup>
	As Reported	Acquisitions <sup>(1)</sup>	Adjusted	As Reported	Change	
Americas Staffing	\$ 626.5	\$ (20.2)	\$ 606.3	\$ 604.3	0.3%	0.8%
Global Talent Solutions	501.0	(15.7)	485.3	485.8	(0.1%)	0.4%
International Staffing	258.9	-	258.9	284.7	(9.1%)	(1.5%)
Total Company	\$ 1,382.6	\$ (35.9)	\$ 1,346.7	\$ 1,369.9	(1.7%)	0.3%

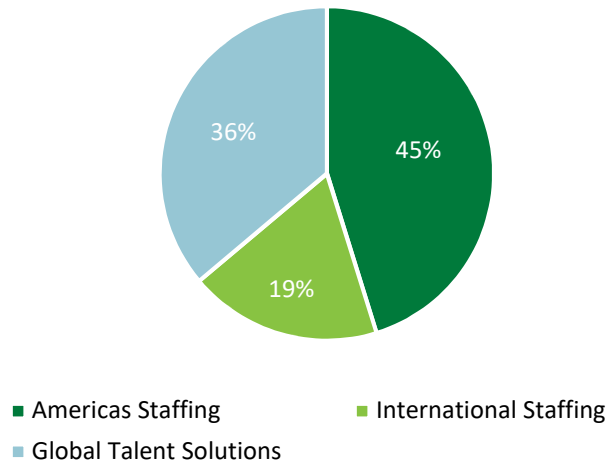
- Americas Staffing revenue growth reflects growth in educational staffing, partially offset by modest declines in professional and technical specialties and office services
- GTS revenue growth is driven by growth in outcome-based services, partially offset by declines in centrally delivered staffing
- International Staffing reflects declines in Western Europe, partially offset by growth in Eastern Europe
- Total Company revenue growth rate was impacted unfavorably by approximately 60 bps from the 2018 divestitures of our healthcare and legal specialty practices, which is primarily reflected in GTS

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<sup>(1)</sup>Organic revenue growth in Q1 2019 excludes the impact of the NextGen and GTA acquisitions in the Americas Staffing and GTS segments, respectively.

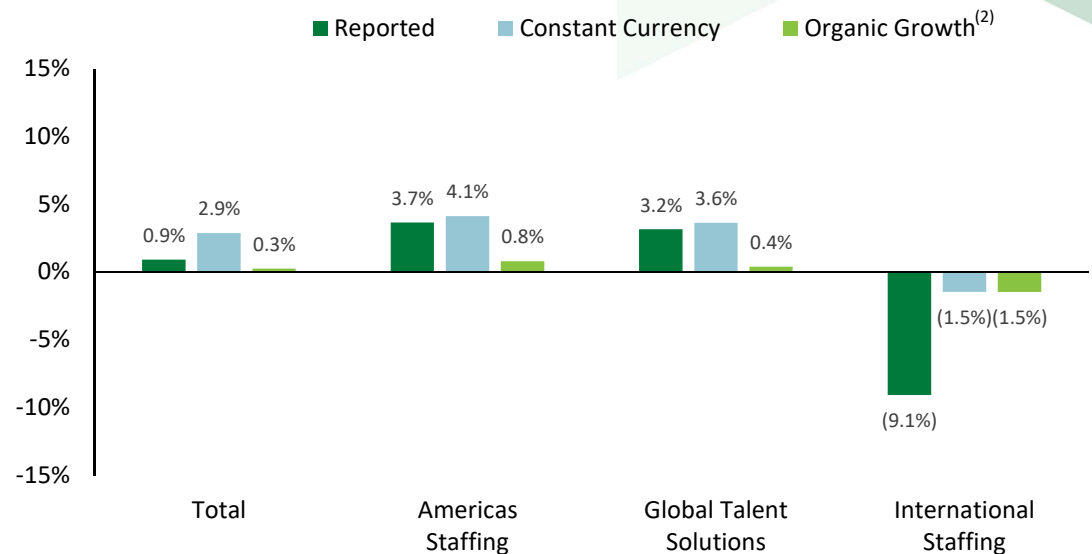
<sup>(2)</sup>Constant Currency represent year-over-year changes resulting from translating 2019 financial data into USD using 2018 exchange rates.

# FIRST QUARTER 2019 REVENUE GROWTH

Revenue Mix by Segment<sup>(1)</sup>



Revenue Growth by Segment



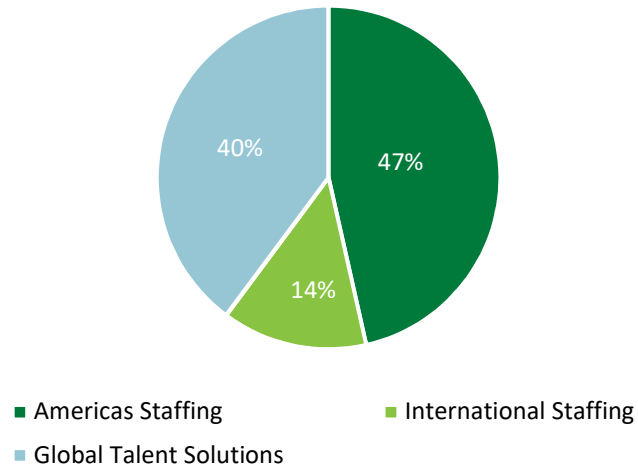
- Americas Staffing revenue growth includes the impact of the NextGen acquisition as well as growth in educational staffing, partially offset by modest declines in professional and technical specialties and office services
- GTS revenue growth includes the impact of the GTA acquisition in addition to growth in outcome-based services, partially offset by declines in centrally delivered staffing
- International Staffing reflects declines in Western Europe partially offset by growth in Eastern Europe

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<sup>(1)</sup>Revenue Mix by Segment includes the results from acquisitions.

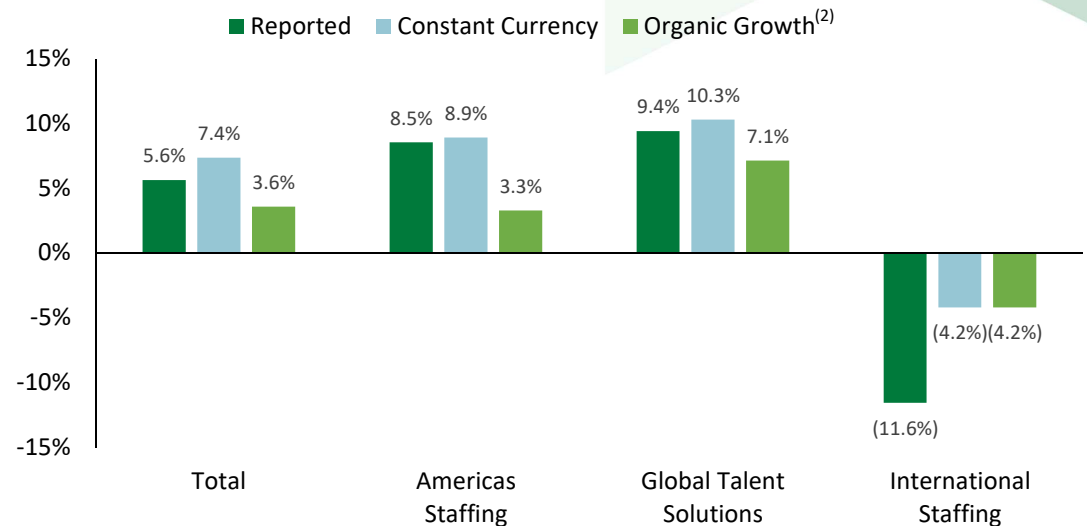
<sup>(2)</sup>Organic growth represents revenue growth excluding the results of acquisitions on a constant currency basis.

# FIRST QUARTER 2019 GROSS PROFIT GROWTH

Gross Profit Mix by Segment<sup>(1)</sup>



Gross Profit Growth by Segment



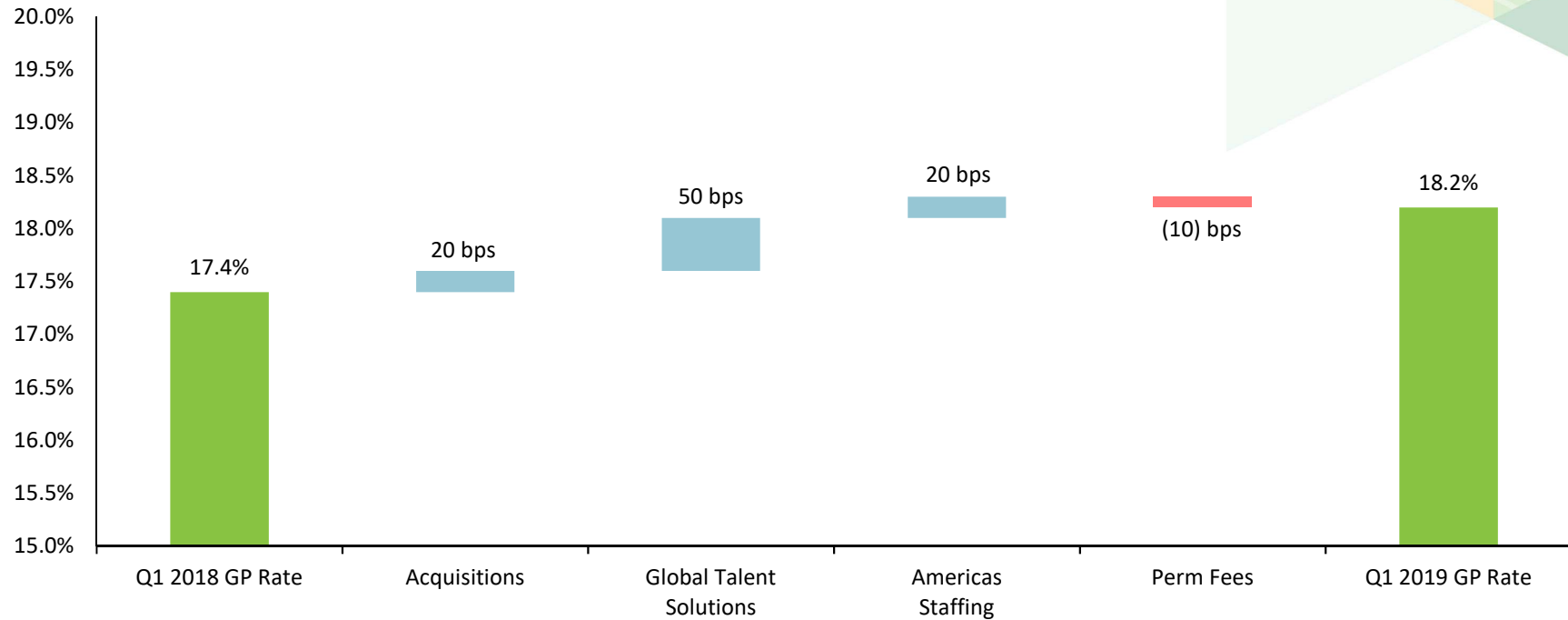
- Americas Staffing year-over-year comparisons reflect the impact of the NextGen acquisition and lower employee related costs
- GTS GP reflects the impact of the GTA acquisition, structural rate improvement from changes in product mix and lower employee related costs
- International Staffing reflects declines in GP rate related to customer mix and lower perm fees

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<sup>(1)</sup>Gross Profit Mix by Segment includes the results from acquisitions.

<sup>(2)</sup>Organic growth represents gross profit growth excluding the results of acquisitions on a constant currency basis.

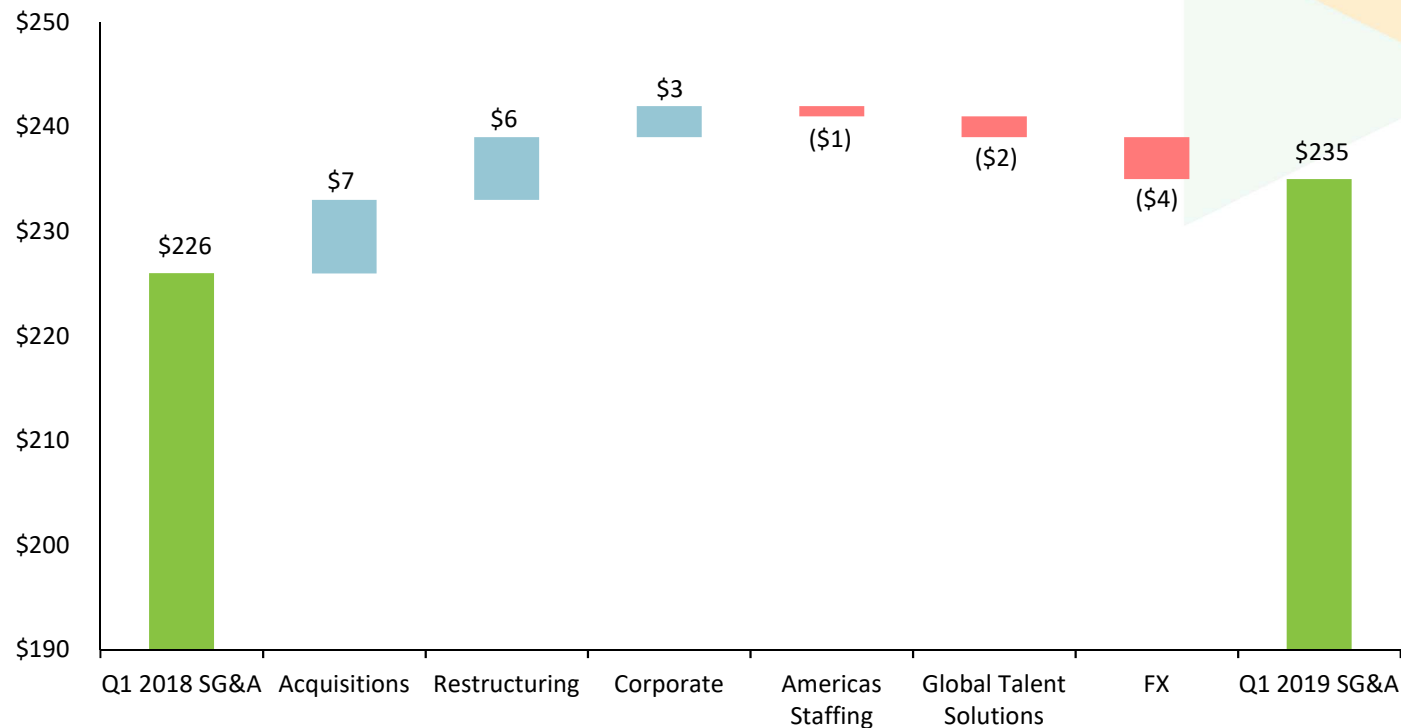
# FIRST QUARTER 2019 GROSS PROFIT RATE GROWTH



- The acquisitions of NextGen and GTA, higher margin specialty businesses, improve overall GP rate
- GTS GP reflects structural GP rate improvement from product mix and lower employee related costs
- Americas Staffing year-over-year comparisons reflects lower employee related costs

# FIRST QUARTER 2019 SG&A


\$ in millions



- Acquisitions reflect the SG&A expenses of NextGen and GTA, acquired in January 2019
- Restructuring costs reflect severance expenses associated with the revitalization of our service delivery model in Americas Staffing
- Corporate expense primarily reflects higher performance based compensation and legal costs
- Americas Staffing expenses were down due to effective cost management
- GTS expense reflects lower performance based compensation and continued cost management

# FIRST QUARTER 2019 CONVERSION RATE

\$ in millions



	2019			2018			Change (bps)
	Gross Profit	Earnings from Ops	Conversion Rate <sup>(1)</sup>	Gross Profit	Earnings from Ops	Conversion Rate <sup>(1)</sup>	
Americas Staffing	\$ 117.2	\$ 16.0	13.7%	\$ 108.0	\$ 16.1	14.9%	(120)
Global Talent Solutions	100.4	25.7	25.7%	91.8	16.0	17.5%	820
International Staffing	34.6	3.3	9.5%	39.1	5.0	12.7%	(320)
<b>Total Company</b>	<b>\$ 251.6</b>	<b>\$ 16.8</b>	<b>6.7%</b>	<b>\$ 238.2</b>	<b>\$ 12.0</b>	<b>5.0%</b>	<b>170</b>

- Americas Staffing conversion rate includes the impact of \$6.3M of restructuring expenses in Q1 2019
- GTS conversion rate reflects improving GP rate and effective cost management
- International Staffing conversion rate reflects declining GP, partially offset by effective cost management
- Total Company conversion rate improvement reflects solid execution, partially offset by \$6.3M of restructuring expenses in Q1 2019

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<sup>(1)</sup>Conversion rate represents earnings from operations as a percent of gross profit, or return on gross profit.

# FIRST QUARTER 2019 CONVERSION RATE

(Excluding Acquisitions and Restructuring)

\$ in millions



	2019			2018			Change (bps)
	Gross Profit <sup>(1)</sup>	Earnings from Ops <sup>(1)(2)</sup>	Conversion Rate <sup>(3)</sup>	Gross Profit	Earnings from Ops	Conversion Rate <sup>(3)</sup>	
Americas Staffing	\$ 111.0	\$ 21.1	19.1%	\$ 108.0	\$ 16.1	14.9%	420
Global Talent Solutions	97.5	24.6	25.3%	91.8	16.0	17.5%	780
International Staffing	34.6	3.3	9.5%	39.1	5.0	12.7%	(320)
<b>Total Company</b>	<b>\$ 242.5</b>	<b>\$ 20.8</b>	<b>8.6%</b>	<b>\$ 238.2</b>	<b>\$ 12.0</b>	<b>5.0%</b>	<b>360</b>

- Americas Staffing and GTS conversion rates reflect improving GP rate and effective cost management
- International Staffing conversion rate reflects declining GP partially offset by effective cost management
- Total Company conversion rate improvement reflects improving GP rates and solid cost management efforts in a slow revenue growth environment

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<sup>(1)</sup>Excludes 2019 results related to the NextGen and GTA acquisitions in Americas Staffing and GTS, respectively.

<sup>(2)</sup>Excludes \$6.3 million of restructuring charges in Q1 2019 in Americas Staffing.

<sup>(3)</sup>Conversion rate represents earnings from operations as a percent of gross profit, or return on gross profit.



# CASH FLOWS: AS OF MARCH 31, 2019

\$ in millions

	2019	2018
<b>Net Income</b>	<b>\$22.1</b>	<b>\$29.1</b>
Gain on investment in Persol Holdings	(13.2)	(23.7)
Other cash generated from (used in) operating activities	12.3	(9.5)
Capital expenditures	(4.2)	(4.6)
<b>Free cash flow</b>	<b>\$17.0</b>	<b>(\$8.7)</b>
Borrowing	72.0	23.2
<b>Available cash flow</b>	<b>\$89.0</b>	<b>\$14.5</b>
Dividends	(3.0)	(2.9)
Acquisition of company, net of cash received	(86.4)	0.0
Payments of tax withholding for stock awards	(2.3)	(6.2)
Other	0.3	(0.3)
<b>Cash (used) generated</b>	<b>(\$2.4)</b>	<b>\$5.1</b>
Effect of exchange rates	(1.9)	(0.9)
<b>Net change in cash</b>	<b>(\$4.3)</b>	<b>\$4.2</b>
<b>Cash at period end</b>	<b>\$35.8</b>	<b>\$41.1</b>

# BALANCE SHEET: AS OF MARCH 31, 2019

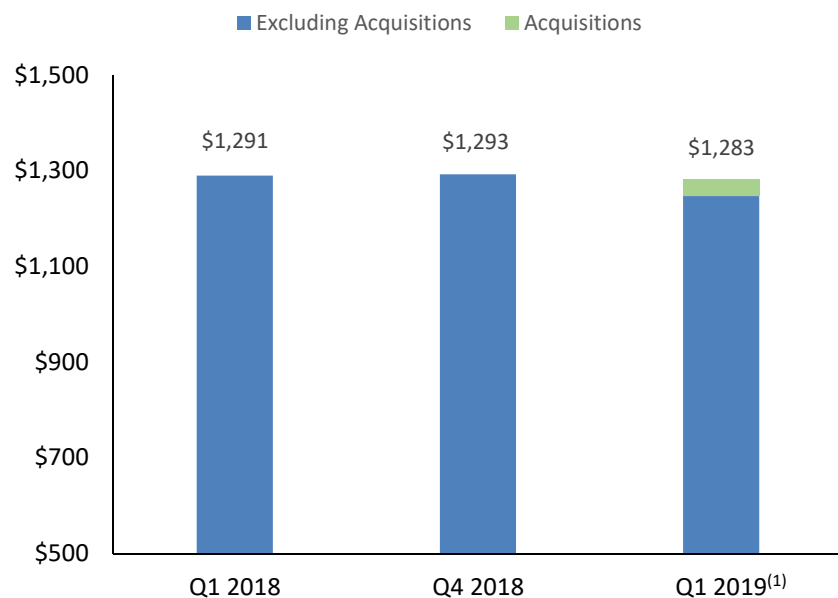
\$ in millions

	2019	2018
Cash	\$30.9	\$36.6
Accounts Receivable	1,283.1	1,290.7
Other Current Assets	86.2	70.4
<b>Total Current Assets</b>	<b>\$1,400.2</b>	<b>\$1,397.7</b>
Long Term Assets	1,072.0	1,038.9
<b>Total Assets</b>	<b>\$2,472.2</b>	<b>\$2,436.6</b>
Short-Term Debt	74.2	33.4
Other Current Liabilities	899.2	900.8
<b>Total Current Liabilities</b>	<b>\$973.4</b>	<b>\$934.2</b>
Other Long Term Liabilities	321.0	311.1
Equity	1,177.8	1,191.3
<b>Total Liabilities and Equity</b>	<b>\$2,472.2</b>	<b>\$2,436.6</b>
<b>Working Capital</b>	<b>\$426.8</b>	<b>\$463.5</b>
<b>Net Cash</b>	<b>(43.3)</b>	<b>3.2</b>
<b>Debt-to-Total Capital</b>	<b>5.9%</b>	<b>2.7%</b>

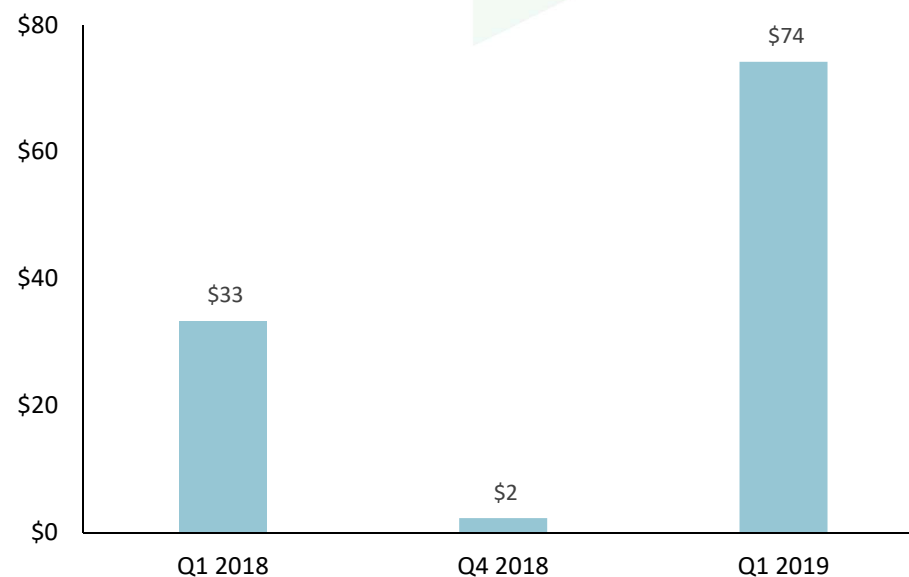
# FIRST QUARTER 2019 BALANCE SHEET DATA

\$ in millions

## Accounts Receivable

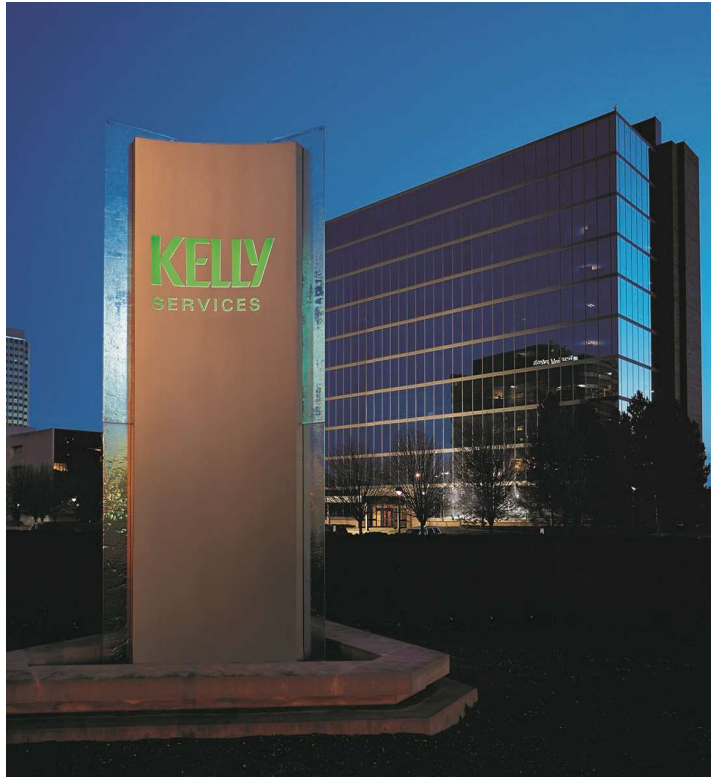


## Net Debt



- Accounts Receivable reflects the impact of recent acquisitions. Including acquisitions, DSO is 58 days, up 1 day from a year ago and up 3 days from year-end 2018, due in part to seasonal fluctuations
- Debt reflects borrowing on the Securitization Facility, which was used to fund the January 2019 NextGen and GTA acquisitions

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<sup>(1)</sup> Q1 2019 Accounts Receivable includes \$36 million of receivables related to acquisitions.



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**George Corona**

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