

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 13, 2021

KELLY SERVICES, INC.

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

0-1088  
(Commission  
File Number)

38-1510762  
(IRS Employer  
Identification  
Number)

999 West Big Beaver Road, Troy, Michigan 48084

(Address of principal executive offices)  
(Zip Code)

(248) 362-4444

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A Common	KELYA	NASDAQ Global Market
Class B Common	KELYB	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition**

Kelly Services, Inc. (the "Company") today released financial information containing highlighted financial data for the three months ended April 4, 2021. A copy of the press release is attached as exhibit 99.1 herein.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
<a href="#">99.1</a>	Press Release dated May 13, 2021.
<a href="#">99.2</a>	Presentation materials for May 13, 2021 conference call.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

May 13, 2021

KELLY SERVICES, INC.

/s/ Olivier G. Thiro  
Olivier G. Thiro

Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

May 13, 2021

/s/ Laura S. Lockhart  
Laura S. Lockhart

Vice President, Corporate Controller and  
Chief Accounting Officer  
(Principal Accounting Officer)

EXHIBIT INDEX

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## KELLY® REPORTS FIRST-QUARTER 2021 EARNINGS

### Financial Highlights

- Q1 revenue down 4.4%, down 5.5% in constant currency, as pandemic disruption moderates
- Q1 operating earnings of \$10.6 million, compared to a reported loss for the corresponding period last year
- Q1 earnings per share of \$0.64, or \$0.12 on an adjusted basis, compared to adjusted earnings per share of \$0.20 for the corresponding period last year

TROY, Mich. (May 13, 2021) – Kelly (Nasdaq: [KELYA](#)) (Nasdaq: [KELYB](#)), a leading specialty talent solutions provider, today announced results for the first quarter of 2021.

Peter Quigley, president and chief executive officer, announced revenue for the first quarter of 2021 totaled \$1.2 billion, a 4.4% decrease, or down 5.5% in constant currency, compared to the corresponding quarter of 2020. Revenue declined year-over-year in the quarter as the effects of the COVID-19 crisis moderated but continued to have an impact on customer demand and the supply of available talent.

Earnings from operations in the first quarter of 2021 totaled \$10.6 million, compared to a loss of \$111.8 million reported in the first quarter of 2020. The 2020 first-quarter results include a \$147.7 million goodwill impairment charge and an \$8.7 million restructuring charge, partially offset by a \$32.1 million gain on sale of assets. On an adjusted basis, 2020 earnings from operations were \$12.5 million.

Diluted earnings per share in the first quarter of 2021 were \$0.64 compared to a loss of \$3.91 per share in the first quarter of 2020. Included in the earnings per share in the first quarter of 2021 is a non-cash gain, net of tax, on Kelly's investment in Persol Holdings common stock of \$0.52. Included in the loss per share in the first quarter of 2020 is a \$3.18 per share goodwill impairment charge, net of tax, a \$1.38 per share loss from a non-cash loss on Kelly's investment in Persol Holdings common stock, net of tax, and a \$0.17 restructuring charge, net of tax, partially offset by a \$0.61 gain on sale of assets, net of tax. On an adjusted basis, earnings per share were \$0.12 in the first quarter of 2021 compared to \$0.20 in the corresponding quarter of 2020.

"We're seeing strong demand across all of our operating segments. This translated into sustained, sequential revenue improvements in our Education, OCG, International, and Science, Engineering & Technology business segments. We're also seeing improving revenue growth rates in our Professional & Industrial segment and are taking steps to capture even more of the stronger demand, which now exceeds pre-pandemic levels," said Quigley. "Every segment added numerous wins to their portfolio in the first quarter, and we're pleased with the overall progress and healthy sales pipelines across our specialties. We're moving forward in this recovery with optimism, well-positioned to capture organic specialty growth and committed to a bold M&A strategy that captures inorganic growth, as evidenced by our recent Softworld acquisition, which is the largest deal in Kelly's history."

In conjunction with its first quarter earnings release, Kelly has published a financial presentation on the Investor Relations [page](#) of its public website and will host a conference call at **9 a.m. ET on May 13** to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Internet:  
[Kellyservices.com](http://Kellyservices.com)

Via the Telephone  
(877) 692-8955 (toll free) or (234) 720-6979 (caller paid)  
Enter access code 5728672  
After the prompt, please enter "#"

A recording of the conference call will be available after 2:30 p.m. ET on May 13, 2021 at (866) 207-1041 (toll-free) and (402) 970-0847 (caller-paid). The access code is 2456495#. The recording will also be available at [kellyservices.com](http://kellyservices.com) during this period.

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, changing market and economic conditions, the recent novel coronavirus (COVID-19) outbreak, competitive market pressures including pricing and technology introductions and disruptions, disruption in the labor market and weakened demand for human capital resulting from technological advances, competition law risks, the impact of changes in laws and regulations (including federal, state and international tax laws), unexpected changes in claim trends on workers' compensation, unemployment, disability and medical benefit plans, or the risk of additional tax liabilities in excess of our estimates, our ability to achieve our business strategy, our ability to successfully develop new service offerings, 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 government or government contractors, the risk of damage to our brand, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, services of licensed professionals and services connecting talent to independent work, our increasing dependency on third parties for the execution of critical functions, our ability to effectively implement and manage our information technology strategy, the risks associated with past and future acquisitions, including risk of related impairment of goodwill and intangible assets, exposure to risks associated with investments in equity affiliates including PersolKelly Pte. Ltd., 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, our ability to sustain critical business applications through our key data centers, 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 cyberattacks or other breaches of network or information technology security, 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 this release and 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 undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

#### **About Kelly®**

Kelly Services, Inc. (Nasdaq: KELYA, KELYB) connects talented people to companies in need of their skills in areas including Science, Engineering, Education, Office, Contact Center, Light Industrial, and more. We're always thinking about what's next in the evolving world of [work](#), and we help people ditch the script on old ways of thinking and embrace the value of all workstyles in the workplace. We directly employ nearly 370,000 people around the world, and we connect thousands more with work through our global network of talent suppliers and partners in our [outsourcing and consulting practice](#). Revenue in 2020 was \$4.5 billion. Visit [kellyservices.com](http://kellyservices.com) and let us help with what's next for you.

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#### **MEDIA CONTACT:**

**Jane Stehney**  
(248) 574-9800  
[stehnja@kellyservices.com](mailto:stehnja@kellyservices.com)

#### **ANALYST CONTACT:**

**James Polehna**  
(248) 244-4586  
[james.polehna@kellyservices.com](mailto:james.polehna@kellyservices.com)

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 13 WEEKS ENDED APRIL 4, 2021 AND MARCH 29, 2020**  
**(UNAUDITED)**

(In millions of dollars except per share data)

	2021	2020	Change	% Change	CC % Change
<b>Revenue from services</b>	\$ 1,205.9	\$ 1,261.1	\$ (55.2)	(4.4) %	(5.5) %
Cost of services	992.6	1,037.8	(45.2)	(4.4)	
<b>Gross profit</b>	213.3	223.3	(10.0)	(4.5)	(5.7)
Selling, general and administrative expenses	202.7	219.5	(16.8)	(7.7)	(8.8)
Goodwill impairment charge	—	147.7	(147.7)	NM	
Gain on sale of assets	—	(32.1)	32.1	NM	
<b>Earnings (loss) from operations</b>	10.6	(111.8)	122.4	NM	
Gain (loss) on investment in Persol Holdings	30.0	(77.8)	107.8	NM	
Other income (expense), net	(3.4)	1.7	(5.1)	(308.2)	
<b>Earnings (loss) before taxes and equity in net earnings (loss) of affiliate</b>	37.2	(187.9)	225.1	NM	
Income tax expense (benefit)	10.5	(36.2)	46.7	129.0	
<b>Net earnings (loss) before equity in net earnings (loss) of affiliate</b>	26.7	(151.7)	178.4	NM	
Equity in net earnings (loss) of affiliate	(1.1)	(1.5)	0.4	29.7	
<b>Net earnings (loss)</b>	\$ 25.6	\$ (153.2)	\$ 178.8	NM	
<b>Basic earnings (loss) per share</b>	\$ 0.65	\$ (3.91)	\$ 4.56	NM	
<b>Diluted earnings (loss) per share</b>	\$ 0.64	\$ (3.91)	\$ 4.55	NM	

**STATISTICS:**

Permanent placement revenue (included in revenue from services)	\$ 16.0	\$ 12.2	\$ 3.8	29.9 %	27.2 %
Gross profit rate	17.7	%	17.7	%	— pts.
Conversion rate	5.0	(50.1)	55.1		
<b>% Return:</b>					
Earnings (loss) from operations	0.9	(8.9)	9.8		
Net earnings (loss)	2.1	(12.1)	14.2		
Effective income tax rate	28.3	%	19.3	%	9.0 pts.
<b>Average number of shares outstanding (millions):</b>					
Basic	39.3	39.2			
Diluted	39.5	39.2			

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS BY SEGMENT**  
**(UNAUDITED)**

(In millions of dollars)

	First Quarter			
	2021	2020	% Change	CC % Change
<b>Professional &amp; Industrial</b>				
Revenue from services	\$ 467.6	\$ 493.8	(5.3) %	(5.6) %
Gross profit	75.9	85.1	(10.7)	(11.0)
SG&A expenses excluding restructuring charges	69.4	76.1	(8.8)	(9.1)
Restructuring charges	—	4.4	NM	NM
Total SG&A expenses	69.4	80.5	(13.8)	(14.0)
Earnings (loss) from operations	6.5	4.6	42.3	
Earnings (loss) from operations excluding restructuring charges	6.5	9.0	(27.1)	
Gross profit rate	16.2 %	17.2 %	(1.0) pts.	
<b>Science, Engineering &amp; Technology</b>				
Revenue from services	\$ 254.7	\$ 270.2	(5.7) %	(5.9) %
Gross profit	53.2	54.7	(2.8)	(2.9)
SG&A expenses excluding restructuring charges	35.7	36.0	(0.7)	(0.9)
Restructuring charges	—	0.5	NM	NM
Total SG&A expenses	35.7	36.5	(2.1)	(2.3)
Earnings (loss) from operations	17.5	18.2	(4.2)	
Earnings (loss) from operations excluding restructuring charges	17.5	18.7	(6.8)	
Gross profit rate	20.9 %	20.3 %	0.6 pts.	
<b>Education</b>				
Revenue from services	\$ 111.6	\$ 142.5	(21.7) %	(21.7) %
Gross profit	17.2	20.4	(15.7)	(15.7)
SG&A expenses excluding restructuring charges	14.2	15.7	(9.6)	(9.6)
Restructuring charges	—	0.9	NM	NM
Total SG&A expenses	14.2	16.6	(14.5)	(14.5)
Earnings (loss) from operations	3.0	3.8	(21.2)	
Earnings (loss) from operations excluding restructuring charges	3.0	4.7	(36.1)	
Gross profit rate	15.4 %	14.3 %	1.1 pts.	
<b>Outsourcing &amp; Consulting</b>				
Revenue from services	\$ 99.3	\$ 89.5	11.0 %	9.5 %
Gross profit	31.3	28.8	8.8	6.1
SG&A expenses excluding restructuring charges	28.4	28.6	(0.4)	(2.4)
Restructuring charges	—	—	NM	NM
Total SG&A expenses	28.4	28.6	(0.6)	(2.6)
Earnings (loss) from operations	2.9	0.2	NM	
Earnings (loss) from operations excluding restructuring charges	2.9	0.2	NM	
Gross profit rate	31.5 %	32.2 %	(0.7) pts.	
<b>International</b>				
Revenue from services	\$ 272.9	\$ 265.2	2.9 %	(1.1) %
Gross profit	35.7	34.3	4.1	(0.7)
SG&A expenses excluding restructuring charges	33.1	32.1	3.0	(2.1)
Restructuring charges	—	1.1	NM	NM
Total SG&A expenses	33.1	33.2	(0.4)	(5.2)
Earnings (loss) from operations	2.6	1.1	135.1	
Earnings (loss) from operations excluding restructuring charges	2.6	2.2	19.7	
Gross profit rate	13.1 %	12.9 %	0.2 pts.	



**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**  
(In millions of dollars)

	April 4, 2021	January 3, 2021	March 29, 2020
<b>Current Assets</b>			
Cash and equivalents	\$ 239.4	\$ 223.0	\$ 48.3
Trade accounts receivable, less allowances of \$12.6, \$13.3, and \$11.1, respectively	1,279.7	1,265.2	1,236.1
Prepaid expenses and other current assets	76.5	61.4	81.4
<b>Total current assets</b>	<b>1,595.6</b>	<b>1,549.6</b>	<b>1,365.8</b>
<b>Noncurrent Assets</b>			
Property and equipment, net	38.9	41.0	38.1
Operating lease right-of-use assets	79.0	83.2	89.2
Deferred taxes	286.4	282.0	249.5
Goodwill, net	3.5	3.5	—
Investment in Persol Holdings	181.7	164.2	96.8
Investment in equity affiliate	118.7	118.5	116.3
Other assets	306.3	319.9	306.1
<b>Total noncurrent assets</b>	<b>1,014.5</b>	<b>1,012.3</b>	<b>896.0</b>
<b>Total Assets</b>	<b>\$ 2,610.1</b>	<b>\$ 2,561.9</b>	<b>\$ 2,261.8</b>
<b>Current Liabilities</b>			
Short-term borrowings	\$ 1.1	\$ 0.3	\$ 1.7
Accounts payable and accrued liabilities	554.3	536.8	475.5
Operating lease liabilities	18.8	19.6	19.2
Accrued payroll and related taxes	309.9	293.0	259.7
Accrued workers' compensation and other claims	21.9	22.7	26.1
Income and other taxes	56.9	53.2	60.6
<b>Total current liabilities</b>	<b>962.9</b>	<b>925.6</b>	<b>842.8</b>
<b>Noncurrent Liabilities</b>			
Operating lease liabilities	63.9	67.5	72.7
Accrued payroll and related taxes	58.5	58.5	—
Accrued workers' compensation and other claims	40.7	42.2	46.4
Accrued retirement benefits	204.7	205.8	164.5
Other long-term liabilities	63.7	59.3	35.3
<b>Total noncurrent liabilities</b>	<b>431.5</b>	<b>433.3</b>	<b>318.9</b>
<b>Stockholders' Equity</b>			
Common stock	40.1	40.1	40.1
Treasury stock	(15.7)	(17.1)	(18.0)
Paid-in capital	20.6	21.3	19.5
Earnings invested in the business	1,188.5	1,162.9	1,081.7
Accumulated other comprehensive income (loss)	(17.8)	(4.2)	(23.2)
<b>Total stockholders' equity</b>	<b>1,215.7</b>	<b>1,203.0</b>	<b>1,100.1</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 2,610.1</b>	<b>\$ 2,561.9</b>	<b>\$ 2,261.8</b>
<b>STATISTICS:</b>			
Working Capital	\$ 632.7	\$ 624.0	\$ 523.0
Current Ratio	1.7	1.7	1.6
Debt-to-capital %	0.1 %	— %	0.2 %
Global Days Sales Outstanding	60	64	59
Year-to-Date Free Cash Flow	\$ 7.8	\$ 170.5	\$ 5.4

KELLY SERVICES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE 13 WEEKS ENDED APRIL 4, 2021 AND MARCH 29, 2020  
(UNAUDITED)  
(In millions of dollars)

	2021	2020
<b>Cash flows from operating activities:</b>		
Net earnings (loss)	\$ 25.6	\$ (153.2)
Adjustments to reconcile net earnings (loss) to net cash from operating activities:		
Goodwill impairment charge	—	147.7
Deferred income taxes on goodwill impairment charge	—	(23.0)
Depreciation and amortization	5.9	6.0
Operating lease asset amortization	5.2	5.3
Provision for credit losses and sales allowances	(0.1)	(0.4)
Stock-based compensation	1.4	1.2
(Gain) loss on investment in Persol Holdings	(30.0)	77.8
Gain on sale of assets	—	(32.1)
Equity in net (earnings) loss of PersolKelly Pte. Ltd.	1.1	1.5
Other, net	1.3	0.7
Changes in operating assets and liabilities, net of acquisitions	0.1	(23.1)
<b>Net cash from operating activities</b>	<b>10.5</b>	<b>8.4</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(2.7)	(3.0)
Proceeds from company-owned life insurance	10.4	—
Proceeds from sale of assets	—	55.5
Acquisition of companies, net of cash received	—	(36.3)
Investment in equity securities	—	(0.3)
Other investing activities	0.2	—
<b>Net cash from investing activities</b>	<b>7.9</b>	<b>15.9</b>
<b>Cash flows from financing activities:</b>		
Net change in short-term borrowings	0.8	(0.1)
Financing lease payments	(0.2)	(0.3)
Payments of tax withholding for stock awards	(0.5)	(1.1)
Dividend payments	—	(3.0)
Other financing activities	—	(0.1)
<b>Net cash from (used in) financing activities</b>	<b>0.1</b>	<b>(4.6)</b>
<b>Effect of exchange rates on cash, cash equivalents and restricted cash</b>	<b>(1.4)</b>	<b>2.8</b>
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>17.1</b>	<b>22.5</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>228.1</b>	<b>31.0</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 245.2</b>	<b>\$ 53.5</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**REVENUE FROM SERVICES BY GEOGRAPHY**  
**(UNAUDITED)**  
(In millions of dollars)

	First Quarter			
	2021	2020	% Change	CC % Change
<b>Americas</b>				
United States	\$ 858.5	\$ 928.5	(7.5) %	(7.5) %
Mexico	34.6	28.7	20.6	24.6
Canada	34.1	32.8	3.9	(1.8)
Puerto Rico	24.2	17.7	36.4	36.4
Brazil	—	9.1	NM	NM
<b>Total Americas Region</b>	<u>951.4</u>	<u>1,016.8</u>	(6.4)	(6.5)
<b>Europe</b>				
France	54.3	52.5	3.4	(5.2)
Switzerland	52.7	44.2	19.2	11.8
Portugal	43.7	43.6	0.2	(8.1)
Russia	32.6	32.1	1.5	14.1
Italy	18.1	14.7	22.9	12.7
United Kingdom	17.0	22.3	(23.7)	(29.1)
Germany	7.1	8.0	(11.4)	(18.8)
Ireland	5.1	5.0	2.2	(6.3)
Other	15.6	15.2	2.7	(4.0)
<b>Total Europe Region</b>	<u>246.2</u>	<u>237.6</u>	3.6	(1.5)
<b>Total Asia-Pacific Region</b>	<u>8.3</u>	<u>6.7</u>	24.9	12.8
<b>Total Kelly Services, Inc.</b>	<u>\$ 1,205.9</u>	<u>\$ 1,261.1</u>	(4.4) %	(5.5) %

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**FIRST QUARTER**  
**(UNAUDITED)**  
(In millions of dollars)

	<u>2021</u>		<u>2020</u>	
	<u>As Reported</u>		<u>Adjusted</u>	
<b>SG&amp;A Expenses:</b>				
Professional & Industrial	\$	69.4	\$	76.1
Science, Engineering & Technology		35.7		36.0
Education		14.2		15.7
Outsourcing & Consulting		28.4		28.6
International		33.1		32.1
Corporate		21.9		22.3
<b>Total Company</b>	<b>\$</b>	<b>202.7</b>	<b>\$</b>	<b>210.8</b>

	<u>2021</u>		<u>2020</u>	
	<u>As Reported</u>		<u>Adjusted</u>	
<b>Earnings (loss) from Operations:</b>				
Professional & Industrial	\$	6.5	\$	9.0
Science, Engineering & Technology		17.5		18.7
Education		3.0		4.7
Outsourcing & Consulting		2.9		0.2
International		2.6		2.2
Corporate		(21.9)		(22.3)
<b>Total Company</b>	<b>\$</b>	<b>10.6</b>	<b>\$</b>	<b>12.5</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**FIRST QUARTER**  
**(UNAUDITED)**  
(In millions of dollars)

SG&A Expenses:	2020		
	As Reported	Restructuring <sup>(4)</sup>	Adjusted
Professional & Industrial	\$ 80.5	\$ (4.4)	\$ 76.1
Science, Engineering & Technology	36.5	(0.5)	36.0
Education	16.6	(0.9)	15.7
Outsourcing & Consulting	28.6	—	28.6
International	33.2	(1.1)	32.1
Corporate	24.1	(1.8)	22.3
<b>Total Company</b>	<b>\$ 219.5</b>	<b>\$ (8.7)</b>	<b>\$ 210.8</b>

Earnings (loss) from Operations:	2020				
	As Reported	Goodwill Impairment <sup>(1)</sup>	Gain on sale of assets <sup>(3)</sup>	Restructuring <sup>(4)</sup>	Adjusted
Professional & Industrial	\$ 4.6	\$ —	\$ —	\$ 4.4	\$ 9.0
Science, Engineering & Technology	18.2	—	—	0.5	18.7
Education	3.8	—	—	0.9	4.7
Outsourcing & Consulting	0.2	—	—	—	0.2
International	1.1	—	—	1.1	2.2
Corporate	(139.7)	147.7	(32.1)	1.8	(22.3)
<b>Total Company</b>	<b>\$ (111.8)</b>	<b>\$ 147.7</b>	<b>\$ (32.1)</b>	<b>\$ 8.7</b>	<b>\$ 12.5</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES (continued)**  
**(UNAUDITED)**  
(In millions of dollars except per share data)

	First Quarter	
	2021	2020
Income tax expense (benefit)	\$ 10.5	\$ (36.2)
Taxes on goodwill impairment charge <sup>(1)</sup>	—	23.0
Taxes on investment in Persol Holdings <sup>(2)</sup>	(9.2)	23.8
Taxes on gain on sale of assets <sup>(3)</sup>	—	(8.1)
Taxes on restructuring charges <sup>(4)</sup>	—	2.2
Adjusted income tax expense (benefit)	<u>\$ 1.3</u>	<u>\$ 4.7</u>

	First Quarter	
	2021	2020
Net earnings (loss)	\$ 25.6	\$ (153.2)
Goodwill impairment charge, net of taxes <sup>(1)</sup>	—	124.7
(Gain) loss on investment in Persol Holdings, net of taxes <sup>(2)</sup>	(20.8)	54.0
Gain on sale of assets, net of taxes <sup>(3)</sup>	—	(24.0)
Restructuring charges, net of taxes <sup>(4)</sup>	—	6.5
Adjusted net earnings	<u>\$ 4.8</u>	<u>\$ 8.0</u>

	First Quarter	
	2021	2020
	<b>Per Share</b>	
Net earnings (loss)	\$ 0.64	\$ (3.91)
Goodwill impairment charge, net of taxes <sup>(1)</sup>	—	3.18
(Gain) loss on investment in Persol Holdings, net of taxes <sup>(2)</sup>	(0.52)	1.38
Gain on sale of assets, net of taxes <sup>(3)</sup>	—	(0.61)
Restructuring charges, net of taxes <sup>(4)</sup>	—	0.17
Adjusted net earnings	<u>\$ 0.12</u>	<u>\$ 0.20</u>

Note: Earnings per share amounts for each quarter are required to be computed independently and may not equal the amounts computed for the total year.

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**(UNAUDITED)**

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2020 goodwill impairment charge, the 2021 and 2020 gains and losses on the investment in Persol Holdings, the 2020 gain on sale of assets and the 2020 restructuring charges, are useful to understand the Company's fiscal 2021 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. 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.

- (1) The goodwill impairment charge is the result of an interim impairment test the Company performed during the first quarter of 2020, due to a triggering event caused by a decline in the Company's common stock price.
- (2) The gains and losses on the investment in Persol Holdings represent the change in fair value of the investment during the period presented and the related tax expense and benefit.
- (3) Gain on sale of assets in 2020 primarily represents the excess of the proceeds over the cost of the headquarters properties sold during the first quarter of 2020.
- (4) Restructuring charges in 2020 represent severance costs and lease terminations in preparation for the new operating model adopted in the third quarter of 2020.

Kelly.



Exhibit 99.2

FIRST QUARTER 2021  
MAY 13, 2021





## FIRST QUARTER 2021 TAKEAWAYS

### Recovery from the impact of the COVID-19 pandemic continues

- Q1 revenue down 4.4% on a reported basis, down 5.5% in constant currency<sup>(1)</sup>
  - March exit rate down 2.7%<sup>(1)</sup>, reflecting gradual improvement over the quarter
- Sequential revenue<sup>(2)</sup> improvement in four of the five operating segments and a return to year-over-year revenue growth in OCG and International

### Near-term COVID-19 recovery plan

- Continuing robust return to work protocols, including assessing the impact of vaccine distribution, to protect the health and safety of all talent
  - Full-time employees continue to work remotely in line with business need and local government regulations
- Addressing talent supply and talent fulfillment challenges in lower-skilled positions to accelerate revenue growth
- Continuing with strong management of our cost base, focusing on maintaining operating leverage as revenue rebounds and continuing with organic investment in our selected specialties

### Continued focus on our future

- Advanced our inorganic growth strategy with the announcement of the acquisition of Softworld, Inc., a specialty technology staffing and workforce solutions firm serving customers in a variety of industries in the U.S.
- Launched Tutoring Solutions as an extension of Kelly Education's position inside schools. The offering makes tutoring more accessible to students, supports teachers stretched thin by the pandemic and addresses parents' concerns related to the impact of the pandemic on their students' academic progress

<sup>(1)</sup>Constant Currency represents year-over-year changes resulting from translating 2021 financial data into USD using 2020 exchange rates.

<sup>(2)</sup>2020 was a 53 week fiscal year, resulting in an additional week of operating results in our reported results for the month of December, the fourth quarter and full year. The additional week was excluded from the sequential revenue comparisons.

## FIRST QUARTER 2021 FINANCIAL SUMMARY

	<u>Actual Results</u>	<u>Change</u>	<u>Constant Currency Change<sup>(1)</sup></u>
<b>Revenue</b>	\$1.2B	(4.4%)	(5.5%)
<b>Gross Profit %</b>	17.7%	-	
<b>Earnings from Operations</b>	\$10.6M	NM	NM
<b>Earnings Per Share</b>	\$0.64	\$4.55	

- Revenue declined from the decrease in demand related to the COVID-19 pandemic. Temporary staffing declined 7.5%, which was partially offset by a 2.5% increase in outcome-based services and a 29.9% increase in permanent placement revenue
- GP rate was flat year-over-year as the impact of higher permanent placement revenue was offset by the negative impact of higher employee-related benefits costs
- Earnings from operations improved from the loss reported in the corresponding period of 2020, which included a goodwill impairment charge and a restructuring charge, and was partially offset by a gain on sale of assets
- Q1 2021 earnings per share reflects earnings that include a \$0.52 non-cash gain from the investment in Persol Holdings common stock, net of tax. Q1 2020 loss per share included the impact of non-cash goodwill impairment, net of tax, a loss on Persol common stock, net of tax, and a restructuring charge, net of tax, partially offset by a gain on sale of assets, net of tax.

<sup>(1)</sup>Constant Currency represents year-over-year changes resulting from translating 2021 financial data into USD using 2020 exchange rates.

## FIRST QUARTER 2021 FINANCIAL SUMMARY

(Excluding Goodwill Impairment Charge, Gain/Loss on investment in Persol Holdings, Gain on Sale of Assets and Restructuring)

	Actual Results	Change	Constant Currency Change <sup>(1)</sup>
<b>Revenue</b>	\$1.2B	(4.4%)	(5.5%)
<b>Gross Profit %</b>	17.7%	-	
<b>Earnings from Operations<sup>(1)</sup></b>	\$10.6M	(14.9%)	(17.2%)
<b>Earnings Per Share<sup>(1),(2)</sup></b>	\$0.12	(\$0.08)	

- Revenue declined from the decrease in demand related to the COVID-19 pandemic. Temporary staffing declined 7.5%, which was partially offset by a 2.5% increase in outcome-based services and a 29.9% increase in permanent placement revenue
- GP rate was flat year-over-year as the impact of higher permanent placement revenue was offset by the negative impact of higher employee-related benefits costs
- Earnings from operations declined as the effect of lower revenues and gross profit was partially offset by reduced expenses from efforts to align costs with GP trends
- EPS declined on lower earnings

<sup>(1)</sup>Change excludes:

- Goodwill impairment charges of \$147.7 million, \$24.7 million net of tax or \$3.18 per share in Q1 2020.
- Gain on sales of assets of \$32.1 million, \$24.0 million net of tax or \$0.61 per share in Q1 2020.
- Restructuring charges of \$8.7 million, \$6.5 million net of tax or \$0.17 per share in Q1 2020.

<sup>(2)</sup>Excludes gain on investment in Persol Holdings of \$30.0 million, \$20.8 million net of tax or \$0.52 per share in Q1 2021 and loss on investment in Persol Holdings of \$77.8 million, \$54.0 million net of tax or \$1.38 per share in Q1 2020.

<sup>(3)</sup>Constant Currency represents year-over-year changes resulting from translating 2021 financial data into USD using 2020 exchange rates.

## FIRST QUARTER 2021 EPS SUMMARY

\$ in millions except per share data

	First Quarter			
	2021		2020	
	Amount	Per Share	Amount	Per Share
<b>Net earnings (loss)</b>	\$25.6	\$0.64	(\$153.2)	(\$3.91)
<b>Goodwill impairment charge, net of taxes<sup>(1)</sup></b>	-	-	124.7	3.18
<b>(Gain) loss on investment in Persol Holdings, net of taxes<sup>(2)</sup></b>	(20.8)	(0.52)	54.0	1.38
<b>Gain on sale of assets, net of taxes<sup>(3)</sup></b>	-	-	(24.0)	(0.61)
<b>Restructuring charges, net of taxes<sup>(4)</sup></b>	-	-	6.5	0.17
<b>Adjusted net earnings</b>	<u>\$4.8</u>	<u>\$0.12</u>	<u>\$8.0</u>	<u>\$0.20</u>

As adjusted, both net earnings and EPS declined by 40% on lower earnings from operations as a result of the COVID-19 pandemic and the resulting decline in demand for our services

<sup>(1)</sup>Goodwill impairment charge of \$147.7 million, \$24.7 million net of tax or \$3.18 per share in Q1 2020

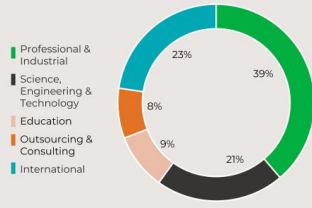
<sup>(2)</sup>Gain on investment in Persol Holdings of \$30.0 million, \$20.8 million net of tax or \$0.52 per share in Q1 2021 and loss on investment in Persol Holdings of \$77.8 million, \$54.0 million net of tax or \$1.38 per share in Q1 2020

<sup>(3)</sup>Gain on sale of assets of \$32.1 million, \$24.0 million net of tax or \$0.61 per share represents the excess of the proceeds over the cost of the headquarters properties sold during Q1 2020.

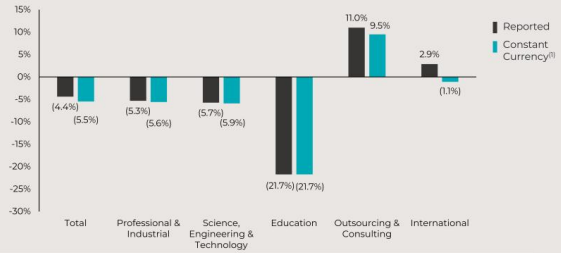
<sup>(4)</sup>Restructuring charges of \$8.7 million, \$6.5 million net of tax or \$0.17 per share in Q1 2020.

# FIRST QUARTER 2021 REVENUE GROWTH

REVENUE MIX BY SEGMENT



REVENUE GROWTH BY SEGMENT



- Total revenue declines reflect the impact of COVID-19 on the global economy and a decrease in demand for our services
- Education revenue declined as schools use a variety of instructional delivery models in response to the COVID-19 pandemic, including online and hybrid, which reduced the demand for our services
- Outsourcing & Consulting revenue reflects resiliency of the industries serviced by this segment, including Life Sciences, as well as new customer wins primarily in the Payroll Process Outsourcing product
- International revenue reflects higher hours worked, partially offset by the sale of our Brazil staffing operations in August 2020

<sup>(1)</sup>Constant Currency represents year-over-year changes resulting from translating 2021 financial data into USD using 2020 exchange rates.

## REVENUE TRENDS

Percent in Constant Currency<sup>(1)</sup>

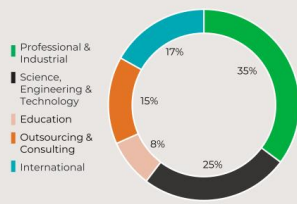
	Q1 2021	March 2021 (Exit Rates)	December 2020 <sup>(2)</sup> (Exit Rates)
<b>Total</b>	<b>(5.5%)</b>	<b>(2.7%)</b>	<b>(8.1%)</b>
<b>Professional &amp; Industrial</b>	(5.6%)	(7.2%)	(5.5%)
<b>Science, Engineering &amp; Technology</b>	(5.9%)	(6.1%)	(8.0%)
<b>Education</b>	(21.7%)	2.7%	(27.8%)
<b>Outsourcing &amp; Consulting</b>	9.5%	8.0%	1.4%
<b>International</b>	(1.1%)	3.5%	(7.4%)

<sup>(1)</sup>Constant Currency represents year-over-year changes resulting from translating 2021 financial data into USD using 2020 exchange rates.

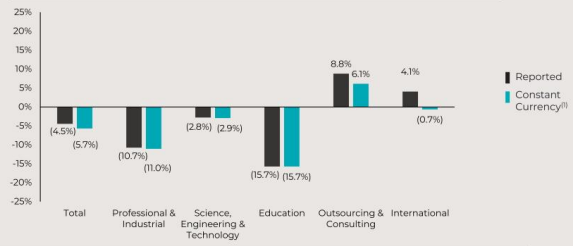
<sup>(2)</sup>2020 was a 53 week fiscal year, resulting in an additional week of operating results in our reported results for the month of December, the fourth quarter and full year. The additional week was excluded from the notated December exit rates. Constant Currency for 2020 amounts represents year-over-year changes resulting from translating 2020 financial data into USD using 2019 exchange rates.

# FIRST QUARTER 2021 GROSS PROFIT GROWTH

GROSS PROFIT MIX BY SEGMENT



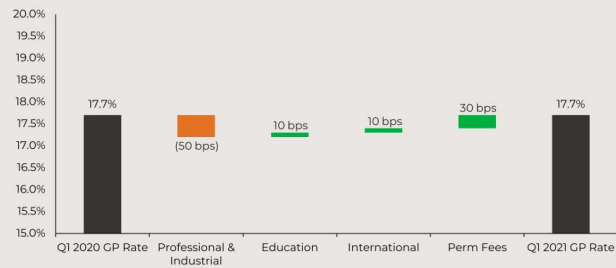
GROSS PROFIT GROWTH BY SEGMENT



- Total gross profit declined on lower revenues as GP rate remained consistent with prior year
- Professional & Industrial's 10.7% decline in gross profit reflects a 5.3% decline in revenue and a 100 bps decline in GP rate
- Science, Engineering & Technology's 2.8% decline in gross profit reflects a 5.7% decrease in revenue, partially offset by a 60 bps improvement in GP rate
- Education's 15.7% decline in gross profit reflects the 21.7% decrease in revenue, partially offset by a 110 bps increase in GP rate
- Outsourcing & Consulting's 8.8% improvement reflects an 11.0% increase in revenue, partially offset by a 70 bps decline in GP rate

<sup>(1)</sup>Constant Currency represents year-over-year changes resulting from translating 2021 financial data into USD using 2020 exchange rates.

## FIRST QUARTER 2021 GROSS PROFIT RATE GROWTH



- GP rate improved in most segments, except Professional & Industrial and OCG, resulting in a flat year-over-year total company GP rate
  - Lower GP rates in Professional & Industrial resulted from one-time costs associated with expected future volume increases in our contact center specialty
  - OCG GP rate was negatively impacted by product mix
- Science, Engineering & Technology GP was favorably impacted by improved specialty mix
- Education GP rate improved on lower employee-related costs, partially offset by unfavorable customer mix
- International GP rate was favorably impacted by customer mix
- Permanent placement fees increased in Professional & Industrial and Science, Engineering, and Technology as permanent hiring activity increased. International fees declined where greater uncertainty in the region impacts demand



## FIRST QUARTER 2021 SG&A

\$ in millions

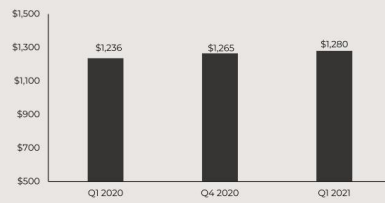


- Expenses in the Operating Segments declined as cost reduction actions, including restructuring charges in the first and fourth quarter 2020, reduced expense levels. Lower travel and sales-related expenses and expense reductions as a result of the sale of our Brazil staffing operations in August 2020 also contributed to the decline
- The decline in restructuring expenses resulted from the Q1 2020 restructuring actions related to the adoption of our new operating model and to align the US branch network facilities footprint with a more technology-enabled service delivery methodology. There were no restructuring costs in Q1 2021

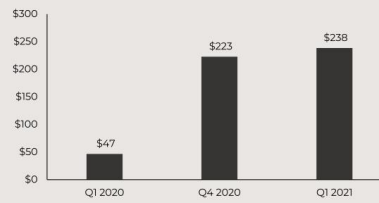
## FIRST QUARTER 2021 BALANCE SHEET DATA

\$ in millions

### ACCOUNTS RECEIVABLE



### CASH, NET OF SHORT-TERM BORROWINGS



- Accounts Receivable reflects DSO of 60 days, up 1 day from a year ago and down 4 days from Q4 2020. The decrease from Q4 2020 reflects collections of receivables from several large customers who were carrying higher receivable balances as a result of customer-driven administrative issues at the end of the year
- Cash, net of short-term borrowings of \$238 million is consistent with Q4 2020 and includes the benefit of deferring \$117 million of payroll tax payments under the CARES Act
  - U.S. credit facilities include a \$200 million revolving credit facility and a \$150 million securitization facility
- Subsequent to the end of the first quarter of 2021, the Company acquired Softworld, Inc., a specialty technology staffing and workforce solutions firm for \$215 million plus working capital adjustments utilizing existing cash balances. Cash balances reported as of the end of the first quarter of 2021 do not reflect the Softworld transaction

## RECENT ACQUISITIONS

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SOFTWORLD

- Softworld is a leading technology staffing and workforce solutions firm that serves clients across several end-markets, including financial services, life sciences, aerospace, defense, insurance, retail, and IT consulting
  - Softworld has been included on Staffing Industry Analysts' list of the fastest growing staffing firms in the United States for each of the past five years
- In 2021, the market for temporary information technology staffing in the U.S. is projected to reach \$31.7 billion, making it the largest professional staffing segment<sup>(1)</sup>

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<sup>(1)</sup>Staffing Industry Analysts U.S. Staffing Industry Forecast | September 10, 2020

## OUTLOOK – FULL YEAR 2021

### Revenue

- Up 10% to 12% YOY
  - Clearer visibility on recovery results in narrower range

### GP Rate

- Expected to be down slightly from pre-COVID levels at just under 18%
  - Favorable impact of growth in higher margin specialties and permanent placement revenue generally offset by 2021 recovery in lower-margin specialties as demand improves
  - 2020 results favorably impact 20 bps from COVID related wage subsidies

### SG&A

- Up 4% to 5%
  - Includes costs savings from 2020 restructuring actions

### Tax Rate

- Effective rate in the mid-teens
  - Includes impact of Work Opportunity Credit which has been extended through 2025

### Softworld

- Revenue up 200 to 250 bps
- GP rate 30-40 bps
- Expenses up 300 bps
  - Includes 100 bps of intangible amortization expense

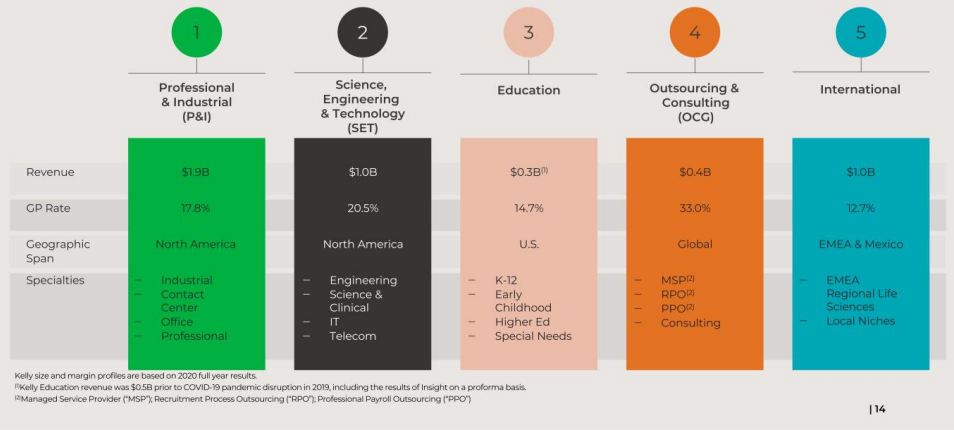
ORGANIC

INORGANIC



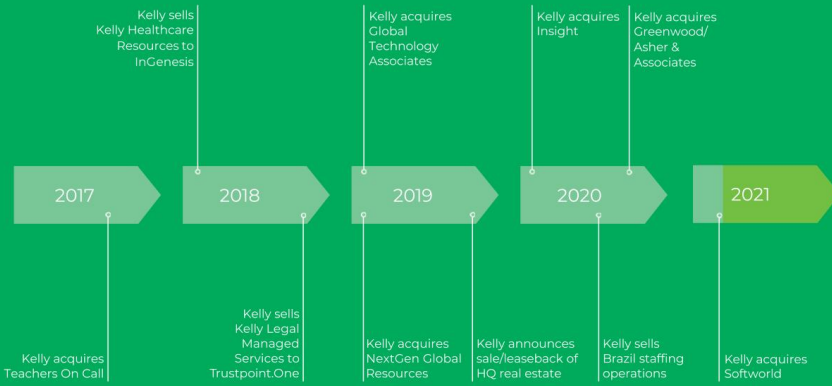
## A MODEL FOR GROWTH

We have redesigned our operating model to drive profitable growth in our chosen specialties.



# PORTFOLIO PROGRESS

We are using strategic asset management to increase our focus on specialization





## NON-GAAP MEASURES

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2020 goodwill impairment charge, the 2021 and 2020 gains and losses on the investment in Persol Holdings, the 2020 gain on sale of assets and the 2020 restructuring charges, are useful to understand the Company's fiscal 2021 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. 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.



## SAFE HARBOR STATEMENT

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. The principal important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to, changing market and economic conditions, the recent novel coronavirus (COVID-19) outbreak, competitive market pressures including pricing and technology introductions and disruptions, disruption in the labor market and weakened demand for human capital resulting from technological advances, competition law risks, the impact of changes in laws and regulations (including federal, state and international tax laws), unexpected changes in claim trends on workers' compensation, unemployment, disability and medical benefit plans, or the risk of additional tax liabilities in excess of our estimates, our ability to achieve our business strategy, our ability to successfully develop new service offerings, 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 government or government contractors, the risk of damage to our brand, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, services of licensed professionals and services connecting talent to independent work, our increasing dependency on third parties for the execution of critical functions, our ability to effectively implement and manage our information technology strategy, the risks associated with past and future acquisitions, including risk of related impairment of goodwill and intangible assets, exposure to risks associated with investments in equity affiliates including PersolKelly Pte. Ltd., 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 anticorruption, 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, our ability to sustain critical business applications through our key data centers, 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 cyberattacks or other breaches of network or information technology security, 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 this report and in our other filings with the Securities and Exchange Commission. Actual results may differ materially from any forward-looking statements contained herein, and we undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.



