

**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): November 2, 2023

KELLY SERVICES, INC.

Delaware
(State or other jurisdiction
of incorporation)

(Exact name of Registrant as specified in its charter)

0-1088
(Commission
File Number)

38-1510762
(IRS Employer
Identification No.)

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 1.01. Entry into a Material Definitive Agreement.

On November 2, 2023, Kelly Services, Inc. (“Kelly”) and Gi Group Holdings S.P.A. (“Gi”) entered into an agreement for the sale and purchase of all outstanding share capital of Kelly Services Management SARL, which will result in the sale of Kelly’s European staffing business to Gi, one of the largest staffing companies in Europe.

Transaction closing is subject to the receipt of required regulatory approvals, the completion of certain actions to reorganize Kelly’s European operations and other customary conditions which must be completed prior to March 31, 2024. The transaction is not subject to a financing contingency. Currently, we expect that the transaction will close in the first quarter of 2024.

Kelly will receive cash proceeds at close equal to €100 million plus adjustments for net working capital and to reflect the cash-free, debt-free transaction basis. There is an additional earnout opportunity of up to €30 million payable in the second quarter of 2024. The earn-out is based on a multiple of an adjusted 2023 EBITDA measure. Kelly will be subject to non-compete and non-solicit restrictions related to the business sold for a period of up to three years and will be subject to indemnification provisions for certain losses not covered by Representations and Warranties insurance coverage up to the amount of the purchase price.

Following the close of the transaction, Kelly will maintain its global footprint and continue to provide managed service provider (MSP), recruitment process outsourcing (RPO) and functional service provider (FSP) services to customers in Europe, Asia and North America and will continue to operate our specialty outcome-based and staffing services businesses in North America.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the pending transaction announced today, Dinette Koolhaas, senior vice president and president of Kelly International, will end her more than 15-year tenure with Kelly and move on to new endeavors following the close of the transaction and after a transition period.

Named to her role in 2020, Ms. Koolhaas previously served as vice president and operations leader for Kelly’s EMEA Region. She was promoted to vice president and operations leader for EMEA in 2013 and senior vice president in 2019. Ms. Koolhaas spent 12 years with USG People before joining Kelly in 2008 to lead operations across Western Europe.

Ms. Koolhaas’ separation arrangements will be reported at the time they are finalized.

Item 7.01. Regulation FD Disclosure.

On November 2, 2023, Kelly issued a press release announcing the purchase agreement with Gi. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2. of Form 8-K, the information contained or incorporated in this Item 7.01, including the press release furnished herewith as Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated November 2, 2023.
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.

November 2, 2023

/s/ Olivier G. Thirot
Olivier G. Thirot

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



Kelly Enters Agreement to Sell European Staffing Business to Gi Group Holdings S.P.A.

- **Enables greater focus on higher margin, higher growth global managed service provider (MSP) solutions, global recruitment process outsourcing (RPO) solutions, and specialty outcome-based and staffing services in North America**
- **Transaction expected to close in the first quarter of 2024; cash consideration of €100 million with additional earnout potential of up to €30 million**
- **Unlocks significant capital to invest in organic and inorganic growth**

TROY, Mich., (November 2, 2023) – Kelly (Nasdaq: KELYA, KELYB), a leading global specialty talent solutions provider, today announced that it has entered into a definitive agreement to sell its European staffing business to Gi Group Holdings S.P.A. (“Gi”), one of the largest staffing companies in Europe, for cash consideration of up to €130 million. The transaction is expected to close in the first quarter of 2024, subject to receipt of required regulatory approvals and other customary closing conditions.

Under the terms of the agreement, Kelly will transfer its European staffing business within its International operating segment to Gi. Kelly provides staffing services to customers in 14 countries across Europe. The company will retain its managed service provider, recruitment process outsourcing, and functional service provider (FSP) business with customers in the Europe, Middle East, and Africa (EMEA) region.

Following the close of the transaction, Kelly will maintain its global footprint and continue to provide MSP, RPO, and FSP solutions to customers in the EMEA region through KellyOCG, Kelly’s outsourcing and consulting group. As a leading global vendor-neutral provider of talent supply chain strategies and workforce solutions, KellyOCG leverages a network of 3,000 suppliers spanning 140 countries – including Gi – to connect customers across North America, Asia Pacific, and EMEA with top talent to grow their businesses. In Everest Group’s 2023 PEAK Matrix®, KellyOCG was recognized as a leader and major contender for its MSP and RPO solutions, respectively, with the latter earning KellyOCG star performer status. Everest Group also recognized KellyOCG as a leader and star performer in statement-of-work (SOW) management.

“The sale of Kelly’s European staffing business demonstrates our commitment to taking bold, transformative action to optimize our portfolio and maximize value creation,” said Peter Quigley, president and chief executive officer. “This transaction unlocks significant capital to pursue organic and inorganic investments in our chosen specialties. Furthermore, it sharpens our focus on our higher margin, higher growth global MSP solutions, global RPO solutions, and specialty outcome-based and staffing services in North America. Together, we expect these outcomes will accelerate Kelly’s progress toward achieving a normalized, adjusted EBITDA margin in the range of 3.3% to 3.5% as we shared in August and drive profitable growth over the long term.”

The transaction is the latest in a series of strategic actions Kelly has executed to unlock capital in pursuit of its specialty strategy and further optimize its operating model, which includes monetizing non-core real estate holdings and businesses; unwinding Kelly’s cross-shareholding arrangement with Persol and reducing the company’s ownership interest in PersolKelly, its Asia-Pacific staffing joint venture; selling its operations in Brazil and Russia; and most recently, implementing strategic restructuring actions which enhance organizational efficiency and effectiveness.

Quigley and Olivier Thirot, executive vice president and chief financial officer, will provide additional details about this transaction as it relates to the company’s specialty strategy during its upcoming third-quarter earnings conference call on November 9, 2023.

DLA Piper is serving as legal counsel to Kelly.

About Kelly®

Kelly Services, Inc. (Nasdaq: KELYA, KELYB) helps companies recruit and manage skilled workers and helps job seekers find great work. Since inventing the staffing industry in 1946, we have become experts in the many industries and local and global markets we serve. With a network of suppliers and partners around the world, we connect more than 450,000 people with work every year. Our suite of outsourcing and consulting services ensures companies have the people they need, when and where they are needed most. Headquartered in Troy, Michigan, we empower businesses and individuals to access limitless opportunities in industries such as science, engineering, technology, education, manufacturing, retail, finance, and energy. Revenue in 2022 was \$5.0 billion. Learn more at kellyservices.com.

Forward-Looking Statements

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about Kelly’s financial expectations, are forward-looking statements. Factors that could cause actual results to differ materially from those contained in this release include, but are not limited to, (i) changing market and economic conditions, (ii) disruption in the labor market and weakened demand for human capital resulting from technological advances, loss of large corporate customers and government contractor requirements, (iii) the impact of laws and regulations (including federal, state and international tax laws), (iv) unexpected changes in claim trends on workers’ compensation, unemployment, disability and medical benefit plans, (v) litigation and other legal liabilities (including tax liabilities) in excess of our estimates, (vi) our ability to achieve our business’s anticipated growth strategies, (vii) our future business development, results of operations and financial condition, (viii) damage to our brands, (ix) dependency on third parties for the execution of critical functions, (x) conducting business in foreign countries, including foreign currency fluctuations, (xi) availability of temporary workers with appropriate skills required by customers, (xii) cyberattacks or other breaches of network or information technology security, and (xiii) other risks, uncertainties and factors discussed in this release and in the Company’s filings with the Securities and Exchange Commission. In some cases, forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “target,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. All information provided in this press release is as of the date of this press release 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.

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