

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 10, 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 and nine months ended October 3, 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 November 10, 2021.
<a href="#">99.2</a>	Presentation materials for November 10, 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.

November 10, 2021

KELLY SERVICES, INC.

/s/ Olivier G. Thiro  
Olivier G. Thiro

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

November 10, 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**  
**THIRD-QUARTER 2021 EARNINGS AND ANNOUNCES DIVIDEND**

**Financial Highlights**

- Q3 revenue up 15.1%; 14.5% in constant currency
- Q3 operating earnings of \$9.0 million; up from a loss a year ago and up 25.9% on an adjusted basis
- Q3 earnings per share of \$0.87 up from \$0.42 a year ago; adjusted EPS of \$0.25 compared to \$0.29

TROY, Mich. (November 10, 2021) – Kelly® (Nasdaq: [KELYA](#), [KELYB](#)), a leading specialty talent solutions provider, today announced results for the third quarter of 2021.

Peter Quigley, president and chief executive officer, announced revenue for the third quarter of 2021 totaled \$1.2 billion, a 15.1% increase compared to the corresponding quarter of 2020. Revenue improved year-over-year in the quarter reflecting increased customer demand compared to the COVID-19-impacted prior year period.

Earnings from operations in the third quarter of 2021 totaled \$9.0 million, compared to a loss of \$2.4 million reported in the third quarter of 2020. Included in the third quarter of 2020 was a \$9.5 million charge related to a customer dispute in Mexico. On an adjusted basis, earnings from operations improved 25.9%.

Diluted earnings per share in the third quarter of 2021 were \$0.87 compared to \$0.42 per share in the third quarter of 2020. Included in the earnings per share is a non-cash gain per share, net of tax, on Kelly's investment in Persol Holdings common stock of \$0.62 in the third quarter of 2021 and \$0.29 in the third quarter of 2020. On an adjusted basis, earnings per share were \$0.25 in the third quarter of 2021 compared to \$0.29 in the corresponding quarter of 2020.

"We're pleased that all five of our specialty operating segments delivered organic year-over-year gains in the third quarter, contributing to solid revenue and GP dollar growth for the company," said Quigley, who noted that Kelly has already begun taking actions to better leverage top-line growth heading into 2022. "Demand for our solutions is strong, and we're finding innovative ways to connect talent and clients in a tight labor market. We're confident that Kelly's specialty strategy will continue to deliver top and bottom-line growth throughout the recovery and into the post-COVID environment."

Kelly also reported that on November 10, its board of directors declared a dividend of \$0.05 per share. The dividend is payable on December 8, 2021, to stockholders of record as of the close of business on November 24, 2021.

In conjunction with its third-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 November 10** 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 November 10, 2021, at (866) 207-1041 (toll-free) and (402) 970-0847 (caller-paid). The access code is 2025741#. 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](https://kellyservices.com) and let us help with what's next for you.

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#### **ANALYST CONTACT:**

**James Polehna**  
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**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 13 WEEKS ENDED OCTOBER 3, 2021 AND SEPTEMBER 27, 2020**  
**(UNAUDITED)**

(In millions of dollars except per share data)

	2021	2020	Change	% Change	CC % Change
<b>Revenue from services</b>	\$ 1,195.4	\$ 1,038.2	\$ 157.2	15.1 %	14.5 %
Cost of services	966.5	847.2	119.3	14.1	
<b>Gross profit</b>	228.9	191.0	37.9	19.8	19.2
Selling, general and administrative expenses	219.9	193.4	26.5	13.7	13.2
<b>Earnings (loss) from operations</b>	9.0	(2.4)	11.4	NM	
Gain (loss) on investment in Persol Holdings	35.5	16.8	18.7	112.0	
Other income (expense), net	(0.3)	(0.7)	0.4	50.1	
<b>Earnings (loss) before taxes and equity in net earnings (loss) of affiliate</b>	44.2	13.7	30.5	222.8	
Income tax expense (benefit)	11.1	(1.2)	12.3	NM	
<b>Net earnings (loss) before equity in net earnings (loss) of affiliate</b>	33.1	14.9	18.2	122.4	
Equity in net earnings (loss) of affiliate	1.7	1.8	(0.1)	(3.6)	
<b>Net earnings (loss)</b>	\$ 34.8	\$ 16.7	\$ 18.1	108.9	
<b>Basic earnings (loss) per share</b>	\$ 0.87	\$ 0.42	\$ 0.45	107.1	
<b>Diluted earnings (loss) per share</b>	\$ 0.87	\$ 0.42	\$ 0.45	107.1	

**STATISTICS:**

Permanent placement revenue (included in revenue from services)	\$ 19.7	\$ 9.1	\$ 10.6	118.0 %	116.6 %
Gross profit rate	19.2 %	18.4 %	0.8 pts.		
Conversion rate	3.9 %	(1.3) %	5.2 pts.		
Adjusted EBITDA	\$ 17.3	\$ 13.2	\$ 4.1		
Adjusted EBITDA margin	1.4 %	1.3 %	0.1 pts.		
Effective income tax rate	25.2 %	(8.5) %	33.7 pts.		
Average number of shares outstanding (millions):					
Basic	39.4	39.3			
Diluted	39.5	39.4			

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 39 WEEKS ENDED OCTOBER 3, 2021 AND SEPTEMBER 27, 2020**  
**(UNAUDITED)**

(In millions of dollars except per share data)

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>	<u>CC % Change</u>
<b>Revenue from services</b>	\$ 3,659.4	\$ 3,274.6	\$ 384.8	11.8 %	10.3 %
Cost of services	2,986.2	2,671.1	315.1	11.8	
<b>Gross profit</b>	673.2	603.5	69.7	11.5	10.1
Selling, general and administrative expenses	639.9	591.0	48.9	8.3	7.0
Goodwill impairment charge	—	147.7	(147.7)	NM	
Gain on sale of assets	—	(32.1)	32.1	NM	
<b>Earnings (loss) from operations</b>	33.3	(103.1)	136.4	NM	
Gain (loss) on investment in Persol Holdings	71.8	(31.4)	103.2	NM	
Other income (expense), net	(4.0)	3.6	(7.6)	(211.5)	
<b>Earnings (loss) before taxes and equity in net earnings (loss) of affiliate</b>	101.1	(130.9)	232.0	NM	
Income tax expense (benefit)	19.0	(36.5)	55.5	152.0	
<b>Net earnings (loss) before equity in net earnings (loss) of affiliate</b>	82.1	(94.4)	176.5	NM	
Equity in net earnings (loss) of affiliate	2.3	(1.0)	3.3	NM	
<b>Net earnings (loss)</b>	\$ 84.4	\$ (95.4)	\$ 179.8	NM	
<b>Basic earnings (loss) per share</b>	\$ 2.12	\$ (2.43)	\$ 4.55	NM	
<b>Diluted earnings (loss) per share</b>	\$ 2.12	\$ (2.43)	\$ 4.55	NM	

**STATISTICS:**

Permanent placement revenue (included in revenue from services)	\$ 54.3	\$ 28.9	\$ 25.4	87.8 %	84.5 %
Gross profit rate	18.4 %	18.4 %	— pts.		
Conversion rate	4.9 %	(17.1) %	22.0 pts.		
Adjusted EBITDA	\$ 56.4	\$ 48.6	\$ 7.8		
Adjusted EBITDA margin	1.5 %	1.5 %	— pts.		
Effective income tax rate	18.8 %	27.9 %	(9.1) pts.		
Average number of shares outstanding (millions):					
Basic	39.4	39.3			
Diluted	39.5	39.3			



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

Third Quarter

	2021	2020	% Change	CC % Change
<b>Professional &amp; Industrial</b>				
Revenue from services	\$ 452.6	\$ 446.5	1.4 %	1.0 %
Gross profit	76.6	77.1	(0.5)	(0.9)
SG&A expenses excluding restructuring charges	69.4	65.4	6.2	5.9
Restructuring charges	—	(0.1)	NM	NM
Total SG&A expenses	69.4	65.3	6.2	5.9
Earnings (loss) from operations	7.2	11.8	(38.1)	
Earnings (loss) from operations excluding restructuring charges	7.2	11.7	(38.1)	
Gross profit rate	16.9 %	17.3 %	(0.4) pts.	
<b>Science, Engineering &amp; Technology</b>				
Revenue from services	\$ 306.2	\$ 244.0	25.5 %	25.3 %
Gross profit	68.1	50.7	34.5	34.4
SG&A expenses excluding restructuring charges	48.4	31.3	54.8	54.6
Restructuring charges	—	—	NM	NM
Total SG&A expenses	48.4	31.3	54.8	54.6
Earnings (loss) from operations	19.7	19.4	1.7	
Earnings (loss) from operations excluding restructuring charges	19.7	19.4	1.7	
Gross profit rate	22.3 %	20.8 %	1.5 pts.	
<b>Education</b>				
Revenue from services	\$ 66.6	\$ 27.5	142.1 %	142.1 %
Gross profit	10.0	4.1	139.7	139.7
SG&A expenses excluding restructuring charges	17.0	11.6	45.9	45.9
Restructuring charges	—	—	NM	NM
Total SG&A expenses	17.0	11.6	46.1	46.1
Earnings (loss) from operations	(7.0)	(7.5)	6.6	
Earnings (loss) from operations excluding restructuring charges	(7.0)	(7.5)	6.7	
Gross profit rate	15.1 %	15.2 %	(0.1) pts.	
<b>Outsourcing &amp; Consulting</b>				
Revenue from services	\$ 113.4	\$ 87.9	29.1 %	28.6 %
Gross profit	37.3	29.1	27.9	26.9
SG&A expenses excluding restructuring charges	30.7	25.4	20.5	19.8
Restructuring charges	—	—	NM	NM
Total SG&A expenses	30.7	25.4	20.5	19.7
Earnings (loss) from operations	6.6	3.7	79.1	
Earnings (loss) from operations excluding restructuring charges	6.6	3.7	78.7	
Gross profit rate	32.8 %	33.1 %	(0.3) pts.	
<b>International</b>				
Revenue from services	\$ 256.8	\$ 232.4	10.5 %	8.8 %
Gross profit	36.9	30.0	22.7	21.0
SG&A expenses excluding restructuring charges	34.5	39.9	(13.6)	(14.8)
Restructuring charges	—	—	NM	NM
Total SG&A expenses	34.5	39.9	(13.6)	(14.8)
Earnings (loss) from operations	2.4	(9.9)	NM	
Earnings (loss) from operations excluding restructuring charges	2.4	(9.9)	NM	
Gross profit rate	14.4 %	12.9 %	1.5 pts.	

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

	September Year to Date			
	2021	2020	% Change	CC % Change
<b>Professional &amp; Industrial</b>				
Revenue from services	\$ 1,386.7	\$ 1,346.7	3.0 %	2.5 %
Gross profit	227.7	241.1	(5.5)	(6.0)
SG&A expenses excluding restructuring charges	207.8	206.1	0.8	0.5
Restructuring charges	—	4.3	NM	NM
Total SG&A expenses	207.8	210.4	(1.2)	(1.6)
Earnings (loss) from operations	19.9	30.7	(34.9)	
Earnings (loss) from operations excluding restructuring charges	19.9	35.0	(43.0)	
Gross profit rate	16.4 %	17.9 %	(1.5) pts.	
<b>Science, Engineering &amp; Technology</b>				
Revenue from services	\$ 859.1	\$ 761.5	12.8 %	12.6 %
Gross profit	187.8	156.0	20.4	20.2
SG&A expenses excluding restructuring charges	131.0	98.6	32.9	32.7
Restructuring charges	—	0.5	NM	NM
Total SG&A expenses	131.0	99.1	32.2	32.0
Earnings (loss) from operations	56.8	56.9	(0.2)	
Earnings (loss) from operations excluding restructuring charges	56.8	57.4	(1.1)	
Gross profit rate	21.9 %	20.5 %	1.4 pts.	
<b>Education</b>				
Revenue from services	\$ 284.1	\$ 195.1	45.6 %	45.6 %
Gross profit	44.0	28.8	52.5	52.5
SG&A expenses excluding restructuring charges	46.5	36.9	26.0	26.0
Restructuring charges	—	0.8	NM	NM
Total SG&A expenses	46.5	37.7	23.1	23.1
Earnings (loss) from operations	(2.5)	(8.9)	72.1	
Earnings (loss) from operations excluding restructuring charges	(2.5)	(8.1)	69.0	
Gross profit rate	15.5 %	14.8 %	0.7 pts.	
<b>Outsourcing &amp; Consulting</b>				
Revenue from services	\$ 320.0	\$ 261.0	22.6 %	21.2 %
Gross profit	103.4	87.1	18.7	16.3
SG&A expenses excluding restructuring charges	89.2	79.1	12.7	10.9
Restructuring charges	—	—	NM	NM
Total SG&A expenses	89.2	79.1	12.6	10.8
Earnings (loss) from operations	14.2	8.0	79.0	
Earnings (loss) from operations excluding restructuring charges	14.2	8.0	77.5	
Gross profit rate	32.3 %	33.4 %	(1.1) pts.	
<b>International</b>				
Revenue from services	\$ 810.1	\$ 710.6	14.0 %	9.0 %
Gross profit	110.3	90.5	21.8	16.3
SG&A expenses excluding restructuring charges	102.2	100.3	1.8	(2.8)
Restructuring charges	—	1.1	NM	NM
Total SG&A expenses	102.2	101.4	0.7	(3.9)
Earnings (loss) from operations	8.1	(10.9)	NM	
Earnings (loss) from operations excluding restructuring charges	8.1	(9.8)	NM	
Gross profit rate	13.6 %	12.7 %	0.9 pts.	

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

	October 3, 2021	January 3, 2021	September 27, 2020
<b>Current Assets</b>			
Cash and equivalents	\$ 43.5	\$ 223.0	\$ 248.2
Trade accounts receivable, less allowances of \$12.3, \$13.3, and \$11.4, respectively	1,423.9	1,265.2	1,111.4
Prepaid expenses and other current assets	71.0	61.4	71.4
<b>Total current assets</b>	<b>1,538.4</b>	<b>1,549.6</b>	<b>1,431.0</b>
<b>Noncurrent Assets</b>			
Property and equipment, net	36.1	41.0	40.8
Operating lease right-of-use assets	79.3	83.2	84.0
Deferred taxes	304.0	282.0	273.3
Goodwill, net	114.8	3.5	—
Investment in Persol Holdings	222.6	164.2	145.8
Investment in equity affiliate	122.0	118.5	115.6
Other assets	386.3	319.9	301.2
<b>Total noncurrent assets</b>	<b>1,265.1</b>	<b>1,012.3</b>	<b>960.7</b>
<b>Total Assets</b>	<b>\$ 2,803.5</b>	<b>\$ 2,561.9</b>	<b>\$ 2,391.7</b>
<b>Current Liabilities</b>			
Short-term borrowings	\$ —	\$ 0.3	\$ 0.5
Accounts payable and accrued liabilities	645.2	536.8	458.4
Operating lease liabilities	18.4	19.6	19.5
Accrued payroll and related taxes	334.9	293.0	240.7
Accrued workers' compensation and other claims	21.1	22.7	25.0
Income and other taxes	58.4	53.2	52.4
<b>Total current liabilities</b>	<b>1,078.0</b>	<b>925.6</b>	<b>796.5</b>
<b>Noncurrent Liabilities</b>			
Operating lease liabilities	64.1	67.5	68.1
Accrued payroll and related taxes	58.2	58.5	75.7
Accrued workers' compensation and other claims	39.1	42.2	44.4
Accrued retirement benefits	213.5	205.8	188.2
Other long-term liabilities	76.5	59.3	52.7
<b>Total noncurrent liabilities</b>	<b>451.4</b>	<b>433.3</b>	<b>429.1</b>
<b>Stockholders' Equity</b>			
Common stock	40.1	40.1	40.1
Treasury stock	(15.2)	(17.1)	(17.2)
Paid-in capital	23.2	21.3	20.6
Earnings invested in the business	1,245.3	1,162.9	1,139.5
Accumulated other comprehensive income (loss)	(19.3)	(4.2)	(16.9)
<b>Total stockholders' equity</b>	<b>1,274.1</b>	<b>1,203.0</b>	<b>1,166.1</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 2,803.5</b>	<b>\$ 2,561.9</b>	<b>\$ 2,391.7</b>
<b>STATISTICS:</b>			
Working Capital	\$ 460.4	\$ 624.0	\$ 634.5
Current Ratio	1.4	1.7	1.8
Debt-to-capital %	0.0 %	0.0 %	0.0 %
Global Days Sales Outstanding	63	64	61
Year-to-Date Free Cash Flow	\$ 23.5	\$ 170.5	\$ 204.2

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE 39 WEEKS ENDED OCTOBER 3, 2021 AND SEPTEMBER 27, 2020**  
**(UNAUDITED)**  
(In millions of dollars)

	2021	2020
<b>Cash flows from operating activities:</b>		
Net earnings (loss)	\$ 84.4	\$ (95.4)
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	22.0	18.0
Operating lease asset amortization	16.0	15.9
Provision for credit losses and sales allowances	0.8	10.7
Stock-based compensation	4.0	2.9
(Gain) loss on investment in Persol Holdings	(71.8)	31.4
Gain on sale of assets	—	(32.1)
Equity in net (earnings) loss of PersolKelly Pte. Ltd.	(2.3)	1.0
Other, net	4.6	1.8
Changes in operating assets and liabilities, net of acquisitions	(26.7)	137.6
<b>Net cash from operating activities</b>	<b>31.0</b>	<b>216.5</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(7.5)	(12.3)
Proceeds from sale of assets	—	55.5
Acquisition of companies, net of cash received	(213.0)	(36.4)
Proceeds from company-owned life insurance	10.4	2.3
Proceeds from sale of Brazil, net of cash disposed	—	1.2
Proceeds from loans with equity affiliate	5.8	—
Proceeds from (investment in) equity securities	5.0	(0.2)
Other investing activities	0.9	0.2
<b>Net cash (used in) from investing activities</b>	<b>(198.4)</b>	<b>10.3</b>
<b>Cash flows from financing activities:</b>		
Net change in short-term borrowings	(0.2)	(1.5)
Financing lease payments	(1.3)	(1.0)
Dividend payments	(2.0)	(3.0)
Payments of tax withholding for stock awards	(0.6)	(1.2)
Contingent consideration payments	(1.6)	—
Other financing activities	—	(0.1)
<b>Net cash used in financing activities</b>	<b>(5.7)</b>	<b>(6.8)</b>
<b>Effect of exchange rates on cash, cash equivalents and restricted cash</b>	<b>(3.9)</b>	<b>3.4</b>
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>(177.0)</b>	<b>223.4</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>\$ 51.1</b>	<b>\$ 254.4</b>

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

	Third Quarter			
	2021	2020	% Change	CC % Change
<b>Americas</b>				
United States	\$ 851.7	\$ 740.6	15.0 %	15.0 %
Canada	43.3	30.3	42.8	35.1
Puerto Rico	25.5	18.4	39.2	39.2
Mexico	14.4	27.4	(47.4)	(52.7)
Brazil	—	1.8	NM	NM
<b>Total Americas Region</b>	<b>934.9</b>	<b>818.5</b>	<b>14.2</b>	<b>13.8</b>
<b>Europe</b>				
France	56.3	48.8	15.4	14.3
Switzerland	54.5	49.6	10.0	9.8
Portugal	36.6	31.7	15.6	14.6
Russia	33.0	27.2	21.3	21.1
Italy	18.5	14.5	27.5	26.4
United Kingdom	17.2	16.4	4.5	(2.1)
Germany	9.0	7.0	28.2	27.3
Ireland	7.4	4.9	49.9	48.8
Other	17.3	12.0	44.4	43.0
<b>Total Europe Region</b>	<b>249.8</b>	<b>212.1</b>	<b>17.8</b>	<b>16.6</b>
<b>Total Asia-Pacific Region</b>	<b>10.7</b>	<b>7.6</b>	<b>41.4</b>	<b>39.3</b>
<b>Total Kelly Services, Inc.</b>	<b>\$ 1,195.4</b>	<b>\$ 1,038.2</b>	<b>15.1 %</b>	<b>14.5 %</b>

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

	September Year to Date			
	2021	2020	% Change	CC % Change
<b>Americas</b>				
United States	\$ 2,604.8	\$ 2,369.2	9.9 %	9.9 %
Canada	116.9	88.7	31.8	21.9
Mexico	82.1	78.6	4.5	(1.8)
Puerto Rico	76.6	56.1	36.6	36.6
Brazil	—	17.0	NM	NM
<b>Total Americas Region</b>	<b>2,880.4</b>	<b>2,609.6</b>	<b>10.4</b>	<b>9.8</b>
<b>Europe</b>				
France	168.1	141.2	19.0	11.9
Switzerland	161.2	141.2	14.2	9.6
Portugal	120.9	99.1	22.0	14.5
Russia	99.3	88.6	12.1	17.5
Italy	56.0	42.5	31.7	23.9
United Kingdom	51.9	56.5	(8.2)	(15.8)
Germany	24.6	22.1	11.3	5.1
Ireland	18.8	14.0	34.1	26.8
Other	49.9	38.7	29.0	21.6
<b>Total Europe Region</b>	<b>750.7</b>	<b>643.9</b>	<b>16.6</b>	<b>11.6</b>
<b>Total Asia-Pacific Region</b>	<b>28.3</b>	<b>21.1</b>	<b>33.9</b>	<b>24.9</b>
<b>Total Kelly Services, Inc.</b>	<b>\$ 3,659.4</b>	<b>\$ 3,274.6</b>	<b>11.8 %</b>	<b>10.3 %</b>

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

	2021			2020	
	As Reported	Restructuring <sup>(5)</sup>	Adjusted	Adjusted	
<b>SG&amp;A Expenses:</b>					
Professional & Industrial	\$ 69.4	\$ —	\$ 69.4	\$	65.4
Science, Engineering & Technology	48.4	—	48.4		31.3
Education	17.0	—	17.0		11.6
Outsourcing & Consulting	30.7	—	30.7		25.4
International	34.5	—	34.5		30.4
Corporate	19.9	0.1	20.0		19.9
<b>Total Company</b>	<b>\$ 219.9</b>	<b>\$ 0.1</b>	<b>\$ 220.0</b>	<b>\$</b>	<b>184.0</b>

	2021			2020	
	As Reported	Restructuring <sup>(5)</sup>	Adjusted	Adjusted	
<b>Earnings (loss) from Operations:</b>					
Professional & Industrial	\$ 7.2	\$ —	\$ 7.2	\$	11.7
Science, Engineering & Technology	19.7	—	19.7		19.4
Education	(7.0)	—	(7.0)		(7.5)
Outsourcing & Consulting	6.6	—	6.6		3.7
International	2.4	—	2.4		(0.4)
Corporate	(19.9)	(0.1)	(20.0)		(19.9)
<b>Total Company</b>	<b>\$ 9.0</b>	<b>\$ (0.1)</b>	<b>\$ 8.9</b>	<b>\$</b>	<b>7.0</b>





**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SEPTEMBER YEAR TO DATE**  
**(UNAUDITED)**  
(In millions of dollars)

SG&A Expenses:	2021			2020
	As Reported	Restructuring <sup>(5)</sup>	Adjusted	Adjusted
Professional & Industrial	\$ 207.8	\$ —	\$ 207.8	\$ 206.1
Science, Engineering & Technology	131.0	—	131.0	98.6
Education	46.5	—	46.5	36.9
Outsourcing & Consulting	89.2	—	89.2	79.1
International	102.2	—	102.2	90.8
Corporate	63.2	0.1	63.3	61.6
<b>Total Company</b>	<b>\$ 639.9</b>	<b>\$ 0.1</b>	<b>\$ 640.0</b>	<b>\$ 573.1</b>

Earnings (loss) from Operations:	2021			2020
	As Reported	Restructuring <sup>(5)</sup>	Adjusted	Adjusted
Professional & Industrial	\$ 19.9	\$ —	\$ 19.9	\$ 35.0
Science, Engineering & Technology	56.8	—	56.8	57.4
Education	(2.5)	—	(2.5)	(8.1)
Outsourcing & Consulting	14.2	—	14.2	8.0
International	8.1	—	8.1	(0.3)
Corporate	(63.2)	(0.1)	(63.3)	(61.6)
<b>Total Company</b>	<b>\$ 33.3</b>	<b>\$ (0.1)</b>	<b>\$ 33.2</b>	<b>\$ 30.4</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SEPTEMBER YEAR TO DATE**  
**(UNAUDITED)**  
(In millions of dollars)

SG&A Expenses:	2020			
	As Reported	Customer Dispute <sup>(4)</sup>	Restructuring <sup>(5)</sup>	Adjusted
Professional & Industrial	\$ 210.4	\$ —	\$ (4.3)	\$ 206.1
Science, Engineering & Technology	99.1	—	(0.5)	98.6
Education	37.7	—	(0.8)	36.9
Outsourcing & Consulting	79.1	—	—	79.1
International	101.4	(9.5)	(1.1)	90.8
Corporate	63.3	—	(1.7)	61.6
<b>Total Company</b>	<b>\$ 591.0</b>	<b>\$ (9.5)</b>	<b>\$ (8.4)</b>	<b>\$ 573.1</b>

Earnings (loss) from Operations:	2020					
	As Reported	Goodwill impairment <sup>(1)</sup>	Gain on sale of assets <sup>(3)</sup>	Customer Dispute <sup>(4)</sup>	Restructuring <sup>(5)</sup>	Adjusted
Professional & Industrial	\$ 30.7	\$ —	\$ —	\$ —	\$ 4.3	\$ 35.0
Science, Engineering & Technology	56.9	—	—	—	0.5	57.4
Education	(8.9)	—	—	—	0.8	(8.1)
Outsourcing & Consulting	8.0	—	—	—	—	8.0
International	(10.9)	—	—	9.5	1.1	(0.3)
Corporate	(178.9)	147.7	(32.1)	—	1.7	(61.6)
<b>Total Company</b>	<b>\$ (103.1)</b>	<b>\$ 147.7</b>	<b>\$ (32.1)</b>	<b>\$ 9.5</b>	<b>\$ 8.4</b>	<b>\$ 30.4</b>

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

(In millions of dollars except per share data)

	Third Quarter		September Year to Date	
	2021	2020	2021	2020
Income tax expense (benefit)	\$ 11.1	\$ (1.2)	\$ 19.0	\$ (36.5)
Taxes on goodwill impairment charge <sup>(1)</sup>	—	—	—	23.0
Taxes on investment in Persol Holdings <sup>(2)</sup>	(10.9)	(5.2)	(22.0)	9.6
Taxes on gain on sale of assets <sup>(3)</sup>	—	—	—	(8.1)
Taxes on customer dispute <sup>(4)</sup>	—	2.8	—	2.8
Taxes on restructuring charges <sup>(5)</sup>	—	—	—	2.2
Adjusted income tax expense (benefit)	<u>\$ 0.2</u>	<u>\$ (3.6)</u>	<u>\$ (3.0)</u>	<u>\$ (7.0)</u>

	Third Quarter		September Year to Date	
	2021	2020	2021	2020
Net earnings (loss)	\$ 34.8	\$ 16.7	\$ 84.4	\$ (95.4)
Goodwill impairment charge, net of taxes <sup>(1)</sup>	—	—	—	124.7
(Gain) loss on investment in Persol Holdings, net of taxes <sup>(2)</sup>	(24.6)	(11.6)	(49.8)	21.8
(Gain) loss on sale of assets, net of taxes <sup>(3)</sup>	—	0.1	—	(23.9)
Customer dispute, net of taxes <sup>(4)</sup>	—	6.7	—	6.7
Restructuring charges, net of taxes <sup>(5)</sup>	(0.1)	(0.1)	(0.1)	6.2
Adjusted net earnings	<u>\$ 10.1</u>	<u>\$ 11.8</u>	<u>\$ 34.5</u>	<u>\$ 40.1</u>

	Third Quarter		September Year to Date	
	2021	2020	2021	2020
	Per Share		Per Share	
Net earnings (loss)	\$ 0.87	\$ 0.42	\$ 2.12	\$ (2.43)
Goodwill impairment charge, net of taxes <sup>(1)</sup>	—	—	—	3.18
(Gain) loss on investment in Persol Holdings, net of taxes <sup>(2)</sup>	(0.62)	(0.29)	(1.25)	0.56
Gain on sale of assets, net of taxes <sup>(3)</sup>	—	—	—	(0.61)
Customer dispute, net of taxes <sup>(4)</sup>	—	0.17	—	0.17
Restructuring charges, net of taxes <sup>(5)</sup>	—	—	—	0.16
Adjusted net earnings	<u>\$ 0.25</u>	<u>\$ 0.29</u>	<u>\$ 0.86</u>	<u>\$ 1.02</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)**  
(In millions of dollars)

	Third Quarter		September Year to Date	
	2021	2020	2021	2020
Net earnings (loss)	\$ 34.8	\$ 16.7	\$ 84.4	\$ (95.4)
Other (income) expense, net	0.3	0.7	4.0	(3.6)
Income tax expense (benefit)	11.1	(1.2)	19.0	(36.5)
Depreciation and amortization	8.4	6.2	23.2	18.2
EBITDA	54.6	22.4	130.6	(117.3)
Equity in net (earnings) loss of affiliate	(1.7)	(1.8)	(2.3)	1.0
Goodwill impairment charge <sup>(1)</sup>	—	—	—	147.7
(Gain) loss on investment in Persol Holdings <sup>(2)</sup>	(35.5)	(16.8)	(71.8)	31.4
Gain on sale of assets <sup>(3)</sup>	—	—	—	(32.1)
Customer dispute <sup>(4)</sup>	—	9.5	—	9.5
Restructuring <sup>(5)</sup>	(0.1)	(0.1)	(0.1)	8.4
<b>Adjusted EBITDA</b>	<b>\$ 17.3</b>	<b>\$ 13.2</b>	<b>\$ 56.4</b>	<b>\$ 48.6</b>
<b>Adjusted EBITDA margin</b>	<b>1.4 %</b>	<b>1.3 %</b>	<b>1.5 %</b>	<b>1.5 %</b>

**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, the 2020 customer dispute 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.

Management uses Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA Margin (percent of total GAAP revenue) which Management believes is useful to compare operating performance compared to prior periods and uses it in conjunction with GAAP measures to assess performance. Our calculation of Adjusted EBITDA may not be consistent with similarly titled measures of other companies and should be used in conjunction with GAAP measurements.

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) Customer dispute represents a non-cash charge in Mexico to increase the reserve against a long-term receivable from a former customer based on an updated probability of loss assessment.
- (5) Restructuring charges in 2020 and subsequent adjustments in 2021 represent severance costs and lease terminations in preparation for the new operating model adopted in the third quarter of 2020.

# THIRD QUARTER 2021



Kelly

November 10, 2021



## NON-GAAP MEASURES

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2021 and 2020 gains and losses on the investment in Persol Holdings, the 2020 loss on sale of assets, the 2020 customer dispute and the 2021 and 2020 restructuring accrual adjustments, 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.

Management uses Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA Margin (percent of total GAAP revenue) which Management believes is useful to compare operating performance compared to prior periods and uses it in conjunction with GAAP measures to assess performance. Our calculation of Adjusted EBITDA may not be consistent with similarly titled measures of other companies and should be used in conjunction with GAAP measurements.

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.



## THIRD QUARTER 2021 TAKEAWAYS

Economic recovery continues but moderates on impact of Delta variant

- Q3 revenue up 15.1% on a reported basis, up 14.5% in constant currency<sup>(1)</sup>
  - Includes 320 bps impact from the acquisition of Softworld, Inc. ("Softworld") on April 5, 2021
- For the second consecutive quarter, all operating segments have returned to year-over-year revenue growth and total Company revenue recovery ratio<sup>(2)</sup> is up 200 bps to 91%

Near-term steps to capitalize on improving demand

- Continuing robust return to workplace protocols and addressing masking and vaccine mandates by regulators and customers
- Addressing talent supply in Education and talent supply and fulfillment challenges in Professional & Industrial to meet customer demand and accelerate revenue growth
- Executing cost management actions expected to result in structural cost savings beginning in Q1 2022 while continuing with organic investment in our selected specialties

Continued focus on our future

- Using Helix UX technology to enable customers to better understand and manage their global workforce and deepen their relationship with Kelly
- Addressing the structural skills mismatch with Equity@Work to tackle systemic barriers that prevent people from connecting with work, including Kelly 33, a program to connect talented job seekers who have non-violent, non-relevant criminal background with customers in need of their skills

<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>Recovery ratio is defined as 2021 organic revenue on a 2019 constant currency basis divided by 2019 revenue.

## THIRD QUARTER 2021 FINANCIAL SUMMARY

	Actual Results	Change Increase/(Decrease)	
		As Reported	As Adjusted <sup>(1)</sup>
Revenue	\$1.2B	15.1%	15.1%
		14.5% CC <sup>(2)</sup>	14.5% CC <sup>(2)</sup>
Gross Profit %	19.2%	80 bps	80 bps
Earnings from Operations	\$9.0M	NM	25.9%
		NM CC <sup>(2)</sup>	22.2% CC <sup>(2)</sup>
Adjusted EBITDA <sup>(1)</sup>	\$17.3M		29.9%
Adjusted EBITDA Margin <sup>(1)</sup>	1.4%		10 bps

<sup>(1)</sup>See reconciliation of Non-GAAP Measures included in Form 8-K dated November 10, 2021.

<sup>(2)</sup>Constant Currency ("CC") 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>

	Q3 2021 <sup>(2)</sup>	Q3 2021 (Recovery Rate <sup>(3)</sup> )	Q2 2021 (Recovery Rate <sup>(3)</sup> )
<b>Total</b>	14.5%	91%	89%
<b>Professional &amp; Industrial</b>	1.0%	84%	83%
<b>Science, Engineering &amp; Technology</b>	25.3%	95%	91%
<b>Education</b>	142.1%	117%	90%
<b>Outsourcing &amp; Consulting</b>	28.6%	119%	111%
<b>International</b>	8.8%	85%	89%

<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>Includes the 2021 results of Softworld, which was acquired as of April 5, 2021, and was included in the reported results of operations in Science, Engineering & Technology from the date of acquisition.

<sup>(3)</sup>Recovery rate is defined as 2021 organic revenue on a 2019 constant currency basis divided by 2019 revenue.

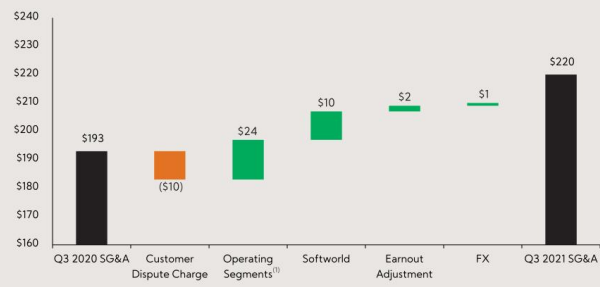
## THIRD QUARTER 2021 GROSS PROFIT RATE GROWTH



- Overall GP rate improved as a result of higher perm fees and the acquisition of Softwareworld, which generates higher gross profit rates. This was partially offset by unfavorable product mix and the impact of higher employee-related costs in the U.S.
- Softwareworld added 50 bps to the total company GP rate as it delivers higher margins from specialty services
- Permanent placement fees increased as customers accelerated permanent hiring activity and due to the Q4 2020 acquisition of Greenwood/Asher & Associates
- Professional & Industrial was impacted by unfavorable product mix as staffing services grew more quickly than outcome-based services, higher costs in outcome-based services and the impact of higher employee-related costs

## THIRD QUARTER 2021 SG&A

\$ in millions

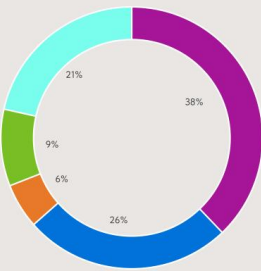


- Customer dispute charge was a Q3 2020 charge related to a former customer in Mexico
- Expenses in the Operating Segments, excluding Softworld, increased primarily as a result of the cessation of temporary expense mitigation actions that were enacted at the onset of COVID-19 in 2020 and from higher performance-based incentive compensation expenses
- Softworld expenses include amortization expense related to acquired intangible assets
- Earnout Adjustment relates to contingent consideration due to the former owners of Greenwood/Asher & Associates, which was acquired in Q4 2020

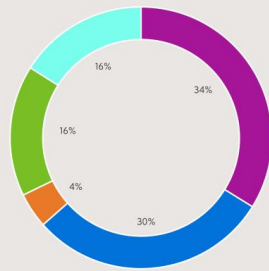
<sup>(1)</sup>Excludes 2021 results of Softworld, which was acquired as of April 5, 2021, and was included in the reported results of operations in Science, Engineering & Technology from the date of acquisition.

# THIRD QUARTER 2021 REVENUE & GROSS PROFIT MIX

REVENUE MIX BY SEGMENT



GROSS PROFIT MIX BY SEGMENT



Professional & Industrial Science, Engineering & Technology Education Outsourcing & Consulting International

## THIRD QUARTER 2021 EPS SUMMARY

\$ in millions except per share data

	Third Quarter			
	2021		2020	
	Amount	Per Share	Amount	Per Share
<b>Net earnings (loss)</b>	\$34.8	\$0.87	\$16.7	\$0.42
<b>(Gain) loss on investment in Persol Holdings, net of taxes<sup>(1)</sup></b>	(24.6)	(0.62)	(11.6)	(0.29)
<b>(Gain) loss on sale of assets, net of taxes<sup>(2)</sup></b>	-	-	0.1	-
<b>Customer dispute, net of taxes<sup>(3)</sup></b>	-	-	6.7	0.17
<b>Restructuring charges, net of taxes<sup>(4)</sup></b>	(0.1)	-	(0.1)	-
<b>Adjusted net earnings</b>	<u>\$10.1</u>	<u>\$0.25</u>	<u>\$11.8</u>	<u>\$0.29</u>

<sup>(1)</sup>Gain on investment in Persol Holdings of \$35.5 million, \$24.6 million net of tax or \$0.62 per share in Q3 2021 and gain on investment in Persol Holdings of \$16.8 million, \$11.6 million net of tax or \$0.29 per share in Q3 2020.

<sup>(2)</sup>Loss on sale of assets of \$0.1 million, \$0.1 million, net of tax or \$0.00 per share in Q3 2020.

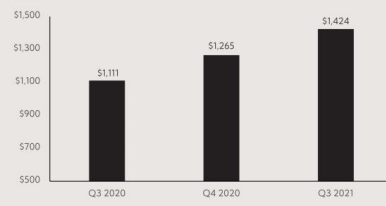
<sup>(3)</sup>Customer dispute charge related to Mexico of \$9.5 million, \$6.7 million net of tax or \$0.17 per share in Q3 2020.

<sup>(4)</sup>Restructuring accrual adjustments of \$0.1 million, \$0.1 million net of tax or \$0.00 per share in Q3 2021 and Q3 2020.

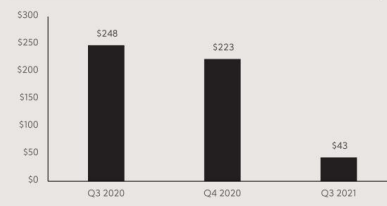
## THIRD QUARTER 2021 BALANCE SHEET DATA

\$ in millions

### ACCOUNTS RECEIVABLE



### CASH, NET OF SHORT-TERM BORROWINGS



- Accounts Receivable reflects DSO of 63 days, up 2 days from a year ago and down 1 day from Q4 2020
- Cash of \$43 million net of \$0 short-term borrowings decreased from Q4 2020 as a result of cash paid upon the acquisition of Softworld during the second quarter of 2021
  - U.S. credit facilities include a \$200 million revolving credit facility and a \$150 million securitization facility



## OUTLOOK – FULL YEAR 2021

### Revenue

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- Up 9.5% to 10.5% YOY
  - Includes 210 to 230 from Softworld acquisition
  - In nominal currency

### GP Rate

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- 18.5% rate expected to be favorable to pre-COVID margins
  - Includes 30 bps impact from Softworld acquisition
  - Favorable impact of higher fee-based business and slower recovery of lower margin specialties
  - 2020 results include favorable impact of 20 bps from COVID related wage subsidies

### SG&A

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- Up 10% to 11%
  - Includes costs savings from 2020 restructuring actions
  - Reflects organic investment in SET, Education and OCG specialty growth

### Tax Rate

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



## 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 \$34.0 billion, making it the largest professional staffing segment<sup>(1)</sup>

<sup>(1)</sup>Staffing Industry Analysts U.S. Staffing Industry Forecast | September 7, 2021

## OUR OPERATING MODEL ALIGNS TO THESE SPECIALTIES.

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

	Kelly Professional & Industrial	Kelly Science, Engineering, Technology & Telecom	Kelly Education	Kelly OCG	Kelly International
Revenue	\$1.9B	\$1.0B <sup>(1)</sup>	\$0.3B <sup>(2)</sup>	\$0.4B	\$1.0B
GP Rate	17.8%	20.5% <sup>(3)</sup>	14.7%	33.0%	12.7%
Geographic Span	North America	North America	U.S.	Global	EMEA & Mexico
Specialties	<ul style="list-style-type: none"> <li>– Industrial</li> <li>– Contact Center</li> <li>– Office</li> <li>– Professional</li> </ul>	<ul style="list-style-type: none"> <li>– Engineering</li> <li>– Science &amp; Clinical</li> <li>– IT</li> <li>– Telecom</li> </ul>	<ul style="list-style-type: none"> <li>– K-12</li> <li>– Early Childhood</li> <li>– Higher Ed</li> <li>– Special Needs</li> </ul>	<ul style="list-style-type: none"> <li>– MSP<sup>(4)</sup></li> <li>– RPO<sup>(4)</sup></li> <li>– PPO<sup>(4)</sup></li> <li>– Consulting</li> </ul>	<ul style="list-style-type: none"> <li>– EMEA Regional</li> <li>– Life Sciences</li> <li>– Local Niches</li> </ul>

Kelly size and margin profiles are based on 2020 full year results.

<sup>(1)</sup>Kelly SET revenue and GP rate was \$1.1B and 22.0%, respectively, including the results of Softworld on a pro forma basis.

<sup>(2)</sup>Kelly Education revenue was \$0.5B prior to COVID-19 pandemic disruption in 2019, including the results of Insight on a pro forma basis.

<sup>(4)</sup>Managed Service Provider (MSP); Recruitment Process Outsourcing (RPO); Professional Payroll Outsourcing (PPO)

# OUR M&A ACTIVITIES ARE SHIFTING OUR PORTFOLIO.

