

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): August 11, 2022

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 six months ended July 3, 2022. 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 August 11, 2022.  |
| <a href="#">99.2</a>      | Presentation materials for August 11, 2022 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.

August 11, 2022

KELLY SERVICES, INC.

/s/ Olivier G. Thiro  
Olivier G. Thiro

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

August 11, 2022

/s/ Laura S. Lockhart  
Laura S. Lockhart

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

EXHIBIT INDEX

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|--------------------|---|
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## Kelly Reports Second-Quarter 2022 Earnings

- **Q2 revenue up 0.7% from a year ago; 2.7% in constant currency**
- **Q2 operating earnings of \$8.2 million and earnings per share of \$0.06 down from a year ago primarily due to a non-cash impairment charge related to our operations in Russia**
- **Adjusted operating earnings of \$22.3 million; up 63% from a year ago**
- **Completed the acquisition of Pediatric Therapeutic Services in May to extend our leading position in K-12 education**

TROY, Mich. (August 11, 2022) – Kelly (Nasdaq: KELYA, KELYB), a leading specialty talent solutions provider, today announced results for the second quarter of 2022.

Peter Quigley, president and chief executive officer, announced revenue for the second quarter of 2022 totaled \$1.3 billion, a 0.7% increase, or 2.7% in constant currency, compared to the corresponding quarter of 2021. Revenue improved year-over-year in the quarter reflecting increased customer demand compared to the COVID-19-impacted prior year period, as well as the impact of the recent acquisitions of RocketPower, a recruitment process outsourcing firm, and Pediatric Therapeutic Services, a specialty firm providing in-school therapy services.

Earnings from operations in the second quarter of 2022 totaled \$8.2 million, compared to \$13.7 million reported in the second quarter of 2021. Earnings in the second quarter of 2022 include an asset impairment charge related to our decision to transition our business in Russia and a gain on sale of assets related to the disposition of under-utilized real property located in the United States. Excluding those items, adjusted earnings from operations were \$22.3 million compared to \$13.7 million in the second quarter of 2021. Earnings improved as a result of revenue growth combined with structural improvement in gross profit rate and expense leverage.

Earnings per share in the second quarter of 2022 were \$0.06 compared to earnings per share of \$0.60 in the second quarter of 2021. Included in the earnings per share in the second quarter of 2022 is a \$0.48 per share asset impairment charge, net of tax, related to our decision to transition our business in Russia and an \$0.08 per share gain on sale of assets, net of tax, related to the disposition of under-utilized real property located in the United States. Included in the second quarter of 2021 is earnings per share of \$0.11 gain, net of tax, related to non-cash gains, net of tax, on Persol Holding common shares. On an adjusted basis, earnings per share were \$0.45 in the second quarter of 2022 compared to \$0.49 in the corresponding quarter of 2021. Adjusted earnings per share in the second quarter of 2022 declined as a result of higher 2022 tax expense compared to the same period in 2021.

"We saw solid demand for Kelly's specialties in the second quarter and, importantly, we are successfully translating revenue into strong gross profit growth. We drove significant improvement in our gross profit rate year over year, due to our continued positive shift in business mix toward higher-margin products and specialties boosted by our specialty acquisitions," said Quigley. "We have significant capital available to enable growth, and we are putting that capital to work to drive shareholder value. While there is some economic uncertainty in the second half of the year, we are confident that our focused and well-capitalized specialization strategy will continue to deliver value in 2022 and beyond."

Kelly also reported that on August 10, its board of directors declared a dividend of \$0.075 per share. The dividend is payable on September 7, 2022 to stockholders of record as of the close of business on August 24, 2022.

In conjunction with its second-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 August 11 to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Internet:  
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 August 11, 2022, at (866) 207-1041 (toll-free) and (402) 970-0847 (caller-paid). The access code is 8237932#. The recording will also be available at 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 impact of the 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, risks associated with conducting business in foreign countries, including foreign currency fluctuations, 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 more than 350,000 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 2021 was \$4.9 billion. Visit kellyservices.com and let us help with what's next for you.

KLYA-FIN

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**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 13 WEEKS ENDED JULY 3, 2022 AND JULY 4, 2021**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|   | <u>2022</u>   | <u>2021</u>    | <u>Change</u>    | <u>%<br/>Change</u> | <u>CC %<br/>Change</u> |
|---|---------------|----------------|------------------|---------------------|------------------------|
| <b>Revenue from services</b>  | \$ 1,267.3    | \$ 1,258.1     | \$ 9.2           | 0.7 %               | 2.7 %                  |
| Cost of services  | 1,004.9       | 1,027.1        | (22.2)           | (2.2)               |                        |
| <b>Gross profit</b>   | 262.4         | 231.0          | 31.4             | 13.6                | 15.6                   |
| Selling, general and administrative expenses                                | 240.1         | 217.3          | 22.8             | 10.6                | 12.3                   |
| Impairment of assets held for sale  | 18.5          | —              | 18.5             | NM                  |                        |
| Gain on sale of assets  | (4.4)         | —              | (4.4)            | NM                  |                        |
| <b>Earnings from operations</b>   | 8.2           | 13.7           | (5.5)            | (40.6)              |                        |
| Gain on investment in Persol Holdings                                       | —             | 6.3            | (6.3)            | NM                  |                        |
| Other expense, net  | (1.1)         | (0.3)          | (0.8)            | (350.6)             |                        |
| <b>Earnings before taxes and equity in net earnings (loss) of affiliate</b> | 7.1           | 19.7           | (12.6)           | (64.1)              |                        |
| Income tax expense (benefit)  | 4.9           | (2.6)          | 7.5              | 282.9               |                        |
| <b>Net earnings before equity in net earnings (loss) of affiliate</b>       | 2.2           | 22.3           | (20.1)           | (90.1)              |                        |
| Equity in net earnings (loss) of affiliate                                  | —             | 1.7            | (1.7)            | NM                  |                        |
| <b>Net earnings</b>   | <u>\$ 2.2</u> | <u>\$ 24.0</u> | <u>\$ (21.8)</u> | (90.8)              |                        |
| <b>Basic earnings per share</b>   | \$ 0.06       | \$ 0.60        | \$ (0.54)        | (90.0)              |                        |
| <b>Diluted earnings per share</b>   | \$ 0.06       | \$ 0.60        | \$ (0.54)        | (90.0)              |                        |

**STATISTICS:**

|   |         |          |            |        |        |
|---|---------|----------|------------|--------|--------|
| Permanent placement revenue (included in revenue from services) | \$ 24.8 | \$ 18.6  | \$ 6.2     | 33.2 % | 36.3 % |
| Gross profit rate   | 20.7 %  | 18.4 %   | 2.3 pts.   |        |        |
| Conversion rate   | 3.1 %   | 5.9 %    | (2.8) pts. |        |        |
| Adjusted EBITDA   | \$ 31.7 | \$ 22.2  | \$ 9.5     |        |        |
| Adjusted EBITDA margin  | 2.5 %   | 1.8 %    | 0.7 pts.   |        |        |
| Effective income tax rate                                       | 68.8 %  | (13.5) % | 82.3 pts.  |        |        |
| Average number of shares outstanding (millions):                |         |          |            |        |        |
| Basic   | 37.9    | 39.4     |            |        |        |
| Diluted   | 38.2    | 39.5     |            |        |        |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 26 WEEKS ENDED JULY 3, 2022 AND JULY 4, 2021**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|  | <u>2022</u>      | <u>2021</u>    | <u>Change</u>    | <u>%<br/>Change</u> | <u>CC %<br/>Change</u> |
|--|------------------|----------------|------------------|---------------------|------------------------|
| <b>Revenue from services</b>   | \$ 2,563.7       | \$ 2,464.0     | \$ 99.7          | 4.0 %               | 5.8 %                  |
| Cost of services   | <u>2,042.7</u>   | <u>2,019.7</u> | <u>23.0</u>      | 1.1                 |                        |
| <b>Gross profit</b>  | 521.0            | 444.3          | 76.7             | 17.3                | 19.0                   |
| Selling, general and administrative expenses                                       | 476.2            | 420.0          | 56.2             | 13.4                | 14.8                   |
| Impairment of assets held for sale   | 18.5             | —              | 18.5             | NM                  |                        |
| Gain on sale of assets   | <u>(5.3)</u>     | <u>—</u>       | <u>(5.3)</u>     | NM                  |                        |
| <b>Earnings from operations</b>  | 31.6             | 24.3           | 7.3              | 29.8                |                        |
| Gain (loss) on investment in Persol Holdings                                       | (67.2)           | 36.3           | (103.5)          | NM                  |                        |
| Loss on currency translation from liquidation of subsidiary <sup>(1)</sup>         | (20.4)           | —              | (20.4)           | NM                  |                        |
| Other income (expense), net  | <u>1.7</u>       | <u>(3.7)</u>   | <u>5.4</u>       | 147.2               |                        |
| <b>Earnings (loss) before taxes and equity in net earnings (loss) of affiliate</b> | (54.3)           | 56.9           | (111.2)          | NM                  |                        |
| Income tax expense (benefit)   | <u>(8.1)</u>     | <u>7.9</u>     | <u>(16.0)</u>    | (204.0)             |                        |
| <b>Net earnings (loss) before equity in net earnings (loss) of affiliate</b>       | (46.2)           | 49.0           | (95.2)           | NM                  |                        |
| Equity in net earnings (loss) of affiliate   | <u>0.8</u>       | <u>0.6</u>     | <u>0.2</u>       | 35.7                |                        |
| <b>Net earnings (loss)</b>   | <u>\$ (45.4)</u> | <u>\$ 49.6</u> | <u>\$ (95.0)</u> | NM                  |                        |
| <b>Basic earnings (loss) per share</b>   | \$ (1.19)        | \$ 1.25        | \$ (2.44)        | NM                  |                        |
| <b>Diluted earnings (loss) per share</b>   | \$ (1.19)        | \$ 1.25        | \$ (2.44)        | NM                  |                        |

**STATISTICS:**

|   |         |         |          |        |        |
|---|---------|---------|----------|--------|--------|
| Permanent placement revenue (included in revenue from services) | \$ 51.4 | \$ 34.6 | \$ 16.8  | 48.5 % | 51.4 % |
| Gross profit rate   | 20.3 %  | 18.0 %  | 2.3 pts. |        |        |
| Conversion rate   | 6.1 %   | 5.5 %   | 0.6 pts. |        |        |
| Adjusted EBITDA   | \$ 62.4 | \$ 39.1 | \$ 23.3  |        |        |
| Adjusted EBITDA margin  | 2.4 %   | 1.6 %   | 0.8 pts. |        |        |
| Effective income tax rate                                       | 15.0 %  | 13.8 %  | 1.2 pts. |        |        |
| Average number of shares outstanding (millions):                |         |         |          |        |        |
| Basic   | 38.3    | 39.4    |          |        |        |
| Diluted   | 38.3    | 39.5    |          |        |        |

<sup>(1)</sup> Subsequent to the sale of the Persol Holdings investment, the Company commenced the dissolution process of the Kelly Services Japan subsidiary, which was considered substantially liquidated as of the first quarter-end 2022, resulting in the recognition of the \$20.4 million loss on currency translation from liquidation of this subsidiary in the first quarter of 2022.



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

|  | Second Quarter |          |             |                |
|--|----------------|----------|-------------|----------------|
|  | 2022           | 2021     | %<br>Change | CC %<br>Change |
| <b>Professional &amp; Industrial</b>         |                |          |             |                |
| Revenue from services                        | \$ 415.8       | \$ 466.5 | (10.9) %    | (10.6) %       |
| Gross profit                                 | 77.8           | 75.2     | 3.6         | 3.9            |
| Total SG&A expenses                          | 67.4           | 69.0     | (2.2)       | (2.0)          |
| Earnings (loss) from operations              | 10.4           | 6.2      | 68.6        |                |
| Gross profit rate                            | 18.7 %         | 16.1 %   | 2.6 pts.    |                |
| <b>Science, Engineering &amp; Technology</b> |                |          |             |                |
| Revenue from services                        | \$ 324.3       | \$ 298.2 | 8.7 %       | 9.0 %          |
| Gross profit                                 | 75.2           | 66.5     | 13.1        | 13.3           |
| Total SG&A expenses                          | 54.8           | 46.9     | 16.9        | 17.1           |
| Earnings (loss) from operations              | 20.4           | 19.6     | 3.8         |                |
| Gross profit rate                            | 23.2 %         | 22.3 %   | 0.9 pts.    |                |
| <b>Education</b>                             |                |          |             |                |
| Revenue from services                        | \$ 155.5       | \$ 105.9 | 46.8 %      | 46.8 %         |
| Gross profit                                 | 26.0           | 16.8     | 55.0        | 55.0           |
| Total SG&A expenses                          | 20.4           | 15.3     | 33.4        | 33.4           |
| Earnings (loss) from operations              | 5.6            | 1.5      | 278.6       |                |
| Gross profit rate                            | 16.7 %         | 15.8 %   | 0.9 pts.    |                |
| <b>Outsourcing &amp; Consulting</b>          |                |          |             |                |
| Revenue from services                        | \$ 124.4       | \$ 107.3 | 16.0 %      | 17.3 %         |
| Gross profit                                 | 46.2           | 34.8     | 32.8        | 35.3           |
| Total SG&A expenses                          | 39.8           | 30.1     | 32.5        | 34.5           |
| Earnings (loss) from operations              | 6.4            | 4.7      | 34.5        |                |
| Gross profit rate                            | 37.2 %         | 32.5 %   | 4.7 pts.    |                |
| <b>International</b>                         |                |          |             |                |
| Revenue from services                        | \$ 247.6       | \$ 280.4 | (11.7) %    | (4.3) %        |
| Gross profit                                 | 37.2           | 37.7     | (1.5)       | 7.3            |
| Total SG&A expenses                          | 34.6           | 34.6     | (0.1)       | 8.2            |
| Earnings (loss) from operations              | 2.6            | 3.1      | (16.3)      |                |
| Gross profit rate                            | 15.0 %         | 13.4 %   | 1.6 pts.    |                |

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

|  | June Year to Date |          |             |                |
|--|-------------------|----------|-------------|----------------|
|  | 2022              | 2021     | %<br>Change | CC %<br>Change |
| <b>Professional &amp; Industrial</b>         |                   |          |             |                |
| Revenue from services                        | \$ 860.1          | \$ 934.1 | (7.9) %     | (7.8) %        |
| Gross profit                                 | 160.9             | 151.1    | 6.5         | 6.7            |
| Total SG&A expenses                          | 138.8             | 138.4    | 0.3         | 0.4            |
| Earnings (loss) from operations              | 22.1              | 12.7     | 74.2        |                |
| Gross profit rate                            | 18.7 %            | 16.2 %   | 2.5 pts.    |                |
| <b>Science, Engineering &amp; Technology</b> |                   |          |             |                |
| Revenue from services                        | \$ 641.4          | \$ 552.9 | 16.0 %      | 16.2 %         |
| Gross profit                                 | 149.0             | 119.7    | 24.5        | 24.7           |
| Total SG&A expenses                          | 108.0             | 82.6     | 30.8        | 30.9           |
| Earnings (loss) from operations              | 41.0              | 37.1     | 10.5        |                |
| Gross profit rate                            | 23.2 %            | 21.6 %   | 1.6 pts.    |                |
| <b>Education</b>                             |                   |          |             |                |
| Revenue from services                        | \$ 328.9          | \$ 217.5 | 51.2 %      | 51.2 %         |
| Gross profit                                 | 52.6              | 34.0     | 54.9        | 54.9           |
| Total SG&A expenses                          | 39.0              | 29.5     | 32.4        | 32.4           |
| Earnings (loss) from operations              | 13.6              | 4.5      | 203.1       |                |
| Gross profit rate                            | 16.0 %            | 15.6 %   | 0.4 pts.    |                |
| <b>Outsourcing &amp; Consulting</b>          |                   |          |             |                |
| Revenue from services                        | \$ 233.5          | \$ 206.6 | 13.0 %      | 14.1 %         |
| Gross profit                                 | 83.5              | 66.1     | 26.3        | 28.2           |
| Total SG&A expenses                          | 74.1              | 58.5     | 26.7        | 28.2           |
| Earnings (loss) from operations              | 9.4               | 7.6      | 23.1        |                |
| Gross profit rate                            | 35.8 %            | 32.0 %   | 3.8 pts.    |                |
| <b>International</b>                         |                   |          |             |                |
| Revenue from services                        | \$ 500.4          | \$ 553.3 | (9.5) %     | (2.7) %        |
| Gross profit                                 | 75.0              | 73.4     | 2.1         | 10.0           |
| Total SG&A expenses                          | 67.8              | 67.7     | 0.2         | 7.4            |
| Earnings (loss) from operations              | 7.2               | 5.7      | 25.7        |                |
| Gross profit rate                            | 15.0 %            | 13.3 %   | 1.7 pts.    |                |

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

|  | July 3, 2022      | January 2, 2022   | July 4, 2021      |
|--|-------------------|-------------------|-------------------|
| <b>Current Assets</b>  |                   |                   |                   |
| Cash and equivalents   | \$ 133.9          | \$ 112.7          | \$ 64.4           |
| Trade accounts receivable, less allowances of \$12.0, \$12.6, and \$12.5, respectively | 1,497.9           | 1,423.2           | 1,362.5           |
| Prepaid expenses and other current assets  | 80.6              | 52.8              | 82.4              |
| Assets held for sale   | 24.6              | —                 | —                 |
| <b>Total current assets</b>  | <b>1,737.0</b>    | <b>1,588.7</b>    | <b>1,509.3</b>    |
| <b>Noncurrent Assets</b>   |                   |                   |                   |
| Property and equipment, net  | 25.4              | 35.3              | 37.7              |
| Operating lease right-of-use assets  | 70.1              | 75.8              | 83.2              |
| Deferred taxes   | 298.3             | 302.8             | 302.9             |
| Goodwill, net  | 192.1             | 114.8             | 114.8             |
| Investment in Persol Holdings  | —                 | 264.3             | 187.7             |
| Investment in equity affiliate   | —                 | 123.4             | 120.0             |
| Other assets   | 412.3             | 389.1             | 391.3             |
| <b>Total noncurrent assets</b>   | <b>998.2</b>      | <b>1,305.5</b>    | <b>1,237.6</b>    |
| <b>Total Assets</b>  | <b>\$ 2,735.2</b> | <b>\$ 2,894.2</b> | <b>\$ 2,746.9</b> |
| <b>Current Liabilities</b>   |                   |                   |                   |
| Short-term borrowings  | \$ —              | \$ —              | \$ 0.1            |
| Accounts payable and accrued liabilities   | 734.7             | 687.2             | 612.6             |
| Operating lease liabilities  | 15.3              | 17.5              | 19.6              |
| Accrued payroll and related taxes  | 322.4             | 318.4             | 337.0             |
| Accrued workers' compensation and other claims   | 24.4              | 20.8              | 22.0              |
| Income and other taxes   | 50.5              | 51.3              | 62.6              |
| Liabilities held for sale  | 13.7              | —                 | —                 |
| <b>Total current liabilities</b>   | <b>1,161.0</b>    | <b>1,095.2</b>    | <b>1,053.9</b>    |
| <b>Noncurrent Liabilities</b>  |                   |                   |                   |
| Operating lease liabilities  | 57.7              | 61.4              | 67.1              |
| Accrued payroll and related taxes  | —                 | 57.6              | 58.5              |
| Accrued workers' compensation and other claims   | 43.4              | 37.0              | 40.8              |
| Accrued retirement benefits  | 180.2             | 220.0             | 214.6             |
| Other long-term liabilities  | 16.0              | 86.8              | 68.2              |
| <b>Total noncurrent liabilities</b>  | <b>297.3</b>      | <b>462.8</b>      | <b>449.2</b>      |
| <b>Stockholders' Equity</b>  |                   |                   |                   |
| Common stock   | 38.5              | 40.1              | 40.1              |
| Treasury stock   | (12.5)            | (15.1)            | (15.3)            |
| Paid-in capital  | 24.9              | 23.9              | 22.3              |
| Earnings invested in the business  | 1,239.2           | 1,315.0           | 1,212.5           |
| Accumulated other comprehensive income (loss)  | (13.2)            | (27.7)            | (15.8)            |
| <b>Total stockholders' equity</b>  | <b>1,276.9</b>    | <b>1,336.2</b>    | <b>1,243.8</b>    |
| <b>Total Liabilities and Stockholders' Equity</b>                                      | <b>\$ 2,735.2</b> | <b>\$ 2,894.2</b> | <b>\$ 2,746.9</b> |
| <b>STATISTICS:</b>   |                   |                   |                   |
| Working Capital  | \$ 576.0          | \$ 493.5          | \$ 455.4          |
| Current Ratio  | 1.5               | 1.5               | 1.4               |
| Debt-to-capital %  | 0.0 %             | 0.0 %             | 0.0 %             |
| Global Days Sales Outstanding  | 63                | 60                | 60                |
| Year-to-Date Free Cash Flow  | \$ (110.8)        | \$ 73.8           | \$ 42.7           |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE 26 WEEKS ENDED JULY 3, 2022 AND JULY 4, 2021**  
**(UNAUDITED)**  
(In millions of dollars)

|   | 2022            | 2021           |
|---|-----------------|----------------|
| <b>Cash flows from operating activities:</b>  |                 |                |
| Net earnings (loss)   | \$ (45.4)       | \$ 49.6        |
| Adjustments to reconcile net earnings (loss) to net cash from operating activities: |                 |                |
| Impairment of assets held for sale  | 18.5            | —              |
| Depreciation and amortization   | 16.1            | 14.1           |
| Operating lease asset amortization  | 9.8             | 10.7           |
| Provision for credit losses and sales allowances                                    | 1.3             | —              |
| Stock-based compensation  | 3.8             | 2.8            |
| (Gain) loss on investment in Persol Holdings  | 67.2            | (36.3)         |
| Loss on currency translation from liquidation of subsidiary                         | 20.4            | —              |
| Gain on foreign currency remeasurement  | (5.5)           | —              |
| Gain on sale of assets  | (5.3)           | —              |
| Equity in net (earnings) loss of PersolKelly Pte. Ltd.                              | (0.8)           | (0.6)          |
| Other, net  | 2.9             | 2.2            |
| Changes in operating assets and liabilities, net of acquisitions                    | (190.3)         | 5.1            |
| <b>Net cash (used in) from operating activities</b>                                 | <b>(107.3)</b>  | <b>47.6</b>    |
| <b>Cash flows from investing activities:</b>  |                 |                |
| Capital expenditures  | (3.5)           | (4.9)          |
| Proceeds from sale of assets  | 4.5             | —              |
| Acquisition of companies, net of cash received                                      | (143.1)         | (219.0)        |
| Proceeds from company-owned life insurance  | 1.5             | 10.4           |
| Proceeds from sale of Persol Holdings investment                                    | 196.9           | —              |
| Proceeds from sale of equity method investment                                      | 119.5           | —              |
| Proceeds related to loans with equity affiliate                                     | —               | 5.8            |
| Proceeds from equity securities   | —               | 5.0            |
| Other investing activities  | (0.2)           | 1.0            |
| <b>Net cash from (used in) investing activities</b>                                 | <b>175.6</b>    | <b>(201.7)</b> |
| <b>Cash flows from financing activities:</b>  |                 |                |
| Net change in short-term borrowings   | —               | (0.1)          |
| Financing lease payments  | (0.4)           | (0.3)          |
| Dividend payments   | (4.8)           | —              |
| Payments of tax withholding for stock awards  | (0.8)           | (0.6)          |
| Buyback of common shares  | (27.2)          | —              |
| Contingent consideration payments   | (0.7)           | —              |
| <b>Net cash used in financing activities</b>  | <b>(33.9)</b>   | <b>(1.0)</b>   |
| <b>Effect of exchange rates on cash, cash equivalents and restricted cash</b>       | <b>0.1</b>      | <b>(2.3)</b>   |
| <b>Net change in cash, cash equivalents and restricted cash</b>                     | <b>34.5</b>     | <b>(157.4)</b> |
| <b>Cash, cash equivalents and restricted cash at beginning of period</b>            | <b>119.5</b>    | <b>228.1</b>   |
| <b>Cash, cash equivalents and restricted cash at end of period</b>                  | <b>\$ 154.0</b> | <b>\$ 70.7</b> |

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

Second Quarter

|                                   | 2022              | 2021              | %<br>Change | CC %<br>Change |
|-----------------------------------|-------------------|-------------------|-------------|----------------|
| <b>Americas</b>                   |                   |                   |             |                |
| United States                     | \$ 928.9          | \$ 894.6          | 3.8 %       | 3.8 %          |
| Canada                            | 40.3              | 39.5              | 1.8         | 6.0            |
| Puerto Rico                       | 28.9              | 26.9              | 7.7         | 7.7            |
| Mexico                            | 11.2              | 33.1              | (66.3)      | (66.2)         |
| <b>Total Americas Region</b>      | <u>1,009.3</u>    | <u>994.1</u>      | 1.5         | 1.7            |
| <b>Europe</b>                     |                   |                   |             |                |
| Switzerland                       | 55.3              | 54.0              | 2.4         | 8.7            |
| France                            | 50.4              | 57.5              | (12.4)      | (0.7)          |
| Portugal                          | 42.0              | 40.6              | 3.5         | 17.3           |
| Russia                            | 28.7              | 33.7              | (14.6)      | (24.6)         |
| Italy                             | 18.4              | 19.4              | (5.4)       | 7.4            |
| United Kingdom                    | 16.0              | 17.7              | (9.6)       | 1.0            |
| Other                             | 35.7              | 31.8              | 12.1        | 28.3           |
| <b>Total Europe Region</b>        | <u>246.5</u>      | <u>254.7</u>      | (3.2)       | 5.4            |
| <b>Total Asia-Pacific Region</b>  | <u>11.5</u>       | <u>9.3</u>        | 24.2        | 32.1           |
| <b>Total Kelly Services, Inc.</b> | <u>\$ 1,267.3</u> | <u>\$ 1,258.1</u> | 0.7 %       | 2.7 %          |

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

|                                   | June Year to Date |            |             |                |
|-----------------------------------|-------------------|------------|-------------|----------------|
|                                   | 2022              | 2021       | %<br>Change | CC %<br>Change |
| <b>Americas</b>                   |                   |            |             |                |
| United States                     | \$ 1,885.5        | \$ 1,753.1 | 7.6 %       | 7.6 %          |
| Canada                            | 79.4              | 73.6       | 7.8         | 10.1           |
| Puerto Rico                       | 56.5              | 51.1       | 10.7        | 10.7           |
| Mexico                            | 21.5              | 67.7       | (68.3)      | (68.1)         |
| <b>Total Americas Region</b>      | 2,042.9           | 1,945.5    | 5.0         | 5.1            |
| <b>Europe</b>                     |                   |            |             |                |
| Switzerland                       | 110.3             | 106.7      | 3.4         | 7.5            |
| France                            | 105.0             | 111.8      | (6.1)       | 3.6            |
| Portugal                          | 83.9              | 84.3       | (0.5)       | 9.9            |
| Russia                            | 58.4              | 66.3       | (11.9)      | (9.4)          |
| Italy                             | 37.9              | 37.5       | 0.8         | 11.3           |
| United Kingdom                    | 31.0              | 34.7       | (10.7)      | (4.0)          |
| Other                             | 72.0              | 59.6       | 20.8        | 33.9           |
| <b>Total Europe Region</b>        | 498.5             | 500.9      | (0.5)       | 7.4            |
| <b>Total Asia-Pacific Region</b>  | 22.3              | 17.6       | 26.7        | 33.7           |
| <b>Total Kelly Services, Inc.</b> | \$ 2,563.7        | \$ 2,464.0 | 4.0 %       | 5.8 %          |

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

|   | 2022          |                                       |  |                | 2021           |                |
|---|---------------|---------------------------------------|--|----------------|----------------|----------------|
|   | As Reported   | Gain on sale of assets <sup>(3)</sup> | Impairment of assets held<br>for sale <sup>(4)</sup> | Adjusted       | As Reported    |                |
| <b>Earnings (loss) from Operations:</b> |               |                                       |  |                |                |                |
| Professional & Industrial               | \$ 10.4       | \$ —                                  | \$ —   | \$ 10.4        | \$ 10.4        | \$ 6.2         |
| Science, Engineering & Technology       | 20.4          | —                                     | —  | 20.4           | 20.4           | 19.6           |
| Education                               | 5.6           | —                                     | —  | 5.6            | 5.6            | 1.5            |
| Outsourcing & Consulting                | 6.4           | —                                     | —  | 6.4            | 6.4            | 4.7            |
| International                           | 2.6           | —                                     | —  | 2.6            | 2.6            | 3.1            |
| Corporate                               | (23.1)        | —                                     | —  | (23.1)         | (23.1)         | (21.4)         |
| Impairment of assets held for sale      | (18.5)        | —                                     | 18.5   | —              | —              | —              |
| Gain on sale of assets                  | 4.4           | (4.4)                                 | —  | —              | —              | —              |
| <b>Total Company</b>                    | <b>\$ 8.2</b> | <b>\$ (4.4)</b>                       | <b>\$ 18.5</b>                                       | <b>\$ 22.3</b> | <b>\$ 22.3</b> | <b>\$ 13.7</b> |

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

|   | 2022           |  |  |                | 2021           |                |
|---|----------------|--|--|----------------|----------------|----------------|
|   | As Reported    | Gain on sale<br>of assets <sup>(3)</sup> | Impairment of assets held<br>for sale <sup>(4)</sup> | Adjusted       | As Reported    |                |
| <b>Earnings (loss) from Operations:</b> |                |  |  |                |                |                |
| Professional & Industrial               | \$ 22.1        | \$ —                                     | \$ —   | \$ 22.1        | \$ 22.1        | \$ 12.7        |
| Science, Engineering & Technology       | 41.0           | —  | —  | 41.0           | 41.0           | 37.1           |
| Education                               | 13.6           | —  | —  | 13.6           | 13.6           | 4.5            |
| Outsourcing & Consulting                | 9.4            | —  | —  | 9.4            | 9.4            | 7.6            |
| International                           | 7.2            | —  | —  | 7.2            | 7.2            | 5.7            |
| Corporate                               | (48.5)         | —  | —  | (48.5)         | (48.5)         | (43.3)         |
| Impairment of assets held for sale      | (18.5)         | —  | 18.5   | —              | —              | —              |
| Gain on sale of assets                  | 5.3            | (5.3)                                    | —  | —              | —              | —              |
| <b>Total Company</b>                    | <b>\$ 31.6</b> | <b>\$ (5.3)</b>                          | <b>\$ 18.5</b>                                       | <b>\$ 44.8</b> | <b>\$ 44.8</b> | <b>\$ 24.3</b> |



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

(In millions of dollars except per share data)

|  | Second Quarter |                 | June Year to Date |                 |
|--|----------------|-----------------|-------------------|-----------------|
|  | 2022           | 2021            | 2022              | 2021            |
| Income tax expense (benefit)                               | \$ 4.9         | \$ (2.6)        | \$ (8.1)          | \$ 7.9          |
| Taxes on investment in Persol Holdings <sup>(1)</sup>      | —              | (1.9)           | 18.4              | (11.1)          |
| Taxes on foreign currency matters <sup>(2)</sup>           | —              | —               | (1.5)             | —               |
| Taxes on gain on sale of assets <sup>(3)</sup>             | (1.1)          | —               | (1.3)             | —               |
| Taxes on impairment of assets held for sale <sup>(4)</sup> | —              | —               | —                 | —               |
| Adjusted income tax expense (benefit)                      | <u>\$ 3.8</u>  | <u>\$ (4.5)</u> | <u>\$ 7.5</u>     | <u>\$ (3.2)</u> |

|   | Second Quarter |                | June Year to Date |                |
|---|----------------|----------------|-------------------|----------------|
|   | 2022           | 2021           | 2022              | 2021           |
| Net earnings (loss)   | \$ 2.2         | \$ 24.0        | \$ (45.4)         | \$ 49.6        |
| (Gain) loss on investment in Persol Holdings, net of taxes <sup>(1)</sup> | —              | (4.4)          | 48.8              | (25.2)         |
| Loss on foreign currency matters, net of taxes <sup>(2)</sup>             | —              | —              | 16.4              | —              |
| Gain on sale of assets, net of taxes <sup>(3)</sup>                       | (3.3)          | —              | (4.0)             | —              |
| Impairment of assets held for sale, net of taxes <sup>(4)</sup>           | 18.5           | —              | 18.5              | —              |
| Adjusted net earnings   | <u>\$ 17.4</u> | <u>\$ 19.6</u> | <u>\$ 34.3</u>    | <u>\$ 24.4</u> |

|   | Second Quarter |                | June Year to Date |                |
|---|----------------|----------------|-------------------|----------------|
|   | 2022           | 2021           | 2022              | 2021           |
|   | Per Share      |                | Per Share         |                |
| Net earnings (loss)   | \$ 0.06        | \$ 0.60        | \$ (1.19)         | \$ 1.25        |
| (Gain) loss on investment in Persol Holdings, net of taxes <sup>(1)</sup> | —              | (0.11)         | 1.27              | (0.63)         |
| Loss on foreign currency matters, net of taxes <sup>(2)</sup>             | —              | —              | 0.43              | —              |
| Gain on sale of assets, net of taxes <sup>(3)</sup>                       | (0.08)         | —              | (0.10)            | —              |
| Impairment of assets held for sale, net of taxes <sup>(4)</sup>           | 0.48           | —              | 0.48              | —              |
| Adjusted net earnings   | <u>\$ 0.45</u> | <u>\$ 0.49</u> | <u>\$ 0.90</u>    | <u>\$ 0.61</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)

|   | Second Quarter |                | June Year to Date |                |
|---|----------------|----------------|-------------------|----------------|
|   | 2022           | 2021           | 2022              | 2021           |
| Net earnings (loss)   | \$ 2.2         | \$ 24.0        | \$ (45.4)         | \$ 49.6        |
| Other (income) expense, net <sup>(2)</sup>                  | 1.1            | 0.3            | (1.7)             | 3.7            |
| Income tax expense (benefit)                                | 4.9            | (2.6)          | (8.1)             | 7.9            |
| Depreciation and amortization                               | 9.4            | 8.5            | 17.6              | 14.8           |
| EBITDA  | 17.6           | 30.2           | (37.6)            | 76.0           |
| Equity in net (earnings) loss of affiliate                  | —              | (1.7)          | (0.8)             | (0.6)          |
| (Gain) loss on investment in Persol Holdings <sup>(1)</sup> | —              | (6.3)          | 67.2              | (36.3)         |
| Loss on foreign currency matters <sup>(2)</sup>             | —              | —              | 20.4              | —              |
| Gain on sale of assets <sup>(3)</sup>                       | (4.4)          | —              | (5.3)             | —              |
| Held for sale impairment charge <sup>(4)</sup>              | 18.5           | —              | 18.5              | —              |
| <b>Adjusted EBITDA</b>                                      | <b>\$ 31.7</b> | <b>\$ 22.2</b> | <b>\$ 62.4</b>    | <b>\$ 39.1</b> |
| <b>Adjusted EBITDA margin</b>                               | 2.5 %          | 1.8 %          | 2.4 %             | 1.6 %          |

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

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2022 sale of the Persol Holdings investment, the 2022 and 2021 gains and losses on the fair value changes of the investment in Persol Holdings, the 2022 losses on foreign currency matters, the 2022 gains on sale of assets and the impairment of assets held for sale, are useful to understand the Company's fiscal 2022 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) In 2022, the loss on the investment in Persol Holdings represents the change in fair value up until the date of the sale of the investment on February 15, 2022 as well as the loss on the sale of the investment during the period presented and the related tax benefit. In 2021, the gain on the investment in Persol Holdings represents the change in fair value of the investment during the period presented and the related tax expense.

(2) In 2022, the loss on foreign currency matters includes a \$20.4 million loss on currency translation resulting from the substantially complete liquidation of the Company's Japan entity, partially offset by a \$5.5 million foreign exchange gain on the Japan entity's USD-denominated cash balance. The foreign exchange gain is included in other (income) expense, net in the EBITDA calculation.

(3) Gain on sale of assets in 2022 is related to the sale of under-utilized real property in the second quarter of 2022 and other real property sold in the first quarter of 2022.

(4) Impairment of assets held for sale represents the write-down of the net assets of the Russian operations that are classified as held for sale as of the second quarter of 2022.

# Q2 2022

August 11, 2022

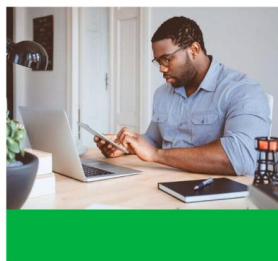


## NON-GAAP MEASURES

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2022 gain on sale of assets and the impairment of assets held for sale, are useful to understand the Company's fiscal 2022 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 impact of the 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, risks associated with conducting business in foreign countries, including foreign currency fluctuations, 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.



## Second Quarter 2022 Takeaways.

### Demand for talent continues amid inflationary pressures and talent supply challenges

- Q2 revenue up 0.7% on a reported basis, up 2.7% in constant currency<sup>(1)</sup>
- Includes 150 bps favorable impact from the acquisition of RocketPower and Pediatric Therapeutic Services ("PTS") during the first half of 2022
- Includes 250 bps<sup>(1)</sup> unfavorable impact from changes in Mexican staffing market legislation and Russia transition
- Delivered 15.6%<sup>(1)</sup> year-over-year gross profit growth as GP rate reaches 20.7%
- Favorable product mix delivers structural improvements, including the impact of the acquisition of higher margin businesses. These gains were combined with higher permanent placement fees and lower employee-related costs

### Near-term steps to capitalize on continued demand for talent

- Addressing talent supply to meet customer demand and accelerate revenue growth
- Every business unit is focusing on actionable strategies to deliver improving top- and bottom-line results aligned to our specialty growth strategy

### Continued focus on our future

- Strategic redeployment of available capital with acquisition of PTS in May 2022
- Ongoing deployment of technology investments in both the Americas and EMEA

<sup>(1)</sup>Constant Currency ("CC") represents year-over-year changes resulting from translating 2022 financial data into USD using 2021 exchange rates.

## Second Quarter 2022 Financial Summary.

|                          | Actual Results | Change Increase/(Decrease)           |                                  |
|--------------------------|----------------|--------------------------------------|----------------------------------|
|                          |                | As Reported                          | As Adjusted <sup>(1)</sup>       |
| Revenue                  | \$1.3B         | 0.7%<br>2.7% CC <sup>(2)</sup>       | 0.7%<br>2.7% CC <sup>(2)</sup>   |
| Gross Profit Rate        | 20.7%          | 230 bps                              | 230 bps                          |
| Earnings from Operations | \$8.2M         | (40.6%)<br>(33.9%) CC <sup>(2)</sup> | 62.8%<br>69.4% CC <sup>(2)</sup> |
| Adjusted EBITDA          | \$31.7M        |                                      | 42.7%                            |
| Adjusted EBITDA Margin   | 2.5%           |                                      | 70 bps                           |

<sup>(1)</sup>See reconciliation of Non-GAAP Measures included in Form 8-K dated August 11, 2022; <sup>(2)</sup>Constant Currency (CC) represents year-over-year changes resulting from translating 2022 financial data into USD using 2021 exchange rates.



## Second Quarter 2022 Revenue Trends.

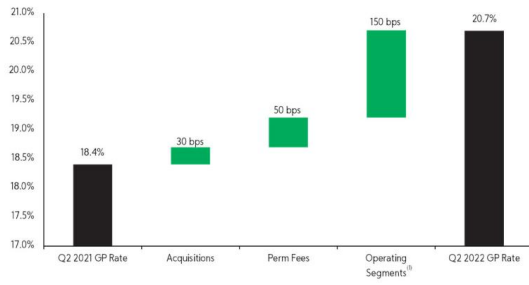
|  | Reported <sup>(1)</sup> | Constant Currency <sup>(1),(2)</sup> | Organic <sup>(2),(3)</sup> |
|--|-------------------------|--------------------------------------|----------------------------|
| <b>Total</b>                                 | 0.7%                    | 2.7%                                 | 1.2%                       |
| <b>Professional &amp; Industrial</b>         | (10.9%)                 | (10.6%)                              | (10.6%)                    |
| <b>Science, Engineering &amp; Technology</b> | 8.7%                    | 9.0%                                 | 9.0%                       |
| <b>Education</b>                             | 46.8%                   | 46.8%                                | 40.0%                      |
| <b>Outsourcing &amp; Consulting</b>          | 16.0%                   | 17.3%                                | 6.6%                       |
| <b>International</b>                         | (11.7%)                 | (4.3%)                               | (4.3%)                     |

<sup>(1)</sup>Reported and Constant Currency revenue includes the 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively. RocketPower was included in the reported results of operations in Outsourcing & Consulting and PTS was included in the reported results of operations in Education, from the date of acquisition; <sup>(2)</sup>Constant Currency represents year-over-year changes resulting from translating 2022 financial data into USD using 2021 exchange rates; <sup>(3)</sup>Organic revenue excludes the 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively.

## Second Quarter 2022 Gross Profit Rate Growth.

- Overall GP rate improved as a result of favorable business mix and the acquisition of higher margin specialty businesses combined with higher permanent placement fees and lower employee-related costs
- RocketPower and PTS added 30 bps to the total company GP rate as they deliver higher margins from specialty services
- Permanent placement fees increased as customers continued with increased permanent hiring activity
- Operating Segments GP rate improved organically in all segments driven by favorable specialty mix and lower employee-related costs

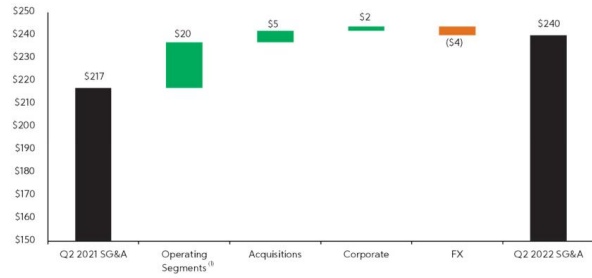
<sup>(1)</sup>Excludes 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively. RocketPower was included in the reported results of operations in Outsourcing & Consulting and PTS was included in the reported results of operations in Education, from the date of acquisition.



## Second Quarter 2022 SG&A.

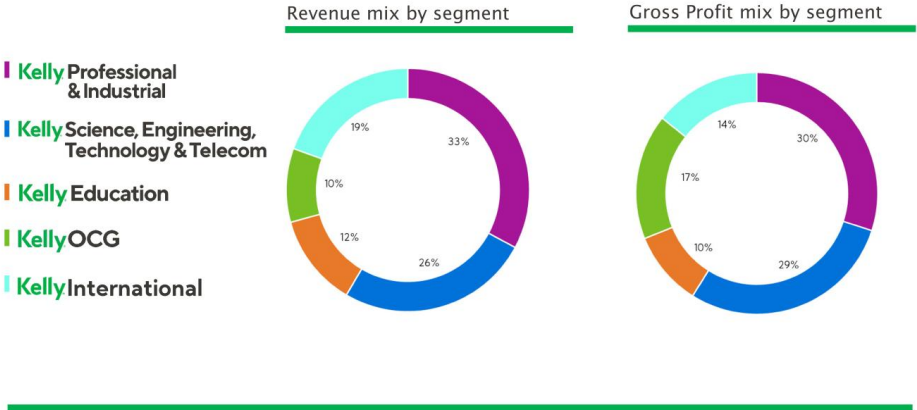
\$ in millions

- Expenses in the Operating Segments, excluding recent acquisitions of RocketPower and PTS, increased primarily as a result of the higher compensation-related expenses for our full-time talent. We have added headcount in line with revenue growth and provided meaningful increases in performance-based incentive compensation expenses for client-facing teams, as well as smaller adjustments to base pay
- Expenses from our recent acquisitions of RocketPower and PTS include amortization expense related to acquired intangible assets
- Corporate expenses increased due primarily to higher performance-based incentive compensation expenses



<sup>(1)</sup> Excludes 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively. RocketPower was included in the reported results of operations in Outsourcing & Consulting and PTS was included in the reported results of operations in Education, from the date of acquisition.

## Second Quarter 2022 Revenue & Gross Profit Mix.



## Second Quarter 2022 EPS Summary.

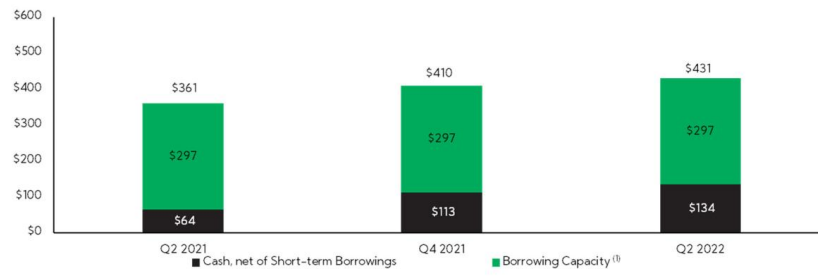
*\$ in millions except per share data*

|   | 2022          |               | 2021          |               |
|---|---------------|---------------|---------------|---------------|
|   | Amount        | Per Share     | Amount        | Per Share     |
| Net earnings (loss)   | \$2.2         | \$0.06        | \$24.0        | \$0.60        |
| (Gain) loss on investment in Persol Holdings, net of taxes <sup>(1)</sup> | -             | -             | (4.4)         | (0.11)        |
| Gain on sale of assets, net of taxes <sup>(2)</sup>                       | (3.3)         | (0.08)        | -             | -             |
| Impairment of assets held for sale, net of taxes <sup>(3)</sup>           | 18.5          | 0.48          | -             | -             |
| <b>Adjusted net earnings</b>  | <b>\$17.4</b> | <b>\$0.45</b> | <b>\$19.6</b> | <b>\$0.49</b> |

<sup>(1)</sup>Gain on investment in Persol Holdings of \$6.3 million, \$4.4 million net of tax, or \$0.11 per share in Q2 2021; <sup>(2)</sup>Gain on sale of assets includes gain from the sale of under-utilized real property of \$4.4 million, \$3.3 million net of tax, or \$0.08 per share in Q2 2022; <sup>(3)</sup>Impairment of assets held for sale, related to the transition of our business in Russia, of \$18.5 million, \$18.5 million net of tax, or \$0.48 per share in Q2 2022.

## Second Quarter 2022 Liquidity.

\$ in millions



- During 2022, we concluded the Persol Holdings cross-shareholding arrangement and sold most of our interest in the PersolKelly joint venture, generating additional capital that we strategically reallocated with the Q1 2022 acquisition of RocketPower for \$58 million cash paid, net of cash received and the Q2 2022 acquisition of PTS for \$85 million cash paid, net of cash received
- As of the end of Q2 2022, we continue to have more than \$400 million available liquidity

<sup>(1)</sup>U.S. credit facilities, net of standby letters of credit related to workers' compensation.

## Full Year 2022 Outlook.

### Revenue

- Up 3.5% to 4.0% YOY, up 2.0% to 2.5% organically
- In nominal currency and includes unfavorable FX impact (-150 bps)
- Reflects our decision to transition our business in Russia and the impact of Mexican legislative changes (-250 bps)
- 2022 acquisitions add 150 bps of revenue growth

### GP Rate and GP

- 20.7% GP rate - up YOY approximately 180 bps organically; 2022 acquisitions add 20 bps
- Expect continued structural improvement from higher fee-based business, a continued shift to higher margin specialties and a more gradual pace of growth of lower margin specialties
- GP up 15% YOY based on a combination of revenue growth and GP rate improvement

### Adjusted SG&A

- Up 10% to 11%, up 8% to 9% organically
- Reflects increasing inflationary pressure including compensation expenses to attract and retain the workforce necessary to deliver future growth and impact of 2022 acquisitions

### Adjusted EBITDA Margin

- Up 70 to 90 bps
- Reflects expected structural GP rate and SG&A productivity improvements and 2022 acquisitions

### Adjusted Tax Rate

- Effective rate in the low- to mid-20% range
- Includes impact of Work Opportunity Credit, which has been extended through 2025



## Recent Acquisitions.

### RocketPower

- RocketPower is a provider of Recruitment Process Outsourcing (RPO) and other outsourced talent solutions to customers including high growth U.S. tech companies. Headquartered in Silicon Valley, CA, RocketPower will continue to operate under its own brand with its current leadership team and staff as part of KellyOCG, the outsourcing and consulting business of Kelly
  - Expands KellyOCG's RPO delivery offering
  - Creates growth opportunities in the high-tech industry

### Pediatric Therapeutic Services

- PTS is a specialty firm that provides state and federally mandated in-school therapy services including occupational therapy, physical therapy, speech-language pathology, and mental and behavioral health services. Headquartered in suburban Philadelphia, PTS currently supports schools throughout Pennsylvania and Delaware and will continue to operate under its own brand as part of Kelly Education
  - Expands Kelly Education's industry-leading K-12 solutions offering
  - Creates growth opportunities in the \$20-billion therapeutic services segment





## 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     | \$1.8B  | \$1.2B <sup>(1)</sup>  | \$0.4B <sup>(2)</sup>   | \$0.4B <sup>(3)</sup>   | \$1.1B  |
| GP Rate     | 16.9%   | 21.9% <sup>(1)</sup>   | 15.6% <sup>(2)</sup>  | 32.7% <sup>(3)</sup>  | 13.9%   |
| Geography   | 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 Clerical</li> </ul> | <ul style="list-style-type: none"> <li>- Engineering</li> <li>- Science &amp; Clinical</li> <li>- Technology</li> <li>- Telecom</li> </ul> | <ul style="list-style-type: none"> <li>- Early Childhood</li> <li>- K-12</li> <li>- Special Ed/Needs</li> <li>- Tutoring</li> <li>- Higher Education</li> <li>- Executive Search</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>- Life Sciences</li> <li>- IT</li> <li>- Finance</li> <li>- Other Local Professional Niches</li> </ul> |

Kelly size and margin profiles are based on 2021 full year results; <sup>(1)</sup>Kelly SET revenue and GP rate was \$1.2B and 22.3%, respectively, including the results of Softworld on a proforma basis; <sup>(2)</sup>Kelly Education revenue and GP rate was \$0.5B and 16.8%, respectively, including the results of PTS on a proforma basis; <sup>(3)</sup>Kelly OCG revenue and GP rate was \$0.5B and 33.4%, respectively, including the results of RocketPower on a proforma basis; <sup>(4)</sup>Managed Service Provider ("MSP"); Recruitment Process Outsourcing ("RPO"); Professional Payroll Outsourcing ("PPO").

### Our M&A activities are shifting our portfolio.

