

Q3 2024 Investor Presentation

November 2024

Non-GAAP Measures

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2024 loss on sale of assets, the 2024 restructuring charges, the 2024 transaction costs, the 2024 integration costs and the 2023 restructuring charges are useful to understand the Company's fiscal 2024 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 presentation contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about Kelly’s financial expectations, are forward-looking statements. Factors that could cause actual results to differ materially from those contained in this release include, but are not limited to, (i) changing market and economic conditions, (ii) disruption in the labor market and weakened demand for human capital resulting from technological advances, loss of large corporate customers and government contractor requirements, (iii) the impact of laws and regulations (including federal, state and international tax laws), (iv) unexpected changes in claim trends on workers’ compensation, unemployment, disability and medical benefit plans, (v) litigation and other legal liabilities (including tax liabilities) in excess of our estimates, (vi) our ability to achieve our business’s anticipated growth strategies, (vii) our future business development, results of operations and financial condition, (viii) damage to our brands, (ix) dependency on third parties for the execution of critical functions, (x) conducting business in foreign countries, including foreign currency fluctuations, (xi) availability of temporary workers with appropriate skills required by customers, (xii) cyberattacks or other breaches of network or information technology security, and (xiii) other risks, uncertainties and factors discussed in this release and in the Company’s filings with the Securities and Exchange Commission. In some cases, forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “target,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. All information provided in this presentation is as of the date of this presentation 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.

Kelly is a leading global specialty staffing and workforce solutions provider.

77

years of industry leadership

\$4.8 billion

of revenue in 2023

500,000

individuals placed in positions with our customers in 2023

4

specialized, market-leading business units

6,200

internal employees as of December 31, 2023

#1

Temporary Staffing Company (Forbes, 2024)



Demonstrating leadership across a breadth of in-demand specialty talent solutions.

Delivering
workforce solutions to Fortune 500 companies across North America, EMEA and APAC



Largest
U.S. workforce provider in education

(Staffing Industry Analysts, 2024)




Second largest
life sciences staffing firm in the U.S.

(Staffing Industry Analysts, 2024)



Fourth largest
engineering staffing firm in the U.S.

(Staffing Industry Analysts, 2024)



Leader
in Business & Professional Contingent Staffing Services

(Everest Group, 2024)



Major Contender
in IT Contingent Staffing Services

(Everest Group, 2024)



Leader
in Managed Service Provider (MSP) and Services Procurement solutions

(Everest Group, 2024)



We have redesigned our operating model to drive profitable growth.

Our priorities for each segment are clear. Together, they contribute to a strong, balanced portfolio.

Optimize Operations and Drive Efficiencies →

Accelerate Organic and Inorganic Growth

	Kelly Professional & Industrial	Kelly Science, Engineering & Technology	Kelly Education	KellyOCG	Kelly International ⁽³⁾
Revenue ⁽¹⁾	\$1.5B	\$1.2B	\$0.8B	\$0.5B	\$0.9B
GP Rate ⁽¹⁾	17.8%	22.8%	15.3%	36.0%	15.1%
Geography	North America	North America	U.S.	Global	EMEA and Mexico
Specialties	<ul style="list-style-type: none"> Industrial Contact Center Office Clerical 	<ul style="list-style-type: none"> Engineering Science & Clinical Technology Telecom 	<ul style="list-style-type: none"> K-12 Special Ed/Needs Tutoring Therapy Services Executive Search 	<ul style="list-style-type: none"> MSP⁽²⁾ RPO⁽²⁾ PPO⁽²⁾ 	<ul style="list-style-type: none"> Life Sciences IT Finance Other Local Professional Niches

⁽¹⁾Kelly size and margin profiles are based on 2023 full year results;

⁽²⁾Managed Service Provider ("MSP"); Recruitment Process Outsourcing ("RPO"); Payroll Process Outsourcing ("PPO");

⁽³⁾On January 2, 2024, Kelly completed the sale of its EMEA staffing operations. Following the sale, its Mexico operations, which were previously included in the International segment, is now included in the P&I segment, and the International segment no longer exists as a reportable segment.

We have made substantial progress on our Specialty Growth Journey.

Since initiating our specialty strategy in 2020, we have taken bold action to deliver profitable growth.

Transforming Our Business	Unlocking Capital	Making Specialty Acquisitions	Investing Organically
<ul style="list-style-type: none">• Launched specialty operating model focused on high-value, high growth markets• Consistently delivering gross profit rate above 20%, reflecting shift to specialty business mix• Initiated transformation to optimize our business, unlock additional value-creating opportunities, and accelerate profitable growth	<ul style="list-style-type: none">• Unlocked \$235 million in capital by unwinding non-EBITDA producing APAC investments• Sold European staffing business, unlocking more than \$100 million of capital• Sold Brazilian staffing operations• Sold/leased back Kelly HQ real estate	<ul style="list-style-type: none">• Completed four acquisitions that expanded our Education specialty and introduced higher-margin adjacencies• Acquired an IT workforce solutions firm in the SET specialty• Acquired a specialty recruiting firm in the fast-growing RPO space• Acquired specialty talent solutions company Motion Recruitment Partners (“MRP”), the largest acquisition in Kelly’s history	<ul style="list-style-type: none">• Launched/expanded two Education products• Unlocked organic GP and revenue opportunities in SET• Added higher-value solution to P&I• Unwinding legacy systems to increase speed to revenue• Developed comprehensive roadmap to align critical technology investments with ongoing transformation

We are well positioned to create long-term value.

Specialty strategy focused on value creation

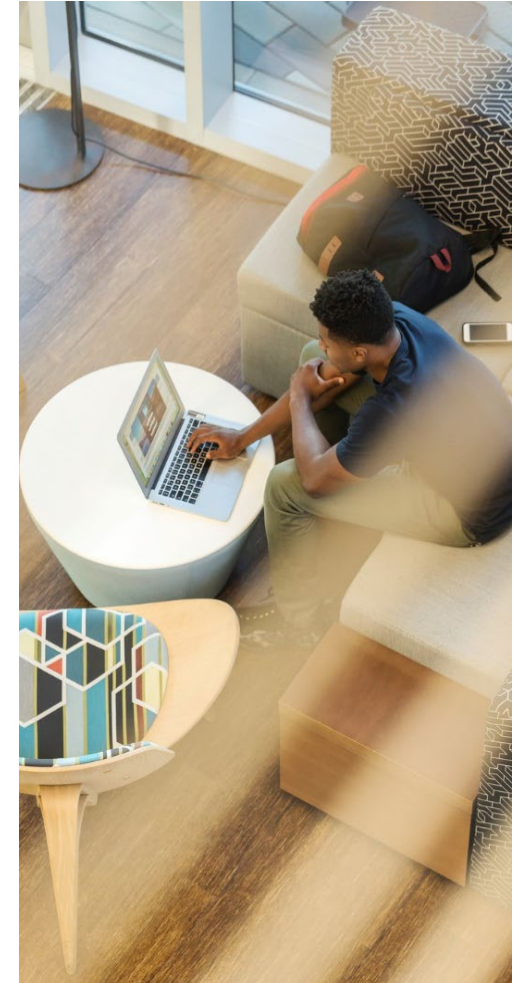
- Strategy is underpinned by a streamlined operating model comprising four operating segments: Science, Engineering & Technology; Education; Professional & Industrial; and KellyOCG
- Operating model sharpens focus on talent, customers, and market opportunities in each specialization
- Leading talent solutions provider in targeted specialties (education, life sciences, engineering, MSP)

Strong financial position to enable growth

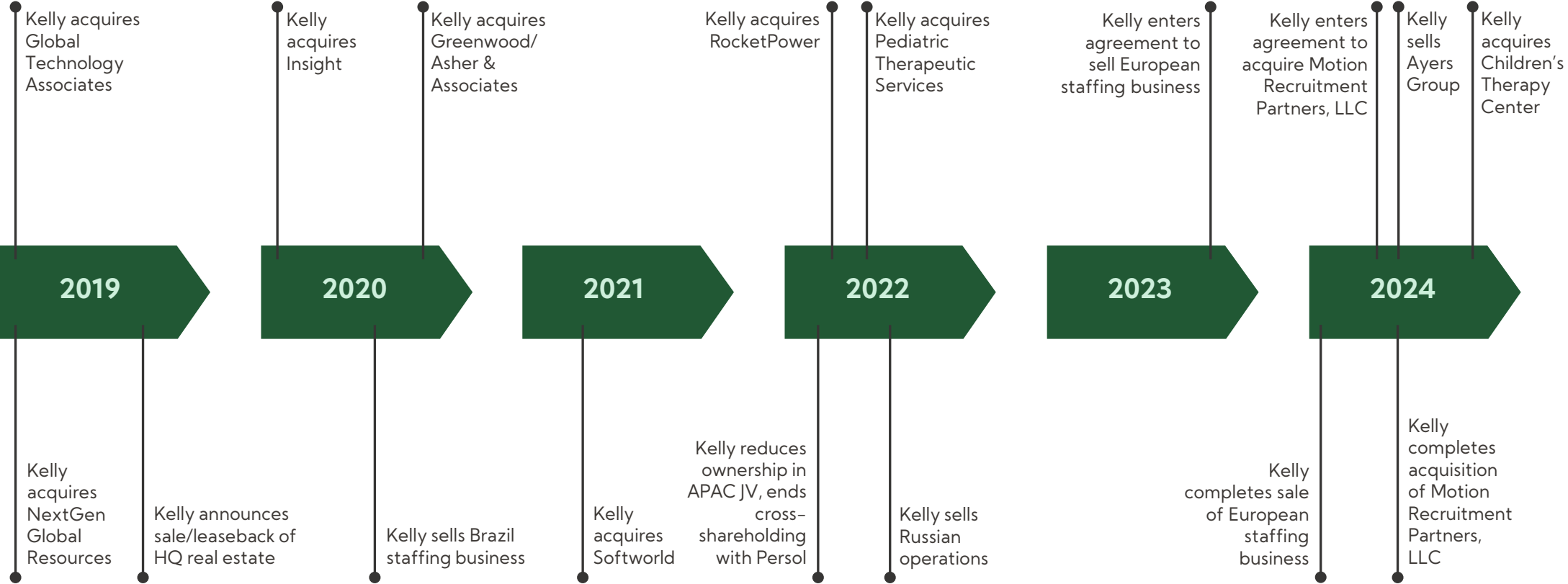
- High-quality balance sheet
- Solid free cash flow generation
- Available debt financing
- Monetized non-EBITDA assets to unlock capital

Cash priorities designed to deliver value

- Redeployed non-EBITDA producing assets in support of growth areas
- Aggressive acquisitions in higher-margin specialties that create value
- Investments in talent, technology, and products enable organic growth
- Recently-completed share repurchase program complemented capital allocation strategy and disciplined pursuit of inorganic growth



Our M&A activities are shifting our portfolio.



We have unlocked more than \$100 million of additional liquidity.

On January 2, 2024, Kelly announced that it completed the sale of its European staffing business for more than \$100 million.



- Kelly maintains its global footprint, providing MSP and RPO solutions to customers in the EMEA region through KellyOCG, and our fast-growing FSP solutions through Kelly SETT
- Enables greater focus on higher margin, higher growth solutions and unlocks significant capital to invest in organic and inorganic growth
- Based on full-year 2023 results, transaction expected to contribute approximately 100 basis points of favorable impact to Kelly's gross profit margin; 40 basis points of favorable impact to adjusted EBITDA margin; and 17% reduction in revenue

We rapidly redeployed capital toward the largest acquisition in Kelly's history.

On May 31, 2024, Kelly completed its acquisition of specialty talent solutions company, Motion Recruitment Partners, LLC ("MRP").

- Kelly paid \$425 million in cash at close, with additional earnout potential of up to \$60 million based on certain performance criteria.
- This transformational acquisition has strengthened the scale and capabilities of Kelly's staffing, consulting and RPO solutions in attractive customer end markets – including technology, financial services, and healthcare.
- Together, Kelly and MRP now rank among the top-10 largest IT staffing providers in the United States⁽¹⁾.
- MRP will continue to deliver services through its existing companies and brands, including Motion Recruitment, Sevenstep®, Motion Telco, and TG Federal.



⁽¹⁾Staffing Industry Analysts Largest IT Staffing Firms in the United States: 2024 Update

MRP brings an attractive financial profile.

<u>Revenue</u>	<u>GP Rate</u>	<u>Adj. EBITDA⁽¹⁾</u>	<u>Adj. EBITDA Margin⁽¹⁾</u>
2023 \$554 million	2023 30%	2023 \$37 million	2023 7%
2022-2023 Average \$600 million	2022-2023 Average 32%	2022-2023 Average \$49 million	2022-2023 Average 8%

Established presence in attractive customer end markets



Healthcare



Telecom



Government



Technology



Financial Services

⁽¹⁾See reconciliation of Non-GAAP Measures on slide 42.

Kelly®



Prioritizing Investments to Accelerate Profitable Growth

We are pursuing organic and inorganic investments in Kelly SET.



Our prioritization is based on market opportunity, margin profiles, and our ability to win.

Market Opportunity	Kelly's Margin Profile	Why Kelly is Positioned to Win
<p>U.S. Stem Staffing Market Size</p> <p>\$54.2b</p> <p>U.S. Stem Outsourcing Market Size</p> <p>\$30.3b</p> <p>Combined CAGR (2020-2023)</p> <p>9.2%</p>	<p>Gross Profit Margin (2023)</p> <p>22.8%</p>	<p>2024 SIA Largest Life Sciences Staffing Firms In The U.S.</p> <p>#2</p> <p>2024 SIA Largest Engineering Staffing Firms In The U.S.</p> <p>#4</p> <p>2024 SIA Largest IT Staffing Firms In The U.S.</p> <p>#10⁽¹⁾</p>

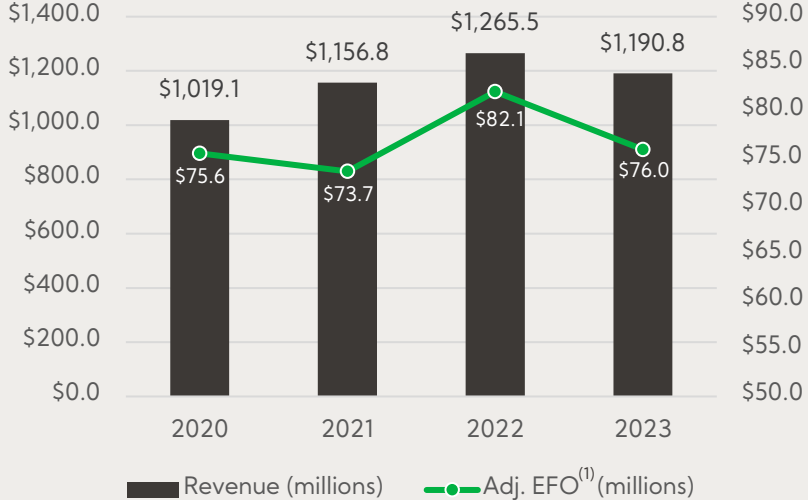
Market sizes and combined CAGR based on 2023 data from Staffing Industry Analysts
⁽¹⁾Ranking based on the combined 2023 revenue of Kelly/Softworld and Motion Recruitment Partners

We are pursuing organic and inorganic investments in Kelly SET.

Kelly Science, Engineering, Technology & Telecom

SET Revenue (2023): \$1,190.8 million

SET Revenue CAGR (2020-23): 5.3%



Jan. 2019: Acquired NextGen and GTA, providers of telecom, wireless and connected technology staffing solutions and consulting services



Apr. 2021: Acquired Softworld, a specialty technology staffing and workforce solutions firm



May 2024: Acquired Motion Recruitment Partners, LLC, a specialty talent solutions company



⁽¹⁾See reconciliations of Non-GAAP Measures included in Form 8-K dated February 18, 2021; February 14, 2022; February 16, 2023; and February 15, 2024.

We are pursuing organic and inorganic investments in Kelly Education.



Our prioritization is based on market opportunity, margin profiles, and our ability to win.

Market Opportunity	Kelly's Margin Profile	Why Kelly is Positioned to Win
<p>U.S. K-12 Staffing Market Size</p> <p>\$1.7b</p> <p>Early Childhood, Higher Ed, Exec Search and Special Needs Market Size</p> <p>\$7.2b</p> <p>Combined CAGR (2020-2023)</p> <p>7.4%</p>	<p>Gross Profit Margin (2023)</p> <p>15.3%</p>	<p>2024 SIA Largest Education Staffing Firms In The U.S.</p> <p>#1</p> <p>National Scale</p> <p>8,700+ schools across 37 states</p>

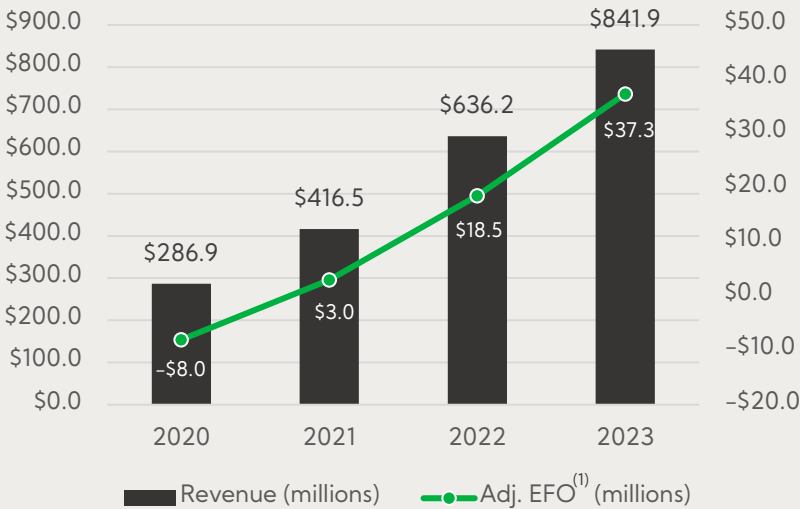
Market sizes and combined CAGR based on 2023 data from Staffing Industry Analysts and proprietary estimates

We are pursuing organic and inorganic investments in Kelly Education.

Kelly Education

EDU Revenue (2023): \$841.9 million

EDU Revenue CAGR (2020-23): 43.2%



**Greenwood
Asher &
Associates®**

Jan. 2020: Acquired Insight, an education service staffing company

Nov. 2020: Acquired Greenwood/Asher, a specialty education executive search firm



May 2022: Acquired PTS, a specialty firm that provides state and federally mandated in-school therapy services

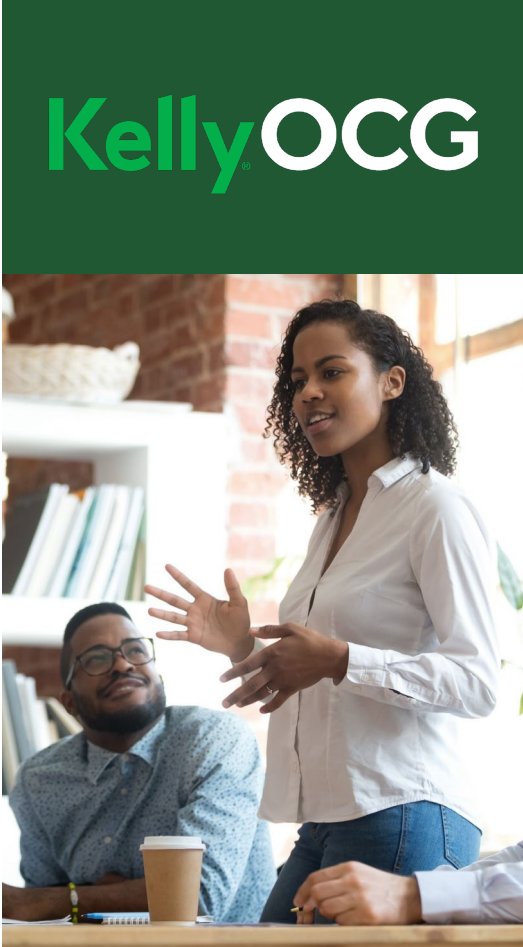


Nov. 2024: Acquired Children's Therapy Center, a specialty firm that provides outpatient therapy services



⁽¹⁾See reconciliations of Non-GAAP Measures included in Form 8-K dated February 18, 2021; February 14, 2022; February 16, 2023; and February 15, 2024.

We are pursuing organic and inorganic investments in Kelly OCG.

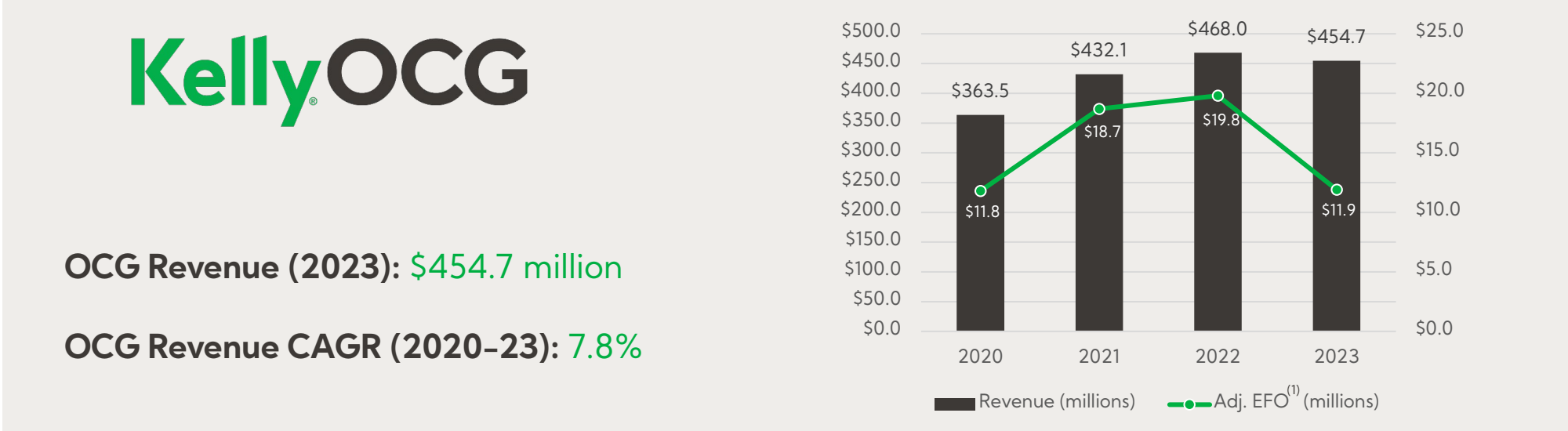


Our prioritization is based on market opportunity, margin profiles, and our ability to win.

Market Opportunity	Kelly's Margin Profile	Why Kelly is Positioned to Win
<p>Global MSP Market Size</p> <p>\$248–253b</p> <p>Global RPO Market Size</p> <p>\$5.6–5.8b</p> <p>Combined CAGR (2020–2023)</p> <p>16.8–17.6%</p>	<p>Gross Profit Margin (2023)</p> <p>36.0%</p>	<p>2024 Everest Group Peak Matrix Contingent Workforce Management</p> <p>Leader</p> <p>2024 Everest Group Peak Matrix Services Procurement</p> <p>Leader</p> <p>2024 Everest Group Peak Matrix Recruitment Process Outsourcing In Global</p> <p>Major Contender</p>

Market sizes and combined CAGR based on 2023 data from Everest Group

We are pursuing organic and inorganic investments in Kelly OCG.



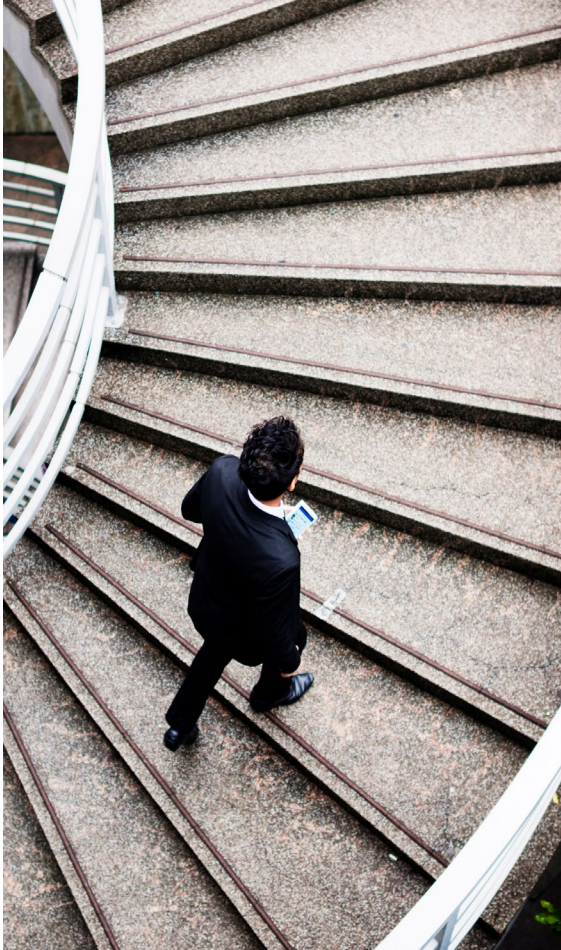
Mar. 2022: Acquired RocketPower, a provider of RPO solutions to U.S. tech companies



⁽¹⁾See reconciliations of Non-GAAP Measures included in Form 8-K dated February 18, 2021; February 14, 2022; February 16, 2023; and February 15, 2024.

Our transformation is building on our achievements over the past 4+ years.

In 2023, we successfully delivered on structural cost optimization, and we will continue to execute on opportunities to accelerate profitable top- and bottom-line growth.



Delivering on three key outcomes:

- **Optimized** business and functional operations in a sustainable manner
 - Completed workforce reductions to enhance organizational efficiency and effectiveness and established controls to provide clear visibility into resources and expenses
- **Unlocking** additional value-creating opportunities
 - Executing several revenue growth initiatives related to technology enhancements, large enterprise account sales strategy, P&I omni-channel delivery model, and inorganic opportunities
- **Accelerating** profitable growth
 - Expect continued improvement in organic EBITDA margin with acceleration from MRP acquisition

We are leveraging technology to create value for clients, talent and Kelly.

Our vision is to enable growth by improving efficiency, and generate growth through innovative offerings that create value for customers and talent.



- [Kelly Helix](#) – A powerful platform comprising our Helix UX, Helix Analytics, and Human Cloud solutions which enables employers to manage all their talent in one place.
- [Kelly Arc](#) – A digital recruitment platform that connects clients with job seekers who specialize in AI-powered automation.
- [Kelly Fusion](#) – A suite of people-first automated work solutions including digital workers, co-bots, and workforce automation consulting.
- [Kelly Now](#) – A mobile app that gets to know job seekers' career goals, priorities, and interests to match them with temporary and permanent jobs that fit their life and career needs.

Kelly



Putting Our Strength to Work

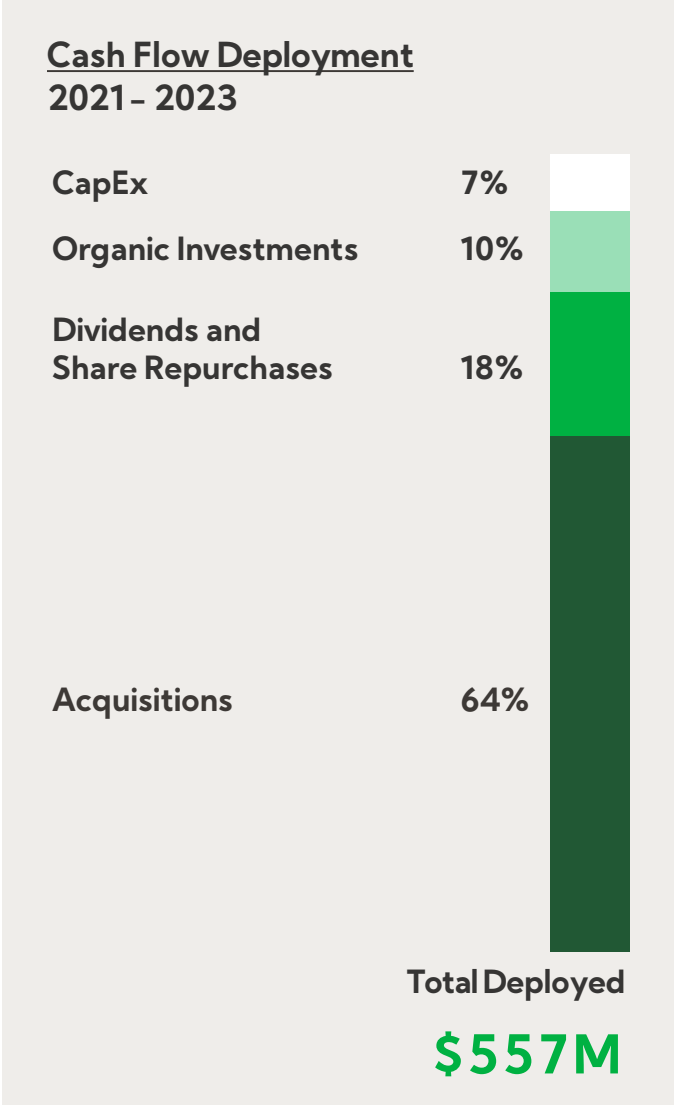
Our capital deployment strategy is focused on driving long-term shareholder value.

Disciplined and focused investment to drive organic growth.

Acquisitions and investments that align with strategy and financial targets.

Completed \$50 million Class A common share repurchase plan in the third quarter of 2023⁽¹⁾.

Declared dividend based on economic and business conditions.



⁽¹⁾Share repurchase plan approved November 2022.

Our inorganic strategy is disciplined and focused on growth.

Target Areas

- Education adjacencies
- Specialties within Science, Engineering & Technology (SET)
- Outsourcing & Consulting properties (OCG)

Market Dynamics and Growth Potential

- Greater penetration into fast-growing, high-margin specialty markets
- Platform for additional acquisition growth opportunities, accelerating our organic growth potential

Profitability and Returns

- Robust top-line growth
- EBITDA profile
- Deal pricing discipline and execution focus to ensure attractive ROI

Culture and Capabilities

- Brings additional talent and expertise to Kelly
- Potential to thrive in a culture of agility, performance and innovation
- High ethics, integrity and sense of teamwork



Our balance sheet is strong.

With healthy debt capacity and free cash flow generation, we are well positioned to pursue our Board-approved M&A and investment strategy goals.

Debt Capacity

- Kelly renewed its credit facilities to fund the acquisition of MRP and to provide capital for future organic and inorganic initiatives
- Revolver: borrowing capacity of \$150 million with the ability to increase to \$300 million
- Securitization facility: borrowing capacity of \$250 million with the ability to increase to \$350 million

Free Cash Flow (FCF)

- Solid FCF from operations
- Assume the DEBT/LTM EBITDA leverage is not higher than 2.0 on a long-term basis



Kelly



Leadership Spotlight

Leadership Spotlight



Hugo Malan on data-driven leadership and metrics that matter

Hugo Malan spoke with Dana Feldman on her podcast, Reveal, about how the modern workforce's desire for meaningful work reshapes leadership strategies.

September 16, 2024



Strategies for building a people-first culture in HR

Amy Bouque joined the HR Leaders Podcast to discuss the evolving nature of HR and the importance of moving beyond transactional tasks to focus on people-centered strategies.

November 5, 2024



Five Kelly Leaders Named to SIA's 2024 Global Power 150 Women in Staffing List

Tammy Browning, Nicola Soares, Adelle Harrington, Pam Sands, and Vanessa Williams were recognized by Staffing Industry Analysts for elevating and transforming the staffing industry through their vision, achievements, and leadership.

November 12, 2024

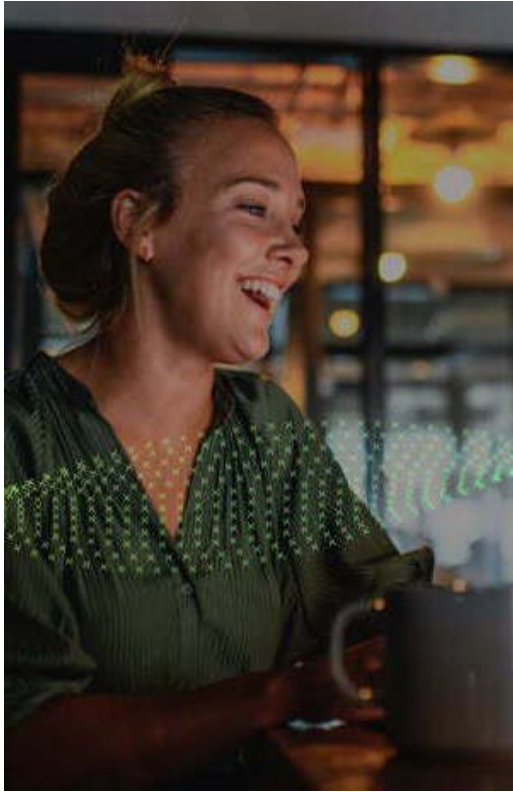
Kelly®



Financial Appendix

2024 Fourth-Quarter Outlook

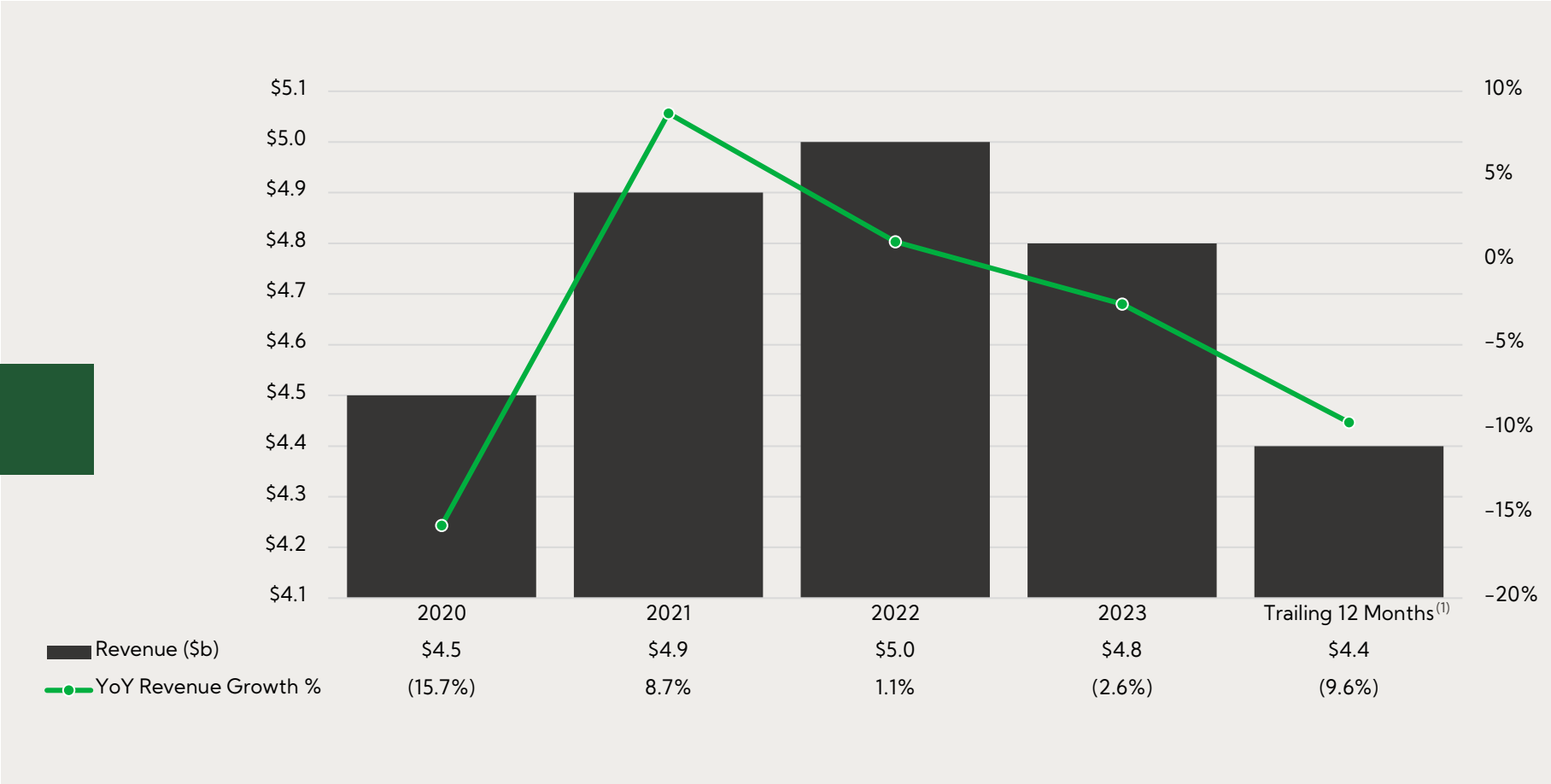
Our fourth-quarter outlook assumes a continuation of current staffing market conditions, including continued sequential stabilization in revenue. The results of the European staffing operations have been excluded from the 2023 base.



- **Revenue** – up organically 1.5% to 2.5%, with no significant FX impact; mid-point organic expectation of \$1.045 billion for Q4 2024
 - Reflects continuation of Education double-digit growth and P&I, SET and OCG sequential stabilization quarter-over-quarter in Q4
 - MRP will add an additional \$120 million of revenue
- **GP rate** – organic at 19.3%
 - Organic rate impacted by unfavorable business mix
 - MRP will add 110 bps to total company rate due to higher-margin specialty profile resulting in an all-in GP rate of 20.4%
- **Adjusted SG&A** – organically YOY down 4.5% to 5.5%, excluding D&A
 - MRP will add approximately \$30 million of expense, excluding D&A
 - Total D&A of approximately \$14 million expected
- **Adjusted EBITDA margin** – 3.4% to 3.5%, up about 90 bps YOY reflecting the structural impact of transformation actions and including 30 bps from the acquisition of MRP
- **Tax rate** – effective rate in the low teens

Our Financial Journey: Revenue

CAGR: 2.3%⁽²⁾

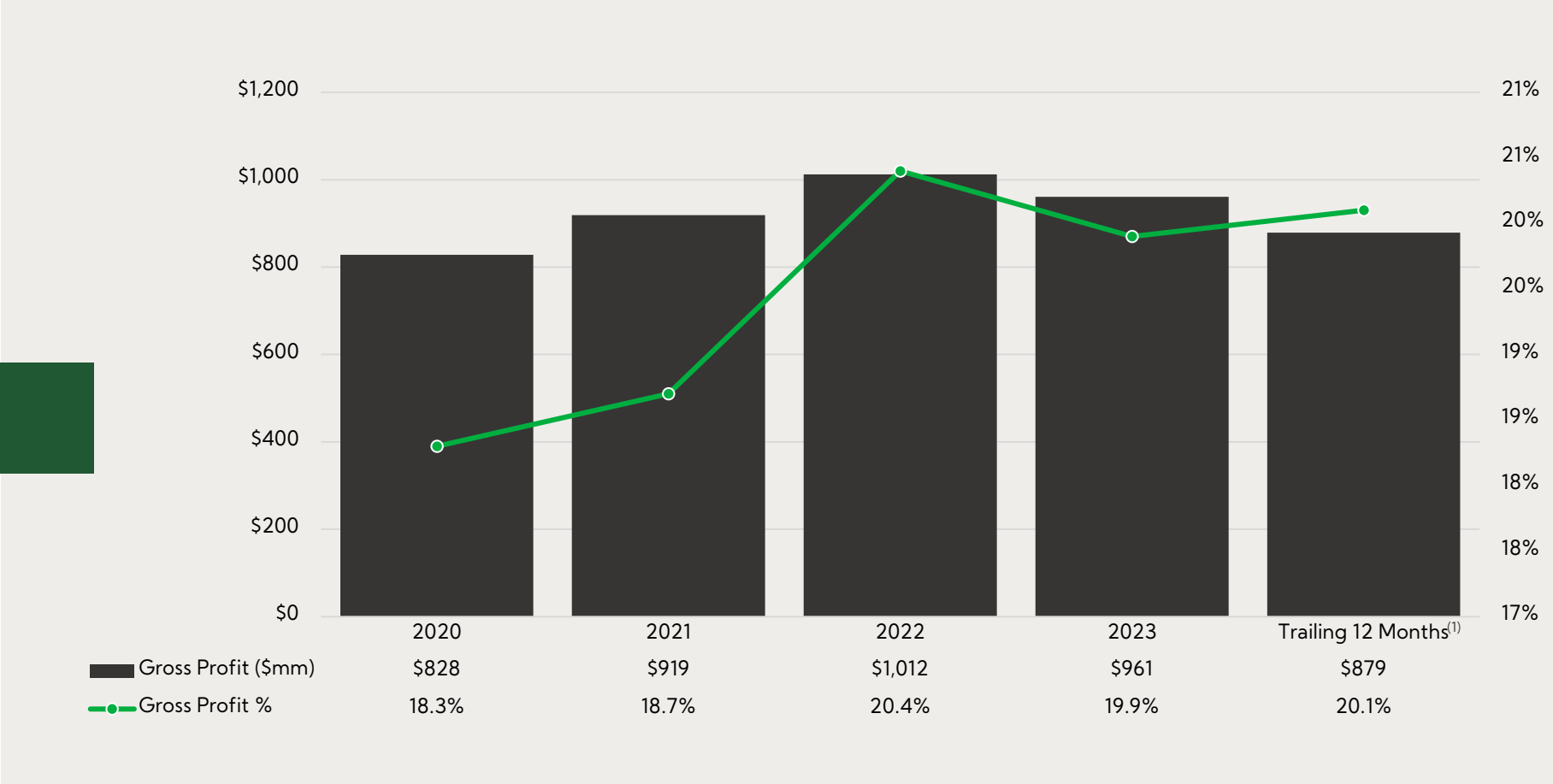


⁽¹⁾Trailing 12 months includes Q4 2023 through Q3 2024;

⁽²⁾CAGR is for 2020-2023.

Our Financial Journey: Gross Profit

CAGR: 5.1%⁽²⁾

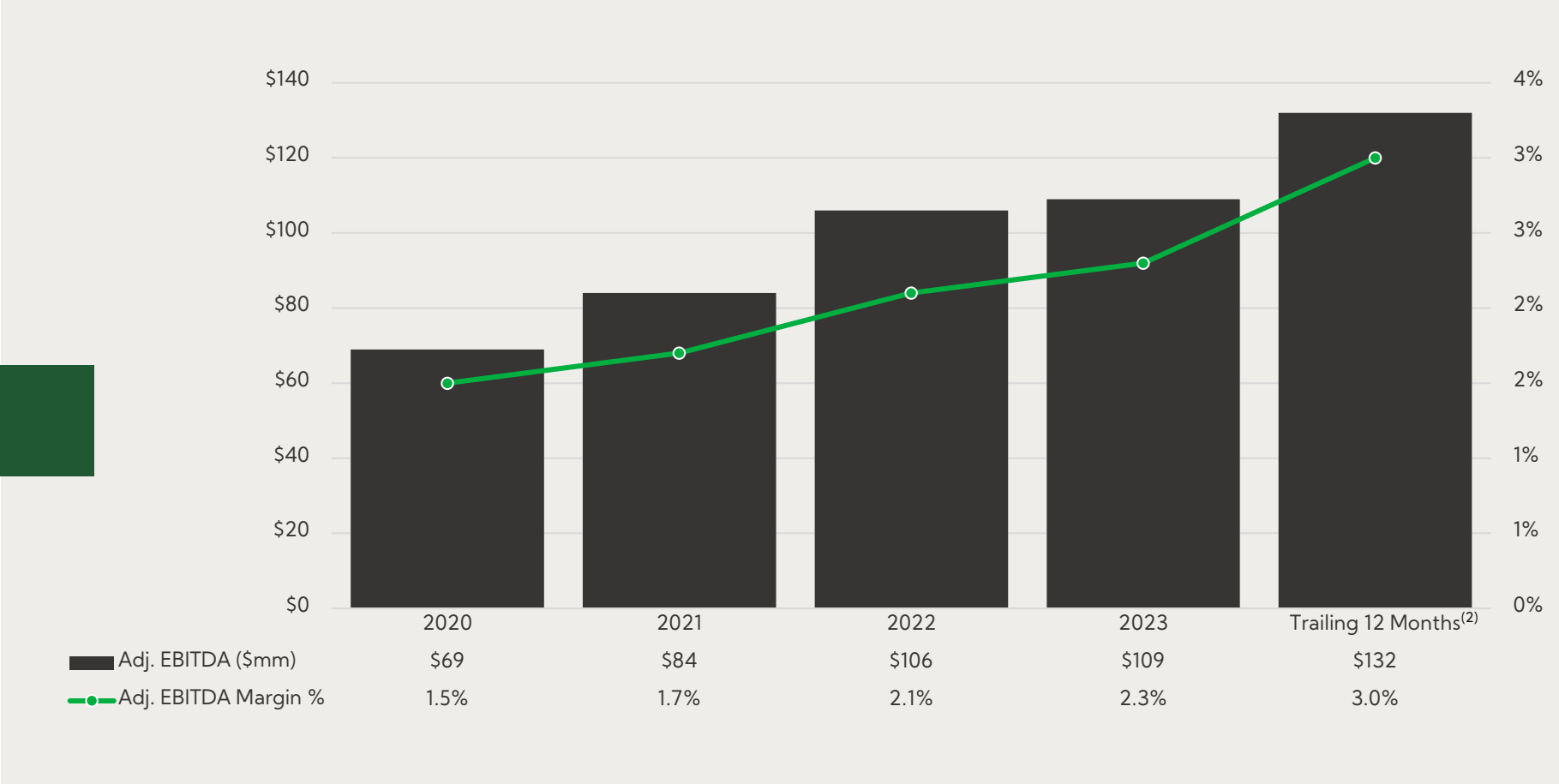


⁽¹⁾Trailing 12 months includes Q4 2023 through Q3 2024;

⁽²⁾CAGR is for 2020-2023.

Our Financial Journey: Adjusted EBITDA⁽¹⁾

CAGR: 16.6%⁽³⁾

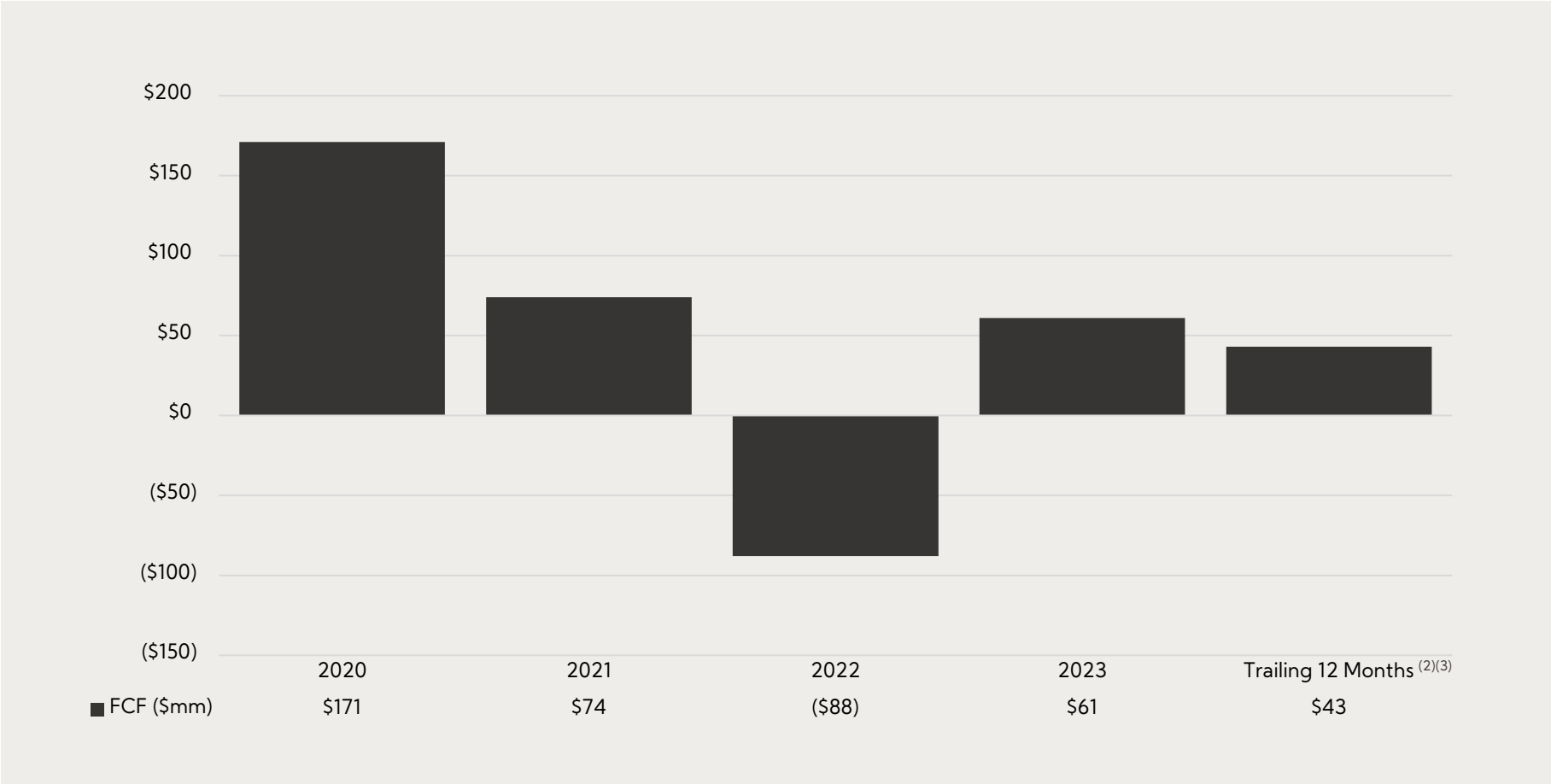


⁽¹⁾Adjusted EBITDA excludes from Net Income: (i) equity in earnings of affiliate, (ii) income taxes, (iii) other income or expenses net, (iv) Persol related gains or losses, (v) gains or losses on asset sales, (vi) asset impairment charges, (vii) gains on insurance settlement, (viii) gains or losses on foreign currency matters, (ix) restructuring expenses, (x) unrealized loss on forward contract, (xi) transaction costs, and (xii) depreciation & amortization;

⁽²⁾Trailing 12 months includes Q4 2023 through Q3 2024;

⁽³⁾CAGR is for 2020-2023.

Our Financial Journey: Free Cash Flow⁽¹⁾



⁽¹⁾Free Cash Flow ("FCF") is defined as net cash from operating activities minus capital expenditures;

⁽²⁾Trailing 12 months includes Q4 2023 through Q3 2024;

⁽³⁾FCF includes the cash outflows of \$30 million in 2021 and \$87 million in 2022 used to repay payroll taxes previously deferred under the CARES Act as well as \$48 million in 2022 for income taxes related to the sale of Persol Holdings common stock.

Third-Quarter 2024 Financial Summary

	Actual Results	Change Increase/(Decrease)	
		As Reported	As Adjusted ⁽¹⁾
Revenue	\$1.0B	(7.1%)	(7.1%)
Gross Profit Rate	21.4%	100 bps	100 bps
Earnings from Operations	\$2.6M	NM	(24.5%)
Diluted Earnings per Share	\$0.02	(\$0.16)	(\$0.29)
Adjusted EBITDA	\$26.2M		2.7%
Adjusted EBITDA Margin	2.5%		20 bps

⁽¹⁾See reconciliation of Non-GAAP Measures included in Form 8-K dated November 7, 2024.

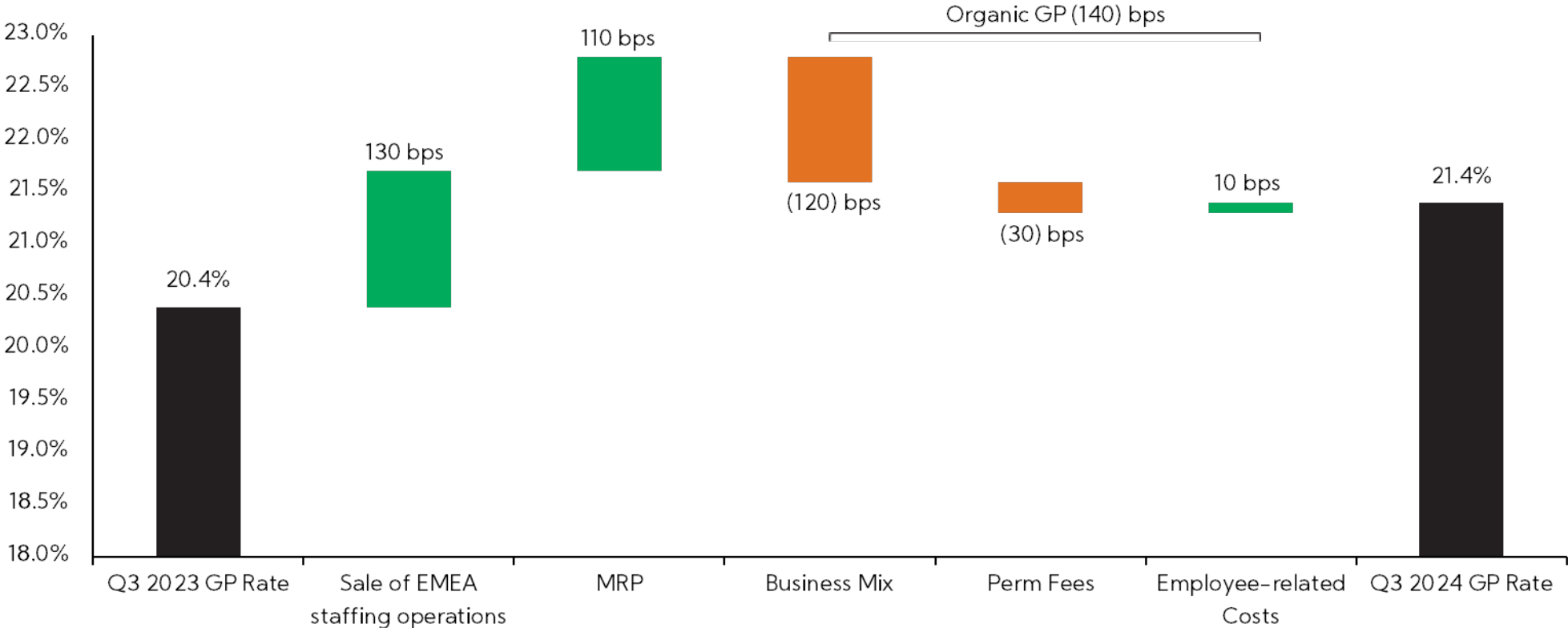
Third-Quarter 2024 Revenue Trends

	Reported ⁽¹⁾	Organic ⁽²⁾
Total	(7.1%)	(0.2%)
Professional & Industrial	(2.0%)	n/a
Science, Engineering & Technology	37.1%	(5.1%)
Education	10.9%	n/a
Outsourcing & Consulting	6.0%	n/a

⁽¹⁾Reported includes the impact of the sale of our EMEA staffing operations in January 2024 and the 2024 results of MRP, which was acquired as of May 31, 2024, and included in the reported results of operations in SET, from the date of acquisition;

⁽²⁾Organic excludes the impact of the sale of our EMEA staffing operations in January 2024 and the 2024 results of Motion Recruitment Partners ("MRP"), which was acquired as of May 31, 2024.

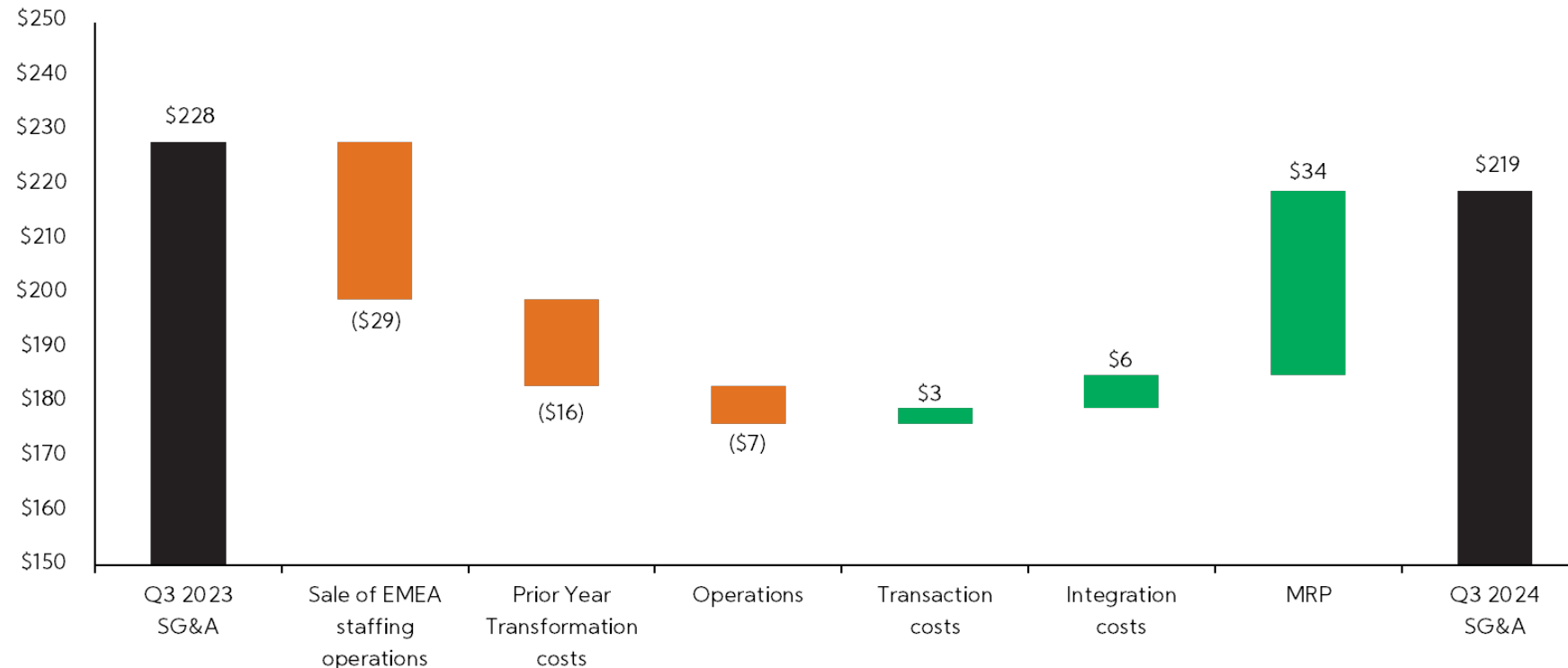
Third-Quarter 2024 Gross Profit Rate



- GP rate favorably impacted by the sale of our EMEA staffing operations, which had lower margins, and was completed on January 2, 2024, and the acquisition of MRP completed on May 31, 2024
- Organic GP rate decreased due to business mix, as growth in Education and PPO, which generate lower gross margins, outpaced growth in our higher margin outcome-based and staffing business, and lower permanent placement fees due to customer demand, partially offset by lower employee-related costs

Third-Quarter 2024 SG&A

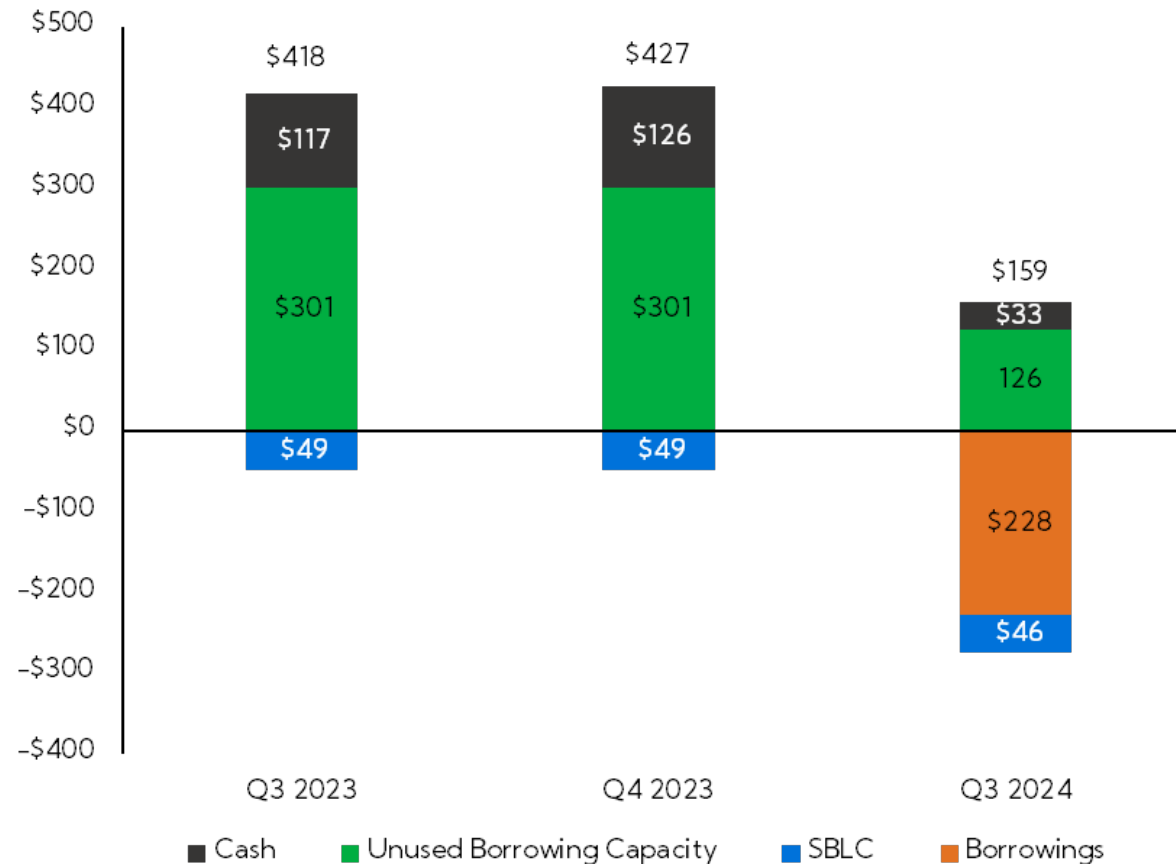
\$ in millions



- SG&A expenses decreased following the sale of our EMEA staffing operations on January 2, 2024, as well as non-recurring prior year transformation costs related to severance and third-party consultant fees for assistance with the execution of the transformation-related activities in Q3 2023
- Expenses in Operations decreased as a result of management's efforts to align resource levels with volume as well as lower variable performance-based incentive compensation in response to lower revenue volume
- SG&A expenses increased due to transaction-related costs arising from the sale of our EMEA staffing operations on January 2, 2024 and the acquisition of MRP; integration costs related to initiatives to integrate MRP and aligning processes and technology across the Company; and also reflect the 2024 results of MRP, which was acquired as of May 31, 2024

Third-Quarter 2024 Liquidity

\$ in millions



- As of the end of Q3 2024, we have more than \$150 million of available liquidity, including \$33 million of cash on hand
- Our amended credit facilities include \$400 million of combined borrowing capacity on our U.S. revolving credit and securitization facilities
- Borrowings in Q3 2024 represents amounts outstanding on our U.S. credit facilities related to our acquisition of MRP
- Standby letters of credit ("SBLC") represents amounts outstanding related to workers' compensation

2023 Adjusted EBITDA⁽¹⁾ by Segment

	Professional & Industrial	Science, Engineering & Technology	Education	Outsourcing & Consulting	International	
Q1 2023	Business unit profit (loss)	(1.2)	18.5	15.4	(0.1)	(0.7)
	Restructuring	3.0	0.5	0.1	0.6	0.6
	Adjusted EBITDA	1.8	19.0	15.5	0.5	(0.1)
	Adjusted EBITDA margin	0.5%	6.2%	6.2%	0.3%	0.0%
Q2 2023	Business unit profit (loss)	3.2	17.9	9.3	0.2	-
	Restructuring	0.3	-	0.3	(0.1)	-
	Asset impairment	0.3	0.1	-	2.0	-
	Adjusted EBITDA	3.8	18.0	9.6	2.1	-
	Adjusted EBITDA margin	1.0%	6.0%	4.7%	2.0%	0.0%
Q2 YTD 2023	Business unit profit (loss)	2.0	36.4	24.7	0.1	(0.7)
	Restructuring	3.3	0.5	0.4	0.5	0.6
	Asset impairment	0.3	0.1	-	2.0	-
	Adjusted EBITDA	5.6	37.0	25.1	2.6	(0.1)
	Adjusted EBITDA margin	0.7%	6.1%	5.5%	1.2%	0.0%
Q3 2023	Business unit profit (loss)	5.7	20.7	(2.5)	1.5	1.4
	Restructuring	4.0	0.7	0.6	1.8	-
	Adjusted EBITDA	9.7	21.4	(1.9)	3.3	1.4
	Adjusted EBITDA margin	2.6%	7.3%	-1.5%	2.9%	0.7%
Q3 YTD 2023	Business unit profit (loss)	7.7	57.1	22.2	1.6	0.7
	Restructuring	7.3	1.2	1.0	2.3	0.6
	Asset impairment	0.3	0.1	-	2.0	-
	Adjusted EBITDA	15.3	58.4	23.2	5.9	1.3
	Adjusted EBITDA margin	1.3%	6.5%	4.0%	1.7%	0.2%
Q4 2023	Business unit profit (loss)	8.3	17.9	14.1	0.6	(2.6)
	Restructuring	(0.6)	0.4	-	0.7	2.7
	Adjusted EBITDA	7.7	18.3	14.1	1.3	0.1
	Adjusted EBITDA margin	2.1%	6.4%	5.5%	1.1%	0.0%
2023	Business unit profit (loss)	16.0	75.0	36.3	2.2	(1.9)
	Restructuring	6.7	1.6	1.0	3.0	3.3
	Asset impairment	0.3	0.1	-	2.0	-
	Adjusted EBITDA	23.0	76.7	37.3	7.2	1.4
	Adjusted EBITDA margin	1.5%	6.4%	4.4%	1.6%	0.2%

⁽¹⁾Adjusted EBITDA excludes from Net Income: (i) equity in earnings of affiliate, (ii) income taxes, (iii) other income or expenses net, (iv) Persol related gains or losses, (v) gains or losses on asset sales, (vi) asset impairment charges, (vii) gains on insurance settlement, (viii) gains or losses on foreign currency matters, (ix) restructuring expenses, (x) unrealized loss on forward contract, (xi) transaction costs, and (xii) depreciation & amortization.

Adjusted EBITDA Non-GAAP Reconciliation

\$ in millions

	2020	2021	2022	2023	Trailing 12 Months
Net earnings (loss)	(\$72.0)	\$156.1	(\$62.5)	\$36.4	\$42.6
Other (income) expense, net	(3.4)	3.6	(1.6)	(4.2)	(0.1)
Income tax expense (benefit)	(34.0)	35.1	(7.9)	(11.5)	(4.0)
Depreciation & amortization	24.2	29.8	33.4	33.9	47.5
EBITDA	(\$85.2)	\$224.6	(\$38.6)	54.6	86.0
Equity in net (earnings) loss of affiliate	(0.8)	(5.4)	(0.8)	-	-
(Gain) loss on investment in Persol Holdings ⁽¹⁾	16.6	(121.8)	67.2	-	-
Loss on foreign currency matters ⁽²⁾	-	-	20.4	-	-
Gain on sale of assets ⁽³⁾	(32.1)	-	(6.2)	-	(5.4)
Loss on Disposal ⁽⁴⁾	-	-	18.7	-	-
Goodwill impairment charge ⁽⁵⁾	147.7	-	41.0	-	-
Gain on insurance settlement ⁽⁶⁾	-	(19.0)	-	-	-
Restructuring ⁽⁷⁾	12.8	4.0	-	35.5	14.3
Asset impairment charge ⁽⁸⁾	-	-	-	2.4	5.5
Customer dispute ⁽⁹⁾	9.5	-	-	-	-
(Gain) loss on forward contract ⁽¹⁰⁾	-	-	-	3.6	2.4
Transaction costs ⁽¹¹⁾	-	-	-	6.9	25.1
Gain on sale of EMEA staffing operations ⁽¹²⁾	-	-	-	-	(1.6)
Integration costs ⁽¹³⁾	-	-	-	-	6.1
Other, net	0.5	1.7	3.9	6.4	0.1
Adjusted EBITDA	\$69.0	\$84.1	\$105.6	\$109.4	\$132.5
Adjusted EBITDA Margin	1.5%	1.7%	2.1%	2.3%	3.0%

Management uses Adjusted EBITDA and Adjusted EBITDA margin 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.

Adjusted EBITDA Non-GAAP Reconciliation Footnotes

⁽¹⁾2022 loss on investment in Persol Holdings includes losses of \$67.2 million on the sale of Persol Holdings in Q1 2022, \$52.4 million of which related to changes in fair value up to the date of the transaction. Gain on investment in Persol Holdings of \$121.8 million in 2021, and loss on investment in Persol Holdings of \$16.6 million in 2020;

⁽²⁾Loss on foreign currency matters represents a \$20.4 million loss on currency translation resulting from the substantially complete liquidation of the Company's Japan entity in Q1 2022;

⁽³⁾Gain on sale of assets in the second quarter of 2024 represents the sale of Ayers Group. 2022 gain on sale of assets represents \$0.9 million in Q1 2022 for the sale of real property, \$4.4 million in Q2 2022 for the sale of under-utilized real property and \$0.9 million in Q4 2022 for the sale of real property. 2020 gain on sale of assets represents \$32.1 million for the sale of three of the four headquarters buildings;

⁽⁴⁾2022 loss on disposal represents the write-off of the net assets of our Russian operations that were sold in Q3 2022;

⁽⁵⁾2022 goodwill impairment charge is the result of interim impairment tests the Company performed related to RocketPower due to triggering events caused by changes in market conditions. The goodwill impairment charge in Q1 2020 was caused by a decline in the Company's common stock price;

⁽⁶⁾Gain on insurance settlement represents a payment received in the fourth quarter of 2021 related to the settlement of claims under a representations and warranties insurance policy purchased by the Company in connection with the acquisition of Softworld;

⁽⁷⁾Restructuring charges of \$6.4 million in 2024 represent a continuation of the comprehensive transformation initiative that started in the second quarter of 2023 that will further streamline the Company's operating model to enhance organizational efficiency and effectiveness. 2023 restructuring charges of \$35.5 million represent severance costs, costs to execute a transformation initiative, lease terminations and other costs to further cost management efforts in response to current demand levels and reflect a repositioning of our P&I staffing business to better capitalize on opportunities in local markets in the first quarter and to further streamline the Company's operating model to enhance organizational efficiency and effectiveness as part of the comprehensive transformation initiative which started in the second quarter of 2023. 2021 restructuring charges of \$4.0 million represent severance costs as part of cost management actions designed to increase operational efficiencies within enterprise functions that provide centralized support to operating units. 2020 restructuring charges of \$12.8 million represent severance costs and lease terminations in the first quarter of 2020 in preparation for the new operating model adopted in the third quarter of 2020 and additional severance costs in the fourth quarter of 2020 to provide sustainable cost reductions as a result of the continuing COVID-19 demand disruption;

⁽⁸⁾Asset impairment charge in the second quarter of 2024 for certain right-of-use assets related to our leased headquarters facility reflects adjustments to how we are utilizing the building as part of our ongoing transformation efforts. 2023 asset impairment charge represents the impairment of right-of-use assets related to an occupied existing office space lease;

⁽⁹⁾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;

⁽¹⁰⁾(Gain) loss on forward contract represents the mark-to-market gains/losses on the foreign currency forward contract the Company entered into in the fourth quarter of 2023 to mitigate the exchange rate risk associated with the cash proceeds for the sale of the EMEA staffing operations;

⁽¹¹⁾Transaction costs in the second quarter of 2024 includes employee termination costs and transition costs directly related to the sale of the EMEA staffing operations and the acquisition of MRP. Employee termination costs and transition costs related to the sale of the EMEA staffing operations were \$8.9 million and transaction costs related to the acquisition of MRP were \$9.3 million. Transaction costs in the fourth quarter of 2023 includes employee termination costs and transition costs directly related to the sale of the EMEA staffing operations;

⁽¹²⁾Gain on sale of EMEA staffing operations represents the gain as a result of the sale in January 2024;

⁽¹³⁾Integration costs of \$6.1 million in Q3 2024 related to integrating the MRP acquisition and further aligning processes and technology across the Company.

MRP Net Earnings to Adjusted EBITDA Non-GAAP Reconciliation

\$ in millions

	2023
Net earnings (loss)	(\$6.6)
Other (income) expense, net	28.6
Income tax expense (benefit)	9.0
Depreciation & amortization	4.0
EBITDA	\$35.0
Non-recurring costs	1.6
Adjusted EBITDA	\$36.6
Adjusted EBITDA Margin	6.6%

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