Kelly Services, Inc.
Second Quarter

August 9, 2017

KELLY® SERVICES

Safe Harbor Statement

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, competitive market pressures including pricing and technology introductions, changing market and economic conditions, our ability to achieve our business strategy, the risk of damage to our brand, the risk our intellectual assets could be infringed upon or compromised, our ability to successfully develop new service offerings, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, our increasing dependency on third parties for the execution of critical functions, the risks associated with past and future acquisitions, exposure to risks associated with investments in equity affiliates, material changes in demand from or loss of large corporate customers, risks associated with conducting business in foreign countries, including foreign currency fluctuations, availability of full-time employees to lead complex talent supply chain sales and operations, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits and collective actions, the risk of cyber attacks or other breaches of network or information technology security as well as risks associated with compliance on data privacy, our ability to sustain critical business applications through our key data centers, our ability to effectively implement and manage our information technology programs, our ability to maintain adequate financial and management processes and controls, impairment charges triggered by adverse industry developments or operational circumstances, unexpected changes in claim trends on workers' compensation, disability and medical benefit plans, the impact of the Patient Protection and Affordable Care Act on our business, the impact of changes in laws and regulations (including federal, state and international tax laws), the risk of additional tax or unclaimed property liabilities in excess of our estimates, 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 have no intention to update these statements.

Second Quarter 2017 Highlights
(YOY Comparisons)

- Total revenue declined 3%
  - Excluding APAC results in 2016, total revenue increased 4%
- Gross profit down 1%
  - Excluding APAC results in 2016, gross profit up 6%
- Earnings from operations of $20.3 million, up 105% YOY
  - 2016 results include $3.4 million of restructuring expenses
  - Excluding restructuring expenses and APAC results in 2016, earnings from operations up more than 70% YOY
- Diluted earnings per share of $0.47, up $0.24
  - Excluding restructuring expenses and APAC staffing results in 2016, diluted earnings per share up $0.20

Second Quarter 2017 Financial Summary

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	Actual Results	Change	Constant Currency Change[1]
Revenue	$1.3B	(3.1)%	(2.7)%
GP %	17.2%	40 bps	
Earnings from Operations	$20.3M	104.7%	104.5%
ROS %	1.5%	80 bps	
EPS	$0.47	$0.24	

- Results reflect the deconsolidation of APAC at the beginning of Q3 2016
- Continued GP rate improvement reflects on-going structural progress, as well as the impact of removing the APAC JV, which carried lower margins
- Earnings from operations increased by 105% including the 2016 impact of $3.4 million of restructuring expenses

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[1]Constant Currency represent year-over-year changes resulting from translating 2017 financial data into USD using 2016 exchange rates.

Second Quarter 2017 Financial Summary
(Excluding APAC & Restructuring)

	Actual Results	Change [1]	Constant Currency Change [2]
Revenue	$1.3B	4.4%	4.8%
GP %	17.2%	20 bps	
Earnings from Operations	$20.3M	70.7%	70.5%
ROS %	1.5%	60 bps	
EPS	$ 0.47	$ 0.20	

- Revenue growth reflects the continued progress in our branch-based staffing business in the Americas and International, as well as modest GTS revenue improvement
- Earnings from operations increased more than 70% and improved in all three operating segments
- EPS growth reflects top-line improvement, GP rate increase, and expense control

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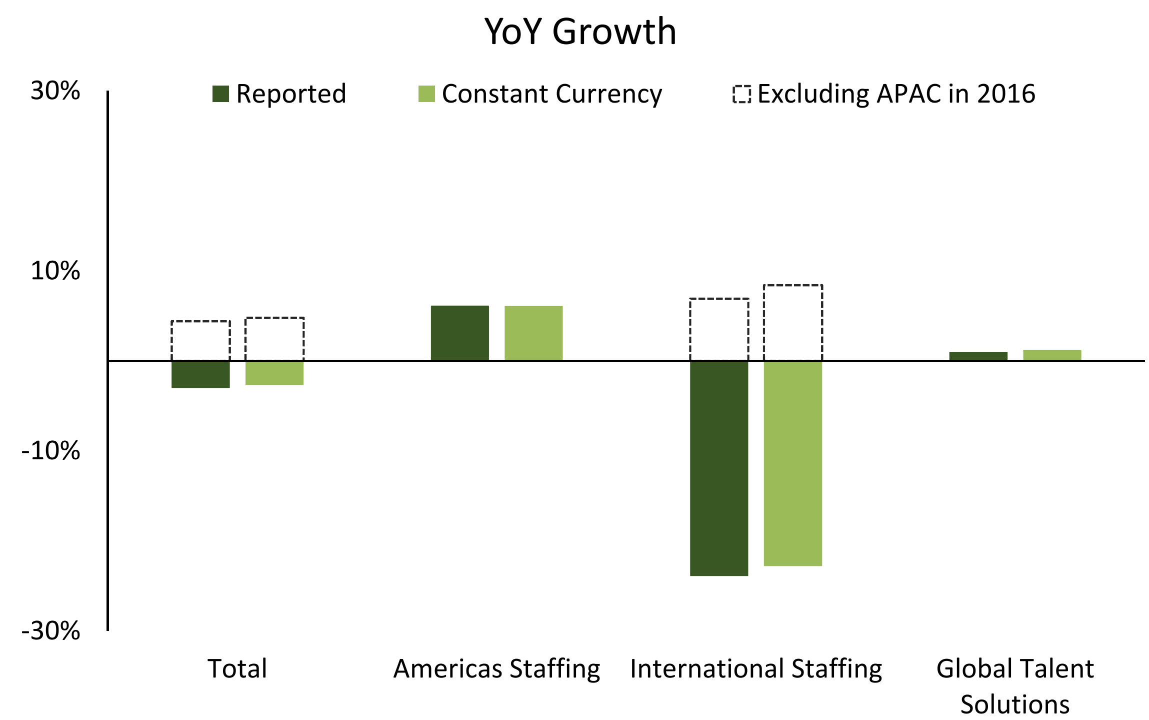
[1] Excludes 2016 results from APAC related to the deconsolidation, and $3.4 million of restructuring charges, $2.5 million net of tax or $0.07 per share in Q2 2016.

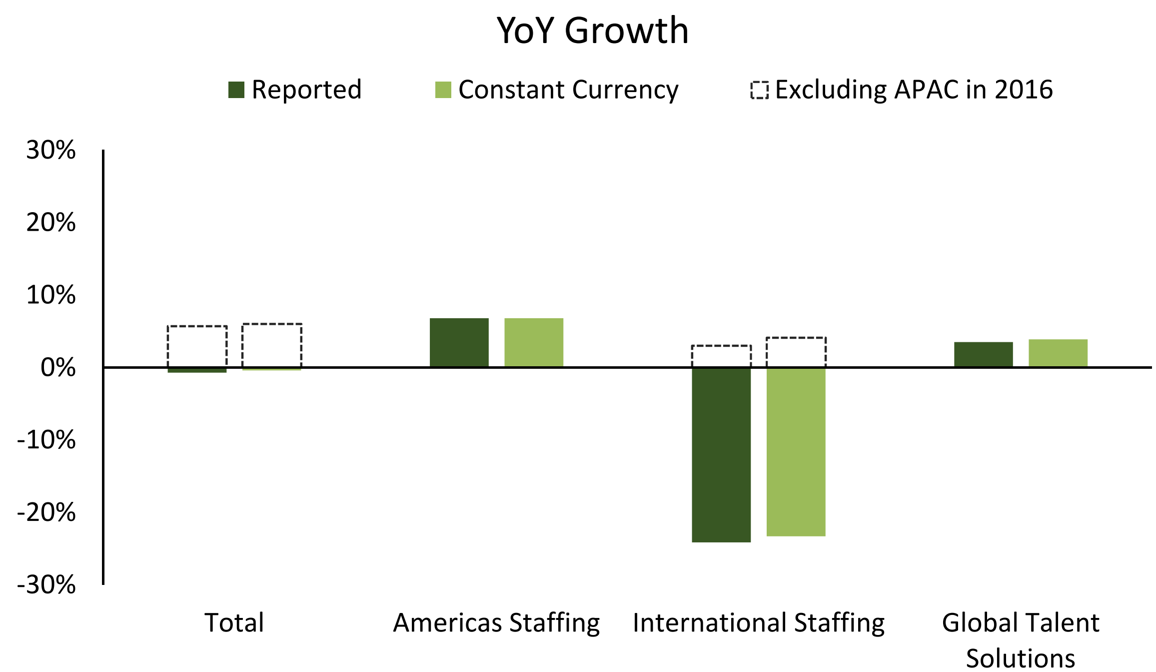
[2] Constant Currency represent year-over-year changes resulting from translating 2017 financial data into USD using 2016 exchange rates.

Second Quarter 2017 Revenue Growth



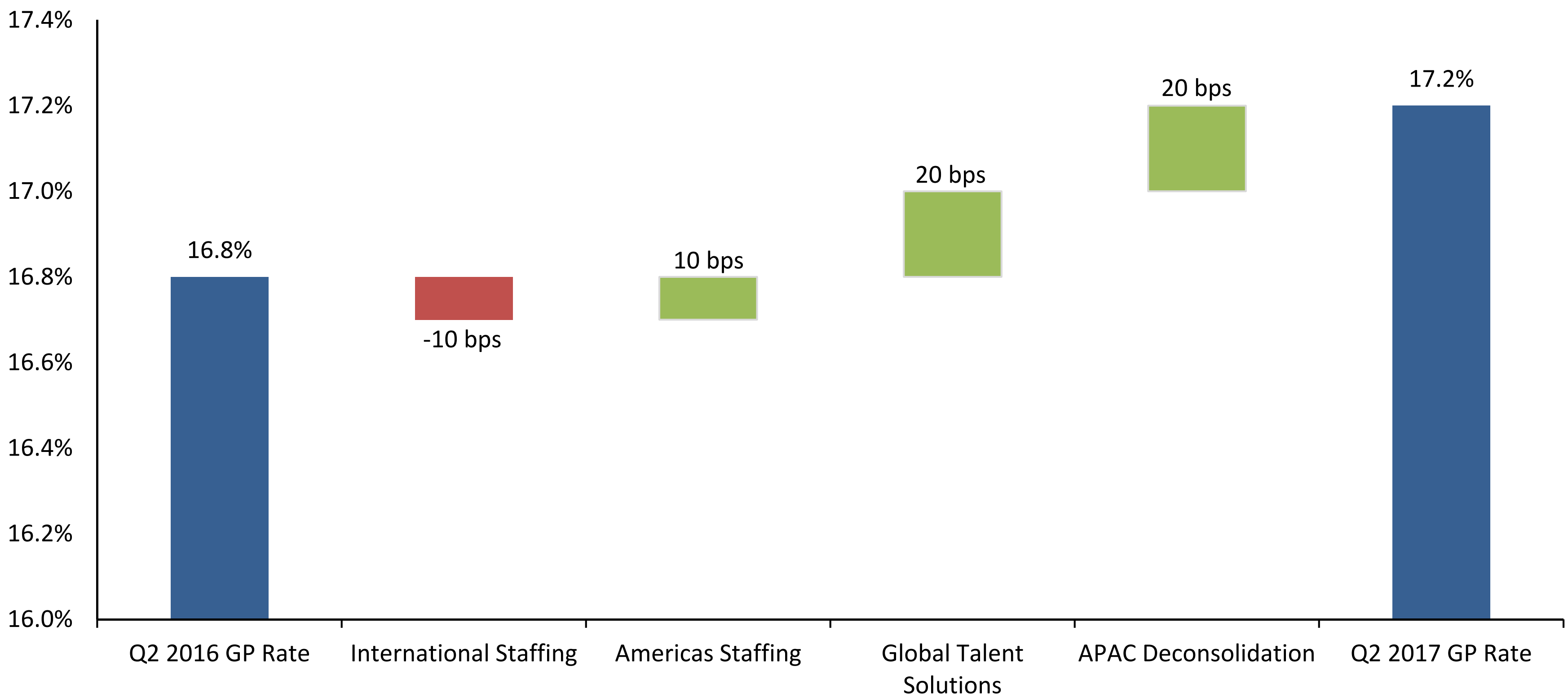
- Americas staffing revenues reflect continued strong top-line growth
- International staffing is impacted by the deconsolidation of APAC staffing at the end of 2016. Excluding APAC staffing, the segment grew revenue at 7%

Second Quarter 2017 Gross Profit Growth



- Americas staffing GP reflects top-line growth, coupled with a 10 basis point GP rate improvement
- International staffing reflects the impact of the deconsolidation of the APAC staffing business. Excluding the impact, GP grew 3%
- GTS GP increase reflects solid GP rate improvement on modest revenue growth

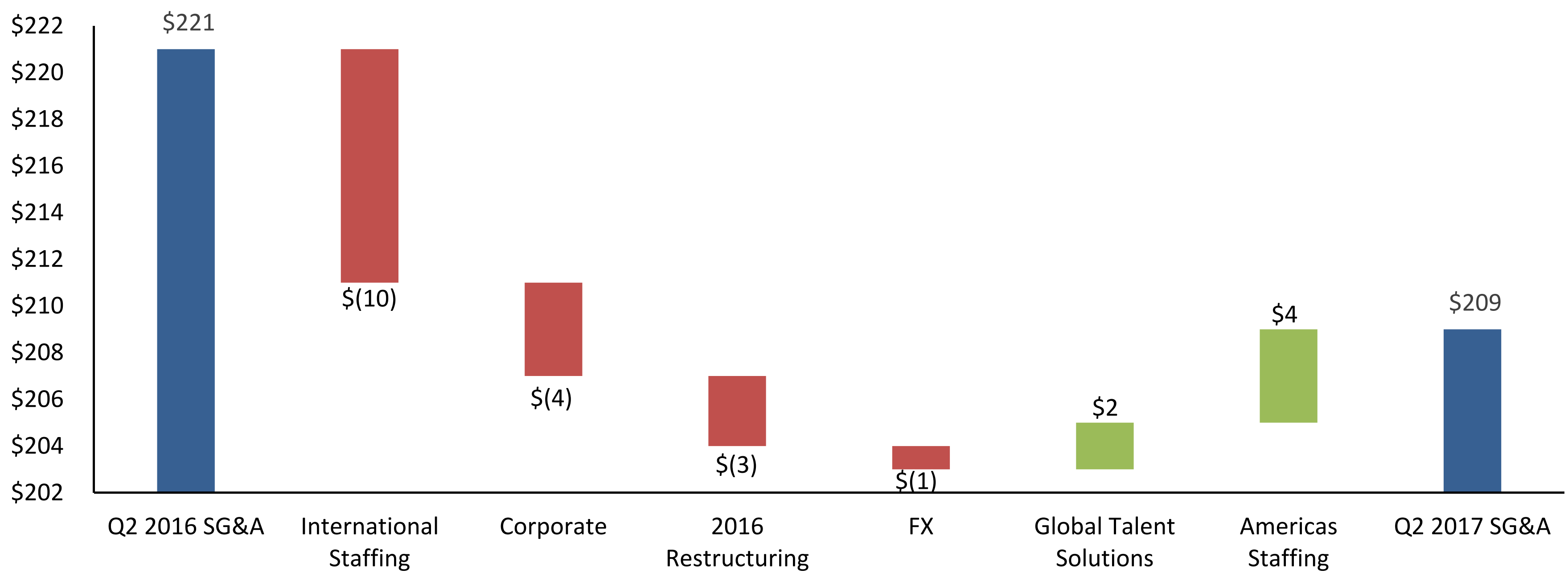
Second Quarter 2017 Gross Profit Rate



- Overall GP rate up due to the favorable impact related to improving GP rate in GTS as well as the APAC deconsolidation
- GTS GP rate improvement due primarily to a favorable business and customer mix

Second Quarter 2017 SG&A

$ in Millions



- International staffing reflects the deconsolidation of our APAC business upon closing the APAC JV transaction in the third quarter of 2016
- Corporate expenses primarily reflect one-time savings in executive compensation expenses
- 2016 Restructuring expenses were related to Americas Staffing and International Staffing
- GTS expenses are primarily related to new and existing program implementations, as well as additional sales resources, and were partially offset by cost reductions from last quarter's service delivery optimization initiative
- Americas Staffing expenses were up due to increased performance based compensation expenses and additional sales resources

Second Quarter 2017 Conversion Rate

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$ in Millions

	2017					2016					
	Gross Profit		Earnings from Ops		Conversion Rate[1]	Gross Profit		Earnings from Ops		Conversion Rate[1]	Change (bps)
Americas Staffing	$	103.8	$	20.4	19.7%	$	97.2	$	15.6	16.2%	350
Global Talent Solutions		88.7		15.3	17.2%		85.7		13.9	16.2%	100
International Staffing		36.8		4.1	11.2%		48.6		4.0	8.0%	320
Total Company	$	228.8	$	20.3	8.9%	$	230.5	$	9.9	4.3%	460

- APAC results are no longer included in the international staffing, total Company's gross profit, or earnings from operations upon closing of the APAC JV transaction at the beginning of the third quarter of 2016
- 2016 results reflect restructuring expenses in Americas Staffing and International Staffing

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[1]Conversion rate represents earnings from operations as a percent of gross profit, or return on gross profit.

Second Quarter 2017 Conversion Rate

(Excluding APAC & Restructuring)

$ in Millions

	2017			2016			
	Gross Profit	Earnings from Ops	Conversion Rate[2]	Gross Profit[1]	Earnings from Ops[1]	Conversion Rate[2]	Change (bps)
Americas Staffing	$ 103.8	$ 20.4	19.7%	$ 97.2	$ 17.4	18.0%	170
Global Talent Solutions	88.7	15.3	17.2%	84.5	13.8	16.4%	80
International Staffing	36.8	4.1	11.2%	35.8	3.9	10.9%	30
Total Company	$ 228.8	$ 20.3	8.9%	$ 216.6	$ 11.9	5.5%	340

- Conversion rate improved in all business segments
- Overall Q2 conversion rate increased year-over-year to 8.9% and was up 340 bps from the prior year – consistent with Q1

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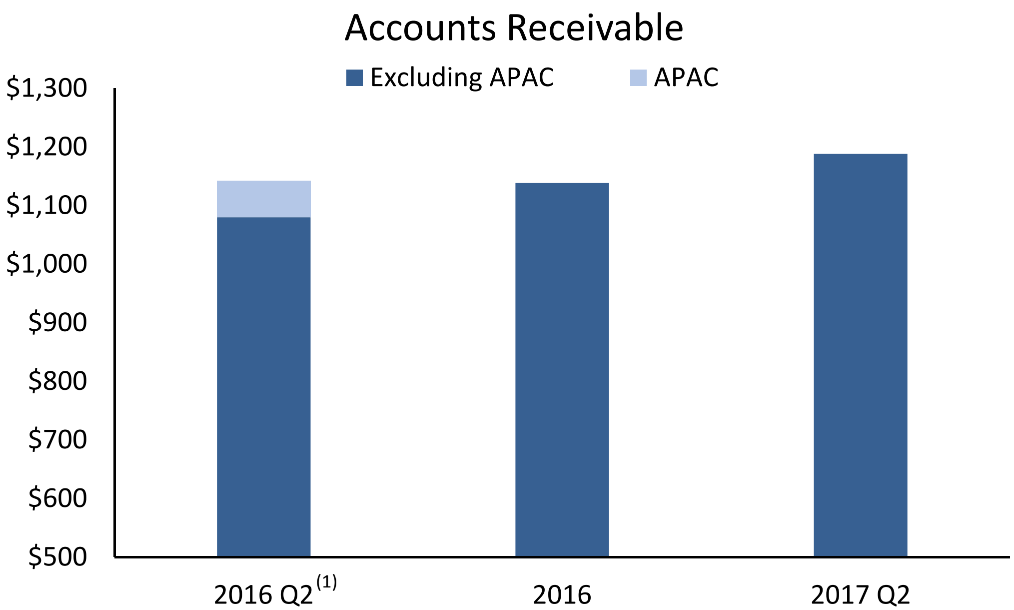
[1] Excludes 2016 results from APAC related to the deconsolidation, and $3.4 million of restructuring charges in Q2 2016.

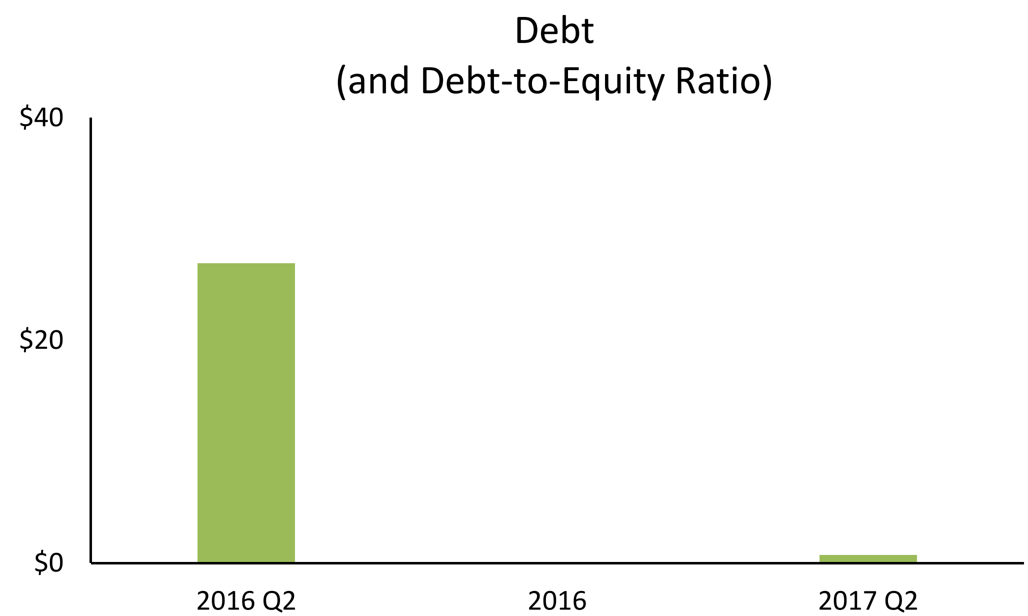
[2] Conversion rate represents earnings from operations as a percent of gross profit, or return on gross profit.

Second Quarter 2017 Balance Sheet Data

$ in Millions



	2016 Q2	2016	2017 Q2
DSO	53	53	55



	2016 Q2	2016	2017 Q2
Debt-to-Equity Ratio	2.8%	0.0%	0.1%

- DSO is up 2 days versus the same period last year, and up 2 days from year end 2016
- Continue to operate essentially debt free

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[1] Includes $62 million of accounts receivable included in current assets held for sale.

2017 Outlook – Third Quarter

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- Revenue up 4% to 5% YOY
- Gross profit rate up YOY
- SG&A up 6% to 7% YOY
  - Approximately half of increase is a result of higher performance based incentive compensation expenses

2017 Outlook – Full Year

- Revenue down 1% to flat YOY
  - No significant foreign exchange impact expected
  - Excluding the impact of the APAC results in the first half of 2016, revenue up 3.0% to 4.0%
- Gross profit rate up YOY
- SG&A down 1% to flat YOY
  - Excluding APAC results in the first half of 2016, SG&A up 3.0% to 4.0%
- Annual tax rate in the 15-20% range

APPENDIX:
TS KELLY ASIA PACIFIC JOINT VENTURE

Highlights – TS Kelly Asia Pacific

- Joint Venture capitalizes on the strong reputation of Kelly Services as a leading talent provider in the region and on Temp Holdings' regional presence
  - Provides accelerated growth opportunities, larger workforce solutions presence, and enhanced competitive positioning
  - Expands on 14-year strategic partnership between Kelly and Temp Holdings
- TS Kelly Asia Pacific is expected to be one of the largest workforce solutions companies in the Asia Pacific region
- Solidifies Kelly's focus on OCG solutions in the APAC market
  - Opportunity to accelerate investment in high growth market
  - Kelly's outsourcing and consulting group, KellyOCG, is not part of the joint venture and will continue to operate under the complete control of Kelly

Highlights – TS Kelly Asia Pacific

- Expands scope from four geographies to twelve, with headquarters in Singapore
- Brings together established businesses with approximately $500 million in revenue and 1,600 employees
  - **TS Kelly North Asia** – China, Hong Kong, Taiwan, South Korea
  - **Kelly Services** – Singapore, Malaysia, Australia, New Zealand, India, Indonesia, Thailand
  - **Capita** – Singapore and Malaysia
  - **First Alliances** – Vietnam
  - **Intelligence** – Indonesia, Vietnam, Singapore, Malaysia

TS Kelly Asia Pacific – Transaction Details

- Closed on July 4, 2016, the JV was formed through asset transfers from Kelly and Temp Holdings, and a $36.5 million cash payment to Kelly at closing and a $4.5 million cash true-up payment made to Kelly in Q4 2016
- Temp Holdings owns 51%, Kelly owns 49%
- Beginning in the third quarter, Kelly accounts for its 49% interest as an Equity Method Investment
  - APAC results are no longer included in the individual lines of Kelly's consolidated income statement or balance sheet
    - Equity method investment asset will be reported as a single line item on the balance sheet
    - 49% share of income reflected as Income from equity method investments (below earnings from operations), effective on the transaction closing date
      - » Will no longer be included as revenue, cost of service, and SG&A expense