

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
COMMISSION FILE NUMBER 001-42104



Kforce Inc.  
(Exact name of Registrant as specified in its charter)

Florida

59-3264661

State or other jurisdiction of incorporation or organization

IRS Employer Identification No.

1150 Assembly Drive, Suite 500, Tampa, Florida

33607

Address of principal executive offices

Zip Code

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (813) 552-5000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	KFRC	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.): Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2024, was \$ 996,072,710 . For purposes of this determination, common stock held by each officer and director and by each person who owns 10% or more of the registrant's outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares outstanding (in thousands) of the registrant's common stock as of February 13, 2025 was 19,111 .

**DOCUMENTS INCORPORATED BY REFERENCE:**

**Document**

Portions of the Proxy Statement for the Annual Meeting of Shareholders scheduled to be held on April 23, 2025 ("Proxy Statement")

**Parts Into Which  
Incorporated**

Part III

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**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

References in this document to the "Registrant," "Kforce," the "Company," the "Firm," "management," "we," "our" or "us" refer to Kforce Inc. and its subsidiaries, except where the context otherwise requires or indicates.

This report, particularly Item 1. Business, Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), and the documents we incorporate into this report, contain certain statements that are, or may be deemed to be, forward-looking statements within the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are made in reliance upon the protections provided by such acts for forward-looking statements. Such statements may include, but may not be limited to:

- expectations about investments in our strategic priorities, including the implementation of Workday and our offshore offerings, and the effects of these investments on our business;
- expectations of financial or operational performance, including the possibility and potential effects of the U.S. economy on our business;
- the impacts of revenue and gross profit levels on SG&A expenses;
- our expectations regarding the effects of our strategic investments on operating margins, our position to achieve long-term goals, client and consultant satisfaction ratings, and associate productivity measures;
- our expectations regarding the future changes in revenue and gross profit margins of each segment of our business, including our expectations about the impacts of our service offerings on segment revenues;
- our ability to control discretionary spending and decrease operating costs;
- the Firm's commitment and ability to return significant capital to its shareholders;
- our ability to meet capital expenditure and working capital requirements associated with our operations;

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- the intent and ability to declare and pay quarterly dividends;
- growth rates in temporary staffing or the information technology solutions markets;
- a constraint in the supply of consultants and candidates or the Firm's ability to attract or retain talented associates for a higher demand environment in the future;
- changes in client demand for our services and our ability to adapt to such changes;
- the level of or changes to anticipated future expenses;
- the ability of the Firm to maintain and attract clients in the face of changing economic or competitive conditions;
- our expectations regarding the impacts of current and future technological changes on our business, including generative artificial intelligence or other similar technologies;
- our beliefs regarding the expected future benefits of our flexible working environment;
- our ability to maintain compliance with our credit facility's covenants;
- potential government actions or changes in laws and regulations affecting our business;
- anticipated costs and benefits of acquisitions, divestitures, joint ventures and other investments;
- effects of interest rate fluctuations and inflation, including anticipated changes in interest rates by the Federal Reserve and other related changes in government fiscal policies;
- financing needs or plans;
- estimates concerning the effects of litigation or other disputes;
- the occurrence of unanticipated expenses; and
- assumptions as to any of the foregoing and all statements that are not based on historical fact, but rather reflect our current expectations concerning future results and events.

For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, refer to the Risk Factors and MD&A sections. In addition, when used in this discussion, the terms "anticipate," "assume," "estimate," "expect," "intend," "plan," "believe," "will," "may," "likely," "could," "should," "future" and variations thereof and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted. Future events and actual results could differ materially from those set forth in or underlying the forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements contained in this report, which speak only as of the date of this report. Kforce undertakes no obligation to update any forward-looking statements.

## PART I

### ITEM 1. BUSINESS.

#### COMPANY OVERVIEW

Kforce Inc., along with its subsidiaries (collectively, "Kforce"), is a solutions firm specializing in technology, finance and accounting, and other professional staffing services. Our KNOWLEDGEforce® empowers industry-leading companies to achieve their digital transformation goals. We curate teams of technical experts who deliver solutions custom-tailored to each of our client's needs. These scalable, flexible outcomes are shaped by deep market knowledge, thought leadership and our multi-industry expertise.

Our integrated approach is rooted in more than 60 years of proven success deploying highly skilled professionals on traditional staffing assignments or as part of a team of professionals who are responsible for delivering solutions to our clients, both of which are considered temporary ("Flex") in nature. We also place highly skilled professionals in a permanent ("Direct Hire") role with our clients. Each year, approximately 18,000 talented experts work with Fortune 500 and other leading companies. Together, we deliver Great Results Through Strategic Partnership and Knowledge Sharing®.

Over the last decade, we have driven significant, strategic change at Kforce, including streamlining the focus of our business on providing technology talent solutions. In alignment with this goal, since 2008, we have completed various divestitures of businesses that did not relate to our core business.

During 2024, we established a development center in Pune, India, one of the leading technology cities in India. Following its formation, our India development center began supporting project engagements with our U.S.-based clients in January 2025. We believe this development center, when combined with a strong U.S. sales and delivery capability and a high-quality vendor network, will help us to more fully address the evolving needs of our clients, whether onshore, nearshore or offshore.

<b>\$1 Billion</b> Total Capital Returned to Shareholders Since 2007	<b>92%</b> Revenue Concentrated in Technology Staffing and Solutions	<b>#1</b> Recognized Brand by Technology Consultants per Staffing Industry Analysts
<b>1962</b> Year Founded	<b>KFRC</b> Listed on New York Stock Exchange	<b>18,000</b> Consultants Placed Annually

Our Technology and Finance and Accounting ("FA") businesses represent our two reportable segments. Our Technology business comprises 92% of our overall revenues, and the remainder is generated by our FA business. For our Flex services, we provide our clients with qualified individuals ("consultants"), or teams of consultants, on a finite basis when the skills and experience of the consultants are the right match for our clients. For our Direct Hire services, we identify qualified individuals ("candidates") for permanent placement with our clients. We further describe our two reportable segments below.

Our operating results can be affected by:

- the number of billing days;
- the seasonality of our clients' businesses;
- changes in holidays and vacation days taken, which is usually highest in the fourth quarter of each calendar year; and
- increased costs as a result of certain annual U.S. state and federal employment tax resets that occur at the beginning of each calendar year, which negatively impact our gross profit and overall profitability in the first fiscal quarter of each calendar year.

#### Our Technology Business

We provide talent solutions to our clients in highly skilled areas including, but not limited to, systems/applications architecture and development (mobility and/or web); data management and analytics; cloud architecture and engineering; business and artificial intelligence ("AI"); machine learning; project and program management; and network architecture and security.

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Our service offerings have evolved over the years beyond traditional staffing assignments to include solutions-oriented engagements; this evolution was based on the demand we were seeing from our clients. Clients continue to prioritize efficient access to highly skilled talent and view our solutions offering as a cost-effective solution to meet their technology project requirements. This offering has continued to be a positive contributor and catalyst to our Technology business over the last several years and we expect this offering to continue to represent a growing mix of our overall Technology revenue footprint.

We provide services to clients across virtually every industry with a diversified footprint in, among others, financial and business services, communications, insurance, retail and technology.

The demand for our solutions engagements contributed positively to the results of our Technology business in 2024, while our traditional staff augmentation offering has been the driver of our overall Technology revenue declines year over year. Our integrated strategy efforts capitalize on the strong relationships we have with world-class companies by utilizing our existing sales teams, recruiters, consulting solutions professionals, technology practice experts, among other teams within the Firm, to provide higher value engagements that effectively and cost efficiently address our clients' challenges. We are continuing to further integrate and prioritize this capability into our Technology business.

The September 2024 report published by Staffing Industry Analysts ("SIA") stated that temporary technology staffing was forecasted to decline by 7% in 2024 and grow by 5% in 2025. In the next update from SIA, which would typically be released in the April 2025, we would expect growth expectations to come down. Technology, as a discipline, continues to be project driven, even amidst generational changes like AI. We believe there are a multitude of technology projects that need to be addressed by our clients in order for them to remain competitive and to effectively change how they operate and deliver value to their customers, irrespective of economic performance.

Our Technology revenues declined 6.6% year over year to \$1.3 billion in 2024 (7.4% on a billing day basis), which was primarily driven by the ongoing uncertainty in the macroeconomic environment that has largely persisted since the second half of 2022. Although we experienced declines in 2024 and 2023, our Technology business grew 18% in 2022 and more than 22% in 2021, on a year-over-year billing day basis. The average bill rate in the fourth quarter of 2024 was approximately \$90 per hour, which remained flat as compared to the fourth quarter of 2023. Our average assignment duration was 10 months in 2024, which is consistent with the prior period.

The strength of the secular drivers of demand for technology accelerated significantly exiting both the Great Recession, with among many others, advancements in mobility and cloud computing, and the 2020 COVID-19 Pandemic, with further digitalization of businesses and the continued focus on Generative AI technologies. While all economic cycles behave a bit differently, we believe that the broad and strategic uses of technology, including the early-stage technology evolution associated with AI, will continue to play an increasingly instrumental role in powering businesses. As we have previously articulated, over the long term, we believe that AI and other innovative technologies will follow historic patterns where improved efficiency ultimately drives greater demand for, rather than replace technology resources, and that the pace of change will continue to accelerate. We believe we are ideally positioned to meet that demand.

While our Technology business is not immune to economic turbulence, we continue to believe there is a critical need for innovation to support business strategies and sustain relevancy in today's rapidly changing marketplace.

### **Our FA Business**

Over the last several years, we have repositioned our FA business to focus on more highly skilled assignments that are less susceptible to technological change and automation and more closely aligned with our Technology business. The talent solutions we offer our clients in our FA business generally include traditional finance and accounting roles, such as: financial planning and analysis; business intelligence analysis; general accounting; transactional accounting (e.g., payables, billing, cash applications, receivables, etc.); business and cost analysis; and taxation and treasury. We will selectively continue to support certain clients with whom we have long-standing relationships and that are strategically important to our overall success by providing consultants in lower skill roles (i.e. mortgage servicing; customer and call center support; data entry; and other lower skilled administrative roles).

We provide services to clients in a variety of industries with a diversified footprint in, among others, the financial services, business services, healthcare and manufacturing sectors.

Our overall average bill rate in the fourth quarter of 2024 was approximately \$51 per hour, which remained flat as compared to the fourth quarter of 2023. Notably, our average bill rate in the fourth quarter of 2019, which prior to the repositioning, was approximately \$37 per hour.

Revenue for our FA business decreased 23.5% to \$112.6 million in 2024 compared to 2023, which was primarily driven by the ongoing uncertainty in the macroeconomic environment.

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### **Our Consultants**

The majority of our consultants are directly employed by Kforce, including domestic workers and foreign workers whose visas are sponsored by Kforce. As the employer of the vast majority of our consultants, Kforce is responsible for the employer's share of applicable payroll taxes ("FICA"); federal and state unemployment taxes; workers' compensation insurance; health, welfare and retirement benefits and other direct labor costs.

A key ingredient to our overall success in attracting and retaining our consultants is fostering a positive experience for our consultants and offering rewarding assignments with world-class companies.

We measure the quality of our service to and support of our consultants using staffing industry benchmarks and net promoter score ("NPS") surveys conducted by a specialized, independent third-party provider. Additionally, we continually seek direct feedback from our consultants to help us identify opportunities to refine our services. Our 2024 consultant NPS are well above current industry averages and near the world class designation.

### **Our Industry Overview and Addressable Market Opportunity**

We assist our clients, which are principally market-leading companies in their respective industries, in solving their complex business challenges and digitally transforming their businesses. We continue to believe that technology is at the epicenter of how business is conducted and investments in technology are necessary in today's competitive and disruptive business climate. Our core competency is rooted in the ability to identify and provide qualified and highly-skilled consultants to our clients under a spectrum of engagement structures from traditional staff augmentation to delivering technology solutions.

From a traditional staff augmentation standpoint, the staffing industry is made up of thousands of companies, most of which are small local firms providing limited service offerings to relatively small local client bases. A report based on revenues published by SIA in 2024 indicated that, in the United States, Kforce is among the largest publicly-traded specialty staffing firms, the sixth largest technology temporary staffing firm and the tenth largest finance and accounting temporary staffing firm.

According to the September 2024 SIA report, the technology temporary staffing industry and finance and accounting temporary staffing industry are expected to generate projected revenues of \$40 billion and \$9 billion, respectively, in 2025. Based on these projected revenues, our current market share is approximately 3%. We are intensely focused on continuing to expand our market share of the U.S. technology temporary staffing industry and to further invest in our capability to provide higher level technology services and solutions while also integrating that capability within our overall Technology business. We believe that the organic investments that we have made in our solutions capabilities over the last several years has meaningfully expanded Kforce's total addressable market into the technology solutions space. As we continue to deliver on our solutions engagements with clients and further mature our capabilities in our digital, cloud, data and application engineering practice areas, we would expect our ability to capture an increasing portion of the overall technology solutions market to improve. While reports differ in the size of the technology solutions addressable market, IBIS World has indicated it is greater than \$700 billion. While the portion that is addressable by Kforce is debatable, we believe that our addressable market is many times greater than the \$40 billion for the technology temporary staffing industry.

Based on data published by the U.S. Bureau of Labor Statistics and SIA, temporary employment figures and trends are important indicators of staffing demand from an economic standpoint. The penetration rate (the percentage of temporary staffing to total employment) decreased to 1.7% in December 2024, from 1.8% in December 2023, while the unemployment rate, increased to 4.1% in December 2024 from 3.7% in December 2023. In addition, the college-level unemployment rate, which we believe serves as a better proxy for professional employment, and therefore aligns well with the consultant and candidate population that Kforce most typically serves, increased to 2.4% in December 2024, from 2.1% in December 2023.

### **Our Strategic Priorities**

Our strategic priorities are centered around driving greater long-term shareholder value by achieving above-market revenue growth, making prudent investments to enhance our efficiency and effectiveness, and significantly improving our profitability as we progress towards double digit operating margins. We believe the following strategic priorities will help us achieve our objectives.

***Back-Office Transformation.*** Over the last five to ten years, we have been meaningfully investing in high quality technologies that have significantly bolstered our associates' productivity and enhanced our ability to effectively and efficiently support our clients, consultants and candidates. We continue to make investments in our technologies and enhance our sales and delivery capabilities and processes in ways we believe will allow us to better evaluate and shape business opportunities with our clients and more seamlessly match candidates to assignments and projects.

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Our last significant investment in back-office technologies was more than 15 years ago, despite the complexities of our business and client requirements having increased significantly. We have been primarily meeting these complexities and requirements by incrementally adding internal resources, which is not a scalable solution as we continue to grow and have a greater mix of solutions-oriented engagements. We believe our multi-year transformation program for our back-office technology will enhance the support to our Firm, including our clients, candidates and consultants. Overall, we believe the benefits of streamlining our processes will create a positive impact resulting in increased client satisfaction and improved associate productivity. This multi-year effort was initiated following a comprehensive assessment of our current technological position, which confirmed our belief that we have a tremendous opportunity to fundamentally transform and create advancements in our back-office functions.

We made significant progress related to the implementation of Workday, our future enterprise cloud application, over the last few years. In 2025, we expect to continue making significant investments towards this initiative as we finalize the design, continue the build and configuration of the technology, conduct extensive testing, and plan for the initial deployment.

***Integrated Strategy.*** Our technology service offering has evolved over the years beyond traditional staffing assignments to include more consulting and solutions-oriented engagements based on the demand we were seeing from our clients. Our clients continue to prioritize efficient access to highly skilled talent and see our services as a cost-effective solution to meet their technology project requirements. Our integrated strategy efforts capitalize on the strong relationships we have with world-class companies by utilizing our existing sales teams, recruiters, consulting solutions professionals and technology practice experts, among other teams within the Firm, to accelerate revenue growth and improve profitability levels as we make progress towards our longer-term financial objectives of attaining double-digit operating margins at slightly greater than \$2 billion in annual revenues.

***Evolving our Nearshore and Offshore Delivery Strategy.*** Historically, the overwhelming majority of our revenues were generated by helping our clients solve their most complex technology challenges through our onshore delivery model. This onshore delivery capability was complemented by a high-quality vendor network where our clients required a multi-shore delivery model (onshore, nearshore and offshore). An increasingly important vehicle to providing cost-effective solutions is the ability to source highly skilled talent outside of the United States. Following a period of comprehensive due diligence, including an executive trip in August 2024 to India, management made the strategic decision to establish a development center in Pune, India. Pune is one of the leading technology cities in India, and we are optimistic about leveraging this capability to further enhance our service offerings to our clients. This India development center began supporting project engagements with our U.S.-based clients in January 2025. We believe this development center, when combined with a strong U.S. sales and delivery capability and a high-quality vendor network, will help us to more fully address the evolving needs of our clients, whether onshore, nearshore or offshore.

We expect 2025 to be the final year of allocating significant investments in these three strategic priorities and for each of the initiatives to begin providing a meaningful and growing return as we move into 2026 and beyond.

### **Competition**

We operate in a highly competitive and fragmented staffing industry comprised of large national and local staffing and solutions firms. The local firms are typically operator-owned, and generally each geographic market has at least one significant competitor. Within our solutions offerings, we also face competition from global, national and regional accounting, consulting and advisory firms, as well as national and regional strategic consulting and systems implementation firms.

We believe that our competitive advantage lies in a combination of key factors: long-standing client relationships with primarily Fortune 500 and other leading companies; greater focus with more than 90% of our business concentrated in technology staffing and solutions; breadth of service offerings from traditional staffing assignments to solutions engagements; access to qualified and available talent, which allows us to deliver our solutions at scale; and dedicated, tenured and passionate Kforce associates. We believe our long-established brand reputation reinforces our position as a trusted partner while upholding a strong compliance framework to ensure regulatory adherence. Together, these strengths enable us to provide high-quality solutions in an increasingly competitive market.

Managed Service Providers ("MSP") or Vendor Management Organizations ("VMO") are utilized by certain of our clients for the management and procurement of our services. We do not consider these organizations as a competitive threat. Generally, MSPs and VMOs standardize processes through the use of Vendor Management Systems ("VMS"), which are tools used to aggregate spend and measure supplier performance. VMS providers are also offered through independent providers. MSPs, VMOs and/or VMS providers charge staffing firms administrative fees typically ranging from 1% to 4% of revenue. In addition, the aggregation of services by MSPs for their clients into a single program can result in significant buying power and, thus, pricing power. Therefore, the use of MSPs by our clients has, in certain instances, resulted in gross margin compression, but has also led to incremental client share through our client's vendor consolidation efforts. Kforce does not currently provide MSP or VMO services directly to our clients; rather, our strategy has been to work with MSPs, VMOs and VMS providers that enable us to better extend our services to current and prospective clients.

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To attract consultants and candidates, we emphasize our ability to provide: competitive compensation and benefits; quality and varied assignments; scheduling flexibility and permanent placement opportunities, all of which are important to Kforce being the employer of choice.

Because individuals pursue other employment opportunities on a regular basis, it is important that we respond to market conditions affecting these individuals and focus on our consultant relationship objectives. Additionally, in certain markets, from time to time we have experienced significant pricing pressure as a result of our competitors' pricing strategies, which may result in us not being able to effectively compete or choosing to not participate in certain business that does not meet our profitability standard.

### **Regulatory Environment**

Staffing and solutions firms are generally subject to the following types of government regulations and enforcement: (1) regulation of the employer/employee relationship, such as wage and hour regulations, payroll tax withholding and reporting, immigration / visa regulations, as well as social security and other retirement, anti-discrimination, employee benefits and workers' compensation regulations; (2) registration, licensing, recordkeeping and reporting requirements; and (3) worker classification regulations.

As the employer, Kforce is responsible for the employer's share of FICA, federal and state unemployment taxes, workers' compensation insurance, providing healthcare and retirement plan options, and other direct labor costs relating to our employees. We also provide paid leave for our associates and certain consultants. We have no collective bargaining agreements covering any of our employees. We have not experienced any material labor disruption and are unaware of any current efforts or plans of our employees to organize.

Because we operate in a complex regulatory environment, one of our top priorities is compliance. For more discussion of the potential impact that the regulatory environment could have on Kforce's financial results, refer to Item 1A. Risk Factors.

### **Insurance**

Kforce maintains a number of insurance policies, including directors and officers, cybersecurity, professional liability, employment practices liability, general liability, umbrella and excess liability, excess health insurance coverage, workers' compensation and employers' liability, crime, property, fiduciary, automobile liability, and liability for certain foreign exposure. These policies provide coverage, subject to certain terms, conditions and limits of liability and deductibles, for certain liabilities that may arise from Kforce's operations. There can be no assurance that any of the above policies will be adequate for our needs, or that we will maintain all such policies in the future.

### **Human Capital Management**

For over 60 years, Kforce has been rooted in stewardship, integrity and compassion. As a human capital solutions business, we are driven by the desire to serve others, provide meaningful work and opportunities to a diverse workforce, strengthen our communities and shape a more sustainable world.

Our work environment is shaped by our people. We maintain a commitment to our employees' well-being, flexibility and balance; learning and development; and diversity, equity and inclusion. We believe these initiatives are a testament to how much we value and invest in our people.

#### ***Well-Being, Flexibility and Balance***

The success of our business is fundamentally connected to the well-being of our people. We provide our associates and consultants, and their families, with access to a variety of flexible and convenient health and wellness programs. These programs are part of our thoughtful and comprehensive response to support the physical and mental health of our employees by providing tools and resources that each employee can use to improve or maintain their health.

Our Office Occasional® work environment (remote-first, office occasionally) is supported by flexibility and choice and empowered by trust and technology. The shift in strategy following the pandemic has allowed us to introduce a new design and streamline our overall physical real estate footprint. We believe that our Office Occasional® model allows our associates to design their workdays; thus, additionally contributing to their health and well-being.

#### ***Learning and Development***

To turn a job into a career, we believe people need clear and attainable paths to grow. We are committed to investing in the tools, resources and trainings necessary for our people to excel in all stages of their career. We believe our leadership development programs help people grow their skills from the moment they join our Firm through the most senior level of their careers.

As of December 31, 2024, Kforce employed approximately 1,700 associates and had 8,000 consultants on assignment with our clients, of which a significant majority of these consultants are employed directly by Kforce.

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### **Availability of Reports and Other Information**

Our internet address is [www.kforce.com](http://www.kforce.com). We post our filings, free of charge, at <https://investor.kforce.com> the same day they are electronically filed with, or furnished to, the SEC, including our annual and quarterly reports on Forms 10-K and 10-Q, current reports on Form 8-K, our proxy statements, and any amendments to those reports or statements. The content on any website referred to in this Form 10-K (including our 2024 Sustainability Report) is not incorporated by reference in this Form 10-K unless expressly noted.

### **ITEM 1A. RISK FACTORS.**

Our business, financial condition, results of operations and cash flows are subject to, and could be materially adversely affected by, various risks and uncertainties, including, without limitation, those set forth below, any one of which could cause our actual results to vary materially from recent results or our anticipated future results. These risk factors are grouped by category and are presented in order of their relative priority in each respective category.

#### **Risks Related to Our Business**

##### ***The U.S. professional staffing and solutions industry in which we operate is significantly affected by fluctuations in general economic and employment conditions.***

Demand for our services, generally speaking, can be significantly affected by the general level of economic activity and employment in the U.S. Even in a strong demand environment, without significant uncertainty and volatility, it is difficult for us to forecast future demand for our services due to the inherent challenge in forecasting the strength of economic cycles, availability of candidates and consultants and the short-term nature of many of our agreements. As economic activity slows, companies may defer or terminate projects for which they utilize our services or reduce their use of consultants. In addition, an economic downturn or recession could result in an increase in the unemployment rate and a deceleration of growth in the segments in which we and our clients operate. We may also experience more competitive pricing pressures during periods of economic downturn. Any substantial economic downturn, including an environment with significant inflationary and/or recessionary pressures, in the U.S. or global impact on the U.S., could have a material adverse effect on our business, financial condition and operating results.

##### ***Significant declines in business or a loss of a significant client could have a material adverse effect on our revenues and financial results.***

We primarily provide services to Fortune 500 and other similarly sized companies, which is intended to provide relative durability to our revenue stream during adverse economic environments and enable us to grow our revenues more profitably. However, it also creates the potential for concentrating a significant portion of our revenues among our largest clients and exposes us to increased risks arising from decreases in the volume of business from, the pricing of business with, or the possible loss of business, with these clients. Organizational changes occurring within those clients, a deterioration of their financial condition or business prospects, or a change in their business strategies could reduce their need for our services and result in a significant decrease in the revenues we derive from those clients, which could have a material adverse effect on our financial results.

##### ***Kforce's current market share may decrease as a result of limited barriers to entry for new competitors and discontinuation of clients looking to outside providers to support their talent needs.***

The staffing services market is highly competitive with limited barriers to entry. The competition among staffing and solutions companies is intense and we face significant competition in the markets we serve. We compete in national, regional and local markets with full-service and specialized temporary staffing and consulting companies. Additionally, the emergence and popularity of online staffing platforms as well as internal recruiting functions used by some clients as an alternative, may pose a competitive threat to our services. Some of our competitors possess substantially greater resources than we do and others may develop new and unique technologies, which may better position these competitors in certain markets. As a result, we may face increased competitive pricing pressures. We also face the risk that certain of our current and prospective clients will decide to provide similar services internally. Furthermore, many clients are retaining third parties to provide vendor management services, which may subject us to greater risks or lower margins. Decreases in market share could have a material adverse effect on our business, financial condition and operating results.

##### ***New business initiatives and strategic changes may divert management's attention from normal business operations or may not be successful, which could have an adverse effect on our performance.***

We have been and expect to continue allocating significant investments (and the attention of executive management and many of our leaders) towards our strategic priorities, including our back-office transformation program involving the implementation of Workday, integrated strategy, and the evolution of our nearshore and offshore capability, including the establishment and maturity of our India development center in Pune, India. These strategic priorities are expected to enhance the support and experience of our clients, consultants and candidates, contribute to the attainment of our long-term profitability objectives and generate significant shareholder value.

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New business strategies and initiatives, such as these, can be distracting to our management team and associates, and can also be disruptive to our operations. New business initiatives could also involve significant unanticipated challenges and risks, including, but not limited to: not advancing our business strategy; not realizing the expected return on the investment; experiencing difficulty in implementing initiatives, new processes and internal controls; or diverting management's attention from our other businesses. New business initiatives and strategic changes in the composition of our business mix could be disruptive to our operations, which could have a material adverse effect on our business, financial condition and operating results.

### ***Our planned nearshore and offshore strategies expose us to additional business, financial, regulatory, geopolitical and other related risks, which may have a material adverse effect on our business.***

We continue to evolve our nearshore and offshore capabilities to further enhance our service offerings to our clients by engaging with nearshore and offshore third-party suppliers. We are reliant upon our third-party suppliers' compliance with applicable laws and contractual obligations. We also recently expanded our offshore capabilities to include a development center in Pune, India to enhance our service offerings to our clients. Additional risks related to our nearshore and offshore capabilities include: difficulties staffing and managing foreign operations; exposure to changes in economic and geopolitical and business conditions; compliance with foreign laws and regulations; and fluctuations in foreign currency exchange rates and tax compliance. If we are unable to successfully control or predict these risks, it could have a material adverse effect on our business, financial condition and operating results.

### ***Kforce may not be able to recruit and retain qualified consultants and candidates.***

Kforce depends upon its ability to attract and retain consultants and candidates, particularly in technology disciplines, who possess the skills and experience necessary to meet the requirements of our clients. We must continually evaluate and upgrade our methods of attracting qualified consultants and candidates to keep pace with changing client needs and emerging technologies. We expect significant competition for individuals with proven technical or professional skills to continue or increase for the foreseeable future given the scarcity of highly skilled consultants and candidates, especially in our Technology business. If qualified individuals are not available to us in sufficient numbers and upon economic terms acceptable to us, it could have a material adverse effect on our business.

### ***Kforce faces significant employment-related legal risk.***

Kforce employs consultants either in the workplaces of our clients or virtually. Inherent risks in our business include possible claims of or relating to: discrimination and harassment; wrongful termination; violations of employment rights related to employment screening or privacy issues; misclassification of workers as employees or independent contractors; violations of wage and hour requirements and other labor laws; employment of illegal aliens; criminal activity; torts; breach of contract; failure to protect confidential personal information; intentional criminal misconduct; misuse or misappropriation of client intellectual property; employee benefits; or other claims. U.S. courts in recent years have been receiving large numbers of wage and hour class action claims alleging misclassification of overtime-eligible workers and/or failure to pay overtime-eligible workers for all hours worked. In some situations, as a practical matter, we may not be in control of the work environment. Additionally, in some circumstances, we are contractually obligated to indemnify our clients against such risks. Such claims may result in negative publicity, injunctive relief, criminal investigations and/or charges, civil litigation, payment by Kforce of defense costs, monetary damages or fines that may be significant, discontinuation of client relationships or other material adverse effects on our business.

To reduce our exposure, we maintain policies, procedures and guidelines to promote compliance with laws, rules, regulations and best practices applicable to our business. Even claims without merit could cause us to incur significant expense or reputational harm. We also maintain insurance coverage for professional liability, fidelity, employment practices liability and general liability in amounts and with deductibles that we believe are appropriate for our operations. However, our insurance coverage may not cover all potential claims against us, may require us to meet a deductible or may not continue to be available to us at a reasonable cost. In this regard, we face various employment-related risks not covered by insurance, such as wage and hour laws and employment tax responsibility.

### ***Kforce may not be able to utilize the services of our third-party suppliers.***

We source some of our consultants as independent contractors or through independent third-party suppliers. Our third-party suppliers may be impacted by economic conditions and cycles as well as changing laws and regulatory requirements, which could impact their ability to do business with us, or cause us to terminate our relationship with them, and require us to find replacements, which we may have difficulty doing. Without the use of our third-party suppliers, we may be unable to provide a sufficient number of consultants with the required skills and expertise to our clients, which may result in reduced client satisfaction. A reduced pool of candidates may prevent us from expanding into new markets. This lack of flexibility and adaptability can hinder the Firm's growth potential, which could have a material adverse effect on our business.

***Kforce may be adversely affected by utilizing third-party software providers.***

An inherent risk of using third-party software providers is the dependence on their performance, reliability and availability. Any issues or downtime experienced by the provider may impact our operations and productivity. Third-party software solutions may not always fully align with our specific business requirements or workflows. Customization options might be limited, making it challenging to tailor the software to meet our exact needs, which may hinder our ability to optimize processes and achieve maximum efficiency. Relying on third-party solutions may result in higher costs over time due to subscription fees and licensing costs, may become unavailable for a prolonged period of time, which could have a material adverse effect on our financial results.

***Kforce may be exposed to unforeseeable negative acts by our personnel that could have a material adverse effect on our business.***

An inherent risk of employing people is that they may have access or may gain access to information systems and confidential information. The risks of such activity include possible acts of errors and omissions; intentional misconduct; release, misuse or misappropriation of client intellectual property, confidential information, personally identifiable information, funds, or other property; data privacy or cybersecurity breaches affecting our clients and/or us; or other acts. Misconduct by our employees or consultants could include intentional or unintentional failures to comply with federal government regulations, engaging in unauthorized or fraudulent activities, or improper use of our clients' sensitive or classified information, potentially in collusion with third parties, which could result in regulatory or criminal sanctions against us and serious harm to us and our clients. It is not always possible to deter employee misconduct, and precautions to prevent and detect any such misconduct may not be effective in controlling such risks or losses, which could have a material adverse effect on our business.

In addition, any such misconduct may give rise to litigation, which could be time-consuming and expensive. To reduce our exposure, we maintain policies, procedures and insurance coverage for types and amounts we believe are appropriate in light of the aforementioned potential exposures. There can be no assurance that the corporate policies and practices we have in place to help reduce our exposure to these risks will be effective or that we will not experience losses as a result of these risks. In addition, our insurance coverage may not cover all potential claims against us, may require us to meet a deductible or may not continue to be available to us at a reasonable cost.

***Kforce's success depends upon retaining the services of its management team and key operating employees.***

Kforce is highly dependent on the efforts, expertise and abilities of its leaders to drive the Firm's strategic priorities, achieve its financial objectives and generate long-term shareholder returns. The loss of the services of any key executive for any reason could have a material adverse effect on Kforce. To attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including a mix of cash-based and equity-based compensation. Kforce expends significant resources in the recruiting and training of its employees, as the pool of available applicants for these positions is limited. The loss or any sustained attrition of our key operating employees could have a material adverse effect on our business, including our ability to establish and maintain client, consultant and candidate, professional and technical relationships.

**Risk Related to Cybersecurity and Technology**

***Cybersecurity risks and cyber incidents could adversely affect our business and disrupt operations.***

We are continuously exposed to unauthorized attempts to compromise sensitive information from network or information technology used by our associates and consultants. Attacks on information technology systems continue to grow in frequency and sophistication. These attacks include, but are not limited to, attempts to gain unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. While we have policies, procedures and systems in place to prevent, deter and detect cyberattacks or security incidents, and, although, to our knowledge we have not experienced a material data breach as of the date of this report, we remain vulnerable to sophisticated techniques used to obtain unauthorized access, or cause system interruption, that change frequently and may not produce immediate signs of intrusion. As a result, we may be unable to anticipate these incidents or techniques, timely discover them or implement adequate preventative measures. Any cyberattack, unauthorized intrusion, malicious software infiltration, network disruption, corruption of data, misuse or theft of private or other sensitive information, or inadvertent acts by our associates, consultants or third-party independent contractors, could result in the disclosure or misuse of confidential or proprietary information, and could adversely impact our systems, services, operations, financial results and reputation with clients and potential clients.

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The collection, possession and use of personal information and data in conducting our business subjects us to legislative and regulatory burdens and compliance risk. Other results of these incidents could include, but are not limited to, increased cybersecurity protection costs, litigation, regulatory penalties, monetary damages and reputational damage adversely affecting client or investor confidence. We may be required to incur significant expenses to comply with mandatory privacy and security standards and protocols imposed by law, regulation, industry standards or contractual obligations. We maintain cyber risk insurance, but this insurance may not be sufficient to cover all of our losses suffered as a result of a breach of our systems or information. Our information technology may not provide sufficient protection, and as a result we may lose significant information about us, our employees, candidates, consultants, vendors, or clients.

Additionally, many of our information technology systems and networks are cloud-based or managed by third parties, whose future performance and reliability we cannot control. The risk of a cyberattack or security breach on a third party carries the same risks to Kforce as those associated with our internal systems. We seek to reduce these risks by performing vendor due diligence procedures prior to engaging with any third-party vendor who will have access to sensitive data. Additionally, we require audits of certain third parties' information technology processes on an annual basis. However, there can be no assurance that such parties will not experience cybersecurity incidents that could adversely affect our employees, consultants, customers and businesses, or that our audit or diligence processes will successfully deter or prevent such breach.

### ***Kforce depends on the proper functioning of its information systems.***

Kforce is dependent on the proper functioning of information systems in operating our business. Critical information systems are used in every aspect of our daily operations, perhaps most significantly, in the identification and matching of resources to client assignments and in the client billing and consultant or vendor payment functions. Kforce's information systems may not perform as expected and are vulnerable to damage or interruption, including natural disasters, fire or casualty, theft, technical failures, terrorist acts, cybersecurity breaches, power outages, telecommunications failures, physical or software intrusions, computer viruses, employee errors or other events. While many of our systems are cloud-based, certain of our systems are still on premise. Our corporate headquarters and data center are located in a hurricane-prone area. Failure or interruption of our critical information systems may require significant additional capital and management resources to resolve, which could have a material adverse effect on our business.

### ***Use of AI may result in operational challenges, legal liability, reputational and privacy concerns, and competitive risks.***

Our business utilizes certain AI capabilities, which are likely to expand in the future. This introduces certain risks including dependency on accurate AI performance, potential data privacy and security breaches, challenges in regulatory compliance, ethical considerations, potential workforce disruption, the risk of intellectual property infringement, and emerging technology risks. While we have established policies governing the use of AI technology, and we safeguard our assets, including intellectual property and sensitive information, we cannot ensure that our employees, consultants and third-party vendors would adhere to those policies. If we fail to adequately address these risks and maintain sufficient oversight as rapidly as AI technology is changing, it may negatively impact our operations, reputation and financial performance. This challenge is further complicated by rapidly evolving regulations governing the permitted uses of AI. Additionally, other unforeseen risks stemming from our use and development of AI tools and technology may arise in the future if we cannot successfully keep pace with technological changes which could adversely affect our business, financial condition and results of operations.

## **Risks Related to Legal, Compliance and Regulatory Matters**

### ***Kforce may be adversely affected by immigration restrictions and reform.***

Our Technology business utilizes a significant number of foreign nationals employed by us on work visas, primarily under the H-1B visa classification. While Kforce engages persons with multiple types of legal work authorizations and visas, the H-1B visa is of particular use in our industry and enables U.S. employers to hire qualified foreign nationals, subject to legislative and administrative changes, as well as changes in the application of standards and enforcement. Immigration laws and regulations can be significantly affected by changes in administration (including the most recent change), other political developments and levels of economic activity. Current and future restrictions on the availability of such work visas could restrain our ability to employ the skilled professionals we need to meet our clients' needs, which could have a material adverse effect on our business.

Vigorous enforcement and legislative or executive action relating to immigration could adversely affect our ability to recruit or retain foreign national consultants, and consequently, reduce our supply of skilled consultants and candidates, and subject us to fines, penalties and sanctions, or result in increased labor and compliance costs.

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### ***Reclassification of our independent contractors by tax or regulatory authorities could have a material adverse effect on our business model and/or could require us to pay significant retroactive wages, taxes and penalties.***

We utilize individuals to provide services in connection with our business as qualified third-party independent contractors rather than our direct employees. While we have policies and procedures in place to ensure that the third-party independent contractors are qualified, heightened state and federal scrutiny of independent contractor relationships could adversely affect us given that we utilize independent contractors to perform our services. An adverse determination related to the independent contractor status of these subcontracted personnel could result in substantial taxes or other liabilities to us, which could result in a material adverse effect upon our business.

### ***Significant increases in wages or payroll-related costs could have a material adverse effect on our financial results.***

Kforce is required to pay a number of federal, state and local payroll and related costs or provide certain benefits such as paid time off, sick leave, unemployment taxes, workers' compensation and insurance premiums and claims, FICA and Medicare, among others, related to our employees. Costs could also increase as a result of health care reforms or the possible imposition of additional requirements and restrictions related to the placement of personnel. We may not be able to increase the fees charged to our clients in a timely manner or in a sufficient amount to cover these potential cost increases.

### ***Adverse results in tax audits or interpretations of tax laws could have an adverse impact on our business.***

Kforce is subject to periodic federal, state and local tax audits for various tax years. We are also required to comply with new, evolving or revised tax laws and regulations. The Tax Cuts and Jobs Act, enacted in December 2017, provided a significant reduction in the corporate tax rate. Although the current administration may extend these tax cuts, there is no assurance that these tax cuts will be extended and other key aspects of the tax code may be modified, which could have a material adverse effect on our tax obligations and effective tax rate. Although Kforce attempts to comply with all taxing authority regulations, adverse findings or assessments made by taxing authorities as the result of an audit could have a material adverse effect on Kforce.

### ***Kforce may be adversely affected by government regulation of our business and of the workplace.***

Our business is subject to regulation and licensing in many states. There can be no assurance that we will be able to continue to obtain all necessary licenses or approvals or that the cost of compliance will not prove to be material. If we fail to comply, such failure could have a material adverse effect on our financial results.

The vast majority of our business entails placing consultants on a staffing assignment (or as part of a project team) on a temporary basis and placing such individuals in client workplaces. Increased government regulation of the workplace or of the employer/employee relationship could have a material adverse effect on Kforce. For example, changes to government regulations, including changes to statutory hourly wage and overtime regulations, could adversely affect the Firm's results of operations by increasing its costs. Due to the substantial number of state, local and international jurisdictions in which we operate and the disparity among state and local laws that continues to accelerate, there also is a risk that we may be unaware of, or unable to adequately monitor, actual or proposed changes in, or the interpretation of, the laws or governmental regulations of such states and localities. Any delay in our compliance with changes in such laws or governmental regulations could result in potential fines, penalties or other sanctions for non-compliance.

### ***Significant loss or suspension of our facility security clearances with the federal government could lead to a reduction in our revenues, cash flows and operating results.***

We act as a subcontractor to the U.S. federal government and many of its agencies. Some government subcontracts require us to maintain facility security clearances and require some of our employees to maintain individual security clearances. If our employees lose or are unable to timely obtain security clearances, or we lose a facility clearance, a government agency client may terminate the subcontract or decide not to renew it upon its expiration. In addition, a security breach by us could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on sensitive or classified systems for federal government clients.

## **General Risk Factors**

### ***Failure to maintain adequate financial and management processes and controls could lead to errors in our financial reporting.***

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable assurance that the objectives of the control system are met. If our management is unable to certify the effectiveness of our internal controls, including those over our third-party vendors, our independent registered public accounting firm cannot render an opinion on the effectiveness of our internal controls over financial reporting, or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could cause our stock price to decline.

***Provisions in Kforce's articles and bylaws and Florida law may have certain anti-takeover effects.***

Kforce's articles of incorporation and bylaws and Florida law contain provisions that may have the effect of inhibiting a non-negotiated merger or other business combination. In particular, our articles of incorporation provide for staggered Board terms and permit the removal of directors only for cause. Additionally, the Board may issue up to 15 million shares of preferred stock, and fix the rights and preferences thereof, without a further vote of the shareholders. In addition, certain of our officers and managers have employment agreements containing certain provisions that call for substantial payments to be made to such employees in certain circumstances after a change in control. Some or all of these provisions may discourage a future acquisition of Kforce, including an acquisition in which shareholders might otherwise receive a premium for their shares. As a result, shareholders who might desire to participate in such a transaction may not have the opportunity to do so. Moreover, the existence of these provisions could negatively impact the market price of our common stock.

***Our business could be negatively affected as a result of activist shareholders.***

We may be subject, from time to time, to legal and business challenges in the operation of our company due to actions instituted by activist shareholders or others. Responding to such actions could be costly and time-consuming, may not align with our business strategies and could divert the attention of the Board and management from the pursuit of our business strategies. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may affect our relationships with vendors, customers and prospective and current employees and consultants.

***Kforce's stock price may be volatile.***

The market price of our stock has fluctuated substantially in the past and could fluctuate substantially in the future based on a variety of factors, including our operating results, changes in general conditions in the economy, the financial markets, the staffing industry, a decrease in our outstanding shares or other developments affecting us, our clients, or our competitors; some of which may be unrelated to our performance.

In addition, the stock market in general, along with market prices for staffing companies, has experienced historical volatility that has often been unrelated to the operating performance of these companies. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our operating results.

Among other things, volatility in our stock price could mean that investors will not be able to sell their shares at or above the prices they pay. The volatility also could impair our ability in the future to offer common stock as a source of additional capital or as consideration in the acquisition of other businesses, or as compensation for our key employees.

***Increased scrutiny and changing expectations from stakeholders with respect to ESG practices and the impacts of climate change may result in additional costs or risks.***

Companies across many industries are facing increasing scrutiny related to their ESG practices. Investor advocacy groups, certain institutional investors and other influential investors and regulators such as the SEC, among others, are increasingly focused on ESG practices and, in recent years, have placed increasing importance on the non-financial impacts of their investments. The increased scrutiny by these constituencies has also resulted in several of our clients requiring us to adhere to their internal corporate commitments regarding ESG matters. Furthermore, increased public awareness and concern regarding environmental risks, including global climate change, may result in increased public scrutiny of our business and our industry. If environmental laws or regulations, industry standards or client requirements are either changed or adopted and impose significant operational and compliance requirements on our operations, our business, results of operations, financial condition and competitive position could be negatively impacted. Additionally, uncharacteristic or significant weather conditions may increase in frequency or severity due to climate change and can affect travel and the ability of businesses to remain open, which could lead to decreased ability to offer our services and negatively affect our results of operations.

***Kforce may maintain levels of debt that exposes us to interest rate risk and contains restrictive covenants that could trigger prepayment of obligations or additional costs.***

We have a credit facility consisting of a revolving line of credit of up to \$200.0 million, subject to certain limitations. Borrowings under the credit facility are secured by substantially all of the tangible and intangible assets of the Firm.

Adverse changes in credit markets, including increases in interest rates, could increase our cost of borrowing and/or make it more difficult to refinance our existing indebtedness, if necessary.

Kforce is subject to certain affirmative and negative covenants under our credit facility. Our failure to comply with such restrictive covenants could result in an event of default, which, if not cured or waived, could result in Kforce being required to repay the outstanding balance before the due date. If this occurs, we may not be able to repay our debt or we may be forced to refinance on terms not acceptable to us, which could have a material adverse effect on our operating results and financial condition.

**ITEM 1B. UNRESOLVED STAFF COMMENTS.**

None.

**ITEM 1C. CYBERSECURITY.**

**Risk Management and Strategy**

Our cybersecurity program helps us secure our systems, keeps our business running around the clock and protects our clients, consultants, employees and shareholders from vulnerabilities and threats. We acknowledge the importance of assessing, identifying, and managing material risks associated with cybersecurity threats including: operational disruptions; violation of data privacy laws and regulations; breach of confidentiality; and financial and reputational harm.

With oversight from our Board, the Audit Committee, a special working group comprised of two of our Board members, and key leaders across Kforce, we have put proactive measures and systems in place to protect our information assets from unauthorized use or access, including annual employee training. The Firm's cybersecurity framework is based on the National Institute of Standards and Technology ("NIST").

**Governance**

**Management Oversight**

Our Chief Information Security Officer ("CISO") leads our Information Security and Data Privacy Council, which meets quarterly, or more frequently if necessary, to assess, identify and manage cybersecurity threats, support advocacy programs and advise our Chief Information Officer ("CIO") and CISO on solutions. The council is made up of key members of senior management across the Firm, including enterprise security, human resources, legal, internal audit, finance, procurement, communications and field management.

Our enterprise security team monitors and manages system infrastructure to protect the Firm against cyber threats. Our Cyber Risk Management program considers risks from many sources including, but not limited to, alerts, threat intelligence sources, risk assessments, and vulnerability management. Our Cyber Risk Management process includes risk assessment processes to identify risks, a risk evaluation process that includes risk acceptance or denial at all levels of the organization, and third-party vendor management where each vendor's security posture is assessed to understand how it strengthens Kforce's cyber supply chain. We have taken a comprehensive defense-in-depth approach to the implementation of our cybersecurity controls. These controls are set to block and/or provide alerts on suspicious activities. Our around-the-clock security operation center responds as appropriate to risks identified and performs the risk assessment and risk evaluation. Our risk register and risk remediation processes help us ensure we are tracking and addressing priority risks, as appropriate. Any potential risks or threats identified by the enterprise security team are communicated to the CISO, Information Security and Data Privacy Council and other senior leaders as appropriate.

Our Vice President of Internal Audit, in collaboration with our General Counsel, facilitates our enterprise risk management ("ERM") process. Cybersecurity-related risks are included in our overall risk evaluation for our ERM process to determine top risks for the Firm on an annual basis. Our internal audit team, which reports directly to the Audit Committee, uses the ERM program to develop a risk-based audit plan, which is approved by the Audit Committee annually.

Our CIO is accountable for the Firm's cybersecurity and data privacy programs and is supported by the CISO. Our CIO and CISO have over 35 and 25 years, respectively, of experience in information security and program management, and have both served over 10 years in our corporate information security organization. Under the guidance of the CIO, the CISO manages day-to-day operations of the security and data privacy functions and proposes changes to the Firm's cybersecurity strategy, which is part of our overall information technology strategy. The CIO and CISO meet frequently to discuss cyber and data operations, privacy programs and risks.

Each of these teams remain in close coordination to ensure risk mitigation strategies are designed and operating effectively.

**Board Oversight**

The Board is actively engaged in the oversight of cybersecurity and data privacy. The Audit Committee assists the Board in meeting its responsibility to oversee cybersecurity and data privacy strategies and practices. On a quarterly basis, the Audit Committee receives updates on (a) our progress meeting objectives established in our cybersecurity maturity roadmap, (b) relevant reported cybersecurity events in the overall market (and for Kforce, if any) and evolving risks, (c) results of work performed by our information security organization (ex. penetration tests, cybersecurity program maturity assessments) and (d) detailed reports of cybersecurity trends within the Firm. We engage subject matter experts in conducting independent assessments of our cybersecurity program maturity, penetration tests and other tests and assessments.

Senior management, including our CIO and CISO, brief the Board on an annual basis on our cybersecurity and information security posture and cybersecurity incidents deemed to have a moderate business impact (even if the incidents do not rise to the level of being material). Annually, the Board and management participate in a strategy discussion on cybersecurity.

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To further enhance the Board and Audit Committee's role in overseeing cybersecurity risks, the Board formed a special working group that is comprised of two members of the Audit Committee to have more frequent and detailed dialogue with executive management (including our COO, CFO, CIO, CISO and VP of Internal Audit) on all areas pertaining to cybersecurity. This working group provides updates on a quarterly basis, or more frequently if necessary, to the Audit Committee.

Management also provides the Audit Committee with an annual overview of Kforce's various lines of insurance that we maintain, including our cybersecurity insurance policy. The Audit Committee provides the Board with quarterly reports on the Firm's risks and ERM program findings, including cybersecurity risk and data privacy practices.

### **Third-Party Vendor Management**

Many of our information technology systems and networks are cloud-based or managed by third parties, whose future performance and reliability we cannot control. The risk of a cyberattack or security breach on a third party carries the same risks to Kforce as those associated with our internal systems. We seek to reduce these risks by performing significant vendor due diligence procedures prior to engaging with any third-party vendor who will have access to sensitive data. Additionally, we require annual audits of certain third parties' information technology processes.

As a result, at least in part, of the steps taken by the Firm with respect to our cybersecurity program, to our knowledge, we have not experienced a material breach to date. While all organizations are inherently at risk of cybersecurity threats, we do not believe that cybersecurity threats have affected, or are reasonably likely to materially affect, our business strategy, results of operations or financial condition. However, we routinely face risks of cybersecurity incidents, wholly or partially beyond our control, and there can be no assurance that the security efforts and measures of the Firm and third-party providers will prevent incidents that could adversely affect the Firm's business. Refer to "Risk Factors Risks Related to Cybersecurity and Technology" in Item 1A. Risk Factors of this report for a discussion of risks from cybersecurity threats that could have a material adverse effect on our business, financial condition and results of operations.

### **ITEM 2. PROPERTIES.**

As of December 31, 2024, we leased approximately 127,000 square feet of total office space in 31 offices located throughout the U.S. Most of our operations for both of our Technology and FA businesses are conducted from these leased field offices when not performed remotely with our Office Occasional® model. We do not anticipate any difficulty in renewing these leases, or in finding alternative sites in the ordinary course of business.

### **ITEM 3. LEGAL PROCEEDINGS.**

We are involved in legal proceedings, claims and administrative matters that arise in the ordinary course of business, and we have made accruals with respect to certain of these matters, where appropriate, that are reflected in our consolidated financial statements but are not, individually or in the aggregate, considered material. For other matters for which an accrual has not been made, we have not yet determined that a loss is probable, or the amount of loss cannot be reasonably estimated. The outcome of any litigation is inherently uncertain, but we do not expect that these proceedings and claims, individually or in the aggregate, will have a material effect on our consolidated financial statements; however, if decided adversely to us, or if we determine that settlement of particular litigation is appropriate, we may be subject to additional liabilities that could have a material adverse effect on our financial position, results of operations or cash flows. Kforce maintains liability insurance that insures us against workers' compensation, personal and bodily injury, property damage, directors' and officers' liability, errors and omissions, cyber liability, employment practices liability and fidelity losses. There can be no assurance that Kforce's liability insurance will cover all events or that the limits of coverage will be sufficient to fully cover all liabilities.

### **ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

## **PART II**

### **ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

#### **Holders of Common Stock**

Our common stock trades on the New York Stock Exchange ("NYSE") using the ticker symbol "KFRC." As of February 13, 2025, there were 270 holders of record.

#### **Purchases of Equity Securities by the Issuer**

Purchases of common stock under the Plan are subject to certain price, market, volume and timing constraints, which are specified in the plan.

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The following table presents information with respect to our repurchases of Kforce common stock during the three months ended December 31, 2024:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
October 1, 2024 to October 31, 2024	167,508 \$	54.87	167,508 \$	70,498,722
November 1, 2024 to November 30, 2024	1,633 \$	59.24	— \$	70,498,722
December 1, 2024 to December 31, 2024	192,306 \$	58.35	118,045 \$	63,497,672
<b>Total</b>	<b>361,447 \$</b>	<b>56.74</b>	<b>285,553 \$</b>	<b>63,497,672</b>

(1) Includes 1,633 repurchased shares withheld for tax withholding upon vesting of restricted stock for the period November 1, 2024 to November 30, 2024.

(2) Includes 74,261 repurchased shares withheld for tax withholding upon vesting of restricted stock for the period December 1, 2024 to December 31, 2024.

(3) In February 2024, the Board approved a change in our stock repurchase authorization increasing the available authorization to \$100 million.

**ITEM 6. RESERVED.**

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

This MD&A should be read in conjunction with our consolidated financial statements and the accompanying notes thereto contained in Item 8. Financial Statements and Supplementary Data of this report, as well as Item 1. Business of this report, for an overview of our operations and business environment.

### **EXECUTIVE SUMMARY**

The following is an executive summary of what Kforce believes are highlights for 2024, which should be considered in the context of the additional discussions herein and in conjunction with the consolidated financial statements and notes thereto.

- Revenue for the year ended December 31, 2024 decreased 8.3% to \$1.41 billion in 2024 from \$1.53 billion in 2023. Revenue decreased 6.6% and 23.5% for Technology and FA, respectively, in 2024, primarily driven by the ongoing macroeconomic uncertainty.
- Flex revenue decreased 7.9% to \$1.38 billion (8.6% on a billing day basis) in 2024 from \$1.49 billion in 2023. In 2024, Flex revenue decreased 6.4% for Technology (7.1% on a billing day basis) and decreased 23.5% for FA (24.1% on a billing day basis). These decreases were driven by a decline in the number of consultants on assignment.
- Direct Hire revenue decreased 24.0% to \$28.9 million in 2024 from \$38.0 million in 2023.
- Gross profit margin decreased 50 basis points to 27.4% in 2024 from 27.9% in 2023, primarily as a result of a decline in the mix of Direct Hire revenue.
- Flex gross profit margin decreased 10 basis points to 25.9% for 2024 from 26.0% in 2023. Flex gross profit margin remained flat for Technology and decreased 80 basis points for FA in 2024 as compared to 2023. The decrease in FA was primarily driven by a greater mix of lower margin projects.
- Selling, General and Administrative ("SG&A") expenses as a percentage of revenue for the year ended December 31, 2024, increased slightly to 22.0% from 21.9% in 2023.
- Net income for the year ended December 31, 2024, decreased 17.5% to \$50.4 million, or \$2.68 per share, from \$61.1 million, or \$3.13 per share, in 2023.
- The Firm returned \$64.7 million of capital to our shareholders in the form of open market repurchases totaling \$36.5 million, or 0.6 million shares, and quarterly dividends totaling \$28.2 million during the year ended December 31, 2024. The total capital returned to shareholders in 2024 represented approximately 75% of operating cash flows.
- Cash provided by operating activities was \$86.9 million during the year ended December 31, 2024, as compared to \$91.5 million for 2023.

## RESULTS OF OPERATIONS

Certain discussions of the changes in our results of operations from the year ended December 31, 2023, as compared to the year ended December 31, 2022, have been omitted from this Form 10-K, and may be found in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 23, 2024.

Our performance continued to be adversely affected by the ongoing macroeconomic uncertainty, which resulted in our clients being more cautious with the level of investment in their digital transformation efforts. With that said, our Technology business was largely stable throughout 2024 as indicated by our sequential billing day growth in both the second and fourth quarters of 2024 with a slight sequential decline in the third quarter. Against the backdrop of revenue declines, we continued to manage down our overall headcount levels, especially in our delivery roles, and tightly control spend levels in order to mitigate the pressure on profitability from the lower revenue and gross margin levels.

The political landscape in the U.S. remains unclear, particularly in relation to the impacts of the potential policy changes from the new administration. Geopolitical risks persist, including uncertainty in the Middle East and global supply chain disruptions. Despite these challenges, the U.S. economy demonstrated consistent growth in 2024, with real GDP expanding at 2.8%, largely driven by increased government spending and a healthy consumer. Although the unemployment rate rose to 4.1% in December 2024 from 3.7% in December 2023, employment grew across most sectors in the final quarter of 2024. Additionally, the Federal Reserve cut interest rates by a total of 100 basis points in late 2024, but the prospects for further interest rate cuts in 2025 appear less certain with inflation being a bit stickier and the labor markets continuing to show signs of strength.

The following table presents certain items in our Consolidated Statements of Operations and Comprehensive Income as a percentage of revenue for the years ended:

	DECEMBER 31,		
	2024	2023	2022
Revenue by segment:			
Technology	92.0 %	90.4 %	88.1 %
FA	8.0	9.6	11.9
Total Revenue	100.0 %	100.0 %	100.0 %
Revenue by type:			
Flex	97.9 %	97.5 %	96.6 %
Direct Hire	2.1	2.5	3.4
Total Revenue	100.0 %	100.0 %	100.0 %
Gross profit	27.4 %	27.9 %	29.3 %
Selling, general and administrative expenses	22.0 %	21.9 %	22.2 %
Depreciation and amortization	0.4 %	0.3 %	0.3 %
Income from operations	5.0 %	5.7 %	6.8 %
Income from operations, before income taxes	4.8 %	5.6 %	6.0 %
Net income	3.6 %	4.0 %	4.4 %

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**Revenue.** The following table presents revenue by type for each segment and the percentage change from the prior period for the years ended December 31:

(in thousands)	2024	Increase (Decrease)	2023	Increase (Decrease)	2022
Technology					
Flex revenue	\$ 1,278,715	(6.4) %	\$ 1,366,095	(7.4) %	\$ 1,476,055
Direct Hire revenue	14,028	(24.0) %	18,458	(41.5) %	31,572
Total Technology revenue	\$ 1,292,743	(6.6) %	\$ 1,384,553	(8.2) %	\$ 1,507,627
FA					
Flex revenue	\$ 97,729	(23.5) %	\$ 127,679	(27.6) %	\$ 176,395
Direct Hire revenue	14,836	(24.0) %	19,524	(27.0) %	26,743
Total FA revenue	\$ 112,565	(23.5) %	\$ 147,203	(27.5) %	\$ 203,138
Total Flex revenue	\$ 1,376,444	(7.9) %	\$ 1,493,774	(9.6) %	\$ 1,652,450
Total Direct Hire revenue	28,864	(24.0) %	37,982	(34.9) %	58,315
Total Revenue	\$ 1,405,308	(8.3) %	\$ 1,531,756	(10.5) %	\$ 1,710,765

**Flex Revenue.** The key drivers of Flex revenue are the number of consultants on assignment, billable hours, the bill rate per hour and, to a limited extent, the amount of billable expenses incurred by Kforce.

Flex revenue for our Technology business decreased 6.4% (7.1% per billing day) during the year ended December 31, 2024, as compared to the same period in 2023, primarily due to a decrease in the number of consultants on assignment. The average bill rate was approximately \$90 per hour for 2024, which remained flat as compared to 2023. In the first quarter of 2025, we expect Technology Flex revenue to decline sequentially on a billing day basis in the low to mid-single digits, at a level that is largely consistent with pre-pandemic levels and in the low single digits year over year.

Our FA business experienced a decrease in Flex revenue of 23.5% (24.1% per billing day) during the year ended December 31, 2024, as compared to the same period in 2023, primarily driven by a decrease in the number of consultants on assignment. Our average bill rate of \$51 per hour for the year ended December 31, 2024 was up slightly on a year-over-year basis. In the first quarter of 2025, we expect FA Flex revenue to decline sequentially on a billing day basis in the low double digits following greater than expected year-end assignment ends.

The following table presents the key drivers for the change in Flex revenue by segment over the prior period (in thousands):

Key Drivers - Increase (Decrease)	YEAR ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	
	2024 vs. 2023		2023 vs. 2022	
	Technology	FA	Technology	FA
Volume - hours billed	\$ (90,372)	\$ (32,440)	\$ (141,498)	\$ (57,647)
Bill rate	3,092	2,469	33,320	8,949
Billable expenses	(100)	21	(1,782)	(18)
Total change in Flex revenue	\$ (87,380)	\$ (29,950)	\$ (109,960)	\$ (48,716)

The following table presents total Flex hours billed by segment and the percentage change over the prior period for the years ended December 31:

(in thousands)	2024	Increase (Decrease)	2023	Increase (Decrease)	2022
Technology	14,171	(6.6) %	15,178	(9.6) %	16,794
FA	1,902	(25.4) %	2,550	(32.7) %	3,789
Total Flex hours billed	16,073	(9.3) %	17,728	(13.9) %	20,583

**Direct Hire Revenue.** The key drivers of Direct Hire revenue are the number of placements and the associated placement fee. Direct Hire revenue also includes conversion revenue, which may occur when a consultant initially assigned to a client on a temporary basis is later converted to a permanent placement for a fee.

Direct Hire revenue decreased 24.0% during the year ended December 31, 2024, as compared to the same period in 2023, primarily driven by a decrease in placements. We expect Direct Hire revenue to be stable in the first quarter of 2025 year over year.

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**Gross Profit.** Gross profit is determined by deducting direct costs (primarily consultant compensation, payroll taxes and certain fringe benefits, as well as independent contractor costs) from total revenue. In addition, there are no consultant payroll costs associated with Direct Hire placements; thus, all Direct Hire revenue increases gross profit by the full amount of the placement fee.

The following table presents the gross profit (gross profit as a percentage of total revenue) by segment and percentage change over the prior period:

	2024	Increase (Decrease)	2023	Increase (Decrease)	2022
Technology	26.5 %	(0.7) %	26.7 %	(4.6) %	28.0 %
FA	38.5 %	(1.8) %	39.2 %	0.5 %	39.0 %
Total gross profit percentage	27.4 %	(1.8) %	27.9 %	(4.8) %	29.3 %

Total gross profit percentage decreased 50 basis points for the year ended December 31, 2024, as compared to the same period in 2023, primarily as a result of a decline in the mix of Direct Hire revenue.

Flex gross profit percentage (Flex gross profit as a percentage of Flex revenue) provides management with helpful insight into the other drivers of total gross profit percentage driven by our Flex business such as changes in the spread between the consultants' bill rate and pay rate, changes in payroll tax rates or benefits costs, as well as the impact of billable expenses, which provide no profit margin.

The following table presents the Flex gross profit percentage for each segment and the percentage change over the prior period for the years ended December 31:

	2024	Increase (Decrease)	2023	Increase (Decrease)	2022
Technology	25.7 %	— %	25.7 %	(2.7) %	26.4 %
FA	29.1 %	(2.7) %	29.9 %	0.7 %	29.7 %
Total Flex gross profit percentage	25.9 %	(0.4) %	26.0 %	(3.0) %	26.8 %

Our Flex gross profit percentage decreased 10 basis points for the year ended December 31, 2024, as compared to the same period in 2023.

- Technology Flex gross profit margins remained stable at 25.7% for the year ended December 31, 2024, as compared to the same period in 2023. The impact from a tighter pricing environment in 2023 that carried over into 2024 was offset by lower healthcare costs. Overall bill and pay spreads in our Technology business were largely stable throughout 2024 with a slight improvement in the second half of 2024. We expect Technology Flex gross profit margins for the first quarter of 2025 to remain stable year over year.
- FA Flex gross profit margins decreased 80 basis points for the year ended December 31, 2024, as compared to the same period in 2023, primarily driven by a greater mix of lower margin projects, which was partially offset by lower healthcare costs. As a result of this mix, we expect FA Flex gross profit margins for the first quarter of 2025 to be down on a year-over-year basis.

The following table presents the key drivers for the change in Flex gross profit by segment over the prior period (in thousands):

Key Drivers - Increase (Decrease)	YEAR ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	
	2024 vs. 2023		2023 vs. 2022	
	Technology	FA	Technology	FA
Revenue impact (volume)	\$ (22,448)	\$ (8,948)	\$ (29,079)	\$ (14,483)
Profitability impact (rate)	(364)	(743)	(10,333)	187
Total change in Flex gross profit	\$ (22,812)	\$ (9,691)	\$ (39,412)	\$ (14,296)

**SG&A Expenses.** Total compensation, commissions, payroll taxes and benefit costs as a percentage of SG&A represented 84.2%, 84.3% and 84.1% of SG&A for the years ended December 31, 2024, 2023 and 2022, respectively. Commissions and other bonus incentives are variable costs driven primarily by revenue and gross profit levels. Therefore, as those levels change, these expenses would also generally be anticipated to change.

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The following table presents certain components of SG&A as a percentage of total revenue for the years ended December 31:

(in thousands)	2024	% of Revenue	2023	% of Revenue	2022	% of Revenue
Compensation, commissions, payroll taxes and benefits costs	\$ 260,839	18.6 %	\$ 282,439	18.4 %	\$ 319,501	18.7 %
Other <sup>(1)</sup>	48,963	3.4 %	52,494	3.5 %	60,314	3.5 %
Total SG&A	\$ 309,802	22.0 %	\$ 334,933	21.9 %	\$ 379,815	22.2 %

<sup>(1)</sup> Includes items such as credit loss expense, lease expense, professional fees, travel, communication and office-related expense, and certain other expenses.

SG&A as a percentage of revenue increased 10 basis points for the year ended December 31, 2024, as compared to the same period in 2023.

For compensation and related expenses, we have experienced a degree of SG&A deleverage as compared to 2023, as we continued to make investments in our strategic priorities and to retain our most productive associates to strategically position the Firm to capture an increased market share when the demand environment eventually improves. To mitigate the pressure on our profitability levels from the revenue and gross profit declines, we have taken certain actions to align our costs such as tight discretionary spend control and decreases in personnel, specifically within our delivery capabilities.

The decrease in Other SG&A expenses was primarily attributable to lower professional fees pertaining to the settlement of legal claims in 2023.

We continue to prioritize investments in our strategic initiatives, including the implementation of Workday as part of our back-office transformation program, integrated strategy efforts, and the evolution of our nearshore and offshore delivery capabilities. We expect to continue exercising tight discretionary spend control and balance productivity levels.

**Depreciation and Amortization.** The following table presents depreciation and amortization expense and percentage change over the prior period by major category for the years ended December 31:

(in thousands)	2024	Increase (Decrease)	2023	Increase (Decrease)	2022
Fixed asset depreciation	\$ 3,178	1.1 %	\$ 3,142	18.3 %	\$ 2,655
Capitalized software amortization	2,744	46.7 %	1,870	5.5 %	1,772
Total Depreciation and amortization	\$ 5,922	18.2 %	\$ 5,012	13.2 %	\$ 4,427

**Other Expense, Net.** Other expense, net was \$2.1 million, \$1.9 million and \$14.4 million for the years ended December 31, 2024, 2023 and 2022, respectively. Other expense, net consists of our proportionate share of losses for our joint venture and interest expense related to outstanding borrowings under our credit facility.

During the years ended December 31, 2024, 2023 and 2022, we recognized nil, \$0.8 million, and \$3.8 million, respectively, related to our share of losses associated with our equity method investment. Refer to Note 1 - "Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this report, for a more detailed discussion on the sale of our equity method investment in February 2023.

**Income Tax Expense.** Income tax expense as a percentage of income from operations, before income taxes (our "effective tax rate") were 25.4%, 28.4% and 26.4% for the years ended December 31, 2024, 2023 and 2022, respectively. The primary driver for the decrease relates to a reduction in nondeductible executive compensation, non-taxable proceeds from company-owned life insurance, and the recognition of research and development tax credits.

### Non-GAAP Financial Measures

**Revenue Growth Rates.** "Revenue growth rates," a non-GAAP financial measure, is defined by Kforce as revenue growth after removing the impacts on reported revenues from the changes in the number of billing days. Management believes this data is particularly useful because it aids in evaluating revenue trends over time. The impact of billing days is calculated by dividing each comparative period's reported revenues by the number of billing days for the respective period to arrive at a per billing day amount for each quarter. Growth rates are then calculated using the per billing day amounts as a percentage change compared to the respective period. Management calculates the number of billing days for each reporting period based on the number of holidays and business days in the quarter.

Sequential Growth Rates (GAAP)						
	2024				2023	
	Q4	Q3	Q2	Q1		Q4
Technology Flex	(2.5)%	(0.6)%	1.7%	(2.3)%		(2.5)%
FA Flex	(2.7)%	(4.1)%	(5.7)%	(11.5)%		(1.0)%
Total Flex revenue	(2.5)%	(0.8)%	1.2%	(3.1)%		(2.3)%

  

Sequential Growth Rates (Non-GAAP)						
	2024				2023	
	Q4	Q3	Q2	Q1		Q4
Billing Days	62	64	64	64		61
Technology Flex	0.6%	(0.6)%	1.7%	(6.9)%		0.7%
FA Flex	0.5%	(4.1)%	(5.7)%	(15.7)%		2.3%
Total Flex revenue	0.6%	(0.8)%	1.2%	(7.6)%		0.9%

  

Year-Over-Year Growth Rates (GAAP)							
	2024					2023	
	YTD	Q4	Q3	Q2	Q1	YTD	Q4
Technology Flex	(6.4)%	(3.7)%	(3.6)%	(6.4)%	(11.4)%	(7.4)%	(11.1)%
FA Flex	(23.5)%	(22.1)%	(20.7)%	(23.1)%	(27.2)%	(27.6)%	(28.0)%
Total Flex revenue	(7.9)%	(5.2)%	(5.0)%	(7.8)%	(12.8)%	(9.6)%	(12.8)%

  

Year-Over-Year Growth Rates (Non-GAAP)							
	2024					2023	
	YTD	Q4	Q3	Q2	Q1	YTD	Q4
Billing Days	254	62	64	64	64	252	61
Technology Flex	(7.1)%	(5.2)%	(5.1)%	(6.4)%	(11.4)%	(7.1)%	(11.1)%
FA Flex	(24.1)%	(23.3)%	(21.9)%	(23.1)%	(27.2)%	(27.3)%	(28.0)%
Total Flex revenue	(8.6)%	(6.7)%	(6.5)%	(7.8)%	(12.8)%	(9.2)%	(12.8)%

**Free Cash Flow.** "Free Cash Flow", a non-GAAP financial measure, is defined by Kforce as net cash provided by operating activities determined in accordance with GAAP, less capital expenditures. Management believes this provides an additional way of viewing our liquidity that, when viewed with our GAAP results, provides a more complete understanding of factors and trends affecting our cash flows and is useful information to investors as it provides a measure of the amount of cash generated from the business that can be used for strategic opportunities, including investing in our business, repurchasing common stock, paying dividends or making acquisitions. Free Cash Flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. Therefore, we believe it is important to view Free Cash Flow as a complement to, but not as a replacement for, our Consolidated Statements of Cash Flows.

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The following table presents Free Cash Flow:

(in thousands)	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
Net cash provided by operating activities	\$ 86,874	\$ 91,465	\$ 90,805
Capital expenditures	(7,573)	(7,763)	(8,109)
Free cash flow	79,301	83,702	82,696
Change in debt	(8,900)	16,000	(74,400)
Repurchases of common stock	(41,938)	(75,024)	(74,913)
Cash dividends	(28,236)	(27,562)	(24,027)
Proceeds from company-owned life insurance	2,377	—	1,077
Premiums paid for company-owned life insurance	(2,368)	(1,408)	—
Note receivable issued to our joint venture	—	(750)	(6,750)
Proceeds from the sale of our joint venture interest	—	5,059	—
Equity method investment	—	—	(500)
Other	(6)	(19)	(51)
Change in cash and cash equivalents	\$ 230	\$ (2)	\$ (96,868)

**Adjusted EBITDA.** "Adjusted EBITDA", a non-GAAP financial measure, is defined by Kforce as net income before depreciation and amortization; stock-based compensation expense; interest expense, net; income tax expense; organizational realignment activities; legal settlement expense; loss from equity method investment; reserve associated with the note receivable issued to our joint venture; impairment of equity method investment; and gain from termination of interest rate swap. Adjusted EBITDA should not be considered a measure of financial performance under GAAP. Items excluded from Adjusted EBITDA are significant components in understanding and assessing our past and future financial performance, and this presentation should not be construed as an inference by us that our future results will be unaffected by those items excluded from Adjusted EBITDA. Adjusted EBITDA is a key measure used by management to assess our operations including our ability to generate cash flows and our ability to repay our debt obligations, and management believes it provides a good metric of our core profitability in comparing our performance to our competitors, as well as our performance over different time periods. Consequently, management believes it is useful information to investors. The measure should not be considered in isolation or as an alternative to net income, cash flows or other financial statement information presented in the consolidated financial statements as indicators of financial performance or liquidity. The measure is not determined in accordance with GAAP and is thus susceptible to varying calculations. Also, Adjusted EBITDA, as presented, may not be comparable to similarly titled measures of other companies.

In addition, although we excluded stock-based compensation expense because it is a non-cash expense, we expect to continue to incur stock-based compensation in the future and the associated stock issued may result in an increase in our outstanding shares of stock, which may result in the dilution of our shareholder ownership interest. We suggest that you evaluate these items and the potential risks of excluding such items when analyzing our financial position.

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The following table presents Adjusted EBITDA and includes a reconciliation of net income to Adjusted EBITDA:

(in thousands)	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
Net income	\$ 50,414	\$ 61,075	\$ 75,431
Depreciation and amortization	5,922	5,012	4,427
Stock-based compensation expense	14,044	17,747	17,655
Interest expense, net	2,097	1,122	973
Income tax expense	17,210	24,175	27,011
Organizational realignment activities	—	3,662	—
Legal settlement expense	—	2,175	—
Loss from equity method investment	—	750	3,824
Reserve associated with note receivable issued to our joint venture	—	—	1,925
Impairment of equity method investment	—	—	13,684
Gain from termination of interest rate swap	—	—	(4,059)
Adjusted EBITDA	\$ 89,687	\$ 115,718	\$ 140,871

## LIQUIDITY AND CAPITAL RESOURCES

To meet our capital and liquidity requirements, we primarily rely on operating cash flow, as well as borrowings under our credit facility. At December 31, 2024 and 2023, we had \$32.7 million and \$41.6 million outstanding under our Amended and Restated Credit Facility, respectively, and the borrowing availability was \$166.3 million and \$157.2 million, respectively, subject to certain covenants. At December 31, 2024, Kforce had \$112.9 million in working capital compared to \$141.5 million at December 31, 2023.

### Cash Flows

Our business has historically generated a significant amount of operating cash flows, which allows us to balance deploying available capital towards: (i) investing in our strategic priorities that we expect will accelerate future revenue growth and profitability levels; (ii) our dividend and share repurchase programs; and (iii) maintaining sufficient liquidity for potential acquisitions or other strategic investments.

The following table presents a summary of our net cash flows from operating, investing and financing activities (in thousands):

Cash Provided by (Used in)	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
Operating activities	\$ 86,874	\$ 91,465	\$ 90,805
Investing activities	(7,564)	(4,862)	(14,282)
Financing activities	(79,080)	(86,605)	(173,391)
Change in cash and cash equivalents	\$ 230	\$ (2)	\$ (96,868)

### Operating Activities

Cash provided by operating activities was \$86.9 million during the year ended December 31, 2024, as compared to \$91.5 million during the year ended December 31, 2023. Our largest source of operating cash flows is the collection of trade receivables, and our largest use of operating cash flows is the payment of our associate and consultant compensation. The year-over-year decrease was primarily driven by lower profitability levels, lower collections of trade receivables, and continued management of working capital partially offset by the timing of payments.

### Investing Activities

Cash used in investing activities was \$7.6 million during the year ended December 31, 2024, and primarily consisted of cash used for capital expenditures. Cash used in investing activities was \$4.9 million during the year ended December 31, 2023, which primarily consisted of cash used for capital expenditures of \$7.8 million, partially offset by the proceeds from the sale of our joint venture interest of \$5.1 million.

### Financing Activities

Cash used in financing activities was \$79.1 million during the year ended December 31, 2024, as compared to \$86.6 million during the year ended December 31, 2023. This change was primarily driven by a decrease in repurchases of common stock driven by lower operating cash flows, partially offset by the net payments made on our Amended and Restated Credit Facility.

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The following table presents the cash flow impact of the common stock repurchase activity for the years ended December 31:

(in thousands)	2024	2023	2022
Open market repurchases	\$ 37,162	\$ 67,178	\$ 66,806
Repurchased shares withheld for tax withholding upon vesting of restricted stock	4,776	7,846	8,107
Total cash flow impact from Repurchases of common stock	\$ 41,938	\$ 75,024	\$ 74,913
Cash paid in current year for settlement of prior year repurchases	\$ 920	\$ 974	\$ 181

Kforce's Board declared and paid dividends of \$28.2 million (\$1.52 per share), \$27.6 million (\$1.44 per share) and \$24.0 million (\$1.20 per share) for the years ended December 31, 2024, 2023 and 2022, respectively.

In January 2025, Kforce's Board approved an increase to the Company's dividend from \$1.52 per share to \$1.56 per share, which is the sixth consecutive annual increase. The declaration, payment and amount of future dividends are discretionary and will be subject to determination by Kforce's Board each quarter following its review of, among other things, the Firm's current and expected financial performance as well as the ability to pay dividends under applicable law.

We believe that existing cash and cash equivalents, operating cash flows and available borrowings under our Amended and Restated Credit Facility will be adequate to meet the capital expenditure and working capital requirements of our operations for at least the next 12 months, and the foreseeable future, which we believe will provide us the flexibility to continue returning significant capital to our shareholders. However, a material deterioration in the macroeconomic environment or market conditions, among other things, could adversely affect operating results and liquidity, as well as the ability of our lenders to fund borrowings. Actual results could also differ materially from those indicated as a result of a number of factors, including the use of currently available resources for capital expenditures, investments, additional common stock repurchases or dividends.

### Credit Facility

On October 20, 2021, the Firm entered into an Amended and Restated Credit Facility, which has a maximum borrowing capacity of \$200.0 million, and subject to certain conditions and the participation of the lenders, may be increased up to an aggregate additional amount of \$150.0 million. As of December 31, 2024, \$32.7 million was outstanding and \$166.3 million, net of \$1.0 million in letters of credit outstanding, was available under the Amended and Restated Credit Facility. As of December 31, 2024, we were in compliance with all of our financial covenants.

In June 2023, Kforce entered into the First Amendment to the Amended and Restated Credit Facility, by and among Wells Fargo, as administrative agent, and the lenders and financial institutions from time to time party thereto (the "First Amendment"), to replace the interest rates based on the London Inter-Bank Offered Rate ("LIBOR") with benchmark interest rates based on the Secured Overnight Financing Rate ("SOFR"). Refer to Note 12 - "Credit Facility" in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this report for a complete discussion of the Amended and Restated Credit Facility.

### Stock Repurchases

The following table presents the open market repurchase activity under the Board-authorized common stock repurchase program for the years ended December 31:

(in thousands)	2024		2023	
	Shares	\$	Shares	\$
Open market repurchases	609	\$ 36,502	1,097	\$ 67,124

As of December 31, 2024, \$63.5 million remained available for further repurchases under the Board-authorized common stock repurchase program.

### Contractual Obligations

In addition to our discussion and analysis surrounding our liquidity and capital resources, consideration should also be given to significant contractual obligations:

- The Amended and Restated Credit Facility matures on October 20, 2026, and as of December 31, 2024, our outstanding debt balance under the credit facility was \$32.7 million. Total payments, however, are inherently uncertain as the interest rates related to this outstanding balance are variable and the outstanding borrowings that will occur over the remaining term of the Amended and Restated Credit Facility are unknown. Refer to Note 12 - "Credit Facility" in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data for further details on the Amended and Restated Credit Facility.

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- We maintain various non-qualified deferred compensation plans pursuant to which eligible management and highly-compensated key employees may elect to defer all or part of their compensation to later years. As of December 31, 2024, the total amount of our obligations under these plans was \$54.8 million. These amounts are included in the accompanying Consolidated Balance Sheets and classified as Accounts payable and other accrued liabilities and Other long-term liabilities, as appropriate, and are payable based upon the elections of the plan participants (e.g., retirement, termination of employment, change-in-control, etc.). Amounts payable upon the retirement or termination of employment may become payable during the next five years if a covered employee retires, terminates, or schedules a distribution.
- Our purchase commitments consist of agreements to purchase goods and services entered into in the ordinary course of business. As of December 31, 2024, the value of our unconditional purchase obligations with a remaining term in excess of one year was \$30.7 million.
- We have employment agreements with certain executives that provide for minimum compensation, salary and continuation of certain benefits for a one-year to a three-year period after their employment ends under certain circumstances. At December 31, 2024, our liability would be approximately \$27.7 million for terminations related to a change in control and \$8.8 million related to terminations in the absence of cause. Refer to Note 15 - "Commitments and Contingencies" in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data for additional information regarding our commitments related to employment agreements.
- We lease certain facilities and other properties under non-cancellable operating lease arrangements that expire at various dates through 2033. As of December 31, 2024, the total amount of our obligations under operating leases was \$17.0 million. Refer to Note 10 - "Operating Leases" in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data for additional information regarding our lease obligations and the timing of expected future payments, including a five-year maturity schedule.

### **Off-Balance Sheet Arrangements**

We do not have off-balance sheet arrangements that have or are reasonably likely to have a material impact on our liquidity or capital resources.

### **CRITICAL ACCOUNTING ESTIMATES**

Our consolidated financial statements are prepared in accordance with GAAP, and our significant accounting policies are discussed in Note 1 – "Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this report. In connection with the preparation of our consolidated financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amount of assets, liabilities, revenues, expenses and the related disclosures. Our assumptions, estimates and judgments are based on our historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. Management regularly reviews the accounting policies, estimates, assumptions and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Management believes that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. We have not made any material changes in our accounting methodologies used in prior years.

### **Accounting for Income Taxes**

Our effective income tax rate is influenced by tax planning opportunities available to us in the various jurisdictions in which we conduct business. Significant judgment is required in determining our effective tax rate and in evaluating our tax positions, including those that may be uncertain.

We are also required to exercise judgment with respect to the realization of our net deferred tax assets. Management evaluates positive and negative evidence and exercises judgment regarding past and future events to determine if it is more likely than not that all or some portion of the deferred tax assets may not be realized. If appropriate, a valuation allowance is recorded against deferred tax assets to offset future tax benefits that may not be realized. A 0.5% change in our effective tax rate would have impacted our net income by approximately \$0.3 million in 2024.

Refer to Note 7 – "Income Taxes" in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this report, for a complete discussion of the components of our income tax expense, as well as the temporary differences that exist as of December 31, 2024.

**Goodwill Impairment**

Goodwill is tested at the reporting unit level, which is generally an operating segment or one level below the operating segment level, where a business operates and for which discrete financial information is available and reviewed by segment management. We evaluate goodwill for impairment annually or more frequently whenever events or circumstances indicate that the fair value of a reporting unit is below its carrying value. We monitor the existence of potential impairment indicators throughout the year. It is our policy to conduct impairment testing based on our current business strategy in light of present industry and economic conditions, as well as future expectations.

When performing a quantitative assessment, we determine the fair value of our reporting units using widely accepted valuation techniques, including the discounted cash flow, guideline transaction and guideline company methods. These types of analyses contain uncertainties because the inputs require management to make significant assumptions and judgments including: (1) an appropriate rate to discount the expected future cash flows; (2) the inherent risk in achieving forecasted operating results; (3) long-term growth rates; (4) expectations for future economic cycles; (5) market comparable companies and appropriate adjustments thereto; and (6) market multiples. When performing a qualitative assessment, we assess qualitative factors to determine whether the existence of events or circumstances indicated that it was more likely than not that the fair value of the reporting unit was less than its carrying amount.

Refer to Note 8 – “Goodwill” in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this report, for a complete discussion of the valuation methodologies employed.

**NEW ACCOUNTING STANDARDS**

Refer to Note 1 – “Summary of Significant Accounting Policies” in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this report, for a discussion of new accounting standards.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

In addition to the inherent operational risks, Kforce is exposed to certain market risks, primarily related to changes in interest rates.

As of December 31, 2024, we had \$32.7 million outstanding under the Amended and Restated Credit Facility. A hypothetical 10% increase in interest rates in effect at December 31, 2024 would increase Kforce's annual interest expense by less than \$0.2 million. Refer to Note 12 - “Credit Facility” in the Notes to Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this report, for a complete discussion of the Amended and Restated Credit Facility.

## **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the shareholders and the Board of Directors of Kforce Inc.

#### **Opinions on the Financial Statements and Internal Control over Financial Reporting**

We have audited the accompanying consolidated balance sheets of Kforce Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

#### **Basis for Opinions**

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### **Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Critical Audit Matters**

Critical audit matters are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Deloitte & Touche LLP

Tampa, Florida

February 21, 2025

We have served as the Company's auditor since 2000.

**KFORCE INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**  
*(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)*

	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
Revenue	\$ 1,405,308	\$ 1,531,756	\$ 1,710,765
Direct costs	1,019,863	1,104,690	1,209,658
Gross profit	385,445	427,066	501,107
Selling, general and administrative expenses	309,802	334,933	379,815
Depreciation and amortization	5,922	5,012	4,427
Income from operations	69,721	87,121	116,865
Other expense, net	2,097	1,871	14,423
Income from operations, before income taxes	67,624	85,250	102,442
Income tax expense	17,210	24,175	27,011
Net income	50,414	61,075	75,431
Other comprehensive loss:			
Change in fair value of interest rate swaps, net of tax	—	—	( 615 )
Comprehensive income	\$ 50,414	\$ 61,075	\$ 74,816
Earnings per share – basic	\$ 2.71	\$ 3.18	\$ 3.76
Earnings per share – diluted	\$ 2.68	\$ 3.13	\$ 3.68
Weighted average shares outstanding – basic	18,574	19,188	20,054
Weighted average shares outstanding – diluted	18,811	19,507	20,503

The accompanying notes are an integral part of these consolidated financial statements.

**KFORCE INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

	DECEMBER 31,	
	2024	2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 349	\$ 119
Trade receivables, net of allowances of \$ 1,560 and \$ 1,643 , respectively	215,690	233,428
Prepaid expenses and other current assets	9,367	10,912
Total current assets	225,406	244,459
Fixed assets, net	7,723	9,418
Other assets, net	94,656	75,924
Deferred tax assets, net	5,009	3,138
Goodwill	25,040	25,040
Total assets	\$ 357,834	\$ 357,979
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 61,753	\$ 64,795
Accrued payroll costs	38,823	33,968
Current portion of operating lease liabilities	3,038	3,589
Income taxes payable	8,843	623
Total current liabilities	112,457	102,975
Long-term debt – credit facility	32,700	41,600
Other long-term liabilities	58,059	54,324
Total liabilities	203,216	198,899
Commitments and Contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, \$ 0.01 par value; 15,000 shares authorized, none issued and outstanding	—	—
Common stock, \$ 0.01 par value; 250,000 shares authorized, 73,835 and 73,462 issued, respectively	738	734
Additional paid-in capital	543,109	527,288
Retained earnings	546,202	525,222
Treasury stock, at cost; 54,619 and 53,941 shares, respectively	( 935,431 )	( 894,164 )
Total stockholders' equity	154,618	159,080
Total liabilities and stockholders' equity	\$ 357,834	\$ 357,979

The accompanying notes are an integral part of these consolidated financial statements.

**KFORCE INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
*(IN THOUSANDS)*

	Common Stock		Additional Paid-In Capital	Accumulated Comprehensive (Loss)	Other Comprehensive Income	Retained Earnings	Treasury Stock		Total Stockholders' Equity
	Shares	Amount					Shares	Amount	
Balance, December 31, 2021	72,997	\$ 730	\$ 488,036	\$ 621	\$ 442,596	51,492	\$ (743,577)	\$ 188,406	
Net income	—	—	—	—	75,431	—	—	—	75,431
Issuance for stock-based compensation and dividend equivalents, net of forfeitures	245	2	1,234	—	(1,236)	—	—	—	—
Stock-based compensation expense	—	—	17,655	—	—	—	—	—	17,655
Employee stock purchase plan	—	—	809	—	—	(17)	245	1,054	
Dividends (\$ 1.20 per share)	—	—	—	—	(24,027)	—	—	—	(24,027)
Change in fair value of interest rate swap, net of tax of \$ 209	—	—	—	(615)	—	—	—	—	(615)
Repurchases of common stock	—	—	—	—	—	1,269	(75,706)	(75,706)	
Balance, December 31, 2022	73,242	732	507,734	6	492,764	52,744	(819,038)	182,198	
Net income	—	—	—	—	61,075	—	—	—	61,075
Issuance for stock-based compensation and dividend equivalents, net of forfeitures	220	2	1,053	—	(1,055)	—	—	—	—
Stock-based compensation expense	—	—	17,747	—	—	—	—	—	17,747
Employee stock purchase plan	—	—	754	—	—	(18)	288	1,042	
Dividends (\$ 1.44 per share)	—	—	—	—	(27,562)	—	—	—	(27,562)
Repurchases of common stock	—	—	—	—	—	1,215	(75,414)	(75,414)	
Other	—	—	—	(6)	—	—	—	—	(6)
Balance, December 31, 2023	73,462	734	527,288	—	525,222	53,941	(894,164)	159,080	
Net income	—	—	—	—	50,414	—	—	—	50,414
Issuance for stock-based compensation and dividend equivalents, net of forfeitures	373	4	1,194	—	(1,198)	—	—	—	—
Stock-based compensation expense	—	—	14,044	—	—	—	—	—	14,044
Employee stock purchase plan	—	—	583	—	—	(13)	215	798	
Dividends (\$ 1.52 per share)	—	—	—	—	(28,236)	—	—	—	(28,236)
Repurchases of common stock	—	—	—	—	—	691	(41,482)	(41,482)	
Balance, December 31, 2024	73,835	\$ 738	\$ 543,109	\$ —	\$ 546,202	54,619	\$ (935,431)	\$ 154,618	

The accompanying notes are an integral part of these consolidated financial statements.

**KFORCE INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(IN THOUSANDS)**

	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
<b>Cash flows from operating activities:</b>			
Net income	\$ 50,414	\$ 61,075	\$ 75,431
<b>Adjustments to reconcile net income to cash provided by operating activities:</b>			
Deferred income tax provision, net	( 1,871 )	1,647	3,081
Provision for credit losses	100	768	( 126 )
Depreciation and amortization	5,922	5,012	4,427
Stock-based compensation expense	14,044	17,747	17,655
Noncash lease expense	3,683	4,065	5,683
Loss on equity method investment	—	750	3,824
Reserve related to note receivable	—	—	1,925
Impairment of equity method investment	—	—	13,684
Other	( 395 )	724	141
(Increase) decrease in operating assets			
Trade receivables, net	17,638	35,301	( 4,049 )
Other assets	( 8,789 )	( 1,304 )	( 9,199 )
<b>Increase (decrease) in operating liabilities:</b>			
Accrued payroll costs	5,653	( 13,358 )	( 22,003 )
Other liabilities	475	( 20,962 )	20,296
Payment of benefit under terminated pension plan	—	—	( 19,965 )
<b>Cash provided by operating activities</b>	<b>86,874</b>	<b>91,465</b>	<b>90,805</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	( 7,573 )	( 7,763 )	( 8,109 )
Proceeds received from company-owned life insurance	2,377	—	1,077
Premiums paid for company-owned life insurance	( 2,368 )	( 1,408 )	—
Proceeds from the sale of our joint venture interest	—	5,059	—
Note receivable issued to our joint venture	—	( 750 )	( 6,750 )
Equity method investment	—	—	( 500 )
<b>Cash used in investing activities</b>	<b>( 7,564 )</b>	<b>( 4,862 )</b>	<b>( 14,282 )</b>
<b>Cash flows from financing activities:</b>			
Proceeds from credit facility	301,000	594,400	38,200
Payments on credit facility	( 309,900 )	( 578,400 )	( 112,600 )
Repurchases of common stock	( 41,938 )	( 75,024 )	( 74,913 )
Cash dividends	( 28,236 )	( 27,562 )	( 24,027 )
Other	( 6 )	( 19 )	( 51 )
<b>Cash used in financing activities</b>	<b>( 79,080 )</b>	<b>( 86,605 )</b>	<b>( 173,391 )</b>
Change in cash and cash equivalents	230	( 2 )	( 96,868 )
Cash and cash equivalents at beginning of year	119	121	96,989
<b>Cash and cash equivalents at end of year</b>	<b>\$ 349</b>	<b>\$ 119</b>	<b>\$ 121</b>

The accompanying notes are an integral part of these consolidated financial statements.

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Supplemental Disclosure of Cash Flow Information	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
<b>Cash paid during the year for:</b>			
Income taxes, net	\$ 9,777	\$ 28,616	\$ 16,579
Operating lease liabilities	4,733	5,232	6,992
Interest, net	1,989	897	885
<b>Non-Cash Financing and Investing Transactions:</b>			
ROU assets obtained from operating leases	\$ 3,078	\$ 4,378	\$ 9,997
Unsettled repurchases of common stock	260	920	974
Employee stock purchase plan	798	1,042	1,054

The accompanying notes are an integral part of these consolidated financial statements.

**KFORCE INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

***Basis of Presentation***

The consolidated financial statements have been prepared in conformity with Generally Accepted Accounting Principles ("GAAP") and the rules of the Securities and Exchange Commission (the "SEC"). Certain prior year amounts have been reclassified to conform with the current period presentation.

***Principles of Consolidation***

The consolidated financial statements include the accounts of Kforce Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. References in this document to "Kforce," the "Company," the "Firm," "management," "we," "our" or "us" refer to Kforce Inc. and its subsidiaries, except where the context indicates otherwise.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most critical of these estimates and assumptions relate to the following: income taxes and the impairment of goodwill. Although these and other estimates and assumptions are based on the best available information, actual results could be materially different from these estimates.

***Revenue Recognition***

All of our revenue and trade receivables are generated from contracts with customers and our revenues are derived from U.S. domestic operations.

Revenue is recognized when the control of the promised services is transferred to our customers at an amount that reflects the consideration to which we expect to be entitled to in exchange for those services. Revenue is recorded net of sales or other transaction taxes collected from clients and remitted to taxing authorities.

For substantially all of our revenue transactions, we have determined that the gross reporting of revenues as a principal, versus net as an agent, is the appropriate accounting treatment because Kforce: (i) is primarily responsible for fulfilling the promise to provide the specified service to the customer; (ii) has discretion in selecting and assigning the temporary workers to particular assignments and engagements and establishing the bill and pay rates; and (iii) bears the risk and rewards of the transaction, including credit risk if the customer fails to pay for services performed.

Our integrated approach deploys highly skilled professionals on a temporary ("Flex") and permanent ("Direct Hire") basis.

***Flex Revenue***

Substantially all of our Flex revenue is recognized over time as temporary staffing services and managed solutions are provided by our consultants at the contractually established bill rates, net of applicable variable consideration, such as customer rebates and discounts. Reimbursements of travel and out-of-pocket expenses ("billable expenses") are also recorded within Flex revenue when incurred and the equivalent amount of expense is recorded in Direct costs in the Consolidated Statements of Operations and Comprehensive Income. We recognize revenue in the amount of consideration to which we have the right to invoice when it corresponds directly to the services transferred to the customer and satisfied over time.

***Direct Hire Revenue***

Direct Hire revenue is recognized at the agreed upon rate at the point in time when the performance obligation is considered complete. Our policy requires the following criteria to be met in order for the performance obligation to be considered complete: (i) the candidate accepted the position; (ii) the candidate resigned from their current employer; and (iii) the agreed upon start date falls within the following month. Because the client has accepted the candidate and can direct the use of and obtains the significant risk and rewards of the placement, we consider this point as the transfer of control to our client.

***Variable Consideration***

Transaction prices for Flex revenue include variable consideration, such as customer rebates and discounts. Management evaluates the facts and circumstances of each contract to estimate the variable consideration using the most likely amount method which utilizes management's expectation of the volume of services to be provided over the applicable period.

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Direct Hire revenue is recorded net of a fallout reserve. Direct Hire fallouts occur when a candidate does not remain employed with the client through the respective contingency period (typically 90 days or less). Management uses the expected value method to estimate the fallout reserve based on a combination of past experience and current trends.

### [Payment Terms](#)

Our payment terms and conditions vary by arrangement. The vast majority of our terms are typically less than 90 days, however, we have extended our payment terms beyond 90 days for certain of our customers. Generally, the timing between the satisfaction of the performance obligation and the payment is not significant and we do not currently have any significant financing components.

### [Unsatisfied Performance Obligations](#)

We do not disclose the value of unsatisfied performance obligations for contracts if either the original expected length is one year or less or if revenue is recognized at the amount to which we have the right to invoice for services performed.

### [Contract Balances](#)

We record accounts receivable when our right to consideration becomes unconditional and services have been performed. Other than our trade receivable balance, we do not have any material contract assets as of December 31, 2024 and 2023.

We record a contract liability when we receive consideration from a customer prior to transferring services to the customer. We recognize the contract liability as revenue after we have transferred control of the goods or services to the customer. Contract liabilities are recorded within Accounts payable and other accrued liabilities if expected to be recognized in less than one year and Other long-term liabilities, if over one year, in the Consolidated Balance Sheets. We do not have any material contract liabilities as of December 31, 2024 and 2023.

### [Direct Costs](#)

Direct costs are composed of all related costs of employment for consultants, including compensation, payroll taxes, certain fringe benefits and subcontractor costs. Direct costs exclude depreciation and amortization expense, which is presented on a separate line in the accompanying Consolidated Statements of Operations and Comprehensive Income.

Associate and field management compensation, payroll taxes and fringe benefits are included in SG&A along with other customary costs such as administrative and corporate costs.

### [Commissions](#)

Our associates place consultants on assignments and earn commissions as a percentage of revenue or gross profit pursuant to a commission plan. The amount of associate commissions paid increases as volume increases. Commissions are accrued at an amount equal to the percent of total expected commissions payable to total revenue or gross profit for the commission-plan period, as applicable. We generally expense sales commissions and any other incremental costs of obtaining a contract as incurred because the amortization period is typically less than one year.

### [Stock-Based Compensation Expense](#)

Stock-based compensation expense is measured using the grant-date fair value of the award of equity instruments. The expense is recognized over the requisite service period and forfeitures are recognized as incurred. Excess tax benefits or deficiencies of deductions attributable to employees' vesting of restricted stock are reflected in Income tax expense in the accompanying Consolidated Statements of Operations and Comprehensive Income.

### [Income Taxes](#)

Income taxes are recorded using the asset and liability approach for deferred tax assets and liabilities and the expected future tax consequences of differences between carrying amounts and the tax basis of assets and liabilities. A valuation allowance is recorded unless it is more likely than not that the deferred tax asset can be utilized to offset future taxes.

Management evaluates tax positions taken or expected to be taken in our tax returns and records a liability (including interest and penalties) for uncertain tax positions. We recognize tax benefits from uncertain tax positions when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes. The Company recognizes interest and penalties related to uncertain tax positions in Income tax expense in the accompanying Consolidated Statements of Operations and Comprehensive Income. There were no significant uncertain income tax positions for the year ended December 31, 2024 and 2023.

### [Cash and Cash Equivalents](#)

All highly liquid investments with original maturity dates of three months or less at the time of purchase are classified as cash equivalents. Cash and cash equivalents are stated at cost, which approximates fair value because of the short-term nature of these instruments.

#### **Trade Receivables and Related Reserves**

Trade receivables are recorded net of allowance for credit losses. The allowance for credit losses is determined using the application of a current expected credit loss model, which measures expected credit losses based on relevant information, including historical experience, current conditions and reasonable and supportable forecasts.

We estimate and recognize lifetime expected losses, rather than incurred losses, which results in the earlier recognition of credit losses even if the expected risk of credit loss is remote. As part of our analysis, we apply credit loss rates to outstanding receivables by aging category. For certain clients, we perform a quarterly credit review, which considers the client's credit rating and financial position as well as our total credit loss exposure. Trade receivables are written off after all reasonable collection efforts have been exhausted.

Trade accounts receivable reserves as a percentage of gross trade receivables was less than 1 % at both December 31, 2024 and 2023. Recoveries of trade receivables previously written off are recorded when received and are immaterial for the year ended December 31, 2024 and 2023.

#### **Fixed Assets**

Fixed assets are carried at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of leasehold improvements is amortized using the straight-line method over the lesser of the estimated useful lives of the assets or the expected terms of the related leases. Upon sale or disposition of our fixed assets, the cost and accumulated depreciation are removed and any resulting gain or loss, net of proceeds, is reflected within SG&A in the Consolidated Statements of Operations and Comprehensive Income.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset group to the future undiscounted net cash flows expected to be generated by those assets. If an analysis indicates the carrying amount of these long-lived assets exceeds the fair value, an impairment loss is recognized to reduce the carrying amount to its fair market value, as determined based on the present value of projected future cash flows.

#### **Goodwill**

Management has determined that the reporting units for the goodwill analysis is consistent with our reportable segments. We evaluate goodwill for impairment either through a qualitative or quantitative approach annually on October 1, or more frequently if an event occurs or circumstances change that indicate the carrying value of a reporting unit may not be recoverable. If we perform a quantitative assessment that indicates the carrying amount of a reporting unit exceeds its fair market value, an impairment loss is recognized to reduce the carrying amount to its fair market value. Kforce determines the fair market value of each reporting unit based on a weighting of the present value of projected future cash flows (the "income approach") and the use of comparative market approaches (the "market approach"). Factors requiring significant judgment include, among others, the assumptions related to discount rates, forecasted operating results, long-term growth rates, the determination of comparable companies and market multiples. Changes in economic and operating conditions or changes in Kforce's business strategies that occur after the annual impairment analysis may impact these assumptions and result in a future goodwill impairment charge, which could be material to our consolidated financial statements.

#### **Equity Method Investment and Note Receivable**

In June 2019, we entered into a joint venture whereby Kforce had a 50 % noncontrolling interest in WorkLLama, which was accounted for as an equity method investment. Under the equity method, our carrying value included equity capital contributions, adjusted for our proportionate share of earnings or losses.

During the year ended December 31, 2022, we recognized an impairment loss of the full balance of the equity method investment of \$ 13.7 million, which was recorded in Other Expense, net in the Consolidated Statements of Operations and Comprehensive Income.

On February 23, 2023, Kforce received \$ 6.0 million in exchange for the sale of our 50 % noncontrolling interest in WorkLLama to an unaffiliated third party and in full settlement of the outstanding balance of the promissory notes (the "Note Receivable") that were executed to our joint venture for a total of \$ 4.8 million at December 31, 2022. These proceeds, net of customary transaction costs, amounted to \$ 5.1 million and is presented in the investing section of the Consolidated Statements of Cash Flows.

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### **Operating Leases**

Kforce leases property for our field offices and corporate headquarters as well as certain office equipment, which limits our exposure to risks related to ownership. We determine if a contract or arrangement meets the definition of a lease at inception. We elected not to separate lease and non-lease components when determining the consideration in the contract. Right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. If there is no rate implicit in the lease, we use our incremental borrowing rate in the present value calculation, which is estimated using our collateralized borrowing rate and determined based on the terms of our leases and the economic environment in which they exist. Our lease agreements do not contain any material residual value guarantees or restrictive covenants.

ROU assets for operating leases, net of amortization, are recorded within Other assets, net and operating lease liabilities are recorded within current liabilities if expected to be recognized in less than one year and in Other long-term liabilities, if over one year, in the Consolidated Balance Sheets. Operating lease additions are non-cash transactions and the amortization of the ROU assets is reflected as Noncash lease expense within operating activities in the Consolidated Statement of Cash Flows.

Our lease terms range from two to eleven years with a limited number of leases containing short-term renewal provisions that range from month-to-month to one year and some containing options to renew or terminate.

We elected the short-term practical expedient for leases with an initial term of 12 months or less and do not recognize ROU assets or lease liabilities for these short-term leases.

In addition to base rent, certain of our operating leases require variable payments of property taxes, insurance and common area maintenance. These variable lease costs, other than those dependent upon an index or rate, are expensed when the obligation for those payments is incurred.

### **Capitalized Software**

Kforce purchases, develops and implements software to enhance the performance of our technology infrastructure.

Direct internal costs, such as payroll and payroll-related costs, and external costs incurred during the development stage are capitalized and classified as capitalized software. Capitalized software development costs and the associated accumulated amortization are included in Other assets, net in the accompanying Consolidated Balance Sheets. Amortization expense is computed using the straight-line method over the estimated useful lives of the software, which range from one to sixteen years. Amortization expense of capitalized software during the years ended December 31, 2024, 2023 and 2022 was \$ 2.7 million, \$ 1.9 million and \$ 1.8 million, respectively.

Kforce also enters into certain cloud-based software hosting arrangements that are accounted for as service contracts. Certain implementation costs of cloud computing arrangements during the development stage are capitalized, which is consistent with the capitalization criteria used for internal use software. Capitalized costs are included in Other assets, net in the accompanying Consolidated Balance Sheets and within operating activities on the Consolidated Statement of Cash Flows. Capitalized cloud computing arrangement implementation costs are amortized using the straight-line method over the remaining term of the contract.

### **Health Insurance**

Except for certain fully insured health insurance lines of coverage, Kforce retains the risk of loss for each health insurance plan both on a participant and aggregate basis. For its partially self-insured lines of coverage, health insurance costs are accrued using estimates to approximate the liability for reported claims and incurred but not reported claims, which are primarily based upon an evaluation of historical claims experience, actuarially-determined completion factors and a qualitative review of our health insurance exposure, including the extent of outstanding claims and expected changes in health insurance costs.

### **Legal Costs**

Legal costs incurred in connection with loss contingencies are expensed as incurred.

### **Earnings per Share**

Basic earnings per share is computed as net income divided by the weighted-average number of common shares outstanding ("WASO") during the period. WASO excludes unvested shares of restricted stock. Diluted earnings per share is computed by dividing net income by diluted WASO. Diluted WASO includes the effect of potentially dilutive securities, such as unvested shares of restricted stock using the treasury stock method, except where the effect of including potential common shares would be anti-dilutive.

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The following table provides information on potentially dilutive securities for the years ended December 31:

(shares in thousands)	2024	2023	2022
Common stock equivalents	237	319	449
Anti-dilutive shares	209	157	292

### **Treasury Stock**

The Board may authorize share repurchases of our common stock. Shares repurchased under Board authorizations are held in treasury for general corporate purposes. Treasury shares are accounted for under the cost method and reported as a reduction of stockholders' equity in the accompanying consolidated financial statements.

### **Derivative Instrument**

The Firm, from time to time, enters into forward starting interest rate swaps. The Firm evaluates the designation of the derivative instrument. Cash flow hedges would be recorded at fair value on the Consolidated Balance Sheets, and the changes in the fair value would be recorded as a component of Accumulated other comprehensive income/loss in the consolidated financial statements. Cash flows from these derivative instruments were classified in the Consolidated Statements of Cash Flows in the same category as the hedged item. The Firm did not have any outstanding interest rate swap derivative instruments as of December 31, 2024 and 2023.

### **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy uses a framework which requires categorizing assets and liabilities into one of three levels based on the inputs used in valuing the asset or liability.

- Level 1 inputs are unadjusted, quoted market prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
- Level 3 inputs include unobservable inputs that are supported by little, infrequent or no market activity and reflect management's own assumptions about inputs used in pricing the asset or liability.

Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The carrying values of cash and cash equivalents, trade receivables, other current assets and accounts payable and other accrued liabilities approximate fair value because of the short-term nature of these instruments.

Rabbi trust assets are primarily comprised of marketable equity securities and the fair values are based on unadjusted, quoted prices in active markets, which are considered Level 1.

Certain assets, in specific circumstances, are measured at fair value on a non-recurring basis utilizing Level 3 inputs such as goodwill. For these assets, measurement at fair value in periods subsequent to their initial recognition would be applicable if one or more of these assets were determined to be impaired.

### **New Accounting Standards**

#### *[Recently Adopted Accounting Standards](#)*

In November 2023, the FASB issued guidance intended to improve reportable segment disclosure requirements through enhancements for significant segment expenses. These amendments clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. This guidance was effective for Kforce on January 1, 2024, and the presentation and disclosure requirements were applied retrospectively to our annual disclosures for the year ended December 31, 2024 and will apply to the interim disclosures beginning January 1, 2025. This new guidance will enhance our disclosures, but did not have a material effect on our consolidated financial statements.

Accounting Standards Not Yet Adopted

In October 2023, the FASB issued guidance for disclosure improvements in accordance with the SEC's simplification initiative. These amendments are intended to align FASB's accounting standards and eliminate disclosures that are "redundant, duplicative, overlapping, outdated, or superseded." The effective date for each amendment will be the date on which the SEC's removal of that related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. We are evaluating this new guidance, which may modify our disclosures, but we do not expect this standard to have a material effect on our consolidated financial statements.

In December 2023, the FASB issued guidance for disclosure improvements for income taxes. These amendments require the disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. This guidance is effective for annual periods beginning after December 15, 2024. Early adoption of this guidance is permitted for annual financial statements that have not yet been issued, with prospective application required. We are adopting this standard effective January 1, 2025. This new guidance will enhance our disclosures, but we do not expect this standard to have a material effect on our consolidated financial statements.

In November 2024, the FASB issued guidance for disclosure improvements related to the disaggregation of income statement expenses. These amendments require the disaggregation of certain income statement expense captions in a tabular format within the footnotes of the financial statements. This guidance is effective for annual periods beginning after December 15, 2026, including interim periods within those annual periods. Early adoption of this guidance is permitted and can be applied prospectively or retrospectively. We are evaluating this new guidance, which may modify our disclosures, but we do not expect this standard to have a material effect on our consolidated financial statements.

**2. Reportable Segments**

Kforce's two reportable segments are Technology and FA. Within each segment, we provide highly skilled professionals on a Flex and Direct Hire basis to our customers on traditional staffing engagements and increasingly, within our Technology segment, as a part of an overall solutions engagement. The chief operating decision-maker ("CODM"), our President and Chief Executive Officer, establishes the strategic direction of the Firm, its priorities and longer-term financial objectives. Our CODM is ultimately responsible for evaluating segment performance and making decisions regarding resource allocation. Our CODM evaluates performance based on, among others, revenue trends (relative to peers and market benchmarks) and segment gross profit, and other key leading indicators such as client visits, job order trends for traditional staffing assignments, opportunity pipeline reviews for solutions-oriented engagements, and trends in consultants on assignment. The CODM uses these financial metrics and productivity measures when making decisions about allocating capital and resources to the segments.

Segment gross profit is defined as segment revenue, less direct costs attributable to the reportable segment. The CODM is not provided income from operations or asset information by reportable segment as operations are largely combined.

The following table provides information on the operations of our segments:

(in thousands)	Technology	FA	Total
2024			
Revenue	\$ 1,292,743	\$ 112,565	\$ 1,405,308
Direct costs	950,589	69,274	1,019,863
Gross profit	\$ 342,154	\$ 43,291	\$ 385,445
Less:			
Selling, general and administrative expenses			309,802
Depreciation and amortization			5,922
Other expense, net			2,097
Income from operations, before income taxes			\$ 67,624

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2023					
Revenue	\$ 1,384,553	\$ 147,203	\$ 1,531,756		
Direct costs	1,015,157	89,533	1,104,690		
Gross profit	\$ 369,396	\$ 57,670	\$ 427,066		
Less:					
Selling, general and administrative expenses			334,933		
Depreciation and amortization			5,012		
Other expense, net			1,871		
Income from operations, before income taxes			\$ 85,250		
2022					
Revenue	\$ 1,507,627	\$ 203,138	\$ 1,710,765		
Direct costs	1,085,705	123,953	1,209,658		
Gross profit	\$ 421,922	\$ 79,185	\$ 501,107		
Less:					
Selling, general and administrative expenses			379,815		
Depreciation and amortization			4,427		
Other expense, net			14,423		
Income from operations, before income taxes			\$ 102,442		

### 3. Disaggregation of Revenue

The following table provides information about disaggregated revenue by segment and revenue type for the years ended December 31:

(in thousands)	Technology	FA	Total
2024			
Flex revenue	\$ 1,278,715	\$ 97,729	\$ 1,376,444
Direct Hire revenue	14,028	14,836	28,864
Total Revenue	\$ 1,292,743	\$ 112,565	\$ 1,405,308
2023			
Flex revenue	\$ 1,366,095	\$ 127,679	\$ 1,493,774
Direct Hire revenue	18,458	19,524	37,982
Total Revenue	\$ 1,384,553	\$ 147,203	\$ 1,531,756
2022			
Flex revenue	\$ 1,476,055	\$ 176,395	\$ 1,652,450
Direct Hire revenue	31,572	26,743	58,315
Total Revenue	\$ 1,507,627	\$ 203,138	\$ 1,710,765

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**4. Allowance for Credit Losses**

The following table presents the activity within the allowance for credit losses on trade receivables for the years ended December 31, 2024 and 2023:

(in thousands)		
Allowance for credit losses, January 1, 2023		\$ 1,006
Current period provision		768
Write-offs charged against the allowance, net of recoveries of amounts previously written off		( 668 )
Allowance for credit losses, December 31, 2023		1,106
Current period provision		100
Write-offs charged against the allowance, net of recoveries of amounts previously written off		( 290 )
Allowance for credit losses, December 31, 2024		\$ 916

The allowances on trade receivables presented in the Consolidated Balance Sheets include \$ 0.6 million and \$ 0.5 million for reserves unrelated to credit losses at December 31, 2024 and 2023, respectively.

**5. Fixed Assets, Net**

The following table presents major classifications of fixed assets and related useful lives:

(in thousands, except useful lives)	USEFUL LIFE	DECEMBER 31,	
		2024	2023
Furniture and equipment	2 - 10 years	\$ 5,166	\$ 4,971
Computer equipment	1 - 10 years	6,082	6,216
Leasehold improvements	1 - 10 years	7,395	7,672
Total fixed assets		18,643	18,859
Less accumulated depreciation		( 10,920 )	( 9,441 )
Total Fixed assets, net		\$ 7,723	\$ 9,418

Depreciation expense was \$ 3.2 million, \$ 3.1 million and \$ 2.7 million during the years ended December 31, 2024, 2023 and 2022, respectively.

**6. Other Assets, Net**

Other assets, net consisted of the following:

(in thousands)	DECEMBER 31,	
	2024	2023
Assets held in Rabbi Trust	\$ 49,356	\$ 40,389
Capitalized software, net (1)	29,090	16,434
ROU assets for operating leases, net	13,764	14,368
Other non-current assets	2,446	4,733
Total Other assets, net	\$ 94,656	\$ 75,924

<sup>(1)</sup> The increase in Capitalized software, net for the year ended December 31, 2024 relates to our back-office transformation program to enhance our technology capabilities to better support our clients, consultants and candidates. This balance includes \$ 6.3 million related to capitalized implementation costs from cloud computing arrangements as of December 31, 2024. Accumulated amortization of capitalized software was \$ 40.1 million and \$ 37.6 million as of December 31, 2024 and 2023, respectively.

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## 7. Income Taxes

The provision for income taxes consists of the following:

(in thousands)	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
Current tax expense:			
Federal	\$ 14,067	\$ 16,530	\$ 17,535
State	5,014	5,998	6,400
Deferred tax expense	(1,871)	1,647	3,076
Total Income tax expense	\$ 17,210	\$ 24,175	\$ 27,011

The provision for income taxes shown above varied from the statutory federal income tax rate as follows:

	YEARS ENDED DECEMBER 31,		
	2024	2023	2022
Federal income tax rate	21.0 %	21.0 %	21.0 %
State income taxes, net of Federal tax effect	5.6	6.0	5.4
Non-deductible compensation and meals and entertainment	1.8	2.3	2.5
Tax credits	(1.5)	(0.8)	(1.2)
Tax benefit from restricted stock vesting	(0.3)	(0.8)	(1.0)
Other	(1.2)	0.7	(0.3)
Effective tax rate	25.4 %	28.4 %	26.4 %

The 2024 effective tax rate was favorably impacted by a reduction in nondeductible executive compensation, non-taxable proceeds from company-owned life insurance, and the recognition of research and development tax credits, as compared to 2023. The 2023 effective rate was unfavorably impacted by a lower Work Opportunity Tax Credit, a lower tax benefit from the vesting of restricted stock and higher non-deductible expenses, as compared to 2022.

Deferred tax assets and liabilities are composed of the following:

(in thousands)	DECEMBER 31,		
	2024	2023	2022
<b>Deferred tax assets:</b>			
Deferred compensation obligation	\$ 6,549	\$ 6,616	\$ 6,616
Operating lease liabilities	3,923	4,071	—
Research and development	2,027	—	—
Stock-based compensation	1,561	1,475	—
Accrued liabilities	995	1,345	—
Accounts receivable reserves	399	382	—
Other	8	8	8
Deferred tax assets	15,462	13,897	—
<b>Deferred tax liabilities:</b>			
Fixed assets	(3,700)	(4,307)	—
ROU assets for operating leases	(3,512)	(3,684)	—
Goodwill	(2,291)	(2,401)	—
Prepaid expenses	(513)	(367)	—
Other	(437)	—	—
Deferred tax liabilities	(10,453)	(10,759)	—
Valuation allowance	—	—	—
Total Deferred tax assets, net	\$ 5,009	\$ 3,138	—

In evaluating the realizability of Kforce's deferred tax assets, management assesses whether it is more likely than not that some portion, or all, of the deferred tax assets will be realized. Management considers, among other things, the ability to generate future taxable income (including reversals of temporary differences and projections of future taxable income) during the periods in which the related temporary differences will become deductible.

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Kforce is periodically subject to IRS audits, as well as state and other local income tax audits for various tax years. Although Kforce has not experienced any material liabilities in the past due to income tax audits, Kforce can make no assurances concerning any future income tax audits.

Kforce and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states. With a few exceptions, Kforce is no longer subject to federal, state, local, or non-U.S. income tax examinations by tax authorities for years before 2021.

### **8. Goodwill**

The following table presents the gross amount and accumulated impairment losses for each of our reporting units as of December 31, 2024, 2023 and 2022:

(in thousands)	Technology	FA	Total
Goodwill, gross amount	\$ 156,391	\$ 19,766	\$ 176,157
Accumulated impairment losses	( 139,357 )	( 11,760 )	( 151,117 )
Goodwill, carrying value	\$ 17,034	\$ 8,006	\$ 25,040

There was no impairment expense related to goodwill for each of the years ended December 31, 2024, 2023 and 2022.

Management performed its annual impairment assessment of the carrying value of goodwill as of December 31, 2024 and 2023. For each of our reporting units, we assessed qualitative factors to determine whether the existence of events or circumstances indicated that it was more likely than not that the fair value of the reporting units was less than its carrying amount. Based on the qualitative assessments, management determined that it was more likely than not that the fair values of the reporting units were more than the carrying values at December 31, 2024 and 2023. A deterioration in any of the assumptions could result in an impairment charge in the future.

### **9. Current Liabilities**

The following table provides information on certain current liabilities:

(in thousands)	DECEMBER 31,	
	2024	2023
Accounts payable	\$ 38,315	\$ 42,842
Deferred compensation payable	8,602	5,927
Customer rebates payable	6,556	7,327
Accrued liabilities	4,259	8,489
Accrued professional fees	4,021	210
Total Accounts payable and other accrued liabilities	\$ 61,753	\$ 64,795
Payroll and benefits	\$ 32,990	\$ 28,110
Health insurance liabilities	3,593	3,727
Payroll taxes	1,698	1,705
Workers' compensation liabilities	542	426
Total Accrued payroll costs	\$ 38,823	\$ 33,968

### **10. Operating Leases**

The following table presents weighted-average terms for our operating leases:

	DECEMBER 31,	
	2024	2023
Weighted-average discount rate	4.3 %	4.0 %
Weighted-average remaining lease term	6.0 years	6.5 years

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The following table presents operating lease expense included in SG&A (in thousands):

Lease Cost	DECEMBER 31,	
	2024	2023
Operating lease expense	\$ 4,344	\$ 4,673
Short-term lease expense	1,265	1,396
Variable lease costs	934	1,093
Sublease income	(28)	(189)
Total operating lease expense	\$ 6,515	\$ 6,973

The following table presents the maturities of operating lease liabilities as of December 31, 2024:

(in thousands)		
2025		\$ 3,617
2026		3,049
2027		2,662
2028		1,989
2029		1,384
Thereafter		4,257
Total maturities of operating lease liabilities		16,958
Less: imputed interest		2,062
Total operating lease liabilities		\$ 14,896

## 11. Employee Benefit Plans

### 401(k) Savings Plans

The Firm maintains a qualified defined contribution 401(k) retirement savings plan for eligible employees. Assets of these plans are held in trust for the sole benefit of employees and/or their beneficiaries. Employer matching contributions are discretionary and are funded annually as approved by the Board. Kforce accrued matching 401(k) contributions of \$ 2.1 million and \$ 1.9 million as of December 31, 2024 and 2023, respectively.

### Employee Stock Purchase Plan

Kforce's employee stock purchase plan allows all eligible employees to enroll each quarter to purchase Kforce's common stock at a 5 % discount from its market price on the last day of the quarter. Kforce issued 13 thousand, 18 thousand, and 17 thousand shares of common stock at an average purchase price of \$ 62.00 , \$ 57.13 and \$ 63.37 per share during the years ended December 31, 2024, 2023 and 2022, respectively. All shares purchased under the employee stock purchase plan were settled using Kforce's treasury stock.

### Deferred Compensation Plans

The Firm maintains various non-qualified deferred compensation plans, pursuant to which eligible management and highly compensated key employees, as defined by IRS regulations, may elect to defer all or part of their compensation to later years. These amounts are classified upon retirement or termination of employment in Accounts payable and other accrued liabilities if payable within the next year, or in Other long-term liabilities if payable after the next year, in the accompanying Consolidated Balance Sheets. At December 31, 2024 and 2023, amounts related to the deferred compensation plans included in Accounts payable and other accrued liabilities were \$ 8.6 million and \$ 5.9 million, respectively, and \$ 46.2 million and \$ 42.0 million was included in Other long-term liabilities at December 31, 2024 and 2023, respectively, in the Consolidated Balance Sheets. For the years ended December 31, 2024, 2023 and 2022, we recognized compensation expense for the plans of \$ 1.3 million, \$ 1.3 million and \$ 0.5 million, respectively.

Kforce maintains a Rabbi Trust and holds life insurance policies on certain individuals to assist in the funding of the deferred compensation liability. If necessary, employee distributions are funded through proceeds from the sale of assets held within the Rabbi Trust. The balance of the assets held within the Rabbi Trust, including the cash surrender value of the Company-owned life insurance policies, was \$ 49.4 million and \$ 40.4 million as of December 31, 2024 and 2023, respectively, and is recorded in Other assets, net in the accompanying Consolidated Balance Sheets. As of December 31, 2024, the life insurance policies had a net death benefit of \$ 168.0 million.

## 12. Credit Facility

On October 20, 2021, the Firm entered into an amended and restated credit agreement with Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, as lead arranger and bookrunner, Bank of America, N.A., as syndication agent, BMO Harris Bank, N.A., as documentation agent, and the lenders referred to therein (the "Amended and Restated Credit Facility"). Under the Amended and Restated Credit Facility, the Firm has a maximum borrowing capacity of \$ 200.0 million, which may, subject to certain conditions and the participation of the lenders, be increased up to an aggregate additional amount of \$ 150.0 million (the "Commitment"). Borrowings under the credit facility are secured by substantially all of the tangible and intangible assets of the Firm. The maturity date of the Amended and Restated Credit Facility is October 20, 2026.

Revolving credit loans under the Amended and Restated Credit Facility bears interest at a rate equal to (a) the Base Rate (as described below) plus the Applicable Margin (as described below) or (b) the LIBOR Rate plus the Applicable Margin. Swingline loans under the Amended and Restated Credit Facility bears interest at a rate equal to the Base Rate plus the Applicable Margin. The Base Rate is the highest of: (i) the Wells Fargo Bank, National Association prime rate, (ii) the federal funds rate plus 0.50 % or (iii) one-month LIBOR plus 1.00 %, and the LIBOR Rate is reserve-adjusted LIBOR for the applicable interest period, but not less than zero. The Applicable Margin is based on the Firm's total leverage ratio. The Applicable Margin for Base Rate loans ranges from 0.125 % to 0.500 % and the Applicable Margin for LIBOR Rate loans ranges from 1.125 % to 1.50 %. The Firm pays a quarterly non-refundable commitment fee equal to the Applicable Margin on the average daily unused portion of the Commitment (swingline loans do not constitute usage for this purpose). The Applicable Margin for the commitment fee is based on the Firm's total leverage ratio and ranges between 0.20 % and 0.30 %.

The Firm is subject to certain affirmative and negative financial covenants including (but not limited to) the maintenance of a fixed charge coverage ratio of no less than 1.25 to 1.00 and the maintenance of a total leverage ratio of no greater than 3.50 to 1.00. The numerator in the fixed charge coverage ratio is defined pursuant to the Amended and Restated Credit Facility as earnings before interest expense, income taxes, depreciation and amortization, stock-based compensation expense and other permitted items pursuant to our Credit Facility (defined as "Consolidated EBITDA"), less cash paid for capital expenditures, income taxes and dividends. The denominator is defined as Kforce's fixed charges such as interest expense and principal payments paid or payable on outstanding debt other than borrowings under the Amended and Restated Credit Facility. The total leverage ratio is defined pursuant to the Amended and Restated Credit Facility as total indebtedness divided by Consolidated EBITDA. Our ability to make distributions or repurchases of equity securities could be limited if an event of default has occurred. Furthermore, our ability to repurchase equity securities in excess of \$ 25.0 million over the last four quarters could be limited if (a) the total leverage ratio is greater than 3.00 to 1.00 and (b) the Firm's availability, inclusive of unrestricted cash, is less than \$ 25.0 million. As of December 31, 2024, we are in compliance with all of our financial covenants contained in the Amended and Restated Credit Facility.

In June 2023, Kforce entered into the First Amendment to the Amended and Restated Credit Facility, by and among Wells Fargo, as administrative agent, and the lenders and financial institutions from time to time party thereto, to replace the LIBOR-based benchmark interest rates with SOFR-based benchmark interest rates.

As of December 31, 2024 and 2023, \$ 32.7 million and \$ 41.6 million was outstanding on the Amended and Restated Credit Facility, respectively. Kforce had \$ 1.0 million and \$ 1.2 million of outstanding letters of credit at December 31, 2024 and 2023, respectively, which pursuant to the Amended and Restated Credit Facility, reduces the availability of the borrowing capacity.

## 13. Other Long-Term Liabilities

Other long-term liabilities consisted of the following:

(in thousands)	DECEMBER 31,	
	2024	2023
Deferred compensation payable - long term	\$ 46,183	\$ 42,025
Operating lease liabilities	11,858	12,275
Other long-term liabilities	18	24
Total Other long-term liabilities	\$ 58,059	\$ 54,324

## 14. Stock-Based Compensation

On April 20, 2023, the Kforce shareholders approved the 2023 Stock Incentive Plan (the "2023 Plan"). The 2023 Plan allows for the issuance of stock options, stock appreciation rights ("SARs"), stock awards (including restricted stock awards ("RSAs") and restricted stock units ("RSUs")) and other stock-based awards, such as Performance-Based Awards (collectively referred to as "Restricted Stock"). The aggregate number of shares reserved under the 2023 Plan is approximately 3.2 million. Grants of an option or SARs reduce the reserve by one share, while a Restricted Stock award reduces the reserve by 2.72 shares. The 2023 Plan terminates on April 20, 2033.

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During the years ended December 31, 2024, 2023 and 2022, stock-based compensation expense was \$ 14.0 million, \$ 17.7 million and \$ 17.7 million, respectively, and is included in Selling, general and administrative expenses ("SG&A") in the Consolidated Statements of Operations and Comprehensive Income. The related tax benefit for the years ended December 31, 2024, 2023 and 2022 was \$ 3.8 million, \$ 4.8 million and \$ 3.7 million, respectively.

### **Restricted Stock**

Restricted Stock is granted to directors, executives and management either: for awards related to Kforce's annual long-term incentive ("LTI") compensation program, or as part of a compensation package for retention. The LTI award amounts are primarily based on Kforce's total shareholder return as compared to a predefined peer group. RSAs and RSUs granted during the year ended December 31, 2024 will vest ratably over a period of one to ten years.

RSAs contain the same voting rights as other common stock as well as the right to forfeitable dividends in the form of additional RSAs at the same rate as the cash dividend on common stock and containing the same vesting provisions as the underlying award. RSUs contain no voting rights, but have the right to forfeitable dividend equivalents in the form of additional RSUs at the same rate as the cash dividend on common stock and containing the same vesting provisions as the underlying award. The distribution of shares of common stock for each RSU, pursuant to the terms of the Kforce Inc. Director's Restricted Stock Unit Deferral Plan, can be deferred to a date later than the vesting date if an appropriate election was made. In the event of such deferral, vested RSUs have the right to dividend equivalents.

During the year ended December 31, 2024, management issued 87 thousand shares of performance-based restricted stock awards ("Performance-Based Awards") to certain leaders within the Firm. These Performance-Based Awards are subject to the achievement of certain financial goals as a condition of vesting ("performance goals") and will be measured over a 10-year period. The Performance-Based Awards become eligible to vest only if these performance goals are achieved and if the grantee remains continuously employed by us through the vesting date. We assess the probability of achieving the performance goals for each reporting period. Determining whether the performance goals will be achieved involves judgment, and the estimate of compensation cost may be revised periodically based on changes in the probability of achieving the performance goals. Revisions are reflected in the period in which the estimate is changed. If the performance goals are deemed unlikely to be met, no compensation cost is recognized and, to the extent previously recognized, compensation cost is reversed. Performance-Based Awards contain the same voting rights as other common stock as well as the right to forfeitable dividends in the form of additional restricted stock at the same rate as the cash dividend on common stock and containing the same vesting provisions as the underlying award. No stock-based compensation expense related to these Performance-Based Awards was recognized during the year ended December 31, 2024.

The following table presents the Restricted Stock activity for the years ended December 31, 2024:

(in thousands, except per share amounts)	Number of Restricted Stock	Weighted-Average		Total Intrinsic Value of Restricted Stock Vested
		Grant Date	Fair Value	
Outstanding at December 31, 2023	798	\$	60.80	
Granted	396	\$	57.83	
Forfeited	( 24 )	\$	54.08	
Vested	( 260 )	\$	55.24	\$ 15,106
Outstanding at December 31, 2024	910	\$	61.28	

The weighted-average grant date fair value of restricted stock granted was \$ 57.83 , \$ 64.97 and \$ 55.85 during the years ended December 31, 2024, 2023 and 2022, respectively. The total intrinsic value of restricted stock vested was \$ 15.1 million, \$ 22.5 million and \$ 23.7 million during the years ended December 31, 2024, 2023 and 2022, respectively.

The fair market value of Restricted Stock is determined based on the closing stock price of Kforce's common stock at the date of grant. RSAs and RSUs are amortized on a straight-line basis over the requisite service period. As of December 31, 2024, total unrecognized stock-based compensation expense related to restricted stock was \$ 43.5 million, which is expected to be recognized over a weighted-average remaining period of 4.5 years .

## **15. Commitments and Contingencies**

### **Purchase Commitments**

Kforce has various commitments to purchase goods and services in the ordinary course of business. These commitments are primarily related to software and online application licenses and hosting. As of December 31, 2024, these unconditional purchase obligations with an initial or remaining term in excess of one year were approximately \$ 30.7 million and are expected to be paid as follows: \$ 5.6 million in 2025; \$ 8.9 million in 2026, \$ 5.4 million in 2027, \$ 2.3 million in 2028, \$ 2.2 million in 2029, and \$ 6.3 million in 2030 and beyond.

#### **Employment Agreements**

Kforce has employment agreements with certain executives that provide for minimum compensation, salary and continuation of certain benefits for a one-year to a three-year period after their employment ends under certain circumstances. Certain of the agreements also provide for a severance payment ranging from one to three times annual salary and one-half to three times average annual bonus if such an agreement is terminated without good cause by Kforce or for good reason by the executive subject to certain post-employment restrictive covenants. At December 31, 2024, our liability would be approximately \$ 27.7 million if, following a change in control, all of the executives under contract were terminated without good cause by the employer or if the executives resigned for good reason and \$ 8.8 million if, in the absence of a change in control, all of the executives under contract were terminated by Kforce without cause or if the executives resigned for good reason.

#### **Litigation**

We are involved in legal proceedings, claims and administrative matters that arise in the ordinary course of business, and we have made accruals with respect to certain of these matters, where appropriate, that are reflected in our consolidated financial statements but are not, individually or in the aggregate, considered material. For other matters for which an accrual has not been made, we have not yet determined that a loss is probable, or the amount of loss cannot be reasonably estimated. The outcome of any litigation is inherently uncertain, but we do not expect that these proceedings and claims, individually or in the aggregate, will have a material adverse effect on our consolidated financial statements; however, if decided adversely to us, or if we determine that settlement of particular litigation is appropriate, we may be subject to additional liabilities that could have a material adverse effect on our financial position, results of operations or cash flows. Kforce maintains liability insurance that insures us against workers' compensation, personal and bodily injury, property damage, directors' and officers' liability, errors and omissions, cyber liability, employment practices liability and fidelity losses. There can be no assurance that Kforce's liability insurance will cover all events or that the limits of coverage will be sufficient to fully cover all liabilities.

### **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

#### **ITEM 9A. CONTROLS AND PROCEDURES.**

##### *Evaluation of Disclosure Controls and Procedures*

We carried out an evaluation required by Rules 13a-15 and 15d-15 under the Exchange Act (the "Evaluation"), as of the end of the period covered by this report, under the supervision and with the participation of our CEO and CFO, of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15 and 15d-15 under the Exchange Act ("Disclosure Controls"). Based on the Evaluation, our CEO and CFO concluded that the design and operation of our Disclosure Controls were effective as of December 31, 2024, to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is: (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (2) accumulated and communicated to management, including the principal executive officer and the principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

##### *Changes in Internal Controls*

There has not been any change in our internal controls over financial reporting identified in connection with the Evaluation that occurred during the quarter ended December 31, 2024, that has materially affected, or is reasonably likely to materially affect, those controls.

##### *Inherent Limitations of Internal Control Over Financial Reporting*

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

##### *CEO and CFO Certifications*

Exhibits 31.1 and 31.2 are the Certifications of the CEO and the CFO, respectively. The Certifications are required in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (the "Section 302 Certifications"). This Item of this report, which you are currently reading, is the information concerning the Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

**Management Report on Internal Control Over Financial Reporting**

The management of Kforce is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) of the Exchange Act. Kforce's internal control system was designed to provide reasonable assurance to Kforce's management and the Board regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of the CEO and the CFO, Kforce's management assessed the effectiveness of Kforce's internal control over financial reporting as of December 31, 2024. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (2013). Based on our assessment we believe that, as of December 31, 2024, Kforce's internal control over financial reporting is effective based on those criteria.

Kforce's independent registered public accounting firm, Deloitte & Touche LLP, has issued an audit report on our internal control over financial reporting, which is presented in Item 8. Financial Statements and Supplementary Data.

**ITEM 9B. OTHER INFORMATION.**

*Insider Trading Arrangements*

During the three months ended December 31, 2024, none of the Firm's officers or directors adopted or terminated any contract, instruction, or written plan for the purchase or sale of Firm securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

Not applicable.

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

The information required by Item 10 relating to our directors, executive officers and corporate governance is incorporated herein by reference to our definitive proxy statement for the 2025 Annual Meeting of Shareholders, to be filed with the SEC within 120 days of December 31, 2024.

Our Commitment to Integrity applies to all of our directors, officers and employees, as well as consultants, agents and other representatives retained by Kforce and is publicly available on our website at [www.kforce.com](http://www.kforce.com). Any amendments to, or waiver from, any provision of our Commitment to Integrity will be posted on our website at the above address.

**ITEM 11. EXECUTIVE COMPENSATION.**

The information required by Item 11 relating to executive compensation is incorporated herein by reference to our definitive proxy statement for the 2025 Annual Meeting of Shareholders, to be filed with the SEC within 120 days of December 31, 2024.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The information required by Item 12 relating to security ownership of certain beneficial owners and management, securities authorized for issuance under equity compensation plans and related stockholders matters is incorporated herein by reference to our definitive proxy statement for the 2025 Annual Meeting of Shareholders, to be filed with the SEC within 120 days of December 31, 2024.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

The information required by Item 13 relating to certain relationships and related transactions, and director independence is incorporated herein by reference to our definitive proxy statement for the 2025 Annual Meeting of Shareholders, to be filed with the SEC within 120 days of December 31, 2024.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The information required by Item 14 relating to principal accounting fees and services is incorporated herein by reference to our definitive proxy statement for the 2025 Annual Meeting of Shareholders, to be filed with the SEC within 120 days of December 31, 2024.

**PART IV****ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

a. The following documents are filed as part of this Report:

- i. **Financial Statements.** The list of consolidated financial statements, and related notes thereto, along with the independent auditors' report are set forth in Part IV of this report in the Index to Consolidated Financial Statements and Schedule presented below.
- ii. **Consolidated Financial Statements Schedule.** The consolidated financial statement schedule of Kforce is included in Part IV of this report on the page indicated by the Index to Consolidated Financial Statements and Schedule presented below. This financial statement schedule should be read in conjunction with the consolidated financial statements and related notes thereto of Kforce.
- Schedules not listed in the Index to Consolidated Financial Statements and Schedule have been omitted because they are not applicable, not required, or the information required to be set forth therein is included in the consolidated financial statements or notes thereto.
- iii. **Exhibits.** The exhibits listed on the Exhibit Index are incorporated by reference into this Item 15(b) and are a part of this report.

**KFORCE INC. AND SUBSIDIARIES**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE**

<a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)</a>	<a href="#">28</a>
<b>Consolidated Financial Statements:</b>	
<a href="#">Consolidated Statements of Operations and Comprehensive Income – Years Ended December 31, 2024, 2023 and 2022</a>	<a href="#">29</a>
<a href="#">Consolidated Balance Sheets – As of December 31, 2024 and 2023</a>	<a href="#">30</a>
<a href="#">Consolidated Statements of Changes in Stockholders' Equity – Years ended December 31, 2024, 2023 and 2022</a>	<a href="#">31</a>
<a href="#">Consolidated Statements of Cash Flows – Years ended December 31, 2024, 2023 and 2022</a>	<a href="#">32</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">34</a>
<b>Consolidated Financial Statement Schedule:</b>	
<a href="#">Schedule II – Valuation and Qualifying Accounts and Reserves</a>	<a href="#">49</a>

**SCHEDULE II**  
**KFORCE INC. AND SUBSIDIARIES**  
**VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**  
**SUPPLEMENTAL SCHEDULE**  
**(IN THOUSANDS)**

DESCRIPTION	COLUMN A	COLUMN B	COLUMN C			COLUMN D	COLUMN E
			BALANCE AT BEGINNING OF PERIOD		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	
Accounts receivable reserves		2022 \$ 2,342		(170)	—	(597)	\$ 1,575
		2023 \$ 1,575		736	—	(668)	\$ 1,643
		2024 \$ 1,643		207	—	(290)	\$ 1,560

**ITEM 16. FORM 10-K SUMMARY.**

Not applicable.

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Exhibit Number	Description
<a href="#">3.1</a>	Amended and Restated Articles of Incorporation, incorporated by reference to the Registrant's Registration Statement on Form S-1 (File No. 33-91738) filed with the SEC on April 28, 1995.
<a href="#">3.1a</a>	Articles of Amendment to Articles of Incorporation, incorporated by reference to the Registrant's Registration Statement on Form S-4/A (File No. 333-111566) filed with the SEC on February 9, 2004, as amended.
<a href="#">3.1b</a>	Articles of Amendment to Articles of Incorporation, incorporated by reference to the Registrant's Registration Statement on Form S-4/A (File No. 333-111566) filed with the SEC on February 9, 2004, as amended.
<a href="#">3.1c</a>	Articles of Amendment to Articles of Incorporation, incorporated by reference to the Registrant's Registration Statement on Form S-4/A (File No. 333-111566) filed with the SEC on February 9, 2004, as amended.
<a href="#">3.1d</a>	Articles of Amendment to Articles of Incorporation, incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 000-26058) filed with the SEC on May 17, 2000.
<a href="#">3.1e</a>	Articles of Amendment to Articles of Incorporation, incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 000-26058) filed with the SEC on March 29, 2002.
<a href="#">3.2</a>	Amended & Restated Bylaws, incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 000-26058) filed with the SEC on April 29, 2013.
<a href="#">4.1</a>	Form of Stock Certificate, incorporated by reference to the Registrant's Registration Statement on Form S-3 (File No. 333-158086) filed with the SEC on March 18, 2009.
<a href="#">4.2<sup>2</sup></a>	Description of the Company's Common Stock, par value \$0.01 per share.
<a href="#">10.1*</a>	Employment Agreement, dated as of December 31, 2006, between the Registrant and Joseph J. Liberatore, incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 000-26058) filed with the SEC on January 8, 2007.
<a href="#">10.2*</a>	Amendment to Employment Agreement, dated as of December 24, 2008, between Kforce Inc. and Joseph J. Liberatore, incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 000-26058) filed with the SEC on December 29, 2008.
<a href="#">10.3*</a>	Kforce Inc. 2013 Stock Incentive Plan, incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-188631) filed with the SEC on May 15, 2013.
<a href="#">10.4*</a>	Form of Restricted Stock Award Agreement under the 2013 Stock Incentive Plan, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 000-26058) filed with the SEC on October 30, 2013.
<a href="#">10.5*</a>	Kforce Inc. 2016 Stock Incentive Plan, incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-211008) filed with the SEC on April 29, 2016.
<a href="#">10.6*</a>	Form of Restricted Stock Award Agreement under the 2016 Stock Incentive Plan, incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 000-26058) filed with the SEC on February 23, 2018.
<a href="#">10.7*</a>	Kforce Inc. 2017 Stock Incentive Plan, incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 000-26058) filed with the SEC on April 28, 2017.
<a href="#">10.8*</a>	Form of Restricted Stock Award Agreement under the 2017 Stock Incentive Plan, incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 000-26058) filed with the SEC on February 23, 2018.
<a href="#">10.9*</a>	Amended and Restated Employment Agreement, dated as of January 1, 2013, between Kforce Inc. and David M. Kelly, incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 000-26058) filed with the SEC on January 3, 2013.
<a href="#">10.10*</a>	Amended and Restated Kforce Inc. Directors' Restricted Stock Unit Deferral Plan, dated November 15, 2017, incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 000-26058) filed with the SEC on February 23, 2018.
<a href="#">10.11*</a>	Amended and Restated Employment Agreement, dated as of January 1, 2013, between Kforce Inc. and Andrew G. Thomas, incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 000-26058) filed with the SEC on February 22, 2019.
<a href="#">10.12*</a>	Kforce Inc. 2019 Stock Incentive Plan, incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-231073) filed with the SEC on April 26, 2019.

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Exhibit Number	Description
<a href="#">10.13*</a>	Form of Restricted Stock Award Agreement under the 2019 Stock Incentive Plan, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 000-26058) filed with the SEC on May 2, 2019.
<a href="#">10.14*</a>	Kforce Inc. 2020 Stock Incentive Plan, incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-237957) filed with the SEC on May 1, 2020.
<a href="#">10.15*</a>	Form of Restricted Stock Award Agreement under the 2020 Stock Incentive Plan, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 000-26058) filed with the SEC on May 7, 2020.
<a href="#">10.16*</a>	Kforce Inc. 2021 Stock Incentive Plan, incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-255480) filed with the SEC on April 23, 2021.
<a href="#">10.17*</a>	Form of Restricted Stock Award Agreement under the 2021 Stock Incentive Plan, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 000-26058) filed with the SEC on May 5, 2021.
<a href="#">10.18</a>	Amended and Restated Credit Agreement, dated October 20, 2021, between Kforce Inc. and its subsidiaries and Wells Fargo Bank, National Association, and the other lenders thereto, incorporated by reference to the Current Report on Form 8-K (File No. 000-26058) filed with the SEC on October 22, 2021.
<a href="#">10.19*</a>	Employment Agreement, dated February 22, 2023, between Kforce Inc. and Jeffrey B. Hackman, incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 000-26058) filed with the SEC on February 24, 2023.
<a href="#">10.20*</a>	Kforce Inc. 2023 Stock Incentive Plan, incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-271697) filed with the SEC on May 5, 2023.
<a href="#">10.21*</a>	Form of Restricted Stock Award Agreement under the 2023 Stock Incentive Plan, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 000-26058) filed with the SEC on May 5, 2023.
<a href="#">10.22*</a>	Form of Employee Restricted Stock Award Agreement under the 2023 Stock Incentive Plan, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 000-26058) filed with the SEC on November 1, 2023.
<a href="#">10.23</a>	First Amendment to the Amended and Restated Credit Facility, dated June 8, 2023, by and among Kforce Inc., Wells Fargo Bank, National Association and the lenders and financial institutions from time to time party thereto, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 000-26058) filed with the SEC on August 2, 2023.
<a href="#">10.24*</a>	Form of Performance-Based Award Agreement under the 2023 Stock Incentive Plan.
<a href="#">19<sup>2</sup></a>	Insider Trading Policy.
<a href="#">21<sup>2</sup></a>	List of Subsidiaries.
<a href="#">23<sup>2</sup></a>	Consent of Deloitte & Touche LLP.
<a href="#">31.1<sup>2</sup></a>	Certification by the Chief Executive Officer of Kforce Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">31.2<sup>2</sup></a>	Certification by the Chief Financial Officer of Kforce Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.1</a>	Certification by the Chief Executive Officer of Kforce Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 as furnished herewith.
<a href="#">32.2</a>	Certification by the Chief Financial Officer of Kforce Inc. pursuant to 18 U.S.C. Section 2350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 as furnished herewith.
<a href="#">97<sup>2</sup></a>	Amended and Restated Policy Relating to Recovery of Erroneously Awarded Compensation.
101.1	The following financial statements from the Company's annual report on Form 10-K for the year ended December 31, 2024, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations and Comprehensive Income; (ii) Consolidated Balance Sheets; (iii) Consolidated Statements of Changes in Stockholders' Equity; (iv) Consolidated Statements of Cash Flows; and (v) the Notes to Consolidated Financial Statements, tagged as blocks of text and in detail.
104	Cover Page Interactive Data File - formatted in Inline XBRL and contained in Exhibit 101.

<sup>2</sup> Filed herewith.

\* Management contract or compensatory plan or arrangement.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KFORCE INC.

Date: February 21, 2025

By:

*/s/ JOSEPH J. LIBERATORE*

Joseph J. Liberatore

President and Chief Executive Officer, Director

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: February 21, 2025

By:

*/s/ JOSEPH J. LIBERATORE*

Joseph J. Liberatore

President and Chief Executive Officer, Director

(Principal Executive Officer)

Date: February 21, 2025

By:

*/s/ JOSEPH J. LIBERATORE*

Jeffrey B. Hackman

Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: February 21, 2025

By:

*/s/ DAVID L. DUNKEL*

David L. Dunkel

Chairman of the Board, Director

Date: February 21, 2025

By:

*/s/ DERRICK D. BROOKS*

Derrick D. Brooks

Director

Date: February 21, 2025

By:

*/s/ CATHERINE H. CLOUDMAN*

Catherine H. Cloudman

Director

Date: February 21, 2025

By:

*/s/ ANN E. DUNWOODY*

Ann E. Dunwoody

Director

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Date: February 21, 2025

By:

*/s/ MARK F. FURLONG*

Mark F. Furlong  
Director

Date: February 21, 2025

By:

*/s/ RANDALL A. MEHL*

Randall A. Mehl  
Director

Date: February 21, 2025

By:

*/s/ ELAINE D. ROSEN*

Elaine D. Rosen  
Director

Date: February 21, 2025

By:

*/s/ N. JOHN SIMMONS*

N. John Simmons  
Director

**DESCRIPTION OF THE COMPANY'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

The following is a brief description of the common stock, par value \$0.01 per share (the "Common Stock") of Kforce Inc. (the "Company"), which is the only security of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934.

**Description of Common Stock**

The following description of the Common Stock, related provisions of the Company's Amended and Restated Articles of Incorporation (the "Articles") and Amended and Restated Bylaws (the "Bylaws") and applicable Florida law is qualified in its entirety by, and should be read in conjunction with, the Articles, the Bylaws, and applicable Florida law.

**Authorized Capital Stock**

The authorized capital stock of the Company consists of 250,000,000 shares of Common Stock and 15,000,000 shares of preferred stock, par value \$0.01 per share (the "Preferred Stock"). There are no shares of Preferred Stock currently outstanding.

**Common Stock*****Fully Paid and Nonassessable***

All of the outstanding shares of the Company's Common Stock are fully paid and non-assessable.

***Voting Rights***

Holders of Common Stock are entitled to one vote per share on all matters to be voted upon by the shareholders. Holders of Common Stock are not entitled to cumulate votes for the election of directors.

***Dividends***

Subject to preferences that may be applicable to any outstanding Preferred Stock, the holders of Common Stock are entitled to receive such dividends, if any, as may be declared from time to time by the members of the board of directors of the Company (the "Board") out of funds legally available therefor.

***Right to Receive Distributions Upon Liquidation, Dissolution or Winding Up of the Company***

In the event of the liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of any Preferred Stock then outstanding.

***No Preemptive or Similar Rights***

The Common Stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the Common Stock.

***Certain Anti-Takeover Effects*****General**

Provisions of the Company's Articles and Bylaws are intended to enhance continuity and stability in our Board and in our policies, but may have the effect of delaying or preventing a change in control or making it more difficult to remove incumbent management, even if such transactions could be beneficial to the interests of shareholders. A summary description of these provisions follows:

**Classified Board**

Pursuant to the Company's Articles, the Company has a staggered board of directors. The Company's Articles provide that our Board is divided into three classes. At each of our annual meetings of shareholders, the successors of the class of directors whose term expires at the meeting of shareholders will be elected for a three-year term, one class being elected each year by our shareholders.

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**Authority to Issue Preferred Stock**

Our Board may issue, without shareholder approval, up to 15,000,000 shares of Preferred Stock, and fix the rights and preferences thereof, without a further vote of the shareholders, which may prevent a takeover.

**Other Provisions of Our Articles and Bylaws**

The Articles also provide that directors may only be removed for cause and upon the affirmative vote of two-thirds of the voting interest of shareholders entitled to vote. The Articles also contain advance notice requirements by shareholders for director nominations and other actions to be taken at annual meetings. The Articles and Bylaws also grant our Board the power to adopt, amend or repeal the Bylaws. These provisions of the Articles and the Bylaws could discourage potential acquisition proposals and could delay or prevent a change in control of the Company. In addition, certain of our officers and managers have employment agreements containing certain provisions that call for substantial payments to be made to such employees in certain circumstances upon a change in control.

The Articles also contain a "fair price" provision, which is intended to ensure that the consideration paid by an acquiror in certain transactions involving the Company that follow a successful tender offer must be no less than the highest consideration offered pursuant to the tender offer. Among other things, such transactions must be approved by: (i) the holders of at least 80% of our outstanding Common Stock; and (ii) the holders of a majority of our outstanding Common Stock other than the interested shareholder.

These provisions are intended to enhance the likelihood of continuity and stability in the composition of the Board and in the policies formulated by the Board and to discourage certain types of transactions that may involve an actual or threatened change of control of the Company. These provisions are designed to reduce the Company's vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

**Transfer Agent**

The transfer agent for the Common Stock is Computershare Trust Company, N.A.

**Listing**

The Company's Common Stock is listed on the New York Stock Exchange under the trading symbol "KFRC."



**KFORCE INC.**  
**2023 STOCK INCENTIVE PLAN**  
**PERFORMANCE-BASED STOCK AWARD AGREEMENT**

**Grantee:**

**Type of Award:**

Performance-Based Stock

**Date of Grant:**

**Grant (# of awards):**

**Fair Market Value on Date of Grant:**

Kforce Inc. (the "Firm"), pursuant to its 2023 Stock Incentive Plan (the "Plan"), hereby grants to stated Grantee the award of performance-based stock summarized above (the "Award"). The Award is subject to the terms and conditions set forth within the Plan, and capitalized terms that are used but not defined herein have the meanings ascribed to them in the Plan.

**Vesting**

The performance-based stock subject to the Award are subject to forfeiture until they vest. Except as otherwise provided herein, the Award will vest and become nonforfeitable, if at all, in accordance with the terms and conditions of the Plan and as follows:

- **Time Vesting.** Fifty percent (50%) of the performance-based stock subject to the Award, will vest on October 31, 2034 (the 10<sup>th</sup> anniversary of the Award).
- **Performance Vesting.** Fifty percent (50%) of the performance-based stock subject to the Award, will vest on the last day of the calendar month following the achievement of Performance Goal(s) in accordance with **Exhibit I** (the "Performance Vesting Date") within the initial term of ten (10) years, as evidenced by the filing with the Securities and Exchange Commission of the Firm's Form 10-K or Form 10-Q.

The number of performance-based stock subject to the Award that actually vest and become nonforfeitable under this Agreement shall be (i) subject to the Grantee's satisfaction of the requirements of the terms of the Plan and this Agreement, including the requirements related to Continuous Status as an Employee or Consultant as set forth in Section 5 of the Plan; and (ii) shall be rounded to the nearest whole share.

**Other Terms**

The following "Other Terms" are applicable to this award unless otherwise addressed in an employment agreement between the employee and the Firm.

In the case of a change in control, death of the Grantee or total and permanent disability (as defined in the Plan), the unvested portion of the award shall vest immediately. If the Grantee voluntarily resigns or is terminated with or without cause, the unvested portion of the award shall be forfeited immediately.

**Dividend Rights**

The following dividend rights apply to the unvested performance-based stock subject to the Award:

Right to dividends or dividend equivalents <sup>1</sup>  
 No right to dividends or dividend equivalents rights <sup>2</sup>

**83(b) Election**

In order for an election pursuant to IRS Code 83(b) to be valid, you are required to provide a signed election form to Kforce. Please consult your tax advisor prior to making any such 83(b) election.

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**General Disclaimer**

The Firm undertakes no duty or responsibility for providing periodic updates to you in the future as it relates to this award.

**Approval of Award (Grantor):**

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(Name Printed)

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(Signature)

**Acceptance of Award (Grantee):**

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(Name Printed)

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(Signature)

\* By signing this Award Agreement, you acknowledge receipt of the (i) Prospectus covering common stock issuable upon the exercise of stock options, stock appreciation rights, restricted stock awards, restricted stock units, and other stock-based awards granted under the 2023 Stock Incentive Plan and (ii) a copy of our Annual Report for our most recently completed fiscal year.

<sup>1</sup> *The Firm shall make any payments related to dividends declared in additional performance-based stock, which shall be treated as part of the grant of the underlying performance-based stock subject to the Award. The grantee's interest in such stock dividend shall be forfeited or shall become nonforfeitable at the same time as the underlying performance-based stock are forfeited or become nonforfeitable.*

<sup>2</sup> *The grantee shall not be entitled to any future payments to compensate the grantee for the award not containing dividend rights.*

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**KFORCE INC.  
2023 STOCK INCENTIVE PLAN  
PERFORMANCE-BASED STOCK AWARD AGREEMENT**

***EXHIBIT I***

***Performance Goal(s)***

Consistent with the terms of the Performance-Based Stock Award Agreement, performance-based stock, representing fifty percent (50%) of the performance-based stock subject to the Award, will vest only if the Firm attains at least ten percent (10.0%) Operating Margin upon achieving \$2,100,000,000 (\$2.1B) in Annual Revenue or less during a Performance Period. The Firm shall certify the achievement of the Performance Goal(s) in accordance with the Plan and this ***Exhibit I*** following the last day of each Performance period.

"Operating Margin" means operating margin as stated by the Firm in its financial results as issued by the Firm with respect to the relevant Performance Period. The result in a Performance Period may be adjusted for any unusual or non-recurring adjustments.

"Annual Revenue" means annual revenue as stated by the Firm in its financial results as issued by the Firm with respect to the relevant Performance Period.

"Performance Period" means a 12-month period that can be the Firm's fiscal year (January 1st to December 31st), or a trailing 12-month period of time ending on the last day of the Firm's fiscal quarter.



# INSIDER TRADING POLICY

## APPLICABLE TO:

Insiders, Key Employees, Section 16 Officers,  
All Directors, Employees, Consultants and Contractors

Effective January 30th, 2023



## INSIDER TRADING POLICY

### Purpose

Our Firm opposes the misuse of material nonpublic information (“MNPI”) in the trading of securities. This includes any of the following activities (which are commonly referred to as “insider trading”):

*The purchase, sale or other transfer of the Firm's securities by persons who are in possession of MNPI about the Firm; and/or*

*The disclosure of MNPI about the Firm to others who then trade in the Firm's securities.*

This policy establishes guidelines and procedures to prevent insider trading violations by the Firm's officers, directors, employees, consultants, contractors and other insiders. It does not replace or supersede any laws, rules or regulations applicable to trading in Firm securities.

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## Coverage

This policy applies to transactions in securities of Kforce and its subsidiaries (the "Firm") (and, in certain circumstances as discussed below, securities of other companies) undertaken by any Insiders, including securities that are beneficially owned by Insiders. In addition, specific sections of this policy apply to special subsets of Insiders known as Section 16 Insiders and Key Employees.



### **"Insiders" are the Firm's**

(i) directors, officers, employees, consultants and contractors, (ii) any member of the immediate family or household of any such person, including family members who do not reside in the household but whose investment decisions are directed by, or otherwise conferred with, such person when making investment decisions with respect to Firm securities and (iii) any entities controlled by such person. Insiders may also include other persons the Firm specially designates by written notice because of the person's access to MNPI concerning the Firm.



### **"Section 16 Insiders"**

are the Firm's directors and certain persons designated as "officers" by the Firm's Board of Directors for purposes of Section 16 of the Securities Exchange Act of 1934.



### **"Key Employees"**

are persons designated in writing by the Firm as having routine access to MNPI by virtue of such person's employment position at the Firm.

**Every Insider has the individual responsibility to comply with this policy and is individually responsible for ensuring that each of their family or household members also comply with this policy. For Insiders who are employed or engaged by the Firm this policy continues to apply even after their relationship with the Firm has ended if the Insider continues.**

# Material Nonpublic Information

## WHAT IS MATERIAL INFORMATION?

While it is difficult to exhaustively describe what “material” information is, a good rule of thumb is: if the information is something a reasonable investor or shareholder would want to know before making an investment or voting decision, or if disclosure of the information would likely affect the price of the Firm’s securities in the marketplace, then it is generally thought to be material. Material information may be positive or negative, and may include facts as well as projections and forecasts.

Some specific examples of material information may include:

- **Financial results** and **earnings information** (including projections of future earnings, or losses and any significant accounting changes or errors)
- Changes in trends relative to **previously announced earnings guidance**
- **Acquisitions** or **divestitures** (including joint ventures)
- Gain or loss of **significant customers, suppliers** or **contracts**
- Changes in **directors, Section 16 Insiders** or **executive management**
- Significant changes in the Firm’s **workforce** or **restructuring**
- Changes in the Firm’s **dividend** or its **policy**
- Changes in the Firm’s **debt obligations** or **credit rating**
- **New equity** or **debt offerings**
- **Stock splits** or **repurchase plans**
- **Related party transactions**
- Pervasive changes in the Firm’s **pricing** or **cost structure**
- A change in **auditors** or notification that the **auditor’s reports may no longer be relied upon**
- **Cybersecurity risks** or **incidents** affecting the Firm; or
- **Litigation** or **violations** of regulations.

## WHAT IS NONPUBLIC INFORMATION?

Nonpublic information is information about the Firm that has not been widely disseminated through a public disclosure filing with the SEC or through a media source that is generally available to the public (for example, mere posting on the Firm's website or through social media may not suffice). In addition, for information to be deemed "public" a reasonable period of time must elapse following the disclosure for the public to react to the information. For purposes of this policy, the Firm considers information to be widely disseminated after the close of trading on the second full trading day following disclosure. For example, if the Firm were to announce earnings on a Monday after market, you could trade in the stock on Thursday contingent upon approval from the Compliance Committee.

Questions about whether information is nonpublic or material can be directed to the Insider Trading Compliance Committee ("Compliance Committee"). Any determination by the Compliance Committee, however, does not constitute legal advice or insulate an individual from liability under applicable securities laws. The ultimate responsibility for determining whether an individual possesses material nonpublic information rests with that individual.

## Additional Restrictions

### TRADING WINDOW

All Section 16 Insiders and Key Employees are prohibited from buying, selling or otherwise effecting transactions of Firm securities EXCEPT during the period beginning after trading closes on the second full trading day following public release of the Firm's prior fiscal quarter or year-end results, and ending after trading closes on the fifteenth day of the month in which the close of the current fiscal quarter or year occurs, or the immediately preceding Friday if the fifteenth day falls on a weekend (referred to as the Trading Window).



The Compliance Committee may from time to time authorize different trading windows in which buying, selling or otherwise effecting transactions in Firm securities shall be permitted. In addition, and on a case-by-case basis, if a material event occurs, the Compliance Committee may impose special black-out periods during which specified Insiders will be prohibited from buying, selling or otherwise effecting transactions in Firm securities, even though the Trading Window would otherwise normally be open. If a special black-out period is imposed, the Compliance Committee will notify affected individuals, who should thereafter not engage in any transaction involving the purchase or sale of Firm securities, and should also not disclose the existence of the black-out period to others.

Trading in the Firm's securities during the Trading Window should not be considered a safe harbor. All Insiders should always use good judgment and are encouraged to carefully consider how enforcement authorities and others might view a particular transaction with the benefit of hindsight. For example, trading and entering into a 10b5-1 trading plan within the first few days of the Trading Window, when the Firm has just announced its most recent results, may be preferable to the last few days of the Trading Window, when new MNPI may soon be available.

## **PRE-CLEARANCE OF TRADES FOR SECTION 16 INSIDERS & KEY EMPLOYEES**

Except for transactions made under an approved 10b5-1 trading plan (discussed below), all Section 16 Insiders and Key Employees must obtain prior trading approval from the Compliance Committee. Given the potential fluidity of information that may subsequently be deemed MNPI, any such trading approval granted by the Compliance Committee will expire on the seventh business day following the date of such approval, or until the Trading Window closes, whichever is less. Preclearance requests should be sent to [InsiderTrading@kforce.com](mailto:InsiderTrading@kforce.com). Though a decision is normally provided on the same day, please allow up to 2 business days after complete and accurate forms have been provided for a decision to be made. Preclearance approval is void if the Insider learns of MNPI after preclearance approval is granted, but before the Insider completes the trade or is notified by the Compliance Committee that such approval has been revoked. Each Insider is responsible for assessing whether they are in possession of MNPI at the time of a trade and must not trade if they are in possession of MNPI.

## **REPORTING**

Federal securities laws impose additional reporting obligations on Section 16 Insiders. For convenience the Firm may assist with these reporting obligations, however, reporting persons are solely responsible for immediately providing the details of all their reportable transactions involving Firm securities to the Compliance Committee and retain full individual responsibility for any failure to file a required report. More information concerning Section 16 reporting is available from the Compliance Committee.

## Prohibited Activities Include:

### INSIDER TRADING

Under securities laws and the Firm's Commitment to Integrity, all Insiders are prohibited from engaging in any transaction in or transfer of Firm securities, including any direct or indirect purchase and/or sale, offer to purchase or offer to sell, hedge, pledge, loan, exercise or gift, during any period when they possess MNPI. Firm "securities" include common stock, restricted stock, restricted stock units, warrants, options and any other securities that the Firm may issue, such as notes, bonds and convertible securities, as well as derivative securities relating to any of the Firm's securities, whether or not issued by the Firm. Limited exceptions to these restrictions are set forth under "Exemptions" below.

Additionally, no Insider may:

- disclose or tip material nonpublic information about the Firm to any other person where such information may be used by that person to profit by trading Firm securities; or
- make recommendations or express opinions based on MNPI as to trading Firm securities; or
- engage in the purchase or sale of the securities of any other company when information about that company is obtained in the course of employment or engagement with the Firm and where there is a relationship of trust and confidence concerning the information.

An Insider may, from time to time, have to forego a proposed transaction in the Firm's securities even if he or she planned to make the transaction before learning of MNPI, and even though such person may suffer a loss or forego a profit by waiting.



## HEDGING AND PLEDGING

No Insider shall engage in any hedging transaction related to the Firm's securities (including, without limitation, prepaid variable forwards, equity swaps, collars and exchange funds) or otherwise trade in any interest or position relating to the future price of the Firm's securities, such as a put, call or short sale. In addition, no Insider shall hold any of the Firm's securities in a margin account or otherwise pledge any of the Firm's securities as collateral unless approved in advance by the Compliance Committee or, in the case of Section 16 Insiders, the Compensation Committee of the Board of Directors.

## LIMIT ORDERS

Standing and limit orders create heightened risks for insider trading as there is no control over the timing of purchases or sales that result from such standing instructions. As a result, the trade could occur while the Insider is in possession of MNPI. Except for standing and limit orders made under an approved 10b5-1 trading plan, the Firm discourages Insiders from placing standing or limit orders in Firm securities other than for short durations contained within a Trading Window period.

## SHORT-SWING TRADING

Section 16 Insiders are prohibited from engaging in opposite way (purchase-and-sale or sale-and-purchase) non-exempt transactions in Firm securities within any 6-month period. The highest sale and lowest purchase prices during the relevant 6-month period will be matched on a share-by-share basis to determine the maximum profit that could have been made and such amount will be subject to recovery by the Firm. It is the responsibility of the Section 16 Insider to comply with this policy and any questions can be directed to the Compliance Committee. The pre-clearance of a trade during a Trading Window or under a 10b5-1 trading plan does not exempt a transaction from these Section 16 restrictions.

# 10b5-1 Trading Plans



## OVERVIEW

Sales and purchases of securities made pursuant to a Rule 10b5-1 trading plan are afforded an affirmative defense to insider trading liability under Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934, as amended (Exchange Act). These plans provide flexibility to the Insiders to trade in Firm securities outside of the specified Trading Windows.



## COOLING-OFF PERIOD

In order to be afforded the defense, Insiders and other persons have a mandatory cooling-off period between plan adoption and execution of a trade, as noted below:

- Directors and Section 16 Insiders – The mandatory cooling-off period is the later of (i) 90 days following plan adoption or (ii) two business days following disclosure of the Firm's financial results for the fiscal quarter in which the plan was adopted (maximum of 120 days).
- Key Employees and All Other Persons – 30 days following plan adoption.



## 10b5-1 TRADING PLAN REQUIREMENTS

Insiders entering into a 10b5-1 trading plan are subject to the following requirements:

- the 10b5-1 trading plan must be in writing;
- the 10b5-1 trading plan must include a certification stating that such person 1) is entering into and will operate the plan in good faith, and 2) does not have MNPI.
- the 10b5-1 trading plan must specify a non-discretionary trading method by identifying the following:
  - security type and total number of securities to be traded (purchased or sold);
  - pricing terms (share price on a particular date, limit price or particular dollar price);
  - effective date and termination date (in the case of a market order, a specified day) or, in the case of a limit order, a day on which a limit order is in force for each purchase or sale;
  - include a written formula, algorithm, or program to determine the amount, share price, and date for each transaction; or
  - not permit the Insider to exercise subsequent influence over how, when, or whether to effect trades.

In order to be afforded the defense, the purchase or sale must have been pursuant to the 10b5-1 trading plan. This would not be the case if the trader deviated from the plan (e.g., by changing the amount, price, or timing of the purchase or sale) or entered into or altered a corresponding or hedging transaction or position.

A 10b5-1 trading plan may only be implemented, amended, or modified during the Trading Window and must be pre-approved by the Compliance Committee prior to adoption, amendment, or modification.

10b5-1 trading plan terminations may occur at any time (either within a Trading Window or during a blackout period), contingent on pre-approval from the Compliance Committee. Insiders are cautioned that the termination of a 10b5-1 trading plan during a blackout period may cast doubt on whether the 10b5-1 trading plan was originally entered in good faith, which could potentially affect the availability of the affirmative defense for trades made pursuant to the 10b5-1 trading plan. Repeated patterns of terminating a 10b5-1 plan after its effective date could have a negative bearing on the Compliance Committee's future approval of a 10b5-1 plan.



#### **RESTRICTION ON OVERLAPPING PLANS**

In order to be afforded the defense, there can be only one 10b5-1 trading plan in existence for all classes of the Firm's securities at a point in time for directors and Section 16 Insiders. Two separate plans may exist at the same time if trading under the later-commencing plan is not authorized to begin until after all trades under the earlier-commencing plan are completed or expire without execution. Additionally, if such person uses different brokers, the use of multiple brokers for different accounts can be treated as one 10b5-1 trading plan.



#### **RESTRICTION ON SINGLE-TRADE LIMITS**

A purchase or sale of the Firm's securities that occurs in one transaction is considered a single-trade plan. The affirmative defense is available for only one single-trade plan in any 12-month period.

10b5-1 trading plan requests should be sent to [InsiderTrading@kforce.com](mailto:InsiderTrading@kforce.com). Though a decision is normally provided on the same day, please allow up to 2 business days after complete and accurate forms have been provided for a decision to be made. The Compliance Committee cautions that a standing or limit order, by itself, does not qualify as an approved 10b5-1 trading plan.

## Exemptions

The trading prohibitions and restrictions set forth in this policy do not apply to:

Periodic contributions by the Firm or its employees to employee benefit plans that are used to purchase Firm securities pursuant to the employees' advance instructions made while not while in possession of MNPI

Bona fide gifts (made in exchange for no consideration), unless the Insider making the gift has reason to believe that the recipient intends to sell the Firm securities while the Insider is in possession of MNPI

Transactions in mutual funds that are invested in Firm securities

Restricted stock or restricted stock unit vesting, the surrender of shares to the Firm to satisfy tax withholding obligations with respect to restricted stock or restricted stock unit vesting, or exercises of stock options or similar equity awards. (Notwithstanding the prior sentence, this policy would apply to the sale of the Firm's securities in the open market to pay the exercise price of an option and to the "cashless exercise" effected through a broker.)

Transactions that may be necessary or justifiable for independent hardship reasons – such as the need to raise money for an emergency expenditure – are not exempt from this policy. The securities laws do not recognize these types of mitigating circumstances.

## Consequences for Violation

Insiders who violate this policy will be subject to disciplinary action by the Firm, which may include cash penalties, ineligibility for future participation in the Firm's incentive plans, and/or termination of employment.

Insiders may also be subject to criminal and civil fines and penalties as well as imprisonment for engaging in transactions in the Firm's securities at a time when they have knowledge of MNPI regarding the Firm. In addition, Insiders may be liable for improper transactions by any person to whom they have disclosed MNPI regarding the Firm, or to whom such person has made recommendations or expressed opinions on the basis of such information as to trading in the Firm's securities. Any known or suspected violations of this policy must be immediately reported to the Compliance Committee at [InsiderTrading@kforce.com](mailto:InsiderTrading@kforce.com).

## Insider Trading Compliance Committee

The Firm's Compliance Committee shall consist of the Firm's General Counsel, the Chief Accounting Officer and the SEC Reporting team, or employees in equivalent roles, and one of whom shall be appointed chair. The Compliance Committee is charged with ensuring compliance with this policy and is authorized to formulate and implement rules, procedures and educational programs designed to promote the effectiveness of this policy. The Compliance Committee is also responsible for maintaining a list of Insiders and Key Employees. Questions or guidance concerning this policy can be directed to the Compliance Committee at [InsiderTrading@kforce.com](mailto:InsiderTrading@kforce.com).



**KFORCE INC.**  
**SUBSIDIARIES (DIRECT OR INDIRECT)**

<b>Name of Subsidiary</b>	<b>Jurisdiction of Incorporation or Formation</b>
Romac International, Inc.	Florida
Kforce Flexible Solutions, LLC	Florida
Kforce Staffing Solutions of California, LLC	Florida
Kforce Global Solutions, LLC	Pennsylvania
Kforce Services Corp.	Florida
Kforce International Holdings, Inc.	Florida
Kforce India Holdings, Inc.	Florida
Knowledgeforce IT Services India Private Limited	India

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-94563, 333-142620, 333-144470, 333-166545, 333-168526, 333-168529, 333-188631, 333-211008, 333-217541, 333-231073, 333-237957, 333-255480, and 333-271697 on Form S-8 of our report dated February 21, 2025, relating to the financial statements of Kforce Inc. and subsidiaries and the effectiveness of Kforce Inc. and subsidiaries' internal control over financial reporting appearing in this Annual Report on Form 10-K of Kforce Inc. and subsidiaries for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Tampa, Florida

February 21, 2025

CERTIFICATIONS

I, Joseph J. Liberatore, certify that:

1. I have reviewed this annual report on Form 10-K of Kforce Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

/s/ JOSEPH J. LIBERATORE

Joseph J. Liberatore,  
Chief Executive Officer  
(Principal Executive Officer)

CERTIFICATIONS

I, Jeffrey B. Hackman, certify that:

1. I have reviewed this annual report on Form 10-K of Kforce Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

/s/ JEFFREY B. HACKMAN

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Jeffrey B. Hackman,  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Kforce Inc. ("Kforce") on Form 10-K for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, Joseph J. Liberatore, Chief Executive Officer of Kforce, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Kforce.

Date: February 21, 2025

/s/ JOSEPH J. LIBERATORE

Joseph J. Liberatore  
Chief Executive Officer  
(Principal Executive Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Kforce Inc. ("Kforce") on Form 10-K for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, Jeffrey B. Hackman, Chief Financial Officer of Kforce, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Kforce.

Date: February 21, 2025

/s/ JEFFREY B. HACKMAN

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Jeffrey B. Hackman,  
Chief Financial Officer  
(Principal Financial and Accounting Officer)



KFORCE INC.  
AMENDED  
AND RESTATED  
CLAWBACK POLICY  
Effective May 20, 2024

- 1 **Purpose.** The purpose of this Kforce Inc. (the "Firm") Clawback Policy (the "Policy") is to provide for the recovery of certain incentive-based compensation in the event that the Firm is required to prepare an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated under the Exchange Act ("Rule 10D-1") and the New York Stock Exchange Listed Company Manual Section 303A.14 (the "Listing Rule").
- 2 **Policy Administration.** This Policy shall be administered by the Board or a committee of the Board if the Board, in its discretion, delegates such administration oversight (collectively, the "Board"). Any determinations made by the Board shall be final and binding on all affected individuals.
- 3 **Definitions.** As used in this Policy, the following capitalized terms shall have the meanings set forth below.
  - **Accounting Restatement** means an accounting restatement of the Firm's financial statements due to material noncompliance of the Firm with any financial reporting requirement under the securities laws, including (a) any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly, a "Big R" restatement), or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly, a "little r" restatement).
  - **Accounting Restatement Date** means the earlier to occur of: (a) the date the Board, a committee of the Board, or the officer or officers of the Firm authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Firm is required to prepare an Accounting Restatement; and (b) the date a court, regulator or other legally authorized body directs the Firm to prepare an Accounting Restatement.
  - **Applicable Period** means the three completed fiscal years immediately preceding the Accounting Restatement Date, as well as any transition period (that results from a change in the Firm's fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year).
  - **Board** means the board of directors of the Firm.

- **“Code”** means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.
- **“Commission”** means the U.S. Securities and Exchange Commission.
- **“Erroneously Awarded Compensation”** means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had such Incentive-Based Compensation been determined according to the Accounting Restatement and must be computed without regard to any taxes paid by the relevant Executive Officer. For Incentive-Based Compensation based on stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (i) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received; and (ii) the Firm must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Stock Exchange.
- **“Executive Officers”** means the Firm’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Firm in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a significant policy-making function or any other person who performs similar significant policy-making functions for the Firm. An executive officer of the Firm’s parent or subsidiary is deemed an Executive Officer if they perform significant policy-making functions for the Firm.
- **“Financial Reporting Measure”** means measures that are determined and presented in accordance with the accounting principles used in preparing the Firm’s financial statements and any measures that are derived wholly or in part from such measures. For the avoidance of doubt, stock price and total shareholder return are Financial Reporting Measures, and a Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Commission.
- **“Incentive-Based Compensation”** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is received for purposes of this Policy in the Firm’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

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- “**Listing Rule**” has the meaning set forth in Section 1 of this Policy.
- “**Stock Exchange**” means the New York Stock Exchange.

- 4 **Policy Application.** This Policy applies to Incentive-Based Compensation received by a person (a) after beginning services as an Executive Officer, (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation, (c) while the Firm had a class of securities listed on a national securities exchange or a national securities association and (d) during the Applicable Period.
- 5 **Required Recoupment; Accounting Restatement.** In the event of an Accounting Restatement, the Firm shall reasonably promptly recover the amount of any Erroneously Awarded Compensation as determined in accordance with this Policy. Recovery of Erroneously Awarded Compensation under this Policy is required without regard to whether any misconduct occurred or an Executive Officer's responsibility (or lack thereof) for the erroneous financial statements leading to an Accounting Restatement.
- 6 **Erroneously Awarded Compensation: Amount Subject to Recovery.** The amount of Erroneously Awarded Compensation subject to recovery under this Policy, as determined by the Board, is the amount of Incentive-Based Compensation received by an Executive Officer that exceeds the amount the Executive Officer would have received had the Incentive-Based Compensation been determined based on the Accounting Restatement. For Incentive-Based Compensation based on stock price or total shareholder return, the Firm shall use a reasonable estimate of the effect of the Accounting Restatement on the applicable measure to determine the amount of Erroneously Awarded Compensation to be recovered.

The Board shall determine, in its sole discretion, the appropriate means of recovery of Erroneously Awarded Compensation, taking into account all applicable facts and circumstances, including the time value of money and the cost to shareholders of delaying recovery. To the extent that an Executive Officer fails to repay to the Firm when due any amount of Erroneously Awarded Compensation subject to recovery under this Policy, the Firm shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from such Executive Officer.

Notwithstanding anything herein to the contrary, the Firm shall not be required to recoup Erroneously Awarded Compensation to the extent that pursuit of recovery of such Erroneously Awarded Compensation would be impracticable because:

- a. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Firm must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover and provide that documentation to the Stock Exchange;

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b. Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Firm must obtain an opinion of home country counsel, acceptable to the Stock Exchange, that satisfies the applicable opinion and disclosure requirements of Rule 10D-1 and the Listing Rule; or

c. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Firm, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code.

**7 No Indemnification of Executive Officers.** The Firm is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Executive Officers to fund potential obligations under this Policy.

**8 Required Reporting and Disclosure.** The Firm shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by Commission filings.

**9 Effective Date; Retroactive Application.** This Policy became effective as of July 28, 2023 (the **Effective Date**). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Executive Officers on or after the Effective Date, and this Policy shall supersede any agreement (whether entered into before, on or after the Effective Date) that exempts any Incentive-based Compensation from the application of this Policy or that waives the Firm's right to recovery of any Erroneously Awarded Compensation.

**10 Amendment; Termination.** The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy from time to time in its sole discretion and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Firm's securities are listed.

**11 Other Recoupment Rights.** The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Firm under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement or similar agreement and any other legal remedies available to the Firm.

**12 Successors.** This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.