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Financial Results
Conference Call

Prepared Remarks From:

M. Keith Waddell, President and Chief Executive Officer, Robert Half Inc.

Michael C. Buckley, Chief Financial Officer, Robert Half Inc.

October 22, 2025



Third-Quarter 2025 Financial Results Conference Call

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Operator:

Introduction

M. Keith Waddell, President and Chief Executive Officer, Robert Half:

Hello, everyone. We appreciate your time today.

Before we get started, I would like to remind you that the comments made on today's call contain forward-looking statements, including predictions and estimates about our future performance. These statements represent our current judgment of what the future holds. However, they are subject to risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. These risks and uncertainties are described in today's press release and in our most recent 10-K and 10-Q filed with the SEC. We assume no obligation to update the statements made on today's call.

During this presentation, we may mention some non-GAAP financial measures and reference these figures as “adjusted.” Specifically, we present adjusted revenue growth rates, which remove the impacts on reported revenues from the changes in the number of billing days and foreign currency exchange rates. Additionally, we present adjusted gross margin; adjusted selling, general and administrative expenses; and adjusted operating income by combining the gains and losses on investments held to fund the Company’s obligations under employee deferred compensation plans with the changes in the underlying deferred compensation obligations. Since the gains and losses from investments and the changes in deferred compensation-related obligations completely offset, there is no impact on our reported net income. Reconciliations and further explanations of these measures are included in a supplemental schedule to our earnings press release.

For your convenience, our prepared remarks for today’s call are available in the Investor Center of our website, roberthalf.com.

For the third quarter of 2025, global enterprise revenues were \$1.354 billion, down 8 percent from last year’s third quarter both on a reported basis and on an adjusted basis.

Net income per share in the third quarter was \$0.43, compared to \$0.64 in the third quarter one year ago.

Revenues and earnings were in line with the midpoint of our previous third-quarter guidance.

Client and job seeker caution continued during the quarter, subduing hiring activity and new project starts. That said, we are encouraged by the weekly trends in contract talent revenues, which sustained late second-quarter levels for most of the third quarter and began to grow sequentially in September and into October. Our fourth-quarter revenue guidance, at and above the midpoint, reflects a return to sequential growth on a same-day constant currency basis for the first time since the second quarter of 2022.

We remain very well-positioned to capitalize on these emerging opportunities and meet our clients’ evolving talent and consulting needs.



Our industry-leading brand, talented people, advanced technology, and unique combination of professional staffing and business consulting services continue to set us apart and position us for long-term success.

Cash flow provided by operations during the quarter was \$77 million. In September, we distributed a 59-cent-per-share cash dividend to our shareholders of record, for a total cash outlay of \$59 million. We also acquired approximately 550 thousand Robert Half shares during the quarter for \$20 million. We have 5.6 million shares available for repurchase under our board-approved stock repurchase plan.

Return on invested capital for the Company was 13 percent in the third quarter.

Now I'll turn the call over to our CFO, Mike Buckley.

Michael C. Buckley, CFO, Robert Half:

Revenues

Thank you, Keith. Hello, everyone.

As Keith noted, global revenues were \$1.354 billion in the third quarter.

On an adjusted basis, third-quarter talent solutions revenues were down 11 percent year over year. U.S. talent solutions revenues were \$649 million, down 11 percent from the prior year's third quarter. Non-U.S. talent solutions revenues were \$207 million, down 12 percent year over year. We conduct talent solutions operations through offices in the United States and 18 other countries.

In the third quarter, there were 64.2 billing days, compared to 64.1 billing days in the same quarter one year ago. The fourth quarter of 2025 has 61.4 billing days, compared to 61.6 billing days during the fourth quarter of 2024.

Currency exchange rate movements during the third quarter had the effect of increasing reported year-over-year total revenues by \$9 million—\$6 million for talent solutions and \$3 million for Protiviti.



Contract talent solutions bill rates for the third quarter increased 3.7 percent compared to one year ago, adjusted for changes in the mix of revenues by functional specialization, currency and country. This rate for the second quarter was 3.8 percent.

Now let's take a closer look at results for Protiviti. Global revenues in the third quarter were \$498 million: \$398 million of that is from the United States, and \$100 million is from outside the United States. On an adjusted basis, global third-quarter Protiviti revenues were down 3 percent versus the year-ago period. U.S. Protiviti revenues were down 6 percent, while non-U.S. Protiviti revenues were up 8 percent compared to one year ago. Protiviti and its independently owned Member Firms serve clients through locations in the United States and 28 other countries.

Gross Margin

Turning now to gross margin: In contract talent solutions, gross margin was 38.9 percent of applicable revenues in both the current quarter and the third quarter one year ago. Conversion (or contract-to-hire) revenues were 3.2 percent of contract revenues in the current quarter, compared to 3.3 percent in the third quarter of 2024.

Our permanent placement revenues were 12.9 percent of consolidated talent solutions revenues in both the current quarter and the third quarter of 2024. When combined with contract talent solutions gross margin, overall gross margin for talent solutions was 46.7 percent of applicable revenues in the current quarter, compared to 46.8 percent in the third quarter of 2024.

For Protiviti, gross margin was 20.9 percent of Protiviti revenues in the third quarter and 24.6 percent in the third quarter one year ago. Adjusted gross margin for Protiviti was 23.0 percent for the quarter just ended, compared to 25.8 percent last year.

Selling, General and Administrative Costs

Enterprise SG&A costs were 36.2 percent of global revenues in the third quarter, compared to 34.9 percent in the same quarter one year ago.

Adjusted enterprise SG&A costs were 33.5 percent for the quarter just ended, compared to 33.3 percent one year ago.

Talent solutions SG&A costs were 48.3 percent of talent solutions revenues in the third quarter, versus 45.2 percent in the third quarter of 2024.

Adjusted talent solutions SG&A costs were 43.9 percent for the quarter just ended, compared to 42.8 percent last year.

Third-quarter SG&A costs for Protiviti were 15.5 percent of Protiviti revenues, compared to 15.6 percent of revenues for the same quarter one year ago.

Operating Income

Operating income for the quarter was \$14 million. Adjusted operating income was \$61 million in the third quarter, or 4.5 percent of revenue. Third-quarter adjusted operating income from our talent solutions divisions was \$24 million, or 2.8 percent of revenue. Adjusted operating income for Protiviti in the third quarter was \$37 million, or 7.5 percent of revenue.

Income from investments held in employee deferred compensation trusts

Our third-quarter 2025 income statement includes a \$48 million gain from investments held in employee deferred compensation trusts. This is completely offset by an equal amount of higher employee deferred compensation costs, which are reflected in SG&A expenses and direct costs. As such, it has no effect on our reported net income.

Tax Rate

Our third-quarter tax rate was 33 percent, compared to 31 percent one year ago. The higher tax rate in the current quarter is due to the increased impact of non-deductible expenses relative to lower pre-tax income.

Accounts Receivable

At the end of the third quarter, accounts receivable were \$838 million, and implied days sales outstanding (DSO) was 55.8 days.

Guidance

Before we move to fourth-quarter guidance, let's review some of the monthly revenue trends we saw in the third quarter and so far in October, all adjusted for currency and billing days.

Contract talent solutions exited the third quarter with September revenues down 10.0 percent versus the prior year, compared to a 10.9 percent decrease for the full quarter. Revenues for the first two weeks of October were down 9.7 percent compared to the same period last year.

Permanent placement revenues in September were down 12.3 percent versus September 2024. This compares to an 11.4 percent decrease for the full quarter. For the first three weeks in October, permanent placement revenues were down 3.3 percent compared to the same period in 2024.

We provide this information so you have insight into some of the trends we saw during the third quarter and into October. But as you know, these are very brief time periods. We caution against reading too much into them.

With that in mind, we offer the following fourth-quarter guidance:

- Revenues: \$1.245 billion to \$1.345 billion
- Income per share: \$0.25 to \$0.35

Guidance Assumptions

Midpoint revenues of \$1.295 billion are 7 percent lower than the same period in 2024 on an adjusted basis.

Our midpoint revenue guidance for the fourth quarter reflects a return to positive adjusted sequential growth for the first time in 13 quarters. Our Q4 midpoint adjusted operating margin guidance declines sequentially by 1.3 percentage points, which is consistent with long-term historical trends — fewer billing days because of the holidays results in modest Q4 negative leverage of operating costs.

The major financial assumptions underlying the midpoint of these estimates are as follows:

Adjusted Revenue growth, year-over-year:

Talent solutions:	Down	8%	to		11%
Protiviti:		0%	to	Down	4%
Overall:	Down	5%	to		9%

Adjusted Gross Margin percentage:

Contract talent:		38%	to		40%
Protiviti:		22%	to		24%
Overall:		36%	to		39%

Adjusted SG&A, as a percent of revenues:

Talent solutions:		44%	to		46%
Protiviti:		15%	to		17%
Overall:		33%	to		36%

Adjusted Operating Income, as a percent of revenues:

Talent solutions:		0%	to		2%
Protiviti:		6%	to		8%
Overall:		2%	to		5%

Tax Rate:		30%	to		34%
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Shares: 99 million to 100 million

2025 capital expenditures and capitalized cloud computing costs: \$75 million to \$90 million, with \$15 to \$25 million in the fourth quarter.

Looking two quarters out to Q1 2026:

While we do not provide full earnings guidance for two quarters into the future, we would call out the following seasonal items we expect to impact the first quarter of 2026:

1. Historically, Protiviti's Q1 segment margins seasonally decline by mid-single digit percentage points on a sequential basis. There are two primary drivers. Internal audit revenues are negatively impacted as clients focus instead on annual financial statements and related external audits. In addition, Protiviti employees receive annual compensation adjustments effective January 1st, which are recovered

through pricing adjustments realized as client contracts are negotiated. Segment margins then improve accordingly.

2. A majority of our employee stock compensation awards vest in the first quarter each year and the related tax benefits are measured based on the stock price at that time. With the current stock price below grant values, we expect an unfavorable Q1 tax charge of \$4 million, or approximately \$0.04 per share.

All estimates we provide on this call are subject to the risks mentioned in today's press release and in our SEC filings.

Now I'll turn the call back over to Keith.

M. Keith Waddell, President and Chief Executive Officer, Robert Half:

Thank you, Mike.

While the macroeconomic backdrop is generally unchanged, we are seeing some early signs of improvement as trade policy volatility becomes business as usual and the probability of multiple interest rate cuts rises. While decision cycles are still measured, we are beginning to have more client discussions about staffing deferred projects and hiring for critical roles. As we mentioned earlier, we are encouraged by our recent weekly revenue trends that have turned up sequentially.

While overall hiring and quit rates remain low, job openings continue to trend well above historical averages—signaling strong pent-up demand for talent.

Though the latest NFIB Small Business Optimism Index is modestly below its recent peaks, the average for the past three months is up sequentially, and small business hiring plans are at their highest level since January.

Rising client and candidate confidence fuels additional hiring and project activity and increases pressure on already stretched client resources. These are the conditions that have historically marked the early stages of recovery and expansion, creating a strong demand environment for both our talent solutions and consulting services. And with historically low levels of unemployment,

clients will need even more professional assistance filling their open roles and unstaffed projects.

As expected, Protiviti's year-over-year growth rates turned slightly negative during the quarter in part due to tougher prior-year comparables from large project builds, and also due to longer sales cycles and smaller-sized new engagements. That said, Protiviti's pipeline continues to grow across all of its major solutions areas, and at the midpoint of our Q4 revenue guidance, its growth rates are expected to improve. The strategic use of contract professionals sourced through our talent solutions divisions remains a vital contributor to Protiviti's success, reinforcing our unique, enterprise-wide competitive edge.

We remain committed to our time-tested corporate purpose—to connect people to meaningful and exciting work and provide clients with the talent and consulting expertise they need to confidently compete and grow.

Our employees' commitment to success earned us several honors in the third quarter, including being named by Forbes among the World's Best Employers and America's Best Employers for Company Culture, and by Fortune as one of the Best Workplaces in Consulting and Professional Services™.

Now, Mike and I would be happy to answer your questions. Please ask just one question and a single follow-up, as needed. If there's time, we'll come back to you for additional questions.

Q&A Session

M. Keith Waddell, President and Chief Executive Officer, Robert Half:

That was our last question. Thank you for joining us today.

Operator:

This concludes today's teleconference. If you missed any part of the call, it will be archived in audio format in the Investor Center of Robert Half's website at



roberthalf.com. You also can dial the conference call replay. Dial-in details and the confirmation code are contained in the Company's press release issued earlier today.