



# Investor Presentation

October 2022



**RGP**<sup>®</sup>

Dare to Work Differently

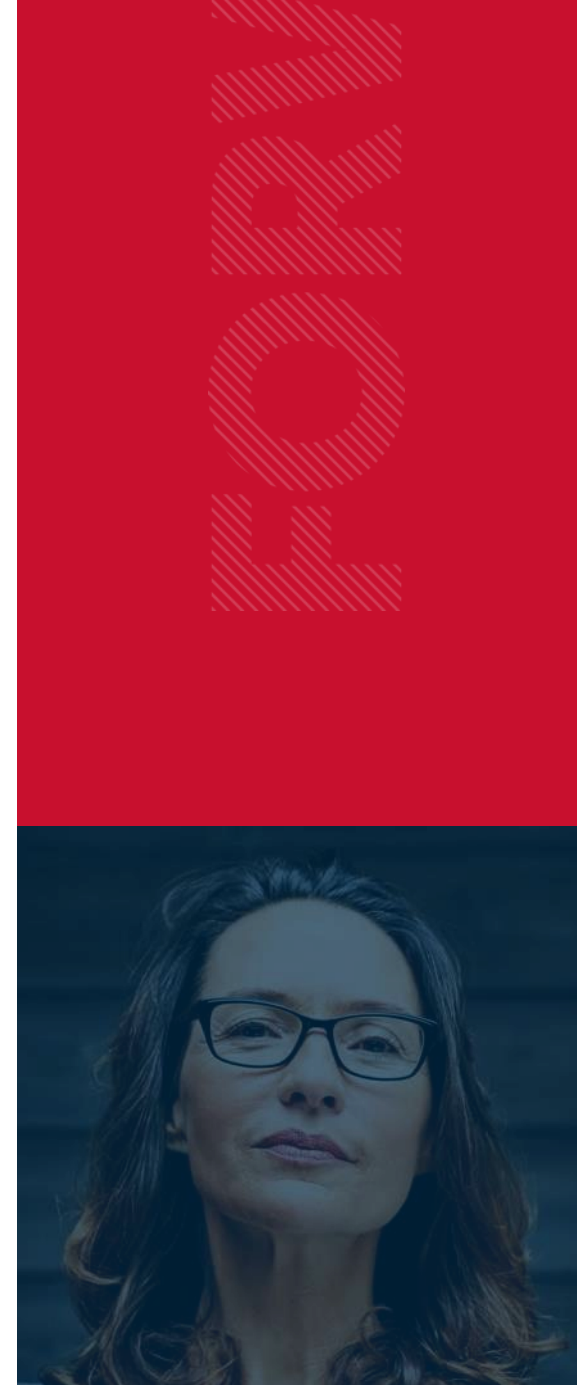


Within this presentation, we make “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to expectations concerning matters that are not historical facts. Such forward-looking statements may be identified by words such as “anticipates,” “believes,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “remain,” “should” or “will” or the negative of these terms or other comparable terminology. In this presentation, such statements include statements regarding our growth and operational plans, the competitiveness of our business model, and expectations regarding our continued growth and ability to deliver increased stockholder value. These statements and all phases of the Company’s operations are subject to known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievements and those of our industry to differ materially from those expressed or implied by these forward-looking statements.

Risks and uncertainties include, but are not limited to, the following: risks related to an economic downturn or deterioration of general macroeconomic conditions (including recessionary pressures, decreases in consumer spending power or confidence and significant uncertainty in the global economy and capital markets resulting from rising inflation, volatility in energy and commodity prices, the impact of the Russia-Ukraine war and related supply chain issues), risks arising from epidemic diseases or pandemics, changes in the use of outsourced professional services consultants, the highly competitive nature of the market for professional services, risks related to the loss of a significant number of our consultants, or an inability to attract and retain new consultants, the possible impact on our business from the loss of the services of one or more key members of our senior management, risks related to potential significant increases in wages or payroll-related costs, our ability to secure new projects from clients, our ability to achieve or maintain a suitable pay/bill ratio, our ability to compete effectively in the competitive bidding process, risks related to unfavorable provisions in our contracts which may permit our clients to, among other things, terminate the contracts partially or completely at any time prior to completion, our ability to realize the level of benefit that we expect from our restructuring initiatives, risks that our recent digital expansion and technology transformation efforts may not be successful, our ability to build an efficient support structure as our business continues to grow and transform, our ability to grow our business, manage our growth or sustain our current business, our ability to serve clients internationally, additional operational challenges from our international activities including due to social, political, regulatory, legal and economic risks in the countries and regions in which we operate, possible disruption of our business from our past and future acquisitions, the possibility that our recent rebranding efforts may not be successful, our potential inability to adequately protect our intellectual property rights, risks that our computer hardware and software and telecommunications systems are damaged, breached or interrupted, risks related to the failure to comply with data privacy laws and regulations and the adverse effect it may have on our reputation, results of operations or financial condition, our ability to comply with governmental, regulatory and legal requirements and company policies, the possible legal liability for damages resulting from the performance of projects by our consultants or for our clients’ mistreatment of our personnel, risks arising from changes in applicable tax laws or adverse results in tax audits or interpretations, the possible adverse effect on our business model from the reclassification of our independent contractors by foreign tax and regulatory authorities, the possible difficulty for a third party to acquire us and resulting depression of our stock price, the operating and financial restrictions from our credit facility, risks related to the variable rate of interest in our credit facility, the possibility that we are unable to or elect not to pay our quarterly dividend payment, and other factors and uncertainties as are identified in our most recent Annual Report on Form 10-K for the year ended May 28, 2022 and our other public filings made with the Securities and Exchange Commission (File No. 0-32113). Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business or operating results.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The Company does not intend, and undertakes no obligation, to update the forward-looking statements in this presentation to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, unless required by law to do so.



# Company Overview.

- Nasdaq Ticker: **RGP**
- Global footprint across North America, Europe and Asia Pacific
- Big Four heritage, brought agility to professional services in the late 90s
- Premier global consulting firm powering clients' operational needs and change initiatives
- Compelling professional destination for gig-minded knowledge workers
- RGP's first-to-market, employee-model digital staffing platform (HUGO) connects talent and business directly
- Macro trends around workforce flexibility and agility, the rise of the independent worker and the "Project Economy" strongly favor RGP's model



# Investment Highlights.

RGP™

- Emerging leader in a rapidly shifting employment paradigm and “Project Economy” positioned for significant and sustained growth
- Secular macro trends driving both supply and demand curves at unprecedented rates strongly favor RGP’s business model
- Fast-growing digital transformation capabilities aligned with rising marketplace demand for improved employee, customer and workplace experience
- RGP’s first-to-market, self-service digital staffing platform (HUGO) driving long-term profitable growth for professional staffing business
- Extensive global client base propelling consistent growth from marquee client and industry programs
- Achieved foundational operational efficiency and executing holistic technology transformation to further drive leverage
- Robust free cash flow generation supporting reliable stockholder returns



# By the Numbers.

**2,200**  
clients

**1,900**  
MSAs globally

**\$826M**

LTM Q1 FY23  
Revenue

**4,300**  
borderless employees  
(Billable consultants\* and management personnel)  
\* Not all are full-time equivalents

**87%**  
of Fortune 100

**76%**  
of Fortune 500

**39.8%**

LTM Q1 FY23  
Gross Margin

**4-Year average**  
consultant tenure

**79%** retention rate of  
**Top 100** clients over last 5 years

**35%** N. American consultants  
hired via employee referrals

Clients served in  
**39 countries**

**13.5%**  
LTM Q1 FY23  
Adj EBITDA Margin\*\*

**66%** employees comprised of  
minorities or women

\*\* See the Appendix for reconciliations of Non-GAAP Measures.



# Our Business Model is Organically Diverse and Inclusive.

RGP™

## Minorities or Women



**66.0%**  
of our US employees\*

\*As of May 31, 2022



**100%**  
of our executive leaders



**40%**  
of our directors

**Paradigm for Parity Coalition Company**

# We have been Working this Way Since '99.



In a world where the talent market is tighter than ever and the pace of change is at an all-time high, RGP is positioned to win.

We have entered a new employment paradigm. Knowledge workers are going **gig** and **projects** are replacing roles.

Welcome to the era of human agility. **It's about time. It's our time.**

**RGP, the pioneer of human agility.**

RGP

# 71%

Human capital and C-suite leaders plan to **shift more work to contingent, project or contract\***

\*2022 Randstad Talent Trends Report

We support project needs

## Run this Place

### Operational Needs

- Supporting clients' operational needs and filling gaps to help clients maintain operational excellence
- Bringing highly experienced talent with professional services and industry experience to co-deliver alongside client teams
- Key buyer set includes C-Suite leaders like the CFO, CAO, CPO, CIO, CMO, and CHRO
- The Great Resignation and tightening professional labor market has spurred demand for these services

## Change this place

### Transformational Needs

- Leading and supporting complex change initiatives with a Sleeves Up ethos
- Bringing expertise in Project Management and Organizational Change Management across a myriad of subject matter areas
- Projects focused on Finance, Digital, Supply Chain and Compliance Transformation
- Relentless pace of change driving unprecedented transformation activity in our client base





## Digital Transformation

For a **Fortune 50 Healthcare** client, the RGP team is leveraging the client's ServiceNow platform to develop a custom scoped case management application for managing escalated customer complaints.



## Finance Transformation

For a **prominent high-growth CPG** client, the RGP team is driving enterprise improvements for the Finance organization. The project includes workflows to transform accounting operations and audit readiness, a technical accounting component and an ERP implementation.



## M&A Integration

For a **global medical device company** client, the RGP team is working to stand up an IT Integration PMO and manage the integration of the IT function following a significant acquisition.

# Expert Project Consulting Bolstered by High-End Professional Staffing Services.



## Project Consulting

60% of Revenue \*

We partner with you to deliver value and impact, bringing our depth of experience and “sleeves up” approach to project execution.



## On-demand Talent

36% of Revenue \*

Tapping into our agile talent pool, we mobilize the right resources to support your organization’s transformation journey.



## Other Services

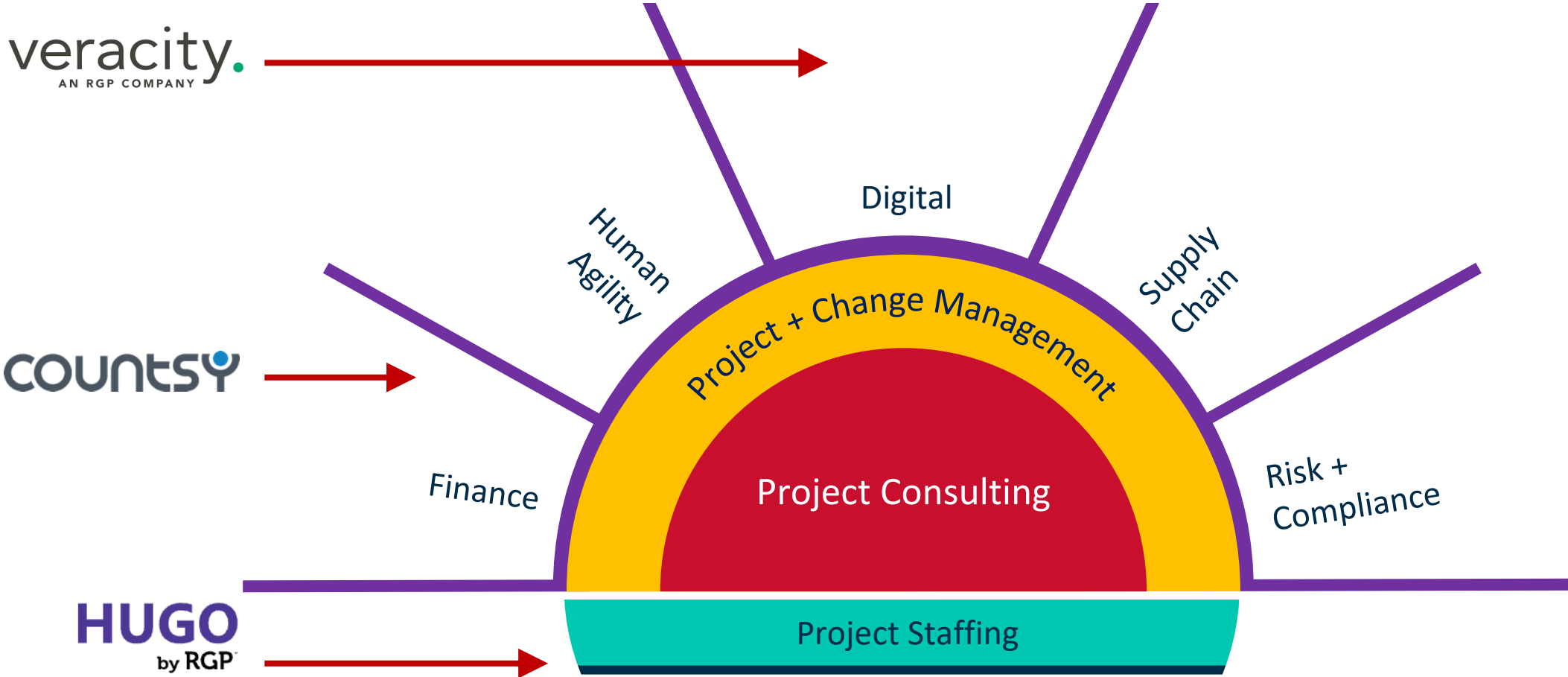
4% of Revenue \*

From digital workflows to back-office functions, we support vital business processes, freeing you to focus on transformation. Our award-winning recruiters will help you quickly find and assess top talent for business-critical positions.

\* Percentage of Revenue calculated based on the LTM Revenue

# Going to Market with Our Expertise Out Front.

“Front doors” will lead to our core capabilities, supported by our strategic staffing resources.



# Digital Engagement.

## The Future of Professional Staffing.

Our first-to-market self-service digital staffing platform is designed to offer clients unprecedented **transparency, speed and control**. We have built a curated digital hub where talent and business can connect and engage directly.

Limited pilot launched in October 2021.

Currently operating in the California and Tristate markets. Expanding to Texas in the Second half of FY23.

# Key Differentiators.



## Paradigm Platform

Designed to challenge the status quo, through delightful design coupled with empowering transparency and control.

## Empowering and Rewarding the User

Tools that empower and reward users while lowering overhead.

## An Employee Model

HUGO represents employees of RGP. The connection to talent is stronger and associated employment risks are mitigated when compared to contractor-based marketplaces.

## The Power of Choice

Clients at any time can choose to access the expertise of RGP personnel throughout the HUGO experience.

# Enterprise Growth Drivers.

A number of transformative levers, bolstered by highly favorable macro trends, position RGP for strong growth in the coming years.



## Brand Clarity + Amplification

Bring clarity and focus to our brand architecture and brand positioning to own the opportunity around project execution



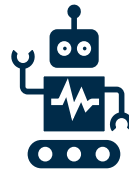
## Go-To-Market Operations

Continue to grow and expand strategic account and industry programs, improve pricing, digitize and optimize the consultant and client experience, and create a new Emerging Account segment



## Digital

Expand high-demand digital transformation offerings



## HUGO

Increase adoption of and reliance on self-service digital engagement platform to drive faster long-term growth in professional staffing business



## M&A

Pursue highly targeted acquisition opportunities in tip-of-the-spear areas like digital transformation and workforce strategy



## Revenue Growth

Strong revenue in Q1 FY23, up 17% year over year on a same-day constant currency basis\*

Growth drivers include reengineered sales process, revolutionized borderless delivery strategy, expanding/scaling digital consulting capabilities and highly favorable macro trends

Steady upward trend in average bill rates with significant upside

\* excludes taskforce for comparative purpose. See the Appendix for reconciliations of Non-GAAP Measures.



## Gross Margin (GM)

Industry-leading GM of 39.8% over the last twelve months through Q1 FY23

Maintaining strong bill-pay ratio in a highly tight labor market

Evolving the mix of business to further expand GM



## EBITDA Performance

Adjusted EBITDA Margin\* of 13.5% over the last twelve months through Q1 FY23

Foundational operational initiatives have generated significant and sustainable improvement to overall cost structure

Launched holistic transformation of enterprise technology infrastructure to drive further leverage in support of growth

\* See the Appendix for reconciliations of Non-GAAP Measures.

# Financial Highlights.

RGP™

## Results of Operations

(\$ in thousands)	FY2020	FY2021	FY2022	LTM Q1 FY2023
Revenue	\$ 703,353	\$ 629,516	\$ 805,018	\$825,940
Revenue Growth Rate	(3.5%)	(10.5%)	27.9%	2.6%
Gross Margin	39.2%	38.3%	39.3%	39.8%
<b>Adjusted SG&amp;A Percentage <sup>(1)</sup></b>	<b>30.7%</b>	<b>30.2%</b>	<b>26.6%</b>	<b>26.4%</b>
Adjusted EBITDA <sup>(2)</sup>	\$ 59,886	\$ 52,794	\$ 103,131	\$111,489
Adjusted EBITDA Margin <sup>(2)</sup>	8.5%	8.4%	12.8%	13.5%

(1) Excludes stock-based compensation expense, technology transformation costs, restructuring costs, and contingent consideration adjustments

(2) Adjusted EBITDA is earnings before interest, taxes, depreciation, amortization, stock-based compensation expense, technology transformation costs, restructuring costs, and contingent consideration adjustments. See the Appendix for reconciliations of Non-GAAP Measures.

# Financial Highlights.



## Balance Sheet

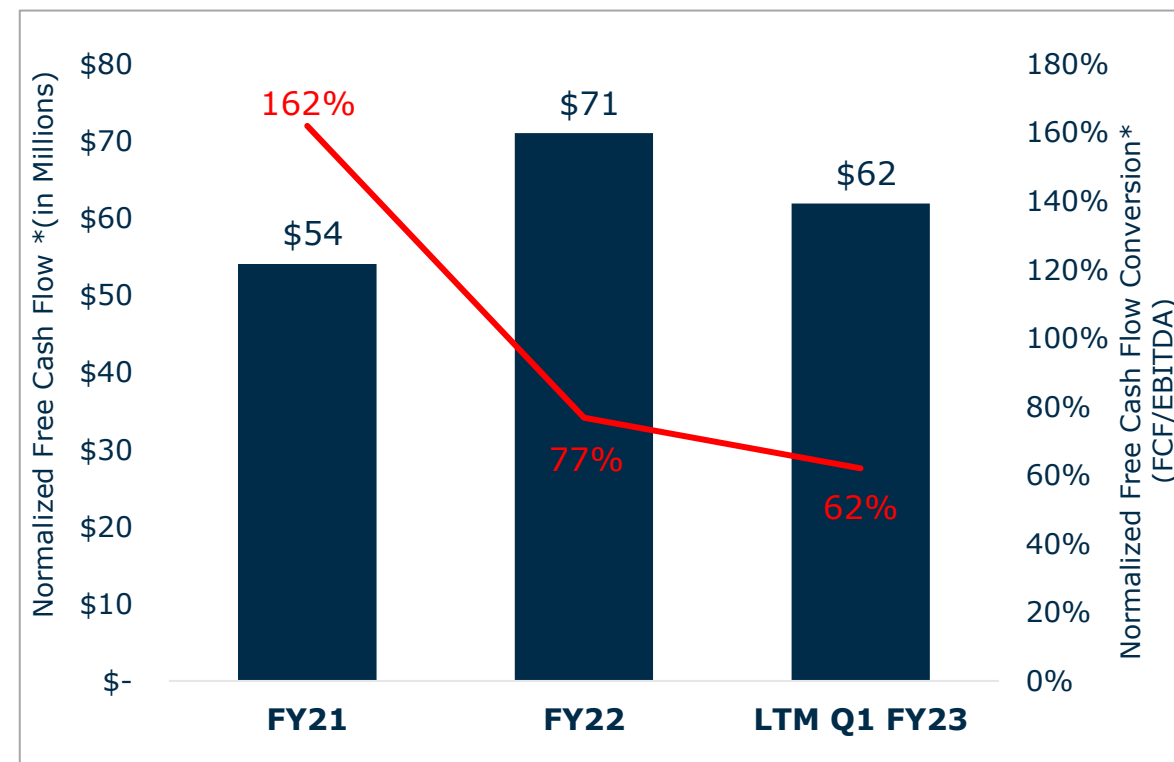
(\$ in thousands)	FY2020	FY2021	FY2022	Q1 FY2023
Cash	\$ 95,624	\$ 74,391	\$ 104,224	\$72,575
Current Assets	\$ 230,999	\$ 235,265	\$ 308,541	\$262,156
Total Assets	\$ 529,181	\$ 520,644	\$ 581,473	\$534,021
Current Liabilities	\$ 94,901	\$ 100,906	\$ 124,322	\$91,811
Long-term Debt	\$ 88,000	\$ 43,000	\$ 54,000	\$20,000
Total Liabilities	\$ 225,520	\$ 191,098	\$ 209,024	\$142,066
Equity	\$ 303,661	\$ 329,546	\$ 372,449	\$391,955
Working Capital	\$ 136,098	\$ 134,359	\$ 184,219	\$170,345
<b>Net Debt <sup>(1)</sup></b>	<b>\$ (7,624)</b>	<b>\$ (31,391)</b>	<b>\$ (50,224)</b>	<b>\$ (52,575)</b>

(1) Net Debt is calculated as Long-term Debt less Cash



# Strong Cash Flow Generation.

(\$ in millions)	FY2021	FY2022	LTM Q1 FY2023
Cash from operating activities	\$ 39.9	\$ 49.4	\$ 43.7
Less: Capital expenditures	\$ (3.8)	\$ (3.0)	\$ (2.7)
Free cash flow*	\$ 36.1	\$ 46.4	\$ 41.0
Income taxes paid	\$ 18.0	\$ 24.6	\$ 20.9
Normalized Free cash flow*	\$ 54.1	\$ 71.0	\$ 61.9
EBITDA*	\$ 33.4	\$ 92.5	\$ 99.8
Normalized Free cash flow conversion* (FCF/EBITDA)	161.9%	76.8%	62.1%



\* EBITDA, Free cash flow, Normalized Free cash flow and Normalized Free cash flow conversion presented are Non-GAAP Measures. Please refer to the Appendix for reconciliations of Non-GAAP Measures.

# Capital Allocation Framework.

RGP generates strong operating cash flow and allocates capital between organic investments, acquisitions, debt repayment, and direct return to stockholders, while maintaining a balanced leverage ratio.



## Investment in Growth

Strategically allocate capital to organic investments and targeted M&A that drive long-term value for our stockholders.



## Debt Repayment

Strong free cash flow supports borrowing capacity and expedited deleveraging.



## Return to Stockholders

Provide return to our stockholders through dividends and share repurchases.

# Focused on Creating and Unlocking Stockholder Value.

RGP delivers competitive returns to its stockholders.

\$60M  
Share Repurchases\*

\$86M  
Dividends\*

3%

Industry Leading  
Dividend Yield

10  
Years

Consistent Dividend  
Return

\*over the last 5 years  
Note: share count as of 9/29/2022 is 33,750,861

**RGP**

To the Power of Human™

**Thank You  
for Your Time.**



# Appendix

# Reconciliations of non-GAAP measures.

## Reconciliation of GAAP to Non-GAAP Revenue

(\$ in millions)	Q1 FY2023	Q1 FY2022	\$ Change	% Change
Revenue (GAAP)	\$ 204.1	\$ 183.1	\$ 21.0	11.4%
<i>taskforce</i> Revenue	\$ (0.2)	\$ (6.2)	\$ 6.0	-96.9%
Revenue excluding <i>taskforce</i>	\$ 203.9	\$ 176.9	\$ 27.0	15.2%
Currency impact	\$ 3.0	\$ -	\$ 3.0	
Business days impact	\$ 0.2	\$ -	\$ 0.2	
Same-day constant currency revenue (excluding <i>taskforce</i> )	\$ 207.1	\$ 176.9	\$ 30.2	17.0%

# Reconciliations of non-GAAP measures.

## Reconciliation of net income (loss) to Adjusted EBITDA

(\$ in millions)	LTM Q1			
	FY2020	FY2021	FY2022	FY2023
Net income	\$ 28.3	\$ 25.2	\$ 67.2	\$ 72.4
Adjustments:				
Amortization expense	5.7	5.2	4.9	5.1
Depreciation expense	5.0	3.9	3.6	3.5
Interest expense, net	2.1	1.6	1.1	1.2
Income tax expense (benefit)	6.9	(2.5)	15.8	17.6
EBITDA	\$ 48.0	\$ 33.4	\$ 92.5	\$ 99.8
Stock-based compensation expense	6.1	6.6	8.2	9.1
Restructuring costs	5.0	8.3	0.8	0.3
Contingent consideration adjustment	0.8	4.5	0.2	(0.1)
Technology transformation costs	-	-	1.4	2.4
Adjusted EBITDA	\$ 59.9	\$ 52.8	\$ 103.1	\$ 111.5
Revenue	\$ 703.4	\$ 629.5	\$ 805.0	\$ 825.9
Net Income Margin	4.0%	4.0%	8.3%	8.8%
Adjusted EBITDA Margin	8.5%	8.4%	12.8%	13.5%

# Reconciliations of non-GAAP measures.

## Reconciliation of Adjusted SG&A leverage

(\$ in millions)	FY2020	FY2021	FY2022	LTM Q1 FY2023
GAAP SG&A expense	\$ 228.1	\$ 209.3	\$ 224.7	229.5
Less:				
Stock-based compensation expense	6.1	6.6	8.2	9.1
Restructuring costs	5.0	8.3	0.8	0.3
Contingent consideration adjustment	0.8	4.5	0.2	(0.1)
Technology transformation costs	-	-	1.4	2.4
Adjusted SG&A	\$ 216.2	\$ 189.9	\$ 214.1	\$ 217.8
Revenue	\$ 703.4	\$ 629.5	\$ 805.0	\$ 825.9
Adjusted SG&A leverage	30.7%	30.2%	26.6%	26.4%



# Reconciliations of non-GAAP measures.

## Reconciliation of cash from operating activities to free cash flow and normalized free cash flow

(\$ in millions)	LTM Q1			
	FY2020	FY2021	FY2022	FY2023
Cash from operating activities	\$ 49.5	\$ 39.9	\$ 49.4	\$ 43.7
Less: Capital expenditures	(2.3)	(3.8)	(3.0)	(2.7)
Free cash flow	\$ 47.2	\$ 36.1	\$ 46.4	\$ 41.0
EBITDA	\$ 48.0	\$ 33.4	\$ 92.5	\$ 99.8
Free cash flow conversion	98.3%	108.1%	50.2%	41.1%
Free cash flow	\$ 47.2	\$ 36.1	\$ 46.4	\$ 41.0
Income taxes paid	8.3	18.0	24.6	20.9
Normalized free cash flow	\$ 55.5	\$ 54.1	\$ 71.0	\$ 61.9
EBITDA	\$ 48.0	\$ 33.4	\$ 92.5	\$ 99.8
Normalized free cash flow conversion	115.6%	161.9%	76.8%	62.1%