

# RGP

To the Power of Human™

## Investor Presentation

May 2020



# Forward-Looking Statements

Within this presentation, we make forward-looking statements regarding future events or future financial performance of the Company. We wish to caution you that such statements are only predictions and actual events or results may differ materially.

Please refer to our most recent 10-K report for a discussion of some of the risks, uncertainties and other factors such as seasonal and economic conditions that may cause our business, results of operations, and financial condition to differ materially from those expressed or implied by forward-looking statements made during this presentation.

Additionally, the Company undertakes no obligation to update any of the information presented in light of new information or future events.

“  
Human Agility  
Ignites  
Opportunity &  
Impact ”

Kate Duchene  
CEO

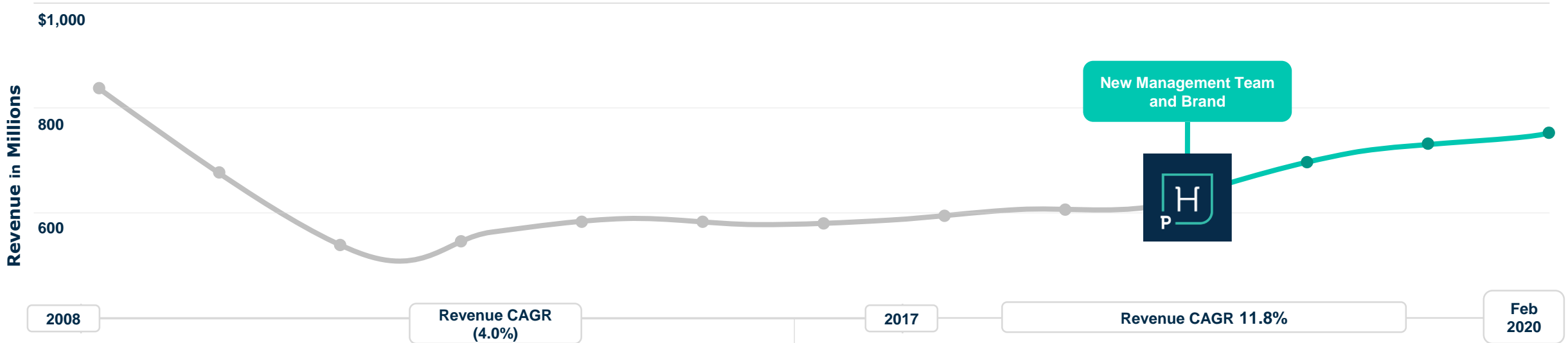




# Company Overview

- Nasdaq: **RGP**
- Global footprint across North America, Europe and Asia Pacific
- Big Four heritage, brought agility to professional services in the late 90s
- Successful evolution from pure play staffing firm to human capital partner for professional staffing and project consulting
- Macro trends and growing spend on variable human capital favor RGP's model
- RGP's first-to-market, employee-model digital staffing platform to launch in 2020
- Building digital capabilities both organically and through acquisition strategy
- Quality alternative for high caliber professionals looking to work differently

# Strong Foundation. New Direction.



## The Past

- Fragmented go-to-market strategy and structure
- Revenue base consisting largely of finance & accounting
- Reactive to clients' talent needs
- Vulnerable to impact of Vendor Management Systems and their commoditization of staffing

## A Promising Future

- Center-led operating model and go-to-market structure
- Human capital partner for project consulting
- Capabilities center on transformation services
- Focused on profitable revenue growth in value-added project consulting, through strategic account and industry programs

# RGP By the Numbers

2,400 clients annually  
1,500 MSAs globally

79% of Fortune 500 &  
88% of Fortune 100 clients

80% retention rate of  
Top 100 clients over  
last 5 years

37 countries in which  
clients served

**RGP**<sup>TM</sup>

**\$707M**  
LTM Revenue

**8.3%**  
LTM Adjusted EBITDA Margin

**39.1%**  
LTM Gross Margin

3,900 employees  
[including billable consultants\*  
and management personnel]

3-Year average  
consultant tenure

36% North American  
consultants hired via  
employee referrals

63% employees comprised  
of minorities & women

\*not all are FTEs

# Investment Highlights



- ❑ Committed management team focused on driving growth and enhancing shareholder value
- ❑ Emerging leader in the Future of Work with a scalable global platform
- ❑ Largely “variable cost” operating platform reduces utilization risk and enhances resilience
- ❑ Launching proprietary digital staffing platform in 2020 as both a growth strategy and a profitability driver and to enhance client and consultant experience
- ❑ Strong growth from targeted Strategic Client, Key Account and industry vertical programs

# Focused on Creating and Unlocking Shareholder Value

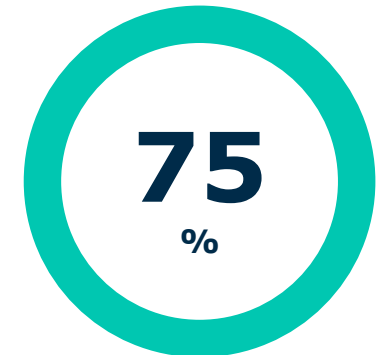
Over the past 5 years, RGP has delivered competitive returns to its shareholders.

**\$ 187M Share Repurchases**

**\$ 76M Dividends**



**NOT A SINGLE MISSED  
DIVIDEND PAYMENT**



**INCREASE IN DIVIDEND PER  
SHARE OVER LAST 5 YEARS**





**Kate Duchene**  
Chief Executive  
Officer



**Tim Brackney**  
President &  
Chief Operating  
Officer



**Jenn Ryu**  
Chief Financial  
Officer



**Katy Conway**  
Chief People  
Officer

## Meet the Executive Team

# RGP

To the Power of Human™

LEADING THE WAY IN

## The Future of Work

In a world where technology is changing the way we do business at an accelerated pace, RGP's value lies in agility.

We connect clients with the people who can execute real business transformation in a way that is intrinsically human.

**RGP**, the expert in **human agility**.

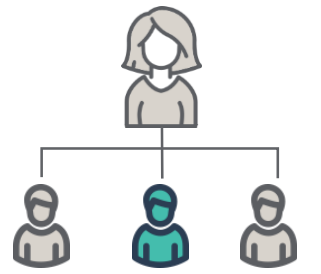


**RGP's Model allows clients to harness the human agility they need to transform, and offers talent the flexibility and control they demand.**

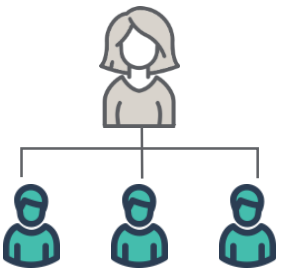
- ▶ Disruptive innovation driving competition and speed-to-market pressure
- ▶ Number of concurrent change initiatives underway is higher than ever
- ▶ Resulting pronounced shift from role-based to project-based orientation
- ▶ Talent preferences driving shift to alternative work arrangements
- ▶ Impact of the COVID-19 pandemic is accelerating the transition to new ways of working

# Versatile Delivery Model to Support Business Agility

## Professional Staffing

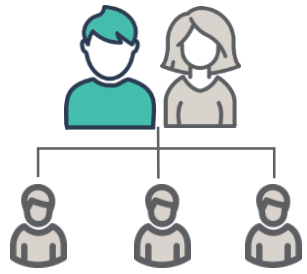


One Consultant

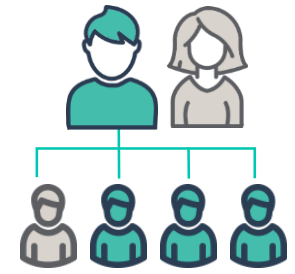


Consultant Team

## Project Consulting

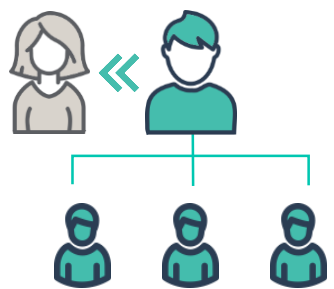


Project Leadership



Project Lead + Team

## Managed Services



- Countsy**  
Back-Office Ops for Startups
- Equity Administration**  
End-to-End Equity Compensation

## Executive Search



Retained, Commitment & Contingency Search



Client talent



RGP talent



Candidate

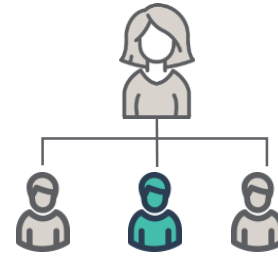
# Professional Staffing at RGP

RGP's **human-first** approach to professional staffing means we are relentlessly committed to the perfect match. We **deeply understand our buyer set**, their resourcing needs and the importance of the intangibles.

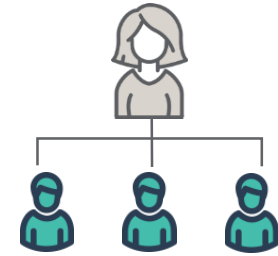
And while our people are highly experienced, pedigreed and diverse, it is undeniably their **humanity and humility** which differentiates RGP in the professional staffing marketplace.

*As one client aptly put it,*

**"RGP is more human."**



**One Consultant**



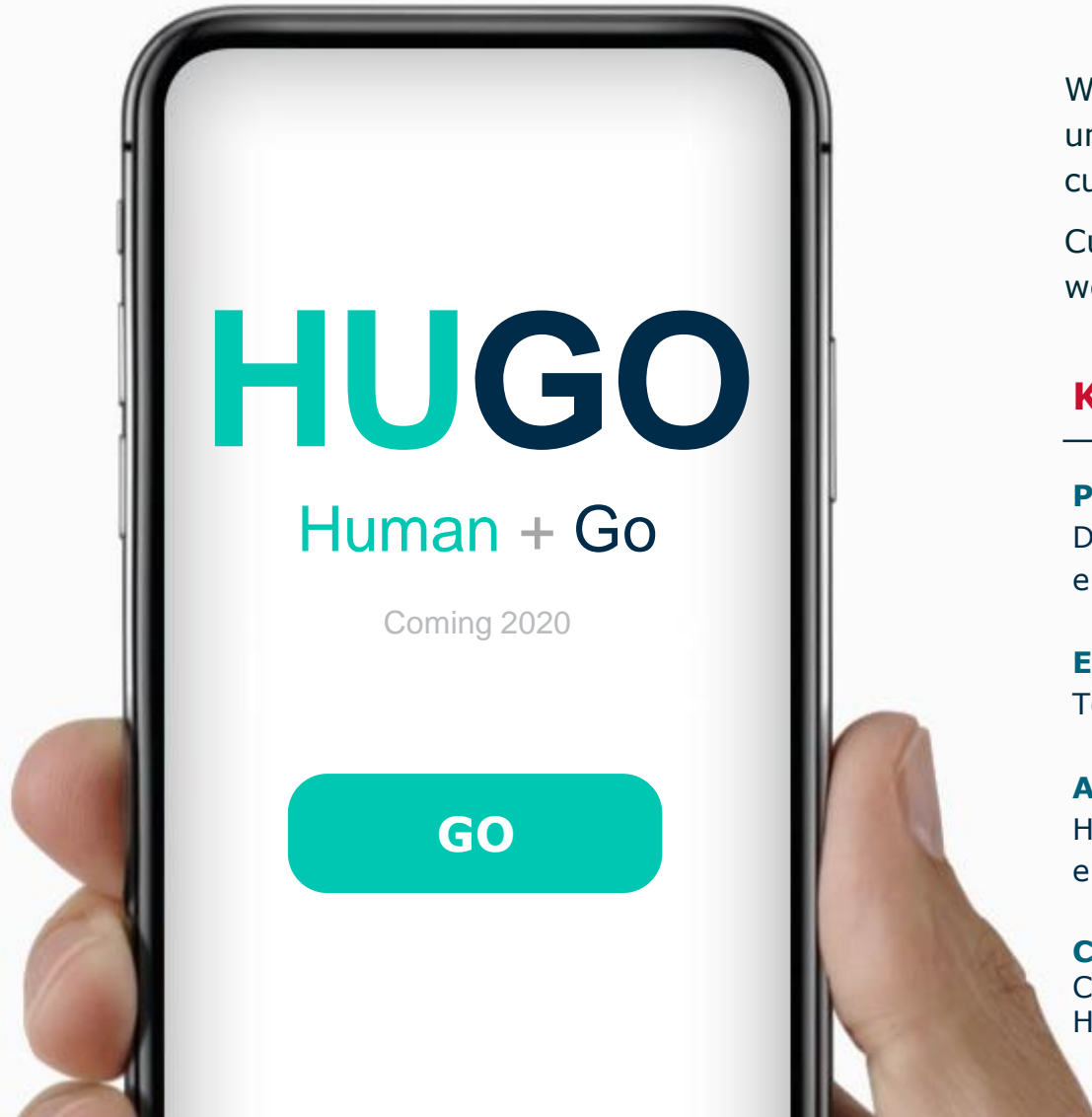
**Consultant Team**

Key Buyer Set	Priority Roles
<b>Chief Financial Officer</b>	Corp Controller Director, Accounting Director, Finance VP, Finance
<b>Chief Audit Executive</b>	Regulatory Compliance Experts Internal Auditors IT Security and Privacy Auditors
<b>Chief Procurement Officer</b>	Project Manager Contracts Manager Director, Strategic Sourcing
<b>Chief Information Officer</b>	Program Manager Project Manager Systems Specialists
<b>Chief Human Resources Officer</b>	Director, HR Director, Total Rewards Director, Workforce Planning



# Digital Engagement: The Future of Professional Staffing

RGP™



We are building a powerful digital staffing platform designed to offer clients unprecedented **transparency, speed** and **control**. Our vision is to create a curated digital hub where talent and business can connect and engage directly.

Currently, HUGO has been rolled out internally as a digital tool aiding the RGP workflow and to perfect the platform before its soft launch in Summer 2020.

## Key Differentiators

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### 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.

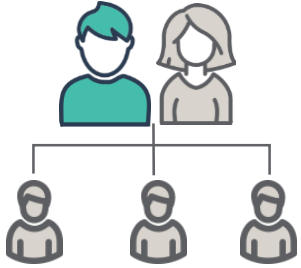
### An Employee Model

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

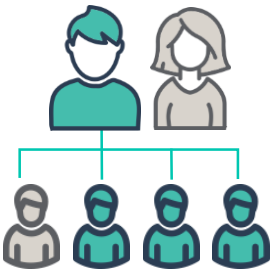
### Choice

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

# Project Consulting at RGP



**Project Leadership**



**Project Lead + Team**



RGP Team Member



Client Team Member

RGP supports client initiatives by bringing our depth of experience and applying our **SLEEVES UP** approach to project delivery. The result: **VALUE + IMPACT**

Transactions	Regulations	Transformations
<b>Functional Subject Matter Expertise</b>		
<ul style="list-style-type: none"> <li>• Integrations &amp; Divestitures</li> <li>• Bankruptcy/Restructuring</li> <li>• IPO Readiness &amp; Support</li> <li>• Financial Process Optimization</li> <li>• System Implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting Regulations</li> <li>• Internal Audit &amp; SOX</li> <li>• Data Privacy &amp; Security</li> <li>• Healthcare Compliance</li> <li>• Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Finance Transformation</li> <li>• Digital Transformation</li> <li>• Supply Chain Management</li> <li>• Cloud Migration</li> <li>• Data Design &amp; Analytics</li> </ul>



<b>Automation &amp; Optimization</b>	<b>Organizational Agility</b>	<b>Project Management &amp; Implementation</b>	<b>Organization Change Management</b>
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## Enterprise PMO Assessment & Optimization:

Tuning the Engine for Agility and Growth

### The Challenge

A Global Automotive Financial Services client was seeking to enhance the speed of development and delivery of key projects while maintaining high quality. RGP was asked to **optimize the Enterprise Project Management Office (EPMO) organization and drive adoption of Agile practices** among client employees.

### Our Impact

RGP established a governance framework for Agile and hybrid project approaches that promoted transparency while easing the transition to new ways of working.

- **Enabled better decision** making by building interactive dashboards that provided a consolidated view of client's project portfolio.
- Enabled more effective use of resource skills, knowledge and desire.
- Facilitated the **successful adoption of Agile and Hybrid project delivery approaches**.
- Facilitated the resolution of dependencies between projects and helped to increase the pace of change being delivered.

## Global HR Transformation:

Bringing Digital Technology to Project Management

### The Challenge

A Fortune 100 financial services client asked RGP to course correct an inflight multi-year global HR transformation initiative. The Big 4 firm leading the initiative for over a year was not making good traction. The client enlisted RGP's support (through a two-in-the-box model) to **ensure the successful establishment of its Global HR Transformation PMO**.

### Our Impact

RGP provided expert **project management services enabled by a proprietary digital project management tool** to simplify and solve the client's governance/execution problems.

- Created custom templates to capture individual project plans, tasks and dependencies.
- Built analytic algorithm metric-based management reports and dashboards to monitor, measure and report on progress.
- Digital Project Management Platform (dPMF) provided senior management with a **customized view of program/project dashboards along with real time collaboration** capabilities across the program.

# Driving Growth With Strategic Client and Industry Programs



## Strategic Client Program

- Dedicated account teams serving needs of RGP's largest clients globally
- Strong growth since inception in 2018 (>20% CAGR) & strong pipeline
- 60% of SCP clients deliver double digit YOY growth
- 80% of SCP clients experienced highest YOY growth in FY19



## Key Account Program

- Focused account program for growing promising accounts
- 40% of KAP clients deliver double digit YOY growth
- 20% of KAP clients deliver 100% YOY growth
- 33% of KAP clients generating >\$5M Annually



## Healthcare Industry Program

- Revenue grew 27% in first year (program est. in 2018)
- 225 revenue generating clients
- Top 5 Private Health Systems, 90% of Top 10 Not-for-Profit Health Systems & 75% of Fortune 1000 Healthcare Companies
- >45% YOY growth in pharma segment



## PE Industry Program













- Revenue grew 80% in first year (program est. in 2018)
- Over 70 revenue generating PE funds
- 24% of PE funds delivering 100% YOY growth



# Key Strategic Alliances

## Driving Growth Together.

We cherish our strategic relationships with key technology partners as they allow us to drive growth and create meaningful impact for our clients.

# Committed to Environmental, Social & Corporate Governance (ESG)

## We are environmentally conscious.

As a global professional services firm, our environmental footprint is relatively small. However, we do what we can to be responsible by...

- Significantly reducing our use of paper by transitioning 95% of client invoices to **electronic billing** as well as implementing **electronic paystubs** for all US employees.
- Reducing our use of print-based marketing materials in favor of **digital assets**.
- Actively **working to shrink our physical footprint** by expanding our use of technology to work more virtually.

## We believe in the power of diversity.

Our business model is **organically inclusive and diverse**.

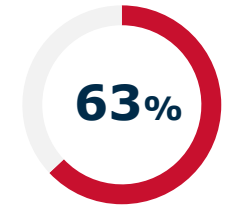
We are a Paradigm for Parity Coalition company and a 2020 Women on Boards "W" Winning Company.

## We approach business human-first.

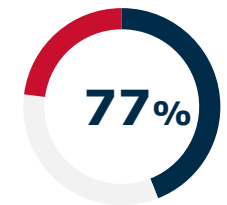
As our human-first brand identity might suggest, employee engagement and satisfaction are among management's top priorities.

We invest in our people with **leadership development programs** through BetterUp, Linked-In Learning and FranklinCovey, as well as **functional training opportunities** for our consultant base.

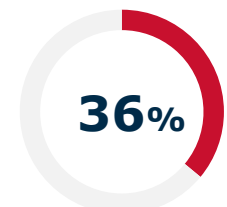
**RGP Kids Academy** connects children of RGP employees with volunteer tutors and coaches from across the RGP ecosystem.



Employees comprised of minorities & women



The Executive Team Is 44% female and 33% racially diverse.



Board comprised of female directors.

# Distinctively Human-First Culture

## L.I.F.E A.T. RGP

RGP has a distinctively **human-first culture** and employee experience. Each employee at RGP experiences and contributes to a work-life built on:

**Loyalty, Integrity, Focus, Enthusiasm, Accountability, Talent**

### Sleeves Up Culture

The Company's hands-on approach to solving client problems is integral to RGP's workplace culture.

### Leadership Development

Focus on improving the skills, abilities and confidence of leaders so they can lead effectively.

### Learning Culture

Training accelerates success and quicker productivity ramps.

### Commitment to Serve

Volunteer programs enable employees to apply business skills to make an impact.

## Our track record speaks for itself:

- A **3-year** average consultant tenure
- **36%** of our North American consultants are **hired via employee referrals**
- Over **1/3** of all N.A. consultants are **boomerangs**

### BPO Partner of the Year

*NetSuite, 2019*

### America's Best Midsize Employers

*Forbes, 2019*

### The Best Management Consulting Firms

*Forbes, 2018*

## Driving Value Beyond the Flagship.

Each of the companies in the RGP Family brings unique value to the marketplace, augmenting our brand in ways that drive additional opportunities.



Accounting and HR as a service for venture-backed startups.



Highly adaptable Governance, Risk and Compliance technology platform.



A top strategic communications firm specializing in corporate, financial and transactional crisis communications.



A curated group of C-suite leaders who solve transformational business problems on an interim basis.



Digital agency enabling business transformation through technology, design and strategy.





## Revenue Growth

- CAGR 11.8% from FY17 to FY19 through organic growth and strategic acquisitions
- Pricing discipline driving steady upward trend in average bill rates in North America since FY17
- Driving further revenue growth through focus on key clients and industry verticals (Healthcare & Private Equity)



## Gross Margins

- Industry leading GM of 38.7% in the last fiscal year
- Strong bill-pay ratio reflective of on-going pricing initiatives and discipline
- GM rising as we evolve our mix of business and grow other revenue streams (i.e. Executive Search)



## EBITDA Performance

- Adjusted EBITDA improvement of 134 basis points from FY17 to FY19
- ~70% of total cost is variable based on agile operating model (as of FY20 Q3)
- Returned over \$731 million to our shareholders since going public in December 2000

# Financial Highlights – Results of Operations

RGPTM

(\$000s)	F2017	F2018	F2019	YTD 9-month period	
				Q3 F2019	Q3 F2020
Revenue	583,411	654,129	728,999	546,855	524,784
Gross Margin	37.9%	37.6%	38.7%	38.3%	38.7%
Growth Rate		12.1%	11.4%		-4.0%
SG&A Percentage <sup>(1)</sup>	30.4%	31.0%	29.9%	29.6%	30.9%
Adjusted EBITDA <sup>(2)</sup>	43,922	43,046	64,617	47,532	41,334
Adjusted EBITDA Margin	7.5%	6.6%	8.9%	8.7%	7.9%

(1) Excludes stock-based compensation and contingent consideration

(2) Adjusted EBITDA is earnings before interest, taxes, depreciation, amortization, contingent consideration adjustments and stock-based compensation

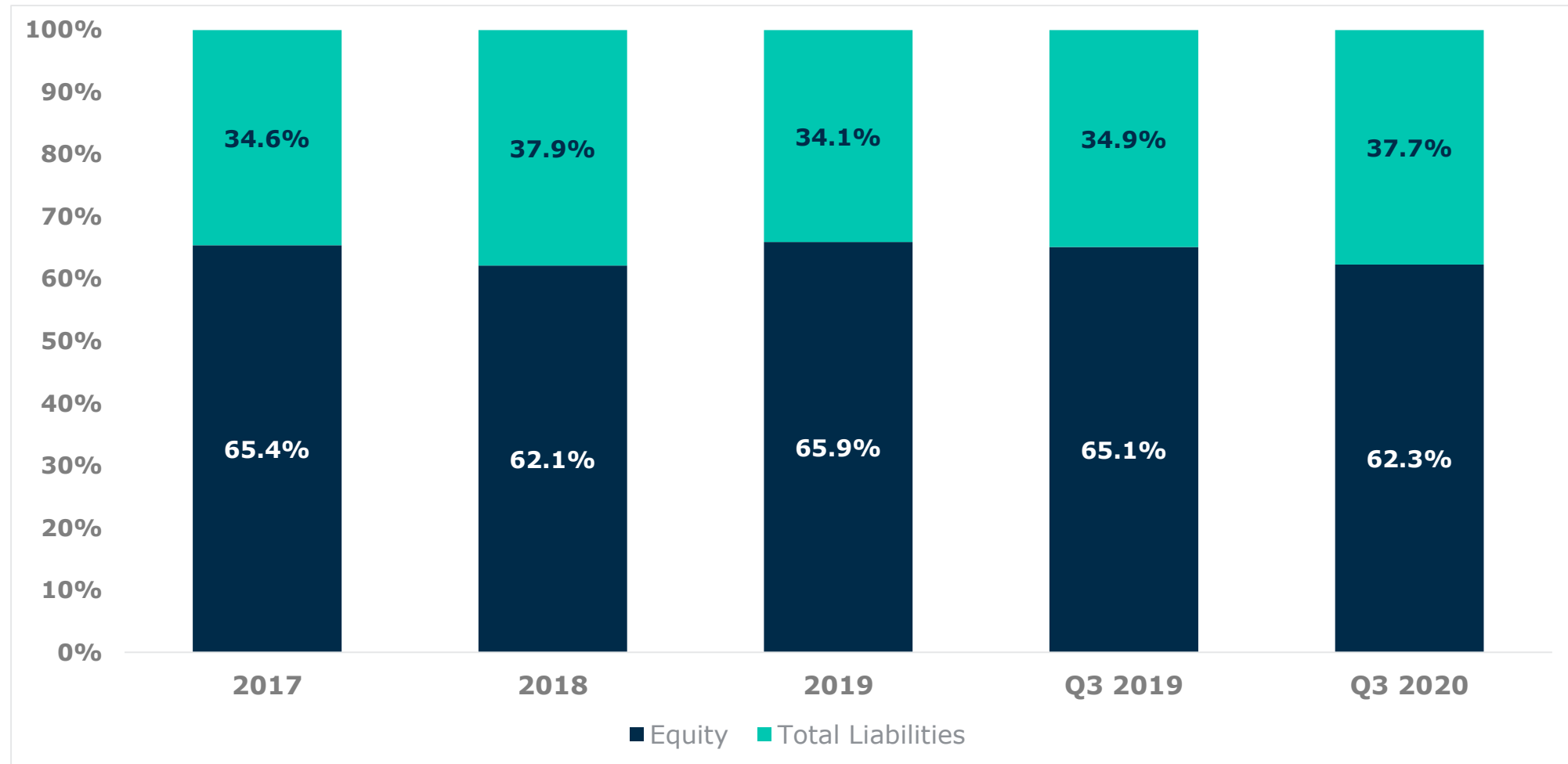
# Financial Highlights – Balance Sheet

(\$000s)	F2017	F2018	F2019	Q3 F2019	Q3 F2020
Cash	62,329	56,470	49,026	47,967	35,944
Current Assets	166,845	194,881	191,657	198,033	181,989
Total Assets	364,128	432,674	428,369	435,131	485,974
Current Liabilities	71,771	94,524	91,417	81,324	90,766
LTD	48,000	63,000	43,000	58,000	49,000
Total Liabilities	125,986	163,849	145,974	151,832	183,173
Equity	238,142	268,825	282,395	283,300	302,802
Working Capital	95,074	100,357	100,240	116,709	91,223
Net Debt (1)	(14,329)	6,530	(6,026)	10,033	13,056

(1) Net Debt defined as Total Debt minus Cash

# Financial Highlights – Balance Sheet

## Capital Structure by Fiscal Year





# Financial Highlights – Return to Shareholders

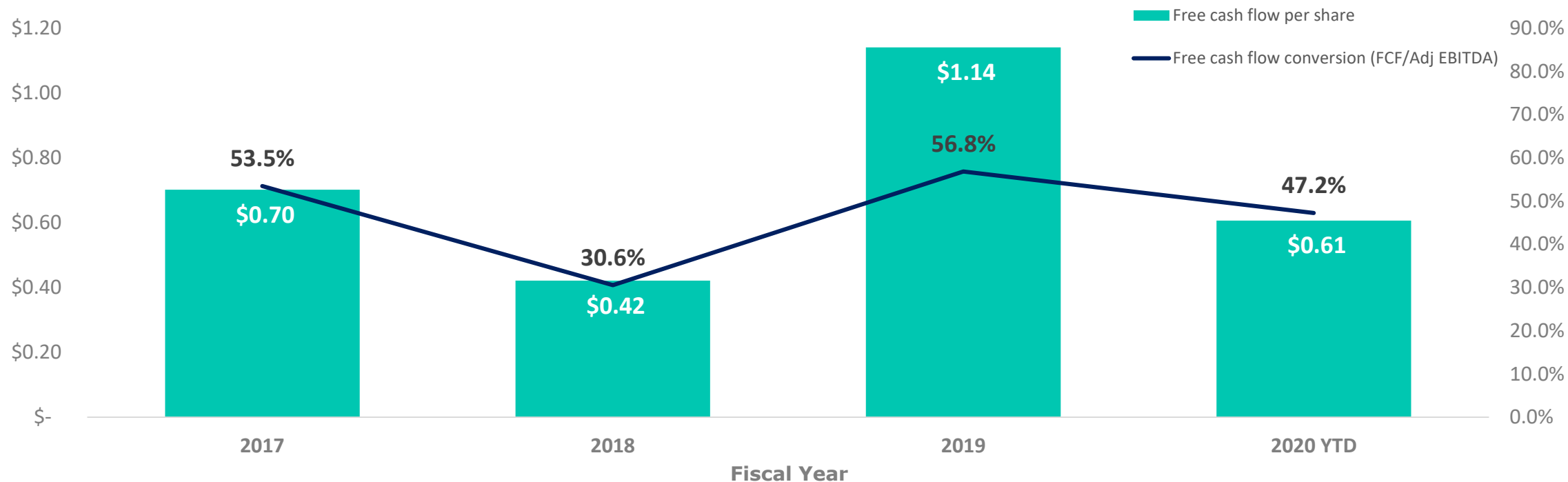


	2017F	2018F	2019F	YTD Q3 F2020
Shares Purchased	7,358	321	1,849	318
Average Price/Share	\$16.16	\$15.95	\$16.17	\$15.70
Share Repurchase	\$118,886	\$5,116	\$29,891	\$5,000
Dividends Paid	\$14,157	\$14,269	\$16,158	\$13,080
Dividends Declared/Share	\$0.44	\$0.48	\$0.52	\$0.42
<b>Total Capital Returned to Shareholders(1)</b>	<b>\$113,043</b>	<b>\$19,385</b>	<b>\$46,049</b>	<b>\$18,080</b>

Amounts in thousands except average price and dividends declared

(1) In its 19+ years as a public company, RGP has returned over \$731 million to its shareholders

# Strong Cash Flow Generation



[In Millions]	F2017	F2018	F2019	F2020 YTD
Cash from operating activities	\$28.3	\$15.4	\$43.6	\$21.6
Less: capital expenditures	(4.8)	(2.2)	(6.9)	(2.0)
Free cash flow	\$23.5	\$13.2	\$36.7	\$19.5

## Our Approach to Capital Allocation

### Investment in Growth

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

### Debt Repayment

Strong free cash flows support borrowing capacity and expedite deleveraging.

### Return to Shareholders

Provide return to our shareholders through dividends and share repurchases.

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

# Driving Value Through Latest Acquisition: Veracity Consulting Group

## Company Overview

<b>Founded</b>	<b>2016</b>
<b>Headquarters</b>	<b>Richmond, Virginia</b>
<b>Employees</b>	<b>90+</b>
<b>2018A Revenue</b>	<b>\$20M+</b>
<b>2018A Adj EBITDA</b>	<b>\$5M+</b>
<b>2016A-2018A Rev. CAGR</b>	<b>80%+</b>

Veracity is a fast-growing, full-service digital transformation firm that delivers end-to-end solutions to Fortune 500 and leading healthcare clients with highly-skilled technology experts to serve clients through four core capabilities:

- Strategy & Roadmap
- Brand & Experience
- Workforce Experience
- Customer Experience

Veracity strives to drive revenue model optimization, cost reduction and organizational efficiency, swinging the pendulum from status quo to transformation innovation.

## Strategic Rationale



Attractive and complementary digital ecosystems to pair with RGP.



Success in healthcare sector adds depth to RGP's healthcare vertical.

## Strategic Partners



# 5-Year Growth Plan to \$1B



## Organic Growth

- Accelerate Strategic Client Program, Key Account Program and other core client accounts
- Expand Healthcare and Private Equity programs
- Focus investment in high-growth core markets
- Launch HUGO, a digital engagement platform



## Acquired Revenue

- Add scale and capability through disciplined M&A:
  - Digital Capabilities
  - IT Consulting
  - Financial Advisory
- Target up to \$150M in acquired revenue through 2024

**Thank You,  
Fellow Human!**

**RGP**

To the Power of Human™

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