SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED June 30, 2023

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 1-10427

ROBERT HALF INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-1648752**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2884 Sand Hill Road Suite 200 Menlo Park, California	**94025**
(Address of principal executive offices)	**(zip-code)**

Registrant's telephone number, including area code: (650) 234-6000

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	**RHI**	**New York Stock Exchange**

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 and posted 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 and post such files). Yes ☒ No ☐

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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of July 31, 2023:
107,082,279 shares of $0.001 par value Common Stock

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ROBERT HALF INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
(in thousands, except share amounts)

	June 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	$ 722,763	$ 658,626
Accounts receivable, net	974,008	1,018,287
Employee deferred compensation trust assets	542,238	432,734
Other current assets	139,095	175,465
Total current assets	2,378,104	2,285,112
Property and equipment, net	106,267	109,687
Right-of-use assets	184,484	201,998
Goodwill	238,222	237,810
Noncurrent deferred income taxes	128,245	124,564
Other noncurrent assets	32,319	5,317
Total assets	$ 3,067,641	$ 2,964,488
LIABILITIES		
Accounts payable and accrued expenses	$ 149,417	$ 168,163
Accrued payroll and benefit costs	447,714	472,310
Employee deferred compensation plan obligations	530,529	474,111
Income taxes payable	66,655	15,535
Current operating lease liabilities	82,256	86,083
Total current liabilities	1,276,571	1,216,202
Noncurrent operating lease liabilities	136,012	151,768
Other liabilities	29,787	27,960
Total liabilities	1,442,370	1,395,930
Commitments and Contingencies (Note K)		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.001 par value; authorized 5,000,000 shares; none issued	—	—
Common stock, $0.001 par value; authorized 260,000,000 shares; issued and outstanding 107,132,280 shares and 107,698,498 shares	107	108
Additional paid-in capital	1,324,451	1,293,565
Accumulated other comprehensive income (loss)	(36,589)	(43,623)
Retained earnings	337,302	318,508
Total stockholders' equity	1,625,271	1,568,558
Total liabilities and stockholders' equity	$ 3,067,641	$ 2,964,488

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Service revenues	$ 1,639,478	$ 1,862,827	$ 3,355,813	$ 3,677,661
Costs of services	979,309	1,047,280	2,005,912	2,090,268
Gross margin	660,169	815,547	1,349,901	1,587,393
Selling, general and administrative expenses	541,904	509,394	1,094,133	1,023,588
(Income) loss from investments held in employee deferred compensation trusts	(28,347)	65,622	(55,638)	95,623
Amortization of intangible assets	721	416	1,442	833
Interest income, net	(5,320)	(718)	(10,145)	(884)
Income before income taxes	151,211	240,833	320,109	468,233
Provision for income taxes	44,919	65,012	91,812	124,173
Net income	$ 106,292	$ 175,821	$ 228,297	$ 344,060
Net income per share:				
Basic	$ 1.00	$ 1.62	$ 2.15	$ 3.16
Diluted	$ 1.00	$ 1.60	$ 2.14	$ 3.12
Shares:				
Basic	106,102	108,833	106,260	109,025
Diluted	106,422	109,696	106,775	110,143
Dividends declared per share	$ 0.48	$ 0.43	$ 0.96	$ 0.86

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
COMPREHENSIVE INCOME (LOSS):				
Net income	$ 106,292	$ 175,821	$ 228,297	$ 344,060
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax	2,114	(24,048)	6,966	(25,016)
Foreign defined benefit plan adjustments, net of tax	34	15	68	31
Total other comprehensive income (loss)	2,148	(24,033)	7,034	(24,985)
Total comprehensive income (loss)	$ 108,440	$ 151,788	$ 235,331	$ 319,075

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands, except per share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Par Value				
Balance at December 31, 2022	107,698	$ 108	$ 1,293,565	$ (43,623)	$ 318,508	$ 1,568,558
Net income	—	—	—	—	122,005	122,005
Other comprehensive income (loss)	—	—	—	4,886	—	4,886
Dividends declared ($0.48 per share)	—	—	—	—	(52,529)	(52,529)
Net issuances of restricted stock	831	1	(1)	—	—	—
Stock-based compensation	—	—	15,434	—	—	15,434
Repurchases of common stock	(766)	(1)	—	—	(59,872)	(59,873)
Balance at March 31, 2023	107,763	$ 108	$ 1,308,998	$ (38,737)	$ 328,112	$ 1,598,481
Net income	—	—	—	—	106,292	106,292
Other comprehensive income (loss)	—	—	—	2,148	—	2,148
Dividends declared ($0.48 per share)	—	—	—	—	(51,565)	(51,565)
Net issuances of restricted stock	23	—	—	—	—	—
Stock-based compensation	—	—	15,453	—	—	15,453
Repurchases of common stock	(654)	(1)	—	—	(45,537)	(45,538)
Balance at June 30, 2023	107,132	$ 107	$ 1,324,451	$ (36,589)	$ 337,302	$ 1,625,271

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Par Value				
Balance at December 31, 2021	110,686	$ 111	$ 1,235,903	$ (22,622)	$ 167,659	$ 1,381,051
Net income	—	—	—	—	168,239	168,239
Other comprehensive income (loss)	—	—	—	(952)	—	(952)
Dividends declared ($0.43 per share)	—	—	—	—	(48,413)	(48,413)
Net issuances of restricted stock	598	1	(1)	—	—	—
Stock-based compensation	—	—	15,184	—	—	15,184
Repurchases of common stock	(537)	(1)	—	—	(62,340)	(62,341)
Balance at March 31, 2022	110,747	$ 111	$ 1,251,086	$ (23,574)	$ 225,145	$ 1,452,768
Net income	—	—	—	—	175,821	175,821
Other comprehensive income (loss)	—	—	—	(24,033)	—	(24,033)
Dividends declared ($0.43 per share)	—	—	—	—	(47,325)	(47,325)
Net issuances of restricted stock	4	—	—	—	—	—
Stock-based compensation	—	—	14,409	—	—	14,409
Repurchases of common stock	(1,144)	(1)	—	—	(103,971)	(103,972)
Balance at June 30, 2022	109,607	$ 110	$ 1,265,495	$ (47,607)	$ 249,670	$ 1,467,668

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six Months Ended June 30,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 228,297	$ 344,060
Adjustments to reconcile net income to net cash provided by operating activities:		
Allowance for credit losses	3,529	4,316
Depreciation	25,229	22,907
Amortization of cloud computing implementation costs	16,351	13,804
Amortization of intangible assets	1,442	833
Realized and unrealized (gains) losses from investments held in employee deferred compensation trusts	(51,843)	98,233
Stock-based compensation	30,887	29,593
Deferred income taxes	(3,583)	6,421
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	45,943	(129,983)
Capitalized cloud computing implementation costs	(20,184)	(19,540)
Accounts payable and accrued expenses	(21,882)	(8,374)
Accrued payroll and benefit costs	(26,539)	15,848
Employee deferred compensation plan obligations	56,418	(94,957)
Income taxes payable	67,672	21,516
Other assets and liabilities, net	(5,134)	(2,599)
Net cash flows provided by operating activities	346,603	302,078
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(19,093)	(35,275)
Investments in employee deferred compensation trusts	(81,714)	(45,061)
Proceeds from employee deferred compensation trust redemptions	24,053	25,140
Payments for acquisition	(1,035)	—
Net cash flows used in investing activities	(77,789)	(55,196)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchases of common stock	(104,664)	(160,610)
Dividends paid	(104,680)	(96,229)
Net cash flows used in financing activities	(209,344)	(256,839)
Effect of exchange rate fluctuations	4,667	(18,135)
Change in cash and cash equivalents	64,137	(28,092)
Cash and cash equivalents at beginning of period	658,626	619,001
Cash and cash equivalents at end of period	$ 722,763	$ 590,909
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Non-cash items:		
Repurchases of common stock awaiting settlement	$ 3,684	$ 11,296
Fund exchanges within employee deferred compensation trusts	$ 70,608	$ 66,645
Contingent consideration related to acquisition	$ 350	$ —

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

Note A—Summary of Significant Accounting Policies

Nature of Operations. Robert Half Inc. (the "Company") is a specialized talent solutions and business consulting firm that connects opportunities at great companies with highly skilled job seekers. *Robert Half*® offers contract talent solutions and permanent placement talent solutions for finance and accounting, technology, marketing and creative, legal, administrative, and customer support roles. Robert Half is also the parent company of *Protiviti*®, a global consulting firm that provides internal audit, risk, business, and technology consulting solutions. The Company operates in North America, South America, Europe, Asia and Australia. The Company is a Delaware corporation.

Basis of Presentation. The unaudited Condensed Consolidated Financial Statements ("Financial Statements") of the Company are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission ("SEC"). The comparative year-end Condensed Consolidated Statement of Financial Position data presented was derived from audited financial statements. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) necessary for a fair statement of the financial position and results of operations for the periods presented have been included. These Financial Statements should be read in conjunction with the audited Consolidated Financial Statements of the Company for the year ended December 31, 2022, included in its Annual Report on Form 10-K. The results of operations for any interim period are not necessarily indicative of, nor comparable to, the results of operations for a full year. Certain reclassifications have been made to prior year's Financial Statements to conform to the 2023 presentation.

Principles of Consolidation. The Financial Statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. All intercompany balances and transactions have been eliminated in consolidation.

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. As of June 30, 2023, such estimates include allowances for credit losses, variable consideration, workers' compensation losses, accrued medical expenses, income and other taxes, and assumptions used in the Company's goodwill impairment assessment and in the valuation of stock grants subject to market conditions. Actual results and outcomes may differ from management's estimates and assumptions.

Service Revenues. The Company derives its revenues from three segments: contract talent solutions, permanent placement talent solutions, and Protiviti. Revenues are recognized when promised goods or services are delivered to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. See Note C for further discussion of the revenue recognition accounting policy.

Costs of Services. Direct costs of contract talent solutions consist of payroll, payroll taxes, and benefit costs for the Company's engagement professionals, as well as reimbursable expenses. Direct costs of permanent placement talent solutions consist of reimbursable expenses. Protiviti direct costs of services include professional staff payroll, payroll taxes and benefit costs, as well as reimbursable expenses.

Advertising Costs. The Company expenses all advertising costs as incurred. Advertising costs were $14.6 million and $27.9 million for the three and six months ended June 30, 2023, respectively, and $14.5 million and $28.7 million for the three and six months ended June 30, 2022, respectively.

(Income) Loss from Investments Held in Employee Deferred Compensation Trusts. Under the Company's employee deferred compensation plans, employees direct the investment of their account balances, and the Company invests amounts held in the associated investment trusts consistent with these directions. As realized and unrealized investment gains and losses occur, the Company's employee deferred compensation plan obligations change and adjustments are recorded in selling, general and administrative expenses or, in the case of Protiviti, costs of services. The value of the related investment trust assets also changes by an equal and offsetting amount, leaving no net cost to the Company. The Company's (income) loss from investments held in employee deferred compensation trusts consists primarily of unrealized and realized gains and losses and dividend income from trust investments and is presented separately on the unaudited Condensed Consolidated Statements of Operations.

The following table presents the Company's (income) loss from investments held in employee deferred compensation trusts (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Dividend income	$ (2,232)	$ (2,315)	$ (3,795)	$ (2,610)
Realized and unrealized (gains) losses	(26,115)	67,937	(51,843)	98,233
(Income) loss from investments held in employee deferred compensation trusts	$ (28,347)	$ 65,622	$ (55,638)	$ 95,623

Comprehensive Income (Loss). Comprehensive income (loss) includes net income and certain other items that are recorded directly to stockholders' equity. The Company's only sources of other comprehensive income (loss) are foreign currency translation and foreign defined benefit plan adjustments.

Fair Value of Financial Instruments. Assets and liabilities recorded at fair value are measured and classified in accordance with a three-tier fair value hierarchy based on the observability of the inputs available in the market to measure fair value, summarized as follows:

Level 1: observable inputs for identical assets or liabilities, such as quoted prices in active markets

Level 2: inputs other than the quoted prices in active markets that are observable either directly or indirectly

Level 3: unobservable inputs in which there is little or no market data, which requires management's best estimates and assumptions that market participants would use in pricing the asset or liability

The carrying value of cash and cash equivalents, net accounts receivable, and accounts payable and accrued expenses approximates fair value because of their short-term nature. The Company holds mutual funds and money market funds to satisfy its obligations under its employee deferred compensation plans which are carried at fair value based on quoted market prices in active markets for identical assets (level 1).

The following tables set forth the composition of the underlying assets which comprise the Company's deferred compensation trust assets (in thousands):

		Fair Value Measurements Using		
	Balance at June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 122,291	$ 122,291	—	—
Mutual funds - bond	33,790	33,790	—	—
Mutual funds - stock	297,569	297,569	—	—
Mutual funds - blend	88,588	88,588	—	—
	$ 542,238	$ 542,238	—	—

		Fair Value Measurements Using		
	Balance at December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 77,730	$ 77,730	—	—
Mutual funds - bond	31,096	31,096	—	—
Mutual funds - stock	245,908	245,908	—	—
Mutual funds - blend	78,000	78,000	—	—
	$ 432,734	$ 432,734	—	—

Certain items, such as goodwill and other intangible assets, are recognized or disclosed at fair value on a non-recurring basis. The Company determines the fair value of these items using level 3 inputs. There are inherent limitations when estimating the fair value of financial instruments, and the fair values reported are not necessarily indicative of the amounts that would be realized in current market transactions.

Allowance for Credit Losses. The Company is exposed to credit losses resulting from the inability of its customers to make required payments. The Company establishes an allowance for these potential credit losses based on its review of customers' credit profiles, historical loss statistics, prepayments, recoveries, age of customer receivable balances, current business conditions and macroeconomic trends. The Company considers risk characteristics of trade receivables based on asset type and geographical locations to evaluate trade receivables on a collective basis. The Company applies credit loss estimates to these pooled receivables to determine expected credit losses.

The following table sets forth the activity in the allowance for credit losses from December 31, 2022 through June 30, 2023 (in thousands):

	Allowance for Credit Losses
Balance as of December 31, 2022	$ 22,561
Charges to expense	3,529
Deductions	(3,014)
Other, including foreign currency translation adjustments	164
Balance as of June 30, 2023	$ 23,240

Internal-use Software. The Company develops and implements software for internal use to enhance the performance and capabilities of the operating technology infrastructure. Direct costs incurred for the development of internal-use software are capitalized from the time when the completion of the internal-use software is considered probable until the software is ready for use. All other preliminary and planning stage costs are expensed as incurred. Cloud computing implementation costs incurred in hosting arrangements are capitalized and reported as a component of other current assets and other noncurrent assets, while all other capitalized internal-use software development costs are reported as a component of computer software within property and equipment on the unaudited Condensed Consolidated Statements of Financial Position. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the software, ranging from two to five years.

Note B—New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

None.

Recently Issued Accounting Pronouncements Not Yet Adopted

None.

Note C—Revenue Recognition

The Company derives its revenues from three segments: contract talent solutions, permanent placement talent solutions, and Protiviti. Revenues are recognized when promised goods or services are delivered to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Service revenues, as presented on the unaudited Condensed Consolidated Statements of Operations, represent services rendered to customers less variable consideration, such as sales adjustments and allowances. Reimbursements, including those related to travel and out-of-pocket expenses, are also included in service revenues, and equivalent amounts of reimbursable expenses are included in costs of services.

Contract talent solutions revenues. Contract talent solutions revenues from contracts with customers are recognized in the amount to which the Company has a right to invoice when the services are rendered by the Company’s engagement professionals. The substantial majority of engagement professionals placed on assignment by the Company are the Company’s legal employees while they are working on assignments. The Company pays all related costs of employment, including workers’ compensation insurance, state and federal unemployment taxes, social security, and certain fringe benefits. The Company assumes the risk of acceptability of its employees to its customers.

The Company records contract talent solutions revenue on a gross basis as a principal versus on a net basis as an agent in the presentation of revenues and expenses. The Company has concluded that gross reporting is appropriate because the Company (i) has the risk of identifying and hiring qualified employees, (ii) has the discretion to select the employees and establish their price and duties, and (iii) bears the risk for services that are not fully paid for by customers. Fees paid to time management or vendor management service providers selected by clients are recorded as a reduction of revenues, as the Company is not the primary obligor with respect to those services.

Permanent placement talent solutions revenues. Permanent placement talent solutions revenues from contracts with customers are primarily recognized when employment candidates accept offers of permanent employment. The Company has a substantial history of estimating the financial impact of permanent placement candidates who do not remain with its clients through the 90-day guarantee period. These amounts are established based primarily on historical data and are recorded as liabilities. Fees to clients are generally calculated as a percentage of the new employee’s annual compensation. No fees for permanent placement talent solutions services are charged to employment candidates.

Protiviti revenues. Protiviti's consulting services are generally provided on a time-and-material basis or fixed-fee basis. Revenues earned under time-and-material arrangements and fixed-fee arrangements are recognized using a proportional performance method. Revenue is measured using cost incurred relative to total estimated cost for the engagement to measure progress towards satisfying the Company’s performance obligations. Cost incurred represents work performed and thereby best depicts the transfer of control to the customer. Protiviti’s consulting services generally contain one or more performance obligation(s) which are satisfied over a period of time. Revenues are recognized over time as the performance obligations are satisfied, because the services provided do not have any alternative use to the Company, and contracts generally include language giving the Company an enforceable right to payment for services provided to date.

The Company periodically evaluates the need to provide for any losses on these projects, and losses are recognized when it is probable that a loss will be incurred.

The following table presents the Company’s revenues disaggregated by functional specialization and segment (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Contract talent solutions				
Finance and accounting	$ 721,391	$ 810,910	$ 1,499,224	$ 1,612,600
Administrative and customer support	211,023	274,141	430,373	559,047
Technology	181,776	218,190	375,858	431,517
Elimination of intersegment revenues (a)	(114,807)	(137,548)	(240,598)	(281,748)
Total contract talent solutions	999,383	1,165,693	2,064,857	2,321,416
Permanent placement talent solutions	149,254	200,096	305,991	386,878
Protiviti	490,841	497,038	984,965	969,367
Total service revenues	$ 1,639,478	$ 1,862,827	$ 3,355,813	$ 3,677,661

(a) Service revenues for finance and accounting, administrative and customer support, and technology include intersegment revenues, which represent revenues from services provided to the Company’s Protiviti segment in connection with the Company’s blended business solutions. Intersegment revenues for each functional specialization are aggregated and then eliminated as a single line.

Payment terms in the Company's contracts vary by the type and location of the Company’s customer and the services offered. The term between invoicing and when payment is due is not significant.

Contracts with multiple performance obligations are recognized as performance obligations are delivered, and contract value is allocated based on relative stand-alone selling values of the services and products in the arrangement. As of June 30, 2023, aggregate transaction price allocated to the performance obligations that were unsatisfied for contracts with an expected duration of greater than one year was $160.3 million. Of this amount, $144.1 million is expected to be recognized within the next twelve months. As of June 30, 2022, aggregate transaction price allocated to the performance obligations that were unsatisfied for contracts with an expected duration of greater than one year was $202.4 million.

Contract liabilities are recorded when cash payments are received or due in advance of performance and are reflected in accounts payable and accrued expenses on the unaudited Condensed Consolidated Statements of Financial Position. The following table sets forth the activity in contract liabilities from December 31, 2022 through June 30, 2023 (in thousands):

	Contract Liabilities
Balance as of December 31, 2022	$ 21,983
Payments in advance of satisfaction of performance obligations	21,751
Revenue recognized	(24,446)
Other, including translation adjustments	(408)
Balance as of June 30, 2023	$ 18,880

Note D—Other Current Assets

Other current assets consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Prepaid expenses	$ 74,719	$ 69,394
Unamortized cloud computing implementation costs	31,485	56,108
Other	32,891	49,963
Other current assets	$ 139,095	$ 175,465

Note E—Property and Equipment, Net

Property and equipment consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Computer hardware	$ 162,310	$ 160,028
Computer software	224,352	219,863
Furniture and equipment	98,228	96,601
Leasehold improvements	178,228	171,893
Property and equipment, cost	663,118	648,385
Accumulated depreciation	(556,851)	(538,698)
Property and equipment, net	$ 106,267	$ 109,687

Note F—Other Noncurrent Assets

Other noncurrent assets consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Unamortized cloud computing implementation costs	$ 28,444	$ —
Other intangible assets, net	3,875	5,317
Other noncurrent assets	$ 32,319	$ 5,317

Note G—Leases

The Company has operating leases for corporate and field offices, and certain equipment. The Company's leases have remaining lease terms of less than 1 year to 9 years, some of which include options to extend the leases for up to 7 years, and some of which include options to terminate the leases within 1 year. Operating lease expense was $22.5 million and $44.9 million for the three and six months ended June 30, 2023, respectively, and $22.5 million and $45.1 million for the three and six months ended June 30, 2022, respectively.

Supplemental cash flow information related to leases consisted of the following (in thousands):

	Six Months Ended June 30,	
	2023	2022
Cash paid for operating lease liabilities	$ 48,145	$ 46,743
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 25,914	$ 35,128

Supplemental balance sheet information related to leases consisted of the following:

	June 30, 2023	December 31, 2022
Weighted average remaining lease term for operating leases	3.4 years	3.5 years
Weighted average discount rate for operating leases	2.6%	2.2%

Future minimum lease payments under non-cancellable leases as of June 30, 2023, were as follows (in thousands):

2023 (excluding the six months ended June 30, 2023)	$ 45,880
2024	74,316
2025	48,238
2026	32,279
2027	17,594
Thereafter	10,036
Less: Imputed interest	(10,075)
Present value of operating lease liabilities (a)	$ 218,268

(a) Includes the current portion of $82.3 million for operating leases.

As of June 30, 2023, the Company had additional future minimum lease obligations totaling $2.3 million under executed operating lease contracts that had not yet commenced. These operating leases include agreements for corporate and field office facilities with lease terms of 1 to 6 years.

Note H—Goodwill

The following table sets forth the activity in goodwill from December 31, 2022 through June 30, 2023 (in thousands):

	Goodwill			
	Contract talent solutions	Permanent placement talent solutions	Protiviti	Total
Balance as of December 31, 2022	$ 134,118	$ 26,098	$ 77,594	$ 237,810
Foreign currency translation and other adjustments	132	26	254	412
Balance as of June 30, 2023	$ 134,250	$ 26,124	$ 77,848	$ 238,222

The Company completed its annual assessment of the recoverability of goodwill during the three months ended June 30, 2023, and determined there were no events or circumstances that would more likely than not reduce the fair value of the Company's reporting units below their carrying value.

Note I—Accrued Payroll and Benefit Costs

Accrued payroll and benefit costs consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Payroll and benefits	$ 429,619	$ 423,439
Payroll taxes	2,442	33,559
Workers' compensation	15,653	15,312
Accrued payroll and benefit costs	$ 447,714	$ 472,310

Note J—Employee Deferred Compensation Plan Obligations

The Company provides various qualified defined contribution 401(k) plans covering eligible employees. The plans offer a savings feature with the Company matching employee contributions. Assets of this plan are held by an independent trustee for the sole benefit of participating employees. Nonqualified plans are provided for employees on a discretionary basis, including those not eligible for the qualified plans. These plans include provisions for salary deferrals and discretionary contributions. The asset value of the nonqualified plans was $542.2 million and $432.7 million as of June 30, 2023 and December 31, 2022, respectively. The Company holds these assets to satisfy the Company's liabilities under its deferred compensation plans.

The liability value for the nonqualified plans was $530.5 million and $474.1 million as of June 30, 2023 and December 31, 2022, respectively.

The following table presents the Company's compensation expense related to its qualified defined contribution plans and nonqualified plans (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Contribution expense	$ 11,498	$ 12,794	$ 22,778	$ 24,996
Increase (decrease) in employee deferred compensation expense related to changes in the fair value of trust assets	28,347	(65,622)	55,638	(95,623)
	$ 39,845	$ (52,828)	$ 78,416	$ (70,627)

The Company has statutory defined contribution plans and defined benefit plans outside the United States of America, which are not material.

Note K—Commitments and Contingencies

On March 23, 2015, Plaintiff Jessica Gentry, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, San Francisco County, which was subsequently amended on October 23, 2015. The complaint alleges that a putative class of current and former employees of the Company working in California since March 13, 2010, were denied compensation for the time they spent interviewing "for temporary and permanent employment opportunities" as well as performing activities related to the interview process. Gentry seeks recovery on her own behalf and on behalf of the putative class in an unspecified amount for this allegedly unpaid compensation. Gentry also seeks recovery of an unspecified amount for the alleged failure of the Company to provide her and the putative class with accurate wage statements. Gentry also seeks an unspecified amount of other damages, attorneys' fees, and statutory penalties, including penalties for allegedly not paying all wages due upon separation to former employees and statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by California's Labor Code Private Attorneys General Act ("PAGA"). At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

On April 6, 2018, Plaintiff Shari Dorff, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, County of Los Angeles. In addition to certain claims individual to Plaintiff Dorff, the complaint alleges that salaried recruiters based in California have been misclassified as exempt employees and seeks an unspecified amount for: unpaid wages resulting from such alleged misclassification; alleged failure to provide a reasonable opportunity to take meal periods and rest breaks; alleged failure to pay wages on a timely basis both during employment and upon separation; alleged failure to comply with California requirements regarding wage statements and record-keeping; and alleged improper denial of expense reimbursement. Plaintiff Dorff also seeks an unspecified amount of other damages, attorneys' fees, and penalties, including but not limited to statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by PAGA. At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

The Company is involved in a number of other lawsuits arising in the ordinary course of business. While management does not expect any of these other matters to have a material adverse effect on the Company's results of operations, financial position or cash flows, litigation is subject to certain inherent uncertainties.

Legal costs associated with the resolution of claims, lawsuits and other contingencies are expensed as incurred.

In May 2023, the Company entered into an amendment to extend the maturity of its $100.0 million unsecured revolving credit facility (the "Credit Agreement") to May 2026. Borrowings under the Credit Agreement will bear interest in accordance with the terms of the borrowing which, effective May 2023, will be calculated according to the Adjusted Term Secured Overnight Financing Rate ("SOFR"), or an alternative base rate, plus an applicable margin. The Credit Agreement is subject to certain financial covenants and the Company was in compliance with these covenants as of June 30, 2023. There were no borrowings under the Credit Agreement as of June 30, 2023, or December 31, 2022.

Note L—Stockholders' Equity

Stock Repurchase Program. As of June 30, 2023, the Company is authorized to repurchase, from time to time, up to 12.7 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. The number and the cost of common stock shares repurchased during the six months ended June 30, 2023 and 2022, are reflected in the following table (in thousands):

	Six Months Ended June 30,	
	2023	2022
Common stock repurchased (in shares)	1,137	1,386
Common stock repurchased	$ 83,678	$ 133,527

Additional stock repurchases were made in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable statutory withholding taxes. The number and the cost of employee stock plan repurchases made during the six months ended June 30, 2023 and 2022, are reflected in the following table (in thousands):

	Six Months Ended June 30,	
	2023	2022
Repurchases related to employee stock plans (in shares)	283	295
Repurchases related to employee stock plans	$ 21,733	$ 32,786

The repurchased shares are held in treasury and are presented as if constructively retired. Treasury stock is accounted for using the cost method. Treasury stock activity for the six months ended June 30, 2023 and 2022, (consisting of purchases of shares for the treasury) is presented in the unaudited Condensed Consolidated Statements of Stockholders' Equity.

Repurchases of shares and issuances of dividends are applied first to the extent of retained earnings and any remaining amounts are applied to additional paid-in capital.

Note M—Net Income Per Share

The calculation of net income per share for the three and six months ended June 30, 2023 and 2022, is reflected in the following table (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	$ 106,292	$ 175,821	$ 228,297	$ 344,060
Basic:				
Weighted average shares	106,102	108,833	106,260	109,025
Diluted:				
Weighted average shares	106,102	108,833	106,260	109,025
Dilutive effect of potential common shares	320	863	515	1,118
Diluted weighted average shares	106,422	109,696	106,775	110,143
Net income per share:				
Basic	$ 1.00	$ 1.62	$ 2.15	$ 3.16
Diluted	$ 1.00	$ 1.60	$ 2.14	$ 3.12

Note N—Business Segments

The Company has three reportable segments: contract talent solutions, permanent placement talent solutions, and Protiviti. Operating segments are defined as components of the Company for which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance. The contract talent solutions and permanent placement talent solutions segments provide specialized engagement professionals and full-time personnel, respectively, for finance and accounting, technology, marketing and creative, legal, administrative, and customer support roles. The Protiviti segment provides business and technology risk consulting and internal audit services.

The accounting policies of the segments are set forth in Note A—"Summary of Significant Accounting Policies" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. The Company evaluates performance based on income before intangible assets amortization expense, net interest income, and income taxes.

The following table provides a reconciliation of service revenues and segment income by reportable segment to consolidated results for the three and six months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Service revenues				
Contract talent solutions	$ 999,383	$ 1,165,693	$ 2,064,857	$ 2,321,416
Permanent placement talent solutions	149,254	200,096	305,991	386,878
Protiviti	490,841	497,038	984,965	969,367
	$ 1,639,478	$ 1,862,827	$ 3,355,813	$ 3,677,661
Segment income				
Contract talent solutions	$ 81,316	$ 133,567	$ 183,462	$ 266,813
Permanent placement talent solutions	21,730	36,751	45,557	74,079
Protiviti	43,566	70,213	82,387	127,290
Combined segment income	146,612	240,531	311,406	468,182
Amortization of intangible assets	721	416	1,442	833
Interest income, net	(5,320)	(718)	(10,145)	(884)
Income before income taxes	$ 151,211	$ 240,833	$ 320,109	$ 468,233

Service revenues presented above are shown net of eliminations of intersegment revenues. Intersegment revenues between contract talent solutions segment and Protiviti segment were $114.8 million and $240.6 million for the three and six months ended June 30, 2023, respectively, and $137.5 million and $281.7 million for the three and six months ended June 30, 2022, respectively.

Revenue and direct costs related to the intersegment activity are reflected in the Protiviti segment, including the costs of candidate payroll, fringe benefits and incremental recruiter compensation.

Note O—Subsequent Events

On July 31, 2023, the Company announced the following:

Quarterly dividend per share	$0.48
Declaration date	July 31, 2023
Record date	August 25, 2023
Payment date	September 15, 2023

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain information contained in Management's Discussion and Analysis and in other parts of this report may be deemed forward-looking statements regarding events and financial trends that may affect the future operating results or financial positions of Robert Half Inc. (the "Company"). Forward-looking statements are not guarantees or promises that goals or targets will be met. These statements may be identified by words such as "estimate," "forecast," "target," "project," "plan," "intend," "believe," "expect," "anticipate," or variations or negatives thereof or by similar or comparable words or phrases. In addition, historical, current, and forward-looking information about the Company's ESG and compliance programs, including targets or goals, may not be considered material for the Securities and Exchange Commission ("SEC") reporting purposes and may be based on standards for measuring progress that are still developing, on internal controls, diligence, or processes that are evolving, and on assumptions that are subject to change in the future. Forward-looking statements are estimates only, based on management's current expectations, currently available information and current strategy, plans, or forecasts, and involve certain known and unknown risks and, uncertainties, and assumptions that are difficult to predict and often beyond our control and are inherently uncertain. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the statements. These risks and uncertainties include, but are not limited to, the following: changes to or new interpretations of United States of America ("U.S.") or international tax regulations; the global financial and economic situation; the duration and impact of the COVID-19 pandemic and efforts to mitigate its spread; changes in levels of unemployment and other economic conditions in the U.S. or foreign countries where the Company does business, or in particular regions or industries; reduction in the supply of candidates for contract employment or the Company's ability to attract candidates; the entry of new competitors into the marketplace or expansion by existing competitors; the ability of the Company to maintain existing client relationships and attract new clients in the context of changing economic or competitive conditions; the impact of competitive pressures, including any change in the demand for the Company's services, on the Company's ability to maintain its margins; the possibility of the Company incurring liability for its activities, including the activities of its engagement professionals, or for events impacting its engagement professionals on clients' premises; the possibility that adverse publicity could impact the Company's ability to attract and retain clients and candidates; the success of the Company in attracting, training, and retaining qualified management personnel and other staff employees; the Company's ability to comply with governmental regulations affecting personnel services businesses in particular or employer/employee relationships in general; whether there will be ongoing demand for Sarbanes-Oxley or other regulatory compliance services; the Company's reliance on short-term contracts for a significant percentage of its business; litigation relating to prior or current transactions or activities, including litigation that may be disclosed from time to time in the Company's SEC filings; the ability of the Company to manage its international operations and comply with foreign laws and regulations; the impact of fluctuations in foreign currency exchange rates; the possibility that the additional costs the Company will incur as a result of health care or other reform legislation may adversely affect the Company's profit margins or the demand for the Company's services; the possibility that the Company's computer and communications hardware and software systems could be damaged or their service interrupted or the Company could experience a cybersecurity breach; and the possibility that the Company may fail to maintain adequate financial and management controls and as a result suffer errors in its financial reporting. Additionally, with respect to Protiviti, other risks and uncertainties include the fact that future success will depend on its ability to retain employees and attract clients; there can be no assurance that there will be ongoing demand for broad based consulting, regulatory compliance, technology services, public sector or other high demand advisory services; failure to produce projected revenues could adversely affect financial results; and there is the possibility of involvement in litigation relating to prior or current transactions or activities. Because long-term contracts are not a significant part of the Company's business, future results cannot be reliably predicted by considering past trends or extrapolating past results.

Executive Overview

The Company's second-quarter results for talent solutions were impacted by elongated client hiring cycles resulting from ongoing global macro uncertainty. Protiviti was much less impacted with its diversified suite of solutions offerings. During the first half of 2023, service revenues were $3.36 billion, a decrease of 8.8% from the prior year. Net income was $228 million and diluted net income per share was $2.14. Global labor markets remain tight and the scarcity of talent persists. Client hiring and project needs continue to be significant. However, the urgency or velocity of that demand is impacted by the prolonged period of macroeconomic uncertainty, which continued in the second-quarter. As clients become more cost-focused, hiring timeframes extend, projects are delayed and contractor workloads are shifted to internal staff.

On a segment basis, year-to-date revenues for contract talent solutions and permanent placement talent solutions were down 11.1% and 20.9% year-over-year, respectively, and Protiviti year-to-date revenues grew by 1.6% year-over-year.

Demand for the Company's contract talent solutions, permanent placement talent solutions, and Protiviti is largely dependent upon general economic and labor trends both domestically and abroad. The U.S. economic backdrop and labor trends for the first half of 2023 remained steady for the Company as the unemployment rate increased slightly from 3.5% for December 2022 to 3.6% at the end of the second quarter of 2023. Although recent metrics are modestly off their peaks, talent shortages persist. In the U.S., unemployment stands near a 50-year low and remains even lower for those with a college degree, where the rate is 2.0%. Although labor markets remain strong, ongoing uncertainty related to inflation and interest rates cause clients to be more cautious, resulting in elongated hiring cycles and has a negative impact on short-term results.

The Company is confident about its ability to navigate the uncertain global macroeconomic environment and is well positioned to benefit as the macro landscape improves. Clients continue to hire, but are being more selective and have added steps to their hiring process which impacts decision time frames and lengthens the sales cycle. Longer term, the growth and margin prospects from an ongoing focus on services related to talent with higher level skills is encouraging. The Company continues to invest in the tools needed to secure top talent for its clients by making enhancements to further improve our already effective, industry-leading artificial intelligence.

Reported results were unfavorably impacted by foreign currency exchange rates as the U.S. dollar strengthened against the Euro, British pound, Australian Dollar, and Canadian Dollar, when compared to the prior year.

The Company monitors various economic indicators and business trends in all of the countries in which it operates to anticipate demand for the Company's services. These trends are evaluated to determine the appropriate level of investment, including personnel, which will best position the Company for success in the current and future global macroeconomic environment. The Company's investments in headcount are typically structured to proactively support and align with expected revenue growth trends and productivity metrics. Visibility into future revenues is limited not only due to the dependence on macroeconomic conditions noted above, but also because of the relatively short duration of the Company's client engagements. Accordingly, the Company's headcount and other investments are typically assessed on at least a quarterly basis. During the first half of 2023, the Company decreased headcount for its contract talent solutions and permanent placement talent solutions segments, while it increased headcount for its Protiviti segment, when compared to prior year-end levels.

Critical Accounting Policies and Estimates

The Company's most critical accounting policies and estimates are those that involve subjective decisions or assessments and are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. There were no material changes to the Company's critical accounting policies or estimates for the six months ended June 30, 2023.

Recent Accounting Pronouncements

See Note B—"New Accounting Pronouncements" to the Company's Condensed Consolidated Financial Statements included under Part I—Item 1 of this report.

Results of Operations

The Company analyzes its operating results for three reportable segments: contract talent solutions, permanent placement talent solutions, and Protiviti. The contract talent solutions and permanent placement talent solutions segments provide engagement professionals and full-time personnel, respectively, for finance and accounting, technology, marketing and creative, legal, and administrative and customer support roles. The Protiviti segment provides business and technology risk consulting and internal audit services.

Demand for the Company's services is largely dependent upon general economic and labor trends both domestically and abroad. Because of the inherent difficulty in predicting economic trends, future demand for the Company's services cannot be forecast with certainty.

The Company's talent solutions business conducts placement activities through 318 offices in 42 states, the District of Columbia and 18 foreign countries, while Protiviti has 65 offices in 23 states and 13 foreign countries.

Non-GAAP Financial Measures

The financial results of the Company are prepared in conformity with accounting principles generally accepted in the U.S. ("GAAP") and the rules of the SEC. To help readers understand the Company's financial performance, the Company supplements its GAAP financial results with the following non-GAAP measures: adjusted gross margin; adjusted selling, general and administrative expense; combined segment income; and as adjusted revenue growth rates.

The following measures: adjusted gross margin and adjusted selling, general and administrative expenses include gains and losses on investments held to fund the Company's obligations under employee deferred compensation plans. The Company provides these measures because they are used by management to review its operational results.

Combined segment income is income before income taxes, adjusted for interest income and amortization of intangible assets. The Company provides combined segment income because it is how management evaluates performance.

As adjusted revenue growth rates represent year-over-year revenue growth rates after removing the impacts on reported revenues from the changes in the number of billing days and foreign currency exchange rates. The Company provides this data because it focuses on the Company's revenue growth rates attributable to operating activities and aids in evaluating revenue trends over time. The impacts from the changes in billing days and foreign currency exchange rates are calculated as follows:

- Billing days impact is calculated by dividing each comparative period's reported revenues by the number of billing days for that period to arrive at a per billing day amount. Same billing day growth rates are then calculated based on the per billing day amounts. Management calculates a global, weighted-average number of billing days for each reporting period based upon inputs from all countries and all functional specializations and segments.

- Foreign currency impact is calculated by retranslating current period international revenues using foreign currency exchange rates from the prior year's comparable period.

The non-GAAP financial measures provided herein may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies may calculate such financial results differently. The Company's non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to amounts presented in accordance with GAAP. The Company does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures is provided on the following pages.

Refer to Item 3. "Quantitative and Qualitative Disclosures About Market Risk" for further discussion of the impact of foreign currency exchange rates on the Company's results of operations and financial condition.

Three Months Ended June 30, 2023 and 2022

Service Revenues. The Company's revenues were $1.64 billion for the three months ended June 30, 2023, a decrease of 12.0% compared to $1.86 billion for the three months ended June 30, 2022. Revenues from U.S. operations decreased 13.3% to $1.27 billion (77.6% of total revenue) for the three months ended June 30, 2023, compared to $1.47 billion (78.8% of total revenue) for the three months ended June 30, 2022. Revenues from international operations decreased 7.0% to $368 million (22.4% of total revenue) for the three months ended June 30, 2023, compared to $396 million (21.2% of total revenue) for the three months ended June 30, 2022. Contributing factors for each reportable segment are discussed below in further detail.

Contract talent solutions revenues were $1.00 billion for the three months ended June 30, 2023, decreasing by 14.3% compared to revenues of $1.16 billion for the three months ended June 30, 2022. Key drivers of contract talent solutions revenues include average hourly bill rates and the number of hours worked by the Company's engagement professionals on client engagements. The decrease in contract talent solutions revenues for the three months ended June 30, 2023, was primarily due to a 21.1% decrease in the number of hours worked by the Company's engagement professionals, partially offset by a 7.7% increase in average bill rates. On an as adjusted basis, contract talent solutions revenues decreased 14.0% for the second quarter of 2023, compared to the second quarter of 2022. In the U.S., revenues in the second quarter of 2023 decreased 16.0% on an as reported basis, and decreased 15.9% on an as adjusted basis, compared to the second quarter of 2022. International revenues for the second quarter of 2023 decreased 7.6% on an as reported basis, and decreased 6.2% on an as adjusted basis compared to the second quarter of 2022.

Permanent placement talent solutions revenues were $149 million for the three months ended June 30, 2023, decreasing by 25.4% compared to revenues of $200 million for the three months ended June 30, 2022. Key drivers of permanent placement talent solutions revenues consist of the number of candidate placements and average fees earned per placement. The decrease in permanent placement talent revenues for the three months ended June 30, 2023, was due to a 25.9% decrease in the number of placements, partially offset by a 0.4% increase in average fees earned per placement. On an as adjusted basis, permanent placement talent solutions revenues decreased 25.0% for the second quarter of 2023, compared to the second quarter of 2022. In the U.S., revenues for the second quarter of 2023 decreased 26.2% on an as reported basis, and decreased 26.1% on an as adjusted basis, compared to the second quarter of 2022. International revenues for the second quarter of 2023 decreased 23.4% on an as reported basis and decreased 21.9% on an as adjusted basis, compared to the second quarter of 2022. Historically, demand for permanent placement talent solutions is even more sensitive to economic and labor market conditions than demand for contract talent solutions and this is expected to continue.

Protiviti revenues were $491 million for the three months ended June 30, 2023, decreasing by 1.2% compared to revenues of $497 million for the three months ended June 30, 2022. Key drivers of Protiviti revenues are the billable hours worked by consultants on client engagements and average hourly bill rates. The decrease in Protiviti revenues for the three months ended June 30, 2023, was due to a 3.4% decrease in billable hours, partially offset by a 2.2% increase in average hourly bill rates. On an as adjusted basis, Protiviti revenues decreased 1.0% for the second quarter of 2023, compared to the second quarter of 2022. In the U.S., revenues in the second quarter of 2023 decreased 2.4% on an as reported basis, and decreased 2.3% on an as adjusted basis, compared to the second quarter of 2022. International revenues for the second quarter of 2023 increased 3.3% on an as reported basis and increased 4.2% on an as adjusted basis, compared to the second quarter of 2022.

A reconciliation of the non-GAAP year-over-year revenue growth rates to the as reported year-over-year revenue growth rates for the three months ended June 30, 2023, is presented in the following table:

	Global	United States	International
Contract talent solutions			
As Reported	-14.3%	-16.0%	-7.6%
Billing Days Impact	0.1%	0.1%	0.6%
Currency Impact	0.2%	—	0.8%
As Adjusted	-14.0%	-15.9%	-6.2%
Permanent placement talent solutions			
As Reported	-25.4%	-26.2%	-23.4%
Billing Days Impact	0.1%	0.1%	0.5%
Currency Impact	0.3%	—	1.0%
As Adjusted	-25.0%	-26.1%	-21.9%
Protiviti			
As Reported	-1.2%	-2.4%	3.3%
Billing Days Impact	0.2%	0.1%	0.7%
Currency Impact	0.0%	—	0.2%
As Adjusted	-1.0%	-2.3%	4.2%

Gross Margin. The Company’s gross margin dollars were $660 million for the three months ended June 30, 2023, down 19.1% from $816 million for the three months ended June 30, 2022. Contributing factors for each reportable segment are discussed below in further detail.

Gross margin dollars for contract talent solutions represent revenues less costs of services, which consist of payroll, payroll taxes and benefit costs for engagement professionals, and reimbursable expenses. The key drivers of gross margin are: i) pay-bill spreads, which represent the differential between wages paid to engagement professionals and amounts billed to clients; ii) fringe costs, which are primarily composed of payroll taxes and benefit costs; and iii) conversion revenues, which are earned when a contract position converts to a permanent position with the Company’s client.

Gross margin dollars for contract talent solutions were $399 million for the three months ended June 30, 2023, down 14.2% from $465 million for the three months ended June 30, 2022. As a percentage of revenues, gross margin dollars for contract talent solutions were 39.9% in both the second quarter of 2023 and the second quarter of 2022.

Gross margin dollars for permanent placement talent solutions represent revenues less reimbursable expenses. Gross margin dollars for permanent placement talent solutions were $149 million for the three months ended June 30, 2023, down

25.4% from $200 million for the three months ended June 30, 2022. Because reimbursable expenses for permanent placement talent solutions are de minimis, the decrease in gross margin dollars is substantially explained by the decrease in revenues previously discussed.

Gross margin dollars for Protiviti represent revenues less costs of services, which consist primarily of professional staff payroll, payroll taxes, benefit costs, and reimbursable expenses. The primary drivers of Protiviti's gross margin are: i) the relative composition of and number of professional staff and their respective pay and bill rates; and ii) staff utilization, which is the relationship of time spent on client engagements in proportion to the total time available for the Company's Protiviti staff. Gross margin dollars for Protiviti were $112 million for the three months ended June 30, 2023, down 25.5% from $151 million for the three months ended June 30, 2022. As a percentage of revenues, reported gross margin dollars for Protiviti were 22.9% in the second quarter of 2023, down from 30.4% in the second quarter of 2022. As a percentage of revenues, adjusted gross margin dollars for Protiviti were 24.0% in the second quarter of 2023, down from 28.1% in the second quarter of 2022. The year-over-year decrease in adjusted gross margin percentage was primarily due to lower staff utilization.

The Company's gross margin by reporting segment is summarized as follows (in thousands):

	Three Months Ended June 30,				Relationships			
	As Reported		As Adjusted		As Reported		As Adjusted	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Margin								
Contract talent solutions	$ 398,636	$ 464,853	$ 398,636	$ 464,853	39.9%	39.9%	39.9%	39.9%
Permanent placement talent solutions	148,975	199,664	148,975	199,664	99.8%	99.8%	99.8%	99.8%
Protiviti	112,558	151,030	117,882	139,617	22.9%	30.4%	24.0%	28.1%
Total	$ 660,169	$ 815,547	$ 665,493	$ 804,134	40.3%	43.8%	40.6%	43.2%

The following tables provide reconciliations of the non-GAAP adjusted gross margin to reported gross margin for the three months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30, 2023							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Gross Margin								
As Reported	$ 398,636	39.9%	$ 148,975	99.8%	$ 112,558	22.9%	$ 660,169	40.3%
Adjustments (1)	—	—	—	—	5,324	1.1%	5,324	0.3%
As Adjusted	$ 398,636	39.9%	$ 148,975	99.8%	$ 117,882	24.0%	$ 665,493	40.6%

	Three Months Ended June 30, 2022							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Gross Margin								
As Reported	$ 464,853	39.9%	$ 199,664	99.8%	$ 151,030	30.4%	$ 815,547	43.8%
Adjustments (1)	—	—	—	—	(11,413)	(2.3%)	(11,413)	(0.6%)
As Adjusted	$ 464,853	39.9%	$ 199,664	99.8%	$ 139,617	28.1%	$ 804,134	43.2%

(1) Changes in the Company's employee deferred compensation plan obligations related to Protiviti operations are included in costs of services, while the related investment (income) loss is presented separately. The non-GAAP financial adjustments shown in the table above are to reclassify investment (income) loss from investments held in employee deferred compensation trusts to the same line item that includes the corresponding change in obligation. These adjustments have no impact on income before income taxes.

Selling, General and Administrative Expenses. The Company's selling, general and administrative expenses consist primarily of staff compensation, advertising, variable overhead, depreciation, and occupancy costs. The Company's selling, general and administrative expenses were $542 million for the three months ended June 30, 2023, up 6.4% from $509 million for the three months ended June 30, 2022. As a percentage of revenues, reported selling, general and administrative expenses were 33.1% in the second quarter of 2023, up from 27.3% in the second quarter of 2022. As a percentage of revenues, adjusted selling, general and administrative expenses were 31.6% in the second quarter of 2023, up from 30.3% in the second quarter of 2022. Contributing factors for each reportable segment are discussed below in further detail.

Selling, general and administrative expenses for contract talent solutions were $338 million for the three months ended June 30, 2023, increasing by 18.9% from $284 million for the three months ended June 30, 2022. As a percentage of revenues, reported selling, general and administrative expenses for contract talent solutions were 33.8% in the second quarter of 2023, up from 24.4% in the second quarter of 2022. As a percentage of revenues, adjusted selling, general and administrative expenses for contract talent solutions were 31.8% in the second quarter of 2023, up from 28.4% in the second quarter of 2022, due primarily to negative leverage as revenues decreased as a result of economic conditions during the quarter.

Selling, general and administrative expenses for permanent placement talent solutions were $130 million for the three months ended June 30, 2023, decreasing by 16.7% from $156 million for the three months ended June 30, 2022. As a percentage of revenues, reported selling, general and administrative expenses for permanent placement talent solutions were 87.0% in the second quarter of 2023, up from 77.9% in the second quarter of 2022. As a percentage of revenues, adjusted selling, general and administrative expenses for permanent placement was 85.3% in the second quarter of 2023, up from 81.4% in the second quarter of 2022, due primarily to negative leverage as revenues decreased as a result of economic conditions during the quarter.

Selling, general and administrative expenses for the Company's Protiviti division were $74 million for the three months ended June 30, 2023, increasing by 7.1% from $69 million for the three months ended June 30, 2022. As a percentage of revenues, selling, general and administrative expenses for Protiviti services were 15.1% in the second quarter of 2023, up from 14.0% in the second quarter of 2022, due primarily to operating expenditures returning to more normal pre-pandemic levels.

The Company's selling, general and administrative expenses by reportable segment are summarized as follows: (in thousands):

	Three Months Ended June 30,				Relationships			
	As Reported		As Adjusted		As Reported		As Adjusted	
	2023	2022	2023	2022	2023	2022	2023	2022
Selling, General and Administrative Expenses								
Contract talent solutions	$ 337,742	$ 284,090	$ 317,320	$ 331,286	33.8%	24.4%	31.8%	28.4%
Permanent placement talent solutions	129,846	155,900	127,245	162,913	87.0%	77.9%	85.3%	81.4%
Protiviti	74,316	69,404	74,316	69,404	15.1%	14.0%	15.1%	14.0%
Total	$ 541,904	$ 509,394	$ 518,881	$ 563,603	33.1%	27.3%	31.6%	30.3%

The following tables provide reconciliations of the non-GAAP selling, general and administrative expenses to reported selling, general and administrative expenses for the three months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30, 2023							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Selling, General and Administrative Expenses								
As Reported	$ 337,742	33.8%	$ 129,846	87.0%	$ 74,316	15.1%	$ 541,904	33.1%
Adjustments (1)	(20,422)	(2.0%)	(2,601)	(1.7%)	—	—	(23,023)	(1.5%)
As Adjusted	$ 317,320	31.8%	$ 127,245	85.3%	$ 74,316	15.1%	$ 518,881	31.6%

	Three Months Ended June 30, 2022							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Selling, General and Administrative Expenses								
As Reported	$ 284,090	24.4%	$ 155,900	77.9%	$ 69,404	14.0%	$ 509,394	27.3%
Adjustments (1)	47,196	4.0%	7,013	3.5%	—	—	54,209	3.0%
As Adjusted	$ 331,286	28.4%	$ 162,913	81.4%	$ 69,404	14.0%	$ 563,603	30.3%

(1) Changes in the Company's employee deferred compensation plan obligations related to talent solutions operations are included in selling, general and administrative expenses, while the related investment (income) loss is presented separately. The non-GAAP financial adjustments shown in the table above are to reclassify investment (income) loss from investments held in employee deferred compensation trusts to the same line item that includes the corresponding change in obligation. These adjustments have no impact on income before income taxes.

(Income) Loss from Investments Held in Employee Deferred Compensation Trusts. Under the Company's employee deferred compensation plans, employees direct the investment of their account balances, and the Company invests amounts held in the associated investment trusts consistent with these directions. As realized and unrealized investment gains and losses occur, the Company's employee deferred compensation plan obligations change and adjustments are recorded in selling, general and administrative expenses, or in the case of Protiviti, costs of services. The value of the related investment trust assets also changes by the equal and offsetting amount, leaving no net costs to the Company. The Company's (income) loss from investments held in employee deferred compensation trusts consists primarily of unrealized and realized gains and losses and dividend income from trust investments and is presented separately on the unaudited Condensed Consolidated Statements of Operations. The Company's (income) loss from investments held in employee deferred compensation trusts was income of $28 million and a loss of $66 million for the three months ended June 30, 2023 and 2022, respectively. The income from trust investments was due to positive market returns during the second quarter of 2023.

Income Before Income Taxes and Segment Income. The Company's total income before income taxes was $151 million, or 9.2% of revenues, for the three months ended June 30, 2023, down from $241 million or 12.9% of revenues, for the three months ended June 30, 2022. Combined segment income was $147 million, or 8.9% of revenues, for the three months ended June 30, 2023, down from $241 million, or 12.9% of revenues, for the three months ended June 30, 2022.

The Company's non-GAAP combined segment income is summarized as follows (in thousands):

	Three Months Ended June 30,			
	2023	% of Revenue	2022	% of Revenue
Combined Segment Income				
Contract talent solutions	$ 81,316	8.1%	$ 133,567	11.5%
Permanent placement talent solutions	21,730	14.6%	36,751	18.4%
Protiviti	43,566	8.9%	70,213	14.1%
Total	$ 146,612	8.9%	$ 240,531	12.9%

The following table provides a reconciliation of the non-GAAP combined segment income to reported income before income taxes for the three months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,			
	2023	% of Revenue	2022	% of Revenue
Income before income taxes	$ 151,211	9.2%	$ 240,833	12.9%
Interest income, net	(5,320)	(0.3%)	(718)	0.0%
Amortization of intangible assets	721	0.0%	416	0.0%
Combined segment income	$ 146,612	8.9%	$ 240,531	12.9%

Provision for income taxes. The provision for income taxes was 29.7% and 27.0% for the three months ended June 30, 2023 and 2022, respectively. The higher tax rate for 2023 can be attributed to an increased impact of nondeductible expenses, fewer tax credits as well as lower stock compensation deductions.

Six Months Ended June 30, 2023 and 2022

Service Revenues. The Company’s revenues were $3.36 billion for the six months ended June 30, 2023, a decrease of 8.8% compared to $3.68 billion for the six months ended June 30, 2022. Revenues from U.S. operations decreased 9.3% to $2.61 billion (77.9% of total revenue) for the six months ended June 30, 2023, compared to $2.88 billion (78.4% of total revenue) for the six months ended June 30, 2022. Revenues from international operations decreased 6.6% to $743 million (22.1% of total revenue) for the six months ended June 30, 2023, compared to $795 million (21.6% of total revenue) for the six months ended June 30, 2022. Contributing factors for each reportable segment are discussed below in further detail.

Contract talent solutions revenues were $2.07 billion for the six months ended June 30, 2023, decreasing by 11.1% compared to revenues of $2.32 billion for the six months ended June 30, 2022. Key drivers of contract talent solutions revenues include average hourly bill rates and the number of hours worked by the Company’s engagement professionals on client engagements. The decrease in contract talent solutions revenues for the six months ended June 30, 2023, was primarily due to a 19.6% decrease in the number of hours worked by the Company's engagement professionals, partially offset by a 9.3% increase in average bill rates. On an as adjusted basis, contract talent solutions revenues in the first half of 2023 decreased 11.0% compared to the first half of 2022. In the U.S., revenues in the first half of 2023 decreased 12.3% on an as reported basis, and decreased 12.9% on as adjusted basis, compared to the first half of 2022. International revenues for the first half of 2023 decreased 6.1% on an as reported basis, and decreased 3.7% on an as adjusted basis, compared to the first half of 2022.

Permanent placement talent solutions revenues were $306 million for the six months ended June 30, 2023, decreasing by 20.9% compared to revenues of $387 million for the six months ended June 30, 2022. Key drivers of permanent placement talent solutions revenues consist of the number of candidate placements and average fees earned per placement. The decrease in permanent placement staffing revenues for the six months ended June 30, 2023, was due to a 22.3% decrease in the number of placements, partially offset by a 1.4% increase in average fees earned per placement. On an as adjusted basis, permanent placement talent solutions revenues decreased 20.6% for the first half of 2023, compared to the first half of 2022. In the U.S., revenues for the first half of 2023 decreased 21.7% on an as reported basis and decreased 22.2% on an as adjusted basis, compared to the first half of 2022. International revenues for the first half of 2023 decreased 18.8% on an as reported basis, and decreased 16.3% on an as adjusted basis, compared to the first half of 2022. Historically, demand for permanent placement talent solutions is even more sensitive to economic and labor market conditions than demand for contract talent solutions and this is expected to continue.

Protiviti revenues were $985 million for the six months ended June 30, 2023, increasing by 1.6% compared to revenues of $969 million for the six months ended June 30, 2022. Key drivers of Protiviti revenues are the billable hours worked by consultants on client engagements and average hourly bill rates. The increase in Protiviti revenues for the six months ended June 30, 2023, was due to a 3.2% increase in average hourly bill rates, partially offset by a 1.6% decrease in billable hours. On an as adjusted basis, Protiviti revenues increased 1.6% for the first half of 2023, compared to the first half of 2022. In the U.S., revenues in the first half of 2023 increased 2.4% on an as reported basis and increased 1.7% on an as adjusted basis, compared to the first half of 2022. International revenues in the first half of 2023 decreased 1.2% on an as reported basis, and increased 1.3% on an as adjusted basis, compared to the first half of 2022.

A reconciliation of the non-GAAP year-over-year revenue growth rates to the as reported year-over-year revenue growth rates for the six months ended June 30, 2023, is presented in the following table:

	Global	United States	International
Contract talent solutions			
As Reported	-11.1%	-12.3%	-6.1%
Billing Days Impact	-0.5%	-0.6%	-0.6%
Currency Impact	0.6%	—	3.0%
As Adjusted	-11.0%	-12.9%	-3.7%
Permanent placement talent solutions			
As Reported	-20.9%	-21.7%	-18.8%
Billing Days Impact	-0.5%	-0.5%	-0.5%
Currency Impact	0.8%	—	3.0%
As Adjusted	-20.6%	-22.2%	-16.3%
Protiviti			
As Reported	1.6%	2.4%	-1.2%
Billing Days Impact	-0.7%	-0.7%	-0.6%
Currency Impact	0.7%	—	3.1%
As Adjusted	1.6%	1.7%	1.3%

Gross Margin. The Company’s gross margin dollars were $1.35 billion for the six months ended June 30, 2023, down 15.0% from $1.59 billion for the six months ended June 30, 2022. Contributing factors for each reportable segment are discussed below in further detail.

Gross margin dollars for contract talent solutions represent revenues less costs of services, which consist of payroll, payroll taxes and benefit costs for engagement professionals, and reimbursable expenses. The key drivers of gross margin are: i) pay-bill spreads, which represent the differential between wages paid to engagement professionals and amounts billed to clients; ii) fringe costs, which are primarily composed of payroll taxes and benefit costs; and iii) conversion revenues, which are earned when a contract position converts to a permanent position with the Company’s client.

Gross margin dollars for contract talent solutions were $822 million for the six months ended June 30, 2023, down 11.3% from $927 million for the six months ended June 30, 2022. As a percentage of revenues, gross margin dollars for contract talent solutions were 39.8% in the first half of 2023, down from 39.9% in the first half of 2022. The decrease in gross margin percentage was primarily due to slightly lower conversion revenues.

Gross margin dollars for permanent placement talent solutions represent revenues less reimbursable expenses. Gross margin dollars for permanent placement talent solutions were $305 million for the six months ended June 30, 2023, down 20.9% from $386 million for the six months ended June 30, 2022. Because reimbursable expenses for permanent placement talent solutions are de minimis, the decrease in gross margin dollars is substantially explained by the decrease in revenues previously discussed.

Gross margin dollars for Protiviti represent revenues less costs of services, which consist primarily of professional staff payroll, payroll taxes, benefit costs, and reimbursable expenses. The primary drivers of Protiviti's gross margin are: i) the relative composition of and number of professional staff and their respective pay and bill rates; and ii) staff utilization, which is the relationship of time spent on client engagements in proportion to the total time available for the Company’s Protiviti staff. Gross margin dollars for Protiviti were $222 million for the six months ended June 30, 2023, down 19.0% from $275 million for the six months ended June 30, 2022. As a percentage of revenues, reported gross margin dollars for Protiviti were 22.6% in the first half of 2023, down from 28.3% in the first half of 2022. As a percentage of revenues, adjusted gross margin dollars for Protiviti were 23.6% in the first half of 2023, down from 26.8% in the first half of 2022. The year-over-year decrease in adjusted gross margin percentage was primarily due to lower staff utilization.

The Company's gross margin by reportable segment are summarized as follows: (in thousands):

	Six Months Ended June 30,				Relationships			
	As Reported		As Adjusted		As Reported		As Adjusted	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Margin								
Contract talent solutions	$ 822,261	$ 926,714	$ 822,261	$ 926,714	39.8%	39.9%	39.8%	39.9%
Permanent placement talent solutions	305,370	386,113	305,370	386,113	99.8%	99.8%	99.8%	99.8%
Protiviti	222,270	274,566	232,366	259,307	22.6%	28.3%	23.6%	26.8%
Total	$ 1,349,901	$ 1,587,393	$ 1,359,997	$ 1,572,134	40.2%	43.2%	40.5%	42.7%

The following tables provide reconciliations of the non-GAAP adjusted gross margin to reported gross margin for the six months ended June 30, 2023 and 2022 (in thousands):

	Six Months Ended June 30, 2023							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Gross Margin								
As Reported	$ 822,261	39.8%	$ 305,370	99.8%	$ 222,270	22.6%	$1,349,901	40.2%
Adjustments (1)	—	—	—	—	10,096	1.0%	10,096	0.3%
As Adjusted	$ 822,261	39.8%	$ 305,370	99.8%	$ 232,366	23.6%	$1,359,997	40.5%

	Six Months Ended June 30, 2022							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Gross Margin								
As Reported	$ 926,714	39.9%	$ 386,113	99.8%	$ 274,566	28.3%	$1,587,393	43.2%
Adjustments (1)	—	—	—	—	(15,259)	(1.5%)	(15,259)	(0.5%)
As Adjusted	$ 926,714	39.9%	$ 386,113	99.8%	$ 259,307	26.8%	$1,572,134	42.7%

(1) Changes in the Company's deferred compensation obligations related to Protiviti operations are included in costs of services, while the related investment (income) loss is presented separately. The non-GAAP financial adjustments shown in the table above are to reclassify investment (income) loss from investments held in employee deferred compensation trusts to the same line item that includes the corresponding change in obligation. These adjustments have no impact on income before income taxes.

Selling, General and Administrative Expenses. The Company's selling, general and administrative expenses consist primarily of staff compensation, advertising, variable overhead, depreciation, and occupancy costs. The Company's selling, general and administrative expenses were $1.09 billion for the six months ended June 30, 2023, up 6.9% from $1.02 billion for the six months ended June 30, 2022. As a percentage of revenues, reported selling, general and administrative expenses were 32.6% in the first half of 2023, up from 27.8% in the first half of 2022. As a percentage of revenues, adjusted selling, general and administrative expenses were 31.2% in the first half of 2023, up from 30.0% in the first half of 2022. Contributing factors for each reportable segment are discussed below in further detail.

Selling, general and administrative expenses for contract talent solutions were $679 million for the six months ended June 30, 2023, increasing by 15.3% from $589 million for the six months ended June 30, 2022. As a percentage of revenues, reported selling, general and administrative expenses for contract talent solutions were 32.9% in the first half of 2023, up from 25.4% in the first half of 2022. As a percentage of revenues, adjusted selling, general and administrative expenses for contract talent solutions were 30.9% in the first half of 2023, up from 28.4% in the first half of 2022, due primarily to negative leverage as revenues decreased as a result of economic conditions.

Selling, general and administrative expenses for permanent placement talent solutions were $265 million for the six months ended June 30, 2023, decreasing by 12.4% from $302 million for the six months ended June 30, 2022. As a percentage of revenues, reported selling, general and administrative expenses for permanent placement talent solutions were 86.5% in the first half of 2023, up from 78.1% in the first half of 2022. As a percentage of revenues, adjusted selling, general and administrative expenses for permanent placement talent solutions was 84.9% in the first half of 2023, up from 80.7% in the first half of 2022, due primarily to negative leverage as revenues decreased as a result of economic conditions.

Selling, general and administrative expenses for Protiviti were $150 million for the six months ended June 30, 2023, increasing by 13.6% from $132 million for the six months ended June 30, 2022. As a percentage of revenues, selling, general and administrative expenses for Protiviti were 15.2% in the first half of 2023, up from 13.6% in the first half of 2022, due primarily to operating expenditures returning to more normal pre-pandemic levels.

The Company's selling, general and administrative expenses by reportable segment are summarized as follows: (in thousands):

	Six Months Ended June 30,				Relationships			
	As Reported		As Adjusted		As Reported		As Adjusted	
	2023	2022	2023	2022	2023	2022	2023	2022
Selling, General and Administrative Expenses								
Contract talent solutions	$ 679,464	$ 589,424	$ 638,799	$ 659,901	32.9%	25.4%	30.9%	28.4%
Permanent placement talent solutions	264,690	302,147	259,813	312,034	86.5%	78.1%	84.9%	80.7%
Protiviti	149,979	132,017	149,979	132,017	15.2%	13.6%	15.2%	13.6%
Total	$ 1,094,133	$ 1,023,588	$ 1,048,591	$ 1,103,952	32.6%	27.8%	31.2%	30.0%

The following tables provide reconciliations of the non-GAAP selling, general and administrative expenses to reported selling, general and administrative expenses for the six months ended June 30, 2023 and 2022 (in thousands):

	Six Months Ended June 30, 2023							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Selling, General and Administrative Expenses								
As Reported	$ 679,464	32.9%	$ 264,690	86.5%	$ 149,979	15.2%	$ 1,094,133	32.6%
Adjustments (1)	(40,665)	(2.0%)	(4,877)	(1.6%)	—	—	(45,542)	(1.4%)
As Adjusted	$ 638,799	30.9%	$ 259,813	84.9%	$ 149,979	15.2%	$ 1,048,591	31.2%

	Six Months Ended June 30, 2022							
	Contract Talent Solutions		Permanent Placement Talent Solutions		Protiviti		Total	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Selling, General and Administrative Expenses								
As Reported	$ 589,424	25.4%	$ 302,147	78.1%	$ 132,017	13.6%	$ 1,023,588	27.8%
Adjustments (1)	70,477	3.0%	9,887	2.6%	—	—	80,364	2.2%
As Adjusted	$ 659,901	28.4%	$ 312,034	80.7%	$ 132,017	13.6%	$ 1,103,952	30.0%

(1) Changes in the Company's employee deferred compensation plan obligations related to talent solutions operations are included in selling, general and administrative expenses, while the related investment (income) loss is presented separately. The non-GAAP financial adjustments shown in the table above are to reclassify investment (income) loss from investments held in employee deferred compensation trusts to the same line item that includes the corresponding change in obligation. These adjustments have no impact on income before income taxes.

(Income) Loss from Investments Held in Employee Deferred Compensation Trusts. Under the Company's employee deferred compensation plans, employees direct the investment of their account balances, and the Company invests amounts held in the associated investment trusts consistent with these directions. As realized and unrealized investment gains and losses occur, the Company's employee deferred compensation plan obligations change and adjustments are recorded in selling, general and administrative expenses, or in the case of Protiviti, costs of services. The value of the related investment trust assets also changes by the equal and offsetting amount, leaving no net costs to the Company. The Company's (income) loss from investments held in employee deferred compensation trusts consists primarily of unrealized and realized gains and losses and dividend income from trust investments and is presented separately on the unaudited Condensed Consolidated Statements of Operations. The Company's (income) loss from investments held in employee deferred compensation trusts was income of $56 million and a loss of $96 million for the six months ended June 30, 2023 and 2022, respectively. The income from trust investments was due to positive market returns during the first half of 2023.

Income Before Income Taxes and Segment Income. The Company's total income before income taxes was $320 million, or 9.5% of revenues, for the six months ended June 30, 2023, down from $468 million or 12.7% of revenues, for the six months ended June 30, 2022. Combined segment income was $311 million, or 9.3% of revenues, for the six months ended June 30, 2023, down from $468 million, or 12.7% of revenues, for the six months ended June 30, 2022.

The Company's non-GAAP combined segment income is summarized as follows (in thousands):

	Six Months Ended June 30,			
	2023	% of Revenue	2022	% of Revenue
Combined Segment Income				
Contract talent solutions	$ 183,462	8.9%	$ 266,813	11.5%
Permanent placement talent solutions	45,557	14.9%	74,079	19.1%
Protiviti	82,387	8.4%	127,290	13.1%
Total	$ 311,406	9.3%	$ 468,182	12.7%

The following table provides a reconciliation of the non-GAAP combined segment income to reported income before income taxes for the six months ended June 30, 2023, and 2022 (in thousands):

	Six Months Ended June 30,			
	2023	% of Revenue	2022	% of Revenue
Income before income taxes	$ 320,109	9.5 %	$ 468,233	12.7 %
Interest income, net	(10,145)	(0.2%)	(884)	0.0 %
Amortization of intangible assets	1,442	0.0 %	833	0.0 %
Combined segment income	$ 311,406	9.3 %	$ 468,182	12.7 %

Provision for income taxes. The provision for income taxes was 28.7% and 26.5% for the six months ended June 30, 2023 and 2022, respectively. The higher tax rate for 2023 can be attributed to an increased impact of nondeductible expenses, fewer tax credits as well as lower stock compensation deductions.

Liquidity and Capital Resources

The change in the Company's liquidity during the six months ended June 30, 2023 and 2022, is primarily the net effect of funds generated by operations and the funds used for capital expenditures, investment in employee deferred compensation trusts, net of redemptions from employee deferred compensation trusts, repurchases of common stock, and payment of dividends.

Cash and cash equivalents were $723 million and $591 million at June 30, 2023 and 2022, respectively. Operating activities provided cash flows of $347 million during the six months ended June 30, 2023, offset by $78 million and $210 million of net cash used in investing activities and financing activities, respectively. Operating activities provided cash flows of $302 million during the six months ended June 30, 2022, offset by $55 million and $257 million of net cash used in investing activities and financing activities, respectively. Fluctuations in foreign currency exchange rates had the effect of increasing reported cash and cash equivalents by $5 million during the six months ended June 30, 2023, compared to a decrease of $18 million during the six months ended June 30, 2022.

Operating activities—Net cash provided by operating activities for the six months ended June 30, 2023, was composed of net income of $228 million adjusted upward for non-cash items of $22 million and net cash provided by changes in working capital of $97 million. Net cash provided by operating activities for the six months ended June 30, 2022, was composed of net income of $344 million adjusted upward for non-cash items of $176 million, offset by net cash used in changes in working capital of $218 million.

Investing activities—Cash used in investing activities for the six months ended June 30, 2023, was $78 million. This was composed of capital expenditures of $19 million, investments in employee deferred compensation trusts of $82 million, and $1 million in payments related to an acquisition, partially offset by proceeds from employee deferred compensation trusts redemptions of $24 million. Cash used in investing activities for the six months ended June 30, 2022, was $55 million. This was composed of capital expenditures of $35 million and investments in employee deferred compensation trusts of $45 million, partially offset by proceeds from employee deferred compensation trusts redemptions of $25 million.

Capital expenditures, including $20 million for cloud computing arrangements, for the six months ended June 30, 2023, totaled $39 million, approximately 74.0% of which represented investments in software initiatives and technology infrastructure, both of which are important to the Company's sustainability and future growth opportunities. Capital expenditures for cloud computing arrangements are included in cash flows from operating activities on the Company's Condensed Consolidated Statements of Cash Flows. Capital expenditures included amounts spent on tenant improvements and furniture and equipment in the Company's leased offices. The Company currently expects that 2023 capital expenditures will range from $70 million to $80 million, of which $40 million to $50 million relates to software initiatives and technology infrastructure, including capitalized costs related to implementation of cloud computing arrangements.

Financing activities—Cash used in financing activities for the six months ended June 30, 2023, was $210 million. This included repurchases of $105 million in common stock and $105 million in dividends paid to stockholders. Cash used in financing activities for the six months ended June 30, 2022, was $257 million. This included repurchases of $161 million in common stock and $96 million in dividends paid to stockholders.

As of June 30, 2023, the Company is authorized to repurchase, from time to time, up to 12.7 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. During the six months ended June 30, 2023 and 2022, the Company repurchased 1.1 million shares, at a cost of $83 million, and 1.4 million shares, at a cost of $133 million, on the open market, respectively. Additional stock repurchases were made in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of exercise price and applicable statutory withholding taxes. During the six months ended June 30, 2023 and 2022, such repurchases totaled 0.3 million shares, at a cost of $22 million, and 0.3 million shares, at a cost of $33 million, respectively. Repurchases of shares have been funded with cash generated from operations.

The Company's working capital at June 30, 2023, included $723 million in cash and cash equivalents and $974 million in net accounts receivable, both of which will be a significant source of ongoing liquidity and financial resilience. The Company expects that internally generated cash will be sufficient to support the working capital needs of the Company, the Company's fixed payments, dividends, and other obligations on both a short-term and long-term basis.

There is limited visibility into future cash flows as the Company's revenues and net income are largely dependent on macroeconomic conditions. The Company's variable direct costs related to its contract talent solutions business will largely fluctuate in relation to its revenues.

In May 2023, the Company entered into an amendment to extend the maturity of its $100.0 million unsecured revolving credit facility (the "Credit Agreement") to May 2026. Borrowings under the Credit Agreement will bear interest in accordance with the terms of the borrowing which, effective May 2023, will be calculated according to the Adjusted Term Secured Overnight Financing Rate ("SOFR"), or an alternative base rate, plus an applicable margin. The Credit Agreement is subject to certain financial covenants and the Company was in compliance with these covenants as of June 30, 2023. There were no borrowings under the Credit Agreement as of June 30, 2023, or December 31, 2022.

On July 31, 2023, the Company announced a quarterly dividend of $0.48 per share to be paid to all shareholders of record as of August 25, 2023. The dividend will be paid on September 15, 2023.

Material Cash Requirements from Contractual Obligations

Leases. As of June 30, 2023, the Company reported current and long-term operating lease liabilities of $82 million and $136 million, respectively. These balances consist of the minimum rental commitments for July 2023 and thereafter, discounted to reflect the Company's cost of borrowing, under noncancellable lease contracts executed as of June 30, 2023.

The majority of these leases are for real estate. In the event the Company vacates a location prior to the end of the lease term, the Company may be obliged to continue making lease payments. For further information, see Note G— “Leases” to the Company’s Condensed Consolidated Financial Statements included under Part I—Item 1 of this report.

Purchase Obligations. Purchase obligations are discussed in more detail in Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022. There have been no material changes to the Company’s contractual purchase obligations during the first half of 2023.

Employee Deferred Compensation Plan. As of June 30, 2023, the Company reported employee deferred compensation plan obligations of $531 million in its accompanying unaudited Condensed Consolidated Statements of Financial Position. The balances are due to employees based upon elections they make at the time of deferring their funds. The timing of these payments may change based upon factors including termination of the Company’s employment arrangement with a participant. Assets of these plans are held by an independent trustee for the sole benefit of participating employees and consist of money market funds and mutual funds. For further information, see Note J—“Employee Deferred Compensation Plan Obligations” to the Company’s Condensed Consolidated Financial Statements included under Part I—Item 1 of this report.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Because a portion of the Company’s net revenues are derived from its operations outside the U.S. and are denominated in local currencies, the Company is exposed to the impact of foreign currency fluctuations. The Company’s exposure to foreign currency exchange rates relates primarily to the Company’s foreign subsidiaries. Exchange rates impact the U.S. dollar value of the Company’s reported revenues, expenses, earnings, assets and liabilities.

For the six months ended June 30, 2023, approximately 22.1% of the Company’s revenues were generated outside of the U.S. These operations transact business in their functional currency, which is the same as their local currency. As a result, fluctuations in the value of foreign currencies against the U.S. dollar, particularly the Canadian dollar, British pound, Euro, Australian dollar and Brazilian real, have an impact on the Company’s reported results. Under GAAP, revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the monthly average exchange rates prevailing during the period. Consequently, as the value of the U.S. dollar changes relative to the currencies of the Company’s international markets, the Company’s reported results vary.

During the first six months of 2023, the U.S. dollar fluctuated, and generally strengthened, against the primary currencies in which the Company conducts business, compared to one year ago. Foreign currency exchange rates had the effect of decreasing reported service revenues by $24.0 million, or 0.7%, in the first half of 2023 compared to the same period one year ago. The general strengthening of the U.S. dollar also affected the reported level of expenses incurred in the Company’s international operations. Because substantially all the Company’s international operations generated revenues and incurred expenses within the same country and currency, the effect of lower reported revenues is largely offset by the decrease in reported operating expenses. Reported net income was $1.0 million, or 0.3%, lower in the first half of 2023 compared to the same period one year ago due to the effect of currency exchange rates. If currency exchange rates were to remain at June 30, 2023 levels throughout the remainder of 2023, the currency impact on the Company’s full-year reported revenues and operating expenses would be consistent with the first half of 2023 results. Should current trends continue, the impact to reported net income would be immaterial.

For the one month ended July 31, 2023, the U.S. dollar has weakened against the Euro, British Pound, Brazilian Real, and Canadian Dollar, and strengthened against the Australian Dollar since June 30, 2023. If foreign currency exchange rates were to remain at July 2023 levels throughout 2023, the currency impact on the Company’s full-year reported revenues would be favorable, offset by an unfavorable impact on operating expenses. These results will likely have an immaterial impact on reported net income.

Fluctuations in foreign currency exchange rates impact the U.S. dollar amount of the Company’s stockholders’ equity. The assets and liabilities of the Company’s international subsidiaries are translated into U.S. dollars at the exchange rates in effect at period end. The resulting translation adjustments are recorded in stockholders’ equity as a component of accumulated other comprehensive (income) loss. Although currency fluctuations impact the Company’s reported results and shareholders’ equity, such fluctuations generally do not affect cash flow or result in actual economic gains or losses. The Company generally has few cross-border transfers of funds, consisting of dividends from the Company’s foreign subsidiaries, and transfers to and from the U.S. related to intercompany working capital requirements.

ITEM 4. Controls and Procedures

Management, including the Company's President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer concluded that the disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. In accordance with this review, no material changes to controls and procedures were made in the three months ended June 30, 2023.

PART II—OTHER INFORMATION

ITEM 1. Legal Proceedings

There have been no material developments with regard to any of the legal proceedings previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2022.

ITEM 1A. Risk Factors

There have not been any material changes with regard to the risk factors previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2022.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans (d)
April 1, 2023 to April 30, 2023	222	(a)	$ 71.93	—	13,349,853
May 1, 2023 to May 31, 2023	424,428	(b)	$ 68.24	424,376	12,925,477
June 1, 2023 to June 30, 2023	229,475	(c)	$ 72.15	229,029	12,696,448
Total April 1, 2023 to June 30, 2023	654,125			653,405	

(a) Represents shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes.

(b) Includes 52 shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes.

(c) Includes 446 shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes.

(d) Commencing in October 1997, the Company's Board of Directors has, at various times, authorized the repurchase, from time to time, of the Company's common stock on the open market or in privately negotiated transactions depending on market conditions. Since plan inception, a total of 138,000,000 shares have been authorized for repurchase, of which 125,303,552 shares have been repurchased as of June 30, 2023.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosure

Not applicable.

ITEM 5. Other Information

On July 31, 2023, the Company and Michael C. Buckley entered into the Company's standard form of executive severance agreement. The material terms are described on page 42 of the Company's Definitive Proxy Statement filed with the SEC on April 13, 2023, which is incorporated by reference.

ITEM 6. Exhibits

3.1	Restated Certificate of Incorporation of Robert Half Inc., incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K dated July 17, 2023.
3.2	Amended and Restated By-Laws of Robert Half Inc., incorporated by reference to Exhibit 3.2 to Registrant's Current Report on Form 8-K dated July 17, 2023.
10.1	Severance Agreement dated as of July 31, 2023 between Registrant and Michael C. Buckley.
10.2	Severance Agreement dated as of July 31, 2023 between Registrant and Joseph A. Tarantino.
10.3	Part-Time Employment Agreement dated as of July 31, 2023 between Registrant and Joseph A. Tarantino.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.
101.1	Part I, Item 1 of this Form 10-Q formatted in Inline XBRL.
104	Cover page of this Form 10-Q formatted in Inline XBRL and contained in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROBERT HALF INC.
(Registrant)

/s/Michael C. Buckley

Michael C. Buckley
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and
duly authorized signatory)

Date: August 1, 2023

Severance Agreement

This Severance Agreement is entered into as of July 31, 2023, by and between Robert Half Inc., a Delaware corporation (the "Company") and Michael C. Buckley (the "Employee").

WHEREAS, the Company believes it to be in the best interests of the Company and its shareholders to provide for stability in the management of the Company.

WHEREAS, the Compensation Committee of the Board of Directors of the Company previously approved a form of Severance Agreement ("Severance Agreement') for executive officers.

WHEREAS, the Compensation Committee of the Board of Directors of the Company has approved the extension of the Severance Agreement to the Employee.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein, the Company and the Employee hereby agree to the following:

1. Definitions

"Base Salary" means the highest rate of annual base salary paid to Employee at any time within the six (6) months preceding the Termination Date.

"Change in Control" shall have the meaning specified in the Company's Stock Incentive Plan, as in effect on the date hereof and as such plan may be subsequently amended.

"Continuation Number" means (a) 2.99, if Employee has served as a Director of the Company at any time prior to the Termination Date, and (b) 2, in all other cases.

"Earliest Payment Date" shall mean six months following Separation from Service or such alternate date as future modifications or amendments to Section 409A and the rules and regulations thereunder may specify as the earliest permitted date for a payment to be made, or, if earlier the date of Employee's death.

"Medical Coverage" means healthcare insurance, benefits and/or coverage that either directly pays the cost of medical care or provides reimbursement therefor, and includes, but is not limited to, doctor or other provider services, tests, equipment, prescriptions and anything else generally considered to be related to individual health care, whether preventive or corrective.

"Section 409A" means Section 409A of the Internal Revenue Code.

"Separation from Service" shall have the meaning specified by Section 409A and the rules and regulations thereunder, as such meaning may be modified or amended from time to time.

"Specified Employee" shall have the meaning specified by Section 409A and the rules and regulations thereunder, as such meaning may be modified or amended from time to time.

"Stock" means the Common Stock, $.001 par value, of the Company.

"Termination Date" means the date on which Employee's employment with the Company is terminated.

"Termination For Cause" means termination by the Company of Employee's employment by the Company by reason of Employee's willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to the Company, or by reason of Employee's willful material breach of any employment agreement with the Company, which has resulted in material injury to the Company; provided, however, that Employee's employment shall not be deemed to have terminated in a Termination For Cause if such termination took place as a result of any act or omission believed by Employee in good faith to have been in the interest of the Company.

"Termination Without Cause" means (1) termination by the Company of Employee's employment other than pursuant to a Termination For Cause or (2) termination by Employee following (a) a reduction by more than 5% of Employee's base salary per month, exclusive of bonus, fringe benefits and other non-salary compensation, or (b) a request by the Company that Employee relocate more than 50 miles away from the current location of the principal executive offices of the Company.

"Termination Following a Change in Control" means a voluntary termination by Employee within one year following Change in Control.

2. <u>Payments and Benefits Upon Termination Without Cause</u>. In the event of a Termination Without Cause, the Employee shall be entitled to receive the following:

2.1. <u>Base Salary</u>. Employee shall be paid a lump-sum amount equal to the product of Employee's Base Salary and Employee's Continuation Number. To the extent required by Section 409A, if Employee is a Specified Employee, this lump sum shall be paid no earlier than the Earliest Payment Date and no later than ten business days thereafter.

2.2. <u>Bonus</u>.

(a) If the Termination Date occurs within 12 months after a Change in Control, Employee shall be paid a lump-sum amount equal to the product of (i) the annual cash bonus paid (or to be paid) to Employee with respect to the last full calendar year completed prior to the Change in Control and (ii) Employee's Continuation Number. To the extent required by Section 409A, if Employee is a Specified Employee, this lump sum shall be paid no earlier than the Earliest Payment Date and no later than ten business days thereafter.

(b) If the Termination Date does not occur within 12 months after a Change in Control, Employee shall be paid, when such bonus payments would otherwise typically be made to Employee, but in no event later than the March 15 of the calendar year immediately following the calendar year in which the Termination Date occurs, a lump-sum amount equal to the product of (i) a fraction, the numerator of which shall be the number of months that, as of the last day of the month in which the Termination Date occurs, shall have passed since the beginning of that calendar year, and the denominator of which shall be twelve and (ii) the bonus to which Employee would have been entitled had such termination not occurred. For purposes of the foregoing clause (ii), Employee shall be not be entitled to a pro rata amount of bonus that is discretionary unless such Employee is specifically awarded such discretionary amount in accordance with the terms and conditions of the applicable bonus plan or program.

2.3. Benefits. For such number of years following the Termination Date as is equal to the Continuation Number, or until Employee is reemployed, whichever first occurs, Employee also shall be entitled to all employee benefits, including medical and life insurance, pension, retirement and other benefits to which Employee was entitled on the Termination Date. If the terms of the applicable employee benefit plan do not allow for the delivery of such benefits under the terms of such plan, then Employee shall be paid the pre-tax equivalent of such benefit as reasonably determined by the Company no later than the date on which Employee would have received such benefit (based upon Employee's compensation and other terms and conditions of Employee's employment with the Company immediately prior to the Termination Date).

2.4. Vesting. If, on the Termination Date, Employee holds any Stock or options or other rights to acquire Stock which are subject to restrictions or vesting based on continued employment with the Company, such restrictions shall lapse and such vesting shall occur effective as of the Termination Date and any Stock or options or other rights to acquire Stock which are subject to performance conditions for which the performance period has not ended as of the Termination Date shall remain outstanding until such time as the relevant performance period has ended and the level of achievement of such performance conditions determined. Each option held by Employee shall remain outstanding and exercisable until the earlier of its exercise or its original expiration date. In addition, if Employee is a participant in the Company's Deferred Compensation Plan, Senior Executive Retirement Plan or any successor plans, all amounts credited under such plans to Employee shall become fully vested and nonforfeitable.

2.5. Multiple Benefits. To the extent that any other agreement ("Other Agreement") between the Employee and the Company would provide for salary continuation (or a lump sum payment in lieu of salary continuation) and bonus payments under the same circumstances as such benefits would be provided pursuant to Sections 2.1 and 2.2 hereof, then Employee shall not receive such benefits under both the Other Agreement and Sections 2.1 and 2.2, but shall instead receive the greater of the salary benefit payable under either Section 2.1 or the Other Agreement and the greater of the bonus benefit payable under either Section 2.2 or the Other Agreement.

3. Termination Following a Change in Control. If Employee has served as a Director of the Company at any time prior to the Termination Date, Employee shall be entitled to the benefits described in Section 2 hereof in the event of a Termination Following a Change in Control.

4. Medical Coverage. In the event of any termination of Employee's employment on or after Employee's 60th birthday, whether by the Company or by Employee, other than a Termination For Cause, the Company shall continue to provide to each of Employee and Employee's then current spouse until their respective deaths, Medical Coverage at the same pre-tax cost to active Company employees for the same level and type of coverage selected by Employee. Such Medical Coverage shall generally expected to be provided by means of continued participation in Company healthcare plans and policies provided by the Company to its active employees, as such plans and policies may be modified from time to time by the Company. Such Medical Coverage may also be provided by, the provision of a separate healthcare plan, direct Company reimbursement, cash payment to Employee or any combination thereof. Notwithstanding the foregoing, Medical Coverage will cease for Employee's spouse in the event the

marriage of the Employee and spouse ends by divorce, legal separation, or annulment. Employee shall provide the Company with a copy of the court order ending the marriage.

5. Employment. The sole purpose of this Agreement is to provide Employee with severance benefits under the circumstances described herein. This Agreement is not an employment agreement. This Agreement shall not affect any right of the Company to terminate Employee's employment at any time.

6. Headings. The headings used in this Agreement are for convenience only, and shall not be used to construe the terms and conditions of the Agreement.

7. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of California. The terms of this Agreement shall bind and shall inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement as of the date first set forth above.

ROBERT HALF INC.

____
By: M. Keith Waddell
Chief Executive Officer

____
Michael C. Buckley

Severance Agreement

This Severance Agreement is entered into as of July 31, 2023, by and between Robert Half Inc., a Delaware corporation (the "Company") and Joseph A. Tarantino (the "Employee").

WHEREAS, the Company believes it to be in the best interests of the Company and its shareholders to provide for stability in the management of the Company.

WHEREAS, the Compensation Committee of the Board of Directors of the Company previously approved a form of Severance Agreement ("Severance Agreement') for executive officers.

WHEREAS, the Compensation Committee of the Board of Directors of the Company has approved the extension of the Severance Agreement to the Employee.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein, the Company and the Employee hereby agree to the following:

1. Definitions

"Base Salary" means the highest rate of annual base salary paid to Employee at any time within the six (6) months preceding the Termination Date.

"Change in Control" shall have the meaning specified in the Company's Stock Incentive Plan, as in effect on the date hereof and as such plan may be subsequently amended.

"Continuation Number" means (a) 2.99, if Employee has served as a Director of the Company at any time prior to the Termination Date, and (b) 2, in all other cases.

"Earliest Payment Date" shall mean six months following Separation from Service or such alternate date as future modifications or amendments to Section 409A and the rules and regulations thereunder may specify as the earliest permitted date for a payment to be made, or, if earlier the date of Employee's death.

"Medical Coverage" means healthcare insurance, benefits and/or coverage that either directly pays the cost of medical care or provides reimbursement therefor, and includes, but is not limited to, doctor or other provider services, tests, equipment, prescriptions and anything else generally considered to be related to individual health care, whether preventive or corrective.

"Section 409A" means Section 409A of the Internal Revenue Code.

"Separation from Service" shall have the meaning specified by Section 409A and the rules and regulations thereunder, as such meaning may be modified or amended from time to time.

"Specified Employee" shall have the meaning specified by Section 409A and the rules and regulations thereunder, as such meaning may be modified or amended from time to time.

"Stock" means the Common Stock, $.001 par value, of the Company.

"Termination Date" means the date on which Employee's employment with the Company is terminated.

"Termination For Cause" means termination by the Company of Employee's employment by the Company by reason of Employee's willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to the Company, or by reason of Employee's willful material breach of any employment agreement with the Company, which has resulted in material injury to the Company; provided, however, that Employee's employment shall not be deemed to have terminated in a Termination For Cause if such termination took place as a result of any act or omission believed by Employee in good faith to have been in the interest of the Company.

"Termination Without Cause" means (1) termination by the Company of Employee's employment other than pursuant to a Termination For Cause or (2) termination by Employee following (a) a reduction by more than 5% of Employee's base salary per month, exclusive of bonus, fringe benefits and other non-salary compensation, or (b) a request by the Company that Employee relocate more than 50 miles away from Employee's primary office location as of the date of this agreement..

"Termination Following a Change in Control" means a voluntary termination by Employee within one year following Change in Control.

2. Payments and Benefits Upon Termination Without Cause. In the event of a Termination Without Cause, the Employee shall be entitled to receive the following:

2.1. Base Salary. Employee shall be paid a lump-sum amount equal to the product of Employee's Base Salary and Employee's Continuation Number. To the extent required by Section 409A, if Employee is a Specified Employee, this lump sum shall be paid no earlier than the Earliest Payment Date and no later than ten business days thereafter.

2.2. Bonus.

(a) If the Termination Date occurs within 12 months after a Change in Control, Employee shall be paid a lump-sum amount equal to the product of (i) the annual cash bonus paid (or to be paid) to Employee with respect to the last full calendar year completed prior to the Change in Control and (ii) Employee's Continuation Number. To the extent required by Section 409A, if Employee is a Specified Employee, this lump sum shall be paid no earlier than the Earliest Payment Date and no later than ten business days thereafter.

(b) If the Termination Date does not occur within 12 months after a Change in Control, Employee shall be paid, when such bonus payments would otherwise typically be made to Employee, but in no event later than the March 15 of the calendar year immediately following the calendar year in which the Termination Date occurs, a lump-sum amount equal to the product of (i) a fraction, the numerator of which shall be the number of months that, as of the last day of the month in which the Termination Date occurs, shall have passed since the beginning of that calendar year, and the denominator of which shall be twelve and (ii) the bonus to which Employee would have been entitled had such termination not occurred. For purposes of the foregoing clause (ii), Employee shall not be entitled to a pro rata amount of bonus that is discretionary unless such Employee is specifically awarded such discretionary amount in accordance with the terms and conditions of the applicable bonus plan or program.

2.3. Benefits. For such number of years following the Termination Date as is equal to the Continuation Number, or until Employee is reemployed, whichever first occurs, Employee also shall be entitled to all employee benefits, including medical and life insurance, pension, retirement and other benefits to which Employee was entitled on the Termination Date. If the terms of the applicable employee benefit plan do not allow for the delivery of such benefits under the terms of such plan, then Employee shall be paid the pre-tax equivalent of such benefit as reasonably determined by the Company no later than the date on which Employee would have received such benefit (based upon Employee's compensation and other terms and conditions of Employee's employment with the Company immediately prior to the Termination Date).

2.4. Vesting. If, on the Termination Date, Employee holds any Stock or options or other rights to acquire Stock which are subject to restrictions or vesting based on continued employment with the Company, such restrictions shall lapse and such vesting shall occur effective as of the Termination Date and any Stock or options or other rights to acquire Stock which are subject to performance conditions for which the performance period has not ended as of the Termination Date shall remain outstanding until such time as the relevant performance period has ended and the level of achievement of such performance conditions determined. Each option held by Employee shall remain outstanding and exercisable until the earlier of its exercise or its original expiration date. In addition, if Employee is a participant in the Company's Deferred Compensation Plan, Senior Executive Retirement Plan or any successor plans, all amounts credited under such plans to Employee shall become fully vested and nonforfeitable.

2.5. Multiple Benefits. To the extent that any other agreement ("Other Agreement") between the Employee and the Company would provide for salary continuation (or a lump sum payment in lieu of salary continuation) and bonus payments under the same circumstances as such benefits would be provided pursuant to Sections 2.1 and 2.2 hereof, then Employee shall not receive such benefits under both the Other Agreement and Sections 2.1 and 2.2, but shall instead receive the greater of the salary benefit payable under either Section 2.1 or the Other Agreement and the greater of the bonus benefit payable under either Section 2.2 or the Other Agreement. It is agreed that the Definitions in Section 1, the provision regarding vesting of Stock or options in Section 2.4, and the other terms of this Agreement shall control in the event of any conflict with the provisions in Employee's 2002 employment agreement with Protiviti, as amended effective as of February 15, 2008.

3. Termination Following a Change in Control. If Employee has served as a Director of the Company at any time prior to the Termination Date, Employee shall be entitled to the benefits described in Section 2 hereof in the event of a Termination Following a Change in Control.

4. Medical Coverage. In the event of any termination of Employee's employment on or after Employee's 60th birthday, whether by the Company or by Employee, other than a Termination For Cause, the Company shall continue to provide to each of Employee and Employee's then current spouse until their respective deaths, Medical Coverage at the same pre-tax cost to active Company employees for the same level and type of coverage selected by Employee. Such Medical Coverage shall generally expected to be provided by means of continued participation in Company healthcare plans and policies provided by the Company to its active employees, as such plans and

policies may be modified from time to time by the Company. Such Medical Coverage may also be provided by, the provision of a separate healthcare plan, direct Company reimbursement, cash payment to Employee or any combination thereof. Notwithstanding the foregoing, Medical Coverage will cease for Employee's spouse in the event the marriage of the Employee and spouse ends by divorce, legal separation, or annulment. Employee shall provide the Company with a copy of the court order ending the marriage.

5. Employment. The sole purpose of this Agreement is to provide Employee with severance benefits under the circumstances described herein. This Agreement is not an employment agreement. This Agreement shall not affect any right of the Company to terminate Employee's employment at any time.

6. Headings. The headings used in this Agreement are for convenience only, and shall not be used to construe the terms and conditions of the Agreement.

7. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of California. The terms of this Agreement shall bind and shall inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement as of the date first set forth above.

ROBERT HALF INC.

____
By: M. Keith Waddell
Chief Executive Officer

____
Joseph A. Tarantino

PART-TIME EMPLOYMENT AGREEMENT

The Part-Time Employment Agreement made as of July 31, 2023 (the "Agreement"), between Robert Half Inc. ("Company") and Joseph A. Tarantino ("Employee"), is amended and restated to read in its entirety as set forth herein, effective as of the same date.

WHEREAS, Employee currently serves as an Executive Officer of Company.

WHEREAS, Company wishes to make arrangements now to insure the availability of the advice, counsel and experience of Employee after Employee retires as an executive officer and Company considers such services to be very important in view of the personal service nature of Company's business and Employee's vital role in helping to build such business.

NOW, THEREFORE, Company and Employee agree as follows:

1. Engagement. Commencing on the Part-Time Employment Commencement Date, Employee shall become a part-time employee of the Company during the Part-Time Employment Period upon the terms and conditions hereinafter set forth. Nothing herein shall in any way modify, affect or govern the terms and conditions of Employee's employment by Company prior to the Part-Time Employment Commencement Date. If Employee's full-time employment with Company shall terminate prior to the Part-Time Employment Commencement Date under any circumstances other than Employee's Retirement, this Agreement shall immediately terminate and be of no further force or effect.

2. Services. During the Part-Time Employment Period, Employee shall provide advice and counsel to Company at such time and in such manner as reasonably requested from time to time. Company agrees that Employee shall not be required to render more than 40 hours of services during any calendar quarter during the Part-Time Employment Period, nor shall Employee be required to (a) travel outside the United States, (b) travel more than 50 miles from Employee's then current principal home more than once in any year, or (c) render services during other than ordinary business hours. The terms of Employee's part-time employment during the Part-Time Employment Period are determined hereunder and no employee manual, policy statement or similar item issued from time to time by Company to its employees shall constitute part of this Agreement or modify, affect or govern the terms of the engagement of Employee during the Part-Time Employment Period.

3. Compensation.

(a) During the Part-Time Employment Period, Employee shall be paid a monthly salary equal to 1/12 of the product of (i) 8% and (ii) Employee's Applicable Compensation. Such salary shall be payable in accordance with the Company's standard payroll procedures and shall be subject to required withholding for income and other applicable taxes and contributions.

(b) Employee shall be reimbursed, upon presentation of proper receipts, for Employee's reasonable business expenses related to travel requested by Company. Company shall also, if requested by Employee, provide Employee with such computer equipment and support as Employee may need to render services hereunder.

(c) During the Part-Time Employment Period, any shares of restricted stock or other stock award held by Employee on the Part-Time Employment Commencement Date shall remain outstanding and shall continue to vest in accordance with their existing terms.

(d) Effective on the Part-Time Employment Commencement Date, any unexercised option granted after January 1, 1999, and then held by Employee shall vest and shall no longer be subject to forfeiture. No portion of any such option, however, may be exercised until the original vesting date for such portion.

4. Other Employment. Except as provided in Sections 2 and 7 hereof, nothing herein shall be construed as in any way prohibiting or preventing Employee from accepting employment with, or providing services for remuneration to, any other entity subsequent to the Part-Time Employment Commencement Date.

5. Use of Name. Employee hereby consents to the use and publication, without further consideration, of Employee's name, picture and image in training materials and other materials relating to the business of any of the RHI Companies, regardless of whether such use or publication is in the form of printed matter, photographs, audio tape, video tape, computer disk, electronic transmission, or otherwise. Such consent applies to both the use and publication of such items during Employee's engagement.

6. Disclosure or Misuse of Confidential Information. Employee shall not, at any time during the Part-Time Employment Period or thereafter, directly or indirectly, disclose, furnish or make accessible to any person, firm, corporation, or other entity, or make use of, any confidential information obtained at any time from any of the RHI Companies (whether prior or subsequent to the Part-Time Employment Commencement Date), including, without limitation, information with respect to the name, address, contact persons or requirements of any customer, client, applicant or employee of any of the RHI Companies (whether having to do with temporary or permanent employment) and information with respect to the procedures, advertising, finances, organization, personnel, plans, objectives or strategies of the RHI Companies. Employee acknowledges that such information is safeguarded by the RHI Companies as trade secrets. Upon termination of Employee's employment, Employee shall deliver to the RHI Companies all copies of all records, manuals, training kits, and other property belonging to the RHI Companies or used in connection with their business which may be in Employee's possession. The provisions of this Section shall survive termination of either Employee's employment or this Agreement for any reason.

7. Restrictive Covenant. In consideration and view of (i) the valuable consideration furnished to Employee by Company entering into this Agreement, (ii) Employee's access to confidential information and trade secrets of the RHI Companies and (iii) the value of such confidential information and trade secrets to the RHI Companies, during the period commencing on the Part-Time Employment Commencement Date and ending on the fourth anniversary thereof, Employee shall not render services to any other firm, person, corporation, partnership or other entity or individual engaged in the services of the types provided by the RHI Companies at the time of the Employee's Retirement including, but not limited to, internal audit and risk consulting, the business of temporary, contract or permanent placement of individuals or in the staffing services business (including, but not limited to, any executive recruiting firm, employment agency or temporary personnel service) . The covenants of Employee contained in this section are in addition to, and not in amendment, modification or replacement of, any obligations of Employee contained in any other agreement between Employee and Company. Employee understands that this Section 7 is not intended to, and does not, prohibit the conduct described to the extent that enforcing this Section 7 would not be enforceable under governing law, but provides for the cancellation of all compensation and benefits provided under this Agreement and a return to the Company of any gross

taxable proceeds from any compensation previously received under this Agreement, including any stock compensation that became vested or otherwise payable as a result of this Agreement, if Employee should choose to violate this Section 7 during the period beginning on the Part-Time Employment Commencement Date and ending on the fourth (4^{th}) anniversary of the Part-Time Employment Commencement Date.

8. Non-solicitation of Other Employees. In consideration and view of (i) the valuable consideration furnished to Employee by Company entering into this Agreement, (ii) Employee's access to confidential information and trade secrets of the RHI Companies, and (iii) the value of such confidential information and trade secrets to the RHI Companies, during the period commencing on the Part-Time Employment Commencement Date and ending on the fourth anniversary thereof, Employee shall not, directly or indirectly, solicit, induce, encourage (or assist any other person, firm, entity, business or organization in soliciting, inducing or encouraging) any employee of any of the RHI Companies to leave the employ of the RHI Companies. The covenants of Employee contained in this section are in addition to, and not in amendment, modification or replacement of, any obligations of Employee contained in any other agreement between Employee and Company. Employee understands that this Section 8 is not intended to, and does not, prohibit the conduct described to the extent that enforcing this Section 8 would not be enforceable under governing law, but provides for the cancellation of all compensation and benefits provided under this Agreement and a return to the Company of any gross taxable proceeds from any compensation previously received under this Agreement, including any stock compensation that became vested or otherwise payable as a result of this Agreement, if Employee should choose to violate this Section 8 during the period beginning on the Part-Time Employment Commencement Date and ending on the fourth (4th) anniversary of the Part-Time Employment Commencement Date.

9. Injunction. In view of Employee's access to confidential information and trade secrets and in consideration of the value of such property to the RHI Companies, Employee expressly acknowledges that the covenants set forth herein are reasonable and necessary in order to protect and maintain the proprietary and other legitimate business interests of the RHI Companies, and that the enforcement thereof would not prevent Employee from earning a livelihood. Employee further agrees that in the event of an actual or threatened breach by Employee of such covenants, the RHI Companies would be irreparably harmed and the full extent of injury resulting therefrom would be impossible to calculate and the RHI Companies therefore will not have an adequate remedy at law. Accordingly, Employee agrees that temporary and permanent injunctive relief would be appropriate remedies against such breach, without bond or security; provided, that nothing herein shall be construed as limiting any other legal or equitable remedies the RHI Companies might have.

Notwithstanding the foregoing, under the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; (b) is made to Employee's attorney in relation to a lawsuit for retaliation against such Employee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this Agreement shall: (A) prevent Employee from testifying truthfully as required by law; (B) prohibit or prevent Employee from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding, or other proceeding before any federal, state, or local government agency (e.g., EEOC, NLRB, SEC, etc.); or (C) prevent Employee from disclosing confidential information in confidence to a federal, state, or local government official for the purpose of reporting or investigating a suspected violation of law.

10. Termination.

(a) Employee may terminate Employee's employment during the Part-Time Employment Period at any time on written notice to Company.

(b) Company may terminate Employee's employment during the Part-Time Employment Period at any time on written notice to Employee.

(c) If Employee's employment is terminated on or after the Part-Time Employment Commencement Date and prior to the fourth anniversary of the Part-Time Employment Commencement Date (1) by Employee as a result of a willful and material breach of this Agreement by Company or (2) by Company other than a Termination for Cause or Termination for Nonperformance, Company shall continue to pay Employee the salary specified herein following Employee's Separation from Service (as such term is defined by Section 409A of the Internal Revenue Code) until the earlier of (i) the fourth anniversary of the Part-Time Employment Commencement Date, or (ii) any breach by Employee of the provisions of Sections 6, 7, or 8, hereof, provided that any such payment will not be made until six months after Employee's Separation from Service (as such term is defined by Section 409A) to the extent required to render such payment not subject to the additional income tax under Section 409A.

(d) If Employee's engagement hereunder is terminated on or after the Part-Time Employment Commencement Date and prior to the fourth anniversary of the Part-Time Employment Commencement Date (1) by Employee as a result of a willful and material breach of this agreement by Company or (2) by Company other than a Termination for Cause, effective upon the date of such termination, (i) any outstanding unexercised options granted by Company after January 1, 1999, then held by Employee shall remain outstanding for the full length of their original term, and (ii) any unvested shares of restricted stock or other stock awards granted by Company then held by Employee shall vest and shall not be forfeited.

(e) If the Part-Time Employment Period ends on the fourth anniversary of the Part-Time Employment Commencement Date, then any outstanding unexercised options granted by Company subsequent to the date hereof and then held by Employee shall remain outstanding for the full length of their original term.

11. Waiver. Failure of any party to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of the right to subsequently insist upon strict compliance with such term, covenant or condition or a waiver or relinquishment of any similar right or power hereunder at any subsequent time.

12. Amendment. No provision of this Agreement may be changed or waived except by an agreement in writing signed by the party against whom enforcement of any such waiver or change is sought.

13. Severability. The provisions of this Agreement are severable. If any provision is found by any court of competent jurisdiction to be unreasonable and invalid, that determination shall not affect the enforceability of the other provisions. Furthermore, if any of the restrictions against various activities is found to be unreasonable and invalid, the court before which the matter is pending shall enforce the restriction to the maximum extent it deems to be valid. Such restrictions shall be considered divisible both as to time and as to geographical area, with each month being deemed a separate period of time and each one mile radius from any office being deemed a separate geographical area. The restriction shall remain effective so long as the same is not unreasonable, arbitrary or against public policy.

14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, except with respect to Sections 6, 7, 8 and 9, which shall be governed by and construed in accordance with the law of the jurisdiction in which an activity in violation thereof occurred or threatens to occur and with respect to which legal and equitable relief is sought. In no event shall the choice of law be predicated upon the fact that Company is incorporated or has its corporate headquarters in a certain state.

15. Entire Agreement. This Agreement, together with any documents referred to or incorporated by reference herein, contains all of the agreements, conditions, promises and covenants between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, representations, arrangements or understandings, whether written or oral, with respect to the subject matter hereof.

16. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall constitute one agreement.

17. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Company (including its direct and indirect subsidiaries) and its successors and assigns. This Agreement may not be assigned by Employee.

18. Third Party Beneficiary. Each of the RHI Companies is a third party beneficiary of this Agreement and each of them has the full right and power to enforce rights, interests and obligations under this Agreement without limitation or other restriction.

19. Definitions.

"Applicable Compensation" for an Employee is the mean Yearly Cash Compensation for the five full calendar years during the ten full calendar years preceding the Part-Time Employment Commencement Date that had the highest Yearly Cash Compensation.

"Yearly Cash Compensation" for an Employee for a calendar year means the sum of the base salary and cash bonus paid to Employee for such year, including amounts paid under the Protiviti US Incentive Compensation Plan -- Managing and Senior Directors or the Robert Half Annual Performance Bonus Plan or any successor plans.

"Termination for Cause" shall mean termination by Company of Employee's employment by Company by reason of (a) Employee's willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to Company which has resulted in material injury to Company, or (b) violation by Employee of the provisions of Section 6, 7, or 8 hereof which has resulted in material injury to Company; provided, however, that Employee's employment shall not be deemed to have been a "Termination for Cause" if such termination took place as a result of any act or omission believed by Employee in good faith to have been in the interest of Company.

"Termination for Nonperformance" shall mean termination by Company of Employee's employment by Company by reason of repeated failure by Employee, following written notice, to materially perform the service obligations contained in Section 2 hereof.

"Part-Time Employment Commencement Date" shall be the date of Employee's Retirement.

"Part-Time Employment Period" means the period of time commencing on the Part-Time Employment Commencement Date and ending on the earlier to occur of (a) the fourth anniversary of the Part-Time

Employment Commencement Date or (b) the date on which this Agreement is terminated in accordance with the terms hereof.

"Retirement" means any voluntary resignation by Employee of any and all officer positions held by Employee with any of the RHI Companies, accompanied by written notification to the Company by Employee that Employee wishes to become a part-time employee, on or after the later to occur of (a) Employee's 55th birthday, or (b) the 20th anniversary of Employee's first day of service with Company as a director or full-time employee.

"RHI Companies" means Company and its subsidiaries and affiliates.

20. Indemnification. The Company shall indemnify Employee for all actions taken while performing services hereunder to the fullest extent permitted by Delaware law, the Certificate of Incorporation and the By-laws of the Company and by the terms of any indemnification agreement that has been or shall be entered into from time to time between the Company and Employee, which indemnification agreement shall remain in full force and effect during the Part-Time Employment Period and shall cover the actions of Employee during the Part-Time Employment Period as if he were a director or an officer during the Part-Time Employment Period.

21. Attorneys' Fees. In the event of any litigation pertaining to this Agreement, the prevailing party shall be reimbursed by the non-prevailing party for the prevailing party's reasonable attorney's fees and expenses incurred in such litigation.

22. Other Agreements. Employee's Retirement shall be deemed a voluntary termination of employment by Employee under the agreements and plans set forth on Schedule A hereto.

IN WITNESS WHEREOF, the parties have set their hands hereto.

ROBERT HALF INC.

By ___________________________

M. Keith Waddell
President and Chief Executive Officer

____

Joseph A. Tarantino

Schedule A

Part-Time Employment Agreement between Robert Half Inc. and Joseph A. Tarantino

1. Employment Agreement by and between Protiviti Inc and Joseph A. Tarantino dated May 2002 as amended on February 15, 2008.
2. Robert Half Inc. Annual Performance Bonus Plan.
3. Protiviti U.S. ICP -- Managing and Senior Directors
4. Protiviti U.S. Executive Management Savings Plan
5. Severance Agreement dated July 31, 2023, between Robert Half Inc. and Joseph A. Tarantino.

EXHIBIT 31.1

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, M. Keith Waddell, certify that:

1. I have reviewed this report on Form 10-Q of Robert Half 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 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 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: August 1, 2023

/s/ M. Keith Waddell

M. Keith Waddell
President & CEO

EXHIBIT 31.2

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, Michael C. Buckley, certify that:

1. I have reviewed this report on Form 10-Q of Robert Half 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 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 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: August 1, 2023

/s/Michael C. Buckley

Michael C. Buckley
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023 of Robert Half Inc. (the "Form 10-Q"), I, M. Keith Waddell, Chief Executive Officer of Robert Half Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Robert Half Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half Inc. and will be retained by Robert Half Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

August 1, 2023	/s/ M. Keith Waddell
	M. Keith Waddell Chief Executive Officer Robert Half Inc.

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023 of Robert Half Inc. (the "Form 10-Q"), I, Michael C. Buckley, Chief Financial Officer of Robert Half Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Robert Half Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half Inc. and will be retained by Robert Half Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

August 1, 2023

/s/Michael C. Buckley

Michael C. Buckley
Chief Financial Officer
Robert Half Inc.