


ANNUAL REPORT 2019

Robert Half®

About Us

Accountemps®

Robert Half®
Finance & Accounting

Robert Half®
Management Resources

Robert Half® Technology

OfficeTeam®

Robert Half® Legal

The Creative Group®

Protiviti®

Founded in 1948, Robert Half is the world's first and largest specialized staffing firm and a recognized leader in professional consulting and staffing services.

Robert Half is a company with a purpose. We provide job seekers with meaningful employment, and we assist businesses in locating the talent they need to succeed and expand. Our staffing professionals have deep knowledge of the local labor market and use artificial intelligence that's trained using the millions of placements we've made over seven decades in business. This combination of personal service and technology guides us in finding the right fit for both employers and job candidates.

Our staffing divisions serve the finance and accounting, technology, administrative, legal, and creative and marketing fields. We have more than 300 staffing locations worldwide, including 87 offices in 17 countries outside the United States.

Robert Half also is the parent company of Protiviti, a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independently and locally owned Member Firms serve clients through a network of more than 85 locations in over 27 countries.

Selected Financial Data

(in millions, except per share amounts)

YEARS ENDED DEC. 31

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
INCOME STATEMENT DATA											
Service revenues	$ 6,074.4	$ 5,800.3	$ 5,266.8	$ 5,250.4	$ 5,094.9	$ 4,695.0	$ 4,245.9	$ 4,111.2	$ 3,777.0	$ 3,175.1	$ 3,036.5
Operating income	$ 621.8	$ 588.9	$ 517.3	$ 554.5	$ 580.7	$ 497.2	$ 398.3	$ 343.4	$ 249.4	$ 115.0	$ 66.8
Net income	$ 454.4	$ 434.3	$ 290.6	$ 343.4	$ 357.8	$ 305.9	$ 252.2	$ 209.9	$ 149.9	$ 66.1	$ 37.3
Diluted net income per share, as reported	$ 3.90	$ 3.57	$ 2.33	$ 2.67	$ 2.69	$ 2.26	$ 1.83	$ 1.50	$ 1.04	$ 0.44	$ 0.24
Diluted net income per share, non-GAAP*		$ 3.61	$ 2.60								
Diluted shares	116.4	121.6	124.9	128.8	132.9	135.5	137.6	139.4	141.8	144.0	146.6
Dividends declared per share	$ 1.24	$ 1.12	$ .96	$ .88	$ .80	$ .72	$ .64	$ .60	$ .56	$ .52	$ .48
CASH FLOW DATA											
Net cash flows provided by operating activities	$ 519.6	$ 572.3	$ 453.0	$ 442.1	$ 438.2	$ 340.7	$ 309.2	$ 289.2	$ 256.3	$ 175.9	$ 240.2
Capital expenditures	$ 59.5	$ 42.5	$ 40.8	$ 83.0	$ 75.1	$ 62.8	$ 53.7	$ 50.1	$ 56.5	$ 35.1	$ 41.2
BALANCE SHEET DATA AT YEAR-END											
Total assets	$ 2,311.4	$ 1,903.1	$ 1,867.5	$ 1,778.0	$ 1,671.0	$ 1,620.8	$ 1,497.7	$ 1,367.0	$ 1,297.4	$ 1,272.6	$ 1,283.5
Debt financing	$ 0.5	$ 0.7	$ 0.8	$ 1.0	$ 1.2	$ 1.3	$ 1.4	$ 1.5	$ 1.7	$ 1.8	$ 1.9
Stockholders' equity	$ 1,143.7	$ 1,063.2	$ 1,105.3	$ 1,086.6	$ 1,003.8	$ 979.9	$ 919.6	$ 842.0	$ 800.5	$ 834.4	$ 899.8

* *See Appendix A to the Company's Proxy Statement mailed to stockholders in April 2020 for a reconciliation of the non-GAAP measures to the most comparable GAAP measures:* https://www.roberthalf.com/investor-center/sec-filings/definitive-14a.

To Our Stockholders

Harold M. Messmer, Jr.
Executive Chairman

M. Keith Waddell
President and Chief Executive Officer

As we write this letter to our shareholders, we are in the midst of a global pandemic crisis. An increasing number of people are affected each day by the coronavirus, whether medically or by unprecedented changes in how we all work and live. Most of what appears on the following pages reflects Robert Half's performance in 2019. We are sensitive to the fact that the current environment has greater uncertainty, although we are confident we are well-positioned to manage through these challenging times.

Robert Half turned in another solid performance in 2019. We reported record levels of revenues, net income, diluted earnings per share and cash dividends declared. Full-year global revenues for the company were $6.1 billion, up 5 percent from $5.8 billion in 2018. U.S. revenues increased 6 percent, while international revenues were essentially flat. International revenues represent 22 percent of the company total.

Our staffing operations performed well throughout the year, particularly in the United States, where demand benefited from unprecedented labor shortages, especially in our specialty areas. Our non-U.S. staffing operations were challenged by slower economic growth and global trade uncertainties. Notwithstanding these headwinds, we were generally pleased with how our non-U.S. staffing operations performed. While the non-U.S. growth rate moderated in most countries we serve, we still fared better than our industry, largely because of our professional sector and small and midsize client focus.

Protiviti, our internal audit and consulting subsidiary, enjoyed double-digit percentage growth rates in every quarter in 2019. Protiviti continued to expand its consulting solutions and strengthen its client base. Its revenues of $1.1 billion increased 18 percent over the prior year and exceeded $1 billion for the first time in its 18-year history. It now represents 19 percent of total revenues.

2019

Service Revenues
$6.1 Billion

Operating Income
$622 Million

Return on Invested Capital
41%

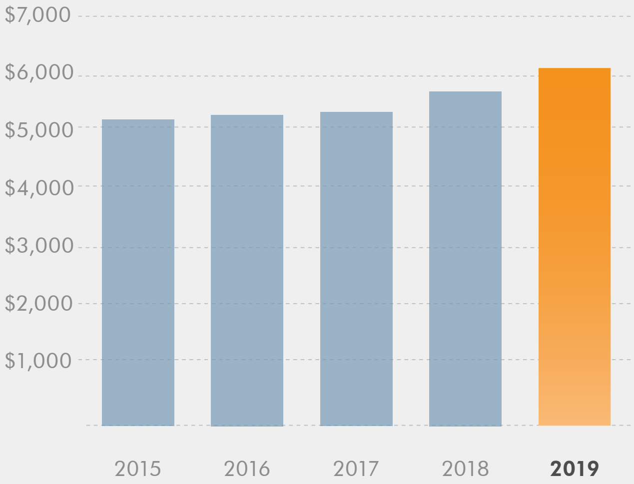
Companywide operating income grew to a record $622 million, up 6 percent from the previous year. Net income was $454 million, 5 percent higher than in the year-ago period. Diluted net income per share was $3.90, compared to $3.57 in 2018, a 9 percent increase. The net income per share comparison benefited from 4 percent fewer shares outstanding in 2019.

We continue to regard return on invested capital (ROIC) as a key measure of our financial performance. 2019 ROIC of 41 percent compared favorably with our past experience and with levels commonly achieved in corporate America. We believe our superior ROIC is rooted in our ability to generate industry-leading profitability on a judiciously employed capital base, including growth achieved primarily by organic means.

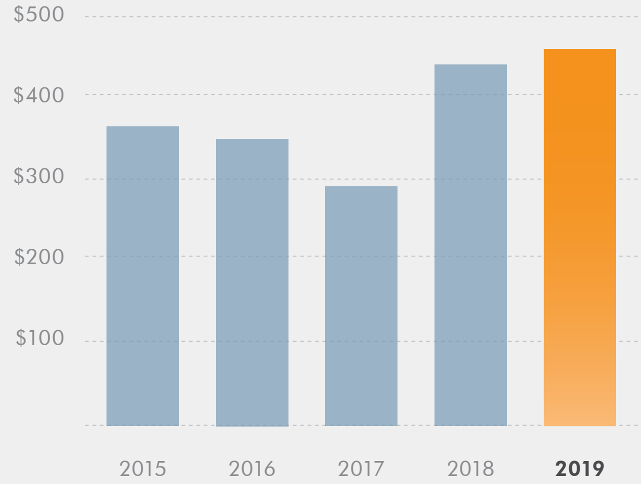
Record Financial Results in 2019

5-YEAR HISTORY

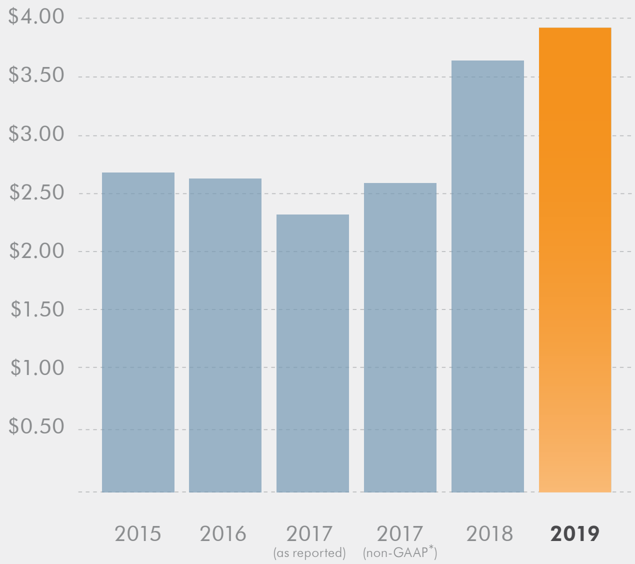
SERVICE REVENUES (in millions)



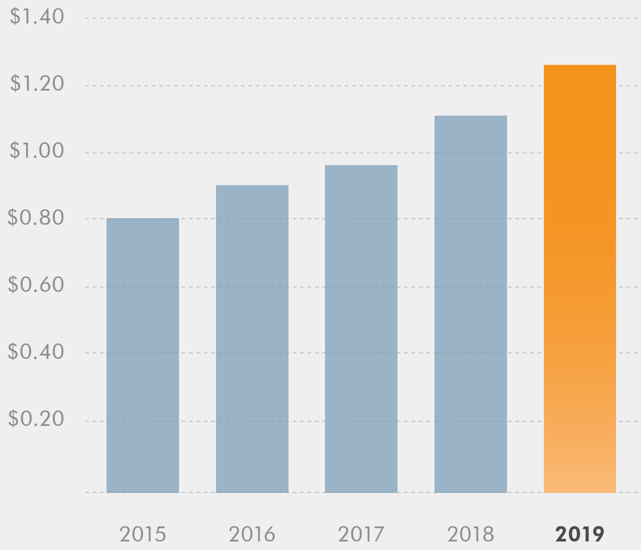
NET INCOME (in millions)



DILUTED NET INCOME PER SHARE



DIVIDENDS DECLARED PER SHARE



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CONTINUED DEMAND FOR PROFESSIONAL STAFFING SERVICES

In 2019, our staffing operations benefited from global labor shortages and the resulting high demand for skilled talent, particularly in the United States. The hiring environment for U.S. employers is the most challenging it has been in decades. In September, the U.S. unemployment rate fell to 3.5 percent, a 50-year low, and held close to that level for the remainder of the year. Notably, 2019 was the ninth consecutive year the United States added more than 2 million jobs. The U.S. jobs growth cycle in recent years has been unlike any we have seen before.

Small to midsize businesses (SMBs) dominate Robert Half's staffing client base; we have a long history of serving these companies. Finding workers is a serious problem for small-business owners when unemployment is as low as it has been. According to a December 2019 report from the National Federation of Independent Business (NFIB), 53 percent of business owners polled said they were hiring or trying to hire, and 50 percent reported few or no qualified applicants for the positions they need to fill.

SMBs are a key driver of the U.S. economy. According to the Q4 2019 Vistage CEO Confidence Index, this sector creates 75 percent of all new jobs, yet our research tells us the majority of these companies have never employed a staffing firm. Our decades-long experience in identifying and serving SMBs by understanding how their needs differ from those of larger companies is difficult to duplicate. SMBs continue to constitute a vast, yet largely underserved, market opportunity.

While the well-documented shortages of global skills boost demand for our services, they also constrain the candidate supply. To increase our own reserve of talent, we have been focused on developing a proprietary matching technology using machine learning. Its artificial intelligence (AI) is informed by decades of candidate placement data exclusive to Robert Half. We believe our matching technology and unique data insights differentiate us in our industry. Our ability to rapidly provide professionals who closely match our clients' requirements is invaluable in a tight labor market.

> Small to midsize businesses dominate Robert Half's staffing client base; we have a long history of serving these companies.

PROTIVITI CROSSES BILLION-DOLLAR MARK

Revenues for Protiviti, our global consulting subsidiary, were $1.1 billion in 2019. At year-end, Protiviti had achieved seven straight quarters of year-over-year double-digit percentage growth. Its diverse practices range from internal audit to an array of business, risk and technology consulting solutions.

Protiviti has grown to be an important part of our business. It has significantly expanded its offerings since its launch in 2002, when the great majority of Protiviti revenues came from internal audit and internal controls, to a diversified range of services. In addition to internal audit, including IT audit, Protiviti has developed robust offerings in areas including:

- Managed solutions (finance/ accounting and technology)
- Artificial intelligence
- Machine learning

TRENDS WE SAW DURING 2019

- Skill shortages still widespread — most pronounced in professional occupations
- More positions requiring better digital skills
- Candidates showing more confidence in salary negotiations
- Interim workers playing larger role at companies

- Advanced analytics and model development/validation
- RPA (robotic process automation)
- Business process and performance improvement
- IPO (initial public offering) readiness
- Finance function transformation
- Technology strategy and applications
- Cybersecurity and privacy
- Cloud solutions
- Risk and regulatory compliance solutions
- Emerging technologies

As Protiviti continues to service larger, multinational clients and help companies solve increasingly complex business problems, it is often combining a variety of competencies, such as data, analytics, controls and process capabilities, to increase the value provided.

OUR ENTERPRISE-WIDE SERVICE CONTINUUM

During 2019, we made excellent progress in two important areas — establishing a full spectrum of specialized staffing and consulting solutions and expanding our digital presence. Both are helping us further build out our continuum of service.

Our Full Complement of Solutions

The traditional labor model is evolving. It used to be that the great majority of labor functions were provided exclusively by full-time, permanent employees. Today, full-time staff remain the core workforce, but they comprise a smaller part of the whole. The changes are being driven by companies' need to access more skills, many of which are new and technical in nature. The broader range of skills comes from a variety of labor sources suited to different-size projects deployed on a scalable basis. The model now includes contingent and gig workers, the human cloud, and more. Robert Half is embracing these changes by combining our offerings of a uniquely flexible talent pool and deep consulting capability through our staffing and Protiviti units, respectively. Flexibility is a critical element in the new paradigm.

We have long had the ability to identify professionals whose skills are tailored to meet an employer's specific needs. We are expanding this core capability to include entire cross-functional teams and managed services offerings. We now offer companies a full complement of staffing and consulting solutions, from transactional engagements with our temporary staffing divisions at one end of the spectrum to pure consulting solutions through Protiviti at the other end. With our blended solutions, we can offer clients a combination of consultants from Protiviti along with engagement professionals from our staffing divisions. This advantage makes us a formidable competitor to larger consulting firms that lack this access to a virtually limitless talent network. Likewise, no other major staffing firm can deliver the project solutions of Protiviti.

The ability for Protiviti and our staffing businesses to call on each other's expertise and resources also provides us with internal advantages. Protiviti, for example, routinely draws on Robert Half's staffing units to augment its conventional consulting teams. Protiviti has access to our entire talent database.

One of the goals of our technology and digital innovation efforts is to make it faster and easier for customers to hire or be hired.

We believe this provides an important competitive advantage since it reduces Protiviti's need to seek outside labor. The distinctive synergy between Protiviti and our staffing units makes us unique in our industry. We believe we have just scratched the surface when it comes to the business potential of this opportunity.

Our Technology

Our investment in technology is growing. It includes enhancements to our website, personalized job and candidate recommendations, a proprietary matching engine, and our own mobile app. We are committed to meeting our customers' increasing expectations by offering more choices in how and when they work with us. These technical innovations, combined with the expertise of our staffing specialists, provide both employers and job seekers greater flexibility, whether they engage with us online or in person.

One of the goals of our technology and digital innovation efforts is to make it faster and easier for customers to hire or be hired. A few years ago, we moved the entire organization onto the Salesforce customer relationship management (CRM) system to put all of our global teams on to one platform. That move has paid off with increased efficiencies in managing our vast databases and improved collaboration among our global workforce.

Our technology enables us to be proactive in candidate recruiting. When we get a job order, we immediately match it to our candidate database. We invite all candidates who are identified to apply in real time, rather than waiting for a more limited number of candidates to self-identify opportunities, then apply. Likewise, we alert clients when a candidate in our database matches their needs.

We launched our candidate mobile app in July 2019. In less than a year's time, we have received more than 100,000 job applications through this path. The app has shown itself to be an effective way to attract and engage job seekers. The Robert Half mobile app and our own websites have proven to be productive sources of talent, making us far less reliant on third-party sources for candidates.

There are hiring managers who traditionally have not used staffing firms. They prefer to source and hire on their own. We recently created Robert Half Direct, a hiring platform meant to serve this segment. By using this service, which is now available in all U.S. markets, clients have immediate access to a short list of candidates through a direct-hiring platform. Clients control the process and interact directly with job candidates to arrange interviews and make hiring decisions. This gives them access to our proprietary technology and data insights and our extensive candidate database powered by over 10,000 active recruiters. Early results show that Robert Half Direct is reaching a new segment of the market for us.

A SUPERIOR MATCHING ENGINE

We have developed the technology we use internally to help our staffing professionals become even better at finding the right fit between job seeker and employer. Our proprietary AI-based matching technology incorporates performance data from our most successful candidate placements in professional sectors. No one else in our industry has this capability because no one else can draw on the millions of successful candidate placements we've made over seven decades in staffing. Using data only we have, we can evaluate how well our candidates align with job openings based on how past candidates have performed. We recently compared Robert Half's matching technology to that of several of our competitors in a head-to-head test of performance. The matching engine we built outperformed them all. Our staffing and recruiting specialists are already the best in the business, but these tools extend their ability to make rapid yet solid matches.

Our Personal Service

No amount of technology can replace a genuine understanding of a client's or candidate's needs. Robert Half has developed a level of personal service that is well-known and highly regarded. We work with companies on all aspects of the hiring process. Anyone who has ever hired for an open position knows the real work begins after you've identified people who may be a skills-match for that job. It is time-consuming but critical that candidates' interpersonal attributes are also assessed to ensure a good fit with the organization's culture. Further work must then be done in salary negotiation and persuading top picks to choose one employer's offer over others.

Employers and candidates also need personal contacts to help them address the bigger picture — their staffing and career strategies. Employers increasingly need a workforce with new skills, fueled by rapidly changing technology, and they need advice on how to find these skills cost-effectively. Candidates need counsel on how to acquire the most marketable current and future skills. They will want more than online assistance in these cases.

OUR STABILITY

Robert Half has an enviable history of financial and managerial stability. We have produced decades of mainly organic growth that has extended a profitable presence throughout the United States and select overseas markets. Our asset-lite business model produces generous amounts of cash in both good and bad economic conditions. We operate with an extremely solid balance sheet, which is dominated by current assets, most of which are highly liquid. After allocating cash to operate and grow the business, we return much of the cash produced to stockholders through share buybacks and cash dividends. We have repurchased shares yearly since 1997 for a total of $3.7 billion and 115.5 million shares, all from internally generated cash flow. Our initial cash dividend was made in 2004. Since then, we have paid uninterrupted quarterly cash dividends. Cash dividends have grown at a compound average annual rate of 11.2 percent.

LOOKING AHEAD

We are optimistic about how Robert Half is positioned right now, but we also recognize the uncertainty surrounding the COVID-19 pandemic, which as of this writing is having a very real impact on global economies. Like all businesses, we are watching carefully to see how the situation evolves and we are responding accordingly. The labor shortages we have been seeing have been building for some time, but the current climate makes it difficult to assess even near-term trends.

Whether markets improve relatively soon or take longer to recover, our experience navigating in uncertain times through the years should guide us well through these uncharted waters. Robert Half has a very strong balance sheet, no debt and decades of proven business experience. At times like this, the drive and tenure of our leadership team become our greatest asset. And as in the past, there may be opportunities presented by major economic shifts. Like perhaps never before, businesses will need the ability to staff up and down flexibly as events unfold. Our digital investments give us the ability to quickly find the right professionals for companies with rapidly changing needs. These firms will also need a talent pipeline when markets recover, and Robert Half will be there for them as they rebuild.

Businesses will have many and varied needs as they face the future. It has long been our vision to complete the full spectrum of specialized staffing and consulting solutions we offer these customers, and this vision has just recently become a reality. It gives us access to new clients beyond our traditional staffing base of SMBs, especially when you consider our blended solutions, where Protiviti works with our staffing business.

Our industry has entered an age of multiple staffing sources to serve an evolving labor market. The new model is both beneficial and more complex for companies and workers. Clients and job seekers need help as they enter unfamiliar territory, and we can provide it.

We would like to thank our board of directors for the strategic counsel they provided during 2019, and you, our stockholders, for your continued support of our business.

Respectfully submitted,

Harold M. Messmer, Jr.
Executive Chairman

March 18, 2020

M. Keith Waddell
President and Chief Executive Officer

March 18, 2020

A MESSAGE FROM MAX MESSMER

I have been honored to serve as Robert Half's CEO since the business was acquired from Bob Half in 1986. In December, I made the decision to transition from Chairman and CEO to Executive Chairman. I will, of course, be involved with the growth strategy of the company, and I am extremely pleased to see Keith Waddell, who has been my partner and collaborator from virtually the beginning, succeed me as CEO. Keith provides a sense of continuity, and with his vision and history of innovation, he also is absolutely the right person to lead Robert Half into the future.

— Harold M. Messmer, Jr.

Corporate Responsibility

From the inside out, we are a people business. Every day, we find our candidates rewarding work, giving them the means to support their families and a source of dignity and self-respect. We also connect company leaders with the skilled talent they need to grow. This keen focus on people extends to our impact on society at large. We strive to deliver value to all of our stakeholders, including shareholders, customers, employees, suppliers and communities.

Our environmental, social and governance (ESG) mission statement underpins our commitment to address various aspects of corporate responsibility. Our ESG approach also allows us to more effectively assess our policies, programs and performance across a wide range of issues, not only to manage risks but also to help ensure we have a positive impact.

We prioritize the ESG issues that matter most to our stakeholders and have a material impact on our business. For this reason, we are working to expand our ESG disclosures in accordance with the Sustainability Accounting Standards Board (SASB) recommendations for the Professional and Commercial Services industry.

Industry Recognition

ROBERT HALF

World's Most Admired Companies
FORTUNE

Bloomberg Gender-Equality Index

The Best Employers for Diversity
Forbes

Best Places to Work for LGBTQ Equality
Human Rights Campaign Foundation

100 Most Sustainable Companies
Barron's

CSR Program of the Year (Silver Stevie Winner)
American Business Awards

Best of the Best Top Supplier Diversity Programs
Black EOE Journal
HISPANIC Network Magazine
Professional Woman's Magazine
U.S. Veterans Magazine

PROTIVITI

100 Best Companies to Work For
FORTUNE

100 Best Companies
Working Mother

Best Workplaces for Diversity
FORTUNE

Corporate Responsibility Focus Areas

– Our –
WORKFORCE

– Our –
COMMUNITIES

– Our –
ENVIRONMENT

OUR COMMUNITIES

Robert Half's and Protiviti's global volunteer and philanthropy programs, Leading by Example and iCare, respectively, are central to our social responsibility efforts. In addition to the corporate contributions we make to our national, global and local nonprofit partners, our employees play a key role in our matching gifts and volunteering programs, as well as Robert Half's and Protiviti's respective signature outreach programs. In 2019, employees helped create a record-breaking year of community impact.

MATCHING GIFTS

3,000 employees participated in North America, raising $1.4 million for local nonprofits through employee donations and the company match.

VOLUNTEERING

1,800 North American employees collectively volunteered 14,000 hours for 570 nonprofits.

i ON HUNGER

Protiviti donated a total of 2.7 million meals to communities in need, reaching a total of over 10.3 million meals since 2014.

WEEK OF SERVICE

800 Corporate Services employees participated, volunteering 2,000 hours for 32 nonprofits.

SUIT DRIVE

48,600 interview-appropriate clothing items were donated in North America, bringing our total to over 400,000 items since 2002.

HOLIDAY GIVING

125 offices in North America collected more than 5,800 toys and games, bringing our total to over 147,000 items since 2006.

OUR WORKFORCE

Our employees are our most valuable asset. We make every effort to provide a great work environment that connects them with opportunities to grow and thrive. We are committed to supporting human rights and providing equal opportunity and advancement to all employees and stakeholders across our entire value chain, which includes our supply chain and customers. In 2019, we strengthened our programs focused on employee engagement, professional development, inclusion and diversity, and health and safety.

EMPLOYEE DEVELOPMENT

- Robert Half and Protiviti employees completed 365,988 skills-based trainings through our online learning tool.
- 864 Robert Half employees participated in our RH United Leadership Exchange mentorship program.

EMPLOYEE ENGAGEMENT

- We expanded both Robert Half's and Protiviti's employee experience surveys globally.
- Senior leaders and our Employee Experience Ambassadors used results to prioritize focus areas for next year.

INCLUSION AND DIVERSITY

- We supported women's advancement: 58 percent of new hires and 61 percent of employees promoted at Robert Half were women.
- Additionally, 56 percent of Robert Half's senior managers are women.

HEALTH AND SAFETY

- We approved a new Global Human Rights Policy.
- We expanded and updated our sexual harassment training.

OUR ENVIRONMENT

We are committed to decreasing our environmental impact. And in 2019, we took steps to better quantify, reduce and report our environmental footprint. This included submitting our first Communication on Progress to the United Nations Global Compact, which outlined the actions we've taken to work more efficiently and increase environmental oversight, and our first public report to CDP.

ENVIRONMENTAL COMMITTEE

- We strengthened environmental oversight by launching a committee made up of key executives and operational leads.

PRINT CENTER RETROFIT

- Building on our lighting retrofit projects from 2018, we replaced our old lighting with compact LED fixtures at our printing center in Ankeny, Iowa. We estimate that this will reduce energy use by 65,877 kWh per year.

MEASURING EMISSIONS

- For the first time, we publicly reported emissions data to CDP, an initiative that helped us increase our capacity to monitor and evaluate our performance and identify areas for further improvement.

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

FORM 10-K

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

For the fiscal year ended December 31, 2019

OR

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

Commission file number 1-10427

ROBERT HALF INTERNATIONAL 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, 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 $.001 per Share	RHI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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. ☐ Yes ☒ No

As of June 30, 2019, the aggregate market value of the Common Stock held by non-affiliates of the registrant was approximately $6,518,872,985 based on the closing sale price on that date. This amount excludes the market value of 3,315,944 shares of Common Stock directly or indirectly held by registrant's directors and officers and their affiliates.

As of January 31, 2020, there were 115,120,403 outstanding shares of the registrant's Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement to be mailed to stockholders in connection with the registrant's annual meeting of stockholders, scheduled to be held in May 2020, are incorporated by reference in Part III of this report. Except as expressly incorporated by reference, the registrant's Proxy Statement shall not be deemed to be part of this report.

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PART I

Item 1. Business

Robert Half International Inc. (the "Company") provides specialized staffing and risk consulting services through such divisions as *Accountemps®, Robert Half® Finance & Accounting, OfficeTeam®, Robert Half® Technology, Robert Half® Management Resources, Robert Half® Legal, The Creative Group®,* and *Protiviti®*. The Company, through its *Accountemps, Robert Half Finance & Accounting*, and *Robert Half Management Resources* divisions, is the world's largest specialized provider of temporary, full-time, and project professionals in the fields of accounting and finance. *OfficeTeam* specializes in highly skilled temporary administrative support personnel. *Robert Half Technology* provides information technology professionals. *Robert Half Legal* provides temporary, project, and full-time staffing of attorneys and specialized support personnel within law firms and corporate legal departments. *The Creative Group* provides project staffing in the digital, marketing, and creative fields. *Protiviti*, which began operations in 2002, is a global business consulting and internal audit firm. *Protiviti*, which primarily employs professionals specializing in risk, advisory and transactional services, is a wholly owned subsidiary of the Company.

The Company's business was originally founded in 1948. Prior to 1986, the Company was primarily a franchisor, under the names *Accountemps* and *Robert Half* (now called *Robert Half Finance & Accounting*), of offices providing temporary and full-time professionals in the fields of accounting and finance. Beginning in 1986, the Company and its current management embarked on a strategy of acquiring franchised locations. All of the franchises have been acquired. The Company believes that direct ownership of offices allows it to better monitor and protect the image of its trade names, promotes a more consistent and higher level of quality and service throughout its network of offices and improves profitability by centralizing many of its administrative functions. Since 1986, the Company has significantly expanded operations at many of the acquired locations, opened many new locations and acquired other local or regional providers of specialized temporary service personnel. The Company has also expanded the scope of its services by launching the new product lines *OfficeTeam*, *Robert Half Technology*, *Robert Half Management Resources*, *Robert Half Legal* and *The Creative Group*.

In 2002, the Company hired more than 700 professionals who had been affiliated with the internal audit and business and technology risk consulting practice of Arthur Andersen LLP, including more than 50 individuals who had been partners of that firm. These professionals formed the base of the Company's Protiviti Inc. subsidiary. *Protiviti* has enabled the Company to enter the market for business consulting and internal audit services, which market the Company believes offers synergies with its traditional lines of business.

Accountemps

The *Accountemps* temporary services division offers customers a reliable and economical means of dealing with uneven or peak workloads for accounting, finance, and bookkeeping personnel caused by such predictable events as vacations, taking inventories, tax work, month-end activities and special projects, and such unpredictable events as illness and emergencies. Businesses view the use of temporary employees as a means of controlling personnel costs and converting such costs from fixed to variable. The cost and inconvenience to clients of hiring and firing regular employees are eliminated by the use of *Accountemps* temporaries. The temporary workers are employees of *Accountemps* and are paid by *Accountemps*. The customer pays a fixed rate only for hours worked.

Accountemps clients may fill their regular employment needs by using an *Accountemps* employee on a trial basis and, if so desired, "converting" the temporary position to a regular position. The client typically pays a one-time fee for such conversions.

OfficeTeam

The Company's *OfficeTeam* division, which commenced operations in 1991, places temporary and full-time office and administrative personnel, ranging from executive and administrative assistants to receptionists and customer service representatives. *OfficeTeam* operates in much the same fashion as the *Accountemps* division.

Robert Half Finance & Accounting

Established in 1948, the Company's first division and specialized recruitment pioneer *Robert Half Finance & Accounting* specializes in the placement of full-time accounting, financial, tax and accounting operations personnel. Fees for successful placements are paid only by the employer and are generally a percentage of the new employee's annual compensation. No fee for placement services is charged to employment candidates.

Robert Half Technology

The Company's *Robert Half Technology* division, which commenced operations in 1994, specializes in providing information technology contract consultants, placing full-time employees, and offering managed services in areas ranging from multiple platform systems integration to end-user technical and desktop support, including specialists in application development (including mobile, cloud and enterprise applications), networking, systems integration and deployment, database design and administration, and security and business continuity.

Robert Half Legal

Since 1992, the Company has been placing temporary and full-time employees in attorney, paralegal, legal administrative and legal secretarial positions through its *Robert Half Legal* division. The legal profession's requirements (the need for confidentiality, accuracy and reliability, a strong drive toward cost-effectiveness, and frequent peak caseload periods) are similar to the demands of the clients of the *Accountemps* division. *Robert Half Legal* offers a full suite of legal staffing and consulting services to help organizations manage constantly changing workloads and access expertise across in-demand legal practice areas.

Robert Half Management Resources

The Company's *Robert Half Management Resources* division, which commenced operations in 1997, specializes in providing senior level project professionals in the accounting and finance fields, including chief financial officers, controllers, senior financial analysts, internal auditors, and business systems analysts for such tasks as financial systems conversions, expansion into new markets, business process reengineering, business systems performance improvement, and post-merger financial consolidation.

The Creative Group

The Creative Group division commenced operations in 1999 and specializes in identifying for its clients creative professionals in the areas of interactive media, design, marketing, advertising and public relations. The division places freelance and project consultants in a variety of positions such as creative directors, graphics designers, web content developers, web designers, media buyers, brand managers, and public relations specialists.

Protiviti

Protiviti is a global consulting firm that delivers an expanding set of services across its defined solution offerings of Business Performance Improvement, Internal Audit, Managed Solutions, Risk and Compliance and Technology Consulting. Protiviti and its independently owned member firms works collaboratively with its clients in over 25 countries to help them achieve their business objectives and delivers confidence in an ever-evolving dynamic business world. Clients range from high-growth, pre-public/transactional established start-ups to the largest global companies, across seven focused industries.

Marketing and Recruiting

The Company markets its staffing services to clients and employment candidates via both national and local advertising activities. Advertising consists of client- and employment candidate-facing buys in radio, digital display, search engine marketing, social media, trade publications, job boards and events. The Company also markets its services, as well as hiring and career management advice and thought leadership, via its website, e-mail marketing program, social media and blog. Direct marketing via telephone solicitation is a significant portion of the Company's total marketing efforts. Additionally, the Company has expanded its use of job boards and aggregators in all aspects of sales and recruitment. Joint marketing arrangements have been entered into with major software manufacturers and typically provide for the development of proprietary skills tests, cooperative advertising, joint campaigns, and similar promotional activities. The Company also actively seeks endorsements and affiliations with professional organizations in the accounting and finance, technology, legal, and creative and marketing fields. In addition, the Company conducts public relations activities designed to enhance public recognition of the Company and its services. This includes outreach to journalists, bloggers and social media influencers, and the distribution of print, digital, and video thought leadership. Robert Half staffing and recruiting professionals are encouraged to be active in civic organizations and industry trade groups in their local communities.

Protiviti markets its business consulting and internal audit services to a variety of clients in a range of industries. Industry and competency teams conduct targeted marketing efforts, locally, nationally and globally, including print advertising, production of thought leadership, and branded speaking events. National advertising conducted by *Protiviti* consists primarily of print advertisements in magazines and selected trade journals. *Protiviti* regularly conducts a variety of programs to share its insights with clients on current topics such as risk, technology, corporate governance, and industry challenges. It conducts public relations activities, such as distributing press releases, white papers, case studies and newsletters, designed to enhance recognition for the *Protiviti* brand, establish its expertise in key issues surrounding its business and promote its services. *Protiviti* plans to expand both the services and value added content on the *Protiviti.com* website and increase traffic through targeted Internet advertising. Local employees are encouraged to be active in relevant social media communities, civic organizations and industry trade groups.

The Company and its subsidiaries own many trademarks, service marks and tradenames, including the *Robert Half® Finance & Accounting, Accountemps®, OfficeTeam®, Robert Half® Technology, Robert Half® Management Resources, Robert Half® Legal, The Creative Group®* and *Protiviti®* marks, which are registered in the United States and in a number of foreign countries.

Organization

Management of the Company’s staffing operations is coordinated from its headquarters facilities in Menlo Park and San Ramon, California. The Company’s headquarters provides support and centralized services to its offices in the administrative, marketing, public relations, accounting, information technology, training and legal areas, particularly as it relates to the standardization of the operating procedures of its offices. As of December 31, 2019, the Company conducted its staffing services operations through 326 offices in 42 states, the District of Columbia and 17 foreign countries. Office managers are responsible for most activities of their offices, including sales, local advertising and marketing and recruitment.

The day-to-day operations of *Protiviti* are managed by a chief executive officer and a senior management team with operational and administrative support provided by individuals located in San Ramon and Menlo Park, California. As of December 31, 2019, *Protiviti* had 62 offices in 23 states and 11 foreign countries.

Competition

The Company’s staffing services face competition in attracting clients as well as skilled specialized employment candidates. The staffing business is highly competitive, with a number of firms offering services similar to those provided by the Company on a national, regional or local basis. In many areas the local companies are the strongest competitors. The most significant competitive factors in the staffing business are price and the reliability of service, both of which are often a function of the availability and quality of personnel. The Company believes it derives a competitive advantage from its long experience with and commitment to the specialized employment market, its national presence, and its various marketing activities.

Protiviti faces competition in its efforts to attract clients, expand relationships with existing clients and win proposal presentations. The global professional service business is highly competitive with a dynamic regulatory environment, disruptive new technologies, security and privacy concerns and high demand for skilled professionals all driving significant opportunities. The principal competitors of *Protiviti* remain the “big four” accounting firms. Significant competitive factors include reputation, technology, tools, project methodologies, price of services and depth of skills of personnel. *Protiviti* believes its competitive strengths lie in the collaborative approach they take to working with clients which drive knowledge transfer, understanding of client issues and value creation. This is coupled with a “configure-to-fit” resourcing model to create blended teams of full-time Protiviti professionals and engagement professionals from Robert Half’s network of specialized talent to precisely match expertise, approach and people to the changing global needs of clients on consulting and managed solutions projects.

Employees

The Company has approximately 16,000 full-time internal staff, including approximately 4,500 employees engaged directly in Protiviti operations. In addition, the Company placed approximately 205,600 engagement professionals on assignments with clients during 2019. In 2018, the Company had approximately 15,200 full-time internal staff, including approximately 4,000 employees engaged directly in Protiviti operations. In 2018, the Company placed approximately 216,500 engagement professionals on assignments with clients. 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 the related costs of employment, such as workers’ compensation insurance, state and federal unemployment taxes, social security and certain fringe benefits. The Company provides access to voluntary health insurance coverage to interested employees.

Other Information

The Company is not dependent upon a single customer or a limited number of customers. The Company's staffing services operations are generally more active in the first and fourth quarters of a calendar year. *Protiviti* is generally more active in the third and fourth quarters of a calendar year. Order backlog is not a material aspect of the Company's staffing services business. While backlog is of greater importance to *Protiviti*, the Company does not believe, based upon the length of time of the average *Protiviti* engagement, that backlog is a material aspect of the *Protiviti* business. No material portion of the Company's business is subject to government contracts.

Available Information

The Company's Internet address is *www.roberthalf.com*. The Company makes available, free of charge, through its website, its Annual Reports on Form 10-K, proxy statements for its annual meetings of stockholders, its Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and any amendments to those reports, as soon as is reasonably practicable after such reports are filed with or furnished to the Securities and Exchange Commission. Also available on the Company's website are its Corporate Governance Guidelines, its Code of Business Conduct and Ethics, and the charters for its Audit Committee, Compensation Committee and Nominating and Governance Committee, each of which is available in print to any stockholder who makes a request to Robert Half International Inc., 2884 Sand Hill Road, Menlo Park, CA 94025, Attn: Corporate Secretary. The Company's Code of Business Conduct and Ethics is the Code of Ethics required by Item 406 of Securities and Exchange Commission Regulation S-K. The Company intends to satisfy any disclosure obligations under Item 5.05 of Form 8-K regarding any amendment or waiver relating to its Code of Business Conduct and Ethics by posting such information on its website.

Item 1A. Risk Factors

The Company's business prospects are subject to various risks and uncertainties that impact its business. The most important of these risks and uncertainties are as follows:

Risks Related to the Company's Business Environment

Any reduction in global economic activity may harm the Company's business and financial condition. The demand for the Company's services, in particular its staffing services, is highly dependent upon the state of the economy and upon the staffing needs of the Company's clients. Certain of the Company's markets have recently experienced economic uncertainty characterized by increasing unemployment, limited availability of credit and decreased consumer and business spending. In addition, certain geopolitical events, including ongoing trade negotiations and the ongoing negotiation of the United Kingdom's withdrawal from the European Union ("Brexit"), have caused significant economic, market, political and regulatory uncertainty in some of the Company's markets. Any decline in the economic condition or employment levels of the U.S. or of any of the foreign countries in which the Company does business, or in the economic condition of any region of any of the foregoing, or in any specific industry may severely reduce the demand for the Company's services and thereby significantly decrease the Company's revenues and profits. Further, continued or intensifying economic, political or regulatory uncertainty in the Company's markets could reduce demand for the Company's services.

The Company's business depends on a strong reputation and anything that harms its reputation will likely harm its results. As a provider of temporary and permanent staffing solutions as well as consultant services, the Company's reputation is dependent upon the performance of the employees it places with its clients and the services rendered by its consultants. The Company depends on its reputation and name recognition to secure engagements and to hire qualified employees and consultants. If the Company's clients become dissatisfied with the performance of those employees or consultants or if any of those employees or consultants engage in or are believed to have engaged in conduct that is harmful to the Company's clients, the Company's ability to maintain or expand its client base may be harmed.

The Company faces risks in operating internationally. The Company depends on operations in international markets for a significant portion of its business. These international operations are subject to a number of risks, including general political and economic conditions in those foreign countries, the burden of complying with various foreign laws and technical standards and unpredictable changes in foreign regulations, U.S. legal requirements governing U.S. companies operating in foreign countries, legal and cultural differences in the conduct of business, potential adverse tax consequences and difficulty in staffing and managing international operations. In addition, the Company's business may be affected by foreign currency exchange fluctuations. In particular, the Company is subject to risk in translating its results in foreign currencies into the U.S. dollar. If the value of the U.S. dollar strengthens relative to other currencies, the Company's reported income from these operations could decrease. The value of the U.S. dollar has recently strengthened considerably against a number of major foreign currencies, and a continuation or extension of this strength relative to these other currencies could adversely impact the Company's reported income from its international markets and cause its revenue in such markets, when translated into U.S. dollars, to decline.

Significant U.K. or European developments stemming from the U.K.'s decision to withdraw from the European Union could have a material adverse effect on the Company. In the past several years, the European market experienced economic uncertainty, which adversely affected, and the return of which may in the future adversely affect, the Company's operations in Europe. In particular, Brexit has contributed to, and may continue to contribute to, European economic, market and regulatory uncertainty and could adversely affect European or worldwide economic, market, regulatory, or political conditions. To the extent that adverse economic conditions and uncertainty in Europe (related to Brexit or otherwise) worsen, demand for the Company's services may decline, which could significantly harm its business and results of operations.

Natural disasters and unusual weather conditions, pandemic outbreaks, terrorist acts, global political events and other serious catastrophic events could disrupt business and otherwise materially adversely affect our business and financial condition. With operations in many states and multiple foreign countries, we are subject to numerous risks outside of our control, including risks arising from natural disasters, such as fires, earthquakes, hurricanes, floods, tornadoes, unusual weather conditions, pandemic outbreaks and other global health emergencies, terrorist acts or disruptive global political events, or similar disruptions that could materially adversely affect our business and financial performance. For example, the Company's operations are heavily dependent on the ability of employees and consultants to travel from business to business and from location to location. Any public health emergencies, including a real or potential global pandemic such as those caused by the avian flu, SARS, Ebola, Coronavirus, or even a particularly virulent flu, could decrease demand for our services and our ability to offer them. Uncharacteristic or significant weather conditions can affect travel and the ability of businesses to remain open, which could lead to decreased ability to offer our services and materially adversely affect our short-term results of operations. In addition, these events could result in delays in placing employees and consultants, the temporary disruption in the transport of employees and consultants overseas and domestically, the inability of employees and consultants to reach or have transportation to clients directly affected by such events and disruption to our information systems. Although it is not possible to predict such events or their consequences, these events could materially adversely affect our reputation, business and financial condition.

Risks Related to the Company's Operations

The Company may be unable to find sufficient candidates for its staffing business. The Company's staffing services business consists of the placement of individuals seeking employment. There can be no assurance that candidates for employment will continue to seek employment through the Company. Candidates generally seek temporary or regular positions through multiple sources, including the Company and its competitors. Unemployment in the United States has been low in the past couple of years and has recently decreased further; some economists have speculated that in certain markets, the U.S. could be at or near full employment. This phenomenon has made finding sufficient eligible candidates to meet employers' demands more challenging and further decreases in the employment rates could compound these difficulties. Any shortage of candidates could materially adversely affect the Company.

The Company operates in a highly competitive business and may be unable to retain clients or market share. The staffing services business is highly competitive and, because it is a service business, the barriers to entry are quite low. There are many competitors, some of which have greater resources than the Company, and new competitors are entering the market all the time. In addition, long-term contracts form a negligible portion of the Company's revenue. Therefore, there can be no assurance that the Company will be able to retain clients or market share in the future. Nor can there be any assurance that the Company will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain its current profit margins.

The Company may incur potential liability to employees and clients. The Company's temporary services business entails employing individuals on a temporary basis and placing such individuals in clients' workplaces. The Company's ability to control the workplace environment is limited. As the employer of record of its temporary employees, the Company incurs a risk of liability to its temporary employees for various workplace events, including claims of physical injury, discrimination, harassment or failure to protect confidential personal information. While such claims have not historically had a material adverse effect upon the Company, there can be no assurance that such claims in the future will not result in adverse publicity or have a material adverse effect upon the Company. The Company also incurs a risk of liability to its clients resulting from allegations of errors, omissions or theft by its temporary employees, or allegations of misuse of client confidential information. In many cases, the Company has agreed to indemnify its clients in respect of these types of claims. The Company maintains insurance with respect to many of such claims. While such claims have not historically had a material adverse effect upon the Company, there can be no assurance that the Company will continue to be able to obtain insurance at a cost that does not have a material adverse effect upon the Company or that such claims (whether by reason of the Company not having sufficient insurance or by reason of such claims being outside the scope of the Company's insurance) will not have a material adverse effect upon the Company.

The Company is dependent on its management personnel and employees and a failure to attract and retain such personnel could harm its business. The Company is engaged in the services business. As such, its success or failure is highly dependent upon the performance of its management personnel and employees, rather than upon technology or upon tangible assets (of which the Company has few). There can be no assurance that the Company will be able to attract and retain the personnel that are essential to its success.

The Company's results of operations and ability to grow could be materially negatively affected if it cannot successfully keep pace with technological changes impacting the development and implementation of its services and the evolving needs of its clients. The Company's success depends on its ability to keep pace with rapid technological changes affecting both the development and implementation of its services and the staffing needs of its clients. Technological advances such as artificial intelligence, machine learning, and automation are impacting industries served by all our lines of business. In addition, the Company's business relies on a variety of technologies, including those that support hiring and tracking, order management, billing, and client data analytics. If the Company does not sufficiently invest in new technology and industry developments, appropriately implement new technologies, or evolve its business at sufficient speed and scale in response to such developments, or if it does not make the right strategic investments to respond to these developments, the Company's services, results of operations, and ability to develop and maintain its business could be negatively affected.

The demand for the Company's services related to Sarbanes-Oxley or other regulatory compliance may decline. The operations of both the staffing services business and *Protiviti* include services related to Sarbanes-Oxley and other regulatory compliance. There can be no assurance that there will be ongoing demand for these services. For example, the Jumpstart Our Business Startup ("JOBS") Act signed into law in April of 2012 allows most companies going public in the U.S. to defer implementation of some of the provisions of Sarbanes-Oxley for up to five years after their initial public offering. Similarly there are a number of proposals currently being considered by the U.S. Congress to further delay or, in some cases, remove the requirements of Sarbanes-Oxley for a number of public companies. Further, many analysts are expecting the U.S. Congress and President Trump to seek to repeal or modify legislation that is viewed as having over-regulated certain sectors of the U.S. economy and decreased the incentive for U.S. companies to go public and their ability to effectively compete with foreign competition. These or other similar modifications of the regulatory requirements could decrease demand for Protiviti's services.

Long-term contracts do not comprise a significant portion of the Company's revenue. Because long-term contracts are not a significant part of the Company's staffing services business, future results cannot be reliably predicted by considering past trends or extrapolating past results. Additionally, the Company's clients will frequently enter into non-exclusive arrangements with several firms, which the client is generally able to terminate on short notice and without penalty. The nature of these arrangements further exacerbates the difficulty in predicting our future results.

Protiviti may be unable to attract and retain key personnel. Protiviti is a services business, and is dependent upon its ability to attract and retain qualified, skilled personnel. While *Protiviti* has retained its key personnel to date, there can be no assurance that it will continue to be able to do so.

Protiviti operates in a highly competitive business and faces competitors who are significantly larger and have more established reputations. Protiviti operates in a highly competitive business. As with the Company's staffing services business, the barriers to entry are quite low. There are many competitors, some of which have greater resources than *Protiviti* and many of which have been in operation far longer than *Protiviti*. In particular, *Protiviti* faces competition from the "big four" accounting firms, which have been in operation for a considerable period of time and have established reputations and client bases. Because the principal factors upon which competition is based are reputation, technology, tools, project methodologies, price of services and depth of skills of personnel, there can be no assurance that *Protiviti* will be successful in attracting and retaining clients or be able to maintain the technology, personnel and other requirements to successfully compete.

Protiviti's operations could subject it to liability. The business of *Protiviti* consists of providing business consulting and internal audit services. Liability could be incurred, or litigation could be instituted against the Company or *Protiviti* for claims related to these activities or to prior transactions or activities. There can be no assurance that such liability or litigation will not have a material adverse impact on *Protiviti* or the Company.

Legal and Regulatory Risks

The Company and certain subsidiaries are defendants in several lawsuits that could cause the Company to incur substantial liabilities. The Company and certain subsidiaries are defendants in several actual or asserted class and representative action lawsuits brought by or on behalf of the Company's current and former employees alleging violations of federal and state law with respect to certain wage and hour related matters, as well as claims challenging the Company's compliance with the Fair Credit Reporting Act. The various claims made in one or more of such lawsuits include, among other things, the misclassification of certain employees as exempt employees under applicable law, failure to comply with wage statement requirements, failure to compensate certain employees for time spent performing activities related to the interviewing process, and other related wage and hour violations. Such suits seek, as applicable, unspecified amounts for unpaid overtime compensation, penalties, and other damages, as well as attorneys' fees. It is not possible to predict the outcome of these lawsuits. However, these lawsuits may consume substantial amounts of the Company's financial and managerial resources and might result in adverse publicity, regardless of the ultimate outcome of the lawsuits. In addition, the Company and its subsidiaries may become subject to similar lawsuits in the same or other jurisdictions, or to various other claims, disputes, and legal or regulatory proceedings that arise in the ordinary course of business. An unfavorable outcome with respect to these lawsuits and any future lawsuits or regulatory proceedings could, individually or in the aggregate, cause the Company to incur substantial liabilities or impact its operations in such a way that may have a material adverse effect upon the Company's business, financial condition or results of operations. Furthermore, any future lawsuits, claims, disputes, or legal or regulatory proceedings may also consume substantial amounts of the Company's financial and managerial resources and might result in adverse publicity, regardless of the ultimate outcome. In addition, an unfavorable outcome in one or more of these cases could cause the Company to change its compensation plans for its employees, which could have a material adverse effect upon the Company's business.

Government regulations may result in prohibition or restriction of certain types of employment services or the imposition of additional licensing or tax requirements that may reduce the Company's future earnings. In many jurisdictions in which the Company operates, the employment services industry is heavily regulated. For example, governmental regulations in some countries restrict the length of contracts and the industries in which the Company's employees may be used. In other countries, special taxes, fees or costs are imposed in connection with the use of its employees. Additionally, trade unions in some countries have used the political process to target the industry, in an effort to increase the regulatory burden and expense associated with offering or utilizing temporary staffing solutions.

The countries in which we operate may, among other things:

- create additional regulations that prohibit or restrict the types of employment services that the Company currently provides;
- require new or additional benefits be paid to the Company's employees;
- require the Company to obtain additional licensing to provide employment services; or
- increase taxes, such as sales or value-added taxes, payable by the providers of temporary workers.

Any future regulations may have a material adverse effect on the Company's business and financial results because they may make it more difficult or expensive for the Company to continue to provide employment services. Additionally, as the Company expands existing service offerings, adds new service offerings, or enters new markets, it may become subject to additional restrictions and regulations which may impede its business, increase costs and impact profitability.

The Company's business is subject to extensive government regulation and a failure to comply with regulations could harm its business. The Company's business is subject to regulation or licensing in many states in the U.S. and in certain foreign countries. While the Company has had no material difficulty complying with regulations in the past, there can be no assurance that the Company will be able to continue to obtain all necessary licenses or approvals or that the cost of compliance will not prove to be material. Any inability of the Company to comply with government regulation or licensing requirements could materially adversely affect the Company. Further, changes to existing regulation or licensing requirements could impose additional costs and other burdens or limitations on the Company's operations. In addition, the Company's temporary services business entails employing individuals on a temporary basis and placing such individuals in clients' workplaces. Increased government regulation of the workplace or of the employer-employee relationship, or judicial or administrative proceedings related to such regulation, could materially adversely affect the Company. In addition, to the extent that government regulation imposes increased costs upon the Company, such as unemployment insurance taxes, there can be no assurance that such costs will not adversely impact the Company's profit margins. Further, lawsuits or other proceedings related to the Company's compliance with government regulations or licensing requirements could materially adversely affect the Company. For example, the Company is currently named as a defendant in litigation challenging its compliance with the Fair Credit Reporting Act. It is not possible to predict the outcome of such litigation; however, such litigation or any future lawsuits or proceedings related to the Company's compliance with government regulation or licensing requirements could consume substantial amounts of the Company's financial and managerial resources and might result in adverse publicity, regardless of the ultimate outcome of any such lawsuits or other proceedings. An unfavorable outcome with respect to such litigation or any future lawsuits or proceedings could, individually or in the aggregate, cause the Company to incur substantial liabilities that may have a material adverse effect upon the Company's business, financial condition or results of operations.

The Company's compliance policies and controls may not prevent violations that could result in significant fines and penalties. The Company could also be exposed to fines and penalties under U.S. or local jurisdiction trade sanctions and controls as well as laws prohibiting corrupt payments to governmental officials including the Foreign Corrupt Practices Act and similar laws that prohibit payments to foreign officials. Failure to comply with local laws in a particular market may result in substantial liability and could have a significant and negative effect not only on our business in that market but also on our reputation generally. Although the Company has implemented policies and procedures designed to ensure compliance with these laws, it cannot be sure that its employees, contractors or agents will not violate such policies. Any such violations could materially damage the Company's reputation, brand, business and operating results.

Further, changes in U.S. laws and policies governing foreign trade or investment and use of foreign operations or workers, and any negative sentiments towards the United States as a result of such changes, could adversely affect the Company's operations.

Health care reform could increase the costs of the Company's temporary staffing operations. In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (the "PPACA") was signed into law in the United States. In 2015, the Company redesigned its employee benefits to offer health insurance coverage to its temporary candidates in order to meet the requirements of the PPACA's employer mandate.

President Trump and the U.S. Congress have and likely will continue to seek to modify, repeal, or otherwise invalidate all, or certain provisions of, the PPACA. The U.S. Congress has made several attempts to repeal or modify the PPACA and in 2019, the U.S. Court of Appeals for the Fifth Circuit invalidated significant portions of the PPACA. In 2020, the U.S. House of Representatives petitioned the U.S. Supreme Court to review the Fifth Circuit's decision. It is unclear at this point what the scope of any future such legislation will be and when it will become effective. Because of the uncertainty surrounding this replacement health care reform legislation, we cannot predict with any certainty the likely impact of the PPACA's repeal or the adoption of any other health care reform legislation on the Company's financial condition or operating results. Whether or not there is alternative health care legislation enacted in the U.S., there is likely to be significant disruption to the health care market in the coming months and years and the costs of the Company's health care expenditures may increase.

U.S. federal tax regulations and interpretations could adversely affect the Company. On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was signed into law. Notwithstanding the reduction in the corporate income tax rate, the overall impact of these changes on the Company's results of operations will likely evolve as new regulations and interpretations relating to the TCJA are implemented. In addition, various political figures have pledged their support to overturning or modifying key aspects of the TCJA which could further increase the uncertainty relating to the impact of this or any future tax legislation on the Company's results of operations.

Risks Related to the Company's Information Technology, Cybersecurity and Data Protection

The Company's computer and communications hardware and software systems are vulnerable to damage and interruption. The Company's ability to manage its operations successfully is critical to its success and largely depends upon the efficient and uninterrupted operation of its computer and communications hardware and software systems, some of which are managed by third-party vendors. The Company's primary computer systems and operations are vulnerable to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events and errors in usage by the Company's employees and those of the Company's vendors.

The Company's employees or vendors may have access or exposure to personally identifiable or otherwise confidential information and customer data and systems, the misuse of which could result in legal liability. Cyber-attacks, including attacks motivated by grievances against the business services industry in general or against the Company in particular, may disable or damage its systems. It is possible that the Company's security controls or those of its third-party vendors over personal and other data and other practices it follows may not prevent the improper access to or disclosure of personally identifiable or otherwise confidential information. Such disclosure or damage to the Company's systems could harm its reputation and subject it to government sanctions and liability under its contracts and laws that protect personal data and confidential information, resulting in increased costs or loss of revenue. The potential risk of security breaches and cyber-attacks may increase as the Company introduces new service offerings.

Changes in data privacy and protection laws and regulations in respect of control of personal information could increase the Company's costs or otherwise adversely impact its operations. In the ordinary course of business, the Company collects, uses, and retains personal information from its employees, employment candidates, and contractors, including, without limitation, full names, government-issued identification numbers, addresses, birth dates, and payroll-related information. The possession and use of personal information in conducting the Company's business subjects it to a variety of complex and evolving domestic and foreign laws and regulations regarding data privacy, protection and security, which, in many cases, apply not only to third-party transactions, but also to transfers of information among the Company and its subsidiaries. For example, the European Union's General Data Protection Regulation ("GDPR"), which became effective in May 2018, imposes stringent operational requirements for entities processing personal information, such as strong safeguards for data transfers to countries outside the European Union and strong enforcement authorities and mechanisms. Complying with the enhanced obligations imposed by the GDPR and other current and future laws and regulations relating to data transfer, residency, privacy and protection has increased and may continue to increase the Company's operating costs and require significant management time and attention, while any failure by the Company or its subsidiaries to comply with applicable laws could result in governmental enforcement actions, fines, and other penalties that could potentially have an adverse effect on the Company's operations and reputation.

Risks Related to the Company's Internal Controls and Accounting Policies

Failure to maintain adequate financial and management processes and controls could lead to errors in the Company's financial reporting. Failure to maintain adequate financial and management processes and controls could lead to errors in the Company's financial reporting. If the Company's management is unable to certify the effectiveness of its internal controls or if its independent registered public accounting firm cannot render an opinion on the effectiveness of its internal control over financial reporting, or if material weaknesses in the Company's internal controls are identified, the Company could be subject to regulatory scrutiny and a loss of public confidence. In addition, if the Company does not maintain adequate financial and management personnel, processes and controls, it may not be able to accurately report its financial performance on a timely basis, which could cause its stock price to fall.

Failure to identify and respond to risk issues in a timely manner could have a material adverse effect on our business. Although we have processes in place to attempt to identify and respond to risk issues in a timely manner, our efforts may not be sufficient.

The Company's culture may not sufficiently encourage timely identification and escalation of significant risk issues. The collective impact of the tone at the top, tone in the middle and tone at the bottom on risk management, compliance and responsible business behavior has a huge effect on timely escalation of risk issues, particularly those affecting core operations.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties

The Company's headquarters operations are located in Menlo Park and San Ramon, California. As of December 31, 2019, placement activities were conducted through 326 offices located in the United States, Canada, the United Kingdom, Belgium, Brazil, France, the Netherlands, Germany, Luxembourg, Switzerland, Japan, China, Singapore, Australia, New Zealand, Austria, the United Arab Emirates, and Chile. As of December 31, 2019, *Protiviti* had 62 offices in the United States, Canada, Australia, China, France, Germany, Italy, the Netherlands, Japan, Singapore, India and the United Kingdom. All of the offices are leased.

Item 3. Legal Proceedings

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"). On January 4, 2016, the Court denied a motion by the Company to compel all of Gentry's claims, except the PAGA claim, to individual arbitration. 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.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Price, Dividends and Related Matters

The Company's Common Stock is listed for trading on the New York Stock Exchange under the symbol "RHI". On January 31, 2019, there were 1,210 holders of record of the Common Stock.

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 (b)
October 1, 2019 to October 31, 2019	—		$ —	—	3,441,444
November 1, 2019 to November 30, 2019	425,242		$ 57.85	425,242	3,016,202
December 1, 2019 to December 31, 2019	649,526	(a)	$ 61.39	562,436	2,453,766
Total October 1, 2019 to December 31, 2019	1,074,768			987,678	

(a) Includes 87,090 shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes.

(b) 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 118,000,000 shares have been authorized for repurchase of which 115,546,234 shares have been repurchased as of December 31, 2019.

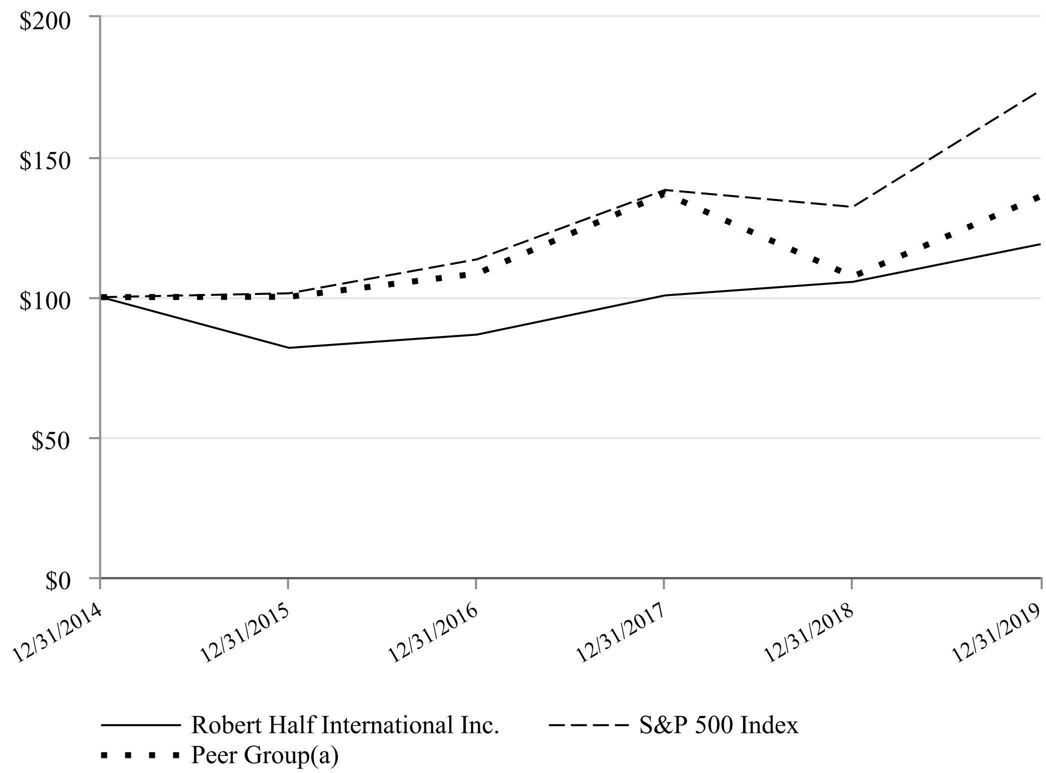
Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights A	Weighted average exercise price of outstanding options, warrants and rights B	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A) C
Equity compensation plans approved by security holders	—	—	4,823,372
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	4,823,372

Since May 2005, all grants have been made pursuant to the Stock Incentive Plan, which was approved by stockholders in May 2005 and re-approved in May 2008, May 2011, May 2013, May 2014, and May 2019. Such plan authorizes the issuance of stock options, restricted stock, stock units and stock appreciation rights to directors, executive officers and employees.

Stock Performance Graph

The following graph compares, through December 31, 2019, the cumulative total return of the Company's Common Stock, an index of certain publicly traded employment services companies, and the S&P 500. The graph assumes the investment of $100 at the beginning of the period depicted in the chart and reinvestment of all dividends. The peer companies are weighted by their respective market caps at the beginning of each period. The information presented in the graph was obtained by the Company from outside sources it considers to be reliable but has not been independently verified by the Company.



(a) This index represents the cumulative total return of the Company and the following corporations providing temporary or permanent employment services: Kelly Services, Inc.; Kforce Inc.; ManpowerGroup; and Resources Connection Inc.

Item 6. Selected Financial Data

The selected five-year financial data presented below should be read in conjunction with the information contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and the Company's Consolidated Financial Statements and the Notes thereto contained in Item 8. Financial Statements and Supplementary Data.

	Years Ended December 31,				
	2019	2018	2017	2016	2015
			(in thousands)		
Income Statement Data:					
Service revenues	$6,074,432	$5,800,271	$5,266,789	$5,250,399	$5,094,933
Costs of services	3,543,913	3,390,257	3,102,977	3,089,723	2,980,462
Gross margin	2,530,519	2,410,014	2,163,812	2,160,676	2,114,471
Selling, general and administrative expenses	1,908,768	1,821,089	1,646,532	1,606,217	1,533,799
Amortization of intangible assets	1,361	1,705	1,563	1,237	192
Interest income, net	(5,125)	(4,382)	(1,799)	(888)	(550)
Income before income taxes	625,515	591,602	517,516	554,110	581,030
Provision for income taxes	171,082	157,314	226,932	210,721	223,234
Net income	$ 454,433	$ 434,288	$ 290,584	$ 343,389	$ 357,796

	Years Ended December 31,				
	2019	2018	2017	2016	2015
			(in thousands, except per share amounts)		
Net Income Per Share:					
Basic	$ 3.93	$ 3.60	$ 2.34	$ 2.68	$ 2.72
Diluted	$ 3.90	$ 3.57	$ 2.33	$ 2.67	$ 2.69
Shares:					
Basic	115,656	120,513	124,152	127,991	131,749
Diluted	116,411	121,602	124,892	128,766	132,930
Dividends Declared Per Share	$ 1.24	$ 1.12	$ .96	$ .88	$ .80

	December 31,				
	2019	2018	2017	2016	2015
			(in thousands)		
Balance Sheet Data:					
Total assets	$2,311,408	$1,903,097	$1,867,454	$1,777,971	$1,671,044
Notes payable, less current portion	$ 239	$ 457	$ 657	$ 840	$ 1,007
Stockholders' equity	$1,143,683	$1,063,198	$1,105,265	$1,086,599	$1,003,781

Item 7. 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 Company's future operating results or financial positions. These statements may be identified by words such as "estimate", "forecast", "project", "plan", "intend", "believe", "expect", "anticipate", or variations or negatives thereof or by similar or comparable words or phrases. 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 U.S. or international tax regulations; the global financial and economic situation; changes in levels of unemployment and other economic conditions in the United States or foreign countries where the Company does business, or in particular regions or industries; reduction in the supply of candidates for temporary 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 and in managing the recently announced leadership transition; 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 Securities and Exchange Commission ("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 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 Sarbanes-Oxley or other regulatory compliance 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. Further information regarding these and other risks and uncertainties is contained in Item 1A. "Risk Factors."

Executive Overview

Demand for the Company's temporary and consultant staffing, permanent placement staffing and risk consulting and internal audit services is largely dependent upon general economic and labor trends both domestically and abroad. Annual service revenues reached $6.07 billion in 2019, an increase of 5% from the prior year. Full-year 2019 net income increased to $454 million and diluted net income per share increased to $3.90. All three of the Company's reportable segments experienced revenue growth, led by risk consulting and internal audit services which increased 18% in 2019 compared to last year.

We believe that the Company is well positioned in the current macroeconomic environment. The United States economic backdrop during 2019 was conducive to growth for the Company as real gross domestic product ("GDP") grew an estimated 2.3%, while the unemployment rate declined from 3.9% in December 2018 to 3.5% in December 2019. In the United States, the number of job openings has exceeded the number of hires since February 2015, creating competition for skilled talent that increases the Company's value to clients. The U.S. labor market remains robust, with significant demand due to talent shortages across our professional disciplines, where unemployment remains near a 50-year low.

Demand for Protiviti's services was broad-based across all of its consulting and internal audit solutions. Protiviti continues to nurture and grow a loyal client base.

We monitor various economic indicators and business trends in all of the countries in which we operate to anticipate demand for the Company's services. We evaluate these trends 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. As such, during 2019, we added headcount in all of our lines of business compared to prior year-end levels.

We have limited visibility into future revenues 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, we typically assess headcount and other investments on at least a quarterly basis. That said, based on current trends and conditions, we expect headcount levels for our full-time staff to remain relatively flat for each of our reporting segments throughout the first quarter of 2020.

Capital expenditures, including $30 million related to cloud computing implementations, in 2019, totaled $90 million, approximately 62% of which represented investments in software initiatives and technology infrastructure, both of which are important to the Company's future growth opportunities. Capital expenditures for cloud computing implementation costs are included in cash flows from operating activities on the Company's Condensed Consolidated Statements of Cash Flows. Capital expenditures also included amounts spent on tenant improvements and furniture and equipment in the Company's leased offices. We currently expect that 2020 capitalized expenditures will range from $100 million to $110 million, of which $50 million to $60 million relates to software initiatives and technology infrastructure, including capitalized costs relating to the implementation of cloud computing arrangements.

Critical Accounting Policies and Estimates

As described below, the Company's most critical accounting policies and estimates are those that involve subjective decisions or assessments.

Service Revenues. The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. 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—"Revenue Recognition" to the Company's Consolidated Financial Statements included under Part II—Item 8 of this report.

Income Taxes. The Company's operations are subject to U.S. federal, state and local, and foreign income taxes. In establishing its deferred income tax assets and liabilities and its provision for income taxes, the Company makes judgments and interpretations based on the enacted tax laws that are applicable to its operations in various jurisdictions. Deferred tax assets and liabilities are measured and recorded using current enacted tax rates, which the Company expects will apply to taxable income in the years in which those temporary differences are recovered or settled. The likelihood of a material change in the Company's expected realization of its deferred tax assets is dependent on future taxable income and the effectiveness of its tax planning in the various relevant jurisdictions.

The Company also evaluates the need for valuation allowances to reduce the deferred tax assets to realizable amounts. Management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. When appropriate, a valuation allowance is recorded against deferred tax assets to offset future tax benefits that may not be realized. Valuation allowances of $21.6 million and $23.1 million were recorded as of December 31, 2019 and 2018, respectively. The valuation allowances recorded relate primarily to net operating losses in certain foreign operations. If such losses are ultimately utilized to offset future operating income, the Company will recognize a tax benefit up to the full amount of the related valuation reserve.

While management believes that its judgments and interpretations regarding income taxes are appropriate, significant differences in actual experience may materially affect the future financial results of the Company.

Recent Accounting Pronouncements

See Note B—"New Accounting Pronouncements" to the Company's Consolidated Financial Statements included under Part II—Item 8 of this report.

Results of Operations

Demand for the Company's temporary and consultant staffing, permanent placement staffing and risk consulting and internal audit services is largely dependent upon general economic and labor market conditions both domestically and abroad. Because of the inherent difficulty in predicting economic trends and the absence of material long-term contracts in any of the Company's business units, future demand for the Company's services cannot be forecasted with certainty. We believe the Company is well positioned in the current macroeconomic environment.

The Company's temporary and permanent staffing business conducts placement activities through 326 offices in 42 states, the District of Columbia and 17 foreign countries, while Protiviti has 62 offices in 23 states and 11 foreign countries.

Non-GAAP Financial Measures

The financial results of the Company are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the SEC. To help readers understand the Company's financial performance, the Company supplements its GAAP financial results with revenue growth rates derived from non-GAAP revenue amounts.

Variations in the Company's financial results include the impact of changes in foreign currency exchange rates, billing days, and certain intercompany adjustments. The Company provides "as adjusted" revenue growth calculations to remove the impact of these items. These calculations show the year-over-year revenue growth rates for the Company's reportable segments on both a reported basis and also on an as adjusted basis for global, U.S. and international operations. The Company has provided 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 Company expresses year-over-year revenue changes as calculated percentages using the same number of billing days, constant currency exchange rates, and certain intercompany adjustments.

In order to calculate constant currency revenue growth rates, as reported amounts are retranslated using foreign currency exchange rates from the prior year's comparable period. Management then calculates a global, weighted-average number of billing days for each reporting period based upon input from all countries and all lines of business. In order to remove the fluctuations caused by comparable periods having different billing days, the Company calculates same billing day revenue growth rates by dividing each comparative period's reported revenues by the calculated number of billing days for that period to arrive at a per billing day amount. Same billing day growth rates are then calculated based upon the per billing day amounts. In order to remove the fluctuations caused by the impact of certain intercompany adjustments, applicable comparative period revenues are reclassified to conform with the current period presentation. The term "as adjusted" means that the impact of different billing days, constant currency fluctuations, and certain intercompany adjustments are removed from the revenue growth rate calculation.

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 actual revenue growth derived from revenue 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 as adjusted revenue growth rates to the reported revenue growth rates is provided herein.

Refer to Item 7a. "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.

Years ended December 31, 2019 and 2018

Revenues. The Company's revenues were $6.07 billion for the year ended December 31, 2019, increasing by 4.7% compared to $5.80 billion for the year ended December 31, 2018. Revenues from foreign operations represented 22% and 24% of total revenues for the years ended December 31, 2019 and 2018, respectively. The Company analyzes its revenues for three reportable segments: temporary and consultant staffing, permanent placement staffing and risk consulting and internal audit services. In 2019, revenues for all three of the Company's reportable segments were up compared to 2018. Revenue growth was strongest domestically. Risk consulting and internal audit services continued to post strong growth rates. Contributing factors for each reportable segment are discussed below in further detail.

Temporary and consultant staffing revenues were $4.41 billion for the year ended December 31, 2019, increasing by 1.9% compared to revenues of $4.33 billion for the year ended December 31, 2018. Key drivers of temporary and consultant staffing revenues include average hourly bill rates and the number of hours worked by the Company's engagement professionals on client engagements. On an as adjusted basis, temporary and consultant staffing revenues increased 3.8% for 2019, compared to 2018, due primarily to a 5.2% increase in average bill rates, partially offset by fewer hours worked by the Company's engagement professionals. In the U.S., 2019 revenues increased 3.9% on an as reported basis and 4.1% on an as adjusted basis, compared to 2018. For the Company's international operations, 2019 revenues decreased 4.8% on an as reported basis and increased 2.8% on an as adjusted basis, compared to 2018.

Permanent placement staffing revenues were $533 million for the year ended December 31, 2019, increasing by 4.2% compared to revenues of $512 million for the year ended December 31, 2018. Key drivers of permanent placement staffing revenues consist of the number of candidate placements and average fees earned per placement. On an as adjusted basis, permanent placement staffing revenues increased 5.6% for 2019 compared to 2018, driven by increases in number of placements and average fees earned per placement. In the U.S., 2019 revenues increased 6.5% on an as reported basis and 6.7% on an as adjusted basis, compared to 2018. For the Company's international operations, 2019 revenues decreased 0.8% on an as reported basis, and increased 2.9% on an as adjusted basis, compared to 2018. Historically, demand for permanent placement services is even more sensitive to economic and labor market conditions than demand for temporary and consulting staffing and this is expected to continue.

Risk consulting and internal audit services revenues were $1.13 billion for the year ended December 31, 2019, increasing by 17.9% compared to revenues of $958 million for the year ended December 31, 2018. Key drivers of risk consulting and internal audit services revenues are the billable hours worked by consultants on client engagements and average hourly bill rates. On an as adjusted basis, risk consulting and internal audit services revenues increased 15.0% for 2019 compared to 2018, driven primarily by an increase in billable hours. In the U.S., 2019 revenues increased 16.2% on an as reported basis, or 16.5% on an as adjusted basis, compared to 2018. For the Company's international operations, 2019 revenues increased 24.1% on an as reported basis, or 10.1% on an as adjusted basis, compared to 2018.

A reconciliation of the non-GAAP year-over-year revenue growth rates to the as reported year-over-year revenue growth rates for the year ended December 31, 2019, is presented in the following table:

	Global	United States	International
Temporary and consultant staffing			
As Reported	1.9%	3.9%	-4.8%
Billing Days Impact	—	0.2%	-0.5%
Currency Impact	1.1%	—	4.8%
Intercompany Adjustments	0.8%	—	3.3%
As Adjusted	3.8%	4.1%	2.8%
Permanent placement staffing			
As Reported	4.2%	6.5%	-0.8%
Billing Days Impact	0.1%	0.2%	-0.5%
Currency Impact	1.3%	—	4.2%
As Adjusted	5.6%	6.7%	2.9%
Risk consulting and internal audit services			
As Reported	17.9%	16.2%	24.1%
Billing Days Impact	—	0.3%	-0.6%
Currency Impact	1.0%	—	4.0%
Intercompany Adjustments	-3.9%	—	-17.4%
As Adjusted	15.0%	16.5%	10.1%

Gross Margin. The Company's gross margin dollars were $2.53 billion for the year ended December 31, 2019, up 5.0% from $2.41 billion for the year ended December 31, 2018. Contributing factors for each reportable segment are discussed below in further detail.

Gross margin dollars for temporary and consultant staffing 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 for temporary and consultant staffing employees; and iii) conversion revenues, which are earned when a temporary position converts to a permanent position with the Company's client. Gross margin dollars for the Company's temporary and consultant staffing division were $1.68 billion for the year ended December 31, 2019, up 2.9% from $1.63 billion for the year ended December 31, 2018. As a percentage of revenues, gross margin dollars for temporary and consultant staffing were 38.0% in 2019, up from 37.6% in 2018. This year-over-year improvement in gross margin percentage was primarily attributable to higher pay-bill spreads.

Gross margin dollars for permanent placement staffing represent revenues less reimbursable expenses. Gross margin dollars for the Company's permanent placement staffing division were $532 million for the year ended December 31, 2019, up 4.2% from $511 million for the year ended December 31, 2018. Because reimbursable expenses for permanent placement staffing services are de minimis, the increase in gross margin dollars is substantially explained by the increase in revenues previously discussed.

Gross margin dollars for risk consulting and internal audit services represent revenues less costs of services, which consist primarily of professional staff payroll, payroll taxes, benefit costs and reimbursable expenses. The primary drivers of risk consulting and internal audit services 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 risk consulting and internal audit services staff. Gross margin dollars for the Company's risk consulting and internal audit division were $321 million for the year ended December 31, 2019, up 19.0% from $269 million for the year ended December 31, 2018. As a percentage of revenues, gross margin dollars for risk consulting and internal audit services were 28.4% in 2019, up from 28.1% in 2018. The year-over-year improvement in gross margin percentage was due primarily to improved staff utilization.

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 $1.91 billion for the year ended December 31, 2019, up 4.8% from $1.82 billion for the year ended December 31, 2018. As a percentage of revenues, the Company's selling, general and administrative expenses were 31.4% for both the years ended December 31, 2019, and 2018. Contributing factors for each reportable segment are discussed below in further detail.

Selling, general and administrative expenses for the Company's temporary and consultant staffing division were $1.27 billion for the year ended December 31, 2019, increasing by 3.5% from $1.22 billion for the year ended December 31, 2018. As a percentage of revenues, selling, general and administrative expenses for temporary and consultant staffing were 28.7% in 2019, up from 28.3% in 2018 due primarily to negative leverage resulting from the Company's international operations.

Selling, general and administrative expenses for the Company's permanent placement staffing division were $449 million for the year ended December 31, 2019, increasing by 6.7% from $420 million for the year ended December 31, 2018. As a percentage of revenues, selling, general and administrative expenses for permanent placement staffing services were 84.1% in 2019, up from 82.1% in 2018 due primarily to negative leverage resulting from the Company's international operations.

Selling, general and administrative expenses for the Company's risk consulting and internal audit services division were $193 million for the year ended December 31, 2019, increasing by 9.6% from $176 million for the year ended December 31, 2018. As a percentage of revenues, selling, general and administrative expenses for risk consulting and internal audit services were 17.1% in 2019, down from 18.4% in 2018. The decrease in selling, general and administrative expenses as a percentage of revenue is primarily due to positive operating leverage resulting from increased revenue.

Operating Income. The Company's total operating income was $622 million, or 10.2% of revenues, for the year ended December 31, 2019, up 5.6% from $589 million, or 10.2% of revenues, for the year ended December 31, 2018. For the Company's temporary and consultant staffing division, operating income was $410 million, or 9.3% of applicable revenues, up 1.3% from $405 million, or 9.3% of applicable revenues, in 2018. For the Company's permanent placement staffing division, operating income was $84 million, or 15.7% of applicable revenues, down 7.6% from operating income of $91 million, or 17.7% of applicable revenues, in 2018. For the Company's risk consulting and internal audit services division, operating income was $128 million, or 11.3% of applicable revenues, up 36.8% from operating income of $93 million, or 9.7% of applicable revenues, in 2018.

Provision for income taxes. The provision for income taxes was 27.4% and 26.6% for the years ended December 31, 2019 and 2018, respectively. The higher tax rate in 2019 is primarily due to an increase in permanent non-deductible expenses and a return-to-provision tax rate benefit from changes the Company made in connection with the Tax Cuts and Jobs Act in 2018.

Years ended December 31, 2018 and 2017

A discussion of changes regarding our financial condition and results of operations for the year ended December 31, 2018, compared to the year ended December 31, 2017, can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on February 15, 2019, which is available free of charge on the SEC's website at www.sec.gov and at www.roberthalf.com/investor-center.

Liquidity and Capital Resources

The change in the Company's liquidity during the years ended December 31, 2019 and 2018, is primarily the net effect of funds generated by operations and the funds used for capital expenditures, payments for employee deferred compensation plans, repurchases of common stock, and payment of dividends.

Cash and cash equivalents were $270 million and $277 million at December 31, 2019 and 2018, respectively. Operating activities provided $520 million during the year ended December 31, 2019, offset by $102 million and $423 million of net cash used in investing activities and financing activities, respectively. Operating activities provided $572 million during the year ended December 31, 2018, offset by $89 million and $490 million of net cash used in investing activities and financing activities, respectively.

Operating activities—Net cash provided by operating activities for the year ended December 31, 2019, was $520 million. This was composed of net income of $454 million adjusted upward for non-cash items of $118 million, offset by changes in working capital of $52 million. Net cash provided by operating activities for the year ended December 31, 2018, was $572 million. This was composed of net income of $434 million adjusted upward for non-cash items of $107 million and net cash provided by changes in working capital of $31 million.

Investing activities—Cash used in investing activities for the year ended December 31, 2019, was $102 million. This was composed of capital expenditures of $59 million and net payments for employee deferred compensation plans of $43 million. Cash used in investing activities for the year ended December 31, 2018, was $89 million. This was primarily composed of capital expenditures of $43 million and net payments for employee deferred compensation plans of $46 million.

Financing activities—Cash used in financing activities for the year ended December 31, 2019, was $423 million. This included repurchases of $277 million in common stock and $146 million in dividends paid to stockholders. Cash used in financing activities for the year ended December 31, 2018, was $490 million. This included repurchases of $354 million in common stock and $136 million in dividends paid to stockholders.

As of December 31, 2019, the Company is authorized to repurchase, from time to time, up to 2.5 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. During the years ended December 31, 2019 and 2018, the Company repurchased approximately 4.3 million shares and 5.6 million shares of common stock on the open market for a total cost of $250 million and $351 million, respectively. 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. During the years ended December 31, 2019 and 2018, such repurchases totaled approximately 0.4 million shares and 0.2 million shares at a cost of $22 million and $14 million, respectively. Repurchases of shares have been funded with cash generated from operations.

The Company's working capital at December 31, 2019, included $270 million in cash and cash equivalents. 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.

In March 2019, the Company entered into an uncommitted credit facility (the "Credit Agreement") of up to $100 million. The Company may request borrowings under the Credit Agreement that are denominated in U.S. dollars and each request is subject to approval by the lender. The Company must repay the aggregate principal amount of loans outstanding under the Credit Agreement on the termination date of each borrowing. Borrowings under the Credit Agreement will bear interest in accordance with the terms of the borrowing, which typically will be calculated according to the London Interbank Offered Rate plus an applicable margin. There were no borrowings under the Credit Agreement as of December 31, 2019. The Company intends to renew this facility prior to its March 19, 2020, expiration.

On February 12, 2020, the Company announced a quarterly dividend of $.34 per share to be paid to all shareholders of record on February 25, 2020. The dividend will be paid on March 16, 2020.

The Company's cash flows generated from operations are also the primary source for funding various contractual obligations. The table below summarizes the Company's major commitments as of December 31, 2019 (in thousands):

	Payments due by period				
Contractual Obligations	**2020**	**2021 and 2022**	**2023 and 2024**	**Thereafter**	**Total**
Long-term debt obligations	$ 252	$ 252	$ —	$ —	$ 504
Operating lease obligations	82,025	125,715	86,046	45,458	339,244
Purchase obligations	76,783	54,942	6,643	7,659	146,027
Other liabilities	1,528	1,461	1,212	5,535	9,736
Total	$160,588	$182,370	$ 93,901	$ 58,652	$495,511

Long-term debt obligations consist of promissory notes and related interest as well as other forms of indebtedness issued in connection with certain acquisitions and other payment obligations. Operating lease obligations consist of undiscounted minimum rental commitments for 2020 and thereafter under non-cancelable lease contracts executed as of December 31, 2019. Purchase obligations consist of purchase commitments primarily related to telecom service agreements, software subscriptions, and computer hardware and software maintenance agreements. Other liabilities consist of asset retirement and deferred compensation obligations.

Item 7A. 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 year ended December 31, 2019, approximately 22% of the Company's revenues were generated outside of the United States. 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, and Australian dollar 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 non-U.S. markets, the Company's reported results vary.

During 2019, the U.S. dollar fluctuated, but generally strengthened, against the primary currencies in which the Company conducts business, compared to one year ago. Currency exchange rates had the effect of decreasing reported service revenues by $62.8 million, or 1.1%, in 2019 compared to prior year. The general strengthening of the U.S. dollar also affected the reported level of expenses incurred in the Company's foreign operations. Because substantially all of the Company's foreign 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 $2.5 million, or 0.6%, lower in the year ended December 31, 2019, compared to prior year due to the effect of currency exchange rates.

For the one month ended January 31, 2020, the U.S. dollar has strengthened against the Euro, British pound, Canadian dollar, and Australian dollar since December 31, 2019. If currency exchange rates were to remain at January 2020 levels throughout 2020, the Company's 2020 full-year reported revenues would be impacted unfavorably, mostly offset by a favorable impact to operating expenses. Thus, the impact to reported net income would likely be immaterial.

Fluctuations in currency exchange rates impact the U.S. dollar amount of the Company's stockholders' equity. The assets and liabilities of the Company's non-U.S. 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. 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, except for transfers to the U.S. for payment of intercompany loans, working capital loans made between the U.S. and the Company's foreign subsidiaries, and dividends from the Company's foreign subsidiaries.

Item 8. Financial Statements and Supplementary Data

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

	December 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 270,478	$ 276,579
Accounts receivable, less allowances of $28,756 and $27,678	832,797	794,446
Other current assets	525,574	402,585
Total current assets	1,628,849	1,473,610
Property and equipment, net	128,385	125,176
Right-of-use assets	241,029	—
Other intangible assets, net	1,752	3,149
Goodwill	210,364	209,958
Noncurrent deferred income taxes	101,029	91,204
Total assets	$2,311,408	$1,903,097
LIABILITIES		
Accounts payable and accrued expenses	$ 123,841	$ 168,031
Accrued payroll and benefit costs	743,602	638,769
Income taxes payable	1,623	12,536
Notes payable, current	218	200
Current operating lease liabilities	71,408	—
Total current liabilities	940,692	819,536
Notes payable, less current portion	239	457
Noncurrent operating lease liabilities	201,961	—
Other liabilities	24,833	19,906
Total liabilities	1,167,725	839,899
Commitments and Contingencies (Note K)		
STOCKHOLDERS' EQUITY		
Preferred stock, $.001 par value; authorized 5,000,000 shares; none issued	—	—
Common stock, $.001 par value; authorized 260,000,000 shares; issued and outstanding 115,120,404 and 119,078,491 shares	115	119
Additional paid-in capital	1,127,487	1,079,188
Accumulated other comprehensive income (loss)	(19,986)	(16,109)
Retained earnings	36,067	—
Total stockholders' equity	1,143,683	1,063,198
Total liabilities and stockholders' equity	$2,311,408	$1,903,097

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

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

	Years Ended December 31,		
	2019	**2018**	**2017**
Service revenues	$6,074,432	$5,800,271	$5,266,789
Costs of services	3,543,913	3,390,257	3,102,977
Gross margin	2,530,519	2,410,014	2,163,812
Selling, general and administrative expenses	1,908,768	1,821,089	1,646,532
Amortization of intangible assets	1,361	1,705	1,563
Interest income, net	(5,125)	(4,382)	(1,799)
Income before income taxes	625,515	591,602	517,516
Provision for income taxes	171,082	157,314	226,932
Net income	$ 454,433	$ 434,288	$ 290,584
Net income per share:			
Basic	$ 3.93	$ 3.60	$ 2.34
Diluted	$ 3.90	$ 3.57	$ 2.33
Shares:			
Basic	115,656	120,513	124,152
Diluted	116,411	121,602	124,892
Dividends declared per share	$ 1.24	$ 1.12	$ .96

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

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

	Years Ended December 31,		
	2019	**2018**	**2017**
COMPREHENSIVE INCOME (LOSS):			
Net income	$454,433	$434,288	$290,584
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of tax	(1,553)	(19,616)	24,009
Foreign defined benefit plans, net of tax	(2,324)	—	—
Total other comprehensive income (loss)	(3,877)	(19,616)	24,009
Total comprehensive income (loss)	$450,556	$414,672	$314,593

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

ROBERT HALF INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(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, 2016	127,797	$ 128	$ 1,022,411	$ (20,502)	$ 84,562	$ 1,086,599
Net income	—	—	—	—	290,584	290,584
Other comprehensive income (loss)	—	—	—	24,009	—	24,009
Dividends declared ($.96 per share)	—	—	—	—	(121,082)	(121,082)
Net issuances of restricted stock	918	1	(1)	—	—	—
Stock-based compensation	—	—	42,191	—	—	42,191
Repurchases of common stock	(4,454)	(5)	—	—	(217,031)	(217,036)
Balance at December 31, 2017	124,261	$ 124	$ 1,064,601	$ 3,507	$ 37,033	$ 1,105,265
Net income	—	—	—	—	434,288	434,288
Other comprehensive income (loss)	—	—	—	(19,616)	—	(19,616)
Dividends declared ($1.12 per share)	—	—	(30,365)	—	(106,459)	(136,824)
Net issuances of restricted stock	666	1	(1)	—	—	—
Stock-based compensation	—	—	44,953	—	—	44,953
Repurchases of common stock	(5,849)	(6)	—	—	(364,862)	(364,868)
Balance at December 31, 2018	119,078	$ 119	$ 1,079,188	$ (16,109)	$ —	$ 1,063,198
Net income	—	—	—	—	454,433	454,433
Other comprehensive income (loss)	—	—	—	(3,877)	—	(3,877)
Dividends declared ($1.24 per share)	—	—	—	—	(145,726)	(145,726)
Net issuances of restricted stock	647	1	(1)	—	—	—
Stock-based compensation	—	—	48,300	—	—	48,300
Repurchases of common stock	(4,605)	(5)	—	—	(272,640)	(272,645)
Balance at December 31, 2019	115,120	$ 115	$ 1,127,487	$ (19,986)	$ 36,067	$ 1,143,683

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

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

	Years Ended December 31,		
	2019	**2018**	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$454,433	$434,288	$290,584
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for doubtful accounts	9,868	11,914	8,022
Depreciation	64,264	64,244	63,930
Amortization of cloud computing implementation costs	3,624	—	—
Amortization of intangible assets	1,361	1,705	1,563
Stock-based compensation	48,300	44,953	42,191
Deferred income taxes	(9,473)	(15,885)	44,091
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(48,461)	(86,217)	(17,039)
Capitalized cloud computing implementation costs	(30,338)	—	—
Accounts payable and accrued expenses	(9,204)	32,428	1,328
Accrued payroll and benefit cost	60,883	57,287	46,504
Income taxes payable	(18,798)	28,900	(9,655)
Other assets and liabilities, net	(6,830)	(1,295)	(18,528)
Net cash flows provided by operating activities	519,629	572,322	452,991
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(59,464)	(42,484)	(40,753)
Payments for employee deferred compensation plans	(71,432)	(69,716)	(56,924)
Redemptions from employee deferred compensation plans	28,758	23,691	20,340
Payments for acquisitions, net of cash acquired	—	—	(1,160)
Net cash flows used in investing activities	(102,138)	(88,509)	(78,497)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of notes payable	(200)	(183)	(167)
Repurchases of common stock	(277,535)	(353,509)	(231,724)
Dividends paid	(145,631)	(136,423)	(121,000)
Net cash flows used in financing activities	(423,366)	(490,115)	(352,891)
Effect of exchange rate fluctuations	(226)	(11,872)	12,949
Change in cash and cash equivalents	(6,101)	(18,174)	34,552
Cash and cash equivalents at beginning of period	276,579	294,753	260,201
Cash and cash equivalents at end of period	$270,478	$276,579	$294,753
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	$ 232	$ 233	$ 278
Income taxes, net of refunds	$191,522	$137,147	$190,954
Non-cash items:			
Stock repurchases awaiting settlement	$ 6,469	$ 11,359	$ —

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A—Summary of Significant Accounting Policies

Nature of Operations. Robert Half International Inc. (the "Company") provides specialized staffing and risk consulting services through such divisions as *Accountemps*®, *Robert Half*® *Finance & Accounting*, *OfficeTeam*®, *Robert Half*® *Technology*, *Robert Half*® *Management Resources*, *Robert Half*® *Legal*, *The Creative Group*®, and *Protiviti*®. The Company, through its *Accountemps*, *Robert Half Finance & Accounting*, and *Robert Half Management Resources* divisions, is a specialized provider of temporary, full-time, and senior-level project professionals in the fields of accounting and finance. *OfficeTeam* specializes in highly skilled temporary administrative support professionals. *Robert Half Technology* provides project and full-time technology professionals. *Robert Half Legal* provides temporary, project, and full-time staffing of lawyers, paralegals and legal support personnel. *The Creative Group* provides interactive, design, marketing, advertising and public relations professionals. *Protiviti* is a global consulting firm that helps companies solve problems in finance, technology, operations, data, analytics, governance, risk and internal audit. Revenues are predominantly derived from specialized staffing services. The Company operates in North America, South America, Europe, Asia and Australia. The Company is a Delaware corporation.

Basis of Presentation. The 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"). Certain reclassifications have been made to prior years' consolidated financial statements to conform to the 2019 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. Such estimates include allowances for uncollectible accounts receivable, variable consideration, workers' compensation losses, 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: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. 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 temporary and consultant staffing consist of payroll, payroll taxes and benefit costs for the Company's engagement professionals, as well as reimbursable expenses. Direct costs of permanent placement staffing services consist of reimbursable expenses. Risk consulting and internal audit 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 $54.3 million, $52.5 million, and $49.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Comprehensive Income. Comprehensive income includes net income and certain other items that are recorded directly to stockholders' equity. The Company's only sources of other comprehensive income are foreign currency translation and 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, accounts receivable, accounts payable and accrued expenses approximates fair value because of their short-term nature. The Company holds mutual funds and other securities classified as trading to support its deferred compensation plans, which are carried at fair value based on quoted market prices in active markets for identical assets (level 1).

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.

Cash and Cash Equivalents. The Company considers all highly liquid investments with a maturity at the date of purchase of three months or less as cash equivalents.

Accounts Receivable Allowances. The Company maintains allowances for estimated losses resulting from the inability of its customers to make required payments. The Company establishes these allowances based on its review of customers' credit profiles, historical loss statistics and current trends. The adequacy of these allowances is reviewed each reporting period. Historically, the Company's actual losses have been consistent with these allowances.

Leases. The Company determines if a contractual arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current operating lease liabilities, and noncurrent operating lease liabilities on the Company's Condensed Consolidated Statement of Financial Position. The Company does not currently have finance leases.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. The lease payments included in the present value are fixed lease payments and index-based variable lease payments. As most of the Company's leases do not provide an implicit rate, the Company estimates its collateralized incremental borrowing rate, based on information available at the commencement date, in determining the present value of lease payments. The Company applies the portfolio approach in applying discount rates to its classes of leases. The operating lease ROU assets include any payments made before the commencement date and exclude lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company does not currently have subleases. The Company does not currently have residual value guarantees or restrictive covenants in its leases. The Company has contracts with lease and non-lease components, which are accounted for on a combined basis.

Goodwill and Intangible Assets. Goodwill and intangible assets primarily consist of the cost of acquired companies in excess of the fair market value of their net tangible assets at the date of acquisition. Identifiable intangible assets are amortized over their lives, typically ranging from two to five years. Goodwill is not amortized, but is tested at least annually for impairment. The Company completed its annual goodwill impairment assessment as of June 30 in each of the years ended December 31, 2019, 2018, and 2017, and determined that no adjustment to the carrying value of goodwill was required. There were no events or changes in circumstances during the six months ended December 31, 2019, that caused the Company to perform an interim impairment assessment.

Income Taxes. The Company's operations are subject to U.S. federal, state and local, and foreign income taxes. In establishing its deferred income tax assets and liabilities and its provision for income taxes, the Company makes judgments and interpretations based on the enacted tax laws that are applicable to its operations in various jurisdictions. Deferred tax assets and liabilities are measured and recorded using current enacted tax rates, which the Company expects will apply to taxable income in the years in which those temporary differences are recovered or settled. The likelihood of a material change in the

Company's expected realization of its deferred tax assets is dependent on future taxable income and the effectiveness of its tax planning strategies in the various relevant jurisdictions.

The Company also evaluates the need for valuation allowances to reduce the deferred tax assets to realizable amounts. Management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. When appropriate, a valuation allowance is recorded against deferred tax assets to offset future tax benefits that may not be realized. Valuation allowances of $21.6 million and $23.1 million were recorded as of December 31, 2019 and 2018, respectively. The valuation allowances recorded related primarily to net operating losses in certain foreign operations. If such losses are ultimately utilized to offset future operating income, the Company will recognize a tax benefit up to the full amount of the valuation reserve.

Workers' Compensation. Except for states which require participation in state-operated insurance funds, the Company retains the economic burden for the first $0.5 million per occurrence in workers' compensation claims. Workers' compensation includes ongoing healthcare and indemnity coverage for claims and may be paid over numerous years following the date of injury. Claims in excess of $0.5 million are insured. Workers' compensation expense includes the insurance premiums for claims in excess of $0.5 million, claims administration fees charged by the Company's workers' compensation administrator, premiums paid to state-operated insurance funds, and an estimate for the Company's liability for Incurred But Not Reported ("IBNR") claims and for the ongoing development of existing claims.

The reserves for IBNR claims and for the ongoing development of existing claims in each reporting period includes estimates. The Company has established reserves for workers' compensation claims using loss development rates which are estimated using periodic third party actuarial valuations based upon historical loss statistics which include the Company's historical frequency and severity of workers' compensation claims, and an estimate of future cost trends. While management believes that its assumptions and estimates are appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's future results.

Foreign Currency Translation. The reporting currency of the Company and its subsidiaries is the U.S. dollar. The functional currency of the Company's foreign subsidiaries is their local currency. The results of operations of the Company's foreign subsidiaries are translated at the monthly average exchange rates prevailing during the period. The financial position of the Company's foreign subsidiaries is translated at the current exchange rates at the end of the period, and the related translation adjustments are recorded as a component of accumulated other comprehensive income within Stockholders' Equity. Gains and losses resulting from foreign currency transactions are included as a component of selling, general and administrative expenses in the Consolidated Statements of Operations, and have not been material for all periods presented.

Stock-based Compensation. Under various stock plans, officers, employees and outside directors have received or may receive grants of restricted stock, stock units, stock appreciation rights or options to purchase common stock.

The Company recognizes compensation expense equal to the grant-date fair value for all stock-based payment awards that are expected to vest. This expense is recorded on a straight-line basis over the requisite service period of the entire award, unless the awards are subject to performance conditions, in which case the Company recognizes compensation expense over the requisite service period of each separate vesting tranche. The Company determines the grant-date fair value of its restricted stock and stock unit awards using the fair market value of its stock on the grant date, unless the awards are subject to market conditions, in which case the Company utilizes a binomial-lattice model (i.e., Monte Carlo simulation model). The Monte Carlo simulation model utilizes multiple input variables to determine the stock-based compensation expense.

No stock appreciation rights have been granted under the Company's existing stock plans. The Company has not granted any options to purchase common stock since 2006.

Property and Equipment. Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following useful lives:

Computer hardware	2 to 3 years
Computer software	2 to 5 years
Furniture and equipment	3 to 5 years
Leasehold improvements	Term of lease

Internal-use Software. The Company capitalizes direct costs incurred in the development of internal-use software. Cloud computing implementation costs incurred in hosting arrangements are capitalized and reported as a component of other assets. All other internal-use software development costs are capitalized and reported as a component of computer software within property and equipment on the Condensed Consolidated Statements of Financial Position. Capitalized internal-use software development costs were $35.6 million, $3.3 million, and $9.0 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Note B—New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Lease Accounting. In February 2016, the Financial Accounting Standards Board ("FASB") issued authoritative guidance which changes financial reporting as it relates to leasing transactions. Under the new guidance, lessees are required to recognize a lease liability, measured on a discounted basis; and a right-of-use asset, for the lease term. The Company adopted this guidance as of January 1, 2019, using the transition method that allowed it to initially apply the guidance as of the adoption date. The Company elected the package of practical expedients available under the new standard, which allowed the Company to forgo a reassessment of (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) the initial direct costs for any existing leases. The adoption of this guidance had a material impact on the Company's Condensed Consolidated Statement of Financial Position beginning January 1, 2019. Prior periods were not restated. See Note F for further discussion of leases.

Internal-use Software—Cloud Computing. In August 2018, the FASB issued authoritative guidance which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. Entities are required to present the expense related to capitalized implementation costs in the same line item in the statement of operations as the fees associated with the hosting elements of the arrangement and classify the payments for the capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element. Entities are also required to present the capitalized implementation costs in the statement of financial position in the same line item that a prepayment of the fees of the associated hosting arrangement would be presented. The new guidance is effective for annual and interim periods beginning after December 15, 2019, although early adoption is permitted. The Company adopted the new guidance prospectively as of January 1, 2019.

Recently Issued Accounting Pronouncements Not Yet Adopted

Current Expected Credit Losses Model. In June 2016, the FASB issued authoritative guidance amending how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance requires the application of a current expected credit loss model, which is a new impairment model based on expected losses. The new guidance is effective for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted. The Company believes the adoption of this guidance will not have a material impact on its financial statements.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued authoritative guidance to simplify the goodwill impairment testing process. The new standard eliminates Step 2 of the goodwill impairment test. If a company determines in Step 1 of the goodwill impairment test that the carrying value of goodwill is greater than the fair value, an impairment in that amount should be recorded to the income statement, rather than proceeding to Step 2. The new guidance is effective for the Company for fiscal years beginning after December 15, 2019, although early adoption is permitted. The Company believes the adoption of this guidance will not have a material impact on its financial statements.

Note C—Revenue Recognition

The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. 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 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.

Temporary and consultant staffing revenues. Temporary and consultant staffing 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 temporary and consultant staffing 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 staffing revenues. Permanent placement staffing 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 contract liabilities. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement services are charged to employment candidates.

Risk consulting and internal audit services revenues. Risk consulting and internal audit 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. Risk consulting and internal audit 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 line of business (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Accountemps	$1,946,404	$1,915,054	$1,765,666
OfficeTeam	1,037,341	1,063,238	984,873
Robert Half Technology	722,535	682,889	629,278
Robert Half Management Resources	705,845	669,385	631,225
Temporary and consulting staffing	4,412,125	4,330,566	4,011,042
Permanent placement staffing	533,432	511,989	439,214
Risk consulting and internal audit services	1,128,875	957,716	816,533
Service revenues	$6,074,432	$5,800,271	$5,266,789

Payment terms in our contracts vary by the type and location of our 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 December 31, 2019, aggregate transaction price allocated to the performance obligations that were unsatisfied for contracts with an expected duration of greater than one year was $81.7 million. Of this amount, $77.1 million is expected to be recognized within the next twelve months. As of December 31, 2018, aggregate transaction price allocated to the performance obligations that were unsatisfied for contracts with an expected duration of greater than one year was $58.8 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 Consolidated Statements of Financial Position. The following table sets forth the activity in contract liabilities from January 1, 2018 through December 31, 2019 (in thousands):

	Contract Liabilities
Balance as of January 1, 2018	$ 9,003
Payments in advance of satisfaction of performance obligations	12,170
Revenue recognized	(10,542)
Other, including translation adjustments	2,366
Balance as of December 31, 2018	$ 12,997
Payments in advance of satisfaction of performance obligations	13,030
Revenue recognized	(12,072)
Other, including translation adjustments	(1,007)
Balance as of December 31, 2019	$ 12,948

Note D—Other Current Assets

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

	December 31,	
	2019	2018
Deferred compensation plans	$398,442	$311,708
Prepaid expenses	84,364	52,887
Other	42,768	37,990
Other current assets	$525,574	$402,585

Note E—Property and Equipment, Net

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

	December 31, 2019	December 31, 2018
Computer hardware	$164,547	$177,237
Computer software	291,681	378,734
Furniture and equipment	88,136	117,740
Leasehold improvements	150,644	160,521
Property and equipment, cost	695,008	834,232
Accumulated depreciation	(566,623)	(709,056)
Property and equipment, net	$128,385	$125,176

Note F—Leases

The Company has operating leases for corporate and field offices, and certain equipment. The Company's leases have remaining lease terms of 1 year to 10 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 for the year ended December 31, 2019, was $77.7 million. Rental expense, primarily for offices premises, was $89.4 million and $87.5 million for the years ended December 31, 2018 and 2017, respectively.

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

	Year Ended December 31, 2019
Cash paid for operating lease liabilities	$ 78,152
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 32,170

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

	December 31, 2019
Weighted average remaining lease term for operating leases	4.8 years
Weighted average discount rate for operating leases	3.0%

Future minimum lease payments under non-cancellable leases as of December 31, 2019, were as follows (in thousands):

2020	$ 77,813
2021	63,534
2022	49,737
2023	40,811
2024	31,178
Thereafter	30,674
Less: Imputed interest	(20,378)
Present value of operating lease liabilities (a)	$ 273,369

(a) Includes current portion of $71.4 million for operating leases.

As of December 31, 2019, the Company had additional future minimum lease obligations totaling $45.5 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 8 years.

Note G—Goodwill

The following table sets forth the activity in goodwill from December 31, 2017, through December 31, 2019 (in thousands):

	Goodwill			
	Temporary and consultant staffing	Permanent placement staffing	Risk consulting and internal audit services	Total
Balance as of December 31, 2017	$134,488	$ 26,159	$ 50,238	$210,885
Foreign currency translation adjustments	(421)	(101)	(405)	(927)
Balance as of December 31, 2018	$134,067	$ 26,058	$ 49,833	$209,958
Foreign currency translation adjustments	143	39	224	406
Balance as of December 31, 2019	$134,210	$ 26,097	$ 50,057	$210,364

Note H—Accrued Payroll and Benefit Costs

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

	December 31,	
	2019	2018
Employee deferred compensation plans	$421,198	$333,528
Payroll and benefits	280,918	263,072
Payroll taxes	21,831	23,918
Workers' compensation	19,655	18,251
Accrued payroll and benefit costs	$743,602	$638,769

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 not eligible for the qualified plans. These plans include provisions for salary deferrals and Company matching and discretionary contributions. The asset value of the nonqualified plans was $398.4 million and $311.7 million as of December 31, 2019 and 2018, respectively, and is included in other current assets in the Consolidated Statements of Financial Position. The liability value for the nonqualified plans was $421.2 million and $333.5 million as of December 31, 2019 and 2018, respectively, and is included in current accrued payroll and benefit costs in the Consolidated Statements of Financial Position. Deferred compensation plan and other benefits related to the Company's executive chairman were $91.8 million and $89.2 million as of December 31, 2019 and 2018, respectively, and are included in the liability value for the nonqualified plans. Net unrealized gains and (losses) on these nonqualified plan assets and liabilities were $44.2 million, ($26.6) million, and $19.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The Company's contribution expense for its qualified defined contribution plans and nonqualified benefits plans totaled $26.1 million, $24.2 million, and $21.1 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The Company has statutory defined contribution plans and defined benefit plans outside the U.S., which are not material.

Note I—Notes Payable

The Company issued promissory notes in connection with certain acquisitions and other payment obligations. These notes are due in varying installments and, in aggregate, amounted to $0.5 million at December 31, 2019, and $0.7 million at December 31, 2018. At December 31, 2019, $0.5 million of the notes were collateralized by a standby letter of credit. The following table shows the schedule of maturities for notes payable at December 31, 2019 (in thousands):

2020	$ 218
2021	239
	$ 457

At December 31, 2019, the notes carried fixed rates and the weighted average interest rate for the above was 9.0% for each of the years ended December 31, 2019, 2018 and 2017.

The Company has an uncommitted letter of credit facility (the "facility") of up to $35.0 million, which is available to cover the issuance of debt support standby letters of credit. The Company had used $16.8 million in debt support standby letters of credit as of December 31, 2019, and $14.4 million as of December 31, 2018. Of the debt support standby letters of credit outstanding, $16.3 million as of December 31, 2019, and $13.7 million as of December 31, 2018, satisfies workers' compensation insurer's collateral requirements. There is a service fee of 1.125% on the used portion of the facility. The facility is subject to certain financial covenants and expires on August 31, 2020. The Company was in compliance with these covenants as of December 31, 2019. The Company intends to renew this facility prior to its August 31, 2020 expiration.

In March 2019, the Company entered into an uncommitted credit facility (the "Credit Agreement") of up to $100 million. The Company may request borrowings under the Credit Agreement that are denominated in U.S. dollars and each request is subject to approval by the lender. The Company must repay the aggregate principal amount of loans outstanding under the Credit Agreement on the termination date of each borrowing. Borrowings under the Credit Agreement will bear interest in accordance with the terms of the borrowing, which typically will be calculated according to the London Interbank Offered Rate plus an applicable margin. There were no borrowings under the Credit Agreement as of December 31, 2019. The Company intends to renew this facility prior to its March 19, 2020, expiration.

Note J—Income Taxes

The provision (benefit) for income taxes for the years ended December 31, 2019, 2018 and 2017, consisted of the following (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Current:			
Federal	$107,699	$ 99,830	$133,097
State	39,028	38,356	24,944
Foreign	33,227	35,007	27,079
Deferred:			
Federal and state	(9,959)	$ (15,849)	$ 41,717
Foreign	1,087	(30)	95
	$171,082	$157,314	$226,932

Income before the provision for income taxes for the years ended December 31, 2019, 2018 and 2017, consisted of the following (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Domestic	$545,695	$485,489	$445,418
Foreign	79,820	106,113	72,098
	$625,515	$591,602	$517,516

The income taxes shown above varied from the statutory federal income tax rates for these periods as follows:

	Years Ended December 31,		
	2019	2018	2017
Federal U.S. income tax rate	21.0%	21.0%	35.0%
State income taxes, net of federal tax benefit	4.9	4.7	3.7
Permanent book/tax differences	1.1	0.6	0.4
Non-U.S. income taxed at different rates, net of foreign tax credits	2.1	2.0	—
Federal tax credits	(1.4)	(1.7)	(1.3)
Tax impact of uncertain tax positions	0.2	0.8	0.2
Tax effects of TCJA	—	0.4	6.5
Other, net	(0.5)	(1.2)	(0.6)
Effective tax rate	27.4%	26.6%	43.9%

The deferred portion of the tax (benefit) provision consisted of the following (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Accrued expenses, deducted for tax when paid	$ (17,797)	$ (21,884)	$ 15,213
Capitalized costs for books, deducted for tax	3,246	(4,832)	(5,790)
Depreciation	3,526	10,071	(4,079)
Tax effects of TCJA	—	—	34,633
Other, net	2,153	766	1,835
	$ (8,872)	$ (15,879)	$ 41,812

The components of the deferred income tax amounts at December 31, 2019 and 2018, were as follows (in thousands):

	December 31,	
	2019	2018
Deferred Income Tax Assets		
Deferred compensation and other benefit obligations	$105,096	$ 87,513
Credits and net operating loss carryforwards	25,130	31,169
Stock-based compensation	7,805	9,535
Provision for bad debts	7,944	7,891
Workers' compensation	3,929	3,580
Operating lease liabilities	51,932	—
Other	10,256	14,959
Total deferred income tax assets	212,092	154,647
Deferred Income Tax Liabilities		
Amortization of intangible assets	(22,009)	(21,210)
Property and equipment basis differences	(16,981)	(9,761)
Right-of-use assets	(44,448)	—
Other	(7,278)	(10,319)
Total deferred income tax liabilities	(90,716)	(41,290)
Valuation allowance	(21,618)	(23,072)
Total deferred income tax assets, net	$ 99,758	$ 90,285

Credits and net operating loss carryforwards primarily include net operating losses in foreign countries of $21.7 million that expire in 2020 and later; and California enterprise zone tax credits of $3.0 million that expire in 2023. Of the $3.0 million of California enterprise zone tax credits, the Company expects that it will utilize $1.2 million of these credits prior to expiration. Valuation allowances of $19.9 million have been maintained against net operating loss carryforwards and other deferred items in foreign countries. In addition, a valuation allowance of $1.8 million has been maintained against California enterprise zone tax credits.

As of December 31, 2019, the Company's consolidated financial statements provide for any related U.S. tax liability on earnings of foreign subsidiaries that may be repatriated.

The following table reconciles the total amounts of gross unrecognized tax benefits from January 1, 2017 to December 31, 2019 (in thousands):

	December 31,		
	2019	2018	2017
Balance at beginning of period	$ 8,418	$ 2,886	$ 731
Gross increases—tax positions in prior years	—	3,259	1,503
Gross decreases—tax positions in prior years	(760)	(8)	(257)
Gross increases—tax positions in current year	1,703	2,284	956
Settlements	(4)	—	(40)
Lapse of statute of limitations	(3)	(3)	(7)
Balance at end of period	$ 9,354	$ 8,418	$ 2,886

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is $9.3 million, $8.3 million and $2.8 million for 2019, 2018 and 2017, respectively.

The Company's continuing practice is to recognize interest and penalties related to income tax matters in income tax expense. The total amount of interest and penalties accrued as of December 31, 2019 is $0.5 million, including a $0.2 million increase recorded in income tax expense during the year. The total amount of interest and penalties accrued as of December 31, 2018 was $0.3 million, including a $0.2 million increase recorded in income tax expense during the year. The total amount of interest and penalties accrued as of December 31, 2017, was $0.1 million.

The Company does not believe it is reasonably possible that the settlement of tax uncertainties will occur within the next twelve months.

The Company's major income tax jurisdictions are the United States, Australia, Belgium, Canada, France, Germany and the United Kingdom. For U.S. federal income tax, the Company remains subject to examination for 2016 and subsequent years. For major U.S. states, with few exceptions, the Company remains subject to examination for 2015 and subsequent years. Generally, for foreign countries, the Company remains subject to examination for 2012 and subsequent years.

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 Attorney General Act ("PAGA"). On January 4, 2016, the Court denied a motion by the Company to compel all of Gentry's claims, except the PAGA claim, to individual arbitration. 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.

Note L—Stockholders' Equity

Stock Repurchase Program. As of December 31, 2019, the Company is authorized to repurchase, from time to time, up to 2.5 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 years ended December 31, 2019, 2018 and 2017, are reflected in the following table (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Common stock repurchased (in shares)	4,253	5,614	4,046
Common stock repurchased	$250,154	$351,194	$196,645

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 years ended December 31, 2019, 2018 and 2017, are reflected in the following table (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Repurchases related to employee stock plans (in shares)	352	235	408
Repurchases related to employee stock plans	$ 22,491	$ 13,674	$ 20,391

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 each of the three years ended December 31, 2019, 2018 and 2017 (consisting of purchase of shares for the treasury) is presented in the Consolidated Statements of Stockholders' Equity.

Dividends. The Company's Board of Directors may at their discretion declare and pay cash dividends upon the shares of the Company's stock either out of the Company's retained earnings or additional paid-in capital. The dividends declared per share were $1.24, $1.12, and $.96 during the years ended December 31, 2019, 2018 and 2017, respectively.

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—Stock Plans

Under various stock plans, officers, employees, and outside directors have received or may receive grants of restricted stock, stock units, stock appreciation rights or options to purchase common stock. Grants have been made at the discretion of the Committees of the Board of Directors. Grants generally vest either on a straight-line basis over four years or on a cliff basis over three years. Shares offered under the plan are authorized but unissued shares.

Recipients of restricted stock do not pay any cash consideration to the Company for the shares and have the right to vote all shares subject to such grant. Restricted stock grants contain forfeitable rights to dividends. Dividends for these grants are accrued on the dividend payment dates but are not paid until the shares vest, and dividends accrued for shares that ultimately do not vest are forfeited. Recipients of stock units do not pay any cash consideration for the units, do not have the right to vote, and do not receive dividends with respect to such units.

During the year ended December 31, 2019, the Company granted performance shares to its executives in the form of restricted stock. The shares granted contain (1) a performance condition based on Return on Invested Capital ("ROIC"), and (2) a market condition based on Total Shareholder Return ("TSR"). The ROIC performance condition and the TSR market condition measure the Company's performance against a peer group. Shares will be delivered at the end of a three year vesting, TSR and ROIC performance period based on the Company's actual performance compared to the peer group. The ROIC performance condition is calculated first and has a range of possible outcomes of zero percent (0%) to one hundred fifty percent (150%). The TSR condition is considered a modifier of the ROIC performance condition. The range for the TSR condition is seventy-five percent (75%) to one hundred twenty-five percent (125%). The result calculated by multiplying the ROIC percentage by the TSR percentage is used to calculate the actual number of shares earned. The fair value of this award was determined using a Monte Carlo simulation with the following assumptions: a historical volatility of 26.20%, a 0% dividend yield, and a risk-free interest rate of 2.36%. The historical volatility was based on the most recent 2.71-year period for the

Company and the components of the peer group. The stock price movements have been modeled such that the dividends are incorporated in the returns of each company's stock, therefore the Monte Carlo simulation reflects a 0% dividend yield for each stock. The use of a 0% dividend yield is mathematically equivalent to including the dividends in the calculation of TSR. The risk-free interest rate is equal to the yield, as of the valuation date, of the zero-coupon U.S. Treasury bill that is commensurate with the remaining performance period.

Unrecognized compensation cost is expected to be recognized over the next four years. Total unrecognized compensation cost, net of estimated forfeitures, for restricted stock and stock units was $71.6 million, $65.6 million, and $62.7 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The following table reflects activity under all stock plans from December 31, 2016 through December 31, 2019, and the weighted average exercise prices (in thousands, except per share amounts):

	Time Based Awards		Performance Based Awards with Market Conditions		Performance Based Awards without Market Conditions		Total Awards with Performance Condition	
	Number of Shares/ Units	Weighted Average Grant Date Fair Value	Number of Shares/ Units	Weighted Average Grant Date Fair Value	Number of Shares/ Units	Weighted Average Grant Date Fair Value	Number of Shares/ Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2016	1,243	$43.78	950	$54.42	—	—	950	$54.42
Granted	574	$48.10	50	$50.09	330	$47.45	380	$47.80
Restrictions lapsed	(616)	$44.09	(384)	$50.09	—	—	(384)	$50.09
Forfeited	(41)	$43.68	—	—	—	—	—	—
Outstanding, December 31, 2017	1,160	$45.75	616	$56.76	330	$47.45	946	$53.51
Granted	533	$57.16	—	—	278	$56.83	278	$56.83
Restrictions lapsed	(568)	$47.62	(129)	$71.86	—	—	(129)	$71.86
Forfeited	(40)	$49.10	(129)	$71.86	—	—	(129)	$71.86
Outstanding, December 31, 2018	1,085	$50.24	358	$45.93	608	$51.74	966	$49.58
Granted	434	$66.66	236	$74.01	—	—	236	$74.01
Restrictions lapsed	(557)	$50.29	(338)	$45.93	—	—	(338)	$45.93
Forfeited	(15)	$53.85	(20)	$45.93	—	—	(20)	$45.93
Outstanding, December 31, 2019	947	$57.67	236	$74.01	608	$51.74	844	$57.97

The total fair value of shares vested was $57.0 million, $40.6 million, and $50.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

At December 31, 2019, the total number of available shares to grant under the plans (consisting of either restricted stock, stock units, stock appreciation rights or options to purchase common stock) was approximately 4.8 million.

Note N—Net Income Per Share

The calculation of net income per share for the three years ended December 31, 2019, 2018 and 2017, are reflected in the following table (in thousands, except per share amounts):

	Years Ended December 31,		
	2019	2018	2017
Net income	$454,433	$434,288	$290,584
Basic:			
Weighted average shares	115,656	120,513	124,152
Diluted:			
Weighted average shares	115,656	120,513	124,152
Dilutive effect of potential common shares	755	1,089	740
Diluted weighted average shares	116,411	121,602	124,892
Net income per share:			
Basic	$ 3.93	$ 3.60	$ 2.34
Diluted	$ 3.90	$ 3.57	$ 2.33

Potential common shares include the dilutive effect of unvested performance-based restricted stock, restricted stock which contains forfeitable rights to dividends, and stock units.

Note O—Business Segments

The Company has three reportable segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. 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 temporary and consultant staffing segment provides specialized staffing in the accounting and finance, administrative and office, information technology, legal, advertising, marketing and web design fields. The permanent placement staffing segment provides full-time personnel in the accounting, finance, administrative and office, and information technology fields. The risk consulting and internal audit services 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. The Company evaluates performance based on income from operations before net interest income, intangible amortization expense, and income taxes.

The following table provides a reconciliation of revenue and operating income by reportable segment to consolidated results (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Service revenues			
Temporary and consultant staffing	$4,412,125	$4,330,566	$4,011,042
Permanent placement staffing	533,432	511,989	439,214
Risk consulting and internal audit services	1,128,875	957,716	816,533
	$6,074,432	$5,800,271	$5,266,789
Operating income			
Temporary and consultant staffing	$ 410,153	$ 404,800	$ 355,700
Permanent placement staffing	83,885	90,801	77,673
Risk consulting and internal audit services	127,713	93,324	83,907
	621,751	588,925	517,280
Amortization of intangible assets	1,361	1,705	1,563
Interest income, net	(5,125)	(4,382)	(1,799)
Income before income taxes	$ 625,515	$ 591,602	$ 517,516

Assets by reportable segment are not presented as the Company does not allocate assets to its reportable segments, nor is such information used by management for purposes of assessing performance or allocating resources.

The Company operates internationally, with operations in North America, South America, Europe, Asia and Australia. The following tables represent revenues and long-lived assets by geographic location (in thousands):

	Years Ended December 31,		
	2019	2018	2017
Service revenues (a)			
Domestic	$4,708,715	$4,433,767	$4,121,701
Foreign (b)	1,365,717	1,366,504	1,145,088
	$6,074,432	$5,800,271	$5,266,789

	December 31,		
	2019	2018	2017
Property and equipment, net			
Domestic	$ 99,365	$ 96,169	$ 113,069
Foreign	29,020	29,007	31,818
	$ 128,385	$ 125,176	$ 144,887

(a) There were no customers that accounted for more than 10% of the Company's total service revenues in any year presented.
(b) No individual country represented more than 10% of revenues in any year presented.

Note P—Quarterly Financial Data (Unaudited)

The following tabulation shows certain quarterly financial data for 2019 and 2018 (in thousands, except per share amounts):

	Quarter			
2019	**1**	**2**	**3**	**4**
Service revenues	$1,468,530	$1,516,385	$1,552,132	$1,537,385
Gross margin	$ 607,588	$ 637,541	$ 646,446	$ 638,944
Income before income taxes	$ 147,383	$ 160,103	$ 163,782	$ 154,247
Net income	$ 109,798	$ 114,612	$ 117,181	$ 112,842
Basic net income per share	$ .94	$ .98	$ 1.02	$ .99
Diluted net income per share	$ .93	$ .98	$ 1.01	$ .98

	Quarter			
2018	**1**	**2**	**3**	**4**
Service revenues	$1,395,333	$1,457,054	$1,466,226	$1,481,658
Gross margin	$ 572,366	$ 607,118	$ 610,468	$ 620,062
Income before income taxes	$ 134,639	$ 150,075	$ 151,905	$ 154,983
Net income	$ 96,167	$ 109,315	$ 115,242	$ 113,564
Basic net income per share	$ .79	$ .90	$ .96	$ .96
Diluted net income per share	$ .78	$ .89	$ .95	$ .95

Note Q—Subsequent Events

On February 12, 2020, the Company announced the following:

Quarterly dividend per share	$.34
Declaration date	February 12, 2020
Record date	February 25, 2020
Payment date	March 16, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Robert Half International Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the consolidated financial statements, including the related notes as listed in the index appearing under Item 15(a)(1) and the financial statement schedule listed in the index appearing under Item 15(a)(2), of Robert Half International Inc. and its subsidiaries (the "Company") (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

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

Definition and Limitations of Internal Control over Financial Reporting

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

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

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income taxes

As described in Notes A and J to the consolidated financial statements, the Company's operations are subject to U.S. federal, state and local, and foreign income taxes. In establishing its deferred income tax assets and liabilities and its provision for income taxes, management makes judgments and interpretations based on the enacted tax laws that are applicable to its operations in various jurisdictions. Deferred tax assets and liabilities are measured and recorded using current enacted tax rates, which management expects will apply to taxable income in the years in which those temporary differences are recovered or settled. Management also evaluates the need for valuation allowances to reduce deferred tax assets to realizable amounts. In determining the realizability of its deferred tax assets, management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. As disclosed by management, the likelihood of a material change in the Company's expected realization of its deferred tax assets is dependent on future taxable income and the effectiveness of its tax planning strategies in the various relevant jurisdictions. The Company recorded a provision for income taxes of $171 million for the year ended December 31, 2019 and net deferred income tax assets of $100 million including a valuation allowance of $22 million as of December 31, 2019.

The principal considerations for our determination that performing procedures relating to income taxes is a critical audit matter are there was significant judgment and estimation by management when assessing current enacted tax laws and published tax guidance as it relates to determining the provision for income taxes as well as in assessing the realizability of its deferred income tax assets, specifically related to evaluating positive and negative evidence regarding past and future events, including operating results. This resulted in significant audit effort, judgment, and subjectivity in performing procedures and evaluating audit evidence over income taxes. The audit effort involved the use of professionals with specialized skill and knowledge to assist in performing procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to income taxes, including management's controls over the application of current enacted tax laws and published tax guidance and their impact to the current year provision, the establishment of deferred tax assets and liabilities, and the evaluation of the realizability of deferred tax assets. These procedures also included, among others, (i) testing the provision for income taxes and the application of current enacted tax laws and published tax guidance, including the effective tax rate reconciliation, return to provision adjustments, and permanent and temporary differences, (ii) testing the underlying data used in establishing and measuring deferred tax assets and liabilities, and (iii) evaluating management's assessment of the realizability of deferred tax assets by evaluating factors used in management's assessment of positive and negative evidence regarding past and future events, including operating results and the related expected utilization of deferred tax assets. Professionals with specialized skill and knowledge were used to assist in the evaluation of the calculations, including application of relevant tax laws and published tax guidance.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
February 14, 2020

We have served as the Company's auditor since 2002.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures. Management, including the Company's President and Chief Executive Officer and the 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 Chief Executive Officer and the 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.

Changes in Internal Control over Financial Reporting. There have been no changes in the Company's internal controls over financial reporting identified in connection with the evaluation required by Rule 13a-15 of the Securities Exchange Act of 1934 that occurred during the Company's fourth quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019, using criteria established in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and concluded that the Company maintained effective internal control over financial reporting as of December 31, 2019.

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

The effectiveness of the Company's internal control over financial reporting as of December 31, 2019, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Item 9B. Other Information

None.

PART III

Except as provided below in this Part III, the information required by Items 10 through 14 of Part III is incorporated by reference from Item 1 of this Report and from the registrant's Proxy Statement, under the captions *"Nomination and Election of Directors," "Beneficial Stock Ownership," "Compensation Discussion and Analysis," "Compensation Tables," "Corporate Governance," "The Board and Committees"* and *"Independent Registered Public Accounting Firm"* which Proxy Statement will be mailed to stockholders in connection with the registrant's annual meeting of stockholders which is scheduled to be held in May 2020.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

The following consolidated financial statements of the Company and its subsidiaries are included in Item 8 of this report:

2. Financial Statement Schedules

3. Exhibits

Exhibit No.	Exhibit
3.1	Restated Certificate of Incorporation, incorporated by reference to Exhibit 3.1 to Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2009.
3.2	Amended and Restated By-Laws, incorporated by reference to Exhibit 3.2 to Registrant’s Current Report on Form 8-K dated February 13, 2020.
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
*10.1	Form of Power of Attorney and Indemnification Agreement, incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2002.
*10.2	Employment Agreement between the Registrant and Harold M. Messmer, Jr., incorporated by reference to (i) Exhibit 10.(c) to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1985(P), (ii) Exhibit 10.2(b) to Registrant’s Registration Statement on Form S-1 (No. 33-15171)(P), (iii) Exhibit 10.2(c) to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1987(P), (iv) Exhibit 10.2(d) to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1988(P), (v) Exhibit 28.1 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1990(P), (vi) Exhibit 10.8 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1991(P), (vii) Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1993(P), (viii) Exhibit 10.7 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1993, (ix) Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1995, (x) Exhibit 10.7 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1995, (xi) Exhibit 10.2 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1996, (xii) Exhibit 10.2 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1997, (xiii) Exhibit 10.2 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1998, (xiv) Exhibit 10.2 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1999, (xv) Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004, (xvi) Exhibit 10.5 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2008, (xvii) Exhibit 10.2 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and (xviii) Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 7, 2019.
*10.3	Amended and Restated Deferred Compensation Plan, incorporated by reference to Exhibit 10.4 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2008.
*10.4	Amended and Restated Severance Agreement dated as of February 9, 2011, between Registrant and Paul F. Gentzkow, incorporated by reference to Exhibit 10.8 to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010.
*10.5	Agreement dated as of July 31, 1995, between Registrant and Paul F. Gentzkow, incorporated by reference to Exhibit 10.6 to Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000.
*10.6	Form of Amended and Restated Severance Agreement, incorporated by reference to Exhibit 10.10 to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010.
*10.7	Form of Indemnification Agreement for Directors of the Registrant, incorporated by reference to Exhibit 10.27 to the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 1989(P).
*10.8	Form of Indemnification Agreement for Executive Officers of Registrant, incorporated by reference to Exhibit 10.4 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000.
*10.9	Senior Executive Retirement Plan, as amended and restated December 15, 2019.
*10.10	Form of Part-Time Employment Agreement, as amended and restated, incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014.

Exhibit No.	Exhibit
*10.11	Annual Performance Bonus Plan, as amended and restated, incorporated by reference to Exhibit 99.1 to Registrant’s Current Report on Form 8-K dated May 23, 2013.
*10.12	Summary of Outside Director Cash Remuneration, incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010.
*10.13	Stock Incentive Plan, as amended and restated, incorporated by reference to Exhibit 99.1 to the Registrant’s Current RepStock Incentive Plan, as amended and restated, incorporated by reference to Exhibit 99.1 to the Registrant’s Current Report on Form 8-K dated May 22, 2019rt on Form 8-K dated May 22, 2019.
*10.14	Stock Incentive Plan—Form of Restricted Share Agreement for Executive Officers effective through February 11, 2020, incorporated by reference to Exhibit 10.1 to Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013.
*10.15	Stock Incentive Plan—Form of Stock Option Agreement for Executive Officers, incorporated by reference to Exhibit 99.4 to Registrant’s Current Report on Form 8-K dated May 3, 2005.
*10.16	Stock Incentive Plan—Form of Restricted Share Agreement for Outside Directors, incorporated by reference to Exhibit 10.1 to Registrant’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2006.
*10.17	Stock Incentive Plan—Form of Stock Option Agreement for Outside Directors, incorporated by reference to Exhibit 99.6 to Registrant’s Current Report on Form 8-K dated May 3, 2005.
*10.18	Stock Incentive Plan—Form of Restricted Share Agreement for Executive Officers effective February 12, 2020.
21.1	Subsidiaries of the Registrant
23.1	Independent Registered Public Accounting Firm’s Consent.
31.1	Rule 13a-14(a) Certification of Chief Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Rule 1350 Certification of Chief Executive Officer.
32.2	Rule 1350 Certification of Chief Rule 1350 Certification of Chief Financial Officer.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Management contract or compensatory plan.
(P) This Exhibit was originally filed in paper format. Accordingly, a hyperlink has not been provided.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 INTERNATIONAL INC.
(Registrant)

Date: February 14, 2020	By:	/s/ MICHAEL C. BUCKLEY
		Michael C. Buckley Executive Vice President, Chief Financial Officer (Principal Financial Officer)

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

Date: February 14, 2020	By:	/s/ HAROLD M. MESSMER, JR.
		Harold M. Messmer, Jr. Executive Chairman of the Board, and a Director
Date: February 14, 2020	By:	/s/ M. KEITH WADDELL
		M. Keith Waddell President
Date: February 14, 2020		Chief Executive Officer and a Director (Principal Executive Officer)
Date: February 14, 2020	By:	/s/ JULIA L. CORONADO
		Julia L. Coronado, Director
Date: February 14, 2020	By:	/s/ DIRK A. KEMPTHORNE
		Dirk A. Kempthorne, Director
Date: February 14, 2020	By:	/s/ MARC H. MORIAL
		Marc H. Morial, Director
Date: February 14, 2020	By:	/s/ BARBARA J. NOVOGRADAC
		Barbara J. Novogradac, Director
Date: February 14, 2020	By:	/s/ ROBERT J. PACE
		Robert J. Pace, Director
Date: February 14, 2020	By:	/s/ FREDERICK A. RICHMAN
		Frederick A. Richman, Director
Date: February 14, 2020	By:	/s/ MICHAEL C. BUCKLEY
		Michael C. Buckley Executive Vice President, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Schedule II—Valuation and Qualifying Accounts
(in thousands)

		Balance at Beginning of Period		Charged to Expenses	Deductions	Translation Adjustments		Balance at End of Period
Year Ended December 31, 2017								
Allowance for doubtful accounts receivable	$	33,133		8,022	(8,751)	777	$	33,181
Deferred tax valuation allowance	$	18,907		1,411	(1,275)	1,135	$	20,178
Year Ended December 31, 2018								
Allowance for doubtful accounts receivable	$	23,682	(a)	11,914	(8,690)	772	$	27,678
Deferred tax valuation allowance	$	20,178		5,683	(2,599)	(190)	$	23,072
Year Ended December 31, 2019								
Allowance for doubtful accounts receivable	$	27,678		9,868	(8,687)	(103)	$	28,756
Deferred tax valuation allowance	$	23,072		719	(2,154)	(19)	$	21,618

(a) In accordance with its adoption of ASC 606 *Revenue from Contracts with Customers,* on January 1, 2018, the Company reclassified certain allowances that are now reflected as liabilities in the amount of $9.5 million.

Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934

Description of Capital Stock

As of December 31, 2019, Robert Half International Inc., a Delaware corporation (the “Company”), had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: Common Stock, par value $.001 per share (the “Common Stock”). The following summary includes a brief description of the Common Stock, as well as certain related additional information. The summary is not complete and is qualified in its entirety by reference to the Company’s Restated Certificate of Incorporation (the “Certificate of Incorporation”) and By-Laws, as amended and restated (the “By-Laws”), which are filed as exhibits to this Annual Report on Form 10-K.

Authorized Shares

Pursuant to the Certificate of Incorporation, the total number of shares of stock that the Company has authority to issue is 265,000,000 shares, consisting of 260,000,000 shares of Common Stock and 5,000,000 shares of Preferred Stock, par value $.001 per share (the “Preferred Stock”).

The Company’s Board of Directors is authorized to issue Preferred Stock in one or more series, with such voting powers, or without voting powers, and with such designations, preferences, rights, and qualifications, limitations or restrictions thereon as the Board of Directors may determine, and as are not stated and expressed in the Certificate of Incorporation, or any amendment thereto, which could affect the relative voting power or other rights of the holders of Common Stock.

Voting Rights

Each share of Common Stock entitles the holder to one vote on each matter voted on by stockholders. Under Section 5 of Article II of the Company’s By-Laws, except where other provision is made by law, by the Certificate of Incorporation or by the By-Laws, all matters shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote on that matter. Except as provided in Section 5 of Article III of the Company’s By-Laws or as otherwise required by law or by the Certificate of Incorporation, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if on the record date for such meeting or the advance notice date for nominations at such meeting, the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. There is no cumulative voting.

Dividend Rights

The holders of shares of Common Stock shall be entitled to receive such dividends as may be declared by the Board of Directors.

Liquidation Rights

In the event of voluntary or involuntary liquidation of the Company, the holders of shares of Common Stock shall be entitled to receive pro rata all of the remaining assets of the Company available for distribution to its stockholders after all amounts to which the holders of shares of Preferred Stock are entitled have been paid or set aside in cash for payment.

Other Rights

The Company's Common Stock has no conversion rights, sinking fund provisions, redemption provisions or preemptive rights.

Stock Exchange Listing

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

Transfer Agent and Registrar

The transfer agent and registrar for the Company's Common Stock is Computershare Investor Services.

Potential Anti-Takeover Effects of the Preferred Stock

Certain provisions of the Delaware General Corporation Law ("DGCL"), the Certificate of Incorporation and the By-Laws summarized in the paragraphs above and in the following paragraphs may have an anti-takeover effect. In other words, they could delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interests, including those attempts that might result in a premium over the market price for the shares held by such stockholder.

Certain Provisions of the Certificate of Incorporation and the By-Laws

Under the By-Laws, a special meeting of the stockholders for any purpose or purposes, unless otherwise prescribed by statute, may only be called by the Chairman of the Board, the Vice Chairman of the Board or the Chief Executive Officer or by order of the Board of Directors.

The By-Laws sets forth advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board of Directors or a committee of the Board of Directors.

Under the Certificate of Incorporation, the Board of Directors has the ability to authorize undesignated preferred stock which make it possible for the Board of Directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Company. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of the Company.

Certain Provisions of Delaware Law

The Company is subject to Section 203 of the DGCL. Section 203 of the DGCL prohibits persons deemed "interested stockholders" from engaging in a "business combination" with a publicly-held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock and a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Company's Board of Directors, such as discouraging takeover attempts that might result in a premium over the market price of the Company's Common Stock.

ROBERT HALF INTERNATIONAL INC.
SENIOR EXECUTIVE RETIREMENT PLAN
(As Amended and Restated Effective December 15, 2019)

1. INTRODUCTION. This Plan was adopted by the Company to provide retirement benefits to those individuals, other than any individual holding the office of Chief Executive Officer prior to December 15, 2019, who participated in the Company's Deferred Compensation Plan and, with respect to those individuals, this Plan shall supersede the Deferred Compensation Plan. The Administrator or the Chief Executive Officer may also select other Participants to be eligible for benefits hereunder in accordance with the other provisions of the Plan. It is amended and restated effective December 15, 2019.

2. DEFINITIONS. As used in this Plan, the following terms have the meanings set forth below:

ADMINISTRATOR means the Compensation Committee of the Board.

BOARD means the Board of Directors of the Company.

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.

COMPANY means Robert Half International Inc., a Delaware corporation.

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.

EXCHANGE ACT means the Securities Exchange Act of 1934, as amended.

OFFER means a tender offer or an exchange offer for shares of the Company's Stock.

PARTICIPANT means any elected executive officer or any key executive, other than any individual who held the office of Chief Executive Officer prior to December 15, 2019 (hereafter "Predecessor CEO"), approved by the Administrator or the Chief Executive Officer for participation in the Plan. Notwithstanding for foregoing, the participation by any individual who holds the office of Chief Executive Officer on or after December 15, 2019 must be approved solely by the Administrator. The benefits of individuals (other than any Predecessor CEO) who had accounts (whether or not vested) under the Deferred Compensation Plan shall be transferred to this Plan, effective December 31, 1995, with interest for 1995 credited at the rate and as provided in Section 7 hereof instead of at the rate and as provided in the Deferred Compensation Plan. With respect to the year ended December 31, 1995 those individuals will thereafter be Participants hereunder and will no longer participate in the Deferred Compensation Plan.

PLAN means the Senior Executive Retirement Plan.

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.

VOTING SHARES means the outstanding shares of the Company entitled to vote for the election of directors.

3. PURPOSE OF THE PLAN. The purpose of the Plan is to attract, retain and reward Participants by providing them with supplemental income for use after their retirement. The Plan is designed to qualify as an unfunded ERISA "top-hat" plan for a select group of management or highly compensated employees of the Company and its subsidiaries designated by the Administrator. The Plan is intended to satisfy the requirements of, and shall be implemented and administered in a manner consistent with, Section 409A of the Internal Revenue Code of 1986, as amended (the "Section 409A").

4. ADMINISTRATION. The Administrator shall have full power to interpret, construe and administer the Plan, except as otherwise provided in the Plan. The expense of administering the Plan shall be borne by the Company and shall not be charged against benefits payable hereunder.

5. DEFERRED COMPENSATION FORMULA. Each Participant shall receive the base salary and annual cash bonus payable to that Participant for services rendered in his capacity as an employee of the Company or a designated subsidiary during the calendar year of participation, plus fifteen percent (15%) of such base salary and annual cash bonus as deferred compensation pursuant to this Plan, provided he is employed by the Company on the last day of such calendar year (December 31, 1995 for the first year). A Participant's allocation of deferred compensation hereunder shall be deemed to have been made, for all purposes relating to this Plan, as of the first business day of the year following the year with respect to which the deferred compensation has been earned.

The Administrator or the Chief Executive Officer may at any time designate any Participant as entitled to receive a Change in Control Allocation. Notwithstanding the foregoing, in the event that a Participant who holds the office of Chief Executive Officer on or after December 15, 2019 has not previously been designated as entitled to receive a Change in Control Allocation, such a designation may be made only by the Administrator. Once a Participant is so designated, such designation may not be rescinded. With respect to any Participant who has been designated as entitled to receive a Change in Control Allocation, there shall be allocated to such Participant's account promptly following a Change in Control (if such Participant is employed by the Company on the date of the Change in Control) an amount equal to the product of (a) the number of whole years remaining until the Participant attains age 62 and (b) the last annual allocation made under the Plan. After such Change in Control Allocation has been made, each subsequent annual allocation under the Plan for such Participant following the Change in Control and prior to such Participant's 62nd birthday shall be reduced by an amount equal to the last annual allocation made to such Participant prior to the Change in Control.

6. SEPARATE ACCOUNTS. The Administrator shall maintain two individual accounts under the name of each Participant entitled to allocations pursuant to the Plan. Each such account shall be adjusted, as described in the next paragraph, to reflect any amounts transferred from the Deferred Compensation Plan, deferred compensation credited hereunder, interest credited on such amounts and any distribution of such amounts hereunder. The establishment and maintenance of separate accounts for each Participant shall not be construed as giving any person any interest in any assets of the Company or any right to payment other than as provided hereunder or any right to participate hereunder or in future years of employment. Such accounts shall be unfunded and maintained only for bookkeeping convenience; provided, however, the Company may establish an irrevocable grantor trust and contribute amounts to such trust to support its obligations hereunder.

One account for each individual (the "First Account") shall consist of (a) all vested allocations for the individual as of December 31, 2004, and (b) all interest on such allocations, regardless of when credited. The other account for each individual (the "Second Account") shall consist of (a) all allocations earned after December 31, 2004, (b) all allocations that become vested after December 31, 2004, (c) all interest on such amounts and (d) any other amounts that may be credited to the individual hereunder from time to time.

7. INVESTMENT PERFORMANCE. Each account shall be credited on the last day of each calendar year with interest on the balance of such account as of the first day of the calendar year. Interest credited for a calendar year shall be at a rate equal to one hundred (100%) of the Moody's Corporate bond Yield Average reported in THE WALL STREET JOURNAL on the last business day of the calendar year (or the valuation date selected by the Administrator preceding a distribution).

8. VESTING. Each Participant's interest under the Plan shall be forfeitable upon such Participant's termination of employment for any reason, except to the extent it becomes vested hereunder. Each Participant's interest, regardless of when allocated, will be deemed unvested unless and until such Participant has completed ten years of service with the Company. "Years of Service" shall be based on the anniversary of the later of the Participant's date of hire or his or her transfer to Company headquarters. At such time as the Participant has completed ten years service with the Company, the amount vested at any given time shall be (a) 50%, if Participant is age 50 or younger, (b) the sum of (i) 50% and (ii) 4 1/6% times the difference between Participant's age and 50, if Participant is between age 51 and age 62, or (c) 100%, if Participant is age 62 or older. In the event of a Change in Control, all amounts credited under the Plan to

each affected Participant shall become fully vested and nonforfeitable as a result of such event. Notwithstanding the foregoing, amounts shall vest hereunder in accordance with the terms of any severance agreement or other written arrangement between the Participant and the Company. In addition, and notwithstanding the foregoing, the accounts transferred to this Plan from the Company's Deferred Compensation Plan, including any and all investment performance hereunder, shall continue to vest under the terms of the Deferred Compensation Plan.

9. TIME OF DISTRIBUTION. No vested amounts shall be payable hereunder until the first to occur of the following events, the first date on which any such event occurs being hereinafter referred to as the "Termination Date":

(a) The date of the Participant's complete and total disability, as determined by the Administrator in its sole discretion (without regard to eligibility for benefits under any disability plan or program of the Company and/or its subsidiaries);

(b) The Participant's death; or

(c) The date of the Participant's Separation from Service with the Company and/or its subsidiaries for any reason.

Notwithstanding anything to the contrary, the date of a Participant's "complete and total disability" shall be determined by the Administrator in a manner consistent with any applicable provisions of Section 409A and the rules and regulations promulgated thereunder.

Notwithstanding the foregoing, distribution may occur at an earlier date as provided in Section 10 hereunder.

If distribution occurs before the end of a year a Participant shall receive a pro rata amount of deferred compensation under Section 5 hereof.

All vested amounts in a Participant's First Account shall be valued and paid within 90 days following the occurrence of any of the events referred to above in clauses (a) through (c) of this Section 9.

In the event of a Participant's death, all vested amounts in the Participant's Second Account shall be valued and paid within 90 days thereafter. In the event of a Participant's Separation from Service pursuant to clauses (a) or (c) above, all vested amounts in the Participant's Second Account shall be valued and paid within 90 days thereafter, provided, however, that if Participant is a Specified Employee, vested amounts in the Second Account shall be paid no earlier than the Earliest Payment Date and no later than ten business days thereafter.

10. WITHDRAWALS. Notwithstanding Section 9, the Administrator may direct payment of all or any portion of a Participant's First Account, after application by the Participant. Any such application must show demonstrable financial need for distribution in order to meet extraordinary medical or medically related expenses, substantial costs related to

residential requirements of the Participant, family educational expenses in an amount considered by the Administrator burdensome in relation to the Participant's other available financial resources for meeting such expenses, extraordinary expenses related to an unanticipated casualty, accident or other misfortune or any other similar need approved by the Administrator.

Any such distribution shall be made in the sole discretion of the Administrator.

11. METHOD OF DISTRIBUTION. Upon a Separation from Service, the Participant shall receive a lump-sum distribution of all amounts payable hereunder.

12. DEATH OF PLAN PARTICIPANT. In the event that a Participant shall die at any time prior to complete distribution of all amounts payable to him hereunder, the remaining unpaid amounts shall be paid in a lump-sum to the beneficiary or beneficiaries designated by the Participant, or in the absence of any such designation, to his estate. Each Participant shall have the right to designate a beneficiary (or beneficiaries) in the event of his death; provided that in the event that the Participant is married and designates a beneficiary other than his spouse, his spouse must consent to such designation.

13. PAYMENT IN THE EVENT OF DISABILITY. If a person entitled to any payment hereunder shall be under a legal disability, or in the sole judgment of the Administrator shall otherwise be unable to apply such payment to his own interest and advantage, the Administrator in the exercise of its discretion may direct the Company to make any such payment in any one (1) or more of the following ways:

(a) Directly to such person;

(b) To his legal guardian or conservator; or

(c) To his spouse or to any person charged with his support;

to be expended for the benefit of Participant. The decision of the Administrator shall in each case be final and binding upon all persons in interest. Any such payment shall completely discharge the obligations of the Administrator and Company with regard to such payment.

14. ASSIGNMENT. No Participant or beneficiary of a Participant shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien upon any amounts payable hereunder. No amounts payable hereunder shall be subject to assignment or transfer or otherwise be alienable, either by voluntary or involuntary act or by operation of law, or subject to attachment, execution, garnishment, sequestration or other seizure under any legal, equitable or other process, or be liable in any way for the debts or defaults of Participants and their beneficiaries, except to the extent permitted by applicable law and pursuant to the Administrator's receipt and approval of a "qualified domestic relations order."

15. WITHHOLDING. Any taxes required to be withheld from deferrals or payments to Participants hereunder shall be deducted and withheld by the Company.

16. AMENDMENT AND TERMINATION. This Plan may be amended in whole or in part by action of the Administrator and may be terminated at any time by action of the Administrator; provided, however, that no such amendment or termination shall reduce any amount credited hereunder to the extent such amount was credited prior to the date of amendment or termination; and provided, further, that the duties and liabilities of the members of the Administrator hereunder shall not be increased without their consent.

17. RIGHTS OF PARTICIPANTS. The Company's sole obligation to Participants and their beneficiaries shall be to make payment as provided hereunder. All payments shall be made from the general assets of the Company, and no Participant shall have any right hereunder to any specific assets of the Company or to be retained in the employment of the Company. All amounts of compensation allocated under this Plan, any property purchased therewith and all income attributable thereto shall remain the property and rights of the Company subject to the claims of the Company's general creditors.

18. BINDING PROVISIONS. All of the provisions of this Plan shall be binding upon all persons who shall be entitled to any benefits hereunder, and their heirs, and personal representatives.

19. EFFECTIVE DATE. This Plan shall be effective December 31, 1995, as amended and restated effective July 29, 2008.

20. GOVERNING LAW. This Plan and all determinations made and actions taken pursuant hereto shall, to the extent not preempted by ERISA, be governed by the law of the State of California and construed accordingly.

21. SEVERABILITY. If any provision of this Plan is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Plan shall be deemed valid and enforceable to the full extent possible.

END OF DOCUMENT

ROBERT HALF INTERNATIONAL INC.

STOCK INCENTIVE PLAN

RESTRICTED SHARE AGREEMENT

This restricted share agreement ("Agreement") is made and entered into as of __________, (the "Grant Date"), between Robert Half International Inc., a Delaware corporation (the "Company"), and ________. ("Participant"). Capitalized terms not defined herein shall have the meanings assigned to them in the Company's Stock Incentive Plan (the "Plan"), a copy of which Participant represents, warrants, and acknowledges having received and reviewed. Participant also represents, warrants, and acknowledges having received and reviewed a copy of the Plan prospectus and the documents incorporated therein by reference. The Plan is incorporated by reference into this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. Shares. Pursuant to the Plan, the Company hereby transfers to Participant, and Participant hereby accepts from the Company, an award initially consisting of _____________ Restricted Shares on the terms and conditions set forth herein and in the Plan (the "Restricted Share Award").

2. Vesting. The Restricted Share Award shall vest based on the completion of continued Service as follows: _____________________, unless otherwise provided by the Plan or Section 3 hereof. The Restricted Shares are subject to Section 6(e) of the Plan to the extent they have not vested and shall be held in escrow by the Company until they have vested and the Participant has satisfied all applicable tax withholding obligations as provided in Section 6 below. In addition, any dividends paid in Shares with respect to unvested Restricted Shares by reason of Section 6(d) of the Plan or any Shares to which the Participant may be entitled by reason of application of Section 16 of the Plan to the unvested Restricted Shares shall, in each case, be subject to the same terms and conditions as are applicable to the unvested Restricted Shares under this Agreement and the Plan.

3. Accelerated Vesting. Notwithstanding Section 2 hereof, the Restricted Share Award shall vest as provided from time to time by any other agreement between Participant and the Company or as provided by Section 3(b)(xv), Section 14 or Section 15 of the Plan, and in such case, the vesting date for any portion of the Restricted Share Award that vests under such circumstances shall be the date such portion of the award vests.

4. Performance Condition. The Restricted Share Award shall be subject to the Performance Condition(s), including the adjustment provisions thereof, as determined

by the Compensation Committee (the "Committee") in accordance with the Plan and pursuant to the resolutions adopted by the Committee at its meetings on________.

5. Understanding of Participant Regarding Withholding Taxes. Participant hereby represents and acknowledges that (i) on each date that the Restricted Share Award vests, minimum withholding taxes become due, (ii) payment of such minimum withholding taxes to the Company is the responsibility of Participant and (iii) payment of such withholding taxes may require a significant cash outlay by Participant.

6. Payment of Taxes. The Company shall notify the Participant or, if applicable, Participant's estate, as to the amount of minimum withholding taxes required to be withheld by the Company as a result of the vesting of the Restricted Share Award. Participant shall make full payment of such minimum withholding taxes to the Company by check or in a manner permitted by Section 19(b) of the Plan. In the event that such payment is not made, the Company shall have the right to cause such Participant's minimum withholding taxes obligation to be satisfied as specified in Section 19(a) of the Plan.

7. Election to Recognize Gross Income in the Year of Grant. If Participant properly elects within thirty (30) days of the Grant Date to include in gross income for federal income tax purposes an amount equal to the fair market value of the Restricted Share Award on the Grant Date, such Participant shall pay in cash to the Company in the calendar month of such Grant Date, or make arrangements satisfactory to the Committee to pay to the Company, any minimum withholding taxes required to be withheld with respect to such shares.

8. Restriction on Issuance of Shares.

8.1 Legality of Issuance. The Company shall not be obligated to transfer or issue any Restricted Shares pursuant to this Agreement if such transfer or issuance, in the opinion of the Company and the Company's counsel, would constitute a violation by the Company of any provision of law, including without limitation the provisions of the Securities Act.

8.2 Registration or Qualification of Securities. The Company may, but shall not be required to, register or qualify the transfer or issuance of the Restricted Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the transfer or issuance of the Restricted Shares pursuant hereto to comply with any law.

9. Restriction on Transfer. Regardless of whether the transfer or issuance of the Restricted Shares has been registered under the Securities Act or has been registered or qualified under the securities laws of any state, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the Restricted Shares (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer

instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any state, or any other law.

10. Stock Certificate Restrictive Legends. Stock certificates (which may be in electronic form) evidencing the Restricted Shares may bear such restrictive legends as the Company and the Company's counsel deem necessary under applicable law or pursuant to this Agreement.

11. Representations, Warranties, Covenants, and Acknowledgments of Participant. Participant hereby agrees that in the event the Company and the Company's counsel deem it necessary or advisable in the exercise of their discretion, the transfer or issuance of the Restricted Shares may be conditioned upon the person receiving Restricted Shares making certain representations, warranties, and acknowledgments relating to compliance with applicable securities laws.

12. Tax Advice. Participant represents, warrants, and acknowledges that the Company has made no warranties or representations to Participant with respect to the income tax consequences of the transactions contemplated by this Agreement, and Participant is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and wholly to be performed within the State of California by California residents. The parties agree that the exclusive jurisdiction and venue of any action with respect to this Agreement shall be in the Superior Court for the county in which the principal executive offices of the Company are located, or the United States District Court for the district in which the principal executive offices of the Company are located, and each of the parties hereby submits itself to the exclusive jurisdiction and venue of such courts for the purpose of such action. The parties agree that service of process in any such action may be effected by delivery of the summons and complaint in a manner provided for delivery of notices set forth herein.

14. Notices. All notices, communications and documents under this Agreement shall be in writing. All notices, communications, and documents directed to the Company and related to the Agreement, if not delivered by hand, shall be mailed to the Company's principal executive office, Attention: Secretary. The current address of the Company's principal executive office is:

Robert Half International Inc.
2884 Sand Hill Road
Menlo Park, CA 94025

Unless and until the Company is notified in writing to the contrary, all notices, communications, and documents intended for Participant and related to this Agreement, if not delivered by hand, shall be mailed to Participant's last known address as shown on the Company's books or such other address as Participant may specify by notice complying with this section. Notices, communications, and documents not delivered by hand shall be mailed by registered or certified mail, return receipt requested, postage prepaid. All mailings and deliveries related to this Agreement shall be deemed received only when actually received.

15. Binding Effect. Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors, and assigns of the parties hereto.

16. Damages. Participant shall be liable to the Company for all costs and damages, including incidental and consequential damages and attorneys' fees, resulting from Participant's breach of this Agreement. If any party to this Agreement seeks to enforce its rights under this Agreement by legal proceedings, each party shall pay its own costs and expenses including, without limitation, all attorneys' fees.

17. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each such counterpart were upon a single instrument, and all counterparts shall be deemed an original of this Agreement.

18. Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ROBERT HALF INTERNATIONAL INC.

By__________________________________

Participant hereby accepts and agrees to be bound by all of the terms and conditions of this Agreement and the Plan.

____

EXHIBIT 21.1

SUBSIDIARIES OF ROBERT HALF INTERNATIONAL INC.

Name of Subsidiary	Jurisdiction of Incorporation
Protiviti Inc.	Delaware
Protiviti Holdings Inc.	Delaware
RHHC LLC	Delaware
RH-TM Resources, Inc.	Delaware
Protiviti Government Services, Inc.	Maryland
Robert Half Nevada Staff, Inc.	Nevada
Robert Half of Pennsylvania, Inc.	Pennsylvania
Protiviti Pty. Limited	Australia
Robert Half Australia Pty. Limited	Australia
Robert Half Austria GmbH	Austria
Robert Half BVBA	Belgium
Robert Half Trabalho Temporário Ltda.	Brazil
Protiviti EOOD	Bulgaria
Robert Half Canada Inc.	Canada
Robert Half Chile Sociedad por Acciones	Chile
Robert Half Internacional Empresa De Servicios Transitorios Limitada	Chile
Protiviti Shanghai Co. Ltd.	China
Robert Half Human Resources Shanghai Company Limited	China
Robert Half Hong Kong Limited	China, Hong Kong SAR
Protiviti Hong Kong Co. Limited	China, Hong Kong SAR
Protiviti SAS	France
Robert Half International France SAS	France
Robert Half SAS	France
Protiviti GmbH	Germany
Robert Half Deutschland Beteiligungsgesellschaft mbH	Germany

Name of Subsidiary	Jurisdiction of Incorporation
Robert Half Deutschland GmbH & Co. KG	Germany
Protiviti Consulting Private Limited	India
Protiviti Government Services S.r.l.	Italy
Protiviti S.r.l.	Italy
Robert Half S.r.l.	Italy
Protiviti LLC	Japan
Robert Half Japan Ltd.	Japan
Robert Half Sarl	Luxembourg
Robert Half Holding Sarl	Luxembourg
Protiviti B.V.	Netherlands
Robert Half International B.V.	Netherlands
Robert Half Nederland B.V.	Netherlands
Robert Half New Zealand Limited	New Zealand
Protiviti Pte. Ltd.	Singapore
Robert Half International Pte. Ltd.	Singapore
Protiviti Switzerland GmbH	Switzerland
Robert Half GmbH	Switzerland
Robert Half International (Dubai) Ltd.	United Arab Emirates
Protiviti Limited	United Kingdom
Robert Half Holdings Limited	United Kingdom
Robert Half Limited	United Kingdom

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-14706, 33-32622, 33-32623, 33-39187, 33-39204, 33-40795, 33-52617, 33-56639, 33-56641, 33-57763, 33-62138, 33-62140, 33-65401, 33-65403, 333-05743, 333-05745, 333-18283, 333-18339, 333-38786, 333-38820, 333-42471, 333-42573, 333-42343, 333-42269, 333-50068, 333-50094, 333-66038, 333-66042, 333-68193, 333-68135, 333-68273, 333-75694, 333-79793, 333-79829, 333-88001, 333-91173, 333-91151, 333-91167, 333-98737, 333-125044, 333-151015, 333-196291, and 333-231788) of Robert Half International Inc., of our report dated February 14, 2020, relating to the consolidated financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Francisco, California

February 14, 2020

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-K of Robert Half International 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: February 14, 2020

/s/ M. KEITH WADDELL

M. Keith Waddell
President and Chief Executive Officer

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-K of Robert Half International 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: February 14, 2020

/s/ MICHAEL C. BUCKLEY

Michael C. Buckley
Executive Vice President,
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 Annual Report on Form 10-K for the fiscal year ended December 31, 2019 of Robert Half International Inc. (the “Form 10-K”), I, M. Keith Waddell, Chief Executive Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Robert Half International 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 International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

February 14, 2020

/s/ M. Keith Waddell

M. Keith Waddell
Chief Executive Officer
Robert Half International 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2019 of Robert Half International Inc. (the "Form 10-K"), I, Michael C. Buckley, Chief Financial Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Robert Half International 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 International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

February 14, 2020

/s/ Michael C. Buckley

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

Robert Half Board of Directors (from left): Dirk A. Kempthorne; Robert J. Pace; Barbara J. Novogradac; M. Keith Waddell; Harold M. Messmer, Jr.; Frederick A. Richman; Julia L. Coronado; and Marc H. Morial

Board of Directors

Harold M. Messmer, Jr.
Executive Chairman of Robert Half International

M. Keith Waddell
President and Chief Executive Officer of Robert Half International

Julia L. Coronado, Ph.D.
President and Founder, MacroPolicy Perspectives LLC, an economic research consulting firm

Dirk A. Kempthorne
President of The Kempthorne Group, a private consulting firm

Marc H. Morial
President and Chief Executive Officer of the National Urban League

Barbara J. Novogradac
President of Novogradac Investment Company, a private real estate investment company

Robert J. Pace
Founder and Chief Executive Officer of HundredX, Inc., a privately held technology company

Frederick A. Richman
Consultant to Deloitte Tax LLP

Management

EXECUTIVE OFFICERS

Harold M. Messmer, Jr.
Executive Chairman

M. Keith Waddell
President and Chief Executive Officer

Paul F. Gentzkow
President and Chief Executive Officer — Staffing Services

Robert W. Glass
Executive Vice President, Corporate Development

Michael C. Buckley
Executive Vice President, Chief Financial Officer

OFFICERS

Evelyn Crane-Oliver
Senior Vice President, Secretary and General Counsel

Kenneth D. Gitlin
Senior Vice President, Operational Support

Stephen M. Hilton
Senior Vice President, Corporate Controller and Treasurer

Christopher M. Hoffmann
Senior Vice President, Commercial Transactions and Law

James C. Johnson
Senior Vice President and Chief Technology Officer

Tami A. Munns
Senior Vice President, Corporate Services — Staffing

Lynne C. Smith
Senior Vice President, Human Resources and Compensation

Reesa M. Staten
Senior Vice President, Corporate Communications

Michelle M. Whitman
Senior Vice President and Chief Marketing Officer

Registrar and Stock Transfer Agent
Computershare Investor Services
P.O. Box 505005
Louisville, KY 40233-5005

Private Couriers/Registered Mail:
Computershare Investor Services
462 South 4th Street, Suite 1600
Louisville, KY 40202

1.800.676.0894
1.800.952.9245 (TDD for Hearing Impaired)
1.781.575.2879 (Foreign Shareholders)
www.computershare.com/investor

Corporate Headquarters
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