



**BGSF**

*A Workforce Solutions Provider*

# **Investor Presentation**

## **November 2021**

**Your Future. Our Purpose.**

# Forward Looking Statements

This presentation contains forward-looking statements regarding the business, operations and prospects of BGSF and industry factors affecting it. Forward-looking statements may include, but are not limited to, statements with respect to our future financial or operating performance, future plans and objectives, competitive positioning, requirements for additional capital, government regulation of operations and the timing and possible outcome of litigation and regulatory matters. All statements, other than statements of historical fact, included or incorporated by reference in this presentation, including statements that address activities, events or developments that we, or our subsidiaries, expect or anticipate may occur in the future, are forward-looking statements. Often, but not always, forward-looking statements can be identified by use of forward-looking words such as “aim,” “potential,” “may,” “could,” “can,” “would,” “might,” “likely,” “will,” “expect,” “intend,” “plan,” “budget,” “scheduled,” “estimate,” “anticipate,” “believe,” “forecast,” “committed,” “future” or “continue” or the negative thereof or similar variations. Forward-looking statements are based on certain assumptions and analyses made by us, in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. You are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and known and unknown risks, many of which are outside our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Important factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other things, general business, economic, competitive, political and social uncertainties, the actual results of current operations, industry conditions, intellectual property and other proprietary rights, liabilities inherent in our industry, accidents, labor disputes, delays in obtaining regulatory approvals or financing and general market factors, including interest rates, equity markets, business competition, changes in government regulations. Additional risks and uncertainties include, but are not limited to, those listed under “Item 1A. Risk Factors” in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause results to differ from those anticipated. Forward-looking statements contained in this presentation, or made by us, are as of the date of the presentation and we disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events, results or otherwise, except as required by applicable securities laws.

This presentation also contains information about BGSF’s Adjusted EBITDA and Adjusted EPS, which are not derived in accordance with GAAP, to provide investors with a supplemental measure of our operating performance and which we believe are useful performance measures and are used by us to facilitate a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business than measures under GAAP can provide alone. The definition of Adjusted EBITDA and Adjusted EPS are disclosed in BGSF’s Forms 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission. Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flows or liquidity prepared in accordance with accounting principles generally accepted in the United States.

# Delivering an Attractive Investment Thesis

## Organic and Acquisitive Growth

Focusing on high-end, specialized consulting services

## Revenue Diversification, Scale & Margin Enhancement

Strong family of brands

## Strategic Geographic Expansion

Leveraging fragmented workforce environment

## Operational Efficiencies & Innovation

Investing in technology and continuous improvement

## Synergies Across Brand Platform

Driving collaboration and cross-selling through differentiated service offering

**BGSF**  
NYSE

**\$294M\***  
Revenues

**>3.5%\*\***  
Dividend Yield

**52-Week Range**  
**\$10.86 - \$16.91**

\* TTM Q3 2021

\*\* Last ten days average closing price as of November 15, 2021



# Leveraging Core Brands to Create Scale and Drive Market Share Gains



## Real Estate

Front Office and Maintenance Workers  
for Apartment Communities

**BG MULTIFAMILY**

Commercial Real Estate Staffing

**BG TALENT**



## Light Industrial

Workforce and Onsite Management Solutions  
for Warehousing, Manufacturing, and Call Centers

**INSTAFF**



## Professional

IT Consulting      Cyber Security

**AMERICAN PARTNERS**

**EDGE ROCK TECHNOLOGY PARTNERS**

**EXTRINSIC**

**MOMENTUM SOLUTIONZ**

**LJ KUSHNER & ASSOCIATES**

Infrastructure & Development

**VISION TECHNOLOGY SERVICES**

**ZYCRON**

Accounting/Finance, Legal, HR, and Administrative/Clerical Talent

**DONOVAN & WATKINS**

**SMART RESOURCES ACCOUNTABLE SEARCH**

Creative, Digital and Marketing Talent

**BG CREATIVE**

# Strong Client and Talent Engagement



**74%\*\***  
Client Retention



**~ 18,000\***  
People Placed to Work



**> 1,800\*\***  
Clients Served



**~ 46,000\***  
Unique Assignments



**~ 5,700\*\***  
Paychecks Per Week

\* YTD through Nov 14, 2021

\*\* As of Q3 '21

# Fragmented Industry Ripe for Consolidation

**~25,000<sup>2</sup>**

**Staffing Firms**

175 Firms Over \$100M Revenue

**4.6%<sup>1</sup>**

**Unemployment Rate**

As of November 2021

**~16 million<sup>2</sup>**

Temporary & Contract  
Employees Hired Annually

## TRENDS

Remote Work & Technology  
Increase in Demand  
Skills Shortage & Unemployment

**1.87%<sup>1</sup>**

**Temp Penetration Rate**

As of October 2021

**~3 million<sup>2</sup>**

Temporary & Contract  
Employees Employed Weekly

**\$157.4B<sup>2</sup>**

**EST. Annual Sales  
for 2021**

16% Y/Y increase projected for 2021

<sup>1</sup> U.S. Bureau of Labor Statistics

<sup>2</sup> Staffing Industry Analyst (SIA) or American Staffing Association (ASA)



# 70<sup>th</sup>\* Largest Workforce Solutions Provider in Highly Fragmented Industry

**50<sup>th</sup>\* Largest IT Solutions Firm**

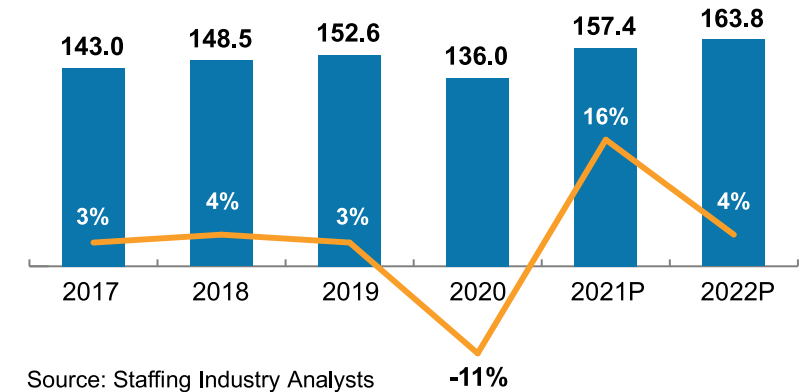
**Growing National Presence**

42 States & DC  
11 on-site locations

**Entered Canada Market 2020**

\* Staffing Industry September 2021 Update

**US Staffing Industry Market Size (\$billion)**  
Year-Over-Year Growth (%)



**2007**  
Founding of  
BGSF

**2010-2017**  
Completed Nine  
Acquisitions

**2017-2018**  
Organically  
Grew Two New  
Brands

**2019-2020**  
Completed Two  
Acquisitions

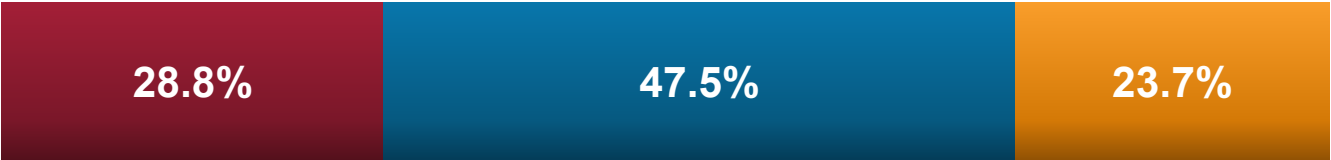
**2021**  
Completed One  
Acquisition

# Three Strong Platforms Leveraging a Diversified Revenue and Margin Mix



■ Real Estate ■ Professional ■ Light Industrial

**% of Revenues**



**% of GP \$'s**



**Gross Margin**



*Fiscal year-to-date 2021*



# Reshaping Our Organization for Success and Elevated Cross-Selling Opportunities



**Real Estate**



**Professional**



**Light Industrial**

## **Talent Acquisition Team**

Keenly focused on candidate sourcing

## **Leadership Consolidation**

Specialized vertical focus across brands

## **Strategic Account Teams**

Higher mix of onsite locations driving high retention





# Real Estate

Optimizing Margins through Pricing Efficiencies

**BG MULTIFAMILY**

**APARTMENT  
COMMUNITIES**

**Best-in-class  
Placement  
Solutions**

**100%  
Organic Growth**

**BG TALENT**

**COMMERCIAL  
REAL ESTATE**

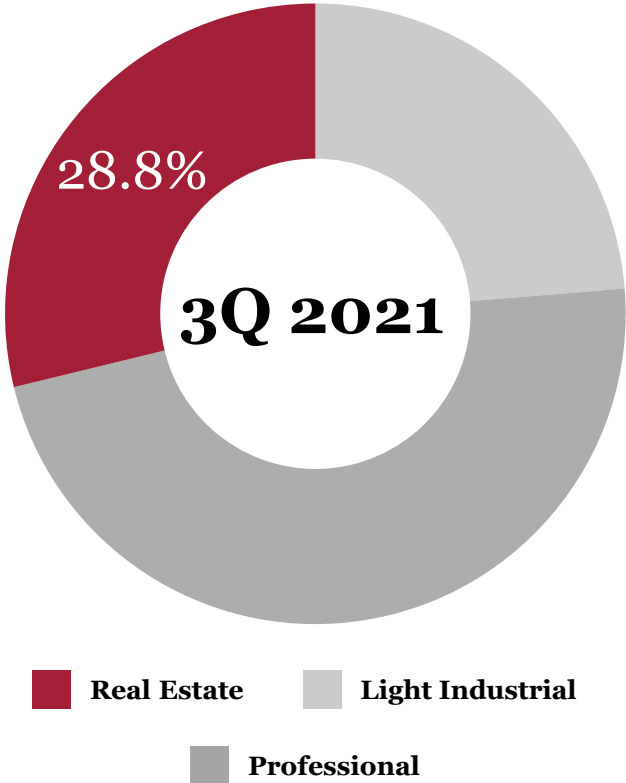
**High Industry  
Engagement**

**Only Public  
Staffing Company  
in Real Estate**



# Real Estate Revenue Mix Driving Niche in Maintenance Solutions

Percent of Total Revenue



**70%**  
of Revenue  
**Maintenance**


- SUPERVISOR
- ASSISTANT
- LEAD (HVAC)
- MAKE READY (HANDYMAN)
- ENGINEERS
- GROUNDSKEEPER
- PORTER





**30%**  
of Revenue  
**Office**


- MANAGER
- ASSISTANT MANAGER
- LEASING AGENT
- BILINGUAL AGENT

# Real Estate Division – Strategic Geographic Expansion

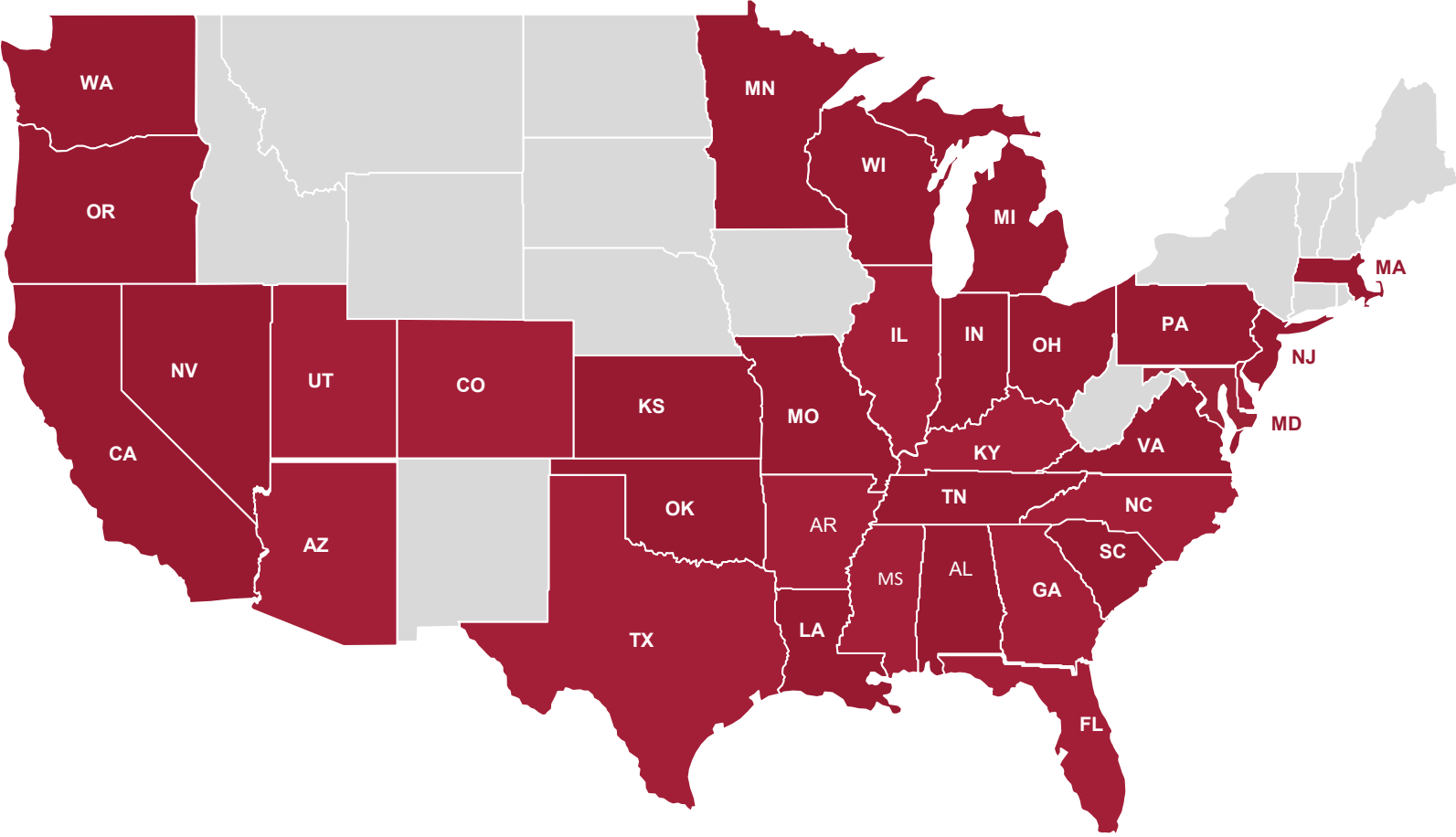
  
**34**  
States & D.C.

  
**~3,500\***  
Clients

  
**91%\***  
Client  
Retention

  
**~35,000\***  
Jobs Placed

\* YTD through Nov 14, 2021  
\*\* 9 MO Fiscal 2021



# Professional

Leading Brand Portfolio with National Practice

**10**  
**BG Brands**

Servicing three verticals:

IT CONSULTING

INFRASTRUCTURE &  
DEVELOPMENT

FINANCE & ACCOUNTING

**Large  
Consultant  
Pool Across  
Multiple Verticals**

**Implementation  
of New  
Technology**

Workday, Salesforce, AI,  
Cyber Security,  
OneStream

**Continued  
Education**

White Papers,  
CPE Events,  
Webinars

**Strategically  
focused on  
higher margin  
projects**

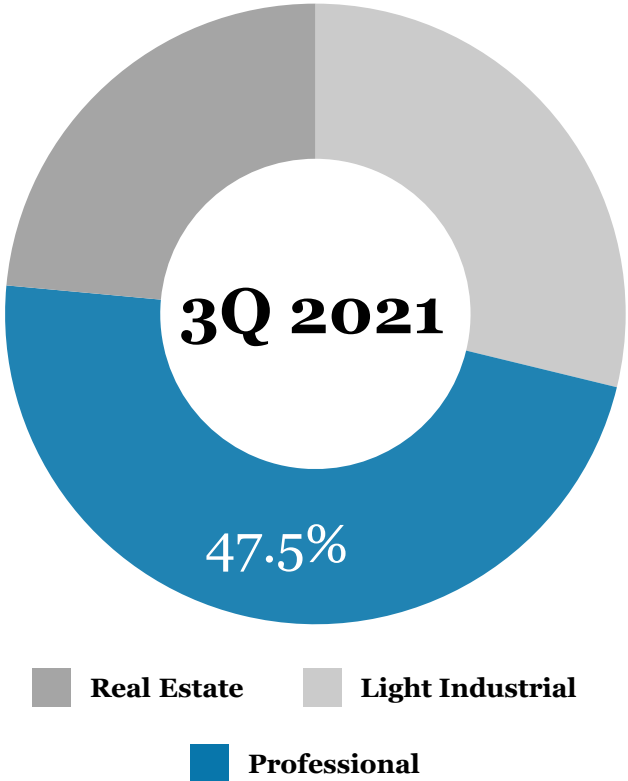
**IT**  
**22%**  
**Largest Segment  
of Professional  
Services\***

**FINANCE &  
ACCOUNTING**  
**5%**  
**of Workforce  
Solutions  
Market\***

\* SIA, September 2021

# Professional Division – Building Cross-Selling Opportunities as a Single-Source Provider

Percent of Total Revenue



## Cyber Security



### Professional Search & Project Support

- FINANCE & ACCOUNTING
- HR
- ENGINEERING
- LEGAL

- ADMINISTRATIVE
- MARKETING
- CREATIVE & DIGITAL TALENT



### Information Technology Solutions

- ADVANCED ANALYTICS
- EPM/CPM
- ORACLE ERP AND HCM STAFFING SOLUTIONS
- FULL PROJECT TEAMS, MANAGED SERVICES AND OUTSOURCING (Specializing in SAP and Workday)

# Professional Division – Growing National Presence



**42**  
States, D.C. &  
Canada



**>600\***  
Clients

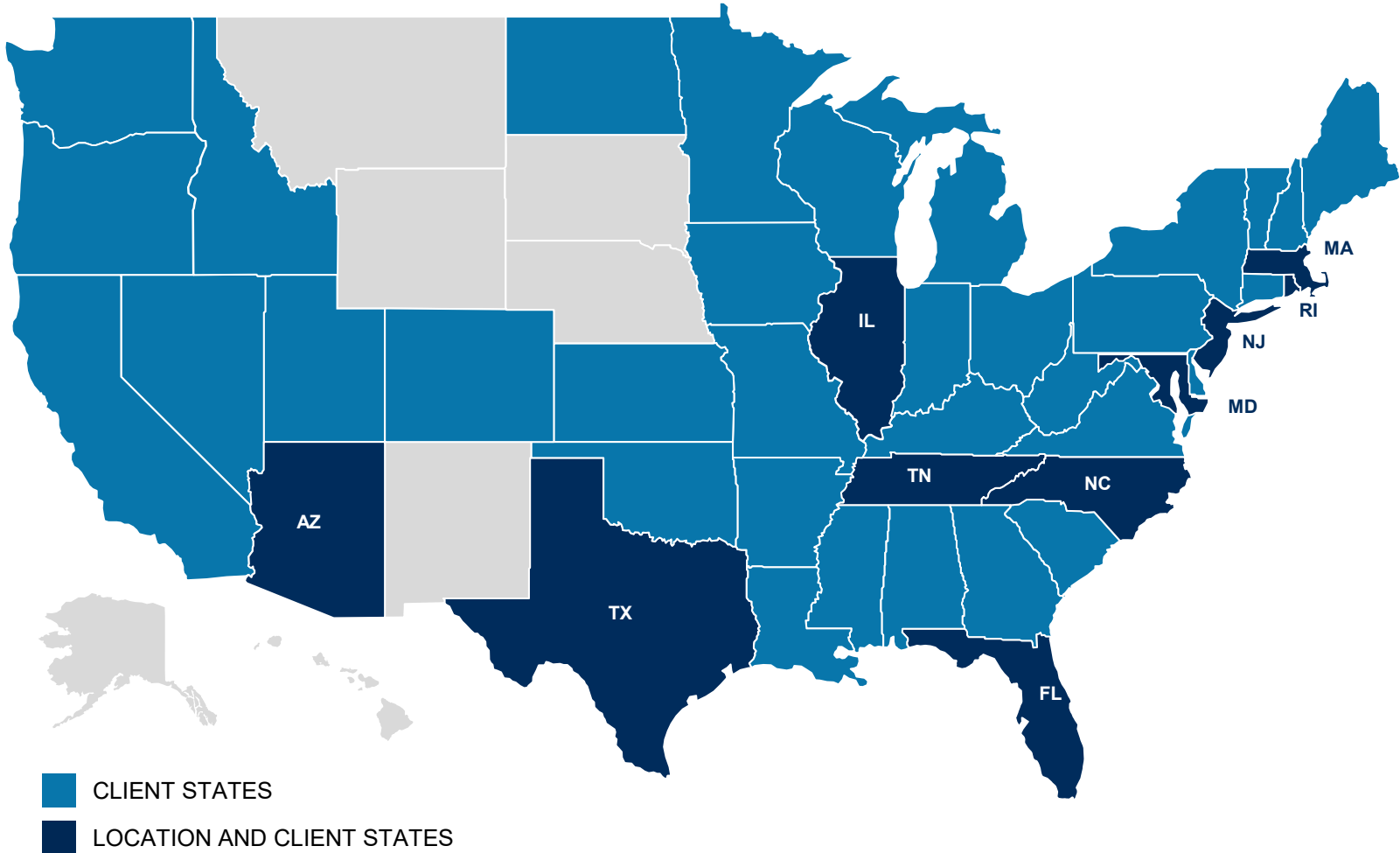


**74%\*\***  
Client  
Retention



**~1,900\***  
Consultant  
Engagements

\* YTD through Nov 14, 2021  
\*\* 9 MO Fiscal 2021





# Light Industrial

Delivering High Client Retention

**INSTAFF**

**70%+\***  
Long-term  
relationships

Through 11 on-site locations

**97%\***  
Client  
Retention

**Increased  
opportunities  
through  
eCommerce**

**Historically  
outperforming  
industry**

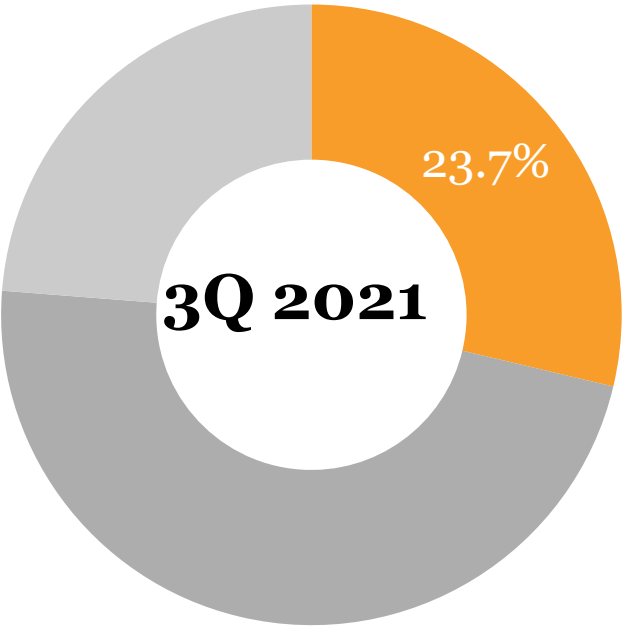
**Logistics  
Advanced Mfg.  
Automation  
Robotics**

\* 9 MO Fiscal 2021



# Light Industrial Division

Percent of Total Revenue



Real Estate    Light Industrial  
Professional



## Meeting Rising Demand for Logistics & Warehouse

- LOGISTICS/WAREHOUSE
- CALL CENTER OPERATIONS
- FORKLIFT DRIVERS
- PICKERS/PACKERS
- LIGHT ASSEMBLY
- PRODUCTION WORKERS
- LIGHT MANUFACTURING
- GENERAL LABOR

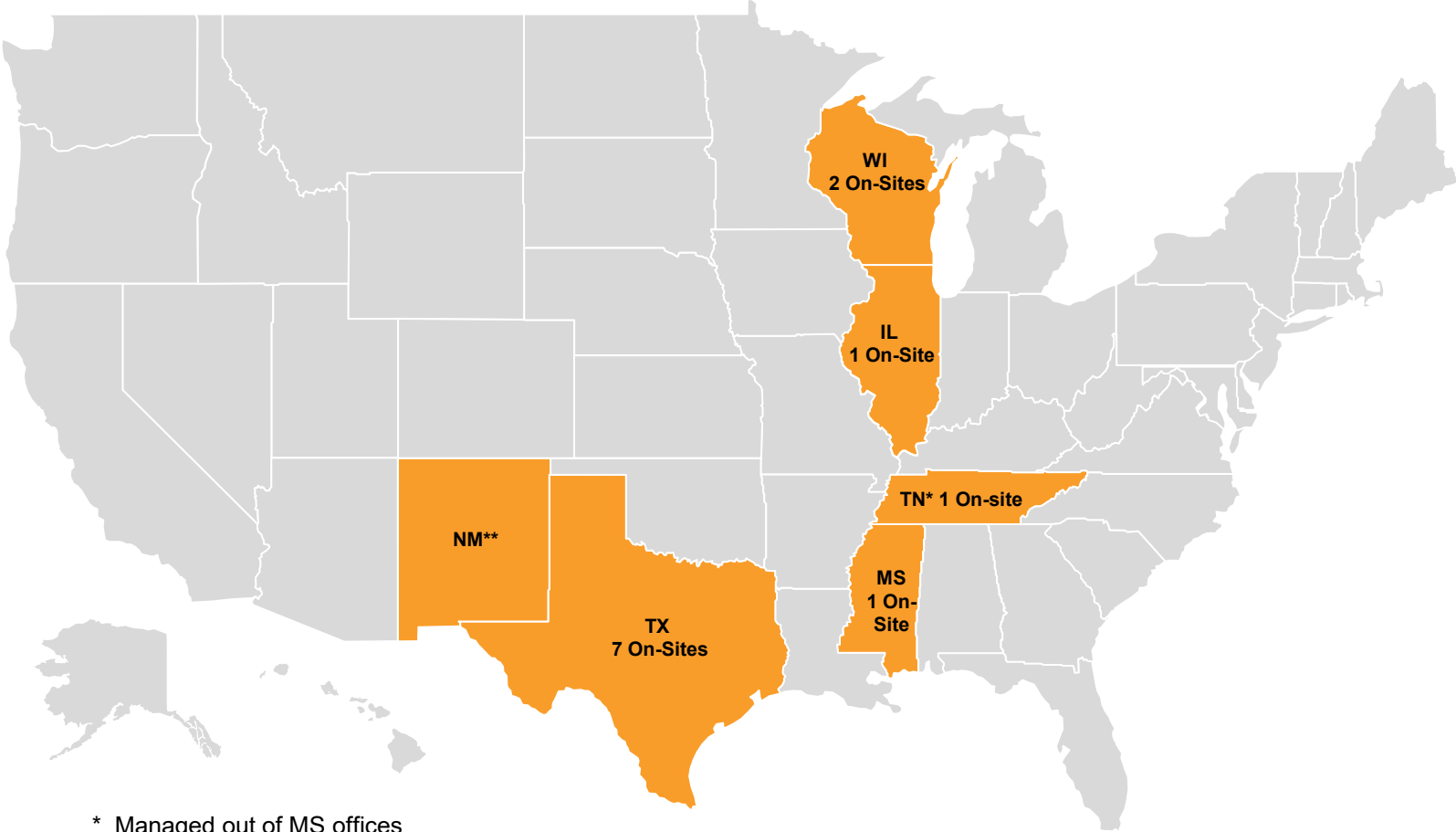


# Light Industrial Division

Long-term relationships through on-site locations

 <b>6</b> States	 <b>~155*</b> Clients
 <b>11</b> Locations	 <b>97%**</b> Client Retention
 <b>11</b> On-Site Locations	 <b>~9,000*</b> Jobs Placed

\* YTD through Nov 14, 2021  
\*\* 9 MO Fiscal 2021



\* Managed out of MS offices  
\*\* Managed out of El Paso, TX offices

# Financial Highlights

**29.1%**<sup>1</sup>  
Gross Profit

**58**<sup>3</sup>  
Days Sales  
Outstanding

**6.6%**<sup>5</sup>  
Adjusted TTM  
EBITDA

**3.5%**<sup>4</sup>  
Current Dividend  
Yield  
(Annualized)

**3.9X**<sup>2</sup>  
Dividend Cover

**2.1X**<sup>3</sup>  
Debt / Adjusted  
TTM EBITDA

<sup>1</sup> YTD Q3 2021

<sup>2</sup> Adjusted TTM EBITDA Q3 2021/Annual Dividend

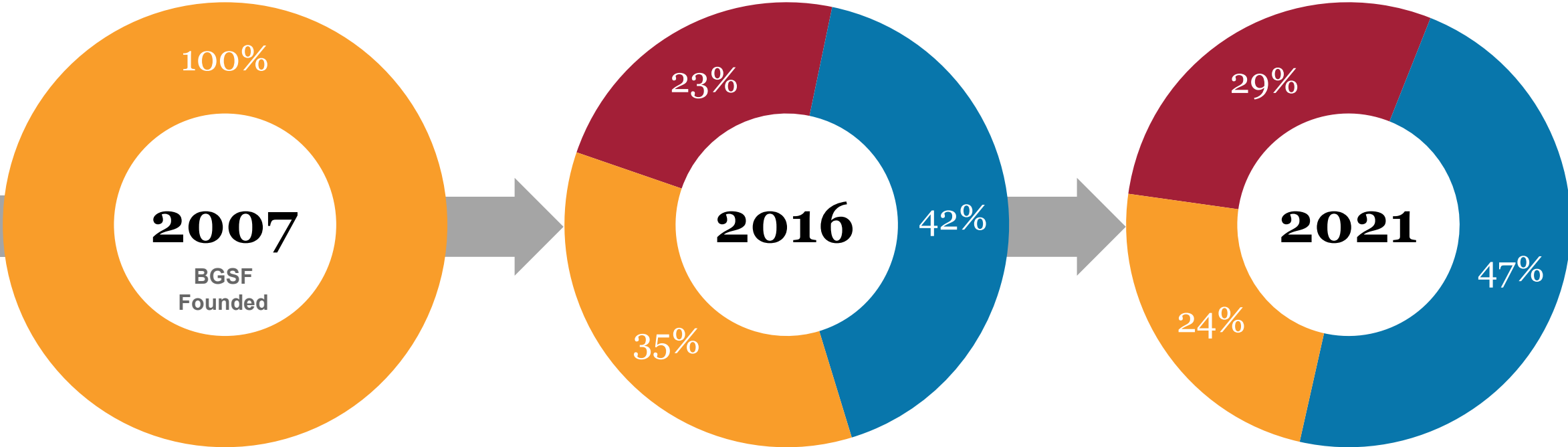
<sup>3</sup> As of Sept. 26, 2021

<sup>4</sup> Weighted average closing price last 10 days as of November 15, 2021

<sup>5</sup> Adjusted TTM EBITDA Q3 2021/Revenue

# Improving Revenue Mix Toward Higher Margin

## Percent of Total Revenue



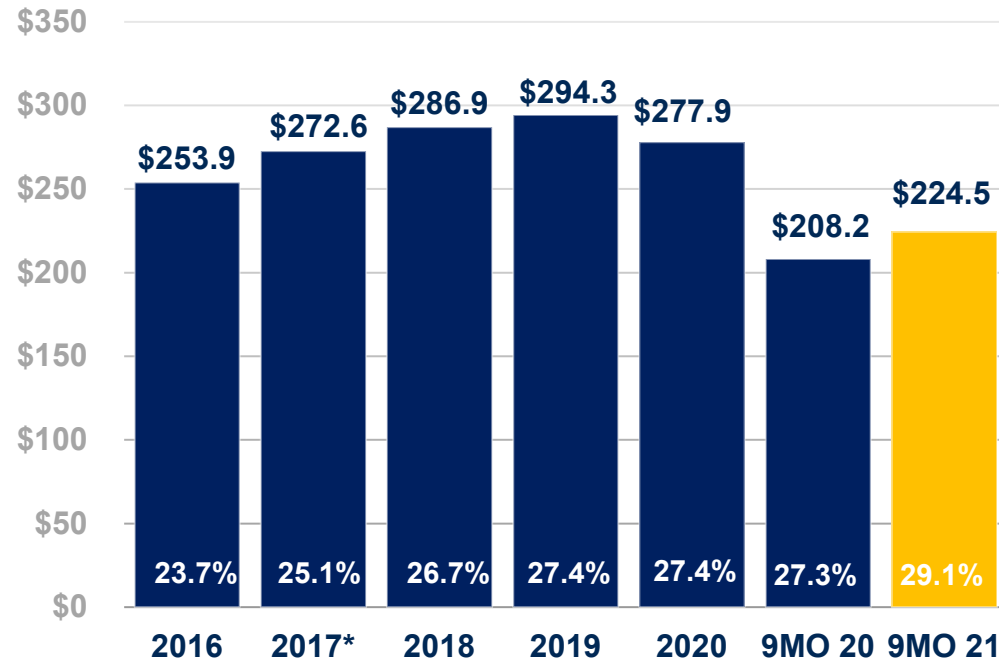
Light Industrial Professional Real Estate

FY 2007, FY 2016, 9 MO 2021

# Strong Historical Growth Profile

## Revenue

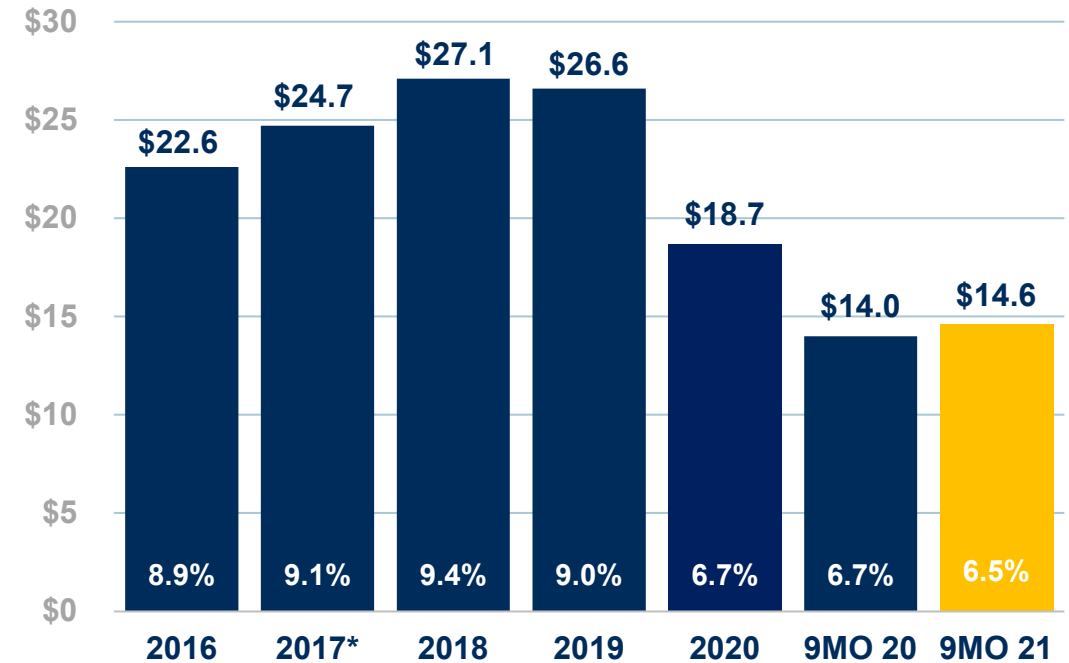
(\$ in millions) – Gross Margin %



Source: Public Filings  
\* 2017 was a 53-week fiscal year

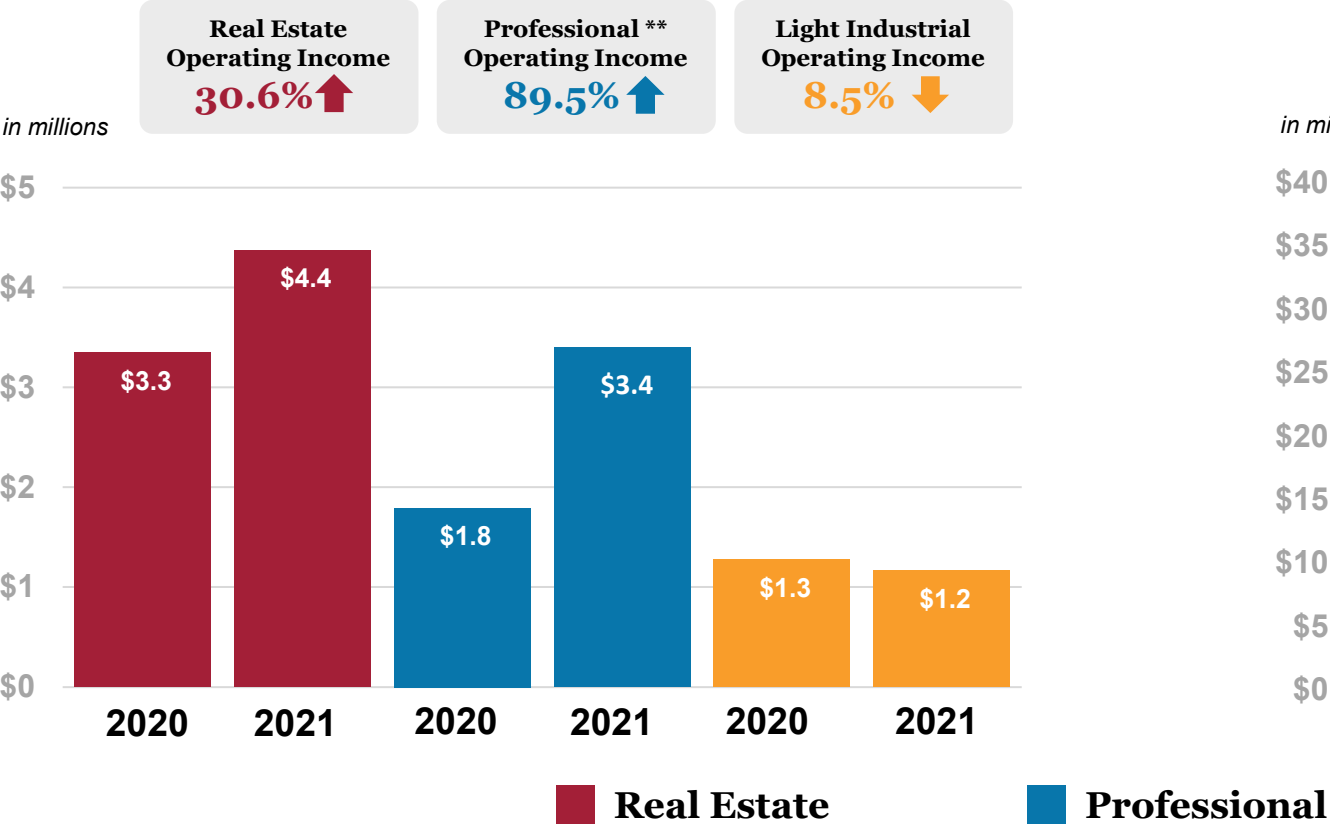
## Adjusted EBITDA

(\$ in millions) – Adjusted EBITDA Margin %

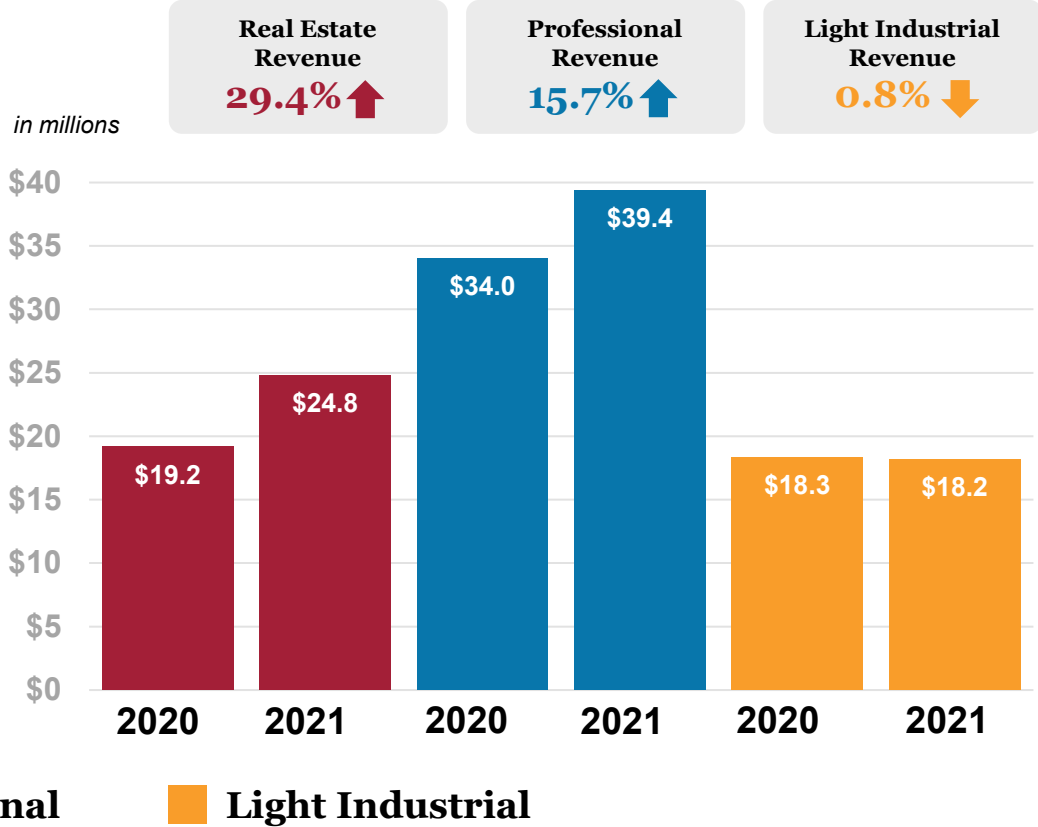


# Leveraging Diversification

## Operating Income\*



## Revenue\*

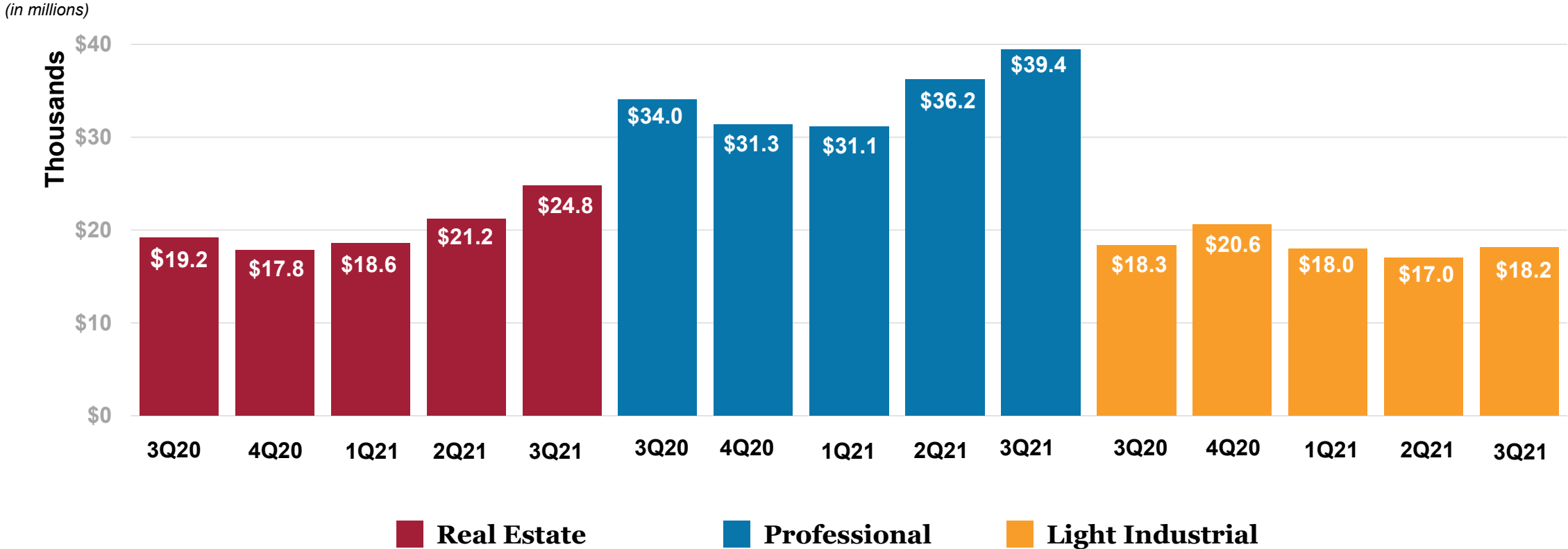


\* Q3 '21 vs. Q3 '20

# Division Breakdown

Stabilized sequential results while managing through COVID-19 pandemic

## Revenue



# Margin Enhancement Levers





# Capital Allocation Strategy Aligned to Strategic Growth

## Capital Allocation Priorities

## Drivers



# Empowered, Vibrant and Purpose-Driven Culture

## Fostering Diversity, Equity and Inclusion

VIIIBE Council – Voices Inspiring Inclusion, Belonging and Equity

## Pillars of Excellence

Focused on diversity education, training and engagement

## Enhanced Governance & Board Diversity

Current 28.5% female representation

## Employee & Community Engagement

Raising awareness and support

BiG Deal – Employee Recognition and Award Platform

## Philanthropy Cloud

Employee-driven charitable giving



# Delivering an Attractive Investment Thesis

## Organic and Acquisitive Growth

Focusing on high-end, specialized consulting services

## Revenue Diversification, Scale & Margin Enhancement

Strong family of brands

## Strategic Geographic Expansion

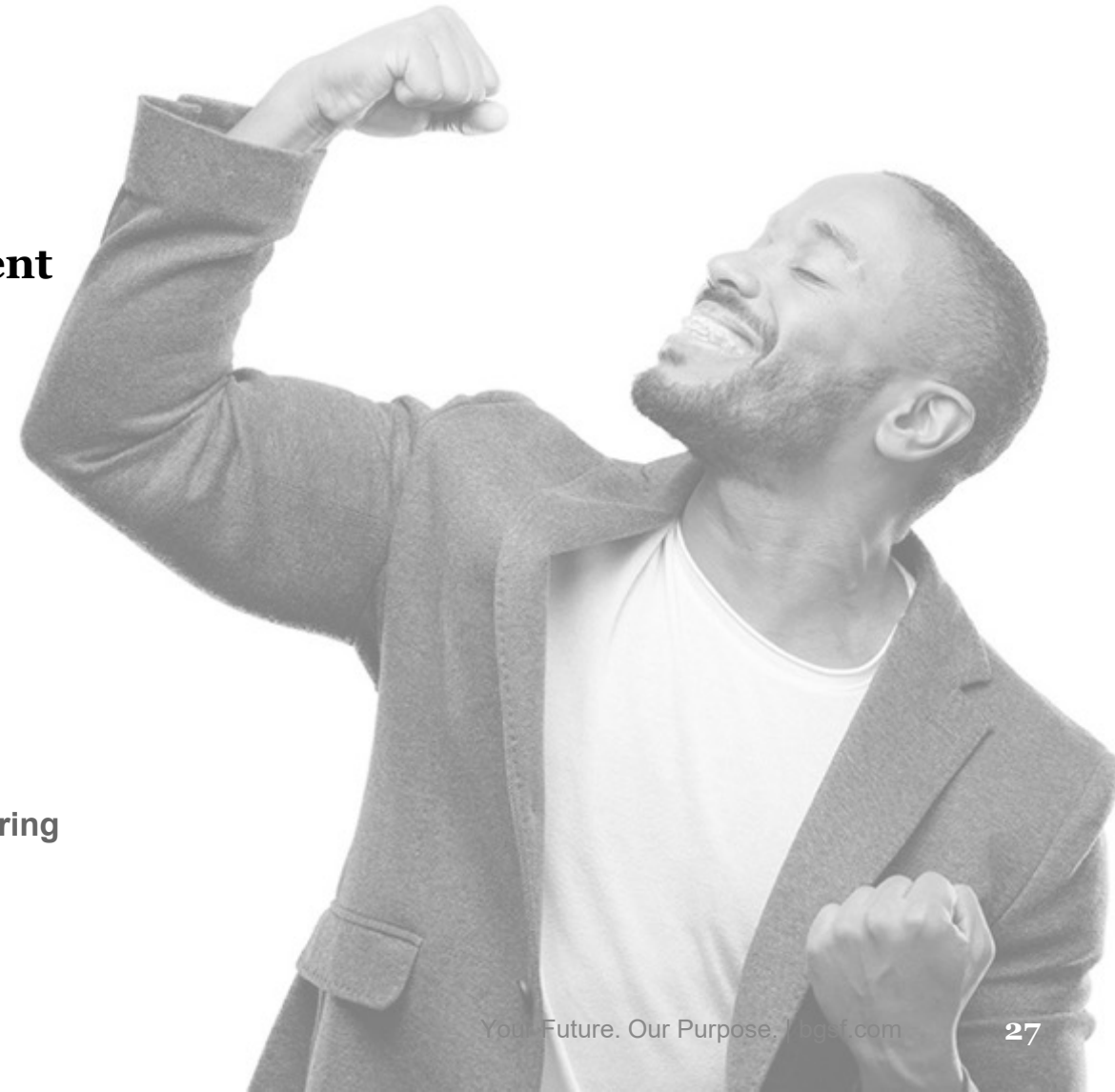
Leveraging fragmented workforce environment

## Operational Efficiencies & Innovation

Investing in technology

## Synergies Across Brand Platform

Driving collaboration and cross-selling through differentiated service offering





BGSF

**Thank you.**

**[www.bgsf.com](http://www.bgsf.com)**

**For More Information**

Please contact [IR@bgsf.com](mailto:IR@bgsf.com).



# Appendix

# Presentation of Non-GAAP Measures

The financial results of BGSF are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the U.S. Securities and Exchange Commission. To help the readers understand the Company's financial performance, the Company supplements its GAAP financial results with Adjusted EBITDA and Adjusted EPS.

A non-GAAP financial measure is a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of a company. Adjusted EBITDA and Adjusted EPS are not a measurement of financial performance under GAAP and should not be considered as an alternative to net income, net income per diluted share, operating income, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities or measure of our liquidity. We believe that Adjusted EBITDA and Adjusted EPS are useful performance measures and are used by us to facilitate a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business than measures under GAAP can provide alone. In addition, the financial covenants in our credit agreement are based on EBITDA as defined in the credit agreement.

# Reconciliation of Net (Loss) Income to Adjusted EBITDA

We define “Adjusted EBITDA” as earnings before interest expense, income taxes, depreciation and amortization expense, transaction fees and other non-capital information technology project expenses (“IT roadmap”) and certain non-cash expenses such as share-based compensation expense that management does not consider in assessing our on-going operating performance.

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 26, 2021	September 27, 2020	September 26, 2021	September 27, 2020
	(dollars in thousands)			
<b>Net income (loss)</b>	\$ 4,644	\$ 2,566	\$ 8,798	\$ (765)
<b>Interest expense, net</b>	431	360	1,026	1,245
<b>Income tax expense (benefit)</b>	1,121	723	1,921	(260)
<b>Depreciation and amortization</b>	1,191	1,271	2,941	4,130
<b>Impairment losses</b>	—	—	—	7,240
<b>Gain on contingent consideration</b>	(1,208)	(76)	(2,403)	(76)
<b>Share-based compensation</b>	424	245	886	631
<b>Transaction fees</b>	1	15	155	605
<b>IT roadmap</b>	<u>375</u>	<u>401</u>	<u>1,306</u>	<u>1,292</u>
<b>Adjusted EBITDA</b>	\$ <u>6,979</u>	\$ <u>5,505</u>	\$ <u>14,630</u>	\$ <u>14,042</u>

# Reconciliation of Adjusted EPS

We define “Adjusted EPS” as diluted earnings per share eliminating amortization expense of intangible assets from acquisitions, contingent consideration gains or losses, and certain specific events, such as transaction fees and the IT roadmap, and certain non-cash expenses, that management does not consider in assessing our on-going operating performance, net of the respective income tax effect.

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 26, 2021	September 27, 2020	September 26, 2021	September 27, 2020
<b>Net income (loss) per diluted share</b>	\$ 0.45	\$ 0.25	\$ 0.85	\$ (0.07)
<b>Acquisition amortization</b>	0.06	0.10	0.17	0.31
<b>Gain on contingent consideration</b>	(0.12)	(0.01)	(0.23)	(0.01)
<b>Impairment losses</b>	—	—	—	0.70
<b>Transaction fees</b>	—	—	0.01	0.06
<b>IT roadmap</b>	0.04	0.04	0.13	0.13
<b>Income tax (benefit) expense adjustment</b>	—	(0.03)	(0.01)	(0.30)
<b>Adjusted EPS</b>	\$ <u>0.43</u>	\$ <u>0.35</u>	\$ <u>0.92</u>	\$ <u>0.82</u>



# Historical Acquisitions

**February 2021** – Momentum Solutionz

**February 2020** – EdgeRock Technology Holdings

**December 2019** – L.J. Kushner & Assoc.

**September 2017** – Smart Resources, Inc., Accountable Search, LC

**April 2017** – Zycron, inc.

**October 2015** – Vision Technology Services

**March 2015** – D&W Talent, LLC

**June 2013** – InStaff Holding Corporation, InStaff Personnel, LLC

**December 2012** – American Partners

**December 2011** – Extrinsic, LLC

**December 2010** – JNA Staffing, Inc.

**June 2010** – BG Personnel Services, LP, BG Personnel LP, BG Staff Services, Inc.

# Award-Winning National Provider

## 2021

Best Place for Working Parents

*Dallas Business Journal* Ranked Top Staffing Agency

### INDIVIDUALS:

#### **Beth Garvey, President and CEO**

- *Staffing Industry Analysts (SIA) Staffing 100 List*
- *SIA Global Power 150 2021*
- *DCEO Dallas 500 List 2021*

#### **Dan Hollenbach, CFO**

- *DCEO Dallas Outstanding CFO Midsize Public Company 2021*
- *DCEO Dallas 500 CFO*

#### **Emily Burroughs, Vice President of Marketing**

- *Staffing Industry Analysts (SIA) Staffing 40 Under 40 List 2021*

## 2020

*Dallas Business Journal* Ranked #7 Top Staffing Agency

*Dallas Morning News* Ranked #104 Top Public Companies in North Texas

*Staffing Industry Analysts (SIA) Largest Staffing Firms in the US #70*

*Staffing Industry Analysts (SIA) Largest IT Staffing Firms in the US #50*

### BRANDS:

*Smart Resources - 2020 Best and Brightest Companies to Work for® in Chicago*

### INDIVIDUALS:

#### **Beth Garvey, President and CEO**

- *EY Entrepreneur of the Year Finalist – Southwest Region*
- *Staffing Industry Analysts (SIA) Staffing 100 List*
- *DCEO Dallas 500 List 2020*
- *Global Power 150 – Women in Staffing list*

## 2019

*Dallas Business Journal* Ranked #49 Middle Market 50

*Dallas Business Journal* Ranked #2 Top Staffing Agency

*Dallas Morning News* Ranked #104 Top Public Companies in North Texas

*Staffing Industry Analysts (SIA) Largest Staffing Firms in the US #64*

### BRANDS:

*Smart Resources – Best of Staffing – Client and Candidate*

*Vision Technology Services – ASA National Employee of the Year - Engineering, Information Technology*

- *Scientific Sector All-Star - Cheryl Campbell, VTS Consultant*

### INDIVIDUALS:

#### **Beth Garvey, President and CEO**

- *Staffing Industry Analysts (SIA) Staffing 100 List*
- *DCEO Dallas 500 List 2019*
- *Texas Trailblazer Award, The Family Place*
- *Global Power 150 – Women in Staffing list*

#### **Drew Perry, President – Light Industrial Division**

- *Staffing Industry Analysts (SIA) Staffing 40 Under 40 List 2019*

## Multiple award wins during 2014 – 2018

*Awarded by SIA and Dallas Business Journal*

# Executive Leadership



**Beth Garvey** – President and Chief Executive Officer

Beth Garvey began serving as President and Chief Executive Officer of the Company in October 2018. Ms. Garvey previously served as Chief Operating Officer of the Company from August 2016 and joined the Company through the Company's acquisition of InStaff in 2013. Ms. Garvey began her career in Staffing in 1998 as Director of Human Resources, subsequently serving as Director of Operations, VP of Operations, Senior VP of Operations, COO and ultimately CEO in 2009 prior to our acquisition.



**Dan Hollenbach** – Chief Financial Officer

Dan Hollenbach joined BGSF in August 2015 with more than 25 years of extensive public company and staffing experience in the role of Chief Financial Officer, Operating Division Director, and Consultant. His previous experience includes four years with Robert Half Management Resources, where he earned Presidents Club status, and five years of financial leadership with Global Employment Solutions. Dan began his career in the Audit and Assurance Services practice of EY before entering the corporate world.



**Chris Loope** – Chief Information Officer

As a visionary senior IT executive, Chris has achieved a track record of success leading IT business transformation and M&A integration initiatives for a rapidly growing multibillion-dollar professional services organization. Throughout his career, Chris has championed innovation/transformation, streamlined/centralized IT infrastructure/operations, and built high-performance IT teams to fuel business scalability and optimize performance while reducing costs.



**Kelly Brown** – President, Real Estate

After opening the Nashville office as director of sales for BGSF in 2014, Kelly was promoted to regional sales manager in 2015 and assumed the role of Division President in May of this year. Currently, with her regional sales head experience, and as our President, Kelly works across all our markets to help maximize the sales performance of the team as well as to assist in opening new markets.



**Eric Peters** – President, Professional Division

With over 20 years of experience, Eric has worked in many staffing verticals, including permanent placement, temporary staffing and project consulting. Eric spent eleven years at Robert Half International (RHI) where he held various roles, including Branch Manager, Regional Vice President of Management Resources and Vice President Salaries Professional Services.



**Drew Perry** – President, Light Industrial Division

In June of 2016, Drew was promoted to vice president of sales. He helped cultivate the largest sales team in company history. Today, Drew currently serves as the division president of InStaff. His innovative approach and strong management team will help InStaff continue their growth.