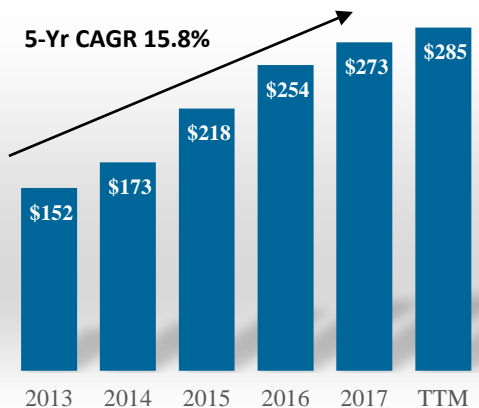




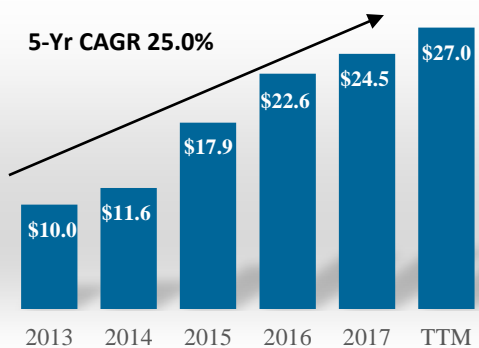
**Investment Thesis**

- *Superior revenue growth & Adjusted EBITDA*
- *\$0.30 quarterly dividend; yield 4.2%*
- *Experienced, successful management team*

**Consolidated Revenue (000's)**



**Consolidated Adjusted EBITDA (000's)**



**Operates in three temporary staffing industry segments:**

- **REAL ESTATE**  
(\$82M Revenue TTM)
- **PROFESSIONAL - IT/FIN. & ACCT.**  
(\$128M Revenue TTM)
- **LIGHT INDUSTRIAL**  
(\$75M Revenue TTM)

<b>Share Price (8/20/18)</b>	<b>\$28.73</b>
<b>Shares Outstanding (primary):</b>	<b>10.1 million</b>
<b>Approx. Insiders' Ownership:</b>	<b>15%</b>
<b>Approx. Float:</b>	<b>8.6 million</b>
<b>Fiscal Year End:</b>	<b>December</b>

**OVERVIEW**

BG Staffing, Inc. is a national provider of professional temporary staffing services across a diverse set of industries. Ranked #71 on SIA's (Staffing Industry Analysts) 2016 List of Fastest Growing Staffing Firms, the Company has grown revenue from \$50 million in 2011 to \$273 million in 2017, through both organic growth and acquisition, making it the 59<sup>th</sup> largest staffing firm in the US. By focusing potential acquisitions on temp staffing businesses with EBITDA of around \$5 million, BGSF has been able to accretively acquire companies and integrate them seamlessly.

- In 2009, the Company brought in experienced new leadership as a catalyst to spearhead a focused growth initiative. Since then, BGSF has continually shown organic growth and has acquired and successfully integrated nine companies. Each accretive acquisition has been part of the Company's diversification plan.
- The Company's goal is to continue to grow through continued organic growth and accretive acquisitions.
- BGSF initiated a quarterly \$0.15 dividend in 2014 and increased to \$0.30 in 2018.
- BGSF completed its ninth acquisition in September 2017 - Smart Resources, Inc. - strengthening and expanding its finance & accounting operations in Chicago and the surrounding markets.
- BGSF has a solid balance sheet, expanding margins and a debt to TTM adjusted EBITDA of 1.02.

The \$143 billion US staffing market is estimated to grow to approximately \$148 billion in 2018 and approximately \$153 billion in 2019.<sup>1</sup>

**OPERATIONS**

In 2007 BGSF provided temporary staffing services only to customers with Light Industrial requirements in the Midwest generating less than 14% gross margin. In 2009, the Company hired veteran staffing industry leader, L. Allen Baker, Jr., who began to execute a diversification strategy both in skillsets offered and geographies served, focusing on companies in segments which generate higher gross margins, a strategy that has resulted in consolidated gross margins currently in excess of 26%.

**AQUISITIONS**

- Seven businesses providing temporary workers to the Professional industry as defined by SIA (IT, Real Estate, and Finance & Accounting).
- Two companies that offered on-site capability providing temporary workers to customers in the Light Industrial segment.

<sup>1</sup> Source: Staffing Industry Analysts: U.S. Staffing Industry Forecast Update April 18, 2018

## THREE INDUSTRY SEGMENTS:

**Real Estate** - provides front office and maintenance temporary workers to apartment communities and office buildings, with an expanding network of offices nationwide;

**Professional - IT; Finance & Accounting** - provides temporary workers for information technology implementation, maintenance projects, accounting and finance skills; and,

**Light Industrial** - provides temporary workers primarily to distribution, logistics, and call center customers needing a flexible workforce.

## GROWTH STRATEGY:

### **Organic Growth**

- Four of the last six years BG Staffing has been named to the Staffing Industry Analysts *Fastest-Growing U.S. Staffing and Talent Engagement Firms* list. The list measures **organic growth only**. For the third year in a row, the Company was recently named in the list of 'Top 50 Fastest-Growing Middle Market Companies in North Texas' by the *Dallas Business Journal*.
- Real Estate growth comes from both geographic expansion and increased work as new and existing customers have expanded requirements.
- Light Industrial operations has relatively stable growth over time depending on customer requirements.

### **Accretive Growth**

- A robust pipeline of staffing companies should allow BGSF to continue to make accretive acquisitions. The Company continues to actively identify opportunities to acquire companies that meet its financial, geographic and skill set diversification criteria and to retain strong management.
- The Professional operations growth historically has come primarily from the acquisition of Donovan & Watkins in Q1 2015, Vision Technology Services at the beginning of Q4 2015, Zycron in Q2 2017, and Smart in Q3 2017. The Company has begun cross selling opportunities among its professional operations.

## BUILD UPON FORMULA FOR SUCCESS:

- ✓ Continued organic growth
- ✓ Continued accretive acquisitions
- ✓ Continued geographic and skill set diversification
- ✓ Manage back office costs
- ✓ Continued growth of EBITDA

*The forward-looking statements in Fact Sheet are made under the "safe harbor" provisions of the Securities Litigation Act of 1995. The Company's actual results could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties including those listed in Item 1A of the Company's Annual Report on Form 10-K and in the Company's other filings and reports with the Securities and Exchange Commission. All of the risks and uncertainties are beyond the ability of the Company to control, and in many cases, the Company cannot predict the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. When used in this press release, the words "believes," "plans," "expects," "will," "intends," and "anticipates" and similar expressions as they relate to the Company or its management are intended to identify forward-looking statements. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.*

## **HIGHLIGHTS**

- ❖ Proven Business Model
- ❖ Proven Management Team
- ❖ Proven Nine-Year Track Record of organic growth + targeting / acquiring / integrating nine accretive acquisitions
- ❖ EBITDA CAGR over the past five years = 25.0%
- ❖ Low debt to EBITDA ratio
- ❖ \$0.30 quarterly dividend; 4.2% yield

**Ranked #59  
Largest Staffing  
Firms in the US  
in Staffing Industry Analysts  
2018 Report**

**Ranked #45  
Largest IT Staffing  
Firms in the US  
in Staffing Industry Analysts  
2018 Report**

**– 2018 Staffing 100 –  
Allen Baker  
named as one of the  
North American Staffing 100 by  
Staffing Industry Analysts**

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