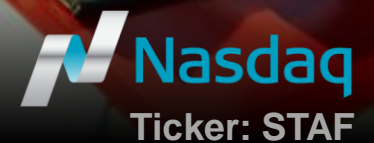




Q1 2017 Earnings Call – May 17, 2017



# Q1 2017 Earnings Call Agenda

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- Introduction and Safe-Harbor                      Darren Minton, *Executive Vice President*
- Remarks from the Executive Chairman            Brendan Flood, *Executive Chairman*
- Business and Industry Update                    Matt Briand, *Chief Executive Officer*
- Financial Results                                    David Faiman, *Chief Financial Officer*
- Q&A
- Closing Remarks                                    Brendan Flood, *Executive Chairman*

# Forward-Looking Statements

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## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding the business of the Company and its industry generally, business strategy and prospects. These statements are based on the Company's estimates, projections, beliefs and assumptions and are not guarantees of future performance. These forward-looking statements are subject to various risks and uncertainties, which may cause actual results to differ materially from the forward-looking statements. The Company disclaims any obligation to update these forward-looking statements except as required by law.

## Non-GAAP Financial Measures

The Company uses financial measures which are not calculated and presented in accordance with US generally accepted accounting principles ("GAAP") in evaluating its financial and operational decision making regarding potential acquisitions and presenting the operating and financial performance of the Company, as well as a means to evaluate period-to period comparison. The Company presents these non-GAAP financial measures because it believes them to be an important supplemental measure of performance that is commonly used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We refer you to the reconciliations in this presentation and applicable earnings releases issued by the Company for those respective periods. The Company defines Adjusted EBITDA as earnings (or loss) from continuing operations before interest expense, income taxes, depreciation and amortization, and amortization of non-cash stock-based compensation, non-recurring acquisition and restructuring expenses and goodwill impairment charges.

# Remarks from the Executive Chairman

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- Company's strategy continues to unfold positively
- TTM Adjusted EBITDA increased 57.4%
- Raised \$9.0 million (Q1 2017: \$7.4 million) strengthening the Company's balance sheet
- M&A activity and pipeline reinvigorated
- Special shareholder meeting – June 15, 2017
- Opened ATM facility to provide working capital for growth

# Business and Industry Update

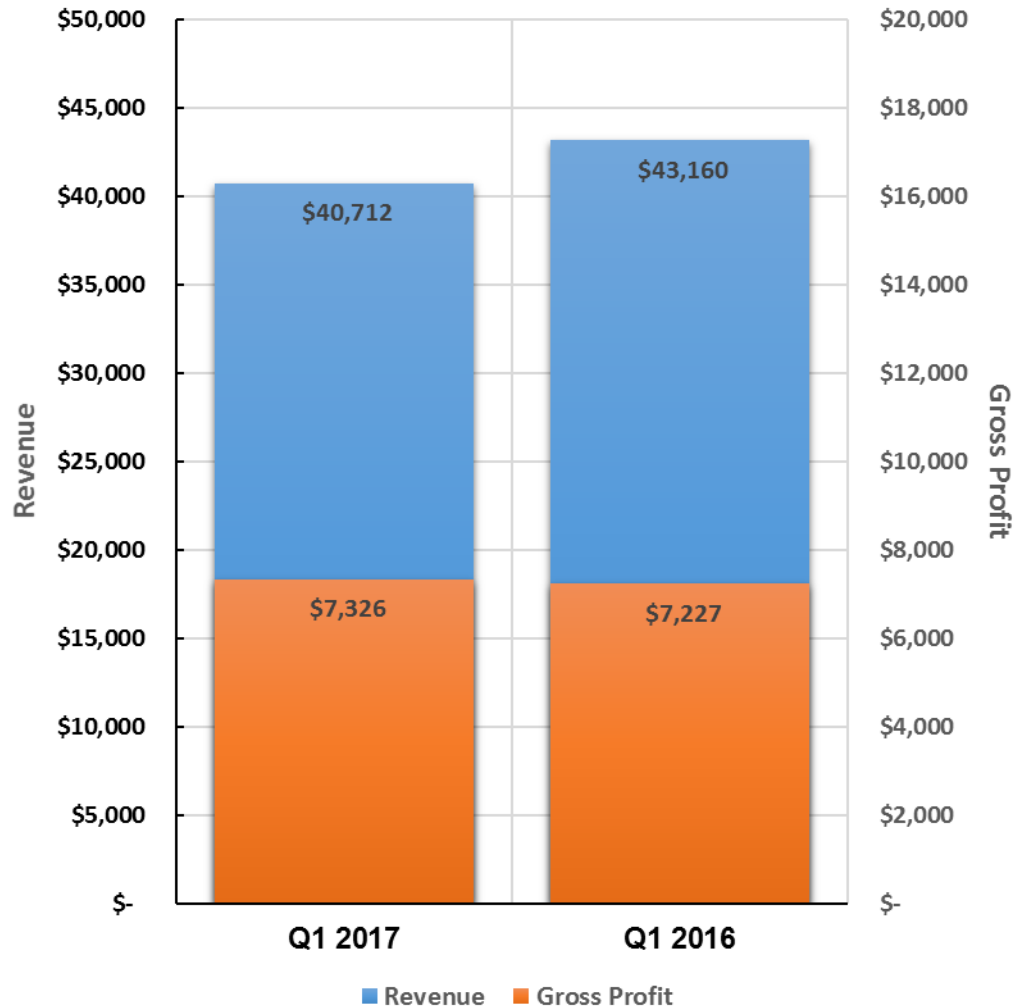
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- Q1 2017 Revenue Impacted by:
  - Weather stoppages in Northeast (4 days)
  - Reduced demand by one large client
- Cross-selling initiative yielding positive traction
- Signed two new sizeable contracts with third close to signing

## Industry

- Temporary help jobs rose by 5,800 in April from March
- Temp penetration rate reached an all-time high as a percent of total employment — edged up to 2.058% in April from 2.057% in March

# Q1 2017 Financial Performance



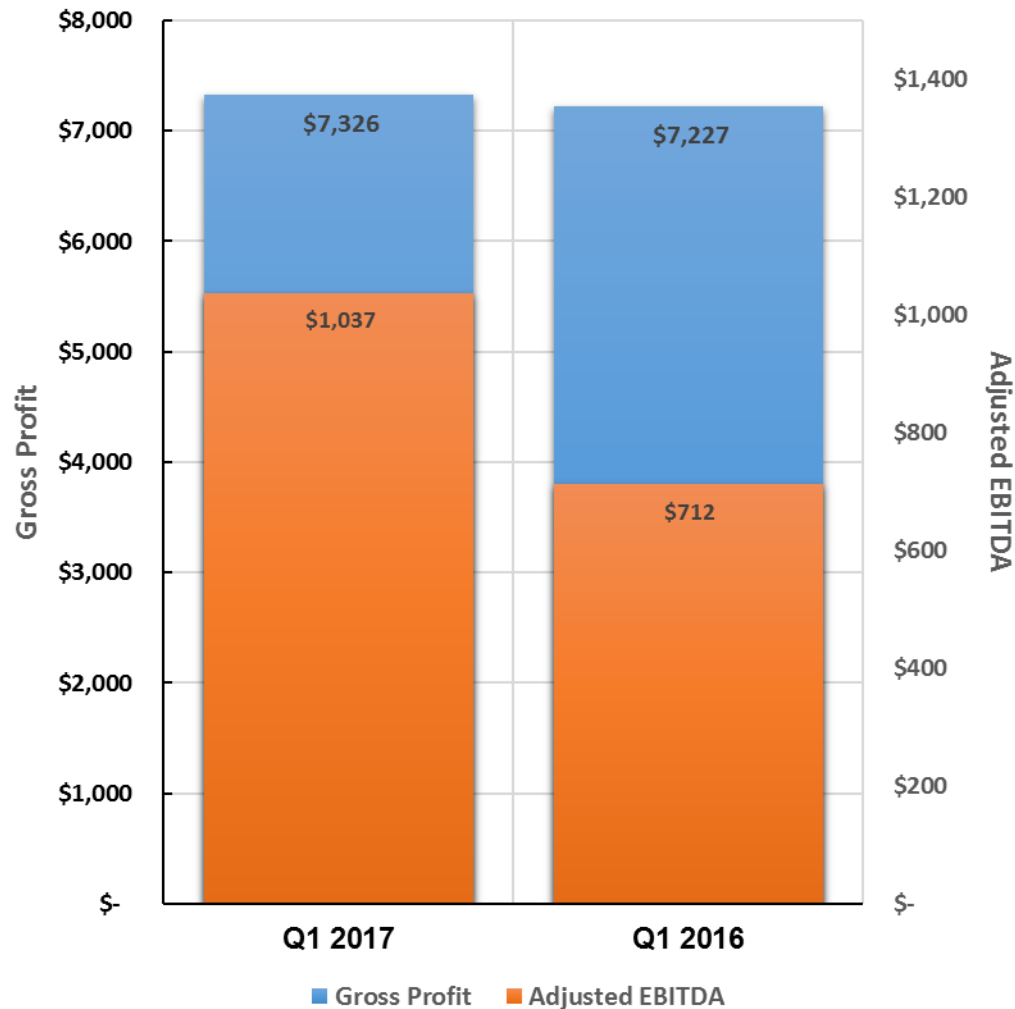
## Revenue

- \$2.4 million decline:
  - Unfavorable Fx translation = \$1.0 million
  - Client closures due to inclement weather days in 2017 (4) vs. 2016 (0)

## Gross Profit

- Slightly higher despite revenue decline
  - Contract gross margin improvement on business mix
  - Reduced workers' compensation cost

# Q1 2017 Financial Performance



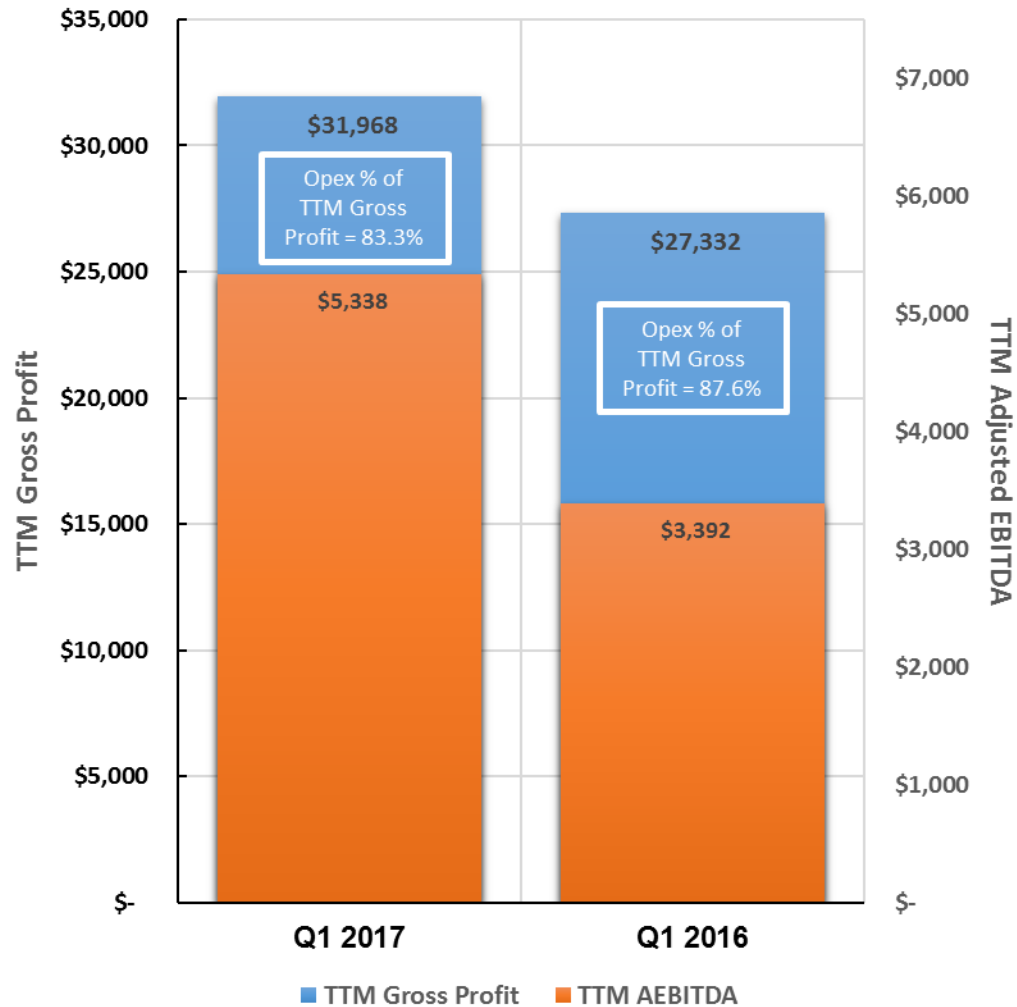
## Adjusted EBITDA

- Growth on operating efficiencies and scale
- Operating expenses as % of Gross Profit improved from 90.1% to 85.8%

## Operating Leverage

- >100%

# TTM Q1 2017 Financial Performance



- TTM Adjusted EBITDA growth of 57.4%
- TTM Operating expenses as % of Gross Profit improved from 87.6% to 83.3%



# Balance Sheet

\$000s	April 1, 2017 <u>(Unaudited)</u>	December 31, 2016
Current Assets	\$ 20,963	\$ 23,537
Non-Current Assets	29,319	30,420
<b>Total Assets</b>	<b>\$ 50,282</b>	<b>\$ 53,957</b>
Current Liabilities	\$ 33,861	\$ 38,628
Non-Current Liabilities	8,390	7,051
<b>Total Liabilities</b>	<b>42,251</b>	<b>45,679</b>
Mezzanine Equity	407	612
<b>Stockholders' Equity</b>	<b>7,624</b>	<b>7,666</b>
<b>Total Liabilities, Mezzanine Equity and Stockholders' Equity</b>	<b>\$ 50,282</b>	<b>\$ 53,957</b>

- Accounts receivable and ABL lower on lower revenue
  - DSO = 42 Days
- Working capital deficit improved by \$2.2 million
- Long-term debt reflects \$7.4 million financing from Jackson Investment Group

# Capital Structure and Leverage

***Leverage continues to improve on continued growth in Adjusted EBITDA.***

	<b>April 1, 2017</b>	<b>March 26, 2016</b>
Total Long Term Debt, Net	\$ 6,019	\$ 3,557
Addback: Total Debt Discount and Deferred Financing Costs	3,327	3,239
Earnouts	1,298	2,648
Less: Surety Bond	(1,405)	(1,405)
Total Long Term Debt	<u>\$ 9,239</u>	<u>\$ 8,039</u>
Adjusted EBITDA - TTM	\$ 5,339	\$ 3,392
Leverage Ratio	1.7x	2.4x

# Cash Flow

\$000s

	<u>Q1 2017</u>	<u>Q1 2016</u>
<b>Cash Flows Provided By (Used In):</b>		
Operating Activities	\$ 2,403	\$ 1,800
Investing Activities	(1,070)	(1,477)
Financing Activities	<u>(1,492)</u>	<u>(571)</u>
<b>Net Decrease in Cash</b>	<b>(159)</b>	<b>(248)</b>
Foreign Exchange Impact	(2)	—
Cash, Beginning of Period	<u>650</u>	<u>650</u>
<b>Cash, End of Period</b>	<b><u>\$ 489</u></b>	<b><u>\$ 402</u></b>
<u>Memo:</u>		
Operating Cash Flow	\$ 2,403	\$ 1,800
ABL Financing, Net	<u>(3,489)</u>	<u>(1,320)</u>
<b>Operating Cash Flow + ABL Financing, Net</b>	<b><u>\$ (1,086)</u></b>	<b><u>\$ 480</u></b>

- Operating Activities:
  - Positive consistent with prior year when revenue levels off during winter months
  - Includes ~\$1.0 million of payments post proceeds from Jackson Investment Group
- Investing Activities:
  - Q1 2017 includes \$1.0 million for The JM Group Earnout
  - Q1 2016 include \$1.4 million for posting of NewCSI surety bond
- Financing Activities:
  - Q1 2017 includes \$7.4 million financing from Jackson Investment Group and pay off of debt

# Questions & Answers

# Closing Remarks from Executive Chairman

# Company Contacts

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