



Q2 2017 Investor Call – August 16, 2017



Remarks from the Executive Chairman

- Introduction and Safe-Harbor Brendan Flood, Executive Chairman
- Opening Remarks 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

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.

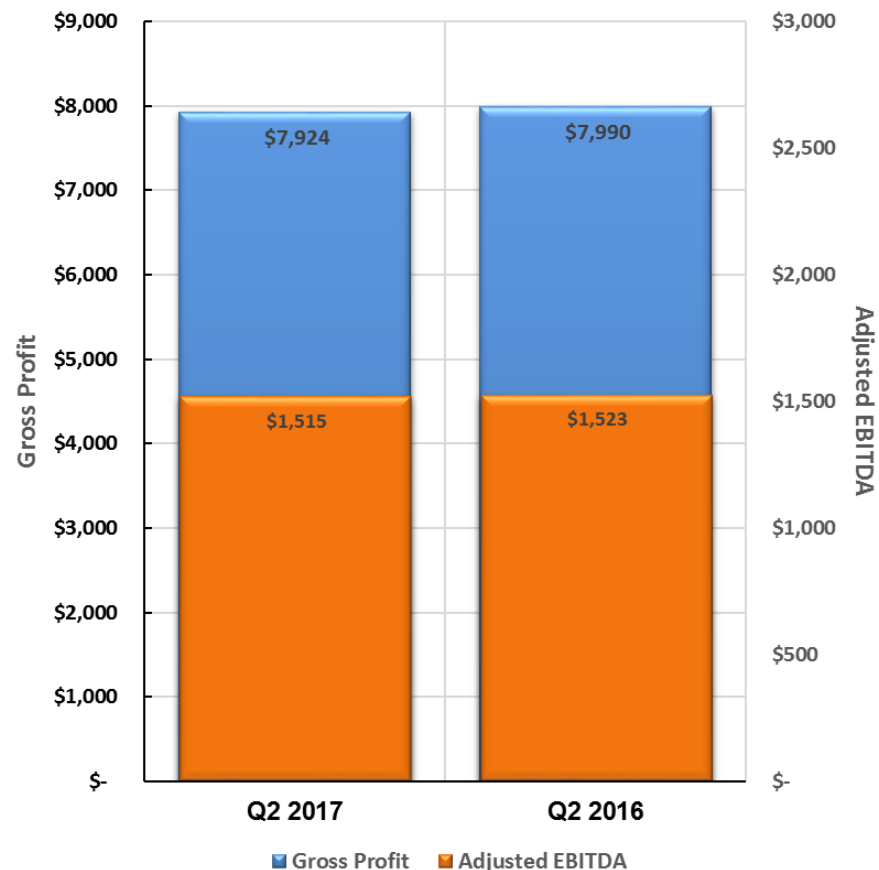
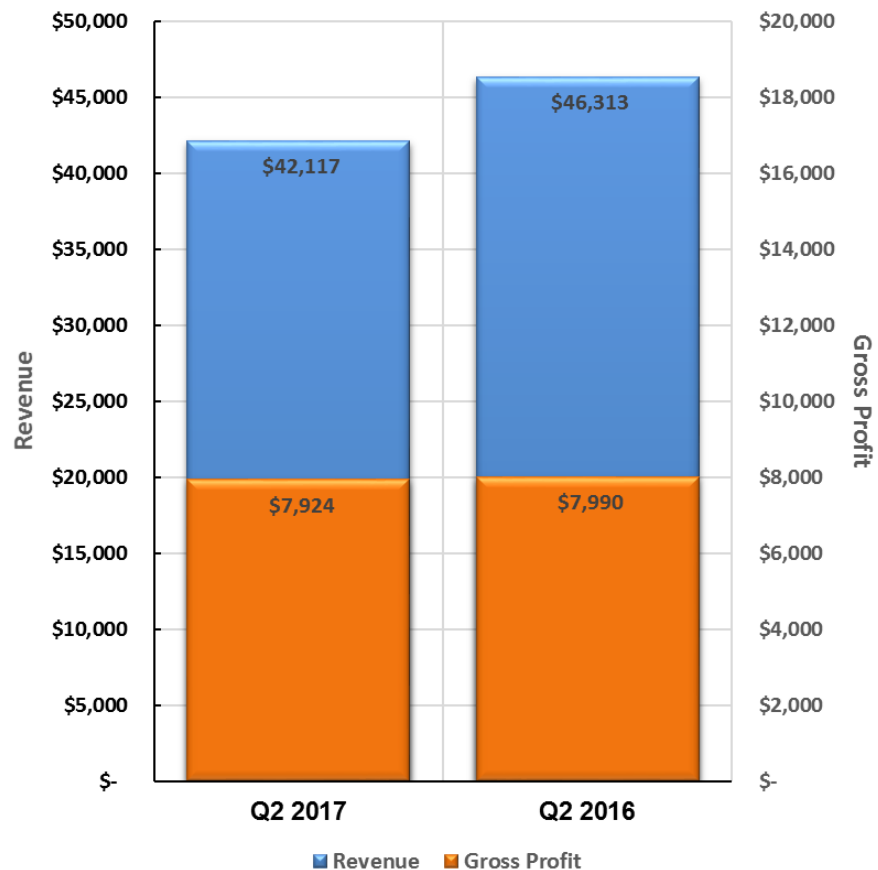
Remarks from the Executive Chairman

- Company's strategy continues to unfold positively
- Quarterly Operating Income of \$826k; largest ever
- TTM Adjusted EBITDA increased 18.7%
- Balance sheet continues to strengthen
- Raised \$1.6 million to fund settlement of historical arbitration matter
- M&A activity and pipeline is strong; under more than one Letter of Intent

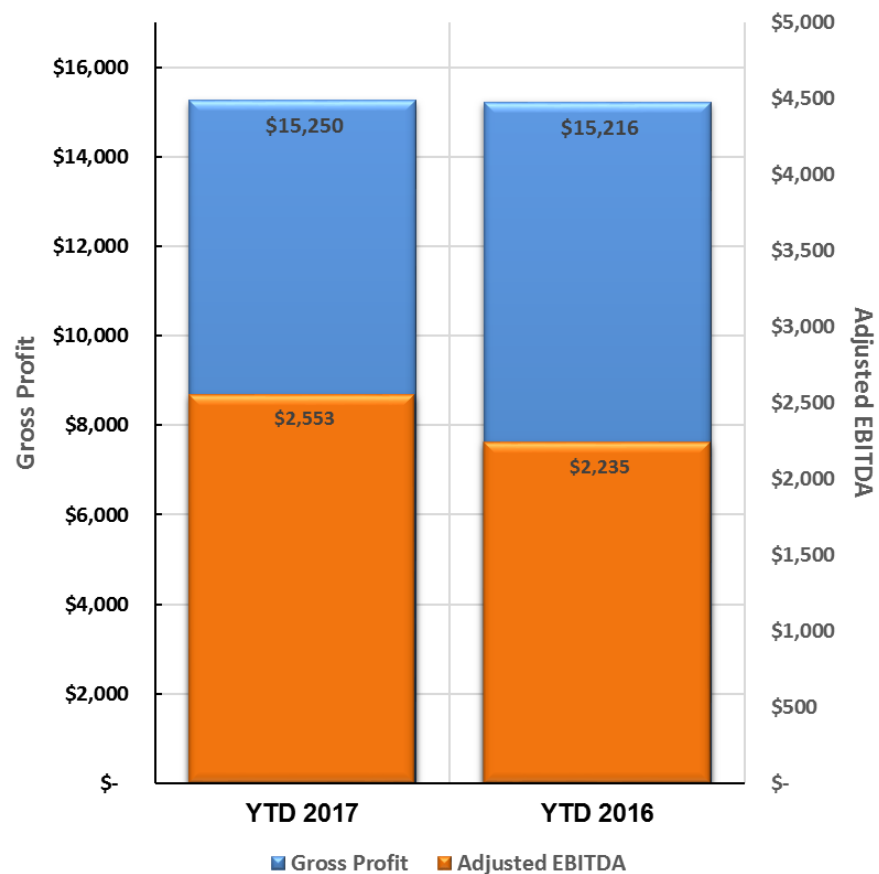
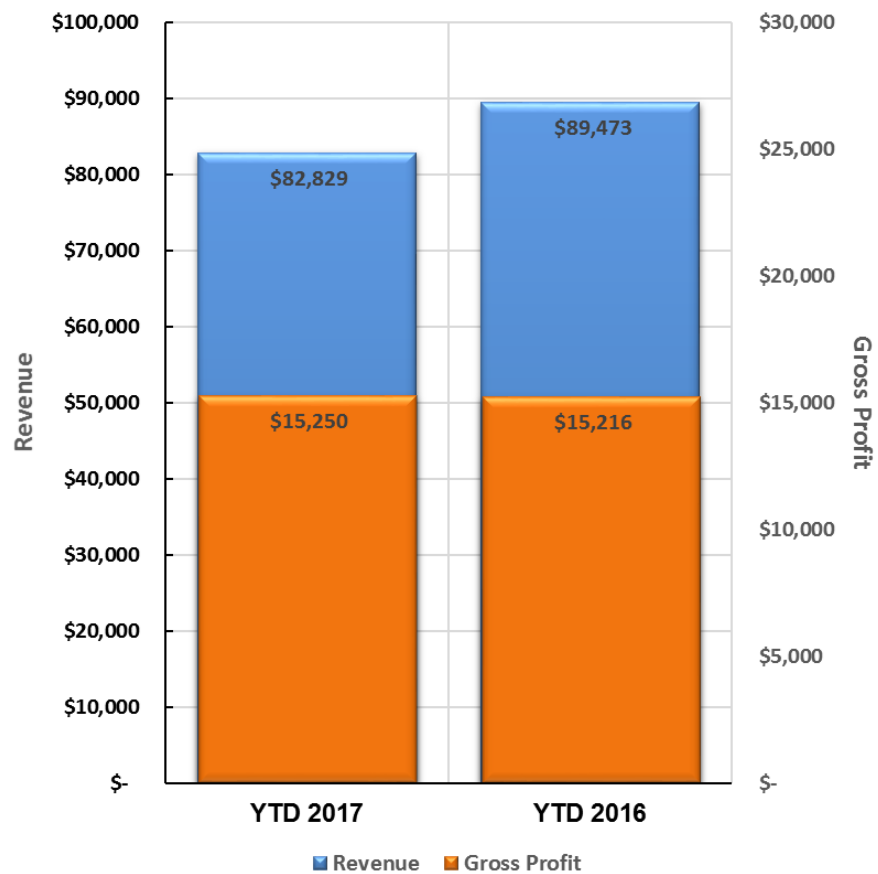
Business and Industry Update

- Q2 2017 Revenue Impacted by:
 - Exiting low margin business in public sector
 - Timing of new client starts
 - Foreign exchange
- Cross-selling initiative yielding positive traction
- Signed four new sizeable contracts with late June and H2 starts

Q2 2017 Financial Performance



YTD 2017 Financial Performance



TTM Q2 2017 Financial Performance



- 18.7% Growth in TTM Adjusted EBITDA
- Leverage Ratio now 2.6x versus 3.1x

Balance Sheet

\$000s	July 1, 2017 (Unaudited)	December 31, 2016
Current Assets	\$ 21,401	\$ 23,537
Non-Current Assets	28,734	30,420
Total Assets	\$ 50,135	\$ 53,957
Current Liabilities	\$ 34,071	\$ 38,628
Non-Current Liabilities	9,143	7,051
Total Liabilities	43,214	45,679
Mezzanine Equity	-	612
Stockholders' Equity	6,921	7,666
Total Liabilities, Mezzanine Equity and Stockholders' Equity	\$ 50,135	\$ 53,957

- Accounts receivable continues to be well managed
 - DSO = 41.7 Days
- Working capital deficit improved by \$2.4 million
- Long-term debt reflects \$9.0 million financing from Jackson Investment Group
- Series D Preferred Shares redeemed
- Leverage ratio of 2.6x

Cash Flow

\$000s	<u>H1 2017</u>	<u>H1 2016</u>
Cash Flows Provided By (Used In):		
Operating Activities	\$ 2,104	\$ 1,719
Investing Activities	(1,201)	(1,860)
Financing Activities	<u>(1,025)</u>	<u>1,447</u>
Net Decrease in Cash	(122)	1,306
Foreign Exchange Impact	(2)	—
Cash, Beginning of Period	<u>650</u>	<u>991</u>
Cash, End of Period	<u>\$ 526</u>	<u>\$ 2,297</u>
<u>Memo:</u>		
Operating Cash Flow	\$ 2,104	\$ 1,719
ABL Financing, Net	<u>(2,709)</u>	<u>(1,558)</u>
Operating Cash Flow + ABL Financing, Net	<u>\$ (605)</u>	<u>\$ 161</u>

- Operating Activities:
 - Improved from \$1.7M in 2016 to \$2.1M in 2017.
 - Includes ~\$1.0 million of creditor payments post proceeds from Jackson Investment Group
- Investing Activities:
 - H1 2017 includes \$1.0 million for The JM Group Earnout
 - H1 2016 include \$1.4 million for posting of NewCSI surety bond
- Financing Activities:
 - Q1 2017 includes \$9.0 million financing from Jackson Investment Group, pay down of debt and redemption of Series D

Capital Structure and Leverage

Leverage continues to improve on continued growth in Adjusted EBITDA.

	July 1, 2017	July 2, 2016
Total Long Term Debt, Net	\$ 10,166	\$ 10,817
Addback: Total Debt Discount and Deferred Financing Costs	3,612	2,190
Earnouts	1,273	2,546
Less: Surety Bond	(1,405)	(1,405)
Total Long Term Debt	<u>\$ 13,646</u>	<u>\$ 14,148</u>
Adjusted EBITDA - TTM	\$ 5,330	\$ 4,492
Leverage Ratio	2.6x	3.1x

Leverage Ratio: Calculated as Total Long Term Debt, Net, gross of any Original Issue Discount, plus Earnouts, less assets held against Long Term Debt, divided by Adjusted EBITDA for the trailing 12-months.

Questions & Answers

Closing Remarks from Executive Chairman

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