



**BGSF**

**High-Value Workforce Solutions Provider of  
Consulting, Managed Services, Professional &  
IT Services and Property Management**

# **Investor Presentation**

**March 2024**

# Forward-Looking Statements

The forward-looking statements in this presentation are made under the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, statements regarding our future financial performance and the expectations and objectives of our board or management. 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 presentation, the words “allows,” “believes,” “plans,” “expects,” “estimates,” “should,” “would,” “may,” “might,” “forward,” “will,” “intends,” “continue,” “outlook,” “temporarily,” “progressing,” 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 presentation or to reflect the occurrence of unanticipated events.

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.

# A Timeline and History of BGSF



Acquired Finance & Accounting, Infrastructure & Development  
 Acquired Property Management



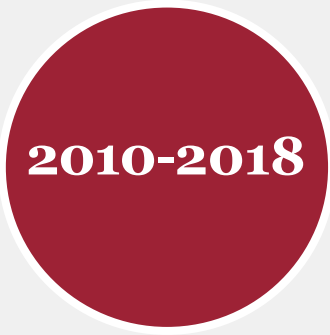
Acquired Managed Services, Talent & Clients



Today Ranked as One of the Largest Workforce Solutions Providers & Largest IT Solutions Firm

Acquired IT Offshoring, Nearshoring Talent & Clients

BGSF was Founded



Acquired Cyber & IT Consulting Talent & Clients



Acquired F&A Talent & Clients  
 Divested Light Industrial



2023

# BGSF at a Glance

**High-Value Workforce Solutions, Consulting, and Managed Services Two Specialized Segments**

**\$107M\*\***

Market Cap

**\$26.5M\***

Adj. EBITDA

**\$318M\***

Revenue

**~6.1%\*\***

Dividend Yield

## Business Segments:

### Professional

IT, Finance & Accounting, Managed Services  
World-class partner to Workday, Oracle, SAP  
Service Now, and others.

Offshoring and nearshoring capabilities

### Property Management

Apartment and luxury communities  
Training and upskilling tomorrow's  
workforce

Expansion through territory mapping

\* Proforma results including trailing 12-months actuals through December 31, 2023, and prorated Quality of Earnings report for Arroyo Consulting

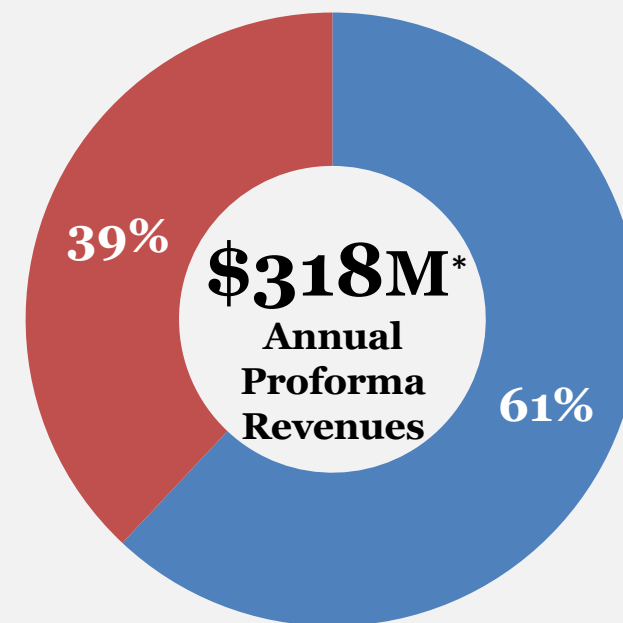
\*\* Based on average of last ten days through March 15, 2024



Your Future. Our Purpose. | [bgsf.com](https://bgsf.com)

Headquartered in  
**Plano, Texas**

Ticker  
**NYSE: BGSF**



■ Professional ■ Property Management

# Compelling Investment Thesis

## **Revenue Growth & Diversification Strategies**

Workforce solutions, specialized consulting services, further geographic expansion

## **Large, Highly Fragmented Market**

Growing \$217B addressable market with long-term secular tailwinds

## **Differentiated Solutions Benefiting from Transformation**

Strategic positioning of segments leads to higher margin, more stable business model

## **Innovations Leveraging Investments of People & Technology**

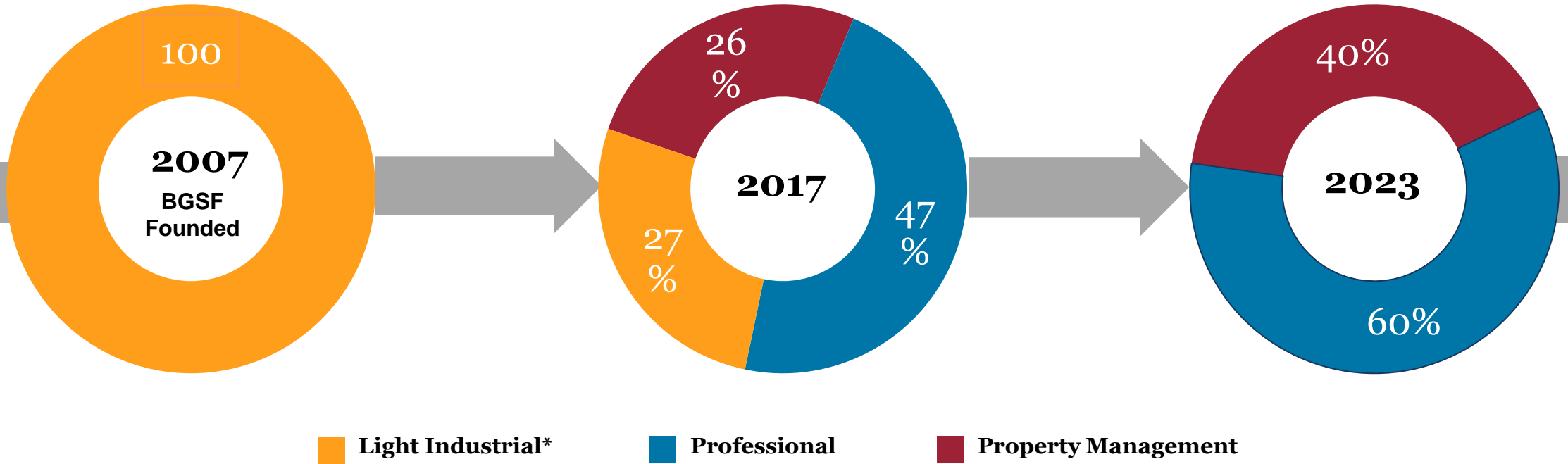
IT Roadmap enhancements built on accelerating revenue and return profile.

## **Seasoned, Proven Leadership Team with Engaging Culture**

Proven leadership, M&A expertise, and named 2023 “Best place for working parents” & “Best company to work” and “Supplier of the Year” for Property Management

# Revenue Diversification Delivers High-Value Workforce Solutions

Percent of Total Revenue by Segment



Two Distinct Segments Deliver Economic Moat By Differentiated Solutions, Capabilities, Growth and Stability

\* Discontinued operations

2023 reflects first nine months.

# Two Strong Platforms Leveraging Higher Margin Mix



■ Property Management ■ Professional

% of Revenues



% of GP \$'s



Gross Margin %



Fiscal 2023

# Professional

## Built Leading Practices

### IT Consulting

**Large Consultant Pool Across Multiple Verticals**

### Growing Talent Base

U.S., 2023 added offshoring/nearshoring capabilities in Colombia & India

### Managed Solutions

### Implementation of New Technology

2023 Named Workday Referral Partner, Oracle, SAP, Service Now, PeopleSoft, AI & Cyber Capabilities

**Strategically focused on higher margin projects**

### Finance & Accounting

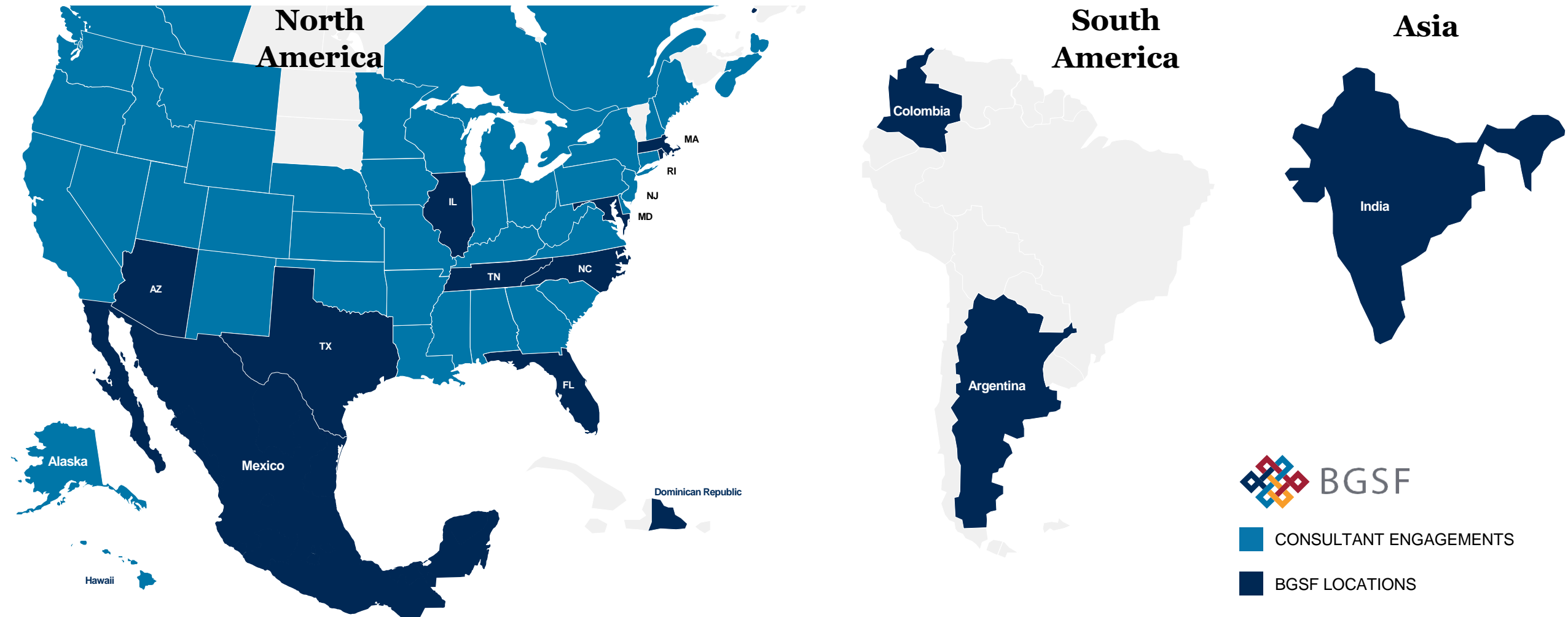
### Continued Education

White Papers, CPE Events, Webinars

### Finance & Accounting

**5% Workforce Solutions Market\***

# Professional Division – Growing Global Presence



 **47 States, District of Columbia, Canada, Mexico, Dominican Republic, Colombia, Argentina, and India**

 **~400 Clients**

 **~1,700 Consultant Engagements**

 **88% Client Retention**

# Professional Cross-selling as Single-Source Provider

## Project Management and Organizational Change Management

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Operational needs and filling gaps for excellence

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Delivering value that brings deep experience to project execution



## Professional Search & Project Support

FINANCE &  
ACCOUNTING  
HR  
ENGINEERING  
LEGAL

ADMINISTRATIVE  
MARKETING  
CREATIVE &  
DIGITAL TALENT



## Information Technology Solutions

ADVANCED ANALYTICS  
EPM/CPM  
ERP AND HCM STAFFING SOLUTIONS  
FULL PROJECT TEAMS, MANAGED SERVICES AND OUTSOURCING  
IT SOFTWARE ENGINEERS OFFSHORE AND NEARSHORE

## Cyber Security

# Property Management

For Growing Apartment and Luxury Communities

Awarded 2023 Supplier Company of the Year by  
the National Apartment Association

**Best-in-class  
Placement  
Solutions**

**100%  
Organic Growth**

**High Industry  
Engagement  
& Culture**

**Differentiated  
Training &  
Upskilling**

# Property Management - Geographic & Territorial Expansion



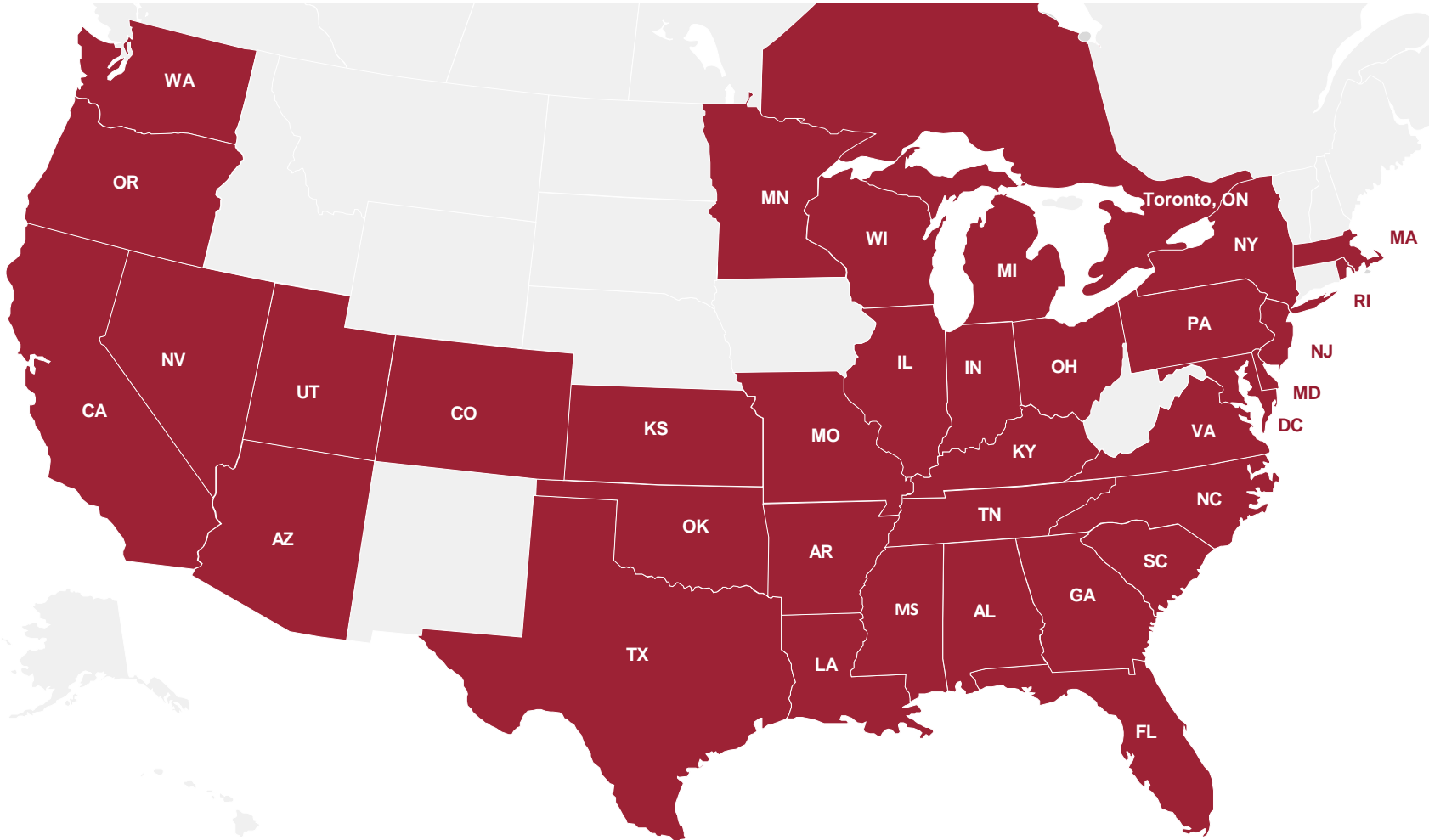
**36 States**  
District of Columbia  
& Canada

**64 markets**

**~ 8,600**  
Properties Served

**~ 3,100**  
Paychecks per week

**4.3 million**<sup>1</sup>  
New apartment pent-  
up demand needed by  
2035



<sup>1</sup> National Apartment Association

# Property Management Niche Solutions

**Ability to train for re-skilling and up-skilling workforce**

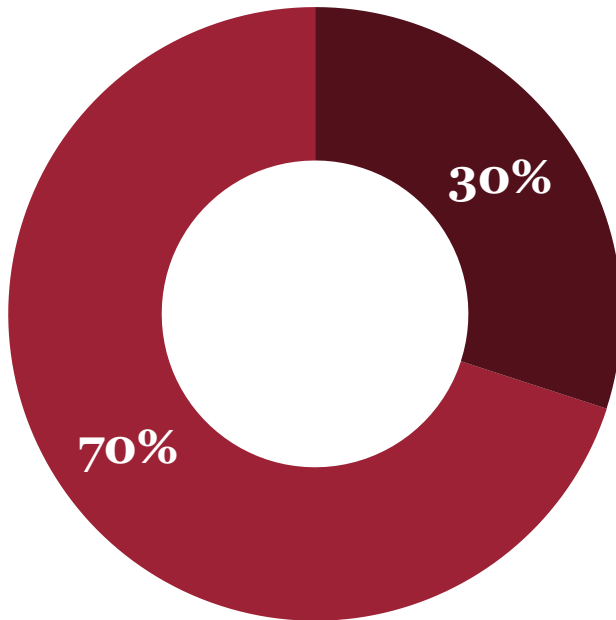
**Extensive talent pool mobilized to the right resources supporting daily needs**

**Supporting operational needs and filling gaps to maintain excellence**



**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

# Seasoned, Proven Leadership Team

## *...Where Culture Matters*



**Beth Garvey**  
Chair, President & CEO



**John Barnett**  
Chief Financial Officer

**Proven Leadership with extensive strategic direction and implementation to advance the business forward**



**Chris Loope**  
Chief Strategy Officer



**Eric Peters**  
President, Professional Division



**Kelly Brown**  
President, Property Management

# ESG Inspired and Purpose Driven Culture

## Fostering Diversity, Equity and Inclusion

VIIIBE Council – Voices, Inspiring, Inclusion, Belonging, Equity

## Pillars of Excellence

Focused on diversity education, training and engagement

## Enhanced Governance & Board Diversity

Current 43% female representation

## Employee & Community Engagement

Raising awareness and support

BiG Deal – Employee Recognition and Award Platform

## Philanthropy Tracking - Inspire

Employee-driven charitable giving



# Financials



# 2023 Financial Highlights

**7.1%**  
Y/Y Revenue  
Growth<sup>1</sup>

**35.7%**  
Gross Profit  
Margin

**8.0%**  
Adjusted EBITDA  
Margin

**6.1%**  
Current Dividend  
Yield<sup>2</sup>  
(Annualized)

**2.5X**  
Debt to  
Proforma  
EBITDA<sup>3</sup>

<sup>1</sup> On a same day basis, adjusting 2022 results by 5 extra working days. 2023 was a 52-week fiscal year and 2022 was a 53-week fiscal year. Up 4.9% on an as reported basis.

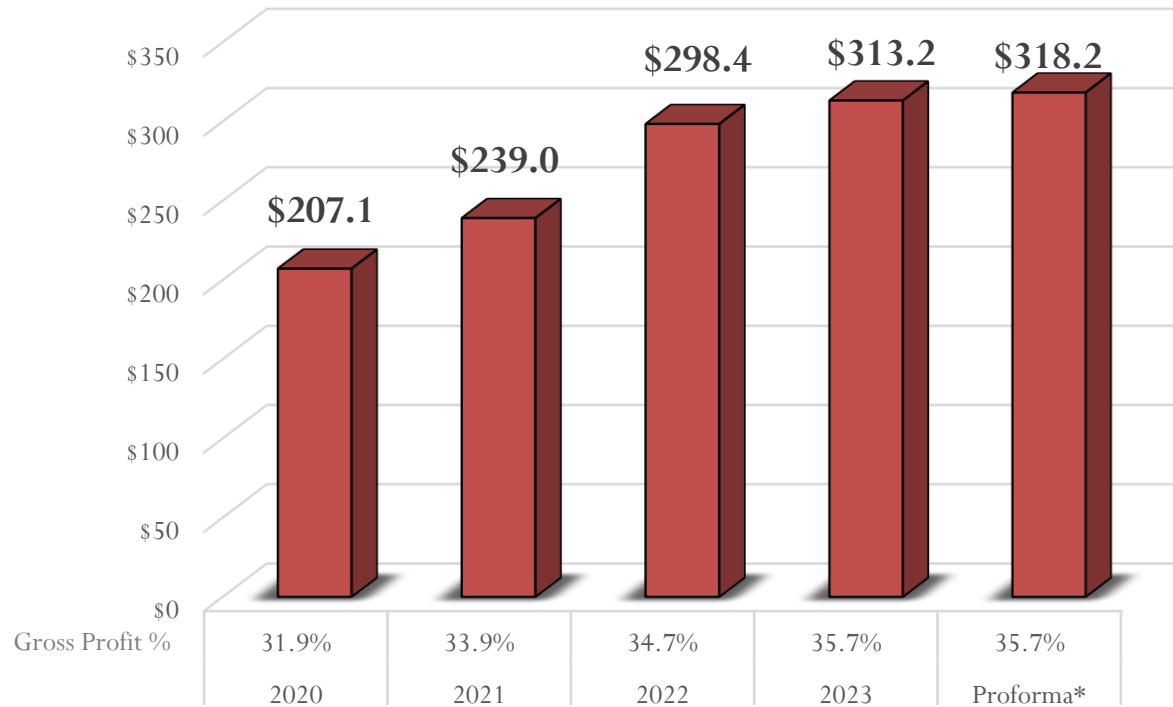
<sup>2</sup> Based on average of last ten days through March 15, 2024

<sup>3</sup> Funded debt to Proforma EBITDA – See Appendix for details on the Proforma EBITDA calculation

# Strong Post-Covid Growth Profile

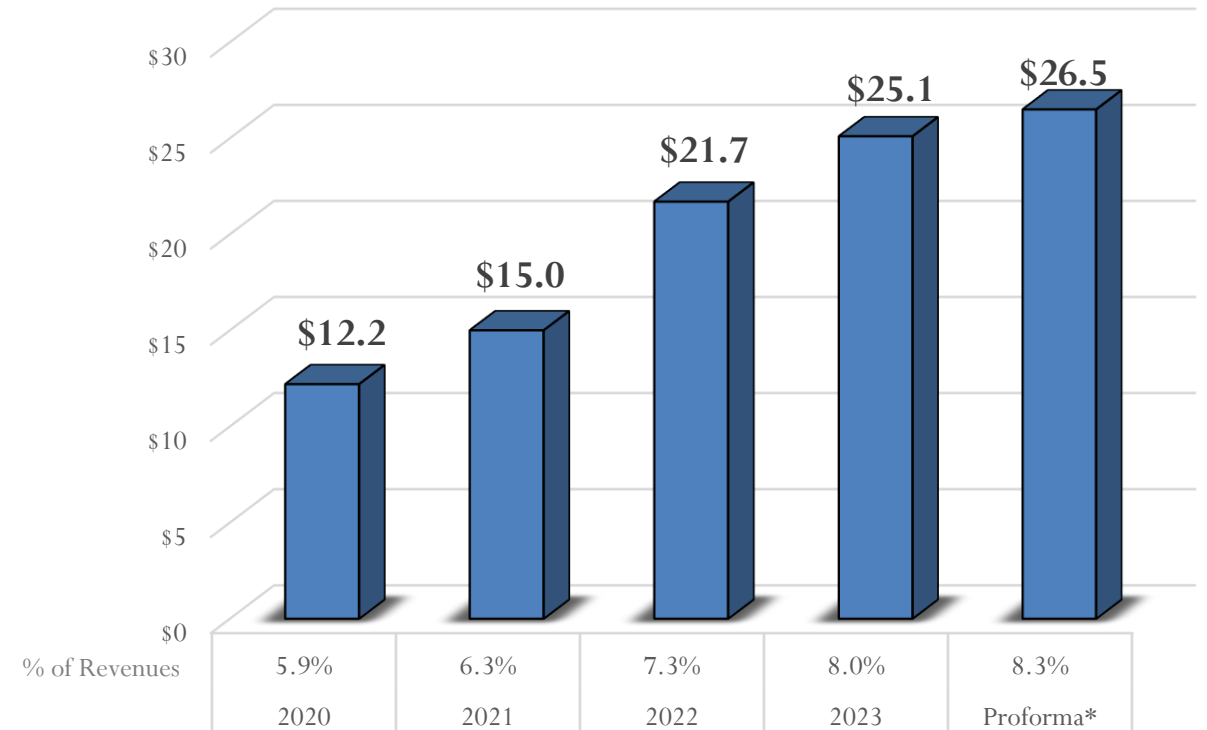
## Revenue

(\$ in millions) – Gross Margin %



## Adjusted EBITDA

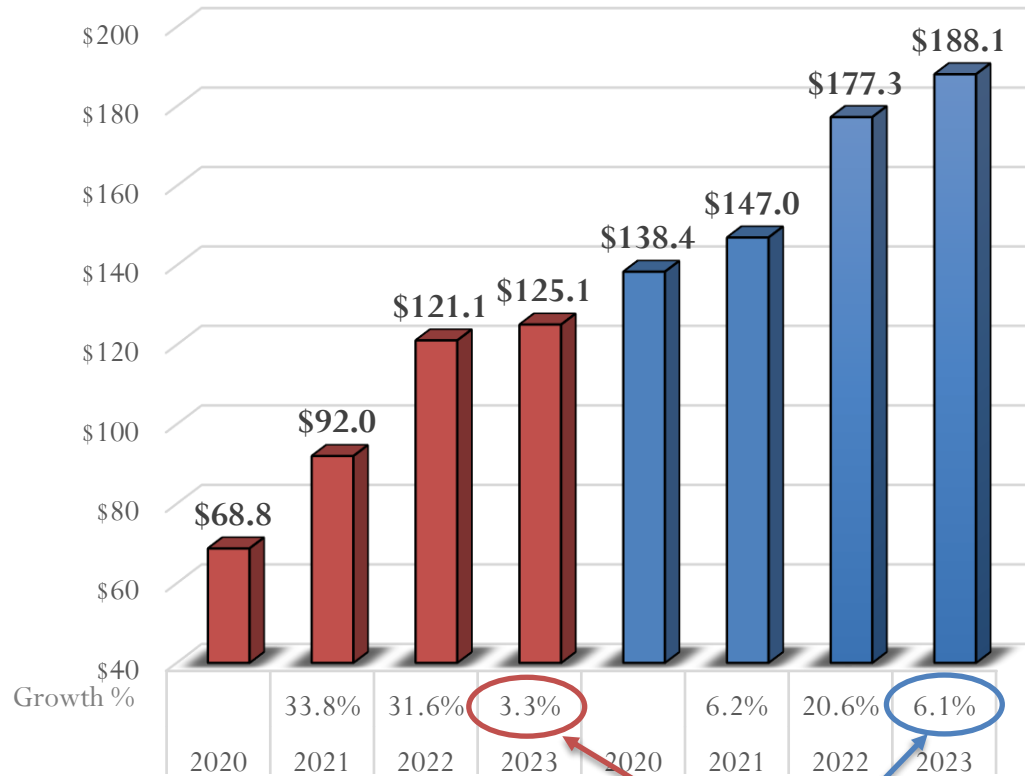
(\$ in millions) – Adjusted EBITDA Margin %



\* Proforma results including trailing 12-months actuals through December 31, 2023, and prorated Quality of Earnings report for Arroyo Consulting

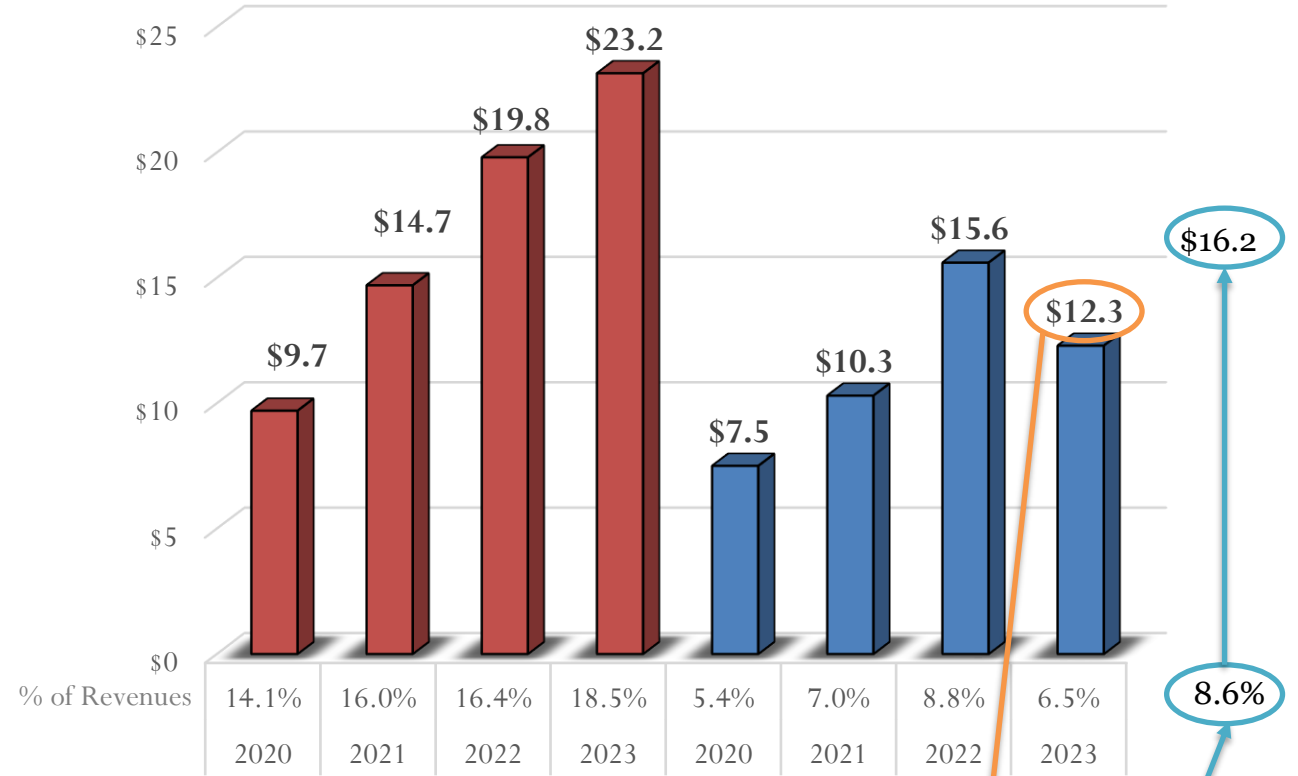
# Leveraging Growth and Pricing (\$ in Millions)

## Revenue\*



Growth on a Same Day basis was **5%** and **8%**.

## Operating Income\*



Acquisition related amortization increased \$3.9M from 2022 to 2023

■ Professional

■ Property Management

\* continuing operations

# Disciplined Capital Allocation Priorities

**Debt Paydown**

Targeted leverage ratio below 2x

**Investments to Support Organic Growth**

Cloud migration and upgrade of enterprise apps complete; focused on system enhancements to drive growth and operating efficiencies

**Strategic Acquisitions**

New acquisitions deferred for now. Recent acquisitions enhanced our go-to-market value proposition

**Sustainable Dividend**

37<sup>th</sup> consecutive quarterly dividend announced in February 2024

# Strategic Acquisitions Since December 2022

## Horn Solutions (Purchase price \$42.7M)

## Arroyo Consulting (Purchase price \$16.5M at max earnout)

**Increased Scale in Attractive Market**

Increased depth in high-value finance and accounting consulting and managed services

Nearshore & offshore IT and software development resources primarily in Colombia and India

**Attractive Financial Characteristics**

\$30M annual revenue, high gross margin % with history of profitable growth

\$16M annual revenue, meaningful leverage into existing BGSF clients and new relationships through Arroyo

**Experienced Management Team**

Adds experienced leaders with impressive track records to the Professional team

Adds IT expertise and global reach to attract and retain the best IT talent

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# Appendix

# People Matter at BGSF

## 2023 AWARDS

2023 Best Place for Working Parents

SIA Best Staffing Firms to Work For

SIA #121 Staffing Firms List 2023

SIA #52 IT Staffing Firms List 2023

Supplier Company of the Year – National Apartment Association

Dallas Morning News Largest Public Company #111

## 2022 AWARDS

2022 Best Place for Working Parents

2022 D CEO Innovation in Talent Workforce Finalist

Top 10 Staffing Companies to Work for in 2022, World Staffing Summit

2022 Dallas Business Journal Ranked #7 Top Staffing Agency

Beth Garvey - SIA's Staffing 100 North America List for 2022

D CEO Dallas 500 for 2022 Talent & Executive Search – Beth Garvey

# 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 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. EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP and should not be considered as alternatives to net income, operating income, or any other performance measure derived in accordance with GAAP, or as alternatives to cash flow from operating activities or measures of liquidity. We believe that EBITDA and Adjusted EBITDA 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 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. We define "Adjusted EBITDA" as earnings before interest expense, income taxes, depreciation and amortization expense, transaction fees, and certain non-cash expenses such as contingent consideration gains and share-based compensation expense, as well as certain specific events that management does not consider in assessing our on-going operating performance.

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

# Non-GAAP Reconciliation

## BGSF Trailing Four Quarter Proforma Results (Including Arroyo Consulting)

(\$ in Millions)	BGSF <sup>(1)</sup>	Arroyo <sup>(2)</sup>	Proforma
<b>Revenue</b>	\$ 313.2	\$ 5.0	\$ 318.2
<b>Gross Profit</b>	\$ 111.8	\$ 1.9	\$ 113.7
<b>Gross Profit Margin</b>	35.7%	38.8%	35.7%
<b>Adjusted EBITDA</b>	\$ 25.1	\$ 1.3	\$ 26.5
<b>Adjusted EBITDA Margin</b>	8.0%	27.0%	8.3%

(1) BGSF as reported (including Horn and Arroyo post acquisition) through Q4 2023

(2) Quality of Earnings results prorated using the date of acquisition

(3) Trailing Four Quarters Proforma EBITDA (\$25.5 million) as calculated for the credit facility leverage ratio includes \$1.0 million of acquisition related expenses.

# BGSF Reconciliation of Net Income from continuing operations to Adjusted EBITDA (\$ in 000s)

	Fiscal Quarter Ended		Fiscal Year Ended	
	December 31, 2023	January 1, 2023	December 31, 2023	January 1, 2023
Income (loss) from continuing operations	\$ 999	\$ 1,417	\$ (10,223)	\$ 11,261
Income tax expense (benefit) from continuing operations	626	699	(2,938)	3,659
Interest expense, net	1,601	644	5,976	1,363
Operating income (loss)	3,226	2,760	(7,185)	16,283
Depreciation and amortization	2,045	1,087	7,774	4,054
Impairment losses	—	—	22,545	—
Share-based compensation	184	220	1,029	1,085
Transaction fees	73	265	974	271
Adjusted EBITDA from continuing operations	<u>5,528</u>	<u>4,332</u>	<u>25,137</u>	<u>21,693</u>
Adjusted EBITDA Margin (% of revenue)	7.5 %	5.6 %	8.0 %	7.3 %
Adjusted EBITDA from continuing operations	\$ 5,528	\$ 4,332	\$ 25,137	\$ 21,693
Same day adjustment	—	(332)	—	(410)
Same Day EBITDA from continuing operations	<u>\$ 5,528</u>	<u>\$ 4,000</u>	<u>\$ 25,137</u>	<u>\$ 21,283</u>

# Reconciliation of Adjusted EPS from Continuing Operations

	Fiscal Quarter Ended		Fiscal Year Ended	
	December 31, 2023	January 1, 2023	December 31, 2023	January 1, 2023
Net income (loss) from continuing operations per diluted share	\$ 0.11	\$ 0.14	\$ (0.95)	\$ 1.07
Acquisition amortization	0.15	0.05	0.57	0.22
Impairment losses	—	—	2.09	—
Transaction fees	0.01	0.03	0.09	0.03
Income tax expense adjustment	(0.06)	(0.03)	(0.61)	(0.06)
Adjusted EPS from continuing operations	\$ 0.21	\$ 0.19	\$ 1.19	\$ 1.26
Same day adjustment	—	(0.02)	—	(0.03)
Same Day Adjusted EPS from continuing operations	\$ 0.21	\$ 0.17	\$ 1.19	\$ 1.23

*Includes three weeks of Horn Solutions*

# Historical Acquisitions/Divestitures

## ACQUISITIONS:

<b>April 2023</b>	Arroyo Consulting
<b>December 2022</b>	Horn Solutions
<b>February 2021</b>	Momentum Solutionz
<b>February 2020</b>	EdgeRock Technology Partners
<b>December 2019</b>	L.J. Kushner & Associates
<b>September 2017</b>	Smart Resources and Accountable Search
<b>April 2017</b>	Zycron
<b>October 2015</b>	Vision Technology Services
<b>March 2015</b>	Donovan & Watkins
<b>June 2013</b>	InStaff
<b>December 2012</b>	American Partners
<b>December 2011</b>	Extrinsic
<b>December 2010</b>	JNA Staffing
<b>June 2010</b>	BG Multifamily

## DIVESTITURES:

<b>March 2022</b>	InStaff
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