



INVESTOR PRESENTATION  
NASDAQ: BBSI  
September 2020

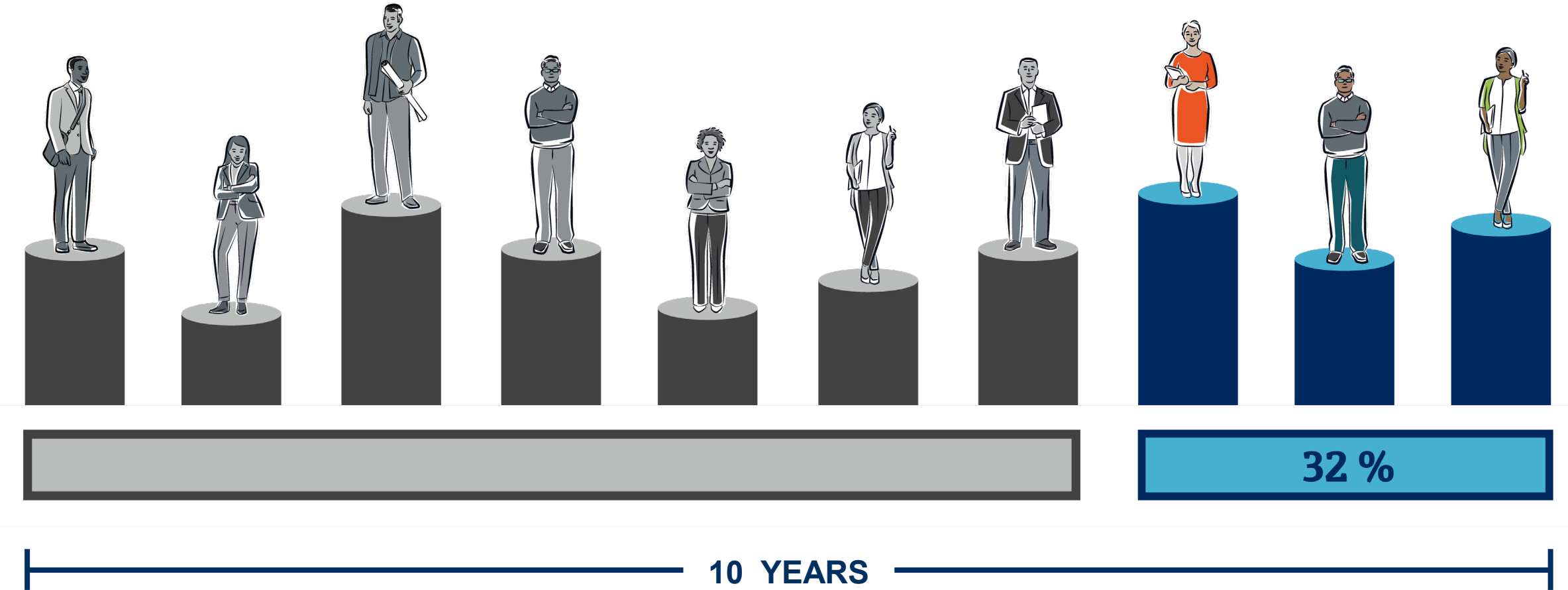
# FORWARD LOOKING STATEMENTS

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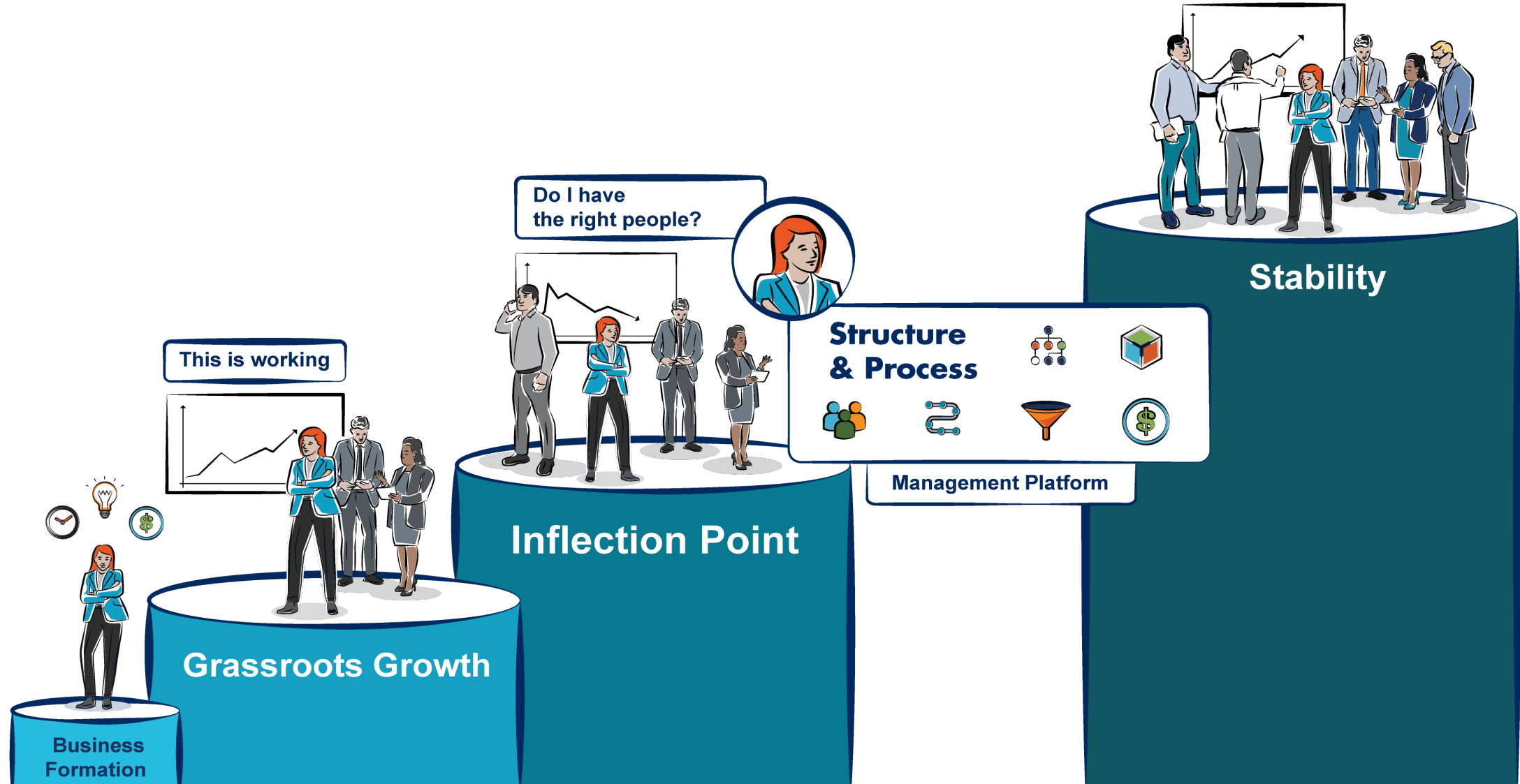


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# MISSION: TO IMPROVE THE PROBABILITY OF SUCCESS FOR SMALL BUSINESSES

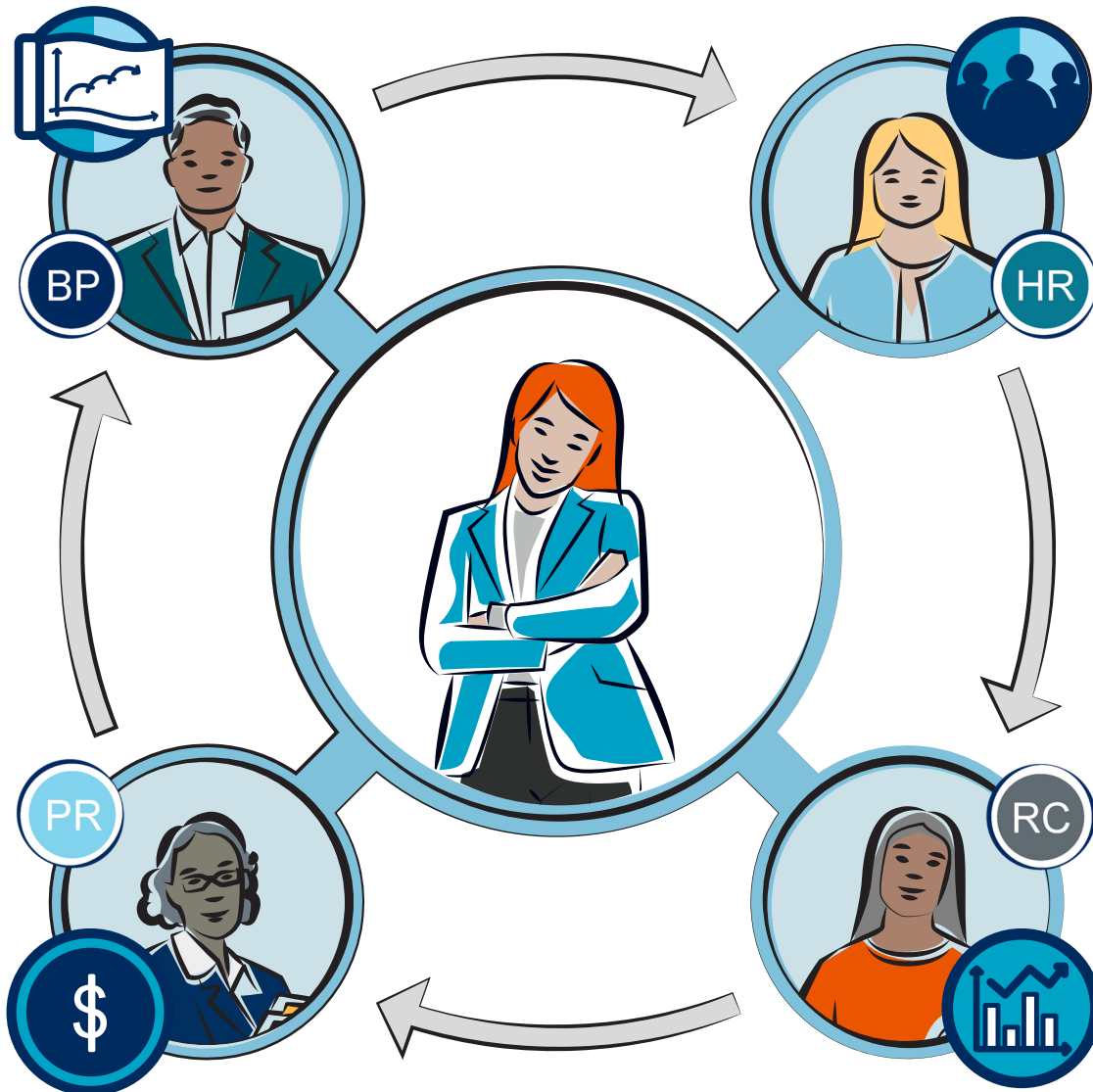


# BUSINESS OWNER JOURNEY





# CLIENT SERVICES



**Payroll Services**



**HR Consulting**  
**Staffing & Recruiting**  
**Retirement Benefits 401(k)**



**Workers' Comp Admin.**  
**Risk & Safety Consulting**



**Strategic Planning**  
**Organizational Development**



**Technology Solutions**



**Custom  
Dashboard**



**Payroll  
Processing**



**Employee  
Access**



**Advanced  
Reporting**

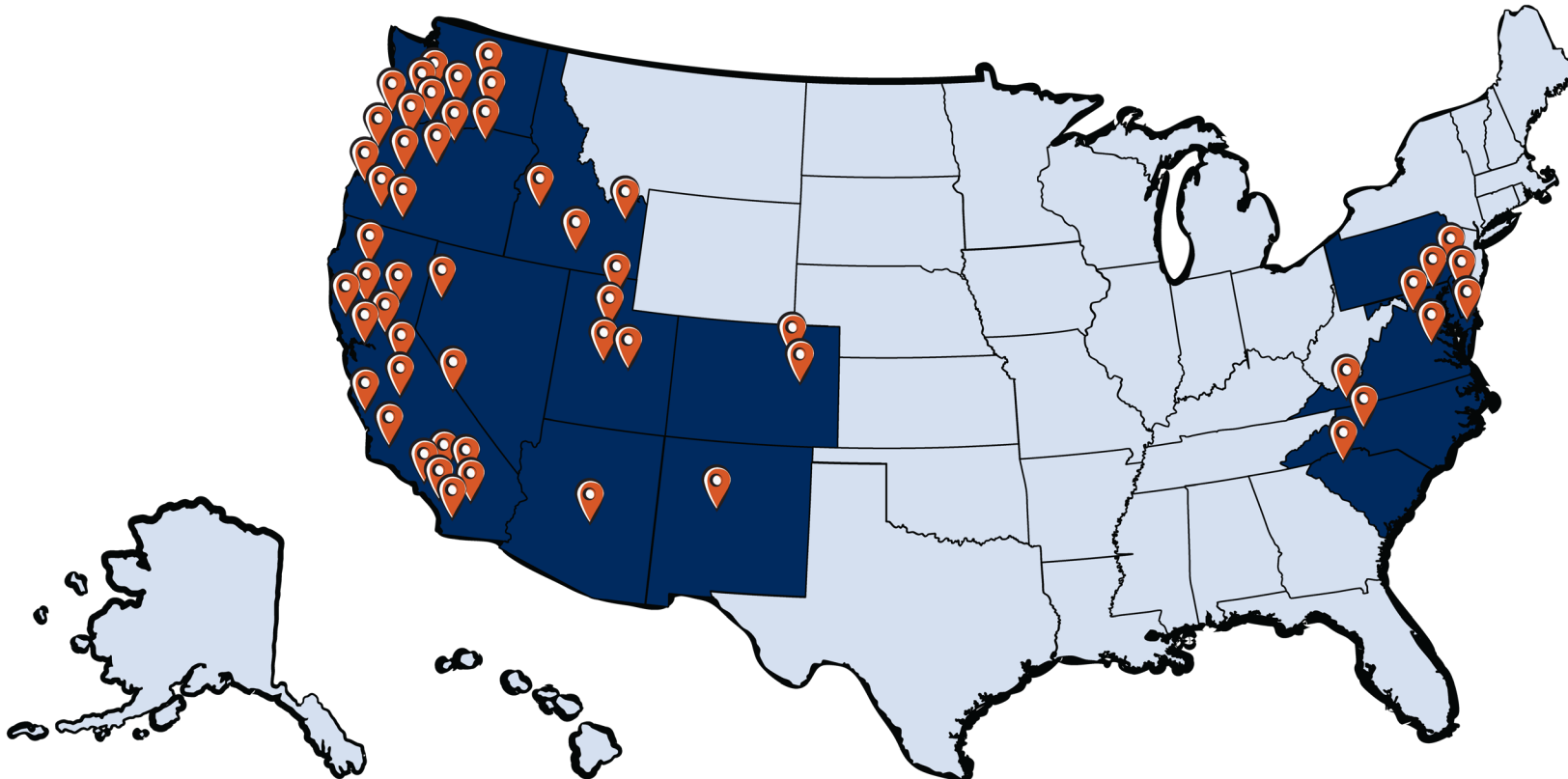


# MARKET OPPORTUNITY



## TARGET MARKET

Companies with 20-500 employees



## BBSI Territory

**243,891** small businesses

BBSI clients = **7,200**

Market Share: **3%**

## Total US

**629,025** small businesses

BBSI market share: **1%**

**National PEO licensing  
pending in remaining states**

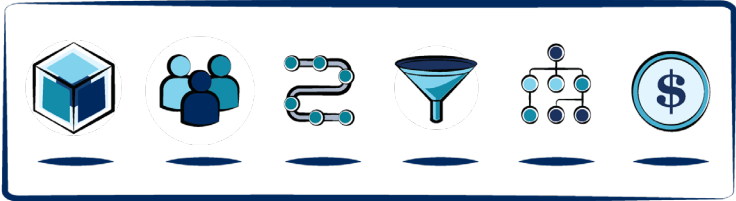
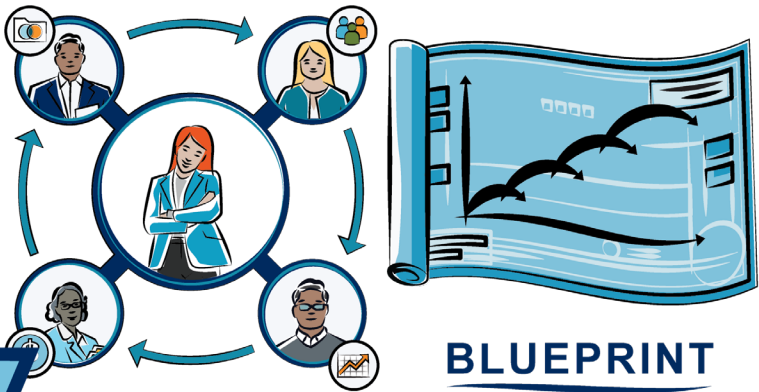
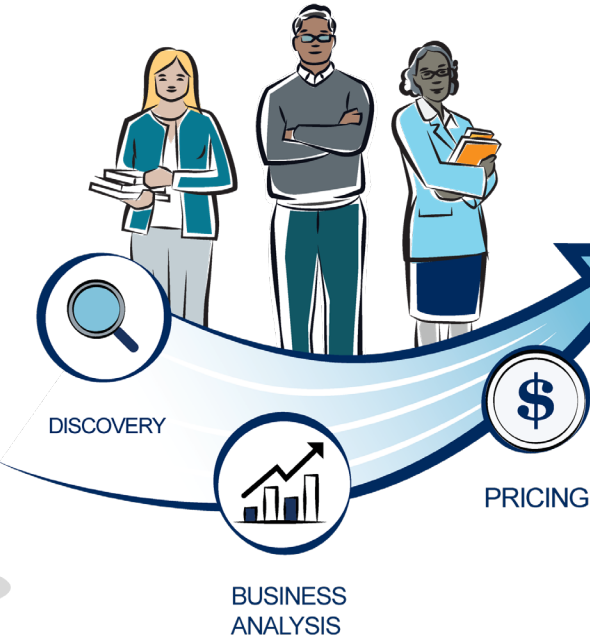
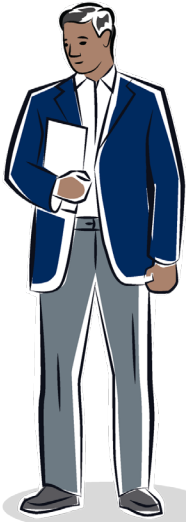
## Market

## Alignment

## Client Life Cycle

REFERRAL PARTNERS

95%  
OF BUILD  
COMES THROUGH  
REFERRALS



REFERRAL



HANDSHAKE



CONTRACT

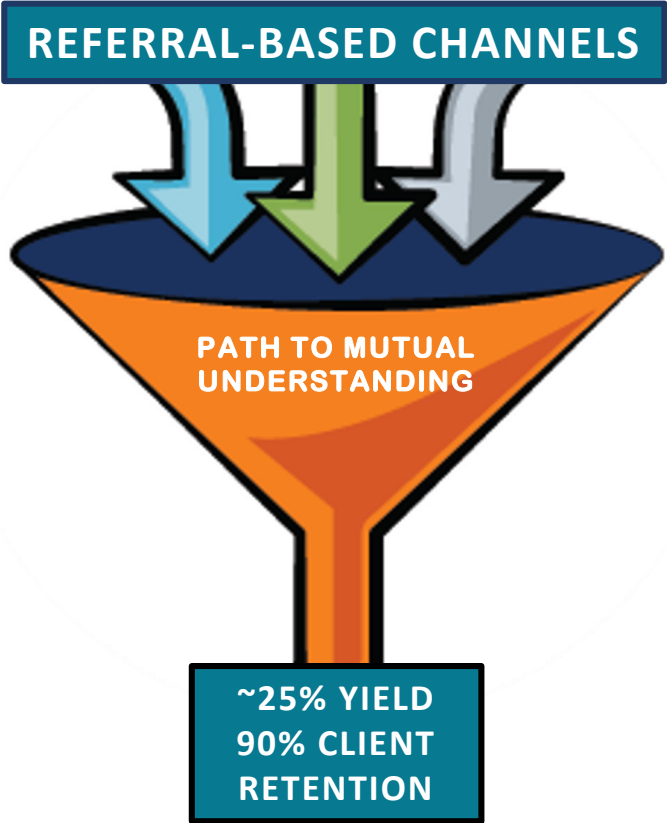


CLIENT  
REFERRAL

# DISTRIBUTION STRATEGY



95%  
OF BUILD  
COMES THROUGH  
REFERRALS



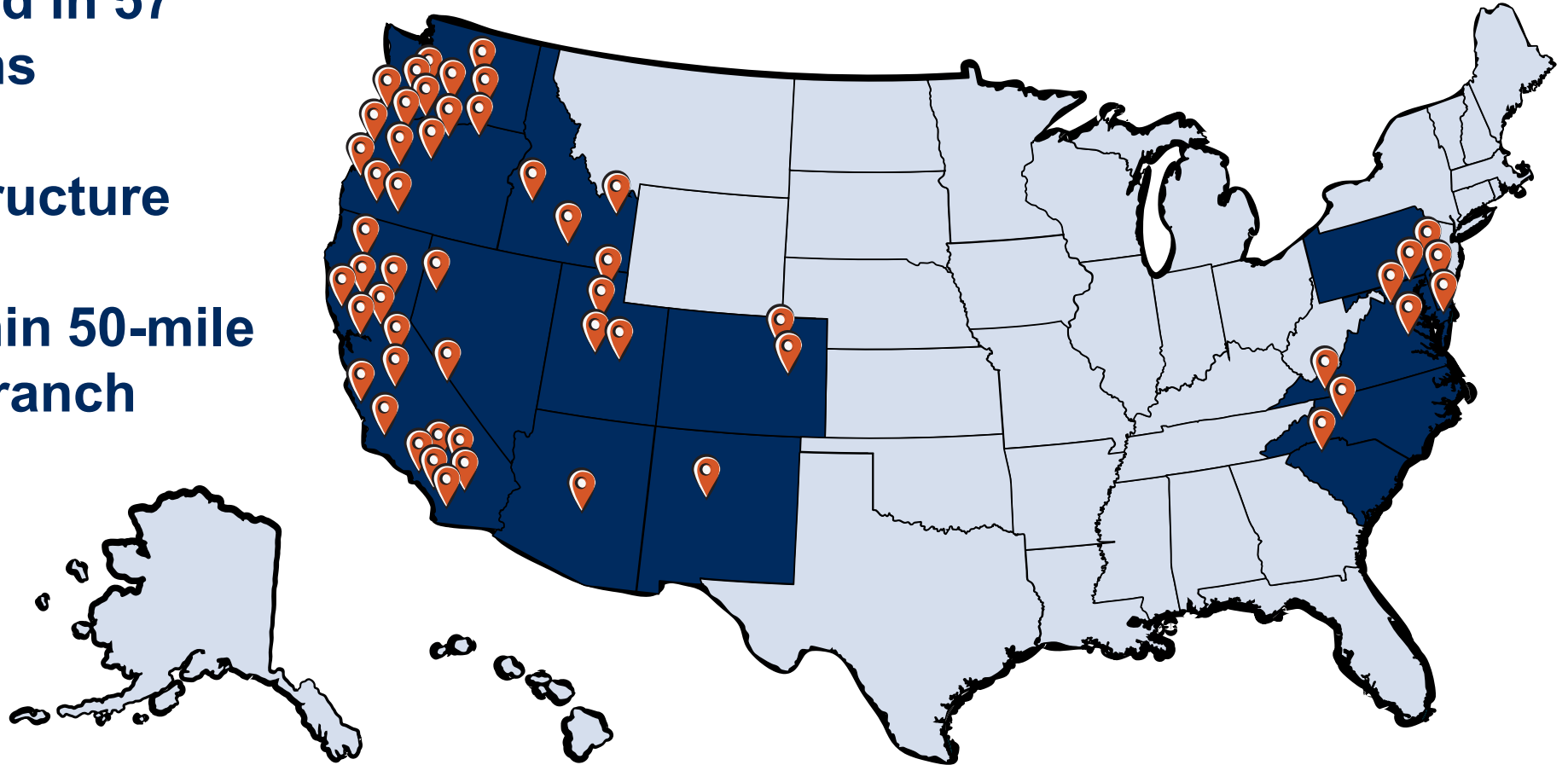
REFERRAL



HANDSHAKE

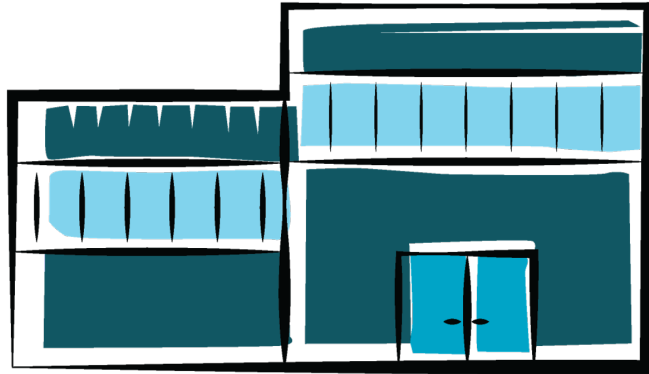
# FIELD & STRUCTURE - FOOTPRINT

- 114 teams housed in 57 physical locations
- Decentralized structure
- Most clients within 50-mile radius of BBSI branch



# BRANCH STRATEGY

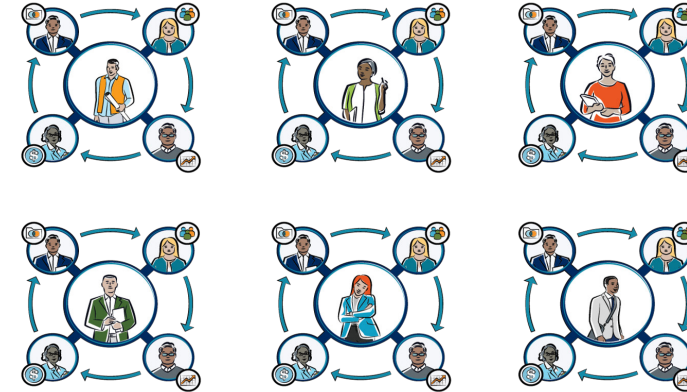
**57 LOCATIONS**



## Branch Stratification

- 18 Mature > \$100 million
- 20 Emerging = \$30-\$100 million
- 19 Developing = \$1-\$30 million

**114 TEAMS**



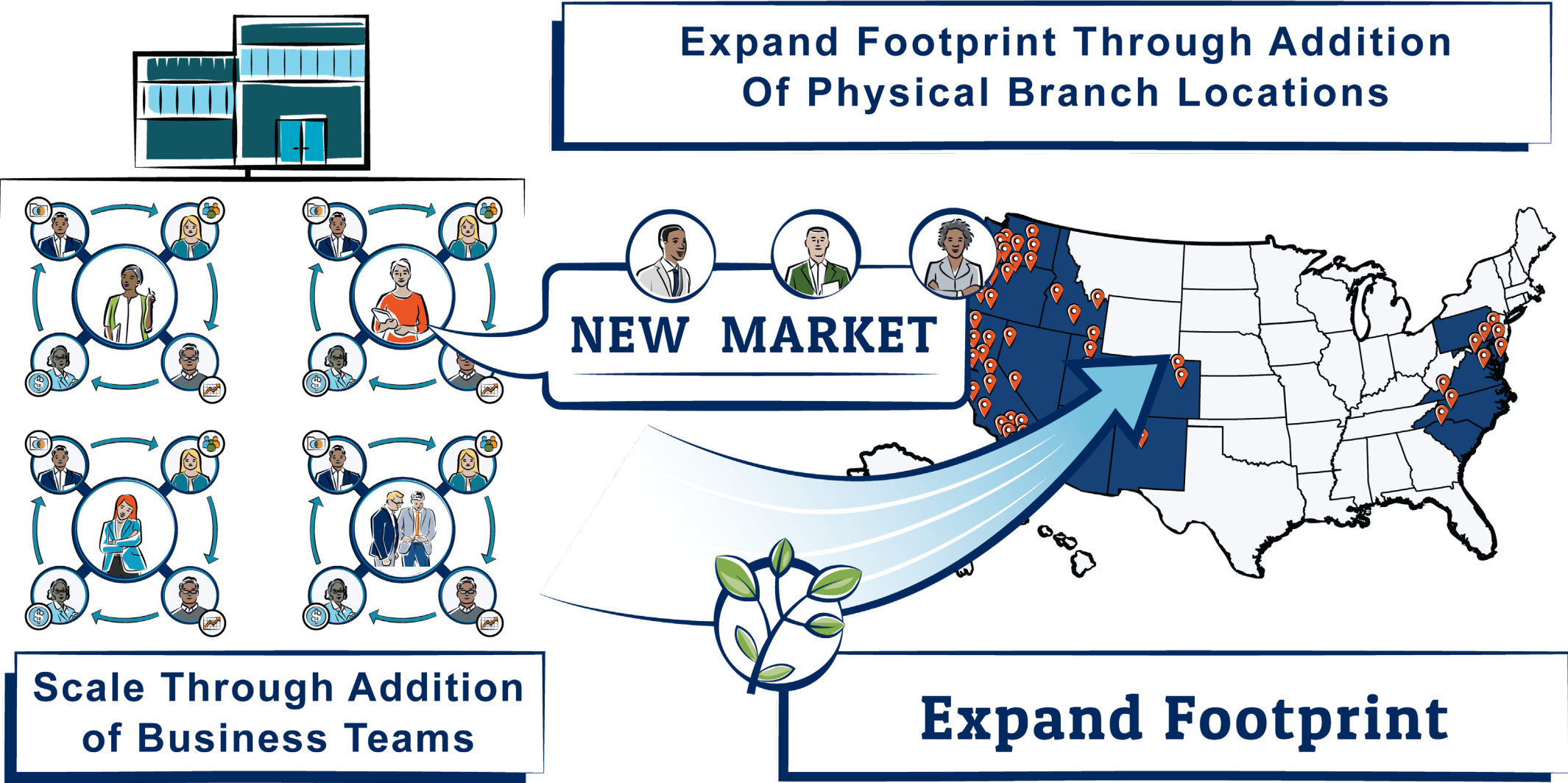
**\$500K** INVESTMENT  
PER TEAM.

## Business Team Support

- Capacity of ~90 clients
- Average of 30 employees per client
- Ability to leverage operating margins



# ORGANIC GROWTH





## ORGANIC GROWTH

- Net client adds
- Client retention
- Additional client services

## GEOGRAPHIC EXPANSION

- Acquisitions
- New branch openings

## LEVERAGE

- Capacity utilization against infrastructure



# BBSI MARKET POSITIONING



## HUMAN RESOURCE OUTSOURCING

TYPICAL OUTCOME:  
**TOOLS, SYSTEMS, PROCESSES**

- Engage as a tactical subordinate
- Minimal integration with the business



## BUSINESS CONSULTING

TYPICAL OUTCOME:  
**WHITE PAPERS**

- Engage as an expert guide
- Highly integrated with the business

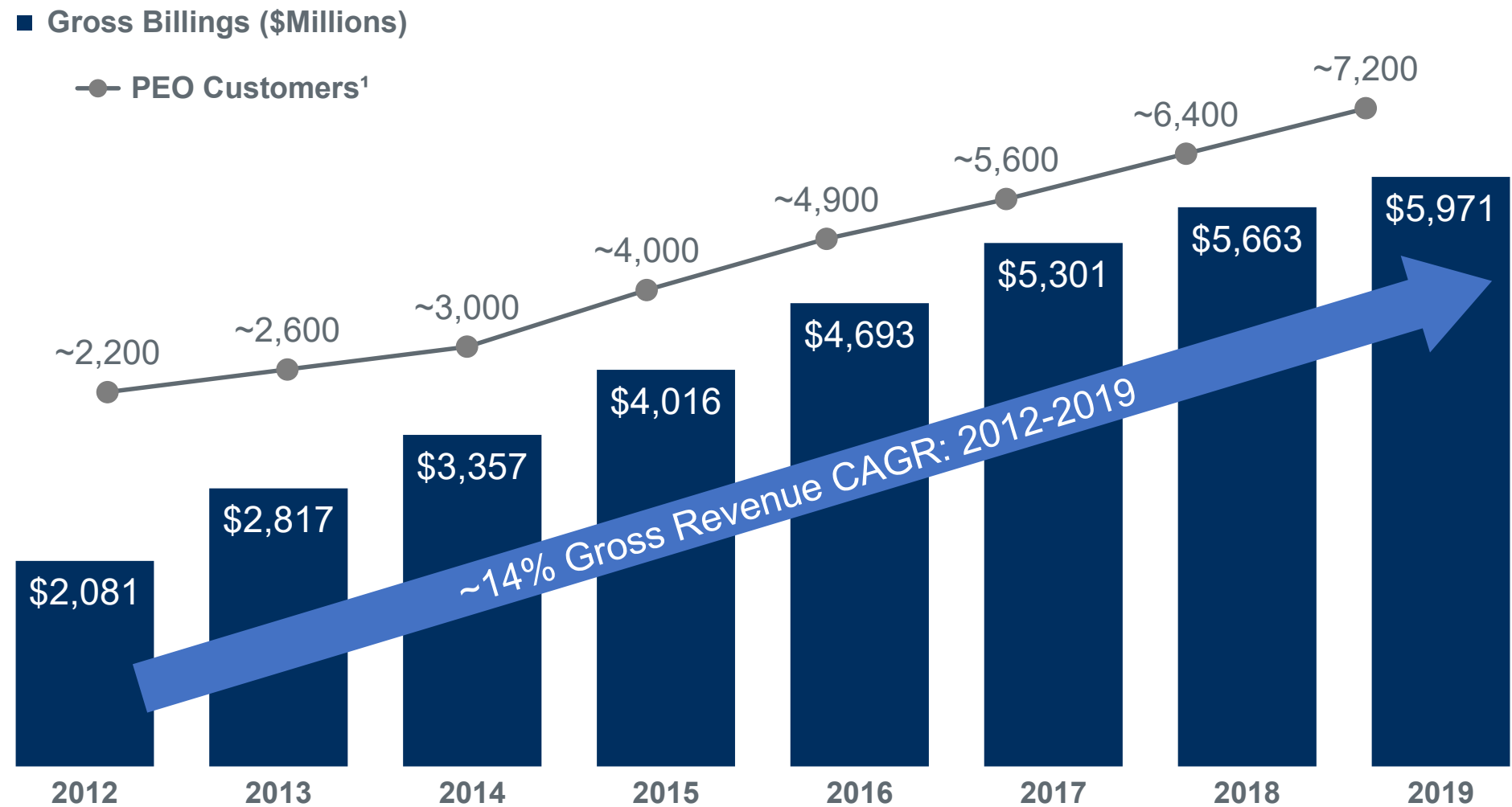


**BUSINESS MANAGEMENT SOLUTIONS**

**BLUEPRINT TO MORE  
EFFICIENTLY RUN BUSINESS**



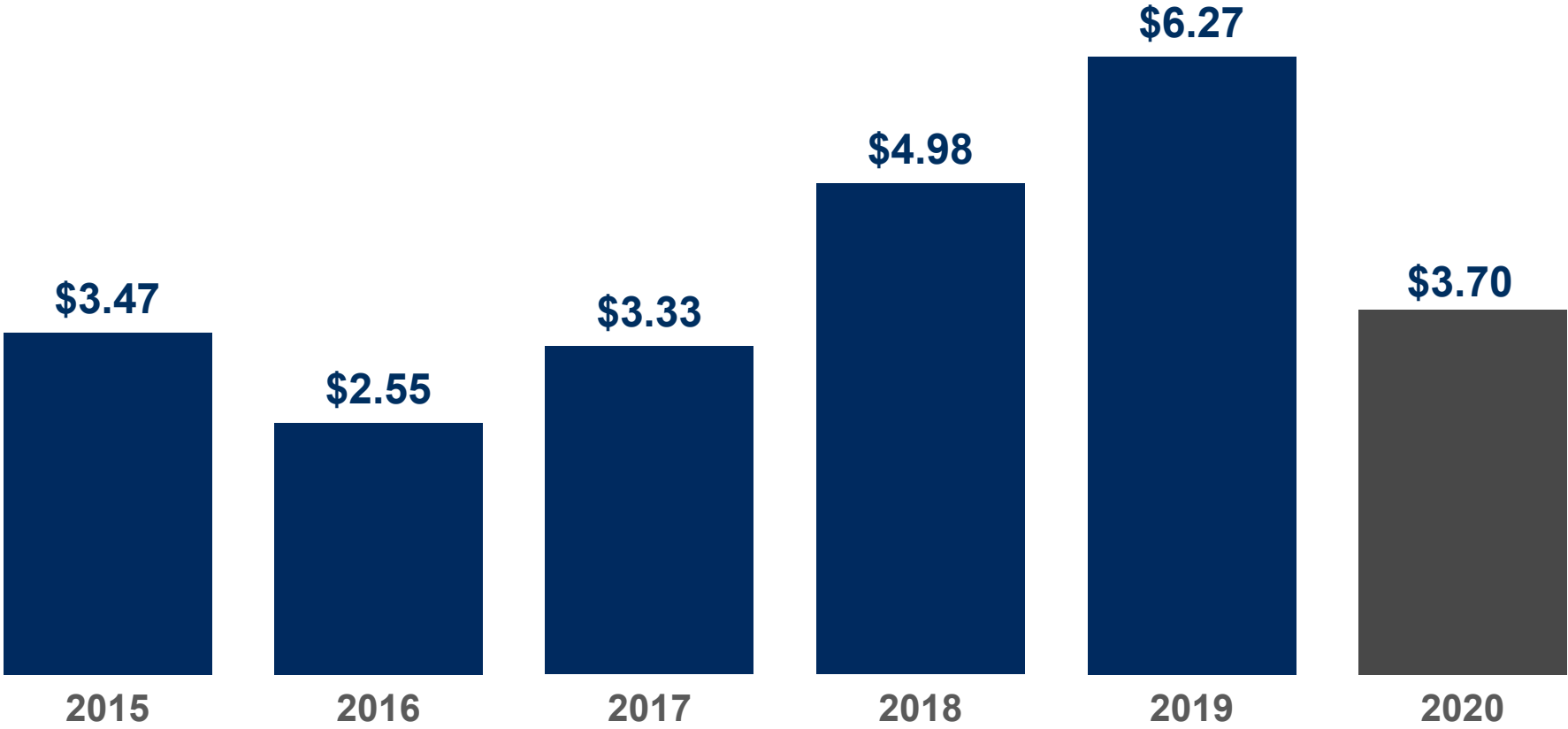
# ANNUAL GROSS BILLINGS & PEO CLIENT GROWTH



1. PEO customers defined as the active number of customer Federal Employee Identification Numbers. Please take into consideration this figure is a broad estimate of Company's actual client count. However, the Company does believe the number represents an effective proxy for the health of its business. 2019 client count represents the Company's estimated client count at the end of the year.



# ANNUAL DILUTED EPS PERFORMANCE



1. Outlook effective August 4, 2020. Includes an estimate that gross billings will decrease approximately 3% for the year, with the low point for gross billings occurring in the second quarter. This estimate assumes an effective tax rate of approximately 21%.

# KEY STATS: BBSI (NASDAQ)



## Trading Data (Sept 1, 2020)

<b>Stock Price</b>	<b>\$57.50</b>
52 Week High/Low	\$95.64/\$27.25
Avg. Daily Vol. (3 mo.)	59,392
Shares Outstanding	7.6M
Institutional Holdings	82%
Insider Holdings	5%

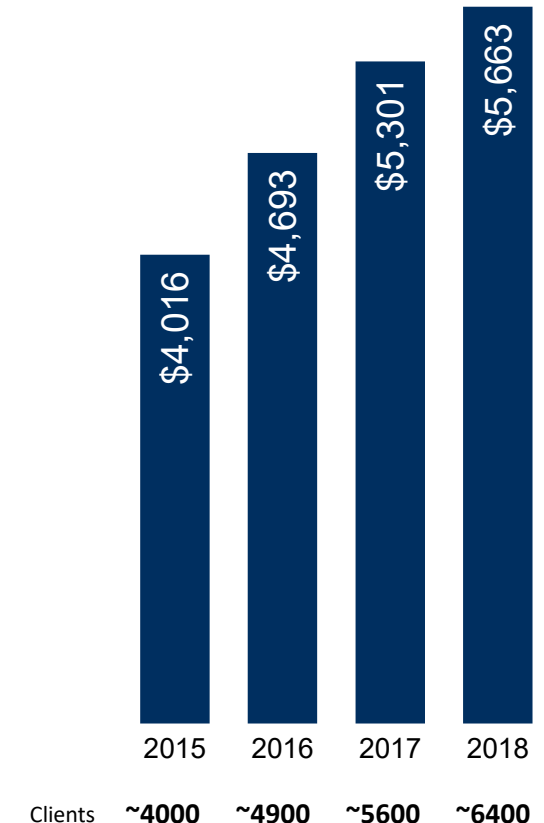
## Valuation Measures

<b>Market Cap</b>	<b>\$439.1M</b>
P/E (ttm)	9.9x
Dividend Payout Ratio (ttm)	21%

## Financial Highlights (June 30, 2020)

<b>Gross Billings (ttm)</b>	<b>\$5,996M</b>
Income from Ops. (ttm)	\$46.3M
Diluted EPS (ttm)	\$5.81
Cash <sup>1</sup> (mrq)	\$129.7M
Total Assets (mrq)	\$772.3M
Total Bank Debt (mrq)	\$3.8M
Total Liabilities (mrq)	592.5M
Total Equity (mrq)	\$179.9M

## Annual Gross Billings (\$Millions)



Source: CapitalIQ & Company filings.

ttm = trailing twelve months; mrq = most recent quarter.

1. Represents cash and cash equivalents, investments, and restricted cash and investments



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