



GEE Group

Employing America since 1893



Investor Presentation October 2016

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 as amended, including statements regarding the business of the Company and its industry generally, business strategy, anticipated future financial performance and prospects. All statements in this presentation other than those setting forth strictly historical information are forward-looking statements. These statements are based on the Company's estimates, projections, beliefs and assumptions and are not guarantees of future performance. The Company makes no assurances that estimates or projections of revenues, gross profit, gross margin, SG&A, EBITDA, adjusted non-GAAP EBITDA, adjusted non-GAAP operating income or loss, adjusted non-GAAP net earnings or loss, operating income or loss, net income or loss, operating cash flow, and other financial metrics will be achieved. These forward-looking statements are subject to various risks and uncertainties, which may cause actual results to differ materially from the forward-looking statements. Factors that could cause or contribute to such differences include actual demand for our services, our ability to attract and retain qualified recruiters, account managers and staffing consultants, our ability to remain competitive in obtaining and retaining staffing clients, the availability of qualified temporary and permanent placement personnel, our ability to manage growth including making and integrating strategic acquisitions, our ability to access capital to fund operations, working capital, capital expenditures and acquisitions, satisfactory performance of our enterprise-wide information systems and such other risk factors detailed in our periodic filings with the SEC including Form 10-K, Form 10-Q and all other filings. The Company disclaims any obligation to update these forward-looking statements except as required by law.



Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements presented on a GAAP basis, the Company periodically discloses non-GAAP Pro forma adjusted (adj.) EBITDA & adj. EBITDA, non-GAAP Pro forma & adj. Income (Loss) from Operations, non-GAAP Pro forma & adj. Working Capital, non-GAAP Pro forma & adj. Current Ratio, non-GAAP Pro forma & adj. Shareholders' Equity and non-GAAP Pro forma & adj. Debt to Equity Ratio because management uses these supplemental non-GAAP financial measures to evaluate performance period over period, to analyze the underlying trends in its business, to establish operational goals, to provide additional measures of operating performance, including using the information for internal planning relating to the Company's ability to meet debt service, make capital expenditures and provide working capital needs. In addition, the Company believes investors already use these non-GAAP measures to monitor the Company's performance. Pro forma Non-GAAP adj. EBITDA & adj. EBITDA are defined by the Company as Pro-forma net earnings or net earnings or loss before interest, taxes, depreciation and amortization (EBITDA) adjusted for the non-cash changes in derivative liability, acquisition, merger & integration costs plus non-cash stock-based compensation. EBITDA, Pro forma & adj. EBITDA, non-GAAP Pro forma & adj. Income (Loss) from Operations, non-GAAP Pro forma & adj. Working Capital, non-GAAP Pro forma & adj. Current Ratio, non-GAAP Pro forma & adj. Shareholders' Equity and non-GAAP Pro forma & adj. Debt to Equity Ratio are not terms defined by GAAP and the Company's measure of those non-GAAP measures and metrics might not be comparable to similarly titled measures and metrics used by other companies. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that either excludes or includes amounts that are not normally included in the most directly comparable measure calculated and presented in accordance with GAAP. The non-GAAP measures discussed above should be considered in addition to, and not as a substitute for, or superior to net income or net loss as reported for GAAP on the Consolidated Statements of Income, cash and cash flows as reported for GAAP on the Consolidated Statement of Cash Flows or other GAAP measures of financial performance as reflected on the Forms 10-Q & 10K filed for the respective periods. Reconciliation of all non-GAAP Measures are set forth in supplemental schedules to this presentation.



Company Overview



NYSE: JOB



GEE Group Overview

- **Geographic presence in over 26 markets providing staffing solutions**
- **Leading provider of specialty staffing services including Information Technology, Engineering, Healthcare, Accounting and Commercial fields**
- **Company was initially founded in 1893 and went public in 1967**
- **Company's growth fueled internally and via acquisitions**
- **Recent stock price (NYSE:JOB) \$4.91; ~9.4 million shares o/s; mkt cap ~\$46 Million**



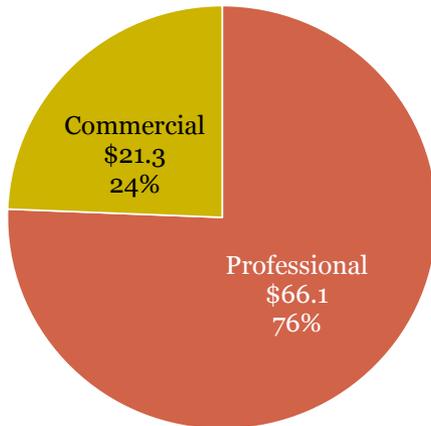
GEE Group Overview



Business Highlights

- New management team installed beginning in 2015
- Diversified portfolio across 8 different brands
- Brand portfolio heavily-weighted towards high-growth professional staffing verticals

Pro Forma Revenue Breakdown⁽¹⁾ (\$MM)



Note:

(1) Based on GEE management forecast. GEE fiscal year ends September 30.

Brands

Professional



- IT Staffing Solutions



- IT Staffing Solutions



- IT Staffing Solutions



- IT Staffing Solutions
- Engineering
- Accounting & Finance



- IT Staffing Solutions
- Accounting & Finance
- Engineering



- Engineering



- Health Care / EMR

Commercial



- Commercial Staffing



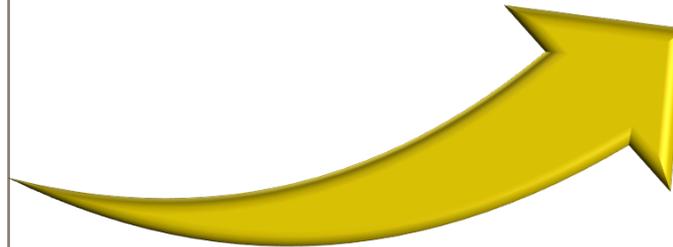
Best in Class Management with Proven CEO

1994 to 2010: AccuStaff / MPS Group (NYSE:MPS)

- In 1994, Derek Dewan named CEO of AccuStaff / MPS Group and subsequently takes the company public
 - 1994 Revenue: \$137 million
- Solidly established as a regional power in the early 1990s and later became global
- Engaged in an aggressive acquisition campaign, transforming company into a national staffing firm rivaling competitors such as Manpower, Robert Half and Randstad
- Market cap reached \$3.8 BN in 1998 and sold commercial division to Randstad for \$850 million in cash
- Sold (Revenue at \$2.2 BN) to Adecco in 2009 for approximately \$1.3 BN

2015 and beyond: GEE Group

- ✓ THE preeminent management team in staffing services with unmatched track record
- ✓ Proven track record of integrating complex acquisitions
- ✓ Building a scalable platform in a highly-fragmented market and increasing exposure to attractive professional staffing market
- ✓ Driving enhanced profitability and continued growth
- ✓ Once in a generation consolidation opportunity in a highly fragmented market



Management built one of the largest, most successful staffing platforms prior to joining GEE

Experienced Core Management

Andrew J. Norstrud, CFO – Mr. Norstrud joined General Employment in March of 2013 as CFO and has significant experience with public companies in many areas including financial reporting, restructuring for profitability and growth, acquisitions and technology. He is a CPA and was formerly with PricewaterhouseCoopers (PwC) and Grant Thornton.

Alexander P. Stuckey, President & COO – Mr. Stuckey built a successful services company which he sold to Cintas. He has significant experience in operations and finance, including tenure as a banking specialist in the special assets area.

Deborah Santora-Tuohy, President of Commercial Staffing – Mrs. Santora-Tuohy has significant experience in staffing and has been with the Commercial Staffing/ Light Industrial Division for over 23 years. She is in charge of that division's operations and is focused on internal growth and increased profitability.

Branch Level Managers – Most offices are operated by long tenured managers that have spent several years with General Employment or subsidiaries



Board Members

George A. Bajalia

- *President of Landmark Financial Corp.; served as President and Chief Executive Officer of the Prolianz Division of staffing conglomerate MPS Group Inc. (NYSE:MPS) and as its Chief Operating Officer*

William M. Isaac

- *Former Chairman of the Federal Deposit Insurance Corporation (FDIC) 1981 - 1985; Founded regulatory consulting firm The Secura Group, now a part of FTI Consulting, Inc. in which he serves as Senior Managing Director-Global Head of Financial Institutions Corporate Finance*

Dr. Arthur B. Laffer

- *Renowned economist who served in the Reagan Administration, best known for creating the Laffer curve concept; Founder, Chairman & CEO of Laffer Associates, Policy Co-Chairman of the Free Enterprise Fund, and author and contributor as an economic expert*

Peter J. Tanous

- *Founder and Chairman of Lynx Investment Advisory; Previously was Executive Vice President of Bank Audi (U.S.A.) in NYC and Chairman of Petra Capital Corporation, an international investment bank*

Thomas C. Williams

- *Chief Executive Officer of Innova Insurance Ltd. Mr. Williams, an acting Vice Chairman of Capital Management of Bermuda (previously Travelers of Bermuda)*



GEE Key Differentiators

- ✓ **Management team with a proven track record of building billion-dollar staffing business**
- ✓ **Public company with access to capital markets**
- ✓ **Leading provider of staffing services across attractive verticals**
- ✓ **Building highly-scalable platform**
- ✓ **Long-term associations with Fortune 500 caliber clients**

Staffing Industry Overview



NYSE: JOB

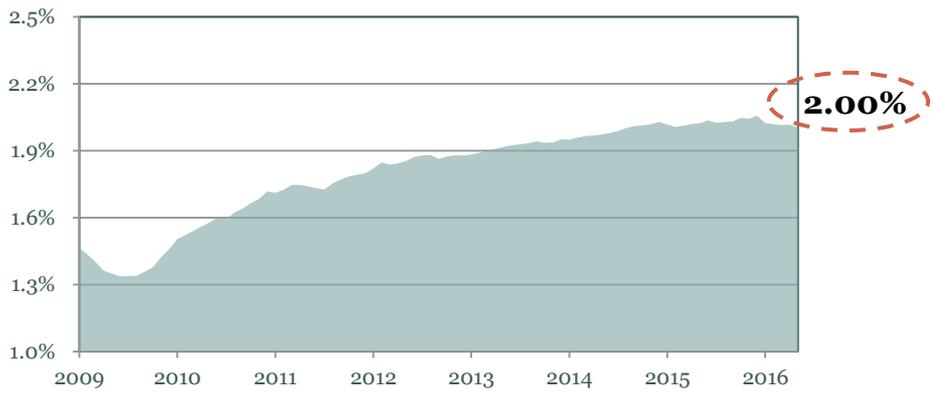




U.S. Staffing Industry Overview – \$142 BN Industry

- **Renewed focus on optimization and outsourcing post-crisis in the C-suite and board room**
- **Secular shift to temporary labor underway:**
 - **In the 5 years post recession, U.S. staffing firms created more new jobs than any other industry**
 - **U.S. staffing industry forecast to add the most jobs of any other industry over the next decade**
 - **Estimated that 47% of U.S. businesses will use temp staffing in 2016, up from 43% in 2014 according to Career Builder Survey**
- **U.S. temp staffing has only recently reached a 2.0% penetration rate, which is indicative of the significant potential for future growth and adoption of temp staffing**

U.S. Temporary Penetration Rate



Source: Bureau of Labor and Statistics. Monthly data series. Defined as total temporary workers as a percentage of all non-farm employees.

U.S. Staffing Industry Market Size (\$BN)



Source: SIA.



Drivers of Secular Shift to Temp Staffing

SUPPLY

Shift in attitude: Preference of flexible work hours

Necessity: Higher unemployment; part-time work

Pay/benefits: At times, pay is higher than full-time; portability of benefits

Technology: Easier to “port” skills to new employer; MSP & VMS to manage temp labor

DEMAND

Efficiency: Variable cost structure

Just- in- time labor: More companies using mix of permanent and temp

‘Made in America’ renaissance: Requires higher skilled labor

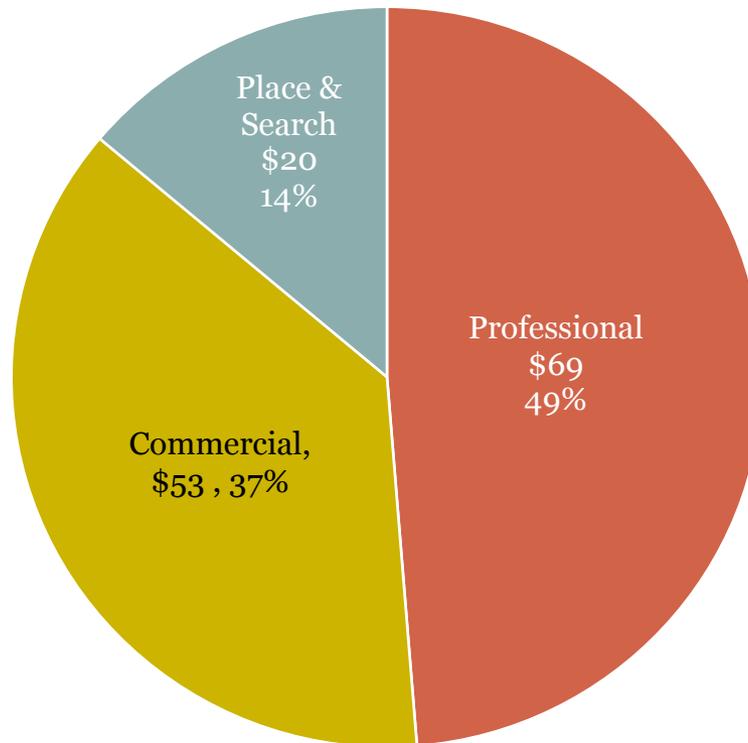
Economic and regulatory uncertainties: financial liability, healthcare reform



U.S. Staffing Market Breakdown

Professional market represents approximately half of the addressable market in the U.S.

U.S. Temporary Staffing and Place & Search Market (\$BN)



- Office / Clerical
- Industrial

**Commercial Staffing
2011A-2017P Growth
(CAGR): ~4%**

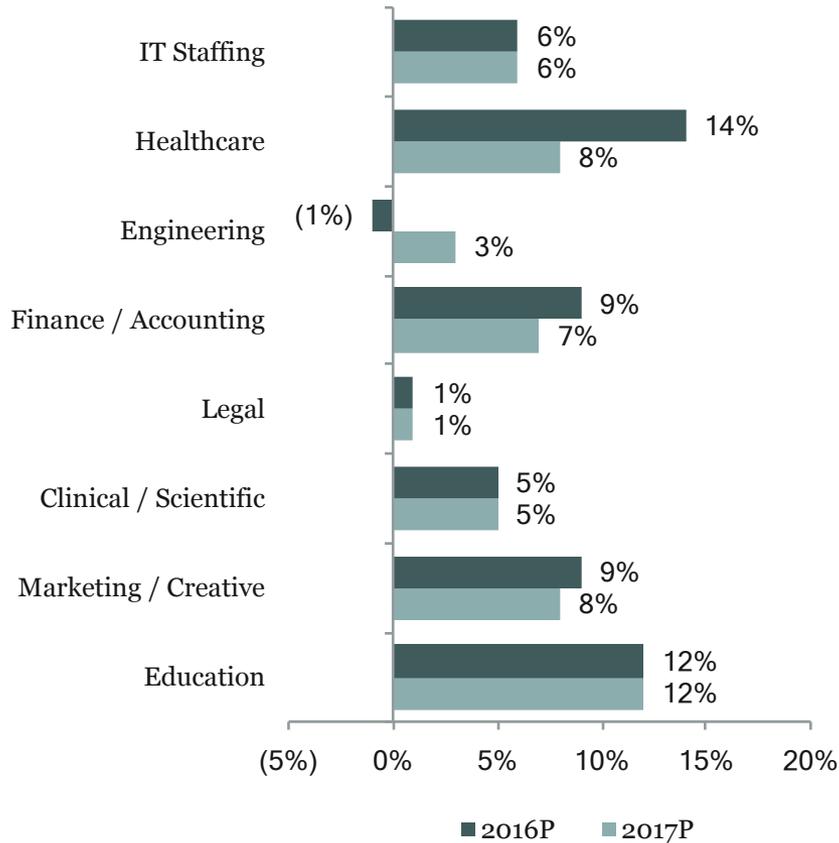
- IT Staffing
- Healthcare
- Finance / Accounting
- Engineering
- Legal
- Clinical / Scientific
- Marketing / Creative
- Education

**Professional Staffing
2011A-2017P Growth
(CAGR): ~7%**

U.S. Professional Staffing Market Breakdown

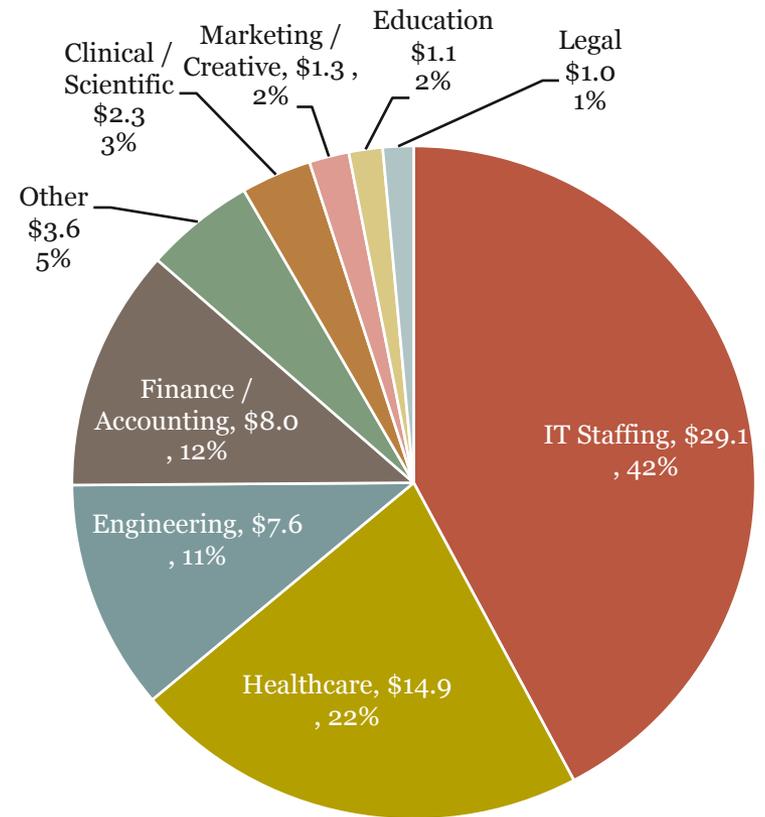
Professional staffing market size and growth by industry vertical:

U.S. Professional Staffing Growth



Source: SIA.

U.S. Professional Staffing Segments (\$BN)



Source: SIA. Based on 2016P statistics.



Focused On Growth Sectors

Professional Staffing Services (Est. 2016 Temp. Staffing Mkt. Size)

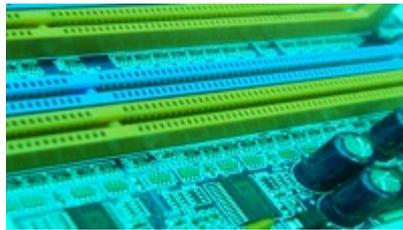
Healthcare \$14.9 billion



From 2011 – 2015, Healthcare staffing industry average revenue growth was 9% with 2016 projected at \$14.2 billion

Cost, ACA & Shortage of Drs., Nurses, Allied, Aging Population

IT \$29.1 billion



IT employment growth far exceeds US jobs growth

From 2000-2014 30% vs. 5.3%

Engineering \$7.6 billion



US needs est. 250,000 new engineers over next 10 years ; est. growth 5% in 2016

Maturing engineering workforces means new engineers will be aggressively sought



Demand for skilled IT workers in wake of cyber attacks ,HTML, Java, .net, PM

QA, cloud, data analytics, health IT, Big Data, BI

Severe shortage of qualified IT workers



Source: US Bureau of Labor, Staffing Industry Analyst

Source: US Bureau of Labor, Staffing Industry Analyst

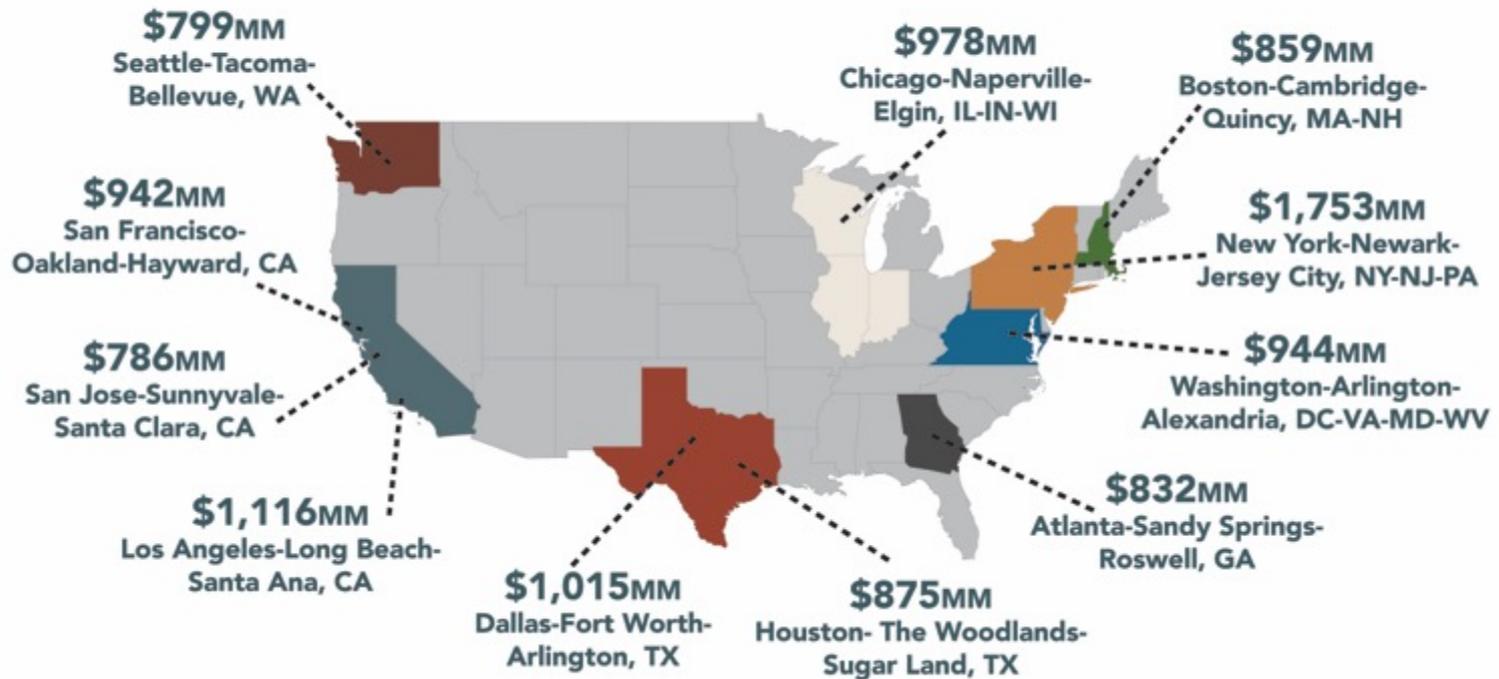
Source: US Bureau of Labor, Kelly Services



Information Technology Staffing Market

2016 Estimated Spend

Largest IT staffing markets



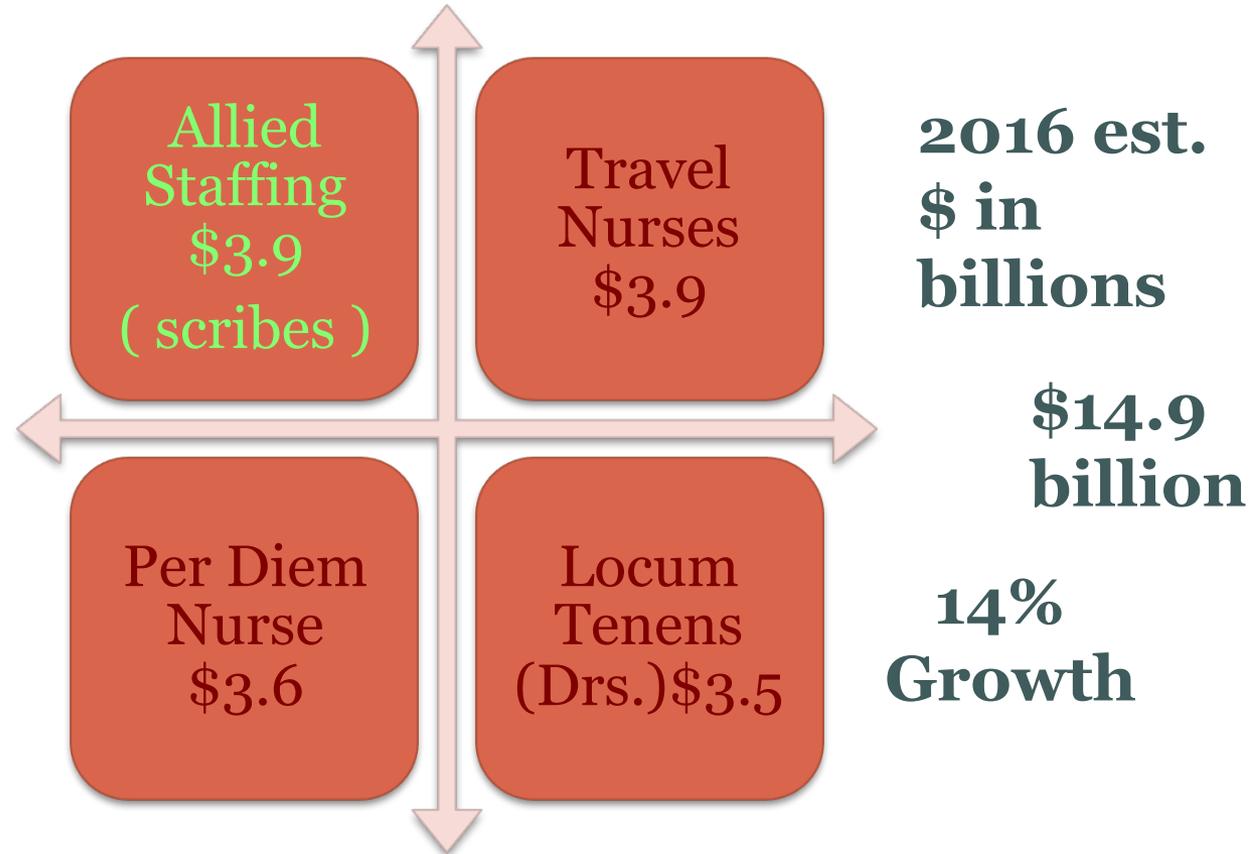
Source: Staffing Industry Analysts



Healthcare Staffing Segments/Opportunities

Estimate of 10 Largest Mkts.

- CA \$926mm
- TX \$753mm
- NY \$652mm
- FL \$525mm
- IL \$476mm
- PA \$468mm
- OH \$418mm
- MI \$378mm
- NC \$330mm
- GA \$285mm



Source: Staffing Industry Analysts

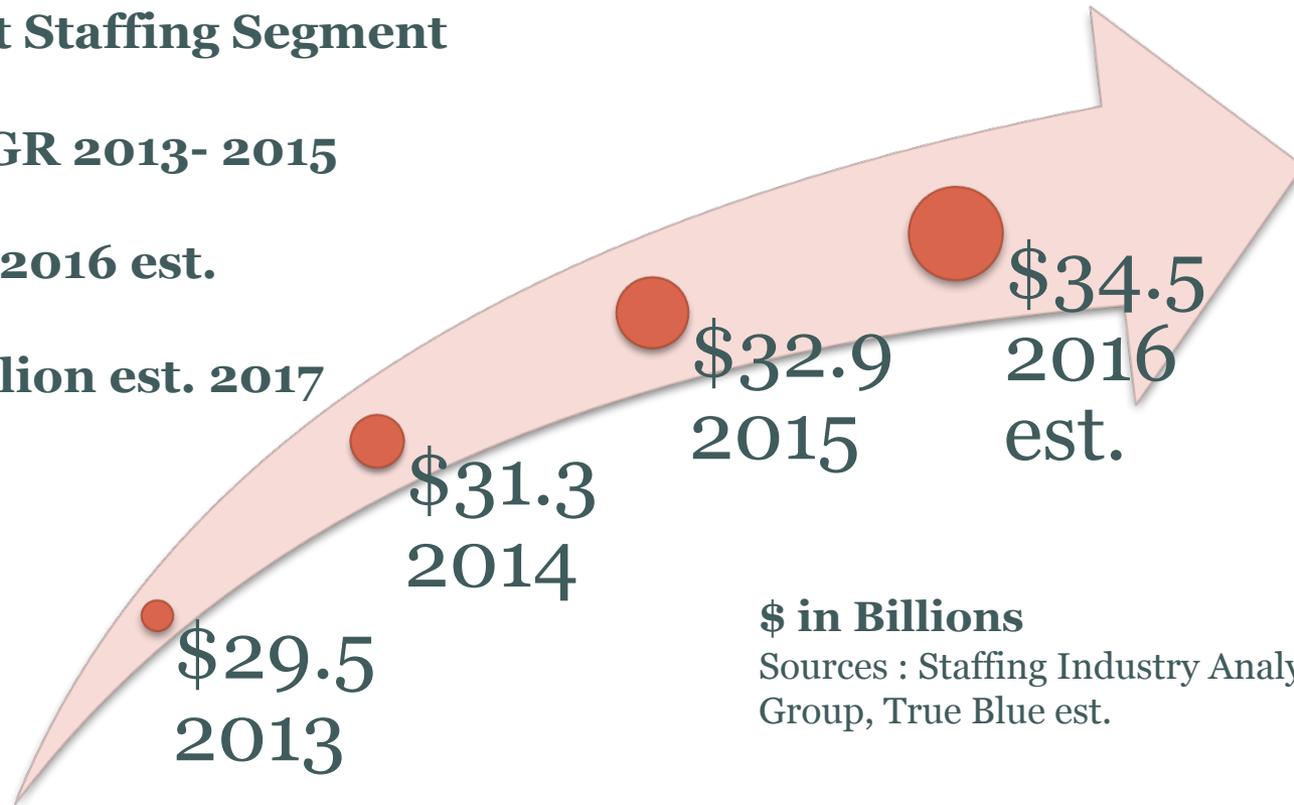
Industrial Staffing Sector Growth

Largest Staffing Segment

6% CAGR 2013- 2015

5% GR 2016 est.

\$40 billion est. 2017



\$ in Billions

Sources : Staffing Industry Analysts, Everest Group, True Blue est.

Industrial Staffing Sector Capabilities

Warehouse Support

- “E” commerce
- Logistics

Just-in-Time Labor

- Advanced Mfg. & Robotics & Automation Support
- Construction Support

Company Position



NYSE: JOB



National Staffing Brands



✓ GEE Group has leading brands in the IT, engineering, finance and accounting and healthcare staffing spaces and these brands are continuing to grow nationwide



Brands

Professional

 **ACCESS DATA CONSULTING CORPORATION** • IT Staffing Solutions
BRIDGING TECHNOLOGY TO BUSINESS

 **AGILE** • IT Staffing Solutions
WE SPEED YOUR TIME TO TALENT

 **AE ashley ellis** • IT Staffing Solutions

 **General Employment** • IT Staffing Solutions
• Engineering
• Accounting & Finance

 **PALADIN** • IT Staffing Solutions
• Accounting & Finance
• Engineering

 **OMNIONE** • Engineering

 **SCRIBE SOLUTIONS** • Health Care / EMR
Leadership • Compliance • Productivity

Commercial

 **TRIAD Personnel** • Commercial Staffing

Office Locations – National Presence



- Information Technology Staffing
- Engineering Staffing
- Accounting Staffing
- Trades Staffing
- Light Industrial Staffing
- Healthcare Staffing

- Access Data
- Agile
- Ashley Ellis
- General Employment
- Omni One
- Paladin
- Triad



Growth Strategy



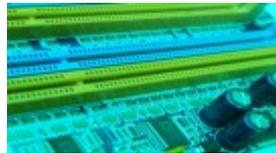
NYSE: JOB



Diverse opportunity set exists today across both organic opportunities and via M&A

Organic Growth Opportunities

- Provide new, innovative & enhanced menu of professional service offerings to customers in existing markets and cross-sell multiple specialties - IT, Finance and Accounting, Engineering, Healthcare and Legal
- Enter fastest growing markets by following customers and through geographic footprint expansion with a complete menu of service offerings
- Create national wholesale division for IT and aggressively pursue MSP & VMS accounts
- Capitalize on commercial opportunities from shortage of blue collar workers , increased regulation, logistics & E-Commerce



Focused on high growth staffing end-markets

Strategic Growth Opportunities

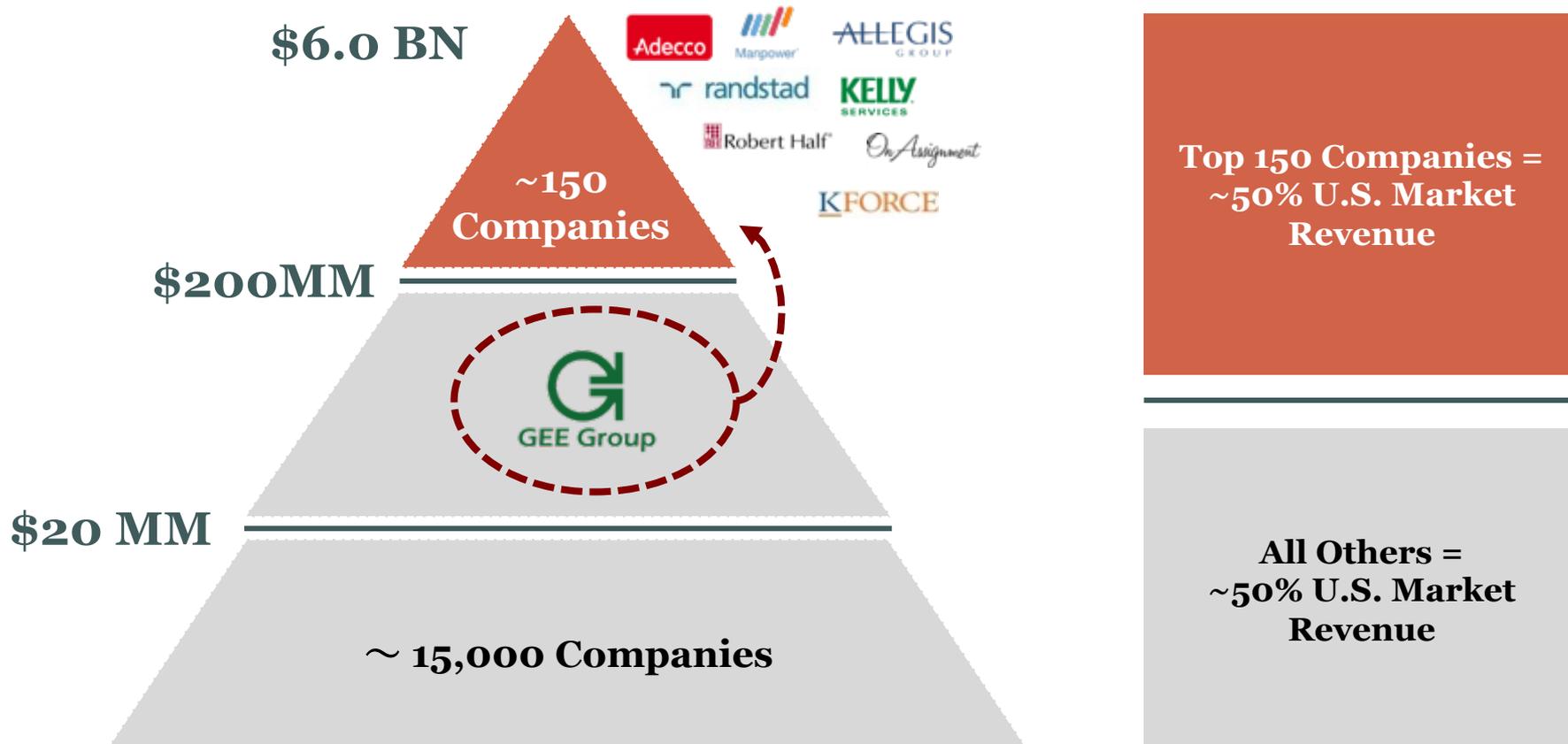
- Strengthen existing service offerings & enhance mkt. share
- Add new recruiting, sales & management talent
- Add complementary high growth services & specialties
- Add new client/business opportunities
- Expand into new geographies and markets

Strategic Acquisition Criteria

- ✓ Well-managed with experienced operators
- ✓ High gross & EBITDA margins
- ✓ Consistent revenue growth
- ✓ Accretive to earnings
- ✓ Limited enterprise risk and extensive due diligence
- ✓ Pricing commensurate with profitability & growth
- ✓ Consideration consists of cash, stock, seller & bank financing

The Consolidation Opportunity

Highly-fragmented market presents massive roll-up potential:



GEE Goal: Exceed \$1 Billion in Revenue with Expanded EBITDA Margins

Recent Acquisitions

In chronological order from 2015 to 2016 YTD:



- **Scribe Solutions provides Emergency Rooms (ER) & Physician Practices with highly trained medical scribes for personal assistant work in connection with electronic medical records (EMR)**



- **Agile Resources delivers unique CIO advisory services and IT project support resources in the areas of application architecture and delivery, enterprise operations, information lifecycle management and project management all with flexible delivery options**



- **Access Data Consulting provides higher-end IT consulting and IT contract staffing services including project management support to businesses regionally and throughout the U.S. from its office locations in the Denver Tech Center ("DTC" in Greenwood Village) and Colorado Springs**



- **Paladin Consulting acquisition adds additional Resource Process Outsourcing (RPO), Managed Service Provider (MSP) and Vendor Management (VMS) capabilities**

Financial Overview



NYSE: JOB



Business Model Highlights

Evolving platform focus to concentrate on professional staffing business lines

Selected Pro Forma Statistics

	FY16E ⁽¹⁾	FY17E ⁽¹⁾	Long-Term Target
Professional Revenue <i>(% of total)</i>	76%	85%	Greater than 95%
Commercial Revenue <i>(% of total)</i>	24%	15%	Less than 5%
Combined Gross Margin	28%	30%	30% - 32%+

Strategic Considerations

- Growing professional staffing segment focuses on high margin/higher bill rate business
- Current Professional gross margin target range: 24% to 32%+
- Current Commercial gross margin target range: 11% to 17%

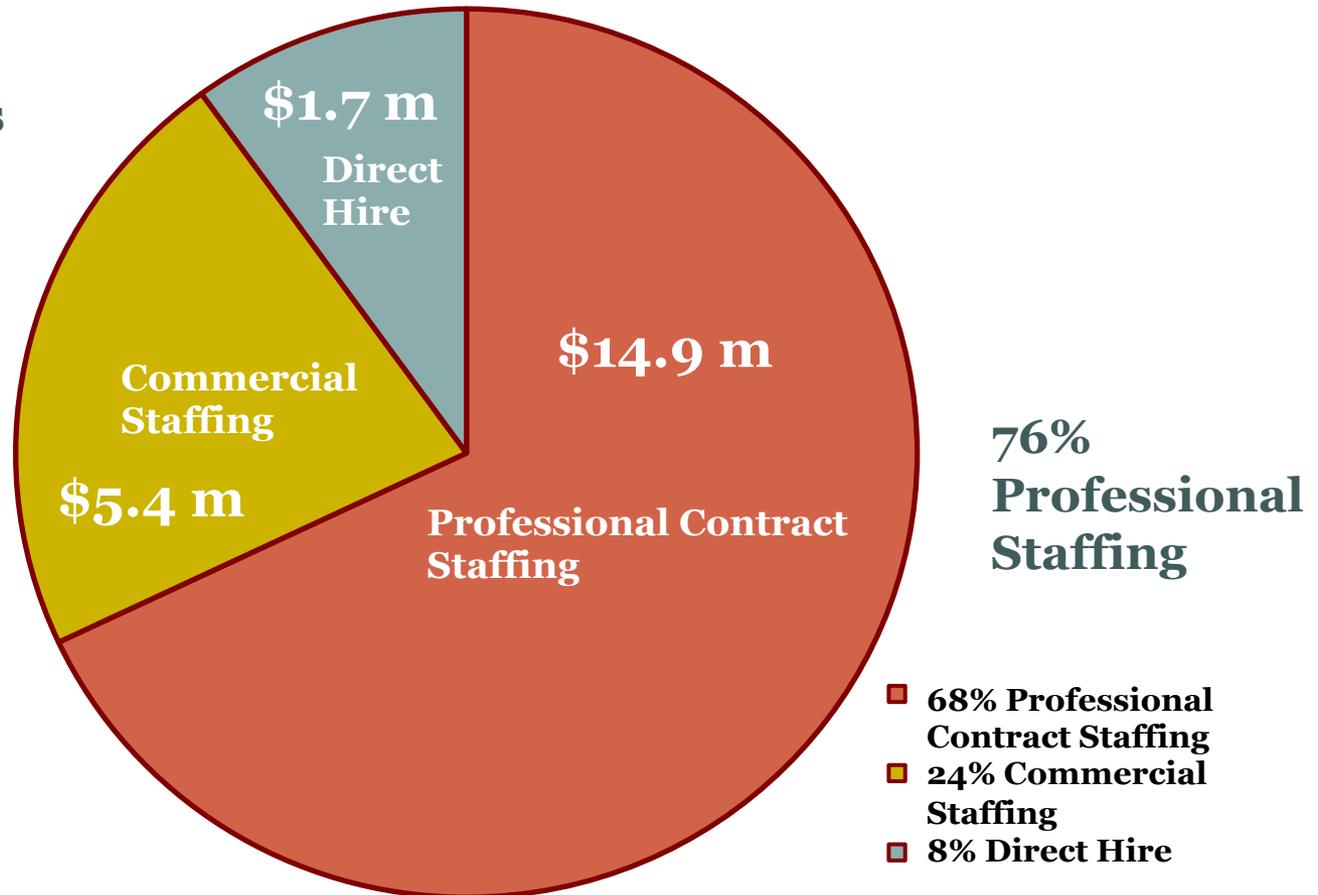
Note:

(1) GEE projections based on GEE management forecast. GEE fiscal year ends September 30. Assumes completion of a new \$20MM annualized revenue acquisition each quarter, starting in Q2 of FY17 (3 months ending in March 2017) from FY17 through FY20.



Staffing Services Revenue Mix (per Form 10Q)

6/30/16 3rd Qtr.
Staffing Services
Revenue \$22 m



Gross Margin Profile

Third Qtr. 6/30/16	Contract Light Industrial	Professional Contract & Direct Hire
% of Revenues	24 %	76%
Combined Gross Margin	13.1%	33%
Target Gross Margin Range	11% – 17%	24-32%

* Data derived from 6/30/16 Quarterly Unaudited Financial Information from Form 10Q



Strengthened Balance Sheet

Highlights

Shelf Registration (Form S-3) Filed for \$75 Million

Common Stock Equity Offering Raised \$7.8 Million (Shelf Takedown)

Long Term Subordinated Debt Offering Raised \$4.2 Million

Convertible Pfd. Stock Offering Provided \$2 in Additional Common Stock Equity (Converted)

Please refer to SEC Filings on Forms 10Q, 8K, 8Ka, S-3 and prospectus supplements for 2015 & 2016 for additional information.



SELECT HISTORICAL & PRO-FORMA & NON-GAAP FINANCIAL HIGHLIGHTS (Forward-Looking Statements)

- **2016 Third Quarter (6/30/16 Form 10Q) Revenue of \$22 million**
- **2016 Third Quarter (6/30/16) EBITDA of \$1.5 million and adjusted EBITDA of \$1.3 million**
- **Fiscal Year Ending 9/30/16 estimated annualized pro-forma (based on 3rd qtr. actual) projected range of revenue of approximately \$85 - \$87.5 million including Paladin**
- **Fiscal year ending 9/30/16 estimated annualized pro-forma (based on 3rd qtr. actual) projected range of EBITDA and adjusted EBITDA of approximately \$4.5 - 5 million including Paladin**

Note: Certain pro forma financial information included herein is considered forward-looking statements and Non-GAAP Financial Measures. See disclaimer at the beginning of this presentation and reconciliation of Non-GAAP to GAAP Financial Information in this presentation. Refer to Form 10Q and Form 8K for 6/30/16.



Reconciliation of Non-GAAP Adjusted EBITDA to GAAP Net Income (Loss)

Reconciliation of Non-GAAP Adjusted EBITDA to GAAP Net Income (Loss) Quarter Ended June 30,

(In thousands)

	2016	2015
Net income (Net loss), GAAP	\$ 528	\$ 118
Interest expense, net	418	133
Taxes	1	-
Depreciation and amortization	518	170
EBITDA	1,465	421
Stock compensation & stock option expenses	202	46
Acquisition, integration & restructuring	29	-
(Gain) or loss on change in derivative liability & loss on debt ext.	-	(44)
Change in contingent consideration	(425)	-
Non-GAAP adjusted EBITDA	\$ 1,271	\$ 423



Reconciliation of Non-GAAP Adjusted Income (Loss) from Operations

Reconciliation of Non-GAAP Adjusted Income (Loss) from Operations Quarter Ended June 30,

(In thousands)

	2016		2015	
Income (loss) from operations, GAAP	\$	522	\$	207
Stock compensation & stock option expense		202		46
Acquisition, integration & restructuring		29		-
Non-GAAP adjusted income (loss) from operations	\$	<u>753</u>	\$	<u>253</u>



GEE Group Investment Merits

Staffing is a Terrific Market

- **\$142 billion domestic industry with strong growth potential**
- **Secular changes in the U.S. economy requiring “on-demand labor” have led to very favorable trends in the staffing industry**
- **Staffing continues to be a highly fragmented market that is ripe for consolidation by General Employment**

Experienced Management Team

- **Management has run a multi-billion dollar staffing business**
- **Completed over 100 staffing acquisitions**
- **Orchestrated a very successful exit with positive outcome for shareholders**

GEE Re-energized

- **Strengthened management, operations team and board**
- **Fortified balance sheet to support growth**
- **Rationalized expenses & reduced SG&A**
- **Organic growth and strategic acquisitions**

GEE... AccuStaff/MPS Group Reborn ; Another Opportunity to Invest in the Next Great Staffing Business



Questions?



NYSE: JOB

