



Volt Information Sciences, Inc.

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VOLT[®]



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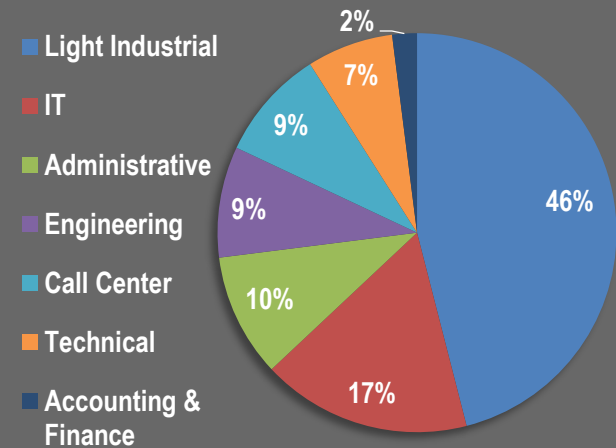
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Company Overview

VOLT

- Global provider of traditional staffing services in a large and growing addressable market, with scale in a fragmented industry across broad geographies, segments and job categories
- Established brands and long-term blue chip customer relationships position Volt to grow both profitability and shareholder value
 - Client roster currently includes over 40% of the Fortune 100, with an average length of relationship of 25 years
- Executing operational turnaround strategy
 - Divested non-core assets
 - Upgrading infrastructure / streamlining processes
 - Significantly improving balance sheet and liquidity
 - New experienced Board and CEO
 - Strong new leadership team with track record of success

2016 VOLT N.A. STAFFING REVENUE BY SKILLSET



U.S. ADDRESSABLE MARKET

Volt is well positioned to address approximately **80%** of the staffing services **\$135+ BILLION*** addressable market

*Source: Staffing Industry Analysts U.S. Staffing Industry Forecast (September 2016)



Need for a Turnaround

2015: The Situation

- Years of significant revenue decline and losses
- Limited cash/ liquidity, high leverage
- Unfocused management and strategy
- Notable lack of investment in sales and clients
- Poor processes, low accountability, and weak culture

2017: The Opportunity

- All of the above was considered fixable
- Solid framework
 - 60 year old established brand
 - Great quality of product/ delivery
 - Premier clients
 - Scale

Growth Plan – Three Pillars

VOLT

Strengthen the Foundation

- **Divested all non-core businesses**
- **Monetized real estate holdings**
- **Enhanced global liquidity** while de-leveraging balance sheet
- **Restructured debt**
- Resolved and **received \$13.8M IRS refund**

OUTCOME

- **Corporate foundation stabilized**

Reduce Costs and Enhance Margins

- Completed the **launch of enterprise-wide IT platform**, \$5-7M annual cost reductions expected next year
- **Reduced FY 2016 SG&A by 12%** net of investments
- **FY 2017 gross margin improvement of 70 bps YTD**

FOCUS NOW

- **Further SG&A reductions**
- **Further expand gross margins** by targeting higher margin business and operational improvements

Generate Top Line Growth

- **Strengthened team and restructured organization**
- **Restructured compensation** to align with results
- Developed a **culture of accountability**

FOCUS NOW

- **Reverse revenue attrition from existing clients** (strengthen client relationship mgt.)
- **Expand pipeline of new clients** (strengthen sales strategy)

Strengthen the Foundation: Details

VOLT

Strengthen the Foundation

Reduce Costs and Enhance Margins

Generate Top Line Growth

**Goal: Simplify corporate structure and streamline operational focus
Strengthen balance sheet and improve financial flexibility**

Divested

- Computer Systems
- Uruguayan Printing & Publishing Business
- Volt Telecommunications Group

Divested

- Advice (Uruguayan staffing business unit)

Divested:

Maintech (global IT Infrastructure Business) for **net proceeds of \$13.1 million**

Received **IRS tax refund of \$13.8 million**

Sale of company-owned real estate in Orange & San Diego, CA for aggregate **net cash proceeds of \$29 million**

Divested:

- **VMC segment's quality assurance testing business for net proceeds of \$64 million**

Outcome: Monetized ~\$120 million of non-core and tax assets

Action Plan Underway to Stabilize & Grow Revenues

VOLT

**Strengthen the
Foundation**

**Reduce Costs and
Enhance Margins**

**Generate Top
Line Growth**

WIN

- Win more new customer engagements to offset normal business attrition
- Investing in additional salesforce and training
- Realizing cross-selling opportunity between VWS (North American Staffing) and VCG (MSP Business)

FILL

- Fill clients needs efficiently with high quality candidates
- Expand recruiting team and resources in key areas

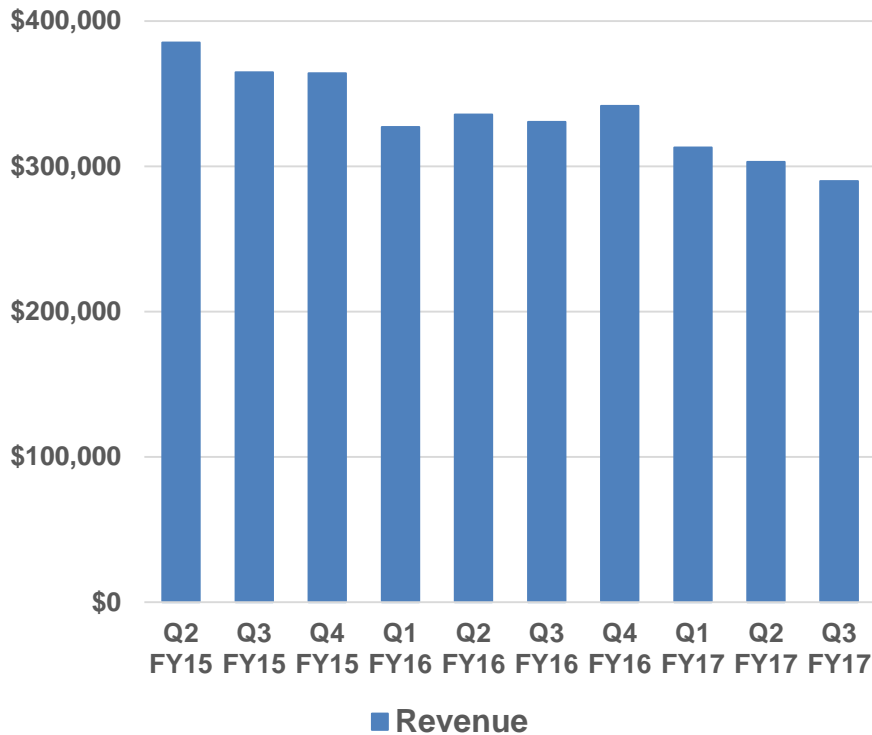
GROW

- Grow business with existing customer base
 - Blue chip, Fortune 500 customers
- Improve customer relationship management capabilities
 - Organizational realignment
 - Enhance employee training
 - Expand client relationship planning

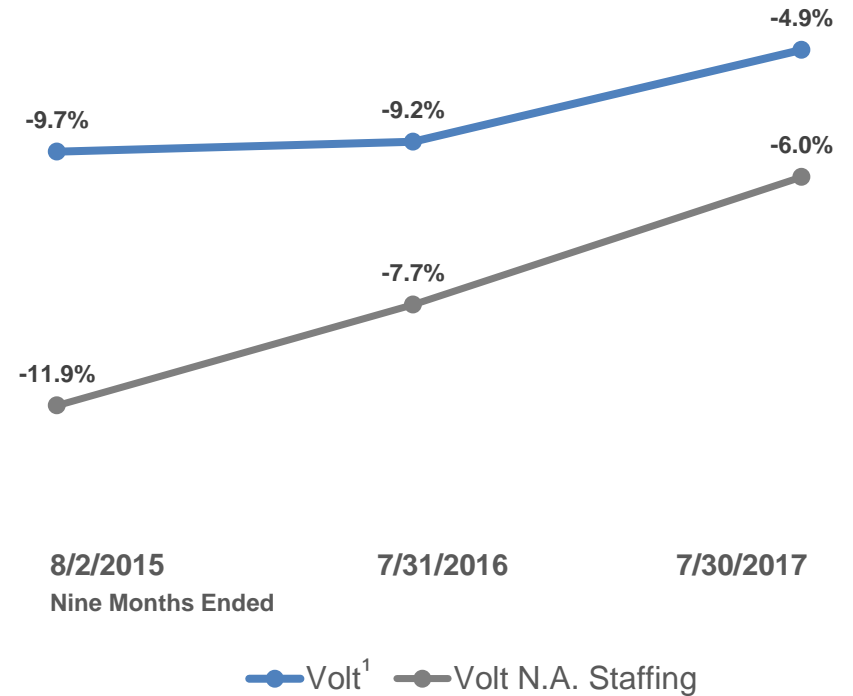


Bending the Revenue Curve

Revenue



Revenue Growth Rates (Year over Year)



Note¹: Volt revenue excludes FX impact and businesses sold or exited during the past twelve months



Selected Balance Sheet Metrics

	<u>New Board & Leadership Team</u>	<u>Now</u>
	Q2 FY15	Q3 FY17
Cash & Cash Equivalents	\$7.2 M	\$16.4 M
Debt	\$137.7 M	\$100.0 M
Available Liquidity	\$15.1 M	\$38.9* M

- ***Stabilizing liquidity while investing in business***
- ***Successfully deleveraging balance sheet***
- ***New credit facility with more favorable terms***

Note*: Q3 2017 available liquidity balance as of September 1, 2017



Significant Tax Assets

Entering 2017

Capital Loss Carryforwards	\$55 M
Federal Tax Credits	\$48 M
Net Operating Loss Carryforwards (Federal)	\$145 M
Recoverable Domestic Income Taxes ¹	\$13.8 M received and \$3.0 M pending for 2004-2010 claims

- ***Significant value from tax assets to be unlocked going forward***
- ***Tax attributes will help shelter future earnings and transaction gains***

Note¹: During the second quarter of fiscal 2017, the Joint Committee of the IRS approved the federal portion of the IRS refund from the filing of the Company's amended tax returns for fiscal years 2004 through 2010 resulting in the receipt of approximately \$13.8 million. The remaining receivable of approximately \$3.0 million, relates to refunds which can now be applied for and finalized as a result of the IRS audit conclusion and are expected to be received over the next several quarters.



More to accomplish with significant opportunity

A large, dark grey arrow pointing upwards, positioned to the left of the two main sections of the slide.

Positive Investment Fundamentals

- Scale player in a large growth industry
- Established brand; long-standing blue chip customers
- New Leadership executing turnaround plan for nearly 2 years

Tangible Progress / Proof of Concept

- Stabilized/ strengthened balance sheet & liquidity
- Successful investment in team and technology
- Improving operations & financials
- Inexpensive valuation given progress to date



APPENDIX



Revenue Reconciliation

Dollars in thousands

	Nine Months Ended			
	August 3, 2014	August 2, 2015	July 31, 2016	July 30, 2017
GAAP Revenue	1,280,357	1,132,923	993,169	905,953
Adjustments:				
Businesses sold or exited	113,361	87,190	55,516	23,528
FX Impact	35,396	23,745	9,886	207
Adjusted Revenue	<u>1,131,600</u>	<u>1,021,988</u>	<u>927,767</u>	<u>882,218</u>