UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 31, 2017

TRUEBLUE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction of Incorporation)

001-14543	**91-1287341**
(Commission File Number)	**(IRS Employer Identification No.)**
1015 A Street, Tacoma, Washington	**98402**
(Address of Principal Executive Offices)	**(Zip Code)**

(253) 383-9101
(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On July 31, 2017, TrueBlue, Inc. (the “Company”) issued a press release (the “Press Release”) reporting its financial results for the second quarter ended July 2, 2017, and revenue and earnings guidance for the third quarter of 2017, a copy of which is attached hereto as Exhibit 99.1 and the contents of which are incorporated herein by this reference. Also attached to this report as Exhibit 99.2 is a slide presentation relating to the financial results for the second quarter ended July 2, 2017 (the “Earnings Results Presentation”), which will be discussed by management of the Company on a live conference call at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time) on Monday, July 31, 2017. The Earnings Results Presentation is also available on the Company's website at www.trueblue.com.

In accordance with General Instruction B.2. of Form 8-K, the information contained above in this report (including the Press Release and the Earnings Results Presentation) shall not be deemed “Filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall the Press Release or the Earnings Results Presentation be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. This report will not be deemed a determination or an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Item 7.01. Regulation FD Disclosure.

We are also attaching our Investor Presentation (the "Investor Presentation") to this report as Exhibit 99.3, which we will reference in our Q2 2017 earnings results discussion and which may be used in future investor conferences. The Investor Presentation is also available on the Company's website at www.trueblue.com.

In accordance with General Instruction B.2. of Form 8-K, the information contained above in this report (including the Investor Presentation) shall not be deemed “Filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall the Investor Presentation be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. This report will not be deemed a determination or an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Press Release dated July 31, 2017
99.2	Earnings Results Presentation for July 31, 2017 conference call
99.3	Investor Presentation

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRUEBLUE, INC.
(Registrant)

Date:	7/31/2017	By:	*/s/ Derrek L. Gafford*
			Derrek L. Gafford
			Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS FISCAL SECOND QUARTER 2017 RESULTS

TACOMA, WA-July 31, 2017-- TrueBlue, Inc. (NYSE:TBI) announced today its fiscalsecond quarter 2017 results.

Revenue was $610 million, a decrease of 9 percent, compared to revenue of $673 million in the fiscal second quarter of 2016. Excluding the previously disclosed reduction in the scope of services provided to the company's former largest customer, revenue declined by 5 percent. Net income per diluted share was $0.31 compared to a loss of $1.53 in the fiscal second quarter of 2016. Adjusted net income per diluted share[1] was $0.42 compared to $0.54 in the fiscal second quarter of 2016.

“This quarter’s results were consistent with our expectations,” TrueBlue CEO Steve Cooper said. “Our strategic focus emphasizes pricing discipline over simply expanding market share. Combined with our reduction of operating expenses, this is the right approach given the modest demand environment.

“We are pleased with our expanding presence in high-growth, high-margin recruitment process outsourcing and productivity-based solutions. We are equally excited about our mobile strategy, which creates a competitively differentiated service offering to drive future growth.”

2017 Outlook

The company estimates revenue for the fiscal third quarter of 2017 will range from $645 million to $660 million. It also expects net income per diluted share will range from $0.46 to $0.51. Adjusted net income per diluted share[1] is expected to be $0.55 to $0.60.

Management will discuss second quarter 2017 results on a webcast at 2 p.m. PT (5 p.m. ET), today, Monday, July 31. The webcast can be accessed on TrueBlue’s website: www.trueblue.com.

About TrueBlue:

TrueBlue (NYSE: TBI) is a leading provider of specialized workforce solutions that help clients create growth, improve efficiency and increase reliability. TrueBlue connected over 815,000 people with work during 2016 in a wide variety of industries through its PeopleReady segment offering industrial staffing services, PeopleManagement segment offering onsite workforce management and PeopleScout segment offering Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP) solutions. Learn more at www.trueblue.com.

[1] See the financial statements accompanying the release and the company’s website for more information on non-GAAP terms.

Forward-looking Statements

This release contains forward-looking statements relating to our plans and expectations, all of which are subject to risks and uncertainties. Such statements are based on management’s expectations and assumptions as of the date of this release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements. We presently consider the following to be among important factors that could cause actual results to differ materially from the company’s expectations: (1) national and global economic conditions, (2) our ability to attract and retain customers, (3) our ability to maintain profit margins, (4) new laws and regulations that could have a material effect on our operations or financial results, (5) our ability to successfully complete and integrate acquisitions. Other information regarding factors that could materially affect our results is included in our SEC filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our website at www.trueblue.com under the Investor Relations section or the SEC's website at www.sec.gov. We assume no duty to update or revise any forward-looking statements contained in this release.

Contact:
Derrek Gafford, EVP & CFO
253-680-8214

TRUEBLUE, INC.
SUMMARY CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share data)

	13 Weeks Ended		26 Weeks Ended	
	Jul 2, 2017	**Jun 24, 2016**	**Jul 2, 2017**	**Jun 24, 2016**
Revenue from services	**$ 610,122**	$ 672,612	**$ 1,178,366**	$ 1,318,592
Cost of services	**454,842**	502,688	**883,657**	998,156
Gross profit	**155,280**	169,924	**294,709**	320,436
Selling, general and administrative expense	**124,754**	135,787	**246,598**	266,411
Depreciation and amortization	**12,287**	11,694	**23,461**	22,983
Goodwill and intangible asset impairment charge	**—**	99,269	**—**	99,269
Income (loss) from operations	**18,239**	(76,826)	**24,650**	(68,227)
Interest and other income (expense), net	**155**	(887)	**229**	(1,906)
Income (loss) before tax expense	**18,394**	(77,713)	**24,879**	(70,133)
Income tax expense (benefit)	**5,260**	(13,978)	**7,071**	(13,366)
Net income (loss)	**$ 13,134**	$ (63,735)	**$ 17,808**	$ (56,767)
Net income (loss) per common share:				
Basic	**$ 0.32**	$ (1.53)	**$ 0.43**	$ (1.36)
Diluted	**$ 0.31**	$ (1.53)	**$ 0.43**	$ (1.36)
Weighted average shares outstanding:				
Basic	**41,579**	41,688	**41,608**	41,595
Diluted	**41,856**	41,688	**41,875**	41,595

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands)

	Jul 2, 2017	Jan 1, 2017
Assets		
Cash and cash equivalents	**$ 29,123**	$ 34,970
Accounts receivable, net	**337,058**	352,606
Other current assets	**28,524**	40,227
Total current assets	**394,705**	427,803
Property and equipment, net	**61,821**	63,998
Restricted cash and investments	**229,931**	231,193
Goodwill and intangible assets, net	**341,435**	349,894
Other assets, net	**50,981**	57,557
Total assets	**$ 1,078,873**	$ 1,130,445
Liabilities and shareholders' equity		
Current portion of long-term debt	**$ 23,989**	$ 2,267
Other current liabilities	**206,818**	248,868
Long-term debt, less current portion	**87,204**	135,362
Other long-term liabilities	**227,288**	218,769
Total liabilities	**545,299**	605,266
Shareholders' equity	**533,574**	525,179
Total liabilities and shareholders' equity	**$ 1,078,873**	$ 1,130,445

TRUEBLUE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	26 Weeks Ended	
	Jul 2, 2017	**Jun 24, 2016**
Cash flows from operating activities:		
Net income (loss)	**$ 17,808**	$ (56,767)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	**23,461**	22,983
Goodwill and intangible asset impairment charge	—	99,269
Provision for doubtful accounts	**3,619**	4,221
Stock-based compensation	**5,146**	6,042
Deferred income taxes	**2,975**	(21,404)
Other operating activities	**1,877**	2,264
Changes in operating assets and liabilities, net of effects of acquisition of business:		
Accounts receivable	**11,925**	116,112
Income tax receivable	**8,828**	11,238
Other assets	**5,977**	425
Accounts payable and other accrued expenses	**(13,181)**	754
Accrued wages and benefits	**(4,560)**	(10,897)
Workers' compensation claims reserve	**767**	7,838
Other liabilities	**(580)**	2,258
Net cash provided by operating activities	**64,062**	184,336
Cash flows from investing activities:		
Capital expenditures	**(9,137)**	(11,430)
Acquisition of business	—	(71,863)
Change in restricted cash and cash equivalents	**8,829**	(1,265)
Purchases of restricted investments	**(20,712)**	(21,076)
Maturities of restricted investments	**13,546**	8,416
Net cash used in investing activities	**(7,474)**	(97,218)
Cash flows from financing activities:		
Purchases and retirement of common stock	**(15,530)**	—
Net proceeds from stock option exercises and employee stock purchase plans	**858**	840
Common stock repurchases for taxes upon vesting of restricted stock	**(2,873)**	(2,321)
Net change in revolving credit facility	**(25,303)**	(94,186)
Payments on debt	**(1,133)**	(1,133)
Payment of contingent consideration at acquisition date fair value	**(18,300)**	—
Other	—	25
Net cash used in financing activities	**(62,281)**	(96,775)
Effect of exchange rate changes on cash and cash equivalents	**(154)**	1,648
Net change in cash and cash equivalents	**(5,847)**	(8,009)
CASH AND CASH EQUIVALENTS, beginning of period	**34,970**	29,781
CASH AND CASH EQUIVALENTS, end of period	**$ 29,123**	$ 21,772

TRUEBLUE, INC.
NON-GAAP RECONCILIATIONS
(Unaudited, in thousands, except for per share data)

1. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME PER DILUTED SHARE

	13 Weeks Ended					
	Jul 2, 2017	Jun 24, 2016	Q3 2017 Outlook*			
Net income (loss)	**$ 13,134**	$ (63,735)	$ 19,000	—	$ 21,100
Acquisition and integration costs (1)	**—**	2,319		—	
Goodwill and intangible asset impairment charge (2)	**—**	99,269		—	
Amortization of intangible assets of acquired businesses (3)	**5,742**	7,112		5,300	
Tax effective of adjustments to net income (loss) (4)	**(1,608)**	(30,436)		(1,500)	
Adjust income taxes to normalized effective rate (5)	**110**	7,782		—	
Adjusted net income (6)	**$ 17,378**	$ 22,311	$ 22,800	—	$ 25,000
Adjusted net income, per diluted share (6)	**$ 0.42**	$ 0.54	$ 0.55	—	$ 0.60
Diluted weighted average shares outstanding	**41,856**	41,880		41,500	

* Totals may not sum due to rounding

2. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA

	13 Weeks Ended				
	Jul 2, 2017	Jun 24, 2016	Q3 2017 Outlook*		
Net income (loss)	**$ 13,134**	$ (63,735)	$ 19,000	—	$ 21,100
Income tax expense (benefit)	**5,260**	(13,978)	7,400	—	8,200
Interest and other expense (income), net	**(155)**	887		(200)	
Depreciation and amortization	**12,287**	11,694		12,200	
EBITDA (7)	**30,526**	(65,132)	38,300	—	41,300
Acquisition and integration costs (1)	**—**	2,319		—	
Goodwill and intangible asset impairment charge (2)	**—**	99,269		—	
Work Opportunity Tax Credit processing fees (8)	**16**	351		200	
Adjusted EBITDA (7)	**$ 30,542**	$ 36,807	$ 38,500	—	$ 41,500

* Totals may not sum due to rounding

3. RECONCILIATION OF U.S. GAAP REVENUE TO REVENUE EXCLUDING THE COMPANY'S FORMER LARGEST CUSTOMER

Due to a previously announced reduction in the scope of services with its former largest customer, the company is providing results excluding this customer to help investors assess the company's underlying results with prior periods.

	13 Weeks Ended	
	Jul 2, 2017	Jun 24, 2016
Revenue from services	**$ 610,122**	$ 672,612
Former largest customer revenue (9)	**(7,572)**	(37,242)
Revenue excluding former largest customer	**$ 602,550**	$ 635,370

(1) Acquisition and integration costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, and the acquisition of SIMOS, which was completed on December 1, 2015.

(2) The Goodwill and intangible asset impairment charge for the thirteen weeks ended June 24, 2016, relate to our Staff Management | SMX, hrX, and PlaneTechs reporting units. The impairment charge of $99 million is equivalent to $80 million after tax or $1.91 per diluted share.

(3) Amortization of intangible assets of acquired businesses as well as accretion expense related to the SIMOS acquisition earn-out.

(4) Total tax effect of each of the adjustments to U.S. GAAP Net income (loss) per diluted share using the ongoing rate of 28%.

(5) Adjusts the effective income tax rate to the expected ongoing rate of 28%.

(6) Adjusted net income and Adjusted net income per diluted share are non-GAAP financial measures, which exclude from Net income (loss) and Net income (loss) on a per diluted share basis, acquisition and integration costs, goodwill and intangible asset impairment charge, amortization of intangibles of acquired businesses as well as accretion expense related to acquisition earn-out, tax effect of each adjustment to U.S. GAAP Net income (loss), and adjust income taxes to the expected ongoing effective tax rate. Adjusted net income and Adjusted net income per diluted share are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. Adjusted net income and Adjusted net income per diluted share should not be considered measures of financial performance in isolation or as an alternative to net income (loss) or net income (loss) per diluted share in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Adjusted net income and Adjusted net income per diluted share previously excluded the third-party processing fees associated with generating Work Opportunity Tax Credits.

(7) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes from Net income (loss) interest, taxes, depreciation and amortization. Adjusted EBITDA further excludes from EBITDA acquisition and integration costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. EBITDA and Adjusted EBITDA are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income (loss) from operations in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

(8) These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates and reduce our income taxes.

(9) The revenue of our former largest customer.

TRUEBLUE, INC.
SEGMENT DATA
(Unaudited, in thousands)

	13 Weeks Ended	
	Jul 2, 2017	**Jun 24, 2016**
Revenue from services:		
PeopleReady	**$ 370,712**	$ 406,274
PeopleManagement	**192,887**	219,344
PeopleScout	**46,523**	46,994
Total Company	**610,122**	672,612
Adjusted EBITDA (1):		
PeopleReady	**$ 19,170**	$ 29,894
PeopleManagement	**6,286**	4,009
PeopleScout	**10,129**	11,328
	35,585	45,231
Corporate unallocated expense (2)	**(5,043)**	(8,424)
Total company Adjusted EBITDA (1)	**30,542**	36,807
Acquisition and integration costs (3)	**—**	(2,319)
Goodwill and intangible asset impairment charge (4)	**—**	(99,269)
Work Opportunity Tax Credit processing fees (5)	**(16)**	(351)
EBITDA (1)	**30,526**	(65,132)
Depreciation and amortization	**(12,287)**	(11,694)
Interest and other income (expense), net	**155**	(887)
Income (loss) before tax expense	**18,394**	(77,713)
Income tax expense (benefit)	**(5,260)**	13,978
Net income (loss)	**$ 13,134**	$ (63,735)

(1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes from Net income (loss) interest, taxes, depreciation and amortization. Adjusted EBITDA further excludes from EBITDA acquisition and integration costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. EBITDA and Adjusted EBITDA are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income (loss) from operations in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

(2) Beginning in the fourth quarter of 2016, we changed our methodology for allocating certain corporate costs to our segments, which decreased our corporate unallocated expenses. We have adjusted the prior year amounts to reflect this change for consistency purposes.

(3) Acquisition and integration costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, and the acquisition of SIMOS, which was completed on December 1, 2015.

(4) The Goodwill and intangible asset impairment charge for the thirteen weeks ended June 24, 2016, relate to our Staff Management | SMX, hrX, and PlaneTechs reporting units. The impairment charge of $99 million is equivalent to $80 million after tax or $1.91 per diluted share.

(5) These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates and reduce our income taxes.

TRUEBLUE, INC.
SEGMENT EBITDA RECONCILIATION TO ADJUSTED EBITDA
(Unaudited, in thousands)

	13 Weeks Ended					
	Jul 2, 2017			Jun 24, 2016		
	PeopleReady	PeopleManagement	PeopleScout	PeopleReady	PeopleManagement	PeopleScout
Segment EBITDA (1)	$ 19,154	$ 6,286	$ 10,129	$ 29,543	$ (80,091)	$ (3,841)
Goodwill and intangible asset impairment charge (2)	—	—	—	—	84,100	15,169
Work Opportunity Tax Credit processing fees (3)	16	—	—	351	—	—
Adjusted EBITDA (1)	$ 19,170	$ 6,286	$ 10,129	$ 29,894	$ 4,009	$ 11,328

(1) Segment earnings before interest, taxes, depreciation and amortization ("Segment EBITDA") is a primary measure of segment performance. Segment EBITDA includes net sales to third parties, related cost of sales, and selling, general and administrative expenses directly attributable to the reportable segment together with certain allocated corporate general and administrative expenses. Segment EBITDA excludes unallocated corporate general and administrative expenses. Adjusted EBITDA by segment is a non-GAAP financial measure and further excludes acquisition/integration and other costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. Adjusted EBITDA by segment is a key measure used by management to assess performance and, in our opinion, enhances comparability and provides investors with useful insight into the underlying trends of the business. Adjusted EBITDA by segment should not be considered a measure of financial performance in isolation or as an alternative to Income (loss) from operations in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

(2) The Goodwill and intangible asset impairment charge for the thirteen weeks ended June 24, 2016, relate to our Staff Management | SMX, hrX, and PlaneTechs reporting units. The impairment charge of $99 million is equivalent to $80 million after tax or $1.91 per diluted share.

(3) These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates and reduce our income taxes.

Q2 2017 Earnings Results

July 31, 2017

trueblue
THE PEOPLE COMPANY

Forward-Looking Statements

This document contains forward-looking statements relating to our plans and expectations, all of which are subject to risks and uncertainties. Such statements are based on management's expectations and assumptions as of the date of this release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements including: (1) national and global economic conditions, (2) our ability to attract and retain customers, (3) our ability to maintain profit margins, (4) new laws and regulations that could have a material effect on our operations or financial results, (5) our ability to successfully complete and integrate acquisitions (6) our ability to attract sufficient qualified candidates and employees to meet the needs of our customers, and (7) our ability to successfully execute on new business initiatives such as the consolidation of our service lines and leveraging of mobile technology. Other information regarding factors that could affect our results is included in our SEC filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our website at www.trueblue.com under the Investor Relations section or the SEC's website at www.sec.gov. We assume no duty to update or revise any forward-looking statements contained in this release.

In addition, we use several non-GAAP financial measures when presenting our financial results in this release. Please refer to the reconciliations between our GAAP and non-GAAP financial measures in the appendix to this presentation and on our website at www.trueblue.com under the Investor Relations section for a complete perspective on both current and historical periods. Any comparisons made herein to other periods are based on a comparison to the same period in the prior year unless otherwise stated.

Use of estimates and forecasts:
Any references made to fiscal 2017 are based on management guidance issued July 31, 2017, and are included for informational purposes only. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Any other reference to future financial estimates are included for informational purposes only and subject to risk factors discussed in our most recent filings with the Securities Exchange Commission.

Q2 2017 Summary

Revenue consistent with management expectation

- Total revenue decline of -9% or -5% excluding Amazon[1]
  - PeopleReady -9%
  - PeopleManagement -12%, or +2% excluding Amazon
  - PeopleScout -1%

Disciplined pricing and expense management

- Gross margin up +20 bps
- Operating expense down -8%

Effective management of capital

- Total debt down -$26 million from 2016, multiple to TTM Adjusted EBITDA[2] of 0.8x
- $16 million of common stock repurchased

The right strategic priorities

- PeopleReady – Simplified brand structure and innovative mobile strategy (JobStack)
- PeopleManagement – Productivity solutions and e-commerce focus
- PeopleScout – High growth market, global leadership position, attractive margins

[1] Due to a previously announced reduction in the scope of services with Amazon, the company is providing results excluding this customer to help investors compare the company's underlying results with prior periods.
[2] See the appendix to this presentation and "Financial Information" in the Investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

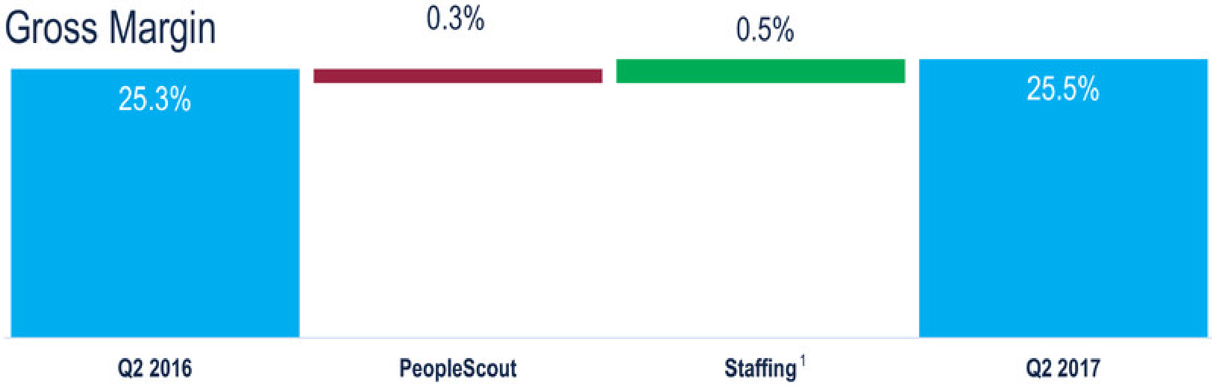
Financial Summary

Amounts in millions, except per share data	Q2 2017	Y/Y Change
Revenue	$610	-9% -5% ex-Amazon
Net Income	$13	NM
Net Income Per Diluted Share	$0.31	NM
Adjusted Net Income[1]	$17	-22%
Adj. Net Income Per Diluted Share[1]	$0.42	-22%
Adjusted EBITDA[1]	$31	-17%
Adjusted EBITDA Margin	5.0%	-50 bps

- Revenue -9% largely driven by Amazon, -5% excluding Amazon
  - Stable intra-quarter trends
- Adjusted EBITDA and margin down from negative operating leverage
  - Q2 2017 was the first quarter without an Adjusted EBITDA headwind from Amazon
  - No Amazon headwind expected in back half of 2017 (Adjusted EBITDA from Amazon was flat in the back half of 2016)

[1] See the appendix to this presentation and "Financial Information" in the Investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

Gross Margin and SG&A Bridges



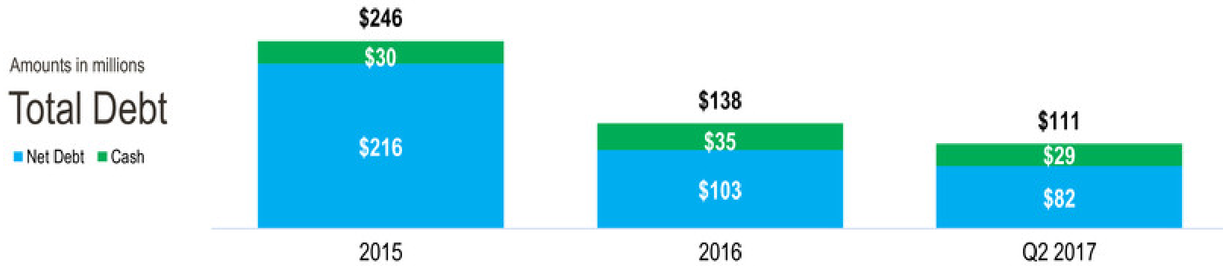
[1] Staffing includes our PeopleReady and PeopleManagement segments.
[2] Primarily acquisition and integration costs associated with our acquisition of the RPO division of Aon Hewitt.

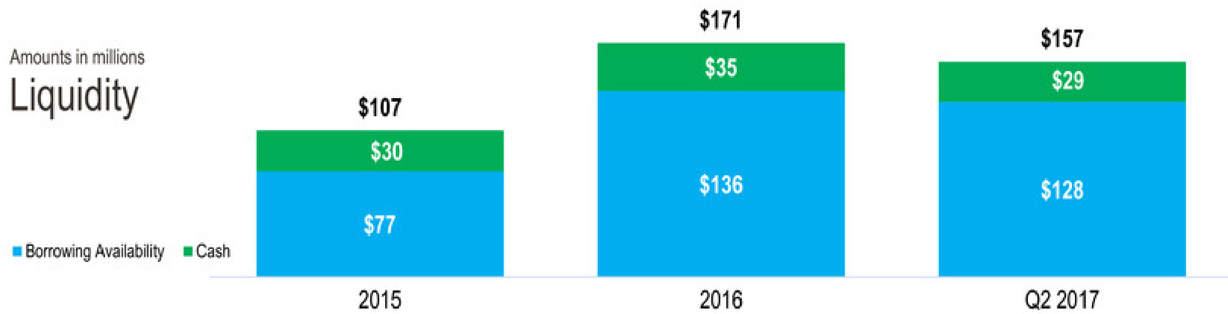
Results by Segment

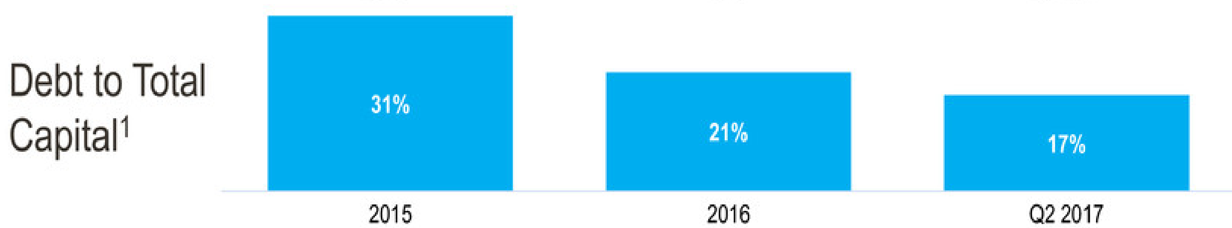
Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	$371	$193	$47
% Growth	*-9%*	*-12%* *+2% ex-Amazon*	*-1%*
Adj. EBITDA	$19	$6	$10
% Margin *Y/Y Change*	*5.2%* *-220 bps*	*3.3%* *+140 bps*	*21.8%* *-230 bps*
Notes:	• Volume headwinds from pricing strategy • Declining sales trends in manufacturing • Execution on mobile strategy with promising early results	• Revenue growth excluding Amazon • Year-over-year Adjusted EBITDA margin expansion • Amazon EBITDA headwinds are fully behind us and revenue headwinds are diminishing	• Volume declines at select customers, expect growth in Q3 • Second highest Adjusted EBITDA margin on record[1] • Year-over-year Adjusted EBITDA margin down due to acquisition related benefit in Q2 2016

Note: Figures may not sum to consolidated totals due to rounding.
[1] Since the business was acquired in June 2014.

Lower Debt and Ample Liquidity







Note: Balances as of fiscal period end.
[1] Calculated as total debt divided by the sum of total debt plus shareholders' equity.

Segment Strategy Highlights

peopleready A TRUEBLUE COMPANY

- Rollout of mobile strategy continues (JobStack)
  - Worker app is being rolled out across branch network
  - Promising trends on worker app adoption
  - Recently launched new client app

peoplemanagement A TRUEBLUE COMPANY

- Productivity solutions enhance future growth prospects
  - Compelling value proposition
  - SIMOS acquisition at the end of 2015 bolstered our existing capabilities
  - Differentiated service, high EBITDA margin
  - Perfect fit with the growing world of e-commerce

peoplescout A TRUEBLUE COMPANY

- Attractive margin business with compelling value proposition
- Global RPO market currently experiencing double-digit growth
- Actively pursuing organic revenue growth plus opportunistic international acquisitions to improve win rates on multi-continent deals

Outlook

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Q3 2017 Outlook

Amounts in millions, except per share data	Outlook	Comments
Revenue <u>Growth Ranges</u> Total Revenue PeopleReady PeopleManagement PeopleScout	$645 to $660 -7% to -5% -8% to -6% -9% to -7% 5% to 8%	• Total revenue decline was -9% in Q2 2017 • Ex-Amazon growth of -4% to -2% v. -5% in Q2 2017
EPS Adjusted EPS	$0.46 to $0.51 $0.55 to $0.60	• Assumes income tax rate of 28% • Assumes diluted weighted average shares outstanding of 41.5 million
Adjusted EBITDA	$38.5 to $41.5	
D&A / CapEx	$12 / $7	

Appendix

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted Net Income and Adjusted Net Income Per Share

(Unaudited, in thousands, except for per share data)	13 Weeks Ended Jul 2, 2017	13 Weeks Ended Jun 24, 2016	Q3 2017 Outlook*		
Net income (loss)	$ 13,134	$ (63,735)	$ 19,000	—	$ 21,100
Acquisition and integration costs (1)	—	2,319		—	
Goodwill and intangible asset impairment charge (2)	—	99,269		—	
Amortization of intangible assets of acquired businesses (3)	5,742	7,112		5,300	
Tax effective of adjustments to net income (loss) (4)	(1,608)	(30,436)		(1,500)	
Adjust income taxes to normalized effective rate (5)	110	7,782		—	
Adjusted net income (6)	$ 17,378	$ 22,311	$ 22,800	—	$ 25,000
Adjusted net income, per diluted share (6)	$ 0.42	$ 0.54	$ 0.55	—	$ 0.60
Diluted weighted average shares outstanding	41,856	41,880		41,500	

* Totals may not sum due to rounding.

1. Acquisition and integration costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, and the acquisition of SIMOS, which was completed on December 1, 2015.
2. The goodwill and intangible asset impairment charge for the thirteen weeks ended June 24, 2016, relate to our Staff Management I SMX, hrX, and PlaneTechs reporting units. The impairment charge of $99 million is equivalent to $80 million after tax or $1.91 per diluted share.
3. Amortization of intangible assets of acquired businesses as well as accretion expense related to the SIMOS acquisition earn-out.
4. Total tax effect of each of the adjustments to U.S. GAAP Net income (loss) per diluted share using the ongoing rate of 28%.
5. Adjusts the effective income tax rate to the expected ongoing rate of 28%.
6. Adjusted net income and Adjusted net income per diluted share are non-GAAP financial measures, which exclude from Net income (loss) and Net income (loss) on a per diluted share basis, acquisition and integration costs, goodwill and intangible asset impairment charge, amortization of intangibles of acquired businesses as well as accretion expense related to acquisition earn-out, tax effect of each adjustment to U.S. GAAP Net income (loss), and adjust income taxes to the expected ongoing effective tax rate. Adjusted net income and Adjusted net income per diluted share are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. Adjusted net income and Adjusted net income per diluted share should not be considered measures of financial performance in isolation or as an alternative to net income (loss) or net income (loss) per diluted share in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Adjusted net income and Adjusted net income per diluted share previously excluded the third-party processing fees associated with generating Work Opportunity Tax Credits.

Reconciliation of U.S. GAAP Net Income (Loss) to EBITDA and Adjusted EBITDA

(Unaudited, in thousands)	13 Weeks Ended Jul 2, 2017	13 Weeks Ended Jun 24, 2016	Q3 2017 Outlook*		
Net income (loss)	**$ 13,134**	$ (63,735)	$ 19,000	—	$ 21,100
Income tax expense (benefit)	**5,260**	(13,978)	7,400	—	8,200
Interest and other expense (income), net	**(155)**	887		(200)	
Depreciation and amortization	**12,287**	11,694		12,200	
EBITDA (7)	**30,526**	(65,132)	38,300	—	41,300
Acquisition and integration costs (1)	**—**	2,319		—	
Goodwill and intangible asset impairment charge (2)	**—**	99,269		—	
Work Opportunity Tax Credit processing fees (8)	**16**	351		200	
Adjusted EBITDA (7)	**$ 30,542**	$ 36,807	$ 38,500	—	$ 41,500

* Totals may not sum due to rounding.

Note : See prior slide for footnotes (1) and (2).

7. EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes from Net income (loss) interest, taxes, depreciation and amortization. Adjusted EBITDA further excludes from EBITDA acquisition and integration costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. EBITDA and Adjusted EBITDA are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income (loss) from operations in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.
8. These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates and reduce our income taxes.

Reconciliation of Segment EBITDA to Adjusted EBITDA

(Unaudited, in thousands)	13 Weeks Ended					
	Jul 2, 2017			Jun 24, 2016		
	PeopleReady	PeopleManagement	PeopleScout	PeopleReady	PeopleManagement	PeopleScout
Segment EBITDA (1)	$ 19,154	$ 6,286	$ 10,129	$ 29,543	$ (80,091)	$ (3,841)
Goodwill and intangible asset impairment charge (2)	—	—	—	—	84,100	15,169
Work Opportunity Tax Credit processing fees (3)	16	—	—	351	—	—
Adjusted EBITDA (1)	$ 19,170	$ 6,286	$ 10,129	$ 29,894	$ 4,009	$ 11,328

1. Segment earnings before interest, taxes, depreciation and amortization ("Segment EBITDA") is a primary measure of segment performance. Segment EBITDA includes net sales to third parties, related cost of sales, and selling, general and administrative expenses directly attributable to the reportable segment together with certain allocated corporate general and administrative expenses. Segment EBITDA excludes unallocated corporate general and administrative expenses. Adjusted EBITDA by segment is a non-GAAP financial measure and further excludes acquisition/integration and other costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. Adjusted EBITDA by segment is a key measure used by management to assess performance and, in our opinion, enhances comparability and provides investors with useful insight into the underlying trends of the business. Adjusted EBITDA by segment should not be considered a measure of financial performance in isolation or as an alternative to Income (loss) from operations in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.
2. The goodwill and intangible asset impairment charge for the thirteen weeks ended June 24, 2016, relate to our Staff Management | SMX, hrX, and PlaneTechs reporting units. The impairment charge of $99 million is equivalent to $80 million after tax or $1.91 per diluted share.
3. These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates and reduce our income taxes.

Investor Presentation

July 2017

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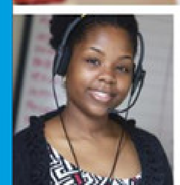
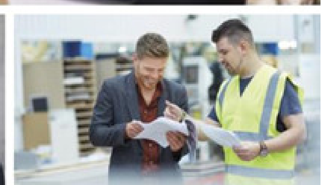
THE PEOPLE COMPANY





Forward-Looking Statements

This document contains forward-looking statements relating to our plans and expectations, all of which are subject to risks and uncertainties. Such statements are based on management's expectations and assumptions as of the date of this release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements including: (1) national and global economic conditions, (2) our ability to attract and retain customers, (3) our ability to maintain profit margins, (4) new laws and regulations that could have a material effect on our operations or financial results, (5) our ability to successfully complete and integrate acquisitions (6) our ability to attract sufficient qualified candidates and employees to meet the needs of our customers, and (7) our ability to successfully execute on new business initiatives such as the consolidation of our service lines and leveraging of mobile technology. Other information regarding factors that could affect our results is included in our SEC filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our website at www.trueblue.com under the Investor Relations section or the SEC's website at www.sec.gov. We assume no duty to update or revise any forward-looking statements contained in this release.

In addition, we use several non-GAAP financial measures when presenting our financial results in this release. Please refer to the reconciliations between our GAAP and non-GAAP financial measures in the appendix to this presentation and on our website at www.trueblue.com under the Investor Relations section for a complete perspective on both current and historical periods. Any comparisons made herein to other periods are based on a comparison to the same period in the prior year unless otherwise stated.

Use of estimates and forecasts:
Any references made to fiscal 2017 are based on management guidance issued July 31, 2017, and are included for informational purposes only. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Any other reference to future financial estimates are included for informational purposes only and subject to risk factors discussed in our most recent filings with the Securities Exchange Commission.

TrueBlue at a Glance

124,000
Clients served annually with strong diversity[1]

815,000
People connected to work during 2016

One of the largest U.S. industrial staffing providers

#1
Largest global RPO provider[2]

2012-2016 Adjusted EBITDA CAGR[3]
20% Growth

2012-2016 Average Return on Equity[4]
16% Return

$2.8B
2016 Revenue

PeopleScout recognized as a Leader and Star Performer by Everest, Leader by NelsonHall and consistently ranked as a Top Provider by HRO Today

TrueBlue has been named to Forbes' list of America's Most Trustworthy Companies

Founding member of the U.S. Chamber of Commerce Veterans Employment Advisory Council

Staff Management | SMX charter member of the U.S. Immigration and Customs Enforcement IMAGE Program

[1] No single customer accounts for more than 2% of total revenue on a TTM 1/1/17 basis, pro forma for reductions in use of contingent labor by Amazon announced in 2016.
[2] Source: Everest Group overall service provider share distribution by annual number of hires (2016).
[3] See the appendix to this presentation and "Financial Information" in the Investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.
[4] Calculated as Adjusted Net Income divided by average shareholder's equity over the prior four quarters.

Investment Highlights

Leadership	Market leader in U.S. industrial staffing and global RPO with increasingly diverse service offerings
Track Record	Track record of organic growth and successful acquisitions
Positioning	Strong position in attractive vertical markets and flexibility to respond to market trends
Innovation	Leveraging technology to drive growth, competitive differentiation, and increased efficiency
Cash Flow & Returns	Strong free cash flow, balance sheet, and return on equity

Specialized Service Offerings to Meet Client Needs

TrueBlue helps clients improve performance and increase growth by providing specialized staffing, workforce management and recruiting solutions

peopleready A TRUEBLUE COMPANY	peoplemanagement A TRUEBLUE COMPANY	peoplescout A TRUEBLUE COMPANY
General labor and skilled trades, on demand, via a nationwide branch network.	On-site contingent workforce management solutions.	Outsourced talent solutions for the recruitment of permanent employees.[1]
	staff management smx a TRUEBLUE company; SIMOS INSOURCING SOLUTIONS; CENTERLINE a TRUEBLUE company; PlaneTechs a TRUEBLUE company	
59% of Revenue / 64% of Adj. EBITDA[2]	34% of Revenue / 16% of Adj. EBITDA[2]	7% of Revenue / 20% of Adj. EBITDA[2]

[1] Also includes management of service provider business, which provides customers with improved quality and spend management of their contingent labor vendors.
[2] Revenue and Adjusted EBITDA mix calculations based on FY-2016; Adjusted EBITDA mix calculations exclude Corporate unallocated expenses.

Solving Workforce Challenges Globally

Workforce solutions is a good place to be, as businesses will increasingly turn to human capital experts to help solve global talent challenges.

Shifting Workplace Dynamics

A **worker shortage** is developing, and TrueBlue targets four of the occupations with the highest expected job **growth** by 2024.[1]

Demographic Changes

By 2050, the U.S. population over **age 65** will be almost **double** 2012 levels;[2] other developed countries are experiencing similar trends.

Workforce Complexity

Workforces are becoming increasingly **complex** and **global**. Companies are struggling to develop multiple value propositions for an increasingly **diverse** workforce.

trueblue THE PEOPLE COMPANY

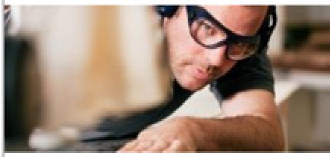
We deliver a **robust** client value proposition with specialized **workforce solutions** for staffing, workforce management, and recruitment process outsourcing.

[1] Bureau of Labor Statistics Employment Projections: Occupations with the most job growth, 2014-2024. Industrial staffing and RPO jobs: #4 food prep/serving workers, #7 customer service representatives, #10 construction laborers and #15 labor, freight, stock and material movers.
[2] U.S. Census Bureau, An Aging Nation: The Older Population in the United States (2014).

Strong Position in Attractive Vertical Markets

Industry Dynamics

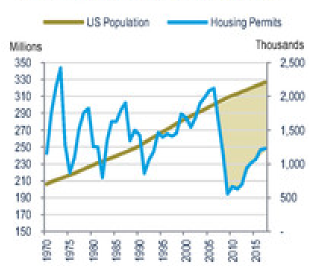
Construction



- Structural labor shortages drive demand for staffing services
- Household formation outpacing housing starts, creating pent-up demand
- Federal infrastructure spending plan designed to create thousands of construction jobs with additional downstream impacts

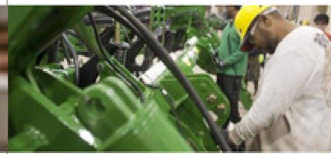
FY-16 Business Mix: 23%

Housing Starts Have Not Kept Pace



Source: U.S. Census Bureau

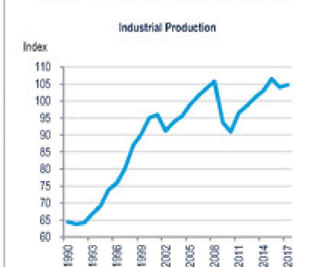
Manufacturing



- U.S. manufacturing renaissance driving job growth again
- Increased incentives to "reshore" including increasing wages in China, offshore product quality concerns, and logistics costs
- Political climate favoring investments in domestic production

FY-16 Business Mix: 26%

U.S. Manufacturing Renaissance



Source: U.S. Board of Governors of the Federal Reserve System (FRB)

Transport & Wholesale

- Acute supply / demand gap and high driver turnover
- New safety regulations such as shorter shifts driving higher demand
- Just-in-time production / inventory management driving need for flexibility

FY-16 Business Mix: 22%

Wholesale Trade At New High

Source: Bureau of Labor Statistics

Retail

- Rapid demand changes in the industry requiring a high degree of worker flexibility
- E-commerce driving the need for more warehouses and more workers per warehouse
- Traditional bricks-and-mortar retailers developing on-line presence just to keep pace

FY-16 Business Mix: 13%

E-commerce Growing % of Retail Sales

Source: U.S. Census Bureau

Capitalizing on Secular Forces in Industrial Staffing

7%

Growing Market

- U.S. Industrial staffing market has grown 7% annually since 2010[1]
- Projected to be a $40B market by 2020[2]

Compelling Technology

- Moving from branches and paper checks to mobile connectivity and electronic payments
- Opportunity to enhance efficiency and growth

Positive Demographic Trends

- Skilled worker shortages in key areas where TrueBlue specializes and has a recruiting edge
- Deepening of the general temp labor pool:
  - Influx of lower skilled workers
  - Aging baby boomers embracing the gig economy (semi-retired)

Rise of E-commerce

- Rapidly increasing headcount needs for e-commerce – more workers needed per warehouse to facilitate expedited delivery and handle returns
- Traditional warehousing focused on moving pallets; e-commerce involves individual pieces and an increased need for a flexible workforce

Temp Penetration Growth

- Strong secular undercurrents that are changing the way our customers do business:
  - Uneven demand and dramatic seasonal volume is driving growth in temporary staffing
  - Economic uncertainty associated with the longer cycle makes temps more attractive

On-Shoring Comeback

- Domestic manufacturing is starting to make a comeback, with >800,000 new jobs since 2010[3]
- Political climate making overseas investments/dependence less attractive
- Rising wages in developing countries, higher shipping costs, concerns about quality and production speed all contribute

[1] Source: Staffing Industry Analysts.
[2] Source: TrueBlue estimate based on 7% CAGR from 2016 to 2020.
[3] Source: Bureau of Labor Statistics.

Strength of TrueBlue's PeopleScout Business

PeopleScout at a Glance

Trusted global leader in RPO[1] solutions

- In 2016, PeopleScout placed over 268,000 individuals into permanent jobs with 200 customers
- High client retention (~98%)
- Consistently ranked as a top provider by Everest, NelsonHall and HRO Today

Strong client value proposition

- Clients are increasingly turning to RPO to efficiently scale full-time recruiting functions
- Sophisticated service offerings deliver higher quality candidates, reduce fill-times and free up the client to focus on core business

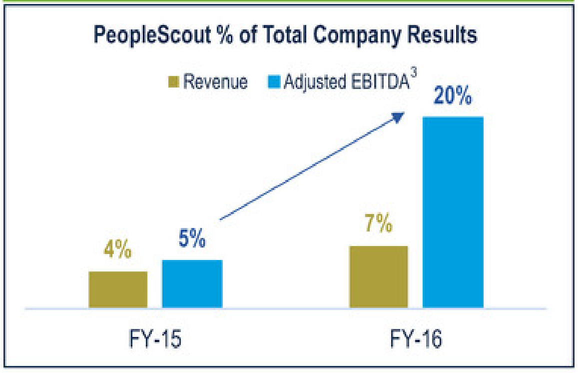
Attractive growth market

- The global RPO market is expected to be $9 billion by 2020, with an annual growth CAGR of 15%+[2]
- The U.S. is currently the largest, most developed market for RPO, but markets in Europe and Asia are also rapidly developing

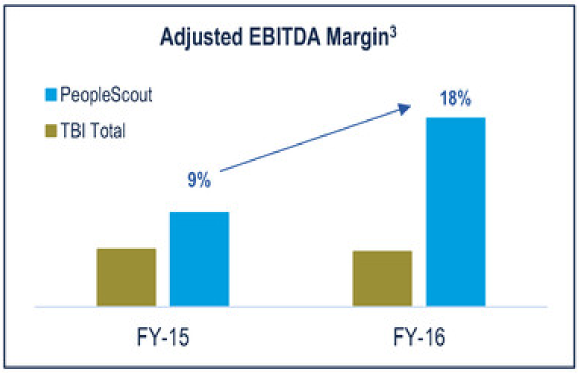
Global expansion opportunity

- PeopleScout has a strong global footprint (offices in the U.S., Canada, Australia, Poland, and India)
- Clients increasingly seeking services to support global operations
- Excellent potential for further global expansion both organically and via acquisitions (~15% of 2016 revenue came from placements beyond North America)

Increasing Importance to TrueBlue



High Margin Business



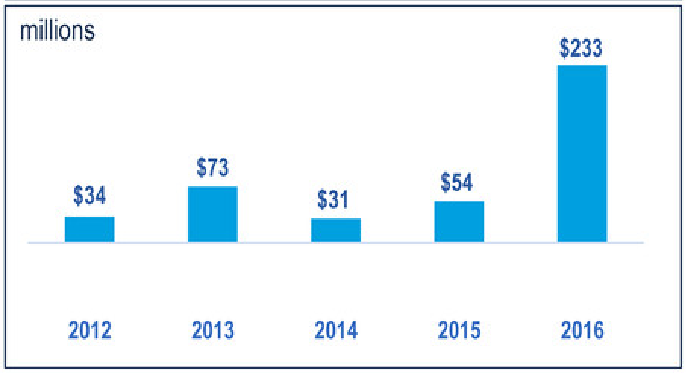
[1] PeopleScout offers recruitment process outsourcing (RPO) as well as management of services providers.
[2] Source: Nelson Hall.
[3] We have two primary measures of segment performance: revenue from services and segment earnings before interest, taxes, depreciation and amortization ("Segment EBITDA"). There is no difference between Segment EBITDA and Adjusted EBITDA for PeopleScout for FY 2015; see reconciliation for FY 2016 in the appendix.

Disciplined Cash Management and Strong Balance Sheet

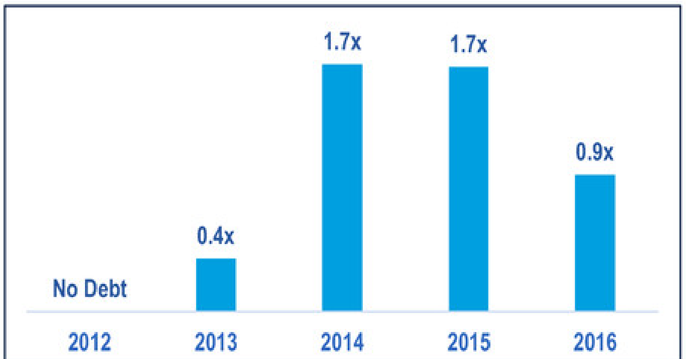
Highlights

- **Strong free cash flow generation:** $233 million for 2016
- **Conservative balance sheet:** management objective to keep leverage at ~1x to 1.5x preserving financial flexibility and driving return on equity
- **Efficient capital allocation:** management pursues strategic acquisition opportunities with a high IRR threshold (20%+) to drive long-term growth and share repurchases to enhance ROE

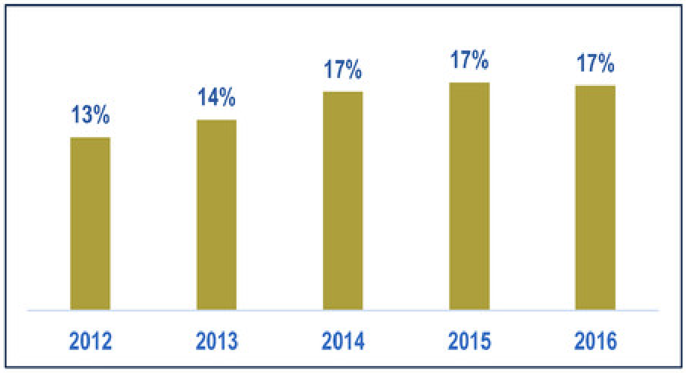
Free Cash Flow[1]



Total Debt to Adjusted EBITDA



Return on Equity[2]



1 Calculated as net cash provided by operating activities, minus purchases for property and equipment. See the appendix to this presentation and "Financial Information" in the Investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results

2 Calculated as Adjusted Net Income divided by average shareholders' equity at the end of the prior four quarters.

Strategic Priorities

Profitably Grow Market Share	Promote Streamlined Brand Structure
Drive Technology and Process Efficiency	Generate Strong Shareholder Returns

PeopleReady Transition

Legacy branch based business transitioned to one brand/one system.

Strategic Rationale

Expanding Scope of Services

- Within our legacy structure, only 12 of our top 40 markets had access to all 3 service lines.
- PeopleReady will bring more specialized services to more markets while leveraging central resources to streamline operations.

Increasing Operational Agility

- >50% of PeopleReady's revenue is generated from customers who already work with multiple brands; single point of contact makes it easier.
- One set of operating procedures and systems provide a better customer experience empowering staff to move quickly and capture market share.

Larger Talent Pool

- Associates and customers benefit from scale when information is visible across all systems.
- Common information systems and compelling new technology platforms (i.e. mobile app) increases our ability to attract a more diverse population of workers.

Priorities

Grow Market Share | **Streamline Brand Structure**

JobStack Mobile App – A Competitive Differentiator

Leverage Critical Mass: TrueBlue is an early adopter of mobile technology that will leverage an established base of customers and associates to enhance their experience and drive growth.

Mobile Technology Feature…	Driving Value for TrueBlue…
24/7 order creation / viewing	Round-the-clock revenue generation
Real-time order fill rates	Improved customer and **associate** experience
Associate ratings	Lift **associate** quality
Worksite ratings	Enhanced communication and safety
Control work week / set availability	Tap into larger and more diverse talent pool

Appendix

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted Net Income

(Unaudited, in thousands, except per share data)	53 Weeks Ended Jan 1, 2017	52 Weeks Ended Dec 25, 2015	52 Weeks Ended Dec 26, 2014	52 Weeks Ended Dec 27, 2013	52 Weeks Ended Dec 28, 2012
Net income (loss)	$ (15,251)	$ 71,247	$ 65,675	$ 44,924	$ 33,629
Acquisition/integration and other costs (1)	12,223	5,135	5,220	7,375	—
Amortization of intangible assets of acquired businesses (2)	27,069	19,903	12,046	4,939	3,095
Goodwill and intangible impairment charge (3)	103,544	—	—	—	—
Tax effective of adjustments to net income (loss) (4)	(39,994)	(7,011)	(4,834)	(3,448)	(867)
Adjust income taxes to normalized effective rate (5)	606	(1,805)	(6,747)	(1,049)	5,687
Adjusted net income (6)	$ 88,197	$ 87,469	$ 71,360	$ 52,741	$ 41,544
Adjusted net income, per diluted share (6)	$ 2.10	$ 2.10	$ 1.73	$ 1.30	$ 1.04
Diluted weighted average shares outstanding	41,968	41,622	41,176	40,502	39,862

1. Acquisition/integration and other costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, the acquisition of SIMOS, which was completed on December 1, 2015, the acquisition of Seaton, which was completed on June 30, 2014, the acquisition of MDT, which was completed on February 4, 2013, the acquisition of The Work Connection, which was completed October 1, 2013 and the acquisition of certain assets of Crowley Transportation Services, which was completed June 2013. In addition, other charges for the fiscal year ended January 1, 2017, consist of costs of $2.6 million associated with our exit from the Amazon delivery business, $1.3 million adjustment to increase the earn-out associated with the acquisition of SIMOS, and branch signage write branch signage write-offs of $1.6 million due to our re-branding to PeopleReady.
2. Amortization of intangible assets of acquired businesses as well as accretion expense related to the SIMOS acquisition earn-out.
3. The Goodwill and intangible asset impairment charge for the fiscal year ended January 1, 2017, included $99.3 million of impairment charges relating to our Staff Management | SMX, hrX, and PlaneTechs reporting units, and write-off of the CLP and Spartan reporting unit trade names/trademarks of $4.3 million due to the re-branding to PeopleReady.
4. Total tax effect of each of the adjustments to U.S. GAAP Net income (loss) per diluted share using the ongoing rate of 28%.
5. Adjusts the effective income tax rate to the expected ongoing rate of 28%.
6. Adjusted net income and Adjusted net income per diluted share are non-GAAP financial measures, which exclude from Net income (loss) and Net income (loss) on a per diluted share basis, costs related to acquisition/integration and other costs, goodwill and intangible asset impairment charge, amortization of intangibles of acquired businesses as well as accretion expense related to acquisition earn-out, tax effect of each adjustment to U.S. GAAP Net income (loss), and adjusts income taxes to the expected ongoing effective tax rate. Adjusted net income and Adjusted net income per diluted share are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. Adjusted net income and Adjusted net income per diluted share should not be considered measures of financial performance in isolation or as an alternative to net income (loss) or net income (loss) per diluted share in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Adjusted net income and net income per diluted share previously excluded the third-party processing fees associated with generating Work Opportunity Tax Credits.

Reconciliation of U.S. GAAP Net Income (Loss) to EBITDA and Adjusted EBITDA

(Unaudited, in thousands)	53 Weeks Ended Jan. 1 2017	52 Weeks Ended Dec. 25, 2015	52 Weeks Ended Dec. 26, 2014	52 Weeks Ended Dec 27, 2013	52 Weeks Ended Dec 28, 2012
Net income (loss)	$ (15,251)	$ 71,247	$ 65,675	$ 44,924	$ 33,629
Income tax expense (benefit)	(5,089)	25,200	16,169	16,013	20,976
Interest and other expense (income), net	3,345	1,395	(116)	(1,354)	(1,569)
Depreciation and amortization	46,692	41,843	29,474	20,472	18,890
EBITDA (1)	29,697	139,685	111,202	80,055	71,926
Acquisition/integration and other costs (2)	12,223	5,135	5,220	7,375	—
Goodwill and intangible asset impairment charge (3)	103,544	—	—	—	—
Work Opportunity Tax Credit processing fees (4)	1,858	2,352	3,020	1,276	—
Adjusted EBITDA (1)	$ 147,322	$ 147,172	$ 119,442	$ 88,706	$ 71,926

1. EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes from Net income (loss) interest, taxes, depreciation and amortization. Adjusted EBITDA further excludes from EBITDA costs related to acquisition/integration and other costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. EBITDA and Adjusted EBITDA are key measures used by management to assess performance and, in our opinion, enhance comparability and provide investors with useful insight into the underlying trends of the business. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income from operations in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.
2. Acquisition/integration and other costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, the acquisition of SIMOS, which was completed on December 1, 2015, the acquisition of Seaton, which was completed on June 30, 2014, the acquisition of MDT, which was completed on February 4, 2013, the acquisition of The Work Connection, which was completed October 1, 2013 and the acquisition of certain assets of Crowley Transportation Services, which was completed June 2013. In addition, other charges for the fiscal year ended January 1, 2017, consist of costs of $2.6 million associated with our exit from the Amazon delivery business, $1.3 million adjustment to increase the earn-out associated with the acquisition of SIMOS, and branch signage write branch signage write-offs of $1.6 million due to our re-branding to PeopleReady.
3. The Goodwill and intangible asset impairment charge for the fiscal year ended January 1, 2017, included $99.3 million of impairment charges relating to our Staff Management | SMX, hrX, and PlaneTechs reporting units, and write-off of the CLP and Spartan reporting unit trade names/trademarks of $4.3 million due to the re-branding to PeopleReady.
4. These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates and reduce our income taxes.

Reconciliation of Segment EBITDA to Adjusted EBITDA

(Unaudited, in thousands)	53 Weeks Ended Jan 1, 2017		
	PeopleReady	PeopleManagement	PeopleScout
Segment EBITDA (1)	$ 101,270	$ (60,452)	$ 19,116
Goodwill and intangible asset impairment charge (2)	4,275	84,100	15,169
Work Opportunity Tax Credit processing fees (3)	1,858	—	—
Acquisition/integration and other costs (4)	1,660	3,909	—
Adjusted EBITDA (1)	$ 109,063	$ 27,557	$ 34,285

1. Segment earnings before interest, taxes, depreciation and amortization ("Segment EBITDA") is a primary measure of segment performance. Segment EBITDA includes net sales to third parties, related cost of sales, and selling, general and administrative expenses directly attributable to the reportable segment together with certain allocated corporate general and administrative expenses. Segment EBITDA excludes unallocated corporate general and administrative expenses. Adjusted EBITDA by segment is a non-GAAP financial measure and further excludes acquisition/integration and other costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. Adjusted EBITDA by segment is a key measure used by management to assess performance and, in our opinion, enhances comparability and provides investors with useful insight into the underlying trends of the business. Adjusted EBITDA by segment should not be considered a measure of financial performance in isolation or as an alternative to Income (loss) from operations in the Consolidated Statements of Operations in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.
2. The goodwill and intangible asset impairment charges for the thirteen weeks ended June 24, 2016, relate to our Staff Management | SMX, hrX, and PlaneTechs reporting units. The impairment charge of $99 million is equivalent to $80 million after tax or $1.91 per diluted share.
3. These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates and reduce our income taxes.
4. Acquisition and integration costs relate to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on January 4, 2016, and the acquisition of SIMOS, which was completed on December 1, 2015. In addition, other costs for the fiscal year ended January 1, 2017, consist of $2.6 million costs associated with our exit from the Amazon delivery business, $1.3 million adjustment to increase the earn-out associated with the acquisition of SIMOS, and branch signage write-offs of $1.6 million due to our re-branding to PeopleReady.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flows

(Unaudited, in thousands)	53 Weeks Ended Jan 1, 2017	52 Weeks Ended Dec 25, 2015	52 Weeks Ended Dec 26, 2014	52 Weeks Ended Dec 27, 2013	52 Weeks Ended Dec 28, 2012
Net cash provided by operating activities	$ 261,754	$ 72,072	$ 47,525	$ 86,068	$ 52,323
Capital expenditures	(29,042)	(18,394)	(16,918)	(13,003)	(17,826)
Free cash flows	$ 232,712	$ 53,678	$ 30,607	$ 73,065	$ 34,497