# 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): February 7, 2018**

# 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 February 7, 2018, TrueBlue, Inc. (the "company") issued a press release (the "Press Release") reporting its financial results for the fourth quarter ended December 31, 2017, and revenue and earnings guidance for the first quarter of 2018, 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 fourth quarter and fiscal year ended December 31, 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 Wednesday, February 7, 2018. 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 Q4 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 February 7, 2018 |
| 99.2 | Earnings Results Presentation for February 7, 2018 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: | 2/7/2018 | By: | */s/ Derrek L. Gafford* |
| | | | **Derrek L. Gafford** |
| | | | **Chief Financial Officer and Executive Vice President** |

**EXHIBIT INDEX**

| Exhibit Number | Exhibit Description | Filed Herewith |
|---|---|---|
| 99.1 | Press Release dated February 7, 2018 | X |
| 99.2 | Earnings Results Presentation for February 7, 2018 conference call | X |
| 99.3 | Investor Presentation | X |

**TRUEBLUE REPORTS FISCAL FOURTH QUARTER 2017 RESULTS**

**TACOMA, WA-February 7, 2018**-- TrueBlue, Inc. (NYSE:TBI) announced today its fiscal fourth quarter 2017 results.

Revenue was $670 million, a decrease of 9 percent, compared to revenue of $735 million in the fiscal fourth quarter of 2016. Excluding the previously disclosed reduction in the scope of services provided to the company's former largest customer, revenue declined by 8 percent. Net income per diluted share was $0.40 compared to $0.43 in the fiscal fourth quarter of 2016. Adjusted net income per diluted share[1] was $0.51 compared to $0.56 in the fiscal fourth quarter of 2016.

The fiscal fourth quarter of 2016 included a 14th week and two additional days from moving the week-ending date from Friday to Sunday. On a comparable basis[2], revenue for the fiscal fourth quarter declined by 2 percent, or excluding the company's former largest customer, revenue declined by 1 percent.

“We saw improving fundamentals this quarter driven by strong execution across the business,” TrueBlue CEO Steve Cooper said. “The broad-based improvements in the PeopleReady and PeopleManagement third quarter revenue trends continued throughout the fourth quarter, and PeopleScout delivered another quarter of double-digit growth.

“We also made additional progress with our digital strategy. Adoption of JobStack™, our PeopleReady mobile app, continued to climb, and we also launched Affinix™ in our PeopleScout business, a next generation technology that improves the candidate experience and streamlines the sourcing process.”

## 2018 Outlook

The company estimates revenue for the fiscal first quarter of 2018 will range from $557 million to $572 million. It also expects net income per diluted share will range from $0.03 to $0.11. Adjusted net income per diluted share is expected to be $0.18 to $0.24.

The company estimates its historical effective income tax rate of 28 percent will drop to roughly 16 percent in fiscal 2018 and 2019 as a result of recent tax reform legislation. The lower rate could extend beyond 2019 if Congress extends the Work Opportunity Tax Credit (WOTC). If the WOTC is not extended beyond 2019, the company estimates its effective income tax rate will return to roughly 28 percent.

Management will discuss fiscal fourth quarter 2017 results on a webcast at 2 p.m. PT (5 p.m. ET), today, Wednesday, Feb. 7. 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 approximately 740,000 people with work during 2017 in a wide variety of industries through its PeopleReady segment offering industrial staffing services, PeopleManagement segment offering contingent and productivity-based onsite staffing services, 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.
[2] The comparable period in 2016 excludes the first week (ended Sept. 30) of the fourth quarter and the two additional days associated with the change in week-ending date.

## 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, (7) our ability to successfully execute on new business strategies and initiatives such as the consolidation of our service lines and leveraging of mobile technology, and (8) uncertainty surrounding the interpretation and application of the recent 2017 Tax Cuts and Jobs Act and any reduction or change in tax credits we utilize, including the Work Opportunity Tax Credit. Other information regarding factors that could affect our results is included in our Securities Exchange Commission (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 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 SEC.

In addition, we use several non-GAAP financial measures when presenting our financial results in this document. Please refer to the reconciliations between our GAAP and non-GAAP financial measures in the appendix to this document and on our website at www.trueblue.com under the Investor Relations section for a complete perspective on both current and historical periods. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

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

**TRUEBLUE, INC.**
**SUMMARY CONSOLIDATED STATEMENTS OF OPERATIONS**
***(Unaudited)***

| *(in thousands, except per share data)* | Q4 2017<br>13 Weeks Ended<br>Dec 31, 2017 | Q4 2016<br>14 Weeks Ended (1)<br>Jan 1, 2017 | 2017<br>52 Weeks Ended<br>Dec 31, 2017 | 2016<br>53 Weeks Ended (1)<br>Jan 1, 2017 |
|---|---|---|---|---|
| Revenue from services | **$ 669,625** | $ 734,951 | **$ 2,508,771** | $ 2,750,640 |
| Cost of services | **501,880** | 554,064 | **1,874,298** | 2,070,922 |
| **Gross profit** | **167,745** | 180,887 | **634,473** | 679,718 |
| Selling, general and administrative expense | **132,644** | 145,387 | **510,794** | 546,477 |
| Depreciation and amortization | **11,465** | 12,019 | **46,115** | 46,692 |
| Goodwill and intangible asset impairment charge | **—** | — | **—** | 103,544 |
| **Income (loss) from operations** | **23,636** | 23,481 | **77,564** | (16,995) |
| Interest and other income (expense), net | **(24)** | (572) | **(14)** | (3,345) |
| **Income (loss) before tax expense** | **23,612** | 22,909 | **77,550** | (20,340) |
| Income tax expense (benefit) | **7,185** | 4,822 | **22,094** | (5,089) |
| **Net income (loss)** | **$ 16,427** | $ 18,087 | **$ 55,456** | $ (15,251) |
| | | | | |
| **Net income (loss) per common share:** | | | | |
| Basic | **$ 0.41** | $ 0.43 | **$ 1.35** | $ (0.37) |
| Diluted | **$ 0.40** | $ 0.43 | **$ 1.34** | $ (0.37) |
| | | | | |
| **Weighted average shares outstanding:** | | | | |
| Basic | **40,545** | 41,638 | **41,202** | 41,648 |
| Diluted | **40,856** | 41,980 | **41,441** | 41,648 |

(1) Our fiscal period ends on the Sunday closest to the last day of Dec. In fiscal years consisting of 53 weeks, the final quarter consists of 14 weeks, while in fiscal years consisting of 52 weeks, all quarters consist of 13 weeks.

**TRUEBLUE, INC.**
**SUMMARY CONSOLIDATED BALANCE SHEETS**
***(Unaudited)***

| *(in thousands)* | 2017<br>Dec 31, 2017 | 2016<br>Jan 1, 2017 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | **$ 28,780** | $ 34,970 |
| Accounts receivable, net | **374,273** | 352,606 |
| Other current assets | **25,226** | 40,227 |
| **Total current assets** | **428,279** | 427,803 |
| Property and equipment, net | **60,163** | 63,998 |
| Restricted cash and investments | **239,231** | 231,193 |
| Goodwill and intangible assets, net | **331,309** | 349,894 |
| Other assets, net | **50,049** | 57,557 |
| **Total assets** | **$ 1,109,031** | $ 1,130,445 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Current liabilities | **212,419** | 251,135 |
| Long-term debt, less current portion | **116,489** | 135,362 |
| Other long-term liabilities | **225,276** | 218,769 |
| **Total liabilities** | **554,184** | 605,266 |
| Shareholders' equity | **554,847** | 525,179 |
| **Total liabilities and shareholders' equity** | **$ 1,109,031** | $ 1,130,445 |

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

| *(in thousands)* | 2017<br>52 Weeks Ended<br>Dec 31, 2017 | 2016<br>53 Weeks Ended<br>Jan 1, 2017 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net income (loss) | **$ 55,456** | $ (15,251) |
| **Adjustments to reconcile net income (loss) to net cash provided by operating activities:** | | |
| Depreciation and amortization | **46,115** | 46,692 |
| Goodwill and intangible asset impairment charge | — | 103,544 |
| Provision for doubtful accounts | **6,808** | 8,308 |
| Stock-based compensation | **7,744** | 9,363 |
| Deferred income taxes | **2,440** | (25,355) |
| Other operating activities | **2,066** | 7,910 |
| **Changes in operating assets and liabilities, net of effects of acquisition of business:** | | |
| Accounts receivable | **(28,483)** | 112,785 |
| Income tax receivable | **14,875** | 9,450 |
| Other assets | **5,289** | 470 |
| Accounts payable and other accrued expenses | **(10,569)** | (4,101) |
| Accrued wages and benefits | **(2,888)** | (7,313) |
| Workers' compensation claims reserve | **(1,048)** | 11,070 |
| Other liabilities | **2,046** | 4,182 |
| **Net cash provided by operating activities** | **99,851** | 261,754 |
| **Cash flows from investing activities:** | | |
| Capital expenditures | **(21,958)** | (29,042) |
| Acquisition of business | — | (72,476) |
| Change in restricted cash | **21,505** | (19,773) |
| Purchases of restricted investments | **(50,601)** | (37,173) |
| Maturities of restricted investments | **20,157** | 15,248 |
| **Net cash used in investing activities** | **(30,897)** | (143,216) |
| **Cash flows from financing activities:** | | |
| Purchases and retirement of common stock | **(36,680)** | (5,748) |
| Net proceeds from stock option exercises and employee stock purchase plans | **1,646** | 1,542 |
| Common stock repurchases for taxes upon vesting of restricted stock | **(3,127)** | (2,851) |
| Net change in revolving credit facility | **(16,607)** | (105,579) |
| Payments on debt | **(2,267)** | (2,456) |
| Payment of contingent consideration at acquisition date fair value | **(18,300)** | — |
| Other | — | (29) |
| **Net cash used in financing activities** | **(75,335)** | (115,121) |
| Effect of exchange rate changes on cash and cash equivalents | **191** | 1,772 |
| **Net change in cash and cash equivalents** | **(6,190)** | 5,189 |
| **Cash and cash equivalents, beginning of period** | **34,970** | 29,781 |
| **Cash and cash equivalents, end of period** | **$ 28,780** | $ 34,970 |

**TRUEBLUE, INC.**
**FISCAL 2016 COMPARABLE 13- AND 52-WEEK PERIODS**
***(Unaudited)***

As previously reported, the company's 2016 fiscal fourth quarter includes a 14th week and two additional days from moving the week-ending date from Friday to Sunday. To facilitate comparison to the current year, the company is providing 13-week and 52-week comparable operating results.

| | Q4 2016 | 2016 |
|---|---|---|
| *(in thousands, except per share data)* | 13-Week Comparable Period (1) | 52-Week Comparable Period (1) |
| Revenue from services | $ 680,709 | $ 2,696,398 |
| Cost of services | 512,501 | 2,029,359 |
| **Gross profit** | 168,208 | 667,039 |
| Selling, general and administrative expense | 135,435 | 536,525 |
| Depreciation and amortization | 11,127 | 45,800 |
| Goodwill and intangible asset impairment charge | — | 103,544 |
| **Income (loss) from operations** | 21,646 | (18,830) |
| Interest and other income (expense), net | (521) | (3,294) |
| **Income (loss) before tax expense** | 21,125 | (22,124) |
| Income tax expense (benefit) | 4,334 | (5,577) |
| **Net income (loss)** | $ 16,791 | $ (16,547) |
| | | |
| **Net income (loss) per common share:** | | |
| Basic | $ 0.40 | $ (0.40) |
| Diluted | $ 0.40 | $ (0.40) |
| | | |
| **Weighted average shares outstanding:** | | |
| Basic | 41,638 | 41,648 |
| Diluted | 41,980 | 41,648 |

(1) The 13-week comparable period represents the 13 weeks ended Jan. 1 2017. The 52-week comparable period represents the sum of the 13 weeks ended Jan. 1, 2017 and the 39 weeks ended Sept. 23, 2016.

**TRUEBLUE, INC.**
**NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS**

In addition to financial measures presented in accordance with U.S. GAAP, we monitor certain non-GAAP key financial measures. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

| Non-GAAP Measure | Definition | Purpose of Adjusted Measures |
|---|---|---|
| ***EBITDA and Adjusted EBITDA*** | EBITDA excludes from net income (loss) the effects of:<br>- interest expense,<br>- income taxes, and<br>- depreciation and amortization.<br><br>Adjusted EBITDA, further excludes the effects of:<br>- acquisition/integration and other costs,<br>- goodwill and intangible asset impairment charge, and<br>- Work Opportunity Tax Credit third-party processing fees. | - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.<br><br>- Used by management to assess performance and effectiveness of our business strategies by excluding certain non-cash charges.<br><br>- Provides a measure, among others, used in the determination of incentive compensation for management. |
| ***Adjusted net income (loss) and Adjusted net income (loss), per diluted share*** | Net income (loss) and net income (loss) per diluted share, excluding the effects of:<br>- acquisition/integration and other costs,<br>- goodwill and intangible asset impairment charge,<br>- amortization of intangibles of acquired businesses, as well as accretion expense related to acquisition earn-out,<br>- tax effect of each adjustment to U.S. GAAP net income (loss), and<br>- adjusted income taxes to the expected effective tax rate. | - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.<br><br>- Used by management to assess performance and effectiveness of our business strategies by excluding certain non-cash charges. |

## 1. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME, PER DILUTED SHARE ON A FISCAL AND COMPARABLE PERIOD BASIS
**(*Unaudited*)**

| | Q4 2017 | Q4 2016 | | Q1 2018 Outlook | | |
|---|---|---|---|---|---|---|
| *(in thousands, except for per share data)** | 13 Weeks Ended Dec 31, 2017 | 14 Weeks Ended Jan 1, 2017 | 13-Week Comparable Period (6) | 13 Weeks Ended Apr 1, 2018 | | |
| Net income | **$ 16,427** | $ 18,087 | $ 16,791 | $ 1,300 | — | $ 4,600 |
| Acquisition/integration and other costs (1) | **162** | 4,002 | 4,002 | 2,000 | — | 1,000 |
| Amortization of intangible assets of acquired businesses (3) | **5,331** | 6,391 | 5,934 | | 5,200 | |
| Tax effect of adjustments to net income (4) | **(1,538)** | (2,910) | (2,782) | (1,200) | — | (1,000) |
| Adjust income taxes to normalized effective rate (5) | **574** | (1,593) | (1,581) | | — | |
| **Adjusted net income** | **$ 20,956** | $ 23,977 | $ 22,364 | $ 7,300 | — | $ 9,800 |
| **Adjusted net income, per diluted share** | **$ 0.51** | $ 0.56 | $ 0.52 | $ 0.18 | — | $ 0.24 |
| **Diluted weighted average shares outstanding** | **40,856** | 41,980 | 41,980 | | 40,600 | |

** Totals may not sum due to rounding*

| *(in thousands, except for per share data)** | 2017<br>52 Weeks Ended<br>Dec 31, 2017 | 2016<br>53 Weeks Ended<br>Jan 1, 2017 | 2016<br>52-Week<br>Comparable Period (6) |
|---|---|---|---|
| Net income (loss) | **$ 55,456** | $ (15,251) | $ (16,547) |
| Acquisition/integration and other costs (1) | **162** | 12,223 | 12,223 |
| Goodwill and intangible asset impairment charge (2) | **—** | 103,544 | 103,544 |
| Amortization of intangible assets of acquired businesses (3) | **22,290** | 27,069 | 26,612 |
| Tax effect of adjustments to net income (4) | **(6,287)** | (39,994) | (39,866) |
| Adjust income taxes to normalized effective rate (5) | **380** | 606 | 618 |
| **Adjusted net income** | **$ 72,001** | $ 88,197 | $ 86,584 |
| **Adjusted net income, per diluted share** | **$ 1.74** | $ 2.10 | $ 2.06 |
| **Diluted weighted average shares outstanding** | **41,441** | 41,968 | 41,968 |

** Totals may not sum due to rounding*

## 2. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA ON A FISCAL AND COMPARABLE PERIOD BASIS

**(*Unaudited*)**

| *(in thousands)** | Q4 2017<br>13 Weeks Ended<br>Dec 31, 2017 | Q4 2016<br>14 Weeks Ended<br>Jan 1, 2017 | Q4 2016<br>13-Week Comparable Period (6) | Q1 2018 Outlook<br>13 Weeks Ended<br>Apr 1, 2018 | | |
|---|---|---|---|---|---|---|
| Net income | **$ 16,427** | $ 18,087 | $ 16,791 | $ 1,300 | — | $ 4,600 |
| Income tax expense | **7,185** | 4,822 | 4,334 | 200 | — | 900 |
| Interest and other income (expense), net | **24** | 572 | 521 | | (200) | |
| Depreciation and amortization | **11,465** | 12,019 | 11,127 | | 11,000 | |
| **EBITDA** | **35,101** | 35,500 | 32,773 | 12,300 | — | 16,300 |
| Acquisition/integration and other costs (1) | **162** | 4,002 | 4,002 | 2,000 | — | 1,000 |
| Work Opportunity Tax Credit processing fees (7) | **337** | 276 | 276 | | 200 | |
| **Adjusted EBITDA** | **$ 35,600** | $ 39,778 | $ 37,051 | $ 14,500 | — | $ 17,500 |

* Totals may not sum due to rounding

| *(in thousands)** | 2017<br>52 Weeks Ended<br>Dec 31, 2017 | 2016<br>53 Weeks Ended<br>Jan 1, 2017 | 2016<br>52-Week<br>Comparable Period (6) |
|---|---|---|---|
| Net income (loss) | **$ 55,456** | $ (15,251) | $ (16,547) |
| Income tax expense (benefit) | **22,094** | (5,089) | (5,577) |
| Interest and other income (expense), net | **14** | 3,345 | 3,294 |
| Depreciation and amortization | **46,115** | 46,692 | 45,800 |
| **EBITDA** | **123,679** | 29,697 | 26,970 |
| Acquisition/integration and other costs (1) | **162** | 12,223 | 12,223 |
| Goodwill and intangible asset impairment charge (2) | **—** | 103,544 | 103,544 |
| Work Opportunity Tax Credit processing fees (7) | **805** | 1,858 | 1,858 |
| **Adjusted EBITDA** | **$ 124,646** | $ 147,322 | $ 144,595 |

* Totals may not sum due to rounding

## 3. RECONCILIATION OF U.S. GAAP REVENUE TO REVENUE EXCLUDING THE COMPANY'S FORMER LARGEST CUSTOMER ON A FISCAL AND COMPARABLE PERIOD BASIS

**(*Unaudited*)**

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.

| | Q4 2017 | Q4 2016 | |
|---|---|---|---|
| *(in thousands)* | 13 Weeks Ended Dec 31, 2017 | 14 Weeks Ended Jan 1, 2017 | 13-Week Comparable Period (6) |
| Revenue from services | **$ 669,625** | $ 734,951 | $ 680,709 |
| Former largest customer revenue | **(24,052)** | (33,603) | (31,687) |
| Revenue excluding former largest customer | **$ 645,573** | $ 701,348 | $ 649,022 |

| | 2017 | 2016 | |
|---|---|---|---|
| *(in thousands)* | 52 Weeks Ended Dec 31, 2017 | 53 Weeks Ended Jan 1, 2017 | 52-Week Comparable Period (6) |
| Revenue from services | **$ 2,508,771** | $ 2,750,640 | $ 2,696,398 |
| Former largest customer revenue | **(53,435)** | (171,164) | (169,248) |
| Revenue excluding former largest customer | **$ 2,455,336** | $ 2,579,476 | $ 2,527,150 |

## 4. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOWS

***(Unaudited)***

| | 2017 | 2016 |
|---|---|---|
| *(in thousands)* | 52 Weeks Ended Dec 31, 2017 | 53 Weeks Ended Jan 1, 2017 |
| Net cash provided by operating activities | **$ 99,851** | $ 261,754 |
| Capital expenditures | **(21,958)** | (29,042) |
| Free cash flows | **$ 77,893** | $ 232,712 |

(1) Other charges for the 13 weeks and 52 weeks ended Dec. 31, 2017, include a workforce reduction charge of $2.5 million primarily associated with employee reductions in the PeopleReady business, offset by $2.3 million of workers' compensation benefit. The workers' compensation benefit is associated with the favorable settlement of insurance coverage associated with a former insurance company and other items not considered part of our core operations. For the prior year periods, acquisition/integration costs related to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on Jan. 4, 2016. In addition, other charges include costs associated with our exit from the Amazon delivery business of $1.8 million, and branch signage write-offs of $1.6 million due to our re-branding to PeopleReady in the fiscal third quarter of 2016. Other charges included in the Q1 2018 outlook primarily relate to cloud-based financial system upgrades.

(2) The goodwill and intangible asset impairment charge in the prior year included the write-off of the CLP and Spartan reporting unit trade names/trademarks of $4.3 million due to our re-branding to PeopleReady during the fiscal third quarter of 2016, and $99.3 million of impairment charges recorded in the fiscal second quarter of 2016 relating to our Staff Management | SMX, hrX and PlaneTechs reporting units. Note, our PeopleScout and hrX service lines were combined during fiscal 2016 and now represent a single operating unit (PeopleScout).

(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 expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.

(5) Adjusts the effective income tax rate to the expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.

(6) Our fiscal period ends on the Sunday closest to the last day of Dec. In fiscal years consisting of 53 weeks, the final quarter consists of 14 weeks, while in fiscal years consisting of 52 weeks, all quarters consist of 13 weeks. The 13-week comparable period represents the 13 weeks ended Jan. 1 2017. The 52-week comparable period represents the sum of the 13 weeks ended Jan. 1, 2017 and the 39 weeks ended Sept. 23, 2016.

(7) 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 INFORMATION**

## 1. SEGMENT DATA
***(Unaudited)***

| *(in thousands)* | Q4 2017<br>13 Weeks Ended<br>Dec 31, 2017 | Q4 2016<br>14 Weeks Ended<br>Jan 1, 2017 | 2017<br>52 Weeks Ended<br>Dec 31, 2017 | 2016<br>53 Weeks Ended<br>Jan 1, 2017 |
|---|---|---|---|---|
| **Revenue from services:** | | | | |
| PeopleReady | **$ 393,029** | $ 431,388 | **$ 1,511,360** | $ 1,629,455 |
| PeopleManagement | **225,865** | 257,848 | **807,273** | 940,453 |
| PeopleScout | **50,731** | 45,715 | **190,138** | 180,732 |
| **Total company** | **669,625** | 734,951 | **2,508,771** | 2,750,640 |
| **Adjusted Segment EBITDA** (1): | | | | |
| PeopleReady | **$ 21,128** | $ 26,348 | **$ 79,044** | $ 109,063 |
| PeopleManagement | **8,457** | 11,903 | **27,216** | 27,557 |
| PeopleScout | **10,283** | 6,589 | **39,354** | 34,285 |
| **Total Adjusted Segment EBITDA** | **39,868** | 44,840 | **145,614** | 170,905 |
| Corporate unallocated expense | **(4,268)** | (5,062) | **(20,968)** | (23,583) |
| **Total company Adjusted EBITDA** | **35,600** | 39,778 | **124,646** | 147,322 |
| Acquisition/integration and other costs (2) | **(162)** | (4,002) | **(162)** | (12,223) |
| Goodwill and intangible asset impairment charge (3) | **—** | — | **—** | (103,544) |
| Work Opportunity Tax Credit processing fees (4) | **(337)** | (276) | **(805)** | (1,858) |
| **EBITDA** | **35,101** | 35,500 | **123,679** | 29,697 |
| Depreciation and amortization | **(11,465)** | (12,019) | **(46,115)** | (46,692) |
| Interest and other income (expense), net | **(24)** | (572) | **(14)** | (3,345) |
| Income (loss) before tax expense | **23,612** | 22,909 | **77,550** | (20,340) |
| Income tax (expense) benefit | **(7,185)** | (4,822) | **(22,094)** | 5,089 |
| **Net income (loss)** | **$ 16,427** | $ 18,087 | **$ 55,456** | $ (15,251) |

## 2. RECONCILIATION OF SEGMENT EBITDA TO ADJUSTED SEGMENT EBITDA
**(*Unaudited*)**

| | Q4 2017<br>13 Weeks Ended<br>Dec 31, 2017 | | | Q4 2016<br>14 Weeks Ended<br>Jan 1, 2017 | | |
|---|---|---|---|---|---|---|
| *(in thousands)* | PeopleReady | PeopleManagement | PeopleScout | PeopleReady | PeopleManagement | PeopleScout |
| Segment EBITDA (1) | **$ 20,924** | **$ 8,284** | **$ 10,161** | $ 26,072 | $ 9,766 | $ 6,589 |
| Acquisition/integration and other costs (2) | **(133)** | **173** | **122** | — | 2,137 | — |
| Work Opportunity Tax Credit processing fees (4) | **337** | **—** | **—** | 276 | — | — |
| **Adjusted Segment EBITDA (1)** | **$ 21,128** | **$ 8,457** | **$ 10,283** | $ 26,348 | $ 11,903 | $ 6,589 |

| (in thousands) | 2017 52 Weeks Ended Dec 31, 2017 PeopleReady | PeopleManagement | PeopleScout | 2016 53 Weeks Ended Jan 1, 2017 PeopleReady | PeopleManagement | PeopleScout |
|---|---|---|---|---|---|---|
| Segment EBITDA (1) | **$ 78,372** | **$ 27,043** | **$ 39,232** | $ 101,270 | $ (60,452) | $ 19,116 |
| Acquisition/integration and other costs (2) | **(133)** | **173** | **122** | 1,660 | 3,909 | — |
| Goodwill and intangible asset impairment charge (3) | — | — | — | 4,275 | 84,100 | 15,169 |
| Work Opportunity Tax Credit processing fees (4) | **805** | — | — | 1,858 | — | — |
| **Adjusted Segment EBITDA (1)** | **$ 79,044** | **$ 27,216** | **$ 39,354** | $ 109,063 | $ 27,557 | $ 34,285 |

## 3. SEGMENT DATA FOR FISCAL 2016 COMPARABLE 13- AND 52-WEEK PERIODS
**(*Unaudited*)**

As previously reported, the company's 2016 fiscal fourth quarter includes a 14th week and two additional days from moving the week-ending date from Friday to Sunday. To facilitate comparison to the current year, the company is providing 13-week and 52-week comparable operating results.

| (in thousands) | 13-Week Comparable Period (5) | 52-Week Comparable Period (5) |
|---|---|---|
| **Revenue from services:** | | |
| PeopleReady | $ 395,643 | $ 1,593,710 |
| PeopleManagement | 240,989 | 923,594 |
| PeopleScout | 44,077 | 179,094 |
| **Total company** | 680,709 | 2,696,398 |
| | | |
| **Adjusted Segment EBITDA** (1): | | |
| PeopleReady | $ 23,636 | $ 106,351 |
| PeopleManagement | 11,299 | 26,953 |
| PeopleScout | 6,621 | 34,317 |
| **Total Adjusted Segment EBITDA** | $ 41,556 | $ 167,621 |

## 4. RECONCILIATION OF SEGMENT EBITDA TO ADJUSTED SEGMENT EBITDA FOR FISCAL 2016 COMPARABLE 13- AND 52-WEEK PERIODS
**(*Unaudited*)**

| (in thousands) | Q4 2016 13-Week Comparable Period (5) PeopleReady | PeopleManagement | PeopleScout | 2016 52-Week Comparable Period (5) PeopleReady | PeopleManagement | PeopleScout |
|---|---|---|---|---|---|---|
| Segment EBITDA (1) | $ 23,360 | $ 9,162 | $ 6,621 | $ 98,558 | $ (61,056) | $ 19,148 |
| Acquisition/integration and other costs (2) | — | 2,137 | — | 1,660 | 3,909 | — |
| Goodwill and intangible asset impairment charge (3) | — | — | — | 4,275 | 84,100 | 15,169 |
| Work Opportunity Tax Credit processing fees (4) | 276 | — | — | 1,858 | — | — |
| **Adjusted Segment EBITDA (1)** | $ 23,636 | $ 11,299 | $ 6,621 | $ 106,351 | $ 26,953 | $ 34,317 |

(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, selling, general and administrative expenses, and goodwill and intangible asset impairment charge 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 Segment EBITDA 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 Segment EBITDA 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. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

(2) Other charges for the 13 weeks and 52 weeks ended Dec. 31, 2017, include a workforce reduction charge of $2.5 million primarily associated with employee reductions in the PeopleReady business, offset by $2.3 million of workers' compensation benefit. The workers' compensation benefit is associated with the favorable settlement of insurance coverage associated with a former insurance company and other items not considered part of our core operations. For the prior year periods, acquisition/integration costs related to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on Jan. 4, 2016. In addition, other charges include costs associated with our exit from the Amazon delivery business of $1.8 million, and branch signage write-offs of $1.6 million due to our re-branding to PeopleReady in the fiscal third quarter of 2016.

(3) The goodwill and intangible asset impairment charge in the prior year included the write-off of the CLP and Spartan reporting unit trade names/trademarks of $4.3 million due to our re-branding to PeopleReady during the fiscal third quarter of 2016, and $99.3 million of impairment charges recorded in the fiscal second quarter of 2016 relating to our Staff Management | SMX, hrX and PlaneTechs reporting units. Note, our PeopleScout and hrX service lines were combined during fiscal 2016 and now represent a single operating unit (PeopleScout).

(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.

(5) Our fiscal period ends on the Sunday closest to the last day of Dec. In fiscal years consisting of 53 weeks, the final quarter consists of 14 weeks, while in fiscal years consisting of 52 weeks, all quarters consist of 13 weeks. The 13-week comparable period represents the 13 weeks ended Jan. 1 2017. The 52-week comparable period represents the sum of the 13 weeks ended Jan. 1, 2017 and the 39 weeks ended Sept. 23, 2016.

# Q4 2017 Earnings Results

**February 7, 2018**

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# 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, (7) our ability to successfully execute on new business strategies and initiatives such as the consolidation of our service lines and leveraging of mobile technology, and (8) uncertainty surrounding the interpretation and application of the recent 2017 Tax Cuts and Jobs Act and any reduction or change in tax credits we utilize, including the Work Opportunity Tax Credit. Other information regarding factors that could affect our results is included in our Securities Exchange Commission (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 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 SEC.

In addition, we use several non-GAAP financial measures when presenting our financial results in this document. 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. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Any comparisons made herein to other periods are based on a comparison to the same period in the prior year unless otherwise stated.

# Q4 2017 Summary

## Improving revenue trends

- Revenue -9% for the 13-week fiscal period or -2% on a comparable basis[1]
- Improving trends in all segments
- Double-digit growth for PeopleScout

## Solid gross margin performance

- Eighth consecutive quarter of year-over-year gross margin expansion

## Favorable future impact from tax reform

- Effective tax rate for 2018 and 2019 expected to be roughly 16%[2]

## Return of capital

- $7 million of common stock repurchased in Q4 2017, $37 million for the year

## The right strategic priorities to drive growth

- PeopleReady – Innovative mobile strategy and simplified brand structure
- PeopleManagement – Productivity solutions and e-commerce focus
- PeopleScout – #1 in market, new proprietary technology, attractive margin

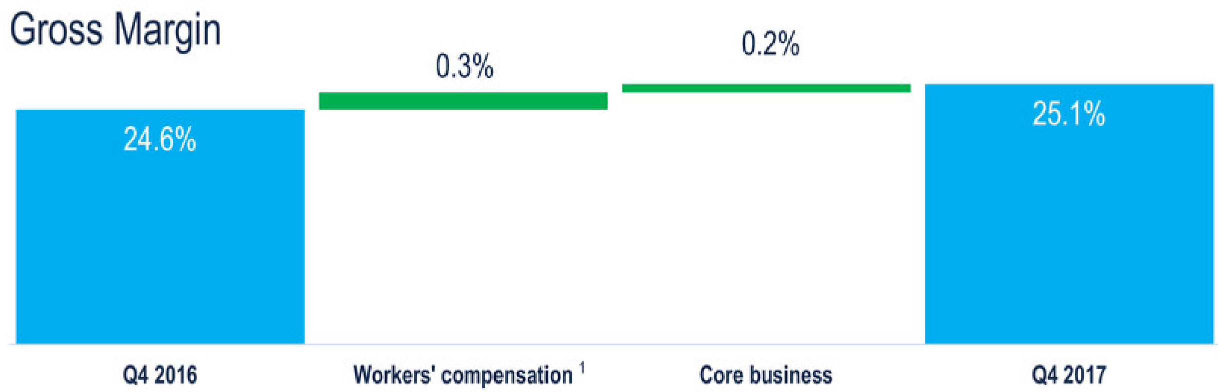
[1] The fiscal fourth quarter of 2016 included a 14th week and two additional days from moving the week-ending date from Friday to Sunday. The comparable period in 2016 excludes the first week (ended Sept. 30) of the fourth quarter and the two additional days associated with the change in week-ending date.
[2] The lower effective tax rate could extend beyond 2019 if Congress extends the Work Opportunity Tax Credit (WOTC). If the WOTC is not extended, the effective tax rate is expected to return to the historical rate of roughly 28%.

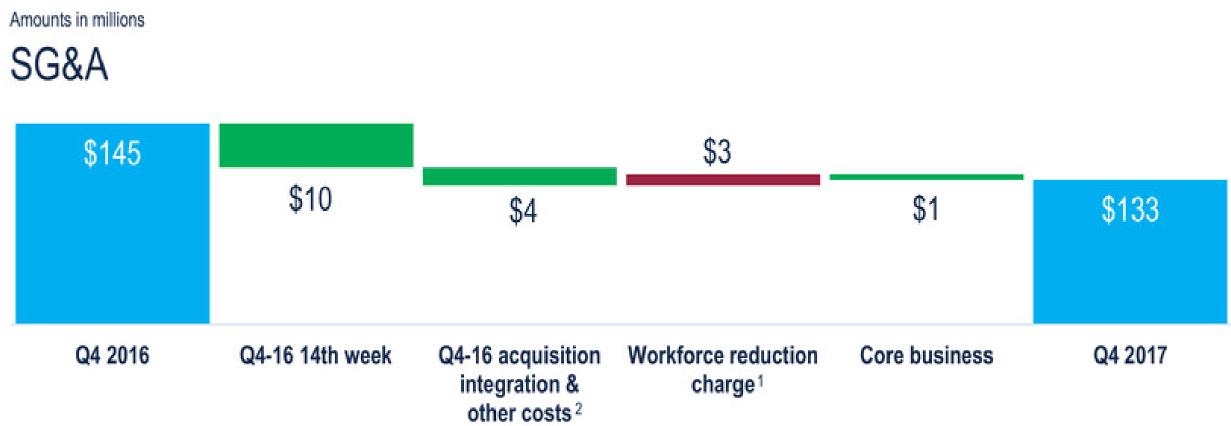
# Financial Summary

| Amounts in millions, except per share data | Q4 2017 | Y/Y Change Fiscal Period | Y/Y Change Comparable | FY 2017 | Y/Y Change Fiscal Period | Y/Y Change Comparable |
|---|---|---|---|---|---|---|
| Revenue | $670 | -9%<br>-8% Ex-Amazon[1] | -2%<br>-1% Ex-Amazon[1] | $2,509 | -9%<br>5% Ex-Amazon[1] | -7%<br>-3% Ex-Amazon[1] |
| Net Income | $16.4 | -9% | -2% | $55.5 | N/A | N/A |
| Net Income Per Diluted Share | $0.40 | -7% | 1% | $1.34 | N/A | N/A |
| Adjusted Net Income[2] | $21.0 | -13% | -6% | $72.0 | -18% | -17% |
| Adj. Net Income Per Diluted Share[2] | $0.51 | -9% | -2% | $1.74 | -17% | -16% |
| Adjusted EBITDA[2] | $35.6 | -11% | -4% | $124.6 | -15% | -14% |
| Adjusted EBITDA Margin | 5.3% | -10 bps | -10 bps | 5.0% | -40 bps | -40 bps |

[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.

# Gross Margin and SG&A Bridges




[1] These items are excluded from Adjusted Net Income and Adjusted EBITDA: a workforce reduction charge of $2.5 million associated with the PeopleReady business, offset by $2.3 million of workers' compensation benefit in cost of services.
[2] Q4-16 SG&A included an increase in the SIMOS earn-out of $1.3 million, costs associated with the exit from the Amazon delivery business of $0.8 million, and branch signage write-offs due to our re-branding to PeopleReady.

# Results by Segment

| Amounts in millions | PeopleReady | | PeopleManagement | | PeopleScout | |
|---|---|---|---|---|---|---|
| | Q4-17 | FY-17 | Q4-17 | FY-17 | Q4-17 | FY-17 |
| Revenue | $393 | $1,511 | $226 | $807 | $51 | $190 |
| *Fiscal Period % Growth* | *-9%* | *-7%* | *-12%* *(-10% ex-Amazon)* | *-14%* *(-2% ex-Amazon)* | *11%* | *5%* |
| *Comparable % Growth* | *-1%* | *-5%* | *-6%* *(-4% ex-Amazon)* | *-13%* *(Flat ex-Amazon)* | *15%* | *6%* |
| Adj. EBITDA | $21 | $79 | $8 | $27 | $10 | $39 |
| *Fiscal Period % Growth* | *-20%* | *-28%* | *-29%* | *-1%* | *56%* | *15%* |
| *Comparable % Growth* | *-11%* | *-26%* | *-25%* | *1%* | *55%* | *15%* |
| *% Margin Y/Y Change* | *5.4% -70 bps* | *5.2% -150 bps* | *3.7% -90 bps* | *3.4% 40 bps* | *20.3% 590 bps* | *20.7% 170 bps* |
| Improving Q4 comparable revenue trends: | • -1% growth in Q4 v. -5% for Q3 | | • -6% growth in Q4 v. -9% for Q3 | | • 15% growth in Q4 v. 10% for Q3 | |
| Additional Q4 Notes: | • Adj. EBITDA comparison impacted by size of workers' compensation benefit in Q4 2016 and higher contingent pay rates in Q4 2017 | | • Adj. EBITDA comparison impacted by favorable workers' compensation benefit in Q4 2016 | | • Double digit revenue growth driven by new customer wins<br>• Recruiting process efficiencies driving higher Adjusted EBITDA margin | |

Note: Figures may not sum to consolidated totals due to rounding.

# Segment Strategy Highlights

**peopleready** A TRUEBLUE COMPANY

- Worker component of JobStack™ mobile app fully deployed
- 1,600 customers on JobStack™ – placing orders, rating associates and entering hours
- Expect 10,000 customers to be actively using JobStack™ by the end of 2018

**people management** A TRUEBLUE COMPANY

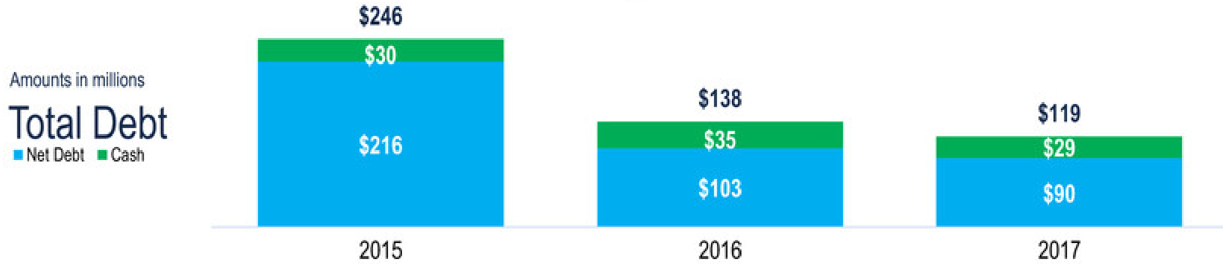
- Productivity solutions enhance future growth prospects
  - Compelling value proposition
  - Differentiated service, attractive margin
  - Perfect fit with the growing world of e-commerce

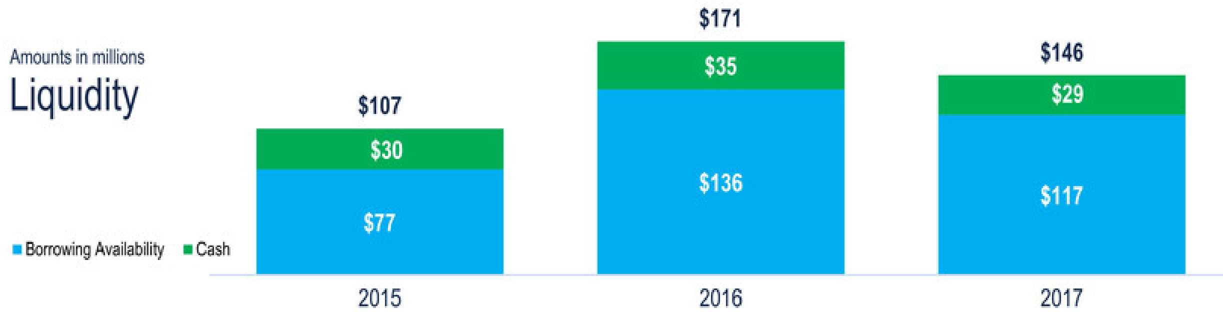
**peoplescout** A TRUEBLUE COMPANY

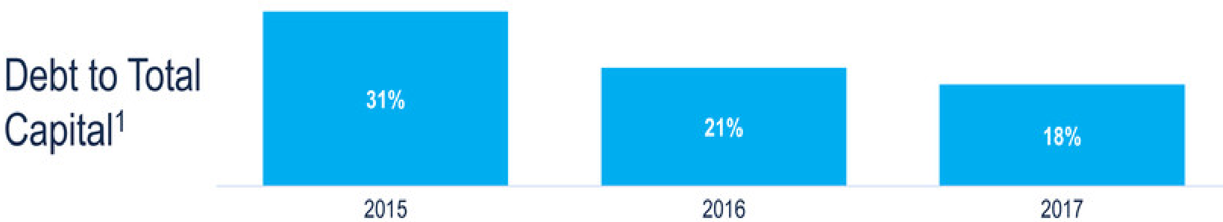
- Global RPO market experiencing double-digit growth
- Industry leading proprietary technology – recently launched Affinix™, a next-generation HR tool
- Attractive margin business with compelling value proposition

**Cross-Selling:** Leverage opportunities with key strategic accounts

# 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.

# Outlook

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# Q1 2018 Outlook

Amounts in millions, except per share data

| Revenue | Outlook | % Growth | Notes |
|---|---|---|---|
| Total | $557 to $572 | -2% to 1% | • Stable trends for PeopleReady and PeopleManagement<br>• Continued double digit growth for PeopleScout; new revenue recognition standard will create a quarterly timing difference during 2018. Q1 negatively impacted by 3% |
| PeopleReady | $326 to $331 | -2% to 0% | |
| PeopleManagement | $183 to $188 | -5% to -2% | |
| PeopleScout | $48 to $53 | 10% to 20% | |

| Profitability & Capital Expenditures | Outlook | Notes |
|---|---|---|
| Net income per diluted share | $0.03 to $0.11 | • Assumes an effective income tax rate of 16%<br>• $1 million negative operating income impact from new revenue recognition standard in Q1; neutral impact on 2018<br>• $1-2 million of add-backs included in adjusted net income for financial system upgrades<br>• Assumes diluted weighted average shares outstanding of 40.6 million |
| Adjusted net income per diluted share | $0.18 to $0.24 | |
| Capital Expenditures | $5 | |

# Appendix

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# NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

In addition to financial measures presented in accordance with U.S. GAAP, we monitor certain non-GAAP key financial measures. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

| Non-GAAP Measure | Definition | Purpose of Adjusted Measures |
|---|---|---|
| **EBITDA and Adjusted EBITDA** | EBITDA excludes from net income (loss) the effects of:<br>- interest expense,<br>- income taxes, and<br>- depreciation and amortization.<br><br>Adjusted EBITDA, further excludes the effects of:<br>- acquisition/integration and other costs,<br>- goodwill and intangible asset impairment charge, and<br>- Work Opportunity Tax Credit third-party processing fees. | - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.<br><br>- Used by management to assess performance and effectiveness of our business strategies by excluding certain non-cash charges.<br><br>- Provides a measure, among others, used in the determination of incentive compensation for management. |
| **Adjusted net income (loss) and Adjusted net income (loss), per diluted share** | Net income (loss) and net income (loss) per diluted share, excluding the effects of:<br>- acquisition/integration and other costs,<br>- goodwill and intangible asset impairment charge,<br>- amortization of intangibles of acquired businesses, as well as accretion expense related to acquisition earn-out,<br>- tax effect of each adjustment to U.S. GAAP net income (loss), and<br>- adjusted income taxes to the expected effective tax rate. | - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.<br><br>- Used by management to assess performance and effectiveness of our business strategies by excluding certain non-cash charges. |

# 1. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME, PER DILUTED SHARE ON A FISCAL AND COMPARABLE PERIOD BASIS *(Unaudited)*

| | Q4 2017 | Q4 2016 | | Q1 2018 Outlook |
|---|---|---|---|---|
| (in thousands, except for per share data)* | 13 Weeks Ended Dec 31, 2017 | 14 Weeks Ended Jan 1, 2017 | 13-Week Comparable Period (6) | 13 Weeks Ended Apr 1, 2018 |
| Net income | **$ 16,427** | $ 18,087 | $ 16,791 | $ 1,300 — $ 4,600 |
| Acquisition/integration and other costs (1) | **162** | 4,002 | 4,002 | 2,000 — 1,000 |
| Amortization of intangible assets of acquired businesses (3) | **5,331** | 6,391 | 5,934 | 5,200 |
| Tax effect of adjustments to net income (4) | **(1,538)** | (2,910) | (2,782) | (1,200) — (1,000) |
| Adjust income taxes to normalized effective rate (5) | **574** | (1,593) | (1,581) | — |
| **Adjusted net income** | **$ 20,956** | $ 23,977 | $ 22,364 | $ 7,300 — $ 9,800 |
| **Adjusted net income, per diluted share** | **$ 0.51** | $ 0.56 | $ 0.52 | $ 0.18 — $ 0.24 |
| **Diluted weighted average shares outstanding** | **40,856** | 41,980 | 41,980 | 40,600 |

* Totals may not sum due to rounding

| | 2017 | 2016 | |
|---|---|---|---|
| (in thousands, except for per share data)* | 52 Weeks Ended Dec 31, 2017 | 53 Weeks Ended Jan 1, 2017 | 52-Week Comparable Period (6) |
| Net income (loss) | **$ 55,456** | $ (15,251) | $ (16,547) |
| Acquisition/integration and other costs (1) | **162** | 12,223 | 12,223 |
| Goodwill and intangible asset impairment charge (2) | **—** | 103,544 | 103,544 |
| Amortization of intangible assets of acquired businesses (3) | **22,290** | 27,069 | 26,612 |
| Tax effect of adjustments to net income (4) | **(6,287)** | (39,994) | (39,866) |
| Adjust income taxes to normalized effective rate (5) | **380** | 606 | 618 |
| **Adjusted net income** | **$ 72,001** | $ 88,197 | $ 86,584 |
| **Adjusted net income, per diluted share** | **$ 1.74** | $ 2.10 | $ 2.06 |
| **Diluted weighted average shares outstanding** | **41,441** | 41,968 | 41,968 |

* Totals may not sum due to rounding

See the last slide of the appendix for footnotes.

# 2. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA ON A FISCAL AND COMPARABLE PERIOD BASIS *(Unaudited)*

| | Q4 2017 | Q4 2016 | | Q1 2018 Outlook |
|---|---|---|---|---|
| (in thousands)* | 13 Weeks Ended Dec 31, 2017 | 14 Weeks Ended Jan 1, 2017 | 13-Week Comparable Period (6) | 13 Weeks Ended Apr 1, 2018 |
| Net income | **$ 16,427** | $ 18,087 | $ 16,791 | $ 1,300 — $ 4,600 |
| Income tax expense | **7,185** | 4,822 | 4,334 | 200 — 900 |
| Interest and other income (expense), net | **24** | 572 | 521 | (200) |
| Depreciation and amortization | **11,465** | 12,019 | 11,127 | 11,000 |
| **EBITDA** | **35,101** | 35,500 | 32,773 | 12,300 — 16,300 |
| Acquisition/integration and other costs (1) | **162** | 4,002 | 4,002 | 2,000 — 1,000 |
| Work Opportunity Tax Credit processing fees (7) | **337** | 276 | 276 | 200 |
| **Adjusted EBITDA** | **$ 35,600** | $ 39,778 | $ 37,051 | $ 14,500 — $ 17,500 |

* Totals may not sum due to rounding

| | 2017 | 2016 | |
|---|---|---|---|
| (in thousands)* | 52 Weeks Ended Dec 31, 2017 | 53 Weeks Ended Jan 1, 2017 | 52-Week Comparable Period (6) |
| Net income (loss) | **$ 55,456** | $ (15,251) | $ (16,547) |
| Income tax expense (benefit) | **22,094** | (5,089) | (5,577) |
| Interest and other income (expense), net | **14** | 3,345 | 3,294 |
| Depreciation and amortization | **46,115** | 46,692 | 45,800 |
| **EBITDA** | **123,679** | 29,697 | 26,970 |
| Acquisition/integration and other costs (1) | **162** | 12,223 | 12,223 |
| Goodwill and intangible asset impairment charge (2) | **—** | 103,544 | 103,544 |
| Work Opportunity Tax Credit processing fees (7) | **805** | 1,858 | 1,858 |
| **Adjusted EBITDA** | **$ 124,646** | $ 147,322 | $ 144,595 |

* Totals may not sum due to rounding

See the last slide of the appendix for footnotes.

## 3. RECONCILIATION OF U.S. GAAP REVENUE TO REVENUE EXCLUDING THE COMPANY'S FORMER LARGEST CUSTOMER ON A FISCAL AND COMPARABLE PERIOD BASIS *(Unaudited)*

| | Q4 2017 | Q4 2016 | |
|---|---|---|---|
| (in thousands) | 13 Weeks Ended Dec 31, 2017 | 14 Weeks Ended Jan 1, 2017 | 13-Week Comparable Period (6) |
| Revenue from services | **$ 669,625** | $ 734,951 | $ 680,709 |
| Former largest customer revenue | **(24,052)** | (33,603) | (31,687) |
| Revenue excluding former largest customer | **$ 645,573** | $ 701,348 | $ 649,022 |

| | 2017 | 2016 | |
|---|---|---|---|
| (in thousands) | 52 Weeks Ended Dec 31, 2017 | 53 Weeks Ended Jan 1, 2017 | 52-Week Comparable Period (6) |
| Revenue from services | **$ 2,508,771** | $ 2,750,640 | $ 2,696,398 |
| Former largest customer revenue | **(53,435)** | (171,164) | (169,248) |
| Revenue excluding former largest customer | **$ 2,455,336** | $ 2,579,476 | $ 2,527,150 |

## 4. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOWS *(Unaudited)*

| | 2017 | 2016 |
|---|---|---|
| (in thousands) | 52 Weeks Ended Dec 31, 2017 | 53 Weeks Ended Jan 1, 2017 |
| Net cash provided by operating activities | **$ 99,851** | $ 261,754 |
| Capital expenditures | **(21,958)** | (29,042) |
| Free cash flows | **$ 77,893** | $ 232,712 |

See the last slide of the appendix for footnotes.

# 5. RECONCILIATION OF SEGMENT EBITDA TO ADJUSTED SEGMENT EBITDA ON A FISCAL AND COMPARABLE PERIOD BASIS

## *(Unaudited)*

| | Q4 2017 | | | Q4 2016 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 13 Weeks Ended Dec 31, 2017 | | | 14 Weeks Ended Jan 1, 2017 | | | 13-Week Comparable Period (6) | | |
| (in thousands) | PeopleReady | PeopleManagement | PeopleScout | PeopleReady | PeopleManagement | PeopleScout | PeopleReady | PeopleManagement | PeopleScout |
| Segment EBITDA (8) | $ 20,924 | $ 8,284 | $ 10,161 | $ 26,072 | $ 9,766 | $ 6,589 | $ 23,360 | $ 9,162 | $ 6,621 |
| Acquisition/integration and other costs (1) | (133) | 173 | 122 | — | 2,137 | — | — | 2,137 | — |
| Work Opportunity Tax Credit processing fees (7) | 337 | — | — | 276 | — | — | 276 | — | — |
| **Adjusted Segment EBITDA (8)** | $ 21,128 | $ 8,457 | $ 10,283 | $ 26,348 | $ 11,903 | $ 6,589 | $ 23,636 | $ 11,299 | $ 6,621 |

| | 2017 | | | 2016 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 52 Weeks Ended Dec 31, 2017 | | | 53 Weeks Ended Jan 1, 2017 | | | 52-Week Comparable Period (6) | | |
| (in thousands) | PeopleReady | PeopleManagement | PeopleScout | PeopleReady | PeopleManagement | PeopleScout | PeopleReady | PeopleManagement | PeopleScout |
| Segment EBITDA (8) | $ 78,372 | $ 27,043 | $ 39,232 | $ 101,270 | $ (60,452) | $ 19,116 | $ 98,558 | $ (61,056) | $ 19,148 |
| Acquisition/integration and other costs (1) | (133) | 173 | 122 | 1,660 | 3,909 | — | 1,660 | 3,909 | — |
| Goodwill and intangible asset impairment charge (2) | — | — | — | 4,275 | 84,100 | 15,169 | 4,275 | 84,100 | 15,169 |
| Work Opportunity Tax Credit processing fees (7) | 805 | — | — | 1,858 | — | — | 1,858 | — | — |
| **Adjusted Segment EBITDA (8)** | $ 79,044 | $ 27,216 | $ 39,354 | $ 109,063 | $ 27,557 | $ 34,285 | $ 106,351 | $ 26,953 | $ 34,317 |

See the last slide of the appendix for footnotes.

Footnotes:

1. Other charges for the 13 weeks and 52 weeks ended Dec. 31, 2017, include a workforce reduction charge of $2.5 million primarily associated with employee reductions in the PeopleReady business, offset by $2.3 million of workers' compensation benefit. The workers' compensation benefit is associated with the favorable settlement of insurance coverage associated with a former insurance company and other items not considered part of our core operations. For the prior year periods, acquisition/integration costs related to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on Jan. 4, 2016. In addition, other charges include costs associated with our exit from the Amazon delivery business of $1.8 million, and branch signage write-offs of $1.6 million due to our re-branding to PeopleReady in the fiscal third quarter of 2016. Other charges included in the Q1 2018 outlook primarily relate to cloud-based financial system upgrades.
2. The goodwill and intangible asset impairment charge in the prior year included the write-off of the CLP and Spartan reporting unit trade names/trademarks of $4.3 million due to our re-branding to PeopleReady during the fiscal third quarter of 2016, and $99.3 million of impairment charges recorded in the fiscal second quarter of 2016 relating to our Staff Management | SMX, hrX and PlaneTechs reporting units. Note, our PeopleScout and hrX service lines were combined during fiscal 2016 and now represent a single operating unit (PeopleScout).
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 expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.
5. Adjusts the effective income tax rate to the expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.
6. Our fiscal period ends on the Sunday closest to the last day of Dec. In fiscal years consisting of 53 weeks, the final quarter consists of 14 weeks, while in fiscal years consisting of 52 weeks, all quarters consist of 13 weeks. The 13-week comparable period represents the 13 weeks ended Jan. 1 2017. The 52-week comparable period represents the sum of the 13 weeks ended Jan. 1, 2017 and the 39 weeks ended Sept. 23, 2016.
7. 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.
8. 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, selling, general and administrative expenses, and goodwill and intangible asset impairment charge 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 Segment EBITDA 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 Segment EBITDA 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. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

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THE PEOPLE COMPANY

# Investor Roadshow Presentation

February 2018

# 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, (7) our ability to successfully execute on new business strategies and initiatives such as the consolidation of our service lines and leveraging of mobile technology, and (8) uncertainty surrounding the interpretation and application of the recent 2017 Tax Cuts and Jobs Act and any reduction or change in tax credits we utilize, including the Work Opportunity Tax Credit. Other information regarding factors that could affect our results is included in our Securities Exchange Commission (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 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 SEC.

In addition, we use several non-GAAP financial measures when presenting our financial results in this document. 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. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Any comparisons made herein to other periods are based on a comparison to the same period in the prior year unless otherwise stated.

# Investment Highlights

| | |
|---|---|
| **Market Leader** | Market leader in U.S. industrial staffing and global RPO with increasingly diverse service offerings |
| **Track Record** | Track record of favorable growth and investor returns |
| **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 & Balance Sheet** | Strong free cash flow and balance sheet |

# TrueBlue at a Glance

**108,000**
Customers served annually with strong diversity[1]

**740,000**
People connected to work during 2017

One of the largest U.S. industrial staffing providers

**#1**
Global RPO provider[2]

2013-2017 Revenue CAGR
**11% Growth**

2013-2017 Average Return on Equity[3]
**16% Return**

**$2.5B**
2017 Revenue

Everest Group
From insight to action.
PeopleScout named a Leader and Star Performer by Everest Group for service delivery, technology and buyer satisfaction

HRO TODAY
HRO Today magazine repeatedly recognizes PeopleScout as a global market leader

Thousands of veterans hired per year via internal programs as well as Hiring Our Heroes and Wounded Warriors

Recognized as a Corporate Champion by the Women's Forum of New York for board diversity

[1] No single customer accounted for more than 3% of total revenue for FY 2017.
[2] Source: Everest Group. Overall recruitment process outsourcing rankings by annual number of hires (2017).
[3] Calculated as Adjusted Net Income divided by average shareholders' equity over the prior four quarters.

# Three Specialized Segments Meet Diverse Customer Needs

| Specialized Staffing | Workforce Management | Recruiting Solutions |
|---|---|---|
| peopleready A TRUEBLUE COMPANY | people management A TRUEBLUE COMPANY | people scout A TRUEBLUE COMPANY |
| On-demand contingent labor for industrial customers. | On-site contingent workforce management solutions.[1] | Talent solutions for recruiting permanent employees.[2] |

| | PeopleReady | PeopleManagement | PeopleScout |
|---|---|---|---|
| Revenue Mix[3] | 60% | 32% | 8% |
| Adj. EBITDA Mix[3] | 54% | 19% | 27% |
| Adj. EBITDA Margin[3] | 5% | 3% | 21% |

[1] We use the following distinct brands to market our PeopleManagement contingent workforce solutions: Staff Management | SMX, SIMOS Insourcing Solutions, PlaneTechs and Centerline.
[2] Also includes managed service provider business, which provides customers with improved quality and spend management of their contingent labor vendors.
[3] Revenue and Adjusted EBITDA calculations based on FY 2017; Adjusted EBITDA mix calculations exclude Corporate unallocated expenses. 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.

# Solving Workforce Challenges Globally

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

### Shifting Workplace Dynamics

A **worker shortage** is affecting key segments, 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.

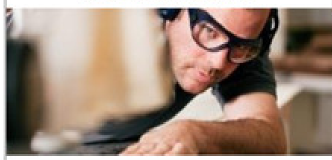
trueblue THE PEOPLE COMPANY

We deliver a **robust** customer 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

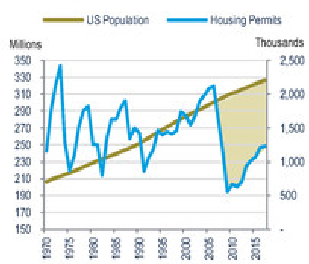
## Construction



**Industry Dynamics**
- Structural labor shortages drive demand for staffing services
- Household formation outpacing housing starts, creating pent-up demand

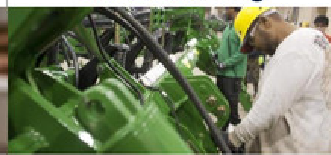
FY-17 Business Mix: 23%

**Housing Starts Have Not Kept Pace**




Source: U.S. Census Bureau

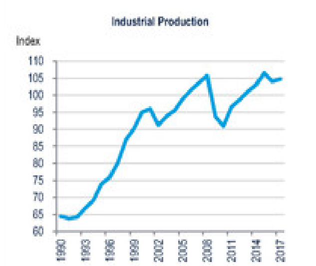
## Manufacturing



**Industry Dynamics**
- 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-17 Business Mix: 26%

**U.S. Manufacturing Renaissance**




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

## Transport & Wholesale

**Industry Dynamics**
- 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-17 Business Mix: 22%

**Wholesale Trade At New High**

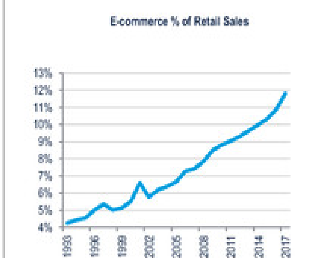

Source: Bureau of Labor Statistics

## Retail & Services

**Industry Dynamics**
- 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-17 Business Mix: 20%

**E-commerce Growing % of Retail Sales**




Source: U.S. Census Bureau

# Powerful Secular Forces in Industrial Staffing

**7%**

**Growing Market**

- U.S. industrial staffing market has grown 6% annually since 2010[1]
- Projected to be a $50B market by 2025[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 (e.g. skilled construction and truck drivers)
- Deepening of the general contingent 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

**Temporary Help Penetration Growth**

- Growth in temporary staffing employment is outpacing the overall labor market growth:
  - Uneven demand and dramatic seasonal volume drives more contingent hiring
  - Economic uncertainty associated with the longer cycle makes contingent labor 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

[1] Source: Staffing Industry Analysts.
[2] Source: TrueBlue estimate based on 6% CAGR from 2018 to 2025.
[3] Source: Bureau of Labor Statistics.

# Segment Strategy Highlights

| peopleready A TRUEBLUE COMPANY | peoplemanagement A TRUEBLUE COMPANY | peoplescout A TRUEBLUE COMPANY |
|---|---|---|
| **Leverage Digital Strategy**<br>• Compelling technology + established branch network<br>• Value creation: 24/7 order fulfilment, enhanced customer/worker experience<br>• 15%+ EBITDA margins on incremental revenue | **Grow Productivity Solutions**<br>• Differentiated offering<br>• Perfect fit with e-commerce<br>• Attractive EBITDA margin (productivity solutions generated margins of 8% in 2017) | **Well Positioned**<br>• Recognized global leader<br>• High growth market<br>• Attractive EBITDA margin<br>**Leverage Digital Strategy**<br>• Best-in-class proprietary technology (Affinix™)<br>• Mobile-first, AI-enabled, cloud-based platform<br>• Streamlines the candidate sourcing process |

***Boost shareholder returns through share repurchase***

# JobStack™ Mobile App – A Competitive Differentiator

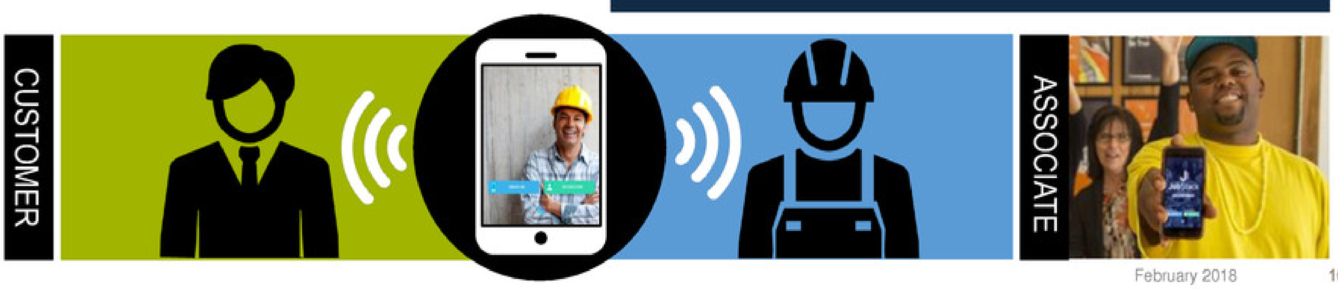
**JobStack™ is a next generation mobile app that algorithmically matches workers with available jobs.**

## Compelling Technology

- 24/7 order creation
- Real-time order fill rates
- Associate ratings
- Worksite ratings
- Work week control

## Driving Value for TrueBlue

- Round-the-clock revenue generation
- Improved associate experience
- Lift associate quality
- Enhanced communication & safety
- Tap into larger and more diverse talent pool



# Productivity Solutions and eCommerce

## Driving Productivity Solutions

- **High margin** business with strong customer value proposition and high customer retention
- **Value-add** solutions include cost per-unit pricing and process re-engineering to help customers reduce labor spend by 15% or more
- **SIMOS** is PeopleManagement's highest margin business and a recognized leader in the productivity solutions space

## eCommerce Vertical Leadership

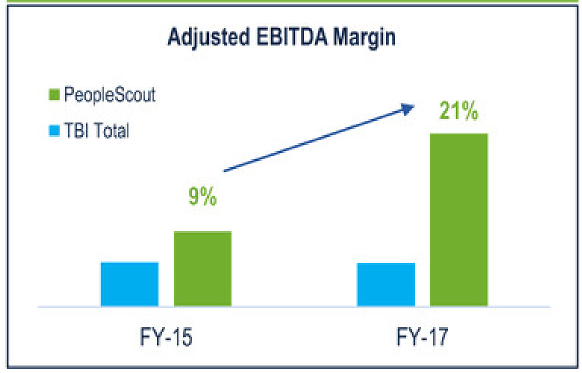
- **Labor intensive** pick-and-pack movement v. traditional bulk pallets
- **Increasing demand** for PeopleManagement's ability to deliver a flexible, fully sourced and managed workforce
- **Fastest growing** segment is smaller e-retailers (<$100 million annual sales), which is a core strength for PeopleManagment

peoplescout A TRUEBLUE COMPANY

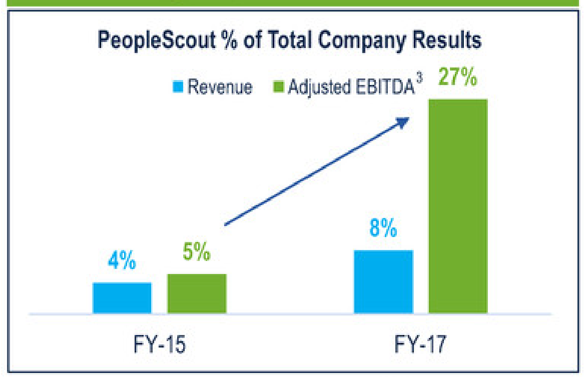
# PeopleScout: Attractive Margin and Rapid Growth

- **Industry Leadership**
  - #1 global provider of enterprise RPO[1]
  - Emerging healthcare vertical strength
- **Differentiated Service**
  Proprietary technology drives value-add recruitment capabilities
- **Growing Market**
  12% global market growth CAGR[2]
- **Global Prospects**
  Opportunity to broaden footprint in Europe and Asia Pacific

## High Margin Business




## Increasing Importance to TrueBlue



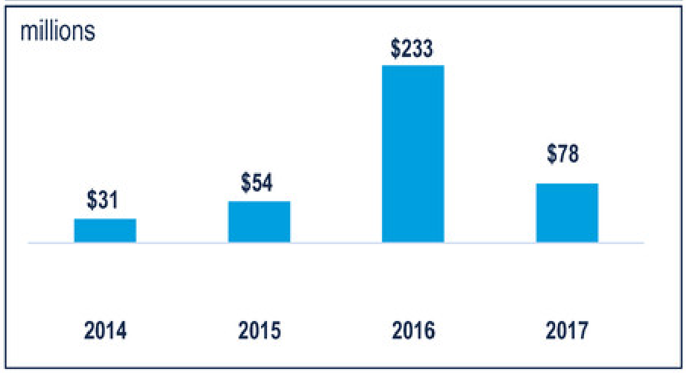

[1] Source: Everest Group. Overall RPO rankings by annual number of hires (2017).
[2] Source: NelsonHall (2018). Represents estimated market CAGR from 2017-2022.

# Well Positioned to Boost Shareholder Returns with Buybacks

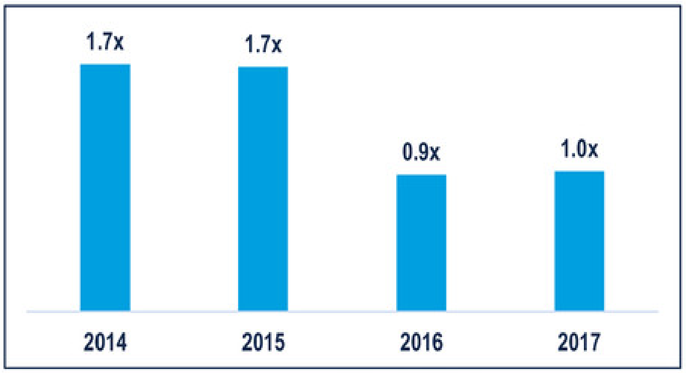
## Highlights

- $100M stock buyback authorization[1]
- Ample cash flow generation
- Strong balance sheet

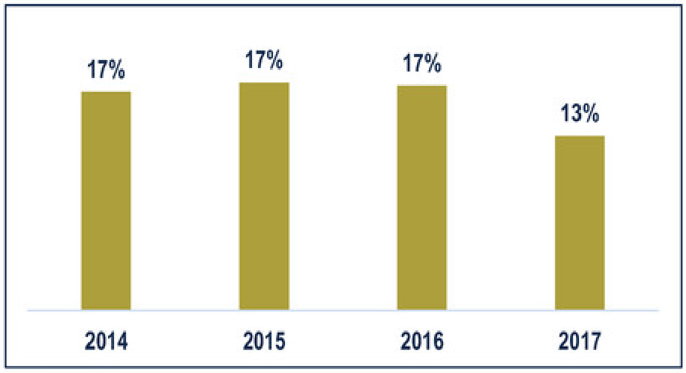
## Free Cash Flow[2]




## Total Debt to Adjusted EBITDA




## Return on Equity[3]




[1] $100 million stock repurchase authorization announced on 30 October, 2017. $93 million remaining under the authorization as of 31 December, 2017.
[2] 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.
[3] Calculated as Adjusted Net Income divided by average shareholders' equity at the end of the prior four quarters.

# Appendix

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# NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

In addition to financial measures presented in accordance with U.S. GAAP, we monitor certain non-GAAP key financial measures. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

| Non-GAAP Measure | Definition | Purpose of Adjusted Measures |
|---|---|---|
| **EBITDA and Adjusted EBITDA** | EBITDA excludes from net income (loss) the effects of:<br>- interest expense,<br>- income taxes, and<br>- depreciation and amortization.<br><br>Adjusted EBITDA, further excludes the effects of:<br>- acquisition/integration and other costs,<br>- goodwill and intangible asset impairment charge, and<br>- Work Opportunity Tax Credit third-party processing fees. | - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.<br><br>- Used by management to assess performance and effectiveness of our business strategies by excluding certain non-cash charges.<br><br>- Provides a measure, among others, used in the determination of incentive compensation for management. |
| **Adjusted net income (loss) and Adjusted net income (loss), per diluted share** | Net income (loss) and net income (loss) per diluted share, excluding the effects of:<br>- acquisition/integration and other costs,<br>- goodwill and intangible asset impairment charge,<br>- amortization of intangibles of acquired businesses, as well as accretion expense related to acquisition earn-out,<br>- tax effect of each adjustment to U.S. GAAP net income (loss), and<br>- adjusted income taxes to the expected effective tax rate. | - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.<br><br>- Used by management to assess performance and effectiveness of our business strategies by excluding certain non-cash charges. |

# RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME, PER DILUTED SHARE *(Unaudited)*

| (in thousands, except for per share data)* | 2017<br>52 Weeks Ended<br>Dec 31, 2017 | 2016<br>53 Weeks Ended<br>Jan 1, 2017 | 2015<br>52 Weeks Ended<br>Dec 25, 2015 | 2014<br>52 Weeks Ended<br>Dec 26, 2014 |
|---|---|---|---|---|
| Net income | **$ 55,456** | $ (15,251) | $ 71,247 | $ 65,675 |
| Acquisition/integration and other costs (1) | **162** | 12,223 | 5,135 | 5,220 |
| Goodwill and intangible asset impairment charge (2) | **—** | 103,544 | — | — |
| Amortization of intangible assets of acquired businesses (3) | **22,290** | 27,069 | 19,903 | 12,046 |
| Tax effect of adjustments to net income (4) | **(6,287)** | (39,994) | (7,011) | (4,834) |
| Adjust income taxes to normalized effective rate (5) | **380** | 606 | (1,805) | (6,747) |
| **Adjusted net income** | **$ 72,001** | $ 88,197 | $ 87,469 | $ 71,360 |
| **Adjusted net income, per diluted share** | **$ 1.74** | $ 2.10 | $ 2.10 | $ 1.73 |
| **Diluted weighted average shares outstanding** | **41,441** | 41,968 | 41,622 | 41,176 |

* Totals may not sum due to rounding

# RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA *(Unaudited)*

| (in thousands) | 2017<br>52 Weeks Ended<br>Dec 31, 2017 | 2016<br>53 Weeks Ended<br>Jan 1, 2017 | 2015<br>52 Weeks Ended<br>Dec 25, 2015 | 2014<br>52 Weeks Ended<br>Dec 26, 2014 |
|---|---|---|---|---|
| Net income | **$ 55,456** | $ (15,251) | $ 71,247 | $ 65,675 |
| Income tax expense | **22,094** | (5,089) | 25,200 | 16,169 |
| Interest and other expense, net | **14** | 3,345 | 1,395 | (116) |
| Depreciation and amortization | **46,115** | 46,692 | 41,843 | 29,474 |
| **EBITDA** | **123,679** | 29,697 | 139,685 | 111,202 |
| Acquisition/integration and other costs (1) | **162** | 12,223 | 5,135 | 5,220 |
| Goodwill and intangible asset impairment charge (2) | **—** | 103,544 | — | — |
| Work Opportunity Tax Credit processing fees (6) | **805** | 1,858 | 2,352 | 3,020 |
| **Adjusted EBITDA** | **$ 124,646** | $ 147,322 | $ 147,172 | $ 119,442 |

See the last slide of the appendix for footnotes.

# RECONCILIATION OF SEGMENT EBITDA TO ADJUSTED SEGMENT EBITDA *(Unaudited)*

| | 2017 | | | 2016 | | |
|---|---|---|---|---|---|---|
| | 52 Weeks Ended Dec 31, 2017 | | | 53 Weeks Ended Jan 1, 2017 | | |
| (in thousands) | PeopleReady | PeopleManagement | PeopleScout | PeopleReady | PeopleManagement | PeopleScout |
| Segment EBITDA (7) | **$ 78,372** | **$ 27,043** | **$ 39,232** | $ 101,270 | $ (60,452) | $ 19,116 |
| Acquisition/integration and other costs (1) | **(133)** | **173** | **122** | 1,660 | 3,909 | — |
| Goodwill and intangible asset impairment charge (2) | **—** | **—** | **—** | 4,275 | 84,100 | 15,169 |
| Work Opportunity Tax Credit processing fees (6) | **805** | **—** | **—** | 1,858 | — | — |
| **Adjusted Segment EBITDA (7)** | **$ 79,044** | **$ 27,216** | **$ 39,354** | $ 109,063 | $ 27,557 | $ 34,285 |

# RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOWS *(Unaudited)*

| | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|
| | 52 Weeks Ended | 53 Weeks Ended | 52 Weeks Ended | 52 Weeks Ended |
| (in thousands) | Dec 31, 2017 | Jan 1, 2017 | Dec 25, 2015 | Dec 26, 2014 |
| Net cash provided by operating activities | **$ 99,851** | $ 261,754 | $ 72,072 | $ 47,525 |
| Capital expenditures | **(21,958)** | (29,042) | (18,394) | (16,918) |
| Free cash flows | **$ 77,893** | $ 232,712 | $ 53,678 | $ 30,607 |

See the last slide of the appendix for footnotes.

Footnotes:

1. Acquisition/integration and other costs related 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 December 31, 2017, include a workforce reduction charge of $2.5 million primarily associated with employee reductions in the PeopleReady business, offset by $2.3 million of workers' compensation benefit. The workers' compensation benefit is associated with the favorable settlement of insurance coverage associated with a former insurance company and other items not considered part of our core operations. 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. 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. Note, our PeopleScout and hrX service lines were combined during fiscal 2016 and now represent a single operating unit (PeopleScout).
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 expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.
5. Adjusts the effective income tax rate to the expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.
6. 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.
7. 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, selling, general and administrative expenses, and goodwill and intangible asset impairment charge 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 Segment EBITDA 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 Segment EBITDA 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. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.