
**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 29, 2019



TRUEBLUE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction
of Incorporation)

001-14543
(Commission
File Number)

91-1287341
(IRS Employer
Identification No.)

1015 A Street, Tacoma, Washington
(Address of Principal Executive Offices)

98402
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common stock, no par value

Trading Symbol(s)
TBI

Name of each exchange on which registered
New York Stock Exchange

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 29, 2019, TrueBlue, Inc. (the “company”) issued a press release (the “Press Release”) reporting its financial results for the second quarter ended June 30, 2019, and revenue and earnings outlook for the third quarter of 2019, 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 June 30, 2019 (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 29, 2019. 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 Roadshow Presentation to this report as Exhibit 99.3, which we will reference in our Q2 2019 earnings results discussion and which may be used in future investor conferences. The Investor Roadshow 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 Roadshow 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 Roadshow 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 29, 2019
 - 99.2 Earnings Results Presentation for July 29, 2019 conference call
 - 99.3 Investor Roadshow Presentation
-

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed Herewith
99.1	Press Release dated July 29, 2019	X
99.2	Earnings Results Presentation for July 29, 2019 conference call	X
99.3	Investor Roadshow Presentation	X

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: July 29, 2019

By: _____
/s/ Derrek L. Gafford
Derrek L. Gafford
Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS SECOND QUARTER 2019 RESULTS

TACOMA, WASH. - Jul. 29, 2019-- TrueBlue (NYSE:TBI) today announced its second quarter results for 2019.

Second quarter revenue was \$589 million, a decrease of 4 percent, compared to revenue of \$614 million in the second quarter of 2018. Net income per diluted share was \$0.49, an increase of 11 percent, compared to \$0.44 in the second quarter of 2018. Adjusted net income¹ per diluted share was \$0.64, an increase of 12 percent, compared to \$0.57 in the second quarter of 2018.

“We experienced a slower pace of demand this quarter, attributable to lower volumes within the businesses of our clients,” said Patrick Beharelle, CEO of TrueBlue. “I’m pleased that we were able to effectively manage costs, resulting in net income and EPS growth, while making progress on our digital growth initiatives.

“The second quarter also marks the five-year anniversary of our acquisition of Seaton and the one-year anniversary of our acquisition of TMP Holdings,” Mr. Beharelle continued. “The Seaton acquisition transformed the company into a diversified workforce solutions company and provided entry into the RPO market that now represents 30 percent of the company’s segment profit.² The TMP acquisition bolstered our global RPO growth strategy, providing entry into the U.K. and accelerating our ability to compete for multi-continent deals.”

2019 Outlook

TrueBlue estimates revenue for the third quarter of 2019 will range from \$613 million to \$638 million. The company also estimates net income per diluted share will range from \$0.50 to \$0.60 and adjusted net income per diluted share will range from \$0.61 to \$0.71.

Management will discuss second quarter 2019 results on a webcast at 2 p.m. PDT (5 p.m. EDT), today, Monday, Jul. 29, 2019. 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 achieve business growth and improve productivity. In 2018, TrueBlue connected approximately 730,000 people with work. Its PeopleReady segment offers industrial staffing services, PeopleManagement offers contingent and productivity-based on-site industrial staffing services, and PeopleScout offers recruitment process outsourcing (RPO) and managed service provider (MSP) solutions to a wide variety of industries. 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 Segment profit calculations based on the trailing twelve months ended June 2019. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes goodwill and intangible impairment charges, depreciation and amortization expense, unallocated corporate general and administrative expense, interest, other income and expense, income taxes, and other adjustments not considered to be ongoing.

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 clients, (3) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (4) our ability to maintain profit margins, (5) new laws and regulations that could affect our operations or financial results, (6) our ability to successfully complete and integrate acquisitions, (7) our ability to successfully execute on business strategies to further digitize our business model, and (8) 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 additional information 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, Executive Vice President and CFO
253-680-8214

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

<i>(in thousands, except per share data)</i>	13 Weeks Ended		26 Weeks Ended	
	Jun 30, 2019	Jul 1, 2018	Jun 30, 2019	Jul 1, 2018
Revenue from services	\$ 588,594	\$ 614,301	\$ 1,140,946	\$ 1,168,689
Cost of services	430,277	448,717	834,253	859,837
Gross profit	158,317	165,584	306,693	308,852
Selling, general and administrative expense	127,599	134,207	257,260	259,970
Depreciation and amortization	9,827	10,101	19,779	20,191
Income from operations	20,891	21,276	29,654	28,691
Interest and other income (expense), net	827	(968)	1,380	1,236
Income before tax expense	21,718	20,308	31,034	29,927
Income tax expense	2,312	2,576	3,352	3,440
Net income	\$ 19,406	\$ 17,732	\$ 27,682	\$ 26,487

Net income per common share:

Basic	\$ 0.50	\$ 0.44	\$ 0.71	\$ 0.66
Diluted	\$ 0.49	\$ 0.44	\$ 0.70	\$ 0.65

Weighted average shares outstanding:

Basic	39,163	40,227	39,264	40,335
Diluted	39,554	40,469	39,619	40,576

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands)</i>	Jun 30, 2019	Dec 30, 2018
ASSETS		
Cash and cash equivalents	\$ 23,124	\$ 46,988
Accounts receivable, net	335,488	355,373
Other current assets	33,730	27,466
Total current assets	392,342	429,827
Property and equipment, net	58,647	57,671
Restricted cash and investments	222,556	235,443
Goodwill and intangible assets, net	318,484	328,695
Operating lease right-of-use assets	37,978	—
Other assets, net	64,880	63,208
Total assets	\$ 1,094,887	\$ 1,114,844
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 212,718	\$ 225,526
Long-term debt	24,700	80,000
Operating lease long-term liabilities	25,995	—
Other long-term liabilities	216,467	217,879
Total liabilities	479,880	523,405
Shareholders' equity	615,007	591,439
Total liabilities and shareholders' equity	\$ 1,094,887	\$ 1,114,844

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

<i>(in thousands)</i>	26 Weeks Ended	
	Jun 30, 2019	Jul 1, 2018
Cash flows from operating activities:		
Net income	\$ 27,682	\$ 26,487
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,779	20,191
Provision for doubtful accounts	3,761	5,571
Stock-based compensation	5,260	5,983
Deferred income taxes	2,393	1,373
Non-cash lease expense	6,934	—
Other operating activities	(2,072)	102
Changes in operating assets and liabilities:		
Accounts receivable	16,162	888
Income tax receivable	(6,347)	(3,641)
Other assets	(4,472)	(3,522)
Accounts payable and other accrued expenses	(16,542)	3,468
Accrued wages and benefits	(4,667)	(1,528)
Workers' compensation claims reserve	(7,109)	(9,235)
Operating lease liabilities	(6,957)	—
Other liabilities	3,174	3,304
Net cash provided by operating activities	36,979	49,441
Cash flows from investing activities:		
Capital expenditures	(11,064)	(6,468)
Acquisition of business	—	(22,742)
Divestiture of business	—	8,800
Purchases of restricted investments	(11,315)	(10,730)
Maturities of restricted investments	19,685	13,044
Net cash used in investing activities	(2,694)	(18,096)
Cash flows from financing activities:		
Purchases and retirement of common stock	(9,077)	(19,065)
Net proceeds from employee stock purchase plans	700	757
Common stock repurchases for taxes upon vesting of restricted stock	(1,631)	(2,403)
Net change in revolving credit facility	(55,300)	21,300
Payments on debt	—	(22,856)
Other	(119)	—
Net cash used in financing activities	(65,427)	(22,267)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	560	(919)
Net change in cash, cash equivalents, and restricted cash	(30,582)	8,159
Cash, cash equivalents and restricted cash, beginning of period	102,450	73,831
Cash, cash equivalents and restricted cash, end of period	\$ 71,868	\$ 81,990

TRUEBLUE, INC.
SEGMENT DATA
(Unaudited)

<i>(in thousands)</i>	13 Weeks Ended	
	Jun 30, 2019	Jul 1, 2018
Revenue from services:		
PeopleReady	\$ 369,261	\$ 377,460
PeopleManagement	153,530	178,839
PeopleScout	65,803	58,002
Total company	\$ 588,594	\$ 614,301
Segment profit (1):		
PeopleReady	\$ 21,795	\$ 23,198
PeopleManagement	4,128	4,712
PeopleScout	11,223	11,320
	37,146	39,230
Corporate unallocated expense	(3,634)	(5,868)
Total company Adjusted EBITDA (2)	33,512	33,362
Work Opportunity Tax Credit processing fees (3)	(240)	(264)
Acquisition/integration costs (4)	(673)	(457)
Other adjustments (5)	(1,881)	(1,264)
EBITDA (2)	30,718	31,377
Depreciation and amortization	(9,827)	(10,101)
Interest and other income (expense), net	827	(968)
Income before tax expense	21,718	20,308
Income tax expense	(2,312)	(2,576)
Net income	\$ 19,406	\$ 17,732

- (1) We evaluate performance based on segment revenue and segment profit. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes goodwill and intangible impairment charges, depreciation and amortization expense, unallocated corporate general and administrative expense, interest, other income and expense, income taxes, and other adjustments not considered to be ongoing.
- (2) See the Non-GAAP Financial Measures table on the next page for definitions of EBITDA and Adjusted EBITDA.
- (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.
- (4) Acquisition/integration costs relate to the acquisition of TMP Holdings LTD completed on June 12, 2018.
- (5) Other adjustments for the 13 weeks ended June 30, 2019 include implementation costs for cloud-based systems of \$1.1 million, amortization of software as a service assets of \$0.5 million which is reported in selling, general and administrative expense, a workforce reduction charge primarily associated with employee reductions in the PeopleReady business of \$0.5 million, and reduced costs associated with the CEO transition of \$0.2 million. Other adjustments for the 13 weeks ended July 1, 2018 include implementation costs for cloud-based systems of \$1.3 million.

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
<i>EBITDA and Adjusted EBITDA</i>	EBITDA excludes from net income: - interest and other income (expense), net, - income taxes, and - depreciation and amortization. Adjusted EBITDA, further excludes: - Work Opportunity Tax Credit third-party processing fees, - acquisition/integration costs and - other adjustments.	- Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies. - Provides a measure, among others, used in the determination of incentive compensation for management.
<i>Adjusted net income and Adjusted net income, per diluted share</i>	Net income and net income per diluted share, excluding: - amortization of intangibles of acquired businesses, - acquisition/integration costs, - gain on divestiture, - other adjustments, - tax effect of each adjustment to U.S. GAAP net income, and - adjust 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. - Used by management to assess performance and effectiveness of our business strategies.
<i>Organic revenue</i>	Organic revenue excludes the first 12 months of operations of acquired businesses.	- Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies.
<i>Free cash flow</i>	Net cash provided by operating activities, minus cash purchases for property and equipment.	- Used by management to assess cash flows.

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

<i>(in thousands, except for per share data)</i>	Q2 2019	Q2 2018	Q3 2019 Outlook*
	13 Weeks Ended Jun 30, 2019	13 Weeks Ended Jul 1, 2018	13 Weeks Ended Sep 29, 2019
Net income	\$ 19,406	\$ 17,732	\$ 19,800 — \$ 23,700
Gain on divestiture (1)	—	290	—
Amortization of intangible assets of acquired businesses (2)	4,957	5,174	3,900
Acquisition/integration costs (3)	673	457	400
Other adjustments (4)	1,881	1,264	700
Tax effect of adjustments to net income (5)	(1,052)	(1,150)	(700)
Adjustment of income taxes to normalized effective rate (6)	(729)	(673)	—
Adjusted net income	\$ 25,136	\$ 23,094	\$ 24,100 — \$ 28,000
Adjusted net income, per diluted share	\$ 0.64	\$ 0.57	\$ 0.61 — \$ 0.71
Diluted weighted average shares outstanding	39,554	40,469	39,400

*Totals may not sum due to rounding

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

(in thousands)	Q2 2019		Q2 2018		Q3 2019 Outlook*	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	Jun 30, 2019		Jul 1, 2018		Sep 29, 2019	
Net income	\$	19,406	\$	17,732	\$ 19,800 — \$ 23,700	
Income tax expense		2,312		2,576	3,200 — 3,900	
Interest and other (income) expense, net		(827)		968	(700)	
Depreciation and amortization		9,827		10,101	8,700	
EBITDA		30,718		31,377	31,100 — 35,600	
Work Opportunity Tax Credit processing fees (7)		240		264	200	
Acquisition/integration costs (3)		673		457	400	
Other adjustments (4)		1,881		1,264	700	
Adjusted EBITDA	\$	33,512	\$	33,362	\$ 32,400 — \$ 36,900	

* Totals may not sum due to rounding

3. RECONCILIATION OF U.S. GAAP REVENUE TO ORGANIC REVENUE
(Unaudited)

(in thousands)	Total company				PeopleScout			
	Q2 2019		Q2 2018		Q2 2019		Q2 2018	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	Jun 30, 2019		Jul 1, 2018		Jun 30, 2019		Jul 1, 2018	
Revenue from services	\$	588,594	\$	614,301	\$	65,803	\$	58,002
Acquisition revenue excluded (3)		(10,324)		—		(10,324)		—
Organic revenue	\$	578,270	\$	614,301	\$	55,479	\$	58,002

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

(in thousands)	Q2 2019		2018		2017		2016	
	26 Weeks Ended		52 Weeks Ended		52 Weeks Ended		53 Weeks Ended	
	Jun 30, 2019		Dec 30, 2018		Dec 31, 2017		Jan 1, 2017	
Net cash provided by operating activities	\$	36,979	\$	125,692	\$	100,134	\$	260,703
Capital expenditures		(11,064)		(17,054)		(21,958)		(29,042)
Free cash flows	\$	25,915	\$	108,638	\$	78,176	\$	231,661

- (1) Gain on the divestiture of our PlaneTechs business sold mid-March 2018.
- (2) Amortization of intangible assets of acquired businesses.
- (3) Acquisition/integration costs for the acquisition of TMP Holding LTD ("TMP") completed on June 12, 2018. Organic revenue excludes the first 12 months of operations of TMP.
- (4) Other adjustments for the 13 weeks ended June 30, 2019 include implementation costs for cloud-based systems of \$1.1 million, amortization of software as a service assets of \$0.5 million which is reported in selling, general and administrative expense, a workforce reduction charge primarily associated with employee reductions in the PeopleReady business of \$0.5 million, and reduced costs associated with the CEO transition of \$0.2 million. Other adjustments for the 13 weeks ended July 1, 2018 include implementation costs for cloud-based systems of \$1.3 million. Other adjustments for the 13 weeks ended September 29, 2019 include estimated implementations costs for cloud-based systems of \$0.4 million and amortization of software as a service assets of \$0.3 million.
- (5) Total tax effect of each of the adjustments to U.S. GAAP net income using the expected ongoing rate of 14 percent for 2019 and 16 percent for 2018.

- (6) Adjustment of the effective income tax rate to the expected ongoing rate of 14 percent for 2019 and 16 percent for 2018.
- (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.



Q2 2019 Earnings

July 2019

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 clients, (3) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (4) our ability to maintain profit margins, (5) new laws and regulations that could affect our operations or financial results, (6) our ability to successfully complete and integrate acquisitions, (7) our ability to successfully execute on business strategies to further digitize our business model, and (8) 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 additional information 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.

Q2 2019 summary

Slower pace of demand

- Total revenue -4% v. flat in Q1 2019
- Organic revenue¹ -6% v. -3% in Q1 2019
- Slower demand attributable to lower volumes within the businesses of clients

EPS exceeded high-end of company outlook

- Cost management generated EPS growth
- EPS +11% and adjusted EPS¹ +12% on top of EPS of +42% and adjusted EPS of +36% in Q2-18

Successful integration of TMP acquisition

- Exceeded year one financial targets
- Retained all key clients and personnel

Strategic progress and return of capital to shareholders

- PeopleReady: 980k shifts via JobStack™ in Q2 2019 representing digital fill rates of 43%
- PeopleManagement: YTD new business wins up v. prior year
- PeopleScout: Leveraging Affinix™ and global strategy to drive long-term growth
- Share Repurchases: \$9M YTD, \$4M in Q2; \$49M remaining under current authorization

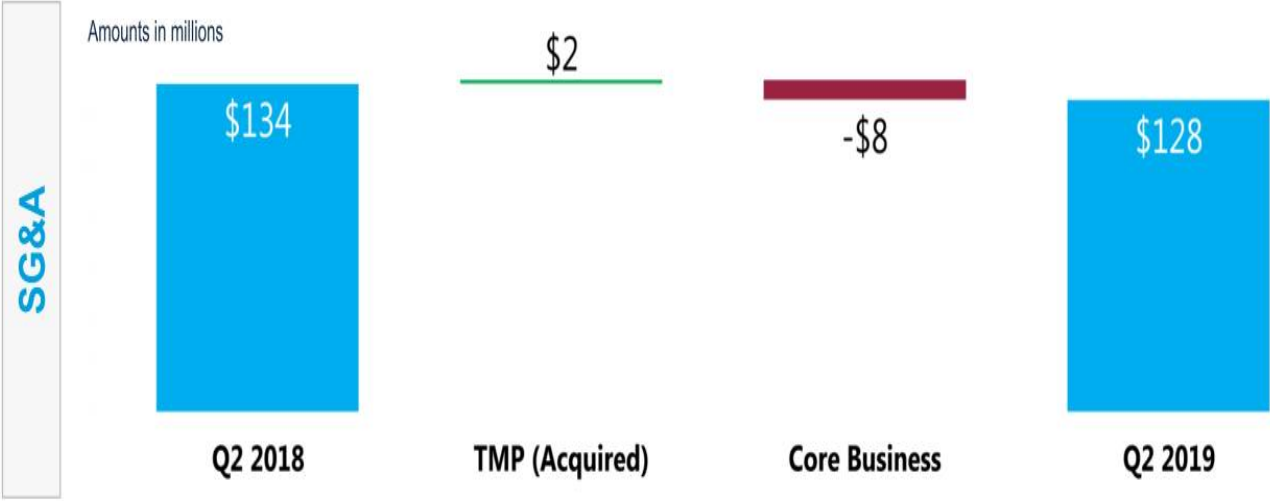
¹ See the appendix to this presentation and "Financial Information" in the investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

Financial summary

Amounts in millions, except per share data	Q2 2019	% Change
Revenue	\$589	-4% (-6% organic ¹)
Net Income	\$19.4	9%
Net Income Per Diluted Share	\$0.49	11%
Adjusted Net Income ¹	\$25.1	9%
Adj. Net Income Per Diluted Share	\$0.64	12%
Adjusted EBITDA ¹	\$33.5	Flat
Adjusted EBITDA Margin	5.7%	30 bps

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



Q2 2019 results by segment

Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	\$369	\$154	\$66
% Growth	-2%	-14%	13% (-4% organic)
Segment Profit ¹	\$22	\$4	\$11
% Growth	-6%	-12%	-1%
% Margin Change	5.9% -20 bps	2.7% 10 bps	17.1% -250 bps
Notes:	<ul style="list-style-type: none"> Revenue was -2% v. 3% last quarter Revenue decline attributable to lower volumes within the businesses of clients 	<ul style="list-style-type: none"> Revenue was -14% v. -14% last quarter Growth constrained by previously disclosed headwinds and lower volumes within the businesses of clients² YTD new business wins up 49% v. prior year (\$48M of annualized new business wins v. \$32M prior year) 	<ul style="list-style-type: none"> Organic revenue was -4% v. -1% last quarter Growth constrained by previously disclosed headwinds³ Margin compression primarily due to the acquisition of TMP On a sequential basis, segment margin was up 160 bps v. Q1-19 from cost management actions

¹ We evaluate performance based on segment revenue and segment profit. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes goodwill and intangible impairment charges, depreciation and amortization expense, unallocated corporate general and administrative expense, interest, other income and expense, income taxes, and other adjustments not considered to be ongoing.

² PeopleManagement -7% revenue growth headwind split roughly evenly between loss of Amazon Canadian business in Q3 2018 and volume / price reductions at another retail client. Associated segment profit headwind of approximately \$1M.


³ PeopleScout -5% revenue growth headwind split roughly evenly between one client loss after being acquired and less volume / lower margins on a large account that was re-priced to reflect a multi-year arrangement. Associated segment profit headwind of approximately \$2M.





Leading our business into a digital future



Industry leading mobile app that connects our associates with jobs and simplifies client ordering

Industry leading platform for sourcing, screening and delivering a permanent workforce

- 
 - 86% worker adoption and 17,000 clients using
- 
 - 4.6 stars in iOS app store (worker app)
- 
 - 980k shifts via JobStack in Q2 2019 representing digital fill rates of 43%

Before	Affinix	After
● 30% applicant conversion rate ¹	 Quick apply	● 80%+ applicant conversion rate
● Not mobile enabled	 Mobile enabled	● 50% of candidates apply with mobile
● Limited passive sourcing	 Efficient sourcing	● 40 candidates sourced per job
● >35 days to fill	 Virtual screening	● 25 days to fill

<http://www.peopleready.com/jobstack/>

<https://www.peoplescout.com/affinix/>

Note: figures represent initial improvements experienced across a small portion of our client base that has been fully implemented on Affinix and tracks relevant statistics.

¹ Applicant conversion rate represents the number of completed applications over the number of applications initiated.

5-Year anniversary of Seaton and smooth TMP integration

Seaton Acquisition and the Increasing Importance of RPO

PeopleScout % of TrueBlue TTM Segment Profit



- Q2-19 marks the 5-year anniversary of our acquisition of Seaton¹
- The acquisition diversified the company's human capital portfolio providing a strategic point of entry into the higher-growth, higher-margin RPO business as well as enabling further RPO acquisition growth
- PeopleScout now accounts for 30% of TrueBlue's TTM segment profit and has achieved a 5-year revenue CAGR of 29%

TMP Exceeded Year-One Financial Targets

<u>TTM Jun-19</u>	Original Target	Actual	\$ Diff.	% Diff.
Revenue	\$50M	\$55M	+\$5M	+10%
Segment Profit	\$3M	\$4M	+\$1M	+33%

- Q2-19 also marks the 1-year anniversary of the TMP acquisition
- Smooth integration – substantially complete
- Retained all key clients and personnel
- Positive progress on multi-continent deals

¹ Seaton included Staff Management | SMX brand within PeopleManagement and our legacy PeopleScout business.

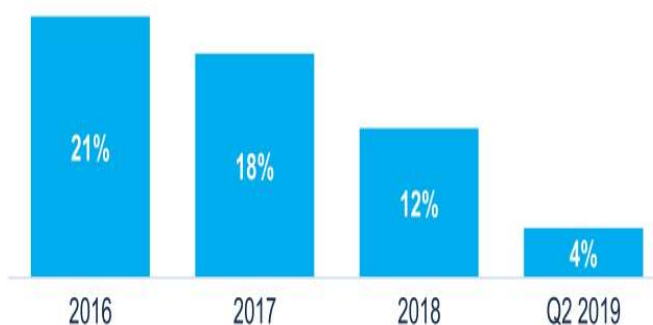
Strong balance sheet and return of capital

Total Debt

Debt to Total Capital¹

Amounts in millions

■ Net Debt ■ Cash

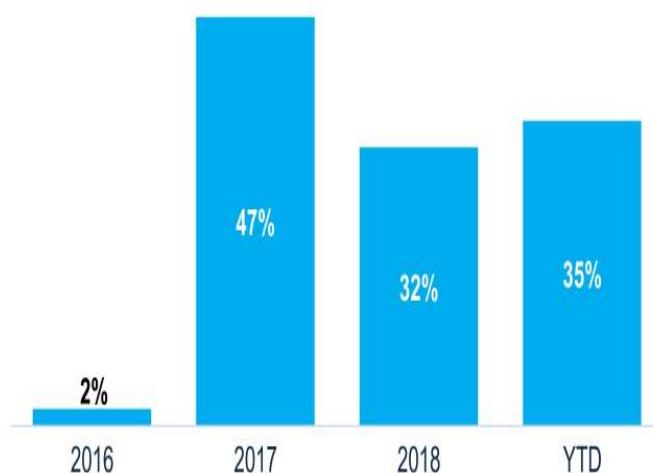


Liquidity

Share Repurchase % of Free Cash Flow²

Amounts in millions

■ Borrowing Availability ■ Cash



Note: Figures may not sum to consolidated totals due to rounding. Balances as of fiscal period end.

¹ Calculated as total debt divided by the sum of total debt plus shareholders' equity.

² Free cash flow calculated as net cash provided by operating activities less capital expenditures. 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.

Outlook



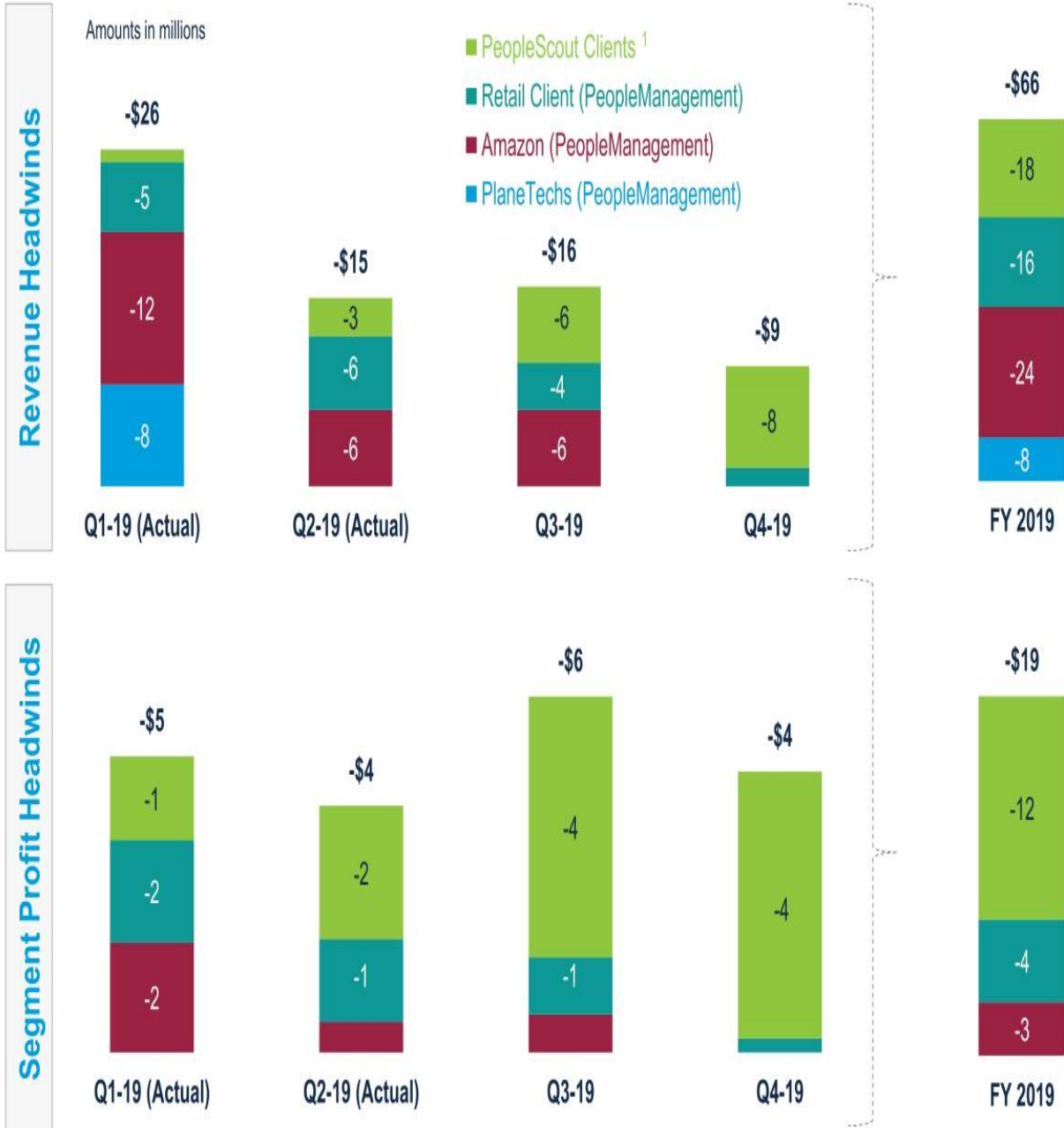
Q3 outlook

Amounts in millions, except per share data	Revenue	Notes
Total TrueBlue ¹	\$613 to \$638 <i>-10% to -6% growth</i>	<ul style="list-style-type: none"> TMP acquisition contributed approximately two percentage points of growth in prior quarters Reflects July PeopleReady Trends Previously disclosed client headwinds impacting Q3: Revenue headwind of \$16 (-2% growth impact)
PeopleReady	\$396 to \$407 <i>-8% to -5% growth</i>	<ul style="list-style-type: none"> Outlook reflects July trends which are slower than June exit rate of -3%
PeopleManagement	\$154 to \$163 <i>-15% to -10% growth</i>	<ul style="list-style-type: none"> Retail headwinds due to loss of Amazon Canadian business effective Sept. 1, 2018 and volume / price reduction at another retail client (\$10 revenue impact, or -5% growth impact)
PeopleScout	\$62 to \$67 <i>-12% to -5% growth</i>	<ul style="list-style-type: none"> Client headwinds due to one client lost after being acquired and less volume / lower margins on a large account that was re-priced to reflect multi-year arrangement (\$6 revenue impact, or -9% growth impact)

Total	Outlook	Notes
Net income per diluted share	\$0.50 to \$0.60	<ul style="list-style-type: none"> Previously disclosed client headwinds impacting profitability: Adjusted EBITDA headwind of \$6M v. \$4M in Q2-19 Assumes an effective income tax rate of 14% Assumes diluted weighted average shares outstanding of 39.4
Adjusted net income per diluted share	\$0.61 to \$0.71	
Capital expenditures	\$4	

¹ Figures may not sum to consolidated totals due to rounding.

Select 2019 outlook information



Note: Figures may not sum to consolidated totals due to rounding. Please see the outlook section of our Q4 2018 earnings presentation for additional background information.

¹ PeopleScout client headwinds due to one client lost after being acquired and less volume / lower margins on a large account that was re-priced to reflect multi-year arrangement.

Appendix

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	<p>EBITDA excludes from net income:</p> <ul style="list-style-type: none"> - interest and other income (expense), net, - income taxes, and - depreciation and amortization. <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> - Work Opportunity Tax Credit third-party processing fees, - acquisition/integration costs and - other adjustments. 	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies. - Provides a measure, among others, used in the determination of incentive compensation for management.
Adjusted net income and Adjusted net income, per diluted share	<p>Net income and net income per diluted share, excluding:</p> <ul style="list-style-type: none"> - amortization of intangibles of acquired businesses, - acquisition/integration costs, - gain on divestiture, - other adjustments, - tax effect of each adjustment to U.S. GAAP net income, and - adjust income taxes to the expected effective tax rate. 	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies.
Organic revenue	<p>Organic revenue excludes the first 12 months of operations of acquired businesses.</p>	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies.
Free cash flow	<p>Net cash provided by operating activities, minus cash purchases for property and equipment.</p>	<ul style="list-style-type: none"> - Used by management to assess cash flows.

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

<i>(in thousands, except for per share data)</i>	Q2 2019	Q2 2018	Q3 2019 Outlook*
	13 Weeks Ended	13 Weeks Ended	13 Weeks Ended
	Jun 30, 2019	Jul 1, 2018	Sep 29, 2019
Net income	\$ 19,406	\$ 17,732	\$ 19,800 — \$ 23,700
Gain on divestiture (1)	—	290	—
Amortization of intangible assets of acquired businesses (2)	4,957	5,174	3,900
Acquisition/integration costs (3)	673	457	400
Other adjustments (4)	1,881	1,264	700
Tax effect of adjustments to net income (5)	(1,052)	(1,150)	(700)
Adjustment of income taxes to normalized effective rate (6)	(729)	(673)	—
Adjusted net income	\$ 25,136	\$ 23,094	\$ 24,100 — \$ 28,000
* Totals may not sum due to rounding			
Adjusted net income, per diluted share	\$ 0.64	\$ 0.57	\$ 0.61 — \$ 0.71
Diluted weighted average shares outstanding	39,554	40,469	39,400

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

<i>(in thousands)</i>	Q2 2019	Q2 2018	Q3 2019 Outlook*
	13 Weeks Ended	13 Weeks Ended	13 Weeks Ended
	Jun 30, 2019	Jul 1, 2018	Sep 29, 2019
Net income	\$ 19,406	\$ 17,732	\$ 19,800 — \$ 23,700
Income tax expense	2,312	2,576	3,200 — 3,900
Interest and other (income) expense, net	(827)	968	(700)
Depreciation and amortization	9,827	10,101	8,700
EBITDA	30,718	31,377	31,100 — 35,600
Work Opportunity Tax Credit processing fees (7)	240	264	200
Acquisition/integration costs (3)	673	457	400
Other adjustments (4)	1,881	1,264	700
Adjusted EBITDA	\$ 33,512	\$ 33,362	\$ 32,400 — \$ 36,900
* Totals may not sum due to rounding			

See the last slide of the appendix for footnotes.

3. RECONCILIATION OF U.S. GAAP REVENUE TO ORGANIC REVENUE *(Unaudited)*

<i>(in thousands)</i>	Total company		PeopleScout	
	Q2 2019	Q2 2018	Q2 2019	Q2 2018
	13 Weeks Ended Jun 30, 2019	13 Weeks Ended Jul 1, 2018	13 Weeks Ended Jun 30, 2019	13 Weeks Ended Jul 1, 2018
Revenue from services	\$ 588,594	\$ 614,301	\$ 65,803	\$ 58,002
Acquisition revenue excluded (3)	(10,324)	—	(10,324)	—
Organic revenue	\$ 578,270	\$ 614,301	\$ 55,479	\$ 58,002

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

<i>(in thousands)</i>	Q2 2019	2018	2017	2016
	26 Weeks Ended	52 Weeks Ended	52 Weeks Ended	53 Weeks Ended
	Jun 30, 2019	Dec 30, 2018	Dec 31, 2017	Jan 1, 2017
Net cash provided by operating activities	\$ 36,979	\$ 125,692	\$ 100,134	\$ 260,703
Capital expenditures	(11,064)	(17,054)	(21,958)	(29,042)
Free cash flows	\$ 25,915	\$ 108,638	\$ 78,176	\$ 231,661

See the last slide of the appendix for footnotes.

Footnotes:

1. Gain on the divestiture of our PlaneTechs business sold mid-March 2018.
2. Amortization of intangible assets of acquired businesses.
3. Acquisition/integration costs for the acquisition of TMP Holding LTD ("TMP") completed on June 12, 2018. Organic revenue excludes the first 12 months of operations of TMP.
4. Other adjustments for the 13 weeks ended June 30, 2019 include implementation costs for cloud-based systems of \$1.1 million, amortization of software as a service assets of \$0.5 million which is reported in selling, general and administrative expense, a workforce reduction charge primarily associated with employee reductions in the PeopleReady business of \$0.5 million, and reduced costs associated with the CEO transition of \$0.2 million. Other adjustments for the 13 weeks ended July 1, 2018 include implementation costs for cloud-based systems of \$1.3 million. Other adjustments for the 13 weeks ended September 29, 2019 include estimated implementations costs for cloud-based systems of \$0.4 million and amortization of software as a service assets of \$0.3 million.
5. Total tax effect of each of the adjustments to U.S. GAAP net income using the expected ongoing rate of 14 percent for 2019 and 16 percent for 2018.
6. Adjustment of the effective income tax rate to the expected ongoing rate of 14 percent for 2019 and 16 percent for 2018.
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.



Investor Roadshow Presentation

July 2019



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 clients, (3) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (4) our ability to maintain profit margins, (5) new laws and regulations that could affect our operations or financial results, (6) our ability to successfully complete and integrate acquisitions, (7) our ability to successfully execute on business strategies to further digitize our business model, and (8) 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 additional information 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

Well positioned in attractive vertical markets with flexibility to respond to emerging trends

Innovation

Developing technology to digitize our business model, drive growth, and increase efficiency

Return of Capital

Strong balance sheet and cash flow to support stock buybacks

TrueBlue at a glance

151,000

Clients served annually with strong diversity¹

730,000

People connected to work during 2018



One of the largest U.S. industrial staffing providers

#1

Global RPO provider²

2013-2018 Revenue CAGR



8% Growth

2013-2018 Average Return on Equity³



16% Return

\$2.5B
2018 Revenue



PeopleScout named a Leader and Star Performer by Everest Group for service delivery, technology and buyer satisfaction



HRO Today magazine repeatedly recognizes PeopleScout as a global market leader



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



Recognized for breakthrough board practices that promote greater diversity and inclusion

¹ No single client accounted for more than 3% of total revenue for FY 2018.

² Source: Everest Group. Overall recruitment process outsourcing rankings by annual number of hires (2018).

³ Calculated as adjusted net income divided by average shareholders' equity over the prior four quarters.

Three specialized segments meet diverse client needs



On-demand contingent labor for industrial clients

On-site contingent workforce management solutions¹

Talent solutions to outsourcing the recruiting process for permanent employees²

PeopleReady PeopleManagement PeopleScout



¹ We use the following distinct brands to market our PeopleManagement contingent workforce solutions: Staff Management | SMX, SIMOS Insourcing Solutions and Centerline Drivers.

² Also includes managed service provider business, which provides clients with improved quality and spend management of their contingent labor vendors.

³ Revenue and segment profit calculations based on FY 2018. Starting in FY 2018 we are evaluating performance based on segment revenue and segment profit. Segment profit is comparable to segment adjusted EBITDA amounts reported in prior periods, and this change did not impact the mix of profit by segment. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes goodwill and intangible impairment charges, depreciation and amortization expense, unallocated corporate general and administrative expense, interest, other income and expense, income taxes, and costs not considered to be ongoing costs of the segment.

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. TrueBlue targets four of the occupations with the highest expected job **growth** by 2024.¹

Demographic Changes

By 2030, all baby boomers will be over **age 65** and will **outnumber** children for the first time in history, with 20% of the population above retirement age.²

Workforce Complexity

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

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, 2016-2026. Industrial staffing and RPO jobs: #2: food prep/serving workers, #8: labor, freight, stock, and material movers, #12: construction laborers and #16: customer service representatives.

² U.S. Census Bureau, An Aging Nation: Projected Number of Children and Older Adults (2018).

Strong position in attractive vertical markets

	Construction	Manufacturing	Transport & Wholesale	Retail & Services
				
Industry Dynamics	<ul style="list-style-type: none"> • Structural labor shortages drive demand for staffing services • Household formation outpacing housing starts, creating pent-up demand 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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-18 Business Mix: 23%	FY-18 Business Mix: 26%	FY-18 Business Mix: 22%	FY-18 Business Mix: 18%
	<p>Housing Starts Have Not Kept Pace</p>  <p>Source: U.S. Census Bureau</p>	<p>U.S. Manufacturing Renaissance</p>  <p>Source: U.S. Board of Governors of the Federal Reserve System (FRB)</p>	<p>Wholesale Trade At New High</p>  <p>Source: Bureau of Labor Statistics</p>	<p>E-commerce Growing % of Retail Sales</p>  <p>Source: U.S. Census Bureau</p>

Powerful secular forces in industrial staffing



- U.S. industrial staffing market has grown 6% annually since 2010¹
- Projected to be a \$50 billion market by 2025²



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



- 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)



- 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



- 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



- Domestic manufacturing is starting to make a comeback, with more than 1 million new jobs since 2010³
- 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



- 15%+ potential operating margin on incremental revenue
- JobStack™ creating favorable differentiation with clients and associates
- Goal to dispatch 4.5 million shifts via JobStack in 2019 (1 worker every 7 seconds) representing 50% digital fill rates

- Attractive on-site solution
- Perfect fit for larger clients with longer-duration / strategic need for contingent workers
- Strength in the e-commerce vertical
- Focused on new client wins and margin expansion

- Compelling value proposition with attractive margins
- Global RPO market experiencing strong growth
- Leverage TMP acquisition to compete on global opportunities
- Industry leading proprietary technology – rolling out Affinix™, a next-generation HR tool

Boost shareholder returns through share repurchase

Leading our business into a digital future



Industry leading mobile app that connects our associates with jobs

Industry leading platform for sourcing, screening and delivering a permanent workforce



- Competitive differentiation enhances client and worker loyalty



- Driving value via higher candidate satisfaction, faster conversion rates, reduced time to fill and client scalability



- Highly rated in iOS and Android app stores



- Winner of the 2018 HRO Today TekTonic Award for Candidate Experience



- Continuing to grow digital fill rates



- Winner of the 2018 Brandon Hall Award for Best Advance in RPO Technology

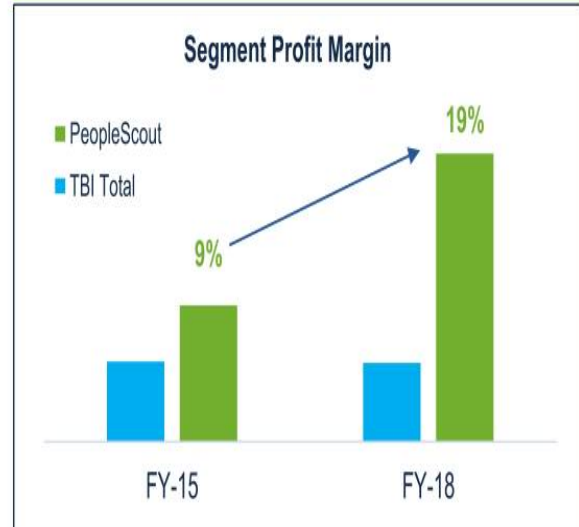
<http://www.peopleready.com/jobstack/>

<https://www.peoplescout.com/affinix/>

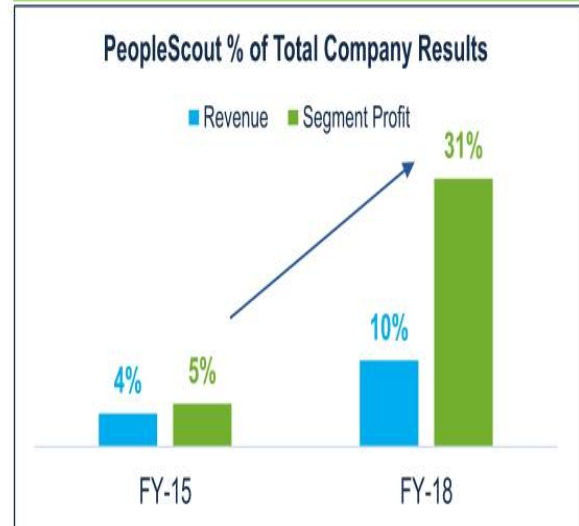
PeopleScout: attractive margin and rapid growth

- **Industry Leadership**
 - #1 global provider of enterprise RPO¹
 - Emerging healthcare vertical strength
- **Differentiated Service**
 - Proprietary technology drives value-add recruitment capabilities
- **Growing Market**
 - 12% global market growth CAGR²
- **Global Prospects**
 - Opportunity to broaden footprint in Europe and Asia Pacific
 - Acquired TMP Holdings LTD, in June 2018 increasing PeopleScout's ability to compete for more global business

High Margin Business



Increasing Importance to TrueBlue

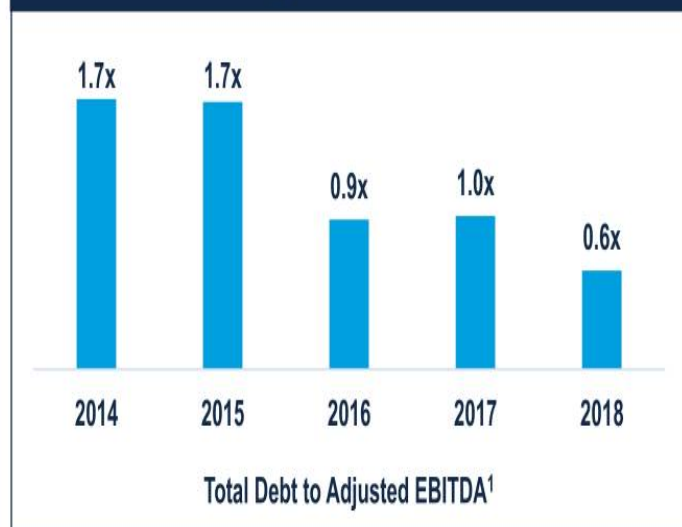


¹ Source: Everest Group. Overall RPO rankings by annual number of hires (2017).

² Source: NelsonHall (2018). Represents estimated market CAGR from 2017-2022.

Well-Positioned to Boost Shareholder Returns with Buybacks

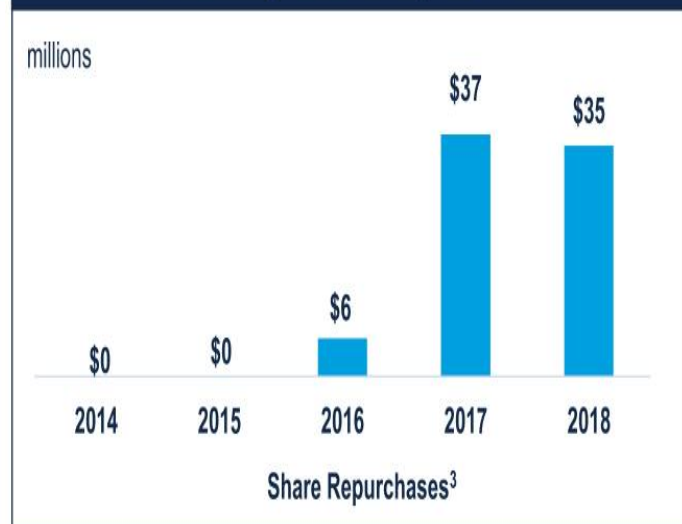
Strong balance sheet



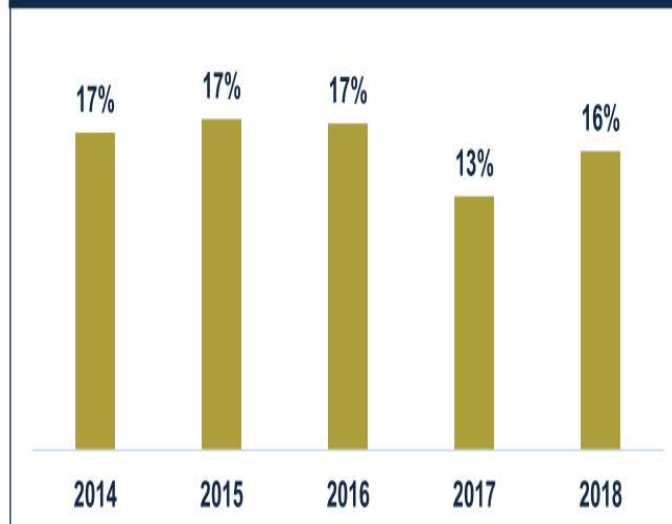
Ample cash flow generation



Increasing share repurchases



Solid return on equity⁴



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.

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 Currently utilizing \$100 million stock repurchase authorization announced on 30 October, 2017. \$58 million remaining under the authorization as of December 31, 2018.

⁴ Calculated as adjusted net income divided by average shareholders' equity at the end of the prior four quarters.

Appendix

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	<p>EBITDA excludes from net income (loss):</p> <ul style="list-style-type: none"> - interest and other income (expense), net, - income taxes, and - depreciation and amortization. <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> - acquisition/integration costs, - goodwill and intangible asset impairment charge, and - Work Opportunity Tax Credit third-party processing fees and - other costs. 	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies. - Provides a measure, among others, used in the determination of incentive compensation for management.
Adjusted net income and Adjusted net income, per diluted share	<p>Net income (loss) and net income (loss) per diluted share, excluding:</p> <ul style="list-style-type: none"> - adjustment to the gain on divestiture, - acquisition/integration costs, - goodwill and intangible asset impairment charge, - amortization of intangibles of acquired businesses, as well as accretion expense related to acquisition earn-out, - other costs, - tax effect of each adjustment to U.S. GAAP net income (loss), and - adjusted income taxes to the expected effective tax rate. 	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies.
Free cash flow	<p>Net cash provided by operating activities, minus cash purchases for property and equipment.</p>	<ul style="list-style-type: none"> - Used by management to assess cash flows.

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

	2018	2017	2016	2015	2014
	52 Weeks Ended	52 Weeks Ended	53 Weeks Ended	52 Weeks Ended	52 Weeks Ended
<i>(in thousands, except for per share data)*</i>	Dec 30, 2018	Dec 31, 2017	Jan 1, 2017	Dec 25, 2015	Dec 26, 2014
Net income (loss)	\$ 65,754	\$ 55,456	\$ (15,251)	\$ 71,247	\$ 65,675
Adjustment to gain on divestiture (1)	(718)	—	—	—	—
Acquisition and integration costs (2)	2,672	—	6,654	5,135	5,220
Goodwill and intangible asset impairment charge (3)	—	—	103,544	—	—
Amortization of intangible assets of acquired businesses (4)	20,750	22,290	27,069	19,903	12,046
Other costs (5)	10,317	162	5,569	—	—
Tax effect of adjustments to net income (loss) (6)	(5,074)	(6,287)	(39,994)	(7,011)	(4,834)
Adjustment of income taxes to normalized effective rate (7)	(1,843)	380	606	(1,805)	(6,747)
Adjusted net income	\$ 91,858	\$ 72,001	\$ 88,197	\$ 87,469	\$ 71,360
Adjusted net income, per diluted share	\$ 2.28	\$ 1.74	\$ 2.10	\$ 2.10	\$ 1.73
Diluted weighted average shares outstanding	40,275	41,441	41,968	41,622	41,176

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

	2018	2017	2016	2015	2014
	52 Weeks Ended	52 Weeks Ended	53 Weeks Ended	52 Weeks Ended	52 Weeks Ended
<i>(in thousands)</i>	Dec 30, 2018	Dec 31, 2017	Jan 1, 2017	Dec 25, 2015	Dec 26, 2014
Net income (loss)	\$ 65,754	\$ 55,456	\$ (15,251)	\$ 71,247	\$ 65,675
Income tax expense (benefit)	9,909	22,094	(5,089)	25,200	16,169
Interest and other (income) expense, net	(1,744)	14	3,345	1,395	(116)
Depreciation and amortization	41,049	46,115	46,692	41,843	29,474
EBITDA	114,968	123,679	29,697	139,685	111,202
Acquisition and integration costs (2)	2,672	—	6,654	5,135	5,220
Goodwill and intangible asset impairment charge (3)	—	—	103,544	—	—
Work Opportunity Tax Credit processing fees (8)	985	805	1,858	2,352	3,020
Other costs (5)	10,317	162	5,569	—	—
Adjusted EBITDA	\$ 128,942	\$ 124,646	\$ 147,322	\$ 147,172	\$ 119,442

See the last slide of the appendix for footnotes.

3. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOWS (Unaudited)

	2018	2017	2016	2015	2014
	52 Weeks Ended	52 Weeks Ended	53 Weeks Ended	52 Weeks Ended	52 Weeks Ended
(in thousands)	Dec 30, 2018	Dec 31, 2017	Jan 1, 2017	Dec 25, 2015	Dec 26, 2014
Net cash provided by operating activities	\$ 125,692	\$ 100,134	\$ 260,703	\$ 72,072	\$ 47,525
Capital expenditures	(17,054)	(21,958)	(29,042)	(18,394)	(16,918)
Free cash flows	\$ 108,638	\$ 78,176	\$ 231,661	\$ 53,678	\$ 30,607

Footnotes:

- Gain on the divestiture of our PlaneTechs business sold mid-March 2018.
- Acquisition and integration costs related to the acquisition of TMP Holdings LTD, which was completed on June 12, 2018, 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, and the acquisition of Seaton, which was completed on June 30, 2014.
- 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).
- Amortization of intangible assets of acquired businesses, as well as accretion expense related to the SIMOS acquisition earn-out in fiscal years 2017 and 2016.
- Other charges for the fiscal year ended December 30, 2018 include implementation costs for cloud-based systems of \$6.7 million and accelerated vesting of stock associated with the CEO transition of \$3.6 million. 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-offs of \$1.6 million due to our re-branding to PeopleReady.
- Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the expected ongoing rate of 16 percent for 2018, due to the enacted U.S. Tax Cuts and Jobs Act, and 28 percent for all other periods presented.
- Adjustment of the effective income tax rate to the expected ongoing rate of 16 percent for 2018, due to the enacted U.S. Tax Cuts and Jobs Act, and 28 percent for all other periods presented.
- 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.

