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 5, 2020

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)

Registrant's telephone number, including area code: (253) 383-9101

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	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value	**TBI**	**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 February 5, 2020, TrueBlue, Inc. (the "company") issued a press release (the "Press Release") reporting its financial results for the fourth quarter ended December 29, 2019, and revenue and earnings outlook for the first quarter of 2020, 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 ended December 29, 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, February 5, 2020. 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 Q4 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

Exhibit Number	Exhibit Description	Filed Herewith
99.1	Press Release dated February 5, 2020	X
99.2	Earnings Results Presentation for February 5, 2020 conference call	X
99.3	Investor Roadshow Presentation	X
104	Cover page interactive data file - The cover page from this Current Report on Form 8-K is formatted as Inline XBRL	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:	February 5, 2020	By:	*/s/ Derrek L. Gafford*
			Derrek L. Gafford
			Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS FOURTH QUARTER AND FULL-YEAR 2019 RESULTS

TACOMA, WASH. - Feb. 5, 2020 -- TrueBlue (NYSE:TBI) today announced its fourth quarter and full-year results for 2019. Full-year revenue was $2.4 billion, a decrease of 5 percent compared to 2018. Net income per diluted share was $1.61, a decrease of 1 percent compared to 2018. Adjusted net income per diluted share[1] was $2.05, a decrease of 10 percent compared to 2018.

Fourth quarter revenue was $591 million, a decrease of 9 percent compared to revenue of $650 million in the fourth quarter of 2018. Net income per diluted share was $0.23, a decrease of 38 percent compared to the fourth quarter of 2018. Adjusted net income per diluted share was $0.39, a decrease of 36 percent compared to the fourth quarter of 2018.

"Clients were conservative in the use of our services during the fourth quarter in light of softness in their own business volumes and continued economic uncertainty, particularly in industries associated with physical goods," said Patrick Beharelle, CEO of TrueBlue. "I'm pleased with our disciplined focus on cost management and the savings it delivered this quarter. Over the near term, we expect continued challenges in the industrial markets we serve, but we are encouraged by recent improvements in the demand trend for PeopleReady services.

"When I look at TrueBlue's digital strategy and competitive position, I am pleased by what we have accomplished. We have more clients and workers using our technology than ever before," Mr. Beharelle continued. "PeopleReady's JobStack app has filled more than six million shifts since its inception and is currently filling a job every nine seconds. PeopleScout's Affinix is helping clients improve time to fill, candidate flow and candidate satisfaction. As we move into a new year and decade, I believe our digital strategies provide further opportunity to differentiate our services, capture additional market share and deliver industry-leading growth."

2020 Outlook

TrueBlue estimates revenue for the first quarter of 2020 will range from $503 million to $528 million. The company also estimates net loss per basic share will range from $0.07 to $0.00 and adjusted net income per diluted share will range from $0.04 to $0.11.

Management will discuss fourth quarter and full-year 2019 results on a webcast at 2 p.m. PDT (5 p.m. EDT), today, Wednesday, Feb. 5, 2020. 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 2019, TrueBlue connected approximately 724,000 people with work. Its PeopleReady segment offers on-demand, industrial staffing, PeopleManagement offers contingent, on-site industrial staffing and commercial driver 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.

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)

(in thousands, except per share data)	13 Weeks Ended		52 Weeks Ended	
	Dec 29, 2019	Dec 30, 2018	Dec 29, 2019	Dec 30, 2018
Revenue from services	**$ 591,040**	$ 650,147	**$ 2,368,779**	$ 2,499,207
Cost of services	**440,697**	477,717	**1,742,621**	1,833,607
Gross profit	**150,343**	172,430	**626,158**	665,600
Selling, general and administrative expense	**133,983**	145,280	**522,430**	550,632
Depreciation and amortization	**9,021**	10,272	**37,549**	41,049
Income from operations	**7,339**	16,878	**66,179**	73,919
Interest and other income (expense), net	**2,014**	848	**3,865**	1,744
Income before tax expense	**9,353**	17,726	**70,044**	75,663
Income tax expense	**638**	2,839	**6,971**	9,909
Net income	**$ 8,715**	$ 14,887	**$ 63,073**	$ 65,754
Net income per common share:				
Basic	**$ 0.23**	$ 0.38	**$ 1.63**	$ 1.64
Diluted	**$ 0.23**	$ 0.37	**$ 1.61**	$ 1.63
Weighted average shares outstanding:				
Basic	**37,843**	39,528	**38,778**	39,985
Diluted	**38,348**	39,926	**39,179**	40,275

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands)	Dec 29, 2019	Dec 30, 2018
ASSETS		
Cash and cash equivalents	**$ 37,608**	$ 46,988
Accounts receivable, net	**342,303**	355,373
Other current assets	**41,822**	27,466
Total current assets	**421,733**	429,827
Property and equipment, net	**66,150**	57,671
Restricted cash and investments	**230,932**	235,443
Goodwill and intangible assets, net	**311,171**	328,695
Operating lease right-of-use assets	**41,082**	—
Other assets, net	**65,087**	63,208
Total assets	**$ 1,136,155**	$ 1,114,844
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**$ 230,806**	$ 225,526
Long-term debt	**37,100**	80,000
Operating lease long-term liabilities	**28,849**	—
Other long-term liabilities	**213,427**	217,879
Total liabilities	**510,182**	523,405
Shareholders' equity	**625,973**	591,439
Total liabilities and shareholders' equity	**$ 1,136,155**	$ 1,114,844

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

(in thousands)	52 Weeks Ended Dec 29, 2019	52 Weeks Ended Dec 30, 2018
Cash flows from operating activities:		
Net income	**$ 63,073**	$ 65,754
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**37,549**	41,049
Provision for doubtful accounts	**7,661**	10,042
Stock-based compensation	**9,769**	13,876
Deferred income taxes	**1,263**	(1,929)
Non-cash lease expense	**14,823**	—
Other operating activities	**(1,511)**	5,154
Changes in operating assets and liabilities:		
Accounts receivable	**5,450**	11,640
Income tax receivable	**(6,480)**	(996)
Other assets	**(11,642)**	(12,928)
Accounts payable and other accrued expenses	**6,921**	3,029
Accrued wages and benefits	**(9,494)**	(1,613)
Workers' compensation claims reserve	**(10,828)**	(7,877)
Operating lease liabilities	**(15,178)**	—
Other liabilities	**3,166**	491
Net cash provided by operating activities	**94,542**	125,692
Cash flows from investing activities:		
Capital expenditures	**(28,119)**	(17,054)
Acquisition of business	**—**	(22,742)
Divestiture of business	**215**	10,587
Purchases of restricted investments	**(28,659)**	(12,941)
Maturities of restricted investments	**31,481**	21,635
Net cash used in investing activities	**(25,082)**	(20,515)
Cash flows from financing activities:		
Purchases and retirement of common stock	**(38,826)**	(34,818)
Net proceeds from employee stock purchase plans	**1,329**	1,503
Common stock repurchases for taxes upon vesting of restricted stock	**(2,222)**	(3,404)
Net change in revolving credit facility	**(42,900)**	(15,900)
Payments on debt	**—**	(22,397)
Other	**(296)**	—
Net cash used in financing activities	**(82,915)**	(75,016)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**935**	(1,542)
Net change in cash, cash equivalents, and restricted cash	**(12,520)**	28,619
Cash, cash equivalents and restricted cash, beginning of period	**102,450**	73,831
Cash, cash equivalents and restricted cash, end of period	**$ 89,930**	$ 102,450

TRUEBLUE, INC.
SEGMENT DATA
(Unaudited)

(in thousands)	13 Weeks Ended Dec 29, 2019	13 Weeks Ended Dec 30, 2018	52 Weeks Ended Dec 29, 2019	52 Weeks Ended Dec 30, 2018
Revenue from services:				
PeopleReady	**$ 364,801**	$ 399,116	**$ 1,474,062**	$ 1,522,076
PeopleManagement	**171,344**	184,324	**642,233**	728,254
PeopleScout	**54,895**	66,707	**252,484**	248,877
Total company	**$ 591,040**	$ 650,147	**$ 2,368,779**	$ 2,499,207
Segment profit (1):				
PeopleReady	**$ 17,963**	$ 22,045	**$ 82,106**	$ 85,998
PeopleManagement	**2,778**	5,097	**12,593**	21,627
PeopleScout	**5,407**	11,680	**37,831**	47,383
	26,148	38,822	**132,530**	155,008
Corporate unallocated expense	**(5,190)**	(6,065)	**(21,870)**	(26,066)
Total company Adjusted EBITDA (2)	**20,958**	32,757	**110,660**	128,942
Work Opportunity Tax Credit processing fees (3)	**(240)**	(285)	**(960)**	(985)
Acquisition/integration costs (4)	**50**	(989)	**(1,562)**	(2,672)
Gain on deferred compensation assets (5)	**(495)**	—	**(495)**	—
Other adjustments (6)	**(3,913)**	(4,333)	**(3,915)**	(10,317)
EBITDA (2)	**16,360**	27,150	**103,728**	114,968
Depreciation and amortization	**(9,021)**	(10,272)	**(37,549)**	(41,049)
Interest and other income (expense), net	**2,014**	848	**3,865**	1,744
Income before tax expense	**9,353**	17,726	**70,044**	75,663
Income tax expense	**(638)**	(2,839)	**(6,971)**	(9,909)
Net income	**$ 8,715**	$ 14,887	**$ 63,073**	$ 65,754

(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) Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies during the 13 weeks ended December 29, 2019.

(6) Other adjustments for the 13 weeks and 52 weeks ended December 29, 2019 primarily include implementation costs for cloud-based systems of $0.6 million and $3.2 million, respectively, workforce reduction costs primarily associated with employee reductions in the PeopleReady business of $2.9 million and $3.3 million, respectively and amortization of software as a service assets of $0.5 million and $1.6 million, respectively, which is reported in selling, general and administrative expense. These other cost adjustments for the 52 weeks ended December 29, 2019 were slightly offset by $3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation. Other adjustments for the 13 weeks and 52 weeks ended December 30, 2018 include implementation costs for cloud-based systems of $2.2 million and $6.7 million, respectively, and accelerated vesting of stock associated with the CEO transition of $2.1 million and $3.6 million, respectively.

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: - 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 - gain on deferred compensation assets, 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.
Adjusted net income and Adjusted net income, per diluted share	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.
Free cash flow	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 (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME, PER DILUTED SHARE**
(*Unaudited*)

	Q4 2019	Q4 2018	Q1 2020 Outlook*	
	13 Weeks Ended	13 Weeks Ended	13 Weeks Ended	
(in thousands, except for per share data)	Dec 29, 2019	Dec 30, 2018	Mar 29, 2020	
Net income (loss)	**$ 8,715**	$ 14,887	$ (2,500) —	$ 100
Amortization of intangible assets of acquired businesses (2)	**4,003**	5,162	4,000	
Acquisition/integration costs (3)	**(50)**	989	—	
Other adjustments (4)	**3,913**	4,333	600	
Tax effect of adjustments to net income (5)	**(1,102)**	(1,468)	(600)	
Adjustment of income taxes to normalized effective rate (6)	**(671)**	357	—	
Adjusted net income	**$ 14,808**	$ 24,260	$ 1,500 —	$ 4,000
Adjusted net income, per diluted share	**$ 0.39**	$ 0.61	$ 0.04 —	$ 0.11
Basic weighted average shares outstanding	**37,843**	39,528	37,800	
Diluted weighted average shares outstanding	**38,348**	39,926	38,400	

*Totals may not sum due to rounding

	2019	2018
	52 Weeks Ended	52 Weeks Ended
(in thousands, except for per share data)	Dec 29, 2019	Dec 30, 2018
Net income	**$ 63,073**	$ 65,754
Gain on divestiture (1)	**—**	(718)
Amortization of intangible assets of acquired businesses (2)	**17,899**	20,750
Acquisition/integration costs (3)	**1,562**	2,672
Other adjustments (4)	**3,915**	10,317
Tax effect of adjustments to net income (5)	**(3,273)**	(5,074)
Adjustment of income taxes to normalized effective rate (6)	**(2,835)**	(1,843)
Adjusted net income	**$ 80,341**	$ 91,858
Adjusted net income, per diluted share	**$ 2.05**	$ 2.28
Diluted weighted average shares outstanding	**39,179**	40,275

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

(*Unaudited*)

(in thousands)	Q4 2019 13 Weeks Ended Dec 29, 2019	Q4 2018 13 Weeks Ended Dec 30, 2018	Q1 2020 Outlook* 13 Weeks Ended Mar 29, 2020
Net income (loss)	**$ 8,715**	$ 14,887	$ (2,500) — $ 100
Income tax expense	**638**	2,839	(300) — —
Interest and other (income) expense, net	**(2,014)**	(848)	(900)
Depreciation and amortization	**9,021**	10,272	9,000
EBITDA	**16,360**	27,150	5,200 — 8,200
Work Opportunity Tax Credit processing fees (7)	**240**	285	200
Acquisition/integration costs (3)	**(50)**	989	—
Gain on deferred compensation assets (8)	**495**	—	—
Other adjustments (4)	**3,913**	4,333	600
Adjusted EBITDA	**$ 20,958**	$ 32,757	$ 6,000 — $ 9,000

* Totals may not sum due to rounding

(in thousands)	2019 52 Weeks Ended Dec 29, 2019	2018 52 Weeks Ended Dec 30, 2018
Net income	**$ 63,073**	$ 65,754
Income tax expense	**6,971**	9,909
Interest and other (income) expense, net	**(3,865)**	(1,744)
Depreciation and amortization	**37,549**	41,049
EBITDA	**103,728**	114,968
Work Opportunity Tax Credit processing fees (7)	**960**	985
Acquisition/integration costs (3)	**1,562**	2,672
Gain on deferred compensation assets (8)	**495**	—
Other adjustments (4)	**3,915**	10,317
Adjusted EBITDA	**$ 110,660**	$ 128,942

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

(Unaudited)

(in thousands)	2019 52 Weeks Ended Dec 29, 2019	2018 52 Weeks Ended Dec 30, 2018	2017 52 Weeks Ended Dec 31, 2017	2016 53 Weeks Ended Jan 1, 2017
Net cash provided by operating activities	**$ 94,542**	$ 125,692	$ 100,134	$ 260,703
Capital expenditures	**(28,119)**	(17,054)	(21,958)	(29,042)
Free cash flows	**$ 66,423**	$ 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 completed on June 12, 2018.

(4) Other adjustments for the 13 weeks and 52 weeks ended December 29, 2019 primarily include implementation costs for cloud-based systems of $0.6 million and $3.2 million, respectively, workforce reduction costs primarily associated with employee reductions in the PeopleReady business of $2.9 million and $3.3 million, respectively and amortization of software as a service assets of $0.5 million and $1.6 million, respectively, which is reported in selling, general and administrative expense. These other cost adjustments for the 52 weeks ended December 29, 2019 were slightly offset by $3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation. Other adjustments for the 13 weeks and 52

weeks ended December 30, 2018 include implementation costs for cloud-based systems of $2.2 million and $6.7 million, respectively, and accelerated vesting of stock associated with the CEO transition of $2.1 million and $3.6 million, respectively. Other adjustments for the 13 weeks ended March 29, 2020 include implementation costs for cloud-based systems of $0.3 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 12 percent for 2020 and 14 percent for all other periods presented.

(6) Adjustment of the effective income tax rate to the expected ongoing rate of 12 percent for 2020 and 14 percent for all other periods presented.

(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.

(8) Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies during the 13 weeks ended December 29, 2019.

trueblue
THE PEOPLE COMPANY

Q4 2019 Earnings

February 2020

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.

Results and strategy overview

	Managing costs in-line with revenue	Progress on digital strategy	Returning capital to shareholders
Q4 2019	• Total revenue -9% v. outlook of -10% to -6% • Operating expense results were better than expected • EPS in-line with company outlook: $0.23 v. outlook of $0.18 to $0.28 • Adjusted EPS[1] in-line with company outlook: $0.39 v. outlook of $0.35 to $0.45	• 875,000 shifts were filled via JobStack in Q4 2019, down from 877,000 in Q4 2018 • Digital fill rate[2] of 46% in Q4 2019, up from 41% in Q4 2018 • 87% worker adoption, up from 80% in Q4 2018	• $8 million of stock repurchased in Q4 2019 • $119 million remaining under existing authorizations • Strong balance sheet: 6% debt to capital ratio and ample liquidity
FY 2019	• Total revenue -5% v. flat in 2018 • Revenue trends slowed over the course of the year as clients moderated contingent labor spend • Total SG&A -5% v. prior year • Disciplined approach to cost management while investing for growth	• Approximately 4 million shifts filled in 2019, or a job every nine seconds • Ended the year with 21,300 clients using JobStack, up more than 50% from just one year ago • PeopleScout's Affinix is helping clients improve time to fill, candidate flow and candidate satisfaction	• $39 million of stock repurchased in 2019 • Over the last three years (2017-2019), $110 million of capital returned to shareholders via share repurchases

[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] Represents orders filled via JobStack v. all filled orders for Q4 2019 (calculation excludes unfilled orders).

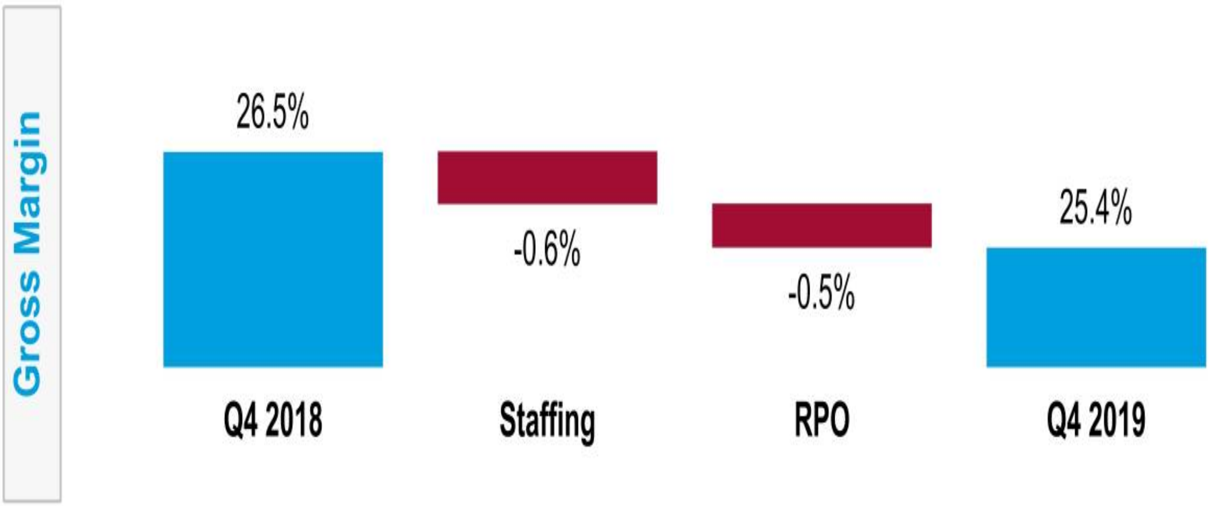
Financial summary

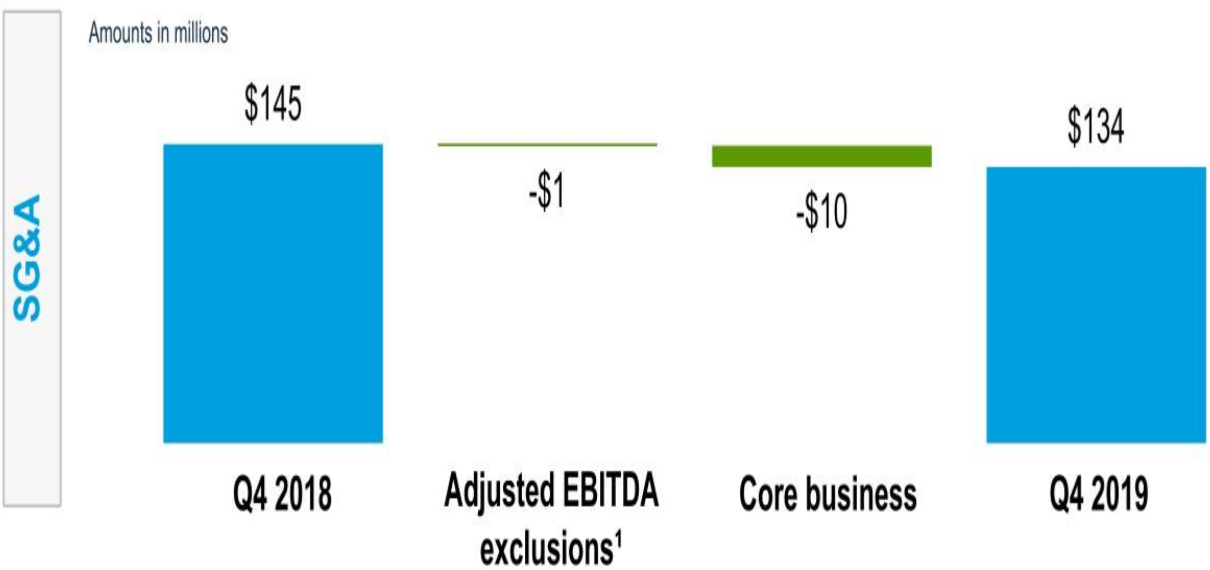
Amounts in millions, except per share data	Q4 2019	Change	FY 2019	Change
Revenue	$591	-9%	$2,369	-5%
Net Income	$8.7	-41%	$63.1	-4%
Net Income Per Diluted Share	$0.23	-38%	$1.61	-1%
Adjusted Net Income[1]	$14.8	-39%	$80.3	-13%
Adj. Net Income Per Diluted Share	$0.39	-36%	$2.05	-10%
Adjusted EBITDA[1]	$21.0	-36%	$110.7	-14%
Adjusted EBITDA Margin	3.5%	-150 bps	4.7%	-50 bps

Q4 2019 profitability decrease attributable to less revenue, prior year payroll tax benefits and previously disclosed headwinds.[2]

[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] PeopleScout headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019. For Q4 2019, these clients represented a -13% combined Adjusted EBITDA growth headwind.

Gross margin and SG&A bridges





[1] Adjusted EBITDA further excludes from EBITDA Work Opportunity Tax Credit third-party processing fees, acquisition/integration costs and other costs. 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.

Q4 2019 results by segment

Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	$365	$171	$55
% Growth	*-9%*	*-7%*	*-18%*
Segment Profit[1]	$18	$3	$5
% Growth	*-19%*	*-45%*	*-54%*
% Margin	*4.9%*	*1.6%*	*9.8%*
Change	*-60 bps*	*-110 bps*	*-770 bps*
Notes:	• Revenue was -9% v. -4% last quarter • Declines were broad-based across multiple geographies and industries • Revenue -15% in Dec., or -7% after adjustment for the Thanksgiving holiday shift	• Revenue was -7% v. -12% last quarter; improvement due to run-off of previously disclosed revenue headwinds[2] • Profitability impacted by shorter peak holiday season • The dollar volume of new business wins remains encouraging (up 21% for FY 2019)	• Revenue was -18% v. -9% last quarter • Decline in revenue and profitability primarily from previously disclosed headwinds[3] and softness in our UK business due to uncertainty associated with the Brexit vote

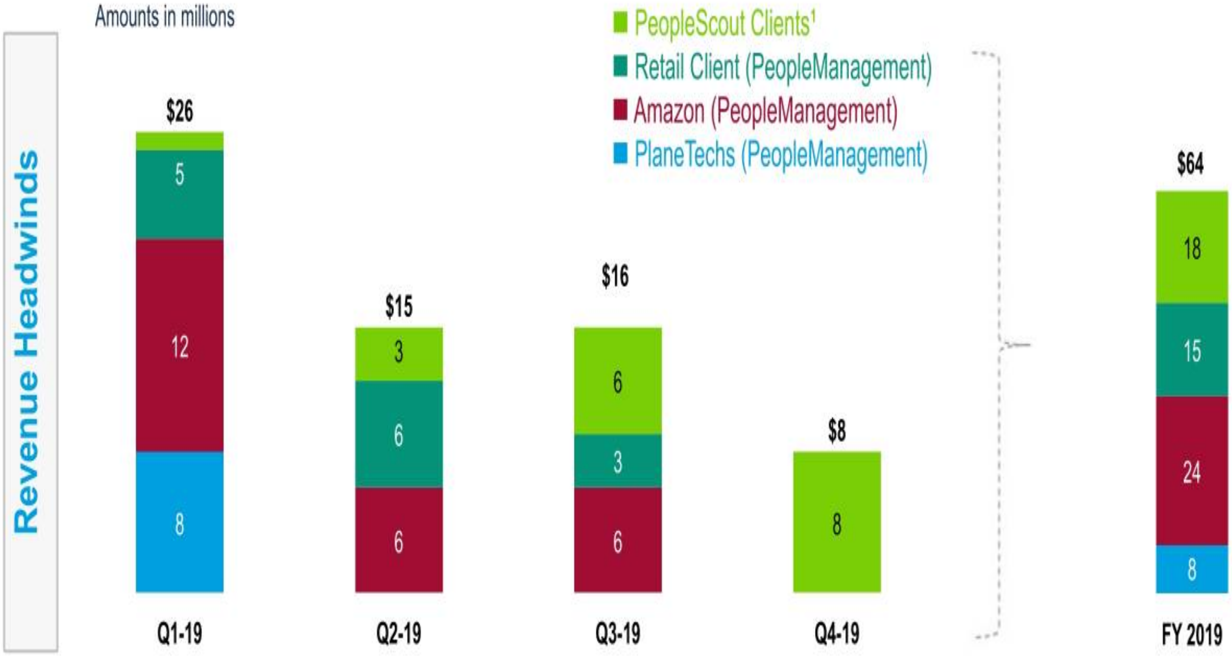
[1] We evaluate performance based on segment revenue and segment profit. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes goodwill and intangible impairment charges, depreciation and amortization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

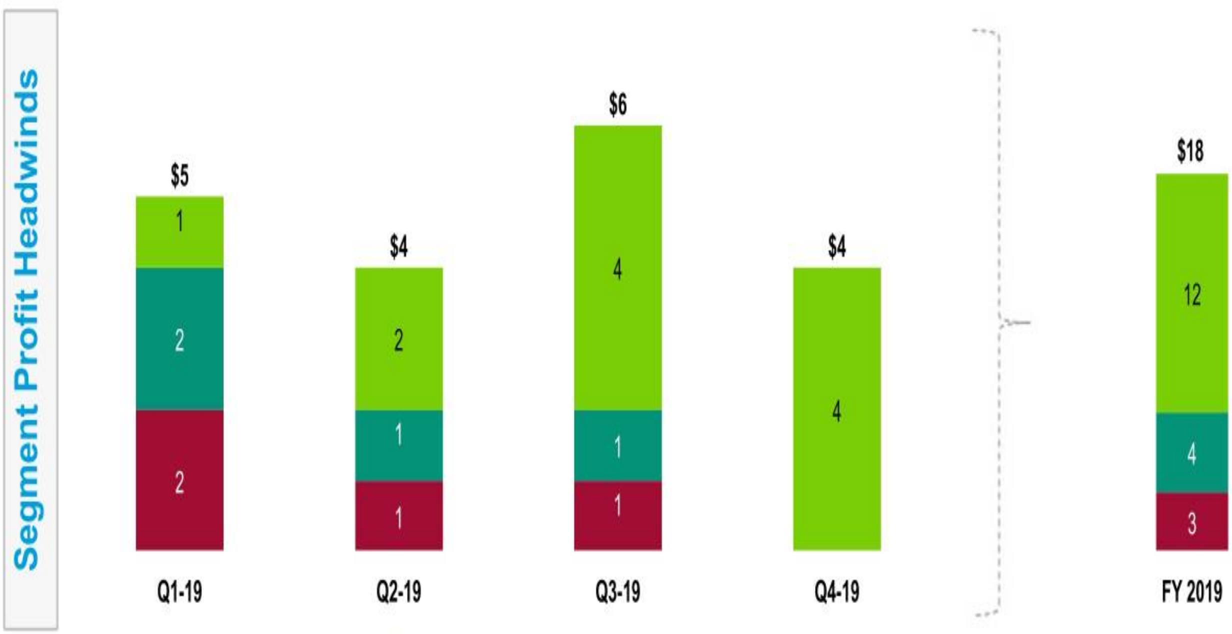
[2] PeopleManagement revenue headwinds from loss of Amazon Canadian business and volume / price reductions at another retail client. Total revenue growth headwind was negligible in Q4 2019 v. -5% in Q3 2019.

[3] PeopleScout headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019 (-11% combined revenue growth headwind in Q4 2019 v. -9% in Q3 2019). Associated segment profit headwind of approximately $4M (-37% combined segment profit growth headwind in Q4 2019).

2019 headwind information

Amounts in millions





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 headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019.

Leading our business into a digital future

JobStack™

peopleready
A TRUEBLUE COMPANY

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

Year	Achievements	Digital Fills[1]	Client Users
2017	Successful branch roll-out	22%	1,600
2018	Launch of client application	41%	13,100
2019	Drive revenue growth with heavy client users	46%	21,300
2020 Goal	Drive candidate flow	55%	28,000

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

[1] Represents orders filled via JobStack v. all filled orders for Q4 of the given year (calculation excludes unfilled orders).

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

Before	Affinix	After
• 30% applicant conversion rate[2]	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

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

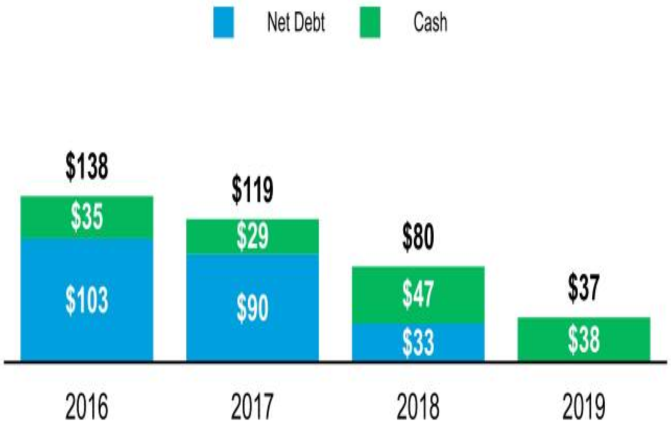
Note: Figures represent average initial improvements experienced across a small portion of our client base that has been fully implemented on Affinix and tracks relevant statistics.

[2] Applicant conversion rate represents the number of completed applications over the number of applications initiated.

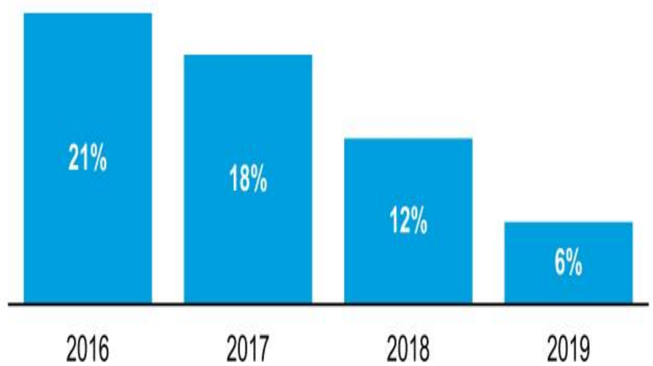
Strong balance sheet and return of capital

Total Debt

Amounts in millions



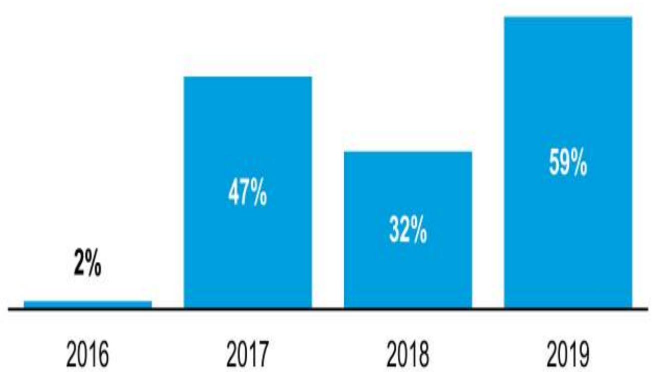
Debt to Total Capital[1]



Liquidity

Amounts in millions

Share Repurchase % of Free Cash Flow[2]



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

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Q1 outlook

Amounts in millions, except per share data

	Outlook	Notes
Revenue: Total TrueBlue[1]	$503 to $528 *-9% to -4% growth*	• Incremental improvement v. Q4 2019 based on recent trends
Revenue: PeopleReady	$303 to $314 *-7% to -4% growth*	• Incremental improvement v. Q4 2019 based on recent trends
Revenue: PeopleManagement	$149 to $158 *-5% to 0% growth*	• Incremental improvement v. Q4 2019 based on new clients wins ramping on
Revenue: PeopleScout	$50 to $55 *-26% to -18% growth*	• See detail on client headwinds below ($5M revenue impact, or 8% growth impact)
Net loss per basic share	$0.07 to $0.00	• Assumes an effective income tax rate of 12% • Assumes basic weighted average shares outstanding of 37.8M and diluted weighted average shares outstanding of 38.4M
Adjusted net income per diluted share	$0.04 to $0.11	

Select 2020 outlook information

	Q1	Q2	Q3	Q4	
Capital Expenditures	$5	$7	$12	$13	• 2020 capex in-line with historical run rate with the exception of $10M in capex related to our Chicago headquarters. The lessor will subsidize the majority of the build-out, with offsetting cash flow expected in 2021. No material change to depreciation anticipated.

PeopleScout Client Headwinds	Q1	Q2	Q3	Q4	
Revenue Headwind	-$5	-$4	-$2	$0	• As previously disclosed, PeopleScout headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019.
Segment Profit Headwind	-$3	-$2	-$1	$0	

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

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	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 - gain on deferred compensation assets, 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.
Adjusted net income and Adjusted net income, per diluted share	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.
Free cash flow	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 (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME, PER DILUTED SHARE *(Unaudited)*

		Q4 2019		Q4 2018		Q1 2020 Outlook*		
		13 Weeks Ended		13 Weeks Ended		13 Weeks Ended		
(in thousands, except for per share data)		Dec 29, 2019		Dec 30, 2018		Mar 29, 2020		
Net income (loss)	**$**	**8,715**	$	14,887	$	(2,500) —	$	100
Amortization of intangible assets of acquired businesses (2)		**4,003**		5,162		4,000		
Acquisition/integration costs (3)		**(50)**		989		—		
Other adjustments (4)		**3,913**		4,333		600		
Tax effect of adjustments to net income (5)		**(1,102)**		(1,468)		(600)		
Adjustment of income taxes to normalized effective rate (6)		**(671)**		357		—		
Adjusted net income	**$**	**14,808**	$	24,260	$	1,500 —	$	4,000
*Totals may not sum due to rounding								
Adjusted net income, per diluted share	**$**	**0.39**	$	0.61	$	0.04 —	$	0.11
Basic weighted average shares outstanding		**37,843**		39,528		37,800		
Diluted weighted average shares outstanding		**38,348**		39,926		38,400		

		2019		2018
		52 Weeks Ended		52 Weeks Ended
(in thousands, except for per share data)		Dec 29, 2019		Dec 30, 2018
Net income	**$**	**63,073**	$	65,754
Gain on divestiture (1)		**—**		(718)
Amortization of intangible assets of acquired businesses (2)		**17,899**		20,750
Acquisition/integration costs (3)		**1,562**		2,672
Other adjustments (4)		**3,915**		10,317
Tax effect of adjustments to net income (5)		**(3,273)**		(5,074)
Adjustment of income taxes to normalized effective rate (6)		**(2,835)**		(1,843)
Adjusted net income	**$**	**80,341**	$	91,858
Adjusted net income, per diluted share	**$**	**2.05**	$	2.28
Diluted weighted average shares outstanding		**39,179**		40,275

See the last slide of the appendix for footnotes.

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

(in thousands)	Q4 2019 13 Weeks Ended Dec 29, 2019	Q4 2018 13 Weeks Ended Dec 30, 2018	Q1 2020 Outlook* 13 Weeks Ended Mar 29, 2020	
Net income (loss)	**$ 8,715**	$ 14,887	$ (2,500) —	$ 100
Income tax expense	**638**	2,839	(300) —	—
Interest and other (income) expense, net	**(2,014)**	(848)	(900)	
Depreciation and amortization	**9,021**	10,272	9,000	
EBITDA	**16,360**	27,150	5,200 —	8,200
Work Opportunity Tax Credit processing fees (7)	**240**	285	200	
Acquisition/integration costs (3)	**(50)**	989	—	
Gain on deferred compensation assets (8)	**495**	—	—	
Other adjustments (4)	**3,913**	4,333	600	
Adjusted EBITDA	**$ 20,958**	$ 32,757	$ 6,000 —	$ 9,000

* Totals may not sum due to rounding

(in thousands)	2019 52 Weeks Ended Dec 29, 2019	2018 52 Weeks Ended Dec 30, 2018
Net income	**$ 63,073**	$ 65,754
Income tax expense	**6,971**	9,909
Interest and other (income) expense, net	**(3,865)**	(1,744)
Depreciation and amortization	**37,549**	41,049
EBITDA	**103,728**	114,968
Work Opportunity Tax Credit processing fees (7)	**960**	985
Acquisition/integration costs (3)	**1,562**	2,672
Gain on deferred compensation assets (8)	**495**	—
Other adjustments (4)	**3,915**	10,317
Adjusted EBITDA	**$ 110,660**	$ 128,942

See the last slide of the appendix for footnotes.

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

	2019	2018	2017	2016
	52 Weeks Ended	52 Weeks Ended	52 Weeks Ended	53 Weeks Ended
(in thousands)	Dec 29, 2019	Dec 30, 2018	Dec 31, 2017	Jan 1, 2017
Net cash provided by operating activities	**$ 94,542**	$ 125,692	$ 100,134	$ 260,703
Capital expenditures	**(28,119)**	(17,054)	(21,958)	(29,042)
Free cash flows	**$ 66,423**	$ 108,638	$ 78,176	$ 231,661

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 completed on June 12, 2018.
4. Other adjustments for the 13 weeks and 52 weeks ended December 29, 2019 primarily include implementation costs for cloud-based systems of $0.6 million and $3.2 million, respectively, workforce reduction costs primarily associated with employee reductions in the PeopleReady business of $2.9 million and $3.3 million, respectively and amortization of software as a service assets of $0.5 million and $1.6 million, respectively, which is reported in selling, general and administrative expense. These other cost adjustments for the 52 weeks ended December 29, 2019 were slightly offset by $3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation. Other adjustments for the 13 weeks and 52 weeks ended December 30, 2018 include implementation costs for cloud-based systems of $2.2 million and $6.7 million, respectively, and accelerated vesting of stock associated with the CEO transition of $2.1 million and $3.6 million, respectively. Other adjustments for the 13 weeks ended March 29, 2020 include implementation costs for cloud-based systems of $0.3 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 12 percent for 2020 and 14 percent for all other periods presented.
6. Adjustment of the effective income tax rate to the expected ongoing rate of 12 percent for 2020 and 14 percent for all other periods presented.
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.
8. Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies during the 13 weeks ended December 29, 2019.

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Investor Roadshow Presentation

February 2020

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
Positioning	Well-positioned in attractive vertical markets with flexibility to respond to emerging trends
Innovation	Implementing technology to digitize our business model, increase market share and drive growth
Return of Capital	Strong balance sheet and cash flow to support stock buybacks

TrueBlue at a glance

139,000
Clients served annually with strong diversity[1]

724,000
People connected to work during 2019

One of the largest U.S. industrial staffing providers

One of the largest global RPO providers[2]

2014-2019 Free Cash Flow[3] CAGR
17% Growth

2014-2019 Average Return on Equity[4]
16% Return

$2.4B
2019 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 each year via internal programs as well as Hiring Our Heroes and Wounded Warriors

NACD
NATIONAL ASSOCIATION OF CORPORATE DIRECTORS

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 2019.
[2] Source: Everest Group. Overall recruitment process outsourcing rankings by annual number of hires (2018).
[3] 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.
[4] Calculated as adjusted net income divided by average shareholders' equity over the prior four quarters.

Three specialized segments meet diverse client needs

peopleready (A TRUEBLUE COMPANY)	peoplemanagement (A TRUEBLUE DIVISION)	peoplescout (A TRUEBLUE COMPANY)
On-demand general and skilled labor for industrial jobs	Contingent, on-site industrial staffing and commercial driver services[1]	Talent solutions for outsourcing the recruiting process for permanent employees[2]

	PeopleReady	PeopleManagement	PeopleScout
Revenue mix[3]	62%	27%	11%
Segment profit[3]	62%	10%	29%
Margin	6%	2%	15%

[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 2019. Figures may not sum due to rounding. Management evaluates 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 are in high demand as businesses increasingly turn to human capital experts to solve global talent challenges.

Shifting Workplace Dynamics

A **worker shortage** is underway. 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 this age group will **outnumber** children for the first time in history.[2]

Workforce Complexity

Workforces are becoming increasingly **complex** and **global**. Companies are struggling to appeal to an increasingly **diverse** workforce.

trueblue — THE PEOPLE COMPANY

A **robust** value proposition with specialized **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).

TrueBlue's strategic market positioning

Strong position in attractive vertical markets

Vertical	FY 2019 Mix	
Construction	22%	Skilled worker shortages in key areas where TrueBlue specializes and has a recruiting edge (e.g. skilled construction)
Manufacturing	24%	Political climate favoring investments in domestic manufacturing facilities
Transportation & Wholesale	20%	Acute supply / demand gap and high turnover driving the need for temp truck drivers
Retail & Services	22%	E-commerce driving the need for more warehouses and more workers per warehouse to facilitate expedited delivery and returns

FY 2019 Mix by Vertical

Powerful secular forces in industrial staffing

Positive Demographic Trends

- Deepening of the general contingent labor pool as workers across the generational spectrum are embracing the gig economy (i.e. millennials with side-hustles and semi-retired baby boomers)

Compelling Technology

- Industry is ripe for digital disruption
- Potential for large providers with sizeable transaction volume to capture market share
- Opportunity to enhance efficiency and growth

Capitalizing on Industry Evolution

- Heightened scrutiny around worker classification (contractor v. employee)
- Potential to expand "employer of record" services as clients seek compliant solutions

Leading our business into a digital future

JobStack™

peopleready
A TRUEBLUE COMPANY

Industry-leading mobile app that connects our associates with jobs

- Winner of the 2019 Brandon Hall Award for "Best Advance in Workforce Management Technology"
- Highly rated in iOS and Android app stores
- Approximately 4 million shifts filled in 2019, or a job every 9 seconds

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

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

- Driving value via higher candidate satisfaction, faster conversion rates, reduced time to fill and client scalability
- Winner of the 2019 Recruiting Service Innovation (ReSI) Award for "Most Innovative Enterprise Solution"

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

Segment strategy highlights

PeopleReady (A TrueBlue Company)

- 15%+ potential operating margin on incremental revenue
- JobStack™ creating favorable differentiation with clients and associates
- Leveraging JobStack to streamline associate onboarding

PeopleManagement (A TrueBlue Division)

- Leverage operational data and predictive analytics to deliver a differentiated on-site solution
- Focus on new client wins and expansions particularly within retail and transportation verticals

PeopleScout (A TrueBlue Company)

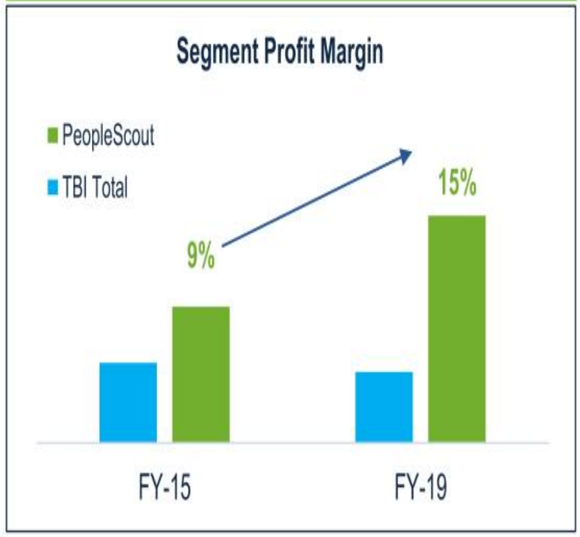
- Compelling value proposition with attractive margins
- Global RPO market experiencing strong growth
- Leverage expanded capabilities in the UK to compete for global opportunities
- Industry leading proprietary technology – Affinix™ is a next-generation HR tool

Boost shareholder returns through share repurchases

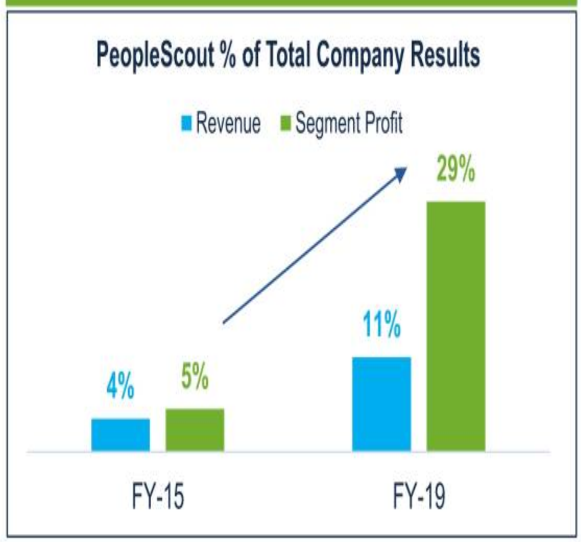
PeopleScout: attractive margin and rapid growth

- **Industry Leadership**
  - One of the largest global providers
  - Emerging healthcare vertical strength
- **Differentiated Service**
  - Proprietary technology drives value-add recruitment capabilities
- **Growing Market**
  - 17% global market growth CAGR[1]
- **Global Prospects**
  - Opportunity to broaden footprint in Europe and Asia Pacific
  - Acquired UK operations in June 2018 increasing PeopleScout's ability to compete for more global business

High Margin Business



Increasing Importance to TrueBlue



[1] Source: Everest Group RPO Annual Report (2019). Represents estimated market CAGR from 2018 to 2021.

Well-positioned to boost returns with share repurchases

Strong balance sheet

Total Debt to Adjusted EBITDA[1]

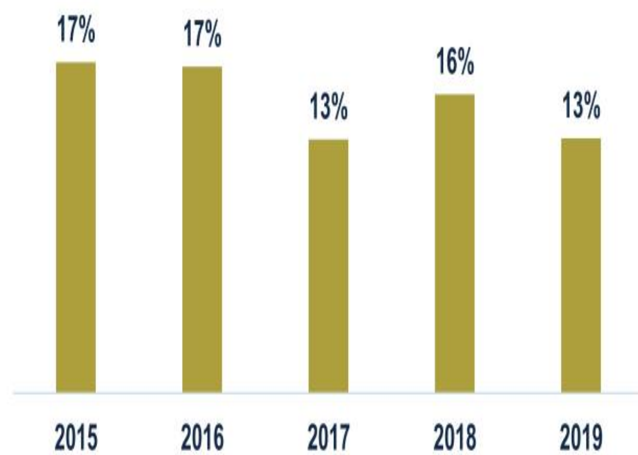
Ample cash flow generation

Free Cash Flow[2]

Increasing share repurchases

Share Repurchases

Solid return on equity[3]



[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] 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	EBITDA excludes from net income (loss): - interest and other income (expense), net, - income taxes, and - depreciation and amortization. Adjusted EBITDA, further excludes: - acquisition/integration costs, - goodwill and intangible asset impairment charge, and - Work Opportunity Tax Credit third-party processing fees - gain on deferred compensation assets, 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.
Adjusted net income and Adjusted net income, per diluted share	Net income (loss) and net income (loss) per diluted share, excluding: - 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 adjustments, - tax effect of each adjustment to U.S. GAAP net income (loss), and - 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. - Used by management to assess performance and effectiveness of our business strategies.
Free cash flow	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 (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME, PER DILUTED SHARE *(Unaudited)*

(in thousands, except for per share data)*	2019 52 Weeks Ended Dec 29, 2019	2018 52 Weeks Ended Dec 30, 2018	2017 52 Weeks Ended Dec 31, 2017	2016 53 Weeks Ended Jan 1, 2017	2015 52 Weeks Ended Dec 25, 2015	2014 52 Weeks Ended Dec 26, 2014
Net income (loss)	$ 63,073	$ 65,754	$ 55,456	$ (15,251)	$ 71,247	$ 65,675
Gain on divestiture (1)	—	(718)	—	—	—	—
Acquisition and integration costs (2)	1,562	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)	17,899	20,750	22,290	27,069	19,903	12,046
Other adjustments (5)	3,915	10,317	162	5,569	—	—
Tax effect of adjustments to net income (loss) (6)	(3,273)	(5,074)	(6,287)	(39,994)	(7,011)	(4,834)
Adjustment of income taxes to normalized effective rate (7)	(2,835)	(1,843)	380	606	(1,805)	(6,747)
Adjusted net income	$ 80,341	$ 91,858	$ 72,001	$ 88,197	$ 87,469	$ 71,360
Adjusted net income, per diluted share	$ 2.05	$ 2.28	$ 1.74	$ 2.10	$ 2.10	$ 1.73
Diluted weighted average shares outstanding	39,179	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)*

(in thousands)	2019 52 Weeks Ended Dec 29, 2019	2018 52 Weeks Ended Dec 30, 2018	2017 52 Weeks Ended Dec 31, 2017	2016 53 Weeks Ended Jan 1, 2017	2015 52 Weeks Ended Dec 25, 2015	2014 52 Weeks Ended Dec 26, 2014
Net income (loss)	$ 63,073	$ 65,754	$ 55,456	$ (15,251)	$ 71,247	$ 65,675
Income tax expense (benefit)	6,971	9,909	22,094	(5,089)	25,200	16,169
Interest and other (income) expense, net	(3,865)	(1,744)	14	3,345	1,395	(116)
Depreciation and amortization	37,549	41,049	46,115	46,692	41,843	29,474
EBITDA	103,728	114,968	123,679	29,697	139,685	111,202
Acquisition and integration costs (2)	1,562	2,672	—	6,654	5,135	5,220
Goodwill and intangible asset impairment charge (3)	—	—	—	103,544	—	—
Work Opportunity Tax Credit processing fees (8)	960	985	805	1,858	2,352	3,020
Gain on deferred compensation assets (9)	495	—	—	—	—	—
Other adjustments (5)	3,915	10,317	162	5,569	—	—
Adjusted EBITDA	$ 110,660	$ 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)*

	2019	2018	2017	2016	2015	2014
	52 Weeks Ended	52 Weeks Ended	52 Weeks Ended	53 Weeks Ended	52 Weeks Ended	52 Weeks Ended
(in thousands)	Dec 29, 2019	Dec 30, 2018	Dec 31, 2017	Jan 1, 2017	Dec 25, 2015	Dec 26, 2014
Net cash provided by operating activities	$ 94,542	$ 125,692	$ 100,134	$ 260,703	$ 72,072	$ 47,525
Capital expenditures	(28,119)	(17,054)	(21,958)	(29,042)	(18,394)	(16,918)
Free cash flows	$ 66,423	$ 108,638	$ 78,176	$ 231,661	$ 53,678	$ 30,607

Footnotes:

1. Gain on the divestiture of our PlaneTechs business sold mid-March 2018.
2. 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.
3. The Goodwill and intangible asset impairment charge for the fiscal year ended January 1, 2017, included $99.3 million of impairment charges relating to our Staff Management | SMX, hrX, and PlaneTechs reporting units, and write-off of the CLP and Spartan reporting unit trade names/trademarks of $4.3 million due to the re-branding to PeopleReady. Note, our PeopleScout and hrX service lines were combined during fiscal 2016 and now represent a single operating unit (PeopleScout).
4. 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.
5. Other adjustments for the fiscal year ended December 29, 2019 primarily include implementation costs for cloud-based systems of $3.2 million, workforce reduction costs primarily associated with employee reductions in the PeopleReady business of $3.3 million and amortization of software as a service assets of $1.6 million, which is reported in selling, general and administrative expense. These other cost adjustments were slightly offset by $3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation. Other adjustments 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 adjustments 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 adjustments 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.
6. Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the expected ongoing rate of 14 percent for 2019 and 2018, due to the enacted U.S. Tax Cuts and Jobs Act, and 28 percent for all other periods presented.
7. Adjustment of the effective income tax rate to the expected ongoing rate of 14 percent for 2019 and 2018, due to the enacted U.S. Tax Cuts and Jobs Act, and 28 percent for all other periods presented.
8. These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates.
9. Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies during the 13 weeks ended December 29, 2019.