
**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): May 4, 2020



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 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
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 May 4, 2020, TrueBlue, Inc. (the “company”) issued a press release (the “Press Release”) reporting its financial results for the first quarter ended March 29, 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 first quarter ended March 29, 2020 (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, May 4, 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 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description	Filed Herewith
99.1	Press Release dated May 4, 2020	X
99.2	Earnings Results Presentation for May 4, 2020 conference call	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: May 4, 2020

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

TRUEBLUE REPORTS FIRST QUARTER 2020 RESULTS

TACOMA, WASH. - May 4, 2020 -- TrueBlue (NYSE:TBI) today announced its first quarter results for 2020.

First quarter revenue was \$494 million, a decrease of 11 percent compared to revenue of \$552 million in the first quarter of 2019. Net loss per diluted share was \$4.04 compared to net income per diluted share of \$0.21 in the first quarter of 2019. Adjusted net loss¹ per diluted share was \$0.01 compared to adjusted net income per diluted share of \$0.27 in the first quarter of 2019.

Included in the results for the first quarter is a non-cash goodwill and intangible asset impairment charge of \$175 million which is equivalent to \$152 million after tax or \$4.08 per diluted share. The impairment was driven by a weaker economic outlook in connection with the impact of the COVID-19 pandemic.

“We experienced improving revenue trends during January and February, which reversed course in March,” said Patrick Beharelle, CEO of TrueBlue. “The second half of March saw a significant drop in demand associated with government and societal actions to address the COVID-19 threat. In response, we have taken actions to reduce our operating expenses by approximately \$100 million this year while preserving key strengths of our business, such as our branch footprint and technology innovation, to be prepared when business conditions improve.”

“We entered 2020 from a position of strength given our balance sheet that included only \$37 million of debt and a similar amount of cash,” said Derrek Gafford, CFO of TrueBlue. “In March, we extended our existing \$300 million revolving credit facility for five years and drew substantially all of the remaining availability to further enhance our liquidity position.”

“As a key provider of services to other essential businesses, we’re still very much open for business,” said Mr. Beharelle. “We are keenly focused on preserving capital and leveraging our digital app, JobStack, to facilitate safe interactions with our clients and associates. At times like these, TrueBlue’s underlying mission – connecting people with work – is even more crucial, and as a company we remain focused on helping the workers and clients we serve get back on their feet.”

2020 Outlook

The COVID-19 pandemic is creating a material impact on the demand for our services. Given the uncertainty of future societal and business restrictions, TrueBlue is not providing customary quarterly guidance. However, the company is providing an assortment of historical and forward-looking information to help investors form their own estimates, which can be found in the quarterly earnings presentation filed today.

Management will discuss first quarter 2020 results on a webcast at 2 p.m. PDT (5 p.m. EDT), today, Monday, May 4, 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) the continued impact of COVID-19 and related economic impact and governmental response, (3) our ability to successfully reduce operating expenses and otherwise adapt to the changing economic environment caused by COVID-19, (4) our ability to access sufficient capital to finance our operations, including our ability to comply with or obtain waivers for covenants contained in our revolving credit facility, (5) our ability to attract and retain clients, (6) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (7) our ability to maintain profit margins, (8) new laws and regulations that could affect our operations or financial results, (9) our ability to successfully execute on business strategies to further digitize our business model, and (10) 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 references 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	
	Mar 29, 2020	Mar 31, 2019
Revenue from services	\$ 494,252	\$ 552,352
Cost of services	368,093	405,657
Gross profit	126,159	146,695
Selling, general and administrative expense	117,381	127,980
Depreciation and amortization	9,094	9,952
Goodwill and intangible asset impairment charge	175,189	—
Income (loss) from operations	(175,505)	8,763
Interest and other income (expense), net	263	553
Income (loss) before tax expense (benefit)	(175,242)	9,316
Income tax expense (benefit)	(24,748)	1,040
Net income (loss)	\$ (150,494)	\$ 8,276

Net income (loss) per common share:

Basic	\$ (4.04)	\$ 0.21
Diluted	\$ (4.04)	\$ 0.21

Weighted average shares outstanding:

Basic	37,255	39,366
Diluted	37,255	39,735

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands)</i>	Mar 29, 2020	Dec 29, 2019
ASSETS		
Cash and cash equivalents	\$ 265,260	\$ 37,608
Accounts receivable, net	292,988	342,303
Other current assets	35,156	41,822
Total current assets	593,404	421,733
Property and equipment, net	67,036	66,150
Restricted cash and investments	218,907	230,932
Goodwill and intangible assets, net	127,920	311,171
Other assets, net	127,878	106,169
Total assets	\$ 1,135,145	\$ 1,136,155
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 187,049	\$ 230,806
Long-term debt	293,500	37,100
Other long-term liabilities	238,654	242,276
Total liabilities	719,203	510,182
Shareholders' equity	415,942	625,973
Total liabilities and shareholders' equity	\$ 1,135,145	\$ 1,136,155

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

<i>(in thousands)</i>	13 Weeks Ended	
	Mar 29, 2020	Mar 31, 2019
Cash flows from operating activities:		
Net income (loss)	\$ (150,494)	\$ 8,276
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	9,094	9,952
Goodwill and intangible asset impairment charge	175,189	—
Provision for doubtful accounts	3,289	1,778
Stock-based compensation	1,508	3,606
Deferred income taxes	(23,432)	3,209
Non-cash lease expense	3,763	3,565
Other operating activities	5,375	(1,841)
Changes in operating assets and liabilities:		
Accounts receivable	45,407	26,558
Income tax receivable	435	(3,645)
Other assets	5,958	(5,274)
Accounts payable and other accrued expenses	(28,443)	(9,878)
Accrued wages and benefits	(11,733)	(10,266)
Workers' compensation claims reserve	(2,163)	(4,380)
Operating lease liabilities	(3,811)	(3,414)
Other liabilities	(2,334)	3,268
Net cash provided by operating activities	27,608	21,514
Cash flows from investing activities:		
Capital expenditures	(7,028)	(5,862)
Purchases of restricted available-for-sale investments	(1,149)	(3,070)
Sales of restricted available-for-sale investments	1,269	1,886
Maturities of restricted held-to-maturity investments	6,168	8,451
Net cash provided by (used in) investing activities	(740)	1,405
Cash flows from financing activities:		
Purchases and retirement of common stock	(52,348)	(5,303)
Net proceeds from employee stock purchase plans	323	380
Common stock repurchases for taxes upon vesting of restricted stock	(1,792)	(1,438)
Net change in Revolving Credit Facility	256,400	(37,800)
Other	(508)	(69)
Net cash provided by (used in) financing activities	202,075	(44,230)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,738)	314
Net change in cash, cash equivalents, and restricted cash	227,205	(20,997)
Cash, cash equivalents and restricted cash, beginning of period	92,371	102,450
Cash, cash equivalents and restricted cash, end of period	\$ 319,576	\$ 81,453

TRUEBLUE, INC.
SEGMENT DATA
(Unaudited)

<i>(in thousands)</i>	13 Weeks Ended	
	Mar 29, 2020	Mar 31, 2019
Revenue from services:		
PeopleReady	\$ 299,294	\$ 326,868
PeopleManagement	141,614	158,044
PeopleScout	53,344	67,440
Total company	\$ 494,252	\$ 552,352
Segment profit (loss) (1):		
PeopleReady	\$ 7,655	\$ 11,470
PeopleManagement	(314)	2,306
PeopleScout	2,508	10,427
	9,849	24,203
Corporate unallocated expense	(5,209)	(7,277)
Total company Adjusted EBITDA (2)	4,640	16,926
Work Opportunity Tax Credit processing fees (3)	(135)	(240)
Acquisition/integration costs (4)	—	(577)
Goodwill and intangible asset impairment charge (5)	(175,189)	—
Other adjustments (6)	4,273	2,606
EBITDA (2)	(166,411)	18,715
Depreciation and amortization	(9,094)	(9,952)
Interest and other income (expense), net	263	553
Income (loss) before tax expense (benefit)	(175,242)	9,316
Income tax expense (benefit)	24,748	(1,040)
Net income (loss)	\$ (150,494)	\$ 8,276

- (1) We evaluate performance based on segment revenue and segment profit. Segment profit (loss) includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit (loss) 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) The goodwill and intangible asset impairment charge for the 13 weeks ended March 29, 2020 relates to our PeopleManagement and PeopleScout reportable segments.
- (6) Other adjustments for the periods presented primarily include implementation costs for cloud-based systems and amortization of software as a service assets, which is reported in selling, general and administrative expense. Other adjustments for the 13 weeks ended March 29, 2020, also include \$1.3 million in workforce reduction costs. These other cost adjustments were offset by a \$6.3 million benefit from a reduction in expected costs to comply with the Affordable Care Act, which were recorded in prior fiscal years. For the 13 weeks ended March 31, 2019, the aforementioned other costs were partially offset by \$3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation.

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: <ul style="list-style-type: none"> - interest and other income (expense), net, - income taxes, and - depreciation and amortization. Adjusted EBITDA, further excludes: <ul style="list-style-type: none"> - Work Opportunity Tax Credit third-party processing fees, - acquisition/integration costs, - goodwill and intangible asset impairment charge, 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.
<i>Adjusted net income (loss) and Adjusted net income (loss) per diluted share</i>	Net income (loss) and net income (loss) per diluted share, excluding: <ul style="list-style-type: none"> - amortization of intangibles of acquired businesses, - acquisition/integration costs, - goodwill and intangible asset impairment charge, - other adjustments, - tax effect of each adjustment to U.S. GAAP net income (loss), and - adjust income taxes to our normalized long-term expected 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.

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

<i>(in thousands, except for per share data)</i>	13 Weeks Ended	
	Mar 29, 2020	Mar 31, 2019
Net income (loss)	\$ (150,494)	\$ 8,276
Amortization of intangible assets of acquired businesses (1)	4,004	5,081
Acquisition/integration costs (2)	—	577
Goodwill and intangible asset impairment charge (3)	175,189	—
Other adjustments (4)	(4,273)	(2,606)
Tax effect of adjustments to net income (loss) (5)	(20,990)	(427)
Adjustment of income taxes to normalized effective rate (6)	(3,719)	(264)
Adjusted net income (loss)	\$ (283)	\$ 10,637
Adjusted net income (loss) per diluted share	\$ (0.01)	\$ 0.27
Diluted weighted average shares outstanding	37,255	39,735

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

EBITDA

(Unaudited)

<i>(in thousands)</i>	13 Weeks Ended	
	Mar 29, 2020	Mar 31, 2019
Net income (loss)	\$ (150,494)	\$ 8,276
Income tax expense	(24,748)	1,040
Interest and other (income) expense, net	(263)	(553)
Depreciation and amortization	9,094	9,952
EBITDA	(166,411)	18,715
Work Opportunity Tax Credit processing fees (7)	135	240
Acquisition/integration costs (2)	—	577
Goodwill and intangible asset impairment charge (3)	175,189	—
Other adjustments (4)	(4,273)	(2,606)
Adjusted EBITDA	\$ 4,640	\$ 16,926

- (1) Amortization of intangible assets of acquired businesses.
- (2) Acquisition/integration costs for the acquisition of TMP Holding LTD completed on June 12, 2018.
- (3) The goodwill and intangible asset impairment charge for the 13 weeks ended March 29, 2020 relates to our PeopleManagement and PeopleScout reportable segments.
- (4) Other adjustments for the periods presented primarily include implementation costs for cloud-based systems and amortization of software as a service assets, which is reported in selling, general and administrative expense. Other adjustments for the 13 weeks ended March 29, 2020, also include \$1.3 million in workforce reduction costs. These other cost adjustments were offset by a \$6.3 million benefit from a reduction in expected costs to comply with the Affordable Care Act, which were recorded in prior fiscal years. For the 13 weeks ended March 31, 2019, the aforementioned other costs were partially offset by \$3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation.
- (5) Total tax effect of each of the adjustments to U.S. GAAP net income using the expected, long-term ongoing rate of 12 percent relative to 14 percent for 2019.
- (6) Adjustment of the effective income tax rate to the expected long-term ongoing rate of 12 percent relative to 14 percent for 2019.
- (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.



Q1 2020 Earnings
May 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) the continued impact of COVID-19 and related economic impact and governmental response, (3) our ability to successfully reduce operating expenses and otherwise adapt to the changing economic environment caused by COVID-19, (4) our ability to access sufficient capital to finance our operations, including our ability to comply with or obtain waivers for covenants contained in our revolving credit facility, (5) our ability to attract and retain clients, (6) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (7) our ability to maintain profit margins, (8) new laws and regulations that could affect our operations or financial results, (9) our ability to successfully execute on business strategies to further digitize our business model, and (10) 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 references 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.

Q1 2020 summary

Q1 results below low-end of company outlook

- Underperformance due to COVID-19 disruption that began in March
- Total revenue -11% v. outlook of -9% to -4%
- Net loss of \$150 million, or \$(4.04) per share, included a non-cash impairment charge¹ of \$152 million after tax, or \$(4.08) per share.
- Adjusted EPS² \$(0.01) v. outlook of \$0.04 to \$0.11

Strong cash position and cost management

- \$265 million of cash on the balance sheet at the end of Q1 2020
- Extended our existing \$300 million revolving credit facility for five years and drew substantially all of the remaining availability
- Executed a \$40 million accelerated share repurchase (ASR) and bought \$12 million of shares on the open market in February 2020, for a combined total of \$52 million³
- Cost-cutting actions expected to result in fiscal year savings of approximately \$100 million

Leveraging digital strategy

- JobStackTM is helping us safely connect people with work during this time of crisis
- 785,000 shifts filled via JobStack in Q1 2020, representing an all-time high digital fill rate⁴ of 51%
- 23,500 client users, up more than 50% compared to Q1 2019

¹ Pre-tax impairment of \$175.2 million includes \$140.5 million for goodwill, \$94.6 million in PeopleScout and \$45.9 million in PeopleManagement, as well as \$34.7 million for client relationship intangible assets, \$25.0 million in PeopleScout and \$9.7 million in PeopleManagement, driven by customer volume reductions tied to the recent economic conditions.

² See the appendix to this presentation and "Financial Information" in the investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

³ Cash settlement for the full \$52 million occurred in Q1 2020. However, with regard to the \$40M ASR, \$32M of impact was reflected in our outstanding share count in Q1 and the remaining \$8M will be reflected in Q3. These transactions were conducted prior to the medical community's acknowledgment of the expected severity that COVID-19 would have on the United States.

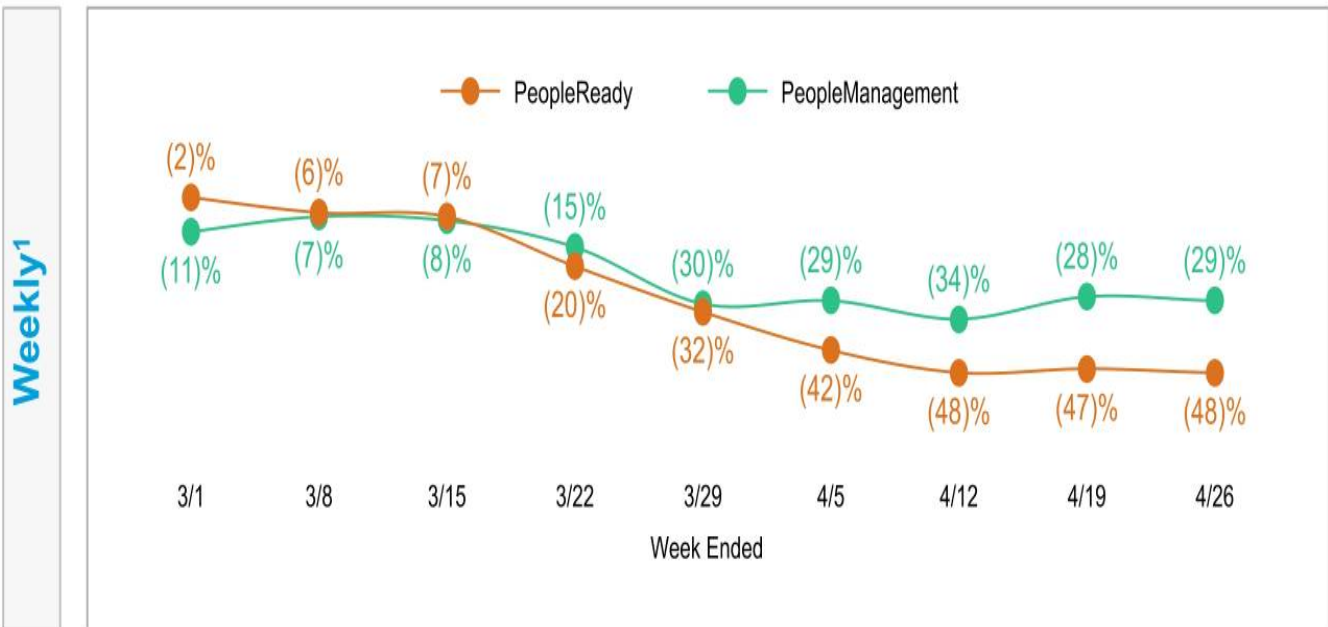
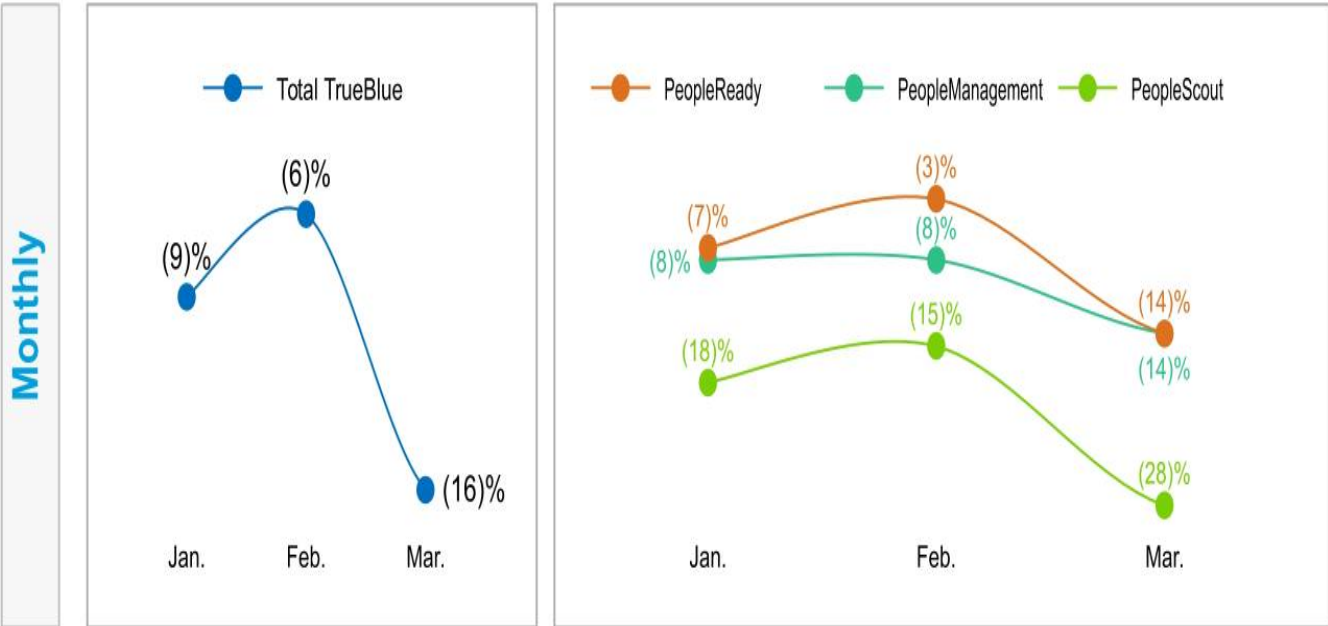
⁴ Represents orders filled via JobStack (calculation excludes unfilled orders).

Financial summary

Amounts in millions, except per share data	Q1 2020	Change
Revenue	\$494	-11%
Net Loss	-\$150.5	NM
Net Loss Per Diluted Share	-\$4.04	NM
Adjusted Net Loss ¹	-\$0.3	NM
Adj. Net Loss Per Diluted Share	-\$0.01	NM
Adjusted EBITDA ¹	\$4.6	-73%
Adjusted EBITDA Margin	0.9%	-210 bps

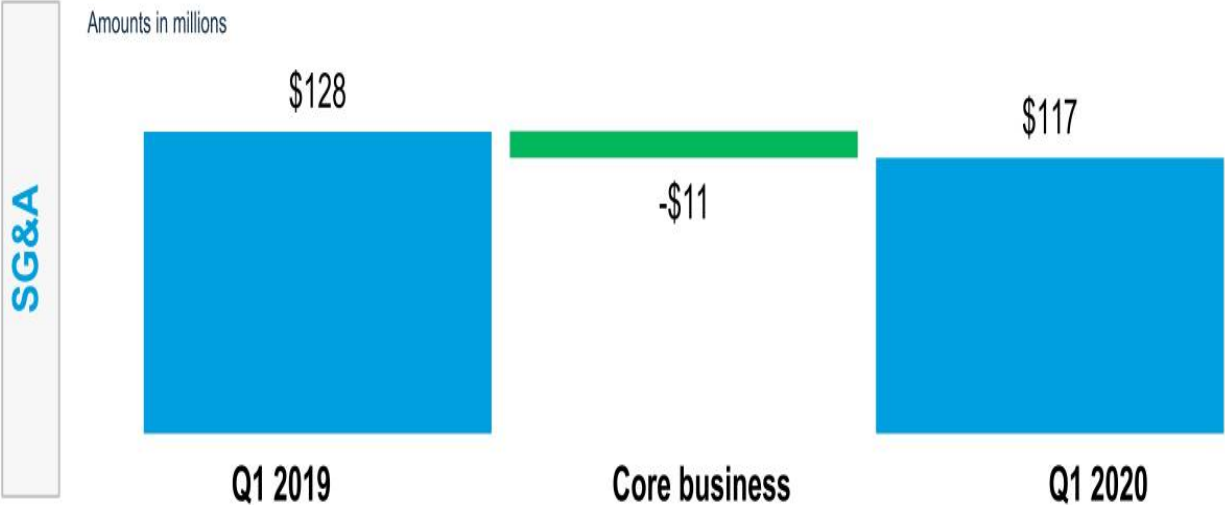
¹ See the appendix to this presentation and "Financial Information" in the investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

Revenue trends



¹ Weekly data is available for our staffing businesses (PeopleReady and PeopleManagement), but not our RPO business (PeopleScout) which bills clients monthly.

Gross margin and SG&A bridges



¹ We have made certain reclassifications between cost of services and SG&A expense in the prior year to more accurately reflect the costs of delivering our services. Such reclassifications did not have a significant impact on the company's gross profit and SG&A expense.

² Q1 2020 included a \$6.3 million benefit from a reduction in expected costs to comply with the Affordable Care Act which were recorded in prior fiscal years. Q1 2019 included a \$3.9 million benefit from workers' compensation related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation. These benefits have been excluded from adjusted EBITDA and adjusted net income in both periods.

Q1 2020 results by segment

Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	\$299	\$142	\$53
% Growth	-8%	-10%	-21%
Segment Profit (Loss) ¹	\$8	\$0	\$3
% Growth	-33%	-114%	-76%
% Margin	2.6%	-0.2%	4.7%
Change	-100 bps	-170 bps	-1080 bps
Notes:	<ul style="list-style-type: none"> ● Revenue was -8% v. -9% last quarter ● March revenue was -14% ● Revenue declined significantly during the last two weeks of March due to COVID-19; retail and energy fared best while hospitality was weaker 	<ul style="list-style-type: none"> ● Revenue was -10% v. -7% last quarter ● March revenue was -14% ● Revenue declined significantly during the last two weeks of March due to COVID-19; food processors fared best while automotive was weaker 	<ul style="list-style-type: none"> ● Revenue was -21% v. -18% last quarter; previously disclosed headwinds contributed to the year-over-year declines² ● March revenue was -28% ● Results were adversely impacted by COVID-19 beginning in March; healthcare fared best while travel related industries were weaker

¹ We evaluate performance based on segment revenue and segment profit (loss). Segment profit (loss) includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit (loss) 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 PeopleScout headwind primarily from lower volume on a large industrial account (-8% revenue growth headwind in Q1 2020 v. -11% Q4 2019). Associated segment profit headwind of approximately \$3M (-25% segment profit growth headwind in Q1 2020).

Leading our business into a digital future

JobStack™



Q1 2020 Update

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

- JobStack is helping us safely connect people with work during this time of crisis
- 785,000 shifts filled via JobStack™ in Q1 2020, representing an all-time high digital fill rate¹ of 51%
- 23,500 client users, up more than 50% compared to Q1 2019

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.peoplerready.com/jobstack/>

<https://www.peoplerready.com/customer/blogs/featured-home/webinar-social-distancing-with-jobstack>

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

Strong balance sheet

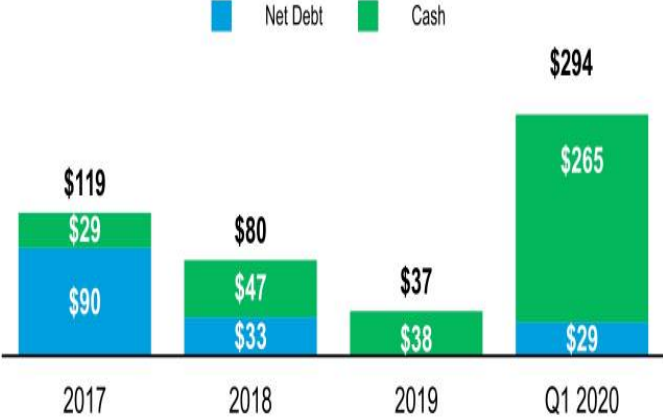
Liquidity

Amounts in millions

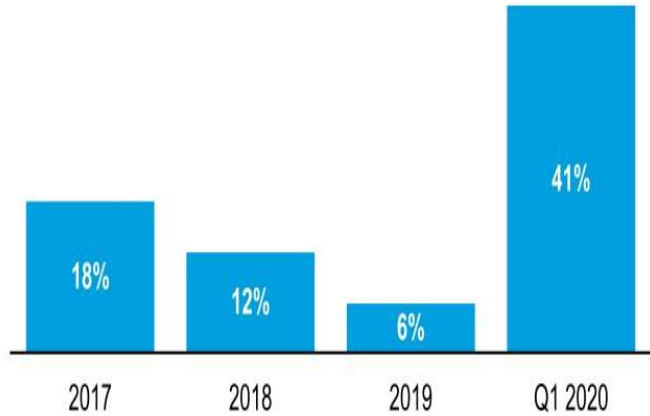


Total Debt

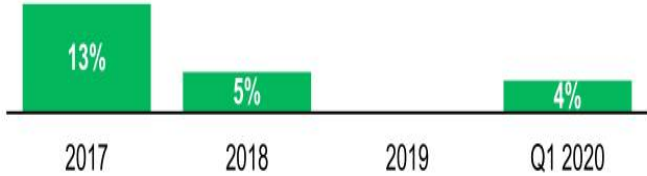
Amounts in millions



Total Debt to Capital¹



Net Debt to Capital²



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

Strategic call-outs for 2020

Open for business

Key provider of services to essential businesses.

Employee and Client Safety

Created a COVID-19 task force which has implemented extensive health and safety protocols, including a Centralized Branch Support Center to ensure business continuity, and ongoing safety communications to clients and workers. Leveraging technologies to safely connect clients and workers digitally, including ongoing rollout of new virtual onboarding for JobStack.

Liquidity and Capital Management

Extended existing credit facility for five years and drew remaining availability to further enhance our liquidity position. Capital preservation is a top priority. Took swift and significant action on costs. We do not plan to make additional share repurchases until economic conditions improve.

Leadership

CEO and CFO sat in similar leadership positions during the last recession. Tenured industry operating leaders.

Outlook



Selected outlook information

We are not providing customary guidance. However, certain information has been provided help investors as they form their own estimates.

Revenue

- TrueBlue revenue has historically tracked with gross domestic product (GDP)
- Regression analysis suggests that TrueBlue revenue would be down approximately 9% if GDP was flat, and would decline approximately 7 percentage points for every additional point of year-over-year GDP decline

YoY GDP Growth ¹	0%	-1%	-2%	-3%	-4%	-5%
Implied TBI Growth ²	-9%	-16%	-23%	-30%	-37%	-44%

Other

Item	Q2 2020	FY 2020	Commentary
Gross Margin	-270 to -210 bps v. prior year	-180 to -120 bps v. prior year	Gross margin headwinds in FY 2020 primarily due to client pricing pressure, lower volume, previously disclosed headwinds at PeopleScout ³ and client mix. Expecting a lower gross margin in Q2 due to a higher mix of PeopleReady energy business which carries a lower gross margin and lower margin in our PeopleScout business due to RPO recruiting and media costs that do not scale in proportion to the revenue decline.
Cost Savings	\$20 to \$25M	\$95 to \$105M	Reflects expected year-over-year net reduction in operating expense. A charge of ~\$8M from employee termination and benefit costs is expected in Q2 which will be treated as an adjustment to net income and EBITDA.
CapEx	~\$5M	~\$22M	Capital expenditures outlook for 2020 is net of \$8M of build-out cost for our Chicago headquarters that will be reimbursed by our landlord in 2020.
Repurchases	\$0M	\$52M	FY 2020 share repurchases reflects \$40M accelerated share repurchase (ASR) and \$12M of shares on the open market executed during Feb. 2020. We do not plan to make additional repurchases until economic conditions improve.
Shares	~35.4M	~35.7M	Reflects weighted average shares outstanding. With regard to the \$40M ASR we executed in Q1, \$32M of impact was reflected in our outstanding share count in Q1 and the remaining \$8M will be reflected in Q3.
Tax Rate	We are not able to provide an effective income tax rate outlook due to uncertainty surrounding our profitability. Our 2019 effective income tax rate of 10% was comprised of the following: Federal 21%, state 5%, non-deductible items and other 3%, tax credits -19%.		
Other	We expect a cash flow benefit from delayed payroll tax payments under the CARES Act of approximately \$10 to \$15M in Q2 2020 and \$40 to \$50M for the full year. 50% of delayed payments will be due by Dec. 31, 2021 and 50% by Dec. 31, 2022.		

¹ Year-over-year GDP growth provided to illustrate a non-exclusive range of potential macro environments. Please note that these are not Seasonally Adjusted Annualized Rates (SAAR).

² Based on regression analysis of quarterly year-over-year growth rates for real GDP and TrueBlue organic revenue from Q4 2009 to Q4 2019. The R-squared of this regression is 49%, which implies that 49% of the historical variation was explained by the correlation to GDP. There can be no assurance that future revenue will track GDP in the same way it has previously.

³ Please see the outlook section of our Q4 2019 earnings presentation for information on previously disclosed headwinds at PeopleScout.

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
<i>EBITDA and Adjusted EBITDA</i>	<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, - goodwill and intangible asset impairment charge, 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.
<i>Adjusted net income (loss) and Adjusted net income (loss) per diluted share</i>	<p>Net income (loss) and net income (loss) per diluted share, excluding:</p> <ul style="list-style-type: none"> - amortization of intangibles of acquired businesses, - acquisition/integration costs, - goodwill and intangible asset impairment charge, - other adjustments, - tax effect of each adjustment to U.S. GAAP net income (loss), and - adjust income taxes to our normalized long-term expected 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.

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

	Q1 2020		Q1 2019	
	13 Weeks Ended		13 Weeks Ended	
<i>(in thousands, except for per share data)</i>	Mar 29, 2020		Mar 31, 2019	
Net income (loss)	\$	(150,494)	\$	8,276
Amortization of intangible assets of acquired businesses (1)		4,004		5,081
Acquisition/integration costs (2)		—		577
Goodwill and intangible asset impairment charge (3)		175,189		—
Other adjustments (4)		(4,273)		(2,606)
Tax effect of adjustments to net income (loss) (5)		(20,990)		(427)
Adjustment of income taxes to normalized effective rate (6)		(3,719)		(264)
Adjusted net income (loss)	\$	(283)	\$	10,637
Adjusted net income (loss) per diluted share	\$	(0.01)	\$	0.27
Diluted weighted average shares outstanding		37,255		39,735

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

	Q1 2020		Q1 2019	
	13 Weeks Ended		13 Weeks Ended	
<i>(in thousands)</i>	Mar 29, 2020		Mar 31, 2019	
Net income (loss)	\$	(150,494)	\$	8,276
Income tax expense		(24,748)		1,040
Interest and other (income) expense, net		(263)		(553)
Depreciation and amortization		9,094		9,952
EBITDA		(166,411)		18,715
Work Opportunity Tax Credit processing fees (7)		135		240
Acquisition/integration costs (2)		—		577
Goodwill and intangible asset impairment charge (3)		175,189		—
Other adjustments (4)		(4,273)		(2,606)
Adjusted EBITDA	\$	4,640	\$	16,926

See the last slide of the appendix for footnotes.

Footnotes:

1. Amortization of intangible assets of acquired businesses.
2. Acquisition/integration costs for the acquisition of TMP Holding LTD completed on June 12, 2018.
3. The goodwill and intangible asset impairment charge for the 13 weeks ended March 29, 2020 relates to our PeopleManagement and PeopleScout reportable segments.
4. Other adjustments for the periods presented primarily include implementation costs for cloud-based systems and amortization of software as a service assets, which is reported in selling, general and administrative expense. Other adjustments for the 13 weeks ended March 29, 2020, also include \$1.3 million in workforce reduction costs. These other cost adjustments were offset by a \$6.3 million benefit from a reduction in expected costs to comply with the Affordable Care Act, which were recorded in prior fiscal years. For the 13 weeks ended March 31, 2019, the aforementioned other costs were partially offset by \$3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation.
5. Total tax effect of each of the adjustments to U.S. GAAP net income using the expected, long-term ongoing rate of 12 percent relative to 14 percent for 2019.
6. Adjustment of the effective income tax rate to the expected long-term ongoing rate of 12 percent relative to 14 percent for 2019.
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.

