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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of report (Date of earliest event reported): July 27, 2020**



**TrueBlue, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

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**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)

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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**

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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.

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**Item 2.02. Results of Operations and Financial Condition.**

On July 27, 2020, TrueBlue, Inc. (the “company”) issued a press release (the “Press Release”) reporting its financial results for the second quarter ended June 28, 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 second quarter ended June 28, 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, July 27, 2020. The Earnings Results Presentation is also available on the company’s website at [www.trueblue.com](http://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**

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<b>Exhibit Number</b>	<b>Exhibit Description</b>	<b>Filed Herewith</b>
99.1	<a href="#">Press Release dated July 27, 2020</a>	X
99.2	<a href="#">Earnings Results Presentation for July 27, 2020 conference call</a>	X
104	Cover page interactive data file - The cover page from this Current Report on Form 8-K is formatted as Inline XBRL	X

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## TRUEBLUE REPORTS SECOND QUARTER 2020 RESULTS

**TACOMA, WASH. - Jul. 27, 2020** -- TrueBlue (NYSE:TBI) today announced its second quarter results for 2020.

Second quarter revenue was \$359 million, a decrease of 39 percent compared to revenue of \$589 million in the second quarter of 2019. Net loss per diluted share was \$0.23 compared to net income per diluted share of \$0.49 in the second quarter of 2019. Adjusted net loss<sup>1</sup> per diluted share was \$0.12 compared to adjusted net income per diluted share of \$0.64 in the second quarter of 2019.

“I want to thank our employees, associates, and clients for their outstanding efforts to safely serve the needs of our communities and essential businesses over the past several months,” said Patrick Beharelle, CEO of TrueBlue. “We will continue to face revenue challenges until the economic recovery from COVID-19 gains greater momentum and clients are back on their feet.”

“We experienced a significant decline in the demand for our services during the quarter,” Mr. Beharelle continued. “We saw moderate demand improvement toward the end of the quarter which continued into July. Our actions to reduce expenses while maintaining our operational strengths are paying off. These actions not only help preserve profitability, but also help maintain our balance sheet strength and allow us to continue to invest in our digital strategies.”

### 2020 Outlook

Due to the uncertainty surrounding COVID-19 and its impact on the business environment, TrueBlue is not providing customary quarterly guidance. However, the company is providing certain forward-looking information to help investors form their own estimates, which can be found in the quarterly earnings presentation filed today.

Management will discuss second quarter 2020 results on a webcast at 2 p.m. PDT (5 p.m. EDT), today, Monday, Jul. 27, 2020. The webcast can be accessed on TrueBlue’s website: [www.trueblue.com](http://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](http://www.trueblue.com).

<sup>1</sup> 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

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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](http://www.trueblue.com) under the Investor Relations section or the SEC's website at [www.sec.gov](http://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](http://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

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

<i>(in thousands, except per share data)</i>	13 Weeks Ended		26 Weeks Ended	
	Jun 28, 2020	Jun 30, 2019	Jun 28, 2020	Jun 30, 2019
Revenue from services	\$ 358,944	\$ 588,594	\$ 853,196	\$ 1,140,946
Cost of services	275,719	431,911	643,812	837,568
<b>Gross profit</b>	<b>83,225</b>	156,683	<b>209,384</b>	303,378
Selling, general and administrative expense	97,200	125,965	214,581	253,945
Depreciation and amortization	7,256	9,827	16,350	19,779
Goodwill and intangible asset impairment charge	—	—	175,189	—
<b>Income (loss) from operations</b>	<b>(21,231)</b>	20,891	<b>(196,736)</b>	29,654
Interest and other income (expense), net	(412)	827	(149)	1,380
<b>Income (loss) before tax expense (benefit)</b>	<b>(21,643)</b>	21,718	<b>(196,885)</b>	31,034
Income tax expense (benefit)	(13,475)	2,312	(38,223)	3,352
<b>Net income (loss)</b>	<b>\$ (8,168)</b>	\$ 19,406	<b>\$ (158,662)</b>	\$ 27,682

**Net income (loss) per common share:**

Basic	\$ (0.23)	\$ 0.50	\$ (4.39)	\$ 0.71
Diluted	\$ (0.23)	\$ 0.49	\$ (4.39)	\$ 0.70

**Weighted average shares outstanding:**

Basic	35,077	39,163	36,166	39,264
Diluted	35,077	39,554	36,166	39,619

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

<i>(in thousands)</i>	Jun 28, 2020	Dec 29, 2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 92,051	\$ 37,608
Accounts receivable, net	224,078	342,303
Other current assets	43,772	41,822
<b>Total current assets</b>	<b>359,901</b>	421,733
Property and equipment, net	67,447	66,150
Restricted cash and investments	217,844	230,932
Goodwill and intangible assets, net	126,617	311,171
Other assets, net	131,192	106,169
<b>Total assets</b>	<b>\$ 903,001</b>	<b>\$ 1,136,155</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities	\$ 220,025	\$ 230,806
Long-term debt, less current portion	17,949	37,100
Other long-term liabilities	252,266	242,276
<b>Total liabilities</b>	<b>490,240</b>	510,182
Shareholders' equity	412,761	625,973
<b>Total liabilities and shareholders' equity</b>	<b>\$ 903,001</b>	<b>\$ 1,136,155</b>



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

<i>(in thousands)</i>	26 Weeks Ended	
	Jun 28, 2020	Jun 30, 2019
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (158,662)	\$ 27,682
<b>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</b>		
Depreciation and amortization	16,350	19,779
Goodwill and intangible asset impairment charge	175,189	—
Provision for doubtful accounts	5,923	3,761
Stock-based compensation	4,345	5,260
Deferred income taxes	(27,049)	2,393
Non-cash lease expense	7,454	6,934
Other operating activities	2,669	(2,072)
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	111,803	16,162
Income tax receivable	(7,291)	(6,347)
Other assets	4,682	(4,472)
Accounts payable and other accrued expenses	(22,197)	(16,542)
Accrued wages and benefits	4,921	(4,667)
Workers' compensation claims reserve	(5,668)	(7,109)
Operating lease liabilities	(7,643)	(6,957)
Other liabilities	(1,344)	3,174
<b>Net cash provided by operating activities</b>	<b>103,482</b>	<b>36,979</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(11,641)	(11,064)
Purchases of restricted available-for-sale investments	(1,739)	(4,295)
Sales of restricted available-for-sale investments	2,581	2,435
Purchases of restricted held-to-maturity investments	(11,458)	(7,020)
Maturities of restricted held-to-maturity investments	16,190	17,250
<b>Net cash used in investing activities</b>	<b>(6,067)</b>	<b>(2,694)</b>
<b>Cash flows from financing activities:</b>		
Purchases and retirement of common stock	(52,346)	(9,077)
Net proceeds from employee stock purchase plans	536	700
Common stock repurchases for taxes upon vesting of restricted stock	(1,956)	(1,631)
Net change in Revolving Credit Facility	7,900	(55,300)
Other	(1,344)	(119)
<b>Net cash used in financing activities</b>	<b>(47,210)</b>	<b>(65,427)</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(736)	560
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>49,469</b>	<b>(30,582)</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<b>92,371</b>	<b>102,450</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 141,840</b>	<b>\$ 71,868</b>

**TRUEBLUE, INC.**  
**SEGMENT DATA**  
*(Unaudited)*

<i>(in thousands)</i>	13 Weeks Ended	
	Jun 28, 2020	Jun 30, 2019
<b>Revenue from services:</b>		
PeopleReady	\$ 209,151	\$ 369,261
PeopleManagement	118,661	153,530
PeopleScout	31,132	65,803
<b>Total company</b>	<b>\$ 358,944</b>	<b>\$ 588,594</b>
<b>Segment profit (loss) (1):</b>		
PeopleReady	\$ 633	\$ 21,795
PeopleManagement	1,803	4,128
PeopleScout	(2,782)	11,223
<b>Total segment profit (loss)</b>	<b>(346)</b>	<b>37,146</b>
Corporate unallocated expense	(4,929)	(3,634)
<b>Total company Adjusted EBITDA (2)</b>	<b>(5,275)</b>	<b>33,512</b>
Work Opportunity Tax Credit processing fees (3)	—	(240)
Acquisition/integration costs (4)	—	(673)
Other adjustments (5)	(8,700)	(1,881)
<b>EBITDA (2)</b>	<b>(13,975)</b>	<b>30,718</b>
Depreciation and amortization	(7,256)	(9,827)
Interest and other income (expense), net	(412)	827
Income (loss) before tax expense (benefit)	<b>(21,643)</b>	<b>21,718</b>
Income tax benefit (expense)	13,475	(2,312)
<b>Net income (loss)</b>	<b>\$ (8,168)</b>	<b>\$ 19,406</b>

- (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 depreciation and amortization expense, unallocated corporate general and administrative expense, interest, other income and expense, income taxes, and other adjustments not considered to be ongoing.
- (2) See the Non-GAAP Financial Measures table on the next page for definitions of EBITDA and Adjusted EBITDA.
- (3) These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates.
- (4) Acquisition/integration costs relate to the acquisition of TMP Holdings LTD completed on June 12, 2018.
- (5) Other adjustments for the 13 weeks ended June 28, 2020 and June 30, 2019 primarily include workforce reduction costs of \$11.0 million (\$3.0 million in cost of services and \$8.0 million in selling, general and administrative expense) and \$0.5 million (in selling, general and administrative expense), respectively, implementation costs for cloud-based systems of \$0.1 million and \$1.1 million, respectively and amortization of software as a service assets of \$0.6 million and \$0.5 million, respectively, which is reported in selling, general and administrative expense. For the 13 weeks ended June 28, 2020, these costs were slightly offset by \$3.1 million in COVID-19 government subsidies.

**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 (loss): - 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, - 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.
<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: - amortization of intangibles of acquired businesses, - acquisition/integration costs, - other adjustments, - tax effect of each adjustment to U.S. GAAP net income (loss), and - adjustment of income taxes to our normalized long-term expected tax rate for periods prior to Q2 2020.	- Provides a measure, among others, used in the determination of incentive compensation for management.  - 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	
	Jun 28, 2020	Jun 30, 2019
Net income (loss)	\$ (8,168)	\$ 19,406
Amortization of intangible assets of acquired businesses (1)	2,071	4,957
Acquisition/integration costs (2)	—	673
Other adjustments (3)	8,700	1,881
Tax effect of adjustments to net income (loss) (4)	(6,706)	(1,052)
Adjustment of income taxes to normalized effective rate (5)	—	(729)
<b>Adjusted net income (loss)</b>	<b>\$ (4,103)</b>	<b>\$ 25,136</b>
<b>Adjusted net income (loss) per diluted share</b>	<b>\$ (0.12)</b>	<b>\$ 0.64</b>
<b>Diluted weighted average shares outstanding</b>	<b>35,077</b>	<b>39,554</b>

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

### EBITDA

(Unaudited)

<i>(in thousands)</i>	13 Weeks Ended	
	Jun 28, 2020	Jun 30, 2019
Net income (loss)	\$ (8,168)	\$ 19,406
Income tax expense (benefit)	(13,475)	2,312
Interest and other (income) expense, net	412	(827)
Depreciation and amortization	7,256	9,827
<b>EBITDA</b>	<b>(13,975)</b>	<b>30,718</b>
Work Opportunity Tax Credit processing fees (6)	—	240
Acquisition/integration costs (2)	—	673
Other adjustments (3)	8,700	1,881
<b>Adjusted EBITDA</b>	<b>\$ (5,275)</b>	<b>\$ 33,512</b>

- (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) Other adjustments for the 13 weeks ended June 28, 2020 and June 30, 2019 primarily include workforce reduction costs of \$11.0 million (\$3.0 million in cost of services and \$8.0 million in selling, general and administrative expense) and \$0.5 million (in selling, general and administrative expense), respectively, implementation costs for cloud-based systems of \$0.1 million and \$1.1 million, respectively and amortization of software as a service assets of \$0.6 million and \$0.5 million, respectively, which is reported in selling, general and administrative expense. For the 13 weeks ended June 28, 2020, these costs were slightly offset by \$3.1 million in COVID-19 government subsidies.
- (4) Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the effective rate of 62 percent for Q2 2020 relative to the expected long-term ongoing rate of 14 percent for Q2 2019.
- (5) Adjustment of the effective income tax rate to the expected long-term ongoing rate of 14 percent for Q2 2019. Beginning in Q2 2020, we will not be adjusting our GAAP tax rate in our adjusted net income calculation until our profitability rises to a more substantial level.
- (6) These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates.



**Q2 2020 Earnings**  
July 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](http://www.trueblue.com) under the Investor Relations section or the SEC's website at [www.sec.gov](http://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](http://www.trueblue.com) under the Investor Relations section for additional information on both current and historical periods. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Any comparisons made herein to other periods are based on a comparison to the same period in the prior year unless otherwise stated.

# Q2 2020 summary

## Q2 results impacted by COVID-19 disruption

- Total revenue -39% v. -11% for Q1 2020
- Modest intra-quarter revenue trend improvement (June -35% v. April -42%)
- Net loss of \$8 million, or \$(0.23) per share
- Adjusted net loss<sup>1</sup> of \$4 million, or \$(0.12) per share

## Strong cost management results

- Cost management strategies are on track
- SG&A \$29 million lower, or -23%, v. Q2 2019

## Strong liquidity position balanced with returning capital to shareholders

- Amended banking covenants to increase financial flexibility
- Net cash of \$47 million (cash of \$92 million less debt of \$45 million) v. net debt of \$28 million Q1 2020
- \$52 million of stock repurchased YTD,<sup>2</sup> no current plans for additional repurchases

## Leveraging digital strategy

- JobStack<sup>TM</sup> is helping us safely connect people with work during this time of crisis
- 551,000 shifts filled via JobStack in Q2 2020, representing an all-time high digital fill rate<sup>3</sup> of 53%
- 24,300 client users, up 38% compared to Q2 2019
- New digital onboarding functionality shows favorable results

<sup>1</sup> See the appendix to this presentation and "Financial Information" in the investors section of our website at [www.trueblue.com](http://www.trueblue.com) for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

<sup>2</sup> Cash settlement for the full \$52 million occurred in Q1 2020 (pre-COVID-19). 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.

<sup>3</sup> Represents orders filled via JobStack (calculation excludes unfilled orders).



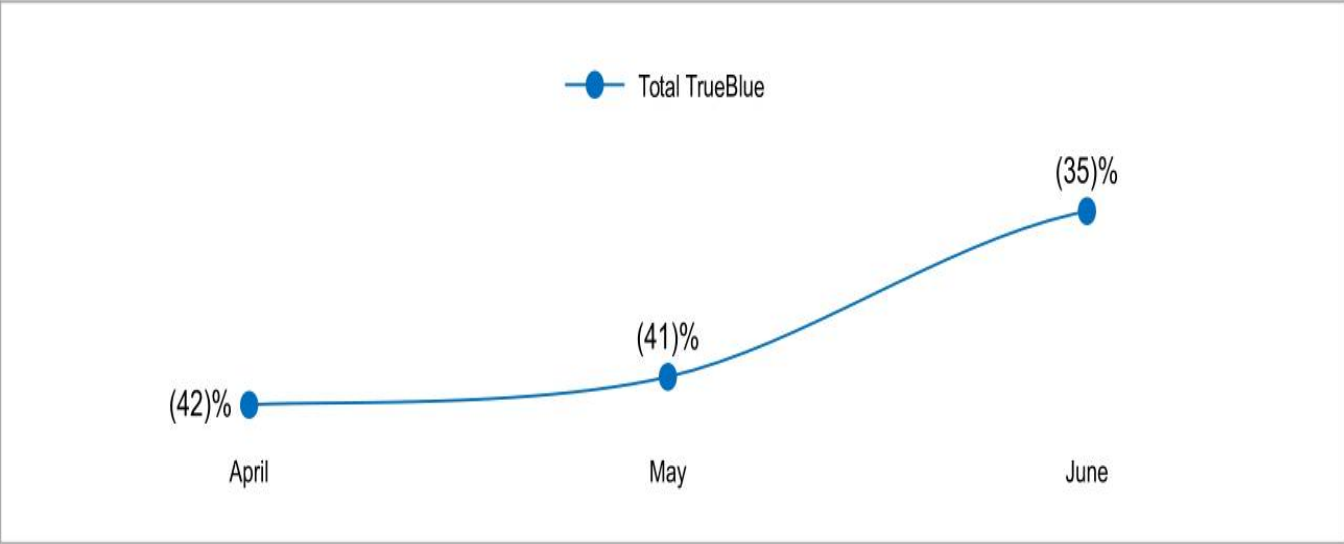
## Financial summary

Amounts in millions, except per share data	Q2 2020	Q2 2019	Change
Revenue	\$359	\$589	-39%
Net Income (Loss)	-\$8.2	\$19.4	-142%
Net Income (Loss) Per Diluted Share	-\$0.23	\$0.49	-147%
Adjusted Net Income (Loss) <sup>1</sup>	-\$4.1	\$25.1	-116%
Adj. Net Income (Loss) Per Diluted Share	-\$0.12	\$0.64	-119%
Adjusted EBITDA <sup>1</sup>	-\$5.3	\$33.5	-116%
Adjusted EBITDA Margin	-1.5 %	5.7%	-720 bps

<sup>1</sup> See the appendix to this presentation and "Financial Information" in the investors section of our website at [www.trueblue.com](http://www.trueblue.com) for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

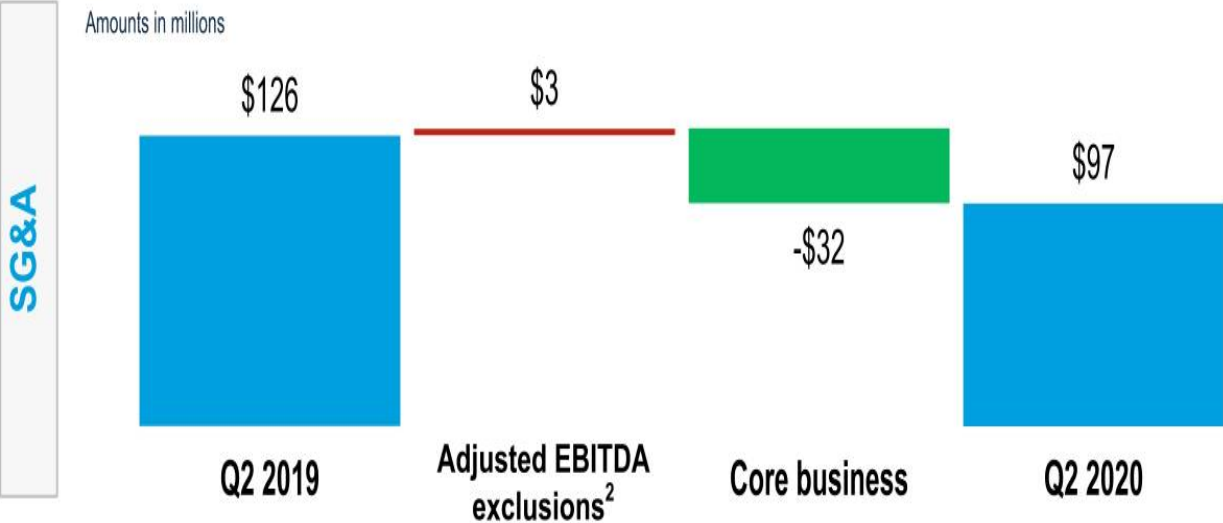


# Monthly revenue trends



\*MTD results reflect the three weeks ended Jul. 19. Excluding the benefit from 4th of July falling on Saturday this year versus Thursday last year, PeopleReady was down 33% and PeopleManagement was down 12%. Weekly data is not available for PeopleScout which bills clients monthly.

# Gross margin and SG&A bridges



<sup>1</sup> 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.

<sup>2</sup> \$3 million represents the year-over-year change in Adjusted EBITDA exclusions impacting SG&A (\$8.7 million in the current year less \$3.0 million for severance impacting cost of goods sold less \$2.8 million in prior year). See the appendix to this presentation and "Financial Information" in the investors section of our website at [www.trueblue.com](http://www.trueblue.com) for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

## Q2 2020 results by segment

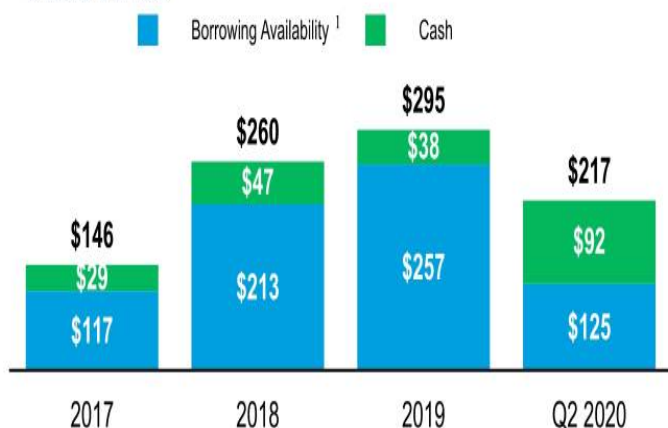
Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	\$209	\$119	\$31
% Growth	-43%	-23%	-53%
Segment Profit (Loss) <sup>1</sup>	\$1	\$2	-\$3
% Growth	-97%	-56%	-125%
% Margin	0.3%	1.5%	-8.9%
Change	-560 bps	-120 bps	-2600 bps
Notes:	<ul style="list-style-type: none"> <li>Revenue was -43% v. -8% last quarter</li> <li>Modest intra-quarter improvement (June down 39% v. 46% in April)</li> <li>Pace of recovery lagging PeopleManagement primarily due to mix (higher exposure to hospitality, construction, etc.) and supplemental nature of work</li> </ul>	<ul style="list-style-type: none"> <li>Revenue was -23% v. -10% last quarter</li> <li>Encouraging intra-quarter improvement (June down 15% v. 30% in April)</li> <li>Recovery driven by manufacturing (incl. food processors, auto manufacturing suppliers) and strength in e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>Revenue was -53% v. -21% last quarter</li> <li>Results were adversely impacted by mix exposure to travel and leisure clients (roughly 30% of prior year mix; down 80%)</li> </ul>

<sup>1</sup> 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 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.

# Balance sheet remains strong

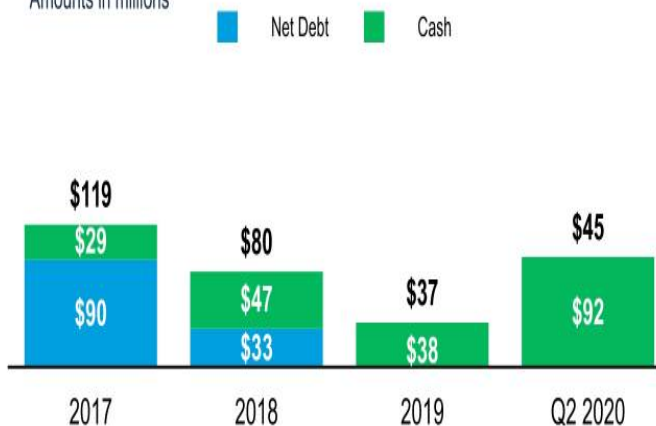
## Liquidity

Amounts in millions

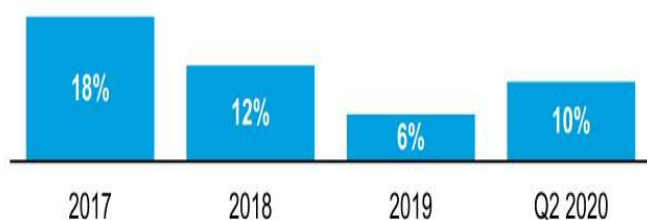


## Total Debt

Amounts in millions



## Total Debt to Capital<sup>2</sup>



## Credit Facility Update

- During Q2 we amended our covenants to increase our financial flexibility
- Lenders agreed to suspend testing of our leverage ratio and fixed charge coverage ratio through June 27, 2021
- Covenants have been temporarily replaced with a minimum asset coverage ratio,<sup>3</sup> minimum liquidity,<sup>4</sup> and minimum EBITDA<sup>5</sup>
- Please see our 8-K filed June 26 for complete information

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

<sup>1</sup> Borrowing Availability is based on maximum borrowing availability under our most restrictive covenant, which was Minimum Asset Coverage for Q2 2020.

<sup>2</sup> Total Debt to Capital calculated as total debt divided by the sum of total debt plus shareholders' equity.

<sup>3</sup> Min. Asset Coverage (>1x) defined as 60% of accounts receivable / [total debt and letters of credit less excess cash], where excess cash is defined as total cash in excess of \$50M (or zero if total cash is less than \$50M).

<sup>4</sup> Min. Liquidity (>\$150M) defined as \$300M (facility size) plus total cash minus total debt and letters of credit.

<sup>5</sup> Min. EBITDA covenant of >\$12M for trailing 3 quarters ended Q1-2021 and >\$15M for trailing 4 quarters ended Q2-2021. Definition of EBITDA for bank covenants differs from Adjusted EBITDA used in external reporting. The most notable difference is bank covenants allow us to add-back stock-based compensation expense. Stock-based compensation expense was \$8.7M in FY 2019 and \$3.9M YTD in 2020.



# Strategic highlights

## Employee and client safety



### Safety remains our top priority. Key elements of our plan include:

- **Communication:** established a resource center for staff; safety specialists regularly meet with operational teams and clients
- **Protective equipment:** implemented social distancing measures at all our locations and provided PPE (masks) and hand sanitizer
- **Wellness checks:** For all associates/staff at on-sites, symptom checking prior to entering building (e.g. temperature checks, questioning, etc.)
- **Adapting our business:** drive-in job fairs/interviews for associates and staff working from home wherever possible

## Businesses executing on recovery plans

- **PeopleReady:** Targeting high need areas, tracking competitor closures and tapping a broader worker pool.
- **PeopleManagement:** Targeting essential businesses, e-commerce, etc. Focus on consolidating client wallet share.
- **PeopleScout:** Supporting clients that laid off in-house recruitment teams and focus on project/burst hiring.



## JobStack digital strategy

- PeopleReady's new digital onboarding functionality shows favorable results:
  - Recently deployed in 50 states
  - Applicant time cut in half
  - Application completion rate 20 percentage points higher

# Outlook



## Selected outlook information

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

Item	Q3 2020	FY 2020	Commentary
Gross Margin	-210 to -150 bps v. prior year	-200 to -140 bps v. prior year	Gross margin headwinds in FY 2020 primarily due to client pricing pressure, lower volume and client mix.
Cost Savings	\$28 to \$33M	\$90 to \$100M	Reflects expected year-over-year net reduction in operating expense.
CapEx	~\$7M	~\$22M	Capital expenditures outlook for 2020 is net of \$4M of build-out cost for our Chicago headquarters that will be reimbursed by our landlord in 2020.
Shares	~35.0M	~35.3M	Reflects weighted average shares outstanding (FY 2020 represents anti-dilutive figure). \$52M of share repurchases executed in Q1, \$44M of impact was reflected in our outstanding share count in Q1 and the remaining \$8M will be reflected in Q3. We do not plan to make additional repurchases until economic conditions improve.
Adjustments	For Q3 2020 we expect SG&A will benefit from approximately \$3M in COVID-19 government subsidies. This benefit will be removed from Adjusted EBITDA and Adjusted Net Income.		
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%. We will not be adjusting our GAAP tax rate in our adjusted net income calculation until our profitability rises to a more substantial level.		
Other	We expect a cash flow benefit from delayed payroll tax payments under the CARES Act of approximately \$15 to \$20M in Q3 2020 and \$45 to \$55M for the full year. 50% of delayed payments will be due by Dec. 31, 2021 and 50% by Dec. 31, 2022.		

# 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
<b><i>EBITDA and Adjusted EBITDA</i></b>	<p>EBITDA excludes from net income (loss):</p> <ul style="list-style-type: none"> <li>- interest and other income (expense), net,</li> <li>- income taxes, and</li> <li>- depreciation and amortization.</li> </ul> <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> <li>- Work Opportunity Tax Credit third-party processing fees,</li> <li>- acquisition/integration costs,</li> <li>- other adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>- Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.</li> <li>- Used by management to assess performance and effectiveness of our business strategies.</li> <li>- Provides a measure, among others, used in the determination of incentive compensation for management.</li> </ul>
<b><i>Adjusted net income (loss) and Adjusted net income (loss) per diluted share</i></b>	<p>Net income (loss) and net income (loss) per diluted share, excluding:</p> <ul style="list-style-type: none"> <li>- amortization of intangibles of acquired businesses,</li> <li>- acquisition/integration costs,</li> <li>- other adjustments,</li> <li>- tax effect of each adjustment to U.S. GAAP net income (loss), and</li> <li>- adjustment of income taxes to our normalized long-term expected tax rate for periods prior to Q2 2020.</li> </ul>	<ul style="list-style-type: none"> <li>- Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.</li> <li>- Used by management to assess performance and effectiveness of our business strategies.</li> </ul>

## 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	
	Jun 28, 2020	Jun 30, 2019
Net income (loss)	\$ (8,168)	\$ 19,406
Amortization of intangible assets of acquired businesses (1)	2,071	4,957
Acquisition/integration costs (2)	—	673
Other adjustments (3)	8,700	1,881
Tax effect of adjustments to net income (loss) (4)	(6,706)	(1,052)
Adjustment of income taxes to normalized effective rate (5)	—	(729)
<b>Adjusted net income (loss)</b>	<b>\$ (4,103)</b>	<b>\$ 25,136</b>
<b>Adjusted net income (loss) per diluted share</b>	<b>\$ (0.12)</b>	<b>\$ 0.64</b>
<b>Diluted weighted average shares outstanding</b>	<b>35,077</b>	<b>39,554</b>

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

<i>(in thousands)</i>	13 Weeks Ended	
	Jun 28, 2020	Jun 30, 2019
Net income (loss)	\$ (8,168)	\$ 19,406
Income tax expense (benefit)	(13,475)	2,312
Interest and other (income) expense, net	412	(827)
Depreciation and amortization	7,256	9,827
<b>EBITDA</b>	<b>(13,975)</b>	<b>30,718</b>
Work Opportunity Tax Credit processing fees (6)	—	240
Acquisition/integration costs (2)	—	673
Other adjustments (3)	8,700	1,881
<b>Adjusted EBITDA</b>	<b>\$ (5,275)</b>	<b>\$ 33,512</b>

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. Other adjustments for the 13 weeks ended June 28, 2020 and June 30, 2019 primarily include workforce reduction costs of \$11.0 million (\$3.0 million in cost of services and \$8.0 million in selling, general and administrative expense) and \$0.5 million (in selling, general and administrative expense), respectively, implementation costs for cloud-based systems of \$0.1 million and \$1.1 million, respectively and amortization of software as a service assets of \$0.6 million and \$0.5 million, respectively, which is reported in selling, general and administrative expense. For the 13 weeks ended June 28, 2020, these costs were slightly offset by \$3.1 million in COVID-19 government subsidies.
4. Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the effective rate of 62 percent for Q2 2020 relative to the expected long-term ongoing rate of 14 percent for Q2 2019.
5. Adjustment of the effective income tax rate to the expected long-term ongoing rate of 14 percent for Q2 2019. Beginning in Q2 2020, we will not be adjusting our GAAP tax rate in our adjusted net income calculation until our profitability rises to a more substantial level.
6. These third-party processing fees are associated with generating the Work Opportunity Tax Credits, which are designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates.

