

**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): October 26, 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	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 October 26, 2020, TrueBlue, Inc. (the “company”) issued a press release (the “Press Release”) reporting its financial results for the third quarter ended September 27, 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 third quarter ended September 27, 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, October 26, 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 October 26, 2020	X
99.2	Earnings Results Presentation for October 26, 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: October 26, 2020

By:

/s/ Derrek L. Gafford

Derrek L. Gafford
Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS THIRD QUARTER 2020 RESULTS

Company returns to profitability

TACOMA, WASH. - Oct. 26, 2020-- TrueBlue (NYSE:TBI) today announced its third quarter results for 2020.

Third quarter revenue was \$475 million, a decrease of 25 percent compared to revenue of \$637 million in the third quarter of 2019. Third quarter net income per diluted share was \$0.25 compared to a net loss per diluted share of \$0.23 in the second quarter of 2020 and net income per diluted share of \$0.68 in the third quarter of 2019. Third quarter adjusted net income¹ per diluted share was \$0.24 compared to an adjusted net loss per diluted share of \$0.12 in the second quarter of 2020 and adjusted net income per diluted share of \$0.76 in the third quarter of 2019.

“We have taken the right actions to restore profitability and position the company for long-term growth as the economy recovers,” said Patrick Beharelle, CEO of TrueBlue. “During the third quarter we saw steady improvements in our revenue trends across most of the industries and geographies we serve. Our cost management actions continue to show meaningful results which helps position us for strong incremental profit margins when revenue growth returns.

“We’re adding new features to PeopleReady’s JobStack app and refining our process to drive heavy user growth and applicant throughput,” Mr. Beharelle continued. “Looking ahead, we see an opportunity to leverage this technology to capture additional market share while reducing our service delivery costs.”

“Our balance sheet continues to shine, providing financial and operational flexibility,” said Derrek Gafford, CFO of TrueBlue. “Our credit facility provides ample liquidity, and our debt position is at its lowest level since 2012. We also repurchased 9% of our common stock earlier this year.”

2020 Outlook

TrueBlue 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 third quarter 2020 results on a webcast at 2 p.m. PDT (5 p.m. EDT), today, Monday, **Oct. 26, 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		39 Weeks Ended	
	Sep 27, 2020	Sep 29, 2019	Sep 27, 2020	Sep 29, 2019
Revenue from services	\$ 474,530	\$ 636,793	\$ 1,327,726	\$ 1,777,739
Cost of services	364,066	469,058	1,007,878	1,306,626
Gross profit	110,464	167,735	319,848	471,113
Selling, general and administrative expense	90,100	129,800	304,681	383,745
Depreciation and amortization	7,652	8,749	24,002	28,528
Goodwill and intangible asset impairment charge	—	—	175,189	—
Income (loss) from operations	12,712	29,186	(184,024)	58,840
Interest and other income (expense), net	(174)	471	(323)	1,851
Income (loss) before tax expense (benefit)	12,538	29,657	(184,347)	60,691
Income tax expense (benefit)	3,743	2,981	(34,480)	6,333
Net income (loss)	\$ 8,795	\$ 26,676	\$ (149,867)	\$ 54,358
Net income (loss) per common share:				
Basic	\$ 0.25	\$ 0.69	\$ (4.20)	\$ 1.39
Diluted	\$ 0.25	\$ 0.68	\$ (4.20)	\$ 1.38
Weighted average shares outstanding:				
Basic	34,597	38,741	35,643	39,090
Diluted	34,904	39,213	35,643	39,479

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands)</i>	Sep 27, 2020	Dec 29, 2019
ASSETS		
Cash and cash equivalents	\$ 28,233	\$ 37,608
Accounts receivable, net	279,812	342,303
Other current assets	42,704	41,822
Total current assets	350,749	421,733
Property and equipment, net	66,994	66,150
Restricted cash and investments	229,815	230,932
Goodwill and intangible assets, net	124,916	311,171
Other assets, net	135,724	106,169
Total assets	\$ 908,198	\$ 1,136,155
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 202,427	\$ 230,806
Long-term debt, less current portion	1,500	37,100
Other long-term liabilities	280,089	242,276
Total liabilities	484,016	510,182
Shareholders' equity	424,182	625,973
Total liabilities and shareholders' equity	\$ 908,198	\$ 1,136,155

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

<i>(in thousands)</i>	39 Weeks Ended	
	Sep 27, 2020	Sep 29, 2019
Cash flows from operating activities:		
Net income (loss)	\$ (149,867)	\$ 54,358
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	24,002	28,528
Goodwill and intangible asset impairment charge	175,189	—
Provision for doubtful accounts	6,582	5,997
Stock-based compensation	6,762	8,119
Deferred income taxes	(25,955)	1,058
Non-cash lease expense	11,115	11,087
Other operating activities	1,944	(1,701)
Changes in operating assets and liabilities:		
Accounts receivable	55,408	(17,616)
Income tax receivable	(4,928)	(3,982)
Other assets	(2,646)	(9,449)
Accounts payable and other accrued expenses	(12,723)	(6,970)
Accrued wages and benefits	(7,395)	(141)
Workers' compensation claims reserve	(824)	(7,176)
Operating lease liabilities	(11,410)	(11,297)
Deferred employer payroll taxes	36,312	—
Other liabilities	(2,798)	1,723
Net cash provided by operating activities	98,768	52,538
Cash flows from investing activities:		
Capital expenditures	(16,244)	(18,297)
Divestiture of business	—	215
Purchases of restricted available-for-sale investments	(2,310)	(5,299)
Sales of restricted available-for-sale investments	3,212	3,881
Purchases of restricted held-to-maturity investments	(32,495)	(17,298)
Maturities of restricted held-to-maturity investments	24,358	25,095
Net cash used in investing activities	(23,479)	(11,703)
Cash flows from financing activities:		
Purchases and retirement of common stock	(52,346)	(31,316)
Net proceeds from employee stock purchase plans	734	1,023
Common stock repurchases for taxes upon vesting of restricted stock	(2,331)	(1,934)
Net change in revolving credit facility	(35,600)	(36,200)
Other	(1,436)	(203)
Net cash used in financing activities	(90,979)	(68,630)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(466)	732
Net change in cash, cash equivalents, and restricted cash	(16,156)	(27,063)
Cash, cash equivalents and restricted cash, beginning of period	92,371	102,450
Cash, cash equivalents and restricted cash, end of period	\$ 76,215	\$ 75,387

TRUEBLUE, INC.
SEGMENT DATA
(Unaudited)

<i>(in thousands)</i>	13 Weeks Ended	
	Sep 27, 2020	Sep 29, 2019
Revenue from services:		
PeopleReady	\$ 293,546	\$ 413,132
PeopleManagement	147,241	159,315
PeopleScout	33,743	64,346
Total company	\$ 474,530	\$ 636,793
Segment profit (1):		
PeopleReady	\$ 18,714	\$ 30,878
PeopleManagement	4,574	3,381
PeopleScout	349	10,774
Total segment profit	23,637	45,033
Corporate unallocated expense	(5,968)	(5,769)
Total company Adjusted EBITDA (2)	17,669	39,264
Work Opportunity Tax Credit processing fees (3)	(174)	(240)
Acquisition/integration costs (4)	—	(362)
Other adjustments (5)	2,869	(727)
EBITDA (2)	20,364	37,935
Depreciation and amortization	(7,652)	(8,749)
Interest and other income (expense), net	(174)	471
Income before tax expense	12,538	29,657
Income tax expense	(3,743)	(2,981)
Net income	\$ 8,795	\$ 26,676

- (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 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 September 27, 2020 primarily include \$4.1 million in COVID-19 government subsidies which are partially offset by amortization of software as a service assets of \$0.6 million, which is reported in selling, general and administrative expense, workforce reduction costs of \$0.3 million and implementation costs for cloud-based systems of \$0.1 million. Other adjustments for the 13 weeks ended September 29, 2019 primarily include amortization of software as a service assets of \$0.4 million and implementation costs for cloud-based systems of \$0.4 million.

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

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

Non-GAAP Measure	Definition	Purpose of Adjusted Measures
<i>EBITDA and Adjusted EBITDA</i>	EBITDA excludes from net income (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. - 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: - 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.	- 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		
	Sep 27, 2020	Jun 28, 2020	Sep 29, 2019
Net income (loss)	\$ 8,795	\$ (8,168)	\$ 26,676
Amortization of intangible assets of acquired businesses (1)	2,041	2,071	3,858
Acquisition/integration costs (2)	—	—	362
Other adjustments (3)	(2,869)	8,700	727
Tax effect of adjustments to net income (loss) (4)	247	(6,706)	(692)
Adjustment of income taxes to normalized effective rate (5)	—	—	(1,171)
Adjusted net income (loss)	\$ 8,214	\$ (4,103)	\$ 29,760
Adjusted net income (loss) per diluted share	\$ 0.24	\$ (0.12)	\$ 0.76
Diluted weighted average shares outstanding	34,904	35,077	39,213

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

<i>(in thousands)</i>	13 Weeks Ended		
	Sep 27, 2020	Jun 28, 2020	Sep 29, 2019
Net income (loss)	\$ 8,795	\$ (8,168)	\$ 26,676
Income tax expense (benefit)	3,743	(13,475)	2,981
Interest and other (income) expense, net	174	412	(471)
Depreciation and amortization	7,652	7,256	8,749
EBITDA	20,364	(13,975)	37,935
Work Opportunity Tax Credit processing fees (6)	174	—	240
Acquisition/integration costs (2)	—	—	362
Other adjustments (3)	(2,869)	8,700	727
Adjusted EBITDA	\$ 17,669	\$ (5,275)	\$ 39,264

(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 September 27, 2020 primarily include \$4.1 million in COVID-19 government subsidies which are partially offset by amortization of software as a service assets of \$0.6 million, which is reported in selling, general and administrative expense, workforce reduction costs of \$0.3 million and implementation costs for cloud-based systems of \$0.1 million. Other adjustments for the 13 weeks ended June 28, 2020 primarily include workforce reduction costs of \$11.0 million and amortization of software as a service assets of \$0.6 million, partially offset by \$3.1 million in COVID-19 government subsidies. Other adjustments for the 13 weeks ended September 29, 2019 primarily include amortization of software as a service assets of \$0.4 million and implementation costs for cloud-based systems of \$0.4 million.

(4) Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the effective rate of 30 percent for Q3 2020, the effective rate of 62 percent for Q2 2020 and the expected long-term ongoing rate of 14 percent for Q3 2019.

(5) Adjustment of the effective income tax rate to the expected long-term ongoing rate of 14 percent for Q3 2019. Beginning in Q2 2020, we decided not to adjust our GAAP tax rate in our adjusted net income (loss) 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.



Q3 2020 Earnings
October 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.

Q3 2020 summary

Company returns to profitability

- Total revenue -25% v. -39% for Q2 2020 – driven by widespread trend improvement across our staffing businesses
- Net income of \$9 million v. net loss of \$8 million in Q2 2020
- Adjusted EBITDA¹ of \$18 million v. \$-5 million in Q2 2020

Significant cost reduction results

- Cost management strategies are on track
- SG&A \$40 million lower, or -31%, v. Q3 2019

Strong capital position

- Credit facility provides ample liquidity of \$167 million² at the end of Q3
- Ended Q3 with lowest debt position since 2012
- \$52 million of stock repurchased YTD³, representing 9% of shares outstanding

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 \$28 million in cash and \$139 million in borrowing availability under our most restrictive covenant, which was Minimum Asset Coverage for Q3 2020.

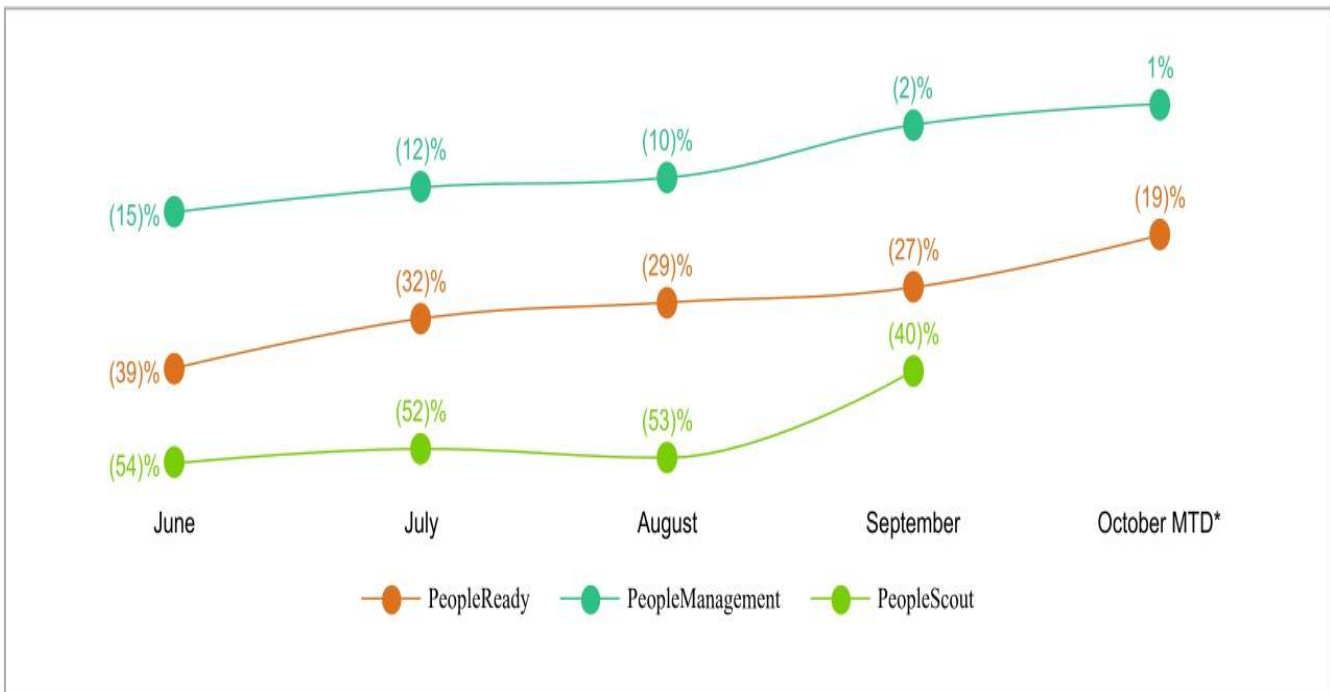
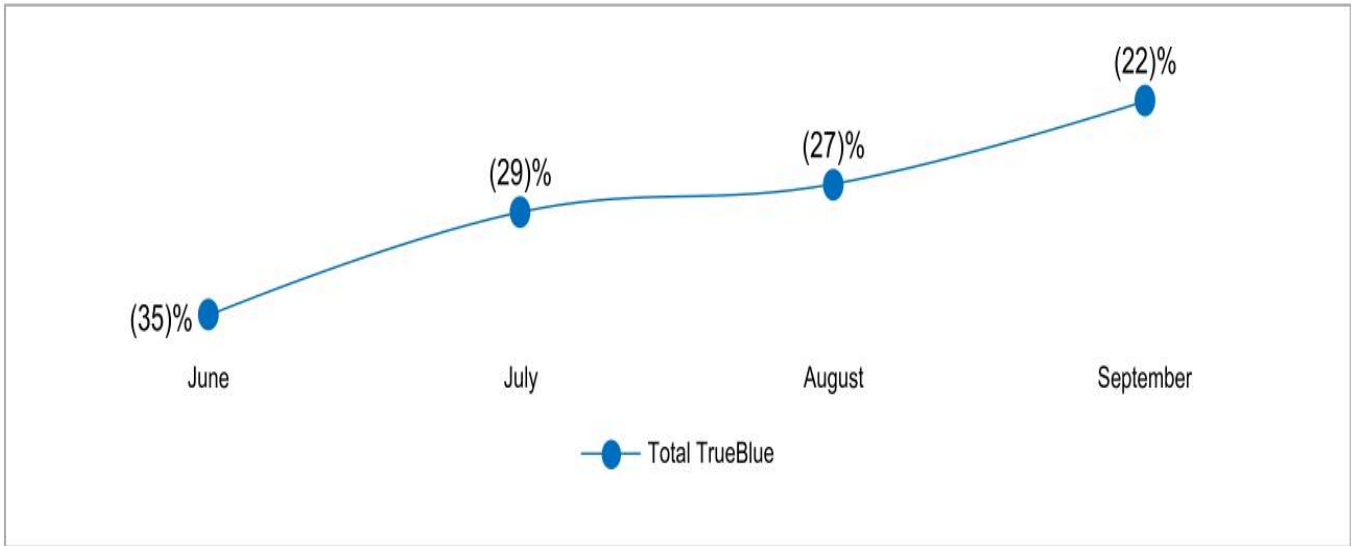
³ Cash settlement for the full \$52 million occurred in Q1 2020 (pre-COVID-19).

Financial summary

Amounts in millions, except per share data	Q3 2020	Q3 2019	Change
Revenue	\$475	\$637	-25%
Net Income	\$8.8	\$26.7	-67%
Net Income Per Diluted Share	\$0.25	\$0.68	-63%
Adjusted Net Income ¹	\$8.2	\$29.8	-72%
Adj. Net Income Per Diluted Share	\$0.24	\$0.76	-68%
Adjusted EBITDA	\$17.7	\$39.3	-55%
Adjusted EBITDA Margin	3.7%	6.2 %	-240 bps

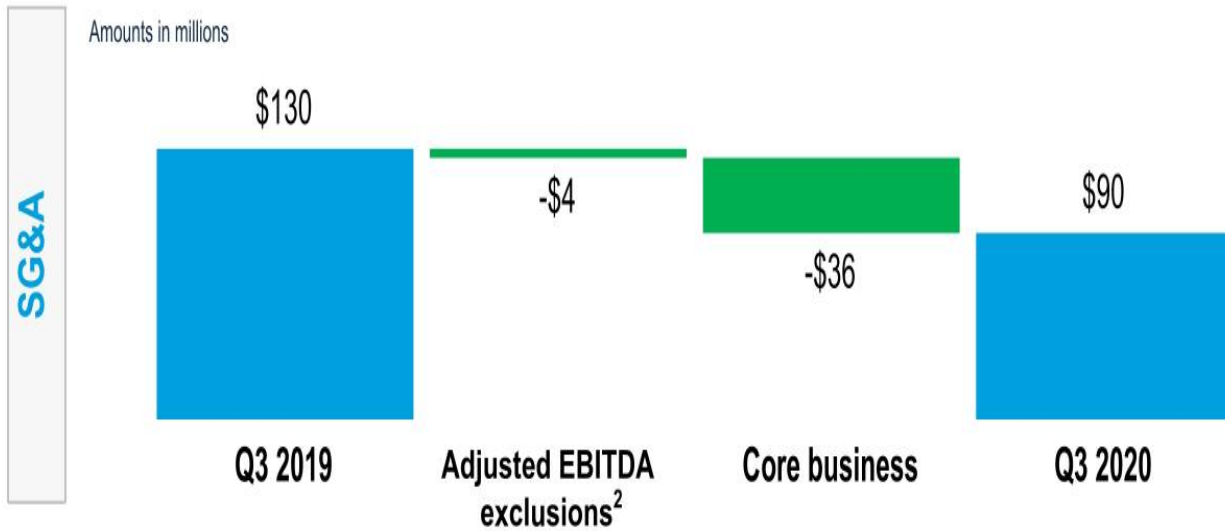
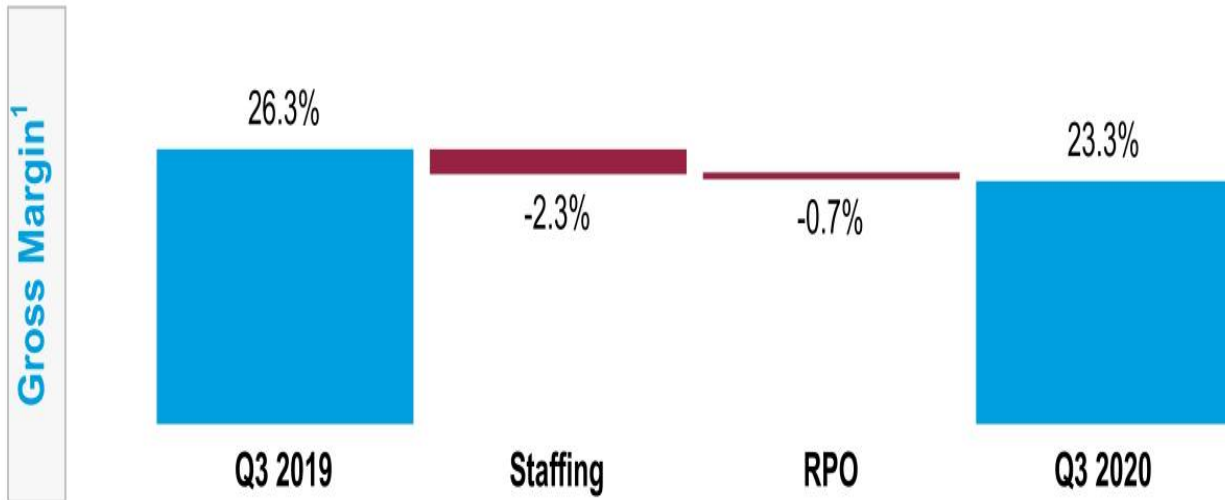
¹ See the appendix to this presentation and "Financial Information" in the investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

Monthly revenue trends



*MTD results reflect the three weeks ended Oct 18. Weekly data is not available for 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 -\$4 million represents the year-over-year change in Adjusted EBITDA exclusions impacting SG&A (primarily from COVID-19 subsidies). 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.

Q3 2020 results by segment

Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	\$294	\$147	\$34
% Growth	-29%	-8%	-48%
Segment Profit ¹	\$19	\$5	\$0
% Growth	-39%	35%	-97%
% Margin	6.4%	3.1%	1.0%
Change	-110 bps	100 bps	-1570 bps
Notes:	<ul style="list-style-type: none"> ■ Revenue was -29% v. -43% last quarter ■ Revenue trend improvement was broad-based across most geographies and industries ■ Cost management helped preserve profitability 	<ul style="list-style-type: none"> ■ Revenue was -8% v. -23% last quarter ■ YTD new business wins up 13% v. prior year (\$70 million v. \$62 million prior year; approximately half of new wins are in our Q3 run-rate) ■ Segment profit growth from cost management programs and unique costs in the prior year period 	<ul style="list-style-type: none"> ■ Revenue was -48% v. -53% last quarter ■ Results were adversely impacted by mix exposure to travel and leisure clients (roughly 25% of prior year mix; down 74% in Q3)

¹We 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 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.

Segment strategy highlights



- Digitize our business model to gain share from smaller and less well-capitalized competitors
- Leverage industry leading technology - JobStack
- Drive higher client usage of JobStack ("heavy users") to accelerate revenue improvement
- Increase candidate flow with new digital onboarding platforms

- Continue momentum on new customer wins through strong execution of sales initiatives
- Increase sales resources to expand into under-penetrated geographic markets
- Invest in client and associate care and retention programs

- Capture opportunities in an industry poised for growth
- Leverage our strong brand; independently ranked as a market leader
- Leverage Affinix proprietary technology - an industry leading, next generation HR tool

Leverage technology and our industry leading position to grow share and enhance efficiency

Leveraging our digital strategy

JobStack™



Q3 2020 Update

- 726,000 shifts filled via JobStack in Q3 2020, representing a digital fill rate of 51%
- 26,100 client users, up more than 37% compared to Q3 2019

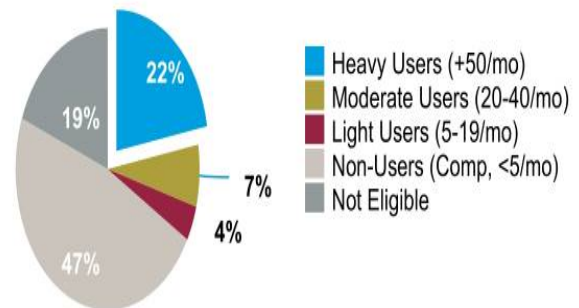
Industry-leading mobile app that connects our associates with jobs and simplifies client ordering

Drive Client Usage of JobStack

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 users	46%	21,300
2020 Goal	Drive heavy users / candidate flow	55%	28,000

- Heavy users² have demonstrated disproportionately higher growth (>20% better v. the rest of PeopleReady)
- Doubled heavy user mix v. 2019 (from 11% to 22%)

PeopleReady 2020 YTD Revenue \$ Mix



<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).

² Heavy Users are clients for any given month that have 50+ touches on JobStack (entering an order, rating a worker, etc.). Year-over-year growth rates for heavy users are calculated on a same-store basis.

Balance sheet remains strong

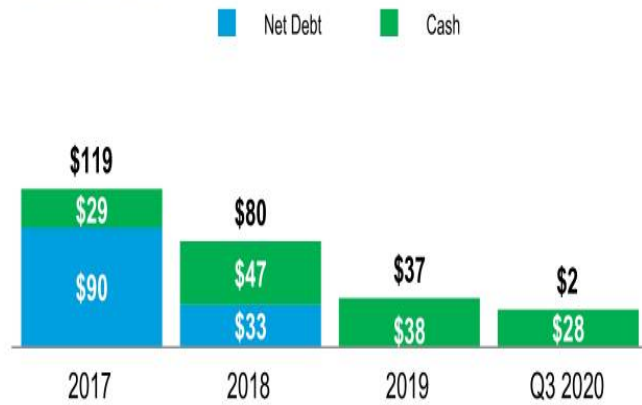
Liquidity

Amounts in millions

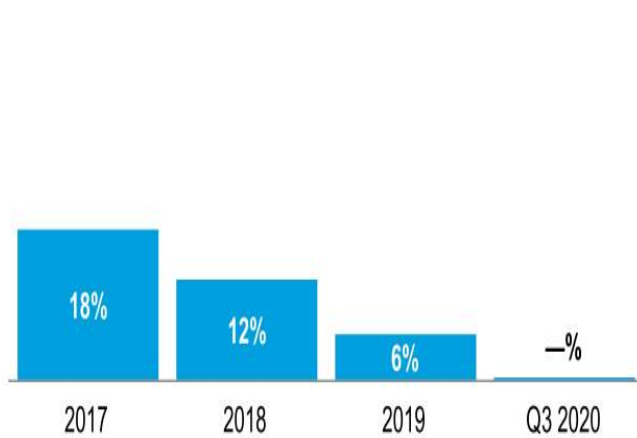


Total Debt

Amounts in millions



Total Debt to Capital²



Share Repurchases

Amounts in millions



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

¹ Borrowing Availability is based on maximum borrowing availability under our most restrictive covenant, which was Minimum Asset Coverage for Q3 2020.

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

Outlook



Selected outlook information

Item	Q4 2020	FY 2020	Q4 Commentary
Gross Margin	-250 to -190 bps v. prior year	-270 to -210 bps v. prior year	Gross margin headwinds primarily due to bill and pay rate pressure, lower volume and client mix.
Cost Savings	\$23 to \$27M	\$102 to \$106M	Reflects expected year-over-year net reduction in operating expense.
CapEx	~\$7M	~\$22M	Capital expenditures outlook is net of build-out cost for our Chicago headquarters (~\$4 million in FY 2020) that will be reimbursed by our landlord.
Shares	~34.8M	~35.4M	Reflects weighted average fully diluted shares outstanding.
Tax Rate	<p>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.</p> <p>The Work Opportunity Tax Credit expires at the end of this year. While this program has been in existence for decades and always been renewed due to its appeal to both political parties, the timing can be variable. Total benefits derived from this program were \$11 million for FY 2019 and \$6 million for YTD 2020.</p>		
Other	<p>We expect a cash flow benefit from delayed payroll tax payments under the CARES Act of approximately \$18 to \$20M in Q4 2020, which would bring the total for FY 2020 to approximately \$54 to \$56M. 50% of delayed payments will be due by Dec. 31, 2021 and 50% by Dec. 31, 2022.</p>		

Appendix



NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

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

Non-GAAP Measure	Definition	Purpose of Adjusted Measures
EBITDA and Adjusted EBITDA	<p>EBITDA excludes from net income (loss):</p> <ul style="list-style-type: none"> - interest and other income (expense), net, - income taxes, and - depreciation and amortization. <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> - Work Opportunity Tax Credit third-party processing fees, - acquisition/integration costs, - other adjustments. 	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies. - Provides a measure, among others, used in the determination of incentive compensation for management.
Adjusted net income (loss) and Adjusted net income (loss) per diluted share	<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, - 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. 	<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		
	Sep 27, 2020	Jun 28, 2020	Sep 29, 2019
Net income (loss)	\$ 8,795	\$ (8,168)	\$ 26,676
Amortization of intangible assets of acquired businesses (1)	2,041	2,071	3,858
Acquisition/integration costs (2)	—	—	362
Other adjustments (3)	(2,869)	8,700	727
Tax effect of adjustments to net income (loss) (4)	247	(6,706)	(692)
Adjustment of income taxes to normalized effective rate (5)	—	—	(1,171)
Adjusted net income (loss)	\$ 8,214	\$ (4,103)	\$ 29,760
Adjusted net income (loss) per diluted share	\$ 0.24	\$ (0.12)	\$ 0.76
Diluted weighted average shares outstanding	34,904	35,077	39,213

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

<i>(in thousands)</i>	13 Weeks Ended		
	Sep 27, 2020	Jun 28, 2020	Sep 29, 2019
Net income (loss)	\$ 8,795	\$ (8,168)	\$ 26,676
Income tax expense (benefit)	3,743	(13,475)	2,981
Interest and other (income) expense, net	174	412	(471)
Depreciation and amortization	7,652	7,256	8,749
EBITDA	20,364	(13,975)	37,935
Work Opportunity Tax Credit processing fees (6)	174	—	240
Acquisition/integration costs (2)	—	—	362
Other adjustments (3)	(2,869)	8,700	727
Adjusted EBITDA	\$ 17,669	\$ (5,275)	\$ 39,264

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 September 27, 2020 primarily include \$4.1 million in COVID-19 government subsidies which are partially offset by amortization of software as a service assets of \$0.6 million, which is reported in selling, general and administrative expense, workforce reduction costs of \$0.3 million and implementation costs for cloud-based systems of \$0.1 million. Other adjustments for the 13 weeks ended June 28, 2020 primarily include workforce reduction costs of \$11.0 million and amortization of software as a service assets of \$0.6 million, partially offset by \$3.1 million in COVID-19 government subsidies. Other adjustments for the 13 weeks ended September 29, 2019 primarily include amortization of software as a service assets of \$0.4 million and implementation costs for cloud-based systems of \$0.4 million.
4. Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the effective rate of 30 percent for Q3 2020, the effective rate of 62 percent for Q2 2020 and the expected long-term ongoing rate of 14 percent for Q3 2019.
5. Adjustment of the effective income tax rate to the expected long-term ongoing rate of 14 percent for Q3 2019. Beginning in Q2 2020, we decided not to adjust our GAAP tax rate in our adjusted net income (loss) 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.

