UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): February 3, 2021

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trueblue
THE PEOPLE COMPANY®

TrueBlue, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction of Incorporation)

001-14543	**91-1287341**
(Commission File Number)	**(IRS Employer Identification No.)**

1015 A Street, Tacoma, Washington 98402
(Address of principal executive offices) (Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value	**TBI**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On February 3, 2021, TrueBlue, Inc. (the "company") issued a press release (the "Press Release") reporting its financial results for the fourth quarter ended December 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 fourth quarter ended December 27, 2020 (the "Earnings Results Presentation"), which will be discussed by management of the company on a live conference call at 2:30 p.m. Pacific Time (5:30 p.m. Eastern Time) on Wednesday, February 3, 2021. 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 February 3, 2021	X
99.2	Earnings Results Presentation for February 3, 2021 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:	February 3, 2021	By:	*/s/ Derrek L. Gafford*
			Derrek L. Gafford
			Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS FOURTH QUARTER AND FULL-YEAR 2020 RESULTS

Income from operations returns to growth in the fourth quarter

TACOMA, WASH. - Feb. 3, 2021 -- TrueBlue (NYSE:TBI) today announced its fourth quarter and full-year results for 2020.

Full-year revenue was $1.8 billion, a decrease of 22 percent compared to 2019. Net loss per diluted share was $4.01 compared to net income per diluted share of $1.61 in 2019. Adjusted net income[1] per diluted share was $0.43 compared to adjusted net income per diluted share of $2.05 in 2019.

Fourth quarter revenue was $519 million, a decrease of 12 percent compared to revenue of $591 million in the fourth quarter of 2019. Net income per diluted share was $0.23 compared to net income per diluted share of $0.23 in the fourth quarter of 2019. Fourth quarter adjusted net income per diluted share was $0.33, a decrease of 15 percent compared to adjusted net income per diluted share of $0.39 in the fourth quarter of 2019.

“We saw steady improvement in our year-over-year revenue declines during the back half of the year, and we took the right actions to improve profitability, positioning the company for long-term growth as the economy continues to recover,” said Patrick Beharelle, CEO of TrueBlue. “In addition to improving revenue trends, we sustained our cost discipline during the fourth quarter to drive growth of 25 percent in income from operations. I am extremely proud of the entire TrueBlue team for coming together and staying true to our mission of connecting people and work.

“We continue to invest in our digital strategies,” Mr. Beharelle continued. “PeopleReady’s JobStack app has been a critical tool for us during the pandemic, allowing us to connect with associates and clients safely during these tough times. Heavy users of the app demonstrated disproportionately higher revenue growth. Looking ahead, our technology investments have us well-positioned to gain market share during the recovery and beyond.”

2021 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 fourth quarter and full-year 2020 results on a webcast at 2:30 p.m. PST (5:30 p.m. EST), today, Wednesday, **Feb. 3, 2021**. 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 2020, TrueBlue connected approximately 490,000 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 access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, (4) our ability to attract and retain clients, (5) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (6) our ability to maintain profit margins, (7) new laws, regulations, and government incentives that could affect our operations or financial results, (8) our ability to successfully execute on business strategies to further digitize our business model, and (9) 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)

(in thousands, except per share data)	13 weeks ended Dec 27, 2020	13 weeks ended Dec 29, 2019	52 weeks ended Dec 27, 2020	52 weeks ended Dec 29, 2019
Revenue from services	**$ 518,634**	$ 591,040	**$ 1,846,360**	$ 2,368,779
Cost of services	**397,837**	442,205	**1,405,715**	1,748,831
Gross profit	**120,797**	148,835	**440,645**	619,948
Selling, general and administrative expense	**103,626**	132,475	**408,307**	516,220
Depreciation and amortization	**8,029**	9,021	**32,031**	37,549
Goodwill and intangible asset impairment charge	**—**	—	**175,189**	—
Income (loss) from operations	**9,142**	7,339	**(174,882)**	66,179
Interest expense and other income, net	**1,943**	2,014	**1,620**	3,865
Income (loss) before tax expense (benefit)	**11,085**	9,353	**(173,262)**	70,044
Income tax expense (benefit)	**3,059**	638	**(31,421)**	6,971
Net income (loss)	**$ 8,026**	$ 8,715	**$ (141,841)**	$ 63,073
Net income (loss) per common share:				
Basic	**$ 0.23**	$ 0.23	**$ (4.01)**	$ 1.63
Diluted	**$ 0.23**	$ 0.23	**$ (4.01)**	$ 1.61
Weighted average shares outstanding:				
Basic	**34,529**	37,843	**35,365**	38,778
Diluted	**34,954**	38,348	**35,365**	39,179

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands)		Dec 27, 2020		Dec 29, 2019
ASSETS				
Cash and cash equivalents	**$**	**62,507**	$	37,608
Accounts receivable, net		**278,343**		342,303
Other current assets		**38,035**		41,822
Total current assets		**378,885**		421,733
Property and equipment, net		**71,734**		66,150
Restricted cash and investments		**240,534**		230,932
Goodwill and intangible assets, net		**123,802**		311,171
Other assets, net		**165,622**		106,169
Total assets	**$**	**980,577**	$	1,136,155
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	**$**	**268,967**	$	230,806
Long-term debt		—		37,100
Other long-term liabilities		**274,420**		242,276
Total liabilities		**543,387**		510,182
Shareholders' equity		**437,190**		625,973
Total liabilities and shareholders' equity	**$**	**980,577**	$	1,136,155

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

(in thousands)	52 weeks ended Dec 27, 2020	52 weeks ended Dec 29, 2019
Cash flows from operating activities:		
Net income (loss)	**$ (141,841)**	$ 63,073
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	**32,031**	37,549
Goodwill and intangible asset impairment charge	**175,189**	—
Provision for doubtful accounts	**6,300**	7,661
Stock-based compensation	**9,113**	9,769
Deferred income taxes	**(26,791)**	1,263
Non-cash lease expense	**15,195**	14,823
Other operating activities	**(686)**	(1,589)
Changes in operating assets and liabilities, net of amounts divested:		
Accounts receivable	**57,146**	5,450
Income tax receivable	**(1,122)**	(6,480)
Other assets	**(2,124)**	(12,575)
Accounts payable and other accrued expenses	**(6,561)**	6,921
Accrued wages and benefits	**55,053**	(9,494)
Workers' compensation claims reserve	**(125)**	(10,828)
Operating lease liabilities	**(14,562)**	(15,178)
Other liabilities	**(3,684)**	3,166
Net cash provided by operating activities	**152,531**	93,531
Cash flows from investing activities:		
Capital expenditures	**(27,066)**	(28,119)
Divestiture of business	**—**	215
Payments for company-owned life insurance	**(12,031)**	(12,210)
Purchases of restricted available-for-sale investments	**(2,896)**	(7,667)
Sales of restricted available-for-sale investments	**12,311**	20,859
Purchases of restricted held-to-maturity investments	**(32,495)**	(22,963)
Maturities of restricted held-to-maturity investments	**27,561**	28,254
Other	**205**	—
Net cash used in investing activities	**(34,411)**	(21,631)
Cash flows from financing activities:		
Purchases and retirement of common stock	**(52,346)**	(38,826)
Net proceeds from employee stock purchase plans	**922**	1,329
Common stock repurchases for taxes upon vesting of restricted stock	**(2,438)**	(2,222)
Net change in revolving credit facility	**(37,100)**	(42,900)
Other	**(1,540)**	(296)
Net cash used in financing activities	**(92,502)**	(82,915)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**623**	936
Net change in cash, cash equivalents, and restricted cash	**26,241**	(10,079)
Cash, cash equivalents and restricted cash, beginning of period	**92,371**	102,450
Cash, cash equivalents and restricted cash, end of period	**$ 118,612**	$ 92,371

TRUEBLUE, INC.
SEGMENT DATA
(Unaudited)

(in thousands)	13 weeks ended Dec 27, 2020	13 weeks ended Dec 29, 2019	52 weeks ended Dec 27, 2020	52 weeks ended Dec 29, 2019
Revenue from services:				
PeopleReady	**$ 297,471**	$ 364,801	**$ 1,099,462**	$ 1,474,062
PeopleManagement	**179,306**	171,344	**586,822**	642,233
PeopleScout	**41,857**	54,895	**160,076**	252,484
Total company	**$ 518,634**	$ 591,040	**$ 1,846,360**	$ 2,368,779
Segment profit (1):				
PeopleReady	**$ 16,198**	$ 17,963	**$ 43,200**	$ 82,106
PeopleManagement	**5,654**	2,778	**11,717**	12,593
PeopleScout	**4,450**	5,407	**4,525**	37,831
Total segment profit	**26,302**	26,148	**59,442**	132,530
Corporate unallocated expense	**(4,608)**	(5,190)	**(20,714)**	(21,870)
Total company Adjusted EBITDA (2)	**21,694**	20,958	**38,728**	110,660
Work Opportunity Tax Credit processing fees (3)	**(186)**	(240)	**(495)**	(960)
Acquisition/integration costs	**—**	50	**—**	(1,562)
Goodwill and intangible asset impairment charge	**—**	—	**(175,189)**	—
Gain on deferred compensation assets (4)	**(1,725)**	(495)	**(1,725)**	(495)
Workforce reduction costs (5)	**19**	(2,829)	**(12,570)**	(3,301)
COVID-19 government subsidies (6)	**(964)**	—	**6,211**	—
Other adjustments, net (7)	**(1,667)**	(1,084)	**2,189**	(614)
EBITDA (2)	**17,171**	16,360	**(142,851)**	103,728
Depreciation and amortization	**(8,029)**	(9,021)	**(32,031)**	(37,549)
Interest expense and other income, net	**1,943**	2,014	**1,620**	3,865
Income (loss) before tax expense (benefit)	**11,085**	9,353	**(173,262)**	70,044
Income tax expense (benefit)	**(3,059)**	(638)	**31,421**	(6,971)
Net income (loss)	**$ 8,026**	$ 8,715	**$ (141,841)**	$ 63,073

(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 expense, other income, 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) Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies.

(1) Workforce reduction costs for the 13 and 52 weeks ended December 27, 2020 were primarily due to employee reductions as part of our cost management actions in response to COVID-19. For the 13 and 52 weeks ended December 29, 2019, the workforce reductions costs were primarily associated with employee reductions in the PeopleReady business.

(2) Net impact of COVID-19 related government subsidies. For the 13 and 52 weeks ended December 27, 2020, we received government subsidies of $2.7 million and $9.9 million, respectively. We elected to distribute a portion of the total benefit for the year to our employees in the form of a $3.7 million bonus, resulting in a net cost of $1.0 million for Q4 and a net benefit of $6.2 million for the fiscal year.

(3) Other adjustments for the 13 and 52 weeks ended December 27, 2020 primarily include lease expense of $0.7 million incurred during the build-out phase of our Chicago office, amortization of software as a service assets of $0.6 million and $2.3 million, respectively, which is reported in selling, general and administrative expense, and implementation costs for cloud-based systems of $0.1 million and $0.9 million, respectively. For the 52 weeks ended December 27, 2020, these expenses were offset by a $6.3 million benefit from a reduction in expected costs to comply with the Affordable Care Act. Other adjustments for the 13 and 52 weeks ended December 29, 2019 primarily include implementation costs for cloud-based systems of $0.6 million and $3.2 million,

respectively, and amortization of software as a service assets of $0.5 million and $1.6 million, respectively. For the 52 weeks ended December 29, 2019, these expenses were slightly offset by $3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation.

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

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

Non-GAAP Measure	Definition	Purpose of Adjusted Measures
EBITDA and Adjusted EBITDA	EBITDA excludes from net income (loss): - interest expense and other income, net, - income taxes, and - depreciation and amortization. Adjusted EBITDA, further excludes: - Work Opportunity Tax Credit third-party processing fees, - acquisition/integration costs, - goodwill and intangible asset impairment charge, - gain on deferred compensation assets, - workforce reductions costs, - COVID-19 government subsidies, and - other adjustments, net.	- 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	Net income (loss) and net income (loss) per diluted share, excluding: - amortization of intangibles of acquired businesses, - acquisition/integration costs, - workforce reduction costs, - COVID-19 government subsidies - other adjustments, net, - 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 AND ADJUSTED NET INCOME PER DILUTED SHARE (*Unaudited*)

	Q4 2020	Q4 2019	2020	2019
	13 weeks ended		52 weeks ended	
(in thousands, except for per share data)	Dec 27, 2020	Dec 29, 2019	Dec 27, 2020	Dec 29, 2019
Net income (loss)	**$ 8,026**	$ 8,715	**$ (141,841)**	$ 63,073
Amortization of intangible assets of acquired businesses	**2,028**	4,003	**10,144**	17,899
Acquisition/integration costs	**—**	(50)	**—**	1,562
Goodwill and intangible asset impairment charge	**—**	—	**175,189**	—
Workforce reduction costs (1)	**(19)**	2,829	**12,570**	3,301
COVID-19 government subsidies, net (2)	**964**	—	**(6,211)**	—
Other adjustments, net (3)	**1,667**	1,084	**(2,189)**	614
Tax effect of adjustments to net income (loss) (4)	**(1,280)**	(1,102)	**(28,729)**	(3,273)
Adjustment of income taxes to normalized effective rate (5)	**—**	(671)	**(3,719)**	(2,835)
Adjusted net income	**$ 11,386**	$ 14,808	**$ 15,214**	$ 80,341
Adjusted net income per diluted share	**$ 0.33**	$ 0.39	**$ 0.43**	$ 2.05
Diluted weighted average shares outstanding	**34,954**	38,348	**35,658**	39,179

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

	Q4 2020	Q4 2019	2020	2019
	13 weeks ended		52 weeks ended	
(in thousands)	Dec 27, 2020	Dec 29, 2019	Dec 27, 2020	Dec 29, 2019
Net income (loss)	**$ 8,026**	$ 8,715	**$ (141,841)**	$ 63,073
Income tax expense (benefit)	**3,059**	638	**(31,421)**	6,971
Interest expense and other (income), net	**(1,943)**	(2,014)	**(1,620)**	(3,865)
Depreciation and amortization	**8,029**	9,021	**32,031**	37,549
EBITDA	**17,171**	16,360	**(142,851)**	103,728
Work Opportunity Tax Credit processing fees (6)	**186**	240	**495**	960
Acquisition/integration costs	**—**	(50)	**—**	1,562
Goodwill and intangible asset impairment charge	**—**	—	**175,189**	—
Gain on deferred compensation assets (7)	**1,725**	495	**1,725**	495
Workforce reduction costs (1)	**(19)**	2,829	**12,570**	3,301
COVID-19 government subsidies, net (2)	**964**	—	**(6,211)**	—
Other adjustments, net (3)	**1,667**	1,084	**(2,189)**	614
Adjusted EBITDA	**$ 21,694**	$ 20,958	**$ 38,728**	$ 110,660

(1) Workforce reduction costs for the 13 and 52 weeks ended December 27, 2020 were primarily due to employee reductions as part of our cost management actions in response to COVID-19. For the 13 and 52 weeks ended December 29, 2019, the workforce reductions costs were primarily associated with employee reductions in the PeopleReady business.

(2) Net impact of COVID-19 related government subsidies. For the 13 and 52 weeks ended December 27, 2020, we received government subsidies of $2.7 million and $9.9 million, respectively. We elected to distribute a portion of the total benefit for the year to our employees in the form of a $3.7 million bonus, resulting in a net cost of $1.0 million for Q4 and a net benefit of $6.2 million for the fiscal year.

(3) Other adjustments for the 13 and 52 weeks ended December 27, 2020 primarily include lease expense of $0.7 million incurred during the build-out phase of our Chicago office, amortization of software as a service assets of $0.6 million and $2.3 million, respectively, which is reported in selling, general and administrative expense, and implementation costs for cloud-based systems of $0.1 million and $0.9 million, respectively. For the 52 weeks ended December 27, 2020, these expenses were offset by a $6.3 million benefit from a reduction in expected costs to comply with the Affordable Care Act. Other adjustments for the 13 and 52 weeks ended December 29, 2019 primarily include implementation costs for cloud-based systems of $0.6 million and $3.2 million, respectively, and amortization of software as a service assets of $0.5 million and $1.6 million, respectively. For the 52 weeks ended December 29, 2019, these expenses were slightly offset by $3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation.

(4) Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the effective rate for the respective periods in 2020 and the expected long-term ongoing rate of 14 percent for Q4 and fiscal year 2019.

(5) Adjustment of the effective income tax rate to the expected long-term ongoing rate of 14 percent for Q4 and fiscal year 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. Thus the adjustment for fiscal year 2020 relates to the Q1 2020 adjustment of the effective income tax rate to the long-term ongoing rate of 12 percent expected at that time.

(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.

(7) Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies.

trueblue
THE PEOPLE COMPANY®

Q4 2020 Earnings
February 2021

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 access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, (4) our ability to attract and retain clients, (5) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (6) our ability to maintain profit margins, (7) new laws, regulations, and government incentives that could affect our operations or financial results, (8) our ability to successfully execute on business strategies to further digitize our business model, and (9) 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.

Overview

Q4 2020

Improving revenue trends and cost management drove growth in income from operations

- Total revenue -12% v. -25% for Q3 2020 due to improving trends across all segments
- SG&A -22% from disciplined cost management
- Income from operations up 25% with net income down 8% due to a higher tax rate
- Adjusted EBITDA[1] increased 4% and margin was up 60 basis points
- Strong capital position with cash of $63 million and no debt

FY 2020

Swift action reduced costs to meet lower demand while preserving operational strengths and returning capital at favorable prices

- Total revenue -22% v. prior year with results improving from -39% (Q2) to -25% (Q3) to -12% (Q4)
- SG&A -21% from cost management strategies
- Net loss[2] down 325% and adjusted net income down 81%
- Adjusted EBITDA decreased 65% and margin was down 260 basis points
- Branch footprint and technology investments maintained
- $52 million of stock repurchased[3] at an average price of $14.72.

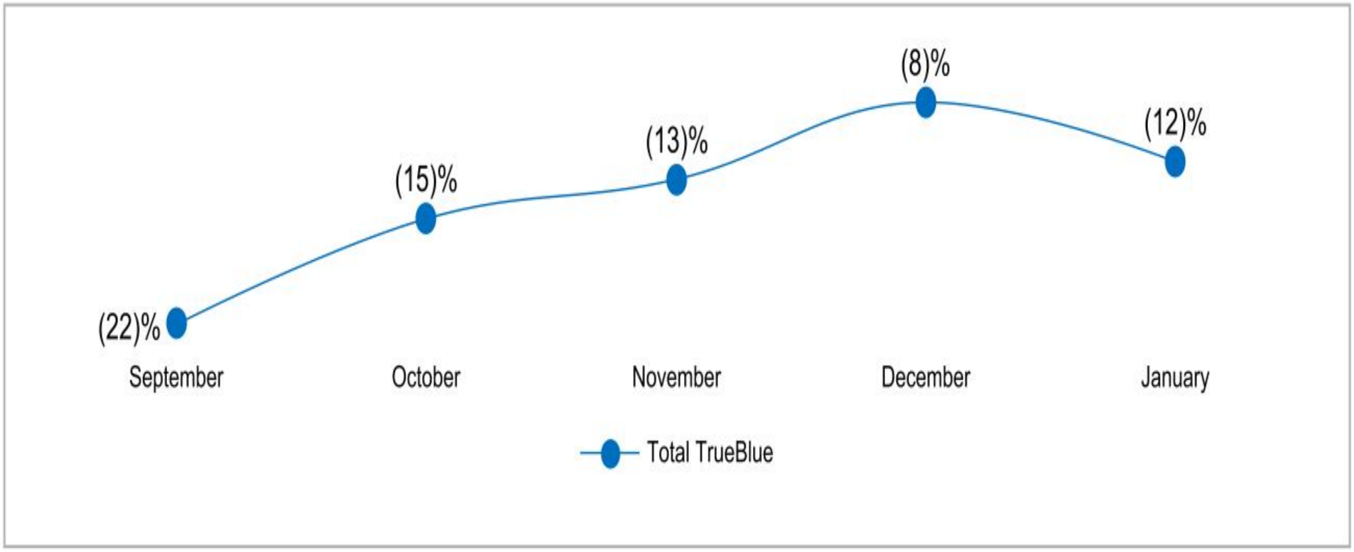
[1] See the appendix to this presentation and "Financial Information" in the investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.
[2] Net loss of $142 million included a non-cash impairment charge of $152 million, net of tax, recorded in Q1 2020.
[3] Cash settlement for the full $52 million occurred in Q1 2020 (pre-COVID-19).

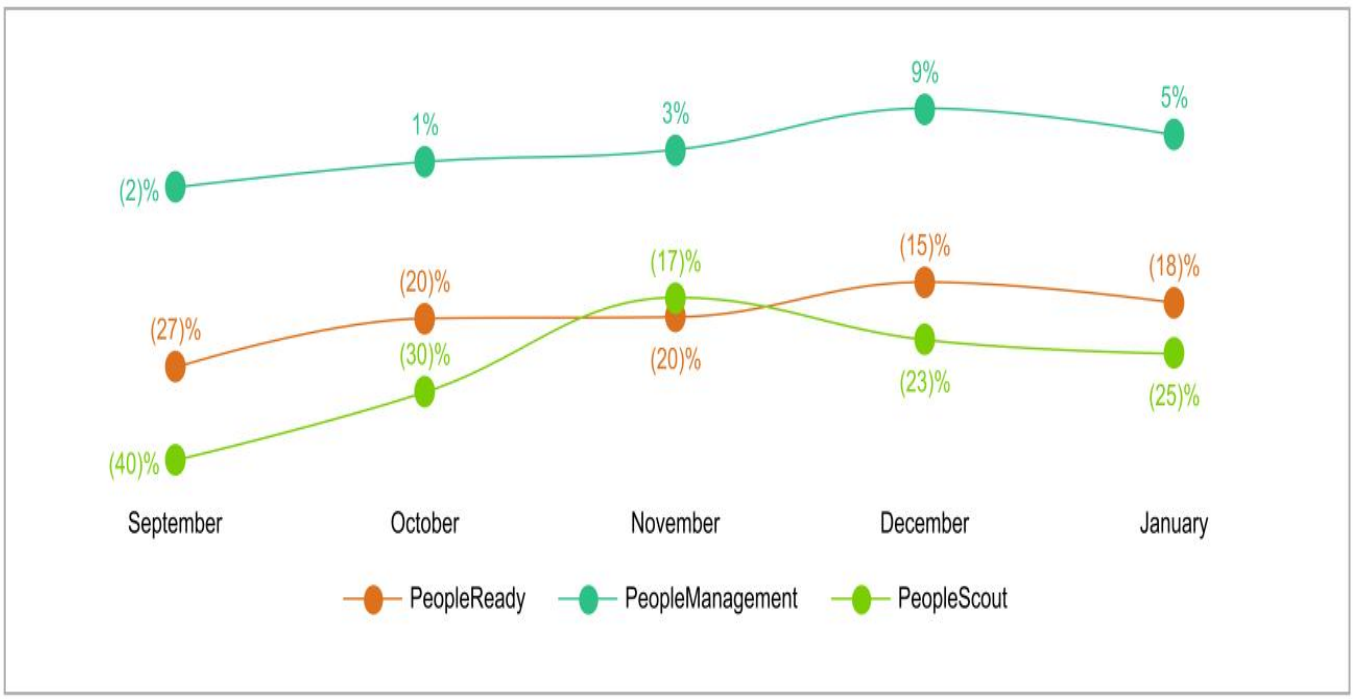
Financial summary

Amounts in millions, except per share data	Q4 2020	Change	FY 2020	Change
Revenue	$519	-12%	$1,846	-22%
Net Income (Loss)	$8.0	-8%	-$141.8	-325%
Net Income (Loss) Per Diluted Share	$0.23	—%	-$4.01	-349%
Adjusted Net Income[1]	$11.4	-23%	$15.2	-81%
Adj. Net Income Per Diluted Share	$0.33	-15%	$0.43	-79%
Adjusted EBITDA	$21.7	4%	$38.7	-65%
Adjusted EBITDA Margin	4.2%	60 bps	2.1%	-260 bps
Notes:	▪ Net income -8% vs. adjusted EBITDA +4% primarily due to an increase in our effective tax rate from 7 percent in Q4 2019 to 28 percent in Q4 2020 ▪ Adjusted net income -23% vs. net income -8% primarily due to a $3M adjustment for workforce reduction costs in the prior year		▪ FY 2020 net loss included a non-cash impairment charge in Q1 2020 of $152 million, net of tax, which is excluded from adjusted net income	

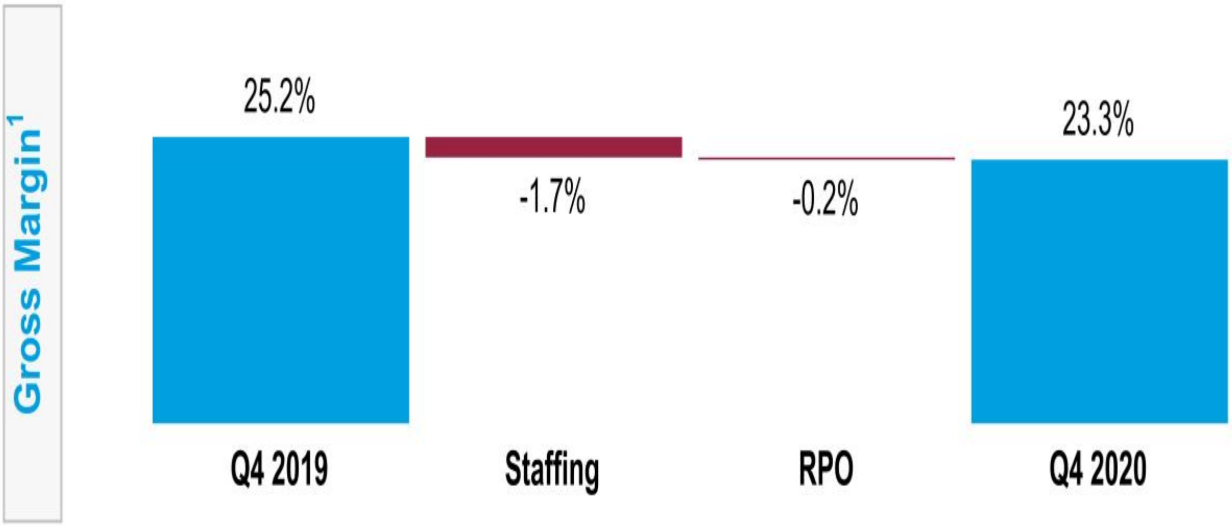
[1] See the appendix to this presentation and "Financial Information" in the investors section of our website at www.trueblue.com for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

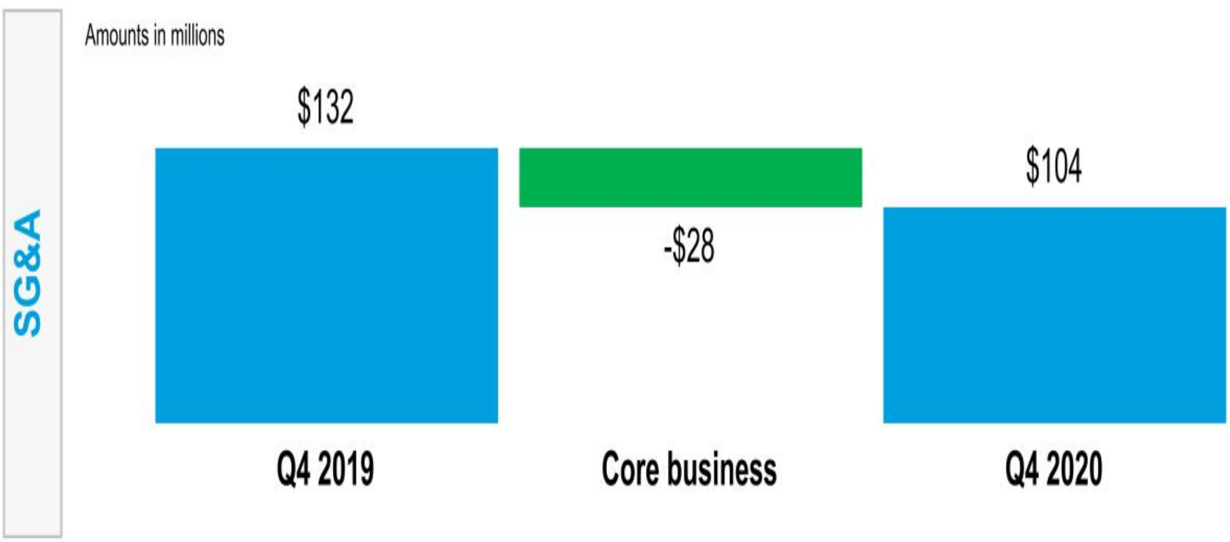
Monthly revenue trends





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.

Q4 2020 results by segment

Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	$297	$179	$42
% Change	*-18%*	*5%*	*-24%*
Segment Profit[1]	$16	$6	$4
% Change	*-10%*	*104%*	*-18%*
% Margin *Change*	*5.4%* *50 bps*	*3.2%* *150 bps*	*10.6%* *80 bps*
Notes:	▪ Revenue was -18% v. -29% in Q3 ▪ Revenue trends improved across most geographies and industries but the rate of improvement slowed towards the end of the quarter as COVID-19 cases increased ▪ Cost management helped preserve profitability	▪ Revenue was 5% v. -8% in Q3 ▪ YTD new business wins up 20% v. prior year ($79 million v. $66 million prior year) ▪ Segment profit growth; half from cost management and revenue improvement and half from unique costs in the prior year	▪ Revenue was -24% v. -48% in Q3 ▪ Results were adversely impacted by mix exposure to travel and leisure clients (roughly 28% of prior year mix; down 54% in Q4) ▪ Temporary project work provided 6 percentage points of growth to Q4 revenue

[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 expense, other income, income taxes, and other adjustments not considered to be ongoing.

Strategy highlights

peopleready A TRUEBLUE COMPANY	peoplemanagement A TRUEBLUE DIVISION	peoplescout A TRUEBLUE COMPANY
▪ Digitize our business model to gain market share from smaller and less well-capitalized competitors and reduce costs ▪ Drive higher client usage ("heavy users") through JobStack™, our industry-leading technology, to accelerate revenue improvement ▪ Increase candidate flow and quality using 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	▪ Leverage our strong brand; independently ranked as a market leader ▪ Expand technology offering to improve client delivery and recruiting efficiency ▪ Focus sales and marketing efforts on diversifying our client portfolio

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

Leveraging our digital strategy

JobStack™

peopleready A TRUEBLUE COMPANY

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

Year	Achievements	Digital Fills[1]	Client Users
2017	Successful branch roll-out	22%	1,600
2018	Launch of client application	41%	13,100
2019	Drive revenue growth with heavy users	46%	21,300
2020	Drive heavy users / candidate flow	57%	26,300

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

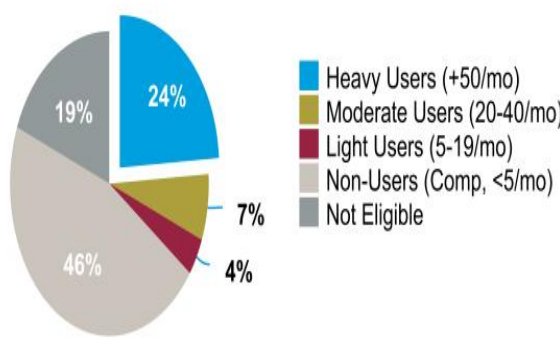
Q4 2020 Update

- 811,000 shifts filled via JobStack in Q4 2020, representing a digital fill rate of 57%, up 11 percentage points compared to Q4 2019
- 26,300 client users, up more than 20% compared to Q4 2019

Drive Client Usage of JobStack

- Heavy users[2] have demonstrated disproportionately higher growth (>30% better v. the rest of PeopleReady)
- Doubled heavy user mix v. 2019 (from 11% to 24%)

PeopleReady FY 2020 Revenue $ Mix

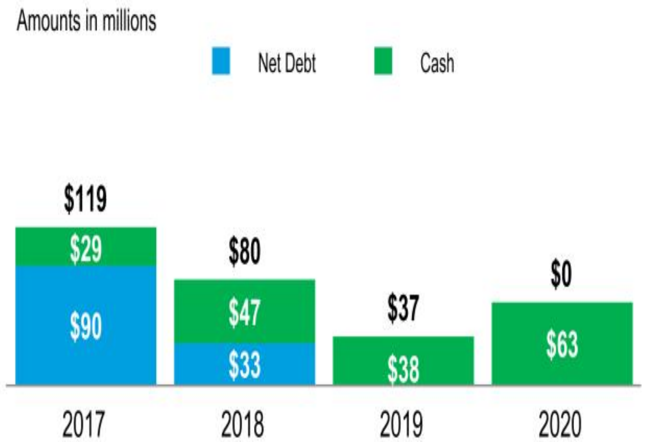


[1] Represents orders filled via JobStack v. all filled orders for Q4 of the given year (calculation excludes unfilled orders).
[2] Heavy Users are clients for any given month that have 50+ touches on JobStack (entering an order, rating a worker, etc.). Year-over-year growth rates for heavy users are calculated on a same customer basis.

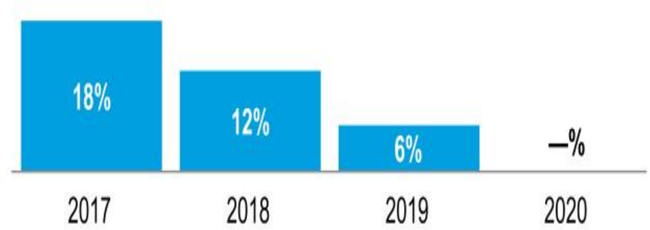
Balance sheet remains strong

Liquidity

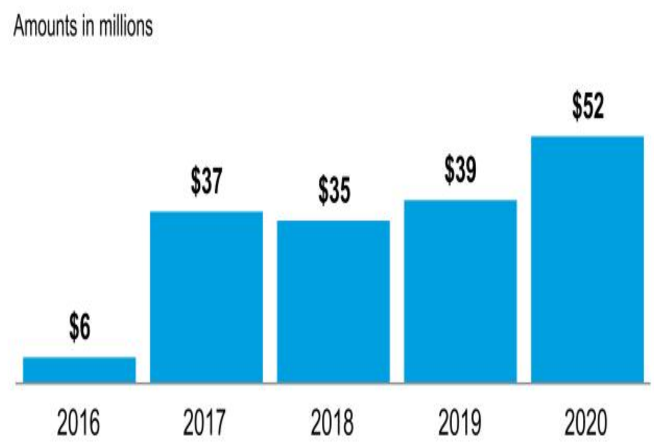
Total Debt



Total Debt to Capital[2]



Share Repurchases



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 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	Q1 2021	Commentary
Gross Margin	-290 to -250 bps v. prior year	Gross margin headwinds primarily due to bill and pay rate pressure which we expect to moderate over the course of 2021. Note Q1 2020 had a 130 bps tailwind from health care benefits that were excluded from adjusted net income and adjusted EBITDA.
Cost Savings	$13 to $17M	Reflects expected year-over-year net reduction in operating expense largely derived from cost management actions taken in April of 2020.
CapEx	~$16M	Capital expenditures outlook includes ~$8 million in build-out costs for our Chicago support center, of which ~$6 million will be reimbursed by our landlord and reflected in our operating cash flows. Q1 depreciation is expected to be ~$5 million.
Shares	~35.3M	Reflects weighted average fully diluted shares outstanding.

Item	FY 2021	Commentary
Gross Margin	-50 to -10 bps v. prior year	Gross margin headwinds primarily due to bill and pay rate pressure during the first half of 2021, partially offset by rising volumes at PeopleScout. Note we had a 20 bps net tailwind from health care benefits less workforce reduction costs that were excluded from adjusted net income and adjusted EBITDA in 2020.
CapEx	$37 to $41M	Capital expenditures outlook includes ~$10 million in build-out costs for our Chicago support center, of which ~$7 million will be reimbursed by our landlord and reflected in our operating cash flows.
Tax Rate	We expect an effective income tax rate for full year 2021, before job tax credits, of 23 to 27%. We expect job tax credits of $8 to $10 million.	
Other	During FY 2020, we generated a cash flow benefit from delayed payroll tax payments under the CARES Act of $57 million. We plan to take advantage of favorable NOL carryback provisions in the CARES Act by repaying this benefit in Q3 2021.	

Appendix

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THE PEOPLE COMPANY®

NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

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

Non-GAAP Measure	Definition	Purpose of Adjusted Measures
EBITDA and Adjusted EBITDA	EBITDA excludes from net income (loss): - interest expense and other income, net, - income taxes, and - depreciation and amortization. Adjusted EBITDA, further excludes: - Work Opportunity Tax Credit third-party processing fees, - acquisition/integration costs, - goodwill and intangible asset impairment charge, - gain on deferred compensation assets, - workforce reductions costs, - COVID-19 government subsidies, and - other adjustments, net.	- 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	Net income (loss) and net income (loss) per diluted share, excluding: - amortization of intangibles of acquired businesses, - acquisition/integration costs, - workforce reduction costs, - COVID-19 government subsidies - other adjustments, net, - 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 AND ADJUSTED NET INCOME PER DILUTED SHARE *(Unaudited)*

	Q4 2020	Q4 2019	2020	2019
	13 weeks ended		52 weeks ended	
(in thousands, except for per share data)	Dec 27, 2020	Dec 29, 2019	Dec 27, 2020	Dec 29, 2019
Net income (loss)	**$ 8,026**	$ 8,715	**$ (141,841)**	$ 63,073
Amortization of intangible assets of acquired businesses	**2,028**	4,003	**10,144**	17,899
Acquisition/integration costs	**—**	(50)	**—**	1,562
Goodwill and intangible asset impairment charge	**—**	—	**175,189**	—
Workforce reduction costs (1)	**(19)**	2,829	**12,570**	3,301
COVID-19 government subsidies, net (2)	**964**	—	**(6,211)**	—
Other adjustments, net (3)	**1,667**	1,084	**(2,189)**	614
Tax effect of adjustments to net income (loss) (4)	**(1,280)**	(1,102)	**(28,729)**	(3,273)
Adjustment of income taxes to normalized effective rate (5)	**—**	(671)	**(3,719)**	(2,835)
Adjusted net income	**$ 11,386**	$ 14,808	**$ 15,214**	$ 80,341
Adjusted net income per diluted share	**$ 0.33**	$ 0.39	**$ 0.43**	$ 2.05
Diluted weighted average shares outstanding	**34,954**	38,348	**35,658**	39,179

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

	Q4 2020	Q4 2019	2020	2019
	13 weeks ended		52 weeks ended	
(in thousands)	Dec 27, 2020	Dec 29, 2019	Dec 27, 2020	Dec 29, 2019
Net income (loss)	**$ 8,026**	$ 8,715	**$ (141,841)**	$ 63,073
Income tax expense (benefit)	**3,059**	638	**(31,421)**	6,971
Interest expense and other (income), net	**(1,943)**	(2,014)	**(1,620)**	(3,865)
Depreciation and amortization	**8,029**	9,021	**32,031**	37,549
EBITDA	**17,171**	16,360	**(142,851)**	103,728
Work Opportunity Tax Credit processing fees (6)	**186**	240	**495**	960
Acquisition/integration costs	**—**	(50)	**—**	1,562
Goodwill and intangible asset impairment charge	**—**	—	**175,189**	—
Gain on deferred compensation assets (7)	**1,725**	495	**1,725**	495
Workforce reduction costs (1)	**(19)**	2,829	**12,570**	3,301
COVID-19 government subsidies, net (2)	**964**	—	**(6,211)**	—
Other adjustments, net (3)	**1,667**	1,084	**(2,189)**	614
Adjusted EBITDA	**$ 21,694**	$ 20,958	**$ 38,728**	$ 110,660

See the last slide of the appendix for footnotes.

Footnotes:

1. Workforce reduction costs for the 13 and 52 weeks ended December 27, 2020 were primarily due to employee reductions as part of our cost management actions in response to COVID-19. For the 13 and 52 weeks ended December 29, 2019, the workforce reductions costs were primarily associated with employee reductions in the PeopleReady business.
2. Net impact of COVID-19 related government subsidies. For the 13 and 52 weeks ended December 27, 2020, we received government subsidies of $2.7 million and $9.9 million, respectively. We elected to distribute a portion of the total benefit for the year to our employees in the form of a $3.7 million bonus, resulting in a net cost of $1.0 million for Q4 and a net benefit of $6.2 million for the fiscal year.
3. Other adjustments for the 13 and 52 weeks ended December 27, 2020 primarily include lease expense of $0.7 million incurred during the build-out phase of our Chicago office, amortization of software as a service assets of $0.6 million and $2.3 million, respectively, which is reported in selling, general and administrative expense, and implementation costs for cloud-based systems of $0.1 million and $0.9 million, respectively. For the 52 weeks ended December 27, 2020, these expenses were offset by a $6.3 million benefit from a reduction in expected costs to comply with the Affordable Care Act. Other adjustments for the 13 and 52 weeks ended December 29, 2019 primarily include implementation costs for cloud-based systems of $0.6 million and $3.2 million, respectively, and amortization of software as a service assets of $0.5 million and $1.6 million, respectively. For the 52 weeks ended December 29, 2019, these expenses were slightly offset by $3.9 million of workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers that are in liquidation.
4. Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the effective rate for the respective periods in 2020 and the expected long-term ongoing rate of 14 percent for Q4 and fiscal year 2019.
5. Adjustment of the effective income tax rate to the expected long-term ongoing rate of 14 percent for Q4 and fiscal year 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. Thus the adjustment for fiscal year 2020 relates to the Q1 2020 adjustment of the effective income tax rate to the long-term ongoing rate of 12 percent expected at that time.
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.
7. Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies.