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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): February 1, 2023**



**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**

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 ☐

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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 February 1, 2023, TrueBlue, Inc. (the “company”) issued a press release (the “Press Release”) reporting its financial results for the fourth quarter ended December 25, 2022, and certain outlook information for the first quarter and fiscal year 2023, 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 25, 2022 (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 1, 2023. 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**

<b>Exhibit Number</b>	<b>Exhibit Description</b>	<b>Filed Herewith</b>
99.1	<a href="#">Press Release dated February 1, 2023</a>	X
99.2	<a href="#">Earnings Results Presentation for February 1, 2023 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

**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 1, 2023

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

## TRUEBLUE REPORTS FOURTH QUARTER AND FULL-YEAR 2022 RESULTS

*Strong execution despite macroeconomic conditions*

**TACOMA, WASH. - Feb. 1, 2023** -- TrueBlue (NYSE:TBI) today announced its fourth quarter and full-year results for 2022.

Fourth quarter revenue was \$558 million, a decrease of 10 percent compared to revenue of \$622 million in the fourth quarter of 2021. Net income per diluted share was \$0.21 compared to net income per diluted share of \$0.57 in the fourth quarter of 2021. Fourth quarter adjusted net income<sup>1</sup> per diluted share was \$0.43 compared to adjusted net income per diluted share of \$0.69 in the fourth quarter of 2021.

Full-year revenue was \$2.3 billion, an increase of 4 percent compared to revenue of \$2.2 billion in 2021. Net income per diluted share was \$1.86 compared to net income per diluted share of \$1.74 in 2021. Adjusted net income per diluted share was \$2.43 compared to adjusted net income per diluted share of \$2.00 in 2021.

"We executed well during the quarter despite macroeconomic conditions," said Steve Cooper, CEO of TrueBlue. "Disciplined pricing, improved worker supply and effective cost management helped offset a decline in revenue.

"Our services provide appealing solutions for companies in need of operational and strategic flexibility," continued Mr. Cooper. "Our workforce services are well-positioned to assist companies in overcoming secular shortages of blue-collar labor, while our recruitment process outsourcing services address talent challenges across all types of work."

### 2023 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 2022 results on a webcast at 2:30 p.m. PT (5:30 p.m. ET), today, Wednesday, **Feb. 1, 2023**. 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 2022, TrueBlue connected approximately 611,000 people with work. Its PeopleReady segment offers on-demand, industrial staffing, PeopleScout offers recruitment process outsourcing (RPO) and managed service provider (MSP) solutions, and PeopleManagement offers contingent, on-site industrial staffing and commercial driver services. Learn more at [www.trueblue.com](http://www.trueblue.com).

<sup>1</sup>Refer to the financial statements accompanying this release for more information regarding non-GAAP terms.

### Forward-looking statements and non-GAAP financial measures

This document contains forward-looking statements relating to our plans and expectations including, without limitation, statements regarding the future performance and operations of our business, and expected growth from our digital investments, 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 which can be negatively impacted by factors such as rising interest rates, inflation, political instability, epidemics and global trade uncertainty, (2) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (3) our ability to attract and retain clients, (4) our ability to maintain profit margins, (5) our ability to successfully execute on business strategies to further digitalize our business model, (6) the timing and amount of common stock repurchases, if any, which will be determined at management's discretion and depend upon several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities, (7) new laws, regulations, and government incentives that could affect our operations or financial results, (8) our ability to access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, 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](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		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
Revenue from services	\$ 557,695	\$ 621,930	\$ 2,254,184	\$ 2,173,622
Cost of services	409,846	455,154	1,652,040	1,613,302
<b>Gross profit</b>	<b>147,849</b>	<b>166,776</b>	<b>602,144</b>	<b>560,320</b>
Selling, general and administrative expense	133,733	137,665	500,686	464,322
Depreciation and amortization	7,258	7,151	29,273	27,556
<b>Income from operations</b>	<b>6,858</b>	<b>21,960</b>	<b>72,185</b>	<b>68,442</b>
Interest expense and other income, net	133	3,528	1,231	5,408
<b>Income before tax expense</b>	<b>6,991</b>	<b>25,488</b>	<b>73,416</b>	<b>73,850</b>
Income tax expense (benefit)	(54)	5,278	11,143	12,216
<b>Net income</b>	<b>\$ 7,045</b>	<b>\$ 20,210</b>	<b>\$ 62,273</b>	<b>\$ 61,634</b>
<b>Net income per common share:</b>				
Basic	\$ 0.22	\$ 0.58	\$ 1.89	\$ 1.77
Diluted	\$ 0.21	\$ 0.57	\$ 1.86	\$ 1.74
<b>Weighted average shares outstanding:</b>				
Basic	32,486	34,809	32,889	34,798
Diluted	33,014	35,621	33,447	35,434

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

*(in thousands)*

	Dec 25, 2022	Dec 26, 2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 72,054	\$ 49,896
Accounts receivable, net	314,275	353,882
Other current assets	43,883	41,295
<b>Total current assets</b>	<b>430,212</b>	445,073
Property and equipment, net	95,823	88,090
Restricted cash and investments	213,734	221,026
Goodwill and intangible assets, net	109,989	116,749
Other assets, net	169,650	162,288
<b>Total assets</b>	<b>\$ 1,019,408</b>	<b>\$ 1,033,226</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable and other accrued expenses	\$ 76,644	\$ 77,172
Accrued wages and benefits	92,237	100,173
Current portion of workers' compensation claims reserve	50,005	61,596
Other current liabilities	23,989	19,605
<b>Total current liabilities</b>	<b>242,875</b>	258,546
Workers' compensation claims reserve, less current portion	201,005	194,598
Other long-term liabilities	79,213	87,015
<b>Total liabilities</b>	<b>523,093</b>	540,159
Shareholders' equity	496,315	493,067
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,019,408</b>	<b>\$ 1,033,226</b>



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

<i>(in thousands)</i>	52 weeks ended	
	Dec 25, 2022	Dec 26, 2021
<b>Cash flows from operating activities:</b>		
Net income	\$ 62,273	\$ 61,634
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	29,273	27,556
Provision for credit losses	4,462	6,493
Stock-based compensation	9,687	13,943
Deferred income taxes	3,933	752
Non-cash lease expense	12,920	14,446
Other operating activities	7,862	(1,968)
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	34,765	(81,616)
Income taxes receivable and payable	(2,665)	1,602
Operating lease right-of-use-asset	118	8,080
Other assets	(16,142)	(13,715)
Accounts payable and other accrued expenses	(1,501)	16,425
Accrued wages and benefits	(7,938)	34,581
Deferred employer payroll taxes	—	(57,065)
Workers' compensation claims reserve	(5,184)	701
Operating lease liabilities	(13,052)	(13,457)
Other liabilities	1,692	2,048
<b>Net cash provided by operating activities</b>	<b>120,503</b>	<b>20,440</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(30,626)	(35,006)
Payments for company-owned life insurance	—	(4,000)
Proceeds from company-owned life insurance	—	832
Purchases of restricted available-for-sale investments	—	(43)
Sales of restricted available-for-sale investments	—	7,333
Purchases of restricted held-to-maturity investments	(18,031)	(9,411)
Maturities of restricted held-to-maturity investments	27,712	23,935
Other	—	140
<b>Net cash used in investing activities</b>	<b>(20,945)</b>	<b>(16,220)</b>
<b>Cash flows from financing activities:</b>		
Purchases and retirement of common stock	(60,939)	(16,678)
Net proceeds from employee stock purchase plans	980	1,135
Common stock repurchases for taxes upon vesting of restricted stock	(4,480)	(3,238)
Other	(253)	(345)
<b>Net cash used in financing activities</b>	<b>(64,692)</b>	<b>(19,126)</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,420)	(521)
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>32,446</b>	<b>(15,427)</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<b>103,185</b>	<b>118,612</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 135,631</b>	<b>\$ 103,185</b>

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

<i>(in thousands)</i>	13 weeks ended		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
<b>Revenue from services:</b>				
PeopleReady	\$ 314,580	\$ 362,164	\$ 1,272,852	\$ 1,270,928
PeopleScout	68,676	81,924	317,518	262,953
PeopleManagement	174,439	177,842	663,814	639,741
<b>Total company</b>	<b>\$ 557,695</b>	<b>\$ 621,930</b>	<b>\$ 2,254,184</b>	<b>\$ 2,173,622</b>
<b>Segment profit (1):</b>				
PeopleReady	\$ 22,467	\$ 27,411	\$ 87,743	\$ 82,398
PeopleScout	2,499	11,491	44,771	36,163
PeopleManagement	4,141	4,499	15,811	13,196
<b>Total segment profit</b>	<b>29,107</b>	<b>43,401</b>	<b>148,325</b>	<b>131,757</b>
Corporate unallocated expense	(8,101)	(7,344)	(31,326)	(27,937)
<b>Total company Adjusted EBITDA (2)</b>	<b>21,006</b>	<b>36,057</b>	<b>116,999</b>	<b>103,820</b>
Third-party processing fees for hiring tax credits (3)	(108)	(150)	(594)	(734)
Amortization of software as a service assets (4)	(810)	(720)	(2,985)	(2,709)
Gain on deferred compensation assets (5)	—	(2,897)	—	(2,897)
PeopleReady technology upgrade costs (6)	(1,779)	(1,300)	(7,935)	(1,300)
COVID-19 government subsidies	—	91	—	4,222
Other adjustments, net (7)	(4,193)	(1,970)	(4,027)	(4,404)
<b>EBITDA (2)</b>	<b>14,116</b>	<b>29,111</b>	<b>101,458</b>	<b>95,998</b>
Depreciation and amortization	(7,258)	(7,151)	(29,273)	(27,556)
Interest expense and other income, net	133	3,528	1,231	5,408
Income before tax expense	6,991	25,488	73,416	73,850
Income tax (expense) benefit	54	(5,278)	(11,143)	(12,216)
<b>Net income</b>	<b>\$ 7,045</b>	<b>\$ 20,210</b>	<b>\$ 62,273</b>	<b>\$ 61,634</b>

- (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 hiring tax credits.
- (4) Amortization of software as a service assets is reported in selling, general and administrative expense.
- (5) Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies.
- (6) Costs associated with upgrading legacy PeopleReady technology.
- (7) Other adjustments for the 13 and 52 weeks ended December 25, 2022 primarily include \$4.2 million in accelerated software costs. The 52 weeks ended December 25, 2022 also includes a benefit of \$1.4 million from forfeited stock awards associated with the CEO transition that were expensed in prior years, partially offset by costs of \$1.1 million incurred to transition to a new third-party claims administrator for workers' compensation. Other adjustments for the 13 and 52 weeks ended December 26, 2021 primarily include workforce reductions costs of \$1.8 million and \$2.0 million, respectively, costs incurred while transitioning into our new Chicago office of \$0.1 million and \$1.8 million, respectively and other technology implementation costs.

**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>Adjusted net income and Adjusted net income per diluted share</i>	<p>Net income and net income per diluted share, excluding:</p> <ul style="list-style-type: none"> <li>– amortization of intangibles,</li> <li>– amortization of software as a service assets,</li> <li>– accelerated depreciation,</li> <li>– PeopleReady technology upgrade costs,</li> <li>– COVID-19 government subsidies,</li> <li>– other adjustments, net, and</li> <li>– tax effect of each adjustment to U.S. GAAP.</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>
<i>EBITDA and Adjusted EBITDA</i>	<p>EBITDA excludes from net income:</p> <ul style="list-style-type: none"> <li>– income taxes,</li> <li>– interest expense and other income, net, and</li> <li>– depreciation and amortization.</li> </ul> <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> <li>– third-party processing fees for hiring tax credits,</li> <li>– amortization of software as a service assets,</li> <li>– gain on deferred compensation assets,</li> <li>– PeopleReady technology upgrade costs,</li> <li>– COVID-19 government subsidies, and</li> <li>– other adjustments, net.</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>
<i>Adjusted SG&amp;A expense</i>	<p>Selling, general and administrative expense excluding:</p> <ul style="list-style-type: none"> <li>– third-party processing fees for hiring tax credits,</li> <li>– amortization of software as a service assets,</li> <li>– gain on deferred compensation assets,</li> <li>– PeopleReady technology upgrade costs,</li> <li>– COVID-19 government subsidies, and</li> <li>– other adjustments, net.</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> </ul>

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

(in thousands, except for per share data)	13 weeks ended		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
Net income	\$ 7,045	\$ 20,210	\$ 62,273	\$ 61,634
Amortization of intangible assets	1,265	1,503	5,746	6,704
Amortization of software as a service assets (1)	810	720	2,985	2,709
Accelerated depreciation (2)	—	—	1,658	—
PeopleReady technology upgrade costs (3)	1,779	1,300	7,935	1,300
COVID-19 government subsidies	—	(91)	—	(4,222)
Other adjustments, net (4)	4,193	1,970	4,027	4,404
Tax effect of adjustments to net income (5)	(981)	(1,014)	(3,392)	(1,802)
<b>Adjusted net income</b>	<b>\$ 14,111</b>	<b>\$ 24,598</b>	<b>\$ 81,232</b>	<b>\$ 70,727</b>
<b>Adjusted net income per diluted share</b>	<b>\$ 0.43</b>	<b>\$ 0.69</b>	<b>\$ 2.43</b>	<b>\$ 2.00</b>
<b>Diluted weighted average shares outstanding</b>	<b>33,014</b>	<b>35,621</b>	<b>33,447</b>	<b>35,434</b>
<b>Margin / % of revenue:</b>				
Net income	1.3%	3.2%	2.8%	2.8%
Adjusted net income	2.5%	4.0%	3.6%	3.3%

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

(in thousands)	13 weeks ended		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
Net income	\$ 7,045	\$ 20,210	\$ 62,273	\$ 61,634
Income tax expense (benefit)	(54)	5,278	11,143	12,216
Interest expense and other (income), net	(133)	(3,528)	(1,231)	(5,408)
Depreciation and amortization	7,258	7,151	29,273	27,556
<b>EBITDA</b>	<b>14,116</b>	<b>29,111</b>	<b>101,458</b>	<b>95,998</b>
Third-party processing fees for hiring tax credits (6)	108	150	594	734
Amortization of software as a service assets (1)	810	720	2,985	2,709
Gain on deferred compensation assets (7)	—	2,897	—	2,897
PeopleReady technology upgrade costs (3)	1,779	1,300	7,935	1,300
COVID-19 government subsidies	—	(91)	—	(4,222)
Other adjustments, net (4)	4,193	1,970	4,027	4,404
<b>Adjusted EBITDA</b>	<b>\$ 21,006</b>	<b>\$ 36,057</b>	<b>\$ 116,999</b>	<b>\$ 103,820</b>
<b>Margin / % of revenue:</b>				
Net income	1.3%	3.2%	2.8%	2.8%
Adjusted EBITDA	3.8%	5.8%	5.2%	4.8%

**3. RECONCILIATION OF U.S. GAAP SELLING, GENERAL AND ADMINISTRATIVE EXPENSE TO ADJUSTED SG&A EXPENSE**  
**(Unaudited)**

<i>(in thousands)</i>	13 weeks ended		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
Selling, general and administrative expense	\$ 133,733	\$ 137,665	\$ 500,686	\$ 464,322
Third-party processing fees for hiring tax credits (6)	(108)	(150)	(594)	(734)
Amortization of software as a service assets (1)	(810)	(720)	(2,985)	(2,709)
Gain on deferred compensation assets (7)	—	(2,897)	—	(2,897)
PeopleReady technology upgrade costs (3)	(1,779)	(1,300)	(7,935)	(1,300)
COVID-19 government subsidies	—	91	—	4,097
Other adjustments, net (4)	(4,193)	(1,970)	(4,027)	(4,404)
<b>Adjusted SG&amp;A expense</b>	<b>\$ 126,843</b>	<b>\$ 130,719</b>	<b>\$ 485,145</b>	<b>\$ 456,375</b>

**% of revenue:**

Selling, general and administrative expense	<b>24.0%</b>	22.1%	<b>22.2%</b>	21.4%
Adjusted SG&A expense	<b>22.7%</b>	21.0%	<b>21.5%</b>	21.0%

- (1) Amortization of software as a service assets is reported in selling, general and administrative expense.
- (2) Accelerated depreciation for the existing systems being replaced by the upgraded PeopleReady technology platform.
- (3) Costs associated with upgrading legacy PeopleReady technology.
- (4) Other adjustments for the 13 and 52 weeks ended December 25, 2022 primarily include \$4.2 million in accelerated software costs. The 52 weeks ended December 25, 2022 also includes a benefit of \$1.4 million from forfeited stock awards associated with the CEO transition that were expensed in prior years, partially offset by costs of \$1.1 million incurred to transition to a new third-party claims administrator for workers' compensation. Other adjustments for the 13 and 52 weeks ended December 26, 2021 primarily include workforce reductions costs of \$1.8 million and \$2.0 million, respectively, costs incurred while transitioning into our new Chicago office of \$0.1 million and \$1.8 million, respectively and other technology implementation costs.
- (5) Total tax effect of each of the adjustments to U.S. GAAP net income using the effective income tax rate for the respective periods.
- (6) These third-party processing fees are associated with generating hiring tax credits.
- (7) Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies.



# Q4 2022 Earnings





## Forward-looking statements and non-GAAP financial measures

This document contains forward-looking statements relating to our plans and expectations including, without limitation, statements regarding the future performance and operations of our business, and expected growth from our digital investments, 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 which can be negatively impacted by factors such as rising interest rates, inflation, political instability, epidemics and global trade uncertainty, (2) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (3) our ability to attract and retain clients, (4) our ability to maintain profit margins, (5) our ability to successfully execute on business strategies to further digitalize our business model, (6) the timing and amount of common stock repurchases, if any, which will be determined at management's discretion and depend upon several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities, (7) new laws, regulations, and government incentives that could affect our operations or financial results, (8) our ability to access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, 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](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.

# Overview

## Q4 2022

### Strong execution despite macroeconomic conditions

- Total revenue -10%
  - Steady underlying monthly revenue trends at PeopleReady and PeopleManagement despite year-over-year decline
  - PeopleScout demand softened
- Net income was \$7 million v. \$20 million in Q4 2021
  - Net income margin -190 bps
  - Gross margin -30 bps due to lower, high-margin volumes offset by favorable bill / pay spread inflation and lower workers' compensation costs
  - SG&A down in dollars but up as a percent of revenue due to operational deleveraging
- Adjusted EBITDA<sup>1</sup> was \$21 million v. \$36 million in Q4 2021
  - Adjusted EBITDA margin -200 bps

## FY 2022

### Revenue growth and gross margin drive bottom-line results

- Total revenue +4%
  - Strong revenue growth across all three segments in the first half of the year
  - Demand tapered in the second half of the year
- Net income of \$62 million was flat v. 2021
  - Net income margin was unchanged
  - Gross margin +90 bps due to favorable bill / pay spread inflation and lower workers' compensation costs
- Adjusted EBITDA was \$117 million v. \$104 million in 2021
  - Adjusted EBITDA margin +40 bps

<sup>1</sup> Refer to 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.

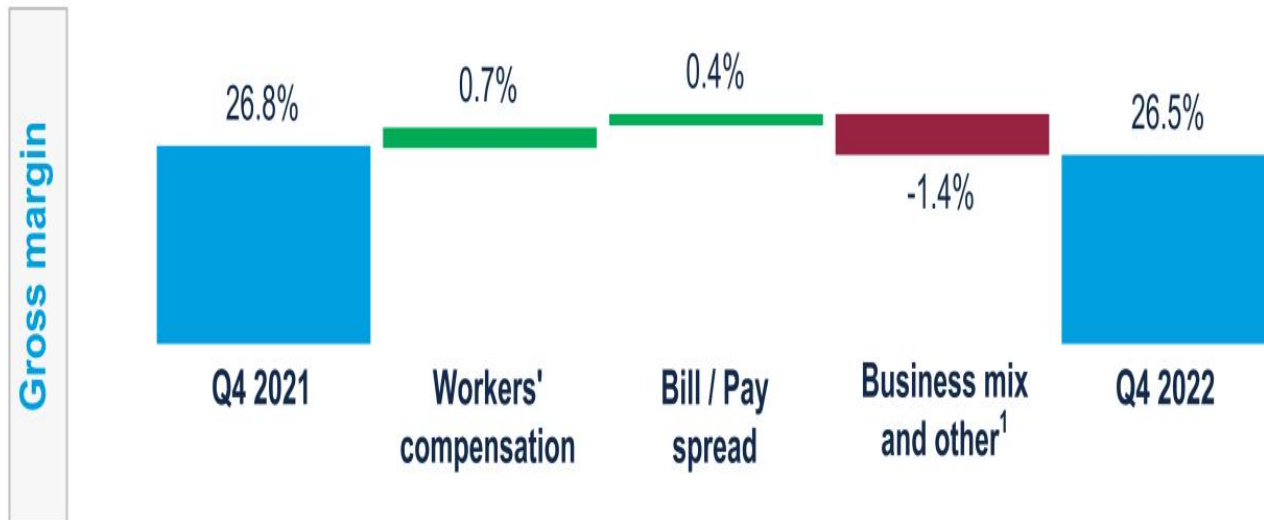


# Financial summary

Amounts in millions, except per share data	Q4 2022	Change	FY 2022	Change
Revenue	\$558	-10%	\$2,254	+4%
Net income	\$7.0	-65%	\$62.3	+1%
Net income per diluted share	\$0.21	-63%	\$1.86	+7%
Net income margin	1.3%	-190 bps	2.8%	0 bps
Adjusted net income <sup>1</sup>	\$14.1	-43%	\$81.2	+15%
Adj. net income per diluted share	\$0.43	-38%	\$2.43	+22%
Adj. net income margin	2.5%	-150 bps	3.6%	+30 bps
Adjusted EBITDA	\$21.0	-42%	\$117.0	+13%
Adjusted EBITDA margin	3.8%	-200 bps	5.2%	+40 bps
Notes:	<ul style="list-style-type: none"> <li>The changes in fiscal year 2022 adjusted net income margin and adjusted EBITDA margin were more favorable than that of GAAP net income margin primarily due to certain PeopleReady technology costs, which were excluded from adjusted results.</li> </ul>			

<sup>1</sup> Refer to the appendix to this presentation for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

# Gross margin and SG&A bridges



<sup>1</sup> Includes -0.4% driven by a revenue reserve adjustment at PeopleScout.

<sup>2</sup> Represents the year-over-year change in Adjusted EBITDA exclusions impacting SG&A. Refer to the adjusted EBITDA reconciliation in the appendix to this presentation for more information.

## Q4 2022 Results by segment

Amounts in millions	PeopleReady	PeopleScout	PeopleManagement
Revenue	\$315	\$69	\$174
% Change	-13%	-16%	-2%
Segment profit <sup>1</sup>	\$22	\$2	\$4
% Change	-18%	-78%	-8%
% Margin Change	7.1% -50 bps	3.6% -1040 bps	2.4% -10 bps
Notes:	<ul style="list-style-type: none"> <li>■ Revenue -13% <ul style="list-style-type: none"> <li>• -11% from prior year projects &amp; surge<sup>2</sup></li> <li>• Demand declined year-over-year but steady within the quarter as it followed historical sequential trends</li> </ul> </li> <li>■ Segment profit margin contraction due to operational deleveraging partially offset by lower workers' compensation costs</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Revenue -16% due to lower volumes as certain clients revert to pre-covid levels and others reduce hiring given economic uncertainty</li> <li>■ Segment profit margin contraction driven mainly by operational deleveraging and a revenue reserve adjustment</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Revenue -2% due to lower demand</li> <li>■ Segment profit margin held relatively steady with slight decline due to lower revenue</li> </ul>		

<sup>1</sup> 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.

<sup>2</sup> PeopleReady benefited from a high volume of retail projects and above average base business results last year. As expected, the surge did not repeat this year. The impact to total TBI revenue was -6%.

# Strategic highlights and priorities



- Digitalize our business model to gain market share from smaller, less capitalized competitors and reduce expenses
- Advance JobStack™ capabilities to better accommodate our associates and increase worker supply
- Enhance training and expand geographic and vertical coverage to drive sales and improve the client and associate experience



- Augment sales team to enable specialization and gain market share in high growth sectors
- Seek opportunities to grow domestically and globally through acquisition and / or new product offerings
- Advance technology platform with a focus on improving client delivery and recruiting efficiency



- Leverage sales resource investments to expand into under-penetrated geographic markets
- Increase adoption of onsite workflow product offering to expand margin profile
- Invest in client and associate care in addition to retention programs

Advance technology and enhance the experience for those we serve to grow market share



# Balance sheet remains strong

## Liquidity

Amounts in millions

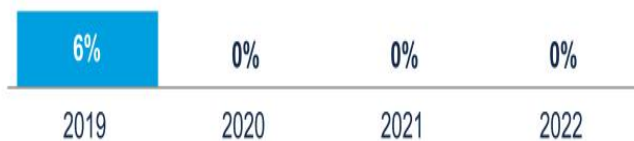


## Cash net of debt

Amounts in millions



## Total debt to capital<sup>1</sup>



## Share repurchases

Amounts in millions



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

<sup>1</sup> Total Debt to Capital calculated as total debt divided by the sum of total debt plus shareholders' equity.

# Outlook

## Select outlook information for Q1 2023

Item	Q1 2023	Commentary
Revenue	\$455M to \$480M <i>-18% to -13% v. prior year</i>	PeopleReady benefited from a high volume of retail projects and above average base business results during the first half of 2022, which are not expected to fully repeat. The impact to total TBI growth is roughly -7% in Q1 2023 and -4% in Q2 2023.
Gross margin	+70 to +110 bps v. prior year	Gross margin expansion from lower workers' compensation costs and favorable spreads between bill- and pay-rate inflation.
SG&A	\$120M to \$124M	Refer to EBITDA adjustments for additional information on expected expense.
EBITDA adjustments <sup>1</sup>	~\$1M	Includes PeopleReady technology upgrade costs and SaaS amortization.
Pre-tax net income adjustments	~\$1M	Includes PeopleReady technology upgrade costs and intangibles amortization.
CapEx <sup>2</sup>	~\$11M	Q1 depreciation is expected to be ~\$5M.
Shares	~32.7M	Reflects basic weighted average shares outstanding.

<sup>1</sup> Refer to the appendix to this presentation for a definition of non-GAAP financial measures.

<sup>2</sup> Includes planned investments in software as a service (SaaS) assets capitalized in other long-term assets with the related amortization recorded in SG&A.

## Select outlook information for FY 2023

Item	FY 2023	Commentary
Gross margin	-30 to +30 bps v. prior year	Gross margin expected to hold relatively steady.
SG&A	\$499M to \$505M	Refer to EBITDA adjustments for additional information on expected expense.
EBITDA adjustments <sup>1</sup>	\$5M to \$9M	<ul style="list-style-type: none"> <li>• ~\$3M in PeopleReady technology upgrade costs</li> <li>• ~\$4M in SaaS amortization</li> </ul>
Pre-tax net income adjustments	\$6M to \$10M	<ul style="list-style-type: none"> <li>• ~\$3M in PeopleReady technology upgrade costs</li> <li>• ~\$5M in intangibles amortization</li> </ul>
CapEx <sup>2</sup>	\$36M to \$40M	FY 2023 depreciation is expected to be \$20M to \$24M.
Income Tax Rate	10% to 14%	Reflects effective income tax rate.
Other	Note: Fiscal 2023 includes a 53rd week, which will add \$22M to \$27M of revenue with minimal profit due to low seasonal volume.	

<sup>1</sup> Refer to the appendix to this presentation for a definition of non-GAAP financial measures.

<sup>2</sup> Includes planned investments in software as a service (SaaS) assets capitalized in other long-term assets with the related amortization recorded in SG&A.



# 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>Adjusted net income and Adjusted net income per diluted share</b>	<p>Net income and net income per diluted share, excluding:</p> <ul style="list-style-type: none"> <li>– amortization of intangibles,</li> <li>– amortization of software as a service assets,</li> <li>– accelerated depreciation,</li> <li>– PeopleReady technology upgrade costs,</li> <li>– COVID-19 government subsidies,</li> <li>– other adjustments, net, and</li> <li>– tax effect of each adjustment to U.S. GAAP.</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>EBITDA and Adjusted EBITDA</b>	<p>EBITDA excludes from net income:</p> <ul style="list-style-type: none"> <li>– income taxes,</li> <li>– interest expense and other income, net, and</li> <li>– depreciation and amortization.</li> </ul> <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> <li>– third-party processing fees for hiring tax credits,</li> <li>– amortization of software as a service assets,</li> <li>– gain on deferred compensation assets,</li> <li>– PeopleReady technology upgrade costs,</li> <li>– COVID-19 government subsidies, and</li> <li>– other adjustments, net.</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>Adjusted SG&amp;A expense</b>	<p>Selling, general and administrative expense excluding:</p> <ul style="list-style-type: none"> <li>– third-party processing fees for hiring tax credits,</li> <li>– amortization of software as a service assets,</li> <li>– gain on deferred compensation assets,</li> <li>– PeopleReady technology upgrade costs,</li> <li>– COVID-19 government subsidies, and</li> <li>– other adjustments, net.</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> </ul>

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

<i>(in thousands, except for per share data)</i>	13 weeks ended		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
Net income	\$ 7,045	\$ 20,210	\$ 62,273	\$ 61,634
Amortization of intangible assets	1,265	1,503	5,746	6,704
Amortization of software as a service assets (1)	810	720	2,985	2,709
Accelerated depreciation (2)	—	—	1,658	—
PeopleReady technology upgrade costs (3)	1,779	1,300	7,935	1,300
COVID-19 government subsidies	—	(91)	—	(4,222)
Other adjustments, net (4)	4,193	1,970	4,027	4,404
Tax effect of adjustments to net income (5)	(981)	(1,014)	(3,392)	(1,802)
<b>Adjusted net income</b>	<b>\$ 14,111</b>	<b>\$ 24,598</b>	<b>\$ 81,232</b>	<b>\$ 70,727</b>
<b>Adjusted net income per diluted share</b>	<b>\$ 0.43</b>	<b>\$ 0.69</b>	<b>\$ 2.43</b>	<b>\$ 2.00</b>
<b>Diluted weighted average shares outstanding</b>	<b>33,014</b>	<b>35,621</b>	<b>33,447</b>	<b>35,434</b>
<b>Margin / % of revenue:</b>				
Net income	1.3%	3.2%	2.8%	2.8%
Adjusted net income	2.5%	4.0%	3.6%	3.3%

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

(in thousands)	13 weeks ended		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
Net income	\$ 7,045	\$ 20,210	\$ 62,273	\$ 61,634
Income tax expense (benefit)	(54)	5,278	11,143	12,216
Interest expense and other (income), net	(133)	(3,528)	(1,231)	(5,408)
Depreciation and amortization	7,258	7,151	29,273	27,556
<b>EBITDA</b>	<b>14,116</b>	<b>29,111</b>	<b>101,458</b>	<b>95,998</b>
Third-party processing fees for hiring tax credits (6)	108	150	594	734
Amortization of software as a service assets (1)	810	720	2,985	2,709
Gain on deferred compensation assets (7)	—	2,897	—	2,897
PeopleReady technology upgrade costs (3)	1,779	1,300	7,935	1,300
COVID-19 government subsidies	—	(91)	—	(4,222)
Other adjustments, net (4)	4,193	1,970	4,027	4,404
<b>Adjusted EBITDA</b>	<b>\$ 21,006</b>	<b>\$ 36,057</b>	<b>\$ 116,999</b>	<b>\$ 103,820</b>

### Margin / % of revenue:

Net income	1.3%	3.2%	2.8%	2.8%
Adjusted EBITDA	3.8%	5.8%	5.2%	4.8%

### 3. RECONCILIATION OF U.S. GAAP SELLING, GENERAL AND ADMINISTRATIVE EXPENSE TO ADJUSTED SG&A EXPENSE *(Unaudited)*

<i>(in thousands)</i>	13 weeks ended		52 weeks ended	
	Dec 25, 2022	Dec 26, 2021	Dec 25, 2022	Dec 26, 2021
Selling, general and administrative expense	\$ 133,733	\$ 137,665	\$ 500,686	\$ 464,322
Third-party processing fees for hiring tax credits (6)	(108)	(150)	(594)	(734)
Amortization of software as a service assets (1)	(810)	(720)	(2,985)	(2,709)
Gain on deferred compensation assets (7)	—	(2,897)	—	(2,897)
PeopleReady technology upgrade costs (3)	(1,779)	(1,300)	(7,935)	(1,300)
COVID-19 government subsidies	—	91	—	4,097
Other adjustments, net (4)	(4,193)	(1,970)	(4,027)	(4,404)
<b>Adjusted SG&amp;A expense</b>	<b>\$ 126,843</b>	<b>\$ 130,719</b>	<b>\$ 485,145</b>	<b>\$ 456,375</b>

#### % of revenue:

Selling, general and administrative expense	24.0%	22.1%	22.2%	21.4%
Adjusted SG&A expense	22.7%	21.0%	21.5%	21.0%



Footnotes:

- (1) Amortization of software as a service assets is reported in selling, general and administrative expense.
- (2) Accelerated depreciation for the existing systems being replaced by the upgraded PeopleReady technology platform.
- (3) Costs associated with upgrading legacy PeopleReady technology.
- (4) Other adjustments for the 13 and 52 weeks ended December 25, 2022 primarily include \$4.2 million in accelerated software costs. The 52 weeks ended December 25, 2022 also includes a benefit of \$1.4 million from forfeited stock awards associated with the CEO transition that were expensed in prior years, partially offset by costs of \$1.1 million incurred to transition to a new third-party claims administrator for workers' compensation. Other adjustments for the 13 and 52 weeks ended December 26, 2021 primarily include workforce reductions costs of \$1.8 million and \$2.0 million, respectively, costs incurred while transitioning into our new Chicago office of \$0.1 million and \$1.8 million, respectively and other technology implementation costs.
- (5) Total tax effect of each of the adjustments to U.S. GAAP net income using the effective income tax rate for the respective periods.
- (6) These third-party processing fees are associated with generating hiring tax credits.
- (7) Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies.

