

TRUEBLUE, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited, in thousands, except per share data)

	13 Weeks Ended Mar 27, 2015	13 Weeks Ended Jun 26, 2015	13 Weeks Ended Sep 25, 2015	13 Weeks Ended Dec 25, 2015	Fiscal Year Ended Dec 25, 2015
GAAP net income	\$ 5,716	\$ 17,273	\$ 20,090	\$ 28,168	\$ 71,247
Income tax expense	1,473	6,235	12,796	4,696	25,200
Interest expense, net	534	202	366	293	1,395
Income from operations	7,723	23,710	33,252	33,157	97,842
Depreciation and amortization	10,520	10,397	10,498	10,428	41,843
EBITDA (1)	18,243	34,107	43,750	43,585	139,685
Non-recurring acquisition and integration costs (2)	1,156	2,631	—	1,348	5,135
Adjusted EBITDA, as previously defined (3)	19,399	36,738	43,750	44,933	144,820
Work Opportunity Tax Credit processing fees (4)	330	465	147	1,410	2,352
Adjusted EBITDA, current definition (1)	\$ 19,729	\$ 37,203	\$ 43,897	\$ 46,343	\$ 147,172
GAAP net income per diluted share	\$ 0.14	\$ 0.42	\$ 0.48	\$ 0.67	\$ 1.71
Non-recurring acquisition and integration costs, net of tax (2)	0.02	0.04	—	0.02	0.08
Work Opportunity Tax Credit processing fees, net of taxes (4)	0.01	0.01	—	0.02	0.04
Amortization of intangible assets of acquired businesses, net of tax (5)	0.08	0.08	0.08	0.09	0.33
Adjust income taxes to a normalized effective tax rate (6)	(0.02)	(0.03)	0.05	(0.14)	(0.14)
Adjusted net income per diluted share, current definition (7)	\$ 0.23	\$ 0.52	\$ 0.61	\$ 0.66	\$ 2.02
Adjusted net income per diluted share, as previously defined (8)	\$ 0.20	\$ 0.45	\$ 0.54	\$ 0.57	\$ 1.75
Diluted weighted average shares outstanding	41,362	41,475	41,620	41,748	41,622

- (1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to acquisition and integration costs, as well as, Work Opportunity Tax Credit third-party processing fees. EBITDA and Adjusted EBITDA are key measures used by management to evaluate performance. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income from operations in the Consolidated Statements of Operations in accordance with GAAP, and may not be comparable to similarly titled measures of other companies.

- (2) Non-recurring acquisition and integration costs consist of the acquisition and integration of Seaton, which was completed on June 30, 2014, the first business day of our third quarter of 2014, and the acquisition related costs for SIMOS and the recruitment process outsourcing business of Aon Hewitt, which were completed on December 1, 2015, and January 4, 2016, respectively.
- (3) Adjusted EBITDA, as previously defined, included Work Opportunity Tax Credit third-party processing fees.
- (4) 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.
- (5) Amortization of intangible assets of acquired businesses, as well as, accretion expense related to acquisition earn-out.
- (6) Adjusts the effective income tax rate to the expected, ongoing rate of 32% including annual Work Opportunity Tax Credit benefits and excluding any discreet or unique items.
- (7) Adjusted net income per diluted share is a non-GAAP financial measure which excludes from net income on a per diluted share basis non-recurring costs related to acquisition and integration costs, net of tax, amortization of intangibles of acquired businesses, net of tax, accretion expense related to acquisition earn-out, net of tax, Work Opportunity Tax Credit third-party processing fees, net of tax, and adjusts income taxes to the expected ongoing effective rate. Adjusted net income per diluted share is a key measure used by management to evaluate performance and communicate comparable results. Adjusted net income per diluted share should not be considered a measure of financial performance in isolation or as an alternative to net income per diluted share in the Consolidated Statements of Operations in accordance with GAAP, and may not be comparable to similarly titled measures of other companies.
- (8) Adjusted net income per diluted share, calculated as previously defined, was tax adjusted using a marginal tax rate of 40% and included the third-party processing fees associated with generating Work Opportunity Tax Credits.

	13 Weeks Ended Mar 27, 2015	13 Weeks Ended Jun 26, 2015	13 Weeks Ended Sep 25, 2015	13 Weeks Ended Dec 25, 2015	Fiscal Year Ended Dec 25, 2015
GAAP net income per diluted share	\$ 0.14	\$ 0.42	\$ 0.48	\$ 0.67	\$ 1.71
Non-recurring acquisition and integration costs, net of tax	0.02	0.04	—	0.02	0.07
Amortization of intangible assets of acquired businesses, net of tax	0.07	0.07	0.07	0.08	0.29
Adjust income taxes to a normalized effective tax rate	(0.03)	(0.08)	(0.01)	(0.20)	(0.32)
Adjusted net income per diluted share, as previously defined	<u>\$ 0.20</u>	<u>\$ 0.45</u>	<u>\$ 0.54</u>	<u>\$ 0.57</u>	<u>\$ 1.75</u>
Diluted weighted average shares outstanding	41,362	41,475	41,620	41,748	41,622

TRUEBLUE, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Unaudited, in thousands, except per share data, certain amounts may not sum or recalculate due to rounding)

	FISCAL YEAR 2014					FISCAL YEAR 2013				
	13 Weeks Ended Mar 28, 2014	13 Weeks Ended Jun 27, 2014	13 Weeks Ended Sep 26, 2014	13 Weeks Ended Dec 26, 2014	Fiscal Year Ended Dec 26, 2014	13 Weeks Ended Mar 29, 2013	13 Weeks Ended Jun 28, 2013	13 Weeks Ended Sep 27, 2013	13 Weeks Ended Dec 27, 2013	Fiscal Year Ended Dec 27, 2013
GAAP net income (loss)	\$ 1,656	\$ 16,082	\$ 20,910	\$ 27,024	\$ 65,675	\$ (1,076)	\$ 12,537	\$ 18,952	\$ 14,511	\$ 44,924
Income tax expense (benefit)	1,104	2,350	8,243	4,473	16,169	(5,399)	5,069	9,454	6,889	16,013
Interest expense (income), net	(344)	(450)	409	270	(116)	(477)	(275)	(416)	(186)	(1,354)
Income (loss) from operations	2,416	17,982	29,562	31,767	81,728	(6,952)	17,331	27,990	21,214	59,583
Depreciation and amortization	5,161	5,247	9,719	9,348	29,474	5,159	5,203	4,771	5,339	20,472
EBITDA (1)	7,577	23,229	39,281	41,115	111,202	(1,793)	22,534	32,761	26,553	80,055
Non-recurring acquisition and integration costs (2)	—	1,988	2,339	893	5,220	4,160	1,762	628	825	7,375
Adjusted EBITDA, as previously defined (3)	7,577	25,217	41,620	42,008	116,422	2,367	24,296	33,389	27,378	87,430
Work Opportunity Tax Credit processing fees (4)	110	715	530	1,665	3,020	597	166	210	303	1,276
Adjusted EBITDA, current definition (1)	\$ 7,687	\$ 25,932	\$ 42,150	\$ 43,673	\$ 119,442	\$ 2,964	\$ 24,462	\$ 33,599	\$ 27,681	\$ 88,706
GAAP net income (loss) per diluted share	\$ 0.04	\$ 0.39	\$ 0.51	\$ 0.65	\$ 1.59	\$ (0.03)	\$ 0.31	\$ 0.47	\$ 0.36	\$ 1.11
Non-recurring acquisition & integration costs, net of tax (2)	—	0.03	0.04	0.01	0.09	0.07	0.03	0.01	0.01	0.12
Work Opportunity Tax Credit processing fees, net of taxes (4)	—	0.01	0.01	0.03	0.05	0.01	—	—	0.01	0.02
Amortization of intangible assets of acquired businesses, net of tax (5)	0.03	0.03	0.08	0.07	0.20	0.02	0.02	0.02	0.03	0.08
Adjust income taxes to a normalized effective tax rate (6)	0.01	(0.09)	(0.03)	(0.14)	(0.24)	(0.08)	(0.01)	0.01	—	(0.09)
Adjusted net income (loss) per diluted share, current definition (7)	\$ 0.08	\$ 0.37	\$ 0.61	\$ 0.62	\$ 1.69	\$ (0.01)	\$ 0.35	\$ 0.51	\$ 0.41	\$ 1.24
Adjusted net income (loss) per diluted share, as previously defined (8)	\$ 0.06	\$ 0.32	\$ 0.53	\$ 0.52	\$ 1.45	\$ (0.02)	\$ 0.31	\$ 0.45	\$ 0.35	\$ 1.08
Diluted weighted average shares outstanding	40,891	40,969	41,038	41,317	41,176	39,784	40,421	40,670	40,775	40,502

(1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase, integration, reorganization and shut-down activities related to acquisitions, as well as, Work Opportunity Tax Credit third-party processing fees. EBITDA and Adjusted EBITDA are key measures used by management in evaluating performance. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income from operations in the Consolidated Statements of Operations in accordance with GAAP, and may not be comparable to similarly titled measures of other companies.

(2) Non-recurring acquisition and integration costs for 2014 related to the acquisition of Seaton. Non-recurring acquisition and integration costs for 2013 related to the acquisitions of MDT and TWC.

(3) Adjusted EBITDA, as previously defined, included Work Opportunity Tax Credit third-party processing fees.

(4) 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.

(5) Amortization of intangible assets of acquired businesses.

(6) Adjusts the effective income tax rate to the expected, ongoing rate of 32% including annual Work Opportunity Tax Credit benefits and excluding any discreet or unique items.

(7) Adjusted net income (loss) per diluted share is a non-GAAP financial measure which excludes from net income(loss) on a per diluted share basis non-recurring costs related to the purchase, integration, reorganization and shutdown activities related to acquisitions, net of tax, net of tax, amortization of intangibles of acquired businesses, net of tax, as well as, Work Opportunity Tax Credit third-party processing fees, net of tax, and adjusts income taxes to the expected, ongoing effective rate. Adjusted net income(loss) per diluted share is a key measure used by management to evaluate performance and communicate comparable results. Adjusted net income(loss) per diluted share should not be considered a measure of financial performance in isolation or as an alternative to net income(loss) per diluted share in the Consolidated Statements of Operations in accordance with GAAP, and may not be comparable to similarly titled measures of other companies.

(8) Adjusted net income (loss) per diluted share, as previously defined, was tax adjusted using a marginal tax rate of 40% and included the third-party processing fees associated with generating Work Opportunity Tax Credits.

	FISCAL YEAR 2014					FISCAL YEAR 2013				
	13 Weeks Ended Mar 28, 2014	13 Weeks Ended Jun 27, 2014	13 Weeks Ended Sep 26, 2014	13 Weeks Ended Dec 26, 2014	Fiscal Year Ended Dec 26, 2014	13 Weeks Ended Mar 29, 2013	13 Weeks Ended Jun 28, 2013	13 Weeks Ended Sep 27, 2013	13 Weeks Ended Dec 27, 2013	Fiscal Year Ended Dec 27, 2013
GAAP net income (loss) per diluted share	\$ 0.04	\$ 0.39	\$ 0.51	\$ 0.65	\$ 1.59	\$ (0.03)	\$ 0.31	\$ 0.47	\$ 0.36	\$ 1.11
Non-recurring acquisition & integration costs, net of tax	—	0.03	0.03	0.01	0.08	0.06	0.03	0.01	0.01	0.11
Amortization of intangible assets of acquired businesses, net of tax	0.02	0.02	0.07	0.06	0.18	0.02	0.02	0.02	0.02	0.07
Adjust income taxes to a normalized effective tax rate	—	(0.12)	(0.08)	(0.20)	(0.40)	(0.07)	(0.05)	(0.05)	(0.04)	(0.21)
Adjusted net income (loss) per diluted share, as previously defined	\$ 0.06	\$ 0.32	\$ 0.53	\$ 0.52	\$ 1.45	\$ (0.02)	\$ 0.31	\$ 0.45	\$ 0.35	\$ 1.08
Diluted weighted average shares outstanding	40,891	40,969	41,038	41,317	41,176	39,784	40,421	40,670	40,775	40,502