Q4 2017 Earnings Results

February 7, 2018

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THE PEOPLE COMPANY

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) our ability to attract and retain customers, (3) our ability to maintain profit margins, (4) new laws and regulations that could have a material effect on our operations or financial results, (5) our ability to successfully complete and integrate acquisitions (6) our ability to attract sufficient qualified candidates and employees to meet the needs of our customers, (7) our ability to successfully execute on new business strategies and initiatives such as the consolidation of our service lines and leveraging of mobile technology, and (8) uncertainty surrounding the interpretation and application of the recent 2017 Tax Cuts and Jobs Act and 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 reference 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 a complete perspective 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.

Q4 2017 Summary

Improving revenue trends

- Revenue -9% for the 13-week fiscal period or -2% on a comparable basis[1]
- Improving trends in all segments
- Double-digit growth for PeopleScout

Solid gross margin performance

- Eighth consecutive quarter of year-over-year gross margin expansion

Favorable future impact from tax reform

- Effective tax rate for 2018 and 2019 expected to be roughly 16%[2]

Return of capital

- $7 million of common stock repurchased in Q4 2017, $37 million for the year

The right strategic priorities to drive growth

- PeopleReady – Innovative mobile strategy and simplified brand structure
- PeopleManagement – Productivity solutions and e-commerce focus
- PeopleScout – #1 in market, new proprietary technology, attractive margin

[1] The fiscal fourth quarter of 2016 included a 14th week and two additional days from moving the week-ending date from Friday to Sunday. The comparable period in 2016 excludes the first week (ended Sept. 30) of the fourth quarter and the two additional days associated with the change in week-ending date.
[2] The lower effective tax rate could extend beyond 2019 if Congress extends the Work Opportunity Tax Credit (WOTC). If the WOTC is not extended, the effective tax rate is expected to return to the historical rate of roughly 28%.

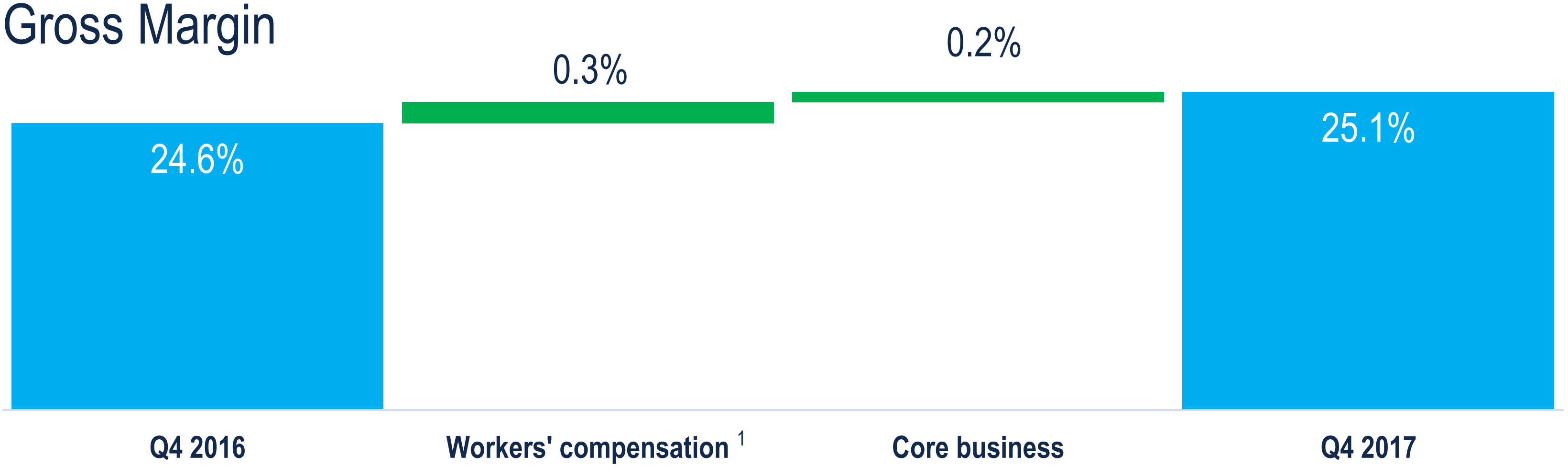
Financial Summary

Amounts in millions, except per share data	Q4 2017	Y/Y Change: Fiscal Period	Y/Y Change: Comparable	FY 2017	Y/Y Change: Fiscal Period	Y/Y Change: Comparable
Revenue	$670	-9% -8% Ex-Amazon[1]	-2% -1% Ex-Amazon[1]	$2,509	-9% 5% Ex-Amazon[1]	-7% -3% Ex-Amazon[1]
Net Income	$16.4	-9%	-2%	$55.5	N/A	N/A
Net Income Per Diluted Share	$0.40	-7%	1%	$1.34	N/A	N/A
Adjusted Net Income[2]	$21.0	-13%	-6%	$72.0	-18%	-17%
Adj. Net Income Per Diluted Share[2]	$0.51	-9%	-2%	$1.74	-17%	-16%
Adjusted EBITDA[2]	$35.6	-11%	-4%	$124.6	-15%	-14%
Adjusted EBITDA Margin	5.3%	-10 bps	-10 bps	5.0%	-40 bps	-40 bps

[1] Due to a previously announced reduction in the scope of services with Amazon, the company is providing results excluding this customer to help investors compare the company's underlying results with prior periods.
[2] 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.

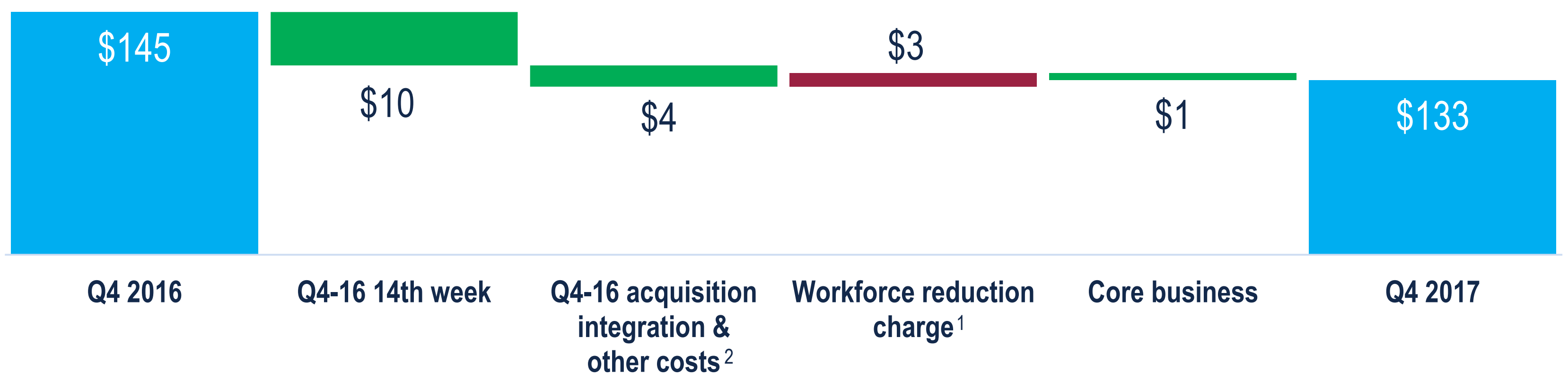
Gross Margin and SG&A Bridges

Gross Margin



Amounts in millions

SG&A



[1] These items are excluded from Adjusted Net Income and Adjusted EBITDA: a workforce reduction charge of $2.5 million associated with the PeopleReady business, offset by $2.3 million of workers' compensation benefit in cost of services.
[2] Q4-16 SG&A included an increase in the SIMOS earn-out of $1.3 million, costs associated with the exit from the Amazon delivery business of $0.8 million, and branch signage write-offs due to our re-branding to PeopleReady.

Results by Segment

Amounts in millions	PeopleReady		PeopleManagement		PeopleScout	
	Q4-17	FY-17	Q4-17	FY-17	Q4-17	FY-17
Revenue	$393	$1,511	$226	$807	$51	$190
Fiscal Period % Growth	*-9%*	*-7%*	*-12%* *(-10% ex-Amazon)*	*-14%* *(-2% ex-Amazon)*	*11%*	*5%*
Comparable % Growth	*-1%*	*-5%*	*-6%* *(-4% ex-Amazon)*	*-13%* *(Flat ex-Amazon)*	*15%*	*6%*
Adj. EBITDA	$21	$79	$8	$27	$10	$39
Fiscal Period % Growth	*-20%*	*-28%*	*-29%*	*-1%*	*56%*	*15%*
Comparable % Growth	*-11%*	*-26%*	*-25%*	*1%*	*55%*	*15%*
% Margin *Y/Y Change*	*5.4%* *-70 bps*	*5.2%* *-150 bps*	*3.7%* *-90 bps*	*3.4%* *40 bps*	*20.3%* *590 bps*	*20.7%* *170 bps*
Improving Q4 comparable revenue trends:	• -1% growth in Q4 v. -5% for Q3		• -6% growth in Q4 v. -9% for Q3		• 15% growth in Q4 v. 10% for Q3	
Additional Q4 Notes:	• Adj. EBITDA comparison impacted by size of workers' compensation benefit in Q4 2016 and higher contingent pay rates in Q4 2017		• Adj. EBITDA comparison impacted by favorable workers' compensation benefit in Q4 2016		• Double digit revenue growth driven by new customer wins • Recruiting process efficiencies driving higher Adjusted EBITDA margin	

Note: Figures may not sum to consolidated totals due to rounding.

Segment Strategy Highlights

peopleready — A TRUEBLUE COMPANY

- Worker component of JobStack™ mobile app fully deployed
- 1,600 customers on JobStack™ – placing orders, rating associates and entering hours
- Expect 10,000 customers to be actively using JobStack™ by the end of 2018

peoplemanagement — A TRUEBLUE COMPANY

- Productivity solutions enhance future growth prospects
  - Compelling value proposition
  - Differentiated service, attractive margin
  - Perfect fit with the growing world of e-commerce

peoplescout — A TRUEBLUE COMPANY

- Global RPO market experiencing double-digit growth
- Industry leading proprietary technology – recently launched Affinix™, a next-generation HR tool
- Attractive margin business with compelling value proposition

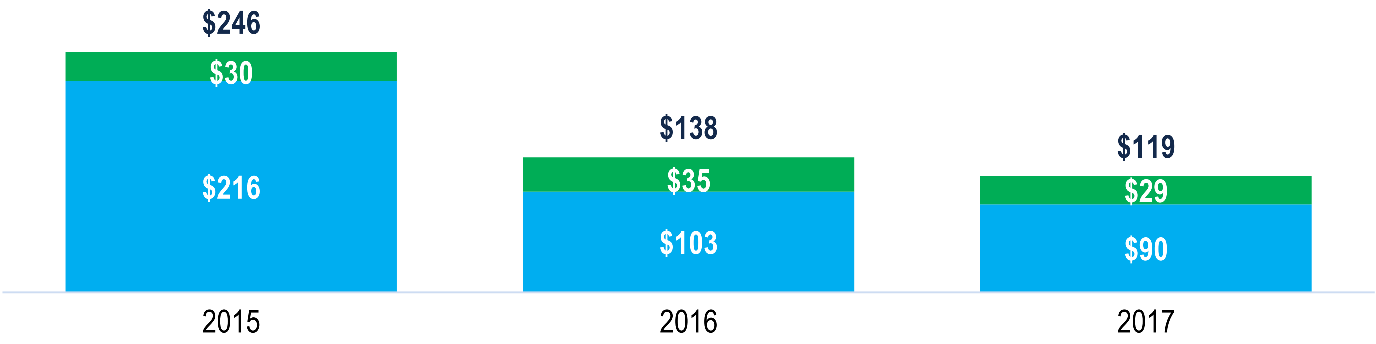
Cross-Selling: Leverage opportunities with key strategic accounts

Lower Debt and Ample Liquidity

Amounts in millions

Total Debt

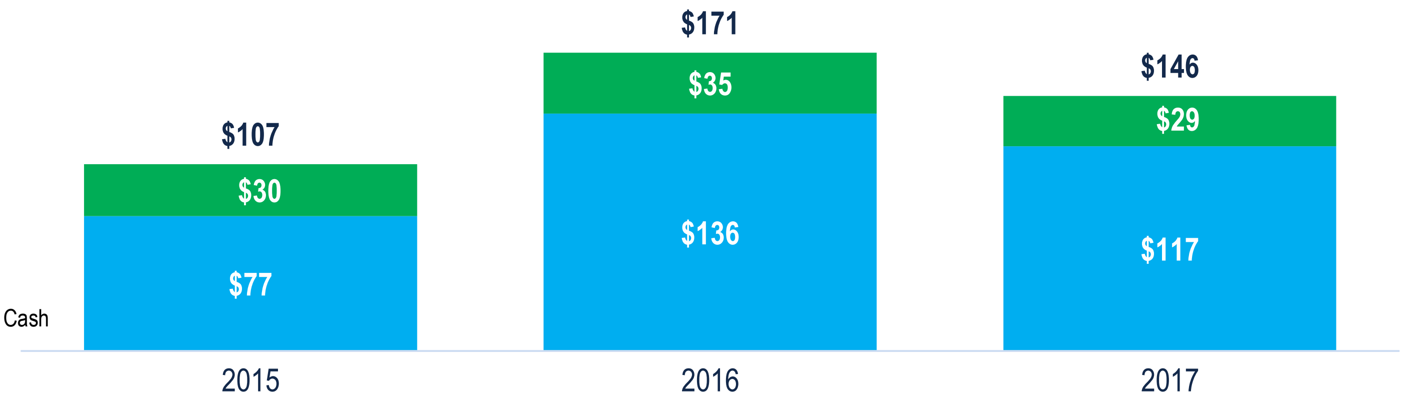
■ Net Debt ■ Cash



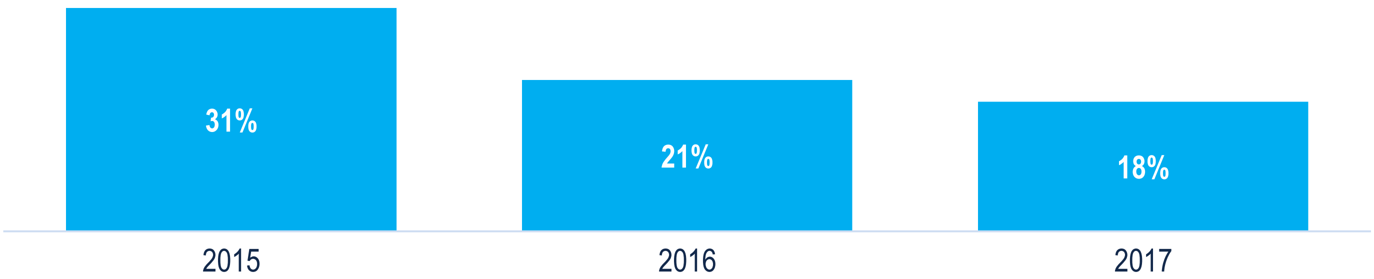
Amounts in millions

Liquidity

■ Borrowing Availability ■ Cash



Debt to Total Capital[1]



Note: Balances as of fiscal period end.

[1] Calculated as total debt divided by the sum of total debt plus shareholders' equity.

Outlook

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Q1 2018 Outlook

Amounts in millions, except per share data

Revenue	Outlook	% Growth	Notes
Total	$557 to $572	-2% to 1%	• Stable trends for PeopleReady and PeopleManagement • Continued double digit growth for PeopleScout; new revenue recognition standard will create a quarterly timing difference during 2018. Q1 negatively impacted by 3%
PeopleReady	$326 to $331	-2% to 0%	
PeopleManagement	$183 to $188	-5% to -2%	
PeopleScout	$48 to $53	10% to 20%	

Profitability & Capital Expenditures	Outlook	Notes
Net income per diluted share	$0.03 to $0.11	• Assumes an effective income tax rate of 16% • $1 million negative operating income impact from new revenue recognition standard in Q1; neutral impact on 2018 • $1-2 million of add-backs included in adjusted net income for financial system upgrades • Assumes diluted weighted average shares outstanding of 40.6 million
Adjusted net income per diluted share	$0.18 to $0.24	
Capital Expenditures	$5	

Appendix

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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) the effects of: - interest expense, - income taxes, and - depreciation and amortization. Adjusted EBITDA, further excludes the effects of: - acquisition/integration and other costs, - goodwill and intangible asset impairment charge, and - Work Opportunity Tax Credit third-party processing fees.	- 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 by excluding certain non-cash charges. - 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 the effects of: - acquisition/integration and other costs, - goodwill and intangible asset impairment charge, - amortization of intangibles of acquired businesses, as well as accretion expense related to acquisition earn-out, - tax effect of each adjustment to U.S. GAAP net income (loss), and - adjusted income taxes to the expected effective tax rate.	- 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 by excluding certain non-cash charges.

1. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME, PER DILUTED SHARE ON A FISCAL AND COMPARABLE PERIOD BASIS *(Unaudited)*

*(in thousands, except for per share data)**	Q4 2017 13 Weeks Ended Dec 31, 2017	Q4 2016 14 Weeks Ended Jan 1, 2017	Q4 2016 13-Week Comparable Period (6)	Q1 2018 Outlook 13 Weeks Ended Apr 1, 2018
Net income	**$ 16,427**	$ 18,087	$ 16,791	$ 1,300 — $ 4,600
Acquisition/integration and other costs (1)	**162**	4,002	4,002	2,000 — 1,000
Amortization of intangible assets of acquired businesses (3)	**5,331**	6,391	5,934	5,200
Tax effect of adjustments to net income (4)	**(1,538)**	(2,910)	(2,782)	(1,200) — (1,000)
Adjust income taxes to normalized effective rate (5)	**574**	(1,593)	(1,581)	—
Adjusted net income	**$ 20,956**	$ 23,977	$ 22,364	$ 7,300 — $ 9,800
Adjusted net income, per diluted share	**$ 0.51**	$ 0.56	$ 0.52	$ 0.18 — $ 0.24
Diluted weighted average shares outstanding	**40,856**	41,980	41,980	40,600

** Totals may not sum due to rounding*

*(in thousands, except for per share data)**	2017 52 Weeks Ended Dec 31, 2017	2016 53 Weeks Ended Jan 1, 2017	2016 52-Week Comparable Period (6)
Net income (loss)	**$ 55,456**	$ (15,251)	$ (16,547)
Acquisition/integration and other costs (1)	**162**	12,223	12,223
Goodwill and intangible asset impairment charge (2)	—	103,544	103,544
Amortization of intangible assets of acquired businesses (3)	**22,290**	27,069	26,612
Tax effect of adjustments to net income (4)	**(6,287)**	(39,994)	(39,866)
Adjust income taxes to normalized effective rate (5)	**380**	606	618
Adjusted net income	**$ 72,001**	$ 88,197	$ 86,584
Adjusted net income, per diluted share	**$ 1.74**	$ 2.10	$ 2.06
Diluted weighted average shares outstanding	**41,441**	41,968	41,968

** Totals may not sum due to rounding*

See the last slide of the appendix for footnotes.

2. RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA ON A FISCAL AND COMPARABLE PERIOD BASIS *(Unaudited)*

	Q4 2017	Q4 2016		Q1 2018 Outlook
*(in thousands)**	13 Weeks Ended Dec 31, 2017	14 Weeks Ended Jan 1, 2017	13-Week Comparable Period (6)	13 Weeks Ended Apr 1, 2018
Net income	**$ 16,427**	$ 18,087	$ 16,791	$ 1,300 — $ 4,600
Income tax expense	**7,185**	4,822	4,334	200 — 900
Interest and other income (expense), net	**24**	572	521	(200)
Depreciation and amortization	**11,465**	12,019	11,127	11,000
EBITDA	**35,101**	35,500	32,773	12,300 — 16,300
Acquisition/integration and other costs (1)	**162**	4,002	4,002	2,000 — 1,000
Work Opportunity Tax Credit processing fees (7)	**337**	276	276	200
Adjusted EBITDA	**$ 35,600**	$ 39,778	$ 37,051	$ 14,500 — $ 17,500

* Totals may not sum due to rounding

	2017	2016	
*(in thousands)**	52 Weeks Ended Dec 31, 2017	53 Weeks Ended Jan 1, 2017	52-Week Comparable Period (6)
Net income (loss)	**$ 55,456**	$ (15,251)	$ (16,547)
Income tax expense (benefit)	**22,094**	(5,089)	(5,577)
Interest and other income (expense), net	**14**	3,345	3,294
Depreciation and amortization	**46,115**	46,692	45,800
EBITDA	**123,679**	29,697	26,970
Acquisition/integration and other costs (1)	**162**	12,223	12,223
Goodwill and intangible asset impairment charge (2)	**—**	103,544	103,544
Work Opportunity Tax Credit processing fees (7)	**805**	1,858	1,858
Adjusted EBITDA	**$ 124,646**	$ 147,322	$ 144,595

* Totals may not sum due to rounding

See the last slide of the appendix for footnotes.

3. RECONCILIATION OF U.S. GAAP REVENUE TO REVENUE EXCLUDING THE COMPANY'S FORMER LARGEST CUSTOMER ON A FISCAL AND COMPARABLE PERIOD BASIS *(Unaudited)*

	Q4 2017	Q4 2016	
(in thousands)	13 Weeks Ended Dec 31, 2017	14 Weeks Ended Jan 1, 2017	13-Week Comparable Period (6)
Revenue from services	**$ 669,625**	$ 734,951	$ 680,709
Former largest customer revenue	**(24,052)**	(33,603)	(31,687)
Revenue excluding former largest customer	**$ 645,573**	$ 701,348	$ 649,022

	2017	2016	
(in thousands)	52 Weeks Ended Dec 31, 2017	53 Weeks Ended Jan 1, 2017	52-Week Comparable Period (6)
Revenue from services	**$ 2,508,771**	$ 2,750,640	$ 2,696,398
Former largest customer revenue	**(53,435)**	(171,164)	(169,248)
Revenue excluding former largest customer	**$ 2,455,336**	$ 2,579,476	$ 2,527,150

4. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOWS *(Unaudited)*

	2017	2016
(in thousands)	52 Weeks Ended Dec 31, 2017	53 Weeks Ended Jan 1, 2017
Net cash provided by operating activities	**$ 99,851**	$ 261,754
Capital expenditures	**(21,958)**	(29,042)
Free cash flows	**$ 77,893**	$ 232,712

See the last slide of the appendix for footnotes.

5. RECONCILIATION OF SEGMENT EBITDA TO ADJUSTED SEGMENT EBITDA ON A FISCAL AND COMPARABLE PERIOD BASIS
(Unaudited)

	Q4 2017			Q4 2016					
	13 Weeks Ended Dec 31, 2017			14 Weeks Ended Jan 1, 2017			13-Week Comparable Period (6)		
(in thousands)	PeopleReady	PeopleManagement	PeopleScout	PeopleReady	PeopleManagement	PeopleScout	PeopleReady	PeopleManagement	PeopleScout
Segment EBITDA (8)	**$ 20,924**	**$ 8,284**	**$ 10,161**	$ 26,072	$ 9,766	$ 6,589	$ 23,360	$ 9,162	$ 6,621
Acquisition/integration and other costs (1)	**(133)**	**173**	**122**	—	2,137	—	—	2,137	—
Work Opportunity Tax Credit processing fees (7)	**337**	**—**	**—**	276	—	—	276	—	—
Adjusted Segment EBITDA (8)	**$ 21,128**	**$ 8,457**	**$ 10,283**	$ 26,348	$ 11,903	$ 6,589	$ 23,636	$ 11,299	$ 6,621

	2017			2016					
	52 Weeks Ended Dec 31, 2017			53 Weeks Ended Jan 1, 2017			52-Week Comparable Period (6)		
(in thousands)	PeopleReady	PeopleManagement	PeopleScout	PeopleReady	PeopleManagement	PeopleScout	PeopleReady	PeopleManagement	PeopleScout
Segment EBITDA (8)	**$ 78,372**	**$ 27,043**	**$ 39,232**	$ 101,270	$ (60,452)	$ 19,116	$ 98,558	$ (61,056)	$ 19,148
Acquisition/integration and other costs (1)	**(133)**	**173**	**122**	1,660	3,909	—	1,660	3,909	—
Goodwill and intangible asset impairment charge (2)	**—**	**—**	**—**	4,275	84,100	15,169	4,275	84,100	15,169
Work Opportunity Tax Credit processing fees (7)	**805**	**—**	**—**	1,858	—	—	1,858	—	—
Adjusted Segment EBITDA (8)	**$ 79,044**	**$ 27,216**	**$ 39,354**	$ 109,063	$ 27,557	$ 34,285	$ 106,351	$ 26,953	$ 34,317

See the last slide of the appendix for footnotes.

Footnotes:

1. Other charges for the 13 weeks and 52 weeks ended Dec. 31, 2017, include a workforce reduction charge of $2.5 million primarily associated with employee reductions in the PeopleReady business, offset by $2.3 million of workers' compensation benefit. The workers' compensation benefit is associated with the favorable settlement of insurance coverage associated with a former insurance company and other items not considered part of our core operations. For the prior year periods, acquisition/integration costs related to the acquisition of the recruitment process outsourcing business of Aon Hewitt, which was completed on Jan. 4, 2016. In addition, other charges include costs associated with our exit from the Amazon delivery business of $1.8 million, and branch signage write-offs of $1.6 million due to our re-branding to PeopleReady in the fiscal third quarter of 2016. Other charges included in the Q1 2018 outlook primarily relate to cloud-based financial system upgrades.
2. The goodwill and intangible asset impairment charge in the prior year included the write-off of the CLP and Spartan reporting unit trade names/trademarks of $4.3 million due to our re-branding to PeopleReady during the fiscal third quarter of 2016, and $99.3 million of impairment charges recorded in the fiscal second quarter of 2016 relating to our Staff Management | SMX, hrX and PlaneTechs reporting units. Note, our PeopleScout and hrX service lines were combined during fiscal 2016 and now represent a single operating unit (PeopleScout).
3. Amortization of intangible assets of acquired businesses as well as accretion expense related to the SIMOS acquisition earn-out.
4. Total tax effect of each of the adjustments to U.S. GAAP net income (loss) per diluted share using the expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.
5. Adjusts the effective income tax rate to the expected rate of 28 percent for 2017 and 2016. We expect the tax rate to be 16 percent in Q1 2018 due to the enacted U.S. Tax Cuts and Job Act.
6. Our fiscal period ends on the Sunday closest to the last day of Dec. In fiscal years consisting of 53 weeks, the final quarter consists of 14 weeks, while in fiscal years consisting of 52 weeks, all quarters consist of 13 weeks. The 13-week comparable period represents the 13 weeks ended Jan. 1 2017. The 52-week comparable period represents the sum of the 13 weeks ended Jan. 1, 2017 and the 39 weeks ended Sept. 23, 2016.
7. 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 and reduce our income taxes.
8. Segment earnings before interest, taxes, depreciation and amortization ("Segment EBITDA") is a primary measure of segment performance. Segment EBITDA includes net sales to third parties, related cost of sales, selling, general and administrative expenses, and goodwill and intangible asset impairment charge directly attributable to the reportable segment together with certain allocated corporate general and administrative expenses. Segment EBITDA excludes unallocated corporate general and administrative expenses. Adjusted Segment EBITDA is a non-GAAP financial measure and further excludes acquisition/integration and other costs, goodwill and intangible asset impairment charge, and Work Opportunity Tax Credit third-party processing fees. Adjusted Segment EBITDA is a key measure used by management to assess performance and, in our opinion, enhances comparability and provides investors with useful insight into the underlying trends of the business. 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.