

Q4 2019 Earnings
February 2020

Forward-looking statements

This document contains forward-looking statements relating to our plans and expectations, all of which are subject to risks and uncertainties. Such statements are based on management's expectations and assumptions as of the date of this release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements including: (1) national and global economic conditions, (2) our ability to attract and retain clients, (3) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (4) our ability to maintain profit margins, (5) new laws and regulations that could affect our operations or financial results, (6) our ability to successfully complete and integrate acquisitions, (7) our ability to successfully execute on business strategies to further digitize our business model, and (8) 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 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.

Results and strategy overview

Managing costs in-line with revenue

Progress on digital strategy

Returning capital to shareholders

Q4 2019

- Total revenue -9% v. outlook of -10% to -6%
- Operating expense results were better than expected
- EPS in-line with company outlook: \$0.23 v. outlook of \$0.18 to \$0.28
- Adjusted EPS¹ in-line with company outlook: \$0.39 v. outlook of \$0.35 to \$0.45

- 875,000 shifts were filled via JobStack in Q4 2019, down from 877,000 in Q4 2018
- Digital fill rate² of 46% in Q4 2019, up from 41% in Q4 2018
- 87% worker adoption, up from 80% in Q4 2018

- \$8 million of stock repurchased in Q4 2019
- \$119 million remaining under existing authorizations
- Strong balance sheet: 6% debt to capital ratio and ample liquidity

FY 2019

- Total revenue -5% v. flat in 2018
- Revenue trends slowed over the course of the year as clients moderated contingent labor spend
- Total SG&A -5% v. prior year
- Disciplined approach to cost management while investing for growth

- Approximately 4 million shifts filled in 2019, or a job every nine seconds
- Ended the year with 21,300 clients using JobStack, up more than 50% from just one year ago
- PeopleScout's Affinix is helping clients improve time to fill, candidate flow and candidate satisfaction

- \$39 million of stock repurchased in 2019
- Over the last three years (2017-2019), \$110 million of capital returned to shareholders via share repurchases

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 Represents orders filled via JobStack v. all filled orders for Q4 2019 (calculation excludes unfilled orders).

Financial summary

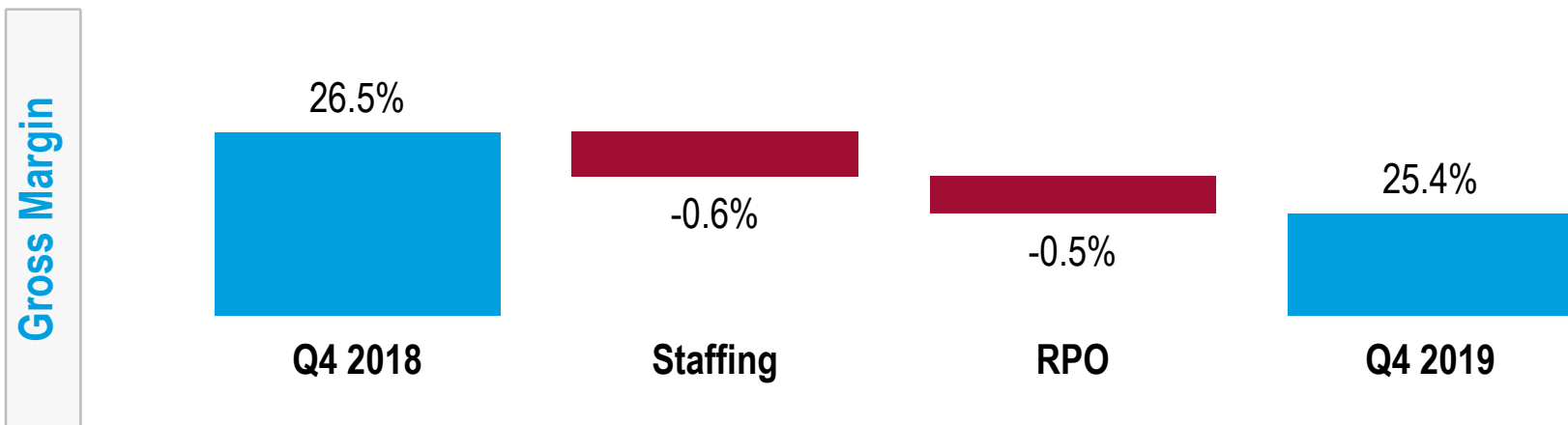
Amounts in millions, except per share data	Q4 2019	Change	FY 2019	Change
Revenue	\$591	-9%	\$2,369	-5%
Net Income	\$8.7	-41%	\$63.1	-4%
Net Income Per Diluted Share	\$0.23	-38%	\$1.61	-1%
Adjusted Net Income ¹	\$14.8	-39%	\$80.3	-13%
Adj. Net Income Per Diluted Share	\$0.39	-36%	\$2.05	-10%
Adjusted EBITDA ¹	\$21.0	-36%	\$110.7	-14%
Adjusted EBITDA Margin	3.5%	-150 bps	4.7%	-50 bps

Q4 2019 profitability decrease attributable to less revenue, prior year payroll tax benefits and previously disclosed headwinds.²

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² PeopleScout headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019. For Q4 2019, these clients represented a -13% combined Adjusted EBITDA growth headwind.

Gross margin and SG&A bridges



¹ Adjusted EBITDA further excludes from EBITDA Work Opportunity Tax Credit third-party processing fees, acquisition/integration costs and other costs. 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.

Q4 2019 results by segment

Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	\$365	\$171	\$55
% Growth	-9%	-7%	-18%
Segment Profit ¹	\$18	\$3	\$5
% Growth	-19%	-45%	-54%
% Margin	4.9%	1.6%	9.8%
Change	-60 bps	-110 bps	-770 bps
Notes:	<ul style="list-style-type: none"> ● Revenue was -9% v. -4% last quarter ● Declines were broad-based across multiple geographies and industries ● Revenue -15% in Dec., or -7% after adjustment for the Thanksgiving holiday shift 		
	<ul style="list-style-type: none"> ● Revenue was -7% v. -12% last quarter; improvement due to run-off of previously disclosed revenue headwinds² ● Profitability impacted by shorter peak holiday season ● The dollar volume of new business wins remains encouraging (up 21% for FY 2019) 		
	<ul style="list-style-type: none"> ● Revenue was -18% v. -9% last quarter ● Decline in revenue and profitability primarily from previously disclosed headwinds³ and softness in our UK business due to uncertainty associated with the Brexit vote 		

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 goodwill and intangible impairment charges, depreciation and amortization expense, unallocated corporate general and administrative expense, interest, other income and expense, income taxes, and other adjustments not considered to be ongoing.

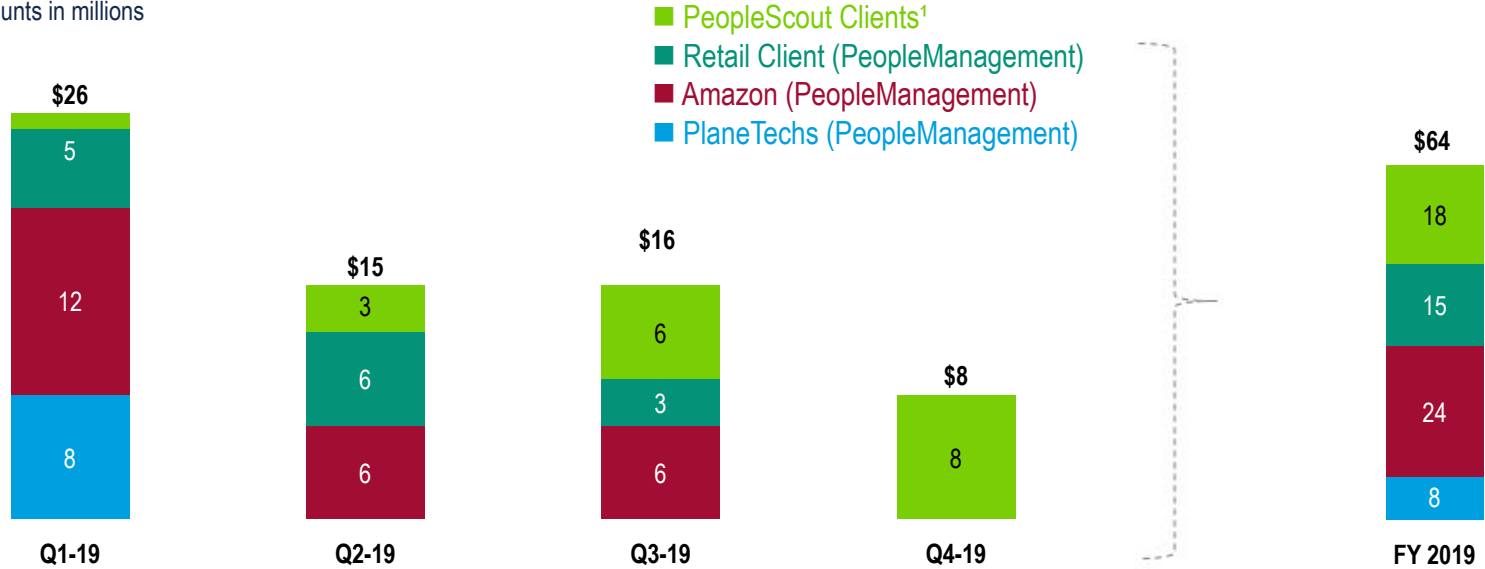
² PeopleManagement revenue headwinds from loss of Amazon Canadian business and volume / price reductions at another retail client. Total revenue growth headwind was negligible in Q4 2019 v. -5% in Q3 2019.

³ PeopleScout headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019 (-11% combined revenue growth headwind in Q4 2019 v. -9% in Q3 2019). Associated segment profit headwind of approximately \$4M (-37% combined segment profit growth headwind in Q4 2019).

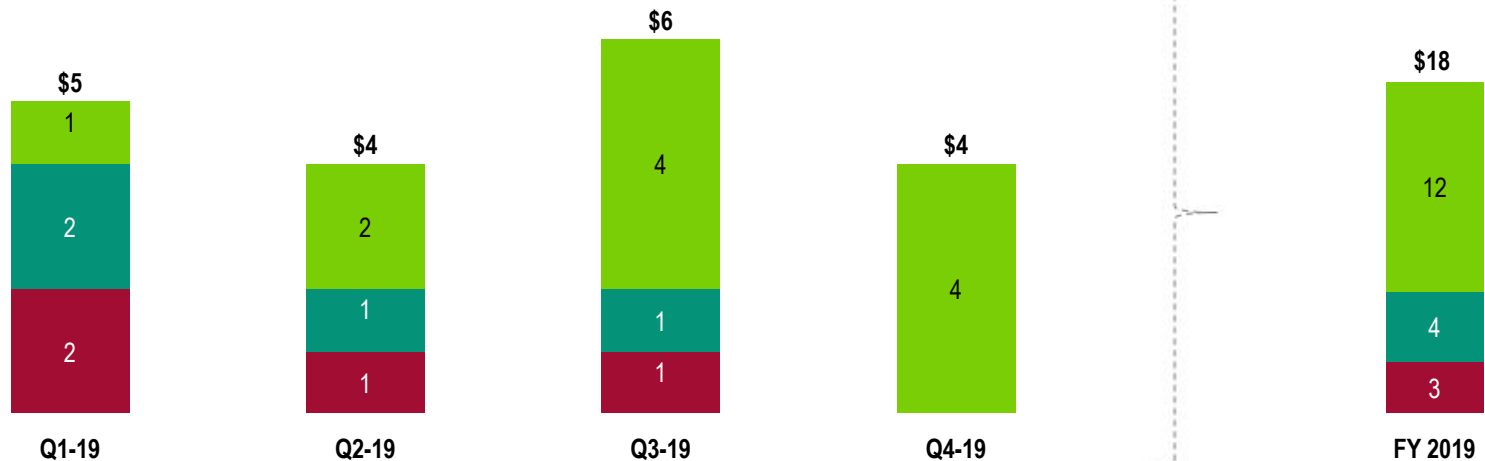
2019 headwind information

Amounts in millions

Revenue Headwinds



Segment Profit Headwinds



Note: Figures may not sum to consolidated totals due to rounding. Please see the outlook section of our Q4 2018 earnings presentation for additional background information.

¹ PeopleScout headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019.

Leading our business into a digital future



JobStack™







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

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

¹ Represents orders filled via JobStack v. all filled orders for Q4 of the given year (calculation excludes unfilled orders).

Industry-leading platform for sourcing, screening and delivering a permanent workforce

Before	Affinix	After
<ul style="list-style-type: none"> 30% applicant conversion rate² 	 Quick apply	<ul style="list-style-type: none"> 80%+ applicant conversion rate
<ul style="list-style-type: none"> Not mobile enabled 	 Mobile enabled	<ul style="list-style-type: none"> 50% of candidates apply with mobile
<ul style="list-style-type: none"> Limited passive sourcing 	 Efficient sourcing	<ul style="list-style-type: none"> 40 candidates sourced per job
<ul style="list-style-type: none"> >35 days to fill 	 Virtual screening	<ul style="list-style-type: none"> 25 days to fill

<https://www.peoplescout.com/affinix/>

Note: Figures represent average initial improvements experienced across a small portion of our client base that has been fully implemented on Affinix and tracks relevant statistics.

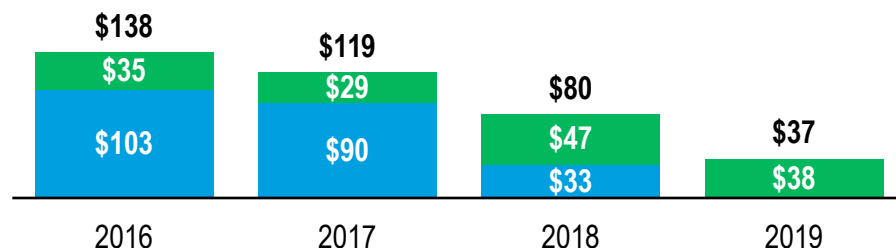
² Applicant conversion rate represents the number of completed applications over the number of applications initiated.

Strong balance sheet and return of capital

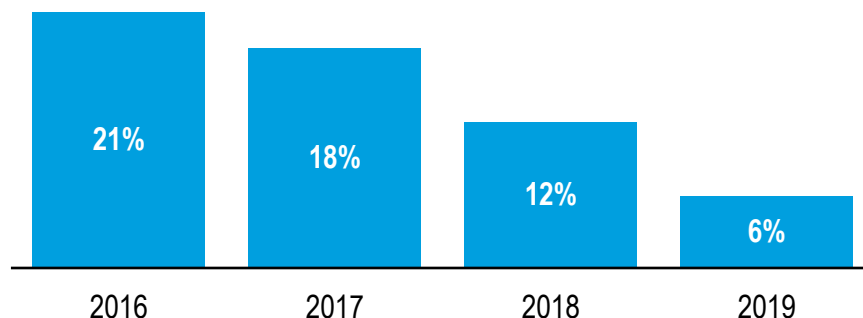
Total Debt

Amounts in millions

Net Debt Cash



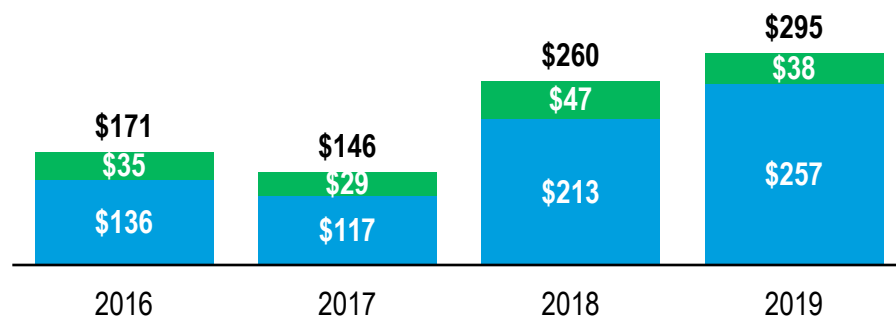
Debt to Total Capital¹



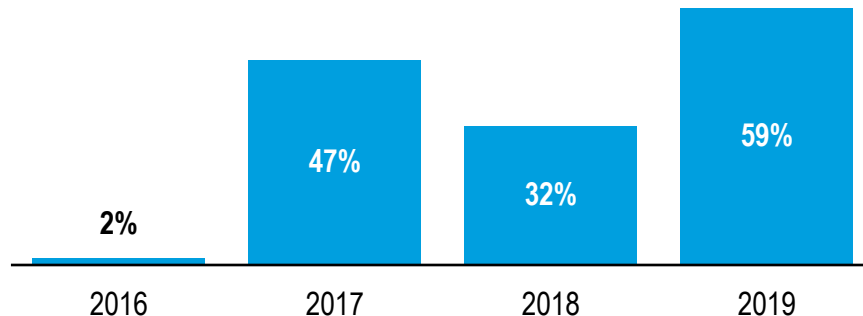
Liquidity

Amounts in millions

Borrowing Availability Cash



Share Repurchase % of Free Cash Flow²



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

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

² Free cash flow calculated as net cash provided by operating activities less capital expenditures. 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.

Outlook

Q1 outlook

Amounts in millions, except per share data

	Outlook	Notes
Revenue: Total TrueBlue ¹	\$503 to \$528 <i>-9% to -4% growth</i>	<ul style="list-style-type: none"> Incremental improvement v. Q4 2019 based on recent trends
Revenue: PeopleReady	\$303 to \$314 <i>-7% to -4% growth</i>	<ul style="list-style-type: none"> Incremental improvement v. Q4 2019 based on recent trends
Revenue: PeopleManagement	\$149 to \$158 <i>-5% to 0% growth</i>	<ul style="list-style-type: none"> Incremental improvement v. Q4 2019 based on new clients wins ramping on
Revenue: PeopleScout	\$50 to \$55 <i>-26% to -18% growth</i>	<ul style="list-style-type: none"> See detail on client headwinds below (\$5M revenue impact, or 8% growth impact)
Net loss per basic share	\$0.07 to \$0.00	<ul style="list-style-type: none"> Assumes an effective income tax rate of 12%
Adjusted net income per diluted share	\$0.04 to \$0.11	<ul style="list-style-type: none"> Assumes basic weighted average shares outstanding of 37.8M and diluted weighted average shares outstanding of 38.4M

Select 2020 outlook information

	Q1	Q2	Q3	Q4	
Capital Expenditures	\$5	\$7	\$12	\$13	<ul style="list-style-type: none"> 2020 capex in-line with historical run rate with the exception of \$10M in capex related to our Chicago headquarters. The lessor will subsidize the majority of the build-out, with offsetting cash flow expected in 2021. No material change to depreciation anticipated.
PeopleScout Client Headwinds	Q1	Q2	Q3	Q4	
Revenue Headwind	-\$5	-\$4	-\$2	\$0	<ul style="list-style-type: none"> As previously disclosed, PeopleScout headwind from one client lost after being acquired and less volume / lower margins on another large account. The first client had no order volume starting in Q2 2019 and the second client had no order volume in Q4 2019.
Segment Profit Headwind	-\$3	-\$2	-\$1	\$0	

¹ Figures may not sum to consolidated totals due to rounding.

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
<i>EBITDA and Adjusted EBITDA</i>	<p>EBITDA excludes from net income:</p> <ul style="list-style-type: none"> - interest and other income (expense), net, - income taxes, and - depreciation and amortization. <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> - Work Opportunity Tax Credit third-party processing fees, - acquisition/integration costs - gain on deferred compensation assets, and - other adjustments. 	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies. - Provides a measure, among others, used in the determination of incentive compensation for management.
<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"> - amortization of intangibles of acquired businesses, - acquisition/integration costs, - gain on divestiture, - other adjustments, - tax effect of each adjustment to U.S. GAAP net income, and - adjust income taxes to the expected effective tax rate. 	<ul style="list-style-type: none"> - Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. - Used by management to assess performance and effectiveness of our business strategies.
<i>Free cash flow</i>	<p>Net cash provided by operating activities, minus cash purchases for property and equipment.</p>	<ul style="list-style-type: none"> - Used by management to assess cash flows.

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

	Q4 2019	Q4 2018	Q1 2020 Outlook*
	13 Weeks Ended	13 Weeks Ended	13 Weeks Ended
<i>(in thousands, except for per share data)</i>	Dec 29, 2019	Dec 30, 2018	Mar 29, 2020
Net income (loss)	\$ 8,715	\$ 14,887	\$ (2,500) — \$ 100
Amortization of intangible assets of acquired businesses (2)	4,003	5,162	4,000
Acquisition/integration costs (3)	(50)	989	—
Other adjustments (4)	3,913	4,333	600
Tax effect of adjustments to net income (5)	(1,102)	(1,468)	(600)
Adjustment of income taxes to normalized effective rate (6)	(671)	357	—
Adjusted net income	\$ 14,808	\$ 24,260	\$ 1,500 — \$ 4,000

*Totals may not sum due to rounding

Adjusted net income, per diluted share	\$ 0.39	\$ 0.61	\$ 0.04 — \$ 0.11
Basic weighted average shares outstanding	37,843	39,528	37,800
Diluted weighted average shares outstanding	38,348	39,926	38,400

	2019	2018
	52 Weeks Ended	52 Weeks Ended
<i>(in thousands, except for per share data)</i>	Dec 29, 2019	Dec 30, 2018
Net income	\$ 63,073	\$ 65,754
Gain on divestiture (1)	—	(718)
Amortization of intangible assets of acquired businesses (2)	17,899	20,750
Acquisition/integration costs (3)	1,562	2,672
Other adjustments (4)	3,915	10,317
Tax effect of adjustments to net income (5)	(3,273)	(5,074)
Adjustment of income taxes to normalized effective rate (6)	(2,835)	(1,843)
Adjusted net income	\$ 80,341	\$ 91,858
Adjusted net income, per diluted share	\$ 2.05	\$ 2.28
Diluted weighted average shares outstanding	39,179	40,275

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

	Q4 2019	Q4 2018	Q1 2020 Outlook*
<i>(in thousands)</i>	13 Weeks Ended Dec 29, 2019	13 Weeks Ended Dec 30, 2018	13 Weeks Ended Mar 29, 2020
Net income (loss)	\$ 8,715	\$ 14,887	\$ (2,500) — \$ 100
Income tax expense	638	2,839	(300) — —
Interest and other (income) expense, net	(2,014)	(848)	(900)
Depreciation and amortization	9,021	10,272	9,000
EBITDA	16,360	27,150	5,200 — 8,200
Work Opportunity Tax Credit processing fees (7)	240	285	200
Acquisition/integration costs (3)	(50)	989	—
Gain on deferred compensation assets (8)	495	—	—
Other adjustments (4)	3,913	4,333	600
Adjusted EBITDA	\$ 20,958	\$ 32,757	\$ 6,000 — \$ 9,000

* Totals may not sum due to rounding

	2019	2018
<i>(in thousands)</i>	52 Weeks Ended Dec 29, 2019	52 Weeks Ended Dec 30, 2018
Net income	\$ 63,073	\$ 65,754
Income tax expense	6,971	9,909
Interest and other (income) expense, net	(3,865)	(1,744)
Depreciation and amortization	37,549	41,049
EBITDA	103,728	114,968
Work Opportunity Tax Credit processing fees (7)	960	985
Acquisition/integration costs (3)	1,562	2,672
Gain on deferred compensation assets (8)	495	—
Other adjustments (4)	3,915	10,317
Adjusted EBITDA	\$ 110,660	\$ 128,942

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

	2019	2018	2017	2016
	52 Weeks Ended	52 Weeks Ended	52 Weeks Ended	53 Weeks Ended
<i>(in thousands)</i>	Dec 29, 2019	Dec 30, 2018	Dec 31, 2017	Jan 1, 2017
Net cash provided by operating activities	\$ 94,542	\$ 125,692	\$ 100,134	\$ 260,703
Capital expenditures	(28,119)	(17,054)	(21,958)	(29,042)
Free cash flows	\$ 66,423	\$ 108,638	\$ 78,176	\$ 231,661

Footnotes:

1. Gain on the divestiture of our PlaneTechs business sold mid-March 2018.
2. Amortization of intangible assets of acquired businesses.
3. Acquisition/integration costs for the acquisition of TMP Holding LTD completed on June 12, 2018.
4. Other adjustments for the 13 weeks and 52 weeks ended December 29, 2019 primarily include implementation costs for cloud-based systems of \$0.6 million and \$3.2 million, respectively, workforce reduction costs primarily associated with employee reductions in the PeopleReady business of \$2.9 million and \$3.3 million, respectively and amortization of software as a service assets of \$0.5 million and \$1.6 million, respectively, which is reported in selling, general and administrative expense. These other cost adjustments for the 52 weeks ended December 29, 2019 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. Other adjustments for the 13 weeks and 52 weeks ended December 30, 2018 include implementation costs for cloud-based systems of \$2.2 million and \$6.7 million, respectively, and accelerated vesting of stock associated with the CEO transition of \$2.1 million and \$3.6 million, respectively. Other adjustments for the 13 weeks ended March 29, 2020 include implementation costs for cloud-based systems of \$0.3 million and amortization of software as a service assets of \$0.3 million.
5. Total tax effect of each of the adjustments to U.S. GAAP net income using the expected ongoing rate of 12 percent for 2020 and 14 percent for all other periods presented.
6. Adjustment of the effective income tax rate to the expected ongoing rate of 12 percent for 2020 and 14 percent for all other periods presented.
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.
8. Gain realized on sale of deferred compensation mutual funds to purchase corporate owned life insurance policies during the 13 weeks ended December 29, 2019.