

# TrueBlue Q1 2026 Financial Results

## Conference Call, May 5, 2026

### PREPARED REMARKS

#### INTRODUCTION

##### Operator

Greetings and welcome to the TrueBlue first quarter 2026 earnings Call. [Operator Instructions] As a reminder, this conference is being recorded.

At this time, I want to remind everyone that today's call and slide presentation contain forward-looking statements, all of which are subject to risks and uncertainties, and management assumes no obligation to update or revise any forward-looking statements. These risks and uncertainties, some of which are described in today's press release and SEC filings, could cause actual results to differ materially from those in the forward-looking statements.

Management uses non-GAAP measures when presenting financial results. You are encouraged to review the non-GAAP reconciliations in today's earnings release, or at [trueblue.com](http://trueblue.com) under the investor relations section, for a complete understanding of these terms, and their purpose.

Any comparisons made today are based on a comparison to the same period in the prior year, unless otherwise stated. Lastly, a copy of the Company's prepared remarks will be provided on TrueBlue's investor website at the conclusion of today's call, and a full transcript and audio replay will be available soon after the call.

It is now my pleasure to turn the call over to Taryn Owen, President and Chief Executive Officer.

#### OVERVIEW AND STRATEGY

##### Taryn Owen, President and Chief Executive Officer, TrueBlue:

Thank you, operator, and welcome everyone to today's call. I am joined by our Chief Financial Officer, Carl Schweih.

We entered this year focused on strengthening our sales reach, expanding in growing markets and leveraging our efficient operating structure to drive top-line growth with enhanced margin. We have made meaningful progress and have clear momentum underway, but we have more work to do to improve performance.

We delivered first quarter results toward the high end of expectations, driven by continued expansion in skilled verticals alongside stabilizing demand trends and disciplined operational execution to improve profitability.

Our revenue in the energy sector more than doubled this quarter as we continue to leverage our strong market position and expertise to capture demand in this growing market. There are an increasing number of secular growth drivers in the energy space, positioning us to capture further upside as we continue to expand into adjacent sub-sectors including those supporting data centers and energy storage facilities. In fact, addressing the power needs of data centers now represents approximately a third of our active energy projects.

The sustained growth of our commercial driver business also speaks to our success expanding in attractive end markets. Our team continues to outperform the broader market, delivering its ninth consecutive quarter of growth. We have strong client relationships and deep expertise in high-demand skilled sectors, positioning us to help address the structural labor shortages leading to rising demand in skilled roles and end-markets, with energy and commercial driving being just two examples.

We are also expanding our presence in the government vertical, most notably with our RPO and talent advisory solutions. We recently secured a nine-year engagement serving a law enforcement agency in the UK, further demonstrating our growth in the government sector alongside our previous UK armed forces win. We continue to diversify our business mix, building momentum to expand our market share and increase our revenue potential.

Healthcare remains yet another significant long-term market opportunity for us with strong secular growth drivers. We continue to strengthen our position in the U.S. healthcare market with new business wins across our brand portfolio and geographic expansion of our healthcare staffing business as we leverage the combined strength of our deep expertise, recruitment agility and sophisticated technology to expand in this under-penetrated market.

We are also making significant progress enhancing our sales function to accelerate growth and capture incremental demand. We continue to strategically increase our sales capacity within our on-demand territory-based structure to further extend our market reach. Expanding our sales function enables more targeted, localized sales strategy and deeper client engagement. Enhanced sales focus coupled with our improved operating model positions us well to drive scalable growth. This expanded sales capacity is already delivering clear results, with dedicated sales supported territories delivering stronger, sequential performance.

Our strategic partnership with a leading group purchasing organization is unlocking new client acquisition channels and fueling a robust pipeline that includes several multi-brand prospects. During the quarter, our teams secured roughly \$11 million in annualized new business through this strategic partnership. Greater enterprise alignment and collaboration is also building stronger partnerships across our brand portfolio, leading to more cross-selling opportunities. Our teams recently secured new business serving a global leader in health and medical devices with a tailored, multi-service solution, highlighting the combined power of our brands in offering a full spectrum of specialized, workforce solutions.

While strategically investing in sales, we have continued to lower our total operating costs through disciplined and effective cost management as well as enhanced operational efficiencies enabled through our portfolio of proprietary technology platforms. We continue to lead on the digital front with AI-powered features, predictive analytics and behavioral insights that enable us to connect people and work with speed, precision and scale. Advancing our digital ecosystem remains a priority, positioning us to deliver greater value to the customers and talent we serve with a differentiated experience and efficient solutions as we accelerate growth.

As we continue to advance our long-term growth strategy, we remain committed to delivering improved profitability and sustainable growth. While our strategic priorities are taking hold, driving improved results and positioning us well to capitalize on the growth opportunities ahead, we are not done yet. The staffing market has significant, untapped potential and we are confident our strategic focus on enhancing our sales model, expanding our share in attractive end-markets, and unlocking efficiencies with technology and operational excellence will not only

drive our improved performance in 2026, but also enable us to realize long-term, sustainable value for our shareholders.

I will now pass the call over to Carl, who will share further details around our financial results and outlook.

## FINANCIAL RESULTS AND OUTLOOK

### Carl Schweih, Executive Vice President and Chief Financial Officer, TrueBlue:

Thank you, Taryn.

Total revenue for the quarter was \$399 million, up 8% and near the high-end of our outlook range. Organic revenue increased 7% with our acquisition of HSP in January 2025 contributing 1 percentage point of inorganic growth year-over-year. Our skilled businesses continue to outperform the broader market, delivering double-digit growth for the fourth consecutive quarter, due in large part to our continued success capturing rising demand in the energy vertical. As demand for skilled trades remains strong, broader demand trends continue to stabilize, driving solid momentum as we advance our growth strategy.

Gross margin was 19.8% for the quarter, down from 23.3% in the prior year period as anticipated, primarily due to less favorability in prior year workers' comp reserve adjustments and changes in revenue mix. As you may recall, last year's gross margin benefited from a significant reduction in workers' compensation costs due to favorable development of prior year reserves. As expected, that degree of favorability did not repeat this year. For the revenue mix impact, this stems from outsized growth in PeopleReady energy work. As a reminder, energy work carries a lower gross margin than the general PeopleReady business due to pass-through travel costs involved. Outside of these costs, the underlying margin for energy work is consistent with other large PeopleReady accounts.

We successfully reduced SG&A by 8% even while revenue grew 8% for the quarter. This improved leverage demonstrates our commitment to effectively manage costs and deliver enhanced profitability. We have made significant progress, creating greater flexibility to scale and driving efficiencies that position us well to deliver strong, incremental margins as industry demand improves and we continue to advance our growth initiatives.

We reported a net loss of \$20 million this quarter, which included a non-cash goodwill impairment charge of \$4 million driven largely by our lower share price and market capitalization during the quarter. Our results also included a small amount of income tax expense primarily associated with our foreign operations and essentially zero income tax benefit on U.S. operations due to the valuation allowance in effect on our U.S. deferred tax assets. As a reminder, the impairment charge and valuation allowance have no impact on our operations or liquidity. Adjusted net loss was \$12 million, while adjusted EBITDA was -\$3 million for the quarter.

Now, let's turn to our segments.

PeopleReady grew 19%, driven by continued outperformance in the energy vertical. Revenue in the energy sector more than doubled for the third consecutive quarter as our team continues to leverage our strong market position and deep client relationships to capture share in this growing market. Our on-demand business is also showing improved trends, especially in the territories where we have invested in sales resources and we were encouraged to see the east

region of the U.S. return to growth this quarter. Despite the workers' compensation headwind I mentioned earlier, PeopleReady segment profit margin was up 10 basis points driven by targeted cost actions to deliver efficiencies and improved profitability.

PeopleManagement revenue declined 6% due to lower on-site volumes, primarily in the retail vertical and consistent with the macro conditions in that space. While client volumes declined for the quarter, we are building momentum having secured \$13 million in annualized new business wins during the first quarter alone and positioning the business well to drive revenue expansion. Our commercial driver business also continues to outperform, delivering its ninth consecutive quarter of growth as our strong client relationships and deep expertise drive continued success capturing rising demand. PeopleManagement's segment profit margin was up 50 basis points due to disciplined cost management actions to drive improved efficiencies and greater scalability.

PeopleSolutions revenue grew 2%, with HSP performing in line with expectations and driving the year-over-year growth. On an organic basis, PeopleSolutions declined 7% as overall hiring volumes remain subdued. While clients continue to navigate evolving market conditions, we are encouraged to see signs of stabilization with growing momentum in new business wins and expansions. We are adding new clients to our portfolio and expanding existing relationships, especially with higher skilled roles and serving growing end markets with long-term secular tailwinds. As clients' hiring volumes return, the scale of these engagements positions us well to accelerate growth. PeopleSolutions segment profit margin was up 150 basis points, primarily driven by cost actions to deliver efficiencies and greater operating leverage.

Now, let's turn to the balance sheet. We finished the quarter with \$24 million in cash, \$74 million of debt, and \$36 million unused on our borrowing base, resulting in total liquidity of \$60 million. Effective January 30th, we transitioned our revolving credit agreement to an asset-backed structure, creating greater flexibility given our strong working capital position. We also reduced the size of the facility to better align with our capital priorities, resulting in cost savings as we lowered the fees associated with the unused portion of the facility. We remain committed to managing a strong liquidity position and financial foundation to ensure we are well-positioned to capitalize on the growth opportunities ahead.

Looking ahead to the second quarter of '26, we expect revenue growth of 2 to 8 percent year-over-year as we continue to build on our success in recent quarters. With strong momentum in attractive markets, we expect growth across all of our skilled businesses and a return to double-digit segment profit margins for our PeopleSolutions segment. We expect sequential gross margin expansion of 130 to 170 basis points paired with continued cost discipline leading to improved profitability. Also keep in mind that we typically see our highest volumes in the second half of the year due to the seasonality of our business, so while we expect improved operating leverage in the second quarter, our lean cost structure will lead to further margin improvement as we move through 2026.

Additional information on our outlook can be found in our earnings presentation shared on our website today.

Before we open up the call for questions, I want to turn it back over to Taryn for some closing remarks.

## CLOSING PREPARED REMARKS

### Taryn Owen, President and Chief Executive Officer, TrueBlue:

Thank you, Carl.

And as you have heard from us today, our strategic focus is producing meaningful results and there is still more work to be done. We are executing our growth strategy with discipline and focus, strengthening our market position with an enhanced sales model and market expansion while unlocking efficiencies through technology and operational excellence to deliver sustainable, profitable growth. We have the right people, structure and strategy to propel TrueBlue forward and as our focused actions drive improved results, we are well-positioned to deliver on our commitment to accelerate growth, enhance shareholder value and advance our mission to connect people and work.

This concludes our prepared remarks. Operator, please open the call now for questions.