TrueBlue Q3 2026 Financial Results

Conference Call, November 4, 2026

PREPARED REMARKS

INTRODUCTION

Operator

Greetings and welcome to the TrueBlue third 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 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.

Joining today's call are Chief Executive Officer Taryn Owen, and Chief Financial Officer Carl Schweihs. It is now my pleasure to turn the call over to Taryn Owen.

OVERVIEW AND STRATEGY

Taryn Owen, President and Chief Executive Officer, TrueBlue:

Thank you, operator, and welcome everyone to today's call.

We outperformed in the third quarter, exceeding expectations for both revenue and profitability as our strategic focus on end market expansion continues to produce meaningful results. While recovery trends vary across verticals, geographies and services, we are seeing improvement in areas that are well aligned with our strategic positioning. We delivered our fifth consecutive quarter of top-line growth with increased operating leverage driven by strong execution in skilled verticals and continued growth in our core, on-demand business.

These results reflect the progress we've made in advancing our strategic priorities as we continue to expand in attractive markets, strengthen our sales model, and drive efficiency through technology and operational discipline to deliver long-term growth and margin expansion.

Our focus on higher-growth verticals continues to deliver positive results. We doubled our revenue in the energy sector this quarter, marking a sixth consecutive quarter of growth, while our commercial driver business grew for the eleventh consecutive quarter. This sustained growth is a testament to the strength of our market position and differentiated capabilities as we continue to capture demand in skilled verticals with powerful growth drivers. Structural labor

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shortages and growing secular forces, especially in the energy space, signal further growth potential, particularly as we expand in adjacent sub-sectors.

The government and healthcare verticals also represent attractive long-term growth opportunities. We are making notable strides in diversifying our revenue mix and expanding in end markets where demand is supported by ongoing labor needs. We continue to build momentum and strengthen our position in these target markets with our specialized expertise, recruitment agility and sophisticated technology.

Strengthening our sales function is a key component to our growth strategy, and we are seeing tangible results from our focus here. Trends have improved across our portfolio, most notably in our on-demand business where we have strategically invested in sales resources to expand our reach in priority markets. All operating regions for our on-demand business delivered growth this quarter — a clear reflection of the breadth and effectiveness of our investments in this area. This increased sales capacity enables more targeted, localized sales strategies and deeper client engagement. Our sharpened sales focus combined with our territory-based operating structure positions us well to drive further growth.

Enterprise-wide partnerships and cross-selling initiatives are allowing us to better leverage the full breadth and strength of our workforce solutions. This strategic focus unlocks new client channels and more opportunities to deepen and expand existing relationships. Our ability to deliver a broad range of solutions across our customer base with our multi-brand platform serves as a practical growth advantage as we continue to strengthen our sales model and capture demand.

Our proprietary technology platforms enable us to extend our reach while driving operational efficiencies. Continuing our digital transformation remains a priority to deepen engagement and support scalable growth. We are elevating the capabilities of our digital ecosystem to deliver smarter and more personalized solutions for our customers and talent, while improving operational leverage as we accelerate growth.

As we advance our strategic priorities to grow the top-line, our cost discipline and focus on operational excellence are delivering improved bottom-line results. During the quarter, we reduced total operating costs as revenue grew double-digits, and all three segments delivered increased profitability with expanded margins. Our efforts to manage costs, drive efficiencies and leverage technology to scale are producing results and position us for further margin expansion as we continue to execute on our growth strategies.

Our results this quarter underscore the progress we are making against our strategic priorities and the momentum building as our strategy takes hold. Our continued focus on enhancing our sales model, expanding our share in attractive end-markets, and unlocking efficiencies with technology and operational excellence underpins our commitment to realizing long-term value for our shareholders. We are encouraged by our early progress and know that realizing the full potential of our initiatives will require continued financial and operational discipline. We are not yet satisfied — there is more work to do, and we are confident our strategy positions us well to capitalize on the opportunities ahead.

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

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FINANCIAL RESULTS AND OUTLOOK

Carl Schweihs, Executive Vice President and Chief Financial Officer, TrueBlue:

Thank you, Taryn.

Total revenue for the quarter was $521 million, up 21% and exceeding the high-end of our outlook range as our skilled businesses outperformed expectations with strong demand in the energy vertical driving high double-digit growth for the quarter. As our teams continue to capitalize on high-demand in skilled verticals, we are encouraged to see broader demand trends stabilizing and our strategic sales focus taking hold. In fact, all three segments reported growth for the quarter, reflecting solid momentum as we close out the year.

Gross margin was 20.5% for the quarter compared to 22.7% in the prior year period, primarily due to the anticipated changes in revenue mix with outsized growth in attractive PeopleReady energy work. As a reminder, the underlying margin for energy work is consistent with other large PeopleReady accounts but the pass-through travel costs result in lower reported gross margin. From a dollars perspective, this outsized growth is driving favorable results with total gross profit for the quarter up $9 million.

We successfully reduced SG&A by 3% while driving revenue growth of 21% for the quarter. This improved operating leverage demonstrates our operational discipline and commitment to delivering enhanced profitability. We have made significant progress and continue to effectively manage costs, drive efficiencies, and create greater flexibility to scale, positioning us well to deliver strong, incremental margins as we continue to advance our growth strategy.

We reported net income of $9 million this quarter, compared to a net loss of $2 million in the prior year driven by strong revenue growth and improved operating leverage we've discussed. Adjusted net income was $11 million up from $1 million in the prior year, and adjusted EBITDA was $21 million for the quarter, up from $11 million in the prior year.

Now, let's turn to our segments.

PeopleReady revenue grew 34%, largely driven by the outperformance in our energy vertical. Revenue in the energy sector doubled this quarter as our team continues to leverage our strong market position and deep client relationships to capture demand in this high-growth market. Overall demand in skilled verticals has continued to rise but as a reminder, the timing of energy work can fluctuate so we expect some of the larger project volumes in the quarter to normalize as we close out the year. While we continue to outperform in skilled markets, trends are also improving in our on-demand business, which grew for the second consecutive quarter as we continue to increase our sales capacity and expand our reach. As Taryn mentioned, we saw growth across all of our on-demand operating regions and we continue to see the strongest results in our local business where we've invested in resources to strengthen our sales model. PeopleReady segment profit more than doubled this quarter, with margin up 270 basis points driven by targeted cost actions and improved operating leverage as revenue increased.

PeopleManagement revenue grew 2% with continued growth in commercial driving services partially offset by lower on-site volumes. Our commercial driver business delivered its eleventh consecutive quarter of growth, leveraging strong client relationships and deep expertise to capture share. While on-site client volumes declined for the quarter, momentum is building with over $50 million in annualized new business won in Q3 alone. These wins, combined with increasing order volumes from our commercial driving clients, position us well for further growth

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as we close out the year and head into 2027. PeopleManagement segment profit margin was up 100 basis points due to disciplined cost management actions that drove improved efficiencies and greater scalability.

PeopleSolutions revenue grew 1% as demand trends continue to stabilize. While broader market conditions continued to curb hiring volumes, trends improved each month with a return to growth in September. Our continued success in new business wins and customer expansions positions us well to accelerate growth as clients' hiring volumes return. PeopleSolutions segment profit margin was up 60 basis points driven by deliberate cost actions to deliver efficiencies and improved profitability.

Now, let's turn to our balance sheet. We finished the quarter with $20 million in cash, $102 million of debt, and $66 million of unused borrowing capacity, resulting in total liquidity of $86 million. During the quarter, stronger than anticipated revenue growth drove an increase in working capital of $35 million while our expanded profitability led to an improved leverage ratio, demonstrating the strength of our operating model in driving financial flexibility. We expect to return to free cash flow positive as working capital normalizes and we maintain our cost discipline, selectively investing where we see the greatest opportunity to drive growth. With our strong liquidity position and financial foundation, we are well-positioned to capitalize on the growth opportunities ahead.

Looking ahead to the fourth quarter, we expect revenue growth of 20 to 24 percent year-over-year with improved trends across all three segments as we continue to build momentum and execute on our strategic initiatives. We expect steady sequential gross margin and effective cost management to continue driving improved year-over-year profitability.

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.

As you've heard today, we're making meaningful progress against our strategic priorities, and that progress is translating into results. We are strengthening our sales model, expanding in markets where we see the greatest potential, and using technology and operational discipline to become more efficient and effective. These efforts are helping us strengthen our value proposition, deliver profitable growth, and create long-term value for our shareholders. We are confident in our strategy, energized by our momentum, and encouraged by the opportunities ahead as we maintain our strategic focus and advance our mission to connect people and work.

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

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