

November 4, 2024



TrueBlue Reports Third Quarter 2024 Results

TACOMA, Wash.--(BUSINESS WIRE)-- TrueBlue (NYSE:TBI) today announced its third quarter results for 2024.

Third Quarter 2024 Financial Highlights

- Revenue of \$382 million compared to \$473 million in the prior year period
- Net loss of \$8 million compared to net loss of \$0 million in the prior year period
 - SG&A expense reduced by 17 percent to \$100 million compared to \$121 million in the prior year period
 - Adjusted EBITDA¹ of \$5 million compared to \$10 million in the prior year period
- Zero debt, cash of \$15 million and \$133 million of borrowing availability at period end
- \$4 million in share repurchases with \$34 million remaining under authorization

Commentary

“As expected, market conditions remained challenging but we continue to manage through the cycle with the discipline and agility needed to ensure we are even better positioned as conditions improve,” said Taryn Owen, President and CEO of TrueBlue. “Given the labor dynamics at play, we are focused on the areas we can control. Our teams are staying highly engaged with clients and we are scaling our operating structure to align with current market demand while ensuring we are ready to capitalize as customer volumes return.”

“We continue to leverage our deep expertise and expansive service offerings to address clients’ immediate and evolving needs and we remain committed to advancing our strategic priorities to capture market share and enhance our long-term profitability,” continued Ms. Owen. “We made significant progress during the quarter accelerating our digital transformation, expanding our presence in attractive end markets and simplifying our organizational structure. These strategic priorities allow us to better leverage our inherent strengths and position us for even stronger growth and profitability when industry demand rebounds.”

Results

Third quarter revenue was \$382 million, a decrease of 19 percent compared to revenue of \$473 million in the third quarter of 2023. Net loss per diluted share was \$0.26 compared to net loss per diluted share of \$0.00 in the prior year period. Adjusted net loss¹ per diluted share was \$0.11 compared to adjusted net income per diluted share of \$0.16 in the prior year period.

2024 Outlook

TrueBlue is providing certain forward-looking information to help investors form their own estimates, which can be found in the quarterly earnings presentation filed today.

Management will discuss third quarter 2024 results on a webcast at 2:00 p.m. PT (5:00 p.m. ET), today, Monday, **Nov. 4, 2024**.

The quarterly earnings presentation and webcast can be accessed on the Investor Relations section of the TrueBlue website: investor.trueblue.com.

About TrueBlue

TrueBlue (NYSE: TBI) is a leading provider of specialized workforce solutions that help clients achieve business growth and improve productivity. In 2023, TrueBlue served approximately 67,000 clients and connected approximately 464,000 people with work. Its PeopleReady segment offers on-demand, industrial staffing, PeopleScout offers recruitment process outsourcing (RPO) and managed service provider (MSP) solutions, and PeopleManagement offers contingent, on-site industrial staffing and commercial driver services. Learn more at www.trueblue.com.

¹ Refer to the financial statements accompanying this release for more information regarding non-GAAP terms.

Forward-looking statements and non-GAAP financial measures

This document contains forward-looking statements relating to our plans and expectations including, without limitation, statements regarding the future performance and operations of our business, expectations regarding stabilization in demand, and expected growth from our digital investments, 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, which can be negatively impacted by factors such as rising interest rates, inflation, political instability, epidemics and global trade uncertainty, (2) our ability to maintain profit margins, (3) our ability to successfully execute on business strategies and further digitalize our business model, (4) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (5) our ability to attract and retain clients, (6) our ability to access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, (7) new laws, regulations, and government incentives that could affect our operations or financial results, (8) any reduction or change in tax credits we utilize, including the Work Opportunity Tax Credit, and (9) the timing and amount of common stock repurchases, if any, which will be determined at management's discretion and depend upon several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities. Other information regarding factors that could affect our results is included in our Securities and 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 references 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 U.S. GAAP and non-GAAP financial measures in the appendix to this document 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.

TRUEBLUE, INC.
SUMMARY CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| <i>(in thousands, except per share data)</i> | 13 weeks ended | | 39 weeks ended | |
|---|-------------------|----------------|---------------------|--------------------|
| | Sep 29, 2024 | Sep 24, 2023 | Sep 29, 2024 | Sep 24, 2023 |
| Revenue from services | \$ 382,357 | \$ 473,196 | \$ 1,181,440 | \$ 1,414,072 |
| Cost of services | 282,320 | 349,023 | 877,594 | 1,036,295 |
| Gross profit | 100,037 | 124,173 | 303,846 | 377,777 |
| Selling, general and administrative expense | 99,973 | 120,715 | 303,928 | 364,642 |
| Depreciation and amortization | 6,967 | 6,184 | 22,616 | 18,875 |
| Goodwill and intangible asset impairment charge | — | — | 59,674 | 9,485 |
| Loss from operations | (6,903) | (2,726) | (82,372) | (15,225) |
| Interest and other income (expense), net | 521 | 390 | 3,861 | 1,982 |
| Loss before tax expense (benefit) | (6,382) | (2,336) | (78,511) | (13,243) |
| Income tax expense (benefit) | 1,253 | (2,326) | 35,532 | (1,621) |
| Net loss | \$ (7,635) | \$ (10) | \$ (114,043) | \$ (11,622) |
| Net loss per common share: | | | | |
| Basic | \$ (0.26) | \$ 0.00 | \$ (3.75) | \$ (0.37) |
| Diluted | \$ (0.26) | \$ 0.00 | \$ (3.75) | \$ (0.37) |
| Weighted average shares outstanding: | | | | |
| Basic | 29,704 | 30,932 | 30,384 | 31,397 |
| Diluted | 29,704 | 30,932 | 30,384 | 31,397 |

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited)

| <i>(in thousands)</i> | Sep 29, 2024 | Dec 31, 2023 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 14,505 | \$ 61,885 |
| Accounts receivable, net | 225,376 | 252,538 |
| Other current assets | 45,419 | 40,570 |
| Total current assets | 285,300 | 354,993 |
| Property and equipment, net | 91,078 | 104,906 |
| Restricted cash, cash equivalents and investments | 180,124 | 192,985 |
| Goodwill and intangible assets, net | 31,713 | 94,639 |
| Other assets, net | 114,161 | 151,860 |
| Total assets | \$ 702,376 | \$ 899,383 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|--|-------------------|-------------------|
| Accounts payable and other accrued expenses | \$ 35,770 | \$ 56,401 |
| Accrued wages and benefits | 64,888 | 80,120 |
| Current portion of workers' compensation claims reserve | 36,971 | 44,866 |
| Other current liabilities | 16,952 | 22,712 |
| Total current liabilities | 154,581 | 204,099 |
| Workers' compensation claims reserve, less current portion | 129,475 | 151,649 |
| Other long-term liabilities | 91,168 | 85,762 |
| Total liabilities | 375,224 | 441,510 |
| Shareholders' equity | 327,152 | 457,873 |
| Total liabilities and shareholders' equity | \$ 702,376 | \$ 899,383 |

TRUEBLUE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| <i>(in thousands)</i> | 39 weeks ended | |
|--|------------------|------------------|
| | Sep 29, 2024 | Sep 24, 2023 |
| Cash flows from operating activities: | | |
| Net loss | \$ (114,043) | \$ (11,622) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization | 22,616 | 18,875 |
| Goodwill and intangible asset impairment charge | 59,674 | 9,485 |
| Provision for credit losses | 1,577 | 3,254 |
| Stock-based compensation | 5,676 | 10,219 |
| Deferred income taxes | 34,694 | (3,344) |
| Non-cash lease expense | 9,145 | 9,449 |
| Other operating activities | (5,052) | (1,661) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 25,802 | 34,790 |
| Income taxes receivable and payable | 219 | (3,001) |
| Other assets | 8,719 | 26,795 |
| Accounts payable and other accrued expenses | (18,771) | (26,879) |
| Accrued wages and benefits | (15,640) | (5,156) |
| Workers' compensation claims reserve | (30,069) | (33,558) |
| Operating lease liabilities | (9,236) | (9,498) |
| Other liabilities | 1,500 | 1,421 |
| Net cash (used in) provided by operating activities | (23,189) | 19,569 |
| Cash flows from investing activities: | | |
| Capital expenditures | (18,874) | (23,095) |
| Proceeds from business divestiture, net | 2,928 | — |
| Payments for company-owned life insurance | (4,000) | (2,347) |
| Proceeds from company-owned life insurance | — | 1,662 |
| Purchases of restricted held-to-maturity investments | (10,180) | (26,894) |
| Maturities of restricted held-to-maturity investments | 28,688 | 24,118 |
| Net cash used in investing activities | (1,438) | (26,556) |
| Cash flows from financing activities: | | |
| Purchases and retirement of common stock | (21,301) | (34,178) |
| Net proceeds from employee stock purchase plans | 564 | 704 |
| Common stock repurchases for taxes upon vesting of restricted stock | (2,221) | (3,759) |
| Other | (1,807) | (96) |
| Net cash used in financing activities | (24,765) | (37,329) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents | (638) | (757) |
| Net change in cash, cash equivalents, and restricted cash and cash equivalents | (50,030) | (45,073) |
| Cash, cash equivalents and restricted cash and cash equivalents, beginning of period | 99,306 | 135,631 |
| Cash, cash equivalents and restricted cash and cash equivalents, end of period | \$ 49,276 | \$ 90,558 |

TRUEBLUE, INC.

SEGMENT DATA
(Unaudited)

| (in thousands) | 13 weeks ended | |
|--|-------------------|-------------------|
| | Sep 29, 2024 | Sep 24, 2023 |
| Revenue from services: | | |
| PeopleReady | \$ 214,792 | \$ 283,187 |
| PeopleScout | 36,713 | 52,944 |
| PeopleManagement | 130,852 | 137,065 |
| Total company | \$ 382,357 | \$ 473,196 |
| Segment profit (1): | | |
| PeopleReady | \$ 3,043 | \$ 9,656 |
| PeopleScout | 2,542 | 6,272 |
| PeopleManagement | 3,278 | 2,134 |
| Total segment profit | 8,863 | 18,062 |
| Corporate unallocated expense | (4,184) | (8,122) |
| Total company Adjusted EBITDA (2) | 4,679 | 9,940 |
| Third-party processing fees for hiring tax credits (3) | 30 | (90) |
| Amortization of software as a service assets (4) | (1,615) | (1,064) |
| PeopleReady technology upgrade costs (5) | (65) | (696) |
| COVID-19 government subsidies, net | — | (525) |
| Executive leadership transition costs | — | (2,492) |
| Other adjustments, net (6) | (2,965) | (1,615) |
| EBITDA (2) | 64 | 3,458 |
| Depreciation and amortization | (6,967) | (6,184) |
| Interest and other income (expense), net | 521 | 390 |
| Loss before tax (expense) benefit | (6,382) | (2,336) |
| Income tax (expense) benefit | (1,253) | 2,326 |
| Net loss | \$ (7,635) | \$ (10) |

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

(2) See the Non-GAAP Financial Measures table on the next page for definitions of EBITDA and Adjusted EBITDA.

(3) These third-party processing fees are associated with generating hiring tax credits.

(4) Amortization of software as a service assets is reported in selling, general and administrative expense.

(5) Costs associated with upgrading legacy PeopleReady technology.

(6) Other adjustments for the 13 weeks ended September 29, 2024 and September 24, 2023 primarily include workforce reduction costs of \$2.8 million (\$0.2 million in cost of services and \$2.6 million in selling, general and administrative expense) and \$1.5 million (\$0.8 million in cost of services and \$0.7 million in selling, general and administrative expense), respectively.

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 |
|--|--|--|
| Adjusted net income (loss) and Adjusted net income (loss) per diluted share | Net loss and net loss per diluted share, excluding: – gain on divestiture, – amortization of intangibles, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, net, – Executive leadership transition costs, – other adjustments, net, and – tax effect of the adjustments and deferred tax asset valuation allowance. | – 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. |
| EBITDA and Adjusted EBITDA | EBITDA excludes from net loss: – income tax expense (benefit), – interest and other (income) expense, net, and – depreciation and amortization. Adjusted EBITDA further excludes: – third-party processing fees for hiring tax credits, – amortization of software as a service assets, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, net, – Executive leadership transition costs, and – other adjustments, net. | – 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. |
| Adjusted SG&A expense | Selling, general and administrative expense excluding: – third-party processing fees for hiring tax credits, – amortization of software as a service assets, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, net, – Executive leadership transition costs, and – other adjustments, net. | – Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. |

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

| (in thousands, except for per share data) | 13 weeks ended | |
|--|-------------------|-----------------|
| | Sep 29, 2024 | Sep 24, 2023 |
| Net loss | \$ (7,635) | \$ (10) |
| Gain on divestiture | 29 | — |
| Amortization of intangible assets | 672 | 1,276 |
| PeopleReady technology upgrade costs (1) | 65 | 696 |
| COVID-19 government subsidies, net | — | 525 |
| Executive leadership transition costs | — | 2,492 |
| Other adjustments, net (2) | 2,965 | 1,615 |
| Tax effect of adjustments and deferred tax asset valuation allowance (3) | 573 | (1,717) |
| Adjusted net income (loss) | \$ (3,331) | \$ 4,877 |
| Adjusted net income (loss) per diluted share | \$ (0.11) | \$ 0.16 |

| | | |
|--|---------------|---------------|
| Diluted weighted average shares outstanding | 29,704 | 31,239 |
| Margin / % of revenue: | | |
| Net loss | (2.0) % | — % |
| Adjusted net income (loss) | (0.9) % | 1.0 % |

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

| (in thousands) | 13 weeks ended | |
|--|-----------------|-----------------|
| | Sep 29, 2024 | Sep 24, 2023 |
| Net loss | \$ (7,635) | \$ (10) |
| Income tax expense (benefit) | 1,253 | (2,326) |
| Interest and other (income) expense, net | (521) | (390) |
| Depreciation and amortization | 6,967 | 6,184 |
| EBITDA | 64 | 3,458 |
| Third-party processing fees for hiring tax credits (4) | (30) | 90 |
| Amortization of software as a service assets (5) | 1,615 | 1,064 |
| PeopleReady technology upgrade costs (1) | 65 | 696 |
| COVID-19 government subsidies, net | — | 525 |
| Executive leadership transition costs | — | 2,492 |
| Other adjustments, net (2) | 2,965 | 1,615 |
| Adjusted EBITDA | \$ 4,679 | \$ 9,940 |

| | | |
|-------------------------------|---------|-------|
| Margin / % of revenue: | | |
| Net loss | (2.0) % | — % |
| Adjusted EBITDA | 1.2 % | 2.1 % |

3. RECONCILIATION OF U.S. GAAP SELLING, GENERAL AND ADMINISTRATIVE EXPENSE TO ADJUSTED SG&A EXPENSE (Unaudited)

| (in thousands) | 13 weeks ended | |
|--|------------------|-------------------|
| | Sep 29, 2024 | Sep 24, 2023 |
| Selling, general and administrative expense | \$ 99,973 | \$ 120,715 |
| Third-party processing fees for hiring tax credits (4) | 30 | (90) |
| Amortization of software as a service assets (5) | (1,615) | (1,064) |
| PeopleReady technology upgrade costs (1) | (65) | (696) |
| COVID-19 government subsidies, net | — | (525) |
| Executive leadership transition costs | — | (2,492) |
| Other adjustments, net (2) | (2,757) | (795) |
| Adjusted SG&A expense | \$ 95,566 | \$ 115,053 |

| | | |
|---|--------|--------|
| % of revenue: | | |
| Selling, general and administrative expense | 26.1 % | 25.5 % |
| Adjusted SG&A expense | 25.0 % | 24.3 % |

(1) Costs associated with upgrading legacy PeopleReady technology.

(2) Other adjustments for the 13 weeks ended September 29, 2024 and September 24, 2023 primarily include workforce reduction costs of \$2.8 million (\$0.2 million in cost of services and \$2.6 million in selling, general and administrative expense) and \$1.5 million (\$0.8 million in cost of services and \$0.7 million in selling, general and administrative expense), respectively.

(3) The tax effect includes the application of our statutory rate of 26% to all taxable /

deductible adjustments. For the thirteen weeks ended September 29, 2024, there was \$0.6 million of valuation allowance recorded against our foreign deferred tax assets and no tax effect associated with the adjustments due to the valuation allowance recorded against our U.S. federal, state and foreign deferred tax assets.

(4) These third-party processing fees are associated with generating hiring tax credits.

(5) Amortization of software as a service assets is reported in selling, general and administrative expense.

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