

TRUEBLUE, INC.

FORM 8-K (Current report filing)

Filed 11/14/07 for the Period Ending 11/14/07

Address	1015 A STREET TACOMA, WA 98402
Telephone	253-383-9101
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Industry	Business Services
Sector	Services
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **November 14, 2007**

LABOR READY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington

(State or Other Jurisdiction of Incorporation)

001-14543

(Commission File Number)

91-1287341

(IRS Employer Identification No.)

1015 A Street, Tacoma, Washington
(Address of Principal Executive Offices)

98402
(Zip Code)

(253) 383-9101

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

In connection with a management presentation with analysts and portfolio managers scheduled for November 14, 2007 at 12:00 PM (ET) in New York City, Labor Ready, Inc. (the "Company") has issued a press release (the "Press Release"), which is attached to this report as Exhibit 99.1. Copies of the slide presentation, which will be presented by the Company at the management presentation and generally to members of the financial and investment community from time to time (the "Investor Presentation"), are attached to this report as Exhibit 99.2 and are also available on the Company's website, www.laborready.com.

In accordance with General Instruction B.2. of Form 8-K, the information contained in this report (including the Press Release and Investor Presentation) shall not be deemed "Filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall the Press Release or the Investor Presentation be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. This report will not be deemed a determination or an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1. Press Release of the Company dated November 14, 2007.

99.2. Investor Presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LABOR READY, INC.
(Registrant)

Date: November 14, 2007

By: /s/ James E. Defebaugh

James E. Defebaugh
Executive Vice President, General
Counsel and Secretary

LABOR READY TO PRESENT COMPANY UPDATE**Reaffirms 2007 Forecast and Announces Name Change**

TACOMA, WA, November 14, 2007 —Labor Ready, Inc. (NYSE: LRW) CEO Steve Cooper and CFO Derrek Gafford will review the company's current strategies and operational trends with analysts and portfolio managers at noon (ET), today in New York City. The presentation will be available on the Labor Ready website at www.laborready.com under Investor Relations.

In anticipation of management's presentation, the company reaffirmed its previously released forecast for the fourth quarter of 2007. The company estimates revenue for the fourth quarter to be between \$345 million and \$350 million. Estimated net income per diluted share for the fourth quarter is expected to be between \$0.32 and \$0.34.

The company announced that it will be changing its name to "TrueBlue, Inc." In connection with this name change, the ticker symbol for the company's common stock on the New York Stock Exchange will change to "TBL." These changes will all be effective Dec. 18, 2007.

"We operate as one company with multiple brands in the 'blue collar' staffing market," said CEO Cooper. "Each of our brands, Labor Ready, Spartan Staffing and CLP Resources, will continue to operate under their brand name, providing our customers with specialized services to meet their needs. Renaming the company provides a clear distinction between the parent company and each of our brands and brings focus to our vision to be the leading provider of blue-collar staffing."

This news release contains forward-looking statements, such as statements about the ranges of revenues, gross margins and net income anticipated for future periods, improvements in safety and workers' compensation claims and costs, strategies for increasing revenue and net income, and other factors that may affect Labor Ready's financial results and operations in the future. Labor Ready's actual results are, however, subject to a number of risks, including without limitation the following: 1) national and global economic conditions, including the impact of changes in national and global credit markets and other changes on Labor Ready customers; 2) Labor Ready's ability to continue to attract and retain customers and maintain profit margins in the face of new and existing competition; 3) potential new laws and regulations that could have a materially adverse effect on Labor Ready's operations and financial results; 4) significant labor disturbances which could disrupt industries Labor Ready serves; 5) increased costs and collateral requirements in connection with Labor Ready's insurance obligations, including workers' compensation insurance; 6) the adequacy of Labor Ready's financial reserves; 7) Labor Ready's continuing ability to comply with financial covenants in its lines of credit and other financing agreements; 8) Labor Ready's ability to attract and retain competent employees in key positions or to find temporary employees or skilled trade workers to fulfill the needs of our customers; 9) Labor Ready's ability to successfully complete and integrate acquisitions that it may make from time to time; 10) Labor Ready's ability to timely execute strategies for acquired companies; and 11) other risks described in Labor Ready's filings with the Securities and Exchange Commission, including its most recent Form 10-K and Form 10-Q filings.

About Labor Ready

Labor Ready is an international provider of blue-collar staffing with three business lines including general labor, light industrial and skilled trades. The company operates under the brand names of Labor Ready for its general labor business line; Spartan Staffing for its light industrial business line; and CLP Resources for its skilled trades business line. The company's customers are primarily small to mid-sized businesses in the construction, warehousing, hospitality, landscaping, transportation, light manufacturing, retail, wholesale, facilities and sanitation industries. Annually, the company serves more than 300,000 customers and puts approximately 600,000 people to work through its more than 900 branch offices in the United States, Canada, and the United Kingdom. For additional information, visit Labor Ready's website at www.laborready.com.

Derrek Gafford, CFO
253-680-8214

Stacey Burke, Vice President, Corporate Communications
253-680-8291

LABOR READY

5th Annual Analyst Day
Nov. 14, 2007

Steve Cooper, CEO | Derrek Gafford, CFO



Safe Harbor Statement

Cautionary Note About Forward-Looking Statements:

Certain statements made by us in this presentation that are not historical facts or that relate to future plans, events or performances are forward-looking statements within the meaning of the federal securities laws. Our actual results may differ materially from those expressed in any forward-looking statements made by us. Forward-looking statements involve a number of risks and uncertainties including, but not limited to, the risks described in the Company's most recent 10-K and 10-Q filings. All forward-looking statements are qualified by those risk factors.

Agenda

INTRODUCTIONS

STRATEGIC MILESTONES

BUSINESS LINES

INDUSTRY AND MARKET REVIEW

STRATEGIES

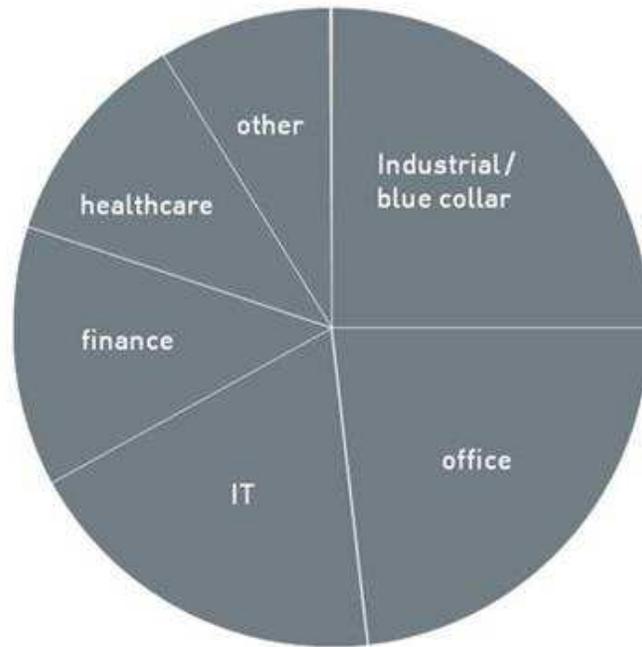
FINANCIAL REVIEW

2007 Revenue Approx. \$1.4 billion



2007 estimate, rounded to the nearest billion; percentages rounded to the nearest 5%; branch count as of Sept. 28, 2007

Temporary Staffing



\$100 billion

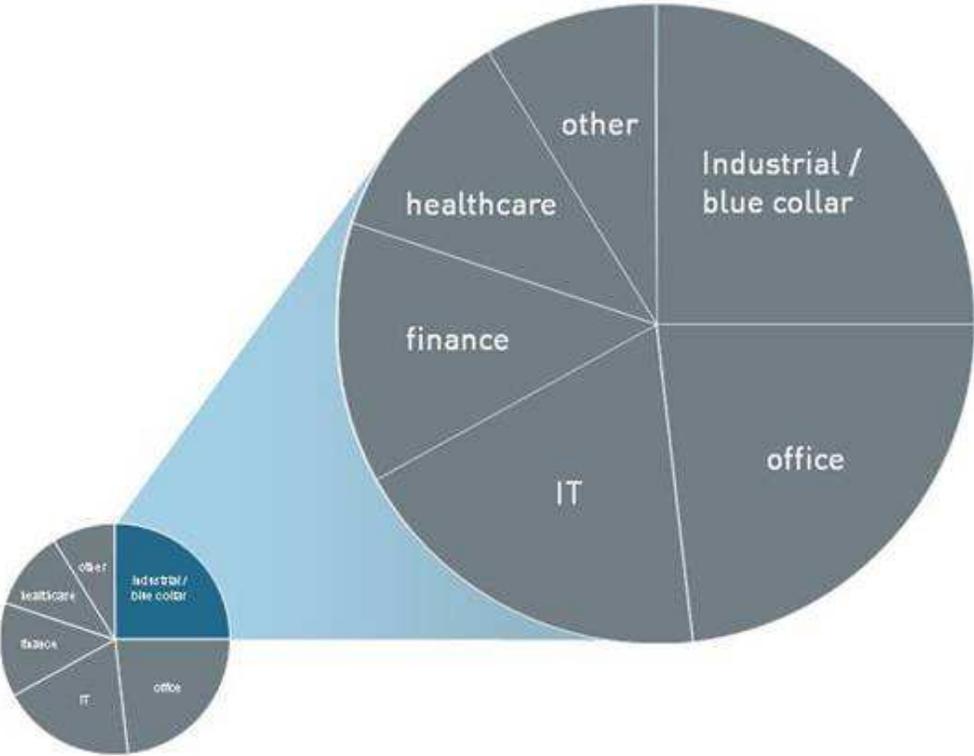
Staffing Industry Analysts 2007 estimate, rounded

CONTINGENT WORKFORCE TRENDS – FLEXIBILITY IS KEY

- Screening potential workers with a "Working Interview"
- Variable or unpredictable workload levels
- Rapid growth of organization
- Difficulty finding quality people

Bureau of Labor Statistics 2014 projections

Industrial/Blue-collar Staffing



Staffing Industry Analysts 2007 estimate, rounded

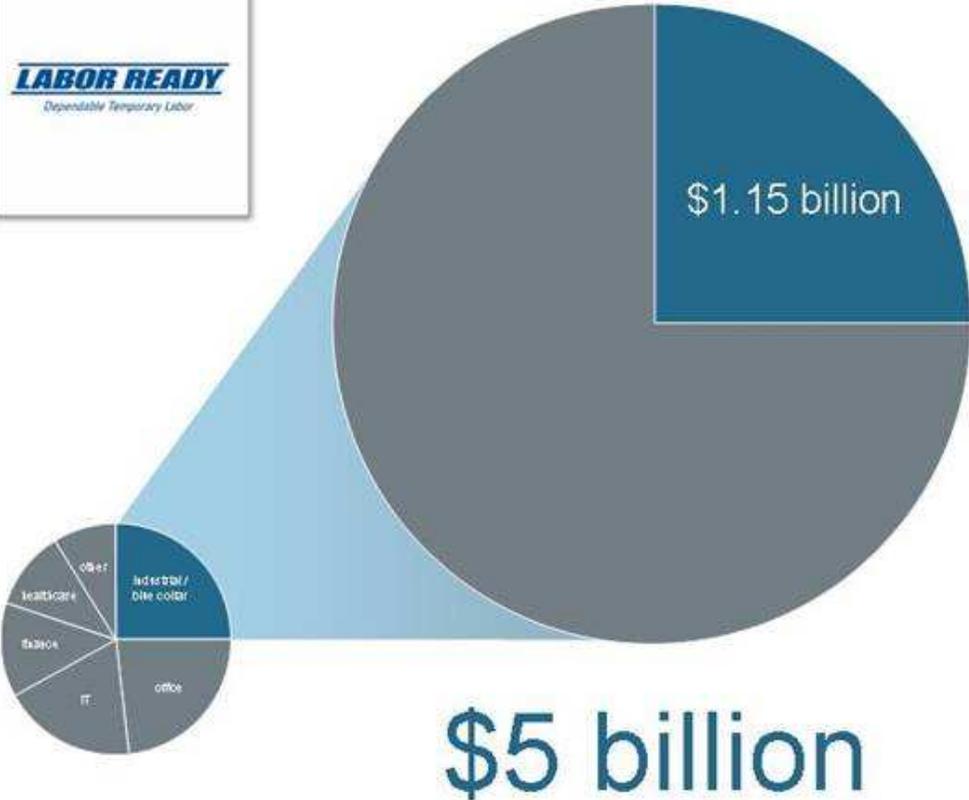
BLUE COLLAR PROJECTED TO GROW AT 6-7% OVER THE NEXT DECADE

- 70% of fastest growth jobs are unskilled
- Construction is the only durable goods industry projected for growth

50% OF THE MANPOWER HOTTEST JOBS FOR 2007 ARE BLUE COLLAR

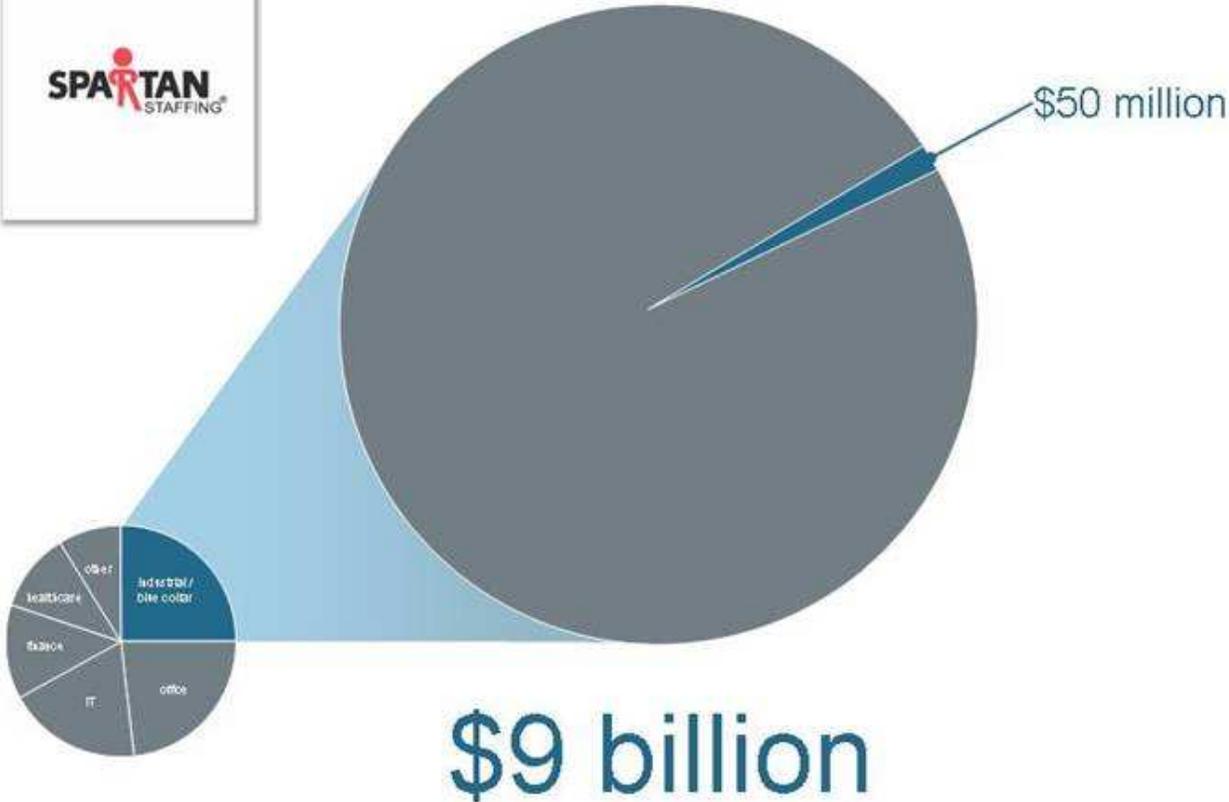
Staffing Industry Analysts, Bureau of Labor Statistics Manpower

General Labor Staffing



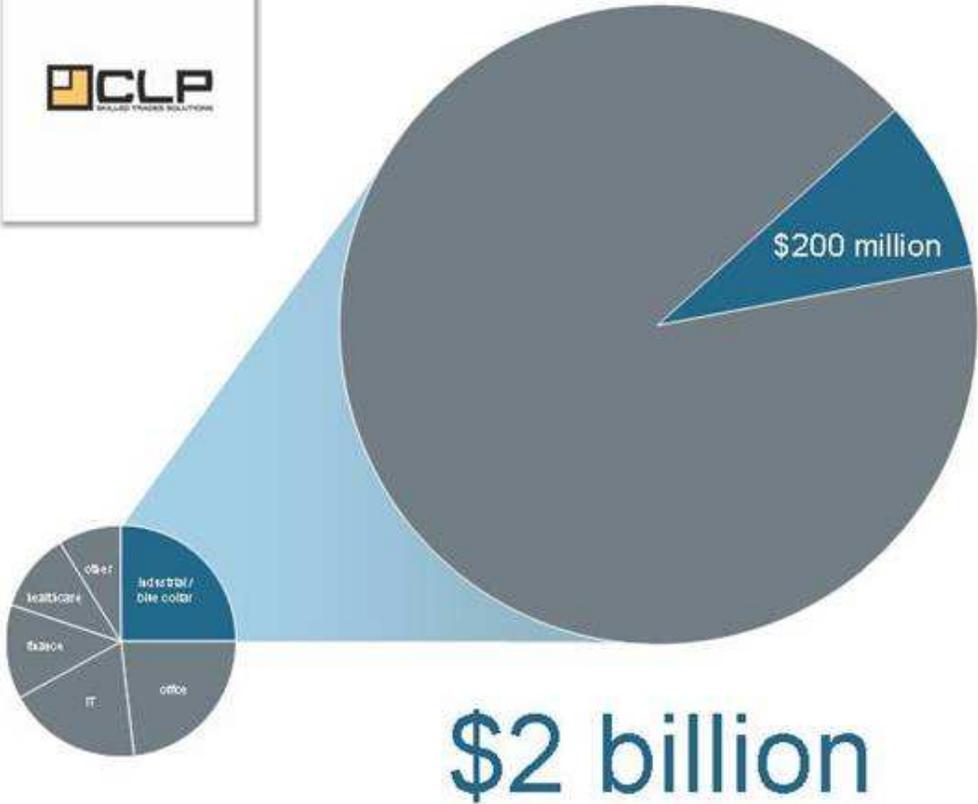
Staffing Industry Analysts and company estimates, rounded

Light Industrial Staffing



Staffing Industry Analysts and company estimates, rounded

Skilled Trades Staffing



\$2 billion

Staffing Industry Analysts and company estimate, rounded

Business Line Approach

General Labor



- General labor across all industries
- Available on short notice around the clock
- Specialization in tough-to-fill, high turnover positions and short-term assignments

Light Industrial



- Semi-skilled in manufacturing, warehousing and similar functions
- Workforce screening matching skills to job requirements
- Medium-term and temp-to-perm assignments

Skilled Trades



- Skilled construction trades with an emphasis on the commercial market
- Requires skill and proficiency assessments
- Medium to long-term assignments

GENERAL LABOR

SPECIALIZED SKILLS

Our Strategy

The Vision

**TO BE THE
LEADING
PROVIDER
OF BLUE
COLLAR
STAFFING.**

1. Grow Faster Than the Market
2. Be the Service Leader
3. Operate as One Company

1. Grow Faster Than the Market

Business line	Key methods of growth
General Labor	<ul style="list-style-type: none">▪ Same Branch
Light Industrial	<ul style="list-style-type: none">▪ Same Branch▪ Acquisition
Skilled Trades	<ul style="list-style-type: none">▪ Same branch▪ New Branch

1. Grow Faster Than the Market - Same Branch Revenue

Branch Manager Training

ASMs
Certified
Sales Trainers

DMs
Trained
Sales Coaches

District Level
Sales
Planning

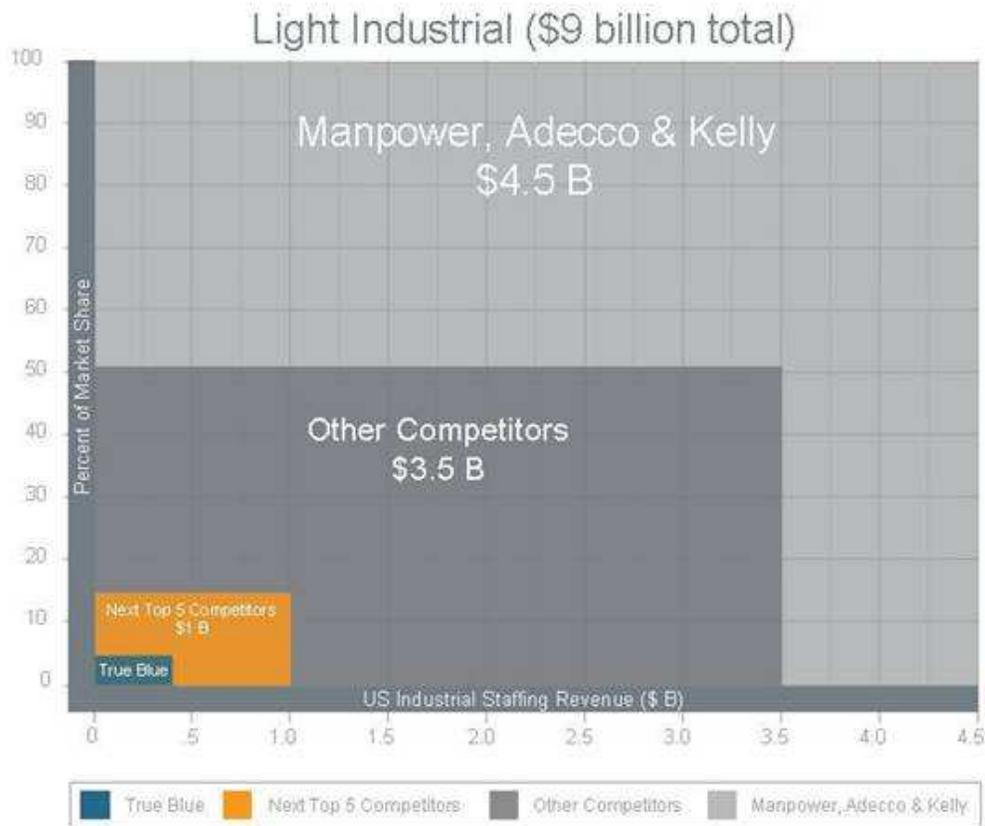
1. Grow Faster Than the Market – New Branches

OPEN UP TO 5%⁽¹⁾ OF BRANCH COUNT ANNUALLY:

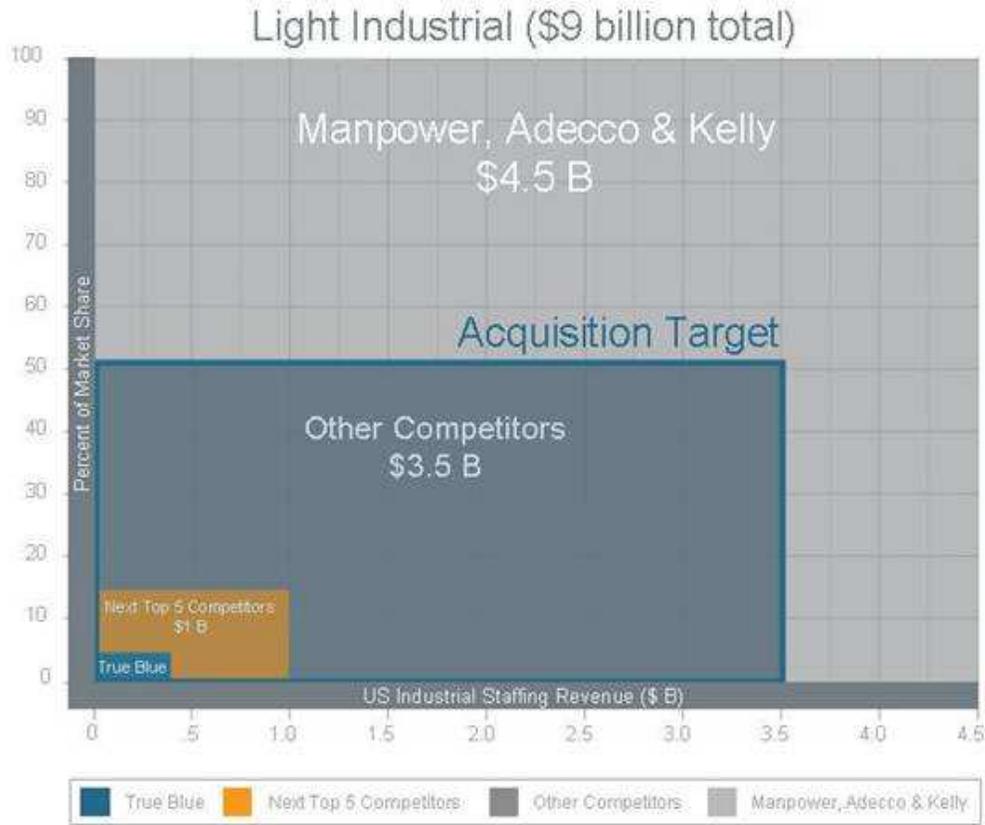
- Limits dilution to current earnings
- Keeps field management focused on growing our existing branches
- Avoids over–investment in the event of economic downturn
- Consistent approach to levels of investment for new operations

(1) Depending on economic conditions

1. Grow Faster Than the Market: Strategic Acquisitions



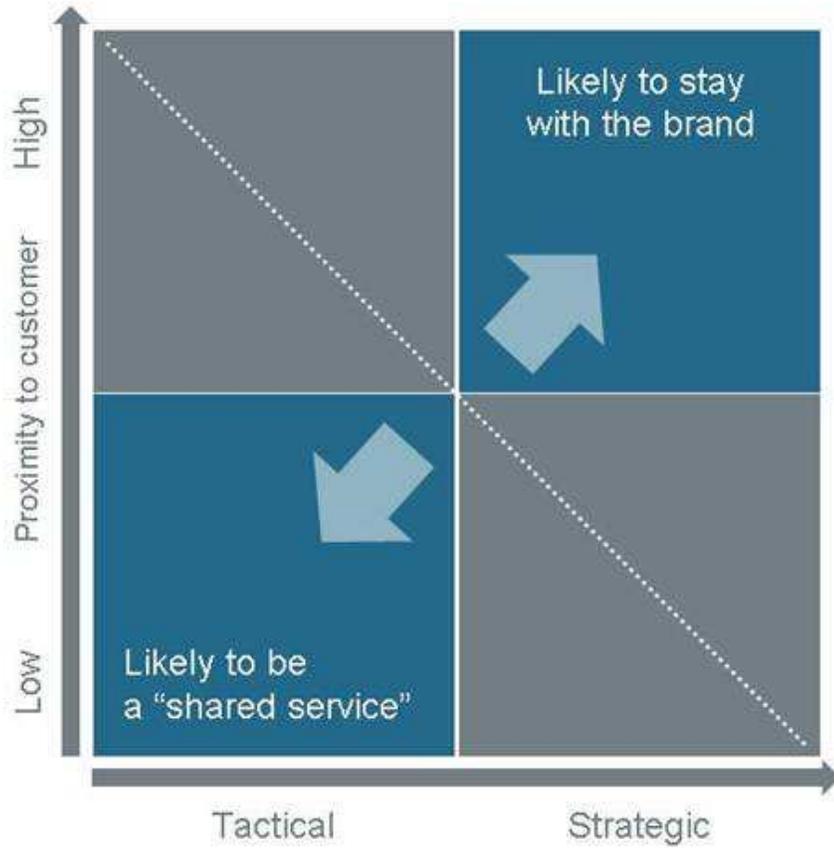
1. Grow Faster Than the Market: Strategic Acquisitions



2. Be the Service Leader

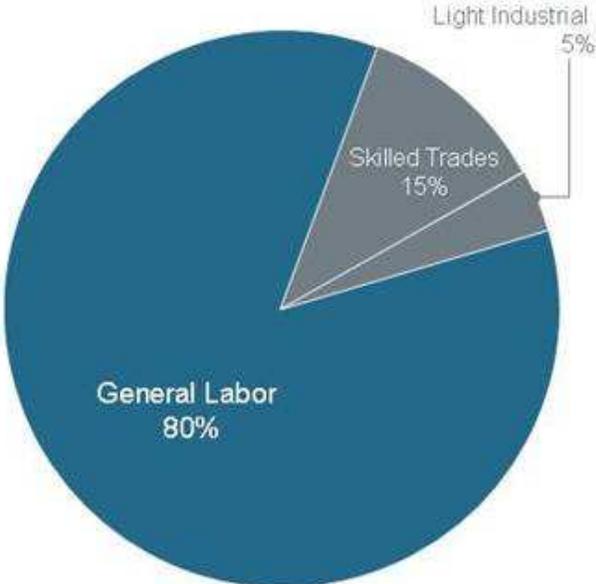


3. Operate as One: Brand Support Services

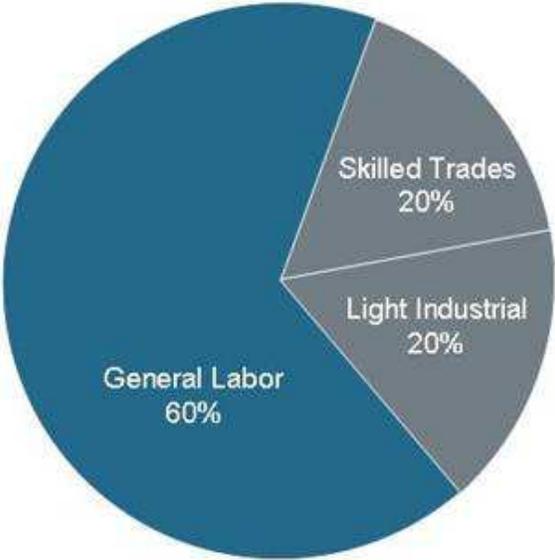


TrueBlue: Present & Future

2007 \$1.4B⁽¹⁾



Strategy \$3B⁽²⁾

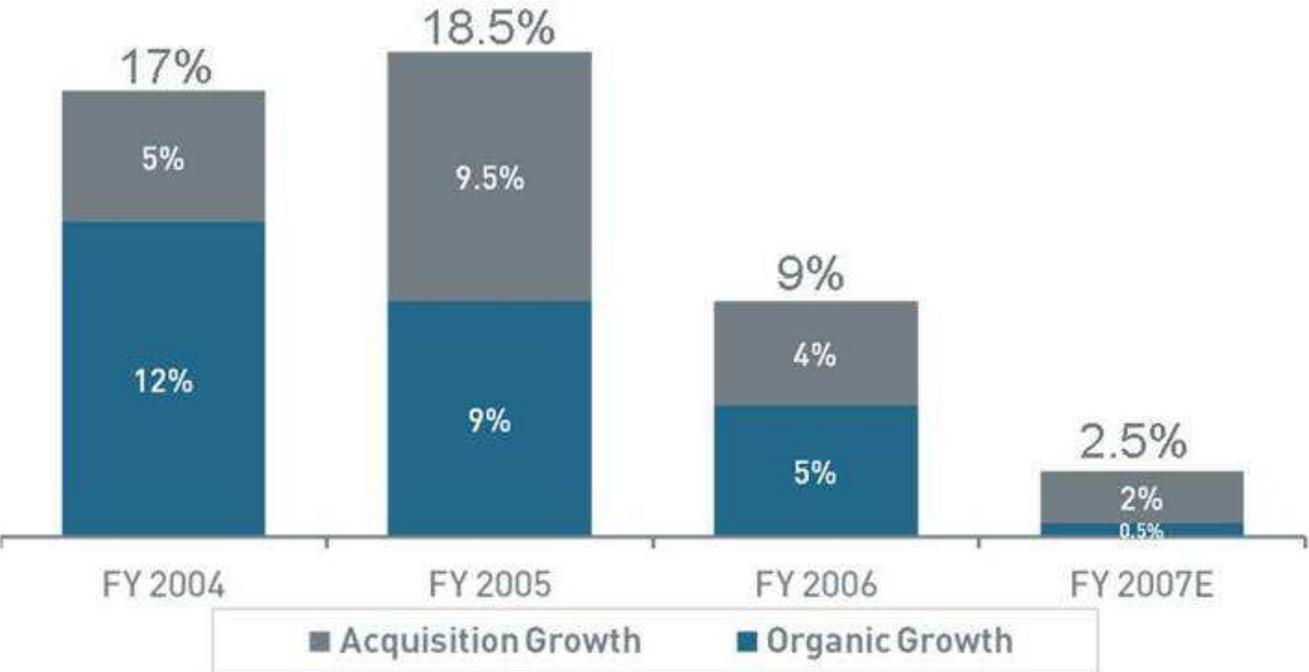


(1) Rounded to nearest billion.
(2) Management expects future net income as a percentage of revenue to be equal to or higher than 2007 results, depending on the timing of future acquisitions.

Financial Review

Revenue

Year Over Year Growth



Rounded to the nearest .5%

Revenue

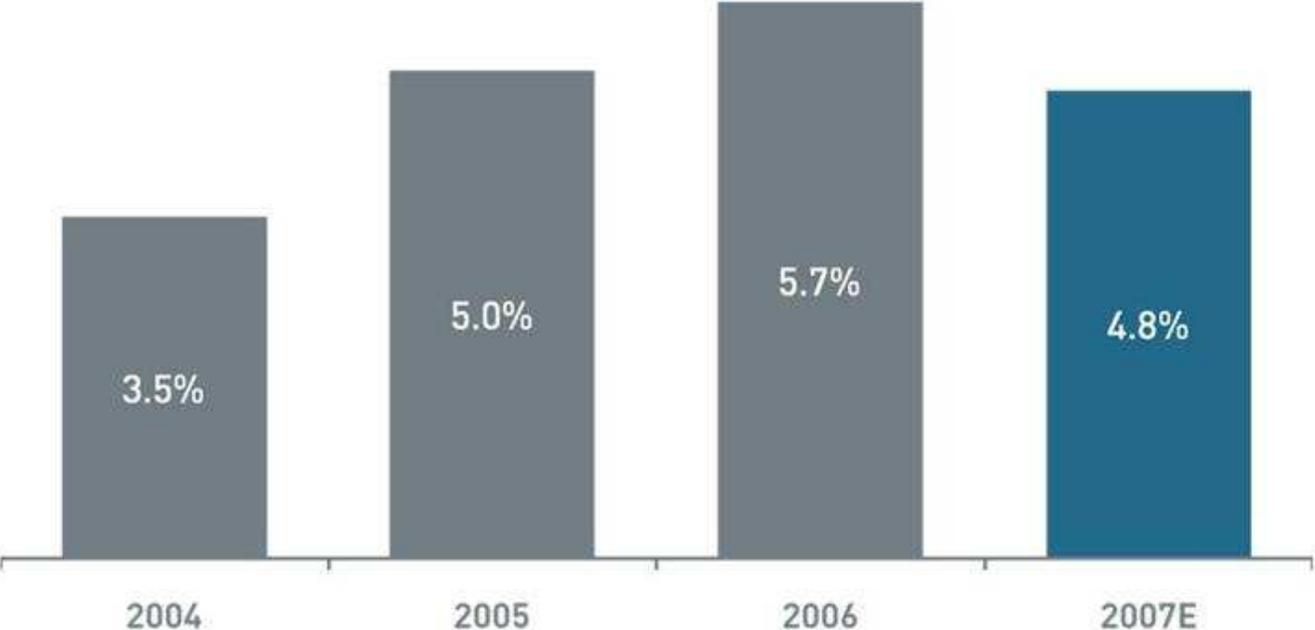
Year Over Year Growth



Rounded to the nearest .5%

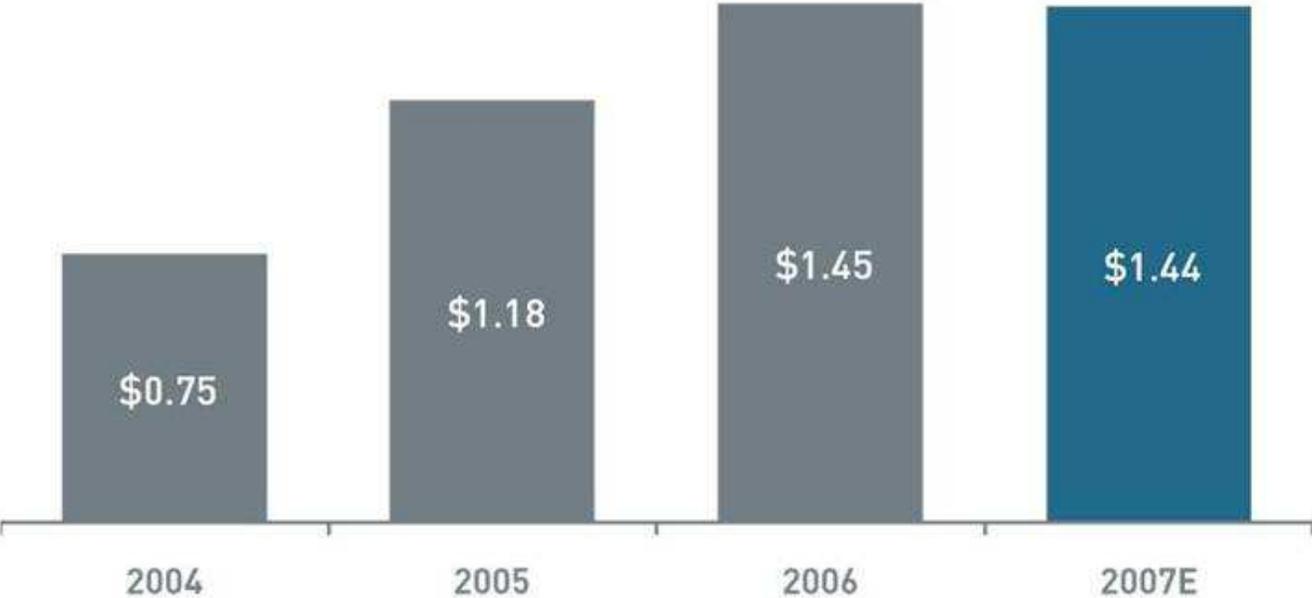
Profitability

Net Income - Percentage of Revenue

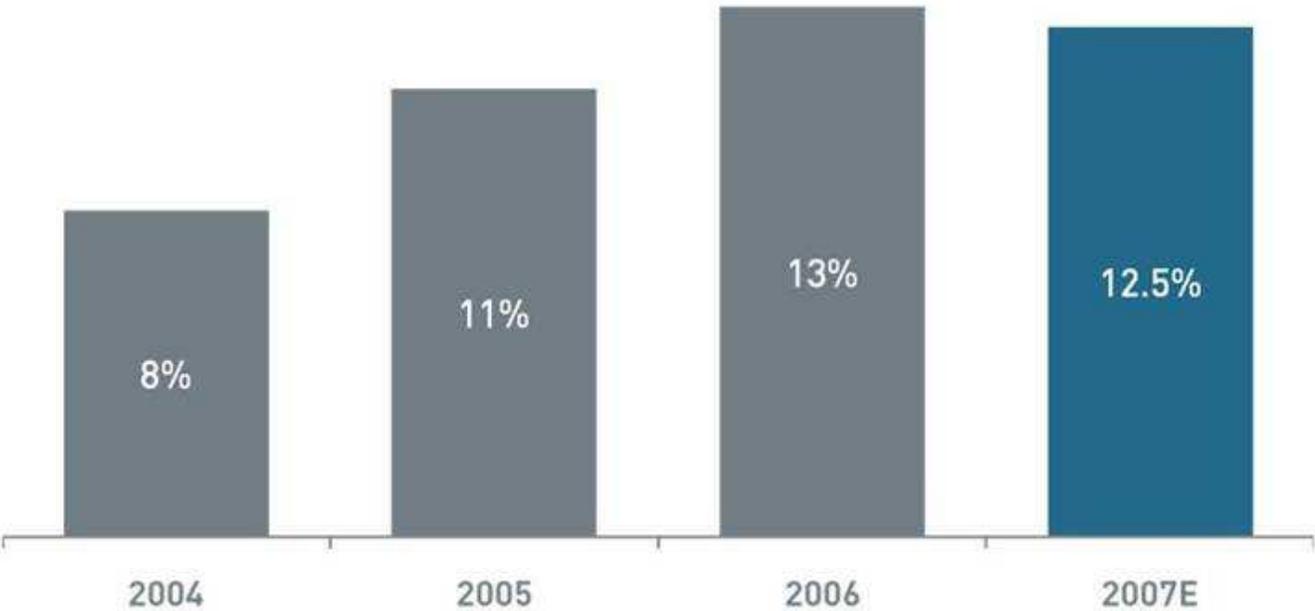


Profitability

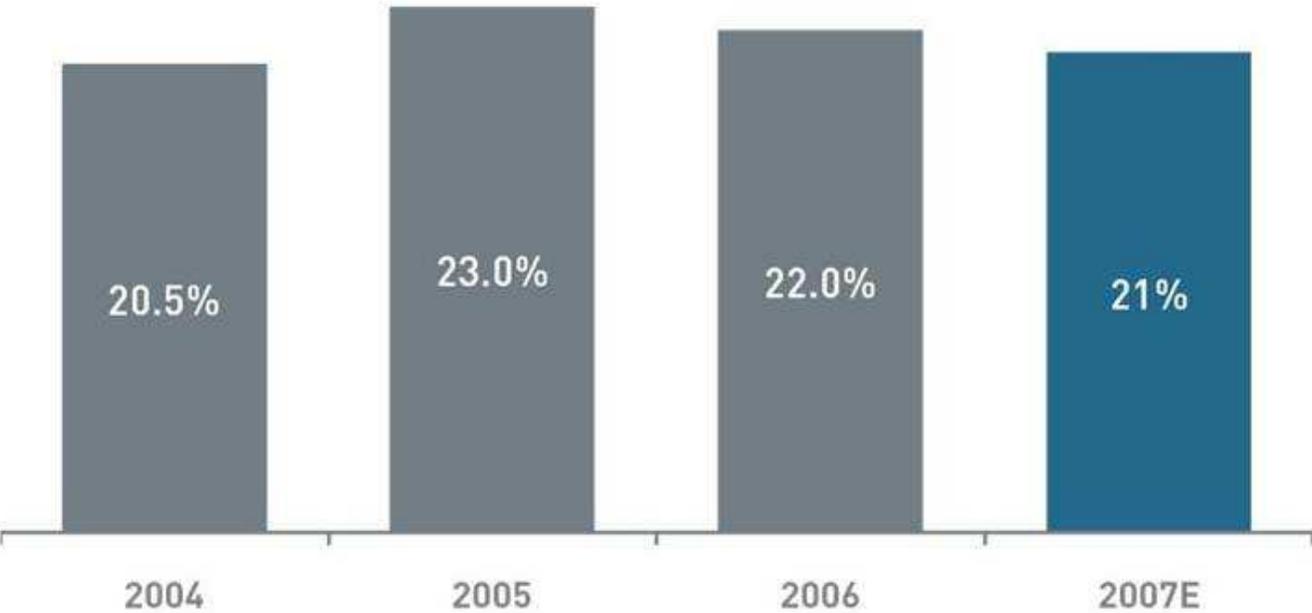
Diluted EPS \$



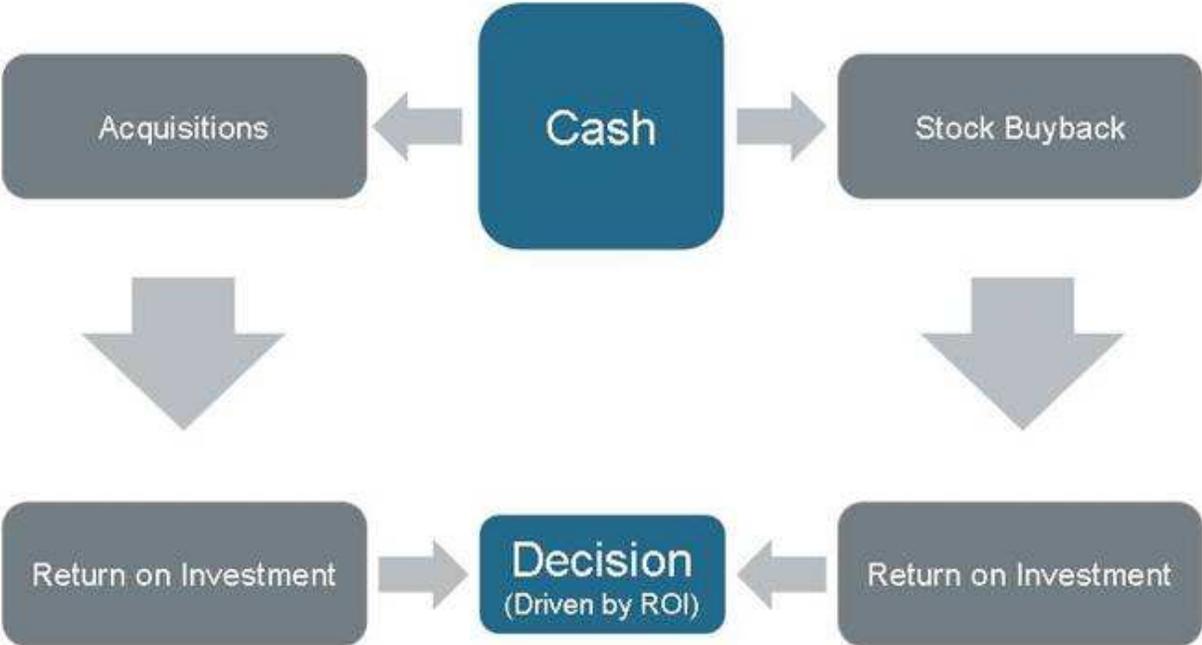
Return on Assets



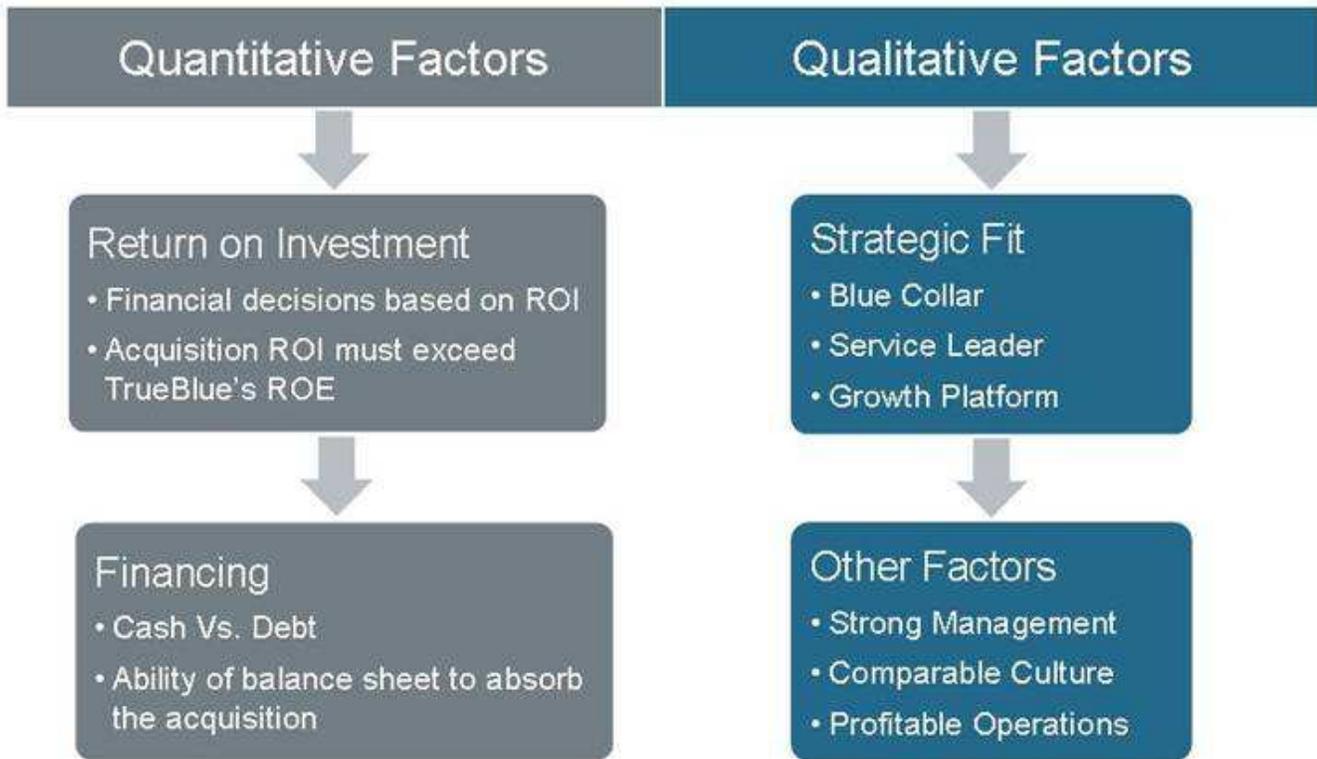
Return on Equity



Use of Capital



Making Strategic Acquisitions



Stock Buyback Activity

Purchases	Shares	Total Cost
2006 FY	4.2 million	\$89 million
2007 YTD*	7.5 million	\$148 million
Total	11.7 million	\$237 million
Remaining Authorization*		\$40 million

(*) As of Sept. 28, 2007

Operating Leverage Drives Profits



(a) Earnings per share sensitivity analysis based on 900 branches, 31.0% gross profit margins; management's estimates of fixed and variable expenses; regional and back office overhead and related assumptions; at varying levels of per office revenues.

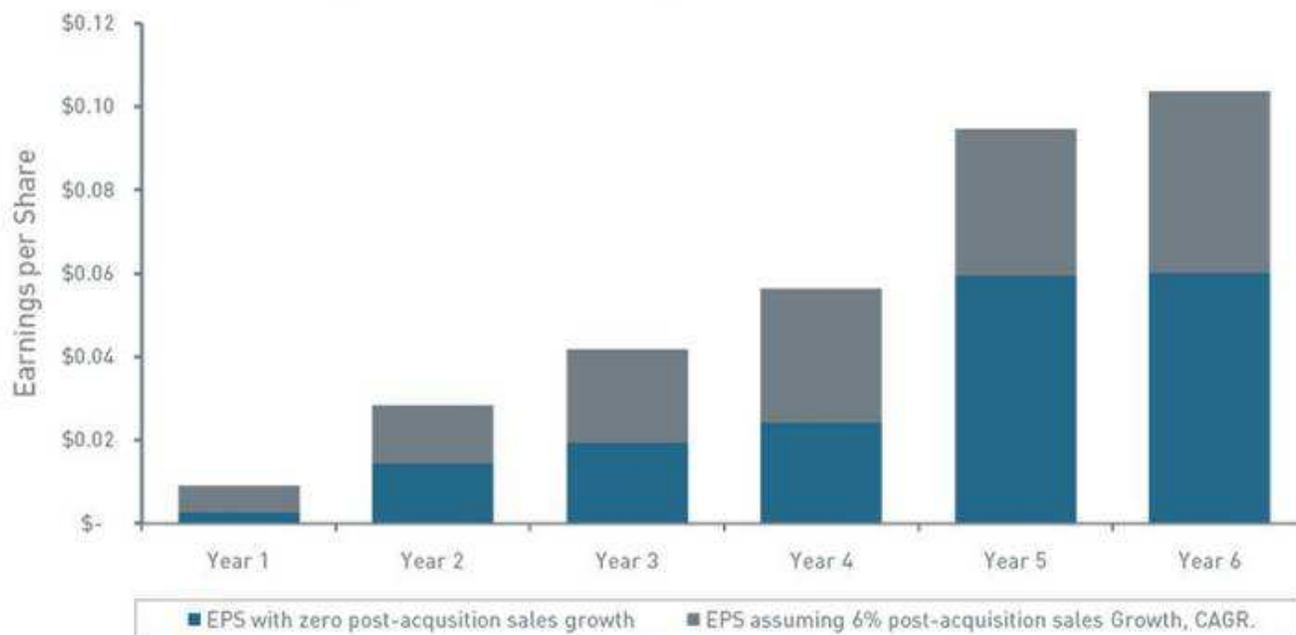
New Branch Economics

	General Labor	Light Industrial	Skilled Trades																																				
Revenue	<p>Revenue</p> <table border="1"> <tr><th>Year</th><td>1-year</td><td>2-year</td><td>3-year</td><td>4-year</td><td>5-year</td></tr> <tr><th>Revenue</th><td>\$450</td><td>\$600</td><td>\$800</td><td>\$1,100</td><td>\$1,200</td></tr> </table>	Year	1-year	2-year	3-year	4-year	5-year	Revenue	\$450	\$600	\$800	\$1,100	\$1,200	<p>Revenue</p> <table border="1"> <tr><th>Year</th><td>1-year</td><td>2-year</td><td>3-year</td><td>4-year</td><td>5-year</td></tr> <tr><th>Revenue</th><td>\$900</td><td>\$1,200</td><td>\$1,400</td><td>\$2,000</td><td>\$2,400</td></tr> </table>	Year	1-year	2-year	3-year	4-year	5-year	Revenue	\$900	\$1,200	\$1,400	\$2,000	\$2,400	<p>Revenue</p> <table border="1"> <tr><th>Year</th><td>1-year</td><td>2-year</td><td>3-year</td><td>4-year</td><td>5-year</td></tr> <tr><th>Revenue</th><td>\$950</td><td>\$1,200</td><td>\$1,800</td><td>\$2,200</td><td>\$2,800</td></tr> </table>	Year	1-year	2-year	3-year	4-year	5-year	Revenue	\$950	\$1,200	\$1,800	\$2,200	\$2,800
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Revenue	\$950	\$1,200	\$1,800	\$2,200	\$2,800																																		
Capital Expenditure Costs	\$35,000	\$50,000	\$70,000																																				
Gross Margins	30-32%	22-24%	28-30%																																				
Initial Expense Structure	\$12,000 / mo.	\$15,000 / mo.	\$25,000 / mo.																																				
Targeted Breakeven Period	14 Months	16 Months	19 Months																																				
Mature Branch Profitability	12%	12%	12%																																				
Targeted After-tax ROI	35%	35%	35%																																				

(a) Targeted branch-level profitability as a percentage of revenues in the fourth year of operation. Excludes regional and corporate costs, depreciation, amortization, interest and taxes.

Acquisition Economics

\$100 Million of Acquired Revenue ^(a)



(a) Earnings per share model assumes an acquisition of a staffing firm with revenues of \$100 million and operating income of \$4 million. Post-acquisition assumptions were based on management's estimates of gross margins, operating expenses, depreciation and amortization of intangible assets acquired, acquisition financing costs, income taxes and other financial variables. 44 million shares outstanding were assumed for this analysis.

2008 Financial Outlook

	2008 Estimate
Branches in operation on Jan. 1, 2008	900
New branches	3
Revenue growth from 2007 SSC acquisition	1%
Revenue loss from branches closed in 2007	-1%
Reduction in SG&A from branch closures ⁽¹⁾	\$6 M
Additional SG&A on incremental same branch revenue ⁽²⁾	10%
Gross Margin	31.5 – 32%
Depreciation & Amortization	\$15 M
Capital Expenditures	\$15 M
Income Tax Rate	36 – 36.5%
Weighted Average Diluted Share Count	44 M

(1) Reduction of operating expenses from branches closed in 2007.

(2) Expressed as a percentage of incremental revenue.

Balance Sheet

	Q3 2007	Q4 2006
Cash and Investments	\$67M	\$199M
Current Ratio	2.3	3.4
Restricted Cash	\$143M	\$144M
Workers' Compensation Reserve	\$197M	\$189M
Long-term Debt	\$0M	\$1M
Shareholders' Equity	\$270M	\$353M

Investment Highlights

- Service leader in blue-collar staffing
- Growth platforms in place for two business lines
- Strong operating leverage
- Industry-leading return on assets and equity
- Available resources to invest in additional growth platforms
- Significant share buyback program