

TRUEBLUE, INC.

FORM 8-K (Current report filing)

Filed 04/23/15 for the Period Ending 04/23/15

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): April 23, 2015

TRUEBLUE, 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))
-

Item 2.02. Results of Operations and Financial Condition.

On April 23, 2015, TrueBlue, Inc. (the “Company”) issued a press release (the “Press Release”) reporting its financial results for the first quarter ended March 27, 2015, and revenue and earnings guidance for the second quarter of 2015, a copy of which is attached hereto as Exhibit 99.1 and the contents of which are incorporated herein by this reference. Also attached to this report as Exhibit 99.2 is a slide presentation relating to the financial results for the first quarter ended March 27, 2015 (the “Earnings Results Presentation”), which will be discussed by management of the Company on a live conference call at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time) on Thursday, April 23, 2015. The Earnings Results Presentation is also available on the Company’s website, www.trueblue.com.

In accordance with General Instruction B.2. of Form 8-K, the information contained above in this report (including the Press Release and the Earnings Results 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 Earnings Results 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 7.01. Regulation FD Disclosure

We are also attaching our Q2 2015 Investor Presentation (the “Investor Presentation”) to this report as Exhibit 99.3, which we will reference in our Q1 2015 earnings results discussion and which may be used in future investor conferences. The Investor Presentation is also available on the Company’s website, www.trueblue.com.

In accordance with General Instruction B.2. of Form 8-K, the information contained above in this report (including the 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 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 April 23, 2015
 - 99.2 Earnings Results Presentation
 - 99.3 Investor Presentation
-

SIGNATURE

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.

TRUEBLUE, INC.
(Registrant)

Date: **April 23, 2015**

By: */s/ Derrek L. Gafford*
Derrek L. Gafford
Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS RECORD Q1 REVENUE AND NET INCOME

Revenue Up 45 Percent, Net Income More than Triples

TACOMA, WA-April 23, 2015 --TrueBlue, Inc. (NYSE:TBI) announced today that revenue for the first quarter of 2015 was \$573 million, an increase of 45 percent, compared to revenue of \$396 million for the first quarter of 2014. Adjusted net income per share* for the first quarter of 2015 was \$0.20, up from \$0.06 a year ago. Adjusted EBITDA* for the first quarter of 2015 was \$19 million, an increase of 156 percent, compared to \$8 million a year ago.

"This was a very good quarter for us, with record first quarter revenue and net income," TrueBlue CEO Steve Cooper said. "The recruitment process outsourcing and on-premise management businesses we acquired last summer are continuing to win in the marketplace and deliver impressive results. In addition, strategies we implemented over the past several months have produced adjusted EBITDA growth of 50 percent from legacy TrueBlue services."

Cooper added that the company is well-positioned for continued growth with its expansion into the fast-growing RPO market and the favorable growth outlook for construction and small business.

"Businesses are finding the right mix of contingent and permanent employees to drive their businesses forward with our talent and flexible workforce solutions," said Cooper. "We can offer more to customers than ever before, and also serve more customers because of the investments we've made. It's a great time to be a leader in delivering talent solutions that improve the performance of our customers."

The company estimates revenue in the range of \$627 million to \$642 million and adjusted net income per diluted share of \$0.37 to \$0.42 for the second quarter of 2015. Adjusted EBITDA is expected to be in the range of \$32 million to \$35 million for the second quarter.

Management will discuss first quarter 2015 results on a conference call at 2 p.m. PT (5 p.m. ET), today, Thursday, April 23. The conference call can be accessed on TrueBlue's web site: www.trueblue.com.

*See the financial statements accompanying the release for more information on non-GAAP terms.

About TrueBlue

TrueBlue (NYSE: TBI) is a leading provider of specialized workforce solutions, helping clients improve growth and performance by providing staffing, recruitment process outsourcing and managed service provider solutions. The company's specialized workforce solutions meet clients' needs for a reliable, efficient workforce in a wide variety of industries. TrueBlue connects as many as 750,000 people to work each year. Learn more at www.trueblue.com.

Forward-looking Statements

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "should," "expects," "intends," "projects," "plans," "believes," "estimates," "targets," "anticipates," and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements relating to our future financial condition and operating results, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Examples of such factors can be found in our reports filed with the SEC, including the information under the heading 'Risk Factors' in our Annual Report on Form 10-K for the fiscal year ended Dec. 26, 2014. Any forward-looking statement speaks only as of the date on which it is made, and 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.

Contacts:

Derrek Gafford, EVP & CFO
253-680-8214

Stacey Burke, VP of Corporate Communications
253-680-8291

TRUEBLUE, INC.
SUMMARY CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share data)

	13 Weeks Ended	
	March 27, 2015	March 28, 2014
Revenue from services	\$ 573,315	\$ 396,063
Cost of services	443,479	296,504
Gross profit	129,836	99,559
Selling, general and administrative expenses	111,593	91,982
Depreciation and amortization	10,520	5,161
Income from operations	7,723	2,416
Interest and other income (expense), net	(534)	344
Income before tax expense	7,189	2,760
Income tax expense	1,473	1,104
Net income	\$ 5,716	\$ 1,656
Net income per common share:		
Basic	\$ 0.14	\$ 0.04
Diluted	\$ 0.14	\$ 0.04
Weighted average shares outstanding:		
Basic	41,031	40,572
Diluted	41,362	40,891

TRUEBLUE, INC.
SELECTED FINANCIAL DATA
(Unaudited, in thousands)

	13 Weeks Ended			
	March 27, 2015			March 28, 2014
	Legacy TrueBlue	Seaton (1)	Total Company	Legacy TrueBlue
Revenue from services	\$ 397,556	\$ 175,759	\$ 573,315	\$ 396,063
Adjusted EBITDA (2)	11,420	7,979	19,399	7,577

(1) Seaton was acquired effective June 30, 2014. Therefore, the comparative prior year amounts are not presented.

(2) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA excludes from net income, interest, taxes, depreciation and amortization, non-recurring costs related to the purchase, integration, reorganization, and shutdown activities related to acquisitions. See reconciliation of GAAP Net income to Adjusted EBITDA below.

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands)

	<u>March 27, 2015</u>	<u>December 26, 2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,779	\$ 19,666
Marketable securities	—	1,500
Accounts receivable, net	290,746	359,903
Other current assets	33,941	34,738
Total current assets	342,466	415,807
Property and equipment, net	58,591	61,392
Restricted cash and investments	172,039	168,426
Other assets, net	414,375	421,046
Total assets	<u>\$ 987,471</u>	<u>\$ 1,066,671</u>
Liabilities and shareholders' equity		
Current liabilities	\$ 183,828	\$ 187,230
Long-term debt, less current portion	110,817	199,383
Other long-term liabilities	217,384	210,724
Total liabilities	512,029	597,337
Shareholders' equity	475,442	469,334
Total liabilities and shareholders' equity	<u>\$ 987,471</u>	<u>\$ 1,066,671</u>

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

	Thirteen weeks ended	
	March 27, 2015	March 28, 2014
Cash flows from operating activities:		
Net income	\$ 5,716	\$ 1,656
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	10,520	5,161
Provision for doubtful accounts	1,745	3,487
Stock-based compensation	3,389	2,876
Deferred income taxes	(299)	(1,433)
Other operating activities	(316)	(435)
Changes in operating assets and liabilities:		
Accounts receivable	67,411	9,949
Income taxes	943	3,567
Other assets	4,496	(331)
Accounts payable and other accrued expenses	4,369	(3,307)
Accrued wages and benefits	(3,999)	1,380
Workers' compensation claims reserve	159	261
Other liabilities	1,626	664
Net cash provided by operating activities	95,760	23,495
Cash flows from investing activities:		
Capital expenditures	(3,458)	(2,091)
Purchases of marketable securities	—	(25,057)
Sales and maturities of marketable securities	1,500	9,450
Change in restricted cash and cash equivalents	(8,215)	(1,491)
Maturities of restricted investments	4,288	4,215
Net cash used in investing activities	(5,885)	(14,974)
Cash flows from financing activities:		
Net proceeds from stock option exercises and employee stock purchase plans	411	602
Common stock repurchases for taxes upon vesting of restricted stock	(3,026)	(2,474)
Net change in revolving credit facility	(88,000)	—
Payments on debt and other liabilities	(566)	(567)
Other	865	973
Net cash used in financing activities	(90,316)	(1,466)
Effect of exchange rate changes on cash and cash equivalents	(1,446)	(240)
Net change in cash and cash equivalents	(1,887)	6,815
CASH AND CASH EQUIVALENTS, beginning of period	19,666	122,003
CASH AND CASH EQUIVALENTS, end of period	\$ 17,779	\$ 128,818

TRUEBLUE, INC.
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA
RECONCILIATION OF GAAP NET INCOME PER DILUTED SHARE TO ADJUSTED NET INCOME PER DILUTED SHARE
(Unaudited, in thousands, except for per share data)

	13 Weeks Ended	
	March 27, 2015	March 28, 2014
GAAP net income	\$ 5,716	\$ 1,656
Income tax expense	1,473	1,104
Interest expense (income), net	534	(344)
Income from operations	7,723	2,416
Depreciation and amortization	10,520	5,161
EBITDA (4)	18,243	7,577
Non-recurring acquisition and integration costs (1)	1,156	—
Adjusted EBITDA (4)	\$ 19,399	\$ 7,577
GAAP net income per diluted share	\$ 0.14	\$ 0.04
Non-recurring acquisition and integration costs, net of tax (1)	0.02	—
Amortization of intangible assets of acquired businesses, net of tax (2)	0.07	0.02
Adjust income taxes to marginal rate (3)	(0.03)	—
Adjusted net income per diluted share (5)	\$ 0.20	\$ 0.06
Diluted weighted average shares outstanding	41,362	40,891

(1) Non-recurring acquisition and integration costs for the current quarter consist of the acquisition of Seaton, which was completed on June 30, 2014, the first business day of our third quarter of fiscal 2014.

(2) Amortization of intangible assets of acquired businesses.

(3) Adjust income taxes to a marginal rate of 40%.

(4) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase, integration, reorganization and shutdown activities related to acquisitions. EBITDA and Adjusted EBITDA are key measures used by management in evaluating performance. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income from operations in the Consolidated Statements of Operations in accordance with GAAP, and, as presented, may not be comparable to similarly titled measures of other companies.

(5) Adjusted net income per diluted share is a non-GAAP financial measure which excludes from net income on a per diluted share basis non-recurring costs related to the purchase, integration, reorganization and shutdown activities related to acquisitions, net of tax, amortization of intangibles of acquired businesses, net of tax and adjusts income taxes to a marginal rate of 40%. Adjusted net income per diluted share is a key measure used by management in evaluating performance and communicating comparable results. Adjusted net income per diluted share should not be considered a measure of financial performance in isolation or as an alternative to Net income per diluted share in the Consolidated Statements of Operations in accordance with GAAP, and, as presented, may not be comparable to similarly titled measures of other companies.

Q1 2015 Earnings Results

April 23, 2015



FORWARD-LOOKING STATEMENT

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 that reflect management's current outlook for future periods, including statements regarding future financial performance. These forward-looking statements are based upon our current expectations, and our actual results may differ materially from those described or contemplated in the forward-looking statements. Factors that may cause our actual results to differ materially from those contained in the forward-looking statements, include without limitation the following: 1) national and global economic conditions, including the impact of changes in national and global credit markets and other changes that affect our customers; 2) our ability to continue to attract and retain customers and maintain profit margins in the face of new and existing competition; 3) new laws and regulations that could have a materially adverse effect on our operations and financial results; 4) increased costs and collateral requirements in connection with our insurance obligations, including workers' compensation insurance; 5) our continuing ability to comply with the financial covenants of our credit agreement; 6) our ability to attract and retain qualified employees in key positions or to find temporary and permanent employees with the right skills to fulfill the needs of our customers; 7) our ability to successfully complete and integrate acquisitions that we may make; and 8) other risks described in our most recent filings with the Securities and Exchange Commission (SEC).

Use of estimates and forecasts:

Any references made to fiscal 2015 are based on management guidance issued April 23, 2015, and are included for informational purposes only and are not an update or reaffirmation. 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.

Financial Comparisons

All comparisons are to prior year periods unless stated otherwise.

Q1 2015 HIGHLIGHTS

- Record Q1 revenue and Adjusted EBITDA¹
- Strong Adjusted EBITDA margin expansion
- Acquired Recruitment Process Outsourcing (RPO) and on-premise staffing businesses delivered strong results²
- Adjusted EBITDA growth of over 50% in legacy TrueBlue

¹ See Appendix for the definition of this non-GAAP financial term.

² Note: Seaton was acquired on June 30, 2014.

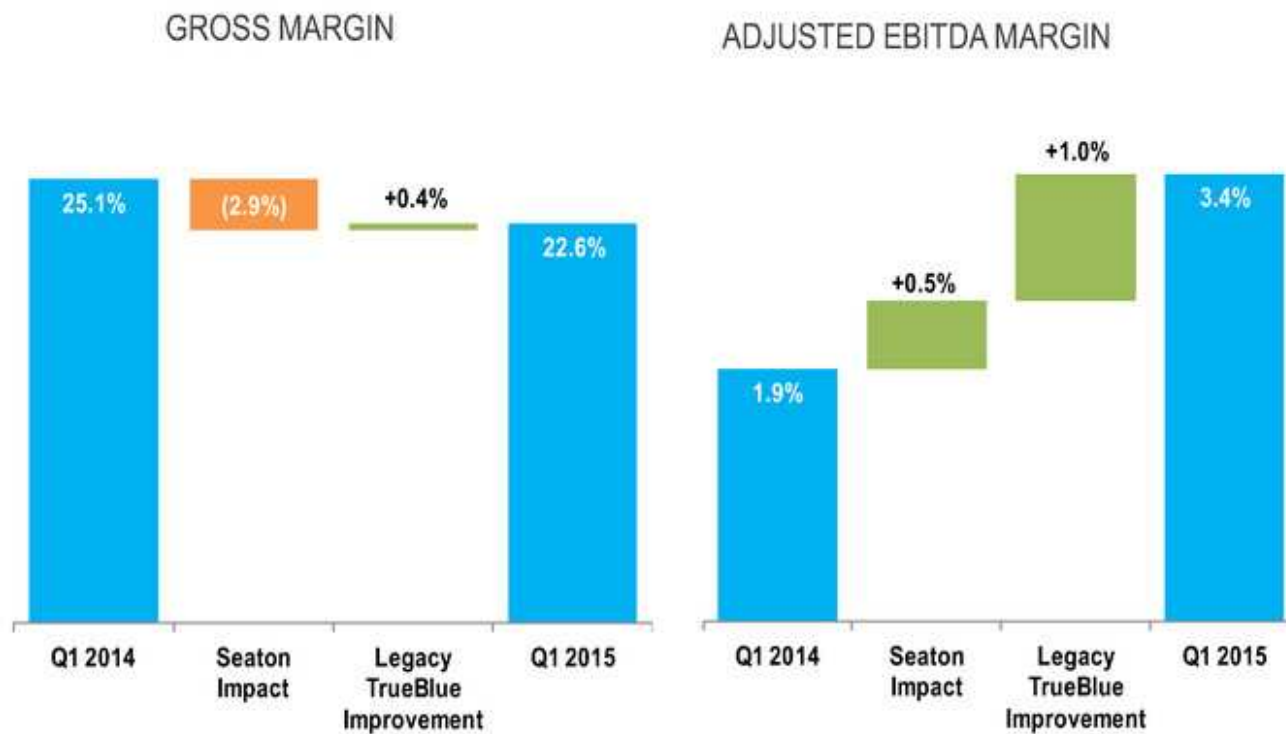
Q1 2015 HIGHLIGHTS

Amounts in millions, except for earnings per share.	Q1 2015	CHANGE
Revenue	\$ 573	45%
Adjusted EBITDA	\$ 19	156%
Adjusted EBITDA Margin	3.4%	150 bps
Adjusted Earnings Per Share ¹	\$ 0.20	211%

- 44% revenue growth from Seaton. Legacy TrueBlue operations roughly flat
- Adjusted EBITDA margin improvement largely driven by legacy TrueBlue
- Income tax benefit of \$0.03 from additional tax credits

¹ See Appendix for the definition of this non-GAAP financial term.

Q1 2015 GROSS MARGIN AND ADJUSTED EBITDA MARGIN BRIDGES



Q1 2015 SG&A BRIDGE

Amounts in millions.



Note: Figures on this page do not sum due to rounding.

Q1 2015 HIGHLIGHTS – Legacy TrueBlue

Amounts in millions:	Q1 2015	CHANGE
Revenue	\$ 398	Flat
Adjusted EBITDA	\$ 11	51%
Adjusted EBITDA Margin	2.9%	100 bps

- Revenue growth of 3% excluding green energy headwind
- Adjusted EBITDA margin expansion of 100 bps driven by higher gross margin and lower operating costs
 - Gross margin = 40 bps
 - Lower operating costs = 60 bps

Q1 2015 HIGHLIGHTS – Seaton

Amounts in millions.	Q1 2015
Revenue	\$ 176
Adjusted EBITDA	\$ 8
Adjusted EBITDA Margin	4.5%

- Revenue and Adjusted EBITDA exceeded expectation
- Record Q1 results for on-premise staffing
- Record new customer pipeline for RPO
- Integration substantially complete

Note: Seaton was acquired on June 30, 2014. Therefore, no comparison to Q1 2014 is presented.

DEBT AND LIQUIDITY HIGHLIGHTS

In millions.

Total Debt

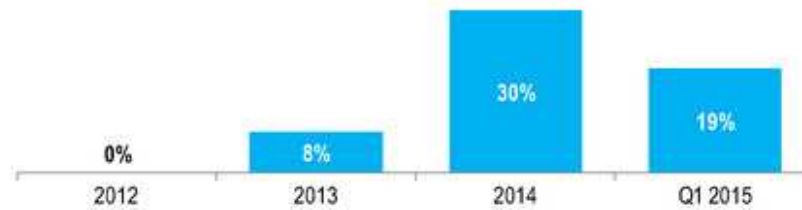


In millions.

Liquidity



Debt to Total Capital



Note: Balances as of fiscal period end. Figures on this page may not sum due to rounding.

Q1 2015 Earnings Results | April 23, 2015

9



Expectations

Q2 2015 EXPECTATIONS

	<u>Legacy TrueBlue</u>	<u>Seaton</u>	<u>Consolidated</u>
Amounts in millions except per share data.			
Total Revenue	\$ 462 - \$472	\$ 165 - \$170	\$ 627 - \$642
Adjusted EBITDA	\$ 26.5 - \$28.5	\$ 5.5 - \$6.5	\$ 32.0 - \$35.0
Adjusted EPS			\$ 0.37 - \$0.42
Non-recurring Integration Costs			\$ 1.0
Intangible Asset Amortization			\$ 4.5

Appendix

NON-GAAP TERMS AND DEFINITIONS

EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase, integration, reorganization and shutdown activities related to acquisitions. EBITDA and Adjusted EBITDA are key measures used by management in evaluating performance. EBITDA and Adjusted EBITDA should not be considered measures of financial performance in isolation or as an alternative to Income from operations in the Consolidated Statements of Operations in accordance with GAAP, and, as presented, may not be comparable to similarly titled measures of other companies.

Adjusted net income per diluted share is a non-GAAP financial measure which excludes from net income on a per diluted share basis non-recurring costs related to the purchase, integration, reorganization and shutdown activities related to acquisitions net of tax, amortization of intangibles of acquired businesses net of tax and adjusts income taxes to a marginal rate of 40%. Adjusted net income per diluted share is a key measure used by management in evaluating performance and communicating comparable results. Adjusted net income per diluted share should not be considered a measure of financial performance in isolation or as an alternative to net income per diluted share in the Consolidated Statements of Operations in accordance with GAAP, and, as presented, may not be comparable to similarly titled measures of other companies.

See "Financial Information" in the Investors section of our web site at www.trueblue.com for a full reconciliation of non-GAAP financial measures to GAAP financial results.



INVESTOR PRESENTATION

APRIL 2015

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 that reflect management's current outlook for future periods, including statements regarding future financial performance. These forward-looking statements are based upon our current expectations, and our actual results may differ materially from those described or contemplated in the forward-looking statements. Factors that may cause our actual results to differ materially from those contained in the forward-looking statements, include without limitation the following: 1) national and global economic conditions, including the impact of changes in national and global credit markets and other changes that affect our customers; 2) our ability to continue to attract and retain customers and maintain profit margins in the face of new and existing competition; 3) new laws and regulations that could have a materially adverse effect on our operations and financial results; 4) increased costs and collateral requirements in connection with our insurance obligations, including workers' compensation insurance; 5) our continuing ability to comply with the financial covenants of our credit agreement; 6) our ability to attract and retain qualified employees in key positions or to find temporary and permanent employees with the right skills to fulfill the needs of our customers; 7) our ability to successfully complete and integrate acquisitions that we may make; and 8) other risks described in our most recent filings with the Securities and Exchange Commission (SEC).

Use of estimates and forecasts:

Any references made to 2015 are based on management guidance issued April 23, 2015, and are included for informational purposes only and are not an update or reaffirmation. 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.

TRUEBLUE AT A GLANCE

135,000

Clients served annually

750,000

People connected to work each year

One of the largest U.S. industrial staffing providers

One of the largest U.S. RPO providers

Revenue



Adjusted EBITDA



\$2.2B
2014 Revenue

Named 2014 Global RPO Leader and Star Performer by Everest Group and HRO Today Magazine



Named to Forbes Most Trustworthy List for its governance and accounting transparency



Founding member of the U.S. Chamber of Commerce Veterans Employment Advisory Council



Partnerships with U.S. Department of Homeland Security (DHS) and U.S. Equal Employment Opportunity Commission (EEOC)



* See "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.

TRUEBLUE INVESTMENT HIGHLIGHTS

- Market leader in blue-collar staffing
- Diversification into rapidly growing human resource outsourcing market through acquisition of market leader
- Compelling market trends support continued organic growth
- Increased use of centralization to reduce branch dependency without impacting service quality
- Greater options for customers; increased opportunity for market share
- Leveraging technology to drive growth and increase efficiency
- Proven track record of increasing shareholder return through acquisitions

DIVERSIFIED SERVICE OFFERINGS TO MEET CLIENT NEEDS

TrueBlue helps clients improve performance and increase growth by providing specialized staffing, workforce management and recruiting solutions.



SPECIALIZED STAFFING

General labor and skilled trades people for projects of all sizes, aviation and transportation mechanics and technicians, and drivers for the logistics industry.



WORKFORCE MANAGEMENT

Technology-enabled workforce management and management of overall contingent labor program, including vendor selection, performance and compliance.



RECRUITING SOLUTIONS

A leader in high-volume sourcing, screening and recruitment of permanent employees for all major jobs and industries.

DELIVERING A FULL RANGE OF WORKFORCE SOLUTIONS



STRONG GROWTH MARKETS

Compelling market trends driving growth



Source: Staffing Industry Analysts and TrueBlue estimates

Early economic cycle

Industry Highlights

Businesses increasing use of variable workforce

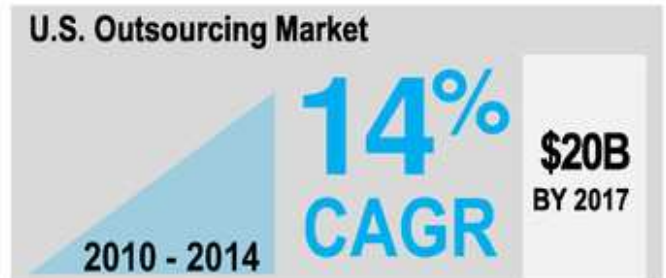
- Industrial Staffing has grown 8% annually since 2010
- Temporary jobs added at faster rate compared to prior recoveries
- Temporary penetration rate has more than doubled since 1990

Expansive blue-collar job growth & replacement needs

- Industrial jobs hold four spots in the Top 10 projected job openings list¹
- Talent shortage, ability to manage costs, and increased regulation driving more businesses to staffing

¹ Bureau of Labor Statistics Employment Projections: Job openings due to growth and replacements, 2012-2020, ranked by number of opportunities in major occupational categories.

Outsourcing on the rise



Source: Staffing Industry Analysts, Everest Group, IBISWORLD, TrueBlue estimates

Late economic cycle

Industry Highlights

Use of RPO surges on recruiting challenges

- Frees up client to focus on core competencies
- Streamlines recruitment process, reducing costs and time to fill
- Improves candidate quality
- Ensures compliance across all talent acquisition
- Comprehensive recruitment metrics

Businesses increasing use of Managed Service Providers

- Ensuring companies get the most value, including flexibility, productivity and skill access from suppliers

SERVING GROWING VERTICAL MARKETS

Industry Dynamics

Construction



- Construction spending on the rebound
- Positive momentum for housing starts; construction employment on the rise
- Multiplier effect on manufacturing, warehousing, logistics, retail, and services

Business Mix

21%

Pro Forma 2014 Revenue

\$525M

Manufacturing



- Positive job growth in recent years; encouraging reversal of 20-year negative trend
- Increased incentives to "reshore" including increasing wages in China, offshore product quality concerns, and logistics costs
- Decline in energy costs

Business Mix

28%

Pro Forma 2014 Revenue

\$700M

Transportation



- High driver turnover
- New safety regulations create need for more drivers
- 100,000 new drivers needed per year, over the next 10 years¹

¹ The American Trucking Association

Business Mix

10%

Pro Forma 2014 Revenue

\$250M

Wholesale Trade



- Just-in-time production / inventory management driving need for flexible workforce
- Retailers shifting to local fulfillment requiring more warehouses
- Rapid growth in eCommerce driving need for more logistics providers

Business Mix

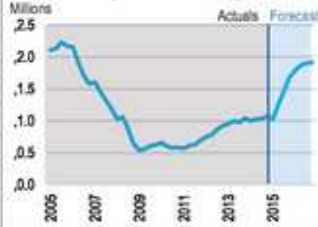
7%

Pro Forma 2014 Revenue

\$175M

Residential Construction on the Rise

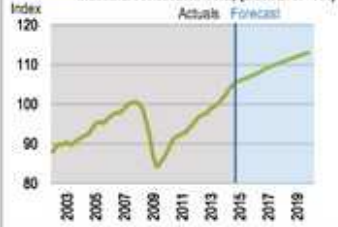
Housing Permits Rebounding



Source: U.S. Census Bureau; Moody's Analytics

Industrial Production in a Growth Cycle

Industrial Production: Total, (Index 2007=100)



Source: U.S. Board of Governors of the Federal Reserve System (FRED); Moody's Analytics (ECOA) Forecast

Driver Shortage

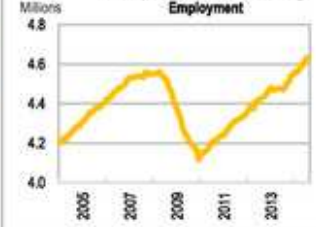
Driver Supply v. Demand



Source: The American Trucking Association

Wholesale Trade At New Peak

Transportation and Warehousing Employment



Source: Bureau of Labor Statistics

TRUEBLUE

STRATEGIC PRIORITIES

Grow Market Leadership

- Expand leadership position in specialized workforce solutions
- Increase service offerings and expand geographies to meet customer needs
- Leverage industry expertise and delivery of specialized labor

Expand into Complementary Workforce Services

- Expand into attractive, complementary human capital solutions
- Enhance knowledge leadership, differentiated expertise and service levels
- Be a leader in providing innovative solutions and services

Drive Technology and Process Efficiency

- Increase talent acquisition capabilities with mobile and online sourcing & hiring
- Enhance efficiency with online business processes
- Reduce fixed costs through centralized recruiting and service delivery

Accretive Acquisitions with Strong Fit

- Effectively use capital to increase shareholder returns
- Add industry-leading talent and technology; ensure strong cultural fit
- Integrate similar offerings and processes, leverage best practices, preserve differentiated expertise

GROW MARKET LEADERSHIP

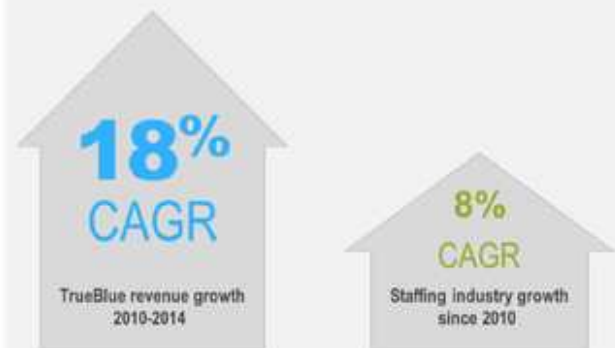
Expanding Service Offerings Through Organic Development & Acquisitions



Strategy Increases Growth Opportunities

- Bring existing lines to more markets
- Expand service offerings within key national accounts
- Leverage industry expertise to deliver the right talent to drive customer performance and growth
- Increase fill rates by optimizing workforce and talent acquisition
- Free up sales force for selling by streamlining processes
- Leverage investment in sales force

Strategy Produces Results



Source: Staffing Industry Analysts, Moody's economic forecasts, TrueBlue estimates

EXPAND INTO COMPLEMENTARY WORKFORCE SERVICES

Recent Seaton Acquisition Provides New Opportunities in Attractive Outsourcing Market

On-Premise Workforce
Management

Recruitment Process
Outsourcing

Managed Service
Provider

Benefits of Expansion

- RPO is a fast-growing market; 15% projected growth¹
- Offerings are complementary with staffing solutions, minimizing sales channel conflict
- Strong customer renewal rates and favorable long-term outsourcing trends providing greater revenue stability and predictability
- Centralization and automated business processes to be applied to staffing group to drive operating leverage
- Opportunity for domestic and international acquisitions

¹ Source: NelsonHall, 2014-2019P global growth

DRIVE TECHNOLOGY AND BUSINESS PROCESS EFFICIENCY

Technology-enabled Service Delivery and Processes

Electronic pay

Mobile Dispatch

Online Recruiting

Process
Centralization

Technology and Efficiency Yields Value

- Electronic pay more convenient for workers; reduces payroll processing time
- Mobile dispatch/assignment improves candidate response rate while increasing business efficiency
- Reduces branch footprint (\$1.3B revenue and 912 branches in 2006 vs. \$1.8B revenue and 692 branches in 2014)

Innovation Drives More Business Efficiency

Online Recruiting

- Increases the scale, talent pool and efficiency of the recruiting process
- Provides flexibility and convenience for candidates, increasing retention

Process Centralization

- Improves efficiency, enabling further reduction of branch network
- Improves the consistency of service delivery, increasing customer and worker satisfaction

TRUEBLUE INVESTMENT HIGHLIGHTS

- Market leader in blue-collar staffing
- Diversification into rapidly growing human resource outsourcing market through acquisition of market leader
- Compelling market trends support continued organic growth
- Increased use of centralization to reduce branch dependency without impacting service quality
- Greater options for customers; increased opportunity for market share
- Leveraging technology to drive growth and increase efficiency
- Proven track record of increasing shareholder return through acquisitions

