

TRUEBLUE, INC.

FORM 8-K (Current report filing)

Filed 10/23/14 for the Period Ending 10/23/14

Address	1015 A STREET TACOMA, WA 98402
Telephone	253-383-9101
CIK	0000768899
Symbol	TBI
SIC Code	7363 - Help Supply Services
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): October 23, 2014

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 October 23, 2014, TrueBlue, Inc. (the "Company") issued a press release (the "Press Release") reporting its financial results for the third quarter ended September 26, 2014 and revenue and earnings guidance for the fourth quarter of 2014, 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 third quarter ended September 26, 2014 (the "Earnings Results Presentation"), which will be discussed by management of the Company on a live conference call at 9 a.m. Eastern Time (6 a.m. Pacific Time) on Thursday, October 23, 2014. 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 Q4 2014 Investor Presentation (the "Investor Presentation") to this report as Exhibit 99.3, which we will reference in our Q3 2014 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 October 23, 2014
 - 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: October 23, 2014

By: _____ / s/ D ERREK L. G AFFORD

Derrek L. Gafford

Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS 2014 THIRD QUARTER RESULTS

TACOMA, WA-Oct. 23, 2014-- TrueBlue, Inc. (NYSE:TBI) today reported results for the third quarter of 2014.

- Revenue was \$633 million, up 40 percent compared to revenue of \$451 million for the third quarter in 2013.
- Net income was \$21 million compared to \$19 million for the third quarter of 2013.
- Adjusted net income * was \$22 million, or \$0.54 per diluted share, compared to \$19 million, or \$0.48 per diluted share, for the third quarter of 2013.
- Adjusted EBITDA * was \$42 million, up 25 percent compared to \$33 million for the third quarter of 2013.

“We are pleased with the success of our growth strategies, which produced strong revenue and profit growth this quarter,” TrueBlue CEO Steve Cooper said. “Our team continues to focus on providing more value to customers through the specialized services we offer. In addition, we have a proven track record of acquiring companies with complementary service offerings that enable our customers to better manage their workforce.”

TrueBlue completed its acquisition of Seaton on June 30, 2014, the first day of its third quarter. TrueBlue refers to Seaton’s industry-leading brands, Staff Management | SMX, PeopleScout and HRX, as its Outsourcing Solutions group. TrueBlue is now the largest industrial staffing provider in the U.S.

“We are excited about the opportunities to expand our EBITDA margin through operational efficiency and the use of technology,” Cooper said. “This reduces the dependency on our branch footprint while allowing us to still deliver excellent service.”

TrueBlue has consolidated 52 branches year to date, resulting in 708 branches in operation at the end of the quarter.

TrueBlue estimates revenue in the range of \$695 million to \$705 million and adjusted net income * per diluted share of \$0.44 to \$0.49 for the fourth quarter of 2014.

Management will discuss third quarter 2014 results on a conference call at 6 a.m. PT (9 a.m. ET), today, Thursday, Oct. 23. The conference call can be accessed on TrueBlue’s web site: www.trueblue.com

* This is a non-GAAP financial measure that excludes non-recurring acquisition and integration costs for which a reconciliation is provided along with the financial statements accompanying this release.

About TrueBlue

TrueBlue (NYSE: TBI) is a leading staffing, recruiting and workforce management company. The company fills individual positions on demand, staffs entire facilities, and manages outsourced recruiting processes and staffing vendor programs for a wide variety of clients. The company’s specialized workforce solutions meet clients’ needs for a reliable, efficient workforce, and it serves a wide variety of industries. TrueBlue connects as many as 500,000 people to work each year. Learn more about TrueBlue 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. 27, 2013. Additional risk factors resulting from the acquisition of Seaton will be included in our Form 10-Q. 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		39 Weeks Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
Revenue from services	\$ 633,365	\$ 451,169	\$ 1,482,655	\$ 1,219,977
Cost of services	473,766	327,641	1,103,914	897,937
Gross profit	159,599	123,528	378,741	322,040
Selling, general and administrative expenses	120,318	90,767	308,654	268,538
Depreciation and amortization	9,719	4,771	20,126	15,133
Income from operations	29,562	27,990	49,961	38,369
Interest and other income (expense), net	(409)	416	385	1,167
Income before tax expense	29,153	28,406	50,346	39,536
Income tax expense	8,243	9,454	11,696	9,124
Net income	\$ 20,910	\$ 18,952	\$ 38,650	\$ 30,412
Net income per common share				
Basic	\$ 0.51	\$ 0.47	\$ 0.95	\$ 0.76
Diluted	\$ 0.51	\$ 0.47	\$ 0.94	\$ 0.75
Weighted average shares outstanding				
Basic	40,793	40,330	40,701	40,085
Diluted	41,038	40,670	40,971	40,395

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

	13 Weeks Ended			
	September 26, 2014			September 27, 2013
	Legacy TrueBlue	Seaton (1)	Total Company	Legacy TrueBlue
Revenue from services	\$ 484,729	\$ 148,636	\$ 633,365	\$ 451,169
Adjusted EBITDA (2)	34,932	6,688	41,620	33,394
Non-recurring acquisition costs (3)			2,339	633
EBITDA (2)			39,281	32,761
Depreciation and amortization			9,719	4,771
Interest income (expense), net			(409)	416
Income before tax expense			\$ 29,153	\$ 28,406

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

(2) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA excludes interest, taxes, depreciation and amortization from net income (loss). 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 a measure 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.

(3) Non-recurring acquisition costs for the 13 weeks ended September 26, 2014 related to the acquisition and integration of Seaton. The acquisition was completed effective June 30, 2014, the first day of our third quarter. The non-recurring acquisition costs for the prior year related to the acquisition and integration of TWC.

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

	<u>September 26, 2014</u>	<u>December 27, 2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 29,244	\$ 122,003
Marketable securities	1,746	14,745
Accounts receivable, net	310,926	199,519
Other current assets	35,629	20,191
Total current assets	377,545	356,458
Property and equipment, net	79,304	54,473
Restricted cash and investments	152,281	154,558
Other assets, net	391,597	153,972
Total assets	<u>\$ 1,000,727</u>	<u>\$ 719,461</u>
Liabilities and shareholders' equity		
Current liabilities	\$ 177,958	\$ 121,409
Long-term debt	174,950	29,656
Other long-term liabilities	207,853	175,036
Total liabilities	560,761	326,101
Shareholders' equity	439,966	393,360
Total liabilities and shareholders' equity	<u>\$ 1,000,727</u>	<u>\$ 719,461</u>

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

	39 Weeks Ended	
	September 26, 2014	September 27, 2013
Cash flows from operating activities		
Net income	\$ 38,650	\$ 30,412
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	20,126	15,133
Provision for doubtful accounts	9,619	8,785
Stock-based compensation	8,902	6,428
Deferred income taxes	6,077	(1,694)
Other operating activities	(148)	1,213
Changes in operating assets and liabilities, net of acquisition		
Accounts receivable	(26,391)	(24,776)
Income taxes	(3,179)	6,580
Other assets	(6,510)	(4,703)
Accounts payable and other accrued expenses	(1,687)	(6,728)
Accrued wages and benefits	11,373	11,419
Workers' compensation claims reserve	532	2,785
Other liabilities	2,539	423
Net cash provided by operating activities	59,903	45,277
Cash flows from investing activities		
Capital expenditures	(10,213)	(10,350)
Acquisition of businesses, net of cash acquired	(307,972)	(54,872)
Purchases of marketable securities	(25,057)	(35,300)
Sales and maturities of marketable securities	43,917	205
Change in restricted cash and cash equivalents	10,020	(1,338)
Purchases of restricted investments	(18,196)	(9,175)
Maturities of restricted investments	10,588	13,337
Net cash used in investing activities	(296,913)	(97,493)
Cash flows from financing activities		
Net proceeds from stock option exercises and employee stock purchase plans	1,673	8,731
Common stock repurchases for taxes upon vesting of restricted stock	(3,021)	(2,653)
Proceeds from note payable	186,994	34,000
Payments on debt and other liabilities	(41,700)	(8,115)
Other	1,242	720
Net cash provided by financing activities	145,188	32,683
Effect of exchange rates on cash	(937)	(435)
Net change in cash and cash equivalents	(92,759)	(19,968)
CASH AND CASH EQUIVALENTS, beginning of period	122,003	129,513
CASH AND CASH EQUIVALENTS, end of period	\$ 29,244	\$ 109,545

TRUEBLUE, INC.
RECONCILIATION OF GAAP NET INCOME PER DILUTED SHARE TO
ADJUSTED NET INCOME PER DILUTED SHARE

(Unaudited, in thousands, except per share data)

	13 Weeks Ended	
	September 26, 2014	September 27, 2013
GAAP Net income	\$ 20,910	\$ 18,952
Non-recurring acquisition costs, net of income tax (1)	1,404	380
Adjusted Net income	\$ 22,314	\$ 19,332
GAAP Net income per diluted share	\$ 0.51	\$ 0.47
Non-recurring acquisition costs, net of income tax (1)	0.03	0.01
Adjusted Net income per diluted share (2)	\$ 0.54	\$ 0.48

(1) Non-recurring acquisition costs for the current quarter related to the acquisition and integration of Seaton. The acquisition was completed on June 30, 2014, the first business day of our third quarter. The non-recurring acquisition costs for the prior year related to the acquisition and integration of TWC. The impact on net income per diluted share is net of income taxes at 40%.

(2) Adjusted net income and adjusted net income per diluted share are non-GAAP financial measures which exclude non-recurring costs for the purchase, integration, reorganization, and shutdown activities related to acquisitions, and which is used by management in communicating comparable performance. Adjusted net income and adjusted net income per diluted share should not be considered measures of financial performance in isolation or as an alternative to net income and net income per 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.

Q3 2014 Earnings Results

Oct. 23, 2014



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) significant labor disturbances which could disrupt industries we serve; 5) increased costs and collateral requirements in connection with our insurance obligations, including workers' compensation insurance; 6) the adequacy of our financial reserves; 7) our continuing ability to comply with the financial covenants of our lines of credit and other financing agreements; 8) our ability to attract and retain competent employees in key positions or to find temporary employees to fulfill the needs of our customers; 9) our ability to successfully complete and integrate acquisitions that we may make; and 10) other risks described in our most recent filings with the Securities and Exchange Commission.

Use of estimates and forecasts:

Any references made to 2014 and 2015 are based on management guidance issued Oct. 23, 2014, 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 Securities Exchange Commission.

Q3 2014 HIGHLIGHTS

- **Total revenue growth of 40%**
 - Seaton acquisition performing as expected
 - Organic revenue growth of 2%
 - Slowdown in energy sector
 - Excluding energy, organic revenue growth of 5%
- **Adjusted EBITDA¹ growth of 25%**
 - Continued focus on expanding EBITDA margin through technology and operational efficiencies
 - 14 branches consolidated in Q3; 52 branches year-to-date
- **\$3M income tax benefit from Worker Opportunity Tax Credits**

¹ EBITDA and Adjusted EBITDA are non-GAAP financial measures which exclude interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase and integration activities of acquisitions. See reconciliation slides in this presentation for additional important disclosures.

Q3 2014 HIGHLIGHTS

Amounts in millions except per share data. Certain amounts may not sum or recalculate due to rounding.

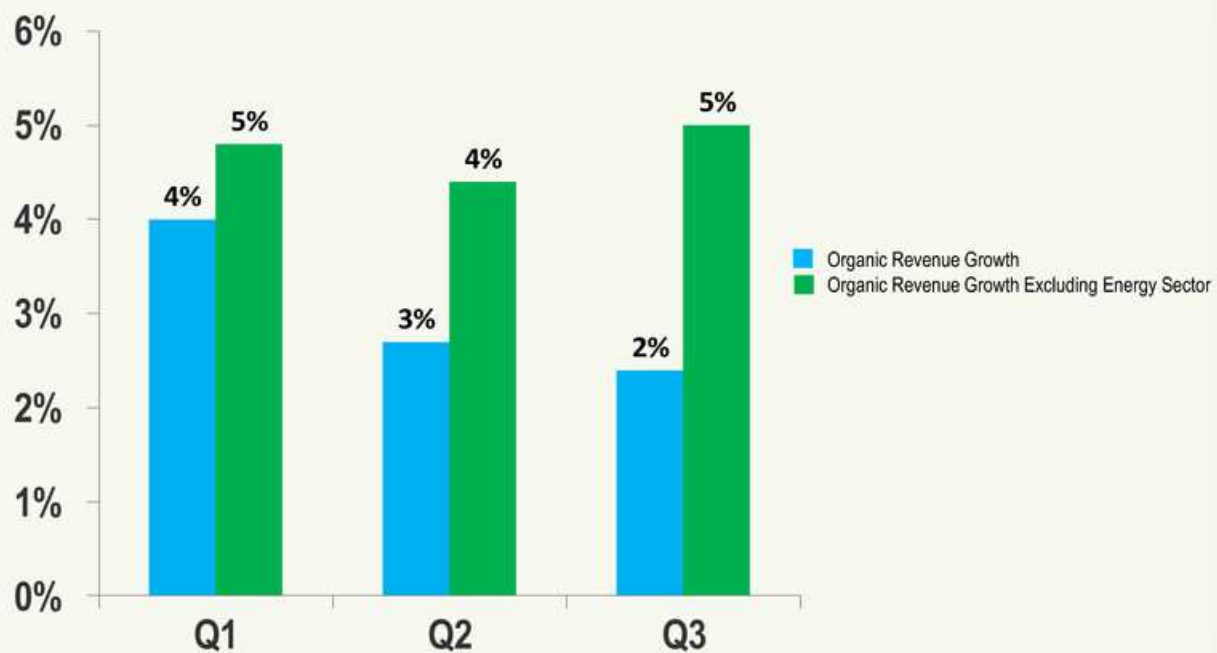
	Q3 2014	Q3 2013	Change
Revenue	\$ 633	\$ 451	40%
Gross Profit	\$ 160	\$ 124	29%
<i>% of Revenue</i>	<i>25.2%</i>	<i>27.4%</i>	
SG&A Expense	\$ 120	\$ 91	33%
<i>% of Revenue</i>	<i>19.0%</i>	<i>20.1%</i>	
EBITDA¹	\$ 39	\$ 33	20%
<i>% of Revenue</i>	<i>6.2%</i>	<i>7.3%</i>	
Adjusted EBITDA¹	\$ 42	\$ 33	25%
<i>% of Revenue</i>	<i>6.6%</i>	<i>7.4%</i>	
Adjusted Earnings per Share²	\$ 0.54	\$ 0.48	14%

¹ EBITDA and Adjusted EBITDA are non-GAAP financial measures which exclude interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase and integration activities of acquisitions. See reconciliation slides in this presentation for additional important disclosures.

² Adjusted Earnings per Share is a non-GAAP financial measure which excludes non-recurring acquisition and integration costs net of tax from earnings per share. See reconciliation slides in this presentation for additional, important disclosures.

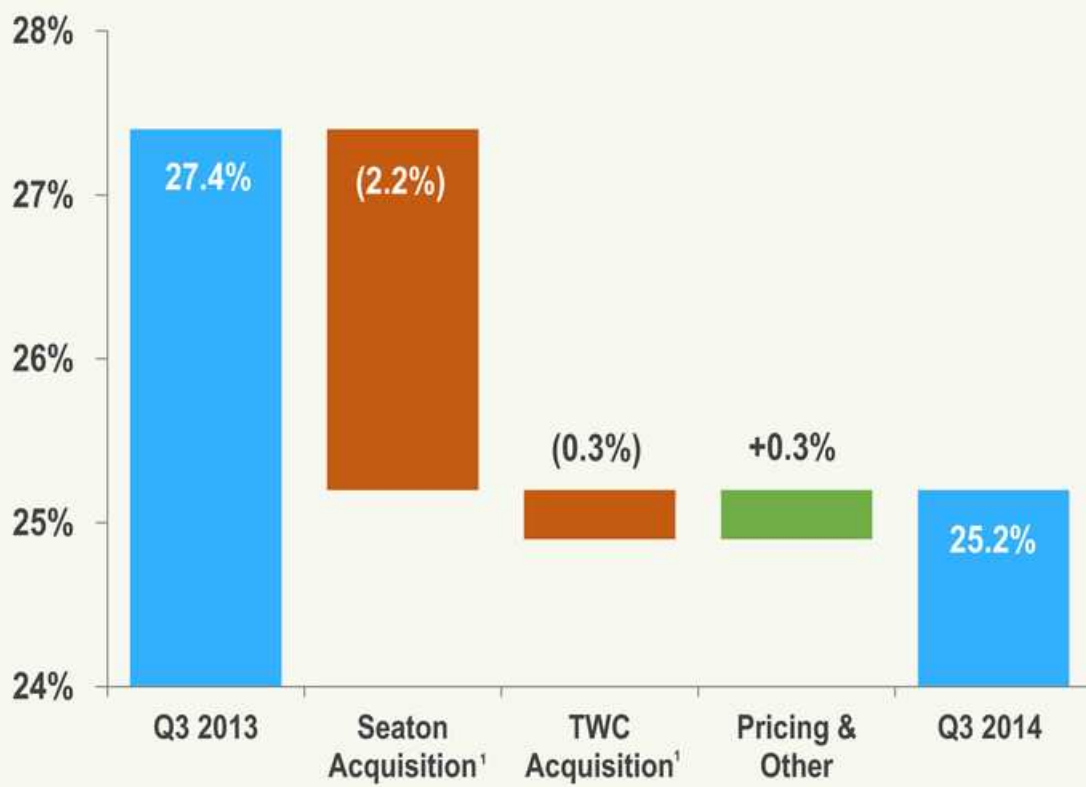
ORGANIC REVENUE TRENDS

Quarterly 2014 Organic Revenue Growth Trends¹



¹ All calculations based on comparison to same period a year ago.

GROSS MARGIN BRIDGE



¹ These businesses carry lower gross margin than the Legacy TrueBlue business resulting in a lower blended company average.

SG&A BRIDGE

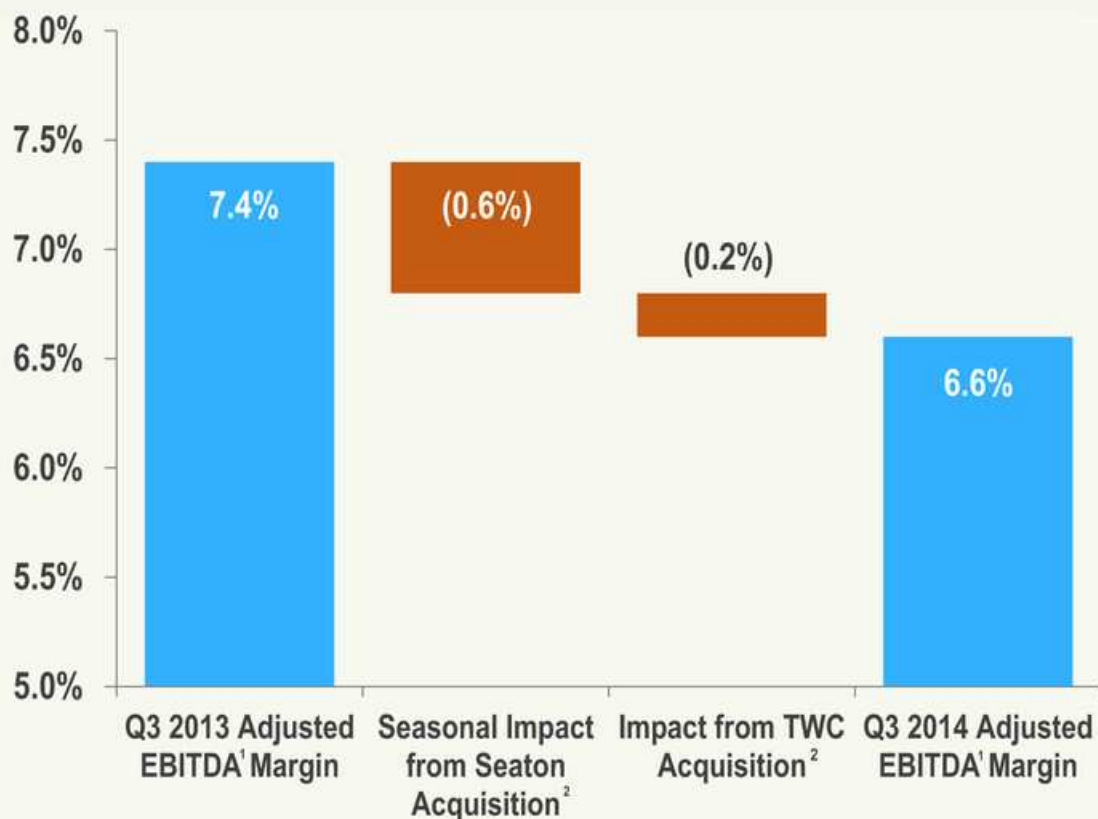


¹ Operating expenses relating to acquired Seaton operations. Seaton was acquired on the first day of Q3 2014.

² Operating expenses relating to acquired TWC operations. Acquisition of TWC was completed on the first day of Q4 2013.

³ Net increase in acquisition and integration costs.

Q3 2014 ADJUSTED EBITDA MARGIN BRIDGE



¹ EBITDA and Adjusted EBITDA are non-GAAP financial measures which exclude interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase and integration activities of acquisitions. See reconciliation slides in this presentation for additional important disclosures.

² Adjusted EBITDA margins for Seaton and TWC are comparable on a full year basis, but lower than the peak Q3 Adjusted EBITDA margin of the Legacy TrueBlue business, resulting in a lower blended company average in Q3 2014.

Expectations

Q4 2014 EXPECTATIONS

Amounts in millions except per share data. Certain amounts may not sum or recalculate due to rounding.

	<u>Legacy TrueBlue</u>	<u>Outsourcing Solutions (Seaton)</u>	<u>Consolidated</u>
Total Revenue	\$ 445 - 455	\$ 247 - 253	\$ 695 - 705
<i>Total growth</i>	FLAT	N/A	56%
<i>Growth excluding energy</i>	4%	N/A	60%
Adjusted EBITDA¹	\$ 27 - 29	\$ 14 - 15	\$ 41 - 44
Adjusted EPS²			\$ 0.44 - 0.49
Non-recurring Integration Costs			\$ 1.0

¹ EBITDA and Adjusted EBITDA are non-GAAP financial measures which exclude interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase and integration activities of acquisitions. See reconciliation slides in this presentation for additional important disclosures.

² Adjusted Earnings per Share is a non-GAAP financial measure which excludes non-recurring integration costs net of tax from earnings per share. See reconciliation slides in this presentation for additional, important disclosures.

2015 OUTLOOK

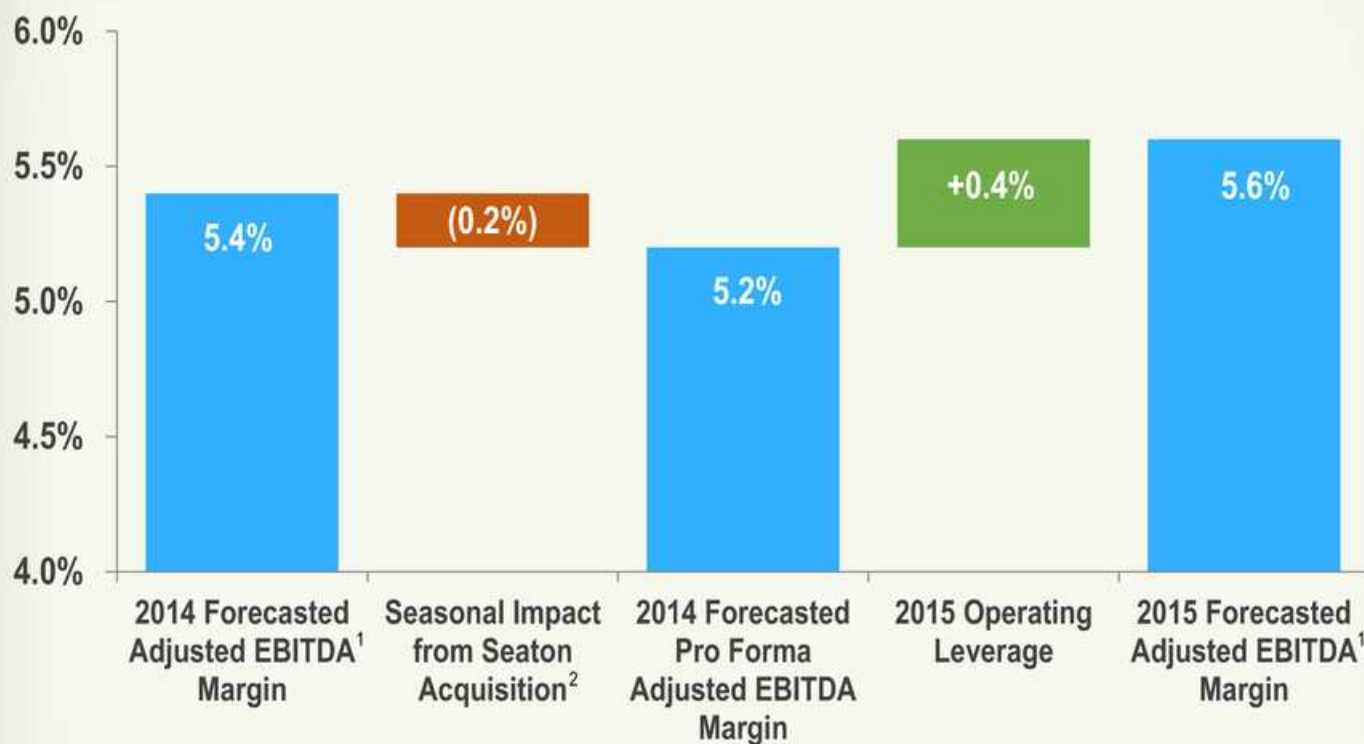
Amounts in millions except per share data. Certain amounts may not sum or recalculate due to rounding.

	Legacy TrueBlue	Outsourcing Solutions (Seaton)	TrueBlue Total
Revenue	\$ 1,900	\$ 770	\$ 2,670
Organic Revenue Growth	6%	10%	8%
Total Revenue Growth	6%	16%	22%
Adjusted EBITDA ¹	\$ 110	\$ 40	\$ 150
Adjusted EBITDA ¹ %.....	5.8%	5.2%	5.6%
Adjusted EBITDA ¹ Growth.....			27%
Non-recurring Integration Costs.....			2
EBITDA ¹			148
Depreciation and Amortization.....			40
Income from Operations.....			108
Interest Expense, Net.....			3
Income before Taxes.....			105
Provision for Income Taxes.....			42
Net Income.....			\$ 63
Earnings per Share.....			\$ 1.51
Adjusted Earnings per Share ¹			\$ 1.54
Capital Expenditures.....			\$ 20

¹ EBITDA, Adjusted EBITDA, and Adjusted Earnings per Share are non-GAAP terms. Adjusted EBITDA and Adjusted EPS excludes \$2 million of non-recurring integration costs related to the Seaton acquisition. See reconciliation slides in this presentation for additional important disclosures.

For simplicity, point estimates have been provided for 2015. These estimates should not be interpreted as a sign of increased visibility or precision in our ability to forecast since a fundamental value proposition is the contingent nature of our services allowing customers, on short notice, to adjust their use of our services.

2015 ADJUSTED EBITDA MARGIN BRIDGE



¹ EBITDA and Adjusted EBITDA are non-GAAP financial measures which exclude interest, taxes, depreciation and amortization from net income. Adjusted EBITDA further excludes from EBITDA non-recurring costs related to the purchase and integration activities of acquisitions. See reconciliation slides in this presentation for additional important disclosures.

² The timing of the acquisition of Seaton increased the overall Adjusted EBITDA margin for 2014 by 20 basis points due to the acquired period of July 2014 through December 2014 having a higher EBITDA margin than the entire calendar year of 2014.

NET INCOME TO EBITDA AND ADJUSTED EBITDA RECONCILIATION

Amounts in millions. Certain amounts may not sum or recalculate due to rounding.

	Q3 2014	Q3 2013
Net Income	\$ 20.9	\$ 19.0
Income Tax Expense	\$ 8.2	\$ 9.5
Interest Expense (Income), net	\$ 0.4	\$ (0.4)
Depreciation & Amortization	\$ 9.7	\$ 4.8
EBITDA ¹	\$ 39.3	\$ 32.8
Non-recurring Acquisition Costs	\$ 2.3	\$ 0.6
Adjusted EBITDA ¹	\$ 41.6	\$ 33.4

¹ 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 a measure 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.

DILUTED NET INCOME PER SHARE TO ADJUSTED NET INCOME PER SHARE RECONCILIATION

	Q3 2014	Q3 2013
Diluted Net Income per Share ¹	\$ 0.51	\$ 0.47
Non-recurring Acquisition Costs ²	\$ 0.03	\$ 0.01
Adjusted Net Income per Share ³	\$ 0.54	\$ 0.48

¹ The terms "net income" and "earnings" are used interchangeably throughout this presentation.

² Adjusted earnings per diluted share is a non-GAAP financial measure which excludes non-recurring costs related to the purchase, integration, reorganization, and shutdown activities related to acquisitions, which is used by management in communicating comparable performance. 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 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.

³ Non-recurring acquisition costs for the third quarter of 2014 relate to the acquisition of Seaton, which was completed on June 30, 2014, the first business day of the 2014 third quarter. Non-recurring acquisition costs for the prior year period relate to the acquisition and integration of TWC acquisition. The impact on net income per diluted share is net of income taxes at 40%.

RECONCILIATION OF Q-4 2014 FORECASTED OPERATING INCOME TO EBITDA AND ADJUSTED EBITDA

Amounts in millions. Certain amounts may not sum or recalculate due to rounding.

	Q4 2014 Forecast
Operating Income	\$ 30 - 33
Depreciation & Amortization	\$ 10
EBITDA ¹	\$ 40 - 43
Non-recurring Acquisition Costs	\$ 1
Adjusted EBITDA ¹	\$ 41 - 44

¹ 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 a measure 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.



Q4 2014 Investor Presentation



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) significant labor disturbances which could disrupt industries we serve; 5) increased costs and collateral requirements in connection with our insurance obligations, including workers' compensation insurance; 6) the adequacy of our financial reserves; 7) our continuing ability to comply with the financial covenants of our lines of credit and other financing agreements; 8) our ability to attract and retain competent employees in key positions or to find temporary employees to fulfill the needs of our customers; 9) our ability to successfully complete and integrate acquisitions that we may make; and 10) other risks described in our most recent filings with the Securities and Exchange Commission.

Use Of Estimates And Forecasts:

Any references made to 2014 and 2015 are based on management guidance issued Oct. 23, 2014, 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 Securities Exchange Commission.

TRUEBLUE AT A GLANCE

140,000

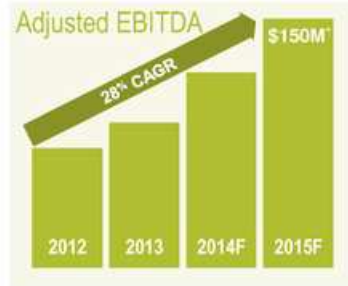
Clients served annually

500,000+

People connected to work each year

The largest U.S. industrial staffing provider

One of the largest U.S. RPO providers



\$2.2B

2014 Forecasted 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)



- **Market leader in blue-collar staffing**
- **Diversification into rapidly growing 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**

TRUEBLUE'S SPECIALIZED WORKFORCE SOLUTIONS

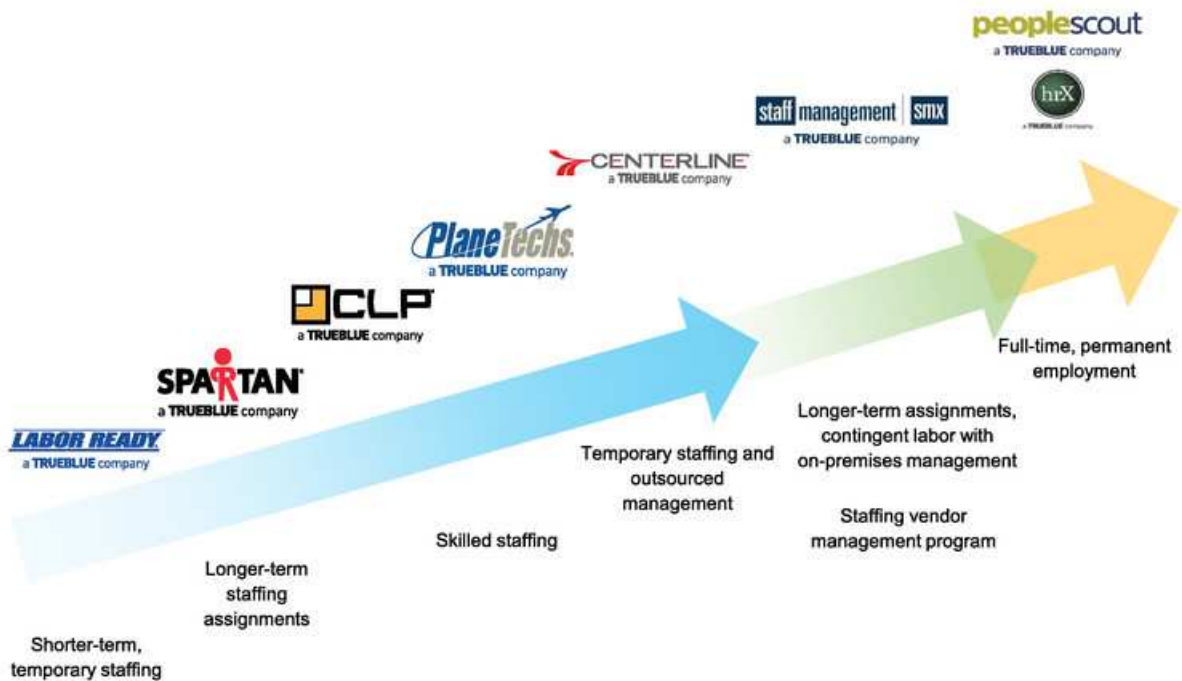
STAFFING SOLUTIONS		OUTSOURCING SOLUTIONS ¹	
	General labor		Exclusive recruitment and on-premise management of a facility's contingent industrial workforce
	Manufacturing and logistics		Management of multiple third party staffing vendors on behalf of clients (MSP) ²
	Skilled trades: energy, industrial and construction	 	Outsourced recruitment of permanent employees on behalf of clients (RPO) ³
	Truck drivers		
	Aviation mechanics and technicians		
<ul style="list-style-type: none"> Local sourcing and recruiting processes Large branch footprint Large and local workforce Specialized knowledge of clients' business Easy and quick access to scarce talent 		<ul style="list-style-type: none"> Centralized sourcing and recruiting processes Onsite dedicated management; no branches Staffing vendor management programs with embedded strategic relationship Specialized, industry-leading knowledge of solutions offering Dedicated teams and centralized support 	
2014 Forecasted Revenue \$1.8B		2014 Forecasted Revenue \$400M 2014 Pro Forma Revenue \$700M	

¹ Seaton, which was acquired June 30, 2014, now operates as TrueBlue's Outsourcing Solutions.

² Managed Service Provider

³ Recruitment Processing Outsourcing

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

- Temporary jobs added at twice the rate of prior recoveries
- Industrial Staffing has grown 8.5% annually since 2010

Expansive blue-collar job growth & replacement needs

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

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






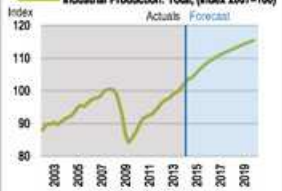

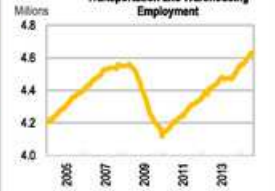
- Frees up client to focus on core competencies
- Streamlining the recruitment process reduces costs
- Reduces time to fill
- Improves the quality of hire
- Ensures compliance across all talent acquisition

Businesses increasing use of Managed Service Providers (MSP)

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

SERVING GROWING VERTICAL MARKETS

Industry Dynamics

Construction	Manufacturing	Transportation	Logistics				
							
<ul style="list-style-type: none"> Construction spending on the rebound Positive momentum for housing starts; construction employment on the rise Multiplier effect on manufacturing, warehousing, logistics, retail, and services 	<ul style="list-style-type: none"> U.S. Manufacturing Renaissance Increased incentives to "reshore" including increasing wages in China, offshore product quality concerns, and logistics costs Decline in energy costs 	<ul style="list-style-type: none"> High driver turnover New safety regulations create need for more drivers 100,000 new drivers needed per year, over the next 10 years¹ <p><small>¹ The American Trucking Association</small></p>	<ul style="list-style-type: none"> 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	Pro Forma TTM Revenue	Business Mix	Pro Forma TTM Revenue				
21%	\$525M	28%	\$675M				
Housing Permits Rebounding 		Industrial Production: Total, (Index 2007=100) 		Driver Supply v. Demand 		Transportation and Warehousing Employment 	
<small>Source: U.S. Census Bureau; Moody's Analytics</small>		<small>Source: U.S. Board of Governors of the Federal Reserve System (FRED); Moody's Analytics (BDO's Forecast)</small>		<small>Source: The American Trucking Association</small>		<small>Source: Bureau of Labor Statistics</small>	

STRATEGIC PRIORITIES

Grow Market Leadership

- Expand leadership position in workforce solutions
- Increase service offerings and expand geographies to meet customer needs

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 & 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, ensure strong cultural fit
- Integrate similar offerings & 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
- Increase fill rates by optimizing talent pool
- 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; 10% projected growth¹
- Offerings are complementary with staffing solutions group, minimizing sales channel conflict
- Strong customer renewal rates (95%+) 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: International Data Corporation

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 and 912 branches in 2006 v. \$1.7B and 757 branches in 2013)

Innovation Driving 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

PROVEN ACQUISITION TRACK RECORD

Results

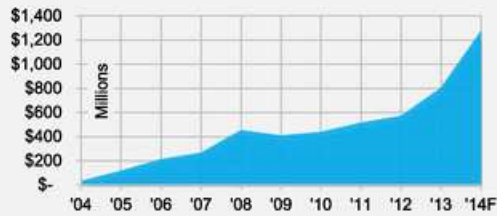
- 18 acquisitions over last 10 years
- \$550M invested
- ROI exceeds cost of capital

Strategic Focus

- Strengthen existing services
- Add complementary services in high-growth markets
- Add new business capabilities
- Expand into new geographies and markets
- Add new talent

ACQUISITIONS YIELD STRONG RESULTS

Revenue from Acquisitions



ACQUISITION APPROACH



2015 OUTLOOK

Amounts in millions except per share data. Certain amounts may not sum or recalculate due to rounding.

	Legacy TrueBlue	Outsourcing Solutions (Seaton)	TrueBlue Total
Revenue	\$ 1,900	\$ 770	\$ 2,670
Organic Revenue Growth	6%	10%	8%
Total Revenue Growth	6%	16%	22%
Adjusted EBITDA ¹	\$ 110	\$ 40	\$ 150
Adjusted EBITDA ¹ %.....	5.8%	5.2%	5.6%
Adjusted EBITDA ¹ Growth.....			27%
Non-recurring Integration Costs.....			2
EBITDA ¹			148
Depreciation and Amortization.....			40
Income from Operations.....			108
Interest Expense, Net.....			3
Income before Taxes.....			105
Provision for Income Taxes.....			42
Net Income.....			\$ 63
Earnings per Share.....			\$ 1.51
Adjusted Earnings per Share ¹			\$ 1.54
Capital Expenditures.....			\$ 20

¹ EBITDA, Adjusted EBITDA, and Adjusted Earnings per Share are non-GAAP terms. Adjusted EBITDA and Adjusted EPS excludes \$2 million of non-recurring integration costs related to the Seaton acquisition. See reconciliation slides in this presentation for additional important disclosures.

For simplicity, point estimates have been provided for 2015. These estimates should not be interpreted as a sign of increased visibility or precision in our ability to forecast since a fundamental value proposition is the contingent nature of our services allowing customers, on short notice, to adjust their use of our services.

- Market leader in blue-collar staffing
- Diversification into rapidly growing 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

