

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 24, 2022



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 98402
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (253) 383-9101

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common stock, no par value

Trading Symbol(s)
TBI

Name of each exchange on which registered
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On October 24, 2022, TrueBlue, Inc. (the “company”) issued a press release (the “Press Release”) reporting its financial results for the third quarter ended September 25, 2022, and certain outlook information for the fourth quarter and fiscal year 2022, 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 25, 2022 (the “Earnings Results Presentation”), which will be discussed by management of the company on a live conference call at 2:30 p.m. Pacific Time (5:30 p.m. Eastern Time) on Monday, October 24, 2022. The Earnings Results Presentation is also available on the company’s website at 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 Investor Roadshow Presentation to this report as Exhibit 99.3, which we will reference in our Q3 2022 earnings results discussion and which may be used in future investor conferences. The Investor Roadshow Presentation is also available on the company’s website at www.trueblue.com.

In accordance with General Instruction B.2. of Form 8-K, the information contained above in this report (including the Investor Roadshow 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 Roadshow 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

Exhibit Number	Exhibit Description	Filed Herewith
99.1	Press Release dated October 24, 2022	X
99.2	Earnings Results Presentation for October 24, 2022 conference call	X
99.3	Investor Roadshow Presentation	X
104	Cover page interactive data file - The cover page from this Current Report on Form 8-K is formatted as Inline XBRL	X

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 24, 2022

By:

/s/ Derrek L. Gafford

Derrek L. Gafford
Chief Financial Officer and Executive Vice President

TRUEBLUE REPORTS THIRD QUARTER 2022 RESULTS
Gross margin strength drives bottom-line results

TACOMA, WASH. - Oct. 24, 2022 -- TrueBlue (NYSE:TBI) today announced its third quarter results for 2022.

Third quarter revenue was \$576 million, roughly flat compared to revenue of \$577 million in the third quarter of 2021. Net income per diluted share was \$0.63 compared to net income per diluted share of \$0.53 in the third quarter of 2021. Third quarter adjusted net income¹ per diluted share was \$0.75 compared to adjusted net income per diluted share of \$0.59 in the third quarter of 2021.

"Given the uncertainty businesses face regarding their workforce needs, we are pleased with our results this quarter," said Steve Cooper, CEO of TrueBlue. "While demand slowed, we filled a higher proportion of orders due to continued improvement in worker supply. Tight labor pools are playing to our favor with the strongest bill/pay spreads in recent history resulting in higher operating income and related margin.

"Over the near-term, we believe economic uncertainty will increase and demand for our services will soften," continued Mr. Cooper. "Ultimately, we see secular strength for our workforce solutions. We expect low labor participation rates and an increasing preference to work from home to further constrain blue-collar labor supply. We will continue to invest in our operational and technology strengths to ensure we are well-positioned for the economic recovery and beyond."

2022 Outlook

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

Management will discuss third quarter 2022 results on a webcast at 2:30 p.m. PT (5:30 p.m. ET), today, Monday, **Oct. 24, 2022**. The webcast can be accessed on TrueBlue's website: www.trueblue.com.

About TrueBlue

TrueBlue (NYSE: TBI) is a leading provider of specialized workforce solutions that help clients achieve business growth and improve productivity. In 2021, TrueBlue connected approximately 615,000 people with work. Its PeopleReady segment offers on-demand, industrial staffing, PeopleManagement offers contingent, on-site industrial staffing and commercial driver services, and PeopleScout offers recruitment process outsourcing (RPO) and managed service provider (MSP) solutions to a wide variety of industries. Learn more at www.trueblue.com.

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

Forward-looking statements and non-GAAP financial measures

This document contains forward-looking statements relating to our plans and expectations including, without limitation, statements regarding the future performance and operations of our business, and expected growth from our digital investments, all of which are subject to risks and uncertainties. Such statements are based on management's expectations and assumptions as of the date of this release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements including: (1) national and global economic conditions, (2) the continued impact of COVID-19 and related economic impact and governmental response, (3) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (4) our ability to attract and retain clients, (5) our ability to maintain profit margins, (6) our ability to successfully execute on business strategies to further digitalize our business model, (7) the timing and amount of common stock repurchases, if any, which will be determined at management's discretion and depend upon several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities, (8) new laws, regulations, and government incentives that could affect our operations or financial results, (9) our ability to access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, and (10) any reduction or change in tax credits we utilize, including the Work Opportunity Tax Credit. Other information regarding factors that could affect our results is included in our Securities Exchange Commission (SEC) filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our website at www.trueblue.com under the Investor Relations section or the SEC's website at www.sec.gov. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Any other references to future financial estimates are included for informational purposes only and subject to risk factors discussed in our most recent filings with the SEC.

In addition, we use several non-GAAP financial measures when presenting our financial results in this document. Please refer to the reconciliations between our GAAP and non-GAAP financial measures in the appendix to this document and on our website at www.trueblue.com under the Investor Relations section for additional information on both current and historical periods. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

Contact:
Derrek Gafford, Executive Vice President and CFO
253-680-8214

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

<i>(in thousands, except per share data)</i>	13 weeks ended		39 weeks ended	
	Sep 25, 2022	Sep 26, 2021	Sep 25, 2022	Sep 26, 2021
Revenue from services	\$ 575,721	\$ 577,031	\$ 1,696,489	\$ 1,551,692
Cost of services	419,802	430,529	1,242,194	1,158,148
Gross profit	155,919	146,502	454,295	393,544
Selling, general and administrative expense	124,351	118,748	366,953	326,657
Depreciation and amortization	7,483	6,426	22,015	20,405
Income from operations	24,085	21,328	65,327	46,482
Interest expense and other income, net	703	581	1,098	1,880
Income before tax expense	24,788	21,909	66,425	48,362
Income tax expense	4,092	3,267	11,197	6,938
Net income	\$ 20,696	\$ 18,642	\$ 55,228	\$ 41,424
Net income per common share:				
Basic	\$ 0.64	\$ 0.53	\$ 1.67	\$ 1.19
Diluted	\$ 0.63	\$ 0.53	\$ 1.65	\$ 1.17
Weighted average shares outstanding:				
Basic	32,434	34,873	33,023	34,788
Diluted	32,818	35,475	33,511	35,255

TRUEBLUE, INC.
SUMMARY CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands)</i>	Sep 25, 2022	Dec 26, 2021
ASSETS		
Cash and cash equivalents	\$ 43,779	\$ 49,896
Accounts receivable, net	328,763	353,882
Other current assets	36,088	41,295
Total current assets	408,630	445,073
Property and equipment, net	92,324	88,090
Restricted cash and investments	208,659	221,026
Goodwill and intangible assets, net	110,741	116,749
Other assets, net	162,427	162,288
Total assets	\$ 982,781	\$ 1,033,226
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and other accrued expenses	\$ 53,838	\$ 77,172
Accrued wages and benefits	89,899	100,173
Current portion of workers' compensation claims reserve	55,574	61,596
Other current liabilities	23,759	19,605
Total current liabilities	223,070	258,546
Workers' compensation claims reserve, less current portion	196,315	194,598
Other long-term liabilities	76,582	87,015
Total liabilities	495,967	540,159
Shareholders' equity	486,814	493,067
Total liabilities and shareholders' equity	\$ 982,781	\$ 1,033,226

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

(in thousands)	39 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Cash flows from operating activities:		
Net income	\$ 55,228	\$ 41,424
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,015	20,405
Provision for credit losses	3,352	2,881
Stock-based compensation	7,675	10,149
Deferred income taxes	2,046	445
Non-cash lease expense	9,694	11,173
Other operating activities	8,772	(1,484)
Changes in operating assets and liabilities:		
Accounts receivable	21,388	(53,626)
Income taxes receivable and payable	186	963
Operating lease right-of-use-asset	—	7,150
Other assets	(564)	(7,003)
Accounts payable and other accrued expenses	(22,935)	3,212
Accrued wages and benefits	(10,277)	24,278
Deferred employer payroll taxes	—	(57,066)
Workers' compensation claims reserve	(4,304)	3,075
Operating lease liabilities	(9,673)	(10,017)
Other liabilities	(2,529)	4,598
Net cash provided by operating activities	80,074	557
Cash flows from investing activities:		
Capital expenditures	(22,685)	(28,772)
Purchases of restricted available-for-sale investments	—	(29)
Sales of restricted available-for-sale investments	—	793
Purchases of restricted held-to-maturity investments	(4,950)	—
Maturities of restricted held-to-maturity investments	23,697	18,346
Net cash used in investing activities	(3,938)	(9,662)
Cash flows from financing activities:		
Purchases and retirement of common stock	(60,939)	—
Net proceeds from employee stock purchase plans	780	754
Common stock repurchases for taxes upon vesting of restricted stock	(4,347)	(3,035)
Other	(203)	(270)
Net cash used in financing activities	(64,709)	(2,551)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,482)	(613)
Net change in cash, cash equivalents, and restricted cash	8,945	(12,269)
Cash, cash equivalents and restricted cash, beginning of period	103,185	118,612
Cash, cash equivalents and restricted cash, end of period	\$ 112,130	\$ 106,343

TRUEBLUE, INC.
SEGMENT DATA
(Unaudited)

<i>(in thousands)</i>	13 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Revenue from services:		
PeopleReady	\$ 334,639	\$ 349,056
PeopleManagement	163,618	157,789
PeopleScout	77,464	70,186
Total company	\$ 575,721	\$ 577,031
Segment profit (1):		
PeopleReady	\$ 28,732	\$ 24,690
PeopleManagement	4,463	2,360
PeopleScout	10,707	9,778
Total segment profit	43,902	36,828
Corporate unallocated expense	(9,396)	(7,667)
Total company Adjusted EBITDA (2)	34,506	29,161
Third-party processing fees for hiring tax credits (3)	(162)	(419)
Amortization of software as a service assets (4)	(729)	(670)
PeopleReady technology upgrade costs (5)	(1,858)	—
COVID-19 government subsidies	—	92
Other adjustments, net (6)	(189)	(410)
EBITDA (2)	31,568	27,754
Depreciation and amortization	(7,483)	(6,426)
Interest expense and other income, net	703	581
Income before tax expense	24,788	21,909
Income tax expense	(4,092)	(3,267)
Net income	\$ 20,696	\$ 18,642

(1) We evaluate performance based on segment revenue and segment profit. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes depreciation and amortization expense, unallocated corporate general and administrative expense, interest expense, other income, income taxes, and other adjustments not considered to be ongoing.

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

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

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

(5) Costs associated with upgrading legacy PeopleReady technology.

(6) Other adjustments for the 13 weeks ended September 25, 2022 include \$0.2 million incurred to transition to a new third-party claims administrator for workers' compensation. Other adjustments for the 13 weeks ended September 26, 2021 primarily include costs of \$0.2 million incurred while transitioning into our new Chicago office and implementation costs for cloud-based systems of \$0.1 million.

TRUEBLUE, INC.
NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

In addition to financial measures presented in accordance with U.S. GAAP, we monitor certain non-GAAP key financial measures. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

Non-GAAP measure	Definition	Purpose of adjusted measures
<i>Adjusted net income and Adjusted net income per diluted share</i>	Net income and net income per diluted share, excluding: <ul style="list-style-type: none"> – amortization of intangibles, – amortization of software as a service assets, – accelerated depreciation, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, – other adjustments, net, and – tax effect of each adjustment to U.S. GAAP. 	<ul style="list-style-type: none"> – Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. – Used by management to assess performance and effectiveness of our business strategies. – Provides a measure, among others, used in the determination of incentive compensation for management.
<i>EBITDA and Adjusted EBITDA</i>	EBITDA excludes from net income: <ul style="list-style-type: none"> – income taxes, – interest expense and other income, net, and – depreciation and amortization. Adjusted EBITDA, further excludes: <ul style="list-style-type: none"> – third-party processing fees for hiring tax credits, – amortization of software as a service assets, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, and – other adjustments, net. 	<ul style="list-style-type: none"> – Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. – Used by management to assess performance and effectiveness of our business strategies. – Provides a measure, among others, used in the determination of incentive compensation for management.
<i>Adjusted SG&A expense</i>	Selling, general and administrative expense excluding: <ul style="list-style-type: none"> – third-party processing fees for hiring tax credits, – amortization of software as a service assets, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, and – other adjustments, net. 	<ul style="list-style-type: none"> – Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.

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

(in thousands, except for per share data)	13 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Net income	\$ 20,696	\$ 18,642
Amortization of intangible assets	1,484	1,506
Amortization of software as a service assets (1)	729	670
Accelerated depreciation (2)	602	—
PeopleReady technology upgrade costs (3)	1,858	—
COVID-19 government subsidies	—	(92)
Other adjustments, net (4)	189	410
Tax effect of adjustments to net income (5)	(800)	(372)
Adjusted net income	\$ 24,758	\$ 20,764
Adjusted net income per diluted share	\$ 0.75	\$ 0.59
Diluted weighted average shares outstanding	32,818	35,475
Margin / % of revenue:		
Net income	3.6%	3.2%
Adjusted net income	4.3%	3.6%

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

(in thousands)	13 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Net income	\$ 20,696	\$ 18,642
Income tax expense	4,092	3,267
Interest expense and other (income), net	(703)	(581)
Depreciation and amortization	7,483	6,426
EBITDA	31,568	27,754
Third-party processing fees for hiring tax credits (6)	162	419
Amortization of software as a service assets (1)	729	670
PeopleReady technology upgrade costs (3)	1,858	—
COVID-19 government subsidies	—	(92)
Other adjustments, net (4)	189	410
Adjusted EBITDA	\$ 34,506	\$ 29,161
Margin / % of revenue:		
Net income	3.6%	3.2%
Adjusted EBITDA	6.0%	5.1%

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

<i>(in thousands)</i>	13 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Selling, general and administrative expense	\$ 124,351	\$ 118,748
Third-party processing fees for hiring tax credits (6)	(162)	(419)
Amortization of software as a service assets (1)	(729)	(670)
PeopleReady technology upgrade costs (3)	(1,858)	—
COVID-19 government subsidies	—	92
Other adjustments, net (4)	(189)	(410)
Adjusted SG&A expense	\$ 121,413	\$ 117,341

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

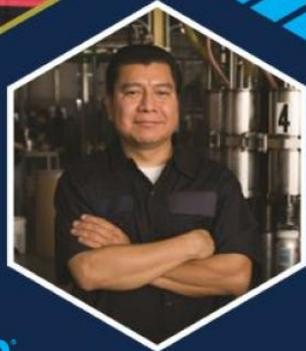
(2) Accelerated depreciation for the existing systems being replaced by the upgraded PeopleReady technology platform.

(3) Costs associated with upgrading legacy PeopleReady technology.

(4) Other adjustments for the 13 weeks ended September 25, 2022 include \$0.2 million incurred to transition to a new third-party claims administrator for workers' compensation. Other adjustments for the 13 weeks ended September 26, 2021 primarily include costs of \$0.2 million incurred while transitioning into our new Chicago office and implementation costs for cloud-based systems of \$0.1 million.

(5) Total tax effect of each of the adjustments to U.S. GAAP net income using the effective income tax rate for the respective periods.

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



 **trueblue**
THE PEOPLE COMPANY®

Q3 2022 Earnings

Forward-looking statements and non-GAAP financial measures

This document contains forward-looking statements relating to our plans and expectations including, without limitation, statements regarding the future performance and operations of our business, and expected growth from our digital investments, all of which are subject to risks and uncertainties. Such statements are based on management's expectations and assumptions as of the date of this release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements including: (1) national and global economic conditions, (2) the continued impact of COVID-19 and related economic impact and governmental response, (3) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (4) our ability to attract and retain clients, (5) our ability to maintain profit margins, (6) our ability to successfully execute on business strategies to further digitalize our business model, (7) the timing and amount of common stock repurchases, if any, which will be determined at management's discretion and depend upon several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities, (8) new laws, regulations, and government incentives that could affect our operations or financial results, (9) our ability to access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, and (10) any reduction or change in tax credits we utilize, including the Work Opportunity Tax Credit. Other information regarding factors that could affect our results is included in our Securities Exchange Commission (SEC) filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our website at www.trueblue.com under the Investor Relations section or the SEC's website at www.sec.gov. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Any other references to future financial estimates are included for informational purposes only and subject to risk factors discussed in our most recent filings with the SEC.

In addition, we use several non-GAAP financial measures when presenting our financial results in this document. Please refer to the reconciliations between our GAAP and non-GAAP financial measures in the appendix to this presentation and on our website at www.trueblue.com under the Investor Relations section for additional information on both current and historical periods. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Any comparisons made herein to other periods are based on a comparison to the same period in the prior year unless otherwise stated.

Q3 2022 Overview

Total revenue flat

- PeopleScout demand remained strong given the high number of job openings
- PeopleReady demand softened, partially offset by improved worker supply
- PeopleManagement demand held steady

Net income was \$21 million v. \$19 million in Q3 2021

- Net income margin +40 bps
- Gross margin +170 bps
 - +110 bps from lower workers' compensation costs
 - +100 bps from favorable bill / pay spread inflation
 - -40 bps from business mix

Adjusted EBITDA¹ was \$35 million v. \$29 million in Q3 2021

- Adjusted EBITDA margin +90 bps

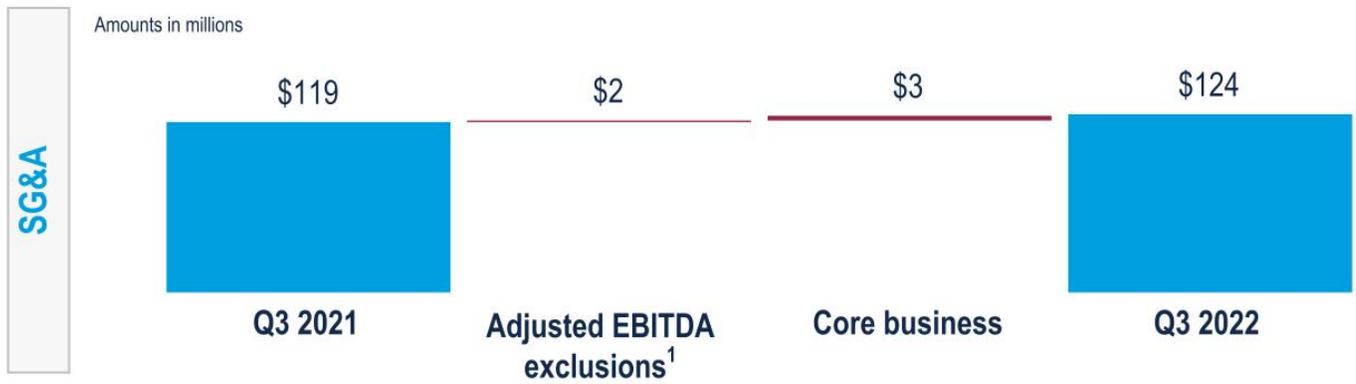
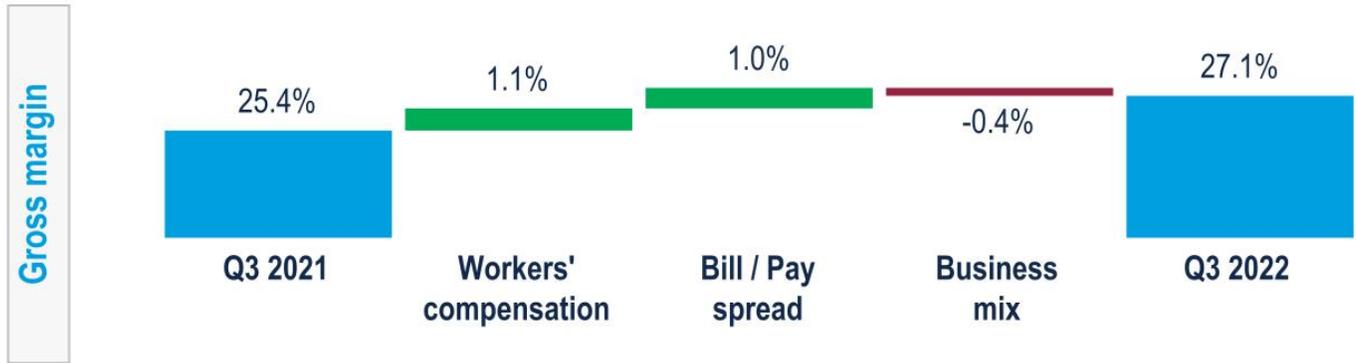
¹ Refer to the appendix to this presentation for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

Financial summary

Amounts in millions, except per share data	Q3 2022	Q3 2021	Change
Revenue	\$576	\$577	0%
Net income	\$20.7	\$18.6	+11%
Net income per diluted share	\$0.63	\$0.53	+19%
Net income margin	3.6%	3.2%	+40 bps
Adjusted net income ¹	\$24.8	\$20.8	+19%
Adj. net income per diluted share	\$0.75	\$0.59	+27%
Adj. net income margin	4.3%	3.6%	+70 bps
Adjusted EBITDA	\$34.5	\$29.2	+18%
Adjusted EBITDA margin	6.0%	5.1%	+90 bps
Notes:	<ul style="list-style-type: none"> ▪ Increased profitability was primarily driven by gross margin expansion. ▪ The changes in adjusted net income margin and adjusted EBITDA margin were more favorable than that of GAAP net income margin due primarily to \$2 million in current year PeopleReady technology upgrade costs, which were excluded from adjusted results. 		

¹ Refer to the appendix to this presentation for a definition and full reconciliation of non-GAAP financial measures to GAAP financial results.

Gross margin and SG&A bridges



¹\$2 million represents the year-over-year change in Adjusted EBITDA exclusions impacting SG&A. Refer to the adjusted EBITDA reconciliation in the appendix to this presentation for more information.

Q3 2022 Results by segment

Amounts in millions	PeopleReady	PeopleManagement	PeopleScout
Revenue	\$335	\$164	\$77
% Change	-4%	+4%	+10%
Segment profit ¹	\$29	\$4	\$11
% Change	+16%	+89%	+10%
% Margin Change	8.6% +150 bps	2.7% +120 bps	13.8% -10 bps
Notes:	<ul style="list-style-type: none"> ■ Revenue -4% <ul style="list-style-type: none"> • Demand declined across most geographies and industries ■ Segment profit margin expansion driven by lower workers' compensation costs and favorable spreads between bill- and pay-rate inflation 	<ul style="list-style-type: none"> ■ Revenue +4% <ul style="list-style-type: none"> • Growth mainly from commercial driving business; On-site business flat ■ Segment profit margin up due to mix from commercial driving business and improving margin profiles within On-site clients 	<ul style="list-style-type: none"> ■ Revenue and segment profit +10% <ul style="list-style-type: none"> • Client hiring volumes remained above historical levels

¹We evaluate performance based on segment revenue and segment profit. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes depreciation and amortization expense, unallocated corporate general and administrative expense, interest expense, other income, income taxes, and other adjustments not considered to be ongoing.

Strategy highlights



- Digitalize our business model to gain market share from smaller, less capitalized competitors and reduce expenses
- Drive higher client usage of JobStack™, our industry-leading technology, to accelerate revenue growth
- Improve client and candidate experience using centralized services combined with digital onboarding platforms



- Continue momentum on new customer wins through strong execution of sales initiatives
- Leverage recent sales resource investments to expand into under-penetrated geographic markets
- Invest in client and associate care in addition to retention programs



- Focus sales and marketing efforts to capitalize on industry trend towards outsourcing
- Leverage strong brand; independently ranked as a market leader
- Expand technology offering to improve client delivery and recruiting efficiency

Leverage technology and industry leading position to grow market share and enhance efficiency

Balance sheet remains strong

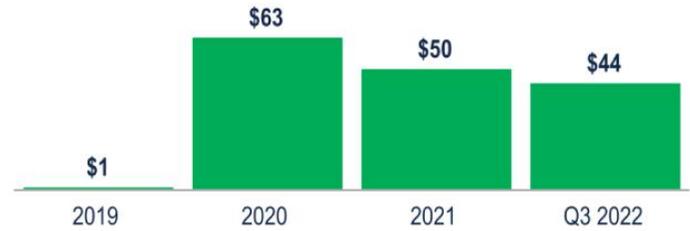
Liquidity

Amounts in millions



Cash net of debt

Amounts in millions



Total debt to capital¹



Share repurchases

Amounts in millions



Note: Figures may not sum to consolidated totals due to rounding. Balances as of fiscal period end.
¹ Total Debt to Capital calculated as total debt divided by the sum of total debt plus shareholders' equity.

Outlook



Select outlook information

Item	Q4 2022	Commentary
Revenue	\$550M to \$575M -12% to -8% v. prior year	<ul style="list-style-type: none"> PeopleReady benefited from a high volume of retail projects and above average base business results during Q4 2021 and Q1 2022, which are not expected to fully repeat. <ul style="list-style-type: none"> The impact to total TBI growth is roughly -9% in Q4 2022 and -6% in Q1 2023. Note: Fiscal 2023 includes a 53rd week, which will add \$22M to \$27M of revenue with minimal profit due to low seasonal volume.
Gross margin	-70 to -30 bps v. prior year	Gross margin drop from business mix and low workers' compensation expense in Q4 2021.
SG&A	\$129M to \$133M	Refer to EBITDA adjustments for additional information on expected expense.
EBITDA adjustments ¹	~\$3M	<ul style="list-style-type: none"> ~\$2M in PeopleReady technology upgrade costs ~\$1M in SaaS amortization
Pre-tax net income adjustments	~\$5M	<ul style="list-style-type: none"> ~\$2M in PeopleReady technology upgrade costs ~\$1M each in intangibles amortization, SaaS amortization, and accelerated depreciation
CapEx ²	~\$11M	Q4 depreciation is expected to be ~\$6M.
Shares	~32.9M	Reflects diluted weighted average shares outstanding.
Income Tax Rate	14% to 18%	Reflects effective income tax rate.

¹ Refer to the appendix to this presentation for a definition of non-GAAP financial measures.

² Includes planned investments in software as a service (SaaS) assets capitalized in other long-term assets with the related amortization recorded in SG&A.

Appendix



NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

In addition to financial measures presented in accordance with U.S. GAAP, we monitor certain non-GAAP key financial measures. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

Non-GAAP measure	Definition	Purpose of adjusted measures
Adjusted net income and Adjusted net income per diluted share	<p>Net income and net income per diluted share, excluding:</p> <ul style="list-style-type: none"> – amortization of intangibles, – amortization of software as a service assets, – accelerated depreciation, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, – other adjustments, net, and – tax effect of each adjustment to U.S. GAAP. 	<ul style="list-style-type: none"> – Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. – Used by management to assess performance and effectiveness of our business strategies. – Provides a measure, among others, used in the determination of incentive compensation for management.
EBITDA and Adjusted EBITDA	<p>EBITDA excludes from net income:</p> <ul style="list-style-type: none"> – income taxes, – interest expense and other income, net, and – depreciation and amortization. <p>Adjusted EBITDA, further excludes:</p> <ul style="list-style-type: none"> – third-party processing fees for hiring tax credits, – amortization of software as a service assets, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, and – other adjustments, net. 	<ul style="list-style-type: none"> – Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. – Used by management to assess performance and effectiveness of our business strategies. – Provides a measure, among others, used in the determination of incentive compensation for management.
Adjusted SG&A expense	<p>Selling, general and administrative expense excluding:</p> <ul style="list-style-type: none"> – third-party processing fees for hiring tax credits, – amortization of software as a service assets, – PeopleReady technology upgrade costs, – COVID-19 government subsidies, and – other adjustments, net. 	<ul style="list-style-type: none"> – Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.

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

<i>(in thousands, except for per share data)</i>	13 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Net income	\$ 20,696	\$ 18,642
Amortization of intangible assets	1,484	1,506
Amortization of software as a service assets (1)	729	670
Accelerated depreciation (2)	602	—
PeopleReady technology upgrade costs (3)	1,858	—
COVID-19 government subsidies	—	(92)
Other adjustments, net (4)	189	410
Tax effect of adjustments to net income (5)	(800)	(372)
Adjusted net income	\$ 24,758	\$ 20,764
Adjusted net income per diluted share	\$ 0.75	\$ 0.59
Diluted weighted average shares outstanding	32,818	35,475
Margin / % of revenue:		
Net income	3.6%	3.2%
Adjusted net income	4.3%	3.6%

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

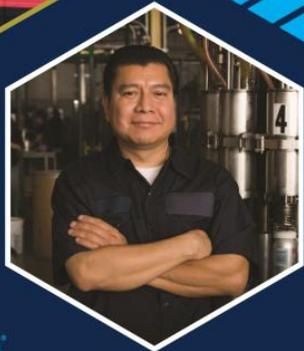
<i>(in thousands)</i>	13 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Net income	\$ 20,696	\$ 18,642
Income tax expense	4,092	3,267
Interest expense and other (income), net	(703)	(581)
Depreciation and amortization	7,483	6,426
EBITDA	31,568	27,754
Third-party processing fees for hiring tax credits (6)	162	419
Amortization of software as a service assets (1)	729	670
PeopleReady technology upgrade costs (3)	1,858	—
COVID-19 government subsidies	—	(92)
Other adjustments, net (4)	189	410
Adjusted EBITDA	\$ 34,506	\$ 29,161
Margin / % of revenue:		
Net income	3.6%	3.2%
Adjusted EBITDA	6.0%	5.1%

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

<i>(in thousands)</i>	13 weeks ended	
	Sep 25, 2022	Sep 26, 2021
Selling, general and administrative expense	\$ 124,351	\$ 118,748
Third-party processing fees for hiring tax credits (6)	(162)	(419)
Amortization of software as a service assets (1)	(729)	(670)
PeopleReady technology upgrade costs (3)	(1,858)	—
COVID-19 government subsidies	—	92
Other adjustments, net (4)	(189)	(410)
Adjusted SG&A expense	\$ 121,413	\$ 117,341

Footnotes:

- (1) Amortization of software as a service assets is reported in selling, general and administrative expense.
- (2) Accelerated depreciation for the existing systems being replaced by the upgraded PeopleReady technology platform.
- (3) Costs associated with upgrading legacy PeopleReady technology.
- (4) Other adjustments for the 13 weeks ended September 25, 2022 include \$0.2 million incurred to transition to a new third-party claims administrator for workers' compensation. Other adjustments for the 13 weeks ended September 26, 2021 primarily include costs of \$0.2 million incurred while transitioning into our new Chicago office and implementation costs for cloud-based systems of \$0.1 million.
- (5) Total tax effect of each of the adjustments to U.S. GAAP net income using the effective income tax rate for the respective periods.
- (6) These third-party processing fees are associated with generating hiring tax credits.



Investor Roadshow Presentation

October 2022

 **trueblue**
THE PEOPLE COMPANY®

Forward-looking statements and non-GAAP financial measures

This document contains forward-looking statements relating to our plans and expectations including, without limitation, statements regarding the future performance and operations of our business, expected growth from our digital investments, and the expected amount and timing of any share repurchases, all of which are subject to risks and uncertainties. Such statements are based on management's expectations and assumptions as of the date of this release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements including: (1) national and global economic conditions, (2) the continued impact of COVID-19 and related economic impact and governmental response, (3) our ability to attract sufficient qualified candidates and employees to meet the needs of our clients, (4) our ability to attract and retain clients, (5) our ability to maintain profit margins, (6) our ability to successfully execute on business strategies to further digitalize our business model, (7) the timing and amount of common stock repurchases, if any, which will be determined at management's discretion and depend upon several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities, (8) new laws, regulations, and government incentives that could affect our operations or financial results, (9) our ability to access sufficient capital to finance our operations, including our ability to comply with covenants contained in our revolving credit facility, and (10) any reduction or change in tax credits we utilize, including the Work Opportunity Tax Credit. Other information regarding factors that could affect our results is included in our Securities Exchange Commission (SEC) filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our website at www.trueblue.com under the Investor Relations section or the SEC's website at www.sec.gov. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Any other references to future financial estimates are included for informational purposes only and subject to risk factors discussed in our most recent filings with the SEC.

In addition, we use several non-GAAP financial measures when presenting our financial results in this document. Please refer to the reconciliations between our GAAP and non-GAAP financial measures in the appendix to this presentation and on our website at www.trueblue.com under the Investor Relations section for additional information on both current and historical periods. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies. Any comparisons made herein to other periods are based on a comparison to the same period in the prior year unless otherwise stated.

Investment highlights

Market Leader	Market leader in U.S. blue collar staffing and global RPO with increasingly diverse service offerings
Industry Growth Prospects	Attractive growth potential from secular, cyclical and post-Covid recovery factors
Compelling Strategies	Sound growth strategies applying industry leading digital technology to increase market share
Return of Capital	Strong balance sheet and cash flow to support stock buybacks
Experienced Leadership Team	Deep human capital expertise with proven success at driving growth and delivering value to stakeholders

Our Mission: Connecting People and Work

95,000

Clients served annually with strong diversity¹

615,000

People connected to work during 2021



One of the largest U.S. industrial staffing providers



One of the largest global RPO providers

2017-2021
Average Return on Equity²



12%

Returning Value to Shareholders
(Share Repurchases last 5 years)



\$179M

\$2.2B
2021 Revenue



All segments earned the Top Workplaces USA Award issued by Energage

HRO TODAY

HRO Today magazine repeatedly recognizes PeopleScout as a global market leader



Thousands of veterans hired each year via internal programs as well as Hiring Our Heroes and Wounded Warriors



Recognized for breakthrough board practices that promote greater diversity and inclusion

¹ No single client accounted for more than 3% of total revenue for FY 2021.

² Calculated as adjusted net income divided by average shareholders' equity over the prior four quarters. See the appendix to this presentation and "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.

Three specialized segments meet diverse client needs



On-demand general and skilled labor for industrial jobs



Contingent, on-site industrial staffing and commercial driver services



Talent solutions for outsourcing the recruiting process for permanent employees

■ PeopleReady ■ PeopleManagement ■ PeopleScout



¹ Revenue and segment profit calculations based on FY 2021. We evaluate performance based on segment revenue and segment profit. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes depreciation and amortization expense, unallocated corporate general and administrative expense, interest expense, other income, income taxes, and other adjustments not considered to be ongoing.

² Average, estimated margin associated with additional organic revenue. Refer to "Financial Information" in the investors section of our website at www.trueblue.com for more information regarding non-GAAP terms.

Solving workforce challenges

Workforce solutions are in high demand as businesses increasingly turn to human capital experts to solve talent challenges.

Remote Recruiting

The **worker supply chain** is becoming increasingly decentralized. TrueBlue's digital strategy connects people anywhere at any time.

Artificial Intelligence

Companies are seeking ways to become **nimbler** and **more efficient**. Deploying AI to source human capital will be a requirement to compete.

Workforce Complexity

Many factors, including globalization, the "gig" economy and diversity are **changing the world of work** requiring a disciplined approach to hiring.



A **robust** value proposition with specialized, digital **solutions** for staffing, workforce management and recruitment process outsourcing.

US Industrial Staffing: Promising growth rates

Why Industrial Staffing?

- **Largest segment** of the staffing industry (\$37B¹ in 2021)
- No **dominant** competition
- **Digital adoption** by the industry can expand growth opportunity, like rideshare companies did for the taxi industry
- Capitalize on **ecommerce logistics** as retail shifts online
- Unique growth opportunity to fill key **skilled trades** positions as baby boomers retire
- The Biden Administration's **infrastructure plan** could inject **billions** into the labor market

U.S. Industrial Temp Staffing Revenue (\$B)¹



The industry rebounds quickly in the early stages of a recovery

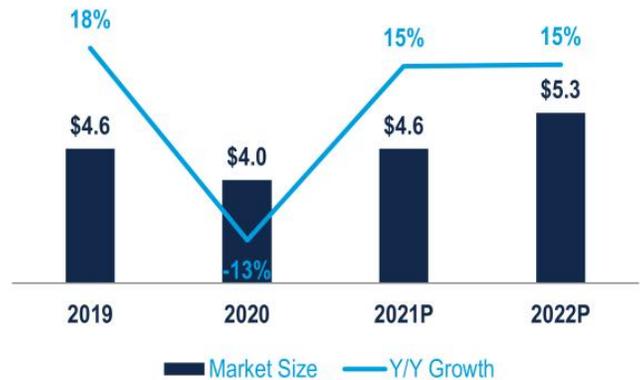
¹ Source: Staffing Industry Analyst reports: US Staffing Industry Forecast (September 2022). Industrial temp staffing includes various occupations such as: laborers, packers, construction workers, skilled trades, machinists, janitors, etc.
TrueBlue, Inc.

RPO: Historically, a double-digit growth industry

Why RPO?

- “**Immature**” market with no one dominant player
- Industry produced **double-digit** annual revenue growth historically and swift recovery from recent recession is expected
- Industry poised for **growth** as companies seek new solutions to increasing labor challenges
- Traditionally “**sticky**” business model with high client retention and engagement

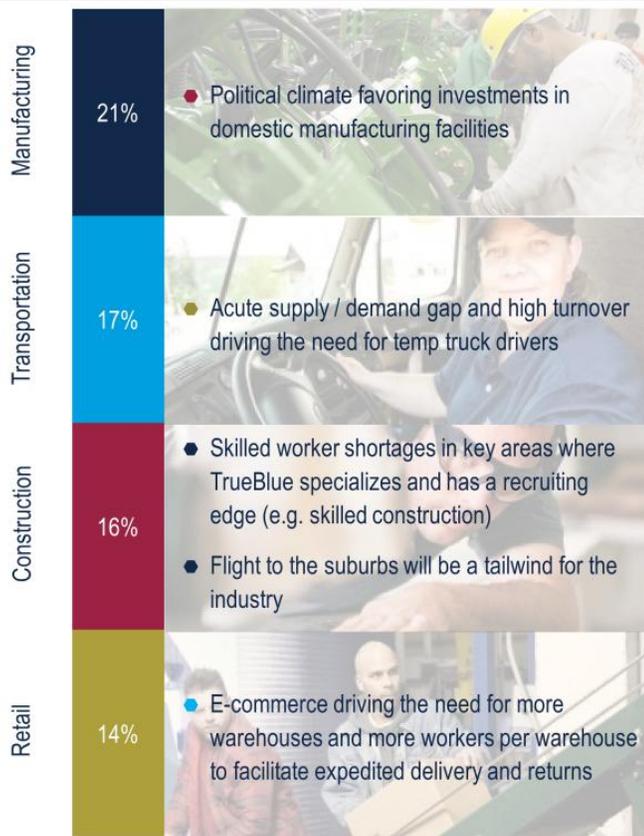
RPO Revenue Growth¹



¹ Source: Everest Group State of the Market Report 2021 (September 2021)

Strategically positioned for secular growth

Strong position in attractive vertical markets



FY 2021 Mix by Vertical

TrueBlue, Inc.

Powerful secular forces in industrial staffing



Positive Demographic Trends

- Deepening of the general contingent labor pool as workers across the generational spectrum are embracing the gig economy (e.g. millennials with side-hustles and semi-retired baby boomers)



Compelling Technology

- Industry is ripe for digital disruption
- Potential for large providers with sizeable transaction volume to capture market share
- Opportunity to enhance efficiency and growth



Capitalizing on Industry Evolution

- Heightened scrutiny around worker classification (contractor v. employee)
- Offering a variety of workforce management solutions (e.g. PPO, Employer of Record, MSP) to help clients seek compliant solutions

Strategy highlights



- Digitalize our business model to gain market share from smaller, less capitalized competitors and reduce expenses
- Drive higher client usage of JobStack™, our industry-leading technology, to accelerate revenue growth
- Improve client and candidate experience using centralized services combined with digital onboarding platforms



- Continue momentum on new customer wins through strong execution of sales initiatives
- Leverage recent sales resource investments to expand into under-penetrated geographic markets
- Invest in client and associate care in addition to retention programs



- Focus sales and marketing efforts to capitalize on industry trend towards outsourcing
- Leverage strong brand; independently ranked as a market leader
- Expand technology offering to improve client delivery and recruiting efficiency

Leverage technology and industry leading position to grow share and enhance efficiency

Leadership with deep industry experience



Steve Cooper
Director and CEO

20+ years of industry experience

12 years as TrueBlue CEO

TrueBlue Director since 2006



Derrek Gafford
EVP and CFO

20 years of industry experience

18 years of CFO experience

TrueBlue CFO since 2006



Taryn Owen
President and COO

20+ years of industry experience

9 years as business leader

TrueBlue President since 2022

PeopleReady

Leading our industry with transformative digital strategies

JobStack™

Industry leading mobile app that **connects** our associates with jobs and **simplifies** ordering



- Increasing client usage: **> 30,000** users
- Strong associate adoption: **> 90%**

Creating value through digitally transformed delivery model

- Customers and associates can connect 24/7
- App based candidate application and onboarding process puts more candidates to work
- Dedicated account managers to drive new sales and improve customer retention
- Consistent service and delivery experience for customers and associates
- Higher employee satisfaction and lower attrition

Delivery Network

Testing **centralized** and **virtual** service centers to manage **recruiting, onboarding** and **delivery**



- Increased operating hours from 60 to **85** per week
- Additional **sales** and account management **resources**
- More **efficient** service delivery model

JobStack heavy client user success story

Customer Profile

- Midwest Food Producer and Distributor
- Long-time PeopleReady Client

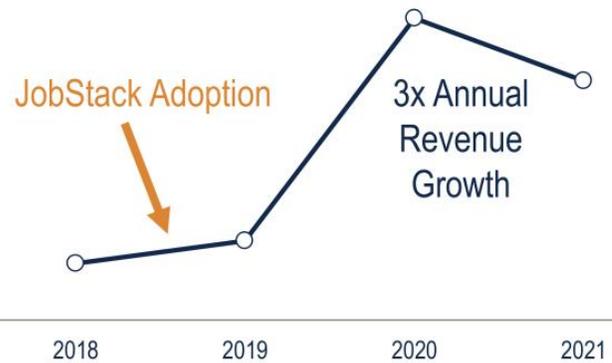
PeopleReady Service Overview

- Supplied associates for one shift
- Filled a narrow set of positions
- Shared relationship with another staffing agency, which placed temp to perm workers
- Branches fill orders, provide customer service and troubleshoot issues

The JobStack Value

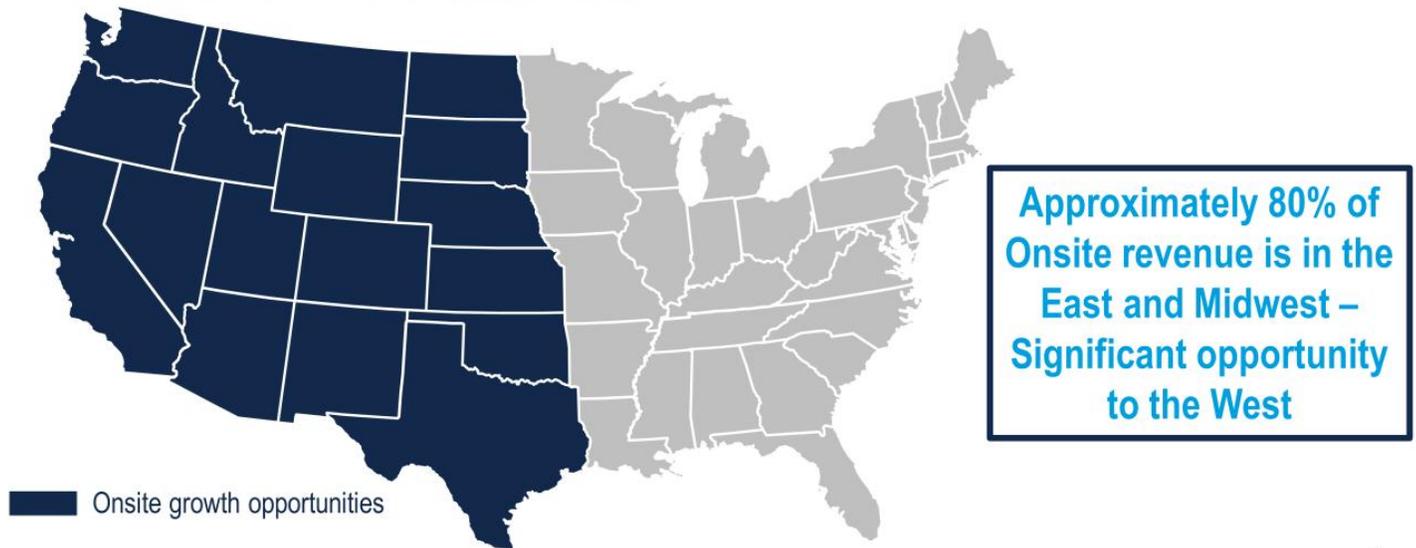
- Ability to fill more positions across all shifts
- Access to a variety of positions
- Elimination of multiple staffing agencies
- Branch focus shifted to customer service and troubleshooting vs. sourcing associates

Revenue Trend



PeopleManagement: Expanding market share

- PeopleManagement proved more resilient during the pandemic due to the **outsourced nature** of our client relationships and is **well-positioned for growth**
- The team is deploying a variety of tactics and strategies to **expand market share**
 - Creating an offering focused on short-term quick ramp requirements (e.g., projects, site start-ups)
 - Launched effort focused on smaller, local markets
 - Hiring additional salespeople and condensing their geographic footprint
 - Expanding into new sites at National Account clients
 - Cross-selling with other TrueBlue brands



PeopleScout: Industry leader with historically high margins

● Strong Brand Recognition

- #1 by HRO Today's Total Workforce Solution Baker's Dozen
- 5th largest global RPO provider¹

● Affinix Technology: A Differentiated Experience

- Connects clients and candidates using AI, machine learnings and predictive analytics ideal in today's **remote recruiting** landscape
- Flexible platform with plans to **monetize** services our clients can use directly

● Strong Growth & Profitability Prospects

- Demonstrated track record servicing large employers with dynamic needs in industries (hospitality, travel) **positioned for a rebound**
- **Segment profit margins** expected to increase as scale returns
- Expanding sales and client delivery teams to **accelerate new business**
- **Global focus** as growing number of deals are multi-region and multi-country



¹ Source: Transformative RPO for the New Era of Work - HR Technology and Services, December 2021 [Nelson Hall]
TrueBlue, Inc.

ESG principles help us make sound decisions

Key Statistics:

- 75% of Board Members are women or racially diverse
- 48% of Senior Management are women
- 97% of voting shareholders approved Executive Compensation

How ESG guides our decision making:

- Code of conduct and business ethics framework
- Board of Directors oversight & governance
- Executive compensation structure
- Enterprise risk management program

External ESG Ratings:

MSCI 

AAA Rating



SUSTAINALYTICS

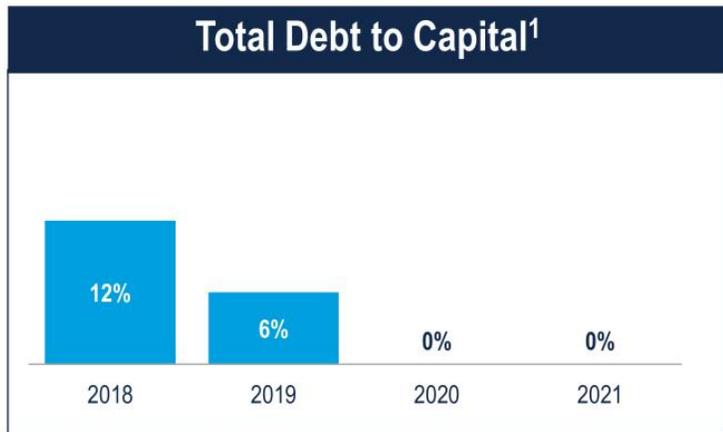
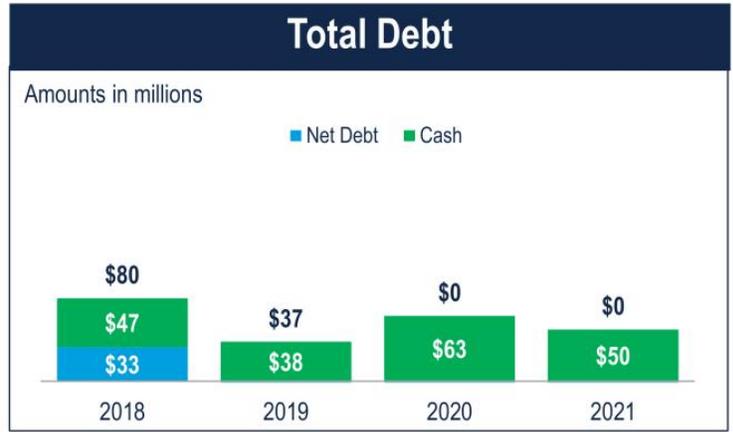
a Morningstar company

Risk Ranking: Negligible

Risk Exposure: Low

Risk Management: Strong

The balance sheet remains strong



¹ Total Debt to Capital calculated as total debt divided by the sum of total debt plus shareholders' equity.

² Calculated as adjusted net income divided by average shareholders' equity over the prior four quarters. See the appendix to this presentation and "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.

Focused capital strategy

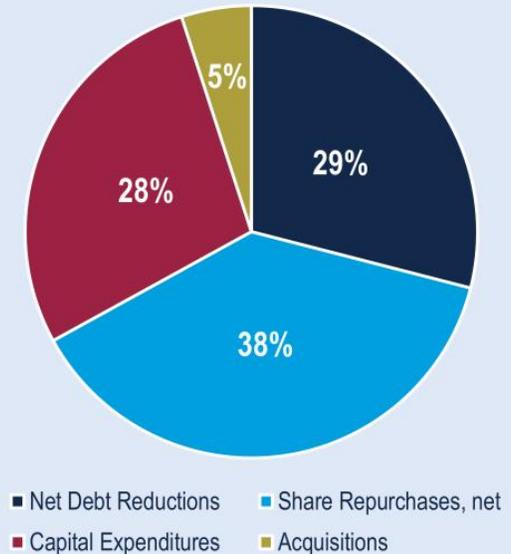
Investing in technology and returning excess capital to shareholders

Capital allocation priorities

- Strategic technology investments to further digitalize our business model
- Return excess capital to shareholders through share repurchases
- Acquisitions that create long-term shareholder value

Historical use of capital

(2017 - 2021)



Strong track record of returning capital to shareholders

\$179 million of capital returned to shareholders via share repurchases over the last five years (2017-2021)



0.6M shares repurchased at an average price of \$26.89
2% reduction in shares outstanding



6.0M shares repurchased at an average price of \$17.88
15% reduction in shares outstanding



8.9M shares repurchased at an average price of \$20.08
21% reduction in shares outstanding

Appendix

NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

In addition to financial measures presented in accordance with U.S. GAAP, we monitor certain non-GAAP key financial measures. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

Non-GAAP measure	Definition	Purpose of adjusted measures
Adjusted net income (loss)	<p>Net income (loss), excluding:</p> <ul style="list-style-type: none"> - gain on divestiture, - amortization of intangibles of acquired businesses, - amortization of software as a service assets, - acquisitions/integration costs, - goodwill and intangible asset impairment charge, - workforce reduction costs, - COVID-19 government subsidies, net, - other adjustments, net, - tax effect of each adjustment to U.S. GAAP, and - adjustment of income taxes to normalized effective rate for periods prior to Q2 2020. 	<p>- Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business.</p> <p>- Used by management to assess performance and effectiveness of our business strategies.</p>

RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME (Unaudited)

	2021	2020	2019	2018	2017
	52 weeks ended				
(in thousands)	Dec 26, 2021	Dec 27, 2020	Dec 29, 2019	Dec 30, 2018	Dec 31, 2017
Net income (loss)	\$ 61,634	\$ (141,841)	\$ 63,073	\$ 65,754	\$ 55,456
Gain on divestiture (1)				(718)	—
Amortization of intangible assets of acquired businesses	6,704	10,144	17,899	20,750	22,290
Amortization of software as a service assets (2)	2,709	2,307	1,624	—	—
Acquisition/integration costs (3)	—	—	1,562	2,672	—
Goodwill and intangible asset impairment charge	—	175,189	—	—	—
Workforce reduction costs (4)	1,993	12,570	3,301	—	2,499
COVID-19 government subsidies, net (5)	(4,222)	(6,211)	—	—	—
Other adjustments, net (6)	3,711	(4,496)	(1,010)	10,317	(2,337)
Tax effect of adjustments to net income (loss) (7)	(1,802)	(28,729)	(3,273)	(5,074)	(6,287)
Adjustment of income taxes to normalized effective rate (8)	—	(3,719)	(2,835)	(1,843)	380
Adjusted net income	\$ 70,727	\$ 15,214	\$ 80,341	\$ 91,858	\$ 72,001

Footnotes:

1. Gain on the divestiture of our PlaneTechs business, sold mid-March 2018.
2. Amortization of software as a service assets is reported in selling, general and administrative expense.
3. Acquisition and integration costs related to the acquisition of TMP Holdings LTD completed on June 12, 2018.
4. Workforce reduction costs for fiscal year 2021 primarily include costs to streamline our delivery teams within our PeopleReady and PeopleScout segments. Workforce reduction costs for fiscal year 2020 were primarily due to employee reductions as part of our cost management actions in response to COVID-19. Workforce reduction costs for fiscal years 2019 and 2017 were primarily associated with employee reductions in the PeopleReady business.
5. Net impact of COVID-19 related government subsidies. For fiscal 2020, we received government subsidies of \$9.9 million. We elected to distribute a portion of the total benefit to our employees in the form of a \$3.7 million bonus, resulting in a net benefit of \$6.2 million for the fiscal year. These subsidies extended into 2021, providing a benefit of \$4.2 million for fiscal year 2021.
6. Other adjustments for fiscal year 2021 primarily include implementation costs for cloud-based systems of \$1.7 million and costs incurred while transitioning into our new Chicago office of \$1.8 million. Other adjustments for fiscal year 2020 primarily include a \$6.3 million benefit from reduction in expected costs to comply with the Affordable Care Act, partially offset by implementation costs for cloud-based systems of \$0.9 million and costs incurred while transitioning into our new Chicago office of \$0.7 million. Other adjustments for fiscal year 2019 primarily include a \$3.9 million workers' compensation benefit related to additional insurance coverage associated with former workers' compensation carriers in liquidation, partially offset by implementation costs for cloud-based systems of \$3.2 million. Other adjustments for fiscal year 2018 primarily include implementation costs for cloud-based systems of 6.7 million and accelerated vesting of stock associated with our CEO transition of \$3.6 million. Other adjustments for fiscal year 2017 primarily include a \$2.3 million workers' compensation benefit associated with favorable settlement of insurance coverage associated with a former insurance company.
7. Total tax effect of each of the adjustments to U.S. GAAP net income (loss) using the effective income tax rate for fiscal years 2021 and 2020, and the expected long-term ongoing tax rate for fiscal years prior to 2020. For fiscal years 2019 and 2018 the long-term ongoing tax rate was expected to be 14 percent due to the enacted U.S. Tax Cuts and Jobs Act. compared to 28 percent for fiscal year 2017.
8. Beginning in Q2 2020, we decided not to adjust our GAAP tax rate to an expected long-term ongoing rate in our adjusted net income calculation. Thus the adjustment for fiscal year 2020 relates to the Q1 2020 adjustment of the effective income tax rate to the long-term ongoing rate of 12 percent expected at that time. The adjustment to fiscal years prior to 2020 reflect the adjustment of the effective income tax rate to the long-term ongoing rate expected at that time (14 percent for fiscal years 2019 and 2018, 28 percent for fiscal year 2017).

