



September 23, 2025

Board of Directors

1015 A Street
Tacoma, WA 98402

Dear Members of the Board:

EHS Investments (EHS) beneficially owns ~2.4% of the outstanding shares of TrueBlue, Inc. (“TrueBlue” or the “Company”) placing us among the Company’s largest fundamentally-oriented shareholders. EHS is an investment partnership focused on supporting and catalyzing traditional businesses undergoing digital transformations, drawing upon the founder’s relevant experiences in prior roles.

EHS invested in TrueBlue due to the belief in its strategic value and competitive position, the recovery potential and long-term prospects of the light industrial staffing industry (including TrueBlue’s potential as an American reshoring beneficiary), and the opportunity to revitalize the Company’s performance through a comprehensive, common-sense turnaround plan.

Despite engagement with the Company since June, I have grown increasingly concerned by the ongoing deterioration in operating results. I believe it is now necessary to share my perspectives publicly to foster an open discussion on the urgent need for reform and the most effective path forward for the Company.

TrueBlue Today

TrueBlue’s Board Has Failed Shareholders

TrueBlue’s shares have severely underperformed on an absolute and relative basis over any medium or longer time horizon, with total shareholder returns of -56%, -69%, -63% and -74% on a 2, 3, 5 and 10-year basis. This represents staggering underperformance against relevant peers¹ and the Russell 2000 index. TrueBlue’s poor record derives from a repeated history of capital allocation, governance, and operational failures.

As of 9/17/25	2-year	3-year	5-year	10-year
TrueBlue	(56%)	(69%)	(63%)	(74%)
Randstad	(21%)	(5%)	7%	12%
<i>TBI underperformance</i>	<i>(35%)</i>	<i>(64%)</i>	<i>(70%)</i>	<i>(86%)</i>
Manpower	(45%)	(39%)	(37%)	(41%)
<i>TBI underperformance</i>	<i>(11%)</i>	<i>(30%)</i>	<i>(26%)</i>	<i>(33%)</i>
Kelly Services	(21%)	1%	(15%)	10%
<i>TBI underperformance</i>	<i>(35%)</i>	<i>(70%)</i>	<i>(48%)</i>	<i>(84%)</i>
Adecco Group	(36%)	(13%)	(44%)	(51%)
<i>TBI underperformance</i>	<i>(20%)</i>	<i>(56%)</i>	<i>(19%)</i>	<i>(23%)</i>
HireQuest	(38%)	(28%)	58%	57%
<i>TBI underperformance</i>	<i>(18%)</i>	<i>(41%)</i>	<i>(121%)</i>	<i>(131%)</i>
Russell 2000	35%	40%	67%	137%
<i>TBI underperformance</i>	<i>(91%)</i>	<i>(109%)</i>	<i>(130%)</i>	<i>(211%)</i>



Capital Allocation Has Destroyed Significant Value

Since 2013, TrueBlue has deployed nearly \$490 million of shareholder capital on acquisitions. The vast majority of these deals have since been written off or impaired. The Company's EBITDA has collapsed from \$72 million in 2012 to just \$11 million in 2024, underscoring a decade of failed M&A.

TrueBlue's capital allocation failures extend to its share repurchase program. Since 2016, the Company has spent over \$300 million buying back stock at an average price of \$20 per share, versus today's share price of \$6. The Company executed the largest repurchases at peak valuations in 2022, yet has repurchased no shares in 2025 at current trough prices, a textbook example of value destruction through poorly-timed buybacks.

Despite its poor track record with M&A, TrueBlue's management has distracted itself operationally yet again with the acquisition of Healthcare Staffing Professionals (HSP) earlier this year. This move represents a misguided attempt to diversify away from TrueBlue's valuable light industrial core into areas where it lacks scale and expertise, while depleting its balance sheet at a critical moment in the staffing cycle.

Under its first full quarter of ownership, where visibility into the financial outlook is highest, HSP already fell short of management's revenue guidance by approximately 20% (\$16 million of actual Q2 revenue vs. \$20 million guidance in Q1). HSP is now on a path to only deliver about \$60 million of revenues in its first year, far short of the \$75-85 million targets that TrueBlue promised to investors just a few months ago.

Operational and Strategic Missteps Have Led To Substantial Market Share Losses And Profitability Collapse

TrueBlue's market share in light industrial staffing has declined from roughly 7% to 5% from 2019 to 2024 based on industry data², as the Company has ceded share to both large and regional competitors. While the industrial staffing industry is currently in a broad-based cyclical downturn, TrueBlue's Revenue and EBITDA performance over the last few years have been substantially worse than peers, with little evidence of a turnaround in the works.

EBITDA has collapsed from \$111 million in 2019 to \$11 million in 2024, while the business burns free cash flow in 2024 and 2025. This marks a sharp departure from TrueBlue's history of generating positive free cash flow at all points in the cycle, including the significant market downturns of 2009 and 2020, underscoring the depth of today's failures.

The Board Has Overseen Serious Governance Failures

TrueBlue's Board has presided over repeated governance failures. While executive compensation has increased by 22% since 2019, corporate profitability has collapsed by 90%, leaving TrueBlue's leadership team amongst the highest paid in the industry relative to its scale³. Instead of embracing accountability when it is most needed, TrueBlue's Board has entrenched itself with golden parachutes and a poison pill, while failing to pursue potentially value-creating opportunities including engaging with HireQuest on a potential acquisition at materially higher share prices.



Compounding these issues, leadership operates the business remotely. Although TrueBlue is headquartered in Washington and its largest markets are California, Florida, and Texas, the CEO works virtually from Kansas and the CFO from Chicago, an arrangement ill-suited for an operationally intensive business with thousands of employees and urgent execution challenges.

Shareholders are increasingly taking note of these governance failures, as evidenced by the alarming increase in the number of votes against Board nominees at the most recent 2025 annual meeting, which saw votes “Against” the Board increase from an average of ~1% in historical periods to ~10% in 2025.⁴

Value Creation Potential

Despite years of missteps, TrueBlue retains a strong underlying competitive position. The Company is uniquely positioned to gain share in the current downturn as smaller competitors retrench, digital challengers shift focus to profitability, and employers increasingly demand e-Verify compliant operators amid heightened scrutiny of immigration compliance.

TrueBlue’s challenges can be reversed with the right strategic focus and governance. What is required is a fundamental reassessment of operational and strategic priorities, coupled with enhanced oversight, accountability, and execution capabilities. Critically, this requires the addition of a shareholder representative to the Board to ensure that management decisions align with owners’ long-term interests.

The presentation released today, Transforming TrueBlue, outlines a path to re-accelerate growth and profitability. This comprehensive and common-sense plan centers on the following elements:

1. Moratorium on M&A

TrueBlue should implement an immediate moratorium on any further M&A and should consider divesting non-core assets, including Healthcare Staffing Professionals. TrueBlue’s destructive track record on acquisitions is self-evident, and continued diversification efforts only distract from fixing the core business. The Company’s top priority for capital should be preserving liquidity to ensure resilience through the current industry downturn and to prioritize repurchasing shares at opportunistic levels (but only as liquidity and leverage remain securely established).

2. Go-to-Market Rejuvenation

PeopleReady has seen an alarming decline in its client count, declining from ~150k in 2018 to just ~54k in 2024, a 64% decline. This sharp decline reflects operational failures in customer retention and a broken go-to-market model.

Instead of proactively cultivating new business, TrueBlue has increasingly focused on harvesting large, existing enterprise accounts, customers that are more price-sensitive, lower-margin, and volatile than the local SMBs that have long anchored the business. These errors have been compounded by continued sales force and branch reductions, an outdated compensation system that rewards basic gross profit metrics, and a generalist sales approach now increasingly stretched into unrelated



categories such as healthcare and IT services. At the same time, TrueBlue has failed to build the deeper vertical expertise needed to win in its highest priority markets.

TrueBlue requires a comprehensive sales force reorganization that:

- Rebalances sales focus toward SMB customers, which offer higher margins, greater retention, and more resilient demand
- Redesigns incentives to reward new logo acquisition and proactive growth, rather than passive account harvesting
- Rebuilds sales capacity with deeper vertical specialization, ensuring reps can compete effectively in high-value focused industrial markets
- Adds proven sales leadership to instill discipline, accountability, and consistent execution in the go-to-market function

3. Invest in the Branch Network

TrueBlue has eroded one of its core competitive advantages through continuous consolidation of its branch network, a trend accelerated under current management.

Branch closures have accelerated share losses by disrupting service to clients, ceding local presence in markets where proximity and personal relationships remain critical, and weakening the Company's relevance with large national customers that value a broad local footprint. This decline has been driven in part by the misguided belief that JobStack, the Company's digital app, can replace the branch network. However, industrial staffing remains a field-driven business and digital offerings should augment, not substitute, the critical functions of local branches.

While underperforming branches should be regularly evaluated, TrueBlue's strategy must recognize the branch network as a strategic moat and unlock the entrepreneurial power of its field staff to build relationships, solve problems, and sell staffing locally. Stabilizing and ultimately expanding this branch system would rebuild competitive positioning and customer trust.

4. Franchising For Performance And Growth

To complement the scale of TrueBlue's owned and operated branch network, the Company should selectively refranchise carefully selected locations to achieve multiple objectives:

- Improve underperforming branches through a more localized, entrepreneurial approach
- Expand TrueBlue's brands into high-growth markets without significant capital outlay, strengthening the national network
- Capture high-margin royalties that are favorably valued by the capital markets, and
- Generate sale proceeds that can be reinvested into the core business

A hybrid franchised model would preserve the strategic value of TrueBlue's owned and operated branches for national customers while addressing persistent performance and growth issues at the local level that the current model has failed to reverse. Franchising is a proven strategy in staffing, successfully deployed by competitors for decades to drive stronger performance and sustainable growth.



5. Geographical Realignment

TrueBlue is currently overly concentrated in California relative to the broader staffing industry. At the same time, manufacturing clients are increasingly shifting operations to regions with more favorable business and regulatory environments. TrueBlue's California exposure also increases the Company's risk and volatility from workers' compensation claims.

To position the Company for sustainable growth, TrueBlue requires a geographical realignment toward regions and industry segments offering strong demographic and light industrial tailwinds, as well as attractive returns. For example, TrueBlue is well positioned to leverage its skilled labor pool to support the growing labor needs of AI-driven data center capex projects in emerging hubs such as Texas and Arizona, an untapped opportunity to date. To quote Jensen Huang, CEO of Nvidia, in a recent interview: "If you're an electrician, a plumber, a carpenter...we're going to need hundreds of thousands of them to build all of these [A.I.] factories."⁵

Executing this realignment requires market-by-market business plans with clear objectives, actionable strategies, and local accountability to ensure growth in the highest-priority markets.

6. Improve Balance Sheet Efficiency

TrueBlue currently over-collateralizes its workers' compensation claims liability, holding ~127% of its workers' compensation claims liability in 2Q25 in restricted cash and investments, versus a historical average of ~104% from 2017 to 2023. In absolute terms, TrueBlue maintains about 6x the collateral of HireQuest, despite generating only about 3x the system-wide gross profit.

Management should work with insurance providers to release this excess collateral, freeing up capital that can strengthen liquidity and be redeployed into the business. This represents a low-risk opportunity to unlock trapped capital, improve balance sheet efficiency, and support operational investments.

7. Improve Digital ROI and Rationalize Capex

TrueBlue's digital initiatives have failed to deliver meaningful ROI, whether through market share gains, margin improvement, or operational scalability, despite significant capital, time, and resources invested. Persistent issues include app performance instability, a disastrous implementation with SwipeJobs, and the clumsy and forced integration of digital workflows into legacy operations, which have added complexity and costs for clients, workers, and branches.

To recover from its past missteps, TrueBlue now needs to commit to delivering an observable ROI against all of its digital investments going forward. If it cannot do so, the Company needs to significantly rationalize the excessive spending in both capital expenditure and operating expenses attached to these digital projects. While technology and digital transformation are critical areas for future investment, TrueBlue needs to restore its strategic focus on winning as a field-driven organization.

The digital roadmap should focus on addressing legacy tech debt and stabilizing the core app experience to improve reliability and usability, while prioritizing features that maximize monetization, reduce costs, and drive measurable ROI. For example, in an industry where many workers have cash flow concerns and live paycheck-to-paycheck, there is significant demand by TrueBlue's worker base



for faster access to pay for a fee, a feature already offered by a number of digital competitors such as Instawork.

8. Cost Management

TrueBlue has significant untapped cost restructuring potential, particularly if industry conditions remain depressed. In 2024, the Company posted just 0.7% EBITDA margin, far below the 2% to 3% margins achieved during major market downturns in 2009 and 2020. Remarkably, TrueBlue now generates more revenue and gross profit than in 2009, yet produces lower EBITDA, a clear signal of an unoptimized cost structure. A staffing business generating ~\$1.6 billion in revenue should not operate at minimal profitability and negative free cash flow.

This underperformance stems from excess corporate costs (including excessive executive compensation) and a strategic decision to retain resources in anticipation of a market recovery. If the industry does not rebound quickly, TrueBlue must pursue a deeper cost restructuring, focused on rightsizing non-branch overhead and optimizing operational efficiency to protect profitability and free cash flow.

9. Enhance Oversight and Accountability

Given the history of operational failures that have driven the Company to this point, it is critical for TrueBlue to put in place an oversight structure with the perspectives and expertise necessary to drive successful execution on a strategic turnaround. To that end, Board enhancements, including the addition of shareholder representation to the Board, are necessary to ensure the Company delivers on the potential outlined above. Transforming TrueBlue requires fresh perspectives and stronger shareholder alignment on a Board that has failed its investors for too long, as well as deeper expertise in capital allocation, digital products, and light industrial staffing strategies.

10. Strategic Alternatives

I am hopeful that the current management team, with the oversight of an enhanced Board, can deliver on its performance targets and achieve significant stock price outperformance. However, if TrueBlue fails to demonstrate tangible progress in its turnaround over the next year, the Company should seriously consider strategic alternatives for the business, potentially placing the business in the hands of more capable or strategic owners who can maximize the full potential of the Company's assets while delivering an appropriate premium for shareholders.

The TrueBlue Opportunity

An operational turnaround remains achievable, and with disciplined execution, TrueBlue has strong prospects with excellent long-term upside in an eventual industry recovery.

For illustration, if the light industrial staffing industry recovers to prior levels by 2028 with GDP growth thereafter (a more protracted recovery than seen in prior staffing cycles), and TrueBlue recaptures part of its lost market share at ~15-20% incremental EBITDA margins while strategically repurchasing shares with excess cash, TrueBlue could potentially generate ~\$180 million of EBITDA and \$5+ of EPS and free cash flow per share in 2030.



Even a recovery to the prior earnings power that TrueBlue experienced from 2015 to 2019 and 2021 to 2022 could support a \$30+ share price, while merely restoring EBITDA margins to historical trough levels on current depressed revenue levels could yield \$9+ per share.

However, shareholders face the risk of continued value destruction without fundamental change and improved execution. TrueBlue is at a critical inflection point, and decisive action is required to realize the Company's full potential.

I thank the Board and management for considering these perspectives and, as a committed shareholder, I look forward to working together to support the long-term success of TrueBlue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric H. Su'.

Eric H. Su

eric@ehsinvestments.com

1. Using a peer group consisting of Randstad NV, ManpowerGroup Inc., Kelly Services, Inc., HireQuest Inc. and Adecco Group AG
2. Industry data from Staffing Industry Analysts (SIA)
3. Compensation for TrueBlue's CEO and CFO constitute ~49% of the Company's 2024 EBITDA, compared to an average of 3.5% for its peers based on public disclosures
4. Votes "against" as a percentage of votes supporting the Company's Board nominees (per 2025 Company proxy)
5. Channel 4 September 2025 Interview with Jensen Huang



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