

Takeaways from Truck Driver Feedback Call: Reduce Turnover by Providing a Secure, Anonymous Feedback Mechanism

Summary

We had the good fortune to host a conference call on Monday, December 4, 2017; our guest speakers were Max Farrell (CEO and Co-Founder) and Andrew Kirpalani (CTO and Co-Founder) from WorkHound. WorkHound provides an application that allows drivers to submit, anonymously, comments on any topic they would like to the company for which the driver works. The concept is to enable the company to receive the feedback instantaneously and take corrective action on individual issues and to provide feedback of its own while soliciting driver opinions on critical issues. The benefit of this free-form approach is that it avoids the management bias often incorporated in surveys, the results of which often only confirm what one already knows. The free-form feedback structure often allows management teams to uncover trends and issues of which they were previously unaware. The following "bullets" summarize the key, high level takeaways from the call.

Key Points

- **The call discussed: (1) the benefits of providing an anonymous feedback path for scarce truck drivers as well as (2) the nature of the feedback provided by a population of 8,500 drivers spread across all truckload sectors and for companies with a tractor fleet size of 100 or greater during 2017.** 89% of the driver feedback came from company drivers while 11% came in from owner-operators. Also, 90% of the drivers in the sample are already driving ELD compliant trucks. Lastly, 81% of the feedback comes from long-haul, over-the-road drivers.
- **Over 17% of inbound comments address people.** In general, drivers are happier when the company maintains a family atmosphere and when office staff repeatedly shows respect and appreciation for the group turning the wheels.
- **16% of comments submitted relate to equipment challenges.** Drivers like to provide input on the specifications submitted to manufacturers when a carrier looks to add new equipment or replace existing equipment.
- **Freight Logistics comments were next most prevalent.** Logistics comments often pertain to the company provided dispatched route and fuel stop plan.
- **The last major category of comments received relates to compensation, not surprisingly.**
- **Most drivers are not tuning into the buzz surrounding the long-term potential of autonomous trucks.** Instead, driver feedback indicates that drivers are more focused on day to day operations and issues.
- **M&A presents incremental uncertainty for drivers, particularly those from the acquired company.** Typically, changes in pay scheme, bonus programs, operating expectations, etc. are not clearly communicated to the "acquired drivers" by the acquiring company.
- **Investment Conclusions:** While well implemented feedback loops, such as those facilitated by WorkHound, can help reduce driver turnover and increase driver job satisfaction, it is not a be-all and end-all solution to the truckload industry's driver shortage challenges. Short of well scaled autonomous operations (decades away, in our view) and/or an apprenticeship program enabling recent high school graduates to enter the industry (will be difficult to get insurance companies comfortable with this approach, in our view), the companies that communicate with their drivers unambiguously, transparently, and regularly have a better chance of seating all their trucks with compliant drivers. Those that offer better than average base pay and a complete package of clearly articulated incentive payments (for fuel efficiency, safety, productivity, on-time pick-up and delivery, recruiting, etc.) should be able to stay ahead of the pack. And lastly, those fleets that treat their drivers like the most important employees in the company have a better than average shot of developing a highly remunerative operation. With drivers remaining in short supply, with supply and demand remaining tight, and with spot and contract rates moving up, dramatically in many cases, we suggest investors turn to those companies with good driver recruiting and retention programs (and/or a limited need for drivers) and exposure to the spot market over the near term. Buy-rated carriers fitting that description include Landstar System (LSTR, \$102.60), Universal Logistics (ULH, \$23.55), Hub Group (HUBG, \$47.60), and Echo Global Logistics (ECHO, \$27.40). For the longer term, we think carriers with good driver programs (and/or a limited need for drivers) and exposure to the contract market (which tends to lag the spot market with respect to pricing trends) will outperform the market over the medium term. Buy-rated carriers fitting the bill include Heartland Express (HTLD, \$22.64), Daseke, Inc. (DSKE, \$12.99), J.B. Hunt Transport Services (JBHT, \$110.20), and USA Truck (USAK, \$18.22).

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We had the good fortune to host a conference call on Monday, December 4, 2017 to discuss (1) the benefits of providing an anonymous feedback path for scarce truck drivers as well as (2) the nature of the feedback provided by a population of 8,500 drivers spread across all truckload sectors and for companies with a tractor fleet size of 100 or greater during 2017. 89% of the driver feedback came from company drivers while 11% came in from owner-operators. Also, 90% of the drivers in the sample are already driving ELD compliant trucks. Lastly, 81% of the feedback comes from long-haul, over-the-road drivers. Our guest speakers were Max Farrell (CEO and Co-Founder) and Andrew Kirpalani (CTO and Co-Founder) from WorkHound. WorkHound provides an application that allows drivers to submit, anonymously, comments on any topic they would like to the company for which the driver works. The concept is to enable the company to receive the feedback instantaneously and take corrective action on individual issues and to provide feedback of its own while soliciting driver opinions on critical issues. The benefit of this free-form approach is that it avoids the management bias often incorporated in surveys, the results of which often only confirm what one already knows. The free-form feedback structure often allows management teams to uncover trends and issues of which they were previously unaware. The following “bullets” summarize the key, high level takeaways from the call.

Over 17% of inbound comments address people. Drivers are quick to call out company employees who choose not to give drivers the utmost respect. In general, drivers are happier when the company maintains a family atmosphere and when office staff repeatedly shows respect and appreciation for the group turning the wheels. Drivers and office staff often respond favorably to coaching designed to help one group understand the trials and tribulations of the other group and vice versa.

16% of comments submitted relate to equipment challenges. Drivers like to provide input on the specifications submitted to manufacturers when a carrier looks to add new equipment or replace existing equipment. Plus, drivers like to hear a simple supporting rationale for any decisions made regarding any major deviation from the specifications of current trucks in the fleet. Veteran drivers, as it turns out, are not big fans of automated transmissions in trucks or trucks with speed governors, as drivers believe these innovations tend to discount the amount of skill required to safely operate an 80,000 pound rig. Drivers appreciate feedback on what maintenance is being performed on their truck and when the work on the truck will be completed. In-cab cameras generate a lot of controversy among drivers, especially the inward facing cameras. It seems that drivers feel as though an invasion of privacy takes place when the inward facing cameras are turned on. Recall that many over-the-road drivers sleep and essentially live in their tractors while on a trip.

Freight Logistics comments were next most prevalent. Logistics comments often pertain to the company provided dispatched route and fuel stop plan. In addition many complaints are targeted at shippers and receivers that seemingly don't recognize how important it is to turn the truck and the driver quickly without unnecessarily burning up available but rapidly diminishing unutilized driver hours of service. Drivers also like their dispatchers or fleet managers to pre-plan their next trip, so that as soon as one trip is completed, drivers can move on to the next load awaiting. Most drivers like long lengths of haul because they can, typically, accumulate a lot miles. With most pay scales tied to miles driven, it is easy to see why drivers would adopt this position. Drop and hook loads are appreciated for the same fundamental reason. And home time for unforeseen emergencies and family events can make the difference between keeping and losing a driver. Incorrect instructions are also viewed, by drivers, as a major annoyance.

The last major category of comments received relates to compensation, not surprisingly. Drivers can get easily confused with elaborate pay systems especially when calculations are not transparent. Also, it is critical for recruiters to quote pay rates for the typical driver and not the top driver operating under perfect conditions. Accessorial pay needs to be explicitly documented in a completely transparent manner to maintain trust between the driver and the company for which he/she works.

Most drivers are not tuning into the buzz surrounding the long-term potential of autonomous trucks. Instead, driver feedback indicates that drivers are more focused on day to day operations and issues.

M&A presents incremental uncertainty for drivers, particularly those from the acquired company. Typically, changes in pay scheme, bonus programs, operating expectations, etc. are not clearly communicated to the “acquired drivers” by the acquiring company.

Investment Conclusions: While well implemented feedback loops, such as those facilitated by WorkHound, can help reduce driver turnover and increase driver job satisfaction, it is not a be-all and end-all solution to the truckload industry's driver shortage challenges. Short of well scaled autonomous operations (decades away, in our view) and/or an apprenticeship program enabling recent high school graduates to enter the industry (will be difficult to get insurance companies comfortable with this approach, in our view), the companies that communicate with their drivers unambiguously, transparently, and regularly have a better chance of seating all their trucks with compliant drivers. Those that offer better than average base pay and a complete package of clearly articulated incentive payments (for fuel efficiency, safety, productivity, on-time pick-up and delivery, recruiting, etc.) should be able to stay ahead of the pack. And lastly, those fleets that treat their drivers like the most important employees in the company have a better than average shot of developing a highly remunerative operation. With drivers remaining in short supply, with supply and demand remaining tight, and with spot and contract rates moving up, dramatically in many cases, we suggest investors turn to those companies with good driver recruiting and retention programs (and/or a limited need for drivers) and exposure to the spot market over the near term. Buy-rated carriers fitting that description include Landstar System (LSTR, \$102.60), Universal Logistics (ULH, \$23.55), Hub Group (HUBG, \$47.60), and Echo Global Logistics (ECHO, \$27.40). For the longer term, we think carriers with good driver programs (and/or a limited need for drivers) and exposure to the contract market (which tends to lag the spot market with respect to pricing trends) will outperform the market over the medium term. Buy-rated carriers fitting the bill include Heartland Express (HTLD, \$22.64), Daseke, Inc. (DSKE, \$12.99), J.B. Hunt Transport Services (JBHT, \$110.20), and USA Truck (USAK, \$18.22). *Prices as of 12-4-17 close.*

Stifel 12-Month Target Price Matrix									
Company	Ticker	Rating	Closing 12/4/2017	Earnings Per Share		P/E Multiple ⁽¹⁾	12-Mo. Target Price		
				CY 18E	CY 19E		Estimate	Dividend Yield	Potential Upside %
BEST Inc.	BSTI	Buy	\$ 9.42	\$ 0.09	\$ 0.38	42.0x	\$ 16	-	69.9%
YRC Worldwide	YRCW	Buy	\$ 12.97	\$ 1.52	\$ 2.05	9.0x	\$ 18	-	38.8%
Meritor ⁽⁸⁾	MTOR	Buy	\$ 24.28	\$ 1.80	\$ -	NA	\$ 31	-	27.7%
REV Group ⁽¹⁰⁾	REVG	Buy	\$ 27.68	\$ 1.32	\$ -	NA	\$ 33	0.7%	19.9%
Greenbrier	GBX	Buy	\$ 50.95	\$ 3.97	\$ -	15.0x	\$ 60	1.9%	19.6%
Heartland Express ⁽⁶⁾	HTLD	Buy	\$ 22.64	\$ 0.70	\$ 1.25	21.0x	\$ 27	0.3%	19.6%
Student Transportation Inc. ⁽¹¹⁾	STB	Buy	\$ 5.83	\$ 0.11	\$ 0.13	NA	\$ 6.50	7.6%	19.1%
Atlas Air Worldwide Holdings, Inc.	AAWW	Buy	\$ 58.00	\$ 4.90	\$ 5.78	12.0x	\$ 69	-	19.0%
Cummins	CMI	Hold	\$ 164.96	\$ 11.85	\$ -	16.0x	\$ 190	2.6%	17.8%
WABCO Holdings Inc.	WBC	Buy	\$ 144.73	\$ 7.50	\$ -	22.5x	\$ 169	-	16.8%
Universal Logistics Holdings, Inc.	ULH	Buy	\$ 23.55	\$ 1.20	\$ 1.65	16.5x	\$ 27	1.2%	15.8%
Daseke, Inc. ⁽³⁾	DSKE	Buy	\$ 12.99	\$ 0.20	\$ 0.30	NA	\$ 15	-	15.5%
Trinity Industries ⁽¹³⁾	TRN	Buy	\$ 36.01	\$ 1.25	\$ -	NA	\$ 41	1.5%	15.3%
J.B. Hunt Transport Svcs.	JBHT	Buy	\$ 110.20	\$ 4.55	\$ 5.55	22.5x	\$ 125	0.8%	14.3%
Blue Bird Corporation ⁽²⁾	BLBD	Buy	\$ 19.50	\$ 1.19	\$ -	NA	\$ 22	-	12.8%
Canadian National Railway	CNI	Hold	\$ 79.19	\$ 4.60	\$ 5.35	16.5x	\$ 88	1.7%	12.8%
Landstar System	LSTR	Buy	\$ 102.60	\$ 4.45	\$ 5.10	22.5x	\$ 115	0.4%	12.5%
Navistar International ⁽⁹⁾	NAV	Hold	\$ 40.01	\$ 1.96	\$ -	NA	\$ 45	-	12.5%
Allison Transmission	ALSN	Hold	\$ 41.21	\$ 2.65	\$ -	17.0x	\$ 45	1.5%	10.7%
Wabash National Corp.	WNC	Hold	\$ 20.14	\$ 1.70	\$ -	13.0x	\$ 22	1.2%	10.4%
USA Truck, Inc.	USAK	Buy	\$ 18.22	\$ 0.45	\$ 1.20	17.0x	\$ 20	-	9.8%
Canadian Pacific Railway	CP	Buy	\$ 175.68	\$ 10.93	\$ 13.08	14.5x	\$ 190	1.0%	9.1%
Covenant Transportation Group	CVTI	Hold	\$ 29.54	\$ 1.15	\$ 1.75	18.0x	\$ 32	-	8.3%
PACCAR Inc.	PCAR	Hold	\$ 70.27	\$ 4.70	\$ -	16.0x	\$ 75	1.4%	8.2%
Kansas City Southern	KSU	Buy	\$ 113.44	\$ 5.90	\$ 6.55	18.0x	\$ 118	1.3%	5.3%
Hub Group, Inc.	HUBG	Buy	\$ 47.60	\$ 2.15	\$ 2.65	19.0x	\$ 50	-	5.0%
XPO Logistics, Inc. ⁽¹⁵⁾	XPO	Buy	\$ 76.33	\$ 2.50	\$ 3.25	NA	\$ 80	-	4.8%
CSX Corp.	CSX	Hold	\$ 56.99	\$ 2.75	\$ 3.35	17.0x	\$ 57	1.4%	1.4%
Kirby Corp. ⁽⁷⁾	KEX	Hold	\$ 66.20	\$ 2.60	\$ 3.10	NA	\$ 67	-	1.2%
Wabtec Corporation	WAB	Hold	\$ 77.60	\$ 3.95	\$ -	19.0x	\$ 75	0.6%	(2.7%)
Werner Enterprises	WERN	Hold	\$ 37.35	\$ 1.55	\$ 1.80	20.0x	\$ 36	0.7%	(2.9%)
C.H. Robinson Worldwide	CHRW	Hold	\$ 86.76	\$ 3.70	\$ 4.10	20.0x	\$ 82	2.1%	(3.4%)
Thor Industries ⁽¹²⁾	THO	Hold	\$ 148.67	\$ 9.80	\$ -	13.5x	\$ 142	1.0%	(3.5%)
DSV A/S	DSV-DK	Hold	DKK 486.30	DKK 19.58	\$ 21.23	22.0x	DKK 467	0.4%	(3.6%)
Genesee & Wyoming, Inc.	GWR	Hold	\$ 79.48	\$ 3.55	\$ 4.20	18.0x	\$ 76	-	(4.4%)
Union Pacific Corp.	UNP	Hold	\$ 130.08	\$ 6.60	\$ 7.30	16.5x	\$ 120	2.1%	(5.6%)
Marten Transport	MRTN	Hold	\$ 20.30	\$ 0.72	\$ 0.85	22.0x	\$ 19	0.5%	(5.9%)
Knight-Swift Transportation	KNX	Hold	\$ 42.87	\$ 1.40	\$ 1.90	21.0x	\$ 40	0.6%	(6.1%)
Expeditors International	EXPD	Hold	\$ 64.93	\$ 2.60	\$ 2.77	21.5x	\$ 60	1.3%	(6.3%)
United Parcel Service	UPS	Hold	\$ 123.72	\$ 6.43	\$ 6.80	16.5x	\$ 112	2.8%	(6.7%)
FedEx Corp. ⁽⁴⁾	FDX	Hold	\$ 239.05	\$ 14.15	\$ -	15.0x	\$ 221	0.9%	(6.9%)
Kuehne+Nagel International AG	KNIN-CH	Hold	CHF 173.10	CHF 6.72	NE 23.0x	CHF 155	3.2%	(7.2%)	
Norfolk Southern Corp.	NSC	Hold	\$ 139.89	\$ 7.15	\$ 7.85	16.0x	\$ 126	1.8%	(8.2%)
Ryder System	R	Hold	\$ 81.51	\$ 5.44	\$ 5.67	13.5x	\$ 73	2.2%	(8.2%)
Echo Global Logistics	ECHO	Buy	\$ 27.40	\$ 0.95	\$ 1.20	21.0x	\$ 25	-	(8.8%)
Forward Air Corp.	FWRD	Hold	\$ 57.73	\$ 2.49	\$ 2.67	19.5x	\$ 52	1.1%	(8.9%)
GATX Corporation	GATX	Hold	\$ 63.35	\$ 4.15	\$ -	13.5x	\$ 56	2.7%	(8.9%)
Air Transport Services Group, Inc.	ATSG	Hold	\$ 24.60	\$ 1.13	\$ 1.30	17.0x	\$ 22	-	(10.6%)
Rush Enterprises	RUSHA	Hold	\$ 50.46	\$ 2.35	\$ -	19.0x	\$ 45	-	(10.8%)
American Railcar Industries	ARII	Hold	\$ 41.13	\$ 2.20	\$ -	16.0x	\$ 35	4.0%	(10.9%)
Saia, Inc.	SAIA	Hold	\$ 67.75	\$ 2.71	\$ 3.32	18.0x	\$ 60	-	(11.4%)
Old Dominion Freight Line	ODFL	Hold	\$ 127.74	\$ 4.93	\$ 5.54	20.0x	\$ 111	0.3%	(12.8%)
Winnbago ⁽¹⁴⁾	WGO	Hold	\$ 52.25	\$ 3.20	\$ -	12.5x	\$ 45	0.7%	(13.1%)
FreightCar America ⁽⁵⁾	RAIL	Hold	\$ 16.84	\$ (0.95)	\$ -	NA	\$ 14	2.1%	(14.7%)
Deutsche Post DHL	DPW-DE	Hold	€ 40.52	€ 2.39	€ 2.60	14.0x	€ 33	2.7%	(15.9%)
P.A.M. Transportation Services	PTSI	Hold	\$ 36.16	\$ 1.45	\$ 1.90	16.0x	\$ 30	-	(17.0%)
ArcBest Corporation	ARCB	Hold	\$ 37.40	\$ 1.83	\$ 2.08	13.0x	\$ 27	0.9%	(26.9%)
Panalpina World Transport	PWTN-CH	Sell	CHF 144.80	CHF 3.89	\$ 4.83	22.0x	CHF 98	2.6%	(29.7%)
Roadrunner Transportation Svcs.	RRTS	SU	\$ 8.68	NA	NA	NA	NA	-	NA
Celadon Group	CGI	SU	\$ 7.00	NA	NA	NA	NA	1.1%	NA

(1) Multiples listed are applied to 2019 EPS estimates unless none is established or otherwise noted

(2) Blue Bird (BLBD) target price is \$22, or 9.0x or 2018 EBITDA estimate of \$85 million

(3) Daseke, Inc. (DSKE) target price of \$15 is calculated by applying a 6.75x multiple to our 2019 EBITDA estimate of \$206 million, subtracting projected net debt of \$409 million, divided by forecasted shares outstanding at year end 2019

(4) FedEx is on May 31 fiscal year, 12-month target price of \$221 is calculated by applying a 15.0x multiple to our FY2019 EPS estimate of \$14.70

(5) FreightCar America (RAIL) target price is \$14, which reflects valuation of 0.75x tangible book

(6) Heartland Express (HTLD) target price is \$33, or 21.0x our 2019 EPS estimate of \$1.25 plus \$0.62 net cash per share (adjusted for the IDC deal)

(7) Kirby Corp. 12-month target price of \$67 is calculated by applying an 8.5x multiple to our 2019 EBITDA estimate of \$538.7 million less 2019 net debt of \$841.8 million divided by average diluted shares outstanding in 2019

(8) Meritor (MTOR) target price is \$31, or 9.0x our 2018 EBITDA estimate of \$400 million

(9) Navistar International (NAV) target price is \$45, or 11.0x our 2018 EBITDA estimate of \$780 million

(10) REV Group (REVG) target price is \$33, or 9.0x our 2019 EBITDA estimate of \$275 million

(11) Student Transportation Inc. 12-month target price is \$6.50 or 9.0x our CY2019 EBITDA of \$177 less CY2019 net debt of 384 million for a total of \$764 million in equity value divided by 114.4 million shares

(12) Thor Industries (THO) target price is \$142, or 13.5x our FY19 EPS estimate of \$10.50

(13) Trinity (TRN) target price of \$41 is derived via our sum-of-the-parts analysis

(14) Winnbago (WGO) target price is \$45, or 12.5x our FY19 EPS estimate of \$3.60

(15) XPO Logistics 12-month target price of \$80 is calculated by applying a 7.25x multiple to our 2019 EBITDA estimate of \$1.8 billion less 2019 net debt of \$2.1 billion divided by estimated average diluted shares outstanding in 2019

Source: FactSet Research Systems, Stifel estimates; risk ratings are derived from a qualitative analysis by Stifel analysts

Equity Comps - Transportation

Comparative Valuation Matrix

(Figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Closing Price 12/4/2017	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of			Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2019E FCF Yld	
								2016A ^(e)	2017E ^(f)	2018E ^(g)	Book value	Revenue	2018E EBITDA	TTM EBITDA	TTM EBITDAR ^(h)							TTM EBIT
Truckload																						
Celadon Group (CGI)	SU	7.00	27.6	193.5	380.5	6.1	567.8	NM	NA	NA	0.5x	0.5x	NA	6.1x	5.6x	NM	0.5%	1.4%	1.9%	NA	1.1%	(3.9%)
Covenant Transport (CVTI)	Hold	29.54	18.4	544.3	221.3	8.3	762.7	32.1x	NM	25.7x	2.2x	1.2x	5.9x	7.4x	6.9x	29.8x	2.0%	3.0%	2.7%	NM	0.0%	3.5%
Daseke, Inc. (DSKE)	Buy	12.99	39.4	511.3	422.4	112.5	821.1	NM	NM	NM	2.0x	1.2x	5.0x	9.2x	6.5x	(2.6%)	(8.6%)	2.0%	NM	0.0%	16.4%	
Heartland Express (HTLD)	Buy	22.64	83.4	1,887.7	0.0	51.3	1,836.4	33.3x	NM	32.3x	3.5x	3.6x	6.8x	10.5x	10.3x	24.6x	6.5%	9.6%	9.5%	NM	0.4%	9.1%
J.B. Hunt Transport Svcs. (JBHT)	Buy	110.20	110.6	12,191.2	1,084.8	7.7	13,268.3	29.5x	30.1x	24.2x	8.3x	2.1x	11.4x	13.0x	12.8x	20.6x	10.2%	27.7%	17.0%	2.0	0.8%	2.4%
Knight-Swift Transportation (KNX)	Hold	42.87	104.5	4,482.0	484.7	136.4	5,771.8	36.6x	39.0x	30.6x	0.9x	4.7x	4.9x	25.0x	22.6x	NM	2.0%	3.1%	2.9%	2.9	0.6%	17.8%
Landstar System (LSTR)	Buy	102.60	42.2	4,332.3	151.3	249.7	4,233.8	31.6x	27.9x	23.1x	6.6x	1.2x	12.3x	15.3x	15.2x	17.8x	13.3%	26.2%	22.5%	2.3	0.4%	4.0%
Marten Transport (MRTN)	Hold	20.30	54.9	1,115.4	0.0	1.2	1,114.2	33.8x	32.7x	28.2x	2.4x	1.6x	7.1x	7.8x	7.8x	19.5x	5.0%	7.5%	7.6%	2.3	0.5%	3.2%
P.A.M. Transportation Svcs. (PTSJ)	Hold	36.16	6.4	232.1	148.2	0.2	380.1	21.4x	NM	24.9x	2.4x	1.0x	4.6x	7.2x	6.4x	NM	1.4%	5.5%	3.1%	NM	0.0%	10.0%
Schneider (SNDR)	NC	26.76	174.5	4,668.4	448.7	259.9	4,857.1	26.5x	NM	NM	2.9x	1.3x	NE	8.9x	7.7x	17.7x	4.7%	9.4%	7.3%	NM	0.0%	NE
Universal Logistics Holdings, Inc. (ULH)	Buy	23.55	28.4	669.9	243.5	2.9	910.5	27.7x	30.2x	19.6x	4.6x	0.8x	8.3x	12.6x	10.5x	NM	3.0%	11.8%	6.3%	1.5	1.2%	3.5%
USA Truck (USAK)	Buy	18.22	8.0	145.7	113.5	0.2	259.1	NM	NM	NM	2.8x	0.7x	6.7x	9.6x	8.3x	NM	(1.6%)	(8.1%)	(0.9%)	NM	0.0%	(3.9%)
Werner Enterprises (WERN)	Hold	37.35	72.6	2,710.8	75.0	10.7	2,775.0	34.3x	30.1x	24.1x	2.6x	1.5x	6.9x	7.9x	7.9x	20.8x	4.8%	8.2%	7.6%	2.6	0.6%	1.7%
	Min			145.7	0.0	0.2	259.1	21.4x	27.9x	19.6x	0.5x	0.5x	4.6x	6.1x	5.6x	17.7x	(2.6%)	(8.6%)	(0.9%)	1.5	0.0%	(3.9%)
	Mean			2,591.1	290.3	65.2	2,889.1	30.7x	31.7x	25.9x	3.2x	1.6x	7.3x	10.8x	9.9x	21.5x	3.8%	7.4%	6.9%	2.3	0.4%	5.3%
	Median (Asset-based TL only)			2,607.5	307.2	54.1	2,946.7	30.9x	33.0x	27.2x	2.8x	1.8x	6.6x	10.2x	9.3x	22.2x	3.0%	5.3%	5.5%	2.5	0.4%	5.6%
	Max			12,191.2	1,084.8	259.9	13,268.3	36.6x	39.0x	32.3x	8.3x	4.7x	12.3x	25.0x	22.6x	29.8x	13.3%	27.7%	22.5%	2.9	1.2%	17.8%
Stifel Transportation Average				12,318.9	2,382.7	460.3	14,387.7	25.9x	23.5x	20.8x	3.8x	2.3x	9.8x	11.5x	11.2x	17.2x	4.4%	17.9%	13.5%	2.0	1.0%	5.1%
Intermodal																						
Hub Group (HUBG)	Buy	47.60	33.5	1,592.7	287.1	16.1	1,861.3	20.9x	29.8x	22.1x	2.4x	2.5x	10.1x	18.0x	15.7x	20.3x	3.9%	8.9%	7.1%	2.2	0.0%	(4.8%)
J.B. Hunt Transport Svcs. (JBHT)	Buy	110.20	110.6	12,191.2	1,084.8	7.7	13,268.3	29.5x	30.1x	24.2x	8.3x	2.1x	11.4x	13.0x	12.8x	20.6x	10.2%	27.7%	17.0%	2.0	0.8%	2.4%
	Min			1,592.7	287.1	7.7	1,861.3	20.9x	29.8x	22.1x	2.4x	2.1x	10.1x	13.0x	12.8x	20.3x	3.9%	8.9%	7.1%	2.0	0.0%	(4.8%)
	Mean			13.0	685.9	13.1	7,564.8	25.2x	29.9x	23.2x	5.3x	2.3x	10.8x	15.5x	14.2x	20.4x	7.0%	18.3%	12.0%	2.1	0.4%	(1.2%)
	Max			12,191.2	1,084.8	18.6	13,268.3	29.5x	30.1x	24.2x	8.3x	2.5x	11.4x	18.0x	15.7x	20.6x	10.2%	27.7%	17.0%	2.2	0.8%	2.4%
Stifel Transportation Average				12,318.9	2,382.7	460.3	14,387.7	25.9x	23.5x	20.8x	3.8x	2.3x	9.8x	11.5x	11.2x	17.2x	4.4%	17.9%	13.5%	2.0	1.0%	5.1%
Non-Asset-Based Forwarding / Logistics																						
BEST Inc. (BSTI)	Buy	9.42	391.5	3,688.3	132.2	146.9	3,673.6	NM	NM	NM	5.9x	1.5x	12.2x	NM	NM	(70.7%)	NM	151.9%	NM	0.0%	45.7%	
C.H. Robinson Worldwide (CHRW)	Hold	86.76	143.5	12,446.1	1,469.0	297.3	13,617.8	24.2x	25.7x	23.4x	9.2x	5.9x	14.2x	16.1x	15.3x	18.0x	12.1%	36.2%	18.6%	2.7	2.1%	2.2%
DSV A/S (DSV-DK)	Hold	DKK 486.30	190.4	14,763.2	1,120.8	193.8	16,288.6	36.3x	26.7x	24.8x	7.0x	5.8x	17.5x	18.5x	12.1x	21.6x	9.3%	27.1%	17.5%	1.8	0.4%	4.5%
Echo Global Logistics (ECHO)	Buy	27.40	27.9	765.7	209.0	21.2	953.6	33.0x	38.6x	28.8x	2.2x	0.5x	12.6x	21.5x	19.7x	NM	2.3%	5.2%	4.4%	2.1	0.0%	2.6%
Expeditors International (EXPD)	Hold	64.93	187.3	12,162.8	0.0	1,033.4	11,158.2	27.5x	26.8x	25.0x	6.1x	5.0x	14.3x	15.5x	14.6x	16.6x	14.7%	22.6%	22.2%	2.7	1.3%	3.6%
Forward Air Corp. (FWRD)	Hold	57.73	29.9	1,728.5	40.7	12.4	1,756.8	27.8x	25.1x	23.2x	3.4x	1.7x	10.7x	9.2x	8.2x	11.7x	15.3%	20.1%	18.6%	2.3	1.0%	4.2%
Hub Group (HUBG)	Buy	47.60	33.5	1,592.7	287.1	18.6	1,861.3	20.9x	29.8x	22.1x	2.4x	2.5x	10.1x	18.0x	15.7x	20.3x	3.9%	8.9%	7.1%	2.2	0.0%	(4.8%)
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 173.10	120.0	20,772.5	33.2	603.9	20,259.0	28.9x	28.1x	25.8x	10.0x	3.0x	16.4x	18.2x	18.0x	22.0x	11.0%	35.3%	34.5%	2.8	3.2%	3.9%
Landstar System (LSTR)	Buy	102.60	42.2	4,332.3	151.3	249.7	4,233.8	31.6x	27.9x	23.1x	6.6x	1.2x	12.3x	15.3x	15.2x	17.8x	13.3%	26.2%	20.9%	2.3	0.4%	4.0%
Panalpina Welttransport Holding (PWTN-CH)	Sell	CHF 144.80	23.7	3,435.8	2.0	296.5	3,211.7	NM	NM	37.2x	5.7x	2.4x	18.9x	20.4x	20.3x	28.2x	4.6%	12.8%	12.8%	NM	2.6%	2.5%
Universal Logistics Holdings, Inc. (ULH)	Buy	23.55	28.4	669.9	243.5	2.9	910.5	27.7x	30.2x	19.6x	4.6x	0.8x	8.3x	12.6x	10.5x	NM	3.0%	11.8%	6.3%	1.5	1.2%	3.5%
XPO Logistics, Inc. (XPO)	Buy	76.33	148.8	11,361.5	4,871.3	291.4	16,771.0	NM	NM	30.5x	3.5x	1.1x	10.3x	20.8x	NM	1.6%	6.1%	NM	NM	0.0%	4.8%	
ZTO Express Inc. (ZTO-US)	NC	15.83	727.6	11,518.6	101.6	1,725.6	9,894.6	36.0x	NE	NE	3.9x	6.4x	NE	21.0x	17.8x	23.2x	11.8%	14.5%	13.9%	NE	0.0%	NE
	Min			669.9	0.0	2.9	910.5	20.9x	25.1x	19.6x	2.2x	0.5x	8.3x	9.2x	8.2x	11.7x	(70.7%)	5.2%	4.4%	1.5	0.0%	(4.8%)
	Mean			7,633.7	666.3	376.4	8,045.4	29.4x	28.8x	25.8x	5.4x	2.9x	13.2x	17.2x	15.2x	19.9x	2.5%	18.9%	27.4%	2.3	0.9%	6.4%
	Median			4,332.3	151.3	249.7	4,233.8	28.4x	27.9x	24.8x	5.7x	4.2x	12.5x	18.1x	15.3x	20.3x	9.3%	17.3%	18.1%	2.3	0.4%	3.7%
	Max			20,772.5	4,871.3	1,725.6	20,259.0	36.3x	38.6x	37.2x	10.0x	6.4x	18.9x	21.5x	20.3x	28.2x	15.3%	36.2%	151.9%	2.8	3.2%	45.7%
Stifel Transportation Average				12,318.9	2,382.7	460.3	14,387.7	25.9x	23.5x	20.8x	3.8x	2.3x	9.8x	11.5x	11.2x	17.2x	4.4%	17.9%	13.5%	2.0	1.0%	5.1%

Excludes non-recurring items; Calculations may vary due to rounding

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2017 P/E divided by First Call mean or Stifel estimated long-term growth rate

(e) Roadrunner forward estimates based on FactSet consensus means

(f) Exchange rate data provided by FactSet Research Systems; USD/RMB=6.640, EUR/USD=1.166, CHF/USD=1.005

Source: Company data, FactSet Research Systems, First Call, and Stifel estimates

Landstar System Income Statement

(figures in \$ millions, except per share amounts)
Fiscal year end December 30

	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016				2017				2018				2018E	2019E		
									1QA	2QA	3QA	4QA	2016E	1QE	2QA	3QA	4QE	2017E	1QE	2QE			3QE	4QE
Transportation Logistics segment revenue	2,606.2	1,972.9	2,366.0	2,614.7	2,757.6	2,628.2	3,145.4	3,321.1	700.0	763.6	776.3	880.9	3,120.8	769.2	858.7	931.4	988.0	3,547.2	888.2	991.5	1,022.9	1,085.6	3,988.1	4,374.8
% change y/y	6.4%	-24.3%	19.9%	10.5%	5.5%	-4.7%	19.7%	5.6%	-7.0%	-10.9%	-6.5%	0.1%	-6.0%	9.9%	12.5%	20.0%	12.2%	13.7%	15.5%	15.5%	9.8%	9.9%	12.4%	9.7%
Insurance segment revenue	36.9	35.9	34.1	34.3	35.9	36.6	39.4	39.4	11.6	11.6	11.6	11.9	46.8	11.7	11.8	12.1	11.4	46.9	11.8	11.9	12.3	11.6	47.6	48.4
% change y/y	0.0%	-2.5%	-5.0%	0.6%	4.4%	1.9%	7.7%		24.5%	5.1%	1.8%	57.9%	18.9%	0.2%	1.2%	3.8%	-4.0%	0.3%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Consolidated operating revenue	2,643.1	2,008.8	2,400.2	2,649.1	2,793.4	2,680.2	3,184.8	3,321.1	711.6	775.2	787.9	892.8	3,167.6	780.9	870.4	943.4	999.4	3,594.2	900.0	1,003.4	1,035.1	1,097.2	4,035.7	4,423.1
% change y/y	6.3%	-24.0%	19.5%	10.4%	5.4%	-4.1%	18.8%	4.3%	-6.7%	-10.7%	-6.4%	5.2%	-4.6%	9.7%	12.3%	19.7%	11.9%	13.5%	15.3%	15.3%	9.7%	9.8%	12.3%	9.6%
Investment income	3.3	1.3	1.6	1.7	1.6	1.5	1.4	1.4	0.4	0.4	0.4	0.4	1.5	0.4	0.6	0.7	0.4	2.1	0.5	0.5	0.5	0.5	2.0	2.0
% change y/y	-37.6%	-62.0%	22.9%	9.4%	-8.3%	-5.6%	-6.4%	1.1%	7.3%	7.1%	2.0%	13.9%	7.6%	8.9%	67.5%	98.9%	-0.5%	41.9%	20.8%	-17.8%	-29.6%	25.0%	-6.2%	0.0%
Total revenue	2,646.4	2,010.1	2,401.7	2,650.8	2,795.0	2,681.6	3,186.2	3,322.5	712.0	775.6	788.3	893.2	3,169.1	781.3	871.0	944.1	999.8	3,596.3	900.5	1,003.9	1,035.6	1,097.7	4,037.7	4,425.1
% change y/y	6.2%	-24.0%	19.5%	10.4%	5.4%	-4.1%	18.8%	4.3%	-6.6%	-10.7%	-6.4%	5.2%	-4.6%	9.7%	12.3%	19.8%	11.9%	13.5%	15.3%	15.3%	9.7%	9.8%	12.3%	9.6%
Operating expenses:																								
Purchased transportation	2,033.4	1,503.5	1,824.3	2,007.1	2,129.3	2,045.2	2,461.1	2,551.3	540.3	589.4	601.0	684.9	2,415.7	595.5	667.6	726.8	768.1	2,758.0	690.2	765.8	789.1	838.0	3,083.1	3,371.9
Commissions to agents	203.1	160.6	181.4	210.1	218.4	211.5	250.8	270.3	59.1	64.8	65.1	75.1	264.2	63.8	70.3	76.6	83.8	294.4	75.3	83.5	86.0	91.4	336.2	367.7
Other operating costs	28.0	29.2	28.8	28.9	22.9	21.7	25.8	31.6	7.4	6.6	7.5	8.2	29.7	6.9	7.5	8.1	9.4	31.9	8.4	9.4	9.7	10.3	37.7	41.2
Insurance and claims	36.4	45.9	49.3	42.8	37.5	50.6	46.3	48.8	14.2	16.1	12.5	14.5	57.3	14.5	13.9	17.9	16.1	62.4	14.5	16.1	16.5	17.6	64.6	70.7
Selling, general, and administrative	137.8	131.6	149.3	152.9	153.6	142.0	150.3	149.7	34.6	36.9	34.7	37.0	143.2	38.3	40.9	44.0	42.9	166.1	38.6	42.8	44.1	46.8	172.3	188.5
Depreciation and amortization	21.0	23.5	24.8	25.8	27.5	29.8	27.6	29.1	8.4	8.7	9.0	9.7	35.8	9.9	9.9	10.1	11.2	41.2	10.1	11.2	11.5	12.2	44.9	49.1
Non-recurring costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	2,459.6	1,894.3	2,258.0	2,467.5	2,589.1	2,500.7	2,961.8	3,080.8	664.1	722.5	729.8	829.5	2,945.9	729.0	810.0	883.6	931.4	3,354.0	837.0	928.7	957.0	1,016.3	3,738.9	4,089.1
Operating ratio (as % of operating revenue)	93.1%	94.3%	94.1%	93.1%	92.7%	93.3%	93.0%	92.8%	93.3%	93.2%	92.6%	92.9%	93.0%	93.4%	93.1%	93.7%	93.2%	93.3%	93.0%	92.6%	92.5%	92.6%	92.6%	92.4%
Operating ratio (excluding purchased transportation)	69.9%	77.3%	75.3%	71.7%	69.2%	71.7%	69.2%	68.8%	72.2%	71.6%	68.9%	69.5%	70.5%	72.0%	70.2%	72.4%	70.6%	71.3%	70.0%	68.5%	68.2%	68.8%	68.8%	68.2%
EBIT	186.8	115.7	143.8	183.2	205.9	180.9	224.4	241.7	47.9	53.1	58.5	63.8	223.2	52.3	61.0	60.6	68.4	242.3	63.5	75.3	78.7	81.4	298.8	336.0
% margin	7.1%	5.8%	6.0%	6.9%	7.4%	6.8%	7.0%	7.3%	6.7%	6.8%	7.4%	7.1%	7.0%	6.7%	7.0%	6.4%	6.8%	6.7%	7.1%	7.5%	7.6%	7.4%	7.4%	7.6%
EBITDA	207.8	139.3	168.6	209.1	233.3	210.7	251.9	270.8	56.4	61.7	67.5	73.5	259.0	62.3	70.9	70.7	79.6	283.4	73.6	86.4	90.2	93.6	343.8	385.1
% margin	7.9%	6.9%	7.0%	7.9%	8.4%	7.9%	7.9%	8.2%	7.9%	8.0%	8.6%	8.2%	8.2%	8.0%	8.1%	7.5%	8.0%	7.9%	8.2%	8.6%	8.7%	8.5%	8.5%	8.7%
Operating Margin (op. income/gross profit)	45.9%	33.6%	36.4%	42.4%	46.2%	42.7%	47.4%	48.4%	42.7%	43.9%	48.0%	48.0%	45.8%	43.0%	46.0%	43.3%	46.3%	44.7%	47.2%	48.8%	49.2%	48.5%	48.5%	49.2%
Interest income (expense), net	(7.4)	(4.0)	(3.6)	(3.1)	(3.1)	(3.2)	(3.2)	(2.9)	(0.9)	(0.9)	(0.9)	(1.1)	(3.8)	(1.1)	(0.8)	(0.7)	(0.7)	(3.2)	(0.6)	(0.5)	(0.4)	(0.3)	(1.7)	0.0
Other income (expense), net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	179.5	111.7	140.1	180.1	202.7	177.7	221.2	238.8	47.0	52.2	57.5	62.7	219.5	51.3	60.2	59.9	67.7	239.1	62.9	74.8	78.3	81.2	297.1	336.0
% margin	6.8%	5.6%	5.8%	6.8%	7.3%	6.6%	6.9%	7.2%	6.6%	6.7%	7.3%	7.0%	6.9%	6.6%	6.9%	6.4%	6.8%	6.7%	7.0%	7.5%	7.6%	7.4%	7.4%	7.6%
Tax rate	38.2%	36.3%	36.5%	37.3%	36.0%	37.2%	37.2%	38.1%	38.0%	38.1%	36.9%	36.9%	37.4%	36.8%	37.7%	29.2%	37.8%	35.4%	37.9%	37.9%	37.9%	37.8%	37.9%	37.9%
Income before minority interest	110.9	71.2	89.1	112.9	129.8	111.6	138.8	147.7	29.2	32.3	36.3	39.6	137.3	32.4	37.5	42.4	42.1	154.4	39.1	46.4	48.6	50.5	184.6	208.8
Minority interest	0.0	0.4	0.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss) from continuing operations	110.9	71.2	89.1	112.9	129.8	111.6	138.8	147.7	29.2	32.3	36.3	39.6	137.3	32.4	37.5	42.4	42.1	154.4	39.1	46.4	48.6	50.5	184.6	208.8
Extraordinary item (net of tax)	0.0	(1.7)	(3.4)	(0.1)	0.0	34.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	110.9	69.5	85.6	112.9	129.8	146.0	138.8	147.7	29.2	32.3	36.3	39.6	137.3	32.4	37.5	42.4	42.1	154.4	39.1	46.4	48.6	50.5	184.6	208.8
% margin	4.2%	3.5%	3.6%	4.3%	4.6%	5.4%	4.4%	4.4%	4.1%	4.2%	4.6%	4.4%	4.3%	4.1%	4.3%	4.5%	4.2%	4.3%	4.3%	4.6%	4.7%	4.6%	4.6%	4.7%
Average shares outstanding - diluted ⁽¹⁾⁽¹⁰⁾	52.9	51.3	49.6	47.5	46.9	46.2	45.2	43.8	42.5	42.4	42.2	41.9	42.2	42.0	42.0	42.0	41.9	42.0	41.7	41.6	41.4	41.3	41.5	40.9
EPS - diluted (continuing operations)	\$2.10	\$1.39	\$1.80	\$2.38	\$2.77	\$2.42	\$3.07	\$3.37	\$0.69	\$0.76	\$0.86	\$0.94	\$3.25	\$0.77	\$0.89	\$1.01	\$1.01	\$3.68	\$0.94	\$1.12	\$1.17	\$1.22	\$4.45	\$5.10
% change y/y	5.5%	-33.8%	29.5%	32.2%	16.4%	-12.6%	26.9%	9.8%	3.0%	-17.4%	-4.4%	6.8%	-3.6%	11.6%	17.1%	17.4%	7.4%	13.2%	22.1%	25.8%	15.8%	20.8%	20.9%	14.6%
EPS - diluted	\$2.10	\$1.36	\$1.73	\$2.37	\$2.77	\$3.16	\$3.07	\$3.37	\$0.69	\$0.76	\$0.86	\$0.94	\$3.25	\$0.77	\$0.89	\$1.01	\$1.01	\$3.68	\$0.94	\$1.12	\$1.17	\$1.22	\$4.45	\$5.10
% change y/y	5.5%	-35.2%	27.2%	37.0%	16.9%	14.1%	-2.8%	9.8%	3.0%	-17.4%	-4.4													

Hub Group Income Statement

(figures in \$ millions except per share amounts)
Fiscal Year End December 31

	2016										2017					2018								
	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	1Q16	2Q16	3Q16	4Q16	2016E	1Q17	2Q17	3Q17	4Q17	2017E	1Q18	2Q18	3Q18	4Q18	2018E	2019E
Intermodal segment revenue	1,329.4	1,054.9	1,285.0	1,553.6	1,731.6	1,808.4	1,816.0	1,792.0	414.0	438.0	466.0	468.0	1,786.0	425.0	451.0	474.0	496.1	1,846.1	456.9	484.8	509.6	520.9	1,972.1	2,099.4
volume growth	2.3%	-4.5%	19.3%	12.8%	10.0%	3.3%	-1.1%	1.4%	1.0%	-2.0%	6.0%	5.0%	2.5%	1.0%	1.0%	0.0%	5.0%	1.8%	5.0%	5.0%	5.0%	2.5%	4.4%	2.0%
price / fuel / mix	8.0%	-15.0%	2.5%	8.0%	2.0%	1.2%	1.6%	-2.7%	-2.7%	-3.8%	-4.7%	-1.0%	-2.8%	1.7%	2.0%	1.7%	1.0%	1.6%	2.5%	2.5%	2.5%	2.5%	2.5%	4.0%
addition of Comtrak	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
intermodal % change y/y	10.2%	-20.7%	21.8%	20.9%	11.5%	4.4%	0.4%	-1.3%	-1.7%	-5.8%	1.3%	4.9%	-0.3%	2.7%	3.0%	1.7%	6.0%	3.4%	7.5%	7.5%	7.5%	5.0%	6.8%	6.5%
Brokerage segment revenue	372.4	292.6	334.0	339.4	335.7	343.8	338.0	355.0	81.0	83.0	97.0	130.0	391.0	107.0	105.0	113.2	146.3	471.5	117.7	115.5	124.5	160.9	518.6	540.2
% change y/y	16.8%	-21.4%	14.1%	1.6%	-1.1%	2.4%	-1.7%	5.0%	-9.0%	-10.8%	15.5%	46.1%	10.1%	32.1%	26.5%	16.7%	12.5%	20.6%	10.0%	10.0%	10.0%	10.0%	10.0%	4.2%
Logistics segment revenue	158.8	163.5	214.7	290.9	325.1	447.5	568.8	532.3	120.2	127.5	153.7	156.1	557.5	145.1	149.2	175.6	171.7	641.6	159.6	164.1	193.2	188.9	705.8	743.5
% change y/y	19.4%	2.9%	31.4%	35.5%	11.8%	37.7%	27.1%	-6.4%	-8.9%	-0.7%	12.6%	16.6%	4.7%	20.7%	17.0%	14.3%	10.0%	15.1%	10.0%	10.0%	10.0%	10.0%	10.0%	5.3%
Dedicated segment revenue																								
% change y/y																								
Total Core Revenue	1,860.6	1,511.0	1,833.7	2,183.9	2,392.3	2,599.8	2,722.8	2,679.3	615.2	648.5	716.7	754.1	2,734.5	677.1	705.2	820.8	878.9	3,082.1	806.2	836.1	891.0	942.0	3,475.3	3,689.8
% change y/y	12.2%	-18.8%	21.4%	19.1%	9.5%	8.7%	4.7%	-1.6%	-4.4%	-5.5%	5.3%	12.7%	2.1%	10.1%	8.7%	14.5%	16.6%	12.7%	19.1%	18.6%	8.6%	7.2%	12.8%	6.2%
Mode Transportation / HGDS				586.3	779.9	823.2	931.1	928.7	208.8	231.9	251.6	256.4	948.7	241.9	243.1	258.7	269.2	1,012.8	254.0	255.2	271.6	282.6	1,063.4	1,116.6
% change y/y				NM	33.0%	5.5%	13.1%	-0.3%	-2.2%	-0.8%	5.1%	6.0%	2.2%	15.8%	4.8%	2.8%	5.0%	6.8%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Inter-Segment Elimination				(18.6)	(48.1)	(49.0)	(82.8)	(82.4)	(18.2)	(24.9)	(35.5)	(31.9)	(110.5)	(25.6)	(23.7)	(25.1)	(12.0)	(86.4)	(12.0)	(12.0)	(12.0)	(12.0)	(48.0)	(48.0)
Total Revenue	1,860.6	1,511.0	1,833.7	2,751.5	3,124.1	3,373.9	3,571.1	3,525.6	805.9	856.5	932.8	978.6	3,572.8	893.4	924.5	1,054.4	1,136.1	4,008.4	1,048.1	1,079.3	1,150.7	1,212.7	4,490.7	4,758.4
% change y/y	12.2%	-18.8%	21.4%	50.1%	13.5%	8.0%	5.8%	-1.3%	-3.6%	-4.9%	3.7%	9.9%	1.3%	10.9%	8.1%	13.0%	16.1%	12.2%	17.3%	16.7%	9.1%	6.7%	12.0%	6.0%
Transportation Costs	1,626.3	1,325.3	1,620.3	2,439.0	2,768.0	3,002.9	3,200.7	3,112.9	694.4	741.1	821.4	858.1	3,114.9	791.9	823.2	937.8	1,011.1	3,564.0	928.1	955.7	1,018.9	1,073.8	3,976.5	4,196.9
Gross Margin	234.3	185.7	213.4	312.5	356.1	371.0	370.4	412.7	111.5	114.5	111.5	120.5	457.9	101.6	101.3	116.5	125.0	444.4	120.0	123.6	131.8	138.9	514.2	561.5
% change y/y	0.9%	-20.8%	14.9%	46.4%	13.9%	4.2%	-0.2%	11.4%	25.1%	12.5%	6.1%	3.2%	10.9%	-8.9%	-11.5%	4.5%	3.8%	-2.9%	18.1%	22.0%	13.1%	11.1%	15.7%	9.2%
% of gross revenues	12.6%	12.3%	11.6%	11.4%	11.4%	11.0%	10.4%	11.7%	13.8%	13.4%	11.9%	12.3%	12.8%	11.4%	11.0%	11.1%	11.0%	11.1%	11.5%	11.5%	11.5%	11.5%	11.5%	11.8%
Costs and Expenses																								
Salaries and benefits	93.7	88.5	99.1	118.2	128.1	135.3	136.5	158.9	42.9	43.6	42.6	50.4	179.5	43.2	45.0	49.1	49.6	187.0	48.2	48.8	51.6	54.2	202.9	213.3
Agent fees and commissions	0.0	0.0	0.0	40.7	55.1	55.8	62.0	68.7	16.9	18.4	19.1	18.6	73.9	18.0	17.0	19.1	19.3	73.4	18.7	19.0	20.0	21.1	78.8	82.8
General and administrative	41.2	37.5	40.6	49.0	52.8	56.8	58.0	60.0	16.6	16.1	17.6	18.3	68.6	19.3	16.1	22.4	22.8	80.5	22.0	22.3	23.5	24.7	92.5	97.3
Depreciation and amortization	4.0	4.2	3.8	5.6	6.6	6.5	7.8	8.0	2.1	2.1	2.3	2.4	9.0	2.4	2.5	4.3	4.3	13.5	4.2	4.2	4.5	4.7	17.6	18.5
TL Costs x-D&A																								
Change in estimate/impair. of PPE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Costs and Expenses	138.8	130.2	143.6	213.5	243.7	254.4	264.3	295.7	78.5	80.2	81.6	89.6	330.0	82.9	80.7	94.9	95.9	354.4	93.1	94.3	99.6	104.7	391.7	411.9
operating ratio (gross)	94.9%	96.3%	96.2%	96.4%	96.4%	96.5%	97.0%	96.7%	95.9%	96.0%	96.8%	96.7%	96.9%	97.9%	97.8%	97.9%	97.4%	97.8%	97.4%	97.2%	97.2%	97.2%	96.9%	96.9%
operating ratio (net)	59.3%	70.1%	67.3%	68.3%	68.4%	68.6%	71.4%	71.6%	70.5%	70.0%	73.2%	74.4%	72.1%	81.6%	79.7%	81.4%	76.7%	79.7%	77.6%	76.3%	75.6%	75.4%	76.2%	73.4%
EBIT	95.5	55.5	69.9	99.0	112.4	116.7	106.1	117.0	32.9	34.3	29.9	30.8	127.9	18.7	20.6	21.7	29.1	90.0	26.9	29.3	32.1	34.2	122.5	149.6
% margin (net revenues)	40.7%	29.9%	32.7%	31.7%	31.6%	31.4%	28.6%	28.4%	29.5%	30.0%	26.8%	25.6%	27.9%	18.4%	20.3%	18.6%	23.3%	20.3%	22.4%	23.7%	24.4%	24.6%	23.8%	26.6%
% margin (gross revenues)	5.1%	3.7%	3.8%	3.6%	3.6%	3.5%	3.0%	3.3%	4.1%	4.0%	3.2%	3.2%	3.6%	2.1%	2.2%	2.1%	2.6%	2.2%	2.6%	2.7%	2.8%	2.8%	2.7%	3.1%
EBITDA	99.4	59.7	73.7	104.6	119.0	123.1	113.9	154.1	43.6	45.1	41.1	42.9	172.6	31.2	33.3	39.9	47.9	152.4	45.8	48.4	43.6	45.7	183.4	195.0
% margin (net revenues)	42.4%	32.2%	34.5%	33.5%	33.4%	33.2%	30.7%	37.3%	39.1%	39.4%	36.9%	35.6%	37.7%	30.7%	32.9%	34.3%	38.3%	34.3%	38.1%	39.2%	33.1%	32.9%	35.7%	34.7%
Interest Income (expense), net	1.1	0.1	0.1	(0.5)	(1.2)	(1.2)	(1.8)	(3.0)	(0.9)	(0.9)	(0.9)	(1.0)	(3.6)	(1.1)	(1.0)	(2.3)	(1.9)	(6.4)	(1.0)	(1.9)	(1.9)	(2.0)	(6.7)	(6.9)
Debt extinguishment expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Income (expense), net	(0.2)	0.3	0.1	0.4	0.1	0.0	(0.2)	(2.5)	1.0	0.3	0.1	(0.3)	1.2	0.3	0.2	0.5	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	96.3	55.9	70.1	98.8	111.3	115.5	104.1	111.6	33.0	33.8	29.1	29.6	125.5	17.9	19.7	19.8	27.2	84.7	25.9	27.4	30.2	32.2	115.7	142.7
% margin (net revenues)	41.1%	30.1%	32.8%	31.6%	31.2%	31.1%	28.1%	27.0%	29.6%	29.5%	26.1%	24.6%	27.4%	17.6%	19.5%	17.0%	21.8%	19.1%	21.6%	22.2%	22.9%	23.2%	22.5%	25.4%
Tax rate	38.5%	38.7%	38.0%	38.3%	38.9%	38.6%	38.9%	35.1%	37.9%	38.8%	38.4%	38.4%	38.4%	37.0%	39.4%	22.5%	32.4%	32.7%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Net Income (loss)																								
from continuing operations**	59.2	34.3	43.5	61.0	68.0	70.9	63.6	72.4	20.5	20.7	17.9	18.2	77.4	11.3	12.0	15.3	18.4	57.0	16.1	17.0	18.7	20.0	71.8	88.5
Extraordinary item (net of tax)	0.0	0.0	0.0	(2.8)	0.0	(1.8)	(12.1)	(1.5)	(2.5)	(0.9)	0.0	0.0	(2.5)	(0.9)	(2.4)	0.0	0.0	(3.4)	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	59.2	34.3	43.5	58.1	68.0	69.1																		



Echo Global Logistics Income Statement

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

	2015				2016				2017				2018																
	2008A	2009A	2010A	2011A	2012A	2013A	2014A	1Q15	2Q15	3Q15	4Q15	2015A	1Q16	2Q16	3Q16	4Q16	2016A	1Q17	2Q17	3Q17	4Q17	2017E	1Q18	2Q18	3Q18	4Q18	2018E	2019E	
Transaction revenue	115.4	150.5	261.0	409.1	526.7	616.6	871.3	217.6	295.3	375.3	337.3	1,225.5	332.0	362.0	373.1	328.8	1,395.9	333.0	371.4	401.2	386.3	1,491.9	376.3	412.3	437.3	413.4	1,639.2	1,786.3	
% change y/y	213.4%	30.4%	73.5%	56.7%	28.7%	17.1%	41.3%	22.5%	30.1%	54.9%	50.2%	40.7%	52.6%	22.6%	-0.6%	-2.5%	13.9%	0.3%	2.6%	7.5%	17.5%	6.9%	13.0%	11.0%	9.0%	7.0%	9.9%	9.0%	
Enterprise revenue	87.4	109.1	165.4	193.7	231.0	267.6	302.1	65.9	76.3	74.7	69.9	286.8	73.3	81.8	87.1	78.1	320.3	82.8	98.7	108.3	93.7	383.4	111.7	113.5	124.6	107.7	457.5	526.1	
% change y/y	49.1%	24.7%	51.6%	17.1%	19.2%	15.8%	12.9%	-6.0%	-2.5%	-4.6%	-7.5%	-5.1%	11.2%	7.2%	16.6%	11.7%	11.7%	12.9%	20.6%	24.4%	20.0%	19.7%	35.0%	15.0%	15.0%	15.0%	19.3%	15.0%	
Gross revenues	202.8	259.6	426.4	602.8	757.7	884.2	1,173.4	283.5	371.6	450.0	407.2	1,512.3	405.3	443.8	460.2	406.9	1,716.2	415.8	470.1	509.5	480.0	1,875.4	488.0	525.7	561.9	521.1	2,096.7	2,312.4	
% change y/y	112.5%	28.0%	64.3%	41.4%	25.7%	16.7%	32.7%	14.5%	21.8%	40.4%	35.7%	28.9%	43.0%	19.4%	2.3%	-0.1%	13.5%	2.6%	5.9%	10.7%	18.0%	9.3%	17.4%	11.8%	10.3%	8.6%	11.8%	10.3%	
Cost of transportation and products	159.7	203.9	345.2	485.6	614.6	728.5	965.2	230.2	302.1	362.6	327.1	1,222.0	324.5	358.7	379.3	335.1	1,397.6	341.3	388.5	422.8	397.4	1,550.0	403.8	433.7	463.6	428.6	1,729.7	1,896.2	
Net revenues (Gross profits)	43.1	55.7	81.2	117.2	143.1	155.6	208.2	53.3	69.5	87.4	80.1	290.2	80.8	85.2	80.9	71.7	318.6	74.5	81.6	86.7	82.6	325.4	84.2	92.0	98.3	92.5	367.0	416.2	
Gross Margin	21.2%	21.4%	19.0%	19.4%	18.9%	17.6%	17.7%	18.8%	18.7%	19.4%	19.7%	19.2%	19.9%	19.2%	17.6%	17.6%	18.6%	17.9%	17.4%	17.0%	17.2%	17.3%	17.3%	17.3%	17.5%	17.5%	17.8%	17.5%	18.0%
% change y/y	116.2%	29.2%	45.8%	44.4%	22.1%	8.8%	33.8%	26.2%	30.3%	49.5%	47.7%	39.4%	51.8%	22.6%	-7.5%	-10.5%	9.8%	-7.8%	-4.2%	7.2%	15.1%	2.1%	13.0%	12.7%	13.4%	12.0%	12.8%	13.4%	
% of gross revenues	21.2%	21.4%	19.0%	19.4%	18.9%	17.6%	17.7%	18.8%	18.7%	19.4%	19.7%	19.2%	19.9%	19.2%	17.6%	17.6%	18.6%	17.9%	17.4%	17.0%	17.2%	17.3%	17.3%	17.3%	17.5%	17.5%	17.8%	18.0%	
Operating expenses:																													
Commissions	12.4	15.8	24.8	35.9	40.4	39.5	57.7	14.9	20.4	26.5	24.1	85.9	24.8	25.2	23.8	21.7	95.5	22.4	24.7	26.5	25.2	98.8	25.6	28.1	30.1	28.2	112.0	125.9	
General and administrative	19.3	30.0	38.0	54.3	70.0	82.3	105.3	28.8	30.0	40.0	37.5	136.3	38.1	37.2	37.0	37.5	149.8	39.4	42.8	43.8	42.5	168.5	42.0	46.0	49.3	46.2	183.5	206.4	
Contingent consideration	3.2	(1.0)	(2.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	3.2	5.0	6.9	8.4	9.2	10.6	13.9	3.9	5.3	3.3	3.4	15.9	3.5	3.6	4.6	4.6	16.3	4.4	4.4	4.5	5.5	18.8	5.5	6.0	6.5	6.0	24.0	27.0	
Total operating expenses	38.1	49.8	67.7	98.4	119.5	132.4	176.9	47.6	55.6	69.7	64.9	237.9	66.4	66.0	65.4	63.8	261.7	66.2	71.9	74.8	73.2	286.1	73.2	80.1	85.8	80.4	319.5	359.3	
Operating ratio (gross)	97.6%	97.7%	96.8%	96.9%	96.9%	97.4%	97.3%	98.0%	96.3%	96.1%	96.3%	96.5%	96.5%	95.7%	96.6%	98.0%	96.7%	98.0%	97.9%	97.7%	98.0%	97.9%	97.7%	97.7%	97.8%	97.7%	97.7%	97.7%	
Operating ratio (net)	88.5%	89.5%	83.4%	83.9%	83.5%	85.1%	85.0%	89.4%	80.0%	79.8%	81.2%	82.0%	82.2%	77.5%	80.9%	88.9%	82.1%	88.9%	88.1%	86.3%	88.6%	87.9%	86.9%	87.1%	87.3%	86.9%	87.1%	86.3%	
EBIT	4.9	5.9	13.5	18.8	23.6	23.2	31.3	5.7	13.9	17.6	15.2	52.4	14.4	19.1	15.4	7.9	56.9	8.3	9.7	11.9	9.4	39.3	11.0	11.9	12.5	12.1	47.5	56.9	
% margin (gross revenues)	2.4%	2.3%	3.2%	3.1%	3.1%	2.8%	2.7%	2.0%	3.7%	3.9%	3.7%	3.5%	3.5%	4.3%	3.4%	2.0%	3.3%	2.0%	2.1%	2.3%	2.0%	2.1%	2.3%	2.3%	2.2%	2.3%	2.3%	2.5%	
% margin (net revenues)	11.5%	10.5%	16.6%	16.1%	16.5%	14.9%	15.0%	10.6%	20.0%	20.2%	18.9%	18.0%	17.8%	22.5%	19.1%	11.1%	17.9%	11.1%	11.9%	13.7%	11.4%	12.1%	13.1%	12.9%	12.7%	13.1%	12.9%	13.7%	
EBITDA	8.2	10.9	20.4	27.2	32.8	33.8	45.2	9.5	19.1	21.0	18.6	68.2	17.9	22.7	20.1	12.5	73.2	12.7	14.1	16.4	14.9	58.1	16.5	17.9	18.9	18.2	71.5	83.9	
% margin (gross revenues)	4.0%	4.2%	4.8%	4.5%	4.3%	3.8%	3.9%	3.4%	5.2%	4.7%	4.6%	4.5%	4.4%	5.1%	4.4%	3.1%	4.3%	3.1%	3.0%	3.2%	3.1%	3.1%	3.4%	3.4%	3.4%	3.5%	3.4%	3.6%	
% margin (net revenues)	19.0%	19.5%	25.1%	23.2%	22.9%	21.7%	21.7%	17.9%	27.6%	24.0%	23.2%	23.5%	22.2%	26.7%	24.8%	17.4%	23.0%	17.0%	17.3%	18.9%	18.0%	17.9%	19.6%	19.5%	19.3%	19.6%	19.5%	20.2%	
Interest income	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	
Interest (expense)	(0.1)	(0.8)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	(1.0)	(1.6)	(1.6)	(4.3)	(1.6)	(1.6)	(1.7)	(1.7)	(6.6)	(1.7)	(1.7)	(1.7)	(1.7)	(6.7)	(1.8)	(1.8)	(1.8)	(1.8)	(7.4)	(7.4)	
Other, net	(0.1)	(0.5)	(0.3)	(0.3)	(0.5)	(0.4)	(0.2)	(0.1)	(0.1)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total other expense	(0.1)	(1.3)	(0.3)	(0.3)	(0.5)	(0.4)	(0.2)	(0.1)	(1.1)	(1.6)	(1.6)	(4.4)	(1.6)	(1.6)	(1.7)	(1.7)	(6.6)	(1.7)	(1.7)	(1.7)	(1.7)	(6.7)	(1.8)	(1.8)	(1.8)	(1.8)	(7.3)	(7.3)	
Profit before tax	4.8	4.6	13.2	18.5	23.2	22.9	31.1	5.6	12.8	16.0	13.6	47.9	12.7	17.5	13.8	6.3	50.3	6.6	8.1	10.2	7.7	32.6	9.2	10.1	10.7	10.3	40.2	49.6	
Provision for income taxes	1.9	(0.6)	4.8	6.6	9.0	8.6	12.0	2.0	4.5	5.8	5.1	18.5	4.7	7.9	4.1	2.4	19.1	4.1	3.0	2.9	2.9	12.9	3.5	3.8	4.0	3.9	15.1	18.6	
Tax rate	40.1%	-13.3%	36.2%	35.6%	38.7%	37.4%	38.5%	36.6%	35.3%	36.4%	37.6%	38.6%	37.0%	45.2%	29.5%	38.9%	38.0%	62.6%	37.5%	28.2%	37.5%	39.7%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%	
Net income (loss) from continuing operations	2.9	5.2	8.4	11.9	14.2	14.3	19.1	3.5	8.3	10.2	8.5	32.5	8.0	9.6	9.7	3.8	31.2	2.5	5.0	7.3	4.8	19.6	5.8	6.3	6.7	6.4	25.1	31.0	
Preferred dividends	1.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
NI (loss) from cont. ops avail to com. shareholders	1.8	4.4	8.4	11.9	14.2	14.3	19.1	3.5	8.3	10.2	8.5	32.5	8.0	9.6	9.7	3.8	31.2	2.5	5.0	7.3	4.8	19.6	5.8	6.3	6.7	6.4	25.1	31.0	
Extraordinary item (net of tax) ⁽¹⁻³⁾	0.0	0.0	0.0	0.1	(1.9)	(0.1)	(2.3)	(0.2)	(9.0)	(6.7)	(6.8)	(22.7)	(7.8)	(7.7)	(7.3)	(6.8)	(29.6)	(5.2)	(5.3)	(4.9)	0.0	(15.4)	0.0	0.0	0.0	0.0	0.0	0.0	
Net income	1.8	4.4	8.4	12.0	12.3	14.2	16.8	3.3	(0.7)	3.5	1.7	7.8	(0.3)	1.9	2.4	(3.0)	1.6	(2.7)	(0.2)	2.4	4.8	4.2	5.8	6.3	6.7	6.4	25.1	31.0	
Average shares outstanding - diluted	12.8	15.1	22.2	22.6	22.9	23.4	23.6	23.9	27.7	30.3	30.5	28.1	29.8	29.6	29.1	28.2	29.3	28.6	28.0	27.6	27.3	27.9	27.0	26.7	26.4	26.1	26.6	25.8	
EPS - diluted	\$0.14	\$0.29	\$0.38	\$0.53	\$0.54	\$0.61	\$0.71	\$0.14	(\$0.03)	\$0.11	\$0.06	\$0.28	\$0.01	\$0.07	\$0.08	(\$0.10)	\$0.05	(\$0.10)	(\$0.01)	\$0.09	\$0.18	\$0.15	\$0.21	\$0.24	\$0.25	\$0.25	\$0.95	\$1.20	
% change y/y	NM	107.1%	31.0%	39.5%	1.9%	13.0%	16.4%	40.0%	-116.7%	-52.2%	-70.0%	-60.8%	-92.9%	NM	-27.3%	NM	-82.1%	NM	NM	12.5%	-280.0%	200.0%	NM	NM	177.8%	38.9%	533.3%	26.3%	
EPS - diluted (continuing operations)	\$0.14	\$0.29	\$0.38	\$0.53	\$0.62	\$0.61	\$0.81	\$0.15	\$0.30	\$0.34	\$0.28	\$1.16	\$0.27	\$0.33	\$0.33	\$0.14	\$1.06	\$0.09											

Heartland Express Income Statement

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016				2016A	2017				2017E	2018				2018E	2019E
									1QA	2QA	3QA	4QA		1QA	2QA	3QA	4QE		1QE	2QE	3QE	4QE		
Gross revenues									162.8	160.8	149.3	140.0	612.9	129.9	129.6	182.1	185.6	627.2	182.3	182.0	197.6	199.9	761.8	831.6
% change y/y														-20.2%	-19.4%	22.0%	32.5%	2.3%	40.3%	40.4%	8.5%	7.7%	21.5%	9.2%
Operating expenses:																								
Salaries, wages and benefits	198.0	168.7	168.0	166.7	167.1	178.7	278.1	277.3	65.5	61.5	58.4	46.6	232.0	49.0	48.6	71.4	72.4	241.4	68.9	68.4	72.8	70.3	280.3	280.7
Rents and purchased transportation	18.7	11.1	9.5	7.5	6.3	12.8	51.9	34.5	6.7	6.2	5.5	5.1	23.5	2.9	1.8	16.6	16.9	38.2	16.0	15.9	17.0	16.4	65.2	65.3
Fuel	204.7	104.2	126.5	161.9	169.0	172.3	219.3	123.7	21.2	24.4	23.0	22.9	91.5	22.7	21.3	29.7	30.2	103.9	28.7	28.5	30.3	29.3	116.8	116.9
Operations and maintenance	15.6	14.9	17.1	20.9	25.3	22.3	39.1	34.0	6.6	7.0	6.4	6.2	26.2	5.9	7.0	9.1	9.2	31.2	8.8	8.7	9.3	9.0	35.8	35.9
Taxes and licenses	9.3	9.3	8.5	9.2	8.7	10.5	20.4	18.1	3.9	3.9	3.9	3.8	15.6	3.3	3.1	5.4	5.5	17.3	5.2	5.2	5.5	5.3	21.2	21.3
Insurance and claims	24.3	16.6	12.5	13.1	14.9	14.9	17.9	21.6	8.1	5.0	4.5	6.8	24.4	3.8	3.6	6.0	6.1	19.4	5.8	5.7	6.1	5.9	23.5	23.5
Communication and utilities	3.7	3.7	3.2	3.0	3.0	3.6	6.5	6.0	1.2	1.1	1.2	1.1	4.5	1.1	1.0	1.5	1.5	5.1	1.4	1.4	1.5	1.5	5.8	5.8
Depreciation	46.1	58.7	61.9	57.2	57.2	68.9	108.6	111.0	25.7	25.8	27.3	26.8	105.6	22.9	22.6	28.8	29.2	103.5	27.8	27.6	29.4	28.3	113.0	113.2
Other operating expenses ⁽¹⁾	16.8	13.0	14.2	14.6	14.6	16.4	31.3	28.6	4.9	5.9	0.8	1.7	13.4	5.1	5.5	8.0	8.2	26.8	7.8	7.7	8.2	7.9	31.6	31.6
(Gain) loss on sale of fixed assets	(9.6)	(19.7)	(13.3)	(32.1)	(15.1)	(33.3)	(33.5)	(35.0)	(1.3)	(4.5)	(1.5)	(1.9)	(9.2)	(6.1)	(6.3)	(7.5)	(7.6)	(27.4)	(5.0)	(4.9)	(5.2)	(5.1)	(20.2)	(20.2)
Total operating expenses	527.7	380.6	408.1	422.1	450.8	467.2	739.5	619.8	142.5	136.3	129.4	119.1	527.4	110.5	108.3	169.1	171.5	559.4	165.3	164.2	174.9	168.7	673.1	674.0
Operating ratio	84.3%	82.8%	81.7%	79.8%	82.6%	80.2%	84.9%	84.2%	87.6%	84.8%	86.7%	85.1%	86.0%	85.1%	83.6%	92.9%	92.4%	89.2%	90.7%	90.2%	88.5%	84.4%	88.4%	81.0%
Operating ratio, excl. gains on sale of assets	85.9%	87.1%	84.4%	85.9%	85.4%	86.0%	88.7%	88.9%	88.4%	87.6%	87.7%	86.5%	87.5%	89.8%	88.4%	97.0%	96.5%	93.6%	93.4%	92.9%	91.2%	86.9%	91.0%	83.5%
EBIT	97.9	79.0	91.5	106.6	94.9	115.1	131.9	116.6	20.3	24.5	19.9	20.9	85.6	19.4	21.3	13.0	14.1	67.8	17.0	17.8	22.7	31.2	88.7	157.6
% margin	15.7%	17.2%	18.3%	20.2%	17.4%	19.8%	15.1%	15.8%	12.4%	15.2%	13.3%	14.9%	14.0%	14.9%	16.4%	7.1%	7.6%	10.8%	9.3%	9.8%	11.5%	15.6%	11.6%	19.0%
EBITDA	144.1	137.7	153.4	163.8	152.1	184.0	240.4	227.6	46.0	50.4	47.2	47.7	191.1	42.3	43.9	41.8	43.3	171.3	44.7	45.4	52.1	59.5	201.7	270.8
% margin	23.0%	30.0%	30.7%	31.0%	27.9%	31.6%	27.6%	30.9%	28.2%	31.3%	31.6%	34.0%	31.2%	32.6%	33.9%	22.9%	23.3%	27.3%	24.5%	24.9%	26.4%	29.8%	26.5%	32.6%
Interest income (expense), net	9.1	2.3	1.4	0.8	0.7	0.5	0.2	0.2	0.1	0.1	0.1	0.2	0.5	0.3	0.4	0.1	0.0	0.8	0.0	0.0	0.0	0.0	0.1	0.0
Other income (expense), net	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.4)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	107.1	81.3	92.9	107.3	95.6	115.3	131.6	116.8	20.3	24.6	20.0	21.1	86.0	19.7	21.7	13.1	14.1	68.6	17.0	17.9	22.7	31.2	88.8	157.7
% margin	17.1%	17.7%	18.6%	20.3%	17.5%	19.8%	15.1%	15.9%	12.5%	15.3%	13.4%	15.0%	14.0%	15.1%	16.8%	7.2%	7.6%	10.9%	9.3%	9.8%	11.5%	15.6%	11.7%	19.0%
Tax rate	34.7%	30.0%	33.0%	34.8%	35.6%	37.1%	35.5%	37.4%	29.3%	33.5%	37.5%	37.8%	34.5%	28.6%	32.8%	39.4%	34.0%	33.1%	34.0%	35.0%	36.0%	35.0%	35.1%	35.0%
Net income (loss) from continuing operations	70.0	56.9	62.2	69.9	61.5	72.6	84.8	73.1	14.4	16.4	12.5	13.1	56.4	14.0	14.6	7.9	9.3	45.9	11.2	11.6	14.6	20.3	57.7	102.4
Extraordinary item (net of tax) ⁽²⁾	0.0	0.0	0.0	0.0	0.0	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	70.0	56.9	62.2	69.9	61.5	70.6	84.8	73.1	14.4	16.4	12.5	13.1	56.4	14.0	14.6	7.9	9.3	45.9	11.2	11.6	14.6	20.3	57.7	102.4
% margin	11.2%	12.4%	12.5%	13.2%	11.3%	12.1%	9.7%	9.9%	8.8%	10.2%	8.4%	9.4%	9.2%	10.8%	11.3%	4.3%	5.0%	7.3%	6.1%	6.4%	7.4%	10.1%	7.6%	12.3%
Average shares outstanding - diluted ⁽³⁾ ⁽⁴⁾ ⁽⁵⁾ ⁽⁶⁾	95.9	91.1	90.7	89.7	86.2	85.4	87.9	87.1	83.5	83.3	83.3	83.3	83.4	83.3	83.3	83.3	83.1	83.3	82.8	82.9	82.7	82.4	82.7	81.8
EPS - diluted (continuing operations)	\$0.73	\$0.62	\$0.69	\$0.78	\$0.71	\$0.85	\$0.96	\$0.84	\$0.17	\$0.20	\$0.15	\$0.16	\$0.68	\$0.17	\$0.18	\$0.09	\$0.11	\$0.55	\$0.14	\$0.14	\$0.18	\$0.25	\$0.70	\$1.25
% change y/y	-6.4%	-15.1%	11.3%	13.0%	-9.0%	19.7%	12.9%	-12.5%	-15.0%	-25.9%	-11.8%	-20.0%	-19.0%	0.0%	-10.0%	-40.0%	-31.3%	-19.1%	-17.6%	-22.2%	100.0%	127.3%	27.3%	78.6%
EPS - diluted	\$0.73	\$0.62	\$0.69	\$0.78	\$0.71	\$0.83	\$0.96	\$0.84	\$0.17	\$0.20	\$0.15	\$0.16	\$0.68	\$0.17	\$0.18	\$0.09	\$0.11	\$0.55	\$0.14	\$0.14	\$0.18	\$0.25	\$0.70	\$1.25
% change y/y	-6.4%	-15.1%	11.3%	13.0%	-9.0%	16.9%	15.7%	-12.5%	-15.0%	-25.9%	-11.8%	-20.0%	-19.0%	0.0%	-10.0%	-40.0%	-31.3%	-19.1%	-17.6%	-22.2%	100.0%	127.3%	27.3%	78.6%

(1) As of July 1, 2005, gains from the trade of revenue equipment are recorded under "other operating expenses," thereby reducing quarterly operating
(2) 4Q03 adjusted for decrease in amount accrued by company for accident liability claims (\$11.2 million pretax) and increase in amount accrued for workers' compensation claims (\$2.9 million pretax).
(3) Adjusted for 5:4 stock split in 2Q 2001 (in which a 25% stock dividend was paid)
(4) Adjusted for 3.15:2 stock split in 1Q 2002 (in which an approximate 58% stock dividend was paid)
(5) Adjusted for 3:2 stock split in 3Q 2004 (in which a 50% stock dividend was paid)
(6) Adjusted for 4:3 stock split in 2Q 2006 (in which an approximate 33% stock dividend was paid)

Source: Company data and Stifel estimates

Daseke, Inc. Income Statement

(figures in \$ millions, except per share amounts)

	2014A	2015A	2016				2016A	2017				2017E	2018				2018E	2019E
			1QA	2QA	3QA	4QA		1QA	2QA	3QA	4QE		1QE	2QE	3QE	4QE		
REVENUE:																		
Freight	375.0	506.6	126.3	136.8	135.4	119.4	517.9	125.6	149.7	171.2	182.1	628.6	242.1	243.3	259.1	235.9	980.4	1165.1
Brokerage	82.6	108.9	20.6	21.8	26.0	19.1	87.4	20.9	28.7	34.2	22.9	106.6	21.9	30.1	35.9	24.0	112.0	117.6
Logistics									2.7	7.9	8.0	18.6	8.2	8.4	8.3	8.4	33.3	35.0
Net Revenue	457.6	615.5	146.9	158.6	161.4	138.4	605.3	146.4	181.0	213.3	213.0	753.8	272.2	281.8	303.3	268.3	1125.7	1317.7
Fuel Surcharge	85.1	63.4	10.0	11.8	12.8	12.0	46.5	14.0	16.3	18.0	18.8	67.1	24.7	24.9	26.0	24.1	99.6	117.7
Total revenue	542.7	678.8	156.9	170.4	174.1	150.4	651.8	160.4	197.3	231.3	231.8	820.9	296.9	306.7	329.3	292.4	1225.3	1435.4
% change y/y	NM	25.1%	4.8%	5.8%	-9.0%	-15.0%	-4.0%	2.3%	15.8%	32.8%	54.1%	25.9%	85.1%	55.4%	42.4%	26.1%	49.3%	17.1%
OPERATING EXPENSES:																		
Salaries, wages and employee benefits	132.2	178.7	50.4	50.2	49.3	47.9	197.8	50.1	58.2	65.0	67.4	240.7	88.8	89.4	95.0	86.2	359.3	420.6
Fuel	88.0	70.3	14.5	17.3	17.3	17.8	66.9	19.2	20.5	24.7	24.3	88.8	31.9	32.0	33.8	31.0	128.7	150.4
Operations and maintenance	59.3	98.7	20.7	24.4	27.9	23.2	96.1	21.6	29.0	35.1	33.6	119.4	44.0	45.2	49.1	42.9	181.2	211.7
Communications	1.7	2.0	0.5	0.4	0.4	0.4	1.6	0.4	0.5	0.5	0.0	1.5	0.1	0.1	0.1	0.1	0.3	0.4
Purchased freight	150.7	182.0	36.8	41.2	42.5	33.6	154.1	37.6	49.8	61.6	60.1	209.1	78.4	79.2	84.1	76.2	317.9	370.6
Administrative expense	14.6	21.7	7.4	5.1	5.2	7.5	25.2	7.4	8.0	8.6	0.6	24.6	1.2	0.9	0.7	1.1	3.9	5.2
Sales and marketing	2.4	2.9	0.4	0.5	0.4	0.5	1.7	0.4	0.6	0.5	0.1	1.5	0.1	0.1	0.1	0.1	0.3	0.5
Taxes and licenses	7.3	9.2	2.3	2.3	2.3	2.3	9.2	2.3	2.6	3.0	0.2	8.1	0.5	0.4	0.3	0.4	1.6	2.1
Insurance and claims	15.4	19.7	4.0	4.5	5.1	5.5	19.1	4.1	5.0	6.4	0.5	16.0	0.9	0.7	0.6	0.9	3.1	4.2
Acquisition transaction expenses	0.9	1.2	0.0	0.0	0.0	0.0	0.0	0.4	1.0	0.8	0.0	2.3	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	48.6	63.6	16.9	16.6	17.0	17.0	67.5	16.3	17.6	19.8	21.7	75.5	29.1	29.0	30.6	28.1	116.8	137.6
Gain/loss on disposition of revenue property/equipment	0.9	(2.2)	0.1	0.6	(0.5)	(0.3)	(0.1)	(0.2)	0.0	(0.3)	0.1	(0.4)	0.3	0.2	0.2	0.2	0.9	1.2
Impairment charge	1.8	0.0	0.0	0.0	1.2	0.8	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.3)	11.7	32.2	12.7	14.9	17.5	12.9	58.1	62.7
Total operating expenses	523.9	647.8	153.9	163.1	168.1	156.1	641.1	159.7	192.9	222.3	220.5	795.4	287.9	291.9	312.0	280.1	1172.1	1367.1
Operating ratio	96.5%	95.4%	98.1%	95.7%	96.5%	103.8%	98.4%	99.5%	97.7%	96.1%	95.1%	96.9%	97.0%	95.2%	94.7%	95.8%	95.7%	95.2%
Operating ratio, net of FSC	95.9%	95.0%	98.0%	95.4%	96.2%	104.1%	98.2%	99.5%	97.5%	99.4%	94.7%	99.1%	96.7%	94.8%	94.3%	95.4%	98.2%	97.4%
EBIT	18.8	31.0	3.0	7.3	6.1	(5.7)	10.7	0.8	4.5	9.0	11.3	25.5	9.0	14.7	17.3	12.3	53.3	68.3
% margin	3.5%	4.6%	1.9%	4.3%	3.5%	-3.8%	1.6%	0.5%	2.3%	3.9%	4.9%	3.1%	3.0%	4.8%	5.3%	4.2%	4.3%	4.8%
Adjusted EBITDA	70.3	97.3			25.0	15.3	88.0	17.6	24.3	30.3	33.0	105.1	38.0	43.7	47.9	40.4	170.1	205.9
% margin	13.0%	14.3%			14.3%	10.2%	13.5%	11.0%	12.3%	13.1%	14.2%	12.8%	12.8%	14.2%	14.6%	13.8%	13.9%	14.3%
Interest income	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)	(0.0)	(0.1)	(0.1)	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Interest expense	16.0	20.6	5.4	5.4	6.7	5.6	19.7	5.9	6.5	8.6	6.3	27.3	6.3	6.8	7.4	7.4	28.0	29.7
Other (non revenue gain/loss on disposal of assets)	(0.2)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	(0.1)	(0.1)	(0.0)	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Total other income/expense	15.7	20.3	5.3	5.3	6.7	5.5	19.3	5.8	6.4	8.5	6.3	27.0	6.3	6.8	7.4	7.4	28.0	29.7
Profit before tax	3.1	10.7	(2.3)	2.0	(0.6)	(11.2)	(8.6)	(5.0)	(1.9)	0.5	5.0	(1.5)	2.6	7.9	9.9	4.9	25.3	38.6
% margin	0.6%	1.6%	-1.5%	1.2%	-0.3%	-7.4%	-1.3%	-3.1%	-1.0%	0.2%	2.2%	-0.2%	0.9%	2.6%	3.0%	1.7%	2.1%	2.7%
Tax rate	57.9%	69.6%	45.8%	49.1%	-119.0%	4.0%	-17.7%	26.6%	-113.6%	-349.8%	40.0%	-77.5%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Net income (loss) (prior to preferred)	1.3	3.3	(1.2)	1.0	(1.3)	(10.8)	(10.2)	(3.7)	(4.1)	2.2	3.0	(2.6)	1.6	4.8	5.9	2.9	15.2	23.2
Preferred stock dividends	1.0	4.7	1.2	1.2	1.2	1.0	4.8	0.8	1.7	1.2	1.2	4.9	1.3	1.3	1.3	1.3	5.2	5.8
Net income (loss) from continuing operations	0.3	(1.5)	(2.5)	(0.2)	(2.5)	(11.8)	(14.9)	(4.5)	(5.8)	1.0	1.8	(7.5)	0.3	3.5	4.6	1.6	10.0	17.3
Extraordinary item (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4.1)	0.0	(2.1)	0.0	(6.2)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.3	(1.5)	(2.5)	(0.2)	(2.5)	(11.8)	(14.9)	(8.6)	(5.8)	(1.2)	1.8	(13.7)	0.3	3.5	4.6	1.6	10.0	17.3
% margin	0.1%	-0.2%	-1.6%	-0.1%	-1.4%	-7.8%	-2.3%	-5.3%	-2.9%	-0.5%	0.8%	-1.7%	0.1%	1.1%	1.4%	0.5%	0.8%	1.2%
Average shares outstanding - diluted	0.1	0.1	21.0	21.0	21.0	37.7	37.7	26.9	37.9	39.4	44.4	37.2	51.2	51.6	52.0	52.4	51.8	58.4
EPS - diluted (prior to preferred)	\$ 9.26	\$ 22.43	\$ (0.06)	\$ 0.05	\$ (0.06)	\$ (0.29)	\$ (0.27)	\$ (0.14)	\$ (0.11)	\$ 0.06	\$ 0.07	\$ (0.12)	\$ 0.03	\$ 0.09	\$ 0.11	\$ 0.06	\$ 0.29	\$ 0.40
% change y/y		142.1%	NM	NM	NM	NM	-101.2%	NM	NM	NM	-123.7%	NM	NM	NM	NM	-17.8%	NM	35.4%
EPS - diluted (continuing operations)	\$ 1.94	\$ (10.13)	\$ (0.12)	\$ (0.01)	\$ (0.12)	\$ (0.31)	\$ (0.40)	\$ (0.17)	\$ (0.15)	\$ 0.02	\$ 0.04	\$ (0.25)	\$ 0.01	\$ 0.07	\$ 0.09	\$ 0.03	\$ 0.20	\$ 0.30
% change y/y		NM	NM	NM	NM	NM	NM	NM	NM	NM	-113.0%	NM	NM	NM	NM	-24.9%	NM	50.7%
EPS - diluted for common shareholders	\$ 1.94	\$ (10.13)	\$ (0.12)	\$ (0.01)	\$ (0.12)	\$ (0.31)	\$ (0.40)	\$ (0.32)	\$ (0.15)	\$ (0.03)	\$ 0.04	\$ (0.46)	\$ 0.01	\$ 0.07	\$ 0.09	\$ 0.03	\$ 0.20	\$ 0.30
% change y/y		NM	NM	NM	NM	NM	NM	NM	NM	NM	-113.0%	NM	NM	NM	NM	-24.9%	NM	50.7%

Source: Company data and Stifel estimates
Some restatements not reflected in prior periods
Quarterly EPS estimates do not sum to the annual because of share count fluctuations related to various financings and convertible securities.



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J.B. Hunt Transport Income Statement

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

	2016															2017				2018										
	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	1Q	2Q	3Q	4Q	2016A	1Q	2Q	3Q	4Q	2017E	1Q	2Q	3Q	4Q	2018E	2019E	
Gross revenues	2,433.5	2,786.2	3,127.9	3,328.0	3,489.9	3,731.9	3,213.6	3,793.5	4,526.8	5,055.0	5,584.6	6,165.4	6,187.6	1,528.7	1,615.0	1,690.7	1,721.1	6,555.5	1,629.2	1,726.9	1,843.3	1,833.8	7,033.2	1,782.6	1,894.2	2,095.1	2,075.1	7,847.0	8,673.1	
% change y/y	8.3%	14.5%	12.3%	6.4%	4.9%	6.9%	-13.9%	18.0%	19.3%	11.7%	10.5%	10.4%	0.4%	6.1%	4.9%	6.6%	6.2%	5.9%	6.6%	6.9%	9.0%	6.5%	7.0%	7.3%	9.4%	9.7%	13.7%	13.2%	11.6%	10.5%
By segment:																														
JBT	841.1	928.0	1,020.0	965.7	841.7	676.4	446.7	479.5	504.1	483.8	391.1	385.6	385.5	96.1	98.3	97.2	96.3	387.8	93.7	94.6	92.6	97.2	378.1	97.0	97.9	102.5	107.6	405.0	438.6	
% change y/y	1.7%	10.3%	9.9%	-5.3%	-12.8%	-19.6%	-34.0%	7.3%	5.1%	-4.0%	-19.2%	-1.4%	0.0%	5.3%	0.8%	-0.4%	-3.0%	0.6%	-2.5%	-3.8%	-4.7%	0.9%	-2.5%	3.5%	3.5%	10.7%	10.7%	7.1%	8.3%	
Operating ratio	94.1%	88.7%	88.2%	90.8%	95.2%	99.3%	102.6%	96.1%	94.7%	95.3%	99.1%	93.7%	89.7%	90.4%	91.0%	94.8%	93.0%	92.3%	94.7%	94.1%	93.8%	94.3%	94.2%	94.0%	93.7%	92.8%	92.4%	93.1%	92.3%	
JBI	936.3	1,115.1	1,284.3	1,430.1	1,652.8	1,951.7	1,770.8	2,141.2	2,673.0	3,071.1	3,456.2	3,687.4	3,664.7	895.2	933.4	969.7	998.0	3,796.3	937.1	1,001.4	1,048.2	1,068.7	4,055.5	1,008.4	1,080.1	1,188.4	1,211.9	4,488.9	4,951.8	
% change y/y	15.7%	19.1%	15.2%	11.4%	15.6%	18.1%	-9.3%	20.0%	24.8%	14.9%	12.5%	6.7%	-0.6%	6.1%	3.2%	2.2%	3.2%	3.6%	4.7%	7.3%	8.1%	7.1%	6.8%	7.6%	7.9%	13.4%	13.4%	10.7%	10.3%	
Operating ratio	90.3%	88.1%	88.2%	87.2%	85.6%	87.0%	89.3%	88.9%	88.6%	87.8%	87.1%	87.5%	87.0%	88.5%	88.7%	87.9%	87.6%	88.2%	89.8%	89.0%	89.6%	88.2%	89.2%	89.6%	88.8%	87.7%	87.6%	88.4%	87.5%	
DCS	671.2	759.6	844.1	915.2	936.6	927.0	760.6	906.8	1,031.4	1,079.5	1,231.3	1,393.8	1,451.3	358.4	382.7	393.8	398.3	1,533.2	392.5	411.9	437.5	406.0	1,647.9	442.5	466.5	500.9	456.0	1,865.9	2,041.1	
% change y/y	6.8%	13.2%	11.1%	8.4%	2.3%	-1.0%	-17.9%	13.2%	22.3%	17.6%	14.1%	13.2%	4.1%	3.8%	4.4%	6.3%	7.9%	5.6%	9.5%	7.7%	11.1%	1.9%	7.5%	12.2%	13.3%	14.5%	12.3%	13.2%	9.4%	
Operating ratio	93.3%	90.1%	88.0%	88.0%	90.0%	90.0%	91.2%	90.9%	89.9%	89.2%	91.0%	91.6%	88.7%	87.5%	86.8%	86.7%	85.6%	86.6%	88.6%	88.2%	90.2%	86.1%	88.3%	88.4%	88.0%	87.7%	86.4%	87.6%	87.0%	
ICS/JBL (1)(2)	NA	NA	NA	NA	91.6	209.2	259.1	290.9	355.8	456.3	536.8	718.1	699.5	183.2	203.8	233.0	231.6	851.6	209.4	222.5	269.5	266.3	967.7	238.7	253.6	307.2	303.6	1,103.1	1,257.6	
% change y/y	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Operating ratio	NA	NA	NA	NA	95.3%	94.9%	94.9%	96.8%	96.3%	96.5%	97.1%	95.8%	94.9%	94.1%	94.7%	96.3%	97.4%	95.7%	97.9%	100.1%	95.7%	97.5%	97.7%	97.7%	95.9%	97.6%	96.4%	96.7%	96.6%	95.5%
Operating expenses:																														
Salaries, wages and employee benefits	791.8	830.0	855.3	887.4	888.6	859.6	798.3	911.0	998.1	1,037.5	1,138.2	1,290.4	1,394.2	362.5	372.0	374.5	368.9	1,477.9	380.3	389.9	408.3	408.8	1,587.3	401.8	425.3	466.1	460.0	1,753.3	1,920.1	
Rents and purchased transportation	799.2	932.1	1,058.4	1,124.7	1,235.4	1,479.2	1,398.1	1,711.2	2,122.8	2,485.6	2,805.6	3,085.3	2,994.6	740.4	794.9	846.2	874.1	3,255.7	806.4	871.1	947.1	913.3	3,538.1	897.8	950.3	1,041.4	1,027.9	3,917.5	4,290.3	
Fuel and fuel taxes	232.4	288.6	389.0	447.3	463.5	520.6	273.5	343.7	463.6	465.9	455.9	453.9	313.0	59.4	71.5	74.2	78.4	283.4	80.6	79.1	87.0	82.9	329.6	81.5	86.3	94.5	93.3	355.6	389.4	
Depreciation and amortization	150.2	149.8	163.0	183.6	205.1	202.3	189.0	197.1	213.9	229.2	253.4	294.5	339.6	88.4	90.4	91.0	91.8	361.5	92.2	93.1	96.0	97.6	378.8	95.9	101.5	111.2	109.8	418.4	458.3	
Operating supplies and expenses	119.3	124.2	132.9	145.8	155.9	158.2	151.9	152.5	160.4	178.6	202.7	218.5	220.6	54.5	56.5	62.2	60.0	233.2	58.0	64.5	67.6	67.6	257.7	66.5	70.4	77.1	76.1	290.0	317.6	
Insurance and claims	63.5	54.8	55.3	63.9	69.7	60.8	48.3	44.9	53.8	55.2	61.1	73.7	17.4	17.4	19.1	21.9	20.0	78.4	23.0	27.5	26.5	28.8	105.7	28.3	30.0	32.8	32.4	123.5	135.2	
Operating taxes and licenses	33.2	35.0	35.8	34.4	33.5	32.2	28.0	26.9	27.9	29.5	32.3	38.8	43.1	11.1	11.4	11.7	11.8	46.0	29.6	10.9	10.7	11.4	62.6	11.2	11.9	13.0	12.9	49.0	53.7	
General and administrative expenses, net (5)	34.7	35.0	45.5	32.3	39.8	38.3	47.4	33.0	28.9	27.2	45.5	50.6	72.5	21.8	18.7	21.0	25.5	87.1	23.5	21.7	29.4	22.8	97.4	22.4	23.7	26.0	25.6	97.7	107.0	
Communications and utilities	23.5	23.0	22.6	22.6	21.2	19.3	18.3	18.2	18.2	17.4	19.1	20.8	20.6	5.2	4.8	5.0	4.9	20.0	5.0	5.6	5.7	5.9	22.2	5.8	6.1	6.7	6.6	25.2	27.6	
Total operating expenses	2,247.8	2,472.4	2,757.8	2,942.0	3,112.7	3,370.4	2,955.4	3,441.9	4,078.7	4,524.8	5,007.9	5,533.9	5,472.0	1,360.8	1,439.2	1,507.7	1,535.4	5,843.1	1,498.6	1,563.3	1,678.4	1,639.1	6,379.4	1,611.2	1,705.5	1,868.9	1,844.6	7,030.2	7,699.2	
Operating ratio	92.4%	88.7%	88.2%	88.4%	89.2%	90.3%	92.0%	90.7%	90.1%	89.5%	89.7%	89.8%	88.4%	89.0%	89.1%	89.2%	89.2%	89.1%	92.0%	90.5%	91.1%	89.4%	90.7%	90.4%	90.0%	89.2%	88.9%	89.6%	88.8%	
EBIT	185.6	313.7	370.1	386.0	377.2	361.5	258.3	351.6	448.1	530.2	576.7	631.5	715.7	167.9	175.8	183.0	185.7	712.3	130.5	163.6	165.0	194.7	653.8	171.4	188.7	226.2	230.5	816.8	973.9	
% margin	7.6%	11.3%	11.8%	11.6%	10.8%	9.7%	8.0%	9.3%	9.9%	10.5%	10.3%	10.2%	11.6%	11.0%	10.9%	10.8%	10.8%	10.9%	10.8%	9.5%	8.9%	10.6%	9.3%	9.6%	10.0%	10.8%	11.1%	10.4%	11.2%	
EBITDA	335.9	463.5	533.2	569.6	582.3	563.8	447.3	548.7	662.1	759.4	830.1	926.0	1,055.3	256.2	266.2	274.0	277.5	1,073.8	222.7	256.7	260.9	292.2	1,032.5	267.3	290.2	337.4	340.3	1,235.3	1,432.1	
% margin	13.8%	16.6%	17.0%	17.1%	16.7%	15.1%	13.9%	14.5%	14.6%	15.0%	14.9%	15.0%	16.4%	16.4%	16.5%	16.2%	16.1%	16.4%	13.7%	14.9%	14.2%	15.9%	14.7%	15.0%	15.3%	16.1%	16.4%	15.7%	16.5%	
Interest income (expense), net	(17.2)	(5.5)	(5.6)	(15.2)	(39.5)	(34.4)	(27.4)	(27.9)	(28.5)	(25.6)	(23.1)	(26.9)	(25.5)	(6.4)	(6.4)	(6.5)	(5.9)	(25.2)	(6.8)	(7.4)	(8.3)	(7.2)	(29.7)	(6.9)	(6.5)	(6.0)	(5.4)	(24.8)	(14.9)	
Equity in earnings (loss) of associated companies	(0.7)	(2.5)	(4.7)	(3.2)	(1.2)	(1.7)	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other income (expense), net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Profit before tax	167.7	305.8	359.9	367.6	336.4	325.3	234.4	323.7	419.6	504.6	553.6	604.6	690.2	161.4	169.4	176.5	179.8	687.1	123.7	156.2	156.7	187.5	624.1	164.6	182.2	220.2	225.1	792.0	958.9	
% margin	6.9%	11.0%	11.5%	11.0%	9.6%	8.7%	7.3%	8.5%	9.3%	10.0%	9.9%	9.8%	11.2%	10.6%	10.5%	10.4%	10.4%	10.5%	7.6%	9.0%	8.5%	10.2%	8.9%	9.2%	9.6%	10.5%	10.8%	10.1%	11.1%	
Tax rate (6)	38.5%	40.5%	37.9%	37.9%	38.1%	37.7%	39.1%	37.6%	38.2%	38.5%	38.1%	38.1%	38.1%	38.0%	38.0%	38.0%	39.5%	38.4%	28.0%	37.4%	35.9%	36.7%	34.9%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	
Net income (loss) from continuing operations	103.2	181.9	223.4	228.4	208.3	202.6	142.7	202.1	259.4	310.4	342.4	374.8	427.2	100.1	105.0	109.4	108.9	423.4	89.1	97.9	100.4	118.7	406.0	103.7	114.8	138.7	141.8	499.0	604.1	
Extraordinary income (net of tax) (7) - (14)	(7.7)	(35.7)	(16.1)	(8.5)	4.9	(2.0)	(6.3)	(2.5)	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.7	8.7	13.6	0.0	0.0	0.0	13.6	0.0	0.0	0.0	0.0	0.0	0.0	
Net income	95.5	146.3	207.3	220.0	213.1	200.6	136.4	199.6	257.0	310.4	342.4	374.8	427.2	100.1	105.0	109.4	117.6	432.1	102.7	97.9	100.4	118.7	419.6	103.7	114.8	138.7	141.8	499.0	604.1	
% margin	3.9%	5.2%	6.6%	6.6%	6.1%	5.4%	4.2%	5.3%	5.7%	6.1%	6.1%	6.1%	6.9%	6.5%	6.5%	6.5%	6.8%	6.6%	6.3%	5.7%	5.4%	6.5%	6.0%	5.8%	6.1%	6.6%	6.8%	6.4%	7.0%	
Average shares outstanding - diluted	163.7	166.9	162.6	152.4	137.7	128.5	129.4	127.8	121.9	120.0	119.4	118.4	116.7	114.0	113.8	113.4	112.3	113.4	112.0	110.8	110.6	110.4	111.0	110						

USA Truck, Inc. Income Statement

(figures in \$ millions, except per share amounts)
Fiscal year end December 31

	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016				2017				2018				2018E	2019E		
								1QA	2QA	3QA	4QA	2016E	1QA	2QA	3QE	4QE	2017E	1QE	2QE			3QE	4QE
Trucking revenue	317.2	338.4	321.3	297.6	326.3	336.3	307.7	68.9	67.3	64.9	61.4	262.4	61.1	62.7	66.9	67.7	258.4	68.6	69.5	72.6	73.5	284.2	308.7
% change y/y		6.7%	-5.0%	-7.4%	9.6%	3.1%	-8.5%	-15.5%	-16.3%	-12.7%	-14.1%	-14.7%	-11.3%	-6.8%	3.1%	10.4%	-1.5%	12.3%	10.8%	8.5%	8.5%	10.0%	8.6%
USAT Logistics revenue	14.3	34.9	67.1	89.8	117.6	158.4	141.1	33.1	32.2	29.7	30.6	125.6	28.7	33.3	35.5	36.7	134.3	28.7	33.3	35.5	35.5	133.0	133.0
% change y/y		144.2%	92.1%	33.9%	30.9%	34.7%	-10.9%	-1.9%	-12.2%	-15.5%	-12.4%	-11.0%	-13.3%	3.4%	19.3%	20.0%	6.9%	0.0%	0.0%	0.0%	-3.4%	-0.9%	0.0%
Intermodal Revenue	-	13.6	22.7	21.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% change y/y			66.6%	-6.2%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Base revenue	331.5	386.9	411.0	408.7	443.9	494.7	448.8	102.0	99.5	94.7	92.0	388.0	89.8	96.0	102.4	104.5	392.7	97.3	102.8	108.1	109.0	417.2	441.7
% change y/y		16.7%	6.2%	-0.6%	8.6%	11.4%	-9.3%	-11.5%	-15.0%	-13.6%	-13.5%	-13.5%	-11.9%	-3.5%	8.2%	13.6%	1.2%	8.4%	7.1%	5.6%	4.3%	6.2%	5.9%
Fuel surcharge revenue	50.8	73.3	108.4	103.7	111.2	108.1	59.0	8.6	10.4	10.8	11.2	40.9	11.8	11.3	11.8	12.2	47.2	11.6	11.9	12.2	12.1	47.8	48.5
% change y/y		44.1%	47.9%	-4.3%	7.2%	-2.7%	-45.5%	-50.6%	-36.5%	-21.4%	-2.8%	-30.6%	37.7%	9.1%	9.7%	9.5%	15.4%	-2.2%	5.3%	2.7%	-0.7%	1.2%	1.5%
Operating revenue	382.4	460.2	519.4	512.4	555.0	602.5	507.9	110.6	109.9	105.5	103.1	429.1	101.7	107.4	114.2	116.7	439.9	108.9	114.7	120.3	121.1	465.0	490.2
% change y/y		20.3%	12.9%	-1.3%	8.3%	8.6%	-15.7%	-16.8%	-17.7%	-14.6%	-12.6%	-15.5%	-8.1%	-2.3%	8.3%	13.1%	2.5%	7.1%	6.9%	5.3%	3.8%	5.7%	5.4%
Operating Expenses and Costs																							
Salaries, wages, and employee benefits	128.3	132.4	136.5	142.3	141.8	153.4	140.6	32.6	29.9	29.1	30.1	121.7	29.8	27.2	29.8	31.8	118.7	29.7	31.1	32.4	32.6	125.8	129.8
Fuel expense	93.8	114.9	137.2	131.2	135.5	116.1	58.5	10.2	11.4	10.9	10.7	43.2	10.8	10.5	11.8	11.9	44.9	11.1	11.7	12.2	12.2	47.2	48.7
Depreciation & amortization	50.2	49.8	49.3	45.1	44.9	43.8	37.5	7.3	7.6	7.4	7.7	30.0	7.6	6.9	6.8	8.1	29.4	7.5	7.9	8.3	8.3	32.0	33.0
Long-term claims liability reserve adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance and claims	21.1	22.8	22.5	20.6	23.3	24.9	21.2	4.8	5.4	5.6	5.3	21.2	3.8	5.6	5.3	6.1	20.9	5.7	6.0	6.3	6.3	24.3	25.0
Equipment rents	-	-	-	-	-	-	4.4	1.9	1.9	1.9	1.9	7.4	2.1	2.6	2.7	2.0	9.5	1.9	2.0	2.1	2.1	8.0	8.3
Operations and maintenance	26.6	36.1	42.2	43.6	49.5	49.4	39.6	9.2	10.3	8.2	6.6	34.3	6.6	8.0	8.3	8.9	31.7	8.3	8.7	9.1	9.1	35.3	36.4
Purchased transportation	44.1	79.6	120.1	127.9	139.1	172.1	161.4	36.4	38.0	37.2	37.3	149.0	37.4	41.0	42.5	40.6	161.6	37.9	39.8	41.5	41.7	160.8	165.8
Operating taxes and licenses	5.6	5.7	5.5	5.5	5.4	5.6	5.7	1.1	1.3	1.0	1.3	4.7	1.0	1.0	1.0	1.1	4.0	1.0	1.1	1.1	1.1	4.3	4.5
Communications and utilities	4.0	3.9	4.4	4.1	4.1	4.1	3.6	0.9	0.9	0.7	0.8	3.2	0.7	0.6	0.7	0.7	2.7	0.7	0.7	0.7	0.8	2.9	3.0
Gain on disposal of assets	(0.0)	(0.3)	(3.6)	(2.2)	(1.6)	(0.8)	(7.5)	(0.4)	(0.2)	(0.2)	(0.4)	(1.1)	(0.3)	(0.1)	(0.2)	(0.2)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.8)
Restructuring, impairment, and other costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	15.4	15.2	18.1	17.7	15.7	16.7	17.1	3.8	3.3	3.6	3.7	14.3	3.2	5.1	3.8	3.9	16.0	3.6	3.8	4.0	4.0	15.5	15.9
Total operating expenses	389.0	460.1	532.1	535.7	557.7	585.2	482.1	107.7	109.7	105.4	104.9	427.8	102.8	108.3	112.4	115.1	438.6	107.3	112.6	117.4	118.0	455.4	469.6
Operating ratio	101.7%	100.0%	102.4%	104.5%	100.5%	97.1%	94.9%	97.4%	99.9%	100.0%	101.7%	99.7%	101.1%	100.9%	98.4%	98.6%	99.7%	98.5%	98.2%	97.6%	97.4%	97.9%	95.8%
Operating ratio, net of FSC	102.0%	100.0%	103.1%	105.7%	100.6%	96.5%	94.3%	97.2%	99.9%	100.0%	102.0%	99.7%	101.2%	101.0%	98.2%	98.5%	99.7%	98.3%	98.0%	97.4%	97.2%	97.7%	95.3%
Operating ratio, net of FSC and gain on sale	102.0%	100.1%	104.0%	106.2%	101.0%	96.6%	96.0%	97.5%	100.0%	100.1%	102.3%	100.0%	101.5%	101.1%	98.4%	98.7%	99.9%	98.5%	98.1%	97.6%	97.3%	97.9%	95.5%
EBIT	(6.6)	0.1	(12.6)	(23.3)	(2.7)	17.2	25.8	2.9	0.1	0.0	(1.8)	1.3	(1.1)	(1.0)	1.8	1.6	1.3	1.6	2.1	2.8	3.1	9.7	20.6
% gross margin	-1.7%	0.0%	-2.4%	-4.5%	-0.5%	2.9%	5.1%	2.6%	0.1%	0.0%	-1.7%	0.3%	-1.1%	-0.9%	1.6%	1.4%	0.3%	1.5%	1.8%	2.4%	2.6%	2.1%	4.2%
% net margin	-2.0%	0.0%	-3.1%	-5.7%	-0.6%	3.5%	5.8%	2.8%	0.1%	0.0%	-2.0%	0.3%	-1.2%	-1.0%	1.8%	1.5%	0.3%	1.7%	2.0%	2.6%	2.8%	2.3%	4.7%
EBITDA	43.5	49.8	36.6	21.8	42.3	61.1	63.3	10.1	7.9	7.7	6.2	31.2	7.3	5.9	8.7	9.8	31.7	9.3	10.2	11.3	11.6	42.3	54.3
% gross margin	33.9%	37.6%	26.8%	15.3%	29.8%	39.8%	45.0%	9.1%	26.3%	26.3%	20.6%	25.7%	7.2%	21.7%	29.1%	30.9%	26.7%	8.6%	32.7%	34.7%	35.4%	33.6%	41.8%
% net margin	11.4%	10.8%	7.0%	4.3%	7.6%	10.1%	12.5%	9.9%	7.2%	7.3%	6.0%	7.3%	8.1%	5.5%	7.6%	8.4%	7.2%	9.6%	8.9%	9.4%	9.5%	9.1%	11.1%
Non-operating expenses (income)																							
Interest expense, net	3.0	3.4	3.3	4.1	3.7	3.0	2.2	0.6	0.7	0.9	1.0	3.2	1.0	1.0	1.0	0.9	3.8	0.6	0.8	0.8	0.9	3.1	3.1
Defense costs	-	-	-	-	-	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other, net	(0.2)	(0.0)	(0.3)	(0.1)	(0.7)	0.6	0.7	0.2	0.1	0.1	0.1	0.5	0.1	0.1	0.1	-	0.3	-	-	-	-	-	-
Total other expenses, net	2.8	3.4	3.1	4.0	2.9	3.3	3.0	0.8	0.9	1.0	1.1	3.7	1.1	1.1	1.1	0.9	4.1	0.6	0.8	0.8	0.9	3.1	3.1
Earnings (loss) before taxes	(9.4)	(3.3)	(15.7)	(27.3)	(5.6)	7.7	13.1	2.1	(0.7)	(1.0)	(2.9)	(2.4)	(2.2)	(2.1)	0.7	0.7	(2.8)	1.0	1.3	2.0	2.2	6.6	17.5
% margin	-2.5%	-0.7%	-3.0%	-5.3%	-1.0%	2.3%	4.5%	1.9%	-0.7%	-0.9%	-2.8%	-0.6%	-2.2%	-1.9%	0.7%	0.6%	-0.6%	0.9%	1.2%	1.7%	1.8%	1.4%	3.6%
Done	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax rate	23.9%	-0.2%	31.5%	35.2%	20.0%	44.8%	42.8%	42.3%	15.4%	23.4%	33.2%	16.0%	34.8%	29.6%	45.3%	43.8%	25.8%	43.8%	43.8%	43.8%	43.8%	43.8%	43.8%
Net income (loss) from continuing operations	(7.2)	(3.3)	(10.8)	(17.7)	(4.5)	7.7	13.1	1.2	(0.6)	(0.7)	(1.9)	(2.0)	(1.6)	(1.5)	0.4	0.4	(2.1)	0.6	0.7	1.1	1.3	3.7	9.8
Extraordinary item (net of tax)	-	-	-	-	(4.6)	(1.7)	(2.0)	(3.0)	(0.7)	-	(1.9)	(5.7)	(3.3)	(1.4)	-	-	(4.7)	-	-	-	-	-	-
Net income	(7.2)	(3.3)	(10.8)	(17.7)	(9.1)	6.0	11.1	(1.8)	(1.3)	(0.7)	(3.8)	(7.7)	(4.9)	(2.8)	0.4	0.4	(6.7)	0.6	0.7	1.1	1.3	3.7	9.8
% margin	-1.9%	-0.7%	-2.1%	-3.4%	-1.6%	1.0%	2.2%	-1.6%	-1.2%	-0.7%	-3.7%	-1.8%	-4.8%	-2.7%	0.4%	0.3%	-1.5%	0.5%	0.7%	0.9%	1.0%	0.8%	2.0%
Average shares outstanding - diluted	10.3	10.3	10.3	10.3	10.3	10.4	10.4	9.4	8.7	8.1	8.0	8.5	8.0	8.0	8.2	8.2	8.1	8.2	8.2	8.2	8.2	8.2	8.2
EPS - diluted (continuing operations)	\$ (0.70)	\$ (0.32)	\$ (1.05)	\$ (1.71)	\$ (0.44)	\$ 0.74	\$ 1.27	\$ 0.15	\$ (0.10)	\$ (0.09)	\$ (0.25)	\$ (0.24)	\$ (0.20)	\$ (0.18)	\$ 0.05	\$ 0.05	\$ (0.26)	\$ 0.07	\$ 0.09	\$ 0.14	\$ 0.15	\$ 0.45	\$ 1.20
% change y/y		NM	NM	NM	NM	NM	71.6%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	208.2%	NM	166.7%
EPS - diluted	\$ (0.70)	\$ (0.32)	\$ (1.05)																				

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