STIFEL

What the Drivers Said in 2017

Conference Call Featuring
Max Farrell and Andrew Kirpalani of WorkHound

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Transportation & Logistics Equity Research

John G. Larkin, CFA	jglarkin@stifel.com	**(214) 706-9455**
John Engstrom	engstromj@stifel.com	**(214) 706-9456**
Roxanna Islam	islamr@stifel.com	**(214) 706-9485**

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:

Conference Call Takeaways:

- **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.

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All relevant disclosures and certifications appear on pages 42-44 of this report.

- **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, $23.40), Hub Group (HUBG, $46.65), and Echo Global Logistics (ECHO, $26.50). 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, $22.60), Daseke, Inc. (DSKE, $13.20), J.B. Hunt Transport Services (JBHT, $110.41), and USA Truck (USAK, $18.12).

Pricing as of 12/06/2017, market close.

John Larkin

Thank you, everyone. We are very fortunate to have with us today two gentlemen who are going to talk about what they're hearing from truck drivers across America so far this year. We are really seeing a very dramatic tightening of the supply/demand dynamic here, particularly since the hurricanes hit Houston and Florida, and that seems to be the case today as we're in roughly the peak e-commerce distribution period as well which has really put a strain on the industry. These two gentlemen are the co-founders of a company called WorkHound and it was started with the mission of helping people love the work they do. The company's IT platform is custom built for the remote distributed driving workforce. WorkHound has given thousands of drivers a voice with their mobile-first, anonymous feedback platform and with the company's insightful analytics that sort the data and draw conclusions. WorkHound has helped trucking companies of all sizes retain drivers, boost profitability, and save money.

The two founders are: Andrew Kirpalani; he is the CTO and co-founder. He's a veteran software developer and product manager, and has over 12 years working with Silicon Valley and Midwest companies. Andrew has experience in employee engagement, aviation, auto, after market, and gamification and he leads the charge of all things technical for WorkHound. Next is Max Farrell who is co-founder and CEO. He has a background in sociology and Max's mission is to help people love the work they do, plain and simple. Prior to WorkHound, Max created employee engagement initiatives for emerging companies, non-profits and Fortune 1000 companies. The U.S. State Department selected Max as one of 100 entrepreneurs to represent the United States at the 2016 Global Entrepreneur Summit. Max leads all things growth for WorkHound as they work with carriers around the United States. With that as a probably overly wordy introduction, let me turn the microphone over to Max and Andrew and they'll get us started on the slide deck. Take it away, boys.

Max Farrell

Thanks John, it's a pleasure to be here this morning and for those of you that are tuning into the call but don't have the slides yet. they are also available on our website. Our website is workhound.com and they are at workhound.com/blog. As John mentioned, I'm with my co-founder Andrew Kirpalani.

Andrew Kirpalani

Good morning, everyone.

Max Farrell

And as we get started I'll tell you a little bit about WorkHound. We started the company a few years ago with the mission that we wanted people to love the work they do and we focus our energy on the trucking industry, especially in helping drivers have a voice

Exhibit 1: WorkHound platform

Source: WorkHound

with their companies which ultimately helps them bring down driver turnover.

The goal of today is to share some of the insights that we found through the feedback that's coming onto our platform this year. Before we dig into some of the trends that we've seen, we'll share a little bit about our platform and how we designed it the way we did. From there what we'll do is discuss the top trends from drivers based on the feedback we've received and then we'll wrap up the conversation talking about some of the hot industry topics like autonomous technology and mergers and acquisitions.

Jumping to **Exhibit 1,** this represents how our platform at WorkHound works. We built WorkHound to give drivers a voice anywhere, anytime, and to give companies the tools to address issues at the speed of business. And as you can see, our goal is to create a continuous feedback loop between drivers and the companies that they work with.

If you look at **Exhibit 2,** now you can see a little bit about how we gather our feedback. A few details to know is we prompt drivers weekly via text message with a link, it goes to mobile web experience. As you can see the feedback is always anonymous unless the driver chooses to reveal who he or she is because we don't want drivers to fear retaliation. We focus on a really lightweight experience where drivers can share feedback in 90 seconds or less so that the process is not cumbersome. The links for those to share feedback are always live because we want drivers to know they always

Exhibit 2: How we gather feedback:

- Prompt drivers weekly to share anonymous feedback.
- 90 second experience for drivers to share open-ended feedback.
- Link to share feedback is *always* live.
- Feedback is continuously reviewed using keyword and sentiment analysis.
- Feedback then falls within twelve standardized themes.

Source: WorkHound

Exhibit 3: Why we gather feedback this way:

- Surveys confirm or deny what you already think.
- Open-ended feedback shows what workers want to discuss.
- Feedback has to be addressed at the speed of business.
- Doing nothing with feedback is toxic. We have to close the feedback loop.

Source: WorkHound

have a voice with the company.

Now I'm going to move over to **Exhibit 3** and have Andrew talk a little bit about why we gather feedback with this approach.

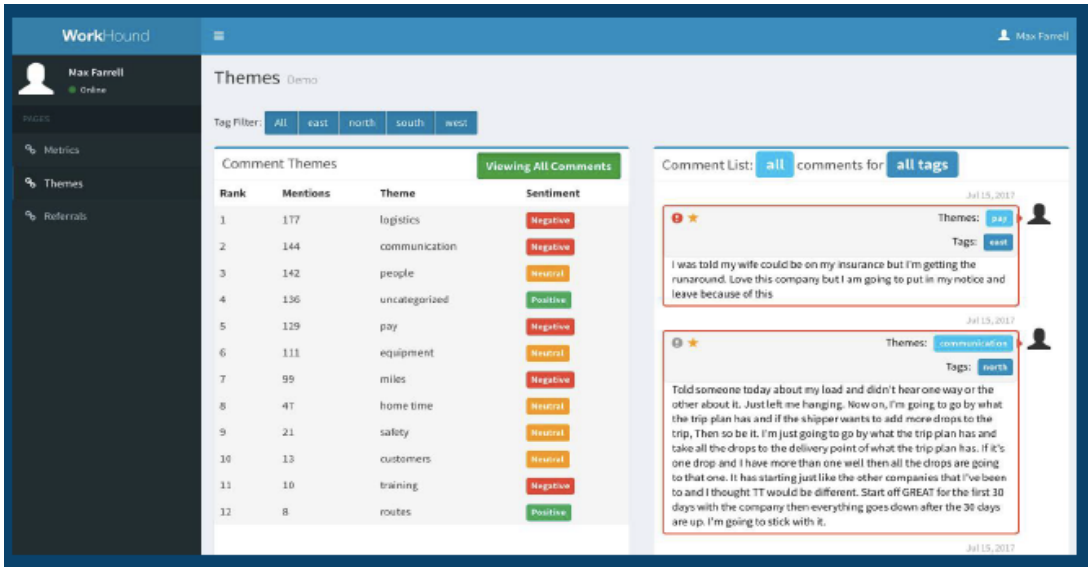
Andrew Kirpalani

Yes, as Max mentioned the idea is to have drivers have a quick, simple, easy in and out process. We want them to be done in under 90 seconds. Part of that is because we want it to be very acceptable; part of that is because we believe that it's important to listen to employees and hear what they think. When a management drafts a survey you're really looking to confirm or deny what you already think, and you're not able to get outside of your bias because you are drafting the question. When you allow for open ended feedback, really just asking simply 'why' allows issues to bubble up from the grassroots of the workforce and it really allows you to address things that you might not have anticipated. A survey can't tell you anything you already know, but open ended feedback can provide you with this. Then it's really important to address feedback at the speed of business, you need to be receiving that feedback in real time and be close to the feedback for drivers in that same breath. That's really why our platform is designed to be so lightweight to really enable that speed of business feedback loop.

Max Farrell

This is Max again, we are jumping to **Exhibit 4** and the image that you see there is kind of what our dashboard looks like. What we wanted to show is that we break out all driver feedback into 12 standardized things. Now given we are facilitating open ended feedback, some feedback does fall into multiple things.

Exhibit 4: How feedback is shared with carriers:



Source: WorkHound

Exhibit 5: How we close the feedback loop:

- Address urgent issues individually with drivers.
- Act on the feedback to improve your company.
- Show empathy by responding to drivers weekly in a fleet-wide broadcast message.

Source: WorkHound

Now we're going over to **Exhibit 5** and there are three ways that we focus on acting on this feedback because we really do believe that action is a necessity if you are ever going to ask for feedback. The three ways we focus on addressing the feedback that comes into our platform is first of all—helping carriers address the urgent issues of individual drivers. We have a process in place where if a driver has an urgent issue the company can request to reach out to that anonymous driver in order to resolve that issue. The second thing we focus on is using the feedback to improve the company whether that's small wins or bigger initiatives, and third, using that feedback to show drivers they have a voice in their organization. But we're also realistic and know that change is not possible for every single piece of feedback. As a result of that we encourage a fleet-wide broadcast message back to the drivers to show that you are listening to what they're saying. Communication is good and change is better. We are

Exhibit 6: Profile of drivers sharing feedback:

- All drivers work with carriers with 100+ trucks.
- Mix of tanker, reefer, dry van, flatbed, & expedited.
- 89% company drivers.
- 81% OTR drivers.
- ≈90% of drivers ELD compliant before this year.

Source: WorkHound

huge fans of closing the feedback loop but positive retention happens when change happens.

Now we're going to jump to **Exhibit 6**. For the thousands of drivers that are sharing feedback with the platform, we have a mixed bag of where they spend their time working. One thing to note is that all of carriers that we work with are medium to large sized, all of them have 100 drivers or more. The drivers that we work with are a mix of tanker, reefer, dry van, flatbed and expedited drivers. With that being said, the majority of the drivers that we work with are company drivers versus 11% of drivers being owner/ operators. We also work with the majority of long haul drivers, 81% of the drivers we engage are over the roads and the folks that are working with larger companies, the majority of the drivers that we receive feedback from are ELD compliant. As a result of that, there's not a large amount of feedback about the ELD they popped up this year.

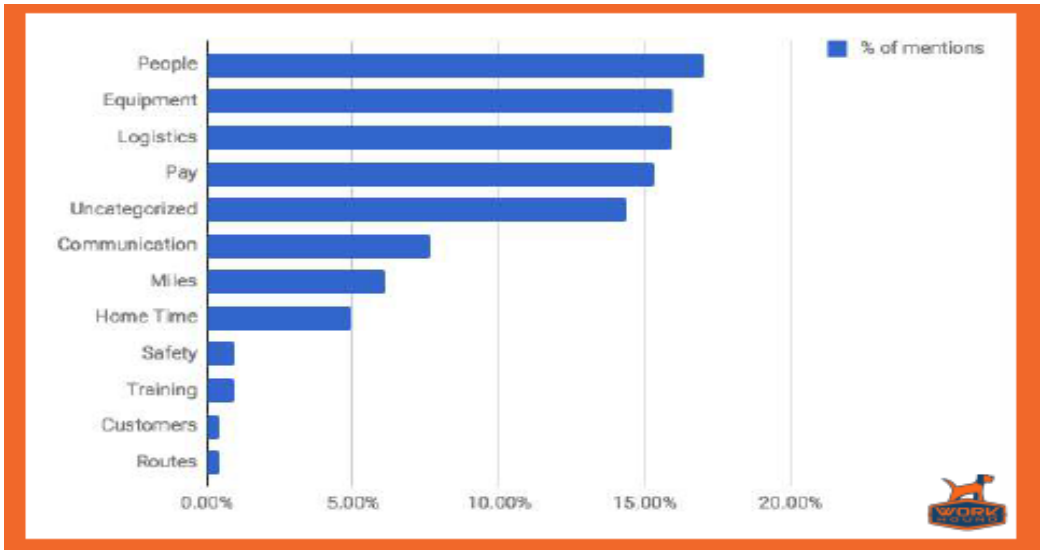
Now we're on **Exhibit 7** and as a reference for those listening in on the call we want to provide some general industry data about the state of things. The average driver age right now is hovering around 49 years old, some reports will show it's even older, beyond 50. That being said we are seeing an increase in smartphone adoption where some of the latest data we see shows that 87% of drivers are using smartphones daily. They're either for a job or for personal use but the trends around turnover and the

Exhibit 7: Profile of the industry

- Average driver age ≈49 years old.
- 87% use smartphones daily.
- 95% average annual driver turnover.
- 50K driver shortage.

Source: WorkHound

Exhibit 8: What drivers talk about:



Source: WorkHound

shortage continue to increase. We're around 95% average annual driver turnover across the industry with a 50,000-driver shortage which most of us expect will increase over the next few years.

On **Exhibit 8**, we show a graph that shows the 12 things that we received feedback on in 2017 and then the percent of mentions that we show. As you can see, some things fell into multiple categories. The top 5 are clustered around kind of broader categories. This is obviously a challenging and imperfect process but we find that there's actually a pretty strong break between the top 5 things and then the further things below.

Now some is what we call uncategorized, obviously that looks really mushy, that's a challenging issue but what it also tells us is that there is noise in any communication process and what we find is that sure we get a lot of great feedback, we get feedback that details 3 weeks of work history, the dates, time stamp but we also get feedback that just sums up if things are going great, things are bad, whatever those things are. A lot of that noise falls into that uncategorized theme which is why it is so large in comparison to some of the others.

Now we're moving over to **Exhibit 9** and that's where you see the top 4 feedback themes that we'll spend a good portion of this call discussing. The top four themes that we received feedback for in 2017 were people, equipment, logistics and pay; in total, this represented about 64% of mentions that we received across the WorkHound platform. The first thing that we'll discuss is people and the mentions in this theme are any mention of people inside the platform. The mentions in this was mixed and so as you see there was about 17.1% of mentions.

Now we're going to jump over to **Exhibit 10** where we'll dig into the people section a

Exhibit 9: Top 4 Feedback Themes:

1. People
2. Equipment
3. Logistics
4. Pay

Represent 64% of mentions across the WorkHound platform.

Source: WorkHound

Exhibit 10: 1. People

- Trucking is still a people business.
- Relationships matter to drivers.
- Drivers want to be respected and treated well.

Source: WorkHound

Exhibit 11: Positive comments about people:

- "Family atmosphere".
- Appreciation for shop / office staff solving problems.
- Appreciation for competence and professionalism.

Source: WorkHound

little bit deeper. Ultimately the things that stood out to us is that trucking is still a people business and that relationships ultimately matter to drivers, and so in order to facilitate that, we have to make sure that drivers are being respected and get treated well.

Now we're going to move over to **Exhibit 11**. We received mixed feedback as you can

Exhibit 12: Negative comments about people:

- "Rudeness".
- Concerns of staff being unprofessional or doing things that would make a driver unsafe.
- Lack of understanding / empathy from office staff.

Source: WorkHound

Exhibit 13: Our take on the people theme:

- Office life and road life are very different.
- Drivers don't often become office staff.
- Coaching both drivers and staff on the perspective of the other side goes a long way.

Source: WorkHound

imagine but in the "people" theme there was a good dose of positive feedback in it. One of the big things that stood out to us was that there was a mention of a family atmosphere and that drivers praised this kind of environment. When work is going well, drivers are grateful for a helpful driver manager, mechanic, or staff member helping them through a tough situation.

Then on the flip side, **Exhibit 12**, what we see is that there's enough concerns that drivers care about. There's mentions of rudeness – that drivers will feel this behavior was unprofessional or even unsafe. It's another thing that we see that drivers don't feel like office staff understand the road. Because most office staff have not spent time in a truck, we can understand why drivers would feel that there is a lack of empathy.

Now on **Exhibit 13**, we discuss a little bit about our take on the people theme. Ultimately to reiterate, the lack of understanding between staff and drivers starts to create a divide. We're big fans of a ride-along whether it's staff driving with drivers or drivers sitting with dispatch for a day, any opportunity a company can use to create a shared experience goes a long way for both sides to be on the same page and ultimately on the same team. The next theme that we'll discuss is equipment, this

Exhibit 14: 2. Equipment

- Drivers want to work, but are limited by industry and equipment challenges.
- Drivers don't feel consulted in regards to company equipment decisions.
- There is a lack of understanding as to why equipment decisions are made.

Source: WorkHound

Exhibit 15: Thoughts around automatic vs. manual trucks:

- Veteran drivers typically raise concern about switch to automatic trucks.
- They are familiar with manual and don't want to change.
- Believe that manual shifting gives more control of the truck.

Source: WorkHound

received the second-most mentions on the WorkHound platform and so the equipment theme had about 16% of drivers mention this in their feedback.

On **Exhibit 14** one of the big things that we heard anecdotally across the industry is that some executives feel that drivers don't want to work and one of the things that jumps out at us in the feedback is that drivers do want to work but they feel extremely limited by industry challenges whether that be hours of service or chip recruiter service leveling up but also equipment challenges. Drivers don't feel consulted in regard to some of the equipment decisions that are made by the company. Carriers usually have strong reasons as to why equipment decisions are made but drivers don't often understand the thoughts behind those decisions and over the next few exhibits, we'll discuss a few equipment topic areas that stood out in our feedback.

On **Exhibit 15**, we discuss thoughts around automatic versus manual trucks. This issue is typically raised by veteran drivers and especially as many companies start to explore the move to an automatic, this frustrates veteran drivers. In a world of constant change, the manual shift provides a sense of familiarity and drivers often point to the fact that the manual shift gives them more control of the truck.

Exhibit 16: Thoughts on truck governors:

- Believe they limit a drivers' control.
- Feel they are a safety risk (i.e. they prohibit climbing up hills).
- Feels like drivers' experience and skill level are being discounted.
- Lack of understanding around company's reasoning (fuel economy & safety).

Source: WorkHound

Exhibit 17: Thoughts on driver-facing cameras:

- Drivers feel like they're being spied on in their home.
- Drivers simply do not believe these cameras are activated 'only' by incidents.

Source: WorkHound

On **Exhibit 16** we are discussing truck governors. Another continuation is that we see the drivers feel this limits their control of the truck, what we see is that drivers actually see governors as a safety risk which may be counter-intuitive to how a company sees truck governors. The drivers often plead that their experience and skill level are being discounted if the truck is being handicapped or governed if you will. Ultimately there seems to be a lack of understanding around why the company does govern trucks, whether it's for fuel economy or for safety. There's a move for companies to improve communication here and we're starting to see more of the explanation around why things are the way they are but there's always room for improvements.

On **Exhibit 17** we discuss driver facing cameras, the overwhelming consensus as you all can image is that drivers feel like they're getting spied on. The detail around that is that drivers feel like they're being spied on in their home because for the majority of the drivers that we are engaging, these are over the road drivers. The thoughts that drivers have is that these are not simply cameras that are activated only by incidents, there is the concern that drivers are always being watched and so as a result drivers feel that their privacy is violated and that there's not much trust as a result.

Exhibit 18: Thoughts on in-cab devices:

- Frequent frustration with system updates.
- GPS is often mentioned as outdated.

Source: WorkHound

Exhibit 19: Lack of understanding within equipment:

- Drivers don't often see the benefit of increased safety / fuel efficiency from equipment changes.
- Changes feel forced rather than collaborative.

Source: WorkHound

Exhibit 20: Our take on the equipment theme:

- The truck is a driver's home and tool to do their job.
- Because of this, changes feel personal.
- Positive comments are limited, as drivers feel that equipment should just work.

Source: WorkHound

Now on **Exhibit 18**, there's a few mentions that we share about in cab devices. Now, in cab devices are an essential tool for drivers to do their job but frustrations rise when they get out of date. This frustration can continue to blossom up at larger companies who may have longer cycles to bring drivers in for updates.

Now we are on **Exhibit 19** and this is where we're discussing the lack of understanding around equipment. While many company decisions are made for costs or safety or fuel efficiency, the drivers don't see direct benefit of those changes. They will often feel that this is prohibiting their ability to drive as many miles as possible and as a result these changes feel forced rather than collaborative or the driver's.

Exhibit 21: 3. Logistics:

- Drivers are frustrated by inefficient use of their time.
- Drivers feel marginalized by shippers / receivers.
- Drivers frequently don't understand why they're not pre-planned.

Source: WorkHound

Now **Exhibit 20** is where we discuss our take on the equipment feedback that came in. Ultimately the truck is the driver's home and it's their tool to do their job so when the tools are changed this creates frustration because these changes are really personal to the drivers. Andrew told me a great analogy around this and it's like changing a carpenter's tools, yes, the carpenter can still do the job but there's frustration around the lack of choice and a lack of understanding about whether the new tools are helping them improve the job. Overall in the equipment theme there was not a significant number of positive comments, but we chalked this up to drivers feeling that their equipment is just "work".

Now we're moving over to the logistics theme. Now the way that we define logistics on WorkHound is the how of a driver's work. This is where things like fuel stops and lumpers and planning and load assignments would all be bucketed. Based on the feedback we received, the drivers had about 15.9% of mentions.

Now on **Exhibit 21**, we provide a little bit of an overview about some of the insights on logistics. One the biggest was that drivers are very aware that their hours of service are always ticking away and if they aren't moving they're not making money. Drivers often feel that the office staff is not aware of this and especially for shippers and receivers they feel that they are just not understood or heard when it comes to some of these loading times. A big thing that we always hear is that when one load is finished they're ready for the next load as fast as possible and that creates frustration if that isn't happening. In the logistics theme, we did some positive comments that were noteworthy on **Exhibit 22**.

One of the big things that stood out to us is that drivers like to run west coast routes, those are the kind of runs that rack up miles with a minimum amount of interruptions. Drivers also want to make sure they can have more pre-plans and drop and puts—the better their day gets. But drivers also showed a significant amount of gratitude when the company was accommodating to their special needs whether it was needing to get

Exhibit 22: Positive comments about Logistics:

- Appreciate long runs (especially to west coast)
- Enjoy pre-plans and drop & hooks
- Grateful when company accommodates home time, especially for emergencies or family events

Source: WorkHound

Exhibit 23: Negative comments about Logistics:

- Wait times are out of a driver's control.
- Routing and fuel decisions are out of a driver's control.
- Blame incorrect information on the company vs. shipper or 3PL

Source: WorkHound

home for emergencies or family events or doctor's appointments, whatever it may be drivers were grateful when the company went above and beyond to help them out.

Now we are on **Exhibit 23** and so the big thing that stands out to us there is this, the industry standard miles have pushed a huge amount of variability down to the driver yet company drivers are seeing very little control to address problems that arise. There's often now power to hurry or to choose a different fuel style if we anticipate an issue. Often the thing that drivers will do for spreading incorrect information is to shoot the messenger, if you will.

Now we're jumping to **Exhibit 24** and these are a few of our takes about the logistics theme. While trucking is thought of as independent and entrepreneurial, many drivers have very little control over the details of their work. Their livelihood requires them to keep moving and they often don't have the power to make that happen. To put it concisely, inefficiency is a driver's worst nightmare and drivers have a keen eye for this; we really believe that if you let your drivers be your eyes and ears on the road, they will notice the areas that are rocky. It's likely that the issues that they're running into are also costing you, as the carrier, money. We recommend that you use the information

Exhibit 24: Our take on the logistics theme:

- Frustrations stem from many issues outside of a drivers' control.
- Communication on both policies and their reasons is key.
- Driver's are a huge information resource. Use their observations to improve your business.
- Inefficiency = Frustration = Cost

Source: WorkHound

Exhibit 25: 4. Pay

- Everyone wants to make more money, this is unsurprising.
- However, *how* people are paid is often just as important as how much they are paid.
- Overall there weren't many positive comments around pay.

Source: WorkHound

that drivers share to make a more efficient business decision and make everyone more money as a result.

Now the next thing that we'll discuss is pay and in this theme include anything that discusses getting the driver compensate. This theme made up about 15.3% of mentions on our platform, on **Exhibit 25** we overview a bit about some of the insights we noticed with pay. A lot of you will probably expect drivers to complain about wanting more money and this is not surprising, there are certainly mentions there but the biggest challenges that we see on our platform is the challenges that stem from drivers are how they are paid not just how much they are paid. What we'll do over the next few exhibits is go through a few of the common issues that we've seen this year.

Exhibit 26 discusses the issue around drivers saying my pay isn't right. Too often we see that drivers are calculating their miles independent of the company and this number almost never matches up. Carriers paying by the mile are typically paying for household goods mileage or sometimes practical miles, but this still leaves a discrepancy to drivers that needs to be explained.

Exhibit 26: "My pay isn't right"

- This issue often stems from drivers calculating their own miles, but then being paid via a separate system (HHG or Practical Miles).

Source: WorkHound

Exhibit 27: "I don't understand my pay"

- Despite the rise of tech in trucking, there is not a great payroll system designed for trucking.
- Often drivers are receiving reports from two systems and struggle to reconcile.

Source: WorkHound

Now on **Exhibit 27** the other issue we run into is drivers not understanding their pay. Even with all the technology emerging in this industry, drivers still feel that their pay is never correct, often companies are having to work with a DMS and a payroll processor to resolve payments and so the details of what's being paid and how much is being paid gets lost in this translation. As you can imagine this leads to a lot of frustration.

On **Exhibit 28**, one of the big discussion points that we hear is that I was not paid what I was promised. In trucking especially, recruiters are promising the high deal scenario, this is what drivers should expect to earn in a company if all of the verifiable employment information is correct and the driver gets all of the miles that's in a perfect world of averages. But this is trucking and perfect doesn't often happen and so as a result of this, drivers don't get all of their verifiable employment information or the freight isn't great that particular week.

Exhibit 29 discusses another big topic that pops up around drivers not getting reimbursed. Due to the nature of trucking, drivers often rely on reimbursements for tolls or scales and the process for reimbursement can be deceiving for drivers, especially newcomers to the industry or to a particular company. We also see challenges with this detention pay as drivers may have to take several steps to ensure that their detention pay is recorded so that they can be compensated for that time.

Exhibit 28: "I'm not paid what I was promised"

- Drivers mention that recruiting promised one level of pay when they are set up at a different rate.
- This creates immediate mistrust between the driver and the company.

Source: WorkHound

Exhibit 29: "I'm not getting my reimbursement"

- Drivers experience frustration with complex detention pay reimbursement processes.
- This also appears for scale and toll road reimbursement.

Source: WorkHound

Exhibit 30: "Our thoughts on pay"

- Drivers often feel as if they have to fight for their correct pay weekly.
- Office staff simply don't share this experience.
- Misaligned expectations immediately make drivers defensive.

Source: WorkHound

Now we wrap up the pay theme on **Exhibit 30**, the big thought for us is that drivers often have to fight for their correct pay weekly. This is due to how drivers are paid and how that information is communicated. Now for folks in the office, they don't have to deal with the same issues. Salary pay is reliable and precise, and as result of these misaligned expectations, the drivers will often turn defenseless in situations like this.

We want to share just a quick thought—*happiness is the smallest amount of difference*

Exhibit 31: Other themes:

- What are drivers saying about autonomous trucks?
- What are drivers saying about M&A?

Source: WorkHound

Exhibit 32: Autonomous technology?

- Despite the buzz, there's not much mention of autonomous technology in 2017.
- This leads us to believe today's drivers aren't immediately worried about coming technology.
- Instead, they are focused on day-to-day challenges.

Source: WorkHound

between expectations and reality. It's the little things that matter in this business and it's the opportunities to go above and beyond that can make the difference between an engaged and happy driver and the driver that is frustrated.

On **Exhibit 31**, we know that there are a few things that are worth mentioning that are hot topics in the industry and that's around autonomous technology and then what are drivers saying about mergers and acquisitions.

On **Exhibit 32**, we dig into the autonomous technology side of things and one of the big things that stood out is that despite industry buzz there's not much mention of autonomous technology in the feedback we received this year. This leads us to believe that drivers aren't immediately worried about the emerging technology, instead drivers are focused on the many day to day challenges in front of them.

Now on **Exhibit 33** we discuss a little bit about mergers and acquisitions, there's more mention of mergers and acquisitions with drivers in our feedback as it's been a more immediate challenge for drivers. One thing that stands out for us is that drivers feelings are up during changes, they're uncertain about how the pay rates, benefits or employee structure will change in a merger or acquisition. We see a bigger challenge for

Exhibit 33: M&A

- Drivers feel left in the dark during changes.
- Details like pay rate, benefits, and company structure are not clearly communicated.
- Companies replacing a brand drivers are loyal to will face an uphill battle.

Source: WorkHound

Exhibit 34: M&A

- Trucking is inconsistent as is, M&A creates an additional layer of uncertainty.
- In absence of communication, people will assume the worst.
- The most frequent question is "how will this change my work?"

Source: WorkHound

companies that are absorbing the brand of another—drivers develop loyalties to one company but it does take time to adopt the brand and loyalty of the next company.

On **Exhibit 34**, we have a few more consuming thoughts about mergers and acquisitions and it's that trucking is an inconsistent business as is and that mergers do create an extra layer of uncertainty for drivers. During these times, over communication is essential as any lack of communication will lead to drivers assuming the worst. Due to high turnover the same message needs to be repeated to drivers at companies going through a merger. During mergers, drivers will often worry how change will affect their work and so continued explanation is key.

As we start to wrap things up in this call, we want to make sure that we highlight on **Exhibit 35** that there is value of perception of drivers, there's a lot we can learn from drivers since they are the front lines of this industry. Frustrations arise when drivers don't feel like their issues are understood, which is why we are big fans of empathy. On **Exhibit 36** we include a few tips to think about to figure out how do we improve our own operations. To be successful you have to make sure you're setting expectations and

Exhibit 35: There is value in the perspective of drivers:

- This is their life. Many changes feel like an invasion of their home.
- A lack of shared experience leads to a lack of empathy.
- Drivers are the closest to the work, we can learn from them.

Source: WorkHound

Exhibit 36: Tips:

- Make expectations crystal clear. Revisit them regularly.
- Listen to drivers on equipment decisions. Higher turnover can be an unexpected cost of new equipment.
- Repetition isn't bad, it's another opportunity for a positive interaction.

Source: WorkHound

checking in on drivers regularly to make sure that you are meeting those expectations and when it comes to equipment changes make sure you are listening to the driver's perspective. If you aren't going to make changes based on the driver's feedback, at least explain the company's position on a decision. It also does not hurt to repeat things, we're big fans of repetition, we see repetition as an opportunity for continued positive interactions and recommend it to ensure that you're communicating multiple times.

On **Exhibit 37** we are starting to wrap things up, ultimately the key to success in today's market is ensuring that you're proactive with your drivers as possible. There's no silver bullet when it comes to tackling driver turnover, so you have to make sure you keep most communication channels open with drivers. If you are asking for feedback, always make sure you have a plan to respond.

Exhibit 37: Conclusion:

- We have to be proactive vs. reactive in today's driver market.
- Keep multiple communication channels open with drivers.
- If you are going to ask for feedback, always close the loop.

Source: WorkHound

Ultimately if you are showing drivers you're listening, you're working to get better and if you're letting them know that their voice matters, you will be setting yourself up for success.

Thank you all for taking the time to listen and thank you for your passion for wanting to learn more about the driver trends in 2017. You can reach us through our website at workhound.com or you can email me directly at max@workhound.com and we'd be happy to answer any other questions there. At this point, John, we'll turn it over to you and take questions from the audience.

Question & Answer

John Larkin: I want to thank Max and Andrew for a wonderful presentation. While we're waiting for the questions to come in, I'll share maybe a couple of quick thoughts from my end. It seems like you're getting a lot of feedback coming in from drivers and it's maybe weekly or it could be daily, it's really a bit unstructured in terms of the amount and the timing of the feedback. If you're running, say a 1,000-truck fleet, how many people do you need to process all this information and then how do you formulate the feedback back out to the drivers to prove to them that you are listening and you are, when appropriate, making adjustments to factor in their concerns?

Andrew Kirpalani: Yes, absolutely. This is Andrew and I can respond to that. When you have a 1,000-driver carrier, per se, typically what we find is that you're going to operate say at a director level or something like that. The people that would be engaging with our team wouldn't necessarily be the dispatcher themselves but usually at least one maybe two levels above that. Typically, what we find is that the thing that works best is to have an executive monitor the company, someone in the C-suite or at that level that really understands what we're trying to do, really cares about engaging their drivers, and

looks at this type of work as integral to the bottom line of their business. That part is there to advocate for budget, additional things like that. What we typically find is expect to have one to two what we call quarterbacks—those people that are involved day to day that are going to be seeing the comments as they roll in and logging into the dashboard and kind of stacking on individual comments as they go.

Our team works with that quarterback to facilitate that by first of all, facilitating the process of reaching out to individual drivers, when we request their consent to break that anonymity and connect them on issues. Then two, our team works directly with those quarterbacks to crack that feedback with us so our team is reviewing the feedback just as the companies are and working to draft up the broadcast message back to the group and kind of doing that collaboratively with the quarterback at the company. Typically, at 1,000, I would say that you're going to have one to two day to day quarterbacks, probably five to ten director level type people that are involved here and there from an oversight standpoint and then individuals like driver managers or whatever that are getting individual comments to address packing, I guess. But that's more in big business.

John Larkin: With the driver situation being so tight at present, it's likely to get even tighter once the ELD mandate is fully rolled out here in two weeks. We've seen sort of a stepping up of the signing bonus process and that would be in addition to all of the more normal productivity, safety, fuel efficiency and on-time bonuses that have been around for years. Plus, we're seeing referral bonuses for drivers that are able to recruit drivers into the company for which that driver works and I suppose if somebody is maxing out on all these bonuses they can do pretty well if they stay put for a while. What is the feedback generally on bonuses? Does that work well in general, is there anybody that's really found the perfect mix or is everyone out there in the industry still in sort of continuous experimentation?

Andrew Kirpalani: The short answer is no, nobody has found the perfect mix. The detail on that though, this is definitely something that anyone who's done any kind of bonus work can relate to, often we get comments about bonuses that are really about bonuses being taken away for certain things. The thing about bonuses—and I personally have done this with consulting work—when a bonus is promised or suggested to somebody, you really start to expect it right away. Again, if that bonus is pulled for something—especially for something that somebody sees as trivial, for instance, drivers will

get their safety bonus pulled because they're not able to attend the safety conference call because they're on the road or something like that. That creates a lot of frustration so again it's that happiness is the littlest possible difference between expectations and reality. If you set that expectation of a bonus, you really need to do everything you can to deliver on that bonus and especially when it comes to trivial or minor infractions, recognize that of you really need to worry about actually damaging your credibility by pulling bonuses for minor factors.

John Larkin: Thank you for that. One final question for me and then we'll turn to the queue here. I guess you measure your success or failure with a company based on how the turnover statistics play out once your feedback mechanism is in place. Do you have enough experience to really point to any sort of general success stories out there that prove that your system is highly effective?

Andrew Kirpalani: Certainly, we have case studies out there that discuss how we've helped carriers see as much as a 16% dip in driver turnover but that being said, turnover is a really tough number to move. Any company that we work with is going to have a dozen initiatives in place that are designed to bringing down turnover. What we do is we look at an independent metric that determines if WorkHound moving the needle for you all and the way that we look at that is how many drivers are we retaining that had their urgent issues resolved. To give you an example, if we have 100 drivers share feedback and out of those 100, 10 share urgent issues that if we don't do something about that we'd be looking at an empty truck; we typically see that we'll be able to retain 6-8 sometimes even all 10 of those drivers. That's what WorkHound is doing in our eyes.

John Larkin: Got it. Is your business model set up to charge a rate per piece of feedback that comes in or is there a flat rate? How do your customers pay you for your service?

Andrew Kirpalani: American dollars. WorkHound is a monthly reoccurring subscription, we charge based on the number of drivers that a company has, but we also may increase the charge based on how many data points we're tracking. We're tracking feedback at the company level or we are looking at feedback at a terminal level and then also how many staff are we engaging within an organization. To give you a ballpark, our pricing may be as low as $1,250 a month and then go up based on the size of the company and the complexity of the engagement.

John Larkin: Got it, that's very helpful. Do we have any questions in the queue?

Participant 1: Oh hi there, thanks for taking my call. Actually, I had a very specific question. Earlier, you talked about cameras in the cab and it sounded like the whole *my privacy is being violated* theme, which I believe. But I've also heard that some drivers have become much more accepting of cameras and they're almost looking at it as standard operating procedure. Are you hearing that as well? Is that a fantasy or are more drivers getting used to cameras in the cab? How does that stand?

Max Farrell: Sure, there's a little bit of detail there. One is the inward facing cameras versus the outward facing camera. The drivers I would say are becoming more accepting of the outward facing camera—that's the road facing cameras. But in our experience when it comes to the inward facing cameras, the pair that are actually trained on the driver or into the cab of the truck, drivers just hate these things. They feel violated by being watched, it's like a boss that came down to your desk and just stood there and watched you while you did everything all day. Then on top of that, it's like that boss came and stood at the window of your house and looked in on you all night. In their mind, that's really the feeling we're getting from the drivers. I would think when it comes to the outward facing cameras your impression is more correct, there is definitely a greater acceptance of those outward facing cameras. But the inward facing cameras, I have not seen a single positive or even tolerant comment on that topic.

Participant 1: Okay, thank you.

Participant 2: Good morning. I was just wondering, you said in one of the exhibits earlier that this was anonymous feedback, but you're willing to be able to address immediate concerns directly. I'm curious how do you do that without the person feeling that they've been identified for their concern?

Max Farrell: Absolutely, so the way we address this is that all feedback is anonymous until the driver consents otherwise. That feedback comes in, it's anonymously delivered in the dashboard, the company can see the text of the comment but it's not identifiable to a particular driver. If the company looks at that comment and says hey, this is particular interesting piece of feedback they request that driver reveal themselves and make a connection and then that issue can be addressed between the driver and the company directly. Many drivers choose to reveal but some do not and what's really important about this is that we are providing trust as a service. Drivers and companies struggle to trust one another and

we sit there in the middle as a third party to protect that comfort level from both sides.

Participant 2: Okay, now you said in most cases this is accessible through smartphones to access the questions and answers. Is that the only way, or can it be also structured through a truck's built-in systems of satellite communication as well?

Max Farrell: Sure, so currently this is accessible through the driver's smartphone, tablet, basically anywhere they can get to the web. We don't currently integrate with the in-cab devices for a couple of reasons. One, in-cab devices are all structured a little bit differently and just from a technical standpoint that number of integration would be quite challenging. The real main reason is again, what I said before, the truck survey. If the survey comes through the in-cab device, it still feels like it's coming directly from the company, and that trust that their anonymity is protected is now sort of lost because it's a company device. It's the same kind of issue with the inward facing camera, it's still a representation of that company versus I'm a third party that's neutral that's here to help facilitate this interaction.

Participant 2: Okay and the examples that you're using on the exhibits here, I don't know if that's just a generated system for the benefit of the slide or was there an actual company that utilizes it and how many drivers were being polled in this scenario?

Max Farrell: Sure so that fleet that you see is the one our sales demo is in. I thought it was relatively irresponsible to put customer data up on the screen, so yes, it's all demo.

Participant 3: Just really quick, what's the sample size of the data presented?

Max Farrell: So we're currently working with approximately 8,500 drivers across the industry. That sample, as I said, is mixed among companies with as few as 100 drivers to as many as several thousand and they range across all types of trucks—the flatbed, the reefer, the tanker, dry van. Now like I said, I'm missing your independents, your companies with 2, 3, 4 trucks. They know their drivers, they're not using our system. And about 80% of those are OTR.

Participant 4: Thank you. I have a handful of questions. You indicated that there's a 50,000-driver shortage which we've seen before. Out of how many total drivers is that as a percentage of the total population? I just want to engage that—how quickly it can be resolved and what are the consequences of the shortage now and what's the

expectation for it be resolved and how does it get resolved whether it's through training or higher wages, etc.?

Max Farrell: I don't have the percentage off the top of my head. Yes, there is not going to be one single thing that solves the shortage. I currently do believe that pay will have to increase, training will need to be improved as well but also there will have to be some regulatory changes. One of the biggest challenges that the industry faces is that high school grads are graduating at 18 but couldn't drive a truck across state lines until 21, but most companies wouldn't take them until 23 because of insurance purposes. Right now, I know there's some exploratory programs that FMCSA is looking at around how do we either get young people into the industry to drive at an earlier age or make some other accommodations so that we can get more people involved in the industry sooner.

Participant 4: Is there, in your estimation, a co-gen plan to resolve the shortage before we have the next stress on capacity?

Max Farrell: Well right now we're experiencing that stress on capacity, and I certainly think with the ELD mandate coming later this month we're going to see a stress that we just don't know what will happen at this point. I think point blank just the answer is no, I don't think there is a coded plan that we can certainly say solves this problem. I mean in reality that 50,000 number is kind of on the low end if you look at the different estimations out there, I've seen it as high as 250,000 based on different statistics. The reality is that the demographics are not on our side here, the average driver being in the 50's and the fact that we're just having a difficult time bringing younger people into the industry. I think there's the levers that we know to turn right? There's pay, there's age restriction loosening, things like that but it may be that there really is a wholesale change needed in how companies operate this type of business.

I mean if you look at some of the newer trends in the industry obviously everyone likes to talk about automated trucks, the reality is that you're not going to have some kind of a click where automated trucks come out of nowhere and replace every single driver. It's not going to be nothing, nothing, nothing, hundreds. It's going to be a slope of how we start out with drivers entirely, then we start out with kind of a driver that's augmented by technology, then the technology continues to improve and the technology is doing most of the work but the driver is still there and then finally, you know, at quite some time into future you may have a fully automated truck. The other piece of that is if you look at what Tesla did and releasing their electric trucks, they're very clearly looking at

a different model of the industry. None of their trucks had sleeper cabs, they are 300-500-mile ranges at most, they're clearly debating a different model than the current long-haul models. Now maybe they're just starting with short haul or things like that, that work for them, maybe it's an easier market but maybe they're anticipating a different model, a hub and spoke model, something like that because younger people expect a different quality of life and want different things out of life.

Participant 4: What I'm trying to understand is if the shortage causes the industry to break down and not be able to meet performance expectations?

John Larkin: Let me maybe chime in with a few thoughts here from Stifel, we've been in a lot of calls talking to a lot of people on all of this driver shortage situation. First, I would mention that there's probably about 2 million trucks out there so if you're 50,000 drivers short that's probably 2.5% short of the relative marketplace. Okay, that's point number one. Point number two, there are probably three effective ways to deal with the problem, maybe four. You know the first being you just need to stay one step ahead of other carriers and not worry too much about bringing new people into the industry. If I have the best trucks, the best dispatchers, the highest pay scale, the best benefits you know the best feedback mechanism, I have a reasonably good shot of at least keeping most of my trucks full.

This is an incremental approach and you have to be a little bit better than the guy just below you and maybe quite a bit better than the folks that are at the lower end of the driver treatment spectrum if that's the right way to look at it. That's the technique that people are using most commonly right now and even the people that are fully taking advantage of all those approaches are still struggling with drivers. There just seems to be no easy answer here but maybe they're not struggling as much as others that haven't figured it out yet, that treat drivers as if they're the most important person in your company.

The second one is the apprenticeship that I think Max talked about, the ATA is trying to work with congress to see if they can't capture some of those 18-year-old, high quality, college graduates that aren't going to college to bring them in, work with a driver trainer for a number of years and really learn how to drive at truck the right way before they become carpenters or computerized machine tool programmers or go into the military or whatever it might be. The problem, as Max mentioned, is the insurance companies really like to see your prefrontal cortex only develop before you start piloting

what amounts to an 80,000-pound missile down the highway so there's going to be a lot of put and takes there.

Then there's the so-called relay system which I think Max alluded to with respect to say the Tesla Class 8 truck that was just unveiled where you have this sort of intricate data analytics, artificial intelligence driven system that allows you to swap loads from one truck to another, to give the driver a higher quality of life. Number one, you have to recharge the truck and assuming you don't have a lot of solar panels that will do that for you. Interestingly one of the most highly respected companies out there, Heartland Express relays something like 2/3 of it is traffic and they do it without a sophisticated computer system. They have very good people internally with a lot of experience and that seems to work pretty well for them but it hasn't alleviated their driver shortage even though they have a pay rate that's at the upper end of the scale.

Then lastly, it's the autonomous trucks but at least for the near term, the next decade or two, you're going to have someone in the cab monitoring the vehicle most likely and people have said well that will be more interesting because people can play video games, whatever it is they're going to play in the cab but it would seem to me that would get very old soon just like driving a truck gets old pretty soon for most people that have active minds. I'm not sure that really solved the problem either, you're going to really need fully autonomous trucks to solve the problem and I'm afraid that by the time you get all the I's dotted and T's crossed in the implementation of a scalable autonomous truck system you're talking literally decades out.

We're going to be struggling with this for the foreseeable future and it's really what I would call upper end of the blue-collar spectrum shortage, it's very hard to find people to work in warehouses, it's very hard to find people to become diesel mechanics, it's very hard to find people to work construction despite the fact we have a fair number of people still on unemployment. Then, of course, we have some immigrants coming in that could perhaps fill some of those jobs but there's this big political debate about immigration.

To make a long story short, I think we're going to be dealing with this for the foreseeable future and it's going to get pretty bad here in 2018 given that the ELD mandate is going to be fully enforced and then in early 2020 when the drug and alcohol database gets implemented. Then, people that have failed a drug test or that have a DUI or DWI are going to be basically screened out of the process. Right now, you can fail a drug test at one company and then apply

the next week at another company and no one will ever know that you failed a drug test and there's a fair amount of that going on out there unfortunately. This new system in 2020 will eliminate that, there are those that think that will have a bigger impact on tightening up supply and demand and the driver workforce than will the ELD which is going to have a pretty big impact to begin with.

I know that's an awful lot of words that I just spewed forth but that gives you some sense for the complexity of what we're trying to deal with here. I think what WorkHound is doing is an excellent step to sort of help slow the process and to make drivers feel important and to give them an outlet for their criticisms and ideas and complaints which tend to otherwise fester as these drivers really have an awful lot of time to themselves to really think about these particular issues. They have no outlet for those but WorkHound and maybe a couple of other systems out there do give you an opportunity to voice your concerns. If the company can demonstrate the ability to actually do something with that feedback, then I think you begin to see turnover rates come down and perhaps you can differentiate yourself from the pack of carriers and provide more reliable capacity to your customers in that regard. Those are our thoughts from the Stifel end of things.

Participant 4: Can I throw one last bit in there John? The 95% annual driver turnover, is that trending up or down and as the companies see more positions for the drivers and pay them better do you see a change?

John Larkin: I'll take a shot at it and then maybe Max can chime in. You know it's been as high as say 120% back in other periods of tight capacity where there are other jobs available, construction, mining, fracking you know it, but it did, during the period of slow freight second half of '15, '16 loosen up a little bit and turnover rates did come down. Now you're beginning to see them amp up a little bit and that's why you're seeing this huge set of new signs on bonuses being revealed here and a lot of companies are reacting with fairly sizeable driver pay increases as well which they will then in turn use to justify rate increases with their customers. Max, you have some additional thoughts I'm sure.

Max Farrell: I agree with you there, it's just that the turnover numbers are changing quarterly and so that's a snapshot, but they will change this quarter, they will change next quarter and it will be interesting to see especially with the mandate coming up later this month.

Participant 4: Thank you very much, guys.

Participant 5: Yes, good afternoon. Mine revolves around driver feedback and the profile, understanding that the feedback was anonymous. Did you get a sense though of the age demographic of the driver providing feedback? With the average age of the driver being 49 years old and a lot of the older drivers jumping out of the truck, I can speak first hand when I drove in my mid-20's I thought differently than I did in my late 30's. I wanted to see if there was some age demographic for what these statistics surround?

Max Farrell: Currently we are not collecting age information, the reason being that the information we use comes directly from the carrier then we try to streamline that process as much as possible. I can't answer demographic questions. My sense from everyone we've talked to directly, though not data driven, is that we have a fairly decent cross-section of the industry. That's the best answer I can give you to that component but yes, we do think we have a fair group.

Participant 5: Appreciate it. Thank you.

John Larkin: Well this has been awesome, I want to thank Max and Andrew for doing a great job here during their formal remarks, the slide deck was excellent, really well laid out. Thanks also for taking our questions, they did a really nice job there and thanks to all those who tuned in to listen and all those that did ask questions. I would just point out that our next call on somewhat of a similar topic—the implementation of the ELD mandate—will take place at 11 AM ET on the December 18th. Our guest speaker will be a gentleman names John Seidl who actually used to work for the FMCSA and has been a state policeman and understands how the enforcement of this new rule is going to impact the productivity of trucking companies and perhaps even impact the number of drivers who decide to stay with the industry.

I think there will be some who decide to try their hand at hauling water in the Permian or flipping hamburgers or doing something else that perhaps doesn't have all the attachments that come along with the ELD device. I think people are used to defining their own work day and the ELD is going to encroach on some drivers' ability to do that and there could be some that just drop out altogether. The question is not just what percentage of productivity do we lose, but what percentage of the driver workforce do we drive away with the implementation of the ELD's . Otherwise thanks to everybody and hope you all have a great week. Take care!

END

Stifel 12-Month Target Price Matrix

Company	Ticker	Rating	Closing 12/6/2017	Earnings Per Share CY 18E	Earnings Per Share CY 19E	P/E Multiple (1)	12-Mo. Target Price Estimate	12-Mo. Target Price Dividend Yield	12-Mo. Target Price Potential Upside %
BEST Inc.	BSTI	Buy	$ 9.09	$ 0.09	$ 0.38	42.0x	$ 16	-	**76.0%**
YRC Worldwide	YRCW	Buy	$ 13.31	$ 1.52	$ 2.05	9.0x	$ 18	-	**35.2%**
Meritor (8)	MTOR	Buy	$ 24.14	$ 1.80	$ -	NA	$ 31	-	**28.4%**
REV Group (10)	REVG	Buy	$ 26.80	$ 1.32	$ -	NA	$ 33	0.7%	**23.9%**
Atlas Air Worldwide Holdings, Inc.	AAWW	Buy	$ 56.50	$ 4.90	$ 5.78	12.0x	$ 69	-	**22.1%**
Greenbrier	GBX	Buy	$ 50.05	$ 3.97	$ -	15.0x	$ 60	1.8%	**21.7%**
WABCO Holdings Inc.	WBC	Buy	$ 140.37	$ 7.50	$ -	22.5x	$ 169	-	**20.4%**
Heartland Express (6)	**HTLD**	**Buy**	**$ 22.60**	**$ 0.70**	**$ 1.25**	**21.0x**	**$ 27**	**0.4%**	**19.8%**
Student Transportation Inc. (11)	STB	Buy	$ 5.81	$ 0.11	$ 0.13	NA	$ 6.50	7.6%	**19.4%**
Cummins	CMI	Hold	$ 165.38	$ 11.85	$ -	16.0x	$ 190	2.6%	**17.5%**
Blue Bird Corporation (2)	BLBD	Buy	$ 18.75	$ 1.19	$ -	NA	$ 22	-	**17.3%**
Trinity Industries (13)	TRN	Buy	$ 35.60	$ 1.25	$ -	NA	$ 41	1.5%	**16.6%**
Universal Logistics Holdings, Inc.	**ULH**	**Buy**	**$ 23.40**	**$ 1.20**	**$ 1.65**	**16.5x**	**$ 27**	**1.2%**	**16.6%**
J.B. Hunt Transport Svcs.	**JBHT**	**Buy**	**$ 110.41**	**$ 4.55**	**$ 5.55**	**22.5x**	**$ 125**	**0.8%**	**14.0%**
Daseke, Inc. (3)	**DSKE**	**Buy**	**$ 13.20**	**$ 0.09**	**$ 0.19**	**NA**	**$ 15**	**-**	**13.6%**
Landstar System	**LSTR**	**Buy**	**$ 102.60**	**$ 4.45**	**$ 5.10**	**22.5x**	**$ 115**	**0.4%**	**12.5%**
Canadian National Railway	CNI	Hold	$ 79.83	$ 4.60	$ 5.35	16.5x	$ 88	1.6%	**11.9%**
Navistar International (9)	NAV	Hold	$ 40.37	$ 1.96	$ -	NA	$ 45	-	**11.5%**
Allison Transmission	ALSN	Hold	$ 41.12	$ 2.65	$ -	17.0x	$ 45	1.5%	**10.9%**
USA Truck, Inc.	**USAK**	**Buy**	**$ 18.12**	**$ 0.45**	**$ 1.20**	**17.0x**	**$ 20**	**-**	**10.4%**
Wabash National Corp.	WNC	Hold	$ 20.30	$ 1.70	$ -	13.0x	$ 22	1.2%	**9.6%**
Canadian Pacific Railway	CP	Buy	$ 175.10	$ 10.93	$ 13.08	14.5x	$ 190	1.0%	**9.5%**
PACCAR Inc.	PCAR	Hold	$ 70.12	$ 4.70	$ -	16.0x	$ 75	1.4%	**8.4%**
Kansas City Southern	KSU	Buy	$ 111.42	$ 5.90	$ 6.55	18.0x	$ 118	1.3%	**7.2%**
Hub Group, Inc.	**HUBG**	**Buy**	**$ 46.65**	**$ 2.15**	**$ 2.65**	**19.0x**	**$ 50**	**-**	**7.2%**
Covenant Transportation Group	CVTI	Hold	$ 29.86	$ 1.15	$ 1.75	18.0x	$ 32	-	**7.2%**
Kirby Corp. (7)	KEX	Hold	$ 63.00	$ 2.60	$ 3.10	NA	$ 67	-	**6.3%**
XPO Logistics, Inc. (15)	XPO	Buy	$ 76.03	$ 2.50	$ 3.25	NA	$ 80	-	**5.2%**
CSX Corp.	CSX	Hold	$ 55.63	$ 2.75	$ 3.35	17.0x	$ 57	1.4%	**3.9%**
Wabtec Corporation	WAB	Hold	$ 74.86	$ 3.95	$ -	19.0x	$ 75	0.6%	**0.8%**
Genesee & Wyoming, Inc.	GWR	Hold	$ 77.37	$ 3.55	$ 4.20	18.0x	$ 76	-	**(1.8%)**
United Parcel Service	UPS	Hold	$ 118.29	$ 6.43	$ 6.80	16.5x	$ 112	2.8%	**(2.5%)**
Werner Enterprises	WERN	Hold	$ 37.50	$ 1.55	$ 1.80	20.0x	$ 36	0.7%	**(3.3%)**
DSV A/S	DSV-DK	Hold	DKK 484.70	DKK 19.58	$ 21.23	22.0x	DKK 467	0.4%	**(3.3%)**
Thor Industries (12)	THO	Hold	$ 148.51	$ 9.80	$ -	13.5x	$ 142	1.0%	**(3.4%)**
Marten Transport	MRTN	Hold	$ 19.85	$ 0.72	$ 0.85	22.0x	$ 19	0.5%	**(3.8%)**
C.H. Robinson Worldwide	CHRW	Hold	$ 87.15	$ 3.70	$ 4.10	20.0x	$ 82	2.1%	**(3.8%)**
Union Pacific Corp.	UNP	Hold	$ 127.95	$ 6.60	$ 7.30	16.5x	$ 120	2.1%	**(4.1%)**
Expeditors International	EXPD	Hold	$ 64.34	$ 2.60	$ 2.77	21.5x	$ 60	1.3%	**(5.4%)**
Knight-Swift Transportation	KNX	Hold	$ 42.65	$ 1.40	$ 1.90	21.0x	$ 40	0.6%	**(5.7%)**
Echo Global Logistics	**ECHO**	**Buy**	**$ 26.50**	**$ 0.95**	**$ 1.20**	**21.0x**	**$ 25**	**-**	**(5.7%)**
GATX Corporation	GATX	Hold	$ 61.26	$ 4.15	$ -	13.5x	$ 56	2.7%	**(5.8%)**
FedEx Corp. (4)	FDX	Hold	$ 236.39	$ 14.15	$ -	15.0x	$ 221	0.8%	**(5.9%)**
Ryder System	R	Hold	$ 80.48	$ 5.44	$ 5.67	13.5x	$ 73	2.3%	**(7.0%)**
Norfolk Southern Corp.	NSC	Hold	$ 138.73	$ 7.15	$ 7.85	16.0x	$ 126	1.8%	**(7.4%)**
Kuehne+Nagel International AG	KNIN-CH	Hold	CHF 173.40	CHF 6.72	NE	23.0x	CHF 155	3.2%	**(7.4%)**
Air Transport Services Group, Inc.	ATSG	Hold	$ 23.82	$ 1.13	$ 1.30	17.0x	$ 22	-	**(7.6%)**
Forward Air Corp.	FWRD	Hold	$ 57.50	$ 2.49	$ 2.67	19.5x	$ 52	1.0%	**(8.5%)**
Rush Enterprises	RUSHA	Hold	$ 49.31	$ 2.35	$ -	19.0x	$ 45	-	**(8.7%)**
American Railcar Industries	ARII	Hold	$ 40.24	$ 2.20	$ -	16.0x	$ 35	4.0%	**(9.0%)**
Saia, Inc.	SAIA	Hold	$ 67.60	$ 2.71	$ 3.32	18.0x	$ 60	-	**(11.2%)**
Old Dominion Freight Line	ODFL	Hold	$ 128.59	$ 4.93	$ 5.54	20.0x	$ 111	0.3%	**(13.4%)**
FreightCar America (5)	RAIL	Hold	$ 16.64	$ (0.95)	$ -	NA	$ 14	2.2%	**(13.7%)**
Deutsche Post DHL	DPW-DE	Hold	€ 39.60	$ 2.39	$ 2.60	14.0x	€ 33	2.7%	**(14.0%)**
Winnebago (14)	WGO	Hold	$ 53.10	$ 3.20	$ -	12.5x	$ 45	0.8%	**(14.5%)**
P.A.M. Transportation Services	PTSI	Hold	$ 36.71	$ 1.45	$ 1.90	16.0x	$ 30	-	**(18.3%)**
ArcBest Corporation	ARCB	Hold	$ 36.75	$ 1.83	$ 2.08	13.0x	$ 27	0.9%	**(25.7%)**
Panalpina World Transport	PWTN-CH	Sell	CHF 144.50	CHF 3.89	$ 4.83	22.0x	CHF 98	2.6%	**(29.6%)**
Roadrunner Transportation Svcs.	RRTS	SU	$ 8.57	NA	NA	NA	NA	-	**NA**
Celadon Group	CGI	SU	$ 6.60	NA	NA	NA	NA	1.2%	**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 7.25x multiple to our 2019 EBITDA estimate of $209 million, subtracting projected net debt of $540 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 $27, 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) Winnebago (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

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Equity Comps - Transportation

Comparative Valuation Matrix

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

Company name (Ticker)	Rating	Closing Price 12/6/2017	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV [a]	Equity value as a multiple of: Earnings per Share 2016A[f]	2017E[b]	2018E[b]	Book value	Enterprise value as a multiple of: TTM Revenue	2018E EBITDA	TTM EBITDA	TTM EBITDAR[c]	TTM EBIT	TTM ROA	TTM ROE	TTM ROIC	PEG ratio[d]	Div. Yield	2018E FCF Yld
Truckload																						
Celadon Group (CGI)	SU	6.60	27.6	182.4	380.5	6.1	556.7	NM	NA	NA	0.5x	0.5x	NA	6.0x	5.5x	NM	0.5%	1.4%	1.9%	NA	1.2%	(4.1%)
Covenant Transport (CVTI)	Hold	29.86	18.4	550.2	221.3	8.3	768.6	32.5x	NM	26.0x	2.3x	1.2x	5.9x	7.4x	7.0x	NM	2.0%	3.0%	2.7%	NM	0.0%	3.5%
Daseke, Inc. (DSKE)	**Buy**	**13.20**	**39.4**	**519.5**	**422.4**	**112.5**	**829.4**	**NM**	**NM**	**NM**	**2.0x**	**1.2x**	**5.1x**	**8.1x**	**6.5x**	**NM**	**(2.6%)**	**(8.6%)**	**2.0%**	**NM**	**0.0%**	**16.2%**
Heartland Express (HTLD)	**Buy**	**22.60**	**83.4**	**1,884.4**	**0.0**	**51.3**	**1,833.1**	**33.2x**	**NM**	**32.3x**	**3.5x**	**3.6x**	**6.7x**	**10.4x**	**10.3x**	**24.6x**	**6.5%**	**9.6%**	**9.5%**	**NM**	**0.4%**	**9.1%**
J.B. Hunt Transport Svcs. (JBHT)	**Buy**	**110.41**	**110.6**	**12,214.4**	**1,084.8**	**7.7**	**13,291.5**	**29.6x**	**30.2x**	**24.3x**	**8.3x**	**2.1x**	**11.4x**	**13.1x**	**12.8x**	**20.6x**	**10.2%**	**27.7%**	**17.0%**	**2.0**	**0.8%**	**2.4%**
Knight-Swift Transportation (KNX)	Hold	42.65	104.5	4,458.8	484.7	136.4	5,743.8	36.5x	38.8x	30.5x	0.9x	4.7x	4.9x	24.9x	22.5x	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	19.85	54.9	1,090.5	0.0	1.2	1,089.3	33.1x	32.0x	27.6x	2.4x	1.6x	7.0x	7.7x	7.6x	19.1x	5.0%	7.5%	7.6%	2.3	0.5%	3.3%
P.A.M. Transportation Svcs. (PTSI)	Hold	36.71	6.4	235.7	148.2	0.2	383.6	21.7x	NM	25.3x	2.4x	1.0x	4.7x	7.3x	6.5x	NM	1.4%	5.5%	3.1%	NM	0.0%	9.8%
Schneider (SNDR)	NC	26.64	174.5	4,647.4	448.7	259.9	4,836.2	26.4x	NM	NM	2.9x	1.3x	NE	8.8x	7.7x	17.7x	4.7%	9.4%	7.3%	NM	0.0%	NE
Universal Logistics Holdings, Inc. (ULH)	**Buy**	**23.40**	**28.4**	**665.6**	**243.5**	**2.9**	**906.2**	**27.5x**	**30.0x**	**19.5x**	**4.5x**	**0.8x**	**8.3x**	**12.5x**	**10.4x**	**NM**	**3.0%**	**11.8%**	**6.3%**	**1.5**	**1.2%**	**3.5%**
USA Truck (USAK)	**Buy**	**18.12**	**8.0**	**144.9**	**113.5**	**0.2**	**258.3**	**NM**	**NM**	**NM**	**2.8x**	**0.7x**	**6.1x**	**9.6x**	**8.3x**	**NM**	**(1.6%)**	**(8.1%)**	**(0.9%)**	**NM**	**0.0%**	**(2.3%)**
Werner Enterprises (WERN)	Hold	37.50	72.6	2,721.7	75.0	10.7	2,785.9	34.4x	30.2x	24.2x	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				144.9	0.0	0.2	258.3	21.7x	27.9x	19.5x	0.5x	0.5x	4.7x	6.0x	5.5x	17.7x	(2.6%)	(8.6%)	(0.9%)	1.5	0.0%	(4.1%)
Mean				2,588.3	290.3	65.2	2,885.9	30.6x	31.5x	25.8x	3.2x	1.6x	7.2x	10.7x	9.9x	20.1x	3.8%	7.4%	6.9%	2.3	0.4%	5.4%
Mean (Asset-based TL only)				2,604.5	307.2	54.1	2,943.3	30.9x	32.8x	27.2x	2.8x	1.8x	6.5x	10.1x	9.3x	20.6x	3.0%	5.3%	5.5%	2.4	0.4%	5.7%
Median				1,090.5	221.3	8.3	1,089.3	32.0x	30.2x	25.3x	2.6x	1.2x	6.7x	8.8x	7.9x	19.9x	3.0%	7.5%	6.3%	2.3	0.4%	3.5%
Max				12,214.4	1,084.8	259.9	13,291.5	36.5x	38.8x	32.3x	8.3x	4.7x	12.3x	24.9x	22.5x	24.6x	13.3%	27.7%	22.5%	2.9	1.2%	17.8%
Stifel Transportation Average				**12,141.3**	**2,382.7**	**460.3**	**14,208.4**	**25.9x**	**23.2x**	**20.6x**	**3.8x**	**2.3x**	**9.7x**	**11.4x**	**11.2x**	**16.8x**	**4.4%**	**17.9%**	**13.5%**	**2.0**	**1.0%**	**5.2%**
Intermodal																						
Hub Group (HUBG)	**Buy**	**46.65**	**33.4**	**1,560.4**	**287.1**	**18.6**	**1,828.9**	**20.5x**	**29.2x**	**21.7x**	**2.3x**	**2.5x**	**10.0x**	**17.7x**	**15.4x**	**19.9x**	**3.9%**	**8.9%**	**7.1%**	**2.2**	**0.0%**	**(4.9%)**
J.B. Hunt Transport Svcs. (JBHT)	**Buy**	**110.41**	**110.6**	**12,214.4**	**1,084.8**	**7.7**	**13,291.5**	**29.6x**	**30.2x**	**24.3x**	**8.3x**	**2.1x**	**11.4x**	**13.1x**	**12.8x**	**20.6x**	**10.2%**	**27.7%**	**17.0%**	**2.0**	**0.8%**	**2.4%**
Min				1,560.4	287.1	7.7	1,828.9	20.5x	29.2x	21.7x	2.3x	2.1x	10.0x	13.1x	12.8x	19.9x	3.9%	8.9%	7.1%	2.0	0.0%	(4.9%)
Mean				13.0	685.9	13.1	7,560.2	25.0x	29.7x	23.0x	5.3x	2.3x	10.7x	15.4x	14.1x	20.3x	7.0%	18.3%	12.0%	2.1	0.4%	(1.3%)
Max				12,214.4	1,084.8	18.6	13,291.5	29.6x	30.2x	24.3x	8.3x	2.5x	11.4x	17.7x	15.4x	20.6x	10.2%	27.7%	17.0%	2.2	0.8%	2.4%
Stifel Transportation Average				**12,141.3**	**2,382.7**	**460.3**	**14,208.4**	**25.9x**	**23.2x**	**20.6x**	**3.8x**	**2.3x**	**9.7x**	**11.4x**	**11.2x**	**16.8x**	**4.4%**	**17.9%**	**13.5%**	**2.0**	**1.0%**	**5.2%**
Non-Asset-Based Forwarding / Logistics																						
BEST Inc. (BSTI)	Buy	9.09	391.5	3,558.6	132.2	146.9	3,544.0	NM	NM	NM	5.7x	1.5x	11.8x	NM	NM	NM	(70.7%)	NM	151.9%	NM	0.0%	47.4%
C.H. Robinson Worldwide (CHRW)	Hold	87.15	143.5	12,504.1	1,469.0	297.3	13,675.8	24.3x	25.9x	23.6x	9.2x	6.0x	14.2x	16.2x	15.4x	18.0x	12.1%	36.2%	18.6%	2.7	2.1%	2.2%
DSV A/S (DSV-DK)	Hold	DKK 484.70	190.4	14,616.8	1,120.8	193.8	16,140.3	36.2x	26.6x	24.8x	6.9x	5.8x	17.5x	18.3x	12.1x	21.4x	9.3%	27.1%	17.5%	1.8	0.4%	4.5%
Echo Global Logistics (ECHO)	Buy	26.50	27.9	740.4	209.0	21.2	928.2	31.9x	37.3x	27.9x	2.2x	0.5x	12.3x	20.9x	19.2x	NM	2.3%	5.2%	4.4%	2.1	0.0%	2.7%
Expeditors International (EXPD)	Hold	64.34	187.2	12,045.3	0.0	1,033.4	11,040.4	27.3x	26.6x	24.7x	6.1x	4.9x	14.1x	15.3x	14.5x	16.4x	14.7%	22.6%	22.2%	2.7	1.3%	3.6%
Forward Air Corp. (FWRD)	Hold	57.50	29.9	1,721.5	40.7	12.4	1,749.8	27.6x	25.0x	23.1x	3.4x	1.7x	10.7x	9.2x	8.2x	11.6x	15.3%	20.1%	18.6%	2.3	1.0%	4.2%
Hub Group (HUBG)	**Buy**	**46.65**	**33.4**	**1,560.4**	**287.1**	**18.6**	**1,828.9**	**20.5x**	**29.2x**	**21.7x**	**2.3x**	**2.5x**	**10.0x**	**17.7x**	**15.4x**	**19.9x**	**3.9%**	**8.9%**	**7.1%**	**2.2**	**0.0%**	**(4.9%)**
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 173.40	120.0	20,808.5	33.2	603.9	20,295.1	29.0x	28.1x	25.8x	10.0x	3.0x	16.4x	18.2x	18.1x	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 144.50	23.7	3,428.6	2.0	296.5	3,204.4	NM	NM	37.1x	5.7x	2.4x	18.9x	20.4x	20.2x	28.1x	4.6%	12.8%	12.8%	NM	2.6%	2.5%
Universal Logistics Holdings, Inc. (ULH)	**Buy**	**23.40**	**28.4**	**665.6**	**243.5**	**2.9**	**906.2**	**27.5x**	**30.0x**	**19.5x**	**4.5x**	**0.8x**	**8.3x**	**12.5x**	**10.4x**	**NM**	**3.0%**	**11.8%**	**6.3%**	**1.5**	**1.2%**	**3.5%**
XPO Logistics, Inc. (XPO)	**Buy**	**76.03**	**148.8**	**11,316.5**	**4,871.3**	**291.4**	**16,722.7**	**NM**	**NM**	**30.4x**	**3.5x**	**1.1x**	**10.3x**	**20.7x**	**NM**	**NM**	**1.6%**	**6.1%**	**NM**	**NM**	**0.0%**	**4.7%**
ZTO Express Inc. (ZTO-US)	NC	15.77	727.6	11,475.0	101.6	1,725.6	9,851.0	35.8x	NE	NE	3.9x	6.4x	NE	20.9x	17.7x	23.1x	11.8%	14.5%	13.9%	NE	0.0%	NE
Min				665.6	0.0	2.9	906.2	20.5x	25.0x	19.5x	2.2x	0.5x	8.3x	9.2x	8.2x	11.6x	(70.7%)	5.2%	4.4%	1.5	0.0%	(4.9%)
Mean				7,598.0	666.3	376.4	8,009.3	29.2x	28.5x	25.6x	5.4x	2.9x	13.1x	17.1x	15.1x	19.8x	2.5%	18.9%	27.4%	2.3	0.9%	6.5%
Median				4,332.3	151.3	249.7	4,233.8	28.3x	27.9x	24.7x	5.7x	2.4x	12.3x	17.9x	15.4x	19.9x	9.3%	17.3%	18.1%	2.3	0.4%	3.8%
Max				20,808.5	4,871.3	1,725.6	20,295.1	36.2x	37.3x	37.1x	10.0x	6.4x	18.9x	20.9x	20.2x	28.1x	15.3%	36.2%	151.9%	2.8	3.2%	47.4%
Stifel Transportation Average				**12,141.3**	**2,382.7**	**460.3**	**14,208.4**	**25.9x**	**23.2x**	**20.6x**	**3.8x**	**2.3x**	**9.7x**	**11.4x**	**11.2x**	**16.8x**	**4.4%**	**17.9%**	**13.5%**	**2.0**	**1.0%**	**5.2%**

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) 2017E 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

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

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 1QA	2016 2QA	2016 3QA	2016 4QA	2016E	2017 1QE	2017 2QA	2017 3QA	2017 4QE	2017E	2018 1QE	2018 2QE	2018 3QE	2018 4QE	2018E	2019E
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	177.71	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	111.63	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) (2)	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%*	*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%*

(1) Adjusted for 2:1 stock split, in which a 100% stock dividend was paid, effective August 12, 2002.
(2) Adjusted for 2:1 stock split, in which a 100% stock dividend was paid, effective November 13, 2003.
(3) Adjusted for 2:1 stock split, in which a 100% stock dividend was paid, effective January 7, 2005.
(4) 1Q04 includes $7.6 million of costs to settle one previously disclosed severe accident ($4.9 million after tax).
(5) 4Q04 includes $35.9 million of revenue and $6.8 million of operating income and $4.2 million of net income (or $0.07 per diluted share) related to disaster relief efforts for the storms that impacted the southeastern U.S.
(6) 3Q05 includes $129.8 million of revenue and $22.7 million of operating income and $14.0 million of net income (or $0.23 per diluted share) related to disaster relief efforts due to Hurricanes Katrina and Rita in the Gulf region
(7) 4Q05 includes $138.0 million of revenue and $27.8 million of operating income and $16.7 million of net income (or $0.28 per diluted share) related to disaster relief efforts due to Hurricanes Katrina and Rita in the Gulf region
(8) 4Q06 includes $14.7 million of revenue and $2.4 million of operating income and $1.5 million of net income (or $0.03 per diluted share) attributable to transportation services provided primarily under a contract between Landstar Express America and the U.S. DOT/FAA
(9) 1Q07 includes $5.0 million charge for the estimated cost of one severe accident that occurred during the quarter ($3.1 million after-tax, or $0.05 per diluted share)
(10) 2Q09 excludes $2.0 million of acquisition charges for the purchase of Premier Logistics, Inc. and A3 Integration LLC that occurred during the quarter ($1.2 million after-tax, or $0.02 per diluted share)
(11) 3Q10 excludes a $3.8 million ($0.05/diluted share) charge for the buyout of the contingent payment obligations in connection with the 2009 acquisition of NLM.
Some calculations may vary due to averaging and rounding
Source: Company data and Stifel estimates

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

Universal Logistics Holdings Income Statement

(figures in $ millions, except per share amount

	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016 1QA	2016 2QA	2016 3QA	2016 4QA	2016A	2017 1QA	2017 2QA	2017 3QA	2017 4QE	2017E	2018 1QE	2018 2QE	2018 3QE	2018 4QE	2018E	2019E
REVENUE																													
Truckload	205.8	249.1	332.2	375.2	402.1	438.2	313.6	370.1	423.2	502.5	707.0	769.3	696.1	149.9	162.7	163.6	153.0	629.2	178.4	175.0	199.0	196.9	749.4	196.2	183.8	213.9	211.7	805.6	866.1
% change y/y	*NA*	*21.0%*	*33.3%*	*12.9%*	*7.2%*	*9.0%*	*-28.4%*	*18.0%*	*14.3%*	*18.7%*	*40.7%*	*8.8%*	*-9.5%*	*-6.5%*	*-9.7%*	*-8.2%*	*-13.8%*	*-9.6%*	NM	NM	NM	NM	NM	*10.0%*	*5.0%*	*7.5%*	*7.5%*	*7.5%*	*7.5%*
Logistics	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	106.0	130.2	114.0	114.8	465.0	114.0	132.8	122.5	123.4	492.7	529.6
% change y/y	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NM	NM	NM	NM	NM	*7.5%*	*2.0%*	*7.5%*	*7.5%*	*6.0%*	*7.5%*
Brokerage	43.0	77.7	147.1	170.6	171.8	208.3	112.9	148.0	173.8	136.5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
% change y/y	*NA*	*80.8%*	*89.3%*	*15.9%*	*0.7%*	*21.2%*	*-45.8%*	*31.0%*	*17.5%*	*-21.5%*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Value-Added		NA	NA	NA	NA	NA	NA	NA	*NA*	44.0	195.1	284.5	285.3	75.6	78.2	72.0	76.5	302.2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
% change y/y		*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*45.8%*	*0.3%*	*7.6%*	*4.1%*	*5.2%*	*7.0%*	*5.9%*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Intermodal	28.9	35.2	52.0	95.9	106.5	113.0	76.7	87.9	102.8	120.4	131.4	137.7	147.4	34.9	35.9	36.0	34.6	141.3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
% change y/y	*NA*	*21.8%*	*47.9%*	*84.2%*	*11.1%*	*6.2%*	*-32.1%*	*14.5%*	*16.9%*	*17.1%*	*9.2%*	*4.8%*	*7.0%*	*6.0%*	*-9.7%*	*-4.6%*	*-6.5%*	*-4.1%*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total operating revenue	**277.7**	**362.0**	**531.3**	**641.6**	**680.4**	**759.5**	**503.2**	**605.9**	**699.8**	**803.4**	**1,033.5**	**1,191.5**	**1,128.8**	**260.4**	**276.8**	**271.5**	**264.1**	**1,072.8**	**284.4**	**305.2**	**313.0**	**311.7**	**1,214.3**	**310.2**	**316.6**	**336.5**	**335.1**	**1,298.3**	**1,395.7**
% change y/y	*9.8%*	*30.4%*	*46.8%*	*20.8%*	*6.0%*	*11.6%*	*-33.7%*	*20.4%*	*15.5%*	*14.8%*	*28.6%*	*15.3%*	*-5.3%*	*-1.2%*	*-6.2%*	*-4.5%*	*-7.7%*	*-5.0%*	*9.2%*	*10.3%*	*15.3%*	*18.0%*	*13.2%*	*9.1%*	*3.7%*	*7.5%*	*7.5%*	*6.9%*	*7.5%*
OPERATING EXPENSES																													
Purchased transportation	205.9	269.7	406.4	491.8	520.1	593.0	378.0	461.0	538.3	563.5	560.0	615.3	567.6	121.7	132.0	131.8	124.3	509.8	131.2	142.6	153.3	141.6	568.7	141.8	142.8	153.3	150.9	588.9	625.7
Direct personnel and related benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	39.1	178.4	205.9	220.7	64.0	65.3	65.3	68.0	262.7	75.5	81.2	77.6	81.5	315.9	81.6	82.2	88.3	86.9	339.0	360.2
Commissions to agents	22.2	27.4	34.7	40.4	45.1	47.3	34.0	38.8	41.9	41.7	39.2	43.9	37.8	8.1	8.4	8.2	7.7	32.4	7.5	8.2	8.5	8.1	32.4	8.1	8.2	8.8	8.7	33.9	36.0
Other operating costs	3.1	5.3	6.6	8.6	9.4	9.5	10.3	13.3	14.2	22.1	78.5	115.2	108.5	23.9	23.6	25.0	24.1	96.6	29.0	31.5	28.3	31.3	120.0	31.3	31.5	33.9	33.3	130.1	138.2
Occupancy expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	20.0	26.5	27.0	7.7	8.0	8.1	8.2	31.9	7.8	7.7	7.5	8.5	31.5	8.5	8.5	9.2	9.0	35.1	37.3
Insurance and claims	7.0	9.6	14.3	15.8	20.5	21.4	17.3	17.2	17.0	17.0	19.2	26.0	21.4	4.2	4.5	4.9	4.1	17.7	5.9	9.5	9.8	6.3	31.5	6.3	6.4	6.8	6.7	26.3	27.9
Selling, general, and administrative	22.6	27.6	37.4	46.1	48.4	52.0	44.2	49.3	52.4	59.0	33.0	44.8	37.5	8.4	9.1	9.1	11.9	38.4	8.0	6.5	9.0	8.6	32.0	8.6	8.7	9.3	9.2	35.7	37.9
Depreciation and amortization	2.9	3.9	4.3	5.7	8.2	9.6	10.4	11.0	11.6	13.8	19.7	33.1	34.9	8.5	9.1	9.1	9.9	36.7	10.3	11.5	11.8	11.1	44.8	11.2	11.2	12.1	11.9	46.3	49.2
Total operating expenses	**263.6**	**343.5**	**503.7**	**608.5**	**651.6**	**732.9**	**494.2**	**590.6**	**675.4**	**760.7**	**948.3**	**1,110.7**	**1,055.4**	**246.5**	**260.0**	**261.5**	**258.2**	**1,026.2**	**275.3**	**298.8**	**305.7**	**297.0**	**1,176.8**	**297.4**	**299.6**	**321.7**	**316.6**	**1,235.3**	**1,312.6**
Operating ratio (as % of operating revenue)	*94.9%*	*94.9%*	*94.8%*	*94.8%*	*95.8%*	*96.5%*	*98.2%*	*97.5%*	*96.5%*	*94.7%*	*91.8%*	*93.2%*	*93.5%*	*94.7%*	*93.9%*	*96.3%*	*97.8%*	*95.7%*	*96.8%*	*97.9%*	*97.7%*	*95.3%*	*96.9%*	*95.9%*	*94.7%*	*95.6%*	*94.5%*	*95.1%*	*94.0%*
EBIT	**14.1**	**18.6**	**27.7**	**33.1**	**28.7**	**26.6**	**9.0**	**15.4**	**24.4**	**42.7**	**85.2**	**80.8**	**73.4**	**13.9**	**16.8**	**10.0**	**5.8**	**46.6**	**9.2**	**6.4**	**7.3**	**14.6**	**37.5**	**12.9**	**16.9**	**14.8**	**18.4**	**63.0**	**83.1**
% margin	*5.1%*	*5.1%*	*5.2%*	*5.2%*	*4.2%*	*3.5%*	*1.8%*	*2.5%*	*3.5%*	*5.3%*	*8.2%*	*6.8%*	*6.5%*	*5.3%*	*6.1%*	*3.7%*	*2.2%*	*4.3%*	*3.2%*	*2.1%*	*2.3%*	*4.7%*	*3.1%*	*4.2%*	*5.4%*	*4.4%*	*5.5%*	*4.9%*	*6.0%*
EBITDA	**16.9**	**22.5**	**32.0**	**38.8**	**36.9**	**36.3**	**19.4**	**26.4**	**36.0**	**56.5**	**104.9**	**113.9**	**108.3**	**22.5**	**25.9**	**19.1**	**15.8**	**83.3**	**19.5**	**18.0**	**19.1**	**25.8**	**82.3**	**24.0**	**28.2**	**26.9**	**30.3**	**109.4**	**132.3**
% margin	*6.1%*	*6.2%*	*6.0%*	*6.1%*	*5.4%*	*4.8%*	*3.8%*	*4.4%*	*5.1%*	*7.0%*	*10.2%*	*9.6%*	*9.6%*	*8.6%*	*9.4%*	*7.0%*	*6.0%*	*7.8%*	*6.9%*	*5.9%*	*6.1%*	*8.3%*	*6.8%*	*7.7%*	*8.9%*	*8.0%*	*9.0%*	*8.4%*	*9.5%*
Interest income (expense), net	(0.2)	(0.8)	0.4	1.0	0.9	0.0	(0.3)	0.1	0.1	(1.7)	(4.0)	(8.2)	(9.2)	(2.0)	(2.1)	(2.1)	(2.0)	(8.1)	(2.2)	(2.5)	(2.5)	(2.1)	(9.4)	(2.1)	(2.1)	(2.0)	(2.0)	(8.2)	(7.2)
Other income (expense), net	0.0	0.0	0.0	0.0	0.0	1.3	0.5	0.6	1.0	1.0	0.5	0.4	0.8	0.1	0.1	0.2	0.5	0.9	0.1	0.5	0.7	0.1	1.4	0.1	0.1	0.1	0.1	0.6	0.6
Profit before tax	**13.8**	**17.8**	**28.1**	**34.1**	**29.7**	**27.9**	**9.3**	**16.1**	**25.4**	**42.0**	**81.6**	**73.1**	**65.0**	**12.1**	**14.8**	**8.1**	**4.4**	**39.4**	**7.0**	**4.4**	**5.5**	**12.6**	**29.6**	**10.9**	**15.0**	**12.9**	**16.6**	**55.4**	**76.4**
% margin	*5.0%*	*4.9%*	*5.3%*	*5.3%*	*4.4%*	*3.7%*	*1.8%*	*2.7%*	*3.6%*	*5.2%*	*7.9%*	*6.1%*	*5.8%*	*4.6%*	*5.3%*	*3.0%*	*1.7%*	*3.7%*	*2.5%*	*1.4%*	*1.8%*	*4.1%*	*2.4%*	*3.5%*	*4.7%*	*3.8%*	*5.0%*	*4.3%*	*5.5%*
Tax rate	*36.9%*	*37.4%*	*38.9%*	*38.4%*	*38.4%*	*38.4%*	*38.7%*	*40.6%*	*39.8%*	*38.5%*	*37.5%*	*37.9%*	*38.5%*	*38.2%*	*38.8%*	*38.5%*	*38.3%*	*38.5%*	*38.3%*	*37.7%*	*-35.6%*	*38.5%*	*24.5%*	*38.5%*	*38.5%*	*38.5%*	*38.5%*	*38.5%*	*38.5%*
Net income (loss) from continuing operatio	**8.7**	**11.1**	**17.2**	**21.0**	**18.3**	**17.2**	**5.7**	**9.6**	**15.3**	**25.8**	**51.0**	**45.4**	**40.0**	**7.5**	**9.0**	**5.0**	**2.7**	**24.2**	**4.3**	**2.7**	**7.5**	**7.8**	**22.3**	**6.7**	**9.2**	**7.9**	**10.2**	**34.1**	**47.0**
Extraordinary item (net of tax)	0.0	0.0	0.0	0.0	(0.4)	(2.3)	(0.8)	3.2	0.5	(9.3)	(0.5)	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
Net income	**8.7**	**11.1**	**17.2**	**21.0**	**17.8**	**14.9**	**4.9**	**12.7**	**15.8**	**16.6**	**50.6**	**45.4**	**40.0**	**7.5**	**9.0**	**5.0**	**2.7**	**24.2**	**4.3**	**2.7**	**7.5**	**7.8**	**22.3**	**6.7**	**9.2**	**7.9**	**10.2**	**34.1**	**47.0**
% margin	*3.1%*	*3.1%*	*3.2%*	*3.3%*	*2.6%*	*2.0%*	*1.0%*	*2.1%*	*2.3%*	*2.1%*	*4.9%*	*3.8%*	*3.5%*	*2.9%*	*3.3%*	*1.8%*	*1.0%*	*2.3%*	*1.5%*	*0.9%*	*2.4%*	*2.5%*	*1.8%*	*2.2%*	*2.9%*	*2.4%*	*3.0%*	*2.6%*	*3.4%*
Average shares outstanding - diluted (2)	10.0	10.0	15.4	16.2	16.1	16.1	16.0	15.9	15.6	19.1	30.1	30.0	29.2	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4
EPS - diluted (continuing operations)	**$0.87**	**$1.11**	**$1.12**	**$1.30**	**$1.13**	**$1.07**	**$0.36**	**$0.60**	**$0.98**	**$1.35**	**$1.69**	**$1.51**	**$1.37**	**$0.26**	**$0.32**	**$0.18**	**$0.10**	**$0.85**	**$0.15**	**$0.10**	**$0.26**	**$0.27**	**$0.78**	**$0.24**	**$0.32**	**$0.28**	**$0.36**	**$1.20**	**$1.65**
% change y/y	*22.5%*	*27.6%*	*0.9%*	*16.1%*	*-13.1%*	*-5.3%*	*-66.4%*	*66.7%*	*63.3%*	*37.8%*	*25.2%*	*-10.7%*	*-9.3%*	*-3.7%*	*-27.3%*	*-43.8%*	*-69.7%*	*-38.0%*	*-42.3%*	*-68.8%*	*44.4%*	*170.0%*	*-8.2%*	*60.0%*	*220.0%*	*7.7%*	*33.3%*	*53.8%*	*37.5%*
EPS - diluted	**$0.87**	**$1.11**	**$1.12**	**$1.30**	**$1.11**	**$0.93**	**$0.31**	**$0.80**	**$1.01**	**$0.87**	**$1.68**	**$1.51**	**$1.37**	**$0.26**	**$0.32**	**$0.18**	**$0.10**	**$0.85**	**$0.15**	**$0.10**	**$0.26**	**$0.27**	**$0.78**	**$0.24**	**$0.32**	**$0.28**	**$0.36**	**$1.20**	**$1.65**
% change y/y	*22.5%*	*27.6%*	*0.9%*	*16.1%*	*-14.6%*	*-16.2%*	*-66.7%*	*158.1%*	*26.3%*	*-13.9%*	*93.1%*	*-10.1%*	*-9.3%*	*-3.7%*	*-27.3%*	*-43.8%*	*-69.7%*	*-38.0%*	*-42.3%*	*-68.8%*	*44.4%*	*170.0%*	*-8.2%*	*60.0%*	*220.0%*	*7.7%*	*33.3%*	*53.8%*	*37.5%*

(1) Pro forma consolidated revenue totals by segment as if AFA Enterprises and CrossRoad Carriers were acquired and consolidated January 1, 2003. In fact, AFA was acquired August 8, 2004, and CrossRoad was acquired November 1, 2004.
(2) Share count increases to account for initial public offering of 6.1 million shares effective February 10, 2005.
(3) 2Q07 excludes $0.7mm pretax (or $0.03 per diluted share) charge for the settlement of several prior period accident claims
(4) 2Q08 excludes $2.2mm pretax (or $0.08 per diluted share) non-cash charge for the write-down of marketable securities due largely to significant fall in the market value of the company's stock portfolio, which included financial stocks, although none were sold in the quarter
(5) 3Q08 excludes $0.48mm pretax (or $0.02 per diluted share) non-cash charge for the write-down of marketable securities
(6) 4Q08 excludes $0.96mm pretax (or $0.04 per diluted share) non-cash charge for the write-down of marketable securities due largely to significant fall in the market value of the company's stock portfolio
(7) 1Q09 excludes $0.80mm pretax (or $0.03 per diluted share) other-than-temporary impairments of marketable equity securities classified as available for sale
(8) 2Q09 excludes $0.32mm pretax (or $0.01 per diluted share) other-than-temporary impairments of marketable equity securities classified as available for sale
(9) 3Q09 excludes $0.16mm pretax (or $0.00 per diluted share) other-than-temporary impairments of marketable equity securities classified as available for sale
(10) 1Q10 excludes $1.8mm pretax (or $0.07 per diluted share) gain on sales of marketable equity securities
(11) 2Q10 excludes $3.6mm pretax (or $0.13 per diluted share) gain on sales of marketable equity securities
(12) 2Q12 excludes $0.3mm (or $0.02 per diluted share) of after-tax gains on the sales of marketable securities classified as available for sale
(13) LINC acquisition include above as of the acquisition close date of October 1, 2012 whereas the company's full year financials show pooled results under common ownership. See Pro Forma UACL & LINC tab for combined results

Source: Company data and Stifel estimates

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

Hub Group Income Statement

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

	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016 1QA	2016 2QA	2016 3QA	2016 4QA	2016A	2017 1QA	2017 2QA	2017 3QA	2017 4QE	2017E	2018 1QE	2018 2QE	2018 3QE	2018 4QE	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%*	*2.5%*
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%*	*-0.1%*	*-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%*	*-9.9%*	*-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																**58.0**	**64.9**	**122.9**	**71.9**	**71.6**	**63.8**	**71.4**	**278.7**	**306.6**
% change y/y																*NA*	*NA*	*NA*	*NA*	*NA*	*10.0%*	*10.0%*	*126.8%*	*10.0%*
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**	**855.6**	**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	129.1	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	72.9	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	22.6	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																0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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%*	*96.8%*	*96.4%*	*97.9%*	*97.8%*	*97.9%*	*97.4%*	*97.8%*	*97.4%*	*97.3%*	*97.2%*	*97.2%*	*97.3%*	*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 [2-6]	**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)	0.0	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**	**51.6**	**70.9**	**18.0**	**20.7**	**17.9**	**18.2**	**74.8**	**10.3**	**9.5**	**15.3**	**18.4**	**53.6**	**16.1**	**17.0**	**18.7**	**20.0**	**71.8**	**88.5**
% margin (net revenues)	*25.3%*	*18.5%*	*20.4%*	*18.6%*	*19.1%*	*18.6%*	*13.9%*	*17.2%*	*16.1%*	*18.1%*	*16.1%*	*15.1%*	*16.3%*	*10.2%*	*9.4%*	*13.2%*	*14.7%*	*12.1%*	*13.4%*	*13.7%*	*14.2%*	*14.4%*	*14.0%*	*15.8%*
% margin (gross revenues)	*3.2%*	*2.3%*	*2.4%*	*2.1%*	*2.2%*	*2.0%*	*1.4%*	*2.0%*	*2.2%*	*2.4%*	*1.9%*	*1.9%*	*2.1%*	*1.2%*	*1.0%*	*1.5%*	*1.6%*	*1.3%*	*1.5%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.9%*
Average shares outstanding - diluted[1]	37.5	37.5	37.4	37.1	37.2	37.0	36.7	36.0	35.1	34.0	33.4	33.3	33.9	33.4	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3
EPS - Diluted	**$1.58**	**$0.91**	**$1.16**	**$1.57**	**$1.83**	**$1.87**	**$1.40**	**$1.97**	**$0.51**	**$0.61**	**$0.54**	**$0.55**	**$2.20**	**$0.31**	**$0.29**	**$0.46**	**$0.55**	**$1.61**	**$0.48**	**$0.51**	**$0.56**	**$0.60**	**$2.15**	**$2.65**
% change y/y	*3.3%*	*-42.4%*	*27.5%*	*35.3%*	*16.6%*	*2.2%*	*-25.1%*	*40.7%*	*82.1%*	*19.6%*	*-1.8%*	*-12.7%*	*11.7%*	*-39.2%*	*-52.5%*	*-14.8%*	*0.0%*	*-26.8%*	*54.8%*	*75.9%*	*21.7%*	*9.1%*	*33.5%*	*23.3%*
EPS - Diluted excluding special items	**$1.58**	**$0.91**	**$1.16**	**$1.64**	**$1.83**	**$1.92**	**$1.73**	**$2.01**	**$0.58**	**$0.61**	**$0.54**	**$0.55**	**$2.28**	**$0.34**	**$0.36**	**$0.46**	**$0.55**	**$1.71**	**$0.48**	**$0.51**	**$0.56**	**$0.60**	**$2.15**	**$2.65**
% change y/y	*8.2%*	*-42.4%*	*27.5%*	*41.4%*	*11.6%*	*4.9%*	*-9.9%*	*16.2%*	*81.3%*	*19.6%*	*-1.8%*	*-12.7%*	*13.4%*	*-41.4%*	*-41.0%*	*-14.8%*	*0.0%*	*-25.0%*	*41.2%*	*41.7%*	*21.7%*	*9.1%*	*25.7%*	*23.3%*

[1] Shares outstanding adjusted for 2:1 splits effective June 6, 2006 and May 11, 2005
[2] 1Q06 and 2Q06 net income adjusted $656,000 and $324,000, respectively for discontinued operations
[3] 3Q04 adjusted for after-tax debt extinguishment expenses of $4.2 million
[4] 1Q01 adjusted for pre-tax impairment of Hub Distribution's e-Logistics software of $3.4 million
[5] 4Q07 excludes a $0.04 one-time tax benefit
[6] Model includes accretion from Mode Trans. Acquisition beginning in 2Q11; 1Q11 excludes impact of one-time acquisition costs
[7] 2011 EPS excludes one-time Hub severance expenses and one-time IT related costs for Mode
1Q11 included one-time expenses of $1.7 million related to Mode acquisition; 2Q11 included one-time expenses of $750,000 related to severance expenses at Hub and IT related expenses at Mode
2H11 one-time expenses are related to lease termination costs in the Highway Brokerage segment

Source: Company data and Stifel estimates

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

Echo Global Logistics Income Statement

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

	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015 1QA	2015 2QA	2015 3QA	2015 4QA	2015A	2016 1QA	2016 2QA	2016 3QA	2016 4QA	2016A	2017 1QA	2017 2QA	2017 3QA	2017 4QE	2017E	2018 1QE	2018 2QE	2018 3QE	2018 4QE	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%	17.5%	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%	17.5%	17.5%	17.8%	17.5%	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
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%	97.5%
Operating ratio (net)	88.5%	89.5%	83.4%	83.9%	83.5%	85.1%	85.0%	89.4%	80.0%	79.8%	81.1%	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%	2.6%	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%	-60.6%	-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**	**$0.18**	**$0.27**	**$0.18**	**$0.71**	**$0.21**	**$0.24**	**$0.25**	**$0.25**	**$0.95**	**$1.20**
% change y/y	NM	107.1%	31.0%	39.5%	17.0%	-1.6%	32.8%	7.1%	36.4%	36.0%	40.0%	43.2%	80.0%	10.0%	-2.9%	-50.0%	-8.6%	-66.7%	-45.5%	-18.2%	28.6%	-33.0%	133.3%	33.3%	-7.4%	38.9%	33.8%	26.3%

(1) Excludes the effects of contingent consideration payable.
(2) 3Q12 excludes the impairment of goodwill and acquired customer list intangible assets related to the acquisition of Shipper Direct Logistics.
(3) 1Q12, 2Q12, 4Q12, 1Q13, 2Q13, and 4Q13 exclude change in contingent consideration payable

Source: Company data and Stifel estimates

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

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 1QA	2016 2QA	2016 3QA	2016 4QA	2016A	2017 1QA	2017 2QA	2017 3QA	2017 4QE	2017E	2018 1QE	2018 2QE	2018 3QE	2018 4QE	2018E	2019E
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
(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

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

Daseke, Inc. Income Statement

(figures in $ millions, except per share amounts)

			2016					2017					2018					
	2014A	2015A	1QA	2QA	3QA	4QA	2016A	1QA	2QA	3QA	4QE	2017E	1QE	2QE	3QE	4QE	2018E	2019E
REVENUE:																		
Freight	375.0	506.6	126.3	136.8	135.4	119.4	517.9	125.6	149.7	171.2	180.9	627.4	270.0	256.3	275.7	251.5	1,053.5	1,211.8
Brokerage	82.6	108.9	20.6	21.8	26.0	19.1	87.4	20.9	28.7	34.2	23.3	107.0	21.9	30.1	35.9	24.4	112.4	118.0
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	212.2	753.0	300.1	294.8	319.9	284.4	1,199.2	1,364.8
Fuel Surcharge	85.1	63.4	10.0	11.8	12.8	12.0	46.5	14.0	16.3	18.0	18.7	67.0	27.4	26.1	27.7	25.7	106.9	122.4
Total revenue	542.7	678.8	156.9	170.4	174.1	150.4	651.8	160.4	197.3	231.3	230.9	820.0	327.5	321.0	347.6	310.0	1,306.1	1,487.2
% change y/y	*NM*	*25.1%*	*4.8%*	*5.8%*	*-9.0%*	*-15.0%*	*-4.0%*	*2.3%*	*15.8%*	*32.8%*	*53.5%*	*25.8%*	*104.1%*	*62.7%*	*50.2%*	*34.2%*	*59.3%*	*13.9%*
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	67.0	240.2	98.8	94.5	101.2	92.2	386.7	438.3
Fuel	88.0	70.3	14.5	17.3	17.3	17.8	66.9	19.2	20.5	24.7	24.2	88.6	35.4	33.8	36.0	33.0	138.2	156.5
Operations and maintenance	59.3	98.7	20.7	24.4	27.9	23.2	96.1	21.6	29.0	35.1	33.4	119.2	49.0	47.7	52.2	45.9	194.9	220.5
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	0.4	0.4
Purchased freight	150.7	182.0	36.8	41.2	42.5	33.6	154.1	37.6	49.8	61.6	59.8	208.7	86.7	83.5	89.2	81.2	340.6	385.2
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	1.5	1.1	0.9	1.3	4.8	5.8
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	0.4	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	0.6	0.4	0.4	0.5	1.9	2.4
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	1.2	0.9	0.7	1.0	3.8	4.7
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	21.6	75.3	32.6	30.8	32.8	30.3	126.5	143.9
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	0.3	1.1	1.3
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	57.9	62.5
Total operating expenses	**523.9**	**647.8**	**153.9**	**163.1**	**168.1**	**156.1**	**641.1**	**159.7**	**192.9**	**222.3**	**219.2**	**794.0**	**319.0**	**308.0**	**331.4**	**298.8**	**1257.2**	**1422.0**
Operating ratio	*96.5%*	*95.4%*	*98.1%*	*95.7%*	*96.5%*	*103.8%*	*98.4%*	*99.5%*	*97.7%*	*96.1%*	*94.9%*	*96.8%*	*97.4%*	*96.0%*	*95.3%*	*96.4%*	*96.3%*	*95.6%*
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%*	*94.5%*	*99.0%*	*97.2%*	*95.6%*	*94.9%*	*96.1%*	*98.7%*	*97.7%*
EBIT	18.8	31.0	3.0	7.3	6.1	(5.7)	10.7	0.8	4.5	9.0	11.8	26.0	8.5	13.0	16.2	11.2	48.9	65.3
% margin	*3.5%*	*4.6%*	*1.9%*	*4.3%*	*3.5%*	*-3.8%*	*1.6%*	*0.5%*	*2.3%*	*3.9%*	*5.1%*	*3.2%*	*2.6%*	*4.0%*	*4.7%*	*3.6%*	*3.7%*	*4.4%*
Adjusted EBITDA	70.3	97.3			25.0	15.3	88.0	17.6	24.3	30.3	33.4	105.5	41.1	43.8	49.0	41.5	175.4	209.1
% margin	*13.0%*	*14.3%*			*14.3%*	*10.2%*	*13.5%*	*11.0%*	*12.3%*	*13.1%*	*14.4%*	*12.9%*	*12.5%*	*13.6%*	*14.1%*	*13.4%*	*13.4%*	*14.1%*
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	6.8	27.9	6.9	7.4	8.0	8.5	30.7	34.1
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	6.8	27.5	6.9	7.4	8.0	8.5	30.7	34.1
Profit before tax	3.1	10.7	(2.3)	2.0	(0.6)	(11.2)	(8.6)	(5.0)	(1.9)	0.5	4.9	(1.5)	1.6	5.6	8.2	2.7	18.1	31.1
% margin	*0.6%*	*1.6%*	*-1.5%*	*1.2%*	*-0.3%*	*-7.4%*	*-1.3%*	*-3.1%*	*-1.0%*	*0.2%*	*2.1%*	*-0.2%*	*0.5%*	*1.8%*	*2.4%*	*0.9%*	*1.4%*	*2.1%*
Tax rate	*57.9%*	*69.6%*	*45.8%*	*49.1%*	*-119.0%*	*4.0%*	*-17.7%*	*26.6%*	*-113.6%*	*-349.8%*	*40.0%*	*-73.3%*	*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)	0.9	3.4	4.9	1.6	10.9	18.7
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	5.0	1.4	1.4	1.5	1.5	5.8	6.5
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	1.7	(7.6)	(0.5)	1.9	3.5	0.2	5.1	12.2
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)	1.7	(13.8)	(0.5)	1.9	3.5	0.2	5.1	12.2
% margin	*0.1%*	*-0.2%*	*-1.6%*	*-0.1%*	*-1.4%*	*-7.8%*	*-2.3%*	*-5.3%*	*-2.9%*	*-0.5%*	*0.7%*	*-1.7%*	*-0.1%*	*0.6%*	*1.0%*	*0.0%*	*0.4%*	*0.8%*
Average shares outstanding - diluted	0.1	0.1	21.0	21.0	21.0	37.7	37.7	26.9	37.9	39.4	46.1	37.6	57.0	57.6	58.1	58.6	57.8	64.8
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	$ 0.06	$ (0.13)	$ 0.02	$ 0.06	$ 0.08	$ 0.03	$ 0.19	$ 0.29
% change y/y		*142.1%*	*NM*	*NM*	*NM*	*NM*	*-101.2%*	*NM*	*NM*	*NM*	*-122.6%*	*NM*	*NM*	*NM*	*NM*	*-57.1%*	*NM*	*53.2%*
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**	**$ (0.26)**	**$ (0.01)**	**$ 0.03**	**$ 0.06**	**$ 0.00**	**$ 0.09**	**$ 0.19**
% change y/y		*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*143.2%*	*NM*	*NM*	*117.9%*
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)	$ 0.03	$ 0.06	$ 0.00	$ 0.09	$ 0.19
% change y/y		*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*117.9%*

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.

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

J.B. Hunt Transport Income Statement

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

	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A
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
% 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%*
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
% 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%*
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%*
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
% change y/y	*15.7%*	*19.1%*	*15.2%*	*11.4%*	*15.6%*	*18.1%*	*-9.3%*	*20.9%*	*24.8%*	*14.9%*	*12.5%*	*6.7%*	*-0.6%*
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%*
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
% change y/y	*6.8%*	*13.2%*	*11.1%*	*8.4%*	*2.3%*	*-1.0%*	*-17.9%*	*19.2%*	*13.7%*	*4.7%*	*14.1%*	*13.2%*	*4.1%*
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%*
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
% change y/y	*NA*	*NA*	*NA*	*NA*	*NA*	*128.5%*	*23.8%*	*12.3%*	*22.3%*	*28.2%*	*17.6%*	*33.8%*	*-2.6%*
Operating ratio	*NA*	*NA*	*NA*	*NA*	*95.3%*	*94.9%*	*94.9%*	*96.8%*	*96.3%*	*96.5%*	*97.1%*	*95.8%*	*94.9%*
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
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
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
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
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
Insurance and claims	63.5	54.8	55.3	63.9	69.7	60.8	50.8	48.3	44.9	53.8	55.2	81.1	73.7
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
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
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
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
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%*
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
% 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%*
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
% 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%*	*17.1%*
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)	16.4% (26.9)	(25.5)
Equity in earnings (loss) of associated companie	(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
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
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
% 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%*
Tax rate (4)	38.5%	40.5%	37.9%	37.9%	38.1%	37.7%	39.1%	37.6%	38.2%	38.5%	38.1%	38.0%	38.1%
Net income (loss) from continuing operation	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
Extraordinary item (net of tax) (3) - (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
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
% 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%*
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
EPS - diluted (continuing operations)	**$0.63**	**$1.09**	**$1.37**	**$1.50**	**$1.51**	**$1.58**	**$1.10**	**$1.58**	**$2.13**	**$2.59**	**$2.87**	**$ 3.16**	**$3.66**
% change y/y	*90.9%*	*73.0%*	*25.7%*	*9.5%*	*0.7%*	*4.6%*	*-30.4%*	*43.6%*	*34.8%*	*21.6%*	*10.8%*	*10.1%*	*15.8%*
EPS - diluted	$0.58	$0.88	$1.28	$1.44	$1.55	$1.56	$1.05	$1.56	$2.11	$2.59	$2.87	$3.16	$3.66
% change y/y	*75.8%*	*51.7%*	*45.5%*	*12.5%*	*7.6%*	*0.6%*	*-32.7%*	*48.6%*	*35.3%*	*22.7%*	*10.8%*	*10.1%*	*15.8%*

	2016 1QA	2016 2QA	2016 3QA	2016 4QA	2016	2017 1QA	2017 2QA	2017 3QA	2017 4QE	2017E	2018 1QE	2018 2QE	2018 3QE	2018 4QE	2018E	2019E
Gross revenues	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	*6.1%*	*4.9%*	*6.6%*	*6.2%*	*5.9%*	*6.6%*	*6.9%*	*9.0%*	*6.5%*	*7.3%*	*9.4%*	*9.7%*	*13.7%*	*13.2%*	*11.6%*	*10.5%*
By segment:																
JBT	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	*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	*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	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	*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	*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	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	*3.8%*	*4.4%*	*6.3%*	*7.9%*	*5.6%*	*9.5%*	*7.6%*	*11.1%*	*1.9%*	*7.5%*	*12.8%*	*13.3%*	*14.5%*	*12.3%*	*13.2%*	*9.4%*
Operating ratio	*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)	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	*12.2%*	*17.2%*	*34.8%*	*22.2%*	*21.7%*	*14.3%*	*9.2%*	*15.6%*	*15.0%*	*13.6%*	*14.0%*	*14.0%*	*14.0%*	*14.0%*	*14.0%*	*14.0%*
Operating ratio	*94.1%*	*94.7%*	*96.3%*	*97.4%*	*95.7%*	*97.9%*	*100.1%*	*95.7%*	*97.5%*	*97.7%*	*95.9%*	*97.6%*	*96.4%*	*96.7%*	*96.6%*	*95.5%*
Operating expenses:																
Salaries, wages and employee benefits	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	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	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	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	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	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	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)	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	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	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	*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	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	*11.0%*	*10.9%*	*10.8%*	*10.8%*	*10.9%*	*8.0%*	*9.5%*	*8.9%*	*10.6%*	*9.3%*	*9.6%*	*10.0%*	*10.8%*	*11.1%*	*10.4%*	*11.2%*
EBITDA	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	*16.8%*	*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	(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 companie	0.0	0.0	0.0	0.0	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
Profit before tax	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	*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 (4)	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 operation	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 item (net of tax) (3) - (14)	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	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	*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	114.0	113.8	113.4	112.3	113.4	112.0	110.8	110.6	110.4	111.0	110.2	109.9	109.7	109.4	109.8	108.8
EPS - diluted (continuing operations)	**$0.88**	**$0.92**	**$0.97**	**$0.97**	**$3.73**	**$0.80**	**$0.88**	**$0.91**	**$1.07**	**$3.66**	**$0.94**	**$1.04**	**$1.26**	**$1.30**	**$4.55**	**$5.55**
% change y/y	*12.8%*	*4.5%*	*-2.0%*	*-4.0%*	*1.9%*	*-9.1%*	*-4.3%*	*-6.2%*	*10.3%*	*-1.9%*	*17.5%*	*18.2%*	*38.5%*	*21.5%*	*24.3%*	*22.0%*
EPS - diluted	$0.88	$0.92	$0.97	$1.05	$3.82	$0.92	$0.88	$0.91	$1.07	$3.78	$0.94	$1.04	$1.26	$1.30	$4.55	$5.55
% change y/y	*12.8%*	*4.5%*	*-2.0%*	*4.0%*	*4.4%*	*4.5%*	*-4.3%*	*-6.2%*	*1.9%*	*-1.0%*	*2.2%*	*18.2%*	*38.5%*	*21.5%*	*20.4%*	*22.0%*

(1) The JBL segment businesses included a wide range of comprehensive transportation and management services including experienced professional managers, information and optimization technology, and the actual design or redesign of system solutions.
Effective July 1, 2000, the company contributed substantially all of its JBL segment business, all related intangible assets and $5 million of cash to a newly-formed, commonly-owned company, Transplace.com, LLC.
(2) Integrated Capacity Solutions (ICS) provides non-asset and asset-light transportation solutions through relationships with third-party carriers. Prior to 1Q07, the results had been reported as part of the Truck segment.
(3) 4Q01reflects a modification to the method of estimating ultimate losses relating to liability and workers' compensation claims, resulting in a $10.2mm increase in earnings
(4) 4Q03 and 2003 excludes reversal of 2003 expected non-cash tax benefits of $7.7 million resulting from a sale-leaseback transaction on containers.
(5) In 4Q04, J.B. Hunt established a reserve for contingent tax liability of $33.6 million, resulting in an extraordinarily large, one-time provision for income taxes, impacting both net income and reported EPS.
(6) 4Q04 and 3Q05 exclude $3.5 million and $5.6 million, respectively, of pretax expense associated with a gift to the University of Arkansas, totaling $10 million. The operating expense amounts were allocated on a pro rata basis based upon revenue contribution in the quarter recorded.
(7) 3Q05 excludes 80% of $25.8 million pretax charge ($12.6 million after-tax, or $0.08 per diluted share) related to the settlement of its arbitration with the BNSF Railway Co.
(8) 1Q06 excludes $900,000 in bad debt expense related to the unexpected bankruptcy of a Dedicated division customer.
(9) 4Q06 excludes a $12.4 million one-time charge as the company increased casualty and workers' compensation claims reserves to reflect the full administrative and termination costs of insurance contracts as the claims are incurred, rather than in the year the contracts expire.
(10) 2Q07 excludes a $3.0 million pretax interest expense accrual for state tax uncertain tax positions related to the settlement of proposed IRS adjustment and a $10.3 million net tax benefit resulting from the settlement of a proposed tax adjustment related to the 1999 sale-leaseback transaction on containers previously disclosed
(11) 4Q07 excludes an $8.4 million pretax charge related to the writedown of certain assets held for sale.
(12) 4Q08 excludes a $3.1 million pre-tax charge to write down the value of certain trailing equipment held for sale
(13) 2Q09 excludes a $10.3 million pre-tax charge to write down the value of certain tractors held for sale
(14) 3Q10 excludes a $4 million pre-tax charge related to a $5 million commitment to Arkansas Children's Hospital

Source: Company data and Stifel estimates

STIFEL

John Larkin, CFA / jglarkin@stifel.com
John Engstrom / engstromj@stifel.com
Roxanna Islam / islamr@stifel.com

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 1QA	2016 2QA	2016 3QA	2016 4QA	2016E	2017 1QA	2017 2QA	2017 3QE	2017 4QE	2017E	2018 1QE	2018 2QE	2018 3QE	2018 4QE	2018E	2019E
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)	13.9	22.8	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)	$ (1.71)	$ (0.88)	$ 0.58	$ 1.06	$ (0.19)	$ (0.15)	$ (0.09)	$ (0.48)	$ (0.90)	$ (0.61)	$ (0.35)	$ 0.05	$ 0.05	$ (0.83)	$ 0.07	$ 0.09	$ 0.14	$ 0.15	$ 0.45	$ 1.20
% change y/y		*NM*	*NM*	*NM*	*NM*	*NM*	*83.5%*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*208.2%*	*NM*	*166.6%*

Source: Company data and Stifel estimates
Some restatements not reflected in prior periods

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US Research
Stifel Research Department
Stifel, Nicolaus & Company, Inc.
One South Street
16th Floor
Baltimore, Md. 21202

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