

LET'S DELIVER.

SCHNEIDER



**Investor Presentation
November 2018**



Disclaimer and Forward-Looking Statements

Special Note Regarding Forward-Looking Statements

This presentation, and certain information that management may discuss in connection with this presentation, contains forward-looking statements, within the meaning of the United States Private Securities Litigation Reform Act of 1995, which are intended to come within the safe harbor protection provided by such Act. These forward-looking statements reflect our current expectations, beliefs, plans, or forecasts with respect to, among other things, future events and financial performance and trends in our business and industry. Forward-looking statements are often characterized by words or phrases such as “may,” “will,” “could,” “should,” “would,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “prospects,” “potential” and “forecast,” and other words, terms, and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks, and uncertainties. Readers are cautioned that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement.

Risks and uncertainties that could cause our actual results to differ materially from those contained in the forward-looking statements include, among others, those discussed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission (SEC) as well as in other sections of the Form 10-K and in our subsequently filed Quarterly Reports on Form 10-Q and other filings with the SEC.

Non-GAAP Financial Measures Reconciliation

This presentation, and certain information that management may discuss in connection with this presentation, references certain non-GAAP financial measures, including revenues (excluding fuel surcharge), adjusted income from operations, adjusted net income, adjusted diluted earnings per share (EPS), adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), and Free Cash Flow. Reconciliations of the non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are in an appendix to this presentation. Management believes the use of these non-GAAP measures assists investors in understanding our business. The non-GAAP information provided is used by our management and may not be comparable to similar measures disclosed by other companies. The non-GAAP measures used herein have limitations as analytical tools, and you should not consider them in isolation, or as substitutes, for analysis of our results as reported under GAAP.



Leading North American Transportation Services Company

Iconic Orange Brand

- A \$4.4 billion Company founded in 1935 in Green Bay, WI
- Brand reputation of operational excellence built on service, trust, and reliability
- Industry-leading safety, culture and performance
- Comprehensive presence throughout North America
- Portfolio of businesses with different asset intensities
- Only known industry peer of size to have completed a comprehensive IT platform transformation
- Strong balance sheet, with access to capital, provides flexibility to pursue organic and acquisitive growth initiatives

Three Segments, all at scale – **Truckload**, **Intermodal** and **Logistics**:

- Provides resiliency across market cycles
- Positioned for sustainable growth
- Utilize transformative Quest technology

Truckload:

- For-hire and Dedicated configurations
- Second largest carrier in North America¹

Intermodal:

- Owned container/chassis w/Company dray
- One of largest providers in North America¹

Logistics:

- Freight brokerage & logistics services
- Fastest growing segment

Notes:

¹ Rank based on 2017 Revenue as reported in SEC filings, adjusted for the impact of a 2017 merger of two peers on an estimated pro forma basis

Diversified Portfolio Delivers Across all Segments; Intermodal and Logistics Generate 50% of Earnings



Key Takeaways

- ✓ Revenues (xFSC) growth of 13% YoY driven by strong price in all three segments and volume growth in Intermodal and Logistics.
- ✓ All three segments at \$1 billion plus run rate.
- ✓ 3Q18 demonstrated the power of the portfolio.
- ✓ Capital allocation pivot continued to segments with the best return profiles given market conditions.
- ✓ Truckload Revenue per truck per week improved 7% YoY driven by strong contract price. Income from operations increased 29% YoY.
- ✓ Intermodal Revenue per order improved 16% YoY. Operating ratio of 85.7% driven by price growth, Quest, operational effectiveness, and owned chassis benefits.
- ✓ Logistics Revenue growth of 29% YoY. Income from operations increased 37% YoY due to brokerage growth and effective net revenue management.

Results (dollars in \$M except EPS)

Metric ¹	3Q18	3Q17
Operating Revenues	\$1,280	\$1,111
Revenues (xFSC)	\$1,145	\$1,017
Adj Income from Operations	\$98	\$69
Adj Net Income	\$71	\$40
Adj Diluted EPS	\$0.40	\$0.23
Adj EBITDA	\$171	\$140
Free Cash Flow	\$49	(\$14)
Net CapEx	\$106	\$103

Note:

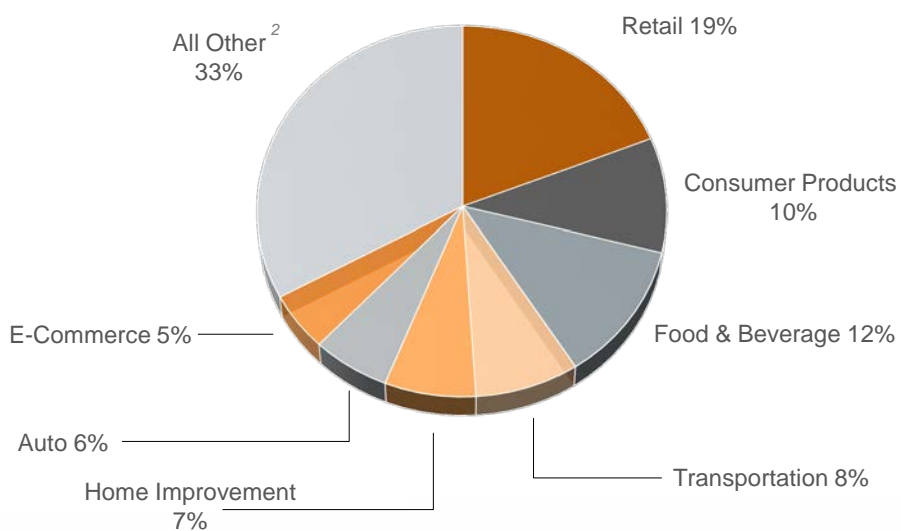
¹ See Appendix for non-GAAP reconciliations

Diversity of Customers and End-Markets Served Supports Stability and Growth Through Business Cycles



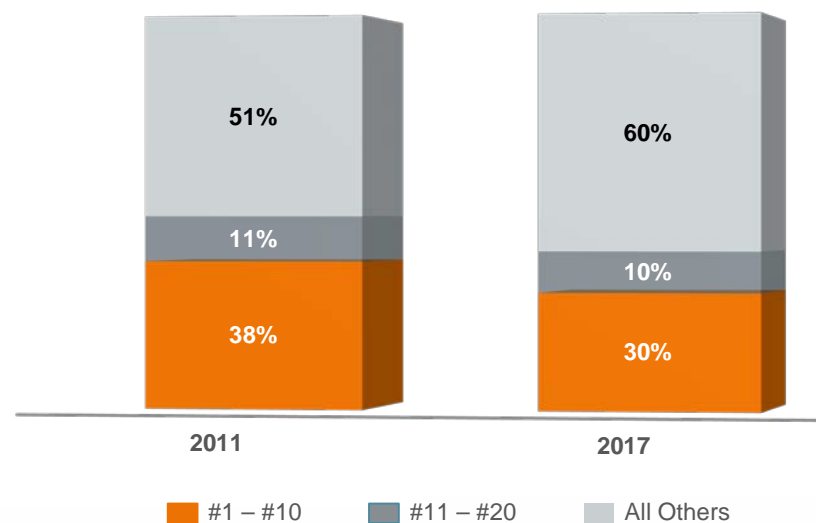
Diverse End-Market Footprint...

2017 Revenue (xFSC) ¹



...With a Broadening Customer Base...

Change in Customer Concentration ¹



...that includes nearly 200 of the Fortune 500

Notes:

¹ Based on Enterprise Revenue (excluding fuel surcharge) – see Appendix for non-GAAP reconciliation

² “All Other” includes Apparel, Electronics, Paper, Chemical, Construction, Energy, Furniture, Medical, Metal, Plastics, and other miscellaneous industries



Broad and Comprehensive Portfolio of Service Offerings

TRUCKLOAD			INTERMODAL		LOGISTICS	
STANDARD			FOR HIRE	DEDICATED	BROKERAGE	
DRY VAN					Temperature Control	Full Truckload
Long-Haul	Expedited		✓	✓	LTL	Flatbed
Regional/Short-Haul					Intermodal	Sole-Source
SPECIALTY			FOR HIRE	DEDICATED	SUPPLY CHAIN SERVICES (3PL)	
BULK					Supply Chain Management	Supplier Management
Long-Haul	Chemical		✓	✓	Supply Chain Design	Procurement
Regional/Short-Haul	Energy					Cross Border
	Expedited				IMPORT/EXPORT SERVICES	
TEMPERATURE CONTROL					Warehousing	Port Drayage
Freeze Protection	Reefer				Transloading	
E-COMMERCE/First-to-Final-Mile						
White Glove	Threshold		✓	✓		
Expedited	Large Parcel					
OTHER SPECIALTY						
Specialty Van	Multi-Stop					
Flatbed	Cross-Dock			✓		



DOOR-TO-DOOR



CONTAINER ON FLAT CAR (COFC)

LONG-HAUL

REGIONAL



NORTH AMERICAN CROSS-BORDER

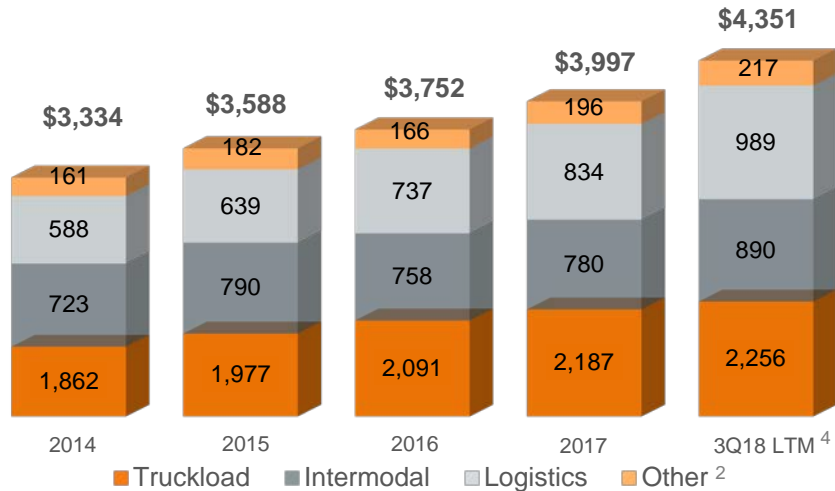
NORTH AMERICAN CROSS-BORDER / INTERNATIONAL FREIGHT





Significant Size and Scale in Each Business Segment

Enterprise Revenues (xFSC)¹



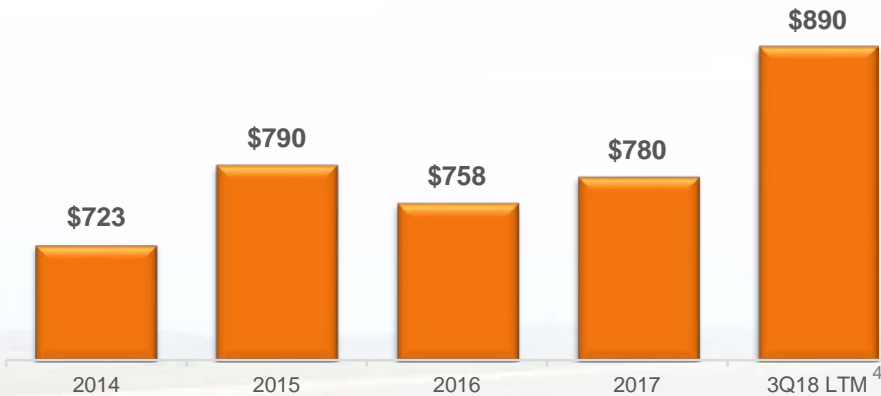
Truckload Revenues (xFSC)¹

Second Largest N.A. TL Provider³



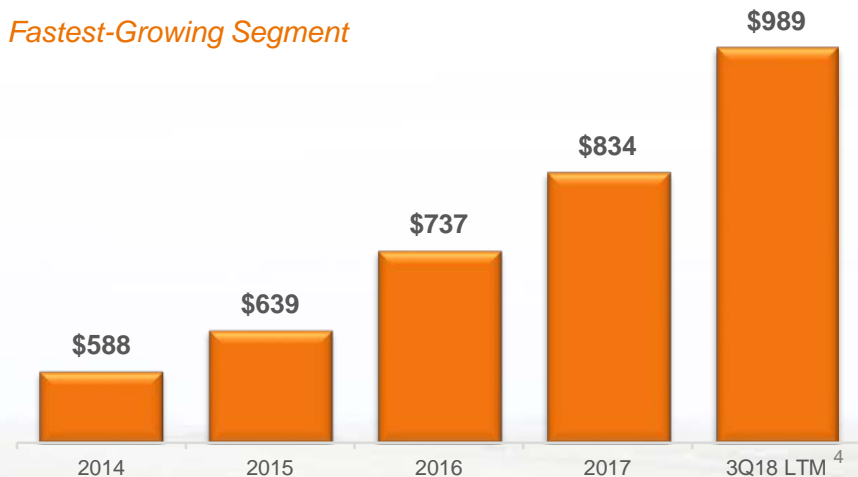
Intermodal Revenues (xFSC)¹

One of the Largest N.A. IM Providers³



Logistics Revenues (xFSC)¹

Fastest-Growing Segment



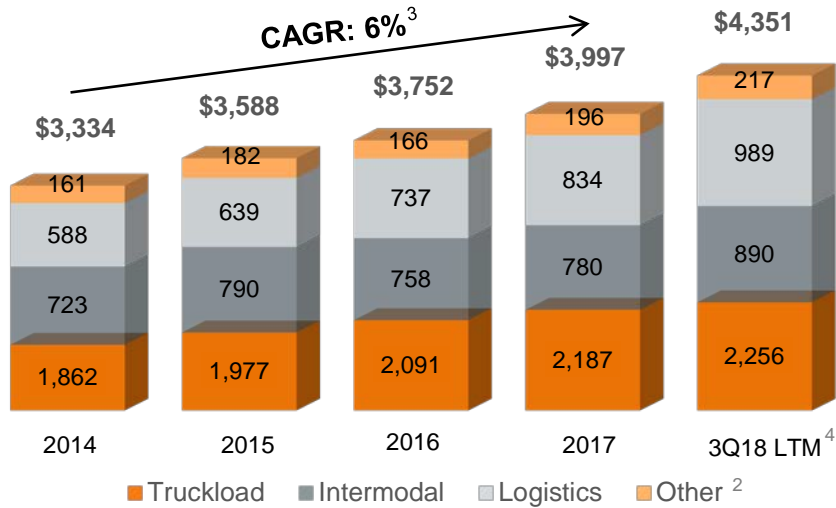
Notes:

- 1 Revenue excludes fuel surcharge, in millions
- 2 Other is net of intercompany eliminations
- 3 Rank based on 2017 revenue as reported in SEC filings, adjusted for the impact of a 2017 merger of two peers on an estimated pro forma basis
- 4 3Q18 LTM (last twelve months) represents fourth quarter 2017 through third quarter 2018

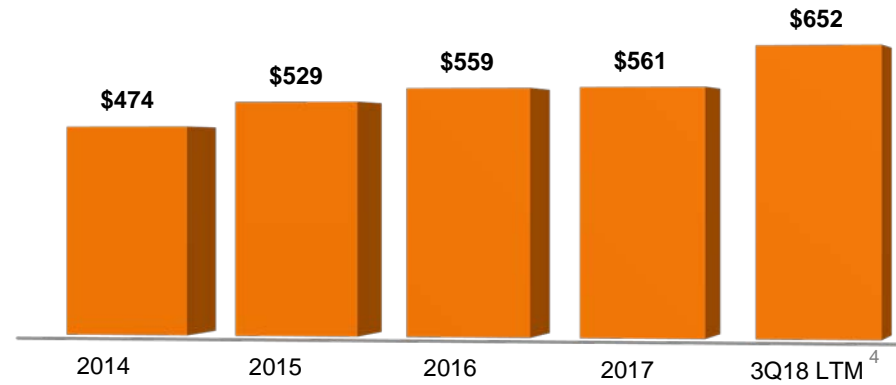


A Consistent Track Record of Financial Performance

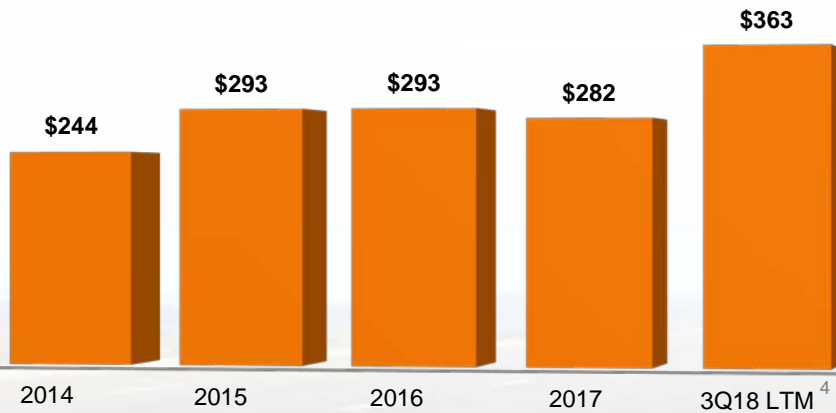
Enterprise Revenues (xFSC)¹



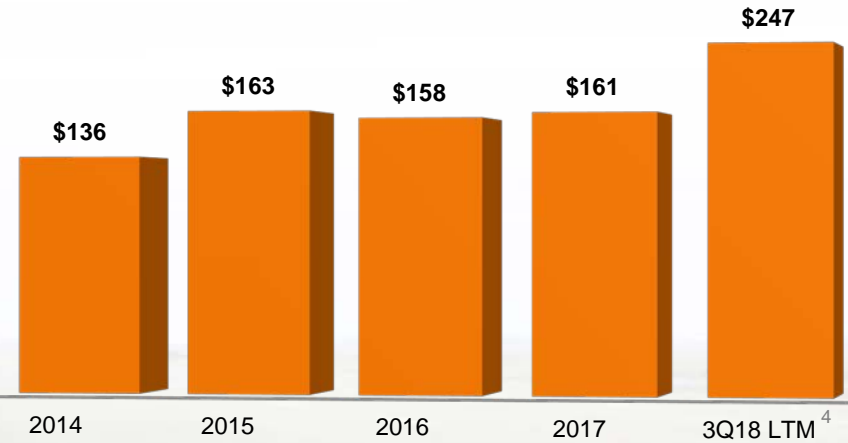
Adjusted EBITDA¹



Adjusted Income from Operations¹



Adjusted Net Income¹



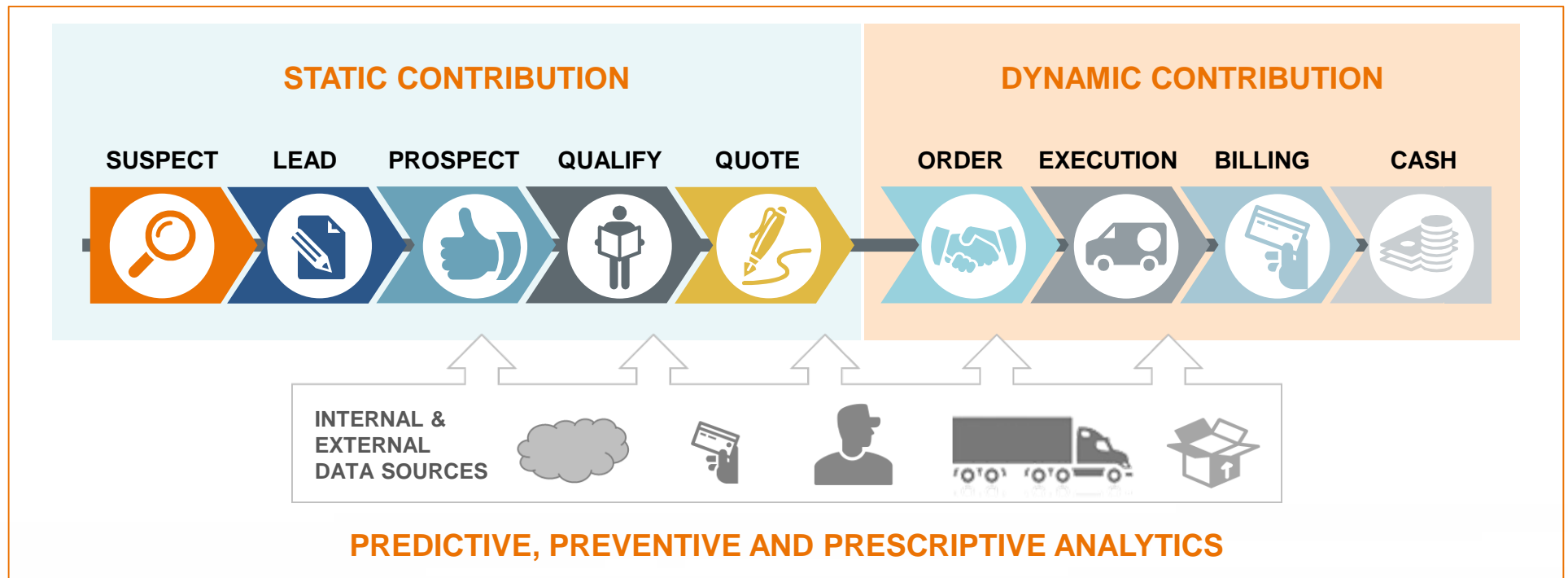
Note:

- 1 See Appendix for non-GAAP reconciliations, in millions
- 2 Other is net of intercompany eliminations
- 3 Revenue (xFSC) CAGR % 2014 – 2017
- 4 3Q18 LTM (last twelve months) represents fourth quarter 2017 through third quarter 2018



Quest Transformation: Digitizing Our Value Chain

\$250M technology investment differentiates us and enables optimized decisions that drive enhanced contribution



- ✓ Transformation of culture and business process
- ✓ Significant driver of margin expansion
- ✓ Feedback loops to enhance performance over time
- ✓ Turns “order takers” to “profit makers”

Driven by “One Version of the Truth”

3Q18 LTM (last twelve months)¹



(\$M)	4Q17	1Q18	2Q18	3Q18	3Q18 LTM ²
Operating Revenues	\$1,191.2	\$1,139.0	\$1,236.3	\$1,280.1	\$4,846.5
Income from Operations	\$93.7	\$67.6	\$91.7	\$97.9	\$350.9
Net Income	\$283.9	\$47.6	\$65.8	\$70.7	\$468.0

Notes:

1 Table may not sum due to rounding

2 3Q18 LTM (last twelve months) represents fourth quarter 2017 through third quarter 2018



Appendix

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Non-GAAP Reconciliation – Revenues (excluding fuel surcharge)¹

(\$M)	FY2014	FY2015	FY2016	FY2017	3Q18 LTM ²	3Q17	3Q18
Operating revenues	\$3,940.6	\$3,959.4	\$4,045.7	\$4,383.6	\$4,846.5	\$1,110.8	\$1,280.1
Less: Fuel surcharge revenues	606.9	371.2	294.0	386.3	495.4	93.9	134.9
Revenues (excluding fuel surcharge)	\$3,333.7	\$3,588.2	\$3,751.7	\$3,997.3	\$4,351.2	\$1,016.9	\$1,145.2

Notes:

1 Table may not sum due to rounding

2 3Q18 LTM (last twelve months) represents fourth quarter 2017 through third quarter 2018



Non-GAAP Reconciliation – Adjusted Income from Operations¹

(\$M)	FY2014	FY2015	FY2016	FY2017	3Q18 LTM ²	3Q17	3Q18
Income from operations	\$239.4	\$260.2	\$290.4	\$280.3	\$350.9	\$64.1	\$97.9
Litigation ³	4.9	26.7	–	–	5.8	–	–
Goodwill impairment ⁴	–	6.0	–	–	–	–	–
Duplicate chassis costs ⁵	–	–	–	14.9	6.6	5.4	–
WSL contingent consideration adjustment ⁶	–	–	–	(13.5)	(0.4)	(0.3)	–
Acquisition costs ⁷	–	–	1.4	–	–	–	–
IPO costs ⁸	–	–	1.3	–	–	–	–
Adjusted income from operations	\$244.3	\$292.9	\$293.1	\$281.7	\$362.9	\$69.2	\$ 97.9

Notes:

- 1 Table may not sum due to rounding
- 2 3Q18 LTM (last twelve months) represents fourth quarter 2017 through third quarter 2018
- 3 2014/2015 - Costs associated with certain lawsuits challenging compliance with aspects of the Fair Labor Standards Act (FLSA); 2018 – Costs associated with the settlement of a lawsuit that challenged Washington state labor law compliance
- 4 As a result of our annual Goodwill impairment test, as of December 31, 2015, the Company took an impairment charge for our Asia reporting unit
- 5 As of December 31, 2017, the Company completed its migration to an owned chassis model, which required the replacement of rented chassis with owned chassis. Accordingly, the Company adjusted its income from operations for rental costs related to idle chassis as rented units were replaced
- 6 Represents a fair value adjustment to the contingent consideration related to the acquisition of Watkins & Shepard, and Lodes o (WSL)
- 7 Costs related to the June 1, 2016 acquisition of WSL
- 8 Costs related to the Company's initial public offering (IPO)



Non-GAAP Reconciliation – Adjusted Net Income¹

(\$M)	FY2014	FY2015	FY2016	FY2017	3Q18 LTM ²	3Q17	3Q18
Net income	\$133.6	\$140.9	\$156.9	\$389.9	\$468.0	\$36.9	\$70.7
Litigation ³	4.9	26.7	–	–	5.8	–	–
Goodwill impairment ⁴	–	6.0	–	–	–	–	–
Duplicate chassis costs ⁵	–	–	–	14.9	6.6	5.4	–
WSL contingent consideration adjustment ⁶	–	–	–	(13.5)	(0.4)	(0.3)	–
Acquisition costs ⁷	–	–	1.4	–	–	–	–
IPO costs ⁸	–	–	1.3	–	–	–	–
Tax Cuts and Jobs Act ⁹	–	–	–	(229.5)	(229.5)	–	–
Income tax adjustment ¹⁰	(2.0)	(10.9)	(1.1)	(0.6)	(4.0)	(2.0)	–
Adjusted net income	\$136.5	\$162.7	\$158.5	\$161.2	\$246.5	\$40.0	\$70.7

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9 Represents the effect on deferred assets and liabilities of the change in the federal income tax rate from 35% to 21% as a result of the Tax Cuts and Jobs Act enacted in December 2017

10 Tax impacts are calculated using the applicable consolidated federal and state effective tax rate, modified to remove the impact of tax credits and adjustments (such as the Tax Cuts and Jobs Act in 2017) that are not applicable to the item in question. If the underlying item has a materially different tax treatment, the actual or estimated tax rate applicable to the adjustment is used



Non-GAAP Reconciliation – Adjusted EBITDA¹

(\$M)	FY2014	FY2015	FY2016	FY2017	3Q18 LTM ²	3Q17	3Q18
Net Income	\$133.6	\$140.9	\$156.9	\$389.9	\$468.0	\$36.9	\$70.7
Provision for (benefit from) income taxes	92.3	97.8	108.7	(126.5)	(129.7)	23.8	24.6
Interest expense – net	11.7	18.7	21.4	17.4	13.8	3.6	2.7
Depreciation and amortization	230.0	236.3	266.0	279.0	288.9	70.5	73.3
Other - net	1.8	2.8	3.4	(0.5)	(1.2)	(0.3)	(0.1)
Litigation ³	4.9	26.7	–	–	5.8	–	–
Goodwill impairment ⁴	–	6.0	–	–	–	–	–
Duplicate chassis costs ⁵	–	–	–	14.9	6.6	5.4	–
WSL contingent consideration adjustment ⁶	–	–	–	(13.5)	(0.4)	(0.3)	–
Acquisition costs ⁷	–	–	1.4	–	–	–	–
IPO costs ⁸	–	–	1.3	–	–	–	–
Adjusted EBITDA	\$474.3	\$529.2	\$559.1	\$560.7	\$651.8	\$139.7	\$171.2

Notes:

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- 3Q18 LTM (last twelve months) represents fourth quarter 2017 through third quarter 2018
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Non-GAAP Reconciliation – Free Cash Flow¹

(\$M)	FY2017	3Q17	3Q18	YTD 3Q17	YTD 3Q18
Net cash provided by operating activities	\$461.3	\$89.0	\$155.1	\$315.7	\$410.1
Purchases of transportation equipment	(388.5)	(111.1)	(125.0)	(274.1)	(268.1)
Purchases of other property and equipment	(33.4)	(9.0)	(7.9)	(27.3)	(22.3)
Proceeds from sale of property and equipment	<u>70.0</u>	<u>17.3</u>	<u>27.0</u>	<u>51.8</u>	<u>74.6</u>
Net capital expenditures	(351.9)	(102.8)	(105.9)	(249.6)	(215.8)
Free cash flow	\$109.4	(\$13.8)	\$49.2	\$66.1	\$194.3

Notes:

1 Table may not sum due to rounding



Non-GAAP Reconciliation – Adjusted Diluted Earnings per Share¹

	FY2017	3Q17	3Q18
Diluted earnings per share	\$ 2.28	\$ 0.21	\$0.40
Non-GAAP adjustments, tax effected	(1.34)	0.02	–
Adjusted diluted earnings per share	\$ 0.94	\$ 0.23	\$0.40

Notes:

¹ Table may not sum due to rounding