

INVESTOR PRESENTATION

First Quarter 2020

May 2020

SCHNEIDER[®]



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, 2019 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 nearly \$5.0 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
 - Broad 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
 - One of the largest carriers in North America
 - **Intermodal:**
 - Owned container/chassis w/Company dray
 - One of the largest providers in North America
 - **Logistics:**
 - Freight brokerage and logistics services
 - Over 34,000 qualified carrier relationships

FIRST QUARTER 2020

Key Takeaways

- ✓ Truckload Revenues decreased 12% compared to the same quarter in 2019 primarily due to the shutdown of FTFM and lower price, partially offset by improved productivity. Truckload operating ratio was 92.2% in 1Q20 compared to 95.6% in 1Q19.
- ✓ Intermodal Revenues were flat YoY. Revenue per order decreased 4% compared to 1Q20 compared to the same quarter in 2019 primarily due to a higher mix of shorter length of haul volume in the East. Orders increased 3% YoY. Intermodal operating ratio was 93.2% in 1Q20 compared to 91.6% in 1Q19.
- ✓ Logistics Revenues decreased 2% YoY. Increased revenue from brokerage volume growth essentially offset the April 2019 large customer warehouse insourcing in the company's import/export business. Logistics operating ratio of 98.2% in 1Q20 compared to 95.8% in 1Q19.

Note:

¹ See Appendix for non-GAAP reconciliations

Results (dollars in \$M except EPS)

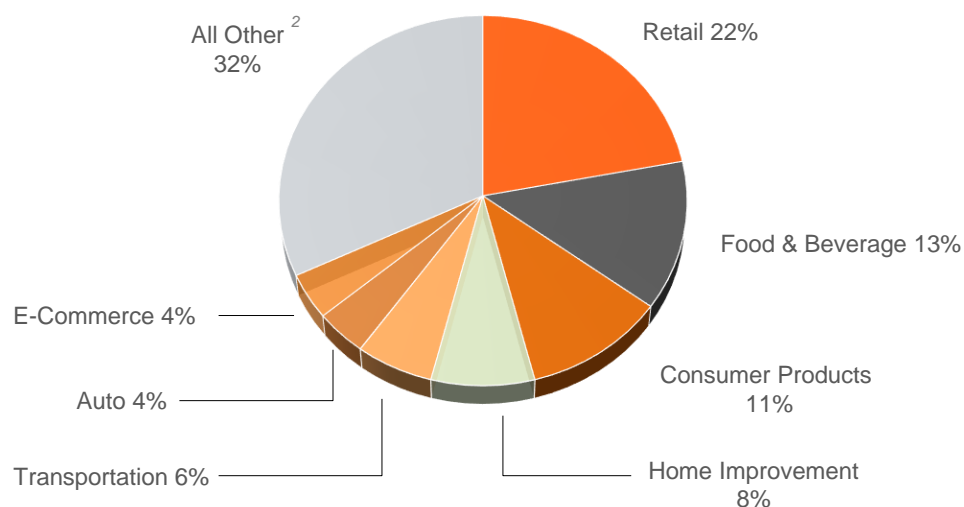
Metric ¹	1Q20	1Q19
Operating Revenues	\$1,119	\$1,194
Revenues (xFSC)	\$1,016	\$1,082
Adj Income from Operations	\$54	\$52
Adj Net Income	\$43	\$37
Adj Diluted EPS	\$0.24	\$0.21
Adj EBITDA	\$124	\$125
Free Cash Flow	\$109	\$83
Net CapEx	\$15	\$50

DIVERSITY OF CUSTOMERS AND END-MARKETS SERVED SUPPORTS STABILITY AND GROWTH THROUGH BUSINESS CYCLES

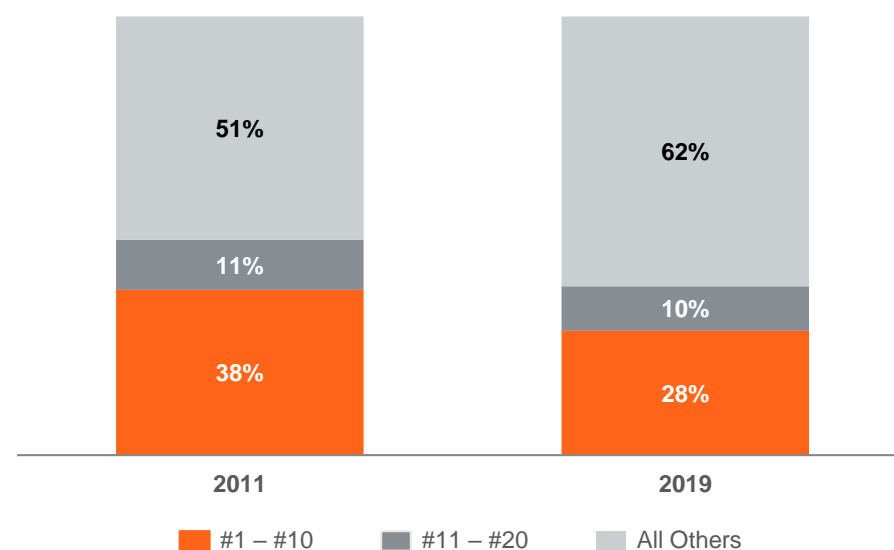
Diverse end-market footprint...

...with a broadening customer base...

2019 Revenues (xFSC) ¹



Change in Customer Concentration ¹



...that includes nearly 200 of the Fortune 500

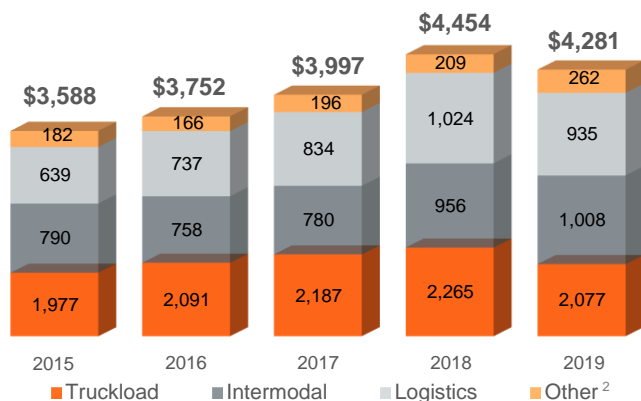
Notes:

¹ Based on Enterprise Revenues (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

SIGNIFICANT SIZE AND SCALE IN EACH BUSINESS SEGMENT

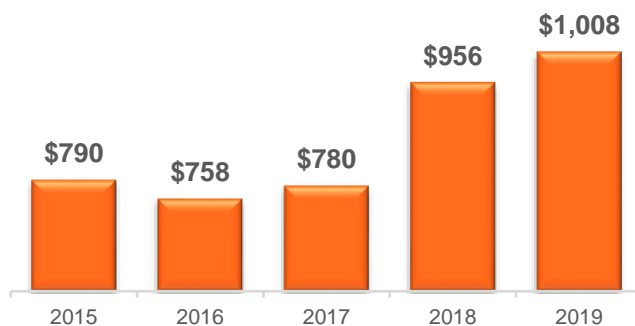
Enterprise Revenues (xFSC)¹



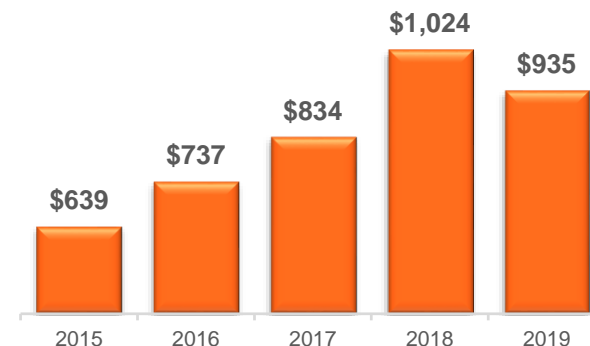
Truckload Revenues (xFSC)¹



Intermodal Revenues (xFSC)¹



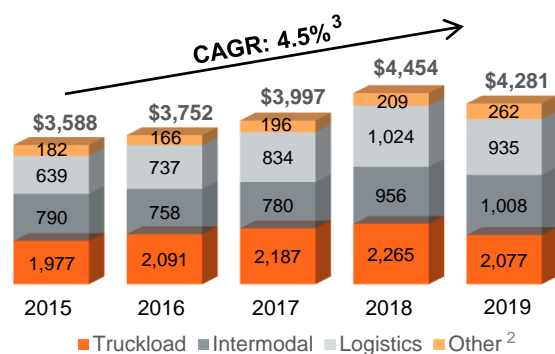
Logistics Revenues (xFSC)¹



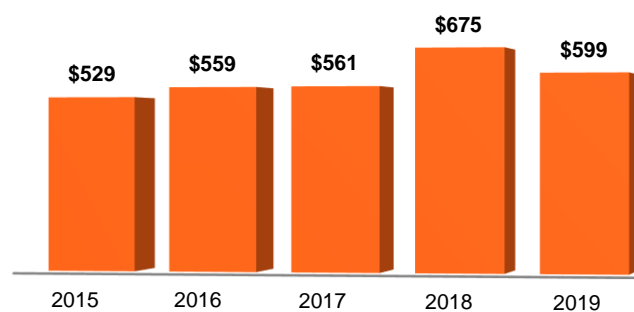
Notes:
¹ Revenue excludes fuel surcharge, in millions. See Appendix for reconciliation of Enterprise Revenues (xFSC)
² Other is net of intercompany eliminations

A CONSISTENT TRACK RECORD OF FINANCIAL PERFORMANCE

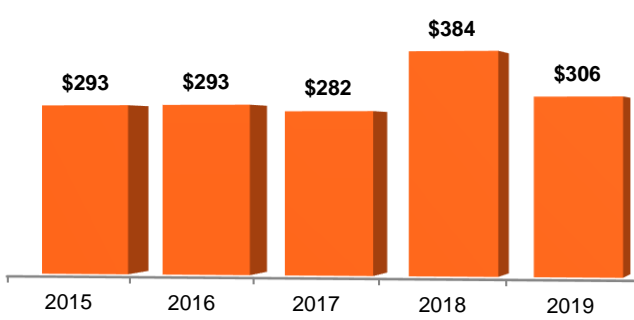
Enterprise Revenues (xFSC)¹



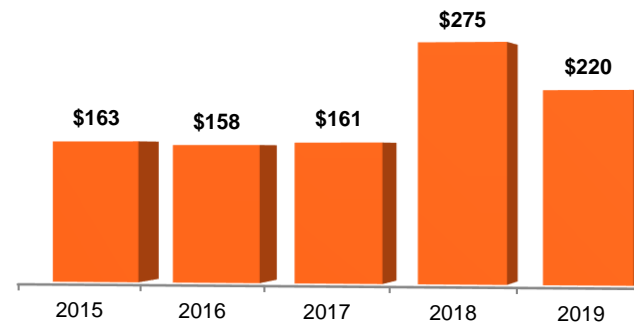
Adjusted EBITDA¹



Adjusted Income from Operations¹



Adjusted Net Income¹



Notes:
 1 See Appendix for non-GAAP reconciliations, in millions
 2 Other is net of intercompany eliminations
 3 Based on most recent 4-year CAGR of Revenues (xFSC)

APPENDIX



NON-GAAP RECONCILIATION – REVENUES (EXCLUDING FUEL SURCHARGE)¹

(\$M)	FY2015	FY2016	FY2017	FY2018	FY2019	1Q20	1Q19
Operating revenues	\$3,959.4	\$4,045.7	\$4,383.6	\$4,977.0	\$4,747.0	\$1,119.1	\$1,194.1
Less: Fuel surcharge revenues	371.2	294.0	386.3	522.8	466.0	103.0	111.8
Revenues (excluding fuel surcharge)	\$3,588.2	\$3,751.7	\$3,997.3	\$4,454.2	\$4,281.0	\$1,016.1	\$1,082.3

Note:

¹ Table may not sum due to rounding

NON-GAAP RECONCILIATION – ADJUSTED INCOME FROM OPERATIONS¹

(\$M)	FY2015	FY2016	FY2017	FY2018	FY2019	1Q20	1Q19
Income from operations	\$260.2	\$290.4	\$280.3	\$375.8	\$207.8	\$54.9	\$51.5
Litigation ²	26.7	–	–	5.8	–	–	–
Goodwill impairment ³	6.0	–	–	2.0	34.6	–	–
Duplicate chassis costs ⁴	–	–	14.9	–	–	–	–
WSL contingent consideration adjustment ⁵	–	–	(13.5)	–	–	–	–
Acquisition costs ⁶	–	1.4	–	–	–	–	–
IPO costs ⁷	–	1.3	–	–	–	–	–
Restructuring charges ⁸	–	–	–	–	63.7	(1.2)	–
Adjusted income from operations	\$292.9	\$293.1	\$281.7	\$383.6	\$306.1	\$53.7	\$ 51.5

Notes:

1 Table may not sum due to rounding

2 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

3 As a result of goodwill impairment testing, the Company took an impairment charge for its Asia reporting unit in 2015 and 2018 and a full impairment of its FTFM reporting unit in 2Q19

4 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

5 Represents a fair value adjustment to the contingent consideration related to the acquisition of Watkins Shepard, and Lodeso (WSL)

6 Costs related to the June 1, 2016 acquisition of WSL

7 Costs related to the Company's initial public offering (IPO)

8 Impairment losses, write-down of receivables, and other costs associated with the shutdown of the FTFM service offering

NON-GAAP RECONCILIATION – ADJUSTED NET INCOME¹

(\$M)	FY2015	FY2016	FY2017	FY2018	FY2019	1Q20	1Q19
Net income	\$140.9	\$156.9	\$389.9	\$268.9	\$147.0	\$43.8	\$36.9
Litigation ²	26.7	–	–	5.8	–	–	–
Goodwill impairment ³	6.0	–	–	2.0	34.6	–	–
Duplicate chassis costs ⁴	–	–	14.9	–	–	–	–
WSL contingent consideration adjustment ⁵	–	–	(13.5)	–	–	–	–
Acquisition costs ⁶	–	1.4	–	–	–	–	–
IPO costs ⁷	–	1.3	–	–	–	–	–
Restructuring charges ⁸	–	–	–	–	63.7	(1.2)	–
Tax Cuts and Jobs Act ⁹	–	–	(229.5)	–	–	–	–
Income tax adjustment ¹⁰	(10.9)	(1.1)	(0.6)	(1.5)	(25.1)	0.3	–
Adjusted net income	\$162.7	\$158.5	\$161.2	\$275.2	\$220.2	\$42.9	\$36.9

Notes:

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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 discrete tax times

NON-GAAP RECONCILIATION – ADJUSTED EBITDA¹

(\$M)	FY2015	FY2016	FY2017	FY2018	FY2019	1Q20	1Q19
Net Income	\$140.9	\$156.9	\$389.9	\$268.9	\$147.0	\$43.8	\$36.9
Provision for (benefit from) income taxes	97.8	108.7	(126.5)	95.7	51.1	14.5	12.5
Interest expense – net	18.7	21.4	17.4	12.5	8.1	2.0	1.7
Depreciation and amortization	236.3	266.0	279.0	291.3	292.9	69.8	73.4
Other – net	2.8	3.4	(0.5)	(1.3)	1.6	(5.4)	0.4
Litigation ²	26.7	–	–	5.8	–	–	–
Goodwill impairment ³	6.0	–	–	2.0	34.6	–	–
Duplicate chassis costs ⁴	–	–	14.9	–	–	–	–
WSL contingent consideration adjustment ⁵	–	–	(13.5)	–	–	–	–
Acquisition costs ⁶	–	1.4	–	–	–	–	–
IPO costs ⁷	–	1.3	–	–	–	–	–
Restructure charges ⁸	–	–	–	–	63.7	(1.2)	–
Adjusted EBITDA	\$529.2	\$559.1	\$560.7	\$674.9	\$599.0	\$123.6	\$125.0

Notes:

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NON-GAAP RECONCILIATION – FREE CASH FLOW¹

(\$M)	FY2018	FY2019	1Q20	1Q19
Net cash provided by operating activities	\$566.5	\$636.3	\$124.5	\$133.2
Purchases of transportation equipment	(385.1)	(335.3)	(22.2)	(50.1)
Purchases of other property and equipment	(36.9)	(61.7)	(12.6)	(11.1)
Proceeds from sale of property and equipment	<u>90.5</u>	<u>90.1</u>	<u>19.4</u>	<u>11.2</u>
Net capital expenditures	(331.5)	(306.9)	(15.4)	(50.1)
Free cash flow	\$235.0	\$329.4	\$109.1	\$83.1

Note:

1 Table may not sum due to rounding

NON-GAAP RECONCILIATION – ADJUSTED DILUTED EARNINGS PER SHARE¹

	FY2018	FY2019	1Q20	1Q19
Diluted earnings per share	\$ 1.52	\$ 0.83	\$0.25	\$0.21
Non-GAAP adjustments, tax effected	0.03	0.41	–	–
Adjusted diluted earnings per share	\$ 1.55	\$ 1.24	\$0.24	\$0.21

Note:
¹ Table may not sum due to rounding