

Investor presentation

Fourth quarter 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 \$4.6 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.
- › Fully leveraging industry-leading Quest technology capabilities through decision science and the Schneider FreightPower® digital platform.
- › 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.
 - Utilizes transformative Quest technology.
- › Truckload:
 - Network 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 36,000 qualified carrier relationships.

Fourth quarter 2020

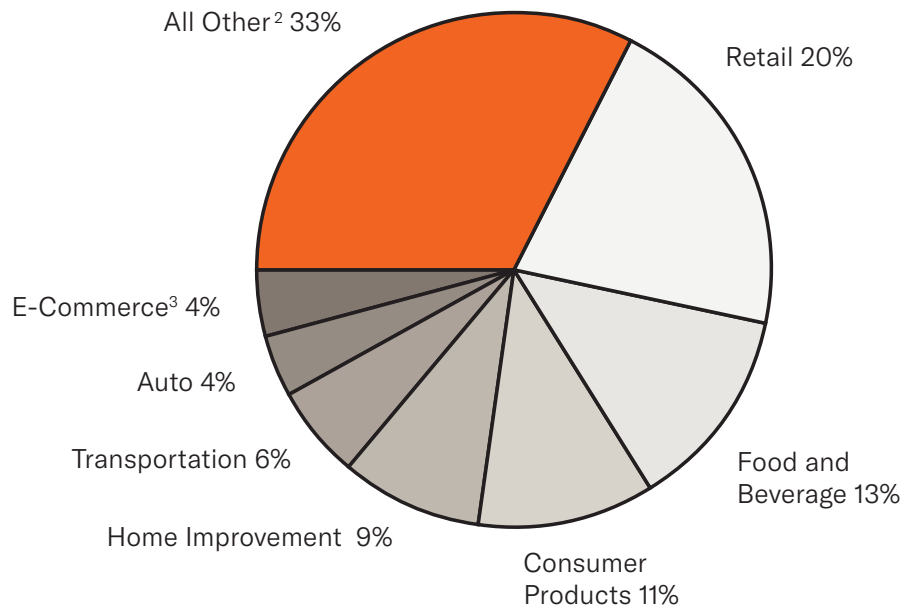
Key Takeaways

- › Truckload Revenues decreased 5% compared to 4Q19 primarily due to lower network capacity levels, partially offset by effective yield management actions and dedicated growth. Truckload operating ratio was 86.2% in 4Q20, a sequential improvement of 390-bps from 3Q20; operating ratio was 91.8% in 4Q19 (adjusted for FTFM 89.1%).
- › Intermodal Revenues increased 3% compared to 4Q19 primarily due to growth in Intermodal loads. Rail network fluidity and service declined which resulted in missed revenue opportunities. Intermodal operating ratio was 90.8% in 4Q20 compared to 87.7% in 4Q19.
- › Logistics Revenue increased 64% compared 4Q19 primarily due to brokerage volume growth, which included truckload overflow freight, and increased revenue per order. Logistics operating ratio was 94.2% in 4Q20 compared to 96.5% in 4Q19.

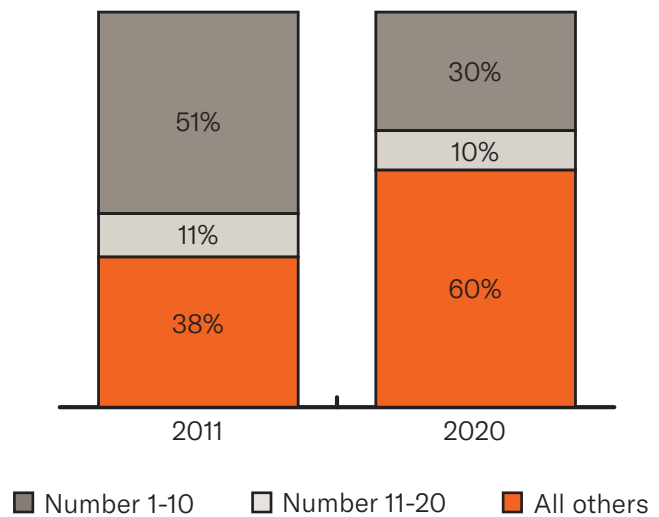
Metric ¹	4Q20	4Q19
Operating Revenues	\$1,265	\$1,156
Revenues (xFSC)	\$1,192	\$1,041
Adj Income from Operations	\$106	\$91
Adj Net Income	\$78	\$66
Adj Diluted EPS	\$0.44	\$0.37
Adj EBITDA	\$181	\$162
Free Cash Flow	\$27	\$172
Net CapEx	\$122	(\$6)

Diversity of customers and end-markets served supports stability and growth through business cycles.

Diverse end-market footprint: 2020 Revenues (xFSC)¹



Broadening customer base: change in customer concentration¹



As of December 31, 2020, Schneider offered its services to approximately 9,250 customers, including nearly 200 Fortune 500 companies. Of Schneider's top 25 customers, 24 used services from all three reportable segments.

Notes:





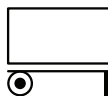
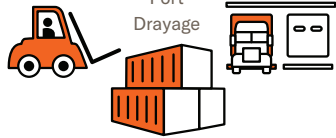
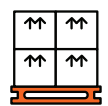
¹ Based on Enterprise Revenues (excluding fuel surcharge). See Appendix for non-GAAP reconciliation.

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

³ E-commerce includes customers that do not have a physical retail presence.

Broad and comprehensive portfolio of service offerings

COMPREHENSIVE PORTFOLIO OF SERVICES

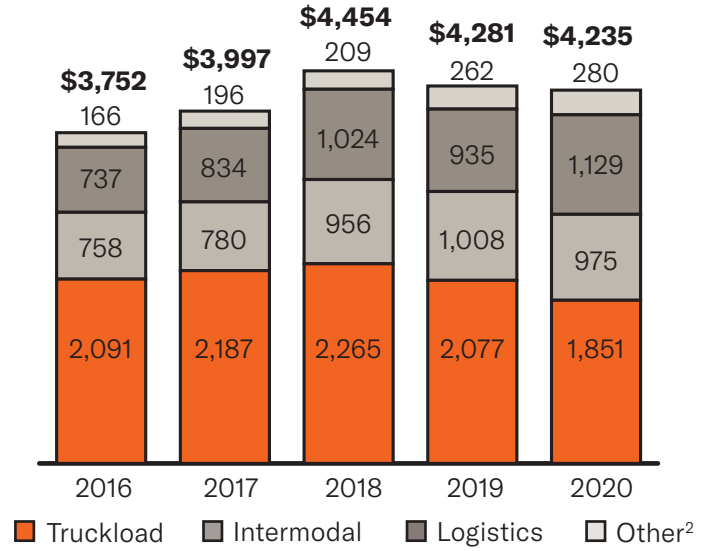
TRUCKLOAD		INTERMODAL	LOGISTICS
NETWORK DEDICATED			
STANDARD	 <p>DRY VAN</p> <ul style="list-style-type: none"> • Long-haul • Regional/Short-Haul • Expedited 	 <p>DOOR-TO-DOOR</p> <p>CONTAINER ON FLAT CAR (COFC)</p> <p>LONG-HAUL</p> <p>REGIONAL</p> <p>NORTH AMERICAN CROSS-BORDER</p>	 <p>BROKERAGE</p> <ul style="list-style-type: none"> Full Truckload LTL Intermodal Temperature Control Flatbed Sole-Source Power Only
	 <p>BULK</p> <ul style="list-style-type: none"> Long-haul Chemical Regional/ Energy Short-Haul Expedited 		<p>SUPPLY CHAIN SERVICES (3PL)</p> <ul style="list-style-type: none"> Supply Chain Management Supplier Management Supply Chain Design Procurement Cross Border
SPECIALTY	 <p>TEMPERATURE CONTROL</p> <ul style="list-style-type: none"> Reefer Freeze Protection 		<p>IMPORT/EXPORT SERVICES</p> <ul style="list-style-type: none"> Warehousing Port Drayage Transloading 
	 <p>OTHER SPECIALTY</p> <ul style="list-style-type: none"> Specialty Van Flatbed Multi-Stop Cross-Dock 		

NORTH AMERICAN CROSS-BORDER/INTERNATIONAL FREIGHT

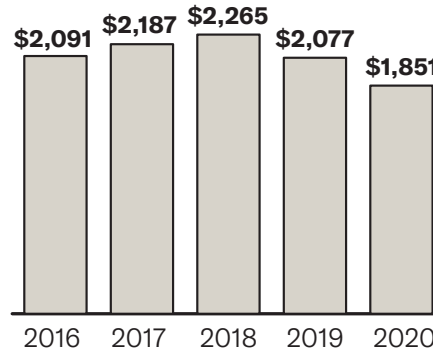


Significant size and scale

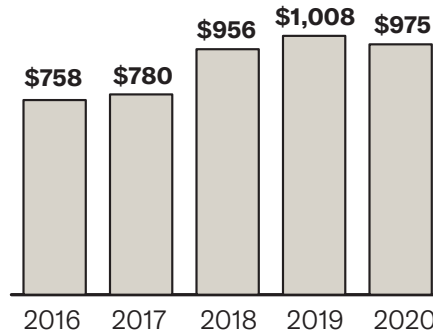
Enterprise revenues (xFSC)¹



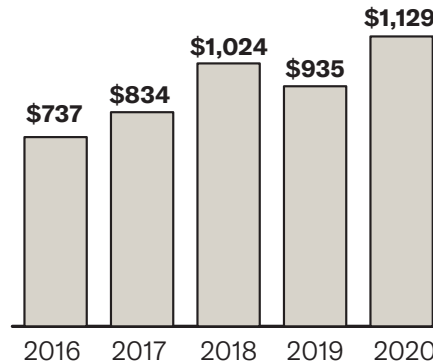
Truckload revenues (xFSC)¹



Intermodal revenues (xFSC)¹



Logistics revenues (xFSC)¹

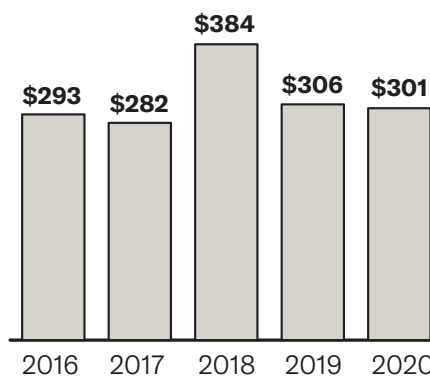


Notes:

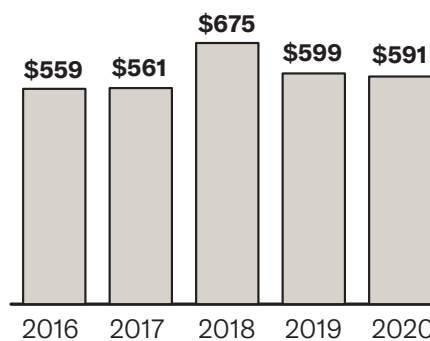
¹ Revenue excludes fuel surcharge, in millions. See Appendix for reconciliation of Enterprise Revenues (xFSC)

² Other is net of intercompany eliminations

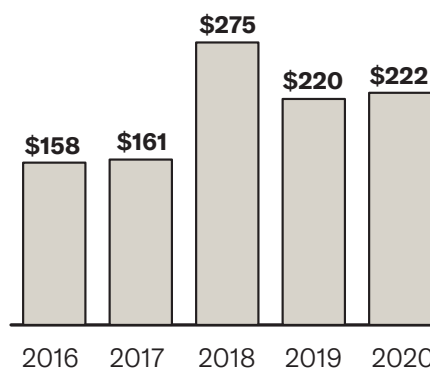
**Adjusted income
from operations¹**



Adjusted EBITDA¹



Adjusted net income¹



Notes:

¹ See Appendix for non-GAAP reconciliations, in millions

² Other is net of intercompany eliminations

Appendix

Non-GAAP reconciliation – revenues

(excluding fuel surcharge)¹

(\$M)	FY2016	FY2017	FY2018	FY2019	FY2020	4Q20	4Q19
Operating revenues	\$4,046	\$4,384	\$4,977	\$4,747	\$4,553	\$1,265	\$1,156
Less: Fuel surcharge revenues	294	386	523	466	318	74	116
Revenues (excluding fuel surcharge)	\$3,752	\$3,997	\$4,454	\$4,281	\$4,235	\$1,192	\$1,041

Notes:

¹ Table may not sum due to rounding

Non-GAAP reconciliation – adjusted income from operations¹

(\$M)	FY2016	FY2017	FY2018	FY2019	FY2020	4Q20	4Q19
Income from operations	\$290	\$280	\$376	\$208	\$287	\$105	\$78
Litigation ²	-	-	6	-	13	-	-
Goodwill impairment ³	-	-	2	35	-	-	-
Duplicate chassis costs ⁴	-	15	-	-	-	-	-
WSL contingent consideration adjustment ⁵	-	(14)	-	-	-	-	-
Acquisition costs ⁶	1	-	-	-	-	-	-
IPO costs ⁷	1	-	-	-	-	-	-
Restructuring charges ⁸	-	-	-	64	1	2	13
Adjusted income from operations	\$293	\$282	\$384	\$306	\$301	\$106	\$91

Notes:

¹ Table may not sum due to rounding

² 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; 2020 - Costs resulting from an adverse excise tax ruling related to an excise tax audit by the IRS for tax years 2011-2013

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)	FY2016	FY2017	FY2018	FY2019	FY2020	4Q20	4Q19
Net income	\$157	\$390	\$269	\$147	\$212	\$77	\$56
Litigation ²	-	-	6	-	13	-	-
Goodwill impairment ³	-	-	2	35	-	-	-
Duplicate chassis costs ⁴	-	15	-	-	-	-	-
WSL contingent consideration adjustment ⁵	-	(14)	-	-	-	-	-
Acquisition costs ⁶	1	-	-	-	-	-	-
IPO costs ⁷	1	-	-	-	-	-	-
Restructuring charges ⁸	-	-	-	64	1	2	13
Tax Cuts and Jobs Act ⁹	-	(230)	-	-	-	-	-
Income tax adjustment ¹⁰	(1)	(1)	(2)	(25)	(4)	-	(3)
Adjusted net income	\$159	\$161	\$275	\$220	\$222	\$78	\$66

Notes:

¹ Table may not sum due to rounding

² 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; 2020 - Costs resulting from an adverse excise tax ruling related to an excise tax audit by the IRS for tax years 2011-2013

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

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)	FY2016	FY2017	FY2018	FY2019	FY2020	4Q20	4Q19
Net income	\$157	\$390	\$269	\$147	\$212	\$77	\$56
Provision for (benefit from) inc taxes	109	(127)	96	51	71	25	20
Interest expense – net	21	17	13	8	10	3	2
Depreciation and amortization	266	279	291	293	291	74	71
Other – net	3	(1)	(1)	2	(7)	1	-
Litigation ²	-	-	6	-	13	-	-
Goodwill impairment ³	-	-	2	35	-	-	-
Duplicate chassis costs ⁴	-	15	-	-	-	-	-
WSL contingent consideration adjustment ⁵	-	(14)	-	-	-	-	-
Acquisition costs ⁶	1	-	-	-	-	-	-
IPO costs ⁷	1	-	-	-	-	-	-
Restructuring charges ⁸	-	-	-	64	1	2	13
Adjusted EBITDA	559	561	675	599	591	181	162

Notes:

¹ Table may not sum due to rounding

² 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; 2020 - Costs resulting from an adverse excise tax ruling related to an excise tax audit by the IRS for tax years 2011-2013

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 – free cash flow¹

(\$M)	FY2019	FY2020	4Q20	4Q19
Net cash provided by operating activities	\$636	\$618	\$149	\$166
Purchases of transportation equipment	(335)	(275)	(144)	(27)
Purchases of other property and equipment	(62)	(50)	(11)	(19)
Proceeds from sale of property and equipment	90	87	32	51
Net capital expenditures	(307)	(237)	(122)	6
Free cash flow	\$329	\$381	\$27	\$172

Notes:

¹ Table may not sum due to rounding

Non-GAAP reconciliation – adjusted diluted earnings per share¹

(\$M)	FY2019	FY2020	4Q20	4Q19
Diluted earnings per share	\$0.83	\$1.19	\$0.43	\$0.32
Non-GAAP adjustments, tax effected	0.41	0.06	0.01	0.06
Adjusted diluted earnings per share	\$1.24	\$1.25	\$0.44	\$0.37

Notes:

¹ Table may not sum due to rounding