



WE MOVE INDUSTRIES

Q3 2019 Earnings Presentation

November 12, 2019



Important Disclaimers



Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “project,” “believe,” “plan,” “should,” “could,” “would,” “forecast,” “seek,” “target,” “predict,” and “potential,” the negative of these terms, or other comparable terminology. Projected financial information, including our guidance outlook, are forward-looking statements. Forward-looking statements may also include statements about the Company’s goals; the Company’s financial strategy, liquidity and capital required for its business strategy and plans; the Company’s competition and government regulations; general economic conditions; and the Company’s future operating results. These forward-looking statements are based on information available as of the date of this presentation, and current expectations, forecasts and assumptions. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that the Company anticipates. Accordingly, forward-looking statements should not be relied upon as representing the Company’s views as of any subsequent date, and the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

Forward-looking statements are subject to risks and uncertainties (many of which are beyond our control) that could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, general economic and business risks, driver shortages and increases in driver compensation or owner-operator contracted rates, loss of senior management or key operating personnel, our ability to identify and execute future acquisitions successfully, seasonality and the impact of weather and other catastrophic events, fluctuations in the price or availability of diesel fuel, increased prices for, or decreases in the availability of, new revenue equipment and decreases in the value of used revenue equipment, the failure of any restructuring actions and cost reduction initiatives that the Company undertakes to meet the expected results, the Company’s ability to generate sufficient cash to service all of the Company’s indebtedness, restrictions in its existing and future debt agreements, increases in interest rates, changes in existing laws or regulations, including environmental and worker health safety laws and regulations and those relating to tax rates or taxes in general, the impact of governmental regulations and other governmental actions related to the Company and its operations, litigation and governmental proceedings, and insurance and claims expenses. You should not place undue reliance on these forward-looking statements. For additional information regarding known material factors that could cause our actual results to differ from those expressed in forward-looking statements, please see Daseke’s filings with the Securities and Exchange Commission, available at www.sec.gov, including Daseke’s most recent annual report on Form 10-K, particularly the section titled “Risk Factors”.

Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures for the Company and its operating segments, including Adjusted EBITDA and Free Cash Flow. You can find the reconciliations of these measures to the nearest comparable GAAP measure in the Appendix of this presentation.

Daseke defines Adjusted EBITDA as net income (loss) Adjusted EBITDA as net income (loss) plus (i) depreciation and amortization, (ii) interest expense, and other fees and charges associated with financings, net of interest income, (iii) income taxes, (iv) acquisition-related transaction expenses (including due diligence costs, legal, accounting and other advisory fees and costs, retention and severance payments and financing fees and expenses), (v) business transformation costs, (vi) non-cash impairment, (vii) restructuring charges, and (viii) non-cash stock and equity-compensation expense.

The Company defines Free Cash Flow as net cash provided by operating activities less purchases of property and equipment, plus proceeds from sale of property and equipment as such amounts are shown on the face of the Statements of Cash Flows.

Please note that these non-GAAP measures are not a substitute for, or more meaningful than, net income (loss), cash flows from operating activities, operating income or any other measure prescribed by GAAP, and there are limitations to using non-GAAP measures. Certain items excluded from these non-GAAP measures are significant components in understanding and assessing a company’s financial performance, such as a company’s cost of capital, tax structure and the historic costs of depreciable assets. The Company’s non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry because they may calculate non-GAAP financial results differently. Because of these limitations, these non-GAAP measures should not be considered a measure of the income generated by the Company’s business or discretionary cash available to it to invest in the growth of its business. The Company’s management compensates for these limitations by relying primarily on the Company’s GAAP results and using these non-GAAP measures supplementally.

See the Appendix for directly comparable GAAP measures.

Industry and Market Data

This presentation includes market data and other statistical information from third party sources, including independent industry publications, government publications and other published independent sources. Although Daseke believes these third party sources are reliable as of their respective dates, Daseke has not independently verified the accuracy or completeness of this information.

Today's Presenters



Chris Easter
Interim CEO; COO



Brian Bonner
Executive Chairman

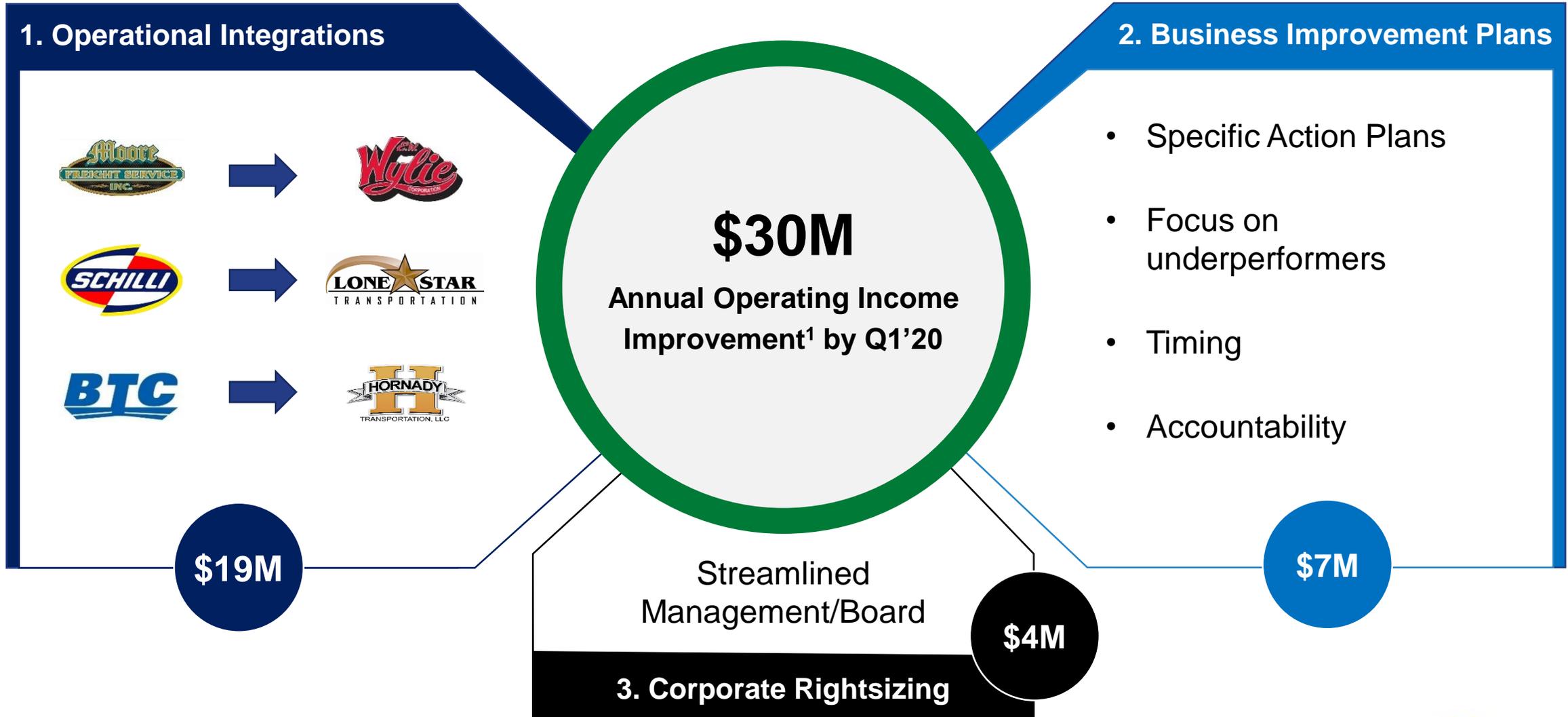


John Michell
VP Operations Strategy

Operational Update: Last 100 Days



Phase 1: Operational/Cost Savings Update



1. Driven primarily by cost savings and based against six months sales and operating income results ending 6/30/19, on an annualized basis

New Leadership Structure & Roles



Leadership Council

Phil Byrd to chair new leadership council comprised of the Daseke operational company leaders



Transformation Office

John C. Wilbur, Jr. to head newly created Transformation Office, responsible for ensuring the successful completion of operational integrations & BIPs



Operating Segment Heads

Tex Robbins
Specialized

Rick Williams
Flatbed

Created two new heads of operating segments to streamline reporting and management structure

Q3'19 Financial Summary/Key Themes



Top-Line Stable, Market Troughing

- Revenue of \$450.4 million
 - Specialized +1.4% y/y
 - Flatbed -6.4% y/y

Profitability Impacted by One-Time Costs

- Net loss of \$270.5 million
- Adjusted EBITDA of \$43.2 million

Cost/Organizational Initiatives Working

- Simplified focus
- Disciplined
- Profit



Brian Bonner
Executive Chairman

Today's Discussion:

Impairments / Aveda Potential Earnout / CEO Search

Background:

- Member of Board since 2015
- Named Executive Chairman in August 2019
- 33-year career at Texas Instruments
 - P+L and global business roles
 - Vice President of WW Mass Marketing
 - Vice President of Acquisition Integration
 - Chief Information Officer
- Advisor to several Venture Capital firms

Q3 2019 Financial Results



Consolidated Financial Metrics

(\$ in millions)

Three Months Ended Sept 30

	<u>2019</u>	<u>2018</u>	<u>%▲</u>
Total Revenue	\$ 450.4	\$ 461.6	-2.4%
Revenue (excl. FSC) ¹	415.6	423.3	-1.8%
Operating Income	(316.6)	13.9	NM
Net income (loss)	(273.3)	2.2	NM
Adjusted EBITDA	43.2	52.9	-18.3%

Financial Metrics by Segment

(\$ in millions)

Three Months Ended Sept 30

	<u>2019</u>	<u>2018</u>	<u>%▲</u>
Specialized Revenue	\$ 288.0	\$ 283.9	1.4%
Specialized Adjusted EBITDA ²	34.2	40.5	-15.5%
Flatbed Revenue	\$ 169.8	\$ 181.5	-6.4%
Flatbed Adjusted EBITDA ²	20.8	21.7	-4.1%
Operating Segment Adj. EBITDA	\$ 55.0	\$ 62.2	-11.6%
Corporate Adjusted EBITDA	\$ (11.8)	\$ (9.3)	NM

1. Revenue (excl. FSC) is revenue excluding fuel surcharge.

2. Adjusted EBITDA before corporate allocation. See reconciliation to Adjusted EBITDA in Appendix.

Impairment & One-time Restructuring Costs Impact



- Net loss of \$273.3 million includes:
 - \$306.8 million Impairment (goodwill, intangibles, fixed and other assets)
 - \$13.7 million in Restructuring costs and business transformation costs
 - \$6.5 million employee related
 - \$2.8 million fixed asset write-offs
 - \$2.6 million legal/consulting
 - \$1.8 million other related expenses
 - \$2.0 million write-off of unamortized financing fees

Specialized Segment Overview



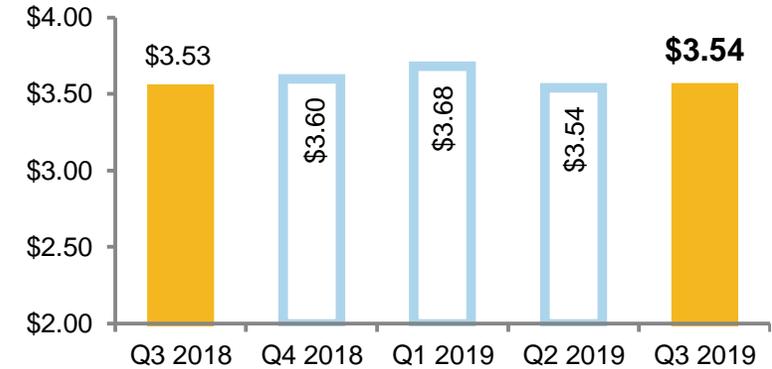
Specialized Financial Metrics

(\$ in millions)

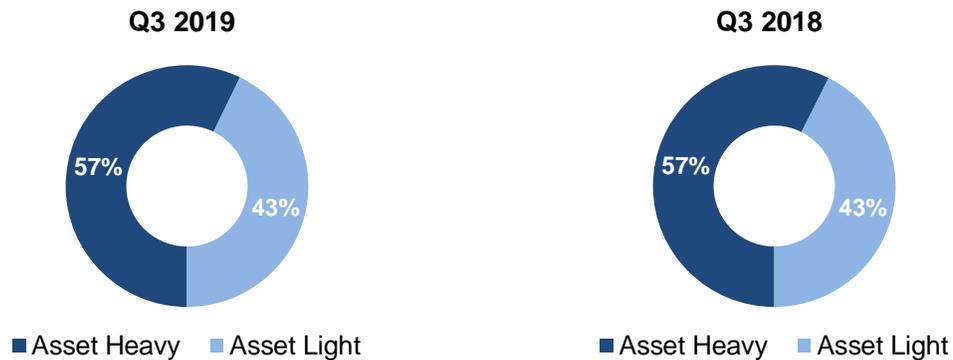
Three Months Ended Sept 30

	<u>2019</u>	<u>2018</u>	<u>%▲</u>
Revenue	\$ 288.0	\$ 283.9	1.4%
Operating Ratio	165.1%	95.8%	69.3%
Adjusted EBITDA	34.2	40.5	-15.5%

Specialized Rate Per Mile¹

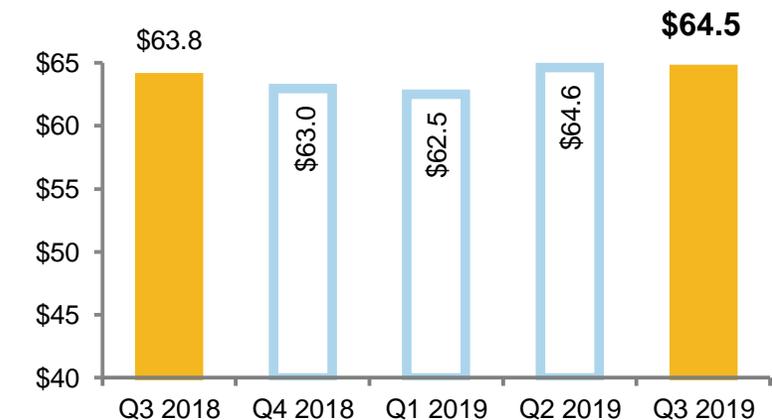


Revenue Breakdown (Actual, excl. fuel surcharge)



Specialized Revenue per Tractor¹

(\$ in thousands)



1. Rate per mile is the period's revenue less fuel surcharge divided by total number of miles driven in the period. Revenue per Tractor is the period's revenue less fuel surcharge divided by the average number of tractors in the period, including owner-operator tractors. Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.

Flatbed Segment Overview



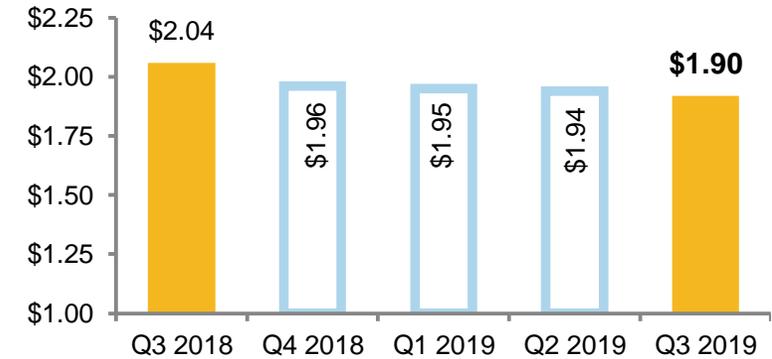
Flatbed Financial Metrics

(\$ in millions)

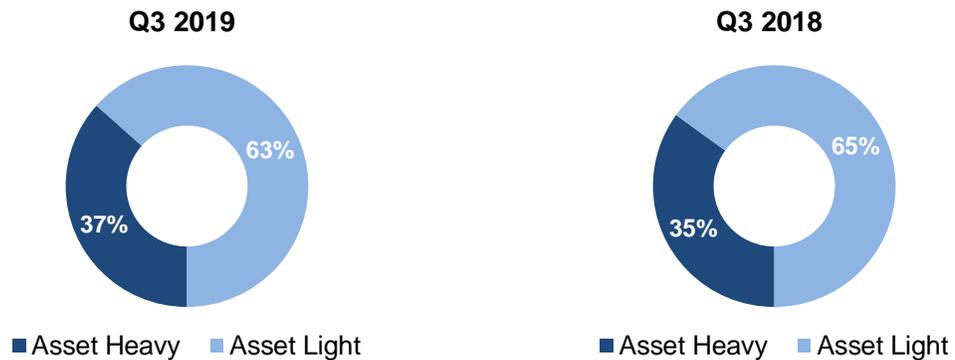
Three Months Ended Sept 30

	<u>2019</u>	<u>2018</u>	<u>%▲</u>
Revenue	\$ 169.8	\$ 181.5	-6.4%
Operating Ratio	163.5%	93.3%	70.2%
Adjusted EBITDA	20.8	21.7	-4.1%

Flatbed Rate Per Mile¹

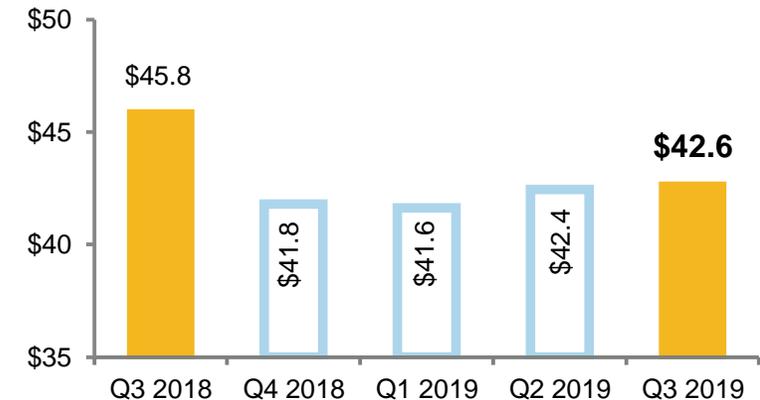


Revenue Breakdown (Actual, excl. fuel surcharge)



Flatbed Revenue per Tractor¹

(\$ in thousands)



1. Rate per mile is the period's revenue less fuel surcharge divided by total number of miles driven in the period. Revenue per Tractor is the period's revenue less fuel surcharge divided by the average number of tractors in the period, including owner-operator tractors. Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.

Capital Summary & Free Cash Flow



Capital Summary

(\$ in millions)

As of Sept 30, 2019

Cash	\$79.6
Revolving line of credit balance	0.0
Revolver line of credit availability	<u>\$84.6</u>
Available liquidity ¹	<u>\$164.2</u>
Net debt ²	<u>\$633.6</u>

Free Cash Flow

(\$ in millions)

Nine Months Ended Sept 30, 2019

Net cash provided by operating activities	\$89.4
Purchases of property and equipment	(17.4)
Proceeds from sale of property and equipment	<u>23.8</u>
Free Cash Flow	<u>\$95.8</u>

Leverage ratio per bank covenants, which adjusts EBITDA for one-time costs³

3.25x

1. Available liquidity is the sum of cash plus revolving line of credit availability.
2. Net debt is net of cash balance.
3. Debt EBITDA was \$195.0 million as defined by bank covenants. Bank covenant mx set at 4.0x.

Reaffirming 2019 Outlook



2019 Outlook¹

Revenue <i>YoY Growth</i>	\$1.70 - \$1.75B 6.9%
Adjusted EBITDA <i>YoY Growth</i>	\$165 - \$175M (2.5%)
Net capital expenditures <i>YoY Decline</i>	\$65 - \$70M (48%)
Net leverage 12/31/19 (as defined in the Company's debt agreements)	3.0x – 3.3x

1. The percent changes represents the change over FY2018 results compared to the mid-point of outlook.

Summary



\$30M Target



Sharp, Simple Focus



Aligned & Mobilized Team



Culture of Empowerment & Accountability

DASEKE®

WE MOVE INDUSTRIES

APPENDIX



Consolidated Adjusted EBITDA Reconciliation



Reconciles net income (loss) to Adjusted EBITDA

Daseke, Inc. and Subsidiaries
Reconciliation of Net Income (Loss) to Adjusted EBITDA
(Unaudited)
(In millions)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net income (loss)	\$ (273.3)	\$ 2.2	\$ (289.0)	\$ 14.9
Depreciation and amortization	38.3	36.8	119.5	93.8
Interest income	(0.3)	(0.2)	(0.7)	(1.2)
Interest expense	12.8	11.9	38.2	33.2
Write-off of deferred financing fees	2.0	—	2.0	—
Income tax benefit	(57.8)	0.7	(60.4)	(14.2)
Acquisition-related transaction expenses	—	0.6	—	2.4
Business transformation costs	6.8	—	6.8	—
Impairment	306.8	—	306.8	2.8
Restructuring	6.9	—	6.9	—
Stock based compensation	1.0	0.9	2.9	2.7
Adjusted EBITDA	<u>\$ 43.2</u>	<u>\$ 52.9</u>	<u>\$ 133.0</u>	<u>\$ 134.4</u>

Consolidated Adjusted EBITDA Reconciliation



Reconciles net income (loss) to Adjusted EBITDA – Last Twelve Months

	Daseke, Inc. and Subsidiaries	
	Reconciliation of Net Income (Loss) to Adjusted EBITDA	
	(Unaudited) (In millions)	
	Last Twelve Months Ended September 30,	
	2019	2018
Net income (loss)	\$ (309.1)	\$ 53.7
Depreciation and amortization	156.9	116.9
Interest income	(0.8)	(1.5)
Interest expense	50.4	41.8
Write-off of deferred financing fees	2.0	—
Income tax benefit	(62.0)	(63.1)
Acquisition-related transaction expenses	0.2	3.4
Business transformation costs	6.8	—
Impairment	317.8	2.8
Restructuring	6.9	—
Stock based compensation	3.8	3.5
Adjusted EBITDA	\$ 172.9	\$ 157.5

Adjusted EBITDA Reconciliation by Segment



Reconciles net income (loss) to Adjusted EBITDA by segment

Daseke, Inc. and Subsidiaries
Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment
(Unaudited)
(In millions)

	Three Months Ended September 30, 2019				Three Months Ended September 30, 2018			
	Flatbed	Specialized	Corporate	Consolidated	Flatbed	Specialized	Corporate	Consolidated
Net income (loss)	\$ (96.3)	\$ (162.0)	\$ (15.0)	\$ (273.3)	\$ 6.0	\$ 5.6	\$ (9.4)	\$ 2.2
Depreciation and amortization	14.2	23.8	0.3	38.3	9.2	27.6	—	36.8
Interest income	(0.1)	—	(0.2)	(0.3)	(0.1)	—	(0.1)	(0.2)
Interest expense	2.8	3.3	6.7	12.8	2.2	2.9	6.8	11.9
Write-off of deferred financing fees	—	—	2.0	2.0	—	—	—	—
Income tax provision (benefit)	(14.2)	(29.1)	(14.5)	(57.8)	4.2	3.9	(7.4)	0.7
Acquisition-related transaction expenses	—	—	—	—	—	—	0.6	0.6
Business transformation costs	0.1	0.7	6.0	6.8	—	—	—	—
Impairment	113.2	193.6	—	306.8	—	—	—	—
Restructuring	0.9	3.5	2.5	6.9	—	—	—	—
Stock based compensation	0.2	0.4	0.4	1.0	0.2	0.5	0.2	0.9
Adjusted EBITDA	\$ 20.8	\$ 34.2	\$ (11.8)	\$ 43.2	\$ 21.7	\$ 40.5	\$ (9.3)	\$ 52.9

Adjusted EBITDA Reconciliation by Segment



Reconciles net income (loss) to Adjusted EBITDA by segment

Daseke, Inc. and Subsidiaries
Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment
(Unaudited)
(In millions)

	Nine Months Ended September 30, 2019				Nine Months Ended September 30, 2018			
	Flatbed	Specialized	Corporate	Consolidated	Flatbed	Specialized	Corporate	Consolidated
Net income (loss)	\$ (93.6)	\$ (152.1)	\$ (43.3)	\$ (289.0)	\$ 20.2	\$ 16.6	\$ (21.9)	\$ 14.9
Depreciation and amortization	42.6	76.4	0.5	119.5	25.8	67.9	0.1	93.8
Interest income	(0.2)	—	(0.5)	(0.7)	(0.2)	(0.1)	(0.9)	(1.2)
Interest expense	8.2	9.8	20.2	38.2	6.0	8.1	19.1	33.2
Write-off of deferred financing fees	—	—	2.0	2.0	—	—	—	—
Income tax provision (benefit)	(12.6)	(25.8)	(22.0)	(60.4)	2.5	1.1	(17.8)	(14.2)
Acquisition-related transaction expenses	—	—	—	—	—	—	2.4	2.4
Business transformation costs	0.1	0.7	6.0	6.8	—	—	—	—
Impairment	113.2	193.6	—	306.8	—	2.8	—	2.8
Restructuring	0.9	3.5	2.5	6.9	—	—	—	—
Stock based compensation	0.5	1.3	1.1	2.9	0.7	1.6	0.4	2.7
Adjusted EBITDA	\$ 59.1	\$ 107.4	\$ (33.5)	\$ 133.0	\$ 55.0	\$ 98.0	\$ (18.6)	\$ 134.4

Adjusted Share Count



A comparison of Common Shares to Total in-the-money shares

Daseke, Inc. and Subsidiaries
Capitalization Summary ^{(1) (3) (4)}

Security	Issued or Granted	Common Stock Equivalent
Common shares ⁽²⁾	64,583,275	64,583,275
Restricted stock units - in the money	1,243,811	1,243,811
Total in-the-money shares		65,827,086

1. Capitalization data based on securities outstanding as of September 30, 2019.

2. The weighted average common shares outstanding at at September 30, 2019 was 64,525,777.

3. Out-of-the money securities not included in the above table as of September 30, 2019: a) 35,040,658 common stock warrants, representing 17,520,329 shares of common stock with an exercise price of \$11.50, b) 650,000 shares of Series A Convertible Preferred as of September 30, 2019 with a conversion price of \$11.50 and initially convertible into 8,6957 shares of common stock per preferred share (5,625,173); c) 2,478,874 stock options, consisting of Director and Employee stock options of 115,000 (weighted average exercise price of \$9.98) and 2,363,874 (weighted average exercise price of \$8.56), respectively, with a stock price of \$2.72 as of November 8, 2019.

4. 5,000,000 earnout shares may be earned in 2019 if the stock price is \$16.00 for twenty consecutive days in a thirty day period and Adjusted EBITDA is \$200 million for FY 2019.



INVESTOR RELATIONS

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