

For Immediate Release

July 29, 2025

**LANDSTAR SYSTEM REPORTS SECOND QUARTER
REVENUE OF \$1.211B AND EARNINGS PER SHARE OF \$1.20**

Jacksonville, FL - Landstar System, Inc. (NASDAQ: LSTR) (“Landstar” or the “Company”) today reported basic and diluted earnings per share (“EPS”) of \$1.20 in the 2025 second quarter on revenue of \$1.211 billion. “The Landstar team of independent business owners and employees performed admirably during the second quarter, highlighted by continuing strong performance by our services hauled by unsided/platform equipment,” said Landstar President and Chief Executive Officer Frank Lonagro. “I was encouraged that Landstar achieved a 3.2% sequential increase in truck revenue per load compared to the 2025 first quarter, outperforming typical seasonality. In addition, I was excited to see our net BCO truck count remain essentially flat sequentially, the best performance we’ve seen since the second quarter of 2022. Our network of Landstar BCOs, agents and employees continue to be laser-focused on safety, security and delivering great service to our customers in what continues to be a dynamic and challenging freight transportation environment.”

	2Q 2025	2Q 2024
Revenue	\$ 1,211,383	\$ 1,225,005
Gross profit	\$ 109,261	\$ 119,996
Variable contribution	\$ 170,450	\$ 175,131
Operating income	\$ 56,280	\$ 68,059
Basic and diluted earnings per share	\$ 1.20	\$ 1.48

(1) Dollars above in thousands, except per share amounts.

(2) Please refer to the Consolidated Statements of Income and Reconciliation of Gross Profit to Variable Contribution included below.

Landstar continues to return capital to stockholders through the Company’s stock purchase program and dividends. During the 2025 second quarter, Landstar purchased 300,141 shares of its common stock at an aggregate cost of \$42.4 million, bringing the total number of common shares purchased during the twenty-six week period ended June 28, 2025, to 686,459 shares at an aggregate cost of approximately \$103.3 million. The

Company is currently authorized to purchase up to an additional 1,861,522 shares of the Company's common stock under its longstanding share purchase program. Landstar also announced today that its Board of Directors declared a quarterly dividend of \$0.40 per share payable on September 9, 2025, to stockholders of record as of the close of business on August 19, 2025.

Total revenue was \$1,211 million in the 2025 second quarter, compared to \$1,225 million in the 2024 second quarter. Truck transportation revenue hauled by independent business capacity owners ("BCOs") and truck brokerage carriers in the 2025 second quarter was \$1,118 million, or 92% of revenue, compared to \$1,106 million, or 90% of revenue, in the 2024 second quarter. Truckload transportation revenue hauled via van equipment in the 2025 second quarter was \$591 million, compared to \$619 million in the 2024 second quarter. Truckload transportation revenue hauled via unsided/platform equipment in the 2025 second quarter was \$401 million, compared to \$381 million in the 2024 second quarter. Revenue from other truck transportation, which is largely related to power-only services, in the 2025 second quarter was \$101 million, compared to \$78 million in the 2024 second quarter. Revenue hauled by rail, air and ocean cargo carriers was \$73 million, or 6% of revenue, in the 2025 second quarter, compared to \$94 million, or 8% of revenue, in the 2024 second quarter.

Truck revenue per load increased 2.6% in the 2025 second quarter as compared to the 2024 second quarter, while the number of loads hauled via truck declined 1.5% over the same period.

Gross profit in the 2025 second quarter was \$109 million, and variable contribution (defined as revenue less the cost of purchased transportation and commissions to agents) in the 2025 second quarter was \$170 million. Gross profit in the 2024 second quarter was \$120 million, and variable contribution in the 2024 second quarter was \$175 million. Reconciliations of gross profit to variable contribution and gross profit margin to variable contribution margin for the 2025 and 2024 second quarters and year-to-date periods are provided in the Company's accompanying financial disclosures.

The Company's balance sheet continues to be very strong, with cash and short-term investments of approximately \$426 million as of June 28, 2025. Trailing twelve-month return on average shareholders' equity was 17%, and return on invested capital, representing net income divided by the sum of average equity plus average debt, was 16%.

Landstar will provide a live webcast of its quarterly earnings conference call this afternoon at 4:30 p.m. ET. To access the webcast, visit www.investor.landstar.com; click on "Webcasts," then click on "Landstar's Second Quarter 2025 Earnings Release Conference Call." A slide presentation to accompany the webcast presentation is also available on Landstar's investor relations website at <https://investor.landstar.com/>.

Contact:
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Chief Financial Officer
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About Landstar:

Landstar System, Inc., is a technology-enabled, asset-light provider of integrated transportation management solutions delivering safe, specialized transportation services to a broad range of customers utilizing a network of agents, third-party capacity providers and employees. Landstar transportation services companies are certified to ISO 9001:2015 quality management system standards and RC14001:2015 environmental, health, safety and security management system standards. Landstar System, Inc. is headquartered in Jacksonville, Florida. Its common stock trades on The NASDAQ Stock Market® under the symbol LSTR.

Non-GAAP Financial Measures:

In this earnings release and accompanying financial disclosures, the Company provides the following information that may be deemed non-GAAP financial measures: variable contribution and variable contribution margin. The Company believes variable contribution and variable contribution margin are useful measures of the variable costs that we incur at a shipment-by-shipment level attributable to our transportation network

of third-party capacity providers and independent agents in order to provide services to our customers. The Company also believes that it is appropriate to present each of the financial measures that may be deemed a non-GAAP financial measure, as referred to above, for the following reasons: (1) disclosure of these matters will allow investors to better understand the underlying trends in the Company's financial condition and results of operations; (2) this information will facilitate comparisons by investors of the Company's results as compared to the results of peer companies; and (3) management considers this financial information in its decision making.

Forward Looking Statements Disclaimer:

The following is a "safe harbor" statement under the Private Securities Litigation Reform Act of 1995. Statements contained in this press release that are not based on historical facts are "forward-looking statements." This press release contains forward-looking statements, such as statements which relate to Landstar's business objectives, plans, strategies and expectations. Terms such as "anticipates," "believes," "estimates," "intention," "expects," "plans," "predicts," "may," "should," "could," "will," the negative thereof and similar expressions are intended to identify forward-looking statements. Such statements are by nature subject to uncertainties and risks, including but not limited to: decreased demand for transportation services; U.S. trade relationships and potential or imposed tariffs; an increase in the frequency or severity of accidents or other claims; unfavorable development of existing accident claims; dependence on third party insurance companies; dependence on independent commission sales agents; dependence on third party capacity providers; the impact of the Russian conflict with Ukraine on the operations of certain independent commission sales agents, including the Company's largest such agent by revenue in the 2024 fiscal year; substantial industry competition; disruptions or failures in the Company's computer systems; cyber and other information security incidents; dependence on key vendors; potential changes in taxes; status of independent contractors; regulatory and legislative changes; regulations focused on diesel emissions and other air quality matters; regulations requiring the purchase and use of zero-emission vehicles; intellectual property; acquisitions and investments; and other operational, financial or legal risks or uncertainties detailed in Landstar's Form 10-K for the 2024 fiscal year, described in Part I, Item 1A Risk Factors, Landstar's Form 10-Q for the 2025 first quarter, described in Part II, Item 1A Risk Factors,

and in other SEC filings from time to time. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and the Company undertakes no obligation to publicly update or revise any forward-looking statements.

Landstar System, Inc. and Subsidiary

Consolidated Statements of Income

(Dollars in thousands, except per share amounts)
(Unaudited)

	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Revenue	\$ 2,363,885	\$ 2,396,048	\$ 1,211,383	\$ 1,225,005
Investment income	7,327	7,066	3,729	3,654
Costs and expenses:				
Purchased transportation	1,839,289	1,855,579	941,411	950,058
Commissions to agents	192,836	197,098	99,522	99,816
Other operating costs, net of gains on asset sales/dispositions	31,424	28,994	19,595	14,135
Insurance and claims	70,301	53,432	30,449	27,164
Selling, general and administrative	117,288	111,361	55,706	54,939
Depreciation and amortization	24,375	28,630	12,149	14,488
Total costs and expenses	<u>2,275,513</u>	<u>2,275,094</u>	<u>1,158,832</u>	<u>1,160,600</u>
Operating income	95,699	128,020	56,280	68,059
Interest and debt expense (income)	539	(3,286)	698	(1,675)
Income before income taxes	95,160	131,306	55,582	69,734
Income taxes	23,461	31,586	13,689	17,110
Net income	<u>\$ 71,699</u>	<u>\$ 99,720</u>	<u>\$ 41,893</u>	<u>\$ 52,624</u>
Basic and diluted earnings per share	<u>\$ 2.05</u>	<u>\$ 2.79</u>	<u>\$ 1.20</u>	<u>\$ 1.48</u>
Average basic and diluted shares outstanding	<u>35,037,000</u>	<u>35,702,000</u>	<u>34,870,000</u>	<u>35,654,000</u>
Dividends per common share	<u>\$ 0.76</u>	<u>\$ 0.66</u>	<u>\$ 0.40</u>	<u>\$ 0.33</u>

Landstar System, Inc. and Subsidiary**Consolidated Balance Sheets**

(Dollars in thousands, except per share amounts)

(Unaudited)

	June 28, 2025	December 28, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 359,237	\$ 515,018
Short-term investments	66,935	51,619
Trade accounts receivable, less allowance of \$12,284 and \$12,904	717,249	683,841
Other receivables, including advances to independent contractors, less allowance of \$21,995 and \$17,812	48,781	47,160
Other current assets	45,144	22,229
Total current assets	<u>1,237,346</u>	<u>1,319,867</u>
Operating property, less accumulated depreciation and amortization of \$464,538 and \$456,547	287,500	311,345
Goodwill	41,399	40,933
Other assets	133,399	141,166
Total assets	<u>\$ 1,699,644</u>	<u>\$ 1,813,311</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Cash overdraft	\$ 58,141	\$ 61,033
Accounts payable	401,849	383,625
Current maturities of long-term debt	30,747	33,116
Insurance claims	36,797	40,511
Dividends payable	-	70,632
Other current liabilities	91,605	84,237
Total current liabilities	<u>619,139</u>	<u>673,154</u>
Long-term debt, excluding current maturities	54,677	69,191
Insurance claims	73,268	62,842
Deferred income taxes and other non-current liabilities	30,734	35,685
Shareholders' equity:		
Common stock, \$0.01 par value, authorized 160,000,000 shares, issued 68,589,418 and 68,559,269	686	686
Additional paid-in capital	258,915	255,260
Retained earnings	2,905,011	2,859,916
Cost of 33,935,882 and 33,243,196 shares of common stock in treasury	(2,235,622)	(2,131,413)
Accumulated other comprehensive loss	(7,164)	(12,010)
Total shareholders' equity	<u>921,826</u>	<u>972,439</u>
Total liabilities and shareholders' equity	<u>\$ 1,699,644</u>	<u>\$ 1,813,311</u>

Landstar System, Inc. and Subsidiary
Supplemental Information
(Unaudited)

	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Revenue generated through (in thousands):				
Truck transportation				
Truckload:				
Van equipment	\$ 1,186,071	\$ 1,247,244	\$ 591,276	\$ 618,940
Unsided/platform equipment	741,270	723,995	400,862	380,950
Less-than-truckload	47,749	53,707	25,313	28,090
Other truck transportation ⁽¹⁾	192,766	149,675	100,687	77,709
Total truck transportation	2,167,856	2,174,621	1,118,138	1,105,689
Rail intermodal	39,515	45,002	22,028	22,307
Ocean and air cargo carriers	116,426	125,380	50,789	71,306
Other ⁽²⁾	40,088	51,045	20,428	25,703
	\$ 2,363,885	\$ 2,396,048	\$ 1,211,383	\$ 1,225,005
Revenue on loads hauled via BCO Independent Contractors ⁽³⁾ included in total truck transportation	\$ 888,489	\$ 918,071	\$ 461,432	\$ 465,510
Number of loads:				
Truck transportation				
Truckload:				
Van equipment	572,154	599,973	284,091	300,959
Unsided/platform equipment	246,241	244,407	128,996	126,460
Less-than-truckload	76,830	82,850	41,250	42,617
Other truck transportation ⁽¹⁾	90,185	71,440	46,173	37,914
Total truck transportation	985,410	998,670	500,510	507,950
Rail intermodal	13,970	14,380	7,820	7,230
Ocean and air cargo carriers	16,560	17,240	7,440	8,520
	1,015,940	1,030,290	515,770	523,700
Loads hauled via BCO Independent Contractors ⁽³⁾ included in total truck transportation	398,000	422,300	203,930	213,560
Revenue per load:				
Truck transportation				
Truckload:				
Van equipment	\$ 2,073	\$ 2,079	\$ 2,081	\$ 2,057
Unsided/platform equipment	3,010	2,962	3,108	3,012
Less-than-truckload	621	648	614	659
Other truck transportation ⁽¹⁾	2,137	2,095	2,181	2,050
Total truck transportation	2,200	2,178	2,234	2,177
Rail intermodal	2,829	3,129	2,817	3,085
Ocean and air cargo carriers	7,031	7,273	6,826	8,369
Revenue per load on loads hauled via BCO Independent Contractors ⁽³⁾	\$ 2,232	\$ 2,174	\$ 2,263	\$ 2,180
Revenue by capacity type (as a % of total revenue):				
Truck capacity providers:				
BCO Independent Contractors ⁽³⁾	38%	38%	38%	38%
Truck Brokerage Carriers	54%	52%	54%	52%
Rail intermodal	2%	2%	2%	2%
Ocean and air cargo carriers	5%	5%	4%	6%
Other	2%	2%	2%	2%
Truck Capacity Providers:				
BCO Independent Contractors ⁽³⁾			7,844	8,385
Truck Brokerage Carriers:				
Approved and active ⁽⁴⁾			41,842	45,382
Other approved			27,672	25,450
			69,514	70,832
Total available truck capacity providers			77,358	79,217
Trucks provided by BCO Independent Contractors ⁽³⁾			8,611	9,180

(1) Includes power-only, expedited, straight truck, cargo van, and miscellaneous other truck transportation revenue generated by the transportation logistics segment. Power-only refers to shipments where the Company furnishes a power unit and an operator but not trailing equipment, which is typically provided by the shipper or consignee.

(2) Includes primarily reinsurance premium revenue generated by the insurance segment and intra-Mexico transportation services revenue generated by Landstar Metro.

(3) BCO Independent Contractors are independent contractors who provide truck capacity to the Company under exclusive lease arrangements.

(4) Active refers to Truck Brokerage Carriers who moved at least one load in the 180 days immediately preceding the fiscal quarter end.

Landstar System, Inc. and Subsidiary
Reconciliation of Gross Profit to Variable Contribution
(Dollars in thousands)
(Unaudited)

	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Revenue	\$ 2,363,885	\$ 2,396,048	\$ 1,211,383	\$ 1,225,005
Costs of revenue:				
Purchased transportation	1,839,289	1,855,579	941,411	950,058
Commissions to agents	<u>192,836</u>	<u>197,098</u>	<u>99,522</u>	<u>99,816</u>
Variable costs of revenue	2,032,125	2,052,677	1,040,933	1,049,874
Trailing equipment depreciation	13,844	13,834	6,867	6,937
Information technology costs (1)	7,609	11,986	3,934	6,182
Insurance-related costs (2)	71,317	54,659	30,793	27,881
Other operating costs	<u>31,424</u>	<u>28,994</u>	<u>19,595</u>	<u>14,135</u>
Other costs of revenue	<u>124,194</u>	<u>109,473</u>	<u>61,189</u>	<u>55,135</u>
Total costs of revenue	<u>2,156,319</u>	<u>2,162,150</u>	<u>1,102,122</u>	<u>1,105,009</u>
Gross profit	<u>\$ 207,566</u>	<u>\$ 233,898</u>	<u>\$ 109,261</u>	<u>\$ 119,996</u>
Gross profit margin	8.8%	9.8%	9.0%	9.8%
Plus: other costs of revenue	<u>124,194</u>	<u>109,473</u>	<u>61,189</u>	<u>55,135</u>
Variable contribution	<u>\$ 331,760</u>	<u>\$ 343,371</u>	<u>\$ 170,450</u>	<u>\$ 175,131</u>
Variable contribution margin	14.0%	14.3%	14.1%	14.3%

- (1) Includes costs of revenue incurred related to internally developed software including ASC 350-40 amortization, implementation costs, hosting costs and other support costs utilized to support the Company's independent commission sales agents, third party capacity providers, and customers, included as a portion of depreciation and amortization and of selling, general and administrative in the Company's Consolidated Statements of Income.
- (2) Primarily includes (i) insurance premiums paid for commercial auto liability, general liability, cargo and other lines of coverage related to the transportation of freight; (ii) the related cost of claims incurred under those programs; and (iii) brokerage commissions and other fees incurred relating to the administration of insurance programs available to BCO Independent Contractors that are reinsured by the Company, which are included in selling, general and administrative in the Company's Consolidated Statements of Income.

LANDSTAR



Landstar System, Inc.

2Q | 2025

Earnings Conference Call



LANDSTAR



2Q | 2025

Forward-Looking Statements Disclaimer

The following is a “safe harbor” statement under the Private Securities Litigation Reform Act of 1995. Statements made in this slide presentation that are not based on historical facts are “forward-looking statements.” This presentation may make certain statements containing forward-looking statements, such as statements which relate to Landstar’s business objectives, plans, strategies and expectations. Such statements are by nature subject to uncertainties and risks, including but not limited to: the operational, financial or legal risks or uncertainties detailed in Landstar’s Form 10-K for the 2024 fiscal year, described in the section Risk Factors, and other SEC filings from time to time. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and the Company undertakes no obligation to publicly update or revise any forward-looking statements.

LANDSTAR



2Q | 2025

Non-GAAP Financial Measures

In this slide presentation, the Company provides the following information that may be deemed a non-GAAP financial measure: variable contribution, variable contribution margin and operating income as a percentage of variable contribution.

Management believes variable contribution and variable contribution margin are useful measures of the variable costs that we incur at a shipment-by-shipment level attributable to our transportation network of third-party capacity providers and independent agents in order to provide services to our customers. Management believes that operating income as a percentage of variable contribution is a useful measure as: (i) variable costs of revenue for a significant portion of the Company's business are highly influenced by short-term market-based trends in the freight transportation industry, whereas other costs, including other costs of revenue, are much less impacted by short-term freight market trends; and (ii) this measure is meaningful to investors' evaluations of the Company's management of costs attributable to operations other than the purely variable costs associated with purchased transportation and commissions to agents that the Company incurs to provide services to our customers.

Management also believes that it is appropriate to present each of the financial measures that may be deemed a non-GAAP financial measure, as referred to above, for the following reasons: (1) disclosure of these matters will allow investors to better understand the underlying trends in the Company's financial condition and results of operations; (2) this information will facilitate comparisons by investors of the Company's results as compared to the results of peer companies; and (3) management considers this financial information in its decision making.

A tabulation of the expenses identified as costs of revenue as well as a reconciliation of gross profit to variable contribution and gross profit margin to variable contribution margin for the 2025 and 2024 second quarters and year-to-date periods is included in this slide presentation within the Appendix.



2Q | 2025

Executive Summary

Frank Lonegro

Chief Executive Officer

RESULTS

Dollars in Millions (except per share amounts)

Metric	2Q 2025	2Q 2024	Chg.
Revenue	\$ 1,211.4	\$ 1,225.0	(1.1%)
Operating Income	\$ 56.3	\$ 68.1	(17.3%)
Earnings per Share	\$ 1.20	\$ 1.48	(18.9%)

HIGHLIGHTS

2Q revenue performance

Sequential increase in truck revenue per load
outperformed typical seasonality

Truck capacity

2Q BCO truck count ~flat sequentially; best
performance in three years

Strong balance sheet

Continuing to return meaningful capital to
stockholders

Investing through the cycle

Supporting our network of entrepreneurs with
continued investment in trailing equipment and
technology

Landstar Network and 2Q Truckload Operating Results



LANDSTAR NETWORK

Agents
~1,000

Customers
23,000+

Capacity
77,000+

Employees
~1,400



2Q RESULTS

\$1.12B

Truck Revenue

501K

Truck Loadings

\$2,234

Truck Revenue per Load

485

Million \$ Agents*

8,611

BCO Trucks

69,514

Carriers

17,300+

Trailers

0.67

DOT Accidents
per Million Miles**

* Based on 2024 fiscal year ** Based on 2Q 2025 YTD; See definition of DOT Accidents within the Appendix

Truck Capacity

All information is provided as of the end of the applicable period



AVAILABLE TRUCK CAPACITY PROVIDERS

Type of Capacity	Jun 28, 2025	Mar 29, 2025	Dec 28, 2024	Jun 29, 2024
BCO Independent Contractors	7,844	7,871	8,082	8,385
Truck Brokerage Carriers				
Approved and Active ⁽¹⁾	41,842	47,323	43,718	45,382
Other Approved	27,672	33,275	26,527	25,450
Total Truck Brokerage Carriers	69,514	80,598	70,245	70,832
Total Available Truck Capacity Providers	77,358	88,469	78,327	79,217
<i>Trucks Provided by BCO Independent Contractors</i>	<i>8,611</i>	<i>8,620</i>	<i>8,843</i>	<i>9,180</i>

(1) Active refers to truck brokerage carriers who hauled freight for Landstar in the 180-day period immediately preceding the period end.

Note: Fuel surcharges billed to customers on freight hauled by BCO Independent Contractors, which are paid 100% to the BCO and not included in either revenue or the cost of purchased transportation, were \$110.8 million and \$135.9 million in the 2025 and 2024 year-to-date periods, respectively, and \$56.6 million and \$ 68.4 million in the 2025 and 2024 second quarters, respectively.



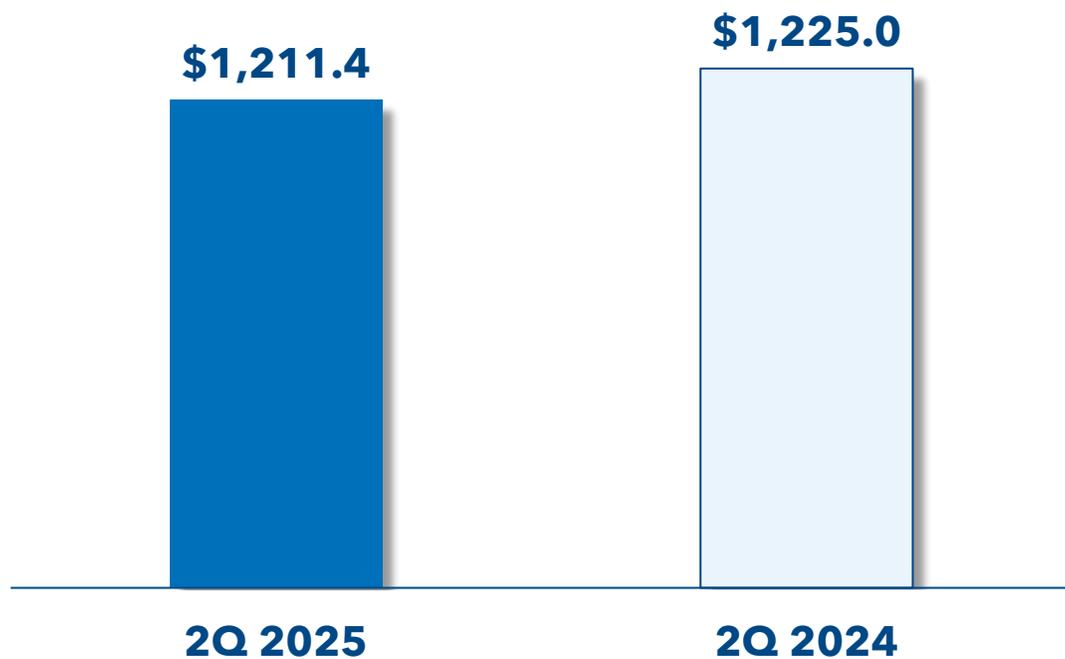
2Q | 2025

Financial Results

Jim Todd

Chief Financial Officer

RESULTS



VARIANCE

Revenue Source	Rate ⁽¹⁾	Vol. ⁽²⁾	Chg.
Truck	2.6%	(1.5%)	1.1%
Rail Intermodal	(8.7%)	8.2%	(1.3%)
Ocean/Air	(18.4%)	(12.7%)	(28.8%)
Insurance Premiums	N/A	N/A	(7.7%)
Total Revenue	–	–	(1.1%)

(1) Percentage change in rate is calculated on a revenue per load basis.

(2) Percentage change in volume is calculated on the number of loads hauled.

Revenue Variances

by Industry Served with Revenue Share Indicated

Amounts in Percent



Transportation logistics revenue down 1% Y-O-Y

Revenue Share		Market Segment	Y-O-Y Change in Revenue
2Q 2025	2Q 2024		
27.0	27.5	Consumer Durables	(3)
15.1	14.2	Machinery	5
9.2	10.9	Automotive	(17)
9.1	9.6	Building Products	(6)
8.2	7.7	AA&E, Hazmat	5
7.9	5.9	Electrical	32
5.1	5.2	Metals	(2)
2.9	1.7	Energy	68
1.6	1.5	Substitute Line Haul	11
13.9	15.8	Other	(13)

Gross Profit ⁽¹⁾ and Variable Contribution ⁽²⁾

with Associated Margins

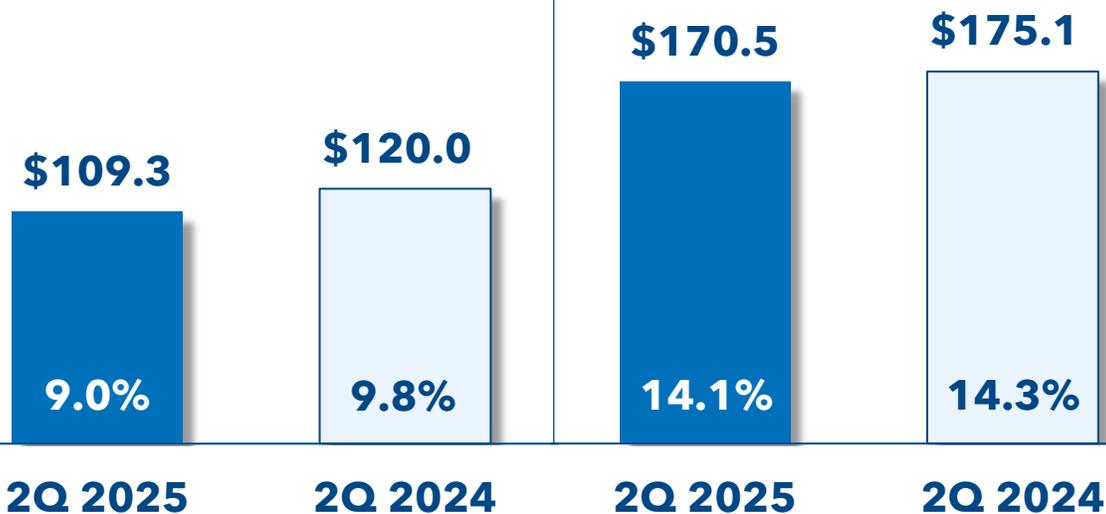
Dollars in Millions



RESULTS

Gross Profit

Variable Contribution



CHANGE IN VC MARGIN

Amounts in %

2Q

2024	2025
2024	2025
Revenue - Variable	Revenue - Variable
Revenue - Fixed ⁽³⁾	Revenue - Fixed ⁽³⁾
Change in Mix/Other	Change in Mix/Other
14.3	14.1

(1) Gross profit equals revenue less the cost of purchased transportation, commissions to agents and other costs of revenue. Gross profit margin equals gross profit divided by revenue.

(2) Variable contribution (VC) equals revenue less the cost of purchased transportation and commissions to agents. Variable contribution margin equals VC divided by revenue.

(3) Revenue on transactions where the Company's variable contribution margin was based on a contractually pre-determined percentage of revenue accounted for 43% of revenue in both the 2025 and 2024 second quarters.

Operating Income

as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



RESULTS

Operating Income

\$56.3
\$68.1

2Q 2025 **2Q 2024**

Percentage of

Gross Profit

51.5% **56.7%**

2Q 2025 **2Q 2024**

Variable Contribution

33.0% **38.9%**

2Q 2025 **2Q 2024**

CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

2Q

2024

38.9

Other operating costs

(3.4)

Insurance and claims

(2.3)

SG&A

(1.3)

Depreciation and amortization

1.1

2025

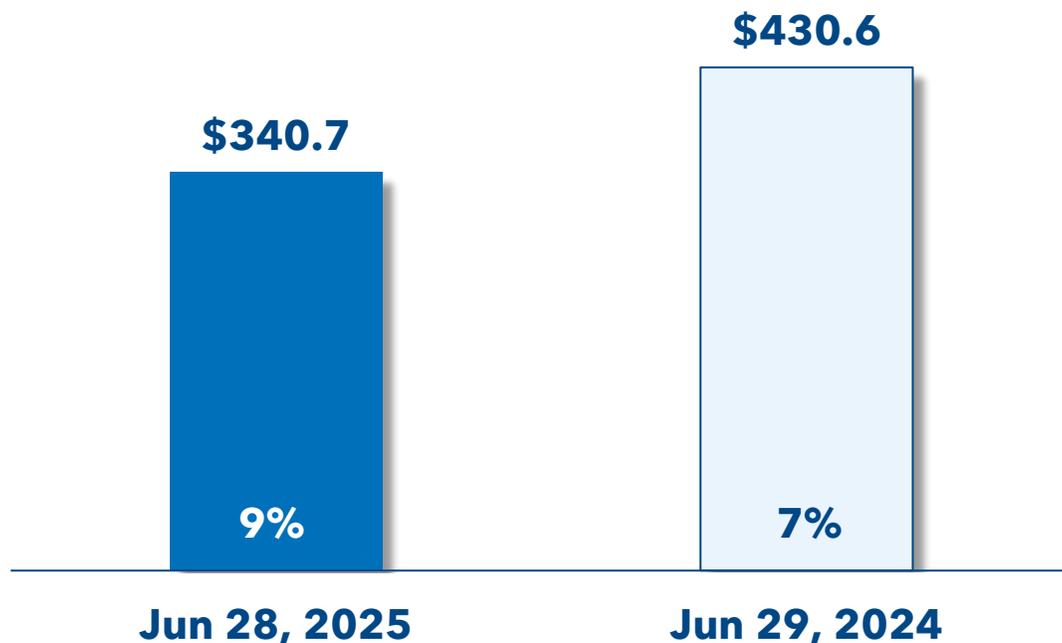
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Key Balance Sheet and Cash Flow Statistics

Dollars in Millions



NET CASH ⁽¹⁾ with Debt to Capital ⁽²⁾ as of date indicated



SOURCES / USES OF CASH

Year-to-date as of date indicated

Cash Flow Type	2Q 2025	2Q 2024
Cash flow from operations	\$ 62.8	\$ 142.3
Capital expenditures	\$ 4.4	\$ 16.8
Free cash flow ⁽³⁾	\$ 58.4	\$ 125.6
Share repurchases	\$ 102.3	\$ 56.5
Dividends paid	\$ 97.2	\$ 95.0

RETURNS

Trailing 12 months as of date indicated

Return Type	Jun 28, 2025	Jun 29, 2024
Equity	17%	22%
Invested Capital	16%	20%
Assets	10%	12%

(1) Net cash is defined as cash and cash equivalents of \$359.2 million plus short term investments of \$66.9 million less outstanding debt of \$85.4 million as of June 28, 2025. As of June 29, 2024, net cash was cash and cash equivalents of \$438.1 million plus short term investments of \$66.0 million less outstanding debt of \$73.4 million.

(2) Capital is defined as total debt plus total shareholders' equity.

(3) Free cash flow is defined as cash flow from operations less cash capital expenditures.



2Q | 2025

Closing Remarks

Frank Lonegro

Chief Executive Officer

➔ **Current Market Update** - July business activity:

- **Truck Loads:** July approximately 1% above July 2024
 - Slightly above typical June to July month-to-month historical trends
- **Truck Revenue per Load:** July approximately 3% below July 2024
 - Below typical June to July month-to-month historical trends

➔ **Historical Trends** - Pre-pandemic historical seasonality patterns would normally yield:

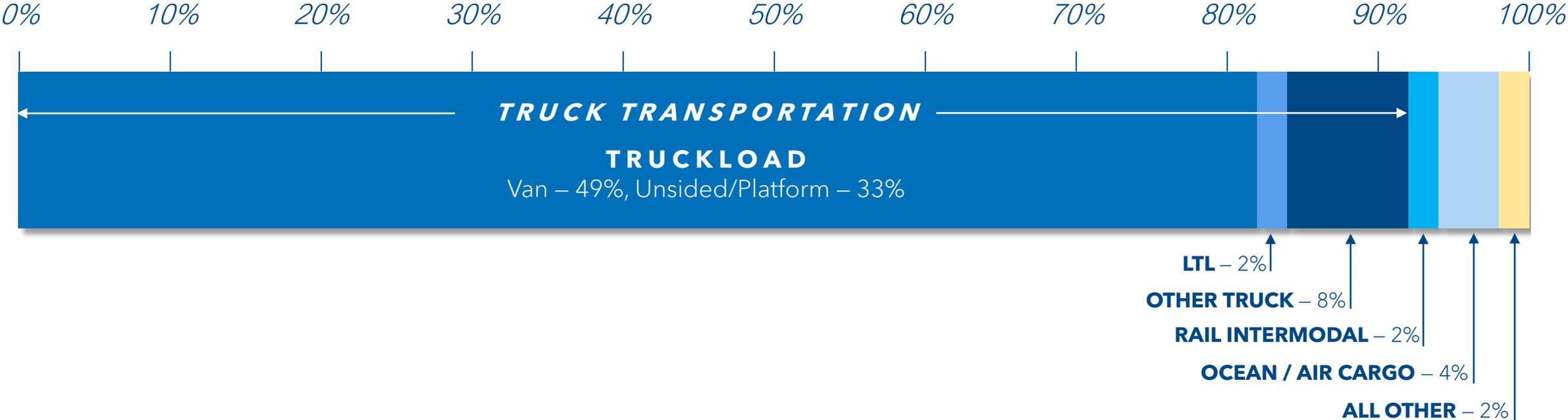
- **Truck Revenue:** Approximately equal from 2Q to 3Q
- **Truck Loads:** Slight decrease 2Q to 3Q
- **Truck Revenue per Load:** Slight increase 2Q to 3Q



20 | 2025

Appendix

PERCENTAGE OF REVENUE 2Q 2025 by Service Type



CHANGE IN SHARE SINCE 2Q 2024

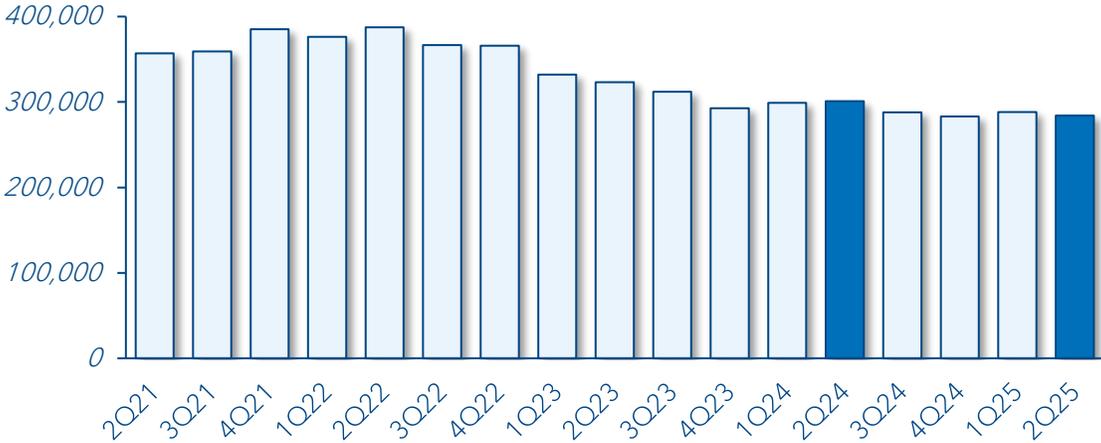
Van Equipment	Unsided/ Platform Equipment	LTL	Other Truck Transportation	Rail Intermodal	Ocean/ Air cargo	All Other
51% → 49%	31% → 33%	2% → 2%	6% → 8%	2% → 2%	6% → 4%	2% → 2%

Truckload Loadings and Revenue per Truckload Trends

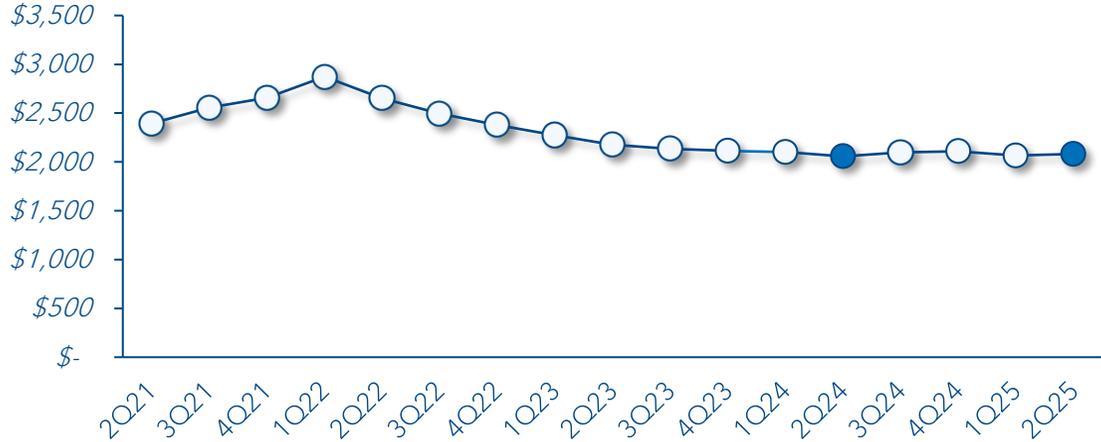


VAN

NUMBER OF LOADS

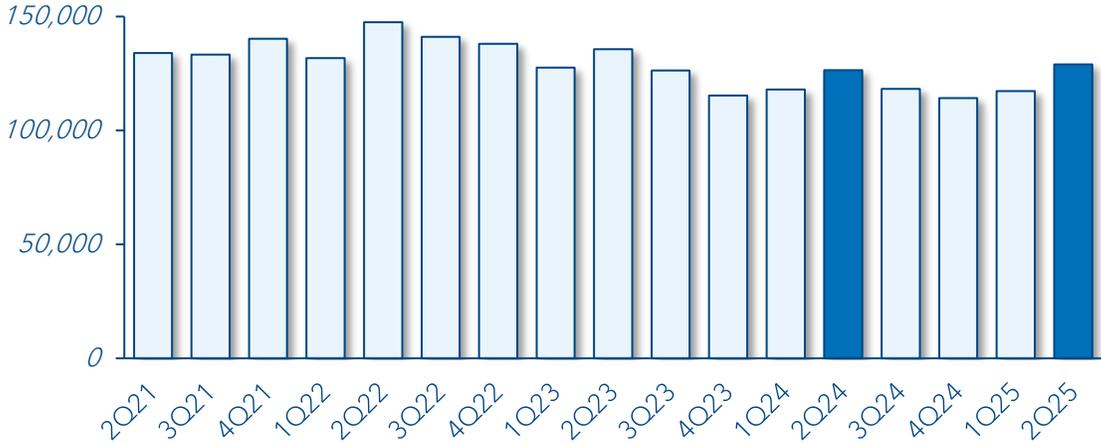


REVENUE PER LOAD

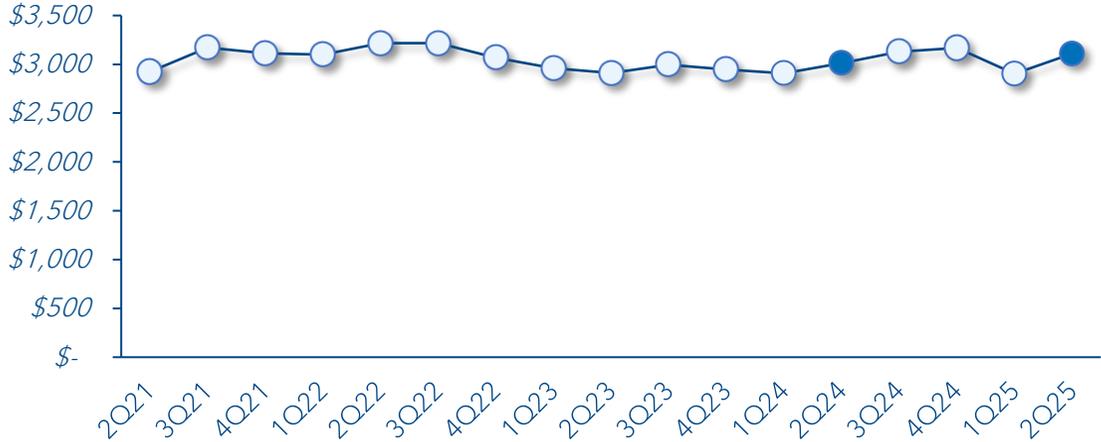


UNSIDED / PLATFORM

NUMBER OF LOADS



REVENUE PER LOAD

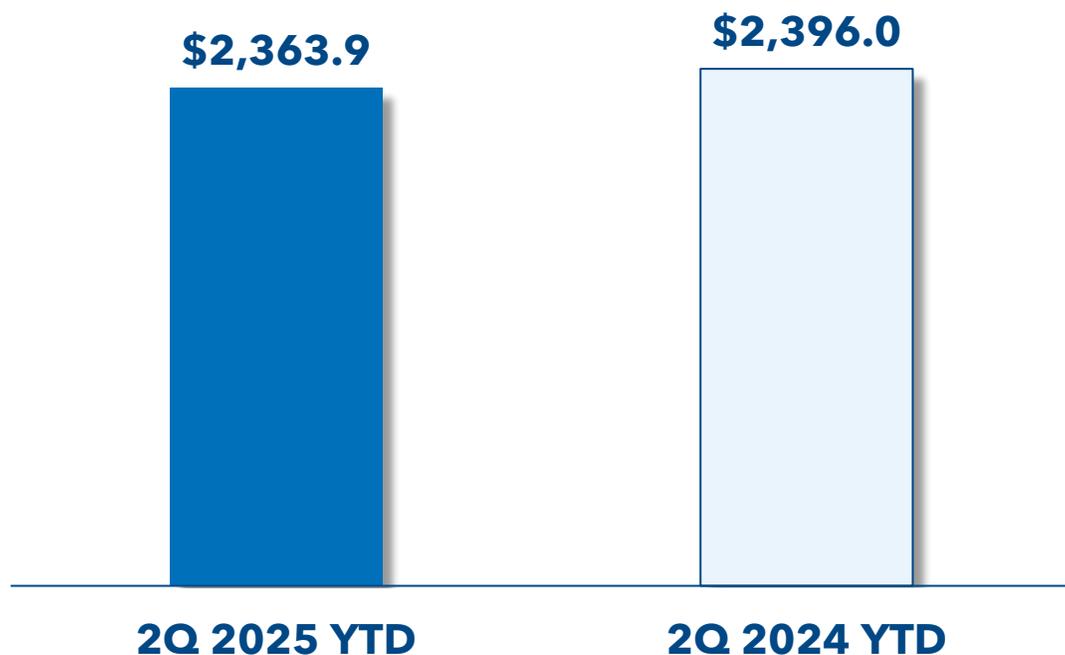


Revenue - Year-to-Date

Dollars in Millions



RESULTS



VARIANCE

Revenue Source	Rate ⁽¹⁾	Vol. ⁽²⁾	Chg.
Truck	1.0%	(1.3%)	(0.3%)
Rail Intermodal	(9.6%)	(2.9%)	(12.2%)
Ocean/Air	(3.3%)	(3.9%)	(7.1%)
Insurance Premiums	N/A	N/A	(9.2%)
Total Revenue	–	–	(1.3%)

(1) Percentage change in rate is calculated on a revenue per load basis.

(2) Percentage change in volume is calculated on the number of loads hauled.

Gross Profit and Variable Contribution - Year-to-Date

with Associated Margins

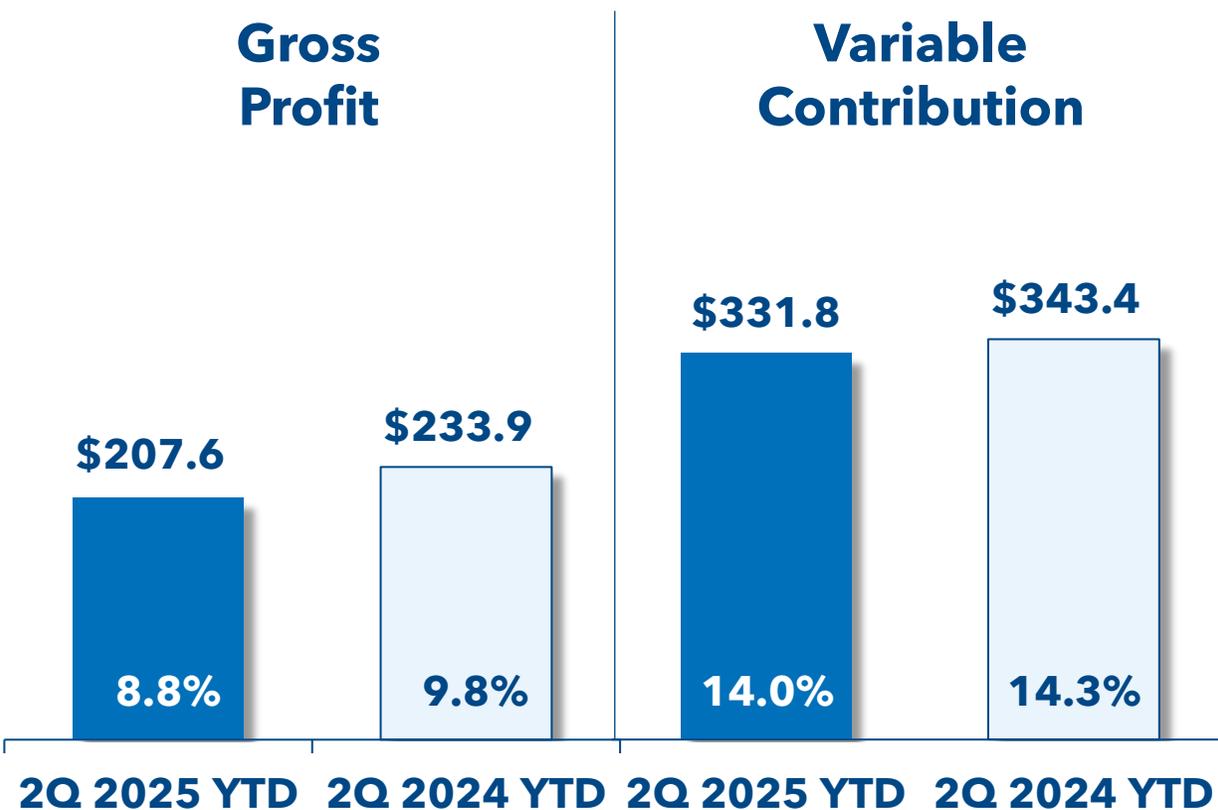
Dollars in Millions



RESULTS

Gross Profit

Variable Contribution



CHANGE IN VC MARGIN

Amounts in %

2Q YTD

2024	2025
14.3	14.0
Revenue - Fixed ⁽¹⁾	(0.1)
Revenue - Variable	(0.1)
Change in Mix/Other	(0.1)

(1) Revenue on transactions where the Company's variable contribution margin was based on a contractually pre-determined percentage of revenue accounted for 43% of revenue in both the 2025 and 2024 year-to-date periods.

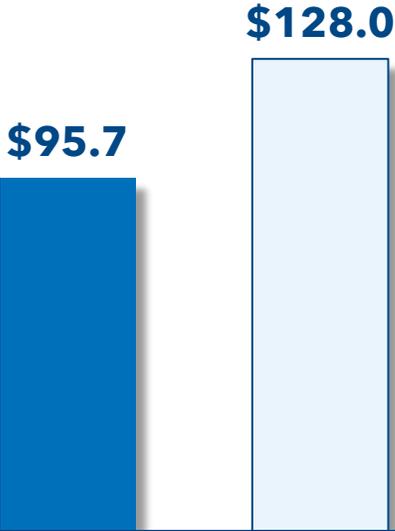
Operating Income - Year-to-Date

as a Percentage of Gross Profit and Variable Contribution
Dollars in Millions



RESULTS

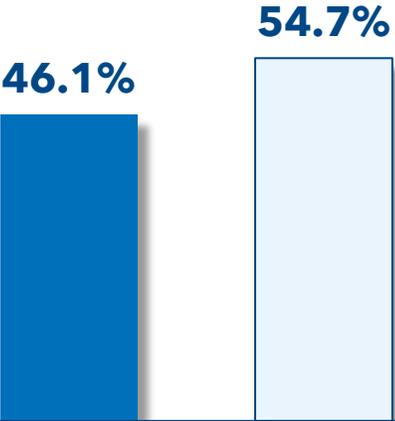
Operating Income



2Q 2025 YTD 2Q 2024 YTD

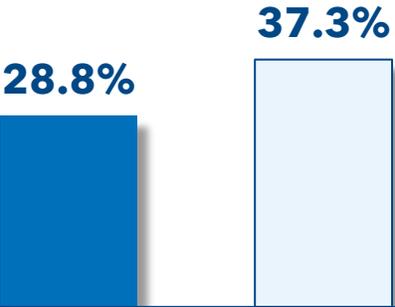
Percentage of

Gross Profit



2Q 2025 YTD 2Q 2024 YTD

Variable Contribution



2Q 2025 YTD 2Q 2024 YTD

CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %	2Q YTD
2024	37.3
Insurance and claims	(5.5)
SG&A	(2.9)
Other operating costs	(1.1)
Depreciation and amortization	1.0
2025	28.8

Reconciliation of Gross Profit to Variable Contribution

Dollars in Thousands



	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Revenue	\$ 2,363,885	\$ 2,396,048	\$ 1,211,383	\$ 1,225,005
Costs of revenue:				
Purchased transportation	1,839,289	1,855,579	941,411	950,058
Commissions to agents	192,836	197,098	99,522	99,816
Variable costs of revenue	2,032,125	2,052,677	1,040,933	1,049,874
Trailing equipment depreciation	13,844	13,834	6,867	6,937
Information technology costs (1)	7,609	11,986	3,934	6,182
Insurance-related costs (2)	71,317	54,659	30,793	27,881
Other operating costs	31,424	28,994	19,595	14,135
Other costs of revenue	124,194	109,473	61,189	55,135
Total costs of revenue	2,156,319	2,162,150	1,102,122	1,105,009
Gross profit	\$ 207,566	\$ 233,898	\$ 109,261	\$ 119,996
Gross profit margin	8.8%	9.8%	9.0%	9.8%
Plus: other costs of revenue	124,194	109,473	61,189	55,135
Variable contribution	\$ 331,760	\$ 343,371	\$ 170,450	\$ 175,131
Variable contribution margin	14.0%	14.3%	14.1%	14.3%

(1) Includes costs of revenue incurred related to internally developed software including ASC 350-40 amortization, implementation costs, hosting costs and other support costs utilized to support the Company's independent commission sales agents, third party capacity providers, and customers, included as a portion of depreciation and amortization and of selling, general and administrative in the Company's Consolidated Statements of Income.

(2) Primarily includes (i) insurance premiums paid for commercial auto liability, general liability, cargo and other lines of coverage related to the transportation of freight; (ii) the related cost of claims incurred under those programs; and (iii) brokerage commissions and other fees incurred relating to the administration of insurance programs available to BCO Independent Contractors that are reinsured by the Company, which are included in selling, general and administrative in the Company's Consolidated Statements of Income.

Free Cash Flow with Stock Purchases and Dividends

Dollars and Shares in Millions



5 - YEAR SUMMARY

Cash Flow Item	2020	2021	2022	2023	2024
Cash flow from operations	\$ 211	\$ 277	\$ 623	\$ 394	\$ 287
Cash capital expenditures ⁽¹⁾	\$ 34	\$ 24	\$ 26	\$ 26	\$ 31
Free cash flow	\$ 177	\$ 253	\$ 597	\$ 368	\$ 256
Share repurchases	\$ 116	\$ 123	\$ 286	\$ 54	\$ 81
Dividends paid	\$ 110	\$ 112	\$ 116	\$ 117	\$ 120
Common share count ⁽²⁾	38.4	37.7	35.9	35.7	35.3

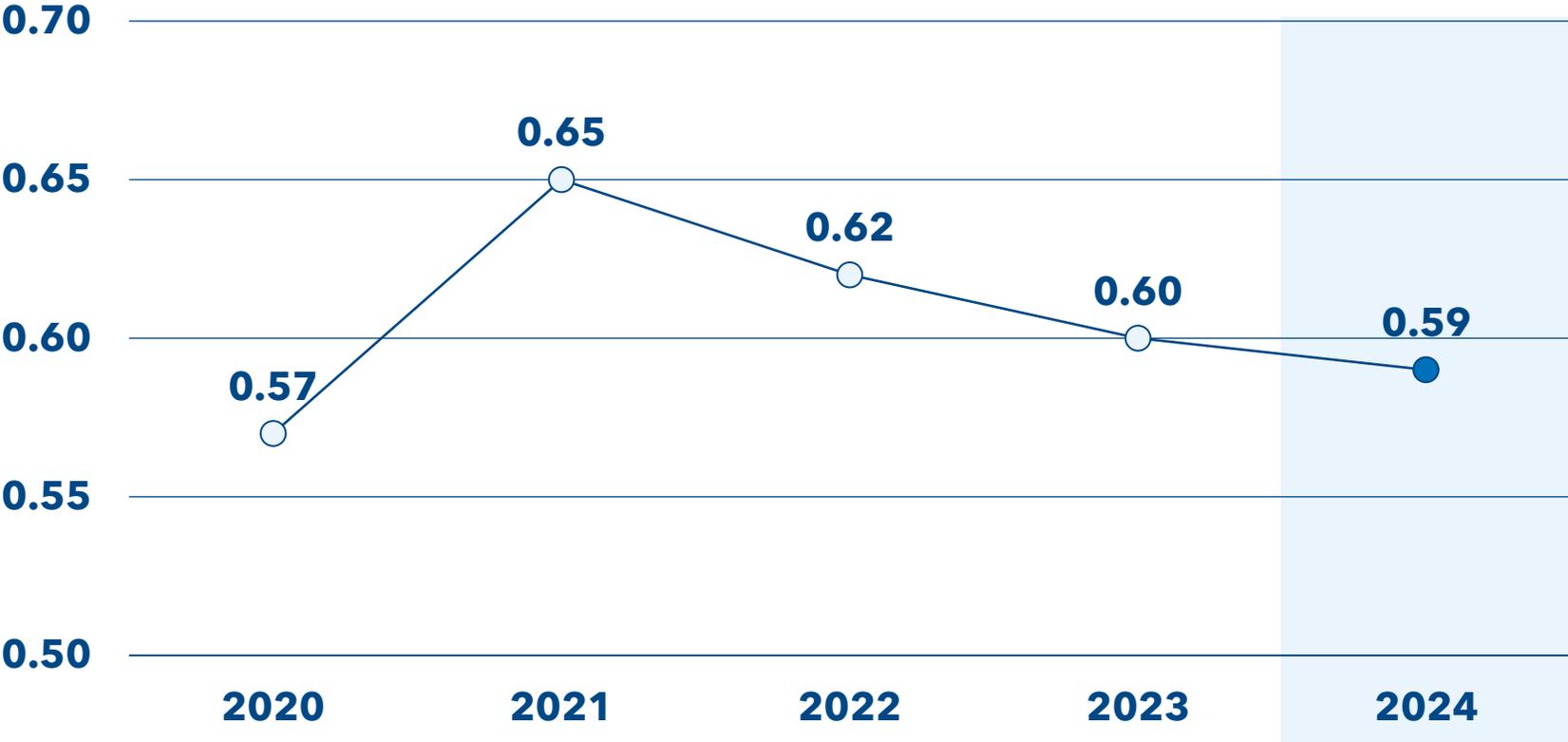
(1) Cash capital expenditures includes purchases of operating property and, for fiscal year 2020, consideration paid for acquisition of a business.

(2) Common share count as of the end of the applicable period.

DOT Accident ⁽¹⁾ Frequency per Million Miles Traveled by BCOs



5 - YEAR SUMMARY



(1) A "DOT Accident" is defined, consistent with U.S. 49 CFR 390.5T, as an occurrence involving a commercial motor vehicle operating on a highway in interstate or intrastate commerce that results in a fatality, a bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or one or more motor vehicles incurring disabling damage as a result of the accident, requiring the motor vehicle(s) to be transported away from the scene by a tow truck or by other motor vehicle, but does not include an occurrence involving only boarding and alighting from a stationary motor vehicle or an occurrence involving only the loading or unloading of cargo.

LANDSTAR



Landstar System, Inc.

2Q | 2025

Earnings Conference Call

