

Landstar System, Inc.  
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Jacksonville, FL 32224  
904 398 9400

For Immediate Release

October 29, 2024

**LANDSTAR SYSTEM REPORTS THIRD QUARTER  
REVENUE OF \$1.214B AND EARNINGS PER SHARE OF \$1.41**

Jacksonville, FL - Landstar System, Inc. (NASDAQ: LSTR) (“Landstar” or the “Company”) today reported basic and diluted earnings per share (“EPS”) of \$1.41 in the 2024 third quarter on revenue of \$1.214 billion. “Consistent with the first half of 2024, the freight environment during the third quarter remained challenging. The Landstar team of independent business owners and employees continued to perform admirably given this backdrop,” said Landstar President and Chief Executive Officer Frank Lonegro. “I was encouraged that Landstar achieved a 3.2% sequential increase in truck revenue per load compared to the 2024 second quarter, outperforming typical seasonality. This result was driven by a strong month-over-month truck revenue per load increase in July, but tapered off as we moved through August and September, in part due to tougher prior month comparisons. Regardless of the freight environment, the thousands of Landstar BCOs, agents and employees in our network continue to strive each day to improve our safety performance and deliver great service to our customers.”

Landstar continues to return capital to stockholders through the Company’s stock purchase program and dividends. During the 2024 third quarter, Landstar purchased approximately 121,000 shares of its common stock at an aggregate cost of \$22.4 million. The Company is currently authorized to purchase up to an additional 2,563,081 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 \$0.36 per share payable on December 10, 2024, to stockholders of record as of the close of business on November 19, 2024.

	<b>3Q 2024</b>	<b>3Q 2023</b>
Revenue	\$ 1,213,867	\$ 1,289,345
Gross profit	\$ 112,693	\$ 128,079
Variable contribution	\$ 171,359	\$ 187,358
Operating income	\$ 63,116	\$ 80,348
Basic and diluted earnings per share	\$ 1.41	\$ 1.71

(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

Total revenue was \$1,214 million in the 2024 third quarter, compared to \$1,289 million in the 2023 third quarter. Truck transportation revenue hauled by independent business capacity owners (“BCOs”) and truck brokerage carriers in the 2024 third quarter was \$1,091 million, or 90% of revenue, compared to \$1,174 million, or 91% of revenue, in the 2023 third quarter. Truckload transportation revenue hauled via van equipment in the 2024 third quarter was \$604 million, compared to \$666 million in the 2023 third quarter. Truckload transportation revenue hauled via unsided/platform equipment in the 2024 third quarter was \$370 million, compared to \$378 million in the 2023 third quarter. Revenue from other truck transportation, which is largely related to power-only services, in the 2024 third quarter was \$93 million, compared to \$102 million in the 2023 third quarter. Revenue hauled by rail, air and ocean cargo carriers was \$97 million, or 8% of revenue, in the 2024 third quarter, compared to \$89 million, or 7% of revenue, in the 2023 third quarter.

The number of loads hauled via truck declined 7.7% in the 2024 third quarter as compared to the 2023 third quarter, slightly ahead of the mid-point of the Company’s guidance included in its 2024 second quarter earnings release slide presentation, dated July 30, 2024. Truck revenue per load increased 0.7% in the 2024 third quarter as compared to the 2023 third quarter, within the lower half of the range of the Company’s previously provided guidance.

Gross profit in the 2024 third quarter was \$113 million and variable contribution (defined as revenue less the cost of purchased transportation and commissions to agents) in the 2024 third quarter was \$171 million. Gross profit in the 2023 third quarter was \$128 million and variable contribution in the 2023 third quarter was \$187 million. Reconciliations of gross profit to variable contribution and gross profit margin to variable contribution margin

for the 2024 and 2023 third 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 \$531 million as of September 28, 2024. Trailing twelve-month return on average shareholders' equity was 21%, and return on invested capital, representing net income divided by the sum of average equity plus average debt, was 19%.

Landstar will provide a live webcast of its quarterly earnings conference call this evening at 4:30 p.m. ET. To access the webcast, visit [www.investor.landstar.com](http://www.investor.landstar.com); click on "Webcasts," then click on "Landstar's Third Quarter 2024 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:  
Jim Todd  
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 a non-GAAP financial measure: 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: 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 2023 fiscal year; decreased demand for transportation services; U.S. trade relationships; 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; and other operational, financial or legal risks or

uncertainties detailed in Landstar's Form 10-K for the 2023 fiscal year, described in 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)

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Revenue	\$ 3,609,915	\$ 4,098,877	\$ 1,213,867	\$ 1,289,345
Investment income	10,988	6,874	3,922	3,022
Costs and expenses:				
Purchased transportation	2,799,384	3,141,234	943,805	986,743
Commissions to agents	295,801	363,397	98,703	115,244
Other operating costs, net of gains on asset sales/dispositions	44,138	40,998	15,144	15,158
Insurance and claims	83,830	86,971	30,398	29,540
Selling, general and administrative	162,613	159,071	51,252	50,975
Depreciation and amortization	44,001	44,498	15,371	14,359
Total costs and expenses	3,429,767	3,836,169	1,154,673	1,212,019
Operating income	191,136	269,582	63,116	80,348
Interest and debt (income) expense	(4,455)	(2,079)	(1,169)	(1,046)
Income before income taxes	195,591	271,661	64,285	81,394
Income taxes	45,838	65,254	14,252	19,741
Net income	\$ 149,753	\$ 206,407	\$ 50,033	\$ 61,653
Basic and diluted earnings per share	\$ 4.21	\$ 5.74	\$ 1.41	\$ 1.71
Average basic and diluted shares outstanding	35,608,000	35,958,000	35,420,000	35,951,000
Dividends per common share	\$ 1.02	\$ 0.93	\$ 0.36	\$ 0.33

## Landstar System, Inc. and Subsidiary

### Consolidated Balance Sheets

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

	September 28, 2024	December 30, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 468,830	\$ 481,043
Short-term investments	62,451	59,661
Trade accounts receivable, less allowance of \$12,134 and \$11,738	694,633	743,762
Other receivables, including advances to independent contractors, less allowance of \$16,759 and \$14,010	51,533	43,339
Other current assets	33,947	24,936
Total current assets	1,311,394	1,352,741
Operating property, less accumulated depreciation and amortization of \$456,770 and \$436,682	289,248	284,300
Goodwill	41,122	42,275
Other assets	115,491	122,530
Total assets	\$ 1,757,255	\$ 1,801,846
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Cash overdraft	\$ 50,746	\$ 61,541
Accounts payable	397,908	395,980
Current maturities of long-term debt	27,672	27,876
Insurance claims	43,370	41,825
Dividends payable	-	71,433
Contractor escrow	30,244	28,498
Other current liabilities	42,712	48,071
Total current liabilities	592,652	675,224
Long-term debt, excluding current maturities	44,834	43,264
Insurance claims	59,861	58,922
Deferred income taxes and other non-current liabilities	43,990	40,513
Shareholders' equity:		
Common stock, \$0.01 par value, authorized 160,000,000 shares, issued 68,559,269 and 68,497,324	686	685
Additional paid-in capital	255,398	254,642
Retained earnings	2,897,073	2,783,645
Cost of 33,228,096 and 32,780,651 shares of common stock in treasury	(2,128,684)	(2,048,184)
Accumulated other comprehensive loss	(8,555)	(6,865)
Total shareholders' equity	1,015,918	983,923
Total liabilities and shareholders' equity	\$ 1,757,255	\$ 1,801,846

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

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
<b>Revenue generated through (in thousands):</b>				
Truck transportation				
Truckload:				
Van equipment	\$ 1,851,237	\$ 2,123,693	\$ 603,993	\$ 665,569
Unsided/platform equipment	1,093,753	1,150,483	369,758	378,147
Less-than-truckload	77,902	90,770	24,195	28,097
Other truck transportation <sup>(1)</sup>	242,853	379,471	93,178	101,951
Total truck transportation	3,265,745	3,744,417	1,091,124	1,173,764
Rail intermodal	65,981	73,953	20,979	23,064
Ocean and air cargo carriers	201,729	202,358	76,349	65,824
Other <sup>(2)</sup>	76,460	78,149	25,415	26,693
	<u>\$ 3,609,915</u>	<u>\$ 4,098,877</u>	<u>\$ 1,213,867</u>	<u>\$ 1,289,345</u>
Revenue on loads hauled via BCO Independent Contractors <sup>(3)</sup> included in total truck transportation	\$ 1,374,915	\$ 1,543,634	\$ 456,844	\$ 508,753
<b>Number of loads:</b>				
Truck transportation				
Truckload:				
Van equipment	887,895	966,867	287,922	311,831
Unsided/platform equipment	362,627	389,471	118,220	126,286
Less-than-truckload	119,346	134,580	36,496	41,514
Other truck transportation <sup>(1)</sup>	114,552	157,112	43,112	46,739
Total truck transportation	1,484,420	1,648,030	485,750	526,370
Rail intermodal	21,420	22,150	7,040	6,760
Ocean and air cargo carriers	26,120	25,380	8,880	8,630
	<u>1,531,960</u>	<u>1,695,560</u>	<u>501,670</u>	<u>541,760</u>
Loads hauled via BCO Independent Contractors <sup>(3)</sup> included in total truck transportation	620,640	689,260	198,340	225,350
<b>Revenue per load:</b>				
Truck transportation				
Truckload:				
Van equipment	\$ 2,085	\$ 2,196	\$ 2,098	\$ 2,134
Unsided/platform equipment	3,016	2,954	3,128	2,994
Less-than-truckload	653	674	663	677
Other truck transportation <sup>(1)</sup>	2,120	2,415	2,161	2,181
Total truck transportation	2,200	2,272	2,246	2,230
Rail intermodal	3,080	3,339	2,980	3,412
Ocean and air cargo carriers	7,723	7,973	8,598	7,627
Revenue per load on loads hauled via BCO Independent Contractors <sup>(3)</sup>	\$ 2,215	\$ 2,240	\$ 2,303	\$ 2,258
<b>Revenue by capacity type (as a % of total revenue):</b>				
Truck capacity providers:				
BCO Independent Contractors <sup>(3)</sup>	38%	38%	38%	39%
Truck Brokerage Carriers	52%	54%	52%	52%
Rail intermodal	2%	2%	2%	2%
Ocean and air cargo carriers	6%	5%	6%	5%
Other	2%	2%	2%	2%

	September 28, 2024	September 30, 2023
<b>Truck Capacity Providers</b>		
BCO Independent Contractors <sup>(3)</sup>	8,266	9,455
Truck Brokerage Carriers:		
Approved and active <sup>(4)</sup>	44,828	51,717
Other approved	25,714	27,925
	<u>70,542</u>	<u>79,642</u>
Total available truck capacity providers	<u>78,808</u>	<u>89,097</u>
Trucks provided by BCO Independent Contractors <sup>(3)</sup>	9,027	10,253

(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)

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Revenue	\$ 3,609,915	\$ 4,098,877	\$ 1,213,867	\$ 1,289,345
Costs of revenue:				
Purchased transportation	2,799,384	3,141,234	943,805	986,743
Commissions to agents	<u>295,801</u>	<u>363,397</u>	<u>98,703</u>	<u>115,244</u>
Variable costs of revenue	3,095,185	3,504,631	1,042,508	1,101,987
Trailing equipment depreciation	20,764	24,240	6,930	7,721
Information technology costs (1)	18,115	19,791	6,129	6,298
Insurance-related costs (2)	85,122	88,484	30,463	30,102
Other operating costs	<u>44,138</u>	<u>40,998</u>	<u>15,144</u>	<u>15,158</u>
Other costs of revenue	<u>168,139</u>	<u>173,513</u>	<u>58,666</u>	<u>59,279</u>
Total costs of revenue	<u>3,263,324</u>	<u>3,678,144</u>	<u>1,101,174</u>	<u>1,161,266</u>
Gross profit	<u>\$ 346,591</u>	<u>\$ 420,733</u>	<u>\$ 112,693</u>	<u>\$ 128,079</u>
Gross profit margin	9.6%	10.3%	9.3%	9.9%
Plus: other costs of revenue	<u>168,139</u>	<u>173,513</u>	<u>58,666</u>	<u>59,279</u>
Variable contribution	<u>\$ 514,730</u>	<u>\$ 594,246</u>	<u>\$ 171,359</u>	<u>\$ 187,358</u>
Variable contribution margin	14.3%	14.5%	14.1%	14.5%

(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.

### 3Q | 2024

### Earnings Conference Call



# LANDSTAR



## 3Q | 2024

### **Forward-Looking Statements Disclaimer**

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# LANDSTAR



## 3Q | 2024

### 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 2024 and 2023 third quarters and year-to-date periods is included in this slide presentation within the Appendix.



3Q | 2024

## Executive Summary

**Frank Lonegro**

Chief Executive Officer

## RESULTS

Dollars in Millions (except per share amounts)

Metric	3Q 2024	3Q 2023	Chg.
Revenue	\$ 1,213.9	\$ 1,289.3	(5.9%)
Operating Income	\$ 63.1	\$ 80.3	(21.4%)
Earnings per Share	\$ 1.41	\$ 1.71	(17.5%)

## HIGHLIGHTS

### 3Q revenue performance

- 3Q 2024 sequential increase in truck revenue per load above typical seasonality
- First year over year increase in truck revenue per load since 3Q 2022

### Strong Balance Sheet

- Continuing to return meaningful capital to stockholders

### Investing through the cycle

- Supporting our network of entrepreneurs with investment in leading-edge technology and new trailing equipment

## LANDSTAR NETWORK

Agents  
**~1,100**

Customers  
**25,000+**

Capacity  
**78,000+**

Employees  
**~1,500**



## 3Q RESULTS

**\$1.09B**

Truck Revenue

**486K**

Truck Loadings

**\$2,246**

Truck Revenue per Load

**524**

Million \$ Agents\*

**9,027**

BCO Trucks

**70,542**

Carriers

**17,700+**

Trailers

**0.56**

DOT Accidents  
per Million Miles\*\*

\* Based on 2023 fiscal year

\*\* Based on 3Q 2024 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	Sep 28, 2024	Dec 30, 2023	Sep 30, 2023
BCO Independent Contractors	8,266	9,024	9,455
Truck Brokerage Carriers			
Approved and Active <sup>(1)</sup>	44,828	49,111	51,717
Other Approved	25,714	27,524	27,925
Total Truck Brokerage Carriers	70,542	76,635	79,642
<b>Total Available Truck Capacity Providers</b>	<b>78,808</b>	<b>85,659</b>	<b>89,097</b>
<i>Trucks Provided by BCO Independent Contractors</i>	<i>9,027</i>	<i>9,809</i>	<i>10,253</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 \$197.1 million and \$244.9 million in the 2024 and 2023 year-to-date periods, respectively, and \$61.2 million and \$78.4 million in the 2024 and 2023 third quarters, respectively.





3Q | 2024

## Financial Results

**Jim Todd**

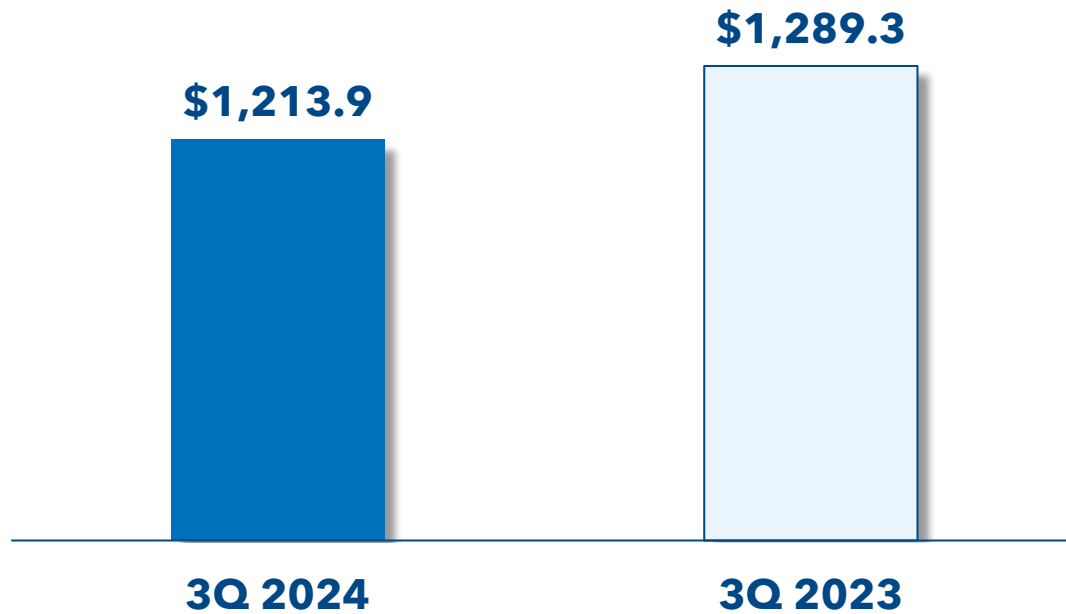
Chief Financial Officer

# Revenue

Dollars in Millions



## RESULTS



## VARIANCE

Revenue Source	Rate <sup>(1)</sup>	Vol. <sup>(2)</sup>	Chg.
Truck	0.7%	(7.7%)	(7.0%)
Rail Intermodal	(12.7%)	4.1%	(9.0%)
Ocean/Air	12.7%	2.9%	16.0%
Insurance Premiums	N/A	N/A	(13.5%)
<b>Total Revenue</b>	<b>–</b>	<b>–</b>	<b>(5.9%)</b>

(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 6% Y-O-Y

Revenue Share		Market Segment	Y-O-Y Change in Revenue
3Q 2024	3Q 2023		
28.4	27.7	Consumer Durables	(3)
13.8	14.1	Machinery	(7)
9.8	8.3	Building Products	11
9.5	11.5	Automotive	(22)
7.1	7.8	AA&E, Hazmat	(15)
5.0	4.8	Metals	(3)
2.3	2.5	Foodstuffs	(13)
1.9	1.8	Substitute Line Haul	3
22.2	21.5	Other	(3)

# Gross Profit <sup>(1)</sup> and Variable Contribution <sup>(2)</sup>

with Associated Margins

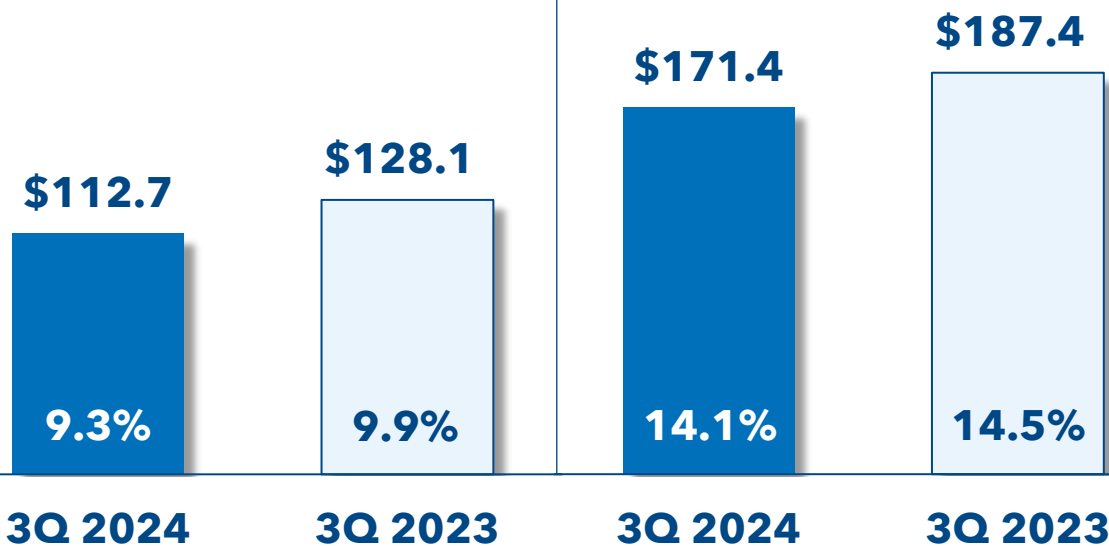
Dollars in Millions



## RESULTS

### Gross Profit

### Variable Contribution



## CHANGE IN VC MARGIN

Amounts in %

3Q

2023	14.5
Revenue - Fixed <sup>(3)</sup>	0.1
Revenue - Variable	(0.2)
Change in Mix/Other	(0.3)
<b>2024</b>	<b>14.1</b>

(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 42% and 45% of revenue in the 2024 and 2023 third quarters, respectively.

# Operating Income

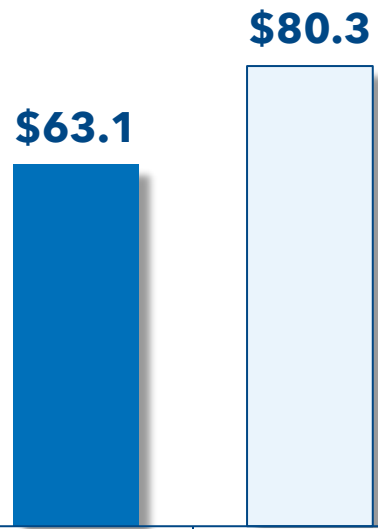
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



## RESULTS

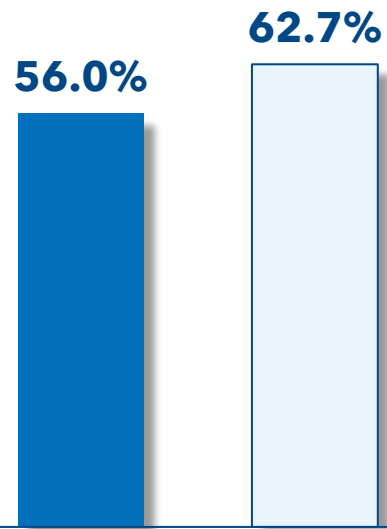
### Operating Income



3Q 2024 3Q 2023

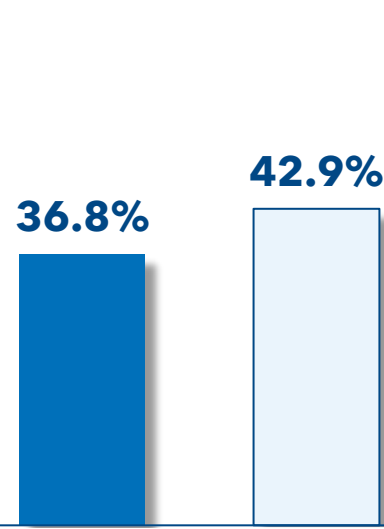
### Percentage of

Gross Profit



3Q 2024 3Q 2023

Variable Contribution



3Q 2024 3Q 2023

## CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

3Q

2023

42.9

Other operating costs

(0.8)

Insurance and claims

(1.3)

SG&A

(2.7)

Depreciation and amortization

(1.3)

2024

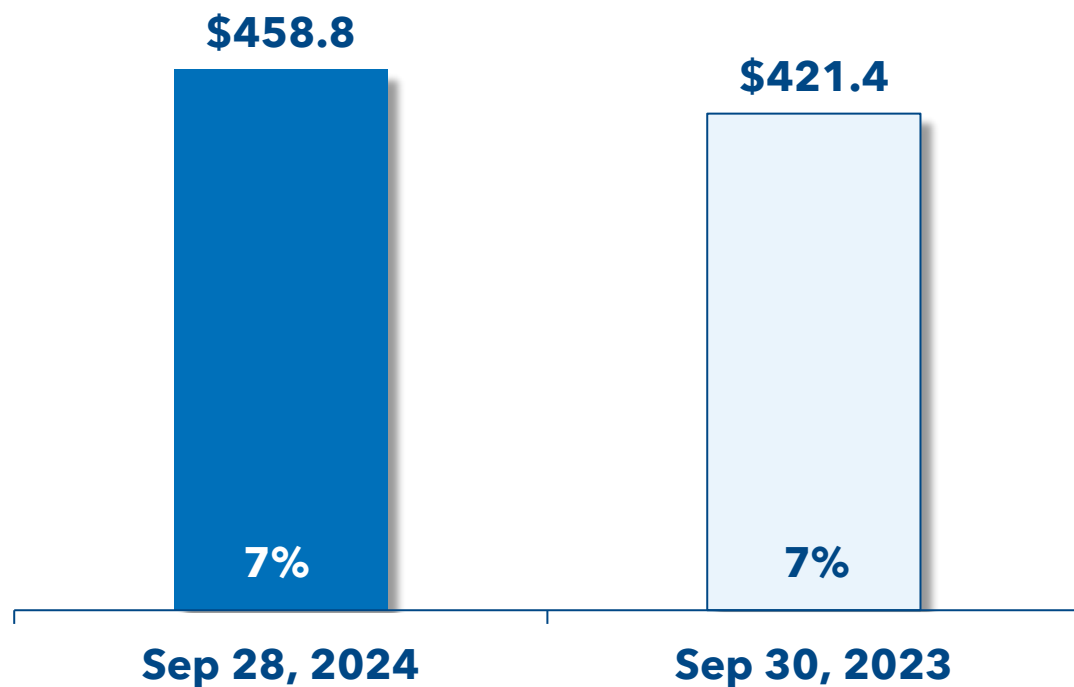
36.8

# Key Balance Sheet and Cash Flow Statistics

Dollars in Millions



## NET CASH <sup>(1)</sup> with Debt to Capital <sup>(2)</sup> as of date indicated



## SOURCES / USES OF CASH

Year-to-date as of date indicated

Cash Flow Type	Sep 28, 2024	Sep 30, 2023
Cash flow from operations	\$ 225.4	\$ 303.8
Cash capital expenditures	\$ 24.3	\$ 15.4
Free cash flow <sup>(3)</sup>	\$ 201.2	\$ 288.4
Share repurchases	\$ 78.7	\$ 15.4
Dividends paid	\$ 107.8	\$ 105.3

## RETURNS

Trailing 12 months as of date indicated

Return Type	Sep 28, 2024	Sep 30, 2023
Equity	21%	32%
Invested Capital	19%	29%
Assets	12%	16%

(1) Net cash is defined as cash and cash equivalents plus short term investments less outstanding debt.

(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.



3Q | 2024

## 4Q Guidance & Closing Remarks

**Frank Lonegro**

Chief Executive Officer

➔ **Consolidated Revenue** of \$1.150 - \$1.250 billion

- **Truck Loads** 4% below to 1% above prior year
- **Truck Revenue per Load** 0% to 4% above prior year

➔ **Earnings per Share** of \$1.25 – \$1.45

- **Insurance Expense** to approximate 6.0% of BCO revenue
- **Effective Income Tax Rate** of 24.5%

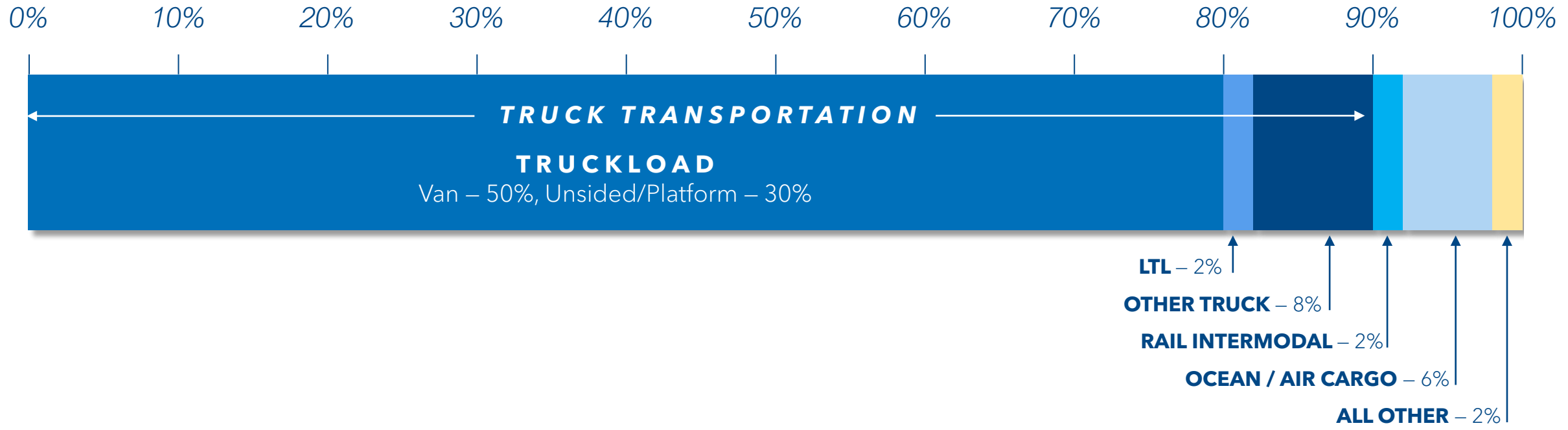




3Q | 2024

Appendix

## PERCENTAGE OF REVENUE 3Q 2024 by Service Type



### CHANGE IN SHARE SINCE 3Q 2023

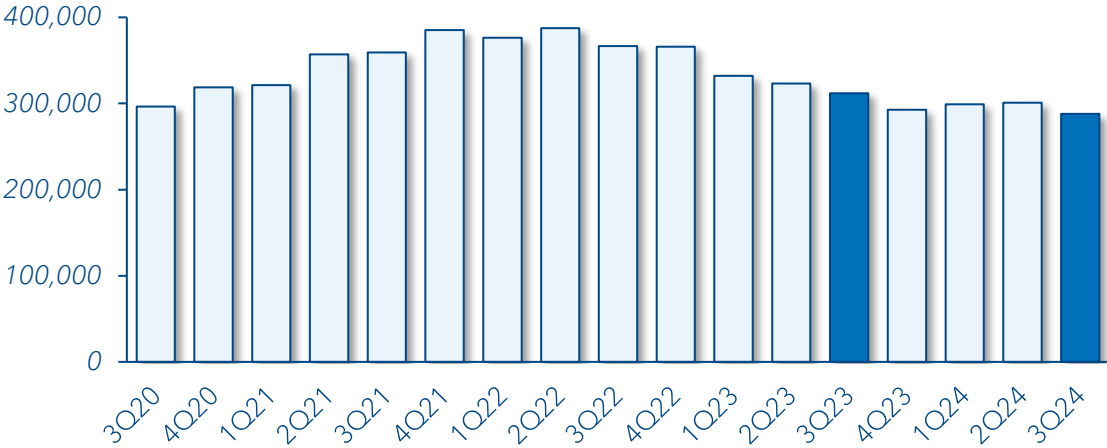
Van Equipment	Unsided/ Platform Equipment	LTL	Other Truck Transportation	Rail Intermodal	Ocean/ Air cargo	All Other
52% → 50%	29% → 30%	2% → 2%	8% → 8%	2% → 2%	5% → 6%	2% → 2%

# Truckload Loadings and Revenue per Truckload Trends

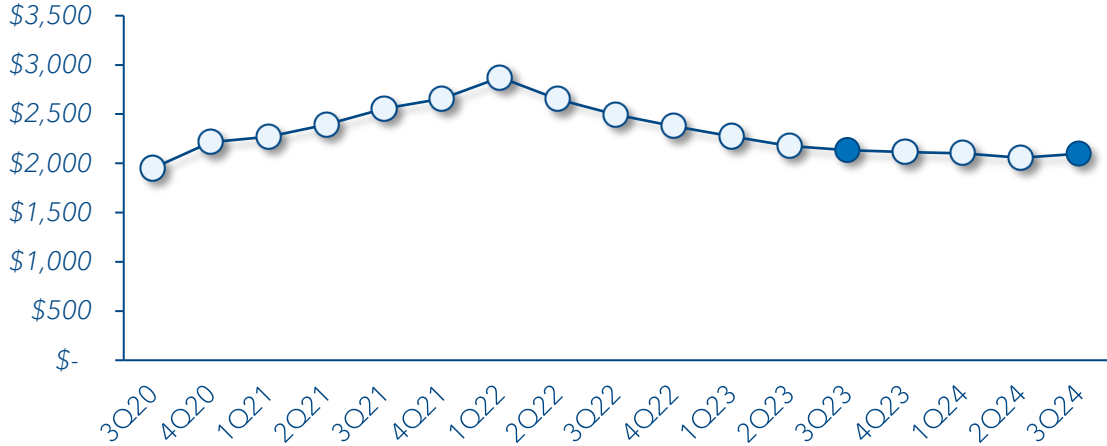


## VAN

NUMBER OF LOADS

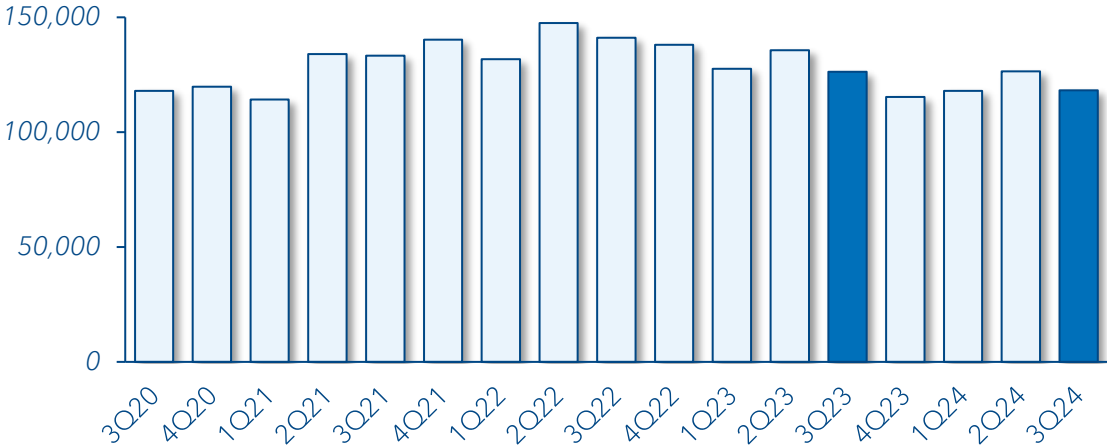


REVENUE PER LOAD

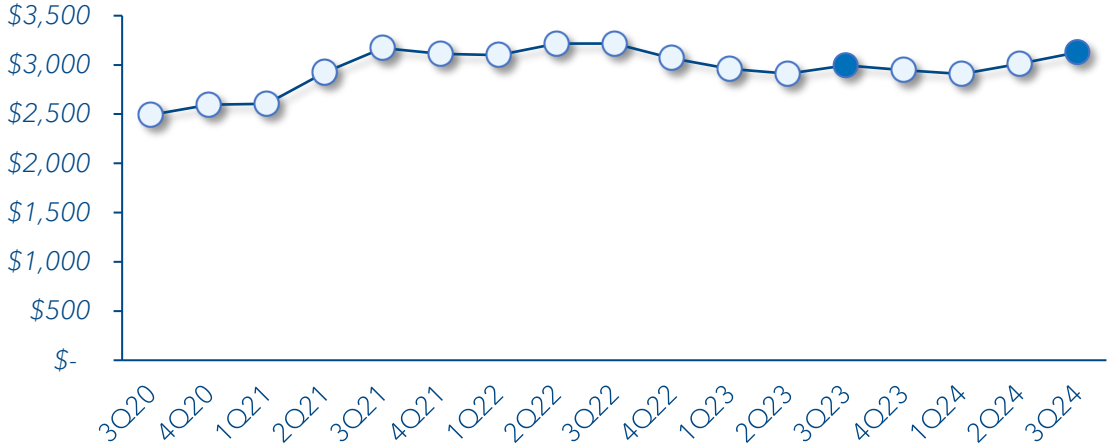


## UNSIDED / PLATFORM

NUMBER OF LOADS



REVENUE PER LOAD

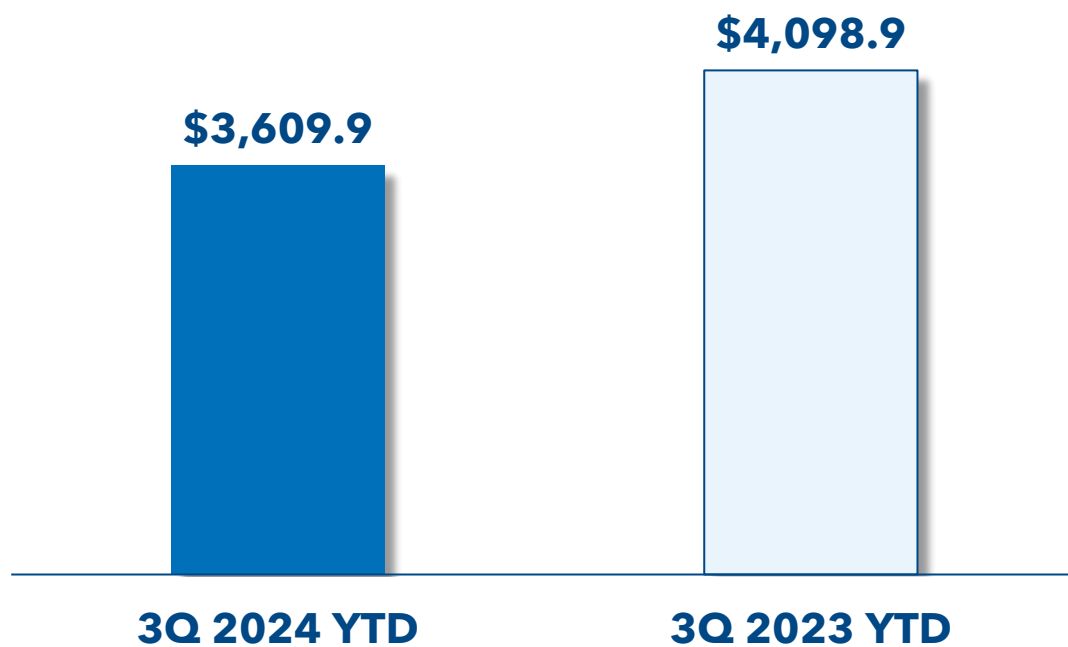


# Revenue - Year-to-Date

Dollars in Millions



## RESULTS



## VARIANCE

Revenue Source	Rate <sup>(1)</sup>	Vol. <sup>(2)</sup>	Chg.
Truck	(3.2%)	(9.9%)	(12.8%)
Rail Intermodal	(7.7%)	(3.3%)	(10.8%)
Ocean/Air	(3.1%)	2.9%	(0.3%)
Insurance Premiums	N/A	N/A	(12.9%)
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>(11.9%)</b>

(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

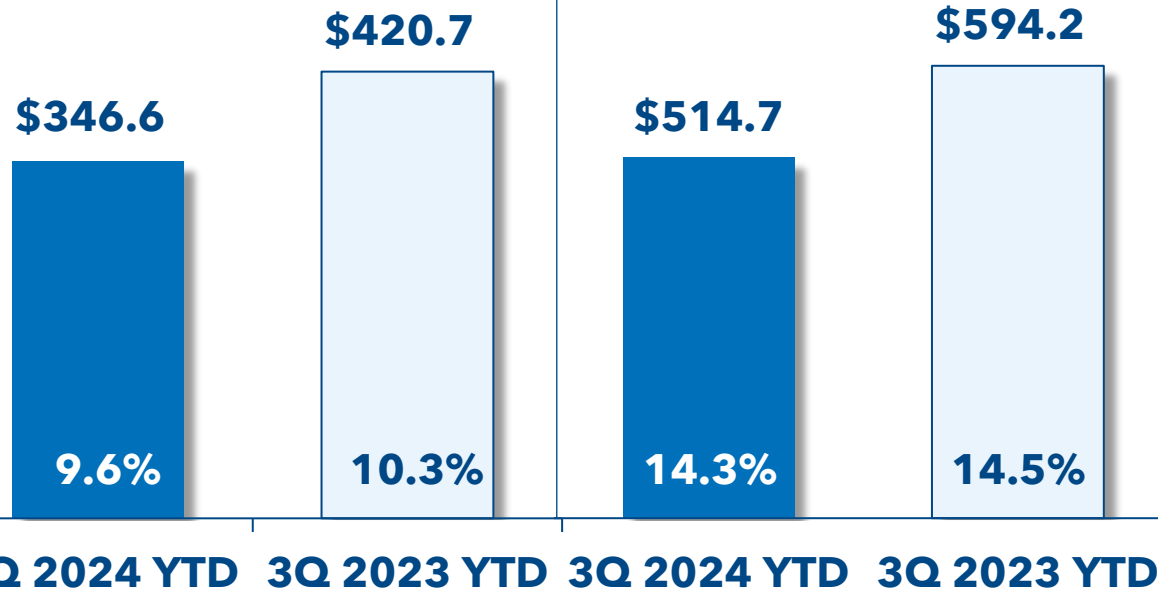
Dollars in Millions



## RESULTS

### Gross Profit

### Variable Contribution



## CHANGE IN VC MARGIN

Amounts in %

3Q YTD

2023	14.5
Revenue - Fixed <sup>(1)</sup>	0.1
Revenue - Variable	(0.4)
Change in Mix/Other	0.1
2024	14.3

(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 2024 and 2023 year-to-date periods, respectively.

# Operating Income - Year-to-Date

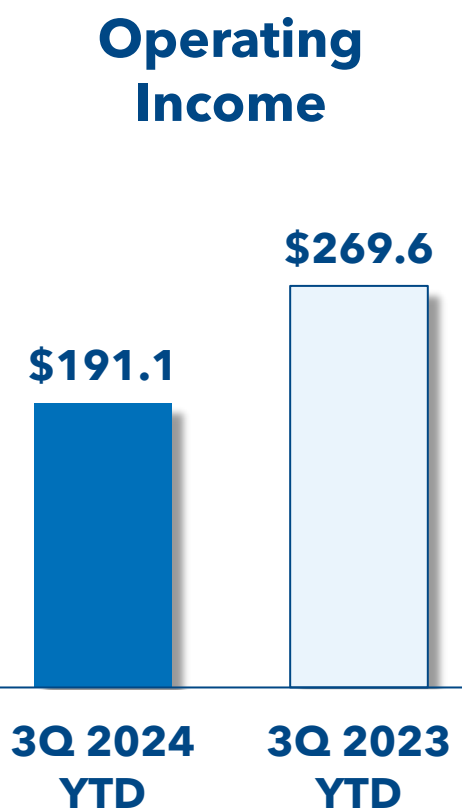
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



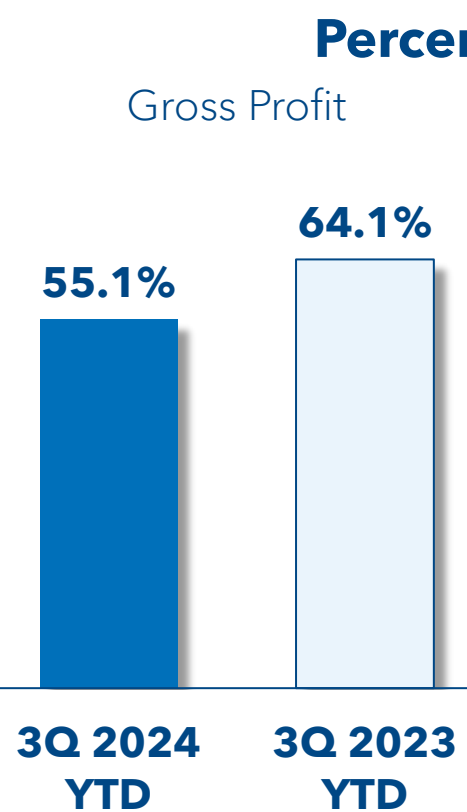
## RESULTS

### Operating Income

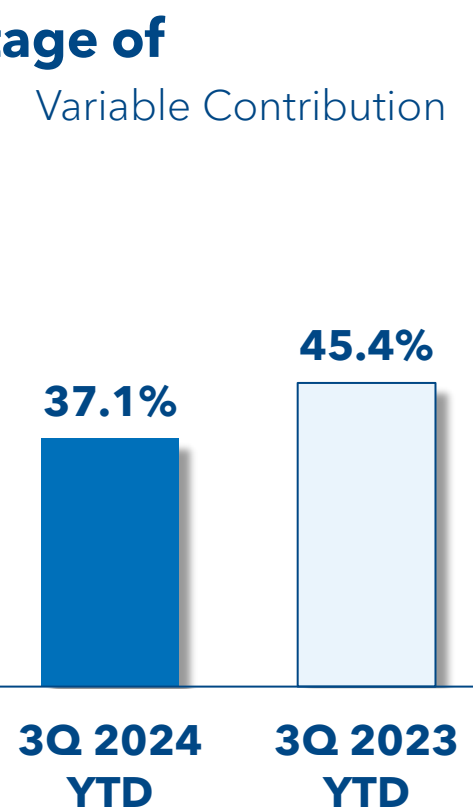


### Percentage of

Gross Profit



Variable Contribution



## CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

3Q YTD

Amounts in %	3Q YTD
<b>2023</b>	<b>45.4</b>
Other operating costs	(1.7)
Insurance and claims	(0.7)
SG&A	(4.8)
Depreciation and amortization	(1.1)
<b>2024</b>	<b>37.1</b>

# Reconciliation of Gross Profit to Variable Contribution

Dollars in Thousands



	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	Sep 28, 2024	Sep 30, 2023	Sep 28, 2024	Sep 30, 2023
Revenue	\$ 3,609,915	\$ 4,098,877	\$ 1,213,867	\$ 1,289,345
Costs of revenue:				
Purchased transportation	2,799,384	3,141,234	943,805	986,743
Commissions to agents	295,801	363,397	98,703	115,244
Variable costs of revenue	3,095,185	3,504,631	1,042,508	1,101,987
Trailing equipment depreciation	20,764	24,240	6,930	7,721
Information technology costs (1)	18,115	19,791	6,129	6,298
Insurance-related costs (2)	85,122	88,484	30,463	30,102
Other operating costs	44,138	40,998	15,144	15,158
Other costs of revenue	168,139	173,513	58,666	59,279
Total costs of revenue	3,263,324	3,678,144	1,101,174	1,161,266
<b>Gross profit</b>	<b>\$ 346,591</b>	<b>\$ 420,733</b>	<b>\$ 112,693</b>	<b>\$ 128,079</b>
Gross profit margin	9.6%	10.3%	9.3%	9.9%
Plus: other costs of revenue	168,139	173,513	58,666	59,279
<b>Variable contribution</b>	<b>\$ 514,730</b>	<b>\$ 594,246</b>	<b>\$ 171,359</b>	<b>\$ 187,358</b>
Variable contribution margin	14.3%	14.5%	14.1%	14.5%

(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	2019	2020	2021	2022	2023
Cash flow from operations	\$ 308	\$ 211	\$ 277	\$ 623	\$ 394
Cash capital expenditures <sup>(1)</sup>	\$ 20	\$ 34	\$ 24	\$ 26	\$ 26
Free cash flow	\$ 288	\$ 177	\$ 253	\$ 597	\$ 368
Share repurchases	\$ 89	\$ 116	\$ 123	\$ 286	\$ 54
Dividends paid	\$ 28	\$ 110	\$ 112	\$ 116	\$ 117
Common share count <sup>(2)</sup>	39.5	38.4	37.7	35.9	35.7

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

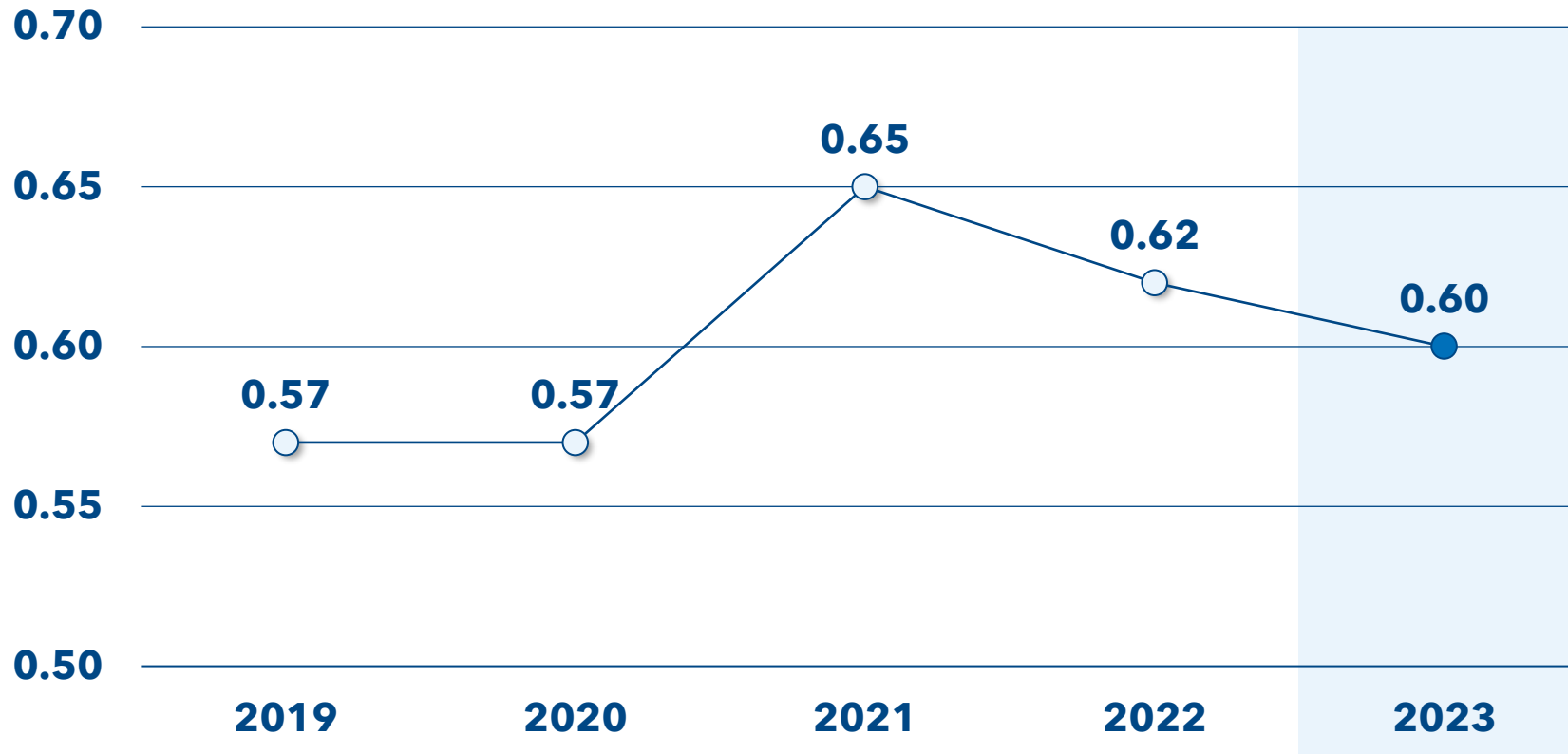
(2) Common share count as of the end of the applicable period.



# DOT Accident <sup>(1)</sup> 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.

3Q | 2024

Earnings Conference Call

