

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 28, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-21238



LANDSTAR SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

06-1313069
(I.R.S. Employer
Identification No.)

13410 Sutton Park Drive South, Jacksonville, Florida
(Address of principal executive offices)

32224
(Zip Code)

(904) 398-9400
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	LSTR	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant’s common stock, par value \$0.01 per share, outstanding as of the close of business on July 21, 2025 was 34,653,536.

PART I – Financial Information

<u>Item 1. Financial Statements (unaudited)</u>	
<u>Consolidated Balance Sheets as of June 28, 2025 and December 28, 2024</u>	Page 4
<u>Consolidated Statements of Income for the Twenty-Six and Thirteen Weeks Ended June 28, 2025 and June 29, 2024</u>	Page 5
<u>Consolidated Statements of Comprehensive Income for the Twenty-Six and Thirteen Weeks Ended June 28, 2025 and June 29, 2024</u>	Page 6
<u>Consolidated Statements of Cash Flows for the Twenty-Six Weeks Ended June 28, 2025 and June 29, 2024</u>	Page 7
<u>Consolidated Statements of Changes in Shareholders' Equity for the Twenty-Six and Thirteen Weeks Ended June 28, 2025 and June 29, 2024</u>	Page 8
<u>Notes to Consolidated Financial Statements</u>	Page 10
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	Page 21
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	Page 34
<u>Item 4. Controls and Procedures</u>	Page 35

PART II – Other Information

<u>Item 1. Legal Proceedings</u>	Page 36
<u>Item 1A. Risk Factors</u>	Page 36
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	Page 36
<u>Item 5. Other Information</u>	Page 37
<u>Item 6. Exhibits</u>	Page 38
<u>Signatures</u>	Page 39
EX – 31.1 Section 302 CEO Certification	
EX – 31.2 Section 302 CFO Certification	
EX – 32.1 Section 906 CEO Certification	
EX – 32.2 Section 906 CFO Certification	

Item 1. Financial Statements

The interim consolidated financial statements contained herein reflect all adjustments (all of a normal, recurring nature) which, in the opinion of management, are necessary for a fair statement of the financial condition, results of operations, cash flows and changes in shareholders' equity for the periods presented. They have been prepared in accordance with Rule 10-01 of Regulation S-X and do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. Operating results for the twenty-six weeks ended June 28, 2025 are not necessarily indicative of the results that may be expected for the entire fiscal year ending December 27, 2025.

These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's 2024 Annual Report on Form 10-K.

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 noncurrent 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 shares	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>

See accompanying notes to consolidated financial statements.

[Table of Contents](#)

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>

See accompanying notes to consolidated financial statements.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)
(Unaudited)

	<u>Twenty-Six Weeks Ended</u>		<u>Thirteen Weeks Ended</u>	
	<u>June 28, 2025</u>	<u>June 29, 2024</u>	<u>June 28, 2025</u>	<u>June 29, 2024</u>
Net income	\$ 71,699	\$ 99,720	\$ 41,893	\$ 52,624
Other comprehensive income (loss):				
Unrealized holding gains on available-for-sale investments, net of tax expense of \$424, \$204, \$160 and \$112	1,546	746	582	410
Foreign currency translation gains (losses)	3,300	(3,359)	3,250	(3,053)
Other comprehensive income (loss)	4,846	(2,613)	3,832	(2,643)
Comprehensive income	<u>\$ 76,545</u>	<u>\$ 97,107</u>	<u>\$ 45,725</u>	<u>\$ 49,981</u>

See accompanying notes to consolidated financial statements.

[Table of Contents](#)

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	<u>Twenty-Six Weeks Ended</u>	
	<u>June 28, 2025</u>	<u>June 29, 2024</u>
OPERATING ACTIVITIES		
Net income	\$ 71,699	\$ 99,720
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,375	28,630
Non-cash interest charges	132	132
Provisions for losses on trade and other accounts receivable	9,912	8,840
Gains on sales/disposals of operating property	(1,389)	(555)
Deferred income taxes, net	(5,904)	1,752
Stock-based compensation	3,657	3,616
Changes in operating assets and liabilities:		
(Increase) decrease in trade and other accounts receivable	(44,941)	11,665
Increase in other assets	(26,544)	(17,869)
Increase in accounts payable	18,224	5,555
Increase (decrease) in other liabilities	6,903	(935)
Increase in insurance claims	6,712	1,792
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>62,836</u>	<u>142,343</u>
INVESTING ACTIVITIES		
Sales and maturities of investments	84,755	59,791
Purchases of investments	(86,838)	(56,921)
Purchases of operating property	(4,383)	(16,778)
Proceeds from sales of operating property	5,690	3,431
NET CASH USED BY INVESTING ACTIVITIES	<u>(776)</u>	<u>(10,477)</u>
FINANCING ACTIVITIES		
Decrease in cash overdraft	(2,892)	(3,183)
Dividends paid	(97,236)	(95,012)
Taxes paid in lieu of shares issued related to stock-based compensation plans	(916)	(3,260)
Purchases of common stock	(102,300)	(56,515)
Principal payments on finance lease obligations	(16,883)	(14,907)
NET CASH USED BY FINANCING ACTIVITIES	<u>(220,227)</u>	<u>(172,877)</u>
Effect of exchange rate changes on cash and cash equivalents	2,386	(1,970)
Decrease in cash and cash equivalents	(155,781)	(42,981)
Cash and cash equivalents at beginning of period	515,018	481,043
Cash and cash equivalents at end of period	<u>\$ 359,237</u>	<u>\$ 438,062</u>

See accompanying notes to consolidated financial statements.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Twenty-Six and Thirteen Weeks Ended June 28, 2025 and June 29, 2024
(Dollars in thousands)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock at Cost		Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Amount			Shares	Amount		
Balance December 28, 2024	68,559,269	\$ 686	\$255,260	\$2,859,916	33,243,196	\$(2,131,413)	\$ (12,010)	\$972,439
Net income				29,806				29,806
Dividends (\$0.36 per share)				(12,688)				(12,688)
Purchases of common stock					386,318	(60,945)		(60,945)
Issuance of stock related to stock-based compensation plans	22,503		(2)		6,081	(907)		(909)
Stock-based compensation			2,038					2,038
Other comprehensive income							1,014	1,014
Balance March 29, 2025	68,581,772	\$ 686	\$257,296	\$2,877,034	33,635,595	\$(2,193,265)	\$ (10,996)	\$930,755
Net income				41,893				41,893
Dividends (\$0.40 per share)				(13,916)				(13,916)
Purchases of common stock					300,141	(42,350)		(42,350)
Issuance of stock related to stock-based compensation plans	7,646				146	(7)		(7)
Stock-based compensation			1,619					1,619
Other comprehensive income							3,832	3,832
Balance June 28, 2025	68,589,418	\$ 686	\$258,915	\$2,905,011	33,935,882	\$(2,235,622)	\$ (7,164)	\$921,826

[Table of Contents](#)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock at Cost		Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Amount			Shares	Amount		
Balance December 30, 2023	68,497,324	\$ 685	\$254,642	\$2,783,645	32,780,651	\$(2,048,184)	\$ (6,865)	\$ 983,923
Net income				47,096				47,096
Dividends (\$0.33 per share)				(11,802)				(11,802)
Issuance of stock related to stock- based compensation plans	50,229		(2,174)		4,864	(886)		(3,060)
Stock-based compensation			1,724					1,724
Other comprehensive income							30	30
Balance March 30, 2024	<u>68,547,553</u>	<u>\$ 685</u>	<u>\$254,192</u>	<u>\$2,818,939</u>	<u>32,785,515</u>	<u>\$(2,049,070)</u>	<u>\$ (6,835)</u>	<u>\$1,017,911</u>
Net income				52,624				52,624
Dividends (\$0.33 per share)				(11,777)				(11,777)
Purchases of common stock					315,649	(56,995)		(56,995)
Issuance of stock related to stock- based compensation plans	6,374	1			1,112	(201)		(200)
Stock-based compensation			1,892					1,892
Other comprehensive loss							(2,643)	(2,643)
Balance June 29, 2024	<u>68,553,927</u>	<u>\$ 686</u>	<u>\$256,084</u>	<u>\$2,859,786</u>	<u>33,102,276</u>	<u>\$(2,106,266)</u>	<u>\$ (9,478)</u>	<u>\$1,000,812</u>

See accompanying notes to consolidated financial statements.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The consolidated financial statements include the accounts of Landstar System, Inc. and its subsidiary, Landstar System Holdings, Inc., and reflect all adjustments (all of a normal, recurring nature) which are, in the opinion of management, necessary for a fair statement of the results for the periods presented. The preparation of the consolidated financial statements requires the use of management’s estimates. Actual results could differ from those estimates. Landstar System, Inc. and its subsidiary are herein referred to as “Landstar” or the “Company.” Significant intercompany accounts have been eliminated in consolidation.

(1) Significant Accounting Policies

Revenue from Contracts with Customers – Disaggregation of Revenue

The following table summarizes (i) the percentage of consolidated revenue generated by mode of transportation and (ii) the total amount of truck transportation revenue hauled by BCO Independent Contractors and Truck Brokerage Carriers generated by equipment type during the twenty-six-week and thirteen-week periods ended June 28, 2025 and June 29, 2024 (dollars in thousands):

Mode	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Truck – BCO Independent Contractors	38%	38%	38%	38%
Truck – Truck Brokerage Carriers	54%	52%	54%	52%
Rail intermodal	2%	2%	2%	2%
Ocean and air cargo carriers	5%	5%	4%	6%
Truck Equipment Type				
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

- (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.

[Table of Contents](#)

(2) Share-based Payment Arrangements

As of June 28, 2025, the Company has an employee equity incentive plan, the 2011 equity incentive plan (the “2011 EIP”). The Company also has a stock compensation plan for members of its Board of Directors, the 2022 Directors Stock Compensation Plan (the “2022 DSCP”). 6,000,000 shares of the Company’s common stock were authorized for issuance under the 2011 EIP and 200,000 shares of the Company’s common stock were authorized for issuance under the 2022 DSCP. The 2011 EIP and 2022 DSCP are each referred to herein as a “Plan,” and, collectively, as the “Plans.” Amounts recognized in the financial statements with respect to these Plans are as follows (in thousands):

	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Total cost of the Plans during the period	\$ 3,657	\$ 3,616	\$ 1,619	\$ 1,892
Amount of related income tax benefit recognized during the period	(792)	(1,684)	(344)	(532)
Net cost of the Plans during the period	<u>\$ 2,865</u>	<u>\$ 1,932</u>	<u>\$ 1,275</u>	<u>\$ 1,360</u>

Included in income tax benefits recognized in the twenty-six-week periods ended June 28, 2025 and June 29, 2024 were tax deficiencies (excess tax benefits) from stock-based awards of \$104,000 and (\$799,000), respectively.

As of June 28, 2025, there were 174,149 shares of the Company’s common stock reserved for issuance under the 2022 DSCP and 2,672,870 shares of the Company’s common stock reserved for issuance under the 2011 EIP.

Restricted Stock Units

The following table summarizes information regarding the Company’s outstanding restricted stock unit (“RSU”) awards with either a performance condition or a market condition under the Plans:

	Number of RSUs	Weighted Average Grant Date Fair Value
Outstanding at December 28, 2024	162,652	\$ 144.12
Granted	53,408	\$ 147.19
Forfeited	(8,653)	\$ 158.98
Outstanding at June 28, 2025	<u>207,407</u>	\$ 144.30

During the twenty-six-week period ended June 28, 2025, the Company granted RSUs with a performance condition and RSUs with a market condition, as further described below. Outstanding RSUs at both December 28, 2024 and June 28, 2025 include RSUs with a performance condition and RSUs with a market condition, as further described below and in the Company’s 2024 Annual Report on Form 10-K.

RSUs with a performance condition granted on January 31, 2025 and February 3, 2025 may vest on January 31 of 2028, 2029 and 2030 based on growth in operating income and pre-tax income per diluted share from continuing operations as compared to the results from the 2024 fiscal year.

On January 31, 2025, the Company granted 6,050 RSUs that vest based on a market condition. These RSUs may vest based on the achievement of the target Company’s total shareholder return (“TSR”) compound annual growth rate, adjusted to reflect dividends (if any) paid during such periods and capital adjustments as may be necessary, and are eligible to vest annually starting after the sixth anniversary of the grant date and concluding after the tenth anniversary of the grant date. The fair value of this RSU award was determined at the time of grant based on the expected achievement of the market condition. With respect to these RSU awards, the Company reports compensation expense ratably over the service period of the award based on the number of units granted multiplied by the grant date fair value of the RSU. Previously recognized compensation cost would be reversed only if the employee did not complete the requisite service period due to termination of employment.

Table of Contents

The Company recognized approximately \$1,253,000 and \$1,315,000 of share-based compensation expense related to RSU awards in the twenty-six-week periods ended June 28, 2025 and June 29, 2024, respectively. As of June 28, 2025, there was a maximum of \$52.5 million of total unrecognized compensation cost related to RSU awards granted under the Plans with an expected average remaining life of approximately 3.3 years. With respect to RSU awards with a performance condition, the amount of future compensation expense to be recognized will be determined based on future operating results.

Non-vested Restricted Stock and Deferred Stock Units

The following table summarizes information regarding the Company's outstanding shares of non-vested restricted stock and Deferred Stock Units (defined below) under the Plans:

	<u>Number of Shares and Deferred Stock Units</u>	<u>Weighted Average Grant Date Fair Value</u>
Non-vested at December 28, 2024	47,519	\$ 180.17
Granted	30,149	\$ 159.69
Vested	(23,429)	\$ 177.68
Forfeited	(661)	\$ 173.64
Non-vested at June 28, 2025	<u>53,578</u>	<u>\$ 169.81</u>

The fair value of each share of non-vested restricted stock issued and Deferred Stock Unit granted under the Plans is based on the fair value of a share of the Company's common stock on the date of grant. Shares of non-vested restricted stock are generally subject to vesting in three equal annual installments either on the first, second and third anniversary of the date of the grant or the third, fourth and fifth anniversary of the date of the grant, in two equal annual installments on the first and second anniversary of the date of the grant or 100% on the first, third or fifth anniversary of the date of the grant. For restricted stock awards granted under the 2022 DSCP, each recipient may elect to defer receipt of shares and instead receive restricted stock units ("Deferred Stock Units"), which represent contingent rights to receive shares of the Company's common stock on the date of the recipient's separation from service from the Board of Directors, or, if earlier, upon a change in control event of the Company. Deferred Stock Units become vested 100% on the first anniversary of the date of the grant. Deferred Stock Units do not represent actual ownership in shares of the Company's common stock and the recipient does not have voting rights or other incidents of ownership until the shares are issued. However, Deferred Stock Units do contain the right to receive dividend equivalent payments prior to settlement into shares.

As of June 28, 2025, there was \$6,981,000 of total unrecognized compensation cost related to non-vested shares of restricted stock and Deferred Stock Units granted under the Plans. The unrecognized compensation cost related to these non-vested shares of restricted stock and Deferred Stock Units is expected to be recognized over a weighted average period of 1.9 years.

(3) Income Taxes

The provisions for income taxes for the 2025 and 2024 twenty-six-week periods were based on estimated annual effective income tax rates of 24.3% and 24.5%, respectively, adjusted for discrete events, such as benefits resulting from stock-based awards. The effective income tax rate for the 2025 twenty-six-week period was 24.7%. The effective income tax rate was higher than the statutory federal income tax rate of 21% in the 2025 period primarily attributable to state taxes. The effective income tax rate for the 2024 twenty-six-week period was 24.1%. The effective income tax rate was higher than the statutory federal income tax rate of 21% in the 2024 period primarily attributable to state taxes.

(4) Earnings Per Share

Basic earnings per common share are based on the weighted average number of shares outstanding, which includes outstanding non-vested restricted stock and outstanding Deferred Stock Units. Diluted earnings per share are based on the weighted average number of common shares outstanding plus the dilutive effect of outstanding stock awards, if applicable. Outstanding RSUs were excluded from the calculation of diluted earnings per share for all periods because the performance metric requirements or market condition for vesting had not been satisfied. Accordingly, the Company had no reconciling items between the average number of common shares outstanding used to calculate basic earnings per common share and the average number of common shares and common share equivalents outstanding used to calculate diluted earnings per share during each of the 2025 and 2024 twenty-six-week periods.

(5) Additional Cash Flow Information

During the 2025 twenty-six-week period, Landstar paid income taxes and interest of \$33,972,000 and \$2,816,000, respectively. During the 2024 twenty-six-week period, Landstar paid income taxes and interest of \$28,096,000 and \$1,628,000, respectively. Landstar did not acquire any operating property by entering into finance leases in the 2025 twenty-six-week period. Landstar acquired operating property by entering into finance leases in the amount of \$17,144,000 in the 2024 twenty-six-week period. During the 2025 twenty-six-week period, the Company purchased its common stock at a total cost of \$103,295,000, including \$102,300,000 in cash purchases and accrued excise tax of \$995,000, which is included in other current liabilities in the consolidated balance sheet at June 28, 2025. During the 2024 twenty-six-week period, the Company purchased its common stock at a total cost of \$56,995,000, including \$56,515,000 in cash purchases and accrued excise tax of \$480,000, which was included in other current liabilities in the consolidated balance sheet at June 29, 2024.

(6) Segment Information

The Company reports the results of two operating segments: the transportation logistics segment and the insurance segment. The Company's chief operating decision maker ("CODM") is our Chief Executive Officer. The CODM evaluates each segment's performance and makes decisions about resource allocations primarily based on operating income, which is the principal financial metric utilized to monitor budgeted versus actual results by segment of the Company. Asset information by segment is not typically provided to the CODM for purposes of evaluating performance or allocating resources, and therefore such information has not been presented.

The following tables summarize information about the Company's reportable business segments as of and for the twenty-six-week and thirteen-week periods ended June 28, 2025 and June 29, 2024 (in thousands):

	Twenty-Six Weeks Ended					
	June 28, 2025			June 29, 2024		
	Transportation Logistics	Insurance	Total	Transportation Logistics	Insurance	Total
External revenue	\$ 2,334,432	\$ 29,453	\$ 2,363,885	\$ 2,363,607	\$ 32,441	\$ 2,396,048
Internal revenue		53,093	53,093		53,346	53,346
Total revenue	2,334,432	82,546	2,416,978	2,363,607	85,787	2,449,394
Investment income		7,327	7,327		7,066	7,066
Purchased transportation	1,839,289		1,839,289	1,855,579		1,855,579
Commissions to agents	192,836		192,836	197,098		197,098
Other operating costs, net of gains on asset sales/dispositions	31,424		31,424	28,994		28,994
Insurance and claims	63,373	60,021	123,394	54,837	51,941	106,778
Selling, general and administrative	111,985	5,303	117,288	105,017	6,344	111,361
Depreciation and amortization	24,375		24,375	28,630		28,630
Operating income	71,150	24,549	95,699	93,452	34,568	128,020
Goodwill	41,399		41,399	41,607		41,607
Operating income			95,699			128,020
Interest and debt expense (income) ⁽¹⁾			539			(3,286)
Income before income taxes			95,160			131,306

	Thirteen Weeks Ended					
	June 28, 2025			June 29, 2024		
	Transportation Logistics	Insurance	Total	Transportation Logistics	Insurance	Total
External revenue	\$ 1,196,687	\$ 14,696	\$ 1,211,383	\$ 1,209,075	\$ 15,930	\$ 1,225,005
Internal revenue		41,514	41,514		41,277	41,277
Total revenue	1,196,687	56,210	1,252,897	1,209,075	57,207	1,266,282
Investment income		3,729	3,729		3,654	3,654
Purchased transportation	941,411		941,411	950,058		950,058
Commissions to agents	99,522		99,522	99,816		99,816
Other operating costs, net of gains on asset sales/dispositions	19,595		19,595	14,135		14,135
Insurance and claims	29,517	42,446	71,963	27,984	40,457	68,441
Selling, general and administrative	52,559	3,147	55,706	51,823	3,116	54,939
Depreciation and amortization	12,149		12,149	14,488		14,488
Operating income	41,934	14,346	56,280	50,771	17,288	68,059
Operating income			56,280			68,059
Interest and debt expense (income) ⁽¹⁾			698			(1,675)
Income before income taxes			55,582			69,734

[Table of Contents](#)

- (1) Interest and debt expense (income) includes (i) interest income earned on cash balances held by the transportation logistics segment of \$2,409 and \$5,045 in the 2025 and 2024 twenty-six-week periods, respectively, and \$741 and \$2,545 in the 2025 and 2024 thirteen-week periods, respectively, and (ii) consolidated total interest expense of \$2,948 and \$1,759 in the 2025 and 2024 twenty-six-week periods, respectively, and \$1,439 and \$870 in the 2025 and 2024 thirteen-week periods, respectively.

In the twenty-six-week periods ended June 28, 2025 and June 29, 2024, no single customer accounted for more than 10% of the Company's consolidated revenue.

(7) Other Comprehensive Income

The following table presents the components of and changes in accumulated other comprehensive (loss) income, net of related income taxes, as of and for the twenty-six-week period ended June 28, 2025 (in thousands):

	Unrealized Holding (Losses) Gains on Available-for-Sale Securities	Foreign Currency Translation	Total
Balance as of December 28, 2024	\$ (2,805)	\$ (9,205)	\$ (12,010)
Other comprehensive income	1,546	3,300	4,846
Balance as of June 28, 2025	<u>\$ (1,259)</u>	<u>\$ (5,905)</u>	<u>\$ (7,164)</u>

Amounts reclassified from accumulated other comprehensive income to investment income due to the realization of previously unrealized gains and losses in the accompanying consolidated statements of income were not significant for the twenty-six-week period ended June 28, 2025.

(8) Investments

Investments include primarily investment-grade corporate bonds, asset-backed securities, commercial paper and U.S. treasury obligations having maturities of up to five years (the "bond portfolio") and money market investments. Investments in the bond portfolio are reported as available-for-sale and are carried at fair value. Investments maturing less than one year from the balance sheet date are included in short-term investments and investments maturing more than one year from the balance sheet date are included in other assets in the consolidated balance sheets. Management performs an analysis of the nature of the unrealized losses on available-for-sale investments to determine whether an allowance for credit loss is necessary. Unrealized losses, representing the excess of the purchase price of an investment over its fair value as of the end of a period, considered to be a result of credit-related factors, are to be included as a charge in the statement of income, while unrealized losses considered to be a result of non-credit-related factors are to be included as a component of shareholders' equity. Investments whose values are based on quoted market prices in active markets are classified within Level 1. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, are classified within Level 2. As Level 2 investments include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Any transfers between levels are recognized as of the beginning of any reporting period. Fair value of the bond portfolio was determined using Level 1 inputs related to U.S. Treasury obligations and money market investments and Level 2 inputs related to investment-grade corporate bonds, asset-backed securities, commercial paper and direct obligations of government agencies. Unrealized losses, net of unrealized gains, on the investments in the bond portfolio were \$1,603,000 and \$3,573,000 at June 28, 2025 and December 28, 2024, respectively.

Table of Contents

The amortized cost and fair values of available-for-sale investments are as follows at June 28, 2025 and December 28, 2024 (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 28, 2025				
Money market investments	\$ 9,452	\$ —	\$ —	\$ 9,452
Asset-backed securities	23,117	56	1,353	21,820
Corporate bonds, commercial paper and direct obligations of government agencies	104,467	727	1,031	104,163
U.S. Treasury obligations	12,748	—	2	12,746
Total	\$149,784	\$ 783	\$ 2,386	\$148,181
December 28, 2024				
Money market investments	\$ 13,473	\$ —	\$ —	\$ 13,473
Asset-backed securities	26,785	25	1,770	25,040
Corporate bonds, commercial paper and direct obligations of government agencies	107,180	198	2,026	105,352
Total	\$147,438	\$ 223	\$ 3,796	\$143,865

For those available-for-sale investments with unrealized losses at June 28, 2025 and December 28, 2024, the following table summarizes the duration of the unrealized loss (in thousands):

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
June 28, 2025						
Asset-backed securities	\$ 1,990	\$ 8	\$12,379	\$ 1,345	\$ 14,369	\$ 1,353
Corporate bonds, commercial paper, and direct obligations of government agencies	8,966	8	37,112	1,023	46,078	1,031
U.S. Treasury obligations	6,868	2	—	—	6,868	2
Total	\$17,824	\$ 18	\$49,491	\$ 2,368	\$ 67,315	\$ 2,386
December 28, 2024						
Asset-backed securities	\$ 9,663	\$ 37	\$12,596	\$ 1,733	\$ 22,259	\$ 1,770
Corporate bonds, commercial paper, and direct obligations of government agencies	18,409	169	59,609	1,857	78,018	2,026
Total	\$28,072	\$ 206	\$72,205	\$ 3,590	\$100,277	\$ 3,796

The Company believes unrealized losses on investments were primarily caused by rising interest rates rather than changes in credit quality. The Company expects to recover, through collection of all of the contractual cash flows of each security, the amortized cost basis of these securities as it does not intend to sell, and does not anticipate being required to sell, these securities before recovery of the cost basis. For these reasons, no losses have been recognized in the Company's consolidated statements of income.

(9) Leases

Landstar's noncancelable leases are primarily comprised of finance leases for the acquisition of new trailing equipment. Each finance lease for the acquisition of trailing equipment is a five year lease with a \$1 purchase option for the applicable equipment at lease expiration. Substantially all of Landstar's operating lease right-of-use assets and operating lease liabilities represent leases for facilities maintained in support of the Company's network of BCO Independent Contractors and office space used to conduct Landstar's business. These leases do not have significant rent escalation holidays, concessions, leasehold improvement incentives or other build-out clauses.

[Table of Contents](#)

Further, the leases do not contain contingent rent provisions. Landstar also rents certain trailing equipment to supplement the Company-owned trailer fleet under “month-to-month” lease terms, which are not required to be recorded on the balance sheet due to the less than twelve month lease term exemption. Sublease income is primarily comprised of weekly trailing equipment rentals to BCO Independent Contractors.

Most of Landstar’s operating leases include one or more options to renew. The exercise of lease renewal options is typically at Landstar’s sole discretion, and, as such, the majority of renewals to extend the lease terms are not included in the right-of-use assets and lease liabilities as they are not reasonably certain of exercise. Landstar regularly evaluates the renewal options, and when they are reasonably certain of exercise, Landstar includes the renewal period in the lease term.

As most of Landstar’s operating leases do not provide an implicit rate, Landstar utilized its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. Landstar has a centrally managed treasury function; therefore, based on the applicable lease terms and the current economic environment, the Company applies a portfolio approach for determining the incremental borrowing rate.

The components of lease cost for finance leases and operating leases for the twenty-six weeks ended June 28, 2025 were (in thousands):

Finance leases:	
Amortization of right-of-use assets	\$ 9,131
Interest on lease liability	<u>2,306</u>
Total finance lease cost	11,437
Operating leases:	
Lease cost	1,986
Variable lease cost	—
Sublease income	<u>(2,928)</u>
Total net operating lease income	<u>(942)</u>
Total net lease cost	<u>\$10,495</u>

[Table of Contents](#)

A summary of the lease classification on the Company's consolidated balance sheet as of June 28, 2025 is as follows (in thousands):

Assets:

Operating lease right-of-use assets	Other assets	\$ 851
Finance lease assets	Operating property, less accumulated depreciation and amortization	119,641
Total lease assets		\$120,492

Liabilities:

The following table reconciles the undiscounted cash flows for the finance and operating leases to the finance and operating lease liabilities recorded on the balance sheet at June 28, 2025 (in thousands):

	<u>Finance Leases</u>	<u>Operating Leases</u>
2025 Remainder	\$ 18,282	\$ 253
2026	30,028	299
2027	19,217	265
2028	15,309	95
2029	10,920	—
Thereafter	—	—
Total future minimum lease payments	93,756	912
Less amount representing interest (1.6% to 6.4%)	8,332	61
Present value of minimum lease payments	\$85,424	\$ 851
Current maturities of long-term debt	30,747	
Long-term debt, excluding current maturities	54,677	
Other current liabilities		392
Deferred income taxes and other noncurrent liabilities		459

The weighted average remaining lease term and the weighted average discount rate for finance and operating leases as of June 28, 2025 were:

	<u>Finance Leases</u>	<u>Operating Leases</u>
Weighted average remaining lease term (years)	3.4	2.5
Weighted average discount rate	5.0%	5.5%

(10) Debt

Other than the finance lease obligations as presented on the consolidated balance sheets, the Company had no outstanding debt as of June 28, 2025 and December 28, 2024.

On July 1, 2022, Landstar entered into a second amended and restated credit agreement with a bank syndicate led by JPMorgan Chase Bank, N.A., as administrative agent (as further amended as of June 21, 2024, the "Credit Agreement"). The Credit Agreement, which matures July 1, 2027, provides for borrowing capacity in the form of a revolving credit facility of \$300,000,000, \$45,000,000 of which may be utilized in the form of letters of credit. The Credit Agreement also includes an "accordion" feature providing for a possible increase of up to an aggregate amount of borrowing capacity of \$600,000,000. As of June 28, 2025, the Company had no borrowings outstanding under the Credit Agreement.

The revolving credit loans under the Credit Agreement, at the option of Landstar, bear interest at (i) a forward-looking term rate based on the secured overnight financing rate plus 0.10% and an applicable margin ranging from 1.25% to 2.00%, or (ii) an alternate base rate plus an applicable margin ranging from 0.25% to 1.00%, in each case with the applicable margin determined based upon the Company's Leverage Ratio, as defined in the Credit Agreement, at the end of the most recent applicable fiscal quarter for which financial statements have been delivered. The revolving credit facility bears a commitment fee, payable quarterly in arrears, of 0.20% to 0.30%, based on the Company's Leverage Ratio at the end of the most recent applicable fiscal quarter for which financial statements have been delivered.

[Table of Contents](#)

The Credit Agreement contains a number of covenants that limit, among other things, the incurrence of additional indebtedness. The Company is required to, among other things, maintain a minimum fixed charge coverage ratio, as described in the Credit Agreement, and maintain a Leverage Ratio, as defined in the Credit Agreement, below a specified maximum. The Credit Agreement provides for a restriction on cash dividends and other distributions to stockholders on the Company's capital stock to the extent there is a default under the Credit Agreement. In addition, the Credit Agreement under certain circumstances limits the amount of such cash dividends and other distributions to stockholders to the extent that, after giving effect to any payment made to effect such cash dividend or other distribution, the Leverage Ratio would exceed 2.5 to 1 on a pro forma basis as of the end of the Company's most recently completed fiscal quarter. The Credit Agreement provides for an event of default in the event that, among other things, a person or group acquires 35% or more of the outstanding capital stock of the Company or obtains power to elect a majority of the Company's directors or the directors cease to consist of a majority of Continuing Directors, as defined in the Credit Agreement. None of these covenants are presently considered by management to be materially restrictive to the Company's operations, capital resources or liquidity. The Company is currently in compliance with all of the debt covenants under the Credit Agreement.

The interest rates on borrowings under the revolving credit facility are typically tied to short-term interest rates and, as such, carrying value approximates fair value. Interest rates on borrowings under finance leases approximate the interest rates that would currently be available to the Company under similar terms and, as such, carrying value approximates fair value.

(11) Commitments and Contingencies

Short-term investments include \$66,935,000 in current maturities of investments held by the Company's insurance segment at June 28, 2025. The non-current portion of the bond portfolio of \$81,246,000 is included in other assets. The short-term investments, together with \$15,644,000 of non-current investments, provide collateral for the \$74,321,000 of letters of credit issued to guarantee payment of insurance claims. As of June 28, 2025, Landstar also had \$35,415,000 of additional letters of credit outstanding under the Company's Credit Agreement.

On July 22, 2025, a jury trial (the "Trial") began in state court in El Paso County, Texas, in connection with a tragic vehicular accident (the "Accident") that occurred on December 31, 2021, near El Paso. The Accident involved a collision between a recreational vehicle, or RV, rented by a family and a tractor-trailer owned and operated by an independent trucking company licensed by the U.S. Department of Transportation. This independent motor carrier was not a Landstar BCO Independent Contractor, but rather was providing truck capacity to Landstar Ranger, Inc., a wholly-owned subsidiary of the Company ("Landstar Ranger"), under a non-exclusive truck brokerage contractual arrangement. The plaintiffs principally assert that Landstar Ranger acted as a motor carrier rather than as a broker with respect to the shipment involved in the Accident and, as a result, should be determined to be legally responsible for the operation of the independent, non-exclusive truck brokerage carrier involved in the Accident and the conduct of its driver. Based on knowledge of the facts, available insurance coverage and the analysis of the Company's outside counsel, an immaterial accrual was included in insurance claims in the Company's consolidated balance sheet as of June 28, 2025. No assurances can be provided as to the amount of the verdict that may be entered against Landstar Ranger at the conclusion of the Trial, which is expected to occur during the Company's 2025 third quarter. Moreover, the Trial could result in a substantial verdict against Landstar Ranger and could have a material negative effect on the results of operations for the Company's 2025 third quarter and fiscal year. The Company intends to preserve its right to appeal any such verdict. No assurances can be provided as to the probability of success with respect to any potential appeal of any such verdict or the ultimate outcome of any such appeal. The total cost associated with this matter, which may include post-judgment interest, bonding-related costs and legal and other professional fees, will depend on many factors. The ultimate financial impact, as well as the timing of the ultimate resolution of this matter, are difficult to predict and could have a material negative effect on the results of operations in the quarter or year in which such ultimate resolution occurs.

The Company is involved in certain other claims and pending litigation arising from the normal conduct of business. Many of these claims are covered in whole or in part by insurance. Based on knowledge of the facts and, in certain cases, opinions of outside counsel, management believes that adequate provisions have been made for probable losses with respect to the resolution of all such claims and pending litigation and that the ultimate outcome, after provisions therefor, will not have a material adverse effect on the financial condition of the Company, but could have a material effect on the results of operations in a given quarter or year.

(12) Change in Accounting Estimate for Self-Insured Claims

Landstar provides for the estimated costs of self-insured claims primarily on an actuarial basis. The amount recorded for the estimated liability for claims incurred is based upon the facts and circumstances known on the applicable balance sheet date. The ultimate resolution of these claims may be for an amount greater or less than the amount estimated by management. The Company continually revises its existing claim estimates as new or revised information becomes available on the status of each claim. Historically, the Company has experienced both favorable and unfavorable development of prior years' claims estimates within its various programs.

The following table summarizes the adverse effect of the increase in the cost of insurance claims resulting from net unfavorable development of prior year self-insured claims estimates on operating income, net income and basic and diluted earnings per share set forth in the consolidated statements of income for the twenty-six-week and thirteen-week periods ended June 28, 2025 and June 29, 2024 (in thousands, except per share amounts):

	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Operating income	\$ 13,641	\$ 2,116	\$ 2,289	\$ 989
Net income	\$ 10,272	\$ 1,606	\$ 1,726	\$ 747
Basic and diluted earnings per share	\$ 0.29	\$ 0.04	\$ 0.05	\$ 0.02

The unfavorable development of prior years' claims during the twenty-six-week period ended June 28, 2025 was primarily attributable to elevated cargo loss experience as a result of fraud and theft in the supply chain and several specific commercial trucking claims.

(13) Gain Contingency

The Company does not allow for the recognition of a gain contingency within its consolidated financial statements prior to the settlement of the underlying events or contingencies associated with the gain contingency. As a result, the consideration related to a gain contingency is recorded in the consolidated financial statements during the period in which all underlying events or contingencies are resolved and the gain is realized.

Within the Company's third party insurance arrangements providing excess coverage for commercial trucking liabilities, structured arrangements with third party reinsurers within a specific loss layer may include provisions that provide for a refund of premium in the event of favorable loss experience. During the 2025 second fiscal quarter, with respect to one such three-year commercial auto liability reinsurance arrangement relating to certain excess claims incurred between May 1, 2020 through April 30, 2023, the Company received \$9,000,000 of an anticipated \$12,000,000 cash payment from third party reinsurance providers in the form of a "no claims bonus" due to favorable loss experience with respect to claims incurred during the applicable policy period. The Company recorded this payment as a deferred gain within other current liabilities in the consolidated balance sheet as of June 28, 2025, until such time as all underlying claims with exposure under the applicable excess layer insurance arrangement are resolved and the gain can be recognized. On the first business day of the 2025 third fiscal quarter, the Company received the remaining \$3,000,000 cash payment.

(14) Recent Accounting Pronouncements

Accounting Standards Issued But Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. ASU 2023-09 is not expected to have a material impact on the Company's consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which expands disclosures about certain categories of expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026. The Company is currently evaluating the impact of ASU 2024-03 on its consolidated financial statements and disclosures.

(15) Supply Chain Fraud Matter

During the last week of the Company's 2025 first quarter, the Company identified a supply chain fraud relating to the Company's international freight forwarding operations. This supply chain fraud matter does not involve the Company's core North American truckload services. In connection with this supply chain fraud matter, consolidated revenue and purchased transportation as reported in the Company's fiscal year 2024, 2023 and 2022 financial results were each overstated by approximately 2%, 1%, and less than 0.5%, respectively. As the overstated amount of revenue was approximately equal to the overstated amount of purchased transportation, the impact on each of operating income and net income, as reported, was less than 1% in fiscal year 2024 and less than 0.2% in fiscal years 2023 and 2022, respectively.

The Company has performed a quantitative and qualitative analysis of the impact of this supply chain fraud matter in respect of the 2025 first quarter and the financial statements for each prior fiscal year period during which identified instances of fraud relating to this matter occurred. In connection therewith, the Company concluded that such impact was immaterial with respect to each such fiscal period. The Company's financial results for the 2025 first quarter and for the twenty-six week period ended June 28, 2025 included a \$4.8 million pre-tax expense, or \$0.10 per basic and diluted share, relating to this matter. This expense reflects the total currently anticipated aggregate adverse financial impact to Landstar relating to the fraud, net of certain actual and anticipated recoveries and before taking into account the cost of legal and other professional fees as well as additional potential recoveries in the future. This expense was reflected in 2025 first quarter selling, general & administrative costs as an increase to the provision for customer bad debt expense, resulting in an increase in the allowance for doubtful accounts related to trade accounts receivable.

In the 2025 second quarter, this expense was reclassified from the provision for customer bad debt expense within selling, general and administrative costs to the provision for contractor bad debt expense within other operating costs due to the finalization of certain agreements with the affected independent commission sales agency during the 2025 second fiscal quarter. As of the June 28, 2025 consolidated balance sheet, this amount was included in the allowance for doubtful accounts related to other receivables.

The following discussion should be read in conjunction with the interim consolidated financial statements and notes thereto included herein, and with the Company’s audited financial statements and notes thereto for the fiscal year ended December 28, 2024 and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in the 2024 Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

The following is a “safe harbor” statement under the Private Securities Litigation Reform Act of 1995. Statements contained in this document that are not based on historical facts are “forward-looking statements.” This Management’s Discussion and Analysis of Financial Condition and Results of Operations and other sections of this Form 10-Q contain 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: 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; decreased demand for transportation services; substantial industry competition; disruptions or failures in the Company’s computer systems; cyber and other information security incidents; dependence on key vendors; adoption of artificial intelligence; 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; acquisitions and investments; intellectual property; and other operational, financial or legal risks or uncertainties detailed in Landstar’s Form 10-K for the 2024 fiscal year, described in Item 1A “Risk Factors,” in Landstar’s Form 10-Q for the quarterly period ended March 29, 2025, described in Part II, Item A “Risk Factors,” in this report or in Landstar’s other Securities and Exchange Commission 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.

Introduction

Landstar System, Inc. and its subsidiary, Landstar System Holdings, Inc. (collectively referred to herein with their subsidiaries and other affiliated companies as “Landstar” or the “Company”), 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. The Company offers services to its customers across multiple transportation modes, with the ability to arrange for individual shipments of freight to comprehensive third party logistics solutions to meet all of a customer’s transportation needs. Landstar provides services principally throughout the United States and to a lesser extent in Canada and Mexico, and between the United States and Canada, Mexico and other countries around the world. The Company’s services emphasize safety, information coordination and customer service and are delivered through a network of over 1,000 independent commission sales agents and over 77,000 third party capacity providers, primarily truck capacity providers, linked together by a series of digital technologies which are provided and coordinated by the Company. The nature of the Company’s business is such that a significant portion of its operating costs varies directly with revenue.

Landstar markets its integrated transportation management solutions primarily through independent commission sales agents and exclusively utilizes third party capacity providers to transport customers' freight. Landstar's independent commission sales agents enter into contractual arrangements with the Company and are responsible for locating freight, making that freight available to Landstar's capacity providers and coordinating the transportation of the freight with customers and capacity providers. The Company's third party capacity providers consist of independent contractors who provide truck capacity to the Company under exclusive lease arrangements (the "BCO Independent Contractors"), unrelated trucking companies who provide truck capacity to the Company under non-exclusive contractual arrangements (the "Truck Brokerage Carriers"), air cargo carriers, ocean cargo carriers and railroads. Through this network of agents and capacity providers linked together by Landstar's ecosystem of digital technologies, Landstar operates an integrated transportation management solutions business primarily throughout North America with revenue of \$4.8 billion during the most recently completed fiscal year. The Company reports the results of two operating segments: the transportation logistics segment and the insurance segment.

The transportation logistics segment provides a wide range of integrated transportation management solutions. Transportation services are provided by Landstar's "Operating Subsidiaries": Landstar Ranger, Inc., Landstar Inway, Inc., Landstar Ligon, Inc., Landstar Gemini, Inc., Landstar Transportation Logistics, Inc., Landstar Global Logistics, Inc., Landstar Express America, Inc., Landstar Canada, Inc., Landstar Metro, S.A.P.I. de C.V., and Landstar Blue, LLC. Transportation services offered by the Company include truckload, less-than-truckload and other truck transportation, rail intermodal, air cargo, ocean cargo, expedited ground and air delivery of time-critical freight, heavy-haul/specialized, cold chain/temperature-controlled, U.S.-Canada and U.S.-Mexico cross-border, intra-Mexico, intra-Canada, project cargo and customs brokerage. Examples of the industries serviced by the transportation logistics segment include automotive parts and assemblies, consumer durables, building products, metals, chemicals, foodstuffs, heavy machinery, retail, electronics and military equipment and general commodities. In addition, the transportation logistics segment provides transportation services to other transportation companies, including third party logistics and less-than-truckload service providers. The independent commission sales agents market services provided by the transportation logistics segment. Billings for freight transportation services are typically charged to customers on a per shipment basis for the physical transportation of freight and are referred to as transportation revenue. During the twenty-six weeks ended June 28, 2025, revenue generated by BCO Independent Contractors, Truck Brokerage Carriers and railroads represented approximately 38%, 54% and 2%, respectively, of the Company's consolidated revenue. Collectively, revenue generated by air and ocean cargo carriers represented approximately 5% of the Company's consolidated revenue in the twenty-six period ended June 28, 2025.

The insurance segment is comprised of Signature Insurance Company ("Signature"), a wholly owned offshore insurance subsidiary, and Risk Management Claim Services, Inc. The insurance segment provides risk and claims management services to certain of Landstar's operating subsidiaries. In addition, it reinsures certain risks of the Company's BCO Independent Contractors and provides certain property and casualty insurance and reinsurance to certain of Landstar's operating subsidiaries. Revenue at the insurance segment represents reinsurance premiums from third party insurance companies that provide insurance programs to BCO Independent Contractors where all or a portion of the risk is ultimately borne by Signature. Revenue at the insurance segment represented approximately 1% of the Company's consolidated revenue for the twenty-six period ended June 28, 2025.

Changes in Financial Condition and Results of Operations

Management believes the Company's success principally depends on its ability to generate freight revenue through its network of independent commission sales agents and to deliver freight safely, securely and efficiently utilizing BCO Independent Contractors and other third party capacity providers. Management believes the most significant factors to the Company's success include increasing revenue, sourcing capacity, empowering its network through technology-based tools and controlling costs, including insurance and claims.

Revenue

While customer demand, which is subject to overall economic conditions, ultimately drives increases or decreases in revenue, the Company primarily relies on its independent commission sales agents to establish customer relationships and generate revenue opportunities. Management's emphasis with respect to revenue growth is on revenue generated by independent commission sales agents who on an annual basis generate \$1 million or more of Landstar revenue ("Million Dollar Agents"). Management believes future revenue growth is primarily dependent on its ability to increase both the revenue generated by Million Dollar Agents and the number of Million Dollar Agents through a combination of recruiting new agents, increasing the revenue opportunities generated by existing independent commission sales agents and providing its independent commission sales agents with digital technologies they may use to grow revenue and increase efficiencies at their businesses. During the 2024 fiscal year, 485 independent commission sales agents generated \$1 million or more of Landstar revenue and thus qualified as Million Dollar Agents. During the 2024 fiscal year, the average revenue generated by a Million Dollar Agent was \$9,388,000 and revenue generated by Million Dollar Agents in the aggregate represented 94% of consolidated revenue.

Management monitors business activity by tracking the number of loads (volume) and revenue per load by mode of transportation. Revenue per load can be influenced by many factors other than a change in price. Those factors include the average length of haul, freight type, special handling and equipment requirements, fuel costs and delivery time requirements. For shipments involving two or more modes of transportation, revenue is generally classified by the mode of transportation having the highest cost for the load. The following table summarizes this information by trailer type for truck transportation and by mode for all others:

	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
	<u>\$2,363,885</u>	<u>\$2,396,048</u>	<u>\$1,211,383</u>	<u>\$1,225,005</u>
Revenue on loads hauled via BCO Independent Contractors 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
	<u>1,015,940</u>	<u>1,030,290</u>	<u>515,770</u>	<u>523,700</u>
Loads hauled via BCO Independent Contractors 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	\$ 2,232	\$ 2,174	\$ 2,263	\$ 2,180
Revenue by capacity type (as a % of total revenue):				
Truck capacity providers:				
BCO Independent Contractors	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%

(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.

Expenses

Purchased transportation

Also critical to the Company's success is its ability to secure capacity, particularly truck capacity, at rates that allow the Company to profitably transport customers' freight. The following table summarizes the number of available truck capacity providers on the dates indicated:

	<u>June 28, 2025</u>	<u>June 29, 2024</u>
BCO Independent Contractors	7,844	8,385
Truck Brokerage Carriers:		
Approved and active ⁽¹⁾	41,842	45,382
Other approved	27,672	25,450
	<u>69,514</u>	<u>70,832</u>
Total available truck capacity providers	<u>77,358</u>	<u>79,217</u>
Trucks provided by BCO Independent Contractors	8,611	9,180

⁽¹⁾ Active refers to Truck Brokerage Carriers who moved at least one load in the 180 days immediately preceding the fiscal quarter end.

Purchased transportation represents the amount a BCO Independent Contractor or other third party capacity provider is paid to haul freight. The amount of purchased transportation paid to a BCO Independent Contractor is primarily based on a contractually agreed-upon percentage of revenue generated by loads hauled by the BCO Independent Contractor. Purchased transportation paid to a Truck Brokerage Carrier is based on either a negotiated rate for each load hauled or, to a lesser extent, a contractually agreed-upon fixed rate per load. Purchased transportation paid to railroads and ocean cargo carriers is based on either a negotiated rate for each load hauled or a contractually agreed-upon fixed rate per load. Purchased transportation paid to air cargo carriers is generally based on a negotiated rate for each load hauled. Purchased transportation as a percentage of revenue for truck brokerage, rail intermodal and ocean cargo services is normally higher than that of BCO Independent Contractor and air cargo services. Purchased transportation is the largest component of costs and expenses and, on a consolidated basis, increases or decreases as a percentage of consolidated revenue in proportion to changes in the percentage of consolidated revenue generated through BCO Independent Contractors and other third party capacity providers and external revenue from the insurance segment, consisting of reinsurance premiums. Purchased transportation as a percent of revenue also increases or decreases in relation to the availability of truck brokerage capacity and with changes in the price of fuel on revenue generated from shipments hauled by Truck Brokerage Carriers. The Company passes 100% of fuel surcharges billed to customers for freight hauled by BCO Independent Contractors to its BCO Independent Contractors. These fuel surcharges are excluded from revenue and the cost of purchased transportation. Purchased transportation costs are recognized over the freight transit period as the performance obligation to the customer is completed.

Commissions to agents

Commissions to agents are based on contractually agreed-upon percentages of (i) revenue, (ii) revenue less the cost of purchased transportation, or (iii) revenue less a contractually agreed upon percentage of revenue retained by Landstar and the cost of purchased transportation (the "retention contracts"). Commissions to agents as a percentage of consolidated revenue vary directly with fluctuations in the percentage of consolidated revenue generated by the various modes of transportation and reinsurance premiums and, in general, vary inversely with changes in the amount of purchased transportation as a percentage of revenue on services provided by Truck Brokerage Carriers, railroads, air cargo carriers and ocean cargo carriers. Commissions to agents are recognized over the freight transit period as the performance obligation to the customer is completed.

Other operating costs, net of gains on asset sales/dispositions

Maintenance costs for Company-provided trailing equipment, the provision for uncollectible advances and other receivables due from BCO Independent Contractors and independent commission sales agents and recruiting and qualification costs for BCO Independent Contractors are the largest components of other operating costs. Also included in other operating costs are trailer rental costs and gains/losses, if any, on sales of Company-owned trailing equipment.

As further described in Note 15 in the “Notes to Consolidated Financial Statements” in this Quarterly Report on Form 10-Q, during the last week of the Company’s 2025 first quarter, the Company identified a supply chain fraud relating to the Company’s international freight forwarding operations. Other operating costs during the twenty-six-week period ended June 28, 2025 included a \$4.8 million expense relating to this matter. In addition, it is anticipated that legal and other professional fees included in selling, general and administrative costs may be slightly elevated during the remainder of the Company’s 2025 fiscal year in connection with this matter.

Insurance and claims

With respect to insurance and claims cost, potential liability associated with accidents in the trucking industry is severe and occurrences are unpredictable.

Landstar retains liability through a self-insured retention for commercial trucking claims up to \$5 million per occurrence. The Company also maintains third party insurance arrangements providing coverage for commercial trucking liabilities in excess of \$5 million. Historically, these third party insurance arrangements were based on policy year periods beginning on May 1 and ending on a subsequent April 30. Beginning with the policy year period commencing May 1, 2025, the Company and its third party insurance providers adjusted the applicable policy year period, beginning in 2026, to commence on June 1 and end on a subsequent May 31. All applicable third party insurance arrangements with a policy period ending April 30, 2026, have been amended to provide for a policy period ending May 31, 2026, as reflected below.

Effective May 1, 2023, the Company entered into a three year commercial auto liability insurance arrangement for losses incurred between \$5 million and \$10 million (the “2023 Initial Excess Policy”) with a third party insurance company. For commercial trucking claims incurred on or after May 1, 2023 through May 31, 2026, the 2023 Initial Excess Policy provides for an aggregate deductible of \$18 million over the thirty-seven month term ending May 31, 2026. After payment of the deductible, the 2023 Initial Excess Policy provides for a limit for a single loss of \$5 million, with an aggregate limit of \$15 million for the thirty-seven month term ending May 31, 2026.

The Company also maintains third party insurance arrangements providing excess coverage for commercial trucking liabilities in excess of \$10 million. These third party arrangements provide coverage on a per occurrence or aggregated basis. Over the past decade, there has been a significant increase in the occurrence of trials in courts throughout the United States involving catastrophic injury and fatality claims against commercial motor carriers that have resulted in verdicts in excess of \$10 million. Within the transportation logistics industry, these verdicts are often referred to as “Nuclear Verdicts.” The increase in Nuclear Verdicts has had a significant impact on the cost of commercial auto liability claims throughout the United States. Due to the increasing cost of commercial auto liability claims, the availability of excess coverage has significantly decreased, and the pricing associated with such excess coverage, to the extent available, has significantly increased. Since the annual policy year ended April 30, 2020, as compared to the annual policy year ending May 31, 2026, the Company experienced an increase of approximately \$22 million, or approximately 400%, in the premiums charged by third party insurance companies to the Company for excess coverage for commercial trucking liabilities in excess of \$10 million.

Moreover, the Company from year to year manages the level of its financial exposure to commercial trucking claims in excess of \$10 million, including through the use of additional self-insurance, deductibles, aggregate loss limits, quota shares and other structured arrangements with third party insurance companies, based on the availability of coverage within certain excess insurance coverage layers and estimated cost differentials between proposed premiums from third party insurance companies and historical and actuarially projected losses experienced by the Company at various levels of excess insurance coverage. For example, with respect to a single hypothetical claim in the amount of \$65 million incurred during the annual policy year ending May 31, 2026, the Company would have an aggregate financial exposure of approximately \$36 million.

Within the Company’s third party insurance arrangements providing excess coverage for commercial trucking liabilities, structured arrangements with third party reinsurers within a specific loss layer may include provisions that require additional payments of premium in the event of unfavorable loss experience or a refund of premium in the event of favorable loss experience. During the 2025 second fiscal quarter, with respect to one such three-year commercial auto liability reinsurance arrangement relating to certain excess claims incurred between May 1, 2020 through April 30, 2023, the Company received \$9,000,000 of an anticipated \$12,000,000 cash payment from third party reinsurance providers in the form of a “no claims bonus” due to favorable loss experience with respect to claims incurred during the applicable policy period. The Company recorded this payment as a deferred gain within other current liabilities in the consolidated balance sheet as of June 28, 2025, until such time as all underlying claims with exposure under the applicable excess layer insurance arrangement are resolved and the gain can be recognized. On the first business day of the 2025 third fiscal quarter, the Company received the remaining \$3,000,000 cash payment. As discussed in Part I, Item 2, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Legal Matters*,” on July 22, 2025, a jury trial (the “Trial”) began in state court in El Paso County, Texas, in connection with a tragic vehicular accident (the “Accident”) that occurred on December 31, 2021, near El Paso. A substantial verdict

resulting from the Trial could result in the Company not meeting the requirements relating to the “no claims bonus”. No assurances can be provided regarding whether the Company will be able to recognize a gain with respect to the “no claims bonus.”

Furthermore, the Company’s third party insurance arrangements provide excess coverage up to an uppermost coverage layer, in excess of which the Company retains additional financial exposure. No assurances can be given that the availability of excess coverage for commercial trucking claims will not continue to deteriorate, that the pricing associated with such excess coverage, to the extent available, will not continue to increase, nor that insurance coverage from third party insurers for excess coverage of commercial trucking claims will even be available on commercially reasonable terms at certain levels. Moreover, the occurrence of a Nuclear Verdict, or the settlement of a catastrophic injury and/or fatality claim that could have otherwise resulted in a Nuclear Verdict, could have a material adverse effect on Landstar’s cost of insurance and claims and its results of operations.

Further, the Company retains liability of up to \$2,000,000 for each general liability claim, \$250,000 for each workers’ compensation claim and \$250,000 for each cargo claim. In addition, under reinsurance arrangements by Signature of certain risks of the Company’s BCO Independent Contractors, the Company retains liability of up to \$500,000, \$1,000,000 or \$2,000,000 with respect to certain occupational accident claims and up to \$750,000 with respect to certain workers’ compensation claims. The Company’s exposure to liability associated with accidents incurred by Truck Brokerage Carriers, railroads and air and ocean cargo carriers who transport freight on behalf of the Company is reduced by various legal defenses and other factors including the extent to which such carriers maintain their own insurance coverage. A material increase in the frequency or severity of accidents, cargo claims or workers’ compensation claims or the material unfavorable development of existing claims could have a material adverse effect on Landstar’s cost of insurance and claims and its results of operations.

Selling, general and administrative

During the twenty-six-week period ended June 28, 2025, employee compensation and benefits accounted for approximately 62% of the Company’s selling, general and administrative costs. Employee compensation and benefits include wages and employee benefit costs as well as incentive compensation and stock-based compensation expense. Incentive compensation and stock-based compensation expense is highly variable in nature in comparison to wages and employee benefit costs.

Depreciation and amortization

Depreciation and amortization primarily relate to depreciation of trailing equipment and information technology hardware and software.

Costs of revenue

The Company incurs costs of revenue related to the transportation of freight and, to a much lesser extent, to reinsurance premiums received by Signature. Costs of revenue include variable costs of revenue and other costs of revenue. Variable costs of revenue include purchased transportation and commissions to agents, as these costs are entirely variable on a shipment-by-shipment basis. Other costs of revenue include fixed costs of revenue and semi-variable costs of revenue, where such costs may vary over time based on certain economic factors or operational metrics such as the number of Company-controlled trailers, the number of BCO Independent Contractors, the frequency and severity of insurance claims, the number of miles traveled by BCO Independent Contractors, or the number and/or scale of information technology projects in process or in-service to support revenue generating activities, rather than on a shipment-by-shipment basis. Other costs of revenue associated with the transportation of freight include: (i) other operating costs, primarily consisting of trailer maintenance, the provision for uncollectible advances and other receivables due from BCO Independent Contractors and independent commission sales agents and BCO Independent Contractor recruiting and qualification costs, as reported in the Company’s Consolidated Statements of Income, (ii) transportation-related insurance premiums paid and claim costs incurred, included as a portion of insurance and claims in the Company’s Consolidated Statements of Income, (iii) costs 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; and (iv) depreciation on Company-owned trailing equipment, included as a portion of depreciation and amortization in the Company’s Consolidated Statements of Income. Other costs of revenue associated with reinsurance premiums received by Signature are comprised of broker commissions and other fees paid related to the administration of insurance programs to BCO Independent Contractors and are included in selling, general and administrative in the Company’s Consolidated Statements of Income. In addition to costs of revenue, the Company incurs various other costs relating to its business, including most selling, general and administrative costs and portions of costs attributable to insurance and claims and depreciation and amortization. Management continually monitors all components of the costs incurred by the Company and establishes annual cost budgets that, in general, are used to benchmark costs incurred on a monthly basis.

Gross Profit, Variable Contribution, Gross Profit Margin and Variable Contribution Margin

The following table sets forth calculations of gross profit, defined as revenue less costs of revenue, and gross profit margin, defined as gross profit divided by revenue, for the periods indicated. The Company refers to revenue less variable costs of revenue as “variable contribution” and variable contribution divided by revenue as “variable contribution margin.” Variable contribution and variable contribution margin are each non-GAAP financial measures. The closest comparable GAAP financial measures to variable contribution and variable contribution margin are, respectively, gross profit and gross profit 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 commission sales agents in order to provide services to our customers. The Company believes variable contribution and variable contribution margin are important performance measurements and management considers variable contribution and variable contribution margin in evaluating the Company’s financial performance and in its decision-making, such as budgeting for infrastructure, trailing equipment and selling, general and administrative costs.

The reconciliations of gross profit to variable contribution and gross profit margin to variable contribution margin are each presented below:

	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	7,609	11,986	3,934	6,182
Insurance-related costs (1)	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) Insurance-related costs in the table above include (i) other costs of revenue related to the transportation of freight that are included as a portion of insurance and claims in the Company’s Consolidated Statements of Income and (ii) certain other costs of revenue related to reinsurance premiums received by Signature that are included as a portion of selling, general and administrative in the Company’s Consolidated Statements of Income. Insurance and claims costs included in other costs of revenue relating to the transportation of freight primarily consist of insurance premiums paid for commercial auto liability, general liability, cargo and other lines of coverage related to the transportation of freight and the related cost of claims incurred under those programs, and, to a lesser extent, the cost of claims incurred under insurance programs available to BCO Independent Contractors that are reinsured by Signature. Other insurance and claims costs included in costs of revenue that are included in selling, general and administrative in the Company’s Consolidated Statements of Income consist of brokerage commissions and other fees incurred by Signature relating to the administration of insurance programs available to BCO Independent Contractors that are reinsured by Signature.

In general, variable contribution margin on revenue generated by BCO Independent Contractors represents a fixed percentage due to the nature of the contracts that pay a fixed percentage of revenue to both the BCO Independent Contractors and independent commission sales agents. For revenue generated by Truck Brokerage Carriers, variable contribution margin may be either a fixed or variable percentage, depending on the contract with each individual independent commission sales agent. Variable contribution margin on revenue generated from shipments hauled by railroads, air cargo carriers, ocean cargo carriers and Truck Brokerage Carriers, other than those under retention contracts, is variable in nature, as the Company’s contracts with independent commission sales agents provide commissions to agents at a contractually agreed upon percentage of the amount represented by revenue less purchased transportation for these types of shipments. Approximately 43% of the Company’s consolidated revenue in the twenty-six-week period ended June 28, 2025 was generated under transactions that pay a fixed percentage of revenue to the third party capacity provider and/or agents while 57% was generated under transactions that pay a variable percentage of revenue to the third party capacity provider and/or agents.

Operating income as a percentage of gross profit and operating income as a percentage of variable contribution

The following table presents operating income as a percentage of gross profit and operating income as a percentage of variable contribution. The Company's operating income as a percentage of variable contribution is a non-GAAP financial measure calculated as operating income divided by variable contribution. The Company believes that operating income as a percentage of variable contribution is useful and meaningful to investors for the following principal reasons: (i) the variable costs of revenue for a significant portion of the 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; (ii) disclosure of this measure allows investors to better understand the underlying trends in the Company's results of operations; (iii) 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; and (iv) management considers this financial information in its decision-making, such as budgeting for infrastructure, trailing equipment and selling, general and administrative costs.

	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Gross profit	\$207,566	\$233,898	\$109,261	\$119,996
Operating income	\$95,699	\$128,020	\$56,280	\$68,059
Operating income as % of gross profit	46.1%	54.7%	51.5%	56.7%
Variable contribution	\$331,760	\$343,371	\$170,450	\$175,131
Operating income	\$95,699	\$128,020	\$56,280	\$68,059
Operating income as % of variable contribution	28.8%	37.3%	33.0%	38.9%

The decrease in operating income as a percentage of gross profit from the 2024 twenty-six-week period to the 2025 twenty-six-week period and from the 2024 thirteen-week period to the 2025 thirteen-week period resulted from the decrease of operating income at a more rapid percentage rate than the decrease in gross profit, primarily due to the impact of the Company's fixed cost infrastructure, principally certain components of selling, general and administrative costs, in comparison to a smaller gross profit base.

The decrease in operating income as a percentage of variable contribution from the 2024 twenty-six-week period to the 2025 twenty-six-week period and from the 2024 thirteen-week period to the 2025 thirteen-week period resulted from the decrease of operating income at a more rapid percentage rate than the decrease in variable contribution, primarily due to the impact of the Company's fixed cost infrastructure, principally certain components of selling, general and administrative costs, in comparison to a smaller variable contribution base, and the impact of increased insurance and claims costs.

Also, as previously mentioned, the Company reports two operating segments: the transportation logistics segment and the insurance segment. External revenue at the insurance segment, representing reinsurance premiums, has historically been relatively consistent on an annual basis at 2% or less of consolidated revenue and generally corresponds directly with the number of trucks provided by BCO Independent Contractors. The discussion of cost line items in Management's Discussion and Analysis of Financial Condition and Results of Operations considers the Company's costs on a consolidated basis rather than on a segment basis. Management believes this presentation format is the most appropriate to assist users of the financial statements in understanding the Company's business for the following reasons: (1) the insurance segment has no other operating costs; (2) discussion of insurance and claims at either segment without reference to the other may create confusion amongst investors and potential investors due to intercompany arrangements and specific deductible programs that affect comparability of financial results by segment between various fiscal periods but that have no effect on the Company from a consolidated reporting perspective; (3) selling, general and administrative costs of the insurance segment comprise less than 10% of consolidated selling, general and administrative costs and have historically been relatively consistent on a year-over-year basis; and (4) the insurance segment has no depreciation and amortization.

Revenue for the 2025 twenty-six-week period was \$2,363,885,000, a decrease of \$32,163,000, or 1%, compared to the 2024 twenty-six-week period. Transportation revenue decreased \$29,175,000, or 1%. The decrease in transportation revenue was attributable to a decreased number of loads hauled of approximately 1%, while revenue per load was approximately the same as compared to the 2024 twenty-six-week period. Reinsurance premiums were \$29,453,000 and \$32,441,000 for the 2025 and 2024 twenty-six-week periods, respectively. The decrease in revenue from reinsurance premiums was primarily attributable to a decrease in the average number of trucks provided by BCO Independent Contractors in the 2025 twenty-six-week period compared to the 2024 twenty-six-week period.

Truck transportation revenue generated by BCO Independent Contractors and Truck Brokerage Carriers (together, the “third party truck capacity providers”) for the 2025 twenty-six-week period was \$2,167,856,000, representing 92% of total revenue, a decrease of \$6,765,000, or less than 1%, compared to the 2024 twenty-six-week period. The number of loads hauled by third party truck capacity providers decreased approximately 1% compared to the 2024 twenty-six-week period, while revenue per load on loads hauled by third party truck capacity providers increased approximately 1% in the 2025 twenty-six-week period compared to the 2024 twenty-six-week period.

The decrease in the number of loads hauled via truck compared to the 2024 twenty-six-week period was primarily due to decreased demand from the 2024 twenty-six-week period for the Company’s less-than-truckload and van transportation services. Loads hauled via less-than-truckload loadings decreased 7% and loads hauled via van equipment decreased 5%, while loads hauled via other truck transportation services increased 26% and loads hauled via unsided/platform equipment increased 1% as compared to the 2024 twenty-six-week period.

The increase in revenue per load on loads hauled via truck was primarily due to an increased revenue per load on loads hauled via unsided/platform equipment, which was entirely attributable to an increase in the percentage of revenue contributed by heavy/specialized equipment, which typically has a higher revenue per load than standard unsided/platform loadings. Revenue per load on loads hauled via unsided/platform equipment increased 2% and on loads hauled via other truck transportation services increased 2%, while revenue per load on less-than-truckload loadings decreased 4%. Revenue per load on loads hauled via van equipment was approximately the same as compared to the 2024 twenty-six-week period.

Fuel surcharges billed to customers on revenue generated by BCO Independent Contractors are excluded from revenue. Fuel surcharges on Truck Brokerage Carrier revenue identified separately in billings to customers and included as a component of Truck Brokerage Carrier revenue were \$54,016,000 and \$60,302,000 in the 2025 and 2024 twenty-six-week periods, respectively. It should be noted that billings to many customers of the Company’s truck brokerage services include a single all-in rate that do not separately identify fuel surcharges on loads hauled via Truck Brokerage Carriers. Accordingly, the overall impact of changes in fuel prices on revenue and revenue per load on loads hauled via truck is likely to be greater than that indicated.

Transportation revenue generated by rail intermodal, air cargo and ocean cargo carriers (collectively, the “multimode capacity providers”) for the 2025 twenty-six-week period was \$155,941,000, or 7% of total revenue, a decrease of \$14,441,000, or 8%, compared to the 2024 twenty-six-week period. Revenue per load on revenue generated by multimode capacity providers decreased approximately 5% in the 2025 twenty-six-week period compared to the 2024 twenty-six-week period, and the number of loads hauled by multimode capacity providers decreased approximately 3% over the same period. Revenue per load on loads hauled via rail intermodal and ocean decreased 10% and 5%, respectively, while revenue per load on loads hauled via air increased approximately 12% during the 2025 twenty-six-week period as compared to the 2024 twenty-six-week period. The decrease in revenue per load on loads hauled by rail intermodal carriers was broad-based with decreases at several customers during the 2025 twenty-six-week period. The decrease in revenue per load on loads hauled by ocean cargo carriers was primarily attributable to one specific customer during the 2025 twenty-six-week period. The increase in revenue per load on loads hauled by air cargo carriers was primarily attributable to the impact of high value air loadings at one specific customer during the 2025 twenty-six-week period. Revenue per load on revenue generated by multimode capacity providers is influenced by many factors, including revenue mix among the various modes of transportation used, length of haul, complexity of freight, density of freight lanes, fuel costs and availability of capacity. The decrease in the number of loads hauled by multimode capacity providers was due to a 5% decrease in air loadings, a 4% decrease in ocean loadings and a 3% decrease in rail loadings. The 5% decrease in air loadings was broad-based with decreases at several customers. The 4% decrease in ocean loadings was broad-based with decreases at several customers. The 3% decrease in rail loadings was primarily attributable to decreased loadings at one specific customer.

Purchased transportation was 77.8% and 77.4% of revenue in the 2025 and 2024 twenty-six-week periods, respectively. The increase in purchased transportation as a percentage of revenue was primarily due to a decreased percentage of revenue generated by BCO Independent Contractors, which typically has a lower rate of purchased transportation than Truck Brokerage Carriers. Commissions to agents were 8.2% of revenue in both the 2025 and 2024 twenty-six-week periods.

Investment income was \$7,327,000 and \$7,066,000 in the 2025 and 2024 twenty-six-week periods, respectively. The increase in investment income was attributable to a higher average investment balance held by the insurance segment during the 2025 twenty-six-week period, partially offset by lower average rates of return on investments in the 2025 twenty-six-week period.

Other operating costs increased \$2,430,000 in the 2025 twenty-six-week period compared to the 2024 twenty-six-week period. The increase in other operating costs compared to the prior year was primarily due to an approximately \$4,800,000 expense relating to the supply chain fraud matter referenced above under “*Expenses - Other operating costs, net of gains on asset sales/dispositions*” and increased trailer equipment maintenance costs, partially offset by increased gains on sales of operating property.

Insurance and claims increased \$16,869,000 in the 2025 twenty-six-week period compared to the 2024 twenty-six-week period. The increase in insurance and claims expense compared to the prior year was primarily due to increased net unfavorable development of prior years’ claims in the 2025 twenty-six-week period and increased severity of current year trucking and cargo claims during the 2025 twenty-six-week period, partially offset by decreased BCO miles traveled during the 2025 twenty-six-week period. During the 2025 and 2024 twenty-six-week periods, insurance and claims costs included \$13,641,000 and \$2,116,000 of net unfavorable adjustments to prior years’ claims estimates, respectively.

Selling, general and administrative costs increased \$5,927,000 in the 2025 twenty-six-week period compared to the 2024 twenty-six-week period. The increase in selling, general and administrative costs compared to prior year was primarily attributable to increased project consulting fees, increased wages, increased employee benefit costs, primarily attributable to increased medical and pharmacy costs under the self-insured portion of the Company’s medical plan, increased legal fees and increased annual agent convention costs, partially offset by the impact of Chief Executive Officer (“CEO”) transition costs on the 2024 twenty-six-week period.

Depreciation and amortization decreased \$4,255,000 in the 2025 twenty-six-week period compared to the 2024 twenty-six-week period. The decrease in depreciation and amortization expense was primarily due to decreased depreciation on information technology software in the 2025 twenty-six-week period.

The year-over-prior-year change in interest and debt expense (income) was \$3,825,000, with net interest and debt expense of \$539,000 in the 2025 twenty-six-week period compared to net interest and debt income of \$3,286,000 in the 2024 twenty-six-week period. The increase in interest and debt expense (income) was primarily attributable to decreased interest income earned on cash balances held by the transportation logistics segment and increased interest expense related to finance lease obligations.

The provisions for income taxes for the 2025 and 2024 twenty-six-week periods were based on estimated annual effective income tax rates of 24.3% and 24.5%, respectively, adjusted for discrete events, such as benefits resulting from stock-based awards. The effective income tax rate for the 2025 twenty-six-week period was 24.7%. The effective income tax rate was higher than the statutory federal income tax rate of 21% in the 2025 period primarily attributable to state taxes. The effective income tax rate for the 2024 twenty-six-week period was 24.1%. The effective income tax rate was higher than the statutory federal income tax rate of 21% in the 2024 period primarily attributable to state taxes.

Net income was \$71,699,000, or \$2.05 per basic and diluted share, in the 2025 twenty-six-week period. Net income was \$99,720,000, or \$2.79 per basic and diluted share, in the 2024 twenty-six-week period.

THIRTEEN WEEKS ENDED JUNE 28, 2025 COMPARED TO THIRTEEN WEEKS ENDED JUNE 29, 2024

Revenue for the 2025 thirteen-week period was \$1,211,383,000, a decrease of \$13,622,000, or 1%, compared to the 2024 thirteen-week period. Transportation revenue decreased \$12,388,000, or 1%. The decrease in transportation revenue was attributable to a decreased number of loads hauled of approximately 2%, partially offset by an increased revenue per load of approximately 1% as compared to the 2024 thirteen-week period. Reinsurance premiums were \$14,696,000 and \$15,930,000 for the 2025 and 2024 thirteen-week periods, respectively. The decrease in revenue from reinsurance premiums was primarily attributable to a decrease in the average number of trucks provided by BCO Independent Contractors in the 2025 thirteen-week period compared to the 2024 thirteen-week period.

Truck transportation revenue generated by third party truck capacity providers for the 2025 thirteen-week period was \$1,118,138,000, representing 92% of total revenue, an increase of \$12,449,000, or 1%, compared to the 2024 thirteen-week period. Revenue per load on loads hauled by third party truck capacity providers increased approximately 3%, while the number of loads hauled by third party truck capacity providers decreased approximately 1% in the 2025 thirteen-week period compared to the 2024 thirteen-week period.

The increase in revenue per load on loads hauled via truck was primarily due to an increased revenue per load on loads hauled via unsided/platform equipment, which was primarily attributable to an increase in the percentage of revenue contributed by heavy/specialized equipment, which typically has a higher revenue per load than standard unsided/platform loadings, an increased revenue per load on loads hauled via other truck transportation services and an increase in revenue per load on loads hauled via van equipment. Revenue per load on loads hauled via other truck transportation services increased 6%, on loads hauled via unsided/platform equipment increased 3% and on loads hauled via van equipment increased 1%, while revenue per load on less-than-truckload loadings decreased 7%.

The decrease in the number of loads hauled via truck compared to the 2024 thirteen-week period was primarily due to decreased demand from the 2024 thirteen-week period for the Company's van and less-than-truckload transportation services. Loads hauled via van equipment decreased 6% and loads hauled via less-than-truckload loadings decreased 3%, while loads hauled via other truck transportation services increased 22% and loaded hauled via unsided/platform equipment increased 2% as compared to the 2024 thirteen-week period.

Fuel surcharges billed to customers on revenue generated by BCO Independent Contractors are excluded from revenue. Fuel surcharges on Truck Brokerage Carrier revenue identified separately in billings to customers and included as a component of Truck Brokerage Carrier revenue were \$27,091,000 and \$30,269,000 in the 2025 and 2024 thirteen-week periods, respectively.

Transportation revenue generated by multimode capacity providers for the 2025 thirteen-week period was \$72,817,000, or 6% of total revenue, a decrease of \$20,796,000, or 22%, compared to the 2024 thirteen-week period. Revenue per load on revenue generated by multimode capacity providers decreased approximately 20% in the 2025 thirteen-week period compared to the 2024 thirteen-week period, and the number of loads hauled by multimode capacity providers decreased approximately 3% over the same period. Revenue per load on loads hauled via ocean and rail intermodal decreased 20% and 9%, respectively, while revenue per load on loads hauled via air increased approximately 5% during the 2025 thirteen-week period as compared to the 2024 thirteen-week period. The decrease in revenue per load on loads hauled by ocean cargo carriers was primarily attributable to one specific customer during the 2025 thirteen-week period. The decrease in revenue per load on loads hauled by rail intermodal carriers was primarily attributable to one specific agency during the 2025 thirteen-week period. The increase in revenue per load on loads hauled by air cargo carriers was primarily attributable to the impact of high value air loadings at several specific customers during the 2025 thirteen-week period. Revenue per load on revenue generated by multimode capacity providers is influenced by many factors, including revenue mix among the various modes of transportation used, length of haul, complexity of freight, density of freight lanes, fuel costs and availability of capacity. The decrease in the number of loads hauled by multimode capacity providers was due to a 14% decrease in ocean loadings and an 8% decrease in air loadings, partially offset by an 8% increase in rail loadings. The 14% decrease in ocean loadings was broad-based with decreases at several customers. The 8% decrease in air loadings was primarily attributable to decreased loadings at one specific customer. The 8% increase in rail loadings was primarily attributable to increased loadings at one specific agency.

Purchased transportation was 77.7% and 77.6% of revenue in the 2025 and 2024 thirteen-week periods, respectively. The increase in purchased transportation as a percentage of revenue was primarily due to an increased rate of purchased transportation on revenue generated by Truck Brokerage Carriers. Commissions to agents were 8.2% and 8.1% of revenue in the 2025 and 2024 thirteen-week periods, respectively. The increase in commissions to agents as a percentage of revenue was primarily attributable to a decreased cost of purchased transportation as a percentage of revenue on revenue generated by multimode capacity providers.

Investment income was \$3,729,000 and \$3,654,000 in the 2025 and 2024 thirteen-week periods, respectively. The increase in investment income was attributable to a higher average investment balance held by the insurance segment during the 2025 thirteen-week period, partially offset by lower average rates of return on investments in the 2025 thirteen-week period.

Other operating costs increased \$5,460,000 in the 2025 thirteen-week period compared to the 2024 thirteen-week period. The increase in other operating costs compared to the prior year was primarily due to the reclassification of the approximately \$4,800,000 expense relating to the supply chain fraud matter referenced above under "*Expenses - Other operating costs, net of gains on asset sales/dispositions*" from selling, general and administrative costs and increased trailer equipment maintenance costs, partially offset by gains on sales of operating property.

Insurance and claims increased \$3,285,000 in the 2025 thirteen-week period compared to the 2024 thirteen-week period. The increase in insurance and claims expense compared to the prior year was primarily due to increased severity of current year trucking and cargo claims during the 2025 thirteen-week period and increased net unfavorable development of prior years' claims in the 2025 thirteen-week period, partially offset by decreased BCO miles traveled during the 2025 thirteen-week period. During the 2025 and 2024 thirteen-week periods, insurance and claims costs included \$2,289,000 and \$989,000 of net unfavorable adjustments to prior years' claims estimates, respectively.

Selling, general and administrative costs increased \$767,000 in the 2025 thirteen-week period compared to the 2024 thirteen-week period. The increase in selling, general and administrative costs compared to prior year was primarily attributable to an increased provision for incentive compensation, increased project consulting fees, increased employee benefit costs, primarily attributable to increased medical and pharmacy costs under the self-insured portion of the Company's medical plan, increased wages and increased costs associated with the Company's annual agent convention, mostly offset by the reclassification of the approximately \$4,800,000 expense relating to the supply chain fraud matter referenced above under "*Expenses - Other operating costs, net of gains on asset sales/dispositions*" to other operating costs. Included in selling, general and administrative costs was incentive compensation expense of \$950,000 and a reduction to the Company's provision for incentive compensation of \$1,398,000 for the 2025 and 2024 thirteen-week periods, respectively.

Depreciation and amortization decreased \$2,339,000 in the 2025 thirteen-week period compared to the 2024 thirteen-week period. The decrease in depreciation and amortization expense was primarily due to decreased depreciation on information technology software in the 2025 thirteen-week period.

The year-over-prior-year change in interest and debt expense (income) was \$2,373,000, with net interest and debt expense of \$698,000 in the 2025 thirteen-week period compared to net interest and debt income of \$1,675,000 in the 2024 thirteen-week period. The increase in interest and debt expense (income) was primarily attributable to decreased interest income earned on cash balances held by the transportation logistics segment and increased interest expense related to finance lease obligations.

The provisions for income taxes for the 2025 and 2024 thirteen-week periods were based on estimated annual effective income tax rates of 24.3% and 24.5%, respectively, adjusted for discrete events, such as benefits resulting from stock-based awards. The effective income tax rate for the 2025 thirteen-week period was 24.6%. The effective income tax rate was higher than the statutory federal income tax rate of 21% in the 2025 period primarily attributable to state taxes. The effective income tax rate for the 2024 thirteen-week period was 24.5%. The effective income tax rate was higher than the statutory federal income tax rate of 21% in the 2024 period primarily attributable to state taxes.

Net income was \$41,893,000, or \$1.20 per basic and diluted share, in the 2025 thirteen-week period. Net income was \$52,624,000, or \$1.48 per basic and diluted share, in the 2024 thirteen-week period.

CAPITAL RESOURCES AND LIQUIDITY

Working capital and the ratio of current assets to current liabilities were \$618,207,000 and 2.0 to 1, respectively, at June 28, 2025, compared with \$646,713,000 and 2.0 to 1, respectively, at December 28, 2024. Landstar has historically operated with current ratios within the range of 1.5 to 1 to 2.0 to 1. Cash provided by operating activities was \$62,836,000 in the 2025 twenty-six-week period compared with \$142,343,000 in the 2024 twenty-six-week period. The decrease in cash flow provided by operating activities was primarily attributable to the unfavorable impact of net working capital in connection with increased net receivables, defined as accounts receivable less accounts payable, and decreased net income.

The Company declared and paid \$0.76 per share, or \$26,604,000 in the aggregate, in cash dividends during the twenty-six-week period ended June 28, 2025 and, during such period, also paid \$70,632,000 of dividends payable which were declared in December 2024 and included in current liabilities in the consolidated balance sheet at December 28, 2024. The Company declared and paid \$0.66 per share, or \$23,579,000 in the aggregate, in cash dividends during the twenty-six-week period ended June 29, 2024 and, during such period, also paid \$71,433,000 of dividends payable which were declared in December 2023 and included in current liabilities in the consolidated balance sheet at December 30, 2023. During the twenty-six-week period ended June 28, 2025, the Company purchased 686,459 shares of its common stock at a total cost of \$103,295,000, including \$102,300,000 in cash purchases and accrued excise tax of \$995,000, which is included in other current liabilities in the consolidated balance sheet at June 28, 2025. During the twenty-six-week period ended June 29, 2024, the Company purchased 315,649 shares of its common stock at a total cost of \$56,995,000, including \$56,515,000 in cash purchases and accrued excise tax of \$480,000, which was included in other current liabilities in the consolidated balance sheet at June 29, 2024. As of June 28, 2025, the Company may purchase in the aggregate up to 1,861,522 shares of its common stock under its authorized stock purchase programs. Long-term debt, including current maturities, was \$85,424,000 at June 28, 2025, \$16,883,000 lower than at December 28, 2024.

Shareholders' equity was \$921,826,000, or 92% of total capitalization (defined as long-term debt including current maturities plus equity), at June 28, 2025, compared to \$972,439,000, or 90% of total capitalization, at December 28, 2024. The decrease in shareholders' equity was primarily the result of purchases of shares of the Company's common stock and dividends declared by the Company, partially offset by the result of net income in the 2025 twenty-six-week period.

On July 1, 2022, Landstar entered into a second amended and restated credit agreement with a bank syndicate led by JPMorgan Chase Bank, N.A., as administrative agent (as further amended as of June 21, 2024, the “Credit Agreement”). The Credit Agreement, which matures July 1, 2027, provides for borrowing capacity in the form of a revolving credit facility of \$300,000,000, \$45,000,000 of which may be utilized in the form of letters of credit. The Credit Agreement also includes an “accordion” feature providing for a possible increase of up to an aggregate amount of borrowing capacity of \$600,000,000.

The Credit Agreement contains a number of covenants that limit, among other things, the incurrence of additional indebtedness. The Company is required to, among other things, maintain a minimum fixed charge coverage ratio, as described in the Credit Agreement, and maintain a Leverage Ratio, as defined in the Credit Agreement, below a specified maximum. The Credit Agreement provides for a restriction on cash dividends and other distributions to stockholders on the Company’s capital stock to the extent there is a default under the Credit Agreement. In addition, the Credit Agreement under certain circumstances limits the amount of such cash dividends and other distributions to stockholders to the extent that, after giving effect to any payment made to effect such cash dividend or other distribution, the Leverage Ratio would exceed 2.5 to 1 on a pro forma basis as of the end of the Company’s most recently completed fiscal quarter. The Credit Agreement provides for an event of default in the event that, among other things, a person or group acquires 35% or more of the outstanding capital stock of the Company or obtains power to elect a majority of the Company’s directors or the directors cease to consist of a majority of Continuing Directors, as defined in the Credit Agreement. None of these covenants are presently considered by the Company to be materially restrictive to the Company’s operations, capital resources or liquidity. The Company is currently in compliance with all of the debt covenants under the Credit Agreement.

At June 28, 2025, the Company had no borrowings outstanding and \$35,415,000 of letters of credit outstanding under the Credit Agreement. At June 28, 2025, there was \$264,585,000 available for future borrowings under the Credit Agreement and access to an additional \$300,000,000 under the Credit Agreement’s “accordion” feature. In addition, the Company has \$74,321,000 in letters of credit outstanding as collateral for insurance claims that are secured by investments totaling \$82,579,000 at June 28, 2025. Investments, all of which are carried at fair value, include primarily investment-grade bonds, asset-backed securities, commercial paper and U.S. Treasury obligations having maturities of up to five years. Fair value of investments is based primarily on quoted market prices. See “Notes to Consolidated Financial Statements” included herein for further discussion on measurement of fair value of investments.

Historically, the Company has generated sufficient operating cash flow to meet its debt service requirements, fund continued growth, both organic and through acquisitions, complete or execute share purchases of its common stock under authorized share purchase programs, pay dividends and meet working capital needs. As an asset-light provider of integrated transportation management solutions, the Company’s annual capital requirements for operating property are generally for trailing equipment and information technology hardware and software. In addition, a significant portion of the trailing equipment used by the Company is provided by third party capacity providers, thereby reducing the Company’s capital requirements. During the 2025 twenty-six-week period, the Company purchased \$4,383,000 of operating property. Landstar anticipates acquiring either by purchase or lease financing during the remainder of fiscal year 2025 approximately \$30,000,000 in operating property consisting primarily of new trailing equipment to replace older trailing equipment and information technology hardware and software.

Management believes that available cash and cash flow from operations combined with the Company’s borrowing capacity under the Credit Agreement will be adequate to meet Landstar’s debt service requirements, fund continued growth, both internal and through acquisitions, pay dividends, complete the authorized share purchase programs and meet working capital needs.

LEGAL MATTERS

On July 22, 2025, a jury trial (the “Trial”) began in state court in El Paso County, Texas, in the matter of Eduardo Cabral, et. al. v. Landstar Ranger, Inc., et. al., in connection with a tragic vehicular accident (the “Accident”) that occurred on December 31, 2021, on I-10 in Hudspeth County, Texas. The Accident involved a collision between a recreational vehicle, or RV, rented and occupied by ten members of the Cabral family and a tractor-trailer owned and operated by an independent trucking company named MyUniverse, Inc., a California-based motor carrier licensed by the U.S. Department of Transportation. Landstar Ranger, Inc., a wholly-owned subsidiary of the Company (“Landstar Ranger”), arranged the transportation of the shipment contained in the tractor-trailer owned by MyUniverse under a non-exclusive truck brokerage contractual arrangement. The plaintiffs principally assert that Landstar Ranger acted as a motor carrier rather than as a broker with respect to the shipment involved in the Accident, and, as a result, should be determined to be legally responsible for the operation of the MyUniverse truck and the conduct of the MyUniverse driver in connection with the Accident.

Based on knowledge of the facts, available insurance coverage and the analysis of the Company’s outside counsel, an immaterial accrual was included in insurance claims in the Company’s consolidated balance sheet as of June 28, 2025. No assurances can be provided as to the amount of the verdict that may be entered against Landstar Ranger at the conclusion of the Trial, which is expected to occur during the Company’s 2025 third quarter. Moreover, the Trial could result in a substantial verdict against Landstar Ranger and could have a material negative effect on the results of operations for the Company’s 2025 third quarter and fiscal year. The Company intends to preserve its right to appeal any such verdict. No assurances can be provided as to the probability of success with respect to any potential appeal of any such verdict or the ultimate outcome of any such appeal. The total cost associated with this matter, which may include post-judgment interest, bonding-related costs and legal and other professional fees, will depend on many factors and the ultimate financial impact, as well as the timing of the ultimate resolution of this matter, are difficult to predict. The ultimate resolution of this matter could have a material negative effect on the results of operations in the quarter or year in which such ultimate resolution occurs.

As previously disclosed in the Company’s Quarterly Report on Form 10-Q for the 2025 first quarter, within the Company’s third-party insurance arrangements providing excess coverage for commercial trucking liabilities, structured arrangements with third party reinsurers within a specific loss layer may provide for a refund of premium in the event of favorable loss experience. With respect to one such three-year commercial auto liability reinsurance arrangement relating to certain excess claims incurred between May 1, 2020 through April 30, 2023, the Company received \$9,000,000 of an anticipated \$12,000,000 cash payment from third party reinsurance providers in the form of a “no claims bonus” due to favorable loss experience with respect to claims incurred during the applicable policy period. The Company recorded this payment as a deferred gain within other current liabilities in the consolidated balance sheet as of June 28, 2025, until such time as all underlying claims with exposure under the applicable excess layer insurance arrangement are resolved and the gain can be recognized. On the first business day of the 2025 third fiscal quarter, the Company received the remaining \$3,000,000 cash payment. A substantial verdict resulting from the Trial could result in the Company not meeting the requirements relating to the “no claims bonus”. No assurances can be provided regarding whether the Company will be able to recognize a gain with respect to the “no claims bonus.”

The Company is involved in certain other claims and pending litigation arising from the normal conduct of business. Many of these claims are covered in whole or in part by insurance. Based on knowledge of the facts and, in certain cases, opinions of outside counsel, management believes that adequate provisions have been made for probable losses with respect to the resolution of all such other claims and pending litigation and that the

ultimate outcome, after provisions therefor, will not have a material adverse effect on the financial condition of the Company, but could have a material effect on the results of operations in a given quarter or year.

Landstar provides for the estimated costs of self-insured claims primarily on an actuarial basis. The amount recorded for the estimated liability for claims incurred is based upon the facts and circumstances known on the applicable balance sheet date. The ultimate resolution of these claims may be for an amount greater or less than the amount estimated by the Company. The Company continually revises its existing claim estimates as new or revised information becomes available on the status of each claim. Historically, the Company has experienced both favorable and unfavorable development of prior years' claims estimates within its various programs. During the 2025 and 2024 twenty-six-week periods, insurance and claims costs included \$13,641,000 and \$2,116,000 of net unfavorable adjustments to prior years' claims estimates, respectively. It is reasonably likely that the ultimate outcome of settling all outstanding claims will be more or less than the estimated claims liability at June 28, 2025, primarily due to the inherent difficulty in estimating the severity of commercial trucking claims and the potential judgment or settlement amount that may be incurred in connection with the resolution of such claims.

Significant variances from the Company's estimates for the ultimate resolution of self-insured claims could be expected to positively or negatively affect Landstar's earnings in a given quarter or year. However, management believes that the ultimate resolution of these items, given a range of reasonably likely outcomes, will not significantly affect the long-term financial condition of Landstar or its ability to fund its continuing operations.

SEASONALITY

Landstar's operations are subject to seasonal trends common to the trucking industry. Historically, truckload shipments for the quarter ending in March are typically lower than for the quarters ending June, September and December.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to changes in interest rates as a result of its financing activities, primarily its borrowings on its revolving credit facility, if any, and investing activities with respect to investments held by the insurance segment.

On July 1, 2022, Landstar entered into the Second Amended and Restated Credit Agreement (as further amended as of June 21, 2024, the "Credit Agreement") with a bank syndicate led by JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement, which matures July 1, 2027, provides for borrowing capacity in the form of a revolving credit facility of \$300,000,000, \$45,000,000 of which may be utilized in the form of letters of credit. The Credit Agreement also includes an "accordion" feature providing for a possible increase of up to an aggregate amount of borrowing capacity of \$600,000,000.

The revolving credit loans under the Credit Agreement as of June 28, 2025, at the option of Landstar, bear interest at (i) a forward-looking term rate based on the secured overnight financing rate plus 0.10% and an applicable margin ranging from 1.25% to 2.00%, or (ii) an alternate base rate plus an applicable margin ranging from 0.25% to 1.00%, in each case with the applicable margin determined based upon the Company's Leverage Ratio, as defined in the Credit Agreement, at the end of the most recent applicable fiscal quarter for which financial statements have been delivered. The revolving credit facility bears a commitment fee, payable in arrears, of 0.20% to 0.30%, based on the Company's Leverage Ratio at the end of the most recent applicable fiscal quarter for which financial statements have been delivered. During the entire second quarter of 2025 and as of June 28, 2025 and December 28, 2024, the Company had no borrowings outstanding under the Credit Agreement.

Long-term investments, all of which are available-for-sale and are carried at fair value, include investment-grade bonds and asset-backed securities having maturities of up to five years. Assuming that the long-term portion of investments remains at \$81,246,000, the balance at June 28, 2025, a hypothetical increase or decrease in interest rates of 100 basis points would not have a material impact on future earnings on an annualized basis. Short-term investments consist primarily of short-term investment-grade instruments and the current maturities of investment-grade corporate bonds and asset-backed securities. Accordingly, any future interest rate risk on these short-term investments would not be material to the Company's operating results.

Assets and liabilities of the Company's Canadian and Mexican operations are translated from their functional currency to U.S. dollars using exchange rates in effect at the balance sheet date and revenue and expense accounts are translated at average monthly exchange rates during the period. Adjustments resulting from the translation process are included in accumulated other comprehensive income. Transactional gains and losses arising from receivable and payable balances, including intercompany balances, in the normal course of business that are denominated in a currency other than the functional currency of the operation are recorded in the statements of income when they occur. The assets held at the Company's Canadian and Mexican subsidiaries at June 28, 2025 were collectively, as translated to U.S. dollars, less than 3% of total consolidated assets. Accordingly, translation gains or losses of approximately 25% or less related to the Canadian and Mexican operations would not be material.

Item 4. Controls and Procedures

As of the end of the period covered by this quarterly report on Form 10-Q, an evaluation was carried out, under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended). Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of June 28, 2025 to provide reasonable assurance that information required to be disclosed by the Company in reports that it filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

There were no changes in the Company's internal control over financial reporting during the second quarter of 2025, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

In designing and evaluating disclosure controls and procedures, Company management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitation in any control system, no evaluation or implementation of a control system can provide complete assurance that all control issues and all possible instances of fraud have been or will be detected.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

See Part I, Item 2, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Legal Matters*”

Item 1A. Risk Factors

For a discussion identifying risk factors and other important factors that could cause actual results to differ materially from those anticipated, see the discussions under Part I, Item 1A, “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2024, under Part II, Item 1A, “Risk Factors” in the Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 29, 2025, and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Notes to Consolidated Financial Statements” in this Quarterly Report on Form 10-Q.

Except as set forth under Part II, Item 1A, “Risk Factors” in the Company’s Quarterly Reports on Form 10-Q for the quarterly period ended March 29, 2025, there have been no material changes to the Risk Factors described in Part I “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2024 as filed with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Company

The following table provides information regarding the Company’s purchase of its common stock during the period from March 30, 2024 to June 28, 2025, the Company’s second fiscal quarter:

<u>Fiscal Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share⁽¹⁾</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Programs</u>	<u>Maximum Number of Shares That May Yet Be Purchased Under the Programs</u>
March 29, 2025				2,161,663
March 30, 2025 – April 26, 2025	—	\$ —	—	2,161,663
April 27, 2025 – May 24, 2025	72,000	141.52	72,000	2,089,663
May 25, 2025 – June 28, 2025	228,141	139.16	228,141	1,861,522
Total	<u>300,141</u>	<u>\$ 139.73</u>	<u>300,141</u>	

⁽¹⁾ The average price paid per share does not include the 1% excise tax on net stock repurchases, as applicable.

[Table of Contents](#)

On December 6, 2022, the Landstar System, Inc. Board of Directors authorized the Company to purchase up to 1,900,826 additional shares of the Company's common stock from time to time in the open market and in privately negotiated transactions. On December 4, 2023, the Landstar System, Inc. Board of Directors authorized the Company to purchase up to 319,332 additional shares of its common stock from time to time in the open market and in privately negotiated transactions under its share purchase program. As of June 28, 2025, the Company had authorization to purchase in the aggregate up to 1,861,522 shares of its common stock under these programs. No specific expiration date has been assigned to the December 6, 2022 or December 4, 2023 authorizations.

Dividends

Landstar entered into the Second Amended and Restated Credit Agreement, dated July 1, 2022, with a bank syndicate led by JPMorgan Chase Bank, N.A., as administrative agent (as further amended as of June 21, 2024, the "Credit Agreement"). The Credit Agreement provides for a restriction on cash dividends and other distributions to stockholders on the Company's capital stock in the event there is a default under the Credit Agreement. In addition, the Credit Agreement, under certain circumstances, limits the amount of such cash dividends and other distributions to stockholders to the extent that, after giving effect to any payment made to effect such cash dividend or other distribution, the Leverage Ratio, as defined in the Credit Agreement, would exceed 2.5 to 1 on a pro forma basis as of the end of the Company's most recently completed fiscal quarter.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the thirteen-week period ended June 28, 2025, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Landstar's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

The exhibits listed on the Exhibit Index are furnished as part of this quarterly report on Form 10-Q.

EXHIBIT INDEX

Registrant's Commission File No.: 0-21238

<u>Exhibit No.</u>	<u>Description</u>
(31)	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.1*	<u>Chief Executive Officer certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Chief Financial Officer certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
(32)	Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.1**	<u>Chief Executive Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2**	<u>Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LANDSTAR SYSTEM, INC.

Date: July 29, 2025

/s/ Frank A. Lonegro

Frank A. Lonegro
President and
Chief Executive Officer

Date: July 29, 2025

/s/ James P. Todd

James P. Todd
Vice President, Chief Financial Officer and Assistant Secretary

SECTION 302 CERTIFICATION

I, Frank A. Lonegro, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Landstar System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2025

/s/ Frank A. Lonegro

Frank A. Lonegro
President and Chief Executive Officer

SECTION 302 CERTIFICATION

I, James P. Todd, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Landstar System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2025

/s/ James P. Todd

James P. Todd

Vice President, Chief Financial Officer and Assistant Secretary

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Landstar System, Inc. (the "Company") on Form 10-Q for the period ending June 28, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank A. Lonegro, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2025

/s/ Frank A. Lonegro

Frank A. Lonegro
President and Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Landstar System, Inc. (the "Company") on Form 10-Q for the period ending June 28, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James P. Todd, Vice President, Chief Financial Officer and Assistant Secretary of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2025

/s/ James P. Todd

James P. Todd

Vice President, Chief Financial Officer and Assistant
Secretary