

DESIGNED TO RESPOND
BUILT TO DELIVER



Landstar System, Inc.
Earnings Conference Call
First Quarter 2021
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Forward Looking Statements Disclaimer:

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Model Definition

Landstar is a worldwide, 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 Network

2020 Results

\$4.1 billion in revenue

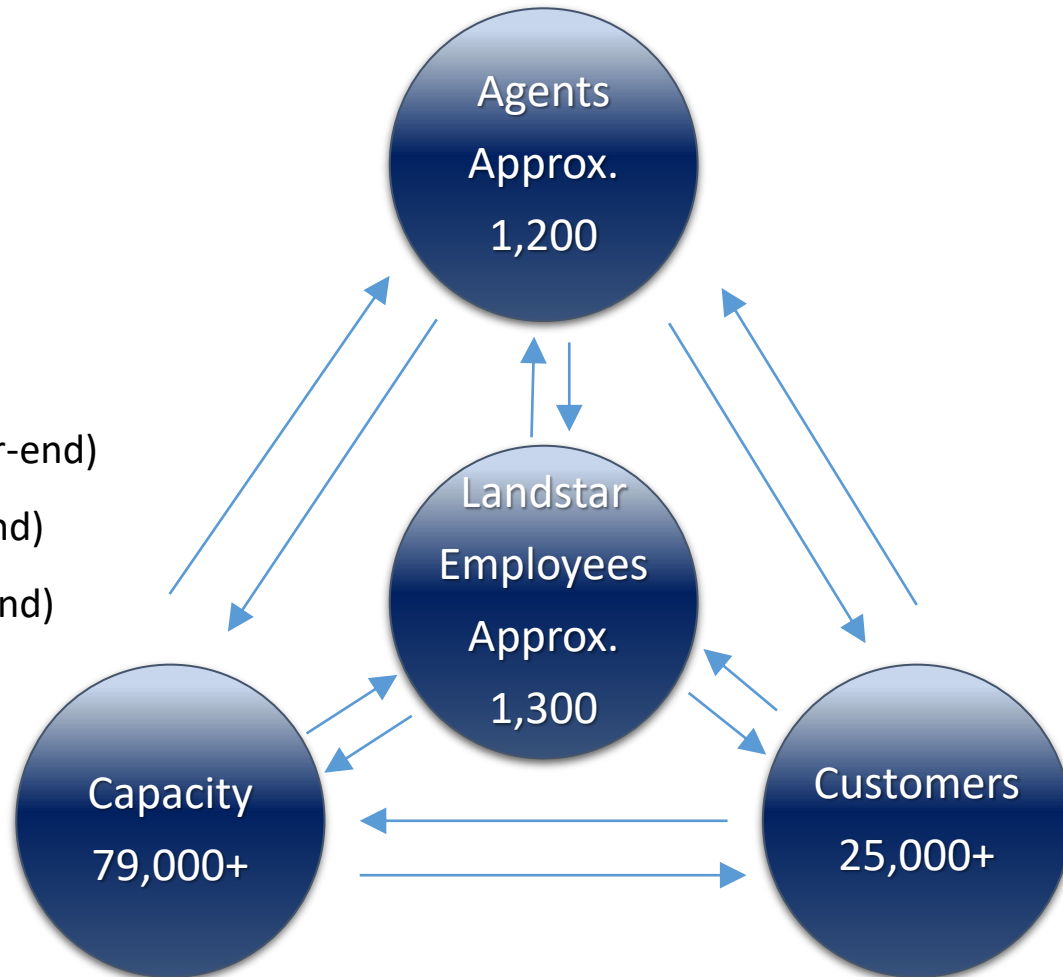
2.0 million loadings

508 million dollar agents

10,991 BCO trucks (2020 year-end)

69,025 Carriers (2020 year-end)

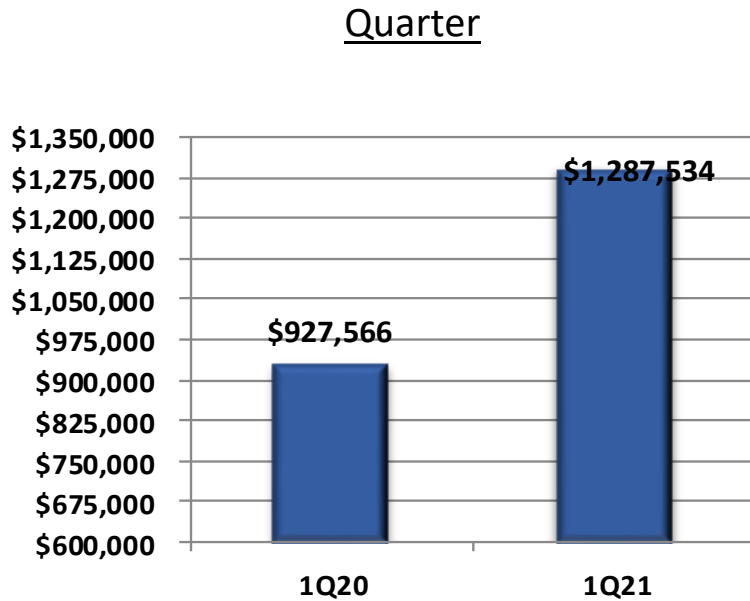
17,000+ Trailers (2020 year-end)



Transportation Management Services

	Percentage of Revenue	
	1Q20	1Q21
Truck Transportation		
Truckload		
Van equipment	59%	64%
Unsided/platform equipment	31%	26%
Less-than-truckload	2%	2%
Rail intermodal	3%	2%
Ocean and air cargo	3%	4%

Revenue (\$'s in thousands)



Quarter

Qtr over Prior Year Qtr	Rate ⁽¹⁾	Volume ⁽²⁾	Change
Truck Revenue	23.6%	13.0%	39.7%
Rail Intermodal Revenue	11.2%	1.4%	12.7%
Ocean/Air Revenue	37.1%	30.6%	79.0%
Insurance Premiums	NA	NA	24.5%
Total Revenue			38.8%

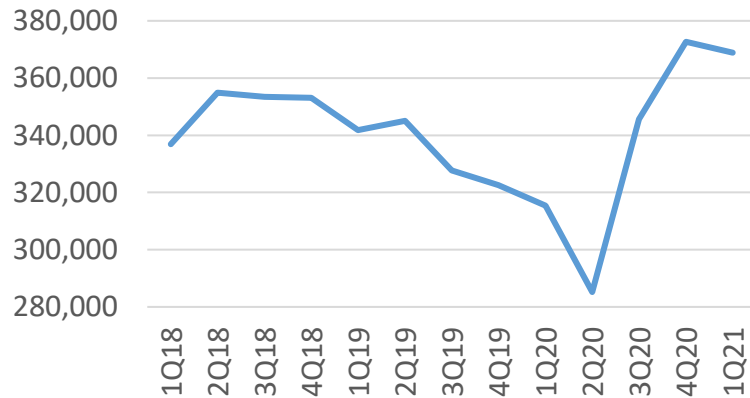
(1) Percentage change in rate is calculated on a revenue per load basis.

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

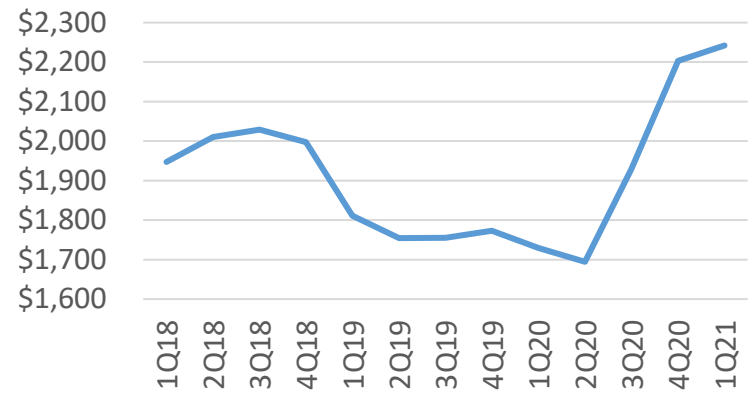
Truckload Loadings and Revenue per Load (Excludes LTL)

Van Equipment

Number of Loads

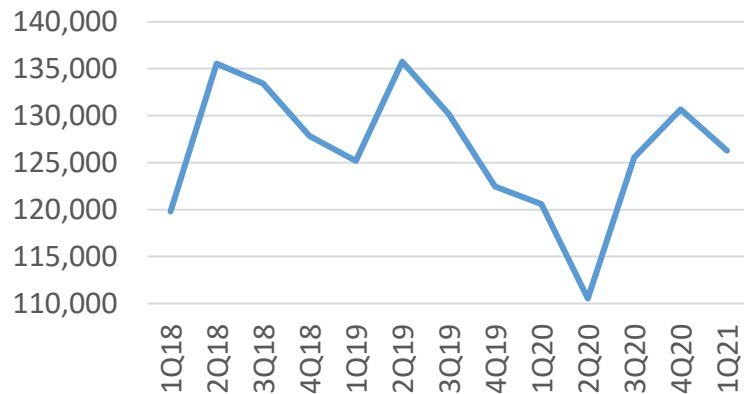


Revenue per Load

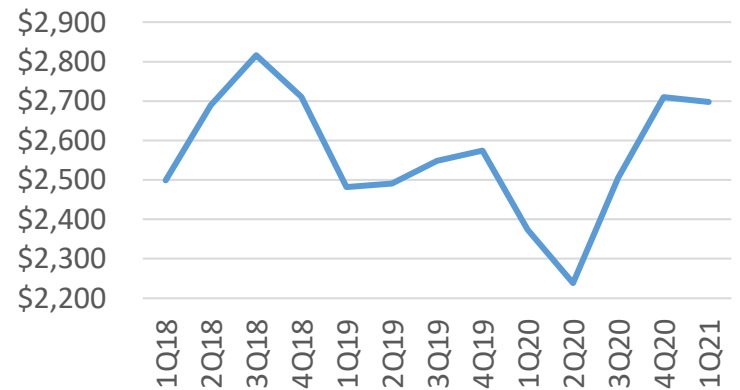


Unsided/Platform Equipment

Number of Loads



Revenue per Load

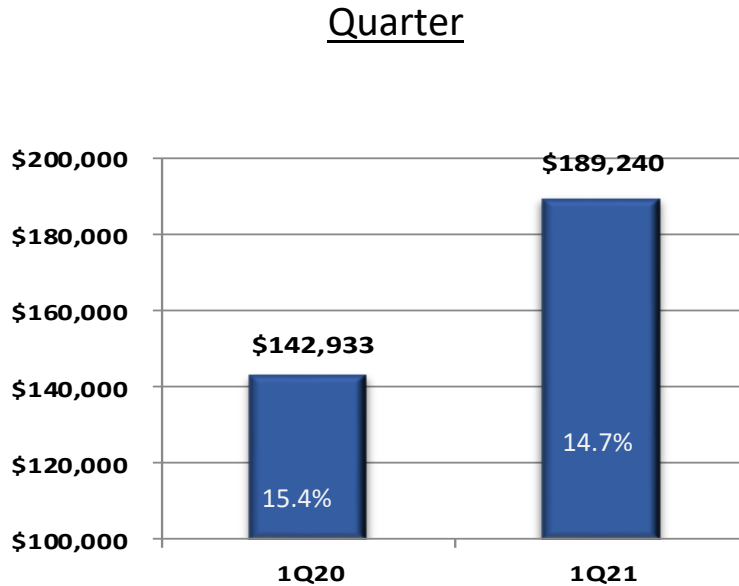


Industries Served

	As a Percentage of Revenue		Quarter over Prior Year Quarter Change in Revenue
	1Q20	1Q21	
Consumer Durables	23.9	28.7	67%
Machinery	13.4	11.0	14%
Building Products	9.1	8.5	31%
AA&E, Hazmat	9.1	8.8	35%
Automotive	7.4	8.6	60%
Foodstuffs	4.7	3.9	15%
Metals	5.9	4.9	16%
Substitute Line Haul	3.2	6.8	189%
Other	23.3	18.8	13%
Transportation Revenue	<u>100.0</u>	<u>100.0</u>	39%

Gross Profit ⁽¹⁾ and Gross Profit Margin ⁽²⁾

(\$'s in thousands)



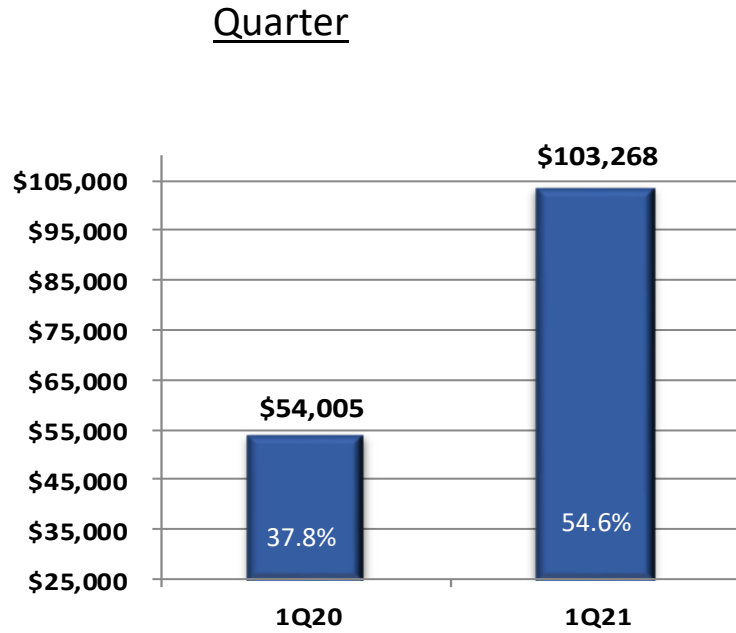
Quarter

	1st Qtr ⁽³⁾
Changes in gross profit margin	%
2020 Period	15.4
Revenue - fixed gp margin	0.4
Revenue - variable gp margin	-0.5
Change in mix and other	-0.6
2021 Period	14.7

- (1) Gross profit equals revenue less the cost of purchased transportation and commissions to agents.
- (2) Gross profit margin equals gross profit divided by revenue.
- (3) Revenue on transactions with a fixed gross profit margin was 52% and 48% of revenue in the 2020 and 2021 first quarters, respectively.

Operating Income and Operating Margin ⁽¹⁾

(\$'s in thousands)



Quarter

	1st Qtr
Changes in operating margin	%
2020 Period	37.8
Other operating costs	1.8
Insurance and claims	5.6
SG&A	7.7
Depreciation and amortization	1.7
2021 Period	54.6

(1) Operating margin equals operating income divided by gross profit.

Truck Capacity Data

(All information is provided as of the end of the period)

	Mar 28, 2020 ⁽²⁾	Dec 26, 2020	Mar 27, 2021 ⁽²⁾
BCO Independent Contractors	9,444	10,242	10,498
Truck Brokerage Carriers:			
Approved and Active ⁽¹⁾	38,879	46,053	49,538
Other Approved	16,657	22,972	23,246
	55,536	69,025	72,784
Total Available Truck Capacity Providers	64,980	79,267	83,282
Trucks Provided by BCO Independent Contractors	10,112	10,991	11,268

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

(2) Fuel surcharges billed to customers on freight hauled by BCO Independent Contractors, which are paid 100% to the BCO and excluded from revenue and the cost of purchased transportation, were \$48.8 million and \$52.4 million in the 2021 and 2020 first quarters, respectively.

Key Balance Sheet and Cash Flow Statistics

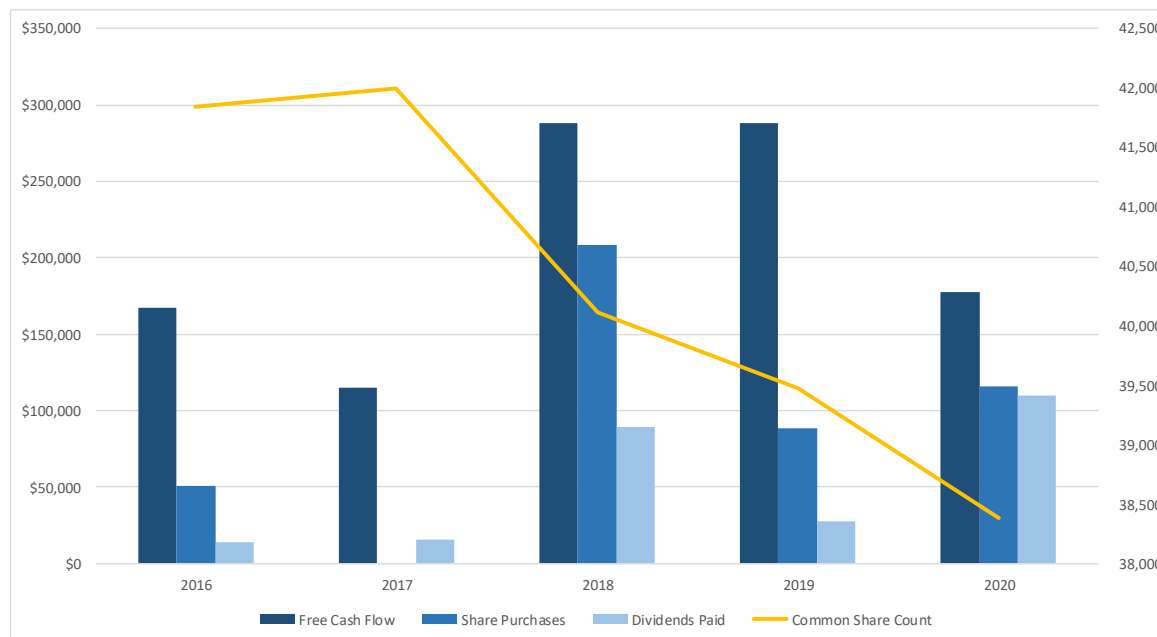
(\$'s in thousands)

	QTR Mar 28, 2020	QTR Mar 27, 2021
Balance sheet (period end amounts):		
Debt to Capital	14%	11%
Net Cash (1)	\$ 108,930	\$ 169,800
Cash flow:		
Cash flow from operations	\$ 99,216	\$ 69,891
Capital expenditures	\$ 5,799	\$ 4,076
Share repurchases	\$ 115,962	\$ -
Dividends paid	\$ 86,283	\$ 84,837
Returns:		
TTM Return on Equity	29%	33%
TTM Return on Invested Capital	25%	29%
TTM Return on Assets	15%	16%

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

Free Cash Flow ⁽¹⁾, Stock Purchases and Dividends

(In Thousands)



First quarter 2021	(000's)
Free cash flow (1)	\$ 65,815
Share purchases	\$ -
Dividends paid	\$ 84,837
Ending common share count	38,409

(1) Free cash flow is defined as cash flow from operations less capital expenditures, each set forth on the prior slide.

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