

# LANDSTAR



Landstar System, Inc.

4Q | 2025

Earnings Conference Call



# LANDSTAR



## 4Q | 2025

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

The following is a “safe harbor” statement under the Private Securities Litigation Reform Act of 1995. Statements made in this slide presentation that are not based on historical facts are “forward-looking statements.” This presentation may make certain statements containing forward-looking statements, such as statements which relate to Landstar’s business objectives, plans, strategies and expectations. Such statements are by nature subject to uncertainties and risks, including but not limited to: the operational, financial or legal risks or uncertainties detailed in Landstar’s Form 10-K for the 2024 fiscal year and Form 10-Q for the 2025 first quarter, described in the section Risk Factors, and other SEC filings from time to time. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and the Company undertakes no obligation to publicly update or revise any forward-looking statements.

# LANDSTAR



## 4Q | 2025

### Non-GAAP Financial Measures

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

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

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

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



4Q | 2025

## Executive Summary

**Frank Lonegro**

Chief Executive Officer

## RESULTS

Dollars in Millions (except per share amounts)

Metric	4Q 2025	4Q 2024	Chg.
Revenue	\$ 1,174.5	\$ 1,209.3	(2.9%)
Operating Income	\$ 29.6	\$ 57.8	(48.8%)
Earnings per Share	\$ 0.70	\$ 1.31	(46.6%)

## HIGHLIGHTS

### 4Q revenue performance

Strong performance in our services hauled by unsided/platform equipment

Overall truck revenue per load that outperformed pre-pandemic historical trends

### Operating income and EPS

Negatively impacted by challenging insurance and claims environment (discrete insurance items of \$0.49 per share); and additional Metro impairment (\$0.05 per share)

### Strong balance sheet

Continuing to return meaningful capital to stockholders

### Investing through the cycle

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



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AI Strategy

## Jim Applegate

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Chief Corporate Sales, Strategy and  
Specialized Freight Officer

# AI For The Landstar Network of Entrepreneurs

## In-flight AI Efforts

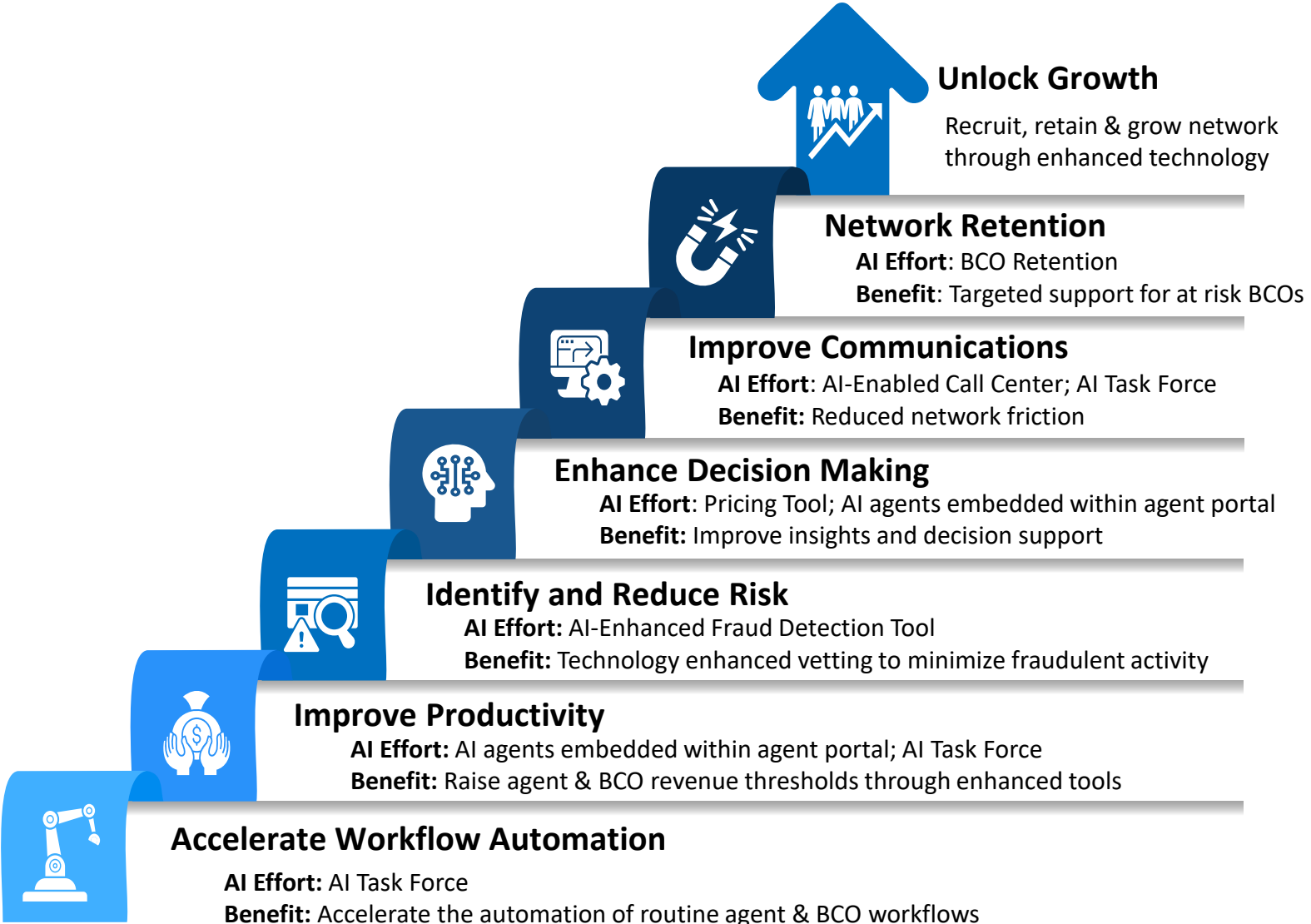


Improve productivity and unlock Agent & BCO growth

Attract & retain Agents & BCOs

Strengthen reputation as the leader in Safety, Security and Service

**AI related projects account for half of Landstar's 2026 IT capital budget**



# AI For Landstar Corporate

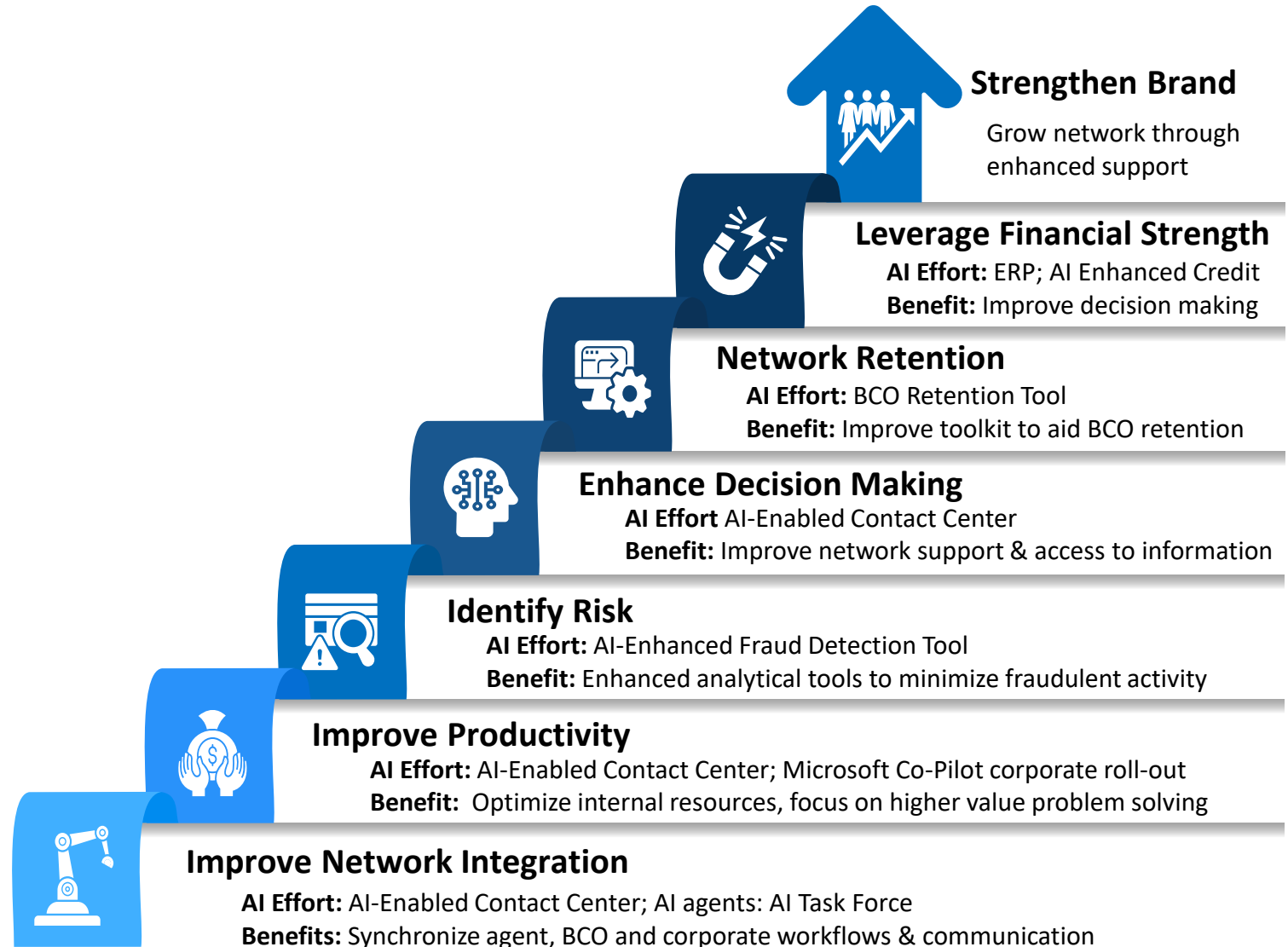
## In-flight AI Efforts



Improve the experience for all Landstar Network stakeholders

Optimize the deployment of resources

Minimize risk and reduce friction throughout the Landstar Network





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## Network and Capacity

**Frank Lonegro**

Chief Executive Officer

# Landstar Network and 4Q Truckload Operating Results



## LANDSTAR NETWORK

Agents  
**~960**

Customers  
**20,000+**

Capacity  
**70,000+**

Employees\*  
**~1,300**

\* Excluding LSTR Metro



## 4Q RESULTS

**\$1.08B**

Truck Revenue

**473K**

Truck Loadings

**\$2,280**

Truck Revenue per Load

**457**

Million \$ Agents\*\*

**8,514**

BCO Trucks

**62,790**

Carriers

**17,400+**

Trailers

**0.59**

DOT Accidents  
per Million Miles\*\*\*

\*\* Based on 2025 fiscal year \*\*\* Based on 2025 fiscal year; See definition of DOT Accidents within the Appendix

# Truck Capacity

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



## AVAILABLE TRUCK CAPACITY PROVIDERS

Type of Capacity	Dec 27, 2025	Dec 28, 2024
BCO Independent Contractors	7,712	8,082
Truck Brokerage Carriers		
Approved and Active <sup>(1)</sup>	36,852	43,718
Other Approved	25,938	26,527
Total Truck Brokerage Carriers	62,790	70,245
<i>Total Available Truck Capacity Providers</i>	<i>70,502</i>	<i>78,327</i>
<b>Trucks Provided by BCO Independent Contractors</b>	<b>8,514</b>	<b>8,843</b>

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

Note: Fuel surcharges billed to customers on freight hauled by BCO Independent Contractors, which are paid 100% to the BCO and not included in either revenue or the cost of purchased transportation, were \$228.9 million and \$252.6 million in the 2025 and 2024 fiscal year periods, respectively, and \$59.4 million and \$ 55.4 million in the 2025 and 2024 fourth quarters, respectively.



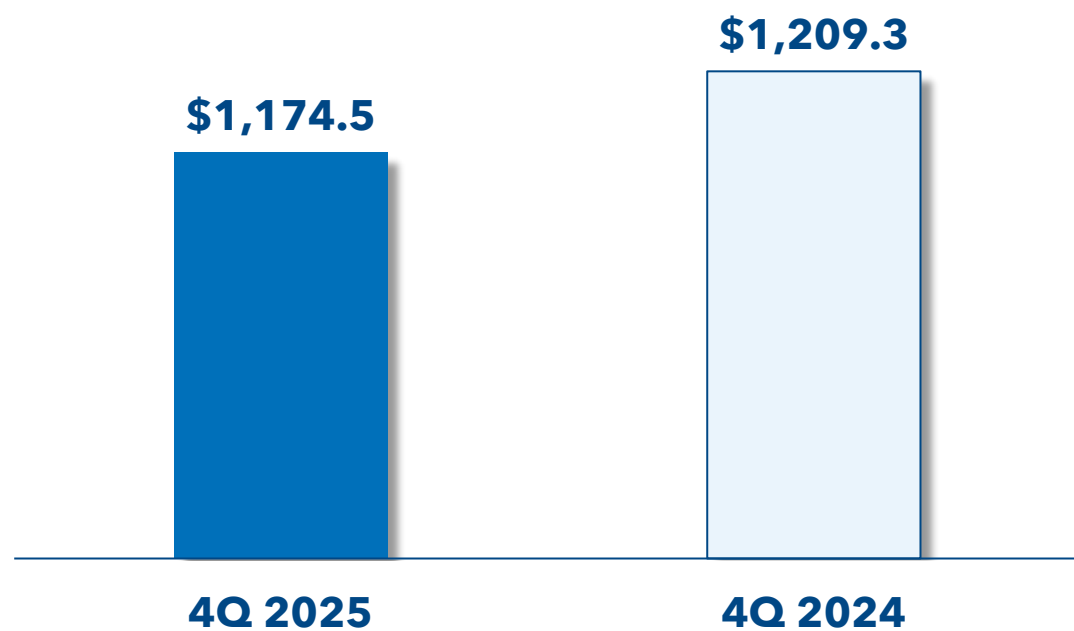
4Q | 2025

## Financial Results

**Jim Todd**

Chief Financial Officer

## RESULTS



## VARIANCE

Revenue Source	Rate <sup>(1)</sup>	Vol. <sup>(2)</sup>	Chg.
Truck	0.5%	(0.8%)	(0.2%)
Rail Intermodal	6.9%	22.3%	30.7%
Ocean/Air	(26.3%)	(18.9%)	(40.2%)
Insurance Premiums	N/A	N/A	(4.4%)
<b>Total Revenue</b>	–	–	<b>(2.9%)</b>

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

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

# Revenue Variances

by Industry Served with Revenue Share Indicated

Amounts in Percent



## Transportation logistics revenue down 3% Y-O-Y

Revenue Share		Market Segment	Y-O-Y Change in Revenue
4Q 2025	4Q 2024		
27.8	27.4	Consumer Durables	(2)
16.1	13.7	Machinery	14
9.6	10.1	Automotive	(7)
9.4	9.4	Building Products	(3)
7.4	6.5	AA&E, Hazmat	10
7.3	7.0	Electrical	1
4.8	5.0	Metals	(8)
3.3	3.0	Energy	6
2.0	2.3	Substitute Line Haul	(15)
12.3	15.6	Other	(22)

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

with Associated Margins

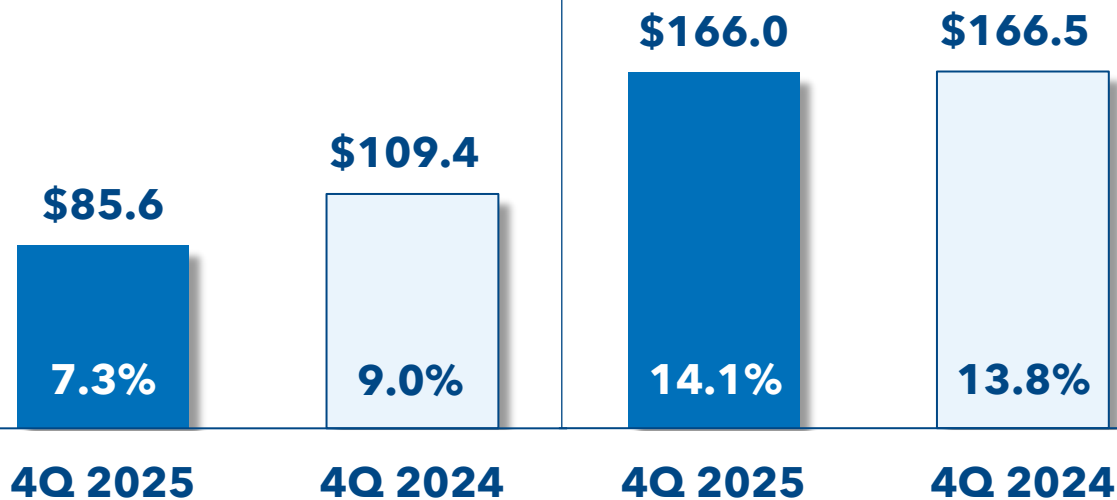
Dollars in Millions



## RESULTS

### Gross Profit

### Variable Contribution



## CHANGE IN VC MARGIN

Amounts in %

4Q

2024

13.8

Revenue - Variable

0.2

Change in Mix/Other

0.2

Revenue - Fixed <sup>(3)</sup>

(0.1)

2025

14.1

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

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

(3) Revenue on transactions where the Company's variable contribution margin was based on a contractually pre-determined percentage of revenue accounted for 44% and 42% of revenue in the 2025 and 2024 fourth quarters, respectively.

# Operating Income

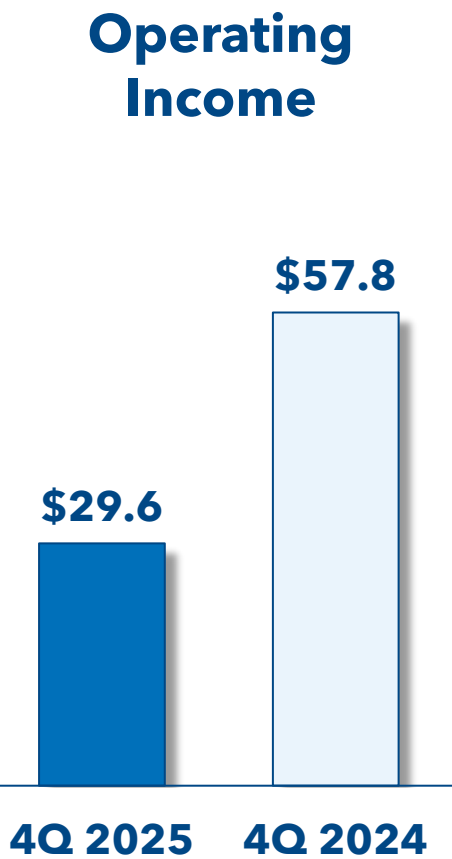
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



## RESULTS

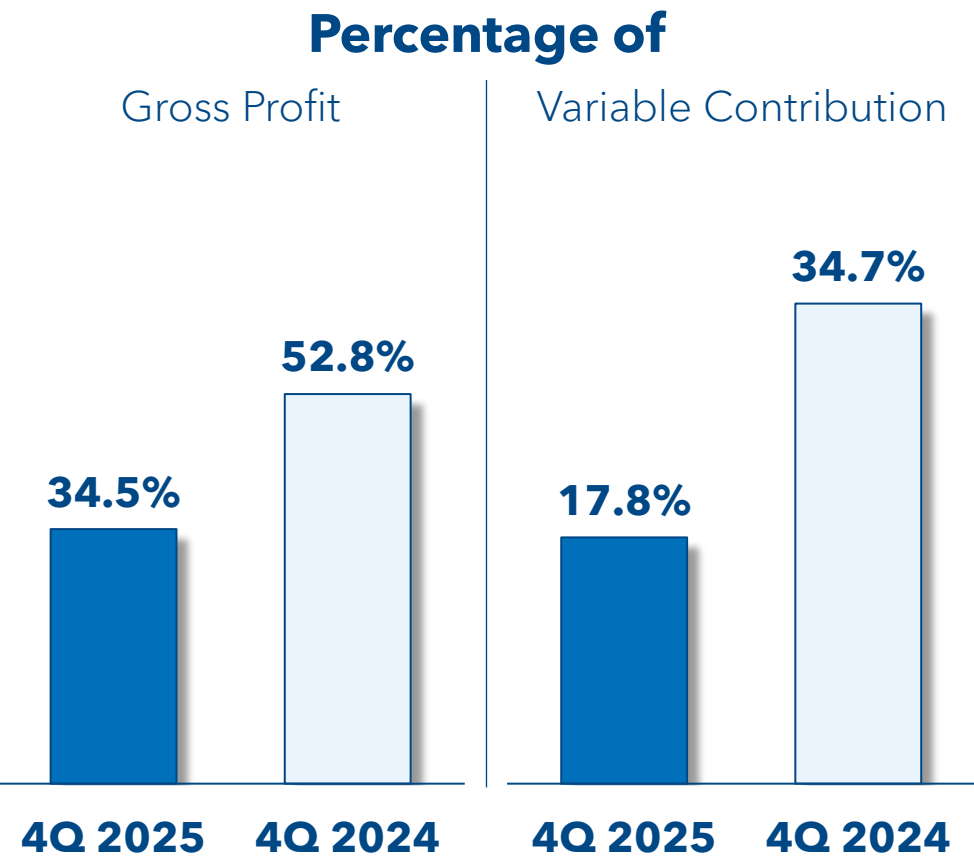
### Operating Income



### Percentage of

Gross Profit

Variable Contribution



## CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

4Q

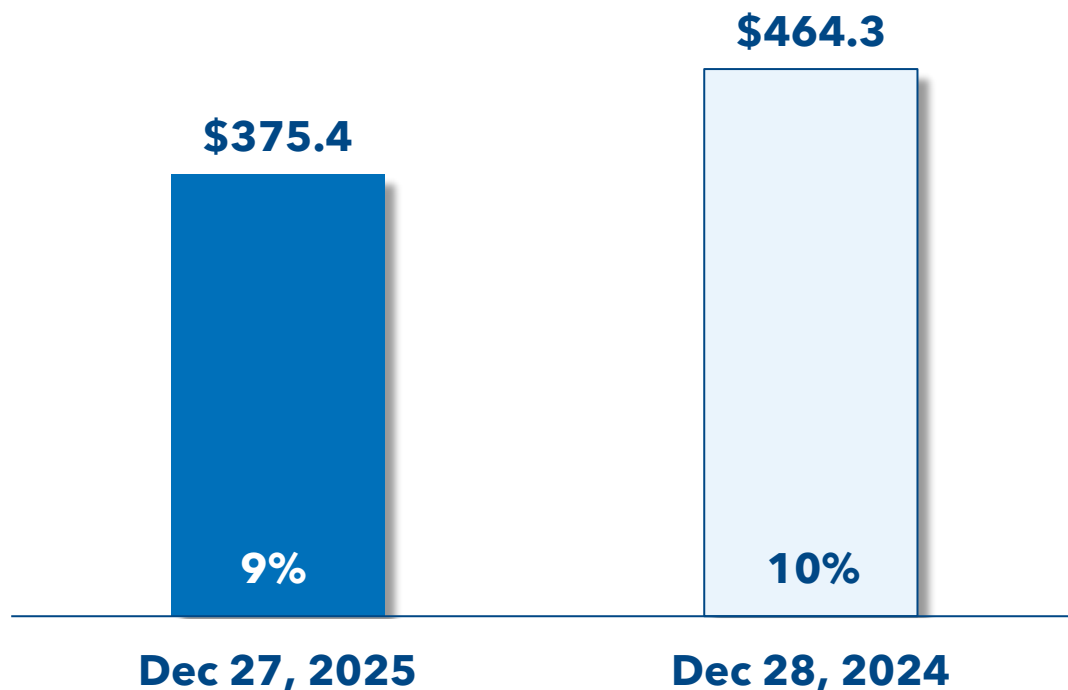
2024	34.7
Insurance and claims	(16.2)
Non-cash impairment charges	(1.2)
SG&A	(0.8)
Other operating costs	0.0
Depreciation and amortization	1.3
<b>2025</b>	<b>17.8</b>

# Key Balance Sheet and Cash Flow Statistics

Dollars in Millions



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



## SOURCES / USES OF CASH

Year-to-date as of date indicated

Cash Flow Type	4Q 2025	4Q 2024
Cash flow from operations	\$ 224.9	\$ 286.6
Capital expenditures	\$ 9.9	\$ 31.0
Free cash flow <sup>(3)</sup>	\$ 215.0	\$ 255.6
Share repurchases	\$ 179.9	\$ 81.4
Dividends paid	\$ 124.8	\$ 120.5

## RETURNS

Trailing 12 months as of date indicated

Return Type	Dec 27, 2025	Dec 28, 2024
Equity	13%	20%
Invested Capital	12%	18%
Assets	7%	11%

(1) Net cash is defined as cash and cash equivalents of \$396.7 million plus short term investments of \$55.5 million less outstanding debt of \$76.8 million as of December 27, 2025. As of December 28, 2024, net cash was cash and cash equivalents of \$515.0 million plus short term investments of \$51.6 million less outstanding debt of \$102.3 million.

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

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



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## Closing Remarks

**Frank Lonegro**

Chief Executive Officer

## ➔ **Current Market Update** - January 2026 business activity:

- **Truck Loads:** January approximately 1% below January 2025
  - Essentially in line with typical December to January month-to-month historical trends
- **Truck Revenue per Load:** January approximately 4% above January 2025
  - Modestly above typical December to January month-to-month historical trends

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

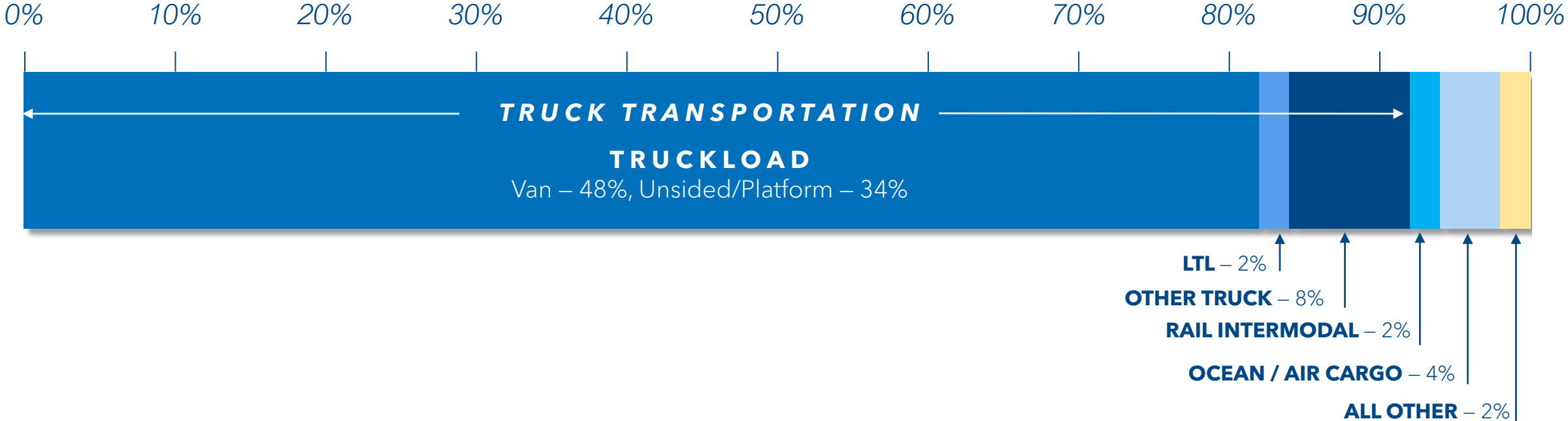
- **Truck Revenue:** Mid-single digit to high-single digit decrease from 4Q to 1Q
- **Truck Loads:** 4% decline 4Q to 1Q
- **Truck Revenue per Load:** 4% decline 4Q to 1Q



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Appendix

## PERCENTAGE OF REVENUE 4Q 2025 by Service Type



### CHANGE IN SHARE SINCE 4Q 2024

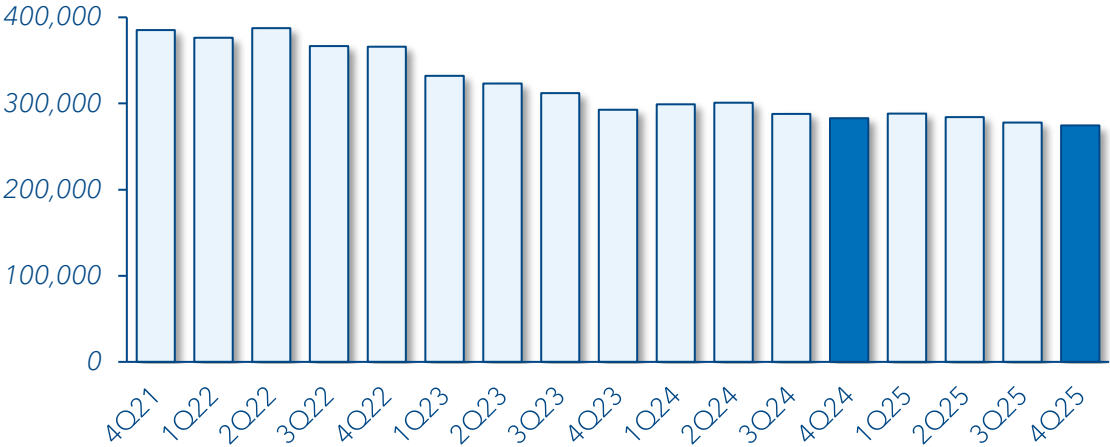
Van Equipment	Unsided/ Platform Equipment	LTL	Other Truck Transportation	Rail Intermodal	Ocean/ Air cargo	All Other
49% → 48%	30% → 34%	2% → 2%	8% → 8%	2% → 2%	7% → 4%	2% → 2%

# Truckload Loadings and Revenue per Truckload Trends

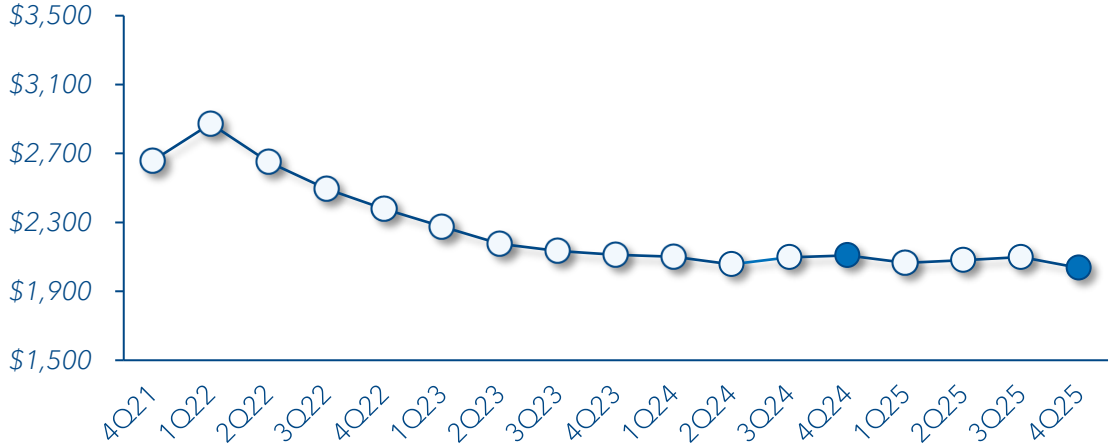


## VAN

**NUMBER OF LOADS**

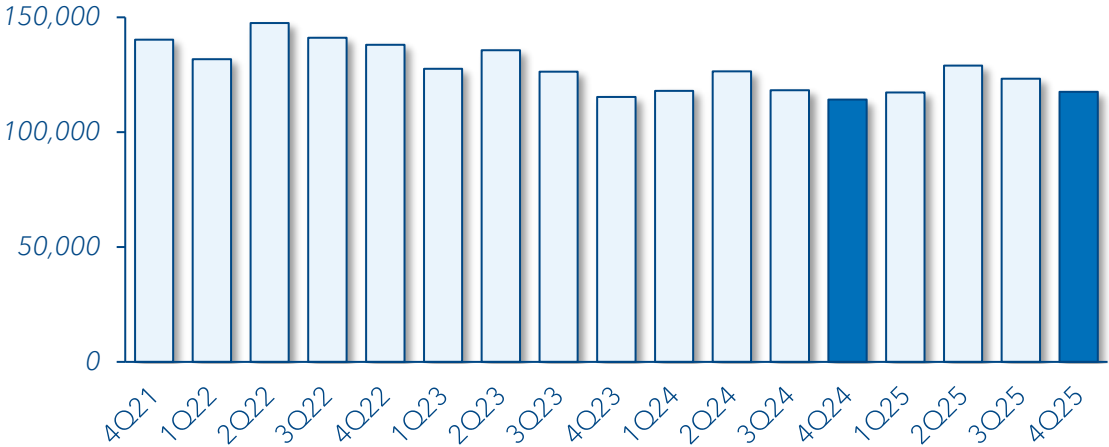


**REVENUE PER LOAD**

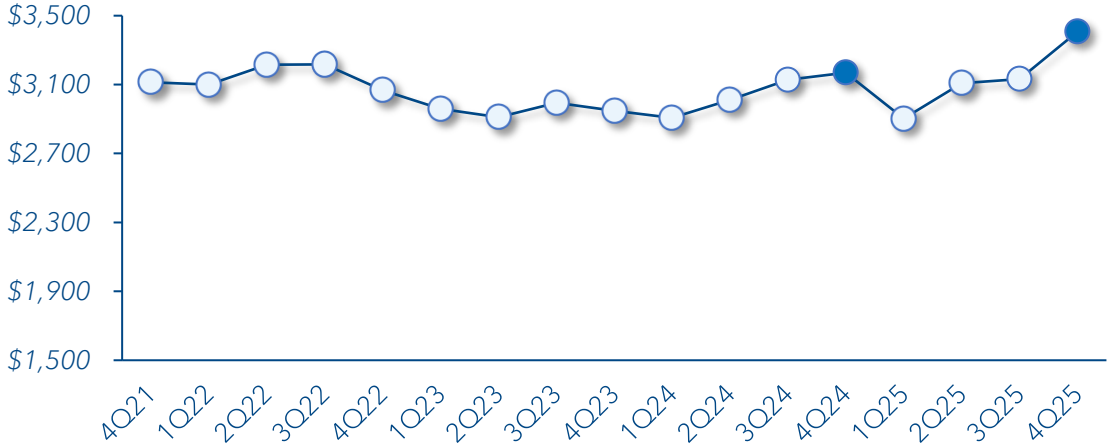


## UNSIDED / PLATFORM

**NUMBER OF LOADS**



**REVENUE PER LOAD**

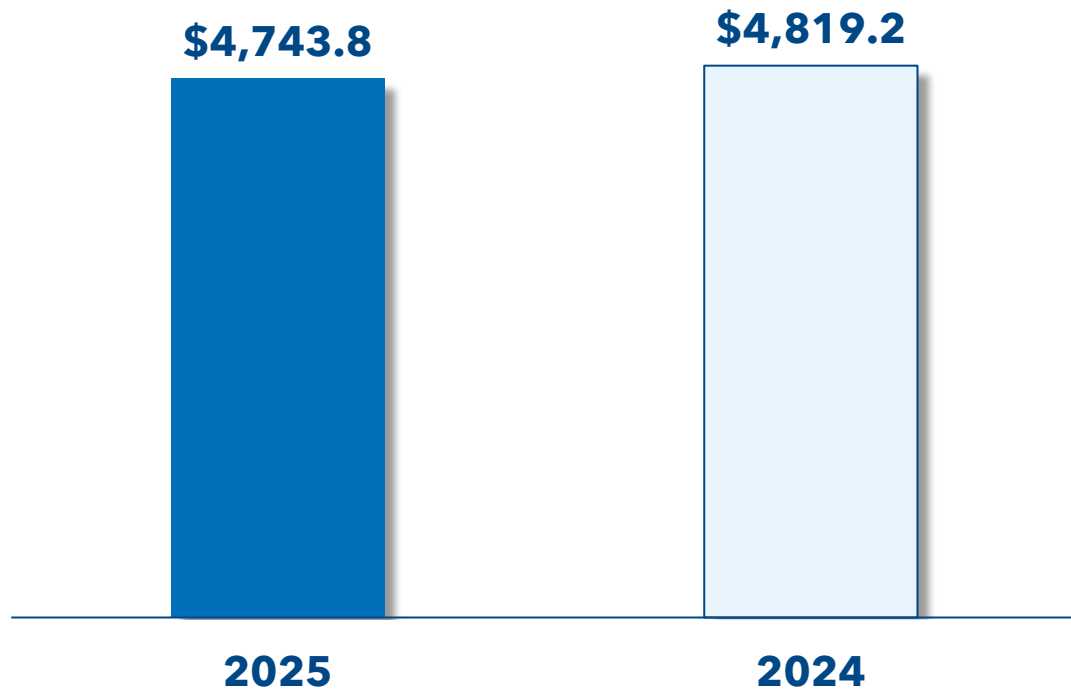


# Revenue - Fiscal Year

Dollars in Millions



## RESULTS



## VARIANCE

Revenue Source	Rate <sup>(1)</sup>	Vol. <sup>(2)</sup>	Chg.
Truck	0.6%	(0.9%)	(0.2%)
Rail Intermodal	(3.5%)	7.2%	3.4%
Ocean/Air	(7.8%)	(9.6%)	(16.7%)
Insurance Premiums	N/A	N/A	(7.3%)
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>(1.6%)</b>

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

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

# Gross Profit and Variable Contribution - Fiscal Year

with Associated Margins

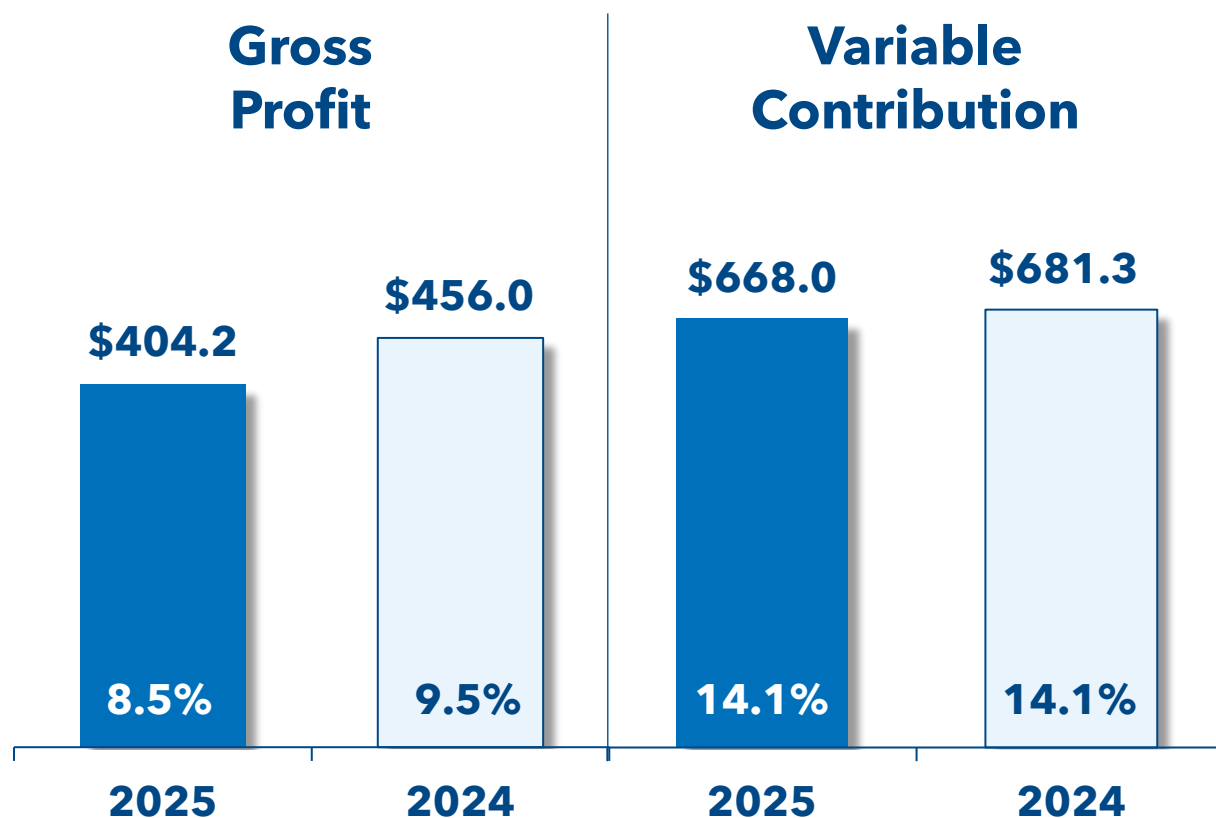
Dollars in Millions



## RESULTS

### Gross Profit

### Variable Contribution



## CHANGE IN VC MARGIN

Amounts in %

2025

Year	Change in VC Margin (%)
2024	14.1
Revenue - Fixed <sup>(1)</sup>	0.0
Revenue - Variable	0.0
Change in Mix/Other	0.0
2025	14.1

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

# Operating Income - Fiscal Year

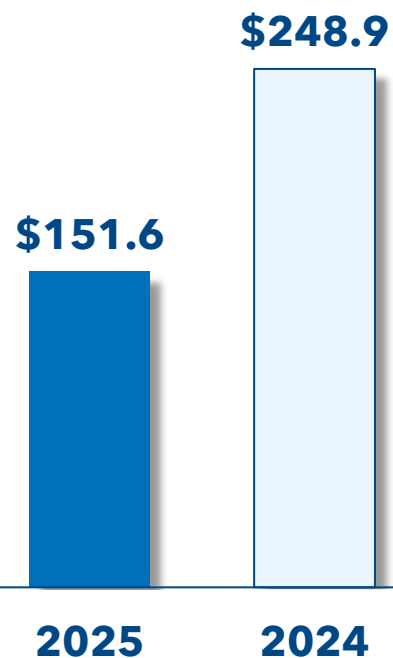
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



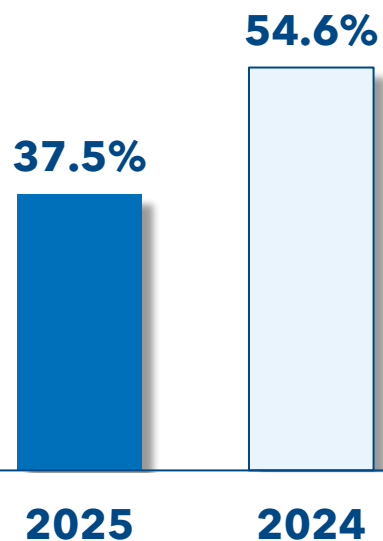
## RESULTS

### Operating Income

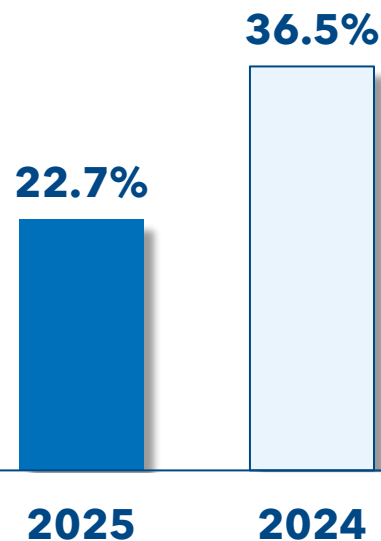


### Percentage of

Gross Profit



Variable Contribution



## CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

2025

2024

36.5

Insurance and claims

(7.3)

Non-cash impairment charges

(4.8)

SG&A

(2.5)

Other operating costs

(0.6)

Depreciation and amortization

1.4

2025

22.7

# Reconciliation of Gross Profit to Variable Contribution

Dollars in Thousands



	Fiscal Years Ended		Fiscal Quarters Ended	
	Dec 27, 2025	Dec 28, 2024	Dec 27, 2025	Dec 28, 2024
Revenue	\$ 4,743,760	\$ 4,819,245	\$ 1,174,469	\$ 1,209,330
Costs of revenue:				
Purchased transportation	3,688,343	3,745,241	912,582	945,857
Commissions to agents	387,397	392,751	95,868	96,950
Variable costs of revenue	4,075,740	4,137,992	1,008,450	1,042,807
Trailing equipment depreciation	27,195	27,950	6,366	7,186
Information technology costs (1)	13,675	22,744	2,747	4,629
Insurance-related costs (2)	161,370	115,764	56,748	30,642
Other operating costs	61,586	58,781	14,590	14,643
Other costs of revenue	263,826	225,239	80,451	57,100
Total costs of revenue	4,339,566	4,363,231	1,088,901	1,099,907
<b>Gross profit</b>	<b>\$ 404,194</b>	<b>\$ 456,014</b>	<b>\$ 85,568</b>	<b>\$ 109,423</b>
Gross profit margin	8.5%	9.5%	7.3%	9.0%
Plus: other costs of revenue	263,826	225,239	80,451	57,100
<b>Variable contribution</b>	<b>\$ 668,020</b>	<b>\$ 681,253</b>	<b>\$ 166,019</b>	<b>\$ 166,523</b>
Variable contribution margin	14.1%	14.1%	14.1%	13.8%

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

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

# Free Cash Flow with Stock Purchases and Dividends

Dollars and Shares in Millions



## 5 - YEAR SUMMARY

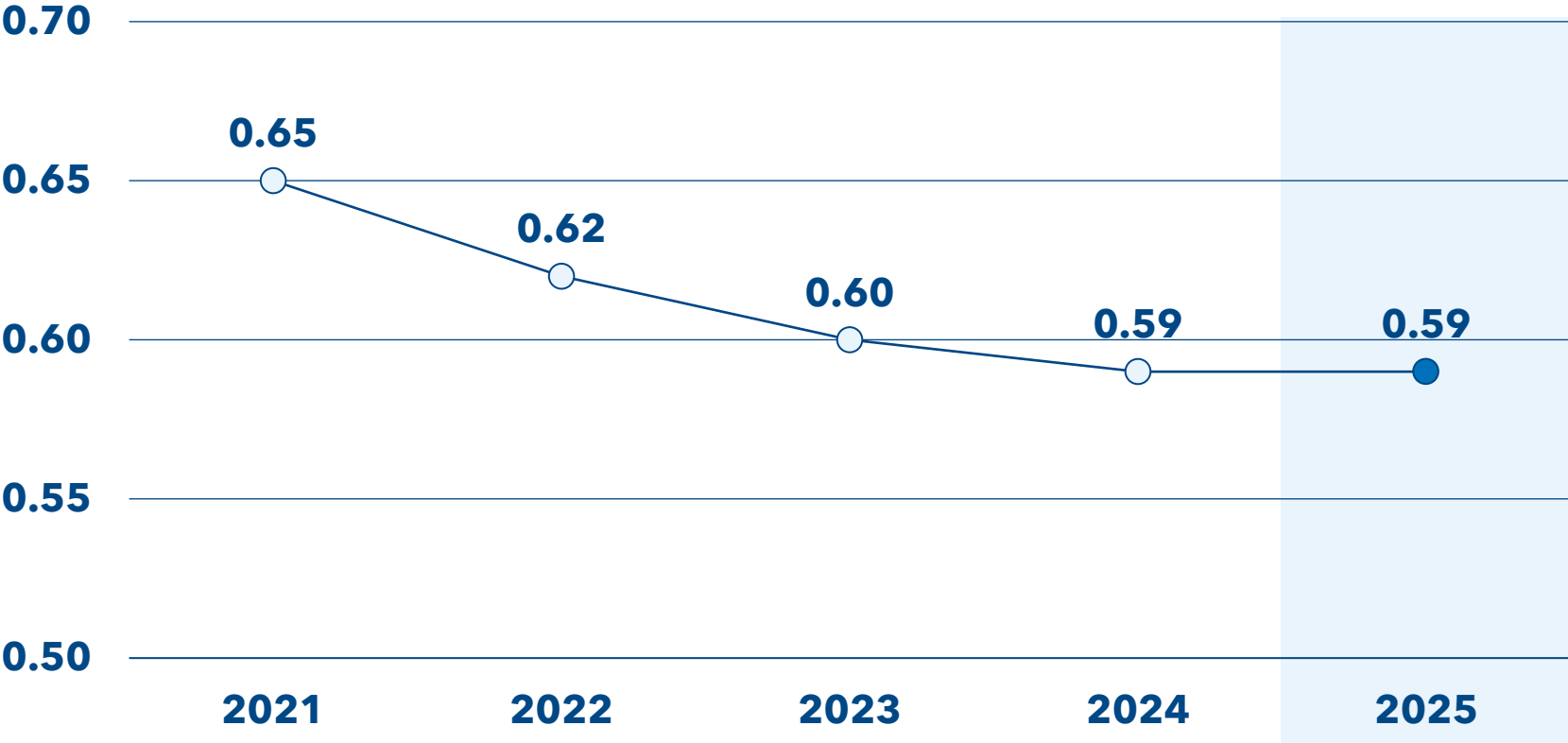
<b>Cash Flow Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Cash flow from operations	\$ 277	\$ 623	\$ 394	\$ 287	\$ 225
Cash capital expenditures	\$ 24	\$ 26	\$ 26	\$ 31	\$ 10
Free cash flow	\$ 253	\$ 597	\$ 368	\$ 256	\$ 215
Share repurchases	\$ 123	\$ 286	\$ 54	\$ 81	\$ 180
Dividends paid	\$ 112	\$ 116	\$ 117	\$ 120	\$ 125
Common share count <sup>(1)</sup>	37.7	35.9	35.7	35.3	34.1

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

# DOT Accident <sup>(1)</sup> Frequency per Million Miles Traveled by BCOs



## 5 - YEAR SUMMARY



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

# LANDSTAR



## Landstar System, Inc.

### 4Q | 2025

### Earnings Conference Call

