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

# FORM 8-K

**Current Report**
**Pursuant to Section 13 or 15(d)**
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) April 24, 2018**

# LANDSTAR SYSTEM, INC.
**(Exact name of registrant as specified in its charter)**

| **Delaware** | **021238** | **06-1313069** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(I.R.S. Employer Identification No.)** |

| **13410 Sutton Park Drive South, Jacksonville, Florida** | **32224** |
|---|---|
| **(Address of principal executive offices)** | **(Zip Code)** |

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

**N/A**
**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition

On April 25, 2018, Landstar System, Inc. (the “Company”) issued a press release announcing results for the first quarter of fiscal 2018. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in Item 7.01 concerning the presentation to Landstar investors is hereby incorporated into this Item 2.02 by reference.

The information furnished under Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On April 24, 2018, the Company and Mr. Gattoni entered into an agreement granting to Mr. Gattoni a performance-related stock award under the Company’s 2011 Equity Incentive Plan in the form of 9,324 restricted stock units. In general, the award will vest on June 30 of 2022, 2023, and 2024, with the number of units that vest on each vesting date determined by multiplying one-third of the number of units credited to Mr. Gattoni pursuant to the award by a “payout percentage” that is based on the Company’s total shareholder return (TSR) compound annual growth rate (CAGR) over the vesting period, adjusted to reflect dividends (if any) paid during such period, and as may be necessary to take into account capital adjustments. The “payout percentage” as of each vesting date is as follows, with straight line interpolation between performance levels:

| Performance Level | If TSR CAGR is: | Then the Payout Percentage is: |
|---|---|---|
| Maximum | 12.0% or greater | 150% |
| Target | 10.0% | 100% |
| Threshold | 8.0% | 50% |
| <Threshold | Less than 8.0% | 0% |

To the extent units are not vested at the maximum level in the chart above as of the first or second vesting dates, such units will again be eligible to vest at the next vesting date based on the “payout percentage” achieved as of such next vesting date. In addition, if any dividends are paid by the Company during the vesting period, dividend equivalents will be credited to Mr. Gattoni under the award as additional units that are eligible to vest based on the “payout percentage” achieved as of the future vesting dates of the underlying restricted stock units to which such dividend equivalents relate. Any units that vest will be settled in shares of Company common stock as soon as practicable after the applicable vesting date. Any units that do not become vested as of June 30, 2024 (or earlier upon Mr. Gattoni’s termination of employment or a change in control of the Company) will be forfeited.

Mr. Gattoni’s right to receive shares underlying the award is generally conditioned upon his continued employment through the applicable vesting dates. In the event of his death or disability prior to a vesting date, a pro rata number of the units then credited to Mr. Gattoni pursuant to the award (based on the number of days he remained employed during the vesting period) will vest based on the “payout percentage” achieved as of his termination of employment. Similarly, if there is a change in control of the Company prior to a vesting date, a pro rata number of the units then credited to Mr. Gattoni pursuant to the award (based on the number of days during the vesting period prior to the change in control) will vest based on the “payout percentage” achieved as of the date of the change in control.

If the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws, the compensation committee may, in its discretion after considering the costs and benefits of doing so, recover all or a portion of any shares delivered or payment made that is related to the award during the three-year period preceding the date on which the Company files the restatement of such financial statement(s) with the Securities and Exchange Commission, to the extent the value of such shares or the amount of such payment exceeds the amount or value that the committee determines would have been payable in respect of the award had the revised financial statement(s) reflected in the restatement been applied to determine such amount or value.

This summary of Mr. Gattoni's award is not intended to be complete and is qualified in its entirety by the Total Shareholder Return Performance Related Stock Award Agreement, a copy of which is attached hereto as Exhibit 10.1.

Item 7.01 Regulation FD Disclosure

A slide presentation, dated April 25, 2018, is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The slide presentation provides information that may be referred to by the Company on its conference call with investors scheduled to occur on April 26, 2018 in connection with the Company's release of results for the first quarter of fiscal 2018.

The information furnished under Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.2 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits

Exhibits

| | |
|---|---|
| 10.1 | Total Shareholder Return Performance Related Stock Award Agreement, between Landstar System, Inc. and James B. Gattoni, dated April 24, 2018 |
| 99.1 | News Release dated April 25, 2018 of Landstar System, Inc. |
| 99.2 | Slide Presentation dated April 25, 2018 of Landstar System, Inc. |

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 hereunto duly authorized.

LANDSTAR SYSTEM, INC.

Date: April 25, 2018

| | |
|---|---|
| By: | /s/ L. Kevin Stout |
| Name: | L. Kevin Stout |
| Title: | Vice President and Chief Financial Officer |

Exhibit 10.1

**TOTAL SHAREHOLDER RETURN**
**PERFORMANCE RELATED STOCK AWARD AGREEMENT**

This Total Shareholder Return Performance Related Stock Award Agreement (the "**Agreement**"), dated April 24, 2018 (the "**Grant Date**"), is between Landstar System, Inc. (the "**Company**") and James B. Gattoni (the "**Executive**").

1. **Grant of Performance Related Stock Award.** This Agreement is entered into pursuant to the Landstar System, Inc. 2011 Equity Incentive Plan (the "**Plan**"), and evidences the grant of a Performance Related Stock Award pursuant to Section 9 of the Plan in the form of 9,324 Restricted Stock Unit Awards ("**PSUs**"). The PSUs and this Agreement are subject to the terms and provisions of the Plan. Capitalized terms that are not otherwise defined in this Agreement have the meanings ascribed to them in the Plan.

2. **Dividend Equivalents**. Dividend equivalents shall be credited to the PSUs each time that a dividend is paid on the Company's Stock. The aggregate amount of such dividend equivalents so credited in respect of each such dividend shall be equal to the dividend paid on a share of Stock multiplied by the number of PSUs credited to the Executive under this Agreement on the dividend record date. The dividend equivalents shall be converted into additional PSUs, rounded down to the nearest whole number, on the dividend payment date based upon the then Fair Market Value of the Stock, and such PSUs shall be added to the PSUs credited to the Executive under this Agreement.

3. **Total Shareholder Return Vesting Requirement.** Subject to Section 4, Section 5 and Section 6, the PSUs shall vest as follows:

a. **First Tranche**. 3,108 PSUs (the "**First Tranche**"), adjusted to reflect dividends (if any) paid during the period beginning on July 1, 2018 and ending on June 30, 2022 (the "**First Performance Period**"), and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on June 30, 2022 (the "**First Vesting Date**") based on the First Performance Period TSR. The "**First Performance Period TSR**" shall be measured as the compound annual growth rate ("**CAGR**") over the First Performance Period where (i) the beginning value is the average Fair Market Value of a share of Stock for the period beginning on May 1, 2018 and ending on June 30, 2018 (the "**Beginning Value**") and (ii) the ending value is the average Fair Market Value of a share of Stock for the period beginning on May 1, 2022 and ending on the First Vesting Date, adjusted to reflect dividends (if any) paid during the First Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan. The formula for determining the total number of PSUs in the First Tranche that may vest and become payable will equal the number of PSUs credited to the Executive under this Agreement with respect to the First Tranche as of the First Vesting Date *times* the "**Payout Percentage**" set forth in the TSR Table below.

b. **Second Tranche**. 3,108 PSUs (the "**Second Tranche**"), adjusted to reflect dividends (if any) paid during the period beginning on July 1, 2018 and ending on June 30, 2023 (the "**Second Performance Period**"), and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on June 30, 2023 (the

“**Second Vesting Date**”) based on the Second Performance Period TSR. The “**Second Performance Period TSR**” shall be measured as the CAGR for the Second Performance Period where (i) the beginning value is the Beginning Value and (ii) the ending value is the average Fair Market Value of a share of Stock for the period beginning on May 1, 2023 and ending on the Second Vesting Date, adjusted to reflect dividends (if any) paid during the Second Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan. The formula for determining the total number of PSUs in the Second Tranche that may vest and become payable will equal the number of PSUs credited to the Executive under this Agreement with respect to the Second Tranche as of the Second Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below.

c. **Third Tranche**. 3,108 PSUs (the “**Third Tranche**”), adjusted to reflect dividends (if any) paid during the period beginning on July 1, 2018 and ending on June 30, 2024 (the “**Third Performance Period**”, and the First Performance Period with respect to the First Tranche, the Second Performance Period with respect to the Second Tranche and the Third Performance Period with respect to the Third Tranche shall be referred to as the “**Applicable Performance Period**”)), and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on June 30, 2024 (the “**Third Vesting Date**”, and, for purposes of this Agreement, the First Vesting Date with respect to the First Tranche, the Second Vesting Date with respect to the Second Tranche and the Third Vesting Date with respect to the Third Tranche each constitutes an “**Applicable Vesting Date**”) based on the Third Performance Period TSR. The “**Third Performance Period TSR**” shall be measured as the CAGR for the Third Performance Period where (i) the beginning value is the Beginning Value and (ii) the ending value is the average Fair Market Value of a share of Stock for the period beginning on May 1, 2024 and ending on the Third Vesting Date, adjusted to reflect dividends (if any) paid during the Third Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan. The formula for determining the total number of PSUs in the Third Tranche that may vest and become payable will equal the number of PSUs credited to the Executive under this Agreement with respect to the Third Tranche as of the Third Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below.

d. **Catch Up Vesting**.

i. **First Tranche Initial Catch-Up Vesting Date**. If, on the first Vesting Date, the First Tranche does not vest at the 150% Payout Percentage, the First Tranche, adjusted to reflect dividends (if any) through the Second Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on the Second Vesting Date (the “**First Tranche Initial Catch-Up Vesting Date**”) based on the Second Performance Period TSR, and the formula for determining the total number of PSUs in the First Tranche that may vest and become payable as of the First Tranche Initial Catch-Up Vesting Date will equal the number of PSUs credited to the Executive under this Agreement with respect to the First Tranche as of the First Tranche Initial Catch-Up Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below, *minus* the number of PSUs that vested as of the First Vesting Date.

ii. **First Tranche Final Catch-Up Vesting Date**. If, after operation of Section 3(a) and the forgoing Section 3(d)(i), the First Tranche does not vest as of the First Tranche Initial Catch-Up Vesting Date at the 150% Payout Percentage, the First Tranche, adjusted to reflect dividends (if any) through the Third Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on the Third Vesting Date (the "**First Tranche Final Catch-Up Vesting Date**" and, for purposes of this Agreement, the First Tranche Initial Catch-Up Vesting Date with respect to the First Tranche and the First Tranche Final Catch-Up Vesting Date with respect to the First Tranche each constitutes an "**Applicable Vesting Date**") based on the Third Performance Period TSR, and the formula for determining the total number of PSUs in the First Tranche that may vest and become payable as of the First Tranche Final Catch-Up Vesting Date will equal the number of PSUs credited to the Executive under this Agreement with respect to the First Tranche as of the First Tranche Final Catch-Up Vesting Date *times* the "Payout Percentage" set forth in the TSR Table below, *minus* the number of PSUs with respect to the First Tranche that vested as of the First Vesting Date and the First Tranche Initial Catch-Up Vesting Date.

iii. **Second Tranche Catch-Up Vesting Date**. If, on the Second Vesting Date, the Second Tranche does not vest at the 150% Payout Percentage, the Second Tranche, adjusted to reflect dividends (if any) through the Third Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on the Third Vesting Date (the "**Second Tranche Catch-Up Vesting Date**" and, for purposes of this Agreement, the Second Tranche Catch-Up Vesting Date with respect to the Second Tranche constitutes an "**Applicable Vesting Date**") based on the Third Performance Period TSR, and the formula for determining the total number of PSUs in the Second Tranche that may vest and become payable as of the Second Tranche Catch-Up Vesting Date will equal the number of PSUs credited to the Executive under this Agreement with respect to the Second Tranche as of the Second Tranche Catch-Up Vesting Date *times* the "Payout Percentage" set forth in the TSR Table below, *minus* the number of PSUs with respect to the Second Tranche that vested as of the Second Vesting Date.

e. **TSR Table**. The following TSR Table shall be used for purposes of this Agreement, with straight line interpolation between performance levels:

| Performance Level | If Total Shareholder Return CAGR is: | Then the Payout Percentage is: |
|---|---|---|
| Maximum | 12.0% or greater | 150% |
| Target | 10.0% | 100% |
| Threshold | 8.0% | 50% |
| <Threshold | Less than 8.0% | 0% |

4. **Continuous Employment Requirement**. Except as otherwise determined by the Committee, or except as otherwise provided in Section 5 or Section 6, the PSUs shall vest only if the Executive is continuously employed by the Company from the Grant Date through the Applicable Vesting Date. Except as otherwise determined by the Committee, or except as otherwise provided in Section 5 or Section 6, any PSUs that have not vested as of the date the Executive's employment terminates shall be immediately forfeited and the Executive shall have no further rights under this Agreement following the date as of which the Executive's employment terminates.

5. **Death or Disability**. In the event the Executive's employment terminates as a result of the Executive's death or Disability prior to the Change in Control Vesting Date, the Applicable Vesting Date for purposes of Section 3 in respect of the First Tranche, Second Tranche and Third Tranche shall be the date on which the Executive's employment terminates (the "**Death or Disability Vesting Date**"). In any such event, the formula for determining the total number of PSUs that may vest and become payable with respect to each of the First Tranche, Second Tranche and Third Tranche, as applicable, will equal (x) the number of PSUs credited to the Executive under this Agreement with respect to such tranche as of the Death or Disability Vesting Date *times* the Payout Percentage set forth in the TSR Table set forth in Section 3 (provided that the average Fair Market Average for the trailing 60-day period ending on the Death or Disability Vesting Date shall be used to determine the Company's Fair Market Value as of the Applicable Vesting Date instead of the average Fair Market Value of a share of Stock for the period beginning on May 1 and ending on the Applicable Vesting Date), *multiplied* by (y) a fraction, the numerator of which is the number of days from July 1, 2018 through the Death or Disability Vesting Date and the denominator of which is the number of days in the Applicable Performance Period.

6. **Change in Control**. Subject to the Executive's continued employment through the date such Change in Control occurs, in the event of a Change in Control that occurs prior to the Death or Disability Vesting Date, the Applicable Vesting Date for purposes of Section 3 in respect of the First Tranche, Second Tranche and Third Tranche shall be the date on which the Change in Control occurs (the "**Change in Control Vesting Date**"). In any such event, the formula for determining the total number of PSUs that may vest and become payable with respect to each of the First Tranche, Second Tranche and Third Tranche, as applicable, will equal (x) the number of PSUs credited to the Executive under this Agreement with respect to such tranche as of the Change in Control Vesting Date *times* the Payout Percentage set forth in the TSR Table set forth in Section 3 (provided that the Change in Control Price shall be used to determine the Company's Fair Market Value as of the Applicable Vesting Date instead of the average Fair Market Value of a share of Stock for the period beginning on May 1 and ending on the Applicable Vesting Date) *multiplied* by (y) a fraction, the numerator of which is the number of days from July 1, 2018 through the Change in Control Vesting Date and the denominator of which is the number of days in the Applicable Performance Period.

7. **Expiration**. Notwithstanding anything in this Agreement to the contrary, any PSUs that do not vest as of the earlier to occur of (i) June 30, 2024, (ii) the Death or Disability Vesting Date and (iii) the Change in Control Vesting Date (the "**Expiration Date**") shall expire as of the Expiration Date and the Executive shall have no further rights under this Agreement following the Expiration Date.

8. **Payment.** As soon as practicable after the date as of which the applicable tranche vests (but in no event later than March 15 of the year following such date), a number of shares of Stock represented by the PSUs that have become vested with respect to such tranche shall be issued to the Executive, subject to any withholding for taxes; provided however, that in the event of a Change in Control, PSUs shall either (i) be paid in shares of Stock or (ii) be cancelled in exchange for an immediate payment in cash of an amount based upon the Change in Control Price, in the discretion of the Committee. If the Executive dies before the payment due hereunder is made, such payment shall be made to the Executive's beneficiary.

9. **Shareholder Rights.** The Executive shall have no rights as a shareholder with respect to shares of Stock to which this grant relates. Except as provided in the Plan or in this Agreement, no adjustment shall be made, for dividends or other rights for which the record date occurs while the PSUs are outstanding.

10. **Amendment of Agreement.** The Committee has the right, in its sole discretion, to alter or amend this Agreement from time to time and in any manner for the purpose of promoting the objectives of the Plan, provided that no such amendment shall in any manner adversely affect the Executive's rights under this Agreement without the Executive's consent.

11. **Transferability**. The Executive may not, at any time prior to the Applicable Vesting Date, assign, alienate, pledge, attach, sell or otherwise transfer or encumber the PSUs and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable for all purposes.

12. **Clawback**. If the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws, the Committee may, in its discretion after considering the costs and benefits of doing so, recover all or a portion of any shares of Stock delivered to the Executive that is related to the PSUs during the three-year period preceding the date on which the Company files the restatement of such financial statement(s) with the Securities and Exchange Commission, to the extent the value of such shares exceeds the value that the Committee determines would have been payable in respect of the PSUs had the revised financial statement(s) reflected in the restatement been applied to determine such amount or value. In the alternative, subject to applicable law, the Committee may seek such excess compensation by requiring the Executive to pay such value to the Company; by set-off; by reducing future compensation; or by such other means or combination of means as the Committee determines to be appropriate.

13. **Committee Authority.** The Committee shall have complete discretion in the exercise of its rights, powers, and duties under this Agreement, and as set forth in the Plan. Any interpretation or construction of any provision of, and the determination of any question arising under, this Agreement shall be made by the Committee in its discretion. This Agreement is intended to grant the PSUs upon the terms and conditions authorized by the Plan, including, without limitation, the clawback provision set forth in section 13.4 of the Plan and the tax withholding provision set forth in Section 13.3 of the Plan. Any provisions of this Agreement that cannot be so administered, interpreted, or construed shall be disregarded. In the event that any provision of this Agreement is held invalid or unenforceable, such provision shall be considered separate and apart from the remainder of this Agreement, which shall remain in full force and effect.

| LANDSTAR SYSTEM, INC. | | THE EXECUTIVE |
|---|---|---|
| By: | /s/ David G. Bannister | /s/ James B. Gattoni |
| Name: | David G. Bannister | James B. Gattoni |
| Title: | Chair of the Compensation Committee | |

Exhibit 99.1

LANDSTAR

Landstar System, Inc.
13410 Sutton Park Drive, South
Jacksonville, FL 32224
904 398 9400

For Immediate Release

Contact: Kevin Stout
Landstar System, Inc.
www.landstar.com
904-398-9400

April 25, 2018

**LANDSTAR SYSTEM REPORTS RECORD FIRST QUARTER REVENUE OF $1.048 BILLION AND RECORD FIRST QUARTER DILUTED EARNINGS PER SHARE OF $1.37**

Jacksonville, FL – Landstar System, Inc. (NASDAQ: LSTR) reported record first quarter diluted earnings per share of $1.37 in the 2018 first quarter, on record first quarter revenue of $1.048 billion. Landstar reported diluted earnings per share of $0.77 on revenue of $781 million in the 2017 first quarter. Gross profit (defined as revenue less the cost of purchased transportation and commissions to agents) was $155.5 million, a record quarterly gross profit, in the 2018 first quarter compared to $121.6 million in the 2017 first quarter. Operating margin, representing operating income divided by gross profit, was 48.3 percent in the 2018 first quarter.

Truck transportation revenue hauled by independent business capacity owners ("BCOs") and truck brokerage carriers in the 2018 first quarter was $979.1 million, or 93 percent of revenue, compared to $726.8 million, or 93 percent of revenue, in the 2017 first quarter. Truckload transportation revenue hauled via van equipment in the 2018 first quarter was $656.1 million compared to $470.0 million in the 2017 first quarter. Truckload transportation revenue hauled via unsided/platform equipment in the 2018 first quarter was $299.4 million compared to $237.2 million in the 2017 first quarter. Revenue hauled by rail, air and ocean cargo carriers was $52.8 million, or 5 percent of revenue, in the 2018 first quarter compared to $42.4 million, or 5 percent of revenue, in the 2017 first quarter.

Trailing twelve-month return on average shareholders' equity was 32 percent and trailing twelve-month return on invested capital, representing net income divided by the sum of average equity plus average debt, was 27 percent. Currently, the Company is authorized to purchase up to approximately 2,986,000 shares of the Company's common stock under Landstar's previously announced share purchase programs. As of March 31, 2018, the Company had $260 million in cash and short term investments and $217 million available for borrowings under the Company's senior credit facility.

In addition, Landstar announced today that its Board of Directors has declared a quarterly dividend of $0.15 per share payable on June 1, 2018, to stockholders of record as of the close of business on May 10, 2018. It is currently the intention of the Board to pay dividends on a quarterly basis going forward.

"I am extremely pleased with the execution of the Landstar model during the 2018 first quarter," said Landstar's President and Chief Executive Officer Jim Gattoni. "Diluted earnings per share was $1.37 in the 2018 first quarter, the highest first quarter diluted earnings per share in Landstar history. Revenue and the number of loads hauled via truck each set new all-time Landstar first quarter records. All-time quarterly records were set for both gross profit and operating income and the Company also set a new all-time record for trucks provided by BCOs with 9,868 as of the end of the quarter."

Gattoni continued, "The number of loads hauled via truck in the 2018 first quarter increased 12 percent over the 2017 first quarter, driven by a 13 percent increase in the number of loads hauled via van equipment, an 8 percent increase in the number of loads hauled via unsided/platform equipment and a 12 percent increase in less-than-truckload volume. The number of loads hauled via railroads, ocean cargo carriers and air cargo carriers was 20 percent higher in the 2018 first quarter compared to the 2017 first quarter, primarily due to a 25 percent increase in rail intermodal volume."

Gattoni further commented, "As expected, the pricing environment for our truckload services continued to be very strong in the 2018 first quarter, as industry-wide truck capacity continued to be very tight. Revenue per load on loads hauled via van equipment increased 24 percent over the 2017 first quarter and revenue per load on loads hauled via unsided/platform equipment increased 17 percent over the 2017 first quarter. As a result, revenue per load on loads hauled via truck was 21 percent higher than the 2017 first quarter."

Gattoni continued, "Through the first few weeks of April, load growth on a year-over-year basis in loads hauled via truck was consistent with the load growth experienced in the first quarter. I expect that trend to continue and, therefore, expect the number of loads hauled via truck in the 2018 second quarter to increase in a 10 to 12 percent range over the 2017 second quarter. My expectation is that pricing conditions for truck services in the 2018 second quarter will continue to be very strong with little change in the level of available truck capacity. Assuming those truck conditions remain, I expect 2018 second quarter truck revenue per load to be higher than the 2017 second quarter in a 19 to 22 percentage range. I anticipate revenue for the 2018 second quarter to be in a range of $1.115 billion to $1.165 billion. Assuming that range of estimated revenue and insurance and claims expense at 3.5 percent of BCO revenue, representing average insurance and claims costs as a percent of BCO revenue over the past five years, I would anticipate 2018 second quarter diluted earnings per share to be in a range of $1.48 to $1.54 per share compared to $0.89 per diluted share in the 2017 second quarter."

Landstar will provide a live webcast of its quarterly earnings conference call tomorrow morning at 8:00 a.m. ET. To access the webcast, visit the Company's website at www.landstar.com; click on "Investor Relations" and "Webcasts," then click on "Landstar's First Quarter 2018 Earnings Release Conference Call."

The following is a "safe harbor" statement under the Private Securities Litigation Reform Act of 1995. Statements contained in this press release that are not based on historical facts are "forward-looking statements". This press release contains forward-looking statements, such as statements which relate to Landstar's business objectives, plans, strategies and expectations. Terms such as "anticipates," "believes," "estimates," "intention," "expects," "plans," "predicts," "may," "should," "could," "will," the negative thereof and similar expressions are intended to identify forward-looking statements. Such statements are by nature subject to uncertainties and risks, including but not limited to: an increase in the frequency or severity of accidents or other claims; unfavorable development of existing accident claims; dependence on third party insurance companies; dependence on independent commission sales agents; dependence on third party capacity providers; decreased demand for transportation services; U.S. foreign trade relationships; substantial industry competition; disruptions or failures in the Company's computer systems; cyber and other information security incidents; dependence on key vendors; changes in fuel taxes; status of independent contractors; regulatory and legislative changes; regulations focused on diesel emissions and other air quality matters; catastrophic loss of a Company facility; intellectual property; unclaimed property; and other operational, financial or legal risks or uncertainties detailed in Landstar's Form 10K for the 2017 fiscal year, described in Item 1A Risk Factors, and in other SEC filings from time to time. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and the Company undertakes no obligation to publicly update or revise any forward-looking statements.

**About Landstar:**

Landstar System, Inc. 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. All Landstar transportation services companies are certified to ISO 9001:2008 quality management system standards and RC14001:2013 environmental, health, safety and security management system standards. Landstar System, Inc. is headquartered in Jacksonville, Florida. Its common stock trades on The NASDAQ Stock Market® under the symbol LSTR.

(Tables follow)

**Landstar System, Inc. and Subsidiary**
**Consolidated Statements of Income**
(Dollars in thousands, except per share amounts)
(Unaudited)

| | Thirteen Weeks Ended | |
|---|---|---|
| | March 31, 2018 | April 1, 2017 |
| Revenue | $ 1,047,926 | $ 780,908 |
| Investment income | 861 | 414 |
| Costs and expenses: | | |
| Purchased transportation | 810,297 | 595,523 |
| Commissions to agents | 82,125 | 63,798 |
| Other operating costs, net of gains on asset sales/dispositions | 7,604 | 6,897 |
| Insurance and claims | 17,360 | 14,513 |
| Selling, general and administrative | 45,251 | 38,323 |
| Depreciation and amortization | 10,997 | 9,934 |
| Total costs and expenses | 973,634 | 728,988 |
| Operating income | 75,153 | 52,334 |
| Interest and debt expense | 800 | 1,083 |
| Income before income taxes | 74,353 | 51,251 |
| Income taxes | 16,880 | 18,868 |
| Net income | 57,473 | 32,383 |
| Less: Net loss attributable to noncontrolling interest | (44) | — |
| Net income attributable to Landstar System, Inc. and subsidiary | $ 57,517 | $ 32,383 |
| Earnings per common share attributable to Landstar System, Inc. and subsidiary | $ 1.37 | $ 0.77 |
| Diluted earnings per share attributable to Landstar System, Inc. and subsidiary | $ 1.37 | $ 0.77 |
| Average number of shares outstanding: | | |
| Earnings per common share | 42,038,000 | 41,879,000 |
| Diluted earnings per share | 42,098,000 | 41,998,000 |
| Dividends per common share | $ 0.15 | $ 0.09 |

**Landstar System, Inc. and Subsidiary**
**Consolidated Balance Sheets**
(Dollars in thousands, except per share amounts)
(Unaudited)

| | March 31, 2018 | December 30, 2017 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 220,605 | $ 242,416 |
| Short-term investments | 39,014 | 48,928 |
| Trade accounts receivable, less allowance of $6,496 and $6,131 | 631,828 | 631,164 |
| Other receivables, including advances to independent contractors, less allowance of $6,796 and $6,012 | 27,880 | 24,301 |
| Other current assets | 9,373 | 14,394 |
| Total current assets | 928,700 | 961,203 |
| Operating property, less accumulated depreciation and amortization of $224,042 and $218,700 | 265,540 | 276,011 |
| Goodwill | 39,363 | 39,065 |
| Other assets | 86,670 | 76,181 |
| Total assets | $ 1,320,273 | $ 1,352,460 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Cash overdraft | $ 36,320 | $ 42,242 |
| Accounts payable | 282,480 | 285,132 |
| Current maturities of long-term debt | 39,931 | 42,051 |
| Insurance claims | 39,547 | 38,919 |
| Dividends payable | — | 62,985 |
| Accrued compensation | 12,459 | 30,103 |
| Other current liabilities | 62,206 | 47,211 |
| Total current liabilities | 472,943 | 548,643 |
| Long-term debt, excluding current maturities | 73,350 | 83,062 |
| Insurance claims | 30,252 | 30,141 |
| Deferred income taxes and other non-current liabilities | 37,448 | 36,737 |
| Equity | | |
| Landstar System, Inc. and subsidiary shareholders’ equity Common stock, $0.01 par value, authorized 160,000,000 shares, issued 67,836,164 and 67,740,380 shares | 678 | 677 |
| Additional paid-in capital | 211,933 | 209,599 |
| Retained earnings | 1,663,140 | 1,611,158 |
| Cost of 25,768,669 and 25,749,493 shares of common stock in treasury | (1,169,458) | (1,167,600) |
| Accumulated other comprehensive loss | (3,551) | (3,162) |
| Total Landstar System, Inc. and subsidiary shareholders’ equity | 702,742 | 650,672 |
| Noncontrolling interest | 3,538 | 3,205 |
| Total equity | 706,280 | 653,877 |
| Total liabilities and equity | $ 1,320,273 | $ 1,352,460 |

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

| | Thirteen Weeks Ended March 31, 2018 | Thirteen Weeks Ended April 1, 2017 |
|---|---|---|
| Revenue generated through (in thousands): | | |
| Truck transportation | | |
| Truckload: | | |
| Van equipment | $ 656,135 | $469,783 |
| Unsided/platform equipment | 299,369 | 237,177 |
| Less-than-truckload | 23,584 | 19,857 |
| Total truck transportation | 979,088 | 726,817 |
| Rail intermodal | 29,292 | 22,842 |
| Ocean and air cargo carriers | 23,477 | 19,590 |
| Other (1) | 16,069 | 11,659 |
| | $1,047,926 | $780,908 |
| Revenue on loads hauled via BCO Independent Contractors (2) included in total truck transportation | $ 471,150 | $364,908 |
| Number of loads: | | |
| Truck transportation | | |
| Truckload: | | |
| Van equipment | 336,919 | 298,066 |
| Unsided/platform equipment | 119,791 | 111,185 |
| Less-than-truckload | 33,420 | 29,919 |
| Total truck transportation | 490,130 | 439,170 |
| Rail intermodal | 13,280 | 10,650 |
| Ocean and air cargo carriers | 6,330 | 5,730 |
| | 509,740 | 455,550 |
| Loads hauled via BCO Independent Contractors (2) included in total truck transportation | 233,180 | 218,230 |
| Revenue per load: | | |
| Truck transportation | | |
| Truckload: | | |
| Van equipment | $ 1,947 | $ 1,576 |
| Unsided/platform equipment | 2,499 | 2,133 |
| Less-than-truckload | 706 | 664 |
| Total truck transportation | 1,998 | 1,655 |
| Rail intermodal | 2,206 | 2,145 |
| Ocean and air cargo carriers | 3,709 | 3,419 |
| Revenue per load on loads hauled via BCO Independent Contractors (2) | $ 2,021 | $ 1,672 |
| Revenue by capacity type (as a % of total revenue); | | |
| Truck capacity providers: | | |
| BCO Independent Contractors (2) | 45% | 47% |
| Truck Brokerage Carriers | 48% | 46% |
| Rail intermodal | 3% | 3% |
| Ocean and air cargo carriers | 2% | 3% |
| Other | 2% | 1% |

| | March 31, 2018 | April 1, 2017 |
|---|---|---|
| Truck Capacity Providers | | |
| BCO Independent Contractors (2) | 9,243 | 8,772 |
| Truck Brokerage Carriers: | | |
| Approved and active (3) | 34,659 | 31,566 |
| Other approved | 15,687 | 15,889 |
| | 50,346 | 47,455 |
| Total available truck capacity providers | 59,589 | 56,227 |
| Trucks provided by BCO Independent Contractors (2) | 9,868 | 9,370 |

(1) Includes primarily reinsurance premium revenue generated by the insurance segment and, during the 2018 fiscal quarter, intra-Mexico transportation services revenue generated by Landstar Metro.
(2) BCO Independent Contractors are independent contractors who provide truck capacity to the Company under exclusive lease arrangements.
(3) Active refers to Truck Brokerage Carriers who moved at least one load in the 180 days immediately preceding the fiscal quarter end.

Exhibit 99.2


# Landstar System, Inc.
# Earnings Conference Call
# First Quarter 2018

April 25, 2018

LANDSTAR

Date Published: 04/25/2018

The following is a "safe harbor" statement under the Private Securities Litigation Reform Act of 1995. Statements made during this presentation that are not based on historical facts are "forward looking statements." During this presentation, I 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 and legal risks detailed in Landstar's Form 10-K for the 2017 fiscal year, described in the section Risk Factors, and other SEC filings from time to time. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and Landstar undertakes no obligation to publicly update or revise any forward-looking statements.

# 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

2017 Results

$3.6 billion in revenue

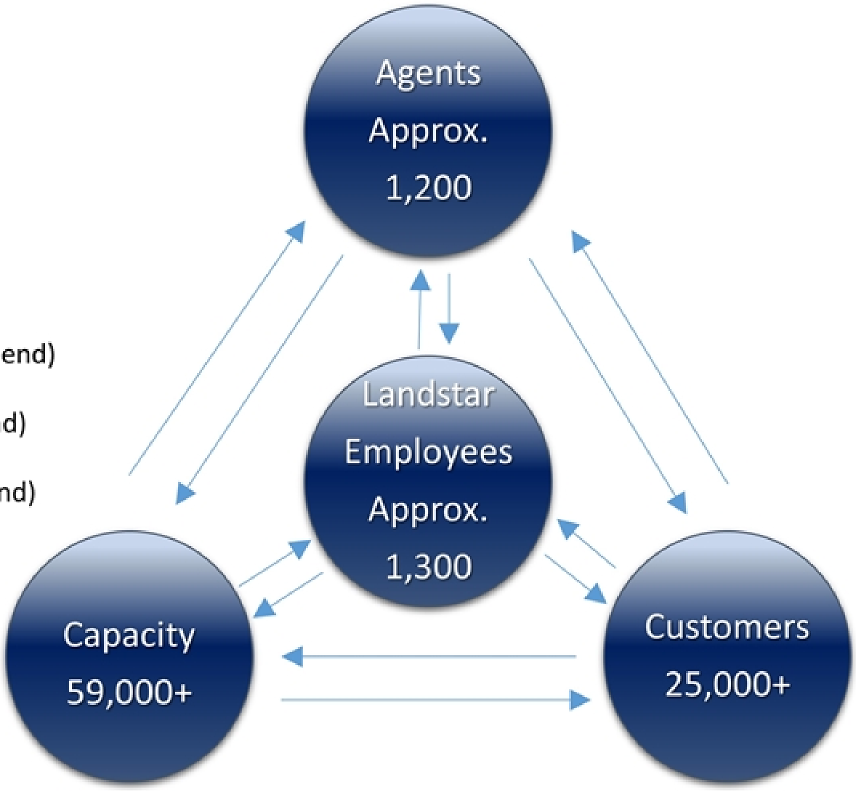
2.0 million loadings

542 million dollar agents

9,696 BCO trucks (2017 year-end)

49,934 Carriers (2017 year-end)

15,000+ Trailers (2017 year-end)

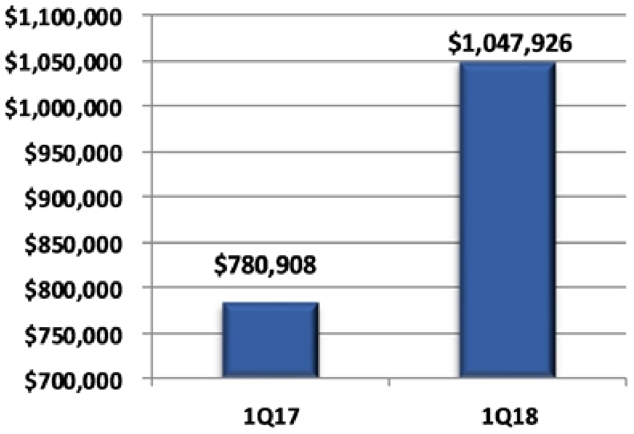


# Transportation Management Services

| | Percentage of Revenue 1Q17 | 1Q18 |
|---|---|---|
| Truck Transportation | | |
| Truckload | | |
| Van equipment | 60% | 63% |
| Unsided/platform equipment | 30% | 29% |
| Less-than-truckload | 3% | 2% |
| Rail intermodal | 3% | 3% |
| Ocean and air cargo | 3% | 2% |

# Revenue
# ($'s in thousands)

Quarter




Quarter

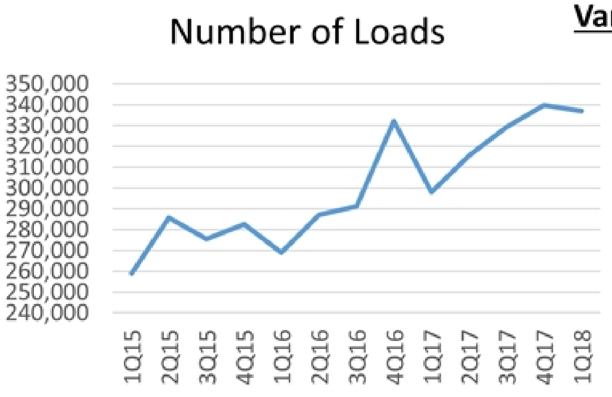
| Qtr over Prior Qtr | Rate [1] | Volume [2] | Change |
|---|---|---|---|
| Truck Revenue | 20.7% | 11.6% | 34.7% |
| Rail Intermodal Revenue | 2.8% | 24.7% | 28.2% |
| Ocean/Air Revenue | 8.5% | 10.5% | 19.8% |
| Insurance Premiums | NA | NA | 6.3% |
| Total Revenue | | | 34.2% |

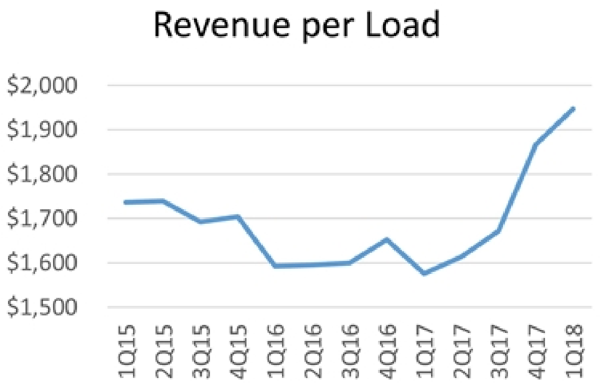
(1) Percentage change in rate is calculated on a revenue per load basis.
(2) Percentage change in volume is calculated on the number of loads hauled.

# Truckload Loadings and Revenue per Load

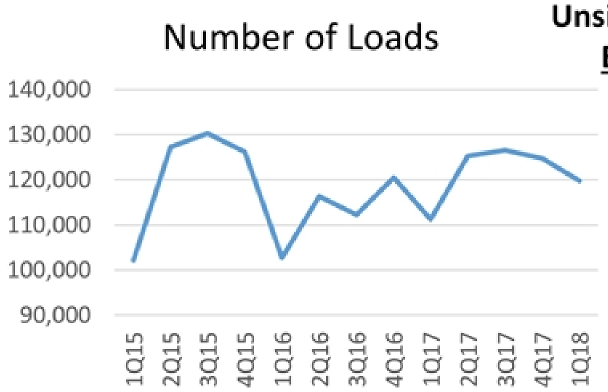
***(Excludes LTL)***

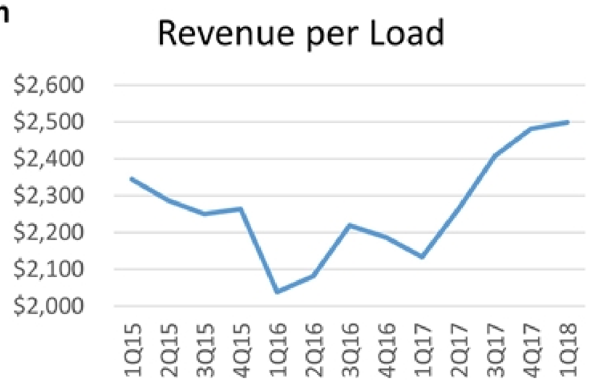
**Van Equipment**




**Unsided/Platform Equipment**



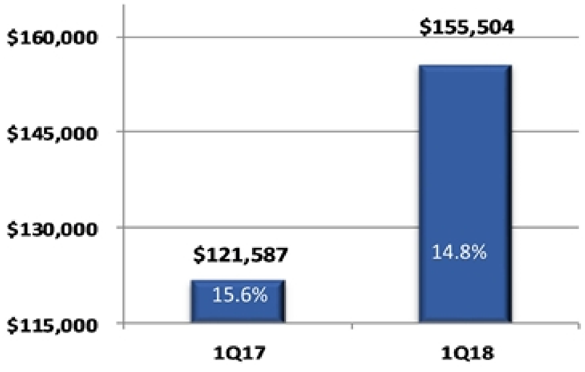
# Industries Served

| | As a Percentage of Revenue | | Quarter over Prior Year Quarter Growth |
|---|---|---|---|
| | 1Q17 | 1Q18 | |
| Consumer Durables | 21.5 | 23.5 | 48% |
| Machinery | 15.3 | 14.0 | 23% |
| Automotive | 8.7 | 8.4 | 31% |
| Building Products | 8.6 | 8.5 | 34% |
| Metals | 6.7 | 6.4 | 30% |
| AA&E, Hazmat | 8.8 | 8.9 | 37% |
| Foodstuffs | 5.2 | 6.0 | 57% |
| Energy | 3.1 | 2.3 | 1% |
| Other | 22.3 | 21.9 | 32% |
| **Transportation Revenue** | 100.0 | 100.0 | 35% |

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

***($'s in thousands)***

Quarter




| | 1st Qtr (3) |
|---|---|
| **Changes in gross profit margin** | % |
| 2017 Period | 15.6 |
| Revenue - fixed gp margin | -0.1 |
| Revenue - variable gp margin | -0.3 |
| Change in mix and other | -0.4 |
| 2018 Period | 14.8 |

(1) Gross profit equals revenue less the cost of purchased transportation and commissions to agents.

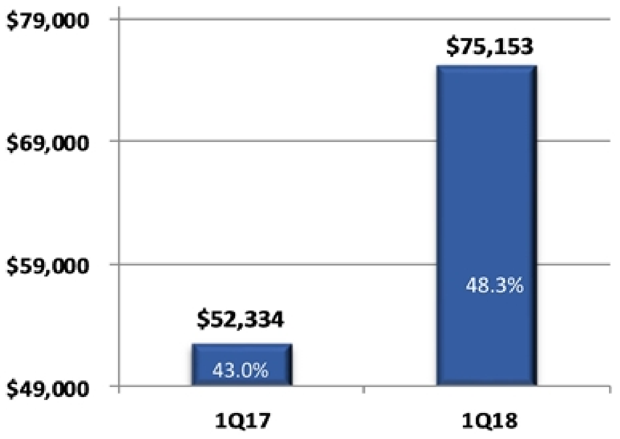
(2) Gross profit margin equals gross profit divided by revenue.

(3) Revenue on transactions with a fixed gross profit margin was 54% and 52% of revenue in the 2017 and 2018 first quarters, respectively.

# *Operating Income and Operating Margin* (1)

### *($'s in thousands)*

Quarter




| | 1st Qtr |
|---|---|
| **Changes in operating margin** | % |
| 2017 Period | 43.0 |
| Other operating costs | 0.8 |
| Insurance and claims | 1.0 |
| SG&A | 2.4 |
| Depreciation and amortization | 1.1 |
| 2018 Period | 48.3 |

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





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# Truck Capacity Data

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

| | Apr 1, 2017 (2) | Dec 30, 2017 | Mar 31, 2018 (2) |
|---|---|---|---|
| BCO Independent Contractors | 8,772 | 9,087 | 9,243 |
| Truck Brokerage Carriers: | | | |
| Approved and Active (1) | 31,566 | 34,243 | 34,659 |
| Other Approved | 15,889 | 15,691 | 15,687 |
| | 47,455 | 49,934 | 50,346 |
| Total Available Truck Capacity Providers | 56,227 | 59,021 | 59,589 |
| Trucks Provided by BCO Independent Contractors | 9,370 | 9,696 | 9,868 |

(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 $54.4 million and $38.5 million in the 2018 and 2017 first quarters, respectively.

# Key Balance Sheet and Cash Flow Statistics

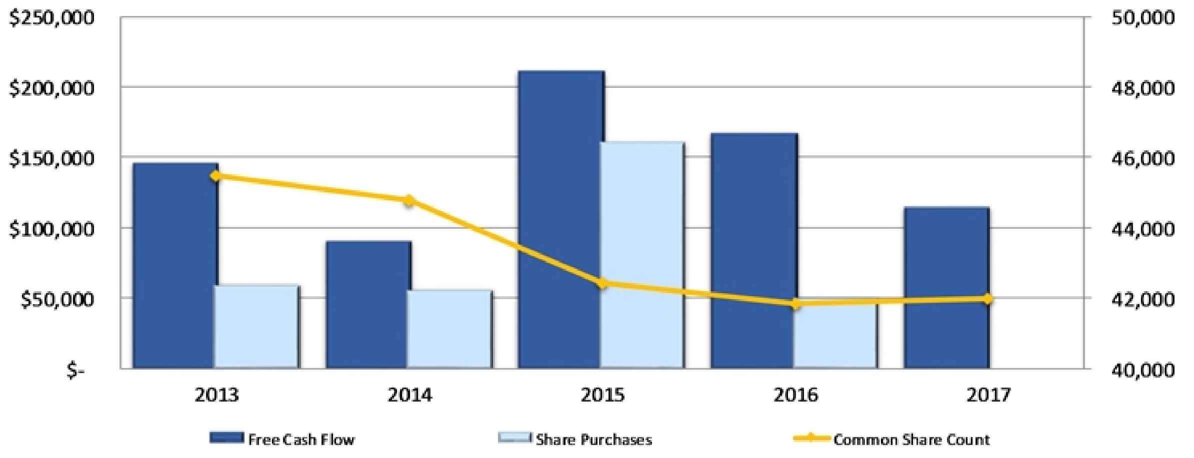
## ($'s in thousands)

| | QTR Apr 1, 2017 | | QTR Mar 31, 2018 | |
|---|---|---|---|---|
| Balance sheet (period end amounts): | | | | |
| Debt to Capital | | 18% | | **14%** |
| Net Cash (1) | $ | 151,630 | $ | 146,338 |
| | | | | |
| Cash flow: | | | | |
| Cash flow from operations | $ | 61,948 | $ | 72,002 |
| Capital expenditures | $ | 4,978 | $ | 3,814 |
| Share repurchases | $ | - | $ | 1,508 |
| Dividends paid | $ | 3,770 | $ | 69,293 |
| | | | | |
| Returns: | | | | |
| TTM Return on Equity | | 27% | | 32% |
| TTM Return on Invested Capital | | 22% | | 27% |
| TTM Return on Assets | | 14% | | 16% |

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

# *Free Cash Flow (1) / Share Purchases*

(In Thousands)




| First quarter 2018 | (000's) |
|---|---|
| Free cash flow (1) | $ 68,188 |
| Share purchases | $ 1,508 |
| Ending common share count | 42,067 |

(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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