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For Immediate Release

January 27, 2021

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**LANDSTAR SYSTEM REPORTS ALL-TIME QUARTERLY RECORDS  
WITH REVENUE OF \$1.296 BILLION AND DILUTED EARNINGS  
PER SHARE OF \$1.70 IN THE 2020 FOURTH QUARTER**

Jacksonville, FL - Landstar System, Inc. (NASDAQ: LSTR) reported all-time quarterly records with revenue of \$1.296 billion and diluted earnings per share of \$1.70 in the 2020 fourth quarter. Diluted earnings per share in the quarter included a previously announced one-time cost of \$15.5 million, or \$0.31 per diluted share, related to buyouts of certain incentive commission arrangements with several of its independent sales agents due to the Company's discontinuation of a truck owner-operator recruitment and retention program formerly involving those agents. Landstar reported revenue of \$994.9 million and diluted earnings per share of \$1.27 in the 2019 fourth quarter. Gross profit in the 2020 fourth quarter of \$182.4 million, 23 percent above 2019 fourth quarter gross profit of \$148.7 million, was also an all-time Landstar quarterly record.

Truck transportation revenue hauled by independent business capacity owners ("BCOs") and truck brokerage carriers in the 2020 fourth quarter was \$1,201.7 million, or 93 percent of revenue, compared to \$911.8 million, or 92 percent of revenue, in the 2019 fourth quarter. Truckload transportation revenue hauled via van equipment in the 2020 fourth quarter was \$821.0 million compared to \$571.8 million in the 2019 fourth quarter. Truckload transportation revenue hauled via unsided/platform equipment in the 2020 fourth quarter was \$354.1 million compared to \$315.2 million in the 2019 fourth quarter. Revenue hauled by rail, air and ocean cargo carriers was \$75.7 million, or 6 percent of revenue, in the 2020 fourth quarter compared to \$63.0 million, or 6 percent of revenue, in the 2019 fourth quarter.

## LANDSTAR SYSTEM/2

Return on average shareholders' equity was 28 percent and return on invested capital, representing net income divided by the sum of average equity plus average debt, was 25 percent in fiscal year 2020. Landstar purchased approximately 1,179,000 shares of its common stock during fiscal year 2020 at an aggregate cost of approximately \$116.0 million. The Company currently is authorized to purchase up to 1,821,030 shares of the Company's common stock under its previously announced share purchase program. As previously disclosed by the Company in a Form 8-K filed with the Securities and Exchange Commission on December 9, 2020, its Board of Directors declared a special one-time cash dividend in the amount of \$2.00 per share that was paid on January 22, 2021, to stockholders of record as of the close of business on January 8, 2021. In addition, Landstar announced today that its Board of Directors has declared a quarterly dividend of \$0.21 per share payable on March 12, 2021, to stockholders of record as of the close of business on February 15, 2021. It is currently the intention of the Board to pay dividends on a quarterly basis going forward. As of December 26, 2020, the Company had \$291 million in cash and short-term investments and \$216 million available for borrowings under the Company's senior credit facility, with the ability to increase borrowings to \$366 million using the facility's accordion feature.

"Landstar's 2020 fourth quarter performance was outstanding," said Landstar President and CEO Jim Gattoni. "Revenue, gross profit, and diluted earnings per share were each all-time quarterly records. Additionally, excluding the \$15.5 million one-time cost to buyout certain incentive commission arrangements with several agents, operating income and operating margin in the 2020 fourth quarter would have achieved all-time quarterly records. Revenue from truck loads hauled via van equipment exceeded the 2019 fourth quarter by 44 percent and revenue from truck loads hauled via unsided/platform equipment exceeded the 2019 fourth quarter by 12 percent. Consumer demand for durables, building products and e-commerce drove record van quarterly revenue. For loads hauled via van equipment in the 2020 fourth quarter compared to the 2019 fourth quarter, the number of loads increased 16 percent and revenue per load increased 24 percent. Moreover, the fourth quarter was the only quarter of fiscal year 2020 in which revenue from truck loads hauled via unsided/platform equipment exceeded that of the corresponding prior year quarter. The number of loads and revenue per load on loads

hailed via unsided/platform equipment in the 2020 fourth quarter exceeded the 2019 fourth quarter by 7 percent and 5 percent, respectively.”

Gattoni continued, “In our third quarter earnings release on October 21, 2020, we provided fourth quarter revenue guidance of \$1.15 billion to \$1.20 billion and fourth quarter diluted earnings per share guidance of \$1.32 to \$1.42. On November 17, 2020, we disclosed in a Form 8-K filed with the SEC and further explained at a webcast investor conference the next day that based on overall market conditions, we expected 2020 fourth quarter revenue and diluted earnings per share for the 2020 fourth quarter to be slightly above the high end of the previously issued guidance. The updated guidance provided on November 17, 2020 reflected truck load volume that at the time was trending near the high end of the previous guidance of high single digit percentage growth and revenue per load on loads hauled via truck trending above the 2019 fourth quarter in a mid-teen percentage range, as compared to the low double-digit percentage range reflected in our previously issued guidance. The year-over-year growth in the number of loads and revenue per load on loads hauled via truck in November and December continued to improve from October, with exceptional strength in substitute line haul services provided in support of e-commerce related demand during the holiday peak season. The number of loads hauled via truck in October, November and December exceeded the corresponding months of 2019 by 10 percent, 13 percent and 15 percent, respectively, while revenue per load on loads hauled via truck increased in October, November and December over the corresponding months of 2019 by 15 percent, 17 percent and 18 percent, respectively. Overall, truck load volume increased in the 2020 fourth quarter by 13% as compared to the 2019 fourth quarter, and truck revenue per load increased by 17% as compared to the 2019 fourth quarter. Ultimately, revenue in the 2020 fourth quarter was \$1.296 billion and diluted earnings per share for the 2020 fourth quarter was \$1.70.

Gattoni commented, “The achievement of revenue in excess of our guidance updated on November 17, 2020, primarily resulted from the continuing sequential increases Landstar experienced in the number of loads and revenue per load on loads hauled via truck from mid-November through the end of the fiscal year. Diluted earnings per share of \$1.70 in the 2020 fourth quarter significantly exceeded the high end of our initial guidance of \$1.42

due to the increase in revenue, actual insurance and claims costs that came in below the 4.8 percent of BCO revenue used in our previous guidance, and a lower effective income tax rate in the fourth quarter than initially anticipated.”

Gattoni further stated, “Landstar’s financial performance in 2020 was exceptional given the unprecedented impact of the COVID-19 pandemic on the U.S. economy and supply chains throughout the world, the softness in the U.S. manufacturing sector throughout the year, the transition of over 80 percent of the Company’s employees to work remotely beginning in March and the many other challenges experienced by Landstar customers, employees, agents, BCOs and other third party capacity providers in managing through the business and personal disruptions caused by the pandemic. The sudden closing of manufacturing facilities in the U.S. adversely impacted the financial results of Landstar’s 2020 second quarter with a decrease in diluted earnings per share of almost 60 percent compared to the 2019 second quarter. In light of the softness in U.S. manufacturing that continued beyond the 2020 second quarter, the Company’s financial performance in the back half of 2020 was remarkable. Revenue, gross profit, operating income and diluted earnings per share exceeded the back half of 2019 by 19 percent, 14 percent, 22 percent and 27 percent, respectively. Additionally, the Company ended the year with a record number of trucks provided by BCOs and a record number of approved third-party truck brokerage carriers. The resiliency of Landstar’s variable cost, light asset-based business model continues to shine.”

Gattoni continued, “January of any given year is typically the slowest month of the year. Through the first several weeks of January, the macroeconomic environment experienced throughout the back half of 2020 continued, characterized by strong consumer demand, relative softness in the U.S. industrial/manufacturing sector relative to sectors servicing consumers, and tight available truck capacity. I anticipate demand for substitute line haul services in the 2021 first quarter will return to the still very strong levels we experienced throughout September and October, before the steep spike in demand that took place during the holiday peak season. I expect these market conditions throughout the remainder of the 2021 first quarter and, as a result, revenue and diluted earnings per share in the 2021 first quarter to be well above that of the 2020 first quarter. From a revenue standpoint, I expect the number of loads hauled via truck in the 2021 first quarter

to exceed the 2020 first quarter in a high single-digit percentage range. I expect revenue per load on loads hauled via truck in the 2021 first quarter to exceed the 2020 first quarter in a mid-teen percentage range. As such, I anticipate revenue for the 2021 first quarter to be in a range of \$1.10 billion to \$1.15 billion.”

Gattoni concluded, “Based on the range of revenue estimated for the 2021 first quarter, I would anticipate diluted earnings per share to be in a range of \$1.55 to \$1.65. This range of diluted earnings per share includes insurance and claims expense estimated at 4.6 percent of BCO revenue.”

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](http://www.landstar.com); click on “Investor Relations” and “Webcasts,” then click on “Landstar’s Fourth Quarter 2020 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: the impact of the coronavirus (COVID-19) pandemic; 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 2019 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. Landstar transportation services companies are certified to ISO 9001:2015 quality management system standards and RC14001:2015 environmental, health, safety and security management system standards. Landstar System, Inc. is headquartered in Jacksonville, Florida. Its common stock trades on The NASDAQ Stock Market® under the symbol LSTR.

(Tables follow)

# LANDSTAR SYSTEM/7

|   | Fiscal Years Ended   |                      | Fiscal Quarters Ended |                      |
|---|----------------------|----------------------|-----------------------|----------------------|
|   | December 26,<br>2020 | December 28,<br>2019 | December 26,<br>2020  | December 28,<br>2019 |
| Revenue   | \$ 4,132,981         | \$ 4,084,577         | \$ 1,296,355          | \$ 994,879           |
| Investment income   | 3,399                | 5,041                | 683                   | 1,305                |
| Costs and expenses:   |                      |                      |                       |                      |
| Purchased transportation  | 3,192,850            | 3,127,474            | 1,009,707             | 761,828              |
| Commissions to agents   | 340,780              | 342,226              | 104,290               | 84,364               |
| Other operating costs, net of gains/losses on asset sales/dispositions          | 30,463               | 37,274               | 7,428                 | 8,743                |
| Insurance and claims  | 87,773               | 80,319               | 21,210                | 25,071               |
| Selling, general and administrative   | 167,633              | 158,953              | 42,854                | 38,236               |
| Depreciation and amortization   | 45,855               | 44,468               | 11,643                | 11,423               |
| Impairment of intangible and other assets                                       | 2,582                | -                    | -                     | -                    |
| Commission program termination costs  | 15,494               | -                    | 15,494                | -                    |
| Total costs and expenses  | <u>3,883,430</u>     | <u>3,790,714</u>     | <u>1,212,626</u>      | <u>929,665</u>       |
| Operating income  | 252,950              | 298,904              | 84,412                | 66,519               |
| Interest and debt expense   | <u>3,953</u>         | <u>3,141</u>         | <u>1,017</u>          | <u>863</u>           |
| Income before income taxes  | 248,997              | 295,763              | 83,395                | 65,656               |
| Income taxes  | <u>56,891</u>        | <u>68,060</u>        | <u>18,324</u>         | <u>15,608</u>        |
| Net income  | 192,106              | 227,703              | 65,071                | 50,048               |
| Less: Net loss attributable to noncontrolling interest                          | -                    | (17)                 | -                     | -                    |
| Net income attributable to Landstar System, Inc. and subsidiary                 | <u>\$ 192,106</u>    | <u>\$ 227,720</u>    | <u>\$ 65,071</u>      | <u>\$ 50,048</u>     |
| Earnings per common share attributable to Landstar System, Inc. and subsidiary  | <u>\$ 4.98</u>       | <u>\$ 5.72</u>       | <u>\$ 1.70</u>        | <u>\$ 1.27</u>       |
| Diluted earnings per share attributable to Landstar System, Inc. and subsidiary | <u>\$ 4.98</u>       | <u>\$ 5.72</u>       | <u>\$ 1.70</u>        | <u>\$ 1.27</u>       |
| Average number of shares outstanding:   |                      |                      |                       |                      |
| Earnings per common share   | <u>38,602,000</u>    | <u>39,786,000</u>    | <u>38,389,000</u>     | <u>39,472,000</u>    |
| Diluted earnings per share  | <u>38,602,000</u>    | <u>39,786,000</u>    | <u>38,389,000</u>     | <u>39,472,000</u>    |
| Dividends per common share  | <u>\$ 2.790</u>      | <u>\$ 2.700</u>      | <u>\$ 2.210</u>       | <u>\$ 2.185</u>      |

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|  | December 26,<br>2020 | December 28,<br>2019 |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Current assets:  |                      |                      |
| Cash and cash equivalents  | \$ 249,354           | \$ 319,515           |
| Short-term investments   | 41,375               | 32,901               |
| Trade accounts receivable, less allowance<br>of \$8,670 and \$7,284  | 764,169              | 588,549              |
| Other receivables, including advances to independent<br>contractors, less allowance of \$7,239 and \$7,667 | 134,757              | 35,553               |
| Other current assets   | 18,520               | 21,370               |
| Total current assets   | <u>1,208,175</u>     | <u>997,888</u>       |
| Operating property, less accumulated depreciation<br>and amortization of \$299,407 and \$280,849           | 296,996              | 285,855              |
| Goodwill   | 40,949               | 38,508               |
| Other assets   | 107,679              | 105,460              |
| Total assets   | <u>\$ 1,653,799</u>  | <u>\$ 1,427,711</u>  |
| <b>LIABILITIES AND EQUITY</b>  |                      |                      |
| Current liabilities:   |                      |                      |
| Cash overdraft   | \$ 74,748            | \$ 53,878            |
| Accounts payable   | 380,505              | 271,996              |
| Current maturities of long-term debt   | 35,415               | 42,632               |
| Insurance claims   | 149,774              | 44,532               |
| Dividends payable  | 76,770               | 78,947               |
| Other current liabilities  | 88,925               | 60,919               |
| Total current liabilities  | <u>806,137</u>       | <u>552,904</u>       |
| Long-term debt, excluding current maturities   | 65,359               | 70,212               |
| Insurance claims   | 38,867               | 33,575               |
| Deferred income taxes and other non-current liabilities  | 51,601               | 49,551               |
| Shareholders' equity:  |                      |                      |
| Common stock, \$0.01 par value, authorized 160,000,000<br>shares, issued 68,183,702 and 68,083,419 shares  | 682                  | 681                  |
| Additional paid-in capital   | 228,875              | 226,123              |
| Retained earnings  | 2,046,238            | 1,962,161            |
| Cost of 29,797,639 and 28,609,926 shares of common<br>stock in treasury                                    | (1,581,961)          | (1,465,284)          |
| Accumulated other comprehensive loss   | (1,999)              | (2,212)              |
| Total shareholders' equity   | <u>691,835</u>       | <u>721,469</u>       |
| Total liabilities and shareholders' equity   | <u>\$ 1,653,799</u>  | <u>\$ 1,427,711</u>  |



# LANDSTAR SYSTEM/9

|  | Fiscal Years Ended   |                      | Fiscal Quarters Ended |                      |
|--|----------------------|----------------------|-----------------------|----------------------|
|  | December 26,<br>2020 | December 28,<br>2019 | December 26,<br>2020  | December 28,<br>2019 |
| <u>Revenue generated through (in thousands):</u>   |                      |                      |                       |                      |
| Truck transportation   |                      |                      |                       |                      |
| Truckload:   |                      |                      |                       |                      |
| Van equipment  | \$ 2,515,940         | \$ 2,371,188         | \$ 821,024            | \$ 571,767           |
| Unsided/platform equipment   | 1,202,295            | 1,295,817            | 354,108               | 315,202              |
| Less-than-truckload  | 97,546               | 98,324               | 26,562                | 24,849               |
| Total truck transportation   | 3,815,781            | 3,765,329            | 1,201,694             | 911,818              |
| Rail intermodal  | 114,313              | 118,305              | 32,566                | 30,750               |
| Ocean and air cargo carriers   | 132,180              | 121,485              | 43,178                | 32,227               |
| Other <sup>(1)</sup>   | 70,707               | 79,458               | 18,917                | 20,084               |
|  | <u>\$ 4,132,981</u>  | <u>\$ 4,084,577</u>  | <u>\$ 1,296,355</u>   | <u>\$ 994,879</u>    |
| Revenue on loads hauled via BCO Independent Contractors <sup>(2)</sup><br>included in total truck transportation | \$ 1,866,526         | \$ 1,831,752         | \$ 554,523            | \$ 441,617           |
| <u>Number of loads:</u>  |                      |                      |                       |                      |
| Truck transportation   |                      |                      |                       |                      |
| Truckload:   |                      |                      |                       |                      |
| Van equipment  | 1,318,768            | 1,337,089            | 372,651               | 322,517              |
| Unsided/platform equipment   | 487,348              | 513,579              | 130,678               | 122,467              |
| Less-than-truckload  | 163,024              | 155,592              | 43,491                | 39,976               |
| Total truck transportation   | 1,969,140            | 2,006,260            | 546,820               | 484,960              |
| Rail intermodal  | 46,280               | 47,590               | 12,870                | 12,220               |
| Ocean and air cargo carriers   | 31,900               | 30,110               | 9,180                 | 7,960                |
|  | <u>2,047,320</u>     | <u>2,083,960</u>     | <u>568,870</u>        | <u>505,140</u>       |
| Loads hauled via BCO Independent Contractors <sup>(2)</sup><br>included in total truck transportation            | 945,210              | 954,990              | 251,350               | 232,120              |
| <u>Revenue per load:</u>   |                      |                      |                       |                      |
| Truck transportation   |                      |                      |                       |                      |
| Truckload:   |                      |                      |                       |                      |
| Van equipment  | \$ 1,908             | \$ 1,773             | \$ 2,203              | \$ 1,773             |
| Unsided/platform equipment   | 2,467                | 2,523                | 2,710                 | 2,574                |
| Less-than-truckload  | 598                  | 632                  | 611                   | 622                  |
| Total truck transportation   | 1,938                | 1,877                | 2,198                 | 1,880                |
| Rail intermodal  | 2,470                | 2,486                | 2,530                 | 2,516                |
| Ocean and air cargo carriers   | 4,144                | 4,035                | 4,703                 | 4,049                |
| Revenue per load on loads hauled via BCO Independent Contractors <sup>(2)</sup>                                  | \$ 1,975             | \$ 1,918             | \$ 2,206              | \$ 1,903             |
| <u>Revenue by capacity type (as a % of total revenue):</u>   |                      |                      |                       |                      |
| Truck capacity providers:  |                      |                      |                       |                      |
| BCO Independent Contractors <sup>(2)</sup>   | 45%                  | 45%                  | 43%                   | 44%                  |
| Truck Brokerage Carriers   | 47%                  | 47%                  | 50%                   | 47%                  |
| Rail intermodal  | 3%                   | 3%                   | 3%                    | 3%                   |
| Ocean and air cargo carriers   | 3%                   | 3%                   | 3%                    | 3%                   |
| Other  | 2%                   | 2%                   | 1%                    | 2%                   |
| <u>Truck Capacity Providers</u>  |                      |                      |                       |                      |
| BCO Independent Contractors <sup>(2)</sup>   |                      |                      | 10,242                | 9,554                |
| Truck Brokerage Carriers:  |                      |                      |                       |                      |
| Approved and active <sup>(3)</sup>   |                      |                      | 46,053                | 39,497               |
| Other approved   |                      |                      | 22,972                | 16,820               |
| Total available truck capacity providers   |                      |                      | <u>69,025</u>         | <u>56,317</u>        |
| Trucks provided by BCO Independent Contractors <sup>(2)</sup>  |                      |                      | 10,991                | 10,243               |

(1) Includes primarily reinsurance premium revenue generated by the insurance segment and 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.

DESIGNED TO RESPOND  
BUILT TO DELIVER



*Landstar System, Inc.*  
*Earnings Conference Call*  
*Fourth Quarter 2020*  
*January 27, 2021*



Date Published: 01/27/2021

### ***Forward Looking Statements Disclaimer:***

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### ***Non-GAAP Financial Measures:***

In this slide presentation, the Company provides the following information that may be deemed a non-GAAP financial measure: (1) operating margin in the 2020 fiscal year period, excluding the impact of the one-time costs to buyout certain incentive commission arrangements with several agents (the “Commission Buyout Costs”) and the one-time costs of pandemic relief incentive payments made to the Company’s agents and BCOs in April and May 2020; and (2) operating margin in the 2020 fourth quarter period, excluding the Commission Buyout Costs.

Management believes that it is appropriate to present this financial information 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.

# ***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

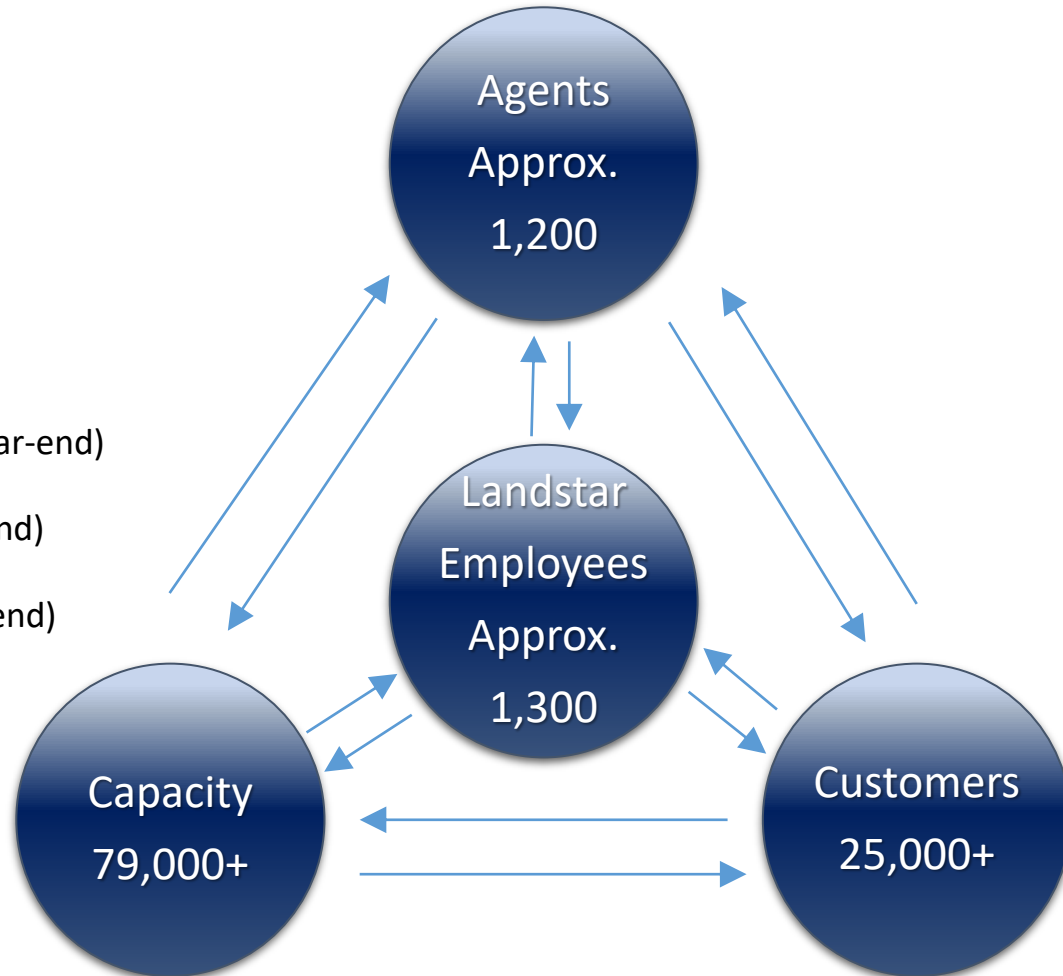
2.0 million loadings

508 million dollar agents

10,991 BCO trucks (2020 year-end)

69,025 Carriers (2020 year-end)

17,000+ Trailers (2020 year-end)

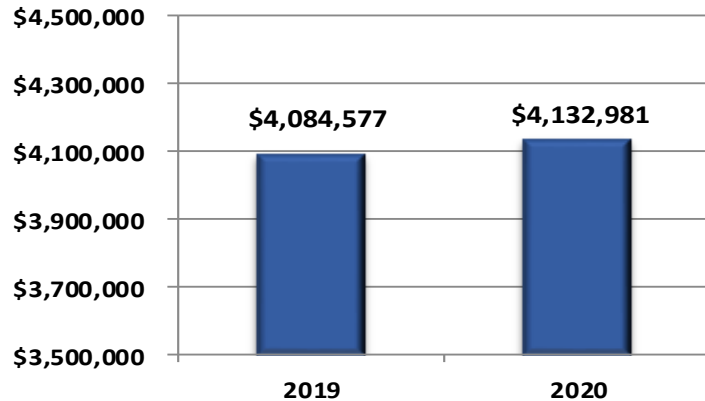


# Transportation Management Services

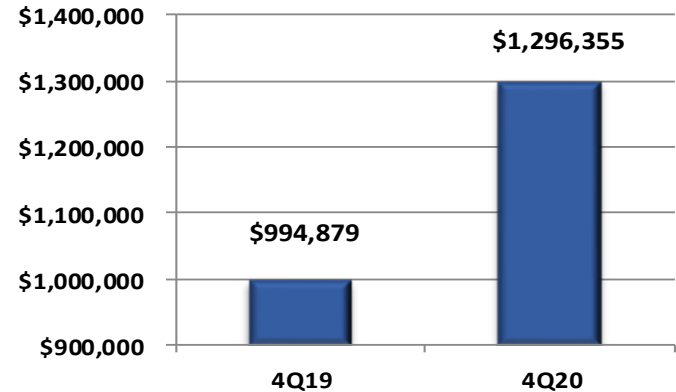
|                            | Percentage of Revenue |      |
|----------------------------|-----------------------|------|
|                            | 4Q19                  | 4Q20 |
| Truck Transportation       |                       |      |
| Truckload                  |                       |      |
| Van equipment              | 57%                   | 63%  |
| Unsided/platform equipment | 32%                   | 27%  |
| Less-than-truckload        | 2%                    | 2%   |
| Rail intermodal            | 3%                    | 3%   |
| Ocean and air cargo        | 3%                    | 3%   |

# Revenue (\$'s in thousands)

Fiscal Year



Quarter



| Year over Prior Year    | Rate <sup>(1)</sup> | Volume <sup>(2)</sup> | Change |
|-------------------------|---------------------|-----------------------|--------|
| Truck Revenue           | 3.3%                | - 1.9%                | 1.3%   |
| Rail Intermodal Revenue | - 0.6%              | - 2.8%                | - 3.4% |
| Ocean/Air Revenue       | 2.7%                | 5.9%                  | 8.8%   |
| Insurance Premiums      | NA                  | NA                    | 0.4%   |
| Total Revenue           |                     |                       | 1.2%   |

| Qtr over Prior Year Qtr | Rate <sup>(1)</sup> | Volume <sup>(2)</sup> | Change |
|-------------------------|---------------------|-----------------------|--------|
| Truck Revenue           | 16.9%               | 12.8%                 | 31.8%  |
| Rail Intermodal Revenue | 0.6%                | 5.3%                  | 5.9%   |
| Ocean/Air Revenue       | 16.2%               | 15.3%                 | 34.0%  |
| Insurance Premiums      | NA                  | NA                    | 7.4%   |
| Total Revenue           |                     |                       | 30.3%  |

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

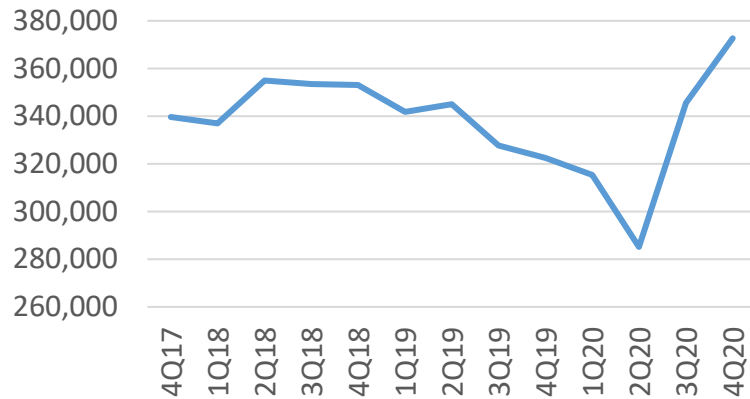
(2) Percentage change in volume is calculated on the number of loads hauled.

# Truckload Loadings and Revenue per Load

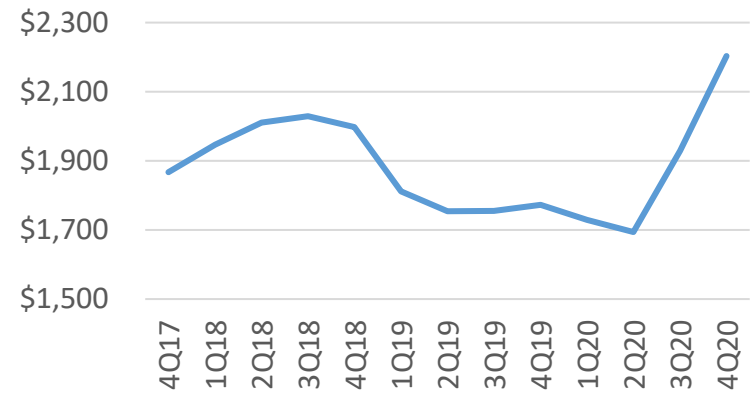
(Excludes LTL)

## Van Equipment

### Number of Loads

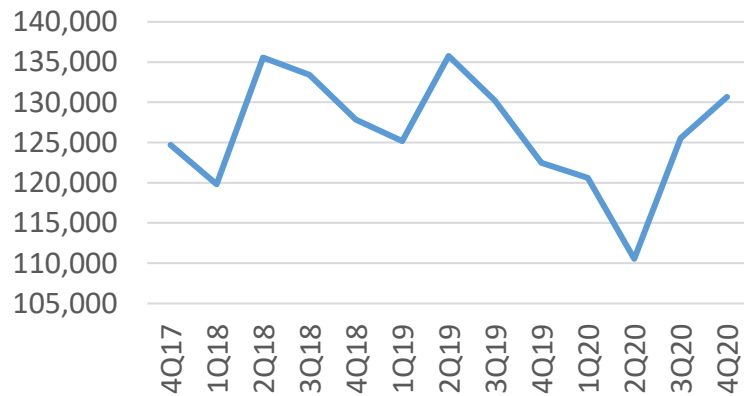


### Revenue per Load

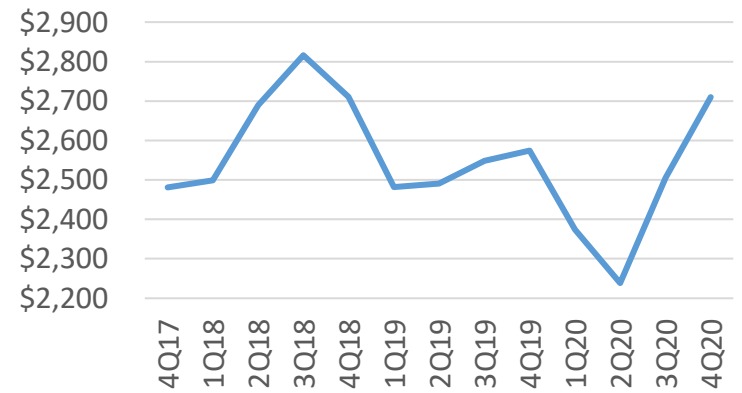


## Unsided/Platform Equipment

### Number of Loads



### Revenue per Load



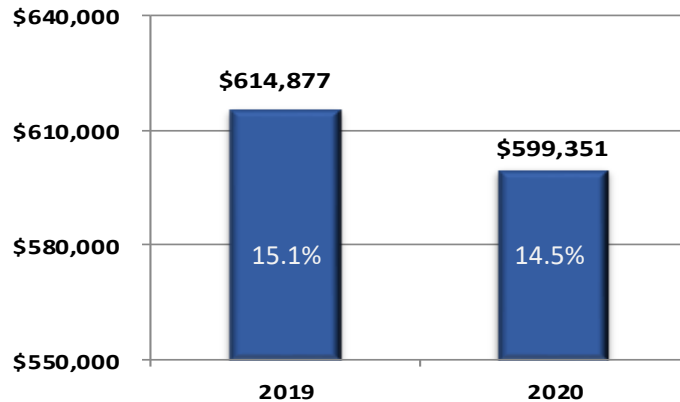


# Industries Served

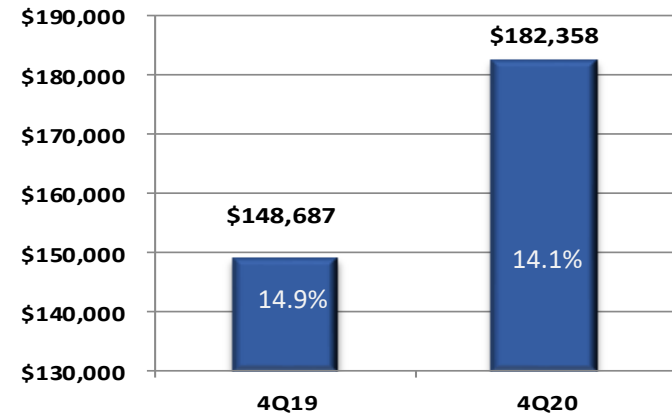
|                               | As a Percentage of Transportation Revenue |              | Quarter over Prior Year Quarter Growth |
|-------------------------------|---|--------------|--|
|                               | 4Q19                                      | 4Q20         |  |
| Consumer Durables             | 24.6                                      | 28.0         | 48%                                    |
| Machinery                     | 14.1                                      | 10.8         | 0%                                     |
| Building Products             | 9.0                                       | 8.9          | 29%                                    |
| AA&E, Hazmat                  | 8.2                                       | 8.0          | 27%                                    |
| Automotive                    | 7.7                                       | 8.0          | 36%                                    |
| Foodstuffs                    | 4.5                                       | 4.3          | 25%                                    |
| Metals                        | 5.7                                       | 4.4          | 3%                                     |
| Substitute Line Haul          | 4.4                                       | 7.4          | 120%                                   |
| Other                         | 21.8                                      | 20.2         | 21%                                    |
| <b>Transportation Revenue</b> | <u>100.0</u>                              | <u>100.0</u> | 31%                                    |

# Gross Profit <sup>(1)</sup> and Gross Profit Margin <sup>(2)</sup> (\$'s in thousands)

Fiscal Year (4)



Quarter



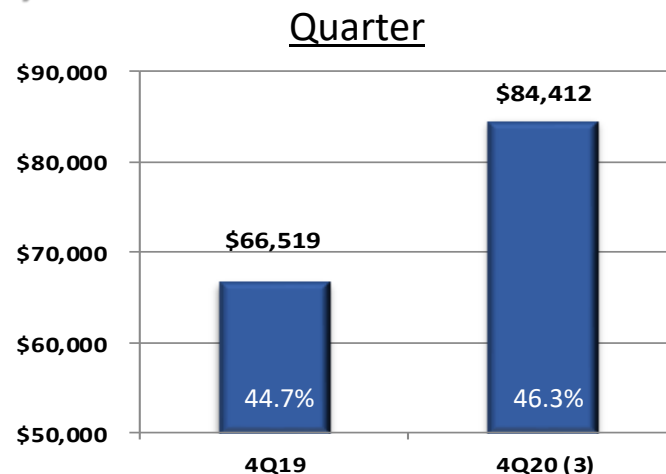
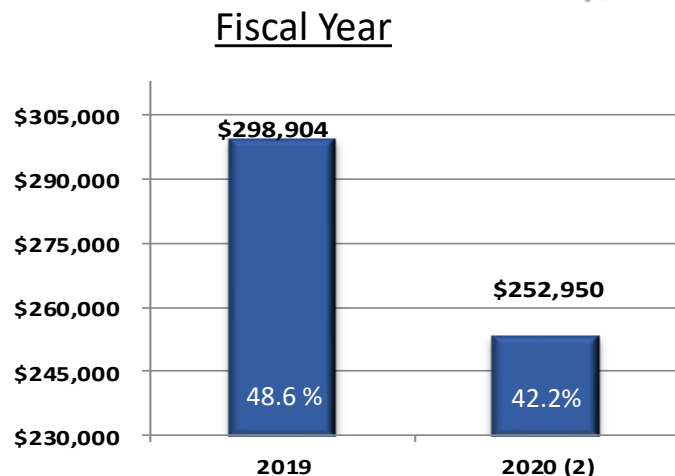
|                                       | Fiscal Year <sup>(3)</sup> |
|---------------------------------------|----------------------------|
| <b>Changes in gross profit margin</b> | <b>%</b>                   |
| 2019 Period                           | 15.1                       |
| Revenue - fixed gp margin             | 0.1                        |
| Revenue - variable gp margin          | -0.2                       |
| Pandemic relief (4)                   | -0.3                       |
| Change in mix and other               | -0.2                       |
| 2020 Period                           | 14.5                       |

|                                       | 4th Qtr <sup>(3)</sup> |
|---------------------------------------|------------------------|
| <b>Changes in gross profit margin</b> | <b>%</b>               |
| 2019 Period                           | 14.9                   |
| Revenue - fixed gp margin             | 0.1                    |
| Revenue - variable gp margin          | -0.5                   |
| Pandemic relief                       | 0.0                    |
| Change in mix and other               | -0.4                   |
| 2020 Period                           | 14.1                   |

- (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 51% and 50% of revenue in the 2019 and 2020 fiscal year periods, respectively, and 51% and 47% of revenue in the 2019 and 2020 fourth quarters, respectively.
- (4) Includes the impact of approximately \$12.6 million related to BCO and agent pandemic relief incentive payments made in April and May 2020. The Company paid both the hauling BCO and agent dispatching the load an extra \$50 for each BCO load delivered during these months.

# Operating Income and Operating Margin <sup>(1)</sup>

(\$'s in thousands)



|                                      | Fiscal Year |
|--------------------------------------|-------------|
| Changes in operating margin          | %           |
| 2019 Period                          | 48.6        |
| Other operating costs                | 1.0         |
| Insurance and claims                 | -1.8        |
| SG&A                                 | -2.1        |
| Depreciation and amortization        | -0.4        |
| Impairment                           | -0.5        |
| Commission program termination costs | -2.6        |
| 2020 Period                          | 42.2        |

|                                     | 4th Qtr |
|-------------------------------------|---------|
| Changes in operating margin         | %       |
| 2019 Period                         | 44.7    |
| Other operating costs               | 1.8     |
| Insurance and claims                | 4.8     |
| SG&A                                | 2.2     |
| Depreciation and amortization       | 1.3     |
| Impairment                          | 0.0     |
| Commision program termination costs | -8.5    |
| 2020 Period                         | 46.3    |

- (1) Operating margin equals operating income divided by gross profit.
- (2) Excluding the impact of the \$15.5 million one-time cost related to buyouts of certain agent incentive commission arrangements and the \$12.6 million of pandemic relief incentive payments from the 2020 fiscal year period, operating margin was 45.9% in the 2020 fiscal year period.
- (3) Excluding the impact of the \$15.5 million one-time cost related to buyouts of certain incentive commission arrangements from the 2020 fourth quarter, operating margin was 54.8% in the 2020 fourth quarter.

# Truck Capacity Data

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

|  | Dec 28,<br>2019 <sup>(2)</sup> | Dec 26,<br>2020 <sup>(2)</sup> |
|--|--------------------------------|--------------------------------|
| BCO Independent Contractors                    | 9,554                          | 10,242                         |
| Truck Brokerage Carriers:                      |                                |                                |
| Approved and Active <sup>(1)</sup>             | 39,497                         | 46,053                         |
| Other Approved                                 | 16,820                         | 22,972                         |
|  | <b>56,317</b>                  | <b>69,025</b>                  |
|  |                                |                                |
| Total Available Truck Capacity Providers       | <b>65,871</b>                  | <b>79,267</b>                  |
|  |                                |                                |
| Trucks Provided by BCO Independent Contractors | <b>10,243</b>                  | <b>10,991</b>                  |

(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 \$168.8 million and \$225.4 million in the 2020 and 2019 year- to-date periods, respectively, and \$41.1million and \$55.3 million in the 2020 and 2019 fourth quarters, respectively.

# Key Balance Sheet and Cash Flow Statistics

(\$'s in thousands)

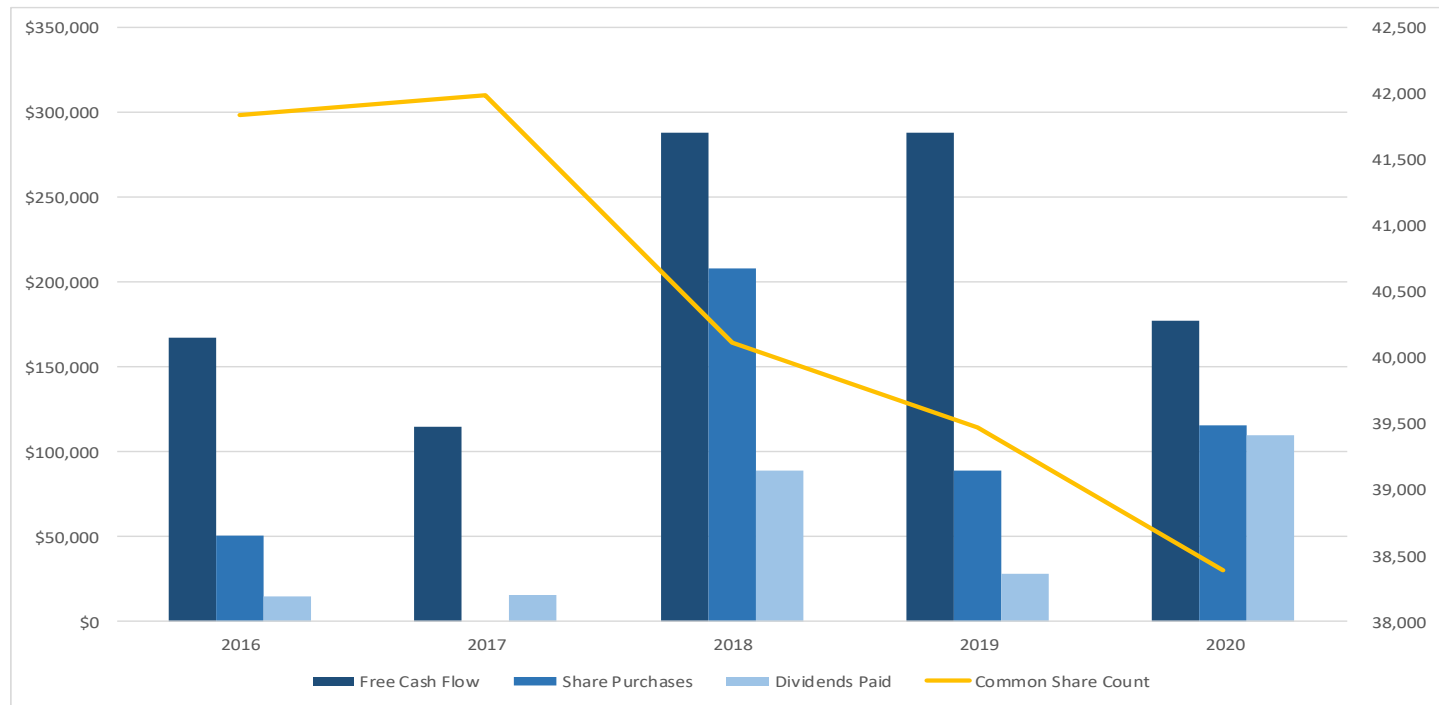
|                                     | YTD<br>Dec 28,<br>2019 | YTD<br>Dec 26,<br>2020 |
|-------------------------------------|------------------------|------------------------|
| Balance sheet (period end amounts): |                        |                        |
| Debt to Capital                     | 14%                    | 13%                    |
| Net Cash (1)                        | \$ 239,572             | \$ 189,955             |
| Cash flow:                          |                        |                        |
| Cash flow from operations           | \$ 307,840             | \$ 210,717             |
| Capital expenditures (2)            | \$ 19,416              | \$ 33,392              |
| Share repurchases                   | \$ 88,578              | \$ 115,962             |
| Dividends paid                      | \$ 27,891              | \$ 109,504             |
| Returns:                            |                        |                        |
| TTM Return on Equity                | 31%                    | 28%                    |
| TTM Return on Invested Capital      | 27%                    | 25%                    |
| TTM Return on Assets                | 17%                    | 14%                    |

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

(2) Capital expenditures includes cash capital expenditures of \$30.6 million and approximately \$2.8 million for the acquisition of a business during the 2020 year-to-date period.

# Free Cash Flow <sup>(1)</sup>, Stock Purchases and Dividends

(In Thousands)



| 2020                      | (000's)    |
|---------------------------|------------|
| Free cash flow (1)        | \$ 177,325 |
| Share purchases           | \$ 115,962 |
| Dividends paid            | \$ 109,504 |
| Ending common share count | 38,386     |

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

DESIGNED TO RESPOND  
BUILT TO DELIVER

