

LANDSTAR



Landstar System, Inc.

2Q | 2025

Earnings Conference Call



LANDSTAR



2Q | 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, 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.

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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: 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 second quarters and year-to-date periods is included in this slide presentation within the Appendix.



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Executive Summary

Frank Lonegro

Chief Executive Officer

RESULTS

Dollars in Millions (except per share amounts)

Metric	2Q 2025	2Q 2024	Chg.
Revenue	\$ 1,211.4	\$ 1,225.0	(1.1%)
Operating Income	\$ 56.3	\$ 68.1	(17.3%)
Earnings per Share	\$ 1.20	\$ 1.48	(18.9%)

HIGHLIGHTS

2Q revenue performance

Sequential increase in truck revenue per load
outperformed typical seasonality

Truck capacity

2Q BCO truck count ~flat sequentially; best
performance in three years

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

Landstar Network and 2Q Truckload Operating Results



LANDSTAR NETWORK

Agents
~1,000

Customers
23,000+

Capacity
77,000+

Employees
~1,400



2Q RESULTS

\$1.12B

Truck Revenue

501K

Truck Loadings

\$2,234

Truck Revenue per Load

485

Million \$ Agents*

8,611

BCO Trucks

69,514

Carriers

17,300+

Trailers

0.67

DOT Accidents
per Million Miles**

* Based on 2024 fiscal year ** Based on 2Q 2025 YTD; 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	Jun 28, 2025	Mar 29, 2025	Dec 28, 2024	Jun 29, 2024
BCO Independent Contractors	7,844	7,871	8,082	8,385
Truck Brokerage Carriers				
Approved and Active ⁽¹⁾	41,842	47,323	43,718	45,382
Other Approved	27,672	33,275	26,527	25,450
Total Truck Brokerage Carriers	69,514	80,598	70,245	70,832
Total Available Truck Capacity Providers	77,358	88,469	78,327	79,217
<i>Trucks Provided by BCO Independent Contractors</i>	<i>8,611</i>	<i>8,620</i>	<i>8,843</i>	<i>9,180</i>

(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 \$110.8 million and \$135.9 million in the 2025 and 2024 year-to-date periods, respectively, and \$56.6 million and \$ 68.4 million in the 2025 and 2024 second quarters, respectively.



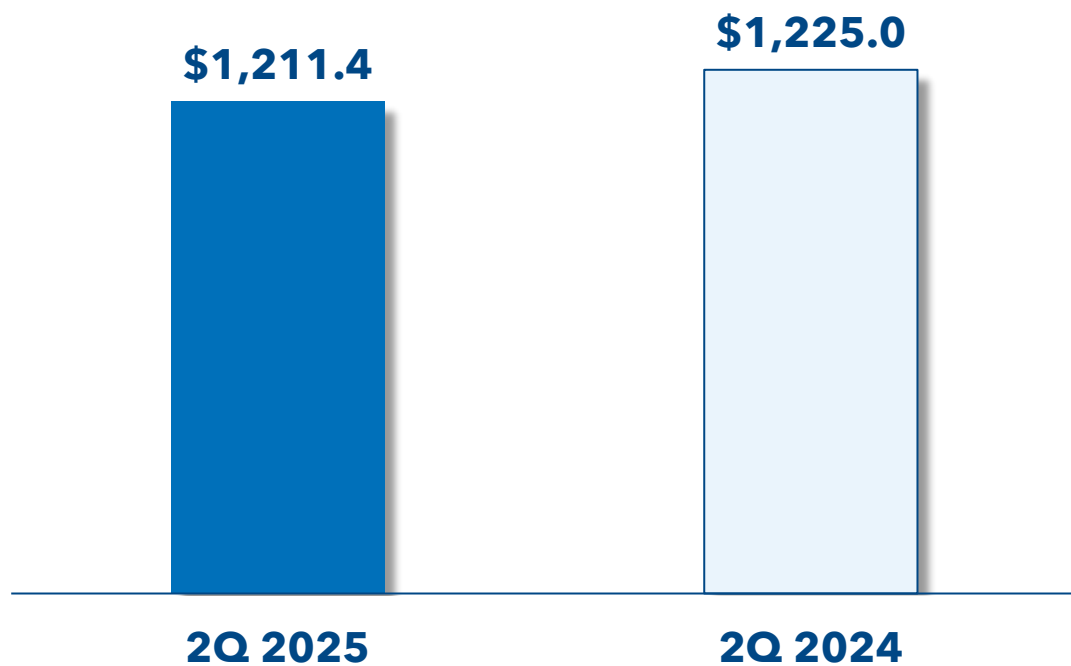
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Financial Results

Jim Todd

Chief Financial Officer

RESULTS



VARIANCE

Revenue Source	Rate ⁽¹⁾	Vol. ⁽²⁾	Chg.
Truck	2.6%	(1.5%)	1.1%
Rail Intermodal	(8.7%)	8.2%	(1.3%)
Ocean/Air	(18.4%)	(12.7%)	(28.8%)
Insurance Premiums	N/A	N/A	(7.7%)
Total Revenue	–	–	(1.1%)

(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 1% Y-O-Y

Revenue Share		Market Segment	Y-O-Y Change in Revenue
2Q 2025	2Q 2024		
27.0	27.5	Consumer Durables	(3)
15.1	14.2	Machinery	5
9.2	10.9	Automotive	(17)
9.1	9.6	Building Products	(6)
8.2	7.7	AA&E, Hazmat	5
7.9	5.9	Electrical	32
5.1	5.2	Metals	(2)
2.9	1.7	Energy	68
1.6	1.5	Substitute Line Haul	11
13.9	15.8	Other	(13)

Gross Profit ⁽¹⁾ and Variable Contribution ⁽²⁾

with Associated Margins

Dollars in Millions



RESULTS

Gross Profit

Variable Contribution

\$109.3

\$120.0

\$170.5

\$175.1

9.0%

9.8%

14.1%

14.3%

2Q 2025

2Q 2024

2Q 2025

2Q 2024

CHANGE IN VC MARGIN

Amounts in %

2Q

2024

14.3

Revenue - Variable

(0.2)

Revenue - Fixed ⁽³⁾

(0.1)

Change in Mix/Other

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 43% of revenue in both the 2025 and 2024 second quarters.

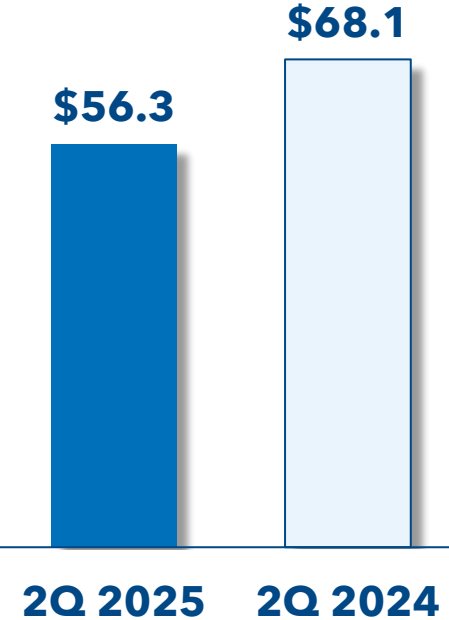
Operating Income

as a Percentage of Gross Profit and Variable Contribution
Dollars in Millions



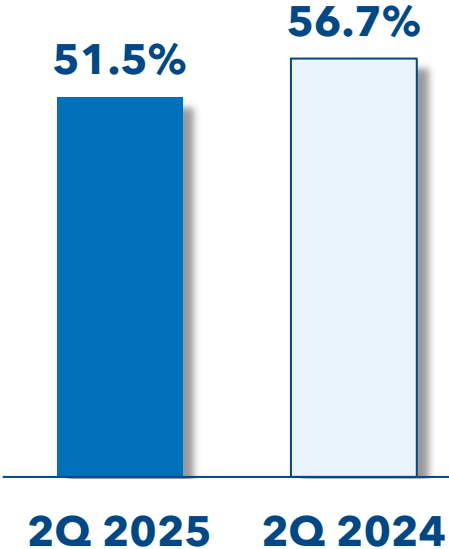
RESULTS

Operating Income

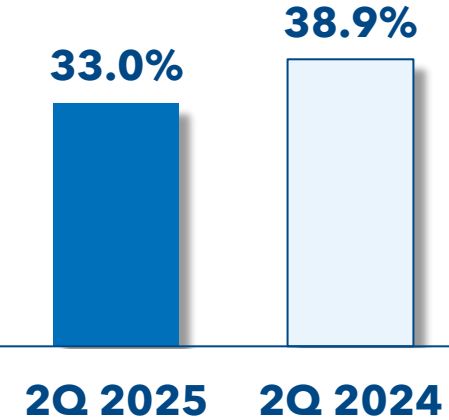


Percentage of

Gross Profit



Variable Contribution



CHANGE IN PERCENTAGE

of Variable Contribution

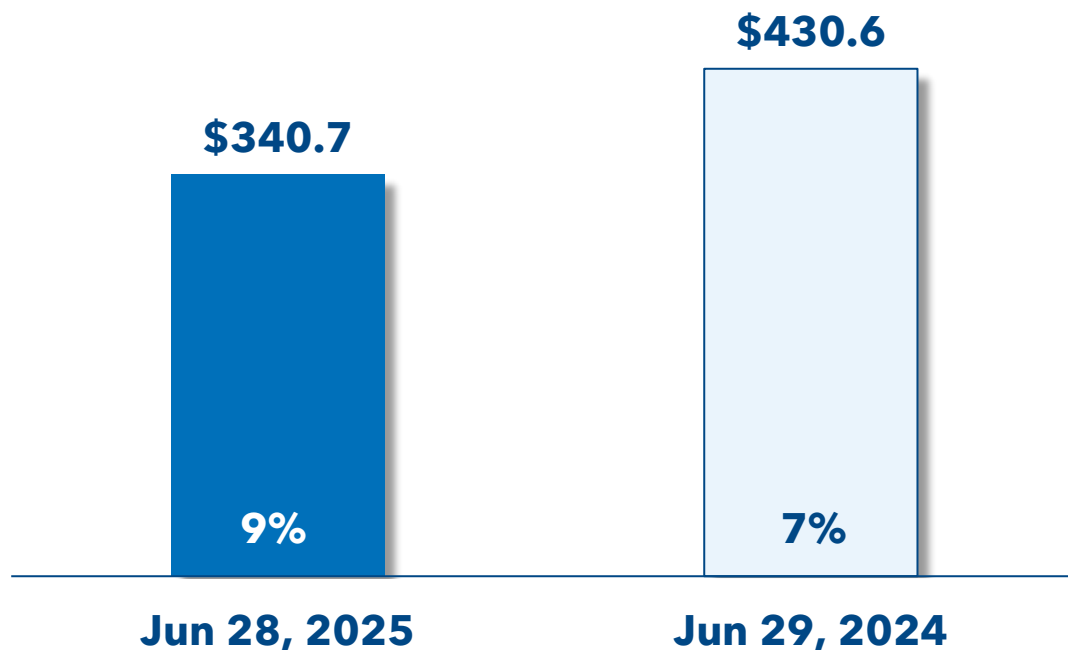
Amounts in %	2Q
2024	38.9
Other operating costs	(3.4)
Insurance and claims	(2.3)
SG&A	(1.3)
Depreciation and amortization	1.1
2025	33.0

Key Balance Sheet and Cash Flow Statistics

Dollars in Millions



NET CASH ⁽¹⁾ with Debt to Capital ⁽²⁾ as of date indicated



SOURCES / USES OF CASH

Year-to-date as of date indicated

Cash Flow Type	2Q 2025	2Q 2024
Cash flow from operations	\$ 62.8	\$ 142.3
Capital expenditures	\$ 4.4	\$ 16.8
Free cash flow ⁽³⁾	\$ 58.4	\$ 125.6
Share repurchases	\$ 102.3	\$ 56.5
Dividends paid	\$ 97.2	\$ 95.0

RETURNS

Trailing 12 months as of date indicated

Return Type	Jun 28, 2025	Jun 29, 2024
Equity	17%	22%
Invested Capital	16%	20%
Assets	10%	12%

(1) Net cash is defined as cash and cash equivalents of \$359.2 million plus short term investments of \$66.9 million less outstanding debt of \$85.4 million as of June 28, 2025. As of June 29, 2024, net cash was cash and cash equivalents of \$438.1 million plus short term investments of \$66.0 million less outstanding debt of \$73.4 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** - July business activity:

- **Truck Loads:** July approximately 1% above July 2024
 - Slightly above typical June to July month-to-month historical trends
- **Truck Revenue per Load:** July approximately 3% below July 2024
 - Below typical June to July month-to-month historical trends

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

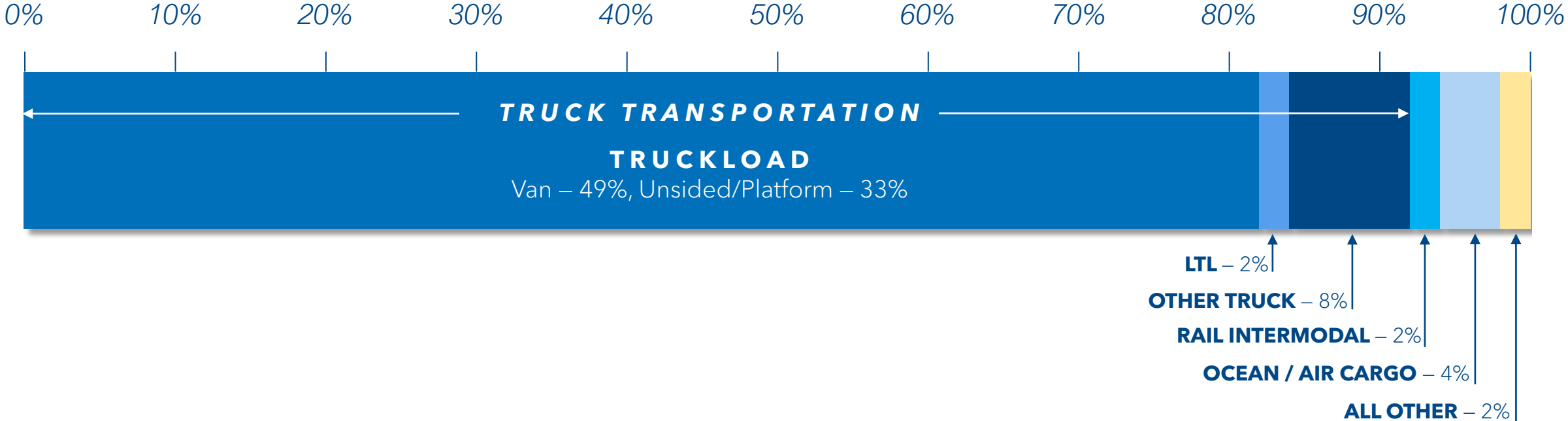
- **Truck Revenue:** Approximately equal from 2Q to 3Q
- **Truck Loads:** Slight decrease 2Q to 3Q
- **Truck Revenue per Load:** Slight increase 2Q to 3Q



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Appendix

PERCENTAGE OF REVENUE 2Q 2025 by Service Type



CHANGE IN SHARE SINCE 2Q 2024

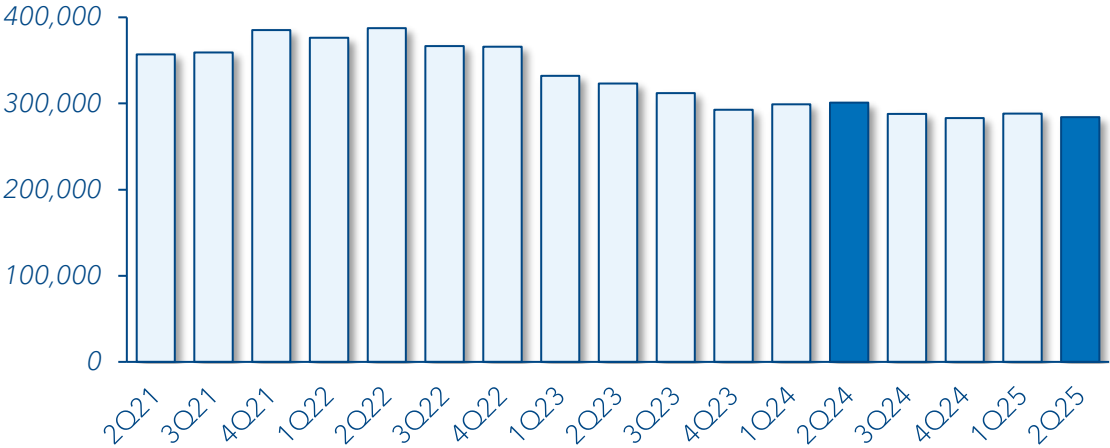
Van Equipment	Unsided/ Platform Equipment	LTL	Other Truck Transportation	Rail Intermodal	Ocean/ Air cargo	All Other
51% → 49%	31% → 33%	2% → 2%	6% → 8%	2% → 2%	6% → 4%	2% → 2%

Truckload Loadings and Revenue per Truckload Trends

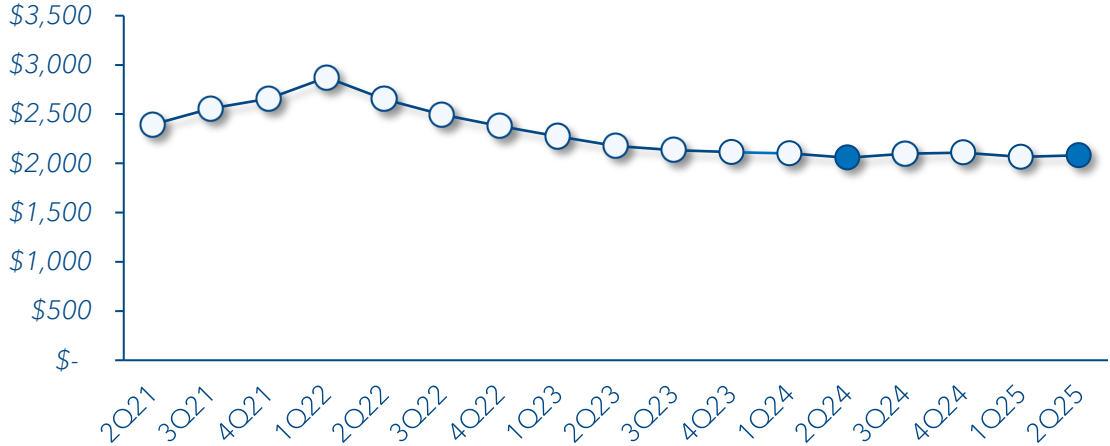


VAN

NUMBER OF LOADS

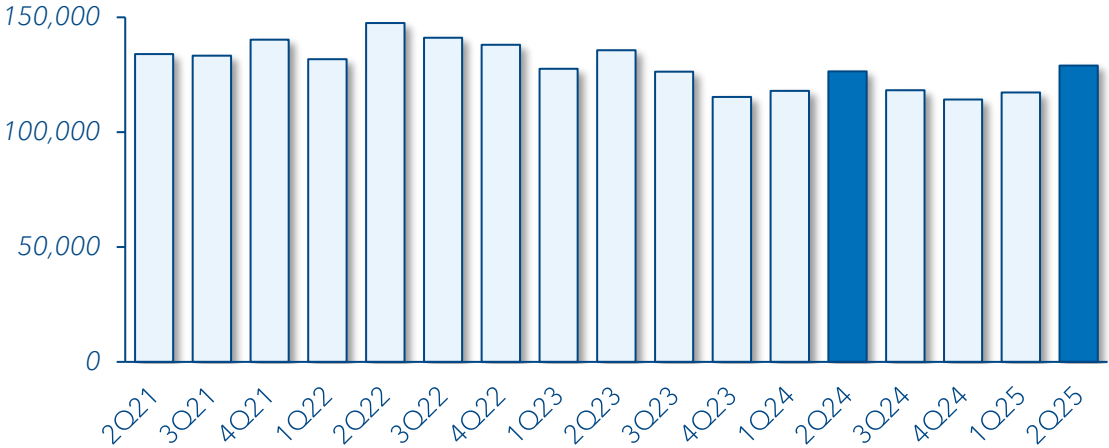


REVENUE PER LOAD

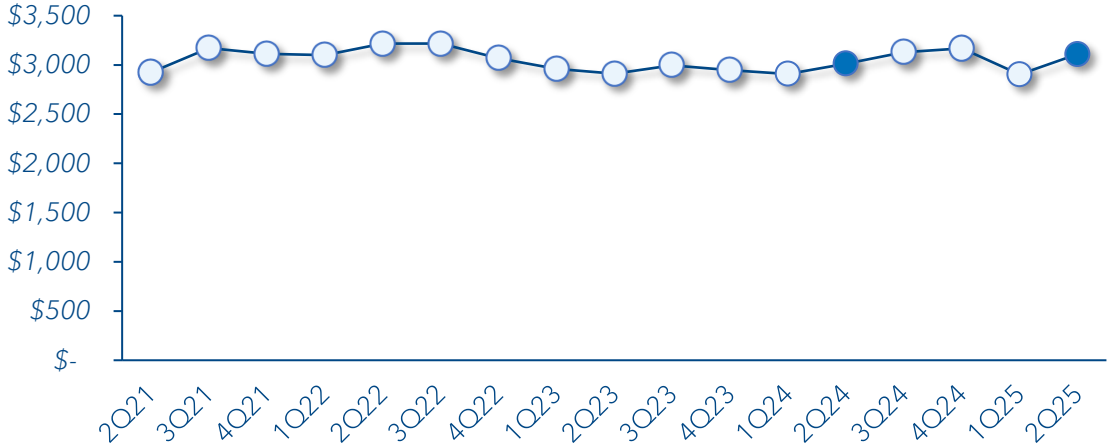


UNSIDED / PLATFORM

NUMBER OF LOADS



REVENUE PER LOAD

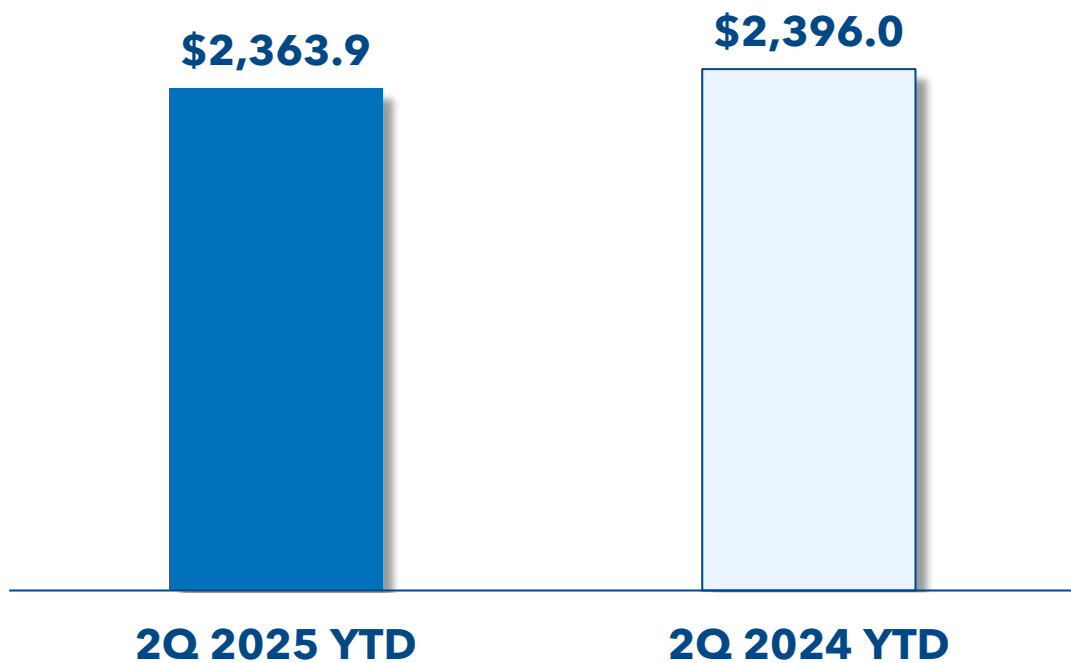


Revenue - Year-to-Date

Dollars in Millions



RESULTS



VARIANCE

Revenue Source	Rate ⁽¹⁾	Vol. ⁽²⁾	Chg.
Truck	1.0%	(1.3%)	(0.3%)
Rail Intermodal	(9.6%)	(2.9%)	(12.2%)
Ocean/Air	(3.3%)	(3.9%)	(7.1%)
Insurance Premiums	N/A	N/A	(9.2%)
Total Revenue	-	-	(1.3%)

(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.

Gross Profit and Variable Contribution - Year-to-Date

with Associated Margins

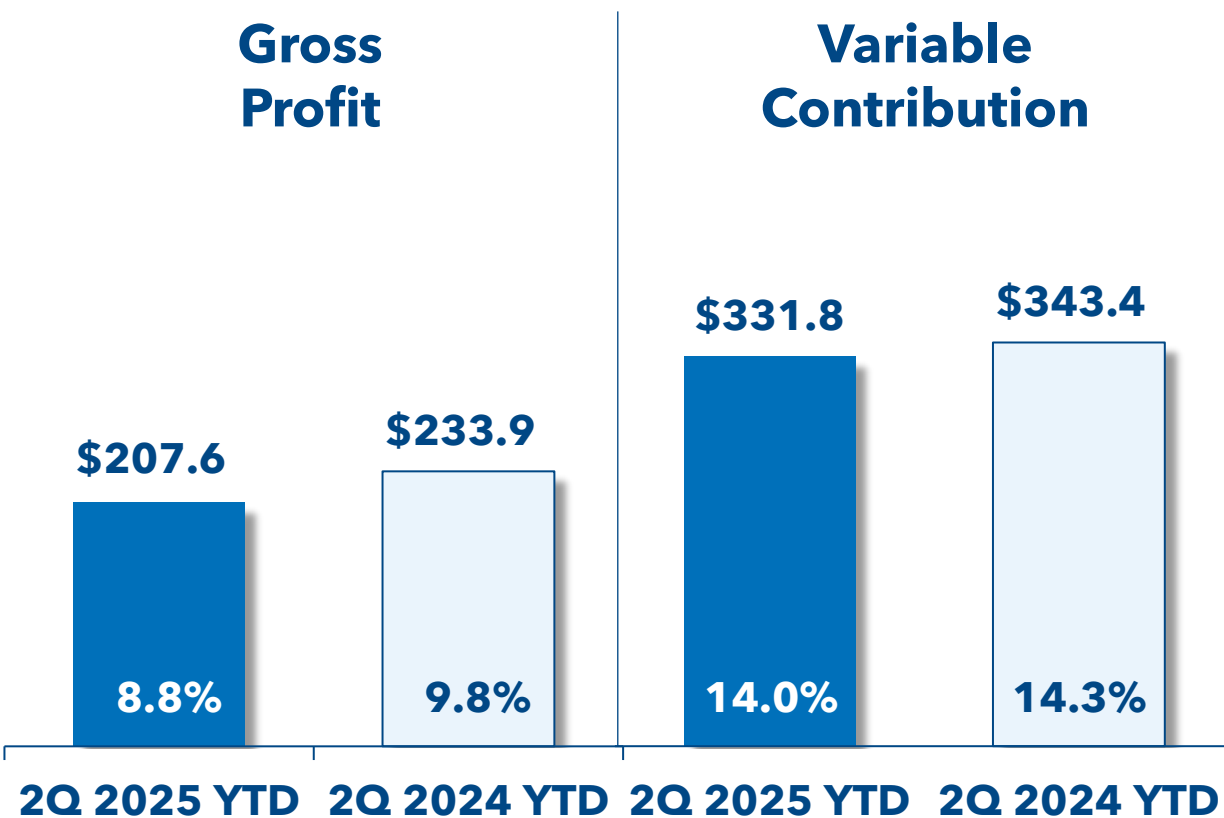
Dollars in Millions



RESULTS

Gross Profit

Variable Contribution



CHANGE IN VC MARGIN

Amounts in %

2Q YTD

2024	2025
14.3	14.0
Revenue - Fixed ⁽¹⁾	(0.1)
Revenue - Variable	(0.1)
Change in Mix/Other	(0.1)

(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 year-to-date periods.

Operating Income - Year-to-Date

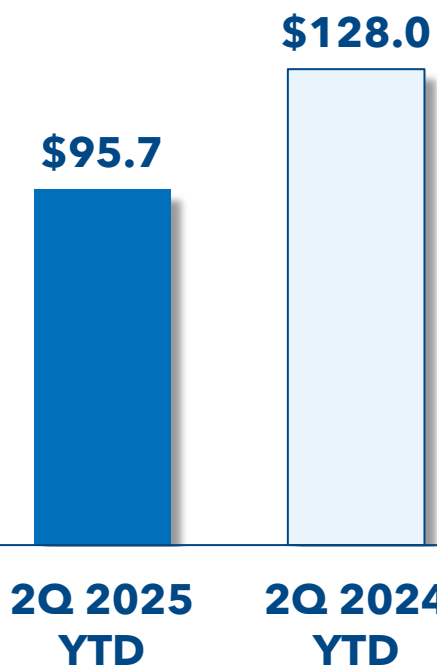
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



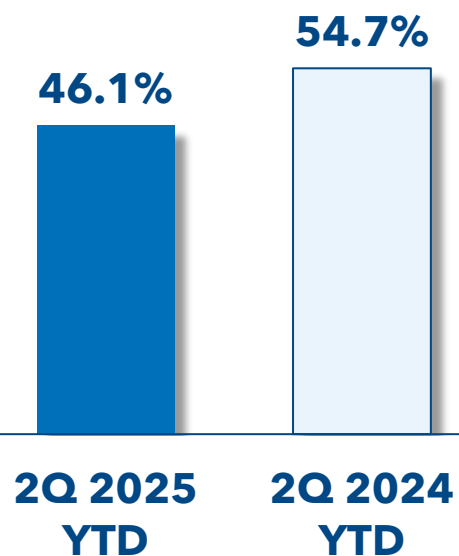
RESULTS

Operating Income

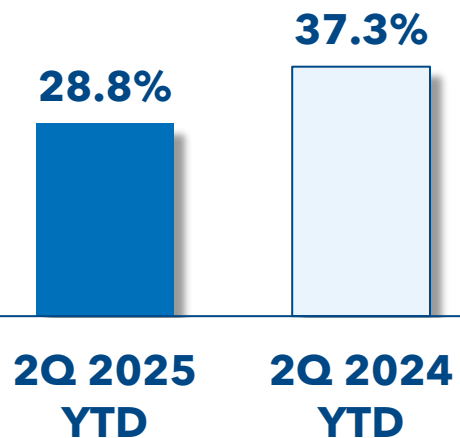


Percentage of

Gross Profit



Variable Contribution



CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

2Q YTD

Amounts in %	2Q YTD
2024	37.3
Insurance and claims	(5.5)
SG&A	(2.9)
Other operating costs	(1.1)
Depreciation and amortization	1.0
2025	28.8

Reconciliation of Gross Profit to Variable Contribution

Dollars in Thousands



	Twenty-Six Weeks Ended		Thirteen Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Revenue	\$ 2,363,885	\$ 2,396,048	\$ 1,211,383	\$ 1,225,005
Costs of revenue:				
Purchased transportation	1,839,289	1,855,579	941,411	950,058
Commissions to agents	192,836	197,098	99,522	99,816
Variable costs of revenue	2,032,125	2,052,677	1,040,933	1,049,874
Trailing equipment depreciation	13,844	13,834	6,867	6,937
Information technology costs (1)	7,609	11,986	3,934	6,182
Insurance-related costs (2)	71,317	54,659	30,793	27,881
Other operating costs	31,424	28,994	19,595	14,135
Other costs of revenue	124,194	109,473	61,189	55,135
Total costs of revenue	2,156,319	2,162,150	1,102,122	1,105,009
Gross profit	\$ 207,566	\$ 233,898	\$ 109,261	\$ 119,996
Gross profit margin	8.8%	9.8%	9.0%	9.8%
Plus: other costs of revenue	124,194	109,473	61,189	55,135
Variable contribution	\$ 331,760	\$ 343,371	\$ 170,450	\$ 175,131
Variable contribution margin	14.0%	14.3%	14.1%	14.3%

(1) 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

Cash Flow Item	2020	2021	2022	2023	2024
Cash flow from operations	\$ 211	\$ 277	\$ 623	\$ 394	\$ 287
Cash capital expenditures ⁽¹⁾	\$ 34	\$ 24	\$ 26	\$ 26	\$ 31
Free cash flow	\$ 177	\$ 253	\$ 597	\$ 368	\$ 256
Share repurchases	\$ 116	\$ 123	\$ 286	\$ 54	\$ 81
Dividends paid	\$ 110	\$ 112	\$ 116	\$ 117	\$ 120
Common share count ⁽²⁾	38.4	37.7	35.9	35.7	35.3

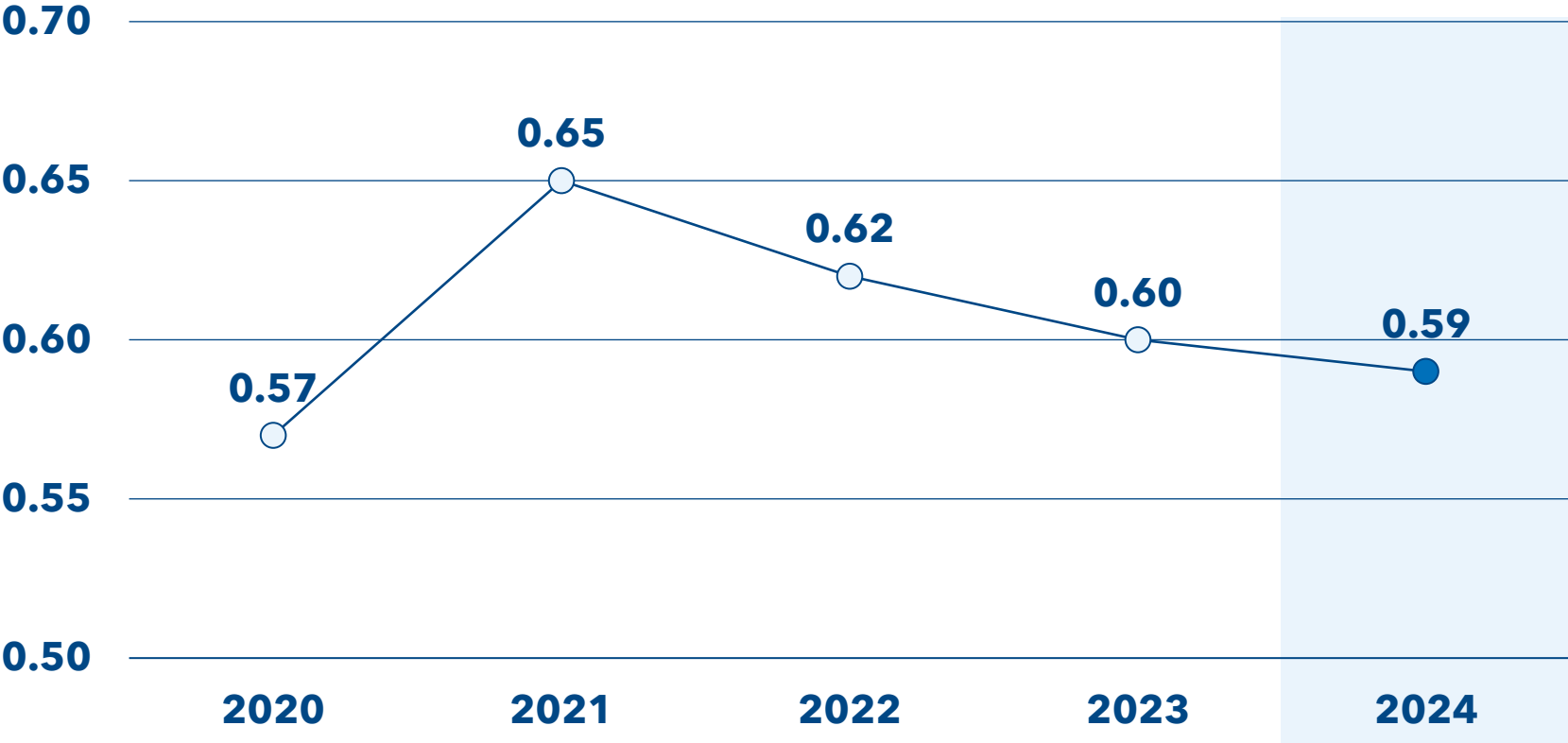
(1) Cash capital expenditures includes purchases of operating property and, for fiscal year 2020, consideration paid for acquisition of a business.

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

DOT Accident ⁽¹⁾ 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.

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