

Landstar System, Inc.
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For Immediate Release

January 28, 2026

LANDSTAR SYSTEM REPORTS FOURTH QUARTER RESULTS

Jacksonville, FL - Landstar System, Inc. (NASDAQ: LSTR) (“Landstar” or the “Company”) today confirmed its financial results for the 2025 fourth quarter. As previously disclosed in a Form 8-K filed with the U.S. Securities and Exchange Commission (the “SEC”) on January 21, 2026, the Company reported total revenue of \$1,174 million in the 2025 fourth quarter, compared to \$1,209 million in the 2024 fourth quarter. Landstar reported basic and diluted earnings per share (“EPS”) of \$0.70 for the 2025 fourth quarter, compared to \$1.31 in the 2024 fourth quarter.

“The Landstar team of independent business owners and employees performed well during the 2025 fourth quarter despite continued tough macro demand conditions in the freight transportation market. In fact, fourth quarter truck transportation revenue was nearly flat year over year, as the decrease in total revenue was primarily attributable to decreased ocean revenue. Our services hauled by unsided/platform equipment, a real bright spot for Landstar throughout 2025, continued to demonstrate sustained strength in the fourth quarter,” said Landstar President and Chief Executive Officer Frank Lonegro. “Truck revenue per load was another positive development related to the top line. Landstar achieved sequential improvement in truck revenue per load in the fourth quarter that exceeded pre-pandemic normal seasonality, and December truck revenue per load was six percent above fiscal October’s truck revenue per load. Increased insurance and claims expense, however, had a significant adverse impact on our fourth quarter results, as the claim environment for freight transportation providers remains extremely challenging.”

As previously disclosed in a Form 8-K filed with the SEC on January 21, 2026, 2025 fourth quarter EPS reflected highly elevated insurance and claims costs of \$56 million, an

LANDSTAR SYSTEM/2

increase from the approximately \$30 million of insurance and claims costs reported during the 2024 fourth quarter. The following items are reflected in insurance and claims for the 2025 fourth quarter:

- \$16.7 million, or \$0.37 per share, of insurance and claims costs related to three tragic vehicular accidents, two of which occurred during the 2025 fourth fiscal quarter and the third of which occurred during fiscal year 2022 but involved a post-trial judgment entered against the Company by the court in January 2026; and
- \$5.3 million, or \$0.12 per share, related to an increase in the Company's actuarially determined claim reserves.

In addition to the insurance and claims items reference above, the Company also recorded \$2.1 million of additional non-cash impairment charges, or \$0.05 per share, related to the ongoing sales process of Landstar Metro, S.A.P.I. de C.V., the Company's wholly-owned Mexican operating subsidiary, principally engaged in intra-Mexico truck transportation services.

| | 4Q 2025 | | 4Q 2024 | |
|--|----------------|-----------|----------------|-----------|
| Revenue | \$ | 1,174,469 | \$ | 1,209,330 |
| Gross profit | \$ | 85,568 | \$ | 109,423 |
| Variable contribution | \$ | 166,019 | \$ | 166,523 |
| Operating income | \$ | 29,552 | \$ | 57,771 |
| Basic and diluted earnings per share ("EPS") | \$ | 0.70 | \$ | 1.31 |

(1) Dollars above in thousands, except per share amounts.

(2) Please refer to the Consolidated Statements of Income and the Reconciliation of Gross Profit to Variable Contribution included below.

Landstar continues to return capital to stockholders through the Company's stock purchase program and dividends. During the 2025 fourth quarter, Landstar purchased 286,695 shares of its common stock at an aggregate cost of \$37.0 million, bringing the total number of common shares purchased during the 2025 fiscal year to 1,281,863 shares at an aggregate cost of approximately \$180.9 million. The Company is currently authorized to purchase up to an additional 1,266,118 shares of the Company's common stock under its longstanding share purchase program. Landstar also announced today that its Board of Directors declared a quarterly dividend of \$0.40 per share payable on

March 11, 2026, to stockholders of record as of the close of business on February 18, 2026.

Truck transportation revenue hauled by independent business capacity owners (“BCOs”) and truck brokerage carriers in the 2025 fourth quarter was \$1,078 million, or 92% of revenue, compared to \$1,081 million, or 89% of revenue, in the 2024 fourth quarter. Truckload transportation revenue hauled via van equipment in the 2025 fourth quarter was \$559 million, compared to \$597 million in the 2024 fourth quarter. Truckload transportation revenue hauled via unsided/platform equipment in the 2025 fourth quarter was \$401 million, compared to \$362 million in the 2024 fourth quarter. Revenue from other truck transportation, which is largely related to power-only services, in the 2025 fourth quarter was \$95 million, compared to \$100 million in the 2024 fourth quarter. Revenue hauled by rail, air and ocean cargo carriers was \$77 million, or 7% of revenue, in the 2025 fourth quarter, compared to \$107 million, or 9% of revenue, in the 2024 fourth quarter.

During the 2025 fourth quarter, truck revenue per load increased approximately 1% compared to the 2024 fourth quarter, while the number of loads hauled via truck decreased approximately 1% compared to the 2024 fourth quarter.

Gross profit in the 2025 fourth quarter was \$86 million, and variable contribution (defined as revenue less the cost of purchased transportation and commissions to agents) in the 2025 fourth quarter was \$166 million. Gross profit in the 2024 fourth quarter was \$109 million, and variable contribution in the 2024 fourth quarter was \$167 million. Reconciliations of gross profit to variable contribution and gross profit margin to variable contribution margin for the 2025 and 2024 fourth quarters and year-to-date periods are provided in the Company’s accompanying financial disclosures.

The Company’s balance sheet continues to be very strong, with cash and short-term investments of approximately \$452 million as of December 27, 2025. Trailing twelve-month return on average shareholders’ equity was 13%. Return on invested capital, representing net income divided by the sum of average equity plus average debt, was 12%.

Landstar will provide a live webcast of its quarterly earnings conference call this afternoon at 4:30 p.m. ET. To access the webcast, visit www.investor.landstar.com; click on "Webcasts," then click on "Landstar's Fourth Quarter 2025 Earnings Release Conference Call." A slide presentation to accompany the webcast presentation is also available on Landstar's investor relations website at <https://investor.landstar.com/>.

Contact:
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Chief Financial Officer
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About Landstar:

Landstar System, Inc., is a technology-enabled, 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.

Non-GAAP Financial Measures:

In this earnings release and accompanying financial disclosures, the Company provides the following information that may be deemed non-GAAP financial measures: variable contribution and variable contribution margin. The Company 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. The Company 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.

Forward Looking Statements Disclaimer:

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: decreased demand for transportation services; U.S. trade relationships and potential or imposed tariffs; 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; the impact of the Russian conflict with Ukraine on the operations of certain independent commission sales agents, including the Company's second largest such agent by revenue in the 2025 fiscal year; substantial industry competition; disruptions or failures in the Company's computer systems; cyber and other information security incidents; dependence on key vendors; potential changes in taxes; status of independent contractors; regulatory and legislative changes; regulations focused on diesel emissions and other air quality matters; regulations requiring the purchase and use of zero-emission vehicles; intellectual property; acquisitions and investments; and other operational, financial or legal risks or uncertainties detailed in Landstar's Form 10-K for the 2024 fiscal year, described in Part I, Item 1A Risk Factors, Landstar's Form 10-Q for the 2025 first quarter, described in Part II, 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.

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

| | Fiscal Years Ended | | Fiscal Quarters Ended | |
|---|----------------------|----------------------|-----------------------|----------------------|
| | December 27, 2025 | December 28, 2024 | December 27, 2025 | December 28, 2024 |
| Revenue | \$ 4,743,760 | \$ 4,819,245 | \$ 1,174,469 | \$ 1,209,330 |
| Investment income | 13,685 | 14,810 | 3,065 | 3,822 |
| Costs and expenses: | | | | |
| Purchased transportation | 3,688,343 | 3,745,241 | 912,582 | 945,857 |
| Commissions to agents | 387,397 | 392,751 | 95,868 | 96,950 |
| Other operating costs, net of gains on asset sales/dispositions | 61,586 | 58,781 | 14,590 | 14,643 |
| Insurance and claims | 159,436 | 113,929 | 56,127 | 30,099 |
| Selling, general and administrative | 230,548 | 217,708 | 56,245 | 55,095 |
| Depreciation and amortization | 46,388 | 56,738 | 10,504 | 12,737 |
| Impairment of intangible and other assets | 32,170 | - | 2,066 | - |
| Total costs and expenses | <u>4,605,868</u> | <u>4,585,148</u> | <u>1,147,982</u> | <u>1,155,381</u> |
| Operating income | 151,577 | 248,907 | 29,552 | 57,771 |
| Interest and debt expense (income) | 996 | (5,419) | 240 | (964) |
| Income before income taxes | 150,581 | 254,326 | 29,312 | 58,735 |
| Income taxes | 35,574 | 58,380 | 5,368 | 12,542 |
| Net income | <u>\$ 115,007</u> | <u>\$ 195,946</u> | <u>\$ 23,944</u> | <u>\$ 46,193</u> |
| Basic and diluted earnings per share | <u>\$ 3.31</u> | <u>\$ 5.51</u> | <u>\$ 0.70</u> | <u>\$ 1.31</u> |
| Average basic and diluted shares outstanding | <u>34,717,000</u> | <u>35,538,000</u> | <u>34,214,000</u> | <u>35,328,000</u> |
| Dividends per common share | <u>\$ 3.56</u> | <u>\$ 3.38</u> | <u>\$ 2.40</u> | <u>\$ 2.36</u> |

Landstar System, Inc. and Subsidiary

Consolidated Balance Sheets

(Dollars in thousands, except per share amounts)

(Unaudited)

| | December 27, 2025 | December 28, 2024 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 396,694 | \$ 515,018 |
| Short-term investments | 55,531 | 51,619 |
| Trade accounts receivable, less allowance of \$12,490 and \$12,904 | 670,137 | 683,841 |
| Other receivables, including advances to independent contractors, less allowance of \$18,759 and \$17,812 | 52,784 | 47,160 |
| Assets held for sale | 12,231 | - |
| Other current assets | 28,949 | 22,229 |
| Total current assets | 1,216,326 | 1,319,867 |
| Operating property, less accumulated depreciation and amortization of \$473,642 and \$456,547 | 261,322 | 311,345 |
| Goodwill | 34,005 | 40,933 |
| Other assets | 124,282 | 141,166 |
| Total assets | \$ 1,635,935 | \$ 1,813,311 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Cash overdraft | \$ 56,654 | \$ 61,033 |
| Accounts payable | 369,567 | 383,625 |
| Current maturities of long-term debt | 28,342 | 33,116 |
| Insurance claims | 87,343 | 40,511 |
| Dividends payable | 68,117 | 70,632 |
| Liabilities held for sale | 6,961 | - |
| Other current liabilities | 78,856 | 84,237 |
| Total current liabilities | 695,840 | 673,154 |
| Long-term debt, excluding current maturities | 48,480 | 69,191 |
| Insurance claims | 62,706 | 62,842 |
| Deferred income taxes and other non-current liabilities | 33,244 | 35,685 |
| Shareholders' equity: | | |
| Common stock, \$0.01 par value, authorized 160,000,000 shares, issued 68,590,708 and 68,559,269 | 686 | 686 |
| Additional paid-in capital | 261,256 | 255,260 |
| Retained earnings | 2,852,680 | 2,859,916 |
| Cost of 34,531,982 and 33,243,196 shares of common stock in treasury | (2,313,245) | (2,131,413) |
| Accumulated other comprehensive loss | (5,712) | (12,010) |
| Total shareholders' equity | 795,665 | 972,439 |
| Total liabilities and shareholders' equity | \$ 1,635,935 | \$ 1,813,311 |

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

| | Fiscal Years Ended | | Fiscal Quarters Ended | |
|--|----------------------|----------------------|-----------------------|----------------------|
| | December 27, 2025 | December 28, 2024 | December 27, 2025 | December 28, 2024 |
| <u>Revenue generated through (in thousands):</u> | | | | |
| Truck transportation | | | | |
| Truckload: | | | | |
| Van equipment | \$ 2,328,386 | \$ 2,447,810 | \$ 558,946 | \$ 596,573 |
| Unsided/platform equipment | 1,527,802 | 1,455,663 | 400,526 | 361,910 |
| Less-than-truckload | 95,856 | 99,828 | 23,627 | 21,926 |
| Other truck transportation (1) | 383,970 | 343,253 | 95,163 | 100,400 |
| Total truck transportation | 4,336,014 | 4,346,554 | 1,078,262 | 1,080,809 |
| Rail intermodal | 87,164 | 84,328 | 23,981 | 18,347 |
| Ocean and air cargo carriers | 241,433 | 289,902 | 52,737 | 88,173 |
| Other (2) | 79,149 | 98,461 | 19,489 | 22,001 |
| | \$ 4,743,760 | \$ 4,819,245 | \$ 1,174,469 | \$ 1,209,330 |
| Revenue on loads hauled via BCO Independent Contractors (3) included in total truck transportation | \$ 1,803,514 | \$ 1,821,989 | \$ 457,662 | \$ 447,074 |
| <u>Number of loads:</u> | | | | |
| Truck transportation | | | | |
| Truckload: | | | | |
| Van equipment | 1,124,539 | 1,170,772 | 274,492 | 282,877 |
| Unsided/platform equipment | 487,060 | 476,815 | 117,565 | 114,188 |
| Less-than-truckload | 151,518 | 153,253 | 35,826 | 33,907 |
| Other truck transportation (1) | 180,683 | 160,120 | 45,077 | 45,568 |
| Total truck transportation | 1,943,800 | 1,960,960 | 472,960 | 476,540 |
| Rail intermodal | 29,970 | 27,970 | 8,010 | 6,550 |
| Ocean and air cargo carriers | 31,120 | 34,440 | 6,750 | 8,320 |
| | 2,004,890 | 2,023,370 | 487,720 | 491,410 |
| Loads hauled via BCO Independent Contractors (3) included in total truck transportation | 798,050 | 814,150 | 201,040 | 193,510 |
| <u>Revenue per load:</u> | | | | |
| Truck transportation | | | | |
| Truckload: | | | | |
| Van equipment | \$ 2,071 | \$ 2,091 | \$ 2,036 | \$ 2,109 |
| Unsided/platform equipment | 3,137 | 3,053 | 3,407 | 3,169 |
| Less-than-truckload | 633 | 651 | 659 | 647 |
| Other truck transportation (1) | 2,125 | 2,144 | 2,111 | 2,203 |
| Total truck transportation | 2,231 | 2,217 | 2,280 | 2,268 |
| Rail intermodal | 2,908 | 3,015 | 2,994 | 2,801 |
| Ocean and air cargo carriers | 7,758 | 8,418 | 7,813 | 10,598 |
| Revenue per load on loads hauled via BCO Independent Contractors (3) | \$ 2,260 | \$ 2,238 | \$ 2,276 | \$ 2,310 |
| <u>Revenue by capacity type (as a % of total revenue):</u> | | | | |
| Truck capacity providers: | | | | |
| BCO Independent Contractors (3) | 38% | 38% | 39% | 37% |
| Truck Brokerage Carriers | 53% | 52% | 53% | 52% |
| Rail intermodal | 2% | 2% | 2% | 2% |
| Ocean and air cargo carriers | 5% | 6% | 4% | 7% |
| Other | 2% | 2% | 2% | 2% |

| | December 27, 2025 | December 28, 2024 |
|--|----------------------|----------------------|
| <u>Truck Capacity Providers:</u> | | |
| BCO Independent Contractors (3) | 7,712 | 8,082 |
| Truck Brokerage Carriers: | | |
| Approved and active (4) | 36,852 | 43,718 |
| Other approved | 25,938 | 26,527 |
| | 62,790 | 70,245 |
| Total available truck capacity providers | 70,502 | 78,327 |
| Trucks provided by BCO Independent Contractors (3) | 8,514 | 8,843 |

(1) Includes power-only, expedited, straight truck, cargo van, and miscellaneous other truck transportation revenue generated by the transportation logistics segment. Power-only refers to shipments where the Company furnishes a power unit and an operator but not trailing equipment, which is typically provided by the shipper or consignee.

(2) Includes primarily reinsurance premium revenue generated by the insurance segment and intra-Mexico transportation services revenue generated by Landstar Metro.

(3) BCO Independent Contractors are independent contractors who provide truck capacity to the Company under exclusive lease arrangements.

(4) Active refers to Truck Brokerage Carriers who moved at least one load in the 180 days immediately preceding the fiscal quarter end.

Landstar System, Inc. and Subsidiary
Reconciliation of Gross Profit to Variable Contribution
(Dollars in thousands)
(Unaudited)

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

- (1) Includes costs of revenue incurred related to internally developed software including ASC 350-40 amortization, implementation costs, hosting costs and other support costs utilized to support the Company's independent commission sales agents, third party capacity providers, and customers, included as a portion of depreciation and amortization and of selling, general and administrative in the Company's Consolidated Statements of Income.
- (2) Primarily includes (i) insurance premiums paid for commercial auto liability, general liability, cargo and other lines of coverage related to the transportation of freight; (ii) the related cost of claims incurred under those programs; and (iii) brokerage commissions and other fees incurred relating to the administration of insurance programs available to BCO Independent Contractors that are reinsured by the Company, which are included in selling, general and administrative in the Company's Consolidated Statements of Income.

LANDSTAR



Landstar System, Inc.

4Q | 2025

Earnings Conference Call



LANDSTAR



4Q | 2025

Forward-Looking Statements Disclaimer

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

LANDSTAR



4Q | 2025

Non-GAAP Financial Measures

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

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

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

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



4Q | 2025

Executive Summary

Frank Lonegro

Chief Executive Officer

RESULTS

Dollars in Millions (except per share amounts)

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

HIGHLIGHTS

4Q revenue performance

Strong performance in our services hauled by unsided/platform equipment

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

Operating income and EPS

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

Strong balance sheet

Continuing to return meaningful capital to stockholders

Investing through the cycle

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



4Q | 2025

AI Strategy

Jim Applegate

Chief Corporate Sales, Strategy and
Specialized Freight Officer

AI For The Landstar Network of Entrepreneurs

In-flight AI Efforts

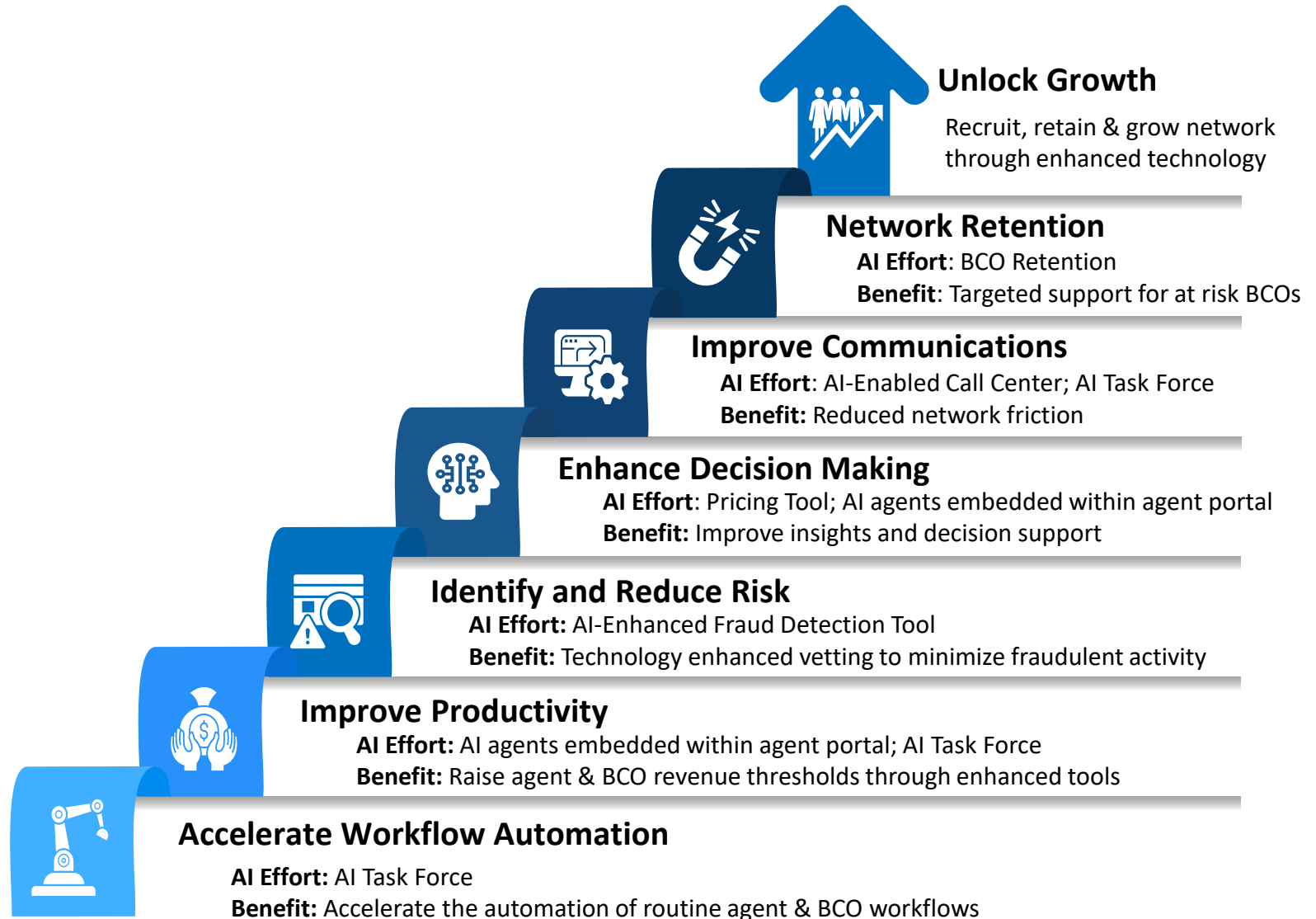


Improve productivity and unlock Agent & BCO growth

Attract & retain Agents & BCOs

Strengthen reputation as the leader in Safety, Security and Service

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



AI For Landstar Corporate

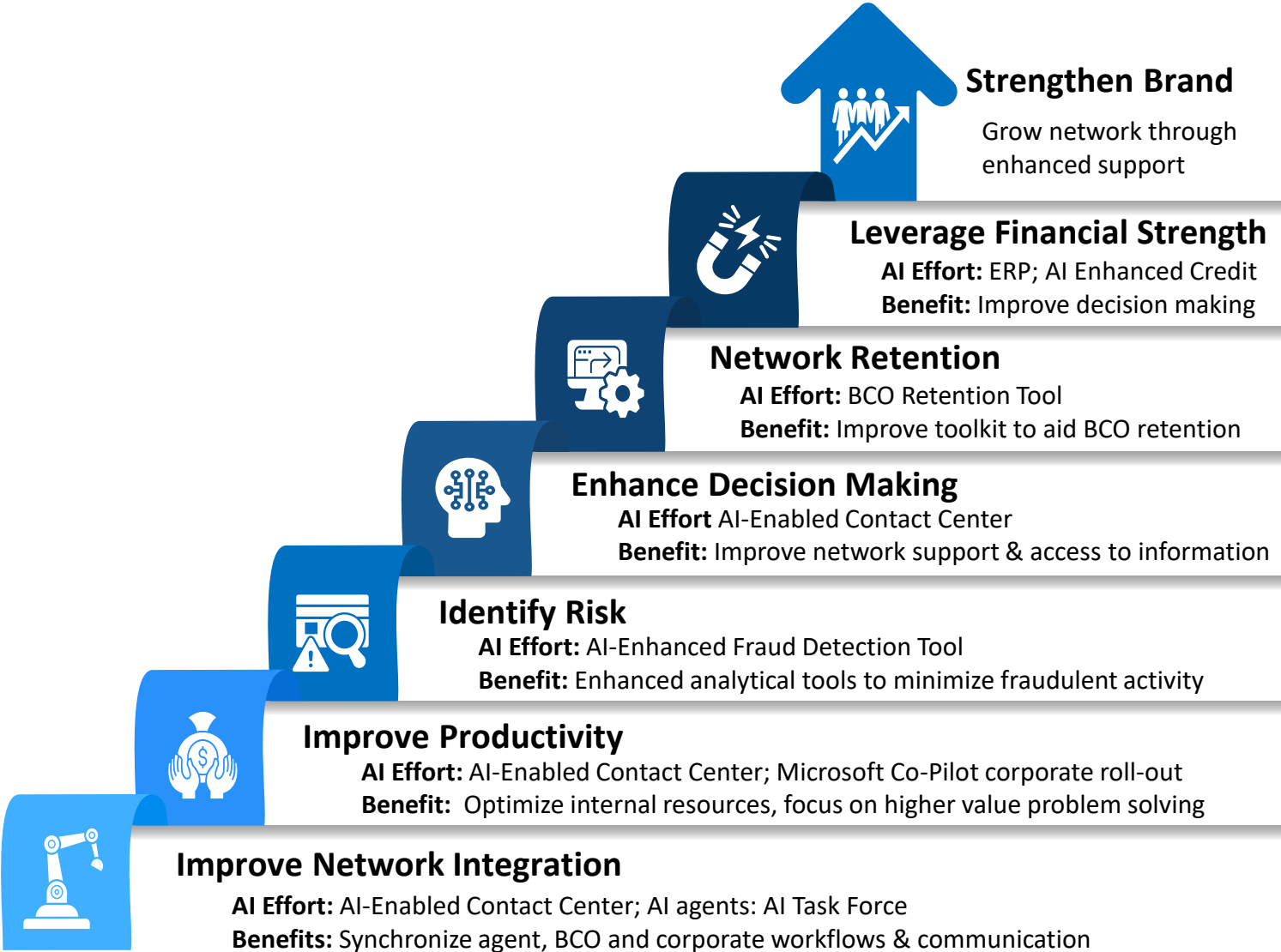
In-flight AI Efforts



Improve the experience for all Landstar Network stakeholders

Optimize the deployment of resources

Minimize risk and reduce friction throughout the Landstar Network





4Q | 2025

Network and Capacity

Frank Lonegro

Chief Executive Officer

Landstar Network and 4Q Truckload Operating Results



LANDSTAR NETWORK

Agents
~**960**

Customers
20,000+

Capacity
70,000+

Employees*
~**1,300**

* Excluding LSTR Metro



4Q RESULTS

\$1.08B

Truck Revenue

473K

Truck Loadings

\$2,280

Truck Revenue per Load

457

Million \$ Agents**

8,514

BCO Trucks

62,790

Carriers

17,400+

Trailers

0.59

DOT Accidents
per Million Miles***

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

Truck Capacity

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



AVAILABLE TRUCK CAPACITY PROVIDERS

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

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

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



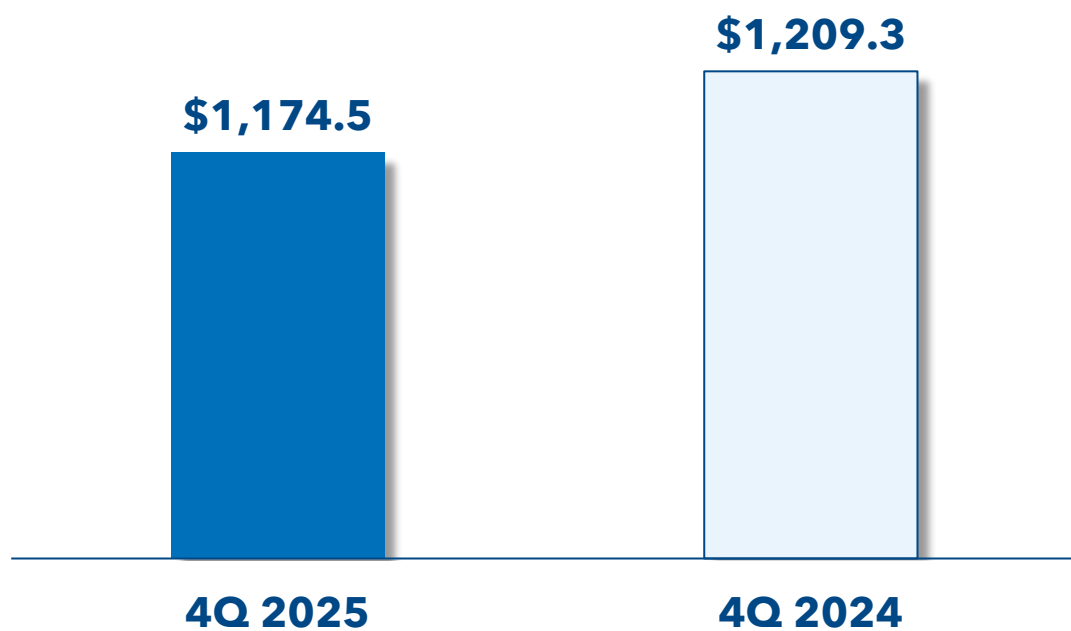
4Q | 2025

Financial Results

Jim Todd

Chief Financial Officer

RESULTS



VARIANCE

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

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

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

Revenue Variances

by Industry Served with Revenue Share Indicated

Amounts in Percent



Transportation logistics revenue down 3% Y-O-Y

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

Gross Profit ⁽¹⁾ and Variable Contribution ⁽²⁾

with Associated Margins

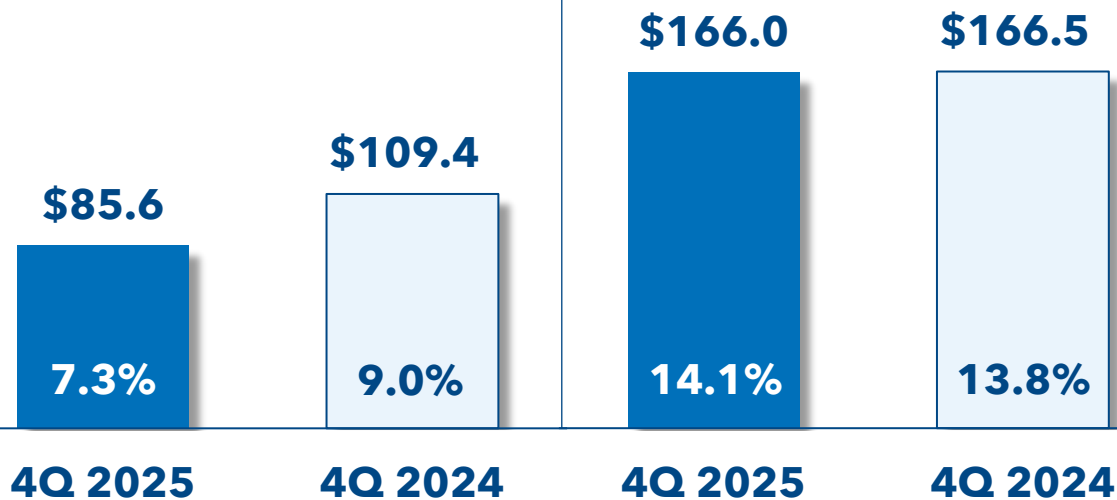
Dollars in Millions



RESULTS

Gross Profit

Variable Contribution



CHANGE IN VC MARGIN

Amounts in %

4Q

2024

13.8

Revenue - Variable

0.2

Change in Mix/Other

0.2

Revenue - Fixed ⁽³⁾

(0.1)

2025

14.1

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

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

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

Operating Income

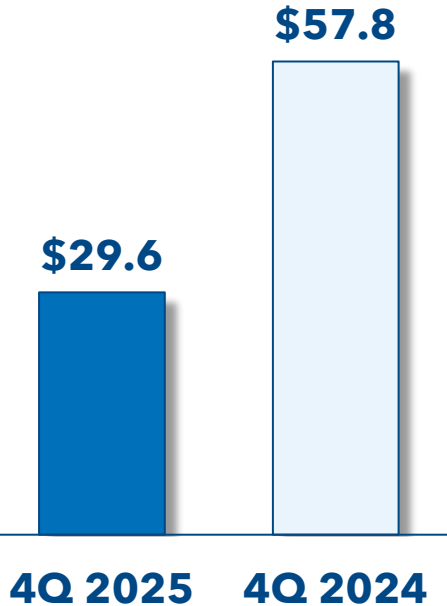
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



RESULTS

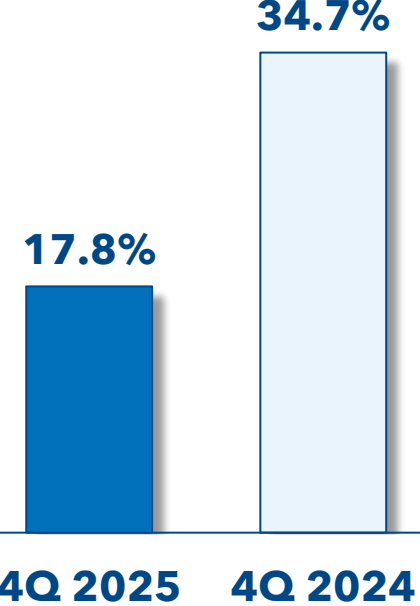
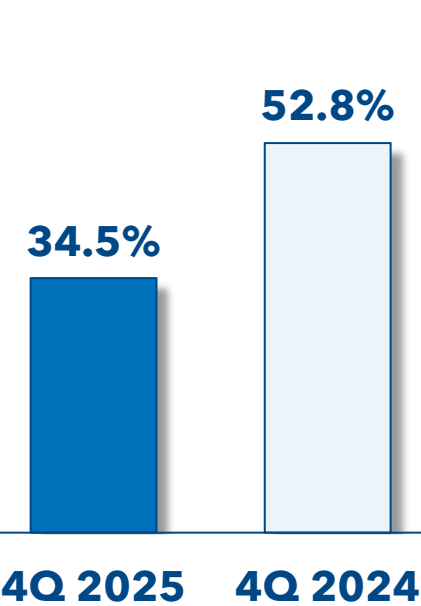
Operating Income



Percentage of

Gross Profit

Variable Contribution



CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

4Q

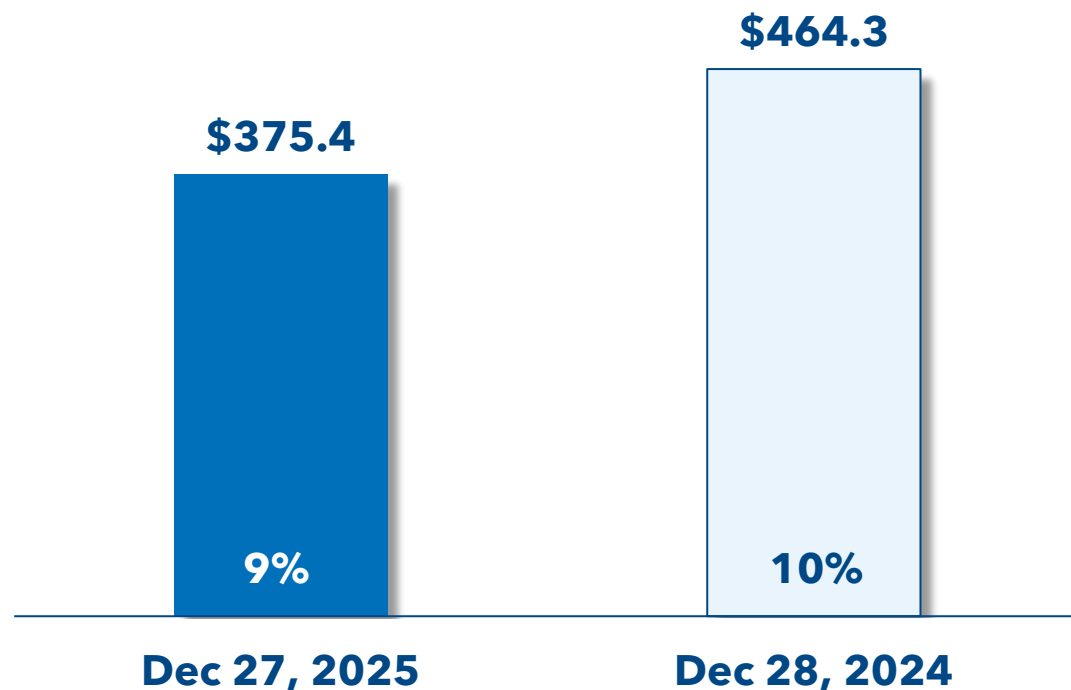
| 2024 | 34.7 |
|-------------------------------|-------------|
| Insurance and claims | (16.2) |
| Non-cash impairment charges | (1.2) |
| SG&A | (0.8) |
| Other operating costs | 0.0 |
| Depreciation and amortization | 1.3 |
| 2025 | 17.8 |

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 | 4Q 2025 | 4Q 2024 |
|-------------------------------|----------|----------|
| Cash flow from operations | \$ 224.9 | \$ 286.6 |
| Capital expenditures | \$ 9.9 | \$ 31.0 |
| Free cash flow ⁽³⁾ | \$ 215.0 | \$ 255.6 |
| Share repurchases | \$ 179.9 | \$ 81.4 |
| Dividends paid | \$ 124.8 | \$ 120.5 |

RETURNS

Trailing 12 months as of date indicated

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

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

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

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



4Q | 2025

Closing Remarks

Frank Lonegro

Chief Executive Officer

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

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

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

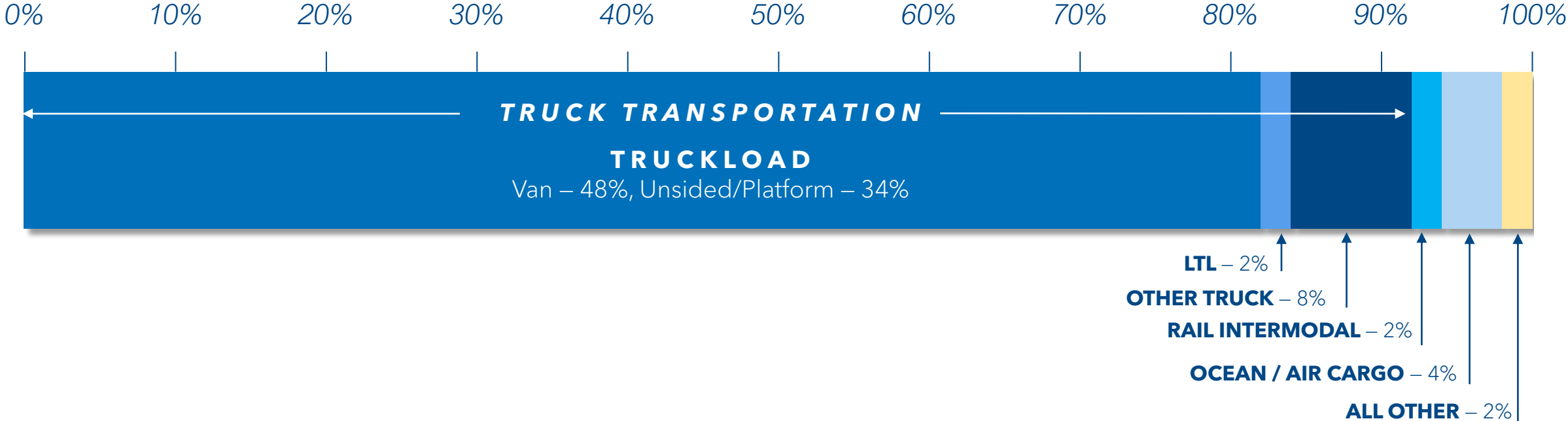
- **Truck Revenue:** Mid-single digit to high-single digit decrease from 4Q to 1Q
- **Truck Loads:** 4% decline 4Q to 1Q
- **Truck Revenue per Load:** 4% decline 4Q to 1Q



4Q | 2025

Appendix

PERCENTAGE OF REVENUE 4Q 2025 by Service Type



CHANGE IN SHARE SINCE 4Q 2024

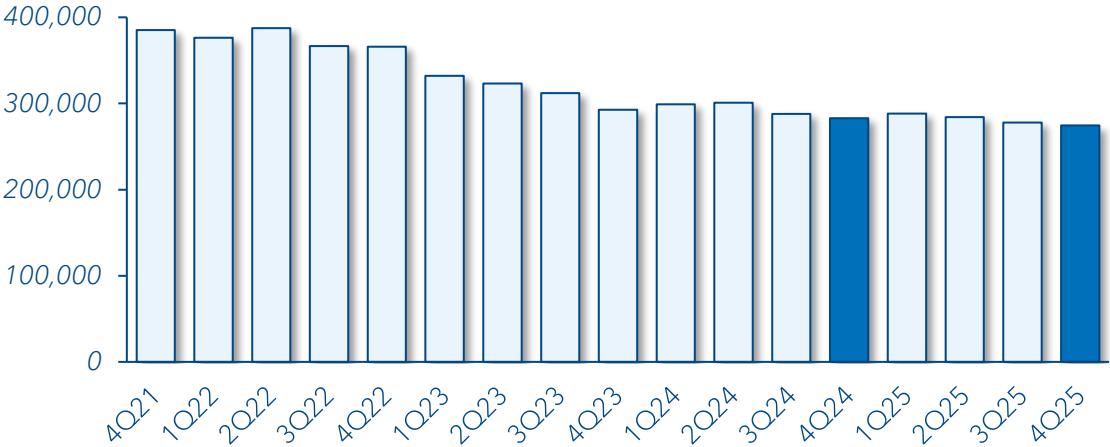
| Van Equipment | Unsided/ Platform Equipment | LTL | Other Truck Transportation | Rail Intermodal | Ocean/ Air cargo | All Other |
|---------------|-----------------------------|---------|----------------------------|-----------------|------------------|-----------|
| 49% ↻ 48% | 30% ↻ 34% | 2% ↻ 2%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

Truckload Loadings and Revenue per Truckload Trends

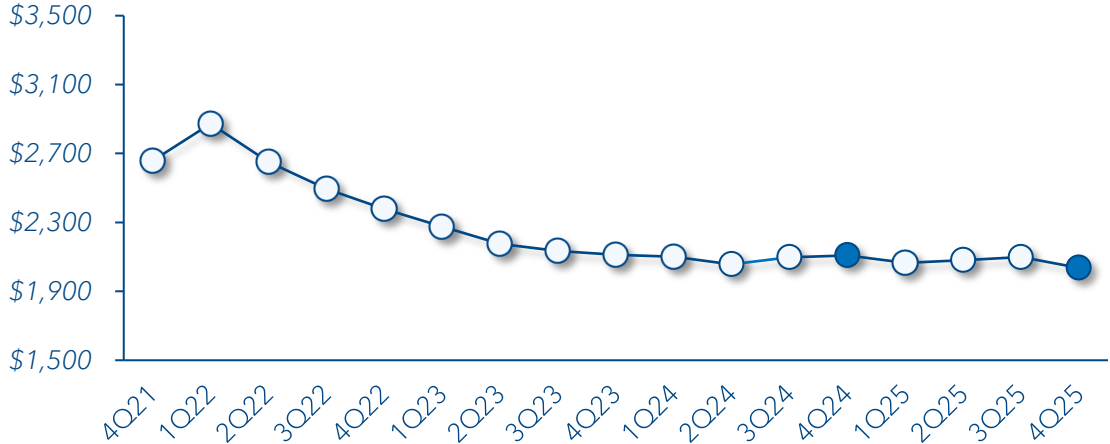


VAN

NUMBER OF LOADS

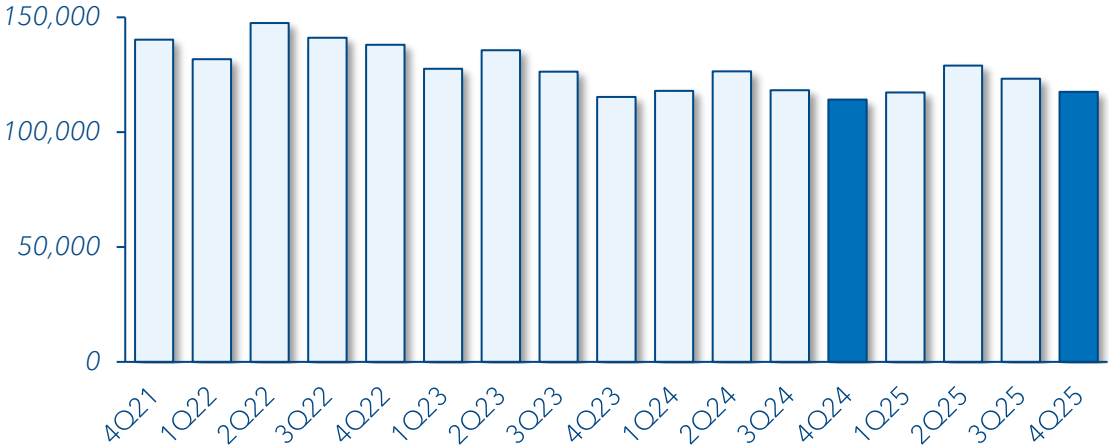


REVENUE PER LOAD

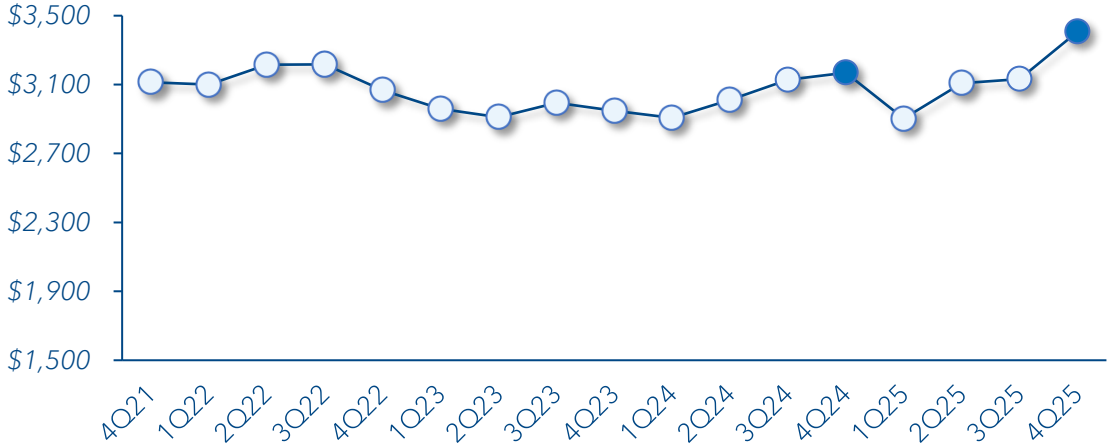


UNSIDED / PLATFORM

NUMBER OF LOADS



REVENUE PER LOAD

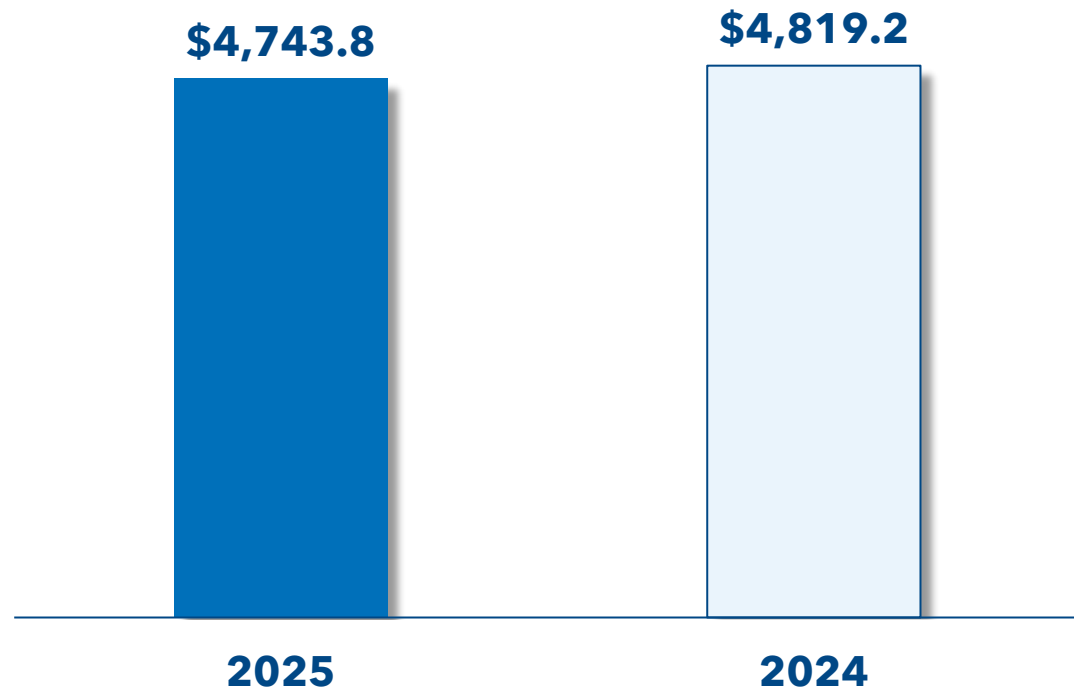


Revenue - Fiscal Year

Dollars in Millions



RESULTS



VARIANCE

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

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

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

Gross Profit and Variable Contribution - Fiscal Year

with Associated Margins

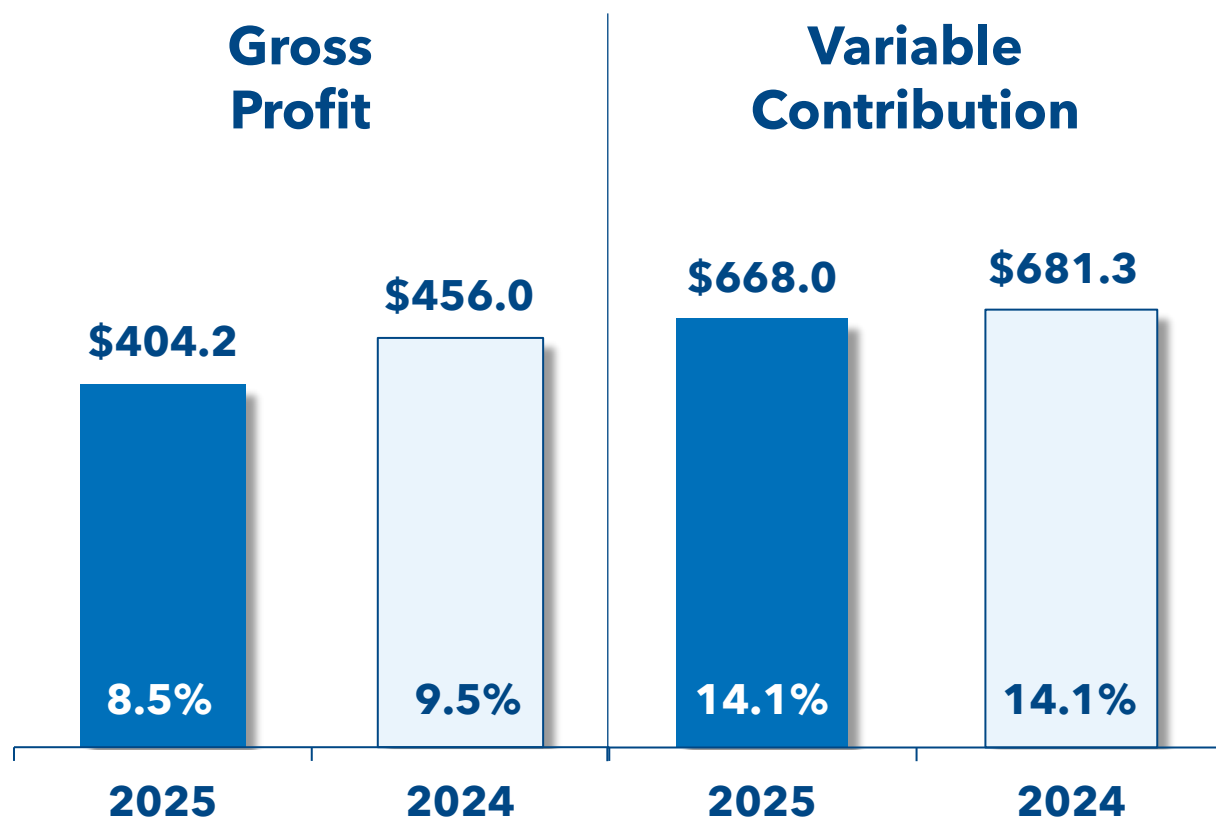
Dollars in Millions



RESULTS

Gross Profit

Variable Contribution



CHANGE IN VC MARGIN

Amounts in %

2025

| 2024 | 2025 |
|--------------------------------|------|
| 2024 | 14.1 |
| Revenue - Fixed ⁽¹⁾ | 0.0 |
| Revenue - Variable | 0.0 |
| Change in Mix/Other | 0.0 |
| 2025 | 14.1 |

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

Operating Income - Fiscal Year

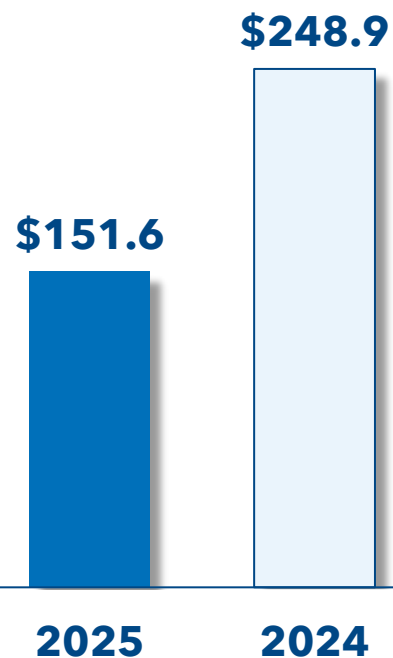
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



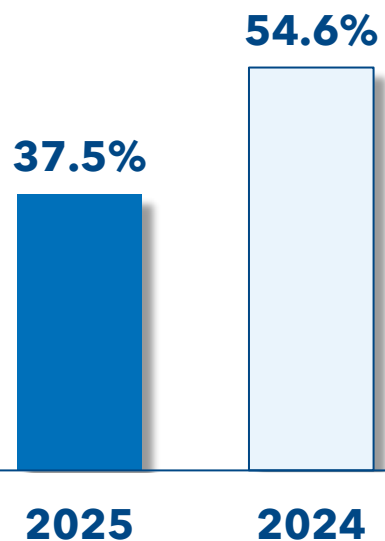
RESULTS

Operating Income

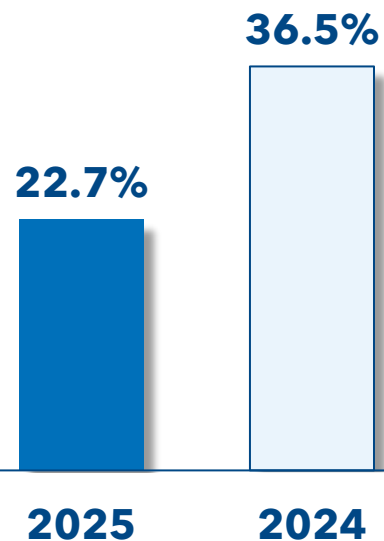


Percentage of

Gross Profit



Variable Contribution



CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

2025

2024

36.5

Insurance and claims

(7.3)

Non-cash impairment charges

(4.8)

SG&A

(2.5)

Other operating costs

(0.6)

Depreciation and amortization

1.4

2025

22.7

Reconciliation of Gross Profit to Variable Contribution

Dollars in Thousands



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

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

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

Free Cash Flow with Stock Purchases and Dividends

Dollars and Shares in Millions



5 - YEAR SUMMARY

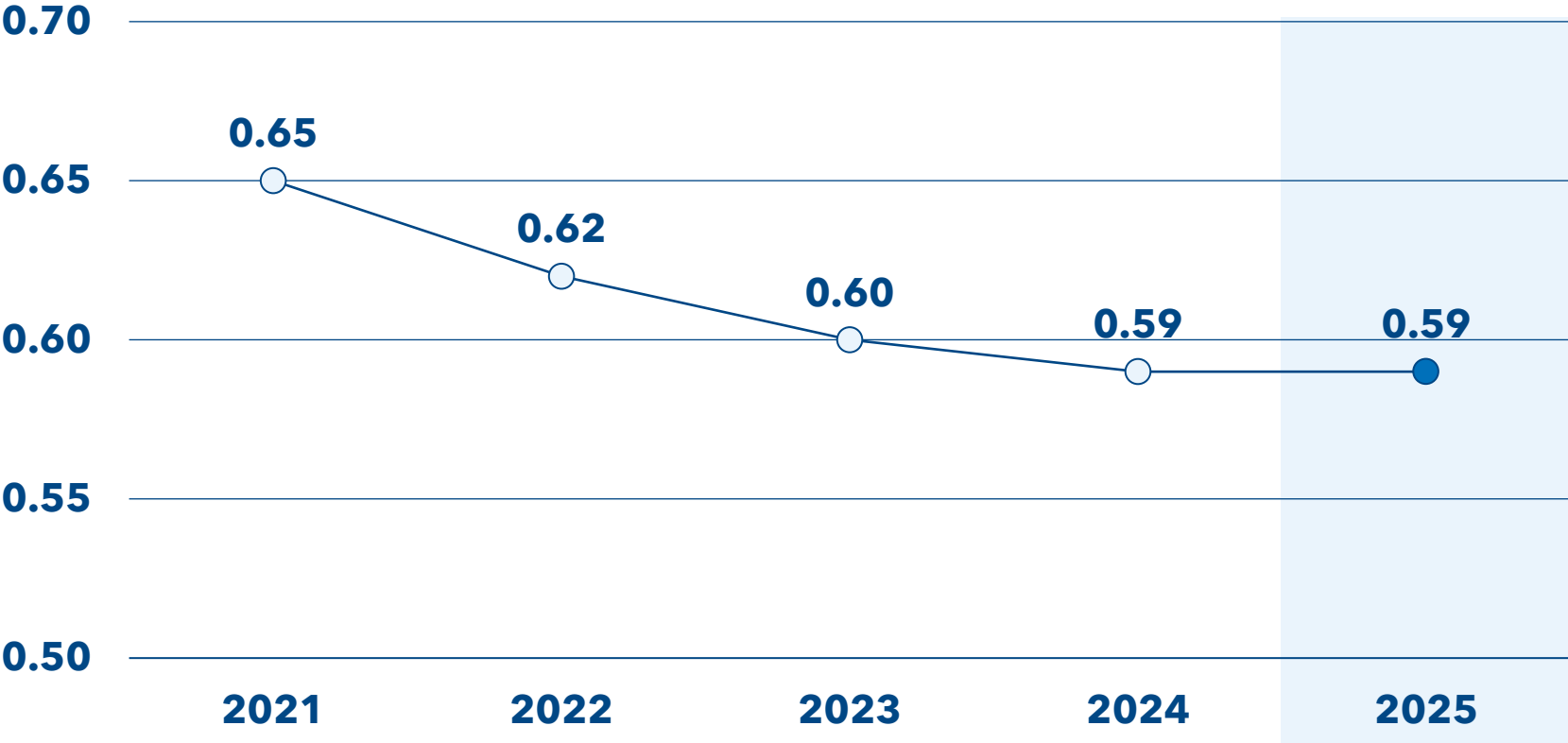
| Cash Flow Item | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Cash flow from operations | \$ 277 | \$ 623 | \$ 394 | \$ 287 | \$ 225 |
| Cash capital expenditures | \$ 24 | \$ 26 | \$ 26 | \$ 31 | \$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

(1) 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.

LANDSTAR



Landstar System, Inc.

4Q | 2025

Earnings Conference Call

