

# LANDSTAR



Landstar System, Inc.

3Q | 2025

Earnings Conference Call



# LANDSTAR



## 3Q | 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



## 3Q | 2025

### Non-GAAP Financial Measures

In this slide presentation, the Company provides the following information that may be deemed non-GAAP financial measures: (i) adjusted operating income, (ii) adjusted basic and diluted earnings per share ("Adjusted Earnings per Share" or "Adjusted EPS"), (iii) variable contribution, (iv) variable contribution margin, (v) adjusted operating income as a percentage of gross profit, (vi) operating income as a percentage of variable contribution, and (vii) adjusted operating income as a percentage of variable contribution.

Management believes adjusted operating income and Adjusted EPS are useful measures of the profitability of the Company's business given the non-cash, non-recurring nature of three discrete impairment charges (the "Non-Cash Impairment Charges") included in the Company's 2025 third quarter results and previously described in a Current Report on Form 8-K filed with the SEC on August 13, 2025.

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 and adjusted operating income as a percentage of variable contribution are useful measures 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 believes adjusted operating income as a percentage of gross profit is a useful measure for purposes of comparison given the non-cash, non-recurring nature of the Non-Cash Impairment Charges.

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 reconciliations of (i) operating income to adjusted operating income, (ii) basic and diluted earnings per share ("Earnings per Share") to Adjusted EPS, (iii) gross profit to variable contribution and (iv) gross profit margin to variable contribution margin for the 2025 and 2024 third quarters and year-to-date periods are included in this slide presentation within the Appendix.



3Q | 2025

## Executive Summary

**Frank Lonegro**

Chief Executive Officer

## RESULTS

Dollars in Millions (except per share amounts)

| Metric                                     | 3Q 2025    | 3Q 2024    | Chg.    |
|--|------------|------------|---------|
| Revenue                                    | \$ 1,205.4 | \$ 1,213.9 | (0.7%)  |
| Operating Income                           | \$ 26.3    | \$ 63.1    | (58.3%) |
| Adjusted Operating Income <sup>(1)</sup>   | \$ 56.4    | \$ 63.1    | (10.6%) |
| Earnings per Share                         | \$ 0.56    | \$ 1.41    | (60.3%) |
| Adjusted Earnings per Share <sup>(1)</sup> | \$ 1.22    | \$ 1.41    | (13.5%) |

(1) Excludes the impact of the Non-Cash Impairment Charges in the 2025 third quarter. See Appendix for reconciliations to the applicable closest GAAP measure.

## HIGHLIGHTS

### 3Q revenue performance

Strong performance in our services hauled by unsided/platform equipment

### Truck capacity

3Q BCO truck count grew sequentially; best performance since 1Q 2022

### 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 3Q Truckload Operating Results



## LANDSTAR NETWORK

Agents  
**~1,000**

Customers  
**23,000+**

Capacity  
**75,000+**

Employees  
**~1,400**



## 3Q RESULTS

**\$1.09B**

Truck Revenue

**485K**

Truck Loadings

**\$2,245**

Truck Revenue per Load

**485**

Million \$ Agents\*

**8,618**

BCO Trucks

**67,465**

Carriers

**17,400+**

Trailers

**0.60**

DOT Accidents  
per Million Miles\*\*

\* Based on 2024 fiscal year \*\* Based on 3Q 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                                      | Sep 27, 2025  | Jun 28, 2025  | Dec 28, 2024  | Sep 28, 2024  |
|---|---------------|---------------|---------------|---------------|
| BCO Independent Contractors                           | 7,827         | 7,844         | 8,082         | 8,266         |
| Truck Brokerage Carriers                              |               |               |               |               |
| Approved and Active <sup>(1)</sup>                    | 40,004        | 41,842        | 43,718        | 44,828        |
| Other Approved  | 27,461        | 27,672        | 26,527        | 25,714        |
| Total Truck Brokerage Carriers                        | 67,465        | 69,514        | 70,245        | 70,542        |
| <i>Total Available Truck Capacity Providers</i>       | <i>75,292</i> | <i>77,358</i> | <i>78,327</i> | <i>78,808</i> |
| <b>Trucks Provided by BCO Independent Contractors</b> | <b>8,618</b>  | <b>8,611</b>  | <b>8,843</b>  | <b>9,027</b>  |

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

Note: Fuel surcharges billed to customers on freight hauled by BCO Independent Contractors, which are paid 100% to the BCO and not included in either revenue or the cost of purchased transportation, were \$169.5 million and \$197.1 million in the 2025 and 2024 year-to-date periods, respectively, and \$58.8 million and \$61.2 million in the 2025 and 2024 third quarters, respectively.



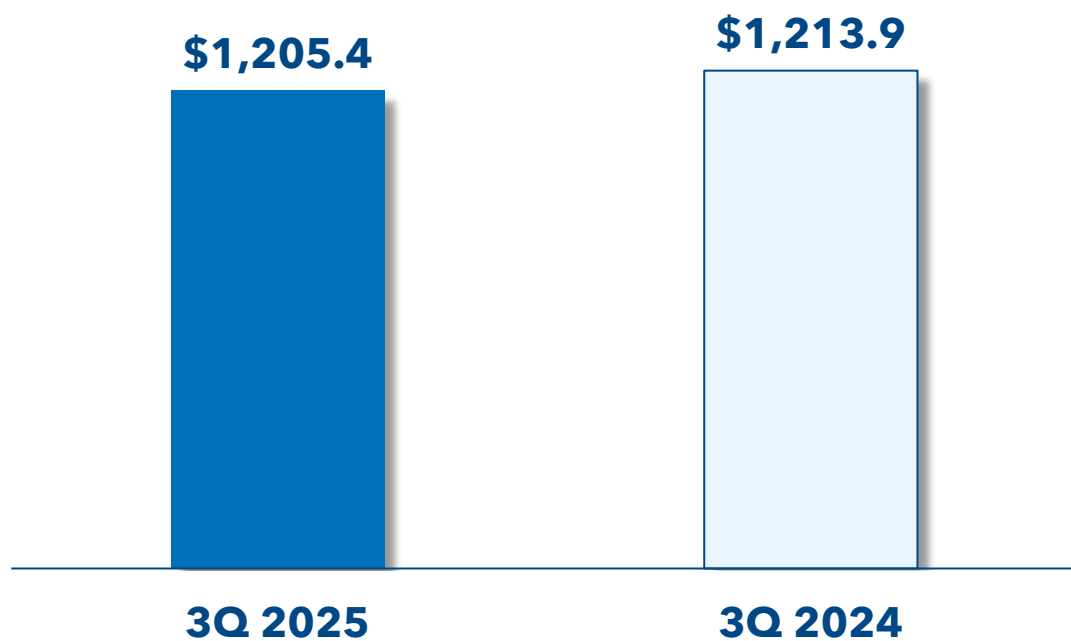
3Q | 2025

## Financial Results

**Jim Todd**

Chief Financial Officer

## RESULTS



## VARIANCE

| Revenue Source       | Rate <sup>(1)</sup> | Vol. <sup>(2)</sup> | Chg.          |
|----------------------|---------------------|---------------------|---------------|
| Truck                | (0.0%)              | (0.1%)              | (0.1%)        |
| Rail Intermodal      | (0.6%)              | 13.5%               | 12.8%         |
| Ocean/Air            | 7.6%                | (12.0%)             | (5.3%)        |
| Insurance Premiums   | N/A                 | N/A                 | (6.0%)        |
| <b>Total Revenue</b> | <b>–</b>            | <b>–</b>            | <b>(0.7%)</b> |

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

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

# Revenue Variances

by Industry Served with Revenue Share Indicated

Amounts in Percent



## Transportation logistics revenue down 1% Y-O-Y

| Revenue Share |         | Market Segment       | Y-O-Y Change<br>in Revenue |
|---------------|---------|----------------------|----------------------------|
| 3Q 2025       | 3Q 2024 |                      |                            |
| 27.4          | 28.4    | Consumer Durables    | (4)                        |
| 15.3          | 13.8    | Machinery            | 10                         |
| 9.0           | 9.8     | Building Products    | (8)                        |
| 9.0           | 9.5     | Automotive           | (6)                        |
| 8.4           | 6.6     | Electrical           | 26                         |
| 6.9           | 7.1     | AA&E, Hazmat         | (3)                        |
| 4.8           | 5.0     | Metals               | (5)                        |
| 2.9           | 2.5     | Energy               | 18                         |
| 1.6           | 1.9     | Substitute Line Haul | (19)                       |
| 14.7          | 15.4    | Other                | (5)                        |

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

with Associated Margins

Dollars in Millions



## RESULTS

### Gross Profit

### Variable Contribution

\$111.1

\$112.7

\$170.2

\$171.4

9.2%

9.3%

14.1%

14.1%

3Q 2025

3Q 2024

3Q 2025

3Q 2024

## CHANGE IN VC MARGIN

Amounts in %

3Q

2024

14.1

Revenue - Variable

(0.2)

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

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% and 42% of revenue in the 2025 and 2024 third quarters, respectively.

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

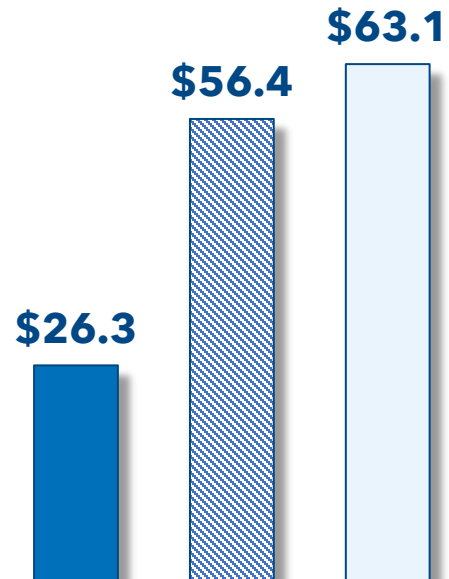
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



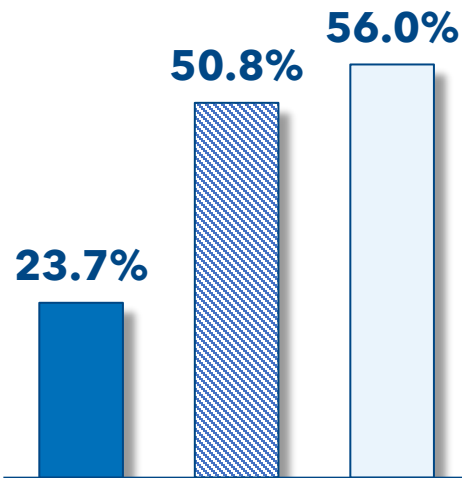
## RESULTS

### Operating Income

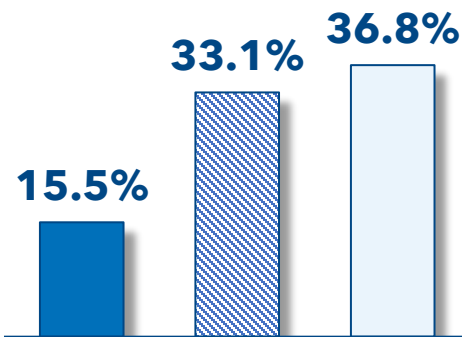


### Percentage of

Gross Profit



Variable Contribution



## CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

3Q

|                                   |             |
|-----------------------------------|-------------|
| <b>2024</b>                       | <b>36.8</b> |
| Non-Cash Impairment Charges       | (17.7)      |
| SG&A                              | (3.5)       |
| Insurance and claims              | (2.0)       |
| Other operating costs             | (0.3)       |
| Depreciation                      | 2.2         |
| <b>2025</b>                       | <b>15.5</b> |
| Plus: Non-Cash Impairment Charges | 17.7        |
| <b>2025 (as adjusted)</b>         | <b>33.1</b> |

■ 3Q 2025 GAAP operating income and related percentages

▨ 3Q 2025 adjusted operating income and related percentages

□ 3Q 2024 GAAP operating income and related percentages

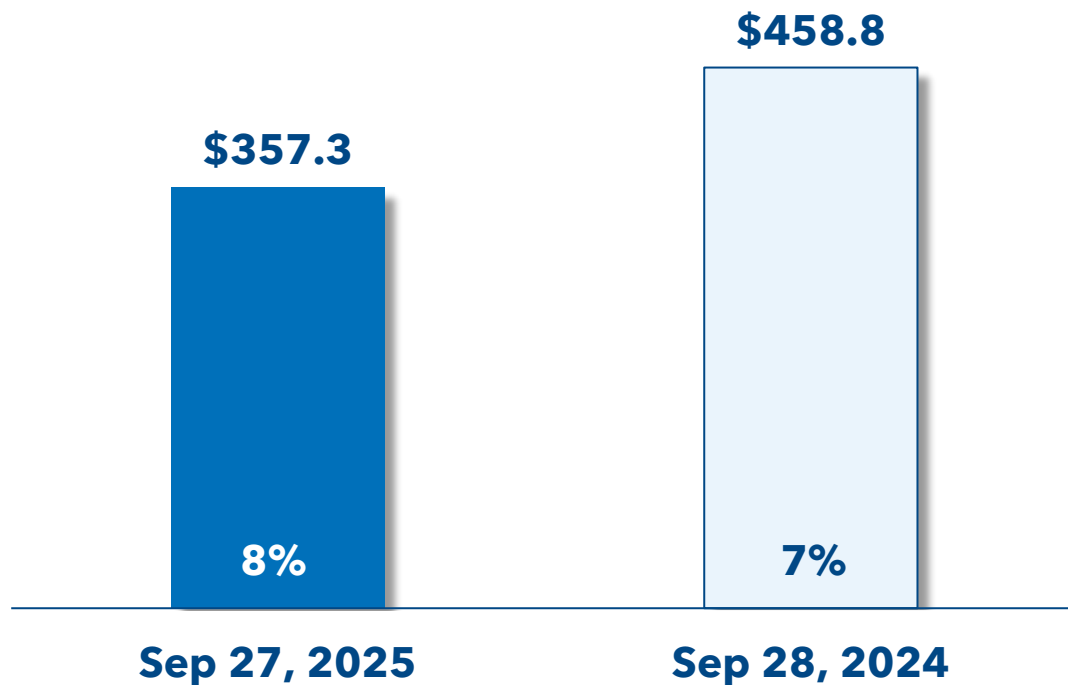
(1) Adjusted operating income equals operating income plus impairment of intangible and other assets.

# Key Balance Sheet and Cash Flow Statistics

Dollars in Millions



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



## SOURCES / USES OF CASH

Year-to-date as of date indicated

| Cash Flow Type                | 3Q 2025  | 3Q 2024  |
|-------------------------------|----------|----------|
| Cash flow from operations     | \$ 152.2 | \$ 225.4 |
| Capital expenditures          | \$ 7.7   | \$ 24.3  |
| Free cash flow <sup>(3)</sup> | \$ 144.5 | \$ 201.2 |
| Share repurchases             | \$ 143.2 | \$ 78.7  |
| Dividends paid                | \$ 111.1 | \$ 107.8 |

## RETURNS

Trailing 12 months as of date indicated

| Return Type      | Sep 27, 2025 <sup>(4)</sup> | Sep 28, 2024 |
|------------------|-----------------------------|--------------|
| Equity           | 15%                         | 21%          |
| Invested Capital | 13%                         | 19%          |
| Assets           | 8%                          | 12%          |

(1) Net cash is defined as cash and cash equivalents of \$375.2 million plus short term investments of \$59.2 million less outstanding debt of \$77.1 million as of September 27, 2025. As of September 28, 2024, net cash was cash and cash equivalents of \$468.8 million plus short term investments of \$62.5 million less outstanding debt of \$72.5 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.

(4) Excluding the impact of the non-cash non-recurring impairment charges, return on equity, invested capital and assets for the trailing 12 months ended September 27, 2025 would have been 17%, 15% and 9%, respectively.



3Q | 2025

## Closing Remarks

**Frank Lonegro**

Chief Executive Officer

## ➔ **Current Market Update** - October business activity:

- **Truck Loads:** October approximately 3% below October 2024
  - Modestly below typical September to October month-to-month historical trends
- **Truck Revenue per Load:** October approximately equal to October 2024
  - Slightly below typical September to October month-to-month historical trends

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

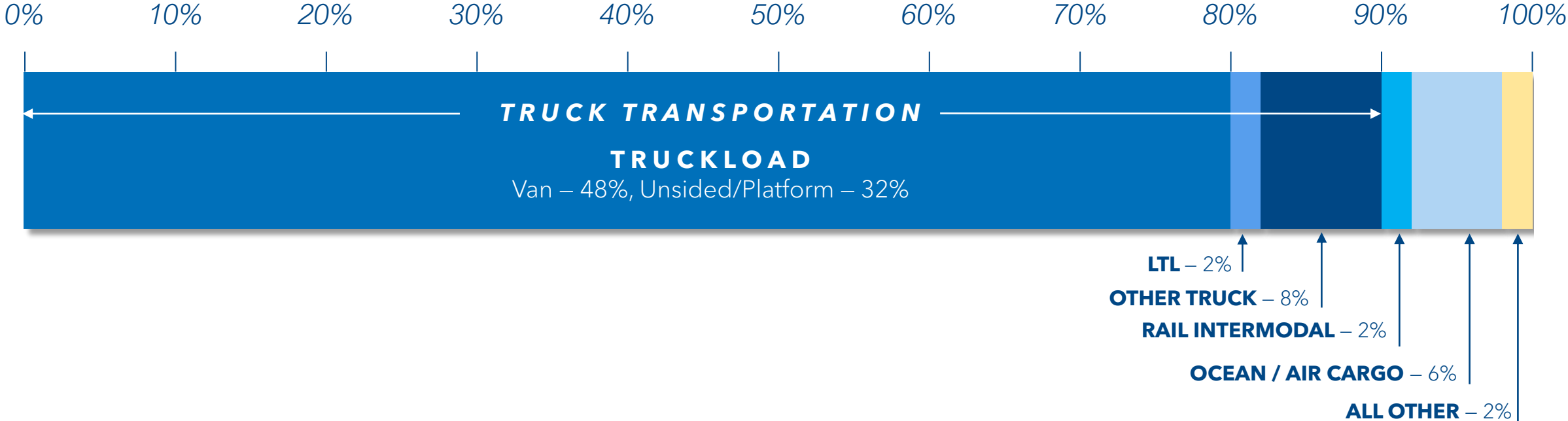
- **Truck Revenue:** Slight increase from 3Q to 4Q
- **Truck Loads:** Slight increase 3Q to 4Q
- **Truck Revenue per Load:** Slight increase 3Q to 4Q



3Q | 2025

Appendix

## PERCENTAGE OF REVENUE 3Q 2025 by Service Type



### CHANGE IN SHARE SINCE 3Q 2024

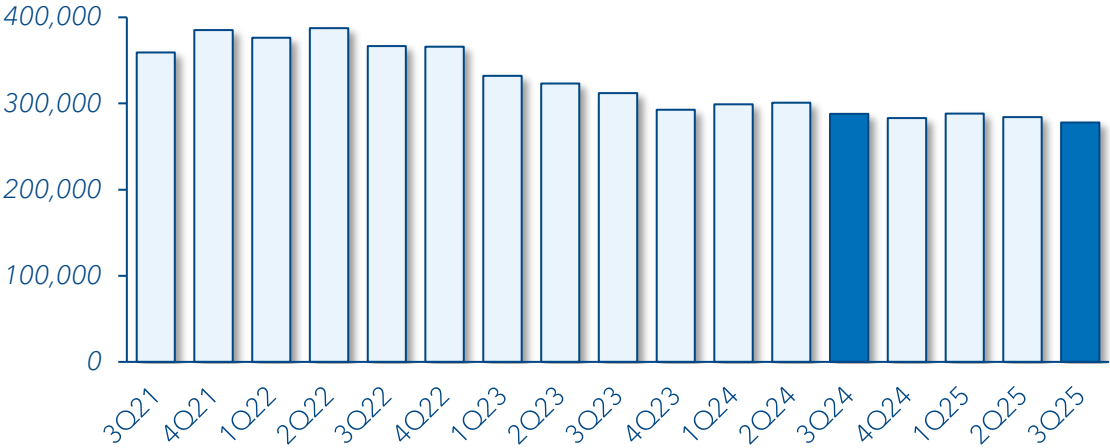
| Van Equipment | Unsided/ Platform Equipment | LTL     | Other Truck Transportation | Rail Intermodal | Ocean/ Air cargo | All Other |
|---------------|-----------------------------|---------|----------------------------|-----------------|------------------|-----------|
| 50% → 48%     | 30% → 32%                   | 2% → 2% | 8% → 8%                    | 2% → 2%         | 6% → 6%          | 2% → 2%   |

# Truckload Loadings and Revenue per Truckload Trends

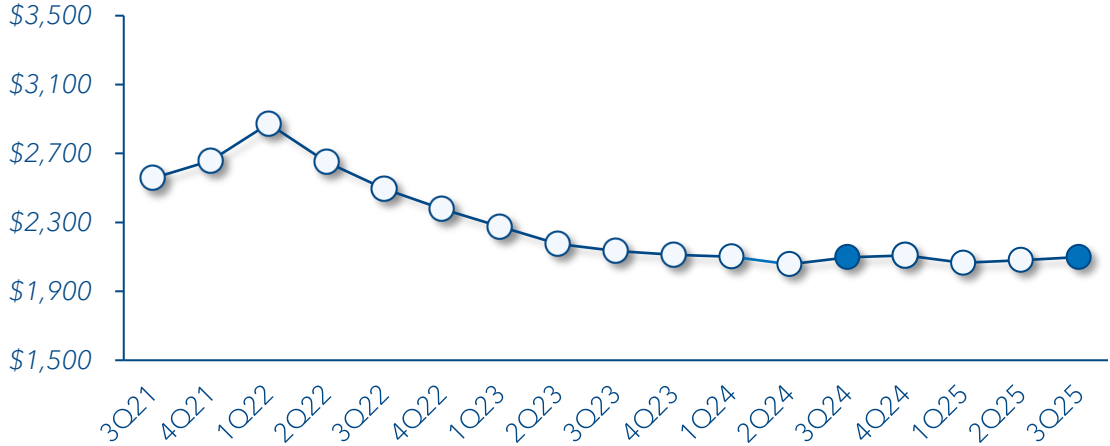


## VAN

**NUMBER OF LOADS**

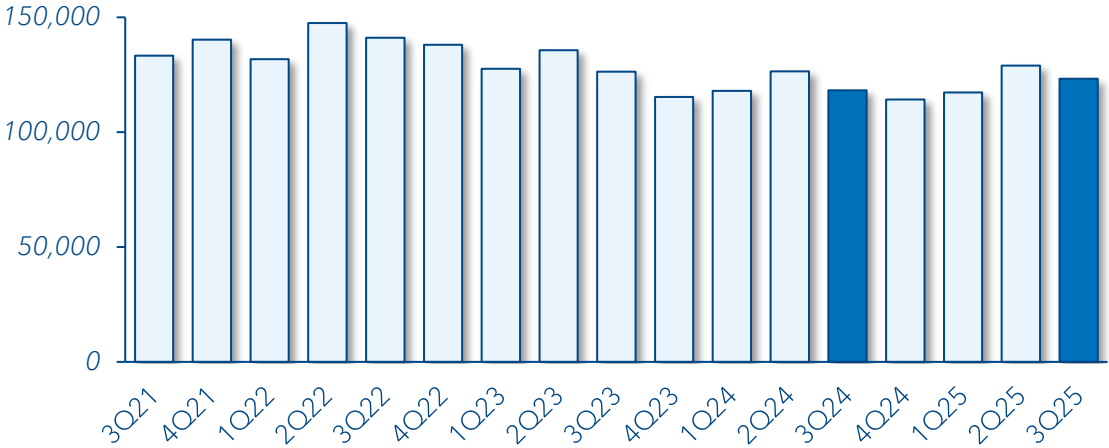


**REVENUE PER LOAD**

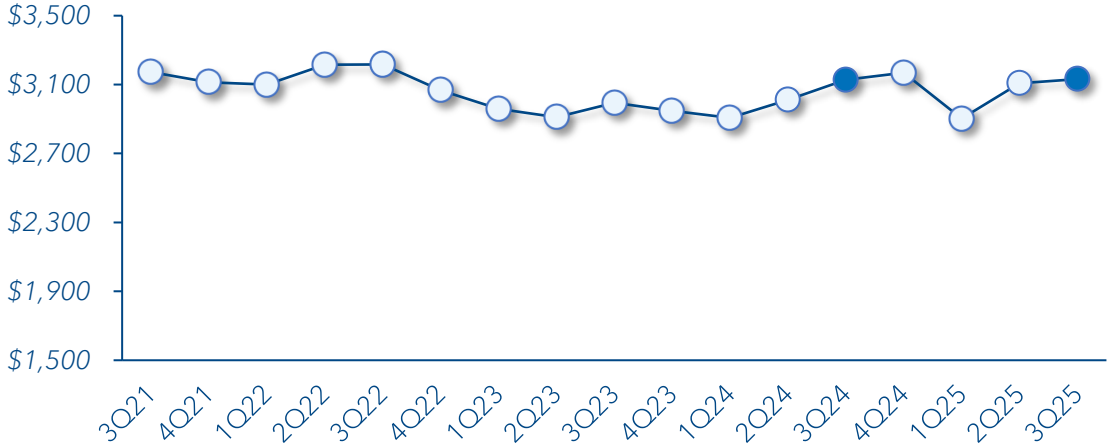


## UNSIDED / PLATFORM

**NUMBER OF LOADS**



**REVENUE PER LOAD**

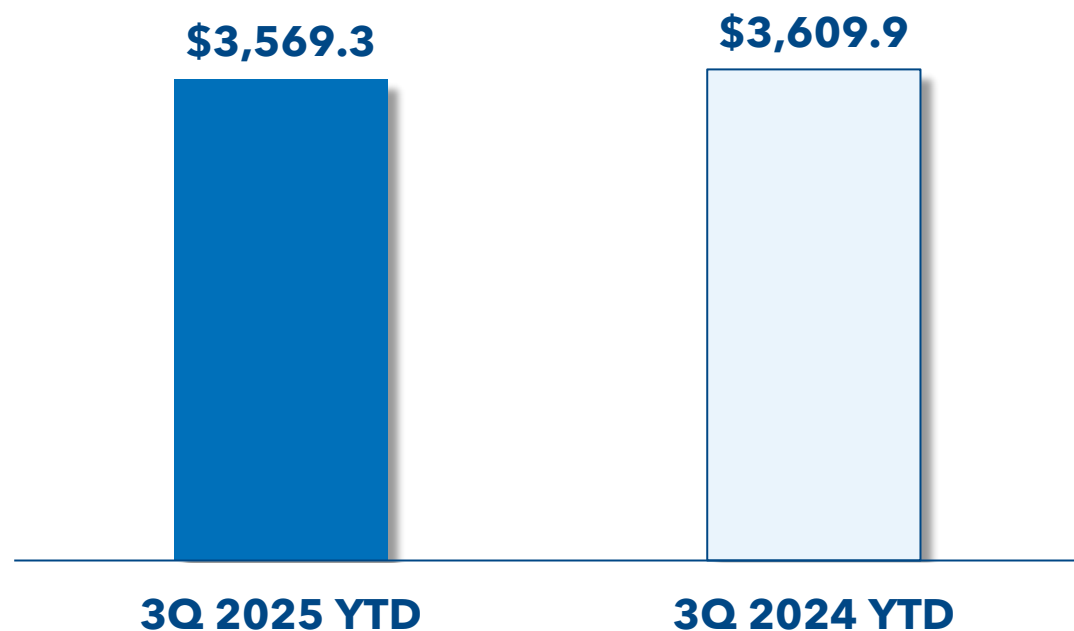


# Revenue - Year-to-Date

Dollars in Millions



## RESULTS



## VARIANCE

| Revenue Source       | Rate <sup>(1)</sup> | Vol. <sup>(2)</sup> | Chg.          |
|----------------------|---------------------|---------------------|---------------|
| Truck                | 0.7%                | (0.9%)              | (0.2%)        |
| Rail Intermodal      | (6.6%)              | 2.5%                | (4.2%)        |
| Ocean/Air            | 0.3%                | (6.7%)              | (6.5%)        |
| Insurance Premiums   | N/A                 | N/A                 | (8.2%)        |
| <b>Total Revenue</b> | <b>-</b>            | <b>-</b>            | <b>(1.1%)</b> |

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

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

# Gross Profit and Variable Contribution - Year-to-Date

with Associated Margins

Dollars in Millions



## RESULTS

### Gross Profit

### Variable Contribution

\$318.6

\$346.6

\$502.0

\$514.7

8.9%

9.6%

14.1%

14.3%

3Q 2025 YTD

3Q 2024 YTD

3Q 2025 YTD

3Q 2024 YTD

## CHANGE IN VC MARGIN

Amounts in %

3Q YTD

2024

14.3

Revenue - Fixed <sup>(1)</sup>

0.0

Revenue - Variable

(0.1)

Change in Mix/Other

(0.1)

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 year-to-date periods.

# Operating Income - Year-to-Date

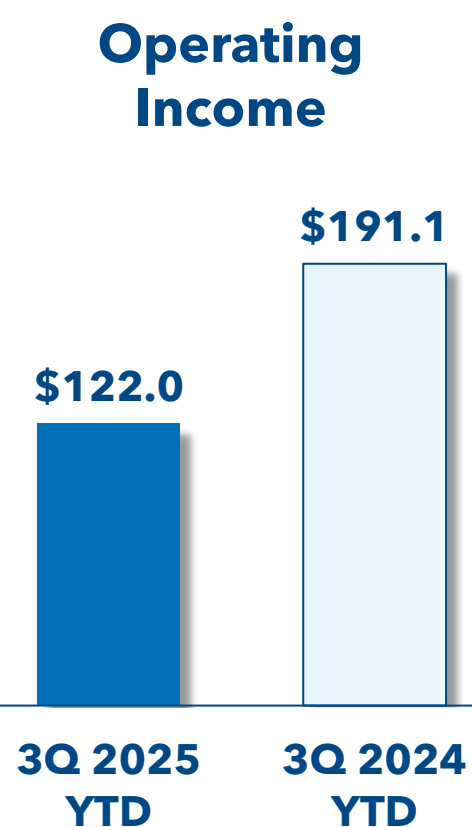
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



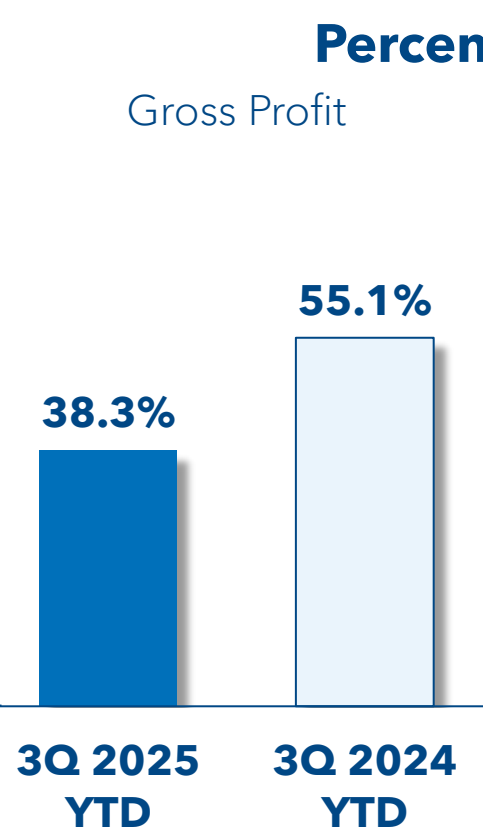
## RESULTS

### Operating Income

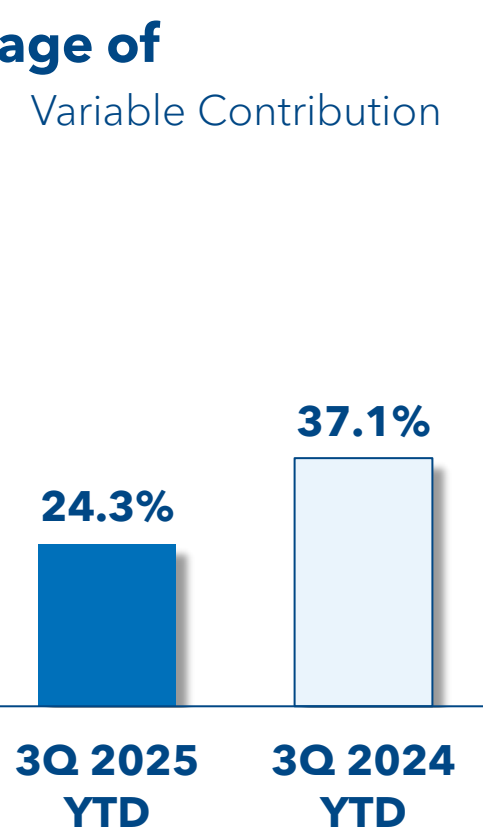


### Percentage of

Gross Profit



Variable Contribution



## CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

3Q YTD

|                               |             |
|-------------------------------|-------------|
| <b>2024</b>                   | <b>37.1</b> |
| Impairment                    | (6.0)       |
| Insurance and claims          | (4.3)       |
| SG&A                          | (3.1)       |
| Other operating costs         | (0.8)       |
| Depreciation and amortization | 1.4         |
| <b>2025</b>                   | <b>24.3</b> |

# Adjusted Operating Income - Year-to-Date

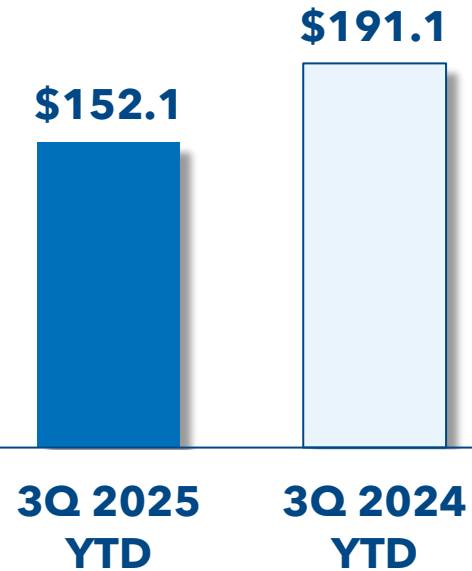
as a Percentage of Gross Profit and Variable Contribution

Dollars in Millions



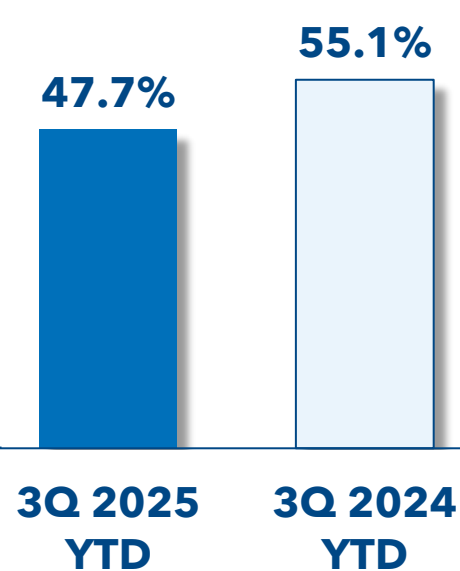
## RESULTS

### Adjusted Operating Income

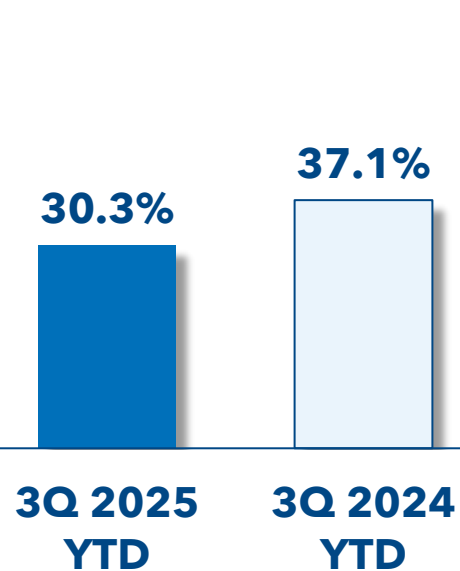


### Percentage of

Gross Profit



Variable Contribution



## CHANGE IN PERCENTAGE

of Variable Contribution

Amounts in %

3Q YTD

| 2024                          | 37.1  |
|-------------------------------|-------|
| Insurance and claims          | (4.3) |
| SG&A                          | (3.1) |
| Other operating costs         | (0.8) |
| Depreciation and amortization | 1.4   |
| 2025                          | 30.3  |

# Reconciliation of Gross Profit to Variable Contribution

Dollars in Thousands



|                                  | Thirty-Nine Weeks Ended |                   | Thirteen Weeks Ended |                   |
|----------------------------------|-------------------------|-------------------|----------------------|-------------------|
|                                  | Sep 27,<br>2025         | Sep 28,<br>2024   | Sep 27,<br>2025      | Sep 28,<br>2024   |
| Revenue                          | \$ 3,569,291            | \$ 3,609,915      | \$ 1,205,406         | \$ 1,213,867      |
| Costs of revenue:                |                         |                   |                      |                   |
| Purchased transportation         | 2,775,761               | 2,799,384         | 936,472              | 943,805           |
| Commissions to agents            | 291,529                 | 295,801           | 98,693               | 98,703            |
| Variable costs of revenue        | 3,067,290               | 3,095,185         | 1,035,165            | 1,042,508         |
| Trailing equipment depreciation  | 20,829                  | 20,764            | 6,985                | 6,930             |
| Information technology costs (1) | 10,928                  | 18,115            | 3,319                | 6,129             |
| Insurance-related costs (2)      | 104,622                 | 85,122            | 33,305               | 30,463            |
| Other operating costs            | 46,996                  | 44,138            | 15,572               | 15,144            |
| Other costs of revenue           | 183,375                 | 168,139           | 59,181               | 58,666            |
| Total costs of revenue           | 3,250,665               | 3,263,324         | 1,094,346            | 1,101,174         |
| <b>Gross profit</b>              | <b>\$ 318,626</b>       | <b>\$ 346,591</b> | <b>\$ 111,060</b>    | <b>\$ 112,693</b> |
| Gross profit margin              | 8.9%                    | 9.6%              | 9.2%                 | 9.3%              |
| Plus: other costs of revenue     | 183,375                 | 168,139           | 59,181               | 58,666            |
| <b>Variable contribution</b>     | <b>\$ 502,001</b>       | <b>\$ 514,730</b> | <b>\$ 170,241</b>    | <b>\$ 171,359</b> |
| Variable contribution margin     | 14.1%                   | 14.3%             | 14.1%                | 14.1%             |

(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.

# Reconciliations of GAAP Operating Income to Adjusted Operating Income and GAAP EPS to Adjusted EPS

Dollars in Thousands (except per share amounts)



|   | Thirty-Nine Weeks Ended |                   | Thirteen Weeks Ended |                  |
|---|-------------------------|-------------------|----------------------|------------------|
|   | Sep 27,<br>2025         | Sep 28,<br>2024   | Sep 27,<br>2025      | Sep 28,<br>2024  |
| GAAP operating income                           | \$ 122,025              | \$ 191,136        | \$ 26,326            | \$ 63,116        |
| Plus: Impairment of intangible and other assets | 30,104                  | -                 | 30,104               | -                |
| Adjusted operating income                       | <u>\$ 152,129</u>       | <u>\$ 191,136</u> | <u>\$ 56,430</u>     | <u>\$ 63,116</u> |

|   | Thirty-Nine Weeks Ended |                 | Thirteen Weeks Ended |                 |
|---|-------------------------|-----------------|----------------------|-----------------|
|   | Sep 27,<br>2025         | Sep 28,<br>2024 | Sep 27,<br>2025      | Sep 28,<br>2024 |
| GAAP basic and diluted earnings per share   | \$ 2.61                 | \$ 4.21         | \$ 0.56              | \$ 1.41         |
| Plus: Impairment of intangible and other assets,<br>net of tax, per basic and diluted share | 0.66                    | -               | 0.66                 | -               |
| Adjusted basic and diluted earnings per share   | <u>\$ 3.27</u>          | <u>\$ 4.21</u>  | <u>\$ 1.22</u>       | <u>\$ 1.41</u>  |

# Free Cash Flow with Stock Purchases and Dividends

Dollars and Shares in Millions



## 5 - YEAR SUMMARY

| <b>Cash Flow Item</b>                    | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Cash flow from operations                | \$ 211      | \$ 277      | \$ 623      | \$ 394      | \$ 287      |
| Cash capital expenditures <sup>(1)</sup> | \$ 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 <sup>(2)</sup>        | 38.4        | 37.7        | 35.9        | 35.7        | 35.3        |

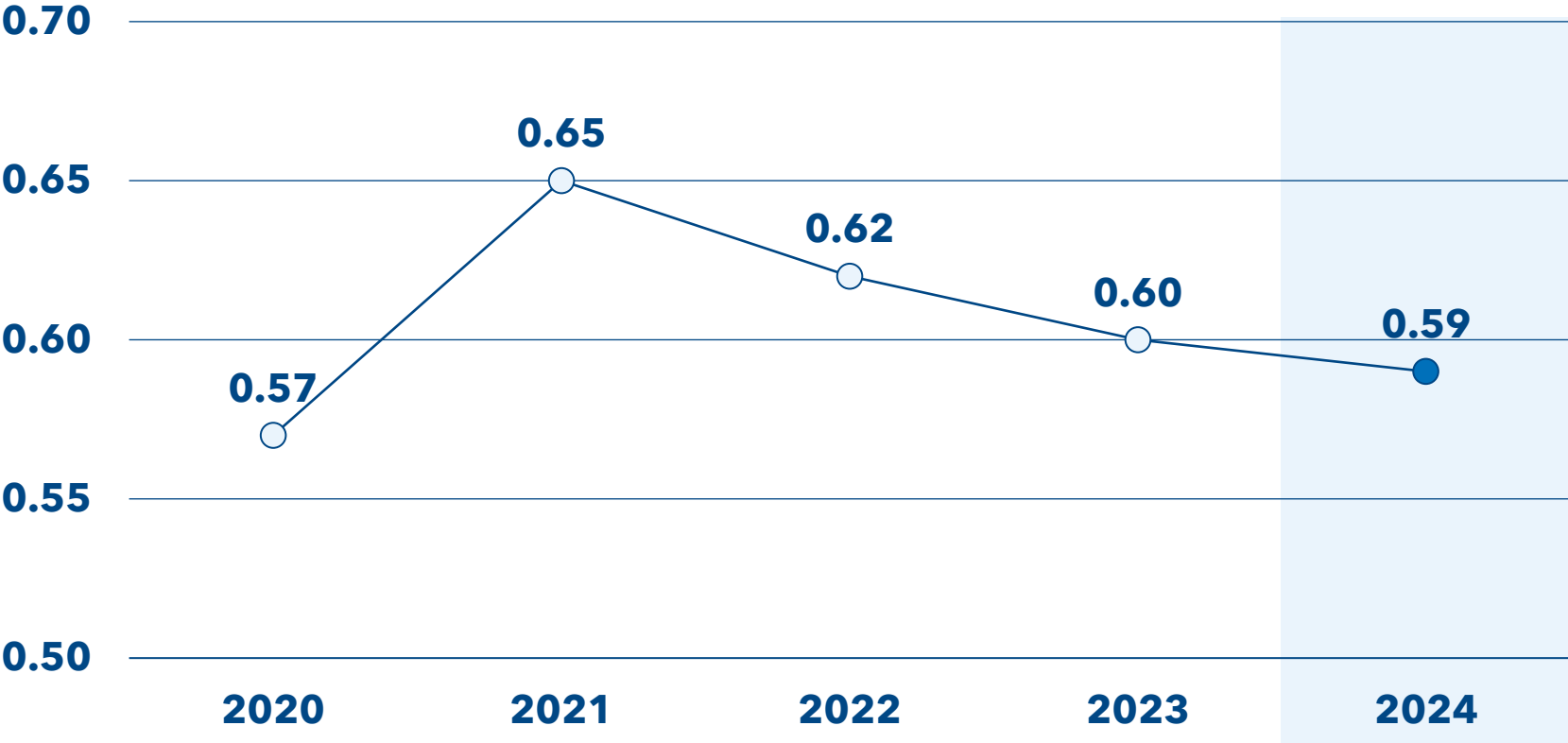
(1) Cash capital expenditures includes purchases of operating property and, for fiscal year 2020, consideration paid for acquisition of a business.

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

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



## 5 - YEAR SUMMARY



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

# LANDSTAR



Landstar System, Inc.

3Q | 2025

Earnings Conference Call

