

**LANDSTAR**



**Research Analysts Presentation**  
2025 Agent Convention

Hollywood, FL  
April 2, 2025



***Ready to Roll!***



# Research Analysts Presentation

## 2025 Agent Convention

Hollywood, FL  
April 2, 2025

### Forward-Looking Statements Disclaimer

The following is a “safe harbor” statement under the Private Securities Litigation Reform Act of 1995.

Statements made during this presentation that are not based on historical facts are “forward-looking statements.” During this presentation, I may make certain statements, containing forward-looking statements, such as statements which relate to Landstar’s business objectives, plans, strategies and expectations. Such statements are by nature subject to uncertainties and risks, including but not limited to: the operational, financial and legal risks detailed in Landstar’s Form 10-K for the 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 Landstar undertakes no obligation to publicly update or revise any forward-looking statements.

Date

# Landstar's Executive Leadership Team



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<b>Frank Lonegro</b>	President & CEO
<b>Joe Beacom</b>	President of Landstar System Holdings, Inc.
<b>Jim Applegate</b>	Chief Corporate Sales, Strategy and Specialized Freight Officer
<b>Aimee Cooper</b>	Chief Administrative Officer
<b>Rick Coro</b>	Chief Information Officer
<b>Matt Dannegger</b>	Chief Field Sales Officer
<b>Mike Kneller</b>	General Counsel and Secretary
<b>Matt Miller</b>	Chief Safety & Operations Officer
<b>Cory Seay</b>	Chief of Staff
<b>Jim Todd</b>	Chief Financial Officer



- Accelerate the **MODEL**
- Execute **GROWTH STRATEGY**
- Manage **RISK**
- Leverage **FINANCIAL STRENGTH**
- Enhance **SUPPORT**

## Board of Directors

Experienced ● Multi-Disciplinary ● Engaged

# Key messages for today



## Successful Model

The Landstar model is unique, strong and resilient with 485 million-dollar agents and ~8,600 trucks provided by BCOs

## Leveraging Scale

Spanning North America and offering all transportation modes with access to over 78,000 capacity providers

## Growth Oriented

Above market growth through model acceleration, strategic levers and possible M&A

## Attracting Entrepreneurs

Successful track record of attracting and retaining independent sales agents and owner operators

## Technology Leadership

Impressive and expanding ecosystem of digital technologies connecting the Landstar network

## Financial Strength

Strong financial returns through the cycle with shareholder-focused capital allocation

**Landstar provides a superior customer experience through an asset-light model**

# Landstar's network supports loyal customer base

## LANDSTAR NETWORK

Agents  
**~1,050**

Customers  
**23,000+**

Capacity  
**78,000+**

Employees  
**~1,400**



## CUSTOMER PROFILE

### Revenue Generation

Customer Segment	Percent of Revenue*
Largest single customer	~6%
Top 100 customers	~46%

### Average Customer Tenure (Years)

Top 25	Top 50	Top 100
31.5	31.3	27.7



**100% Retention**  
of FY23 Top 100 Customers during FY24



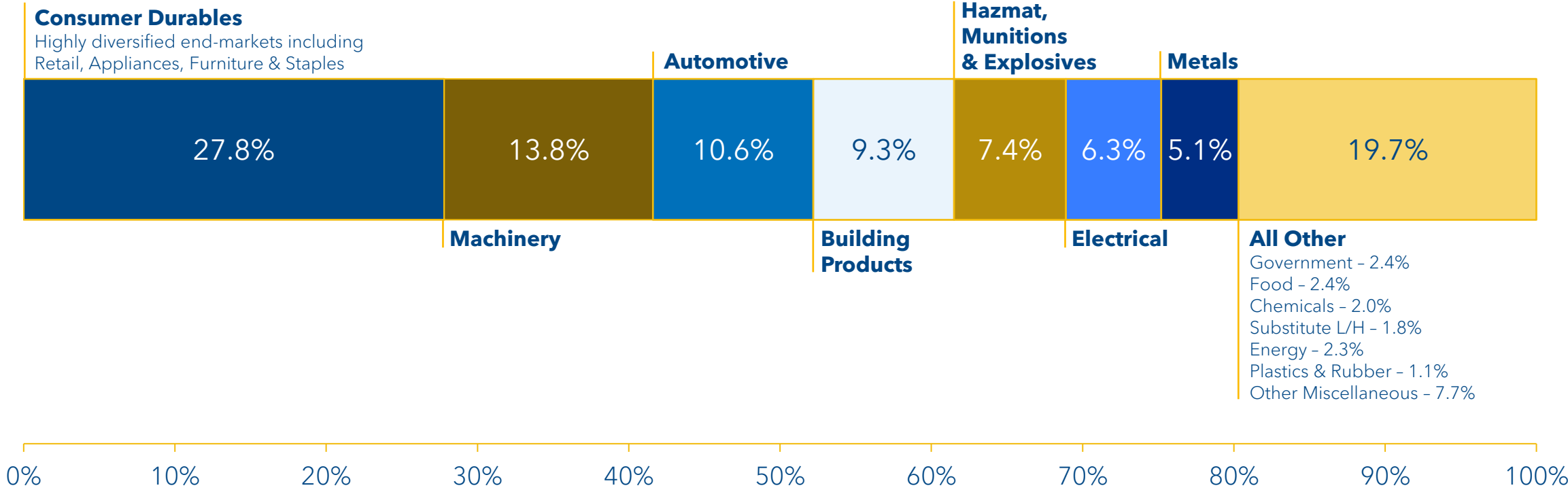
\* Consolidated basis FY '24

# Representing widely diversified commodity groups



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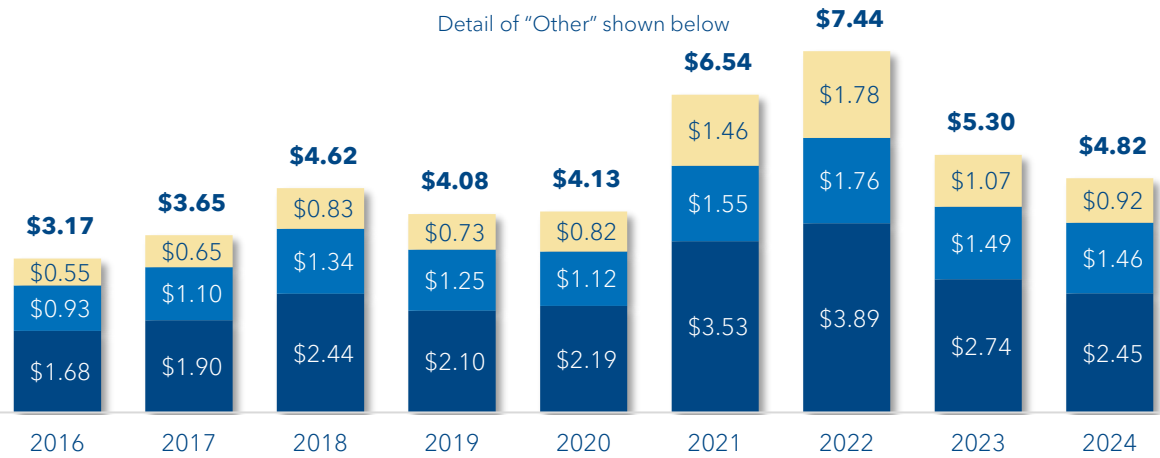
## 2024 REVENUE by Market Segment



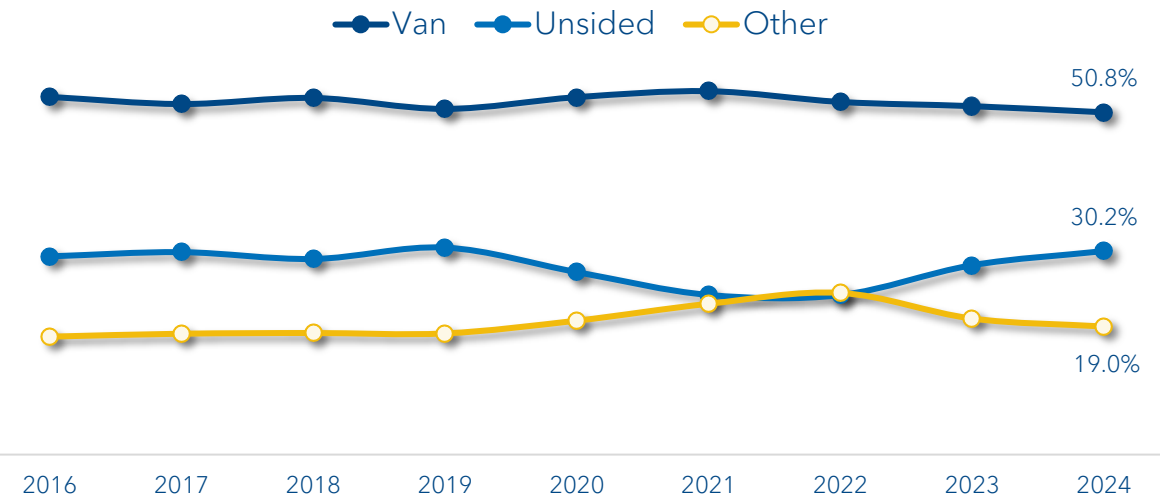
# Utilizing multiple equipment types and service offerings

## Total Revenue (Billions)

Annual Totals in **BOLD**  
 ■ Van ■ Unsided ■ Other  
 Detail of "Other" shown below








## Percents of Total



## Other Category by Year (Millions)

Category	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other truck transportation	\$ 250.7	\$ 306.2	\$ 395.4	\$ 316.9	\$ 406.7	\$ 770.8	\$ 836.0	\$ 479.2	\$ 343.3
Ocean and air cargo carriers	78.5	110.9	134.6	121.5	132.2	327.2	559.0	266.6	289.9
Less-than-truckload	74.5	89.0	102.5	98.3	97.5	117.5	142.4	117.7	99.8
Rail intermodal	103.7	96.4	129.0	118.3	114.3	160.0	145.0	98.3	84.3
Other	46.8	51.5	71.2	79.5	70.7	87.2	101.7	108.9	98.5
<b>Total</b>	<b>\$ 554.3</b>	<b>\$ 654.1</b>	<b>\$ 832.7</b>	<b>\$ 734.5</b>	<b>\$ 821.5</b>	<b>\$ 1,462.7</b>	<b>\$ 1,784.1</b>	<b>\$ 1,070.6</b>	<b>\$ 915.8</b>

# Benefitting from the Landstar customer value proposition

 <b>Experienced Agents</b>	1,000+ agents geographically dispersed throughout North America
 <b>Blended Capacity</b>	Blended capacity solution with vast, 78,000+ network of Landstar BCOs and third-party carriers
 <b>Trailing Equipment</b>	Access to over 17,000 pieces of trailing equipment, the majority of which are deployed in drop and hook operations
 <b>Operational Performance</b>	Best-in-class safety, security and service from the Landstar network
 <b>Technology &amp; Tools</b>	Impressive ecosystem of digital technologies designed to facilitate seamless interaction

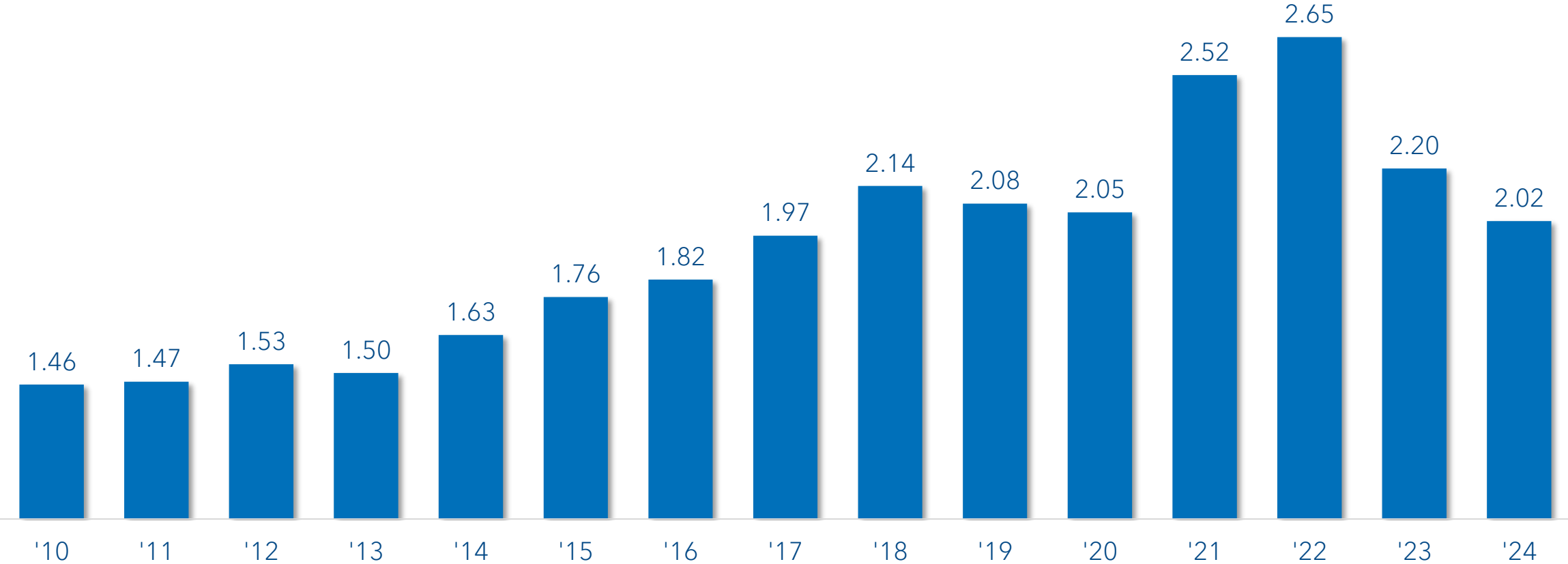
# Driving volume growth of 2.4% CAGR since 2010



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## TOTAL LANDSTAR VOLUMES

(Millions)



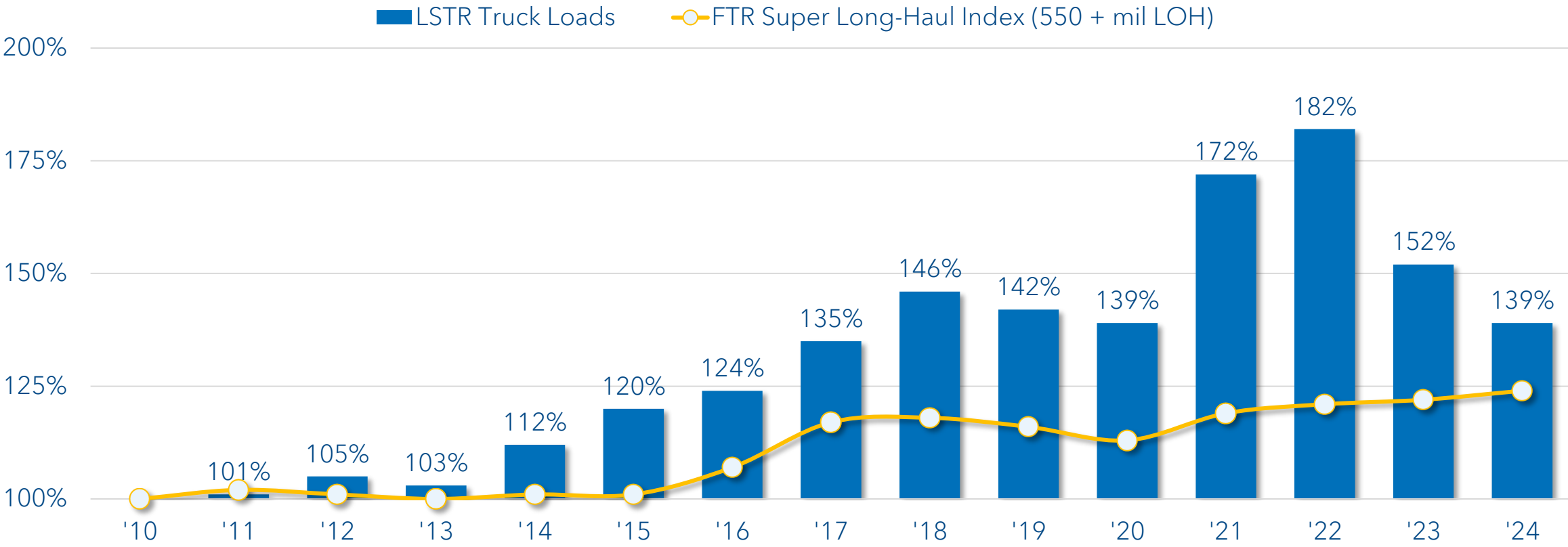
# Importantly, Landstar typically grows faster than the market



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## LSTR TRUCKLOADS VS. FTR SUPER LONG-HAUL INDEX

Base Year of 2010 = 100%



**Landstar's 2024 average length of haul = 748 miles**

# Multi-faceted array of growth initiatives

## STRATEGIC GROWTH AREAS



### In Flight

### Evaluating How to Scale

### Plan Under Development

Accelerating the model

Contract market

Hazmat

Heavy Haul

Cold chain

Cross-border

Expedited



## Execute Growth Strategy

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Jim Applegate



Matt Dannerger

Date

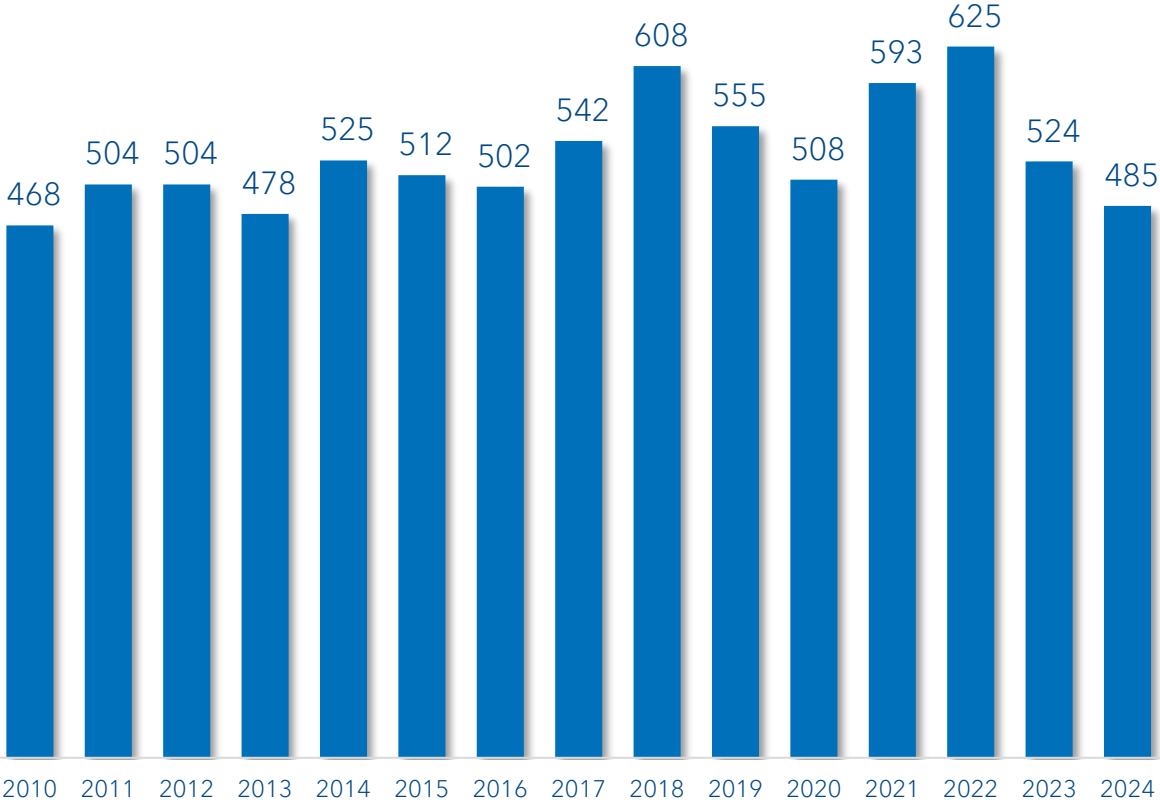
# Landstar model anchored by the million-dollar agents



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## MILLION DOLLAR AGENTS

### NUMBER OF AGENTS



### KEY POINTS

1

#### Loyalty

Million Dollar Agents are loyal with a **97+%** annual retention rate since 2010

2

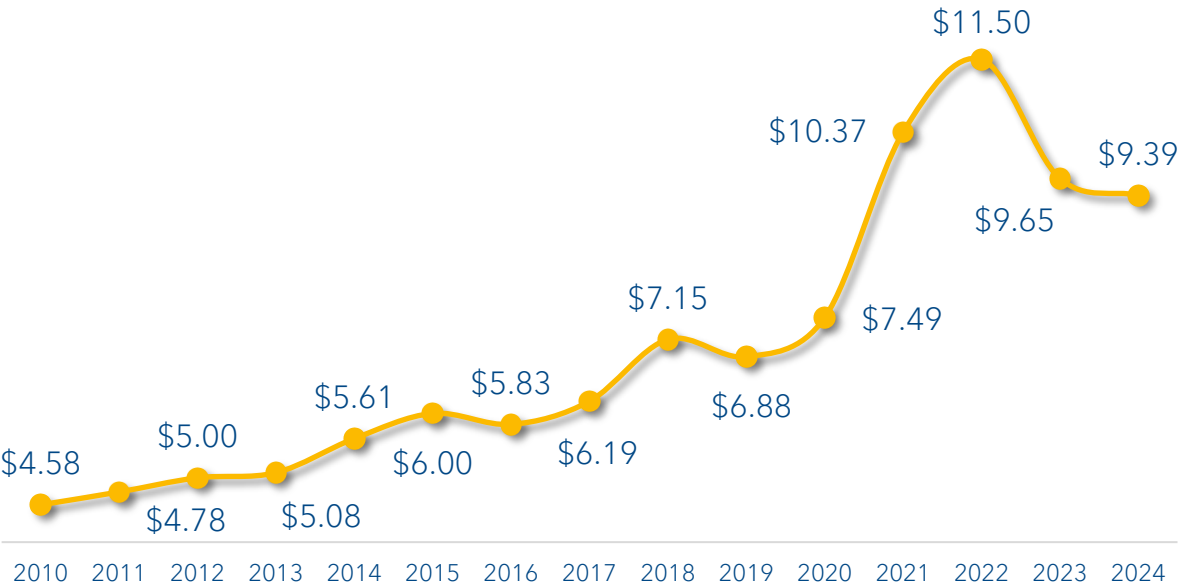
#### Tenure

Landstar's 40 largest independent sales agents have an average tenure of **21+ years** as of December 28, 2024

## MILLION DOLLAR AGENTS

### AVG. REVENUE / AGENT (Millions)

**Production**  
Annual revenue per agent has grown by a **5.3% CAGR** since 2010



### KEY POINTS

- The agent family has been empowered through the investments made to enhance our ecosystem of digital technologies
- The Corporate Sales team has been re-energized with a pivot in strategy to pursue larger share of wallet

# Recruiting new agents provides multi-year growth supplement



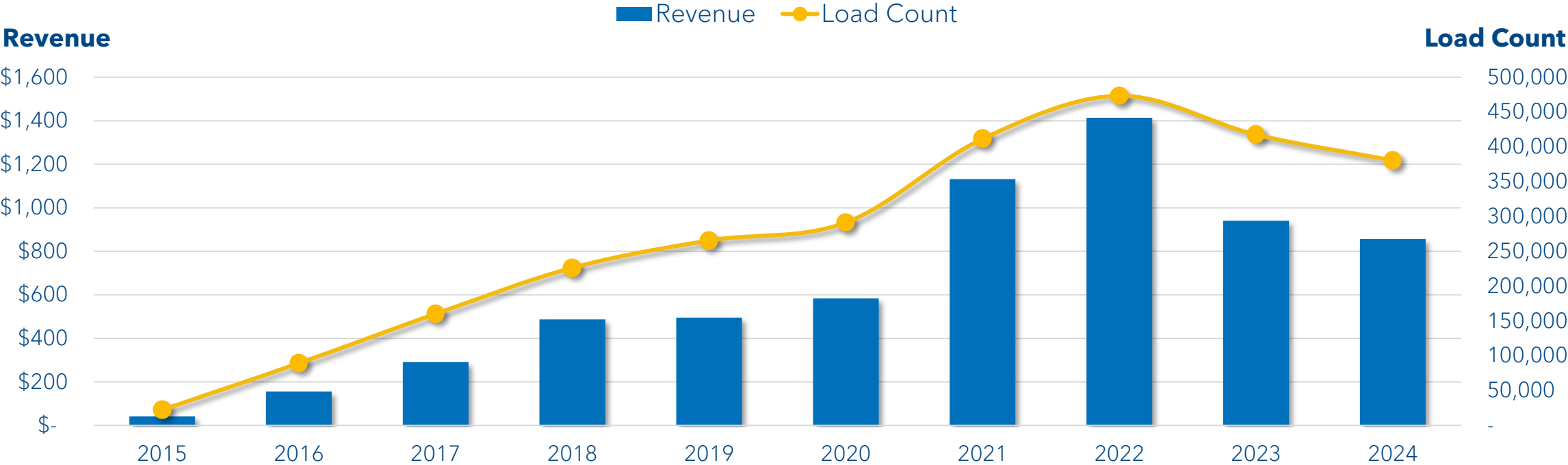
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## NEW AGENT IMPACT

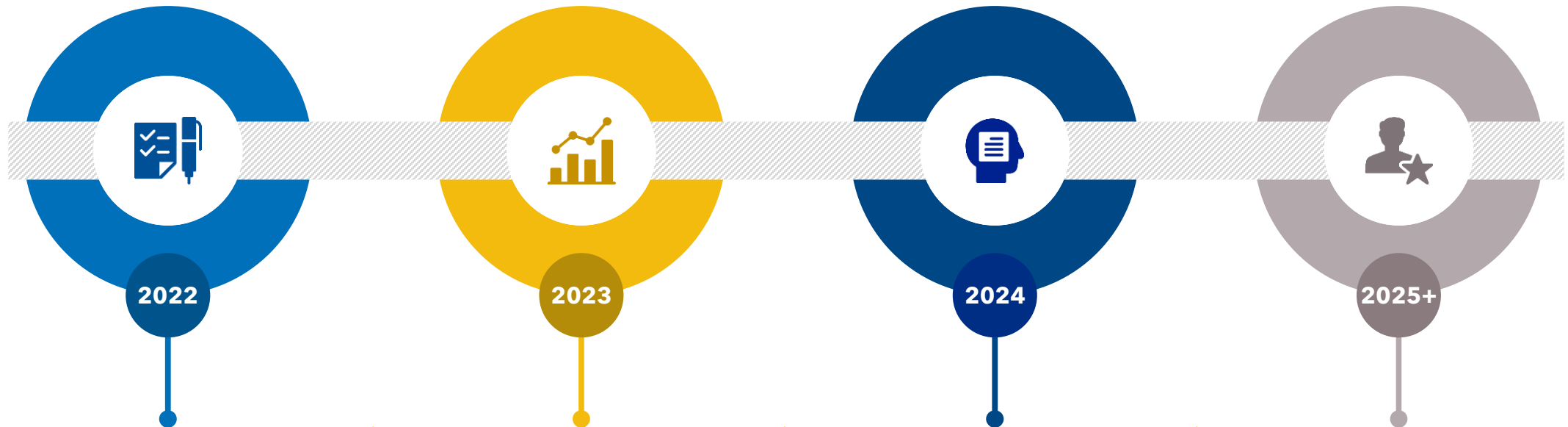
10-Year Study

Revenue in Millions (Full Fiscal Year)

**New agent recruiting is important**  
Had we stopped recruiting agents effective 12/31/14, our 2024 consolidated revenue would have been \$857M or 18% lower than actual (\$3.962B v \$4.819B)



## AGENT DEVELOPMENT



**Grow Your Star**  
Launched

- Rebuild agent engagement
- Find out what they need to grow

**Grow Your Star**  
Year 2

- Fine-tuned content
- Right-fit agents
- Agent profile

**Grow Your Star**  
Mexico  
**Agent Segmentation**

- Interviews
- Growth surveys
- Early findings
- Ideas/opportunities

**Grow Your Star**  
Next Level & Next Generation  
Heavy Haul  
**Segmentation Action Plans**

- Build on Grow Your Star base
- Opportunities for corporate engagement
- More connection opportunities
- Build resources

# Grow Your Star successful in driving growth, profitability



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## GYS COHORTS VERSUS EXISTING AGENTS

Fiscal Year Results  
2024 versus 2023

Since inception in 2022, GYS attendees have outperformed existing agents

Class	Agencies	Financial Measure	Delta
<b>2022</b>	37	Revenue	3.8%
		Variable Contribution	0.1%
<b>2023</b>	29	Revenue	10.9%
		Variable Contribution	6.6%
<b>2024</b>	32	Revenue	TBD
		Variable Contribution	TBD

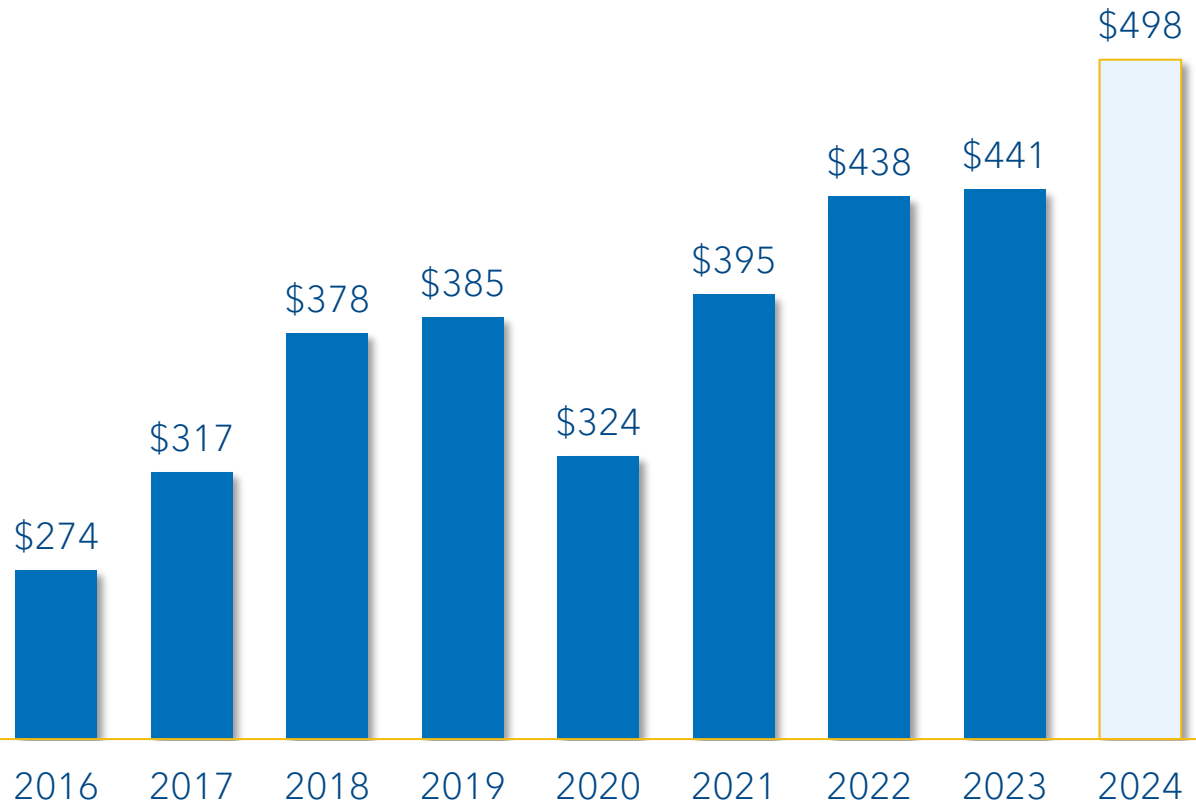
Targeting ~ 30 agents to participate in 2025



# Landstar is the industry leader in heavy, specialized freight

## HEAVY HAUL FREIGHT

### REVENUE Millions



### KEY POINTS

- **Ranked #1 in the 2024 ACT Transport 50**
- Markets served include:
  - Data center
  - Machinery
  - Aerospace and Defense
  - Government
  - Building Products
  - Energy

**7.8%**

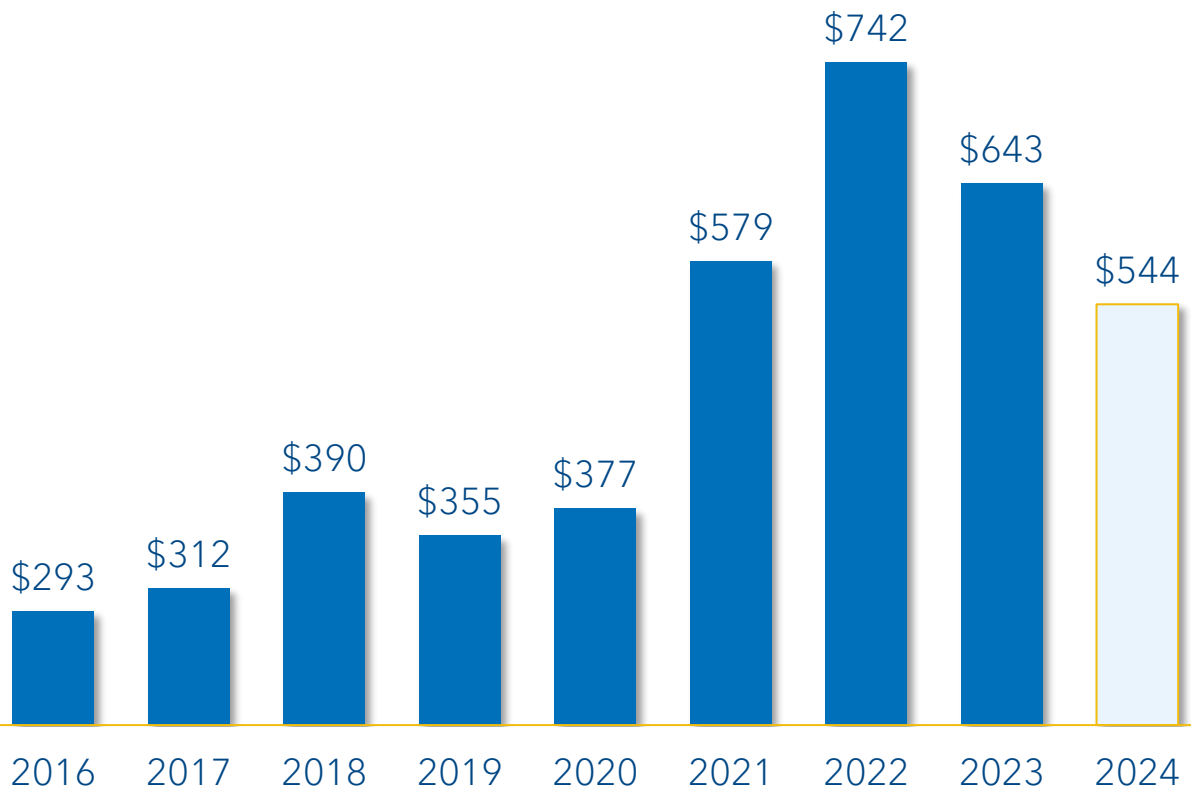
Heavy Haul Revenue CAGR  
since 2016



## U.S. / MEXICO CROSS-BORDER FREIGHT

### REVENUE

Millions



### KEY POINTS

- Early mover advantage from 2017 transload facility investment
- Agent, capacity and employee expertise
- Long-term secular tailwinds, despite short-term tariff uncertainty
- Increasing direct sales efforts within Mexico

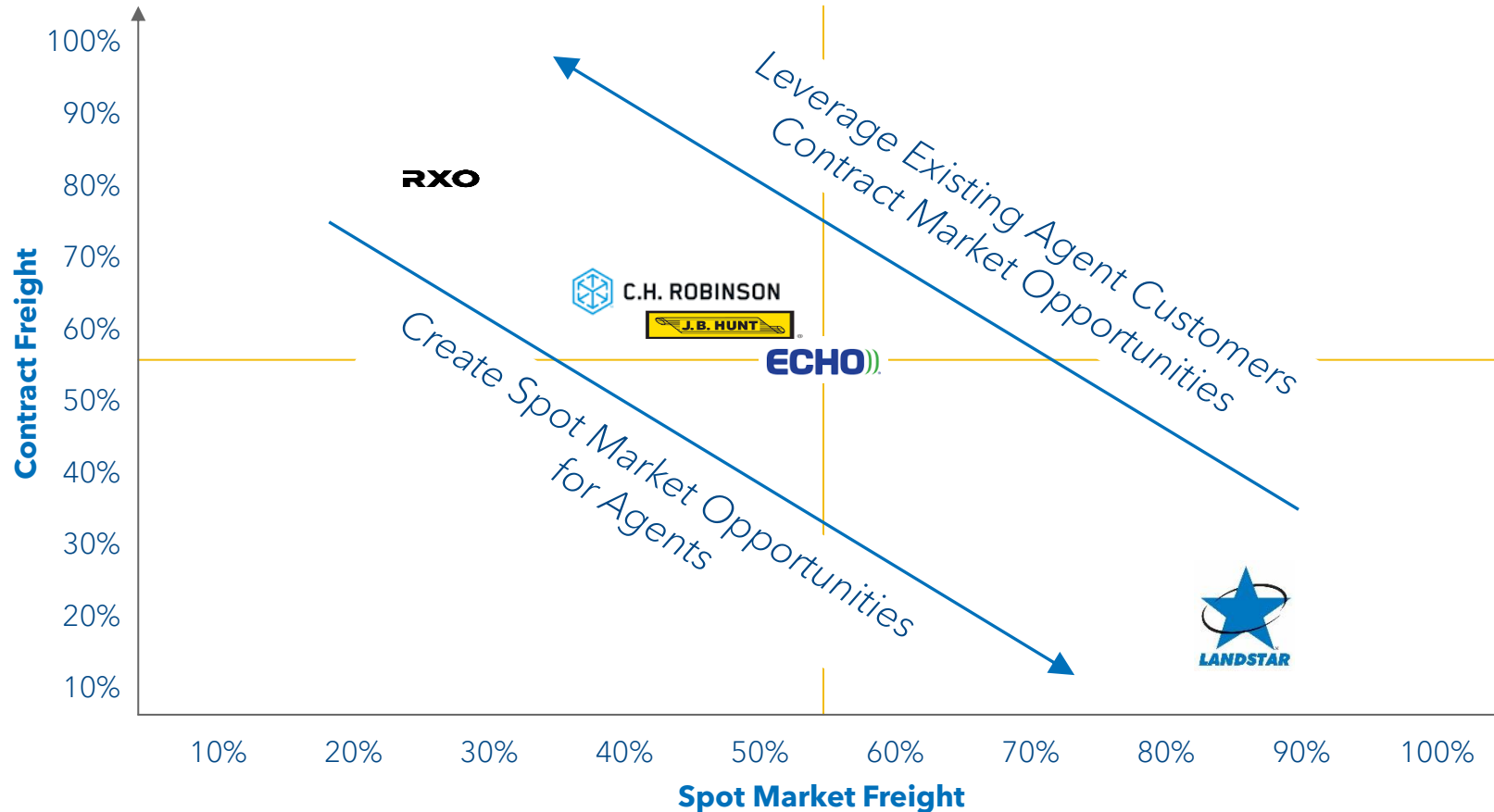
**8.0%**

Cross-Border Revenue CAGR  
since 2016



# Evaluating the sizable contract freight opportunity

## Freight Traffic Mix



Source: ATA; A&A; BTS FAF; EuroStat; DAT; Industry interviews; BCG analysis

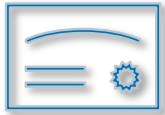
## Addressable Market

### \$90 - \$105B





# Hazmat naturally fits the Landstar model



## Certifications

- All Landstar BCO's are hazmat certified
- Transport criteria
- All State permits



## Permitting

- Federal Hazmat Safety Permit
- PIH & TIH clearance
- Less than 1% of all U.S. motor carriers are safety permit holders



## Training

- Providing ground transportation hazmat training for network constituents
- Air, Ocean and Cross Border trainings are also available



## Support

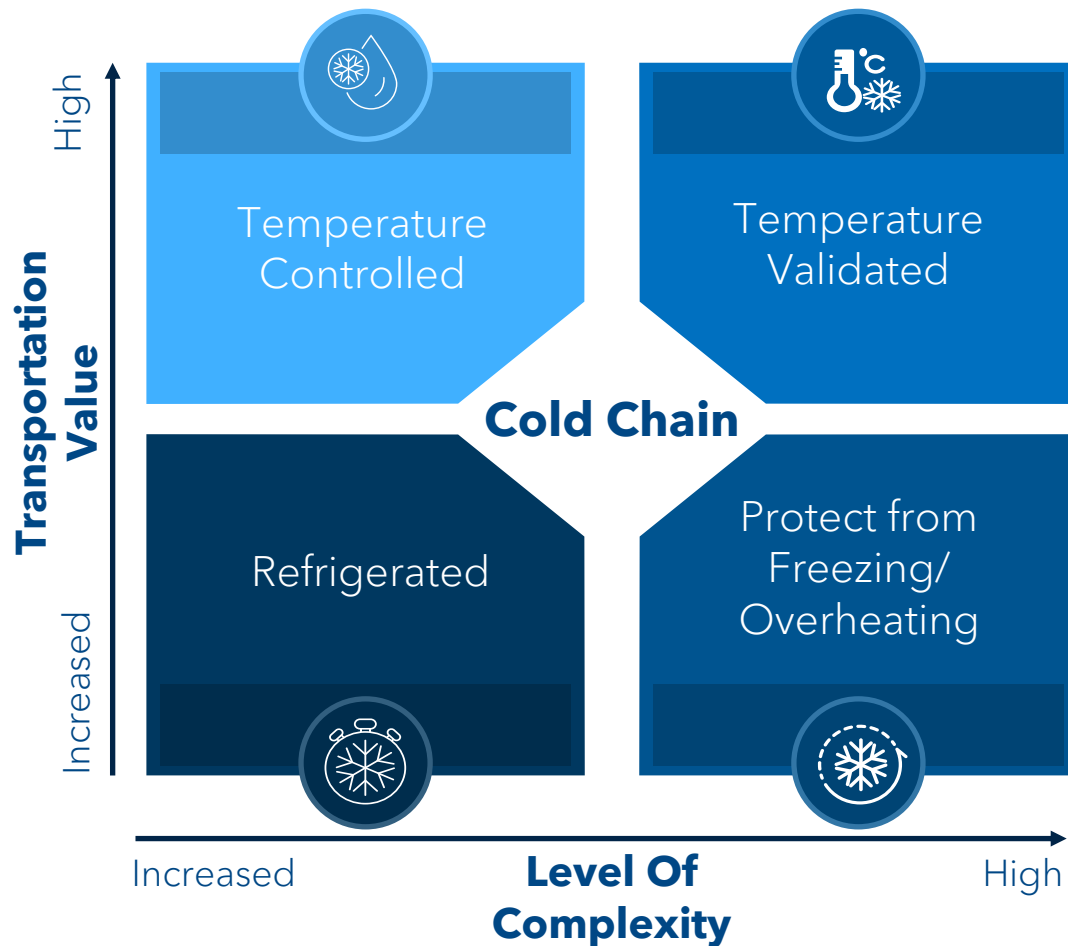
Hazmat Helpline available 24/7/365

With \$350+ million of hazmat revenue in 2024, Landstar is a leading provider with a comprehensive hazmat offering



# Cold chain

## Types of Services



## Market Overview

### Market Definition

Temperature sensitive shipments requiring superior safety, security, and service

### Target Market

High value pharmaceuticals and biologics

### Market Potential

\$238 Billion

### 2024 Landstar Revenue

~\$20 Million



# Expedited freight

## Types of Services



## Market Overview

### Market Definition

Smaller shipments that require additional safety, security and timeliness

### Target Market

Planned "Expedited", critical freight

### Market Potential

\$330 Billion

### 2024 Landstar Revenue

~\$110 Million



# Capacity Strategy

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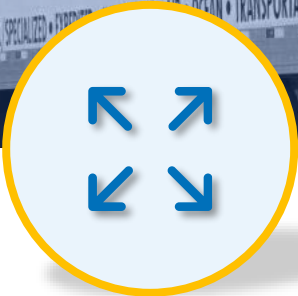
Matt Miller

Date

# Growth strategy leverages best-in-class BCO fleet



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**Freedom & Loading Opportunities**



**Cost Savings**



**Industry-Leading Support**



**The Landstar Brand**

**BCO value proposition attracts seasoned owner operators**



## THE LANDSTAR BCO

Entrepreneur	Experienced	Exceptional
<p data-bbox="318 958 529 996"><u>BCOs haul</u></p> <ul data-bbox="84 1058 580 1300" style="list-style-type: none"><li>● <b>What</b> they want</li><li>● <b>Where</b> they want, and</li><li>● <b>When</b> they want</li></ul>	<p data-bbox="1131 958 1416 996"><u>Characteristics</u></p> <ul data-bbox="868 1058 1620 1300" style="list-style-type: none"><li>● Owns and operates 10+ y/o tractor</li><li>● Driven on avg. 7 years with Landstar</li><li>● Hazmat endorsed</li></ul>	<p data-bbox="1857 968 2390 1006"><u>Safety, Security and Service</u></p> <ul data-bbox="1717 1068 2474 1315" style="list-style-type: none"><li>● 6,964 safety award recipients</li><li>● 1,062 active million milers</li><li>● Recognized by TCA as an Elite Fleet</li></ul>

# TCA Professional Driver of the Year



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LANDSTAR  
BCO

*Walter Jackson*

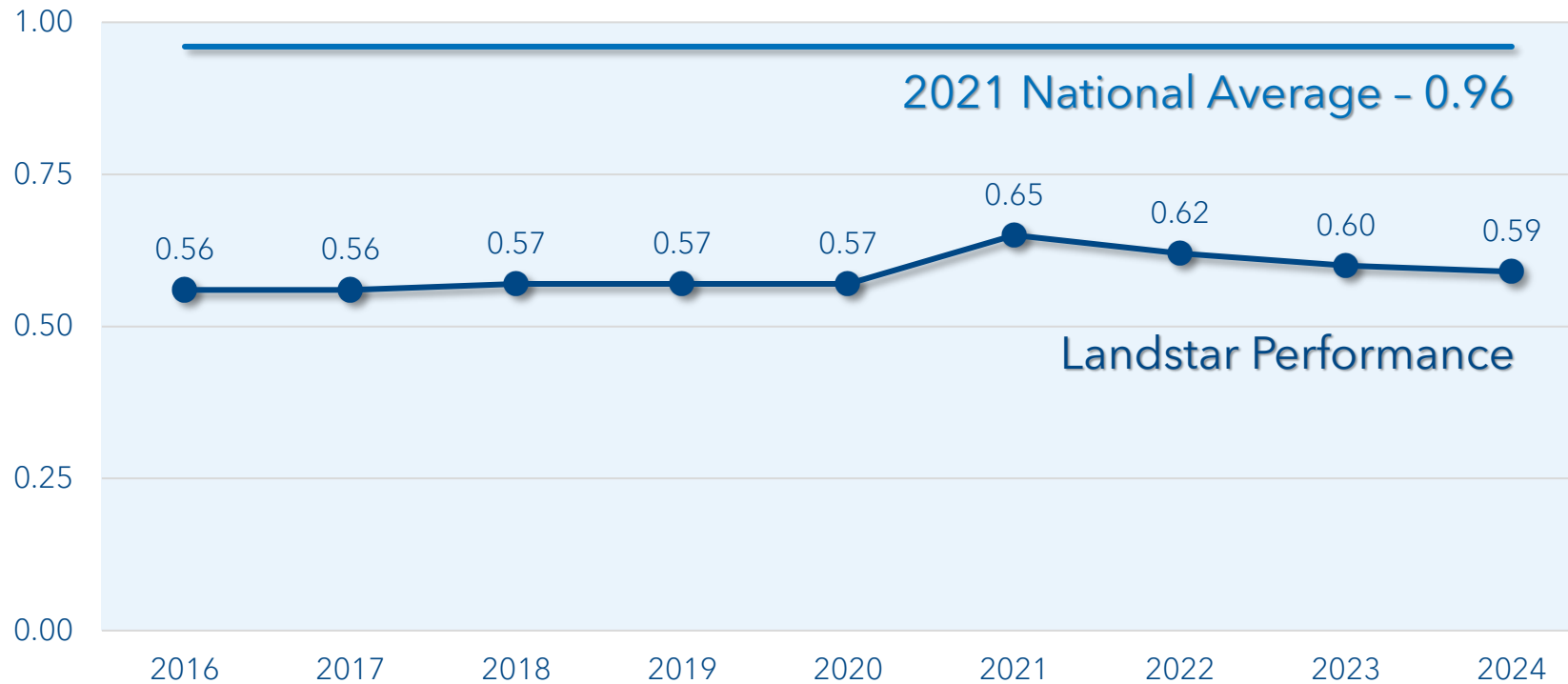


# Landstar relentlessly pursues risk mitigation



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## DOT REPORTABLE CRASH FREQUENCY per Million Miles Driven



**Results achieved while combating emerging cargo fraud**

# BCO fleet poised to recover as cycle turns and rates rise



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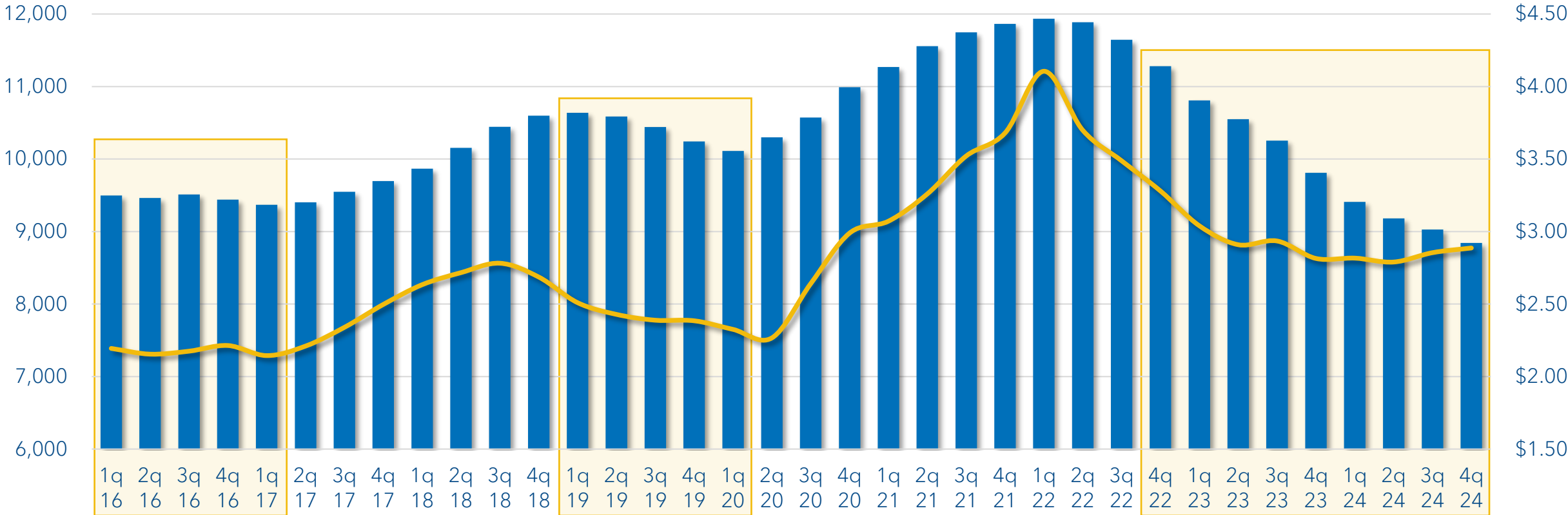
## BCO TRUCK COUNT & VAN RATE PER MILE

2016 - 2024

Ending BCO truck count    BCO van rate per mile  
= Freight Recession

Ending BCO Truck Count

BCO Van Rate per Mile



# Industry leading stickiness of the Landstar model



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## BCO TURNOVER

### ANNUAL RATES 2010 - 2024



### KEY POINTS FY24 VS. FY23

1

#### Improvement

BCO turnover improved 650 basis points, FY24 versus the high-water mark of 41.0% in FY23.

2

#### Forecast

Directionally appears to be mean reverting to our long run average of 29%.

3

#### Comparison

Had a typical high-water peak-to-trough cycle played out this down cycle, BCO truck count would have bottomed at ~ 10,200.



## Recruiting

- Expand reach through agent engagement
- Focused nurturing / re-engagement of former BCOs
- Lean into strengths - freedom and opportunity



## Qualifications

- Technology - easier to do business
- People - restructure + capacity
- Process - minimizing friction



## Orientation

- Mystery shopper
- Standardization of content
- Assisting with initial freight opportunities



## Technology Update

---

Jim Applegate



Joe Beacom



Rick Coro

Date

## KEY POINTS

①	<b>Leadership</b>	Steadfast commitment to tech-enabled experience for agents, BCOs, customers and employees
②	<b>Investment</b>	We've invested nearly \$200 million since 2016 - no disruption as a result
③	<b>Accomplishments</b>	We have significantly increased the toolset for the Landstar network of agents and BCOs
④	<b>Adapting</b>	We are turning our attention to the core systems supporting Landstar
⑤	<b>Embracing</b>	We are embracing the new AI frontier across several facets of our business

# Digital transformation protected the Landstar model

Improving productivity and effectiveness of agents and capacity



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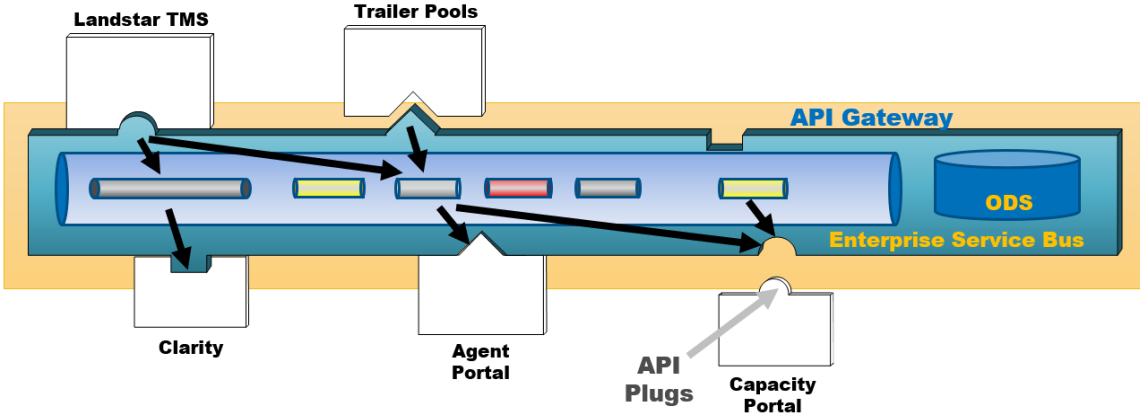
## TRANSFORMATION OVERVIEW

Timeframe	Investment
2016 – 2024	~\$200M*

### Investment Purpose



Cloud-based modular platform with centralized data and plug & play capabilities, allowing for agile development of digital technologies for use by agents and capacity providers



\* ~75% of investment focused on agents and capacity

# Technology investment has been focused on agents and capacity

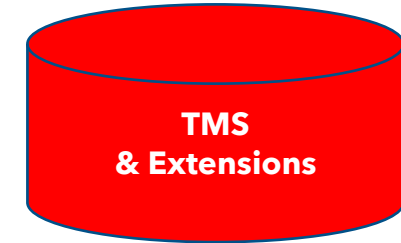


## KEY BENEFITS

- 1. Table Stakes - Disrupt the Disruptors
- 2. Increase Revenue
- 3. Agent/Capacity Productivity
- 4. Corporate Efficiencies

# Future investment focused on core systems and AI

1. Entering **maintenance and enhancement** mode on **agent and capacity tools**



2. Pivoting focus to **HQ technology** to **improve efficiency and ease of doing business** via:

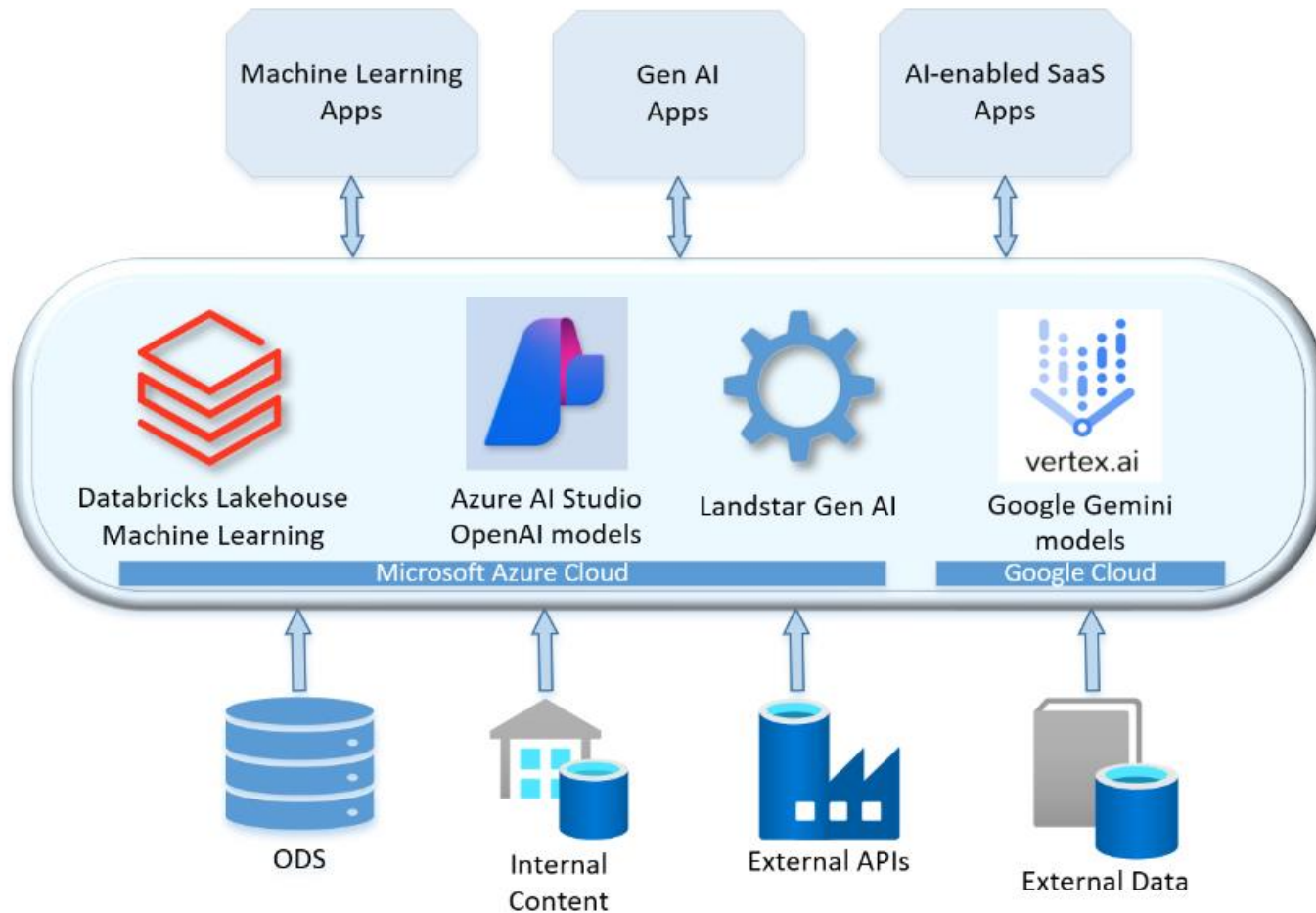
- Service center improvements
- ERP and billing & settlements solution



3. **AI tools** to drive **sales productivity** and **operating efficiency**



# AI-enabled platform (AIP) and AI in-flight



## AI Use-Cases

1. Pricing
2. BCO Retention
3. Agent Co-Pilot
4. Image Processing
5. Software Development



## Financial Review & Investment Thesis

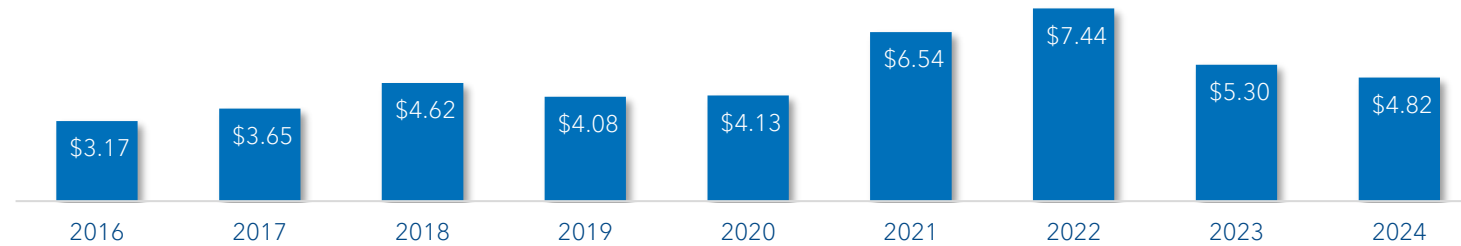
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Frank Lonegro ● Jim Todd

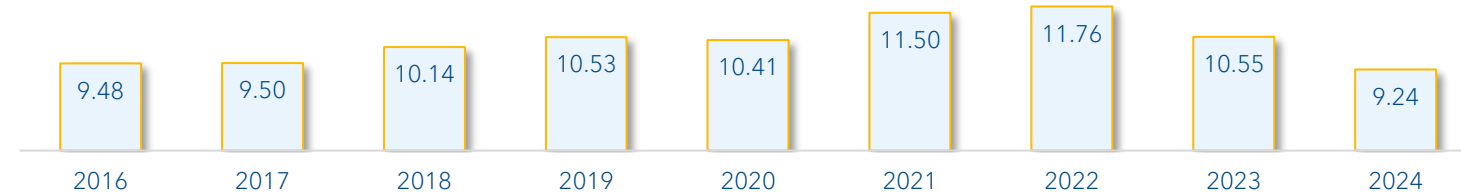
Date

# Variable contribution margins reflect cycle, mix

## Revenue (Billions)



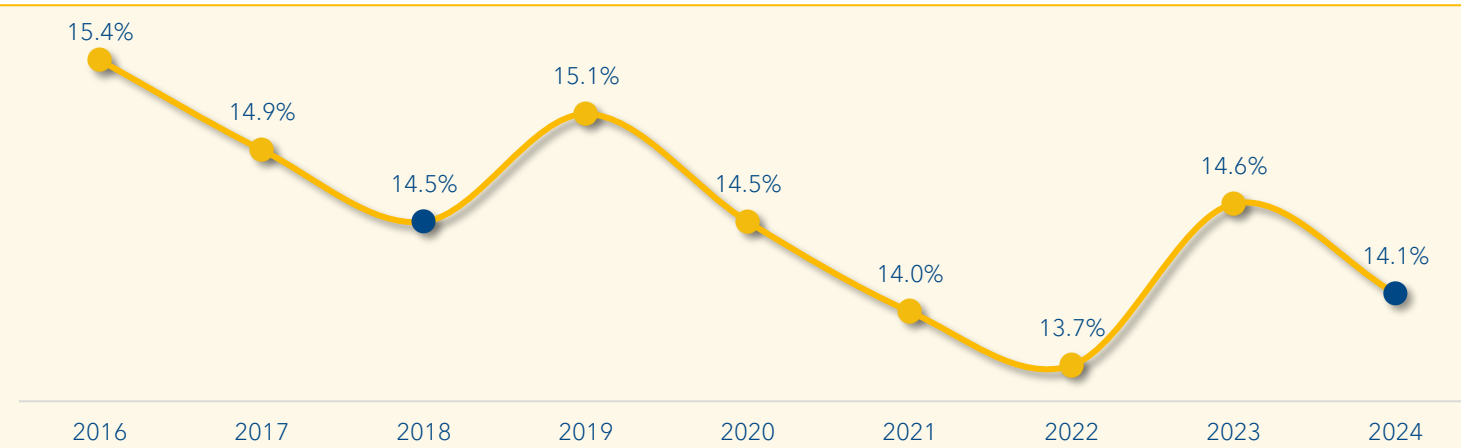
## Average BCO Tractor Count (Thousands)



## Variable Contribution Margin

40 bps compression, 2018 to 2024

- Due to mix and cycles, not racing to the bottom
- Higher contribution of truck brokerage revenue, as average truck count down 8.8%
- Brokerage PT rate declined 124 bps during the same period



Pursuit of profitable growth involves both BCO and truck brokerage volume

# Restoring margins as cycle returns/inflects



## TARGET

Return to

**70%**

incremental  
variable contribution dollars  
pushed through to  
operating income



## PAST PERFORMANCE

Target Achieved	Near Misses
2021 - <b>74.2%*</b>	2022 - 64.1%
2018 - <b>71.2%</b>	2015 - 65.1%
2014 - <b>72.0%</b>	

\*excludes the 1-time charges for impairment of intangible and other assets and commission program termination costs included in 2020; 79.9% on as-reported basis

# Significant cash generating capabilities



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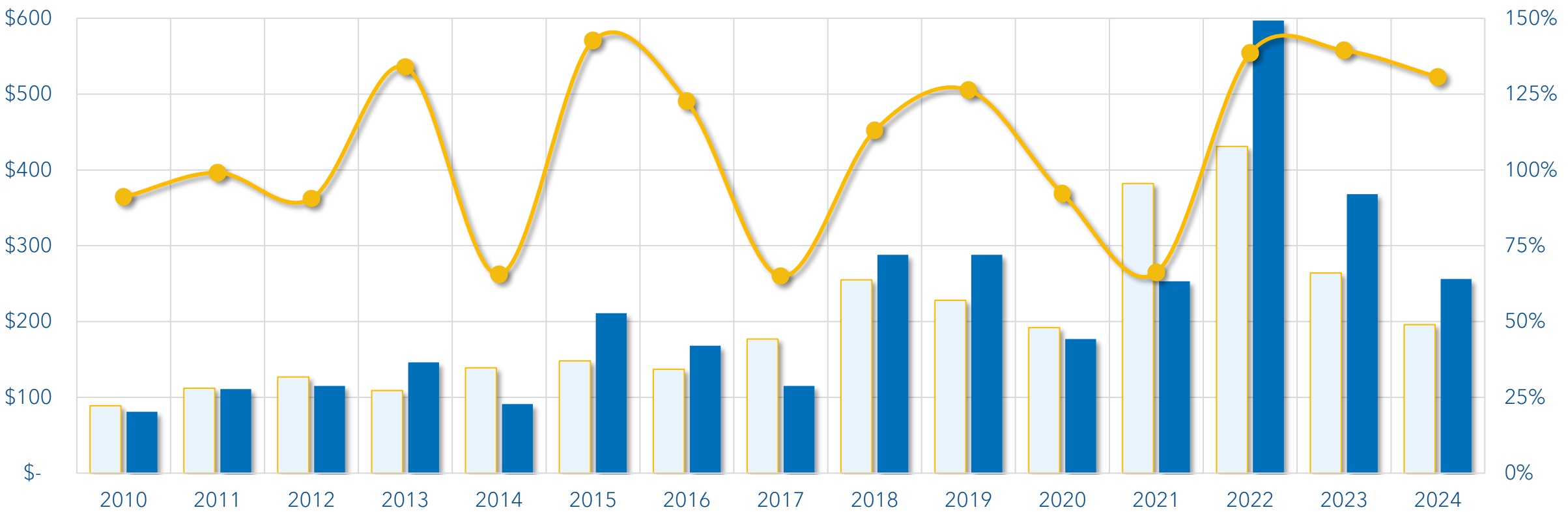
## KEY CASH FLOW METRICS

2010 – 2024  
Amounts in Millions

Net income from continuing operations    Free cash flow    FCF conversion

Net income from continuing operations and free cash flow

FCF conversion



# Robust capital return program



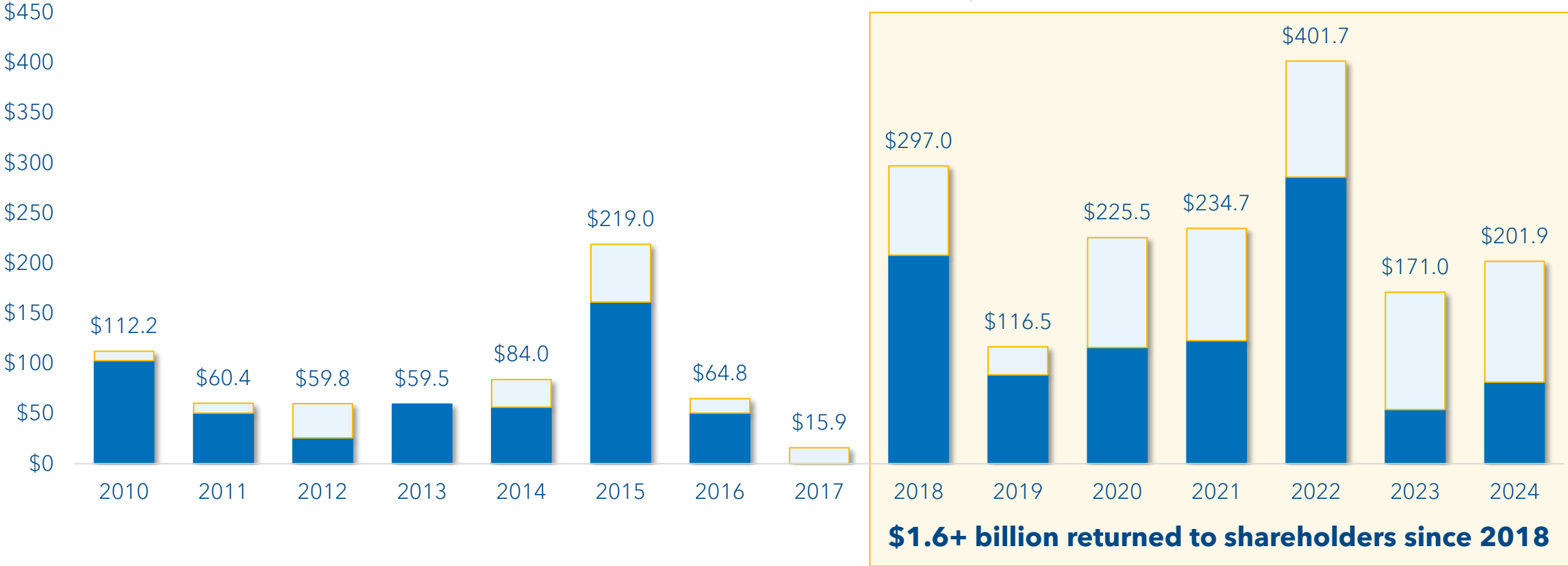
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## CAPITAL RETURNS

2010 – 2024

Total amounts shown below are in millions and represent the sum of both share repurchases and dividends paid

■ Purchases of common stock    □ Dividends paid



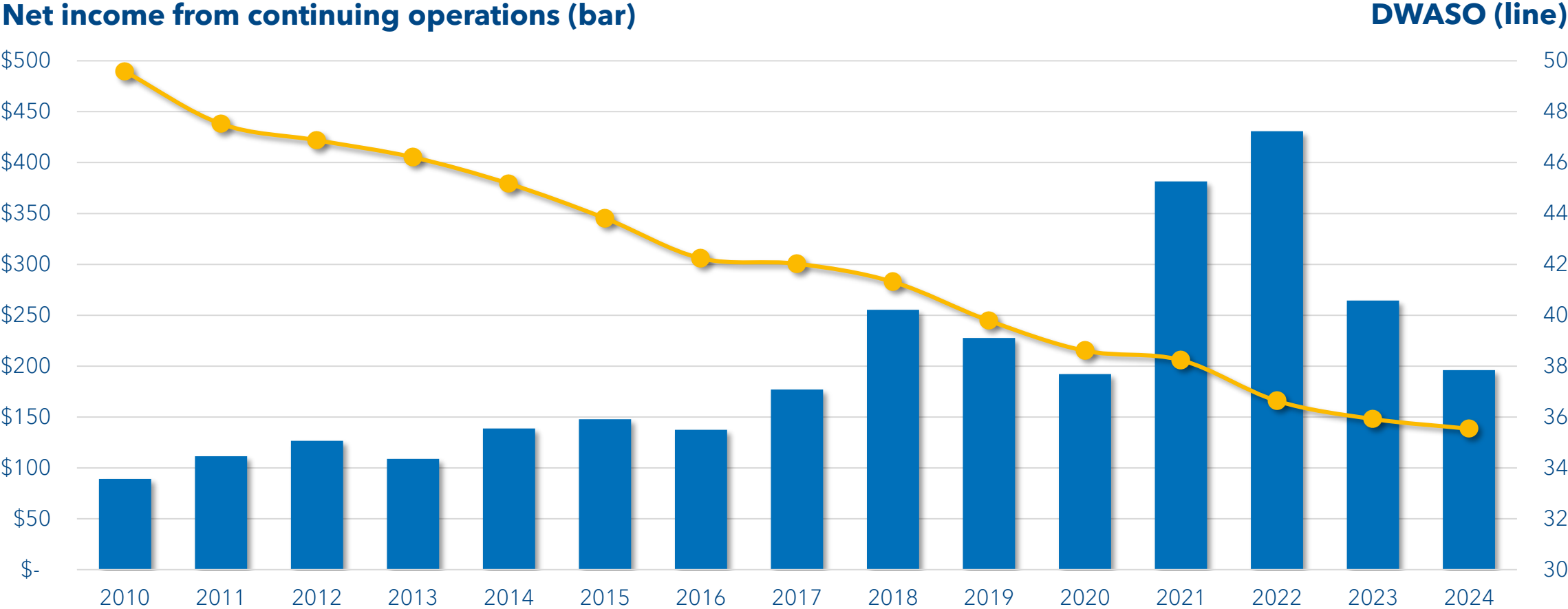
# Committed to patiently and opportunistically repurchasing shares







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## NET INCOME AND AVERAGE DILUTED SHARE COUNT

2010 – 2024  
Amounts in Millions



# Investment thesis supports strong future returns

 <b>Growth</b>	<ul style="list-style-type: none"><li>● Growing faster than the market</li><li>● Multiple paths to growth</li></ul>
 <b>Focus</b>	<ul style="list-style-type: none"><li>● Safety and security</li><li>● Service and efficiency</li></ul>
 <b>Leverage</b>	<ul style="list-style-type: none"><li>● Demonstrated ability to push 70% of incremental variable contribution dollars to operating income</li></ul>
 <b>Cash</b>	<ul style="list-style-type: none"><li>● Free cash flow generation and conversion</li><li>● Balance sheet strength</li></ul>
 <b>Capital</b>	<ul style="list-style-type: none"><li>● Reinvestment with asset-light mindset</li><li>● Share repurchases and dividends</li><li>● M&amp;A possibilities</li></ul>



# First Quarter Preliminary Results

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Jim Todd

Date

# 1Q Preliminary Results

- Expect revenue to be at or near the mid-point of guidance range
  - First eight weeks of 1Q, variable contribution margin was within the guidance range
- 
- Highly elevated insurance and claims costs, primarily due to cargo theft and truck accident claim development, would have resulted in estimated 2025 first quarter EPS range of \$0.90 - \$0.95
- 
- However, we very recently uncovered a supply chain fraud that is under active investigation
    - Fraud does not involve the Company's core North American truckload services
    - May further adversely affect Landstar's 2025 first quarter EPS by an estimated \$0.35 - \$0.50, before taking into account any potential insurance or other recoveries
- 
- Repurchased ~\$60M of shares during 1Q

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