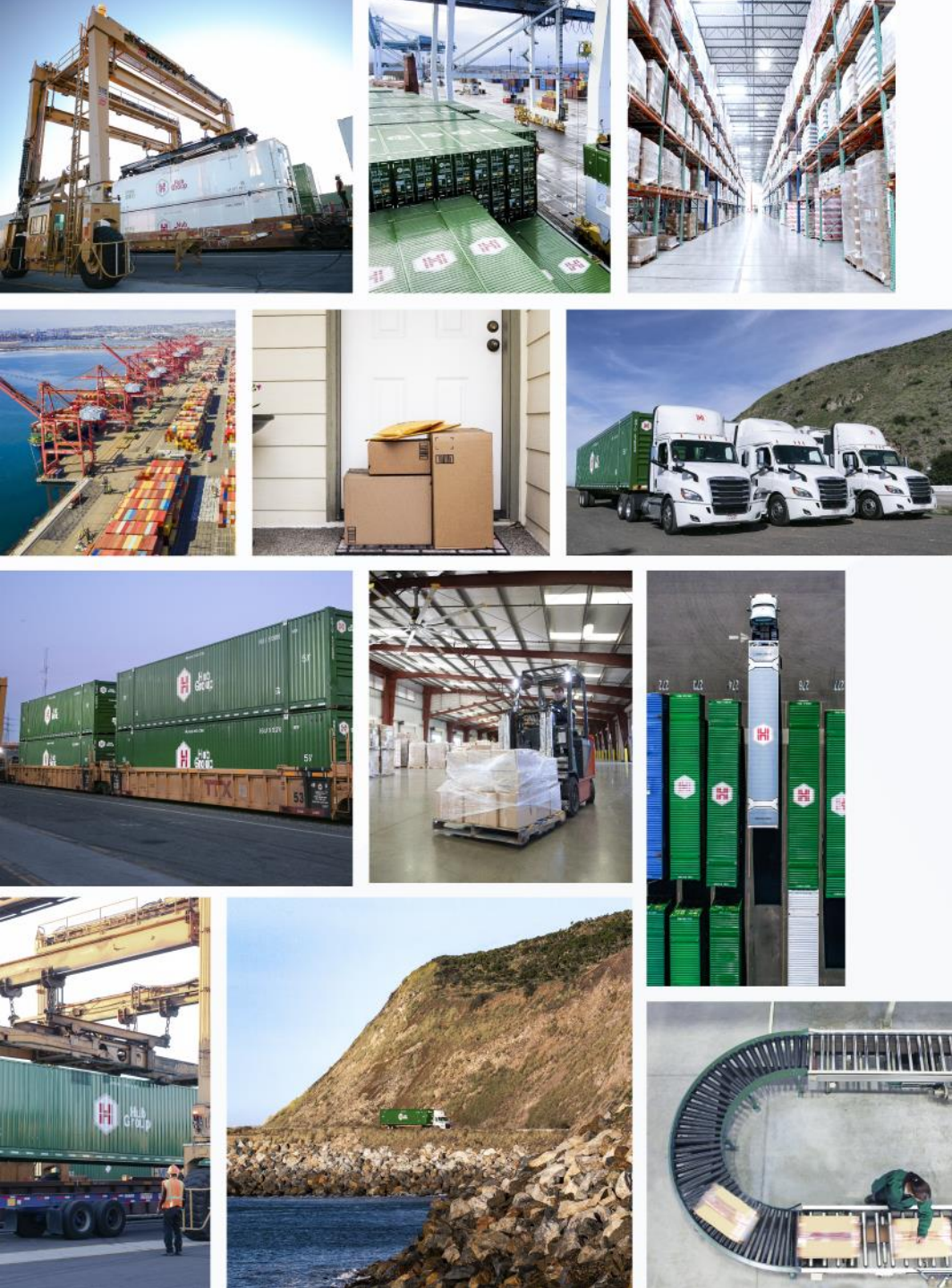




Hub Group Overview

Investor Presentation

February 2024



DISCLOSURE

CERTAIN FORWARD-LOOKING STATEMENTS:

Statements in this press release that are not historical facts are forward-looking statements, provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that might cause the actual performance of Hub Group to differ materially from those expressed or implied by this discussion and, therefore, should be viewed with caution. Further information on the risks that may affect Hub Group's business is included in filings it makes with the SEC from time to time, including those discussed under the "Risk Factors" section in Hub Group's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. Hub Group assumes no obligation to update any such forward-looking statements.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures, including EBITDA and Cash EPS. Reconciliations of these measures to the comparable GAAP measures are set forth in the Appendix to this presentation.

We believe these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP. Specifically, we believe these non-GAAP financial measures (a) allow management and investors to better assess our performance by removing volatility that we believe is associated with discrete items that are either larger than anticipated or non-recurring, and (b) enable a more complete understanding of factors and trends affecting our business.

Non-GAAP financial measures, however, have inherent limitations, are not required to be uniformly applied, and are not audited. Accordingly, these non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and we strongly encourage investors to review the GAAP financial measures included in this presentation and in our public filings with the SEC that are referenced above and not to place undue reliance upon any single financial measure. In addition, because non-GAAP financial measures are not standardized, it may not be possible to compare the non-GAAP financial measures in this presentation with other companies' non-GAAP financial measures having the same or similar names. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use.

You should assume that all numbers presented are unaudited unless otherwise noted.

All trademarks, service marks and company names are the property of their respective owners.



Who We Are

Leading North American supply chain solutions provider offering Intermodal transportation and Logistics services to a wide range of shippers across the retail, consumer products, durable goods and automotive verticals

Core Values

Service, Integrity
and Innovation

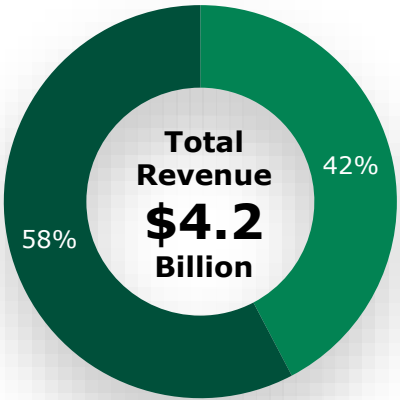
Mission

Drive performance through exceptional
service and innovative solutions

Vision

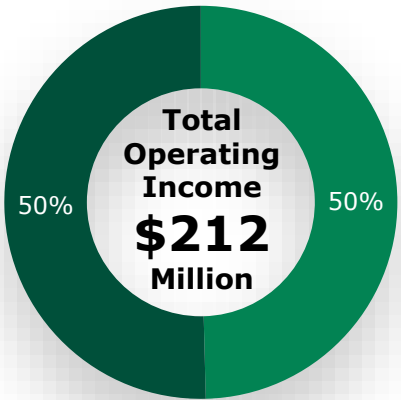
Deliver the premier
supply chain solution

Revenue by Segment
(% of total revenue)



■ Logistics
■ Intermodal & Transportation Solutions

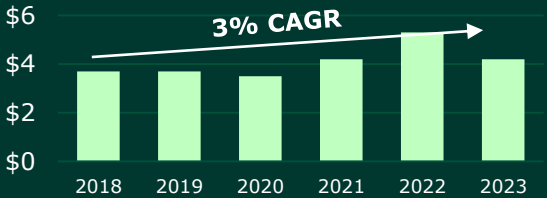
Operating Income by Segment



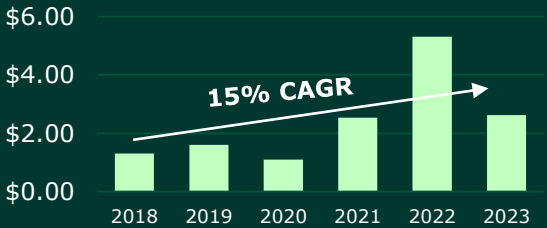
■ Logistics
■ Intermodal & Transportation Solutions

¹Represents a non-GAAP financial measure; See Appendix for reconciliation to the most comparable measure under GAAP

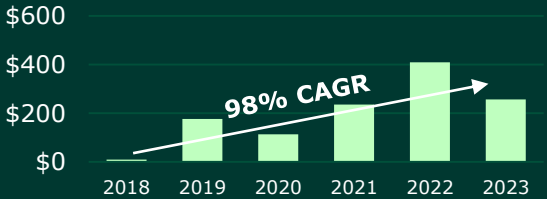
Revenue
(\$ in bn)



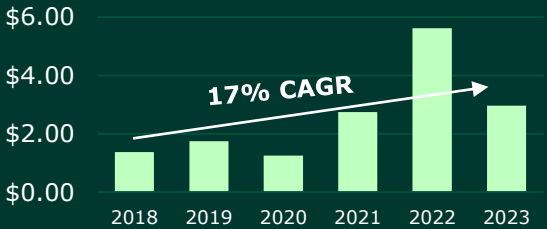
Diluted EPS



EBITDA-CapEx¹
(\$ in mm)



Cash EPS¹



Intermodal & Transportation Solutions

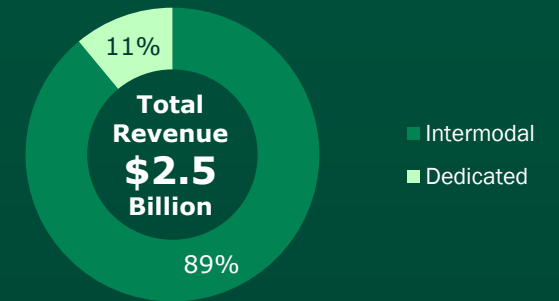
Business Highlights

- Leader in the intermodal industry with approximately 50,000 containers and award-winning service levels
- High service, nationwide door-to-door transportation offering value, visibility and reliability in both transcontinental and local lanes
- Long-term relationships with rail providers, primarily Union Pacific and Norfolk Southern
- Have grown in-house drayage to nearly 78% share – cost and service advantages
- Growing fleet of 900 refrigerated containers
- Top 20 Dedicated Trucking business offering high service and regional density
- Over 3,000 drivers and 3,000 tractors supporting Intermodal and Dedicated, as well as over 4,000 trailers
- Equipment, drivers and support services shared between drayage and dedicated operations, enabled by technology

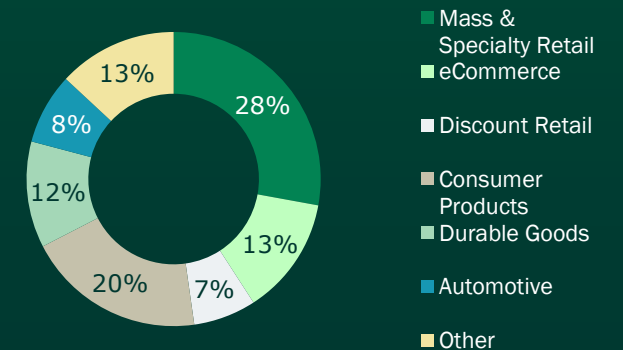
Strategy

- Deliver industry-leading service levels and compelling value to customers
- Secular growth profile driven by over-the-road conversions
 - 15-30% cost advantage relative to truckload
 - Environmentally friendly – over 2.5bn lbs. of CO₂ avoided in 2023
 - Rail partners investing for growth and service
- Drive improved asset utilization – tractors and containers
- Invest in container and tractor fleets to support growth opportunities
- Utilize density in Dedicated to cross-sell

Revenue by Service¹ (% of segment revenue)



Revenue by Industry² (% of segment revenue)



¹LTM 12/31/23

²LTM 12/31/23, represents management estimates

OVERVIEW OF SEGMENTS

Logistics

Business Highlights

Brokerage

- Full range of offerings including dry van, refrigerated, expedited and LTL
- Superior service levels
- Focused on contract, spot and projects
- Best-in-class, proprietary operating technology

Final Mile

- Delivers big and bulky goods, including appliance installations to residences in every U.S. zip code
- Operates through a large national network of leased, third party and customer-owned facilities
- Non-asset operations utilizing independent service providers
- High service delivery offering

Managed Transportation

- Non-asset transportation management and technology solutions
- Contractual, high value add service with an attractive customer value proposition
- Delivers customers savings, visibility, technology and the benefits of scale
- Important source of freight for our Intermodal and Brokerage service lines
- \$1bn of LTL freight under management

Consolidation & Fulfillment

- Multi-service offering including e-commerce fulfillment, transloading, consolidation and specialty warehousing
- Nationwide network with 10mm sq. ft. of capacity
- Offers high service and value to consumer goods businesses serving multiple channels
- Consolidates pallets into full truckloads, offering significant savings relative to traditional LTL

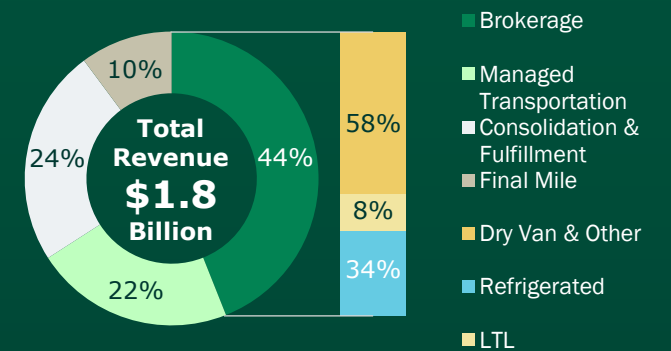
Strategy

- Continue to expand all service lines through cross-selling with other business lines
- Build on recent new customer wins, focusing on pipeline development
- Pursue acquisitions that offer service line expansion and opportunity to build scale
- Expand warehouse footprint into new markets and continue to insource
- Continue expansion of cross-dock network to facilitate growth of LTL consolidation offering

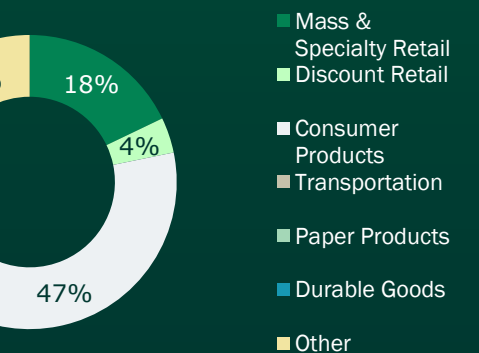
Acquisitions to Expand Offering and Build Scale



Revenue by Service¹ (% of segment revenue)



Revenue by Industry² (% of segment revenue)



¹ LTM 12/31/23

² LTM 12/31/23, represents management estimates

Forward Air Final Mile Acquisition



Forward Air Final Mile Business Overview

- Nationwide final mile provider of residential delivery and installation services for big and bulky goods, with a heavy focus on appliances
- Adds approximately \$280mm of revenue (LTM 12/23), more than doubling Hub Group's Final Mile business
- Customers are large Fortune 500 shippers in the appliance and retail sector
- Non-asset operation utilizing independent service providers and a large national network of leased and customer-owned facilities
- Strong performance through current freight environment

Significantly Scales Final Mile Delivery Offering

- On a pro forma combined basis, Hub Group's Final Mile revenue will increase to approximately \$465mm
- Combined business will operate under Hub Group's Final Mile offering
- Expanded platform improves facility utilization and network density
- Creates a mix of company operated and third party operated warehouses
- Over 650 employees nationwide

Adds Appliance Delivery and Installation Capabilities

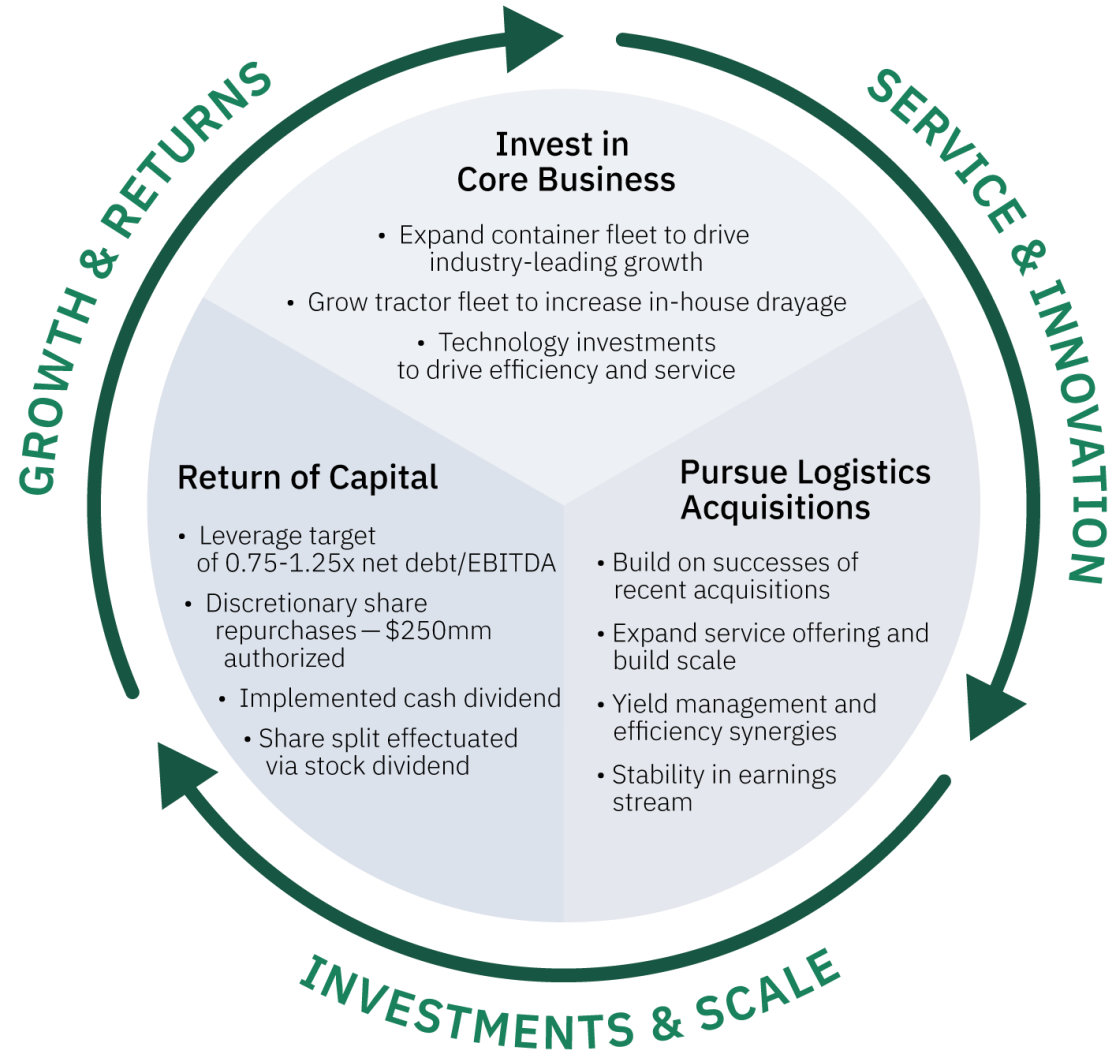
- Further supports Hub Group's value proposition with retail and omnichannel customers
- Highly specialized sub-sector of Logistics
- Demanding customer service and compliance requirements creates long term relationships

Enables Cross Selling Opportunities

- Large pipeline of qualified final mile cross-selling appliance opportunities
- Expect to offer middle-mile transportation management to FAFM customers



Where We Are Going



Long-Term Financial Targets

2025 Revenue

\$5.5 – \$6.5bn

Operating Income Margin

4.0 – 5.5%

Capital Allocation Plan in Action

Purchased Forward Air Final Mile for \$262mm

Continue to execute share repurchases; \$26mm shares repurchased in 4Q23

Initiating cash dividend in 1Q24



Q4 & 2023 Highlights

Performing well in a difficult freight environment

Intermodal & Transportation Solutions Segment

(\$ in thousands)	Q4 2022	Q4 2023	2022	2023
Revenue	\$804,709	\$576,474	\$3,312,431	\$2,495,663
% Growth		(28.4)%		(24.7)%
Operating Income	\$75,468	\$12,141	\$348,537	\$106,780
% Margin	9.4%	2.1%	10.5%	4.3%

Logistics Segment

(\$ in thousands)	Q4 2022	Q4 2023	2022	2023
Revenue	\$507,043	\$437,857	\$2,121,819	\$1,820,856
% Growth		(13.6)%		(14.2)%
Operating Income	\$28,819	\$17,261	\$126,184	\$105,451
% Margin	5.7%	3.9%	5.9%	5.8%

Consolidated

(\$ in thousands)	Q4 2022	Q4 2023	2022	2023
Revenue	\$1,285,503	\$985,023	\$5,340,490	\$4,202,585
% Growth		(23.4)%		(21.3)%
Operating Income	\$104,287	\$29,402	\$474,721	\$212,231
% Margin	8.1%	3.0%	8.9%	5.1%
EBITDA ¹	\$147,915	\$77,554	\$628,316	\$397,077
EBITDA – CapEx ¹	\$86,439	\$43,153	\$409,176	\$256,970

Highlights

- Q4 2023 included \$5.1mm of acquisition related expenses; Without those expenses, ITS OI % was 2.6%, LOG OI was 4.4% and Consolidated 3.5%
- Continued diversification with Logistics Segment accounting for 59% of total Operating Income in Q4
- Soft demand conditions being offset by reduced purchased transportation costs and operating expense efficiencies
- Executing on several new customer wins in Logistics including cross-dock facilities and full outsource Managed Transportation engagements
- Growing Brokerage volumes through cross-selling
- Strong free cash flow generation during the quarter

¹Represents a non-GAAP financial measure; See Appendix for reconciliation to the most comparable measure under GAAP



Balance Sheet Highlights

- Cash balance of over \$187mm
- Total debt of \$353mm¹
- Net debt of \$166mm¹
- Nearly \$350mm of availability on credit facility
- Capital efficient – net PP&E of \$792mm, or 19% of LTM revenue

¹Includes debt and finance leases

Assets

Cash & Equivalents	\$187
Other Current Assets	\$662
Total Current Assets	\$849

Property, Plant & Equipment, net	\$792
Goodwill & Intangible Assets	\$1,038
Other Assets	\$257
Total Assets	\$2,936

Liabilities & Stockholders' Equity

Accounts Payable	\$364
Accrued Expenses	\$143
Current Operating Leases	\$44
Current Portion of Debt & Financing Leases	\$107
Total Current Liabilities	\$658

Non-Current Portion of Operating Leases	\$178
Non-Current Portion of Debt & Financing Leases	\$246
Other Liabilities	\$219
Total Liabilities	\$1,301

Total Stockholders' Equity	\$1,635
Total Liabilities & Stockholders' Equity	\$2,936

\$ in millions; May not foot due to rounding



Why Invest in Hub Group?

- Proven track record of success over the long-term
- Comprehensive and diversified supply chain solutions provider
- Management team with decades of relevant experience
- Disciplined financial management
 - Investment-grade balance sheet
 - Stewards of capital
- Balanced approach to capital allocation
 - Return on capital driven investment decisions
 - Proven acquisition strategy
 - Strong record of cash flow
- Significant increase in long-term earnings potential



Outlook

2024 Guidance

- Middle of range assumes ITS volume growth of low-double digits, pricing down first half and rebounding in second half
- Logistics growth due to Appliance Final Mile acquisition, low- to mid-double digits in Managed Transportation and mid-single digits for Consolidation & Fulfillment and Brokerage
- Revenue of \$4.6 to \$5.0 billion
- Full year tax rate of approximately 24%
- Diluted EPS of \$2.00 to \$2.50
- Capital expenditures of \$55-\$75mm to support technology investments, growth of tractor fleet, and tractor fleet replacements that have reached end of life

Long-Term Outlook

- Accelerating growth in Intermodal driven by high service positioning, investments in equipment and over-the-road conversions
- Expanded Logistics offering through cross-selling, innovative new service offerings, and acquisition-led growth opportunities
- Continued focus on yields and operating efficiency, enabled by technology investments
- Sustainable improvements in profit margins and return on invested capital
- Invest to grow our business while executing on return of capital strategy





HUB GROUP OVERVIEW

Appendix

hubgroup.com

Hub Group, Inc.

Reconciliation of Net Income to EBITDA, EBITDA less CapEx and Cash EPS

(\$ in 000s, except EPS)

	12 MONTHS ENDED DECEMBER 31,						3 MONTHS ENDED DECEMBER 31,	
	2018	2019	2020	2021	2022	2023	2023	2022
Net Income	\$87,661	\$107,171	\$73,559	\$171,474	\$356,948	\$167,528	\$28,785	\$79,274
Interest Expense, net	\$9,611	\$10,994	\$9,746	\$7,302	\$6,632	\$3,424	\$103	\$1,381
Depreciation & Amortization	\$83,910	\$116,888	\$123,679	\$130,629	\$153,726	\$184,449	\$47,674	\$43,313
Provision for Income Taxes	<u>\$29,064</u>	<u>\$36,699</u>	<u>\$22,541</u>	<u>\$59,436</u>	<u>\$111,010</u>	<u>\$41,676</u>	<u>\$992</u>	<u>\$23,947</u>
EBITDA	\$210,246	\$271,752	\$229,525	\$368,841	\$628,316	\$397,077	\$77,554	\$147,915
Capital Expenditures	<u>\$199,791</u>	<u>\$94,847</u>	<u>\$115,306</u>	<u>\$132,952</u>	<u>\$219,140</u>	<u>\$140,107</u>	<u>\$34,440</u>	<u>\$61,476</u>
EBITDA less CapEx	\$10,455	\$176,905	\$114,219	\$235,889	\$409,176	\$257,009	\$43,153	\$86,439
Diluted EPS	\$1.31	\$1.60	\$1.10	\$2.53	\$5.32	\$2.62	\$0.46	\$1.21
Intangible Amortization for effected EPS	\$0.06	\$0.15	\$0.15	\$0.21	\$0.30	\$0.34	\$0.11	\$0.08
Cash EPS	\$1.37	\$1.75	\$1.25	\$2.74	\$5.62	\$2.96	\$0.57	\$1.29





Thank you!

hugoboss.com