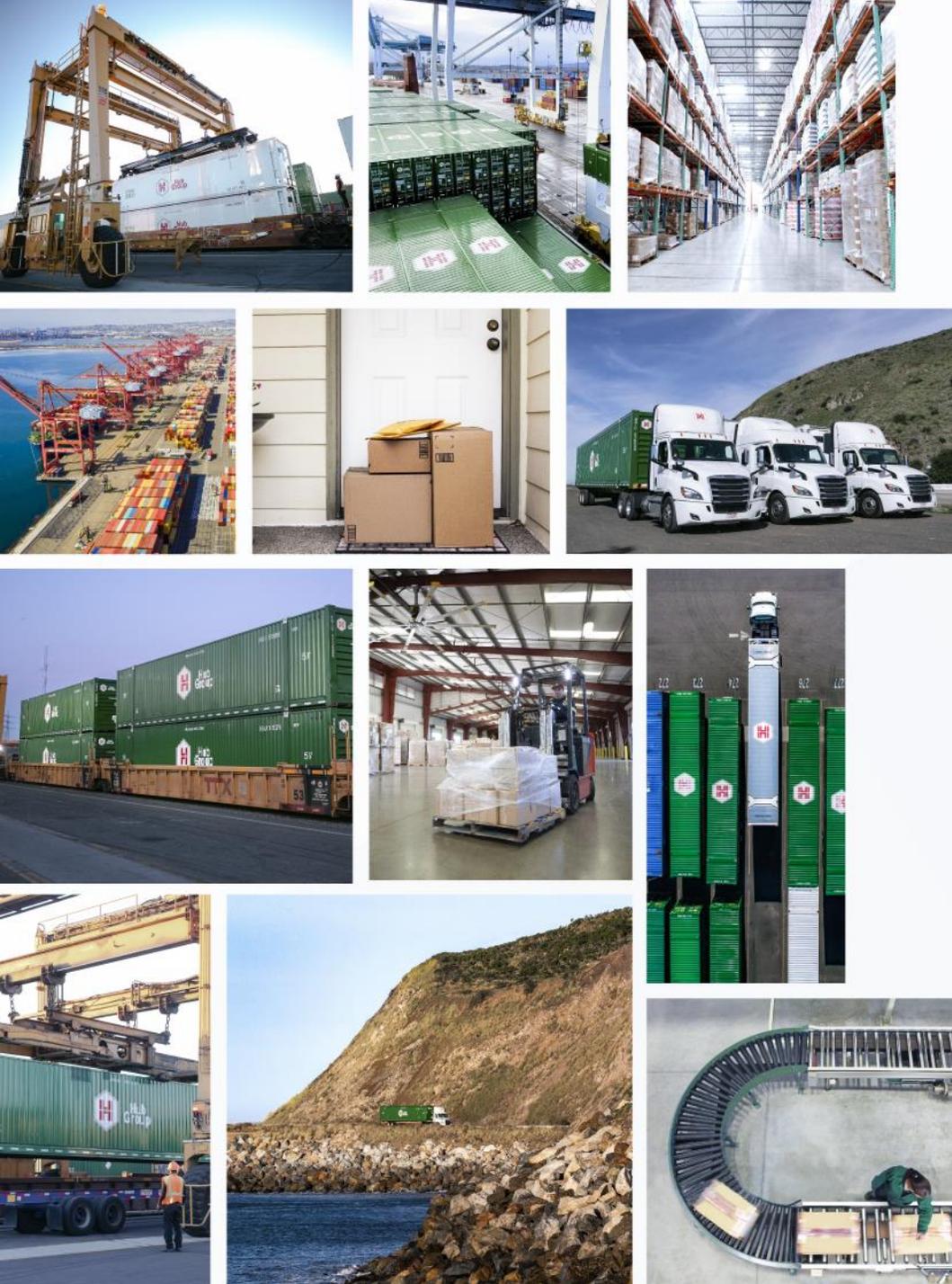




Hub Group Overview

Investor Presentation

April 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, Free Cash Flow, 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

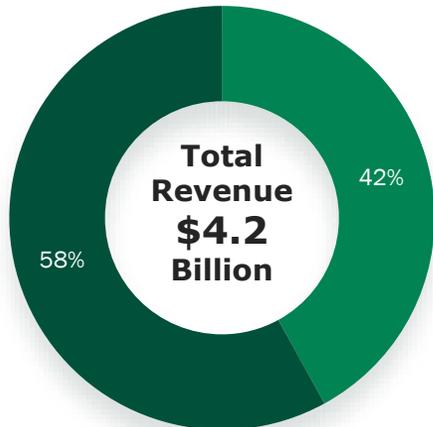
Vision

Deliver the premier supply chain solution

Revenue by Segment

(% of total revenue)

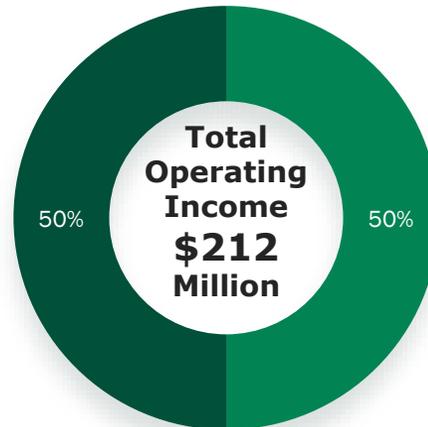
FY 2023



■ Logistics ■ Intermodal & Transportation Solutions

Operating Income by Segment

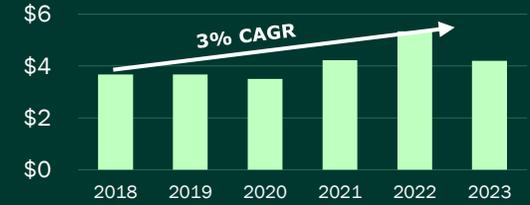
FY 2023



■ Logistics ■ Intermodal & Transportation Solutions

Revenue

(\$ in bn)



Diluted EPS



EBITDA-CapEx¹

(\$ in mm)



Cash EPS¹



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



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 insourced drayage to 77% throughout Q1 to improve driver productivity and improve costs as we grow volume
- Growing fleet of 900 refrigerated containers
- Top 20 Dedicated Trucking business offering high service and regional density
- Approximately 3,000 drivers and 2,400 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 of 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)

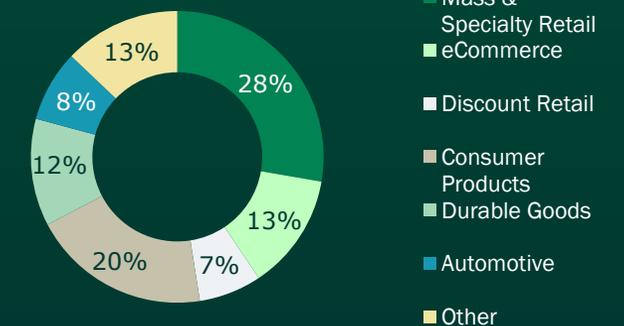
FY 2023



Revenue by Industry²

(% of segment revenue)

FY 2023



¹LTM 12/31/23

²LTM 12/31/23, represents management estimates

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

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

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

Consolidation & Fulfillment

- Multi-service offering including e-commerce fulfillment, transloading, consolidation and specialty warehousing
- Nationwide network with 10M square feet 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

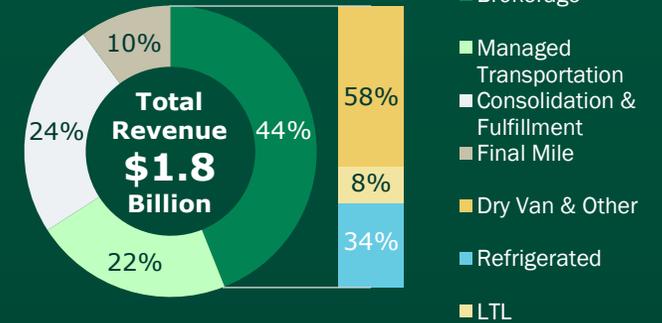
Acquisitions to Expand Offering and Build Scale



Revenue by Service¹

(% of segment revenue)

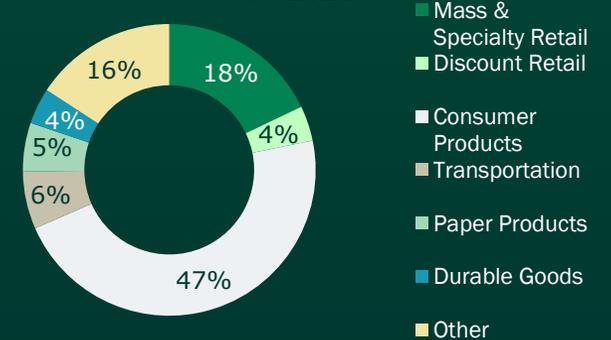
FY 2023



Revenue by Industry²

(% of segment revenue)

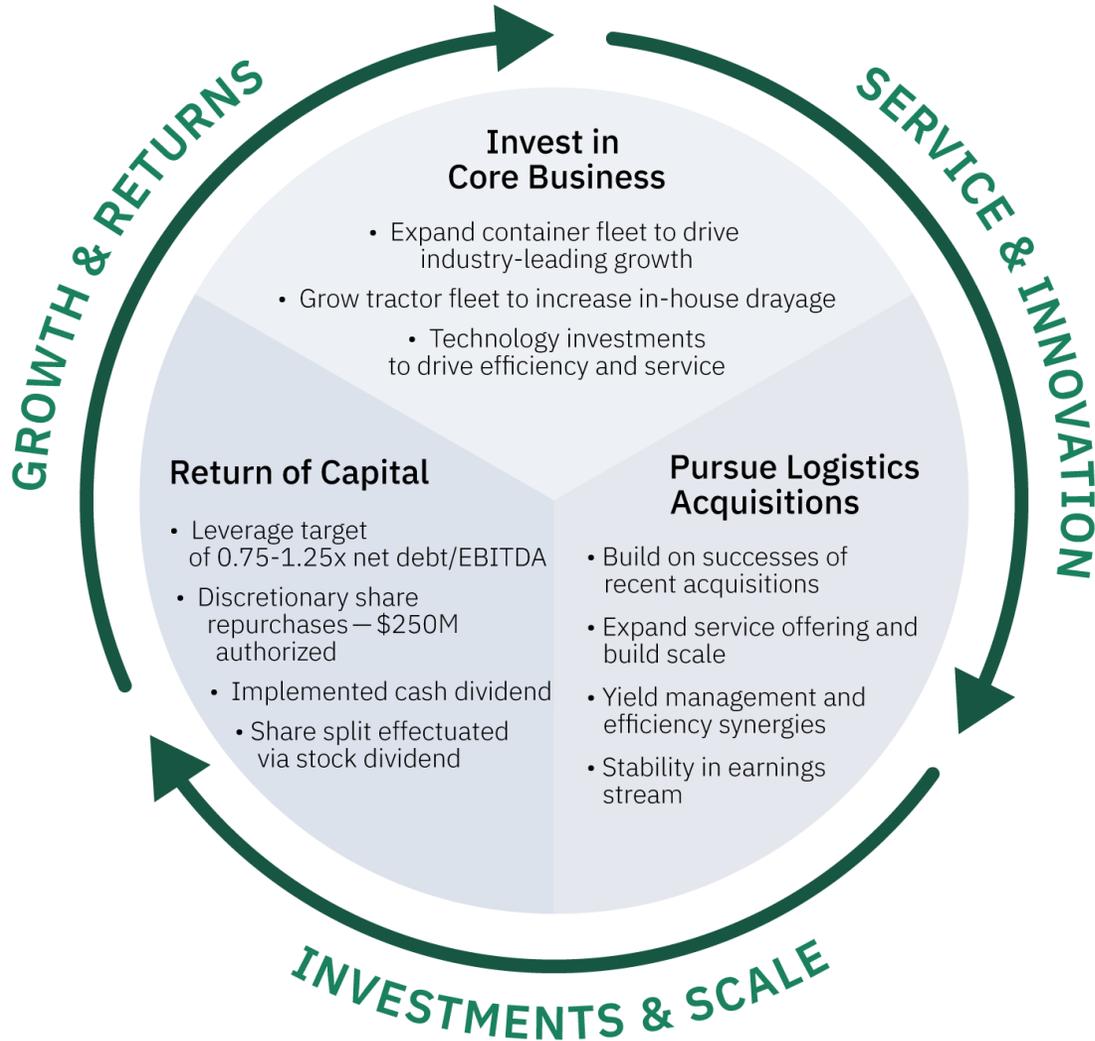
FY 2023



¹ LTM 12/31/23

² LTM 12/31/23, represents management estimates

Where We Are Going



Long-Term Financial Targets

2025 Revenue
\$5.5 – \$6.5B

Operating Income Margin
4.0 – 5.5%

Capital Allocation Plan in Action

Purchased Forward Air Final Mile for \$261M in Q4 2023

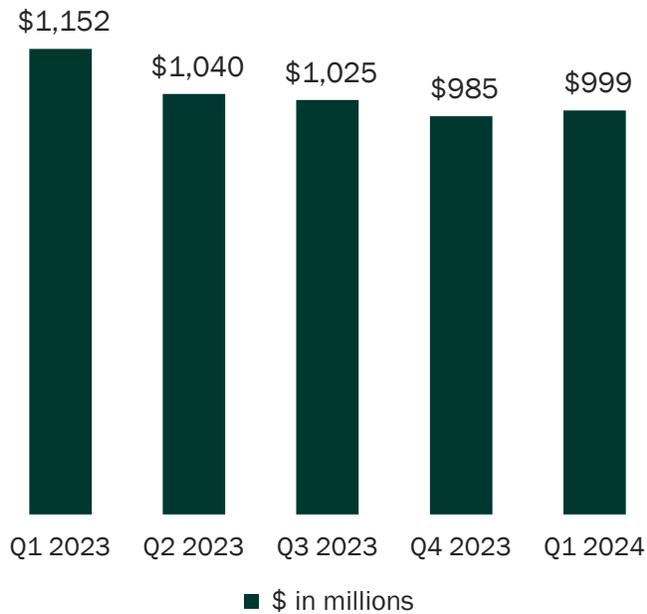
Continue to execute share repurchases; \$26M shares repurchased in Q1 2024

Initiated cash dividend in Q1 2024

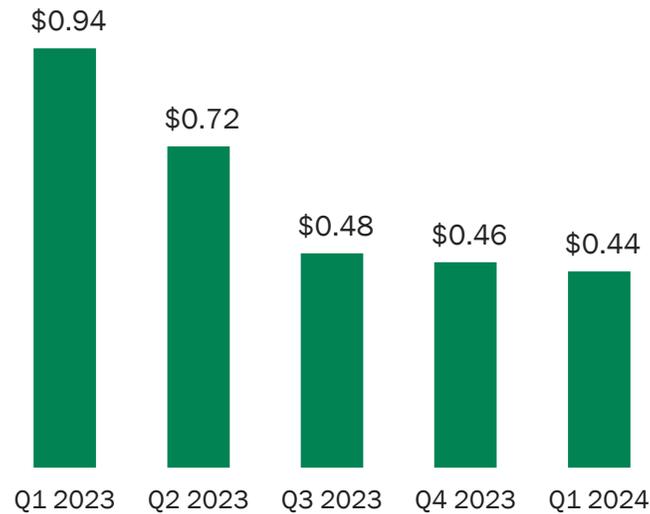


Q1 2024 Financial Results

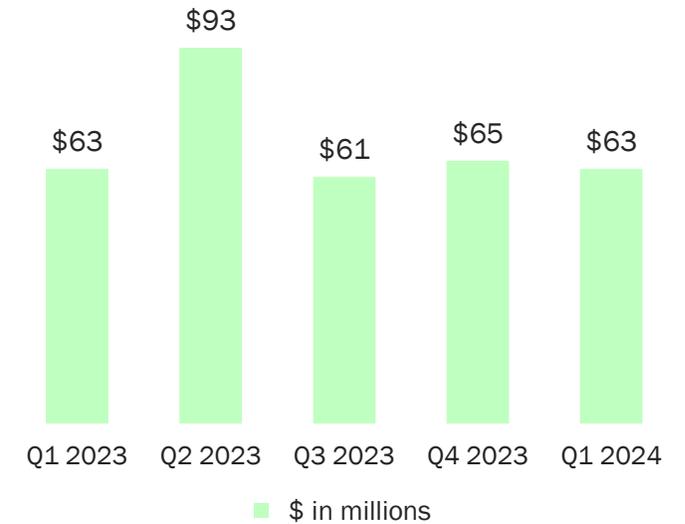
Revenue



Diluted EPS



Free Cash Flow²



² By providing this non-GAAP measure of Free Cash Flow, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability for the periods presented.



Q1 2024 Highlights

Highlights

Intermodal & Transportation Solutions Segment

(\$ in thousands)	Q1 2024	Q1 2023	Q4 2023
Revenue	\$552,033	\$709,249	\$576,474
% Growth		(22.2)%	(4.2)%
Operating Income	\$13,031	\$49,379	\$12,141
% Margin	2.4%	7.0%	2.1%

Logistics Segment

(\$ in thousands)	Q1 2024	Q1 2023	Q4 2023
Revenue	\$480,224	\$469,141	\$437,857
% Growth		2.4%	9.7%
Operating Income	\$24,108	\$28,826	\$17,261
% Margin	5.0%	6.1%	3.9%

Consolidated

(\$ in thousands)	Q1 2024	Q1 2023	Q4 2023
Revenue	\$999,493	\$1,152,265	\$985,023
% Growth		(13.3)%	1.5%
Operating Income	\$37,139	\$78,205	\$29,402
% Margin	3.7%	6.8%	3.0%
EBITDA ¹	\$86,574	\$124,053	\$77,554
Free Cash Flow ²	\$62,992	\$62,530	\$65,080

- Intermodal outperformed expectations in early bid season resulting in sequential improvements in volumes
- Final Mile integration is ahead of schedule and contributed \$64 million of revenue for the Logistics segment
- Brokerage builds momentum with 5 straight quarters of sequential growth
- January storms resulted in a loss of an estimated 1.5 days of volume across all business lines
- Fuel revenue lower than expectation impacting total revenue by \$42 million
- Dedicated start-up costs and a larger than expected auto claim settlement impacted ITS performance
- Strong free cash flow generation during the quarter

¹ By providing this non-GAAP measure of EBITDA, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability for the periods presented. Includes depreciation of property and equipment, amortization of intangible assets and amortization of right-of-use assets.

² By providing this non-GAAP measure of Free Cash Flow, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability for the periods presented.



Balance Sheet Highlights

- Cash balance of over \$195M
- Total debt of \$337M
- Net debt of \$142M
- Nearly \$350M of availability on credit facility
- Capital efficient – net PP&E of \$777M, or 19% of LTM revenue

	Q1 2024
Assets	
Cash & Equivalents	\$195
Other Current Assets	\$633
Total Current Assets	\$828
Property, Plant & Equipment, net	\$777
Goodwill & Intangible Assets	\$1,031
Other Assets	\$255
Total Assets	\$2,891
Liabilities & Stockholder Equity	
Accounts Payable	\$339
Accrued Expenses	\$158
Current Operating Leases	\$46
Current Portion of Debt & Financing Leases	\$105
Total Current Liabilities	\$649
Non-Current Portion of Operating Leases	\$175
Non-Current Portion of Debt & Financing Leases	\$231
Other Liabilities	\$214
Total Liabilities	\$1,269
Total Stockholders' Equity	\$1,622
Total Liabilities & Stockholders' Equity	\$2,891

\$ 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
 - Quarterly cash dividends
- 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



2023 Intermodal Carrier of the Year,
Online Big & Bulky Carrier of the Year,
Dedicated Van Carrier of the Year



2023 Target
Outstanding Partnership
of the Year Award



2023 Penske's Intermodal
Carrier of the Year



2022 Lowe's Intermodal
Carrier of the Year



2023 Hormel's Supplier
of Excellence Award



Inbound Logistics Top 10 3PL
Voted in the Top 3 for the past 5 years



2023 KBX Logistics/
Georgia-Pacific Intermodal
Carrier of the Year



2023 Forbes America's Best
Midsize Companies



2023 Supply Chain Brain 100
Great Supply Chain Partners



2023 SmartWay
Excellence Award Winner



2022 Global Trade
Gold Leading 3PL



2023 Food Logistics Top
3PL & Cold Storage Providers



Outlook

2024 Guidance

- ITS assumes Intermodal volume growth of high-single digits with pricing down mid-single digits
- Logistics is expected to grow low to mid-double digits driven by the Final Mile acquisition
- Revenue of \$4.3 to \$4.7 billion
- Full year tax rate of approximately 24%
- Diluted EPS of \$1.80 to \$2.25
- Capital expenditures of \$45 to \$65 million to support technology investments 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 MARCH 31,	
	2018	2019	2020	2021	2022	2023	2024	2023
Net Income	\$87,661	\$107,171	\$73,559	\$171,474	\$356,948	\$167,528	\$27,053	\$61,780
Interest Expense, net	\$8,252	\$8,891	\$9,343	\$7,302	\$6,632	\$3,424	\$2,506	\$1,593
Depreciation & Amortization of intangibles and right-of- use assets	\$83,910	\$116,888	\$123,679	\$130,629	\$153,726	\$184,449	\$49,605	\$45,810
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>\$7,410</u>	<u>\$14,870</u>
EBITDA¹	\$208,887	\$269,648	\$229,122	\$368,841	\$628,316	\$397,077	\$86,574	\$124,053
Capital Expenditures	<u>\$199,791</u>	<u>\$94,847</u>	<u>\$115,306</u>	<u>\$132,952</u>	<u>\$219,140</u>	<u>\$140,068</u>	<u>\$17,524</u>	<u>\$26,845</u>
EBITDA less CapEx	\$10,455	\$176,905	\$114,219	\$235,889	\$409,176	\$257,009	\$69,050	\$97,209
Diluted EPS	\$1.31	\$1.60	\$1.10	\$2.53	\$5.32	\$2.62	\$0.44	\$0.94
Intangible Amortization for effected EPS	\$0.06	\$0.15	\$0.15	\$0.21	\$0.30	\$0.34	\$0.11	\$0.09
Cash EPS	\$1.37	\$1.75	\$1.25	\$2.74	\$5.62	\$2.96	\$0.55	\$1.03

¹ By providing this non-GAAP measure of EBITDA, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability for the periods presented. Includes depreciation of property and equipment, amortization of intangible assets and amortization of right-of-use assets.



Hub Group, Inc.

Free Cash Flow Calculation

(\$ in 000s)

	2024		2023		
	Q1	Q1	Q2	Q3	Q4
Cash Flow from Operating Activities	\$80,516	\$89,375	\$132,006	\$101,296	\$99,481
Purchases of Property And Equipment	(\$17,524)	(\$26,845)	(\$38,790)	(\$40,032)	(\$34,401)
Total Free Cash Flow²	\$62,992	\$62,530	\$93,216	\$61,264	\$65,080

² By providing this non-GAAP measure of Free Cash Flow, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability for the periods presented.





Thank you!

hubgroup.com