

Industry Update

Takeaways from Eye for Transport: Aside from Solid Demand Last Week, Freight Markets Remain Soft & Pricing is Getting Uglier

We had the pleasure of attending the annual Eye for Transport conference held in Chicago over the past couple of days. Instead of attending presentations, panels, and the like, we instead met with a series of trucking industry and truck brokerage/3PL aficionados. We came away with a clearer view of how challenging freight market conditions are and that they are likely to remain like this through at least the end of 2016, if not beyond. Our summary thoughts from these meetings are presented below:

- **The freight market remains weak.** Aside from respectable demand last week, volume has been rather soft with little evidence of the normal seasonal uptick.
- **Some shippers continue to pound on rates/pricing.** Some fear that we may be approaching the limit on how far down prices can be pushed without harming the supply of capacity from the smaller carriers.
- **Small carriers continue to suffer negative impacts.** Given their generally higher unit cost structure, when compared to the larger, better capitalized carriers, many of these carriers may fall out of the industry faster than they otherwise would have had the cavalcade of federal regulations been their only headwind.
- **Werner was hurt worse than many big carriers as they had been adding to their fleet modestly and implemented an ill-timed driving pay increase this January.**
- **No carrier will be totally insulated from the volume weakness and the rate carnage.**
- **Investment Conclusions:** The pressure on rates has continued to build through June, normally one of the year's strongest months, in terms of freight demand. Rates are likely to remain low for at least the rest of 2016, with the possible exception of the e-commerce surge (late November/early December). The best we can hope for is some pickup in demand in 2017 once inventories correct, once the US dollar weakens relative to foreign currencies, once energy prices more fully rebound, and/or once the uncertainty surrounding the November 2016 elections is resolved. Capacity reductions initiated by carriers should begin to gain meaningful traction by late 2016 or early 2017 while early stage capacity reductions related to the eventual full implementation of the federal electronic logging device mandate should begin to become more evident during that same time frame. Assuming investors continue to discount this scenario into their valuations a good four to six months in advance, the latter half of the third quarter could provide some attractive entry points for investors assuming that EPS estimates will be properly reduced no later than the 2Q16 EPS reporting season (mid-July through mid-August). Given the uncertainty which exists between now and then, we would continue to remain on the sidelines with respect to the asset heavy truckers until their valuations fully correct. In the meantime, we recommend our buy rated asset light logistics companies as those well positioned to report solid 2Q16 results as the soft demand environment continues to allow these truck brokers and logistics companies to expand margins as they have been able reduce purchased transportation costs faster than rates are declining. Echo Global Logistics (ECHO, Buy: \$22.77) and XPO Logistics (XPO, Buy: \$26.66) are the two Buy-rated names in our coverage universe best positioned to capitalize on the current environment. Echo has the added advantage of launching its fully integrated internal software in mid-September which will allow the company to fully leverage the synergies available through its acquisition of Command Transportation. XPO has the added advantage of continuing the turnaround of its less-than-truckload operations and the cost-effective integration of its sales, human resources, information technology, and working capital management functions across its entire multi-continental geographic footprint.

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We had the pleasure of attending the annual Eye for Transport conference held in Chicago over the past couple of days. Instead of attending presentations, panels, and the like, we instead met with a series of trucking industry and truck brokerage/3PL aficionados. We came away with a clearer view of how challenging freight market conditions are and that they are likely to remain like this through at least the end of 2016, if not beyond. Our summary thoughts from these meetings are presented below:

The freight market remains weak. Aside from respectable demand last week (which was possibly a function of a pickup in the volume of produce shipments and the timing of the annual Roadcheck sponsored by the Commercial Vehicle Safety Alliance, during which many truckers choose to vacation in order to avoid the heightened potential of a safety-related citation), volume has been rather soft with little evidence of the normal seasonal uptick. It appears that consumers will replace auto and white goods when they fail, but then will cut back on the purchase of other items. With inventories showing only modest declines, freight volumes continue to suffer as there is a reduced need for frequent inventory replenishment.

Some shippers continue to pound on rates/pricing. One broker mentioned that many of his customers are coming to market for the third time this year asking for ever lower rates. Others we spoke to corroborated this point. Medium-sized carriers and brokers as well as small carriers and brokers are cutting price for fear they will be left high and dry if they don't. The larger carriers can get away with negotiated decreases for the most part. These decreases are averaging in the low single digits in terms of y/y percentage decline. Large brokers often match the smaller brokers with "gutter level" pricing in order to hold on to business. So far the large brokers have been able to pass along the rate redirections, and then some, to their carrier base. But some fear that we may be approaching the limit on how far down prices can be pushed without harming the supply of capacity from the smaller carriers. One executive thought we might be approaching this point now.

Small carriers continue to suffer negative impacts. They struggle to make money in this challenging spot market even though a good number of these carriers are not compliant (i.e., they cheat) on hours of service and speed. Given their generally higher unit cost structure, when compared to the larger, better capitalized carriers, many of these carriers may fall out of the industry faster than they otherwise would have had the cavalcade of federal regulations been their only headwind. Big carriers are also taking action by downsizing their fleets in order to protect unit utilization.

Werner was hurt worse than many big carriers as they had been adding to their fleet modestly and implemented an ill-timed driving pay increase this January. Werner's management also have opted to dive more deeply into the poorly priced spot market effectively incurring short term pain for long term gain. They wanted to maintain the flexibility to re-enter the contract market when rates firm. The alternative would be to cut contract prices and to live with those depressed rates for a year or two.

No carrier will be totally insulated from the volume weakness and the rate carnage. Our plan is to do a deep dive into our truckload sector models and to offer up new lower revenue and EPS estimates on Friday morning. Our meeting and travel schedule prevents us from completing this task earlier than that. Better to be a little late and correct than early and incorrect or sloppy.

Investment Conclusions: None of the revelations from the past few days regarding the sorry state of the freight market is terribly shocking. This scenario started to play out in the 2Q15 in the form of spot market pricing weakness. Volumes subsequently softened in the 2H15. Throughout 2015 and even into early 2016, contract rates held their ground and even improved somewhat albeit at decelerating rates. Then around March 1, 2016, the contagion spread from the spot market into the contract market. Many shippers piled on not wanting to miss out on the favorable rate actions. The pressure on rates has continued to build through June, normally one of the year's strongest months, in terms of freight demand. Normally, shippers will not exert rate pressure in the stronger demand months. That rule of thumb has not held up so far in 2016, unfortunately for carriers. So rates are likely to remain low for at least the rest of 2016, with the possible exception of the e-commerce surge (late November/early December). The best we can hope for is some pickup in demand in 2017 once inventories correct (and more normalized inventory replenishment is required), once the US dollar weakens relative to foreign currencies (and export volumes subsequently begin to recover), once energy prices more fully rebound (and energy development projects once again become economically viable), and/or once the uncertainty surrounding the November 2016 elections is resolved (and companies become more confident in hiring full time employees and investing in capital goods). Capacity reductions initiated by carriers should begin to gain meaningful traction by late 2016 or early 2017 while early stage capacity reductions related to the eventual full implementation of the federal electronic logging device mandate should begin to become more evident during that same time frame. Assuming investors continue to discount this scenario into their valuations a good four to six months in advance, the latter half of the third quarter could provide some attractive entry points for investors assuming that EPS estimates will be properly reduced no later than the 2Q16 EPS reporting season (mid-July through mid-August). Given the uncertainty which exists between now and then, we would continue to remain on the sidelines

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Other interesting tidbits accumulated recently during our various trips and discussions over the past couple of weeks include:

- One tractor leasing company mentioned that it has seen more lease payment defaults in the last month than it has seen in the previous three years combined. Clearly, the spot market pressures are challenging the cash flow generation capabilities of small fleets and single owner-operators.
- Big brokers are getting smarter using predictive analytics to improve their decision making in the transactional and contractual markets. Internal compensation plans may be redesigned to dynamically incentivize desired behavior based on predicted market conditions.
- Technology system providers are getting close to launching software that will allow carriers to dynamically price based on actual and forecasted supply/ demand dynamics.
- Merger and acquisition activity is taking a breather in both the asset-light and asset-heavy sectors as sellers are awaiting the return of cyclical high valuations (last seen in 2014 and early 2015) while buyers are looking to lower valuations more reflective of current, challenging freight market conditions.
- Insurers continue to rely on their own safety audits rather than the less comprehensive and potentially flawed FMCSA system. If a carrier is not deploying the latest safety technology and the latest driver training techniques, many insurers are not interested in underwriting the carrier's risk.
- Shippers are being more particular with respect to carrier selection. For example, some shippers will not invite carriers who have yet to begin to install electronic logging devices to bid on their freight in 2017.
- Health care insurance rates and auto liability rates continue to harden in the trucking market. This hardening is a function of underwriters totally or partially exiting the space and the rapid rise in the magnitude of settlements. Many have suggested that cases formerly settling for \$1-3 million are routinely settling now for \$5 to \$10 million.
- Autonomous trucks are ready to go technologically. Getting the support of potential opponents, such as the labor unions, the railroad industry, the highway safety lobby, the equipment manufacturers, et. al. – will combine to form a legislative/regulatory hurdle that may prove insurmountable over the next couple of decades, if not over even a longer time frame.
- Rail intermodal pricing is weak thanks to the surplus of low priced truck capacity currently available in the market.
- Some shippers continue to opt for more of a collaborative stance in rate negotiations. We won't be too hard on you now, if you remember us when supply and demand tighten. In addition, many of these shippers choose not to disrupt their service sensitive networks by replacing all incumbents. Along those lines, one shipper settled for low single digit rate reductions while retaining 80% of his/her incumbent carriers.
- Several technology companies are focused on offering systems that are designed to level the playing field for small carriers and small brokers. Time will tell if these systems provide sufficient resiliency.

Stifel 12-Month Target Price/Fair Value Estimate Matrix

Company	Ticker	Rating	Closing 6/21/2016	Earnings Per Share		12-Mo. Target Price / Fair Value			Potential Upside %
				CY 16E	CY 17E	P/E Multiple ⁽¹⁾	Estimate	Dividend Yield	
P.A.M. Transportation Services	PTSI	Buy	\$ 18.01	\$ 2.60	\$ 3.20	11.0x	\$ 35	-	94.3%
Roadrunner Transportation Svcs.	RRTS	Buy	\$ 7.67	\$ 0.90	\$ 1.20	12.0x	\$ 14	-	82.5%
XPO Logistics, Inc. ⁽⁴⁾	XPO	Buy	\$ 26.66	\$ 0.72	\$ 1.70	NA	\$ 40	-	50.0%
YRC Worldwide	YRCW	Buy	\$ 9.34	\$ 0.92	\$ 1.90	7.5x	\$ 14	-	49.9%
Covenant Transportation Group	CVTI	Buy	\$ 21.97	\$ 1.60	\$ 1.90	14.5x	\$ 28	-	27.4%
Echo Global Logistics	ECHO	Buy	\$ 22.77	\$ 1.20	\$ 1.50	19.5x	\$ 29	-	27.4%
Swift Transportation	SWFT	Buy	\$ 15.74	\$ 1.44	\$ 1.55	13.0x	\$ 20	-	27.1%
Werner Enterprises	WERN	Hold	\$ 22.31	\$ 1.57	\$ 1.75	16.0x	\$ 28	1.0%	26.5%
Wabtec Corporation ⁽¹³⁾	WAB	Buy	\$ 72.85	\$ 4.30	\$ 4.50	18.5x	\$ 91	0.5%	25.5%
Universal Logistics Holdings, Inc.	ULH	Buy	\$ 14.12	\$ 1.30	\$ 1.40	12.0x	\$ 17	1.9%	22.3%
FreightCar America ⁽⁷⁾	RAIL	Buy	\$ 14.27	\$ 1.35	\$ 0.60	11.0x	\$ 17	2.5%	21.6%
Celadon Group ⁽²⁾	CGI	Buy	\$ 10.02	\$ 0.84	\$ 1.15	10.0x	\$ 12	0.7%	20.5%
Blue Bird Corporation	BLBD	Buy	\$ 11.71	\$ 1.14	\$ 1.40	10.0x	\$ 14	-	19.6%
Ryder System	R	Buy	\$ 65.11	\$ 6.10	\$ 6.65	11.5x	\$ 76	2.5%	19.2%
WABCO Holdings Inc. ⁽¹⁸⁾	WBC	Buy	\$ 105.25	\$ 5.60	\$ 6.55	17.0x	\$ 125	-	18.8%
ArcBest Corporation	ARCB	Hold	\$ 16.35	\$ 0.78	\$ 1.79	10.5x	\$ 19	1.9%	18.1%
Saia, Inc.	SAIA	Buy	\$ 25.56	\$ 1.95	\$ 2.25	13.5x	\$ 30	-	17.4%
Student Transportation Inc. ⁽⁵⁾	STB	Buy	\$ 5.15	\$ 0.06	\$ 0.09	NA	\$ 5.50	8.6%	15.4%
C.H. Robinson Worldwide	CHRW	Buy	\$ 72.09	\$ 3.87	\$ 4.25	19.0x	\$ 81	2.4%	14.7%
DSV A/S	DSV-DK	Hold	DKK 279.60	DKK 13.6	DKK 15.8	20.0x	DKK 315	0.6%	13.3%
Expeditors International	EXPD	Buy	\$ 48.57	\$ 2.40	\$ 2.65	20.0x	\$ 53	1.6%	10.8%
Canadian Pacific Railway	CP	Hold	\$ 124.34	\$ 8.32	\$ 9.09	15.0x	\$ 136	1.2%	10.6%
Old Dominion Freight Line	ODFL	Hold	\$ 59.86	\$ 3.59	\$ 3.90	17.0x	\$ 66	-	10.3%
FedEx Corp. ⁽³⁾	FDX	Buy	\$ 163.95	\$ 11.61	\$ 13.20	13.5x	\$ 178	1.0%	9.5%
Westport Innovations ⁽⁹⁾	WPRT	Hold	\$ 1.85	\$ (0.81)	NE	NA	\$ 2	-	8.1%
CSX Corp.	CSX	Buy	\$ 26.63	\$ 1.80	\$ 1.95	14.5x	\$ 28	2.7%	7.8%
Kansas City Southern	KSU	Hold	\$ 89.68	\$ 4.63	\$ 5.00	19.0x	\$ 95	1.5%	7.4%
J.B. Hunt Transport Svcs.	JBHT	Hold	\$ 80.13	\$ 3.95	\$ 4.40	19.0x	\$ 84	1.1%	5.9%
Hub Group, Inc.	HUBG	Hold	\$ 39.77	\$ 2.25	\$ 2.40	17.5x	\$ 42	-	5.6%
Meritor ⁽¹¹⁾	MTOR	Hold	\$ 8.60	\$ 1.61	\$ 1.65	NA	\$ 9	-	4.7%
GATX Corporation	GMT	Hold	\$ 45.49	\$ 5.35	\$ 4.60	10.0x	\$ 46	3.5%	4.6%
L.B. Foster Company	FSTR	Hold	\$ 11.63	\$ 0.70	\$ 1.15	10.0x	\$ 12	1.4%	4.6%
Canadian National Railway	CNI	Hold	\$ 58.40	\$ 3.45	\$ 3.71	16.0x	\$ 59	2.0%	3.0%
Allison Transmission ⁽¹⁰⁾	ALSN	Hold	\$ 27.95	\$ 1.25	\$ 1.34	NA	\$ 28	2.1%	2.3%
Genesee & Wyoming, Inc. ⁽⁸⁾	GWR	Hold	\$ 63.88	\$ 3.42	\$ 3.67	17.0x	\$ 65	-	2.2%
American Railcar Industries	ARII	Hold	\$ 39.26	\$ 4.40	\$ 3.60	10.5x	\$ 38	4.0%	0.8%
Norfolk Southern Corp.	NSC	Hold	\$ 85.01	\$ 5.59	\$ 5.85	14.0x	\$ 82	2.8%	(0.8%)
Knight Transportation	KNX	Hold	\$ 26.66	\$ 1.24	\$ 1.40	18.5x	\$ 26	0.9%	(1.6%)
Trinity Industries	TRN	Hold	\$ 19.00	\$ 2.05	\$ 1.75	10.5x	\$ 18	2.3%	(2.9%)
Greenbrier ⁽⁶⁾	GBX	Hold	\$ 28.65	\$ 4.93	\$ 3.00	9.0x	\$ 27	2.8%	(3.0%)
Heartland Express ⁽¹⁴⁾	HTLD	Hold	\$ 17.49	\$ 0.74	\$ 0.80	20.0x	\$ 17	0.4%	(3.3%)
Deutsche Post DHL	DPW-DE	Hold	€ 25.95	€ 1.92	€ 2.00	12.0x	€ 24	3.2%	(4.3%)
Landstar System	LSTR	Hold	\$ 66.22	\$ 3.25	\$ 3.52	18.0x	\$ 63	0.5%	(4.4%)
Kuehne+Nagel International AG	KNIN-CH	Hold	CHF 136.80	CHF 6.20	CHF 6.58	19.0x	CHF 125	3.6%	(5.0%)
Forward Air Corp.	FWRD	Hold	\$ 45.87	\$ 2.35	\$ 2.60	16.5x	\$ 43	1.0%	(5.2%)
Panalpina World Transport Holding	PWTN-CH	Hold	CHF 118.10	CHF 4.12	CHF 5.47	19.5x	CHF 107	3.0%	(6.4%)
PACCAR Inc. ⁽¹⁶⁾	PCAR	Hold	\$ 54.58	\$ 3.90	\$ 3.55	14.0x	\$ 49	1.7%	(8.5%)
Union Pacific Corp.	UNP	Hold	\$ 87.65	\$ 5.01	\$ 5.40	14.5x	\$ 78	2.5%	(8.5%)
Marten Transport	MRTN	Hold	\$ 19.86	\$ 1.03	\$ 1.15	16.0x	\$ 18	0.5%	(8.9%)
United Parcel Service	UPS	Hold	\$ 106.67	\$ 5.76	\$ 6.02	15.5x	\$ 93	2.9%	(9.9%)
Wabash National Corp. ⁽¹⁷⁾	WNC	Sell	\$ 12.61	\$ 1.70	\$ 1.25	10.5x	\$ 11	-	(12.8%)
Kirby Corp.	KEX	Hold	\$ 66.62	\$ 2.90	\$ 3.30	17.5x	\$ 58	-	(12.9%)
Cummins ⁽¹⁵⁾	CMI	Hold	\$ 115.36	\$ 8.00	\$ 7.75	12.0x	\$ 95	3.4%	(14.3%)
Navistar International ⁽¹²⁾	NAV	Sell	\$ 12.36	\$ (0.01)	\$ 0.68	NA	\$ 10	-	(19.1%)
USA Truck, Inc.	USAK	Sell	\$ 20.07	\$ 1.15	\$ 1.21	12.5x	\$ 15	-	(25.3%)

(1) Multiples listed are applied to 2017 EPS estimates unless none is established or otherwise noted

(2) CGI is on June 30 fiscal year

(3) FedEx is on May 31 fiscal year

(4) XPO Logistics 12-month target price of \$40 is calculated by applying a 6.75x multiple to our 2017 EBITDA estimate of \$1.5 billion less 2017 net debt of \$4.5 billion divided by average diluted shares outstanding in 2017

(5) Student Transportation Inc. 12-month target price is \$5.50, or 8.75x our CY2018 EBITDA estimate of \$106 million less CY2018 net debt of \$338 million for a total of \$587 million in equity value divided by 107.2 million shares

(6) Greenbrier (GBX) is on an August 31 fiscal year; fair value estimate based on FY2017 EPS estimates

(7) Freightcar America (RAIL) target price is \$17, or 11.0x our 2017 EPS estimate of \$0.60 plus \$10 per share in normalized net cash

(8) GWR target price includes the benefit of the short line tax credit

(9) Westport Innovations (WPRT) fair value estimate is \$2, or roughly 0.75x our 2016 revenue/share estimate

(10) Allison Transmission (ALSN) fair value estimate is \$28, or 10.5x our 2018 EBITDA estimate of \$650 million

(11) Meritor (MTOR) fair value estimate is \$9, or 5.8x our 2018 EBITDA estimate of \$300 million

(12) Navistar International (NAV) target price is \$10, or 8.0x our 2018 EBITDA estimate of \$850 million

(13) Wabtec Corporation (WAB) target price is \$91, or 18.5x our 2017 EPS estimate of \$4.50 plus \$0.40 in expected 2017 accretion from Faiveley acquisition

(14) Heartland Express (HTLD) fair value estimate is \$17, or 20.0x our 2017 EPS estimate of \$0.80 plus \$0.84 per share in net cash

(15) Cummins (CMI) fair value estimate is \$95, or 12.0x our 2018 EPS estimate of \$7.90

(16) PACCAR (PCAR) fair value estimate is \$49, or 14.0x our 2018 EPS estimate of \$3.50

(17) Wabash (WNC) target price is \$11, or 10.5x our 2018 EPS estimate of \$1.05

(18) WABCO (WBC) target price is \$125, or 17.0x our 2018 EPS estimate of \$7.35

Source: FactSet Research Systems, Stifel estimates; risk ratings are derived from a qualitative analysis by Stifel analysts
12-month target prices pertain to Buy/Sells, and current fair values pertain to Holds.



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 6/21/2016	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of			Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2016E FCF Yld	
								Earnings per Share			Book value	TTM Revenue	2016E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)							TTM EBIT
								2015A ^(b)	2016E ^(b)	2017E ^(b)												
Non-Asset-Based Forwarding / Logistics																						
C.H. Robinson Worldwide (CHRW)	Buy	72.09	144.3	10,399.7	970.0	179.4	11,190.3	20.4x	18.6x	17.0x	8.7x	5.5x	11.3x	13.0x	11.6x	12.8x	16.3%	46.8%	25.0%	2.0	2.4%	1.0%
DSV A/S (DSV-DK)	Hold	DKK 279.60	181.3	7,730.0	2,371.9	413.6	9,734.4	21.8x	20.6x	17.7x	3.8x	4.6x	2.3x	15.4x	1.4x	18.4x	6.9%	25.3%	12.3%	1.4	0.6%	-2.8%
Echo Global Logistics (ECHO)	Buy	22.77	30.2	688.3	205.5	43.5	850.3	19.6x	19.0x	15.2x	1.8x	2.1x	10.0x	11.4x	10.8x	13.6x	6.8%	12.7%	11.0%	1.1	0.0%	1.5%
Expeditors International (EXPD)	Buy	48.57	182.1	8,844.8	0.0	1,013.9	7,872.0	20.2x	20.2x	18.3x	5.0x	3.6x	10.8x	10.5x	10.1x	11.2x	15.9%	24.1%	23.8%	2.0	1.6%	5.9%
Forward Air Corp. (FWRD)	Hold	45.87	30.7	1,407.0	70.6	38.0	1,439.5	20.4x	19.5x	17.6x	2.8x	1.5x	9.3x	10.0x	8.8x	13.6x	10.1%	14.3%	12.2%	1.8	1.0%	2.3%
Hub Group (HUBG)	Hold	39.77	35.2	1,398.7	125.1	200.3	1,323.6	19.8x	17.7x	16.6x	2.2x	3.5x	7.9x	9.5x	9.0x	10.1x	6.5%	13.3%	11.5%	1.3	0.0%	3.6%
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 136.80	120.0	16,419.8	16.6	948.5	15,557.8	24.0x	22.1x	20.8x	7.0x	2.3x	13.9x	14.6x	13.3x	16.2x	11.5%	31.2%	30.1%	2.2	5.1%	3.4%
Landstar System (LSTR)	Hold	66.22	42.7	2,827.1	124.5	156.3	2,795.3	19.6x	20.4x	18.8x	5.9x	0.9x	11.0x	10.3x	10.3x	11.6x	15.4%	30.4%	24.9%	1.7	0.5%	6.2%
Panalpina Welttransport Holding (PWTN-CH)	Hold	CHF 118.10	23.7	2,803.4	0.2	451.7	2,351.8	32.0x	28.7x	21.6x	4.1x	1.5x	12.9x	14.4x	13.1x	18.7x	5.1%	13.5%	13.7%	1.9	1.9%	4.2%
Roadrunner Transportation Svcs. (RRTS)	Buy	7.67	38.3	293.5	416.1	8.1	701.6	6.1x	8.5x	6.4x	0.5x	1.0x	6.5x	6.0x	5.5x	8.6x	3.0%	6.4%	5.0%	0.6	0.0%	13.5%
Universal Logistics Holdings, Inc. (ULH)	Buy	14.12	28.4	401.0	233.4	11.7	622.7	10.3x	10.9x	10.1x	2.9x	0.6x	6.3x	5.8x	5.5x	8.6x	7.3%	28.2%	12.2%	0.5	2.0%	-3.7%
XPO Logistics, Inc. (XPO)	Buy	26.66	139.3	3,712.8	5,513.4	279.0	8,947.2	NM	37.0x	15.7x	1.2x	0.9x	7.2x	15.1x	NM	NM	-0.5%	-1.5%	NM	1.2	0.0%	-8.3%
	Min			293.5	0.0	8.1	622.7	6.1x	8.5x	6.4x	0.5x	0.6x	2.3x	5.8x	1.4x	8.6x	-0.5%	-1.5%	5.0%	0.5	0.0%	-8.3%
	Mean			4,743.8	837.3	312.0	5,282.2	19.5x	20.3x	16.3x	3.8x	2.3x	9.1x	11.3x	9.0x	13.0x	8.7%	20.4%	16.5%	1.5	1.3%	2.2%
	Median			2,815.2	165.3	189.8	2,573.6	20.2x	19.9x	17.3x	3.4x	1.8x	9.7x	10.9x	10.1x	12.8x	7.1%	19.2%	12.3%	1.5	0.8%	2.9%
	Max			16,419.8	5,513.4	1,013.9	15,557.8	32.0x	37.0x	21.6x	8.7x	5.5x	13.9x	15.4x	13.3x	18.7x	16.3%	46.8%	30.1%	2.2	5.1%	13.5%
Stifel Transportation Average				9,694.9	2,266.1	535.0	11,089.1	14.8x	16.4x	14.6x	2.9x	1.8x	7.6x	8.0x	7.1x	11.5x	7.1%	21.2%	14.9%	1.3	1.3%	3.6%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2016E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data, First Call, and Stifel estimates



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XPO Logistics Income Statement

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

	2014										2015				2016				2017E						
	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	1QA	2QA	3QA	4QA	2014A	1QA	2QA	3QA	4QA		2015A	1QA	2QE	3QE	4QE	2016E
Gross revenues	39.8	42.2	52.8	109.5	100.1	158.0	177.1	278.6	702.3	282.4	581.0	662.5	830.7	2,356.6	703.0	1,215.9	2,362.1	3,342.3	7,623.3	3,545.7	3,991.6	4,084.2	3,971.8	15,593.3	17,002.3
% change y/y	NA	5.9%	25.1%	107.4%	-8.5%	57.8%	12.1%	57.3%	152.1%	147.7%	323.8%	241.5%	222.9%	235.6%	148.9%	109.3%	256.6%	302.3%	223.5%	404.4%	228.3%	2.7%	18.8%	104.5%	9.0%
Cost of Purchased Transportation	30.9	31.4	39.9	91.6	83.4	130.6	147.3	237.8	578.8	224.0	459.1	487.4	531.3	1,701.8	440.8	707.3	1,237.3	1,786.0	4,171.4	1,945.1	2,144.6	2,173.6	2,119.2	8,382.5	8,961.6
Depreciation																									
Net revenues (Gross profits)	9.0	10.8	12.9	17.8	16.7	27.4	29.8	40.8	123.5	58.4	121.9	175.1	299.4	654.8	262.2	508.6	1,124.8	1,556.3	3,451.9	1,600.6	1,847.0	1,910.7	1,852.6	7,210.9	8,040.8
% change y/y	NA	20.0%	19.3%	38.5%	-6.1%	63.7%	8.7%	37.1%	202.5%	259.1%	530.1%	402.7%	464.1%	430.1%	349.0%	317.3%	542.4%	419.8%	427.2%	510.5%	263.2%	69.9%	19.0%	108.9%	11.5%
% of gross revenues	22.6%	25.6%	24.4%	16.3%	16.7%	17.3%	16.8%	14.7%	17.6%	20.7%	21.0%	26.4%	36.0%	27.8%	37.3%	41.8%	47.6%	46.6%	45.3%	45.1%	46.3%	46.8%	46.6%	46.2%	47.3%
Direct Operating Expense																									
Depreciation										3.9	27.2	71.0	171.0	273.1	151.2	318.3	798.2	1,099.5	2,367.2	1,106.2	1,246.4	1,285.4	1,244.4	4,882.4	5,384.5
SG&A Expenses																									
Salaries, wages and benefits	10.2	7.6	9.3	12.7	13.6	12.0	15.2	35.8	100.6	41.2	51.8	56.3	62.4	211.6	60.9	108.4	155.4	242.8	568.6	232.6	256.4	260.5	255.1	1,004.6	1,098.3
Purchased services	0.0	0.0	0.0	0.0	0.0	2.5	6.7	15.4	25.2	10.2	11.2	16.7	11.6	49.8	10.8	42.5	32.0	74.4	160.0	80.1	88.3	89.7	87.9	346.0	378.2
Depreciation	0.0	0.0	0.0	0.0	0.0	1.2	1.0	2.5	17.5	11.2	21.2	23.1	27.8	83.3	25.5	37.8	56.2	81.0	200.5	60.4	73.0	74.1	72.6	280.1	312.6
Other operating expenses	0.0	0.0	0.0	0.0	0.0	3.2	5.1	15.1	29.4	2.5	18.0	9.6	20.6	50.6	18.6	31.7	38.7	96.6	(12.5)	58.9	35.1	35.6	34.9	164.4	150.1
(Gain) loss on sale of fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	10.2	7.6	9.3	12.7	13.6	19.0	28.1	68.8	172.7	65.1	102.2	105.7	122.4	422.5	115.8	220.4	282.3	494.8	1,113.3	432.0	452.7	460.0	450.5	1,795.2	1,938.2
OI adjustments (Excl in Adj EBITDA)										0.0	0.0	0.0	(2.6)	(23.2)	(0.6)	(3.9)	(1.2)	12.5	7.4	5.8	0.0	0.0	0.0	0.0	0.0
OI Adjustments (Incl in Adj EBITDA)										0.0	0.0	0.0	(1.5)	(24.8)	(0.6)	(7.1)	(36.0)	(79.1)	(186.9)	(27.1)	0.0	0.0	0.0	(27.1)	0.0
Adjusted Total operating expenses										65.1	102.2	105.7	118.3	374.5	115.2	145.3	245.1	428.2	933.8	410.7	452.7	460.0	450.5	1,768.1	1,938.2
Operating ratio (gross)	103.0%	92.4%	93.3%	95.3%	96.8%	94.7%	99.0%	110.0%	107.0%	103.7%	101.3%	100.2%	99.3%	101.7%	100.7%	102.5%	98.1%	101.1%	100.4%	98.2%	96.3%	96.0%	96.0%	96.6%	95.6%
Operating ratio (net)	113.1%	70.5%	72.5%	71.0%	81.1%	69.2%	94.2%	168.5%	139.9%	118.1%	106.2%	100.9%	98.0%	106.2%	101.8%	105.9%	96.1%	102.4%	100.8%	96.1%	92.0%	91.3%	91.5%	92.6%	91.1%
GAAP EBIT	(1.2)	3.2	3.5	5.2	3.2	8.4	1.7	(28.0)	(49.2)	(10.6)	(7.5)	(1.6)	6.0	(40.8)	(4.8)	(30.1)	44.3	(38.0)	(28.6)	62.4	147.9	165.3	157.7	533.3	717.1
% margin (gross revenues)	-3.0%	7.6%	6.7%	4.7%	3.2%	5.3%	1.0%	-10.0%	-7.0%	-3.7%	-1.3%	-0.2%	0.7%	-1.7%	-0.7%	-2.5%	1.9%	-1.1%	-0.4%	1.8%	3.7%	4.0%	4.0%	3.4%	4.2%
% margin (net revenues)	-13.1%	29.5%	27.5%	29.0%	18.9%	30.8%	5.8%	-68.5%	-39.9%	-18.1%	-6.2%	-0.9%	2.0%	-6.2%	-1.8%	-5.9%	3.9%	-2.4%	-0.8%	3.9%	8.0%	8.7%	8.5%	7.4%	8.9%
GAAP EBITDA	(1.2)	3.2	3.5	5.2	3.2	9.0	2.8	(25.5)	(31.7)	0.7	13.7	21.5	40.5	56.6	28.6	8.5	130.1	138.5	301.6	222.2	331.9	352.9	340.6	1,250.0	1,500.4
% margin (gross revenues)	-3.0%	7.6%	6.7%	4.7%	3.2%	5.7%	1.6%	-9.1%	-4.5%	0.2%	2.4%	3.2%	4.9%	2.4%	4.1%	0.7%	5.5%	4.1%	4.0%	6.3%	8.3%	8.6%	8.6%	8.0%	8.6%
% margin (net revenues)	-13.1%	29.5%	27.5%	29.0%	18.9%	32.9%	9.3%	-62.4%	-25.7%	1.2%	11.2%	12.3%	13.5%	8.6%	10.9%	1.7%	11.6%	8.9%	8.7%	13.9%	18.0%	18.5%	18.4%	17.3%	18.7%
Non-GAAP EBIT										(10.6)	(7.5)	(1.6)	10.1	7.2	(4.2)	45.0	81.5	28.6	150.9	83.7	147.9	165.3	157.7	554.6	717.1
Non-GAAP EBITDA										0.7	13.7	21.5	42.0	81.4	29.2	79.7	166.1	217.6	493.1	249.3	331.9	352.9	340.6	1,250.0	1,500.4
Interest income (expense), net	(0.2)	(0.2)	(0.1)	(0.4)	(0.1)	(0.2)	(0.2)	(3.2)	(15.2)	(3.3)	(3.4)	(17.8)	(16.7)	(41.2)	(16.1)	(33.9)	(62.0)	(82.7)	(171.9)	(93.1)	(93.9)	(94.6)	(95.3)	(376.9)	(386.0)
Other income (expense), net	0.0	(0.2)	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.5)	(0.0)	(0.2)	(0.3)	(0.1)	(0.6)	(0.4)	(21.9)	(16.1)	1.2	(37.2)	(1.2)	(1.2)	(1.2)	(4.8)	(14.2)	
Profit before tax	(1.4)	2.8	3.5	4.7	3.0	8.1	1.5	(31.5)	(64.9)	(13.8)	(11.1)	(19.7)	(10.8)	(82.7)	(21.3)	(85.9)	(33.8)	(119.5)	(237.7)	(31.9)	52.8	69.5	61.2	151.6	316.8
% margin	-3.4%	6.6%	6.6%	4.3%	3.0%	5.1%	0.8%	-11.3%	-9.2%	-4.9%	-1.9%	-3.0%	-1.3%	-3.5%	-3.0%	-7.1%	-1.4%	-3.6%	-3.1%	-0.9%	1.3%	1.7%	1.5%	1.0%	1.9%
Tax rate	-126.9%	-40.6%	37.5%	40.2%	43.9%	39.7%	48.6%	36.1%	15.2%	-5.8%	2.8%	66.8%	13.4%	13.2%	55.6%	-60.3%	338.2%	55.8%	40.6%	49.1%	35.0%	35.0%	35.0%	38.9%	35.0%
Net income (prior to preferred)	(3.1)	3.9	2.2	2.8	1.7	4.9	0.8	(20.2)	(55.0)	(14.6)	(10.8)	(6.6)	(9.3)	(71.8)	(9.5)	(137.7)	80.5	(52.9)	(141.3)	(16.3)	34.3	45.2	39.8	92.6	205.9
Preferred stock beneficial conversion charge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred dividend	0.0	0.0	0.0	0.0	0.0	0.0	(1.1)	(3.0)	(3.0)	(0.7)	(0.7)	(0.7)	(0.7)	(2.9)	(0.7)	(0.7)	(0.7)	(0.7)	(2.8)	(0.7)	(0.7)	(0.7)	(0.7)	(2.8)	(2.8)
Net loss attributable to noncontrolling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	(5.0)	1.0	0.5	(3.2)	(2.4)	(2.4)	(2.4)	(10.4)	(9.6)
Net income (loss) from continuing operations	(3.1)	3.9	2.2	2.8	1.7	4.9	(0.4)	(23.2)	(58.0)	(15.4)	(11.6)	(7.3)	(6.5)	(33.0)	(9.9)	(13.6)	(13.7)	(23.1)	(36.9)	(9.3)	31.2	42.1	36.7	79.4	193.5
Extraordinary item (net of tax) ⁽¹⁻³⁾	(2.7)	0.0	0.0	0.3	0.0	0.0	(44.2)	(0.2)	6.5	(13.5)	(2.9)	(5.1)	(45.0)	(74.4)	(5.5)	(61.5)	(77.9)	(39.7)	(209.0)	(13.9)	(43.8)	(43.8)	(43.8)	(145.4)	(175.3)
Net income	(5.8)	3.9	2.2	3.2	1.7	4.9	(44.6)	(23.3)	(51.5)	(28.9)	(14.5)	(12.4)	(51.5)	(107.4)	(15.4)	(75.1)	(91.6)	(62.8)	(245.9)	(23.2)	(42.6)	(1.7)	(7.2)	(66.0)	18.2
% margin	-14.6%	9.3%	4.1%	2.9%	1.7%	3.1%	-25.2%	-8.4%	-7.3%	-10.2%	-2.5%	-1.9%	-6.2%	-4.6%	-2.2%	-6.2%	-3.9%	-1.9%	-3.2%	-0.7%	-0.3%	0.0%	-0.2%	-0.4%	0.1%
Average shares outstanding - diluted	6.6	6.7	6.8	7.9	8.0	8.3	8.2	15.7	22.8	41.3	52.6	54.5	65.9	53.6	78.8	84.3	98.6	108.9	92.8	109.6	109.6	109.6	112.3	110.3	113.8
EPS - diluted (continuing operations)	(\$0.47)	\$0.59	\$0.32	\$0.35	\$0.21	\$0.59	(\$0.04)	(\$1.48)	(\$2.55)	(\$0.37)	(\$0.22)	(\$0.13)	(\$0.10)	(\$0.62)	(\$0.13)	(\$0.16)	(\$0.14)	(\$0.21)	(\$0.40)	(\$0.08)	\$0.28	\$0.38	\$0.33	\$0.72	\$1.70
% change y/y	NA	NA	-45.8%	11.7%	-40.8%	180.9%	-107.5%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-254.0%	NM	136.4%
EPS - diluted	(\$0.88)	\$0.59	\$0.32	\$0.40	\$0.21	\$0.59	(\$5.41)	(\$1.49)	(\$2.26)	(\$0.70)	(\$0.28)	(\$0.23)	(\$0.78)	(\$2.00)	(\$0.20)	(\$0.89)	(\$0.93)	(\$0.58)	(\$2.65)	(\$0.21)	(\$0.12)	(\$0.02)	(\$0.06)	(\$0.60)	\$0.16
% change y/y	NA																								

Echo Global Logistics Income Statement

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

	2014						2015				2016				2016E	2017E						
	2008A	2009A	2010A	2011A	2012A	2013A	1QA	2QA	3QA	4QA	2014A	1QA	2QA	3QA			4QA	2015A	1QA	2QE	3QE	4QE
Transaction revenue	115.4	150.5	261.0	409.1	526.7	616.6	177.6	226.9	242.3	224.5	871.3	217.6	295.3	375.3	337.3	1,225.5	332.0	365.4	397.8	347.0	1,442.2	1,563.3
% change y/y	213.4%	30.4%	73.5%	56.7%	28.7%	17.1%	24.1%	43.6%	48.0%	47.9%	41.3%	22.5%	30.1%	54.9%	50.2%	40.7%	52.6%	23.8%	6.0%	2.9%	17.7%	8.4%
Enterprise revenue	87.4	109.1	165.4	193.7	231.0	267.6	70.1	78.2	78.3	75.5	302.1	65.9	76.3	74.7	69.9	286.8	73.3	74.0	73.9	72.0	293.2	307.9
% change y/y	49.1%	24.7%	51.6%	17.1%	19.2%	15.8%	15.1%	18.4%	10.0%	8.6%	12.9%	-6.0%	-2.5%	-4.6%	-7.5%	-5.1%	11.2%	-3.0%	-1.0%	3.0%	2.2%	5.0%
Gross revenues	202.8	259.6	426.4	602.8	757.7	884.2	247.7	305.1	320.6	300.0	1,173.4	283.5	371.6	450.0	407.2	1,512.3	405.3	439.5	471.8	419.0	1,735.5	1,871.2
% change y/y	112.5%	28.0%	64.3%	41.4%	25.7%	16.7%	21.4%	36.2%	36.5%	35.6%	32.7%	14.5%	21.8%	40.4%	35.7%	28.9%	43.0%	18.3%	4.8%	2.9%	14.8%	7.8%
Cost of transportation and products	159.7	203.9	345.2	485.6	614.6	728.5	205.5	251.8	262.1	245.8	965.2	230.2	302.1	362.6	327.1	1,222.0	324.5	351.6	378.4	335.6	1,390.0	1,485.0
Net revenues (Gross profits)	43.1	55.7	81.2	117.2	143.1	155.6	42.2	53.3	58.4	54.2	208.2	53.3	69.5	87.4	80.1	290.2	80.8	87.9	93.4	83.4	345.5	386.2
Gross Margin	21.2%	21.4%	19.0%	19.4%	18.9%	17.6%	17.0%	17.5%	18.2%	18.1%	17.7%	18.8%	18.7%	19.4%	19.7%	19.2%	19.9%	20.0%	19.8%	19.9%	19.9%	20.6%
% change y/y	116.2%	29.2%	45.8%	44.4%	22.1%	8.8%	9.8%	34.5%	44.0%	46.8%	33.8%	26.2%	30.3%	49.5%	47.7%	39.4%	51.8%	26.5%	6.9%	4.1%	19.0%	11.8%
% of gross revenues	21.2%	21.4%	19.0%	19.4%	18.9%	17.6%	17.0%	17.5%	18.2%	18.1%	17.7%	18.8%	18.7%	19.4%	19.7%	19.2%	19.9%	20.0%	19.8%	19.9%	19.9%	20.6%
Operating expenses:																						
Commissions	12.4	15.8	24.8	35.9	40.4	39.5	11.2	14.8	16.9	14.8	57.7	14.9	20.4	26.5	24.1	85.9	24.8	25.8	27.6	24.5	102.8	115.1
General and administrative	19.3	30.0	38.0	54.3	70.0	82.3	22.7	26.7	28.1	27.9	105.3	28.8	30.0	40.0	37.5	136.3	39.5	39.1	39.3	40.1	158.0	171.9
Contingent consideration	3.2	(1.0)	(2.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	3.2	5.0	6.9	8.4	9.2	10.6	3.0	3.4	3.7	3.8	13.9	3.9	5.3	3.3	3.4	15.9	3.5	4.3	4.3	4.3	16.5	17.6
Total operating expenses	38.1	49.8	67.7	98.4	119.5	132.4	36.8	44.9	48.7	46.5	176.9	47.6	55.6	69.7	64.9	237.9	67.8	69.3	71.3	68.9	277.3	304.6
Operating ratio (gross)	97.6%	97.7%	96.8%	96.9%	96.9%	97.4%	97.8%	97.2%	97.0%	97.4%	97.3%	98.0%	96.3%	96.1%	96.3%	96.5%	96.8%	95.8%	95.3%	96.5%	96.1%	95.6%
Operating ratio (net)	88.5%	89.5%	83.4%	83.9%	83.5%	85.1%	87.3%	84.2%	83.3%	85.7%	85.0%	89.4%	80.0%	79.8%	81.1%	82.0%	83.9%	78.8%	76.3%	82.6%	80.3%	78.9%
EBIT	4.9	5.9	13.5	18.8	23.6	23.2	5.4	8.4	9.8	7.7	31.3	5.7	13.9	17.6	15.2	52.4	13.0	18.6	22.1	14.5	68.2	81.6
% margin (gross revenues)	2.4%	2.3%	3.2%	3.1%	3.1%	2.6%	2.2%	2.8%	3.0%	2.6%	2.7%	2.0%	3.7%	3.9%	3.7%	3.5%	3.2%	4.2%	4.7%	3.5%	3.9%	4.4%
% margin (net revenues)	11.5%	10.5%	16.6%	16.1%	16.5%	14.9%	12.7%	15.8%	16.7%	14.3%	15.0%	10.6%	20.0%	20.2%	18.9%	18.0%	16.1%	21.2%	23.7%	17.4%	19.7%	21.1%
EBITDA	8.2	10.9	20.4	27.2	32.8	33.8	8.3	11.8	13.5	11.6	45.2	9.5	19.1	21.0	18.6	68.2	16.5	23.0	26.5	18.8	84.7	99.2
% margin (gross revenues)	4.0%	4.2%	4.8%	4.5%	4.3%	3.8%	3.4%	3.9%	4.2%	3.9%	3.9%	3.4%	5.2%	4.7%	4.6%	4.5%	4.1%	5.2%	5.6%	4.5%	4.9%	5.3%
% margin (net revenues)	19.0%	19.5%	25.1%	23.2%	22.9%	21.7%	19.8%	22.2%	23.1%	21.3%	21.7%	17.9%	27.6%	24.0%	23.2%	23.5%	20.4%	26.1%	28.3%	22.6%	24.5%	25.7%
Interest income	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest (expense)	(0.1)	(0.8)	(0.1)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(1.0)	(1.6)	(1.6)	(4.3)	(1.6)	(3.2)	(3.2)	(3.2)	(11.4)	(13.0)
Other, net	(0.1)	(0.5)	(0.3)	(0.3)	(0.5)	(0.4)	(0.1)	(0.1)	(0.1)	(0.0)	(0.2)	(0.1)	(0.1)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Total other expense	(0.1)	(1.3)	(0.3)	(0.3)	(0.5)	(0.4)	(0.1)	(0.1)	(0.1)	(0.0)	(0.2)	(0.1)	(1.1)	(1.6)	(1.6)	(4.4)	(1.6)	(3.2)	(3.2)	(3.2)	(11.3)	(12.9)
Profit before tax	4.8	4.6	13.2	18.5	23.2	22.9	5.3	8.4	9.7	7.7	31.1	5.6	12.8	16.0	13.6	47.9	11.3	15.4	18.9	11.2	56.9	68.7
Provision for income taxes	1.9	(0.6)	4.8	6.6	9.0	8.6	2.0	3.2	3.7	3.0	12.0	2.0	4.5	5.8	5.1	18.5	4.2	5.9	7.2	4.3	21.5	26.1
Tax rate	40.1%	-13.3%	36.2%	35.6%	38.7%	37.4%	37.5%	38.5%	38.3%	39.2%	38.5%	36.6%	35.3%	36.4%	37.6%	38.6%	37.0%	38.0%	38.0%	38.0%	37.8%	38.0%
Net income (loss) from continuing operations	2.9	5.2	8.4	11.9	14.2	14.3	3.3	5.1	6.0	4.7	19.1	3.5	8.3	10.2	8.5	32.5	7.1	9.6	11.7	7.0	35.4	42.6
Preferred dividends	1.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NI (loss) from cont. ops avail to com. shareholders	1.8	4.4	8.4	11.9	14.2	14.3	3.3	5.1	6.0	4.7	19.1	3.5	8.3	10.2	8.5	32.5	7.1	9.6	11.7	7.0	35.4	42.6
Extraordinary item (net of tax) ⁽¹⁻³⁾	0.0	0.0	0.0	0.1	(1.9)	(0.1)	(0.9)	(0.9)	(0.5)	(0.0)	(2.3)	(0.2)	(9.0)	(6.7)	(6.8)	(22.7)	(6.9)	(6.5)	(4.0)	(4.0)	(21.5)	0.0
Net income	1.8	4.4	8.4	12.0	12.3	14.2	2.4	4.2	5.5	4.7	16.8	3.3	(0.7)	3.5	1.7	7.8	0.3	3.0	7.7	2.9	13.9	42.6
Average shares outstanding - diluted	12.8	15.1	22.2	22.6	22.9	23.4	23.4	23.4	23.7	23.9	23.6	23.9	27.7	30.3	30.5	28.1	29.8	29.6	29.3	29.1	29.4	28.4
EPS - diluted	\$0.14	\$0.29	\$0.38	\$0.53	\$0.54	\$0.61	\$0.10	\$0.18	\$0.23	\$0.20	\$0.71	\$0.14	(\$0.03)	\$0.11	\$0.06	\$0.28	\$0.01	\$0.10	\$0.26	\$0.10	\$0.47	\$1.50
% change y/y	NM	107.1%	31.0%	39.5%	1.9%	13.0%	-23.1%	0.0%	21.1%	66.7%	16.4%	40.0%	-116.7%	-52.2%	-70.0%	-60.6%	-92.9%	NM	136.4%	66.7%	67.9%	219.1%
EPS - diluted (continuing operations)	\$0.14	\$0.29	\$0.38	\$0.53	\$0.62	\$0.61	\$0.14	\$0.22	\$0.25	\$0.20	\$0.81	\$0.15	\$0.30	\$0.34	\$0.28	\$1.16	\$0.24	\$0.32	\$0.40	\$0.24	\$1.20	\$1.50
% change y/y	NM	107.1%	31.0%	39.5%	17.0%	-1.6%	-6.7%	29.4%	31.6%	81.8%	32.8%	7.1%	36.4%	36.0%	40.0%	43.2%	60.0%	6.7%	17.6%	-14.3%	3.4%	25.0%

(1) Excludes the effects of contingent consideration payable.

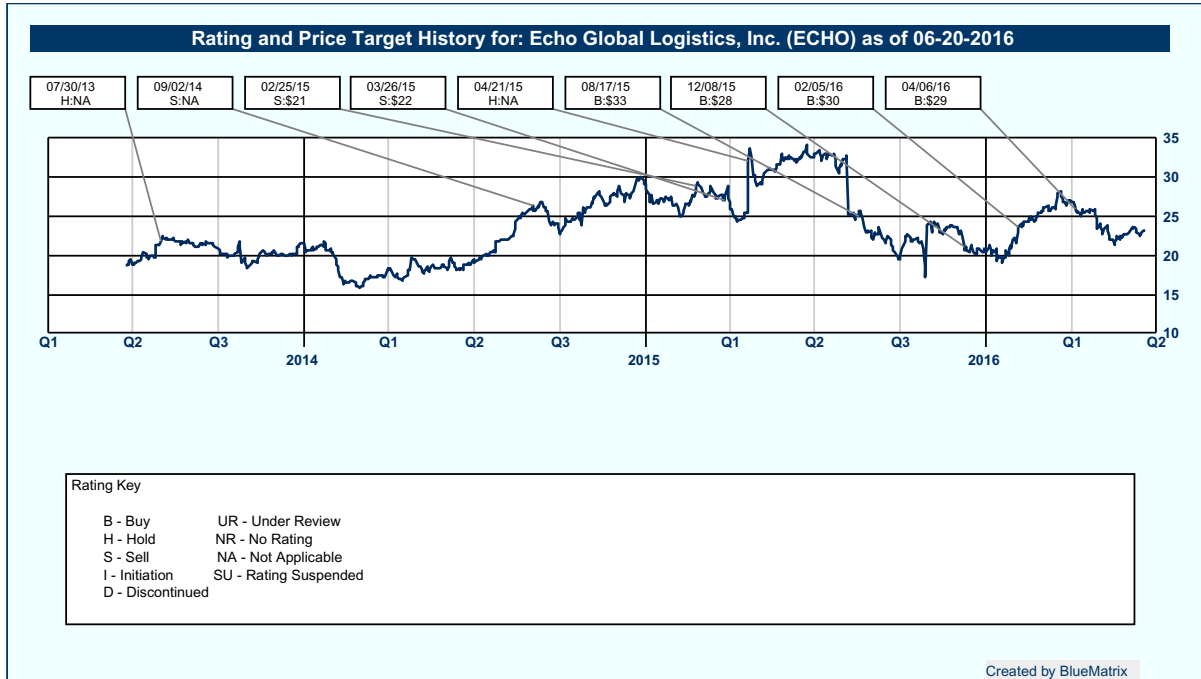
(2) 3Q12 excludes the impairment of goodwill and acquired customer list intangible assets related to the acquisition of Shipper Direct Logistics.

(3) 1Q12, 2Q12, 4Q12, 1Q13, 2Q13, and 4Q13 exclude change in contingent consideration payable

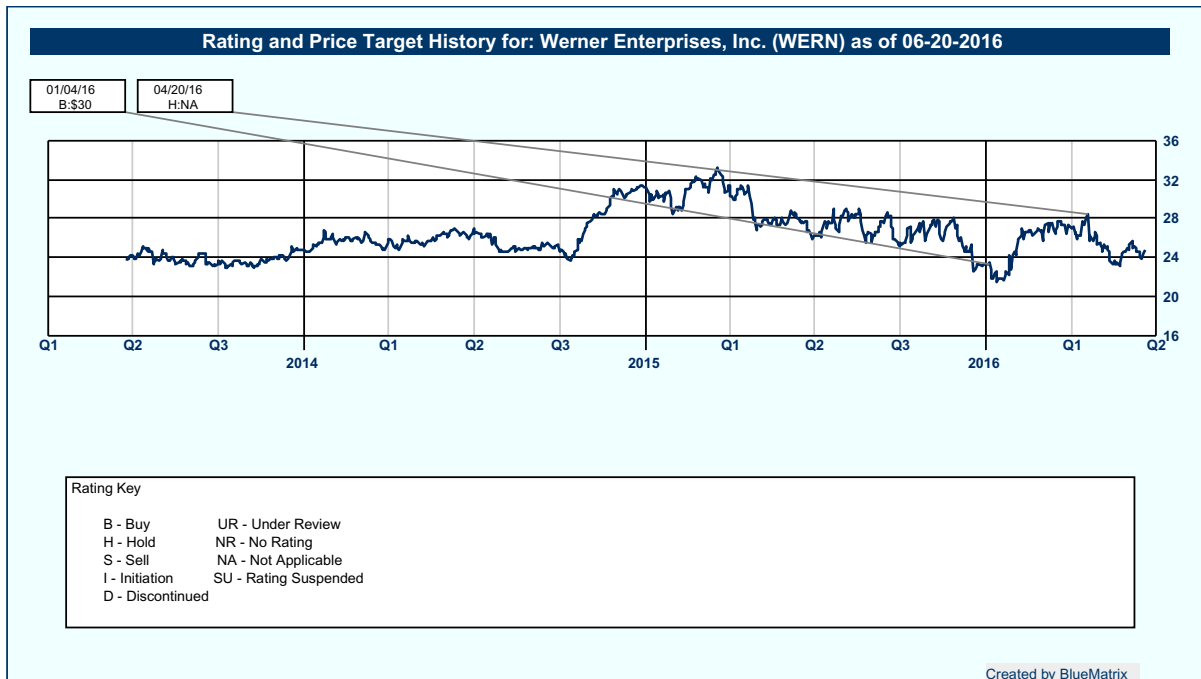
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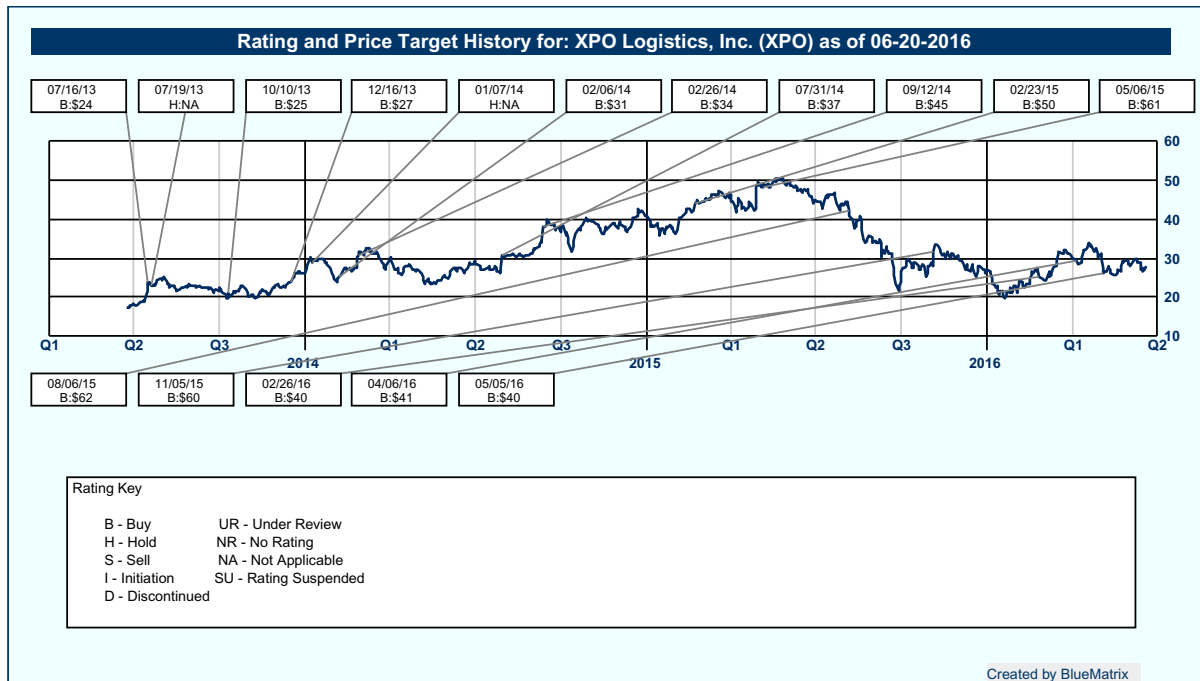
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