



WERNER

WE KEEP AMERICA MOVING®

Morgan Stanley 7th Annual Laguna Conference

September 12, 2019



DISCLOSURE STATEMENT

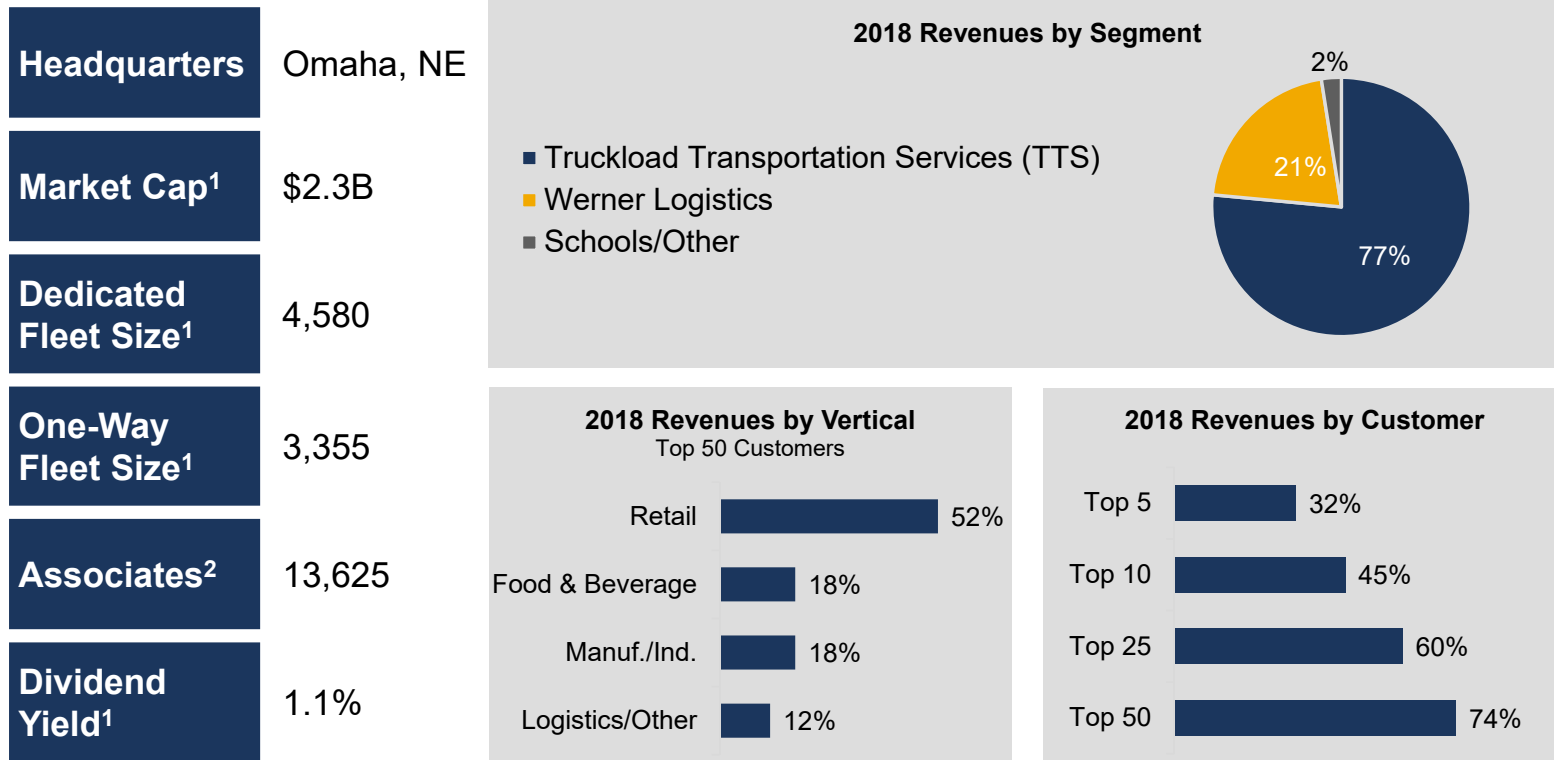
This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements are based on information presently available to the Company's management and are current only as of the date made. Actual results could also differ materially from those anticipated as a result of a number of factors, including, but not limited to, those discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

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WERNER OVERVIEW

Premium Truckload Transportation & Logistics Services Provider



¹ As of 9/4/19 for Market Cap and Dividend Yield, and as of 6/30/19 for Dedicated Fleet Size and One-Way Truckload Fleet Size.

² Associates as of 6/30/19 includes approximately 13,040 employees and 585 independent contractor drivers.



COMPREHENSIVE, CUSTOMER FOCUSED SOLUTIONS

FREIGHT MANAGEMENT



WERNER ONE-WAY TRUCKLOAD

3,355 Trucks (42%)

- Dry Van
- Expedited
- Cross Border
- Temp Control

GLOBAL IMPLEMENTATION



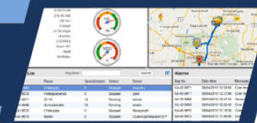
FREIGHT MOVEMENT



WERNER LOGISTICS

- Brokerage
- Freight Management
- Intermodal
- Global
- Final Mile

TECHNOLOGICAL ADVANTAGES



FIVE T'S STRATEGY EXECUTION

01

Trucks



- Reduced truck age to 1.8 years; maintain at or near this level going forward

02

Trailers



- Reduced trailer age to 4.1 years, lowest level since 2000

03

Talent



- Utilizing performance pay and metrics to drive performance and attract high performing talent

04

Terminals



- Upgraded and expanded our terminal network to improve driver training, safety, equipment maintenance and throughput

05

Technology



- Upgrading and modernizing IT infrastructure and data security; expanding driver mobility by strengthening our Drive Werner app and developing a new in-cab technology solution; enhancing logistics applications software to improve real-time execution and decision making

Best in Class Customer Service



FIVE T'S EXECUTION STRATEGY

- 01 Trucks
- 02 Trailers
- 03 Talent
- 04 Terminals
- 05 Technology



MODERN, DRIVER-PREFERRED FLEET



TRUCKS

- New, modern, well-equipped, aerodynamic, driver-preferred fleet from top-quality OEMs
- 1.8 average age vs. industry average 5.8 years
- ~100% collision mitigation (auto-braking for safety)
- ~100% auto manual transmission – helps with training and improves fuel efficiency
- Adding forward-facing cameras with substantial fleet completion by year-end 2019

TRAILERS

- Newer, modern trailers; average age of 4.1 years
- 93% dry van, 6% temp controlled, 1% specialized
- Transitioning fleet to white trailers with new branding beginning in 2015 – 63% of trailer fleet to date
- Trailer tracking beginning to lower our trailer/tractor ratio, resulting in slightly higher trailer sales volume than originally planned in 1H19
- ~100% GPS trailer tracking with cargo sensors
- Trailer skirts for enhanced fuel MPG management
- Tire inflation systems for improved performance and fuel efficiency

FLEET SALES STRATEGY MAXIMIZES RESALE VALUE

- 27 years in the remarketing business of our premium, pre-owned trucks and trailers
- Experienced and knowledgeable fleet sales team
- Enhanced search engine and mobile device features to attract truck sales business
- Late-model trucks with low mileage of 350-400k
- Trucks are premium equipped to maximize ultimate resale value
- Ahead-of-curve equipment features attractive to second buyers (CM & AMT)
- Remaining warranty, tax reform incentives



FIVE T'S EXECUTION STRATEGY

- 01 Trucks
- 02 Trailers
- 03 **Talent**
- 04 Terminals
- 05 Technology

OUR DRIVER STRATEGY IS WORKING IN A VERY COMPETITIVE LABOR MARKET

Werner Programs are Attracting and Retaining Talent



*Photo Caption: CEO Derek Leathers
meets with drivers at April 2019
Driver Appreciation Event*

New, modern & operationally
efficient trucks and trailers

Advanced truck fleet with
nearly 100% auto-manual
transmissions & active-braking
collision mitigation technology

Top tier driver pay packages
for multiple & varied driving
options

Nearly 60% of driving jobs in
Dedicated with **better home
time frequency**

Large driver training school
network (14 locations in 11
states)

Industry-leading driver
recruiting & retention program
for **former military personnel**

Female driver percentage
double the industry average

**Over 20 years & 18 billion
miles** of ELD experience



THOUGHTFUL INVESTMENT IN TECHNOLOGY & INNOVATION

FIVE T'S EXECUTION STRATEGY

- 01 Trucks
- 02 Trailers
- 03 Talent
- 04 Terminals
- 05 **Technology**



Aggressive Investment in Technology & Innovation

Infrastructure

- SECURITY
- UNIFIED COMMUNICATION
- NETWORK UPGRADES
- IN-CAB TECHNOLOGY UPDATES
- DATA WAREHOUSING/MINING

New Solutions

Safety
Management

Freight
Matching

Driver
Applications

Capacity
Generation

Final
Mile

Processes & Systems

- TTS
- LOGISTICS
- HUMAN RESOURCES
- ACCOUNTING & FINANCE

Innovative Technology

- IOT
- CLOUD
- MACHINE LEARNING
- PROCESS AUTOMATION
- MOBILE APPLICATIONS
- NATURAL LANGUAGE PROCESSING



2Q 2019 AND YTD 2019 HIGHLIGHTS

2Q19 Financial Highlights

- Revenues increased 1% to \$628M
- GAAP EPS increased 17% to \$0.62
- Adj. EPS increased 3% to \$0.63
- Adj. operating income increased 1% to \$59.2M
- Adj. operating margin decreased ~10 bps to 9.4%

YTD 2019 Financial Highlights

- Revenues increased 4% to \$1,224M
- GAAP EPS increased 24% to \$1.13
- Adj. EPS increased 16% to \$1.15
- Adj. operating income increased 16% to \$108.4M
- Adj. operating margin improved ~100 bps to 8.9%

Strategic Updates and Other Developments

- Freight demand for our One-Way Truckload fleet was seasonally lower than average in 2Q19, compared to the unusually strong freight demand in 2Q18
- At 6/30/19, 7,935 total trucks in TTS, up 235 YoY and down 10 sequentially

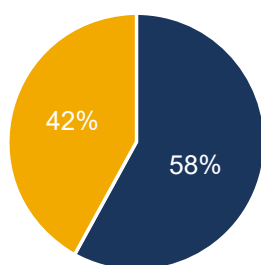


TRUCKLOAD TRANSPORTATION SERVICES (TTS) RESULTS

	2Q18	2Q19	Change YoY
Revenues (\$M)	\$470.3	\$480.0	2%
Adj. Op. Income (\$M)	\$54.7	\$52.4	(4%)
Adj. Op. Margin	11.6%	10.9%	(70) bps
Adj. OR, net FSC ¹	86.4%	87.4%	100 bps

- TTS RPTPW¹ (1.0%)
- One-Way TL RPTPW¹ (6.0%), including (2.7%) lower One-Way TL RPTM¹. Below average freight market 2Q19 vs unusually strong freight market 2Q18
- Dedicated RPTPW +4.1%

Dedicated increased to 58% of TTS Fleet in 2Q19 from 42% in 1Q09

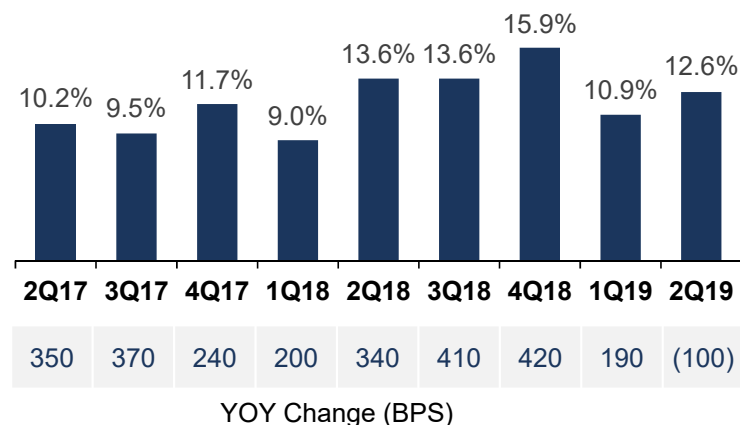


Balanced portfolio has positioned Werner to perform well in various market scenarios

- Dedicated
- One-way Truckload

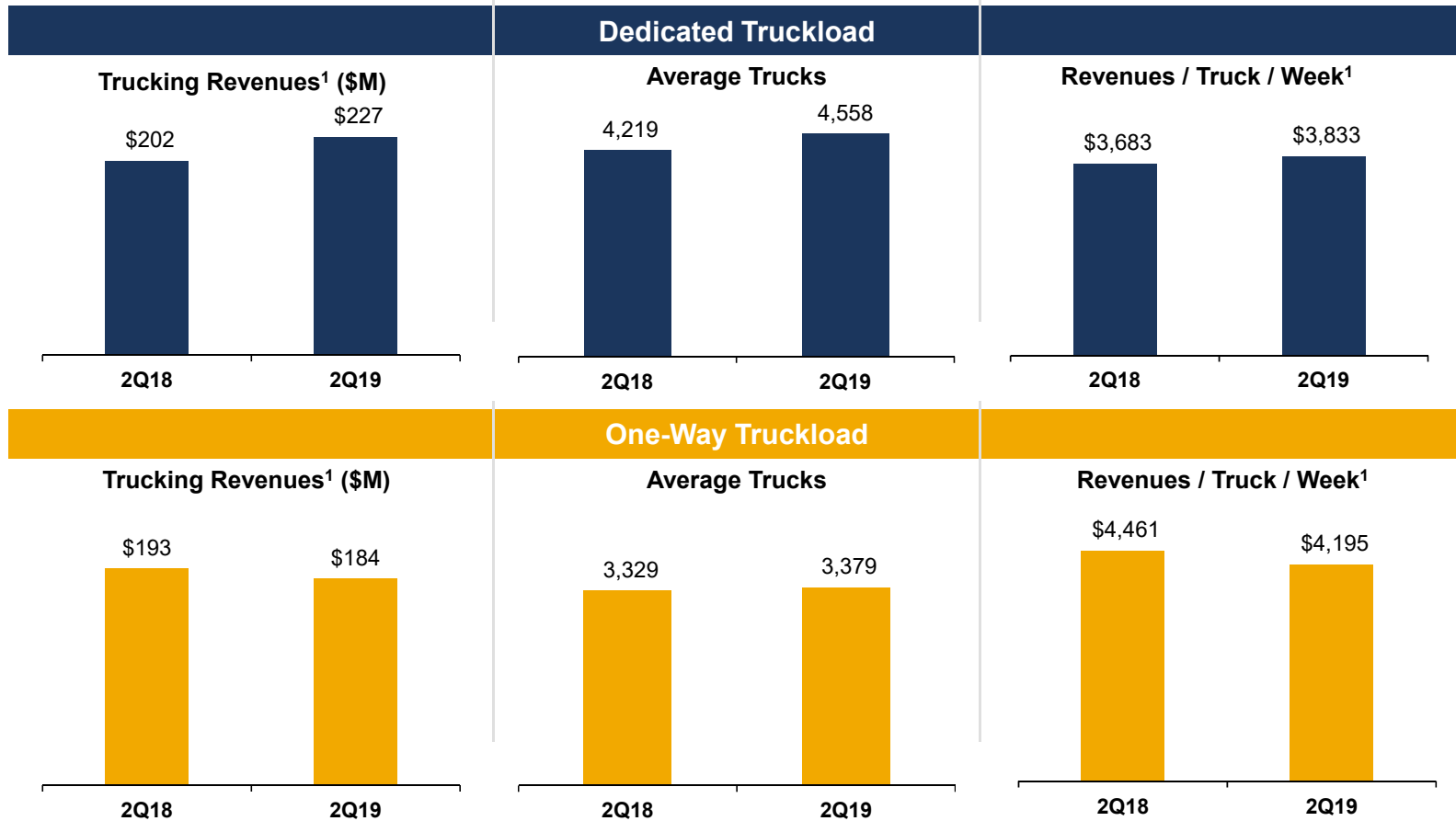
¹ Net of fuel surcharge revenues

Adjusted TTS Operating Margin, Net of Fuel





TTS² 2Q FLEET METRICS



¹ Net of fuel surcharge revenues

² TTS consists of the Dedicated and One-Way Truckload fleets

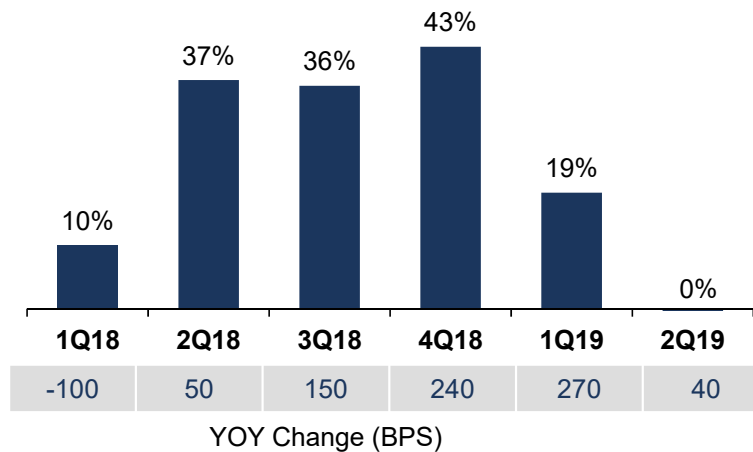


WERNER LOGISTICS RESULTS

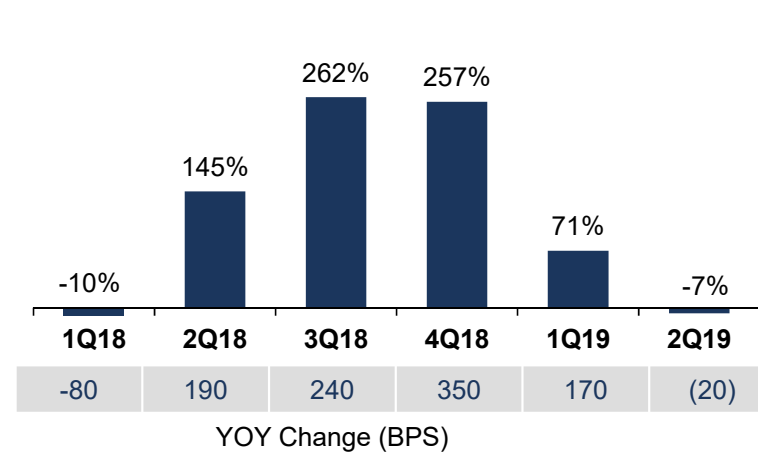
	2Q18	2Q19	Change YoY
Revenues (\$M)	\$134.0	\$130.9	(2%)
Gross Margin	15.7%	16.1%	40 bps
Op. Income (\$M)	\$5.6	\$5.2	(7%)
Op. Margin	4.2%	4.0%	(20) bps

- A less robust freight market led to fewer project freight opportunities, significantly lower spot rates and lower volumes, which reduced revenues slightly by 2% YOY
- Continued investments in logistics technology enabled our team to more effectively source capacity and increase productivity which led to an improved gross margin percentage

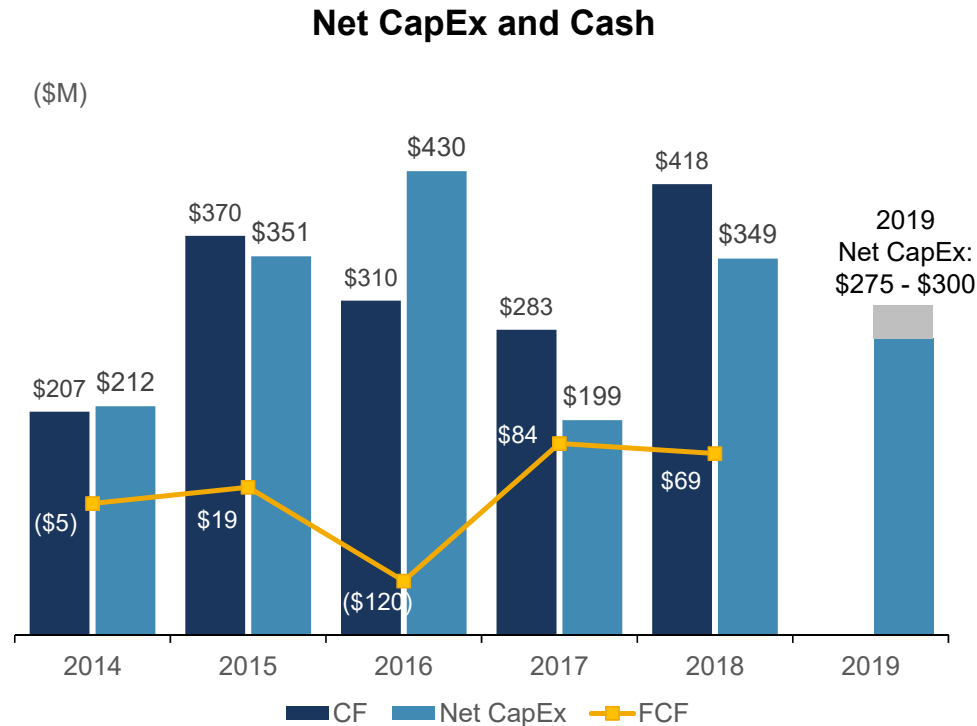
% Change in Gross Margin \$



% Change in Operating Margin \$



CAPEX MODERATING IN 2019; STRONG FCF GENERATION FORTHCOMING



Commentary

- 2019 Net CapEx normalizes in the range of \$275M to \$300M; over the long term, targeting Net CapEx of 11-13% of gross revenues
- Net CapEx expected to be at the low-end of the range for 2019
- Investment in 2019 focused on continued IT modernization, commercial and operational excellence initiatives and advancing truck technologies
- Free Cash Flow expected to be in excess of \$100M in 2019



CAPITAL ALLOCATION STRATEGY

Continue to Invest in Growth and Productivity

- First priority remains continued investment in the business across cycles; operational and commercial excellence initiatives in place
- Fleet and terminal network improved; continuing upgrades to IT infrastructure, truck technology

Return Cash to Shareholders

- Long history of returning cash via dividends and share repurchases
- Quarterly cash dividend rate per common share of \$0.09 per quarter (\$0.36 per year)
- In 2Q19, repurchased 700K shares for total cost of \$21.8M; 4.3M shares remaining under current authorization

May 2019 Capital Allocation Changes

- Special dividend of \$261M (\$3.75 per share) paid on 6/7/19
- New share repurchase authorization of 5M shares
- New expanded unsecured revolving credit facilities with existing lenders, \$500M, 5-yr term
- Goal to maintain a higher but modest range of net debt to LTM EBITDA of 0.5x to 1.0x
- In July 2019, fixed the interest rate for \$150M of debt through May 2024 at 2.34%

Flexible Balance Sheet

- Financial position remains strong
- As of June 30, 2019, \$390M of debt outstanding, \$46M of cash and over \$1.0B of stockholders' equity; Net Debt to LTM EBITDA of 0.7x
- Provides flexibility to continue to invest in the business across cycles and opportunistically return capital to further drive shareholder value



SUMMARY – INVEST WITH US



Focused effort over the past several years to balance the portfolio toward more consistent revenue streams positions us well across various freight markets

Heavy capex period to transform our company is behind us; we will continue to invest strategically and will generate higher free cash flow

Our new, technologically-advanced fleet, updated terminal network and industry-leading experienced drivers will continue to serve as a differentiator

Long-term margin and return expectations going forward are higher than the past

We are a stronger, better positioned company than we were three years ago; we will continue to deliver shareholder value



APPENDIX



GAAP TO NON-GAAP RECONCILIATION

(UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating revenues	\$ 627,533	\$ 619,130	\$ 1,223,650	\$ 1,181,814
Operating expenses	569,091	568,347	1,117,189	1,095,916
Adjusted for:				
Insurance and claims ⁽¹⁾	(767)	(11,250)	(1,917)	(11,250)
Gain on sale of real estate ⁽²⁾	-	3,495	-	3,495
Adjusted operating expenses	568,324	560,592	1,115,272	1,088,161
Adjusted operating income ⁽³⁾	59,209	58,538	108,378	93,653
Total other expense (income)	498	(125)	337	(330)
Adjusted income before income taxes	58,711	58,663	108,041	93,983
Adjusted income tax expense	14,820	14,594	27,204	22,107
Adjusted net income ⁽³⁾	43,891	44,069	80,837	71,876
Diluted shares outstanding	69,893	72,376	70,229	72,522
Adjusted diluted earnings per share ⁽³⁾	\$ 0.63	\$ 0.61	\$ 1.15	\$ 0.99

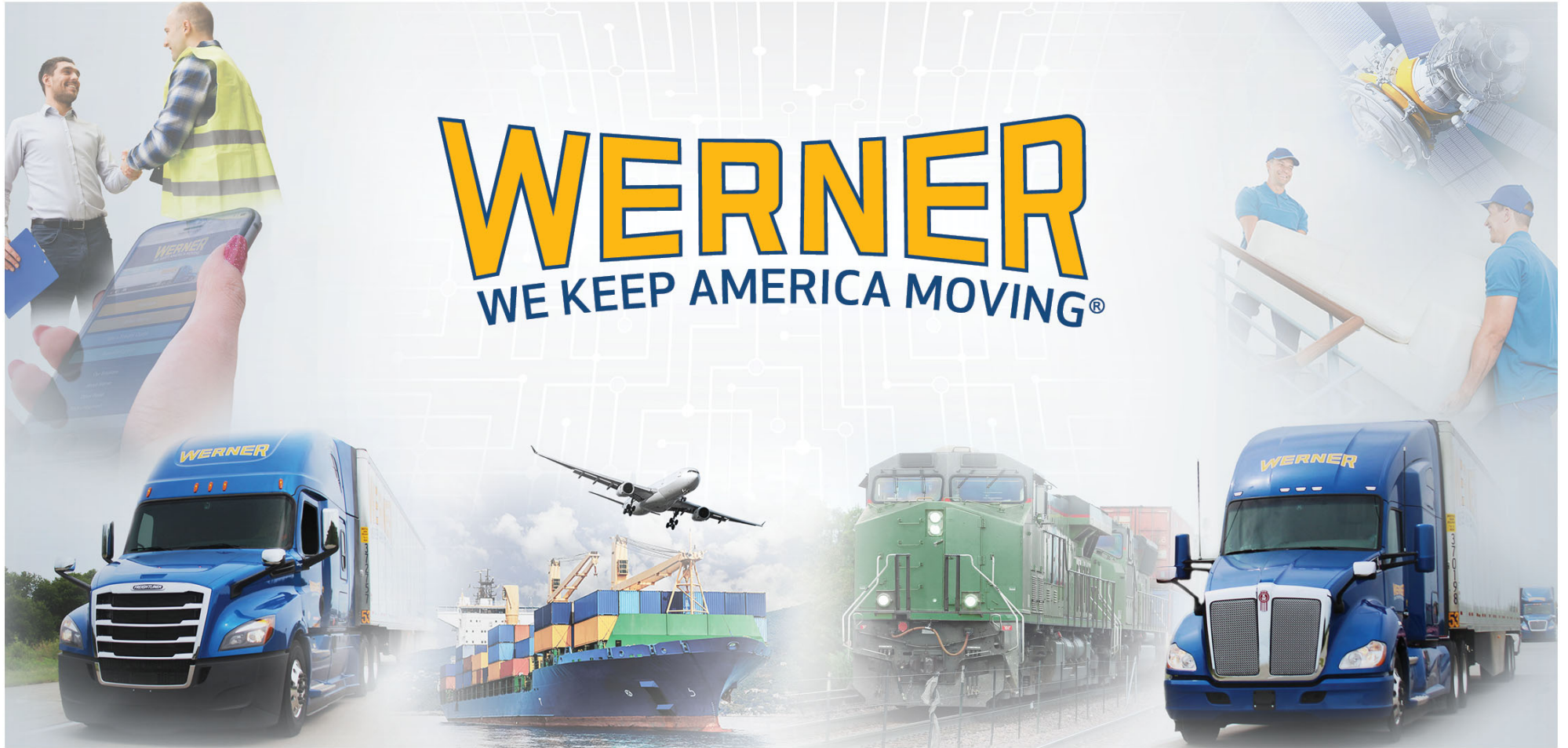
(1) During second quarter 2019, we accrued \$767 of pre-tax insurance and claims expense for post-judgment interest and during second quarter 2018, we accrued \$11,250 of pre-tax insurance and claims expense (including interest of \$1,300) related to a previously disclosed excess adverse jury verdict rendered on May 17, 2018 in a lawsuit arising from a December 2014 accident. Additional information about the accident was included in our Current Report on Form 8-K dated May 17, 2018. Under our insurance policies in effect on the date of this accident, our maximum liability for this accident is \$10.0 million (plus pre-judgment and post-judgment interest) with premium-based insurance coverage that exceeds the jury verdict amount. The Company is appealing this verdict. Management believes excluding the effect of this item provides a more useful comparison of our performance from period to period. This item is included in the Truckload Transportation Services segment in our Segment Information table.

(2) During second quarter 2018, we sold a parcel of real estate which resulted in a \$3,495 pre-tax gain on sale. This item is included in our Segment Information table in "Corporate" operating income.

(3) Our definition of the non-GAAP measures adjusted operating income, adjusted net income and adjusted diluted earnings per share begins with (a) operating expenses, the most comparable GAAP measure. We subtract the insurance and claims jury verdict expense accrual and related interest and subtract the gain on sale of real estate from (a) to arrive at adjusted operating expenses, which we subtract from operating revenues to arrive at (b) adjusted operating income. We subtract (c) total other expense (income) from (b) adjusted operating income to arrive at (d) adjusted income before income taxes. We calculate adjusted income tax expense (benefit) by applying the incremental income tax rate excluding discrete items to the net pre-tax adjustments and adding this additional income tax to actual income tax expense. We then subtract adjusted income tax expense from adjusted income before income taxes to arrive at adjusted net income. The adjusted net income is divided by the diluted shares outstanding to calculate the adjusted diluted earnings per share.

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