1Q23 EARNINGS PRESENTATION
MAY 3, 2023

WE KEEP AMERICA MOVING®

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. Such statements are by nature subject to uncertainties and risks, including but not limited to, the operational, financial and legal risks detailed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated.

For those reasons, undue reliance should not be placed on any forward-looking statement. The Company assumes no duty or obligation to update or revise any forward-looking statement, although it may do so from time to time as management believes is warranted or as may be required by applicable securities law. Any such updates or revisions may be made by filing reports with the U.S. Securities and Exchange Commission, through the issuance of press releases or by other methods of public disclosure.

Non-GAAP Financial Measures and Reconciliations

To supplement our financial results presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"), we provide certain non-GAAP financial measures as defined by the SEC Regulation G, including non-GAAP adjusted operating income; non-GAAP adjusted operating margin; non-GAAP adjusted operating margin, net of fuel surcharge; non-GAAP adjusted net income attributable to Werner; non-GAAP adjusted diluted earnings per share; non-GAAP adjusted operating revenues, net of fuel surcharge; non-GAAP adjusted operating expenses; non-GAAP adjusted operating expenses, net of fuel surcharge; non-GAAP adjusted operating ratio and non-GAAP adjusted operating ratio, net of fuel surcharge. We believe these non-GAAP financial measures provide a more useful comparison of our performance from period to period because they exclude the effect of items that, in our opinion, do not reflect our core operating performance. Our non-GAAP financial measures are not meant to be considered in isolation or as substitutes for their comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. There are limitations to using non-GAAP financial measures. Although we believe that they improve comparability in analyzing our period-to-period performance, they could limit comparability to other companies in our industry if those companies define these measures differently. Because of these limitations, our non-GAAP financial measures should not be considered measures of income generated by our business. Management compensates for these limitations by primarily relying on GAAP results and using non-GAAP financial measures on a supplemental basis.

MEET WERNER CFO, CHRIS WIKOFF

CHRIS WIKOFF

Joined Werner as CFO on April 18, 2023

20+ Years of Experience in Finance Leadership and Business Transformation

- Previously served as EVP and Treasurer of West Technology Group, where he was responsible for Accounting, Treasury, Tax, Investor/Lender Relations and Financial Shared Services
- Led West Technology's finance and business transformation, numerous capital market transactions, acquisitions and divestitures
- Senior corporate finance leader and treasurer during a period of significant global growth and transformation for CommScope
- Served in several corporate and divisional finance leadership roles with Avaya

"

Werner is a premier transportation and logistics company and I look forward to building on an already strong foundation to drive value for all our stakeholders, as well as partnering with Derek and the rest of our leadership team to further elevate our financial rigor while ensuring continued customer excellence.

– Chris Wikoff

WERNER OVERVIEW (WERN)

WE KEEP AMERICA MOVING®

67 YEARS IN BUSINESS

OMAHA, NE
HEADQUARTERS

15%
WERNER COMPANY DRIVERS WITH MILITARY EXPERIENCE

15%
WERNER COMPANY DRIVERS WHO ARE WOMEN (DOUBLE THE INDUSTRY AVERAGE)

$2.9B[1]
MARKET CAP

1.2%[1]
DIVIDEND YIELD

14,456[2]
ASSOCIATES

70,000+ QUALIFIED CARRIER LOGISTICS RELATIONSHIPS

2,125 TOTAL DRIVERS IN COMPANY HISTORY WITH ONE MILLION OR MORE SAFE DRIVING MILES WITH WERNER

30,000 TRAILING ASSETS

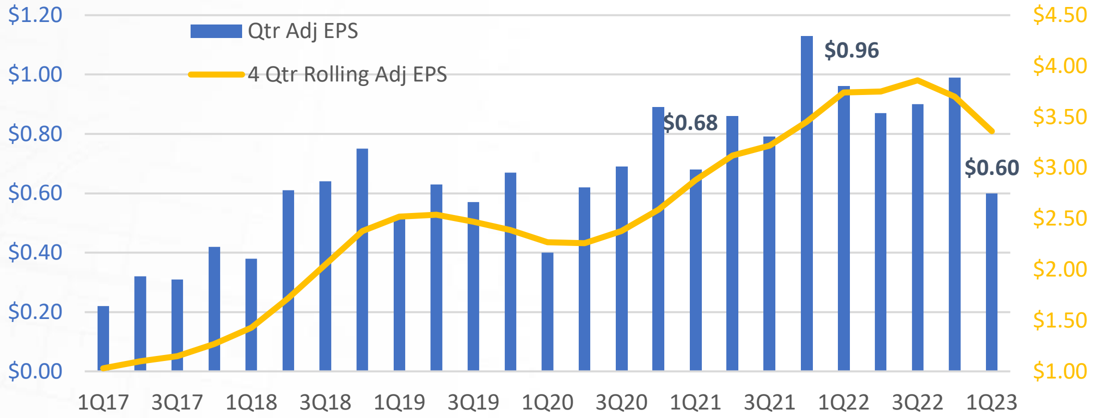
[1] *As of 4/28/23 for Market Cap and Dividend Yield.*
[2] *Associates, as of 3/31/23, includes 14,151 employees and 305 independent contractor drivers.*

1Q 2023 HIGHLIGHTS

1Q23 vs. 1Q22

Revenues	+9% to $833M
GAAP EPS	(32)% to $0.55
Adjusted EPS[1]	(37)% to $0.60
Adj. operating income[1]	(33)% to $57.5M
Adj. TTS operating margin[1, 2]	(570) bps to 10.7%

ADJUSTED EPS[1]



STRATEGIC UPDATES AND NOTABLE DEVELOPMENTS

- Solid freight demand in Dedicated and seasonally weak demand in One-Way Truckload and Logistics
- Driver recruiting and retention continues to show signs of improvement; 23 driving schools at quarter end
- Our durable Dedicated segment now represents 63% of TTS trucks, and our growing Logistics business, accounts for 27% of revenues

[1]1Q23 GAAP EPS was $0.55, operating income (GAAP) was $53.4M, and TTS operating margin (GAAP) was 8.7%. See attached Reconciliation of Non-GAAP Financial Measures. [2] Net of fuel surcharge revenues.

WERNER®

BUSINESS OVERVIEW

REVENUES SNAPSHOT

DURABLE

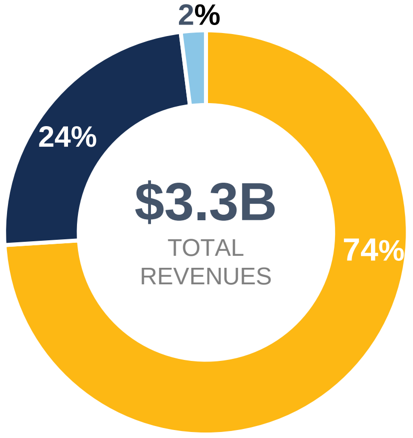
DURABLE TTS FLEET

5,345[1]
DEDICATED

3,130[1]
ONE-WAY TRUCKLOAD

8,475[1]
TTS TRUCKS

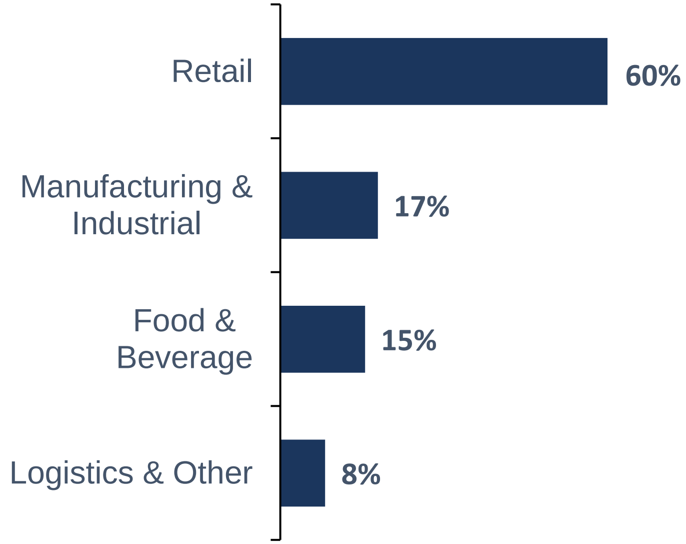
2022 REVENUES BY SEGMENT



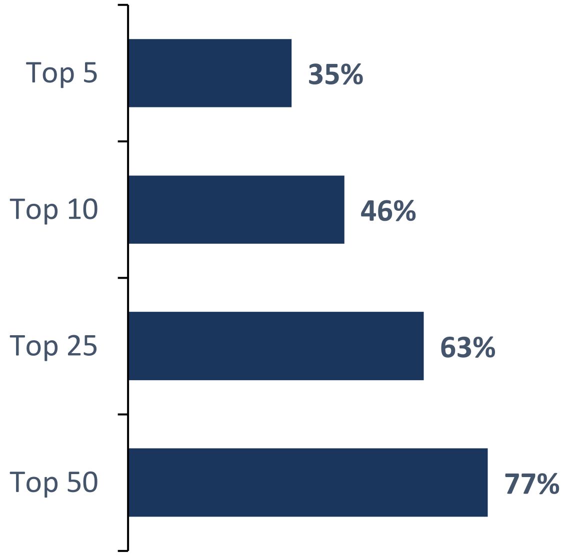
- Truckload Transportation Services (TTS)
- Werner Logistics
- Driver Training Schools and Other

2022 REVENUES BY VERTICAL

Top 50 Customers



2022 REVENUES BY CUSTOMER

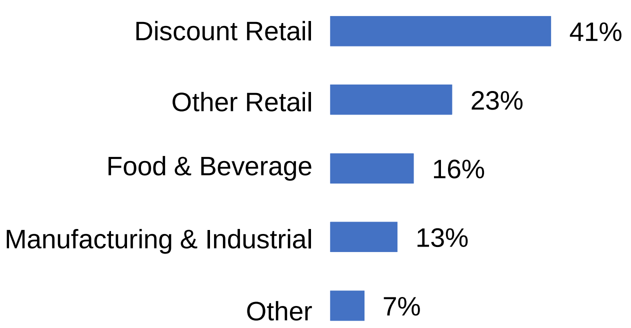


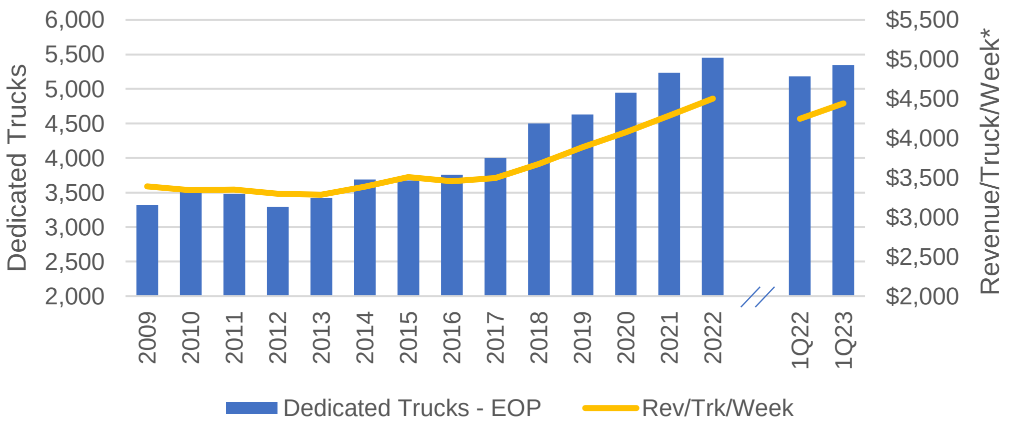
[1]*As of 3/31/23 for Dedicated and One-Way Truckload fleet size. TTS includes Dedicated and One-Way Truckload.*

STABILITY AND DURABILITY OF DEDICATED FLEET

DURABLE

2022 DEDICATED REVENUES BY VERTICAL





Growing Business Segment Within TTS

- Dedicated has grown from 46% of TTS fleet in 2009 to 53% in 2016 to 63% in 2022
- Over 95% customer retention rate

Stable Customer Base

- 64% of revenue from retail, with emphasis on discount retail
- High service business with 99%+ on-time, safety-focused service with customers who view supply chain as competitive advantage

Durable and Consistent Business Model

- Attractive and consistent operating margins in all economic conditions (e.g., improvement in RPTPW, net of fuel, remained positive YoY in 2019 downturn vs. 2018)
- Shorter-haul shipments; attractive driving positions with many ‘home nightly’ or ‘home weekly’ jobs
- Higher fleet density and scale, along with highly optimized models, leading to improved efficiency, driver satisfaction and high service levels

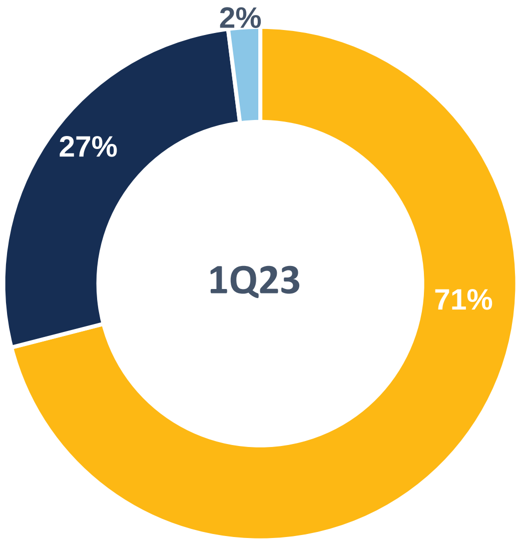
* Net of fuel surcharge revenues

GROWING LOGISTICS SEGMENT ADDING TO IMPROVED BUSINESS RESILIENCY AND VERTICAL MIX

DURABLE

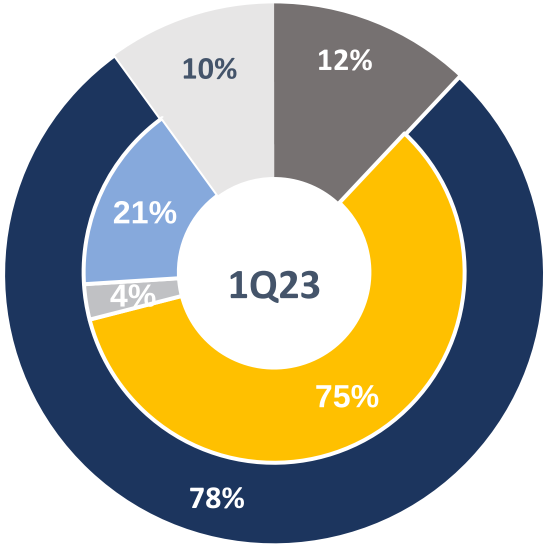
REVENUES COMPOSITION

Consolidated



- Truckload Transportation Services (TTS)
- Werner Logistics
- Driver Training Schools and Other

Logistics



- Truckload Logistics (**78%**)
  - **75%** Dry Van
  - **21%** Temperature-Controlled
  - **4%** Other
- Final Mile (10%)
- Intermodal (12%)

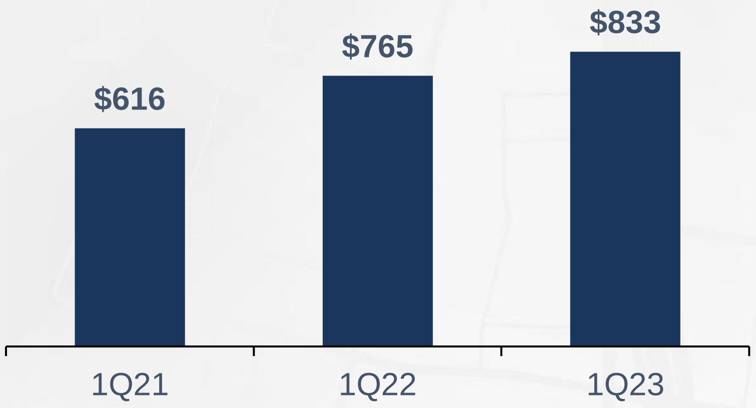
GROWING LOGISTICS SEGMENT

- Werner's Logistics business represented 27% of consolidated revenues in 1Q23, up from 24% in 2022
- On a trailing twelve-month basis through March 2023, Werner Logistics produced over $1B of pro-forma revenues, inclusive of acquisitions
- ReedTMS acquisition expanded our footprint and capabilities; expertise in temperature-controlled brokerage adds to the durability of our customer mix and diversification within our customer base

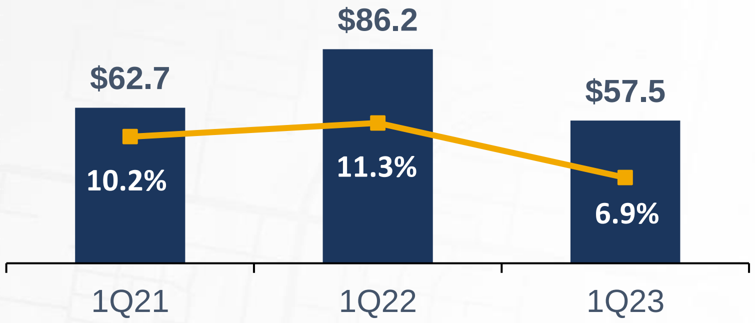
1Q 2023 RESULTS

RESULTS

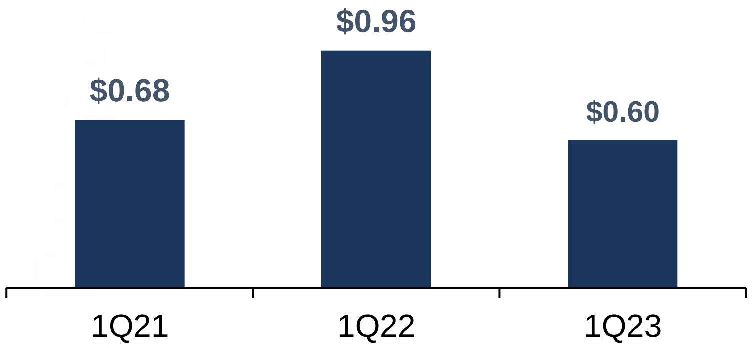
TOTAL REVENUES ($M)



ADJUSTED OPERATING INCOME[1] ($M) AND ADJUSTED OPERATING MARGIN[1]



ADJUSTED EPS[1]



YoY COMMENTARY (1Q23 vs. 1Q22)

- Total revenues increased $68M, or 9%
- 0.5% higher TTS revenues per truck per week[2]
- 3.9% increase in TTS average trucks
- 21% increase in Logistics revenues

- 33% decrease in adj. operating income, or $28.6M
- TTS adj. operating income decreased $24.5M
- Logistics adj. operating income decreased $2.8M
- Increases in insurance and claims ($9M) and supplies and maintenance ($11M)

- Adj. EPS decreased by 37%

[1] Operating income (GAAP) was $62.5M in 1Q21, $83.5M in 1Q22 and $53.4M in 1Q23. Operating margin (GAAP) was 10.1% in 1Q21, 10.9% in 1Q22 and 6.4% in 1Q23. EPS (GAAP) was $0.68 in 1Q21, $0.82 in 1Q22 and $0.55 in 1Q23. See attached Reconciliation of Non-GAAP Financial Measures. [2] Net of fuel surcharge revenues.

1Q 2023 TRUCKLOAD TRANSPORTATION SERVICES (TTS) RESULTS

RESULTS

	1Q21	1Q22	1Q23	1Q23 vs. 1Q22
Revenues ($M)	$462.9	$558.4	$588.3	5%
Adjusted Operating Income[1] ($M)	$58.9	$78.3	$53.7	(31)%
Adjusted Operating Margin[1, 2]	14.2%	16.4%	10.7%	(570) bps
Adjusted Operating Ratio[1, 2]	85.8%	83.6%	89.3%	570 bps

YoY COMMENTARY (1Q23 vs. 1Q22)

- **Higher revenues driven** by 3.9% more trucks, 0.5% higher rates, $8M of increased fuel surcharges, and flat miles per truck
- **Durable and resilient execution** in our Dedicated fleet which represents 63% of total TTS trucks

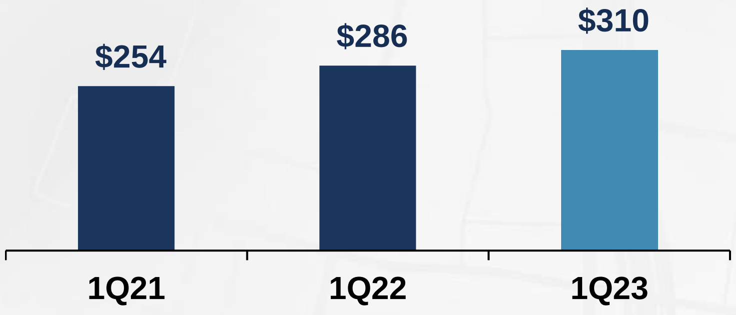
[1] TTS operating income (GAAP) was $57.6M in 1Q21, $76.1M in 1Q22, and $51.0M in 1Q23. TTS operating margin (GAAP) was 12.4% in 1Q21, 13.6% in 1Q22, and 8.7% in 1Q23. TTS operating ratio (GAAP) was 87.6% in 1Q21, 86.4% in 1Q22, and 91.3% in 1Q23. See attached Reconciliation of Non-GAAP Financial Measures. [2] Net of fuel surcharge revenues.

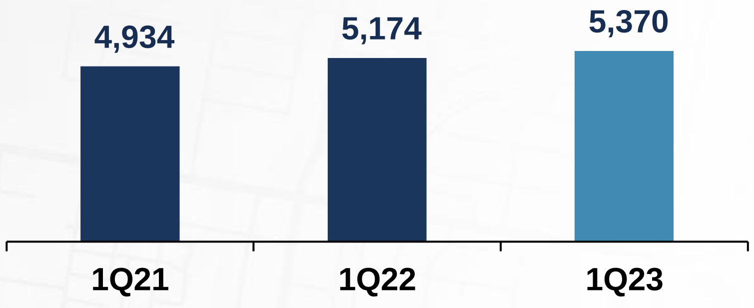
TTS[1] FLEET METRICS UPDATE

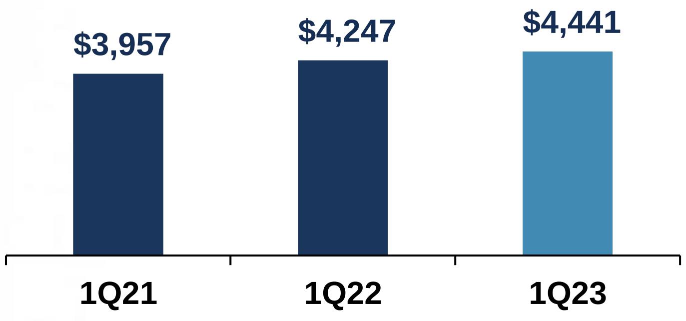
RESULTS

TRUCKING REVENUES[2] ($M) | AVERAGE TRUCKS | REVENUES / TRUCK / WEEK[2]

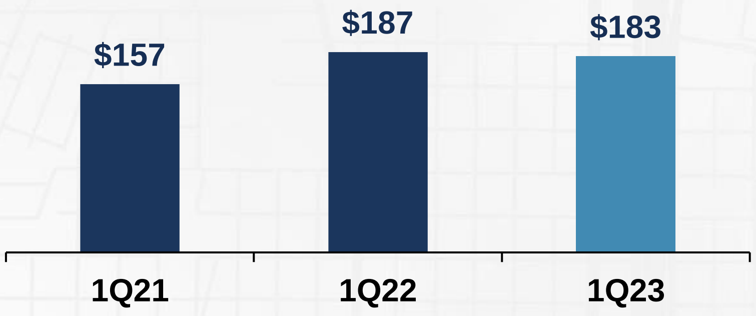
DEDICATED TRUCKLOAD

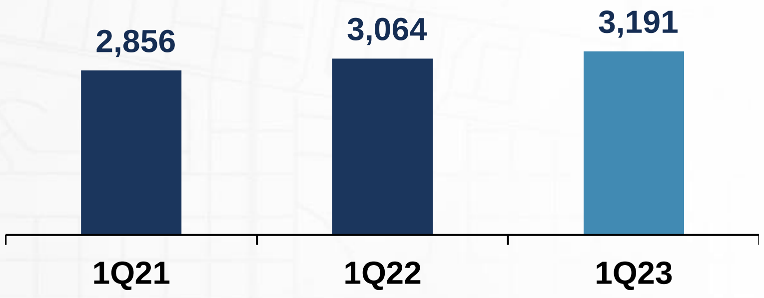


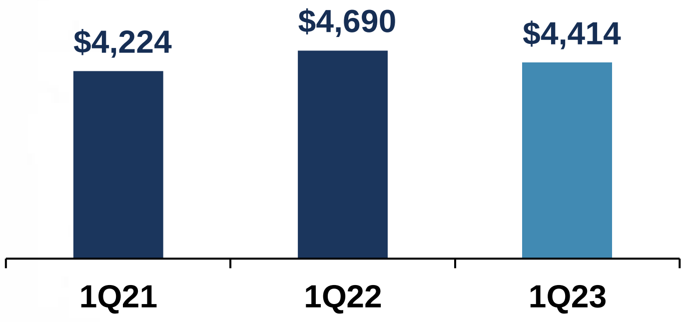




ONE-WAY TRUCKLOAD







[1] TTS consists of the Dedicated and One-Way Truckload fleets.
[2] Net of fuel surcharge revenues.

1Q 2023 WERNER LOGISTICS RESULTS

RESULTS

	1Q21	1Q22	1Q23	1Q23 vs. 1Q22
Revenues ($M)	$137.9	$189.0	$228.7	21%
Revenues, less purchased transportation expense ($M)	$17.3	$31.5	$40.2	28%
Adjusted Operating Income ($M)[1]	$3.6	$9.2	$6.4	(31)%
Adjusted Operating Margin[1]	2.6%	4.9%	2.8%	(210) bps

YoY COMMENTARY (1Q23 vs. 1Q22)

- Truckload Logistics revenues (78% of Logistics revenues**)** increased 41%
- Intermodal revenues (12% of Logistics revenues) declined 33%
- Final Mile revenues (10% of Logistics revenues) grew by $2.4M

- Excluding ReedTMS, volumes in Truckload Logistics increased 3% YoY and 1% sequentially in a difficult and competitive freight market
- Branded Powerlink as our power only service

[1] Werner Logistics operating income (GAAP) was $4.6M in 1Q21, $8.7M in 1Q22, and $4.9M in 1Q23. Werner Logistics operating margin (GAAP) was 3.3% in 1Q21, 4.6% in 1Q22, and 2.2% in 1Q23. See attached Reconciliation of Non-GAAP Financial Measures.

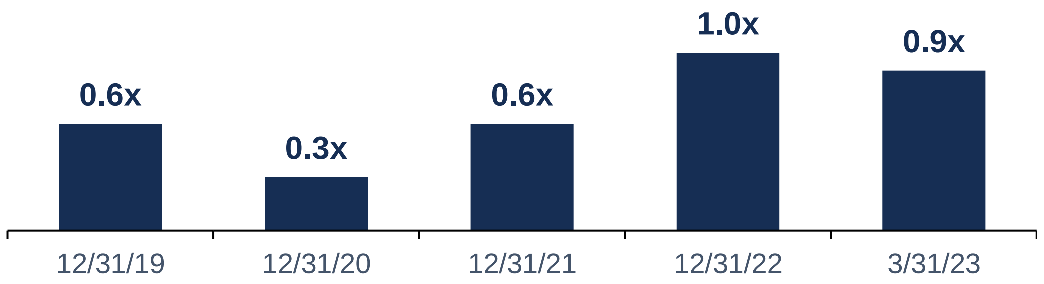
STRONG BALANCE SHEET[1]

HEALTHY BALANCE SHEET PROVIDES OPTIONALITY

Total Credit Capacity*	$1,105M
Debt	$691M
Unused Credit Capacity	$414M
Cash	$130M
Liquidity	$544M
Net Debt	$561M

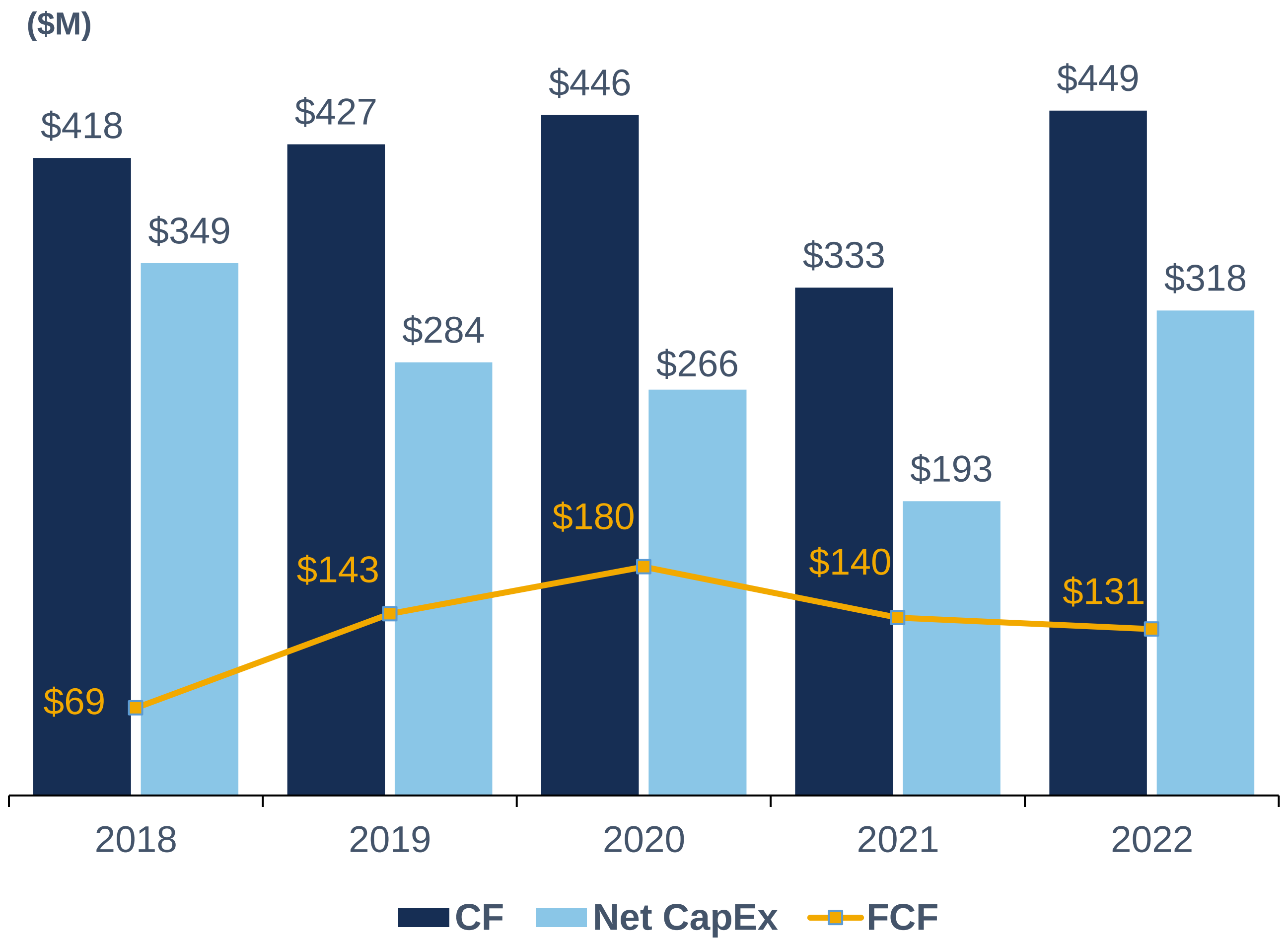
DEBT MATURITY SCHEDULE

NET DEBT TO LTM EBITDA



[1] As of 3/31/23
* Net of letters of credit

ROBUST FCF GENERATION



COMMENTARY

- FCF generation of $131M in 2022
- 2023 Net CapEx expected to be in the range of $350M to $400M
- Long-term, targeting Net CapEx at 11-13% of annual revenues

DISCIPLINED CAPITAL ALLOCATION

RESULTS

PRIORITIES

Continual and Consistent Investment in the Business

- Reinvestments in new, feature-rich trucks and trailers, including the latest safety technology, that extend sustainable competitive advantages for customers and drivers
- Werner EDGE enhanced IT (better, faster, less expensive, more secure)

Committed to Return Value to Shareholders

- Continued quarterly dividends since 1987; raised quarterly dividend by 11% in 1Q21, 20% in 2Q21 and 8% in 2Q22
- Closed on new $1.075B five-year syndicated credit facility with six banks on 12/20/22

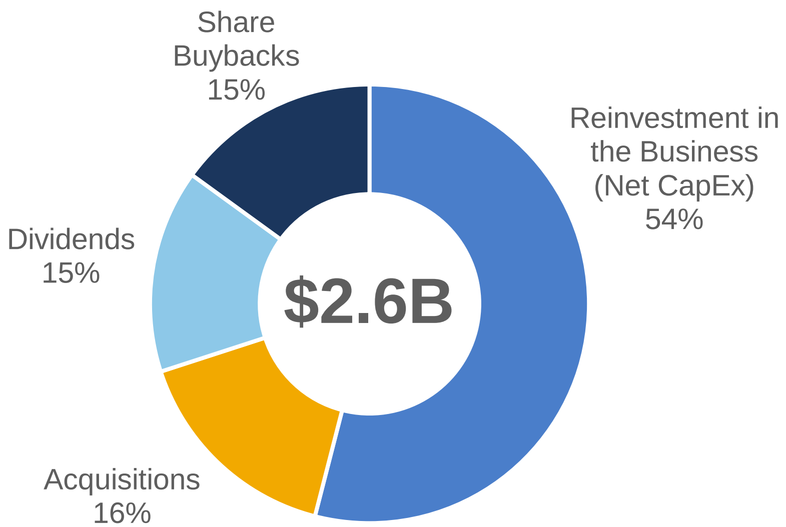
Strategic Filters for Acquisitions

- Delivers growth, profitability, and deepens and enhances our geographic footprint
- Additive to our service offerings with opportunity for revenue and cost synergies
- Aligned customer and safety-centric cultures; retaining experienced management team

Maintain a Strong and Flexible Financial Position

- Debt of $691M, Equity of $1,471M (as of 3/31/23)
- Long-term goal of net debt to EBITDA of 0.5x to 1.0x

CAPITAL ALLOCATION HISTORY 2018-2022



WERNER DRIVESM

BUILDING ON 5Ts AND SHAPING OUR FUTURE

- **Rolled out MasterMind TMS** in truckload logistics, focusing on optimizing the platform to drive operational improvements
- Lowered accident frequency with 1Q YoY improvement in DOT reportable accidents, following 10-year low **DOT preventable accident rate per million miles** at Werner in 2022
- Accomplished 1Q23 **record-low work injury rate** with 30% improvement YoY
- **Established inaugural cohort of PACE** rotational development leadership program
- Installed **auxiliary power units (APUs) on 50% of new tractors** placed into service in 1Q23, reducing tractor engine idle fuel consumption
- Received the first **15L renewable natural gas** truck in April 2023 as part of a partnership with Cummins

2023 GUIDANCE METRICS AND ASSUMPTIONS

	PRIOR GUIDANCE (As of 2/7/23)	ACTUAL (As of 3/31/23)	2023 GUIDANCE (As of 5/3/23)	COMMENTARY
2022 GUIDANCE				
TTS truck growth from BoY to EoY	1% to 4% (annual)	(1)% (1Q23)	(2)% to1% (annual)	Adjusting fleet size to adapt to a softer freight market
Net capital expenditures	$350M to $400M (annual)	$ 103M (1Q23)	$350M to $400M (annual)	
TTS GUIDANCE				
Dedicated RPTPW[1] growth	0% to 3% (annual)	4.6% (1Q23 vs. 1Q22)	0% to 3% (annual)	Expect low single-digit increase YoY with difficult comparisons
One-Way Truckload RPTM[1] growth	(3)% to (6)% (1H23 vs. 1H22)	(3.2)% (1Q23 vs. 1Q22)	(3)% to (6)% (1H23 vs. 1H22)	Expect weak OWT freight conditions in 2Q and 3Q, then improving in 4Q
ASSUMPTIONS				
Effective income tax rate	24.0% to 25.0% (annual)	24.3% (1Q23)	24.0% to 25.0% (annual)	
Truck age	2.2 years (12/31/23)	2.2 years	2.2 years (12/31/23)	
Trailer age	5.0 years (12/31/23)	5.1 years	5.0 years (12/31/23)	

[1] Net of fuel surcharge revenues.

2023 UPDATED MARKET OUTLOOK AND MODELING ASSUMPTIONS

MARKET OUTLOOK

- **Freight demand** steady in Dedicated and weak in One-Way and Logistics in 2Q and 3Q, then improving in 4Q
- Consumers continue to be more value conscious for household spending and **moderate their discretionary spend**
- **Carriers increasingly exit the market** with very low spot freight rates combined with high operating and capital costs
- **Spot freight rates** bottom in 2Q and begin to improve in 2H23
- **Driver recruiting and retention market** less difficult
- **Inflationary operating costs** gradually ease
- **Used truck and trailer demand and pricing moderates** as bank lending practices are more restrictive and more small carriers exit

MODELING ASSUMPTIONS

- **Annual net interest expense** increases by $20M in 2023 with higher interest rates for variable rate debt and higher debt
- **Gains on sale of used equipment** gradually declines throughout 2023 as the used truck and trailer market moderates, resulting in full year equipment gains of $30M to $50M
- **Availability of new trucks and trailers** gradually improves while some OEM new equipment build constraints continue
- **One less business day in 3Q23** vs. 3Q22

WERNER®

Q & A

DRIVING SHAREHOLDER VALUE

Balanced to navigate dynamic truckload freight market

- **Large, stable and growing Dedicated fleet** with winning customers, superior on-time service and a passionate driver force
- **Diversified One-Way fleet** with strategic focus on Mexico cross-border, engineered lanes, team expedited and regional business
- **Expanding and more diversified Logistics segment** with proven truckload brokerage, intermodal and final mile delivery solutions

Focused on operational excellence and our performance

- **Durable**, consistent **operations** led by credible and **experienced management team** focused on an accountability-driven culture
- Aligned with **leading-edge technology partners**
- **Industry-leading** driver training school network with 23 locations

Dedicated to achieving ESG goals, backed by experienced management team

- Investing in new **technologies to lower carbon footprint** — EV, Hydrogen, CNG engines
- **Established career development programs** and associate resource groups
- **Diverse board of directors** with expertise across multiple industries

Positioned to capture growth through flexible financial profile

- Strong balance sheet with limited near-term debt maturities and **robust free cash flow**
- Disciplined and **strategic capital allocation strategy**
- **Proven results** through organic and inorganic growth opportunities

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – CONSOLIDATED
(Unaudited)
(In thousands, except per share amounts)

Non-GAAP Adjusted Operating Income and Non-GAAP Adjusted Operating Margin (1)

	Quarter Ended March 31,					
	2021		2022		2023	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating income and operating margin — (GAAP)	$ 62,471	10.1%	$ 83,511	10.9%	$ 53,386	6.4%
Non-GAAP adjustments:						
Insurance and claims (2)	1,258	0.2%	1,321	0.2%	1,387	0.2%
Gain on sale of Werner Global Logistics (3)	(1,013)	-0.1%	-	0.0%	-	0.0%
Amortization of intangible assets (4)	-	0.0%	1,359	0.2%	2,772	0.3%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	$ 62,716	10.2%	$ 86,191	11.3%	$ 57,545	6.9%

Non-GAAP Adjusted Net Income Attributable to Werner and Non-GAAP Adjusted Diluted EPS (1)

	Quarter Ended							
	March 31 2016		June 30 2016		September 30, 2016		December 31, 2016	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 20,092	$ 0.28	$ 18,306	$ 0.25	$ 18,920	$ 0.26	$ 21,811	$ 0.30
Non-GAAP adjustments - No Non-GAAP adjustments	-	-	-	-	-	-	-	-
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 20,092	$ 0.28	$ 18,306	$ 0.25	$ 18,920	$ 0.26	$ 21,811	$ 0.30

	Quarter Ended							
	March 31, 2017		June 30, 2017		September 30, 2017		December 31, 2017	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 16,019	$ 0.22	$ 23,219	$ 0.32	$ 22,517	$ 0.31	$ 141,134	$ 1.94
Non-GAAP adjustments:								
Deferred income tax adjustment for tax reform (5)	-	-	-	-	-	-	(110,508)	(1.52)
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 16,019	$ 0.22	$ 23,219	$ 0.32	$ 22,517	$ 0.31	$ 30,626	$ 0.42

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – CONSOLIDATED (continued)
(Unaudited)
(In thousands, except per share amounts)

Non-GAAP Adjusted Net Income Attributable to Werner and Non-GAAP Adjusted Diluted EPS [1]

	Quarter Ended							
	March 31 2018		June 30, 2018		September 30, 2018		December 31, 2018	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 27,807	$ 0.38	$ 38,264	$ 0.53	$ 47,514	$ 0.66	$ 54,563	$ 0.77
Non-GAAP adjustments:								
Insurance and claims [2]	-	-	11,250	0.16	2,789	0.04	1,150	0.02
Gain on sale of real estate [6]	-	-	(3,495)	(0.05)	-	-	(2,432)	(0.04)
Property Tax Settlement [7]	-	-	-	-	(4,900)	(0.07)	-	-
Income tax effect of above adjustments [8]	-	-	(1,950)	(0.03)	531	0.01	322	-
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 27,807	$ 0.38	$ 44,069	$ 0.61	$ 45,934	$ 0.64	$ 53,603	$ 0.75

	Quarter Ended							
	March 31 2019		June 30 2019		September 30, 2019		December 31, 2019	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 36,086	$ 0.51	$ 43,318	$ 0.62	$ 39,044	$ 0.56	$ 48,496	$ 0.70
Non-GAAP adjustments:								
Insurance and claims [2]	1,200	0.01	800	0.01	799	0.01	1,198	0.01
Gain on sale of real estate [6]	-	-	-	-	-	-	(3,439)	(0.05)
Income tax effect of above adjustments [8]	(340)	-	(227)	-	(202)	-	566	0.01
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 36,946	$ 0.52	$ 43,891	$ 0.63	$ 39,641	$ 0.57	$ 46,821	$ 0.67

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – CONSOLIDATED (continued)
(Unaudited)
(In thousands, except per share amounts)

Non-GAAP Adjusted Net Income Attributable to Werner and Non-GAAP Adjusted Diluted EPS [1]

	Quarter Ended							
	March 31, 2020		June 30, 2020		September 30, 2020		December 31, 2020	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 23,058	$ 0.33	$ 39,132	$ 0.56	$ 46,332	$ 0.67	$ 60,556	$ 0.88
Non-GAAP adjustments:								
Insurance and claims [2]	1,198	0.02	1,198	0.02	1,238	0.02	1,259	0.02
Depreciation [9]	5,014	0.07	3,679	0.06	921	0.01	-	-
Income tax effect of above adjustments [8]	(1,584)	(0.02)	(1,244)	(0.02)	(550)	(0.01)	(321)	(0.01)
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 27,686	$ 0.40	$ 42,765	$ 0.62	$ 47,941	$ 0.69	$ 61,494	$ 0.89

	Quarter Ended							
	March 31, 2021		June 30, 2021		September 30, 2021		December 31, 2021	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 46,492	$ 0.68	$ 72,032	$ 1.06	$ 63,761	$ 0.94	$ 76,767	$ 1.15
Non-GAAP adjustments:								
Insurance and claims [2]	1,258	0.02	1,258	0.02	1,300	0.02	1,321	0.02
Acquisition expenses [10]	-	-	992	0.01	-	-	630	0.01
Amortization of intangible assets, net of amount attributable to noncontrolling interest [4]	-	-	-	-	981	0.02	560	0.01
Gain on investments in equity securities, net [11]	-	-	(20,191)	(0.30)	(16,090)	(0.24)	(4,036)	(0.06)
Gain on sale of Werner Global Logistics [3]	(1,013)	(0.02)	-	-	-	-	-	-
Income tax effect of above adjustments [8]	(61)	-	4,485	0.07	3,522	0.05	382	-
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 46,676	$ 0.68	$ 58,576	$ 0.86	$ 53,474	$ 0.79	$ 75,624	$ 1.13

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – CONSOLIDATED (continued)
(Unaudited)
(In thousands, except per share amounts)

Non-GAAP Adjusted Net Income Attributable to Werner and Non-GAAP Adjusted Diluted EPS [1]

	Quarter Ended									
	March 31, 2022		June 30, 2022		September 30, 2022		December 31, 2022		March 31, 2023	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 53,749	$ 0.82	$ 72,290	$ 1.12	$ 55,051	$ 0.86	$ 60,166	$ 0.94	$ 35,224	$ 0.55
Non-GAAP adjustments:										
Insurance and claims [2]	1,321	0.02	1,321	0.02	1,365	0.02	1,387	0.02	1,387	0.02
Acquisition expenses [10]	-	-	-	-	468	0.01	613	0.01	-	-
Amortization of intangible assets, net of amount attributable to noncontrolling interest [4]	1,187	0.02	1,187	0.02	1,187	0.02	1,864	0.03	2,600	0.04
Contingent consideration adjustment [12]	-	-	-	-	-	-	(2,500)	(0.04)	-	-
Loss (gain) on investments in equity securities, net [11]	9,806	0.15	(24,095)	(0.37)	(114)	-	2,208	0.04	81	-
Income tax effect of above adjustments [8]	(3,097)	(0.05)	5,429	0.08	(731)	(0.01)	(898)	(0.01)	(1,027)	(0.01)
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 62,966	$ 0.96	$ 56,132	$ 0.87	$ 57,226	$ 0.90	$ 62,840	$ 0.99	$ 38,265	$ 0.60

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – TRUCKLOAD TRANSPORTATION SERVICES (TTS) SEGMENT
(Unaudited)
(In thousands)

Non-GAAP Adjusted Operating Income and Non-GAAP Adjusted Operating Margin [1]

	Quarter Ended March 31,					
	2021		2022		2023	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating income and operating margin — (GAAP)	$ 57,628	12.4%	$ 76,093	13.6%	$ 50,986	8.7%
Non-GAAP adjustments:						
Insurance and claims [2]	1,258	0.3%	1,321	0.2%	1,387	0.2%
Amortization of intangible assets [4]	-	0.0%	859	0.2%	1,352	0.2%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	$ 58,886	12.7%	$ 78,273	14.0%	$ 53,725	9.1%

Non-GAAP Adjusted Operating Expenses and Non-GAAP Adjusted Operating Ratio [1]

	Quarter Ended March 31,					
	2021		2022		2023	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating expenses and operating ratio — (GAAP)	$ 405,321	87.6%	$ 482,324	86.4%	$ 537,344	91.3%
Non-GAAP adjustments:						
Insurance and claims [2]	(1,258)	-0.3%	(1,321)	-0.2%	(1,387)	-0.2%
Amortization of intangible assets [4]	-	0.0%	(859)	-0.2%	(1,352)	-0.2%
Non-GAAP adjusted operating expenses and non-GAAP adjusted operating ratio	$ 404,063	87.3%	$ 480,144	86.0%	$ 534,605	90.9%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – TRUCKLOAD TRANSPORTATION SERVICES (TTS) SEGMENT (continued) (Unaudited) (In thousands)

Non-GAAP Adjusted Operating Expenses, Net of Fuel Surcharge; Non-GAAP Adjusted Operating Margin, Net of Fuel Surchage; and Non-GAAP Adjusted Operating Ratio, Net of Fuel Surcharge [1]

	Quarter Ended March 31,		
	2021	2022	2023
	$	$	$
Operating revenues — (GAAP)	$ 462,949	$ 558,417	$ 588,330
Less: Trucking fuel surcharge [13]	(47,459)	(79,815)	(88,301)
Operating revenues, net of fuel surcharge — (Non-GAAP)	415,490	478,602	500,029
Operating expenses — (GAAP)	405,321	482,324	537,344
Non-GAAP adjustments:			
Trucking fuel surcharge [13]	(47,459)	(79,815)	(88,301)
Insurance and claims [2]	(1,258)	(1,321)	(1,387)
Amortization of intangible assets [4]	-	(859)	(1,352)
Non-GAAP adjusted operating expenses, net of fuel surcharge	356,604	400,329	446,304
Non-GAAP adjusted operating income	$ 58,886	$ 78,273	$ 53,725
Non-GAAP adjusted operating margin, net of fuel surcharge	14.2%	16.4%	10.7%
Non-GAAP adjusted operating ratio, net of fuel surcharge	85.8%	83.6%	89.3%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – WERNER LOGISTICS SEGMENT
(Unaudited)
(In thousands)

Non-GAAP Adjusted Operating Income and Non-GAAP Adjusted Operating Margin (1)

	Quarter Ended March 31,					
	2021		2022		2023	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating income (Loss) and operating margin — (GAAP)	$ 4,574	3.3%	$ 8,681	4.6%	$ 4,937	2.2%
Non-GAAP adjustments:						
Gain on sale of Werner Global Logistics (3)	(1,013)	-0.7%	-	0.0%	-	0.0%
Amortization of intangible assets (4)	-	0.0%	500	0.3%	1,420	0.6%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	$ 3,561	2.6%	$ 9,181	4.9%	$ 6,357	2.8%

(1) Non-GAAP adjusted operating income; non-GAAP adjusted operating margin; non-GAAP adjusted operating margin, net of fuel surcharge; non-GAAP adjusted net income attributable to Werner; non-GAAP adjusted diluted earnings per share; non-GAAP adjusted operating revenues, net of fuel surcharge; non-GAAP adjusted operating expenses; non-GAAP adjusted operating expenses, net of fuel surcharge; non-GAAP adjusted operating ratio; and non-GAAP adjusted operating ratio, net of fuel surcharge should be considered in addition to, rather than as substitutes for, GAAP operating income; GAAP operating margin; GAAP net income attributable to Werner; GAAP diluted earnings per share; GAAP operating revenues; GAAP operating expenses; and GAAP operating ratio, which are their most directly comparable GAAP financial measures.

(2) We accrued pre-tax insurance and claims expense for interest related to a previously disclosed excess adverse jury verdict rendered on May 17, 2018 in a lawsuit arising from a December 2014 accident. The Company is appealing this verdict. 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. We continue to accrue pre-tax insurance and claims expense for interest at $0.5 million per month until such time as the outcome of our appeal is finalized. 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.

(3) During first quarter 2021, we sold Werner Global Logistics (WGL) freight forwarding services for international ocean and air shipments to Scan Global Logistics Group, which resulted in the pre-tax gain on sale. Management believes excluding the effect of this unusual and infrequent item provides a more useful comparison of our performance from period to period. This item is included in our Werner Logistics segment.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(4) Amortization expense related to intangible assets acquired in our business acquisitions is excluded because management does not believe it is indicative of our core operating performance. This item is included in our Truckload Transportation Services and Werner Logistics segments.

(5) During 2017, our results included a $110,508 non-cash reduction in income tax expense, which resulted from the revaluation of net deferred income tax liabilities to reflect the lower federal income tax rate enacted on December 22, 2017. The Tax Cuts and Jobs Act of 2017 (the Tax Act) lowered the federal corporate income tax rate to 21% from 35% beginning in 2018. Management believes the exclusion of the tax reform benefit provides a more useful comparison of the Company's financial performance from period to period.

(6) During fourth quarter 2019, we sold two parcels of real estate which resulted in a $3,439 pre-tax gain on sale. During 2018, we sold two parcels of real estate which resulted in a $5,927 pre-tax gain on sale. Management believes excluding the effect of these unusual and infrequent items provides a more useful comparison of our performance from period to period. These items are included in our Corporate segment.

(7) During 2018, we reached a favorable settlement related to a property tax dispute that reduced taxes and licenses expense by $4,900, for property taxes that were previously expensed and paid over a multi-year period. Management believes excluding the effect of this property tax dispute provides a more useful comparison of our performance from period to period. This item is included in our Truckload Transportation Services segment.

(8) The income tax effect of the non-GAAP adjustments is calculated using the incremental income tax rate excluding discrete items, and the income tax effect for 2022 has been updated to reflect the annual incremental income tax rate.

(9) During first quarter 2020, we changed the estimated life of certain trucks expected to be sold in 2020 to more rapidly depreciate these trucks to their estimated residual values due to the weak used truck market. These trucks continued to depreciate at the same higher rate per truck, until all were sold. Management believes excluding the effect of this unusual and infrequent item provides a more useful comparison of our performance from period to period. This item is included in our Truckload Transportation Services segment.

(10) We incurred business acquisition-related expenses including legal and professional fees. Acquisition-related expenses are excluded as management believes these costs are not representative of the costs of managing our on-going business. The expenses are included in our Corporate segment.

(11) Represents non-operating mark-to-market adjustments for unrealized gains/losses on our minority equity investments, which we account for under Accounting Standards Codification 321, *Investments - Equity Securities*. Management believes excluding the effect of gains/losses on our investments in equity securities provides a more useful comparison of our performance from period to period.

(12) The contingent consideration, also referred to as earnout, period related to the NEHDS Logistics, LLC acquisition ended on December, 31, 2022 and did not result in any additional cash payments, as the financial performance goals were not achieved. As a result, a favorable adjustment was recorded in other operating expense in our Income Statement. Management believes excluding the effect of income/expense associated with contingent consideration provides a more useful comparison of our performance from period to period. This item is included in our Werner Logistics segment.

(13) Fluctuating fuel prices and fuel surcharge revenues impact the total company operating ratio and the TTS segment operating ratio when fuel surcharges are reported on a gross basis as revenues versus netting the fuel surcharges against fuel expenses. Management believes netting fuel surcharge revenues, which are generally a more volatile source of revenue, against fuel expenses provides a more consistent basis for comparing the results of operations from period to period.

THANK YOU

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