February 7, 2019

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Steven Ralston, CFA
312-265-9426
sralston@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

Daseke Inc. (DSKE-NASDAQ)

Daseke pre-announces strong 4Q; revenues and Adj. EBITDA above expectations

Based on comparative analysis that utilizes the valuation metric of EV/EBITDA, a second quartile industry multiple indicates a share price target of $7.75.

Current Price (02/07/19)	$4.48
Valuation	**$7.75**

OUTLOOK

Daseke is the **major consolidator** in the highly fragmented open deck trucking industry. The company has grown significantly through a series of mergers over the last 6 years. Having become a publically-traded company through a merger with a SPAC in February 2017, Daseke continues to benefit from the improvement in flatbed line-haul rates that began in December 2016. The **12 mergers / acquisitions since May 2017** (four in 2018) demonstrate that Daseke is the **leading consolidator of premier open deck trucking companies**. Management is currently concentrating on improving the company's operations, accelerating organic growth and generating EBITDA.

SUMMARY DATA

52-Week High	**$13.46**
52-Week Low	**$3.13**
One-Year Return (%)	**-65.96**
Beta	**1.22**
Average Daily Volume (shrs.)	**512,342**
Shares Outstanding (million)	**64.45**
Market Capitalization ($mil.)	**$288.7**
Short Interest Ratio (days)	**2.27**
Institutional Ownership (%)	**42**
Insider Ownership (%)	**38**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**50.8**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2018 Estimate	**N/M**
P/E using 2019 Estimate	**N/M**

Risk Level	**Above Average**
Type of Stock	**Small-Blend**
Industry	**Trucking Services**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2017	160 A	197 A	231 A	276 A	846 A
2018	328 A	377 A	462 A	446 E	1,612 E
2019	328 E	433 E	530 E	512 E	1,853 E
2020					2,125 E

Earnings per Share
(EPS is operating earnings before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2017	-$0.32 A	-$0.15 A	-$0.03 A	-$0.14 A	-$0.61 A
2018	-$0.04 A	$0.20 A	$0.01 A	-$0.33 E	-$0.17 E
2019	-$0.05 E	$0.27 E	$0.02 E	-$0.45 E	-$0.23 E
2020					-$0.22 E

Zacks Projected EBITDA Growth Rate-Next 5 Years % **15**

Quarterly EPS & revenue may not equal annual totals.

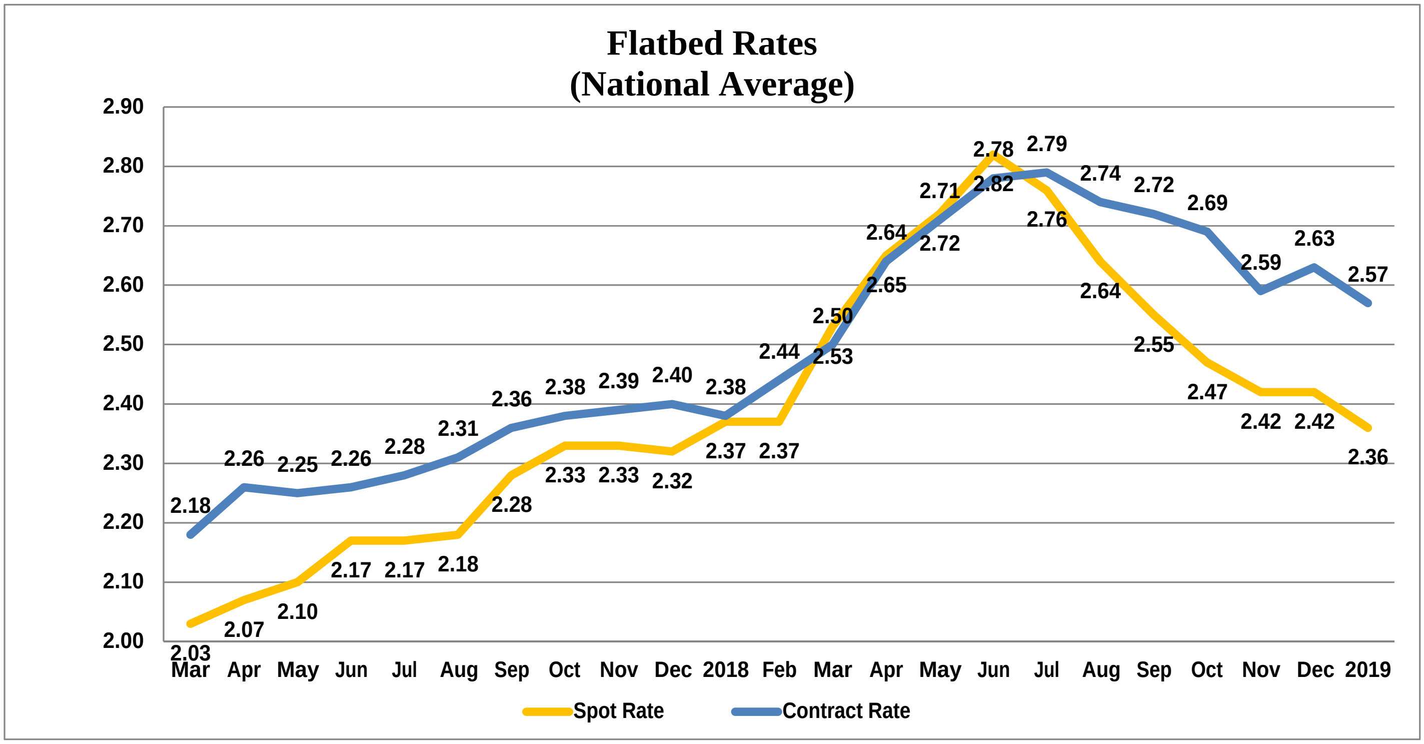
EXECUTIVE SUMMARY OF RECENT EVENTS

- On February 7th, Daseke preannounced select financial results for the **fourth quarter and year** ending December 31, 2018 and management provided financial guidance for 2019.
  - **Revenues for 2018** are **anticipated to increase 90%+** to approximately $1.61 billion with a strong contribution by the Specialized Solutions segment.
  - **Adjusted EBITDA is projected to increase in the 87%-to-89% range** to between $172 and $174 million compared to $91.9 million in 2017.
  - Shares outstanding increased rough 45% from 44,480,232 to about 64.454 million.
  - **Management provided financial guidance for 2019.**
    - Management expects **total revenues to increases to the range of $1.8 and $1.9 billion**.
    - **Adjusted EBITDA is anticipated to increase to the range of $200 and $210 million**.
    - The **net loss attributable to shareholders is anticipated to be in the $14-to-$22 million range**.
- On January 29, 2019, a **13-G was collectively filed** by Zazove Associates and Gene T. Pretti disclosing that 4,526,650 shares (or **7.02% of shares outstanding**) were beneficially owned by the reporting parties.
- On November 6, 2018, concurrent with the company's release of third quarter financial results, management stated that despite being committed to its industry consolidation strategy, the **company's acquisition program had been put on hold while management concentrates on improving the company's operations, organic growth and free cash flow generation**.
- Daseke is benefiting from initiatives aimed at **improving operational effectiveness**.
  - Operational organization consolidated into **regional/end-market structure**: Southeast, South/northeast/commercial glass, Texas/Midwest, West and High Security Cargo.
  - Consolidation of operations: **two operations were combined** with anticipated revenue and cost synergies of at least $2.5 million over the next 12 months.
  - Business **unit turnaround** through the closure of several facilities and the disposal of costly equipment resulted in a $1 million increase in EBITDA.
  - In May 2018, created **Fleet Services Department** to focus on helping improve economies of scale in the areas of purchasing, equipment optimization and maintenance to reduce operating expenses and improve operating margins.
  - On January 16, 2019, the Board appointed Christopher Easter as Chief Operating Officer. Initially Mr. Easter will concentrate on generating organic revenue growth, expanding EBITDA margins and growing free cash flow.
- **Mergers/Acquisitions in 2018**
  - Merger with **Leavitt's Freight Service** closed on August 1, 2018.
    - Leavitt's is a **specialty carrier of long loads** (25-140 feet in length), particularly utility poles and engineered wood products for construction projects. The tuck-in merger for Central Oregon Truck Company operates more than 120 trucks with a fleet of 45-to-48-foot trailers, floating trailers and steerable trailers, some with chain driven booms that provide self-unloading services at the delivery sight
  - Merger with **Builders Transportation Company** closed on August 1, 2018.
    - BTC is a **flatbed hauler** (with over 350 trucks and nearly 500 spread-axle trailers) that primarily serves the eastern two-thirds of the U.S. and transports metals (coil steel, wire products, structural and sheet steel, aluminum products, cast iron and steel pipe) and building products.
  - Merger with **Kelsey Trail Trucking** closed on July 1, 2018

- Kelsey is a tuck-in for Big Freight, expanding the company's Canadian footprint especially with regional deliveries from the Toronto area up to northern Ontario and into Quebec and especially with **B-train operations**. A B-train is comprised of pup trailer joined by a fifth wheel onto the lead trailer. Kelsey Trail has 80 late-model tractors and 90 sets of 5-axle B-trains (32 ft. lead trailers with 28 ft. pups).

- Merger with **Aveda Transportation and Energy** Services closed on June 6, 2018.
  - Aveda serves the oil and gas industry with specialized transportation services, primarily **rig moving and heavy haul services**, with about 1,300 pieces of equipment valued at approximately CAD$114 million or US$90 million. 2017 revenues were CAD$199.6 million (US$155.7 million) that generated CAD$15.9 million (US$12.4 million) in Adjusted EBITDA.

➢ The **flatbed trucking industry** has benefitted from the economic expansion exemplified by rising flatbed rates through mid-2018. However, flatbed rates have softened in the second half of 2018 despite robust industrial activity in the manufacturing, construction, building, aerospace and energy industries in North America.



➢ The company continues to **build awareness** by attending **Analyst Conferences**:
- Stifel Transportation & Logistics Conference (February 12, 2018)
- Seaport Global Transports and Industrials Conference (March 21-22, 2018)
- Seaport Global Energy & Industrials Conference (August 29, 2018)
- Liolios 7th Annual Gateway Conference (September 6, 2018)
- Cowen 11th Annual Global Transportation Conference (September 6, 2018)
- 2018 Buckingham Industrials Conference (September 20, 2018)
- 2018 Southwest IDEAS Investor Conference (November 14, 2018)
- 9th Annual Craig-Hallum Alpha Select Conference (November 15, 2018)
- Buckingham Best Ideas Conference (November 15, 2018)

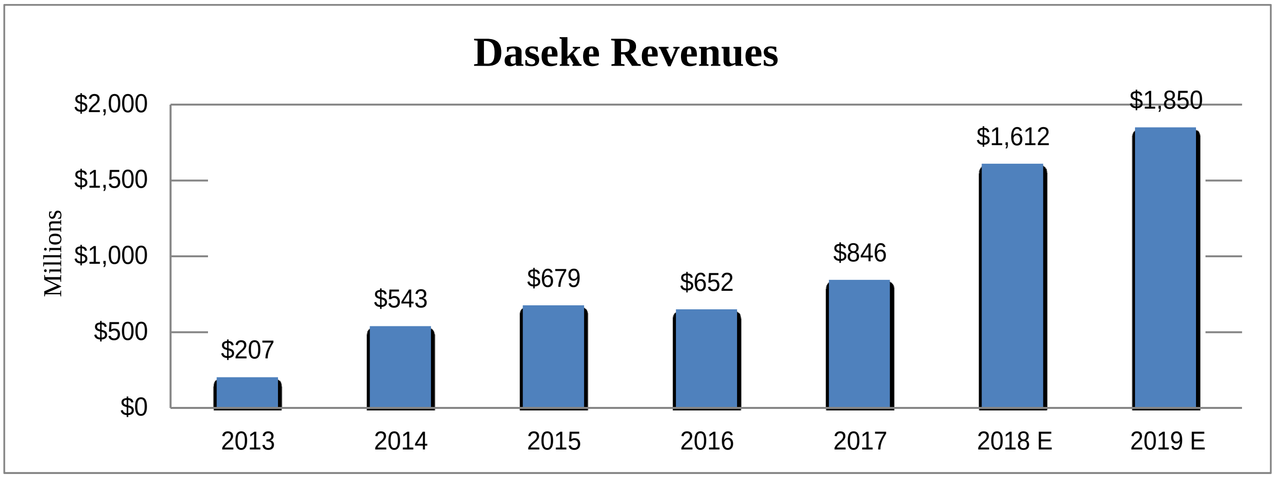
RECENT NEWS

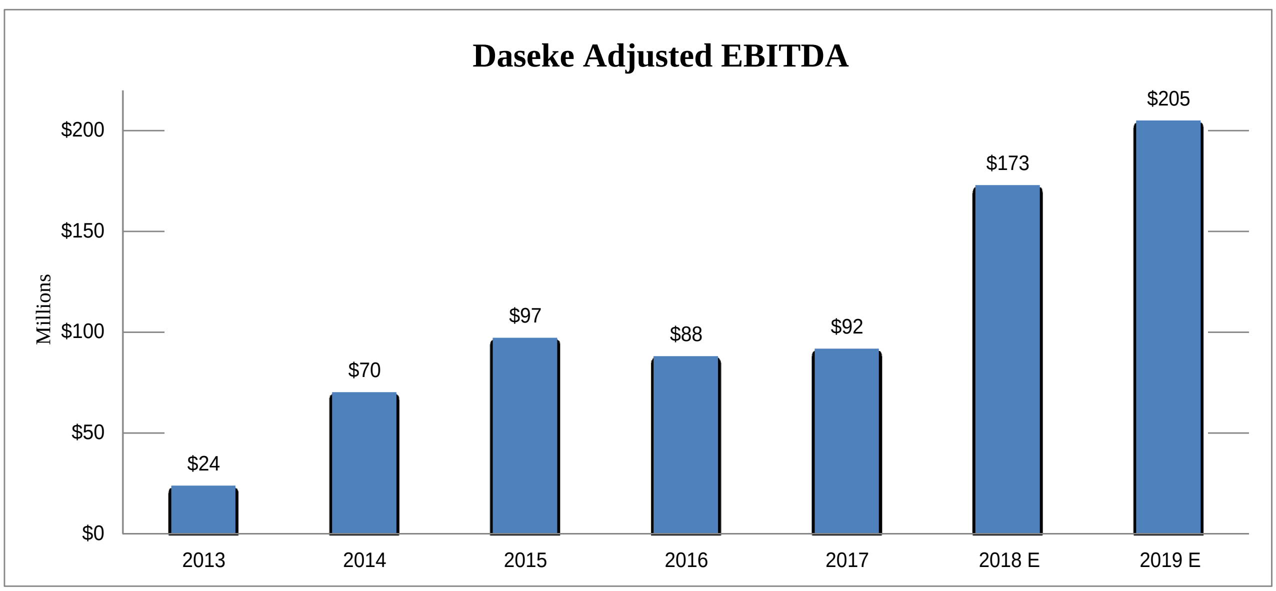
Chris Easter Appointed Chief Operating Officer

On January 16, 2019, the Board appointed Christopher Easter as Chief Operating Officer. With more than 30 years of operational experience in transportation and logistics roles, Mr. Easter initially will concentrate on generating organic revenue growth, expanding EBITDA margins and growing free cash flow.

Management's Guidance for 2019

On February 7, 2019, management provided guidance for 2019. **Total revenues** are anticipated to grow to increase to **the range of $1.8 and $1.9 billion** while **Adjusted EBITDA** is anticipated to increase to the **range of $200 and $210 million.** Capex is budgeted to be the $65 - $70 million range.





MERGERS IN 2018

During 2019, Daseke closed four merger/acquisitions: **two large operating companies**, each with 350+ tractors (Builders Transportation Company and Aveda Transportation & Energy Services), and **two tuck-ins** (Leavitt's Freight Service and Kelsey Trail Trucking).

Leavitt's Freight Service (tuck-in for Central Oregon Truck Company)

Founded in 1958 and based near Eugene, Oregon, **Leavitt's Freight Service** is a specialty carrier of long loads (25-140 feet in length), particularly utility poles, trusses, steel decking and engineered wood products for construction projects. Leavitt's operates more than 120 trucks with a fleet of 45-to-48-foot trailers, floating trailers (that are equipped to handle long loads) and on occasion steerable trailers for extremely long loads. The company pioneered the use of a chain driven boom to provide the self-unloading service of over-length loads at job sites and at the yards of customers.

On August 1, 2018, Leavitt's merged with Central Oregon Truck Company, but will continue to operate under the Levitt's name. However, synergies will be obtained through the utilization of each other's facilities for service, maintenance and fuel, especially along the I-5 corridor through Washington, Oregon and California, but also in the Midwest, East Coast and most of the Canadian Provinces.

Builders Transportation Company

On August 1, 2018, Daseke acquired all of the outstanding shares of Memphis-based **Builders Transportation Company** (BTC) for $53.8 million, which consisted of $32.9 million in cash, 399,530 shares of DSKE (valued at $3.4 million) and the assumption of $17.5 million in debt. BTC is a **flatbed hauler** (with over 350 trucks and nearly 500 spread-axle trailers) that primarily transports metals (coil steel, wire products, structural and sheet steel, aluminum products, cast iron and steel pipe) and building materials for companies like Alcoa, American Cast Iron Company, ABB, Tenaris, IPSCO, MRC, Gerdau, Arcelor Mittal and US Steel.

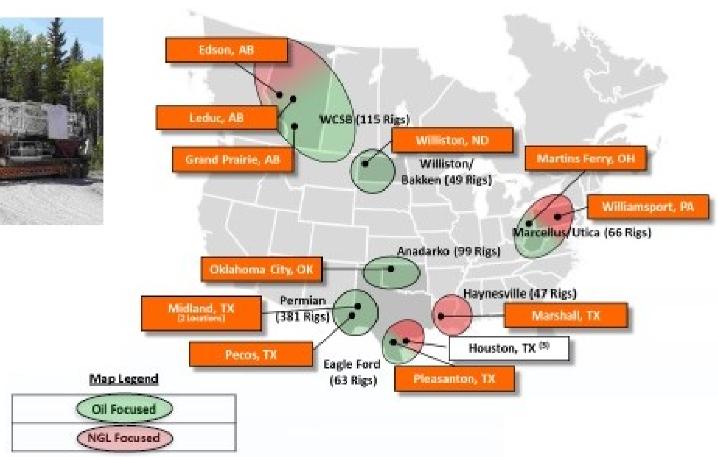
BTC primarily provides flatbed transportation services in the eastern two-thirds of the U.S. and has received Carrier of the Year awards from several customers. During the 12-month period ended June 2018, Builders Transportation generated an estimated $72.4 million in revenues and $9.7 million in Adjusted EBITDA.

Kelsey Trail Trucking (tuck-in for Big Freight)

On July 1, 2018, Daseke acquired 100% of the outstanding shares of **Kelsey Trail Trucking**. With locations in Saskatoon (Saskatchewan) and Innis (Ontario), Kelsey will tuck into Big Freight, which is headquartered in Steinbach (Manitoba). Kelsey Trail Trucking provides coast-to-coast flatbed hauling and operates a regional fleet that makes deliveries from Toronto area up to northern Ontario and into Quebec. In addition to coast-to-coast truckload and LTL services, Kelsey Trail is the largest dedicated **B-train operator in Canada**. A Canadian invention, a B-train is comprised of pup trailer joined by a fifth wheel onto the lead trailer. Kelsey Trail has 80 late-model tractors and 90 sets of 5-axle B-trains (32 ft. lead trailers with 28 ft. pups). Synergies are expected, including the ability of Kelsey to utilize Big Freight's facilities in Manitoba (in Steinbach and Winnipeg) and Big Freight having access to Kelsey's new 42,000-square-foot facility north of Toronto.

Aveda Transportation and Energy Services

On June 6, 2018, Daseke merged with **Aveda Transportation and Energy Services** (TSX-V: AVE) by acquiring all of the outstanding common shares of Aveda for US$27.3 million in cash and 1,612,979 shares of DSKE (worth$15.3 million) and paying off $54.8 million of Aveda's debt. The total consideration was $117.8 million. Aveda shareholders had the option to receive payment in DSKE stock, cash or a combination thereof. Also, Aveda shareholders will receive an additional cash payment of up to CAD $0.45 per AVE share at a later date (aka an earn-out based on EBITDA).



Aveda provides specialized transportation services (primarily rig moving and heavy haul services) to the oil and gas industry. Aveda serves seven major U.S. oil basins from 15 locations in Alberta, Texas, North Dakota, Pennsylvania, Ohio and Oklahoma with about 1,300 pieces of equipment, (approximately 430 tractors, 660 trailers and 200 light-duty trucks valued at approximately CAD$114 million or US$90 million. 2017 revenues were CAD$199.6 million (US$155.7 million) that generated CAD$15.9 million (US$12.4 million) in Adjusted EBITDA.

KEY POINTS

- As the **largest open deck** (flatbed and specialty trailer) **truckload carrier in North America** (in terms of revenues) and the **largest in terms of owned equipment**, Daseke Inc. is **the major consolidator in the highly fragmented open deck trucking space**.
    - The company serves customers in 49 U.S. states and also in Canada and Mexico
    - Daseke is currently composed of a group of open deck trucking companies
        - Strategically guided (capital allocation, market segment prioritization, etc.) at the Daseke corporate level
        - Managed day-to-day at the operating trucking company level
        - Comprehensive U.S. terminal footprint
- Management is pursuing a **strategy of consolidating premier open deck trucking companies**
    - Daseke has a scalable platform for merging with “best-in-class” carriers
    - All operating companies share the same core competencies
        - fleet of late-model, fuel-efficient and well-maintained tractors
        - exceptional mix of specialized trailers
        - key strategic customer relationships
        - top tier CSA (compliance, **safety** and accountability) scores
    - each operating company maintains its management team, day-to-day functional operations, employee base and branding/identity
    - Daseke has the ability to offer stock options to retain & attract truck drivers
    - exceptional opportunities for continued expansion through M&A continue
    - Since May 2017, Daseke has merged with / acquired 12 open deck companies:
        - **The Schilli Companies**
        - **Big Freight Systems Inc.**
        - **The Steelman Companies** (Steelman Transportation & Group One)
        - **The R&R Trucking Companies**
        - **TSH & Co**. (Tennessee Steel Haulers & Co.)
        - **The Roadmaster Group**
        - **Moore Freight Service**
        - **Belmont Enterprises** (tuck-in for Smokey Point Distributing)
        - **Aveda Transportation and Energy Services**
        - **Kelsey Trail Trucking** (tuck-in for Big Freight)
        - **Builders Transportation Company**
        - **Leavitt's Freight Service** (tuck-in for Central Oregon Truck Company)
    - On November 6, 2018, concurrent with the company’s release of third quarter financial results, it was stated that management remains committed to its industry consolidation strategy and has a robust pipeline of opportunities; however, management does not anticipate any further transactions over the intermediate term as the current focus is integrating the latest acquisitions, improving operations, accelerating organic growth and generating free cash flow
- Value added by the Daseke platform
    - **Synergies of integration** into the scalable Daseke platform
        - enhanced scale of operations
            - increased customer diversification

    - deepens strategic relationships
  - provides access to new markets
  - synergies of collaboration
    - share internal best practices
  - increased buying power
  - better access to capital
  - **after being merged into Daseke, the acquired trucking companies, on average, achieved over 20% adjusted EBITDA growth**[i]

- Merger with Hennessy Capital Acquisition Corp. II allowed Daseke to fast-track its goal of becoming a publically traded company.
  - Business combination provided an infusion of cash and loan commitments for prospective merger initiatives
  - **Management is incentivized** to achieve certain annualized adjusted EBITDA targets and specified share price in order to earn up to 15 million shares of Daseke stock. In order to achieve the maximum incentive amount, management is highly motivated to more than double adjusted EBITDA within three years.
  - **In order to receive the maximum incentive in 2019,** the company must achieve **pro forma Adjusted EBITDA of $200 million** and a **share price of $16**.
- The company is positioned **to benefit from economic expansion**, especially as industrial activity stimulates the manufacturing, construction, building, aerospace and energy industries in North America. Also, the **proposed increase in infrastructure spending** to upgrade the nation's roads and bridges should benefit Daseke.
- Daseke's equipment profile is composed of a mix of asset heavy (company drivers and company-owned tractors) and asset light (owner-operator tractors and freight brokerage) operations.
  - During challenging economic periods, the company's freight capacity can be flexed down.
  - During periods of attractive economic conditions, capacity can be efficiently flexed up.

OVERVIEW

Headquartered in Addison, Texas, Daseke Inc (DSKE) is the **largest pure-play open deck** (flatbed and specialty trailer) **truckload carrier in North America** (in terms of revenues)[ii] with customers in 49 U.S. states and also in Canada and Mexico. The company's operations span the entire spectrum of open deck transportation services, from basic flatbed solutions to challenging high-end, heavy haul logistical projects. **Daseke has significantly expanded its revenues and capacity** through a series of mergers over the last 6 years, appearing on the JOC's top 50 Trucking Companies list for the first time in 2015.[iii] With the open deck freight market ripe for consolidation, Daseke is **poised for continued growth** through **additional mergers**, bolstered by **organic growth** via operating and integration synergies along with positive industry trends (industrial output growth and capacity reduction from the ELD mandate).

Since 2008, Don Daseke (the company's founder and CEO) has been pursuing the goal of building the premier open deck trucking company, starting with purchase of Smokey Point Distributing (SPD) in 2008. Since 2011, Daseke has grown through a series of strategic and complementary acquisitions (better described as mergers) to become not only the **largest owner of open deck equipment in the U.S.** (in terms of vehicle count), but also **the major consolidator in the highly fragmented open deck trucking space**. The company's revenues have expanded from $30.3 million in 2009 (the company's first full year of operations) to $1.61 in 2018 (55.5% CAGR) and adjusted EBITDA grew from $6.455 million to $173 million (44.1% CAGR) over the same time period. Daseke's track record has been driven by a combination of acquisition driven and organic growth strategies.

The company has a proven track record of acquiring and integrating 18 trucking companies since 2011, and management still has **a pipeline of many potential acquisition candidates**.

The **open deck trucking market is highly fragmented**. The top 10 companies constitute less than 4% of the industry's $133 billion revenues in North America[iv]. Within this industry structure, Daseke sought out successful and well-managed companies selectively merging with those that share certain cultural and operational attributes. Among the **mutual characteristics** are successful management teams, excellent records of customer service, fleets of late-model equipment, passion for the open deck trucking business and most importantly, attention to and respect for the people in those companies. Daseke's **employee-centric philosophy** is a highly attractive incentive for existing private open deck trucking businesses to consider becoming part of Daseke.

Daseke does not seek out distressed companies with financial problems or management issues.

In the process, Daseke has **added capacity** (number of tractors and trailers), **increased capabilities** (especially with specialized equipment and skilled drivers in the heavy-haul area), **diversified its revenue base** (both in terms customers and industries served) and **expanded geographically** (expanding the breadth of coverage not only in the U.S., but also with services into Canada and Mexico). Daseke has created a national network of open deck trucking companies, a **scalable platform** with which to continue pursuing a strategy of consolidating premier open deck trucking companies within a highly fragmented market.

Also, Daseke has demonstrated **organic growth**. Post-acquisition, the acquired companies, on average, have realized **approximately 20% adjusted EBITDA growth within first 24 months**. This growth has been achieved through various methodologies, including an **improvement of pricing** by optimizing rate structures (by comparing the rates and strategies among all the operating companies), the **extension of customer relationships** from one operating company to the others and the **realization of cost efficiencies** through consolidated purchasing. Under the Daseke umbrella, the company can provide significant purchasing power (for equipment, diesel fuel, tires, insurance, etc.) as well as assistance to deal with safety and environmental regulations, more favorable terms for capital/credit lines and now the financial incentives associated with being a public company.

Don Daseke's long-term goal was to take Daseke Inc. public, which was successfully achieved on February 27, 2017, when Daseke became a public company through a merger with Hennessy Capital Acquisition Corp. II, a Special Purpose Acquisition Company (SPAC) whose stated objective was to acquire one or more domestic operating businesses operating in the diversified industrial manufacturing, distribution and/or services sectors. This appears to be a textbook SPAC business combination in which the needs/goals of both Sponsor and target company were achieved: the Special Purpose Acquisition Company's target company was exactly within the Sponsor's scope and one of primary goals of Daseke's management was to become a public company.

Earnout Structure

Year	Stock Award	Annualized Adjusted EBITDA Target	Stock Price Target
2017	Up to 5 million shares	$140 million	$12.00
2018	Up to 5 million shares	$170 million	$14.00
2019	Up to 5 million shares	$200 million	$16.00

Management is incentivized to achieve certain annualized adjusted EBITDA targets and specified share price thresholds (for the years ending December 31, 2017, 2018 and 2019) in order for former Private Daseke stockholders to earn up to 15 million shares of Daseke stock.

For the year ending December 2017, management achieved the targets of the earn-out incentive plan, and on or about June 1, 2018, 5,000,000 shares were issued under the plan; however, in 2018, although the EBITDA target was achieved, the stock target was not.

As a public company, **Daseke has the ability to offer stock options to employees**. This unique fringe benefit is a competitive advantage that will enable Daseke to retain and attract truck drivers, which is and will be more of a challenge for the whole trucking industry.

Overview of Daseke's Growth Strategy

Daseke is **poised for continued growth** through **additional mergers**, bolstered by **organic growth** via operating and integration synergies along with positive industry trends (industrial output growth and capacity reduction from the ELD mandate). Since 2008, Don Daseke (the company's founder and CEO) has been pursuing the goal of building the premier open deck trucking company. Daseke has created a national network of open deck trucking companies, a **scalable platform** with which to continue pursuing a strategy of consolidating premier open deck trucking companies within a highly fragmented market. The company's record of growth in revenues and Adjusted EBITDA has been driven by a combination of strategic acquisition driven and organic growth strategies.

Acquisition/Merger Timeline

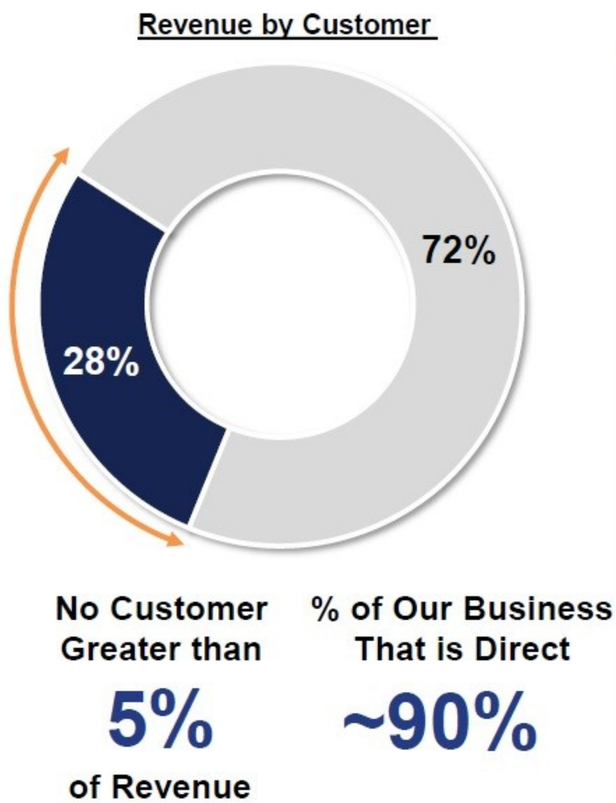
Daseke Inc.

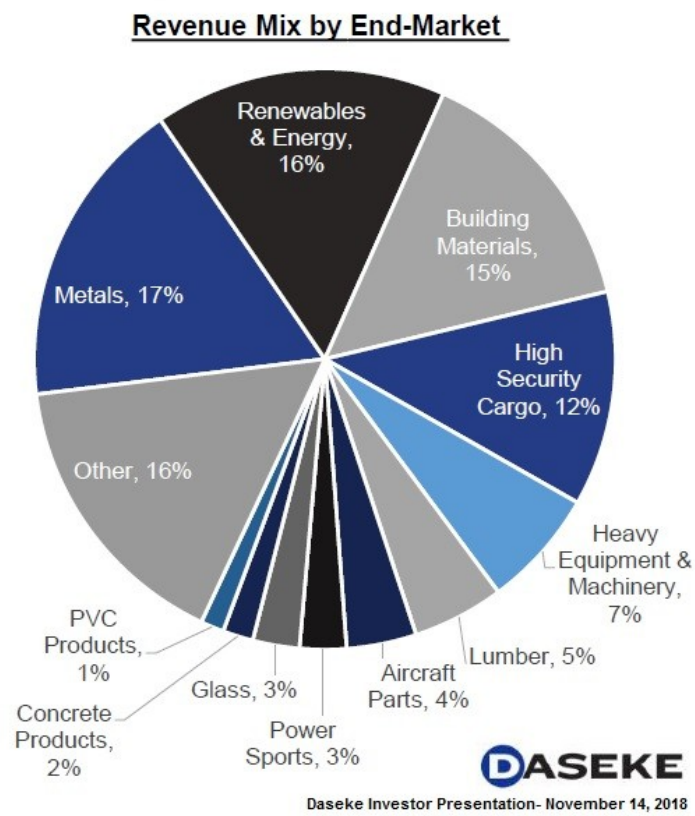
Operating Company	Acquisition/ Merger Date	Founding Year	Years In Business	Comment
Smokey Point Distributing	12/31/2008	1979	40	Specializes in aerospace and aviation parts
E.W. Wylie Corporation	12/29/2011	1938	81	Strong presence in Canada (approx. 30% of revenues)
J. Grady Randolph Inc.	5/31/2013	1935	84	Has received numerous safety awards
Central Oregon Truck Co.	8/1/2013	1992	27	One of the 20 Best Fleets to Drive For
The Boyd Companies	11/1/2013	1956	63	Operates 1,250+ tractors & 2,200+ trailers
Boyd Bros. Transportation	"	1956	63	Eastern U.S.
WTI Transport	"	1989	30	Focus on building materials; also iron & steel products
Mid Seven Transportation	"	1947	72	Focus on Mid-West
Lone Star Transportation	10/1/2014	1988	31	Super heavy-haul. Strong in TX with service to Mexico
Davenport Transport & Rigging	5/1/2015	1971	48	Super heavy-haul, oversized cargo (tuck-in Lone Star)
Bulldog Hiway Express	7/1/2015	1959	60	Port drayage and intermodal delivery services
Hornady Transportation	8/1/2015	1928	91	Focus on building products east of the Rockies
The Schilli Companies	5/1/2017	1961	58	Focus in the Midwest
Big Freight Systems	5/1/2017	1948	71	Serves all Canadian provinces and 19 states
Steelman Companies	7/1/2017	1991	28	Operates 110 tractors & 180 trailers from 2 terminals
R&R Trucking Companies	9/1/2017	1988	31	Added AA&E (high security) capabilities
TSH - Tennessee Steel Haulers	12/1/2017	1976	43	1,100 owner operators (100% asset light)
Roadmaster Group	12/1/2017	1935	84	Additional AA&E (high security) capabilities
Moore Freight Services	12/1/2017	2001	18	Added commercial glass freight
Belmont Enterprises	12/29/2017	1974	45	Added residential glass freight (tuck-in Smokey Point)
Aveda Transportation & Energy Svcs.	6/8/2018	1994	25	Added specialized oil & gas transportation services
Kelsey Trail Trucking	7/1/2018	1981	38	Adds Canadian B-freight & LTL (tuck-in Big Freight)
Builders Transportation	8/1/2018	1961	58	Memphis-based carrier of steel, aluminum & metal products
Leavitt's Trucking Services	8/1/2018	1958	61	Speciality carrier of long loads (25-140 feet) of utility poles etc.

DASEKE'S CUSTOMER & EQUIPMENT PROFILES

Daseke serves a diverse set of industrial companies in North America operating in the construction, housing, agriculture, aerospace, mining, and energy industries. The company has established enduring relationships with many blue chip industrial producers, such as Boeing, Caterpillar, GE, Georgia-Pacific and US Gypsum. However, **Daseke's revenue base is diversified** with the top 10 customers accounting for approximately 28% of total revenues.

Daseke's equipment profile is composed of a **mix of asset heavy** (company drivers and company-owned tractors) **and asset light** (owner-operator tractors and the brokerage segment) **operations**. Currently, 50% of total revenue is derived from asset heavy operations with the other 50% from asset-light jobs. Independent contractors (owner/operators) provide **asset-light, scalable capacity** as Daseke arranges for third-party companies to haul freight outside its network. The company's operating model allows for relatively quick and efficient adaptation to changing economic conditions. **During time of strong economic activity and high demand, the company's asset light capability can be ramped up** rapidly without significant capital outlays by increasing the utilization of owner-operators and brokerage activities. On the other hand, **during challenging economic periods, the company's freight capacity can be flexed down** rationally by curtailing the use of asset light capabilities in response to lower freight demand. In this manner, the fixed costs associated with the company's infrastructure can be optimized: right-sized with base demand with the ability to scale up effortlessly to address periods of increased customer demand.





ATTRIBUTES OF OPERATING COMPANIES & OF POTENTIAL MERGER CANDIDATES

Consolidation Strategy

Daseke's operating companies and merger candidates share certain attributes that support the company's long-range vision: "to cultivate great companies into a network of premier carriers." Daseke seeks "best-in-class" open deck trucking companies that **share the Daseke operating philosophy** of providing top tier service by delivering loads safely and on-time while valuing employees by treating them with respect. These highly successful trucking companies, usually family owned and operated, have been in business for decades building a reputation for dependable and timely delivery service, which has led to solid strategic customer relationships. Management often cites that the company's acquisition model focuses on "not for sale companies."

Daseke's distinctive strategy does **NOT** follow the typical horizontal acquisition model of buying companies in the same business and then pursuing economies of scale by streamlining corporate functions through the elimination of administrative jobs in accounting, purchasing, dispatching etc. Rather, Daseke merges with already well-managed companies and **retains existing management and all employees**. Synergies take the form of operational revenue enhancement and cost efficiencies by sharing best practices, along with improved market reach (both geographically and through the addition of specialty equipment) and access to capital. Daseke does not seek out companies that have fundamental problems that need to be addressed.

In addition to seeking open deck companies with a similar corporate culture, management evaluates a carrier's potential contribution to depth and breadth of Daseke's overall North American footprint. Over and above the **increase of capacity**, other factors include:

- an experienced **management team wanting to stay** with the operating company

- an exceptional **mix of specialized equipment** (trailers) that will broaden and diversify Daseke's specialized service offerings
- long-term **key strategic customer relationships** which are additive to Daseke's customer base
- the **geographical locations** of terminals and the associated **areas of service**
- a record of **positive financial performance**, especially EBITDA
- solid balance sheet
- a record of capital expenditures that supports a modern fleet
- **top tier CSA** (compliance, safety and accountability) **scores**
- **low driver turnover rate**

Day-To-Day Functional Operations

Each company merging with Daseke maintains its existing management team, along with control of its day-to-day operations; the companies continue doing business as usual with the same employees. Since each operating company was chosen due to its "best-in-class" distinction, Daseke does not want to tinker with its original strong brand name recognition, corporate identity and on-going customer relationships. Each company is customer-oriented and has built a customer franchise that is recognized for delivering **highly personalized customer service** to support their customers.

High Levels of Employee Satisfaction and Retention

A key attribute of a successful open deck trucking company is a seasoned professional driver pool. Driving **long-haul flatbed routes** is a particularly challenging job. Routes are irregular, and jobs often require days away from home. Typically, flatbed drivers load and unload the cargo, making the job more physically demanding than other trucking jobs. Load securement is a difficult and critical task. Special care must be taken to ensure the load does not shift or slide during transport. Many loads must be protected with tarps, each of which can weigh up to 100 pounds. Flatbed drivers need to be skilled in proper load securement and tarping.

Transporting loads with **specialized open deck trailers** can be even more challenging. Transporting high-value, over-dimensional, heavy haul loads on step-deck, double drop and other specialty trailers requires a great deal of experience and expertise. A heavy haul driver must have knowledge of the different operational characteristics of each load based on its weight, center of gravity, weight distribution, placement on the trailer, etc. In addition, roadway characteristics, such as grade, crowning, curves, bumps and depressions, affect the load's tilting factors.

Daseke realizes the importance of having well qualified, professional drivers and a **dedicated, experienced support team**. With a culture that invests time, attention and focus into retaining, attracting and growing high caliber people, the company strives to offer the open deck industry the highest standards of safety, quality and service. Drivers also benefit from an up-to-date fleet with modern amenities (in-cab satellite television) and comfortable terminals. Furthermore, Central Oregon Truck Company was named as one of the 20 Best Fleets to Drive For by the Truckload Carriers Association for the third consecutive year in 2016 and again in 2018. In addition, Daseke's operating companies retain employees with competitive pay and excellent benefits. Lastly, with Daseke now a public company, management has already announced its intent to offer a **stock incentive plan** for its drivers.

Safety Record

Safety is a priority at the Daseke's operating companies. Each has strong safety records and enviable CSA safety scores. A few of the recent awards are listed below:

- Smokey Point Distributing received the 2016 Fleet Safety Award (Large Fleet Category) by the Washington Trucking Association.
- J. Grady Randolph received three awards for safe driving by the South Carolina Trucking Association in 2016.

- WTI Transport was awarded first place in the National Truck Safety Contest (Flatbed/Line Haul Division) by the American Trucking Associations for the second consecutive year in 2015.
- Bulldog Hiway Express received three Grand Safety Awards in South Carolina, two (the Fleet Safety Award and Safety Zero Accident Award) from the Specialized Carriers and Rigging Association and three safety awards by the American Trucking Associations, all in 2016.
- Hornady received the Engineers Award from the Alabama Trucking Association in 2015 for overall improvement, awareness and implementation of safety practices.
- Leavitt's Freight Service was awarded first place by the Oregon Trucking Association for Fleet Safety (Truckload: 2-to-4 million miles category) in 2018.

VALUE ADDED BY DASEKE

Through its strategy of friendly, horizontal mergers with open deck companies that share the same core competencies, Daseke pursues certain **synergies of integration**, including enhanced scale of operations, deeper access to new markets, synergies of collaboration, increased buying power, lower cost of capital and increased debt capacity. Each operating company conducts day-to-day operations with no required personnel changes resulting from the merger. Nevertheless, the Daseke Board provides strategic oversight and is supportive of the growth plans of each carrier.

Enhanced Scale of Operations

With each merger, the scale of Daseke's operations grows, not only **by gaining deeper access to certain local and regional markets**, but also through **adding greater capacity and diversity of equipment** to better serve existing customers. By increasing the scope of open deck transportation services, the opportunities for driving organic top-line growth increase. By bringing in a company that is allowed to retain its identity (family brand name, culture, employees, etc.), Daseke can adopt its well-earned market share, both in the geographic region it concentrates and in the industry segments it focuses on and serves. Ultimately, **the synergies of increasing the scale of operations take the form of revenue enhancement and cost efficiencies**. In addition, the employees of the new Daseke division remain highly productive and do not become demoralized.

Synergies from Collaboration

One competitive advantage of scale that is less mentioned than the trite cost cutting mantra is the synergies derived from collaboration among companies that already benefit from solid management, best practices and a successful growth model. With each Daseke operating company having expertise in the open deck space, significant value can be added by transferring knowledge and skills through **sharing best practices**.

On a **quarterly** basis, the Daseke operating companies participate in **collaboration events** during which best practices are shared among members of the peer group. Topics range from driver recruiting to equipment maintenance, from cultivating a teamwork culture to implementing a new technological application.

Also, Daseke holds an **Annual Shippers' Conference** as a collaboration forum for its operating companies. The last conference was hosted by Boyd Companies in Birmingham, Alabama during October 2016. The Conference focused on optimization strategies to reduce hidden costs and minimize evolving risks, along with how industry trends affect the dynamics of supply and demand. The 5th Annual Shippers' Conference will be held in August 2017 and hosted by Smokey Point Distributing. The Conference is attended by Daseke personal and also customers and outside speakers.

Importantly, on a **daily-to-weekly basis**, the Daseke companies communicate on various pertinent operational practices to improve business prospects, enhance efficiencies, etc.

Under a forum of mentorship, performance metrics are shared, which helps harmonize and improve the efficiency of the Daseke collective of open deck businesses. In addition, by examining the requirements and metrics of individual customers, incremental revenues can be seized across the Daseke platform. The improved visibility can extend the company's reach to **further penetrate particular customer accounts**. In addition, sharing shipment information can provide insight into the pricing practices of specific customers resulting in **rate optimization** efforts in future hauling jobs.

Increased Buying Power

A classic attribute of a horizontal merger between two companies in the same industry is the increased market power (**bargaining power of buyers**) exerted by the now larger company over its suppliers. Cost savings can be attained from aggregated purchasing of both capital equipment (tractors and trailers) and operating items (diesel fuel, tires, insurance).

Better Access to Capital

Joining the Daseke family provides better access to capital that is needed for continued capacity expansion. Private or closely-held firms often have difficulties financing the purchase of new equipment due to a variety of reasons, from their smaller size to a dependence on a particular customer or industry. By merging with Daseke, not only is **capital more readily available**, but also the **cost of capital is lower**. The size, along with the geographical and customer diversification, of Daseke leads to an increase in debt capacity. In addition, with the merger with Hennessy Capital Acquisition Corp. II, Daseke has the potential to access capital from the equity market, which would allow the operating companies to pursue growth initiatives and expand more rapidly than otherwise might have been possible. Moreover, the merger improves Daseke's visibility in the investment community, which should result in an easier process for raising capital (both debt and equity). With the **financial synergy** of being able to pursue capacity expansion projects both through better access to capital and with reduced costs of servicing debt, the Daseke operating companies are able to make more investments in growth initiatives.

VALUATION

The classic market valuation methodology for trucking companies is based on the use of EV-to-EBITDA (Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization), reflecting the industry's characteristics of profitability and cash flow generation, along with its sensitivity to the economic cycle. **EV/EBITDA** is known to be the highest correlated metric and relatively reliable determinant of stock price in the Freight Transportation industry.

The trucking industry can be segmented for valuation purposes into asset-light and asset-based freight transportation companies. Asset-light minimizes the need for future capital expenditures (reduces capital costs) and allows for higher return on assets. However, net profit margins tend to be lower, which normally reduces the average P/E ratio. On the other hand, asset-based trucking companies are especially advantaged during time periods when capacity is constrained, whether by economic strength, driver shortages, the implementation of ELDs, etc., which commonly results in a strong rate environment. As an aside, I am firm advocate that historically, pricing has been the most important driver of intermediate- and long-term stock performance, particularly in cyclical industries. **Daseke's operations can be classified as both asset-based** (approximately 49% of revenues) **and asset-light** (51%).

Industry Comparables	% Chg YTD	P/E CFY	EPS Gr 5Yr Est	Price/ Book	Price/ Sales	EV/ EBITDA
DASEKE INC	21.7	N/M	15.0	0.6	0.2	5.4
S&P 500	9.0	15.8	10.8	13.5	4.1	17.2
ASSET-BASED TRUCKING COMPANIES						
HEARTLAND EXPRESS INC	11.1	21.3	15.0	2.8	2.7	9.1
KNIGHT-SWIFT TRANSPORTATION HLDGS	25.5	11.5	15.0	1.0	1.0	6.3
OLD DOMINION FREIGHT LINE INC	12.6	17.8	25.0	4.4	2.9	11.7
SAIA INC	16.2	14.1	12.6	2.4	1.0	7.4
WERNER ENTERPRISES	12.4	12.9	14.5	1.9	1.0	6.2
Industry Mean - Asset-Based	**15.6**	**15.5**	**16.4**	**2.5**	**1.7**	**8.1**
ASSET-LIGHT TRUCKING COMPANIES						
ARCBEST CORP	8.8	9.9	4.5	1.3	0.3	4.0
ECHO GLOBAL LOGISTICS	19.2	15.1	17.5	1.8	0.3	11.1
J.B. HUNT TRANSPORT SERVICES INC	16.8	17.4	12.0	5.6	1.4	11.7
LANDSTAR SYSTEM INC	8.2	16.1	12.0	6.2	0.9	10.9
MARTEN TRANSPORT LTD	17.0	16.4	10.7	1.8	1.3	6.4
Industry Mean - Asset-Light	**14.0**	**15.0**	**11.3**	**3.3**	**0.8**	**8.8**

The average EV/EBITDA multiple of asset-based comparables is 8.1 while the multiple of asset-light companies is 8.8. Daseke's stock is trading at a discount to the overall industry's average EV/EBITDA multiple. This could be due a variety of factors, including the recency of becoming a publically-traded and the complexity of the company's financials throughout the business combination process with Hennessy Capital Acquisition Corp. II. However, we believe that with the successful implementation of management's growth plan, particularly the current emphasis organic growth and cash flow generation, **Daseke should achieve a mid-second quartile industry EV/EBITDA multiple**.

Taking into consideration Daseke's business mix and valuing the components proportionately, our **share price target is $7.75**.

RISKS

- Daseke and its operating companies have grown by acquiring other open deck trucking companies and/or through expanding capacity by purchasing new equipment, both usually financed by debt instruments. The open deck trucking industry is cyclical and hence, is subject economic downturns, which may impair the company's ability to service its debt obligations. However, the company's scalable capacity utilizing asset-light owner/operators should mitigate cyclical risk to some extent.
- Daseke Inc. is incurring debt obligations and issuing common shares as open deck trucking companies are being acquired under management's consolidation strategy. The company's investor presentation dated November 14, 2018 states that fully diluted shares are approximately 92.2 million.
- Competitive dynamics could also create an excess tractor capacity condition relative to shipping demand. The resulting pressure on pricing would be detrimental to Daseke's ability to service its debt obligations.

BALANCE SHEET

DASEKE, INC. ($ thousands)	12/31/2016	Proforma 12/31/2016	12/31/2017	9/30/2018
ASSETS				
Cash and cash equivalents	3,695	36,476	90,679	18,077
Accounts receivable	54,177	54,177	127,368	233,983
Drivers’ advances and other receivables	2,632	-	4,792	6,045
Current portion of net investment in sales-type leases	3,516	3,516	10,979	15,744
Parts supplies	1,467	-	4,653	5,366
Income tax receivable	719	-	91	0
Prepaid expenses and other assets	13,504	18,366	28,149	33,458
Total current assets	**79,710**	**112,535**	**266,711**	**312,673**
Property and equipment	318,747	318,747	429,639	562,659
Other intangible assets	71,653	71,653	93,120	212,009
Goodwill	89,035	89,035	302,702	274,291
Deferred financing fees	-	-	-	-
Other long term assets	11,090	11,090	33,496	44,902
TOTAL ASSETS	**570,235**	**603,060**	**1,125,668**	**1,406,534**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Accounts payable	5,954	6,282	12,488	25,534
Accrued expenses and other liabilities	16,104	9,840	25,876	54,370
Accrued payroll, benefits and related taxes	7,835	7,835	14,004	20,315
Accrued insurance and claims	9,840	21,566	12,644	14,351
Current maturities of long-term debt	52,665	2,500	43,056	58,407
Total current liabilities	**92,398**	**48,023**	**108,068**	**172,977**
Line of credit	6,858	0	4,561	15,664
Long-term debt	208,372	278,500	569,740	594,360
Subordinated debt	66,443	0	0	0
Deferred tax liabilities	92,815	92,815	90,434	134,057
Long-term deferred tax liability and other	286	286	1,632	20,960
Total Liabilities	**467,172**	**419,624**	**774,435**	**938,018**
Stockholders' Equity				
Series A Cv. Preferred stock	0	65,000	65,000	65,000
Series B Cv. Preferred stock	0	0	0	0
Common stock	1	4	5	6
Paid in Capital	117,807	150,959	277,931	432,795
Retained earnings (accumulated deficit)	(14,694)	(32,475)	7,338	(29,710)
Accumulated other comprehensive loss	(52)	(52)	959	425
Total shareholder’s equity	**103,063**	**183,436**	**351,233**	**468,516**
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**570,235**	**603,060**	**1,125,668**	**1,406,534**
Common shares outstanding	20,980,961	37,715,960	44,480,232	64,454,371

PROJECTED INCOME STATEMENT

DASEKE, INC.

Income Statement (in thousands, except for shares & per share amounts) (For The Years Ending)	2014 12/31/2014	2015 12/31/2015	2016 12/31/2016	2017 12/31/2017	2018 E 12/31/2018	2019 E 12/31/2019
Revenues						
Freight	375,009	506,582	517,861	632,764	1,154,787	1,327,485
Brokerage	82,594	108,900	87,410	120,943	266,511	306,367
Logistics	-	-	-	22,074	50,058	57,544
Fuel Surcharge	85,107	63,363	46,531	70,523	140,580	161,604
Net Revenues	**542,711**	**678,845**	**651,802**	**846,304**	**1,611,935**	**1,853,000**
Salaries, wages and employee benefits	132,205	178,703	197,789	249,996	410,347	467,469
Fuel	88,031	70,296	66,865	93,749	146,915	168,886
Operations and maintenance	59,274	98,734	96,100	118,390	175,567	201,823
Communications	-	-	-	2,145	3,356	3,858
Purchased freight	150,654	181,985	154,054	225,254	590,242	672,406
Administrative expenses	-	-	-	33,233	55,026	63,256
Sales and marketing	-	-	-	1,965	3,042	3,497
Taxes and licenses	7,304	9,228	9,222	11,055	16,638	19,126
Insurance and claims	15,446	19,655	19,114	23,962	47,844	55,000
Acquisition-related transaction expenses	-	-	-	3,377	3,532	4,060
Depreciation and amortization	48,575	63,573	67,500	76,863	130,309	149,797
(Gain) loss on disp. of rev. prop. & equip.	934	(2,184)	(116)	(700)	(1,544)	(1,775)
Impairments	1,838	0	2,005	0	13,840	15,910
Other operating expenses	19,631	27,847	28,636	-	-	-
Operating expenses	**523,892**	**647,837**	**641,169**	**839,289**	**1,595,114**	**1,823,312**
Income (loss) from operations	**18,818**	**31,008**	**10,633**	**7,015**	**16,821**	**29,688**
Interest income	-	-	-	-	1,313	1,509
Interest income (expense)	(15,978)	(20,602)	(23,124)	(29,157)	(45,914)	(52,780)
(Write-off) of unamortized def. financing fees				(3,883)	0	0
Other income (expense)	243	320	375	739	3,283	3,774
Total Other Income (Expense)	**(15,735)**	**(20,282)**	**(22,749)**	**(32,301)**	**(41,318)**	**(47,497)**
Income before income tax	**3,083**	**10,726**	**(12,116)**	**(25,286)**	**(24,497)**	**(17,809)**
Income tax (expense)	(1,784)	(7,463)	(163)	52,282	19,040	0
Net Income (loss)	**1,300**	**3,263**	**(12,279)**	**26,996**	**(5,457)**	**(17,809)**
Series A dividends to preferred stockholders	0	0	0	4,158	0	0
Series B dividends to preferred stockholders	1,028	4,736	4,770	806	4,956	0
Net income (loss) attributable to common stkhld	**272**	**(1,473)**	**(17,049)**	**22,032**	**(10,413)**	**(17,809)**
Net income per diluted share	N/M	N/M	**($0.82)**	**$0.56**	**($0.17)**	**($0.23)**
Wgtd. avg. shares outstanding	140,280	145,495	145,495	39,593,701	61,488,333	77,341,972
Adjusted EBITDA	**70,346**	**97,304**	**88,240**	**91,904**	**173,191**	**205,000**
Proforma Adjusted EBITDA	**N/A**	**N/A**	**108,000**	**141,000**	**185,000**	**N/A**

DASEKE, INC.

Income Statement (in thousands, except shares & per share amounts) (Period Ending)	2016 12/31/2016	1Q 3/31/2017	2Q 6/30/2017	3Q 9/30/2017	4 Q 12/31/2017	2017 12/31/2017
Revenues						
Freight	517,861	125,555	149,654	171,245	186,310	632,764
Brokerage	87,410	20,869	28,656	34,198	37,220	120,943
Logistics		0	2,700	7,871	11,503	22,074
Fuel Surcharge	46,531	14,010	16,313	18,008	22,192	70,523
Net Revenues	**651,802**	**160,434**	**197,323**	**231,322**	**257,225**	**846,304**
Salaries, wages and employee benefits	197,789	50,121	58,186	64,955	76,734	249,996
Fuel	66,865	19,223	20,466	24,734	29,326	93,749
Operations and maintenance	96,100	23,224	28,967	35,132	31,067	118,390
Communications	1,618	404	549	539	653	2,145
Purchased freight	154,054	37,586	49,760	61,598	76,310	225,254
Administrative expenses	25,250	7,378	8,022	8,619	9,214	33,233
Sales and marketing	1,743	383	555	488	539	1,965
Taxes and licenses	9,222	2,281	2,611	2,963	3,200	11,055
Insurance and claims	19,114	4,123	5,042	6,351	8,446	23,962
Acquisition-related transaction expenses	25	445	1,037	773	1,122	3,377
Depreciation and amortization	67,500	16,315	17,638	19,805	23,105	76,863
(Gain) loss on disp. of revenue property & equip.	(116)	(200)	26	(339)	**(187)**	(700)
Impairments	2,005	-	-	-	-	0
Operating expenses	**641,169**	**161,283**	**192,859**	**225,618**	**259,529**	**839,289**
Income (loss) from operations	**10,633**	**(849)**	**4,464**	**5,704**	**(2,304)**	**7,015**
Interest income	44	4	50	76	269	399
Interest (expense)	(23,124)	(5,896)	(6,544)	(8,624)	(8,492)	(29,556)
(Write-off) of unamortized deferred financing fees		(3,883)	-	-	-	(3,883)
Other income (expense)	331	108	107	32	492	739
Total Other Income (Expense)	**(22,749)**	**(9,667)**	**(6,387)**	**(8,516)**	**(7,731)**	**(32,301)**
Income before income tax	**(12,116)**	**(10,516)**	**(1,923)**	**(2,812)**	**(10,035)**	**(25,286)**
Income tax benefit (expense)	(163)	2,770	(2,184)	2,862	48,834	52,282
Net Income (loss)	**(12,279)**	**(7,746)**	**(4,107)**	**50**	**38,799**	**26,996**
Unrealized income on interest rate swaps	62	52	0	0	0	52
Foreign currency translation adjustments			507	526	452	959
Net Income (loss) after comprohensive income adj.	(12,217)	(7,694)	(3,600)	576	39,251	28,007
Series A dividends to preferred stockholders		0	1,693	1,225	1,240	4,158
Series B dividends to preferred stockholders	4,770	806	0	0	0	806
Net Income (loss) attributable to common shareholders	**(17,049)**	**(8,552)**	**(5,800)**	**(1,175)**	**37,559**	**22,032**
Net income per diluted share	($0.81)	($0.32)	($0.15)	($0.03)	$0.62	$0.56
Wgtd. avg. diuted shares outstanding	20,980,961	26,931,186	37,945,310	39,359,523	60,987,112	39,593,701
Adjusted EBITDA	**88,240**	**17,572**	**24,265**	**26,977**	**23,089**	**91,904**
Proforma Adjusted EBITDA	**107,600**	**N/A**	**N/A**	**N/A**	**N/A**	**141,000**

DASEKE, INC.

Income Statement (in thousands, except shares & per share amounts) (Period Ending)	**2017** **12/31/2017**	**1Q** **3/31/2018**	**2Q** **6/30/2018**	**3Q** **9/30/2018**	**4Q E** **12/31/2018**	**2018 E** **12/31/2018**
Revenues						
Freight	632,764	240,071	272,583	329,474	312,659	1,154,787
Brokerage	120,943	46,139	60,091	82,203	78,078	266,511
Logistics	22,074	10,717	8,891	11,656	18,794	50,058
Fuel Surcharge	70,523	30,654	35,334	38,256	36,336	140,580
Net Revenues	**846,304**	**327,581**	**376,899**	**461,589**	**445,866**	**1,611,935**
Salaries, wages and employee benefits	249,996	82,344	90,614	114,776	122,613	410,347
Fuel	93,749	33,376	31,359	38,931	43,249	146,915
Operations and maintenance	118,390	34,563	40,465	51,494	49,045	175,567
Communications	2,145	699	807	920	930	3,356
Purchased freight	225,254	117,724	141,582	170,548	160,388	590,242
Administrative expenses	33,233	12,137	13,077	16,075	13,737	55,026
Sales and marketing	1,965	636	651	1,007	748	3,042
Taxes and licenses	11,055	3,694	3,890	4,681	4,373	16,638
Insurance and claims	23,962	9,184	10,428	12,738	15,494	47,844
Acquisition-related transaction expenses	3,377	440	1,402	601	1,089	3,532
Depreciation and amortization	76,863	25,182	31,766	36,800	36,561	130,309
(Gain) loss on disp. of revenue property & equip.	(700)	(155)	(490)	(899)	0	(1,544)
Impairments	0	0	2,840	0	11,000	13,840
Operating expenses	**839,289**	**319,824**	**368,391**	**447,672**	**459,227**	**1,595,114**
Income (loss) from operations	**7,015**	**7,757**	**8,508**	**13,917**	**(13,361)**	**16,821**
Interest income	399	442	601	170	100	1,313
Interest (expense)	(29,556)	(10,337)	(11,070)	(11,839)	(12,668)	(45,914)
(Write-off) of unamortized deferred financing fees	(3,883)	0	0	0	0	0
Other income (expense)	739	959	900	603	821	3,283
Total Other Income (Expense)	**(32,301)**	**(8,936)**	**(9,569)**	**(11,066)**	**(11,747)**	**(41,318)**
Income before income tax	**(25,286)**	**(1,179)**	**(1,061)**	**2,851**	**(25,108)**	**(24,497)**
Income tax benefit (expense)	52,282	382	14,546	(670)	4,782	19,040
Net Income (loss)	**26,996**	**(797)**	**13,485**	**2,181**	**(20,326)**	**(5,457)**
Unrealized income on interest rate swaps	52	0	0	0	0	0
Foreign currency translation adjustments	959	(320)	623	409	0	712
Net Income (loss) after comprohensive income adj.	28,007	(1,117)	14,108	2,590	(20,326)	(4,745)
Series A dividends to preferred stockholders	**4,158**	0	0	0	0	0
Series B dividends to preferred stockholders	806	1,239	1,239	1,239	1,239	4,956
Net Income (loss) attributable to common shareholders	**22,032**	**(2,036)**	**12,246**	**942**	**(21,565)**	**(10,413)**
Net income per diluted share	$0.56	($0.04)	$0.20	$0.01	($0.33)	($0.17)
Wgtd. avg. diuted shares outstanding	39,593,701	54,315,736	60,558,956	65,289,320	65,789,320	61,488,333
Adjusted EBITDA	**88,240**	**35,224**	**46,318**	**52,849**	**38,800**	**173,191**
Proforma Adjusted EBITDA	**107,600**	**35,224**	**48,100**	**53,988**	**47,688**	**185,000**

HISTORICAL STOCK PRICE

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research (“Zacks SCR”), a division of Zacks Investment Research (“ZIR”), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Steven Ralston, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer’s business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

---

[i] Hennessy Capital Acquisition Corp. II, Form DEFM14A, filed February 6, 2017, page 30, footnote 9, “This growth rate is the simple average of Adjusted EBITDA growth at the companies acquired by Daseke (other than Smokey Point, for which Adjusted EBITDA with a sufficient level of reliability is not available for the year prior to its acquisition by Daseke), based on the companies’ Adjusted EBITDA for the year prior to Daseke’s acquisition as compared to Adjusted EBITDA for the second year following Daseke’s acquisition (except for Bulldog and Hornady, which were acquired in 2015, for which the comparisons are to projected 2016 Adjusted EBITDA). Including Smokey Point’s Adjusted EBITDA growth from the first year after its acquisition by Daseke to the second year, the growth rate of the acquired companies’ Adjusted EBITDA would have been 21.5%

[ii] Landstar (NASDAQ: LSTR) had the largest flatbed and specialized trucking operations with open deck revenues of $963.6 million in 2016 versus Daseke’s $651.8 million. However, with $3.17 million in total revenues, Landstar is predominately a van (dry, specialty and temperature-controlled) transportation services company, not a pure-play open deck trucking company. Also, Landstar utilizes owner-operator tractors (almost 9,000 accounting for 93% of 2016 revenues), but Daseke the largest owner of open deck equipment in the U.S. with 2,304 tractors and 6,347 trailers as of the fourth quarter of 2016.

[iii] SJ Consulting Group's Top 50 Trucking Companies list is released by the Journal of Commerce (JOC) in April and is based on statistics from the prior year.

[iv] FTR Associates, Inc.