

STIFEL

2014 TRANSPORTATION & LOGISTICS CONFERENCE

FEBRUARY 12, 2014



DISCLOSURE STATEMENT

This presentation includes forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on Werner Enterprises' current plans, and are not guarantees of future performance. They are subject to risk and uncertainties, that could cause actual results, and company plans and objectives, to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties are discussed in the Company's Annual Report, on Form 10-K, filed with the SEC.

About Werner Enterprises

Premium Truckload Transportation and Logistics Services Provider

2013 Revenue: $2.0B

2013 Net Income: $87M

NASDAQ: WERN

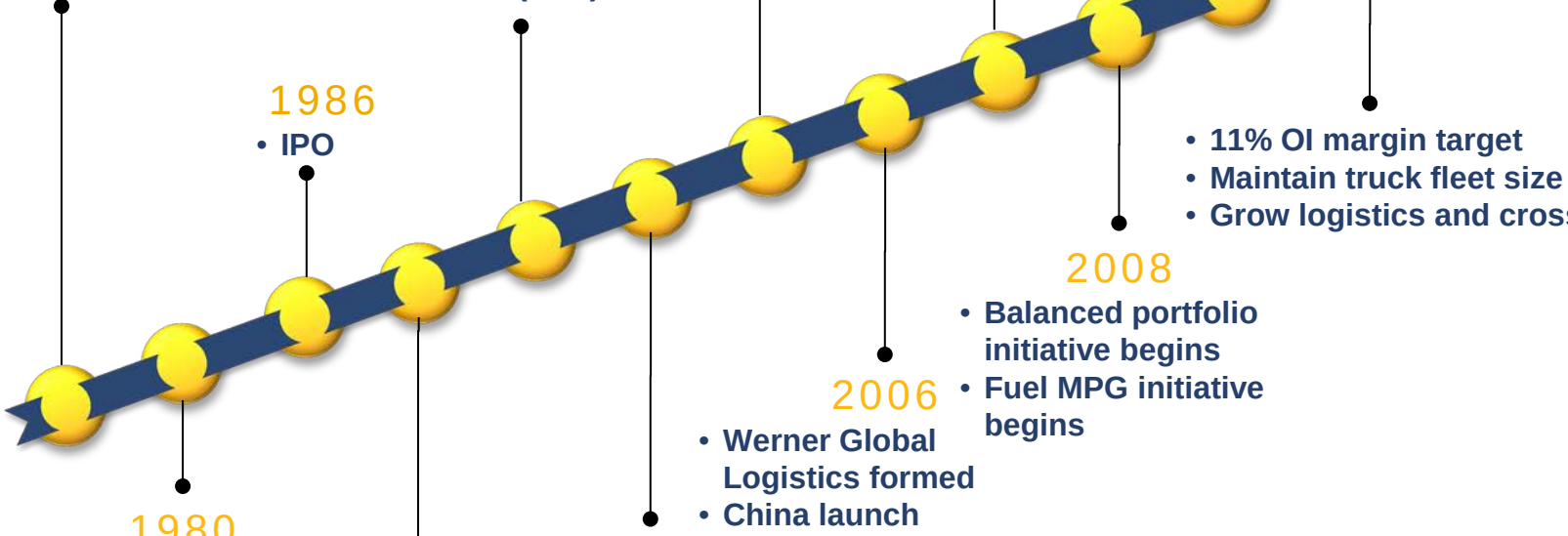
Market Cap: $1.8B

Avg Daily Trading Volume (3 mo. 12/13) 561k

2013 Quest for Quality Repeat Award Winner



The Path of Werner Progress



1956
- Founded by C.L. Werner

1980
- Deregulation

1986
- IPO

1992
- GPS on all trucks
- Dedicated, Regional and TC fleets formed

1998
- First to install electronic logging device (ELD)

1999
- Mexico launch
- Canada designated fleet formed

2003
- Brokerage and Intermodal expansion

2006
- Werner Global Logistics formed
- China launch

2007
- LH fleet reduction

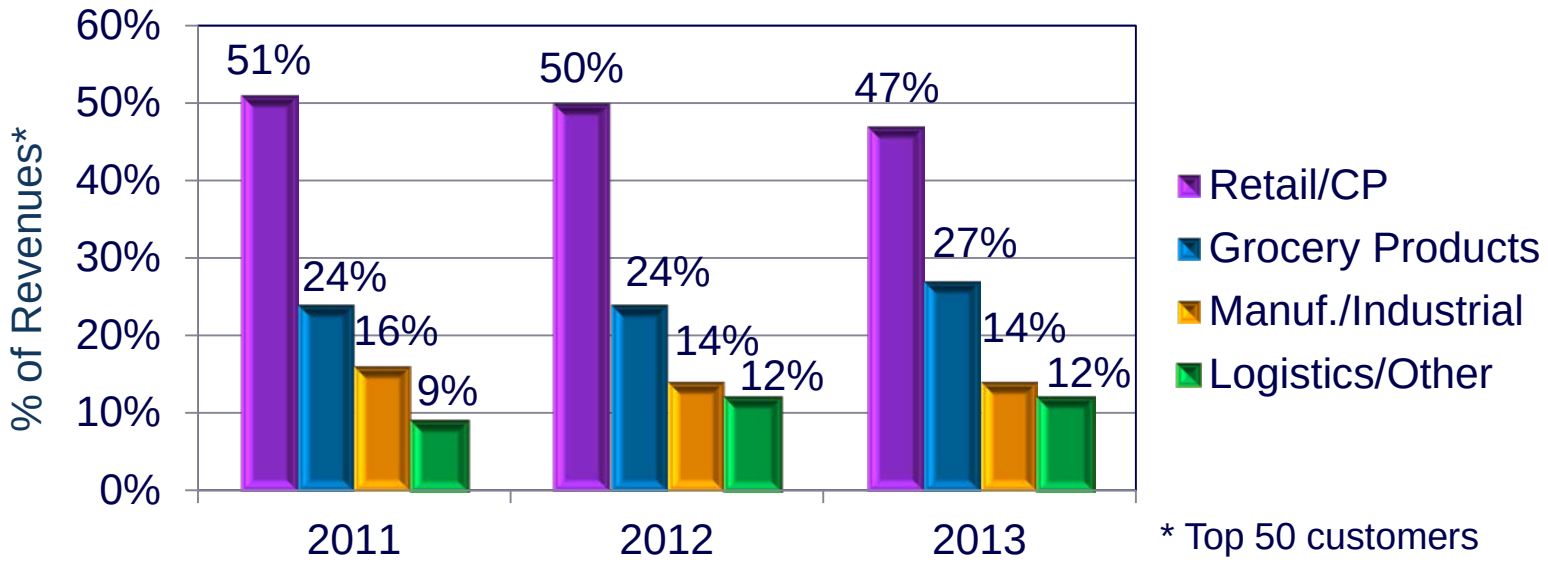
2008
- Balanced portfolio initiative begins
- Fuel MPG initiative begins

2009
- Safety improvement initiative begins
- Australia launch

- 11% OI margin target
- Maintain truck fleet size
- Grow logistics and cross-border

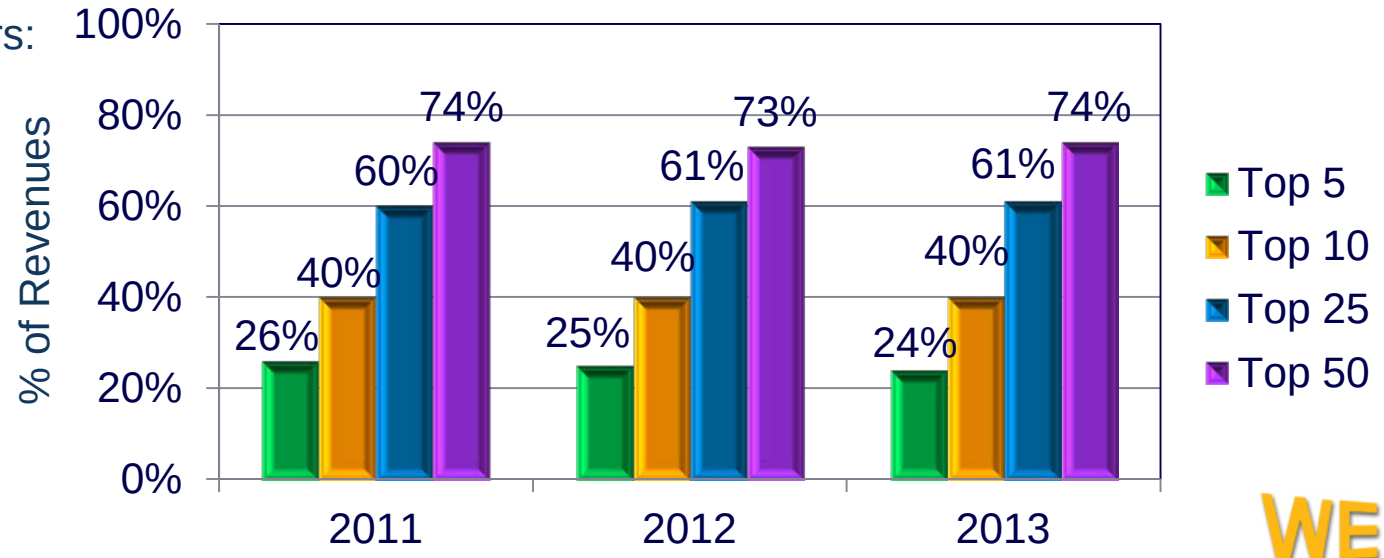
Revenue Sources

Vertical:



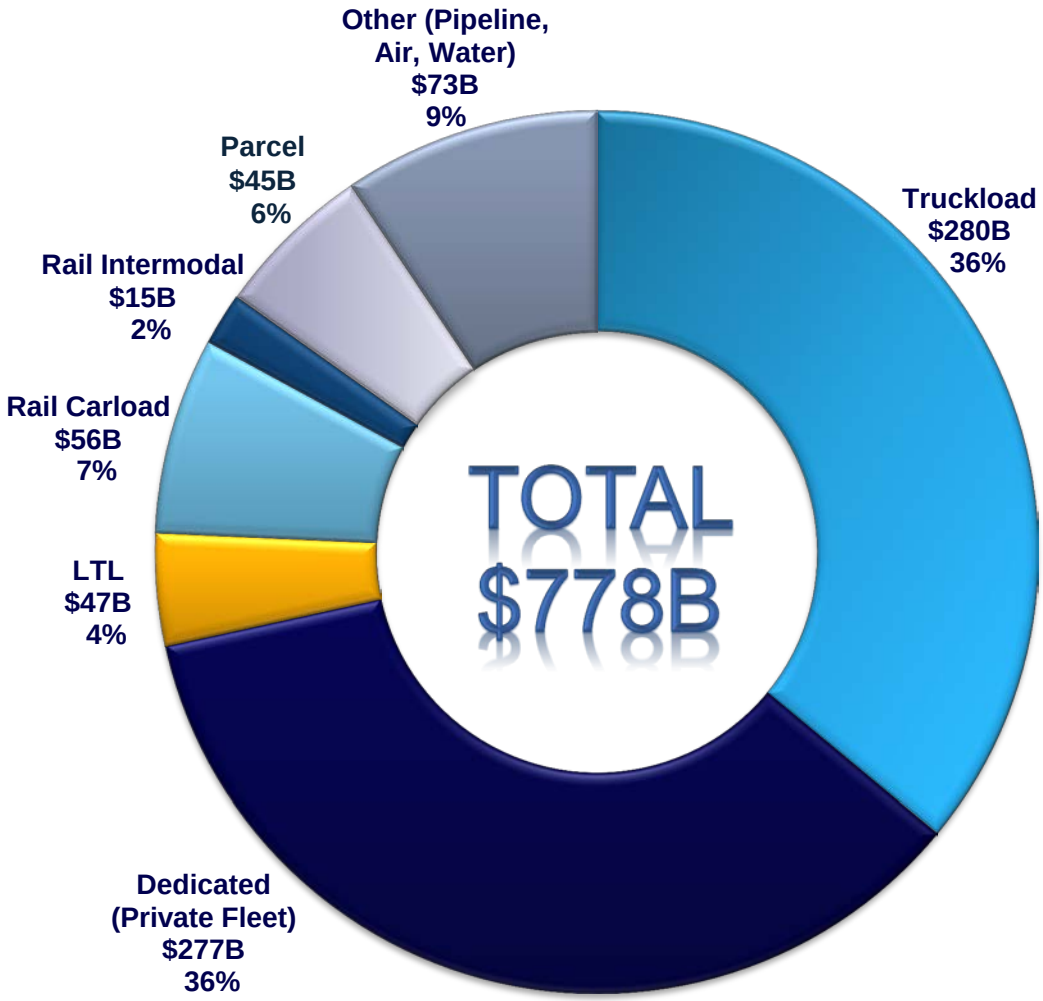
* Top 50 customers

Customers:

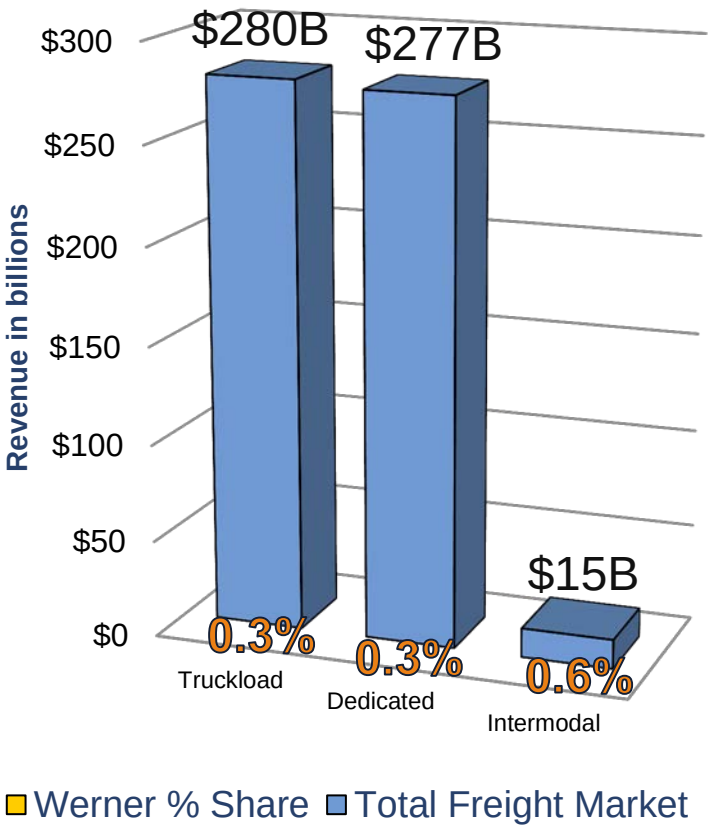


Domestic Freight Market: Market Share & Growth Opportunities

U.S. Freight Market Revenues
in billions of $*



Werner Enterprises Growth Opportunities



* Sources: ATA and Stifel Nicolaus estimates

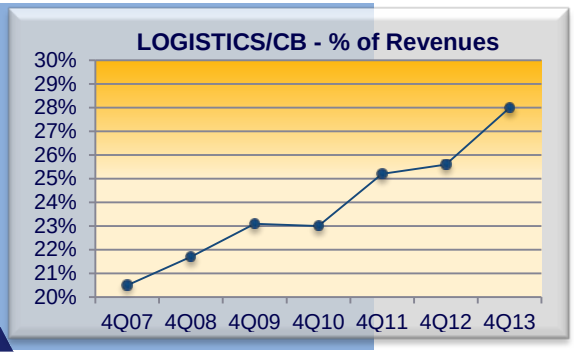
REVENUE PROFILE

Asset-Light

Asset

- Freight Management
- Brokerage
- Intermodal
- Cross Border
- Global Logistics

LOGISTICS



DEDICATED

Van

Flatbed

Temperature Controlled

ONE-WAY TRUCKLOAD

Medium / Long Haul

Regional Fleets

Network Optimization

Temperature Controlled

Team Werner

	Goal	4Q13
LOGISTICS	1/3	28%*
DEDICATED	1/3	38%
ONE-WAY TRUCKLOAD	1/3	34%

* Includes Cross Border Asset-Light (MX, CAN)

FREIGHT MARKET UPDATE



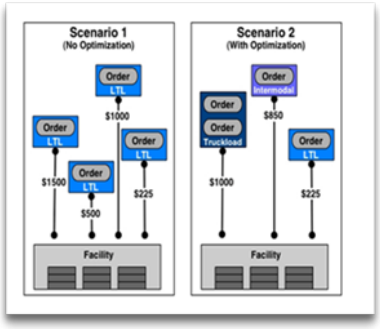






COMPREHENSIVE SOLUTIONS

Freight Management



Werner provides complete 3PL supply chain solutions across all shipping modes and geographies, from network design through implementation.

Freight Movement



With an asset-backed network of over 7,000 trucks, 11,000 alliance carriers and ocean, air and rail companies, Werner provides unsurpassed delivery solutions worldwide.

Global Implementation



Providing door-to-door services for companies of all sizes and industries as they compete in today's global marketplace, sets us apart from our competition.

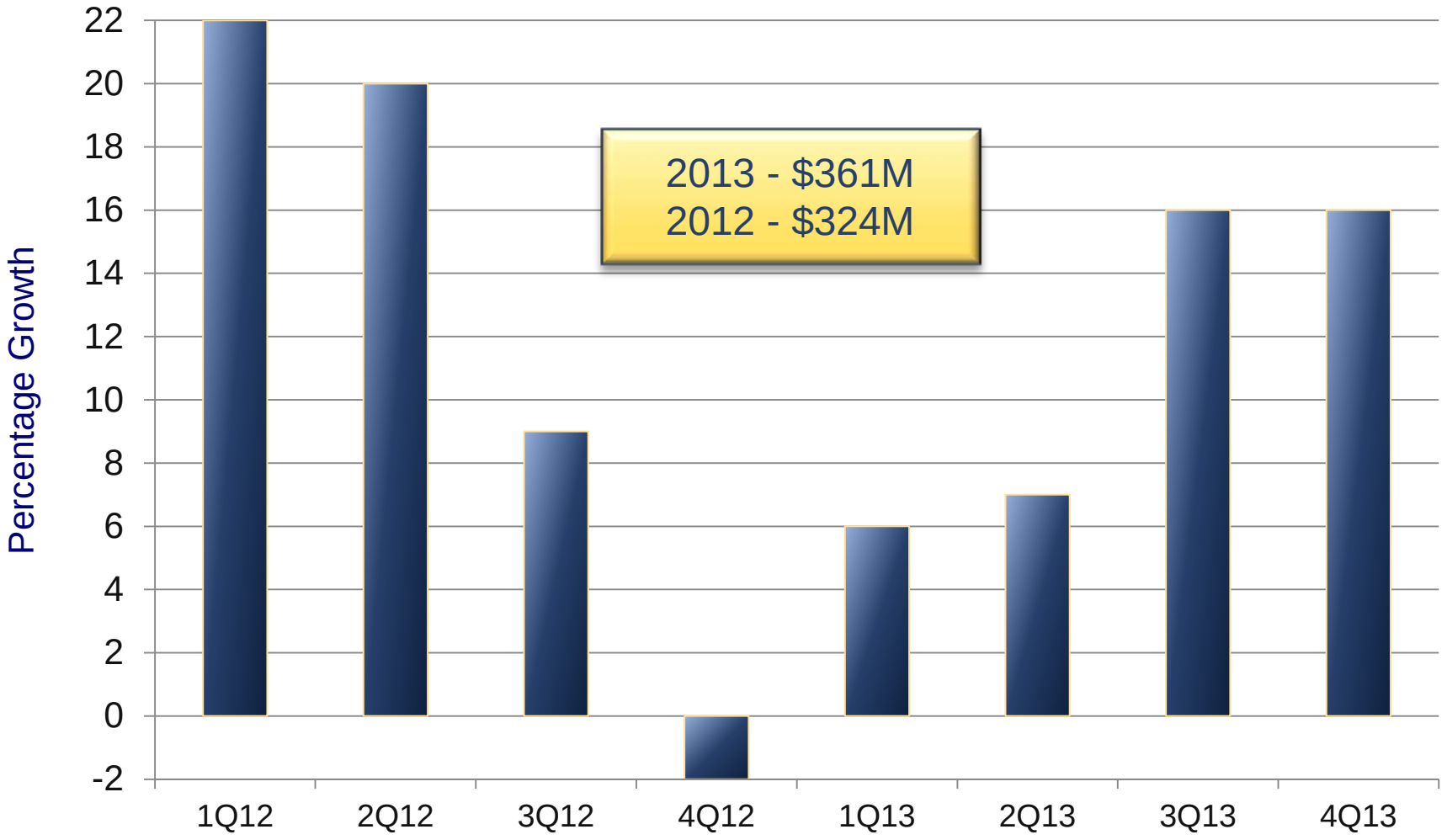
Technological Advantages



Sophisticated technology tools provide our customers instant visibility across their supply chain, which enables them to better manage their business.

LOGISTICS YOY REVENUE GROWTH

Werner Logistics YOY Revenue Growth Accelerating Despite Competitive Logistics Market



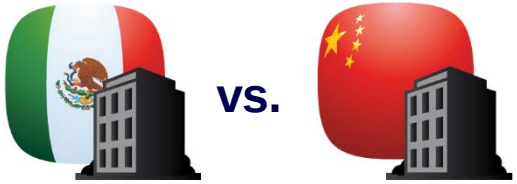
Werner & Mexico
Growing Strength in Numbers

Werner Mexico:

- Top 3 Mexico CB TL carrier
- 15 years in market
- >12% of consolidated revenues
- Strong relationships with top Mexican carriers
- 31% revenue growth 2011-2013



Manufacturing:



- MX MFG wages (adjusted for productivity) to be 30% lower than China by 2015
- MX MFG has a 50-170% natural gas pricing energy advantage over China
- Mexico has more free trade agreements (44) than China (18)

Current Fuel Efficiency Initiatives

- Aerodynamic trucks & trailers
- Weight reduction strategies
- Automated tire inflation systems
- Newest diesel engine technology
- Computerized truck idling program
- Speed management, route management, fuel optimization
- Continual in-depth testing of the latest fuel saving technologies

Werner's Impact

From 2007 to 2013 we reduced:

77 Million Gallons



860,000 Tons



SmartWay® Transport Partner
Getting There With Cleaner Air
2013 EXCELLENCE AWARD RECIPIENT

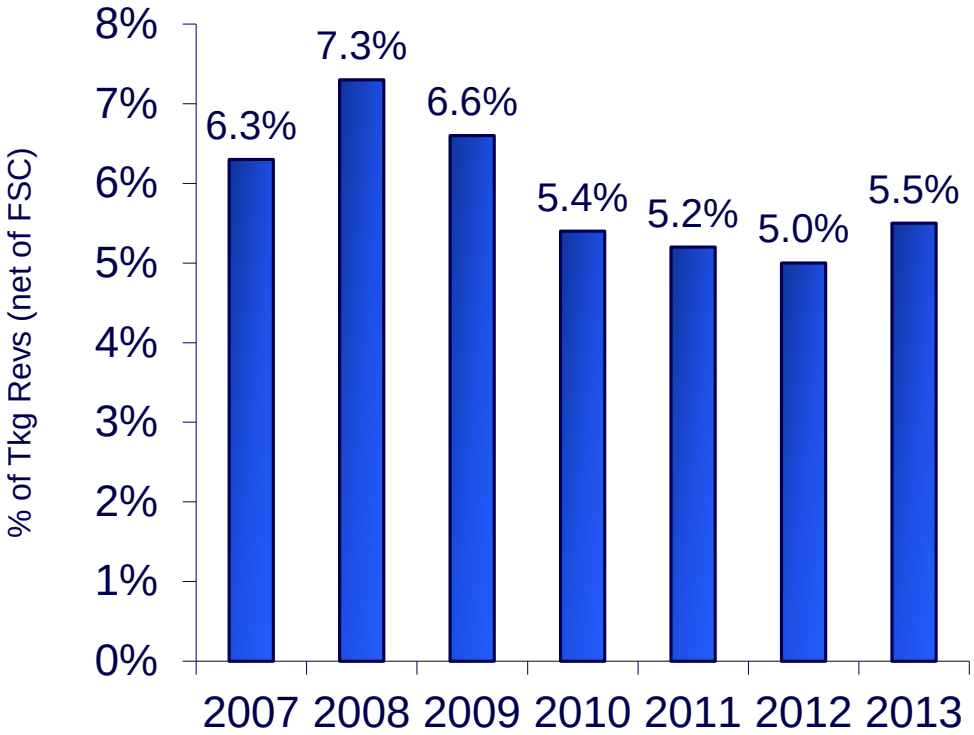
Food Logistics 2013 TOP GREEN PROVIDERS



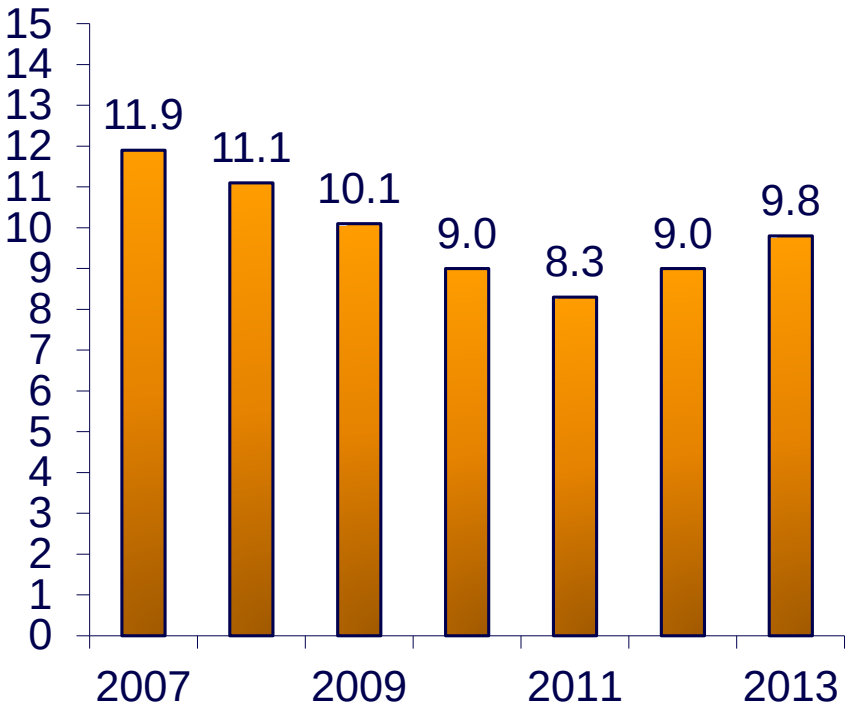
WERNER

SAFETY TRENDS

INS/CLAIMS % of REVENUES*



ACCIDENTS PER MM



* Trucking revenues, less fuel surcharge revenues
MM – Million miles

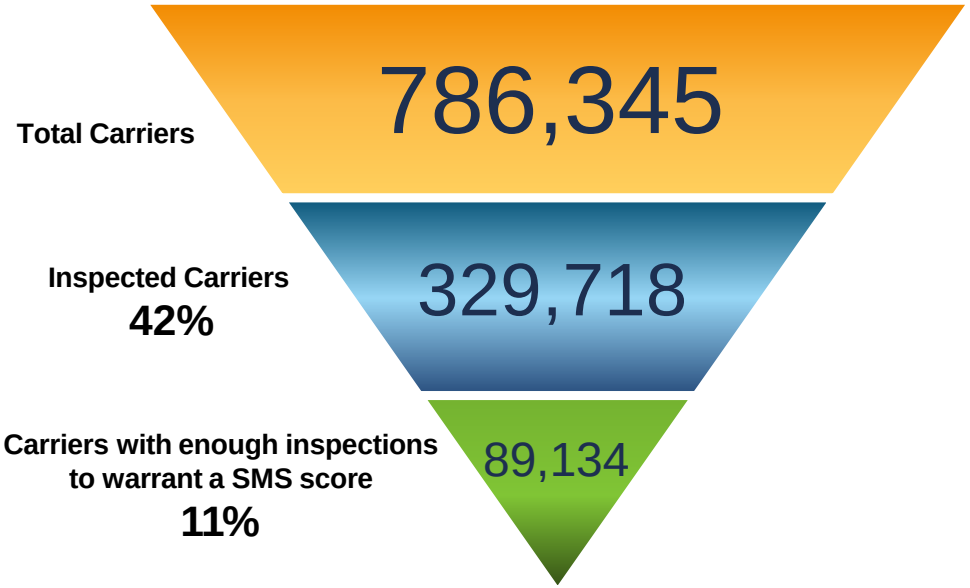
REGULATORY - CSA

January 2014

CSA BASIC	WERN	Def. Alert Threshold
Unsafe Driving	50	65
Fatigued Driving (HOS)	20	65
Driver Fitness	58	80
Controlled Sub/Alcohol	44	80
Vehicle Maintenance	53	80
HAZMAT (Non-Public)		
Crash Indicator (Non-Public)		

WERN well below the deficiency threshold in all 5 CSA Basics

CSA SMS Summary Data





Expected Impact

- Available pool of drivers will decrease
- Increase of compliance and insurance-related costs
- Inconsistent and incomplete data can greatly skew carrier scores
- Scores have no correlation with a carriers accident frequency
- Accident litigation expenses will increase

Sources: FTR and FMCSA

REGULATORY - HOS

Implementation Date: July 1, 2013



Primary rule changes:

- 34-hour restarts, must include two periods between 1 a.m. and 5 a.m., and 1 week (168 hrs.) between 34-hour restarts
- New - requires a 30 minute break after 8 hours of driving

Overall impacts higher transportation costs through:

- Decreased equipment utilization
- Decreased driver wage potential
- Decreased capacity



2-3% Estimated decrease to mileage productivity, depending on the network

Working with customers/drivers to minimize impact

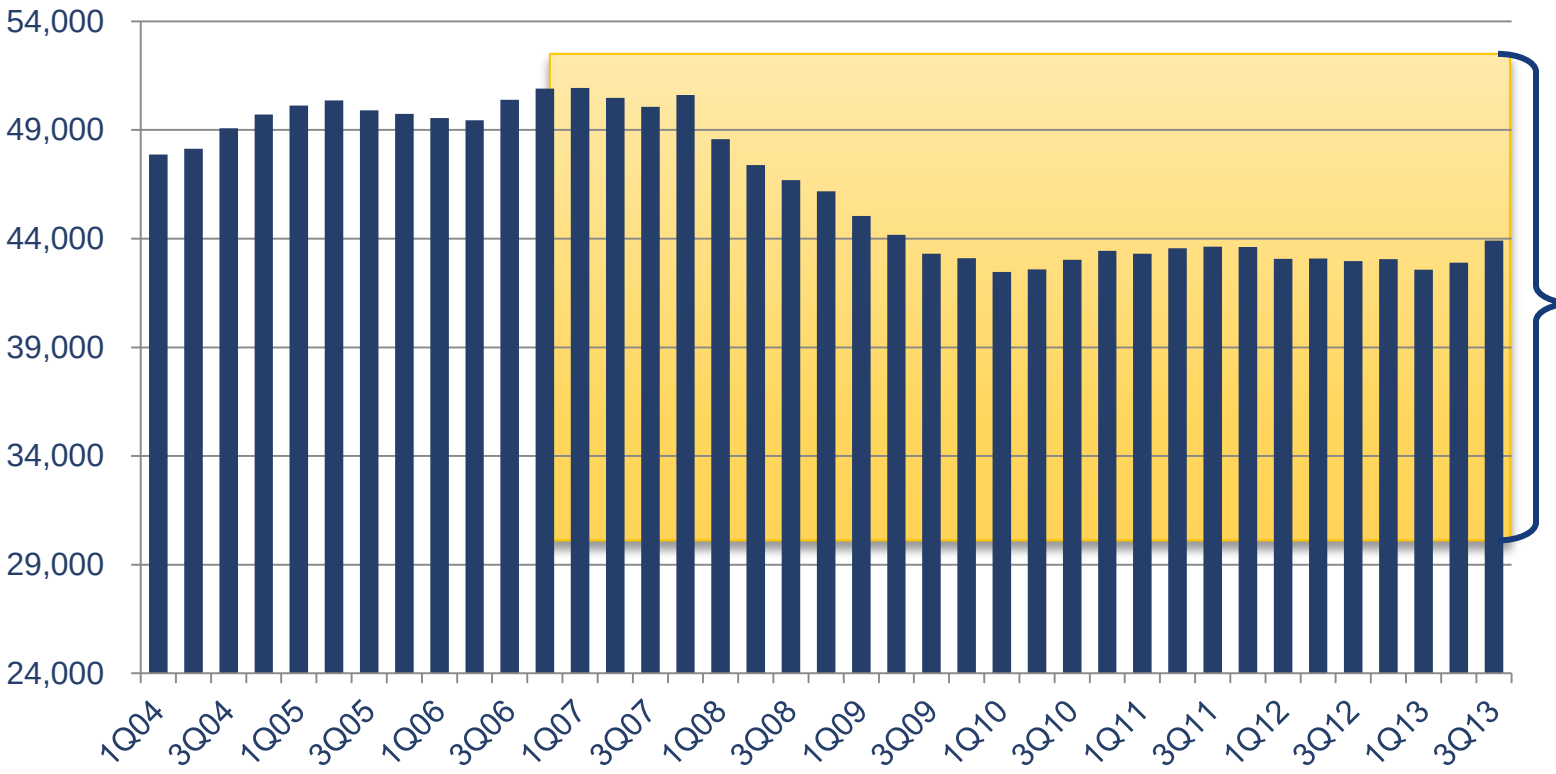


75,000 Estimated additional industry tractors needed to haul the same amount of freight, pre-HOS change

Sources: FTR, FMCSA and JOC

SUPPLY - CAPACITY

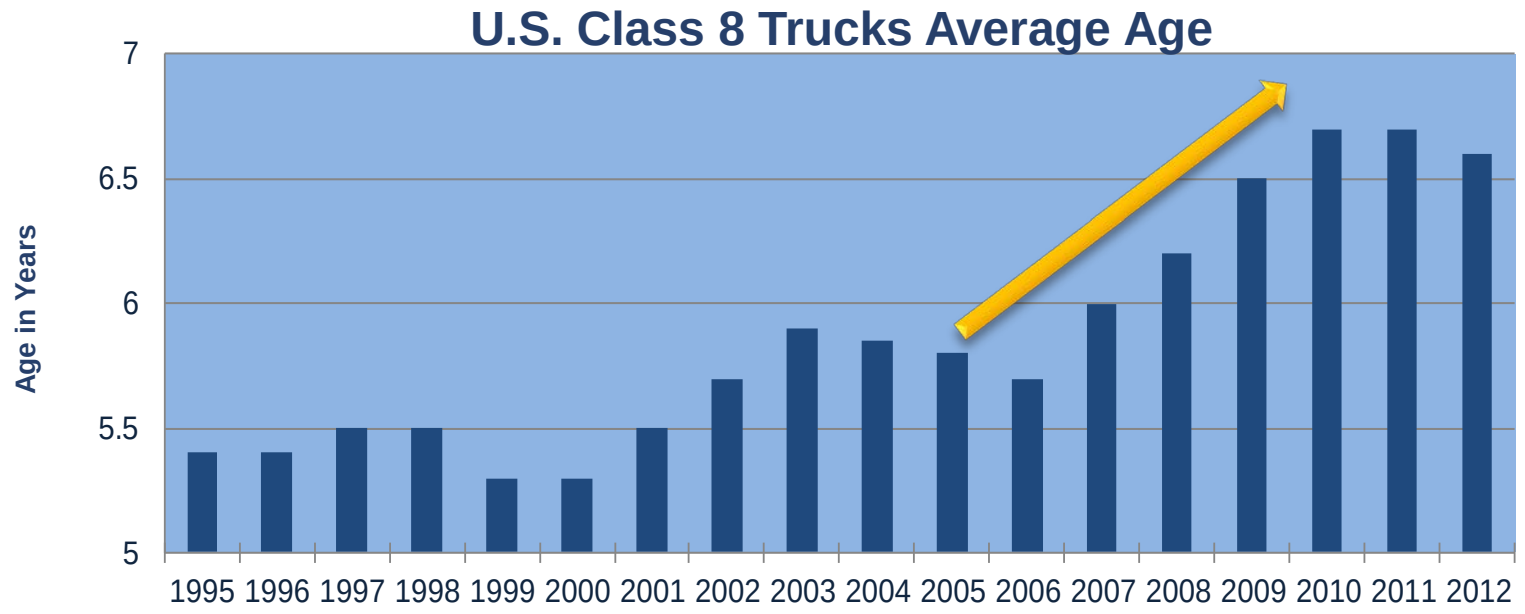
Total Public Truckload Fleet Capacity

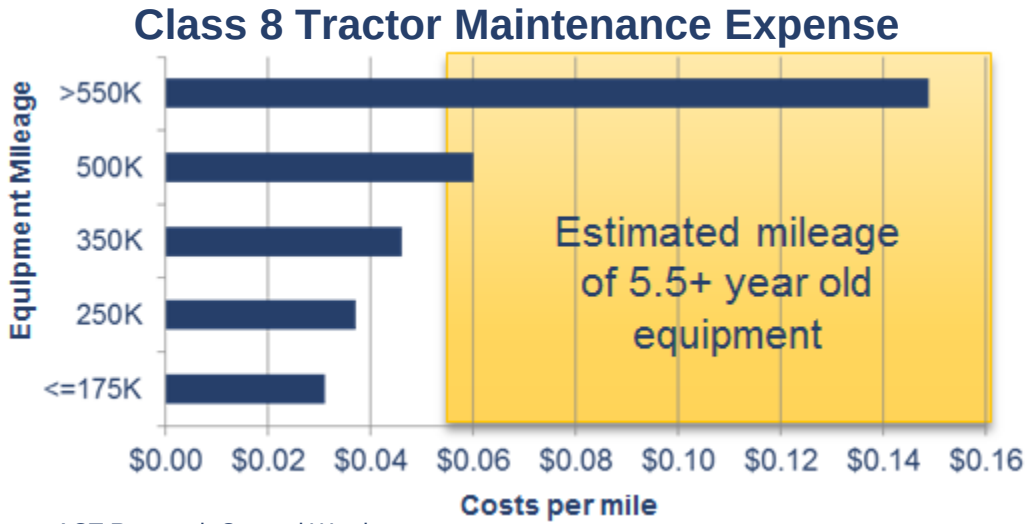


*Including owner operators, capacity at public fleets is **14%** below peak 4Q06 levels*

Source: KeyBanc

Supply – Aging Fleets





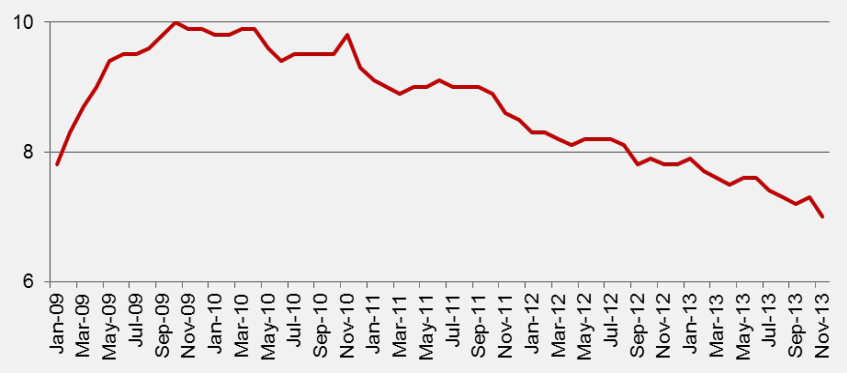
Current Average Age of a U.S. Class 8 Truck Fleet

6.6 yrs

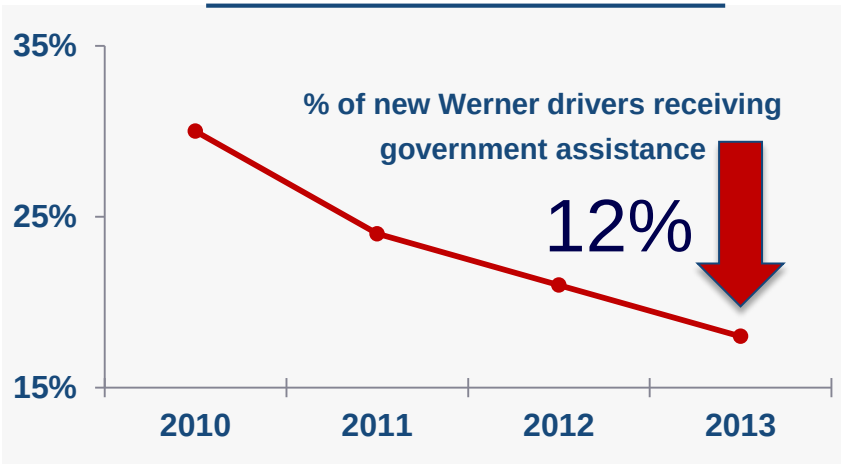
Sources: ACT Research Co. and Wards

Supply-Industry Driver Shortage
Macro Trucking Capacity Constraints

Declining Unemployment Rate



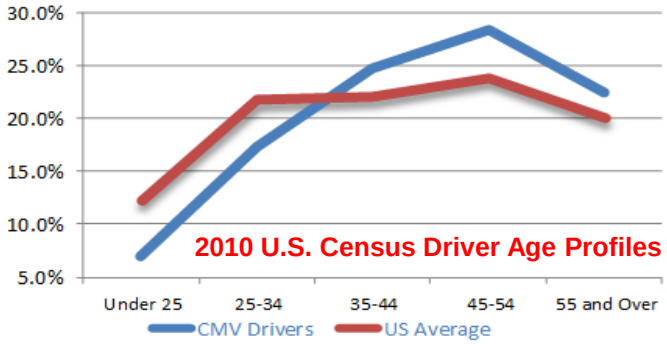
Reduced Government Funding Assistance for New Drivers

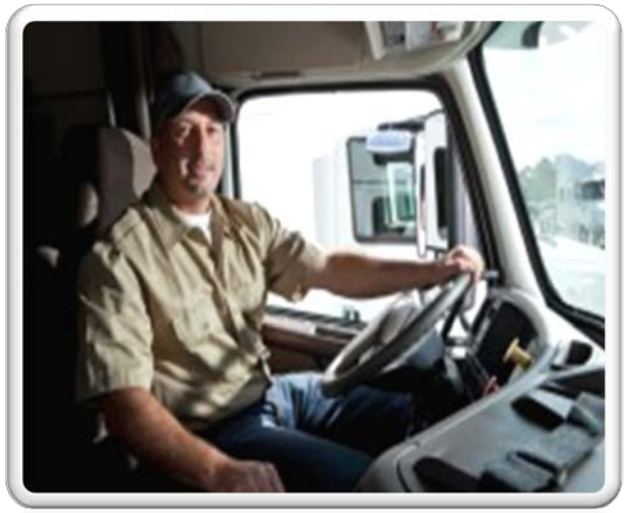


Increased Labor Competition

- Growing home construction jobs
- Fracking driving jobs in specific localized markets

Aging Driver Demographics

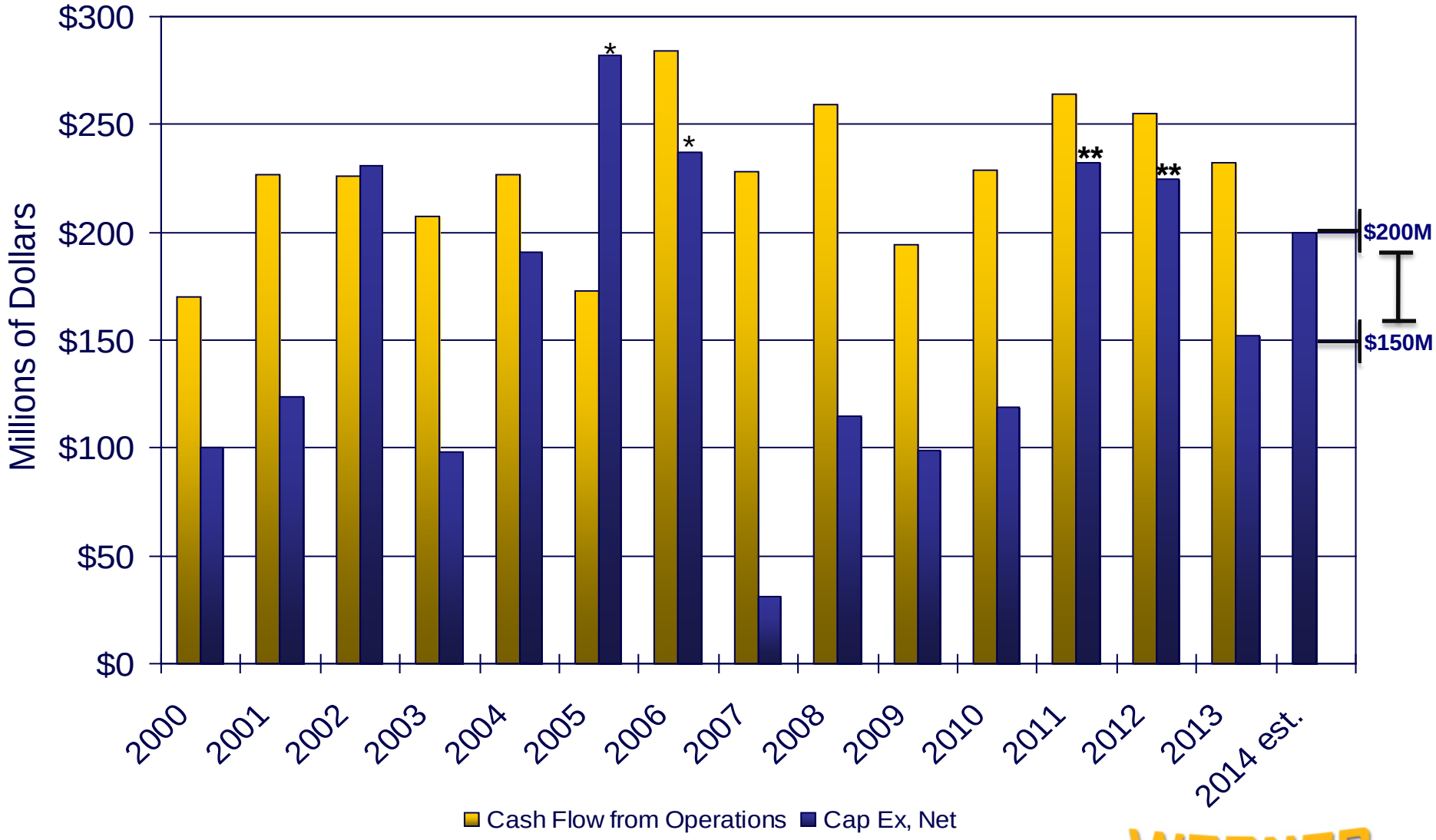




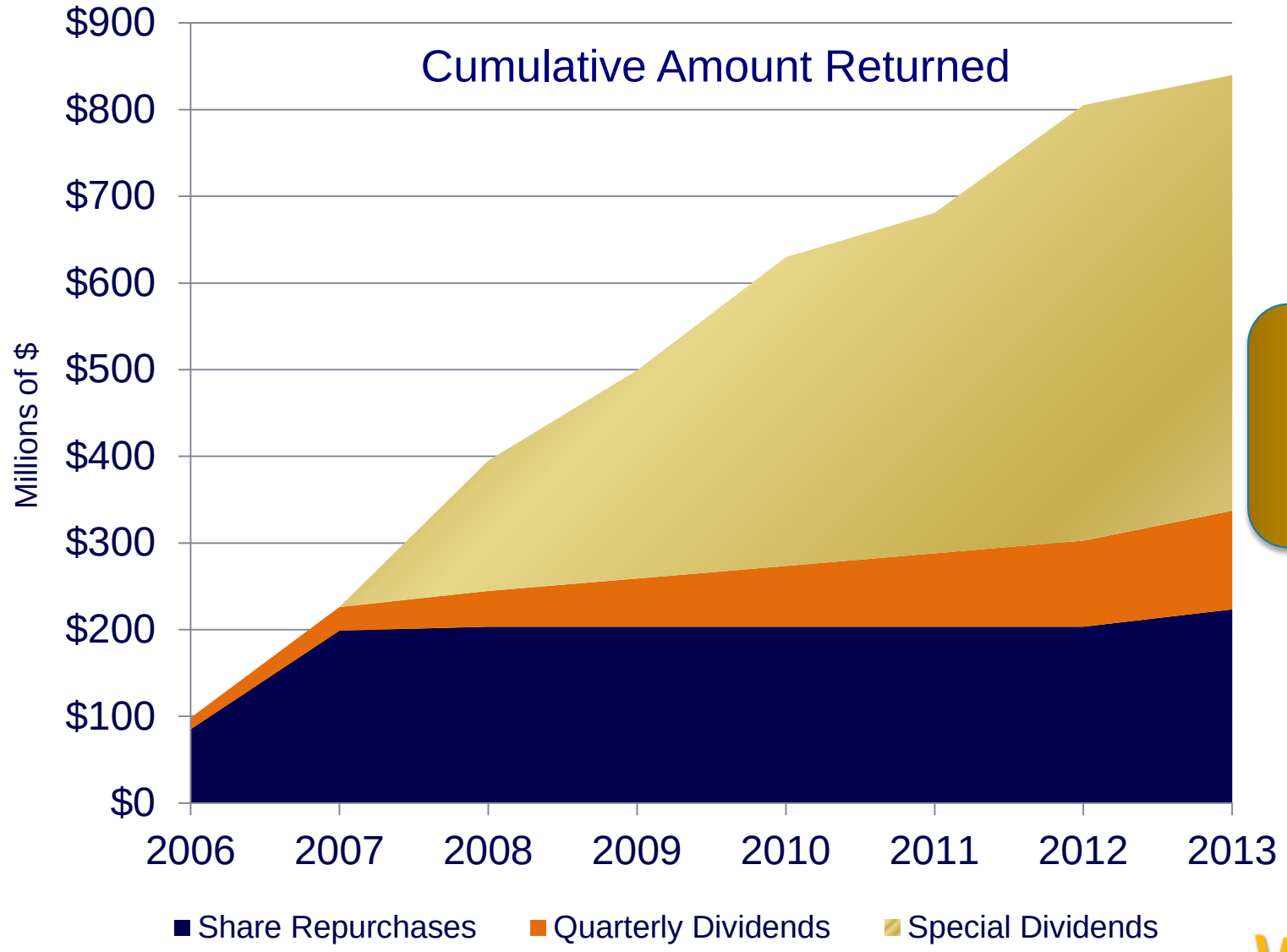
More Restrictive Safety Regulations

- CSA (started 12/10)
- HOS (started 7/13)
- ELD coming

Cash Flow and Cap Ex

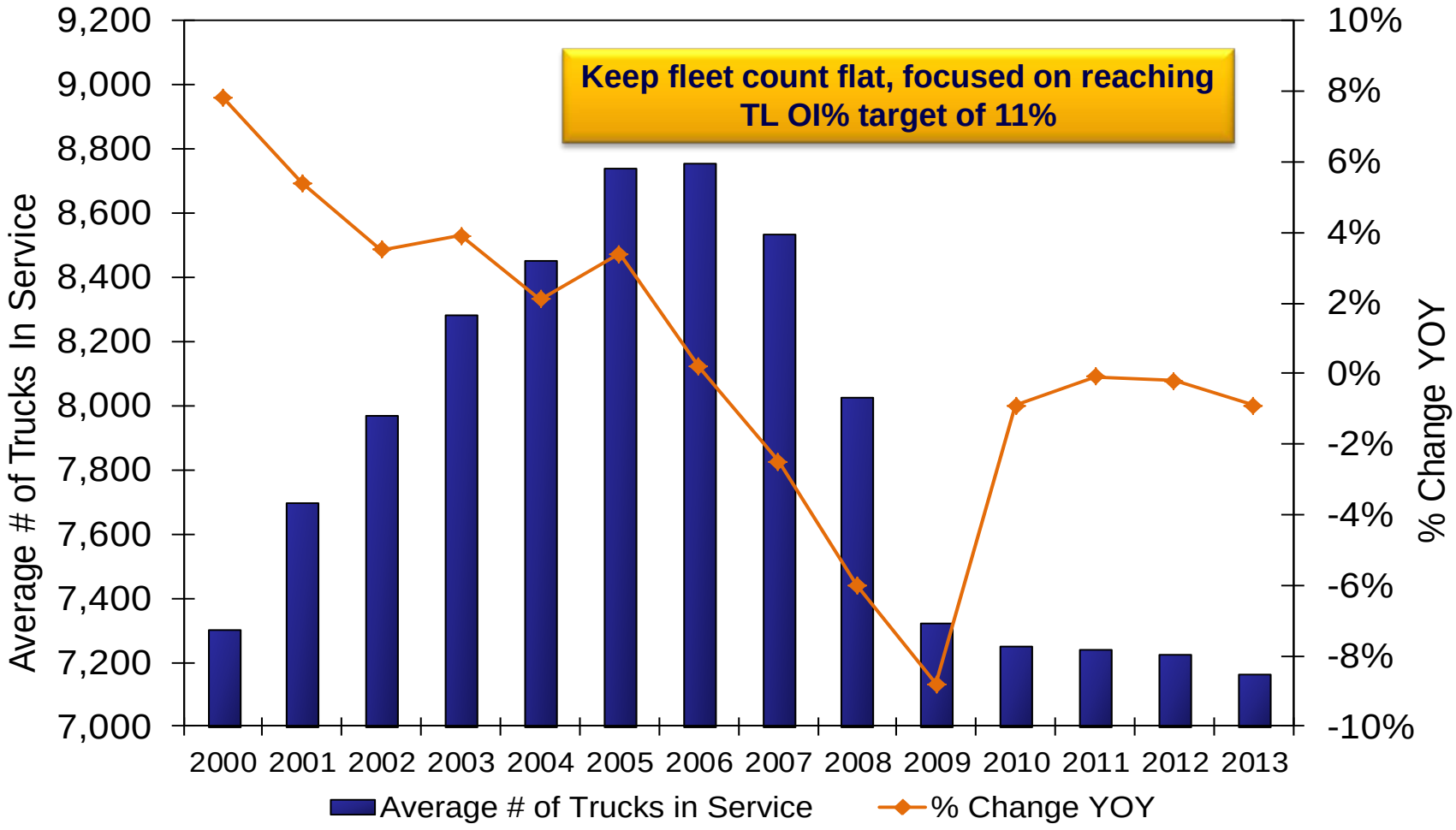


RETURNING VALUE TO SHAREHOLDERS

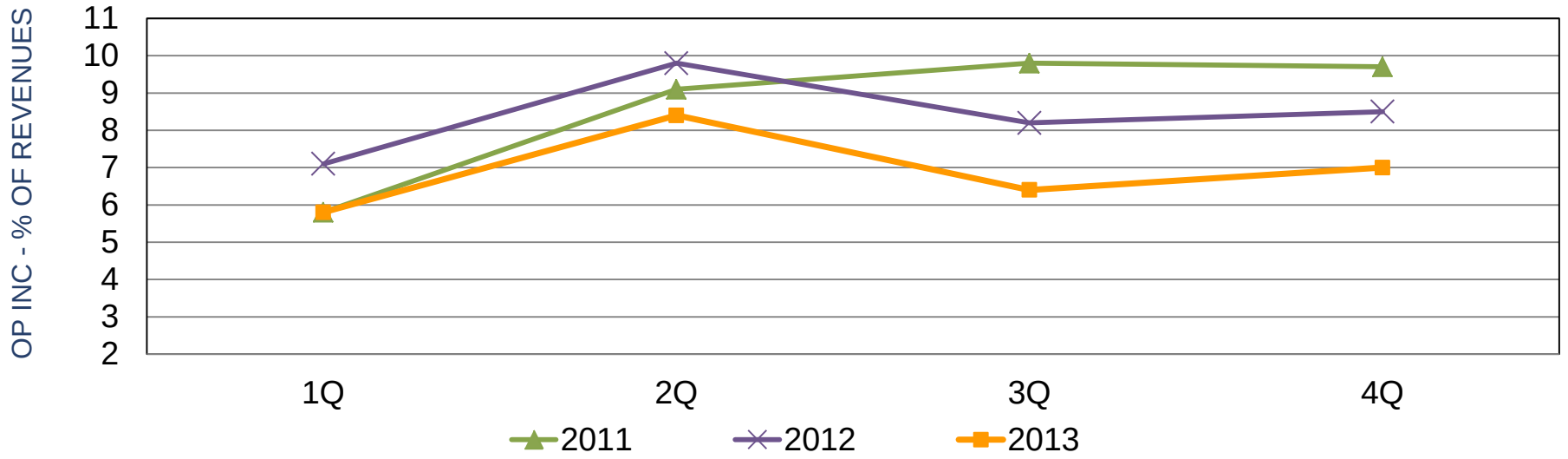


$840M returned over the last 7 yrs. (>$11/share)

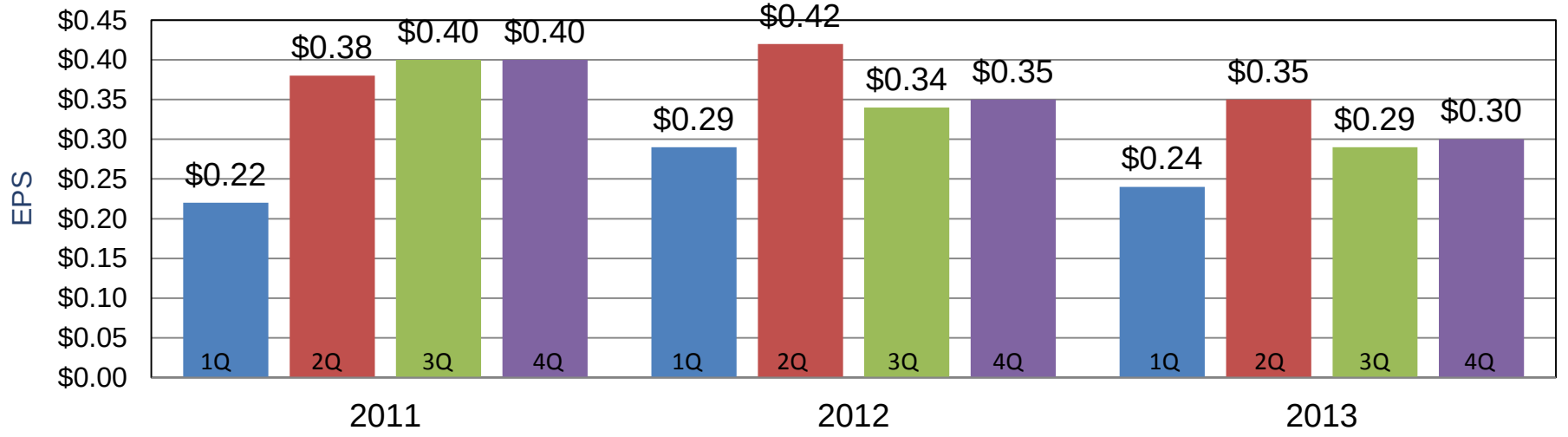
TRUCKS


Keep fleet count flat, focused on reaching TL OI% target of 11%
Average # of Trucks In Service
% Change YOY
9,200
9,000
8,800
8,600
8,400
8,200
8,000
7,800
7,600
7,400
7,200
7,000
10%
8%
6%
4%
2%
0%
-2%
-4%
-6%
-8%
-10%
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013
Average # of Trucks in Service
% Change YOY

Operating Margin Trends*

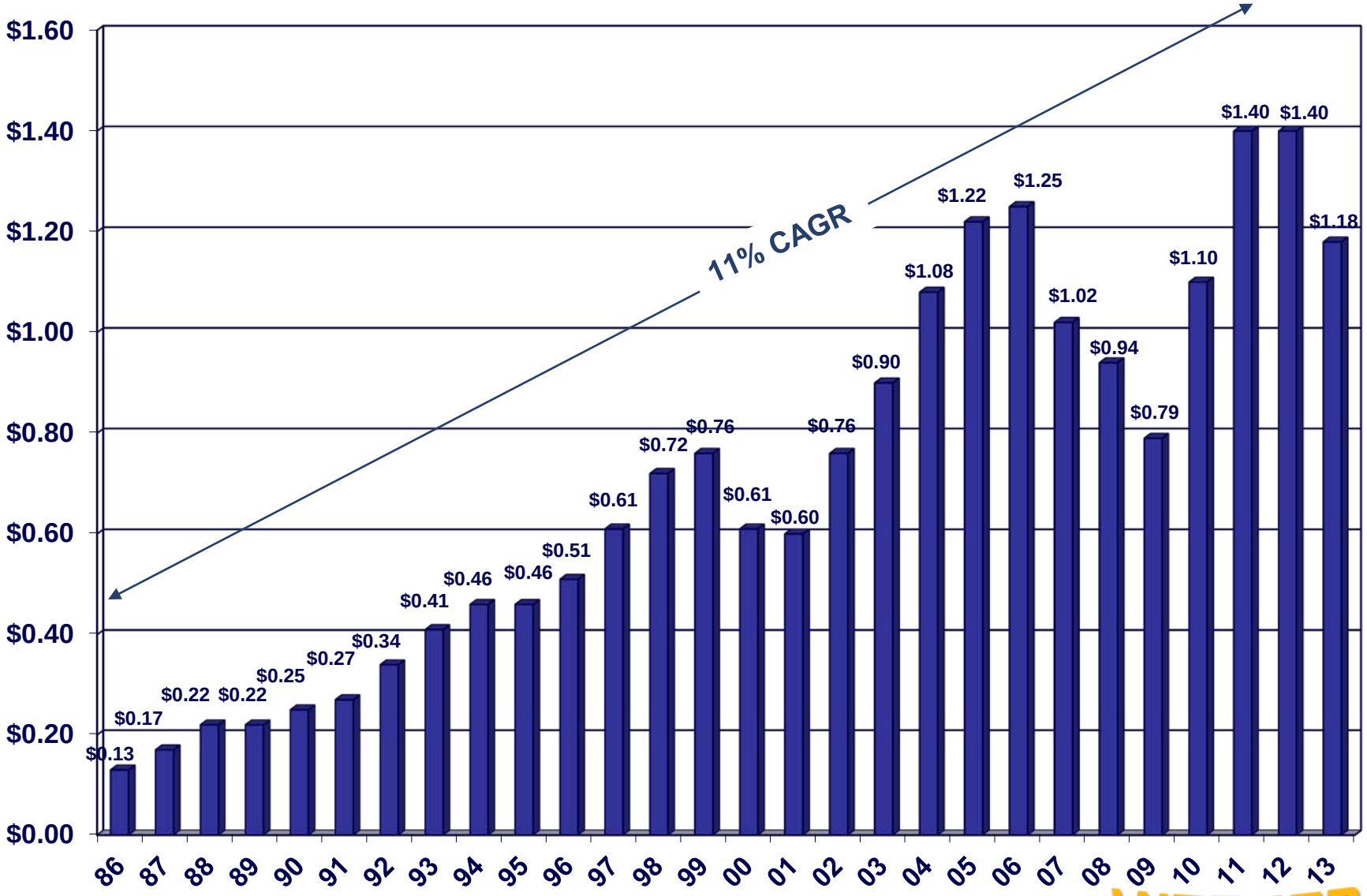


EPS Trends

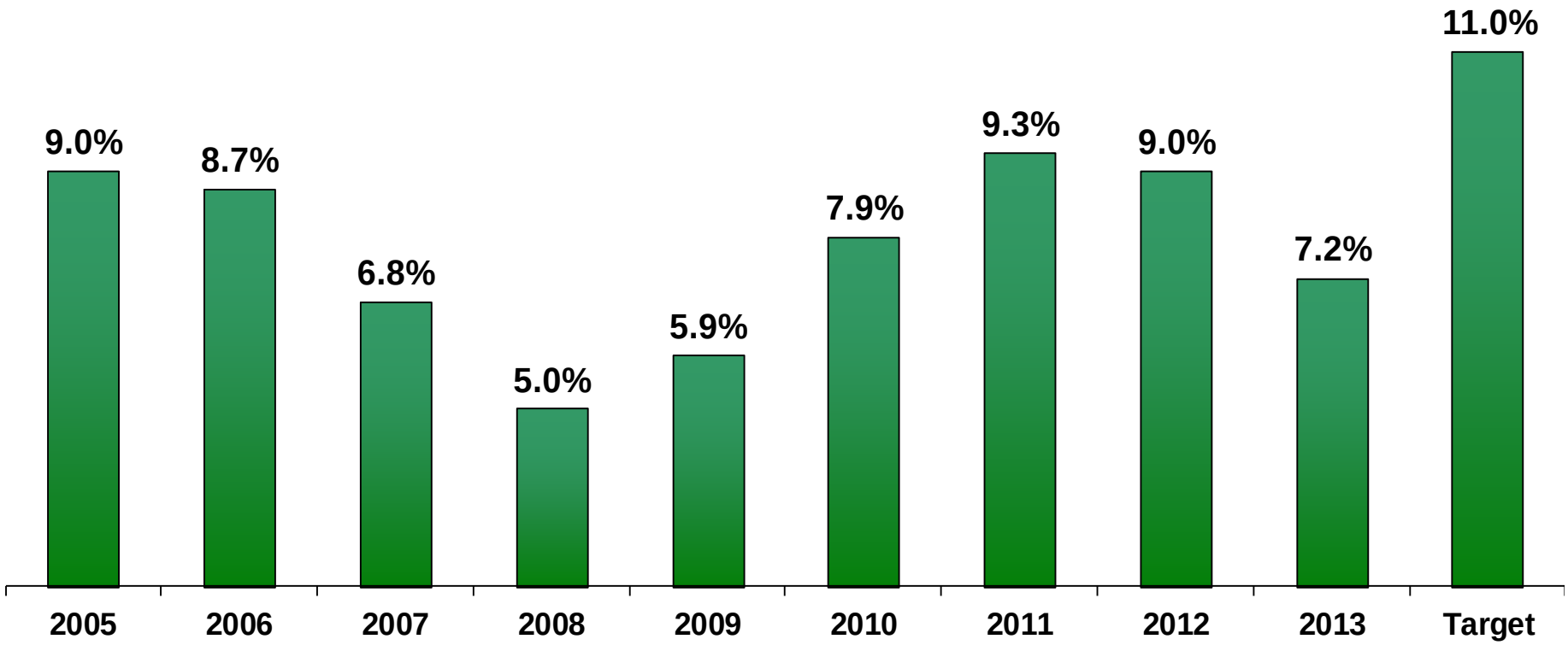


* Total Company (Trucking and Logistics)

EPS TRENDS


$1.60
$1.40
$1.20
$1.00
$0.80
$0.60
$0.40
$0.20
$0.00
11% CAGR
$0.13
$0.17
$0.22
$0.22
$0.25
$0.27
$0.34
$0.41
$0.46
$0.46
$0.51
$0.61
$0.72
$0.76
$0.61
$0.60
$0.76
$0.90
$1.08
$1.22
$1.25
$1.02
$0.94
$0.79
$1.10
$1.40
$1.40
$1.18
86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13

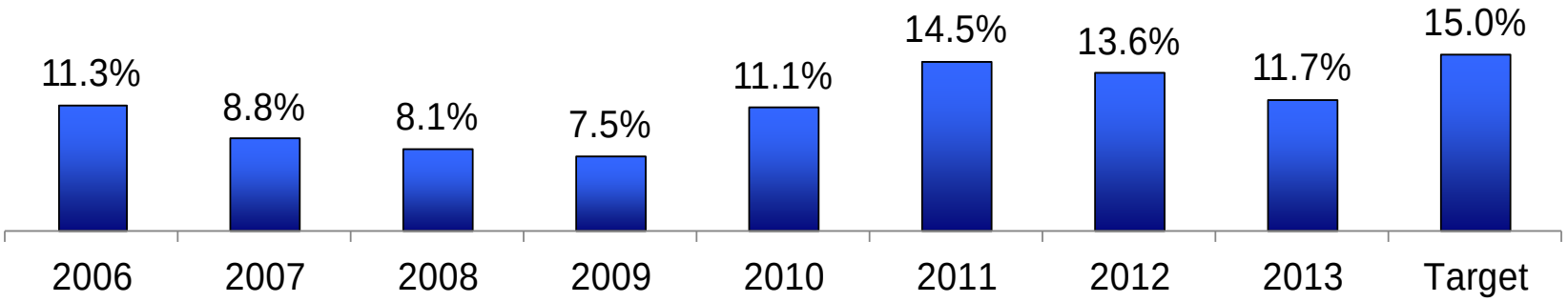
WERN TARGETING AN ANNUALIZED 11% TL*OPERATING MARGIN



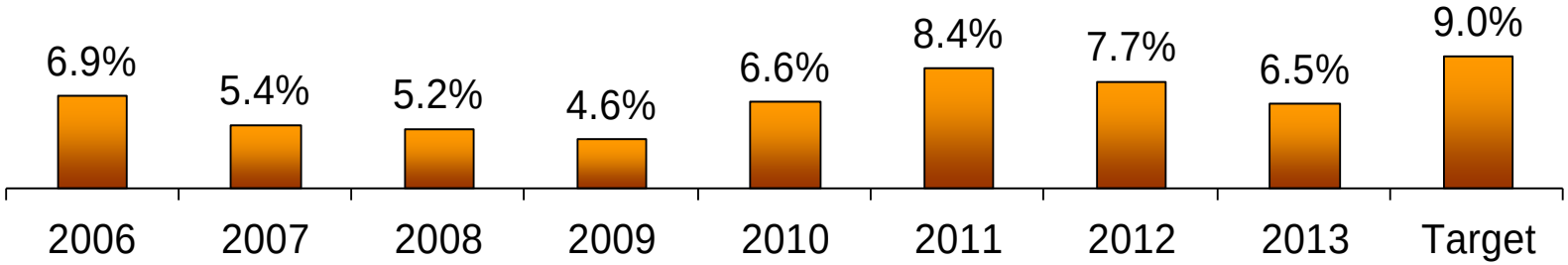
* Truckload Transportation Services (includes One-Way TL and Dedicated). Above percentages include fuel (fuel surcharge revenues and fuel expense).

WERN TARGETING A 15% ROE & 9% ROA

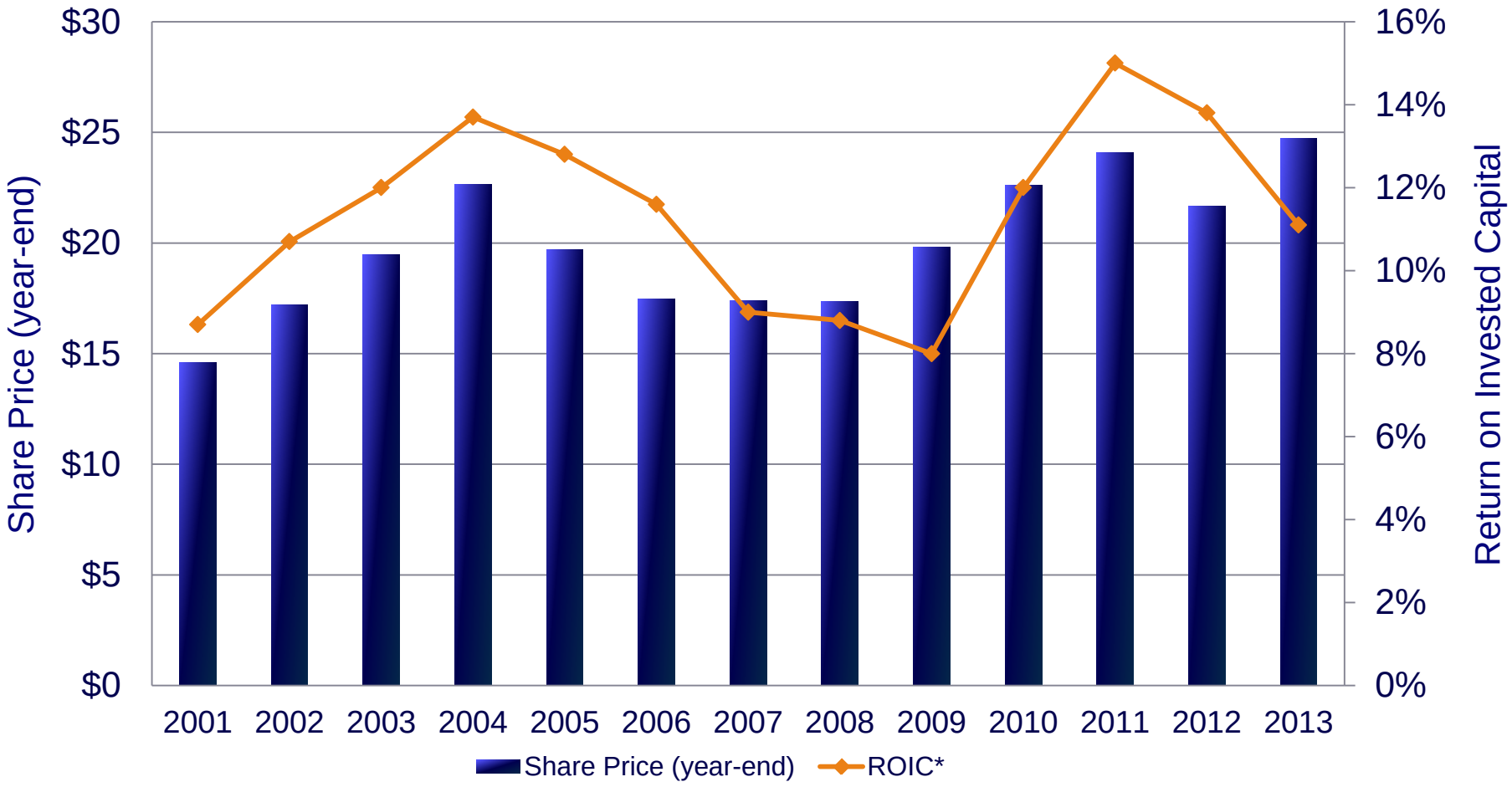
ROE



ROA



Return on Invested Capital (ROIC*) vs. Share Price Growth



*ROIC is a non-GAAP measure. Net income plus net interest expense, divided by average invested capital.



Global, Comprehensive Portfolio



Award-Winning Customer Service



Technology Driven



Customizable Logistics Strategies



Consistent, Credible and Conservative

This is WERNER.



THANK YOU

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