

WERNER[®]

4Q24 AND FULL YEAR 2024

EARNINGS PRESENTATION

FEBRUARY 6, 2025

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, operational, financial, legal risks detailed in our latest available Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q. 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 free cash flow; non-GAAP EBITDA; non-GAAP net debt; non-GAAP adjusted operating revenues, net of fuel surcharge; non-GAAP adjusted operating revenues, less purchased transportation expense; 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.

WERNER[®]

BUSINESS OVERVIEW



DEREK LEATHERS

Chairman and Chief Executive Officer

WERNER OVERVIEW (WERN)

WE KEEP AMERICA MOVING®

69 YEARS IN BUSINESS

OMAHA, NE
HEADQUARTERS



6TH
LARGEST DEDICATED CARRIER IN U.S.³



2,278

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



\$2.2B¹
MARKET CAP



1.6%¹
DIVIDEND YIELD



12,896²
ASSOCIATES

295²
INDEPENDENT CONTRACTORS



> 90%
DEDICATED CUSTOMER RETENTION RATE



4,840⁴

DEDICATED



2,610⁴

ONE-WAY TRUCKLOAD



7,450⁴

TTS TRUCKS



18%

WERNER COMPANY DRIVERS WITH MILITARY EXPERIENCE



16%

WERNER COMPANY DRIVERS WHO ARE WOMEN (HIGHER THAN INDUSTRY AVERAGE)

55%
EMISSIONS REDUCTION GOAL BY 2035



28,665⁴ TRAILING ASSETS

¹ As of 1/31/25 for Market Cap and Dividend Yield.

² Number of Associates and Independent Contractors as of 12/31/24.

³ Source: Transport Topics

⁴ As of 12/31/24; TTS includes Dedicated and One-Way Truckload. Trailing assets includes TTS and Logistics.

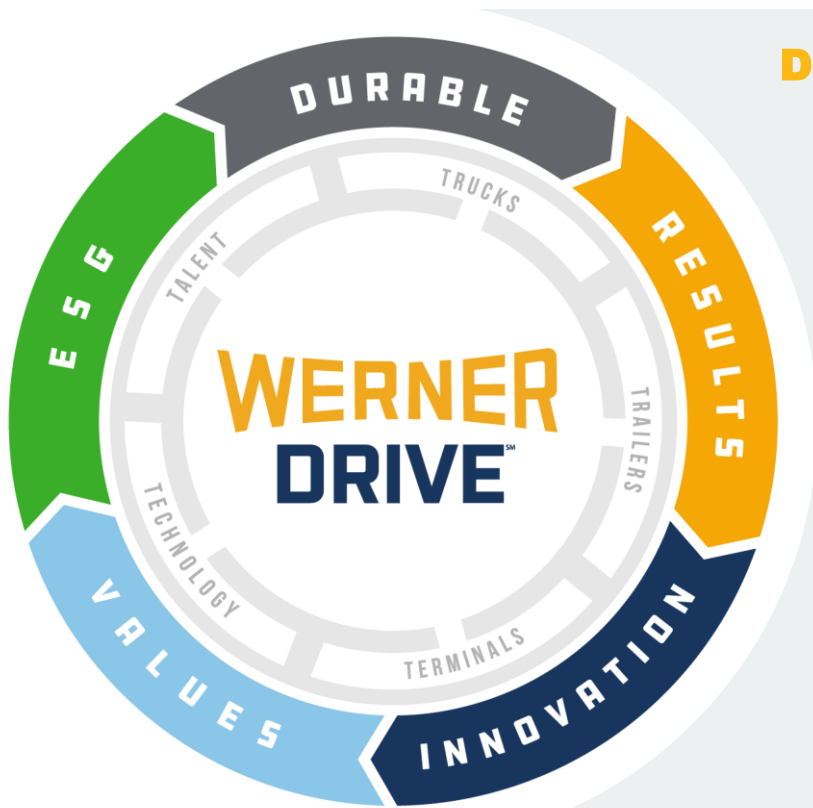
4Q24 AND FY24 FINANCIAL HIGHLIGHTS

	4Q24 Y/Y Change	2024 Y/Y Change	HIGHLIGHTS
Revenues	\$755M (8)%	\$3,030M (8)%	<ul style="list-style-type: none"> • Dedicated continued to display resiliency; growing revenue per truck 27 of 28 quarters and 10 of the last 11 years • Engineering of the One-Way fleet resulted in 8% growth in miles per truck vs. 2023; Y/Y revenue per total mile positive for the second consecutive quarter • \$19M of additional insurance expense from unfavorable claim development during the quarter resulted in a 22-cent negative impact to adjusted EPS • Logistics produced the best top line and bottom-line quarter of the year with adjusted operating margin up 70 bps sequentially • Focus on cost saving initiatives resulted in over \$50M of cost reductions in 2024; continue with \$25M cost saving target for 2025
GAAP EPS	\$0.19 (48)%	\$0.55 (69)%	
Adj. EPS ¹	\$0.08 (80)%	\$0.53 (73)%	
Adj. Operating Income ¹	\$12.2M (69)%	\$73.7M (61)%	
Adj. Operating Margin ¹	1.6% (320) bps	2.4% (340) bps	
Adj. TTS Operating Margin ^{1,2}	3.1% (440) bps	4.5% (460) bps	

DRIVESM STRATEGY SUPPORTS 2025 STRATEGIC PRIORITIES

WERNER DRIVESM

BUILDING ON 5Ts AND SHAPING OUR FUTURE



DRIVING GROWTH IN CORE BUSINESS

- Expanding TTS & Logistics adjusted operating income margin
- Increasing One-Way rates
- Growing Dedicated fleet size

DRIVING OPERATIONAL EXCELLENCE

- Resolute focus on safety
- Advancing our technology roadmap through the transition to our cloud-based EDGE TMS
- Executing on additional \$25 million in cost savings

DRIVING CAPITAL EFFICIENCY

- Streamlining business processes including further integration of our acquisitions
- Maintaining strong operating cash flow and optimizing working capital
- Managing CapEx while maintaining a modern tractor fleet
- Maximizing equipment fleet sales

2025 MARKET OUTLOOK



- **Truckload fundamentals** to gradually improve throughout the year, including **improving rates**
- **Carriers continue exiting the market**
- **Consumers remain resilient** and non-discretionary spending holds up, while discretionary picks up, spending on goods vs. services back to historical ratio
- **Retail inventories have mostly normalized**, and no longer a headwind to freight volumes
- **Spot freight rates** improve throughout the year
- **Used truck and trailer demand and pricing** stable in 1H then improving in 2H
- **Tariffs on imports from China, Mexico, and Canada** can impact supply chains, inflation, interest rates, inventories, consumer demand, and overall freight demand, Mexico freight flows, and diesel prices, but we are prepared to adapt with agile solutions

WERNER[®]

FINANCIAL RESULTS

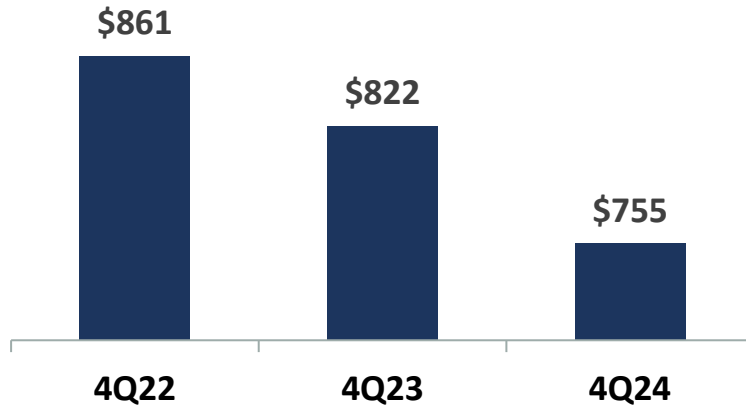


CHRIS WIKOFF

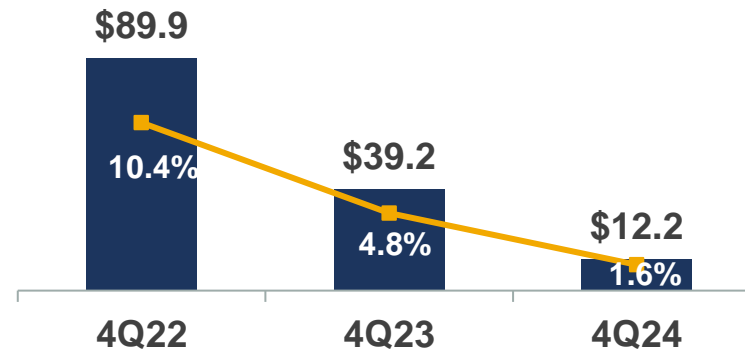
**Executive Vice President, Treasurer
and Chief Financial Officer**

4Q24 RESULTS

TOTAL REVENUES (\$M)



ADJUSTED OPERATING INCOME¹ (\$M) AND ADJUSTED OPERATING MARGIN¹



ADJUSTED EPS¹



Y/Y COMMENTARY (4Q24 vs. 4Q23)

- Total revenues decreased \$67M, or 8%
- 2.5% higher TTS revenues per truck per week²
- 8.2% decrease in TTS average trucks
- OWT revenue per total mile increased >3%
- Logistics revenues decreased 6% Y/Y but increased 3% sequentially

- 69% decrease in adj. operating income, or \$27M
- \$19M of additional insurance expense driven by unfavorable development on prior period claims
- Consolidated adj. operating margin decreased 320 bps
- TTS adj. operating income¹ decreased \$22.6M
- Logistics adj. operating income¹ decreased \$0.6M Y/Y

Adj. EPS decreased 80%, primarily from:

- Higher insurance costs
- Lower equipment gains
- Higher interest expense
- Lower Logistics operating margin

4Q24 TRUCKLOAD TRANSPORTATION SERVICES (TTS) RESULTS

	4Q22	4Q23	4Q24	4Q24 vs. 4Q23
Revenues (\$M)	\$634.8	\$580.1	\$527.3	(9)%
Revenues, net FSC (\$M)	\$525.2	\$495.4	\$469.7	(5)%
Adjusted Operating Income ¹ (\$M)	\$83.1	\$37.2	\$14.6	(61)%
Adjusted Operating Margin ^{1,2}	15.8%	7.5%	3.1%	(440) bps
Adjusted Operating Ratio ^{1,2}	84.2%	92.5%	96.9%	440 bps

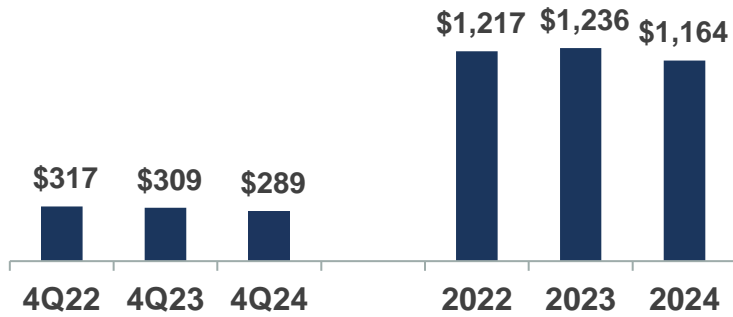
Y/Y COMMENTARY (4Q24 vs. 4Q23)

- **Lower total revenues** due to \$27M of lower fuel surcharges, 8.2% fewer average trucks mitigated 1.8% higher rates and 0.7% higher miles per truck
- **TTS adjusted margin declined Y/Y**, primarily from higher insurance costs and a soft used truck market, mitigated by higher revenue per truck per week
 - \$19M insurance claims reserve adjustment represented over 400 bps of Y/Y reduction in operating margin
- **Dedicated** fleet represents 65% of total TTS trucks at quarter end; revenue per truck per week increased 1.1%
- **One-Way** revenue per total mile increased 3.3% Y/Y; miles per truck up 1.7%

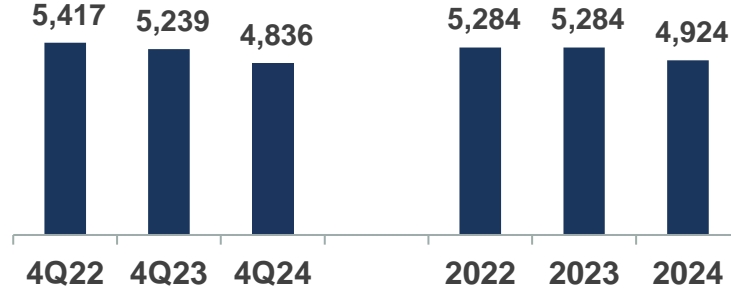
TTS¹ FLEET METRICS UPDATE

TTS FLEET DOWN 7% YY TO 7,450; RPTPW UP 3% AND INCREASED 23 OUT OF LAST 28 QUARTERS

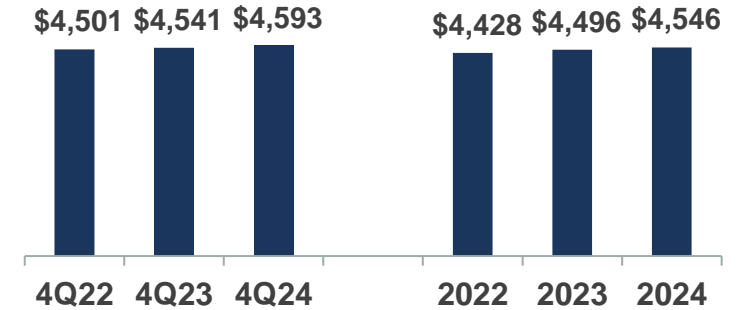
TRUCKING REVENUES² (\$M)



AVERAGE TRUCKS

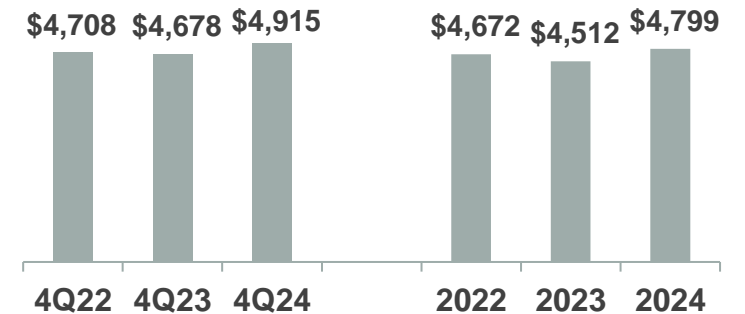
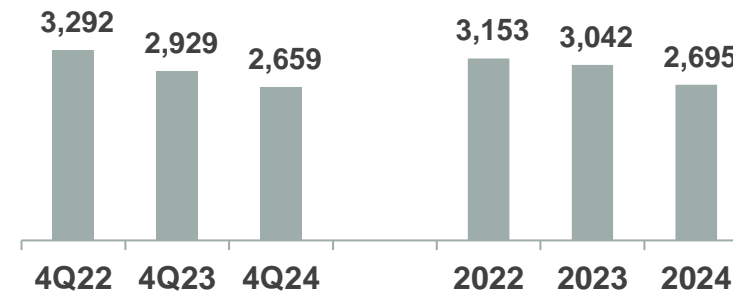
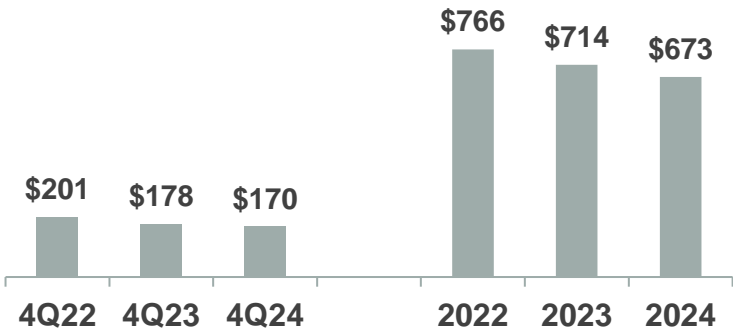


REVENUES / TRUCK / WEEK²



DEDICATED TRUCKLOAD

ONE-WAY TRUCKLOAD



4Q24 WERNER LOGISTICS RESULTS

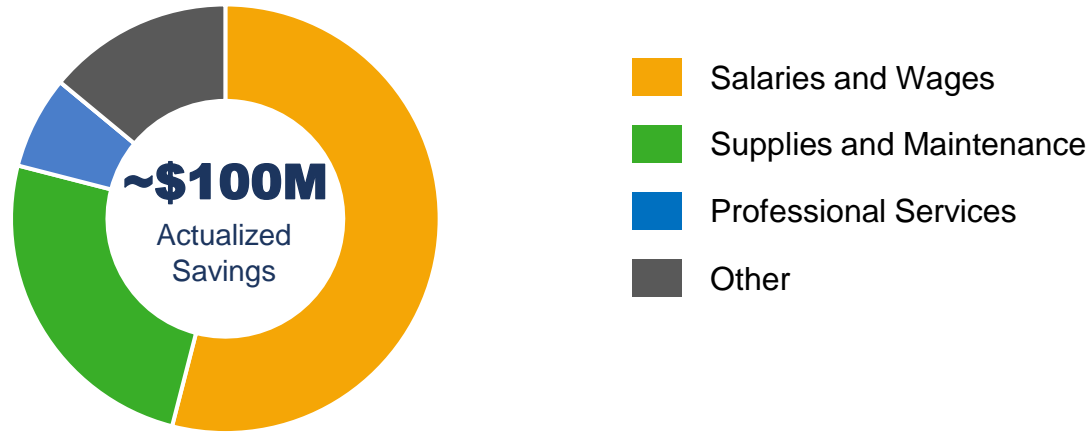
	4Q22	4Q23	4Q24	4Q24 vs. 4Q23
Revenues (\$M)	\$213.5	\$227.0	\$213.2	(6)%
Revenues, less purchased transportation expense (\$M) ¹	\$39.0	\$33.8	\$31.4	(7)%
Adjusted Operating Income (\$M) ¹	\$8.0	\$3.0	\$2.4	(21)%
Adjusted Operating Margin ¹	3.8%	1.3%	1.1%	(20) bps

Y/Y COMMENTARY (4Q24 vs. 4Q23)

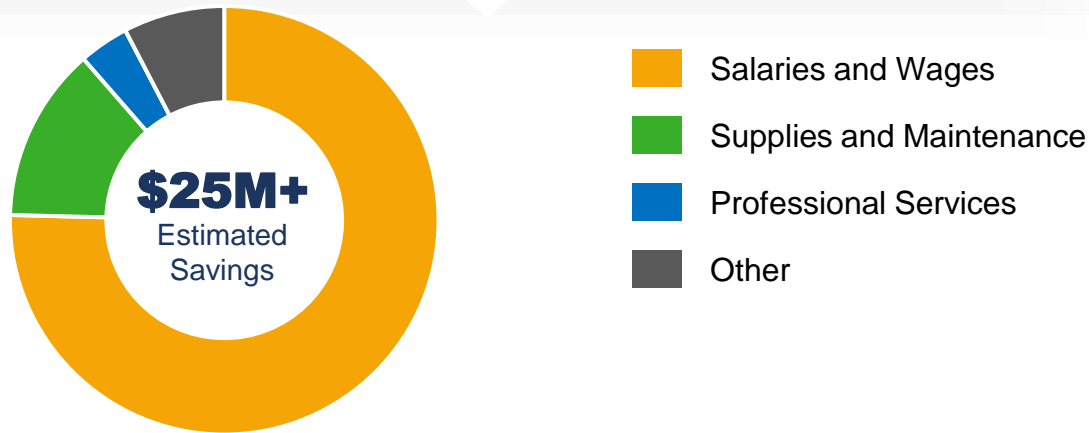
- Truckload Logistics revenues (76% of Logistics revenues) decreased 6%
- Intermodal revenues (13% of Logistics revenues) increased 2%
- Final Mile revenues (11% of Logistics revenues) decreased 12%
- Truckload Logistics shipments decreased 2% Y/Y but increased 2% sequentially
- Werner PowerLinkSM volumes increased >20% Y/Y and low single digits sequentially
- Lower adjusted operating margin Y/Y due to a competitive pricing environment and lower volumes partially offset with OpEx improvement

COST SAVINGS PROGRAM GENERATING SIGNIFICANT SAVINGS ACROSS MULTIPLE YEARS

2023 & 2024



2025



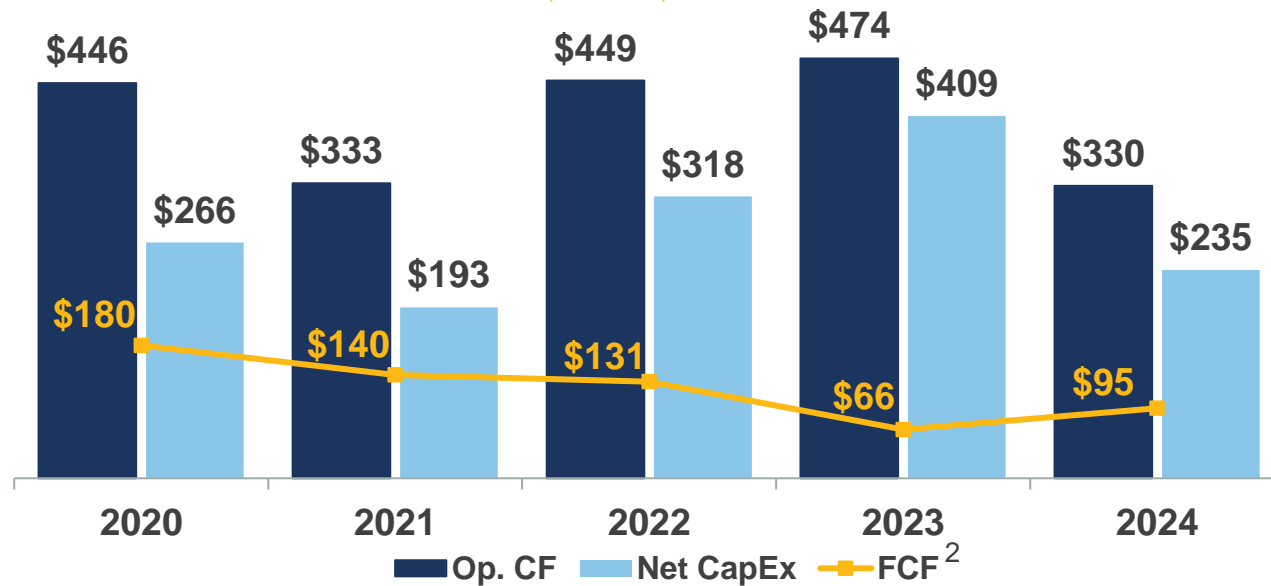
2025 COST CONTAINMENT FOCUS

- >60% structural and sustainable
- Disciplined approach through:
 - Operational Innovation
 - M&A Integration
 - Leveraging Technology
- >65% of 2025 from new initiatives
- Beginning to see synergies from improved technology and systems

STRONG CAPITAL & CASH FLOW GENERATION

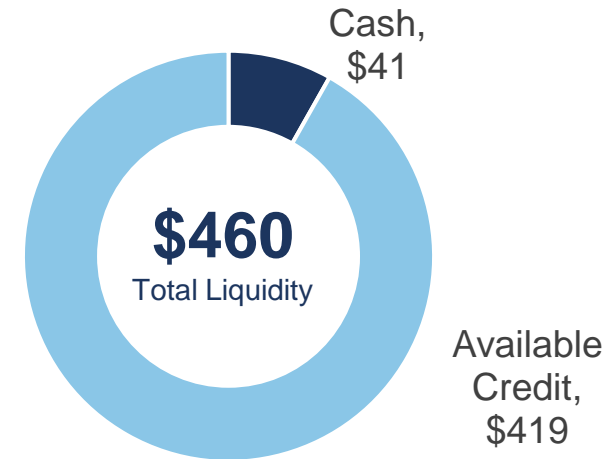
CASH FLOW

(\$ millions)



LIQUIDITY¹

(\$ millions)



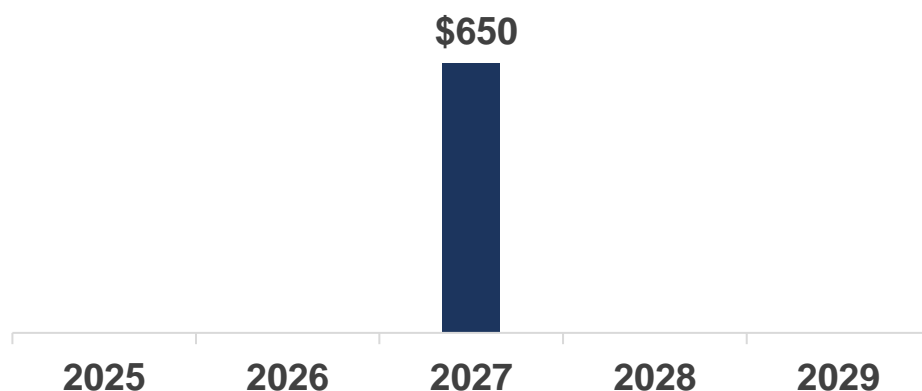
SOLID CASH FLOW & LIQUIDITY

- Solid quarterly operating cash flow of \$71M for the quarter and \$330M for the full-year
- Maintaining very strong liquidity
- Low net CapEx, down \$174M or 43% Y/Y
- Strong free cash flow of 3% of revenues, up 110 bps YTD

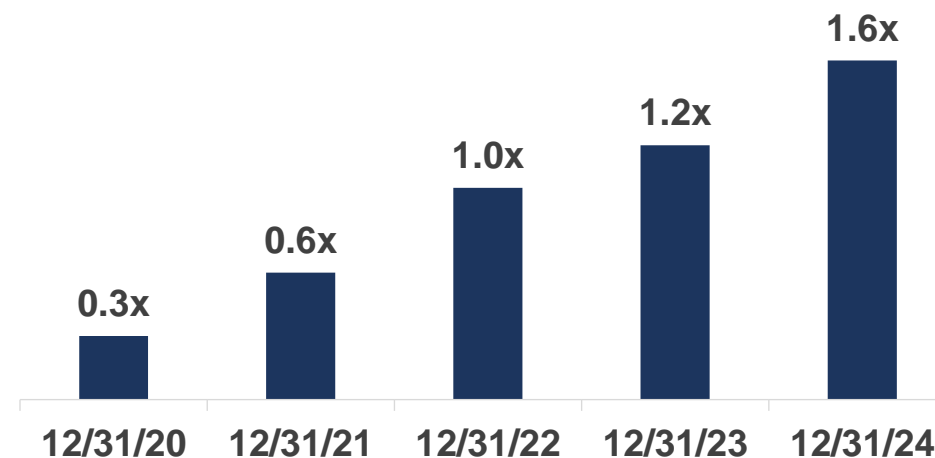
FLEXIBLE DEBT AND LOW LEVERAGE

DEBT MATURITY SCHEDULE

(\$ millions)



NET DEBT TO LTM EBITDA¹



HEALTHY BALANCE SHEET

- \$650M Debt; down \$40M sequentially and up <1% Y/Y
- Long-term, low-cost capital structure
- 55% effectively-fixed rate debt
- Slightly higher leverage of 1.6x driven by EBITDA margin compression

DISCIPLINED CAPITAL ALLOCATION

STRATEGIC PRIORITIES

Reinvestment for Long-Term Growth

- Reinvestments to maintain low-age, safe and modern trucks and trailers
- Growth investments, including Technology and Terminals

Return Capital to Shareholders

- Quarterly dividends since 1987
- Increasing dividends (11% 1Q21, 20% 2Q21, 8% 2Q22 and 8% 2Q23)
- 3.9M shares remaining under board approved share repurchase program

Synergistic & Accretive Acquisitions

- Align with growth pillars of Werner portfolio
- Deliver value and growth; accretive to earnings
- Align safety-centric cultures and retain experienced management team

Maintain Strong & Flexible Financial Position

- Liquidity of \$460M, Debt of \$650M, Equity of \$1,456M (as of 12/31/24)
- Maintain low and modest net leverage, 1.6x (as of 12/31/24)

CAPEX REINVESTMENT FOR GROWTH

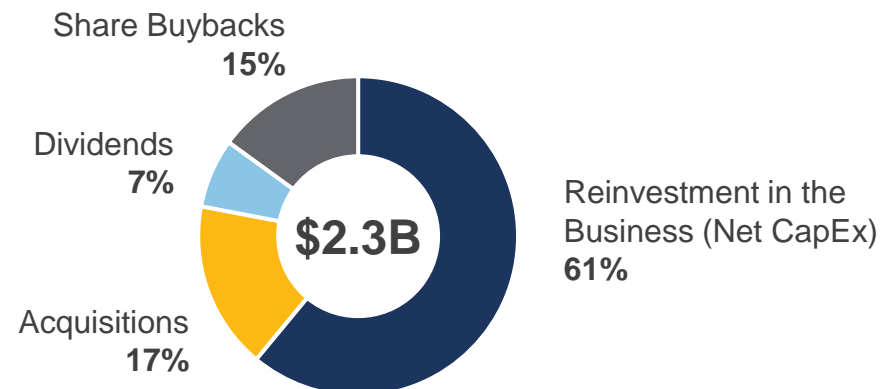
2025 Net CapEx Priorities:

- Ongoing strategic reinvestment, although lower than historical ranges
- Track-record of reinvestment while maintaining a low-mile modern fleet

Historical Fleet Reinvestment vs. Growth:

- ~75-80% allocated to trucks and trailers, net of fleet sales
- ~20-25% allocated to technology, terminals, real estate and driver schools

CAPITAL ALLOCATION HISTORY 2020-2024



INTRODUCING 2025 GUIDANCE

	2024 Guidance (as of 10/29/24)	2024 Actual (as of 12/31/24)	2025 Guidance (as of 2/6/25)
2025 GUIDANCE			
TTS Truck Count from BoY to EoY	(8)% to (6)% (annual)	(7)% (2024)	1% to 5% (annual)
Net Capital Expenditures	\$240M to \$260M (annual)	\$235M (2024)	\$185M to \$235M (annual)
TTS GUIDANCE			
Dedicated RPTPW ¹ Growth	0% to 3% (annual)	1.1% (2024)	0% to 3% (annual)
One-Way Truckload RPTM ¹ Growth	0% to 3% (4Q24 vs. 4Q23)	3.3% (4Q24 vs. 4Q23)	1% to 4% (1H25 vs. 1H24)
ASSUMPTIONS			
Effective Income Tax Rate	25.5% to 26.5% (annual)	21.0% (2024)	25.0% to 26.0% (annual)

2025 MODELING ASSUMPTIONS

- **Annual net interest expense** expected to be flat, but \$3M to \$5M higher in 1H25 then approximately the same amount lower in 2H primarily from lower effective interest rates
- **Gains on sale of property and equipment** stabilizes at low levels with improvement in 2H. Planning to sell fewer tractors and trailers at improving unit gains, resulting in full year equipment gains of \$8M to \$18M
- **One fewer business day in 1Q25** vs. prior year periods

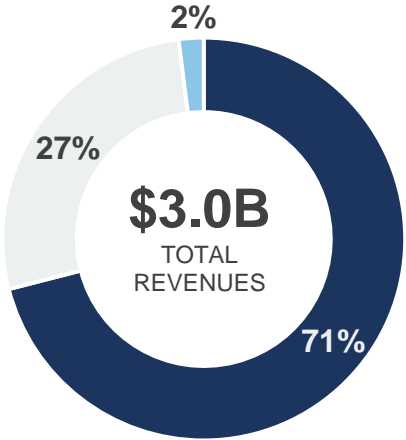


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APPENDIX

REVENUES SNAPSHOT

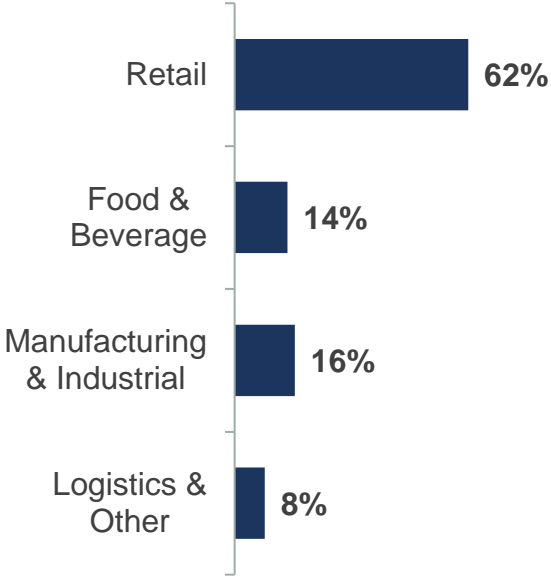
2024 REVENUES
BY SEGMENT



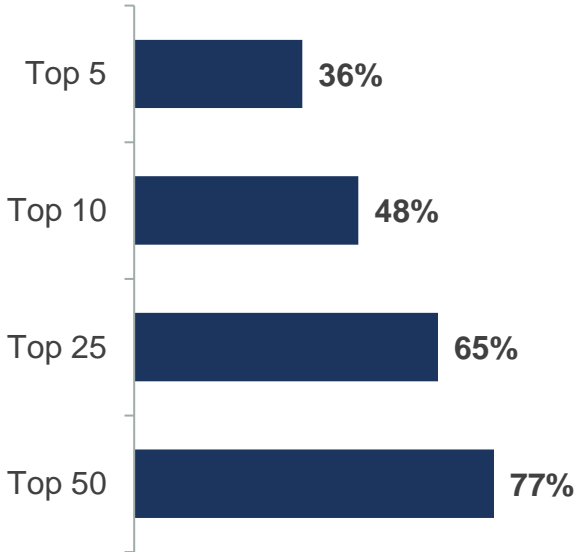
- Truckload Transportation Services (TTS)
- Werner Logistics
- Driver Training Schools and Other

2024 REVENUES
BY VERTICAL

Top 50 Customers



2024 REVENUES
BY CUSTOMER



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 December 31,						Year Ended December 31,			
	2022		2023		2024		2023		2024	
	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.
Operating income and operating margin — (GAAP)	\$ 88,381	10.3%	\$ 37,932	4.6%	\$ 13,354	1.8%	\$ 176,416	5.4%	\$ 66,148	2.2%
Non-GAAP adjustments:										
Insurance and claims ⁽²⁾	1,387	0.1%	1,457	0.2%	1,511	0.2%	5,664	0.2%	4,460	0.1%
Acquisition expenses ⁽³⁾	613	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Gain on sale of real estate ⁽⁴⁾	-	0.0%	-	0.0%	(5,135)	-0.7%	-	0.0%	(6,965)	-0.2%
Amortization of intangible assets ⁽⁵⁾	2,036	0.2%	2,517	0.3%	2,517	0.3%	10,325	0.3%	10,070	0.3%
Contingent consideration adjustment ⁽⁶⁾	(2,500)	-0.3%	(2,700)	-0.3%	-	0.0%	(2,700)	-0.1%	-	0.0%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	\$ 89,917	10.4%	\$ 39,206	4.8%	\$ 12,247	1.6%	\$ 189,705	5.8%	\$ 73,713	2.4%

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

	Quarter Ended December 31,						Year Ended December 31,			
	2022		2023		2024		2023		2024	
	\$	Diluted EPS	\$	Diluted EPS	\$	Diluted EPS	\$	Diluted EPS	\$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	\$ 60,166	\$ 0.94	\$ 23,573	\$ 0.37	\$ 11,891	\$ 0.19	\$ 112,382	\$ 1.76	\$ 34,233	\$ 0.55
Non-GAAP adjustments:										
Insurance and claims ⁽²⁾	1,387	0.02	1,457	0.02	1,511	0.02	5,664	0.09	4,460	0.07
Acquisition expenses ⁽³⁾	613	0.01	-	-	-	-	-	-	-	-
Gain on sale of real estate ⁽⁴⁾	-	-	-	-	(5,135)	(0.08)	-	-	(6,965)	(0.11)
Amortization of intangible assets, net of amount attributable to noncontrolling interest ⁽⁵⁾	1,864	0.03	2,345	0.04	2,345	0.04	9,637	0.15	9,382	0.15
Contingent consideration adjustment ⁽⁶⁾	(2,500)	(0.04)	(2,700)	(0.04)	-	-	(2,700)	(0.04)	-	-
Loss (gain) on investments in equity securities, net ⁽⁷⁾	2,208	0.04	242	-	(8,157)	(0.13)	278	0.01	(7,930)	(0.13)
Loss (earnings) from equity method investment ⁽⁸⁾	-	-	92	-	(535)	(0.01)	1,046	0.02	(556)	(0.01)
Income tax effect of above adjustments ⁽⁹⁾	(898)	(0.01)	(370)	-	2,827	0.05	(3,586)	(0.06)	456	0.01
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	\$ 62,840	\$ 0.99	\$ 24,639	\$ 0.39	\$ 4,747	\$ 0.08	\$ 122,721	\$ 1.93	\$ 33,080	\$ 0.53

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

Non-GAAP Free Cash Flow ^{(1), (10)}

	Year Ended December 31,					
	2019	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$	\$
Net cash provided by operating activities — (GAAP)	\$ 426,644	\$ 445,909	\$ 332,819	\$ 448,711	\$ 474,366	\$ 329,734
Non-GAAP adjustments:						
Additions to property and equipment, net of proceeds from the sale of property and equipment	(283,875)	(266,241)	(193,049)	(317,579)	(408,698)	(234,887)
Non-GAAP Free cash flow	\$ 142,769	\$ 179,668	\$ 139,770	\$ 131,132	\$ 65,668	\$ 94,847

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

Non-GAAP Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA); Non-GAAP Net Debt; and Non-GAAP Net Debt to EBITDA Ratio ^{(1), (11)}

	Year Ended December 31,				
	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
Net income — (GAAP)	\$ 169,078	\$ 261,478	\$ 245,580	\$ 112,290	\$ 33,570
Add:					
Depreciation and amortization	263,286	267,700	279,923	299,509	290,405
Interest expense	4,215	4,423	11,828	33,535	39,212
Income tax expense	55,616	84,537	79,206	35,491	8,912
Non-GAAP EBITDA	<u>\$ 492,195</u>	<u>\$ 618,138</u>	<u>\$ 616,537</u>	<u>\$ 480,825</u>	<u>\$ 372,099</u>

	As of December 31,				
	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
Current portion of long-term debt	\$ 25,000	\$ 5,000	\$ 6,250	\$ 2,500	\$ 20,000
Long-term debt	175,000	422,500	687,500	646,250	630,000
Total Debt — (GAAP)	200,000	427,500	693,750	648,750	650,000
Less:					
Cash and cash equivalents	29,334	54,196	107,240	61,723	40,752
Non-GAAP Net debt	<u>\$ 170,666</u>	<u>\$ 373,304</u>	<u>\$ 586,510</u>	<u>\$ 587,027</u>	<u>\$ 609,248</u>
Net debt to EBITDA Ratio — (non-GAAP)	<u>0.3x</u>	<u>0.6x</u>	<u>1.0x</u>	<u>1.2x</u>	<u>1.6x</u>

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 December 31,						Year Ended December 31,			
	2022		2023		2024		2023		2024	
	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.
Operating income and operating margin — (GAAP)	\$ 80,341	12.7%	\$ 34,339	5.9%	\$ 11,721	2.2%	\$ 169,330	7.0%	\$ 75,166	3.3%
Non-GAAP adjustments:										
Insurance and claims ⁽²⁾	1,387	0.2%	1,457	0.3%	1,511	0.3%	5,664	0.3%	4,460	0.2%
Amortization of intangible assets ⁽⁵⁾	1,376	0.2%	1,369	0.2%	1,369	0.3%	5,459	0.2%	5,476	0.2%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	<u>\$ 83,104</u>	<u>13.1%</u>	<u>\$ 37,165</u>	<u>6.4%</u>	<u>\$ 14,601</u>	<u>2.8%</u>	<u>\$ 180,453</u>	<u>7.5%</u>	<u>\$ 85,102</u>	<u>3.7%</u>

Non-GAAP Adjusted Operating Expenses and Non-GAAP Adjusted Operating Ratio ⁽¹⁾

	Quarter Ended December 31,					
	2022		2023		2024	
	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.
Operating expenses and operating ratio — (GAAP)	\$ 554,446	87.3%	\$ 545,754	94.1%	\$ 515,574	97.8%
Non-GAAP adjustments:						
Insurance and claims ⁽²⁾	(1,387)	-0.2%	(1,457)	-0.3%	(1,511)	-0.3%
Amortization of intangible assets ⁽⁵⁾	(1,376)	-0.2%	(1,369)	-0.2%	(1,369)	-0.3%
Non-GAAP adjusted operating expenses and non-GAAP adjusted operating ratio	<u>\$ 551,683</u>	<u>86.9%</u>	<u>\$ 542,928</u>	<u>93.6%</u>	<u>\$ 512,694</u>	<u>97.2%</u>

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

Non-GAAP Adjusted Operating Revenues, Net of Fuel Surcharge; Non-GAAP Adjusted Operating Expenses, Net of Fuel Surcharge; Non-GAAP Adjusted Operating Margin, Net of Fuel Surcharge; and Non-GAAP Adjusted Operating Ratio, Net of Fuel Surcharge ⁽¹⁾

	Quarter Ended December 31,			Year Ended December 31,		
	2022	2023	2024	2022	2023	2024
	\$	\$	\$	\$	\$	\$
Operating revenues — (GAAP)	\$ 634,787	\$ 580,093	\$ 527,295	\$ 2,428,686	\$ 2,310,810	\$ 2,138,293
Less: Trucking fuel surcharge ⁽¹²⁾	(109,611)	(84,675)	(57,565)	(419,240)	(332,388)	(263,263)
Operating revenues, net of fuel surcharge — (Non-GAAP)	525,176	495,418	469,730	2,009,446	1,978,422	1,875,030
Operating expenses — (GAAP)	554,446	545,754	515,574	2,134,131	2,141,480	2,063,127
Non-GAAP adjustments:						
Trucking fuel surcharge ⁽¹²⁾	(109,611)	(84,675)	(57,565)	(419,240)	(332,388)	(263,263)
Insurance and claims ⁽²⁾	(1,387)	(1,457)	(1,511)	(5,394)	(5,664)	(4,460)
Amortization of intangible assets ⁽⁵⁾	(1,376)	(1,369)	(1,369)	(3,953)	(5,459)	(5,476)
Non-GAAP adjusted operating expenses, net of fuel surcharge	442,072	458,253	455,129	1,705,544	1,797,969	1,789,928
Non-GAAP adjusted operating income	\$ 83,104	\$ 37,165	\$ 14,601	\$ 303,902	\$ 180,453	\$ 85,102
Non-GAAP adjusted operating margin, net of fuel surcharge	15.8%	7.5%	3.1%	15.1%	9.1%	4.5%
Non-GAAP adjusted operating ratio, net of fuel surcharge	84.2%	92.5%	96.9%	84.9%	90.9%	95.5%

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

Non-GAAP Adjusted Operating Revenues, Less Purchased Transportation Expense ⁽¹⁾

	Quarter Ended December 31,					
	2022		2023		2024	
	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.
Operating revenues — (GAAP)	\$ 213,485	100.0%	\$ 226,963	100.0%	\$ 213,169	100.0%
Non-GAAP adjustment:						
Purchased transportation expense ⁽¹³⁾	(174,463)	-81.7%	(193,132)	-85.1%	(181,735)	-85.3%
Non-GAAP adjusted operating revenues, less purchased transportation expense	<u>\$ 39,022</u>	<u>18.3%</u>	<u>\$ 33,831</u>	<u>14.9%</u>	<u>\$ 31,434</u>	<u>14.7%</u>

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

	Quarter Ended December 31,					
	2022		2023		2024	
	\$	% of Op. Rev.	\$	% of Op. Rev.	\$	% of Op. Rev.
Operating income and operating margin — (GAAP)	\$ 9,868	4.6%	\$ 4,575	2.0%	\$ 1,243	0.6%
Non-GAAP adjustments:						
Amortization of intangible assets ⁽⁵⁾	660	0.3%	1,148	0.5%	1,148	0.5%
Contingent consideration adjustment ⁽⁶⁾	(2,500)	-1.1%	(2,700)	-1.2%	-	0.0%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	<u>\$ 8,028</u>	<u>3.8%</u>	<u>\$ 3,023</u>	<u>1.3%</u>	<u>\$ 2,391</u>	<u>1.1%</u>

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(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 free cash flow; non-GAAP EBITDA; non-GAAP net debt; non-GAAP adjusted operating revenues, net of fuel surcharge; non-GAAP adjusted operating revenues, less purchased transportation expense; 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 net cash provided by operating activities; GAAP net income; GAAP total debt; 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, excluding months where the plaintiffs requested an extension of time to respond to our petition for review. 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) 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.

(4) During 2024, we sold three parcels of real estate which resulted in a \$7.0 million net 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.

(5) 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.

(6) Contingent consideration, also referred to as earnout, adjustments related to our business acquisitions are excluded because management does not believe these adjustments are indicative of our core operating performance. These adjustment are recorded in other operating expense in our Income Statement and are included in our Werner Logistics segment.

(7) Represents non-operating mark-to-market adjustments for gains/losses on our minority equity investments, which we account for under Accounting Standards Codification ("ASC") 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.

(8) Represents earnings/losses from our equity method investment, which we account for under ASC 323, *Investments - Equity Method and Joint Ventures*. Management believes excluding the effect of earnings/losses from our equity method investment provides a more useful comparison of our performance from period to period.

(9) 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 2024 has been updated to reflect the annual incremental income tax rate.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(10) We consider free cash flow (net cash provided by operating activities less net expenditures for property and equipment) to be a useful measure of our liquidity. We believe it is a more conservative measure of cash flow since capital expenditures are necessary for ongoing operations. Free cash flow does not represent residual cash flows available for discretionary expenditures, as the measure does not deduct the payments required for debt service and other contractual obligations. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our consolidated statements of cash flows.

(11) We consider EBITDA to be an important measure of our financial performance and of our ability to generate cash flows to service debt obligations, fund capital expenditures and fund other corporate investing and financing activities. EBITDA eliminates the non-cash effect of depreciation and amortization. Net debt is used in our net debt to EBITDA ratio. We believe the net debt to EBITDA ratio is useful in evaluating our ability to service our debt.

(12) 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.

(13) Management believes excluding purchased transportation expense from Werner Logistics operating revenues provides a useful measurement of our ability to source and sell services provided by third parties.

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