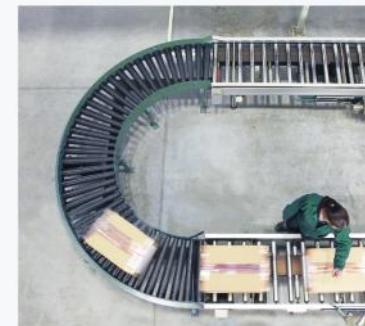




Hub Group Overview

Investor Presentation

AUGUST 2024



DISCLOSURE

CERTAIN FORWARD-LOOKING STATEMENTS

Statements in this press release that are not historical facts are forward looking statements, provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that might cause the actual performance of Hub Group to differ materially from those expressed or implied by this discussion and, therefore, should be viewed with caution. Further information on the risks that may affect Hub Group's business is included in filings it makes with the SEC from time to time, including those discussed under the "Risk Factors" section in Hub Group's most recently filed periodic reports on Form 10 K and Form 10 Q and subsequent filings Hub Group assumes no obligation to update any such forward looking statements.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures, including EBITDA, net debt/EBITDA, Free Cash Flow, and Cash EPS. Reconciliations of these measures to the comparable GAAP measures are set forth in the Appendix to this presentation.

We believe these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP. Specifically, we believe these non-GAAP financial measures (a) allow management and investors to better assess our performance by removing volatility that we believe is associated with discrete items that are either larger than anticipated or non-recurring, and (b) enable a more complete understanding of factors and trends affecting our business.

Non-GAAP financial measures, however, have inherent limitations, are not required to be uniformly applied, and are not audited. Accordingly, these non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and we strongly encourage investors to review the GAAP financial measures included in this presentation and in our public filings with the SEC that are referenced above and not to place undue reliance upon any single financial measure. In addition, because non-GAAP financial measures are not standardized, it may not be possible to compare the non-GAAP financial measures in this presentation with other companies' non-GAAP financial measures having the same or similar names. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use.

You should assume that all numbers presented are unaudited unless otherwise noted.

All trademarks, service marks and company names are the property of their respective owners.



HUB GROUP OVERVIEW

Who We Are

Hub Group is a leading supply chain solutions provider offering Intermodal transportation and Logistics services to a wide range of shippers across the retail, consumer products, durable goods and automotive verticals.

Mission

Drive performance through exceptional service and innovative solutions.

Vision

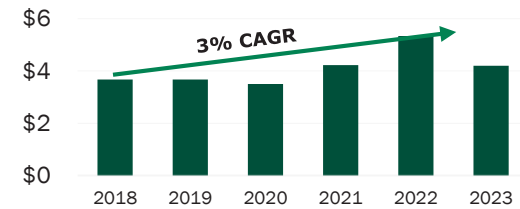
Deliver the premier supply chain solution.

Core Values

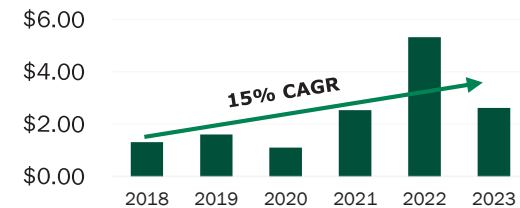
Service, Integrity, and Innovation.

¹Represents a non-GAAP financial measure; See Appendix for reconciliation to the most comparable measure under GAAP

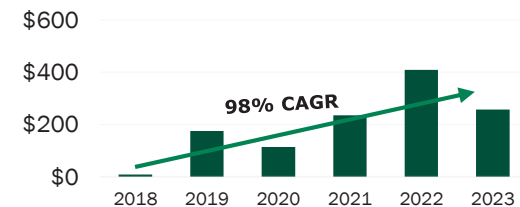
Revenue
(\$ in bn)



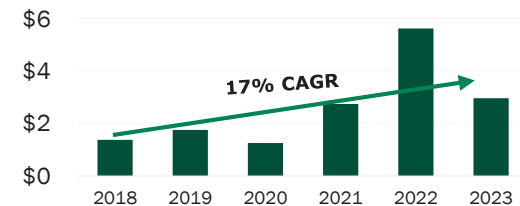
Diluted EPS



EBITDA-CapEx¹
(\$ in mm)



Cash EPS¹

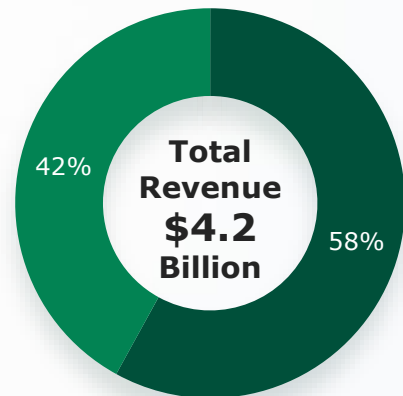


Two Segments that Serve Diverse Set of Customers

Revenue by Segment

(% of total revenue)

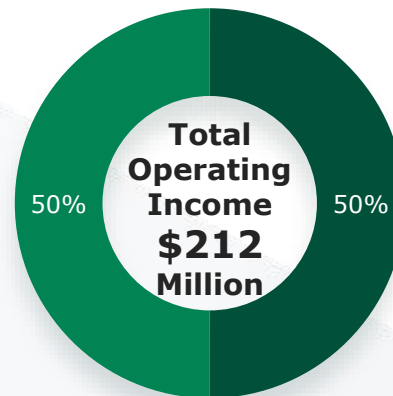
FY 2023



■ Intermodal & Transportation Solutions
■ Logistics

Operating Income by Segment

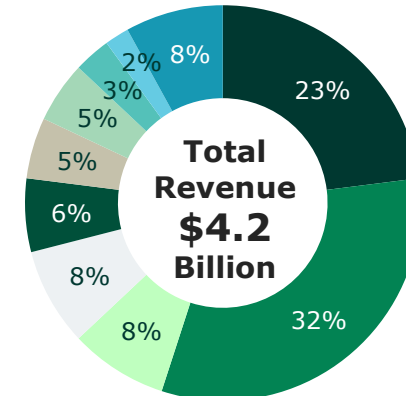
FY 2023



■ Intermodal & Transportation Solutions
■ Logistics

Customer Diversification

FY 2023



■ Mass & Specialty Retail
■ Consumer Products
■ E-Commerce
■ Durable Goods
■ Discount Retail
■ Automotive
■ Paper Products
■ Beverage, Wine & Spirits
■ Healthcare
■ Other

Intermodal & Transportation Solutions (ITS)

- **Intermodal:** A market leader with ~50,000 containers including ~900 refrigerated containers
- **Dedicated:** Top 20 business offering high service and regional density

Logistics

- **Brokerage:** Full range of offerings including dry van, refrigerated, expedited, LTL, and Flatbed
- **Managed Transportation:** Non-asset solutions with \$1B of LTL freight under management
- **Final Mile:** Non-asset operations with national coverage delivering appliances and other big and bulky goods
- **Consolidation & Fulfillment:** ~10M sq. ft. of capacity across the U.S. providing significant savings by consolidating LTL into TL



Intermodal & Transportation Solutions (ITS)



Intermodal

- Leader in the intermodal industry with approximately 50,000 containers including 900 refrigerated containers with award-winning service levels
- High service, nationwide door to door transportation offering value, visibility, and reliability in both transcontinental and local lanes
- Long-term rail provider relationship, primarily Union Pacific and Norfolk Southern
- Award-winning nationwide transportation in transcontinental and local lanes
- Approximately 2,900 drivers and 2,200 tractors supporting Intermodal and Dedicated, as well as over 4,300 trailers



Dedicated

- Top 20 dedicated trucking operation offering high service, primarily for leading retailers and consumer goods companies
- Young, well-maintained fleet of ~900 tractors delivering operational efficiencies
- Nationwide presence with particular strength in west coast markets
- Equipment, drivers, and support services shared between drayage and dedicated operations, enabled by technology



Logistics Segment



Brokerage

- Full range of offerings including dry van, refrigerated, expedited, LTL, and Flatbed
- Superior service levels
- Focused on contract, spot and projects
- Best-in-class, proprietary operating technology



Managed Transportation

- Non-asset transportation management and technology solutions
- Contractual, high value add service with an attractive customer value proposition
- Delivers customers savings, visibility, technology, and the benefits of scale
- Important source of freight for our Intermodal and Brokerage service lines
- \$1bn of LTL freight under management



Final Mile

- Delivers appliances and other big and bulky goods, including appliance installations to residences in every U.S. zip code
- Operates through a large national network of leased, third party and customer-owned facilities
- Non-asset operations utilizing independent service providers
- High service delivery offering



Consolidation & Fulfillment

- Multi-service offering including e-commerce fulfillment, transloading, consolidation, and specialty warehousing
- Nationwide network with ~10M sq. ft. of capacity
- Offers high service and value to consumer goods businesses serving multiple channels
- Consolidates pallets into full truckloads, offering significant savings relative to traditional LTL



Key Tenets of Our Strategy

1. Provide best-in-class customer service to drive organic growth
2. Invest in core business to improve efficiencies and cost structure
3. Deepen customer relationships by diversifying service offerings
4. Advance technology with intelligent automation
5. Cultivate a culture of service, integrity and innovation
6. Increase shareholder value by generating strong cash flow and executing our capital allocation plan





HUB GROUP OVERVIEW

Q2 2024 Performance

hubgroup.com

Highlights

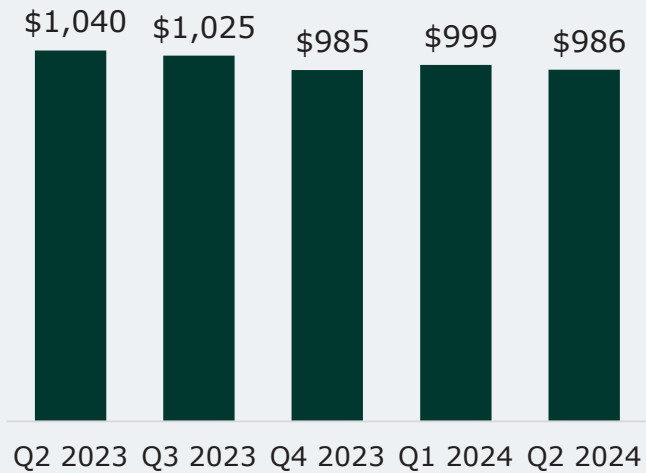
- Diluted earnings per share (EPS) of \$0.47 for the quarter
- Second quarter revenue of \$1.0 billion
- Quarterly operating income of \$40 million or 4.0% of revenue
- Executing on Capital Allocation Plan by returning \$48 million to shareholders year-to-date through dividend payments of \$15 million and stock repurchases of \$33 million
- Strong balance sheet with cash and cash equivalents of \$220 million and Net Debt/EBITDA¹ of 0.3x as of June 30, 2024
- Awarded Domestic Partner of the Year by Target®

¹Represents a non-GAAP financial measure; See Appendix for reconciliation to the most comparable measure under GAAP

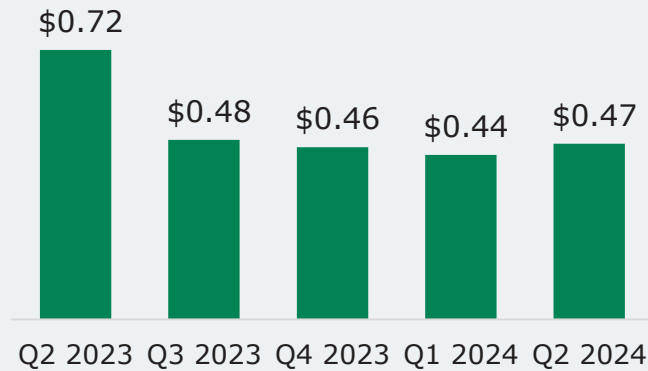


Q2 2024 Consolidated Financial Results

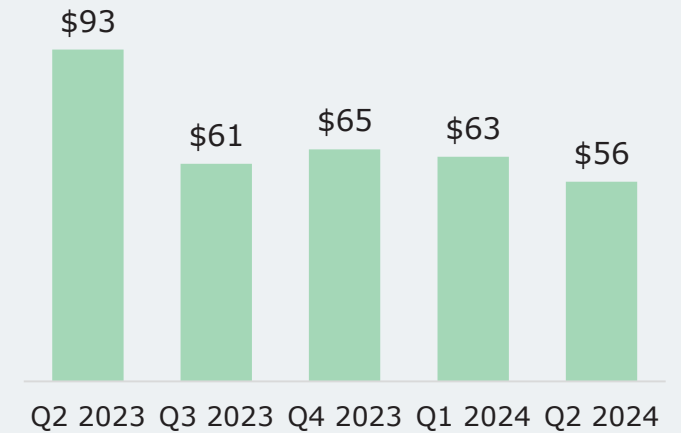
Revenue
(\$ in millions)



Diluted EPS



Free Cash Flow¹
(\$ in millions)



¹Represents a non-GAAP financial measure; See Appendix for reconciliation to the most comparable measure under GAAP



Intermodal & Transportation Solutions

ITS REVENUE

\$561
MILLION

9%

OPERATING INCOME

\$14 | **2.4%**
MILLION | OF REVENUE

REVENUE BY SERVICE



- Intermodal Q2 volume growth of 8% year-over-year and 12% over the first quarter
- Strong Q2 volume growth in the Local East of 26% and in Mexico of 60%
- Driver productivity improved 15% year-over-year and repositioning costs reduced by nearly 25%
- Margin per day focused bid plan is enabling better balanced growth which is leading to cost reductions

Intermodal Highlights

VOLUME GROWTH	YoY
Total	8%
Transcon	1%
Local East	26%
Local West	-3%



Q2 2024 PERFORMANCE

Logistics Segment

LOGISTICS REVENUE

\$459
MILLION

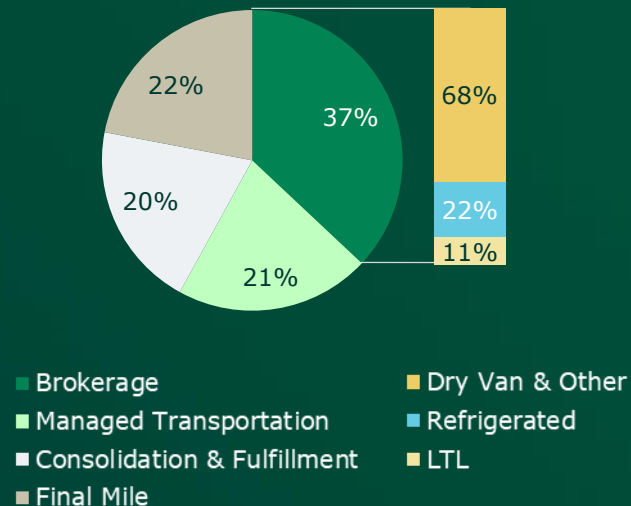
↑ 1%

OPERATING INCOME

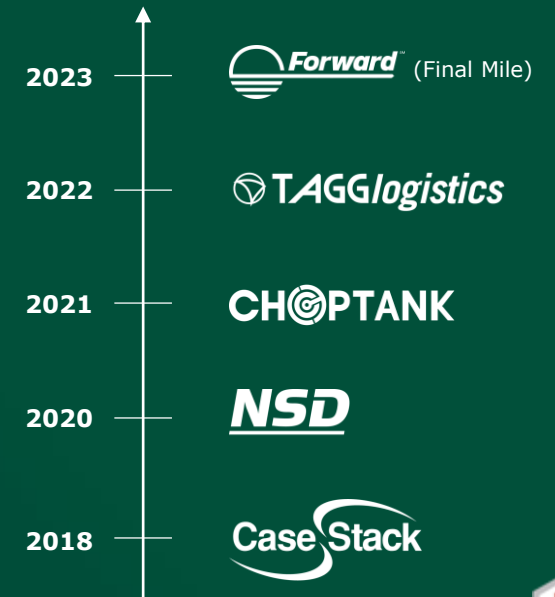
\$26 | **5.6%**
MILLION | OF REVENUE

- Operating margin improvement of 60 basis points over the first quarter
- Strong revenue growth in Final Mile more than offset lower revenue in Brokerage
- Brokerage improved revenue per load by 300+ basis points over Q1
- LTL volume growth up 18% in Q2 offsetting the challenges of the broader truckload environment

REVENUE BY SERVICE Q2 2024



Acquisitions to Expand Offering & Build Scale



Q2 2024 Financial Information by Segment

Intermodal & Transportation Solutions Segment	(\$ in thousands)	Q1 2024	Q2 2024	YTD 2024	Q2 2023
	Revenue	\$552,033	\$561,033	\$1,113,066	\$614,632
	% Growth	-22.2%	-8.7%	-16%	
	Operating Income	\$13,031	\$13,639	\$26,670	\$31,777
	% Margin	2.4%	2.4%	2.4%	5.2%
Logistics Segment	(\$ in thousands)	Q1 2024	Q2 2024	YTD 2024	Q2 2023
	Revenue	\$480,224	\$459,088	\$939,312	\$453,549
	% Growth	2.4%	1.2%	2%	
	Operating Income	\$24,108	\$25,889	\$49,997	\$30,293
	% Margin	5.0%	5.6%	5.3%	6.7%
Consolidated	(\$ in thousands)	Q1 2024	Q2 2024	YTD 2024	Q2 2023
	Revenue	\$999,493	\$986,495	\$1,985,988	\$1,040,462
	% Growth	-13.3%	-5.2%	-9%	
	Operating Income	\$37,139	\$39,528	\$76,667	\$62,070
	% Margin	3.7%	4.0%	3.9%	6.0%
	EBITDA ¹	\$86,574	\$88,957	\$175,531	\$107,803
	Free Cash Flow ¹	\$62,992	\$56,218	\$119,210	\$93,216

¹Represents a non-GAAP financial measure; See Appendix for reconciliation to the most comparable measure under GAAP



Balance Sheet as of June 30, 2024

Assets

Cash & Equivalents	\$220
Other Current Assets	\$617

Total Current Assets **\$837**

Property, Plant & Equipment, net	\$760
Goodwill & Intangible Assets	\$1,020
Other Assets	\$242

Total Assets **\$2,859**

Liabilities & Stockholders' Equity

Accounts Payable	\$350
Accrued Expenses	\$141
Current Operating Leases	\$40
Current Portion of Debt & Financing Leases	\$104

Total Current Liabilities **\$635**

Non-Current Portion of Operating Leases	\$164
Non-Current Portion of Debt & Financing Leases	\$211
Other Liabilities	\$208

Total Liabilities **\$1,218**

Total Stockholders' Equity	\$1,641
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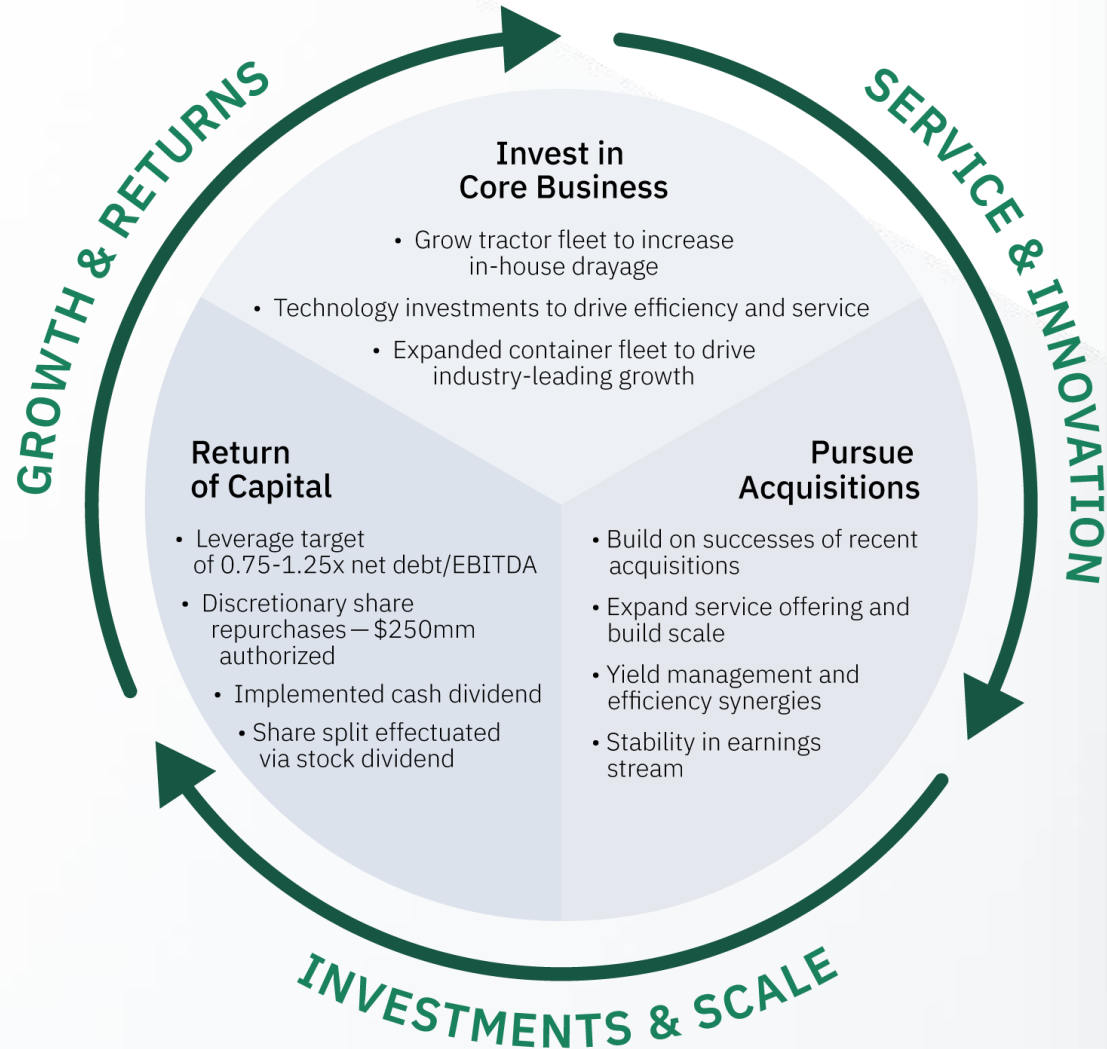
Total Liabilities & Stockholders' Equity **\$2,859**

Highlights

- Cash balance of over \$220M
- Strong Q2 free cash flow generation of \$56M
- Total debt of \$315M
- Net Debt of \$94M
- Net Debt/EBITDA of 0.3x
- Nearly \$350M of availability on credit facility
- Capital efficient – net PP&E of \$93M or 2.3% of LTM revenue



Where We Are Going



Capital Allocation Plan in Action

Return of Capital

Returned \$48M to shareholders year-to-date through dividends payments of ~\$15M and stock repurchases of ~\$33M

Invest in Core Business

Capital Expenditures of \$14M in Q2 2024 or \$31M year-to-date for tractors, warehouse equipment and technology

Pursue Acquisitions

Purchased Forward Air Final Mile for \$261M in Q4 2023 to strengthen our Final Mile line of business





HUB GROUP OVERVIEW

The Way Ahead

hubgroup.com

THE WAY AHEAD

Outlook

2024 Guidance

- ITS assumes Intermodal volume growth of high-single digits with pricing down mid-single digits and Dedicated revenue growth of low-single digits
- Logistics segment expects total revenue growth of mid-to-high single digits. Logistics, excluding Brokerage, revenue is expected to grow low-to-mid double digits and Brokerage volume growth of low-single digits for the full year
- Revenue of \$4.0 to \$4.3 billion
- Full year tax rate of approximately 24%
- Diluted EPS of \$1.75 to \$2.05
- Capital expenditures of \$45 to \$65 million to support technology investments, warehouse equipment, and tractor fleet replacements that have reached end of life

Long-Term Outlook

- Accelerating growth in Intermodal driven by high service positioning, investments in equipment and over-the-road conversions
- Expanded Logistics offering through cross-selling, innovative new service offerings, and acquisition-led growth opportunities
- Continued focus on yields and operating efficiency, enabled by technology investments
- Sustainable improvements in profit margins and return on invested capital
- Invest to grow our business while executing on return of capital strategy



THE WAY AHEAD

Why Invest in Hub Group?

- Proven track record of success over the long term
- Comprehensive and diversified supply chain solutions provider
- Management team with decades of relevant experience
- Disciplined financial management
 - Investment grade balance sheet
 - Stewards of capital
 - Quarterly cash dividends
- Balanced approach to capital allocation
 - Return on capital driven investment decisions
 - Proven acquisition strategy
 - Strong record of cash flow
- Significant increase in long term earnings potential



Domestic Partner
of the Year, 2023 Target
Outstanding Partnership
of the Year



2023 Intermodal Carrier of
the Year, Online Big & Bulky
Carrier of the Year, Dedicated
Van Carrier of the Year



2022 Lowe's
Intermodal Carrier
of the Year



KBX Logistics /
Georgia-Pacific
Intermodal Carrier of
the Year



2023 Penske
Logistics
Intermodal
Carrier Award



Hormel Supplier of
Excellence Award



ESG Highlights



Environmental

- Over 2.5 billion pounds of CO2 avoided in 2023 through use of Intermodal
- Full suite of multimodal solutions with lower CO2 emissions than some alternative approaches
- Hub Group fleet equipment
 - Average fleet age of tractors is 2.3 years
 - Full fleet of GPS-equipped intermodal containers
 - Investments in electric trucks underway



Social

- Cause Container charity program, supporting five partner charities: nearly \$700,000 in total donations per year as well as in-kind advertising for each partner charity organization
- Workforce diversity
 - 58% non-white employees including 74% of non-office positions
 - 38% female office employees including 27% in management



Governance

- Board of Directors diversity with 30% female and 10% non-white Directors
- Board independence:
 - 100% independent Board Committees (Audit, Compensation, and Nominating & Governance)
 - Lead Independent Director
- Established code of business conduct & ethics
- Executive compensation aligned with best practices



HUB GROUP OVERVIEW

Appendix

hubgroup.com

Hub Group, Inc.

Reconciliation of Net Income to EBITDA, EBITDA less CapEx and Cash EPS by Year

(\$ in 000s, except EPS)

	12 MONTHS ENDED DECEMBER 31,					
	2018	2019	2020	2021	2022	2023
Net Income	\$87,661	\$107,171	\$73,559	\$171,474	\$356,948	\$167,528
Interest Expense, net	\$8,252	\$8,891	\$9,343	\$7,302	\$6,632	\$3,424
Depreciation & Amortization of intangibles and right-of-use assets	\$83,910	\$116,888	\$123,679	\$130,629	\$153,726	\$184,449
Provision for Income Taxes	<u>\$29,064</u>	<u>\$36,699</u>	<u>\$22,541</u>	<u>\$59,436</u>	<u>\$111,010</u>	<u>\$41,676</u>
EBITDA²	\$208,887	\$269,649	\$229,122	\$368,841	\$628,316	\$397,077
Capital Expenditures	<u>\$199,791</u>	<u>\$94,847</u>	<u>\$115,306</u>	<u>\$132,952</u>	<u>\$219,140</u>	<u>\$140,068</u>
EBITDA less CapEx	\$9,096	\$174,802	\$113,816	\$235,889	\$409,176	\$257,009
Diluted EPS	\$1.31	\$1.60	\$1.10	\$2.53	\$5.32	\$2.62
Intangible Amortization for effected EPS	\$0.06	\$0.15	\$0.15	\$0.21	\$0.30	\$0.34
Cash EPS	\$1.37	\$1.75	\$1.25	\$2.74	\$5.62	\$2.96

²By providing this non-GAAP measure of EBITDA, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability for the periods presented. Includes depreciation of property and equipment, amortization of intangible assets and amortization of right-of-use assets.



Hub Group, Inc.

Reconciliation of Net Income to EBITDA and Net Debt / EBITDA Leverage

(\$ in 000s, except EPS)

	2024		2023			
	Q1	Q2	Q1	Q2	Q3	Q4
Net Income	\$27,053	\$29,015	\$61,780	\$46,505	\$30,459	\$28,785
Interest Expense, net	\$2,506	\$1,881	\$1,594	\$1,029	\$699	\$103
Depreciation & Amortization of intangibles and right-of-use assets	\$49,605	\$49,495	\$45,810	\$45,664	\$45,301	\$47,674
Provision for Income Taxes	<u>\$7,410</u>	<u>\$8,566</u>	<u>\$14,870</u>	<u>\$14,605</u>	<u>\$11,209</u>	<u>\$992</u>
EBITDA²	\$86,574	\$88,957	\$124,054	\$107,803	\$87,668	\$77,554
EBITDA LTM	\$359,599	\$340,753				
Net Debt	\$141,523	\$94,289				
Net Debt / EBITDA LTM	0.4	0.3				

Free Cash Flow Calculation

(\$ in 000s)

	2024		2023			
	Q1	Q2	Q1	Q2	Q3	Q4
Cash Flow from Operating Activities	\$80,516	\$69,949	\$89,375	\$132,006	\$101,296	\$99,481
Purchases of Property And Equipment	-\$17,524	-\$13,731	-\$26,845	-\$38,790	-\$40,032	-\$34,401
Total Free Cash Flow³	\$62,992	\$56,218	\$62,530	\$93,216	\$61,264	\$65,080

²By providing this non-GAAP measure of EBITDA, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability for the periods presented. Includes depreciation of property and equipment, amortization of intangible assets and amortization of right-of-use assets.





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Thank You

