

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 8, 2022

HUB GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-27754

(Commission File Number)

36-4007085

(I.R.S. Employer Identification No.)

**2000 Clearwater Drive
Oak Brook, Illinois 60523**

(Address of Principal Executive Offices) (Zip Code)

(630) 271-3600

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|----------------------|-------------------|---|
| Class A Common Stock | HUBG | NASDAQ |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On February 8, 2022, Hub Group, Inc. issued a press release announcing its fourth quarter 2021 results from operations. The press release is furnished as Exhibit 99.1 to this Form 8-K.

The information furnished in Item 2.02 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended, and shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d)Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--------------------|
|--------------------|--------------------|

| | |
|----------------------|--|
| 99.1 | Press release issued on February 8, 2022, announcing fourth quarter 2021 operating results for Hub Group, Inc. |
| 104 | The cover page from this Current Report on Form 8-K, formatted in Inline XBRL |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Hub Group, Inc.

Date: February 8, 2022

By: /s/ Geoffrey F. DeMartino
Geoffrey F. DeMartino
Executive Vice President, Chief Financial Officer and Treasurer

Hub Group, Inc. Reports Fourth Quarter and Full Year 2021 Results

Highlights:

- **Strong freight demand conditions, combined with the attractive value proposition of our service offerings, led to record quarterly revenue of \$1.3 billion, up 32% as compared to last year; full year revenue grew 21% to a record \$4.2 billion**
- **Record quarterly and annual gross margin of \$213 million (16.9% of revenue) and \$600 million (14.2%), respectively, driven by favorable pricing and yield management, combined with our continued focus on operating efficiency, resulted in fourth quarter and full year operating income margin of 9.3% and 5.6% of revenue, respectively**
- **Record diluted earnings per share (EPS) of \$2.48 in the quarter and \$5.06 for the full year**
- **Generated net income of \$84 million and EBITDA (non-GAAP)⁽¹⁾ of \$152 million in the quarter, and ended the year with solid liquidity and a conservative capital structure**
- **Introduced full year 2022 outlook, including expected revenue of \$4.9 - \$5.1 billion and diluted EPS of \$5.90 - \$6.30**

OAK BROOK, Ill., Feb. 08, 2022 (GLOBE NEWSWIRE) -- Hub Group, Inc. (NASDAQ:HUBG) announced fourth quarter 2021 net income of \$84 million, or diluted earnings per share of \$2.48. Net income for fourth quarter 2020 was \$22 million, or \$0.67 per diluted share.

“In our 50th year in business we delivered record revenue and profit as our organization continues to position itself to support our customers through innovative supply chain solutions. Revenue grew 32% in the quarter due to exceptionally strong freight demand. Our ongoing focus on yield improvement, operating efficiency and fixed cost leverage led to record profitability. We reported record quarterly diluted EPS of \$2.48, which is nearly four times the prior year’s EPS. As 2022 begins, we continue to see robust demand from our customers and favorable market conditions. We continue to make investments in our business to support our customers’ needs for capacity, service, and innovative solutions,” said Dave Yeager, Hub Group’s Chairman and Chief Executive Officer.

Fourth Quarter 2021 Results

Revenue for the fourth quarter of 2021 increased by 32% to \$1.3 billion compared with \$953 million in the fourth quarter of 2020. Gross margin for the quarter was 16.9% of revenue, as compared with 11.1% last year. Operating income was \$118 million (9.3% of revenue) versus \$31 million (3.3% of revenue) in 2020. EBITDA (non-GAAP)¹ for the quarter was \$152 million.

Fourth quarter intermodal revenue increased 25% to \$702 million due to a 37% increase in revenue per load, partially offset by a 9% decline in volume resulting from ongoing network fluidity challenges. Intermodal gross margin increased compared to the prior year as pricing and cost recovery more than offset increased purchased transportation costs and lower volume.

Dedicated revenue decreased 8% in the quarter compared to the prior year to \$62 million due to declines from existing customers and the impact of business we exited, partially offset by revenue from new customers. Dedicated gross margin decreased primarily due to lower revenue and higher driver costs, partially offset by lower insurance and claims expenses.

Fourth quarter logistics revenue increased 13% to \$224 million due to the growth of our final mile and consolidation services. Gross margin increased due to growth with existing customers, new business onboardings and yield management initiatives, partially offset by higher warehousing and transportation costs.

Truck brokerage revenue grew 112% in the quarter to \$268 million primarily due to the acquisition of Choptank Transport (“Choptank”) in October as well as from growth in revenue per load. Contractual freight represented 49% of total brokerage volume in the fourth quarter of 2021 as compared to 57% in 2020. Gross margin increased relative to fourth quarter 2020 due to the acquisition, higher revenue per load and growth in cross selling with our customers, partially offset by higher purchased transportation costs.

Costs and expenses increased to \$95 million in the fourth quarter of 2021 due to operating costs of our final mile and Choptank acquisitions, and higher compensation expense, partially offset by \$10 million of gain on the sale of equipment.

Capital expenditures for the fourth quarter of 2021 totaled \$49 million. At December 31, 2021, we had cash and cash equivalents of \$160 million.

Full Year 2021 Results

Full year net income was \$171 million, or diluted earnings per share of \$5.06. For the full year, revenue grew 21% to \$4.2 billion, and full year operating income was \$238 million. Operating income as a percentage of revenue for fiscal year 2021 was 5.6%.

2022 Outlook

We expect that our 2022 diluted earnings per share will range from \$5.90 to \$6.30. We estimate revenue will range from \$4.9 to \$5.1 billion, and that gross margin as a percentage of revenue will range from 13.9% to 14.3%. We estimate our costs and expenses will range from \$425 to \$445 million for the year. We project our effective tax rate for the year will be approximately 25%.

We expect capital expenditures for 2022 to range from \$240 to \$270 million. For 2022, we expect to order 6,550 containers, including 550 refrigerated containers, resulting in net growth of approximately 6,000 after retirements of containers that have reached end of life. We expect to receive over 750 tractors in 2022, including deliveries from our 2021 order, to replace older units and support growth in our drayage and dedicated fleets. We also expect to incur approximately \$40 million for IT investments and to complete the expansion of our headquarters facility.

Non-GAAP Financial Measure

In this press release, we present EBITDA, a non-GAAP financial measure of profitability defined as earnings before interest, taxes, depreciation and amortization. As required by the rules of the Securities and Exchange Commission (“SEC”), we have provided herein a reconciliation of this non-GAAP financial measure to Net Income, the most directly comparable measure under GAAP. Management believes that EBITDA provides relevant and useful information, which is used by our management as well as by many analysts, investors and competitors in our industry. By providing this non-GAAP measure, management intends to provide investors with a meaningful, consistent comparison of the Company’s profitability for the periods presented. EBITDA should be viewed in addition to, and not as an alternative to or substitute for, measures determined in accordance with GAAP, and is not necessarily comparable to non-GAAP measures that may be presented by other companies.

CONFERENCE CALL

Hub Group, Inc. will hold a conference call at 5:00 p.m. Eastern Time on February 8, 2022 to discuss our fourth quarter 2021 results.

Hosting the conference call will be Dave Yeager, Chairman and CEO. Also participating on the call will be Phil Yeager, President and Chief Operating Officer, and Geoff DeMartino, Executive Vice President, Chief Financial Officer and Treasurer.

This call is being webcast and can be accessed through the Investors link on Hub Group’s web site at www.hubgroup.com. The webcast is listen-only. Those interested in participating in the question and answer session should follow the telephone dial-in instructions below.

To participate in the conference call by telephone, please register at:

https://www.yourconferencecenter.com/confcenter/PinCode/Pin_Code.aspx?100374&o=UcNaSJujBcPGSa

Registrants will be issued a passcode and PIN to use when dialing into the live call which will provide quickest access to the conference. You may register at any time, including up to and after the call start time. On the day of the call, dial (888) 206-4064 approximately ten minutes prior to the scheduled call time; enter the participant passcode and PIN received during registration. The call will be limited to 60 minutes, including questions and answers.

An audio replay will be available through the Investors link on the Company’s web site at www.hubgroup.com. This replay will be available for 30 days.

CERTAIN FORWARD-LOOKING STATEMENTS: Statements in this press release that are not historical may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. Forward-looking statements are inherently uncertain and subject to risks, uncertainties and other factors that might cause the actual performance of Hub Group, Inc. to differ materially from those expressed or implied by this discussion and, therefore, should be viewed with caution. All forward-looking statements and information are provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally may be identified by the use of forward-looking terminology such as “trends”, “assumptions”, “target”, “guidance”, “outlook”, “opportunity”, “future”, “plans”, “goals”, “objectives”, “expects”, “anticipate”, “expected”, “may”, “will”, “would”, “could”, “intend”, “believe”, “potential”, “projected”, “estimate” (or the negative or derivative of each of these terms), or similar words, and include our statements regarding our outlook, profit improvement initiatives and capital expenditures. These forward-looking statements are based on management’s experience and perception of trends, current conditions, and anticipated future developments, as well as other factors believed to be appropriate. We believe these statements and the assumptions and estimates contained in this release are reasonable based on information that is currently available to us. Factors that could cause actual results to differ materially include general or regional economic conditions and health concerns; the effect of the ongoing COVID-19 pandemic, including any spikes, outbreaks or variants of the virus, as well as any future government actions taken in response to the pandemic, including on our business operations, as well as its impact on general economic and financial market conditions and on our customers, counterparties, employees and third-party service providers; our ability to sustain or the effects of plans intended to improve operational execution and performance; changes in or implementation of governmental or regulatory rules and interpretations affecting tax, wage and hour matters, health and safety, labor and employment, insurance or other undeterminable areas; intermodal costs and prices, the integration of acquisitions and expenses relating thereto; the future performance of Hub’s Intermodal, Dedicated, Truck Brokerage and Logistics business lines; driver shortages; the amount and timing of strategic investments or divestitures by Hub; the failure to implement and integrate critical information technology systems; cyber security incidents; retail and other customers encountering adverse economic

conditions and other factors described from time to time in Hub Group's SEC reports, press releases and other communications. Hub Group assumes no obligation to update any such forward-looking statements.

SOURCE: Hub Group, Inc.

CONTACT: Maralee Volchko of Hub Group, Inc., +1-630-271-3745

HUB GROUP, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share amounts)
(unaudited)

| | Three Months Ended December 31, | | | |
|---|--|---------------------|------------------|---------------------|
| | 2021 | | 2020 | |
| | Amount | % of Revenue | Amount | % of Revenue |
| Revenue | \$ 1,256,403 | 100.0% | \$ 952,730 | 100.0% |
| Transportation costs | 1,043,671 | 83.1% | 847,171 | 88.9% |
| Gross margin | 212,732 | 16.9% | 105,559 | 11.1% |
| Costs and expenses: | | | | |
| Salaries and benefits | 70,544 | 5.6% | 42,649 | 4.5% |
| General and administrative | 13,418 | 1.1% | 23,446 | 2.4% |
| Depreciation and amortization | 11,185 | 0.9% | 8,292 | 0.9% |
| Total costs and expenses | 95,147 | 7.6% | 74,387 | 7.8% |
| Operating income | 117,585 | 9.3% | 31,172 | 3.3% |
| Other income (expense): | | | | |
| Interest expense | (1,747) | -0.1% | (2,048) | -0.2% |
| Other, net | 137 | 0.0% | (86) | -0.0% |
| Total other expense | (1,610) | -0.1% | (2,134) | -0.2% |
| Income before provision for income taxes | 115,975 | 9.2% | 29,038 | 3.1% |
| Provision for income taxes | 31,661 | 2.5% | 6,650 | 0.7% |
| Net income | <u>\$ 84,314</u> | | <u>\$ 22,388</u> | |
| Earnings per share | | | | |
| Basic | <u>\$ 2.52</u> | | <u>\$ 0.67</u> | |
| Diluted | <u>\$ 2.48</u> | | <u>\$ 0.67</u> | |
| Basic weighted average number of shares outstanding | <u>33,456</u> | | <u>33,212</u> | |
| Diluted weighted average number of shares outstanding | <u>33,983</u> | | <u>33,630</u> | |

HUB GROUP, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share amounts)
(unaudited)

| | Twelve Months Ended December 31, | | | |
|----------------------|---|---------------------|---------------|---------------------|
| | 2021 | | 2020 | |
| | Amount | % of Revenue | Amount | % of Revenue |
| Revenue | \$ 4,232,383 | 100.0% | \$ 3,495,644 | 100.0% |
| Transportation costs | 3,632,743 | 85.8% | 3,070,207 | 87.8% |
| Gross margin | 599,640 | 14.2% | 425,437 | 12.2% |

| | | | | |
|---|-------------------|--------------|------------------|--------------|
| Costs and expenses: | | | | |
| Salaries and benefits | 247,240 | 5.9% | 188,777 | 5.4% |
| General and administrative | 76,476 | 1.8% | 99,597 | 2.9% |
| Depreciation and amortization | 37,467 | 0.9% | 31,237 | 0.9% |
| Total costs and expenses | <u>361,183</u> | <u>8.6%</u> | <u>319,611</u> | <u>9.2%</u> |
| Operating income | 238,457 | 5.6% | 105,826 | 3.0% |
| Other income (expense): | | | | |
| Interest expense | (7,302) | -0.2% | (9,746) | -0.3% |
| Other, net | (245) | -0.0% | 20 | 0.0% |
| Total other expense | <u>(7,547)</u> | <u>-0.2%</u> | <u>(9,726)</u> | <u>-0.3%</u> |
| Income before provision for income taxes | 230,910 | 5.5% | 96,100 | 2.7% |
| Provision for income taxes | <u>59,436</u> | <u>1.4%</u> | <u>22,541</u> | <u>0.6%</u> |
| Net income | <u>\$ 171,474</u> | | <u>\$ 73,559</u> | |
| Earnings per share | | | | |
| Basic | <u>\$ 5.13</u> | | <u>\$ 2.22</u> | |
| Diluted | <u>\$ 5.06</u> | | <u>\$ 2.19</u> | |
| Basic weighted average number of shares outstanding | <u>33,434</u> | | <u>33,180</u> | |
| Diluted weighted average number of shares outstanding | <u>33,892</u> | | <u>33,543</u> | |

HUB GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

| | <u>December 31,</u> <u>2021</u> | <u>December 31,</u> <u>2020</u> |
|---|------------------------------------|------------------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 159,784 | \$ 124,506 |
| Accounts receivable trade, net | 701,512 | 518,975 |
| Accounts receivable other | 3,022 | 1,265 |
| Prepaid taxes | 2,191 | 1,336 |
| Prepaid expenses and other current assets | 27,779 | 26,753 |
| TOTAL CURRENT ASSETS | <u>894,288</u> | <u>672,835</u> |
| Restricted investments | 24,256 | 23,353 |
| Property and equipment, net | 681,451 | 671,101 |
| Right-of-use assets - operating leases | 44,036 | 43,573 |
| Right-of-use assets - financing leases | 1,252 | 3,557 |
| Other intangibles, net | 196,672 | 163,953 |
| Goodwill, net | 576,913 | 508,555 |
| Other assets | 18,426 | 18,469 |
| TOTAL ASSETS | <u>\$ 2,437,294</u> | <u>\$ 2,105,396</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable trade | \$ 424,923 | \$ 285,320 |

| | | |
|---|---------------------|---------------------|
| Accounts payable other | 12,493 | 12,680 |
| Accrued payroll | 56,938 | 23,044 |
| Accrued other | 82,827 | 102,613 |
| Lease liability - operating leases | 11,364 | 10,093 |
| Lease liability - financing leases | 1,251 | 1,793 |
| Current portion of long term debt | 97,273 | 93,562 |
| TOTAL CURRENT LIABILITIES | 687,069 | 529,105 |
| Long term debt | 177,479 | 176,797 |
| Non-current liabilities | 41,572 | 42,910 |
| Lease liability - operating leases | 34,916 | 36,328 |
| Lease liability - financing leases | - | 8 |
| Deferred taxes | 155,944 | 162,325 |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, \$.01 par value; 2,000,000 shares authorized; no shares issued or outstanding in 2021 and 2020 | - | - |
| Common stock | | |
| Class A: \$.01 par value; 97,337,700 shares authorized and 41,224,792 shares issued in 2021 and 2020; 33,907,734 shares outstanding in 2021 and 33,549,708 shares outstanding in 2020 | 412 | 412 |
| Class B: \$.01 par value; 662,300 shares authorized; 662,296 shares issued and outstanding in 2021 and 2020 | 7 | 7 |
| Additional paid-in capital | 189,256 | 186,058 |
| Purchase price in excess of predecessor basis, net of tax benefit of \$10,306 | (15,458) | (15,458) |
| Retained earnings | 1,424,634 | 1,253,160 |
| Accumulated other comprehensive loss | (207) | (191) |
| Treasury stock; at cost, 7,317,058 shares in 2021 and 7,675,084 shares in 2020 | (258,330) | (266,065) |
| TOTAL STOCKHOLDERS' EQUITY | 1,340,314 | 1,157,923 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 2,437,294 | \$ 2,105,396 |

HUB GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

| | Twelve Months Ended December 31, | |
|--|---|-------------|
| | 2021 | 2020 |
| Cash flows from operating activities: | | |
| Net income | \$ 171,474 | \$ 73,559 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 130,629 | 123,679 |
| Deferred taxes | (3,992) | 7,463 |
| Compensation expense related to share-based compensation plans | 20,056 | 17,053 |
| (Gain) loss on sale of assets | (19,173) | 907 |
| Other operating activities | - | 6,385 |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Restricted investments | (903) | (752) |
| Accounts receivable, net | (115,568) | (47,219) |
| Prepaid taxes | (856) | (707) |
| Prepaid expenses and other current assets | (647) | (2,508) |
| Other assets | (2,883) | (2,177) |
| Accounts payable | 78,448 | 5,594 |

| | | |
|--|-------------------|-------------------|
| Accrued expenses | 9,686 | (4,408) |
| Non-current liabilities | (13,436) | (1,915) |
| Net cash provided by operating activities | <u>252,835</u> | <u>174,954</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of equipment | 45,177 | 3,289 |
| Purchases of property and equipment | (132,952) | (115,306) |
| Acquisitions, net of cash acquired | (122,360) | (84,845) |
| Net cash used in investing activities | <u>(210,135)</u> | <u>(196,862)</u> |
| Cash flows from financing activities: | | |
| Repayments of long term debt | (107,608) | (198,741) |
| Stock withheld for payments of withholding taxes | (9,123) | (7,963) |
| Finance lease payments | (2,682) | (3,066) |
| Proceeds from issuance of debt | 112,001 | 187,475 |
| Net cash used in financing activities | <u>(7,412)</u> | <u>(22,295)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(10)</u> | <u>(20)</u> |
| Net increase (decrease) in cash and cash equivalents | 35,278 | (44,223) |
| Cash and cash equivalents beginning of period | 124,506 | 168,729 |
| Cash and cash equivalents end of period | <u>\$ 159,784</u> | <u>\$ 124,506</u> |

HUB GROUP, INC.
FINANCIAL INFORMATION BY BUSINESS LINE
(in thousands)
(unaudited)

| | <u>Three Months</u> <u>Ended December 31,</u> | | <u>Twelve Months</u> <u>Ended December 31,</u> | |
|-----------------|--|-------------------|---|---------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Intermodal | \$ 701,878 | \$ 560,562 | \$ 2,391,494 | \$ 2,029,186 |
| Logistics | 223,767 | 197,597 | 887,388 | 767,279 |
| Truck brokerage | 268,344 | 126,441 | 688,867 | 431,127 |
| Dedicated | 62,414 | 68,130 | 264,634 | 268,052 |
| Total Revenue | <u>\$ 1,256,403</u> | <u>\$ 952,730</u> | <u>\$ 4,232,383</u> | <u>\$ 3,495,644</u> |

RECONCILIATION OF NET INCOME TO EBITDA
(in thousands)
(unaudited)

| | <u>Three Months</u> <u>Ended December 31,</u> | | | |
|------------|--|-------------|----------------------------|---------------------------|
| | <u>2021</u> | <u>2020</u> | <u>Change</u> <u>\$</u> | <u>Change</u> <u>%</u> |
| Net income | \$ 84,314 | \$ 22,388 | \$ 61,926 | 276.6% |

| | | | | |
|-------------------------------|-------------------|------------------|-----------|--------|
| Interest expense | 1,747 | 2,048 | (301) | -14.7% |
| Depreciation and amortization | 34,670 | 31,881 | 2,789 | 8.7% |
| Provision for income taxes | <u>31,661</u> | <u>6,650</u> | 25,011 | 376.1% |
| EBITDA | <u>\$ 152,392</u> | <u>\$ 62,967</u> | \$ 89,425 | 142.0% |

RECONCILIATION OF NET INCOME TO EBITDA
(in thousands)
(unaudited)

| | Twelve Months | | | |
|-------------------------------|---------------------------|-------------------|---------------|---------------|
| | Ended December 31, | | | |
| | 2021 | 2020 | Change | Change |
| | | | \$ | % |
| Net income | \$ 171,474 | \$ 73,559 | \$ 97,915 | 133.1% |
| Interest expense | 7,302 | 9,746 | (2,444) | -25.1% |
| Depreciation and amortization | 130,629 | 123,679 | 6,950 | 5.6% |
| Provision for income taxes | <u>59,436</u> | <u>22,541</u> | 36,895 | 163.7% |
| EBITDA | <u>\$ 368,841</u> | <u>\$ 229,525</u> | \$ 139,316 | 60.7% |

See the “Non-GAAP Financial Measure” section of this release for the definition of EBITDA and a discussion of this non-GAAP financial measure.

(1) See the “Non-GAAP Financial Measure” section of this release for the definition of EBITDA and a discussion of this non-GAAP financial measure.