



INVESTOR PRESENTATION

MAY 2020



CERTAIN FORWARD-LOOKING STATEMENTS:

Statements in this presentation 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”, “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 2020 planned investments, our Elevate initiative and our profit improvement initiatives. 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 presentation 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 COVID-19 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 operation execution and performance; changes in or implementation of additional governmental or regulatory rules and interpretations affecting tax, wage and hour matters, health and safety, insurance or other undeterminable areas; intermodal costs and prices, the integration of any acquisitions and expenses relating thereto; the future performance of Hub’s Intermodal, Truck Brokerage, Dedicated 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.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures including, without limitation, “Adjusted Gross Margin % of Revenue,” “Adjusted Operating Income,” and “EBITDA.” Reconciliations of these measures to the comparable GAAP measures are set forth to 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. Reconciliations of non-GAAP financial disclosures to what we believe to be the most directly comparable GAAP measures are set forth in “Appendix” to this presentation and also may be viewed on the company’s website, hubgroup.com.

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



HUB GROUP OVERVIEW

• HIGHLIGHTS:

- Integrated supply chain solutions provider
- Attractive, complementary suite of services
- Integrated tech platform providing efficiency, visibility and savings for our customers
- Focused on driving efficiency and reducing costs throughout the organization
- Financially stable with long-term outlook

• FISCAL YEAR 2019 PERFORMANCE

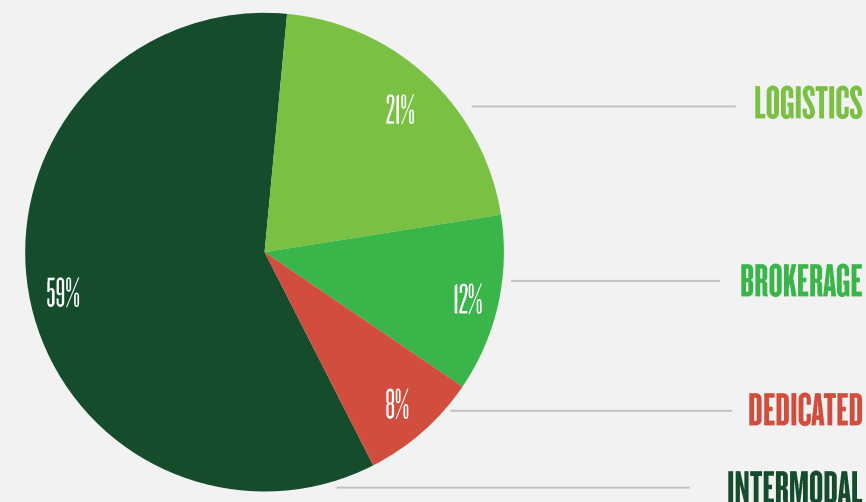
- \$3.7bn in revenue
- \$160mm in adjusted operating income (non-GAAP) ⁽¹⁾

• LONGSTANDING CUSTOMER & INDUSTRY RECOGNITION



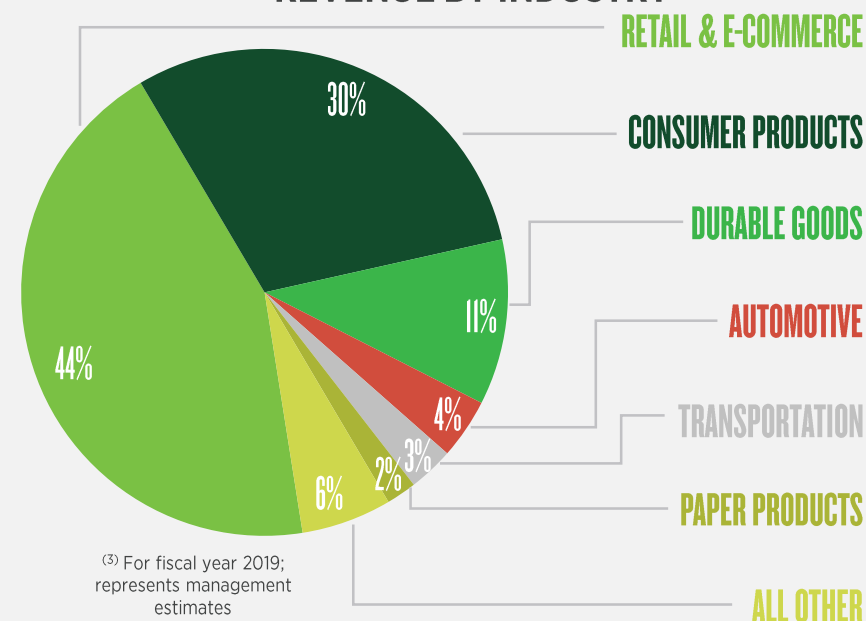
⁽¹⁾ Represents a non-GAAP financial measure. See Appendix for reconciliation to the most comparable measure under GAAP.

REVENUE BY BUSINESS LINE⁽²⁾



⁽²⁾ For Fiscal Year 2019

REVENUE BY INDUSTRY⁽³⁾



⁽³⁾ For fiscal year 2019; represents management estimates

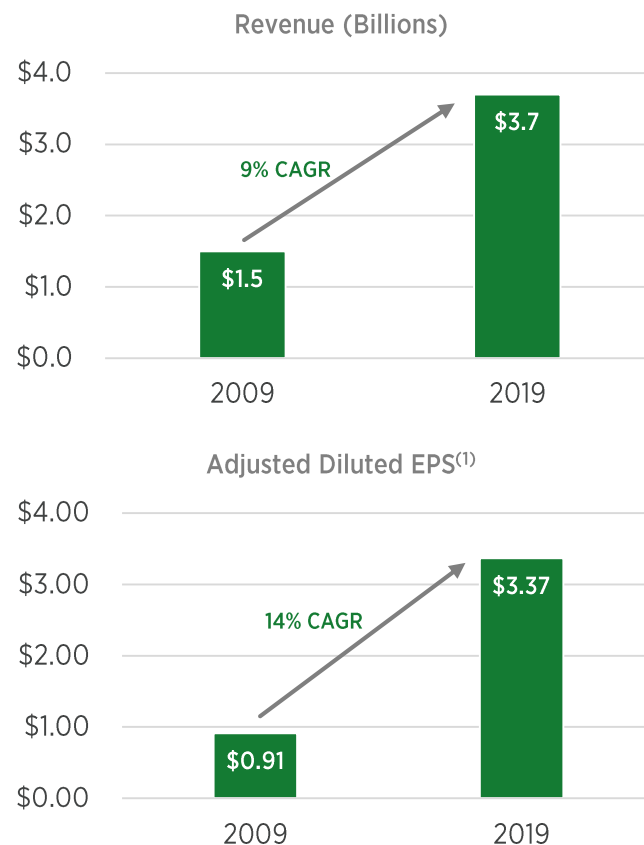
CORPORATE STRATEGY

- **Best-in-class customer experience**
 - Single customer owner across all solutions
 - 24/7 supply chain accessibility
- **Drive organic growth**
 - Positioned to deliver service and value to our customers
 - Focus on improving cost structure – operations, procurement, overhead
- **Diversify service offerings**
 - Develop complementary, multi-modal service offerings
 - Execute on remaining \$1bn acquisition investment initiative
- **Deepen customer relationships**
 - Continuous improvement and cross-selling
 - Centralized accountability and visibility
- **Design a world-class technology platform**
 - Complete investment in Elevate initiative by 2022
 - Intelligent automation processes for enhanced efficiency
- **Cultivate our culture of service, innovation & integrity**



FINANCIAL PERFORMANCE

LONG-TERM GROWTH



RECENT PERFORMANCE DRIVEN BY:

- Service-line diversification
- Reorganization and culture of accountability
- Investment in technology and equipment
- Growth of freight under management and contractual business
- Acquisitions of Dedicated and CaseStack, and divestiture of Mode

RECENT PERFORMANCE (\$ in mm)	FY 2019	Q1 2020
Revenue	\$3,668	\$839
Gross Margin % of Revenue	14.3% ⁽¹⁾ (Adjusted)	12.5%
Operating Income	\$160 ⁽¹⁾ (Adjusted)	\$20
EBITDA	\$269 ⁽¹⁾	\$50 ⁽¹⁾
Net Cash Provided by Operating Activities	\$255	\$41
Capital Expenditures	\$95	\$25

LIQUIDITY (\$ in mm)	As of 3/31/2020
Cash & Cash Equivalents	\$277
Available Borrowings on Line of Credit	\$219

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

INVESTMENT STRATEGY

EQUIPMENT

2020: Over \$50M in Investments Planned

- Purchasing 1,000 intermodal containers
- Added 300 refrigerated intermodal containers
- Continued investment in drayage & dedicated fleets

2019: \$60M in Investments

- Added 1,500 intermodal containers
- Continued upgrade of drayage fleet

TECHNOLOGY

- Over \$65M of investment in 2020
- End-to-end equipment & driver visibility technology
 - Satellite tracking
 - Driver tablets and applications
 - Oracle Transportation Management
 - Hub Pro and Hub Connect technologies to communicate with carriers and customers
- Continually evaluating emerging technologies to drive operating efficiency

ACQUISITIONS

CaseStack (December 2018)

- Added consolidation and warehousing capabilities
- Enables cross-selling to small and mid-size customers

Dedicated (July 2017)

- Added high-service trucking capability
- Substantial cross-sell and asset-sharing opportunities

Strategy

- Evaluating acquisitions of non-asset based logistics and international service providers

QUALITY OF SERVICE

- Focused on continuing to develop a culture of accountability and service
- Talent development and training initiatives
- Single customer owner across all modes and geographies for streamlined communication and centralized accountability
- Expansion of corporate shared resources, including Multimodal Solutions, Continuous Improvement, Business Intelligence and Specialized Sales



PROFIT IMPROVEMENT INITIATIVES & BENEFIT

AGGRESSIVE FOCUS ON REDUCING COSTS AND IMPROVING EFFICIENCIES ACROSS ENTIRE BUSINESS

\$100M IN SAVINGS INITIATIVES

Cost reductions from third party carriers, optimization savings and improved tractor and driver utilization

Lower spend on IT contractors as projects go live

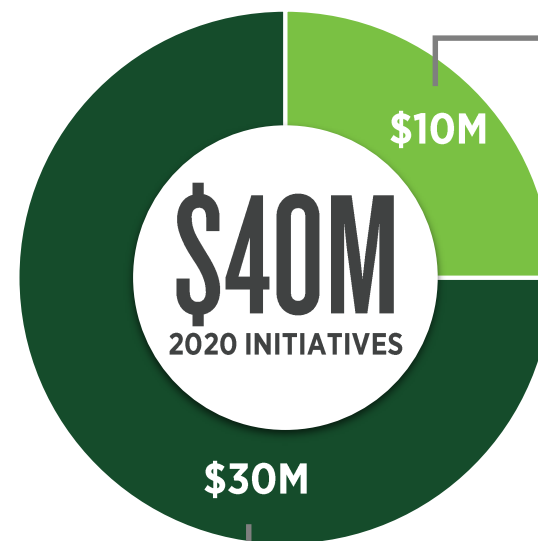
Operational and revenue management changes to low margin customer accounts

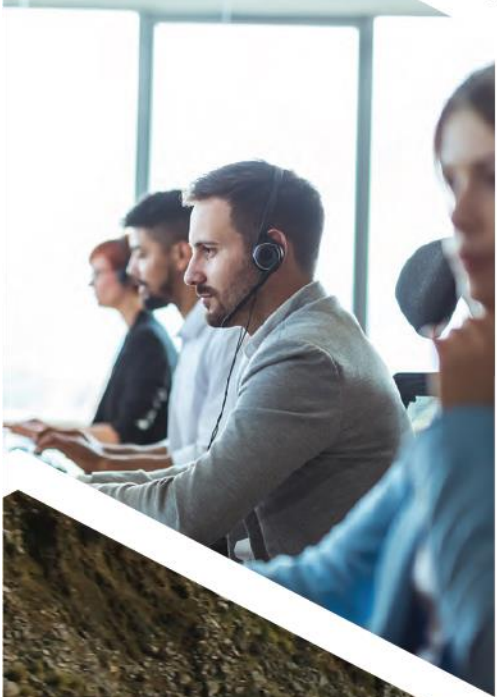
Headcount reduction driven by technology and process productivity gains



Technology-driven efficiencies, including headcount and lower spend on IT contractors

- Improvements in our trucking operations, including productivity, maintenance and procurement
- Cost reductions from third party carriers
- Company-wide G&A reductions





OVERVIEW OF BUSINESS LINES



INTERMODAL OVERVIEW



OFFERING/POSITIONING:

- High service, nationwide door-to-door transportation offering value, visibility and reliability to customers in both transcontinental and local lanes

HIGHLIGHTS:

- Well positioned to assist shippers in reducing their transportation spend and carbon footprints
- Long-term partnerships with rail providers, primarily Union Pacific and Norfolk Southern
- 2nd largest container fleet in the industry with over 38,000 GPS-enabled units
- Approximately 60% of drayage on our fleet, with 2,500 drivers (company and owner-operator) at 25 terminals throughout the US

INITIATIVES:

- Continued focus on enabling customers' supply chains by delivering high service and value
- Focused on improving our drayage performance and cost structure in 2020, as well as pursuing reductions in 3rd party carrier spend
- Goal to increase mix of own drayage to 80% by investing in tractors and recruiting drivers, driving better service and profitability
- Invested in refrigerated intermodal containers in 2020



TRUCK BROKERAGE OVERVIEW



OFFERING/POSITIONING:

- Non-asset based provider of over-the-road transportation, including dry van, expedited, refrigerated, flatbed and less-than-truckload
- Value added partner to both shippers and carriers, matching shippers' needs with carriers' capacity to provide the most effective service and price combination

HIGHLIGHTS:

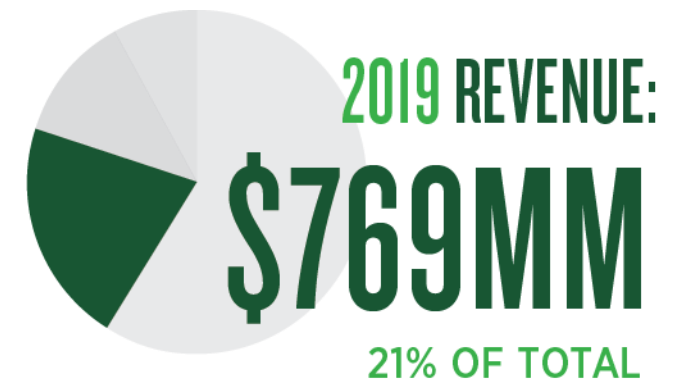
- Focused on contract freight and projects (e.g., seasonal and emergency freight), and spot freight to a lesser extent
- Revitalized the business in 2019 through new talent, incentives and technology tools that enabled a focus on carrier management, execution and high service levels

INITIATIVES:

- Benefitting from new structure, focus and technology investments, including improved service levels, profit margins and productivity
- Well positioned to win new business through cross-selling initiatives – substantially under-penetrated with our intermodal customers
- Building scale in purchased transportation
- Developing niche offerings such as refrigerated and flatbed



LOGISTICS OVERVIEW



OFFERING/POSITIONING:

- Provides savings, visibility and outsourced services through a wide range of transportation management and technology solutions
- Services include shipment optimization, warehousing and load consolidation, mode selection, carrier management, load planning and execution, and retailer supply chain compliance

HIGHLIGHTS:

- Contractual, sticky service offering with an attractive customer value proposition
- Approximately \$1.5bn of freight under management
- Source of loads for our intermodal, truck brokerage and dedicated service lines

INITIATIVES:

- Recently implemented Oracle Transportation Management and reorganized account management and operations groups, allowing for leveraging of fixed costs as the business grows
- Strong pipeline with significant recent customer wins
- Recently introduced new services to expand our addressable market, including small customer outsources and international services
- Continuous improvement philosophy focused on optimization and reducing transportation costs for customers and for Hub Group, including through network optimization and procurement events



DEDICATED OVERVIEW



OFFERING/POSITIONING:

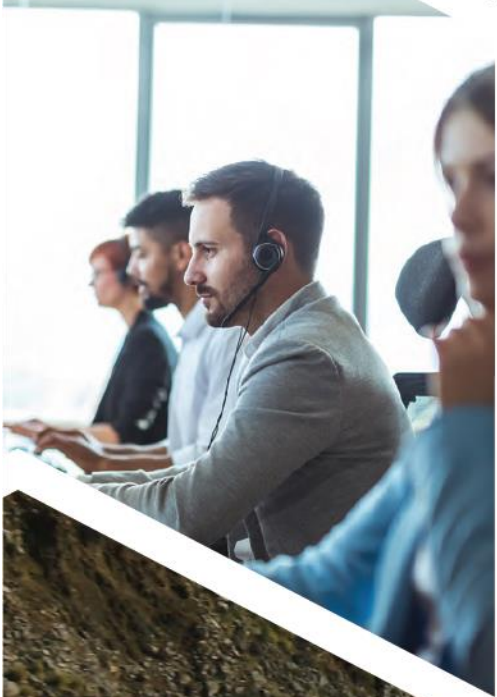
- High service, contractual, asset-based transportation provider to customers who seek to outsource a portion of their trucking needs
- Offer dedicated fleet of equipment and drivers to each customer, as well as the management and infrastructure needed to operate
- Contracts feature fixed and variable pricing arrangements and may include charges for early termination

HIGHLIGHTS:

- Fleet of approximately 1,200 tractors and 5,400 trailers at 86 locations throughout the US
- Primarily DC-to-store or DC-to-customer shipments for mass merchandise retailers, home improvement retailers and consumer goods companies
- Well positioned to benefit from outsourcing trends and increasing requirements for high service

INITIATIVES:

- Focused on improving operational execution and cost structure, including driver experience, asset management and procurement
- Opportunity to further leverage drayage assets in certain geographies
- Exited or re-priced low margin accounts, and now focused on new business wins from a strong pipeline of opportunities



APPENDIX

APPENDIX: NON-GAAP RECONCILIATION

HUB GROUP, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED GROSS MARGIN, ADJUSTED OPERATING INCOME
AND ADJUSTED DILUTED EARNINGS PER SHARE
FROM CONTINUING OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Twelve Months Ended December 31, 2019	
	Amount	% of Revenue
Revenue	\$ 3,668,117	
Gross margin, as reported	\$ 521,070	14.2%
Settlement of 2016 auto liability claim	3,000	
Adjusted gross margin	\$ 524,070	14.3%
Operating income, as reported	\$ 152,420	4.2%
Settlement of 2016 auto liability claim	3,000	
Settlement of claims for alleged misclassification of drivers	4,750	
Adjusted operating income	\$ 160,170	4.4%
Diluted earnings per share from continuing operations, as reported	\$ 3.20	
After tax impact of settlement of 2016 auto liability claim and settlement of claims for alleged misclassification of drivers	\$ 0.17	
Adjusted diluted earnings per share from continuing operations	\$ 3.37	
Diluted weighted average number of shares outstanding	33,480	

HUB GROUP, INC.
RECONCILIATION OF NET INCOME TO EBITDA
(in thousands)
(unaudited)

	Three Months Ended March 31, 2020	Twelve Months Ended December 31, 2019
Net income	\$ 13,236	\$ 107,171
Interest expense	2,455	10,994
Interest and dividend income	(403)	(2,103)
Other expense, net	222	(341)
Depreciation and amortization	30,576	116,888
Provision for income taxes	4,249	36,699
EBITDA	\$ 50,335	\$ 269,308



