



Hub Group Overview

Investor Presentation

October 2020



DISCLOSURE

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”, “anticipates”, “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 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.



THE WAY AHEAD

Throughout our nearly 50 years, Hub Group has grown to become a comprehensive supply chain solutions provider and a respected leader in the industry. Today, we're focused on continuously innovating with intent, expanding our capabilities and developing the most customer-centric supply chain solutions in the industry — while upholding our ongoing values of service and integrity.

The Hub Group Mission

Continuously elevate each customer's business to drive long-term success

The Hub Group Vision

Build the industry's premier customer-centric supply chain solutions



Six Key Tenets of Our Strategy

At Hub Group, we execute our strategy through our culture of service, innovation and integrity

1. Provide Best-in-Class Customer Service

- Single point of contact & accountability
- 24/7 accessibility and escalation

2. Drive Organic Growth

- Leverage multimodal capabilities for growth
- Focus on improving cost structure – operations, procurement, overhead

3. Diversify Service Offerings

- Develop complementary offerings
- Launch new products and expand into new verticals
- Pursue strategic acquisitions

4. Deepen Customer Value

- Continuous improvement and cross-selling
- Centralized accountability and visibility

5. Advance Technology Strategy

- End-to-end visibility through GPS & IoT
- Intelligent Automation for efficiency
- Cutting-edge equipment and safety

6. Our Culture – The Way Matters

- Service
- Integrity
- Innovation

The High-Service Provider

Our reputation as an industry-recognized, high-service provider sets Hub Group apart from the competition

-  Single customer owner across all modes and geographies for streamlined communication, centralized accountability and cross-selling
-  Centers of excellence for continual analysis and improvement of our customers' supply chains — multimodal solutions, continuous improvement, business intelligence and specialized sales
-  Nurture our culture of accountability and service
 - Talent development and training initiatives



Home Depot 3rd Party Broker — 3PL of the Year



Lowe's Intermodal Carrier of the Year & National Carrier All Star



Inbound Logistics Top 10 3PL (#2)



SmartWay Excellence Award Winner



Kimberly-Clark Carrier of the Year



Supply & Demand Chain Executive's SDCE 100 Top Supply Chain Projects

Equipment

We invest in our business with the highest quality equipment and a best-in-class fleet to offer industry-leading service, network flexibility and comprehensive capabilities



2020: Over \$90M in investment planned

- Purchasing over 3,300 intermodal containers
- Added 300 refrigerated intermodal containers
- Continued investment in drayage & dedicated fleets



2019: \$60M in investment

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



Technology

We constantly pursue breakthrough technologies that make a meaningful impact on our customers' businesses, while improving productivity, efficiency and visibility across our network



2020: Over \$50M of investment (capital and operating)



End-to-end visibility technology

- Fully enabled GPS container fleet
- Driver tablets and applications
- Oracle Transportation Management software
- Hub Pro and Hub Connect technologies to communicate with carriers and customers



Continually evaluating emerging technologies to drive operating efficiency



Acquisitions

We evaluate acquisitions that complement or expand capabilities, with a focus on cultural fit and a strong management team



Areas of Focus

- Evaluating opportunities in non-asset-based logistics including final mile and transportation spend management, as well as international services and truck brokerage



CaseStack: December 2018

- Added consolidation and warehousing capabilities
- Enabled new product cross-selling to small and mid-size customers



Dedicated: July 2017

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



Financial Performance

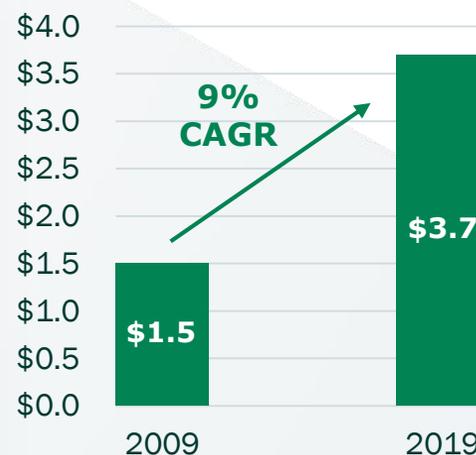
| Recent performance (\$ in mm) | YTD Q3 2020 | FY 2019 |
|--|--------------------|----------------------------------|
| Revenue | \$2,543 | \$3,668 |
| Gross Margin % of Revenue | 12.6% | 14.3% ¹ (Adjusted) |
| Operating Income | \$75 | \$160 ¹ (Adjusted) |
| EBITDA | \$167 ¹ | \$270 ¹ |
| Net Cash Provided by Operating Activities | \$123 | \$255 |
| Capital Expenditures | \$55 | \$95 |

Recent performance driven by:

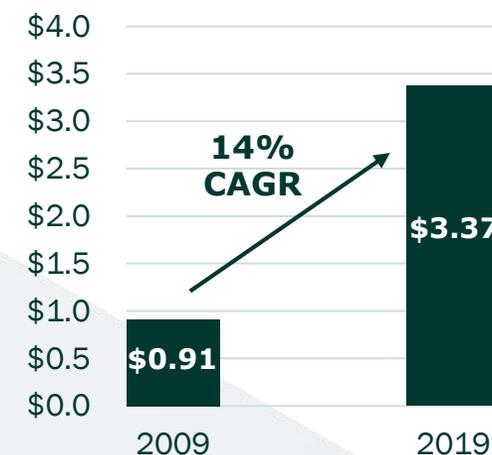
- Service-line diversification
- Reorganization and culture of accountability
- Investment in technology and equipment
- Growth of freight under management and contractual business
- Acquisitions of Dedicated and CaseStack, and divestiture of Mode

Long-term growth

Revenue (billions)



Adjusted Diluted EPS¹



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



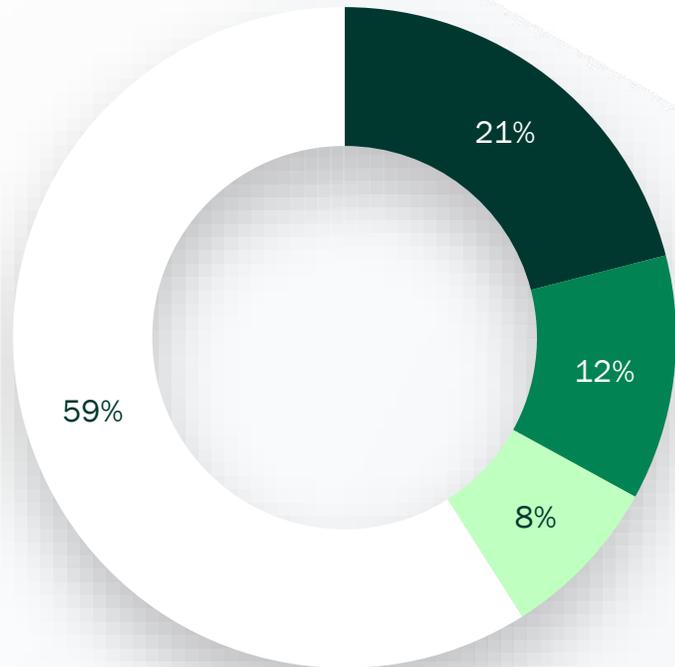


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Hub Group: Overview of Business Lines

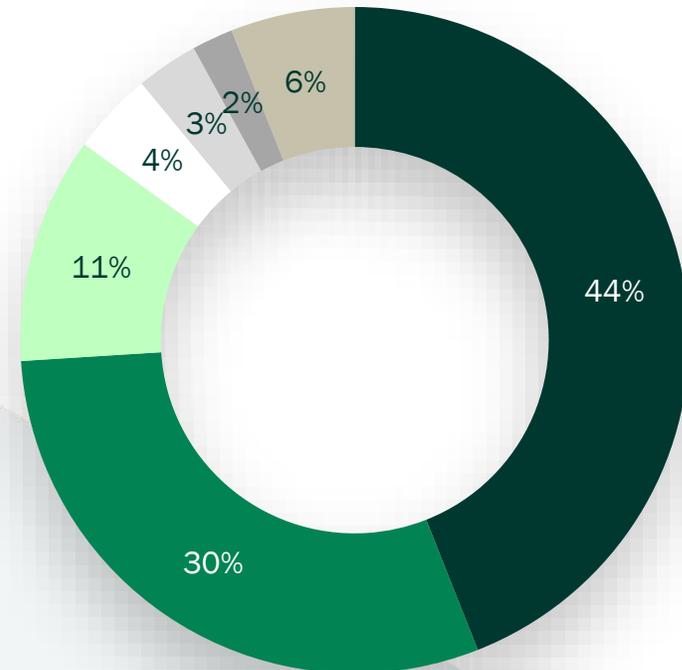
Multi-Modal Revenue Diversification

2019 Revenue by Business Line¹



- Logistics
- Brokerage
- Dedicated
- Intermodal

2019 Revenue by Industry²



- Retail & E-Commerce
- Consumer Products
- Durable Goods
- Automotive
- Transportation
- Paper Products
- All other

¹ For Fiscal Year 2019, ² For Fiscal Year 2019, represents management estimates



OVERVIEW OF BUSINESS LINES

How Our Capabilities Power New Opportunity

Hub Group moves beyond service standards to continuously deliver exceptional supply chain solutions for the world's largest companies. We carefully optimize, enhance and deliver unprecedented results for supply chain improvement



Transportation Solutions

-  Intermodal
-  Truck Brokerage
-  Asset Trucking
-  Dedicated Trucking

Logistics Management Solutions

-  Managed Solutions
-  Consolidation & Warehousing
-  International Logistics

Intermodal

Competitive positioning

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

Overview

- Well positioned to assist shippers in reducing their transportation spend and carbon footprints
- Long-term relationships with rail providers, primarily Union Pacific and Norfolk Southern
- 2nd largest container fleet in the industry with over 41,500 GPS-enabled units
- Approximately 60% of drayage on our fleet, with approximately 2,500 drivers (company and owner-operator) at 25 terminals throughout the US

Highlights

\$2.2 billion

2019 revenue, 59% of total revenue

41,500

Industry's second-largest container fleet at more than 41,500 units

Security/Visibility

First fully GPS-enabled fleet leverages satellite tracking, sonar door sensors, AI and machine learning

Our Logistics Services

Competitive positioning

Provides savings, visibility and outsourced services through a wide range of transportation management and technology solutions

- ✓ Shipment optimization
- ✓ Load consolidation
- ✓ Mode selection
- ✓ Carrier management
- ✓ Load planning and execution
- ✓ Retail supply chain compliance
- ✓ Shipment visibility
- ✓ International freight forwarding

Overview

- 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

Highlights

\$769 million

2019 revenue, 21% of total revenue

\$1.5 billion

Freight under management

Growth areas

Contractual, sticky service offering with attractive customer value proposition

Truck Brokerage

Competitive positioning

Non-asset based over-the-road transportation provider that adds value to both shippers and carriers by matching shippers' needs with carriers' capacity to provide the most effective service and price combination

- ✓ Dry van
- ✓ Expedited
- ✓ Refrigerated
- ✓ Flatbed
- ✓ Less-than-truckload

Overview

- 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

Highlights

\$434 million

2019 revenue, 12% of total revenue

Primary focus

Cross-sell truck brokerage services to existing Hub customers based on high service offering

Revitalization

Business added new talent, incentives and technology in 2019

Dedicated Trucking

Competitive positioning

- High service, contractual, asset-based transportation provider for 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

Overview

- Fleet of approximately 1,200 tractors and 5,500 trailers at 69 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

Highlights

\$299 million

2019 revenue, 8% of total revenue

Fleet size

Approximately 1,200 tractors and 5,500 trailers at 69 locations

Scope

Primarily move DC-to-store or DC-to-customer

Social Responsibility

Environmental sustainability

As an early pioneer of greenhouse-gas-friendly alternatives, we continue to push the boundaries of environmental consciousness. Services like intermodal, freight consolidation and network engineering help companies reduce and measure their carbon dioxide footprint.

Corporate governance

We hold ourselves to the highest standards of integrity and business standards. Our mission aims to ensure that customers, employees, vendors and the community are respected, treated fairly and benefit from their relationship with Hub Group.

Reporting & transparency

Hub Group is an active participant in the EPA SmartWay program, a respondent to CDP's Climate Change assessment.

Community stewardship & charity

We champion causes, supporting customer and local charities to help empower and give back to our communities. Our #CauseContainer program is our largest initiative: We've partnered with five charities to help bring awareness and raise funds for their unique causes.





04

Hub Group: The Way Ahead

hubgroup.com

The Way Ahead

Actions and goals

- ✓ Deliver best-in-class customer service
- ✓ Drive organic growth by cross-selling and deepening customer relationships
- ✓ Drive operating efficiencies and cost reductions
- ✓ Pursue complementary acquisitions to diversify offerings
- ✓ Execute technology strategy



HUB GROUP: THE WAY AHEAD

Path to \$6 Billion in Revenue

TRANSPORTATION SOLUTIONS



Intermodal

- Continued focus on high service and value
- Drayage operation and cost structure improvements
- Increase mix of company drayage to 80% by investing in tractors and drivers
- Invest in our container fleet, including refrigerated containers



Truck Brokerage

- Cross-selling initiatives
- Building scale in purchased transportation
- Growing niche offerings, including refrigerated and flatbed
- Maximize benefits of revitalization and tech investments, including productivity and profitability



Dedicated Trucking

- Focus on improving operational execution/cost structure, including driver experience, asset management and procurement
- Further leverage Hub Group assets in certain geographies
- Continue to invest to support growth opportunities



HUB GROUP: THE WAY AHEAD

Path to **\$6 Billion** in Revenue

LOGISTICS MANAGEMENT



Managed Solutions, Consolidation & Warehousing and International

- Strong pipeline with significant recent customer wins
- Reorganized account management and operations groups
- Full or partial outsource with end-to-end capabilities
- Continue adding new services, expand addressable market
- Promote and invest in a philosophy of continuous improvement
- Support and expand tariff consulting and customs clearance assistance
- Expand international ocean and air freight management capabilities
- CaseStack Retail Supplier Solutions — continue expansion into existing customers and adding new consolidation programs



The Hub Group Difference

High service

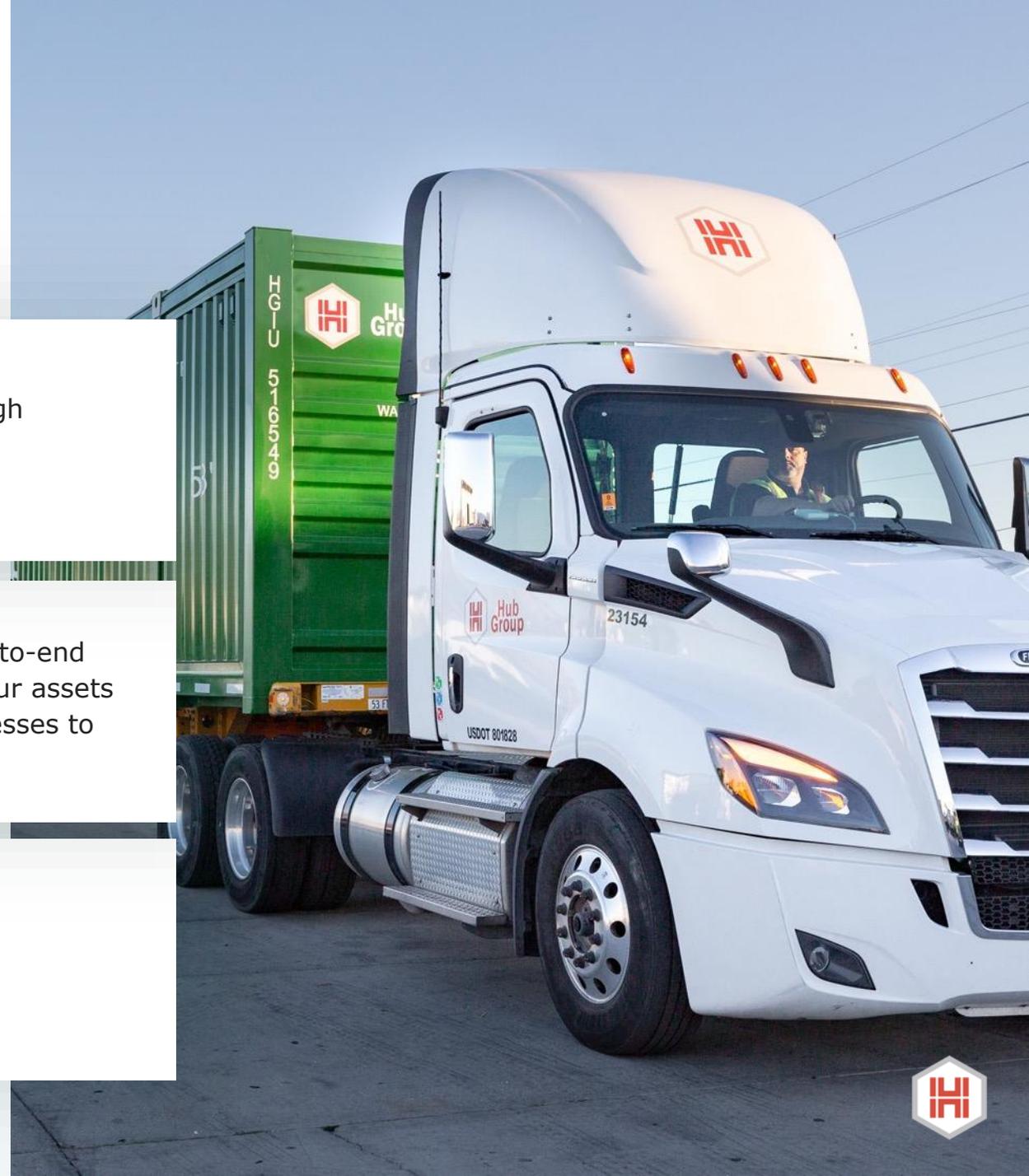
Offer a best-in-class customer experience through accountability, continuous improvement and diversification of service offerings.

Technology and assets

Pairing our dedication to service with 24/7, end-to-end supply chain visibility today, while investing in our assets and working toward intelligent automation processes to increase efficiencies.

Cost controls

Focus on improving our cost structure across operations, procurement and overhead.





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Appendix

Hub Group, Inc.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
Adjusted Gross Margin, Adjusted Operating Income, and
Adjusted Diluted Earnings Per Share from Continuous 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 | <u>3,000</u> | |
| 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 | <u>4,750</u> | |
| Adjusted operating income | <u>\$ 160,170</u> | 4.4% |
| Diluted earnings per share from continuing operations, as reported | <u>\$ 3.20</u> | |
| After tax impact of settlement of 2016 auto liability claim and settlement of claims for alleged misclassification of drivers | <u>\$ 0.17</u> | |
| Adjusted diluted earnings per share from continuing operations | <u>\$ 3.37</u> | |
| Diluted weighted average number of shares outstanding | <u>33,480</u> | |

Hub Group, Inc.
RECONCILIATION OF NET INCOME TO EBITDA
(in thousands)
(unaudited)

| | Nine Months | Twelve Months |
|-------------------------------|---------------------------------|--------------------------------|
| | Ended September 30, 2020 | Ended December 31, 2019 |
| Net income | \$ 51,171 | \$ 107,171 |
| Interest expense | 7,698 | 8,891 |
| Depreciation and amortization | 91,798 | 116,888 |
| Provision for income taxes | <u>15,891</u> | <u>36,699</u> |
| EBITDA | <u>\$ 166,558</u> | <u>\$ 269,649</u> |





Thank you!