



**Transportation Services**



**Value Added Services**



**Intermodal Services**



**Specialized Services**



**Stifel 2015 Transportation & Logistics Conference  
February 10-11<sup>th</sup>, 2015  
The Ritz Carlton, Key Biscayne, Florida**

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## Executive Management Team

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**Jeff Rogers**  
Chief Executive Officer

**David Crittenden**  
Chief Financial Officer

# Universal's History: Timeline of Growth and Corporate Development



**2005**

**2012**

**2013**

**2014**

**IPO**

**8 Acquisitions**

**LINC**

**WESTPORT**

**February 2005**

*IPO*

Revenue: \$362 M

Acquired  
LINC Logistics  
for \$335 M

Acquired  
Westport Axle  
for \$123 M

**TODAY**

Revenue: \$1.2B

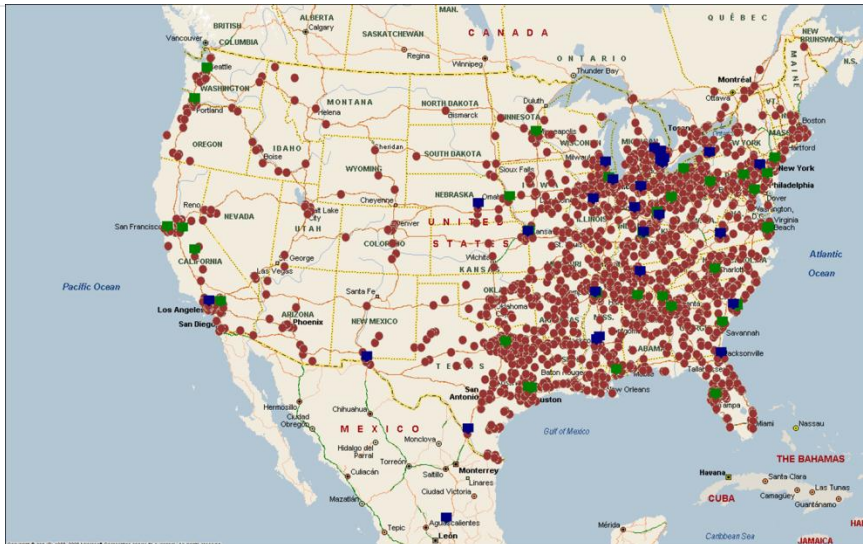
## Recent Awards

- Inbound Logistics Magazine "Top 100 3PL's" and as "3PL to Watch"
- Transport Topics "Top 100 For-hire Carriers"
- Inbound Logistics Magazine "Top 100 Trucker"
- Supply ChainBrain's "2014 Great Supply Chain Partners!"
- Logistics Management Magazine's "Top 25 Truckload Carriers"
- Journal of Commerce "Top 50 Truckload Carrier"

# Universal at a Glance

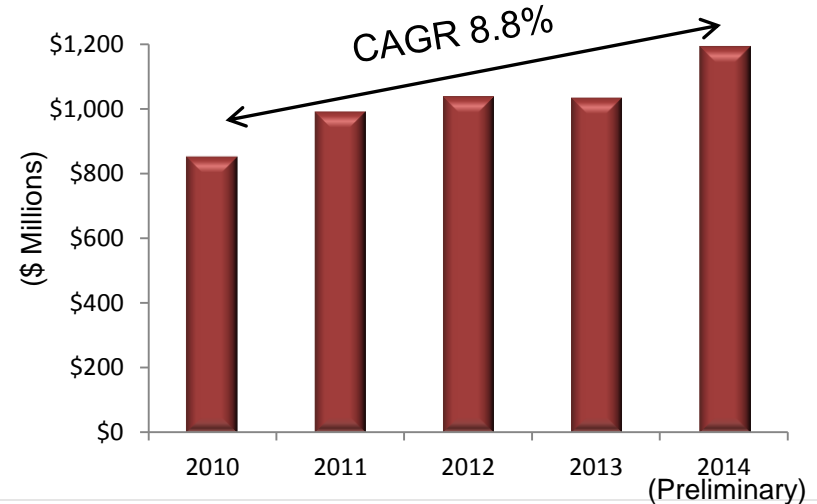
## Overview

- Best-in-class provider of broad based and customized supply chain solutions in the U.S., Mexico and Canada
- Flexible, asset-light model that allows for strong free cash flow generation and superior return on capital
- Top five provider of flatbed and heavy-haul services
- 44 Facilities | 446 Agents | 3,300 Owner-Operators:



## Historical Revenue

(\$ M)

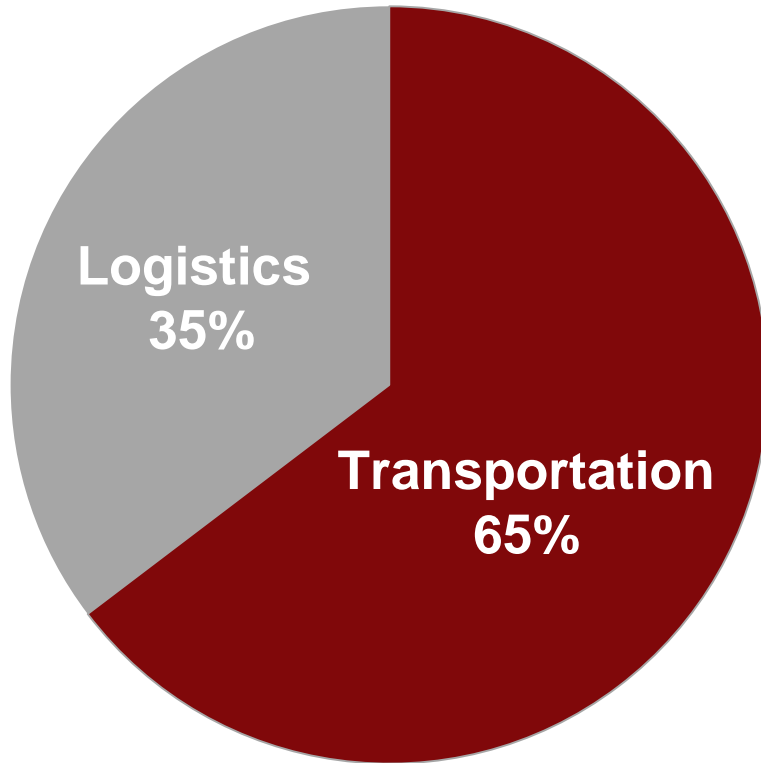


## Financial Overview

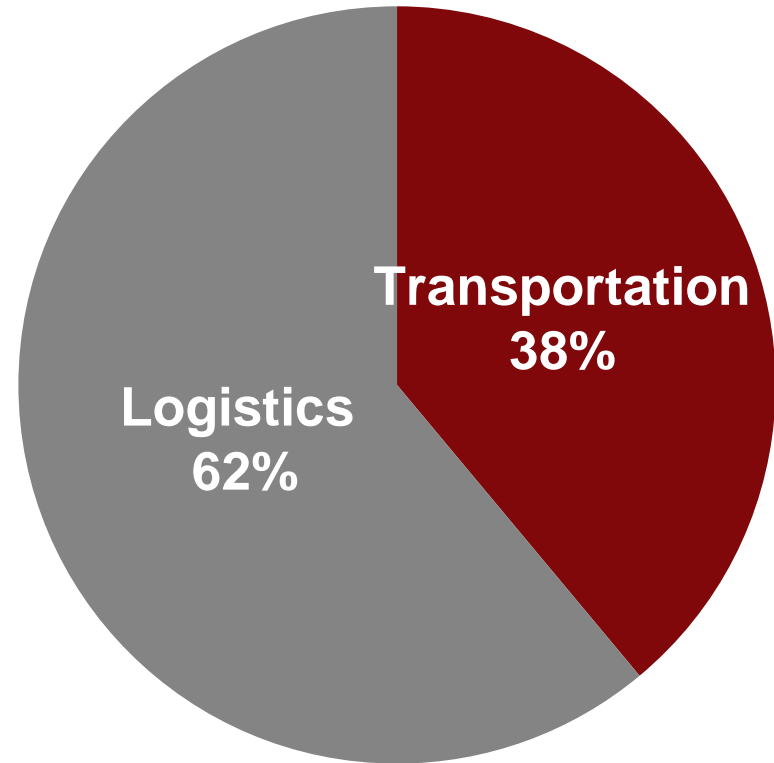
- Estimated Revenue: \$1.2 Billion
- Estimated EBITDA Margin: 9.0%
- Estimated Operating Margin: 6.1%

# Segment Revenue vs. EBITDA

**Revenue<sup>(1)</sup>**



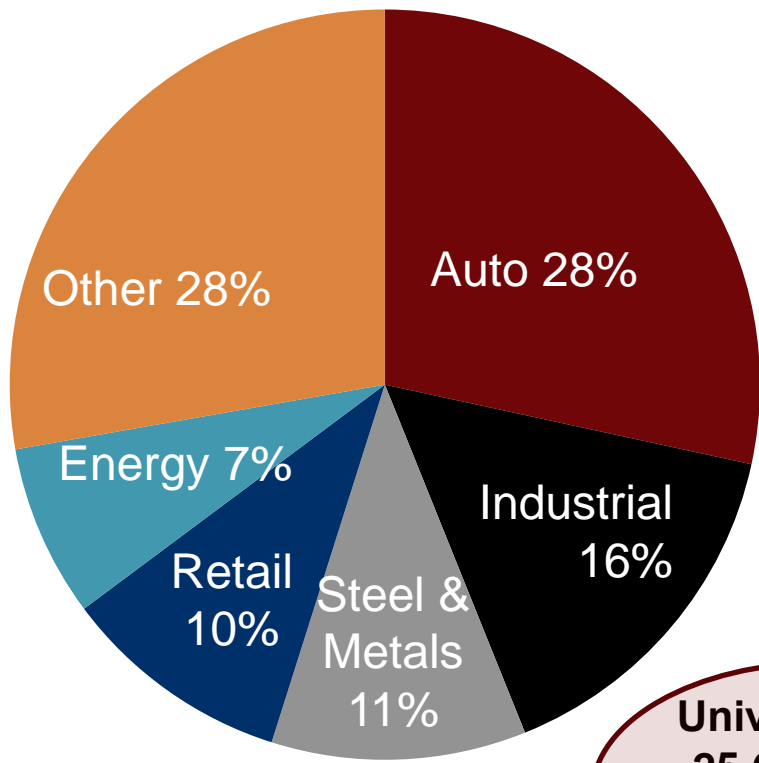
**EBITDA <sup>(1)</sup>**



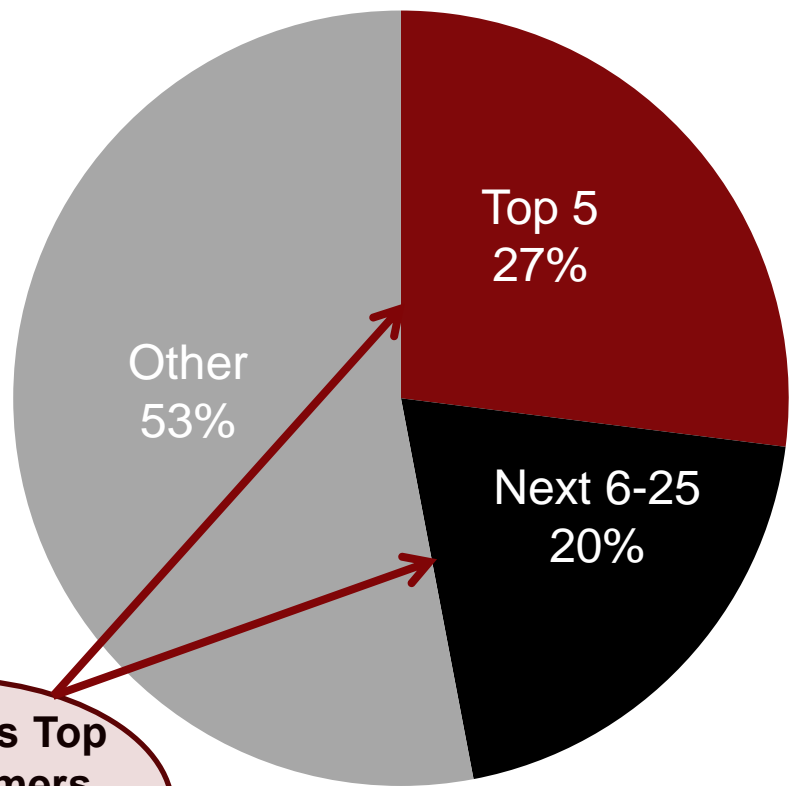
(1) Universal Q3 YTD – EBITDA split estimated from run rate 2013 adjusted for Westport as disclosed in subsequent 10Q's



**End Markets<sup>(1)</sup>**



**Customer Mix <sup>(1)</sup>**



**Universal's Top 25 Customers Account for 47% of Revenue**

(1) Based on 2014 estimated revenue



# Enviably Customer List





# SIMPLIFY

- Corporate Structure
- Processes
- Decision Making

# FOCUS

- Growth
- Safety
- Margin

# EXECUTE

- ...Is the Key
- Intelligent Growth
  - Growing Revenue WHILE Expanding Margins -



# Transportation (Transactional)

## Operating Model

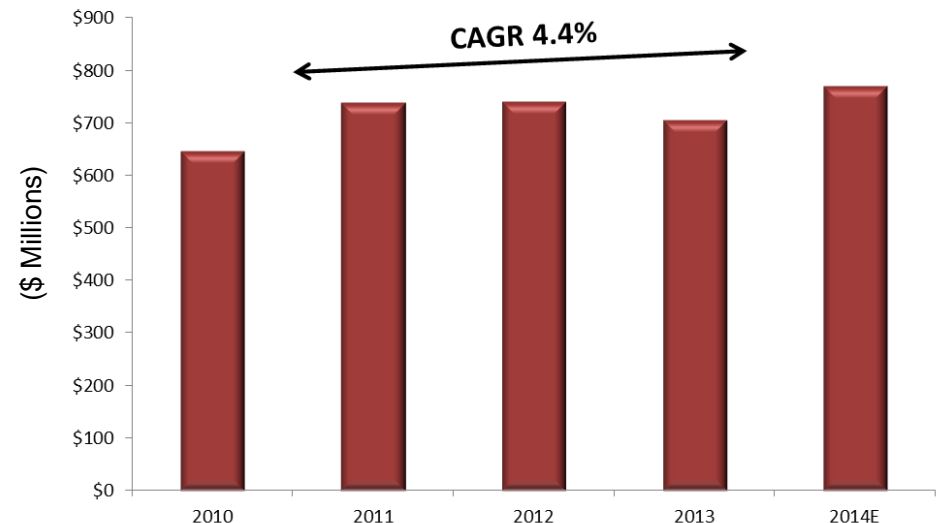
- Our Largest Business Segment
- Owner/Operator Model
- Pricing/Rate Increases
- O/O Truck Count 3,300+
- Grow/Diversify Customer Base

## Revenue Model

- 1– 2 year Contract Pricing
- Fuel Surcharges Customary but Variable
- Volumes are Not Guaranteed
- Spot Market and “Job” Bidding is Common
- Higher Average Rate per Mile



## Transportation Revenue



## Operating Model

- High Complexity, High Margin
- Long-Term Contracts - High Renewal Rate
- Low Investment
- Highly Customized Solutions
- Scalable, Flexible Cost Structure:  
(Labor, Facilities, Equipment)

## Key Statistics

**651,000** Parts Handled Daily

**282,000** Sequenced/Sub-assemblies Daily

**173,000** Empty Containers Processed Daily

Up to **900** Unique Parts Kitted

**4 Million** Square Feet of Warehouse

**22 Million** Pounds Freight Daily



**World Class Product Delivery**

**LESS THAN 1.7 Defect Per Million**  
**Operations**

## Operating Model

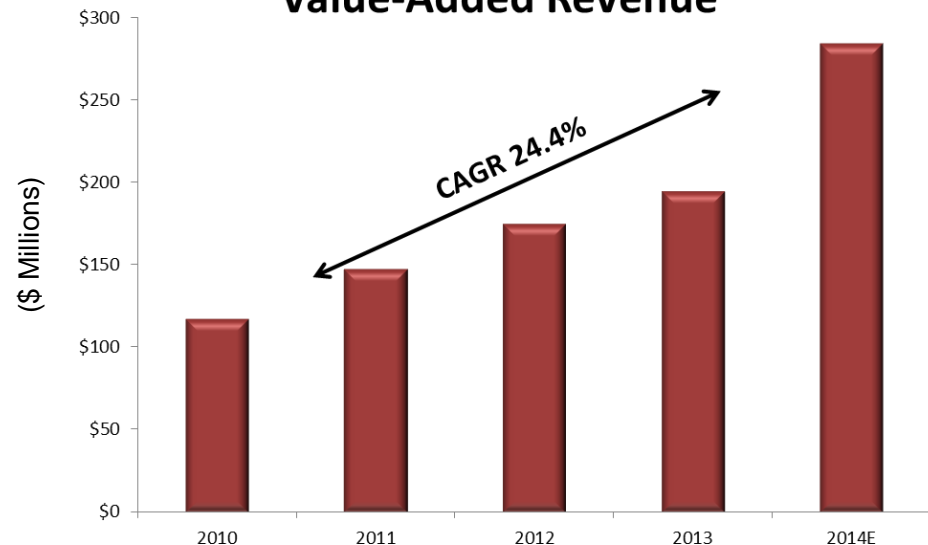
- Annual Contract-based
- High Recurring Volumes Business
- Repetitive Routes and Services
- High Service Commitments
- 100% Schedule Compliance
- Uses Company-owned Capacity




## Revenue Model

- Pricing Negotiated for Specific Lanes
- Guaranteed Volumes per Contract
- High Equipment Utilization
- Priced on Contract Specifics
- Margin and Cost are Driven by Operational Performance


### Value-Added Revenue



## Opportunities

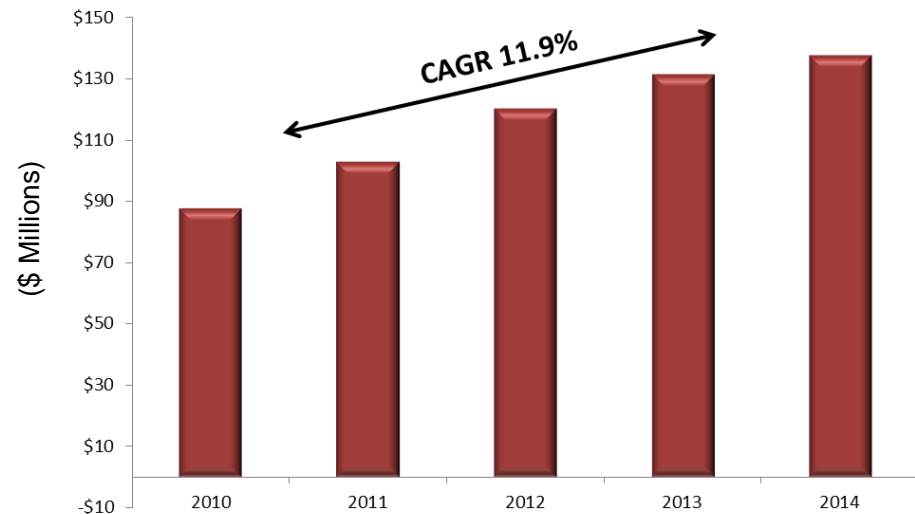
- Expected Growth of 9-11% for 2015
- Pricing/Rate Increases
- Truck Count up 9.2% to 841 for 2014
- Grow/Diversify Customer Base
- 73% International Drayage
- Rising Import Volumes 

## Challenges

- Drayage Capacity
- Container Yard Storage
- Domestic Port and Rail Congestions
- Slowing Export Volumes 



## Intermodal Revenue



# Favorable Dynamics in Key End Markets

1

## Automotive



- Record production forecast of 17.3 million units, 2.4% growth over last year
- Good economy, low oil prices, favor US manufacturing and shift demand to SUV's
- Risk-adverse OEMs demand supply chain quality, reliability and efficiency

2

## Industrial



- High demand for new Class 4-8 trucks driven by aged fleet, fuel economy & emissions requirements, lower maintenance and cheap financing.
- Other agricultural related heavy industrial customers have been impacted by lower oil prices

3

## Steel / Metals



- Construction and Automotive hauling is steady while Industrial is slowing
- Top 5 provider of flatbed and heavy-haul

4

## Retail



- Strong US dollar makes imports cheaper (but hurts exports)
- 2015 retail sales projected increase of 5.6% from low unemployment and increased discretionary spending from lower fuel prices
- Building Materials expected to grow 7% as housing market thaws

5

## Energy



- Lower Oil prices shift pipe & equipment hauling from local to regional
- Wind Energy expected to remain solid in 2015

**2014**

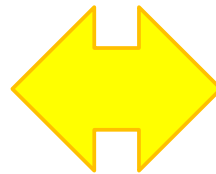
**2015**

**Beyond**

**Transportation**



**Value-Added**



**Intermodal**





## **Transportation**

- Increase Driver Capacity

- Improve Margins

- Increased Focus on Business

## **Value-added**

- Regain Historic Margins in Dedicated

- Grow Value-added Operations

- “Own” the plant

## **Intermodal**

- Improve Margins

- Take Advantage of Intermodal Environment

# Summary Financial Information



(\$ in millions)	For the Year Ended December 31,				YTD Q3
	2010	2011	2012	2013	2014
<b>Income Statement Data:</b>					
Total operating revenues	\$ 852	\$ 991	\$ 1,037	\$ 1,033	\$ 889
Income from operations	53	66	69	84	62
Net income [1]	46	51	48	51	35
EPS (diluted)	\$ 1.50	\$ 1.71	\$ 1.59	\$ 1.68	\$ 1.16
Dividends per share				\$ 0.14	\$ 0.21
<b>Other Data (unaudited):</b>					
Adjusted EBITDA [2]	\$ 70	\$ 84	\$ 98	\$ 104	\$ 86
CAPEX	13	30	30	17	40
Free Cash Flow [3]	\$ 57	\$ 54	\$ 68	\$ 87	\$ 46
Operating margin	6.2%	6.7%	6.7%	8.2%	7.0%
EBITDA margin	8.2%	8.5%	9.4%	10.1%	9.7%

Note [1]: Pro forma net income has been computed to give effect to the termination of LINC's S Corporation status and acquisition by Universal in October 2012, which changes the provision for income taxes for each prior period presented.

Note [2]: As reported.

Note [3]: Free cash flow defined as Adjusted EBITDA, less capital expenditures.

# Summary Financial Information



(\$ in millions)	For the Year Ended December 31,				YTD Q3
	2010	2011	2012	2013	2014
<b>Balance Sheet Data:</b>					
Cash and cash equivalents [1]	\$ 25	\$ 22	\$ 13	\$ 22	\$ 22
Total assets	295	316	327	490	524
Total debt	64	83	146	242	242
<b>Credit Statistics:</b>					
Total debt/ Adj. EBITDA [2]	0.9x	1.0x	1.5x	2.3x	2.2x
Net debt/ Adj. EBITDA [2]	0.6x	0.7x	1.4x	2.1x	2.0x

Note [1]: Includes marketable securities of \$15.0 million, \$16.1 million, \$10.0 million, \$11.6 million, and \$12.3 million for the periods presented.

Note [2]: As reported.

REVENUE



- Value to customers based on –
  - Unique value-added, flatbed, heavy haul, intermodal, dedicated and international capabilities
  - Industry-specific supply chain knowledge
  - Technology-enabled solutions
  - Enduring customer relationship based on responsiveness and reliability
  - Financial resources and stability
- Pricing opportunities follow -
  - Capacity development
  - Customized service offerings

MARGIN



VARIABLE  
MODEL



INVESTMENT  
DISCIPLINE



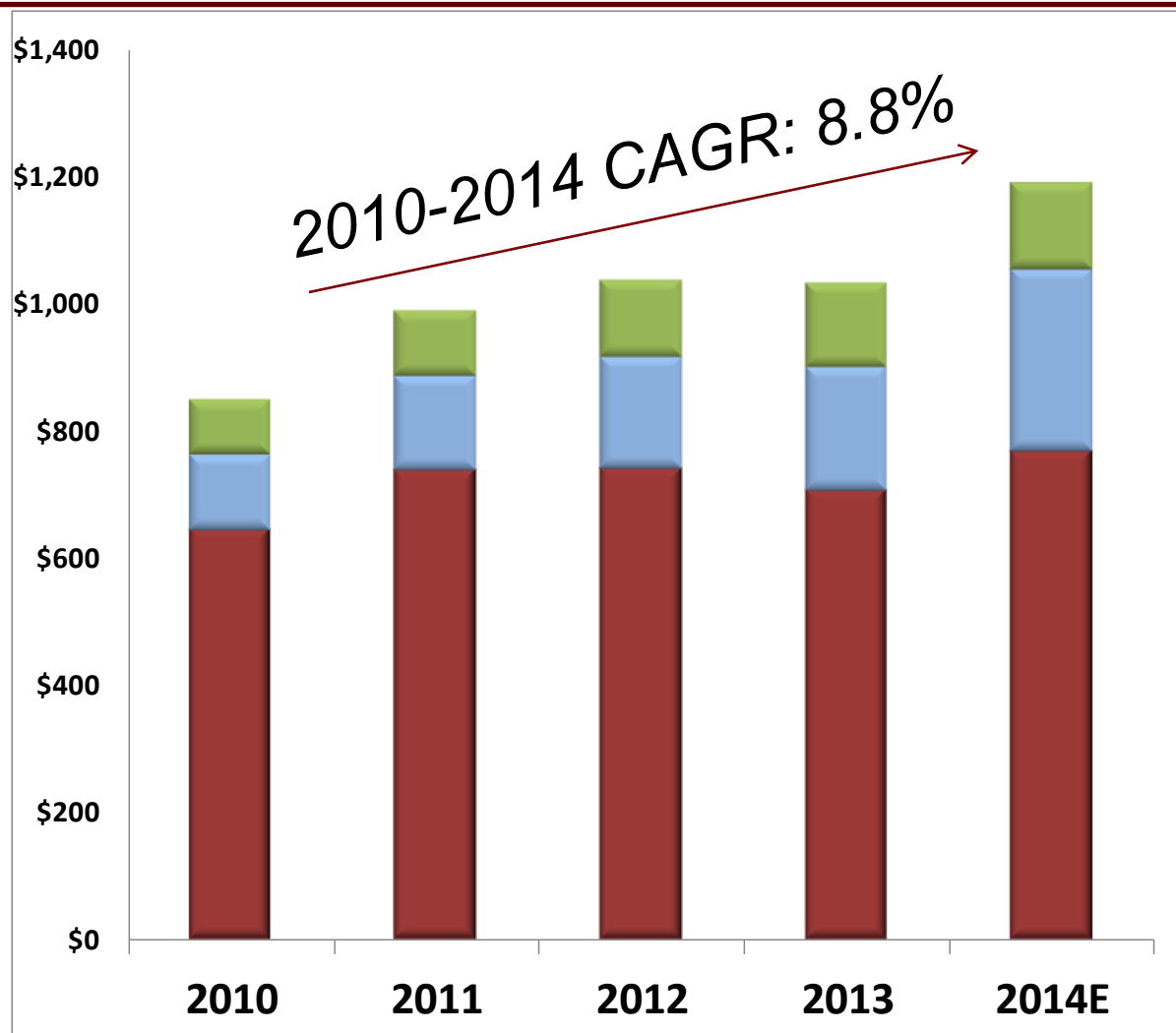
MANAGE  
RISK



# Key Financial Metrics - Revenue

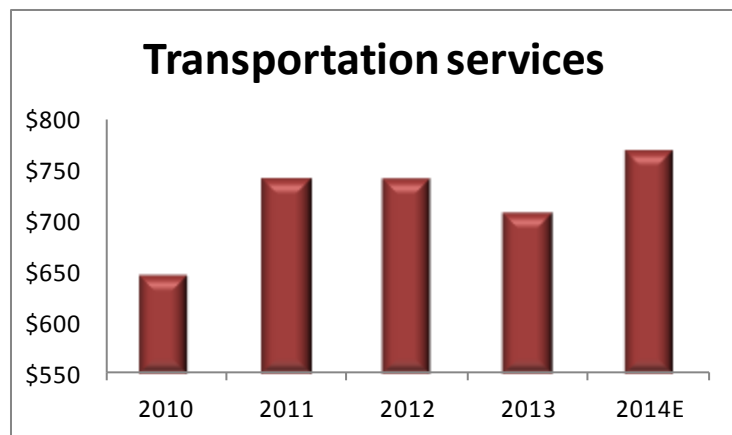


(\$ M)

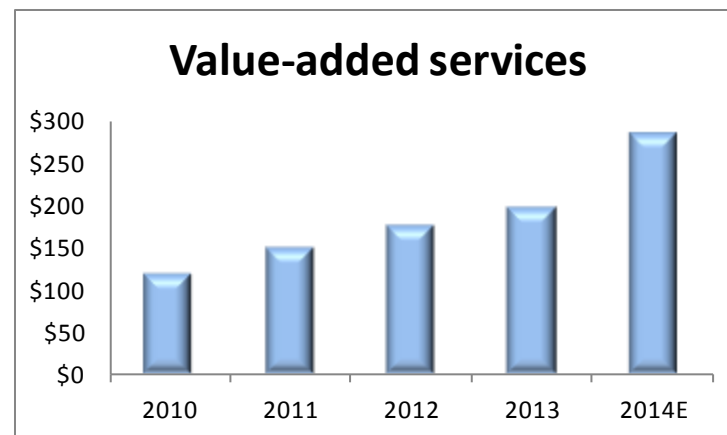


Source: SEC filings. All figures pro forma for the merger of Universal Truckload Services and LINC Logistics Company. 2014 preliminary, unaudited.

# Key Financial Metrics - Revenue

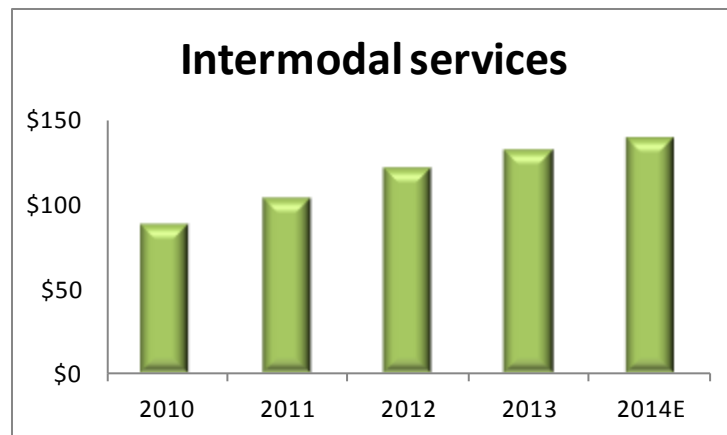


(\$ M)



2010 – 2014 CAGR: 4.4%

2011 – 2014 CAGR: 24.4%



2010 – 2014 CAGR: 11.9%

Source: SEC filings. All figures pro forma for the merger of Universal Truckload Services and LINC Logistics Company.

REVENUE

MARGIN

VARIABLE  
MODEL

INVESTMENT  
DISCIPLINE

MANAGE  
RISK

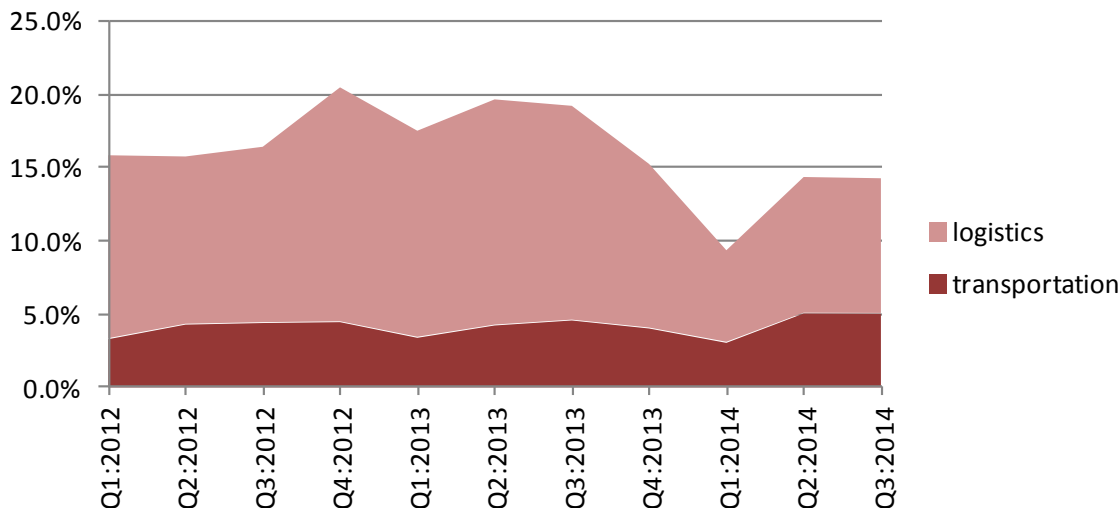
■ **Transportation** segment –

- Benefiting from strong pricing
- Fuel costs and surcharges lower (approx. 14% of truckload and 24% of intermodal service revenue)

■ **Logistics** segment –

- Rebound from Q1:14 polar vortex
- Re-set from closing of selected customer operations
- Tackle Dedicated transportation margin erosion

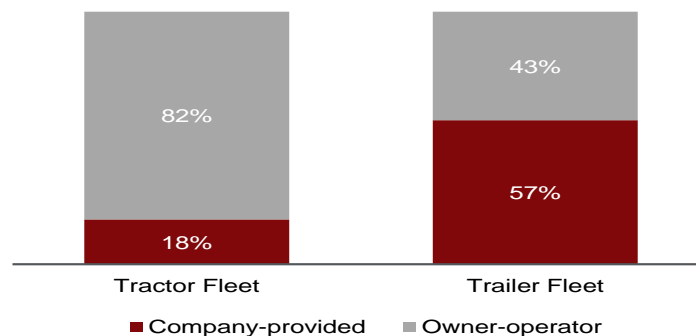
**Segment Profitability**





REVENUE

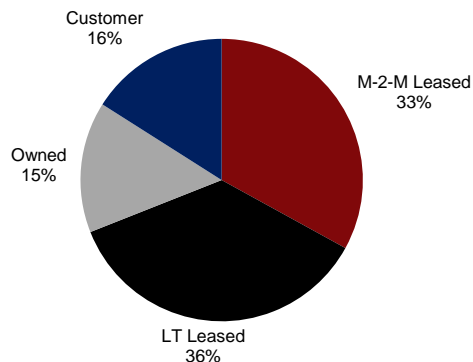
- Mix of Owner Operators and Company Equipment



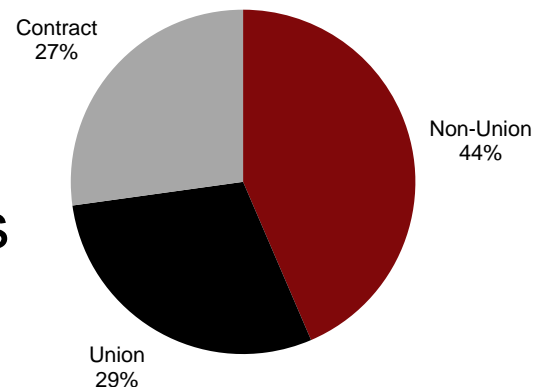
MARGIN

VARIABLE  
MODEL

- Flexible Facility Arrangements



INVESTMENT  
DISCIPLINE

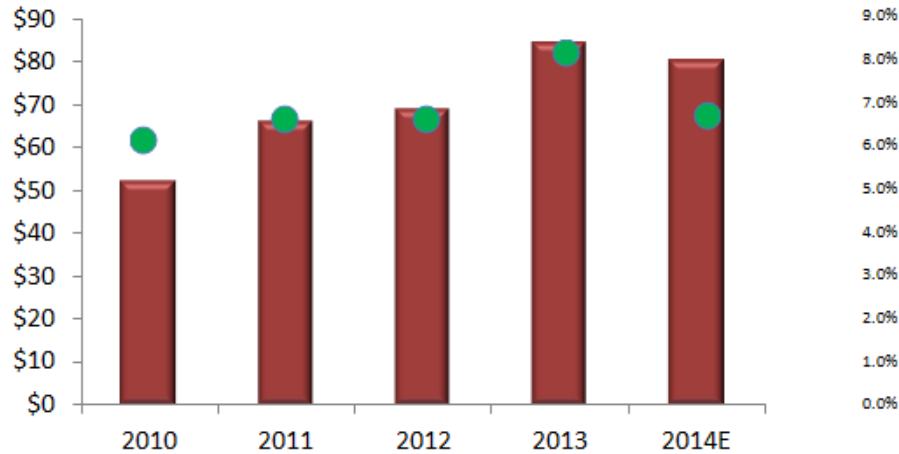


MANAGE  
RISK

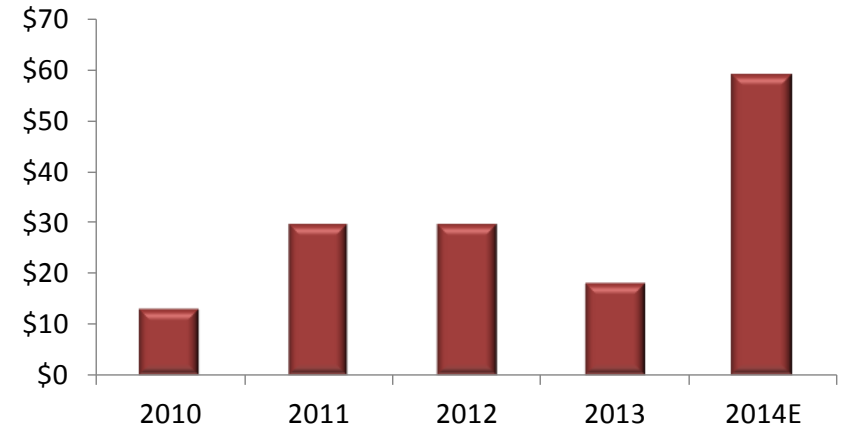
- Multiple Labor Pools

# Key Financial Metrics

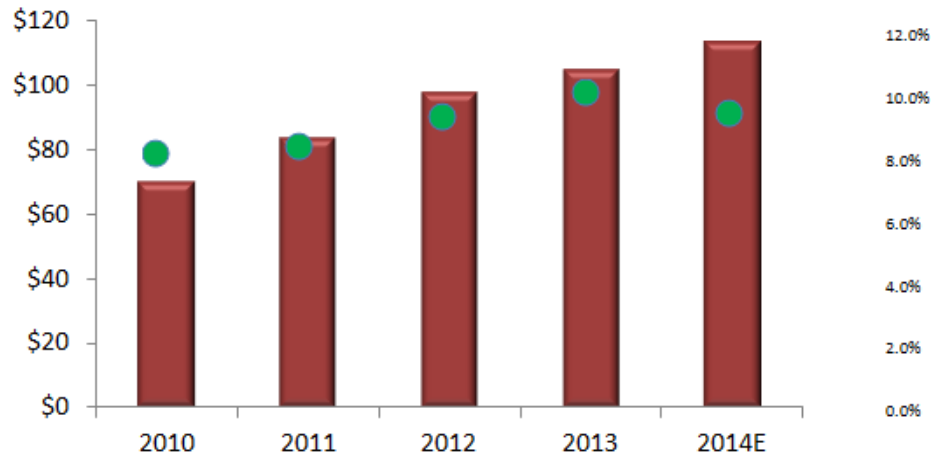
## Income from operations / ROS



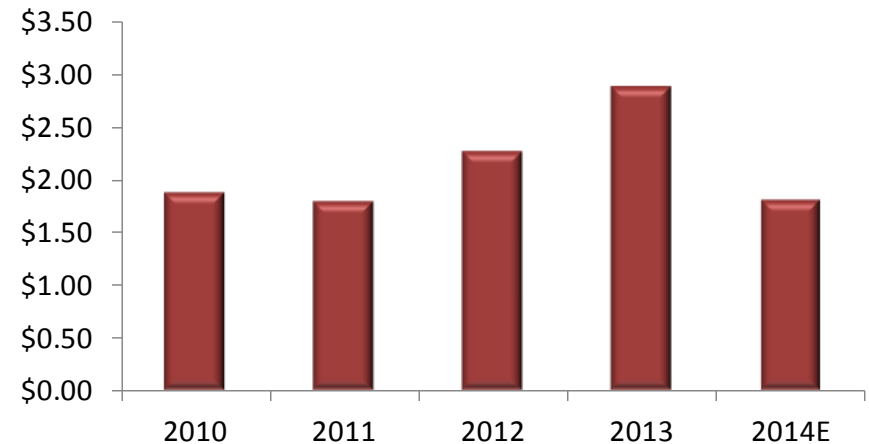
## Capital Expenditures (\$ M)



## Adjusted EBITDA



## Free cash flow / share



## REVENUE

- Asset-light business model generates high ROI and free cash flow

## MARGIN

- Corporate development focused on higher margin, higher ROI, non-commodity services that broaden customer and geographic reach

## VARIABLE MODEL

## INVESTMENT DISCIPLINE

## MANAGE RISK



October 2012  
\$301 M Revenue  
\$335 M Price  
~6.5x EBITDA



December 2013  
\$88 M Revenue  
\$123 M Price  
~6.5x EBITDA

## REVENUE



- Deep(en) penetration of existing customers

## MARGIN



- Broad(en) revenue base across targeted vertical markets
- *Focus* on operations and opportunities with revenue visibility and multi-year contracts

## VARIABLE MODEL



## INVESTMENT DISCIPLINE



- Pursue fixed/variable contract pricing to de-link indirect costs from customer volumes

## MANAGE RISK



- *Simplify* organizational complexity

# EARNINGS ANNOUNCEMENT

Thursday, February 19

## CONFERENCE CALL

10:00 AM ET Friday, February 20

*Toll Free: (866) 622-0924*

*International: +1 (660) 422-4956*

*Conference ID: 82605487*

# Just Ahead ...

## ■ Preliminary 2014 results<sup>(1)</sup>:

- Operating revenues of ~\$1.19 billion
  - >15% increase over 2013
  - Q4: \$301 – 304 million / >16% increase
- Operating margin<sup>(2)</sup>: ~6.1%
- EBITDA margin<sup>(2)</sup>: ~9.0%
- EPS:     2014    \$1.50 – 1.51                      (2013 - \$1.68)  
                 Q4       \$0.34 - \$0.35                      (Q4:2013 - \$0.38)
- Capital expenditures: ~\$59 million

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<sup>(1)</sup> Subject to completion of annual financial processes and independent audit.

<sup>(2)</sup> Reflects a \$2 million charge for an uncollectible account related to an oil exploration industry customer and approx. \$1 million charges related primarily to the retirement of our former CEO.

## REVENUE

- **Favorable Market Conditions in Most Verticals**
- **Transportation Services: 10 – 13% growth in 2015**
  - Variables: Driver development, pricing, fuel surcharge rates, dedicated business, growth of technology-enabled brokerage operation
- **Intermodal Services: 9 – 11% growth in 2015**
  - Variables: Driver development, port congestion, fuel surcharge rates, impact of FX rates on import/export mix
- **Value-Added Services: 3 – 5% growth in 2015**
  - Variables: New program development, sizing and launch timing
- **Transportation Segment focused on 50 – 100 bps operating and EBITDA margin improvement**
- **Logistics Segment focused on improving profits in dedicated transportation, maintaining margins on current value-added programs and capturing historic margins on new programs**
- **Long term, capital expenditures to trend at 3.5 – 4.0% of revenue**
- **2015 Focus on Debt Repayment**

## MARGIN IMPROVEMENT

## FREE CASH FLOW





[www.goutsi.com](http://www.goutsi.com)