

Universal

Transportation Services



Value Added Services



Intermodal Services



Specialized Services



**BB&T Capital Markets
31st Annual Transportation Services Conference
February 11, 2016
Coral Gables, Florida**

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Today's Presenters



Jeff Rogers

Chief Executive Officer

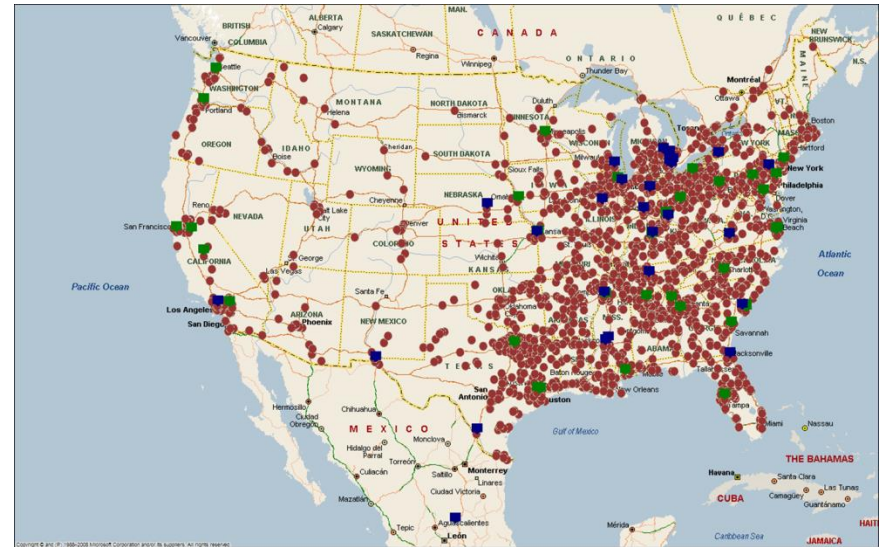


David Crittenden

Chief Financial Officer

Universal at a Glance –

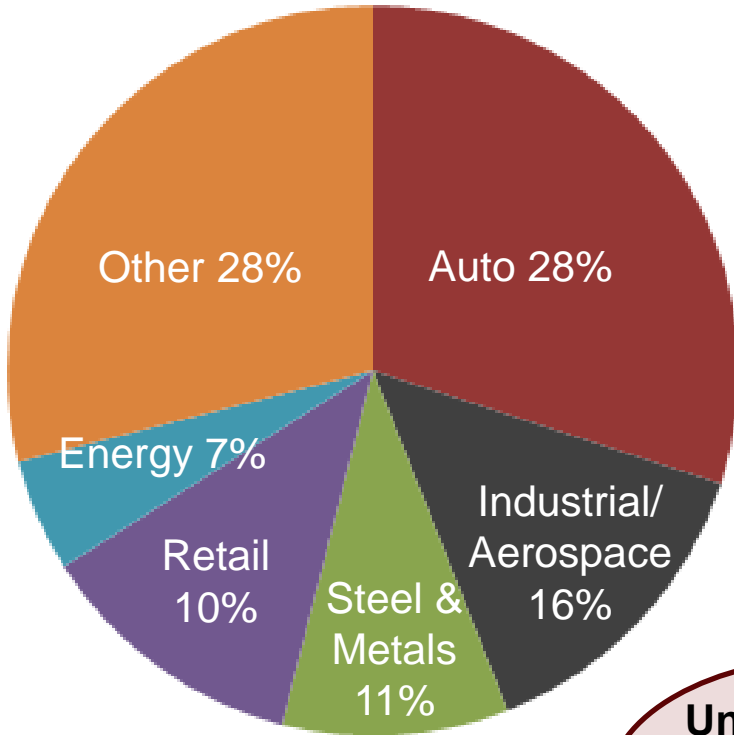
- Best-in-class provider of broad based and customized supply chain solutions in the United States, Mexico, Canada and Colombia
- Flexible, asset-light model across multiple businesses that generates strong free cash flow and superior return on invested capital
- Top five provider of flatbed and heavy-haul services
- 48 Facilities | 306 Agents | 3,300 Owner-Operators



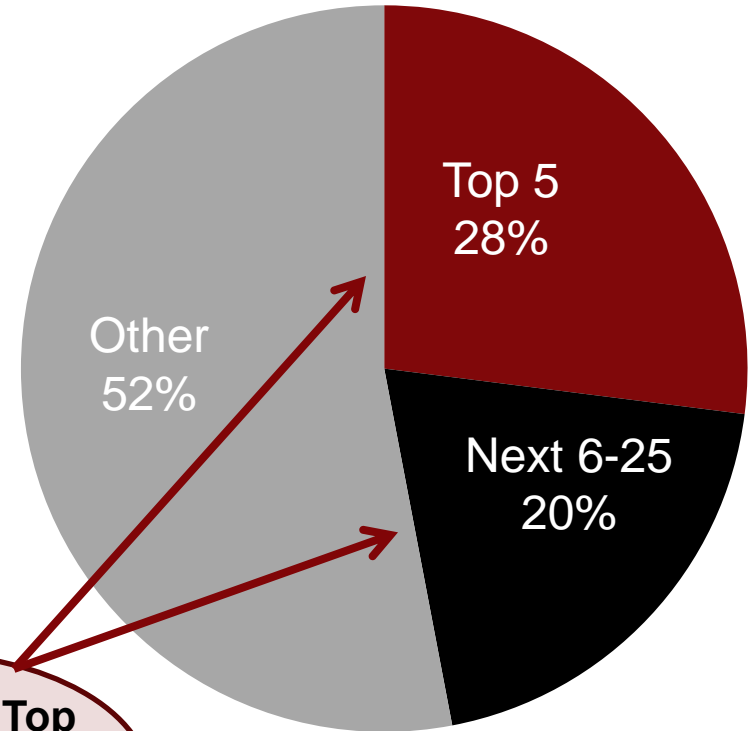
Financial Overview -

- Est. 2015 Revenue: \$1.13 Billion
- Est. EBITDA Margin: 9.6%
- Est. Operating Margin: 6.5%

End Markets



Customer Mix

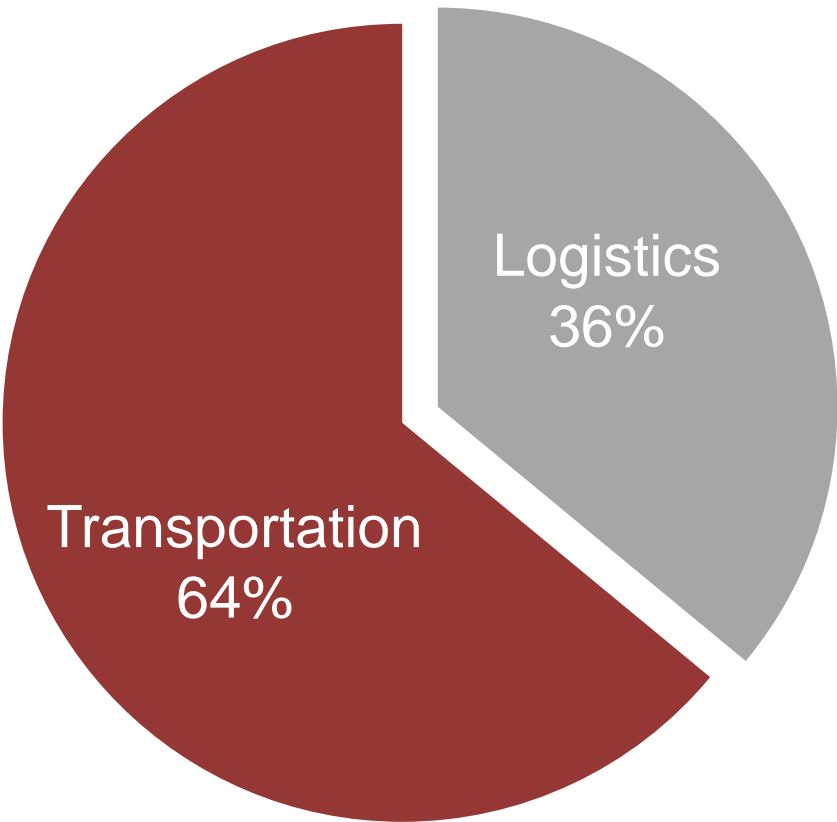


Universal's Top 25 Customers Account for 48% of Revenue

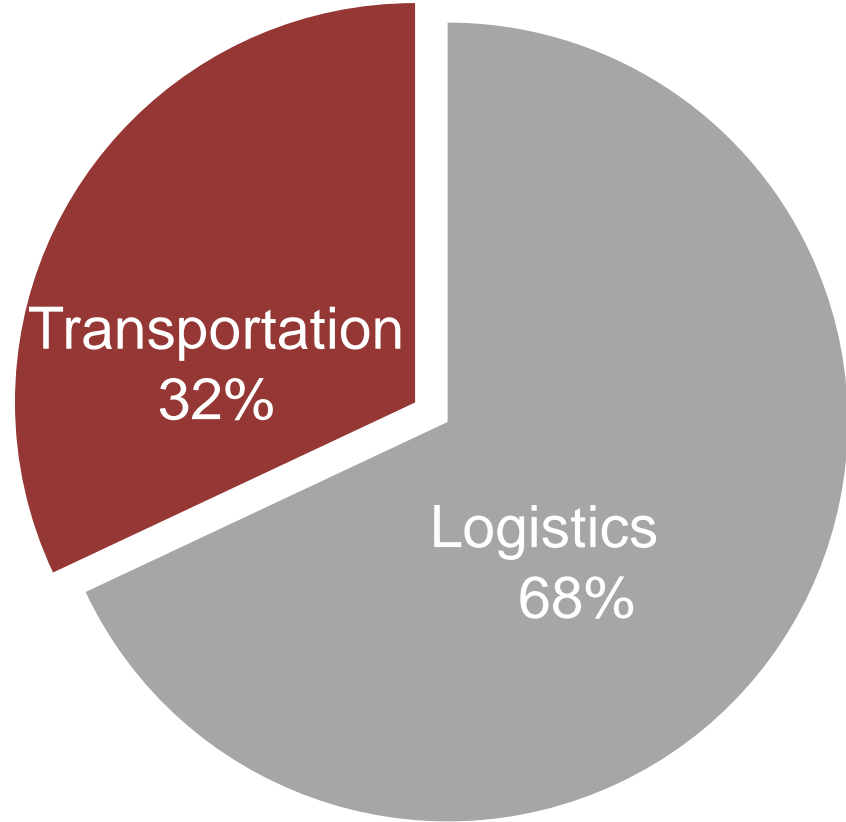
source: Company information as of the third fiscal quarter of 2015 ended September 26, 2015.



Revenue



EBITDA



source: Securities filings as of the third fiscal quarter of 2015 ended September 26, 2015.

Enviably and Growing Customer List



MEDITERRANEAN SHIPPING COMPANY



- Supply ChainBrain “2015 Great Supply Chain Partner”
- Inbound Logistics Magazine “2015 Top 100 3PL” and “2015 Top Trucker”
- Transport Topics “2015 Top 100 For-Hire Carrier”
- Transportation Topics “2015 Top 50 Logistics Company”
- Global Trade Magazine “2016 America’s Top Trucking Providers”

Timeline of Growth and Development



February 2005
Revenue: \$362 M

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

Jeff Rogers
December 2014



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

TODAY
Revenue: \$1.1B

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

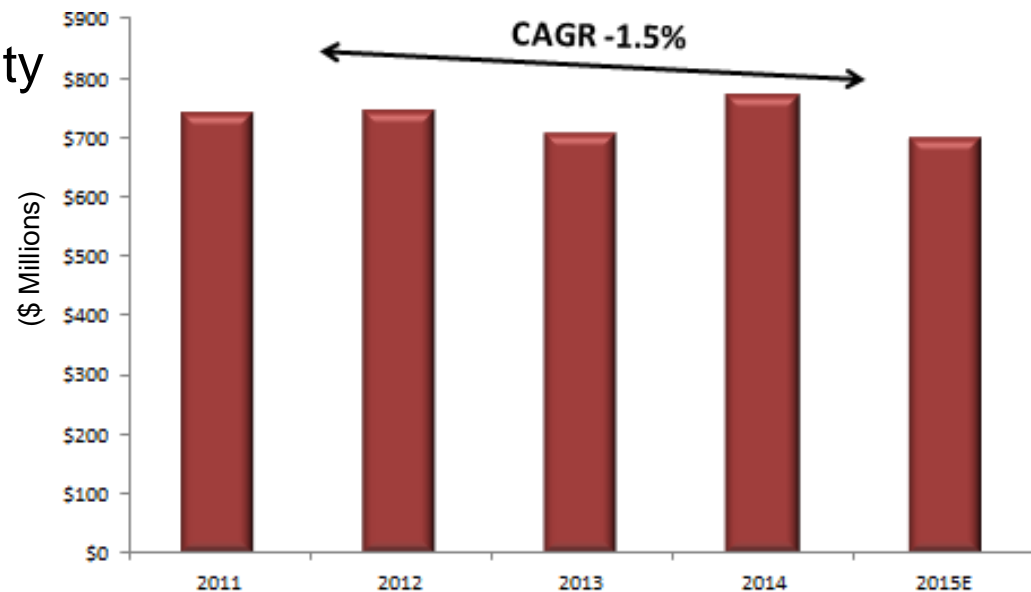


Operating Model

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

Revenue Model

- Negotiated Pricing for Specific Lanes and Load Requirements
- High Equipment Utilization
- Margin and Cost are Driven by Operational Performance



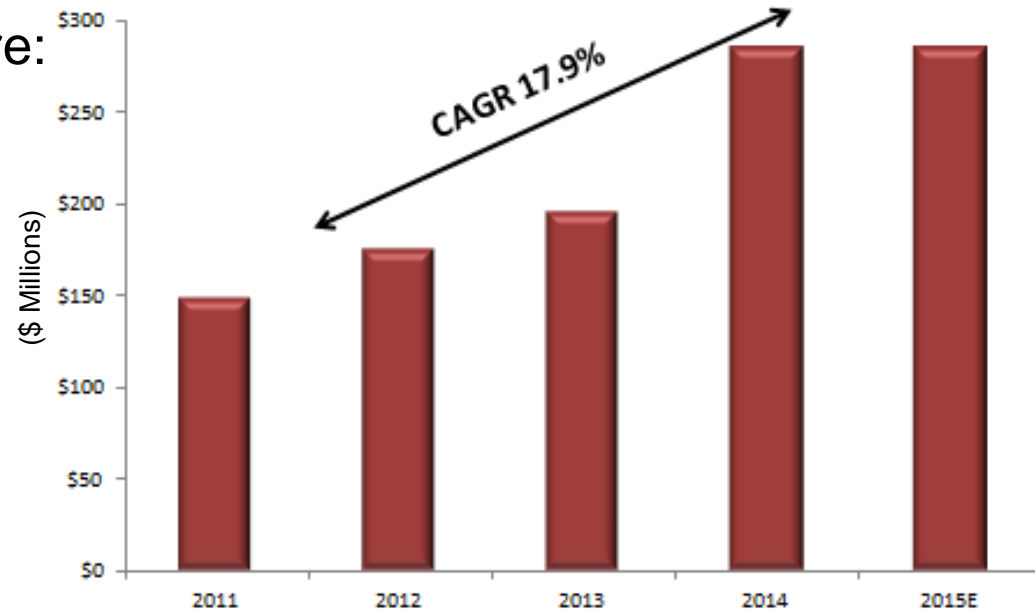
Value-Added Services

Operating Model

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

Revenue Model

- Fixed and Variable Pricing
 - Flexes with production demand
 - Covers indirect costs



World Class Supply Chain Partner

Volume –

Speed –

Accuracy –

Reliability -

LESS THAN 1.7 Defects Per Million



787,000 Parts Handled Daily

394,625 Sequenced/Sub-assemblies Daily

215,000 Empty Containers Processed Daily

Up to **1,250** Unique Parts Kitted

5.1 Million Square Feet of Warehouse

24.5 Million Pounds Freight Daily


Opportunities

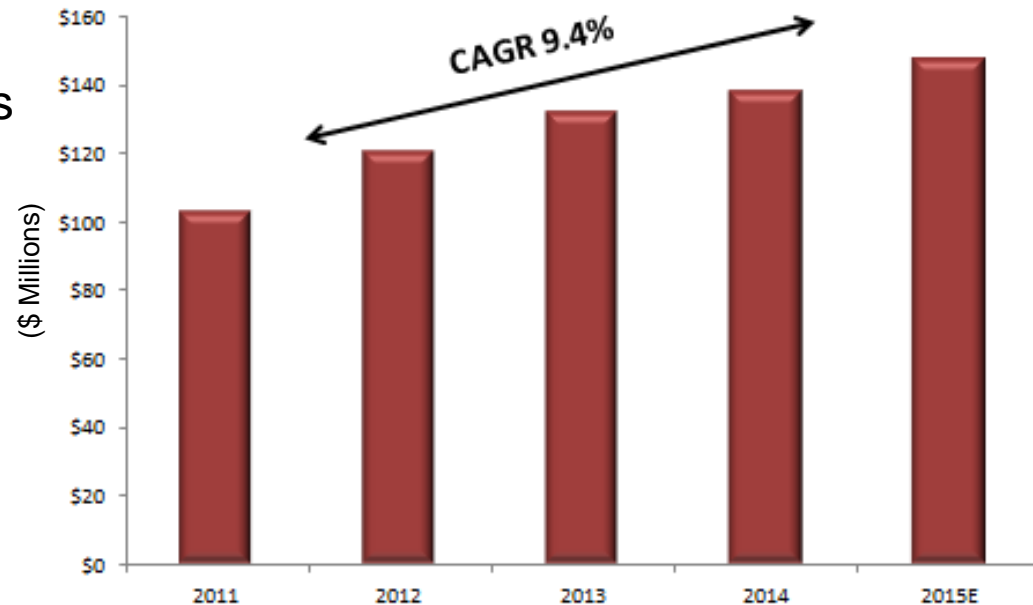
- Expected Growth of 6 - 8% for 2016
- Pricing/Rate Increases
- Truck Count up 17.6% to 990 for twelve months ended January 31, 2016
- Grow/Diversify Customer Base
- 73% International Drayage
- Strong US\$ supports Import Volumes



Intermodal Services

Challenges

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



Mixed Dynamics in End Markets

1

Automotive



- 2016 production forecast of 17.7 to 18 million units
- low oil prices shift demand to more and larger vehicles
- Risk-adverse OEMs demand supply chain quality, reliability and efficiency

2

Industrial /
Aerospace



- Slowing demand for new Class 4-8 trucks, following two years of strong growth.
- Other industrial customers impacted by lower oil prices, Chinese demand slowdown, and strong U.S. Dollar

3

Steel / Metals



- Construction and Automotive hauling is steady
- Oil field demand remains slow

4

Retail



- Strong US dollar makes imports cheaper
- 2016 retail sales projected to increase 4% from low unemployment and increased discretionary spending from lower fuel prices
- Mass market demand stronger than luxury products

5

Energy



- Lower Oil prices shift pipe & equipment hauling demand from local to regional
- Wind Energy demand stability depends on key customers and government policies

Universal's Position

1

Automotive



- Critical provider of supply chain services to five automotive OEMs
- "Own the Plant"
- Expanding services to largest customer in Mexico and three U.S. assembly plants
- Mentoring diversity partners, a key industry initiative

2

Industrial /
Aerospace



- New aerospace, off road and industrial customers launching in 2016
- Slowing demand for new Class 4-8 trucks, following two years of strong growth, impacting Westport Axle subsidiary

3

Steel / Metals



- Construction and Automotive hauling is steady
- Universal is a recognized Top 5 provider of flatbed and heavy-haul for the steel industry due to specialized trailer, load securement and permitting capabilities

4

Retail



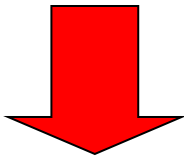
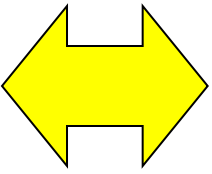
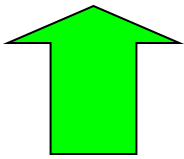
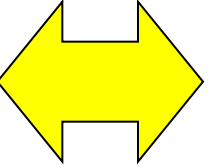
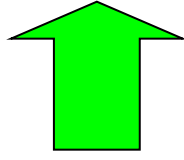
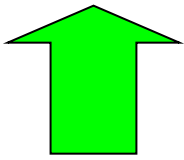
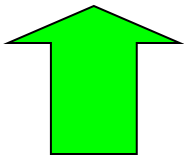
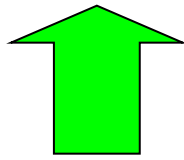
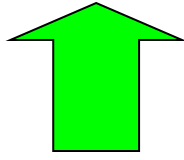
- In recent years, Universal has established strong relationships with several reference retail accounts, including Walmart
- Cavalry Logistics, our brokerage business, is a continuing source for new customer prospecting

5

Energy



- Lower Oil prices shift pipe & equipment hauling from local to regional
- Wind Energy business in transition; unique hauling equipment

	2015	2016	Beyond
Transportation			
Value-Added			
Intermodal			

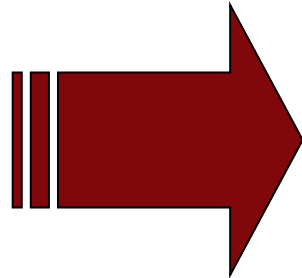
Priorities

2015 -

SIMPLIFY

FOCUS

EXECUTE



2016 –

CAPACITY FOR GROWTH

Grow Truckload

- Agent-based sales
 - Increased RFP support
- New company facilities
- Leverage Cavalry Logistics customer list and advanced load-search technology
- Target capacity development based on unique load requirements



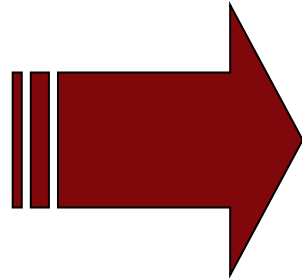
Priorities

2015 -

SIMPLIFY

FOCUS

EXECUTE



2016 –

CAPACITY FOR GROWTH

*Expand Value-added
Services Bandwidth*

- New program launches
 - Legacy customer
 - New wins
- Leadership development
- Leverage recently-completed sales organization strategy

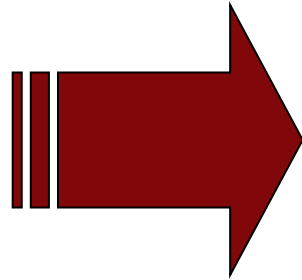


2015 -

SIMPLIFY

FOCUS

EXECUTE



2016 –

CAPACITY FOR GROWTH

Grow Intermodal

- Maintain customer acquisition momentum and expand market share
- Leverage expanded drayage capacity
- Tuck-in regional acquisitions
- Develop additional volume accounts targeting ultimate customers
- Leverage expanded terminal density within our national footprint
- Expand new LA terminal



2016 – CAPACITY FOR MARGIN IMPROVEMENT

Transportation Services

- Agent management**
- Back office process streamlining**
- Field office consolidation**
- Enhance equipment utilization and PM**

Value-added Services

- Maintain historic margins in existing and new program launches**

Intermodal Services

- Optimize fuel surcharge economics**

\$2 billion revenues in 2020

- ❑ **Focus separately on three businesses:**
 1. **Truckload and dedicated transportation**
 2. **Value-added**
 3. **Intermodal**

- ❑ **Leverage Universal Brand**

- ❑ **Complimentary acquisitions to increase customer penetration and North American geographic footprint**

- ❑ ***Intelligent Growth***

- Operating revenues of ~\$1.13 billion
 - ~5% decrease over 2014
 - Q4: \$283 – 288 million v. \$302.5 million Q4:2014
- Operating margin: ~6.5%
- EBITDA margin: ~9.6%
- EPS⁽²⁾: 2015 \$1.35 – 1.36 (2014 - \$1.51)
Q4 \$0.32 - \$0.33 (Q4:2014 - \$0.35)
- Capital expenditures: ~\$28 million

(1) Subject to completion of annual financial processes and independent audit.

(2) Reflects a non-cash charge of approximately \$0.8 million after tax related to December 2015 debt refinancing.

Summary Financial Information



(\$ in millions)	For the Year Ended December 31,				YTD Q3
	2011	2012	2013	2014	2015
Income Statement Data:					
Total operating revenues	\$ 991	\$ 1,037	\$ 1,033	\$ 1,192	\$ 843
Income from operations	66	69	84	81	55
Net income [1]	51	48	51	45	31
EPS (diluted)	\$ 1.71	\$ 1.59	\$ 1.68	\$ 1.51	\$ 1.04
Dividends per share			\$ 0.14	\$ 0.28	\$ 0.21
Other Data (unaudited):					
Adjusted EBITDA [2]	\$ 84	\$ 98	\$ 104	\$ 114	\$ 81
CAPEX	30	30	17	60	13
Free Cash Flow [3]	\$ 54	\$ 68	\$ 87	\$ 54	\$ 68
Free Cash Flow per share	\$ 1.80	\$ 2.27	\$ 2.89	\$ 1.80	\$ 2.26
Operating margin	6.7%	6.7%	8.2%	6.8%	6.5%
EBITDA margin	8.5%	9.4%	10.1%	9.6%	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]: SEC filings.

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

Summary Financial Information

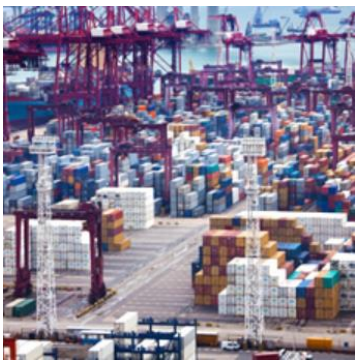
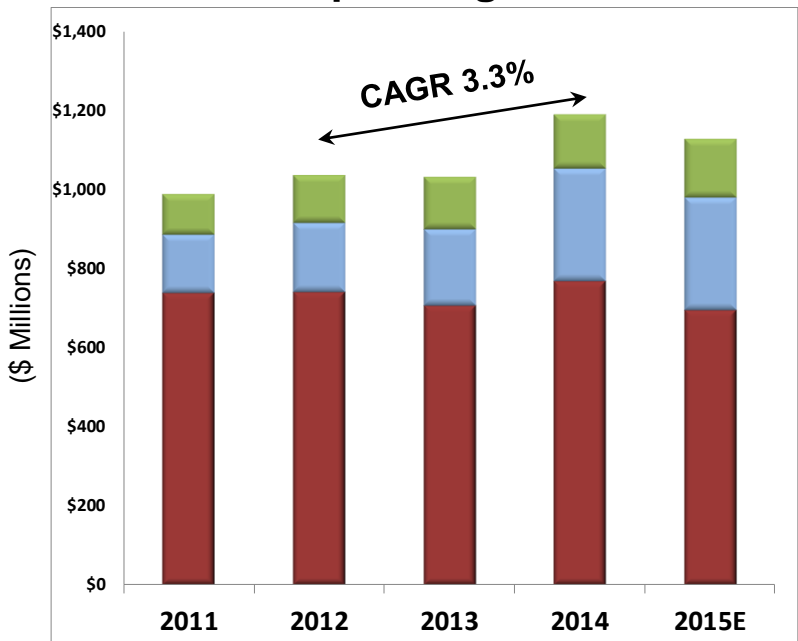


(\$ in millions)	For the Year Ended December 31,				YTD Q3
	2011	2012	2013	2014	2015
Balance Sheet Data:					
Cash and cash equivalents [1]	\$ 22	\$ 13	\$ 22	\$ 22	\$ 24
Total assets	316	327	490	529	528
Total debt	83	146	242	238	242
Credit Statistics:					
Total debt/ Adj. EBITDA [2]	1.0x	1.5x	2.3x	2.1x	2.2x
Net debt/ Adj. EBITDA [2]	0.7x	1.4x	2.1x	1.9x	2.0x

Note [1]: Includes marketable securities of \$16.1 million, \$10.0 million, \$11.6 million, \$14.3 million and \$13.4 million for the periods presented.

Note [2]: SEC filings.

Total Operating Revenues

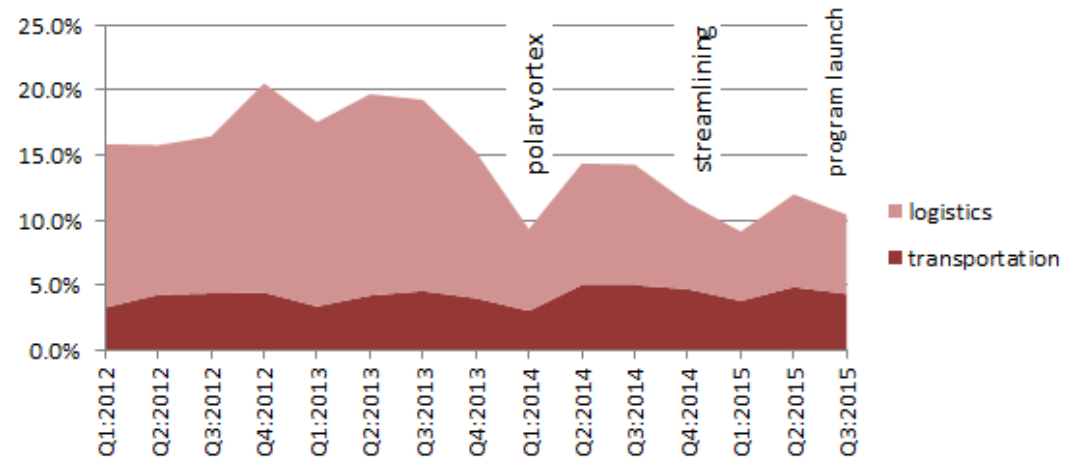


Source: SEC filings.

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

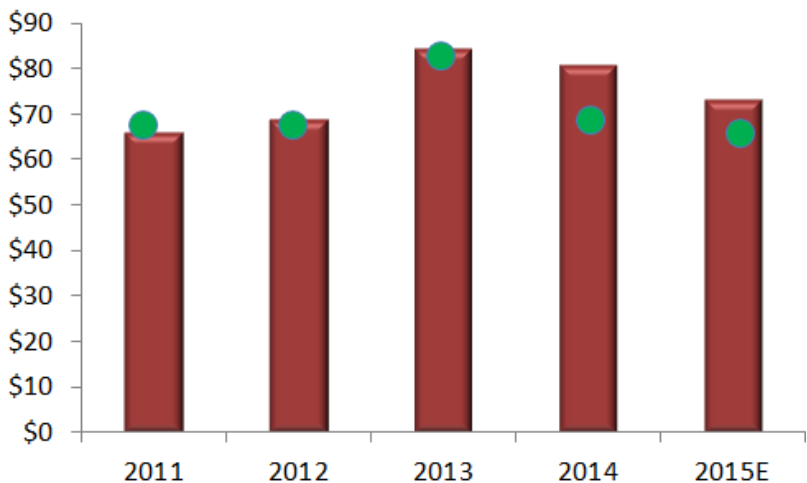
Segment Profitability



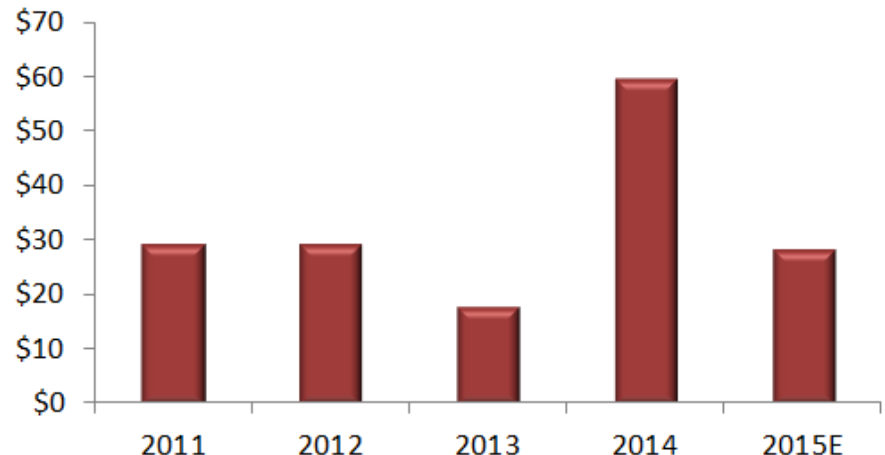
Key Financial Metrics



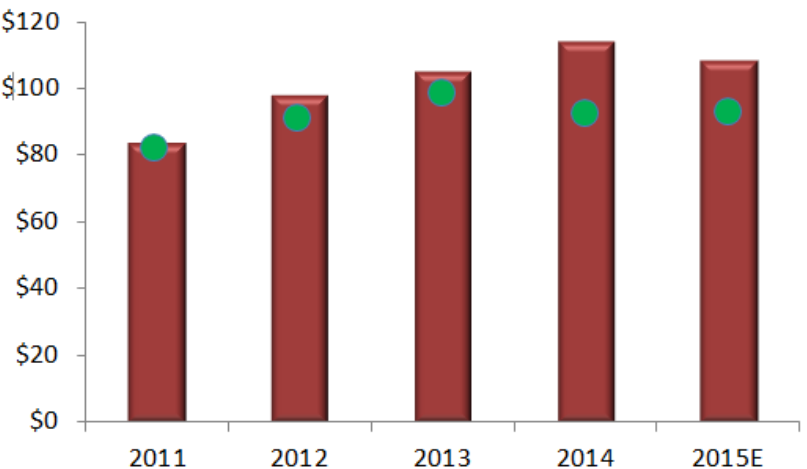
Income from Operations / ROS



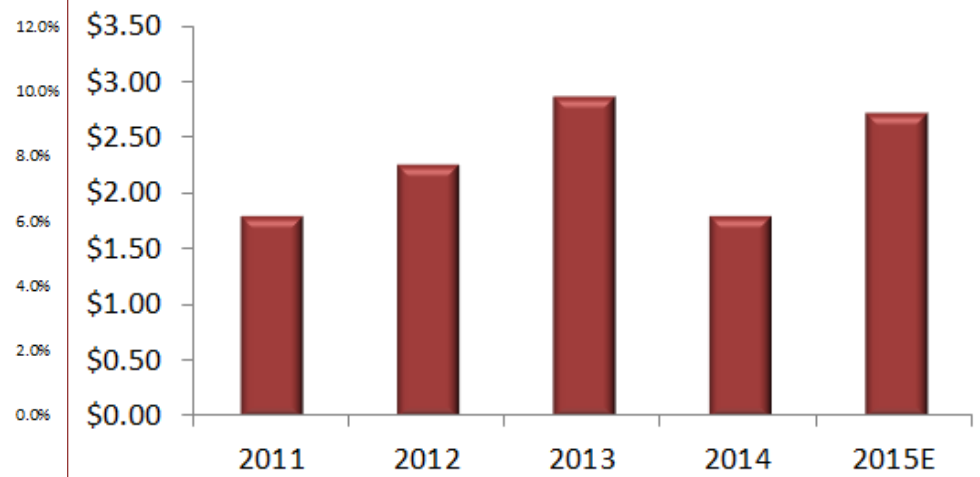
Capital Expenditures (\$ M)



Adjusted EBITDA



Free Cash Flow / Share



Other Considerations

INVESTMENT DISCIPLINE



- Asset-light model across all three businesses generates high ROI and free cash flow

VARIABLE INPUTS



- Mix of Owner Operators and Company Equipment
- Flexible Facility Arrangements
- Multiple Labor Pools

RISK MANAGEMENT



- *Focus* on operations and opportunities with revenue visibility and multi-year contracts
- fixed/variable contract pricing de-links indirect costs from customer volumes

Performance Review

One Year Ago

2015 Results

REVENUE

MARGIN
IMPROVEMENT

FREE CASH
FLOW

- **Transportation** - 9.5%
 - Oil & gas
 - Steel
 - Diesel decline lowers FSC
- **Value-Added** flat
 - Launches met expectations
 - Class 8 truck demand softened
- **Intermodal** ~7%
 - Diesel decline lowers FSC

- **Transportation Segment** stable despite revenue decline
- **Logistics Segment** stable
 - Dedicated Truckload profitable in Q4
 - New business at historical margins

- **CAPEX** = 2.5% of est. revenue
- 1.6 mm share buyback
- \$234 mm Dec. '15 Refinancing

- **“Favorable Market Conditions in Most Verticals”**
- **Transportation Services: 10 – 13% growth**
 - Variables: Driver development, pricing, fuel surcharge rates, dedicated business, growth of technology-enabled brokerage operation
- **Value-Added Services: 3 – 5% growth**
 - Variables: New program development, sizing and launch timing
- **Intermodal Services: 9 – 11% growth**
 - Variables: Driver development, port congestion, fuel surcharge rates, impact of FX rates on import/export mix

- **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**

EARNINGS ANNOUNCEMENT

Thursday, February 25

CONFERENCE CALL

10:00 AM ET Friday, February 26

Toll Free: (866) 622-0924

International: +1 (660) 422-4956

Conference ID: 26586117



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