3Q24 EARNINGS PRESENTATION

October 29, 2024

WE KEEP AMERICA MOVING®

DISCLOSURE STATEMENT

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements are based on information presently available to the Company's management and are current only as of the date made. Such statements are by nature subject to uncertainties and risks, including, but not limited to, operational, financial, legal risks detailed in our latest available Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated.

For those reasons, undue reliance should not be placed on any forward-looking statement. The Company assumes no duty or obligation to update or revise any forward-looking statement, although it may do so from time to time as management believes is warranted or as may be required by applicable securities law. Any such updates or revisions may be made by filing reports with the U.S. Securities and Exchange Commission, through the issuance of press releases or by other methods of public disclosure.

Non-GAAP Financial Measures and Reconciliations

To supplement our financial results presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"), we provide certain non-GAAP financial measures as defined by the SEC Regulation G, including non-GAAP adjusted operating income; non-GAAP adjusted operating margin; non-GAAP adjusted operating margin, net of fuel surcharge; non-GAAP adjusted net income attributable to Werner; non-GAAP adjusted diluted earnings per share; non-GAAP free cash flow; non-GAAP EBITDA; non-GAAP net debt; non-GAAP adjusted operating revenues, net of fuel surcharge; non-GAAP adjusted operating revenues, less purchased transportation expense; non-GAAP adjusted operating expenses; non-GAAP adjusted operating expenses, net of fuel surcharge; non-GAAP adjusted operating ratio; and non-GAAP adjusted operating ratio, net of fuel surcharge. We believe these non-GAAP financial measures provide a more useful comparison of our performance from period to period because they exclude the effect of items that, in our opinion, do not reflect our core operating performance. Our non-GAAP financial measures are not meant to be considered in isolation or as substitutes for their comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. There are limitations to using non-GAAP financial measures. Although we believe that they improve comparability in analyzing our period-to-period performance, they could limit comparability to other companies in our industry if those companies define these measures differently. Because of these limitations, our non-GAAP financial measures should not be considered measures of income generated by our business. Management compensates for these limitations by primarily relying on GAAP results and using non-GAAP financial measures on a supplemental basis.

WERNER®

BUSINESS OVERVIEW

DERek LEATHERS

Chairman and Chief Executive Officer

WERNER OVERVIEW (WERN)

WE KEEP AMERICA MOVING®

68 YEARS IN BUSINESS

OMAHA, NE
HEADQUARTERS

6TH
LARGEST DEDICATED CARRIER IN U.S.[3]

2,260 TOTAL DRIVERS IN COMPANY HISTORY WITH ONE MILLION OR MORE SAFE DRIVING MILES WITH WERNER

$2.3B[1]
MARKET CAP

1.5%[1]
DIVIDEND YIELD

13,117[2]
ASSOCIATES

290[2]
INDEPENDENT CONTRACTORS

> 90%
DEDICATED CUSTOMER RETENTION RATE

4,905[4] DEDICATED

2,540[4] ONE-WAY TRUCKLOAD

7,445[4] TTS TRUCKS

18%
WERNER COMPANY DRIVERS WITH MILITARY EXPERIENCE

16%
WERNER COMPANY DRIVERS WHO ARE WOMEN
(HIGHER THAN INDUSTRY AVERAGE)

55%
EMISSIONS REDUCTION GOAL BY 2035

29,335[4] TRAILING ASSETS

[1] As of 10/25/24 for Market Cap and Dividend Yield.
[2] Number of Associates and Independent Contractors as of 9/30/24.
[3] Source: Transport Topics
[4] As of 9/30/24; TTS includes Dedicated and One-Way Truckload. Trailing assets includes TTS and Logistics.

3Q24 FINANCIAL HIGHLIGHTS

	3Q24 *Y/Y Change*
Revenues	**$746M** (9)%
GAAP EPS	**$0.11** (72)%
Adj. EPS[1]	**$0.15** (64)%
Adj. Operating Income[1]	**$21.6M** (48)%
Adj. Operating Margin[1]	**2.9%** (220) bps
Adj. TTS Operating Margin[1, 2]	**5.3%** (320) bps

HIGHLIGHTS

- Dedicated continued to display resiliency; growing revenue per truck 26 of 27 quarters
- Further engineering of the One-Way fleet resulted in 7% growth in miles per truck Y/Y; RPTM inflected positive
- Logistics revenue declined 10% Y/Y in a challenging freight environment; Gross Margin percent declined 40 bps sequentially
- Focus on cost saving initiatives resulted in Y/Y improvement for the quarter in certain expense categories (i.e., supplies and maintenance and non-driver salaries); expanding 2024 cost savings program to $50M+

[1] 3Q24 operating income (GAAP) was $17.6M, operating margin (GAAP) was 2.4% and TTS operating margin (GAAP) was 4.1%. See attached Reconciliation of Non-GAAP Financial Measures.
[2] Net of fuel surcharge revenues.

OUR DEDICATED EXPERTISE IS A DISTINCT COMPETITIVE ADVANTAGE

High-barriers-to-entry business that requires specific expertise

- Driver involved freight loading/unloading
- High reliability for “hard-to-serve” freight
- Scale to serve large enterprise customers
- Flexibility to surge and meet evolving needs
- Capital investment for specialized and modern equipment
- Focus on safety and service

>90% customer retention through proven reliability

- Highly integrated with customers (management on-site at shipper’s location)
- Significant backhaul revenue sharing reduces shipper costs and favors incumbent resulting in high retention
- Customizable value-added solutions with long-term agreements
- Very high service requirements (98-99% on-time delivery)

KEY METRICS

- Werner is the 6th largest Dedicated truckload carrier in U.S.[3]
- $30B+ Total Addressable Market
- RPTPW has increased Y/Y for 26 of the last 27 quarters and 9 of the last 10 years[1]
- Average fleet size has increased Y/Y for 14 of the last 16 years[2]
- 160+ Dedicated fleets representing 66% of TTS truck fleet

Werner is a proven reliable partner with the expertise, on-time delivery and scale to gain share in this growth market

Consistent Revenue Stream	Durable Through Cycles	Strong and Less Volatile Margins	Long-Term Contracts	Pricing Escalators	Collaborative Partnerships

[1] Revenue Per Truck Per Week is net of fuel surcharge revenues.
[2] Year-over-year change in average truck count, including 2024.
[3] Source: Transport Topics

DRIVE℠ STRATEGY SUPPORTS 2024 PRIORITIES

WERNER DRIVE℠

BUILDING ON 5Ts AND SHAPING OUR FUTURE

DRIVING GROWTH IN CORE BUSINESS

- Returning TTS adjusted operating income margin to within our long-term range of 12-17%
- Growing Dedicated revenue in 2H24
- Expanding One-Way utility, Werner PowerLink℠ and Mexico cross-border business
- Returning Logistics to mid-single digit operating income margin entering 2025 while growing our top line by double digit % in 2024

DRIVING OPERATIONAL EXCELLENCE AS A CORE COMPETENCY

- Maintaining resolute focus on safety, our number one priority at Werner
- Advancing our technology to our cloud-based EDGE TMS
- Executing on cost savings program

DRIVING CAPITAL EFFICIENCY

- Streamlining business processes including further integration of our acquisitions
- Maintaining strong operating cash flow and optimizing working capital
- Managing more conservative Capex while maintaining the low age of our tractor fleet
- Maximizing equipment fleet sales

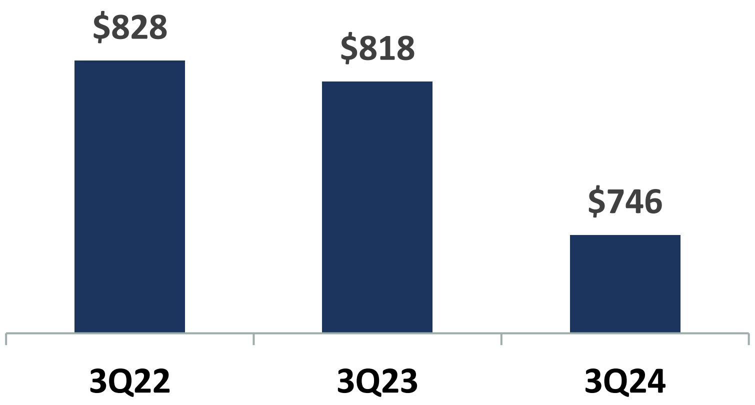
FINANCIAL RESULTS

CHRIS WIKOFF

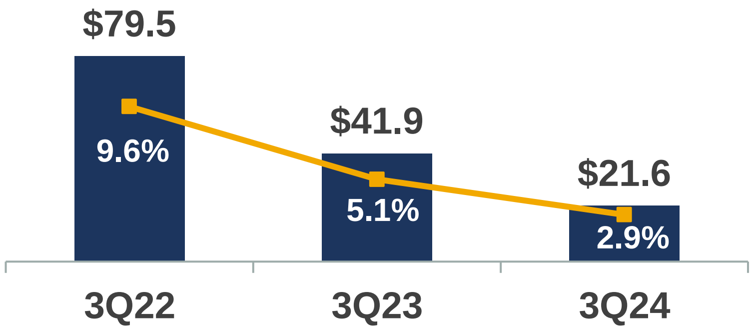
Executive Vice President, Treasurer and Chief Financial Officer

3Q24 RESULTS

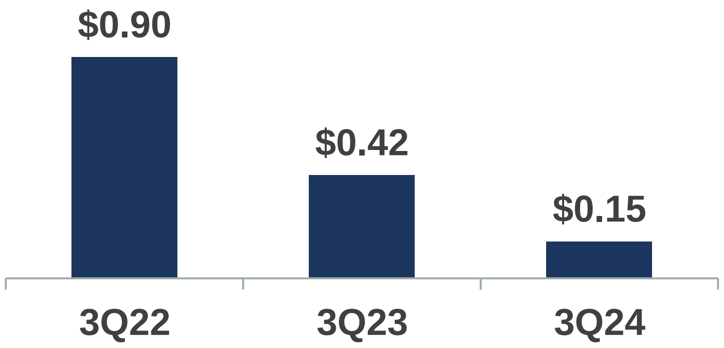
TOTAL REVENUES ($M)



ADJUSTED OPERATING INCOME[1] ($M) AND ADJUSTED OPERATING MARGIN[1]



ADJUSTED EPS[1]



Y/Y COMMENTARY (3Q24 vs. 3Q23)

- Total revenues decreased $72M, or 9%
- 3.5% higher TTS revenues per truck per week[2]
- 9.9% decrease in TTS average trucks
- Logistics revenues decreased 10% Y/Y and 1% sequentially

- 48% decrease in adj. operating income, or $20.2M
- Consolidated adj. operating margin decreased 220 bps
- TTS adj. operating income[1] decreased $17.2M
- Logistics adj. operating income[1] decreased $2.4M Y/Y

Adj. EPS decreased 64%, primarily from:

- Softer freight environment
- Lower equipment gains
- Higher interest expense

[1] Operating income (GAAP) was $76.3M in 3Q22, $37.9M in 3Q23 and $17.6M in 3Q24. Operating margin (GAAP) was 9.2% in 3Q22, 4.6% in 3Q23 and 2.4% in 3Q24. EPS (GAAP) was $0.86 in 3Q22, $0.37 in 3Q23 and $0.11 in 3Q24. TTS operating income (GAAP) was $74.1M in 3Q22, $38.8M in 3Q23 and $21.6M in 3Q24. Logistics operating income (GAAP) was $5.1M in 3Q22, $2.0M in 3Q23 and $(0.3)M in 3Q24. See attached Reconciliation of Non-GAAP Financial Measures.

[2] Net of fuel surcharge revenues.

3Q24 TRUCKLOAD TRANSPORTATION SERVICES (TTS) RESULTS

	3Q22	3Q23	3Q24	3Q24 vs. 3Q23
Revenues ($M)	$621.9	$572.2	$522.8	(9)%
Revenues, net FSC ($M)	$510.7	$489.5	$460.1	(6)%
Adjusted Operating Income[1] ($M)	$76.3	$41.6	$24.5	(41)%
Adjusted Operating Margin[1, 2]	14.9%	8.5%	5.3%	(320) bps
Adjusted Operating Ratio[1, 2]	85.1%	91.5%	94.7%	320 bps

Y/Y COMMENTARY (3Q24 vs. 3Q23)

- **Lower total revenues** due to 0.7% lower rates, $20M of lower fuel surcharges, 9.9% fewer average trucks mitigated by 4.2% higher miles per truck
- **TTS** margin improved sequentially but declined Y/Y from soft used truck market and rate pressure, mitigated by improvement in select operating expenses
- **Dedicated** fleet represents 66% of total TTS trucks at quarter end, RPTPW increased
- **One-Way** revenue per total mile increased 0.3% Y/Y, miles per truck up 7%

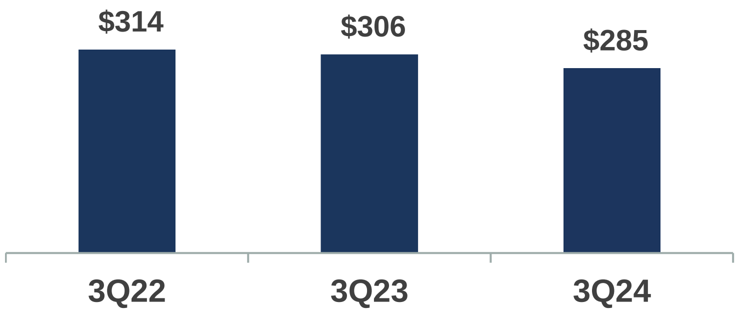
[1] TTS operating income (GAAP) was $74.1M in 3Q22, $38.8M in 3Q23, and $21.6M in 3Q24. TTS operating margin (GAAP) was 11.9% in 3Q22, 6.8% in 3Q23, and 4.1% in 3Q24. TTS operating ratio (GAAP) was 88.1% in 3Q22, 93.2% in 3Q23, and 95.9% in 3Q24. See attached Reconciliation of Non-GAAP Financial Measures.
[2] Net of fuel surcharge revenues.

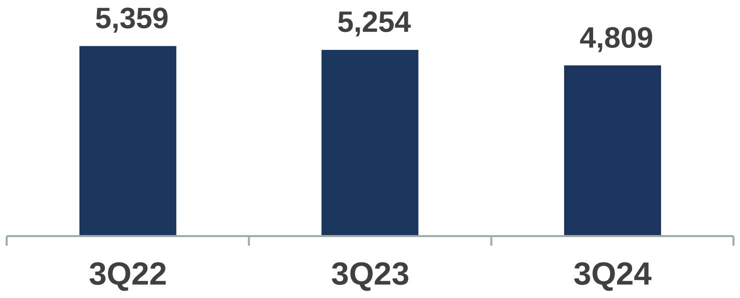
TTS[1] FLEET METRICS UPDATE

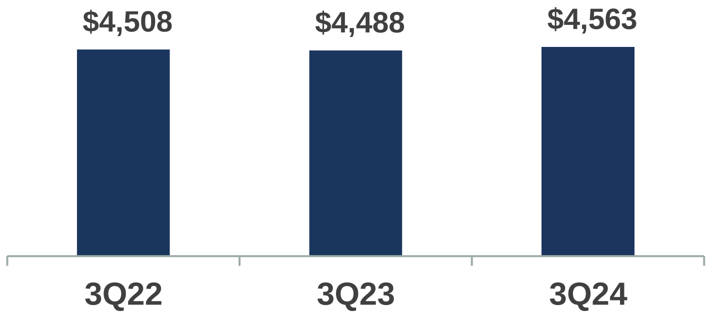
TTS FLEET DOWN 9% Y/Y TO 7,445; RPTPW UP 3% AND INCREASED 22 OUT OF LAST 27 QUARTERS

TRUCKING REVENUES[2] ($M) | **AVERAGE TRUCKS** | **REVENUES / TRUCK / WEEK[2]**

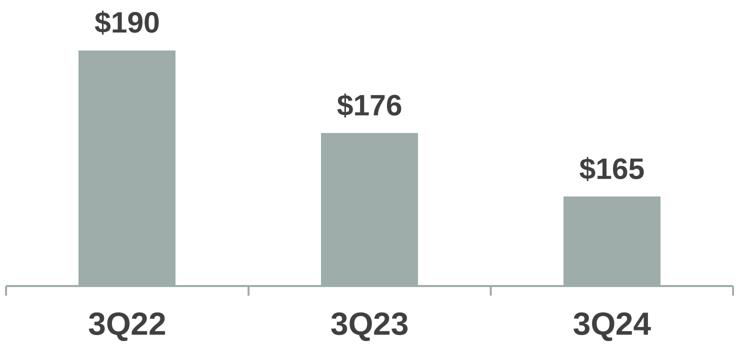
DEDICATED TRUCKLOAD

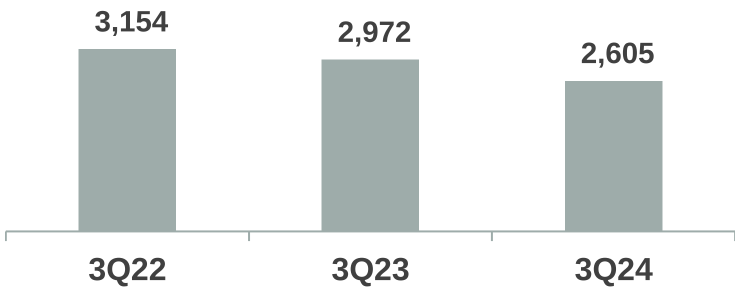


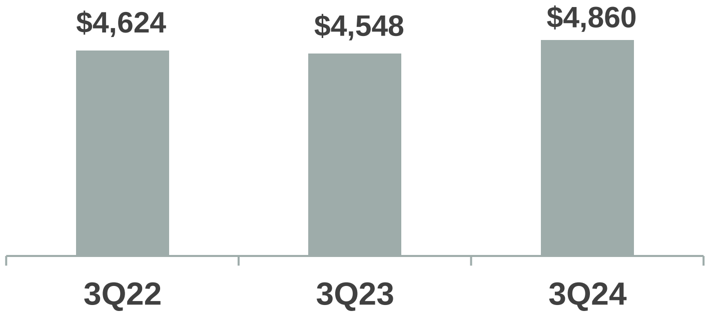




ONE-WAY TRUCKLOAD







[1]TTS consists of the Dedicated and One-Way Truckload fleets. See attached Reconciliation of Non-GAAP Financial Measures.
[2] Net of fuel surcharge revenues.

3Q24 WERNER LOGISTICS RESULTS

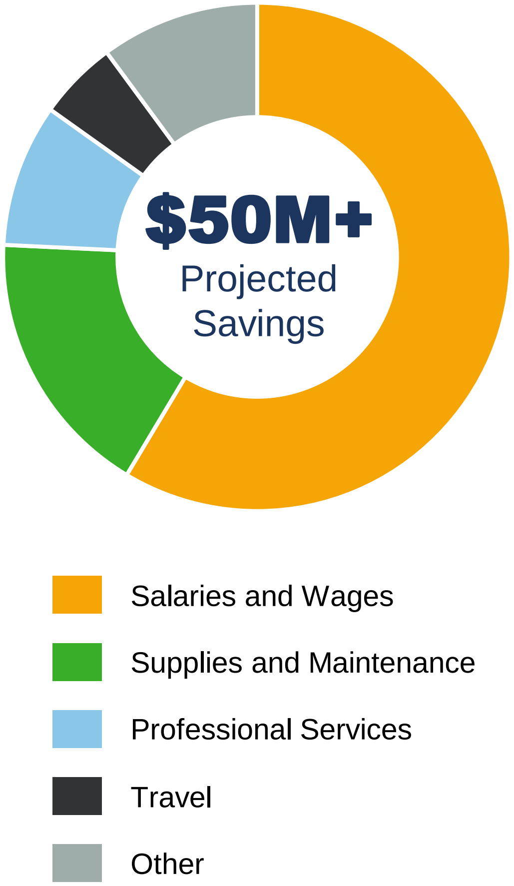
	3Q22	3Q23	3Q24	3Q24 vs. 3Q23
Revenues ($M)	$187.1	$230.3	$206.8	(10)%
Revenues, less purchased transportation expense ($M)[1]	$32.2	$35.3	$30.6	(13)%
Adjusted Operating Income ($M)[1]	$5.6	$3.2	$0.8	(75)%
Adjusted Operating Margin[1]	3.0%	1.4%	0.4%	(100) bps

Y/Y COMMENTARY (3Q24 vs. 3Q23)

- Truckload Logistics revenues (75% of Logistics revenues) decreased 12%
- Intermodal revenues (14% of Logistics revenues) increased 7%
- Final Mile revenues (11% of Logistics revenues) decreased 17%
- Truckload Logistics volume decreased 10% Y/Y but <1% sequentially
- Power Only volumes increased >18% Y/Y and low single digits sequentially
- Lower adjusted operating margin Y/Y due to a competitive pricing environment and lower volumes partially offset with OpEx improvement

[1] Werner Logistics operating income (GAAP) was $5.1M in 3Q22, $2.0M in 3Q23, and $(0.3)M in 3Q24. Werner Logistics operating margin (GAAP) was 2.7% in 3Q22, 0.9% in 3Q23, and (0.2)% in 3Q24. See attached Reconciliation of Non-GAAP Financial Measures.

ACTIONS IN PLACE TO GENERATE ADDITIONAL COST SAVINGS IN 2024



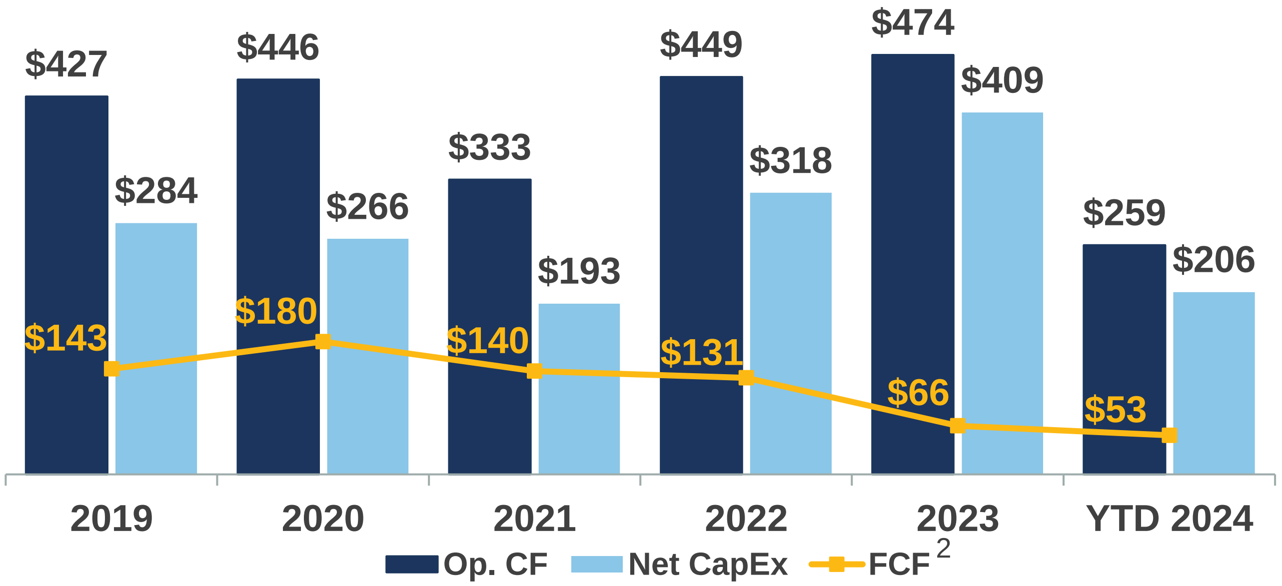
COST CONTAINMENT FOCUS & DISCIPLINE

- >$90M savings over 2-year period (2023 + 2024)
- >60% structural and sustainable
- Initiatives aimed to mitigate inflationary costs and difficult operating environment
- Beginning to see synergies from improved technology and systems

STRONG CAPITAL & CASH FLOW GENERATION

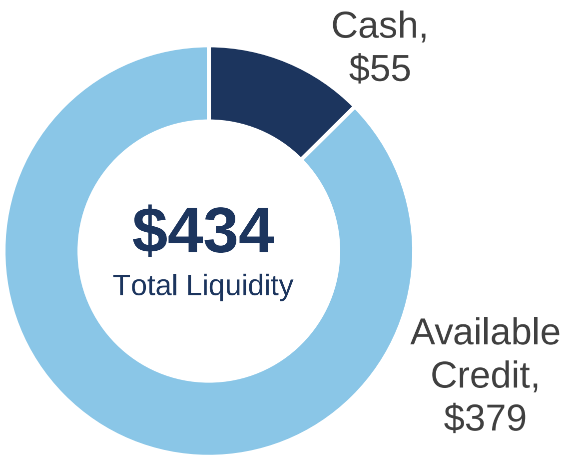
CASH FLOW

($ millions)



LIQUIDITY[1]

($ millions)



SOLID CASH FLOW & LIQUIDITY

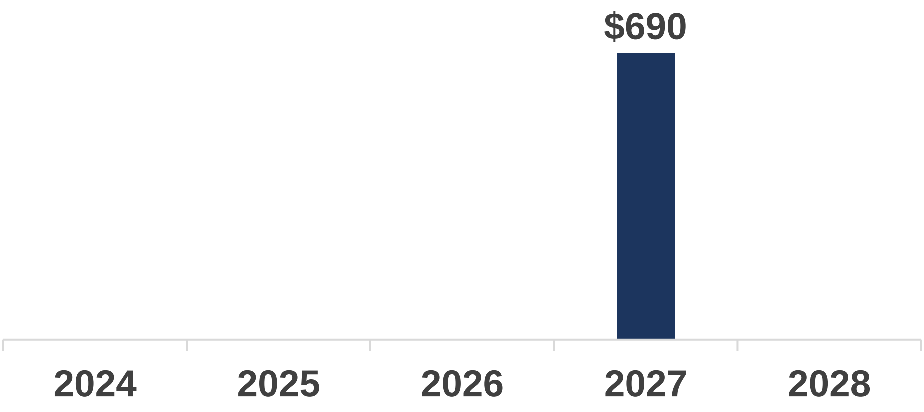
- Solid quarterly operating cash flow of $61M
- Maintaining very strong liquidity
- Low net CapEx, down $32M or 27% Y/Y
- Strong free cash flow of 2% of revenues, up 300 bps YTD

[1] As of 9/30/24.
[2] See attached Reconciliation of Non-GAAP Financial Measures.

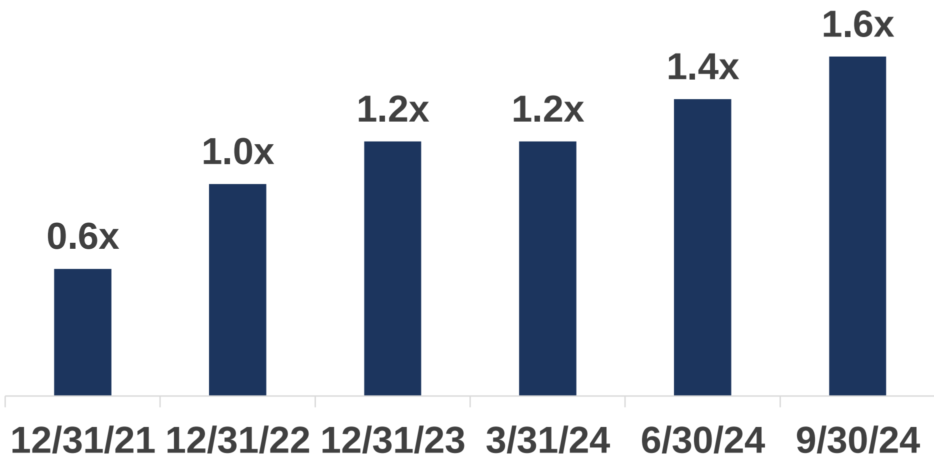
FLEXIBLE DEBT AND LOW LEVERAGE

DEBT MATURITY SCHEDULE

($ millions)



NET DEBT TO LTM EBITDA[1]



HEALTHY BALANCE SHEET

- $690M Debt; unchanged Y/Y ($635M Net Debt despite $67M of share repurchases YTD)
- Long-term, low-cost capital structure
- 51% effectively-fixed rate debt
- Slightly higher leverage of 1.6x driven by EBITDA margin compression

[1] *See attached Reconciliation of Non-GAAP Financial Measures.*

DISCIPLINED CAPITAL ALLOCATION

STRATEGIC PRIORITIES

Reinvestment for Long-Term Growth

- Reinvestments to maintain low-age, safe and modern trucks and trailers
- Growth investments, including Technology and Terminals

Return Capital to Shareholders

- Quarterly dividends since 1987
- Increasing dividends (11% 1Q21, 20% 2Q21, 8% 2Q22 and 8% 2Q23)
- 3.9M shares remaining under board approved share repurchase program

Synergistic & Accretive Acquisitions

- Align with growth pillars of Werner portfolio
- Deliver value and growth; accretive to earnings
- Align safety-centric cultures and retain experienced management team

Maintain Strong & Flexible Financial Position

- Liquidity of $434M, Debt of $690M, Equity of $1,449M (as of 9/30/24)
- Maintain low and modest net leverage, 1.6x (as of 9/30/24)

CAPEX REINVESTMENT FOR GROWTH

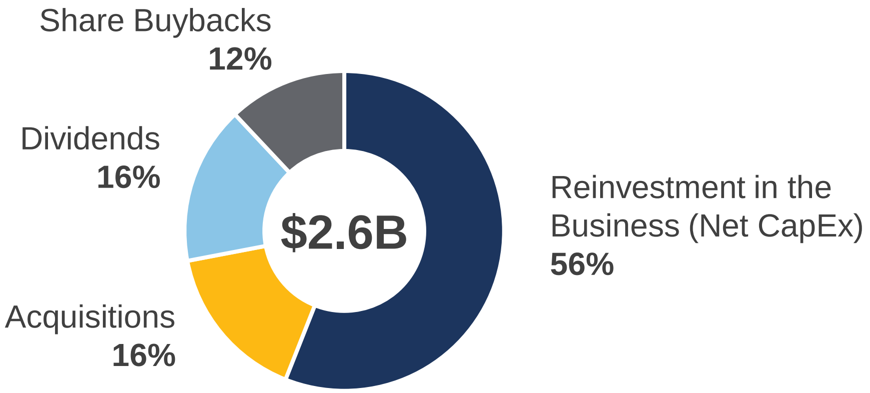
2024 Net CapEx Priorities:

- Returning to historical dollar range, following elevated spend in 2023
- Continue to be lower as % of revenue as asset-light business grows

Historical Fleet Reinvestment vs. Growth:

- ~75-80% allocated to trucks and trailers, net of fleet sales
- ~20-25% allocated to technology, terminals, real estate and driver schools

CAPITAL ALLOCATION HISTORY 2019-2023



2024 GUIDANCE METRICS AND ASSUMPTIONS

	Prior Guidance (as of 7/30/24)	Actual (as of 9/30/24)	2024 Guidance (as of 10/29/24)
2024 GUIDANCE			
TTS Truck Count from BoY to EoY	(6)% to (3)% (annual)	(7)% (YTD24)	(8)% to (6)% (annual)
Net Capital Expenditures	$225M to $275M (annual)	$206M (YTD24)	$240M to $260M (annual)
TTS GUIDANCE			
Dedicated RPTPW[1] Growth	0% to 3% (annual)	1.1% (YTD24)	0% to 3% (annual)
One-Way Truckload RPTM[1] Growth	(3)% to 0% (3Q24 vs. 3Q23)	0.3% (3Q24 vs. 3Q23)	0% to 3% (4Q24 vs. 4Q23)
ASSUMPTIONS			
Effective Income Tax Rate	24.5% to 25.5% (annual)	26.7% (YTD24)	25.5% to 26.5% (annual)
Truck Age	2.0 years (12/31/24)	2.0 years	2.1 years (12/31/24)
Trailer Age	5.0 years (12/31/24)	5.2 years	5.4 years (12/31/24)

[1] *Net of fuel surcharge revenues.*

2024 MODELING ASSUMPTIONS

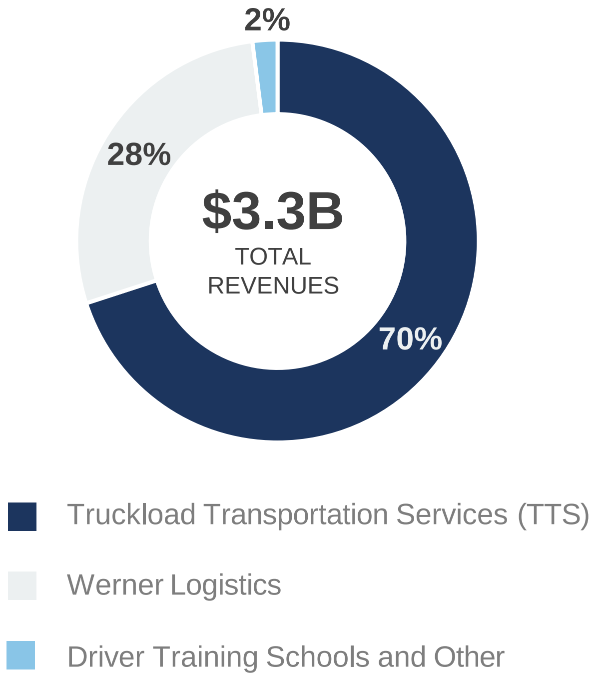
- **Annual net interest expense** increases $7M to $10M in 2024 primarily from higher interest rates and maturing low-cost term loan and swaps
- **Gains on sale of property and equipment** stabilizes at low levels with improvement delayed and not expected until 2025, resulting in full year equipment gains of $7M to $11M
- Expect continued **pressure on TL Brokerage gross margins**
- **Moderating insurance and claims expense** as DOT preventable accident rate per million miles trends are positive
- **One additional business day in 3Q24 and 4Q24** vs. prior year periods

WERNER®

APPENDIX

REVENUES SNAPSHOT

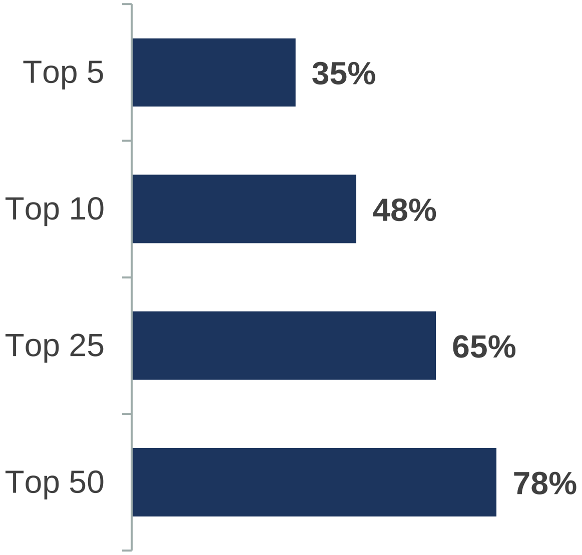
2023 REVENUES
BY SEGMENT



2023 REVENUES
BY VERTICAL

Top 50 Customers

2023 REVENUES
BY CUSTOMER



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – CONSOLIDATED (Unaudited) (In thousands, except per share amounts)

Non-GAAP Adjusted Operating Income and Non-GAAP Adjusted Operating Margin [1]

	Quarter Ended September 30,					
	2022		2023		2024	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating income and operating margin — (GAAP)	$ 76,261	9.2%	$ 37,900	4.6%	$ 17,595	2.4%
Non-GAAP adjustments:						
Insurance and claims [2]	1,365	0.2%	1,433	0.2%	1,493	0.2%
Acquisition expenses [3]	468	0.0%	-	0.0%	-	0.0%
Amortization of intangible assets [4]	1,359	0.2%	2,518	0.3%	2,518	0.3%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	$ 79,453	9.6%	$ 41,851	5.1%	$ 21,606	2.9%

Non-GAAP Adjusted Net Income Attributable to Werner and Non-GAAP Adjusted Diluted EPS [1]

	Quarter Ended September 30,					
	2022		2023		2024	
	$	Diluted EPS	$	Diluted EPS	$	Diluted EPS
Net income attributable to Werner and diluted EPS — (GAAP)	$ 55,051	$ 0.86	$ 23,704	$ 0.37	$ 6,565	$ 0.11
Non-GAAP adjustments:						
Insurance and claims [2]	1,365	0.02	1,433	0.02	1,493	0.02
Acquisition expenses [3]	468	0.01	-	-	-	-
Amortization of intangible assets, net of amount attributable to noncontrolling interest [4]	1,187	0.02	2,346	0.04	2,346	0.04
Loss (gain) on investments in equity securities, net [5]	(114)	-	34	-	37	-
Loss (earnings) from equity method investment [6]	-	-	110	-	(295)	-
Income tax effect of above adjustments [7]	(731)	(0.01)	(1,010)	(0.01)	(913)	(0.02)
Non-GAAP adjusted net income attributable to Werner and non-GAAP adjusted diluted EPS	$ 57,226	$ 0.90	$ 26,617	$ 0.42	$ 9,233	$ 0.15

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – CONSOLIDATED (Unaudited) (In thousands, except per share amounts)

Non-GAAP Free Cash Flow [(1), (8)]

	Year Ended December 31,					YTD Sept. 30,
	2019	2020	2021	2022	2023	2024
	$	$	$	$	$	$
Net cash provided by operating activities — (GAAP)	$ 426,644	$ 445,909	$ 332,819	$ 448,711	$ 474,366	$ 258,700
Non-GAAP adjustments:						
Additions to property and equipment, net of proceeds from the sale of property and equipment	(283,875)	(266,241)	(193,049)	(317,579)	(408,698)	(206,105)
Non-GAAP Free cash flow	$ 142,769	$ 179,668	$ 139,770	$ 131,132	$ 65,668	$ 52,595

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – CONSOLIDATED (Unaudited) (In thousands, except per share amounts)

Non-GAAP Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA); Non-GAAP Net Debt; and Non-GAAP Net Debt to EBITDA Ratio (1), (9)

	Year Ended December 31,			LTM		
	2021	2022	2023	March 31, 2024	June 30, 2024	Sept. 30, 2024
	$	$	$	$	$	$
Net income — (GAAP)	$ 261,478	$ 245,580	$ 112,290	$ 83,004	$ 62,184	$ 45,220
Add:						
Depreciation and amortization	267,700	279,923	299,509	299,466	297,240	294,238
Interest expense	4,423	11,828	33,535	33,567	34,471	36,903
Income tax expense	84,537	79,206	35,491	27,158	20,002	14,972
Non-GAAP EBITDA	$ 618,138	$ 616,537	$ 480,825	$ 443,195	$ 413,897	$ 391,333

	As of December 31,			As of		
	2021	2022	2023	March 31, 2024	June 30, 2024	Sept. 30, 2024
	$	$	$	$	$	$
Current portion of long-term debt	$ 5,000	$ 6,250	$ 2,500	$ 1,250	$ 10,000	$ -
Long-term debt	422,500	687,500	646,250	596,250	660,000	690,000
Total Debt — (GAAP)	427,500	693,750	648,750	597,500	670,000	690,000
Less:						
Cash and cash equivalents	54,196	107,240	61,723	60,337	70,448	54,660
Non-GAAP Net debt	$ 373,304	$ 586,510	$ 587,027	$ 537,163	$ 599,552	$ 635,340
Net debt to EBITDA Ratio — (non-GAAP)	0.6x	1.0x	1.2x	1.2x	1.4x	1.6x

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – TRUCKLOAD TRANSPORTATION SERVICES (TTS) SEGMENT (Unaudited) (In thousands)

Non-GAAP Adjusted Operating Income and Non-GAAP Adjusted Operating Margin [1]

	Quarter Ended September 30,					
	2022		2023		2024	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating income and operating margin — (GAAP)	$ 74,117	11.9%	$ 38,846	6.8%	$ 21,607	4.1%
Non-GAAP adjustments:						
Insurance and claims [2]	1,365	0.2%	1,433	0.3%	1,493	0.3%
Amortization of intangible assets [4]	859	0.2%	1,369	0.2%	1,369	0.3%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	$ 76,341	12.3%	$ 41,648	7.3%	$ 24,469	4.7%

Non-GAAP Adjusted Operating Expenses and Non-GAAP Adjusted Operating Ratio [1]

	Quarter Ended September 30,					
	2022		2023		2024	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating expenses and operating ratio — (GAAP)	$ 547,749	88.1%	$ 533,349	93.2%	$ 501,196	95.9%
Non-GAAP adjustments:						
Insurance and claims [2]	(1,365)	-0.2%	(1,433)	-0.3%	(1,493)	-0.3%
Amortization of intangible assets [4]	(859)	-0.2%	(1,369)	-0.2%	(1,369)	-0.3%
Non-GAAP adjusted operating expenses and non-GAAP adjusted operating ratio	$ 545,525	87.7%	$ 530,547	92.7%	$ 498,334	95.3%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – TRUCKLOAD TRANSPORTATION SERVICES (TTS) SEGMENT (Continued) (Unaudited) (In thousands)

Non-GAAP Adjusted Operating Revenues, Net of Fuel Surcharge; Non-GAAP Adjusted Operating Expenses, Net of Fuel Surcharge; Non-GAAP Adjusted Operating Margin, Net of Fuel Surcharge; and Non-GAAP Adjusted Operating Ratio, Net of Fuel Surcharge [1]

	Quarter Ended September 30,		
	2022	2023	2024
	$	$	$
Operating revenues — (GAAP)	$ 621,866	$ 572,195	$ 522,803
Less: Trucking fuel surcharge [10]	(111,173)	(82,735)	(62,749)
Operating revenues, net of fuel surcharge — (Non-GAAP)	510,693	489,460	460,054
Operating expenses — (GAAP)	547,749	533,349	501,196
Non-GAAP adjustments:			
Trucking fuel surcharge [10]	(111,173)	(82,735)	(62,749)
Insurance and claims [2]	(1,365)	(1,433)	(1,493)
Amortization of intangible assets [4]	(859)	(1,369)	(1,369)
Non-GAAP adjusted operating expenses, net of fuel surcharge	434,352	447,812	435,585
Non-GAAP adjusted operating income	$ 76,341	$ 41,648	$ 24,469
Non-GAAP adjusted operating margin, net of fuel surcharge	14.9%	8.5%	5.3%
Non-GAAP adjusted operating ratio, net of fuel surcharge	85.1%	91.5%	94.7%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES – WERNER LOGISTICS SEGMENT (Unaudited) (In thousands)

Non-GAAP Adjusted Operating Revenues, Less Purchased Transportation Expense (1)

	Quarter Ended September 30,		
	2022	2023	2024
	$	$	$
Operating revenues — (GAAP)	$ 187,138	$ 230,252	$ 206,774
Non-GAAP adjustment:			
Purchased transportation expense (11)	(154,960)	(194,921)	(176,205)
Non-GAAP Adjusted Operating revenues, less purchased transportation expense	$ 32,178	$ 35,331	$ 30,569

Non-GAAP Adjusted Operating Income (Loss) and Non-GAAP Adjusted Operating Margin (1)

	Quarter Ended September 30,					
	2022		2023		2024	
	$	% of Op. Rev.	$	% of Op. Rev.	$	% of Op. Rev.
Operating income (loss) and operating margin — (GAAP)	$ 5,145	2.7%	$ 2,012	0.9%	$ (345)	-0.2%
Non-GAAP adjustments:						
Amortization of intangible assets (4)	500	0.3%	1,149	0.5%	1,149	0.6%
Non-GAAP adjusted operating income and non-GAAP adjusted operating margin	$ 5,645	3.0%	$ 3,161	1.4%	$ 804	0.4%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(1) Non-GAAP adjusted operating income; non-GAAP adjusted operating margin; non-GAAP adjusted operating margin, net of fuel surcharge; non-GAAP adjusted net income attributable to Werner; non-GAAP adjusted diluted earnings per share; non-GAAP free cash flow; non-GAAP EBITDA; non-GAAP net debt; non-GAAP adjusted operating revenues, net of fuel surcharge; non-GAAP adjusted operating revenues, less purchased transportation expense; non-GAAP adjusted operating expenses; non-GAAP adjusted operating expenses, net of fuel surcharge; non-GAAP adjusted operating ratio; and non-GAAP adjusted operating ratio, net of fuel surcharge should be considered in addition to, rather than as substitutes for, GAAP operating income; GAAP operating margin; GAAP net income attributable to Werner; GAAP diluted earnings per share; GAAP net cash provided by operating activities; GAAP net income; GAAP total debt; GAAP operating revenues; GAAP operating expenses; and GAAP operating ratio, which are their most directly comparable GAAP financial measures.

(2) We accrued pre-tax insurance and claims expense for interest related to a previously disclosed excess adverse jury verdict rendered on May 17, 2018 in a lawsuit arising from a December 2014 accident. The Company is appealing this verdict. Additional information about the accident was included in our Current Report on Form 8-K dated May 17, 2018. Under our insurance policies in effect on the date of this accident, our maximum liability for this accident is $10.0 million (plus pre-judgment and post-judgment interest) with premium-based insurance coverage that exceeds the jury verdict amount. We continue to accrue pre-tax insurance and claims expense for interest at $0.5 million per month until such time as the outcome of our appeal is finalized. Management believes excluding the effect of this item provides a more useful comparison of our performance from period to period. This item is included in the Truckload Transportation Services segment.

(3) We incurred business acquisition-related expenses including legal and professional fees. Acquisition-related expenses are excluded as management believes these costs are not representative of the costs of managing our on-going business. The expenses are included in our Corporate segment.

(4) Amortization expense related to intangible assets acquired in our business acquisitions is excluded because management does not believe it is indicative of our core operating performance. This item is included in our Truckload Transportation Services and Werner Logistics segments.

(5) Represents non-operating mark-to-market adjustments for gains/losses on our minority equity investments, which we account for under Accounting Standards Codification ("ASC") 321, *Investments - Equity Securities*. Management believes excluding the effect of gains/losses on our investments in equity securities provides a more useful comparison of our performance from period to period.

(6) Represents earnings/losses from our equity method investment, which we account for under ASC 323, *Investments - Equity Method and Joint Ventures*. Management believes excluding the effect of earnings/losses from our equity method investment provides a more useful comparison of our performance from period to period.

(7) The income tax effect of the non-GAAP adjustments is calculated using the incremental income tax rate excluding discrete items, and the income tax effect for 2023 has been updated to reflect the annual incremental income tax rate.

(8) We consider free cash flow (net cash provided by operating activities less net expenditures for property and equipment) to be a useful measure of our liquidity. We believe it is a more conservative measure of cash flow since capital expenditures are necessary for ongoing operations. Free cash flow does not represent residual cash flows available for discretionary expenditures, as the measure does not deduct the payments required for debt service and other contractual obligations. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our consolidated statements of cash flows.

(9) We consider EBITDA to be an important measure of our financial performance and of our ability to generate cash flows to service debt obligations, fund capital expenditures and fund other corporate investing and financing activities. EBITDA eliminates the non-cash effect of depreciation and amortization. Net debt is used in our net debt to EBITDA ratio. We believe the net debt to EBITDA ratio is useful in evaluating our ability to service our debt.

(10) Fluctuating fuel prices and fuel surcharge revenues impact the total company operating ratio and the TTS segment operating ratio when fuel surcharges are reported on a gross basis as revenues versus netting the fuel surcharges against fuel expenses. Management believes netting fuel surcharge revenues, which are generally a more volatile source of revenue, against fuel expenses provides a more consistent basis for comparing the results of operations from period to period.

(11) Management believes excluding purchased transportation expense from Werner Logistics operating revenues provides a useful measurement of our ability to source and sell services provided by third parties.

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