

ArcBest

Earnings Presentation

2Q'22



Forward Looking Statements

Certain statements and information in this presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding (i) our expectations about our intrinsic value or our prospects for growth and value creation and (ii) our financial outlook, position, strategies, goals, and expectations. Terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “foresee,” “intend,” “may,” “plan,” “predict,” “project,” “scheduled,” “should,” “would,” and similar expressions and the negatives of such terms are intended to identify forward-looking statements. These statements are based on management’s beliefs, assumptions, and expectations based on currently available information, are not guarantees of future performance, and involve certain risks and uncertainties (some of which are beyond our control). Although we believe that the expectations reflected in these forward-looking statements are reasonable as and when made, we cannot provide assurance that our expectations will prove to be correct. Actual outcomes and results could materially differ from what is expressed, implied, or forecasted in these statements due to a number of factors, including, but not limited to: the effects of widespread outbreak of an illness or disease, including the COVID-19 pandemic, or any other public health crisis, as well as regulatory measures implemented in response to such events; external events which may adversely affect us or the third parties who provide services for us, for which our business continuity plans may not adequately prepare us, including acts of war or terrorism or military conflicts; a failure of our information systems, including disruptions or failures of services essential to our operations or upon which our information technology platforms rely, data breach, and/or cybersecurity incidents; interruption or failure of third-party software or information technology systems or licenses; untimely or ineffective development and implementation of, or failure to realize potential benefits associated with, new or enhanced technology or processes, including the pilot test program at ABF Freight; the loss or reduction of business from large customers; the ability to manage our cost structure, and the timing and performance of growth initiatives; the cost, integration, and performance of any recent or future acquisitions, including the acquisition of MoLo Solutions, LLC, and the inability to realize the anticipated benefits of the acquisition within the expected time period or at all; market fluctuations and interruptions affecting the price of our stock or the price or timing of our share repurchase programs; maintaining our corporate reputation and intellectual property rights; nationwide or global disruption in the supply chain increasing volatility in freight volumes; competitive initiatives and pricing pressures; increased prices for and decreased availability of new revenue equipment, decreases in value of used revenue equipment, and higher costs of equipment-related operating expenses such as maintenance, fuel, and related taxes; availability of fuel, the effect of volatility in fuel prices and the associated changes in fuel surcharges on securing increases in base freight rates, and the inability to collect fuel surcharges; relationships with employees, including unions, and our ability to attract, retain, and develop employees; unfavorable terms of, or the inability to reach agreement on, future collective bargaining agreements or a workforce stoppage by our employees covered under ABF Freight’s collective bargaining agreement; union employee wages and benefits, including changes in required contributions to multiemployer plans; availability and cost of reliable third-party services; our ability to secure independent owner operators and/or operational or regulatory issues related to our use of their services; litigation or claims asserted against us; governmental regulations; environmental laws and regulations, including emissions-control regulations; default on covenants of financing arrangements and the availability and terms of future financing arrangements; self-insurance claims and insurance premium costs; potential impairment of goodwill and intangible assets; general economic conditions and related shifts in market demand that impact the performance and needs of industries we serve and/or limit our customers’ access to adequate financial resources; increasing costs due to inflation; seasonal fluctuations and adverse weather conditions; and other financial, operational, and legal risks and uncertainties detailed from time to time in ArcBest Corporation’s public filings with the Securities and Exchange Commission (the “SEC”).

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events, or otherwise.

ArcBest Announces Record Second Quarter 2022 Results – Supporting Proven Three-Point Strategy



Accelerating growth through a customer focus and investment in people, solutions and technology – generating enhanced shareholder value

STRENGTH OF OUR CUSTOMER-FOCUSED STRATEGY

Customer Need	Our Strength	Strength in Action		
Flexible supply chain solutions	Broad suite of logistics solutions with integrated and seamless access to services	>90% of our Top 50 customers are cross-sold	32% of our accounts were cross-sold (TTM thru June) compared to 17% in 2012	60% of our asset-light customers also use asset-based services
Someone who knows them and their business	Dedicated experts to tackle tough challenges	Ranked #1 by Mastio for knowledgeable and helpful sales representatives		#14 for Employee Training and Development in Training Magazine's APEX award – 13th consecutive year to be recognized
Visibility into their supply chain	Proactive communications	>75% of revenue comes from customers who are engaged digitally		
Commitment to sustainability and advancing DE&I	Long history of good corporate citizenship and industry-leading ESG	<ul style="list-style-type: none"> • AA MSCI Rating • Bronze EcoVadis Rating • Launched pilot of electric trucks • Forbes Best Employer for Diversity • Comparably Best Large Companies for Women • Signed DOT's Transportation Leaders Against Human Trafficking pledge 		

STRONG PERFORMANCE ENABLES INVESTMENT FOR GROWTH

Double-Digit Revenue Growth

YOY daily revenue growth in Asset-Based (23%) and Asset-Light (91%) segments

Facility Upgrades & Expansions

Investments to enable growth and improve employee experience

Truckload Solutions

MoLo integration progressing well and on track for previously shared financial goals

Technology & Innovation

Partnership with Phantom Auto progressing well with customer pilots scheduled in 4Q'22

INVESTMENT IN:

People

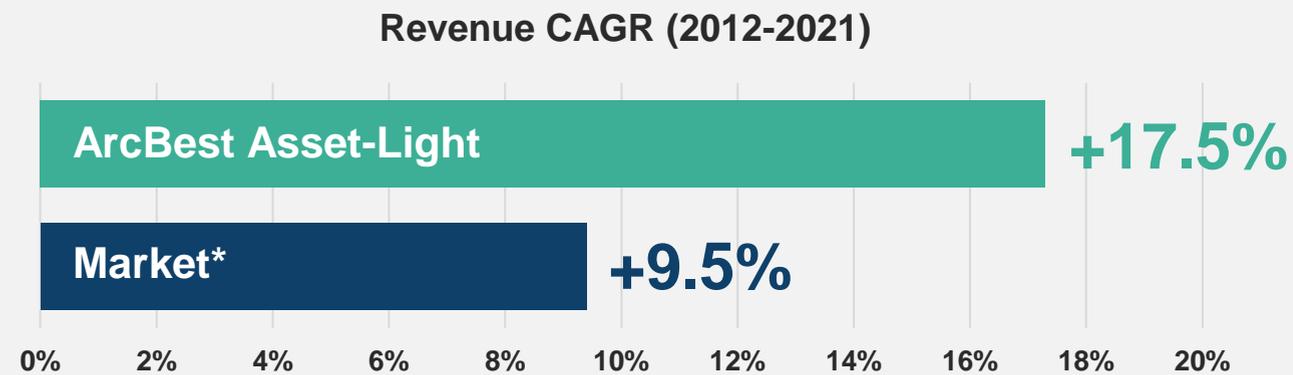
Solutions

Technology

Future Growth

STRONG PERFORMANCE ENABLES INVESTMENT FOR GROWTH

Customers continue to choose ArcBest as their preferred partner for solving complex logistics challenges...



...Transforming our business to better align with our customer needs



...and positioning us for the future

>\$5B

Asset-Light spend among our loyal, non-price sensitive customers

- Serve large markets with nearly \$500B opportunity
- Continue going deeper with customers – cross-sold customers up 20% YoY
- Continued focus on reaching \$7B-\$8B in revenue by 2025

Q2 2022

Key Metrics

ARCBEST
CONSOLIDATED

- 1) Second quarter 2022 comparisons are to second quarter 2021.
- 2) See non-GAAP reconciliation in the Additional Information section of this presentation.

ArcBest

\$1.4B

Revenue

 **47% per day
YOY ⁽¹⁾**

\$150.5M

Non-GAAP
Operating Income ⁽²⁾

 **96% YOY ⁽¹⁾**

\$4.30/diluted share

Non-GAAP Net Income ⁽²⁾

 **112% YOY ⁽¹⁾**

Q2 2022

Key Metrics

ASSET-BASED

- 1) Second quarter 2022 comparisons are to second quarter 2021.
- 2) See non-GAAP reconciliation in the Additional Information section of this presentation.



\$802.6M

Revenue

↑ 23% per day
YOY⁽¹⁾

\$124.6M

Non-GAAP Operating Income⁽²⁾

↑ 74% YOY⁽¹⁾

84.5%

Non-GAAP Operating Ratio⁽²⁾

↑ 450 bps YOY
improvement ⁽¹⁾

Daily
Tonnage

↑ 3.7%
YOY⁽¹⁾

Daily
Shipments

↑ 2.0%
YOY⁽¹⁾

Total Billed
Rev/Cwt

↑ 17.7%
YOY⁽¹⁾

8.0%

Average Increase on
Contract Renewals
and Deferred Pricing
Agreements

↑ 130 bps ⁽¹⁾

JULY 2022

Key Metrics

ASSET-BASED

1) July 2022 comparisons are to July 2021.

ArcBest

JULY 2022
PRELIMINARY⁽¹⁾

**Daily Billed
Revenue**

↑ 18% YOY

**Total Billed
Rev/CWT**

↑ 11% YOY

**Total Billed
Rev/Shipment**

↑ 18% YOY

**Daily
Tonnage**

↑ 6% YOY

**Daily
Shipments**

Flat

**Total
Weight/Shipment**

↑ 6% YOY

Q2 2022

Key Metrics

ASSET-LIGHT⁽¹⁾

- 1) The ArcBest and FleetNet reportable segments, combined, represent Asset-Light operations.
- 2) Second quarter 2022 comparisons are to second quarter 2021.
- 3) See non-GAAP reconciliation in the Additional Information section of this presentation.
- 4) Asset-Light ArcBest Operating Segment, excluding FleetNet. July 2022 comparisons are to July 2021.

ArcBest

\$631.8M

Revenue

↑ 91% per day
YOY⁽²⁾

\$31.9M

Non-GAAP Operating Income⁽³⁾

↑ 210% YOY⁽²⁾

\$34.6M

Adjusted EBITDA⁽³⁾

↑ 185% YOY⁽²⁾

JULY 2022 PRELIMINARY YOY⁽⁴⁾

Daily Revenue ↑ 76% YOY

BALANCED CAPITAL ALLOCATION

INVESTMENTS IN GROWTH AND OPERATING INITIATIVES

- **Capital investments consistent with organic growth strategy**

2022 Projected Net Capital Expenditures: \$240M - \$250M

- Revenue equipment (tractors and trailers), dock equipment and technology to maintain optimal total cost of ownership and increase growth capacity
- Multi-year investment plan with Asset-Based network and facility upgrades, expansions, and additions to increase growth capacity, improve energy efficiency and enhance work environment for employees
- **Innovation and technology investments, partnerships and pilots for revenue growth and cost optimization**
- **Continuous evaluation of M&A opportunities**

RETURN OF CAPITAL TO SHAREHOLDERS

- **Share Repurchase Program:**
 - Repurchased an additional \$15M during 2nd Quarter 2022
 - Increased repurchase amount to \$75M⁽¹⁾
- **Dividend Program:** \$0.48 per share (annual)⁽¹⁾

MAINTAIN SOLID FINANCIAL POSITION

- **TTM EBITDA:** \$558M⁽²⁾
- **Liquidity:** \$444M⁽³⁾
- **Net Debt:** \$22M⁽³⁾
- **Debt Maintenance:** 0.04X Debt⁽³⁾ (net) to EBITDA⁽²⁾

Strong balance sheet and free cash flow provide flexibility to invest in the business and increase returns for shareholders

1) As of April 28, 2022

2) Trailing 12 months ending June 30, 2022.

3) As of June 30, 2022.

ARCBEST'S CUSTOMER-LED STRATEGY YIELDS RESULTS

>5X

Revenue per account is over 5X higher on cross-sold accounts

9%

Retention rates are 9 percentage points higher on cross-sold accounts

>75%

Over 75% of revenue came from digitally connected customers

>4X

Profit per account is over 4X higher on cross-sold accounts

>60%

Over 60% of our customers who use asset-light services also utilize our asset-based services

Three-Point Strategy Continues to Deliver Shareholder Value & Drive Business Growth



Q & A

ADDITIONAL INFORMATION

Reconciliations of GAAP to Non-GAAP Financial Measures

(Unaudited)

Note: ArcBest Corporation reports its financial results in accordance with generally accepted accounting principles (“GAAP”). However, management believes that certain non-GAAP performance measures utilized for internal analysis provides analysts, investors, and others the same information that we use internally for purposes of assessing our core operating performance and provides meaningful comparisons between current and prior period results, as well as important information regarding performance trends. Accordingly, using these measures improves comparability in analyzing our performance because it removes the impact of items from operating results that, in management's opinion, do not reflect our core operating performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results. These financial measures should not be construed as better measurements than operating income, operating cash flow, net income or earnings per share, as determined under GAAP.

Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

ARCBEST CORPORATION - CONSOLIDATED	Three Months Ended June 30	
Millions (\$000,000), except per share data	2022	2021
Operating Income		
Amounts on a GAAP basis	\$ 137.3	\$ 74.3
Innovative technology costs, pre-tax ⁽¹⁾	10.3	8.5
Purchase accounting amortization, pre-tax ⁽²⁾	3.2	0.9
Gain on sale of subsidiary, pre-tax ⁽³⁾	(0.4)	(6.9)
Non-GAAP amounts ⁽⁴⁾	\$ 150.5	\$ 76.8
Net Income		
Amounts on a GAAP basis	\$ 102.5	\$ 61.0
Innovative technology costs, after-tax (includes related financing costs) ⁽¹⁾	7.8	6.4
Purchase accounting amortization, after-tax ⁽²⁾	2.4	0.7
Gain on sale of subsidiary, after-tax ⁽³⁾	(0.3)	(5.4)
Life insurance proceeds and changes in cash surrender value	2.7	(1.2)
Tax benefit from vested RSUs ⁽⁵⁾	(5.1)	(6.8)
Non-GAAP amounts ⁽⁴⁾	\$ 110.0	\$ 54.6
Diluted Earnings Per Share		
Amounts on a GAAP basis	\$ 4.00	\$ 2.27
Innovative technology costs, after-tax (includes related financing costs) ⁽¹⁾	0.30	0.24
Purchase accounting amortization, after-tax ⁽²⁾	0.09	0.03
Gain on sale of subsidiary, after-tax ⁽³⁾	(0.01)	(0.20)
Life insurance proceeds and changes in cash surrender value	0.11	(0.05)
Tax benefit from vested RSUs ⁽⁵⁾	(0.20)	(0.25)
Non-GAAP amounts ⁽⁴⁾	\$ 4.30	\$ 2.03

- 1) Represents costs associated with the freight handling pilot test program at ABF Freight and initiatives to optimize our performance through technological innovation, including costs related to our investment in human-centered remote operation software.
- 2) Represents the amortization of acquired intangible assets related to the November 1, 2021 acquisition of MoLo and previously acquired businesses in the ArcBest segment.
- 3) Gain relates to the sale of the labor services portion of the ArcBest segment's moving business in May 2021, including the contingent amount recognized in second quarter 2022 when the funds were released from escrow.
- 4) Non-GAAP amounts are calculated in total and may not foot due to rounding.
- 5) Represents recognition of the tax impact for the vesting of share-based compensation.

Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

ASSET-LIGHT ADJUSTED EBITDA ⁽¹⁾	Three Months Ended June 30	
	2022	2021
Total Asset-Light	<i>(\$ millions)</i>	
Operating Income	\$ 29.1	\$ 16.3
Depreciation and amortization ⁽²⁾	5.9	2.8
Gain on sale of subsidiary ⁽³⁾	(0.4)	(6.9)
Adjusted EBITDA ⁽⁴⁾	\$ 34.6	\$ 12.1
CONSOLIDATED ADJUSTED EBITDA ⁽¹⁾	Twelve Months Ended June 30, 2022	
	<i>(\$ millions)</i>	
Net Income	\$ 301.2	
Interest and other related financing costs	8.0	
Income tax provision	96.4	
Depreciation and amortization ⁽²⁾	133.7	
Amortization of share-based compensation	12.4	
Change in fair value of contingent consideration ⁽⁵⁾	0.8	
Gain on sale of subsidiary ⁽³⁾	(0.4)	
Transaction costs ⁽⁶⁾	6.0	
Consolidated Adjusted EBITDA ⁽⁴⁾	\$ 558.2	

1) Adjusted EBITDA is a primary component of the financial covenants contained in ArcBest Corporation's Amended and Restated Credit Agreement. Management believes Adjusted EBITDA to be relevant and useful information, as EBITDA is a standard measure commonly reported and widely used by analysts, investors, and others to measure financial performance ability to service debt obligations. Furthermore, management uses Adjusted EBITDA as a key measure of performance and for business planning. However, this non-GAAP measure should be viewed in addition to, and not as an alternative for, our reported results. Other companies may calculate EBITDA differently; therefore, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

2) Includes amortization of intangibles associated with acquired businesses.

3) Gain relates to the sale of the labor services portion of the ArcBest segment's moving business in May 2021, including the contingent amount recognized in second quarter 2022 when the funds were released from escrow.

4) Adjusted EBITDA is calculated in total and may not foot due to rounding.

5) Represents change in fair value of the contingent consideration recorded for the MoLo acquisition. The liability for contingent consideration is remeasured at each quarterly reporting date, and any change in fair value as a result of the recurring assessments is recognized in operating income. As previously disclosed, contingent consideration for the MoLo acquisition will be paid based on achievement of certain targets of adjusted earnings before interest, taxes, depreciation, and amortization, as adjusted for certain items pursuant to the merger agreement, for years 2023 through 2025.

6) Transaction costs are associated with the acquisition of MoLo.

Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

Millions (\$000,000)	Three Months Ended June 30			
	2022		2021	
ASSET-BASED SEGMENT				
Operating Income				
Amounts on a GAAP basis	\$ 116.7	85.5%	\$ 63.9	90.2%
Innovative technology costs, pre-tax ⁽¹⁾	8.0	(1.0)	7.5	(1.2)
Non-GAAP amounts ⁽²⁾	\$ 124.6	84.5%	\$ 71.4	89.0%
TOTAL ASSET-LIGHT				
Operating Income				
Amounts on a GAAP basis	\$ 29.1	95.4%	\$ 16.3	95.1%
Purchase accounting amortization ⁽³⁾	3.2	(0.5)	0.9	(0.3)
Gain on sale of subsidiary, pre-tax ⁽⁴⁾	(0.4)	0.1	(6.9)	2.1
Non-GAAP amounts ⁽²⁾	\$ 31.9	95.0%	\$ 10.3	96.9%

1) Represents costs associated with the freight handling pilot test program at ABF Freight.

2) Non-GAAP amounts are calculated in total and may not foot due to rounding.

3) Represents the amortization of acquired intangible assets related to the November 1, 2021 acquisition of MoLo and previously acquired businesses in the ArcBest segment.

4) Gain relates to the sale of the labor services portion of the ArcBest segment's moving business in May 2021, including the contingent amount recognized in second quarter 2022 when the funds were released from escrow.