

*ArcBest*

# Earnings Presentation

3Q'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 Solid Third 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 August) compared to 17% in 2012	>60% of our asset-light customers also use ABF
Someone who knows them and their business	Dedicated experts to tackle tough challenges	Among best in industry for knowledgeable and helpful sales representatives according to Mastio		#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"> <li>• AA MSCI Rating</li> <li>• Bronze EcoVadis Rating</li> <li>• Piloting electric trucks and use of solar panels</li> <li>• Forbes Best Employer for Diversity</li> <li>• Comparably Best Large Companies for Women</li> <li>• Recruiting neurodiverse talent through partnership with Integrate</li> </ul>		

# STRONG PERFORMANCE ENABLES INVESTMENT FOR GROWTH

## Double-Digit Revenue Growth

YOY daily revenue growth in Asset-Based 16% and Asset-Light 63% segments

## Facility Upgrades & Expansions

Investments to enable growth and improve employee experience

## Truckload Solutions

One-year anniversary of MoLo acquisition – 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**

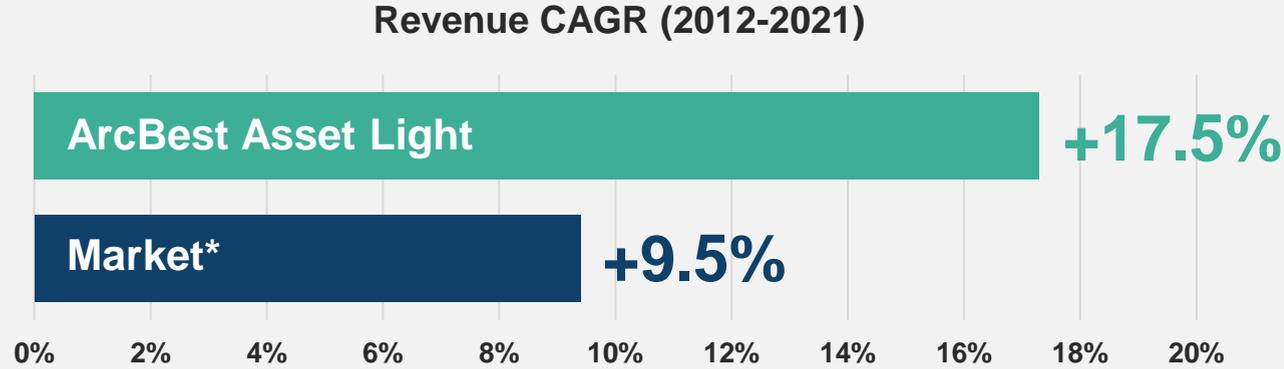
**Solutions**

**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

\*Market stats derived from Armstrong & Associates, US Department of Commerce and ArcBest management estimates

Q3 2022

# Key Metrics

ARCBEST  
CONSOLIDATED

- 1) Third quarter 2022 comparisons are to third quarter 2021.
- 2) See non-GAAP reconciliation in the Additional Information section of this presentation.
- 3) Trailing twelve months ending September 30, 2022
- 4) As of September 30, 2022

**ArcBest**

**\$1.4B**

Revenue

↑ 33% per day YOY <sup>(1)</sup>

**\$131.1M**

Non-GAAP  
Operating Income <sup>(2)</sup>

↑ 33% YOY <sup>(1)</sup>

**\$3.80/diluted share**

Non-GAAP Net Income <sup>(2)</sup>

↑ 43% YOY <sup>(1)</sup>

## SOLID FINANCIAL POSITION

- TTM EBITDA <sup>(2)</sup>: \$590M <sup>(3)</sup>
- Liquidity: \$541M <sup>(4)</sup>
- Net Cash: \$48M <sup>(4)</sup>

Q3 2022

# Key Metrics

ASSET-BASED

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

**ArcBest**

**\$791.5M**

Revenue

↑ 16% per day  
YOY<sup>(1)</sup>

**\$116.6M**

Non-GAAP Operating Income<sup>(1)</sup>

↑ 29% YOY<sup>(1)</sup>

**85.3%**

Non-GAAP Operating Ratio<sup>(2)</sup>

↑ 140 bps YOY  
improvement <sup>(1)</sup>

Daily  
Tonnage

↑ 4.4%  
YOY<sup>(1)</sup>

Daily  
Shipments

↑ 2.8%  
YOY<sup>(1)</sup>

Total Billed  
Rev/Cwt

↑ 11.1%  
YOY<sup>(1)</sup>

**6.9%**

Average Increase on  
Contract Renewals  
and Deferred Pricing  
Agreements

OCTOBER 2022

# Key Metrics

ASSET-BASED

1) October 2022 comparisons are to October 2021.

**ArcBest**

OCTOBER 2022  
PRELIMINARY

## Daily Billed Revenue

↑ 6% YOY<sup>(1)</sup>

## Total Billed Rev/CWT

↑ 10% YOY<sup>(1)</sup>

## Total Billed Rev/Shipment

↑ 4% YOY<sup>(1)</sup>

## Daily Tonnage

↓ 4% YOY<sup>(1)</sup>

## Daily Shipments

↑ 1% YOY<sup>(1)</sup>

## Total Weight/Shipment

↓ 5% YOY<sup>(1)</sup>

Q3 2022

# Key Metrics

ASSET-LIGHT<sup>(1)</sup>

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

**ArcBest**

**\$604.5M**

Revenue

**↑ 63% per day  
YOY<sup>(2)</sup>**

**\$19.9M**

Non-GAAP Operating Income<sup>(3)</sup>

**↑ 61% YOY<sup>(2)</sup>**

**\$21.8M**

Adjusted EBITDA<sup>(3)</sup>

**↑ 53% YOY<sup>(2)</sup>**

**OCTOBER 2022 PRELIMINARY YOY<sup>(4)</sup>**

**Daily Revenue ↑ 40% YOY**

# BALANCED APPROACH TO CAPITAL ALLOCATION

Strong business performance enables ArcBest to reinvest in the business and provide returns to shareholders while maintaining a solid balance sheet and investment-grade credit metrics.

## Reinvesting in the Business

- Expect 2022 Net Capital Expenditures of \$200M - \$210M
  - Part of a multi-year investment plan for equipment, real estate, innovation and technology — structured for cost optimization, revenue growth and enhanced work environment

## Dividends & Share Repurchases

- Share Repurchase Program:
  - Repurchased ~850K shares for \$75M year-to-date in 2022<sup>(1)</sup>
- Increased dividend by 50% in 2022

## M&A Strategies

- Accelerate progress toward strategic goals by adding capabilities and scale to more effectively serve our customers
- Look for strong culture fit, experienced leadership team and a pathway to return

## 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



## 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 September 30	
Millions (\$000,000), except per share data	2022	2021
<b>Operating Income</b>		
<b>Amounts on GAAP basis</b>	<b>\$ 115.8</b>	<b>\$ 87.6</b>
Innovative technology costs, pre-tax <sup>(1)</sup>	10.1	8.3
Purchase accounting amortization, pre-tax <sup>(2)</sup>	3.2	0.9
Nonunion vacation policy enhancement, pre-tax <sup>(3)</sup>	2.1	-
Transaction costs, pre-tax <sup>(4)</sup>	-	1.6
<b>Non-GAAP amounts <sup>(5)</sup></b>	<b>\$ 131.1</b>	<b>\$ 98.4</b>
<b>Net Income</b>		
<b>Amounts on GAAP basis</b>	<b>\$ 88.8</b>	<b>\$ 63.7</b>
Innovative technology costs, after-tax (includes related financing costs) <sup>(1)</sup>	7.6	6.2
Purchase accounting amortization, after-tax <sup>(2)</sup>	2.4	0.7
Nonunion vacation policy enhancement, after-tax <sup>(3)</sup>	1.5	-
Transaction costs, after-tax <sup>(4)</sup>	-	1.2
Life insurance proceeds and changes in cash surrender value	0.2	(0.4)
Tax benefit from vested RSUs <sup>(6)</sup>	(2.4)	(0.5)
Tax credits <sup>(7)</sup>	(1.8)	-
<b>Non-GAAP amounts <sup>(5)</sup></b>	<b>\$ 96.4</b>	<b>\$ 70.9</b>
<b>Diluted Earnings Per Share</b>		
<b>Amounts on GAAP basis</b>	<b>\$ 3.50</b>	<b>\$ 2.38</b>
Innovative technology costs, after-tax (includes related financing costs) <sup>(1)</sup>	0.30	0.23
Purchase accounting amortization, after-tax <sup>(2)</sup>	0.09	0.03
Nonunion vacation policy enhancement, after-tax <sup>(3)</sup>	0.06	-
Transaction costs, after-tax <sup>(4)</sup>	-	0.04
Life insurance proceeds and changes in cash surrender value	0.01	(0.01)
Tax benefit from vested RSUs <sup>(6)</sup>	(0.09)	(0.02)
Tax credits <sup>(7)</sup>	(0.07)	-
<b>Non-GAAP amounts <sup>(5)</sup></b>	<b>\$ 3.80</b>	<b>\$ 2.65</b>

- 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) Represents a one-time, noncash charge for enhancements to our nonunion vacation policy which were effective third quarter 2022.
- 4) Represents costs associated with the acquisition of MoLo.
- 5) Non-GAAP amounts are calculated in total and may not foot due to rounding.
- 6) Represents recognition of the tax impact for the vesting of share-based compensation.
- 7) Represents the amounts recorded in third quarter 2022 related to 2021 and the six months ended June 30, 2022 due to the August 2022 retroactive reinstatement of the alternative fuel tax credit.

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

ASSET-LIGHT ADJUSTED EBITDA <sup>(1)</sup>	Three Months Ended September 30	
	2022	2021
<b>Total Asset-Light</b>	<i>(\$ millions)</i>	
<b>Operating Income</b>	\$ 16.3	\$ 11.5
Depreciation and amortization <sup>(2)</sup>	5.5	2.8
<b>Adjusted EBITDA <sup>(3)</sup></b>	<b>\$ 21.8</b>	<b>\$ 14.2</b>
CONSOLIDATED ADJUSTED EBITDA <sup>(1)</sup>	Twelve Months Ended September 30, 2022	
	<i>(\$ millions)</i>	
<b>Net Income</b>	<b>\$ 326.4</b>	
Interest and other related financing costs	7.7	
Income tax provision	100.1	
Depreciation and amortization <sup>(2)</sup>	138.1	
Amortization of share-based compensation	12.7	
Change in fair value of contingent consideration <sup>(4)</sup>	0.8	
Gain on sale of subsidiary <sup>(5)</sup>	(0.4)	
Transaction costs <sup>(6)</sup>	4.4	
<b>Consolidated Adjusted EBITDA <sup>(3)</sup></b>	<b>\$ 589.7</b>	

1) The ArcBest and FleetNet reportable segments, combined, represent Asset-Light operations. 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) Adjusted EBITDA is calculated in total and may not foot due to rounding.

4) 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.

5) Gain represents contingent amount recognized in second quarter 2022 when the funds were released from escrow related to the sale of the labor services portion of the ArcBest segment's moving business in second quarter 2021.

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 September 30			
	2022		2021	
<b>ASSET-BASED SEGMENT</b>				
<b>Operating Income</b>				
<b>Amounts on GAAP basis</b>	<b>\$ 109.3</b>	<b>86.2%</b>	<b>\$ 83.6</b>	<b>87.7%</b>
Innovative technology costs, pre-tax <sup>(1)</sup>	6.1	(0.8)	6.9	(1.0)
Nonunion vacation policy enhancement, pre-tax <sup>(2)</sup>	1.2	(0.2)	-	-
<b>Non-GAAP amounts <sup>(3)</sup></b>	<b>\$ 116.6</b>	<b>85.3%</b>	<b>\$ 90.5</b>	<b>86.7%</b>
<b>TOTAL ASSET-LIGHT <sup>(4)</sup></b>				
<b>Operating Income</b>				
<b>Amounts on GAAP basis</b>	<b>\$ 16.3</b>	<b>97.3%</b>	<b>\$ 11.5</b>	<b>96.9%</b>
Purchase accounting amortization, pre-tax <sup>(5)</sup>	3.2	(0.5)	0.9	(0.3)
Nonunion vacation policy enhancement, pre-tax <sup>(2)</sup>	0.4	(0.1)	-	-
<b>Non-GAAP amounts <sup>(3)</sup></b>	<b>\$ 19.9</b>	<b>96.7%</b>	<b>\$ 12.4</b>	<b>96.7%</b>

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

2) Represents a one-time, noncash charge for enhancements to our nonunion vacation policy which were effective third quarter 2022.

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

4) The ArcBest and FleetNet reportable segments, combined, represent Asset-Light operations.

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