

***UNIVERSAL LOGISTICS
HOLDINGS, INC.***

Universal



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Tim Phillips, Chief Executive Officer

- Previously served as Executive Vice President of Transportation
- 30+ years of experience in the transportation industry



Jude Beres, Chief Financial Officer

- Previously served as Chief Administrative Officer
- 25+ years of experience in the transportation industry





Our mission is to create value for our customers, returns for our investors, and opportunities for our team by delivering on innovative people driven solutions.



- **SAFETY:** Safety comes first, in everything we do.
- **PEOPLE:** Our Universal team, customers, suppliers, and investors are the foundation of our people driven solutions.
- **INTEGRITY:** We do the right thing because it's the right thing to do. And we lead by example.
- **SERVICE:** We value outstanding service and know our customers do as well.
- **QUALITY:** By being on time, on task, and exceeding expectations, Universal consistently delivers quality solutions.
- **VALUE:** We optimize resources while meeting our customers' objectives on a daily basis. This creates real value.

TRUCKLOAD

Truckload transportation

Uses a mix of owner-operated and company owned equipment to haul commodities in various end markets. Services include dry van, flatbed, heavy haul, refrigerated, and specialized equipment

Specialized truckload

Provides transportation services of customer goods which is over-weight, over-size, and a variety of other specialty characteristics

Business strategy

Operating regional supercenters with a focus on non-cyclical van business and flatbed where strategic

BROKERAGE

Truckload brokerage

Uses a nationwide network of broker carriers to fulfill the transportation capacity requirements of customers

Forwarding

Arranges and manages shipments of goods via ground, air and sea

Customs house brokerage

Provides expertise in customs & tariffs and offers the preparation of import/export documents

Business strategy

Aggregate freight for large national accounts and optimize truckload assets where needed

VALUE-ADDED

Sequencing and sub-assembly

Provides storage, pre-assembly and rapid delivery of parts

Material handling and consolidation

Coordinates receipt, unloading, sorting and out-bound delivery to specified destinations

Central materials area operations

Operates facilities that store customers' bulk orders until transported to assembly plants

Kitting and repacking

Provides multiple parts in one "kit" for a single assembly operation and repackaging of vendor supplied parts

Returnable container management

Manages the collection and return of customers' containers following delivery

Business strategy

Own the plant: Supporting inbound manufacturing for the OEM by providing multiple logistics services at the plants where we operate

DEDICATED

Dedicated transportation

Uses a mix of owner-operated and company owned equipment for committed capacity and close-loop transportation

Expedited transportation

Provides expedited direct shipment services using owner- operators

Yard management

Provides switching and inventory management of customer trailers and containers

Business strategy

Own the plant: Supporting inbound manufacturing for the OEM by providing multiple logistics services at the plants where we operate

INTERMODAL

Drayage

Transports containerized cargo over short distances

Storage

Provides container, chassis and trailer storage near port or railhead locations

Maintenance & repair

Performs repair and preventative maintenance on all types of intermodal equipment

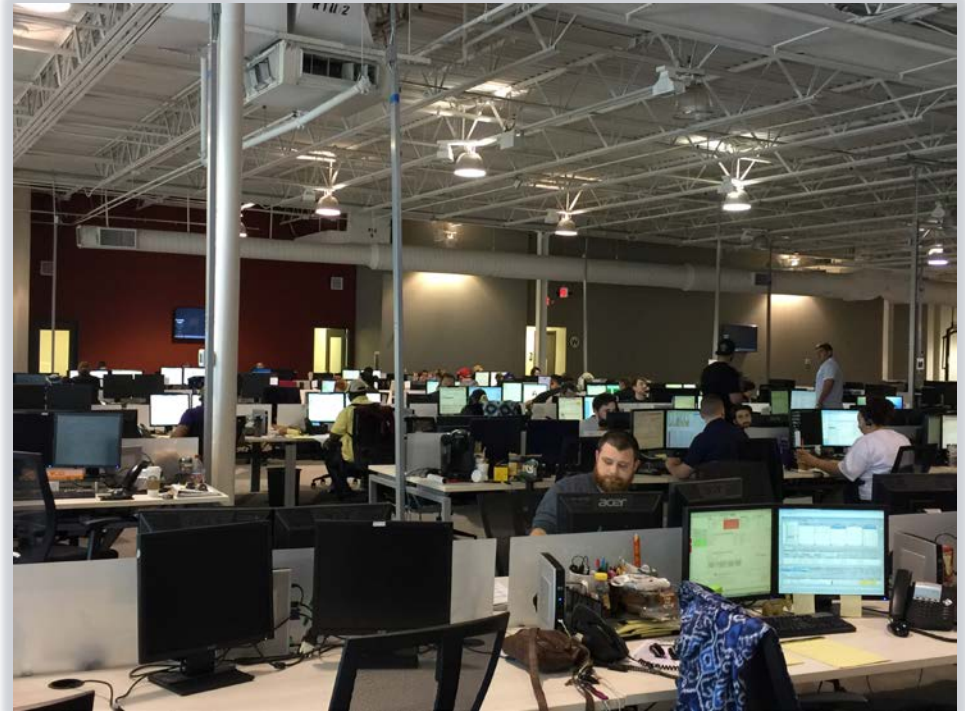
Business strategy

Operate a national drayage network focusing on the international box market. Support steamship lines by offering depot and maintenance repair services in the markets where we operate

- Asset-light variable cost model
- A national network of agents and company terminals in the U.S. and Canada
- Mix of spot and contractual rates
- Expertise and specialization in end markets served
 - *Steel & metals*
 - *Oil & gas*
 - *Industrials*
 - *Government*
 - *Retail & consumer goods*
- Revenue ~ \$260 million
- Target margin: 4% - 6%



- Asset-light variable cost model
- Nationwide network broker carriers
- Mix of spot and contractual rates
- Expert 3PL offerings
 - *Steel & metals*
 - *Oil & gas*
 - *Industrials*
 - *Government*
 - *Retail & consumer goods*
- Revenue ~ \$385 million
- Target margin: 2% - 4%



- Asset-right variable cost model
- Local and regional drayage
- 67 terminals and 15 full service container yards
- Seamless multimodal customer solutions
 - *Customer direct*
 - *Steamship lines*
 - *Railroads*
- Revenue ~ \$510 million
- Target margin: 10% - 12%

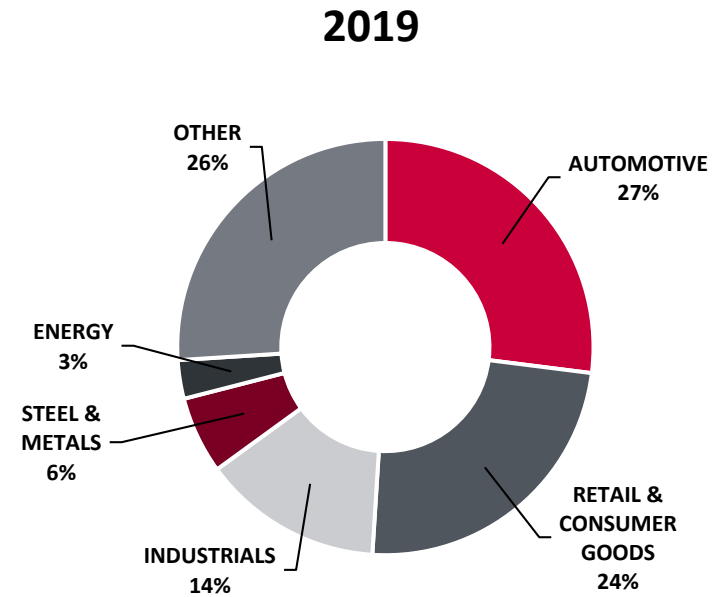
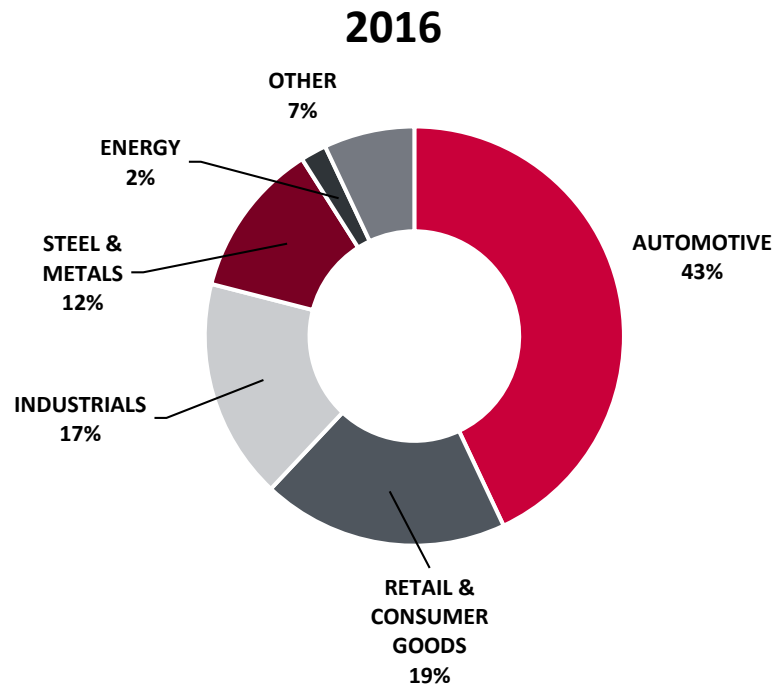


- Asset-based model
- Custom tailored service offerings in the U.S. and Canada
- Multi-year contracts
- Serving industrial markets
- Revenue ~ \$130 million
- Target margin: 10% - 12%



- Flexible cost model with proprietary information technology
- Customized customer solutions: in-plant or offsite
- 5 – 10 year contracts with high renewal rate
- Long-tenured customer base
 - *Retail & consumer goods*
 - *Automotive*
 - *Class 8*
 - *Aerospace*
- Revenue ~ \$340 million
- Target margin: 11% - 13%





Reduced exposure to automotive sector from 43% of revenue in 2016 to 27% of revenue in 2019

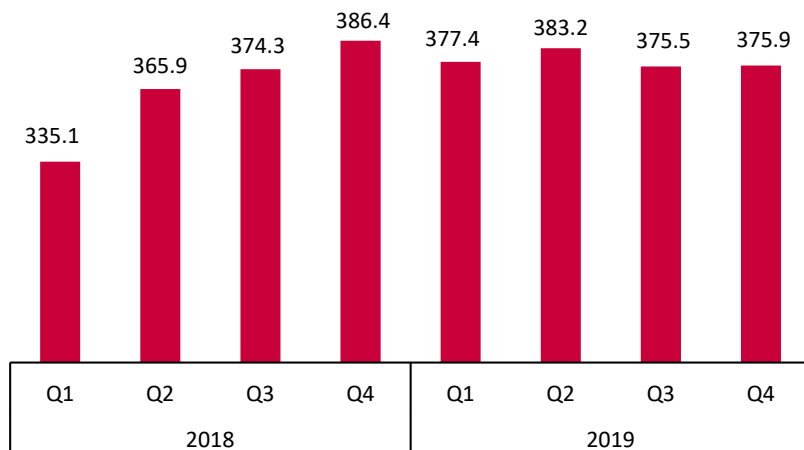
- Long-standing relationships with customer base
- Customers use multiple services
- Leverage customer base for cross-selling opportunities



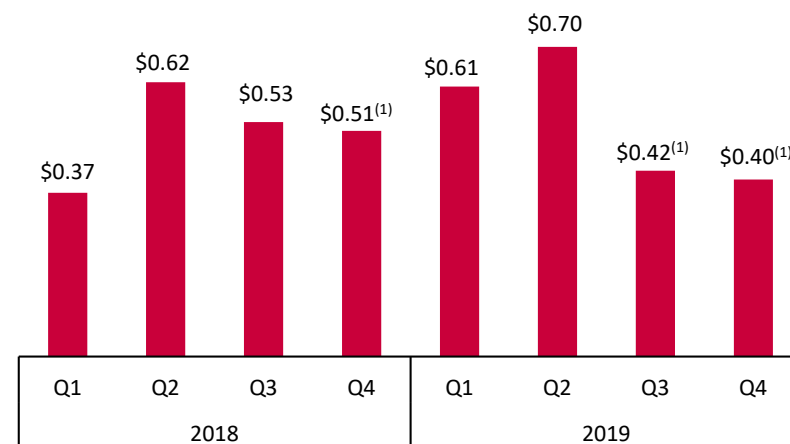
FINANCIAL OVERVIEW



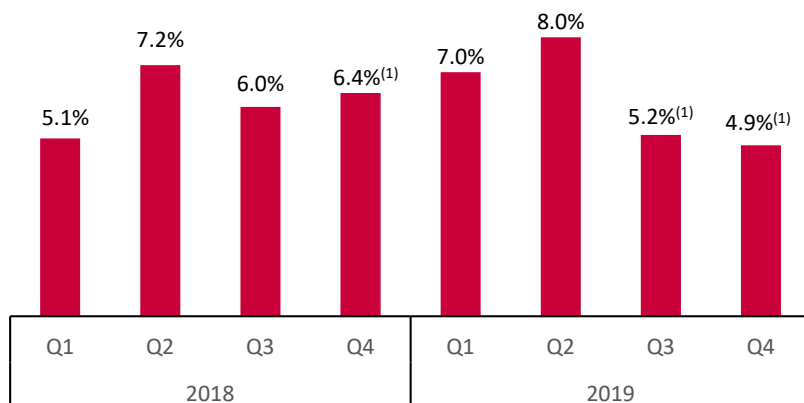
Revenue



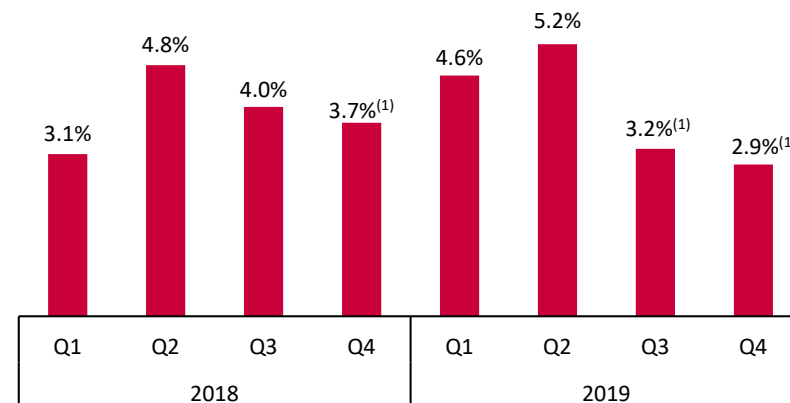
Adjusted EPS



Adjusted Operating Margin



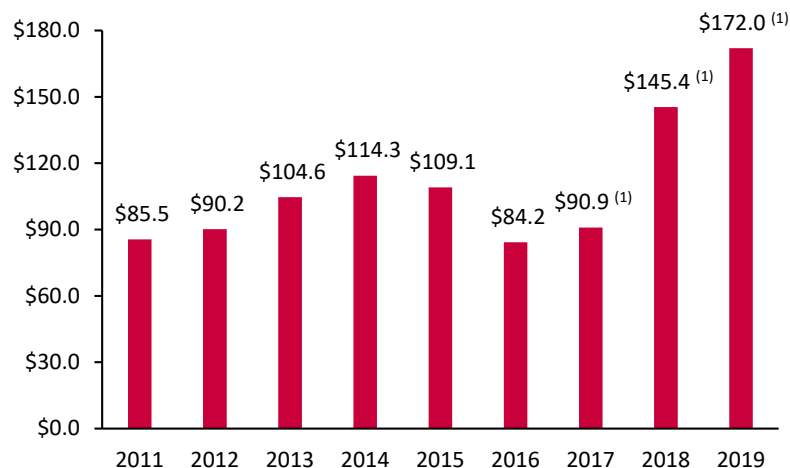
Adjusted Net Margin



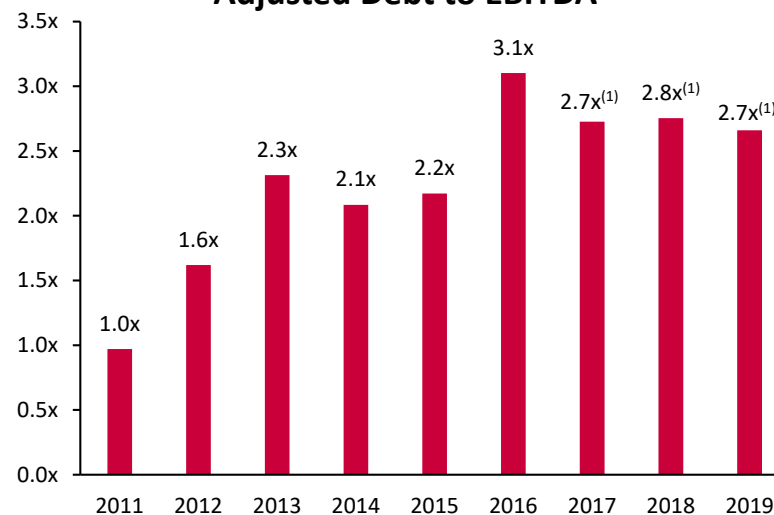
(1) Q4 2018 is adjusted to exclude the impact of \$7.0 million or \$0.19 per share in litigation charges; Q3 2019 is adjusted to exclude the impact of \$27.0 million or \$0.72 per share in litigation charges; Q4 2019 is adjusted to exclude the impact of \$2.9 million or \$0.08 per share in litigation charges. See appendix.

- Flexible balance sheet with ability to borrow:
 - \$350 million shelf offering
 - \$48.8 million available on revolver
 - Credit facility includes an accordion feature which allows us to increase availability by up to \$100 million
 - Can leverage up to 3.5x debt to adjusted EBITDA

Adjusted EBITDA



Adjusted Debt to EBITDA



(1) Q3 2017 is adjusted to exclude the impact of \$17.4 million or \$0.38 per share in litigation charges; Q4 2018 is adjusted to exclude the impact of \$7.0 million or \$0.19 per share in litigation charges; Q3 2019 is adjusted to exclude the impact of \$27.0 million or \$0.72 per share in litigation charges; Q4 2019 is adjusted to exclude the impact of \$2.9 million or \$0.08 per share in litigation charges. See appendix

Paydown debt

Evaluate acquisition opportunities

Return capital to shareholders

\$2.0 billion short-term revenue target



- Current focus on intermodal drayage
- Build out national footprint
- Seeking new customers to cross-sell
- High quality management teams

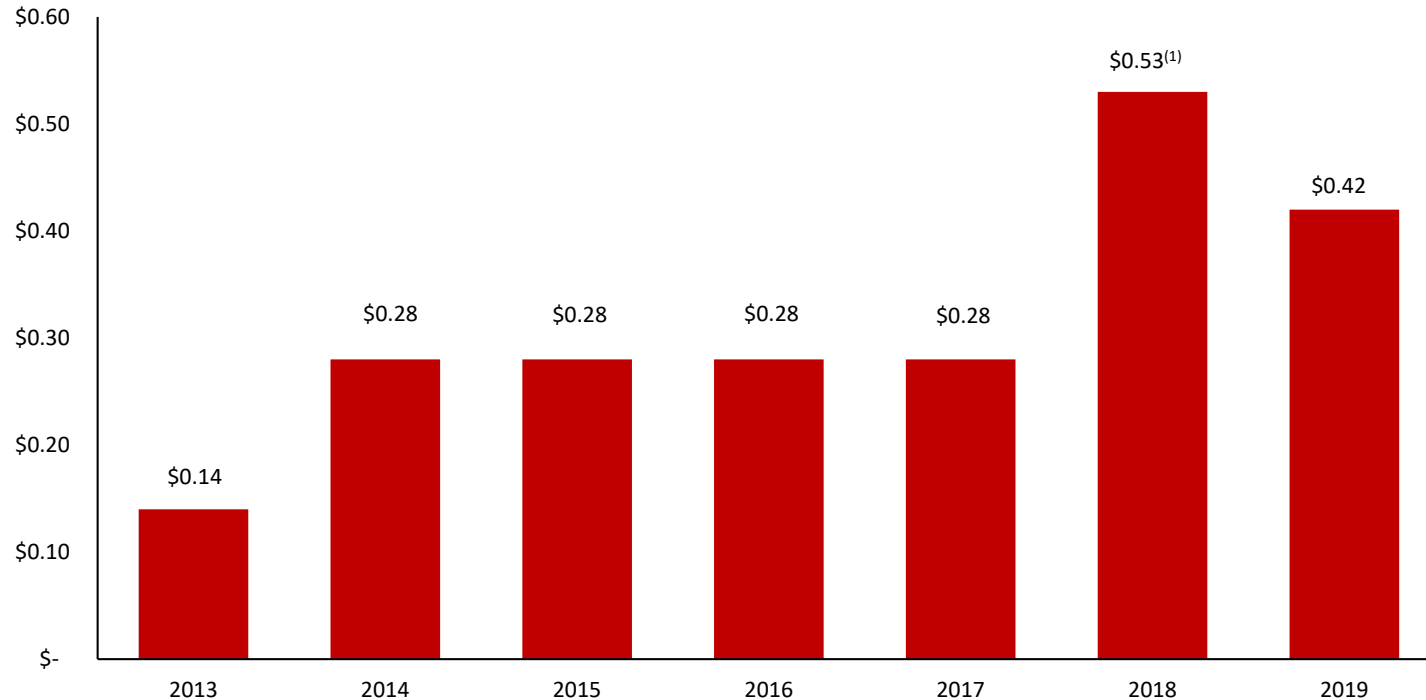


Acquired November 5, 2019 for \$54.9 million

- \$125 million revenue for the 12 months ended September 30, 2019
- Fleet of over 700 tractors
- Adds significant capacity to our network
- Integrates a strong competitor



DIVIDENDS PER SHARE



Completed the purchase of 1.1 million shares (approximately 3.9% of outstanding shares) at the tender offer price of \$22.50 in Q3 2019 for approximately \$25.0 million

⁽¹⁾2018 includes an \$0.11 special dividend

OUTLOOK



Universal

SERVICES	REVENUE ESTIMATE (MILLIONS)	TARGET MARGIN LOW-END (%)	TARGET MARGIN LOW-END (\$ MILLIONS)	TARGET MARGIN HIGH-END (%)	TARGET MARGIN HIGH-END (\$ MILLIONS)
TRUCKLOAD	\$260	4%	\$10	6%	\$16
BROKERAGE	\$385	2%	\$8	4%	\$15
INTERMODAL	\$510	10%	\$51	12%	\$61
DEDICATED	\$130	10%	\$13	12%	\$16
VALUE-ADDED	\$340	11%	\$37	13%	\$44
TOTAL	\$1,625	7%	\$119	9%	\$152

2020 Consolidated Outlook

Revenue: \$1.6 billion - \$1.7 billion

Operating margins: 7.0% - 9.0%

Interest expense: \$16 million - \$18 million

Capex: \$70 million - \$80 million



APPENDIX



Universal

This presentation includes certain non-U.S. generally accepted accounting principles (GAAP) financial measures and adjustments. Presented are EBITDA, adjusted EBITDA, debt to EBITDA, adjusted operating margin, adjusted net margin and adjusted diluted earnings per share. The Company defines EBITDA as net income plus (i) interest expense, net, (ii) provision for income taxes and (iii) depreciation and amortization. EBITDA, Debt to EBITDA, adjusted operating margin, adjusted net margin and diluted earnings per share are adjusted in 2017 to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, including the impact of a \$17.4 million pre-tax litigation charge, or \$0.38 per diluted share, recorded in the third quarter 2017. EBITDA, Debt to EBITDA, adjusted operating margin, adjusted net margin and diluted earnings per share are adjusted in 2018 to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, including the impact of a \$7.0 million pre-tax litigation charge, or \$0.19 per diluted share, recorded in the fourth quarter 2018. EBITDA, Debt to EBITDA, adjusted operating margin, adjusted net margin and diluted earnings per share are adjusted in 2019 to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, including the impact of \$27.0 million in pre-tax litigation charges, or \$0.72 per diluted share, recorded in the third quarter 2019 and \$2.9 million in pre-tax litigation charges, or \$0.08 per diluted share, recorded in the fourth quarter of 2019. The calculation of these measures, and a reconciliation to previously reported comparable measures calculated in accordance with U.S. GAAP is shown in the accompanying Appendix. The Company believes that this information, when used in conjunction with information presented in accordance with U.S. GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company's financial condition and results of operations. The Company believes that this information should be used in conjunction with the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2019 and previously filed public financial reports.

	Year Ended December 31, 2011 (in thousands)	Year Ended December 31, 2012 (in thousands)	Year Ended December 31, 2013 (in thousands)	Year Ended December 31, 2014 (in thousands)	Year Ended December 31, 2015 (in thousands)	Year Ended December 31, 2016 (in thousands)	Year Ended December 31, 2017 (in thousands)	Year Ended December 31, 2018 (in thousands)	Year Ended December 31, 2019 (in thousands)
Revenue	\$ 990,672	\$ 1,037,006	\$ 1,033,492	\$ 1,191,521	\$ 1,128,773	\$ 1,072,751	\$ 1,216,665	\$ 1,461,708	\$ 1,511,998
Adjusted Income from Operations									
Income from operations	\$ 66,068	\$ 69,157	\$ 84,493	\$ 80,835	\$ 73,395	\$ 46,580	\$ 25,214	\$ 83,794	\$ 65,380
Litigation charges	-	-	-	-	-	-	17,356	7,000	29,992
Adjusted income from operations	\$ 66,068	\$ 69,157	\$ 84,493	\$ 80,835	\$ 73,395	\$ 46,580	\$ 42,570	\$ 90,794	\$ 95,372
Adjusted operating margin	6.7%	6.7%	8.2%	6.8%	6.5%	4.3%	3.5%	6.2%	6.3%
Adjusted EBITDA									
Net Income	\$ 51,446	\$ 47,688	\$ 50,572	\$ 45,370	\$ 40,001	\$ 24,244	\$ 28,153	\$ 52,178	\$ 37,586
Provision for income taxes	14,207	20,264	30,344	27,729	25,004	15,161	(11,012)	17,211	12,600
Interest expense, net	2,158	3,983	4,036	8,183	9,180	8,109	9,446	14,593	17,085
Depreciation and amortization	14,329	15,206	17,578	23,130	25,868	29,207	41,030	48,679	59,023
	3,402	3,031	2,108	9,923	9,005	7,495	5,965	5,746	15,742
EBITDA	\$ 85,542	\$ 90,172	\$ 104,638	\$ 114,335	\$ 109,058	\$ 84,216	\$ 73,582	\$ 138,407	\$ 142,036
Litigation Charges	-	-	-	-	-	-	17,356	7,000	29,992
Adjusted EBITDA	\$ 85,542	\$ 90,172	\$ 104,638	\$ 114,335	\$ 109,058	\$ 84,216	\$ 90,938	\$ 145,407	\$ 172,028
Debt to Adjusted EBITDA									
Total debt, net of debt issuance costs	\$ 83,061	\$ 146,000	\$ 242,143	\$ 238,329	\$ 236,894	\$ 261,267	\$ 247,978	\$ 400,452	\$ 457,612
Adjusted EBITDA	85,542	90,172	104,638	114,335	109,058	84,216	90,938	145,407	172,028
Debt to adjusted EBITDA	0.97	1.62	2.31	2.08	2.17	3.10	2.73	2.75	2.66
Adjusted EPS									
EPS diluted	\$ 1.71	\$ 1.59	\$ 1.68	\$ 1.51	\$ 1.37	\$ 0.85	\$ 0.99	\$ 1.84	\$ 1.34
Litigation charges, net of tax	-	-	-	-	-	-	0.38	0.19	0.80
Adjusted EPS	\$ 1.71	\$ 1.59	\$ 1.68	\$ 1.51	\$ 1.37	\$ 0.85	\$ 1.37	\$ 2.03	\$ 2.14
Capex	\$ 29,603	\$ 29,566	\$ 17,035	\$ 59,784	\$ 26,257	\$ 97,351	\$ 63,360	\$ 66,585	\$ 79,800

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2018	2018	2018	2018	2019	2019	2019	2019
	(in thousands)	(in thousands)	(in thousands)	(in thousands)	(in thousands)	(in thousands)	(in thousands)	(in thousands)
Revenue	\$ 335,113	\$ 365,925	\$ 374,292	\$ 386,378	\$ 377,406	\$ 383,175	\$ 375,485	\$ 375,931
Adjusted Income from Operations								
Income from Operations	\$ 17,104	\$ 26,252	\$ 22,530	\$ 17,908	\$ 26,513	\$ 30,716	\$ (7,353)	\$ 15,504
Litigation charges	-	-	-	7,000	-	-	27,044	2,948
Adjusted Income from Operations	\$ 17,104	\$ 26,252	\$ 22,530	\$ 24,908	\$ 26,513	\$ 30,716	\$ 19,691	\$ 18,452
Adjusted operating margin	5.1%	7.2%	6.0%	6.4%	7.0%	8.0%	5.2%	4.9%
Adjusted EPS								
EPS Diluted	\$ 0.37	\$ 0.62	\$ 0.53	\$ 0.32	\$ 0.61	\$ 0.70	\$ (0.30)	\$ 0.32
Litigation charges net of tax	-	-	-	0.19	-	-	0.72	0.08
Adjusted EPS	\$ 0.37	\$ 0.62	\$ 0.53	\$ 0.51	\$ 0.61	\$ 0.70	\$ 0.42	\$ 0.40
Adjusted net income								
Net income	\$ 10,434	\$ 17,669	\$ 15,055	\$ 9,020	\$ 17,297	\$ 19,971	\$ (8,416)	\$ 8,737
Litigation charges net of tax				5,250			20,283	2,212
Adjusted net income	\$ 10,434	\$ 17,669	\$ 15,055	\$ 14,270	\$ 17,297	\$ 19,971	\$ 11,867	\$ 10,949
Adjusted net margin	3.1%	4.8%	4.0%	3.7%	4.6%	5.2%	3.2%	2.9%



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