

The Next Name to Own in LTL



Stephens Annual Investor Conference
Nashville, TN
November 15-17, 2022

Tom Schmitt, Chairman, President and CEO
Rebecca Garbrick, CFO

Forward-Looking Statements

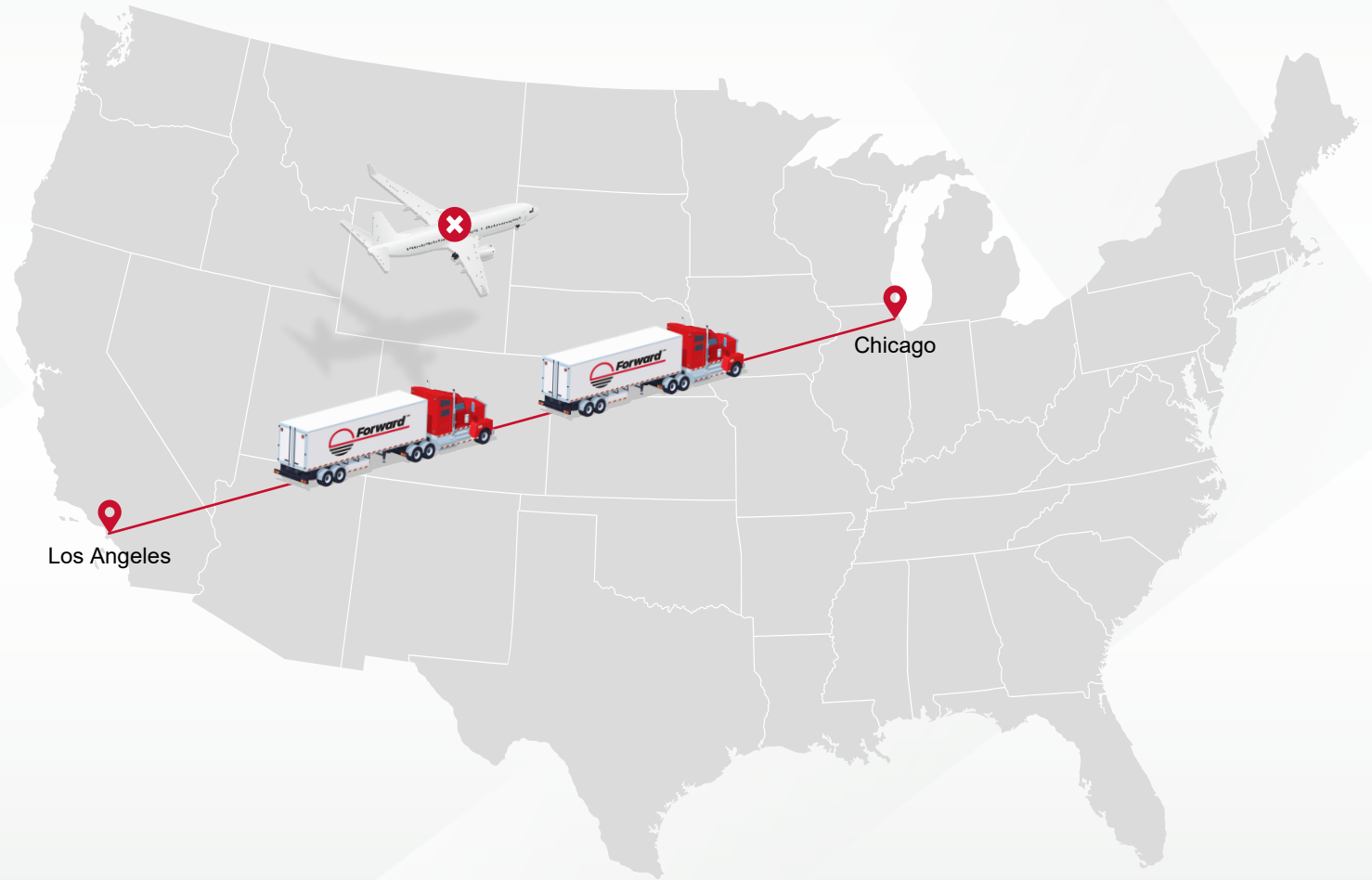
Certain statements contained in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on Forward Air Corporation's ("Forward") expectations, intentions and projections regarding Forward's future performance, anticipated events or trends and other matters that are not historical facts. Words such as "expects," "anticipates," "intends," "estimates," or similar expressions are intended to identify these forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of financial, operational and performance metrics; our outlook, guidance and expectations regarding EPS growth, revenue and adjusted net income per diluted share through 2023; our growth opportunities and strategies, including expected terminal expansion, growth in total addressable markets, opportunities in premium LTL markets, growth in logistics demand, demand for our premium services, and the potential positive impact to our financial and operational results; the opportunity to expand our business through expanded service offerings and strategic acquisitions; the opportunity to increase our customer base and expand to a higher margin customer base; and our expectation that we will be the market leading LTL provider by 2030. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including those discussed in Forward's Annual Report on Form 10-K for the year ended December 31, 2021 under the heading "Risk Factors." Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, Forward does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), we have included the following non-GAAP financial information in this presentation: earnings before interest, taxes, depreciation and amortization, free cash flow, adjusted income from continuing operations and adjusted net income per diluted share. The reconciliation of these non-GAAP measures to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found in the Appendix to this presentation. Because these non-GAAP financial measures exclude certain items as described herein, it may not be indicative of the results that Forward expects to recognize for future periods. As a result, these non-GAAP financial measures should be considered in addition to, and not a substitute for, financial information prepared in accordance with GAAP.



A Premium Provider in a Strong Industry

- Forward started with a simple idea: moving air freight on the ground.
- Lower cost, more reliable and lower carbon footprint than Air Freight.
- Faster and better than regular LTL.
- **Premium and Sustainable**
 - Compared to air cargo:
 - **More** reliable and lower costs
 - **Less** CO2 emission and pollution
 - Compared to the average LTL carrier:
 - **Better** transit times and service
 - **More** focus on ESG



Forward Offers Comprehensive Expedited Freight Services



Expedited LTL

Forward provides expedited regional, inter-regional and national LTL services, including local pick-up and delivery. Customers can access other expedited LTL services from a single source, including customs brokerage, warehousing, hotshot, or ad-hoc ultra-expedited services.

Truckload Services



Load Balancing with LTL

Forward provides expedited truckload brokerage and dedicated fleet services, as well as high security and temperature-controlled logistics services to integrated air cargo carriers, airlines, freight forwarders, LTL carriers, life-science companies, and other shippers of high-value cargo.

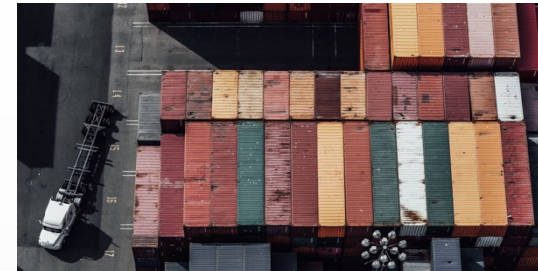
Final Mile Delivery



Co-locating and Co-routing with LTL

Forward provides delivery and installation services of large appliances through a nationwide network of locations. Forward Final Mile excels in servicing residential developments, large, multi-family complexes, and hotels.

Intermodal



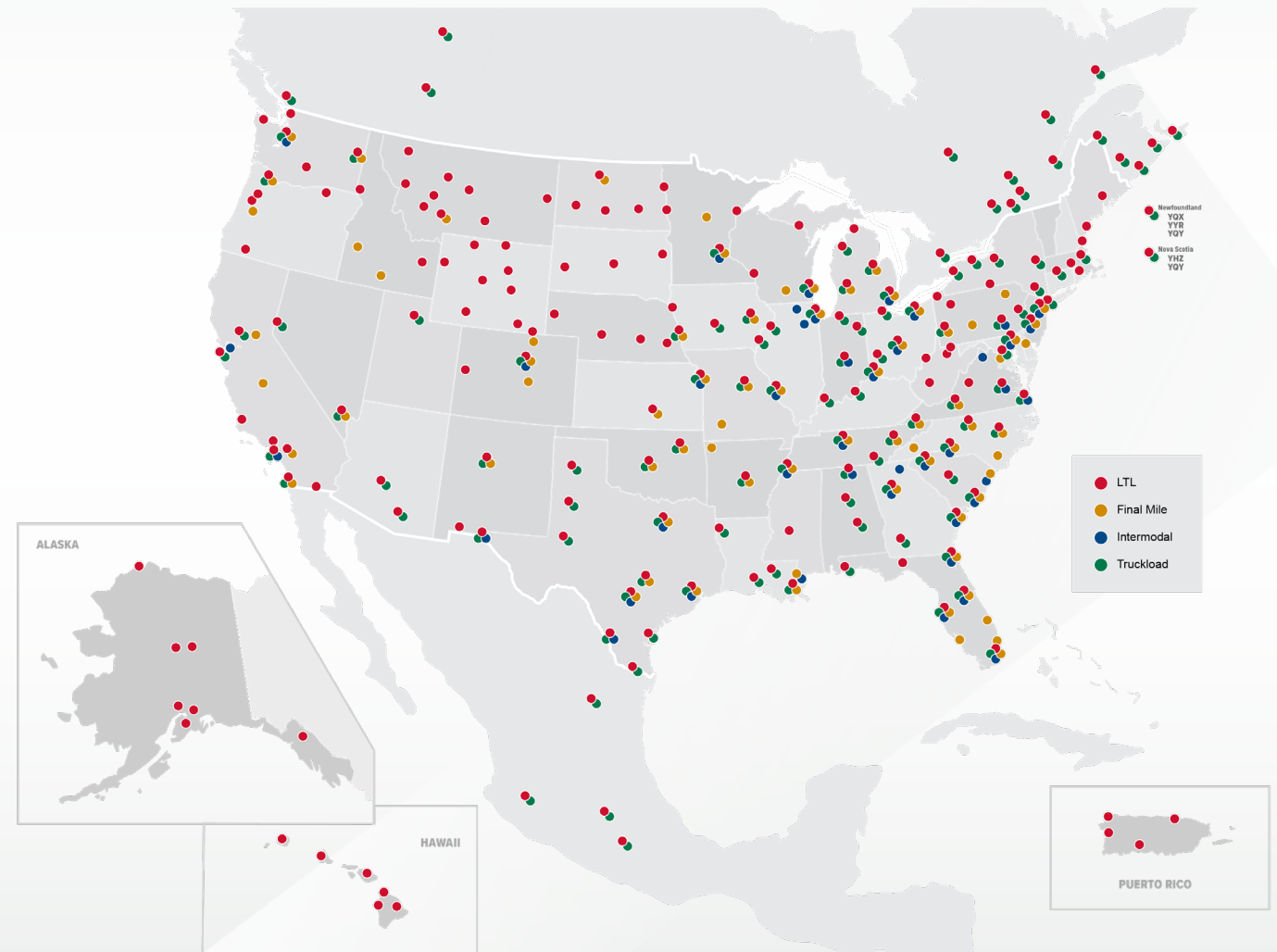
Joint Selling with LTL

Forward provides first and last-mile high-value intermodal container drayage services both to and from seaports and railheads. Forward Intermodal offers dedicated contract and container freight station warehouse and handling services at select locations.



One of the Most Extensive Networks in the Industry – and Growing

- **Over 200 locations** in the U.S., Canada and Mexico
- **Targeting 30 new terminals in the next five years** starting with secondary hubs in primary cities
- Adding network capacity by expanding the LTL terminal network
- Inorganic M&A expansion, strategically adding companies in order to increase service offerings, capacity and footprint



Delivering Record Financial Results

2021 was Our Strongest Year on Record—\$4.43 Adjusted Net Income Per Diluted Share**

\$116.1M*

Net Income (120% YoY Growth)

\$1.7B*

Revenue

\$88.4M*

Free Cash Flow**

116.1%*

Adjusted Net Income Per Diluted Share Growth**

*Financial results reflect continuing operations.

**See GAAP to Non-GAAP Reconciliation in the Appendix.



Creating Shareholder Value



Strong Free Cash Flows

Free Cash Flow increased to \$88.4M in 2021 from \$78.3M in 2020*



Increased Dividend

Raised the dividend four times over the last five years



Share Repurchase Program

Returned over \$376M over the last five years to shareholders



Earnings Momentum

Adjusted net income per diluted share from continuing operations increased to \$4.43 in 2021 from \$2.05 in 2020*

*See GAAP to Non-GAAP Reconciliation in the Appendix



Tremendous Results Trajectory for 2022

Revenue expectation of at least \$2B

Adjusted Net Income per Diluted Share to grow from \$4.43* in 2021 to at least \$7.51 in 2022

We believe continued earnings growth in 2023 due to:

- Events business returning
- More direct selling
- Deeper penetration into our core transit customer
- Fewer outside broker miles
- All other business lines making LTL better
- All supporting business lines achieving earnings growth
- Lower fuel prices
- Less demand and a slower economy



*See GAAP to Non-GAAP Reconciliation in the Appendix.



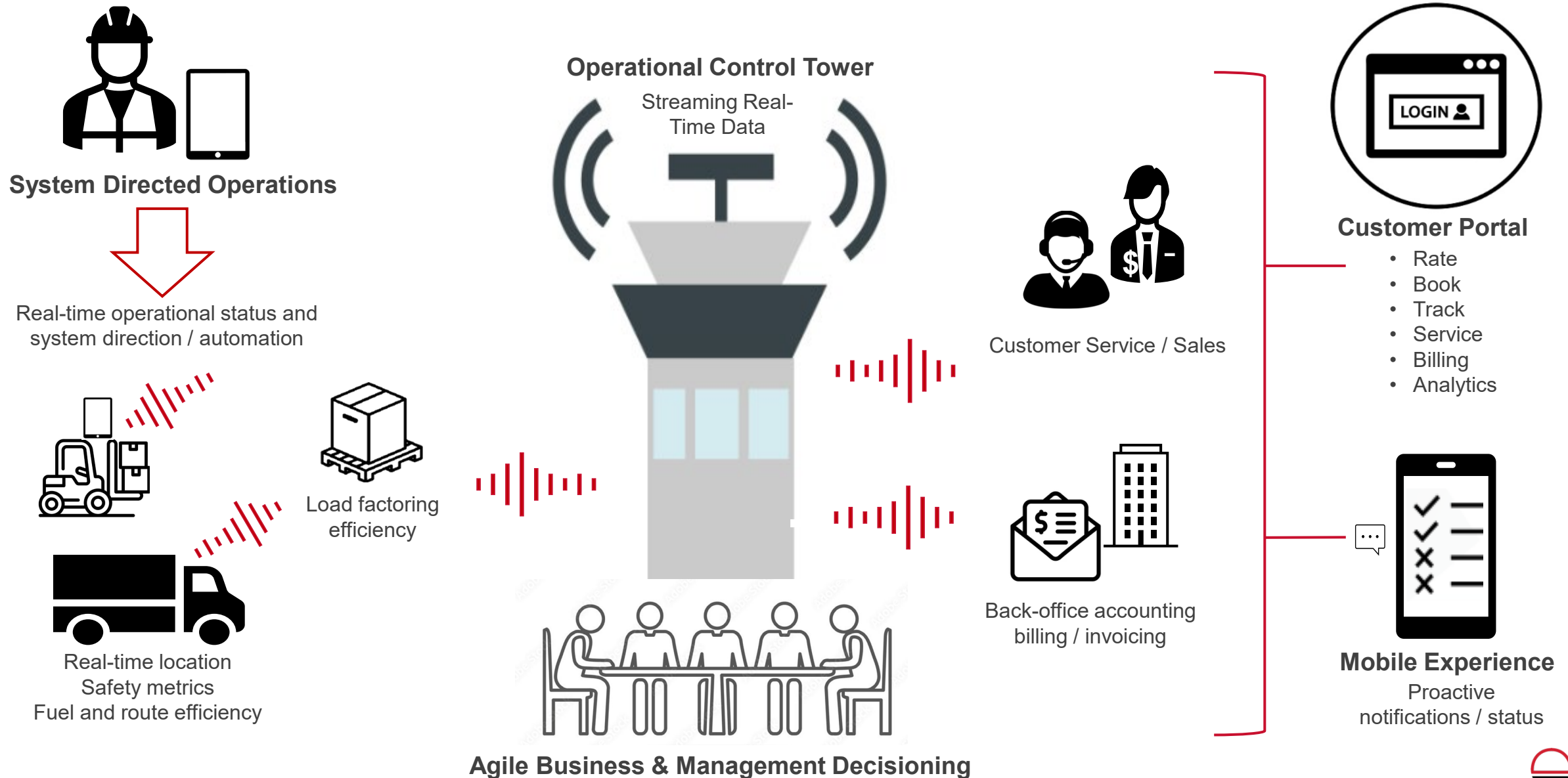


Our Growth is Powered by a Cleansed Network and Targeted Customer Base



Operational Efficiencies Via Transformational Technology Enables Scalable Growth

Forward Advanced Logistics Cloud Optimized Network (FALCON)



Huge Untapped Upside



We currently capture only a small fraction of our TAM and continue to gain market share



The Next Great Value in Ground Transportation to Own



Positioned for Profitable Growth and Value Creation



Highly-profitable premium LTL trucking business strongly positioned in +\$13 billion market



Valuable portfolio of complementary services bolstering core offering



Strong financial performance with significant runway for growth



Cost discipline and strong cash flow generation supporting balanced capital deployment



Commitment to superior customer service and outcomes



Operations that support sustainability and initiatives for clean transportation future



Our **company DNA**

1. We make our strategy real for everyone.

We engage the entire organization in “Double Double.”

2. We operate as ONE.

We remove silos and collaborate to identify and realize shared opportunities.

3. We look beyond our four walls.

We learn from, and partner with, the best of the best.

4. We act with integrity.

We build and earn trust in everything we do as individuals and as a team.

5. We hold ourselves accountable.

We drive a bias towards action and results in everything we do.

6. We lead with empathy.

We approach all interactions with compassion and understanding.

7. We communicate with two ears, one mouth.

Our people are heard, seen, and have a stake in our future.

8. We enable teammates to move FORWARD.

We attract, develop, and retain the best people by focusing on the entire talent pool.

9. We remove the ceiling.

We promote a sense of urgency in our execution.

10. We do not wait.

We evoke a mindset of thinking big, pushing beyond our expectations and perceived limitations.



Appendix

The **Next Great Value** in
Ground Transportation
to Own

Current Quarterly Performance

(\$M, except per share data)	Q3 2022	Q3 2021	Change
Revenue	\$510.0	\$419.6	21.5%
Adjusted Income from Operations ¹	\$71.7	\$43.4	65.0%
Adjusted Net Income Per Diluted Share ¹	\$1.93	\$1.14	69.3%
EBITDA ¹	\$83.9	\$51.9	61.7%
ROIC ²	53.2%	33.1%	

¹ See GAAP to Non-GAAP Reconciliation in the Appendix.

² Return on Invested Capital (ROIC) is calculated as Net-Operating Profit After Tax (adjusted for the amortization of intangibles) divided by Operating Invested Capital, excluding goodwill and intangibles.



The **Next Great Value** in
Ground Transportation
to Own

Full Year Performance

(\$M, except per share data)	2021	2020	Change
Revenue	\$1,662.4	\$1,269.6	30.9%
Adjusted Income from Operations ¹	\$166.7	\$79.5	109.7%
Adjusted Net Income Per Diluted Share ¹	\$4.43	\$2.05	116.1%
EBITDA ¹	\$198.9	\$111.0	79.1%
ROIC ²	38.8%	21.7%	

¹ See GAAP to Non-GAAP Reconciliation in the Appendix.

² Return on Invested Capital (ROIC) is calculated as Net-Operating Profit After Tax (adjusted for the amortization of intangibles) divided by Operating Invested Capital, excluding goodwill and intangibles.



Reconciliation of GAAP to Non-GAAP Financial Measures.

Reconciliation of Consolidated Operating Income for Continuing Operations

(Amounts in millions)

	Three Months Ended		For the Year Ended	
	September 30, 2022	September 30, 2021	December 31, 2021	December 31, 2020
As Reported	\$ 71.7	\$ 42.5	\$ 159.3	\$ 73.9
Professional fees for cybersecurity and shareholder engagement	-	-	7.0	1.9
Reserve for a litigated contract dispute	-	-	-	2.3
Change in the fair value of the earn-out liability	-	-	(0.5)	0.4
Severance expenses	-	-	-	1.0
Professional fees for an operational improvement project	-	0.9	0.9	-
As Adjusted	<u>\$ 71.7</u>	<u>\$ 43.4</u>	<u>\$ 166.7</u>	<u>\$ 79.5</u>

Reconciliation of GAAP to Non-GAAP Financial Measures.

Reconciliation of Consolidated Net Income Per Diluted Share for Continuing Operations¹

	Three Months Ended		For the Year Ended	
	September 30, 2022	September 30, 2021	December 31, 2021	December 31, 2020
As Reported	\$ 1.93	\$ 1.12	\$ 4.22	\$ 1.89
Professional fees for cybersecurity and shareholder engagement activities	-	-	0.19	0.05
Reserve for a litigated contract dispute	-	-	-	0.06
Change in the fair value of the earn-out liability	-	-	(0.01)	0.01
Severance expenses	-	-	-	0.03
Professional fees for an operational improvement project	-	0.03	0.03	-
As Adjusted²	<u>\$ 1.93</u>	<u>\$ 1.14</u>	<u>\$ 4.43</u>	<u>\$ 2.05</u>

¹ Net income per diluted share amounts are based on the after tax effect of each item

² Rounding may impact summation of amounts



Reconciliation of GAAP to Non-GAAP Financial Measures.

Reconciliation of EBITDA for Continuing Operations

(Amounts in millions)

	Three Months Ended		For the Year Ended	
	September 30, 2022	September 30, 2021	December 31, 2021	December 31, 2020
Net Income	\$ 52.1	\$ 30.5	\$ 116.1	\$ 52.8
Interest Expense	1.5	1.0	4.3	4.6
Income Tax Expense	18.0	11.0	38.9	16.6
Depreciation and Amortization	12.3	9.4	39.6	37.1
EBITDA	\$ 83.9	\$ 51.9	\$ 198.9	\$ 111.0

Reconciliation of GAAP to Non-GAAP Financial Measures.

Reconciliation of Free Cash Flow for Continuing Operations

(Amounts in millions)

	Three Months Ended		For the Year Ended	
	September 30, 2022	September 30, 2021	December 31, 2021	December 31, 2020
Net Cash Provided by Operating Activities	\$ 84.0	\$ 43.1	\$ 124.9	\$ 96.1
Proceeds from Sale of Property and Equipment	0.7	1.0	2.6	2.4
Purchases of Property and Equipment	(6.7)	(14.4)	(39.1)	(20.3)
Free Cash Flow¹	\$ 77.9	\$ 29.7	\$ 88.4	\$ 78.3

¹ Rounding may impact summation of amounts



