



The Next Name to Own in Ground Transportation

May 2023

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, increased network capacity, 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 implement our strategic initiatives, including ongoing optimization, to deliver transportation solutions and gain new business; and our expectation that our portfolio positions us for profitable growth and value creation. 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, 2022 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.

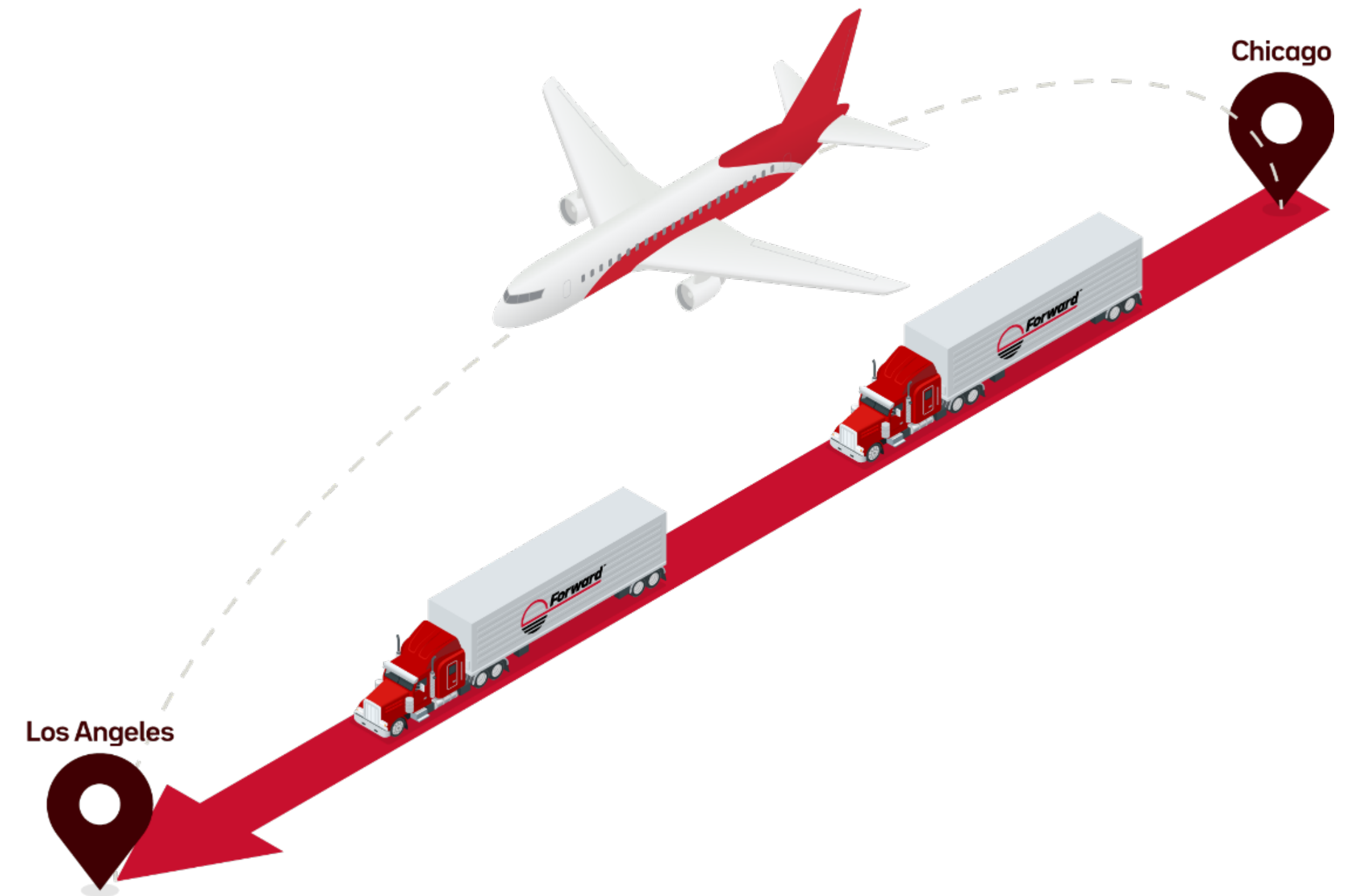
To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), we have included the following non-GAAP financial information in this presentation: earnings before interest, taxes, depreciation and amortization, free cash flow, 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 Air started with a simple, compelling idea: Moving air freight via truck.

Premium and Sustainable

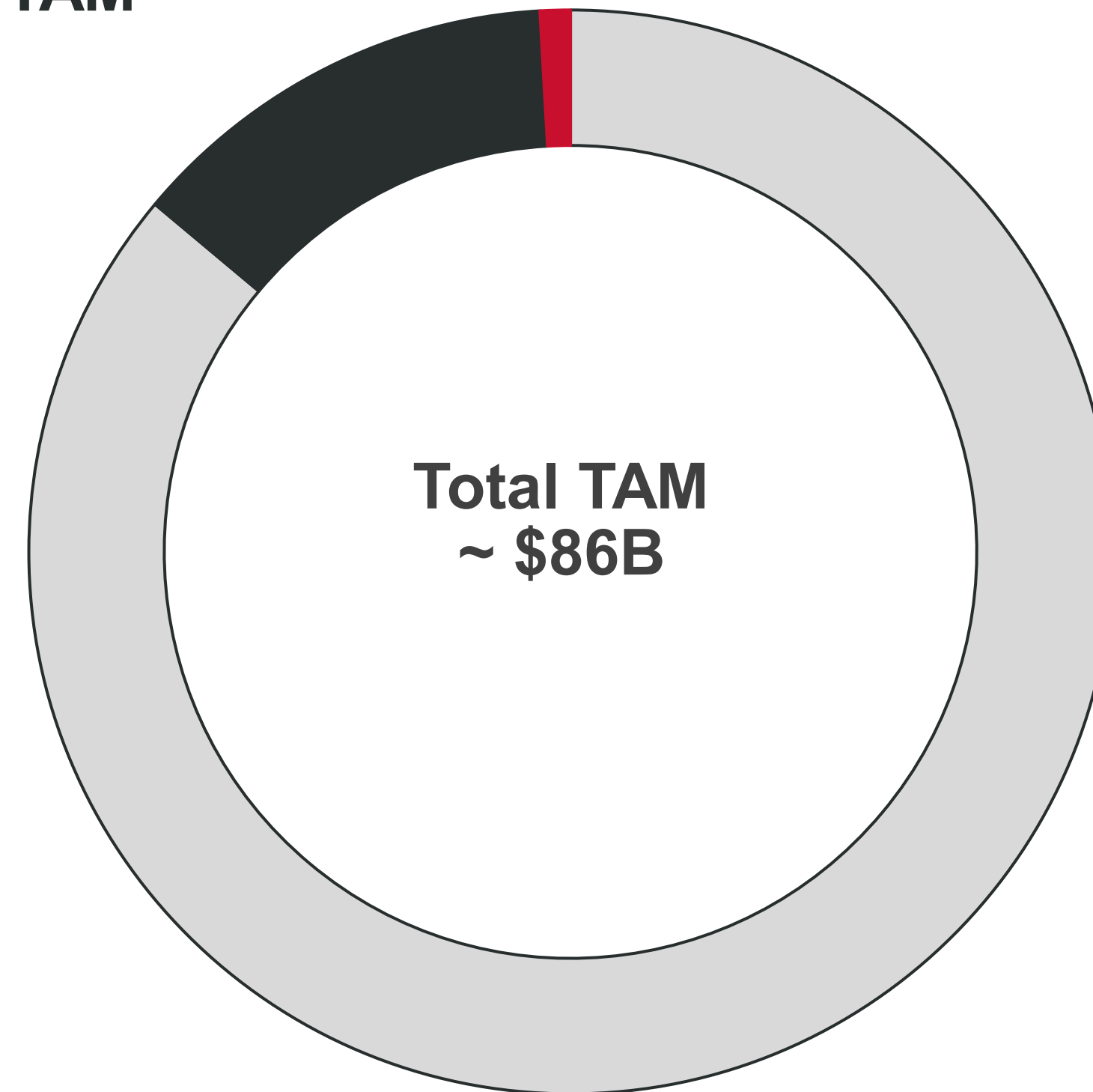
- Compared to air cargo:
 - **More** reliable and lower costs
 - **Less** CO2 emission and pollution
- Compared to the average Less-Than-Truckload carrier:
 - **Better** transit times and service
 - **More** focus on ESG



Positioned for Future Growth

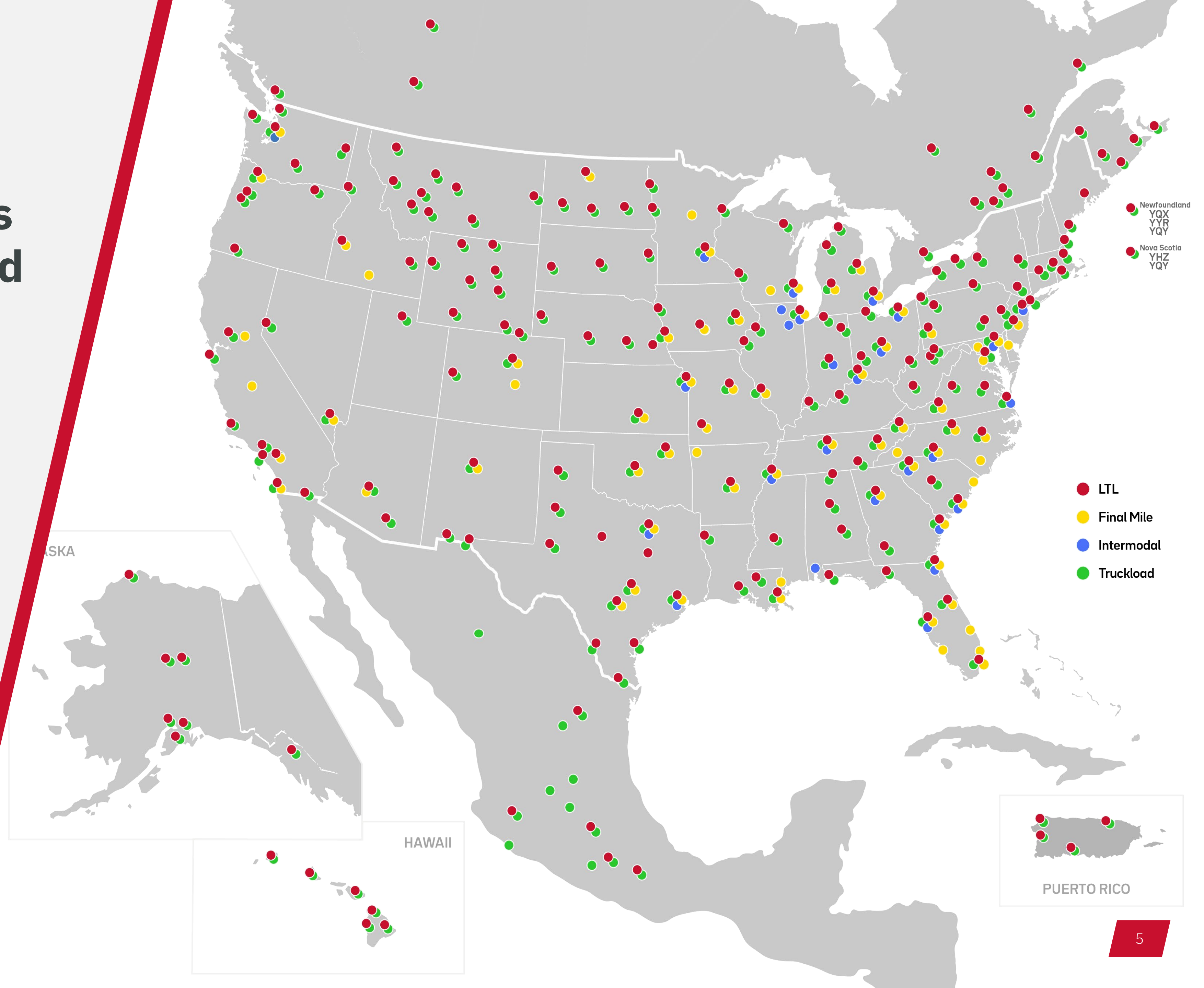
Forward Market Share
~ 7% (\$1B)

Premium LTL TAM
~ \$15B (17%)



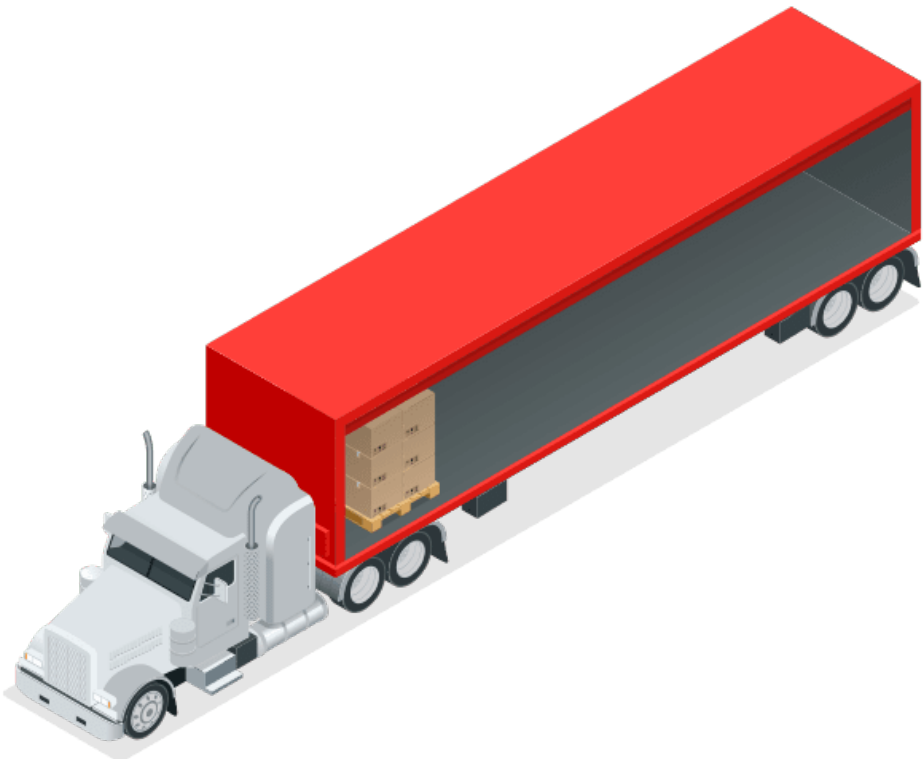
One of the Most Extensive Networks in the industry – and Growing

- **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

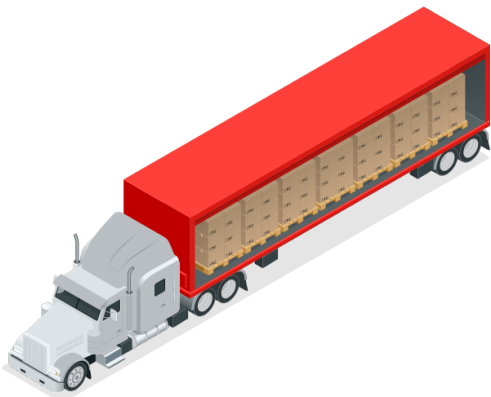


Comprehensive Freight Services

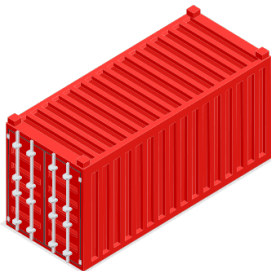
Expanded service offerings to support core LTL business while competing in a much larger market.



Expedited LTL



Truckload



Intermodal



Final Mile



Brokerage

Delivering Record Financial Results

2022 was Our Strongest Year on Record—\$7.18 Adjusted Net Income Per Diluted Share**



\$194.5M*

Net Income**



\$2.0B*

Revenue



\$220.7M*

Free Cash Flow**



62.1%*

**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 \$220.7M in 2022 from \$88.4M in 2021*



Revenue Increase

Revenue increased to \$2.0B in 2022 from \$1.7B in 2021



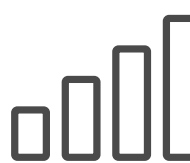
Adjusted Net Income Per Diluted Share

Adjusted Net Income Per Diluted Share increased to \$7.18 in 2022 from \$4.43 in 2021*



Increased Dividend

Raised the dividend four times over the last five years



Return to Shareholders

Returned \$388M over the last five years to shareholders through dividends and share repurchases

Grow Forward Strategy

2023 Disciplined Approach to Growth and Efficiency

2022 Expanded Customers

2021 Cleansed Network

2020 Strategic Pricing

2019 Higher Quality Freight

Our cleansed network is leading to better freight characteristics and capacity improvement



Palletized Freight



Weight Per Shipment Increased

Expanded Capacity

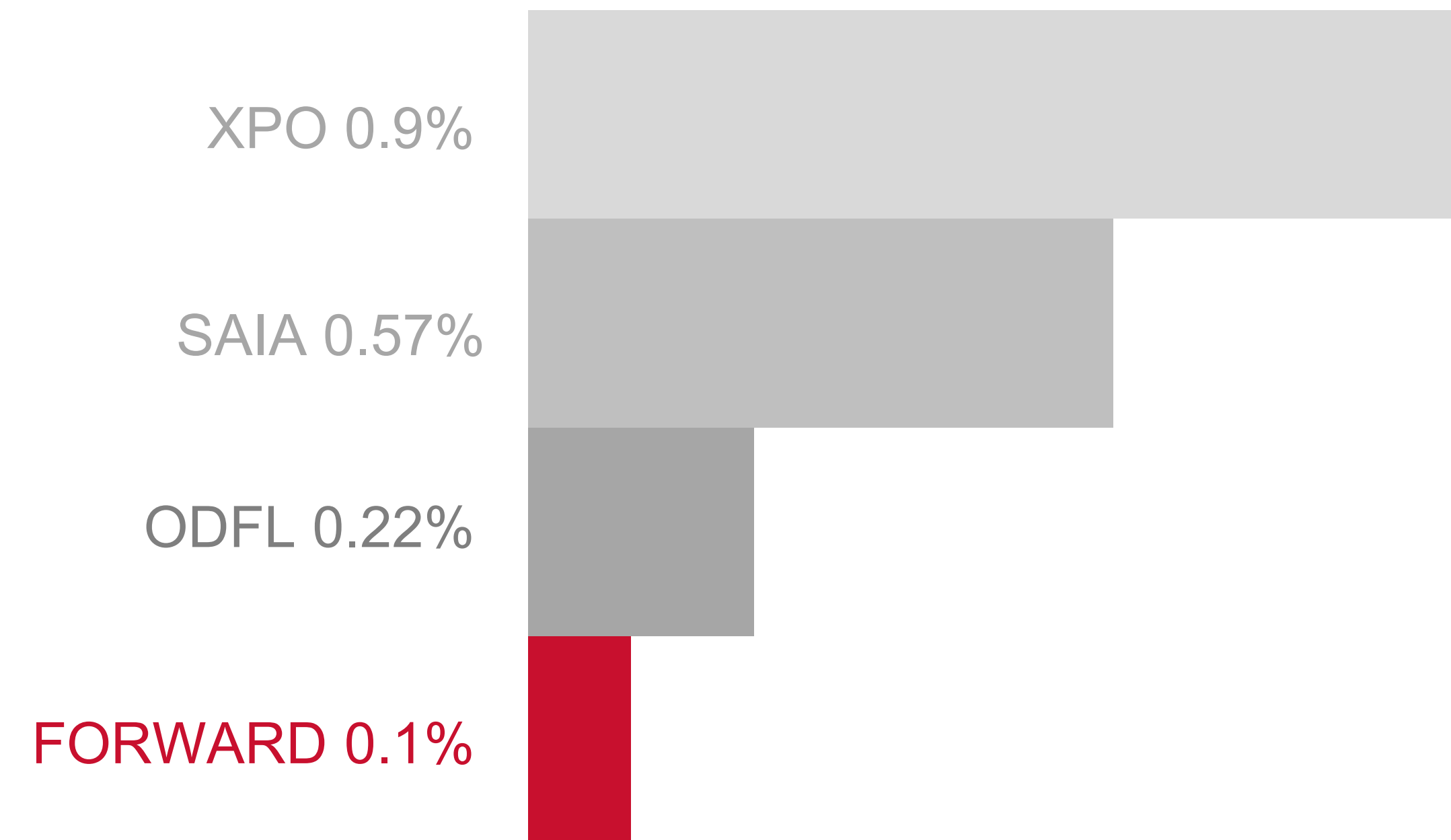
Operating From a Position of Strength

Forward's Precision Execution delivers the lowest claims rate in the industry

- 55% lower than Old Dominion
- 82% lower than SAIA
- 89% lower than XPO

Customers cite ease of doing business with pricing, and transit times as key differentiators

Source SJ Consulting: The cargo claims ratios of ODFL, SAIA, and XPO are based on their publications shared with investors and customers from mid-year 2022.



Doing Things the Right Way

With operations that support sustainability and initiatives for a clean transportation future, we are committed to making continuous environmental improvements in all aspects of our business.



Goal of 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030.



Sustainability task force to identify and incorporate best practices and reduce waste

Management Team



Our support team has deep experience in the space

Tom Schmitt

Chairman, President and CEO

- 4 years with Forward
- Previous: Schenker AG, Purolator, FedEx

Matt Casey

EVP, Safety

- 5 years with Forward
- Previous: Forest City Technologies, Panther Premium Logistics

Michael Hance

Chief Legal Officer

- 16 years with Forward
- Previous: Baker, Donelson, Bearman, Caldwell & Berkowitz PLC

Kyle Mitchin

Chief People Officer

- 8 years with Forward
- Previous: Panther Premium Logistics

Rebecca Garbrick

Chief Financial Officer

- 3 years with Forward
- Previous: AGCO

Chris Ruble

Chief Operating Officer

- 26 years with Forward
- Previous: FedEx

Nancee Ronning

Chief Commercial Officer

- 1 year with Forward
- Previous: BNSF Logistics, C.H. Robinson

Jay Tomasello

Chief Information Officer

- 3 years with Forward
- Previous: FedEx

Our Leadership Imperatives

- 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 do not wait.** We promote a sense of urgency in our execution.
- 10 We remove the ceiling.** We evoke a mindset of thinking big, pushing beyond our expectations and perceived limitations.

Recognized as an Industry Leader



First Quarter Performance

(\$M, except per share data)	Q1 2023	Q1 2022	Change
Revenue	\$427.1	\$467.0	(8.5)%
Income from Operations ¹	\$50.5	\$57.4	(11.9)%
Net Income Per Diluted Share ¹	\$1.37	\$1.57	(12.7)%
EBITDA ¹	\$64.1	\$68.5	(6.3)%

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.

Full Year Performance

(\$M, except per share data)	2022	2021	Change
Revenue	\$1,973.4	\$1,662.4	18.7%
Adjusted Income from Operations ¹	\$267.7	\$166.7	60.6%
Adjusted Net Income Per Diluted Share ¹	\$7.18	\$4.43	62.1%
EBITDA ¹	\$313.4	\$198.9	57.6%
ROIC ²	60.5%	38.8%	

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	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
As Reported	\$ 61.4	\$ 52.0	\$ 266.0	\$ 159.3
Professional fees for cybersecurity and shareholder engagement activities	-	-	-	7.0
Change in the fair value of the earn-out liability	-	(0.1)	(0.3)	(0.5)
Severance expenses	-	-	-	-
Vehicle liability reserve	1.5	-	1.5	-
Due diligence and Integration cost	0.5	-	0.5	-
Professional fees for an operational improvement project	-	-	-	1.0
As Adjusted	<u>\$ 63.4</u>	<u>\$ 51.9</u>	<u>\$ 267.7</u>	<u>\$ 166.7</u>

Reconciliation of GAAP to Non-GAAP Financial Measures

Reconciliation of Consolidated Net Income for Continuing Operations

(Amounts in millions)

	For the Year Ended	
	December 31, 2022	December 31, 2021
As Reported	\$ 193.2	\$ 116.1
Professional fees for cybersecurity and shareholder engagement activities	-	5.2
Change in the fair value of the earn-out liability	(0.2)	(0.4)
Severance expenses	-	-
Vehicle liability reserve	1.1	-
Due diligence and Integration cost	0.4	-
Professional fees for an operational improvement project	-	0.7
As Adjusted	<u>\$ 194.5</u>	<u>\$ 166.7</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		
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2020
As Reported	\$ 1.60	\$ 1.40	\$ 7.14	\$ 4.22	\$ 1.89
Professional fees for cybersecurity and shareholder engagement activities	-	-	-	0.19	0.05
Change in the fair value of the earn-out liability	-	-	(0.01)	(0.01)	0.01
Vehicle liability reserve	0.04	-	0.04	-	-
Due diligence and integration cost	0.01	-	0.01	-	-
As Adjusted²	<u>\$ 1.65</u>	<u>\$ 1.40</u>	<u>\$ 7.18</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	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net Income	\$ 42.9	\$ 38.2	\$ 193.2	\$ 116.1
Interest Expense	1.6	0.9	5.1	4.3
Income Tax Expense	16.9	12.9	67.6	38.9
Depreciation and Amortization	12.4	11.5	47.4	39.6
EBITDA	\$ 73.8	\$ 63.5	\$ 313.4	\$ 198.9

Reconciliation of GAAP to Non-GAAP Financial Measures

Reconciliation of Free Cash Flow for Continuing Operations

(Amounts in millions)

	For the Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net Cash Provided by Operating Activities	\$ 259.1	\$ 124.9	\$ 96.1
Proceeds from Sale of Property and Equipment	2.4	2.6	2.4
Purchases of Property and Equipment	(40.7)	(39.1)	(20.3)
Free Cash Flow	\$ 220.7	\$ 88.4	\$ 78.3