

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **February 7, 2018 (February 7, 2018)**

FORWARD AIR CORPORATION

(Exact name of registrant as specified in its charter)

<u>Tennessee</u> (State or other jurisdiction of incorporation)	<u>000-22490</u> (Commission File Number)	<u>62-1120025</u> (I.R.S. Employer Identification No.)
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<u>1915 Snapps Ferry Road, Building N Greeneville, Tennessee</u> (Address of principal executive offices)	<u>37745</u> (Zip Code)
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Registrant's telephone number, including area code: **(423) 636-7000**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

SECTION 2. FINANCIAL INFORMATION.

Item 2.02. Results of Operations and Financial Condition.

Attached as Exhibit 99.1 and incorporated herein by reference is a copy of a press release, dated February 7, 2018, announcing the financial results of Forward Air Corporation for the fourth quarter and year ended December 31, 2017.

Also, attached as Exhibit 99.2 are certain historical operating statistics for each quarter ended from March 31, 2015 through December 31, 2017.

Also, attached as Exhibit 99.3 are certain summary segment results of operations statements for each quarter ended from March 31, 2015 through December 31, 2017.

The information in this Item 2.02, including Exhibit 99.1, 99.2 and 99.3 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

SECTION 8. OTHER EVENTS.

Item 8.01. Other Events.

The Company's Board of Directors has declared a quarterly cash dividend of \$0.15 per share of common stock. The dividend is payable to the Company's shareholders of record at the close of business on March 8, 2018, and is expected to be paid on March 23, 2018.

SECTION 9. FINANCIAL STATEMENTS AND EXHIBITS.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is being furnished as part of this Report.

No.	Exhibit
99.1	Press Release of Forward Air Corporation dated February 7, 2018.

No.	Exhibit
99.2	Forward Air Corporation Historical Operating Statistics.

No.	Exhibit
99.3	Forward Air Corporation Summary Segment Results of Operations.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 7, 2018

FORWARD AIR CORPORATION
By: /s/ Michael J. Morris
Michael J. Morris
Chief Financial Officer, Senior Vice President and Treasurer

EXHIBIT INDEX

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99.2	Forward Air Corporation Historical Operating Statistics.
99.3	Forward Air Corporation Summary Segment Results of Operations.



NEWS RELEASE

**FORWARD AIR CORPORATION REPORTS
FOURTH QUARTER 2017 RESULTS AND
QUARTERLY CASH DIVIDEND**

GREENEVILLE, Tenn.- (BUSINESS WIRE) - February 7, 2018 - Forward Air Corporation (NASDAQ:FWRD) today reported operating revenue, income from operations, net income and diluted earnings per share for the fourth quarter and year ended December 31, 2017.

Operating revenue for the quarter ended December 31, 2017 increased 15.6% to \$306.1 million from \$264.8 million for the same quarter in 2016. Income from operations was \$28.8 million, compared to \$28.2 million in the prior year quarter. Net income during the period was \$35.4 million compared to \$12.7 million in the fourth quarter of 2016. Net income per diluted share for the fourth quarter of 2017 was \$1.18 compared to \$0.42 in the prior year quarter. Adjusted to exclude the \$0.16 per share impact of the second quarter 2016 TQI impairment on income taxes, prior year quarter adjusted earnings per share was \$0.58.

Bruce A. Campbell, Chairman, President, and CEO, commenting on fourth quarter results said, "Our business units had mixed results during an operationally challenging fourth quarter. Expedited LTL managed its seasonally busy quarter amid a tight Truckload market to deliver strong performance despite a higher use of brokered transportation. Truckload Premium Services also faced a higher use of brokered transportation as it began adjusting to market rates while honoring its committed customer contracts. Our Intermodal group showed good growth while completing the integration of Atlantic and Kansas City Logistics. Pool Distribution managed its peak quarter to generate revenue growth but faced higher variable costs in accommodating this volume, along with an equipment disposal charge."

In closing Mr. Campbell said, "During 2017, our revenues exceeded \$1 billion for the first time in Forward Air's history. As we end the year, I would like to thank all of our employees and independent contractors for their hard work in helping us achieve this milestone. As we enter 2018 we are well positioned to continue Forward Air's growth by providing our customers with value added freight and logistics solutions."

Commenting on the Company's fourth quarter results, Michael J. Morris, Senior Vice President and CFO, said, "Our fourth quarter net income per diluted share reflects a \$0.53 benefit related to the fourth quarter enactment of the Tax Cuts and Jobs Act ("TCJA"). When excluding this TCJA impact, our net income per diluted share would have been \$0.65, exceeding our \$0.60-\$0.64 guidance range." Regarding the Company's first quarter 2018 guidance, Mr. Morris said, "We expect first quarter year-on-year revenue growth to be 19% to 23%. This revenue outlook contemplates our 2018 implementation of ASC 606, Revenue from Contracts with Customers, which now requires that we report fuel surcharge revenue on a gross basis. As such, our growth outlook reflects a comparison to our first quarter 2017 revenue which reported fuel surcharge revenue on a net basis. If this prior year period was adjusted to reflect fuel surcharge revenue on a gross basis, we expect our year-on-year revenue growth to be 12% to 16%. We expect net income per diluted share to be between \$0.55 and \$0.59 in the first quarter of 2018, compared to \$0.47 in the prior year quarter."

A tabular reconciliation of non-GAAP financial measures to reported results prepared in accordance with accounting principles generally accepted in the United States ("GAAP") is contained in the financial summary statements attached to this press release.

On February 6, 2018, our Board of Directors declared a quarterly cash dividend of \$0.15 per share of common stock. The dividend is payable to shareholders of record at the close of business on March 8, 2018, and is expected to be paid on March 23, 2018.

This quarterly dividend is pursuant to a cash dividend policy approved by the Board of Directors, which anticipates a total annual dividend of \$0.60 per share of common stock, payable in quarterly increments of \$0.15 per share of common stock. The actual declaration of future cash dividends, and the establishment of record and payment dates, is subject to final determination by the Board of Directors each quarter after its review of the Company's financial performance.

Review of Financial Results

Forward Air will hold a conference call to discuss fourth quarter 2017 results on Thursday, February 8, 2018 at 10:00 a.m. EST. The Company's conference call will be available online at www.forwardaircorp.com or by dialing (800) 230-1074. A replay of the conference call will be available at www.forwardaircorp.com beginning shortly after the completion of the live call.

About Forward Air Corporation

Forward Air keeps your business moving forward by providing services within four business segments: Expedited LTL (provides expedited regional, inter-regional and national LTL services, including local pick-up and delivery, shipment consolidation/deconsolidation, warehousing, and customs brokerage by utilizing a comprehensive national network of terminals); Truckload Premium Services (provides expedited truckload brokerage, dedicated fleet services, as well as high-security and temperature-controlled logistics services); Intermodal (provides first-and last-mile high-value drayage services both to and from seaports and railheads, dedicated contract and Container Freight Station warehouse and handling services); and Pool Distribution (provides high-frequency handling and distribution of time sensitive product to numerous destinations within a specific geographic region). For more information, visit our website at www.forwardaircorp.com.

Forward Air Corporation
Consolidated Statements of Income
(In thousands, except per share data)
(Unaudited)

	Three months ended		Year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Operating revenue:				
Expedited LTL	\$ 171,208	\$ 147,368	\$ 619,779	\$ 570,778
Truckload Premium Services	46,408	44,003	179,320	164,272
Pool Distribution	50,383	47,507	164,221	148,661
Intermodal	43,054	27,279	148,907	103,671
Eliminations and other operations	(4,937)	(1,364)	(11,411)	(4,852)
Operating revenue	306,116	264,793	1,100,816	982,530
Operating expenses:				
Purchased transportation	136,150	112,572	478,167	413,355
Salaries, wages and employee benefits	73,457	66,145	264,739	242,002
Operating leases	16,594	15,808	63,799	60,492
Depreciation and amortization	10,477	9,801	41,055	38,210
Insurance and claims	8,199	6,180	29,578	25,392
Fuel expense	5,094	3,857	16,542	13,233
Other operating expenses	27,369	22,207	98,264	87,425
Impairment of goodwill, intangibles and other assets	—	—	—	42,442
Total operating expenses	277,340	236,570	992,144	922,551
Operating income (loss):				
Expedited LTL	23,546	20,492	88,142	83,518
Truckload Premium Services	(451)	1,273	3,248	(35,405)
Pool Distribution	2,706	3,824	6,378	3,633
Intermodal	3,540	2,786	12,673	10,956
Other operations	(565)	(152)	(1,769)	(2,723)
Income from operations	28,776	28,223	108,672	59,979
Other income (expense):				
Interest expense	(403)	(366)	(1,209)	(1,597)
Other, net	—	152	(11)	4
Total other income (expense)	(403)	(214)	(1,220)	(1,593)
Income before income taxes	28,373	28,009	107,452	58,386
Income tax (benefit) expense	(7,000)	15,303	20,131	30,716
Net income and comprehensive income	\$ 35,373	\$ 12,706	\$ 87,321	\$ 27,670
Net income per share:				
Basic	\$ 1.19	\$ 0.42	\$ 2.90	\$ 0.91
Diluted	\$ 1.18	\$ 0.42	\$ 2.89	\$ 0.90
Dividends per share:	\$ 0.15	\$ 0.15	\$ 0.60	\$ 0.51

Expedited LTL Segment Information
(In millions)
(Unaudited)

	Three months ended					
	December 31, 2017	Percent of Revenue	December 31, 2016	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 171.2	100.0%	\$ 147.4	100.0%	\$ 23.8	16.1%
Operating expenses:						
Purchased transportation	74.4	43.4	59.6	40.4	14.8	24.8
Salaries, wages and employee benefits	38.9	22.7	36.4	24.7	2.5	6.9
Operating leases	9.1	5.3	8.9	6.1	0.2	2.2
Depreciation and amortization	5.6	3.3	5.6	3.8	—	—
Insurance and claims	5.1	3.0	3.1	2.1	2.0	64.5
Fuel expense	1.0	0.6	0.9	0.6	0.1	11.1
Other operating expenses	13.5	7.9	12.4	8.4	1.1	8.9
Total operating expenses	147.6	86.2	126.9	86.1	20.7	16.3
Income from operations	\$ 23.6	13.8%	\$ 20.5	13.9%	\$ 3.1	15.1%

Expedited LTL Operating Statistics

	Three months ended		
	December 31, 2017	December 31, 2016	Percent Change
Operating ratio	86.2%	86.1%	0.1 %
Business days	63.0	63.0	—
Business weeks	12.6	12.6	—
Expedited LTL:			
Tonnage			
Total pounds ¹	684,828	612,098	11.9
Average weekly pounds ¹	54,351	48,579	11.9
Linehaul shipments			
Total linehaul	1,143,328	1,006,256	13.6
Average weekly	90,740	79,862	13.6
Forward Air Complete shipments	246,523	202,452	21.8
As a percentage of linehaul shipments	21.6%	20.1%	7.5
Average linehaul shipment size	599	608	(1.5)
Revenue per pound ²			
Linehaul yield	\$ 17.07	\$ 17.40	(1.5)
Fuel surcharge	1.30	1.02	1.3
Forward Air Complete	3.76	3.45	1.4
Total Expedited LTL yield	\$ 22.13	\$ 21.87	1.2 %

¹ - In thousands

² - In dollars per hundred pound; percentage change is expressed as a percent of total yield.

Truckload Premium Services Segment Information
(In millions)
(Unaudited)

	Three months ended					
	December 31, 2017	Percent of Revenue	December 31, 2016	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 46.4	100.0 %	\$ 44.0	100.0%	\$ 2.4	5.5 %
Operating expenses:						
Purchased transportation	35.4	76.3	31.7	72.1	3.7	11.7
Salaries, wages and employee benefits	5.2	11.2	4.9	11.1	0.3	6.1
Operating leases	0.4	0.9	0.1	0.2	0.3	300.0
Depreciation and amortization	1.6	3.4	1.5	3.4	0.1	6.7
Insurance and claims	1.2	2.6	1.9	4.3	(0.7)	(36.8)
Fuel expense	1.0	2.2	0.7	1.6	0.3	42.9
Other operating expenses	2.1	4.5	1.9	4.3	0.2	10.5
Total operating expenses	46.9	101.1	42.7	97.0	4.2	9.8
Results from operations	\$ (0.5)	(1.1)%	\$ 1.3	3.0%	\$ (1.8)	(138.5)%

Truckload Premium Services Operating Statistics

	Three months ended		
	December 31, 2017	December 31, 2016	Percent Change
Company driver ¹	2,115	1,665	27.0 %
Owner operator ¹	9,405	12,702	(26.0)
Third party ¹	13,193	9,455	39.5
Total Miles	24,713	23,822	3.7
Revenue per mile	\$ 1.81	\$ 1.80	0.6
Cost per mile	\$ 1.51	\$ 1.42	6.3 %

¹ - In thousands

Pool Distribution Segment Information
(In millions)
(Unaudited)

	Three months ended					
	December 31, 2017	Percent of Revenue	December 31, 2016	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 50.4	100.0%	\$ 47.5	100.0%	\$ 2.9	6.1 %
Operating expenses:						
Purchased transportation	13.3	26.4	12.5	26.3	0.8	6.4
Salaries, wages and employee benefits	18.9	37.4	17.8	37.5	1.1	6.2
Operating leases	3.8	7.5	3.5	7.4	0.3	8.6
Depreciation and amortization	1.7	3.4	1.5	3.1	0.2	13.3
Insurance and claims	1.5	3.0	1.2	2.5	0.3	25.0
Fuel expense	1.8	3.6	1.6	3.4	0.2	12.5
Other operating expenses	6.7	13.3	5.6	11.8	1.1	19.6
Total operating expenses	47.7	94.6	43.7	92.0	4.0	9.2
Income from operations	\$ 2.7	5.4%	\$ 3.8	8.0%	\$ (1.1)	(28.9)%

Intermodal Segment Information

(In millions)

(Unaudited)

	Three months ended					
	December 31, 2017	Percent of Revenue	December 31, 2016	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 43.1	100.0%	\$ 27.3	100.0%	\$ 15.8	57.9%
Operating expenses:						
Purchased transportation	17.4	40.4	9.7	35.5	7.7	79.4
Salaries, wages and employee benefits	9.7	22.5	6.6	24.2	3.1	47.0
Operating leases	3.5	8.1	2.8	10.2	0.7	25.0
Depreciation and amortization	1.6	3.7	1.1	4.0	0.5	45.5
Insurance and claims	0.9	2.1	0.8	2.9	0.1	12.5
Fuel expense	1.2	2.8	0.7	2.6	0.5	71.4
Other operating expenses	5.3	12.3	2.8	10.3	2.5	89.3
Total operating expenses	39.6	91.9	24.5	89.7	15.1	61.6
Income from operations	\$ 3.5	8.1%	\$ 2.8	10.3%	\$ 0.7	25.0%

Forward Air Corporation
Consolidated Balance Sheets
(In thousands)
(Unaudited)

	December 31, 2017	December 31, 2016 (a)
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,893	\$ 8,511
Accounts receivable, net	143,041	116,602
Other current assets	15,808	11,157
Total current assets	162,742	136,270
Property and equipment	399,235	379,021
Less accumulated depreciation and amortization	193,123	178,816
Net property and equipment	206,112	200,205
Goodwill and other acquired intangibles:		
Goodwill	191,671	184,675
Other acquired intangibles, net of accumulated amortization	111,247	106,650
Total net goodwill and other acquired intangibles	302,918	291,325
Other assets	15,944	13,491
Total assets	\$ 687,716	\$ 641,291
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 24,704	\$ 18,012
Accrued expenses	35,069	31,903
Current portion of debt and capital lease obligations	359	28,012
Total current liabilities	60,132	77,927
Debt and capital lease obligations, less current portion	40,588	725
Other long-term liabilities	24,104	21,699
Deferred income taxes	29,403	41,871
Shareholders' equity:		
Common stock	295	301
Additional paid-in capital	195,346	179,512
Retained earnings	337,848	319,256
Total shareholders' equity	533,489	499,069
Total liabilities and shareholders' equity	\$ 687,716	\$ 641,291

(a) Taken from audited financial statements, which are not presented in their entirety.

Forward Air Corporation
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three months ended	
	December 31, 2017	December 31, 2016
Operating activities:		
Net income	\$ 35,373	\$ 12,706
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	10,477	9,801
Share-based compensation	2,138	2,130
Loss on disposal of property and equipment	580	90
Provision for loss (recovery) on receivables	26	(10)
Provision for revenue adjustments	924	450
Deferred income taxes	(12,600)	2,864
Tax benefit for stock options exercised	—	(1,595)
Changes in operating assets and liabilities		
Accounts receivable	(11,891)	(1,715)
Prepaid expenses and other assets	(2,599)	7,377
Accounts payable and accrued expenses	3,225	3,644
Net cash provided by operating activities	25,653	35,742
Investing activities:		
Proceeds from disposal of property and equipment	943	134
Purchases of property and equipment	(24,655)	(13,461)
Acquisition of business	(640)	—
Other	(150)	337
Net cash used in investing activities	(24,502)	(12,990)
Financing activities:		
Payments of debt and capital lease obligations	(75)	(13,943)
Proceeds from exercise of stock options	1,630	1,107
Payments of cash dividends	(4,468)	(4,542)
Repurchase of common stock (repurchase program)	(7,000)	(9,997)
Common stock issued under employee stock purchase plan	232	227
Tax benefit for stock options exercised	—	1,595
Net cash used in by financing activities	(9,681)	(25,553)
Net decrease in cash	(8,530)	(2,801)
Cash at beginning of period	12,423	11,312
Cash at end of period	\$ 3,893	\$ 8,511

Forward Air Corporation
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Year ended	
	December 31, 2017	December 31, 2016
Operating activities:		
Net income	\$ 87,321	\$ 27,670
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	41,055	38,210
Impairment of goodwill, intangible and other assets	—	42,442
Share-based compensation	8,103	8,334
Loss on disposal of property and equipment	1,281	291
Provision for loss on receivables	1,814	258
Provision for revenue adjustments	3,055	2,020
Deferred income taxes	(12,468)	3,525
Tax benefit for stock options exercised	—	(1,732)
Changes in operating assets and liabilities, net of acquisition of business		
Accounts receivable	(31,308)	(9,715)
Prepaid expenses and other assets	(4,434)	283
Accounts payable and accrued expenses	8,945	18,764
Net cash provided by operating activities	<u>103,364</u>	<u>130,350</u>
Investing activities:		
Proceeds from disposal of property and equipment	2,440	1,929
Purchases of property and equipment	(38,265)	(42,186)
Acquisition of business, net of cash acquired	(23,140)	(11,800)
Other	(223)	(336)
Net cash used in investing activities	<u>(59,188)</u>	<u>(52,393)</u>
Financing activities:		
Payments of debt and capital lease obligations	(42,790)	(55,768)
Proceeds from senior credit facility	55,000	—
Proceeds from exercise of stock options	7,272	8,148
Payments of cash dividends	(18,052)	(15,529)
Purchase of common stock under repurchase program	(48,983)	(39,983)
Common stock issued under employee stock purchase plan	458	442
Cash settlement of share-based awards for minimum tax withholdings	(1,699)	(1,800)
Tax benefit for stock options exercised	—	1,732
Net cash (used in) provided by financing activities	<u>(48,794)</u>	<u>(102,758)</u>
Net decrease in cash	(4,618)	(24,801)
Cash at beginning of year	8,511	33,312
Cash at end of year	<u>\$ 3,893</u>	<u>\$ 8,511</u>

Forward Air Corporation Reconciliation of U.S. GAAP and Non-GAAP Financial Measures

The Company reports its financial results in accordance with GAAP (also referred to herein as “reported”). However, the Company also uses “non-GAAP financial measures” that are derived on the basis of methodologies other than in accordance with GAAP. Specifically, the Company believes that meaningful analysis of its financial performance in 2017 and 2016 requires an understanding of the factors underlying that performance, including an understanding of items that are non-operational. Management uses these non-GAAP financial measures in making financial, operating, compensation and planning decisions and in evaluating the Company’s performance.

This press release contains the following non-GAAP financial measures: adjusted income from operations, adjusted net income, adjusted earnings per diluted share, adjusted effective income tax rate and guidance with respect to adjusted net income per diluted share. These measures exclude intangible asset impairment costs and intangible asset impairment tax ramifications related to TQI for the three months ended December 31, 2016. The Company believes that excluding these items will assist investors in understanding our core operating performance and allow for more accurate comparisons of results.

Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company’s reported results prepared in accordance with GAAP. Our non-GAAP financial information does not represent a comprehensive basis of accounting. As required by the Securities and Exchange Act of 1933 and the rules and regulations promulgated thereunder, the tables below present, for the periods indicated, a reconciliation of our presented non-GAAP financial measures to the most directly comparable GAAP financial measures.

Forward Air Corporation
Reconciliation to U.S. GAAP
(In millions, except per share data)
(Unaudited)

	Three months ended December 31, 2016				
	Income before taxes	Income taxes	Effective tax rate	Net Income	Diluted earnings per share
Reported (GAAP)	\$ 28.0	\$ 15.3	54.6%	\$ 12.7	\$ 0.42
Items impacting comparability:					
Impact of TQI impairment on income taxes	—	(5.0)	17.8%	5.0	0.16
After considering items (Non-GAAP)	\$ 28.0	\$ 10.3	36.8%	\$ 17.7	\$ 0.58

The following table summarizes supplemental full year 2018 guidance information that management believes to be useful.

Forward Air Corporation
Additional Guidance Data
(In thousands, except per share data)
(Unaudited)

Actual	Three months ended December 31, 2017
Net income	\$ 35,373
Income allocated to participating securities	(284)
Numerator for diluted income per share - net income	<u>\$ 35,089</u>
Fully diluted share count	29,635
Diluted earnings per share	\$ 1.18
Projected	Full year 2018
Projected tax rate	25.0%
Projected year end fully diluted share count (before consideration of future share repurchases)	28,800
Projected capital expenditures, net	\$ 46,000

Note Regarding Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods. Forward-looking statements included in this press release relate to expected first quarter 2018 operating results, such as revenue growth and earnings, and guidance relating to income per diluted share, adjusted income per diluted share and adjusted effective tax rate for the second quarter.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our inability to maintain our historical growth rate because of a decreased volume of freight moving through our network or decreased average revenue per pound of freight moving through our network, tax matters, the availability and compensation of qualified independent owner-operators and freight handlers needed to serve our transportation needs, our inability to successfully integrate acquisitions and the risks described in our Annual Report on Form 10-K for the year ended December 31, 2016.

Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

SOURCE: Forward Air Corporation

Forward Air Corporation
Michael J. Morris, 404-362-8933
mmorris@forwardair.com

Forward Air Corporation
Historical Operating Data - Unaudited

2015

	March 31	June 30	September 30	December 31	Average
Expedited LTL					
Average linehaul pounds per week (1) (in thousands)	41,262	50,803	48,208	48,530	47,224
Number of terminals - Company-operated	74	74	73	72	74
Number of terminals - agent	17	17	17	19	17
Number of terminals - total	91	91	90	91	91
Average tractors - Company	307	271	265	332	294
Average leased tractors - Company	72	73	73	66	71
Average leased straight trucks - Company	22	22	22	19	21
Average tractors - owner-operator	1,344	1,145	1,090	1,030	1,152
Average tractors - total	1,745	1,511	1,450	1,447	1,538
Average trailers	3,731	3,669	3,660	3,924	3,746
Average leased trailers	1,057	1,012	1,015	1,089	1,043
Average trailers - total	4,788	4,681	4,675	5,013	4,789
Pool Distribution					
Number of terminals - Company-operated	19	20	20	20	20
Number of terminals - agent	10	9	9	9	9
Number of terminals - total	29	29	29	29	29
Average tractors - Company	65	62	62	64	63
Average leased tractors - Company	—	—	7	45	13
Average straight trucks & vans - Company	156	180	177	159	168
Average leased straight trucks - Company	15	16	24	23	20
Average tractors - owner-operator	91	87	82	104	91
Average straight trucks & vans - owner-operator	81	100	118	126	106
Average tractors - total	408	445	470	521	461
Average trailers	126	126	126	73	113
Truckload Premium Services					
Average tractors - Company	83	72	84	84	81
Average tractors - owner-operator	242	298	378	395	328
Average tractors - total	325	370	462	479	409
Average trailers	96	122	122	119	115

(1) Includes pounds associated with linehaul shipments only.

Forward Air Corporation
Historical Operating Data - Unaudited

	2016				
	March 31	June 30	September 30	December 31	Average
Expedited LTL					
Average linehaul pounds per week (1)					
(in thousands)	44,041	47,346	46,010	48,579	46,486
Number of terminals - Company-operated	72	72	72	72	72
Number of terminals - agent	19	19	19	19	19
Number of terminals - total	91	91	91	91	91
Average tractors - Company	330	294	277	244	286
Average leased tractors - Company	62	30	30	32	39
Average leased straight trucks - Company	17	1	1	1	5
Average tractors - owner-operator	1,020	989	960	958	982
Average tractors - total	1,429	1,314	1,268	1,235	1,312
Average trailers	2,881	3,098	3,490	3,471	3,235
Average leased trailers	1,012	1,011	1,059	818	975
Average trailers - total	3,893	4,109	4,549	4,289	4,210
Pool Distribution					
Number of terminals - Company-operated	20	19	19	19	19
Number of terminals - agent	9	9	9	9	9
Number of terminals - total	29	28	28	28	28
Average tractors - Company	64	67	67	67	66
Average leased tractors - Company	45	19	30	29	31
Average straight trucks & vans - Company	151	146	142	140	145
Average leased straight trucks - Company	23	72	78	79	63
Average tractors - owner-operator	91	84	84	89	87
Average straight trucks & vans - owner-operator	118	118	141	152	132
Average tractors - total	492	506	542	556	524
Average trailers	73	73	73	73	73
Truckload Premium Services					
Average tractors - Company	84	84	83	83	84
Average tractors - owner-operator	360	329	336	314	335
Average tractors - total	444	413	419	397	419
Average trailers	1,341	1,247	1,301	1,328	1,304
Intermodal					
Shipment count	29,401	30,004	33,948	34,363	31,929
Number of Locations - company	13	13	13	13	13
Number of Locations - agent	—	—	—	—	—
Number of Locations - total	13	13	13	13	13
Avg. tractors-company	—	—	24	24	12
Avg. leased tractors-company	87	87	84	87	86
Avg. leased straight trucks - company	6	6	6	6	6
Avg. tractors-o/o	371	340	405	398	379
Avg. tractors-total	464	433	519	515	483
Avg. trailers & chasises	30	30	30	30	30
Avg. leased trailers & chasis	28	28	28	46	33
Avg. trailers - total	58	58	58	76	63

(1) Includes pounds associated with linehaul shipments only.

Forward Air Corporation
Historical Operating Data - Unaudited

	2017				
	March 31	June 30	September 30	December 31	Average
Expedited LTL					
Average linehaul pounds per week (1) (in thousands)	44,254	48,888	50,477	54,351	49,470
Number of terminals - Company-operated	72	72	72	72	72
Number of terminals - agent	19	22	22	22	21
Number of terminals - total	91	94	94	94	93
Average tractors - Company	199	200	196	184	195
Average leased tractors - Company	98	98	98	174	117
Average leased straight trucks - Company	40	40	40	92	53
Average tractors - owner-operator	953	963	952	911	945
Average tractors - total	1,290	1,301	1,286	1,361	1,310
Average trailers	3,246	3,126	3,219	3,383	3,244
Average leased trailers	840	769	743	707	765
Average trailers - total	4,086	3,895	3,962	4,090	4,009
Pool Distribution					
Number of terminals - Company-operated	19	19	19	19	19
Number of terminals - agent	9	9	9	9	9
Number of terminals - total	28	28	28	28	28
Average tractors - Company	67	68	69	64	67
Average leased tractors - Company	29	29	29	53	35
Average straight trucks & vans - Company	134	134	132	126	132
Average leased straight trucks - Company	79	79	79	136	93
Average tractors - owner-operator	81	78	83	91	83
Average straight trucks & vans - owner-operator	156	151	150	153	153
Average tractors - total	546	539	542	623	563
Average trailers	542	454	472	572	510
Truckload Premium Services					
Average tractors - Company	83	84	80	80	82
Average tractors - owner-operator	325	313	274	260	293
Average tractors - total	408	397	354	340	375
Average trailers	1,336	1,482	1,357	1,533	1,427
Intermodal					
Shipment count	34,754	45,131	69,552	73,459	55,724
Number of Locations - company	13	19	19	19	18
Number of Locations - agent	—	—	—	—	—
Number of Locations - total	13	19	19	19	18
Avg. tractors-company	23	47	57	82	52
Avg. leased tractors-company	88	87	85	73	83
Avg. leased straight trucks - company	6	5	5	5	5
Avg. tractors-o/o	377	706	696	706	621
Avg. tractors-total	494	845	843	866	761
Avg. trailers & chasis	30	264	258	339	223
Avg. leased trailers & chasis	46	34	31	49	40
Avg. trailers - total	76	298	289	388	263

(1) Includes pounds associated with linehaul shipments only.

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended March 31, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 122,207	\$ 34,472	\$ 27,224	\$ 23,027	\$ (1,012)	\$ 205,918
Purchased transportation	52,853	22,614	7,469	7,063	(662)	89,337
Salaries, wages, and employee benefits	30,322	4,423	10,100	5,934	3,124	53,903
Operating leases	5,918	92	2,086	2,528	5,132	15,756
Depreciation and amortization	4,741	1,410	1,557	967	9	8,684
Insurance and claims	2,820	539	875	586	310	5,130
Fuel expense	935	894	1,286	901	4	4,020
Other operating expenses	9,733	1,289	3,635	3,059	3,123	20,839
Total operating expenses	107,322	31,261	27,008	21,038	11,040	197,669
Income from operations	\$ 14,885	\$ 3,211	\$ 216	\$ 1,989	\$ (12,052)	\$ 8,249

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended June 30, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 155,858	\$ 39,395	\$ 27,684	\$ 27,494	\$ (737)	\$ 249,694
Purchased transportation	66,006	25,298	7,549	8,965	(336)	107,482
Salaries, wages, and employee benefits	39,335	4,715	10,575	6,187	1,074	61,886
Operating leases	8,368	83	2,120	2,898	4,808	18,277
Depreciation and amortization	5,563	1,513	1,485	948	10	9,519
Insurance and claims	2,419	852	926	675	1,368	6,240
Fuel expense	1,134	895	1,284	869	6	4,188
Other operating expenses	12,237	1,898	3,758	3,634	667	22,194
Total operating expenses	135,062	35,254	27,697	24,176	7,597	229,786
Income from operations	\$ 20,796	\$ 4,141	\$ (13)	\$ 3,318	\$ (8,334)	\$ 19,908

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended September 30, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 149,212	\$ 38,528	\$ 32,133	\$ 28,890	\$ (1,670)	\$ 247,093
Purchased transportation	61,723	25,541	8,783	9,414	(1,027)	104,434
Salaries, wages, and employee benefits	35,735	4,701	12,171	6,189	229	59,025
Operating leases	8,374	205	2,560	3,308	2,625	17,072
Depreciation and amortization	5,403	1,590	1,451	939	16	9,399
Insurance and claims	2,601	791	879	684	206	5,161
Fuel expense	1,001	783	1,315	727	—	3,826
Other operating expenses	12,781	1,747	4,419	4,093	535	23,575
Total operating expenses	127,618	35,358	31,578	25,354	2,584	222,492
Income from operations	\$ 21,594	\$ 3,170	\$ 555	\$ 3,536	\$ (4,254)	\$ 24,601

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended December 31, 2015						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 149,748	\$ 40,937	\$ 42,954	\$ 24,881	\$ (2,100)	\$ 256,420
Purchased transportation	61,908	27,570	11,213	8,314	(1,489)	107,516
Salaries, wages, and employee benefits	37,847	5,240	15,966	6,085	651	65,789
Operating leases	8,095	153	3,443	3,026	450	15,167
Depreciation and amortization	5,417	1,693	1,511	919	16	9,556
Insurance and claims	2,215	691	1,067	618	360	4,951
Fuel expense	881	774	1,532	682	—	3,869
Other operating expenses	11,467	2,049	5,160	2,131	(250)	20,557
Total operating expenses	127,830	38,170	39,892	21,775	(262)	227,405
Income from operations	\$ 21,918	\$ 2,767	\$ 3,062	\$ 3,106	\$ (1,838)	\$ 29,015

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended March 31, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 134,379	\$ 38,620	\$ 33,192	\$ 24,624	\$ (1,266)	\$ 229,549
Purchased transportation	53,441	26,561	8,877	8,433	(836)	96,476
Salaries, wages, and employee benefits	34,884	4,972	12,707	5,989	126	58,678
Operating leases	8,038	78	2,880	3,008	(136)	13,868
Depreciation and amortization	5,531	1,750	1,497	890	—	9,668
Insurance and claims	2,768	865	1,165	868	(271)	5,395
Fuel expense	720	626	1,022	593	—	2,961
Other operating expenses	11,913	2,203	4,930	2,471	(419)	21,098
Total operating expenses	117,295	37,055	33,078	22,252	(1,536)	208,144
Income from operations	\$ 17,084	\$ 1,565	\$ 114	\$ 2,372	\$ 270	\$ 21,405

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended June 30, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 144,693	\$ 39,440	\$ 31,525	\$ 24,189	\$ (1,210)	\$ 238,637
Purchased transportation	55,744	27,364	8,590	8,401	(832)	99,267
Salaries, wages, and employee benefits	33,942	4,530	11,935	6,045	566	57,018
Operating leases	8,490	103	3,059	2,943	6	14,601
Depreciation and amortization	5,278	1,724	1,464	875	—	9,341
Insurance and claims	3,367	994	975	528	784	6,648
Fuel expense	814	565	1,073	547	—	2,999
Other operating expenses	12,137	2,000	4,800	2,093	(361)	20,669
Impairment of goodwill, intangibles and other assets	—	42,442	—	—	—	42,442
Total operating expenses	119,772	79,722	31,896	21,432	163	252,985
Income from operations	\$ 24,921	\$ (40,282)	\$ (371)	\$ 2,757	\$ (1,373)	\$ (14,348)

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended September 30, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 144,337	\$ 42,210	\$ 36,437	\$ 27,579	\$ (1,011)	\$ 249,552
Purchased transportation	56,332	29,754	10,087	9,708	(842)	105,039
Salaries, wages, and employee benefits	33,752	4,860	14,387	6,574	588	60,161
Operating leases	8,995	87	3,274	3,263	596	16,215
Depreciation and amortization	5,470	1,470	1,472	987	—	9,399
Insurance and claims	3,948	1,078	1,020	793	331	7,170
Fuel expense	848	684	1,216	668	—	3,416
Other operating expenses	13,978	2,239	4,915	2,545	(225)	23,452
Total operating expenses	123,323	40,172	36,371	24,538	448	224,852
Income from operations	\$ 21,014	\$ 2,038	\$ 66	\$ 3,041	\$ (1,459)	\$ 24,700

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended December 31, 2016						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 147,368	\$ 44,003	\$ 47,507	\$ 27,279	\$ (1,364)	\$ 264,793
Purchased transportation	59,587	31,733	12,466	9,706	(920)	112,572
Salaries, wages, and employee benefits	36,353	4,956	17,809	6,604	423	66,145
Operating leases	8,907	64	3,495	2,818	524	15,808
Depreciation and amortization	5,641	1,497	1,541	1,123	(1)	9,801
Insurance and claims	3,106	1,867	1,221	779	(793)	6,180
Fuel expense	923	683	1,539	712	—	3,857
Other operating expenses	12,359	1,930	5,612	2,751	(445)	22,207
Total operating expenses	126,876	42,730	43,683	24,493	(1,212)	236,570
Income from operations	\$ 20,492	\$ 1,273	\$ 3,824	\$ 2,786	\$ (152)	\$ 28,223

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended March 31, 2017						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 140,598	\$ 41,785	\$ 37,823	\$ 28,291	\$ (1,515)	\$ 246,982
Purchased transportation	55,374	29,283	9,901	9,747	(1,222)	103,083
Salaries, wages, and employee benefits	34,898	5,204	14,430	6,712	754	61,998
Operating leases	9,249	85	3,186	3,067	14	15,601
Depreciation and amortization	5,563	1,558	1,802	1,110	—	10,033
Insurance and claims	2,845	1,059	1,009	792	101	5,806
Fuel expense	937	796	1,247	700	—	3,680
Other operating expenses	13,332	2,096	4,881	3,583	(300)	23,592
Total operating expenses	122,198	40,081	36,456	25,711	(653)	223,793
Income from operations	\$ 18,400	\$ 1,704	\$ 1,367	\$ 2,580	\$ (862)	\$ 23,189

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended June 30, 2017						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 152,270	\$ 45,186	\$ 36,835	\$ 35,270	\$ (2,043)	\$ 267,518
Purchased transportation	61,036	32,670	9,617	14,010	(1,724)	115,609
Salaries, wages, and employee benefits	36,922	4,982	14,024	8,041	433	64,402
Operating leases	9,002	126	3,113	3,066	(511)	14,796
Depreciation and amortization	5,520	1,590	1,613	1,496	—	10,219
Insurance and claims	4,193	1,250	1,099	1,323	(135)	7,730
Fuel expense	910	683	1,157	921	—	3,671
Other operating expenses	11,695	2,026	4,587	3,340	(366)	21,282
Total operating expenses	129,278	43,327	35,210	32,197	(2,303)	237,709
Income from operations	\$ 22,992	\$ 1,859	\$ 1,625	\$ 3,073	\$ 260	\$ 29,809

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended September 30, 2017						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 155,703	\$ 45,941	\$ 39,180	\$ 42,292	\$ (2,915)	\$ 280,201
Purchased transportation	64,045	33,926	10,417	17,457	(2,519)	123,326
Salaries, wages, and employee benefits	35,202	5,029	15,337	9,039	275	64,882
Operating leases	9,367	334	3,268	3,827	13	16,809
Depreciation and amortization	5,435	1,546	1,652	1,690	3	10,326
Insurance and claims	3,280	1,976	1,067	1,228	293	7,844
Fuel expense	911	793	1,325	1,067	—	4,096
Other operating expenses	14,259	2,201	5,433	4,504	(377)	26,020
Total operating expenses	132,499	45,805	38,499	38,812	(2,312)	253,303
Income from operations	\$ 23,204	\$ 136	\$ 681	\$ 3,480	\$ (603)	\$ 26,898

Forward Air Corporation
Summary Segment Results of Operations
(In thousands)
(Unaudited)

Three months ended December 31, 2017						
	Expedited LTL	Truckload Premium Services	Pool Distribution	Intermodal	Eliminations and other operations	Consolidated
Revenue	\$ 171,208	\$ 46,408	\$ 50,383	\$ 43,054	\$ (4,937)	\$ 306,116
Purchased transportation	74,416	35,424	13,295	17,375	(4,360)	136,150
Salaries, wages, and employee benefits	38,933	5,178	18,935	9,673	738	73,457
Operating leases	9,091	360	3,759	3,534	(150)	16,594
Depreciation and amortization	5,584	1,634	1,706	1,552	1	10,477
Insurance and claims	5,064	1,150	1,516	898	(429)	8,199
Fuel expense	1,063	990	1,805	1,236	—	5,094
Other operating expenses	13,511	2,123	6,661	5,246	(172)	27,369
Total operating expenses	147,662	46,859	47,677	39,514	(4,372)	277,340
Income from operations	\$ 23,546	\$ (451)	\$ 2,706	\$ 3,540	\$ (565)	\$ 28,776