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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): May 1, 2023

**FORWARD AIR CORPORATION**

(Exact name of registrant as specified in its charter)

|  |                   |                    |           |                                      |  |
|--|-------------------|--------------------|-----------|--------------------------------------|--|
| <b>TN</b>                                      |                   |                    |           | <b>62-1120025</b>                    |  |
| (State or other jurisdiction of incorporation) |                   |                    |           | (I.R.S. Employer Identification No.) |  |
| <b>1915 Snapps Ferry Road</b>                  | <b>Building N</b> | <b>Greeneville</b> | <b>TN</b> | <b>37745</b>                         |  |
| (Address of principal executive offices)       |                   |                    |           | (Zip Code)                           |  |

**000-22490**

(Commission File Number)

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))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                   | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------------------|-------------------|---|
| <b>Common Stock, \$0.01 par value</b> | <b>FWRD</b>       | <b>NASDAQ</b>                             |

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. ☐

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## 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 May 1, 2023, announcing the financial results of Forward Air Corporation (the “Company”) for the three months ended March 31, 2023.

The information in this Item 2.02, including Exhibit 99.1 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 \$0.24 per share of common stock. The dividend is payable to the Company’s shareholders of record at the close of business on May 25, 2023, and is expected to be paid on June 13, 2023.

## SECTION 9. FINANCIAL STATEMENTS AND EXHIBITS.

### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished as part of this Report.

| <u>No.</u> | <u>Exhibit</u>   |
|------------|--|
| 99.1       | <a href="#">Press Release of Forward Air Corporation, dated May 1, 2023</a>                    |
| 104        | Cover Page Interactive File (the cover page tags are embedded within the Inline XBRL document) |

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**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: May 1, 2023

FORWARD AIR CORPORATION

By: /s/ Thomas Schmitt

Thomas Schmitt  
President and Chief Executive Officer



NEWS RELEASE

**FORWARD AIR CORPORATION REPORTS FIRST QUARTER 2023 RESULTS**

*Net income per diluted share of \$1.37 exceeds guidance range*

*Record level quality of freight positions Forward well*

GREENEVILLE, Tenn.- (BUSINESS WIRE) - May 1, 2023 - Forward Air Corporation (NASDAQ:FWRD) (the “Company”, “we”, “our”, or “us”) today reported financial results for the three months ended March 31, 2023 as presented in the tables below.

Tom Schmitt, Chairman, President and CEO, commenting on first quarter results said, “ Our reported net income per diluted share of \$1.37 exceeded the high end of our \$1.30 to \$1.34 guidance range. Having said that, we would not have made guidance if not for a one-time benefit of approximately \$0.24 from the substantial reversal of an accrual for an incentive plan established for employees in 2021. The reversal was driven by the headwinds we continue to experience from the weaker-than-expected freight environment. The softer than anticipated demand throughout the first quarter resulted in a 9% decline in revenue, below the low end of our guidance range of minus 4% to plus 2%.”

Mr. Schmitt continued, “Looking ahead, we believe our revenue growth strategies position the company to perform extremely well as the freight recession abates. Our revenue quality continues to improve notwithstanding a decline in revenue. Compared to our performance in a robust freight environment in March 2022, our revenue per ton mile excluding fuel increased 2.5% for airport-to-airport and 4% for door-to-door. Similarly, our freight quality remains at top levels. Our weight per shipment in March of 786 pounds is comparable to March of last year and roughly 140 pounds higher than it was in March 2021. Our linehaul network continues to operate efficiently with our outside miles at 5% - in record low territory. Still, we are not there yet. On a year over year basis, we saw pounds per day down 12% in the first quarter and that softness persisted in the first few weeks of April. However, we may be seeing the beginnings of an improving freight environment, as our tonnage per day edged up to minus 5% in the most recent weeks. Even with some early signs of a recovery, we believe the current freight environment will be more challenging than anticipated leading to a revised target net income per diluted share for 2023 that we now expect will be less than 2022. In light of this, at this point, we are targeting net income per diluted share of \$6.20 to \$6.60 for the full year 2023, which assumes that the freight environment will significantly improve in the second half of the year. These updated targets align with the updated revenue growth and cost savings bridge that we reviewed on our previous earnings call.”

In closing, Mr. Schmitt said, “In the first quarter, our teammates and independent contractors went above and beyond to keep our commitments to our customers. We are proud to be the best in the LTL industry in damage-free, intact, on-time shipments - making us the most compelling choice for customers with shipments of consequence.”

Regarding the Company’s second quarter 2023 guidance, Rebecca J. Garbrick, CFO, said, “We expect our year-over-year revenue to decline 7% to 17% and net income per diluted share in the range of \$1.28 to \$1.32, compared to reported net income per diluted share of \$2.04 in the second quarter of 2022.”

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| (in thousands, except per share data)            | Three Months Ended |                |             |                |
|--|--------------------|----------------|-------------|----------------|
|  | March 31, 2023     | March 31, 2022 | Change      | Percent Change |
| Operating revenue                                | \$ 427,066         | \$ 466,961     | \$ (39,895) | (8.5)%         |
| Income from operations                           | \$ 50,509          | \$ 57,351      | \$ (6,842)  | (11.9)%        |
| Operating margin                                 | 11.8 %             | 12.3 %         | (50) bps    |                |
| Net income                                       | \$ 36,368          | \$ 42,686      | \$ (6,318)  | (14.8)%        |
| Net income per diluted share                     | \$ 1.37            | \$ 1.57        | \$ (0.20)   | (12.7)%        |
| Cash provided by operating activities            | \$ 65,993          | \$ 62,486      | \$ 3,507    | 5.6 %          |
| <i>Non-GAAP Financial Measures: <sup>1</sup></i> |                    |                |             |                |
| EBITDA   | \$ 64,144          | \$ 68,481      | \$ (4,337)  | (6.3)%         |
| Free cash flow                                   | \$ 61,019          | \$ 53,089      | \$ 7,930    | 14.9 %         |

<sup>1</sup> Reconciliation of these non-GAAP financial measures are provided below the financial tables.

On April 28, 2023, our Board of Directors declared a quarterly cash dividend of \$0.24 per share of common stock. The dividend is payable to shareholders of record at the close of business on May 25, 2023 and is expected to be paid on June 13, 2023. This quarterly dividend is made pursuant to a cash dividend policy approved by the Board of Directors, which anticipates a total annual dividend of \$0.96 for the full year 2023, payable in quarterly increments of \$0.24 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 and position.

### Review of Financial Results

Forward Air will hold a conference call to discuss first quarter 2023 results on Tuesday, May 2, 2023 at 9:00 a.m. EDT. The Company's conference call will be available online on the Investor Relations portion of the Company's website at [www.forwardaircorp.com](http://www.forwardaircorp.com), or by dialing (877) 336-4435, Access Code: 2402511.

A replay of the conference call will be available on the Investor Relations portion of the Company's website at [www.forwardaircorp.com](http://www.forwardaircorp.com), which we use as a primary mechanism to communicate with our investors. Investors are urged to monitor the Investor Relations portion of the Company's website to easily find or navigate to current and pertinent information about us.

### About Forward Air Corporation

Forward Air is a leading asset-light provider of transportation services across the United States, Canada and Mexico. We provide expedited less-than-truckload ("LTL") services, including local pick-up and delivery, shipment consolidation/deconsolidation, warehousing, and customs brokerage by utilizing a comprehensive national network of terminals. In addition, we offer final mile services, including delivery of heavy-bulky freight, truckload brokerage services, including dedicated fleet services; and intermodal, 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. We are more than a transportation company. Forward is a single resource for your shipping needs. For more information, visit our website at [www.forwardaircorp.com](http://www.forwardaircorp.com).

**Forward Air Corporation**  
**Condensed Consolidated Statements of Comprehensive Income**  
(Unaudited, in thousands, except per share data)

|                                       | <b>Three Months Ended</b> |                           |
|---------------------------------------|---------------------------|---------------------------|
|                                       | <b>March 31,<br/>2023</b> | <b>March 31,<br/>2022</b> |
| <b>Operating revenue:</b>             |                           |                           |
| Expedited Freight                     | \$ 338,934                | \$ 376,591                |
| Intermodal                            | 88,169                    | 90,440                    |
| Eliminations and other operations     | (37)                      | (70)                      |
| Operating revenues                    | 427,066                   | 466,961                   |
| <b>Operating expenses:</b>            |                           |                           |
| Purchased transportation              | 185,217                   | 224,832                   |
| Salaries, wages and employee benefits | 79,520                    | 86,081                    |
| Operating leases                      | 27,248                    | 22,673                    |
| Depreciation and amortization         | 13,635                    | 11,130                    |
| Insurance and claims                  | 13,782                    | 11,968                    |
| Fuel expense                          | 5,784                     | 5,865                     |
| Other operating expenses              | 51,371                    | 47,061                    |
| Total operating expenses              | 376,557                   | 409,610                   |
| Income (loss) from operations:        |                           |                           |
| Expedited Freight                     | 32,998                    | 47,680                    |
| Intermodal                            | 11,203                    | 11,146                    |
| Other Operations                      | 6,308                     | (1,475)                   |
| Income from operations                | 50,509                    | 57,351                    |
| <b>Other expense:</b>                 |                           |                           |
| Interest expense                      | (2,355)                   | (784)                     |
| Total other expense                   | (2,355)                   | (784)                     |
| Income before income taxes            | 48,154                    | 56,567                    |
| Income tax expense                    | 11,786                    | 13,881                    |
| Net income and comprehensive income   | \$ 36,368                 | \$ 42,686                 |
| <b>Net income per share:</b>          |                           |                           |
| Basic                                 | \$ 1.37                   | \$ 1.57                   |
| Diluted                               | \$ 1.37                   | \$ 1.57                   |
| <b>Dividends per share:</b>           | \$ 0.24                   | \$ 0.24                   |

**Expedited Freight Segment Information**  
(In thousands)  
(Unaudited)

|                                       | Three Months Ended |                       |                   |                       |                    |                |
|---------------------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|----------------|
|                                       | March 31,<br>2023  | Percent of<br>Revenue | March 31,<br>2022 | Percent of<br>Revenue | Change             | Percent Change |
| Operating revenue:                    |                    |                       |                   |                       |                    |                |
| Network <sup>1</sup>                  | \$ 205,931         | 60.8 %                | \$ 233,700        | 62.1 %                | \$ (27,769)        | (11.9)%        |
| Truckload                             | 41,744             | 12.3                  | 55,908            | 14.8                  | \$ (14,164)        | (25.3)         |
| Final Mile                            | 69,357             | 20.5                  | 65,758            | 17.5                  | \$ 3,599           | 5.5            |
| Other                                 | 21,902             | 6.5                   | 21,225            | 5.6                   | \$ 677             | 3.2            |
| Total operating revenue               | 338,934            | 100.0                 | 376,591           | 100.0                 | \$ (37,657)        | (10.0)         |
| Operating expenses:                   |                    |                       |                   |                       |                    |                |
| Purchased transportation              | 165,240            | 48.8                  | 200,034           | 53.1                  | \$ (34,794)        | (17.4)         |
| Salaries, wages and employee benefits | 68,791             | 20.3                  | 68,220            | 18.1                  | \$ 571             | 0.8            |
| Operating leases                      | 18,913             | 5.6                   | 15,731            | 4.2                   | \$ 3,182           | 20.2           |
| Depreciation and amortization         | 8,889              | 2.6                   | 7,481             | 2.0                   | \$ 1,408           | 18.8           |
| Insurance and claims                  | 9,743              | 2.9                   | 8,751             | 2.3                   | \$ 992             | 11.3           |
| Fuel expense                          | 2,611              | 0.8                   | 2,650             | 0.7                   | \$ (39)            | (1.5)          |
| Other operating expenses              | 31,749             | 9.4                   | 26,044            | 6.9                   | \$ 5,705           | 21.9           |
| Total operating expenses              | 305,936            | 90.3                  | 328,911           | 87.3                  | \$ (22,975)        | (7.0)          |
| Income from operations                | <u>\$ 32,998</u>   | <u>9.7 %</u>          | <u>\$ 47,680</u>  | <u>12.7 %</u>         | <u>\$ (14,682)</u> | <u>(30.8)%</u> |

<sup>1</sup> Network revenue is comprised of all revenue, including linehaul, pickup and/or delivery, and fuel surcharge revenue, excluding accessorial, Truckload and Final Mile revenue.

**Expedited Freight Operating Statistics**

|   | Three Months Ended |                   |                |
|---|--------------------|-------------------|----------------|
|   | March 31,<br>2023  | March 31,<br>2022 | Percent Change |
| Business days                                   | 64                 | 64                | — %            |
| Tonnage <sup>1,2</sup>                          |                    |                   |                |
| Total pounds                                    | 629,080            | 717,611           | (12.3)         |
| Pounds per day                                  | 9,829              | 11,213            | (12.3)         |
| Shipments <sup>1,2</sup>                        |                    |                   |                |
| Total shipments                                 | 817                | 892               | (8.4)          |
| Shipments per day                               | 12.8               | 13.9              | (7.9)          |
| Weight per shipment                             | 770                | 804               | (4.2)          |
| Revenue per hundredweight <sup>3</sup>          | \$ 33.36           | \$ 32.84          | 1.6            |
| Revenue per hundredweight, ex fuel <sup>3</sup> | \$ 25.75           | \$ 25.92          | (0.7)          |
| Revenue per shipment <sup>3</sup>               | \$ 256.89          | \$ 264.17         | (2.8)          |
| Revenue per shipment, ex fuel <sup>3</sup>      | \$ 198.30          | \$ 208.55         | (4.9)          |

<sup>1</sup> In thousands

<sup>2</sup> Excludes accessorial, Truckload and Final Mile products

<sup>3</sup> Includes intercompany revenue between the Network and Truckload revenue streams



**Intermodal Segment Information**  
(In thousands)  
(Unaudited)

|                                       | Three Months Ended |                       |                   |                       |         |                |
|---------------------------------------|--------------------|-----------------------|-------------------|-----------------------|---------|----------------|
|                                       | March 31,<br>2023  | Percent of<br>Revenue | March 31,<br>2022 | Percent of<br>Revenue | Change  | Percent Change |
| Operating revenue                     | \$ 88,169          | 100.0 %               | 90,440            | 100.0 %               | (2,271) | (2.5)%         |
| Operating expenses:                   |                    |                       |                   |                       |         |                |
| Purchased transportation              | 20,014             | 22.7                  | 24,868            | 27.5                  | (4,854) | (19.5)         |
| Salaries, wages and employee benefits | 18,914             | 21.5                  | 17,935            | 19.8                  | 979     | 5.5            |
| Operating leases                      | 8,335              | 9.5                   | 6,941             | 7.7                   | 1,394   | 20.1           |
| Depreciation and amortization         | 4,746              | 5.4                   | 3,610             | 4.0                   | 1,136   | 31.5           |
| Insurance and claims                  | 2,349              | 2.7                   | 2,060             | 2.3                   | 289     | 14.0           |
| Fuel expense                          | 3,173              | 3.6                   | 3,215             | 3.6                   | (42)    | (1.3)          |
| Other operating expenses              | 19,435             | 22.0                  | 20,665            | 22.8                  | (1,230) | (6.0)          |
| Total operating expenses              | 76,966             | 87.3                  | 79,294            | 87.7                  | (2,328) | (2.9)          |
| Income from operations                | 11,203             | 12.7 %                | 11,146            | 12.3 %                | 57      | 0.5 %          |

**Intermodal Operating Statistics**

|                              | Three Months Ended |                   |                |
|------------------------------|--------------------|-------------------|----------------|
|                              | March 31,<br>2023  | March 31,<br>2022 | Percent Change |
| Drayage shipments            | 72,465             | 88,312            | (17.9)%        |
| Drayage revenue per shipment | 1,100              | 890               | 23.6 %         |

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

|  | March 31,<br>2023   | December 31,<br>2022 |
|--|---------------------|----------------------|
| <b>Assets</b>  |                     |                      |
| Current assets:  |                     |                      |
| Cash and cash equivalents                                    | \$ 32,028           | \$ 45,822            |
| Accounts receivable, net                                     | 201,385             | 221,028              |
| Other receivables, net                                       | —                   | —                    |
| Other current assets   | 24,381              | 37,465               |
| Total current assets   | <u>257,794</u>      | <u>304,315</u>       |
| Property and equipment, net                                  | 252,932             | 249,080              |
| Operating lease right-of-use assets                          | 150,282             | 141,865              |
| Goodwill   | 356,627             | 306,184              |
| Other acquired intangibles, net                              | 155,726             | 154,801              |
| Other assets   | 53,205              | 51,831               |
| Total assets   | <u>\$ 1,226,566</u> | <u>\$ 1,208,076</u>  |
| <b>Liabilities and Shareholders' Equity</b>                  |                     |                      |
| Current liabilities:   |                     |                      |
| Accounts payable   | \$ 42,994           | \$ 54,601            |
| Accrued expenses   | 52,807              | 54,291               |
| Other current liabilities                                    | 6,207               | 3,956                |
| Current portion of debt and finance lease obligations        | 11,619              | 9,444                |
| Current portion of operating lease liabilities               | 52,143              | 47,106               |
| Total current liabilities                                    | <u>165,770</u>      | <u>169,398</u>       |
| Finance lease obligations, less current portion              | 18,328              | 15,844               |
| Long-term debt, less current portion and debt issuance costs | 150,681             | 106,588              |
| Operating lease liabilities, less current portion            | 102,697             | 98,865               |
| Other long-term liabilities                                  | 50,507              | 59,044               |
| Deferred income taxes  | 52,950              | 51,093               |
| Shareholders' equity:  |                     |                      |
| Preferred stock  | —                   | —                    |
| Common stock   | 261                 | 265                  |
| Additional paid-in capital                                   | 274,007             | 270,855              |
| Retained earnings  | 411,365             | 436,124              |
| Total shareholders' equity                                   | <u>685,633</u>      | <u>707,244</u>       |
| Total liabilities and shareholders' equity                   | <u>\$ 1,226,566</u> | <u>\$ 1,208,076</u>  |

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

|  | Three Months Ended |                   |
|--|--------------------|-------------------|
|  | March 31,<br>2023  | March 31,<br>2022 |
| <b>Operating activities:</b>   |                    |                   |
| Net income from operations   | \$ 36,368          | \$ 42,686         |
| Adjustments to reconcile net income of operations to net cash provided by operating activities of operations |                    |                   |
| Depreciation and amortization  | 13,635             | 11,130            |
| Change in fair value of earn-out liability   | —                  | (294)             |
| Share-based compensation expense   | 3,149              | 2,761             |
| Provision for revenue adjustments  | 2,157              | 1,304             |
| Deferred income tax expense  | 1,857              | 1,643             |
| Other  | (300)              | 132               |
| Changes in operating assets and liabilities, net of effects from the purchase of acquired businesses:        |                    |                   |
| Accounts receivable  | 16,669             | (30,278)          |
| Other receivables  | —                  | 3,609             |
| Other current and noncurrent assets  | 11,422             | 13,818            |
| Accounts payable and accrued expenses  | (18,964)           | 15,975            |
| Net cash provided by operating activities  | 65,993             | 62,486            |
| <b>Investing activities:</b>   |                    |                   |
| Proceeds from sale of property and equipment   | 1,815              | 511               |
| Purchases of property and equipment  | (6,789)            | (9,908)           |
| Purchases of a business, net of cash acquired  | (56,567)           | —                 |
| Net cash used in investing activities  | (61,541)           | (9,397)           |
| <b>Financing activities:</b>   |                    |                   |
| Repayments of finance lease obligations  | (2,118)            | (1,070)           |
| Proceeds from credit facility  | 45,000             | —                 |
| Payments on credit facility  | —                  | (375)             |
| Proceeds from issuance of common stock upon stock option exercises   | —                  | 206               |
| Payments of dividends to shareholders  | (6,345)            | (6,502)           |
| Repurchases and retirement of common stock   | (50,491)           | (17,780)          |
| Payment of minimum tax withholdings on share-based awards  | (4,292)            | (3,254)           |
| Net cash used in financing activities  | (18,246)           | (28,775)          |
| Net (decrease) increase in cash and cash equivalents   | (13,794)           | 24,314            |
| Cash and cash equivalents at beginning of period   | 45,822             | 37,316            |
| <b>Cash and cash equivalents at end of period</b>  | <b>\$ 32,028</b>   | <b>\$ 61,630</b>  |

## Forward Air Corporation Reconciliation of Non-GAAP Financial Measures

In this press release, the Company uses non-GAAP financial measures that are derived on the basis of methodologies other than in accordance with GAAP. The Company believes that meaningful analysis of its financial performance 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 as well as evaluating the Company's performance.

For the three months ended March 31, 2023 and 2022, this press release contains the following non-GAAP financial measures: earnings before interest, taxes, depreciation and amortization ("EBITDA") and free cash flow.

The Company believes that EBITDA improves comparability from period to period by removing the impact of its capital structure (interest and financing expenses), asset base (depreciation and amortization) and tax impacts. The Company believes that free cash flow is an important measure of its ability to repay maturing debt or fund other uses of capital that it believes will enhance shareholder value.

Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's financial results prepared in accordance with GAAP. 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 Company has included, for the periods indicated, a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

The following is a reconciliation of net income to EBITDA for the three months ended March 31, 2023 and 2022 (in thousands):

|                               | Three Months Ended |                  |
|-------------------------------|--------------------|------------------|
|                               | March 31, 2023     | March 31, 2022   |
| <b>Net income</b>             | <b>\$ 36,368</b>   | <b>\$ 42,686</b> |
| Interest expense              | 2,355              | 784              |
| Income tax expense            | 11,786             | 13,881           |
| Depreciation and amortization | 13,635             | 11,130           |
| <b>EBITDA</b>                 | <b>\$ 64,144</b>   | <b>\$ 68,481</b> |

The following is a reconciliation of net cash provided by operating activities to free cash flow for the three months ended March 31, 2023 and 2022 (in thousands):

|  | Three Months Ended |                  |
|--|--------------------|------------------|
|  | March 31, 2023     | March 31, 2022   |
| <b>Net cash provided by operating activities</b> | <b>\$ 65,993</b>   | <b>\$ 62,486</b> |
| Proceeds from sale of property and equipment     | 1,815              | 511              |
| Purchases of property and equipment              | (6,789)            | (9,908)          |
| <b>Free cash flow</b>                            | <b>\$ 61,019</b>   | <b>\$ 53,089</b> |

The following information is provided to supplement this press release.

| <b>Actual</b>  | <b>Three Months Ended March 31, 2023</b> |        |
|--|--|--------|
| Net income   | \$                                       | 36,368 |
| Income allocated to participating securities   |  | (185)  |
| Numerator for diluted net income per share - net income  | \$                                       | 36,183 |
| Weighted-average common shares and common share equivalent outstanding - diluted                   |  | 26,479 |
| Diluted net income per share   | \$                                       | 1.37   |
| <b>Projected</b>   | <b>Full year 2023</b>                    |        |
| Projected tax rate   |  | 25.7 % |
| Projected purchases of property and equipment, net of proceeds from sale of property and equipment | \$                                       | 37,000 |
| <b>Projected</b>   | <b>December 31, 2023</b>                 |        |
| Projected weighted-average common shares and common share equivalent outstanding - diluted         |  | 26,000 |

## **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 the expected performance of the Company as the freight recession abates, freight environment, expectations regarding the Company's second quarter 2023 guidance, including with respect to revenue and net income per diluted share, the future declaration of dividends and, the quarterly and full year 2023 anticipated dividends per share.*

*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. The following is a list of factors, among others, that could cause actual results to differ materially from those contemplated by the forward-looking statements: economic factors such as recessions, inflation, higher interest rates and downturns in customer business cycles, the COVID-19 pandemic, our ability to manage our growth and ability to grow, in part, through acquisitions, while being able to successfully integrate such acquisitions, our ability to secure terminal facilities in desirable locations at reasonable rates, more limited liquidity than expected which limits our ability to make key investments, the creditworthiness of our customers and their ability to pay for services rendered, our inability to maintain our historical growth rate because of a decreased volume of freight or decreased average revenue per pound of freight moving through our network, the availability and compensation of qualified Leased Capacity Providers and freight handlers as well as contracted, third-party carriers needed to serve our customers’ transportation needs, our inability to manage our information systems and inability of our information systems to handle an increased volume of freight moving through our network, the occurrence of cybersecurity risks and events, market acceptance of our service offerings, claims for property damage, personal injuries or workers’ compensation, enforcement of and changes in governmental regulations, environmental, tax, insurance and accounting matters, the handling of hazardous materials, changes in fuel prices, loss of a major customer, increasing competition, and pricing pressure, our dependence on our senior management team and the potential effects of changes in employee status, seasonal trends, the occurrence of certain weather events, restrictions in our charter and bylaws and the risks described in our Annual Report on Form 10-K for the year ended December 31, 2022.*

*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

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