
**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): May 8, 2024

FORWARD AIR CORPORATION

(Exact name of registrant as specified in its charter)

TN				62-1120025	
(State or other jurisdiction of incorporation)				(I.R.S. Employer Identification No.)	
1915 Snapps Ferry Road	Building N	Greeneville	TN	37745	
(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
Common Stock, \$0.01 par value	FWRD	NASDAQ

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.

On May 8, 2024, Forward Air Corporation (the “Company”) issued a press release (the “Press Release”) announcing its financial results for the three months ended March 31, 2024. On May 8, 2024, the Company also posted an Earnings Presentation (the “Earnings Presentation”), dated May 8, 2024, on the Company’s Investor Relations website at ir.forwardaircorp.com.

Copies of the Press Release and Earnings Presentation are being furnished as Exhibits 99.1 and 99.2, attached hereto, respectively, and are incorporated herein by reference. The information furnished pursuant to Items 2.02 and 9.01, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

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.

No.	Exhibit
<u>99.1</u>	<u>Press Release of Forward Air Corporation, dated May 8, 2024</u>
<u>99.2</u>	<u>Forward Air Q1 2024 Earnings and Business Update Presentation Slides</u>
104	Cover Page Interactive File (the cover page tags are embedded within the Inline XBRL document)

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 8, 2024

FORWARD AIR CORPORATION

By: /s/ Michael L. Hance

Michael L. Hance
Chief Legal Officer and Secretary



NEWS RELEASE

FORWARD AIR CORPORATION REPORTS FIRST QUARTER 2024 RESULTS

Industry veteran Shawn Stewart appointed as Chief Executive Officer

First quarter results impacted by elongated weak freight market and Omni Logistics deal closing

Cost synergy realization in line with initial diligence estimates

Preliminary April results providing early indication of improvement

GREENEVILLE, Tenn.- (BUSINESS WIRE) - May 8, 2024 - Forward Air Corporation (NASDAQ:FWRD) (the “Company”, “Forward”, “we”, “our”, or “us”) today reported financial results for the three months ended March 31, 2024 as presented in the tables below on a continuing operations basis (Final Mile is being reported as a discontinued operations).

Recently appointed Chief Executive Officer Shawn Stewart, said, “It is a privilege to be leading Forward during this pivotal time. Together, Forward and Omni have created an industry leader dedicated to delivering world-class service to customers. Forward excels at providing best-in-class premium less-than-truckload service to an attractive and broad customer base, while Omni provides custom supply chain solutions across multiple service modes to domestic and international customers. Together, Forward and Omni, provide customers a seamless partnership and flawless execution for their time-sensitive and mission-critical freight.”

Mr. Stewart continued, “I see tremendous opportunity for the combined entity to maximize value for customers, employees and shareholders. I am committed to aggressively taking action to improve profitability, maximize synergy capture and drive our leadership in global supply chain and domestic transportation services. With the distractions of the deal closing behind us, our team is focused on execution. I look forward to sharing our progress along the next phase of our journey. To that end, we look forward to sharing our full year 2024 guidance and our path to achievement on our second quarter earnings call.”

Rebecca J. Garbrick, Chief Financial Officer, said, “Our first quarter results did not meet our expectations. We continue to face challenging market conditions, characterized by weak freight demand, excess carrier capacity, and pressure on pricing. Omni's first quarter results were more adversely impacted as a result of its exposure to the international freight market. While these conditions led to decreased customer demand for our intermodal, truckload brokerage and Omni lines of business, we saw momentum in our less-than-truckload line of business where we experienced positive volume trends and improved freight quality metrics. In the first quarter, our shipments per day growth was +1.4%, weight per shipment was +7.4%, and revenue per shipment excluding fuel was +0.7% over the same period in the prior year. Unfortunately, this momentum did not offset softer demand for our intermodal and truckload brokerage services, resulting in an 8% decline in revenues and 41% decline in adjusted EBITDA on a continuing operations basis over the same period in the prior year, excluding the results of Omni. From the acquisition date, January 25, 2024, through the end of the quarter, Omni contributed \$225 million in revenues and \$(5.9) million in adjusted EBITDA.”

Ms. Garbrick continued, “Our first quarter results are not indicative of what we expect for 2024, and we are taking aggressive steps to improve profitability. One early positive indicator is the sequential growth in revenue as reflected in our preliminary April results. From the month of March 2024 to April 2024, we saw sequential revenue growth of 6% as compared to a sequential decline in revenue from March to April of (15%) over the same period in the prior year. We are also successfully executing on the cost synergies associated with the Omni transaction, which

are in line with initial diligence estimates. While our first quarter EBITDA was not reflective of run-rate synergies, we expect to see a steady increase in subsequent quarters until synergies are fully realized by the end of 2025.”

	Three Months Ended			
(in thousands, except per share data)	March 31, 2024	March 31, 2023	Change	Percent Change
Operating revenue	\$ 541,813	\$ 357,709	\$ 184,104	51.5 %
(Loss) income from operations	\$ (65,732)	\$ 47,196	\$ (112,928)	(239.3)%
Operating margin	(12.1)%	13.2 %	(2,530) bps	
Net (loss) income	\$ (88,794)	\$ 33,904	\$ (122,698)	(361.9)%
Net (loss) income per diluted share	\$ (2.35)	\$ 1.27	\$ (3.62)	(285.0)%
Cash (used in) provided by operating activities	\$ (51,719)	\$ 60,839	\$ (112,558)	(185.0)%
<i>Non-GAAP Financial Measures: ¹</i>				
Adjusted income from operations	\$ 12,534	\$ 47,196	\$ (34,662)	(73.4)%
Adjusted net (loss) income	\$ (24,172)	\$ 33,904	\$ (58,076)	(171.3)%
Adjusted net (loss) income per diluted share	\$ (0.64)	\$ 1.27	\$ (1.91)	(150.4)%
Adjusted EBITDA	\$ 29,390	\$ 59,568	\$ (30,178)	(50.7)%
Free cash flow	\$ (55,840)	\$ 56,135	\$ (111,975)	(199.5)%

¹ Reconciliation of these non-GAAP financial measures are provided below the financial tables.

Review of Financial Results

Forward Air will hold a conference call to discuss first quarter 2024 results on Thursday, May 9, 2024 at 10:00 a.m. ET. An Earnings Presentation has been posted online on the Investor Relations portion of the Company’s website at ir.forwardaircorp.com, and will be referenced during the conference call. The Company’s conference call will be available online on the Investor Relations portion of the Company’s website at ir.forwardaircorp.com, or by dialing (877) 876-9173, Access Code: FWRDQ124.

A replay of the conference call will be available on the Investor Relations portion of the Company’s website at 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 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. Forward also operates a full portfolio of multimodal solutions, both domestically and internationally, via Omni Logistics. Omni Logistics is a global provider of air, ocean and ground services for mission-critical freight. 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.

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

	Three Months Ended	
	March 31, 2024	March 31, 2023
Operating revenues:		
Expedited Freight	\$ 273,295	\$ 269,577
Intermodal	56,292	88,169
Omni Logistics	224,838	—
Eliminations and other operations	(12,612)	(37)
Operating revenues	541,813	357,709
Operating expenses:		
Purchased transportation	277,015	145,171
Salaries, wages and employee benefits	128,867	66,647
Operating leases	38,803	24,073
Depreciation and amortization	31,786	12,372
Insurance and claims	12,881	13,258
Fuel expense	5,246	5,686
Other operating expenses	112,947	43,306
Impairment of goodwill, intangibles and other assets	—	—
Total operating expenses	607,545	310,513
Income (loss) from continuing operations:		
Expedited Freight	19,498	29,685
Intermodal	3,586	11,203
Omni Logistics	(28,585)	—
Other Operations	(60,231)	6,308
(Loss) income from continuing operations	(65,732)	47,196
Other expense:		
Interest expense, net	(40,753)	(2,355)
Foreign exchange loss	(668)	—
Other income, net	9	—
Total other expense	(41,412)	(2,355)
(Loss) income before income taxes	(107,144)	44,841
Income tax expense	(18,350)	10,937
Net (loss) income from continuing operations	(88,794)	33,904
Income from discontinued operation, net of tax	—	2,464
Net (loss) income	(88,794)	36,368
Net loss attributable to Non-controlling interest	(27,082)	—
Net (loss) income attributable to Forward Air	\$ (61,712)	\$ 36,368
Net income per common share:		
Basic net (loss) income per share		
Continuing operations	\$ (2.35)	\$ 1.28
Discontinued operation	—	0.09
Basic	\$ (2.35)	\$ 1.37
Diluted net (loss) income per share		
Continuing operations	\$ (2.35)	\$ 1.27
Discontinued operation	—	0.09
Diluted	\$ (2.35)	\$ 1.37
Dividends per share:	\$ —	\$ 0.24
Net (loss) income	\$ (88,794)	\$ 36,368
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(151)	—
Comprehensive (loss) income	\$ (88,945)	\$ 36,368

Expedited Freight Segment Information
(In thousands)
(Unaudited)

	Three Months Ended					
	March 31, 2024	Percent of Revenue	March 31, 2023	Percent of Revenue	Change	Percent Change
Operating revenues:						
Network ¹	\$ 214,493	78.5 %	\$ 205,931	76.4 %	\$ 8,562	4.2 %
Truckload	37,055	13.6	41,744	15.5	(4,689)	(11.2)
Other	21,747	8.0	21,902	8.1	(155)	(0.7)
Total operating revenues	273,295	100.0	269,577	100.0	3,718	1.4
Operating expenses:						
Purchased transportation	127,760	46.7	125,194	46.4	2,566	2.0
Salaries, wages and employee benefits	62,553	22.9	55,918	20.7	6,635	11.9
Operating leases	14,982	5.5	15,738	5.8	(756)	(4.8)
Depreciation and amortization	10,290	3.8	7,626	2.8	2,664	34.9
Insurance and claims	10,652	3.9	9,219	3.4	1,433	15.5
Fuel expense	2,581	0.9	2,513	0.9	68	2.7
Other operating expenses	24,979	9.1	23,684	8.8	1,295	5.5
Total operating expenses	253,797	92.9	239,892	89.0	13,905	5.8
Income from operations	\$ 19,498	7.1 %	\$ 29,685	11.0 %	\$ (10,187)	(34.3)%

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

Expedited Freight Operating Statistics

	Three Months Ended		
	March 31, 2024	March 31, 2023	Percent Change
Business days	64	64	— %
Tonnage ^{1,2}			
Total pounds	684,995	629,080	8.9
Pounds per day	10,703	9,829	8.9
Shipments ^{1,2}			
Total shipments	828	817	1.4
Shipments per day	12.9	12.8	1.4
Weight per shipment	827	770	7.4
Revenue per hundredweight ³	\$ 31.32	\$ 33.36	(6.1)
Revenue per hundredweight, ex fuel ³	\$ 24.15	\$ 25.75	(6.2)
Revenue per shipment ³	\$ 259.14	\$ 256.89	0.9
Revenue per shipment, ex fuel ³	\$ 199.78	\$ 198.30	0.7

¹ In thousands

² Excludes accessorial and Truckload and products

³ Includes intercompany revenue between the Network and Truckload revenue streams

Intermodal Segment Information
(In thousands)
(Unaudited)

	Three Months Ended					
	March 31, 2024	Percent of Revenue	March 31, 2023	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 56,292	100.0 %	\$ 88,169	100.0 %	\$ (31,877)	(36.2)%
Operating expenses:						
Purchased transportation	17,443	31.0	20,014	22.7	(2,571)	(12.8)
Salaries, wages and employee benefits	15,082	26.8	18,914	21.5	(3,832)	(20.3)
Operating leases	4,692	8.3	8,335	9.5	(3,643)	(43.7)
Depreciation and amortization	4,627	8.2	4,746	5.4	(119)	(2.5)
Insurance and claims	2,606	4.6	2,349	2.7	257	10.9
Fuel expense	2,361	4.2	3,173	3.6	(812)	(25.6)
Other operating expenses	5,895	10.5	19,435	22.0	(13,540)	(69.7)
Total operating expenses	52,706	93.6	76,966	87.3	(24,260)	(31.5)
Income from operations	\$ 3,586	6.4 %	\$ 11,203	12.7 %	\$ (7,617)	(68.0)%

Intermodal Operating Statistics

	Three Months Ended		
	March 31, 2024	March 31, 2023	Percent Change
Drayage shipments	62,659	72,465	(13.5)%
Drayage revenue per shipment	\$ 822	\$ 1,136	(27.6)%

Omni Logistics Segment Information
(In thousands)
(Unaudited)

	Three Months Ended	
	March 31, 2024	Percent of Revenue
Operating revenue	\$ 224,838	100.0 %
Operating expenses:		
Purchased transportation	144,424	64.2
Salaries, wages and employee benefits	48,775	21.7
Operating leases	19,127	8.5
Depreciation and amortization	16,869	7.5
Insurance and claims	2,053	0.9
Fuel expense	304	0.1
Other operating expenses	21,871	9.7
Total operating expenses	253,423	112.7
Loss from operations	\$ (28,585)	(12.7)%

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

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 172,270	\$ 121,969
Restricted cash equivalents	—	39,604
Accounts receivable, net	351,813	153,267
Other receivables	1,539	5,408
Prepaid expenses	39,512	25,682
Other current assets	4,299	1,098
Total current assets	569,433	347,028
Noncurrent restricted cash equivalents	—	1,790,500
Property and equipment	591,562	508,280
Less accumulated depreciation and amortization	263,856	250,185
Property and equipment, net	327,706	258,095
Operating lease right-of-use assets	334,262	111,552
Goodwill	1,379,180	278,706
Other acquired intangibles, net	1,264,428	134,789
Other assets	84,251	58,863
Total assets	<u>\$ 3,959,260</u>	<u>\$ 2,979,533</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 130,646	\$ 45,430
Accrued expenses	118,955	62,948
Other current liabilities	73,461	71,727
Current portion of debt and finance lease obligations	28,134	12,645
Current portion of operating lease liabilities	93,645	44,344
Total current liabilities	444,841	237,094
Finance lease obligations, less current portion	34,306	26,736
Long-term debt, less current portion	1,664,107	—
Long-term debt held in escrow	—	1,790,500
Operating lease liabilities, less current portion	246,956	71,598
Liabilities under tax receivable agreement	13,270	—
Other long-term liabilities	45,536	47,144
Deferred income taxes	177,806	42,200
Shareholders' equity:		
Preferred stock	—	—
Common stock	265	257
Additional paid-in capital	508,675	283,684
Retained earnings	417,282	480,320
Accumulated other comprehensive loss	(151)	—
Total shareholders' equity attributable to Forward Air	926,071	764,261
Noncontrolling interest	406,367	—
Total shareholders' equity	1,332,438	764,261
Total liabilities and shareholders' equity	<u>\$ 3,959,260</u>	<u>\$ 2,979,533</u>

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

	Three Months Ended	
	March 31, 2024	March 31, 2023
Operating activities:		
Net (loss) income from continuing operations	\$ (88,794)	\$ 33,904
Adjustments to reconcile net (loss) income of continuing operations to net cash (used in) provided by operating activities of continuing operations		
Depreciation and amortization	31,786	12,372
Share-based compensation expense	1,567	2,906
Provision for revenue adjustments	1,038	1,098
Deferred income tax expense	2,945	1,857
Other	4,169	(1,091)
Changes in operating assets and liabilities, net of effects from the purchase of acquired businesses:		
Accounts receivable	(20,495)	16,397
Other receivables	5,367	—
Other current and noncurrent assets	(7,104)	10,910
Accounts payable and accrued expenses	17,802	(17,514)
Net cash (used in) provided by operating activities of continuing operations	(51,719)	60,839
Investing activities:		
Proceeds from sale of property and equipment	849	1,815
Purchases of property and equipment	(4,970)	(6,519)
Purchases of a business, net of cash acquired	(1,565,242)	(56,567)
Other	(89)	—
Net cash used in investing activities of continuing operations	(1,569,452)	(61,271)
Financing activities:		
Repayments of finance lease obligations	(4,560)	(2,086)
Proceeds from credit facility	—	45,000
Payments on credit facility	(80,000)	—
Payment of debt issuance costs	(60,591)	—
Payment of earn-out liability	(12,247)	—
Payments of dividends to shareholders	—	(6,345)
Repurchases and retirement of common stock	—	(54,783)
Payment of minimum tax withholdings on share-based awards	(1,328)	—
Contributions from subsidiary held for sale	—	4,852
Net cash used in financing activities of continuing operations	(158,726)	(13,362)
Effect of exchange rate changes on cash	94	—
Net decrease in cash and cash equivalents from continuing operations	(1,779,803)	(13,794)
Cash from discontinued operation:		
Net cash provided by operating activities of discontinued operation	—	5,154
Net cash used in investing activities of discontinued operation	—	(270)
Net cash used in financing activities of discontinued operation	—	(4,884)
Net decrease in cash and cash equivalents	(1,779,803)	(13,794)
Cash and cash equivalents at beginning of period of continuing operations	1,952,073	45,822
Cash at beginning of period of discontinued operation	—	—
Net decrease in cash and cash equivalents	(1,779,803)	(13,794)
Less: cash at end of period of discontinued operation	—	—
Cash and cash equivalents at end of period of continuing operations	<u>\$ 172,270</u>	<u>\$ 32,028</u>

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, 2024 and 2023, this press release contains the following non-GAAP financial measures: earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, free cash flow, adjusted income from continuing operations, adjusted net income, and adjusted net income per diluted share. All non-GAAP financial measures are presented on a continuing operations basis.

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. The Company believes providing adjusted EBITDA, adjusted income from operations, adjusted net income and adjusted net income per diluted share allows investors to compare Company performance consistently over various periods without regard to the impact of unusual, nonrecurring or nonoperational items.

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, 2024 and 2023 (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Net (loss) income	\$ (88,794)	\$ 33,904
Interest expense	40,753	2,355
Income tax (benefit) expense	(18,350)	10,937
Depreciation and amortization	31,786	12,372
Reported EBITDA	(34,605)	59,568
Transaction and integration costs	58,226	—
Severance costs	5,769	—
Adjusted EBITDA	\$ 29,390	\$ 59,568

The following is a reconciliation of the change in operating revenues and adjusted EBITDA excluding the impact of Omni Logistics for the three months ended March 31, 2024 and 2023 (in thousands):

Forward Air Corporation (excluding Omni Logistics)

	Three Months Ended		Change	Percent Change
	March 31, 2024	March 31, 2023		
Operating revenue	\$ 329,565	\$ 357,709	\$ (28,144)	(8) %
Consolidated EBITDA	\$ (34,605)	\$ 59,568		
Omni Logistics - Income from Operations	28,585	—		
Omni Logistics - Depreciation and Amortization	(16,869)	—		
Reported EBITDA	(22,889)	59,568		
Transaction and integration costs	58,226	—		
Adjusted EBITDA	<u>\$ 35,337</u>	<u>\$ 59,568</u>	<u>(24,231)</u>	<u>(41) %</u>

The following is a reconciliation of net cash provided by operating activities to free cash flow for the three months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Net cash (used in) provided by operating activities of continuing operations	\$ (51,719)	\$ 60,839
Proceeds from sale of property and equipment	849	1,815
Purchases of property and equipment	(4,970)	(6,519)
Free cash flow	<u>\$ (55,840)</u>	<u>\$ 56,135</u>

The following is a reconciliation of reported income from operations, net income, and net income per diluted share to adjusted income from operations, net income, and net income per diluted share for the three months ended March 31, 2024 and 2023 (in thousands, except net income per diluted share):

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Loss From Operations	Net Loss ¹	Net Loss Per Diluted Share ¹	Income From Operations	Net Income	Net Income Per Diluted Share
As Reported	\$ (65,732)	\$ (88,794)	\$ (2.35)	\$ 47,196	\$ 33,904	\$ 1.27
Transaction and integration costs	58,226	48,076	1.27	—	—	—
Severance	5,769	4,763	0.13	—	—	—
Acquisition amortization	14,271	11,783	0.31	—	—	—
As Adjusted	<u>\$ 12,534</u>	<u>\$ (24,172)</u>	<u>\$ (0.64)</u>	<u>\$ 47,196</u>	<u>\$ 33,904</u>	<u>\$ 1.27</u>

¹ Net loss and net loss per diluted share amounts are based on the after-tax effect of each item. The income tax effect is calculated by applying the effective tax rate to the pre-tax amount. The total tax benefit effect of the above item is \$13,643.

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 Company’s (i) ability to provide excellent service to its customers for their time-sensitive and mission-critical freight; (ii) ability to maximize value for customers, employees and shareholders and ability to be a leader in the global supply chain and domestic transportation services; (iii) ability and expectations regarding improved profitability; (iv) ability to achieve the intended benefits of the acquisition of Omni Logistics, including the timing of recognizing these potential revenue and cost synergies; (v) expectations regarding the Company’s ability to execute on its plan to integrate Omni Logistics in order to generate long-term value for shareholders and (vi) expectations regarding future market conditions as well as expectations regarding customer demand for the Company’s services.

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 Company’s ability to achieve the expected strategic, financial and other benefits of the acquisition of Omni Logistics, including the realization and timing of expected synergies and the achievement of deleveraging targets within the expected timeframes or at all, the risk that the businesses will not be integrated successfully or that integration may be more difficult, time-consuming or costly than expected, the risk that operating costs, customer loss, management and employee retention and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) as a result of the acquisition of Omni Logistics may be greater than expected, continued weakening of the freight environment, future debt and financing levels, our ability to deleverage, including, without limitation, through capital allocation or divestitures of non-core businesses, 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, 2023, and as may be identified in our subsequent Current Reports on Form 8-K.

We caution readers that any forward-looking statement made by us in this press release is based only on information currently available to us and they should not place undue reliance on these forward-looking statements, which reflect management’s opinion 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 unless required by law.

SOURCE: Forward Air Corporation

Forward Air Corporation

Justin Moss, 404-362-8933

jmoss@forwardair.com

Forward Air Q1 Earnings and Business Update

May 2024





Forward Looking Statements

This presentation 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 presentation relate to expectations regarding customer demand for services of Forward Air Corporation (“Forward,” “we” or “us”) as well as the performance of Forward’s less-than-truckload services; Forward’s ongoing commitment to provide excellent service to its customers; ability to achieve the intended benefits of the acquisition of Omni Logistics, including any revenue and cost synergies; expectations regarding Forward’s ability to execute on its plan to integrate Omni Logistics in order to generate long-term value for shareholders; expectations regarding Forward’s ability to grow its customer base, including the expected volumes from freight forwarder customers; expectations regarding Forward’s revenue growth strategies, including with respect to capital allocation and leverage; and the future declaration of dividends.

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; Forward’s ability to achieve the expected strategic, financial and other benefits of the acquisition of Omni Logistics, including the realization of expected synergies and the achievement of deleveraging targets within the expected timeframes or at all, the risk that the businesses will not be integrated successfully or that integration may be more difficult, time-consuming or costly than expected, the risk that operating costs, customer loss, management and employee retention and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) as a result of the acquisition of Omni Logistics may be greater than expected, continued weakening of the freight environment, future debt and financing levels, our ability to deleverage, including, without limitation, through capital allocation or divestitures of non-core businesses, 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, 2023, and as may be identified in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

We caution readers that any forward-looking statement made by us in this presentation is based only on information currently available to us and they should not place undue reliance on these forward-looking statements, which reflect management’s opinion 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 unless required by law.

Non-GAAP Measures

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), we have included Adjusted EBITDA and Adjusted Operating Income, each a non GAAP financial measure (each, a “Non-GAAP Measure”), in this presentation. The reconciliation of each Non-GAAP Measure to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found in the Appendix to this presentation. Because each Non-GAAP Measure excludes certain items as described herein, it may not be indicative of the results that Forward expects to recognize for future periods. As a result, each Non-GAAP Measure should be considered in addition to, and not a substitute for, financial information prepared in accordance with GAAP.



Agenda



Update on Business Results



Omni Integration



Capital Structure & Allocation



Appendix

A Powerful Combination



Category leader in expedited LTL and uniquely positioned to deliver integrated global supply chain solutions for our customers' most service-sensitive logistics needs

Key Highlights



Integrated
Capabilities



Customer Oriented
Culture



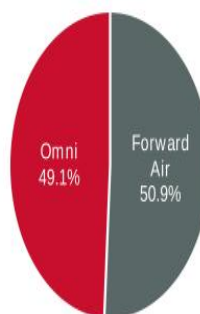
Superior Level of
Service



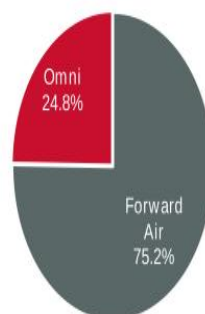
Significant Value Creation
Opportunity

FY 2023A Combined Metrics⁽¹⁾

Revenue: \$2.7B



Adj. EBITDA⁽²⁾: \$270M



Notes: (1) Calculated as summation of standalone Forward Air and Omni financials
(2) See Appendix for GAAP to non GAAP reconciliation; not adjusted for intercompany transactions between Forward Air and Omni

Omni Core Service Offerings

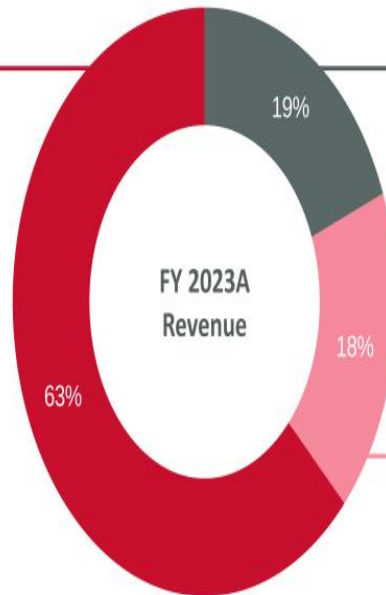
Omni is a leading 3PL providing customized logistics solutions for high-value, mission-critical freight for some of the industry's most demanding customers

Domestic Freight

- ✓ Providing a full menu of LTL, expedited and TL services based on various time requirements
- ✓ Specialized white glove delivery for high-value freight
- ✓ Air charter, next flight out, hand carry and other expedited services
- ✓ Reverse logistics (returns management), tradeshow, and project logistics

International Freight

- ✓ Primarily focused on Asia to U.S. and intra-Asia air and ocean transportation
- ✓ International compliance and customs brokerage



Value-Added Warehousing and Distribution

- ✓ Global warehousing, distribution and fulfillment solutions
- ✓ Free Trade Zone and Bonded warehouse capabilities
- ✓ In-depth value-added services

■ Domestic Freight ■ International Freight ■ Value-Added Warehousing and Distribution



Forward Air Standalone

FY2023 revenue and EBITDA performance remains ahead of pre-covid levels

(\$ in millions)



- ✓ Softer freight conditions persisted throughout 2023, leading to topline decline YoY
- ✓ However, precision execution of the revenue growth strategies led to an adjusted EBITDA margin expansion of 170bps from 2021⁽¹⁾



- ✓ Intermodal revenue decreased 34.7% YoY in 2023 due to a decrease in drayage shipments and drayage revenue per shipment
- ✓ Decline primarily driven by challenged market conditions that led to decreased customer demand for our services

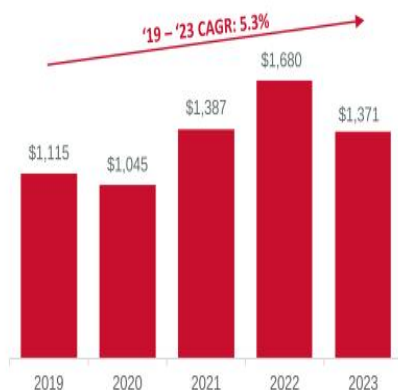


- ✓ LTL revenue decreased 9.7% in 2023 as compared to 2022 due to a decrease in pounds per day and revenue per hundredweight
- ✓ Decrease in tonnage reflects an increase in weight per shipment on fewer shipments compared to 2022

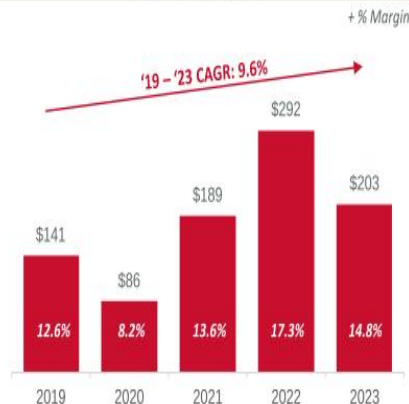


- ✓ Brokerage revenue decreased 28.1% YoY in 2023 due to a decrease in loads and revenue per load
- ✓ Impact driven by challenged market conditions that led to decreased customer demand for our services

FY Revenue



FY Adjusted EBITDA⁽¹⁾



FY Capital Expenditures⁽²⁾



Notes: Historical figures restated for exclusion of Final Mile
 (1) See Appendix for GAAP to non GAAP reconciliation
 (2) 2019 and 2020 figures include Final Mile, which had a de minimis contribution

Omni Standalone

Growth trend impacted by 2023 freight recession

(\$ in millions)



- ✓ Omni completed nine complementary acquisitions between 2019 and 2022 driving both organic and inorganic revenue growth
- ✓ Revenue declined 29% YoY in 2023 primarily driven by freight recession, with the International business more severely impacted



- ✓ Despite a competitive market, net revenue margin, defined as revenue less purchased transportation costs, increased 730bps YoY in 2023
- ✓ Omni continued to focus on profitable revenue growth in 2023

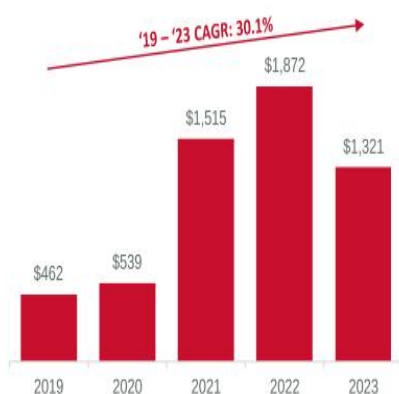


- ✓ Global freight markets were negatively impacted by weak customer demand, high inventories, and excess capacity
- ✓ This resulted in a more competitive market and suppressed transportation rates, impacting both volume and pricing in the International business

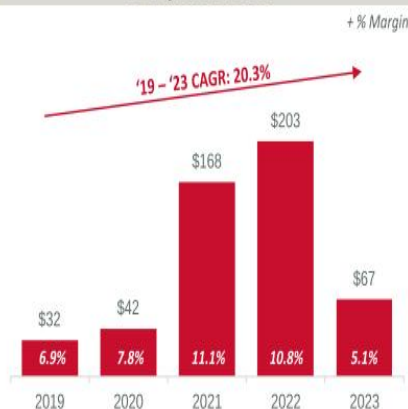


- ✓ During 2023, Omni was undertaking the actions needed to integrate and capture the full value from the nine acquisitions
- ✓ As part of those integration efforts, the cost structure was higher in 2023 as it was considered an investment year

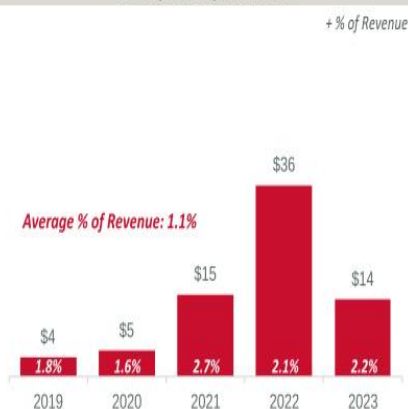
FY Revenue



FY Adjusted EBITDA⁽¹⁾



FY Capital Expenditures



Notes: 2019 figures are unadjusted
(1) See Appendix for GAAP to non GAAP reconciliation

First Quarter 2024 Financial Results

Q1 results affected by seasonality and depressed freight market

\$542M Revenue

**\$13M Adjusted
Operating Income⁽¹⁾**

**\$29M Adjusted
EBITDA⁽¹⁾⁽²⁾**

*In-quarter synergy actions taken will have
greater impact on Q2 and beyond*

In spite of the protracted freight recession, the less-than-truckload line of business continued to show signs of growth



Shipments per day increased
1.4% YoY



Weight per shipment increased
7.4% YoY



Revenue per shipment ex fuel
increased 0.7%

Omni performance impacted by weaker freight environment in the first quarter 2024



Notes: (1) See Appendix for GAAP to non GAAP reconciliation
(2) Includes impact from "Other Operations"

First Quarter 2024 Metrics

(\$ in millions)

April has seen an upward sequential trajectory month over month, positioning the business well for the year

Expedited Freight

YoY Change

Revenue	\$273M	+1.4%
Adjusted EBITDA ⁽¹⁾	\$30M	(20.2%)
% Margin	10.9%	(290 bps)

Intermodal

YoY Change

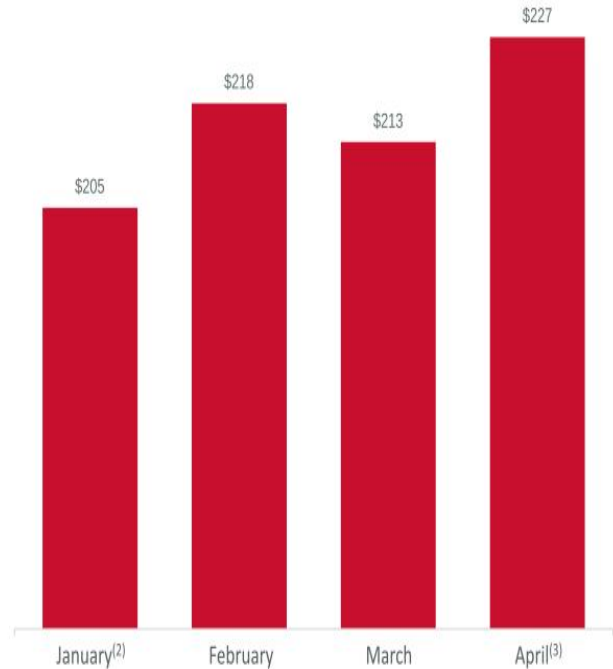
Revenue	\$56M	(36.2%)
Adjusted EBITDA ⁽¹⁾	\$8M	(48.5%)
% Margin	14.6%	(349 bps)

Omni⁽²⁾

YoY Change

Revenue	\$307M	(13.0%)
Adjusted EBITDA ⁽¹⁾	(\$9M)	(147.4%)
% Margin	(2.9%)	(826 bps)

January – April Consolidated Revenues



Notes: (1) See Appendix for GAAP to non GAAP reconciliation
 (2) Pro forma for inclusion of Omni in full month of January
 (3) Preliminary figures

Updated Omni Acquisition Cost Synergy Targets

Executing synergies in line with diligence estimates in a softer market

(\$ in millions)

- Largest operational synergy actions are complete or underway, including consolidation of linehaul, facilities consolidations, and insourcing of PUD in targeted markets
- Management continues to evaluate new opportunities to add to pipeline
- The LTL and PUD synergies are correlated to volume and pricing, meaning that as volumes increase, the synergies achieved would also increase

	Network Optimization (LTL Linehaul + LTL PUD)	Facilities Consolidation	SG&A and Other	Technology	Drayage / Brokerage	Total
Already Achieved	\$35.0	\$6.7	\$13.0	\$0.6	-	\$55.4
Estimated Total Opportunity	\$40.5	\$15.6	\$11.3	\$2.7	\$3.5	\$73.4
Estimated at Announcement	\$47.0	\$12.0	\$8.5	\$7.5	-	\$75.0



Notes: Annualized synergies excluding cost to achieve

Capital Structure Overview as of March 31, 2024

Debt paydown remains a key priority for management



- \$172M of cash
- \$340M RCF capacity⁽¹⁾

**\$512M of
Liquidity**



- \$1,045M of term loans mature in 2030
- \$725M of notes mature in 2031
- Currently in compliance with bank covenants⁽²⁾ (only applicable to RCF)

**No material
maturities
in next 5 years**



- Majority of debt would be exposed to a declining interest rate environment

**~60% Variable
Rate Debt**



- We are an asset-light business with low capital needs

**Capital Expenditures
1.1% of Q1 2024
Revenue**



Note: (1) Undrawn revolver balance
(2) See Appendix for bank covenant leverage calculation

Capital Allocation Roadmap

We remain committed to our previously announced capital allocation plan, focused on debt paydown



Appendix

Forward Air Standalone Non-GAAP Reconciliation

(\$ in millions)

EBITDA Reconciliation	2023	2022	2021	2020	2019
Net Income	\$43	\$179	\$107	\$37	\$77
Interest expense	32	5	4	5	3
Income tax expense (benefit)	14	63	36	11	26
Depreciation and amortization	57	43	35	33	35
Reported EBITDA	\$146	\$290	\$182	\$86	\$141
Vehicle liability reserve	-	2	-	-	-
Due diligence, integration and transaction costs	57	1	-	-	-
Change in fair value of contingent consideration	-	-	(0)	-	-
Professional fees for an operational improvement project	-	-	1	-	-
Professional fees for cybersecurity and shareholder engagement activities	-	-	7	-	-
Adjusted EBITDA	\$203	\$292	\$189	\$86	\$141



Omni Standalone Non-GAAP Reconciliation

(\$ in millions)

EBITDA Reconciliation	2023	2022	2021	2020	2019
Net Income	(\$243)	\$16	(\$3)	(\$11)	\$25
Interest expense	165	102	45	20	20
Income tax expense (benefit)	5	6	5	2	1
Depreciation and amortization	65	56	35	12	11
Reported EBITDA	(\$8)	\$180	\$83	\$23	\$58
Due diligence, integration and transaction costs	61	32	28	15	-
Other normalization EBITDA adjustments ⁽¹⁾	26	9	15	(8)	-
Severance	1	-	-	-	-
Change in fair value of contingent consideration	(13)	(18)	42	13	(26)
Adjusted EBITDA	\$67	\$203	\$168	\$42	\$32



Note: (1) Represents items considered non-operational or non-recurring such as non-recurring bad debt expenses, sponsor and board fees, FX gains and losses, and other non-recurring and non-cash expenses

Combined Company Non-GAAP Reconciliation

(\$ in millions)

EBITDA Reconciliation		Q1 2024
Net Income (Loss)		(\$89)
Interest expense		41
Income tax expense (benefit)		(18)
Depreciation and amortization		32
Reported EBITDA		(\$34)
Transaction and integration costs		58
Severance		6
Adjusted EBITDA		\$29

Operating Income Reconciliation		Q1 2024
Reported Operating Income (Loss)		(\$66)
Transaction and integration costs		58
Severance		6
Acquisition amortization		14
Adjusted Operating Income		\$13



Segment Level Non-GAAP Reconciliation

(\$ in millions)

Expedited Freight EBITDA Reconciliation	Q1 2024	Q1 2023
Income from Operations	\$19	\$30
Depreciation and amortization	10	8
Reported EBITDA	\$30	\$37

Intermodal EBITDA Reconciliation	Q1 2024	Q1 2023
Income from Operations	\$4	\$11
Depreciation and amortization	5	5
Reported EBITDA	\$8	\$16



Segment Level Non-GAAP Reconciliation (Cont'd)

(\$ in millions)

Omni EBITDA Reconciliation	Q1 2024 ⁽¹⁾	Q1 2023
Net Income	(\$86)	(\$56)
Interest expense	13	38
Income tax expense (benefit)	2	1
Depreciation and amortization	6	16
Reported EBITDA	(\$65)	(\$0)
Due diligence, integration and transaction costs	50	5
Other normalization EBITDA adjustments ⁽²⁾	0	7
Severance	6	0
Change in fair value of contingent consideration	-	8
Adjusted EBITDA	(\$9)	\$19



Note: (1) Pro forma for inclusion of Omni in full month of January
 (2) Represents items considered non-operational or non-recurring such as non-recurring bad debt expenses, sponsor and board fees, FX gains and losses, and other non-recurring and non-cash expenses

Covenant Leverage Reconciliation

(\$ in millions)

EBITDA Reconciliation	TTM (3/31/24)
Reported EBITDA	(\$10)
Due diligence, transaction and integration costs	222
Other normalization EBITDA adjustments	20
Other pro forma EBITDA adjustments	6
Share-based compensation	9
Severance	7
Change in fair value of contingent consideration	(21)
Run-rate of cost synergies ⁽¹⁾	68
Adjusted Covenant EBITDA	\$300
Outstanding balance of Term Loan, Notes, and Revolver	\$1,770
Outstanding balance of Finance Leases	51
(Cash available for netting)	(155) ⁽²⁾
Net Debt	\$1,666
Net Leverage Ratio	5.5x



Note: (1) Net of \$7.5M of cost synergies recorded in the reported EBITDA
 (2) \$155M of the Company's \$172M in cash can be netted against debt per the revolving credit facility agreement

