
**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): November 4, 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 Greenville 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 November 4, 2024, Forward Air Corporation (the "Company") issued a press release (the "Press Release") announcing its financial results for the three months ended September 30, 2024. On November 4, 2024, the Company also posted an Earnings Presentation (the "Earnings Presentation"), dated November 4, 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.

<u>No.</u>	<u>Exhibit</u>
99.1	Press Release of Forward Air Corporation, dated November 4, 2024
99.2	Forward Air Q3 2024 Earnings and Business Update Presentation Slides
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: November 4, 2024

FORWARD AIR CORPORATION

By: /s/ Jamie Pierson

Jamie Pierson
Chief Financial Officer



NEWS RELEASE

FORWARD AIR CORPORATION REPORTS THIRD QUARTER 2024 RESULTS

Focus pivoting from completing Omni integration and capturing cost synergies to global transformation

Stronger cash flow from operations led to increase in liquidity

Announces addition of new Chief Commercial Officer

GREENEVILLE, Tenn. – (BUSINESS WIRE) – November 4, 2024 – Forward Air Corporation (NASDAQ:FWRD) (the “Company”, “we”, “our”, or “us”) today reported financial results for the three months ended September 30, 2024, as presented in the tables below on a continuing operations basis, with the Company’s former Final Mile business being reported as discontinued operations.

“Our team continues to focus on harnessing the power of the combined legacy Forward and Omni companies as we begin the transition from integration to transformation and remain on schedule to capture the previously identified \$75 million of synergies by end of the first quarter of 2025,” said Shawn Stewart, Chief Executive Officer. “We also recently enhanced our operations by opening a new certified container freight station in Miami, enabling us to offer direct air and ocean import and export services in and out of South and Central America. Our new breath of end-to-end services has also led to several collective wins since closing the acquisition.

“Beyond the near-term synergy and sales wins, we are beginning to transform for longer-term success; a company that shares a common fabric and a common customer-first DNA. Going forward we will be working to collaborate across legacy entities, eliminate previously unidentified redundancies, automate and digitize repetitive processes and unifying under a new brand with a common goal and mission. Transforming a company of this size, complexity and geographic diversity is not an event and will take time, but I am confident in our strategy.

“Part of that strategy is strengthening our team with industry leading talent. To that end, I am excited to announce that we have hired a new Chief Commercial Officer who is slated to join us in January. He has over 20 years of experience in global logistics and is well prepared to collaborate with our customers. I am excited about his industry expertise and ability to hit the ground running in the first quarter of next year.

“Looking ahead, it is difficult to forecast the next freight cycle, but we remain focused on actively integrating and transforming the Company so we can be prepared to capitalize on the market upturn as a comprehensive vertical global logistics company with ground, air, ocean, contract logistics and customers brokerage services,” concluded Stewart.

Jamie Pierson, Chief Financial Officer added, “For the third quarter of 2024, we reported revenue of \$656 million and operating income of \$23 million. On a segment basis, Omni Logistics continued to improve and sequentially grew revenue and operating income. However, the Expedited Freight segment did not perform up to our expectations due largely to a decrease in year-over-year revenue per hundredweight, excluding fuel surcharge, which was primarily attributable to customer mix and the associated pricing. Revenue at the Intermodal segment was down but tight cost management strategies kept operating income essentially flat year-over-year.

“For the third quarter, Consolidated EBITDA (“Consolidated EBITDA”), a non-GAAP measure calculated pursuant to our Senior Secured Term Loan Credit Agreement (the “Credit Agreement”), was \$77 million compared to \$81 million last quarter showing resilience and stability in the face of a challenging macro environment. For the twelve months ending September 30, 2024, Consolidated EBITDA was \$307 million which resulted in an approximate \$32 million cushion under the Credit Agreement’s consolidated first lien net leverage ratio covenant.

“On the heels of robust operating cash flow, we ended the third quarter in a stronger liquidity position as cash increased \$33 million from the previous quarter and liquidity increased \$15 million to \$460 million. With the third quarter behind us, we expect 2024 Consolidated EBITDA guidance to \$300 to \$310 million, which reflects our expectation of continued softness in the overall macro environment.” noted Pierson.

(in thousands, except per share data)	Three Months Ended			
	September 30, 2024	September 30, 2023	Change	Percent Change
Operating revenue	\$ 655,937	\$ 340,976	\$ 314,961	92.4 %
(Loss) income from operations	\$ 22,697	\$ 11,689	\$ 11,008	94.2 %
Operating margin	3.5 %	3.4 %	10 bps	
Net (loss) income	\$ (34,198)	\$ 6,493	\$ (40,691)	(626.7)%
Net (loss) income per diluted share	\$ (2.62)	\$ 0.25	\$ (2.87)	(1,148.0)%
Cash (used in) provided by operating activities	\$ 52,597	\$ 24,666	\$ 27,931	113.2 %
<i>Non-GAAP Financial Measures: ¹</i>				
Consolidated EBITDA	\$ 76,997	\$ 92,714	\$ (15,717)	(17.0)%
Free cash flow	\$ 43,270	\$ 19,526	\$ 23,744	121.6 %

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 third quarter 2024 results on Monday, November 4, 2024 at 4:30 p.m. ET. 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 (800) 225-9448, Access Code: FWRDQ324.

A replay of the conference call will be available on the Investor Relations portion of the Company's website at ir.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 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		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Operating revenues:				
Expedited Freight	\$ 284,707	\$ 278,875	\$ 849,284	\$ 817,888
Intermodal	57,412	62,183	173,003	214,603
Omni Logistics	334,538	—	871,232	—
Eliminations and other operations	(20,720)	(82)	(52,103)	(184)
Operating revenues	<u>655,937</u>	<u>340,976</u>	<u>1,841,416</u>	<u>1,032,307</u>
Operating expenses:				
Purchased transportation	332,469	148,706	931,072	435,844
Salaries, wages and employee benefits	133,516	75,373	406,382	215,983
Operating leases	48,810	19,536	133,871	66,505
Depreciation and amortization	25,893	14,209	106,321	39,826
Insurance and claims	17,382	12,969	44,961	38,988
Fuel expense	4,855	5,845	15,960	16,733
Other operating expenses	55,564	52,649	234,175	133,218
Impairment of goodwill	14,751	—	1,107,465	—
Total operating expenses	<u>633,240</u>	<u>329,287</u>	<u>2,980,207</u>	<u>947,097</u>
Income (loss) from continuing operations:				
Expedited Freight	19,269	32,547	60,713	89,295
Intermodal	4,091	4,744	12,994	20,259
Omni Logistics	1,136	—	(1,133,323)	—
Other Operations	(1,799)	(25,602)	(79,175)	(24,344)
Income from continuing operations	<u>22,697</u>	<u>11,689</u>	<u>(1,138,791)</u>	<u>85,210</u>
Other expense:				
Interest expense, net	(52,770)	(2,655)	(140,788)	(7,595)
Foreign exchange (loss) gain	(2,812)	—	(1,912)	—
Other income (expense), net	(11)	—	38	—
Total other expense	<u>(55,593)</u>	<u>(2,655)</u>	<u>(142,662)</u>	<u>(7,595)</u>
(Loss) income before income taxes	(32,896)	9,034	(1,281,453)	77,615
Income tax (benefit) expense	1,302	2,541	(191,990)	20,091
Net (loss) income from continuing operations	(34,198)	6,493	(1,089,463)	57,524
(Loss) income from discontinued operation, net of tax	(1,137)	2,795	(6,013)	8,083
Net (loss) income	(35,335)	9,288	\$ (1,095,476)	\$ 65,607
Net income (loss) attributable to noncontrolling interest	38,073	—	(314,923)	—
Net (loss) income attributable to Forward Air	<u>\$ (73,408)</u>	<u>\$ 9,288</u>	<u>\$ (780,553)</u>	<u>\$ 65,607</u>
Net income per common share:				
Basic net (loss) income per share				
Continuing operations	\$ (2.62)	\$ 0.25	\$ (27.98)	\$ 2.20
Discontinued operation	(0.04)	0.11	(0.22)	0.31
Basic	<u>\$ (2.66)</u>	<u>\$ 0.36</u>	<u>\$ (28.20)</u>	<u>\$ 2.51</u>
Diluted net (loss) income per share				
Continuing operations	\$ (2.62)	\$ 0.25	\$ (27.98)	\$ 2.19
Discontinued operation	(0.04)	0.11	(0.22)	0.31
Diluted	<u>\$ (2.66)</u>	<u>\$ 0.36</u>	<u>\$ (28.20)</u>	<u>\$ 2.50</u>
Dividends per share:				
	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ —</u>	<u>\$ 0.72</u>
Net (loss) income				
Net (loss) income	\$ (35,335)	\$ 9,288	\$ (1,095,476)	\$ 65,607
Other comprehensive (loss) income:				
Foreign currency translation adjustments	176	—	(824)	—
Comprehensive (loss) income	<u>\$ (35,159)</u>	<u>\$ 9,288</u>	<u>\$ (1,094,652)</u>	<u>\$ 65,607</u>

Expedited Freight Segment Information
(In thousands)
(Unaudited)

Three Months Ended

	September 30, 2024	Percent of Revenue	September 30, 2023	Percent of Revenue	Change	Percent Change
Operating revenues:						
Network ¹	\$ 217,289	76.3 %	\$ 216,977	77.8 %	\$ 312	0.1 %
Truckload	43,635	15.3	38,800	13.9	4,835	12.5
Other	23,783	8.4	23,098	8.3	685	3.0
Total operating revenues	284,707	100.0	278,875	100.0	5,832	2.1
Operating expenses:						
Purchased transportation	140,035	49.2	129,850	46.6	10,185	7.8
Salaries, wages and employee benefits	59,426	20.9	56,682	20.3	2,744	4.8
Operating leases	15,556	5.5	14,392	5.2	1,164	8.1
Depreciation and amortization	10,481	3.7	9,022	3.2	1,459	16.2
Insurance and claims	11,672	4.1	9,533	3.4	2,139	22.4
Fuel expense	2,113	0.7	2,954	1.1	(841)	(28.5)
Other operating expenses	26,155	9.1	23,895	8.5	2,260	9.5
Total operating expenses	265,438	93.2	246,328	88.3	19,110	7.8
Income from operations	\$ 19,269	6.8 %	\$ 32,547	11.7 %	\$ (13,278)	(40.8)%

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		
	September 30, 2024	September 30, 2023	Percent Change
Business days	64	63	1.6 %
Tonnage ^{1,2}			
Total pounds	713,212	685,756	4.0
Pounds per day	11,144	10,885	2.4
Shipments ^{1,2}			
Total shipments	831	835	(0.5)
Shipments per day	13.0	13.3	(2.3)
Weight per shipment	858	821	4.5
Revenue per hundredweight ³	\$ 30.47	\$ 31.66	(3.8)
Revenue per hundredweight, ex fuel ³	\$ 24.09	\$ 24.20	(0.5)
Revenue per shipment ³	\$ 261.55	\$ 259.94	0.6
Revenue per shipment, ex fuel ³	\$ 206.73	\$ 198.71	4.0

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

	September 30, 2024	Percent of Revenue	September 30, 2023	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 57,412	100.0 %	\$ 62,183	100.0 %	\$ (4,771)	(7.7)%
Operating expenses:						
Purchased transportation	18,300	31.9	18,945	30.5	(645)	(3.4)
Salaries, wages and employee benefits	14,506	25.3	16,118	25.9	(1,612)	(10.0)
Operating leases	5,668	9.9	5,144	8.3	524	10.2
Depreciation and amortization	4,582	8.0	5,187	8.3	(605)	(11.7)
Insurance and claims	2,528	4.4	2,758	4.4	(230)	(8.3)
Fuel expense	1,942	3.4	2,892	4.7	(950)	(32.8)
Other operating expenses	5,795	10.0	6,395	10.3	(600)	(9.4)
Total operating expenses	53,321	92.9	57,439	92.4	(4,118)	(7.2)
Income from operations	\$ 4,091	7.1 %	\$ 4,744	7.6 %	\$ (653)	(13.8)%

Intermodal Operating Statistics

Three Months Ended

	September 30, 2024	September 30, 2023	Percent Change
Drayage shipments	62,616	68,576	(8.7) %
Drayage revenue per shipment	\$ 824	\$ 823	0.1 %

Omni Logistics Segment Information
(In thousands)
(Unaudited)

	Three Months Ended	
	September 30, 2024	Percent of Revenue
Operating revenue	\$ 334,538	100.0 %
Operating expenses:		
Purchased transportation	194,853	58.2
Salaries, wages and employee benefits	55,151	16.5
Operating leases	27,586	8.2
Depreciation and amortization	10,830	3.2
Insurance and claims	3,488	1.0
Fuel expense	800	0.2
Other operating expenses	25,943	7.8
Impairment of goodwill	14,751	4.4
Total operating expenses	333,402	99.7
Income from operations	\$ 1,136	0.3 %

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

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 136,616	\$ 121,969
Restricted cash and restricted cash equivalents	1,540	39,604
Accounts receivable, net	361,003	153,267
Other receivables	1,695	5,408
Prepaid expenses	31,174	25,682
Other current assets	13,053	1,098
Total current assets	545,081	347,028
Noncurrent restricted cash equivalents	—	1,790,500
Property and equipment	606,418	508,280
Less accumulated depreciation and amortization	281,636	250,185
Property and equipment, net	324,782	258,095
Operating lease right-of-use assets	355,139	111,552
Goodwill	716,071	278,706
Other acquired intangibles, net	1,033,352	134,789
Other assets	81,415	58,863
Total assets	\$ 3,055,840	\$ 2,979,533
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 157,230	\$ 45,430
Accrued expenses	135,590	62,948
Other current liabilities	49,571	71,727
Current portion of debt and finance lease obligations	16,741	12,645
Current portion of operating lease liabilities	89,566	44,344
Total current liabilities	448,698	237,094
Finance lease obligations, less current portion	32,731	26,736
Long-term debt, less current portion	1,673,292	—
Long-term debt held in escrow	—	1,790,500
Operating lease liabilities, less current portion	275,843	71,598
Liabilities under tax receivable agreement	36,797	—
Other long-term liabilities	42,423	47,144
Deferred income taxes	209,522	42,200
Shareholders' equity:		
Preferred stock	—	—
Common stock	287	257
Additional paid-in capital	528,255	283,684
Retained (deficit) earnings	(301,634)	480,320
Accumulated other comprehensive loss	(824)	—
Total Forward Air shareholders' equity	226,084	764,261
Noncontrolling interest	110,450	—
Total shareholders' equity	336,534	764,261
Total liabilities and shareholders' equity	\$ 3,055,840	\$ 2,979,533

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

	Three Months Ended	
	September 30, 2024	September 30, 2023
Operating activities:		
Net (loss) income from continuing operations	\$ (34,198)	\$ 6,493
Adjustments to reconcile net (loss) income of continuing operations to net cash (used in) provided by operating activities of continuing operations		
Depreciation and amortization	25,893	14,209
Impairment of goodwill	14,751	—
Share-based compensation expense	2,901	2,774
Provision for revenue adjustments	602	1,214
Deferred income tax (benefit) expense	(33,552)	17
Other	(730)	688
Changes in operating assets and liabilities, net of effects from the purchase of acquired businesses:		
Accounts receivable	8,215	(17,723)
Other receivables	628	—
Other current and noncurrent assets	38,422	(7,000)
Accounts payable and accrued expenses	29,665	23,994
Net cash provided by operating activities of continuing operations	52,597	24,666
Investing activities:		
Proceeds from sale of property and equipment	1,087	104
Purchases of property and equipment	(10,414)	(5,244)
Other	(145)	—
Net cash used in investing activities of continuing operations	(9,472)	(5,140)
Financing activities:		
Repayments of finance lease obligations	(6,212)	(2,917)
Payments on credit facility	—	(375)
Payment of debt issuance costs	(1,443)	—
Payments of dividends to shareholders	—	(6,198)
Repurchases and retirement of common stock	—	(14,019)
Proceeds from common stock issued under employee stock purchase plan	(14)	—
Payment of minimum tax withholdings on share-based awards	(211)	(23)
Contributions from subsidiary held for sale	—	4,568
Net cash used in financing activities of continuing operations	(7,880)	(18,964)
Effect of exchange rate changes on cash	(607)	—
Net increase in cash, cash equivalents, restricted cash, and restricted cash equivalents from continuing operations	34,638	562
Cash from discontinued operation:		
Net cash (used in) provided by operating activities of discontinued operation	(1,137)	5,199
Net cash used in investing activities of discontinued operation	—	(599)
Net cash used in financing activities of discontinued operation	—	(4,600)
Net increase in cash, cash equivalents, restricted cash and restricted cash equivalents	33,501	562
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period of continuing operations	104,655	18,281
Cash at beginning of period of discontinued operation	—	—
Net increase in cash, cash equivalents, restricted cash and restricted cash equivalents	33,501	562
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period of continuing operations	\$ 138,156	\$ 18,843

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

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Operating activities:		
Net (loss) income from operations	\$ (1,089,463)	\$ 57,524
Adjustments to reconcile net income of operations to net cash provided by operating activities of operations		
Depreciation and amortization	106,321	39,826
Impairment of goodwill	1,107,465	—
Share-based compensation expense	8,088	8,570
Provision for revenue adjustments	2,761	4,026
Deferred income tax (benefit) expense	(197,156)	2,199
Other	5,739	(1,045)
Changes in operating assets and liabilities, net of effects from the purchase of acquired businesses:		
Accounts receivable	(34,050)	20,967
Other receivables	6,159	—
Other current and noncurrent assets	(18,215)	3,609
Accounts payable and accrued expenses	58,024	6,444
Net cash (used in) provided by operating activities	(44,327)	142,120
Investing activities:		
Proceeds from sale of property and equipment	2,493	3,275
Purchases of property and equipment	(29,810)	(22,080)
Purchase of a business, net of cash acquired	(1,565,242)	(56,703)
Other	(319)	—
Net cash used in investing activities	(1,592,878)	(75,508)
Financing activities:		
Repayments of finance lease obligations	(15,339)	(6,840)
Proceeds from credit facility	—	45,000
Payments on credit facility	(80,000)	(31,125)
Payment of debt issuance costs	(62,034)	—
Payment of earn-out liability	(12,247)	—
Payments of dividends to shareholders	—	(18,798)
Repurchases and retirement of common stock	—	(93,811)
Proceeds from common stock issued under employee stock purchase plan	355	421
Payment of minimum tax withholdings on share-based awards	(1,572)	(4,315)
Contributions from (distributions to) subsidiary held for sale	—	15,877
Net cash used in financing activities	(170,837)	(93,591)
Effect of exchange rate changes on cash	138	—
Net (decrease) increase in cash and cash equivalents	(1,807,904)	(26,979)
Cash from discontinued operation:		
Net cash (used in) provided by operating activities of discontinued operation	(6,013)	17,311
Net cash used in investing activities of discontinued operation	—	(1,338)
Net cash used in financing activities of discontinued operation	—	(15,973)
Net decrease in cash and cash equivalents	(1,813,917)	(26,979)
Cash and cash equivalents at beginning of period	1,952,073	45,822
Cash and cash equivalents at end of period	\$ 138,156	\$ 18,843

Forward Air Corporation Reconciliation of Non-GAAP Financial Measures

In this press release, the Company includes financial measures that are derived on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States (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 September 30, 2024 and 2023, this press release contains the following non-GAAP financial measures: earnings before interest, taxes, depreciation and amortization ("EBITDA"), and free cash flow.

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 is also providing Consolidated EBITDA calculated in accordance with our credit agreement as we believe it provides investors with important information regarding our financial condition and compliance with our obligations under our credit agreement.

Non-GAAP financial measures should be viewed in addition to, and not as an alternative to or substitute for, the Company's financial results prepared in accordance with GAAP. The Company has included, for the periods indicated, a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliations of the non-GAAP measures to their most directly comparable U.S. GAAP measures set forth below.

With respect to the 2024 Consolidated EBITDA guidance, please note that the Company is not providing a quantitative reconciliation of Consolidated EBITDA to Net Income because it is not available without unreasonable efforts. The Company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliation, or to quantify the probable significance of these items. The adjustments required for any such reconciliation of the Company's forward-looking non-GAAP financial measures cannot be accurately forecast by the Company, and therefore the reconciliation has been omitted.

The following is a reconciliation of net income to Consolidated EBITDA for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Income (loss) from continuing operations	\$ (34,198)	\$ 6,493	\$ (1,089,463)	\$ 57,524
Interest expense	52,770	2,655	140,788	7,595
Income tax (benefit) expense	1,302	2,541	(191,990)	20,091
Depreciation and amortization	25,893	14,209	106,321	39,826
Reported EBITDA	45,767	25,898	(1,034,344)	125,036
Impairment of goodwill	14,751	—	1,107,465	—
Transaction and integration costs	(549)	22,371	71,393	27,871
Severance costs	2,829	158	14,414	319
Cost synergies	7,267	—	23,518	—
RIF cost savings	—	5,509	10,576	15,875
Other	6,932	1,485	19,858	2,328
Pro forma -Omni adjusted EBITDA	—	37,293	—	128,574
Consolidated EBITDA	\$ 76,997	\$ 92,714	\$ 212,880	\$ 300,003

The following is a reconciliation of net cash provided by operating activities to free cash flow for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net cash provided by (used in) operating activities of continuing operations	\$ 52,597	\$ 24,666	\$ (44,327)	\$ 142,120
Proceeds from sale of property and equipment	1,087	104	2,493	3,275
Purchases of property and equipment	(10,414)	(5,244)	(29,810)	(22,080)
Free cash flow	\$ 43,270	\$ 19,526	\$ (71,644)	\$ 123,315

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 expectations regarding the Company’s long-term growth; ability to achieve and accelerate synergy capture and eliminate costs from our structure; expectations regarding the Company’s expedited freight business; ability to achieve the intended benefits of the acquisition of Omni Logistics, including any revenue and cost synergies; the Company’s expectations regarding the Company’s financial performance, including Consolidated EBITDA, and the impact it may have on the business and results of operations; and expectations regarding the Company’s revenue growth strategies, including with respect to operational efficiency and cost control.

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 unduly 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 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 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.

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Forward Air

3Q24 Earnings Presentation

November 4, 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 expectations regarding the freight market, including any anticipated growth in the less-than-truckload sector; ability to achieve and timing of capturing the intended benefits of the acquisition of Omni Logistics, including any revenue and cost synergies; ability to improve liquidity; expectations regarding offering direct air and ocean services to certain regions and worldwide; ability to delever and focus on debt repayment; expectations regarding the timing and impact of forecasted or anticipated savings and ability to reach the run rate; Forward's ongoing commitment to provide excellent service to its customers; 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 and retain its customer base, including the anticipated revenue generated from new customers; ability to run operations on a predictive and data-driven basis; capital allocation strategies, including the result of any portfolio review and expectations regarding our Consolidated EBITDA for the 2024 calendar year. 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 Consolidated EBITDA, Consolidated EBITDA Margin, Consolidated EBITDA excluding RIF, Net Leverage Ratio, 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. The Company is also providing Consolidated EBITDA and Net Leverage Ratio calculated in accordance with Forward's credit agreement as we believe it provides investors with important information regarding our liquidity, financial condition and compliance with our obligations under our credit agreement.



All figures throughout presentation in \$ millions where applicable

AGENDA

- 01 3Q24 Highlights
- 02 LTL KPIs
- 03 Integration Update
- 04 Leverage and Liquidity
- 05 Cash Flow
- 06 Capital Allocation / Deleveraging
- 07 Conclusion

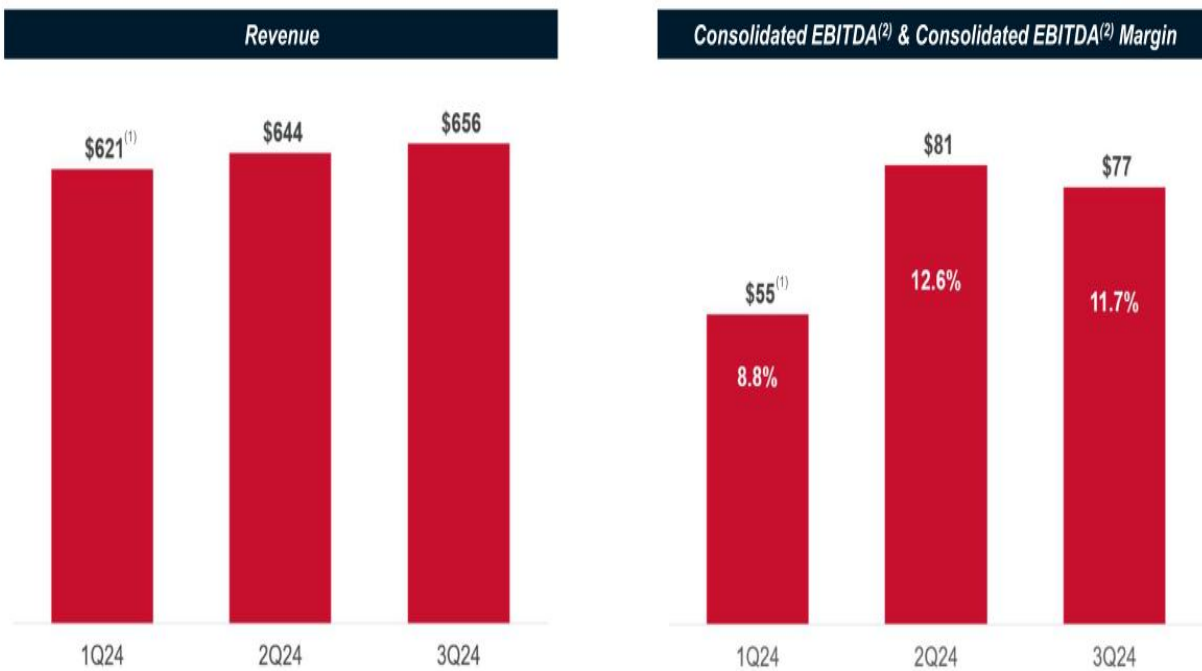


3Q24 Performance Steady Amidst Challenging Market Backdrop



1. Non-GAAP financial measure. Please note that this is calculated pursuant to our credit agreement
2. Includes \$2M of restricted cash and \$15M of cash in foreign subsidiaries

Sequential improvement at Omni segment largely offset by customer mix at Expedited segment



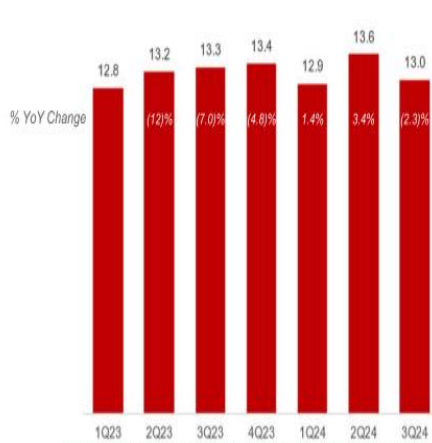
1. Transaction-adjusted for Omni acquisition calculated in accordance with Article 11 of Regulation S-X. For more information, please see our 8-K filed on June 10, 2024

2. Non-GAAP financial measure. Please note that Consolidated EBITDA is calculated pursuant to credit agreement

Legacy Forward Air LTL Metrics Stable to Improving

Shipments per Day

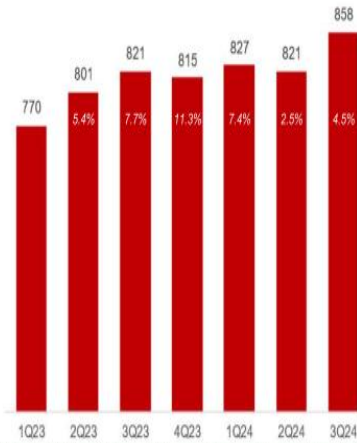
In 000's



- 3Q24 shipments per day of 13K with a 2.3% YoY decrease
- Driven by overall volume decrease in the market and efforts to improve productivity and profitability with greater revenue and profit per shipment vs overall shipment volume

Weight per Shipment

In pounds



- 3Q24 weight per shipment of 858 pounds with a 4.5% YoY increase
- Driven by strategic pricing decisions to target higher weight shipments (fewer minimums) and increase shipment density

Revenue per Shipment Excluding Fuel

In \$'s

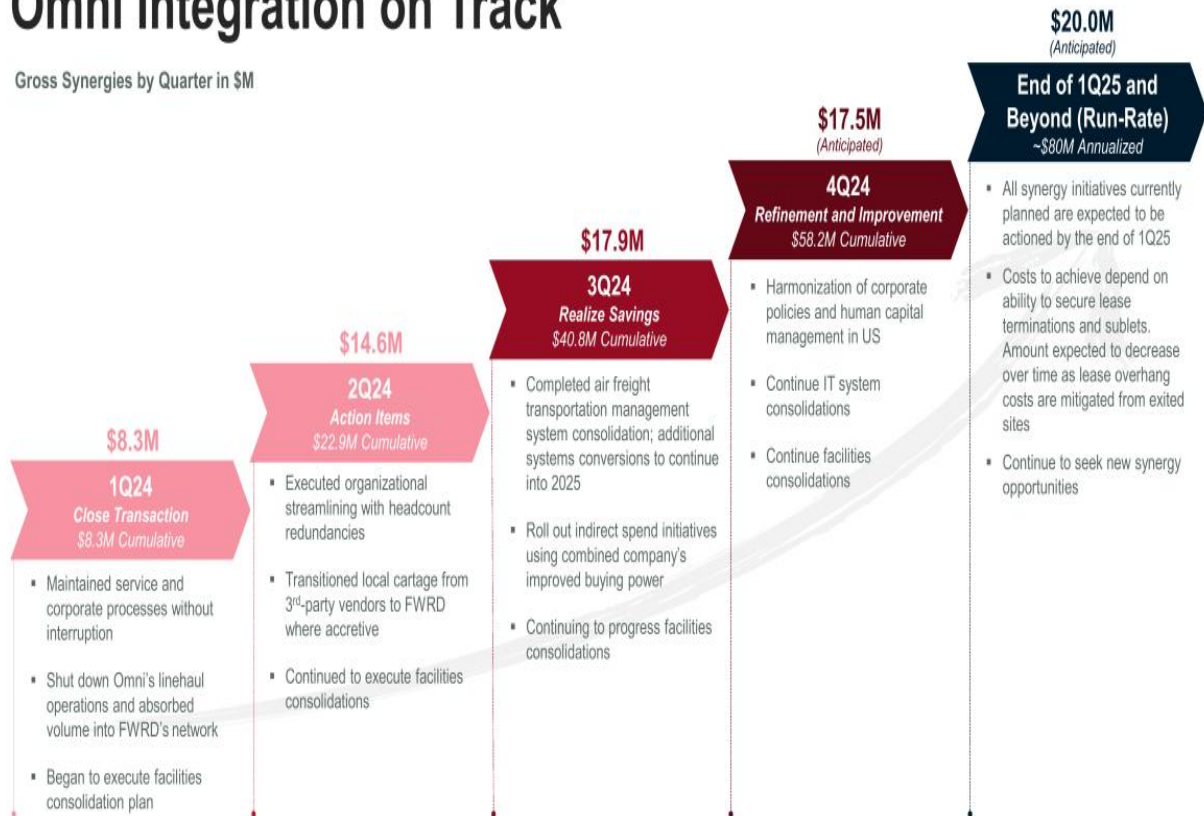


- 3Q24 revenue per shipment, ex fuel of \$207 with a 4.0% YoY increase
- Driven by the corrective pricing actions focused on updated DOE costing methodology and contribution margin management. Negative and low contribution margin accounts are proactively being managed, rerated, or canceled.

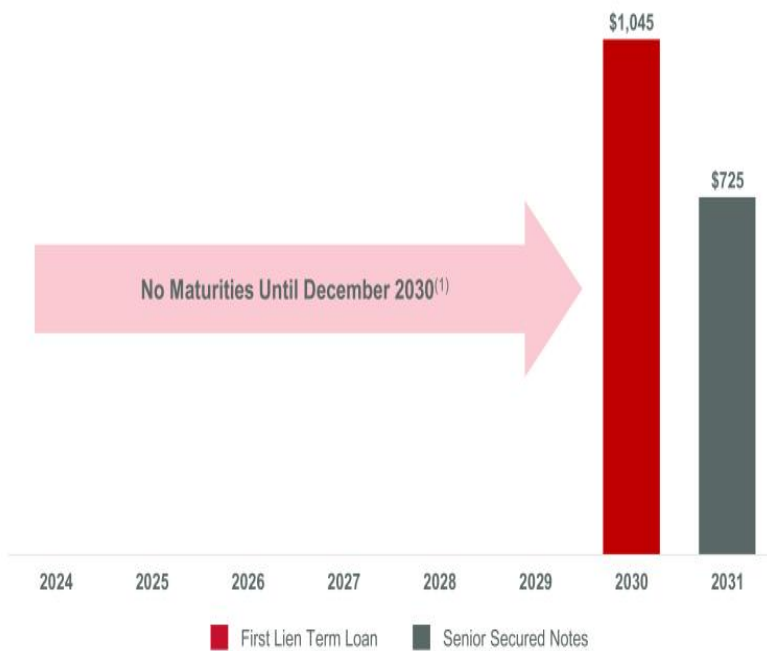


Omni Integration on Track

Gross Synergies by Quarter in \$M



No Maturities Over Next 5 Years⁽¹⁾



Key Commentary

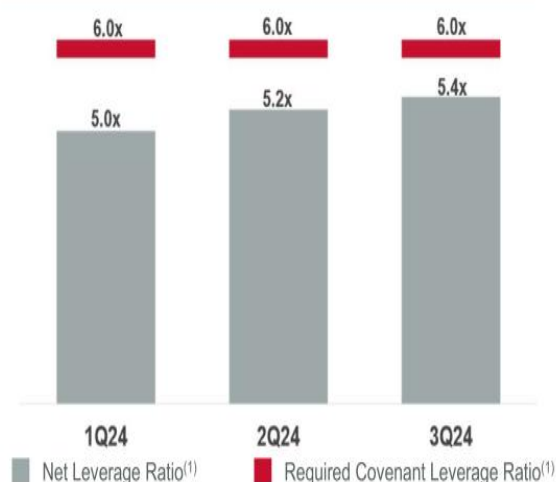
- No material maturities within the next 5 years⁽¹⁾
- Long period of time to effectuate integration and transformation and garner benefits of combination



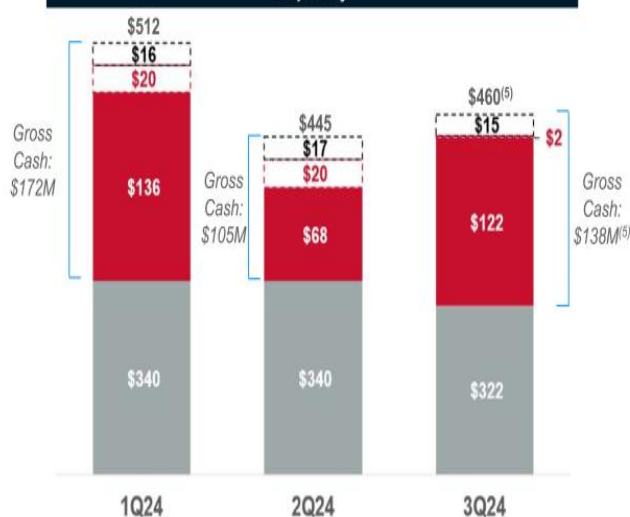
1. Excludes January 2029 maturity of Revolving Credit Facility (undrawn as of 3Q24)

Deleveraging Remains a Key Priority for Management Through Potential Asset Sales and Operational Improvement

Net Leverage⁽¹⁾



Liquidity



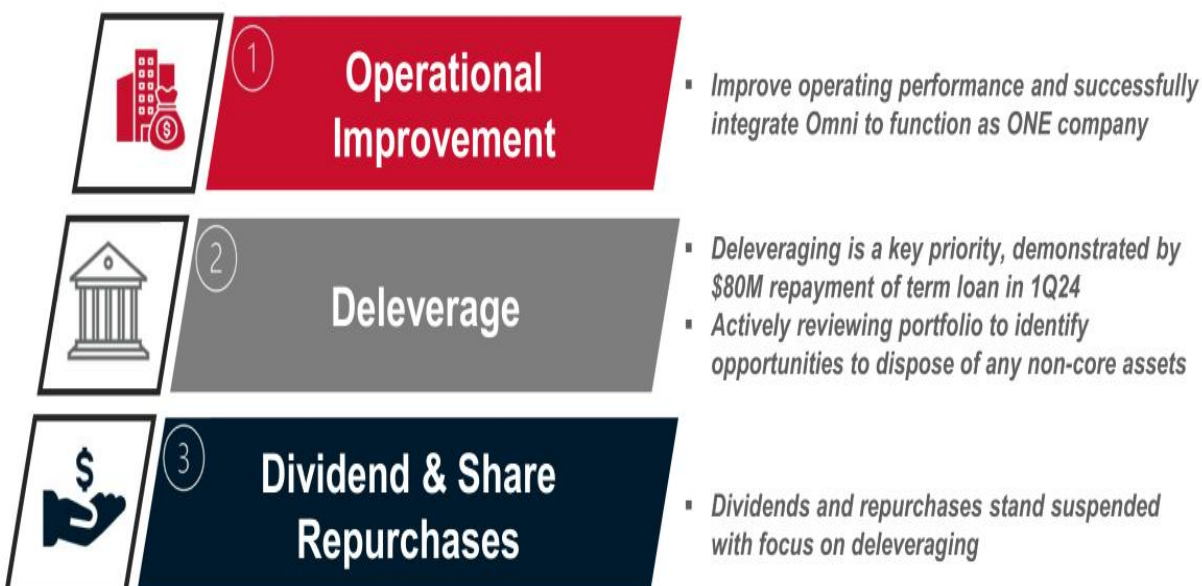
Term Loan B	\$1,045	\$1,045	\$1,045
Senior Sec. Notes	\$725	\$725	\$725
First Lien Debt ⁽²⁾	\$1,770	\$1,770	\$1,770
Net Cash ⁽³⁾	\$136	\$68	\$122
Net Debt	\$1,634	\$1,702	\$1,648
Consolidated LTM EBITDA ⁽¹⁾	\$324	\$325	\$307

Revolving Credit Facility⁽⁴⁾
 Restricted Cash Deduction
 Net Cash
 Foreign Subsidiary Deduction

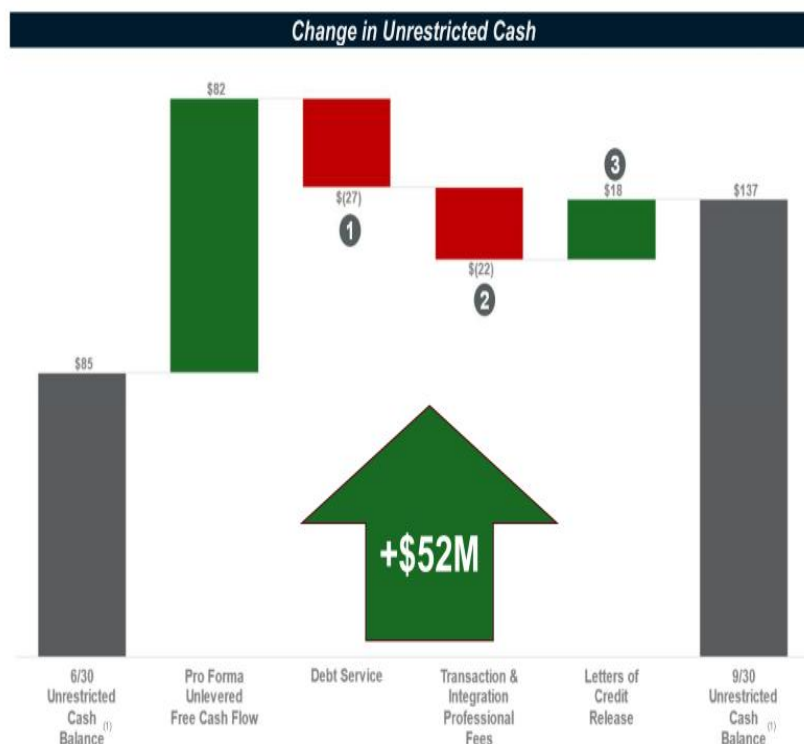


1. Non-GAAP financial measure. Please note that is calculated pursuant to our credit agreement.
2. Includes Term Loan, Senior Secured Notes, and Revolving Credit Facility; excludes finance leases
3. Excludes foreign subsidiaries and restricted cash
4. Undrawn revolver balance
5. Totals may not foot due to rounding

Remain Committed to Previously Announced Capital Allocation Plan with a Focus on Improving Performance



Significant Increase of Unrestricted Cash in 3Q24



Free Cash Flow

Pro Forma Unlevered Free Cash Flow	\$	82
¹ (-) Debt Service		(27)
Pro Forma Levered Free Cash Flow	\$	55
² (-) Transaction/Integration Fees		(22)
³ (+) LC Release		18
Net Change in Unrestricted Cash	\$	52

Key Commentary

- ¹ \$27M Term Loan B interest payment
- ² Professional fees associated with Omni transaction, integration, and other non-recurring items
- ³ Increased in unrestricted cash related to previously cash collateralized letters of credit moved onto revolving credit facility



1. Amounts exclude letters of credit restricted cash collateral

3Q24 Summary

Integration and Cost Reductions Progressing Cash and Liquidity Increasing



Completed transaction in 1Q24



Actioned cost reduction items in late 1Q24 and 2Q24



Brought in new senior leadership in April and May



Transforming from separate legal entity driven organizations to a product, service and operations driven team with stronger back-office support, process and procedure



Continuing as an industry leader in on-time service and claims rates



Steady 3Q24 financial performance in the face of challenging market backdrop



Cash flow inflected positive in 3Q24



Deleveraging remains focused via asset rationalization and improved performance



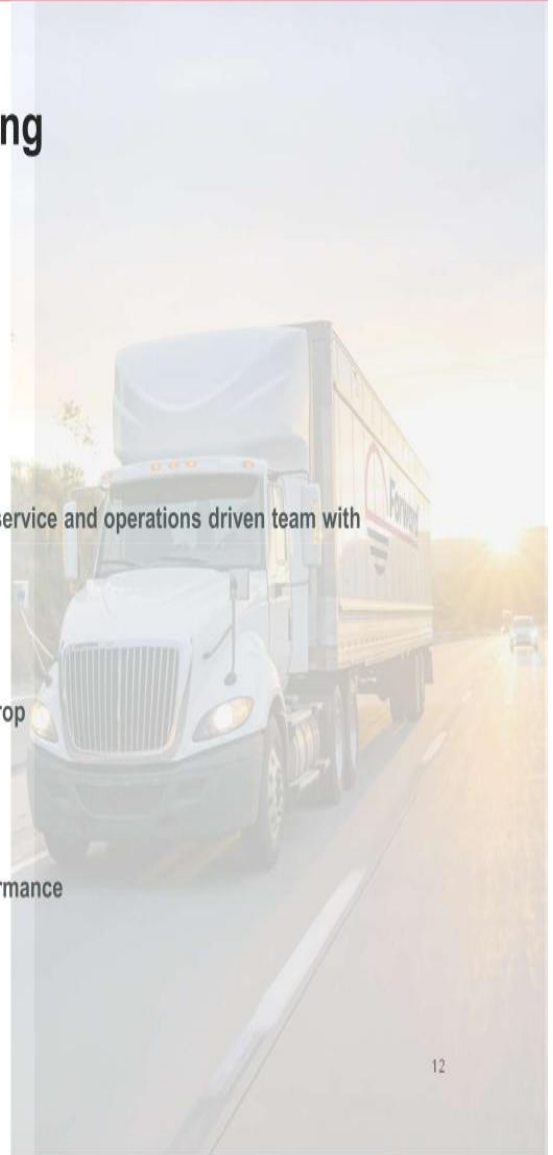
Ended 3Q24 in strong liquidity position



Forward



Omni Logistics





Appendix



Covenant Leverage Reconciliation

Consolidated EBITDA Reconciliation	4Q23	1Q24	2Q24	3Q24	TTM (9/30/2024)
Net Income	\$30	(\$159) ¹	(\$971)	(\$35)	(\$1,136)
Business Dispositions (Final Mile)	(117)	(0)	5	1	(111)
Impairment Charge / Asset Write-Off	0	0	1,099	15	1,114
Omni Merger Transaction Costs	61	96	2	(11) ²	148
Other (Severance, Retention, change in Fair Value etc.)	(20)	43	34	19	76
Consolidated Net Income	(\$46)	(\$21)	\$169	(\$12)	\$90
Net Interest Expense	67	53	47	53	221
Taxes	0	(16)	(180)	3	(193)
Depreciation and Amortization	33	20	37	26	115
Trans. Expenses, Integration Costs, & Other Normalizing	15	2	(2)	3	18
Pro Forma Cost Synergies	19	11	6	5	40
Consolidated EBITDA Excluding RIF¹	\$88	\$49	\$76	\$77	\$290
PF September 2024 Headcount Reduction Savings	6	6	5	0	16
Consolidated EBITDA³	\$94	\$55	\$81	\$77	\$307
Consolidated First Lien Indebtedness ⁴					1,770
Net Cash and Cash Equivalents ⁵					(122)
Net Debt					\$1,648
Consolidated First Lien Net Leverage Ratio					5.4x

1. Non-GAAP financial measure. Reconciliations and other information required by Regulation G can be found in the Appendix section of the presentation

2. Reversal of previously expensed debt issuance costs that were reversed and capitalized in 3Q24

3. Non-GAAP financial measure. Please note that Consolidated EBITDA is calculated pursuant to our credit agreement

4. As defined in the RCFTL (Revolving Credit Facility Term Loan) credit agreement, represents total amount of debt outstanding, including Term Loan, Senior Secured Notes, and Revolving Credit Facility; excludes finance leases

5. As defined in the RCFTL credit agreement, excludes foreign subsidiaries of \$15M (3Q24) and restricted cash of \$2M (3Q24)



Net Income to Consolidated EBITDA⁽¹⁾ Reconciliation

Consolidated EBITDA Reconciliation	4Q23	1Q24	2Q24	3Q24
Net (loss) income from continuing operations	\$3	(\$89)	(\$966)	(\$34)
Interest expense	24	41	47	53
Income tax (benefit) expense	(6)	(18)	(175)	1
Depreciation and amortization	18	32	49	26
Reported EBITDA	\$39	(\$35)	(\$1,046)	\$46
Impairment of goodwill	--	--	1,093	15
Transaction and integration costs	30	62	10	(1)
Severance costs	--	8	4	3
Cost synergies	--	11	6	5
RIF cost savings	6	6	5	--
Other	3	3	9	9
Pro forma -Omni adjusted EBITDA	16	--	--	--
Consolidated EBITDA	\$94	\$55	\$81	\$77



1. Non-GAAP financial measure.

FY2024 YTD Segment Performance – Omni Logistics

	1Q24	2Q24	3Q24	YTD FY24
Omni Logistics				
Operating revenue	\$225	\$312	\$335	\$871
Operating expenses				
Purchased transportation	144	179	195	518
Salaries, wages, and employee benefits	49	58	55	161
Operating leases	19	27	28	73
Depreciation and amortization	17	33	11	61
Insurance and claims	2	3	3	8
Fuel expense	0	1	1	2
Other operating expenses	22	25	26	73
Impairment of goodwill	-	1,093	15	1,107
Total operating expenses	253	1,418	333	2,005
Income (loss) from operations	(\$29)	(\$1,106)	\$1	(\$1,133)
(+) Impairment of goodwill	-	1,093	15	1,107
Adjusted income (loss) from operations	(\$29)	(\$13)	\$16	(\$26)



FY2024 YTD Segment Performance – Expedited Freight

	1Q24	2Q24	3Q24	YTD FY24
Expedited Freight				
Operating revenue	\$273	\$291	\$285	\$849
Operating expenses				
Purchased transportation	128	143	140	410
Salaries, wages, and employee benefits	63	64	59	186
Operating leases	15	15	16	45
Depreciation and amortization	10	11	10	31
Insurance and claims	11	11	12	33
Fuel expense	3	2	2	7
Other operating expenses	25	24	26	75
Total operating expenses	254	269	265	789
Income (loss) from operations	\$19	\$22	\$19	\$61



FY2024 YTD Segment Performance – Intermodal

	1Q24	2Q24	3Q24	YTD FY24
Intermodal				
Operating revenue	\$56	\$59	\$57	\$173
Operating expenses				
Purchased transportation	17	19	18	55
Salaries, wages, and employee benefits	15	15	15	44
Operating leases	5	5	6	15
Depreciation and amortization	5	5	5	14
Insurance and claims	3	3	3	8
Fuel expense	2	2	2	7
Other operating expenses	6	6	6	17
Total operating expenses	53	54	53	160
Income (loss) from operations	\$4	\$5	\$4	\$13



GAAP to Non-GAAP Reconciliation

Pro Forma Net Income Reconciliation	1Q24
1Q 2024 Reported Net Income	(\$89)
Standalone Omni (January 1 – January 24, 2024) Net Income	(71)
Pro Forma 1Q24 Net Income	(\$159)



