ArcBest

Earnings Presentation

1Q'22

Forward Looking Statements

Certain statements and information in this presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding (i) our expectations about our intrinsic value or our prospects for growth and value creation and (ii) our financial outlook, position, strategies, goals, and expectations. Terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “foresee,” “intend,” “may,” “plan,” “predict,” “project,” “scheduled,” “should,” “would,” and similar expressions and the negatives of such terms are intended to identify forward-looking statements. These statements are based on management’s beliefs, assumptions, and expectations based on currently available information, are not guarantees of future performance, and involve certain risks and uncertainties (some of which are beyond our control). Although we believe that the expectations reflected in these forward-looking statements are reasonable as and when made, we cannot provide assurance that our expectations will prove to be correct. Actual outcomes and results could materially differ from what is expressed, implied, or forecasted in these statements due to a number of factors, including, but not limited to: the effects of widespread outbreak of an illness or disease, including the COVID-19 pandemic, or any other public health crisis, as well as regulatory measures implemented in response to such events; external events which may adversely affect us or the third parties who provide services for us, for which our business continuity plans may not adequately prepare us, including acts of war or terrorism or military conflicts; a failure of our information systems, including disruptions or failures of services essential to our operations or upon which our information technology platforms rely, data breach, and/or cybersecurity incidents; interruption or failure of third-party software or information technology systems or licenses; untimely or ineffective development and implementation of, or failure to realize potential benefits associated with, new or enhanced technology or processes, including the pilot test program at ABF Freight; the loss or reduction of business from large customers; the ability to manage our cost structure, and the timing and performance of growth initiatives; the cost, integration, and performance of any recent or future acquisitions, including the acquisition of MoLo Solutions, LLC, and the inability to realize the anticipated benefits of the acquisition within the expected time period or at all; market fluctuations and interruptions affecting the price of our stock or the price or timing of our share repurchase programs; maintaining our corporate reputation and intellectual property rights; nationwide or global disruption in the supply chain increasing volatility in freight volumes; competitive initiatives and pricing pressures; increased prices for and decreased availability of new revenue equipment, decreases in value of used revenue equipment, and higher costs of equipment-related operating expenses such as maintenance, fuel, and related taxes; availability of fuel, the effect of volatility in fuel prices and the associated changes in fuel surcharges on securing increases in base freight rates, and the inability to collect fuel surcharges; relationships with employees, including unions, and our ability to attract, retain, and develop employees; unfavorable terms of, or the inability to reach agreement on, future collective bargaining agreements or a workforce stoppage by our employees covered under ABF Freight’s collective bargaining agreement; union employee wages and benefits, including changes in required contributions to multiemployer plans; availability and cost of reliable third-party services; our ability to secure independent owner operators and/or operational or regulatory issues related to our use of their services; litigation or claims asserted against us; governmental regulations; environmental laws and regulations, including emissions-control regulations; default on covenants of financing arrangements and the availability and terms of future financing arrangements; self-insurance claims and insurance premium costs; potential impairment of goodwill and intangible assets; general economic conditions and related shifts in market demand that impact the performance and needs of industries we serve and/or limit our customers’ access to adequate financial resources; increasing costs due to inflation; seasonal fluctuations and adverse weather conditions; and other financial, operational, and legal risks and uncertainties detailed from time to time in ArcBest Corporation’s public filings with the Securities and Exchange Commission (the “SEC”).

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events, or otherwise.

ArcBest Announces Record First Quarter 2022 Results – Supporting a Solid Three-Point Strategy

1 Expand Revenue Opportunities

Deepen customer relationships

Secure new customers

✓

2 More Balanced Business Mix

Accelerate Asset-Light growth

Continue to grow Asset-Based business

✓

3 Optimize Cost Structure

Advance adoption of innovative technologies

✓

Accelerating growth through a customer focus and investment in people, solutions and technology – generating enhanced shareholder value

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STRONG PERFORMANCE ENABLES INVESTMENT FOR GROWTH

Double-Digit Revenue Growth

YOY daily revenue growth in Asset-Based 26% and Asset-Light 115% segments

High Demand

From customers for all solutions

INVESTMENT IN:

People

Solutions

Technology

Future Growth

Integration

MoLo integration progressing well and on track for previously shared financial goals

Innovation

Partnership with Phantom Auto progressing well with 2H22 customer pilots scheduled

Q1 2022

Key Metrics

ARCBEST CONSOLIDATED

1) First quarter 2022 comparisons are to first quarter 2021.
2) See non-GAAP reconciliation in the Additional Information section of this presentation.

$1.3B

Revenue

↑ 60% per day YOY [1]

$108.6M

Non-GAAP Operating Income [2]

↑ 166% YOY [1]

$3.08/diluted share

Non-GAAP Net Income [2]

↑ 191% YOY [1]

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Q1 2022

Key Metrics

ASSET-BASED

1) First quarter 2022 comparisons are to first quarter 2021.
2) See non-GAAP reconciliation in the Additional Information section of this presentation.

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$705M

Revenue

26% per day YOY[1]

$87.0M

Non-GAAP Operating Income[1]

136% YOY[1]

87.7%

Non-GAAP Operating Ratio[2]

570 bps YOY improvement [1]

Daily Tonnage

3.6% YOY[1]

Daily Shipments

0.2% YOY[1]

Total Billed Rev/Cwt

21.1% YOY[1]

9.0%

Average Increase on Contract Renewals and Deferred Pricing Agreements

340 bps [1]

APRIL 2022

Key Metrics

ASSET-BASED

1) April 2022 comparisons are to April 2021.

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APRIL 2022
PRELIMINARY

Daily Billed Revenue

23% YOY(1)

Total Billed Rev/CWT

21% YOY(1)

Total Billed Rev/Shipment

22% YOY(1)

Daily Tonnage

2% YOY(1)

Daily Shipments

1% YOY(1)

Total Weight/Shipment

1% YOY(1)

Q1 2022

Key Metrics

ASSET-LIGHT[1]

1) The ArcBest and FleetNet reportable segments, combined, represent Asset-Light operations.
2) First quarter 2022 comparisons are to first quarter 2021.
3) See non-GAAP reconciliation in the Additional Information section of this presentation.
4) Asset-Light ArcBest Operating Segment, excluding FleetNet. April 2022 comparisons are to April 2021.

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$674M

Revenue

115% per day YOY [2]

$26.9M

Non-GAAP Operating Income[3]

163% YOY [2]

$29.3M

Adjusted EBITDA[3]

142% YOY [2]

APRIL 2022 PRELIMINARY YOY[4]

Daily Revenue 124% YOY

BALANCED CAPITAL ALLOCATION

INVESTMENTS IN GROWTH AND OPERATING INITIATIVES

- **Capital investments consistent with organic growth strategy**

  2022 Projected Net Capital Expenditures: $270M - $290M

  - Revenue equipment (tractors and trailers), dock equipment and technology to maintain optimal total cost of ownership and to increase growth capacity
  - Asset-Based network and facility upgrades, expansion and additions. Multi-year investment plan to increase growth capacity, improve energy efficiency and enhance work environment for employees

- **Innovation and technology investments, partnerships and pilots for revenue growth and cost optimization**
- **Continual evaluation of M&A Opportunities**

RETURN OF CAPITAL TO SHAREHOLDERS

- **Share Repurchase Program:**
  - Completed $100M ASR in Jan. 2022
  - Repurchased an additional $17M during 1st Quarter 2022
  - Increased repurchase amount to $75M – 4/28/22
- **Dividend Program:** $0.48 per share (annual) – As of 4/28/22

MAINTAIN SOLID FINANCIAL POSITION

- **TTM EBITDA:** $494M[1]
- **Liquidity:** $303M[2]
- **Net Debt:** $158M[2]
- **Debt Maintenance:** 0.3X Debt[2] (net) to EBITDA[1]

Strong balance sheet and free cash flow provide flexibility to invest in the business and increase returns for shareholders

1) Trailing 12 months ending March 31, 2022.
2) As of March 31, 2022.

ARCBEST'S CUSTOMER-LED STRATEGY YIELDS RESULTS

5x

Revenue per account is over 5X higher on cross-sold accounts

9%

Retention rates are 9 percentage points higher on cross-sold accounts

>75%

Over 75% of revenue came from digitally connected customers

4x

Profit per account is over 4X higher on cross-sold accounts

>60%

Over 60% of our customers who use asset-light services also utilize our asset-based services

Three-Point Strategy Continues to Deliver Shareholder Value & Drive Business Growth

1

Expand Revenue Opportunities

Deepen customer relationships

Secure new customers

✓

2

More Balanced Business Mix

Accelerate Asset-Light growth

Continue to grow Asset-Based business

✓

3

Optimize Cost Structure

Advance adoption of innovative technologies

✓

ENHANCED SHAREHOLDER VALUE

ArcBest

Q & A

ADDITIONAL INFORMATION

Reconciliations of GAAP to Non-GAAP Financial Measures

(Unaudited)

Note: ArcBest Corporation reports its financial results in accordance with generally accepted accounting principles ("GAAP"). However, management believes that certain non-GAAP performance measures utilized for internal analysis provides analysts, investors, and others the same information that we use internally for purposes of assessing our core operating performance and provides meaningful comparisons between current and prior period results, as well as important information regarding performance trends. Accordingly, using these measures improves comparability in analyzing our performance because it removes the impact of items from operating results that, in management's opinion, do not reflect our core operating performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results. These financial measures should not be construed as better measurements than operating income, operating cash flow, net income or earnings per share, as determined under GAAP.

Reconciliations of GAAP to Non-GAAP Financial Measures

(Unaudited)

ARCBEST CORPORATION - CONSOLIDATED	Three Months Ended March 31	
Millions ($000,000), except per share data	**2022**	**2021**
Operating Income		
Amounts on a GAAP basis	**$ 94.9**	**$ 32.2**
Innovative technology costs, pre-tax (1)	9.7	7.7
Purchase accounting amortization (2)	3.2	0.9
Change in fair value of contingent consideration (3)	0.8	-
Non-GAAP amounts	$108.6	$ 40.8
Net Income		
Amounts on a GAAP basis	**$ 69.6**	**$ 23.4**
Innovative technology costs, after-tax (includes related financing costs) (1)	7.3	5.8
Purchase accounting amortization (2)	2.4	0.7
Change in fair value of contingent consideration (3)	0.6	-
Life insurance proceeds and changes in cash surrender value	0.8	(1.3)
Tax benefit from vested RSUs (4)	(0.9)	(0.1)
Non-GAAP amounts	$ 79.8	$ 28.5
Diluted Earnings Per Share		
Amounts on a GAAP basis	**$ 2.68**	**$ 0.87**
Innovative technology costs, after-tax (includes related financing costs) (1)	0.28	0.22
Purchase accounting amortization (2)	0.09	0.03
Change in fair value of contingent consideration (3)	0.02	-
Life insurance proceeds and changes in cash surrender value	0.03	(0.05)
Tax benefit from vested RSUs (4)	(0.03)	(0.01)
Non-GAAP amounts (5)	$ 3.08	$ 1.06

1) Represents costs associated with the freight handling pilot test program at ABF Freight and initiatives to optimize our performance through technological innovation, including costs related to our investment in human-centered remote operation software.
2) Represents the amortization of acquired intangible assets related to the November 1, 2021 acquisition of MoLo and previously acquired businesses in the ArcBest segment.
3) Represents change in fair value of the contingent consideration recorded for the MoLo acquisition. The liability for contingent consideration is remeasured at each quarterly reporting date, and any change in fair value as a result of the recurring assessments is recognized in operating income. As previously disclosed, contingent consideration for the MoLo acquisition will be paid based on achievement of certain targets of adjusted earnings before interest, taxes, depreciation, and amortization, as adjusted for certain items pursuant to the merger agreement, for years 2023 through 2025.
4) The Company recognizes the tax impact for the vesting of share-based compensation resulting in excess tax expense (benefit).
5) Non-GAAP amounts are calculated in total and may not foot due to rounding.

Reconciliations of GAAP to Non-GAAP Financial Measures

(Unaudited)

ASSET-LIGHT ADJUSTED EBITDA [1]	Three Months Ended March 31	
	2022	2021
Total Asset-Light	*($ millions)*	
Operating Income	**$ 22.8**	**$ 9.3**
Depreciation and amortization [2]	5.6	2.8
Change in fair value of contingent consideration [3]	0.8	-
Adjusted EBITDA [4]	$ 29.3	$ 12.1

CONSOLIDATED ADJUSTED EBITDA [1]	Twelve Months Ended March 31, 2022
	($ millions)
Net Income	**$ 259.7**
Interest and other related financing costs	8.4
Income tax provision	78.3
Depreciation and amortization [2]	128.7
Amortization of share-based compensation	11.8
Change in fair value of contingent consideration [3]	0.8
Transaction costs [5]	6.0
Consolidated Adjusted EBITDA	$ 493.7

1) Adjusted EBITDA is a primary component of the financial covenants contained in ArcBest Corporation's Amended and Restated Credit Agreement. Management believes Adjusted EBITDA to be relevant and useful information, as EBITDA is a standard measure commonly reported and widely used by analysts, investors, and others to measure financial performance ability to service debt obligations. Furthermore, management uses Adjusted EBITDA as a key measure of performance and for business planning. However, this non-GAAP measure should be viewed in addition to, and not as an alternative for, our reported results. Other companies may calculate EBITDA differently; therefore, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies.
2) Includes amortization of intangibles associated with acquired businesses.
3) Represents change in fair value of the contingent consideration recorded for the MoLo acquisition. The liability for contingent consideration is remeasured at each quarterly reporting date, and any change in fair value as a result of the recurring assessments is recognized in operating income. As previously disclosed, contingent consideration for the MoLo acquisition will be paid based on achievement of certain targets of adjusted earnings before interest, taxes, depreciation, and amortization, as adjusted for certain items pursuant to the merger agreement, for years 2023 through 2025.
4) Adjusted EBITDA is calculated in total and may not foot due to rounding.
5) Transaction costs are associated with the acquisition of MoLo.

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Reconciliations of GAAP to Non-GAAP Financial Measures

(Unaudited)

Millions ($000,000)	Three Months Ended March 31 2022		Three Months Ended March 31 2021	
ASSET-BASED SEGMENT				
Operating Income				
Amounts on a GAAP basis	**$ 80.0**	**88.7%**	**$ 30.1**	**94.6%**
Innovative technology costs, pre-tax (1)	7.0	(1.0)	6.9	(1.2)
Non-GAAP amounts (2)	$ 87.0	87.7%	$ 36.9	93.4%
TOTAL ASSET-LIGHT				
Operating Income				
Amounts on a GAAP basis	**$ 22.8**	**96.6%**	**$ 9.3**	**97.0%**
Purchase accounting amortization (3)	3.2	(0.5)	0.9	(0.3)
Change in fair value of contingent consideration (4)	0.8	(0.1)	-	-
Non-GAAP amounts (2)	$ 26.9	96.0%	$ 10.2	96.7%

1) Represents costs associated with the freight handling pilot test program at ABF Freight.
2) Non-GAAP amounts are calculated in total and may not foot due to rounding.
3) Represents the amortization of acquired intangible assets related to the November 1, 2021 acquisition of MoLo and previously acquired businesses in the ArcBest segment.
4) Represents change in fair value of the contingent consideration recorded for the MoLo acquisition. The liability for contingent consideration is remeasured at each quarterly reporting date, and any change in fair value as a result of the recurring assessments is recognized in operating income. As previously disclosed, contingent consideration for the MoLo acquisition will be paid based on achievement of certain targets of adjusted earnings before interest, taxes, depreciation, and amortization, as adjusted for certain items pursuant to the merger agreement, for years 2023 through 2025.

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