



*Second Quarter 2016  
Earnings Call Presentation  
August 3, 2016*

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## **Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These statements generally may be identified by their use of terms or phrases such as “expects,” “estimates,” “anticipates,” “projects,” “believes,” “plans,” “goals,” “intends,” “may,” “will,” “should,” “could,” “potential,” “continue,” “strategy,” “future” and terms or phrases of similar substance. Forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, which could cause future events and actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Accordingly, actual results may differ materially from those set forth in the forward-looking statements. Readers should review and consider the factors that may affect future results and other disclosures by the Company in its press releases, Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made. We disclaim any obligation to update or revise any forward-looking statements to reflect actual results or changes in the factors affecting the forward-looking information. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation might not occur. All forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by this cautionary statement.

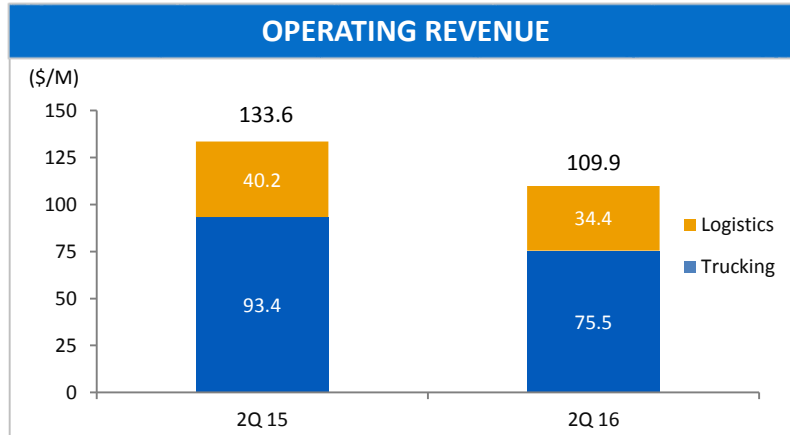
## **Non-GAAP Financial Data**

This presentation includes the use of EBITDA, Adjusted EBITDA, Adjusted Operating Ratio and Adjusted EPS, financial measures that are not in accordance with generally accepted accounting principles (“GAAP”). Each such measure is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors and lenders. While management believes such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. Please see the Appendix to this presentation for a reconciliation to the closest GAAP financial measures.

The Company defines EBITDA as net income (loss), plus interest expense net of interest income, provision for income taxes and depreciation and amortization. It defines Adjusted EBITDA as these items plus non-cash equity compensation, loss on extinguishment of debt, restructuring, impairment and other costs, and severance costs included in salaries, wages and employee benefits. Adjusted operating ratio is calculated as operating expenses less restructuring, impairment and other costs and severance costs included in salaries, wages and employee benefits, net of fuel surcharges, as a percentage of operating revenue excluding fuel surcharge revenue. Adjusted earnings per diluted share is defined as earnings or loss before income taxes plus loss on extinguishment of debt, restructuring, impairment and other costs, and severance costs included in salaries, wages and employee benefits reduced by our statutory income tax rate, divided by weighted average diluted shares outstanding. Because not all companies use identical calculations, the Company's presentation of non-GAAP financial measures may not be comparable to similarly titled measures of other companies.

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References to the “Company,” “we,” “us,” “our” and words of similar import refer to USA Truck, Inc. and its subsidiary.

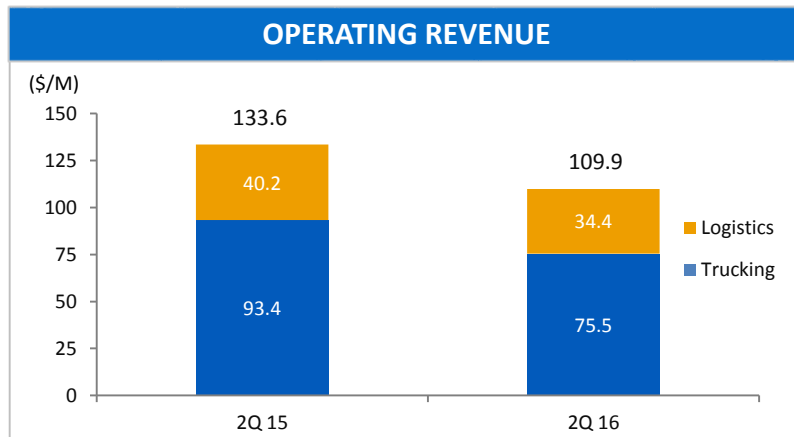


	2Q15 <sup>(1)</sup>	2Q16
Operating Income (\$/M)	5.8	(0.6)
Adjusted EBITDA <sup>(2)</sup> (\$/M)	16.0	7.9
Adjusted EPS <sup>(2)</sup> (\$/Sh)	0.26	(0.10)

- ★ Soft freight conditions weighed on both Trucking and USAT Logistics
- ★ Trucking base revenue per loaded mile declined \$0.17 or 9.1%
  - Partially impacted by loss of volume from certain dedicated customers
  - Late 2Q/early 3Q awards should mitigate ongoing impact
- ★ USAT Logistics operating income of \$2.2 million overshadowed by Trucking operating loss of \$2.7 million
  - Trucking Adjusted OR of 103.0%

(1) Operating Income, Adjusted EBITDA and adjusted earnings per share for 2Q15 were recast to apply the change in the company's accounting policy for tires.

(2) See Appendix for non-GAAP to GAAP reconciliation and calculation of adjusted EBITDA, adjusted earnings per share and adjusted OR.



- ★ Continued progress in Trucking to lower cost structure and improve operational efficiencies
  - Reduced overhead costs, including RIF; annualized pre-tax savings of ~\$2.0 million beginning 3Q
  - Reduced company-owned tractors - by 73 during 2Q and 84 YTD - and capital employed to more closely match capacity demand
  - Continued transition of maintenance from fixed to variable

	2Q15 <sup>(1)</sup>	2Q16
Operating Income (\$/M)	5.8	(0.6)
Adjusted EBITDA <sup>(2)</sup> (\$/M)	16.0	7.9
Adjusted EPS <sup>(2) (3)</sup> (\$/Sh)	0.26	(0.10)

- ★ Accelerated migration to asset-light model
  - Increased independent contractor fleet by 17.6%
  - USAT Logistics increased load count 12.3% YoY while maintaining gross margin

(1) Operating Income, Adjusted EBITDA and adjusted earnings per share for 2Q15 were recast to apply the change in the company's accounting policy for tires.

(2) See Appendix for non-GAAP to GAAP reconciliation and calculation of adjusted EBITDA, adjusted earnings per share and adjusted OR.

(3) 2Q16 adjusted EPS includes \$0.05 per share relating to severance costs associated with CFO departure and reduction in force.

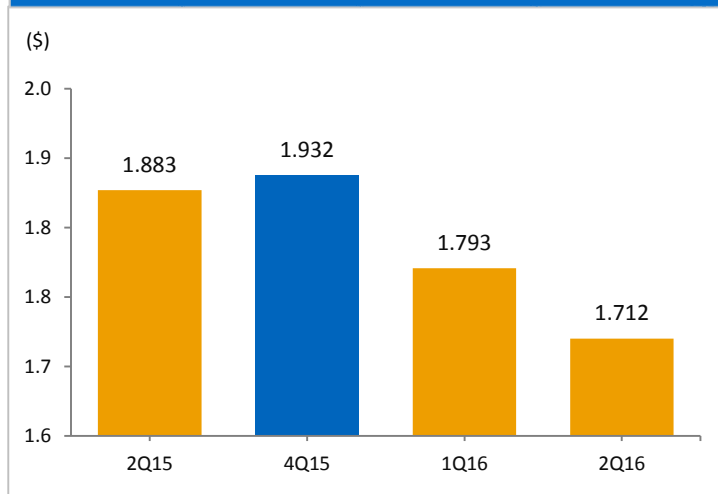
## Key Initiatives to Improve Performance

- ★ Accelerated disposal of high cost equipment
- ★ Expanded focus on cost control
- ★ Continued refinement of the network to build greater density, aided by a lower fleet size
- ★ Continued growth of USAT Logistics market share

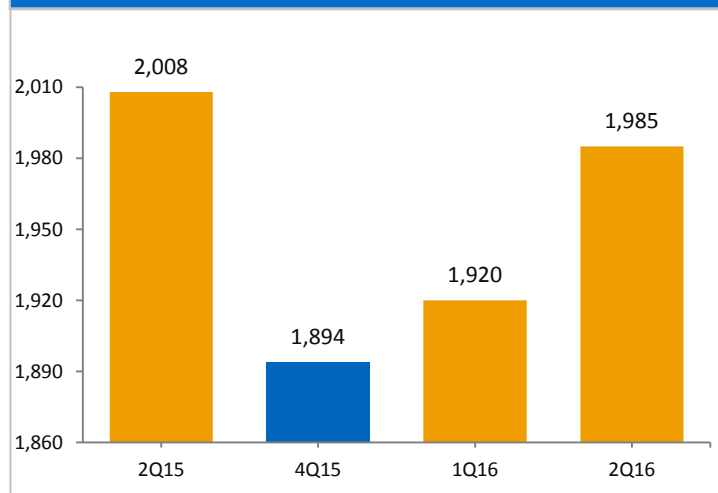
# Trucking 2Q Results



## Base Revenue/Loaded Mile <sup>(1)</sup>



## Avg. Miles/Seated Truck/Week

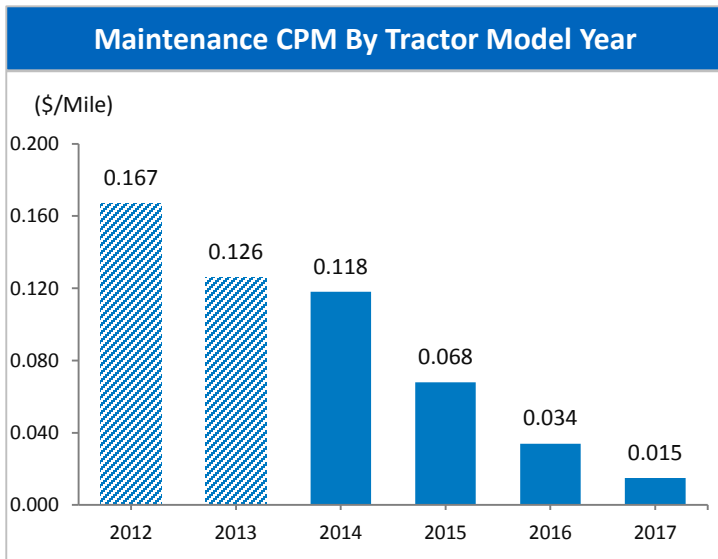
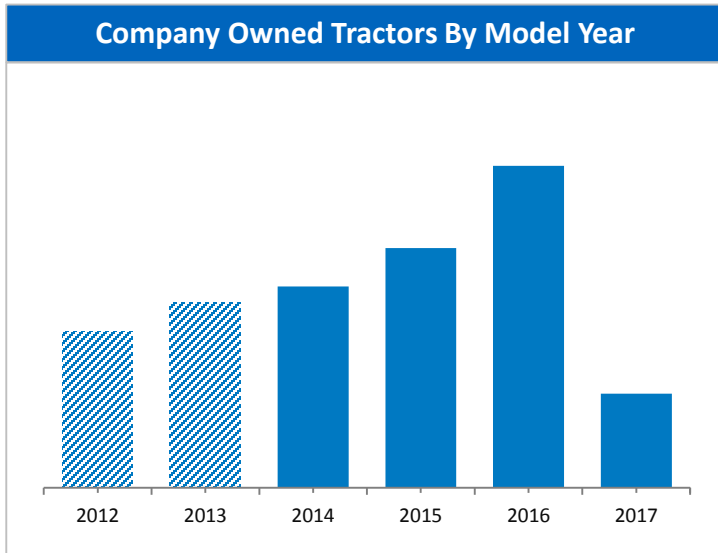


	2Q15 <sup>(2)</sup>	4Q15	1Q16	2Q16
Total miles (000s)	48,777	42,758	43,872	44,979
Selected Trucking Op. Exp./Mile				
Salaries, Wages & Benefits	0.667	0.745	0.669	0.608
Fuel and Fuel Taxes	0.333	0.264	0.232	0.253
Dep. & Amortization	0.213	0.173	0.163	0.166
Insurance & Claims	0.121	0.086	0.108	0.120
Equipment Rent	0.018	0.039	0.042	0.041
O & M	0.212	0.188	0.205	0.222
Purchased Transportation	0.205	0.204	0.187	0.230

- ★ Continued network refinement from backhaul to head-haul markets
- ★ 3<sup>rd</sup> consecutive quarter of Improving average weekly miles per seated truck; 3.4% higher than 1Q16
- ★ 2Q16 insurance and claims includes \$0.01 per mile related to adverse development of prior year occurrences
- ★ O&M included \$0.02/mile related to warranty reserve and to timing of trailer disposals which negatively impacted maintenance costs
  - Delivery of new tractors delayed until Q3
- ★ 2Q16 purchased transportation/mile 12.2% higher than 2Q15 on 17.6% increase in independent contractor fleet

(1) Base revenue excludes fuel surcharge revenue.

(2) 2Q15 operating expenses were recast to apply the change in the company's accounting policy for tires.



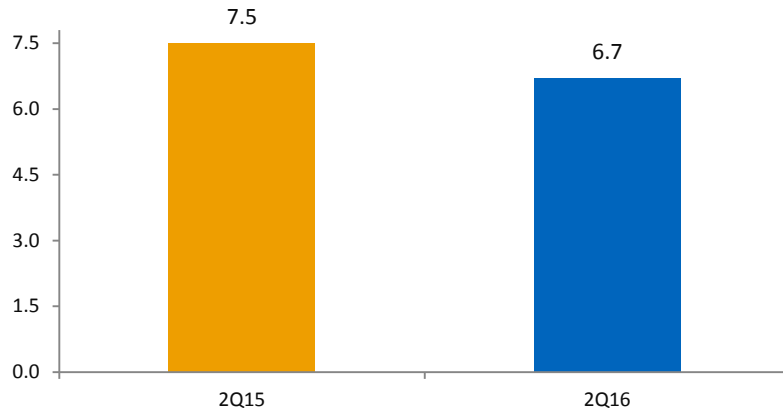
- ★ Transitioning from fixed to variable maintenance costs
  - Closed 4 shops since 3Q15
  - Outsourcing ~80% of direct repair and maintenance spend, including mounted tire program
  - Maintaining small footprint of shops focused on preventative maintenance
- ★ Restructuring road assistance program
  - Savings to begin in 3Q with \$0.5 million to be realized in 2H
  - Negotiating national agreements with third party service providers to reduce overall cost of repairs
- ★ Continuing to reduce fleet to match capacity demand
  - 73 owned tractors retired in 2Q, 84 YTD
  - For 2016 plan to reduce fleet by a total of 130 owned tractors and more than 400 trailers
  - Systematically eliminating high-cost equipment
    - Retire all model year 2012 tractors by end of 3Q
    - Accelerate retirement of ~220 of model year 2013 tractors
  - Average age of fleet as of 6/30/16:
    - Tractors – 27 months; trailers - 57 months
- ★ Purchasing tractors with multi-year warranties; goal is for 100% of fleet to have multi-year warranties

- ★ Strong pipeline of new business opportunities that reflects commitment to disciplined network structure on more profitable lanes and pricing objectives
- ★ Received several freight awards in June and July
  - Recoups half of annualized base revenue associated with loss of certain dedicated customers
- ★ Reduction in spot freight
  - Have reduced by 20% since beginning of year
  - Goal is to reduce spot freight by another 30% by year end
- ★ Increase the amount of committed freight handled
- ★ Firmer and more selective pricing on lanes that upgrade rates and productivity on tighter capacity



## NET REVENUE <sup>(1)</sup>

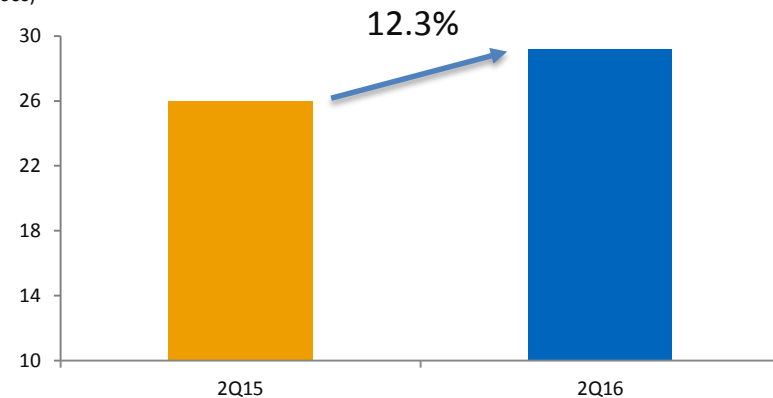
(\$/M)



- ★ Net revenue declined 10.7% on soft freight conditions and lower fuel surcharge revenue
- ★ Gross margin held at 18.1%
- ★ Continued market share gains: load count up 12.3% versus 2Q15 and 7.5% versus 1Q16
- ★ Increased loads per person per day by 20% to average 4.6 loads at quarter end, compared to 3.2 in mid-January
- ★ 3 offices early adopters of new sales and operating model
- ★ Added 11 logistics professionals with strong customer relationships

## LOAD COUNT

(000s)



(1) Net revenue defined as operating revenue less purchased transportation expense.

- ★ Completed roll-out of new client- and carrier-focused roles as of 7/1/2016
- ★ Introduce outside sales agent program
- ★ Continue to invest in revenue-generating talent in each regional center
- ★ Continue re-branding efforts
- ★ Implement productivity enhancements – increase loads per person per day to 6.0 by year end
- ★ Expand flatbed service offering

(\$/MM)	6/30/15	3/31/16	6/30/16
Total Debt (\$)	85.8	105.3	132.5
Total Capitalization (\$)	190.1	189.6	202.6
Debt to Adj. EBITDA <sup>(1)</sup>	1.3x	1.8x	2.6x

- ★ Total debt and capital lease obligations, net of cash, at the end of the quarter was \$131.4 million
- ★ \$67.8 million in liquidity available under revolving credit as of the end of Q2
- ★ Expect to acquire \$15-\$23 million of new revenue equipment in 2H, primarily under capital leases, to fulfill existing commitments
- ★ Reduced planned net cash capital expenditures for 2016 to \$15 to \$20 million
- ★ Repurchased 718,143 shares under the stock repurchase authorization

(1) See Appendix for non-GAAP to GAAP reconciliation and calculation of adjusted EBITDA.

## USA Trucking

- ★ Reduce maintenance costs
  - Insourcing road assist program to be completed in 3Q
  - Finalize vendor negotiations
- ★ Increase independent contractor fleet to 20%+ of fleet by end of 2016
- ★ Retire all high-cost 2012 trucks by end of 3Q 2016
- ★ Accelerate disposal of 2013 trucks
- ★ Improve Adjusted OR for 2H 2016 over 1H 2016

## USAT Logistics

- ★ Drive market share gains
- ★ Introduce agent program
- ★ Attain goal of 6 loads per person per day by year end
- ★ Advance toward goal of reaching 50% of consolidated operating revenue

**Committed to  
Achieving**

**Substantial Asset-Light Growth  
Operating and Asset Leverage  
Increased Return on Invested Capital**

# APPENDIX

## GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED)

(dollar amounts in thousands, except per share amounts)

### ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

	Three Months Ended			
	<u>06/30/2016</u>	<u>03/31/2016</u>	<u>12/31/2015</u>	<u>09/30/2015</u>
Net (loss) income	\$ (1,346)	\$ (1,807)	\$ 3,937	\$ 2,727
Add:				
Depreciation and amortization	7,599	7,272	7,529	8,702
Income tax (benefit) expense	(75)	(1,324)	2,677	2,161
Interest expense, net	731	565	565	493
<b>EBITDA</b>	<b>\$ 6,909</b>	<b>\$ 4,706</b>	<b>\$ 14,708</b>	<b>\$ 14,083</b>
Add:				
Non-cash equity compensation	262	131	291	446
Restructuring, impairment, and other costs	--	5,264	(151)	2,893
Severance costs included in salaries, wages and employee benefits	697	--	--	--
Loss on debt extinguishment, pretax	--	--	--	--
<b>Adjusted EBITDA</b>	<b>\$ 7,868</b>	<b>\$ 10,101</b>	<b>\$ 14,848</b>	<b>\$ 17,422</b>

## ADJUSTED (LOSS) EARNINGS PER SHARE RECONCILIATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
(Loss) earnings per diluted share.....	\$ (0.15)	\$ 0.26	\$ (0.35)	\$ 0.42
Adjusted for:				
Loss on debt extinguishment.....	--	--	--	0.07
Severance costs included in salaries, wages and employee benefits.....	0.08	--	0.08	--
Restructuring, impairment and other costs.....	--	--	0.58	--
Income tax expense effect of adjustments.....	(0.03)	--	(0.25)	(0.03)
Adjusted diluted (loss) earnings per share.....	<u>\$ (0.10)</u>	<u>\$ 0.26</u>	<u>\$ 0.06</u>	<u>\$ 0.46</u>

## Trucking Segment

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue.....	\$ 75,750	\$ 93,846	\$ 151,786	\$ 190,248
Less: intersegment eliminations.....	246	419	580	1,034
Operating revenue.....	75,504	93,427	151,206	189,214
Less: fuel surcharge revenue.....	8,227	13,075	15,048	27,318
Base revenue.....	67,277	80,352	136,158	161,896
Operating expense.....	78,238	90,871	158,308	185,109
Adjusted for:				
Restructuring, impairment and other costs.....	--	--	(4,848)	--
Severance costs in salaries, wages and employee benefits.....	(697)	--	(697)	--
Fuel surcharge revenue.....	(8,227)	(13,075)	(15,048)	(27,318)
Adjusted operating expense.....	\$ 69,314	\$ 77,796	\$ 137,715	\$ 157,791
Operating ratio.....	103.6 %	97.3 %	104.7 %	97.8 %
Adjusted operating ratio.....	103.0 %	96.8 %	101.1 %	97.5 %



## *USAT Logistics Segment*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue .....	\$ 37,087	\$ 41,605	\$ 72,997	\$ 80,276
Less: intersegment eliminations .....	2,703	1,459	3,697	3,030
Operating revenue.....	34,384	40,146	69,300	77,246
Less: fuel surcharge revenue .....	2,148	3,275	3,928	6,450
Base revenue.....	32,236	36,871	65,372	70,796
Operating expense .....	32,208	36,888	65,118	71,012
Adjusted for:				
Restructuring, impairment, and other costs	--	--	(416)	--
Fuel surcharge revenue .....	(2,148)	(3,275)	(3,928)	(6,450)
Adjusted operating expense .....	\$ 30,060	\$ 33,613	\$ 60,774	\$ 64,562
Operating ratio .....	93.7 %	91.9 %	94.0 %	91.9 %
Adjusted operating ratio .....	93.2 %	91.2 %	93.0 %	91.2 %