



*Third Quarter 2016  
Earnings Call Presentation  
November 4, 2016*

## **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**

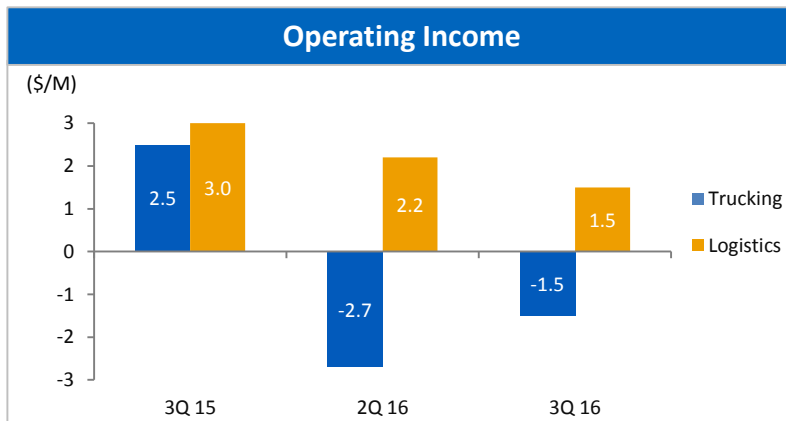
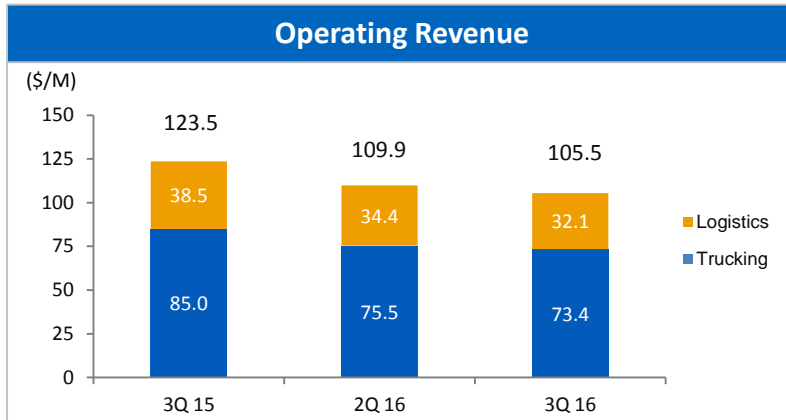
This presentation includes the use of EBITDA, Adjusted EBITDA, Adjusted Operating Ratio and Adjusted EPS, financial measures that are not in accordance with generally accepted accounting principles (“GAAP”). Each such measure is a supplemental non-GAAP financial measure that is used by management and 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.

# Consolidated 3Q Results



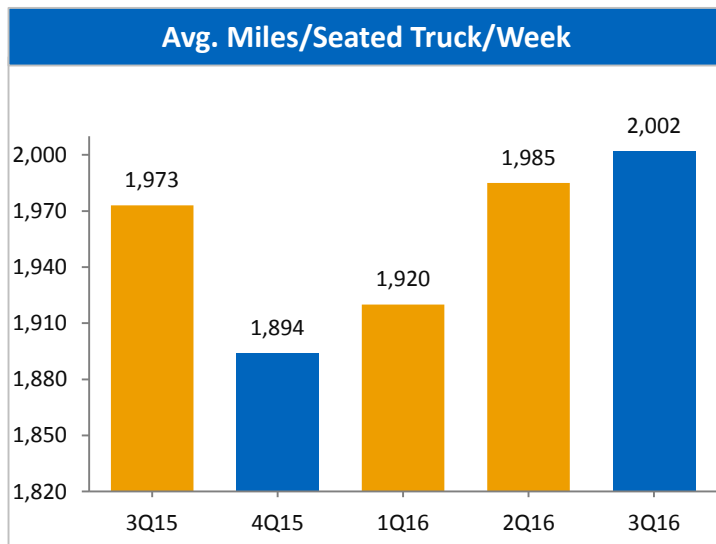
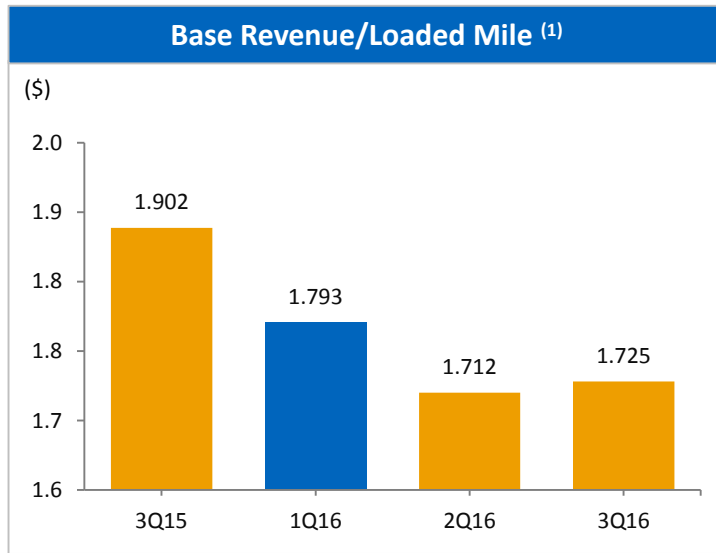
	3Q15	2Q16	3Q16
Adjusted EBITDA <sup>(1)</sup> (\$/M)	17.4	7.9	7.7
Adjusted EPS (\$/Sh)	0.43	(0.10)	(0.09)

- ★ Persistent soft freight conditions
- ★ Stabilized Trucking revenue on smaller fleet
  - Mitigating impact of volume lost in 2Q
  - Secured incremental freight in committed high density lanes, increasing utilization
  - Maintained network discipline
- ★ Operating income at breakeven versus 2Q loss
  - Trucking initiatives to lower fixed costs and improve operational efficiencies taking hold
  - Trucking operating loss of \$1.5 million versus \$2.7 million for 2Q 2016 on 4.3% decrease in operating expenses
  - Realized savings from 1Q restructuring actions of \$0.5 million in the quarter
- ★ Trucking Adjusted OR improved slightly to 102.3% versus 103.0% for 2Q
- ★ Narrowed adjusted net loss to \$0.09 versus \$0.10 for 2Q

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

- ★ Base Rate per loaded mile improved \$.013 sequentially vs. Q2
  - Equates to \$2 million annualized rate improvement
  
- ★ Early awards to recent bid responses indicate continued favorable rate outlook for our network
  
- ★ Significant progress in reliance on spot rate business, now representing less than 2% of total business
  
- ★ Adding more regional freight in highest density markets
  - Better utilization of driver hours and company assets
  - Targeting \$0.01 per mile rate improvement on annualized loaded miles

# Trucking 3Q Results



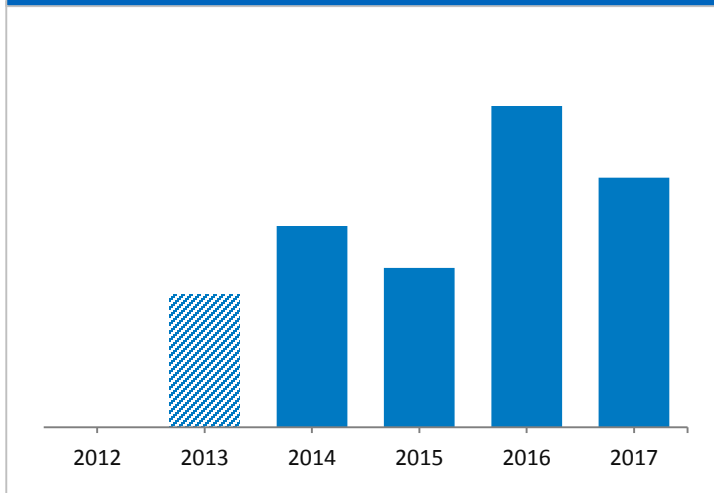
	3Q15	1Q16	2Q16	3Q16
Total miles (000s)	44,559	43,872	44,979	43,365
Selected Trucking Op. Exp./Mile				
Salaries, Wages & Benefits	0.653	0.669	0.608	0.598
Fuel and Fuel Taxes	0.291	0.232	0.253	0.251
Dep. & Amortization	0.193	0.163	0.166	0.168
Insurance & Claims	0.120	0.108	0.120	0.129
Equipment Rent	0.025	0.042	0.041	0.043
O & M	0.229	0.205	0.222	0.182
Purchased Transportation	0.209	0.187	0.230	0.258

- ★ Fourth consecutive quarter of improving average weekly miles per seated truck
- ★ 3Q16 insurance and claims includes \$0.01 per mile related to the most recent actuarial adjustment causing unfavorable rate developments in our current year claims
- ★ O&M down 21% versus 3Q15 and 18% versus 2Q16 reflecting retirement/disposal of high-cost tractors (all model year 2012s and 30% of 2013 tractors) and expense control
- ★ 3Q16 purchased transportation/mile 23.4% higher than 3Q15 on 25.4% increase in independent contractor fleet.
  - YTD independent contractors comprise 16% of fleet versus 12% for same period last year.

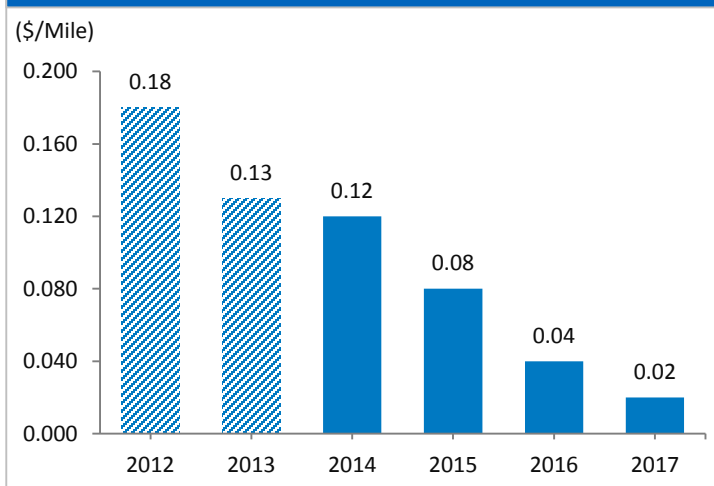
(1) Base revenue excludes fuel surcharge revenue.

# Trucking: Fleet Rationalization/ Maintenance Impact

Company Owned Tractors By Model Year <sup>(1)</sup>



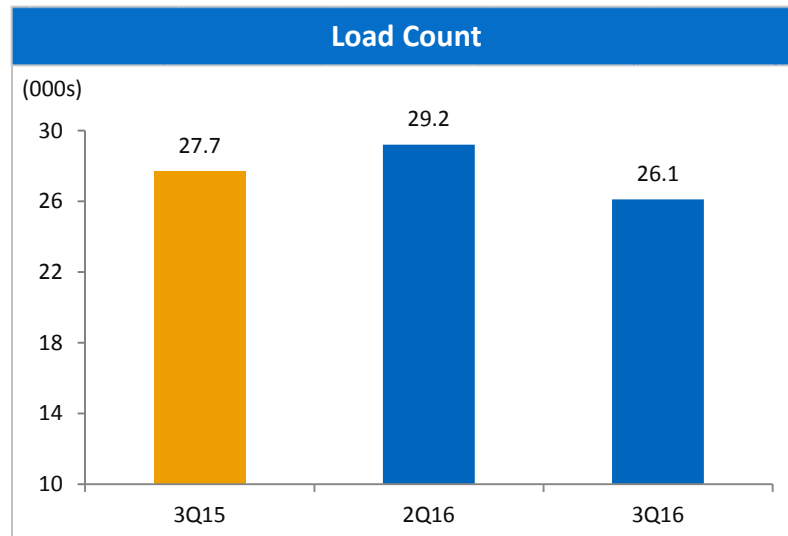
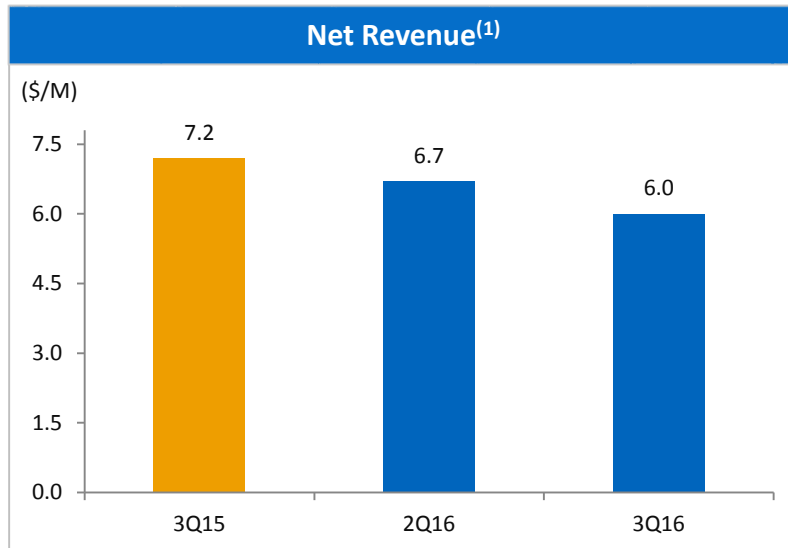
Maintenance CPM By Tractor Model Year



- ★ Restructuring road assistance program
  - Realized savings of \$0.2 million out of \$0.5 million planned for 2H
  - Completed negotiations with third party service providers
- ★ Anticipate realizing annual savings of in excess of \$1.5 million, or \$0.12 per share, in 2017 versus 2016 from implementation of 2017 fleet plan and of additional maintenance efficiency initiatives
- ★ Executing 2016 plan to reduce fleet by approximately 150 owned tractors and more than 400 trailers
  - 140 tractors retired/disposed
  - Retired all model year 2012 tractors
  - Retired 78 model year 2013 tractors
  - Average age of fleet as of 9/30/16: 22 months

(1) As of quarter end.





- ★ Gross margin stable at 18.1%
- ★ Net revenue declined 16.1%
  - Load count down reflecting soft and volatile freight environment
  - Customer retention is strong; customer demand weak across the network
- ★ Completed migration to new sales and operating model
  - Focused on carrier and customer specialization

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

- ★ Progressive ramping of sales agent program
  - 9 agents under contract
  - On track to have 20 agents in place by end of 2016
  - Focus on secondary geographic and industry vertical markets
- ★ Consolidated Seattle and Buffalo operations into larger regional centers
  - Existing client manager relationships retained
- ★ Expanding flatbed service offering
  - Expanded capabilities and added customers in Q3, averaging 5+ loads a day
- ★ Expanding “Plus Power” capacity to add flexibility and custom solutions for customer demand
- ★ TOFC service utilizing USA Truck trailers serving several customers in limited lanes



(\$/MM)	9/30/15	6/30/16	9/30/16
Total Debt (\$)	74.0	132.5	151.1
Total Capitalization (\$)	195.2	202.6	213.2
Net Debt to Adj. EBITDA <sup>(1)</sup>	1.1x	2.6x	3.7x

- ★ Approximately \$51 million in liquidity available under revolving credit as of the end of Q3
- ★ Acquired \$22.8 million of new revenue equipment in 3Q, to fulfill existing commitments relative to planned \$15-\$23 million in 2H
- ★ Net cash capital expenditures for 3Q of \$25.5 million, bringing net cash capital to \$39.9 million or \$ 19.9 million including proceeds from capital leaseback

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

## Trucking

- ★ Increase rates
  - Contract renewals
  - Addition of certain short-haul routes
- ★ Further improve maintenance costs
  - Leverage outside spend
  - Continued implementation of extended warranty program
- ★ Further optimize network
  - Focus on technology and new processes to continue improvements in utilization
- ★ Increase the number of independent contractors to 20%+ by end of 2016 and up to 25% during 2017

## USAT Logistics

- ★ Aggressively grow sales agent initiative
- ★ Consolidate operations into regional supercenters for greater efficiency
- ★ Target productivity of 7.5 loads per person per day by 4Q 2017
- ★ Continue to expand “Plus Power” capacity and reach
- ★ Grow TOFC offering to specific strategic markets

**Target Initiatives of \$8-\$10 million operating income improvement**

**Target Initiatives of \$3-\$5 million operating income improvement**

- ★ Continued fixed costs reductions to align with fleet size of \$3.0-\$4.5 million
- ★ Realigned sales force structure, reporting and incentives to improve effectiveness

# 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			
	09/30/2016	06/30/2016	3/31/2016	12/31/2015
Net (loss) income	\$ (734)	\$ (1,346)	\$ (1,807)	\$ 3,937
Add:				
Depreciation and amortization	7,411	7,599	7,272	7,529
Income tax (benefit) expense	(224)	(75)	(1,324)	2,677
Interest expense, net	913	731	565	565
<b>EBITDA</b>	<b>7,366</b>	<b>6,909</b>	<b>4,706</b>	<b>14,708</b>
Add:				
Non-cash equity compensation	302	262	131	291
Restructuring, impairment and other costs	--	--	5,264	(151)
Severance costs included in salaries, wages and employee benefits	--	697	--	--
<b>Adjusted EBITDA</b>	<b>\$ 7,668</b>	<b>\$ 7,868</b>	<b>\$ 10,101</b>	<b>\$ 14,848</b>

## ADJUSTED (LOSS) EARNINGS PER SHARE RECONCILIATION

	Three Months Ended September 30,		Nine months Ended September 30,	
	<b>2016</b>	2015	<b>2016</b>	2015
(Loss) earnings per diluted share	\$ (0.09)	\$ 0.26	\$ (0.44)	\$ 0.68
Adjusted for:				
Loss on debt extinguishment	--	--	--	0.07
Severance costs included in salaries, wages and employee benefits	--	--	<b>0.08</b>	--
Restructuring, impairment and other costs	--	0.28	<b>0.60</b>	0.28
Income tax expense effect of adjustments	--	(0.11)	<b>(0.26)</b>	(0.14)
Adjusted diluted (loss) earnings per share	<b>\$ (0.09)</b>	<b>\$ 0.43</b>	<b>\$ (0.02)</b>	<b>\$ 0.89</b>

## ADJUSTED OPERATING RATIO RECONCILIATION

<i>Trucking Segment</i>	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	2016	2015
Revenue	\$ 73,644	\$ 85,369	\$ 225,430	\$ 275,617
Less: intersegment eliminations	277	387	857	1,421
Operating revenue	73,367	84,982	224,573	274,196
Less: fuel surcharge revenue	8,451	10,635	23,499	37,953
Base revenue	64,916	74,347	201,074	236,243
Operating expense	74,872	82,522	233,180	267,631
Adjusted for:				
Restructuring, impairment and other costs	--	(2,893)	(4,848)	(2,893)
Severance costs in salaries, wages and employee benefits	--	--	(697)	--
Fuel surcharge revenue	(8,451)	(10,635)	(23,499)	(37,953)
Adjusted operating expense	\$ 66,421	\$ 68,994	\$ 204,136	\$ 226,785
Operating ratio	102.1 %	97.1 %	103.8 %	97.6 %
Adjusted operating ratio	102.3 %	92.8 %	101.5 %	96.0 %

## ADJUSTED OPERATING RATIO RECONCILIATION

<i>USAT Logistics Segment</i>	Three Months Ended September 30,		Nine months Ended September 30,	
	2016	2015	2016	2015
Revenue	\$ 33,476	\$ 39,505	\$ 106,473	\$ 119,781
Less: intersegment eliminations	1,385	997	5,082	4,027
Operating revenue	32,091	38,508	101,391	115,754
Less: fuel surcharge revenue	2,346	3,103	6,274	9,553
Base revenue	29,745	35,405	95,117	106,201
Operating expense	30,544	35,509	95,662	106,520
Adjusted for:				
Restructuring, impairment and other costs	--	--	(416)	--
Fuel surcharge revenue	(2,346)	(3,103)	(6,274)	(9,553)
Adjusted operating expense	\$ 28,198	\$ 32,406	\$ 88,972	\$ 96,967
Operating ratio	95.2 %	92.2 %	94.3 %	92.0 %
Adjusted operating ratio	94.8 %	91.5 %	93.5 %	91.3 %