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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported):** April 27, 2023

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**Schneider National, Inc.**  
(Exact Name of Registrant as Specified in Charter)

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<b>Wisconsin</b> (State of incorporation)	<b>001-38054</b> (Commission File Number)	<b>39-1258315</b> (I.R.S. Employer Identification No.)
<b>3101 South Packerland Drive</b> (Address of Principal Executive Offices)	<b>Green Bay WI</b>	<b>54313</b> (Zip Code)
<b>(920) 592-2000</b> (Registrant's Telephone Number, including Area Code)		

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 communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication 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	Name of each exchange on which registered
Class B common stock, no par value	SNDR	New York Stock Exchange

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.

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## **ITEM 2.02 Results of Operations and Financial Condition.**

On April 27, 2023, Schneider National, Inc. issued a press release announcing its financial results for the three months ended March 31, 2023, which is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference in this Item 2.02.

The information in this Item 2.02 and in Exhibit 99.1 is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

### **Special Note Regarding Forward-Looking Statements**

This information contained in this Item contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, which are intended to come within the safe harbor protection provided by such Act. These forward-looking statements reflect our current expectations, beliefs, plans, or forecasts with respect to, among other things, future events and financial performance and trends in the business and industry. Forward-looking statements are often characterized by words or phrases such as "may," "will," "could," "should," "would," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "prospects," "potential" and "forecast," and other words, terms, and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks, and uncertainties. Readers are cautioned that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such risks and uncertainties include, among others, those discussed in Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K filed on February 17, 2023, as such may be amended or supplemented in Part II, Item 1A, "Risk Factors," of subsequently filed Quarterly Reports on Form 10-Q, as well as those discussed in the consolidated financial statements, related notes, and other information appearing elsewhere in the aforementioned reports and other filings with the SEC. We do not intend, and undertakes no obligation, to update any of its forward-looking statements after the date of this release to reflect actual results or future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

## **ITEM 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b><u>Exhibit No.</u></b>	<b><u>Description of Exhibit</u></b>
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99.1	<a href="#">Press release dated April 27, 2023</a>
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104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL
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SIGNATURES

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: April 27, 2023

SCHNEIDER NATIONAL, INC.

By: /s/ Stephen L. Bruffett

Name: Stephen L. Bruffett

Title: Executive Vice President and Chief Financial Officer



## Schneider National, Inc. Announces First Quarter 2023 Results

- **Operating Revenues \$1.4 billion; \$1.6 billion in 2022**
- **Income from Operations \$114.6 million; \$135.1 million in 2022**
- **Diluted Earnings per Share \$0.55; \$0.52 in 2022**
- **Adjusted Diluted Earnings per Share \$0.55; \$0.57 in 2022**
- **Updated full year Adjusted Diluted Earnings per Share guidance to \$2.00 - \$2.20**

**Green Bay, Wis. - April 27, 2023** – Schneider National, Inc. (NYSE: SNDR, “Schneider” or the “Company”), a leading transportation and logistics services company, today announced results for the three months ended March 31, 2023.

“Market conditions in the first quarter, consistent with recent quarters, were characterized by muted demand and a lack of seasonal surges, which pressured pricing, freight volumes, and asset productivity,” said Mark Rourke, President and Chief Executive Officer of Schneider. “Despite these challenging dynamics, we recorded the second highest first quarter revenue and earnings in our history.”

“Our expectations are for freight conditions to remain difficult for the second and third quarters of 2023, followed by seasonal improvement in the fourth quarter,” said Rourke. “Regardless of where we are in the freight cycle, we are leveraging our complementary portfolio of services and strong balance sheet to position ourselves for an inevitable recovery. In addition, we are excited about the opportunities we see across the remainder of the year, particularly in our dedicated operations and in intermodal as augmented by our recent announcement regarding a new rail partnership with Canadian Pacific Kansas City, which complements our existing strategic alignments with the Union Pacific and CSX.”

### Results of Operations *(unaudited)*

The following table summarizes the Company’s results of operations for the periods indicated.

<i>(in millions, except ratios &amp; per share amounts)</i>	Three Months Ended March 31,		
	2023	2022	Change
Operating revenues	\$ 1,428.7	\$ 1,620.5	(12)%
Revenues (excluding fuel surcharge)	1,249.5	1,454.5	(14)%
Income from operations	114.6	135.1	(15)%
Adjusted income from operations	114.6	148.4	(23)%
Operating ratio	92.0 %	91.7 %	(30) bps
Adjusted operating ratio	90.8 %	89.8 %	(100) bps
Net income	\$ 98.0	\$ 92.1	6%
Adjusted net income	98.0	102.1	(4)%
Diluted earnings per share	0.55	0.52	6%
Adjusted diluted earnings per share	0.55	0.57	(4)%
Weighted average diluted shares outstanding	179.1	178.5	0.6

## Enterprise Results

Enterprise first quarter 2023 income from operations was \$114.6 million, a decrease of \$20.5 million, or 15% compared to the prior year. Adjusted income from operations was \$114.6 million, a decrease of \$33.8 million, or 23%, compared to the prior year, as the first quarter of 2022 included non-GAAP adjustments for a \$50.9 million net gain on a property sale and a \$64.2 million charge related to legal settlements. In addition, during the first quarter of 2023, the Company recorded net gains in equity investments of \$17.6 million, a \$0.07 favorable impact to diluted earnings per share, which is reflected in Other expense (income) - net on the income statement.

At March 31, 2023, the Company had a total of \$214.6 million outstanding on various debt instruments compared to \$215.1 million as of December 31, 2022. The Company had cash and cash equivalents of \$389.8 million and \$385.7 million as of March 31, 2023 and December 31, 2022, respectively. The Company's effective tax rate was 24.2% in the first quarter, compared to 25.4% in the prior year.

In January 2023, the Company's Board of Directors declared a \$0.09 dividend payable to shareholders of record as of March 10, 2023. This dividend was paid on April 10, 2023. On April 24, 2023, the Company's Board of Directors declared a \$0.09 dividend payable to shareholders of record as of June 9, 2023, expected to be paid on July 11, 2023. As of March 31, 2023, the Company had returned \$15.7 million to shareholders year to date.

## Results of Operations – Reportable Segments

### Truckload

- **Dedicated trucks represent 57% of Truckload fleet**

Truckload revenues (excluding fuel surcharge) for the first quarter of 2023 were \$537.0 million, a decrease of \$11.4 million, or 2%, compared to the same quarter in 2022 due to lower network price and volumes driven by moderating market conditions, partially offset by the impact of dedicated new business growth. Truckload revenue per truck per week was \$4,027, a decrease of 4% compared to the same quarter in 2022.

Truckload income from operations was \$62.6 million in the first quarter of 2023, a decrease of \$56.8 million, or 48%, compared to the same quarter in 2022 due to the net gain on property sale in the first quarter of 2022 and pricing pressures in network, partially offset by dedicated growth as cited above and cost alignment efforts in the quarter. Truckload segment operating ratio was 88.3% in the first quarter of 2023, compared to 78.2% in the first quarter of 2022. The impact of the first quarter 2022 property sale on operating ratio was 930 basis points.

### Intermodal

- **Intermodal comprised 27% of segment earnings in the quarter**

Intermodal revenues (excluding fuel surcharge) for the first quarter of 2023 were \$266.1 million, a decrease of \$36.0 million, or 12%, compared to the same quarter in 2022 due to lower volume and price. Revenue per order decreased 2% compared to the first quarter of 2022.

Intermodal income from operations for the first quarter of 2023 was \$30.0 million, a decrease of \$8.9 million, or 23%, compared to the same quarter in 2022 due to the factors cited above, partially offset by increased dray efficiencies and lower rail-related costs. Intermodal operating ratio was 88.7% in the first quarter of 2023 compared to 87.1% in the first quarter of 2022.

### Logistics

- **Logistics comprised 32% of segment revenues in the quarter**

Logistics revenues (excluding fuel surcharge) for the first quarter of 2023 were \$382.2 million, a decrease of \$163.5 million, or 30%, compared to the same quarter in 2022 primarily due to continued declines in spot rates which negatively impacted revenue per order, and 7% lower brokerage volumes year over year.

Logistics income from operations for the first quarter of 2023 was \$18.5 million, a decrease of \$23.4 million, or 56%, compared to the same quarter in 2022 due to lower net revenue per order and brokerage volumes, and reduced earnings from port dray activity. Logistics operating ratio was 95.2% in the first quarter of 2023, compared to 92.3% in the same quarter the prior year.

## Business Outlook

*(in millions, except per share data)*

	Current Guidance	Prior Guidance
Adjusted diluted earnings per share	\$2.00 - \$2.20	\$2.15 - \$2.35
Net capital expenditures	\$525.0 - \$575.0	\$525.0 - \$575.0

“Our first quarter 2023 results were largely in line with our initial expectations. However, we now anticipate that the currently challenged freight environment will persist longer than original forecasts. Concurrently, there are increasing signals that we are now in the trough of this freight cycle as customer inventories and industry capacity levels continue to rationalize,” said Stephen Bruffett, Executive Vice President and Chief Financial Officer of Schneider. “Based on these and other market expectations, our updated guidance for full year 2023 adjusted diluted EPS is \$2.00 - \$2.20. Our net capital expenditures guidance for full year 2023 is unchanged at a range of \$525 - \$575 million, and our full year effective tax rate is estimated to be approximately 24.5%.”

### Non-GAAP Financial Measures

The Company has presented certain non-GAAP financial measures, including revenues (excluding fuel surcharge), adjusted income from operations, adjusted operating ratio, adjusted net income, and adjusted diluted earnings per share. Management believes the use of non-GAAP measures assists investors in understanding the business, as further described below. The non-GAAP information provided is used by Company management and may not be comparable to similar measures disclosed by other companies. The non-GAAP measures used herein have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of results as reported under GAAP.

A reconciliation of net income per share to adjusted diluted earnings per share as projected for 2023 is not provided. Schneider does not forecast net income per share as the Company cannot, without unreasonable effort, estimate or predict with certainty various components of net income. The components of net income that cannot be predicted include expenses for items that do not relate to core operating performance, such as costs related to potential future acquisitions, as well as the related tax impact of these items. Further, in the future, other items with similar characteristics to those currently included in adjusted net income, that have a similar impact on the comparability of periods, and which are not known at this time may exist and impact adjusted net income.

### About Schneider National, Inc.

Schneider National, Inc. and its subsidiaries (together “Schneider,” the “Company,” “we,” “us,” or “our”) are among the largest providers of surface transportation and logistics solutions in North America. We offer a multimodal portfolio of services and an array of capabilities and resources that leverage artificial intelligence, data science, and analytics to provide innovative solutions that coordinate the timely, safe, and effective movement of customer products. The Company offers truckload, intermodal, and logistics services to a diverse customer base throughout the continental United States, Canada, and Mexico. We were founded in 1935 and have been a publicly held holding company since our IPO in 2017. Our stock is publicly traded on the NYSE under the ticker symbol SNDR.

Our diversified portfolio of complementary service offerings enables us to serve the varied needs of our customers and to allocate capital that maximizes returns across all market cycles and economic conditions. Our service offerings include transportation of full-truckload freight, which we directly transport utilizing either our company-owned transportation equipment and company drivers, owner-operators, or third-party carriers under contract with us. We have arrangements with most of the major North American rail carriers to transport freight in containers. We also provide customized freight movement, transportation equipment, labor, systems, and delivery services tailored to meet individual customer requirements, which typically involve long-term contracts. These arrangements are generally referred to as dedicated services and may include multiple pickups and drops, local deliveries, freight handling, specialized equipment, and freight network design. In addition, we provide comprehensive logistics services with a network of thousands of qualified third-party carriers. We also lease equipment to third parties through our wholly owned subsidiary Schneider Finance, Inc., which is primarily engaged in leasing trucks to owner-operators, including, but not limited to, owner-operators with whom we contract, and we provide insurance for both company drivers and owner-operators through our wholly owned insurance subsidiary.

### **Conference Call and Webcast Information**

The Company will host an earnings conference call today at 10:30 a.m. Eastern Time. The conference call can be accessed by dialing 877-451-6152 (U.S.) or 201-389-0879 (international). A replay will be available approximately three hours after the call through May 4th by dialing 844-512-2921 (U.S.) or 412-317-6671 (international). The passcode for the replay is 13737350. A live webcast of the conference call can also be accessed on the [Investor Relations](#) section of the Company's website, [Schneider.com](#), along with the current quarterly investor presentation.

**Contact:** Steve Bindas, Director of Investor Relations  
920-357-SNDR  
investor@schneider.com  
Source: Schneider SNDR

**SCHNEIDER NATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**  
*(in millions, except per share data)*

	Three Months Ended March 31,	
	2023	2022
Operating revenues	\$ 1,428.7	\$ 1,620.5
Operating expenses:		
Purchased transportation	563.1	740.1
Salaries, wages, and benefits	337.8	337.5
Fuel and fuel taxes	113.0	110.2
Depreciation and amortization	91.8	83.8
Operating supplies and expenses—net	147.9	89.5
Insurance and related expenses	24.7	26.4
Other general expenses	35.8	97.9
Total operating expenses	1,314.1	1,485.4
Income from operations	114.6	135.1
Other expenses (income):		
Interest income	(2.1)	(0.4)
Interest expense	4.4	2.8
Other expense (income)—net	(17.0)	9.2
Total other expenses (income)—net	(14.7)	11.6
Income before income taxes	129.3	123.5
Provision for income taxes	31.3	31.4
Net income	\$ 98.0	\$ 92.1
Weighted average shares outstanding	178.2	177.7
Basic earnings per share	\$ 0.55	\$ 0.52
Weighted average diluted shares outstanding	179.1	178.5
Diluted earnings per share	\$ 0.55	\$ 0.52

**SCHNEIDER NATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**  
*(in millions)*

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 389.8	\$ 385.7
Trade accounts receivable—net	591.7	643.7
Other current assets	384.8	320.9
Net property and equipment	2,376.2	2,280.0
Other noncurrent assets	728.2	687.9
<b>Total Assets</b>	<b>\$ 4,470.7</b>	<b>\$ 4,318.2</b>
<b>Liabilities and Shareholders' Equity</b>		
Trade accounts payable	\$ 330.1	\$ 276.7
Current maturities of debt and finance lease obligations	73.4	73.3
Other current liabilities	263.0	286.9
Long-term debt and finance lease obligations	141.2	141.8
Deferred income taxes	557.0	538.2
Other noncurrent liabilities	187.2	164.1
Shareholders' Equity	2,918.8	2,837.2
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 4,470.7</b>	<b>\$ 4,318.2</b>

**SCHNEIDER NATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**  
*(in millions)*

	Three Months Ended March 31,	
	2023	2022
Net cash provided by operating activities	\$ 183.1	\$ 135.6
Net cash used in investing activities	(156.5)	(34.4)
Net cash used in financing activities	(22.5)	(73.4)
Net increase in cash and cash equivalents	\$ 4.1	\$ 27.8
Net capital expenditures	\$ (120.9)	\$ (9.9)

**Schneider National, Inc.**  
**Revenues and Income (Loss) from Operations by Segment**  
(unaudited)

**Revenues by Segment**

<i>(in millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Truckload	\$ 537.0	\$ 548.4
Intermodal	266.1	302.1
Logistics	382.2	545.7
Other	92.2	85.3
Fuel surcharge	179.2	166.0
Inter-segment eliminations	(28.0)	(27.0)
Operating revenues	\$ 1,428.7	\$ 1,620.5

**Income (Loss) from Operations by Segment**

<i>(in millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Truckload	\$ 62.6	\$ 119.4
Intermodal	30.0	38.9
Logistics	18.5	41.9
Other	3.5	(65.1)
Income from operations	\$ 114.6	\$ 135.1

**Schneider National, Inc.**  
**Key Performance Indicators by Segment**  
(unaudited)

We monitor and analyze a number of KPIs in order to manage our business and evaluate our financial and operating performance.

**Truckload**

The following table presents our Truckload segment KPIs for the periods indicated, consistent with how revenues and expenses are reported internally for segment purposes. The two operations that make up our Truckload segment are as follows:

- **Dedicated** - Transportation services with equipment devoted to customers under long-term contracts.
- **Network** - Transportation services of one-way shipments.

Impacts from deBoer are included within dedicated operations below beginning in the third quarter of 2022.

	Three Months Ended March 31,	
	2023	2022
<b>Dedicated</b>		
Revenues (excluding fuel surcharge) <sup>(1)</sup>	\$ 303.0	\$ 280.1
Average trucks <sup>(2)(3)</sup>	5,948	5,720
Revenue per truck per week <sup>(4)</sup>	\$ 3,980	\$ 3,861
<b>Network</b>		
Revenues (excluding fuel surcharge) <sup>(1)</sup>	\$ 234.1	\$ 266.7
Average trucks <sup>(2)(3)</sup>	4,474	4,582
Revenue per truck per week <sup>(4)</sup>	\$ 4,089	\$ 4,591
<b>Total Truckload</b>		
Revenues (excluding fuel surcharge) <sup>(5)</sup>	\$ 537.0	\$ 548.4
Average trucks <sup>(2)(3)</sup>	10,422	10,302
Revenue per truck per week <sup>(4)</sup>	\$ 4,027	\$ 4,186
Average company trucks <sup>(3)</sup>	8,477	8,224
Average owner-operator trucks <sup>(3)</sup>	1,945	2,078
Trailers <sup>(6)</sup>	44,499	40,480
Operating ratio <sup>(7)</sup>	88.3 %	78.2 %

(1) Revenues (excluding fuel surcharge), in millions, exclude revenue in transit.

(2) Includes company and owner-operator trucks.

(3) Calculated based on beginning and end of month counts and represents the average number of trucks available to haul freight over the specified timeframe.

(4) Calculated excluding fuel surcharge and revenue in transit, consistent with how revenue is reported internally for segment purposes, using weighted workdays.

(5) Revenues (excluding fuel surcharge), in millions, include revenue in transit at the operating segment level and, therefore does not sum with amounts presented above.

(6) Includes entire fleet of owned trailers, including trailers with leasing arrangements between Truckload and Logistics.

(7) Calculated as segment operating expenses divided by segment revenues (excluding fuel surcharge) including revenue in transit and related expenses at the operating segment level.

## Intermodal

The following table presents the KPIs for our Intermodal segment for the periods indicated.

	Three Months Ended March 31,	
	2023	2022
Orders <sup>(1)</sup>	100,745	110,227
Containers	27,735	27,423
Trucks <sup>(2)</sup>	1,536	1,596
Revenue per order <sup>(3)</sup>	\$ 2,628	\$ 2,679
Operating ratio <sup>(4)</sup>	88.7 %	87.1 %

(1) Based on delivered rail orders.

(2) Includes company and owner-operator trucks at the end of the period.

(3) Calculated using rail revenues excluding fuel surcharge and revenue in transit, consistent with how revenue is reported internally for segment purposes.

(4) Calculated as segment operating expenses divided by segment revenues (excluding fuel surcharge) including revenue in transit and related expenses at the operating segment level.

## Logistics

The following table presents the KPI for our Logistics segment for the periods indicated.

	Three Months Ended March 31,	
	2023	2022
Operating ratio <sup>(1)</sup>	95.2 %	92.3 %

(1) Calculated as segment operating expenses divided by segment revenues (excluding fuel surcharge) including revenue in transit and related expenses at the operating segment level.

**Schneider National, Inc.**  
**Reconciliation of Non-GAAP Financial Measures**  
(unaudited)

In this earnings release, we present the following non-GAAP financial measures: (1) revenues (excluding fuel surcharge), (2) adjusted income from operations, (3) adjusted operating ratio, (4) adjusted net income, and (5) adjusted diluted earnings per share. We also provide reconciliations of these measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Management believes the use of each of these non-GAAP measures assists investors in understanding our business by (1) removing the impact of items from our operating results that, in our opinion, do not reflect our core operating performance, (2) providing investors with the same information our management uses internally to assess our core operating performance, and (3) presenting comparable financial results between periods. In addition, in the case of revenues (excluding fuel surcharge), we believe the measure is useful to investors because it isolates volume, price, and cost changes directly related to industry demand and the way we operate our business from the external factor of fluctuating fuel prices and the programs we have in place to manage such fluctuations. Fuel-related costs and their impact on our industry are important to our results of operations, but they are often independent of other, more relevant factors affecting our results of operations and our industry.

Although we believe these non-GAAP measures are useful to investors, they have limitations as analytical tools and may not be comparable to similar measures disclosed by other companies. You should not consider the non-GAAP measures in this report in isolation or as substitutes for, or alternatives to, analysis of our results as reported under GAAP. The exclusion of unusual or infrequent items or other adjustments reflected in the non-GAAP measures should not be construed as an inference that our future results will not be affected by unusual or infrequent items or by other items similar to such adjustments. Our management compensates for these limitations by relying primarily on our GAAP results in addition to using the non-GAAP measures.

Adjustments to arrive at non-GAAP measures are made at the enterprise level, with the exception of fuel surcharge revenues, which are not included in segment revenues.

**Revenues (excluding fuel surcharge)**

We define “revenues (excluding fuel surcharge)” as operating revenues less fuel surcharge revenues, which are excluded from revenues at the segment level. Included below is a reconciliation of operating revenues, the most closely comparable GAAP financial measure, to revenues (excluding fuel surcharge).

<i>(in millions)</i>	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Operating revenues	\$ 1,428.7	\$ 1,620.5
Less: Fuel surcharge revenues	179.2	166.0
Revenues (excluding fuel surcharge)	\$ 1,249.5	\$ 1,454.5

## Adjusted income from operations

We define “adjusted income from operations” as income from operations, adjusted to exclude material items that do not reflect our core operating performance. Included below is a reconciliation of income from operations, which is the most directly comparable GAAP measure, to adjusted income from operations. Excluded items for the periods shown are explained in the table and notes below.

<i>(in millions)</i>	Three Months Ended March 31,	
	2023	2022
Income from operations	\$ 114.6	\$ 135.1
Litigation and audit assessments <sup>(1) (2)</sup>	—	64.2
Property gain—net <sup>(3)</sup>	—	(50.9)
Adjusted income from operations	<u>\$ 114.6</u>	<u>\$ 148.4</u>

- (1) Includes \$5.2 million in charges related to an adverse audit assessment for prior period state sales tax on rolling stock equipment used within that state for the three months ended March 31, 2022.
- (2) Includes a \$59.0 million charge for an adverse settlement related to a lawsuit with former owners of WSL, inclusive of prejudgment interest and the former owners’ attorneys’ fees, for the three months ended March 31, 2022.
- (3) Net gain on the sale of our Canadian facility due to a change in approach to servicing Canada.

## Adjusted operating ratio

We define “adjusted operating ratio” as operating expenses, adjusted to exclude material items that do not reflect our core operating performance, divided by revenues (excluding fuel surcharge). Included below is a reconciliation of operating ratio, which is the most directly comparable GAAP measure, to adjusted operating ratio.

<i>(in millions, except ratios)</i>	Three Months Ended March 31,	
	2023	2022
Total operating expenses	\$ 1,314.1	\$ 1,485.4
Divide by: Operating revenues	1,428.7	1,620.5
Operating ratio	<u>92.0 %</u>	<u>91.7 %</u>
Total operating expenses	\$ 1,314.1	\$ 1,485.4
Adjusted for:		
Fuel surcharge revenues	(179.2)	(166.0)
Litigation and audit assessments	—	(64.2)
Property gain—net	—	50.9
Adjusted total operating expenses	<u>\$ 1,134.9</u>	<u>\$ 1,306.1</u>
Operating revenues	\$ 1,428.7	\$ 1,620.5
Less: Fuel surcharge revenues	179.2	166.0
Revenues (excluding fuel surcharge)	<u>\$ 1,249.5</u>	<u>\$ 1,454.5</u>
Adjusted operating ratio	<u>90.8 %</u>	<u>89.8 %</u>

## Adjusted net income

We define “adjusted net income” as net income, adjusted to exclude material items that do not reflect our core operating performance. Included below is a reconciliation of net income, which is the most directly comparable GAAP measure, to adjusted net income.

<i>(in millions)</i>	Three Months Ended March 31,	
	2023	2022
Net income	\$ 98.0	\$ 92.1
Litigation and audit assessments	—	64.2
Property gain—net	—	(50.9)
Income tax effect of non-GAAP adjustments <sup>(1)</sup>	—	(3.3)
Adjusted net income	<u>\$ 98.0</u>	<u>\$ 102.1</u>

- (1) Our estimated tax rate on non-GAAP items is determined annually using the applicable consolidated federal and state effective tax rate, modified to remove the impact of tax credits and adjustments that are not applicable to the specific items. Due to the differences in the tax treatment of items excluded from non-GAAP income, as well as the methodology applied to our estimated annual tax rates as described above, our estimated tax rate on non-GAAP items may differ from our GAAP tax rate and from our actual tax liabilities.

## Adjusted diluted earnings per share <sup>(1)</sup>

	Three Months Ended March 31,	
	2023	2022
Diluted earnings per share	\$ 0.55	\$ 0.52
Non-GAAP adjustments, tax effected	—	0.06
Adjusted diluted earnings per share	<u>\$ 0.55</u>	<u>\$ 0.57</u>

- (1) Table may not sum due to rounding.

## Special Note Regarding Forward-Looking Statements

This earnings release contains forward-looking statements, within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the Company's current expectations, beliefs, plans, or forecasts with respect to, among other things, future events and financial performance and trends in the business and industry. The words "may," "will," "could," "should," "would," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "prospects," "potential," "budget," "forecast," "continue," "predict," "seek," "objective," "goal," "guidance," "outlook," "effort," "target," and similar words, expressions, terms, and phrases among others, generally identify forward-looking statements, which speak only as of the date the statements were made. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks, and uncertainties. Readers are cautioned that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement.

The statements in this news release are based on currently available information and the current expectations, forecasts, and assumptions of the Company's management concerning risks and uncertainties that could cause actual outcomes or results to differ materially from those outcomes or results that are projected, anticipated, or implied in these statements. Such risks and uncertainties include, among others, those discussed in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K filed on February 17, 2023, subsequent Reports on Form 10-Q and 8-K, and other filings we make with the U.S. Securities and Exchange Commission. In addition to any such risks, uncertainties, and other factors discussed elsewhere herein, risks, uncertainties, and other factors that could cause or contribute to actual results differing materially from those expressed or implied by the forward-looking statements include, but are not limited to: inflation, both in the U.S. and globally; our ability to successfully manage operational challenges and disruptions, as well as related federal, state, and local government responses arising from future pandemics; economic and business risks inherent in the truckload and transportation industry, including inflation and competitive pressures pertaining to pricing, capacity, and service; our ability to effectively manage tight truck capacity brought about by driver shortages and successfully execute our yield management strategies; our ability to maintain key customer and supply arrangements (including dedicated arrangements) and to manage disruption of our business due to factors outside of our control, such as natural disasters, acts of war or terrorism, disease outbreaks, or pandemics; volatility in the market valuation of our investments in strategic partners and technologies; our ability to manage and effectively implement our growth and diversification strategies and cost saving initiatives; our dependence on our reputation and the Schneider brand and the potential for adverse publicity, damage to our reputation, and the loss of brand equity; risks related to demand for our service offerings; risks associated with the loss of a significant customer or customers; capital investments that fail to match customer demand or for which we cannot obtain adequate funding; fluctuations in the price or availability of fuel, the volume and terms of diesel fuel purchase agreements, our ability to recover fuel costs through our fuel surcharge programs, and potential changes in customer preferences (e.g. truckload vs. intermodal services) driven by diesel fuel prices; fluctuations in the value and demand for our used Class 8 heavy-duty tractors and trailers; our ability to attract and retain qualified drivers and owner-operators; our reliance on owner-operators to provide a portion of our truck fleet; our dependence on railroads in the operation of our intermodal business; potential port congestion or interruptions that may result from contract negotiations between the ILWU and west coast port owners; service instability, availability, and/or increased costs from third-party capacity providers used by our business; changes in the outsourcing practices of our third-party logistics customers; difficulty in obtaining material, equipment, goods, and services from our vendors and suppliers; variability in insurance and claims expenses and the risks of insuring claims through our captive insurance company; the impact of laws and regulations that apply to our business, including those that relate to the environment, taxes, associates, owner-operators, and our captive insurance company; changes to those laws and regulations and the increased costs of compliance with existing or future federal, state, and local regulations; political, economic, and other risks from cross-border operations and operations in multiple countries; risks associated with financial, credit, and equity markets, including our ability to service indebtedness and fund capital expenditures and strategic initiatives; negative seasonal patterns generally experienced in the trucking industry during traditionally slower shipping periods and winter months; risks associated with severe weather and similar events; significant systems disruptions, including those caused by cybersecurity events and firmware defects; exposure to claims and lawsuits in the ordinary course of business; our ability to adapt to new technologies and new participants in the truckload and transportation industry.

The Company undertakes no obligation to publicly release any revision to its forward looking statements to reflect events or circumstances after the date of this earnings release.