



# ARCBEST CORPORATION INVESTOR DAY

*November 9, 2015*



THE  
**SKILL** & THE  
**WILL**

# 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. 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, which are generally not historical in nature. These forward-looking statements are based on management’s current expectations and beliefs concerning future developments and their potential effect on us. Although management believes that these forward-looking statements are reasonable, as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and management’s present expectations or projections. Important factors that could cause our actual results to differ materially from those in the forward-looking statements include, but are not limited to: costs of continuing investments in technology, a failure of our information systems and the impact of cyber incidents; disruptions or failures of services essential to the operation of our business or the use of information technology platforms in our business; governmental regulations and policies; litigation or claims asserted against us; union and nonunion employee wages and benefits, including changes in required contributions to multiemployer pension plans; competitive initiatives, pricing pressures, 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; general economic conditions and related shifts in market demand that impact the performance and needs of industries served by ArcBest Corporation’s subsidiaries and/or limit our customers’ access to adequate financial resources; 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; relationships with employees, including unions, and our ability to attract and retain employees and/or independent owner operators; availability of fuel; default on covenants of financing arrangements and the availability and terms of future financing arrangements; availability and cost of reliable third-party services; increased competition from freight transportation service providers outside the motor carrier freight transportation industry; timing and amount of capital expenditures, increased prices for and decreased availability of new revenue equipment and decreases in value of used revenue equipment; future costs of operating expenses such as maintenance and fuel and related taxes; self-insurance claims and insurance premium costs; environmental laws and regulations, including emissions-control regulations; potential impairment of goodwill and intangible assets; the impact of our brands and corporate reputation; the cost, timing and performance of growth initiatives; the cost, integration and performance of any future acquisitions; weather conditions; and other financial, operational and legal risks and uncertainties detailed from time to time in ArcBest Corporation’s Securities and Exchange Commission public filings.

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

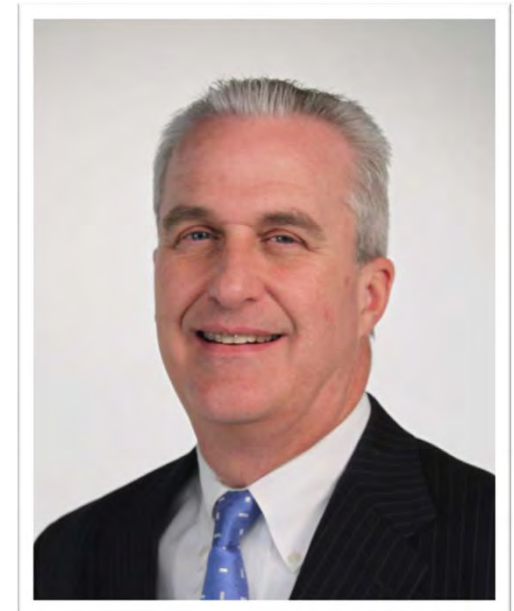
Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

## David Humphrey

VICE PRESIDENT – INVESTOR RELATIONS

Vice President of Investor Relations since January 2010

- 32 year employee of ArcBest Corporation
- Has led the ArcBest Investor Relations Department for over 17 years
- Began his career, and worked for 9 years, in what is now ArcBest Technologies' Business Insight & Analytics Department



**ArcBest**  
Corporation

## PROGRAM AGENDA

### **David Humphrey**

Vice President, Investor Relations – ArcBest Corporation

### **Judy McReynolds**

President & CEO – ArcBest Corporation

### **Jim Ingram**

President – ABF Logistics

### **Tim Thorne**

President – ABF Freight

*Q&A – ABF Logistics and ABF Freight*

*Break*

### **Lou Schneeberger**

President – Panther Premium Logistics

### **Gary Cummings**

President – FleetNet America

*Q&A – Panther and FleetNet*

### **Danny Loe**

Vice President – Enterprise Solutions

### **Michael Newcity**

President – ArcBest Technologies

*Q&A – Enterprise Solutions and ArcBest Technologies*

### **David Cobb**

Chief Financial Officer – ArcBest Corporation

### **Judy McReynolds**

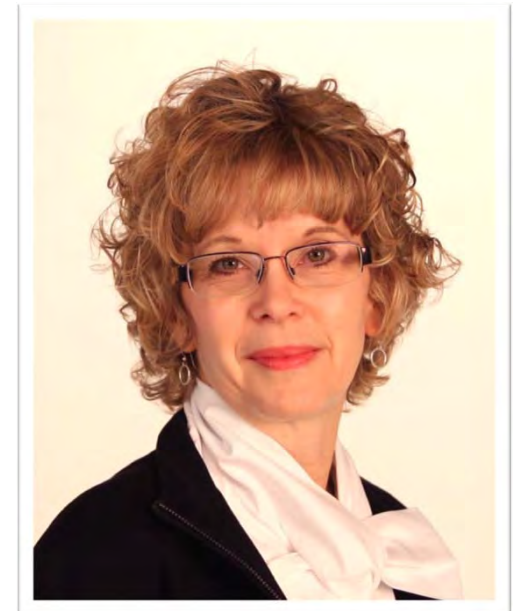
*Closings Remarks and Q&A*

## Judy R. McReynolds

PRESIDENT & CHIEF EXECUTIVE OFFICER

**President and Chief Executive Officer since January 2010**  
**ArcBest Director since January 2010**

- 18-year tenure with ArcBest and over 25 years of experience in the transportation and logistics industry
- **Senior Vice President–Chief Financial Officer** and **Treasurer** from February 2006 through December 2009
- Member of the American Trucking Associations Board of Directors and Executive Committee
- Chairperson of the American Transportation Research Institute Board
- Transportation Industry Council of the Federal Reserve Bank of St. Louis since June 2012
- Member of the Board of Directors of OGE Energy Corp. since July 2011 and serves on its Compensation Committee and Nominating and Governance Committee



THE  
**SKILL** & **WILL**  
THE

Video

Logistics Leader



1923

Founded

13,000+

Employees

\$2.6 billion

Revenue in 2014

# Who Are We?

## A logistics company

With **The Skill & The Will** to creatively solve our customers' complex supply chain challenges

**We'll find a way** to deliver:

- Knowledge
- Expertise
- Options
- A can-do attitude with every shipment and supply chain solution, household move or vehicle repair

**ArcBest**  
Corporation



SKILL & WILL

ArcBest  
Corporation



## Common DNA



### We use **creativity** and **cooperation** to solve

transportation and logistics challenges for customers worldwide who value quality and an exceptional experience.

## Customer Focus



**Commercial Shippers**  
and Consumers of Logistics Solutions

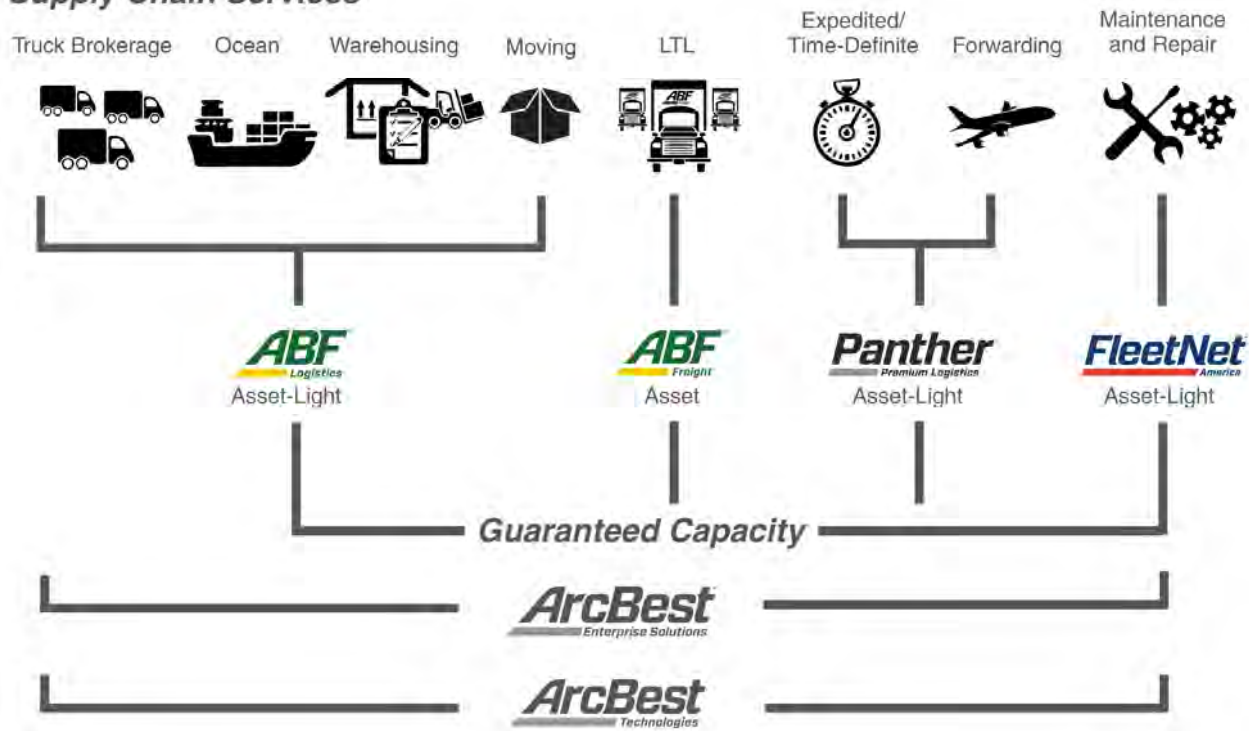
**Commercial Carriers**  
and Private Fleets with  
Medium and Heavy  
Duty Equipment

**Consumers**  
of Household Goods  
Transportation and  
Storage Services

# ArcBest Corporation

A Logistics Company with The Skill and The Will<sup>SM</sup>  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



## Vision





## OUR VALUES

### CREATIVITY

*We create solutions.*

### GROWTH

*We grow our people and our business.*

### INTEGRITY

*We do the right thing.*

### EXCELLENCE

*We exceed expectations.*

### COLLABORATION

*We work together.*

### WELLNESS

*We embrace total health.*

## Key Elements

# A Logistics Company with the Skill & The Will to Grow

- 1 Increasing Supply Chain Complexity
- 2 Optimal Conditions For Growth
- 3 Impact of Innovation & Technology
- 4 ArcBest is Powerfully Positioned

# Increasing Supply Chain Complexity

*Supply chains are evolving rapidly due to faster customer demand for products, lean inventory levels, transportation capacity, speed of fulfillment and cost volatilities*

- 1 Global product sourcing requires unique distribution models offering ease of visibility and efficient coordination of multiple transportation resources
- 2 Growing need for real-time information and data to facilitate flexible, logistics decision-making
- 3 Evolving focus on customer service to meet more demanding delivery times (next-day; same-day) and to offer a positive customer experience
- 4 The rising need for personnel with superior analytical skills and industry knowledge in order to craft cost-effective solutions



# Optimal Conditions for Growth


## Market Potential

Approximate ArcBest Opportunity: **\$266B**



\$37 B

Less-Than-Truckload



\$5 B

Expedited Transportation



\$57 B

Freight Brokerage & Management



\$20 B

Premium Logistics




\$47 B

Air & Ocean Freight Forwarding



\$37 B

Warehousing / Distribution



\$17 B

Household Goods Moving & Storage



\$3 B

White Glove / Final Mile



\$43 B

Maintenance / Repair

Source: Armstrong & Associates, ArcBest Technologies Business Insight & Analytics, management estimates – October 2015

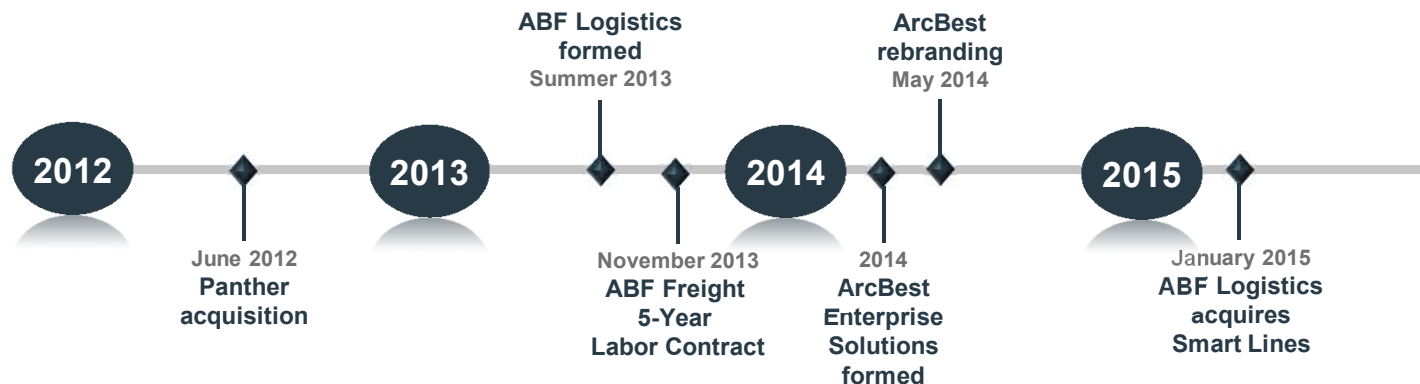
# Optimal Conditions for Growth

ArcBest has conducted extensive research to better understand:

- The voice and needs of our diverse customer base
- The services we must offer to meet their needs
- How to effectively deliver those services as a trusted partner
- Current voids in the marketplace that ArcBest can fill

Organic investments in personnel and systems at all companies position ArcBest for future growth and improved profit margins.

## ArcBest Steps Taken for Future Growth





# Optimal Conditions for Growth

## Existing Opportunities:

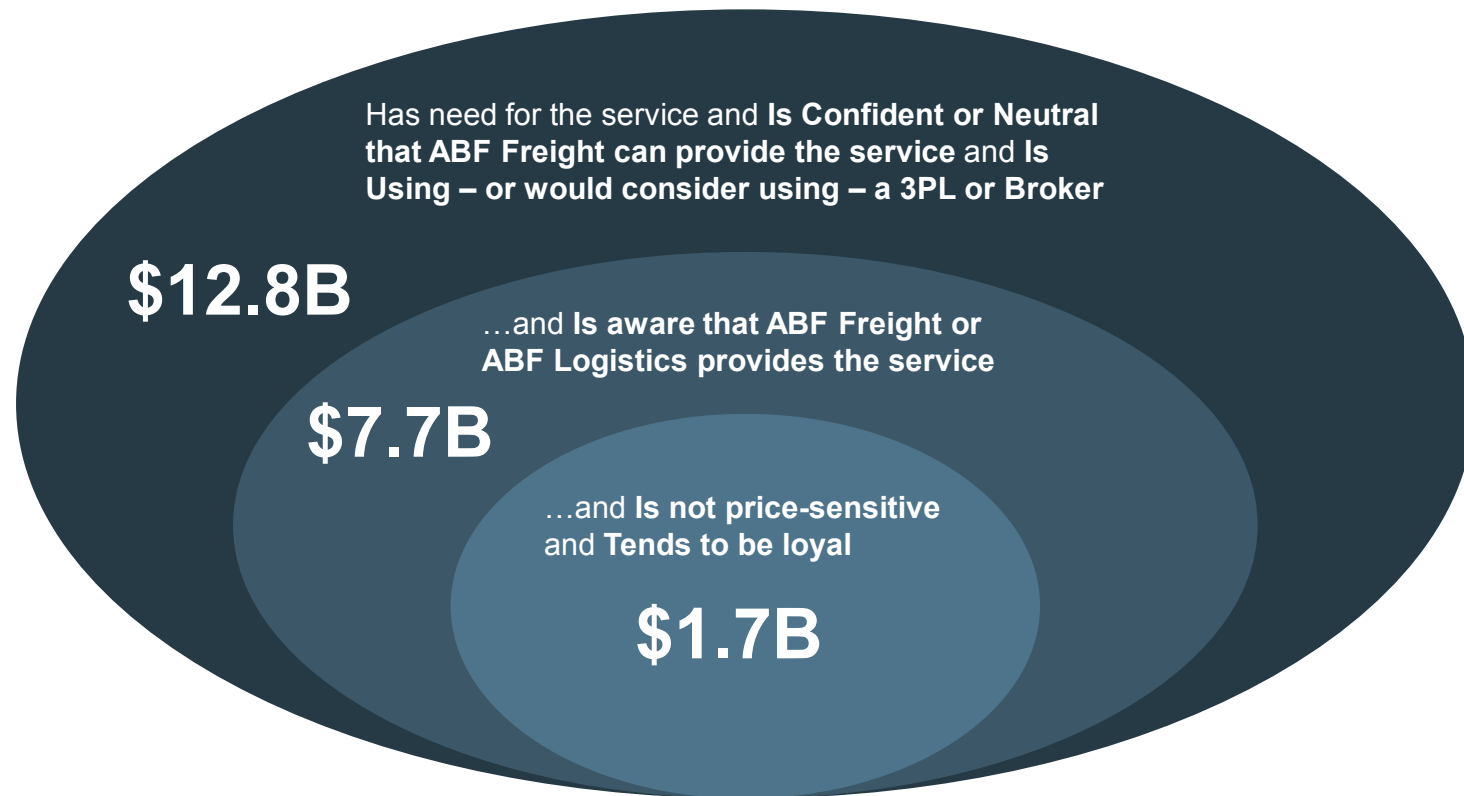
Research indicates that nearly 75% of ABF Freight and Panther customers have two or more logistics needs offered within our family of companies.

Nearly 85% of current ABF Freight and Panther customers would consider or strongly consider sourcing one or more of those additional logistics services from ABF Freight and/or Panther.

As customers increasingly look to fewer providers for more logistics services, we are well-positioned to offer a holistic mix of asset-based and non-asset-based solutions.

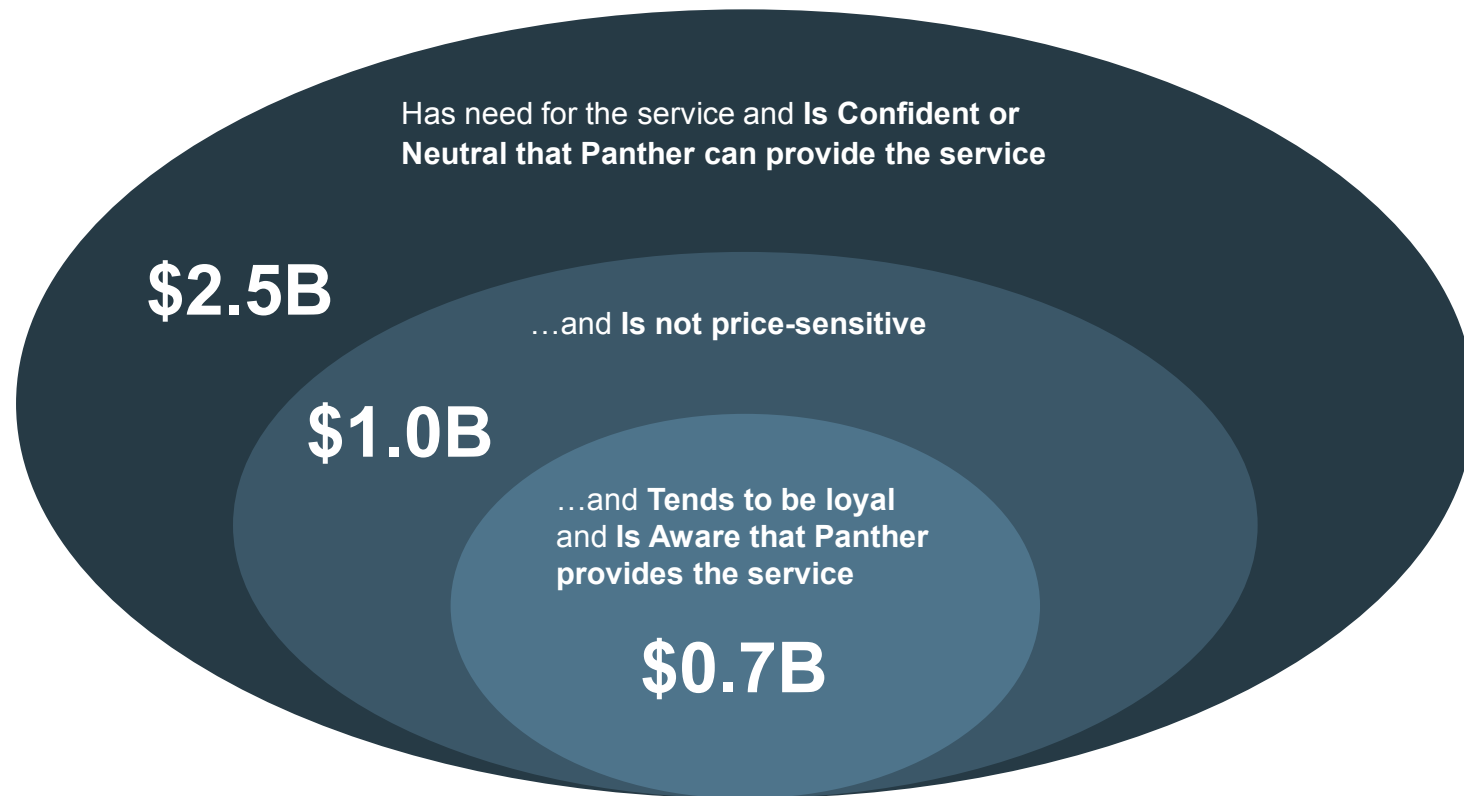
# Optimal Conditions for Growth

ABF Freight Customer Base: Asset-Light Total Market Potential Revenue



# Optimal Conditions for Growth

Panther Customer Base: Expedited Total Market Potential Revenue



# Impact of Innovation & Technology

Differentiating technologies and innovations have played a strong role in ArcBest's history and will help us seize on our opportunities for growth.

Technology and innovations:

- Enhance and optimize operations
- Create efficiencies
- Allow for better management of personnel
- Improve the customer experience

The 2015 structuring of our innovation process provides for coordinated initiatives that flow throughout the entire ArcBest organization.



# Powerfully Positioned



ArcBest is built on the **strong foundation** of ABF Freight as a **trusted customer partner**.



Our employees have **The Skill and The Will** to solve customers' supply chain **challenges**.



We have **responded to customer needs** by developing the **logistics strategies they desire** and coordinating them through Enterprise Solutions.



We have **billions of dollars of revenue growth opportunities** with ABF Freight and Panther customers.



**Solid financial resources that support our strategic initiatives:**

- Strong balance sheet
- Additional liquidity readily available
- Positive banking relationships

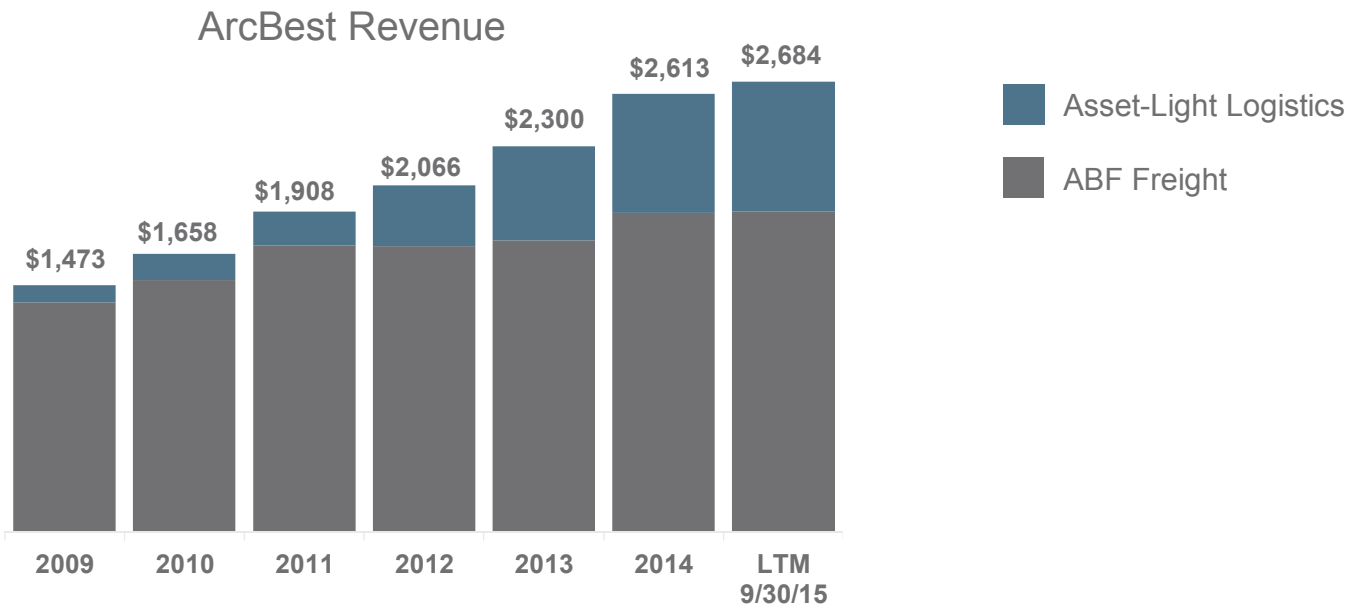


We bring **differentiating technologies** and innovations to the customer experience to **simplify the complexities** they face.

# ArcBest Diversification

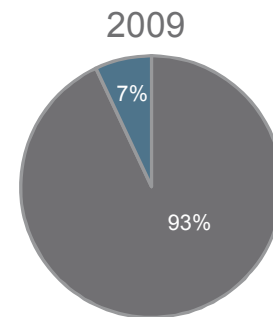
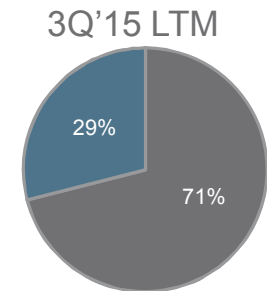
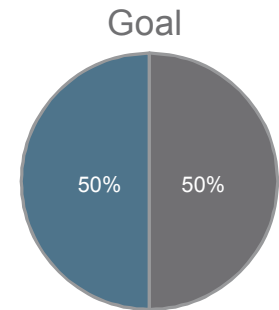
## Growth of the Asset-Light Logistics Businesses

An Ever-Increasing Percentage of ArcBest's Revenue



(1) Amounts shown are before other revenues and intercompany eliminations.

### Percent of ArcBest Revenue



## Collaboration Throughout the ArcBest Enterprise

**ABF Logistics' web visibility tools** helped an ABF Freight electronic equipment account **reduce their ocean shipping costs by as much as 50%** while significantly improving their customer delivery time.

**A U.S. importer and distributor of authentic Asian products** solved their U.S. distribution challenges with a comprehensive set of logistics services that includes **international container shipments and warehousing by ABF Logistics**, all coordinated by **ArcBest's Enterprise Solutions** group.

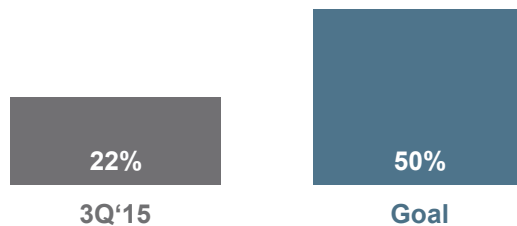
The **sales teams of ABF Freight and ABF Logistics** worked together to develop a **collaborative solution with FleetNet** for a customer shipping oversized products on his owned equipment.

**ABF Freight and Panther collaborate** to serve a customer shipping cross country **air shipments to Hawaii**. The customer benefits from the **expertise of ABF Freight during mainland and Hawaiian ground handling**, and the **speed of air transport utilizing Panther** and its air carrier partner, all at an **economical total cost**.

# Evolution Has Begun

While ABF Freight offers a strong foundation for ArcBest, we are a multi-faceted logistics company providing supply chain solutions to complex transportation challenges.

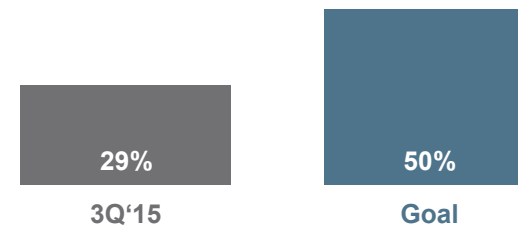
**ABF Freight Account Base Who Used ABF Logistics or Panther For Non-LTL Services**



The percentage of ABF Freight's account base who also transacted business with either ABF Logistics or Panther was 22%.

Our goal is 50%.

**ArcBest Revenues Derived From Asset-Light Logistics**



Nearly 30% of ArcBest revenues are currently derived from asset-light logistics.

Our goal is 50%.



## Industry Stock Multiples

ArcBest's stock trading multiples have trailed that of the LTL industry average.

Going forward, ArcBest's stock price valuation should reflect the positive impact of our asset-light logistics businesses.

Industry Equity Valuations	
Industry Segment	Multiple*
Truckload	19.6X
LTL	16.5X
Intermodal	23.4X
Non-Asset-Based – Forwarding/Logistics	22.5X
ArcBest	14.3X

\*Average stock price, on 11/3/15, as a multiple of 2014 EPS – Stifel Transportation Industry Report

# Strategies for Growth

How will ArcBest seek to grow its revenue to solve the logistics challenges of its customers?

1

Work toward **strengthening ABF Freight** as the asset-based foundation of ArcBest

2

Sustained growth through **new customer additions and cross-selling with established base** of over 40,000 active ABF Freight/Panther customers

3

Continued development of services and resources to **enhance growth in the fleet maintenance and moving markets**

4

Ongoing, **organic investment** in people, innovative technology and other resources for all of these businesses

5

Consideration of **acquisition opportunities** that meet ArcBest's strategic goals and enhance the scale of services offered in the marketplace

## Jim Ingram

PRESIDENT – ABF LOGISTICS

**President of ABF Logistics since August 2013**

- **Senior Vice President–Strategy** from November 2011 through January 2014
- **Vice President–Strategic Development** from April 2010 through October 2011
- **Vice President–Market Development** from January 2008 to April 2010
- Between January 1990 and January 2006 held various positions in ABF Freight’s Pricing Department



Formed in July 2013



# Fort Smith, AR

Headquarters

**430+**

Employees

**\$247 million**

Revenue in 2014\*

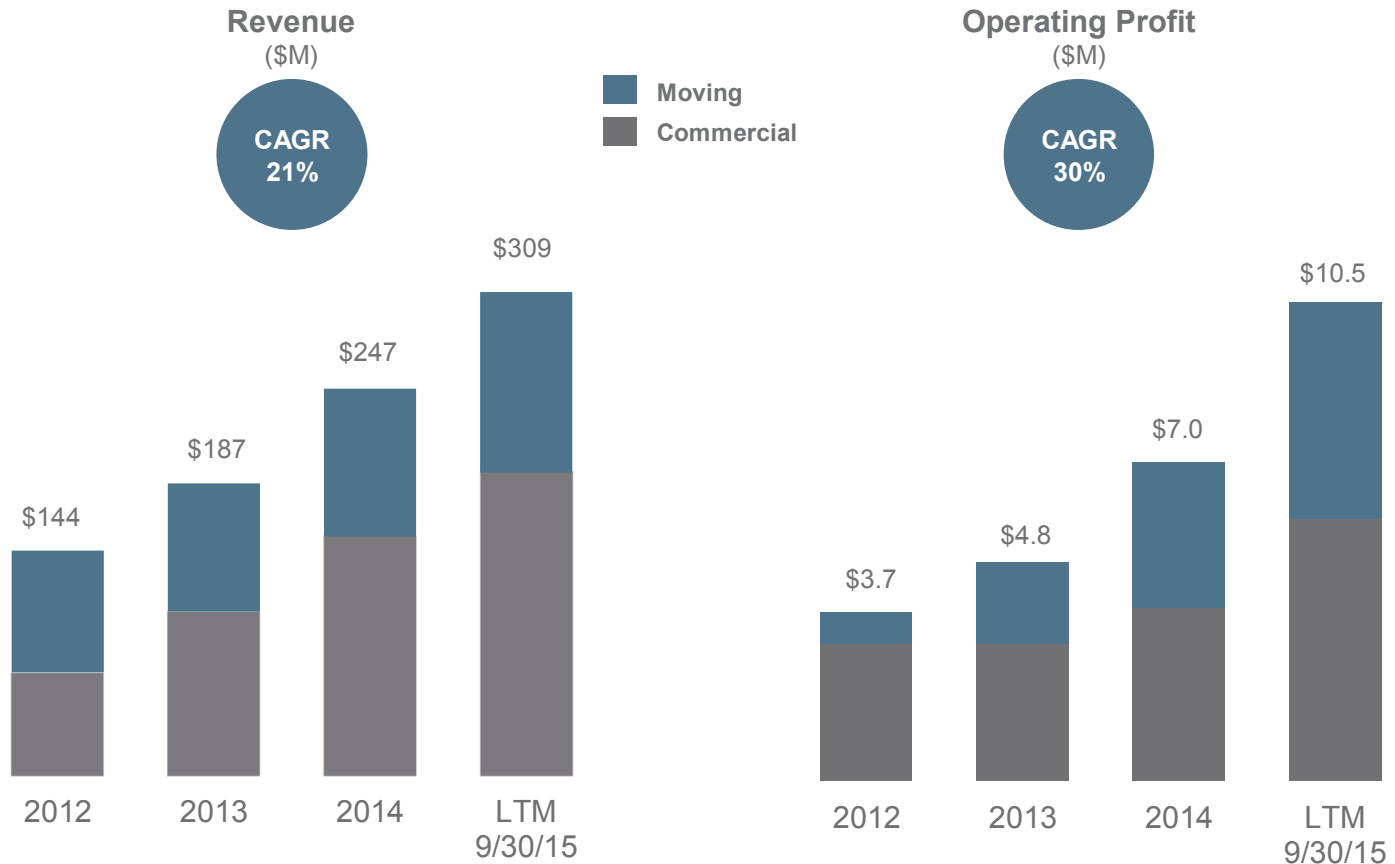
Provides customers with third party end-to-end solutions to complex supply chain needs backed by the assets of ArcBest.



\*Includes revenue for ABF Moving



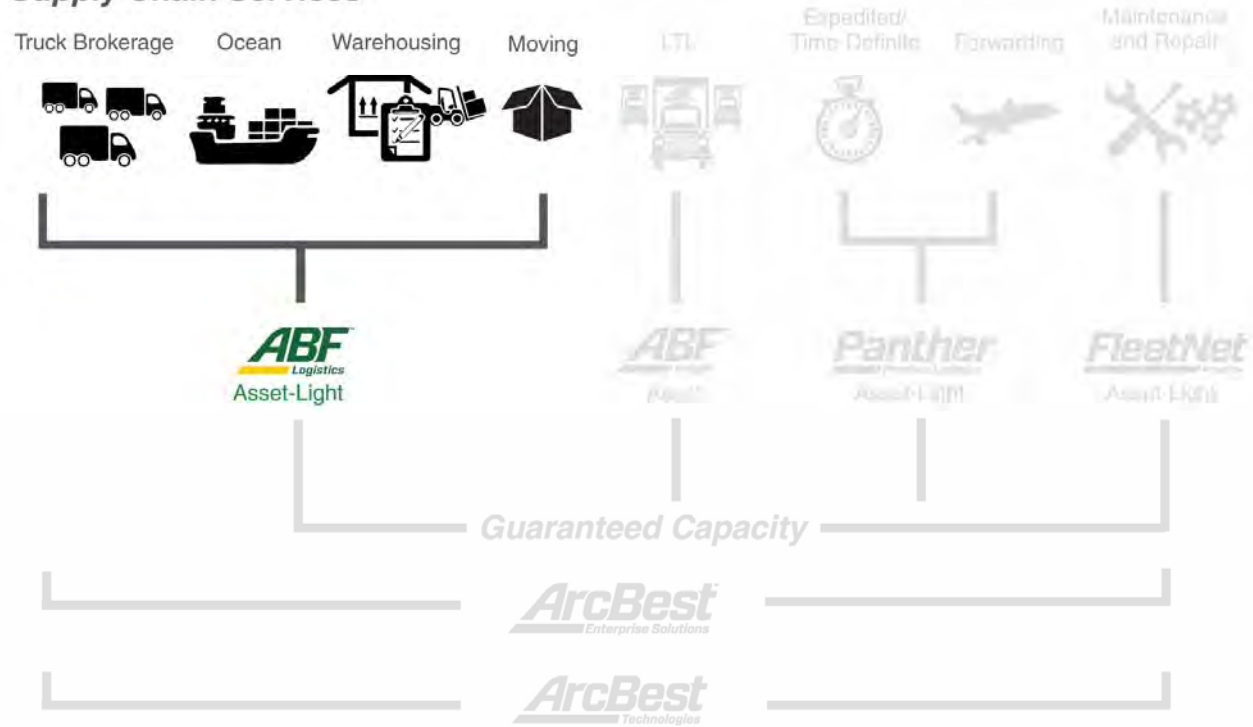
# Revenue and Profitability Growth



# ArcBest Corporation

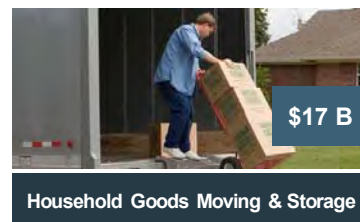
A Logistics Company with The Skill and The Will™  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



# Market Potential

Approximate ABF Logistics Opportunity: **\$158B**



Source: Armstrong & Associates, ArcBest Technologies Business Insight & Analytics, management estimates – October 2015

# Capabilities – ABF Logistics

## Truck Brokerage

Network of over 25,000 vetted service providers

**99% coverage rate**

Shipment visibility at [abf.com](http://abf.com)



## Ocean

End-to-end global shipment visibility from the manufacturer's floor to the final destination

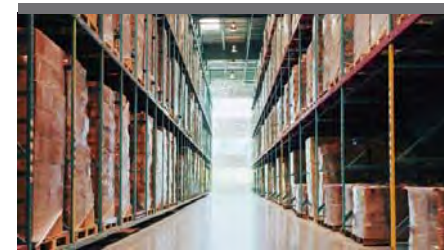
FCL and **LCL** import and export service throughout Asia, Europe and South America to final destinations in the U.S.



## Warehousing

Customized Warehouse Management including cross-dock services, production inspection and testing and returns processing

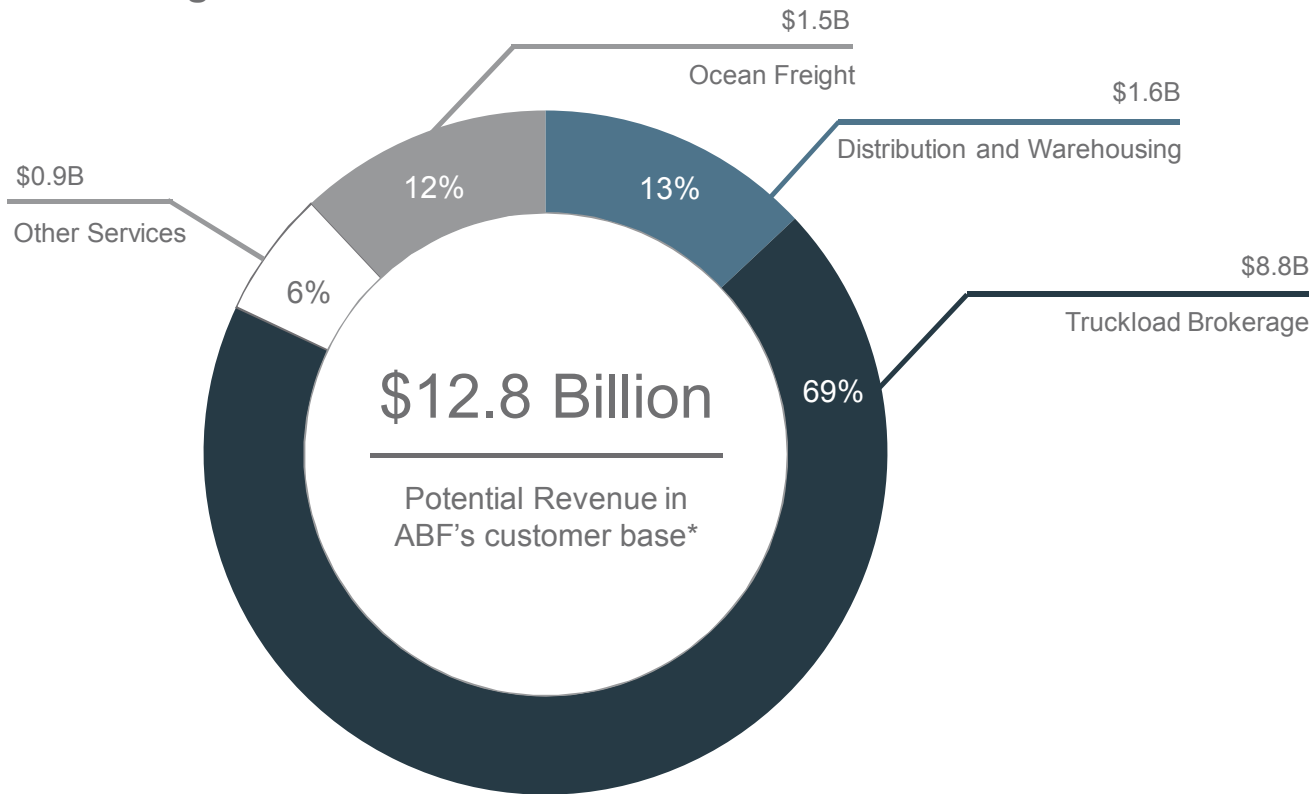
Visibility and inventory tracking through 80+ North American partner locations





# Optimal Conditions for Growth

## ABF Logistics



### \*ABF Freight's Customer Base

- Has need for the service
- Is confident or neutral that we can provide the service
- Is using or would consider using a 3PL or Broker

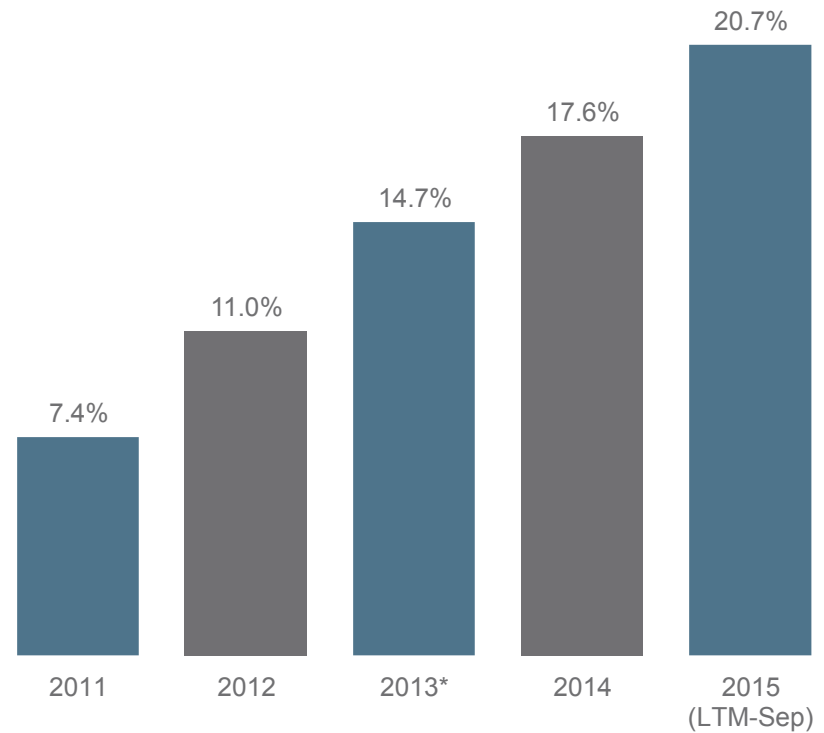
# Optimal Conditions for Growth

## ABF Logistics

Research indicates that roughly 50% participation is a realistic goal.

Significant growth potential remaining with existing and new customers to also grow wallet share.

ABF Freight Account Base  
Who Used ABF Logistics



\*Began reporting as ABF Logistics in July 2013

# Capabilities – ABF Moving

## Consumer Moving

U-Pack® offers household moving services for individuals and families

Over 700,000 completed consumer moves

Moving trailer or container available

Only pay for space used



## Government Moving

An approved transportation service provider (TSP) to all military branches

Industry-leading customer satisfaction scores



## Corporate Moving

Nationwide corporate relocation  
Broad service selection including truck rental, containers, LTL and padded van



# Optimal Conditions for Growth

## ABF Moving

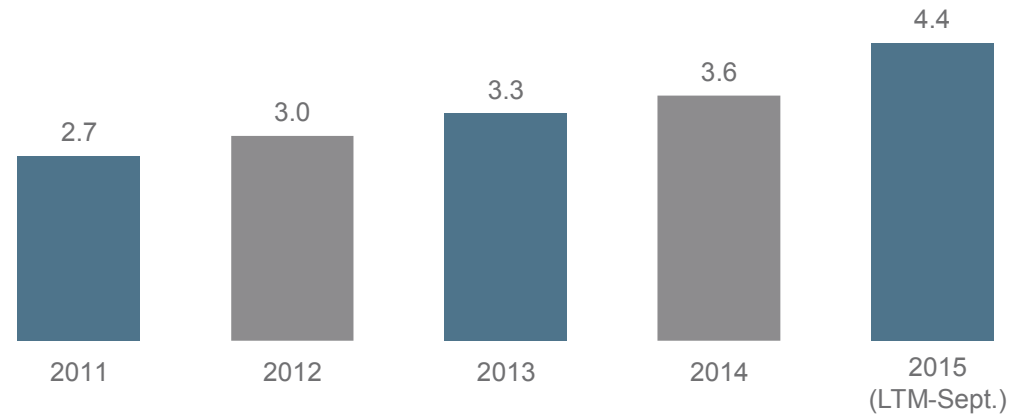
\$17 billion moving and storage market

- Traditional padded van
- **Self-Move trailer and containers**
- Truck Rental

Opportunity to leverage success of upack.com

- “upgrade” options for traditional do-it-yourself customers (pack, load, unload, storage)

Upack.com Unique Website Visitors  
(millions)



# Impact of Innovation & Technology

## ABF Logistics

Further enhance operating platform

- Improve enterprise-level customer experience
- Enhance productivity and reduce cost
- Unique connectivity to capacity

Understand and continually improve business performance and outcomes

- Business insights and analytics

Leverage expertise in digital marketing to create speed and choice advantages



# Powerfully Positioned

## ABF Logistics



### Significant Opportunity for Growth

- 30,000+ established ABF Freight accounts ripe for cross-selling through **collaboration** with ABF Freight sales team
- Massive opportunity outside of existing customer base – less than 20% of business comes from non-ABF Freight customers



### Capacity Answer

- Powerful combination of external partners and internal assets
- 25,000+ capacity partners
- Asset connections throughout ABF Freight and Panther



### Acquisitions

- Opportunity to move faster, add scale and further develop our network

## Tim Thorne

PRESIDENT – ABF FREIGHT

**President of ABF Freight<sup>SM</sup> since October 2014**

- Vice President–Linehaul Operations from April 2013 to October 2014
- Regional Vice President of Operations in the Salt Lake City and Reno from May 2006 through March 2013
- Branch Manager at four ABF Freight terminals from May 1993 through April 2006, including Florence and Decatur, Alabama; Nashville, Tennessee and Carlisle, Pennsylvania
- Joined ABF Freight as a Supervisor Assistant at the Orlando, Florida terminal in 1990, working in that position until serving as Sales Representative at the same terminal from June 1992 to May 1993



Founded in 1923



One of North America's largest and most trusted less-than-truckload (LTL) carriers

**Fort Smith, AR**

Headquarters

**11,500+**

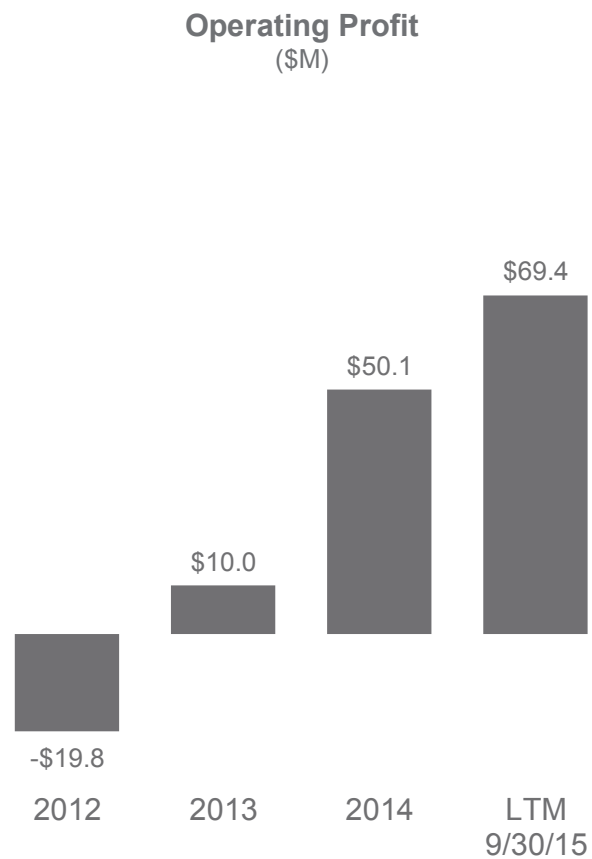
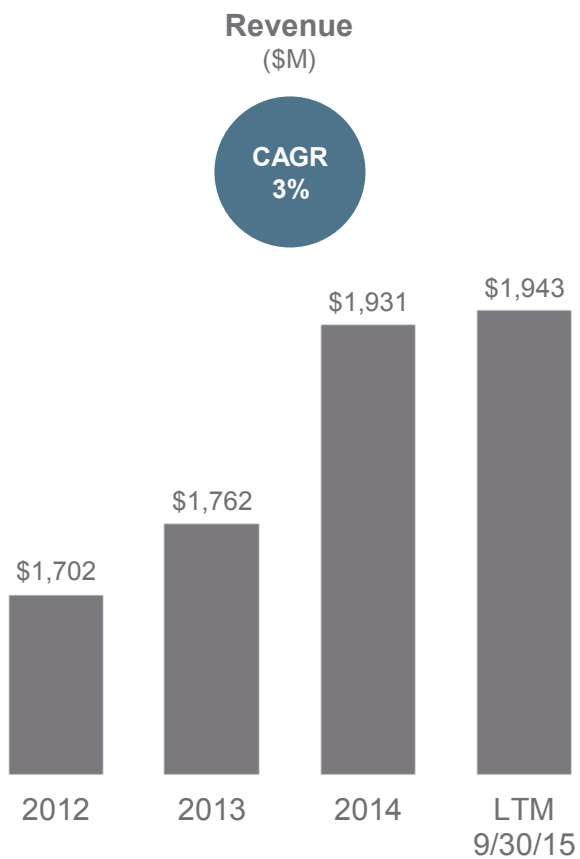
Employees

**\$1.9 billion**

Revenue in 2014



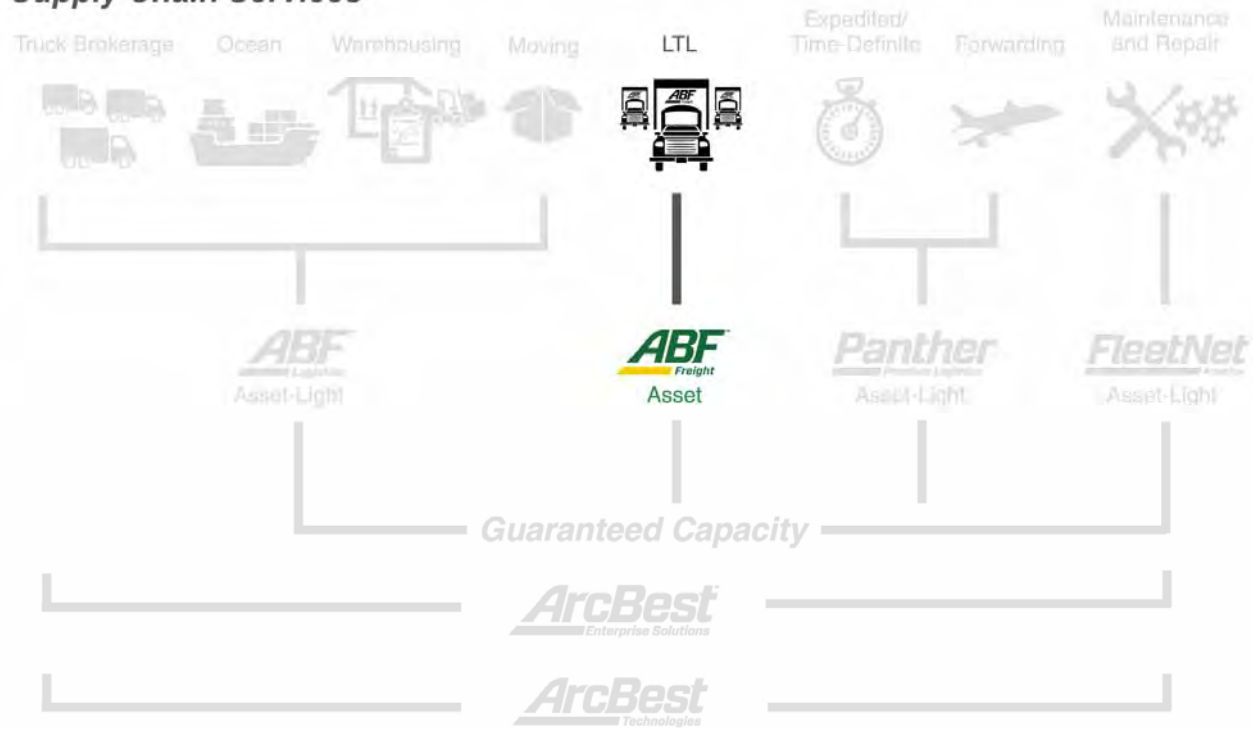
# Revenue and Profitability Growth



# ArcBest Corporation

A Logistics Company with The Skill and The Will™  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



# Capabilities – ABF Freight

## Critical Resources

- 247 terminals across North America serving the enterprise
- Approximately 500 account managers selling across the enterprise
- Approximately 4,200 tractors and 20,600 trailers
- 11,500+ employees



## Critical Capabilities

- Quality Process
- Large and highly trained ABF Sales Force
- Disciplined pricing
- Execution and Asset Management
- Risk Management – Safety and Employee Engagement



## Customer Value Proposition

- Easy to do business with
- Solves Logistics and Transportation challenges
- Trusted advisor and Partner
- We do the difficult things well. Market research validates this point.

## Improved Profitability

- Expanded Revenue Opportunities
  - Optimized Cost Structure


# Market Potential

Approximate ABF Freight Opportunity: **\$45B**



\$37 B

Less-Than-Truckload



\$5 B

Expedited Transportation



\$57 B

Freight Brokerage & Management



\$20 B

Premium Logistics



\$47 B

Air & Ocean Freight Forwarding



\$37 B

Warehousing / Distribution



\$17 B

Household Goods Moving & Storage



\$3 B

White Glove / Final Mile



\$43 B

Maintenance / Repair

Source: Armstrong & Associates, ArcBest Technologies Business Insight & Analytics, management estimates – October 2015

# Supply Chain Complexity

*What causes the demand for our services?*

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- 1 Externally managed supply chains
- 2 Value Proposition
  - Expertise
  - Network
  - Technology Platform
  - Flexibility



# Supply Chain Complexity

- 1 What solutions can ABF Freight provide?**
  - Asset-based LTL platform
  - Supply chain professionals
  - Seamless visibility
  - Customer support
  - Time critical, expedited, white glove, final mile and tradeshow services
- 2 What ArcBest solutions can ABF Freight account managers provide?**
  - Asset *and* non-asset-based platform
  - Consolidations, surge and rollout management
  - TL, LTL and warehousing



# Optimal Conditions for Growth

## Collaboration – An ArcBest Core Value

### OPPORTUNITY

A significant majority of ABF Freight customers need logistics services offered by other ArcBest companies.



### RELATIONSHIPS

Large, highly trained ABF Freight sales force offers many ArcBest services to established ABF Freight customers.



### A CLOSER LOOK

*Cross-selling accounts*

1

**Greater revenue growth**

2

**Greater account growth**

3

**10x larger than  
non-cross-selling accounts**

## Optimal Conditions for Growth

A small cookie company is looking to go nationwide and needs freight and logistics services. We could possibly have sold just our LTL services and secured a few shipments per year. However, by understanding all their needs and with the assets and resources available from ABF Freight and the ArcBest family of companies, we secured LTL, TL and warehousing services.

**ABF** Freight + **ABF** Logistics = **Growth & Customer Loyalty**

So, now the customer is a \$900K+/year enterprise customer. As the customer's business expands to add new products, our opportunities continue to grow at ABF Freight and across the enterprise. Our customer is more loyal as we've become a trusted supply chain partner – not just an LTL carrier.





# Optimal Conditions for Growth

ABF Freight, ABF Logistics and Panther Premium Logistics offer services that complement each other and allow us to work together to serve customers and create growth.



# Optimal Conditions for Growth



Less-than-Truckload

Expedited/Time Critical

White Glove Final Mile

Trade Show

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Transportation Management

Warehousing and Distribution

Truckload Brokerage and Intermodal

Household Goods Moving

Ocean

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Freight Forwarding

Premium Logistics

Time Critical

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# Optimal Conditions for Growth



Less-than-Truckload	Expedited/Time Critical	White Glove Final Mile	Trade Show
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✓	✓		
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Transportation Management	Warehousing and Distribution	Truckload Brokerage and Intermodal	Household Goods Moving	Ocean
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Freight Forwarding	Premium Logistics	Time Critical
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# Optimal Conditions for Growth



Less-than-Truckload	Expedited/Time Critical	White Glove Final Mile	Trade Show
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✓	✓	✓	✓
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Transportation Management	Warehousing and Distribution	Truckload Brokerage and Intermodal	Household Goods Moving	Ocean
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✓	✓	✓	✓	✓
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Freight Forwarding	Premium Logistics	Time Critical
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✓	✓	✓
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# Innovation and Technology

## *Customer-centric applications*

- ABF.com
- Robust technology platform providing state-of-the-art connectivity and visibility for our customers
- Organically developed with the customer in mind
- Innovative technology adaptations that meet customer's needs



# Impact of Innovation & Technology

## *Internal Customized Solutions*

### Optimization and efficiency

- PDAs with cameras on the dock and street
- Mobile laptops for DC Supervisors
- Fully integrated operations planning systems
  - Inbound Management System
  - Outbound Management System
  - Mobile Dispatch
  - Centralized Dock Management System
  - Yard Management System
  - Linehaul Management System
- Paperless systems on dock and in city

### Regulation and compliance monitoring

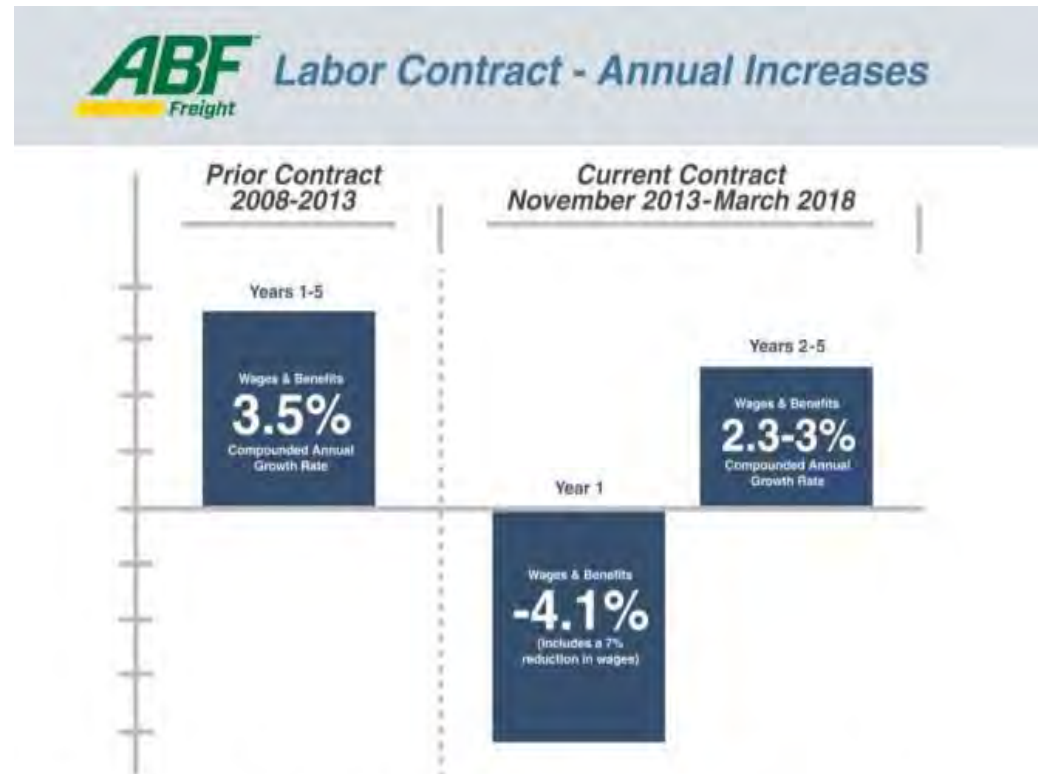
- ELDs – Electronic Logging Devices
- Equipment maintenance & EPA reporting



# Powerfully Positioned

Strong and trusted brand

ABF Freight's current labor contract, which runs through March 2018, provides for moderate (2% – 3%) annual wage and benefit increases



- Reset of the union labor cost structure in 2013 combined with lower annual cost inflation in subsequent years
- Over the remaining life of the contract through March 2018, compounded annual cost increases estimated to be 2.3% to 3%
- Increases apply to 79% of ABF Freight's employees
- ABF Freight's annual turnover rate is approximately 3% - 4%, excluding retirements
- Industry peer companies experiencing substantial increases in driver wages and benefits

# Powerfully Positioned



## A proven management team

- Average officer tenure of 25+ years
- Strong, well-trained bench



## A stable labor force

- ATA – The driver shortage will reach nearly 48,000 by the end of 2015. If current trends hold, the shortage may balloon to 239,000 by 2022.
- ABF Freight’s driver turnover, excluding normal retirements, is in the 3% – 4% range.
- Taking an innovative approach to solving the driver shortage
  - Driver Development Program
  - Schools
  - TMAP



# ArcBest<sup>™</sup> Corporation

A Logistics Company with The Skill and The Will<sup>SM</sup>  
to Solve Complex Supply Chain Challenges

## Supply Chain Services

Truck Brokerage



Ocean



Warehousing



Moving



LTL



Express  
Time-Deliver



Logistics



Asset-Light



**ABF**  
Logistics  
Asset-Light

**ABF**  
Freight  
Asset

**Panther**  
Asset-Light

**FleetNet**  
Asset-Light

Guaranteed Capacity

**ArcBest**  
Enterprise Solutions

**ArcBest**  
Technologies

## Lou Schneeberger

PRESIDENT & CEO – PANTHER PREMIUM LOGISTICS

**President and CEO of Panther Premium Logistics  
since February 2013**

- Lou joined Panther in 2010 as **Chief Financial Officer and Treasurer**. He was involved in the company's sale of Panther to ArcBest Corporation.
- He has served as Chief Financial Officer for two publicly traded companies and as Chairman of the Board for another. In total, Lou has served on the boards of five public and numerous private companies.
- Lou has an extensive background growing small, privately owned companies into large public corporations by improving organizational structure, increasing efficiency, and growing revenues and profits.



**Panther**  
Premium Logistics

Founded in 1992



**Medina, OH**

Headquarters

**\$317 million**

Revenue in 2014

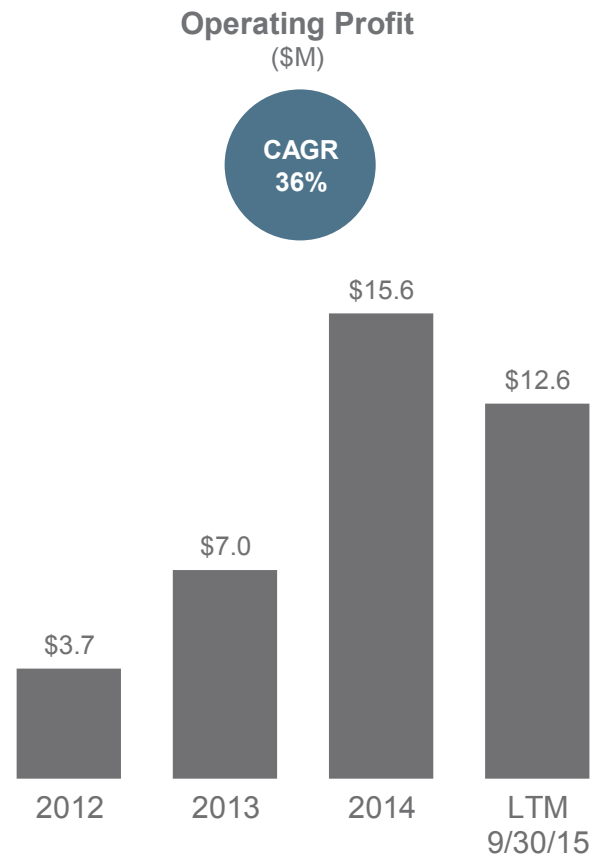
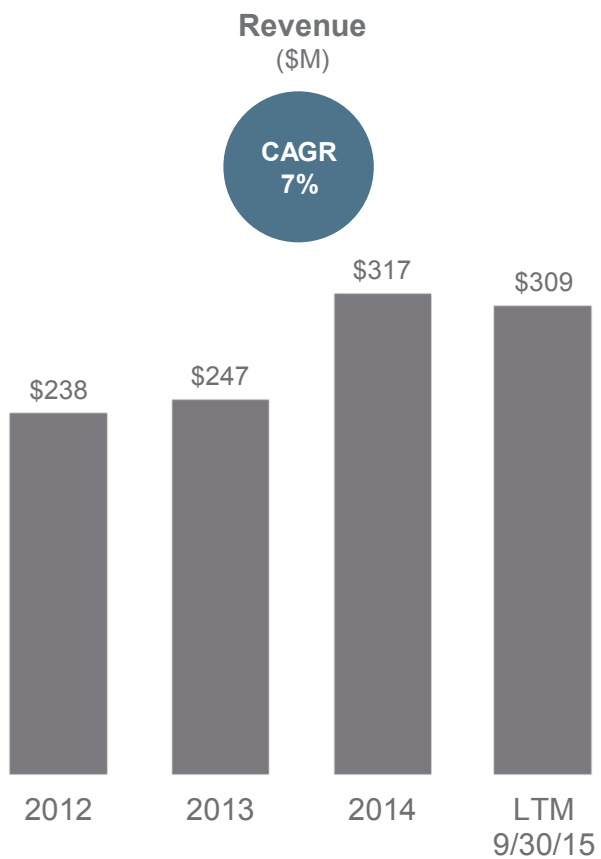
**400+** (Including 50+  
Sales persons)

Employees

Specializing in mission-critical and  
time-sensitive logistics projects



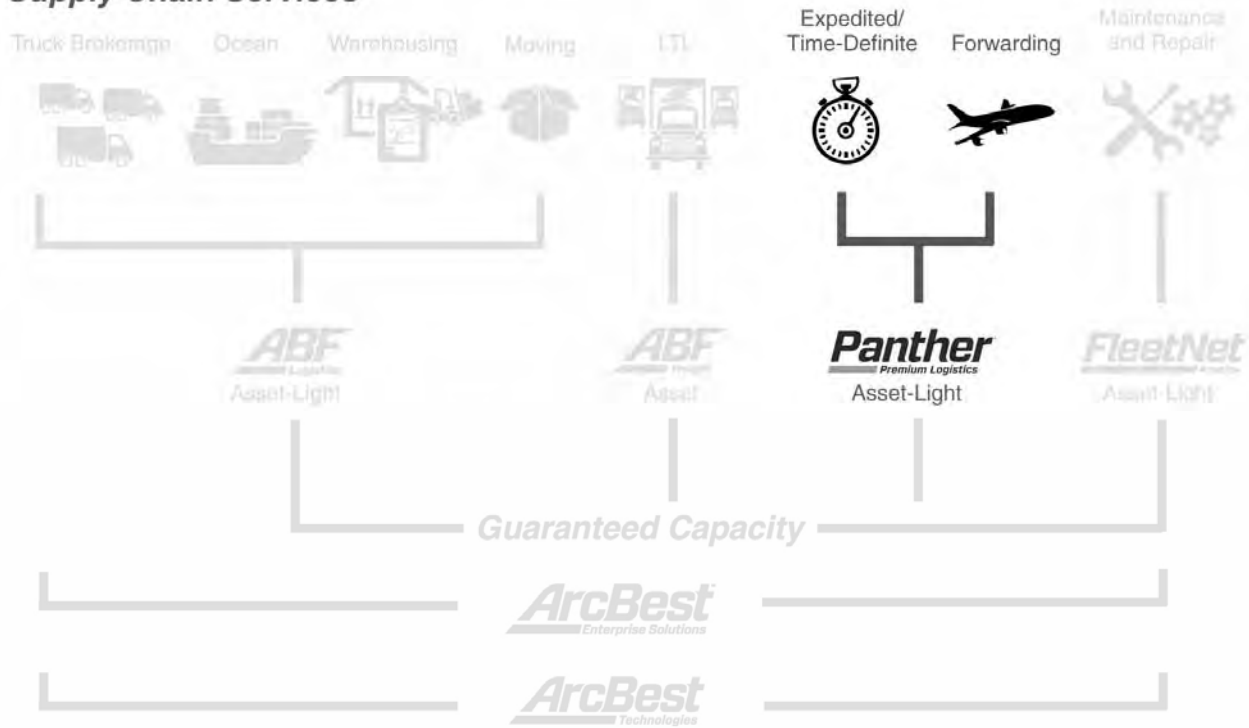
# Revenue and Profitability Growth



# ArcBest Corporation

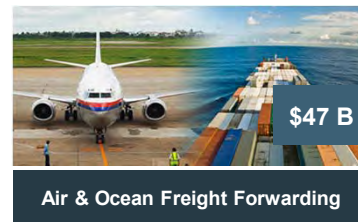
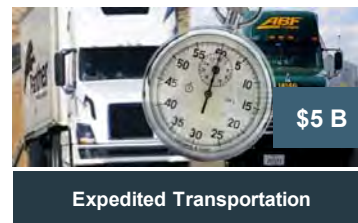
A Logistics Company with The Skill and The Will-  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



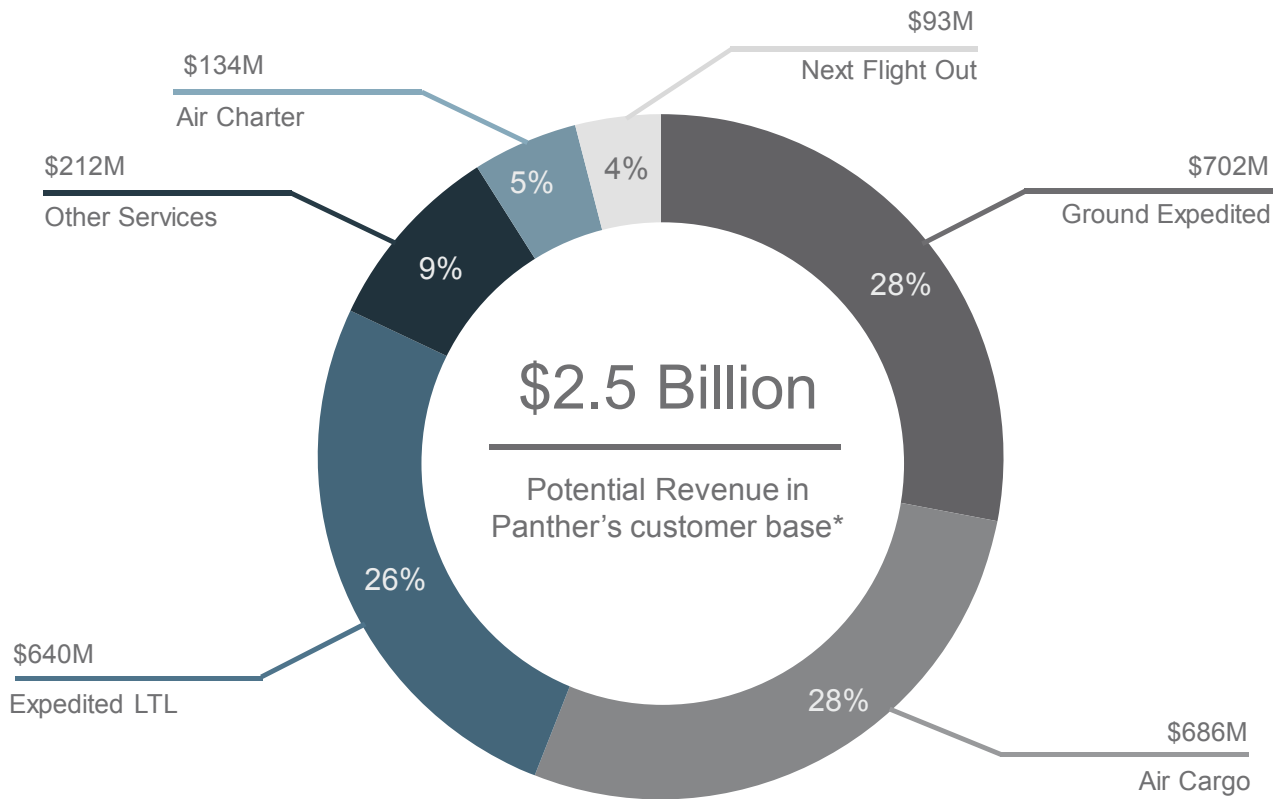
# Market Potential

Approximate Panther Opportunity: **\$75B**



Source: Armstrong & Associates, ArcBest Technologies Business Insight & Analytics, management estimates – October 2015

# Market Potential



## \*Panther's Customer Base

- Has need for the service
- Is confident or neutral that we can provide the service
- Is or would consider using a 3PL or Broker

# Capabilities – Panther

## Time Definite

Exclusive use ground expedite solutions using Panther's owner operators and a network of third party resources utilizing: tractor trailers, straight trucks and cargo vans.



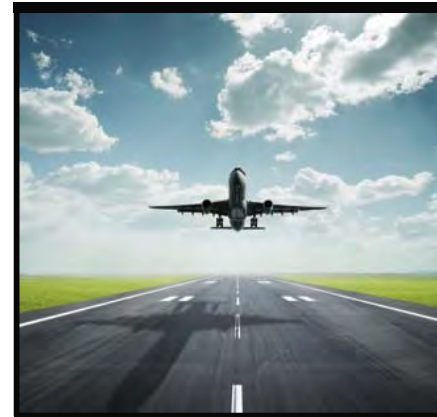
## White Glove

Panther offers specialized services to accommodate the most challenging supply chain requirements, including temperature validation, geofence, project logistics and secret cleared drivers.



## Forwarding

Eight geographically dispersed offices, combined with access to ABF Freight's network, allow Panther to offer guaranteed, time critical domestic freight across the United States and international air freight service.





# Verticals – Panther

Operations team is organized by market verticals.

Sales leadership's specific industry experience and knowledge results in better solutions for our customers.



Automotive & Heavy Truck



Government & Defense



High Value Product



Life Sciences & Pharmaceuticals



Manufacturing



Third Party Logistics

# Single Source – Panther

- Panther specializes in **managing 100%** of the premium logistics needs of large multi-location customers
- Improved service
- Lower total cost

## Serving Tier I and Tier II OEMs



On-Site & HQ Teams



Technology



Accurate / Timely Information



Owner-Operators

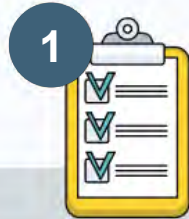


Independent Agent Partners

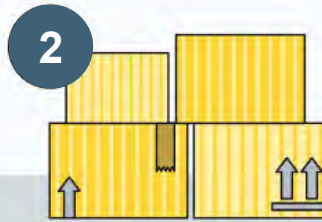


24 / 7 / 365

# Increasing Supply Chain Complexity



1  
**Flawless fulfillment**



2  
**Lean levels of customer inventory = product outages and profit loss**



5  
**Geographic diversity (near-shoring)**



4  
**Safety, security and risk management**



3  
**Rigorous delivery, security and monitoring**



6



7

# Increasing Supply Chain Complexity

## Examples

### Out-of-the-Box **Logistics** Solutions

- Temperature-controlled trailers staged at large pharmaceutical distributor
- Drivers quickly retrieve shipment for immediate departure
- Assist customer with creating cost-saving schedules

### Line Down Mitigation

- Automotive customer experienced critical parts shortage
- Panther moved vehicles to supplier's production facility at two hours notice
- Trucks ran direct to manufacturer every two hours; customer experienced no down time
- The solution involved both Panther equipment and strategic capacity partners



# Increasing Supply Chain Complexity

## Examples

### Multiple Service Utilization

- High profile customer began as ground expedite solution
- Quickly transitioned to a strategic supply chain partnership utilizing multiple services
- Partnership has led to two renewals of contract and prestigious supply chain recognition

### Big Box Distributions

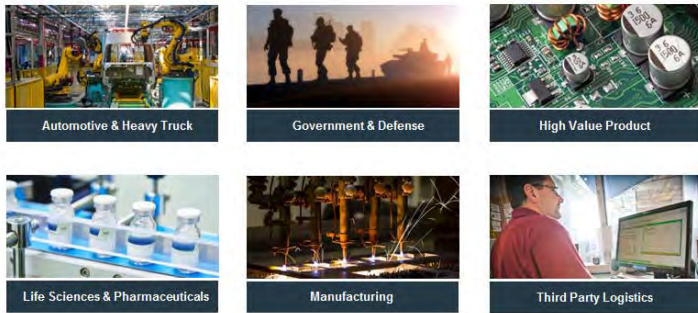
- Multinational retailer contracted with Panther when LTL carriers needed supplemental capacity and assistance in meeting transit times
- Panther's fleet and forwarding network handled store distributions
- Price point remained consistent with customer's expectations



# Optimal Conditions For Growth

The cost of delivery failure is far greater than the cost of transportation.

## Industry Expertise



## Driver Shortage



## Nearshoring



## Creative Problem Solving



## Impact of Innovation & Technology

- **Streamlined** customer quote experience
- **Rapid response** inherent to Panther's 24/7/365 culture
- **Quality, reliability and scalability** of open architecture ERP systems
- **Robust** data warehouse and detailed reporting capabilities for employees AND customers
- **Mobile applications** and customer centric web portals
- **Real time shipment monitoring** – location, temperature, shock/vibration, light exposure, pressure and humidity



# Impact of Innovation & Technology

## Examples



### Temperature Validation

- Real-time temperature tracking in transit, pickup to delivery
- Eliminates need for third-party temperature logging, which is not timely
- Timing is critical when dealing with life-saving products / supplies

### Multiple Methods of Communication

- Global automotive leader utilizes Panther for multiple products and communication channels
- Communications include: dedicated phone and email for both US & Mexico business, EDI transmissions, Panther's website & client web portals





# Powerfully Positioned



ArcBest provides Panther the capital to grow and invest.



Panther's investments include:

- Trailers
- Infrastructure
- Technology
- Training/Development

Panther Resources



<b>Ground</b>	1,100 Owner Operators
	3,000 Independent Agent Partners
<b>Air</b>	Forwarding
	Cartage Agents
	Linehaul Providers



ABF Freight, ABF Logistics and Panther Premium Logistics offer services that complement each other and allow us to work together to serve customers and create growth.



## Collaboration

# Powerfully Positioned

## Examples

### Panther / ABF Freight Cross Selling

- Joint call program between Panther and ABF Freight
- Over 200 joint calls nationally this year
- Opportunities across the enterprise will increase with shared customer relationship management tools



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## Supply Chain Services

Truck Brokerage



Ocean



Warehousing



Moving



LTL



Expedited/  
Time-Definite



Forwarding



**ABF**  
Logistics  
Asset-Light

**ABF**  
Freight  
Asset

**Panther**  
Premium Logistics  
Asset-Light

**FlexiNet**

Guaranteed Capacity

**ArcBest**  
Enterprise Solutions

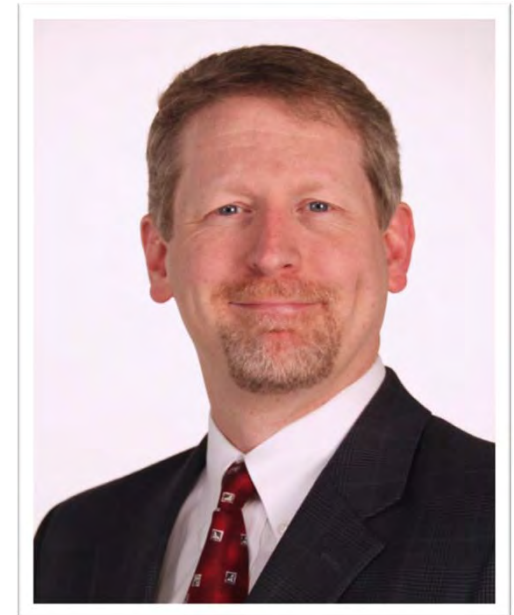
**ArcBest**  
Technologies

## Gary Cummings

PRESIDENT – FLEETNET AMERICA

**President and CEO of FleetNet America since July 2011**

- Prior to July 2011, Gary was **FleetNet's President and Chief Operating Officer**.
- He began with the company in January 2005 as **Vice President of Corporate Services**.
- Before joining FleetNet, Gary worked for ArcBest in various financial areas from 1992 to 2001.
- Gary is an active **member of the Technology & Maintenance Council of the American Trucking Associations** and he is involved in various industry activities.



**FleetNet**  
America

Began in 1993



Provides vehicle maintenance and repair management of emergency roadside events and fleet maintenance programs

**Cherryville, NC**

Headquarters

**300+**

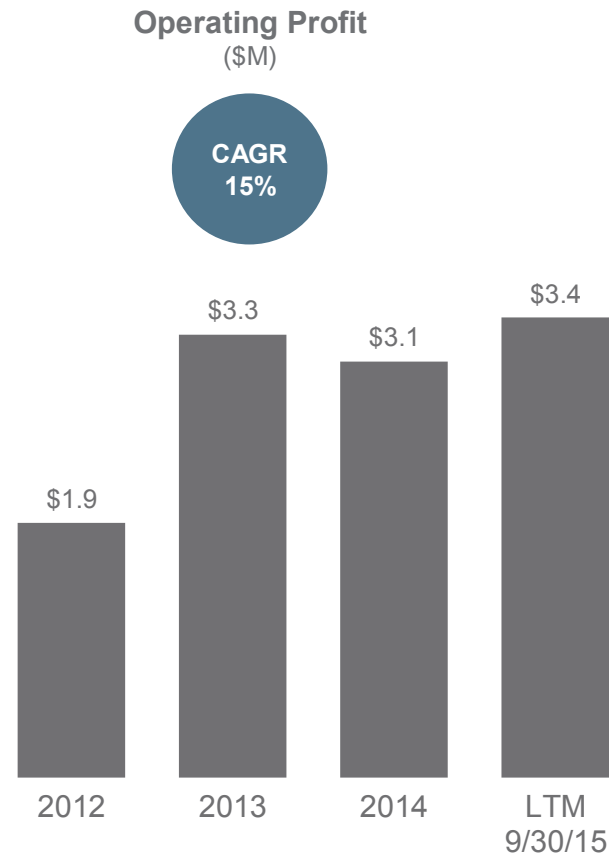
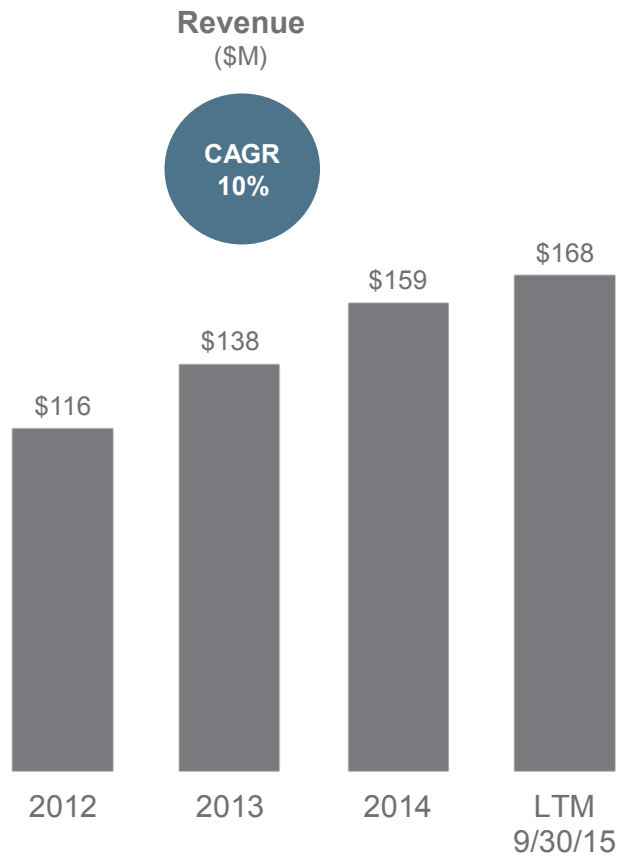
Employees

**\$159 million**

Revenue in 2014

Purchased by ArcBest in 1995 as part of the Worldway acquisition

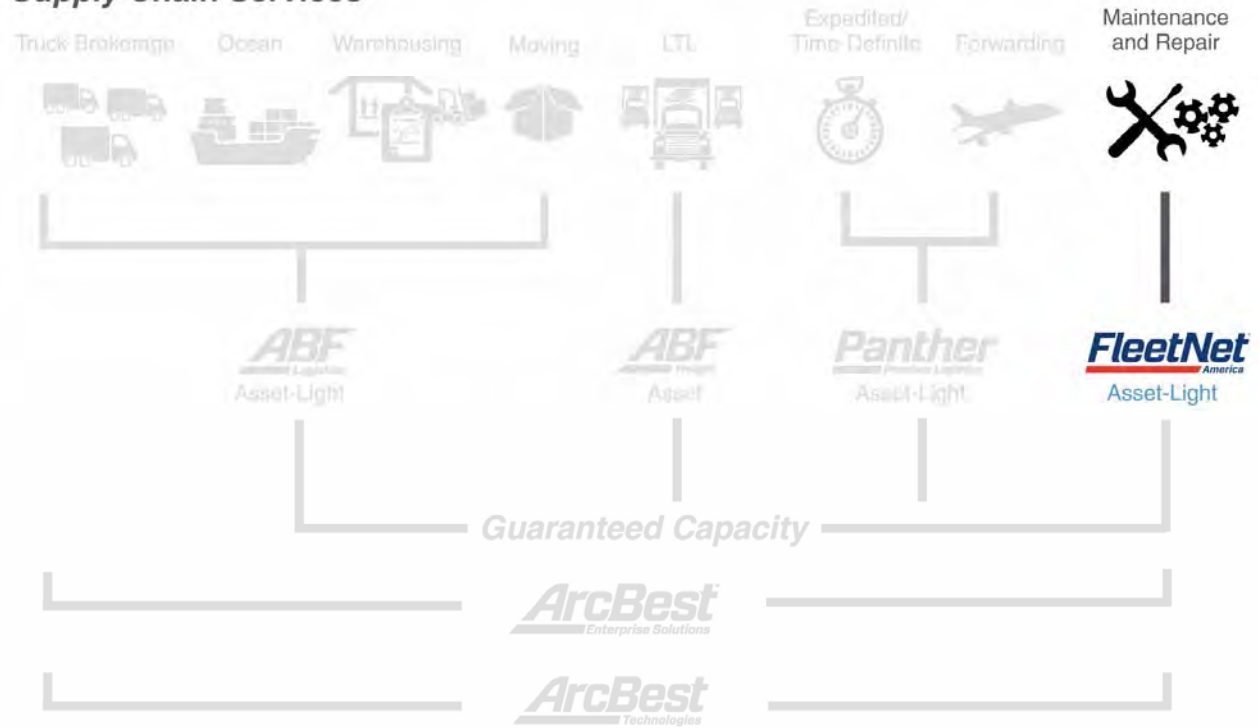
# Revenue and Profitability Growth



# ArcBest Corporation

A Logistics Company with The Skill and The Will  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



# Market Potential

Approximate FleetNet Opportunity: **\$43B**



\$37 B

Less-Than-Truckload



\$5 B

Expedited Transportation



\$57 B

Freight Brokerage & Management



\$20 B

Premium Logistics



\$47 B

Air & Ocean Freight Forwarding



\$37 B

Warehousing / Distribution



\$17 B

Household Goods Moving & Storage



\$3 B

White Glove / Final Mile



\$43 B

Maintenance / Repair

Source: Armstrong & Associates, ArcBest Technologies Business Insight & Analytics, management estimates – October 2015



# Capabilities – FleetNet

## Emergency Roadside

24 hours-a-day/7 days-a-week call center matching truck breakdowns with repair vendors

FleetNet oversees the initial vendor contact; the equipment repair and the payment process



## Fleet Maintenance

Through its TMcare® program, FleetNet offers preventative maintenance (PM) compliance services for trucking fleets of any size

Cost savings result from fewer emergency breakdowns, extended equipment life cycles and reduced back office and personnel expense



## Data Analytics

FleetNet analyzes fleet performance data to identify down-time trends; benchmark against competitor and industry standards; and to identify opportunities for cost reductions and improved performance



## Increasing Supply Chain Complexity

**FleetNet continually seeks to simplify** the customer experience and ensure seamless connectivity between clients with immediate maintenance needs and capable service providers offering repair services.

**Increasing safety and maintenance standards** in the transportation industry offer a significant opportunity for utilizing FleetNet's equipment knowledge and skill.

**FleetNet facilitates improved equipment reliability** in order to meet the ever-increasing demands of customer supply chains.



# Increasing Supply Chain Complexity

A private fleet with 336 refrigerated delivery vehicles in 27 locations. FleetNet provides equipment maintenance to their entire fleet.

FleetNet provides:

- Dedicated labor resources to increase PM compliance
- Maintenance expertise to provide direction to client management
- Manage all the supporting service providers for excellence

Resulting in:

- Higher equipment availability
- A systematic decrease in maintenance cost per unit
- CSA maintenance score considered to be one of the “industry’s best”



# Optimal Conditions for Growth

## SCALE

FleetNet is the largest independent transportation maintenance company in a fragmented industry.



## AFFORDABILITY

Companies are seeking cost-effective ways of managing their equipment fleets so they can concentrate on development of their core businesses.



## EXPERTISE

Industry expertise combined with strong, long-term service provider relationships uniquely equips FleetNet to offer effective solutions for its customers' logistics challenges.



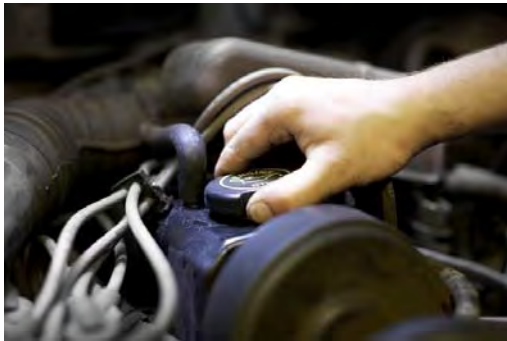
# Optimal Conditions for Growth

The industry continues to move toward outsourcing

## MARKET

Currently 4.4 million medium and heavy duty trucks in US/Canada.

- 90% of equipment owners manage maintenance internally



## POSITION

In the past 12 months, FleetNet has provided services to:

- 27% of the Top 100 largest for-hire fleets (supporting 3 of the Top 6)
- 20% of the Top 100 largest private fleets (supporting 3 of the Top 6)



## GROWTH

A shortage of mechanical expertise causes customers to look for alternatives



## Impact of Innovation & Technology

**FleetNet offers technological interaction** through enhanced connectivity and integration with clients.

**FleetNet provides digital exchange of information** with clients and vendors on roadside events and maintenance programs.

**FleetNet enhances the services** it offers by collecting, classifying and analyzing equipment and maintenance data in order to lower costs and improve processes.



## Impact of Innovation & Technology

**Most clients** have integrated computer solutions with FleetNet systems that provide real-time equipment status information to ensure repairs occur within specified delivery windows.

**Progressive clients** with robust in-cab computer solutions have FleetNet monitor their engine fault codes remotely for more specific problem resolution. This facilitates speed and accuracy in executing emergency roadside repairs.



# Powerfully Positioned



Specific technology utilization enabling unique customer handling requirements, timely communications, data enrichment and more



Long-term relationships with its third-party service provider base



An experienced, dedicated staff, many with maintenance expertise, ensuring excellent equipment compliance and reduced operating costs



# Customer Solutions



One of FleetNet's for-hire fleets was able to increase their equipment up-time and reduce their maintenance events by 30% by allowing FleetNet to manage their emergency roadside events.



A for-hire fleet uses our services as a backup for their own internal roadside management center. In numerous instances, FleetNet is able to arrange for a supplier who had previously turned down the fleet customer.

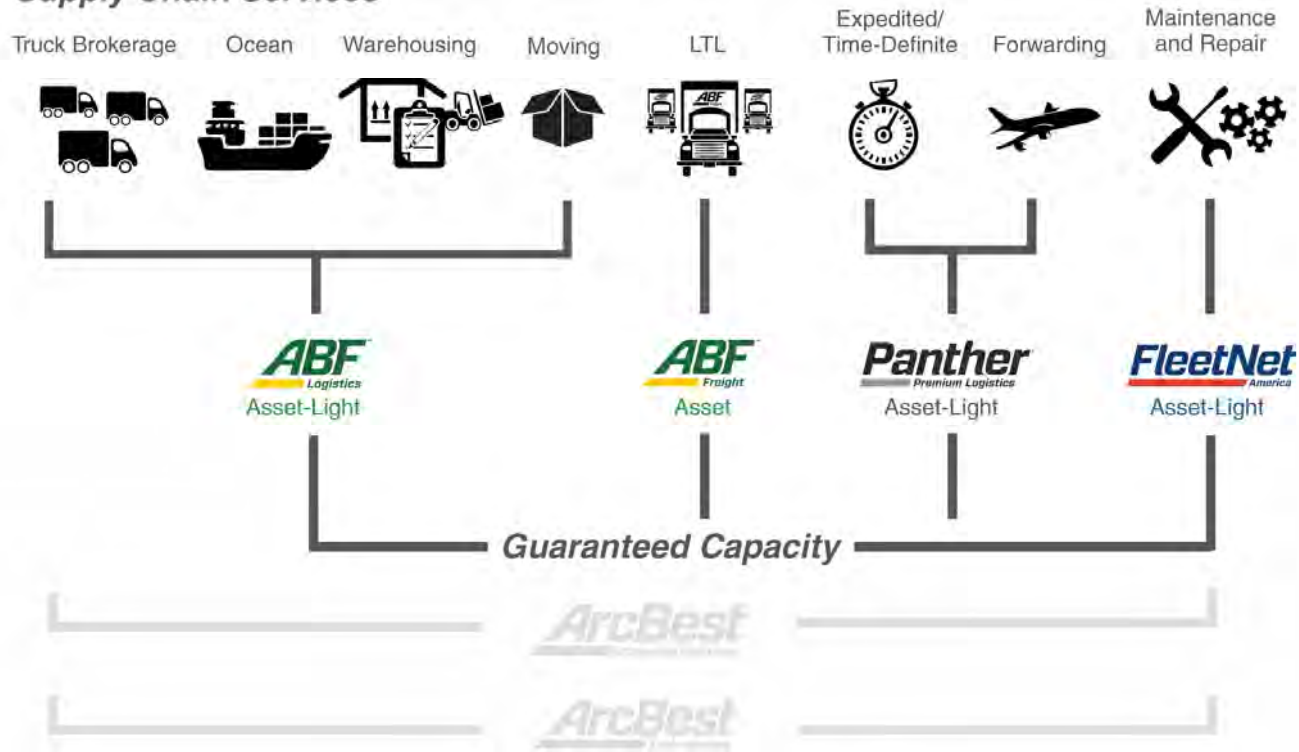


During a severe winter, FleetNet team members often focused on rescuing drivers from the extreme cold in addition to overseeing equipment repairs.

# ArcBest Corporation

A Logistics Company with The Skill and The Will<sup>SM</sup>  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



## Danny Loe

VICE PRESIDENT – ENTERPRISE SOLUTIONS

### Vice President–Enterprise Solutions since May 2014

- **Vice President–Yield Management** for ABF Freight since 2010
- **Director of Marketing & Public Relations** from 2004 to 2010
- **Senior Pricing Analyst** from 2000 to 2004
- Danny joined the Company in 1997, working as an Associate Analyst, Analyst, and Lead Analyst in the Pricing Department prior to his promotion to Senior Pricing Analyst in 2000



**ArcBest**  
Enterprise Solutions

Created in 2014



# Fort Smith, AR

Headquarters

40+

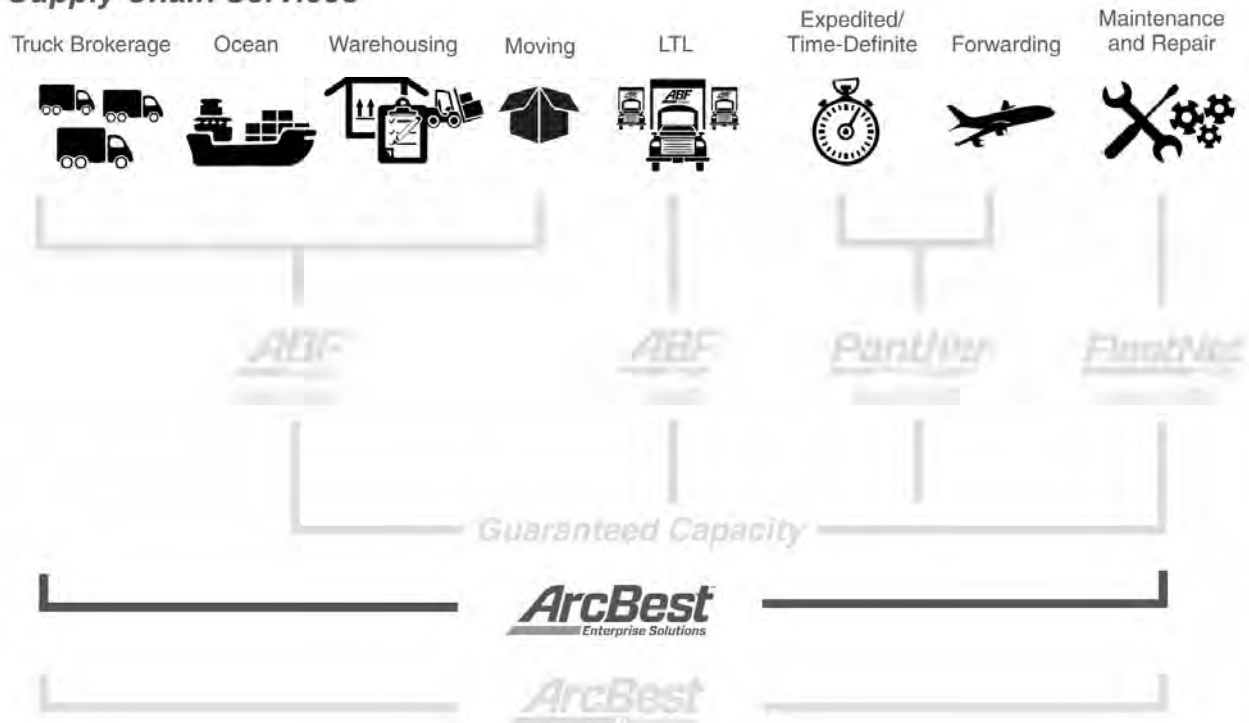
Employees

A logistics team that develops comprehensive and integrated solutions for customers with wide-ranging transportation needs



A Logistics Company with The Skill and The Will  
to Solve Complex Supply Chain Challenges

### Supply Chain Services



# Increasing Supply Chain Complexity

- Global product sourcing requires unique distribution models offering ease of visibility and efficient coordination of multiple transportation resources
- Growing need for real-time information and data to facilitate flexible, logistics decision-making
- The rising need for personnel with superior analytical skills and industry knowledge in order to craft cost-effective solutions



## Optimal Conditions for Growth

Research indicates that nearly **75% of ABF Freight and Panther customers have two or more logistics needs** offered within our family of companies.

**Nearly 85% of current ABF Freight and Panther customers** would consider or strongly consider sourcing one or more of those additional logistics services from ABF Freight and/or Panther.

As customers increasingly look to fewer providers for more logistics services, we are well-positioned to offer a holistic mix of asset-based and non-asset-based solutions.

# Impact of Innovation & Technology

Enterprise Solutions is changing how ArcBest and ABF Freight are viewed in the marketplace

- We are no longer just an LTL company with some logistics services
- We are a **logistics organization with assets**

Enterprise Solutions ties all of ArcBest's service offerings together with a single point of contact for customers

Enterprise Solutions provides shared administrative services to other subsidiaries

- Allows consolidated invoicing for customers
- Offers a better customer experience
- Creates the ability to make enterprise-wide credit and pricing/profit decisions
- Improves cost efficiencies





# Powerfully Positioned



'Trusted Advisor'  
status with current  
customers



Accessibility to assets and  
guaranteed capacity

- People (ABF Freight drivers/dockworkers and Panther owner-operators)
- Equipment (ABF Freight fleet and Panther trailers)
- Facilities (ABF Freight dock locations and Panther offices)
- Intellectual capital (90+ years of transportation experience coupled with in-house IT expertise)



Strong network of  
capacity providers

# Customer Solutions



## Scenario:

- Product rollouts or launches
- A mature ABF Freight product offering that created network congestion and placed drivers and equipment out of position

## Solution:

- All product launch opportunities routed to Enterprise Solutions
- Single point of contact facilitating all customer and operational communications
- ArcBest solutions include an optimized load plan to meet production and required delivery schedules
- Load plans are developed based on the optimal mode, lead time and delivered cost

## Results:

- 56% increase in revenue YTD for this service offering
- 47% win rate
- 20% margin improvement

# Customer Solutions



## Scenario:

- Large retailer looking to lower costs from U.S. vendors shipping to Canadian distribution centers
- Looking to recapture business for ArcBest that ABF Freight had lost to an LTL competitor

## Solution:

- ArcBest-level contract
- Single point of contact facilitating all mode/customer communications
- ABF Freight handles LTL to consolidation point
- ABF Logistics handles TL from consolidation point to Canadian DC
- Specialized technology developed to handle freight routing

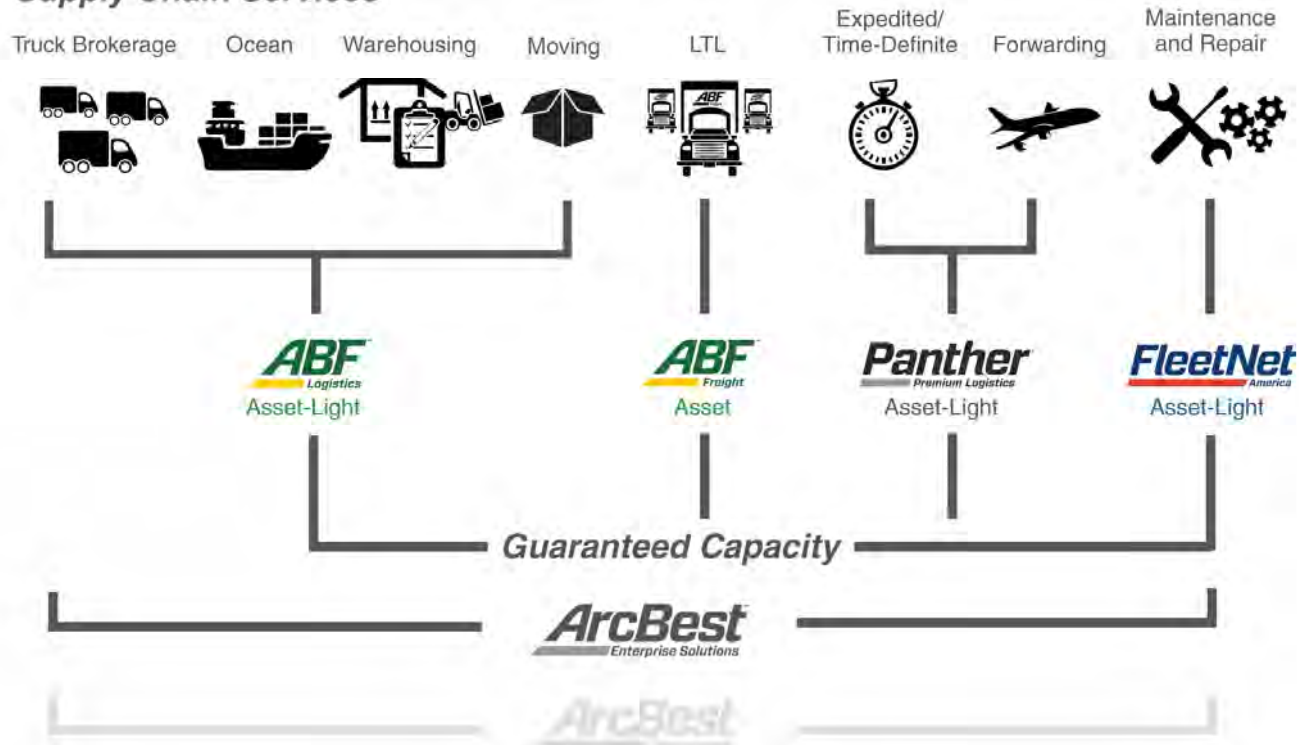
## Results:

- 25+% cost savings compared to direct LTL
- \$6.5M win for ArcBest
- A proven model that can quickly be implemented with other customers

# ArcBest Corporation

A Logistics Company with The Skill and The Will<sup>SM</sup>  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



# Michael Newcity

PRESIDENT – ARCBEST TECHNOLOGIES

**Senior Vice President-Chief Innovation Officer and President of the Company's subsidiary ArcBest Technologies, Inc. since January 2015**

- **Chief Financial Officer and Chief Information Officer** from August 2013 to December 2014
- **Vice President–Chief Financial Officer** from June 2010 until July 2013
- **Director–Economic Analysis** from November 2007 through May 2010
- **Director–E-Systems and Emerging Technologies** for ABF Freight from November 2005 through October 2007
- From January 2000 through October 2005, Michael held several managerial positions with ABF Freight that spanned marketing, information technology and business development
- He began his career with the Company in 1993 at its subsidiary, ArcBest Technologies, Inc., leading the Company's e-commerce development initiatives through December 1999



Established in 1962



# Fort Smith, AR

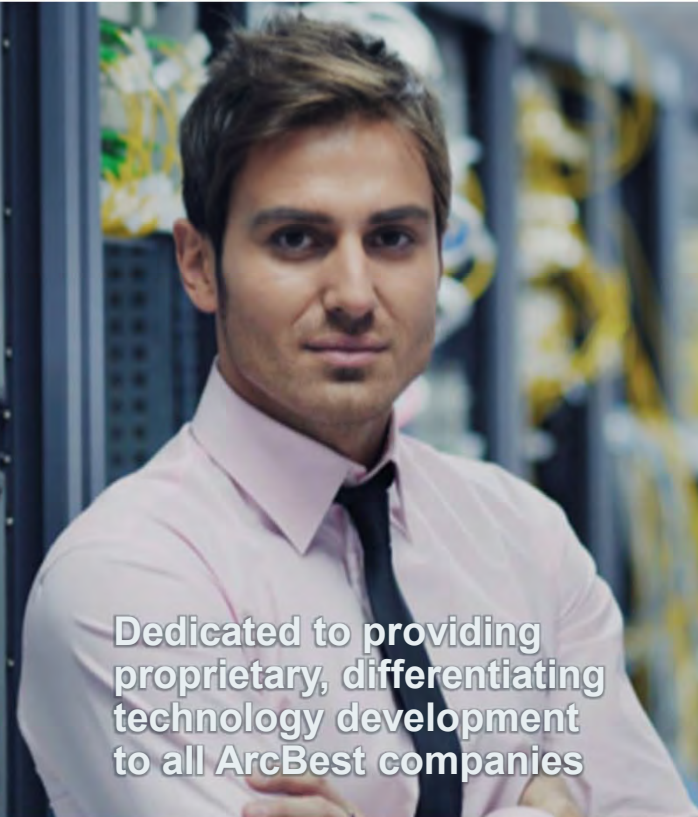
Location

400+

Employees

2.4% of Revenue

Annual Spend (Approximate)

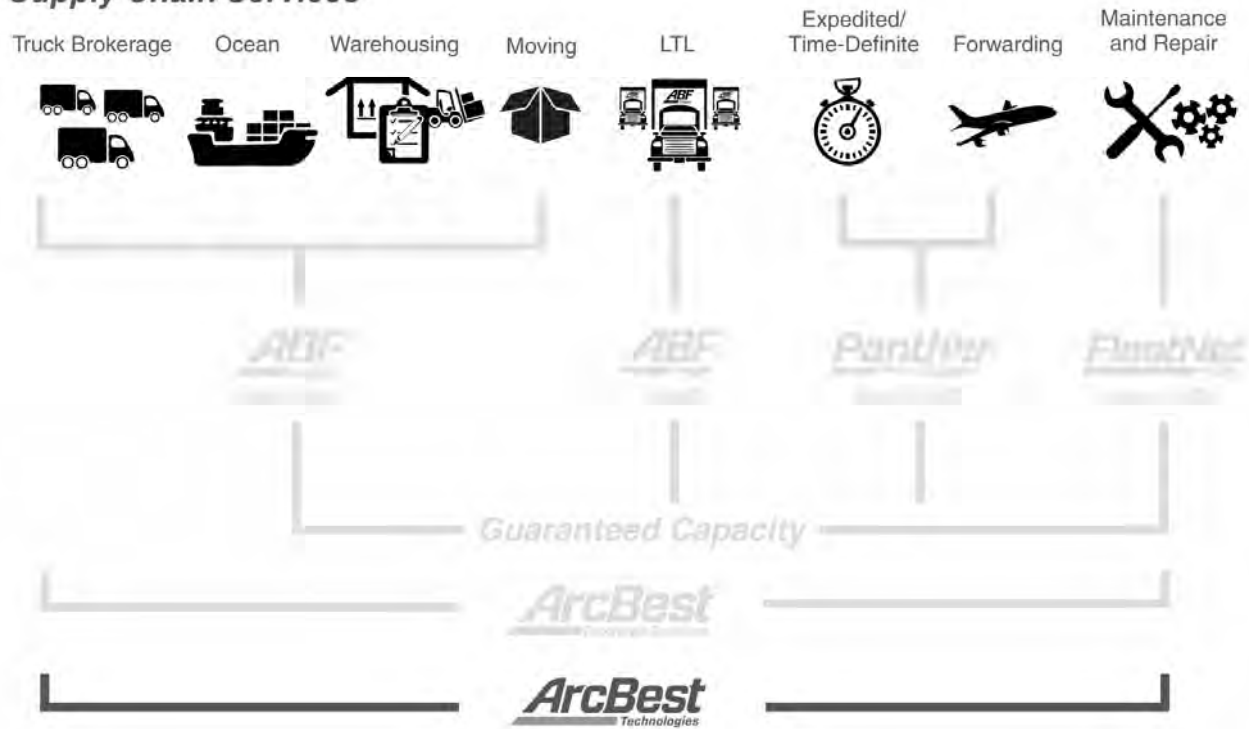


Dedicated to providing proprietary, differentiating technology development to all ArcBest companies



A Logistics Company with The Skill and The Will™  
to Solve Complex Supply Chain Challenges

### Supply Chain Services



## ArcBest Technologies – *Focus on Value Creation*

*“We create value by delivering custom technology solutions that satisfy the unique needs of our customers and drive the strategic initiatives of the enterprise.”*



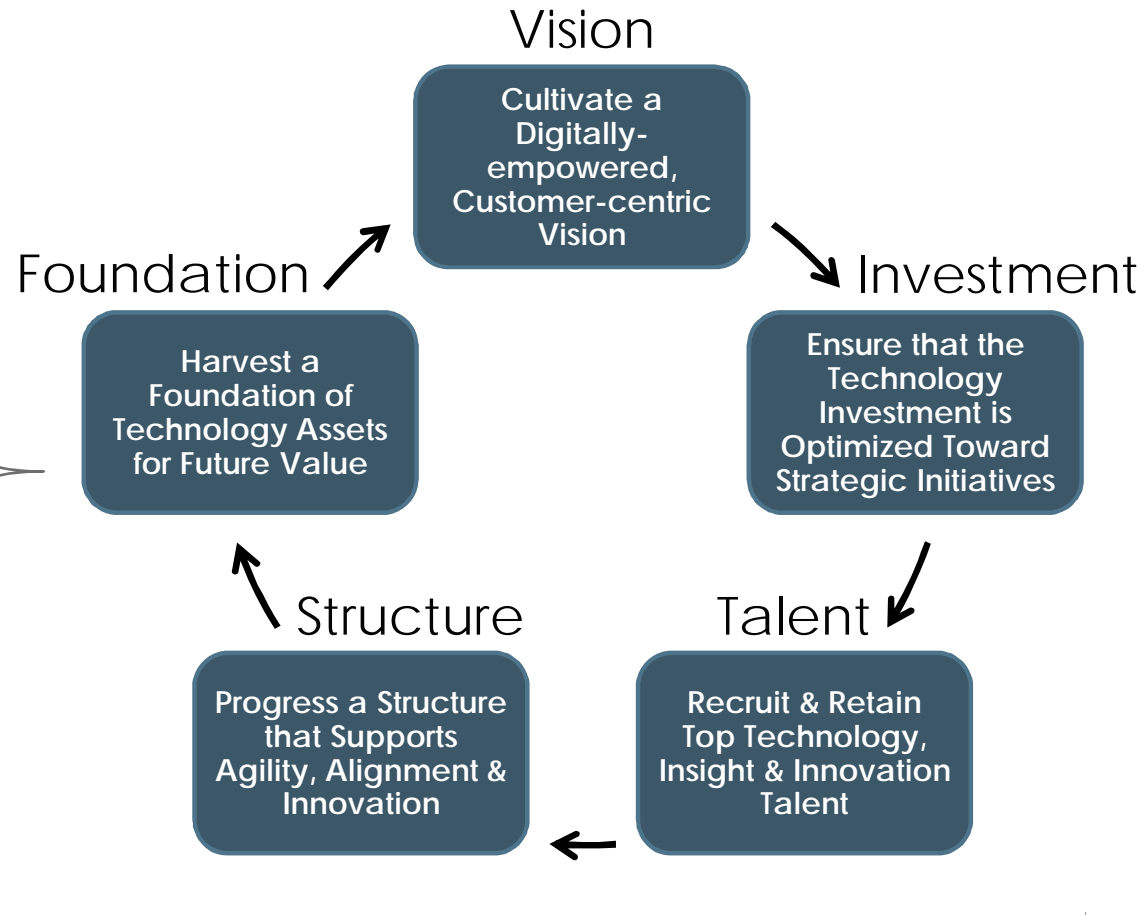


Video

# ArcBest Technologies – Value Creation “Formula”

*ArcBest Technologies progresses a virtuous cycle for value creation that is driven by...*

1. *A vision that believes digital is the “now and future” and keeps the customer at the center*
2. *Investment that focuses on growth and transformation versus just “keeping the lights on”*
3. *Recruiting and retaining top technology talent who “get the business”*
4. *A structure that advances current initiatives as well as technology exploration and discovery*
5. *Building on existing systems and information assets to accelerate future initiatives and broaden returns*



# Vision – Technology Focus on Customers & Growth

F O C U S

<b>External</b> (growth)	<b>Integrator &amp; Optimizer</b> Build and deliver a competitive, integrated service portfolio and focus on true service outcomes above and beyond managing the technology assets.	<b>Explorer &amp; Pioneer</b> Focus is on creating competitive advantage through technology-based business innovation.
	<b>Internal</b> (support)	<b>Broker &amp; Engineer</b> Rapid delivery of services and the enabling of business capability at market-competitive rates.

**Operational**  
(near-term)

**Strategic / Transformational**  
(long-term)

O R I E N T A T I O N

**Gartner’s “Four Views of IT”**

*External focus on growth is primary to technology at ArcBest.*

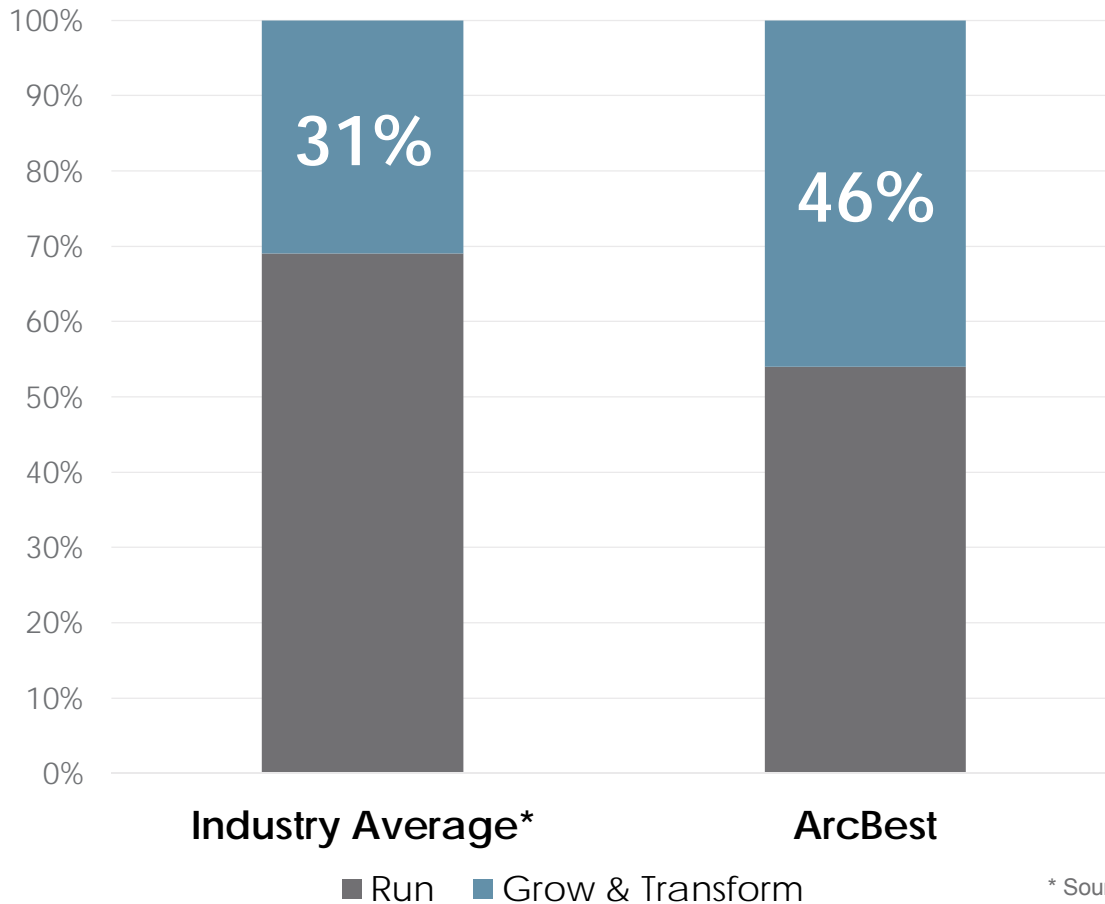
# Vision – Technology Focus on Strategic Enablement



## Info-Tech's "Hierarchy of IT Needs"

*ArcBest leadership has a consistent view of technology's role as a strategic enabler and innovator.*

## Investment – Optimized toward Growth Initiatives



*2015 YTD 46% of ArcBest's technology spend has gone to growth and transformational initiatives versus the industry average of 31%.*

*ArcBest's spend on technology is 2.4% of revenue which is in line with the industry average.*

\* Source – Gartner

## Talent – Know Technology, Know Logistics

*The talent strategy at ArcBest Technologies focuses on recruiting and training highly talented employees and keeping them a long time. This strategy enables our technology employees to understand the business in a deep way, develop and maintain proprietary / differentiating technology assets, and truly partner with their counterparts across the enterprise.*

**3.7**

*Average GPA of new employees at ArcBest Technologies; the company focuses primarily on universities in the South Central states.*

**6 / 50%**

*# of months employees of ArcBest Technologies spend in training upon joining the company.*

*Amount of tuition paid by company for employee to complete master's degree.*

**6%**

*Average annual turnover at ArcBest Technologies versus IT U.S. average of 16%\* (8.2% at the bottom quartile, 19.8% at the top quartile).*

**13**

*Average service years for employees of ArcBest Technologies with more than two years at the company.*

\* Source – Gartner

## Talent – Various Roles to Drive Initiatives

*ArcBest Technologies supports and progresses the financial objectives of ArcBest and its business units by way of various roles that are necessary to compete and grow in an increasingly complex logistics and technology environment...*

### Trusted Operator

*“Provides IT platforms with ideal performance, cost structure, security and operations transparency.”*

### Capable Project Manager

*“Works closely to design, build, source and support complex systems effectively.”*

### Strategic Partner

*“Understands the business issues, needs and objectives, and provides relevant solutions and insights.”*

### Proactive Technology Surveyor

*“Understands emerging technologies and how they may impact our business and industry.”*

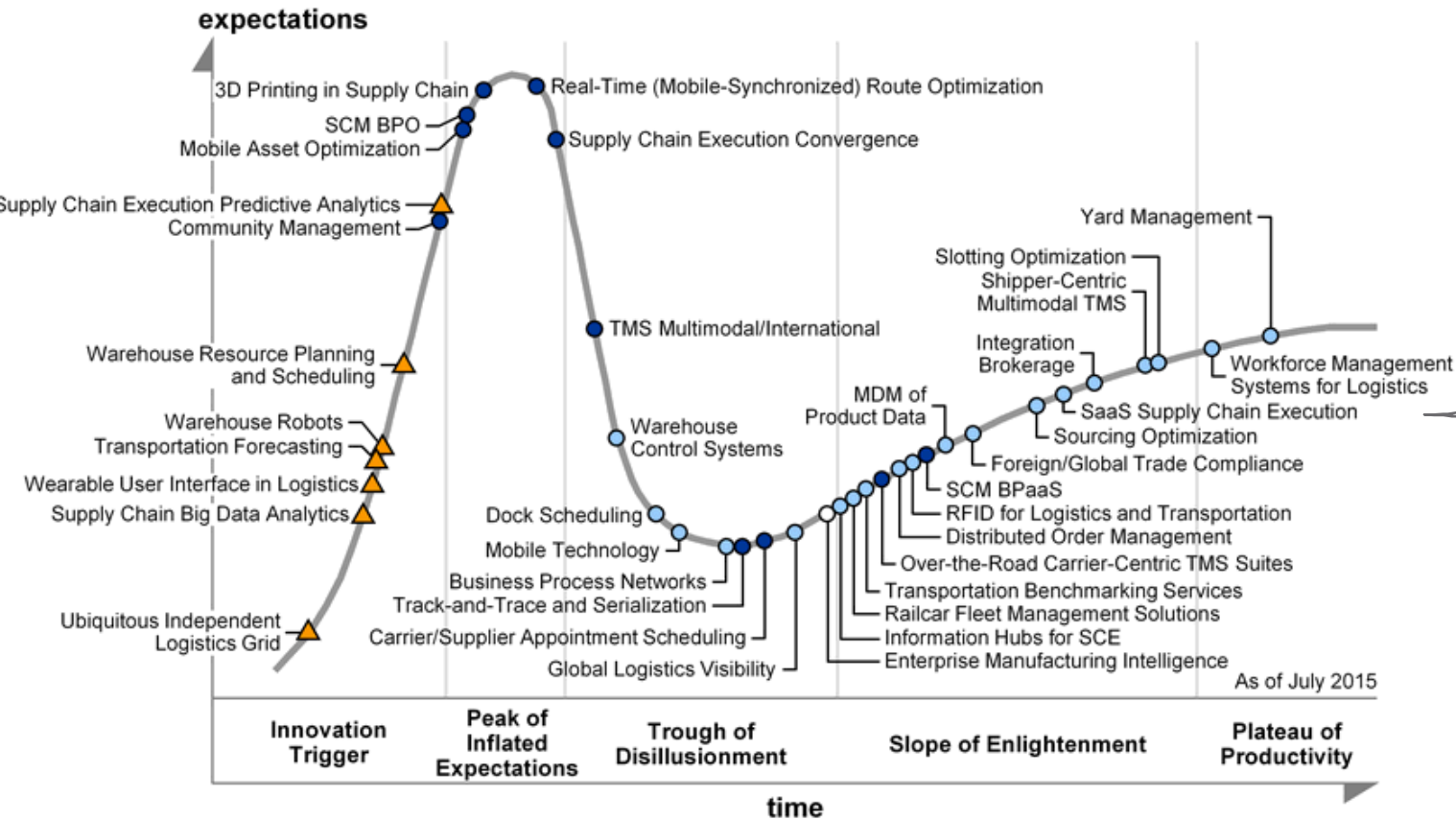
### Pragmatic Innovator

*“Provides innovative ideas to grow revenues, reduce costs, expand markets and delight customers.”*

TRADITIONAL & FOUNDATIONAL

PRESENT & ACCELERATING

# Structure – Must Address Emerging Tech Landscape



## Gartner Hype Cycle for Supply-Chain Execution Technologies

*Gartner publishes over 90 "Hype Cycles" covering thousands of emerging technologies across various industries and tech segments.*

*A technology strategy and structure must address the acceleration of emerging technologies.*



# Structure – IT Verticals Address Current Initiatives & Emerging Tech

*Dedicated IT verticals at ArcBest Technologies focus on driving initiatives for a group of related business processes as well as exploring, understanding and integrating emerging technologies specific to the vertical. Each vertical has dedicated leadership, talent and technology resources.*

Talent Management	Process & Performance Management	Asset-based Logistics	Asset-light Logistics	Yield Management	Customer Experience
Recruiting & Onboarding	Forecasting & Planning	LTL Linehaul & Terminal Operations	Multimodal Transportation Management	Pricing & Quote Optimization	Salesforce Automation
Collaboration	Business Process Optimization	Network Optimization	Third-party Sourcing	Portfolio Management of Customer Yield	Customer Relationship Management
Digital Workplace	Risk, Safety, Claims	Load Design	Warehouse Management	Vendor Payable Optimization	Customer Service & Care
Compensation & Benefits Management	Reporting & Analytics	Maintenance & Fuel Optimization	Global	Activity-based Costing	Customer Digital & Social
Career & Succession Planning	Revenue Accounting	Total Cost of Ownership	Expedited Management		

## Structure – Shared “Enablers” Drive Success of Verticals

Five functional areas work across and serve each of the verticals; they focus on driving project management and delivery, ensuring that ArcBest gets maximum value from systems, progressing a solid BI and analytics platform, and other supporting technology functions.

Talent Management

Process & Performance Management

Asset-based Logistics

Asset-light Logistics

Yield Management

Customer Experience

### **Portfolio & Project Management**

*Fixed & Variable Development Resources / Agile & Waterfall Project Methods*

### **Application Lifecycle Management**

*Application Usability & Human-Centered Design / Systems Portfolio*

### **Business Insight & Analytics**

*Information & Data Discovery / Costing / Predictive Analytics*

### **Technology R&D**

*Mobile Technologies / Internet of Things / Process Automation*

### **Infrastructure**

*Communications / Networks / Security & IT Risk / Business Recovery Planning*

## Foundation – Technology Assets Empower New Initiatives

*ArcBest Technologies has a robust history of delivering solutions and is often a first mover and early adopter. Collectively, these technology assets serve as a strong foundation for the future development of new technology.*

### *Last 3 Decades*

- *Launch of system to support activity-based costing, pricing and yield management (industry leader).*
- *Launch of Web-based customer solutions, exposing internal systems to customers online (industry leader).*
- *Launch of paperless initiative – digital imaging, paperless dock and city operations (industry leader).*
- *Launch of mobile dispatch, microbrowsers in the hands of city drivers, optimized outbound operations.*
- *Launch of a “cost calculator” for the detailed, “what-if” cost analysis of potential account engagements and pricing adjustments (industry leader).*
- *Shift to Windows and Web-based interface platforms.*
- *Launch of proprietary data discovery and BI platform, allowing access to data, reports and analytics to every functional level of the enterprise (industry leader).*

### *Last 3 Years*

- *Build out of the sales, operations, vendor and customer platforms for ABF Logistics.*
- *Tighter integration ABF Freight, ABF Logistics and Panther.*
- *Custom development for specific customer needs.*
- *Continued investment in mobile technologies.*
- *Continued automation of manual tasks.*
- *On-going enhancements to costing model.*
- *Continued investment in BI platforms for improved data discovery and analysis.*
- *On-going enhancements to ABF Freight dock, street and yard planning and management systems.*
- *Continued investment to the U-Pack Moving online customer experience.*
- *Rollout of preventive maintenance platform (TMCare).*

## Powerfully Positioned

*ArcBest Technologies progresses a virtuous cycle for value creation from the delivery of technology, insight and innovation that is enabled by...*

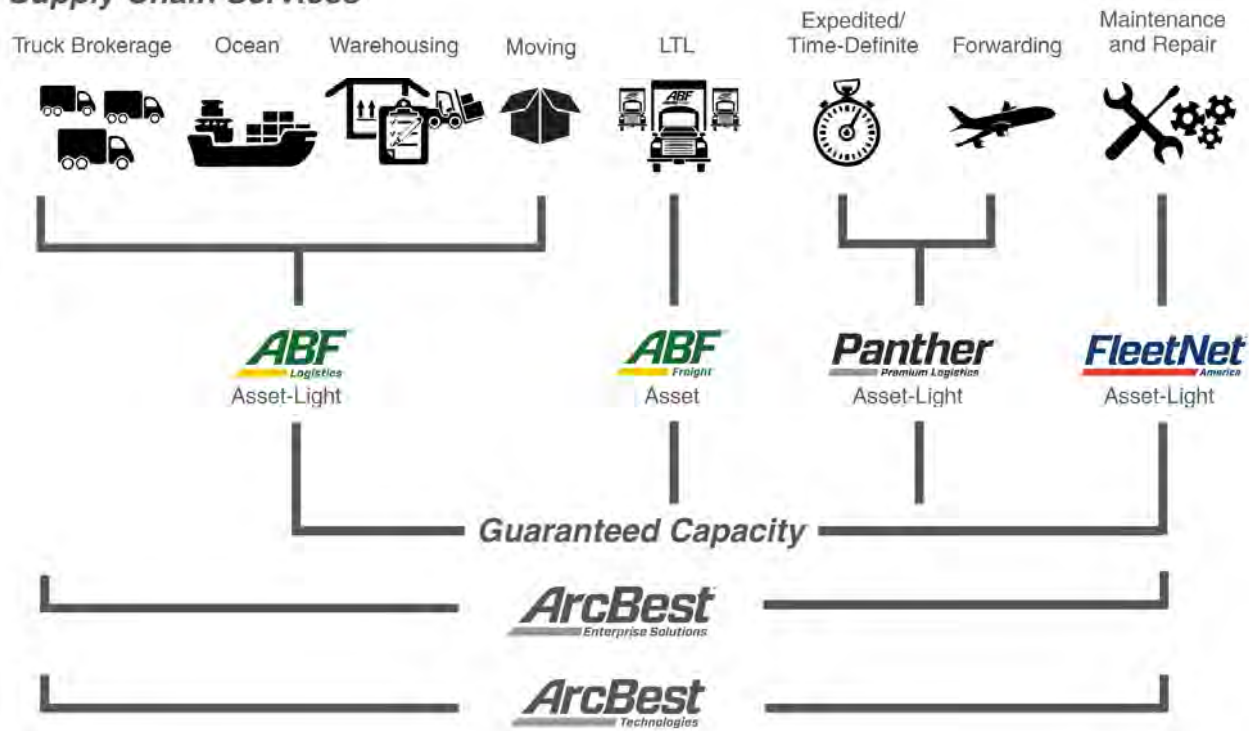
- 1. An externally-focused “digital” **vision** focused on customers and growth beyond the traditional management of technology.*
- 2. Optimized **investment** dedicated to growth and transformational initiatives; 46% of technology spend going to such initiatives versus 31% industry average\*.*
- 3. Top technology **talent** who “get the business” and drive the development of proprietary, differentiating systems customized to the needs of ArcBest and our customers.*
- 4. An organizational **structure** designed to capitalize on the delivery of technology projects as well as the exploration of emerging technologies.*
- 5. A **foundation** of information and technology assets that provide ready platforms for future development; ArcBest has been a first mover and early adopter in progressing many of these technology platforms.*

\* Source – Gartner

# ArcBest Corporation

A Logistics Company with The Skill and The Will<sup>SM</sup>  
to Solve Complex Supply Chain Challenges

## Supply Chain Services



## David Cobb

CHIEF FINANCIAL OFFICER

### Vice President-Chief Financial Officer since January 2015

- Vice President and Controller from May 2006 to December 2014 and Chief Accounting Officer from January 2010 to December 2014
- 2002 to April 2006: Vice President and Controller of Smith International, Inc., a publicly traded international oilfield service company acquired by Schlumberger Limited
- 1995 to 2001: Kent Electronics Corporation, a publicly traded specialty electronics distributor and network integrator acquired by Avnet, Inc.
- 1988 to 1994: Price Waterhouse, a predecessor of PricewaterhouseCoopers LLP
- Certified Public Accountant



**ArcBest**  
Corporation

# Optimal Conditions for Growth

## Complex Supply Chain



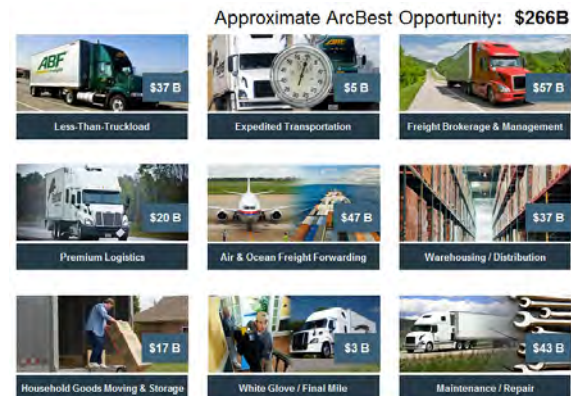
## ArcBest Actions



## Combined Strengths



## Huge Markets



## Skill & Will to Grow

**Historical Financial Results** and Strong Balance Sheet Position for Future Growth

**Multiemployer Pension Plans**

**Strategic and Operating Initiatives** Drive Revenue and Operating Profit Growth

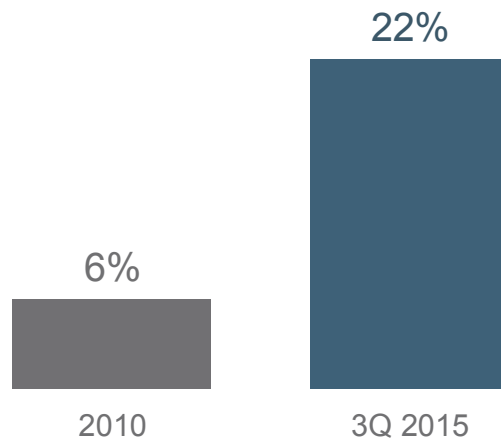
**Capital Allocation**



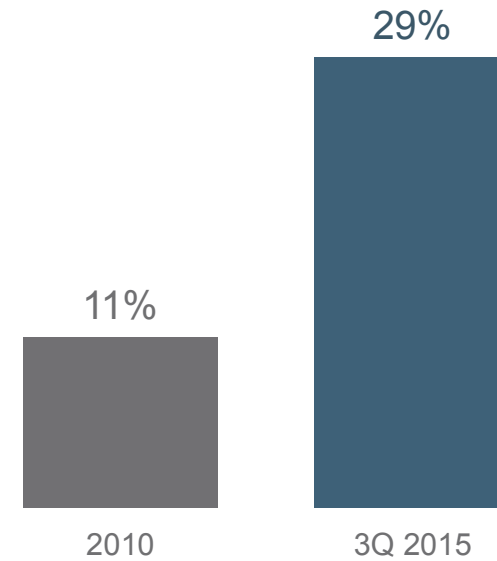


## Evolving Logistics Company

**Increased Penetration of ABF Freight Account Base For Non-LTL Services**

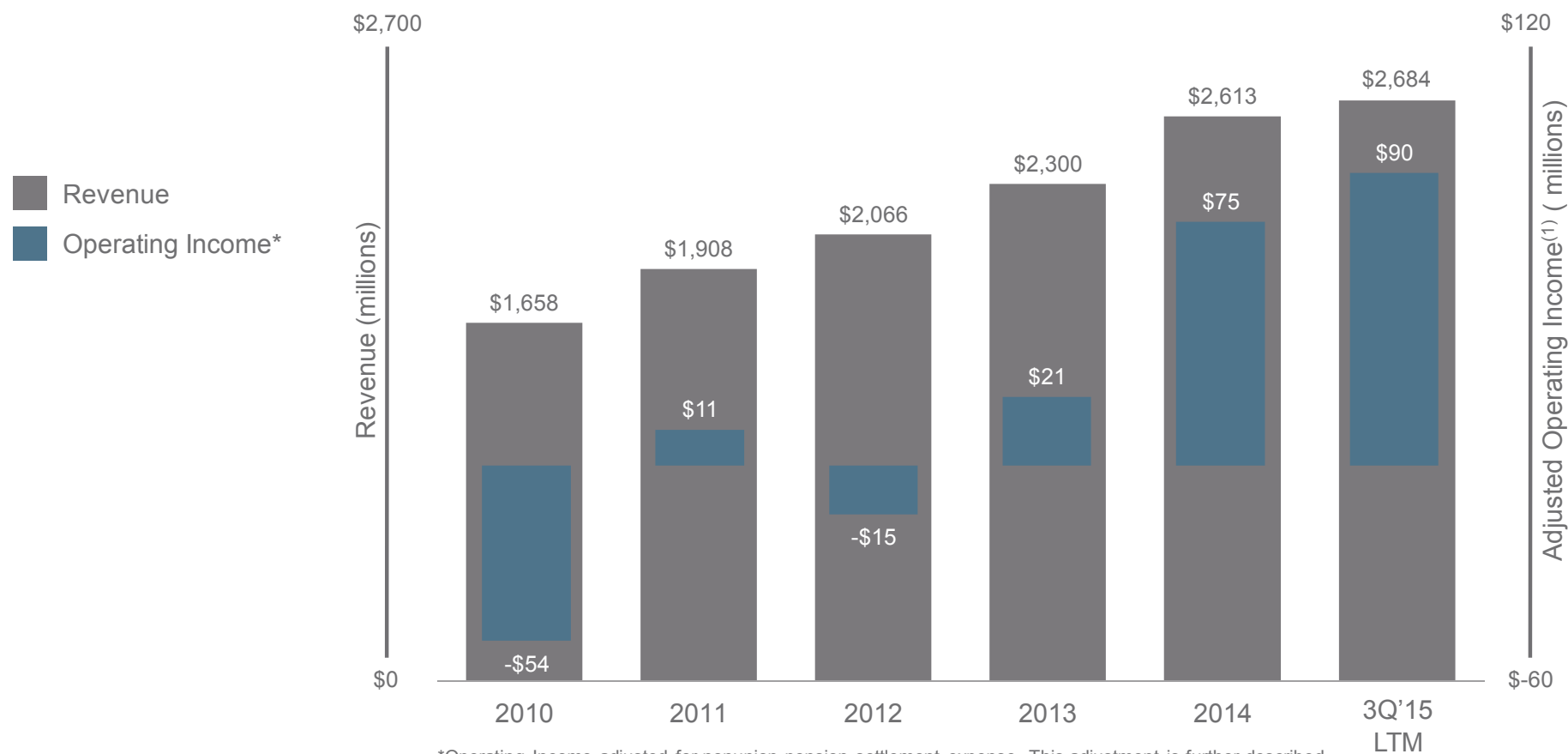


**Asset-Light Logistics Revenue Increased as % of Total**



## Historical Financial Results

# Consolidated Revenue & Operating Income

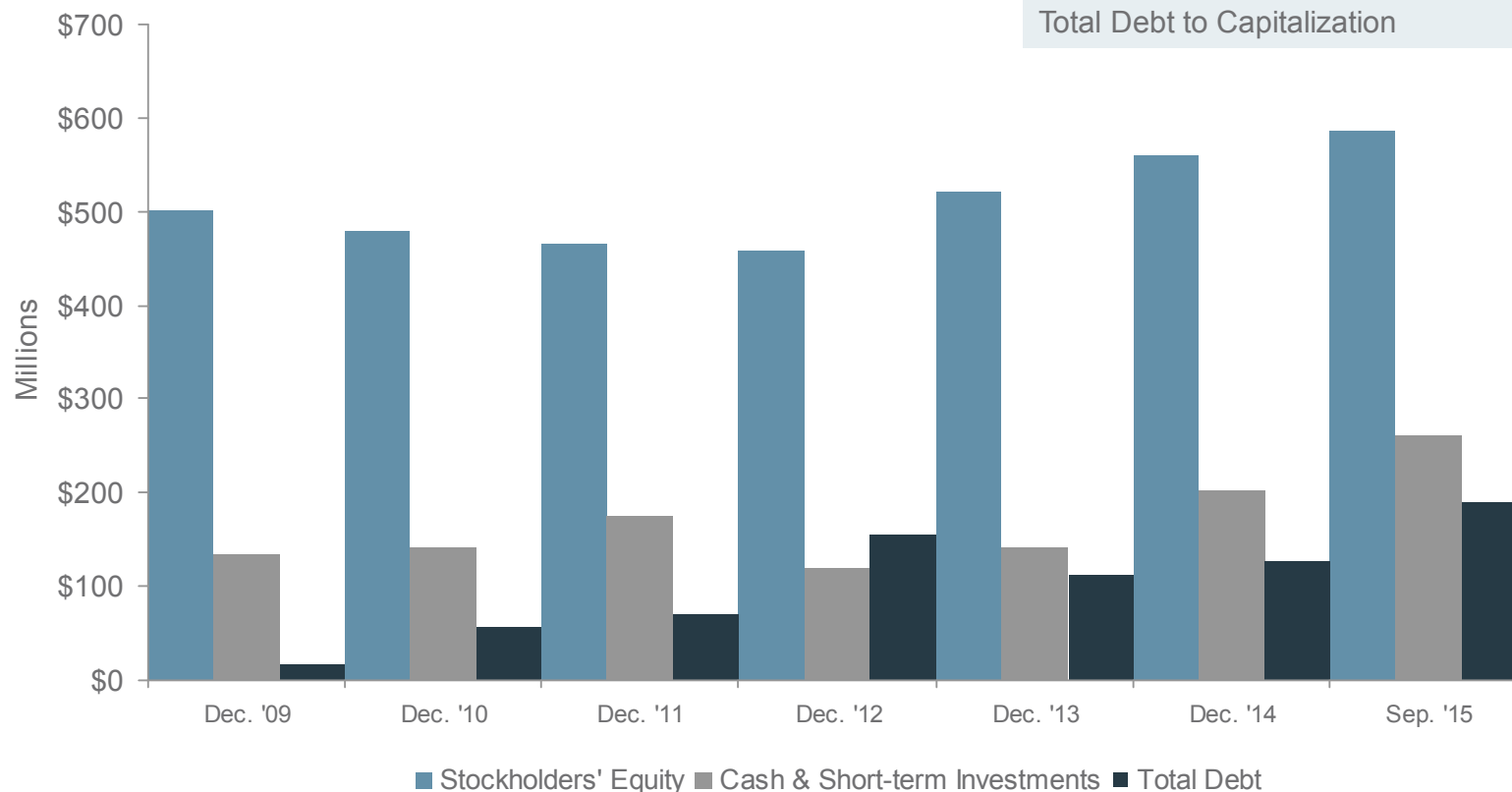


\*Operating Income adjusted for nonunion pension settlement expense. This adjustment is further described in the accompanying appendix.

# Equity, Cash & Outstanding Debt

As of September 30, 2015

Net Cash	\$70 Million
Total Debt to LTM EBITDAR*	0.90X
Total Debt to Capitalization	0.25X



## Well Balanced Outstanding Debt Maturities



As of September 30, 2015

- \$150M, 5-year revolver with \$70M outstanding, including \$50M at fixed rate of 3.1% for 5 years
- \$100M AR securitization with \$35M borrowed and \$20M letters of credit
- \$100M accordion features available
- \$86M equipment notes
- Weighted average interest rate of 2%

# Multiemployer Pension

## ABF Freight's Multiemployer Pension Plans (MEPP)

- Many details and historical information can be found in our regulatory filings.
- KEY POINTS FOR TODAY:
  - ABF Freight contributes to 25 MEPPS, which have various levels of underfunding, and half of these plans' benefits payments are for retirees of companies no longer contributing.
  - We have always paid our full contributions.
  - About half of ABF Freight Teamsters are enrolled in the underfunded Central States Plan.
  - Our contribution rates are set until the expiration of our current labor agreement in 2018.
  - Significant legislative progress was made in 2014 to remove many of the risks associated with Central States and provide a greater degree of certainty for ABF Freight going forward.

# Multiemployer Pension

## Specific Positive Developments that Provide a Path to Resolution and Greater Certainty:

1. Multiemployer Pension Reform Act of 2014 provides trustees of financially distressed union pension plans self-correct options that include:
  - The ability to adjust benefit levels to match plan assets
  - The potential to partition plan “orphan” obligations and an agreeable amount of fund assets to the PBGC
2. Ten years following trustee plan changes, MPRA 2014 provides for potential contributor withdrawal at a reduced withdrawal liability amount
3. Central States Plan submitted a proposed pension rescue plan to U.S. Department of the Treasury in September 2015
  - Goal is for participants to receive benefits based primarily on the amount of contributions made by their employers
  - Continued participation with lower pension credit for future service
  - Gradual phase-out of early retirement without benefit reductions
  - Implementation estimated to be in July 2016

## Powerfully Positioned



### Balanced Capital Strategy

#### Growth and Operating Initiatives

- Capital investments consistent with service initiatives and strategy
- Invest in operational efficiencies and innovation
- Selective tuck-in and strategic acquisitions

#### Maintain Strong Balance Sheet

- Cash Balance – \$261M at 9/30/2015
- Debt maintenance – 0.9X debt to LTM EBITDAR\* at 9/30/2015
- \$350M available debt capacity

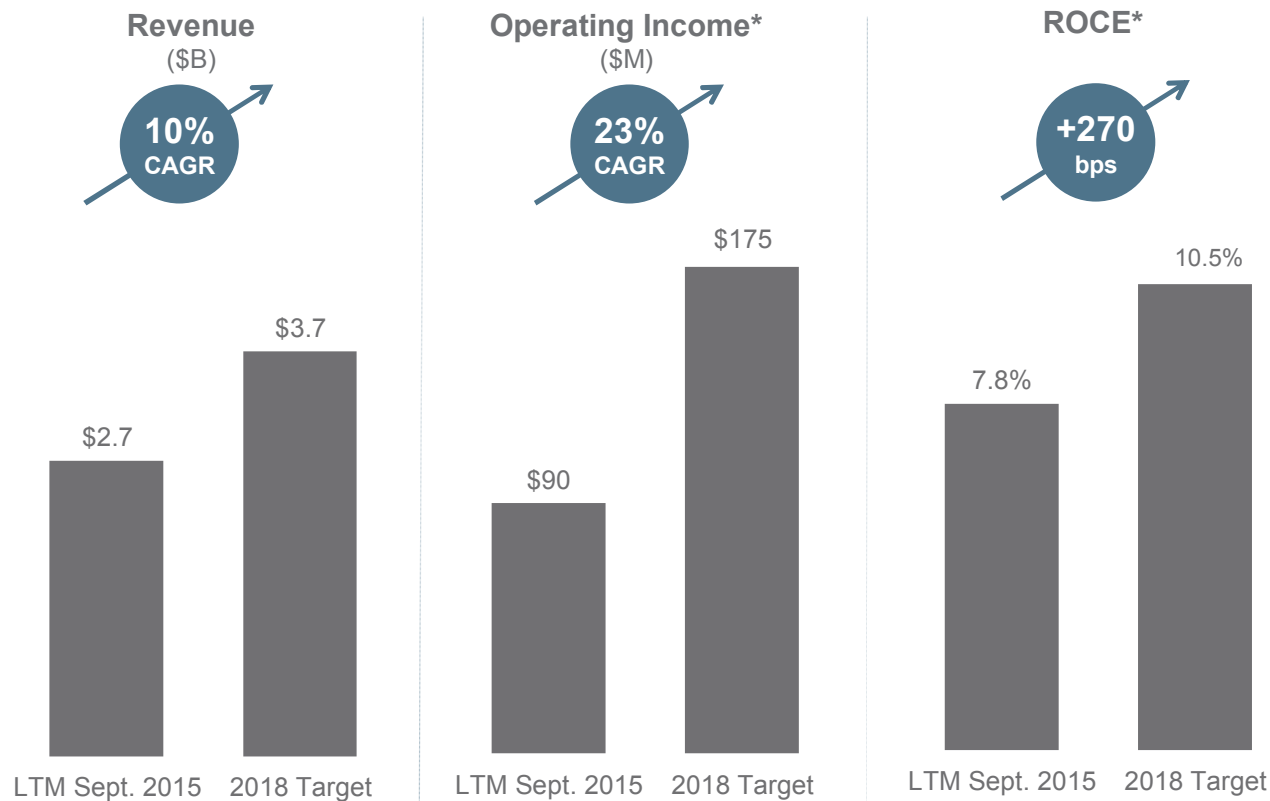
#### Return of Capital to Shareholders

- Dividend of \$0.32 per share (annual)
- Share repurchase – \$50M authorized and available

\*EBITDAR is described in the accompanying appendix

## Strategic and Operating Initiatives

# Strategic and Operational Actions Lay the Foundation for Profitable Growth



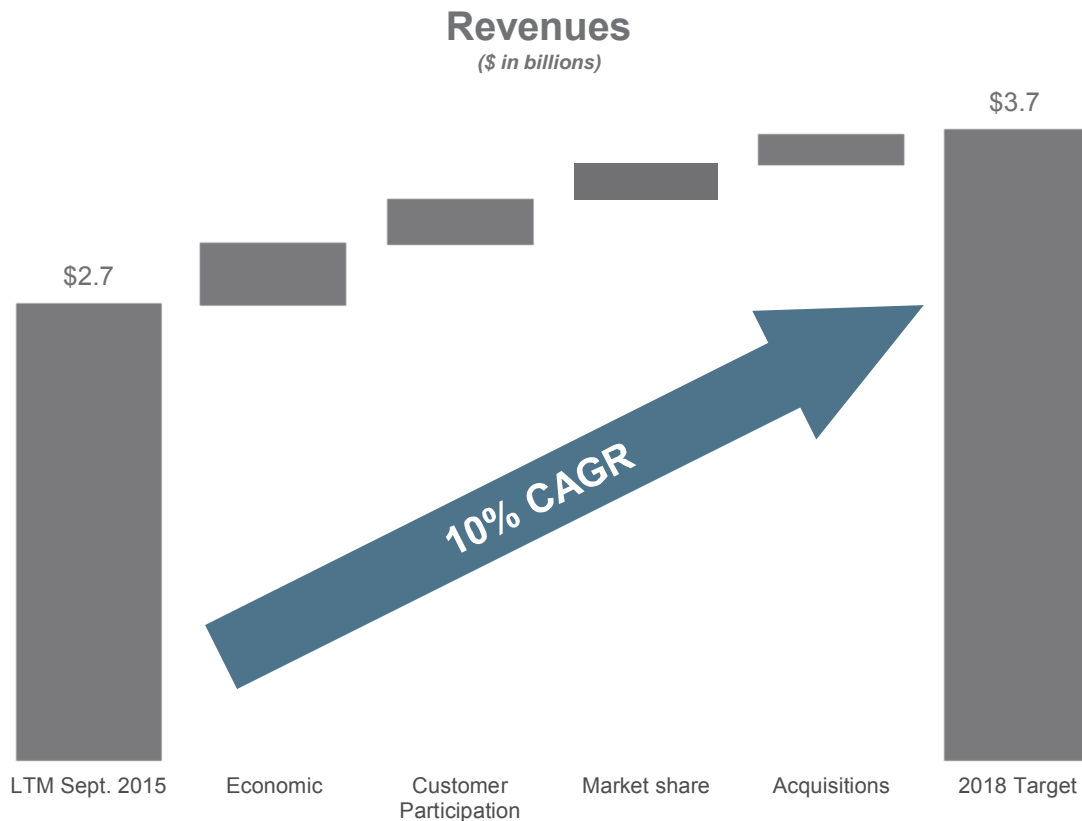
\* ROCE is further described in the accompanying appendix.

Our long-term financial targets are based upon a variety of estimates and assumptions which may not be realized. The estimates and assumptions our management used as a basis for the long-term financial targets are not facts and should not be relied upon as being indicative of future results. The company does not intend, and undertakes no duty to update these long-term financial targets to reflect subsequent events or circumstances; however, the company may update or withdraw these long-term financial targets or any portion thereof at any time at its discretion. Management assumptions are further detailed in the accompanying appendix.



## Strategic and Operating Initiatives

### Clear Line of Site for Revenue Growth from our Initiatives



#### Key Drivers

- Continued penetration of existing account base
- Multiple services leads to higher retention rates
- Continued value-added services generates account growth at FleetNet and ABF Moving
- Potential for selective acquisitions

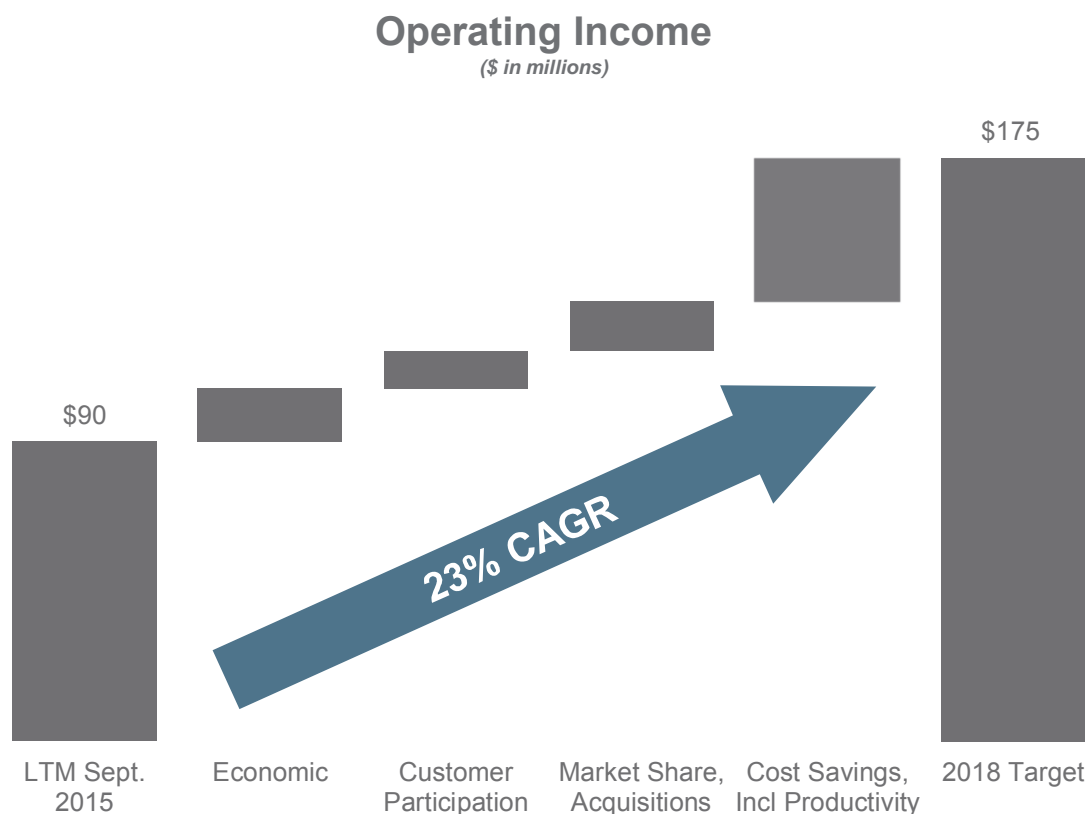
#### Assumptions

- Positive economic trends
- Positive pricing environment
- No significant changes in fuel prices from current

Our long-term financial targets are based upon a variety of estimates and assumptions which may not be realized. The estimates and assumptions our management used as a basis for the long-term financial targets are not facts and should not be relied upon as being indicative of future results. The company does not intend, and undertakes no duty to update these long-term financial targets to reflect subsequent events or circumstances; however, the company may update or withdraw these long-term financial targets or any portion thereof at any time at its discretion. Management assumptions are further detailed in the accompanying appendix.

## Strategic and Operating Initiatives

# Operating Leverage and Disciplined Cost Control Drives Operating Income Margins – 150bps Improvement



### Key Drivers

- Incremental income on revenue growth
- Productivity improvements in ABF Freight terminal operations
- Investments in ABF Freight technology and equipment drives fuel efficiency and improved maintenance
- Operational efficiencies at ABF Logistics, Panther and FleetNet due to increased scale and systems

Our long-term financial targets are based upon a variety of estimates and assumptions which may not be realized. The estimates and assumptions our management used as a basis for the long-term financial targets are not facts and should not be relied upon as being indicative of future results. The company does not intend, and undertakes no duty to update these long-term financial targets to reflect subsequent events or circumstances; however, the company may update or withdraw these long-term financial targets or any portion thereof at any time at its discretion. Management assumptions are further detailed in the accompanying appendix.

## Powerful Cash Flow Funds Growth and Return to Shareholders Through 2018

### Significant Free Cash Flow\*

Generating Operating Cash Flow

Investing in strategic operating expenditures to improve our service offering

Investing in high ROI capex, including technology and innovation



\$300 million cumulative over next 3 years



### Balanced Capital Allocation Goals

- 1 Pursuing strategic acquisitions
- 2 Repaying equipment notes
- 3 Paying a competitive dividend
- 4 Executing share repurchases

\*Free cash flow is further described in the accompanying appendix.

Our long-term financial targets are based upon a variety of estimates and assumptions which may not be realized. The estimates and assumptions our management used as a basis for the long-term financial targets are not facts and should not be relied upon as being indicative of future results. The company does not intend, and undertakes no duty to update these long-term financial targets to reflect subsequent events or circumstances; however, the company may update or withdraw these long-term financial targets or any portion thereof at any time at its discretion. Management assumptions are further detailed in the accompanying appendix.

## Powerfully Positioned

### Growth Initiatives

- History of growth of logistical services within our legacy business and growth in asset-light logistics businesses in response to customer needs and demands. Growth of asset-light services enhances growth of ABF Freight.

### Operating Cost Efficiencies

- Opportunities for improving shareholder value through reduced costs and improved efficiencies at ABF Freight and through appropriate scale in the asset-light logistics businesses.

### Organic Investment

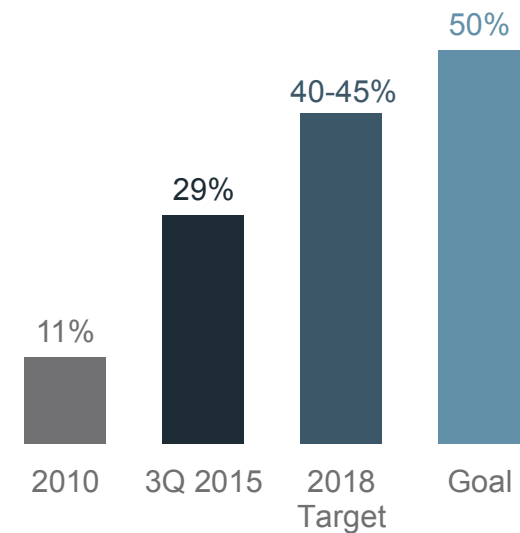
- Strategy of profitable growth through comprehensive service offerings and organic investment in people and technology.



# Growing & Profitable Logistics Company

- 1 Solid Balance Sheet and Cash Flow Generation
- 2 Strong Revenue Growth Rates
  - 10% Historical 5-Year CAGR
  - 10% 3-Year Target CAGR
- 3 Operating Profit Margin Expansion
- 4 Increased % of Revenue from Asset-Light Businesses

Increased % of Revenue from Asset-Light Businesses



# Stock Multiples

ArcBest's stock trading multiples have trailed that of the LTL industry average.

As our asset-light businesses become a higher percentage of our financial profile, we anticipate ArcBest's valuation multiples to migrate toward those of the asset-light peer group.

Industry Equity Valuations	
Industry Segment	Multiple*
Truckload	19.6X
LTL	16.5X
Intermodal	23.4X
Non-Asset-Based – Forwarding/Logistics	22.5X
ArcBest	14.3X

\*Average stock price, on 11/3/15, as a multiple of 2014 EPS – Stifel Transportation Industry Report

## Judy McReynolds Wrap Up



# ArcBest Corporation Board of Directors



**Robert A. Young III**  
Chairman

Robert A. Young III served as CEO of ArcBest Corporation from August 1988 until his retirement in January 2006. He also held the positions of President and Chief Operating Officer of ArcBest and President of ABF Freight<sup>SM</sup>.



**Judy R. McReynolds**  
ArcBest President & CEO

Judy R. McReynolds, with 25 years in the transportation industry, including 18 years at ArcBest, is the only member of the company's senior management who serves on the ArcBest board, as well as numerous outside boards, including OGE Energy Corp., American Transportation Research Institute, American Trucking Associations and the Transportation Industry Council of the Federal Reserve Bank of St. Louis.



**John W. Alden**  
Board Member since 2005

John W. Alden retired in 2000 as Vice Chairman of United Parcel Service of America, Inc., where he worked for 35 years. He is also a Director of Barnes Group, Inc., Dun & Bradstreet Corp. and Silgan Holdings, Inc.



**Fred A. Allardyce**  
Board Member since 2004

Fred A. Allardyce is Chairman and Chief Executive Officer of Advanced Breath Diagnostics, a development-stage medical diagnostic company, and also serves as Chairman of Monitor Instruments, a development-stage scientific instrument firm.



**Stephen E. Gorman**  
Board Member since 2015

Stephen E. Gorman is Chief Executive Officer of privately held Borden Dairy Co. Previously he was Executive Vice President and Chief Operating Officer of Delta Air Lines Inc. He currently serves on the board of Aeromexico.



# ArcBest Corporation Board of Directors



**William M. Legg**  
Board Member since 2002

William M. Legg spent 31 years at Deutsche Banc Alex.Brown, where he served as head of its Transportation Group and Co-Head of the Corporate Finance Department. He and his group executed initial public offerings for many logistics companies.



**Kathy D. McElligott**  
Board Member since 2015

Kathy D. McElligott is Executive Vice President and Chief Information and Technology Officer of McKesson Corp. Previously she served as Chief Information Officer and Vice President, Information Technology at Emerson Electric Co.



**John H. Morris**  
Board Member since 1988

John H. Morris formerly served as Director of Treadco, Inc., a publicly held tire retreader and truck tire dealer. He's also served on numerous boards in addition to ArcBest and Treadco, including Spectramed and Landstar Systems.



**Craig E. Philip**  
Board Member since 2011

Craig E. Philip is the retired CEO of Ingram Barge Company. His transportation background includes serving as Vice President of the Intermodal Division of South Pacific Railroad prior to ending his career at Ingram Barge.



**Steven L. Spinner**  
Board Member since 2011

Steven L. Spinner is President and Chief Executive Officer and a member of the board of directors of United Natural Foods, Inc. Prior to joining UNFI, he served as Director and CEO of Performance Food Group Company.



**Janice E. Stipp**  
Board Member since 2012

Janice E. Stipp is Executive Vice President, Chief Financial Officer and Treasurer of Tecumseh Products, a global manufacturer of compressors and condensing units for the commercial refrigeration, a position she's held since October 2011.

## ArcBest Investor Day – Key Takeaways

- ArcBest is a logistics company with The Skill & The Will to grow – we have assets and offer solutions through guaranteed capacity and flexible options.
- We are trusted logistics experts at a company powerfully positioned as the best place for our customers to receive answers to their supply chain challenges.
- We consider the customer in everything we do and it is the “tie that binds” every ArcBest employee.
- Our financial market valuation should reflect our position as a complete logistics company with a mix of asset and asset-light solutions.

# Q&A

# APPENDIX

## Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“Adjusted EBITDA”) and Before Rentals (“EBITDAR”)

	(\$ thousands)		
	12/31/2013	12/31/2014	9/30/2015*
Net income	\$ 15,811	\$ 46,177	\$ 54,409
Interest and other related financing costs	4,183	3,190	4,005
Income tax provision	3,650	24,435	31,098
Depreciation and amortization	88,389	86,222	90,588
Amortization of share-based compensation	5,494	6,998	7,979
Amortization of net actuarial losses of benefit plans and pension settlement expense	10,046	9,300	7,440
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 127,573</b>	<b>\$ 176,322</b>	<b>\$ 195,519</b>
Rentals and other (cash basis)	17,553	17,088	16,993
<b>Consolidated Adjusted EBITDAR</b>	<b>\$ 145,126</b>	<b>\$ 193,410</b>	<b>\$ 212,512</b>

Adjusted EBITDA and EBITDAR are primary components of the financial covenants contained in ArcBest Corporation's Amended and Restated Credit Agreement. Management believes Adjusted EBITDA and EBITDAR to be relevant and useful information, as EBITDA and EBITDAR are standard measures commonly reported and widely used by analysts, investors, and others to measure financial performance and ability to service debt obligations. However, these financial measures should not be construed as better measurements than operating income (loss), operating cash flow, net income (loss), or earnings (loss) per share, as determined under GAAP. Other companies may calculate EBITDA and EBITDAR differently; therefore, our Adjusted EBITDA and EBITDAR may not be comparable to similarly titled measures of other companies.

\*Twelve months ended 9/30/2015

# Return On Capital Employed (ROCE)

## Return On Capital Employed (ROCE)

is calculated as the following ratio:

$$\frac{\text{Net Income} + \text{Interest} + \text{Imputed Interest (after tax)}}{\text{Average Equity} + \text{Average Total Debt} + \text{Average Imputed Debt}}$$

# Free Cash Flow

## Year Ended December 31

(\$ thousands)

	2010	2011	2012	2013	2014	9/30/2015*
<b>Free Cash Flow</b>						
Operating cash flow	\$ 26,287	\$ 100,852	\$ 84,534	\$ 93,504	\$ 143,766	\$ 145,139
Capex, net of financings	(11,422)	(53,227)	(37,278)	(26,369)	(35,483)	(65,371)
Proceeds from asset sales	5,879	7,062	6,397	2,194	4,928	6,342
Capitalization of internally-developed software	(4,355)	(5,295)	(7,218)	(7,668)	(8,418)	(8,557)
<b>Free Cash Flow</b>	<b>\$ 16,389</b>	<b>\$ 49,392</b>	<b>\$ 46,435</b>	<b>\$ 61,661</b>	<b>\$ 104,793</b>	<b>\$ 77,553</b>

Management believes Free Cash Flow to be relevant and useful information, as Free Cash Flow is a standard measure commonly reported and widely used by analysts, investors, and others to measure financial performance and ability to service debt obligations. However, this financial measure should not be construed as a better measurement than operating income (loss), operating cash flow, net income (loss), or earnings (loss) per share, as determined under GAAP. Other companies may calculate Free Cash Flow differently; therefore, our Free Cash Flow may not be comparable to similarly titled measures of other companies.

\*Twelve months ended 9/30/2015

# Operating Income

## Year Ended December 31

(\$ millions)

	2010	2011	2012	2013	2014	9/30/2015*
<b>Operating Income</b>						
Amounts on a GAAP basis	\$ (54.5)	\$ 9.8	\$ (14.6)	\$ 19.1	\$ 69.2	\$ 86.2
Pension settlement expense, pre-tax	0.2	1.1	–	1.8	5.3	3.6
Non-GAAP amounts	<b>\$ (54.4)</b>	<b>\$ 10.9</b>	<b>\$ (14.6)</b>	<b>\$ 20.9</b>	<b>\$ 74.5</b>	<b>\$ 89.8</b>

\*Twelve months ended 9/30/2015



# Assumptions Used In 2018 Targets

## Revenues

Economic and pricing environment that supports mid-single-digit industry growth (3% – 5%)

Relatively flat diesel fuel prices

ABF Freight annual revenue growth that is similar to historical averages (low-single-digit percentage year-over-year increases)

Organic asset-light annual revenue growth of 15% – 20%, driven by market share gains and continued penetration of ArcBest account base

Acquisitions of \$150 million – \$200 million of revenue by 2018

Asset-light accounts for 40% – 45% of consolidated revenue by 2018

## Operating Income

ABF Freight:

- Incremental operating income margins that are similar to historical averages (10% – 15%)
- ABF Freight union labor agreement: labor rate changes not in excess of freight pricing improvements
- Continued productivity improvements in ABF Freight terminal operations (shipments per dock, street & yard hour, etc.)
- Annual miles per gallon improvement of 0.5% to 1.0% due to investments in more fuel efficient equipment
- Modest improvements in maintenance cost per mile resulting from investment in new equipment

Asset-light operating ratio improvement of 100bps – 200bps by 2018 due to increased scale and improved systems productivity

*Note: Asset-light operating ratio could be impacted by acquisitions*

## Free Cash Flow

Expect to generate free cash flow totaling \$300 million over 2016 – 2018, primarily driven by operating cash flow

Continued replacement cycle of ABF Freight revenue equipment

Investment in high return capital expenditures and innovative technology

Investment in high return operating expenditures

Finance approximately \$200 million of equipment purchases over 2016 – 2018

Repayment of approximately \$200 million of equipment debt over 2016 – 2018

Dividend payments and share repurchases totaling \$50 million to \$60 million over 2016 – 2018

Excess cash flow to increase available liquidity from September 30, 2015 balance of \$387 million (cash plus borrowing capacity), plus \$100 million of revolver accordion features

Liquidity and excess cash flow available for strategic acquisitions

Our long-term financial targets are based upon a variety of estimates and assumptions which may not be realized. The estimates and assumptions our management used as a basis for the long-term financial targets are not facts and should not be relied upon as being indicative of future results. The company does not intend, and undertakes no duty to update these long-term financial targets to reflect subsequent events or circumstances; however, the company may update or withdraw these long-term financial targets or any portion thereof at any time at its discretion.