



volume trends and cash generation, and significant international margin improvement. Risks to the downside include weaker volume trends, integration risk, and weaker cash generation/debt paydown.

- **HTLD Est./PT revisions:** On the back of HTLD's 4Q results we have lowered our 1Q '18 EPS estimate to 16c (from 28c), reflecting the elimination of unprofitable business segments from the IDC segment as HTLD realigns the business to be in line with the overall company. As such our reduced top-line estimates move our 2018 EPS down 14% to 77c (from 89c). Similarly, we are bringing our 2019 EPS estimate down to \$1.00 (from \$1.10), reflecting 7.5% revenue growth and an 86.5% OR, in line with HTLD's results before the IDC acquisition. Our price target is revised down to \$20 (from \$22) as we roll forward our unchanged 19.9x target P/E multiple. Downside risks include a breakdown in truckload fundamentals, higher than-expected cost inflation, and poor execution. Upside risks include a stronger-than-expected acceleration in pricing.
- **LSTR Est./PT revisions:** Post LSTR's 4Q results we have raised our 2018 and 2019 estimates for LSTR by 8% and 10%, to reflect the increases in both volumes and revenue per load seen in this quarter's results, which we view as sustainable over both the near and medium-term. Commentary on the call was positive, with mgmt. citing that revenue per load growth was tracking in the mid-teens and volumes in the high single digits so far in the quarter. As such our 2018 estimate is increased to \$5.29 (from \$4.89) and 2019 is increased to \$6.09 (from \$5.52). Our price targets moves to \$105, reflecting an unchanged 17.2x our 2019E estimate. Further, we note that LSTR stands to indirectly benefit if a meaningful infrastructure bill is passed via its flatbed business which accounts for ~30% of gross revenue. However, we remain Hold-rated on shares on valuation. Upside risks include a meaningful infrastructure bill and a longer-than-expected TL cycle while downside risks include weaker-than-expected volume and pricing trends as well as valuation.
- **WERN Est./PT revisions:** While WERN's Q4 results came largely in-line with expectations, the outlook has become increasingly positive since the company reported results. Trucking rates and volumes have outperformed expectations YTD after one of the strongest January's on record, causing WERN to increase its 2018 rate guidance at a recent conference to +6%-10% from previous expectations of a 4%-8% improvement. As a result we have moderately raised our 2018 EPS estimate to \$1.99 (from \$1.95) and our 2019 to \$2.29 (from \$2.23). We believe the backdrop remains supportive of continued strong truckload fundamentals with potential for an elongated upcycle behind GDP, tax reform and a possible infrastructure bill. Our price target goes to \$43 (from \$42) as we are applying our unchanged 18.6x multiple to our revised 2019 EPS estimate. We maintain our Hold rating based on valuation with shares trading above the historical average. Risks to the upside include stronger yield/volume growth while downside risks include higher than expected cost inflation and a U.S. recession.
- **YRCW Est./PT revisions:** YRCW's 4Q results largely missed expectations despite an improving demand environment, reflecting poor execution and increased purchased transportation expense due to a shortage of revenue equipment. Despite these issues, management sounded confident about YRCW's outlook for the back half of 2018 as the company plans to bring on additional revenue equipment in H1 to better