



Figure 16: HTLD Income Statement

Heartland Express (HTLD)												
Income Statement (\$ millions)	2012	2013	2014	2015	2016	2017	Q1 2018E	Q2 2018E	Q3 2018E	Q4 2018E	2018E	2019E
<b>REVENUE</b>												
Total Revenue	\$545.7	\$582.3	\$871.4	\$736.3	\$612.9	\$607.3	\$165.9	\$178.9	\$187.8	\$176.0	\$705.6	\$758.7
Yr/Yr Change	3.2%	6.7%	49.7%	(15.9%)	(16.8%)	(0.9%)	27.7%	35.7%	3.1%	6.2%	16.2%	7.5%
<b>OPERATING EXPENSES</b>												
Salaries, wages and benefits	167.1	178.7	278.1	277.3	232.0	236.9	68.0	72.1	75.1	68.6	283.9	295.9
Rent and purchased transportation	6.3	12.8	51.9	34.5	23.5	30.0	7.5	7.9	7.9	6.5	29.8	28.1
Fuel	169.0	172.3	219.3	123.7	91.5	104.4	25.5	23.5	33.6	32.4	115.0	119.4
Operations and maintenance	25.3	22.3	39.1	34.0	26.2	29.6	7.6	8.1	8.6	7.9	32.3	34.1
Taxes and licenses	8.7	10.5	20.4	18.1	15.6	16.6	4.1	5.3	5.6	4.8	19.8	20.5
Insurance and claims	14.9	14.9	17.9	21.6	24.4	18.9	5.0	5.3	6.2	5.8	22.3	25.0
Communications and utilities	3.0	3.6	6.5	6.0	4.5	5.8	1.3	1.8	1.9	1.4	6.4	5.7
Depreciation	57.2	68.6	108.6	111.0	105.6	103.7	30.0	30.5	31.0	31.5	123.0	125.0
Other operating expenses	14.6	17.6	31.3	28.6	13.4	24.7	6.0	6.3	2.9	1.5	16.8	29.2
Gain on sales of fixed assets	(15.1)	(33.3)	(33.5)	(35.0)	(9.2)	(26.7)	(5.8)	(6.2)	(6.6)	(6.2)	(24.7)	(26.6)
<b>Total Operating Expenses</b>	<b>\$450.8</b>	<b>\$468.1</b>	<b>\$799.5</b>	<b>\$619.8</b>	<b>\$527.4</b>	<b>\$543.8</b>	<b>\$149.3</b>	<b>\$154.6</b>	<b>\$166.3</b>	<b>\$154.3</b>	<b>\$624.4</b>	<b>\$656.3</b>
<b>OPERATING EXPENSES AS A PERCENTAGE OF REVENUE</b>												
Salaries, wages and benefits (2)	30.6%	30.7%	31.9%	37.7%	37.8%	39.0%	41.0%	41.0%	40.0%	39.0%	40.2%	39.0%
Rent and purchased transportation	1.1%	2.2%	6.0%	4.7%	3.8%	4.9%	4.5%	4.5%	4.2%	3.7%	4.2%	3.7%
Fuel (3)	31.0%	29.6%	25.2%	16.8%	14.9%	17.2%	20.0%	18.2%	25.1%	30.8%	16.3%	22.0%
Operations and maintenance (3)	4.6%	3.8%	4.5%	4.6%	4.3%	4.9%	4.6%	4.6%	4.8%	4.5%	4.6%	4.5%
Taxes and licenses	1.6%	1.8%	2.3%	2.5%	2.5%	2.7%	2.5%	3.0%	3.0%	2.7%	2.8%	2.7%
Insurance and claims (4)	2.7%	2.6%	2.1%	2.9%	4.0%	3.1%	3.0%	3.0%	3.3%	3.3%	3.2%	3.3%
Communications and utilities	0.5%	0.6%	0.7%	0.8%	0.7%	1.0%	0.8%	1.0%	1.0%	0.8%	0.9%	0.8%
Depreciation	10.5%	11.8%	12.5%	15.1%	17.2%	17.1%	18.1%	17.3%	16.5%	17.9%	17.4%	16.5%
Other operating expenses	2.7%	3.0%	3.6%	3.9%	2.2%	4.1%	3.6%	3.6%	1.6%	0.8%	2.4%	3.8%
Gain on sales of fixed assets	-2.8%	-5.7%	-3.8%	-4.8%	-1.5%	-4.4%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%
<b>OPERATING RATIO</b>	<b>82.6%</b>	<b>80.4%</b>	<b>84.9%</b>	<b>84.2%</b>	<b>86.0%</b>	<b>89.5%</b>	<b>90.0%</b>	<b>87.9%</b>	<b>88.6%</b>	<b>87.7%</b>	<b>88.5%</b>	<b>86.5%</b>
Year-over-year improvement	-277bp	222bp	-448bp	70bp	-187bp	-350bp	-487bp	-432bp	430bp	637bp	104bp	200bp
<b>TOTAL OPERATING INCOME</b>	<b>\$94.9</b>	<b>\$114.2</b>	<b>\$131.9</b>	<b>\$116.6</b>	<b>\$85.6</b>	<b>\$63.5</b>	<b>16.7</b>	<b>21.3</b>	<b>21.5</b>	<b>21.7</b>	<b>\$81.1</b>	<b>\$102.38</b>
Year-over-year change	-10.9%	20.3%	15.5%	-11.6%	-26.6%	-25.7%	-14.0%	0.0%	65.1%	119.8%	27.7%	26.2%
<b>OTHER INCOME AND EXPENSE</b>												
Interest income	0.7	0.5	0.2	0.2	0.5	1.1	0.2	0.2	0.2	0.3	0.9	1.0
Interest expense	0.0	(0.2)	(0.4)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Other Income, net</b>	<b>\$0.7</b>	<b>\$0.3</b>	<b>(\$0.3)</b>	<b>\$0.2</b>	<b>\$0.5</b>	<b>\$1.1</b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$0.3</b>	<b>\$0.9</b>	<b>\$1.0</b>
<b>Pretax income</b>	<b>\$95.6</b>	<b>\$114.5</b>	<b>\$131.6</b>	<b>\$116.8</b>	<b>\$86.0</b>	<b>\$64.7</b>	<b>16.9</b>	<b>21.5</b>	<b>21.7</b>	<b>21.9</b>	<b>\$82.0</b>	<b>\$103.3</b>
<b>Income taxes, total</b>	<b>34.0</b>	<b>41.9</b>	<b>46.8</b>	<b>43.7</b>	<b>29.7</b>	<b>22.1</b>	<b>3.8</b>	<b>4.8</b>	<b>4.9</b>	<b>4.9</b>	<b>18.5</b>	<b>23.2</b>
<b>Effective tax rate</b>	<b>35.6%</b>	<b>36.6%</b>	<b>35.5%</b>	<b>37.4%</b>	<b>34.5%</b>	<b>34.2%</b>	<b>22.5%</b>	<b>22.5%</b>	<b>22.5%</b>	<b>22.5%</b>	<b>22.5%</b>	<b>22.5%</b>
<b>NET INCOME (CONTINUING)</b>	<b>\$61.5</b>	<b>\$72.6</b>	<b>\$84.8</b>	<b>\$73.1</b>	<b>\$56.4</b>	<b>\$42.6</b>	<b>\$13.1</b>	<b>\$16.7</b>	<b>\$16.8</b>	<b>\$17.0</b>	<b>\$63.6</b>	<b>\$80.1</b>
Extraordinary items	0.0	(2.0)	0.0	0.0	0.0	32.8	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET INCOME (REPORTED)</b>	<b>\$61.5</b>	<b>\$70.6</b>	<b>\$84.8</b>	<b>\$73.1</b>	<b>\$56.4</b>	<b>\$75.3</b>	<b>\$13.1</b>	<b>\$16.7</b>	<b>\$16.8</b>	<b>\$17.0</b>	<b>\$63.6</b>	<b>\$80.1</b>
<b>EPS CONTINUING</b>	<b>\$0.71</b>	<b>\$0.85</b>	<b>\$0.97</b>	<b>\$0.84</b>	<b>\$0.68</b>	<b>\$0.51</b>	<b>\$0.16</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.21</b>	<b>\$0.77</b>	<b>\$1.00</b>
Extraordinary item	0.00	(0.02)	0.00	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.00	0.00
<b>EPS REPORTED</b>	<b>\$0.71</b>	<b>\$0.83</b>	<b>\$0.97</b>	<b>\$0.84</b>	<b>\$0.68</b>	<b>\$0.90</b>	<b>\$0.16</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.21</b>	<b>\$0.77</b>	<b>\$1.00</b>
Yr/Yr Change (continuing)	-8.5%	19.0%	13.0%	-13.1%	-19.4%	-24.5%	-6.7%	14.7%	114.1%	195.4%	50.3%	29.0%
<b>Avg. shares outstanding (diluted)</b>	<b>86.2</b>	<b>85.4</b>	<b>87.9</b>	<b>87.1</b>	<b>83.4</b>	<b>83.3</b>	<b>83.1</b>	<b>82.9</b>	<b>82.7</b>	<b>82.5</b>	<b>82.8</b>	<b>80.3</b>

Source: Deutsche Bank, Company filings