**Dne Year Price Chart** 

October 10, 2013

Hub Group, Inc. HUBG – NASDAQ Hold Trucking/Logistics

Company Update

# Getting Squeezed at the Margin, Hub Group Issues 2013 Guidance Below Street

Hub Group became the fifth company under our coverage, and the second in as many days, to issue a negative pre-announcement for its 2013 earnings. The company now expects diluted earnings per share to fall in a range from \$0.48 to \$0.51 in 3Q13. Prior to the release, the Street consensus was \$0.54—estimates ranged from a low of \$0.52 to a high of \$0.57. The company also guided expectations for FY2013 EPS to a range from \$1.85 to \$1.95, well below the Street consensus of \$2.02. Our takeaways and derivative commentary are as follows:

- Challenging intermodal price environment and traffic mix impacted the company's intermodal franchise—most likely impairing margins. Softness in pricing and demand should have been evident, given the slowing price environment for truckers and negative intermodal volume on Union Pacific's network exhibited in 3Q13. However, management was adamant that 2H13 volumes would be up in the mid- to high-single digits; although that may still be the case, softer freight demand from the West Coast and lower than expected price increases most likely led to margin compression.
- Truck brokerage results were impacted by increased competition from asset-based carriers and unfavorable mix. The increased competition resulted in less new business than expected. Additionally, the company's business mix shifted away from higher margin, high value-added services. As a result, we expect net revenue margin compressed by a fair amount y/y.
- Is economic growth in 2H13 not shaping up the way most thought it would? Recall that nine transportation companies pre-announced to the negative in 3Q12. With this release, Hub Group becomes the fifth transportation company to negatively pre-announce in 3Q13. Although there have been some positive economic data points during the quarter, given the growing negative pre-announcements and "lackluster" freight growth we have heard anecdotally, we wonder whether 2H13 will be similar to 2H12.
- Lowering our forward estimates due to the softer pricing and margin impacts. Our updated 2013, 2014, and 2015 EPS estimates become \$1.90, \$2.17, and \$2.45, respectively, down from \$2.06, \$2.35, and \$2.66. Our updated EPS estimates represent an 8% reduction each year, resulting from lower expected top-line revenue growth, lower net revenue margin, and lower operating ratios than previously assumed.
- Investment rating remains Hold: Our 12-month fair value estimate decreases from \$43 (or 16.0x our former 2015 EPS estimate of \$2.66) to \$39 (or 16.0x our updated 2015 EPS estimate of \$2.45), and does not provide enough upside potential at present to warrant a rating review, although we expect shares to trade down today.

John G. Larkin, CFA	jglarkin@stifel.com	(443) 224-1315
David J. Tamberrino, CFA	tamberrinod@stifel.com	(443) 224-1356
Stifel Equity Trading Desk		(800) 424-8870

<u>Changes</u>	Previ	ious	Current
Rating	_	-	Hold
Target Price		-	NA
FY13E EPS (Ne	et) \$2.	.06	\$1.90
FY14E EPS (Ne	· ·	35	\$2.17
FY13E Rev (Ne			\$3.31B
FY14E Rev (Ne	et) \$3.6	50B	\$3.56B
Price (10/09/13)	):		\$37.31
52-Week Range		\$4	41 – \$28
Market Cap.(mr	,		1,405.2
Shr.O/S-Diluted Enterprise Val.			37.7 \$1,342.3
Avg Daily Vol (3			<sup>9</sup> 1,342.3 152,271
LT Debt/Total C			1.7%
Net Cash/Share	•		\$1.91
Book Value/Sha	are:		\$14.21
Dividend(\$ / %)			0 / 0.0%
S&P Index			1,656.40
EPS (Net)	2012A	20425	
EFS (Nel)	ZUIZA	2013E	2014E
Q1			
	\$0.37 0.46	\$0.42A 0.50A	<b>2014E</b> \$0.45 0.55
Q1	\$0.37	\$0.42A	\$0.45
Q1 Q2	\$0.37 0.46	\$0.42A 0.50A	\$0.45 0.55
Q1 Q2 Q3	\$0.37 0.46 0.50	\$0.42A 0.50A 0.49	\$0.45 0.55 0.58
Q1 Q2 Q3 Q4	\$0.37 0.46 0.50 0.51	\$0.42A 0.50A 0.49 0.50	\$0.45 0.55 0.58 0.58
Q1 Q2 Q3 Q4 FY Dec P/E	\$0.37 0.46 0.50 0.51 \$1.83A 20.4x	\$0.42A 0.50A 0.49 0.50 \$1.90 19.6x	\$0.45 0.55 0.58 0.58 \$2.17 17.2x
Q1 Q2 Q3 Q4 FY Dec P/E Rev (Net)	\$0.37 0.46 0.50 0.51 \$1.83A 20.4x <b>2012A</b>	\$0.42A 0.50A 0.49 0.50 \$1.90 19.6x <b>2013E</b>	\$0.45 0.55 0.58 0.58 \$2.17 17.2x <b>2014E</b>
Q1 Q2 Q3 Q4 FY Dec P/E	\$0.37 0.46 0.50 0.51 \$1.83A 20.4x <b>2012A</b> \$739.9	\$0.42A 0.50A 0.49 0.50 \$1.90 19.6x	\$0.45 0.55 0.58 0.58 \$2.17 17.2x <b>2014E</b> \$836.4
Q1 Q2 Q3 Q4 FY Dec P/E Rev (Net) Q1	\$0.37 0.46 0.50 0.51 \$1.83A 20.4x <b>2012A</b>	\$0.42A 0.50A 0.49 0.50 \$1.90 19.6x <b>2013E</b> \$769.0A	\$0.45 0.55 0.58 0.58 \$2.17 17.2x <b>2014E</b>
Q1 Q2 Q3 Q4 FY Dec P/E Rev (Net) Q1 Q2	\$0.37 0.46 0.50 0.51 \$1.83A 20.4x <b>2012A</b> \$739.9 778.3	\$0.42A 0.50A 0.49 0.50 \$1.90 19.6x <b>2013E</b> \$769.0A 836.7A	\$0.45 0.55 0.58 0.58 \$2.17 17.2x <b>2014E</b> \$836.4 902.8
Q1 Q2 Q3 Q4 FY Dec P/E Rev (Net) Q1 Q2 Q3 Q4	\$0.37 0.46 0.50 0.51 \$1.83A 20.4x <b>2012A</b> \$739.9 778.3 804.9	\$0.42A 0.50A 0.49 0.50 \$1.90 19.6x <b>2013E</b> \$769.0A 836.7A 835.9	\$0.45 0.55 0.58 \$2.17 17.2x <b>2014E</b> \$836.4 902.8 918.5
Q1 Q2 Q3 Q4 FY Dec P/E Rev (Net) Q1 Q2 Q3	\$0.37 0.46 0.50 0.51 \$1.83A 20.4x <b>2012A</b> \$739.9 778.3 804.9 801.0	\$0.42A 0.50A 0.49 0.50 \$1.90 19.6x <b>2013E</b> \$769.0A 836.7A 835.9 848.0	\$0.45 0.55 0.58 0.58 \$2.17 17.2x <b>2014E</b> \$836.4 902.8 918.5 905.8



Stifel does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. All relevant disclosures and certifications appear on pages 7 - 8 of this report.

# **Company Description**

Hub Group, Inc., an asset-light third party logistics company, is a leading provider of intermodal services to shippers, steamship companies, and other logistics companies. In addition, the company provides one of the largest truck brokerage operations through its Highway Services division and also provides technology-based supply chain services through its Unyson Logistics division.

# **Equity Comps - Transportation**

							Com	parative	Valuatio	n Matri	x											
(figures in \$US millions, except per share amounts)																						
		Closing						Equ	ity value as	a multiple	of		Enterpris	se value as	a multiple of							
		Price	Diluted	Market	Total	Cash &			ings per Sh		Book	TTM	2013E	TTM	TTM	TTM	TTM	TTM	TTM	PEG	Div.	2013E
Company name (Ticker)	Rating	10/9/2013	S/O	cap.	Debt	equiv.	TEV (a)	2012A <sup>(b)</sup>	2013E <sup>(b)</sup>	2014E <sup>(b)</sup>	value	Revenue	EBITDA	EBITDA	EBITDAR (c)	EBIT	ROA	ROE	ROIC	ratio <sup>(d)</sup>	Yield	FCF Yld
Intermodal																						
Hub Group (HUBG)	Hold	37.31	37.7	1,405.2	9.1	72.0	1,342.3	20.4x	19.6x	17.2x	2.6x	3.6x	11.1x	10.9x	9.5x	11.5x	7.6%	14.2%	14.2%	1.3	0.0%	1.2%
J.B. Hunt Transport Svcs. (JBHT)	Hold	70.83	117.9	8,347.8	674.1	5.9	9,016.0	27.3x	24.1x	20.5x	9.3x	1.7x	10.6x	11.4x	11.3x	16.4x	12.9%	40.0%	22.8%	1.4	0.8%	3.3%
Pacer International (PACR)	Buy	6.06	35.4	214.5	0.0	26.8	187.7	NM	24.2x	15.2x	1.7x	0.8x	8.3x	8.6x	3.9x	14.0x	3.2%	6.2%	6.7%	1.0	0.0%	1.8%
Min			l l	214.5	0.0	5.9	187.7	20.4x	19.6x	15.2x	1.7x	0.8x	8.3x	8.6x	3.9x	11.5x	3.2%	6.2%	6.7%	1.0	0.0%	1.2%
Mean				3,322.5	227.8	34.9	3,515.3	23.9x	22.7x	17.6x	4.5x	2.1x	10.0x	10.3x	8.2x	14.0x	7.9%	20.1%	14.6%	1.2	0.3%	2.1%
Max				8,347.8	674.1	72.0	9,016.0	27.3x	24.2x	20.5x	9.3x	3.6x	11.1x	11.4x	11.3x	16.4x	12.9%	40.0%	22.8%	1.4	0.8%	3.3%
Stifel Transportation Average				8,652.7	1,552.3	433.4	9,832.5	20.2x	19.4x	16.3x	3.1x	2.3x	8.9x	9.6x	8.9x	17.6x	5.3%	17.5%	9.8%	1.3	1.0%	2.2%

 $(a) \ Total \ Enterprise \ Value = Market \ Capitalization \ of \ Equity + \ Total \ Debt - Cash + Market \ Value \ of \ Minority \ Interest$ 

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding Source: Company data , First Call, and Stifel estimates

John Larkin, CFA / jglarkin@stifel.com

Mike Baudendistel, CFA / mbauden@stifel.com

David Tamberrino, CFA / tamberrinod@stifel.com

#### Hub Group Income Statement

(figures in \$ millions except per share an Fiscal Year End December 31	iounts)									1		201	2		1		20	13				20	14			
Fiscal Teal End December 51	2002A	2003A	2004A <sup>3</sup>	2005A	2006A <sup>2</sup>	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QE	4QE	2013E	10E	2QE	3QE	4QE	2014E	2015E
	050.2	0767		1 070 0			1 220 4	1	1 205 0			121.0				427.3	448.5		100.1	1.007.1				502.0	1.040.1	
Intermodal segment revenue volume growth	958.3	976.7	1,014.5 -2.0%	1,079.8 -4.9%	1,172.5 -2.5%	1,206.4	1,329.4 2.3%	1,054.9 -4.5%	1,285.0 19.3%	1,553.6 12.8%	404.2 15.0%	431.9 9.0%	444.4 9.0%	451.1 7.0%	1,731.6 10.0%	427.3	448.5	462.2 4.0%	469.1 4.0%	1,807.1 3.0%	461.5 7.0%	491.1 7.0%	494.5 4.0%	502.0 4.0%	1,949.1 5.5%	2,112.8 5.7%
price / fuel / mix			7.8%	10.9%	5.3%	-0.8%	2.3%	-4.5%	2.5%	8.0%	5.0%	0.0%	2.0%	1.0%	2.0%	4.0%	2.0%	4.0% 0.0%	4.0%	1.5%	1.0%	2.5%	4.0% 3.0%	3.0%	2.4%	2.7%
addition of Comtrak			0.0%	0.0%	6.0%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intermodal % change y/y	5.9%	1.9%	3.9%	6.4%	8.6%	2.9%	10.2%	-20.7%	21.8%	20.9%	20.0%	9.0%	10.6%	7.7%	11.5%	5.7%	3.8%	4.0%	4.0%	4.4%	8.0%	9.5%	7.0%	7.0%	7.9%	8.4%
Brokerage segment revenue	216.5	210.5	225.5	266.5	306.2	318.8	372.4	292.6	334.0	339.4	80.0	80.1	88.3	87.2	335.7	83.6	83.8	89.2	88.1	344.7	87.7	88.0	96.4	95.1	367.3	384.9
% change y/y	1.6%	-2.8%	7.1%	18.2%	14.9%	4.1%	16.8%	-21.4%	14.1%	1.6%	-5.5%	-10.8%	6.3%	6.5%	-1.1%	4.4%	4.7%	1.0%	1.0%	2.7%	5.0%	5.0%	8.0%	8.0%	6.5%	4.8%
Logistics segment revenue	79.9	118.6	140.7	135.5	130.8	133.0	158.8	163.5	214.7	290.9	79.0	83.9	86.6	75.5	325.1	81.8	112.6	112.6	98.2	405.1	102.2	121.6	121.6	106.1	451.5	480.8
% change y/y	-11.5%	48.4%	18.7%	-3.7%	-3.5%	1.7%	19.4%	2.9%	31.4%	35.5%	23.4%	12.8%	14.0%	-1.3%	11.8%	3.5%	34.2%	30.0%	30.0%	24.6%	25.0%	8.0%	8.0%	8.0%	11.4%	6.5%
Total Core Revenue	1,254.7	1,305.8	1,380.7	1,481.9	1,609.5	1,658.2	1,860.6	1,511.0	1,833.7	2,183.9	563.2	595.9	619.3	613.9	2,392.3	592.7	644.9	664.0	655.4	2,557.0	651.5	700.7	712.5	703.2	2,767.8	2,978.5
% change w/v	3.8%	4.1%	5.7%	7.3%	8.6%	3.0%	12.2%	-18.8%	21.4%	19.1%	16.0%	6.3%	10.4%	6.3%	9.5%	5.2%	8.2%	7.2%	6.8%	6.9%	9.9%	8.7%	7.3%	7.3%	8.2%	7.6%
Mode Transportation / HGDS	81.0	53.8	46.1	0.0	0.0					586.3	187.2	194.3	199.9	198.6	779.9	187.5	203.9	201.9	202.5	795.8	195.0	212.1	216.0	212.6	835.7	869.1
% change y/y	-27.0%	-33.6%	-14.3%							NM	NM	0.5%	1.1%	1.7%	33.0%	0.1%	5.0%	1.0%	2.0%	2.0%	4.0%	4.0%	7.0%	5.0%	5.0%	4.0%
Inter-Segment Elimination										(18.6)	(10.5)	(11.9)	(14.4)	(11.4)	(48.1)	(11.1)	(12.2)	(10.0)	(10.0)	(43.3)	(10.0)	(10.0)	(10.0)	(10.0)	(40.0)	(40.0
Total Revenue	1,335.7	1,359.6	1,426.8	1,481.9	1,609.5	1,658.2	1,860.6	1,511.0	1,833.7	2,751.5	739.9	778.3	804.9	801.0	3,124.1	769.0	836.7	855.9	848.0	3,309.5	836.4	902.8	918.5	905.8	3,563.5	3,807.7
% change y/y	1.2%	1.8%	4.9%	3.9%	8.6%	3.0%	12.2%	-18.8%	21.4%	50.1%	52.4%	3.6%	7.0%	5.0%	13.5%	3.9%	7.5%	6.3%	5.9%	5.9%	8.8%	7.9%	7.3%	6.8%	7.7%	6.9%
Transportation Costs	1,172.8	1,188.9	1,247.3	1,307.1	1,390.9	1,425.8	1,626.3	1,325.3	1,620.3	2,439.0	656.1	691.0	713.3	707.6	2,768.0	681.6	741.2	761.7	753.8	2,938.4	742.7	801.7	814.7	802.6	3,161.7	3,365.9
Course Manada	162.9	170.7	179.5	174.7	218.6	232.3	234.3	185.7	213.4	312.5	83.7	87.4	01.6	93.4	356.1	87.3	95.5	94.1	94.1	371.1	93.7	101.1	103.8	103.3	401.8	441.8
Gross Margin	-9.0%		5.2%	-2.7%	218.6	232.3 6.3%	234.3	-20.8%	213.4 14.9%	312.5 46.4%	<b>83.</b> 7 46.1%	87.4 3.1%	91.6 5.6%	93.4 11.4%	356.1 13.9%	87.3 4.3%	95.5 9.3%	94.1 2.8%	94.1 0.8%		93.1 7.3%	5.9%	103.8	9.7%	401.8 8.3%	441.8 9.9%
% change y/y % of gross revenues	-9.0% 12.2%	4.8% 12.6%	5.2% 12.6%	-2.7% 11.8%	25.1% 13.6%	6.3% 14.0%	0.9%	-20.8% 12.3%	14.9% 11.6%	46.4% 11.4%	46.1% 11.3%	3.1% 11.2%	5.6% 11.4%	11.4% 11.7%	13.9%	4.3% 11.4%	9.3% 11.4%	2.8% 11.0%	0.8%	4.2% 11.2%	7.3%	5.9% 11.2%	10.2% 11.3%	9.7% 11.4%	8.3% 11.3%	9.9% 11.6%
70 0J gross revenues	12.2%	12.0%	12.0%	11.8%	15.0%	14.0%	12.0%	12.5%	11.0%	11.4%	11.5%	11.270	11.4/0	11.7%	11.4%	11.4 /0	11.470	11.0%	11.170	11.2%	11.2 /0	11.270	11.570	11.470	11.5%	11.0%
Costs and Expenses																										
Salaries and benefits	93.5	90.0	88.2	83.1	95.0	95.7	93.7	88.5	99.1	118.2	33.3	31.4	31.4	33.0	129.1	34.6	35.0	34.8	34.6	138.9	35.8	36.6	37.2	36.9	146.4	159.1
Agent fees and commissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.7	13.7	13.6	13.8	14.0	55.1	13.3	13.7	14.8	14.7	56.5	15.2	15.6	15.8	15.7	62.3	67.8
General and administrative	46.8	45.7	39.2	34.6	40.1	41.1	41.2	37.5	40.6	49.0	12.6	12.7	14.4	13.1	52.8	13.2	14.7	13.2	13.1	54.2	13.6	13.9	14.1	14.0	55.6	60.4
Depreciation and amortization	11.4	10.8	11.5	8.9	6.1	4.5	4.0	4.2	3.8	5.6	1.7	1.7	1.6	1.6	6.6	1.6	1.6	1.6	1.6	6.4	1.7	1.7	1.7	1.7	6.8	7.4
Change in estimate/impair. of PPE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Costs and Expenses	151.7	146.4	139.0	126.6	141.2	141.3	138.8	130.2	143.6	213.5	61.2	59.5	61.2	61.7	243.7	62.6	65.0	64.4	64.0	256.0	66.2	67.7	68.8	68.3	271.0	294.7
Operating ratio (gross)	99.2%	98.2%	97.2%	96.8%	95.2%	94.5%	94.9%	96.3%	96.2%	96.4%	97.0%	96.4%	96.2%	96.0%	96.4%	96.8%	96.4%	96.5%	96.4%	96.5%	96.7%	96.3%	96.2%	96.1%	96.3%	96.1%
Operating ratio (net)	93.1%	85.8%	77.4%	72.5%	64.6%	60.8%	59.3%	70.1%	67.3%	68.3%	73.1%	68.1%	66.9%	66.1%	68.4%	71.7%	68.1%	68.4%	68.0%	69.0%	70.7%	67.0%	66.3%	66.1%	67.5%	66.7%
EBIT	11.2	24.3	40.6	48.1	77.4	91.0	95.5	55.5	69.9	99.0	22.5	27.9	30.4	31.6	112.4	24.7	30.5	29.8	30.1	115.1	27.4	33.4	35.0	35.0	130.8	147.1
% margin (net revenues)	6.9%	14.2%	22.6%	27.5%	35.4%	39.2%	40.7%	29.9%	32.7%	31.7%	26.9%	31.9%	33.1%	33.9%	31.6%	28.3%	31.9%	31.6%	32.0%	31.0%	29.3%	33.0%	33.7%	33.9%	32.5%	33.3%
% margin (gross revenues)	0.8%	1.8%	2.8%	3.2%	4.8%	5.5%	5.1%	3.7%	3.8%	3.6%	3.0%	3.6%	3.8%	4.0%	3.6%	3.2%	3.6%	3.5%	3.6%	3.5%	3.3%	3.7%	3.8%	3.9%	3.7%	3.9%
EBITDA	22.6	35.1	52.1	57.0	83.5	95.5	99.4	59.7	73.7	104.6	24.2	29.6	32.0	33.3	119.0	26.3	32.1	31.4	31.7	121.4	29.1	35.1	36.7	36.7	137.6	154.5
% margin (net revenues)	13.8%	20.5%	29.0%	32.6%	38.2%	95.5 41.1%	42.4%	32.2%	34.5%	33.5%	24.2 28.9%	29.6 33.9%	34.9%	35.6%	33.4%	20.5 30.1%	33.6%	33.3%	33.7%	32.7%	29.1 31.1%	34.7%	35.4%	35.6%	34.2%	35.0%
/o murgin (net revenues)	13.876	20.376	29.070	32.076	30.270	41.170	42.470	32.270	34.370	33.370	20.970	33.970	34.970	55.0%	33.470	50.170	33.0%	55.570	33.770	32.770	51.170	34.770	33.470	33.070	34.270	55.076
Interest Income (expense), net	(9.2)	(7.5)	(4.0)	0.6	2.0	2.4	1.1	0.1	0.1	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	(0.3)	(0.3)	(0.4)	(0.3)	(1.3)	(0.3)	(0.3)	(0.3)	(0.3)	(1.1)	(1.1
Debt extinguishment expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Income (expense), net	0.1	0.1	0.7	0.1	0.2	0.1	(0.2)	0.3	0.1	0.4	0.0	0.0	(0.0)	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Outer meonie (expense), ner	0.1	0.1	0.7	0.1	0.2	0.1	(0.2)	0.5	0.1	0.4	0.0	0.0	(0.0)	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*																										
Profit Before Tax	2.6	16.9	37.3	48.9	79.6	93.5	96.3	55.9	70.1	98.8	22.2	27.6	30.1	31.4	111.3	24.5	30.2	29.4	29.8	113.9	27.2	33.1	34.7	34.7	129.7	146.0
% margin (net revenues)	1.6%	9.9%	20.8%	28.0%	36.4%	40.3%	41.1%	30.1%	32.8%	31.6%	26.5%	31.6%	32.8%	33.6%	31.2%	28.0%	31.6%	31.2%	31.7%	30.7%	29.0%	32.7%	33.4%	33.6%	32.3%	33.0%
Tax rate	41.0%	50.1%	42.3%	40.3%	40.0%	38.8%	38.5%	38.7%	38.0%	38.3%	38.5%	38.5%	38.5%	40.0%	38.9%	37.2%	38.4%	38.5%	38.5%	38.2%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%
N (1 / 1 / 1 / 1 / 1 / 1 / 1 / 1 / 1 / 1																										
Net Income (loss)																										
from continuing operations 2-6	1.5	8.4	21.5	29.2	47.7	57.3	59.2	34.3	43.5	61.0	13.7	17.0	18.5	18.8	68.0	15.4	18.6	18.1	18.3	70.4	16.7	20.3	21.3	21.4	79.7	89.8
Extraordinary item (net of tax)	0.0	0.0	(4.2)	0.0	0.0	2.5	0.0	0.0	0.0	(2.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	3.8	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	1.5	8.4	17.3	32.9	48.7	59.8	59.2	34.3	43.5	58.1	13.7	17.0	18.5	18.8	68.0	15.4	18.6	18.1	18.3	70.4	16.7	20.3	21.3	21.4	79.7	89.8
% margin (net revenues)	0.9%	4.9%	9.6%	18.9%	22.3%	25.7%	25.3%	18.5%	20.4%	18.6%	16.3%	19.4%	20.2%	20.2%	19.1%	17.6%	19.5%	19.2%	19.5%	19.0%	17.8%	20.1%	20.6%	20.7%	19.8%	20.3%
% margin (gross revenues)	0.1%	0.6%	1.2%	2.2%	3.0%	3.6%	3.2%	2.3%	2.4%	2.1%	1.8%	2.2%	2.3%	2.4%	2.2%	2.0%	2.2%	2.1%	2.2%	2.1%	2.0%	2.3%	2.3%	2.4%	2.2%	2.4%
Average shares outstanding - diluted1	30.9	31.5	37.6	41.4	40.8	39.1	37.5	37.5	37.4	37.1	37.1	37.2	37.2	37.2	37.2	36.9	37.0	37.0	36.9	37.0	36.8	36.8	36.8	36.8	36.8	36.6
													** **									** **				
EPS - Diluted	\$0.05	\$0.27	\$0.46	\$0.80	\$1.19	\$1.53	\$1.58	\$0.91	\$1.16	\$1.57	\$0.37	\$0.46	\$0.50	\$0.51	\$1.83	\$0.42	\$0.50	\$0.49	\$0.50	\$1.90	\$0.45	\$0.55	\$0.58	\$0.58	\$2.17	\$2.45
% change y/y	400.0%	440.0%	70.4%	73.9%	48.8%	28.6%	3.3%	-42.4%	27.5%	35.3%	32.1%	17.9%	13.6%	10.9%	16.6%	13.5%	8.7%	-2.0%	-2.0%	3.8%	7.1%	10.0%	18.4%	16.0%	14.2%	12.9%
EBC Dileted ander die ander 1 14	\$0.07	¢0.27	\$0.57	\$0.7	61.17	61.45	61.50	Ê0.01	61.14	\$1.64	¢0.27	ê0 40	¢0.50	\$0.51	\$1.02	Ê0 42	\$0.5C	Ê0.40	¢0.50	\$1.00	60.45	¢0.55	¢0.79	¢0.50	\$2.17	62.15
EPS - Diluted excluding special items	\$0.05 NM	\$0.27 NM	\$0.57	\$0.71	\$1.17 64.8%	\$1.46	\$1.58 8.2%	\$0.91	\$1.16	\$1.64	\$0.37 19.4%	\$0.46	\$0.50 8.7%	\$0.51	\$1.83	\$0.42	\$0.50 8.7%	\$0.49	\$0.50	\$1.90	\$0.45 7.1%	\$0.55 10.0%	\$0.58 18.4%	\$0.58 16.0%	\$2.17 14.2%	\$2.45 12.9%
% change y/y	NM	NM	111.1%	24.0%	04.8%	24.8%	8.2%	-42.4%	21.5%	41.4%	19.4%	15.0%	8.1%	0.5%	11.0%	13.5%	8.1%	-2.0%	-2.0%	5.8%	1.1%	10.0%	18.4%	10.0%	14.2%	12.9%

<sup>1</sup> Shares outstanding adjusted for 2:1 splits effective June 6, 2006 and May 11, 2005

<sup>2</sup>1Q06 and 2Q06 net income adjusted \$656,000 and \$324,000, respectively for discontinued operations

33Q04 adjusted for after-tax debt extinguishment expenses of \$4.2 million

<sup>4</sup>1Q01 adjusted for pre-tax impairment of Hub Distribution's e-Logistics software of \$3.4 million

54Q07 excludes a \$0.04 one-time tax benefit

<sup>6</sup>Model includes accretion from Mode Trans. Acquisition beginning in 2Q11; 1Q11 excludes impact of one-time acquisition costs

<sup>1</sup> 2011 EPS excludes one-time Hub severance expenses and one-time IT related costs for Mode 1Q11 included one-time expenses of \$1.7 million related to Mode acquisition; 2Q11 included one-time expenses of \$750,000 related to severance expenses at Hub and IT related expenses at Mode 2H11 one-time expenses are related to lease termination costs in the Highway Brokerage segment

Source: Company data and Stifel estimates

John Larkin, CFA / jglarkin@stifel.com

Mike Baudendistel, CFA / mbauden@stifel.com

David Tamberrino, CFA / tamberrinod@stifel.com

								H	lub Gi	roup E	Balance	Shee	t										
(figures in \$ millions, except per share amount Fiscal Year End December 31	ts)											20	12			20	13		r	20	14		1
risear rear End December 51	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	1QA	2QA	3QE	4QE	1QE	2QE	3QE	4QE	2015E
Assets																							
Current Assets Cash and equivalents	0.0	0.0	16.8	36.1	43.5	38.0	85.8	126.9	115.1	49.1	52.7	52.2	79.6	70.8	86.3	72.0	83.9	75.3	94.1	107.9	127.7	115.7	145.6
Restricted investments	0.0	0.0	0.0	1.4	3.0	5.2	6.1	9.6	11.4	14.3	15.8	15.4	16.5	17.2	17.4	17.8	17.8	17.8	17.8	17.8	127.7	113.7	143.0
Accounts receivable	0.0	0.0	0.0		5.0	5.2	0.1	2.0		11.5	15.0		10.5						11.0		11.0	11.0	11.0
Trade, net	126.7	125.8	140.8	147.0	158.3	160.9	145.4	145.3	185.9	326.5	346.9	357.6	385.8	346.9	366.3	395.4	326.3	330.9	337.7	344.3	350.6	356.4	380.8
Other	13.7	9.5	8.3	10.6	8.4	9.8	10.3	11.9	18.0	23.9	17.6	22.7	22.1	25.9	18.5	23.0	19.6	19.9	20.3	20.7	21.0	21.4	22.8
Deferred taxes	3.2 4.7	4.7	4.7 4.7	6.0	3.4	5.0	5.4	2.9	3.3	4.8	3.8	5.5	4.3	5.0	4.4	5.4	9.8	16.5	10.1	10.3	10.5	17.8	19.0
Prepaid expenses and other Prepaid taxes	4.7	4.6 0.0	4.7	3.9 0.0	4.5 3.2	4.3 0.1	4.3 0.1	6.8 0.6	6.6 0.3	9.1 2.4	6.9 0.1	12.4 1.0	11.0 0.1	10.6 0.1	8.4 0.2	11.0 0.2	9.8 0.0	9.9 0.0	10.1	10.3 0.0	10.5 0.0	10.7 0.0	11.4 0.0
Assets of discontinued operations	0.0	0.0	0.0	17.9	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Assets	148.4	144.5	175.3	222.9	224.2	223.4	257.5	304.0	340.6	430.1	443.8	466.8	519.4	476.6	501.4	524.7	467.1	470.3	490.0	511.3	538.1	539.7	597.4
Property and Equipment, net	34.2	27.9	19.5	12.8	27.0	29.7	32.7	28.5	47.8	124.6	133.5	132.0	151.2	157.6	161.9	189.4	247.8	261.2	266.5	273.8	283.1	292.4	337.0
Other Intangibles, net	0.0	0.0	0.0	0.0	7.5	7.1	6.6	6.2	5.9	21.7	21.2	20.8	20.4	20.1	19.7	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3
Goodwill, net	215.2	215.2	215.2	208.2	225.4	230.4	233.1	232.9	233.0	263.5	263.4	263.4	263.3	263.3	263.2	263.1	263.1	263.1	263.1	263.1	263.1	263.1	263.1
Other Assets	1.5	1.0	0.9	0.6	0.4	1.4	1.7	1.8	2.1	2.8	2.4	2.3	2.2	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes, non-current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	399.3	388.5	410.8	444.4	484.5	492.0	531.7	573.3	629.4	842.7	864.3	885.3	956.5	919.9	948.7	999.1	999.9	1,016.5	0.0	1,070.1	1,106.2	1,117.0	1,219.4
	0,,,,,0	20012	11010		10 110	17210	00111	01010	02911	01217	00112	00010	10010	,1,1,5	, 1017	,,,,,,	,,,,,	1,01010	1,0110	1,07011	1,10012	1,11710	1,21511
Liabilities																							
Current Liabilities																							
Accounts payable Trade, net	125.0	117.8	115.8	114.1	117.7	123.0	105.1	110.6	121.1	204.7	209.8	211.1	237.8	206.5	221.1	234.2	212.1	225.0	226.3	223.8	234.9	231.6	243.7
Other	3.2	2.6	115.8	3.7	6.8	6.7	6.1	7.7	121.1	17.3	209.8	20.8	237.8	200.5	221.1	254.2	16.3	16.5	16.9	17.2	234.9	17.8	19.0
Accrued expenses																							
Payroll	10.3	14.2	19.5	20.9	15.9	16.4	10.0	8.3	14.4	16.7	11.2	12.5	15.6	17.2	11.8	14.8	19.6	19.9	20.3	20.7	21.0	21.4	22.8
Other	9.0	11.6	15.1	18.9	29.0	32.4	26.4	19.0	21.9	30.0	32.3	30.1	47.2	28.6	31.3	30.3	42.4	33.1	37.1	44.8	45.6	35.6	38.1
Deferred Taxes	0.0 0.0	0.0 0.0	0.0 0.0	1.0 0.0	5.0 0.0	0.0 5.0	0.0 0.0	0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0											
Related party payable Current portion of capital lease	0.0	0.0	0.0	0.0	0.0	5.0 0.0	0.0	0.0	0.0	2.2	2.2	2.3	2.3	2.1	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Current portion long term debt	8.1	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	155.5	154.1	152.1	163.9	174.4	183.6	147.5	145.5	167.4	270.9	276.1	276.7	325.5	277.4	291.1	309.4	292.7	296.9	302.9	308.8	321.4	308.8	326.0
Long term debt, excl. current portion	94.0	67.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.0	0.0	0.0	0.0	7.7	10.4	9.5	12.0	14.0	17.7	18.9	18.2	19.2	20.0	19.7	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8
Deferred taxes	15.4	24.4	31.8	38.5	43.6	47.1	59.4	62.0	71.7	91.8	94.0	96.8	98.8	100.4	102.7	107.5	114.2	115.8	118.2	120.5	122.7	124.7	133.3
Non-current portion of capital lease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.4	22.9	22.3	21.7	21.1	20.3	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	264.9	245.5	183.9	202.3	225.7	241.1	216.5	219.5	253.1	403.8	411.8	413.9	465.2	419.0	433.8	463.8	446.5	452.3	460.7	468.9	483.6	473.1	498.8
															1								
Stockholders' Equity Common stock	0.1	0.1	0.2	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4							
APIC	110.8	0.1	182.3	183.7	0.4	0.4	0.4 174.4	171.5	169.7	168.8	162.7	164.5	0.4	167.8	161.2	163.1							
Purchase price in excess of			102.5	105.7					102.1	100.0	102.7		100.1	107.0	101.2	100.1							
predecessor basis, net of tax	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)							
Retained earnings	38.9	47.3	64.6	97.6	146.2	206.0	265.3	299.6	343.0	401.2	414.9	431.8	450.3	469.1	484.5	503.1							
Unearned compensation	0.0	(4.4)	(4.7)	(6.3)	0.0	0.0	0.0 (109.4)	0.0 (102.1)	0.0	0.0	0.0 (110.0)	0.0 (109.8)	0.0 (110.0)	0.0 (121.0)	0.0	0.0 (115.8)							
Treasury stock, at cost Accumulated other comprehensive loss	0.0	(0.3)	0.0	(17.7)	(51.6)	(116.8) 0.0	(109.4)	(102.1)	(121.4)	(116.1)	(110.0)	(109.8)	(110.0)	(121.0)	(115.7)	(115.8)							
Total Stockholders' Equity	134.3	143.0	226.9	242.1	258.8	250.9	315.2	353.8	376.3	438.9	452.5	471.4	491.4	500.9	514.9	535.3	553.4	564.2	580.9	601.2	622.6	643.9	720.6
Total Liabilities and Stockholders' Equity	399.3	388.5	410.8	444.4	484.5	492.0	531.7	573.3	629.4	842.7	864.3	885.3	956.5	919.9	948.7	999.1	999.9	1,016.5	1,041.5	1,070.1	1,106.2	1,117.0	1,219.4
Book value per share	\$4.35	\$4.30	\$5.42	\$5.93	\$6.50	\$6.61	\$8.40	\$9.40	\$10.16	\$11.83	\$12.18	\$12.68	\$13.21	\$13.47	\$13.94	\$14.47	\$14.96	\$15.29	\$15.79	\$16.34	\$16.92	\$17.50	\$19.72
Cash and short-term investments per share	\$4.55	\$4.30	\$0.40	\$0.92	\$0.50	\$1.14	\$2.45	\$9.40	\$3.42	\$1.71	\$1.84	\$1.82	\$2.58	\$13.47	\$2.81	\$2.43	\$2.75	\$2.52	\$3.04	\$3.42	\$3.95	\$3.63	\$4.47
Average age of receivables (days)	36.9	32.9	32.4	34.7	34.9	35.1	36.9	34.0	37.6	40.1	25.6	41.3	42.1	41.7	25.4	41.5	38.5	35.4	24.6	34.5	34.5	35.6	35.6
Net working capital	(7.1)	(9.6)		59.0	49.8	39.9	109.9	158.4	173.2	159.2	167.7	190.1	194.0	199.2	210.3	215.4	174.4	173.4	187.1	202.5	216.7	230.8	271.4
		0.9x	1.2x	1.4x	1.3x	1.2x	1.7x	2.1x	2.0x	1.6x	1.6x	1.7x		1.7x	1.7x	1.7x	1.6x	1.6x	1.6x	1.7x	1.7x	1.7x	1.8x
Current ratio	1.0x												1.6x										
Current ratio Total assets Total debt	399.3 102.1	388.5 75.0	410.8 0.0	444.4 0.0	484.5 0.0	492.0 0.0	531.7 0.0	573.3 0.0	629.4 0.0	842.7 0.0	864.3 0.0	885.3 0.0	956.5 0.0	919.9 0.0	948.7 0.0	999.1 9.1	999.9 0.0	1,016.5 0.0	1,041.5 0.0	1,070.1 0.0	1,106.2 0,0	1,117.0 0.0	1,219.4 0.0

Source: Company data and Stifel estimates

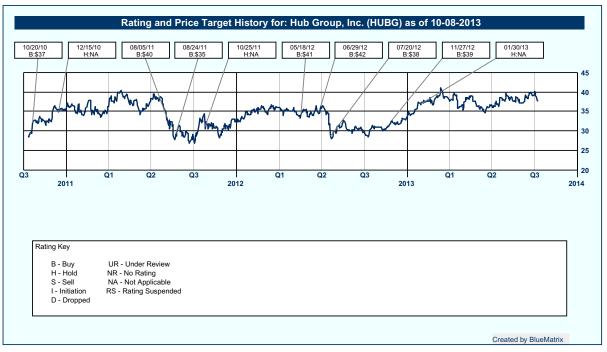
John Larkin, CFA / jglarkin@stifel.com Mike Baudendistel, CFA / mbauden@stifel.com David Tamberrino, CFA / tamberrinod@stifel.com

Operation and Auxions     15     32.9     75     98     97     98     97     98     97     98     97     98     97     98     97     98     97     98															5	w	I Flo	Cash	of	ent	tatem	up S	ro	ıb Gr	Hu										
Operating Nathing     12     20     47     56     40     5     10				2014	2		Γ			3	013								2012															_	
Name     Name <th< th=""><th>QE 2014E</th><th>4QE</th><th>QE</th><th>6 3</th><th>2QE</th><th>1QE</th><th>013E</th><th>20</th><th>4QE</th><th>3QE</th><th>- 3</th><th>2QA</th><th>4</th><th>1QA</th><th>012A</th><th>2</th><th>4QA</th><th>QA</th><th>1</th><th>2QA</th><th>1QA</th><th>011A</th><th>A 2</th><th>2010A</th><th>009A</th><th>20</th><th>2008A</th><th>007A</th><th>06A</th><th>20</th><th>2005A</th><th>A 1</th><th>2002A</th><th>2</th><th></th></th<>	QE 2014E	4QE	QE	6 3	2QE	1QE	013E	20	4QE	3QE	- 3	2QA	4	1QA	012A	2	4QA	QA	1	2QA	1QA	011A	A 2	2010A	009A	20	2008A	007A	06A	20	2005A	A 1	2002A	2	
Additional and encipational and encipatinal anditenencipational andiana and encipational and e																																			
Description of elements     15     10     85     72     74     85     85     85     55    55     55    55 </td <td>21.4 79.7</td> <td>21.4</td> <td>21.3</td> <td>3</td> <td>20.3</td> <td>16.7</td> <td>70.4</td> <td>3</td> <td>18.3</td> <td>18.1</td> <td>1</td> <td>18.6</td> <td>4</td> <td>15.4</td> <td>68.0</td> <td>5</td> <td>18.8</td> <td>18.5</td> <td>0</td> <td>17.</td> <td>13.7</td> <td>58.1</td> <td>5</td> <td>43.5</td> <td>34.3</td> <td>3</td> <td>59.2</td> <td>59.8</td> <td>17.7</td> <td></td> <td>32.9</td> <td>5</td> <td>1.5</td> <td></td> <td></td>	21.4 79.7	21.4	21.3	3	20.3	16.7	70.4	3	18.3	18.1	1	18.6	4	15.4	68.0	5	18.8	18.5	0	17.	13.7	58.1	5	43.5	34.3	3	59.2	59.8	17.7		32.9	5	1.5		
Important     Bas     B	17 (9	17	1.7	-	1.7	1.7	12.0	_		1.4		10			21.6		6.2		-			162	-					7.0			10.0	-			
Defer     Def     35     35     35     35     93     18     34     1.1     35     1.5     1.6	1.7 6.8	1./	1.7	/	1.7	1.7	13.2	D	1.0	1.0		4.9	1	5.1	21.0	·	5.5	5.5	5	5.	5.5	10.5	D	8.0	8.2		7.4	1.2	8.2		10.0	>	11.5		
Image     Mode     Mode <t< td=""><td>2.0 8.9</td><td>2.0</td><td>2.2</td><td>2</td><td>2.2</td><td>2.4</td><td>14.0</td><td>6</td><td>1.6</td><td>67</td><td></td><td>2.0</td><td>7</td><td>27</td><td>0.0</td><td></td><td>1.1</td><td>2.2</td><td>1</td><td>1</td><td>2.4</td><td>10.0</td><td>-</td><td>0.5</td><td>5.5</td><td></td><td>0.2</td><td>2.5</td><td>0.7</td><td></td><td>20.8</td><td></td><td>5.0</td><td></td><td></td></t<>	2.0 8.9	2.0	2.2	2	2.2	2.4	14.0	6	1.6	67		2.0	7	27	0.0		1.1	2.2	1	1	2.4	10.0	-	0.5	5.5		0.2	2.5	0.7		20.8		5.0		
Company     <	0.0 0.0																										2.00								
Interinged and basis     Interinge	0.0	0.0	0.0	í	0.0	0.0	0.0		0.0	0.0		0.0	.0	0.0	0.0	·	0.0	0.0	0	0.	0.0	0.0	·	0.0	0.0		0.0	0.0	0.0		0.0	"	(0.5)		
Loc gring on a dragent   000   0.33   0.01   0.03   0.01 <t< td=""><td>0.0 0.0</td><td>0.0</td><td>0.0</td><td>0</td><td>0.0</td><td>0.0</td><td>3.8</td><td>n</td><td>0.0</td><td>0.0</td><td></td><td>1.9</td><td>9</td><td>1.9</td><td>6.5</td><td>,</td><td>1.7</td><td>1.6</td><td>6</td><td>1.</td><td>1.6</td><td>4.8</td><td>5</td><td>3.6</td><td>4.4</td><td></td><td>4.4</td><td>3.9</td><td>3.4</td><td></td><td>2.2</td><td>5</td><td>0.0</td><td></td><td></td></t<>	0.0 0.0	0.0	0.0	0	0.0	0.0	3.8	n	0.0	0.0		1.9	9	1.9	6.5	,	1.7	1.6	6	1.	1.6	4.8	5	3.6	4.4		4.4	3.9	3.4		2.2	5	0.0		
Obs     Obs <td>0.0 0.0</td> <td></td> <td>0.0</td> <td></td> <td></td> <td></td> <td></td> <td>Ď</td> <td>0.0</td> <td></td> <td></td> <td></td> <td>2)</td> <td>(0.2)</td> <td></td> <td>0.1</td> <td></td> <td>(0,0)</td> <td>(0.2)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	0.0 0.0		0.0					Ď	0.0				2)	(0.2)											0.1		(0,0)	(0.2)							
Deficie     Deficie     I.S.     O.S.	0.0 0.0	0.0								0.0		(0.0)	0)	(0.0)					0	0.		0.0			0.0		0.0								
Charges in working capital lens:   Col	0.0 0.0	0.0	0.0	0	0.0	0.0	0.0	D	0.0	0.0		0.0	0	0.0	0.0	)	0.0	0.0	0	0.	0.0	0.0	5	0.0	0.0		0.0	0.0	0.0		0.0	5	0.0		Discontinued operations
Rescuences     90     0.14     0.14     0.22     0.05     0.15     0.14     0.15   <	0.0 0.0	0.0	0.0	0	0.0	0.0	0.0	D	0.0	0.0		0.0	0	0.0	0.0	)	0.0	0.0	0	0.	0.0	0.0	0	0.0	0.0		0.0	1.8	1.6		0.0	C	0.0		Deferred compensation
Account receivable, net   9.3   81.8   0.64   41.3   11.0   01.06   01.00   01.0 <		ļ																																	
Prepriot dates   00   600   600   620	0.0 0.0																								20.00					)					
Procession   Output of the state		(6.1)																												)					
Oher, nei     Obs     O		(7.3)																																	
Account possible   (85)   (15		(0.2)											_																						
Accord sponses   (5)								~																								- I			
Tool change in retworking capital   (5.8)   (14.3)   (14.3)   (14.3)   (14.3)   (14.3)   (14.3)   (14.3)   (14.3)   (15.3)   (14.3)   (12.0) <td></td> <td>(3.0)</td> <td></td> <td>7.4</td> <td></td> <td>1) 6)</td> <td>(8.7)</td> <td></td> <td></td>		(3.0)													7.4																	1) 6)	(8.7)		
n. h.		(26.2)	1.0			1.02	1.00							(0.0)	(12.0)			1.0			1.0	2.0	· ·	2.0			(10.0)		1.1		0.0	2)	(5.8)		
a % of versue     a % of v		( )										(22.8)			(12.0)				-				· · ·		(7.2)		(18.7)	4.0	14.9	′	(14.3)	5)	(5.8)		change in her working capital
Purchase of numority interest   (4.0)   0.0	(1.1) 78.4	(1.1)	30.8	3	22.8	25.8	29.3	9 1	13.9	81.1	٤	6.4	.0	28.0	92.9		25.1	41.7	3	3.	22.8	74.8	7	37.7	45.2	4	61.5	80.6	76.6		51.6	6	12.6		
Process of property and equipment, enclassion of property and equipment, enclassion fragunations     C5     C6     C5     C6     C5     C6     C5     C6     C5		ļ																																	
Cash used in acquisitions   00   00   00   122   00	0.0 0.0																															· ·			
Discontinue doperations     00     00     122     00     0		(11.0)																																	
Cash provided from (used by) investing activities     (10.5)     (3.8)     (3.57)     (14.4)     (4.2)     (24.8)     (33.9)     (17.1)     (3.6)     (25.1)     (56.4)     (8.7)     (2.1)     (60.0)     (12.8)     (7.0)     (9.0)     (11.0)	0.0 0.0																																		
Cash available for (required by) financing activities   20   47.8   66.1   47.1   41.1   12.9   65.0   5.7   69.0   28.1   30.0   36.6   19.3   21.1   1.0   16.5   18.8   13.8	0.0 0.0	0.0	0.0	)	0.0	0.0	0.0	0	0.0	0.0		0.0	0	0.0	0.0	)	0.0	0.0	0	0.	0.0	0.0	5	0.0	0.0		0.0	0.0	12.2		0.0	0	0.0		Discontinued operations
Proceeds from stock offering, net   0.0	11.0) (38.0)	(11.0)	11.0)	ð) (	(9.0)	(7.0)	.12.8)	0) (1	(15.0	(60.0)	(	(29.1)	7)	(8.7)	(56.4)	)	(22.1)	13.6)	6)	(3.	(17.1)	139.8)	8) (	(24.8)	(4.2)	,	(14.4)	(14.5)	35.7)	) (	(3.8)	5)	(10.5)		provided from (used by) investing activities
Proceeds from stock options exercised   0.0   4.7   2.0   0.8   0.4   0.0 </td <td>12.1) <b>40.4</b></td> <td>(12.1)</td> <td>19.8</td> <td>8</td> <td>13.8</td> <td>18.8</td> <td>16.5</td> <td>1)</td> <td>(1.1</td> <td>21.1</td> <td>1 2</td> <td>(22.7)</td> <td>.3</td> <td>19.3</td> <td>36.6</td> <td>,</td> <td>3.0</td> <td>28.1</td> <td>3)</td> <td>(0.</td> <td>5.7</td> <td>(65.0)</td> <td>9</td> <td>12.9</td> <td>41.1</td> <td>4</td> <td>47.1</td> <td>66.1</td> <td>40.9</td> <td></td> <td>47.8</td> <td>D</td> <td>2.0</td> <td>es</td> <td>available for (required by) financing activities</td>	12.1) <b>40.4</b>	(12.1)	19.8	8	13.8	18.8	16.5	1)	(1.1	21.1	1 2	(22.7)	.3	19.3	36.6	,	3.0	28.1	3)	(0.	5.7	(65.0)	9	12.9	41.1	4	47.1	66.1	40.9		47.8	D	2.0	es	available for (required by) financing activities
Proceeds from stok optione exercised   0.0   4.7   2.0   0.8   0.4   0.0 <td></td> <td>0.0</td> <td>0.0</td> <td>~</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td></td> <td></td> <td>0.0</td> <td></td> <td></td> <td>~</td> <td></td> <td>0.0</td> <td></td> <td>0.0</td> <td></td> <td></td> <td></td> <td></td> <td>0.0</td> <td></td> <td></td> <td>0.0</td> <td></td> <td></td> <td>0.0</td> <td>0.0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>		0.0	0.0	~	0.0	0.0	0.0			0.0			~		0.0		0.0					0.0			0.0			0.0	0.0						
Distributions to minority interest   0	0.0 0.0																																		
Purchase of treasury stock   0.0   (33.2)   (49.6)   (76.3)   (2.0)   (1.1)   (2.1)   (1.1)   (1.1)   (1.0)   (1.0)   (1.0)   (1.0)   (1.0)   (1.0)   (1.0)   (0.0)   (1.1)   (2.0)   (1.1)   (2.1)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0)   (1.1)   (1.0)   (0.0) <t< td=""><td>0.0 0.0 0.0 0.0</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>2.0</td><td></td><td>4.7</td><td></td><td>0.0</td><td></td><td></td></t<>	0.0 0.0 0.0 0.0																												2.0		4.7		0.0		
Excess tax benefits from share-based compensation   0.0   0.0   12.3   4.0   2.9   0.9   0.4   1.0   0.1   0.0	0.0 0.0																												10.61	6	(22.2)	<b>.</b>	0.0		
Capital lasse payments   0.0   0	0.0 0.0																												1.114						
Net payments on revolver   6.0   0.0 <th< td=""><td>0.0 0.0</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	0.0 0.0												-																						
Payments on long term debt   (8.0)   0.0	0.0 0.0																																		
Proceeds from issuance of long-term debt   0.0   0.	0.0 0.0																																		
Cash flows from operating activities of disc. ops. Net cash provided by discontinued operations   0.0	0.0 0.0																																		
Cash flows from investing activities office.ops.   0.0	0.0 0.0	0.0	0.0	0	0.0	0.0	(12.0)	5) (	(7.5	(9.1)		8.5	.8)	(3.8)	(14.9)	9	(11.9)	(0.7)	2)	(0.	(2.1)	(1.1)	6)	(24.6)	0.0		0.7	(71.6)	35.3)	) (	(28.5)	D)	(2.0)		used by financing activities
Cash flows from investing activities office. ops.   0.0	0.0 0.0	0.0	0.0	0		0.0	0.0			0.0		0.0			0.0			0.0	0		0.0	0.0		0.0	0.0		0.0	0.0	1.0		0.0		0.0		Annual formation and initial and initial
Net cash provided by discontinued operations   0.0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>																																			
Effect of exchange rate on cash and equivalents   0.0																			-																
Beginning cash balance   0.0   36.1   43.5   38.0   85.8   126.9   115.2   49.1   52.7   52.2   79.6   70.7   86.3   72.0   83.9   74.6   18.8   13.8   19.8   107.9   115.2	0.0 0.0	0.0	0.0	J	0.0	0.0	0.0	U	0.0	0.0		0.0	.0	0.0	0.0	'	0.0	0.0	0	0.	0.0	0.0	D	0.0	0.0		0.0	0.0	1.8		0.0	0	0.0		let cash provided by discontinued operations
Net increase (decrease) in cash and equivalents   0.0   19.3   7.4   (5.5)   47.8   41.1   (11.7)   (66.1)   3.6   (0.5)   27.4   (8.8)   21.7   15.5   (14.2)   11.9   (8.7)   4.6   18.8   13.8   19.8   (12.7)     Ending cash balance   0.0   36.1   43.5   38.0   85.8   126.9   115.2   49.1   52.7   52.2   79.6   70.8   70.7   86.3   72.0   83.9   75.3   75.4   10.7   10.7   11.7   12.9   12.7   12.7   12.7   13.7   13.7   13.7   52.7   52.7   52.2   79.6   70.8   70.7   86.3   72.0   83.9   75.3   75.3   94.1   10.7   12.7   11.7     Free Cash Flow   6.0   47.8   68.6   71.1   52.1   41.1   12.9   20.2   5.9   0.1   28.2   32.7   37.1   19.3   (2.7)   21.1   (1.1)   16.5   18.8   13.8   19.8   (12.7)	0.0	ļ					0.0					0.0	0	0.0	(0.0)	)	0.0	(0.0)	0)	(0.	0.0	(0.0)	o	0.0	0.0		0.0	0.0	0.0		0.0	С	0.0		t of exchange rate on cash and equivalents
Net increase (decrease) in cash and equivalents   0.0   19.3   7.4   (5.5)   47.8   41.1   (11.7)   (66.1)   3.6   (0.5)   27.4   (8.8)   21.7   15.5   (14.2)   11.9   (8.7)   4.6   18.8   13.8   19.8   (12.7)     Ending cash balance   0.0   36.1   43.5   38.0   85.8   126.9   115.2   49.1   52.7   52.2   79.6   70.8   70.7   86.3   72.0   83.9   75.3   75.4   10.7   10.7   11.7   12.9   12.7   12.7   12.7   13.7   13.7   13.7   52.7   52.7   52.2   79.6   70.8   70.7   86.3   72.0   83.9   75.3   75.3   94.1   10.7   12.7   11.7     Free Cash Flow   6.0   47.8   68.6   71.1   52.1   41.1   12.9   20.2   5.9   0.1   28.2   32.7   37.1   19.3   (2.7)   21.1   (1.1)   16.5   18.8   13.8   19.8   (12.7)		107.7	07.0		o	76.0	70.7		02.0	72.0		06.2	-	70.7	40.1		70.1	52.2	-		40.1			1000	05.0		20.0	12.0			16.0		0.0		
Ending cash balance   0.0   36.1   43.5   38.0   85.8   126.9   115.2   49.1   52.7   52.2   79.6   70.8   70.7   86.3   72.0   83.9   75.3   75.3   94.1   107.9   127.7   115.     Free Cash Flow   6.0   47.8   68.6   71.1   52.1   41.1   12.9   20.2   5.9   (0.1)   28.2   3.2   37.1   19.3   (22.7)   21.1   (1.1)   16.5   18.8   13.8   19.8   (12.1)																																			
Free Cash Flow 6.0 47.8 68.6 71.1 52.1 41.1 12.9 20.2 5.9 (0.1) 28.2 3.2 37.1 19.3 (22.7) 21.1 (1.1) 16.5 18.8 13.8 19.8 (12.7)	12.1) 40.4	(12.1)	19.8	5	13.8	18.8	4.6	"	(8.7	11.9	1	(14.2)	.5	15.5	21.7	5)	(8.8)	21.4	5)	(0.	3.6	(06.1)	"	(11.7)	41.1	4	47.8	(5.5)	7.4		19.3	,	0.0		ncrease (decrease) in cash and equivalents
	15.7 115.7	115.7	27.7	91	107.9	94.1	75.3	3	75.3	83.9	8	72.0	.3	86.3	70.7		70.8	79.6	2	52.	52.7	49.1	2	115.2	26.9	12	85.8	38.0	43.5		36.1	D	0.0		ng cash balance
				_									_																						
1X 32 minuting (as B) a Estate Instruments 0.50/ 2.20/ 4.20/ 4.20/ 2.20/ 0.70/		(12.1)																																	
		-1.3%			1.5%	2.2%	0.5%		-0.1%	2.5%		-2.7%		2.5%	1.2%		0.4%	3.5%			0.8%	0.7%		0.7%	2.7%		2.8%	4.3%			3.2%		0.5%		CF margin (as % of total revenues)
Per Share \$1.20 \$1.16 \$1.68 \$1.82 \$1.39 \$1.09 \$0.34 \$0.55 \$0.16 \$0.00 \$0.76 \$0.09 \$1.00 \$0.52 \$0.61 \$0.57 \$0.03 \$0.45 \$0.51 \$0.38 \$0.54 \$0.5	\$0.33 \$1.10	-\$0.33	\$U.54	18	\$0.38	\$0.51	\$0.45	15 5	-\$0.03	\$0.57	\$	-\$0.61	52	\$0.52	\$1.00	9	\$0.09	\$0.76	JÜ	\$0.0	\$0.16	\$0.55	14	\$0.34	\$1.09	\$	\$1.39	\$1.82	1.68		\$1.16	0	\$0.20		er Share
Current Share Price \$37.31																																			ant Shara Prica \$27.21
Lurrent share Price 537.31 FCF yield 0.5% 3.1% 5.4% 4.9% 3.7% 2.9% 0.9% 1.5% 2.7% 1.2%	2.9%	_			_	_	1 2%		_	_	_	_	_	_	2 7%	_	_	_	_	_	_	1 5%	1/2	A 99/-	2 0%		3 79/	4 9%	4%		3 1 %	V.a.	0.5%	_	
CapEx, net/OCF 52.0% 7.3% 10.4% 11.8% 15.3% 9.2% 65.9% 73.0% 60.1% 87.3%	48.5%						7.3%	8							60.1%							73.0%	% '	65.9%	9.2%	9	15.3%	11.8%	).4%	1	7.3%	%	52.0%		x net/OCE

Source: Company data and Stifel estimates

#### **Important Disclosures and Certifications**

I, John G. Larkin, certify that the views expressed in this research report accurately reflect my personal views about the subject securities or issuers; and I, John G. Larkin, certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. For our European Conflicts Management Policy go to the research page at www.stifel.com.



For a price chart with our ratings and target price changes for HUBG go to http://sf.bluematrix.com/bluematrix/Disclosure?ticker=HUBG

Stifel expects to receive or intends to seek compensation for investment banking services from Hub Group, Inc. in the next 3 months.

Stifel makes a market in the securities of Hub Group, Inc..

Stifel research analysts receive compensation that is based upon (among other factors) Stifel's overall investment banking revenues.

Our investment rating system is three tiered, defined as follows:

BUY -For U.S. securities we expect the stock to outperform the S&P 500 by more than 10% over the next 12 months. For Canadian securities we expect the stock to outperform the S&P/TSX Composite Index by more than 10% over the next 12 months. For other non-U.S. securities we expect the stock to outperform the MSCI World Index by more than 10% over the next 12 months. For yield-sensitive securities, we expect a total return in excess of 12% over the next 12 months for U.S. securities as compared to the S&P 500, for Canadian securities as compared to the S&P/TSX Composite Index, and for other non-U.S. securities as compared to the MSCI World Index.

HOLD -For U.S. securities we expect the stock to perform within 10% (plus or minus) of the S&P 500 over the next 12 months. For Canadian securities we expect the stock to perform within 10% (plus or minus) of the S&P/TSX Composite Index. For other non-U.S. securities we expect the stock to perform within 10% (plus or minus) of the MSCI World Index. A Hold rating is also used for yield-sensitive securities where we are comfortable with the safety of the dividend, but believe that upside in the share price is limited.

SELL -For U.S. securities we expect the stock to underperform the S&P 500 by more than 10% over the next 12 months and believe the stock could decline in value. For Canadian securities we expect the stock to underperform the S&P/TSX Composite Index by more than 10% over the next 12 months and believe the stock could decline in value. For other non-U.S. securities we expect the stock to underperform the MSCI World Index by more than 10% over the next 12 months and believe the stock could decline in value.

Of the securities we rate, 47% are rated Buy, 50% are rated Hold, and 3% are rated Sell.

Within the last 12 months, Stifel or an affiliate has provided investment banking services for 16%, 7% and 3% of the companies whose shares are rated Buy, Hold and Sell, respectively.

### Additional Disclosures

Please visit the Research Page at www.stifel.com for the current research disclosures and respective target price methodology applicable to the companies mentioned in this publication that are within Stifel's coverage universe. For a discussion of risks to target price please see our stand-alone company reports and notes for all Buy-rated stocks.

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed by us and is not a complete summary or statement of all available data, nor is it considered an offer to buy or sell any securities referred to herein. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of Stifel or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed within. Past performance should not and cannot be viewed as an indicator of future performance.

Stifel is a multi-disciplined financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as a placement agent in private transactions. Moreover, Stifel and its affiliates and their respective shareholders, directors, officers and/or employees, may from time to time have long or short positions in such securities or in options or other derivative instruments based thereon.

These materials have been approved by Stifel Europe Limited, authorized and regulated by the Financial Conduct Authority (FCA) in the UK, in connection with its distribution to professional clients and eligible counterparties in the European Economic Area. (Stifel Europe Limited home office: London +44 20 7557 6030.) No investments or services mentioned are available in the European Economic Area to retail clients or to anyone in Canada other than a Designated Institution. This investment research report is classified as objective for the purposes of the FCA rules. Please contact a Stifel entity in your jurisdiction if you require additional information.

The use of information or data in this research report provided by or derived from Standard & Poor's Financial Services, LLC is © 2013, Standard & Poor's Financial Services, LLC ("S&P"). Reproduction of Compustat data and/or information in any form is prohibited except with the prior written permission of S&P. Because of the possibility of human or mechanical error by S&P's sources, S&P or others, S&P does not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P be liable for any information. For recipient's internal use only.

# Additional Information Is Available Upon Request

© 2013 Stifel, Nicolaus & Company, Incorporated, One South Street, Baltimore, MD 21202. © 2013 Stifel Nicolaus Canada Inc. 79 Wellington Street West, 21st Floor Toronto, ON M5K 1B7. All rights reserved.