

Analysis of Sales/Earnings

Beats Street; Maintain Estimates and Buy Rating

- **Beats Street:** Pacer International reported 1Q13 EPS of \$0.04, up from a loss of \$0.01 in the year-ago period. Our 1Q13 EPS estimate had been \$0.02 and the Street consensus was also \$0.02 prior to the company's earnings release.
- **Management reiterated its full-year 2013 EPS guidance** of \$0.25-\$0.35, up from 2012 EPS of \$0.12.
- **Operating income in the company's core Intermodal segment was \$9.8 million in 1Q13, up from \$8.2 million in 1Q12.**
- The **Logistics segment posted** a \$2.8 million operating loss for 1Q13, the **eighth consecutive quarterly loss.**
- **The company did not have any balance sheet debt at the end of 1Q13.**
- **We are maintaining our 2013, 2014 and 2015 EPS estimates of \$0.25, \$0.40 and \$0.50, respectively.** Our 2013 EPS estimate stands at the low end of the company's 2013 guidance range in light of the company's track record for often not meeting Street expectations and for risks we see with rising rail purchased transportation costs and softness in intermodal pricing that may persist past the 1Q13. Risks to our estimates also include the Logistics segment not becoming profitable at all during our projected period.
- **We are maintaining our Buy rating. Our target price is \$6 (or 12.0x our 2015 EPS estimate of \$0.50).** While that target price presents enough upside potential for a reiteration of our target price, we believe the company's shares represent a speculative way to invest in the intermodal industry. The 12.0x multiple we are applying to our 2015 EPS estimate represents a steep discount to the multiples we are applying to our 2015 EPS estimates for Hub Group and J.B. Hunt (which are 15.0x and 16.0x, respectively) to arrive at their respective fair value estimates. The reason for the discount is we view Pacer's common shares as containing higher-than-normal risk relative to its peer group and most names under our transportation and logistics coverage. We feel that way because, in our view, the company has a higher than average degree of model risk as we believe it can be difficult to meet EPS guidance in a midst of a turnaround in the Logistics segment.

Changes	Previous	Current
Rating	—	Buy
Target Price	—	\$6.00
FY13E EPS (Net)	—	\$0.25
FY14E EPS (Net)	—	\$0.40
FY13E Rev (Net)	\$1.47B	\$1.02B
FY14E Rev (Net)	\$1.54B	\$1.09B

Price (04/24/13):	\$4.98
52-Week Range:	\$7 – \$3
Market Cap.(mm):	174.8
Shr.O/S-Diluted (mm):	35.1
Enterprise Val. (mm):	\$147.1
Avg Daily Vol (3 Mo):	218,954
LT Debt/Total Cap.:	0.0%
Net Cash/Share:	\$0.79
Book Value/Share:	\$3.46
Dividend(\$ / %)	\$0.00 / 0.0%
S&P Index	1,578.79

EPS (Net)	2012A	2013E	2014E
Q1	\$(0.01)	\$0.04A	\$0.06
Q2	0.04	0.06	0.11
Q3	0.03	0.07	0.11
Q4	0.08	0.09	0.13
FY Dec	\$0.13A	\$0.25	\$0.40
P/E	38.3x	19.9x	12.5x

Rev (Net)	2012A	2013E	2014E
Q1	\$345.9	\$232.7A	\$NE
Q2	368.3	262.2	NE
Q3	348.9	261.7	NE
Q4	351.9	263.5	NE
FY Dec	\$1.42B	\$1.02B	\$1.09B
EV/Revenue	0.1x	0.1x	0.1x

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Pacer International reported 1Q13 EPS of \$0.04, up from a loss of \$0.01 in the year-ago period.

Our 1Q13 EPS estimate had been \$0.02 and the Street consensus was also \$0.02 prior to the company's earnings release. The 9 analysts with published 1Q13 EPS estimates that were included in the Street average carried a range from a low of \$0.01 to a high of \$0.03. In 1Q13, both of the company's revenue segments, Intermodal and Logistics, showed improvement y/y.

Management reiterated its full-year 2013 EPS guidance of \$0.25-\$0.35, up from 2012 EPS of \$0.12.

While we were encouraged with the reiteration of the guidance, we believe there is the an above-average degree of model risk inherent in that guidance due to the possibility that the Logistics segment will not return to profitability by the end of 2013 as planned, the possibility that purchased transportation costs may rise faster than prices recovered from shippers, the possibility for a continuation of softness in intermodal pricing that was first seen in 1Q13, and the company's track record of frequently missing guidance targets. To be fair, most of the company's track record of overpromising and under-delivering occurred during past management teams. Given the seasonality of intermodal volume only about 30%-40% of the full-year EPS is expected during the first half of the year.

Operating income in the company's core Intermodal segment was \$9.8 million in 1Q13, up from \$8.2 million in 1Q12.

\$94.2 million of intermodal revenue and intermodal purchased transportation costs were reclassified during the quarter. After making the necessary adjustments for the 1Q13 and the year-ago period, intermodal revenue declined 5.4% y/y. We attribute the intermodal revenue decline to slightly lower domestic intermodal volume and international intermodal volume that was down double digits. The intermodal gross margin percentage improved from 12.6% in 1Q12 to 14.0% in 1Q13. This improvement came despite growth in rail purchased transportation costs being roughly in line with the company's rates to customers as the company was able to improve pricing on its lowest margin freight, and by controlling its drayage, accessorial, and equipments costs. We continue to believe that intermodal the one of the major growth areas in domestic freight transportation and the company seems to believe that there is further opportunity to take freight off the highway. The biggest risk we see to the company's intermodal segment is that the impact of rail cost increases may exceed the rates the company is able to charge to customers leading to a decline in intermodal gross margin. In addition, it is clear to us that intermodal pricing was highly competitive in many intermodal lanes in the 1Q13 and that fierce competition could persist for the remainder of the year.

The Logistics segment posted a \$2.8 million operating loss for 1Q13, the eighth consecutive quarterly loss.

The company's Logistics segment has fairly consistently been a drag on the company's earnings since we began covering Pacer almost six years ago. Management reiterated on its earnings call that it expects the Logistics segment to return to generating an operating profit by the end of 4Q12. Although, it sounded to us that the language the company used was "approaching profitability" by that timeframe; maybe the company was selecting words more carefully than the previous quarter. The problem with Logistics is clear to us from the detailed financials in the company's earnings release; Logistics SG&A costs were 18% of Logistics revenue. For comparison, Intermodal segment SG&A were only 8.6% of Intermodal revenue. If Logistics SG&A costs were 13% of Logistics revenue or less, the segment is profitable in the 1Q13. However, the company does not seem to have any grand plans to reduce SG&A costs. Instead, the bloated SG&A costs

seem to be in place to support future growth in the Asian business involving brokering inbound shipments from China. Management's response is that Logistics SG&A costs, as a percentage of Logistics revenue, will come down over time as its Asian business grows. Management appears to expect the Logistics segment to generate slightly better results in each sequential quarter driven by continued profitability in the truck brokerage business and the international logistics business that now seems highly focused on brokering inbound shipments from China. However, we will wait for concrete evidence of that turnaround before incorporating the company's relatively optimistic assumptions in to our model.

The company did not have any balance sheet debt at the end of 1Q13.

The company had \$27.7 million of cash on its balance sheet at the end of 1Q13 and the company's borrowing capacity was \$75 million. We view this as ample liquidity because the company's business model is not terribly capital intensive. That being said, the company leases its containers, which pushes its estimated lease-adjusted total debt/total book cap ratio to 55.3% at the end of 1Q13.

We are maintaining our 2013, 2014 and 2015 EPS estimates of \$0.25, \$0.40 and \$0.50, respectively.

Our 2013 EPS estimate stands at the low end of the company's 2013 guidance range of \$0.25-\$0.35. Our 2013 EPS estimate remains at the low end of the company's guidance in light of the company's track record for often not meeting Street expectations and for risks we see with rising rail purchased transportation costs and softness in intermodal pricing that may persist past the 1Q13. Risks to our estimates also include the Logistics segment not becoming profitable at all during our projected period.

We are maintaining our Buy rating.

Our target price is \$6 (or 12.0x our 2015 EPS estimate of \$0.50). While that target price presents enough upside potential for a reiteration of our target price, we believe the company's shares represent a speculative way to invest in the intermodal industry. The 12.0x multiple we are applying to our 2015 EPS estimate represents a steep discount to the multiples we are applying to our 2015 EPS estimates for Hub Group and J.B. Hunt (which are 15.0x and 16.0x, respectively) to arrive at their respective fair value estimates. The reason for the discount is we view Pacer's common shares as containing higher-than-normal risk relative to its peer group and most names under our transportation and logistics coverage. We feel that way because, in our view, the company has a higher than average degree of model risk as we believe it can be difficult to meet EPS guidance in a midst of a turnaround in the Logistics segment.

Target Price Methodology/Risks

Our target price is \$6 (or 12.0x our 2015 EPS estimate of \$0.50).

Risks to target price: A slowing in the economic recovery could impair intermodal volume and pricing. The turnaround in the Logistics segment could progress slower than expected.

Company Description

Pacer International is a U.S. holding company with operations in non-asset based third-party logistics and intermodal freight transportation services. The company is a market leader providing wholesale intermodal freight transportation services to other third party logistics providers. In addition, Pacer serves shippers with truck brokerage and other logistics services.

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Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 4/24/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of			Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2013E FCF Yld	
								Earnings per Share			Book value	TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)							TTM EBIT
								2012A ^(b)	2013E ^(b)	2014E ^(b)												
Intermodal																						
Hub Group (HUBG)	Hold	36.17	37.6	1,361.5	0.0	86.3	1,275.3	19.8x	17.2x	15.2x	2.6x	3.5x	9.6x	10.5x	9.2x	11.1x	7.7%	14.4%	14.5%	1.1	0.0%	2.3%
J.B. Hunt Transport Svcs. (JBHT)	Hold	70.16	118.3	8,302.5	593.3	5.7	8,890.0	27.1x	24.4x	20.6x	9.5x	1.7x	10.5x	11.5x	11.5x	16.5x	12.9%	42.0%	23.7%	1.4	0.9%	3.9%
Pacer International (PACR)	Buy	4.98	35.1	174.7	0.0	27.7	147.0	38.3x	19.9x	12.5x	1.4x	0.6x	6.5x	7.2x	3.5x	12.2x	2.8%	5.5%	6.1%	0.8	0.0%	NM
	Min			174.7	0.0	5.7	147.0	19.8x	17.2x	12.5x	1.4x	0.6x	6.5x	7.2x	3.5x	11.1x	2.8%	5.5%	6.1%	0.8	0.0%	2.3%
	Mean			3,279.6	197.8	39.9	3,437.4	28.4x	20.5x	16.1x	4.5x	2.0x	8.9x	9.8x	8.0x	13.3x	7.8%	20.6%	14.8%	1.1	0.3%	3.1%
	Max			8,302.5	593.3	86.3	8,890.0	38.3x	24.4x	20.6x	9.5x	3.5x	10.5x	11.5x	11.5x	16.5x	12.9%	42.0%	23.7%	1.4	0.9%	3.9%
Stifel Transportation Average				8,010.0	1,553.7	472.7	9,126.7	19.2x	18.5x	14.5x	3.1x	1.9x	8.1x	8.8x	8.9x	12.4x	5.1%	15.4%	10.4%	1.1	1.0%	3.3%
Non-Asset-Based Forwarding / Logistics																						
C.H. Robinson Worldwide (CHRW)	Sell	57.65	161.1	9,284.8	253.6	210.0	9,328.4	20.9x	19.2x	17.7x	6.2x	5.4x	11.2x	12.3x	11.9x	13.0x	18.0%	32.4%	29.7%	1.5	2.4%	2.7%
DSV A/S (DSV-DK)	NC	DKK 137.80	188.3	25,948.7	1,161.1	72.1	27,087.1	NE	NE	NE	NM	3.6x	NE	NM	43.4x	NM	6.5%	27.4%	14.5%	NM	0.7%	NM
Echo Global Logistics (ECHO)	Hold	20.34	24.0	488.2	0.0	41.8	446.4	32.8x	23.4x	18.2x	3.5x	3.1x	10.1x	13.6x	12.7x	18.9x	6.8%	10.9%	10.9%	0.6	0.0%	5.1%
Expeditors International (EXPD)	Buy	35.54	206.5	7,338.9	0.0	1,260.8	6,086.8	22.6x	20.3x	18.2x	3.6x	3.3x	9.6x	10.7x	10.0x	11.5x	11.5%	16.5%	16.2%	1.8	1.6%	5.0%
Forward Air Corp. (FWRD)	Hold	36.92	29.8	1,100.8	0.2	71.6	1,029.4	20.7x	18.9x	17.2x	2.9x	1.7x	8.7x	9.9x	8.4x	12.5x	13.1%	15.5%	15.6%	1.6	1.1%	4.1%
Hub Group (HUBG)	Hold	36.17	37.6	1,361.5	0.0	86.3	1,275.3	19.8x	17.2x	15.2x	2.6x	3.5x	9.6x	10.5x	9.2x	11.1x	7.7%	14.4%	14.5%	1.1	0.0%	2.3%
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 105.80	120.0	12,696.0	73.0	1,246.4	11,729.2	23.0x	21.3x	18.4x	4.6x	1.7x	12.1x	13.9x	9.1x	14.8x	9.0%	22.9%	22.5%	1.2	3.3%	5.9%
Landstar System (LSTR)	Hold	54.82	46.9	2,570.6	147.8	109.8	2,608.6	19.8x	18.9x	17.1x	6.8x	0.9x	10.5x	11.2x	11.1x	12.7x	15.4%	38.2%	26.7%	1.1	0.0%	4.8%
Pacer International (PACR)	Buy	4.98	35.1	174.7	0.0	27.7	147.0	38.3x	19.9x	12.5x	1.4x	0.6x	6.5x	7.2x	3.5x	12.2x	2.8%	5.5%	6.1%	0.8	0.0%	NM
Panalpina Welttransport Holding (PWTN-CH)	Hold	CHF 88.90	23.7	2,103.9	2.0	422.0	1,683.9	NM	36.9x	22.8x	2.6x	1.0x	14.1x	15.6x	7.4x	19.4x	1.5%	3.7%	3.4%	1.5	2.2%	3.2%
Roadrunner Transportation Svcs. (RRTS)	Buy	22.38	35.9	803.7	161.5	11.9	953.3	19.3x	16.7x	14.7x	2.6x	0.9x	9.7x	12.2x	10.7x	13.8x	6.0%	13.5%	9.9%	1.0	0.0%	0.7%
Universal Truckload Svcs. (UACL)	Buy	23.39	30.1	704.0	146.0	2.6	847.4	17.3x	15.6x	13.4x	12.3x	0.8x	8.4x	8.7x	8.4x	10.7x	17.7%	74.7%	32.7%	0.7	0.0%	3.5%
UTi Worldwide (UTIW)	Buy	14.10	104.0	1,465.9	375.4	237.3	1,603.9	30.0x	35.3x	18.1x	1.8x	1.0x	9.7x	11.0x	7.3x	19.0x	1.7%	4.2%	3.5%	1.2	0.4%	1.4%
XPO Logistics, Inc. (XPO)	Buy	16.30	35.5	578.2	109.4	252.3	435.4	NM	NM	NM	2.4x	10.7x	NM	NM	NM	NM	-8.6%	-13.1%	-8.9%	NM	0.0%	NM
	Min			174.7	0.0	2.6	147.0	17.3x	15.6x	12.5x	1.4x	0.6x	6.5x	7.2x	3.5x	10.7x	-8.6%	-13.1%	-8.9%	0.6	0.0%	0.7%
	Mean			4,758.6	173.6	289.5	4,661.6	24.1x	22.0x	17.0x	4.1x	2.7x	10.0x	11.4x	11.8x	14.1x	7.8%	19.1%	14.1%	1.2	0.8%	3.5%
	Median			1,413.7	91.2	98.0	1,439.6	20.9x	19.6x	17.5x	2.9x	1.7x	9.7x	11.1x	9.2x	12.8x	7.2%	15.0%	14.5%	1.2	0.2%	3.5%
	Max			25,948.7	1,161.1	1,260.8	27,087.1	38.3x	36.9x	22.8x	12.3x	10.7x	14.1x	15.6x	43.4x	19.4x	18.0%	74.7%	32.7%	1.8	3.3%	5.9%
Stifel Transportation Average				8,010.0	1,553.7	472.7	9,126.7	19.2x	18.5x	14.5x	3.1x	1.9x	8.1x	8.8x	8.9x	12.4x	5.1%	15.4%	10.4%	1.1	1.0%	3.3%

(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



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Pacer International Income Statement

(figures in \$ millions
 except per share amounts)
 Fiscal Year End December 31

	2012											2013				2014										
	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1Q12	2Q12	3Q12	4Q12	2012A	1Q13	2Q13	3Q13	4Q13	2013E	1Q14	2Q14	3Q14	4Q14	2014E	2015E
Intermodal segment revenue ¹	0.0	0.0	0.0	1,402.6	1,491.7	1,568.0	1,626.7	1,190.7	1,081.5	1,175.3	190.7	209.0	195.1	197.5	792.3	180.4	206.9	206.8	209.4	803.5	189.4	217.3	221.3	224.0	852.0	886.0
% change y/y	n/a	n/a	n/a	n/a	6.4%	5.1%	3.7%	-26.8%	-9.2%	8.7%	-31.8%	-31.2%	-35.4%	-31.8%	-32.6%	-5.4%	-1.0%	6.0%	6.0%	1.4%	5.0%	5.4%	7.0%	7.0%	6.0%	4.0%
Logistics segment revenue ¹	0.0	0.0	0.0	458.1	397.0	402.0	455.9	385.6	422.1	303.5	61.1	61.8	58.1	57.3	238.3	52.6	55.6	55.2	54.4	217.9	56.3	59.5	59.6	58.8	234.2	250.6
% change y/y	n/a	n/a	n/a	n/a	-13.3%	1.3%	13.4%	-15.4%	9.5%	-28.1%	-22.7%	-25.1%	-21.2%	-16.1%	-21.5%	-13.9%	-10.0%	-5.0%	-5.0%	-8.6%	7.0%	7.0%	8.0%	8.0%	7.5%	7.0%
Wholesale segment revenue ¹	803.3	875.4	999.2	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
Retail segment revenue ¹	913.5	902.0	930.4	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
Intermodal elimination ¹	(108.6)	(108.9)	(121.5)	(0.0)	(0.9)	(0.5)	(1.5)	(2.1)	(0.8)	(0.3)	(0.1)	(0.3)	(0.2)	(2.3)	(2.9)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	(1.2)
Total Gross Revenue¹	1,608.2	1,668.5	1,808.1	1,860.1	1,887.8	1,969.5	2,081.1	1,574.2	1,502.8	1,478.5	251.7	270.5	253.0	252.5	1,027.7	232.7	262.2	261.7	263.5	1,020.1	245.4	276.5	280.6	282.5	1,085.0	1,135.4
% change y/y	-3.8%	3.7%	8.4%	2.9%	1.5%	4.3%	5.7%	-24.4%	-4.5%	-1.6%	-29.8%	-30.0%	-32.7%	-29.5%	-30.5%	-7.5%	-3.1%	3.4%	4.4%	-0.7%	5.5%	5.4%	7.2%	7.2%	6.4%	4.7%
Cost of purchased transportation and services	1,258.4	1,293.6	1,413.1	1,428.6	1,453.4	1,537.8	1,654.6	1,291.3	1,240.5	1,218.7	194.8	212.7	195.3	191.4	794.2	177.9	201.8	202.4	203.6	785.6	189.1	211.5	214.5	214.7	829.8	871.2
Net Revenue	349.8	374.9	395.0	431.5	434.4	431.7	426.5	282.9	262.3	259.8	56.9	57.8	57.7	61.1	233.5	54.8	60.6	59.3	59.9	234.5	56.3	65.0	66.1	67.8	255.2	264.3
% change y/y	-7.2%	5.4%	9.2%	0.7%	-0.6%	-1.2%	-33.7%	-7.3%	-1.0%	-10.5%	-15.4%	-13.3%	-6.1%	-10.1%	-3.7%	4.4%	2.9%	-2.0%	0.4%	2.7%	7.5%	11.4%	13.5%	8.8%	3.6%	
% of gross revenues	21.8%	22.5%	21.8%	23.2%	23.0%	21.9%	20.5%	18.0%	17.5%	17.6%	22.6%	21.4%	22.8%	24.2%	22.7%	23.5%	23.1%	22.7%	22.7%	23.0%	22.9%	23.5%	23.6%	24.0%	23.5%	23.3%
Other operating expenses	106.7	106.9	110.7	115.4	123.2	130.5	132.2	124.5	94.5	98.6	23.2	23.5	23.9	23.1	93.7	20.8	24.4	22.8	23.0	91.0	21.1	25.5	24.8	25.3	96.8	96.3
Direct operating expenses	158.9	179.7	190.6	204.8	193.0	194.4	199.9	181.6	148.7	131.8	31.9	29.9	29.6	31.2	122.6	29.8	30.8	30.5	30.1	121.2	29.9	31.4	33.1	33.2	127.6	131.6
Depreciation and amortization	10.1	7.9	7.2	6.9	7.0	6.3	6.2	6.8	6.5	7.2	1.8	1.9	2.1	2.1	7.9	2.1	2.0	2.0	2.0	8.0	1.8	2.1	2.1	2.2	8.2	8.3
Merger and severance	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.4)	(0.3)	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
Total other operating expenses	275.7	294.5	308.5	327.1	323.2	331.2	338.3	312.9	249.7	237.6	56.9	55.3	55.4	56.2	223.8	52.4	57.2	55.2	55.1	220.0	52.8	59.0	60.0	60.7	232.6	236.2
OPERATING Income	0.0	0.0	0.0	109.5	125.5	113.8	111.7	(7.4)	27.1	48.6	8.2	9.4	8.7	12.1	38.4	9.8	9.1	9.2	9.3	37.5	7.9	10.9	11.1	12.1	42.1	47.4
Intermodal	0.0	0.0	0.0	0.0	1.6	6.3	(0.1)	(4.8)	1.2	(2.2)	(3.2)	(2.5)	(2.3)	(2.6)	(10.6)	(2.8)	(1.4)	(0.7)	(0.1)	(4.9)	(0.2)	(0.1)	(0.2)	0.1	(0.4)	0.3
Logistics	55.3	77.9	99.1	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	0.0	0.0
Wholesale	25.4	14.8	5.8	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	0.0	0.0	0.0	0.0	0.0
Corporate	(6.6)	(12.3)	(18.4)	(10.5)	(8.8)	(19.6)	(23.4)	(17.8)	(15.7)	(19.4)	(5.0)	(4.4)	(4.1)	(4.6)	(18.1)	(4.6)	(4.5)	(4.5)	(4.5)	(18.1)	(4.2)	(4.9)	(4.9)	(5.0)	(19.1)	(19.7)
Total Operating Income	74.1	80.4	86.5	104.4	118.3	100.5	88.2	(30.0)	12.6	27.0	0.0	2.5	2.3	4.9	9.7	2.4	3.2	4.1	4.8	14.5	3.4	6.0	6.1	7.1	22.6	28.0
OPERATING RATIO (Net)																										
Intermodal	n/a	n/a	n/a	69.0%	65.4%	68.4%	68.9%	103.3%	86.8%	77.8%	83.3%	81.4%	82.8%	77.5%	81.2%	79.7%	83.0%	82.5%	82.5%	82.0%	84.0%	81.0%	81.0%	80.0%	81.4%	79.4%
Logistics	0.0	0.0	0.0	93.1%	97.8%	91.2%	100.1%	108.4%	97.9%	105.3%	141.0%	133.3%	132.4%	136.6%	135.9%	142.4%	120.0%	110.0%	101.0%	118.2%	103.0%	101.0%	102.0%	99.0%	101.2%	99.0%
Wholesale	74.2%	67.7%	64.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Retail	81.3%	88.9%	95.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Corporate	1.9%	3.3%	4.7%	5.1%	3.6%	4.5%	5.5%	6.3%	6.0%	7.5%	8.8%	7.6%	7.1%	7.5%	7.8%	8.4%	7.0%	7.0%	7.0%	7.3%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Total Operating Ratio (Net)	78.8%	78.6%	78.1%	75.8%	74.4%	76.7%	79.3%	110.6%	95.2%	91.5%	100.0%	95.7%	96.0%	91.9%	95.9%	95.6%	94.7%	93.1%	92.0%	93.8%	93.9%	90.8%	90.8%	89.5%	91.1%	89.4%
Total Operating Ratio (Gross)	95.4%	95.2%	95.2%	94.4%	94.1%	94.9%	95.8%	101.9%	99.2%	98.5%	100.0%	99.1%	99.1%	98.0%	99.1%	99.0%	98.8%	98.4%	98.2%	98.6%	98.6%	97.8%	97.8%	97.5%	97.9%	97.5%
EBIT	74.1	80.4	86.5	104.4	111.2	100.5	88.2	(30.0)	12.6	22.2	0.0	2.5	2.3	4.9	9.7	2.4	3.2	4.1	4.8	14.5	3.4	6.0	6.1	7.1	22.6	28.0
% margin (net revenues)	21.2%	21.4%	21.9%	24.2%	25.6%	23.3%	20.7%	-10.6%	4.8%	8.5%	0.0%	4.3%	4.0%	8.1%	4.1%	4.4%	5.3%	6.9%	8.0%	6.2%	6.1%	9.2%	9.2%	10.5%	8.9%	10.6%
EBITDA	84.2	88.3	93.7	111.3	118.2	106.8	94.4	(23.2)	19.1	29.4	1.8	4.4	4.4	7.0	17.6	4.5	5.2	6.0	6.7	22.5	5.2	8.1	8.2	9.3	30.8	36.3
% margin (net revenues)	24.1%	23.6%	23.7%	25.8%	27.2%	24.7%	22.1%	-8.2%	7.3%	11.3%	3.2%	7.6%	7.6%	11.5%	7.5%	8.2%	8.7%	10.2%	11.3%	9.6%	9.3%	12.5%	12.4%	13.7%	12.1%	13.7%
Interest (expense), net	(31.7)	(18.0)	(9.6)	(8.2)	(6.6)	(5.4)	(2.4)	(4.5)	(5.0)	(2.3)	(0.5)	(0.3)	(0.3)	(0.3)	(1.4)	(0.3)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.9	1.1
Other income (expense), net	(0.8)	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	41.6	62.4	76.9	96.2	104.6	95.1	85.8	(34.5)	7.6	19.9	(0.5)	2.2	2.0	4.6	8.3	2.1	3.4	4.2	5.0	14.7	3.6	6.2	6.3	7.4	23.5	29.2
% margin (net revenues)	11.9%	16.6%	19.5%	22.3%	24.1%	22.0%	20.1%	-12.2%	2.9%	7.7%	-0.9%	3.8%	3.4%	7.6%	3.5%	3.8%	5.5%	7.2%	8.3%	6.3%	6.4%	9.6%	9.5%	10.9%	9.2%	11.0%
Tax rate	40.4%	37.0%	38.6%	40.1%	38.9%	38.9%	39.0%	44.2%	38.2%	37.7%	32.1%	40.1%	45.4%	41.3%	42.5%	38.1%	39.0%	39.0%	39.0%	38.9%	39.0%					



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Pacer International Balance Sheet

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

											2012				2013				2014				2015E
	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	1QA	2QE	3QE	4QE	1QE	2QE	3QE	4QE	
Assets																							
Current Assets																							
Cash and cash equivalents	0.0	0.8	0.0	9.1	0.0	6.7	5.0	2.8	4.2	24.0	19.1	9.0	12.3	20.2	27.7	40.0	45.2	52.9	52.5	54.9	64.7	71.0	89.8
Accounts receivable, net	215.6	203.0	232.1	219.3	210.4	205.3	183.6	152.3	152.5	133.5	143.9	147.0	141.0	132.7	100.2	96.0	95.9	93.9	95.0	97.4	95.9	96.6	98.8
Accounts receivable from APL Limited	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
Prepaid expenses and other	5.3	11.7	10.2	10.8	15.5	15.1	28.0	27.4	15.4	12.3	12.7	19.3	13.5	9.4	14.1	8.0	8.1	7.1	7.2	7.3	6.4	6.5	6.8
Deferred income taxes	0.0	4.5	4.1	4.0	2.4	4.3	3.1	1.0	6.3	4.0	4.3	3.3	2.6	2.4	2.6	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.3
Total Current Assets	220.9	220.0	246.4	243.2	228.3	231.4	219.7	183.5	178.4	173.8	180.0	178.6	169.4	164.7	144.6	146.0	151.2	156.0	156.8	161.7	169.1	176.3	197.7
Property and Equipment at cost	94.1	97.1	101.2	94.8	97.6	110.6	127.2	107.7	97.4	99.8	102.4	105.8	107.0	108.8	103.4	104.4	106.4	108.4	110.4	112.4	114.4	116.4	125.9
Accumulated depreciation	(37.0)	(45.1)	(52.1)	(58.7)	(64.8)	(69.2)	(65.6)	(64.5)	(53.7)	(56.1)	(57.5)	(59.0)	(60.2)	(62.0)	(56.0)	(58.0)	(60.0)	(61.9)	(63.8)	(65.9)	(68.0)	(70.2)	(78.4)
Property and Equipment, net	57.1	52.0	49.1	36.1	32.8	41.4	61.6	43.2	43.7	43.7	44.9	46.8	46.8	46.8	47.4	46.4	46.4	46.5	46.6	46.5	46.4	46.2	47.5
Other Assets																							
Goodwill	288.3	288.3	288.3	288.3	288.3	288.3	200.4	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 income taxes	44.7	23.3	11.5	9.1	1.5	0.0	0.0	34.9	24.3	14.1	14.1	14.4	14.5	12.6	11.4	9.0	8.1	8.2	8.3	8.4	7.5	7.6	7.9
Other assets	7.4	10.9	10.2	13.5	14.4	13.0	12.9	14.3	15.5	11.7	11.6	11.3	11.0	9.9	9.6	8.0	7.1	6.1	8.3	8.4	7.5	6.5	6.8
Total Assets	618.4	594.5	605.5	590.2	565.3	574.1	494.6	275.9	261.9	243.3	250.6	251.1	241.7	234.0	213.0	209.4	212.7	216.7	220.0	225.0	230.5	236.6	259.9
Liabilities																							
Current Liabilities																							
Current maturities of long-term debt and capital leases	6.2	0.0	0.1	0.0	0.0	0.0	0.3	23.3	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
Book overdraft	0.0	0.0	18.6	0.0	3.1	12.8	14.7	4.5	2.7	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 Income Taxes	2.0	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
Accounts payable and other accrued liabilities	176.2	161.3	166.0	188.2	160.9	184.1	158.3	144.7	144.8	127.1	133.4	132.8	122.4	112.5	90.6	85.0	85.8	86.7	87.8	89.0	90.6	92.2	97.6
Total Current Liabilities	184.4	161.3	184.7	188.2	164.0	196.9	173.3	172.5	147.5	127.1	133.4	132.8	122.4	112.5	90.6	85.0	85.8	86.7	87.8	89.0	90.6	92.2	97.6
Long-term liabilities																							
Long-term debt & capital leases	250.4	214.1	154.0	90.0	59.0	64.0	44.3	0.0	13.4	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	2.9	3.0	2.3	5.3	5.2	10.5	6.3	5.9	2.5	0.9	1.9	1.7	1.3	1.3	1.1	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1
Total Liabilities	437.7	378.4	341.0	283.5	228.2	271.4	223.9	178.4	163.4	128.0	135.3	134.5	123.7	113.8	91.7	86.0	86.8	87.7	88.8	90.0	91.7	93.3	98.8
Minority Interest 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	0.0	0.0
Stockholders' Equity																							
Preferred stock	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
Common stock	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Additional paid-in-capital	270.0	274.2	275.4	277.8	289.1	294.5	300.1	301.5	302.5	304.7	305.3	305.4	305.8	305.7	305.8	305.8	305.8	305.7	305.8	305.8	305.8	305.7	305.7
Unearned compensation	(0.2)	(0.2)	(0.1)	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
Treasury stock	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
Retained earnings (accumulated deficit)	(89.5)	(58.2)	(11.0)	28.7	47.7	7.9	(29.9)	(204.3)	(204.1)	(190.2)	(190.5)	(189.2)	(188.1)	(185.9)	(184.6)	(184.6)	(184.6)	(184.6)	(184.6)	(184.6)	(184.6)	(184.6)	(184.6)
Accumulated other comprehensive loss	0.0	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)	0.1	(0.1)	(0.3)	0.4	0.1	0.0	(0.1)	0.0	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Stockholders' Equity	180.7	216.1	264.5	306.7	337.1	302.7	270.7	97.5	98.5	115.3	115.3	116.6	118.0	120.2	121.3	123.3	125.9	129.0	131.2	135.0	138.8	143.3	161.1
Total Liabilities and Stockholders' Equity	618.4	594.5	605.5	590.2	565.3	574.1	494.6	275.9	261.9	243.3	250.6	251.1	241.7	234.0	213.0	209.4	212.7	216.7	220.0	225.0	230.5	236.6	259.9

(1) Exchangeable preferred stock of a subsidiary

	\$5.41	\$5.69	\$6.93	\$8.06	\$8.86	\$8.42	\$7.80	\$2.80	\$2.82	\$3.29	\$3.26	\$3.30	\$3.33	\$3.41	\$3.42	\$3.48	\$3.55	\$3.63	\$3.70	\$3.80	\$3.91	\$4.04	\$4.54
Book value per share	\$5.41	\$5.69	\$6.93	\$8.06	\$8.86	\$8.42	\$7.80	\$2.80	\$2.82	\$3.29	\$3.26	\$3.30	\$3.33	\$3.41	\$3.42	\$3.48	\$3.55	\$3.63	\$3.70	\$3.80	\$3.91	\$4.04	\$4.54
Cash and short-term investments per share	\$0.00	\$0.02	\$0.00	\$0.24	\$0.00	\$0.19	\$0.14	\$0.08	\$0.12	\$0.68	\$0.54	\$0.25	\$0.35	\$0.57	\$0.78	\$1.13	\$1.27	\$1.49	\$1.48	\$1.55	\$1.82	\$2.00	\$2.53
Net working capital	36.5	58.7	61.7	55.0	64.3	34.5	46.4	11.0	30.9	46.7	46.6	45.8	47.0	52.2	54.0	61.0	65.4	69.2	69.0	72.7	78.5	84.0	100.0
Current ratio	1.2x	1.4x	1.3x	1.3x	1.4x	1.2x	1.3x	1.1x	1.2x	1.4x	1.3x	1.3x	1.4x	1.5x	1.6x	1.7x	1.8x	1.8x	1.8x	1.8x	1.9x	1.9x	2.0x
Total assets	618.4	594.5	605.5	590.2	565.3	574.1	494.6	275.9	261.9	243.3	250.6	251.1	241.7	234.0	213.0	209.4	212.7	216.7	220.0	225.0	230.5	236.6	259.9
Total debt	256.6	214.1	172.7	90.0	62.1	76.8	59.3	27.8	16.1	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
Net debt (cash)	256.6	213.3	172.7	89.9	62.1	70.1	54.3	25.0	11.9	(24.0)	(19.1)	(9.0)	(12.3)	(20.2)	(27.7)	(40.0)	(45.2)	(52.9)	(52.5)	(54.9)	(64.7)	(71.0)	(89.8)
Debt/total book capitalization	58.7%	49.8%	39.5%	22.7%	15.6%	20.2%	18.0%	22.2%	14.0%	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%
Debt/EBITDA	3.0x	2.4x	1.8x	0.8x	0.5x	0.7x	0.6x	-1.2x	0.8x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
Stockholders' equity	180.7	216.1	264.5	306.7	337.1	302.7	270.7	97.5	98.5	115.3	115.3	116.6	118.0	120.2	121.3	123.3	125.9	129.0	131.2	135.0	138.8	143.3	161.1

Source: Company data and Stifel estimates



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Pacer International Cash Flow Statement

(figures in \$ millions, except per share amounts)
 Fiscal Year End December 31

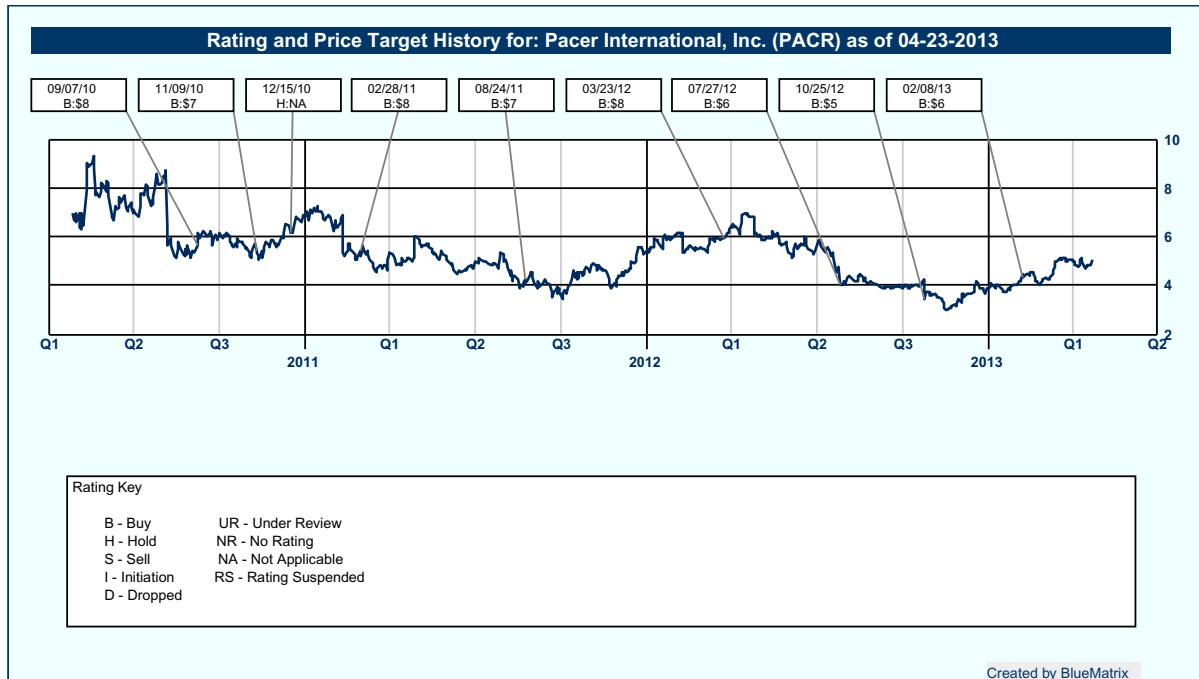
											2012				2013				2014							
	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1Q	2Q	3Q	4Q	2012A	1Q	2QE	3QE	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
Operating Activities																										
Net Income (loss)	24.8	31.3	47.2	50.9	68.2	54.3	(16.6)	(174.1)	0.9	13.9	(0.4)	1.3	1.1	2.2	4.3	1.3	2.0	2.6	3.0	9.0	2.2	3.8	3.8	4.5	14.3	17.8
Adjustments:																										
Depreciation and amortization	10.1	7.9	7.2	6.9	7.0	6.2	6.2	6.8	6.5	7.2	1.8	1.9	2.1	2.1	7.9	2.1	2.0	2.0	2.0	8.0	1.8	2.1	2.1	2.2	8.2	8.3
Loss (gain) on sale of property and equipment	(0.7)	(0.1)	0.0	(0.1)	(0.2)	(0.9)	(1.5)	(1.9)	(2.5)	(4.8)	(0.2)	(0.3)	(0.2)	(0.2)	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Premium on extinguishment of senior subordinated notes	0.0	8.8	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	0.0	0.0	0.0	0.0	0.0	0.0
Loss on extinguishment of debt	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	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	20.4	14.9	12.4	2.5	9.2	8.0	(1.8)	(38.2)	5.2	12.4	(0.3)	0.7	0.6	1.5	2.5	0.8	3.0	0.9	(0.1)	4.6	(0.1)	(0.1)	0.9	(0.2)	0.4	(0.5)
Stock-based compensation expense	0.0	0.0	0.0	0.0	1.5	2.9	1.9	2.1	1.3	2.4	0.7	0.2	0.4	0.5	1.8	0.6	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Excess tax benefit from exercise of stock options	0.0	0.0	0.0	0.0	(3.8)	(0.2)	(0.2)	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
Write-off of computer software	0.0	0.0	0.0	11.3	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	0.0	0.0
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	0.0	0.0	0.0
Merger and severance	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	0.0	0.0	0.0	0.0	0.0	0.0	87.9	200.4	(0.8)	(0.7)	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Changes in working capital items:																										
Accounts receivable, net	(4.4)	12.6	(29.1)	12.8	8.9	5.1	21.7	31.2	(0.2)	19.0	(10.4)	(3.1)	6.0	8.3	0.8	32.5	4.2	0.2	2.0	38.8	(1.2)	(2.4)	1.4	(0.6)	(2.7)	(2.2)
Prepaid expenses and other	3.1	(5.3)	1.5	(0.6)	(4.7)	0.4	(12.9)	(0.2)	11.1	3.1	(0.4)	(6.6)	5.8	4.1	2.9	(0.2)	6.1	(0.1)	0.9	6.8	(0.1)	(0.1)	0.9	(0.1)	0.6	(0.3)
Accounts payable and other accrued liabilities	(21.3)	(9.7)	4.7	16.5	(23.5)	32.7	(24.5)	(20.9)	(1.2)	(20.7)	6.4	(1.5)	(9.5)	(9.8)	(14.4)	(26.2)	(5.6)	0.7	0.9	(30.1)	1.1	1.2	1.6	1.6	5.5	5.4
Other, net	(2.9)	(0.2)	0.5	0.7	0.9	(2.3)	(0.6)	7.3	(4.2)	1.6	(0.4)	0.1	0.1	1.3	1.1	(0.1)	1.5	0.9	1.0	3.3	(2.1)	(0.1)	0.9	1.0	(0.3)	(0.3)
Total change in net working capital	(25.5)	(2.6)	(22.4)	29.4	(18.4)	35.9	(16.3)	17.4	5.5	3.0	(4.8)	(11.1)	2.4	3.9	(9.6)	6.0	6.2	1.8	4.8	18.8	(2.3)	(1.3)	4.9	1.8	3.1	2.6
Net Cash Provided by Operations	29.1	60.2	44.4	100.9	63.5	108.0	59.6	12.5	16.1	33.4	(3.1)	(7.3)	6.4	10.0	6.1	10.6	13.3	7.3	9.7	40.8	1.6	4.4	11.8	8.3	26.1	28.3
as % of revenue	8.3%	16.1%	11.2%	23.4%	14.6%	25.0%	14.0%	4.4%	6.1%	12.9%	-5.4%	-12.6%	11.1%	16.4%	2.6%	19.3%	21.9%	12.2%	16.2%	17.4%	2.8%	6.8%	17.8%	12.3%	10.2%	10.7%
Investing Activities																										
Capital expenditures	(8.7)	(3.4)	(4.6)	(5.3)	(3.7)	(14.0)	(24.8)	(9.2)	(8.2)	(30.1)	(3.4)	(31.4)	(2.9)	(2.1)	(39.8)	(2.8)	(1.0)	(2.0)	(2.0)	(7.8)	(2.0)	(2.0)	(2.0)	(2.0)	(8.0)	(9.5)
Proceeds from sales of property and equipment	0.9	0.2	0.3	0.3	0.2	0.9	1.8	24.9	5.2	30.0	1.7	28.6	0.0	0.0	30.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash provided from (used by) investing activities	(7.8)	(3.2)	(4.3)	(5.0)	(3.5)	(13.1)	(23.0)	15.7	(3.0)	(0.1)	(1.7)	(2.8)	(2.9)	(2.1)	(9.5)	(2.8)	(1.0)	(2.0)	(2.0)	(7.8)	(2.0)	(2.0)	(2.0)	(2.0)	(8.0)	(9.5)
Cash available for (required by) financing activities	21.3	57.0	40.1	95.9	60.0	94.9	36.6	28.2	13.1	33.3	(4.8)	(10.1)	3.5	7.9	(3.4)	7.8	12.3	5.3	7.7	33.0	(0.4)	2.4	9.8	6.3	18.1	18.8
Cash flows from financing activities																										
Book overdraft	(5.6)	(5.1)	18.6	(18.6)	3.1	0.0	0.0	(1.4)	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
Proceeds of long-term debt, net of costs	0.0	241.8	0.0	0.0	0.0	63.2	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock offering, net	126.0	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
Proceeds from stock options exercised	0.0	3.1	0.7	1.8	4.4	1.8	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
Proceeds from issuance of preferred stock	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
Purchase of treasury stock	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	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess tax benefits from share-based compensation	0.0	0.0	0.0	0.0	3.8	0.2	0.2	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
Dividends paid to shareholders	0.0	0.0	0.0	(5.6)	(22.5)	(21.6)	(20.8)	(5.2)	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
Purchase and retirement of Pacer common stock	0.0	0.0	0.0	0.0	(26.8)	(72.5)	(0.3)	(0.1)	(0.2)	(0.1)	(0.1)	0.0	0.0	0.0	(0.1)	(0.3)	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
Debt, revolving credit facility, and CLO repayment	(141.3)	(297.5)	(60.0)	(64.1)	(31.0)	(59.0)	(20.2)	(23.7)	(11.5)	(13.4)	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
Cash used by financing activities	(20.9)	(57.7)	(40.7)	(86.5)	(69.0)	(87.9)	(38.1)	(30.4)	(11.7)	(13.5)	(0.1)	(0.1)	(0.2)	0.0	(0.4)	(0.3)	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate changes on cash	(0.4)	1.5	(0.2)	(0.3)	(0.2)	(0.3)	(0.2)	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 increase (decrease) in cash and equivalents	(0.0)	0.8	(0.8)	9.1	(9.2)	6.7	(1.7)	(2.2)	1.4	19.8	(4.9)	(10.2)	3.3	7.9	(3.8)	7.5	12.3	5.3	7.7	32.7	(0.4)	2.4	9.8	6.3	18.1	18.8
Beginning Cash Balance	0.0	(0.0)	0.8	0.0	9.1	0.0	6.7	5.0	2.8	4.2	24.0	19.1	8.9	12.3	24.0	20.2	27.7	40.0	45.2	20.2	52.9	52.5	54.9	64.7	52.9	71.0
Ending cash balance	(0.0)	0.8	0.0	9.1	0.0	6.7	5.0	2.8	4.2	24.0	19.1	8.9	12.3	20.2	20.2	27.7	40.0	45.2	52.9	52.9	52.5	54.9	64.7	71.0	71.0	89.8
Free Cash Flow	21.3	57.0	40.1	90.3	37.5	73.3	15.8	23.0	13.1	33.3	(4.8)	(10.1)	3.5	7.9	(3.4)	7.8	12.3	5.3	7.7	33.0	(0.4)	2.4	9.8	6.3	18.1	18.8
FCF margin (as % of total revenues)	1.3%	3.4%	2.2%	4.9%	2.0%	3.7%	0.8%	1.5%	0.9%	2.3%	-0.3%									3.2%					1.7%	1.7%
Per Share	\$0.64	\$1.50	\$1.05	\$2.37	\$0.99	\$2.04	\$0.46	\$0.66	\$0.38	\$0.95					\$0.10					\$0.93					\$0.51	\$0.53

Current Share Price	\$4.98																																																																
FCF yield	47.7%										19.8%					41.0%					9.1%					13.3%					7.5%					19.1%					-2.0%					18.7%					10.2%					10.6%									
Dividend/FCF	0.0%										0.0%					0.0%					6.2%					60.0%					29.5%					131.6%					22.6%					0.0%					0.0%					0.0%					0.0%				
CapEx_net/OCF	29.9%										5.6%					10.4%					5.3%					5.8%					13.0%					41.6%					73.6%					NM					NM					NM					NM				

Source: Company data and Stifel estimates

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