One Year Price Chart

February 6, 2014

Roadrunner Transportation Systems, Inc. RRTS – NYSE Buy

Trucking/Logistics

Analysis of Sales/Earnings

4Q13 EPS Disappoints; Estimates Lowered, But Long-Term Growth Still the Focus

Roadrunner reported 4Q13 EPS of \$0.29, below the Street consensus estimate of \$0.32 and our estimate of \$0.33. In the release, management highlighted several items that either helped (\$0.08 of EPS positives) or hurt (\$0.12 in EPS negatives) the company's quarter that were unusual, non-recurring, or just a new speed bump. Our view is that while these explanations were helpful, some of the headwinds were not one-time and will not disappear in 2014. We expect growth to continue through acquisitions as well from existing businesses, but we do not model in acquisitions and therefore apply a higher P/E multiple to account for the likelihood of accretive deals. On a likely sell-off on the poor earnings report, we are buyers of RRTS, believing Street estimates should reset to more reasonable levels that could potentially be exceeded by Roadrunner later this year.

LTL tonnage growth was decent in 4Q13, but yields disappointed, as price increases fell from the 3%-4% range in 1H13 to 2%-3% in 2H13. Fortunately, the company believes pricing has improved in January.

STIFEL

- Higher insurance and claims expense due to higher premiums and an increased average claim settlement has led the company to improve its safety/risk management program, and Roadrunner should be making several hires in that area near-term.
- With a lack of accretive acquisitions the last couple of quarters and poor earnings performance, we believe sentiment on RRTS should hit a low-point fairly soon and then improve throughout the year absent further cost surprises and/or poorly executed deals.
- We are reducing our EPS estimates from \$1.57 and \$1.76 to \$1.40 and \$1.60, respectively, as a result of lower margin assumptions at all three segments due to higher insurance and personnel costs in LTL and TL and a change in the business mix at TMS. Again, we assume no acquisitions in our EPS estimates, although the company has said its deal pipeline is full and multiple deals are likely in 2014.
- We view Roadrunner as now having a higher cost structure near-term but with growth, the company should be able to improve margins the next couple of years.
- In our opinion, Roadrunner is a 10%+ organic EPS grower and likely a 20% EPS grower, including acquisitions, even though growth has been even greater than that the past few years. We were pleased to hear that management walked away from a few deals in 2H13, as those decisions indicated discipline around the process and showed the company does not plan to acquire anyone at any price just to grow.

<u>Changes</u>	Prev	ous	Current
Rating	_	-	Buy
Target Price	\$31	.00	\$29.00
FY13A EPS (N	let) 1.3	34	1.29
FY14E EPS (N	let) 1.	57	1.40
FY13A Rev (No	,		\$417.1
FY14E Rev (No	et) \$47	2.3	\$473.8
Price (02/05/14	4):		\$25.70
52-Week Rang		S	\$31 – \$19
Market Cap.(m	,		963.8
Shr.O/S-Diluted	. ,		37.5
Enterprise Val. Avg Daily Vol (3	. ,		\$1,176.7 321,127
LT Debt/Total C			27.8%
Net Cash/Shar	•		\$0.00
Book Value/Sh	are:		\$12.78
Dividend(\$ / %)	\$0.	00 / 0.0%
Dividend(\$ / % S&P Index)	\$0.	00 / 0.0% 1,751.64
) 2012A	\$0. 2013A	1,751.64
S&P Index			1,751.64
S&P Index EPS (Net)	2012A	2013A	1,751.64 2014E
S&P Index EPS (Net) Q1	2012A 0.25	2013A 0.29	1,751.64 2014E 0.29
S&P Index EPS (Net) Q1 Q2	2012A 0.25 0.32	2013A 0.29 0.37	1,751.64 2014E 0.29 0.41 0.37
S&P Index EPS (Net) Q1 Q2 Q3	2012A 0.25 0.32 0.31	2013A 0.29 0.37 0.35	1,751.64 2014E 0.29 0.41 0.37 0.34
S&P Index EPS (Net) Q1 Q2 Q3 Q4	2012A 0.25 0.32 0.31 0.29	2013A 0.29 0.37 0.35 0.29	1,751.64 2014E 0.29 0.41 0.37 0.34 1.40
S&P Index EPS (Net) Q1 Q2 Q3 Q4 FY Dec	2012A 0.25 0.32 0.31 0.29 1.16A	2013A 0.29 0.37 0.35 0.29 1.29A	1,751.64 2014E 0.29 0.41 0.37 0.34 1.40
S&P Index EPS (Net) Q1 Q2 Q3 Q4 FY Dec P/E	2012A 0.25 0.32 0.31 0.29 1.16A 22.2x 2012A	2013A 0.29 0.37 0.35 0.29 1.29A 19.9x	1,751.64 2014E 0.29 0.41 0.37 0.34 1.40 18.4x 2014E
S&P Index EPS (Net) Q1 Q2 Q3 Q4 FY Dec P/E Rev (Net)	2012A 0.25 0.32 0.31 0.29 1.16A 22.2x 2012A	2013A 0.29 0.37 0.35 0.29 1.29A 19.9x 2013A	1,751.64 2014E 0.29 0.41 0.37 0.34 1.40 18.4x 2014E \$473.8

David G. Ross, CFA	dross@stifel.com	(443) 224-1316
J. Bruce Chan	chanb@stifel.com	(443) 224-1386
Stifel Equity Trading Desk		(800) 424-8870



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.

Target Price Methodology/Risks

Our 12-month target price is \$29 (or 18x our 2015 EPS estimate of \$1.60).

Target price risks include economic/freight recession, poorly advised/executed acquisitions, lack of truck capacity, higher TL purchased transportation costs, rising interest rates, increased financial leverage, and spike in insurance claims.

Company Description

Roadrunner Transportation Systems is a non-asset-based transportation capacity provider with an asset-light long haul less-than-truckload (LTL) carrier, a truck brokerage operation and a third-party logistics/transportation management business. Its core LTL business (a top-20 carrier) is the only asset-light LTL model of scale in the U.S., and its brokerage operation utilizes both agents and company offices, independent third-party capacity providers, and dedicated capacity.

STIFEL																						
							Comp	arative V	/aluation	Matrix												
(figures in \$US millions, except per share amounts)		Closing						Eaui	tv value as	o multinlo	of		Entornai	se value as a	multiple of							
		Price	Diluted	Market	Total	Cash &			ings per Sh		Book	TTM	2014E	TTM	TTM	TTM	TTM	TTM	TTM	PEG	Div.	2014E
Company name (Ticker)	Rating	2/5/2014	S/O	cap.	Debt	equiv.	TEV (a)	2012A ^(b)	2013E ^(b)	2014E ^(b)	value	Revenue	EBITDA	EBITDA	EBITDAR ^(c)	EBIT	ROA	ROE	ROIC	ratio ^(d)	Yield	FCF YI
Less-Than-Truckload																						
Arkansas Best Corp. (ABFS)	Hold	30.97	25.8	797.7	112.8	105.4	805.2	NM	NM	13.8x	1.5x	0.4x	4.4x	7.4x	7.2x	NM	1.5%	3.1%	2.8%	1.5	0.4%	5.4
Con-way (CNW)	Hold	37.00	57.0	2,108.5	735.8	478.1	2,366.3	20.4x	22.4x	15.1x	2.2x	0.4x	4.7x	5.4x	5.0x	11.2x	3.0%	10.8%	8.0%	1.3	1.1%	5.4
Forward Air Corp. (FWRD)	Hold	42.39	31.7	1,344.9	0.1	98.6	1,246.4	23.8x	23.3x	19.3x	3.2x	2.0x	8.9x	11.6x	9.8x	14.6x	12.5%	14.5%	14.6%	1.8	0.9%	4.6
Old Dominion Freight Line (ODFL)	Hold	52.66	86.2	4,537.4	206.1	12.1	4,731.5	27.1x	21.9x	19.5x	3.8x	2.1x	9.0x	10.5x	10.2x	14.4x	11.0%	18.3%	15.4%	1.1	0.0%	4.19
Roadrunner Transportation Svcs. (RRTS)	Buy	25.70	38.5	989.5	192.6	5.4	1,176.7	22.2x	19.9x	18.4x	2.0x	0.9x	10.4x	11.6x	10.7x	13.8x	6.3%	11.0%	8.7%	1.2	0.0%	4.6
Saia, Inc. (SAIA)	Hold	30.66	24.7	756.3	76.9	0.2	833.0	23.8x	18.1x	15.3x	2.5x	0.7x	5.7x	6.8x	6.7x	11.2x	7.5%	15.2%	13.4%	1.0	0.0%	0.0
Vitran Corp. (VTNC)	Hold	6.47	16.4	106.3	83.0	41.2	148.1	NM	NM	NM	1.1x	0.2x	NM	NM	-20.6x	NM	-18.7%	NM	NM	NM	0.0%	0.0
YRC Worldwide (YRCW)	Hold	21.99	11.4	250.7	1,361.0	170.5	1,441.2	NM	NM	NE	NM	0.3x	NM	5.8x	5.3x	19.4x	-2.3%	NM	NM	NM	0.0%	N
Min			Г	106.3	0.1	0.2	148.1	20.4x	18.1x	13.8x	1.1x	0.2x	4.4x	5.4x	-20.6x	11.2x	-18.7%	3.1%	2.8%	1.0	0.0%	0.0
Mean				1.361.4	346.0	113.9	1.593.5	23.5x	21.1x	16.9x	2.3x	0.2x	7.2x	8.4x	4.3x	14.1x	2.6%	12.1%	10.5%	1.3	0.3%	
Mean (Asset-based LTL only)				1,301.4	429.3	134.6	1,720.9	23.8x	20.8x	15.9x	2.3x	0.7x	6.0x	7.2x	2.3x	14.0x	0.3%	11.8%	9.9%	1.2	0.2%	
Median				893.6	152.7	69.9	1,211.6	23.8x	21.9x	16.8x	2.2x	0.6x	7.3x	7.4x	6.9x	14.1x	4.6%	12.8%	11.0%	1.2	0.0%	
Max				4.537.4	1,361.0	478.1	4,731.5	27.1x	23.3x	19.5x	3.8x		10.4x	11.6x	10.7x	19.4x	12.5%	18.3%	15.4%	1.8	1.1%	
Non-Asset-Based Forwarding / Logistics			L																			
C.H. Robinson Worldwide (CHRW)	Sell	53.16	151.6	8,060.9	875.0	162.0	8.773.9	19.3x	19.9x	19.0x	8.6x	4.8x	11.6x	11.8x	11.4x	12.8x	14.9%	34.3%	23.5%	1.6	2.6%	1.9
DSV A/S (DSV-DK)	NC	DKK 175.70	176.0	5,599.1	1,237.5	112.2	6,724.4	NE	NE	NE	5.3x	4.6x 3.5x	NE	NM	NM	12.8x 14.7x	7.1%	29.4%	14.8%	NM		
Echo Global Logistics (ECHO)	Hold	18.60	24.1	448.4	0.0	53.3	395.1	30.0x	27.0x	21.9x	2.9x	2.5x	8.9x	11.0x	10.4x	15.7x	6.6%	10.6%	10.6%	0.8	0.0%	
Expeditors International (EXPD)	Hold	40.40	205.6	8,305,4	0.0	1,310.3	7.020.1	25.7x	23.5x	21.5x	3.8x	3.8x	10.5x	11.8x	11.2x	12.8x	11.4%	16.4%	16.0%	2.2	1.5%	
Forward Air Corp. (FWRD)	Hold	42.39	31.7	1.344.9	0.1	98.6	1.246.4	23.8x	23.3x	19.3x	3.2x	2.0x	8.9x	11.6x	9.8x	14.6x	12.5%	14.5%	14.6%	1.8	0.9%	
Hub Group (HUBG)	Hold	39.04	37.7	1,470.2	8.2	69.0	1,409.4	21.3x	20.3x	18.6x	2.6x	3.8x	10.6x	11.4x	10.0x	12.1x	7.2%	13.3%	NM	1.4	0.0%	-1.7
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 117.90	120.1	15.658.4		1.109.7	14.847.9	25.6x	24.1x	21.3x	5.8x	2.1x	14.1x	16.7x	11.0x	17.5x	9.4%	25.0%	NM	1.4	3.0%	5.0
Landstar System (LSTR)	Hold	56.07	46.0	2.580.2	129.3	180.3	2.529.2	20.2x	23.8x	20.5x	5.7x	0.9x	11.1x	12.4x	12.3x	14.3x	11.8%	26.1%	20.0%	1.4	0.0%	3.7
Pacer International (PACR)	Hold	8.88	36.1	320.3	0.0	39.7	280.6	NM	30.6x	22.2x	2.5x	1.2x	8.9x	11.5x	4.9x	17.4x	3.9%	7.5%	8.1%	1.5	0.0%	3.2
Panalpina Welttransport Holding (PWTN-CH)	Hold	CHF 149.00	23.7	3,901.9	4.6	372.0	3.534.4	NM	NM	33.6x	4.8x	2.0x	18.4x	24.6x	12.1x	29.3x	2.3%	6.1%	6.5%	2.2	1.3%	
Roadrunner Transportation Svcs. (RRTS)	Buy	25.70	38.5	989.5	192.6	5.4	1,176.7	22.2x	19.9x	18.4x	2.0x	0.9x	10.4x	11.6x	10.7x	13.8x	6.3%	11.0%	8.7%	1.2	0.0%	4.6
Universal Truckload Svcs. (UACL)	Buy	27.08	30.1	816.1	124.0	5.5	934.6	20.1x	15.5x	13.1x	8.6x	0.9x	7.2x	8.6x	8.3x	10.5x	21.1%	48.7%	30.2%	0.7	1.0%	5.0
UTi Worldwide (UTIW)	Buy	15.03	104.8	1,574.4	460.6	171.2	4,486.4	30.7x	NM	23.9x	2.0x	2.9x	21.2x	NM	22.4x	NM	-0.2%	-0.5%	0.5%	1.6	0.4%	5.6
XPO Logistics, Inc. (XPO)	Hold	25.41	57.5	1,462.0	113.9	67.3	1,508.6	NM	NM	NM	3.2x	17.5x	NM	NM	NM	NM	-9.2%	-14.1%	NM	NM	0.0%	N
Min			Г	320.3	0.0	5.4	280.6	19.3x	15.5x	13.1x	2.0x	0.9x	7.2x	8.6x	4.9x	10.5x	-9.2%	-14.1%	0.5%	0.7	0.0%	-1.7
Mean				3.752.3	228.5	268.3	3.919.1	23.9x	22.8x	21.1x	4.4x	3.5x	11.8x	13.0x	4.9X 11.2x	15.5x	7.5%	16.3%	13.9%	1.5	0.8%	
Median				1,522.3	83.4	105.4	2,018.9	23.9x 23.0x	22.0x 23.4x	20.9x	3.5x	2.3x	10.6x	11.6x	10.8x	13.5x 14.5x	7.1%	13.9%	13.9%	1.5	0.5%	
Max				15.658.4	1.237.5	1.310.3	14.847.9	30.7x	30.6x	33.6x	8.6x	17.5x	21.2x	24.6x	22.4x	29.3x	21.1%	48.7%	30.2%	2.2	3.0%	5.6
Stifel Transportation Average				8.968.2	.,	.,010.0	,0)	30.7A	20.04	55.6A	0.04	11.014	21.21	2		27.00	21.170		50.270	2.2	0.070	

(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

STIFEL

David Ross, CFA / dross@stifel.com

J. Bruce Chan / chanj@stifel.com

Fiscal Year End December 31 LTL Gross revenue % growth Net revenue % growth Operating income Operating ratio (gross)	2007A 361.8 NA 92.8 NA	2008A 366.5 1.3% 87.2	2009A 316.1 - <i>13.8%</i>	2010A 409.9 29.7%	2011A 466.8 13.9%	1QA 119.0	2QA 129.7	3QA 132.5	4QA 129.9	2012A 511.0	1QA 132.7	2QA	3QA	4QA	2013A	1QE		2QE	3QE	4QE	2014E	2015E
Gross revenue % growth Net revenue % growth Operating income Operating ratio (gross)	NA 92.8	1.3%	-13.8%				129.7	132.5	120.0	511.0	122.7											
Gross revenue % growth Net revenue % growth Operating income Operating ratio (gross)	NA 92.8	1.3%	-13.8%				129.7	132.5	120.0	511.0	122.7											
% growth Net revenue % growth Operating income Operating ratio (gross)	NA 92.8	1.3%	-13.8%				129.7	132.5														
Net revenue % growth Operating income Operating ratio (gross)	92.8			29.7%								146.5	144.2	135.5	558.9	139.3		157.5	155.0	145.7	597.5	633.4
% growth Operating income Operating ratio (gross)		87.2				18.2%	6.9%	4.9%	9.6%	9.5%	11.5%	13.0%	8.9%	4.3%	9.4%	5.0%		7.5%	7.5%	7.5%	6.9%	6.0%
Operating income Operating ratio (gross)	NA		80.5	102.2	113.9	30.7	33.4	36.7	36.4	137.3	37.8	42.3	41.1	37.5	158.7	39.0	39.0	44.1	43.4	40.8	167.3	177.3
Operating ratio (gross)		-6.0%	-7.7%	26.9%	11.5%	20.2%	13.6%	24.1%	24.0%	20.5%	23.2%	26.5%	11.8%	2.9%	15.6%	3.2%	3.2%	4.4%	5.7%	8.7%	5.4%	6.0%
Operating ratio (gross)	11.2	5.4	9.4	21.7	24.3	8.5	10.5	10.0	6.6	35.5	9.0	11.8	10.9	5.2	36.9	9.3	9.3	12.3	11.6	7.6	40.8	46.4
	96.9%	98.5%	97.0%	94.7%	94.8%	92.9%	91.9%	92.4%	94.9%	93.1%	93.2%	91.9%	92.4%	96.1%	93.4%	93.3%	3.3%	92.2%	92.5%	94.8%	93.2%	92.7%
Operating ratio (net)	87.9%	93.9%	88.3%	78.8%	78.6%	72.5%	68.7%	72.7%	81.9%	74.1%	76.3%	72.1%	73.4%	86.0%	76.7%	76.1%		72.1%	73.2%	81.4%	75.6%	73.8%
operating ratio (net)	07.770	15.770	00.570	70.070	70.070	72.570	00.770	/2.//0	01.770	74.170	70.570	/2.1/0	/5.4/0	00.070	70.770	70.170	.170	/2.1/0	75.270	01.470	75.070	/ 5.0/
TL																						
Gross revenue	176.3	171.4	134.8	158.7	301.3	98.0	111.0	124.2	143.4	476.6	146.5	161.2	170.1	180.1	658.0	169.3	59.3	182.2	190.5	198.1	740.1	784.5
% growth	NA	-2.8%	-21.4%	17.7%	89.8%	79.6%	61.6%	56.6%	45.3%	58.2%	49.5%	45.2%	36.9%	25.6%	38.0%	15.5%		13.0%	12.0%	10.0%	12.5%	6.0%
Net revenue	19.6	18.0	15.8	18.3	88.8	33.1	36.5	39.6	47.2	156.4	49.0	52.3	54.6	57.3	213.2	55.9		60.1	62.9	65.4	244.2	258.9
% growth	NA	-8.2%	-12.4%	16.4%	384.3%	206.3%	108.1%	54.4%	35.4%	76.1%	48.0%	43.1%	37.9%	21.5%	36.3%	13.9%		15.0%	15.2%	14.1%	14.6%	6.0%
Operating income	7.8	5.6	4.3	6.5	20.0	5.7	6.8	7.3	10.3	30.1	9.7	11.4	10.8	11.5	43.4	10.7		13.7	13.0	14.9	52.1	57.6
Operating ratio (gross)	95.6%	96.7%	96.8%	95.9%	93.3%	94.2%	93.9%	94.1%	92.8%	93.7%	93.4%	93.0%	93.6%	93.6%	93.4%	93.7%		92.5%	93.2%	92.5%	93.0%	92.7%
Operating ratio (net)	60.2%	68.8%	72.5%	64.8%	77.4%	82.9%	81.3%	81.5%	78.3%	80.8%	80.3%	78.3%	80.1%	79.9%	79.6%	80.9%	0.9%	77.3%	79.4%	77.3%	78.7%	77.7%
TMS		1 1	1																			
Gross revenue		1 1	34.5	65.9	79.2	20.7	23.1	24.0	23.8	91.6	21.4	27.0	50.9	54.7	154.0	47.2		51.2	56.0	60.2	214.6	236.1
% growth		1 1	NA	91.2%	20.2%	25.2%	21.8%	10.4%	8.3%	15.6%	3.7%	16.6%	112.6%	129.9%	68.2%	120.0%	0.0%	90.0%	10.0%	10.0%	39.3%	10.0%
Net revenue		1 1	8.2	17.4	20.5	5.7	6.7	6.8	6.9	26.2	6.2	9.5	14.3	15.3	45.3	13.7	13.7	14.9	16.2	17.4	62.2	68.5
% growth		1 1	NA	113.1%	17.6%	28.5%	37.1%	25.1%	21.4%	27.7%	8.2%	40.6%	110.7%	120.7%	73.0%	120.9%		57.2%	13.2%	14.0%	37.4%	10.0%
Operating income		1 1	1.3	5.3	7.6	2.2	2.8	2.7	2.8	10.5	2.3	4.0	4.6	3.8	14.8	3.2		4.9	3.9	4.2	16.2	18.9
Operating ratio (gross)		1 1	96.2%	92.0%	90.4%	89.3%	88.0%	88.5%	88.2%	88.5%	89.2%	85.3%	90.9%	93.0%	90.4%	93.3%		90.5%	93.0%	93.0%	92.5%	92.0%
		1 1	84.0%	69.7%		61.4%	58.9%	59.7%	59.5%	59.8%	62.5%	58.0%	67.7%	74.9%		76.9%		67.2%	75.9%	75.9%	74.0%	72.39
Operating ratio (net)			04.0%	09.770	62.9%	01.4%	36.970	39.770	39.370	39.070	02.570	38.0%	07.770	74.970	67.4%	70.9%	0.970	07.270	15.970	75.970	74.0%	12.37
Eliminations	(0.1)	(0.6)	(2.1)	(2.5)	(3.7)	(1.1)	(1.3)	(1.5)	(2.0)	(5.8)	(1.3)	(2.8)	(2.1)	(3.3)	(9.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(10.0)	(11.0
Consolidated gross revenue	538.0	537.4	483.3	632.0	843.6	236.6	262.5	279.2	295.1	1,073.4	299.4	331.9	363.2	367.0	1,361.4	353.3	53.3	388.5	399.0	401.4	1,542.2	1,642.9
% growth	NA	-0.1%	-10.1%	30.8%	33.5%	38.2%	26.1%	23.4%	24.0%	27.2%	26.5%	26.4%	30.1%	24.4%	26.8%	18.0%	8.0%	17.0%	9.9%	9.4%	13.3%	6.5%
Consolidated net revenue	112.4	105.2	104.5	138.0	223.3	69.5	76.7	83.1	90.6	319.9	93.0	104.0	110.0	110.1	417.1	108.5		119.1	122.5	123.6	473.8	504.7
							47.8%											14.5%				
% growth	NA	-6.4%	-0.7%	32.1%	61.8%	70.5%		37.0%	29.5%	43.3%	33.8%	35.6%	32.3%	21.6%	30.4%	16.7%			11.4%	12.3%	13.6%	6.5%
Consolidated operating income	17.9	7.3	13.7	31.3	46.1	14.6	18.6	18.0	17.7	69.0	19.1	24.4	23.7	18.2	85.4	20.7		28.3	26.0	24.1	99.1	113.0
Consolidated operating ratio	96.7%	98.6%	97.2%	95.1%	94.5%	93.8%	92.9%	93.6%	94.0%	93.6%	93.6%	92.6%	93.5%	95.0%	93.7%	94.2%		92.7%	93.5%	94.0%	93.6%	93.1%
Consolidated operating ratio (as % of net revenue)	84.1%	93.1%	86.8%	77.3%	79.3%	78.9%	75.8%	78.3%	80.4%	78.4%	79.4%	76.5%	78.5%	83.5%	79.5%	81.0%	1.0%	76.2%	78.8%	80.5%	79.1%	77.6%
	10.0	0.2	16.7	24.4	61.1	14.4	20.7	20.4	20.7	70.4	22.5	20.2	27.7		101.7	24.0		21.0	20.7	27.0	1126	100 1
EBITDA	19.8	9.3	16.7	34.4	51.1	16.6	20.7	20.4	20.7	78.4	22.5	28.2	27.7	23.3	101.7	24.0		31.9	29.7	27.9	113.6	128.3
% margin	3.7%	1.7%	3.5%	5.4%	6.1%	7.0%	7.9%	7.3%	7.0%	7.3%	7.5%	8.5%	7.6%	6.3%	7.5%	6.8%	0.8%	8.2%	7.5%	7.0%	7.4%	7.8%
Interest expense (income), net	13.9	12.4	13.2	1.5	4.1	1.0	2.1	1.9	2.2	8.0	1.9	1.6	2.1	2.3	7.9	2.3	2.2	2.3	2.3	2.2	9.1	8.6
						1.8						1.6										
Adjustment to contingent purchase obligation	0.0	0.0	0.1	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
Dividends on preferred stock subject to mandatory redemption	0.2	0.2	0.2	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
Loss on early extinguishment of debt	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from continuing operations before income tax provision	2.2	(5.3)	0.3	29.5	41.8	12.8	16.5	16.1	15.6	60.9	17.3	22.8	21.6	15.8	77.5	18.3		26.0	23.7	21.9	90.0	104.4
% margin	0.4%	-1.0%	0.1%	4.7%	5.0%	5.4%	6.3%	5.8%	5.3%	5.7%	5.8%	6.9%	5.9%	4.3%	5.7%	5.2%	5.2%	6.7%	6.0%	5.5%	5.8%	6.4%
Tax rate	58.1%	27.3%	96.8%	39.3%	38.1%	38.0%	38.2%	38.5%	38.8%	38.4%	38.7%	38.7%	38.7%	29.2%	36.8%	38.7%	8.7%	38.7%	38.7%	38.7%	38.7%	38.7%
	0.9	(3.8)	0.0	17.9	25.9	7.9	10.2	9.9	9.5	37.5	10.6	14.0	13.2	11.2	49.0	11.2	11.2	16.0	14.6	13.4	55.2	64.0
Income from continuing operations	0.9	(3.8)																				
Income from continuing operations	0.7		(2.0)	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
Accretion of series B preferred stock	0.0						10.2	9.9	9.5	37.5	10.6	14.0	13.2	11.2	49.0	11.2	11.2	16.0	14.6	13.4	55.2	64.0
Accretion of series B preferred stock Adjusted net income from continuing operations	0.9	(3.8)	(2.0)	17.4	25.9	7.9																
Accretion of series B preferred stock	0.0		(2.0) -0.4%	17.4 2.8%	25.9 3.1%	3.4%	3.9%	3.5%	3.2%	3.5%	3.5%	4.2%	3.6%	3.1%	3.6%	3.2%	3.2%	4.1%	3.6%	3.3%	3.6%	3.9%
Accretion of series B preferred stock Adjusted net income from continuing operations % margin	0.9 0.2%	(3.8) -0.7%	-0.4%	2.8%	3.1%	3.4%	3.9%	3.5%	3.2%	3.5%	3.5%	4.2%	3.6%	3.1%	3.6%	3.2%						
Accretion of series B preferred stock Adjusted net income from continuing operations	0.9	(3.8)																<i>4.1%</i> 39.4	3.6% 39.5	3.3% 39.6	3.6% 39.4	3.9% 39.9
Accretion of series B preferred stock Adjusted net income from continuing operations % margin	0.9 0.2%	(3.8) -0.7%	-0.4%	2.8%	3.1%	3.4%	3.9%	3.5%	3.2%	3.5%	3.5%	4.2%	3.6%	3.1%	3.6%	3.2%	39.3					

Some calculations may vary due to rounding (1) 1Q09-2Q10 are presented as if GTS had been part of Roadrunner since January 1, 2009, consistent with accounting to be used on a prospective basis. (2) 1Q10 differs from reported, as we present results as if IPO occurred January 1, 2010

(3) 2Q10 pro forma net income reflects the elimination of (i) \$1.5mm of IPO related expenses, (ii) \$2.2mm in interest expense, (iii) \$15.916mm of loss on early extinguishment of debt, and (iv) \$0.25mm of accretion of Series B preferred stock; adjusted for a net tax impact of \$7.9mm for these

items (4) 4Q11 includes \$0.43mm of acquisition transaction expenses related to an acquisition earnout

(5) 3Q12 includes acquisition transaction expense in connection with the purchase of R&M Transportation, Sortino Transportation, and Expedited Freight Systems, Inc. (EFS)

Source: Company data and Stifel estimates

STIFEL

David Ross, CFA / dross@stifel.com J. Bruce Chan / chanj@stifel.com

Roadrunner Transportation Services Balance Sheet

(figures in \$ millions, except per share amounts)				1		201	12			201	3			20	14		
Fiscal Year End December 31	2008A	2009A	2010A	2011A	10A	20A	30A	40A	10A	201 20A	30A	40E	10E	20E	3QE	40E	2015E
ASSETS	200011	200911	201011	2011/1	iųn	2011	JQA	4011	10/1	2011	JQA	TQL	IQL	2QL	JQL	чүг	20131
Current assets																	
	0.5	2.2	1.0	3.3	0.9	1.8	2.3	11.9	16.2	5.4	8.8	3.0	11.1	24.2	36.9	45.7	101.4
Cash and cash equivalents		57.9						11.9									
Accounts receivable, net	45.5		73.2	102.4	109.4	119.8	131.5		139.1	152.8	170.8	163.4	169.8	176.6	180.9	185.1	197.1
Deferred income taxes	2.1	1.6	6.4	9.5	8.8	9.5	5.0	3.8	3.6	3.6	2.8	6.8	7.1	7.4	7.5	7.7	8.2
Prepaid expenses and other current assets	7.1	8.5	10.4	16.4	17.9	19.2	22.1	26.5	24.0	22.3	23.5	20.4	21.2	22.1	22.6	23.1	24.6
Total current assets	55.1	70.1	91.0	131.5	137.0	150.2	161.0	165.1	182.8	184.0	205.8	193.6	209.2	230.2	248.0	261.6	331.4
Land and improvements	0.0	0.0	0.0	0.2				0.4									
Building and leasehold improvements	1.2	2.2	2.4	4.4				6.5									(
Furniture and fixtures	4.6	5.2	5.7	9.4				12.3									
Equipment	3.6	7.3	8.0	27.8				69.5									
Gross property and equipment	9.4	14.7	16.3	41.8	44.8	52.8	65.7	88.7	96.5	118.8	125.4	138.4	142.4	146.4	150.4	157.4	176.4
Less: Accumulated depreciation	(4.4)	(7.2)	(9,4)	(13.3)	(14.8)	(16.3)	(17.9)	(20.1)	(22.3)	(25.7)	(29.1)	(34.2)	(37.5)	(41.1)	(44.9)	(48.7)	(64.0)
Property and equipment, net	5.0	7.5	6.9	28.4	30.1	36.6	47.8	68.6	74.2	93.2	96.2	104.2	104.8	105.2	105.5	108.7	112.4
Other assets																	
Goodwill	185.1	244.7	246,9	364.3	370.5	383.6	416.0	442.1	441.7	459.8	515.9	515.0	515.9	515.9	515.9	515.9	515.9
												515.9					
Intangible assets, net	0.0	0.0	0.0	10.4	10.1	10.8	13.1	12.7	13.1	14.4	24.6	24.6	24.6	24.6	24.6	24.6 21.6	24.6 23.0
Other noncurrent assets	10.7	11.0		8.6	10.1	11.3	12.7	12.3	11.9	10.4	11.7	19.1	19.8	20.6	21.1		
Total other assets	195.8	255.6	250.4	383.4	390.6	405.7	441.7	467.1	466.6	484.5	552.2	559.5	560.3	561.1	561.6	562.1	563.5
Total assets	255.9	333.3	348.3	543.4	557.7	592.5	650.5	700.8	723.7	761.7	854.2	857.3	874.3	896.5	915.1	932.3	1,007.3
LIABILITIES AND EQUITY																	
Current liabilities																	
Current maturities of long-term debt	5.5	8.8	0.0	14.0	14.0	14.0	17.0	17.0	17.0	17.0	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Accounts payable	24.0	31.2	37.2	50.2	51.8	54.1	58.0	54.9	59.9	63.6	68.2	87.1	90.6	94.2	96.5	98.7	105.1
Accrued expenses and other liabilities	9.4	12.2	11.4	24.5	21.3	29.5	31.6	29.1	26.8	27.9	29.9	47.6	49.5	51.5	52.8	54.0	57.5
Accrued interest	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4	5.7	5.9	6.0	6.2	6.6
Total current liabilities	41.7	52.1	48.6	88.7	87.0	97.5	106.6	101.0	103.7	108.4	107.9	150.1	155.6	161.4	165.1	168.7	179.1
Town town date and of anyment and the	93.4	130.2	20.5	122.5	129.0	140.4	176.1	144.5	140.3	158.0	196.0	197.4	197.4	197.4	197.4	197.4	197.4
Long-term debt, net of current maturities																	
Other long-term liabilities	1.4	4.6	8.5	36.2	36.6	39.0	42.5	63.2	67.5	65.3	62.6	10.9	11.3	11.8	12.1	12.3	13.1
Preferred stock subject to mandatory redemption Total liabilities	5.0 141.4	5.0 191.9	5.0 82.6	0.0 247.4	0.0 252.6	<u>0.0</u> 277.0	0.0 325.3	0.0 308.7	0.0 311.5	0.0 331.8	0.0 366.5	0.0 358.3	0.0	0.0 370.6	0.0	0.0 378.4	0.0 389.6
1 otal nabilities	141.4	191.9	82.0	247.4	252.0	277.0	325.3	308.7	311.5	331.8	300.5	358.3	304.3	370.6	374.6	3/8.4	389.0
Common stock	1.7	1.9	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4						
Preferred stock	12.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Additional paid-in capital	101.5	125.8	262.1	266.5	267.6	267.9	267.8	325.0	334.6	338.4	382.9						
Retained earnings (deficit) Total stockholders' equity	(0.8) 114.5	(0.3)	3.3 265.7	29.2 296.0	37.1 305.0	47.3 315.5	57.2 325.3	66.7 392.1	77.3 412.2	91.3 430.0	104.5 487.7	499.0	510.0	526.0	540.5	554.0	617.8
Total liabilities and stockholders' equity	255.9	333.3	348.3	543.4	557.7	592.5	650.5	700.8	723.7	761.7	854.2	857.3	874.3	896.5	915.1	932.3	1,007.3
Book value per share	\$7.57	\$8.09	\$8.55	\$9.32	\$9.49	\$9.80	\$10.08	\$11.84	\$11.22	\$11.53	\$12.77	\$12.74	\$22.26	\$22.76	\$23.16	\$13.98	\$15.40
Tangible book value per share	\$4.68	\$5.07	\$3.26	\$5.64	\$5.83	\$6.49	\$7.27	\$7.81	\$7.68	\$8.09	\$8.86	\$8.72	\$9.13	\$9.67	\$10.11	\$10.51	\$12.26
Cash per share	\$0.03	\$0.12	\$0.03	\$0.10	\$0.03	\$0.06	\$0.07	\$0.36	\$0.44	\$0.15	\$0.23	\$0.08	\$0.28	\$0.61	\$0.93	\$1.15	\$2.53
Average age of trade receivables (days)	30.9	39.0	37.9	38.0	38.9	40.6	42.9	38.3	39.9	41.3	42.8	38.4	39.8	40.8	42.6	41.2	42.5
Net working capital	13.5	18.0	42.4	42.8	50.0	52.7	54.3	64.1	79.2	75.6	97.9	43.5	53.6	68.8	82.9	92.9	152.4
Current ratio	1.3x	1.3x	1.9x	1.5x	1.6x	1.5x	1.5x	1.6x	1.8x	1.7x	1.9x	1.3x	1.3x	1.4x	1.5x	1.6x	1.9x
Total assets	255.9	333.3	348.3	543.4	557.7	592.5	650.5	700.8	723.7	761.7	854.2	857.3	874.3	896.5	915.1	932.3	1,007.3
Long-term debt	93.4	130.2	20.5	122.5	129.0	140.4	176.1	144.5	140.3	158.0	196.0	197.4	197.4	197.4	197.4	197.4	197.4
Total debt	98.9	138.9	20.5	136.5	143.0	154.4	193.1	161.5	157.3	175.0	205.8	207.2	207.2	207.2	207.2	207.2	207.2
Debt/total book capitalization	46.3%	49.6%	7.2%	31.6%	31.9%	32.9%	37.3%	29.2%	27.6%	28.9%	29.7%	29.3%	28.9%	28.3%	27.7%	27.2%	25.1%
Debt/EBITDA	+0.570	49.0% 7.1x	0.7x	2.8x	2.4x	2.2x	2.6x	2.3x	1.9x	1.8x	2.1x	2.0x	2.0x	1.9x	1.9x	1.8x	1.6x
Debt/EBIT		8.7x	0.7x 0.8x	2.8x 3.1x	2.4x 2.6x	2.2x 2.5x	2.0x 2.9x	2.5x 2.6x	2.2x	2.1x	2.1x 2.4x	2.0x 2.4x	2.0x 2.4x	2.3x	2.3x	2.1x	1.0x
	114.5	8.7x 141.4	265.7	296.0	2.6x 305.0	2.5x 315.5	325.3	2.6x 392.1	412.2	430.0	487.7	499.0	2.4x 510.0	2.3x 526.0	2.5x 540.5	554.0	617.8
Stockholders' equity	114.5	141.4	203.7	290.0	303.0	313.3	343.5	392.1	412.2	450.0	40/./	499.0	510.0	320.0	340.5	334.0	017.8

1Q10 balance sheet data is pro forma, as if GTS were merged into Roadrunner 1/1/10, but does not reflect pro forma results for the IPO as if it occurred 1/1/10 Source: Company data and Stifel estimates

STIFEL

David Ross, CFA / dross@stifel.com

J. Bruce Chan / chanj@stifel.com

Roadrunner Transportation Services Cash Flow Statem

(General in Secilling and an along along and a					1		201	2		1		201	2				20	14			
(figures in \$ millions, except per share amounts) Fiscal Year End December 31	2007A	2008A	2009A	2010A	2011A	1QA	201 20A	30A	40A	2012A	10A	201 20A	3 30A	40E	2013E	10E	20 20E	14 30E	40E	2014E	2015E
Operating activities	2007A	2000A	2009A	2010A	2011A	IQA	2QA	зQА	4QA	2012A	IQA	2QA	зQА	4QL	2013E	IQE	2QE	JŲE	4QE	2014E	2015E
Net income	0.9	(3.3)	(0.0)	3.6	25.9	7.9	10.2	9.9	9.5	37.5	10.6	14.0	13.2	11.2	49.0	11.2	16.0	14.6	13.4	55.2	64.0
Adjustments	0.9	(3.3)	(0.0)	5.0	23.9	1.9	10.2	9.9	9.5	51.5	10.0	14.0	15.2	11.2	49.0	11.2	10.0	14.0	15.4	55.2	04.0
Depreciation and amortization	2.3	2.9	3.7	3.8	5.6	2.3	2.4	2.1	4.3	11.1	4.0	4.2	4.7	5.1	17.9	3.3	3.6	3.7	3.8	14.4	15.3
Loss on early extinguishment of debt	1.6	0.0	0.0	2.2	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
Deferred interest	1.0	1.2	2.8	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4		0.2	0.0	0.1	0.0	0.0	0.0
	0.2	0.0	(0.0)					(0.3)			0.0	(0.6)	0.0	0.0	5.4	0.2	0.2		0.1	0.7	0.4
(Gain) loss on disposal of buildings and equipment	0.2			(0.2)	(0.4)	(0.2)	(0.1)	0.3	(0.5) 0.2	(1.0) 0.7	0.1			0.0	(0.5)	0.0	0.0	0.0 0.0	0.0	0.0	
Share-based compensation	0.7	0.8 0.7	0.7	0.5	0.5	0.1	0.2 0.2		0.2			0.5	(3.3)		(2.6)				0.0		0.0
Provision for bad debts and freight bill adjustments			1.2	0.9	1.2	0.2		0.4		1.1	0.1	0.3	0.6	0.0	1.0	0.0	0.0	0.0		0.0	
Deferred tax provision (benefit)	1.1	(1.4)	(0.1)	(1.8)	14.5	1.7	(1.1)	0.4	9.1	10.1	0.6	0.0	2.2	(4.0)	(1.2)	(0.3)	(0.3)	(0.2)	(0.2)	(0.9)	(0.5)
Changes in net working capital:								-													
Accounts receivable	1.1	5.4	(4.0)	(16.0)	(14.7)	(6.9)	(6.3)	(7.3)	14.2	(6.3)	(16.5)	(10.0)	(0.2)	7.4	(19.2)	(6.5)	(6.8)	(4.3)	(4.1)	(21.7)	(12.1
Prepaid expenses and other assets	0.5	(0.8)	(1.3)	(1.2)	(5.5)	(3.1)	(2.1)	(1.1)	(2.2)	(8.6)	3.1	3.5	(1.1)	(4.3)	1.2	(1.6)	(1.6)	(1.0)	(1.0)	(5.2)	(2.9
Accounts payable	1.8	(5.2)	(0.7)	5.7	8.4	1.7	1.1	(0.6)	(7.8)	(5.6)	4.9	0.9	(5.1)	18.9	19.7	3.4	3.6	2.3	2.2	11.6	6.4
Accrued expenses	1.9	0.0	0.0	0.0	(2.4)	0.5	3.4	2.3	(8.7)	(2.4)	1.8	(4.1)	(4.7)	17.7	10.7	1.9	2.0	1.3	1.2	6.3	3.5
Other liabilities	(1.2)	0.5	(1.5)	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(51.7)	(51.7)	0.4	0.5	0.3	0.3	1.4	0.8
Total change in net working capital	4.2	(0.1)	(7.4)	(9.7)	(14.2)	(7.8)	(3.8)	(6.7)	(4.6)	(22.8)	(6.7)	(9.7)	(11.1)	(11.9)	(39.3)	(2.3)	(2.4)	(1.5)	(1.4)	(7.6)	(4.2
Net cash provided by operations	12.5	0.8	0.8	2.1	33.2	4.3	8.0	5.9	18.4	36.7	8.9	8.7	6.4	5.9	29.9	12.3	17.1	16.7	15.7	61.9	75.0
Investing activities																					
Restricted assets	0.0	(5.0)	0.9	4.1	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
Additional purchase price for acquisition earnouts	(1.3)	(0.5)	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(6.0)	(6.0)	0.0	0.0	0.0	(3.0)	(3.0)	(3.0
Acquisition of business, net of cash acquired	0.0	(20.6)	(33.0)	(2.9)	(131.3)	(6.2)	(15.3)	(38.0)	(29.5)	(89.0)	(0.2)	(29.6)	(70.9)	0.0	(100.7)	0.0	0.0	0.0	0.0	0.0	0.0
	(1.9)			(2.9)	(131.3)		(13.3)	(5.2)					(70.9)	(7.0)		(4.0)		(4.0)	(4.0)	(16.0)	
Capital expenditures	(1.9)	(1.2) 0.1	(2.3) 0.1		(10.1)	(3.3) 0.3	(3.6)	(5.2)	(3.1)	(15.1) 0.5	(9.4)	(9.0) 0.6	0.3	0.0	(31.4)	(4.0)	(4.0) 0.0	(4.0)	(4.0)	(16.0)	(16.0
Proceeds from sale of buildings and equipment	0.0	0.1	0.1	0.3	0.9	0.5	0.5	0.7	(0.7) 0.0	0.5	0.3	0.0	0.5	0.0	1.3 0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0
Other Net cash (used in) provided by investing activities	(3.2)	(27.2)	(34.2)	(1.1)	(140.5)	(9.1)	(18.6)	(42.5)	(33.4)	(103.6)	(9.2)	(37.9)	(76.6)	(13.0)	(136.8)	(4.0)	(4.0)	(4.0)	(7.0)	(19.0)	(19.0)
Net cash (used in) provided by investing activities	(3.2)	(27.2)	(34.2)	(1.1)	(140.5)	(9.1)	(10.0)	(42.5)	(33.4)	(103.0)	(9.2)	(37.9)	(70.0)	(13.0)	(130.0)	(4.0)	(4.0)	(4.0)	(7.0)	(19.0)	(19.0)
Cash available for (required by) financing	9.3	(26.4)	(33.4)	1.0	(107.4)	(4.8)	(10.6)	(36.6)	(14.9)	(66.9)	(0.3)	(29.3)	(70.2)	(7.1)	(106.9)	8.3	13.1	12.7	8.7	42.9	56.0
Financing activities																					
Proceeds from issuance of preferred stock	0.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchase and retirement of stock	(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
Borrowings under revolving credit facilities	151.7	136.2	73.4	87.8	124.1	40.4	55.5	45.2	(0.1)	141.1	0.0	57.0	53.8	1.4	112.2	0.0	0.0	0.0	0.0	0.0	0.0
	(135.4)	(136.8)	(66.9)	(103.8)	(144.6)	(30.4)	(40.6)	(42.8)	(27.3)	(141.1)	0.0	(35.0)	(42.8)	0.0	(77.8)	0.0	0.0	0.0	0.0	0.0	0.0
Payments under revolving credit facilities		(150.8)		A 100 Mag				0.0	(27.5)			(· · · · · /	0.0						0.0	0.0	0.0
Payments of contingent earnouts	0.0		0.0	0.0	(2.6)	0.0	0.0			(0.1)	0.0	(2.4)		0.0	(2.4)	0.0	0.0	0.0			
Long-term debt borrowings	40.0	7.8	29.0	1.2	140.0	0.0	0.0	40.5	0.0	40.5	0.0	0.0	22.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt payments	(66.5)	(5.6)	(6.5)	(107.2)	(3.5)	(3.5)	(3.5)	(4.3)	(4.3)	(15.5)	(4.3)	(4.3)	(2.2)	0.0	(10.7)	0.0	0.0	0.0	0.0	0.0	0.0
Debt issuance cost	0.0	0.0	0.0	0.0	(4.2)	(0.1)	(0.1)	(1.2)	(0.8)	(2.2)	0.0	(0.1)	(1.4)	0.0	(1.5)	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	0.8	0.8	0.0	0.0	3.8	0.0	3.8	0.0	0.0	0.0	0.0	0.0	0.0
(Reduction) addition of capital lease obligation	0.0	0.0	(0.0)	(0.4)	(0.4)	(0.1)	(0.0)	(0.0)	(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 issuance of common stock	0.0	13.4	5.2	120.2	0.9	1.0	0.1	(0.3)	56.3	57.1	8.8	3.3	40.3	0.0	52.5	0.0	0.0	0.0	0.0	0.0	0.0
Redemption of mandatory redeemable preferred stock	0.0	0.0	0.0	0.0	0.0	(5.0)	0.0	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
Payment of Sargent preferred stock dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	(0.2)	(0.2
Payment of debt financing fees	(1.2)	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
Net cash (used in) provided by financing activities	(11.5)	27.0	34.2	(2.2)	109.7	2.4	11.5	37.1	24.5	75.5	4.6	18.5	73.5	1.4	98.0	(0.2)	0.0	0.0	0.0	(0.2)	(0.2
Beginning cash balance	3.1	0.8	1.4	2.2	1.0	3.3	0.9	1.8	2.3	3.3	11.9	16.2	5.4	8.8	11.9	3.0	11.1	24.2	36.9	3.0	45.7
Net increase (decrease) in cash and equivalents	(2.3)	0.6	0.8	(1.2)	2.3	(2.4)	0.9	0.5	9.6	8.6	4.3	(10.7)	3.3	(5.8)	(8.9)	8.1	13.1	12.7	8.7	42.7	55.8
· · · · · · · · · · · · · · · · · · ·	(2.5)			(1.2)		(=)			2.0			()		(2.0)	())			/	,	,	2010
Ending cash balance	0.8	1.4	2.2	1.0	3.3	0.9	1.8	2.3	11.9	11.9	16.2	5.4	8.8	3.0	3.0	11.1	24.2	36.9	45.7	45.7	101.4
Free cash flow	10.6	(0.3)	(1.4)	(0.1)	23.9	1.4	4.7	1.4	14.6	22.1	(0.1)	0.3	0.7	(1.1)	(0.3)	8.3	13.1	12.7	11.7	45.9	59.0
Margin	2.0%	-0.1%	-0.3%	0.0%	2.8%	0.6%	1.8%	0.5%	4.9%	2.1%	0.0%	0.1%	0.2%	-0.3%	0.0%	2.3%	3.4%	3.2%	2.9%	3.0%	3.69
Per share	,0		0.070	(\$0.00)	\$0.76	\$0.04	\$0.15	\$0.04	\$0.44	\$0.68	(\$0.00)	\$0.01	\$0.02	(\$0.03)	(\$0.01)	\$0.21	\$0.33	\$0.32	\$0.30	\$1.16	\$1.48
Current share price \$25.70									-					_							
FCF yield				0.0%	3.0%					2.7%					0.0%					4.5%	5.7%
CapEx, net/OCF				106.0%	27.9%	67.8%	41.1%	76.5%	20.9%	39.8%	101.4%	96.4%	89.1%	119.6%	100.9%	32.6%	23.4%	23.9%	25.4%	25.9%	21.3%
Capita, nee OCI				100.0%	21.770	07.070	41.1/0	70.570	20.970	37.070	101.470	70.470	07.1/0	117.070	100.270	52.070	2.3.470	23.770	2.3.470	23.970	21.370

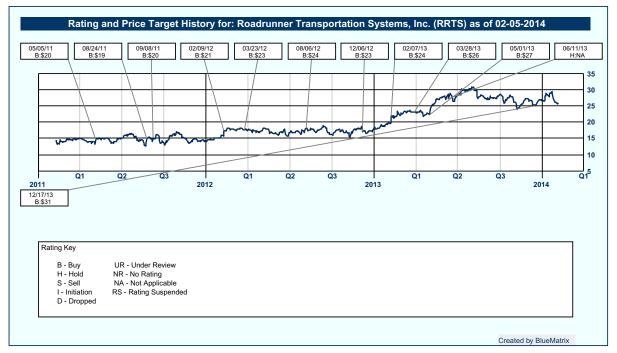
1Q10 cash flow data is pro forma, as if GTS were merged into Roadrunner 1/1/10, which is why year-end 2009 cash balance does not equal 1Q10 beginning cash balance above

1Q10 cash flow data does not reflect pro forma results for the IPO as if it occurred 1/1/10

Source: Company data and Stifel estimates

Important Disclosures and Certifications

I, David G. Ross, certify that the views expressed in this research report accurately reflect my personal views about the subject securities or issuers; and I, David G. Ross, 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 RRTS go to http://sf.bluematrix.com/bluematrix/Disclosure?ticker=RRTS

Roadrunner Transportation Systems, Inc. is a client of Stifel or an affiliate or was a client of Stifel or an affiliate within the past 12 months.

Roadrunner Transportation Systems, Inc. is provided with non-securities related services by Stifel or an affiliate or was provided with non-securities related services by Stifel or an affiliate within the past 12 months.

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

Stifel makes a market in the securities of Roadrunner Transportation Systems, Inc..

Stifel or an affiliate has received compensation for non-securities related services from Roadrunner Transportation Systems, Inc. in the past 12 months.

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, 49% are rated Buy, 49% are rated Hold, and 2% are rated Sell.

Within the last 12 months, Stifel or an affiliate has provided investment banking services for 19%, 9% and 0% of the companies whose shares are rated Buy, Hold and Sell, respectively.

Additional Disclosures

Stifel acted as a financial advisor to Marisol International LLC in connection with its acquisition by Roadrunner Transportation Systems, Inc.

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.

Additional Information Is Available Upon Request

© 2014 Stifel, Nicolaus & Company, Incorporated, One South Street, Baltimore, MD 21202. © 2014 Stifel Nicolaus Canada Inc. 79 Wellington Street West, 21st Floor Toronto, ON M5K 1B7. All rights reserved.