



Investor Presentation

November 2018





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Company Presenters



Dan Cushman – Director, President & CEO

Has served as President and CEO since July 2009. Prior to his employment with the Company, Mr. Cushman served as Vice President of Sales and Marketing for CRST International, Inc. in Cedar Rapids, Iowa (“CRST”) from July 2008 to July 2009, and as Vice President and General Manager of Dedicated Services for CRST from March 2008 to July 2008. From January 2007 to March 2008, Mr. Cushman was Senior Executive Vice President and Chief Marketing Officer for Werner Enterprises in Omaha, Nebraska. From January 2002 to December 2006, he served as Executive Vice President Chief Marketing and Operations Officer for Werner Enterprises.



Allen West – Chief Financial Officer

Has served as Vice President of Finance, Chief Financial Officer, Secretary and Treasurer since June 2013. Mr. West served as Vice President of Tax and Financial Reporting of PTSI from 2007 to June 2013 and as Director of Tax from 1997 to 2007. Prior to joining PTSI, Mr. West served in various finance-related capacities within the trucking industry and within public accounting. He is a Certified Public Accountant and a Chartered Global Management Accountant.





Nasdaq: PTSI

- Founded in 1980
- 2,025 trucks (class 8)
- 6,400 trailers
- Truckload – Dry Van
- 50% Automotive
- 50% Cross-border
- 50% Dedicated / quasi-dedicated

Service Offerings

- Team Expedited
- Dedicated
- Irregular route truckload
- International cross-border
- Regional / Local
- Logistics
- Power only

Markets

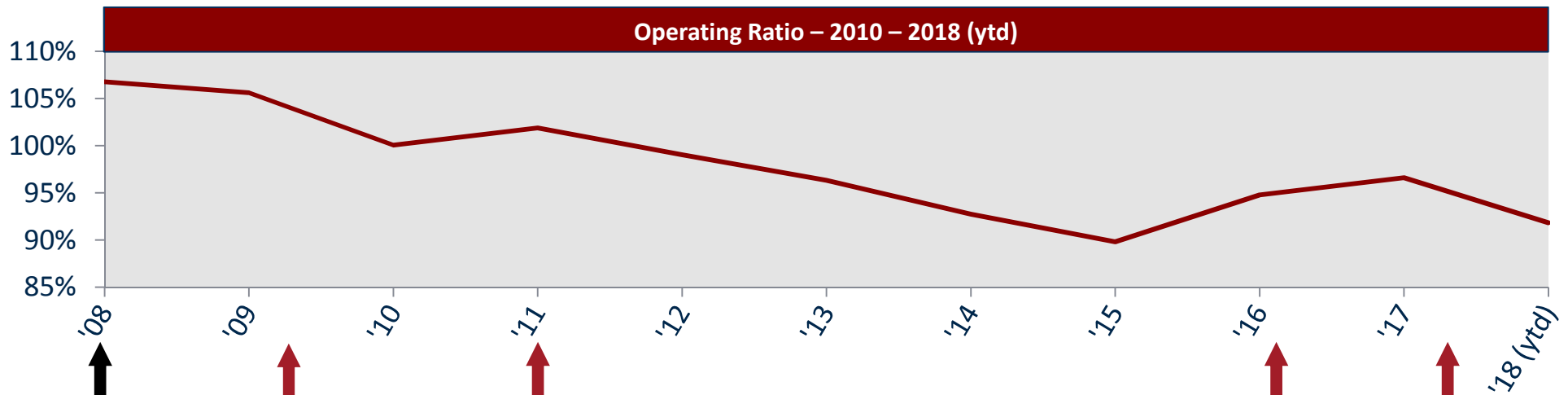
- Automotive
- Retail
- Manufacturing
- General commodity

Key Strategic Changes

	Prior to June 2009	June 2009 – Current
Who is PAM?	<p>Fragmented perception by customers, vendors, and investors</p> <ul style="list-style-type: none"> Viewed individually, none were noteworthy <p>PAM Transport Decker Transport PAM Dedicated Services McNeil Express Allen Freight Services East Coast Logistics Choctaw Express</p>	<p>Re-branded as one operating Company</p> <ul style="list-style-type: none"> PAM Transport, Inc. <ul style="list-style-type: none"> 2,000+ Trucks 6,000+ Trailers
Customers	<p>Highly concentrated</p> <ul style="list-style-type: none"> 63% General Motors 	<p>Diversified</p> <ul style="list-style-type: none"> 50% auto, diversified among major auto OEM/suppliers No one customer comprises more than 20% of revenue Remaining 50% highly diversified
Asset Light	<p>Stand alone logistics offering</p> <ul style="list-style-type: none"> Not integrated or complementary to asset based operations 	<p>Fully integrated Logistics offering</p> <ul style="list-style-type: none"> Unified marketing efforts that promote an asset backed logistics service to customers
Sales	<p>Telemarketers</p>	<p>Comprehensive service offering</p> <p>Diversified industry segments</p> <p>Retail Manufacturing Automotive General commodity</p>
Pricing	<p>No structured pricing methodology</p> <ul style="list-style-type: none"> Reactionary, customer driven 	<p>Disciplined pricing strategy</p> <ul style="list-style-type: none"> Market driven, but with precise knowledge of specific lane/mode cost structure Focus on network balance and density
Divisions	<p>Irrelevant</p> <ul style="list-style-type: none"> Organized Based on past acquisitions, not service offerings or modes 	<p>Aligned</p> <ul style="list-style-type: none"> Visibility and accountability from marketing through final profitability <p>Expedited Automotive Mexico Irregular route Logistics Power only</p>



Operating Ratio History



- Recession low-point....
- Auto industry downturn - bankruptcy's and bailouts
- **PAM extends life of trucks to 5 years to reduce cap ex**
- **Extreme rate pressure**
- Cost controls primary focus – equipment maintenance de-prioritized

- Immediate push to diversify customer base
- Push utilization
- **Need more equipment**

- Re-investment and positioning for **sustained profit model**
- Transition begins to current 3 year life cycle for Company trucks
- Diversification plan progresses
- Disciplined pricing and controlled freight network established
- **Recover / repair all sidelined trucks**
- Re-branded - PAM Transport, Inc.
- Introduction of precise P&L visibility down to the dispatch level

- Over capacity - across the board **rate pressure** intensifies
- **PAM capitalizes** on opportunity to build new relationships from voids created by carriers rejecting key shipper lanes

- Economy sharply strengthens
- Capacity shortage
- Strong environment for rate improvement
- **Driver shortage intensifies, limiting growth for many companies**
- **PAM adds 20% manned capacity**



Source: Company filings.

Future = Controlled Growth

US / Mexico

- Operations and sales staff in Mexico
- Acquire yard property on the border in Mexico – increase presence / improve velocity of border crossings
- B1 visa driver program
- USMCA - removes uncertainty regarding U.S. exit from NAFTA
- Strong reputation among cross-border customers and carrier partners

Continue to increase customer awareness regarding service capabilities

- 25+ years catering to Automotive - one of the most demanding JIT industries in existence with HIGH penalties for failure
- This culture translates to unparalleled service capabilities applicable to all service sensitive shipper segments
- Full array of service offerings

2016 strategy to gain market share with new shippers = paying dividends now

- Growth in dedicated business with these customers
- Opens the door to even more non-automotive customers that gain confidence from our verifiable experience in retail and manufacturing

One of the newest fleets in the industry

- Attractive to drivers
- Increases dependability with customers
- Reduced costs in fuel/maintenance
- Higher resale/trade back value
- Attractive to Leasing program

Continue to grow within automotive





Operating and Financial Information



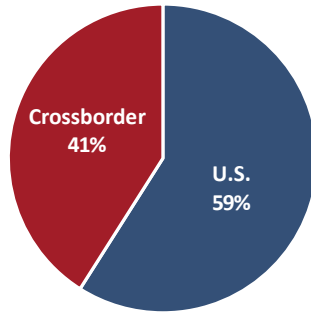
Our Strategic Customers: Top 25 By Revenue



THE Cross Border Carrier

Consistently expanded market share, relationships with interchange partners and revenue in cross-border commerce

2017 Revenue Mix



Services / Presence

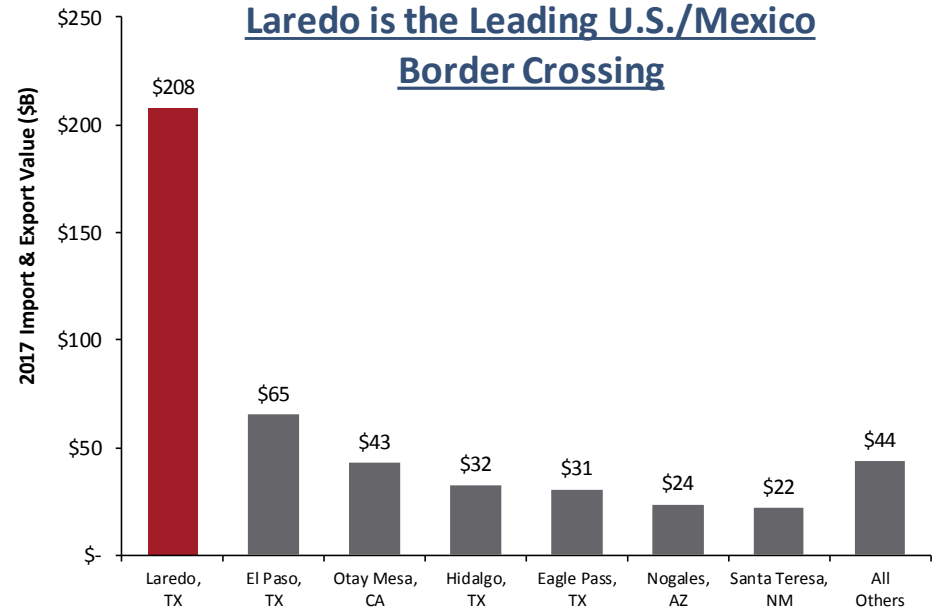
- Full suite of transportation services for freight travelling to and from all major Mexican markets
- Interchange with 40+ Mexican Carrier Partners
- Network configured for manufacturer supply chains



Positioned for continued success in Mexico

- Leading U.S. trucking company in port of Laredo border crossings / day
- PAM completes 300+ border crossings/day at the port of Laredo
- Acquiring terminal / yard facilities in Nuevo Laredo
- Full-service terminal and maintenance facility in Laredo
- 850+ trailers in the interior of Mexico

Laredo is the Leading U.S./Mexico Border Crossing



Source: Company filings, Bureau of Transportation Statistics.

A Unique Approach to the Driver Shortage

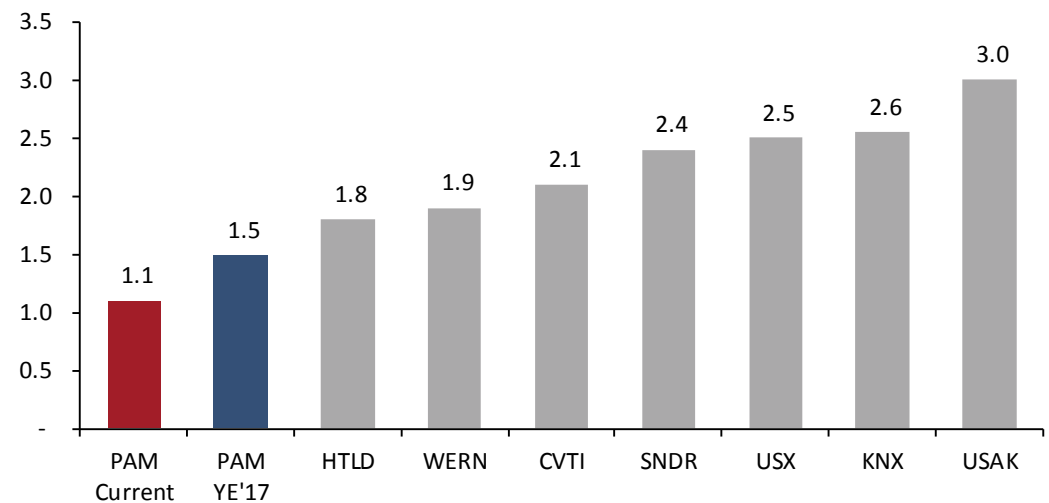
- Dedicated business
- Regional relays
 - Consistency and “closed loops”
 - Dependable weekly mileage = consistent pay checks
- Aging truck driver demographics industry-wide
 - PAM’s program focusses largely on bringing new drivers into the industry
- B1 Driver Program allows PAM to recruit drivers from Mexico, giving us a new & significant source of driver capacity
- “Driver life-cycle” allows a driver to enter the industry, gain experience in largely dedicated lanes, and evolve to be a business owner through our very favorable Lease to Own program



Source: Company filings.

Operating the Youngest Fleet in the Industry

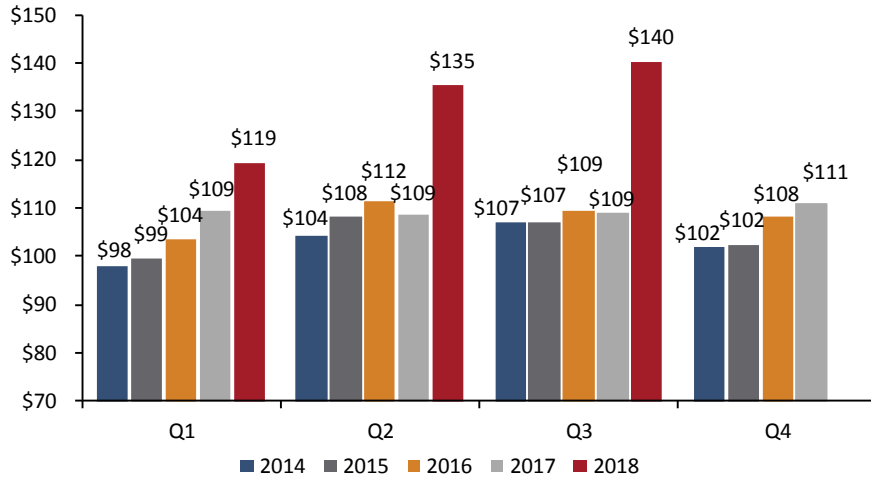
(Average Truck Age in Years, as of 12/31/17)



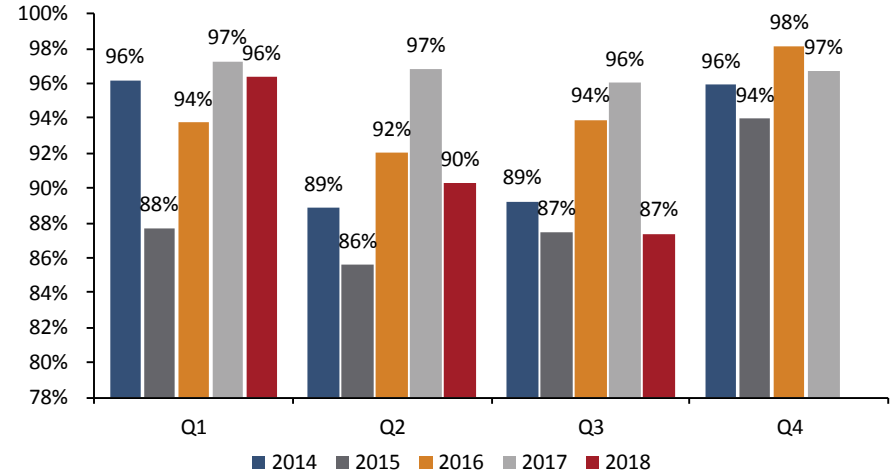
Operating Performance

(Dollars in Millions, except Per Share Data)

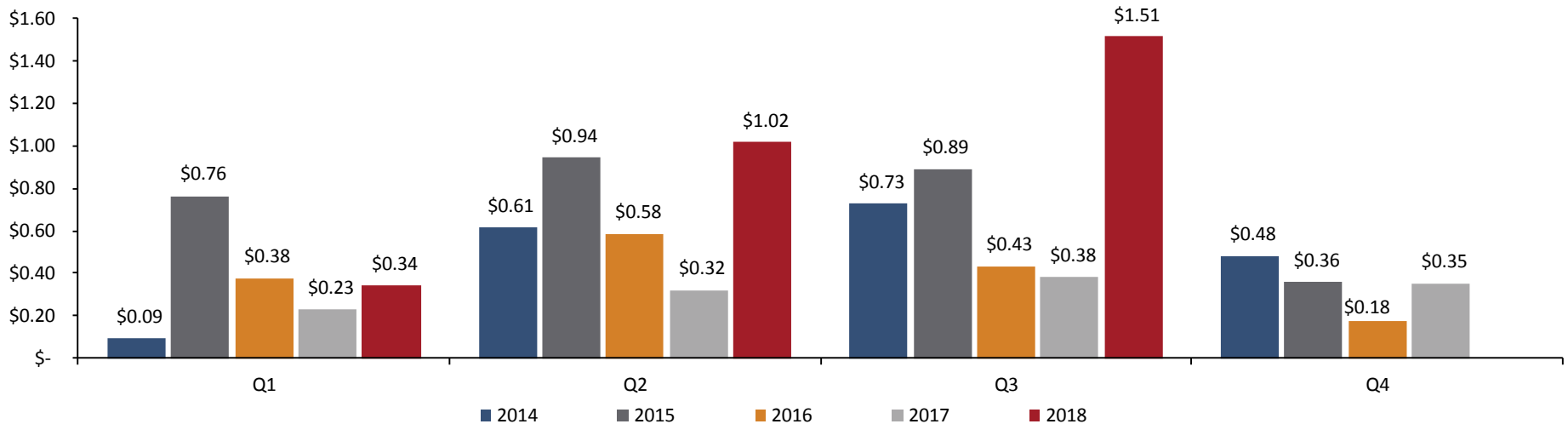
Total Revenue



Truckload Operating Ratio (Ex. FSC)



Normalized Earnings per Share ⁽¹⁾



(1): Normalized EPS calculated as earnings before taxes, less extraordinary items, minus a 25.0% tax rate.
Source: Company filings.

Select Statements of Operations Data

(Dollars in Thousands, except Per Share Data)

	2018 (thru 3Q18)	2017	2016	2015	2014	2013	2012	2011	2010	2009
	(data in thousands, except per share data)									
OPERATING REVENUES:										
Revenue, before fuel surcharge	\$ 329,244	\$ 373,523	\$ 382,737	\$ 355,403	\$ 316,584	\$ 313,117	\$ 297,698	\$ 284,178	\$ 282,524	\$ 260,774
Fuel surcharge	65,842	64,315	50,115	61,647	94,353	89,696	82,935	75,065	49,470	31,136
Total operating revenues	<u>395,086</u>	<u>437,838</u>	<u>432,852</u>	<u>417,050</u>	<u>410,937</u>	<u>402,813</u>	<u>380,633</u>	<u>359,243</u>	<u>331,994</u>	<u>291,910</u>
OPERATING EXPENSES AND COSTS:										
Salaries, wages and benefits	88,999	102,227	112,235	105,943	108,371	107,037	108,866	110,037	105,143	97,415
Operating supplies and expenses	70,203	79,505	82,993	89,878	126,875	137,268	155,392	168,567	132,582	105,154
Rent and purchased transportation	151,100	174,477	158,298	134,188	90,831	85,226	54,011	30,126	47,054	45,131
Depreciation	36,526	42,274	39,114	32,346	36,296	39,088	38,298	34,163	27,035	37,742
Insurance and claims	13,029	17,484	16,632	15,315	20,274	14,586	13,744	13,070	12,820	12,579
Other	8,910	9,249	8,352	8,904	9,871	8,956	7,585	8,525	7,900	7,611
(Gain) loss on disposition of equipment	(607)	(58)	(4,700)	(5,754)	(4,591)	(854)	(166)	98	(337)	931
Total operating expenses and costs	<u>368,160</u>	<u>425,158</u>	<u>412,924</u>	<u>380,820</u>	<u>387,927</u>	<u>391,307</u>	<u>377,730</u>	<u>364,586</u>	<u>332,197</u>	<u>306,563</u>
OPERATING INCOME	26,926	12,680	19,928	36,230	23,010	11,506	2,903	(5,343)	(203)	(14,653)
NON-OPERATING INCOME	688	5,853	1,485	1,516	2,099	1,540	3,288	1,551	852	(745)
INTEREST EXPENSE	(4,226)	(3,902)	(3,641)	(2,818)	(2,897)	(3,375)	(2,596)	(1,798)	(2,252)	(2,373)
INCOME BEFORE INCOME TAXES	23,388	14,631	17,772	34,928	22,212	9,671	3,595	(5,590)	(1,603)	(17,771)
Federal and state income tax expense	5,464	(24,268)	6,671	13,492	8,721	3,756	1,416	(2,733)	(948)	(2,924)
NET INCOME	<u>\$ 17,924</u>	<u>\$ 38,899</u>	<u>\$ 11,101</u>	<u>\$ 21,436</u>	<u>\$ 13,491</u>	<u>\$ 5,915</u>	<u>\$ 2,179</u>	<u>\$ (2,857)</u>	<u>\$ (655)</u>	<u>\$ (14,847)</u>
EARNINGS PER COMMON SHARE:										
Basic	<u>\$ 2.93</u>	<u>\$ 6.14</u>	<u>\$ 1.68</u>	<u>\$ 2.94</u>	<u>\$ 1.69</u>	<u>\$ 0.68</u>	<u>\$ 0.25</u>	<u>\$ (0.32)</u>	<u>\$ (0.07)</u>	<u>\$ (1.15)</u>
Diluted	<u>\$ 2.89</u>	<u>\$ 6.08</u>	<u>\$ 1.67</u>	<u>\$ 2.93</u>	<u>\$ 1.68</u>	<u>\$ 0.68</u>	<u>\$ 0.25</u>	<u>\$ (0.32)</u>	<u>\$ (0.07)</u>	<u>\$ (1.15)</u>
AVERAGE COMMON SHARES OUTSTANDING:										
Basic	<u>6,120</u>	<u>6,331</u>	<u>6,627</u>	<u>7,288</u>	<u>7,990</u>	<u>8,662</u>	<u>8,700</u>	<u>9,056</u>	<u>9,415</u>	<u>9,411</u>
Diluted	<u>6,203</u>	<u>6,398</u>	<u>6,649</u>	<u>7,325</u>	<u>8,034</u>	<u>8,682</u>	<u>8,702</u>	<u>9,056</u>	<u>9,415</u>	<u>9,411</u>



Source: Company filings.

Select Balance Sheet Data

(Dollars in Thousands)

	September 30 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013	December 31 2012	December 31 2011	December 31 2010	December 31 2009
(in thousands, except per share data)										
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 275	\$ 224	\$ 337	\$ 157	\$ 27,649	1,172	\$ 507	\$ 180	\$ 13,774	\$ 9,870
Accounts receivable-net:										
Trade, less allowance	75,834	59,055	56,143	49,312	52,983	58,484	50,017	48,019	48,193	45,911
Other	4,122	3,028	4,982	5,850	11,469	3,660	3,558	2,218	3,607	1,551
Inventories	1,620	1,660	1,900	1,890	1,306	1,498	1,770	1,658	832	750
Prepaid expenses and deposits	9,078	10,112	8,777	8,052	10,110	6,621	11,274	10,993	9,518	5,258
Marketable equity securities	28,710	26,664	27,621	24,575	24,895	20,975	17,320	20,264	18,273	14,921
Income taxes refundable	1,351	1,499	738	2,865	507	230	354	233	2,356	467
Deferred income taxes current	-	-	-	-	-	-	-	-	-	1,401
Total current assets	<u>120,990</u>	<u>102,242</u>	<u>100,498</u>	<u>92,701</u>	<u>128,919</u>	<u>92,640</u>	<u>84,800</u>	<u>83,565</u>	<u>96,553</u>	<u>80,129</u>
Property and equipment:										
Land	5,374	5,374	5,374	5,374	4,924	4,924	4,924	4,924	4,924	4,924
Structures and improvements	18,882	18,927	18,861	17,858	16,165	16,001	15,952	14,206	13,667	13,665
Revenue equipment	446,018	375,817	355,339	338,853	279,079	321,862	331,197	324,644	284,196	297,788
Office furniture and equipment	10,139	9,761	10,402	9,854	9,257	7,684	6,719	9,002	8,298	7,929
Total property and equipment	<u>480,413</u>	<u>409,879</u>	<u>389,976</u>	<u>371,939</u>	<u>309,425</u>	<u>350,471</u>	<u>358,792</u>	<u>352,776</u>	<u>311,085</u>	<u>324,306</u>
Accumulated depreciation	(138,794)	(122,935)	(112,600)	(109,087)	(116,178)	(116,246)	(128,353)	(159,646)	(145,708)	(145,526)
Net property and equipment	<u>341,619</u>	<u>286,944</u>	<u>277,376</u>	<u>262,852</u>	<u>193,247</u>	<u>234,225</u>	<u>230,439</u>	<u>193,130</u>	<u>165,377</u>	<u>178,780</u>
Other assets	3,053	2,999	2,392	2,442	2,439	2,437	2,430	2,398	2,410	1,747
TOTAL ASSETS	<u>\$ 465,662</u>	<u>\$ 392,185</u>	<u>\$ 380,266</u>	<u>\$ 357,995</u>	<u>\$ 324,605</u>	<u>\$ 329,302</u>	<u>\$ 317,669</u>	<u>\$ 279,093</u>	<u>\$ 264,340</u>	<u>\$ 260,656</u>
LIABILITIES AND SHAREHOLDERS' EQUITY										
Current liabilities:										
Accounts payable	42,142	19,645	16,088	17,791	41,695	27,970	19,025	23,803	17,092	14,492
Accrued expenses and other liabilities	21,822	17,609	22,330	27,093	27,517	22,502	21,308	9,670	9,497	10,504
Current maturities of long-term debt	62,413	73,641	42,806	40,025	42,908	40,103	28,918	17,438	23,410	10,331
Total current liabilities	<u>126,377</u>	<u>110,895</u>	<u>81,224</u>	<u>84,909</u>	<u>112,120</u>	<u>90,575</u>	<u>69,251</u>	<u>50,911</u>	<u>49,999</u>	<u>35,327</u>
Long-term debt-less current portion	143,046	98,995	124,391	99,223	52,293	70,366	78,583	44,135	17,201	27,202
Deferred income taxes	59,919	54,691	80,293	72,309	60,076	52,415	47,640	46,570	49,192	51,000
Other long term liabilities	-	-	-	-	131	-	-	-	-	-
Total liabilities	<u>329,342</u>	<u>264,581</u>	<u>285,908</u>	<u>256,441</u>	<u>224,620</u>	<u>213,356</u>	<u>195,474</u>	<u>141,616</u>	<u>116,392</u>	<u>113,529</u>
SHAREHOLDERS' EQUITY										
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued	-	-	-	-	-	-	-	-	-	-
Common stock, \$.01 par value	116	115	115	115	115	114	114	114	114	114
Additional paid-in capital	82,601	81,559	80,822	80,429	79,926	78,811	78,448	78,036	77,837	77,704
Accumulated other comprehensive income	-	7,444	7,476	5,310	6,402	6,160	4,235	4,705	4,406	3,063
Treasury stock	(139,434)	(129,183)	(122,835)	(101,779)	(82,501)	(51,691)	(37,239)	(37,239)	(29,127)	(29,127)
Retained earnings	193,037	167,669	128,580	117,479	96,043	82,552	76,637	91,861	94,718	95,373
Total shareholders' equity	<u>136,320</u>	<u>127,604</u>	<u>94,158</u>	<u>101,554</u>	<u>99,985</u>	<u>115,946</u>	<u>122,195</u>	<u>137,477</u>	<u>147,948</u>	<u>147,127</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 465,662</u>	<u>\$ 392,185</u>	<u>\$ 380,066</u>	<u>\$ 357,995</u>	<u>\$ 324,605</u>	<u>\$ 329,302</u>	<u>\$ 317,669</u>	<u>\$ 279,093</u>	<u>\$ 264,340</u>	<u>\$ 260,656</u>



Source: Company filings.