



# Patriot Transportation Holding, Inc.

FRTL – A Transportation Company



Thompson S. Baker, II  
Chief Executive Officer

# Patriot Transportation Holding, Inc.

This presentation and discussion may include comments or information about the future of Patriot Transportation Holding, Inc. and subsidiaries, including plans, expectations and, in some cases, predictions. These forward-looking statements are based on management's beliefs and assumptions and are, by their nature, subject to risks and uncertainties that could cause actual results and events to differ materially from those indicated in such forward-looking statements. These include general business conditions, competitive factors, political, economic, regulatory, climatic, pricing, energy costs and technological contingencies. Additional information regarding these and other risk factors and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.

We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of changes in actual results, changes in assumptions or any other factors.

## Company Overview

Our Company was spun off from Patriot Transportation Holding, Inc. (now known as FRP Holdings, Inc.) on January 30, 2015 whereby we retained the Patriot name to be used in our transportation business. Our only operating subsidiary, Florida Rock & Tank Lines, Inc., has served as a premier bulk tank carrier since 1962. As an industry leader, we continue to grow in the southeastern United States transporting petroleum and other liquid and dry bulk commodities.

## Who We Are

While the tank truck industry continues to be very fragmented, for the past decade we have consistently operated as one of the few large, top tier tank truck haulers in the southeastern United States. We have continued to grow our market footprint, our driver count and our revenues and are poised to continue that growth with a strong balance sheet and cash flows, a newly created public stock currency and excellent committed financing from Wells Fargo and BB&T.

# Setting Ourselves Apart In The Industry

We are continuing to set ourselves apart in the industry by focusing on several key items we believe add tremendous value to our customers:

- ▶ A very “customer friendly” back office staff, including our IT department, which works closely with our customers on key initiatives to link our two companies together.
- ▶ A sharp focus on hiring and retaining the best drivers available to deliver our customers products on time and safely.
- ▶ With the support of our central and nighttime dispatch centers in Jacksonville, Florida, we are able to operate 24 hours a day, 7 days a week thus providing our customers with a valuable service and accessibility to our employees whenever a need arises.
- ▶ A large footprint throughout the southeastern United States which allows us to temporarily send drivers from one location to another when required by our customers’ needs or as growth opportunities arise.

# Transportation Overview



Haul petroleum and other liquid and dry bulk commodities

21 Terminals & 9 Satellite Locations

482 Tractors/588 Trailers

685 Drivers



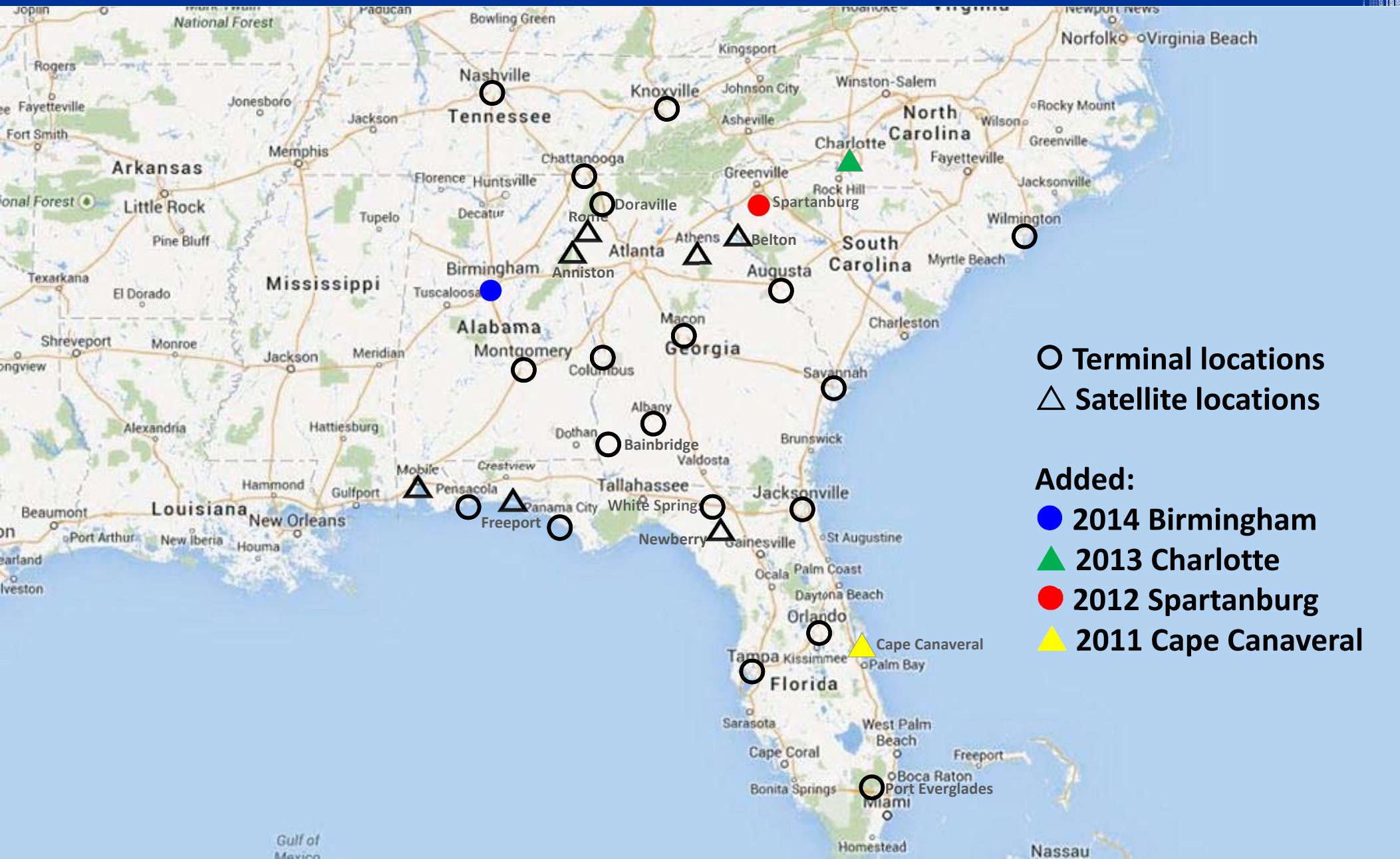


# Petroleum, Chemical and Dry Bulk Hauling



- ▶ We ranked as the #12 tank truck carrier in the United States by gross revenue in the 2013 Bulk Transporter's Gross Revenue Report and we generated approximately 66% of our revenues in markets where we rank as one of the top three tank truck haulers.
- ▶ Approximately 82% of our transportation business consists of hauling petroleum related products used in transportation. Our petroleum clients include major convenience store and hypermarket accounts, fuel wholesalers and major oil companies.
- ▶ The remaining 18% of our business consists of hauling dry bulk commodities such as cement, lime, and various industrial powder products and chemicals such as sulfuric acid, caustic soda, methanol, water treatment materials and other industrial chemicals. Our dry bulk and chemical customers include large industrial companies, industrial accounts and products distribution companies.

# FRTL Locations





## Key Operating Strengths:

- ▶ Strong Customer Service and Support
- ▶ Excellent Safety Culture
- ▶ Strong Balance Sheet and Cash Flows with Excellent Returns on Capital Employed
- ▶ Seasoned Management Leadership Team

## Emerging Trends and Key Focuses:

- ▶ Driver Hiring, Training and Retention
- ▶ Integration of Technology with our Customers

## Customer Focus

- ▶ Nine of our current top ten largest volume customers have each been with us for over ten consecutive years and over the past five fiscal years, we have grown our annual revenues with these nine customers by 54.6%.
- ▶ We do not have long-term service agreements with our customers and rely completely on our service record, and other unique customer focuses to retain these major accounts year after year.
- ▶ We provide many unique services to our customers (e.g. web portal access, document imaging/billing, real-time load tracking, customized interface design, etc.) that many of our smaller competitors do not have the resources to provide.



# Customer Recognition

**Murphy Oil**  
**Carrier of the Year**  
**in 2010, 2011,**  
**2012 and 2013**



**Marathon**  
**2014**  
**Value Added Award**



# Safety Culture

- ▶ Safety is our #1 focus and our long proven track record has allowed us to self-insure and maintain low insurance premiums thus enhancing our profitability and providing confidence for our customers that their products will be delivered on time and safely.
- ▶ For the past 10 years, we have held our DOT recordable accident frequency rate under 1.0 per million miles and our preventable DOT recordable accident frequency rate under 0.3 per million miles, measures that clearly set us apart in our industry.
- ▶ Traditionally, our CSA scores have been well below the DOT established peer group thresholds and among the best in our industry peer group.



# Major Safety Awards

- ▶ 2011 National Tank Truck Carrier Outstanding Performance in Safety Award.
- ▶ Lockton Companies President's Award for Safety Excellence – 2009.
- ▶ Jim Anderson, Vice President, Safety and Risk Management
  - 2011 National Tank Truck Safety Director of the Year, 2010 Florida Trucking Association Safety Professional of the Year.



## Seasoned Leadership Team

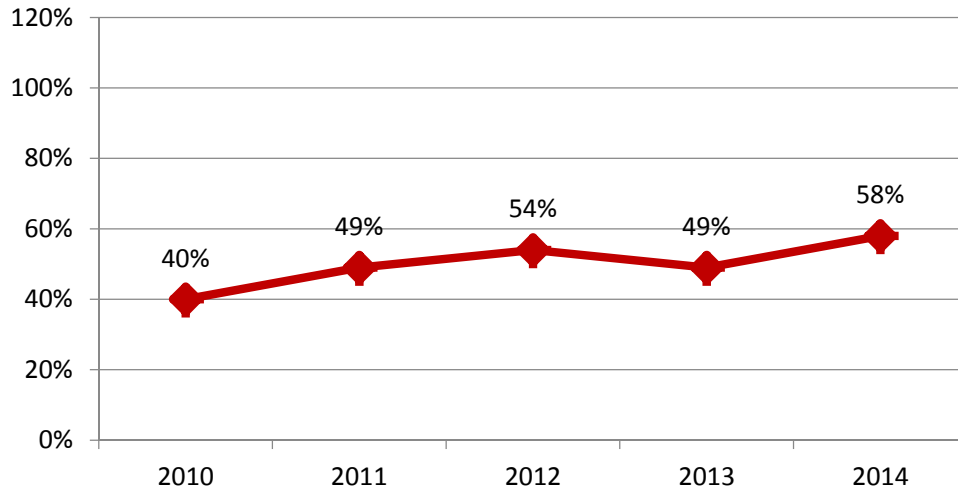
- ▶ Rob Sandlin – President, Florida Rock and Tank Lines, Inc.
  - 30 years in the industry; joined the company in '84, named VP in '93 and President '03.
- ▶ Jim Anderson – V. P. Safety & Risk Management, Florida Rock and Tank Lines, Inc.
  - 34 years in the industry; joined the company in '80, named VP in 2000.
- ▶ Terry Phipps – V. P. Sales, Florida Rock and Tank Lines, Inc.
  - 27 years in the industry; Served as President of Sunbelt Transport from 2003 until we sold the business in 2009, he joined FRTL in 2011 and has served in his current position since that time.

## Hire and Retain Drivers

- ▶ The trucking industry is experiencing one of the worst driver shortages in history.
- ▶ However, we have been able to successfully hire drivers over the past five years growing our average driver count from 540 in FY 2010 to 707 in FY 2014.
- ▶ We are implementing several new programs specifically related to hiring and retention and our employees, along with two national consulting firms, are focusing on different areas where we can improve these practices.
- ▶ We are certain that the future for survival in the trucking industry rests heavily on these key competencies, and we aim to be an industry leader in driver hiring and retention.

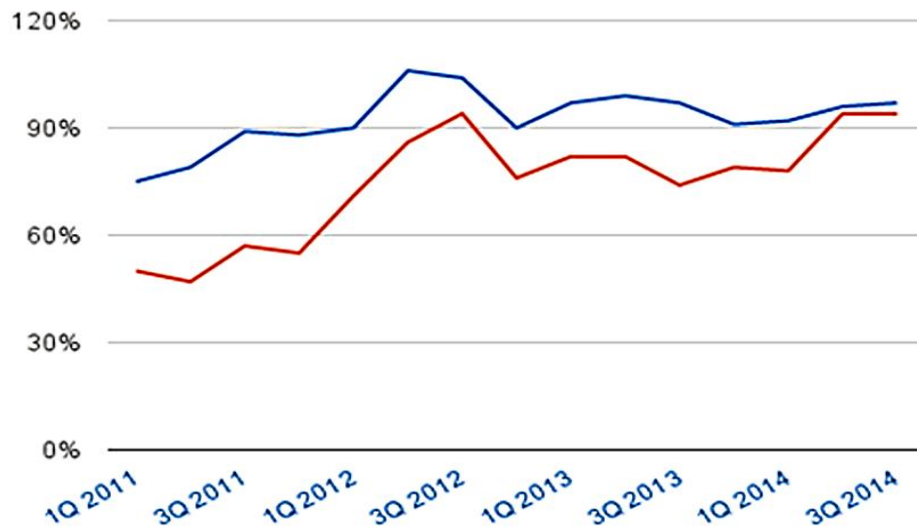
# Driver Turnover and Driver Count

## Company Annual Driver Turnover Rate



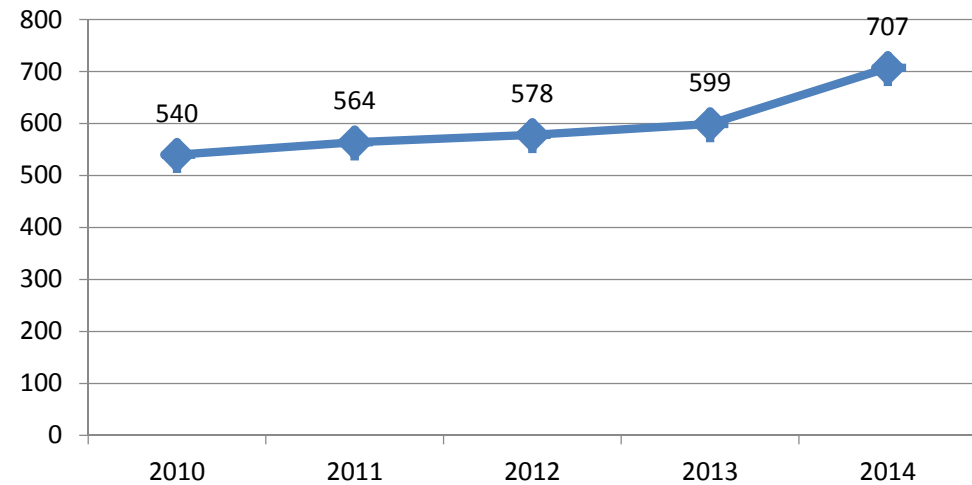
## Quarterly Truck Driver Turnover Rate by Carrier Type

■ Large Truckload ■ Small Truckload



Source: American Trucking Associations

## Driver Count





## Technology Investments

We have invested in several new technologies over the past decade (e.g., TMW Systems, Doclink, and Omnitrac) which allows us to provide our customers with unique benefits not traditionally found throughout the industry. In recent years, our I.T. group has worked directly with our customers to develop customized interfaces which have allowed us both to lower our costs thus enhancing those relationships and allowing us to build stronger partnerships.

## Central Dispatch and TLC

In an effort to continually ensure that our customers' needs can be met, and their issues addressed directly and timely every hour of every day, we have recently created:

- ▶ A Central Dispatch opened in 2014 and located in Jacksonville, Florida serving a large portion of our Florida terminals.
- ▶ A separate night time dispatch group opened in 2014 and located in Jacksonville, Florida which provides dispatching, communication and customer accessibility thus allowing many of our local terminal offices to close at night while still providing hauling services 24/7.

## Spin-off and Strategy Moving Forward

- ▶ With the spin-off of our transportation business into a separate, publicly traded company we feel we have gained a tremendous advantage in the acquisition markets as we are now one of only a few publicly traded tank truck companies.
- ▶ The tank truck segment of the transportation business is very fragmented with many well-run privately owned businesses and we feel our ability to use our public company stock as acquisition currency will appeal to these owners while allowing them the opportunity to partner with us and remain active in the business.
- ▶ To that end, we have an unsecured \$25M revolver with Wells Fargo and a signed commitment from BB&T for a secured revolving credit facility for up to \$25M to be used to continue our growth strategy.

# Patriot Transportation Holding, Inc.

## Financial Condition

(in millions except per share)

<b>Balance Sheet</b>	<b>12/31/2014</b>
Cash and Cash Equivalent	\$0
Current Assets	\$11.4
Total Assets	\$60.8
Shareholder Equity	\$33.8
Debt	\$6.6
Debt to Equity Percent	20%
Book value per share	\$10.43



# Consolidated Statements of Income

## Three Months Ended December 31

(In thousands, except per share amounts and change)

	2015	2014	Change
Revenues:			
Transportation Revenues	\$31,717	\$31,591	.0%
Operating profit:			
Transportation operating profit	\$1,833	\$1,237	48%
Net Income	\$1,102	\$740	49%
Earnings per common share:			
Diluted – total net income	\$.34	\$.23	48%

## Twelve Months Ended September 30

(In thousands, except per share amounts and change)

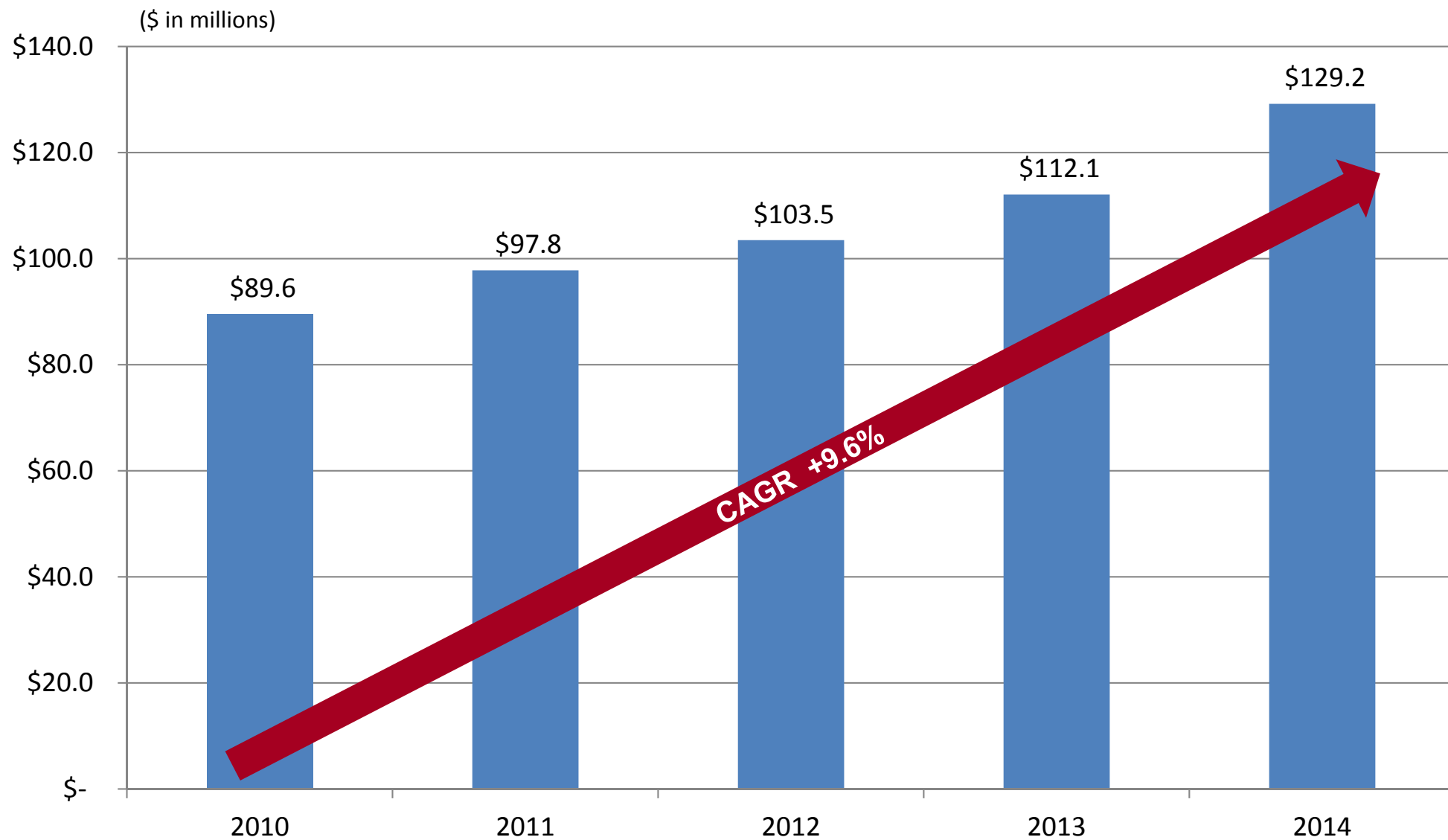
	2014	2013	Change
Revenues:			
Transportation Revenues	\$129,162	\$112,120	15%
Operating profit:			
Transportation operating profit	\$5,343	\$8,570	(38%)
Net Income	<u>\$3,197</u>	<u>\$5,216</u>	(39%)
Earnings per common share:			
Diluted – total net income	\$.99	\$1.61	(39%)

# Year Over Year Transportation Metrics

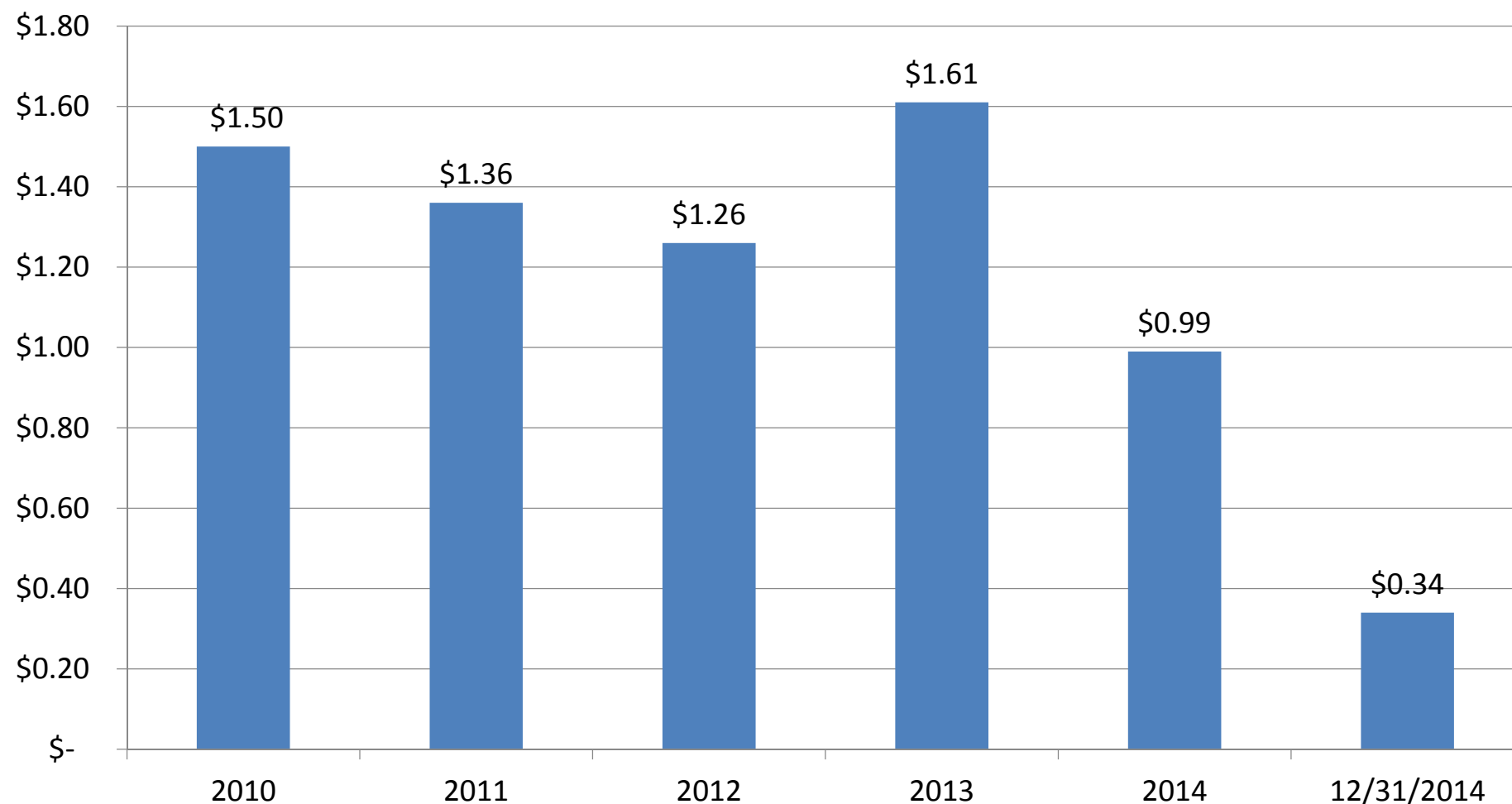
	<b>FYE 9/30/2011</b>	<b>FYE 9/30/2012</b>	<b>FYE 9/30/2013</b>	<b>FYE 9/30/2014</b>
Revenue	\$ 97,801,000	\$ 103,476,000	\$ 112,120,000	\$129,162,000
Operating Profit	\$ 6,996,000	\$ 6,736,000	\$ 8,570,000	\$ 5,343,000
Depreciation & Amort	\$ 6,877,000	\$ 7,153,000	\$ 7,819,000	\$9,294,000
Approximate Age of Tractor Fleet	4.15	3.91	3.59	3.41

	<b>As of 9/30/2011</b>	<b>As of 9/30/2012</b>	<b>As of 9/30/2013</b>	<b>As of 9/30/2014</b>
Driver Count	558	587	631	683
Tractor Count	415	419	435	486
New Tractors Purchased	47	65	96	77

## REVENUE GROWTH



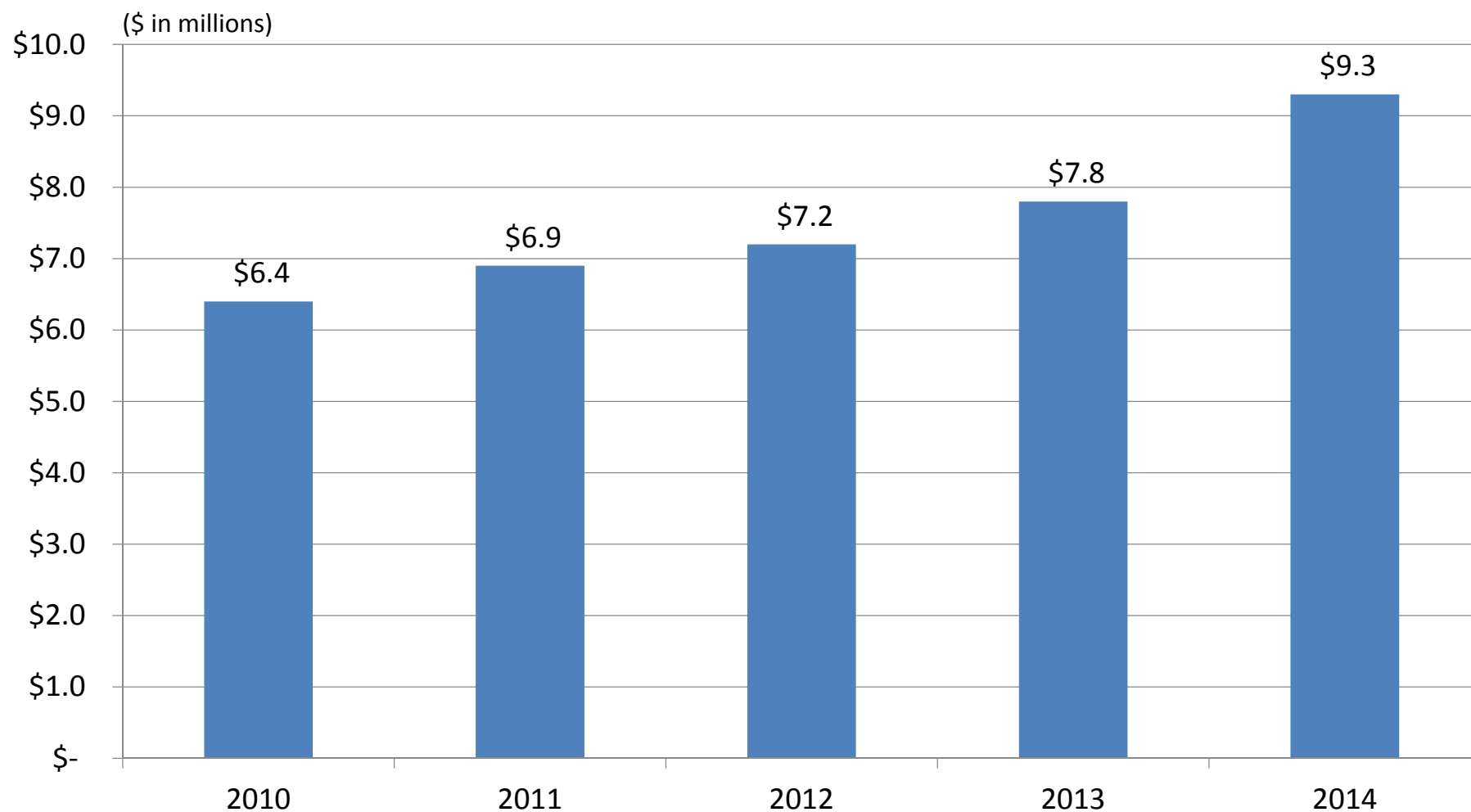
## Earnings Per Share From Continuing Operations



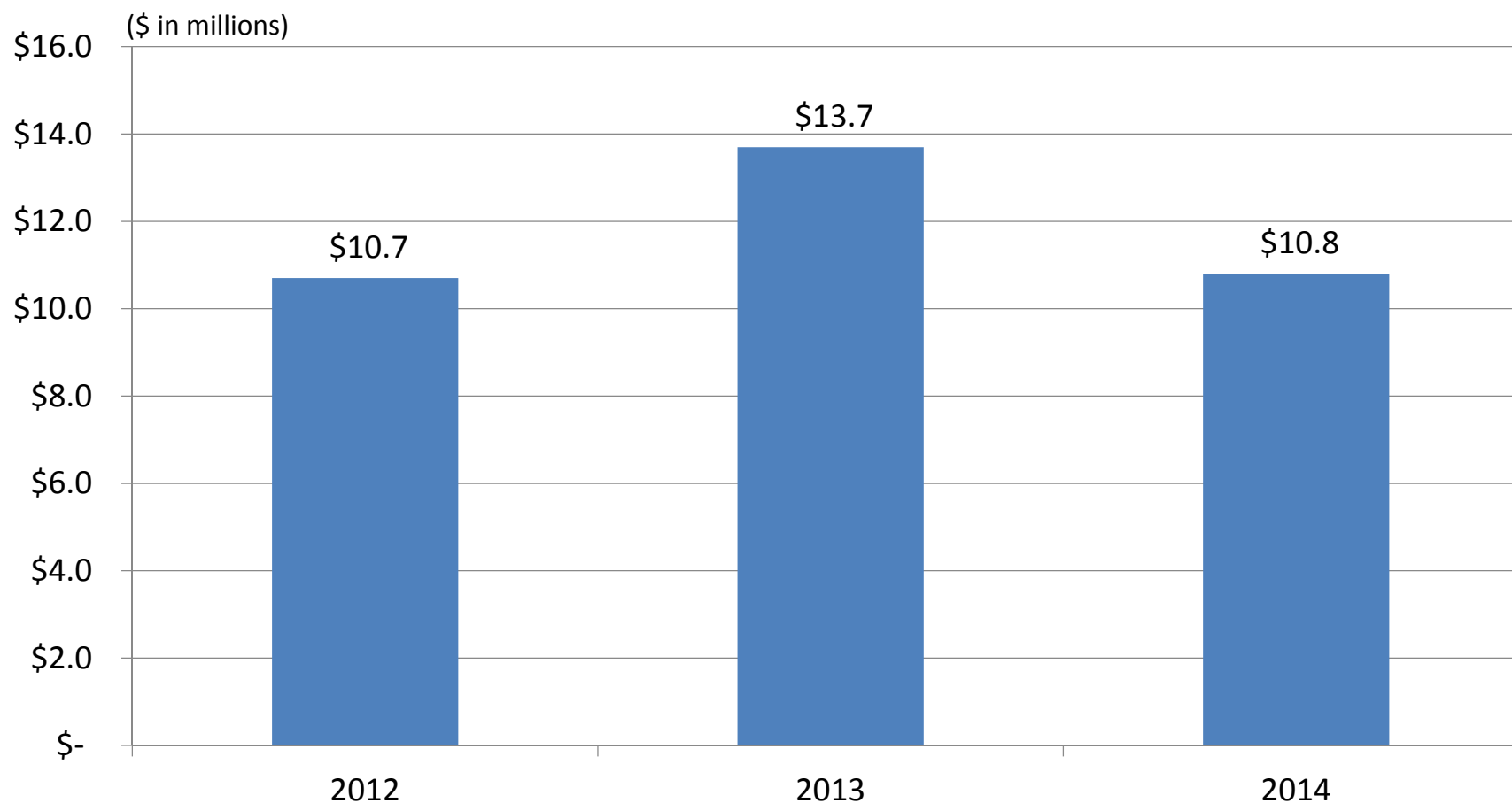
Note: Excludes discontinued operations. Based on 3,242,523 shares outstanding as of the spin-off date of January 30, 2015.



## Annual Depreciation, Depletion and Amortization Expense



## Net Cash Provided by Operating Activities



## Key Takeaways on Patriot Transportation Holding, Inc.

- ▶ History of strong returns on capital employed after tax
- ▶ History of strong operating ratios with current improvement trend
- ▶ History of improved returns in tight driver markets
- ▶ Proven safety culture achieving numerous industry awards
- ▶ Proven customer service focus achieving numerous custom awards
- ▶ Proven and respected management team in a fragmented segment of transportation
- ▶ Proven programs to retain and attract qualified drivers
- ▶ Continuing growth story in drivers, revenues and locations
- ▶ New found acquisition currency in publicly traded stock
- ▶ Growth capital available with \$25 million Wells Fargo Revolver and \$25 million BB&T facility

# CONTACT US

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## INVESTOR RELATIONS

John D. Milton, Jr.

Executive Vice-President, CFO, Treasurer, Secretary

NASDAQ: PATI

