



THIRD QUARTER 2023

# Investor Presentation

INNOVATIVE – RESILIENT – DRIVEN



## Agenda

- ▶ Business overview
- ▶ Strategy
- ▶ Capital allocation
- ▶ Technology and innovation
- ▶ People and values
- ▶ Secular trends
- ▶ Invest with SNDR
- ▶ Current results and outlook
- ▶ Appendix

## BUSINESS OVERVIEW

Driven by our uncompromising values to deliver the goods that enhance the lives of people everywhere.

### At a glance:



**88+**

Years in business



**17,000+**

Associates worldwide



**9,700,000+**

Freight miles per day

### Experienced Leadership, Focused on Growth and Delivering Shareholder Value



#### Mark Rourke

- Chief Executive Officer and President since 2019, previously serving as Executive Vice President and Chief Operating Officer.
- Started at Schneider in 1987 as a service team leader.
- Has held a variety of leadership roles including President of Truckload Services and General Manager of Schneider Transportation Management.



#### Darrell Campbell

- Executive Vice President, Chief Financial Officer since 2023, previously serving as Group Vice President of Strategy and Finance for JM Family Enterprises, Inc.
- Served as Chief Financial Officer for Carnival Cruise Line and Corporate Treasurer for Carnival Corporation & plc, and a partner at PricewaterhouseCoopers LLP.



#### Jim Filter

- Executive Vice President, Group President of Transportation and Logistics since 2022, previously serving as Senior Vice President/General Manager of Intermodal and Chief Commercial Officer.
- Started his career at Schneider in 1998 as a maintenance team leader.

## Premier multimodal provider of transportation and logistics solutions.

### Truckload Segment

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Over the road freight transportation via dry van, bulk, temperature-controlled and flat-bed trailers across either network (irregular route) or dedicated (structured route) contracts. Includes regional, long-haul, expedited, and cross-border services.

### Intermodal Segment

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Door-to-door company-owned container on flat car service through a combination of rail and company dray driver transportation, in association with our rail providers.

### Logistics Segment

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Asset-light freight brokerage, including Power Only services which leverages our nationwide trailer pools to match third-party capacity with customer demand, supply chain (including 3PL), warehousing and import/export services.

## BUSINESS OVERVIEW

**Truckload** consists primarily of **Dedicated contract configurations**, complemented by a **trailer-centric one-way Network operation**.



### Dedicated

- Contracted and consistent capacity through cycles
- Multi-year contracts with 90%+ renewal rates
- Driver-preferred alignment
- Organic and acquisitive growth focus
- Approximately 6,700 trucks and growing; one of the largest publicly-held dedicated providers in North America



### Network

- Scaled, one-way full truckload operation with best-in-class network management
- Services include long-haul, expedited, cross-border and regional
- Augmented by Power Only, a flexible option to solution customers' freight
- 4,300+ trucks; one of the premier network operators in North America
- Approximately 47,000 trailers across our Enterprise

## BUSINESS OVERVIEW

**Intermodal's goal is to double in size by 2030, leveraging our differentiated company-owned container, chassis and dray model.**



- 27,000+ company-owned containers and 23,000 company-owned chassis
- Approximately 1,600 company dray tractors, executing the majority of dray movements
- Introduced nearly 100 zero emission battery electric trucks into our intermodal business to further support our green initiatives
- Exclusive agreements with Precision Scheduled Railroad (PSR) rail providers – CSX (East), Union Pacific (West) and CPKC (Mexico)
- Provide customers with solutions to reduce carbon emissions; a container can be shipped 500 miles on the equivalent of a single gallon of diesel
- Third largest publicly-held intermodal carrier in North America

## BUSINESS OVERVIEW

**Logistics** continues to grow share by connecting shippers and carriers of all sizes through our advanced brokerage solutions, including Power Only.

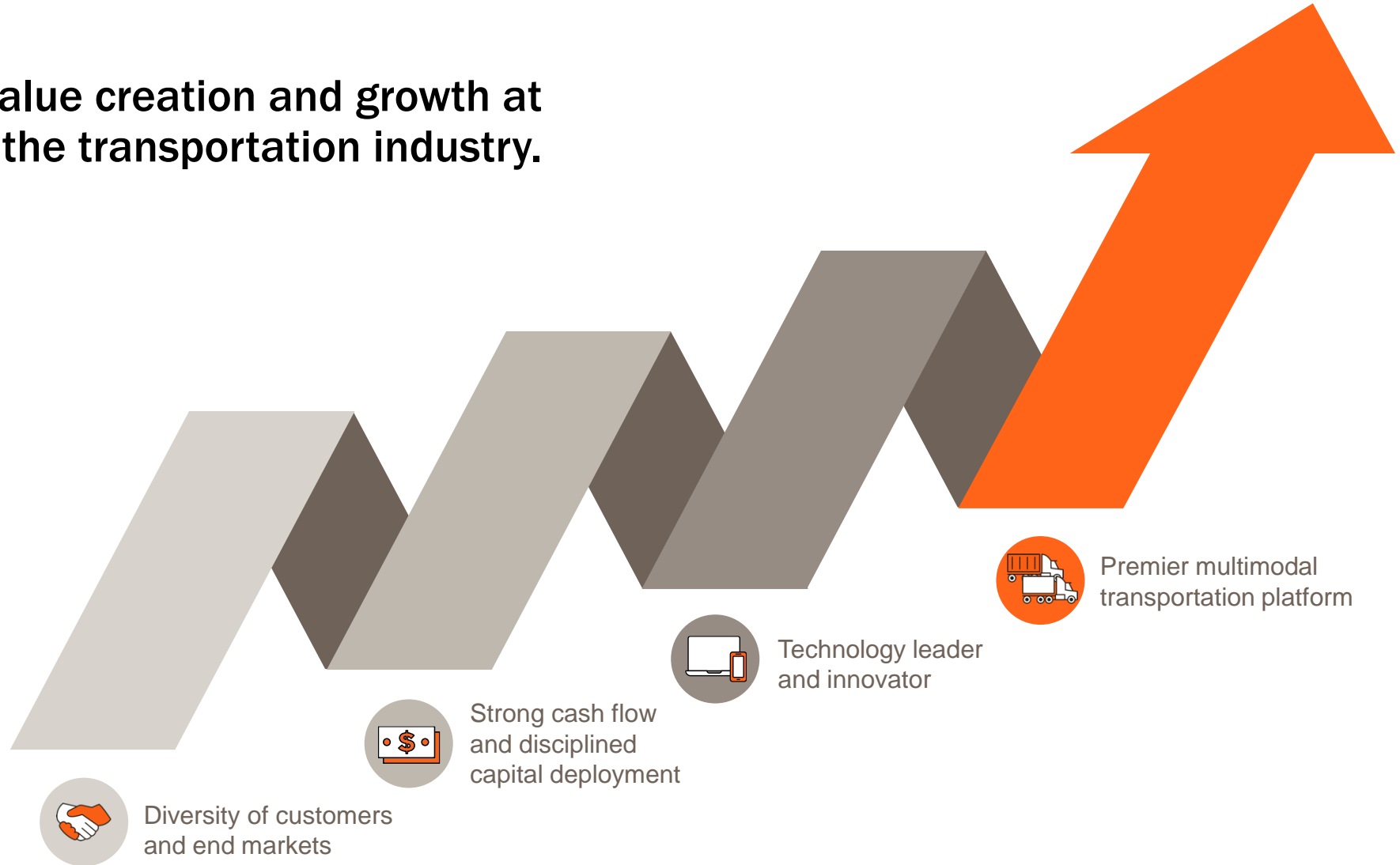
# Schneider FreightPower®



- 54,000+ qualified carriers in our network
- Enabled by proprietary Schneider FreightPower® technology which digitally aggregates freight and capacity
- Largest Power Only network in the industry
- A leader in supply chain digitalization
- Provider of expertise in port dray, warehousing and supply chain management

BUSINESS OVERVIEW

Positioned for value creation and growth at the forefront of the transportation industry.



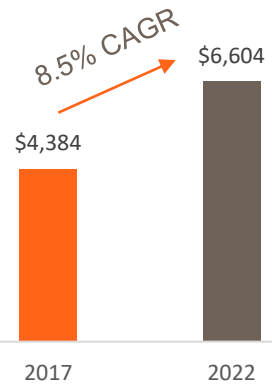


## BUSINESS OVERVIEW

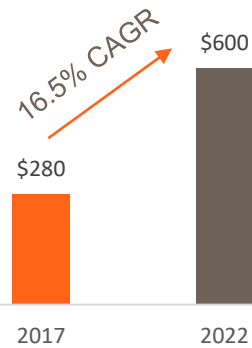
# Multimodal platform has delivered profitable growth and increasing returns to shareholders.

Growth focus on Intermodal, Logistics and Dedicated.

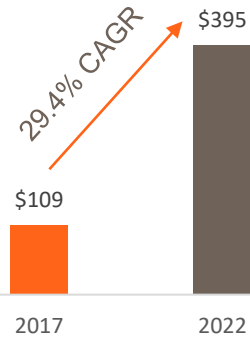
### Operating Revenues



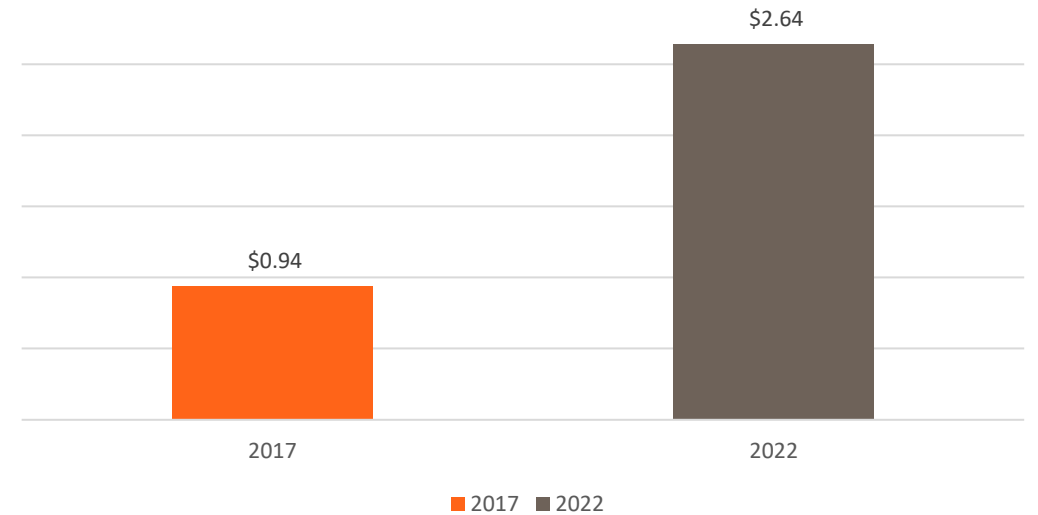
### Income from Operations



### Free Cash Flow



### Adjusted Diluted Earnings per Share

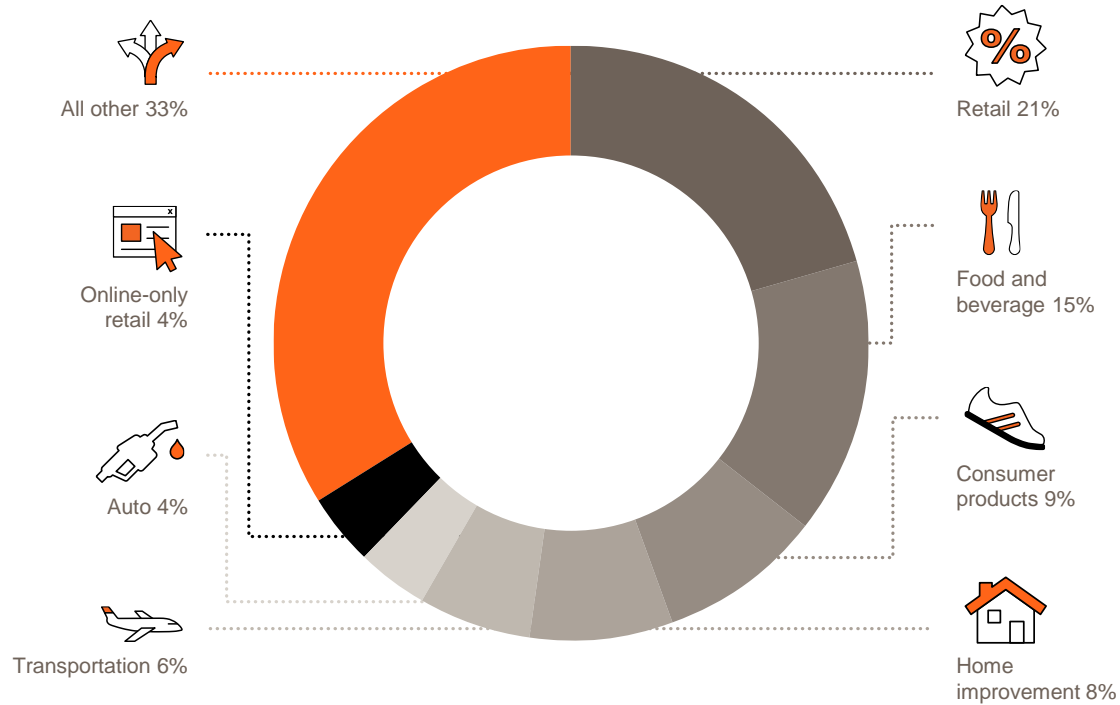


In millions, except EPS. See Appendix for non-GAAP reconciliations.

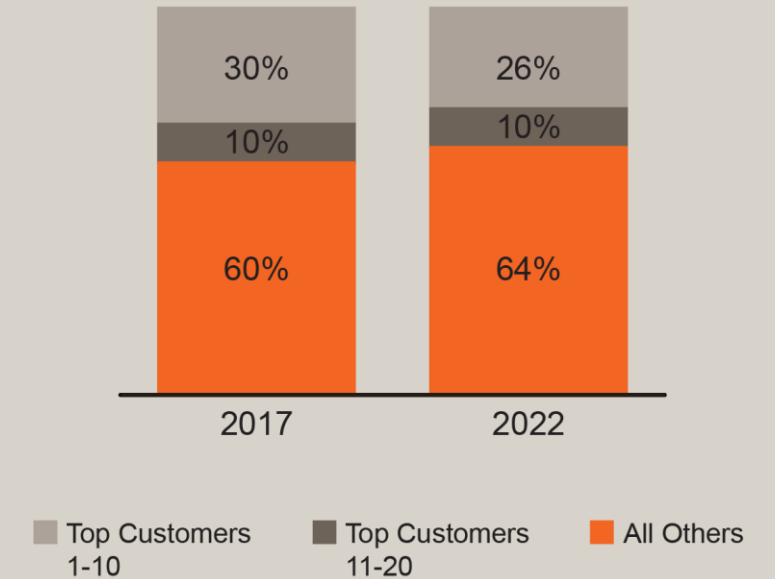
## BUSINESS OVERVIEW

# Diversity of customers and end-markets served supports resiliency through business cycles.

Diverse End-Market Footprint: 2022 Revenues (xFSC)



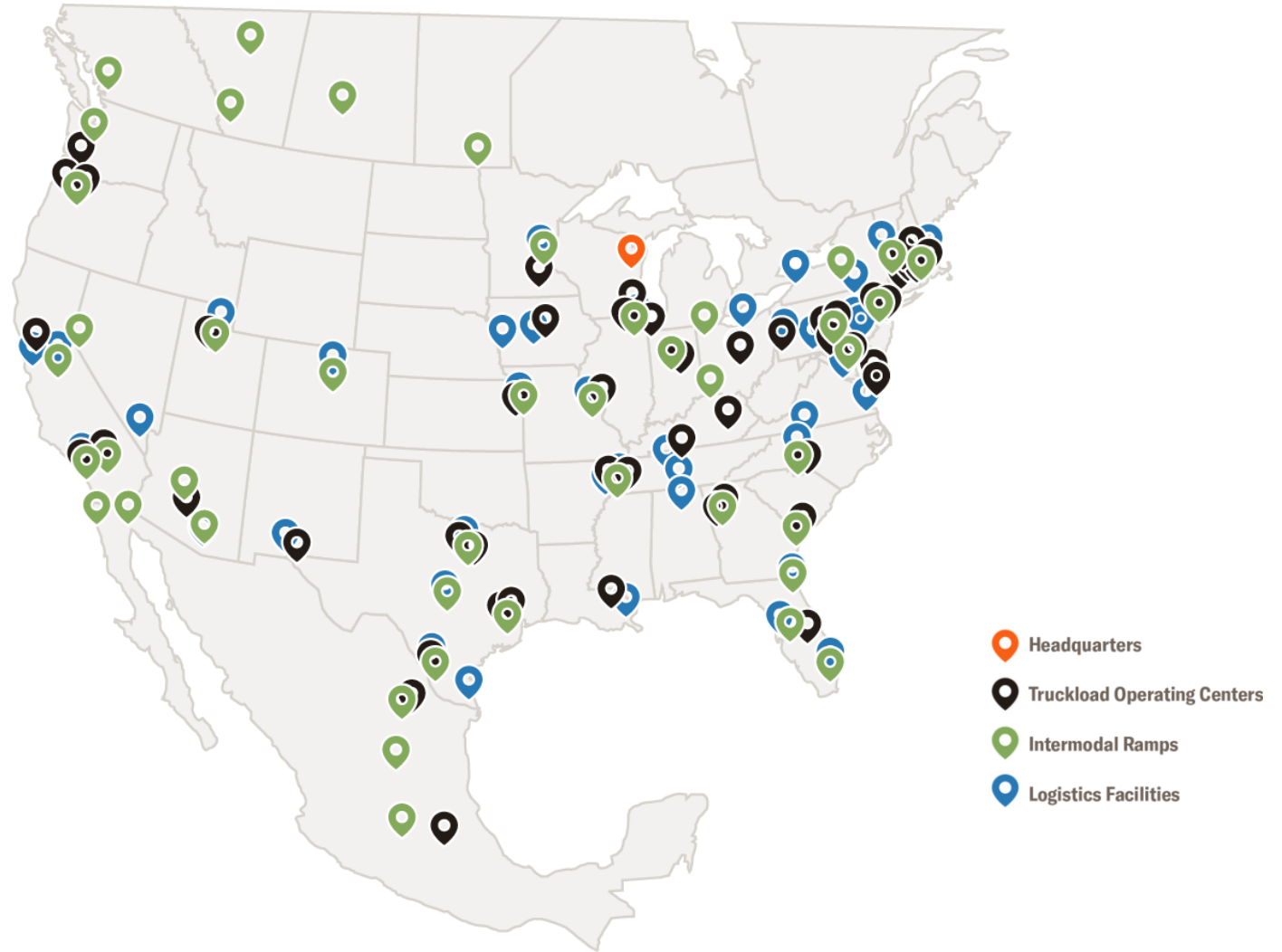
Growing Customer Base:  
Change in Customer Concentration



As of December 2022, Schneider offered its services to approximately 8,300 customers, including nearly 150 Fortune 500 companies. All of Schneider's top 25 customers used services from all three reportable segments.

BUSINESS OVERVIEW

Comprehensive North American footprint with industry-leading safety, culture and performance.



## STRATEGY

**Our strategy is to deliver a superior portfolio of services that enables our business to prosper and achieve sustainable growth in revenue and earnings performance and shareholder value.**

### Strategic approach

- ▶ Deploy capital to targeted service offerings in support of our goal to enhance shareholder return and grow the enterprise
- ▶ Further advance the portfolio of services, through organic and acquisitive methods, to ensure resiliency through economic cycles and maximize the value for our customers
- ▶ Design and implement digital-enabled tools that dramatically increase the speed and accuracy of information sharing and visibility with all stakeholders
- ▶ Advance our ESG goals and provide sustainability options, tools and services for our customers to reduce their carbon footprint

**Always  
delivering,  
always ahead**



STRATEGY

## Schneider's strategic growth areas are Intermodal, Logistics and Dedicated.

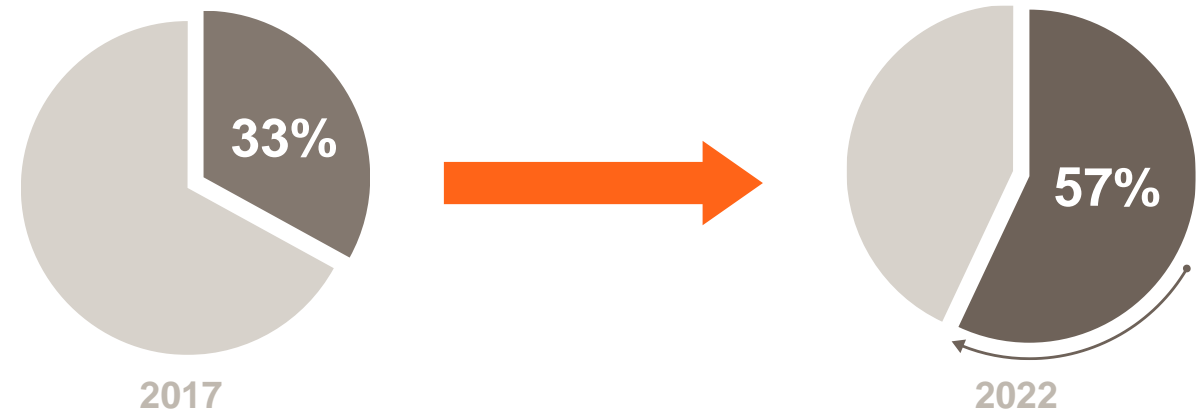
We have purposefully reshaped the portfolio since our April 2017 IPO to enable resiliency through cycles.

Increased earnings contribution from Intermodal and Logistics



*Based on sum of Truckload, Intermodal and Logistics*

Increased Dedicated mix within Truckload fleet



## CAPITAL ALLOCATION

Schneider's use-of-cash strategy creates a balance between growth, shareholder returns and resilient financial performance in all market conditions.



### MAINTAIN STRONG BALANCE SHEET

- Maintain investment grade financial position
- Ensure maximum resiliency and flexibility through business cycles
- Execute disciplined capital allocation priorities



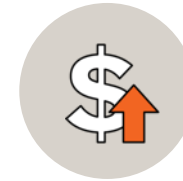
### FUND OPERATING AND GROWTH NEEDS

- Maintain optimal 'age of fleet' lifecycle
- Fund organic growth opportunities that maximize total shareholder return
- Invest in digital-enabled tools that enable operational excellence and strong customer satisfaction



### FUND ACQUISITIVE GROWTH NEEDS

- Deliver business growth through synergistic and accretive acquisitions

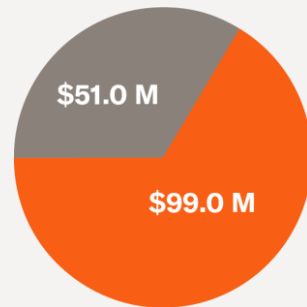


### COMMITTED TO SHAREHOLDER VALUE

- Deliver reliable and consistent quarterly dividends
- Target steady increase to quarterly dividends
- Advance \$150M share repurchase program

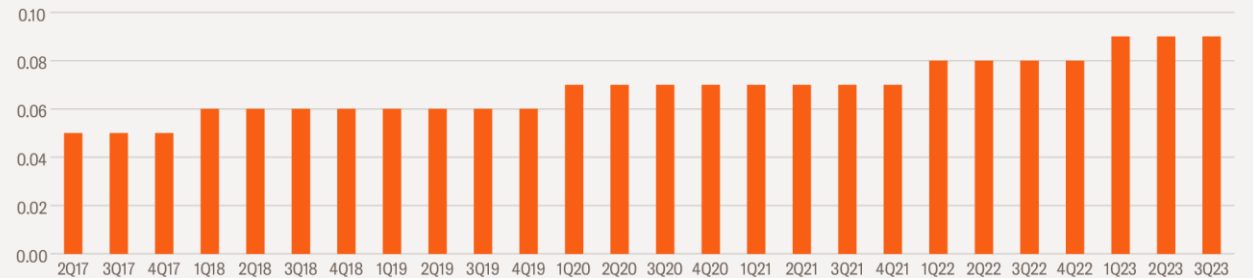
## Committed to shareholder value

Share repurchase program  
YTD as of Sept 30, 2023



- Announced our inaugural \$150.0 million, three-year share repurchase program in February 2023
- Represents a complementary component to our capital allocation framework
- Primarily serves to offset the dilutive effect of equity grants over time

Quarterly dividends  
As of Sept 30, 2023



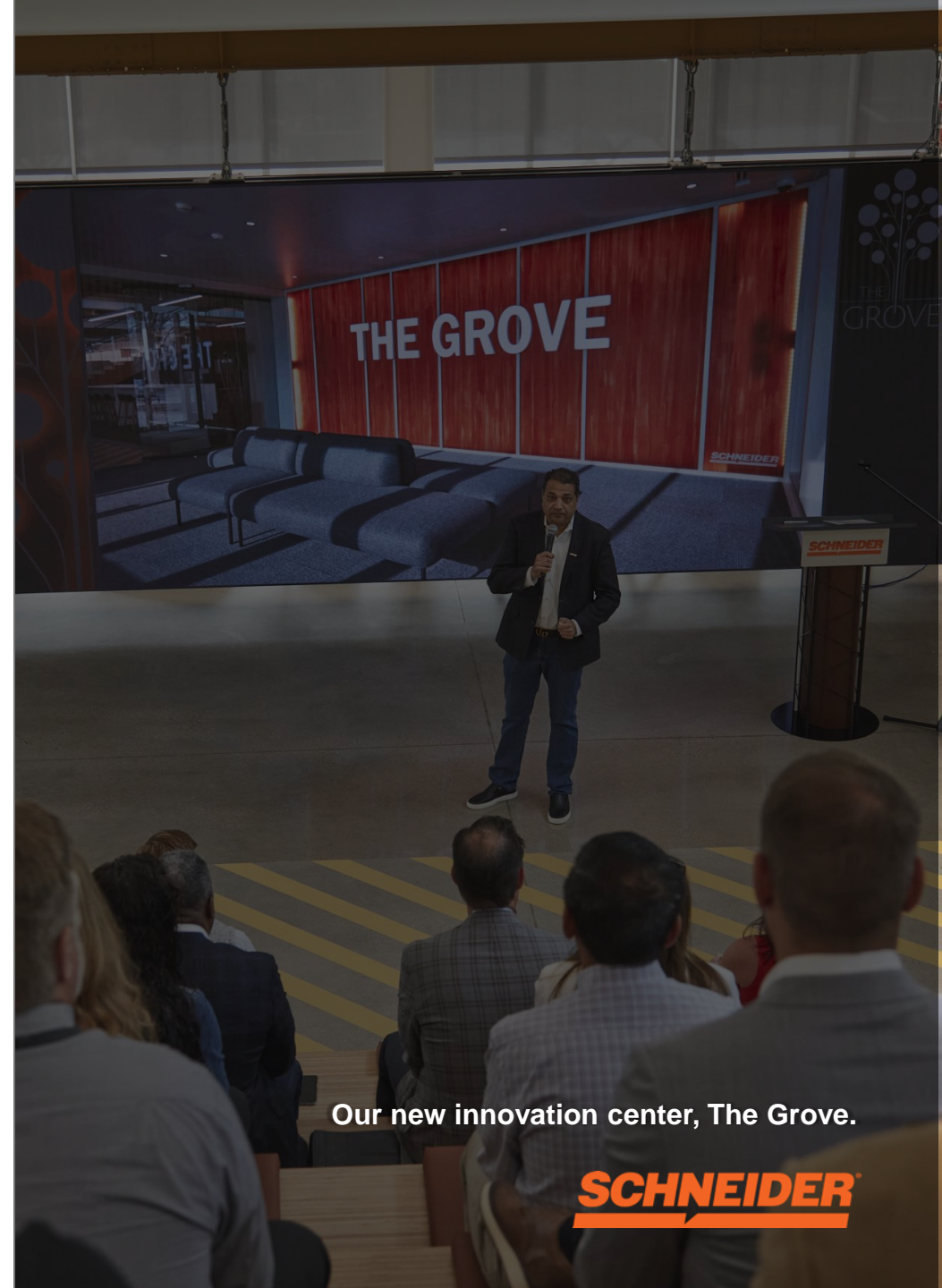
\*Does not include the \$2.00 special dividend paid in Nov 2020

- Committed to delivering consistent and reliable quarterly dividends
- \$47.7 million paid out year to date as of September 30, 2023
- Increased 80% since our IPO in April 2017

## TECHNOLOGY AND INNOVATION

# Tech investments are a catalyst for profitable growth as an Enterprise through our focus on automation, intelligence and aggregation.

- Driving growth through our Schneider FreightPower® marketplace by investing in seamless digital connections and transactions with shippers and carriers.
- Implementing the Mastery operating platform as a catalyst for our automation and simplification efforts.
- Expanding revenue management efforts to enhance decision-enabling data science across pricing and order acceptance and to balance visibility across capacity type.
- Driving simplification and automation throughout the enterprise by leveraging Application Programming Interfaces (APIs) and Robotic Process Automation (RPA) to do more with less human intervention.



Our new innovation center, The Grove.

**SCHNEIDER**



## PEOPLE AND VALUES

# How we do it is as important: Living out our core values in support of our vision.

### SAFETY FIRST AND ALWAYS



Schneider trucks are spec'd with the most advanced safety technology in the industry.



As of 12/31/22, Schneider had 6,510 drivers that have reached the 1 Million Safe Miles milestone.

### RESPECT FOR ALL



Schneider has provided \$10 million in Foundation and Diversity Grants in five years.



Schneider was recognized by Forbes as a leading employer for diversity.

### INTEGRITY IN EVERY ACTION



Schneider earns PepsiCo Asset Sustainability Carrier of the Year.



Over 50% increase in women drivers in two years.

### EXCELLENCE IN WHAT WE DO



Dedicated account retention over 90%.



Schneider FreightPower® team generates 70,000 carrier downloads in iOS.

## PEOPLE AND VALUES

Our commitment to sustainability across our business and leadership allows us to authentically address a changing landscape to build a fleet and workforce for the future.

**7.5% by 2025**

Reduced CO<sub>2</sub>  
emissions per mile

**60% by 2035**

Reduced CO<sub>2</sub>  
emissions per mile

**2X Intermodal  
size by 2030**

Reducing  
emissions by  
additional 700M  
pounds per year

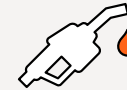
**Net zero by  
2035**

For all company-  
owned facilities

We are committed to:



Utilizing **diverse modes of transportation.**



Using **alternative fuels.**



Collaborating with the **most energy-efficient railroads and third-party carriers.**



Improving **miles per gallon** through truck design, equipment, professional drivers and operations.



Integrating **electric vehicles (EV) and zero emission vehicles (ZEV)** into our fleet and sharing key learnings.



Testing **breakthrough technology** and equipment.

## PEOPLE AND VALUES

**As experts in the shipping industry, we advise our customers on how our operations fit into their overarching emissions reduction goals.**

Collaboration is necessary to understand, measure and reduce scope 3 emissions. At Schneider, we are committed to operating one of the most energy efficient fleets in North America.

### **Moving Forward Together**

We are committed to advancing the efficiency and sustainability of our supply chains by:

- Using technology to create a sustainable value chain.
- Continuing to enhance leadership, governance and management of ESG.



Fleet decarbonization is critical to PepsiCo's goal to achieve net zero emissions by 2040. That's why we partner with transportation providers like Schneider who continue to make advancements in equipment and technology to drive better emissions. With our scale, reach and the support of partners like Schneider, we can lead positive change at a systemic level, within and beyond our own value chain."

Roberta Barbieri  
Vice President,  
Global Sustainability, PepsiCo



## SECULAR TRENDS

# Secular trends that drive our strategy and our future growth.



## TRUCKLOAD

**Customers value committed contract freight in order to build reliability and resiliency into their supply chains.**

- Our Dedicated business provides customers with expedited, specialty and customized freight solutions for their dynamic and evolving needs.
- We are investing in our Dedicated fleet through organic and acquisitive means.



## INTERMODAL

**Increased focus on ESG/sustainability goals with customers, consumers and investors.**

- Intermodal is the greenest method of long-distance freight transportation.
- We are investing in our fleet with differentiated rail providers in order to accelerate our growth.
- Introduced nearly 100 zero emission battery-electric trucks into our intermodal business to further support our green initiatives.



## LOGISTICS

**Challenging capacity conditions are expected in the transportation market.**

- We are increasing digital connection between carriers and shippers for efficiency, visibility and accuracy.
- Helping our customers solve for their capacity needs through our Schneider FreightPower® platform, seamlessly connecting shippers and carriers of all sizes.
- Carrier of choice for 3<sup>rd</sup> party capacity due to our technology and Power Only offering.

## INVEST WITH SNDR

# Positioned for value creation and growth at the forefront of the transportation industry.



### Diversity of customers and end markets

- Supports enterprise resiliency through business cycles.
- Enabled by customer optionality across portfolio of services.
- Provides additional growth opportunities across our Enterprise.



### Strong cash flow and disciplined capital deployment

- Low leverage profile with ample access to capital.
- Focus on both organic and acquisitive growth.
- Increasing returns to shareholders.



### Technology leader and innovator

- Proprietary Schneider FreightPower® technology for shippers and carriers.
- Leader in digital supply chain technologies, decision science, automation and visibility.
- Industry-leading safety technologies.



### Premier multimodal transportation platform

- Most diverse logistics and transportation platform in North America.
- Portfolio of services enables profitable growth in all market conditions.
- Focus on strategic growth drivers of Dedicated, Intermodal and Logistics.



We experienced year over year declines in revenue and earnings in the third quarter, a period which we believe represents the most challenging phase of this prolonged freight recession.”



Mark Rourke  
President and  
Chief Executive Officer

## CURRENT RESULTS AND OUTLOOK

We are preparing our business for the inevitable market recovery and advancing our strategic objectives for Dedicated, Intermodal, and Logistics

	3Q23	3Q22
Operating Revenues	\$1,352	\$1,675
Revenues (xFSC)	\$1,179	\$1,442
Income from Operations	\$47	\$145
Adjusted Income from Operations	\$48	\$146
Diluted EPS	\$0.20	\$0.70
Adjusted Diluted EPS	\$0.20	\$0.70
Adjusted EBITDA	\$144	\$234

*In millions, except EPS. See Appendix for non-GAAP reconciliations.*



## Acquisition of M&M Transport Services, LLC

### Enhancing shareholder value

- Leading provider of dedicated transportation with a 30+ year successful history of growth
- Demonstrated reputation for customer service with long tenured relationships

### Advancing our strategic objectives

- Complementary cultures that emphasize growth, driver experience and retention, superior customer service and dedication to values – with safety at the forefront
- Deploys approximately 470 trucks and 1,900 trailers across 12 locations in the Northeast, Midwest and Southwest
- Sets Schneider on the glidepath towards \$1.5 billion in annual dedicated contract revenues

### Focusing on the future

- Reported in Dedicated operations as part of the Truckload segment as of Aug 1, 2023
- M&M Transport remains a wholly owned subsidiary of Schneider



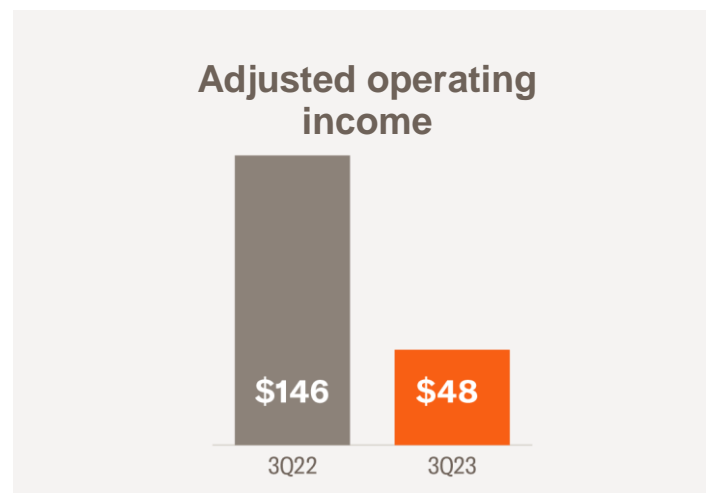
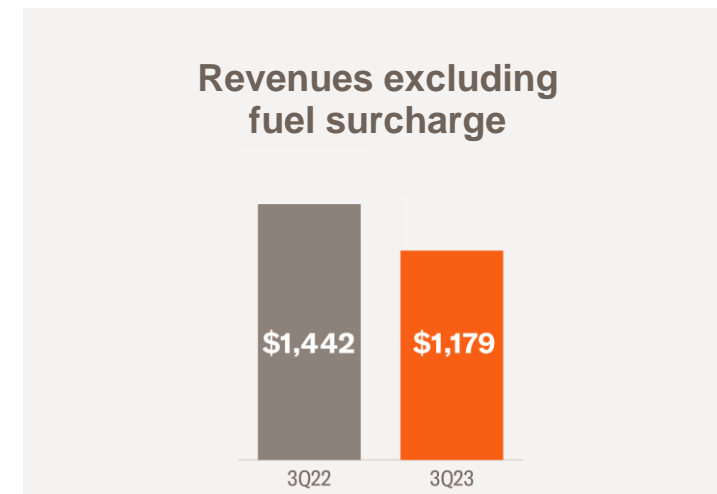
*Schneider has acquired dedicated transportation carrier M&M Transport Services, LLC as of Aug. 1, 2023*

**SCHNEIDER**

## CURRENT RESULTS AND OUTLOOK

### 3Q23 Enterprise Results

- Third quarter results were impacted by a variety of transitory and macro-related headwinds, the largest component being unfavorable pricing in our network businesses.
- Intermodal and Logistics contributed 52% to segment revenues and 44% to segment earnings in the quarter.



*In millions, except EPS. See Appendix for non-GAAP reconciliations.*



## CURRENT RESULTS AND OUTLOOK

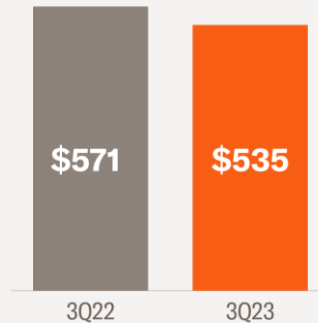
### 3Q23 Truckload Results

- Lower revenues and earnings YoY driven by unfavorable pricing primarily in Network.
- Dedicated onboarded nearly 700 trucks of new business in the quarter, 2/3 from the M&M Transport acquisition, and 1/3 from organic growth.
- Dedicated now comprises over 60% of our Truckload fleet.

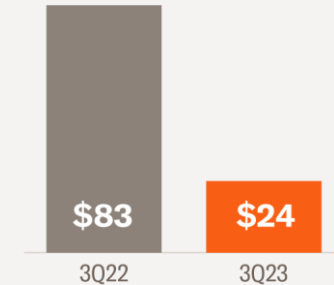


Long term margin target 12-16%

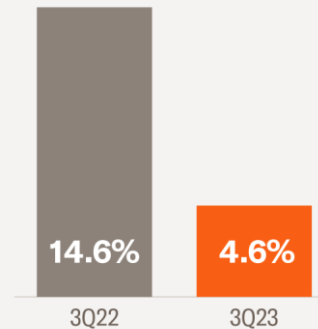
#### Revenues excluding fuel surcharge



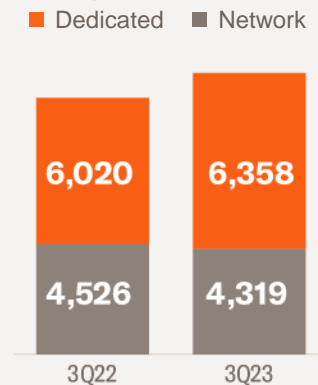
#### Income from operations



#### Margin



#### Average tractor fleet



Revenue and income from operations in millions. See Appendix for non-GAAP reconciliations.

## CURRENT RESULTS AND OUTLOOK

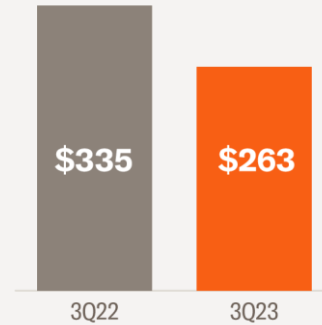
### 3Q23 Intermodal Results

- Volumes decreased 9% and revenue per order 16% lower YoY.
- The negative earnings impact of pricing and volume was partially offset by lower rail and dray-related costs.
- Complementary rail partnerships delivering synergistic and compelling service and transit times.

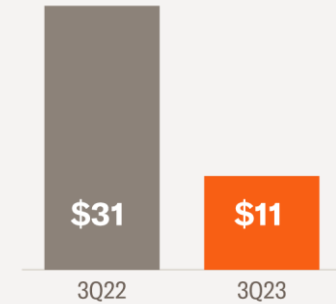


Long term margin target 10-14%

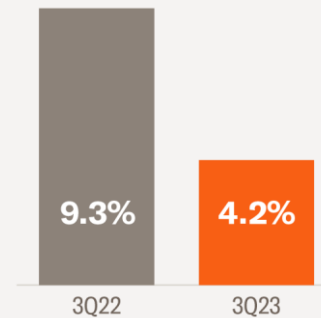
#### Revenues excluding fuel surcharge



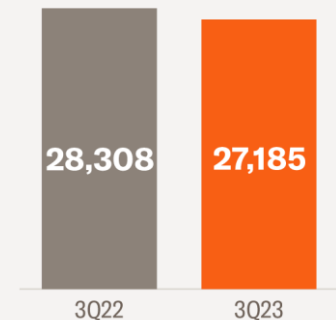
#### Income from operations



#### Margin



#### Containers



Revenue and income from operations in millions. See Appendix for non-GAAP reconciliations.

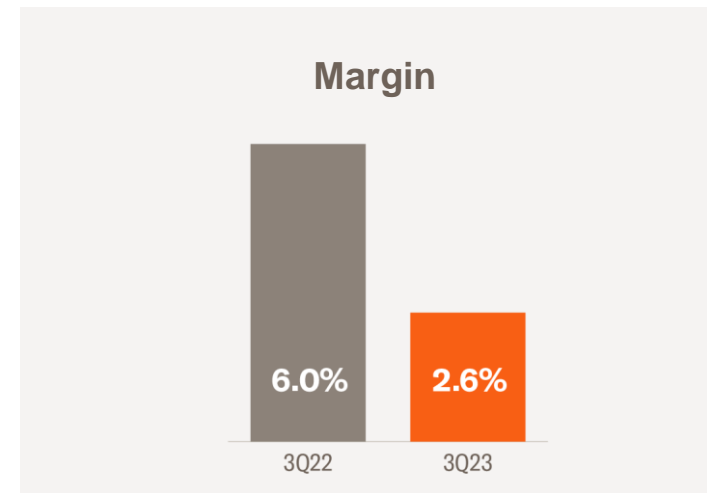
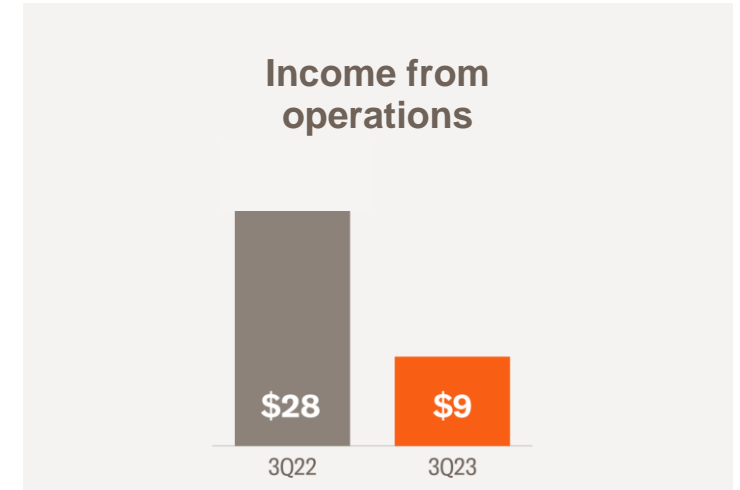
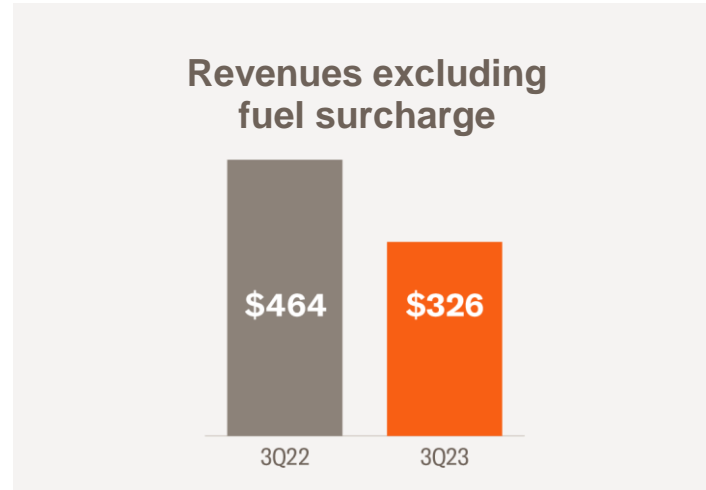
## CURRENT RESULTS AND OUTLOOK

### 3Q23 Logistics Results

- Decreased revenue per order impacted by lower market prices and an 11% decrease in brokerage volume YoY.
- Earnings declined due to lower volumes and net revenue per order, as well as reduced port dray activity.
- Logistics business continues to drive new business into the Enterprise through both brokerage and Power Only services.



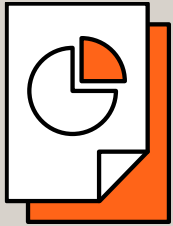
Long term margin target 5-7%



Revenue and income from operations in millions. See Appendix for non-GAAP reconciliations.

## CURRENT RESULTS AND OUTLOOK

We expect a continuation of current market conditions through 4Q23, therefore we have updated our FY23 guidance.



**\$1.40 - \$1.45**

Full year adjusted diluted earnings per share



**\$550 - \$575 million**

Full year net capital expenditures



We are intently focused on positioning our Enterprise for improving market conditions, which we expect to materialize in the first half of 2024.”



Darrell Campbell,  
Executive Vice President,  
Chief Financial Officer

## Disclaimer and Forward-Looking Statements



**Steve Bindas**

Director of Investor Relations  
920-357-SNDR  
investor@schneider.com

### Special Note Regarding Forward-Looking Statements

This presentation contains and, any commentary or discussion by management of the content of this presentation may include “forward-looking statements,” as defined in the Private Securities Litigation Reform Act of 1995 (the “Act”), which express management’s current views, expectations, beliefs, plans, or forecasts with respect to a variety of matters or future events which are relevant or potentially impactful to our financial performance, results of operations, future economic conditions, growth strategies, secular trends in our business and industry, our strategic investments or contingencies and risks and such statements and content are intended to come within the safe harbor protection provided by the Act.

Forward-looking statements are often characterized by words or phrases such as “may,” “will,” “could,” “should,” “would,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “prospects,” “potential,” “forecast,” and other words, terms, and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts or assumptions which are subject to certain risks and uncertainties. Any investor or potential investor is cautioned that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. A detailed discussion of the factors and other risks that could cause actual results to differ materially from those expressed or implied in forward-looking statements is discussed in our SEC filings, including our most recent report on Form 10-K, particularly under Item 1A, Risk Factors as supplemented by Item 1A, Risk Factors, in our most recently filed Quarterly Report on Form 10-Q. Copies of these filings are available on the SEC’s website ([www.sec.gov](http://www.sec.gov)), on Schneider’s Investor Relations website ([www.investors.schneider.com](http://www.investors.schneider.com)) or by contacting Schneider’s Investor Relations Department at (920) 357-7637.

### Non-GAAP Financial Measures Reconciliation

This presentation also includes and, management may reference when discussing its content, certain non-GAAP financial measures, including revenues (excluding fuel surcharge), adjusted income from operations, adjusted net income, adjusted diluted earnings per share (EPS), adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), and free cash flow. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of the Company’s historical financial performance and management also uses these measures internally to assess the operating performance of its business, to assess performance for employee compensation purposes, and to decide how to allocate resources. However, investors should not consider any of these non-GAAP measures in isolation from, or as a substitute for, the financial information that the Company reports. Likewise, these non-GAAP measures should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. A reconciliation of the non-GAAP measures and the most directly comparable financial measures calculated in accordance with U.S. GAAP is provided in the appendix of this presentation and is available on the Company’s website at [www.investors.schneider.com](http://www.investors.schneider.com).



# Appendix

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## APPENDIX

### Non-GAAP Reconciliation—Revenues Excluding Fuel Surcharge<sup>1</sup>

(\$M)	FY2017	FY2022	3Q23	3Q22
Operating revenues	\$4,384	\$6,604	\$1,352	\$1,675
Less: fuel surcharge revenues	386	863	173	234
<b>Revenues excluding fuel surcharge</b>	<b>\$3,997</b>	<b>\$5,742</b>	<b>\$1,179</b>	<b>\$1,442</b>

### Non-GAAP Reconciliation—Adjusted Net Income<sup>1</sup>

(\$M)	FY2017	FY2022	3Q23	3Q22
<b>Net income</b>	<b>\$390</b>	<b>\$458</b>	<b>\$36</b>	<b>\$126</b>
Litigation and audit assessments <sup>2</sup>	-	62	-	-
Duplicate chassis costs <sup>3</sup>	15	-	-	-
WSL contingent consideration adjustment <sup>4</sup>	(14)	-	-	-
Tax Cuts and Jobs Act <sup>5</sup>	(230)	-	-	-
Acquisition-related costs <sup>6</sup>	-	-	1	-
Property gain – net <sup>7</sup>	-	(51)	-	-
Sale of business <sup>8</sup>	-	5	-	-
Income tax adjustment <sup>9</sup>	(1)	(3)	-	-
<b>Adjusted net income</b>	<b>\$161</b>	<b>\$472</b>	<b>\$36</b>	<b>\$126</b>

### Non-GAAP Reconciliation—Adjusted Income from Operations<sup>1</sup>

(\$M)	FY2017	FY2022	3Q23	3Q22
<b>Income from operations</b>	<b>\$280</b>	<b>\$600</b>	<b>\$47</b>	<b>\$145</b>
Litigation and audit assessments <sup>2</sup>	-	62	-	-
Duplicate chassis costs <sup>3</sup>	15	-	-	-
WSL contingent consideration adjustment <sup>4</sup>	(14)	-	-	-
Acquisition-related costs <sup>6</sup>	-	-	1	-
Property gain - net <sup>7</sup>	-	(51)	-	-
Sale of business <sup>8</sup>	-	5	-	-
<b>Adjusted income from operations</b>	<b>\$282</b>	<b>\$617</b>	<b>\$47</b>	<b>\$146</b>

1. Table may not sum due to rounding.

2. 2022 — Includes a \$57.0M charge related to an adverse settlement related to a lawsuit with former owners of WSL and \$5.2M of charges related to an adverse audit assessment for prior years' state sales tax on rolling stock equipment used within that state.

3. As of December 31, 2017, the Company completed its migration to an owned chassis model, which required the replacement of rented chassis with owned chassis. Accordingly, the Company adjusted its income from operations for rental costs related to idle chasses as rented units were replaced.

4. Represents a fair value adjustment to the contingent consideration related to the acquisition of Watkins Shepard and Lodeso (WSL).

5. Represents the effect on deferred assets and liabilities of the change in the federal income tax rate from 35% to 21% as a result of the Tax Cuts and Jobs Act enacted in December 2017.

6. Advisory, legal and accounting costs related to the Company's acquisitions.

7. Net gain on the sale of our Canadian facility due to a change in approach to servicing Canada.

8. Includes loss from sale of our China-based logistics operations.

9. Tax impacts are calculated using the applicable consolidated federal and state effective tax rate, modified to remove the impact of tax credit and adjustments not applicable to the specific items.

## APPENDIX

### Non-GAAP Reconciliation—Adjusted EBITDA<sup>1</sup>

(\$M)	FY2017	FY2022	3Q23	3Q22
<b>Net income</b>	<b>\$390</b>	<b>\$458</b>	<b>\$36</b>	<b>\$126</b>
Provision for (benefit from) income taxes	(127)	146	11	42
Interest expense - net	17	7	2	1
Depreciation and amortization	279	350	97	88
Other expense (income) - net	(1)	(10)	(1)	(24)
Litigation and audit assessments	-	62	-	-
Duplicate chassis costs	15	-	-	-
WSL contingent consideration adjustment	(14)	-	-	-
Property gain - net	-	(51)	-	-
Sale of business	-	5	-	-
<b>Adjusted EBITDA</b>	<b>\$561</b>	<b>\$967</b>	<b>\$144</b>	<b>\$234</b>

1. Table may not sum due to rounding

### Non-GAAP Reconciliation—Free Cash Flow<sup>1</sup>

(\$M)	FY2017	FY2022	3Q23	3Q22
<b>Net cash provided by operating activities</b>	<b>\$461</b>	<b>\$856</b>	<b>\$183</b>	<b>\$225</b>
Purchases of transportation equipment	(389)	(535)	(156)	(162)
Purchases of other property and equipment	(33)	(53)	(9)	(16)
Proceeds from sale of property and equipment	70	126	35	30
Net capital expenditures	(352)	(462)	(130)	(148)
<b>Free cash flow</b>	<b>\$109</b>	<b>\$395</b>	<b>\$53</b>	<b>\$76</b>

### Non-GAAP Reconciliation—Adjusted Diluted Earnings per Share<sup>1</sup>

	FY2022	FY2021	3Q23	3Q22
<b>Diluted earnings per share</b>	<b>\$2.56</b>	<b>\$2.28</b>	<b>\$0.20</b>	<b>\$0.70</b>
Non-GAAP adjustments, tax effected	0.08	0.01	-	-
<b>Adjusted diluted earnings per share</b>	<b>\$2.64</b>	<b>\$2.29</b>	<b>\$0.20</b>	<b>\$0.70</b>

In millions, except EPS