

Werner Enterprises (WERN)

\$30.58 (Stock Price as of 12/25/2025)

Price Target (6-12 Months): **\$32.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 06/30/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM: D

Value: C

Growth: F

Momentum: F

Summary

Werner continues to witness a decline in operating expenses due to lower fuel costs, lower rents and purchased transportation costs, and salaries, wages and benefits expenses. A solid balance sheet allows the company to continue paying dividends and buying back shares, reflecting its pro-shareholder stance. Such moves boost investor confidence also. On the flip side, Werner's top line continues to grapple with weakness across both of its business segments. Driver shortage continues to be a major challenge facing the trucking industry. Considering all these factors, we advise investors to wait for a better entry point and not buy WERN now. For those who already own the stock, it will be prudent to stay invested. Our thesis is supported by our Neutral recommendation on the shares.

Data Overview

52 Week High-Low	\$38.60 - \$23.02
20 Day Average Volume (sh)	967,984
Market Cap	\$1.8 B
YTD Price Change	-14.9%
Beta	1.08
Dividend / Div Yld	\$0.56 / 1.8%
Industry	Transportation - Truck
Zacks Industry Rank	Bottom 21% (191 out of 243)

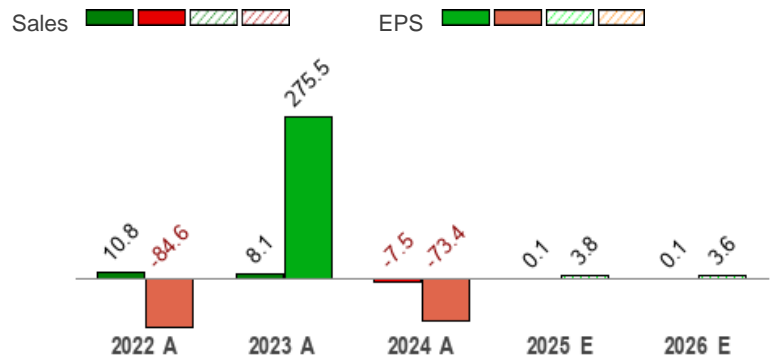
Last EPS Surprise	-120.0%
Last Sales Surprise	0.5%
EPS F1 Est- 4 week change	-36.7%
Expected Report Date	02/05/2026
Earnings ESP	-8.4%

P/E TTM	764.5
P/E F1	15.4
PEG F1	4.2
P/S TTM	0.6

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					3,035 E
2025	712 A	753 A	772 A		3,032 E
2024	769 A	761 A	746 A	755 A	3,030 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					0.57 E
2025	-0.12 A	0.11 A	-0.03 A		0.55 E
2024	0.14 A	0.17 A	0.15 A	0.08 A	0.53 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/25/2025.

(2) The report's text and the price target are as of 12/22/2025.

Overview

Werner Enterprises, Inc. is a transportation and logistics company founded in 1956. Headquartered in Omaha, NE, the company is primarily focused on transporting the truckload shipments such as retail store merchandise, consumer products, grocery products and manufactured products. The company operates mainly under two segments — Truckload Transportation Services (TTS) and Werner Logistics.

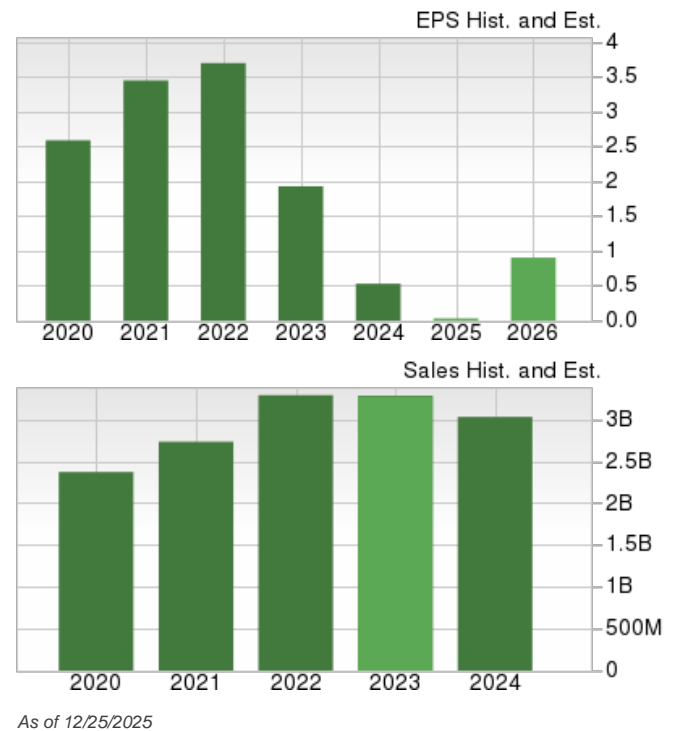
TTS: The TTS unit consists of Dedicated and One-Way Truckload. Dedicated offers truckload services by catering to the needs of a specific customer. At 2023-end, fleet size at the Dedicated unit was 5,265, down 3.4% year over year. Meanwhile, the One-Way Truckload comprises medium-to-long-haul van (Van) fleet, expedited (Expedited) fleet, regional short-haul (Regional) fleet and Temperature Controlled fleet. The medium-to-long-haul van transports various consumer nondurable products and other commodities while the expedited fleet delivers timely truckload services.

The regional short-haul fleet provides truckload van service across the United States. Meanwhile, the Temperature Controlled fleet renders truckload services for temperature-dependent products using temperature-controlled trailers. Tractors in service at the segment decreased 7% year over year to 8,000 at the end of 2023.

Werner Logistics: The Werner logistics unit is a non-asset-based logistics service provider. The segment operates under five units: truck brokerage (Brokerage), freight management (Freight Management), intermodal (Intermodal), Werner Global Logistics international ("WGL") and Werner Final Mile ("Final Mile"). The Brokerage segment completes customer shipments utilizing contracted carriers while Freight Management provides single-source logistics management services.

The Intermodal unit offers rail transportation services conjointly with rail and drayage providers whereas the Werner Global Logistics international offers management of global shipments. Meanwhile, the Final Mile caters to home and business deliveries of bulky products.

During 2024, TTS revenues accounted for 70.5% of the top line while Werner Logistics constituted 27.4% of the total revenues. Other sources accounted for the rest.



Reasons To Buy:

- ▲ Werner continues to witness a **decline in operating expenses** due to lower fuel costs, lower rents and purchased transportation costs, and salaries, wages and benefits expenses. During 2024, operating expenses declined 4.6% year over year. This was followed by a 6% decline in operating expenses during the first half of 2025. Lower cost naturally has the potential to boost the company's margins.
- ▲ WERN's **solid balance sheet** increases financial flexibility. The company ended third-quarter 2025 with cash and cash equivalents of \$50.98 million. Further, Werner's current ratio (a measure of liquidity) at the end of third-quarter 2025 stood at 1.62, which is higher than the fourth-quarter 2024's reading of 1.52. The favorable comparison with respect to current ratio looks encouraging. This may imply that the risk of default is less. Also, a current ratio greater than 1.5 is usually considered good for a company.
- ▲ A strong balance sheet enables the company to **reward shareholders with dividends and share repurchases**. WERN has a consistent track record of paying out dividends since 1987. Dividend paying stocks like WERN are generally safe bets for creating wealth, as these payouts act as a hedge against economic uncertainty, which characterizes current times. As a reflection of its shareholder-friendly stance, in 2022, WERN paid dividends of \$32.1 million and repurchased shares worth \$110.4 million. In 2023, WERN paid dividends of \$34.20 million (did not repurchase any shares). In 2024, WERN paid dividends of \$35.1 million and repurchased shares worth \$67.1 million. During the second quarter of 2025, WERN repurchased 2.1 million shares for \$55 million. As of June 30, 2025, WERN had 1.8 million shares remaining under its share repurchase authorization. Such shareholder-friendly initiatives should boost investor confidence and positively impacts the bottom line.

Werner's measures to reward its shareholders are encouraging.

Reasons To Sell:

- ▼ The truck industry, of which Werner is an integral part, has been persistently battling **driver shortage** for several years. As old drivers are retiring, trucking companies are finding it difficult to find new drivers to take their place since the low-esteem job mostly does not appeal to the younger generation. According to an estimate given by Bob Costello, chief economist and senior vice president for the American Trucking Association, the United States will face a crunch of 160,000 drivers by 2030. The projection does not bode well for Werner.
- ▼ The **persistent inflation** reading continues to hurt consumer sentiment and growth expectations. With labor and material costs showing no signs of letting off, the ability to pass these increases through to the consumer will determine the profitability of trucking companies like WERN.
- ▼ Stock prices of companies like WERN are notoriously **volatile**. As such, shares of WERN may not be suitable for investors who are not comfortable with often substantial day-to-day volatility. In fact, WERN's beta of 1.08 means that the company is more volatile than the overall market.

Driver shortage and macroeconomic uncertainty does not bode well for Werner.

Last Earnings Report

Werner's Q3 Earnings Miss Estimates

Werner Enterprises, Inc. reported third-quarter 2025 loss per share of 3 cents, against the Zacks Consensus Estimate of earnings of 15 cents per share. In the year-ago quarter, the company reported earnings of 15 cents per share.

Total revenues of \$771.5 million beat the Zacks Consensus Estimate of \$768.1 million and rose 3.5% on a year-over-year basis due to an increase in Logistics revenues of \$25.8 million, or 12%, partially offset by a \$3.0 million, or 1%, decrease in Truckload Transportation Services (TTS) revenues. A portion of the TTS revenue decline was due to \$3.3 million lower fuel surcharge revenues.

WERN reported adjusted operating income of \$10.91 million, down 50% year over year. Adjusted operating margin of 1.4% declined 150 basis points from the year-ago quarter.

WERN's Q3 Segmental Results

Revenues in the TTS segment fell 1% on a year-over-year basis to \$519.78 million. Adjusted operating income of \$8.95 million fell 63% year over year. The adjusted operating margin of 1.7% declined 300 basis points.

Logistics' revenues totaled \$232.58 million, up 12% year over year. Adjusted operating income rose more than 100% to \$4.16 billion in the third quarter of 2025. Adjusted operating margin increased 140 basis points year over year to 1.8%.

Liquidity

As of Sept. 30, 2025, Werner had cash and cash equivalents of \$50.98 million compared with \$51.42 million at the prior-quarter end. Long-term debt (net of current portion) of \$725 million was flat sequentially.

The company generated \$44.1 million of cash from operations in third-quarter 2025. Net capital expenditure amounted to \$35.2 million.

Werner did not repurchase any shares in the third quarter of 2025. As of Sept. 30, 2025, WERN had 5.0 million shares remaining under its new share repurchase authorization.

WERN's Outlook

For 2025, Werner now anticipates TTS truck growth to decline from breakeven to 2% (prior view: up 1-4%). Net capital expenditure is now estimated to be in the range of \$155-\$175 million (prior view: \$145-\$185 million).

Under the TTS guidance, WERN now projects dedicated revenues per truck per week to rise from breakeven to 1.5% in 2025 (prior view: 0-3%). The full-year 2025 tax rate is now anticipated to be in the range of 26%-27% (prior view: 25-26%).

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	0.45%
EPS Surprise	-120.00%
Quarterly EPS	-0.03
Annual EPS (TTM)	0.04

Recent News

Dividend Update - May 21, 2025

Werner's board has declared a quarterly cash dividend of 14 cents per share. This dividend will be paid on Jul 23, 2025, to stockholders of record at the close of business on Jul 7, 2025.

Valuation

Werner's shares are up 13.6% over the three months period. Shares of the company declined 15.5% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Transportation sector are up 17.6% and 8.2% in three months, respectively. Over the past year, the Zacks sub-industry has declined 8.3% meanwhile the Zacks Transportation sector has increased 0.3%, respectively.

The S&P 500 index is up 3.2% in three months and 16.1% in a year.

The stock is currently trading at 34.31X forward 12-month price-to-earnings, which compares to 28.44X for the Zacks sub-industry, 13.8X for the Zacks sector and 23.28X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 52.9X and as low as 9.52X, with a 5-year median of 14.4X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$32.00 price target reflects 36.36X forward 12-month earnings.

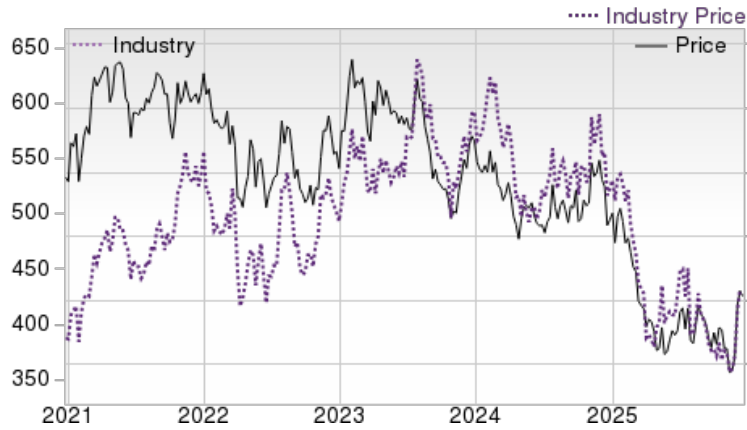
The table below shows summary valuation data for WERN

Valuation Multiples -WERN					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	34.31	28.44	13.8	23.28
	5-Year High	52.9	31.93	28.01	23.78
	5-Year Low	9.52	13.8	11.69	15.73
	5-Year Median	14.4	22.67	13.92	21.22
EV/EBITDA TTM	Current	7.68	13.12	10.61	18.56
	5-Year High	8.34	16.3	25.23	22.41
	5-Year Low	4.64	7.83	8.38	13.88
	5-Year Median	6.25	12.3	11.14	17.97
P/S F12M	Current	0.58	2	1.31	5.25
	5-Year High	1.28	2.55	2.76	5.5
	5-Year Low	0.44	1.4	1.31	3.83
	5-Year Median	0.78	1.87	1.72	5.05

As of 12/19/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 21% (191 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Covenant Logistics G...(CVLG)	Neutral	3
Forward Air Corporat...(FWRD)	Neutral	3
Heartland Express, I...(HTLD)	Neutral	3
Landstar System, Inc...(LSTR)	Neutral	3
Marten Transport, Lt...(MRTN)	Neutral	3
Saia, Inc. (SAIA)	Neutral	3
ArcBest Corporation (ARCB)	Underperform	5
PAMT Corp. (PAMT)	NA	

Industry Comparison⁽¹⁾ Industry: Transportation - Truck

	WERN	X Industry	S&P 500	ARCB	FWRD	SAIA
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	5	3	3
VGM Score	D	-	-	C	B	B
Market Cap	1.83 B	1.78 B	39.21 B	1.73 B	795.27 M	8.79 B
# of Analysts	6	6.5	22	6	1	6
Dividend Yield	1.83%	0.70%	1.39%	0.62%	0.00%	0.00%
Value Score	C	-	-	C	B	D
Cash/Price	0.03	0.03	0.04	0.08	0.18	0.00
EV/EBITDA	6.73	9.56	14.70	4.60	21.16	12.91
PEG Ratio	4.16	5.63	2.24	12.63	NA	NA
Price/Book (P/B)	1.31	2.41	3.34	1.32	4.00	3.48
Price/Cash Flow (P/CF)	5.84	6.79	15.40	6.02	0.52	15.34
P/E (F1)	15.39	34.30	19.90	20.46	NA	35.46
Price/Sales (P/S)	0.61	1.04	3.12	0.43	0.32	2.72
Earnings Yield	0.10%	2.70%	5.01%	4.89%	-6.99%	2.82%
Debt/Equity	0.52	0.25	0.56	0.10	8.73	0.09
Cash Flow (\$/share)	5.23	6.56	8.98	12.77	48.57	21.51
Growth Score	F	-	-	B	A	B
Hist. EPS Growth (3-5 yrs)	-48.40%	-2.84%	8.16%	-0.23%	20.78%	14.94%
Proj. EPS Growth (F1/F0)	275.47%	-23.26%	8.50%	-40.13%	NA	-31.09%
Curr. Cash Flow Growth	-23.39%	-6.99%	6.86%	-12.10%	780.80%	7.21%
Hist. Cash Flow Growth (3-5 yrs)	-4.94%	4.86%	7.48%	9.62%	62.66%	19.89%
Current Ratio	1.62	1.20	1.18	0.98	1.20	1.68
Debt/Capital	34.19%	20.17%	38.01%	9.29%	89.73%	7.94%
Net Margin	0.85%	2.41%	12.78%	2.41%	-4.64%	8.77%
Return on Equity	0.14%	8.24%	17.00%	8.24%	-33.13%	11.32%
Sales/Assets	1.00	1.00	0.53	1.65	0.89	0.96
Proj. Sales Growth (F1/F0)	8.10%	-0.34%	5.84%	-4.10%	0.80%	0.60%
Momentum Score	F	-	-	F	F	C
Daily Price Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1 Week Price Chg	-1.34%	-1.71%	2.32%	2.40%	-1.81%	-7.18%
4 Week Price Chg	19.73%	16.84%	1.75%	19.83%	12.31%	18.06%
12 Week Price Chg	15.44%	12.80%	3.23%	10.56%	6.49%	12.26%
52 Week Price Chg	-15.99%	-17.14%	14.81%	-18.32%	-17.05%	-30.71%
20 Day Average Volume	967,984	501,274	2,745,060	422,740	451,859	501,274
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-0.09%	0.00%	0.00%
(F1) EPS Est 4 week change	-36.67%	0.00%	0.00%	-0.57%	0.00%	-1.13%
(F1) EPS Est 12 week change	-91.98%	-8.64%	0.64%	-19.78%	-42.40%	1.15%
(Q1) EPS Est Mthly Chg	-21.58%	0.00%	0.00%	-4.48%	-6.25%	1.83%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	F
Momentum Score	F
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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