

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 25, 2018**

Rush Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction
of incorporation)

0-20797

(Commission File Number)

74-1733016

(IRS Employer Identification No.)

**555 IH-35 South, Suite 500
New Braunfels, Texas**

(Address of principal executive offices)

78130

(Zip Code)

Registrant's telephone number, including area code: **(830) 302-5200**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

From time to time, senior management of Rush Enterprises, Inc. (the “Company”) meets with current and potential investors and business analysts. The Company intends to use the presentation furnished as Exhibit 99.1 to this Current Report on Form 8-K, and incorporated into this Item 7.01 by reference (the “Investor Presentation”), at these meetings over the next couple of months. The Company intends to post the Investor Presentation in the “Investor Relations” section of its website at www.rushenterprises.com. The Company reserves the right to discontinue the availability of the Investor Presentation at any time.

The information furnished in this Item 7.01, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered “filed” under the Exchange Act or incorporates it by reference into a filing under the Exchange Act or the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 [Rush Enterprises, Inc. Investor Presentation](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

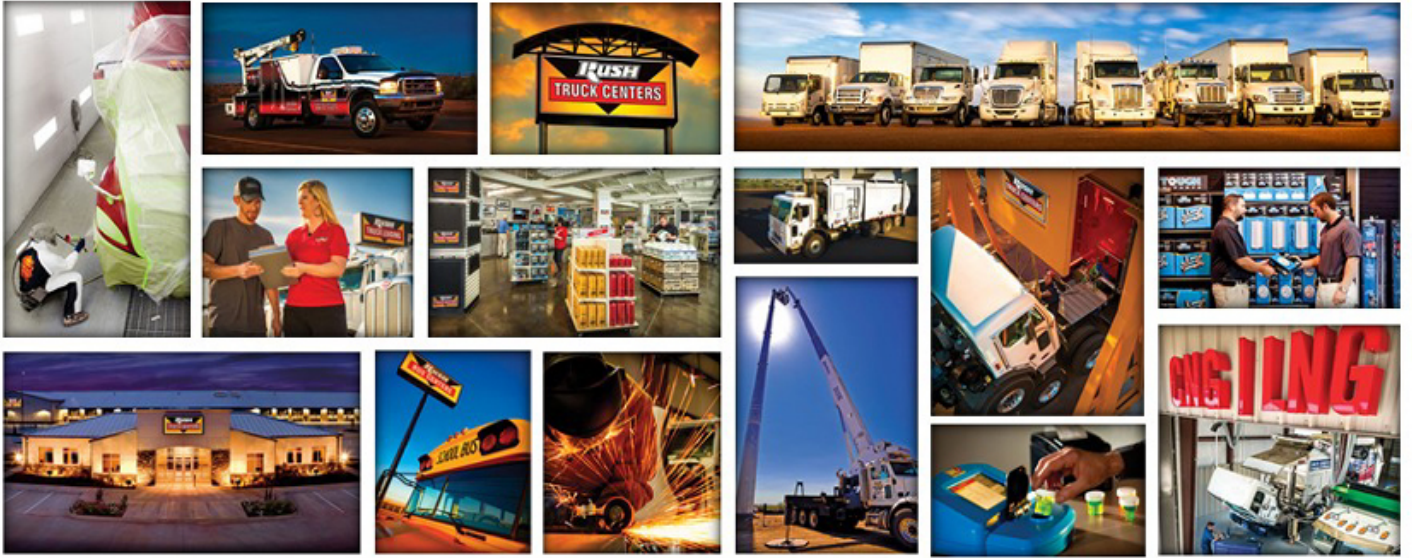
RUSH ENTERPRISES, INC.

Dated: October 25, 2018

By: /s/ Steven L. Keller
Steven L. Keller
Chief Financial Officer and Treasurer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Rush Enterprises, Inc. Investor Presentation



October 2018

expect more.

Disclosure/Safe Harbor

This presentation may contain forward-looking statements (as defined in the Private Securities Litigation Reform Act 1995). Any forward-looking statements are based on current expectations with respect to important risk factors. It is important to note that our actual results could materially differ from the results anticipated in any forward-looking statements that may be contained in this presentation. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, future growth rates and margins for certain of our products and services, future supply and demand for our products and services, competitive factors, general economic conditions, cyclicalities, market conditions in the new and used commercial vehicle markets, customer relations, relationships with vendors, the interest rate environment, governmental regulation and supervision, seasonality, distribution networks, product introductions and acceptance, technological change, changes in industry practices and one-time events. Please refer to the documents that we have filed with the U.S. Securities and Exchange Commission for a discussion of these factors. We do not undertake any obligation to update any forward-looking statements contained in or incorporated in this presentation to reflect actual results, changes in assumptions or in other factors which may affect any forward-looking statements.

Company Overview

- Full service solutions provider to commercial vehicle industry
- 7,125 dedicated employees
- \$4.7 billion in revenue in 2017
- 32,756 trucks sold in 2017
- 4.5-6.6% U.S. Class 4-8 market share in 2017
- Dual class structure
- First ever cash dividend Q2 2018
- Share repurchase authorization of \$75 million

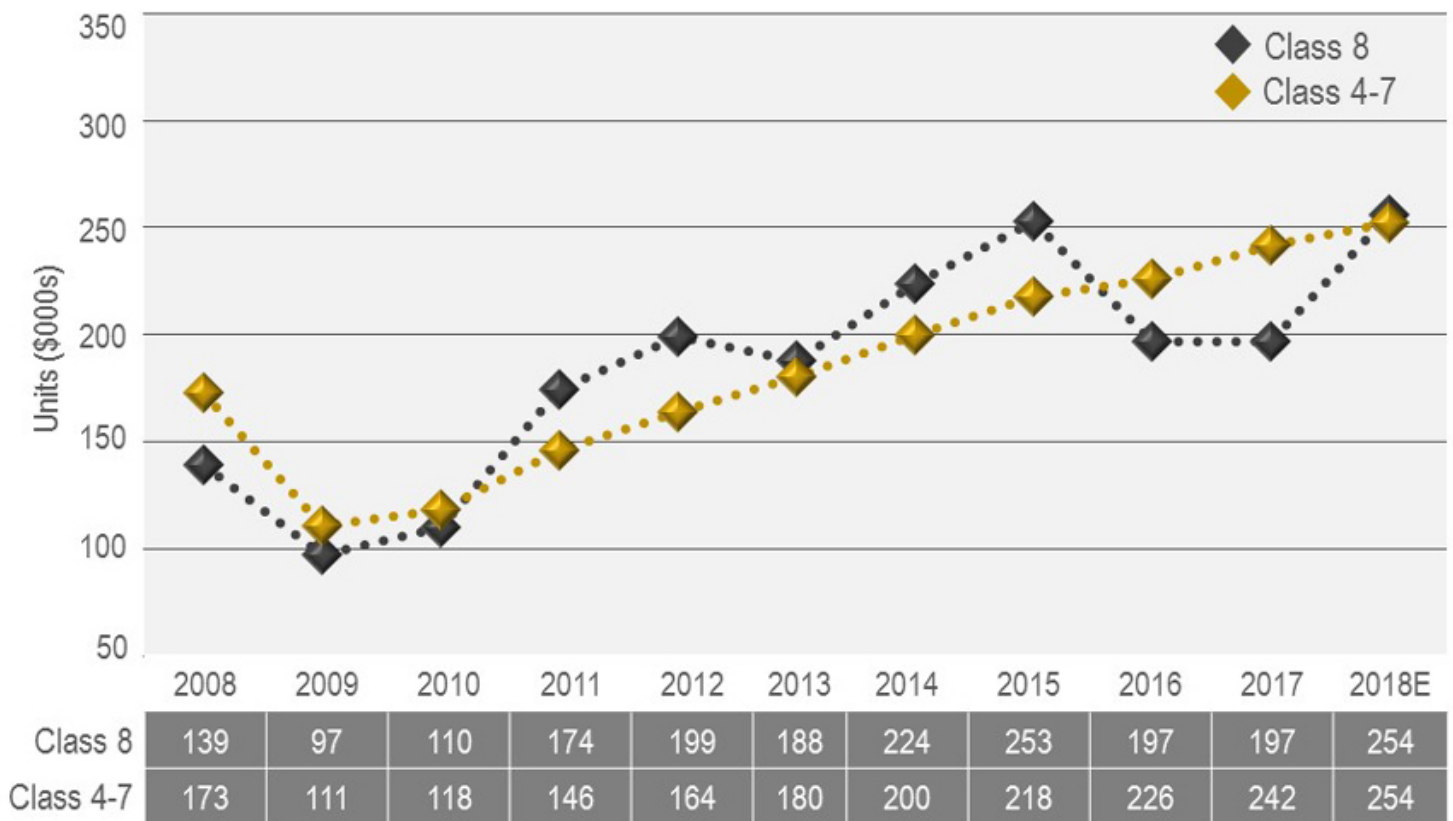


Commercial Vehicle Market

- General economic confidence positively impacting truck sales and aftermarket services
 - Freight tonnage showing solid growth, except housing
 - Continued strength in vocational markets
 - Over-the-road fleet market growing, record rate increases
- Used truck values stabilized, demand is strong, increased used truck supply is coming
- Alternative fuel vehicles adoption rate slowed but remains long-term growth opportunity
- Market demand outpacing manufacturer and supplier capacity



US Retail Truck Sales

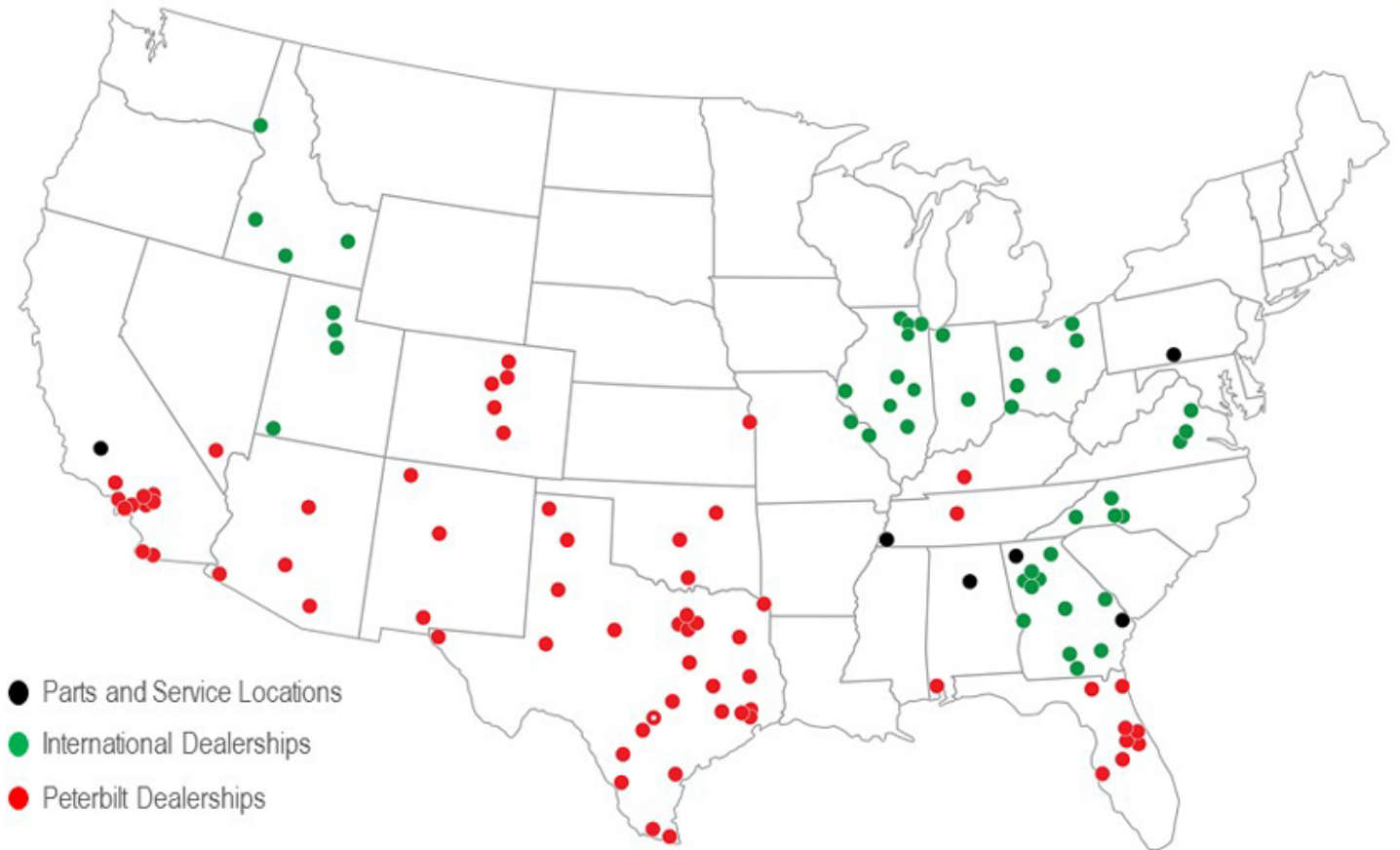


Rush Truck Centers

- Largest commercial vehicle dealer group in North America
- More than 110 locations in 22 states
- Class 3-8 truck sales, full range of aftermarket solutions
- Broad market segment coverage
- Largest dealer group for Peterbilt, Navistar, Hino, Isuzu, growing with Ford
- Leasing and rental
- Financial and insurance services
- Over 4 million square feet of premium facilities



Rush Truck Centers Network



- Parts and Service Locations
- International Dealerships
- Peterbilt Dealerships

Solutions Network

- Capabilities for all makes and models
- Aftermarket parts
 - More than \$244 million parts inventory
 - Proprietary Rig Tough truck parts
 - RushCare Rapid Parts call centers
- Service and body shop
 - 2,296 service bays; 2,483 technicians; 29 collision centers
 - Complete range of maintenance solutions
 - 510 mobile and embedded techs
 - RushCare service and technology solutions
 - CNG/LNG service capabilities



Natural Gas Sales and Service

- Natural gas-powered vehicles remain long-term growth opportunity
- Rush sales – more than 6,530 units since 2005
- Sales support
 - Green consultant
 - Sales specialists
- Parts and service support
 - Natural gas operations manager
 - 27 dedicated CNG locations
 - Natural gas service included in all new facility construction and expansion
 - Mobile service
 - 158 certified technicians
- Natural gas fuel system installation

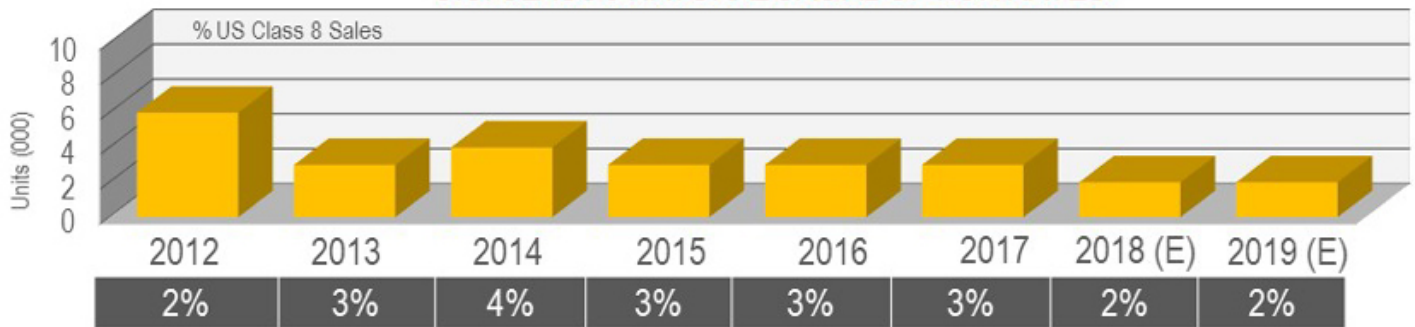


Momentum Fuel Technologies

- Innovative design and manufacturing
- Advanced safety features
- Installation expertise
- Nationwide service network
- Multiple configurations serving over-the-road, refuse, construction, beverage, bulk haul and transit

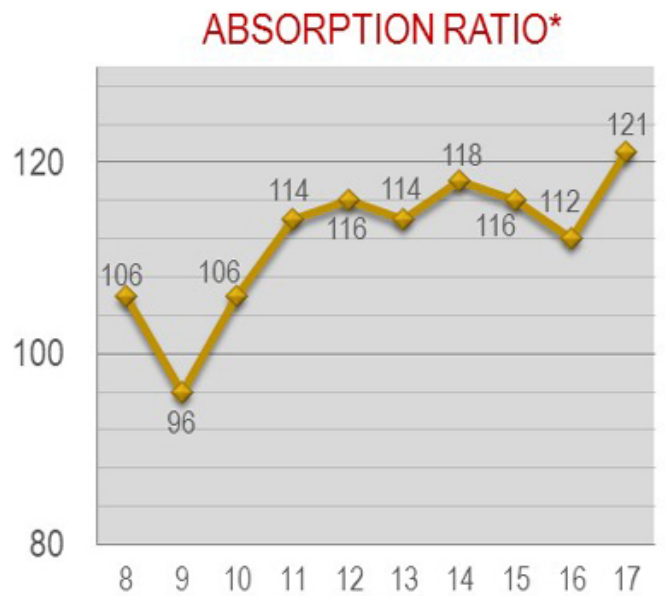


U.S. CLASS 8 NATURAL GAS ADOPTION RATES



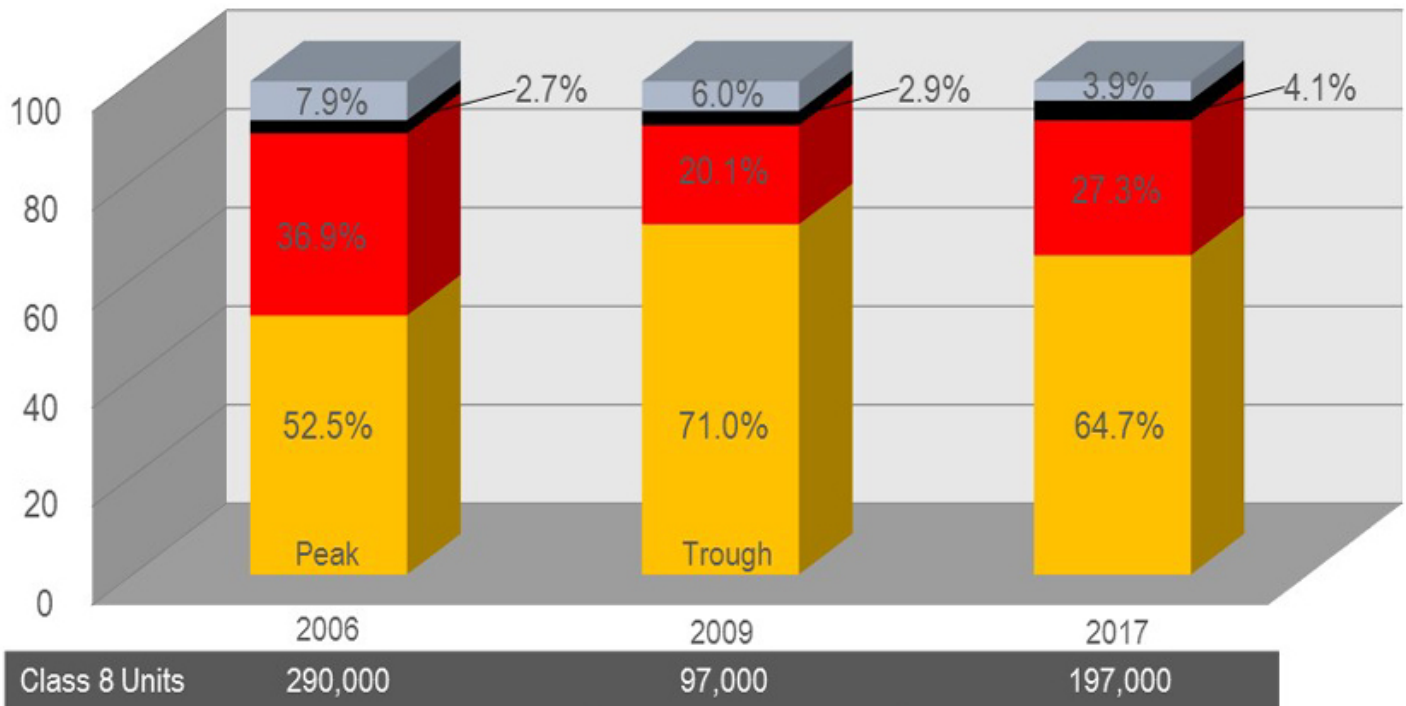
Absorption Performance

- Critical metric for dealership efficiency
- Measures less cyclical gross profit compared to controllable expenses
- Above 95% in recession due to efficient expense management
- Entered up cycle at 106%
- 121% overall in 2017



*Absorption ratio is calculated by dividing the gross profit from the parts, service and body shop departments of a dealership by the overhead expenses of all of a dealership's departments, except for the selling expenses of new and used commercial vehicles and the carrying costs of the new and used commercial vehicle inventory.

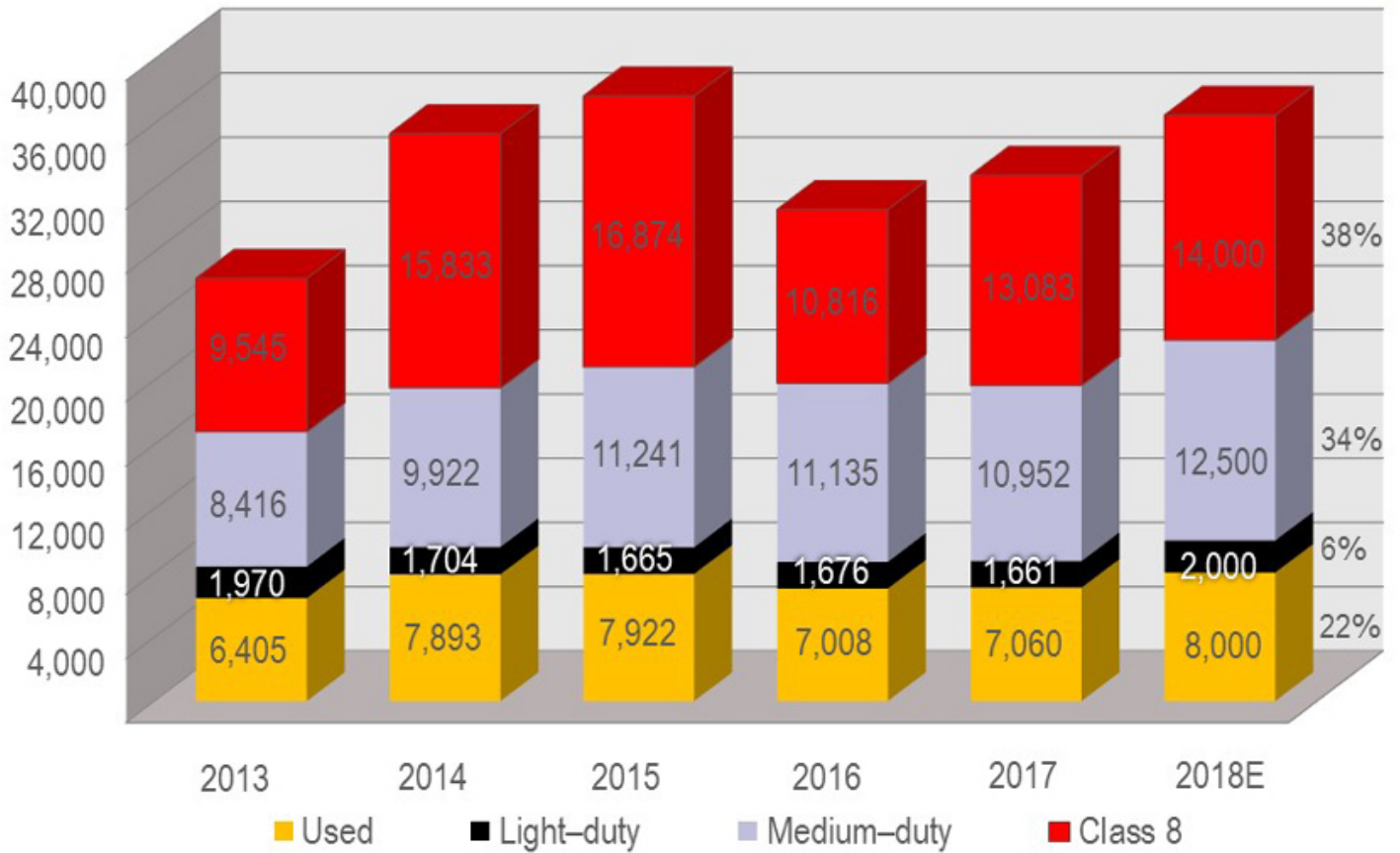
Quality of Earnings



2017 GP Margin Truck Sales 7.6% | Parts/Service 36.5% | Rental and Leasing 15.8%

■ Parts and Service
 ■ Truck Sales
 ■ Leasing & Rental
 ■ Other

Rush Annual Truck Sales



Commercial Vehicle Franchises

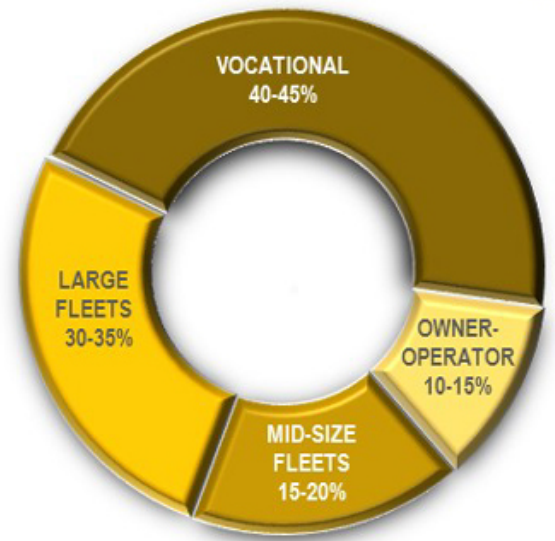
Peterbilt, Class 6-8 – 56 locations, 11 states
International, Class 5-8 – 46 locations, 9 states
Ford, Class 3-7 – 8 locations, 7 states
Hino, Class 5-7 – 31 locations, 9 states
Isuzu, Class 4-5 – 25 locations, 9 states
Mitsubishi Fuso, Class 4-5 – 5 locations, 3 states
Blue Bird – 18 locations, 1 state
Collins – 24 locations, 1 state
Elkhart – 17 locations, 1 state
IC Bus – 35 locations, 7 states
Jerr-Dan – 5 locations, 3 states
PacLease – 29 locations, 10 states
Idealease – 19 locations, 9 states



Rush Class 8 Customers

Rush 2017 US Class 8 market share – 6.6%

- Strong vocational component
- Large fleets consolidating
- Private mid-size fleets remain viable
- Independent owner-operator now variable component of truckload carrier



Rush Class 4-7 Customers

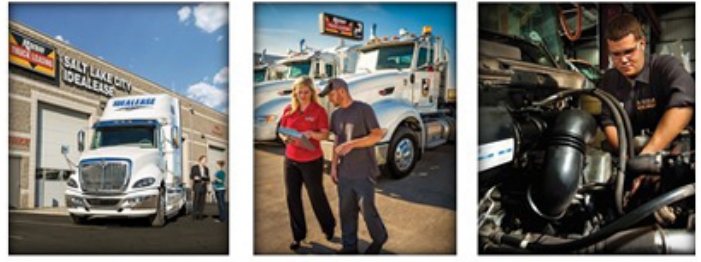
Rush 2017 US Class 4-7 market share – 4.5%

- Vocational and specialty markets
- Ready-to-roll inventory
- National fleet accounts
- Market tied closely to the general economy



Rush Truck Leasing

- Full service leasing and rental
- Lease trucks captive source for parts and service revenue
- PacLease and Idealease franchises
- 46 locations including 4 captive shops
- 8,130 units in truck fleet; 1,155 units under contract maintenance
- Growing need by customers for outsourced maintenance

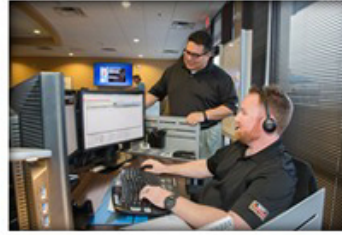


LEASING AND RENTAL REVENUE



Strategic Growth Initiatives

- 2022 financial goals
 - \$7.0 billion in annual revenue
 - 5% pretax profit margin
- Growth goals and opportunities
 - Grow parts revenue to \$2 billion
 - Grow service and body shop revenue to \$600 million
 - Increase Momentum Fuel Technologies market share to 30%
 - Increase U.S. Class 8 market share to 7.5%
 - Increase U.S. Class 4-7 market share to 6.2%
 - Increase RTL pretax margin to 7.0%
- Capital deployment
 - Disciplined investment in strategic growth
 - Consistent shareholder return program



Company at a Glance

Rush Truck Centers
Rush Bus Centers
Rush Refuse Systems
Rush Crane Systems
Rush Towing Systems
Rush Truck Leasing
Rush Truck Insurance Services
Rig Tough Truck Parts
House of Trucks
Momentum Fuel Technologies
Custom Vehicle Solutions
Perfection Truck Parts & Equipment
Chrome Country
World Wide Tires



Historical Results

\$ in millions, except per share amounts	2014	2015	2016	2017	Nine Months Ended 9/30/2017	Nine Months Ended 9/30/2018
Revenue	\$4,727.4	\$4,979.7	\$4,214.6	\$4,713.9	\$3,505.8	\$3,965.7
Gross Profit	\$756.0	\$784.9	\$718.0	\$829.9	\$617.0	\$719.4
Gross Profit Margin	16.0%	15.8%	17.0%	17.6%	17.6%	18.1%
Adjusted EBIT (1)*	\$133.2	\$108.8	\$76.0	\$138.7	\$103.5	\$143.2
Adjusted EBIT Margin*	2.8%	2.2%	1.8%	2.9%	3.0%	3.6%
Net Income	\$80.0	\$66.1	\$40.6	\$172.1	\$66.3	\$92.1
Adjusted Net Income (1)*	\$82.0	\$66.1	\$46.0	\$89.3	\$66.3	\$107.8
EPS	\$1.96	\$1.61	\$1.00	\$4.20	\$1.62	\$2.27
Adjusted EPS (1)*	\$2.01	\$1.61	\$1.13	\$2.18	\$1.62	\$2.65

(1) Excludes a one-time charge related to impairment of the Company's aircraft in 2014; a one-time charge related to restructuring charges and real estate impairment in 2016; a one-time benefit related to tax reform legislation in 2017; and a one-time charge related to impairment of the Company's ERP platform.

*Non-GAAP financial measure – see Appendix

Adjusted Return on Invested Capital

\$ in thousands	2014	2015	2016	2017	9/30/2017	9/30/2018
Total debt	\$1,487,641	\$1,586,278	\$1,335,441	\$1,473,230	\$1,380,077	\$1,661,650
Adjustments						
Debt related to lease and rental fleet	(\$539,426)	(\$603,894)	(\$579,819)	(\$598,512)	(\$573,978)	(\$588,079)
Floor plan notes payable	(\$845,977)	(\$854,758)	(\$646,945)	(\$778,561)	(\$706,995)	(\$990,594)
Adjusted total debt*	\$102,238	\$127,626	\$108,677	\$96,157	\$99,104	\$82,977
Cash and cash equivalents	(\$191,463)	(\$64,847)	(\$82,026)	(\$124,541)	(\$127,915)	(\$205,569)
Adjusted net (cash) debt*	(\$89,225)	\$62,779	\$26,651	(\$28,384)	(\$28,811)	(\$122,592)
Shareholders' equity	\$764,339	\$844,897	\$862,825	\$1,040,373	\$934,117	\$1,089,159
Adjusted invested capital*	\$675,114	\$907,676	\$889,476	\$1,011,989	\$905,300	\$966,567
Adjusted return on invested capital (1)*	21.5%	13.7%	8.5%	14.6%	14.0%	19.1%

(1) Calculated by dividing adjusted EBIT by adjusted average invested capital. For interim periods the calculation is made using the previous twelve months' results.

*Non-GAAP financial measure – see Appendix

Free Cash Flow

\$ in thousands	2014	2015	2016	2017	Twelve Months Ended 9/30/2017	Twelve Months Ended 9/30/2018
Net cash provided by (used in) operations	\$88,937	\$227,250	\$521,170	\$152,737	\$304,726	\$185,485
Acquisition of property/equipment	(\$260,820)	(\$367,790)	(\$196,965)	(\$209,917)	(\$176,175)	(\$247,382)
Free cash flow*	(\$171,883)	(\$140,540)	\$324,205	(\$57,180)	\$128,551	(\$61,897)
Adjustments:						
Draws (payments) on floor plan financing, net	\$207,458	\$31,568	(\$211,802)	\$112,261	(\$35,962)	\$203,135
Proceeds from lease/rental debt	\$214,622	\$162,497	\$121,188	\$152,562	\$115,258	\$170,460
Principal payments on lease/rental debt	(\$112,414)	(\$138,813)	(\$168,644)	(\$144,998)	(\$153,459)	(\$160,420)
Debt proceeds related to acquisitions	(\$43,317)	(\$5,645)	\$0	\$0	\$0	\$0
Non-maintenance capital expenditures	\$63,256	\$138,190	\$45,003	\$28,734	\$32,429	\$42,348
Adjusted free cash flow*	\$157,722	\$47,257	\$109,950	\$91,379	\$86,817	\$193,626

*Non-GAAP financial measure – see Appendix

Appendix

This presentation contains certain Non-GAAP financial measures as defined under SEC rules, such as Adjusted EBITDA, Adjusted EBIT, Adjusted EBIT Margin, Adjusted Net Income, Adjusted EPS, Adjusted Total Debt, Adjusted Net Debt, Adjusted Invested Capital, Adjusted Return on Invested Capital, Free Cash Flow, and Adjusted Free Cash Flow. The Company presents Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, and Adjusted EPS as additional information about its operating results.

Management believes the presentation of these Non-GAAP financial measures provides useful information about the results of operations of the Company for the current and past periods. Management believes that investors should have the same information available to them that management uses to assess the Company's operating performance and capital structure. These Non-GAAP financial measures should not be considered in isolation or as a substitute for the most comparable GAAP financial measures. Investors are cautioned that Non-GAAP financial measures utilized by the Company may not be comparable to similarly titled Non-GAAP financial measures used by other companies.

Appendix Reconciliation Adjusted Net income and EPS

In thousands, except per share amounts	2014	2015	2016	2017	Nine Months Ended 9/30/2017	Nine Months Ended 9/30/2018
Net Income	\$79,957	\$66,053	\$40,582	\$172,129	\$66,262	\$92,093
Adjustments						
Restructuring charges, net of tax			\$5,425			
ERP platform write-off, net of tax						\$15,682
Aircraft impairment charge, net of tax	\$2,083					
Revaluation of deferred tax liabilities				(\$82,862)		
Adjusted Net Income*	\$82,040	\$66,053	\$46,007	\$89,267	\$66,262	107,715
Diluted shares outstanding EPS	40,894	41,093	40,603	40,980	40,830	40,635
EPS	\$1.96	\$1.61	\$1.00	\$4.20	\$1.62	\$2.27
Adjusted EPS*	\$2.01	\$1.61	\$1.13	\$2.18	\$1.62	\$2.65

*Non-GAAP financial measure

Appendix Reconciliation Adjusted EBITDA and EBIT

\$ in thousands	2014	2015	2016	2017	Nine Months Ended 9/30/2017	Nine Months Ended 9/30/2018
Net Income	\$79,957	\$66,053	\$40,582	\$172,129	\$66,262	\$92,093
Adjusted Net Income*	\$82,040	\$66,053	\$46,007	\$89,267	\$66,262	\$107,775
Provision for Income Taxes	\$50,586	\$41,750	\$29,372	\$47,132	\$35,714	\$29,103
Interest expense	\$11,198	\$13,473	\$14,279	\$12,310	\$8,716	\$13,268
Depreciation and amortization	\$40,786	\$43,859	\$51,261	\$50,069	\$37,374	\$57,395
Asset impairment charge, net of tax	(\$2,083)					(\$15,682)
(Gain) Loss on sales of assets	(\$151)	\$544	(\$1,755)	\$105	(\$76)	(\$159)
EBITDA*	\$182,376	\$165,679	\$139,164	\$198,883	\$147,990	\$191,700
Adjustment						
Interest expense associated with floor plan notes payable	(\$8,432)	(\$13,054)	(\$11,901)	(\$10,121)	(\$7,071)	(\$11,971)
Adjusted EBITDA*	\$173,944	\$152,625	\$127,263	\$188,762	\$140,919	\$179,729
Depreciation and amortization	(\$40,786)	(\$43,859)	(\$51,261)	(\$50,069)	(\$37,374)	(\$36,486)
Adjusted EBIT*	\$133,158	\$108,776	\$76,002	\$138,693	\$103,545	\$143,243

*Non-GAAP financial measure