

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): August 9, 2019

**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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value	RUSHA	NASDAQ Global Select Market
Class B Common Stock, \$0.01 par value	RUSHB	NASDAQ Global Select Market

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](http://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](#)

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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.

Dated: August 9, 2019

RUSH ENTERPRISES, INC.

By: /s/ Steven L. Keller

Steven L. Keller

Chief Financial Officer and Treasurer

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**EXHIBIT INDEX**

**Exhibit No.** **Description**

99.1 Rush Enterprises, Inc. Investor Presentation



August 2019



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, cyclical 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. In addition, the declaration and payment of cash dividends and authorization of future share repurchase programs remains at the sole discretion of the Company's Board of Directors and the issuance of future dividends and authorization of future share repurchase programs will depend upon the Company's financial results, cash requirements, future prospects, applicable law and other factors that may be deemed relevant by the Company's Board of Directors. 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.

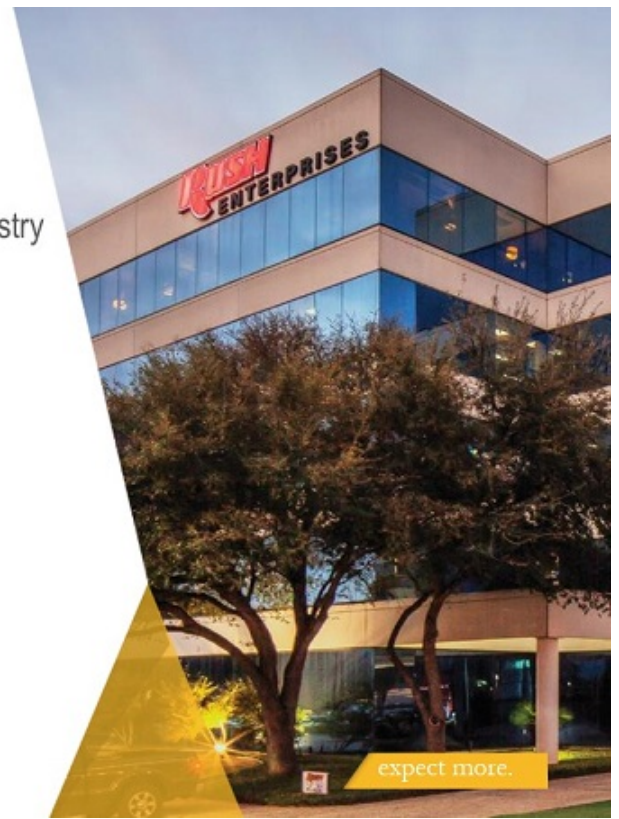


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## Company Overview

- Full service solutions provider to commercial vehicle industry
- 7,518 dedicated employees
- \$5.5 billion in revenue in 2018
- 37,797 trucks sold in 2018
- 5.7% U.S. Class 8 market share in 2018
- 5.0% U.S. Class 4-7 market share in 2018
- Dual class structure
- Initiated first quarterly cash dividend Q3 2018; increased dividend 8.3% Q3 2019
- Share repurchase authorization of \$150 million



# Company at a Glance

Rush Truck Centers  
Rush Refuse Systems  
Rush Crane Systems  
Rush Towing Systems  
Rush Bus Centers  
Rush Truck Leasing  
Rush Truck Insurance

Perfection Truck Parts & Equipment  
Rig Tough Truck Parts  
House of Trucks  
Momentum Fuel Technologies  
Custom Vehicle Solutions  
Chrome Country  
World Wide Tires



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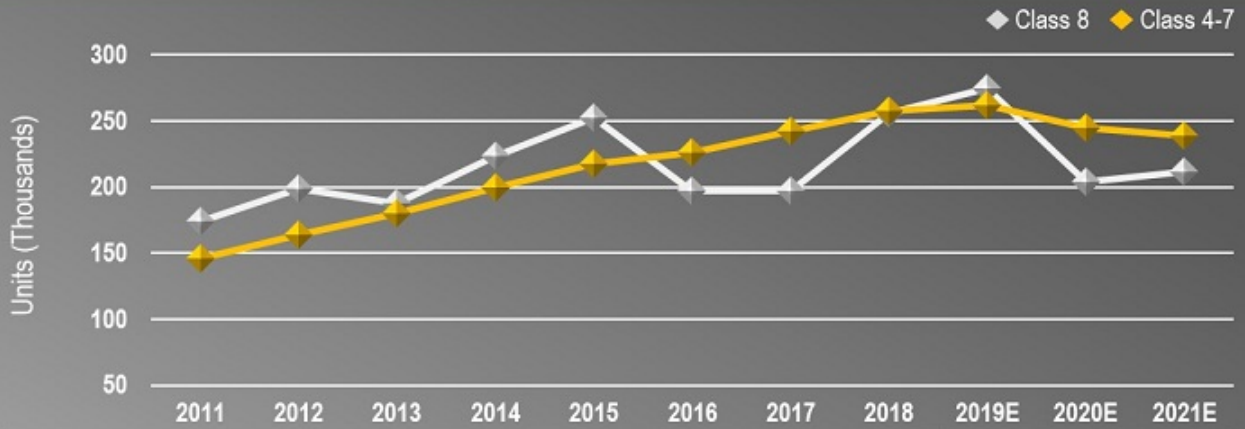


# Commercial Vehicle Market

- Healthy economy positively impacting truck sales and aftermarket services
- Aftermarket parts and service activity remains healthy
- Q3 Class 8 truck deliveries should remain strong
- Market conditions and industry indicators could impact Class 8 truck sales in Q4 and 2020
- Decreased freight rates, increased used truck supply could put pressure on used truck values
- Strong Class 4-7 market continues



# U.S. Retail Truck Sales



	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
<b>Class 8</b>	174	199	188	224	253	197	197	256	275	204	212
<b>Class 4-7</b>	146	164	180	200	218	226	226	258	262	245	239

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# 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 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

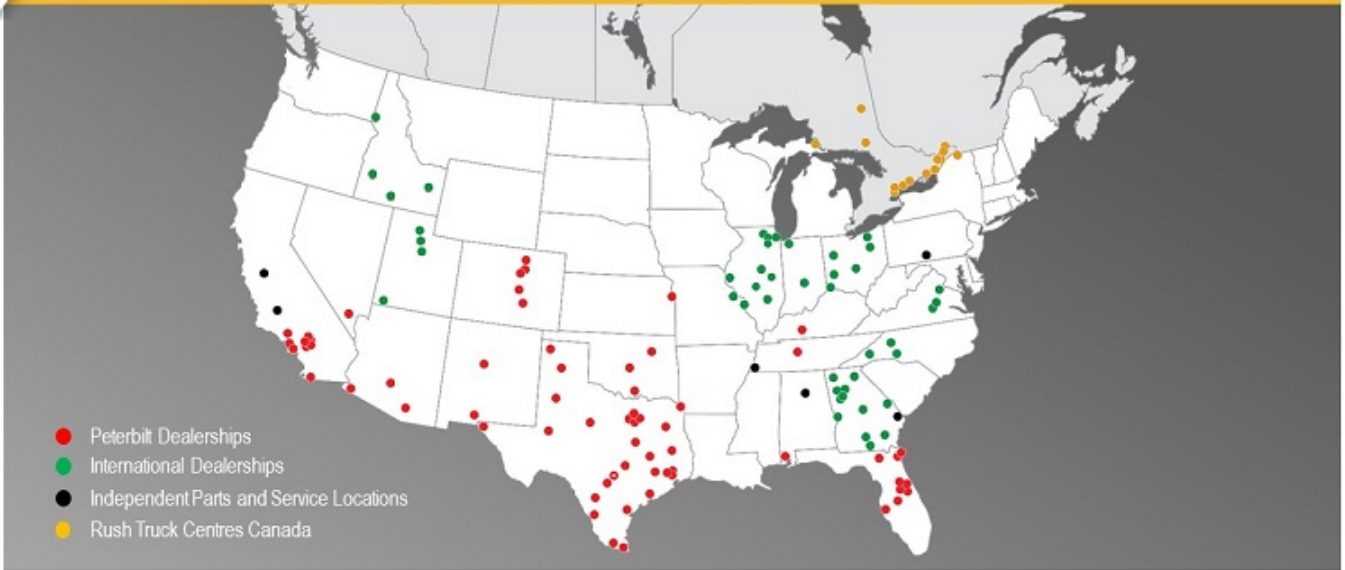


# Rush Truck Centers

- Largest commercial vehicle dealer group in North America
- More than 120 locations in 22 states
- 50% ownership of Rush Truck Centres of Canada, 14 International locations in Ontario
- 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



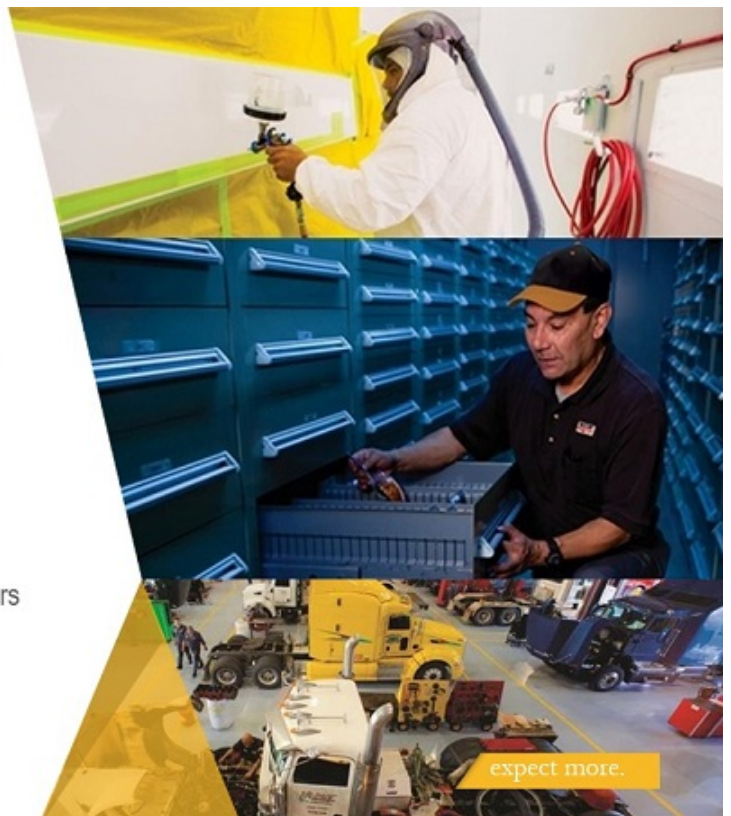
# Rush Truck Centers Network



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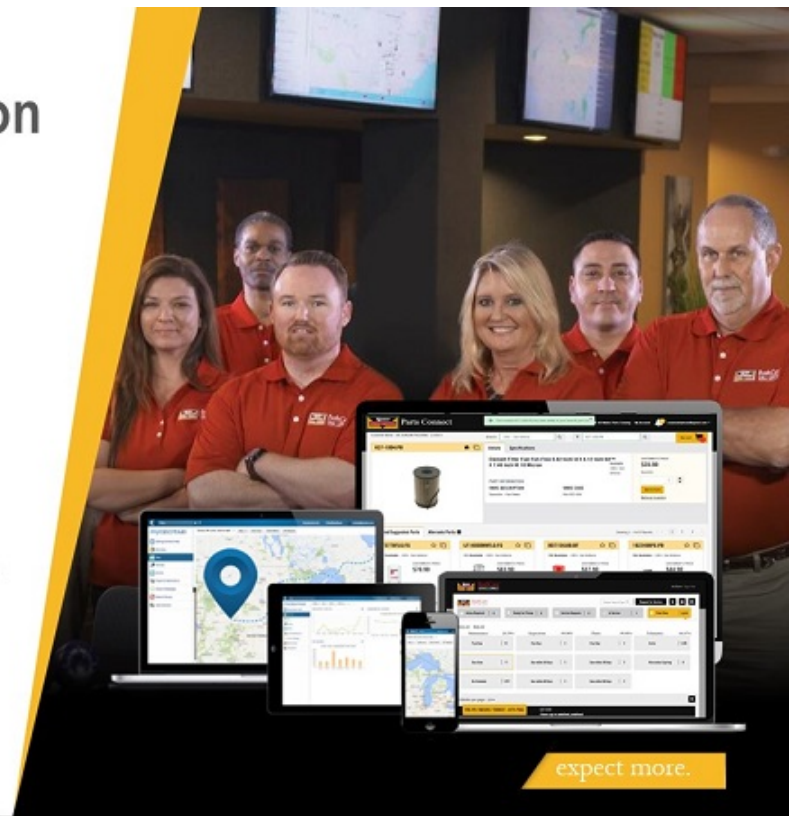
# Solutions Network

- Capabilities for all makes and models
- Aftermarket parts
  - More than \$278 million parts inventory
  - Genuine OEM and all-makes parts including proprietary Rig Tough and Premium Power powertrain parts
  - RushCare Rapid Parts Call Centers
  - RushCare Parts Connect online parts ordering
- Service and body shop
  - 2,349 service bays, 2,652 technicians; 26 collision centers
  - Complete range of maintenance solutions
  - 509 mobile and embedded techs
  - RushCare Services and technology solutions
  - CNG/LNG service capabilities



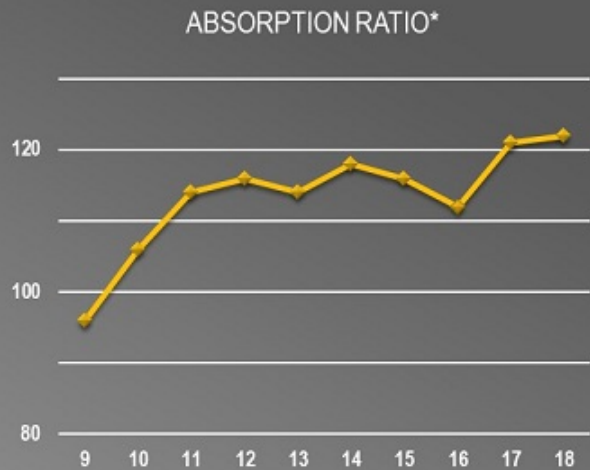
# Technology Innovation

- RushCare Parts Connect
- RushCare Service Connect
- RushCare Telematics Solutions
  - Custom fault code monitoring system
  - OEM/component supplier support
- RushCare Complete call center and customer support team
- Parts sales analytics to drive efficiencies for customers and increase sales



# 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%
- 122% overall in 2018



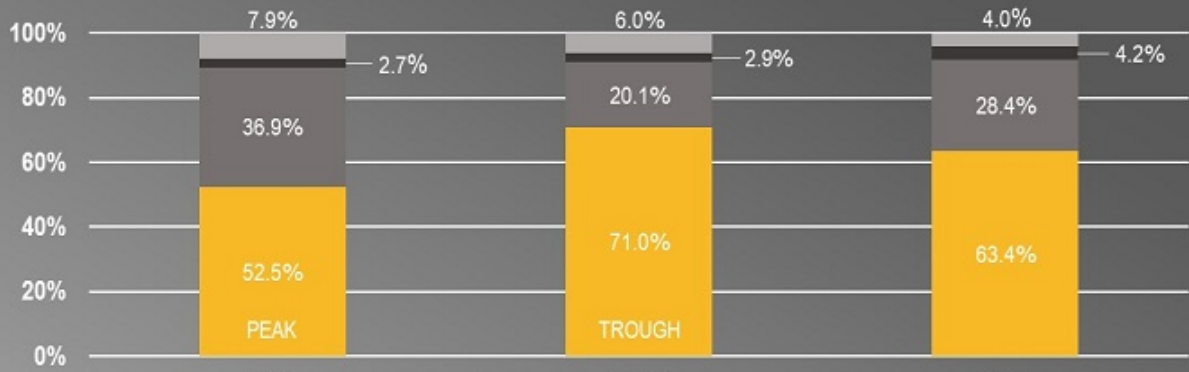
Source: ACT Research

\*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.

expect more.



# Quality of Earnings



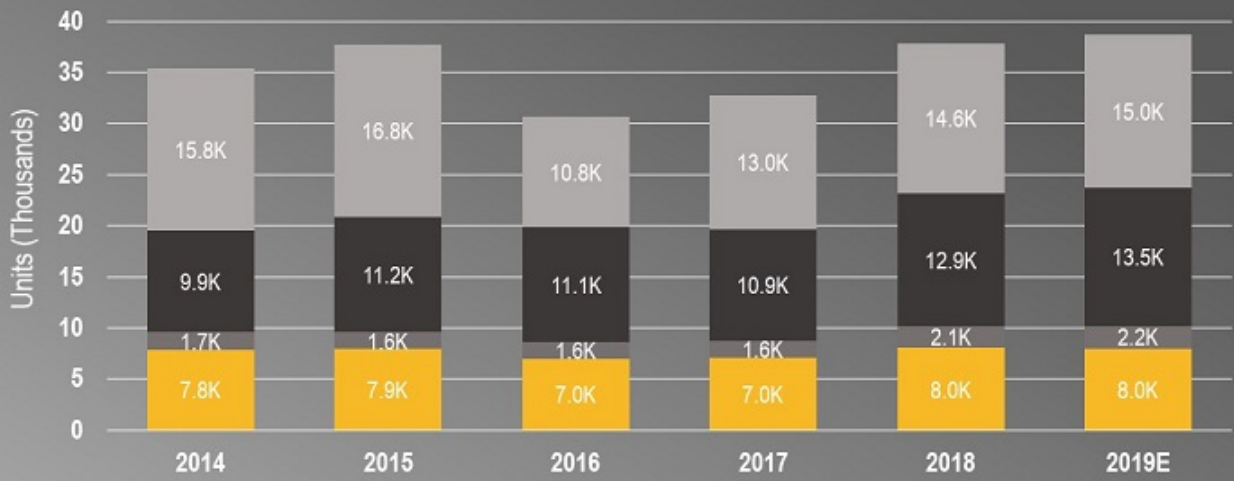
Class 8 Units	2006	2009	2018
	290,000	97,000	255,000

2018 GP Margin    Truck Sales 7.8% | Parts/Service 37.1% | Rental and Leasing 17.2%

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

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# Rush Annual Truck Sales



■ Used   ■ Light-duty   ■ Medium-duty   ■ Class 8

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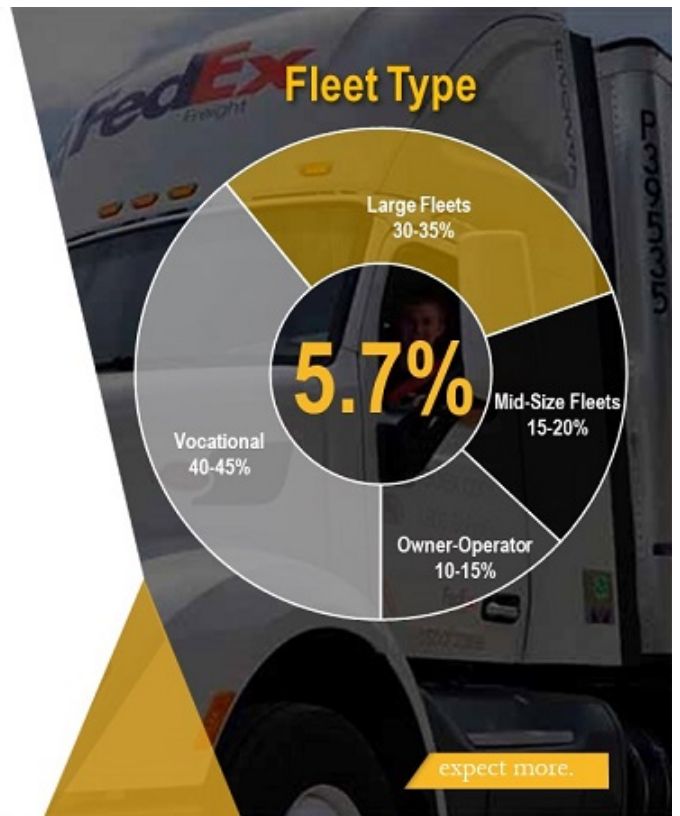
# Vehicle Franchises

- Peterbilt, Class 6-8 – 59 locations, 11 states
- International, Class 5-8 – 45 locations, 9 states, 50% ownership of 14 locations in Canada
- Ford, Class 3-7 – 9 locations, 7 states
- Hino, Class 5-7 – 32 locations, 9 states
- Isuzu, Class 4-5 – 26 locations, 9 states
- Mitsubishi Fuso, Class 4-5 – 5 locations, 3 states
- Blue Bird – 18 locations, 1 state
- Collins – 30 locations, 1 state
- Elkhart – 17 locations, 1 state
- IC Bus – 35 locations, 7 states
- Jerr-Dan – 5 locations, 3 states
- PacLease – 26 locations, 10 states
- Idealease – 19 locations, 9 states



# Class 8 Customers

- Rush Enterprises 2018 U.S. Class 8 market share – 5.7%
- Strong vocational component
- Large fleets consolidating
- Private mid-size fleets remain viable
- Independent owner-operator now variable component of truckload carrier



## Class 4-7 Customers

- Rush Enterprises 2018 U.S. Class 4-7 market share – 5.0%
- Vocational and specialty markets
- Ready-to-Roll<sup>SM</sup>
- National fleet accounts
- Market tied closely to general economy



### Customer Type



expect more.

# Rush Truck Leasing

- Full service leasing and rental
- Lease trucks captive source for parts and service revenue
- PacLease and Idealease franchises
- 45 locations including 4 captive shops
- 8,310 units in truck fleet, 1,143 units under contract maintenance
- Growing need by customers for outsourced maintenance



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## Historical Results

\$ in Millions, except per share amounts	2015	2016	2017	2018	Six Months Ended 6/30/2018	Six Months Ended 6/30/2019
Revenue	\$4,979.7	\$4,214.6	\$4,713.9	\$5,506.2	\$2,589.6	\$2,892.9
Gross profit	\$784.9	\$718.0	\$829.9	\$978.3	\$470.4	\$526.4
Gross profit margin	15.8%	17.0%	17.6%	17.8%	18.2%	18.2%
Adjusted EBIT (1)*	\$108.8	\$76.0	\$138.7	\$205.6	\$88.5	\$104.8
Adjusted EBIT margin*	2.2%	1.8%	2.9%	3.7%	3.4%	3.6%
Net income	\$66.1	\$40.6	\$172.1	\$139.1	\$50.4	\$78.7
Adjusted net income (1)*	\$66.1	\$46.0	\$89.3	\$154.9	\$66.1	\$78.7
EPS	\$1.61	\$1.00	\$4.20	\$3.45	\$1.23	\$2.08
Adjusted EPS (1)*	\$1.61	\$1.13	\$2.18	\$3.85	\$1.61	\$2.08

(1) Excludes 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 in 2018.

\*Non-GAAP financial measure. See Appendix

expect more.

## Adjusted Return on Invested Capital

\$ in Thousands	2015	2016	2017	2018	6/30/2018	6/30/2019
Total debt	\$1,586,278	\$1,335,441	\$1,473,230	\$1,693,306	\$1,533,163	\$2,025,159
Adjustments						
Debt related to lease and rental fleet	(\$603,894)	(\$579,819)	(\$598,512)	(\$589,933)	(\$579,434)	(\$638,513)
Floor plan notes payable	(\$854,758)	(\$646,945)	(\$778,561)	(\$1,023,019)	(\$867,992)	(\$1,190,136)
Adjusted total debt*	\$127,626	\$108,677	\$96,157	\$80,354	\$85,737	\$196,510
Cash and cash equivalents	(\$64,847)	(\$82,026)	(\$124,541)	(\$131,726)	(\$148,316)	(\$111,346)
Adjusted net (cash) debt*	\$62,779	\$26,651	(\$28,384)	(\$51,372)	(\$62,579)	\$85,164
Shareholders' equity	\$844,897	\$862,825	\$1,040,373	\$1,066,928	\$1,060,078	\$1,113,524
Adjusted invested capital*	\$907,676	\$889,476	\$1,011,989	\$1,015,556	\$997,499	\$1,198,688
Adjusted return on invested capital (1)*	13.7%	8.5%	14.6%	20.3%	18.1%	20.2%

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

(1) Excludes 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 in 2018.

\*Non-GAAP financial measure – see Appendix.

expect more.



# Free Cash Flow

\$ in Thousands	2015	2016	2017	2018	Twelve Months Ended 6/30/2018	Twelve Months Ended 6/30/2019
Net cash provided by (used in) operations	\$227,250	\$521,170	\$152,737	\$215,364	\$211,998	(\$6,562)
Acquisition of property/equipment	(\$367,790)	(\$196,965)	(\$209,917)	(\$238,260)	(\$246,563)	(\$275,115)
Free cash flow*	(\$140,540)	\$324,205	(\$57,180)	(\$22,896)	(\$34,565)	(\$281,677)
<b>Adjustments:</b>						
Draws (payments) on floor plan financing, net	\$31,568	(\$211,802)	\$112,261	\$167,812	\$106,203	\$326,602
Proceeds from lease/rental debt	\$162,497	\$121,188	\$152,562	\$156,751	\$169,723	\$194,563
Principal payments on lease/rental debt	(\$138,813)	(\$168,644)	(\$144,998)	(\$163,734)	(\$155,884)	(\$164,701)
Debt proceeds related to acquisitions	(\$5,645)	\$0	\$0	\$0	\$0	\$0
Non-maintenance capital expenditures	\$138,190	\$45,003	\$28,734	\$39,268	\$33,613	\$44,823
Adjusted free cash flow*	\$47,257	\$109,950	\$91,379	\$177,201	\$119,090	\$119,610

\*Non-GAAP financial measure. See Appendix.

expect more.



August 2019

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## 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.



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# Appendix Reconciliation

Adjusted Net Income and EPS

In Thousands, except per share amounts	2015	2016	2017	2018	Six Months Ended 6/30/2018	Six Months Ended 6/30/2019
Net Income	\$66,053	\$40,582	\$172,129	\$139,062	\$50,428	\$78,725
Adjustments						
Restructuring charges, net of tax		\$5,425				
ERP platform write-off, net of tax				\$15,886	\$15,682	
Revaluation of deferred tax liabilities			(\$82,862)			
Adjusted Net Income*	\$66,053	\$46,007	\$89,267	\$154,948	\$66,110	\$78,725
Diluted shares outstanding EPS	41,093	40,603	40,980	40,293	40,967	37,764
EPS	\$1.61	\$1.00	\$4.20	\$3.45	\$1.23	\$2.08
Adjusted EPS*	\$1.61	\$1.13	\$2.18	\$3.85	\$1.61	\$2.08

\*Non-GAAP financial measure – see Appendix.

(1) Excludes 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.

expect more.

# Appendix Reconciliation

Adjusted EBITDA and EBIT

\$ in Thousands	2015	2016	2017	2018	Six Months Ended 6/30/2018	Six Months Ended 6/30/2019
Net Income	\$66,053	\$40,582	\$172,129	\$139,062	\$50,428	\$78,725
Adjusted Net Income*	\$66,053	\$46,007	\$89,267	\$154,948	\$66,110	\$78,725
Provision for Income Taxes	\$41,750	\$29,372	\$47,132	\$44,107	\$16,587	\$25,243
Interest expense	\$13,473	\$14,279	\$12,310	\$19,682	\$8,800	\$15,430
Depreciation and amortization	\$43,859	\$51,261	\$50,069	\$70,489	\$44,801	\$26,519
Asset impairment/charge, net of tax				(\$15,886)	(\$15,882)	\$0
(Gain) Loss on sales of assets	\$544	(\$1,755)	\$105	(\$297)	(\$368)	(\$82)
EBITDA*	\$165,679	\$139,164	\$198,883	\$273,043	\$120,048	\$145,999
Adjustment						
Interest expense associated with floor plan notes payable	(\$13,054)	(\$11,901)	(\$10,121)	(\$17,839)	(\$7,856)	(\$14,648)
Adjusted EBITDA*	\$152,625	\$127,263	\$188,762	\$255,204	\$112,192	\$131,351
Depreciation and amortization	(\$43,859)	(\$51,261)	(\$50,069)	(\$49,580)	(\$23,892)	(\$26,519)
Adjusted EBIT*	\$108,776	\$76,002	\$138,693	\$205,624	\$88,500	\$104,832

\*Non-GAAP financial measure

expect more.