

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 29, 2024**

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, par value \$0.01 per share	RUSHA	Nasdaq Global Select Market
Class B Common Stock, par value \$0.01 per share	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 2.02 Results of Operations and Financial Condition.

On October 29, 2024, Rush Enterprises, Inc. (the “Company”) issued a press release announcing the Company’s financial results for its third quarter ended September 30, 2024 (the “Earnings Press Release”). A copy of the Earnings Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On March 8, 2024, the Company filed a Current Report on Form 8-K to disclose that, amongst other things, Michael J. McRoberts would be stepping down from his role as Chief Operating Officer (“COO”) in the second half of the year and that the Board of Directors of the Company had appointed Jason Wilder to serve as COO, effective upon the date that Mr. McRoberts steps down. Today, the Company announced in its Earnings Press Release that Mr. McRoberts is stepping down from his role as COO effective October 31, 2024 (the “Effective Date”).

Mr. McRoberts will continue to serve the Company in a senior advisory role and in his current capacity as a member of the Board of Directors of the Company. In connection with Mr. McRoberts’s transition into the role of a senior advisor, the Company, Rush Administrative Services, Inc. and Mr. McRoberts have entered into an agreement (the “Senior Advisor Agreement”) effective November 1, 2024, terminable by either party upon thirty (30) days’ notice or upon a mutually agreed date. Pursuant to the terms of the Senior Advisor Agreement, Mr. McRoberts will continue to receive his current annualized base salary of \$624,700 until the end of the year, and he will be eligible for equity awards and a cash bonus in March 2025 based on his service and contributions to the Company in 2024. Beginning January 1, 2024, he will receive an annualized base salary of \$800,000, payable in bi-monthly installments.

While Mr. McRoberts is employed as a senior advisor to the Company, he will (i) continue to accrue benefits under his existing employee benefit and retirement plans of the Company based on his position as of the Effective Date, (ii) continue to vest in all outstanding unvested equity awards held by him as of the Effective date, and (iii) participate in the health insurance and other welfare benefit plans of the Company in which he currently participates; provided, however, that (x) his participation in the Rush Enterprises, Inc. Executive Transition Plan shall terminate on the Effective Date, and (y) he shall not be entitled to receive any short-term or long-term incentive compensation (including equity-based awards or cash bonuses based on his performance or the Company’s performance) after the Effective Date (except with respect to his eligibility to receive equity awards and a cash bonus in March 2025 based on his service and contributions in 2024); provided, however, that each calendar year, beginning with the 2025 calendar year, he will be entitled to receive \$250,000 in restricted stock awards, on or about March 15 of the following year. Such restricted stock awards will be subject to the same vesting periods and requirements applicable to the awards provided to executive officers of the Company. Should his employment terminate prior to the end of a calendar year, his restricted stock awards payable the following March will be prorated. The Senior Advisor Agreement also includes customary confidentiality, non-solicitation and non-compete provisions. For the avoidance of doubt, Mr. McRoberts will not receive separate compensation for his services as a member of the Board of Directors of the Company while he is also serving in a senior advisory role to the Company.

The foregoing description of the Senior Advisor Agreement is qualified in its entirety by reference to the full text of the Senior Advisor Agreement, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated in this Item 5.02 by reference.

(c) As previously disclosed, the Board of Directors of the Company appointed Jason Wilder to serve as COO, effective November 1, 2024. Mr. Wilder, age 49, served as the Company's Senior Vice President – Navistar Dealerships, from May 2019 until October 2024. From 2011 until 2019, he served as Regional General Manager of the Georgia Region, and as the Regional General Manager of the Company's North Carolina dealerships from 2008 until 2011. Mr. Wilder joined the Company in November 2006 as the General Manager of the Atlanta medium-duty dealership. Prior to joining the Company, he was the General Manager of Fouts Brothers Truck Center in Smyrna, Georgia. Mr. Wilder has a Bachelor of Arts in Foreign Language – International Trade, Spanish from Auburn University. In connection with his promotion to COO, the Board of Directors of the Company approved a new base salary of \$500,000 for Mr. Wilder, effective November 1, 2024.

There are no family relationships between Mr. Wilder and any Company director or executive officer, and no arrangements or understandings between Mr. Wilder and any other person pursuant to which he was selected as an officer. Mr. Wilder is not a party to any current or proposed transaction with the Company for which disclosure is required under Item 404(a) of Regulation S-K.

Item 7.01 Regulation FD Disclosure.

The Earnings Press Release also announced that the Company's Board of Directors declared a quarterly cash dividend of \$0.18 per share of Class A and Class B common stock, to be paid on December 12, 2024, to all shareholders of record as of November 12, 2024.

The information in this Current Report on Form 8-K with respect to Item 2.02 and Item 7.01 (including Exhibit 99.1 attached hereto) is being furnished under Item 2.02 and Item 7.01 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
---------------------------	---------------------------

10.1	<u>Senior Advisor Agreement, effective as of November 1, 2024, by and among Rush Administrative Services, Inc., Rush Enterprises, Inc. and Michael J. McRoberts.</u>
99.1	<u>Rush Enterprises, Inc. press release dated October 29, 2024.</u>
104	Cover Page Interactive Data File (formatted in Inline XBRL).

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: October 29, 2024

RUSH ENTERPRISES, INC.

By: /s/ Steven L. Keller

Chief Financial Officer and Treasurer

SENIOR ADVISOR AGREEMENT

This Senior Advisor Agreement (this “Agreement”) is hereby entered into by and among Rush Administrative Services, Inc. (the “Company”), Rush Enterprises, Inc. (“Rush Enterprises”), and Michael J. McRoberts (“Employee”), effective as of the 1st day of November, 2024 (the “Effective Date”),

RECITALS

WHEREAS, Employee is currently employed by the Company as the Chief Operating Officer of Rush Enterprises and also serves as a member of the Board of Directors of Rush Enterprises (the “Board”);

WHEREAS, Employee is stepping down as Chief Operating Officer effective as of the Effective Date;

WHEREAS, Employee will continue to be employed by the Company as a Senior Advisor from the Effective Date until the Separation Date (as defined herein) subject and pursuant to the terms of this Agreement;

WHEREAS, as a condition to this Agreement, this Agreement contains a general release of claims that Employee may have against the Company, Rush Enterprises, and their respective subsidiaries and affiliated companies (collectively, the “Rush Group”); and

WHEREAS, the parties intend for this Agreement to supersede any and all prior agreements that Employee has with any member of the Rush Group relating to the terms and conditions of his employment with the Rush Group following the Effective Date.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and Employee hereby agree as follows:

Section 1. Employment Status. Employee hereby acknowledges and agrees that his resignation/termination as an officer of any member of the Rush Group will become effective as of the end of the day on the Effective Date. Employee further acknowledges and agrees that his termination from service as an employee of the Company and from each other position (as a service provider or otherwise) with any member of the Rush Group will become effective as of the Separation Date (as defined herein). The Separation Date shall be the termination date of Employee’s employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through the Rush Group, except as otherwise provided herein. The terms and conditions set forth herein shall exclusively govern Employee’s continued employment with the Company from and after the Effective Date. For avoidance of doubt, nothing in this Agreement shall be construed as requiring Employee to resign from the Board of Rush Enterprises, Inc. on the Effective Date or the Separation Date.

Section 2. Employment Term. Employee’s continuing employment with the Company hereunder shall commence on the Effective Date and continue until the earliest of: (a) the date that is thirty (30) days following written notice of termination given by the Company to Employee; (b) the date that is thirty (30) days following written notice of termination given by Employee to the Company; (c) the date of Employee’s death; or (d) the termination date mutually agreed to between the Company and Employee. The date on which this Agreement terminates is referred to herein as the “Separation Date.” The period that begins on the Effective Date and ends on the Separation Date is herein referred to as the “Employment Term.”

Section 3. Position; Duties. During the Employment Term, Employee will continue to be employed by the Company as Senior Advisor subject to the terms of this Agreement. Executive's duties during the Employment Term shall include such duties as may be prescribed from time to time by the Chairman of the Board. Employee shall comply with all Company policies in respect of his employment hereunder.

Section 4. Compensation and Benefits. In further consideration for this Agreement and subject to Executive's non-revocation of the release described in Section 7, Employee shall be entitled to the following compensation and benefits, which Employee agrees exceed the compensation and benefits to which he would be entitled absent Employee's agreement to the covenants, conditions, and terms set forth in this Agreement:

(a) Base Salary. During the portion of the Employment Term that begins on the Effective Date and ends on December 31, 2024, Employee will continue to receive his current annualized base salary of \$624,700, payable in monthly or bi-monthly installments in accordance with the Company's regular payroll practices. From and after January 1, 2025, Employee's will receive an annualized base salary of \$800,000, payable in monthly or bi-monthly installments in accordance with the Company's regular payroll practices.

(b) Benefits. During the Employment Term, Employee will (i) continue to accrue benefits under all employee benefit and retirement plans of the Rush Group based on his position as of the Effective Date, (ii) continue to vest during the Employment Term in all outstanding unvested equity awards held by Employee as of the Effective date, and (iii) participate in the health insurance and other welfare benefit plans of the Rush Group in which he currently participates; provided, however, that (x) Employee's participation in the Rush Enterprises, Inc. Executive Transition Plan (the "ETP") shall terminate on the Effective Date, and Employee hereby expressly and irrevocably waives any required notice to terminate his participation in the ETP, and (y) Employee shall not be entitled to receive any equity or equity-based awards after the Effective Date or any short-term or long-term incentive compensation, except as provided in Sections 4(c) or (d) below.

(c) 2024 Bonus and Equity Awards. Employee will remain eligible to receive a bonus payout under the 2024 annual bonus program for executive officers based on his position just prior to the Effective Date, payable when such bonuses are paid to executive officers of Rush Enterprises. Employee will also remain eligible to receive Stock Options and Restricted Stock Awards when such equity grants are awarded to executive officers of Rush Enterprises in March 2025 as if he were still an officer of Rush Enterprises.

(d) Annual Restricted Stock Awards. For each calendar year during the Employment Term, beginning with the 2025 calendar year, Employee will be entitled to receive \$250,000 in Restricted Stock Awards, on or about March 15 of the following year. Such Restricted Stock Awards will be valued on the same date as the awards of executive officers of Rush Enterprises and will be subject to the same vesting periods and requirements applicable to the awards to executive officers of Rush Enterprises. Should Employee's employment terminate prior to the end of the calendar year, Employee's Restricted Stock Awards payable the following March will be prorated.

Section 5. Separation Payments and Benefits.

(a) Accrued Amounts. Following the Separation Date, Employee will be paid or provided all accrued but unpaid base salary and approved unreimbursed business expenses through the Separation Date, if any. In addition, Employee shall be entitled to all benefits accrued up to the Separation Date, to the extent vested, under all employee benefit or bonus plans of the Rush Group in which Employee participates (except for any plan that provides for severance pay or termination benefits) in accordance with the terms of such plans, and any other amounts required to be paid pursuant to applicable law. For the avoidance of doubt, following the date on which Employee's coverage under the group health plan would otherwise terminate, Employee shall be entitled to enroll in COBRA continuation coverage under the Company's group health plan, as provided under applicable law, at his expense or, if eligible under the terms of such plan, the retiree medical health plan. Information about electing COBRA coverage will be provided to Employee in connection with his separation from service in accordance with the Company's customary practices.

(b) Equity Plans. Treatment of Employee's stock options and restricted stock awards upon Employee's termination of employment (including any Annual Restricted Stock Awards) will be governed by the terms of the applicable Company stock incentive plan and award documentation.

Section 6. Acknowledgment. Employee acknowledges that Employee would not otherwise be entitled to the compensation and benefits set forth above were it not for Employee's covenants, promises, and releases set forth in this Agreement. Employee further acknowledges and agrees that he has received all wages and other compensation or remuneration of any kind due or owed from the Company and the other members of the Rush Group, including but not limited to all bonuses, advances, vacation pay, expense reimbursement, severance pay, and any other incentive-based compensation to which Employee was or may become entitled or eligible. Employee further acknowledges that he has no right or guarantee to future employment with the Rush Group following the Separation Date.

Section 7. Release and Waiver of Claims.

(a) Definitions. As used in this Agreement, the term "claims" includes all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, accounts, attorneys' fees, judgments, losses, and liabilities, of whatsoever kind or nature, in law, equity, or otherwise.

(b) Release. In consideration of the payments and benefits described in this Agreement, to which Employee agrees that Employee is not entitled unless he executes this Release and the Release Affirmation, and unless it becomes effective in accordance with the terms hereof, Employee, for and on behalf of himself and his heirs, successors, and assigns (collectively, the "Releasors"), subject to the last sentence of this Section 7(b), hereby waives and releases all common law, statutory, and other complaints, claims, charges, and causes of action of any kind whatsoever, whether presently known or unknown, in law or in equity, that Employee ever had, now has, or may have against the Company, Rush Enterprises, any other member of the Rush Group, and each of their respective stockholders, subsidiaries, affiliates, predecessors, successors, assigns, directors, officers, partners, members, managers, employees, trustees (in their official capacities), employee benefit plans and their administrators and fiduciaries (in their official capacities), representatives, or agents, or any of their affiliates, successors, or assigns (collectively, the "Releasees"), by reason of facts or omissions that have occurred on or prior to the date that Employee signs this Agreement, including, without limitation, any complaint, claim, charge, or cause of action arising out of Employee's employment or termination of employment, or any term or condition of that employment, or arising under federal, state, local, or foreign laws pertaining to employment, the National Labor Relations Act, the Civil Rights Act of 1991, the Americans With Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, the Sarbanes-Oxley Act of 2002, the California Fair Employment and Housing Act; Section 503 of the Rehabilitation Act of 1973, the Fair Labor Standards Act (including the Equal Pay Act), the California Labor Code, the Employment Retirement Security Act, the California Family Rights Act, the Family Medical Leave Act, the California Wage Orders, the California Occupational Safety and Health Act, or the Federal equivalent, the Age Discrimination in Employment Act of 1967, all as amended, or any other federal, state, local, or foreign laws relating to discrimination on the basis of age, sex, or other protected class, all claims under federal, state, local, or foreign laws for express or implied breach of contract, wrongful discharge, defamation, or intentional infliction of emotional distress, and all related claims for attorneys' fees and costs. Except with respect to Unreleased Claims (as defined herein), Employee agrees that the foregoing release may be pleaded as a full defense to any action, suit, arbitration, or other proceeding covered by the terms hereof that is or may be initiated, prosecuted, or maintained by the Releasors. Employee acknowledges that he intends to waive and release all rights, known or unknown, that he may have against the Releasees under these or any other laws; provided, that expressly excluded from this release are (i) any claim to enforce any rights Employee has under this Agreement, including the right to any payment under this Agreement, (ii) rights that cannot be released as a matter of law, (iii) any rights to indemnification by the Rush Group, and (iv) any vested rights and benefits with respect to the Company's compensation and benefit plans (collectively, the "Unreleased Claims").

(c) No Claims. Employee acknowledges and agrees that as of the date he executes this Agreement, he has no knowledge of any facts or circumstances that give rise or could give rise to any claims under any of the laws waived in the preceding paragraph.

(d) Acknowledgement of Full and Final Release. Employee acknowledges and agrees that by virtue of the foregoing, he has waived any relief available to him (including without limitation, monetary damages, equitable relief, and reinstatement) under any of the claims or causes of action waived in this Section 7.

(e) Release Affirmation. Employee acknowledges and agrees that he must also execute and deliver to the Company the Release Affirmation, which contains a bring-down of Employee's release of claims set forth in this Section 7 as it relates to claims arising through the date on which the Release Affirmation is executed, as well as a release of claims under the Age Discrimination in Employment Act, a law that prohibits discrimination on the basis of age.

(f) Waiver of Civil Code section 1542. Employee confirms that it is his intention in executing this Agreement that the same shall be effective as a bar to each and every claim, demand, cause of action, obligation, damage, liability, charge, attorneys' fees, and costs herein above released that can be confidentially settled under California law, known or unknown. Accordingly, Employee expressly waives and relinquishes all his respective rights and benefits, if any, arising under the provisions of California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Section 8. Knowing and Voluntary Waiver.

Employee expressly acknowledges and agrees that he —

- (a) is able to read the language, and understand the meaning and effect, of this Agreement;
- (b) has no physical or mental impairment of any kind that has interfered with his ability to read and understand the meaning of this Agreement or its terms, and that he is not acting under the influence of any medication, drug, or chemical of any type in entering into this Agreement;
- (c) is specifically agreeing to the terms of the release contained in this Agreement because the Company has agreed to provide him with the payment and benefits provided by this Agreement, which it has agreed to provide him because of his agreement to accept them in full settlement of all possible claims that he is releasing hereunder;
- (d) acknowledges that, but for his timely execution and non-revocation of this Agreement and the Release Affirmation, he would not be entitled to the payment and benefits provided by this Agreement;
- (e) had or could have had at least twenty-one (21) days during which to review and consider this Agreement, and that if he executes this Agreement prior to the expiration of such review period, he has voluntarily and knowingly waived the remainder of the review period;
- (f) was advised to consult with his attorney regarding the terms and effect of this Agreement; and
- (g) has signed this Agreement knowingly and voluntarily.

Section 9. No Suit. Employee represents and warrants that he has not previously filed, and to the maximum extent permitted by law agrees that he will not file, a complaint, charge, or lawsuit against any of the Releasees regarding any of the claims released herein. If, notwithstanding this representation and warranty, Employee has filed or files such a complaint, charge, or lawsuit, Employee agrees that he shall cause such complaint, charge, or lawsuit to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such complaint, charge, or lawsuit, including, without limitation, the attorneys' fees of any of the Releasees against whom Employee has filed such a complaint, charge, or lawsuit.

Section 10. Employee Covenants. In exchange for the consideration given to Employee by the Company and Rush Enterprises as described in this Agreement, and as a material inducement to the Company and Rush Enterprises to enter into this Agreement and to grant the compensation and other benefits set forth in Section 4 hereof and provide Employee continuing access to Secret and Confidential Information (as defined below), Employee hereby covenants and agrees to the provisions of this Section 10.

(a) Non-Competition. During the Employment Term and for a one year period following the Separation Date (collectively, the "Restricted Period"), Employee shall not, without the prior written consent of the Company, directly or indirectly, as proprietor, partner, stockholder, director, officer, employee, consultant joint venture, investor or in any other capacity, engage in or own, manage, operate or control or participate in the ownership, management, operation or control of any entity which engages in the sale, servicing, up-fitting, renting, leasing, insuring or financing of new Class 3 through 8 trucks or parts for such trucks in the United States; provided, however, that the foregoing shall not, in any event, prohibit Employee from purchasing and holding as an investment not more than one percent of any class of publicly traded securities of any entity which conducts such business, so long as Employee does not participate in any way in the management, operation or control of such entity.

(b) Non-Solicitation. During the Restricted Period, Employee shall not, without the prior written consent of the Company: (i) recruit, induce or solicit any employee or officer, directly or indirectly, of any member of the Rush Group for employment or for retention as a consultant or service provider; (ii) hire or participate (with another person or entity) in the process of hiring (other than for the Company) any person who is then an employee or officer of any member of the Rush Group, or provide names or other information about any employees of the Rush Group to any person or entity, directly or indirectly, under circumstances that could lead to the use of any such information for purposes of recruiting, soliciting or hiring; (iii) interfere, directly or indirectly, with the relationship of any member of the Rush Group with any of its employees, agents, or representatives; (iv) solicit or induce, or in any manner attempt to solicit or induce, directly or indirectly, any client or customer of any member of the Rush Group (1) to cease being, or not to become, a customer of the Rush Group, or (2) to divert any business of such customer from the Rush Group; or (v) otherwise interfere with, disrupt, or attempt to interfere with or disrupt, the relationship, contractual or otherwise, between any member of the Rush Group and any of its customers, clients, suppliers, consultants, employees, agents, or representatives.

(c) Confidentiality.

(1) The Company has furnished and shall continue to furnish Secret and Confidential Information to Employee. "Secret and Confidential Information" includes, without limitation, the Rush Group's technical and business information, whether patentable or not, which is of a confidential, trade secret or proprietary character, and which is either developed by Employee alone, with others or by others; lists of customers; identity of customers; identity of prospective customers; contract terms; bidding information and strategies; pricing methods or information; computer software; computer software methods and documentation; hardware; the Rush Group's methods of operation; the procedures, forms and techniques used in servicing accounts; and other information or documents that the Rush Group requires to be maintained in confidence for the Rush Group's continued business success.

(2) Employee shall not, during the Employment Term or at any time thereafter, disclose to anyone, including, without limitation, any person, firm, corporation, or other entity, or publish, or use for any purpose, any Secret and Confidential Information, except as properly required in the ordinary course of the Company's business or as directed and authorized by the Chairman of the Board of Rush Enterprises.

(3) Upon the termination Employee's employment with the Company, for any reason whatsoever, Employee shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic recordings or data, including all copies thereof, belonging to the Company or relating to the business of any member of the Rush Group, in Employee's possession, whether prepared by Employee or others. If at any time after the termination of employment, Employee determines that he has any Secret and Confidential Information in his possession or control, Employee shall immediately return to the Company all such Secret and Confidential Information in Employee's possession or control, including all copies and portions thereof.

(d) Non-Disparagement. Employee agrees that, at all times following the signing of this Agreement, Employee shall refrain from making any false, negative, critical, or disparaging statements, implied or expressed, concerning any member of the Rush Group or any of its directors or executive officers, including, but not limited to, management or communication style, methods of doing business, the quality of products and services, or role in the community. Employee further agrees to do nothing that would damage the business reputation or goodwill or the reputation of the Rush Group. The restrictions of this Section 10(d) shall not apply to truthful statements made in court, arbitration proceedings, or mediation proceedings or in documents produced or testimony given in connection with legal process that are based on the Employee's reasonable belief and are not made in bad faith.

(e) Protected Rights.

(1) Employee understands that nothing contained in this Agreement or the Release Affirmation limits Employee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local governmental agency or commission ("Government Agencies"). Employee further understands that this Agreement does not limit Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Employee's right to receive an award for information provided to any Government Agencies or to engage in any future activities protected under whistleblower statutes.

(2) Pursuant to the Defend Trade Secrets Act of 2016, the parties hereto acknowledge and agree that Employee may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (a) in confidence to a Government Agency or official thereof, either directly or indirectly, or to any attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. In addition, and without limiting the preceding sentence, if Employee files a lawsuit alleging retaliation by the Company for reporting a suspected violation of law, Employee may disclose the trade secret to his attorney and may use the trade secret information in the court proceeding, if Employee (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

(f) Cooperation.

(1) During the Employment Term and for three (3) years following the Separation Date, Employee agrees to reasonably cooperate with Rush Enterprises and the other members of the Rush Group: (A) concerning requests for information about the business of the Rush Group or Employee's involvement and participation therein; (B) in connection with any investigation or review by any member of the Rush Group or any federal, state or local regulatory, quasi-regulatory or self-governing authority (including, without limitation, the Securities and Exchange Commission); and (C) in connection with any formal or informal legal matters in which Employee is named as a party or of which Employee has specific and relevant knowledge or documents. Employee understands that he will receive no additional compensation for his cooperation (including, without limitation, responding to any discovery request, deposition notice or subpoena for testimony). In all cases, however, Employee shall be entitled to reimbursement, upon receipt by the Company of suitable documentation, for reasonable and necessary travel and other expenses which Employee may incur at the specific request of any member of the Rush Group.

(2) Upon the request of Rush Enterprises, Employee shall complete a directors' and officer's questionnaire to facilitate the preparation and filing of Rush Enterprise's annual proxy statement and periodic reports with the Securities and Exchange Commission.

Section 11. Successors and Assigns. The parties acknowledge and agree that this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors, and permitted assigns.

Section 12. Severability. The invalidity, illegality or unenforceability of any provision or provisions of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect, nor shall the invalidity, illegality or unenforceability of a portion of any provision of this Agreement affect the balance of such provision. In the event that any one or more of the provisions contained in this Agreement or any portion thereof shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this Agreement shall be reformed, construed, and enforced as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 13. Costs, Law, Admissions, Voluntary. Employee, Company and Rush Enterprises agree that in the event Employee, Company or Rush Enterprises breaches any provision of this Agreement, the breaching party shall pay all costs and attorney's fees incurred in conjunction with enforcement of this Agreement by the non-breaching party, to the extent permitted by law. This Agreement shall be interpreted under the laws of the State of Texas, both as to interpretation and performance. It is understood and agreed by the parties that this Agreement represents a compromise and settlement for various matters and that the promises and payments and consideration of this Agreement shall not be construed as an admission of any liability or obligation by either party to the other party or any other person. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the parties hereto.

Section 14. Arbitration. If a dispute arises out of or relates to this Agreement or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation. Any controversy or dispute arising out of or relating to this Agreement not resolved by negotiation or mediation shall be resolved by binding arbitration administered by the American Arbitration Association under its Employment Arbitration Rules and Mediation Procedures, subject to the requirements of this section. The arbitration shall take place in San Antonio, Texas. The arbitrator(s) may not award punitive or other damages not measured by the prevailing party's actual damages. Each party shall bear its own costs, fees, and expenses of arbitration. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration proceedings and award shall be maintained by the parties as strictly confidential, except as is otherwise required by court order or as is necessary to confirm, vacate or enforce the award.

Section 15. Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A (as separation pay due to an involuntary separation from service, a short-term deferral, or a settlement payment pursuant to a bona fide legal dispute, etc.) shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

Section 16. Withholding Taxes. The Company may withhold from any amount or benefit payable under this Agreement taxes that it is required to withhold pursuant to any applicable law or regulation.

Section 17. Non-Admission. Nothing contained in this Agreement will be deemed or construed as an admission or acknowledgement of any unlawful or improper act or conduct, or liability therefor, on the part of Employee or any member of the Rush Group.

Section 18. Entire Agreement. This Agreement constitutes the entire understanding and agreement between Employee and the Company regarding the termination of Employee's employment. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings, and agreements between Employee and any member of the Rush Group and all benefit plans of the Rush Group relating to the subject matter of this Agreement.

Section 19. Survival. Upon expiration or termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

Section 20. Modifications. This Agreement may not be modified or amended, nor may any rights under it be waived, except in a writing signed and agreed to by the parties hereto.

* * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

RUSH ADMINISTRATIVE SERVICES, INC.

Date: October 29, 2024

/s/ W.M. "Rusty" Rush

By: W.M. "Rusty" Rush

Title: Chief Executive Officer and President

RUSH ENTERPRISES, INC.

Date: October 29, 2024

/s/ W.M. "Rusty" Rush

By: W.M. "Rusty" Rush

Title: Chief Executive Officer and President

Date: October 29, 2024

/s/ Michael J. McRoberts

Michael J. McRoberts

Signature page to Senior Advisor Agreement

RELEASE AFFIRMATION

Section 1. Opportunity for Review; Acceptance.

Employee shall have until the twenty-first (21st) day following the Effective Date (the “Review Period”) to review and consider this Release Affirmation. To accept this Release Affirmation and the terms and conditions contained herein, Employee must execute and date this Release Affirmation where indicated below and return the executed copy of the Release Affirmation to the Company prior to the expiration of the Review Period, but no earlier than the Effective Date. Notwithstanding anything contained herein to the contrary, this Release Affirmation will not become effective or enforceable for a period of seven (7) calendar days following the date of its execution and delivery to the Company (the “Revocation Period”), during which time Employee may further review and consider the Release Affirmation and revoke his acceptance of this Release Affirmation by notifying the Company in writing. To be effective, such revocation must be received no later than the last day of the Revocation Period. Provided that the Release Affirmation is timely executed and Employee has not timely revoked it, the eighth (8th) day following the date on which the Release Affirmation is executed and delivered to the Company shall be its effective date. In the event of Employee’s failure to timely execute and deliver this Release Affirmation or his subsequent revocation of this Release Affirmation during the Revocation Period, this Release Affirmation will be null and void and of no effect, and Employee shall not be entitled to any payments or benefits under the Agreement that are conditioned upon the execution of a release of claims (which for purposes of clarification shall include any and all payments and benefits otherwise owing to Employee thereunder following the Effective Date).

Section 2. Affirmation of Release; ADEA Release.

(a) Affirmation of General Release. Employee hereby extends and affirms his release of claims against the Releasees as set forth in Section 7 of the Agreement, as if made on the date on which he signs this Release Affirmation (the “Affirmation Date”), such that Employee hereby waives and releases all such claims arising through the Affirmation Date.

(b) ADEA Release. In addition to the general release of claims affirmed in Section 2(a) above, Employee hereby waives and releases all claims that Employee ever had, now has, or may have against the Releasees by reason of facts or omissions that have occurred on or prior to the Affirmation Date arising under the Age Discrimination in Employment Act of 1967 or the Older Workers Benefit Protection Act (collectively, “ADEA,” a law that prohibits discrimination on the basis of age).

(c) EEOC Investigations. Notwithstanding the generality of the foregoing, nothing in the Agreement shall prevent Employee from filing a charge or complaint against any Releasee with the Equal Employment Opportunity Commission to challenge the validity of the waiver of his claims under the ADEA contained in this Release Affirmation or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission.

* * *

IN WITNESS WHEREOF, Employee has executed this Release Affirmation as of the date set forth below.

Michael J. McRoberts

Date: _____

Signature page to Release Affirmation



Contact:

Rush Enterprises, Inc., San Antonio
Steven L. Keller, 830-302-5226

**RUSH ENTERPRISES, INC. REPORTS THIRD QUARTER 2024 RESULTS,
ANNOUNCES \$0.18 PER SHARE DIVIDEND**

- Revenues of \$1.9 billion, net income of \$79.1 million
- Earnings per diluted share of \$0.97
- Challenging market conditions impact aftermarket sales and overall financial performance
- Absorption ratio 132.6%
- Board declares cash dividend of \$0.18 per share of Class A and Class B common stock

SAN ANTONIO, Texas, October 29, 2024 — Rush Enterprises, Inc. (NASDAQ: RUSHA & RUSHB), which operates the largest network of commercial vehicle dealerships in North America, today announced that for the quarter ended September 30, 2024, the Company achieved revenues of \$1.896 billion and net income of \$79.1 million, or \$0.97 per diluted share, compared with revenues of \$1.981 billion and net income of \$80.3 million, or \$0.96 per diluted share, in the quarter ended September 30, 2023. In the third quarter of 2024, the Company recognized a one-time, pre-tax charge of approximately \$3.3 million, or \$0.03 per share, related to property damage caused by Hurricane Helene. In the third quarter of 2023, the Company recognized a one-time, pre-tax charge of approximately \$2.5 million, or \$0.02 per share, related to a fire loss at our San Antonio, Texas facility. Additionally, the Company's Board of Directors declared a cash dividend of \$0.18 per share of Class A and Class B Common Stock, to be paid on December 12, 2024, to all shareholders of record as of November 12, 2024.

"As we have experienced for the last several quarters, the industry continues to struggle with low freight rates and high interest rates, resulting in continued weak demand for Class 8 trucks. Considering these ongoing challenges, we are pleased with our overall financial performance in the third quarter," said W.M. "Rusty" Rush, Chairman, Chief Executive Officer, and President of Rush Enterprises. "Although sluggish industry conditions continue to negatively impact over-the-road-carriers, we saw positive results in the quarter with respect to our Class 8 vocational and public sector customers. In addition, demand from our medium-duty customers remained healthy throughout the quarter, enabling us to outperform the market. While the used truck market remains difficult, our used truck operations are executing well, managing inventory levels to market conditions while also making strong contributions to our earnings," he continued. "In the aftermarket, we saw slight improvement in our revenue compared to our second quarter results, particularly with respect to our service sales, which outperformed the market," Rush said.

"Looking toward the remainder of the year and the beginning of 2025, although we believe freight rates have found their bottom, we do not anticipate any significant recovery in new Class 8 truck sales until sometime later in 2025. We will continue to rely on the talents of our professional sales force to uncover opportunities to leverage our "One Team" sales approach and fight for market share growth. Despite the tough industry conditions, we expect that our Class 8 and Class 4-7 new commercial vehicle sales will improve in the fourth quarter compared to the third quarter," explained Rush. "Although we expect a typical seasonal decline in our fourth quarter aftermarket results, we believe market conditions will begin to slowly improve during the first quarter of 2025," he continued.

"It is important that I express my gratitude to our employees for their hard work this quarter. I am especially grateful for their ability to remain focused on our long-term goals despite challenging market conditions, while also continuing to provide best-in-class service to our customers. Additionally, I would be remiss if I did not say a special word of thanks to Michael McRoberts, who as previously announced, is stepping down from his role as Chief Operating Officer, effective October 31. Mike has added immeasurable value to this organization over his many years of service, and I am sure he will continue to do so in his role as Senior Advisor to the Company and as an active member of our Board of Directors. Effective November 1, Jason Wilder will become the Company's Chief Operating Officer, as previously announced. I am confident that this leadership transition will be seamless and that Jason will effectively lead the Company in his new role going forward," said Rush.

Operations

Aftermarket Products and Services

Aftermarket products and services accounted for approximately 61.5% of the Company's total gross profit in the third quarter of 2024, with parts, service and collision center revenues totaling \$633.0 million, down 1.6% compared to the third quarter of 2023. The Company achieved a quarterly absorption ratio of 132.6% in the third quarter of 2024, compared to 132.8% in the third quarter of 2023.

"Our aftermarket revenue was down slightly year-over-year, but as I previously noted, was up compared to our second quarter results," said Rush. "Although the freight recession continues, we saw sequential growth in the third quarter with respect to our over-the-road and wholesale customers for the first time since 2023. In addition, the refuse and public sector market segments continue to be bright spots with respect to Class 8 aftermarket sales, while medium-duty aftermarket sales continue to be strong across all market segments," he continued.

"We are hopeful that declines in aftermarket sales revenues are behind us and that demand will begin to increase in 2025. Although we expect a typical seasonal decline in our fourth quarter aftermarket results, we believe we will begin a slow climb back to more normal market conditions starting in the first quarter of 2025," Rush explained. "We believe that our continued focus on strategic initiatives, such as planned maintenance packages and Xpress Services, will allow us to continue to outperform the market," he added.

Commercial Vehicle Sales

New U.S. and Canadian Class 8 retail truck sales totaled 73,037 units in the third quarter of 2024, down 3.5% over the same period last year, according to ACT Research. The Company sold 3,604 new Class 8 trucks in the third quarter, a decrease of 16.7% compared to the third quarter of 2023, which accounted for 5.3% of the new U.S. Class 8 truck market and 1.6% of the new Canada Class 8 truck market. ACT Research forecasts U.S. and Canadian retail sales of new Class 8 trucks to total 264,000 units in 2024, a 12.5% decrease compared to 2023.

"Economic uncertainty and continued low freight rates continue to plague Class 8 carriers. However, considering these ongoing challenges, we were pleased with our sales results in the third quarter," Rush said. "Although Class 8 demand remains weak in the over-the-road segment, our unique focus on specialty markets, including vocational and public sector, allowed us to achieve strong sales results to those customer segments, which we expect to continue in the fourth quarter," he added.

"Our order intake improved slightly late in the third quarter. Consequently, we expect our new Class 8 truck sales to increase slightly in the fourth quarter compared to our third quarter results," Rush said. "While we are pleased to see a slight uptick in demand, market conditions remain challenging and commercial vehicle inventory levels are near an all-time high industry-wide. Because of these factors, we believe that truck pricing will continue to be competitive and that new Class 8 truck sales will remain challenging through the first half of 2025," he added.

New U.S. and Canadian Class 4 through 7 retail commercial vehicle sales totaled 68,923 units in the third quarter of 2024, down 1.1% over the same period last year, according to ACT Research. The Company sold 3,379 Class 4 through 7 medium-duty commercial vehicles in the third quarter, an increase of 4.2% compared to the third quarter of 2023, which accounted for 5.0% of the total new U.S. Class 4 through 7 commercial vehicle market and 2.9% of the new Canada Class 5 through 7 commercial vehicle market. ACT Research forecasts U.S. and Canadian retail sales for new Class 4 through 7 commercial vehicles to be approximately 273,200 units in 2024, a 2.5% increase compared to 2023.

“We continued to experience healthy demand from medium-duty customers across all of our customer segments in the third quarter. Production has stabilized, delivery lead times continue to improve, and we are, once again, proud to have outperformed the market in medium-duty commercial vehicle sales,” Rush said. Our strategic focus on achieving a diversified customer base has served us well in the medium-duty market, and we are pleased that our Class 4-7 commercial vehicle sales were wide-ranging across a variety of industry segments,” he stated.

“Looking ahead, we continue to monitor potential delays from body manufacturers that could impact deliveries of new Class 4 through 7 commercial vehicles. However, we believe that demand for medium duty commercial vehicles will remain solid in the fourth quarter, and we believe we are well-positioned to increase our market share,” Rush said.

The company sold 1,829 used commercial vehicles in the third quarter of 2024, a 1.8% increase compared to the third quarter of 2023. “Although the market is still experiencing weak used truck demand due to the aforementioned freight recession, tight credit and excess supply, we continue to successfully execute on our used truck sales strategies, which led to positive results in the third quarter. Used truck depreciation rates have largely returned to normal ranges, and we continue to manage our inventory levels, which we believe are appropriate given the anticipated increase in trade activity from our new truck customers,” Rush stated.

Leasing and Rental

Rush Truck Leasing operates 56 PacLease and Idealease franchises across the United States and Canada, with more than 10,000 trucks in its lease and rental fleet and more than 2,200 trucks under contract maintenance agreements. Lease and rental revenue decreased 0.4% in the third quarter of 2024 compared to the third quarter of 2023, primarily due to a slight decrease in rental utilization. “Our leasing and rental revenues were basically flat year-over-year. However, we continue to add new vehicles to our fleet, which will translate to lower operating costs going forward. We anticipate that rental utilization rates will improve in the fourth quarter, and we expect to see moderate growth in our leasing and rental revenues as we move into 2025”, Rush said.

Financial Highlights

In the third quarter of 2024, the Company’s gross revenues totaled \$1.896 billion, a 4.3% decrease from \$1.981 billion in the third quarter of 2023. Net income for the quarter was \$79.1 million, or \$0.97 per diluted share, compared to net income of \$80.3 million, or \$0.96 per diluted share, in the quarter ended September 30, 2023. In the third quarter of 2024, the Company recognized a one-time, pre-tax charge of approximately \$3.3 million, or \$0.03 per share, related to property damage caused by Hurricane Helene. In the third quarter of 2023, the Company recognized a one-time, pre-tax charge of approximately \$2.5 million, or \$0.02 per share, related to a fire loss at our San Antonio, Texas facility.

Aftermarket products and services revenues were \$633.0 million in the third quarter of 2024, compared to \$643.6 million in the third quarter of 2023. The Company delivered 3,604 new heavy-duty trucks, 3,379 new medium-duty commercial vehicles, 574 new light-duty commercial vehicles and 1,829 used commercial vehicles during the third quarter of 2024, compared to 4,326 new heavy-duty trucks, 3,244 new medium-duty commercial vehicles, 425 new light-duty commercial vehicles and 1,797 used commercial vehicles during the third quarter of 2023.

During the third quarter of 2024, the Company repurchased \$0.2 million of its common stock pursuant to its stock repurchase plan and has repurchased a total of \$77.4 million of the \$150.0 million that is currently authorized by its Board of Directors. In addition, the Company paid a cash dividend of \$14.2 million during the third quarter.

“There is no doubt that 2024 has been a challenging year for the commercial vehicle industry. However, I am extremely proud that our team has rallied behind our expense management and sales initiatives, which have allowed us to navigate this challenging operating environment while continuing to deliver value to our shareholders. We are committed to our long-term strategic initiatives, and I have confidence we will end this difficult year in a strong financial position,” said Rush.

Conference Call Information

Rush Enterprises will host its quarterly conference call to discuss earnings for the third quarter of 2024 on **Wednesday, October 30, 2024, at 10 a.m. Eastern/9 a.m. Central**. The call can be heard live via the Internet at <http://investor.rushenterprises.com/events.cfm>.

Participants may register for the call at:

<https://register.vevent.com/register/BId3cc30bd8c9c4a0b997370aa063270c3>

While not required, it is recommended that you join the event 10 minutes prior to the start.

For those who cannot listen to the live broadcast, the webcast replay will be available at

<http://investor.rushenterprises.com/events.cfm>.

Rush Enterprises, Inc. is the premier solutions provider to the commercial vehicle industry. The Company owns and operates Rush Truck Centers, the largest network of commercial vehicle dealerships in North America, with more than 150 locations in 23 states and Ontario, Canada, including 124 franchised dealership locations. These vehicle centers, strategically located in high traffic areas on or near major highways throughout the United States and Ontario, Canada, represent truck and bus manufacturers, including Peterbilt, International, Hino, Isuzu, Ford, Dennis Eagle, IC Bus and Blue Bird. They offer an integrated approach to meeting customer needs – from sales of new and used vehicles to aftermarket parts, service and body shop operations plus financing, insurance, leasing and rental. Rush Enterprises' operations also provide CNG fuel systems (through its investment in Cummins Clean Fuel Technologies, Inc.), telematics products and other vehicle technologies, as well as vehicle up-fitting, chrome accessories and tires. For more information, please visit us at www.rushtruckcenters.com www.rushenterprises.com and www.rushtruckcentersracing.com, on Twitter @rushtruckcenter and Facebook.com/rushtruckcenters.

Certain statements contained in this release, including those concerning current and projected market conditions, sales forecasts, market share forecasts and anticipated demand for the Company's services, are "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Such forward-looking statements only speak as of the date of this release and the Company assumes no obligation to update the information included in this release. Because such statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, competitive factors, general U.S. economic conditions, economic conditions in the new and used commercial vehicle markets, customer relations, relationships with vendors, inflation and the interest rate environment, governmental regulation and supervision, product introductions and acceptance, changes in industry practices, one-time events and other factors described herein and in filings made by the Company with the Securities and Exchange Commission, including in our annual report on Form 10-K for the fiscal year ended December 31, 2023. 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. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual business and financial results and could cause actual results to differ materially from those in the forward-looking statements. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except for our ongoing obligations to disclose material information as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future or to reflect the occurrence of unanticipated events.

-Tables and Additional Information to Follow-

RUSH ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Shares and Per Share Amounts)

	September 30, 2024 (unaudited)	December 31, 2023
Assets		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 185,073	\$ 183,725
Accounts receivable, net	282,553	259,353
Note receivable, affiliate	6,905	
Inventories, net	1,964,835	1,801,447
Prepaid expenses and other	21,027	15,779
Total current assets	2,460,393	2,260,304
Property and equipment, net	1,568,056	1,488,086
Operating lease right-of-use assets, net	116,085	120,162
Goodwill, net	430,004	420,708
Other assets, net	73,933	74,981
Total assets	\$ 4,648,471	\$ 4,364,241
Liabilities and shareholders' equity		
Current liabilities:		
Floor plan notes payable	\$ 1,285,033	\$ 1,139,744
Current maturities of finance lease obligations	38,693	36,119
Current maturities of operating lease obligations	16,855	17,438
Trade accounts payable	173,777	162,134
Customer deposits	87,114	145,326
Accrued expenses	150,560	172,549
Total current liabilities	1,752,032	1,673,310
Long-term debt, net of current maturities	399,674	414,002
Finance lease obligations, net of current maturities	92,061	97,617
Operating lease obligations, net of current maturities	101,464	104,514
Other long-term liabilities	29,712	24,811
Deferred income taxes, net	170,571	159,571
Shareholders' equity:		
Preferred stock, par value \$.01 per share; 1,000,000 shares authorized; 0 shares outstanding in 2024 and 2023	—	—
Common stock, par value \$.01 per share; 105,000,000 Class A shares and 35,000,000 Class B shares authorized; 62,307,564 Class A shares and 16,695,873 Class B shares outstanding in 2024; and 61,461,281 Class A shares and 16,364,158 Class B shares outstanding in 2023	820	806
Additional paid-in capital	577,665	542,046
Treasury stock, at cost: 1,299,589 Class A shares and 1,750,566 Class B shares in 2024; and 1,092,142 Class A shares and 1,731,157 Class B shares in 2023	(129,644)	(119,835)
Retained earnings	1,638,257	1,450,025
Accumulated other comprehensive income (loss)	(3,953)	(2,163)
Total Rush Enterprises, Inc. shareholders' equity	2,083,145	1,870,879
Noncontrolling interest	19,812	19,537
Total shareholders' equity	2,102,957	1,890,416
Total liabilities and shareholders' equity	\$ 4,648,471	\$ 4,364,241

RUSH ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues				
New and used commercial vehicle sales	\$ 1,163,255	\$ 1,235,767	\$ 3,586,882	\$ 3,648,286
Parts and service sales	633,045	643,623	1,909,672	1,942,979
Lease and rental	89,129	89,466	264,696	264,681
Finance and insurance	5,780	6,317	17,111	19,077
Other	4,924	5,567	16,799	20,536
Total revenue	1,896,133	1,980,740	5,795,160	5,895,559
Cost of products sold				
New and used commercial vehicle sales	1,053,512	1,113,294	3,239,431	3,287,998
Parts and service sales	399,973	410,935	1,204,360	1,216,441
Lease and rental	63,607	62,106	190,064	184,098
Total cost of products sold	1,517,092	1,586,335	4,633,855	4,688,537
Gross profit	379,041	394,405	1,161,305	1,207,022
Selling, general and administrative expense	239,741	257,132	754,774	770,631
Depreciation and amortization expense	19,134	15,872	51,376	44,731
Gain on disposition of assets	588	220	690	596
Operating income	120,754	121,621	355,845	392,256
Other income (expense)	149	133	370	2,384
Interest expense (income), net	17,664	14,194	55,101	37,415
Income before taxes	103,329	107,560	301,114	357,225
Provision for income taxes	23,819	26,926	71,422	87,277
Net income	79,420	80,634	229,692	269,948
Less: Net income attributable to noncontrolling Interests	288	356	291	940
Net income attributable to Rush Enterprises, Inc.	\$ 79,132	\$ 80,278	\$ 229,401	\$ 269,008
Net income attributable to Rush Enterprises, Inc. per share of common stock:				
Basic	\$ 1.00	\$ 0.99	\$ 2.91	\$ 3.30
Diluted	\$ 0.97	\$ 0.96	\$ 2.81	\$ 3.19
Weighted average shares outstanding:				
Basic	79,216	81,229	78,878	81,629
Diluted	81,884	83,987	81,607	84,251
Dividends declared per common share	\$ 0.18	\$ 0.17	\$ 0.52	\$ 0.45

This press release and the attached financial tables contain certain non-GAAP financial measures as defined under SEC rules, such as Adjusted Net Income, Adjusted Total Debt, Adjusted Net (cash) Debt, EBITDA, Adjusted EBITDA, Free Cash Flow, Adjusted Free Cash Flow and Adjusted Invested Capital, which exclude certain items disclosed in the attached financial tables. The Company provides reconciliations of these measures to the most directly comparable GAAP measures.

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.

	Three Months Ended	
	September 30, 2024	September 30, 2023
Commercial Vehicle Sales Revenue (in thousands)		
New heavy-duty vehicles	\$ 677,882	\$ 756,071
New medium-duty vehicles (including bus sales revenue)	361,813	332,860
New light-duty vehicles	33,510	25,684
Used vehicles	81,285	109,114
Other vehicles	8,765	12,038
Absorption Ratio	132.6%	132.8%

Absorption Ratio

Management uses several performance metrics to evaluate the performance of its commercial vehicle dealerships and considers Rush Truck Centers' "absorption ratio" to be of critical importance. Absorption ratio is calculated by dividing the gross profit from the parts, service and collision center departments by the overhead expenses of all of a dealership's departments, except for the selling expenses of the new and used commercial vehicle departments and carrying costs of new and used commercial vehicle inventory. When 100% absorption is achieved, then gross profit from the sale of a commercial vehicle, after sales commissions and inventory carrying costs, directly impacts operating profit.

	September	
	30, 2024	30, 2023
Debt Analysis (in thousands)		
Floor plan notes payable	\$ 1,285,033	\$ 1,121,490
Current maturities of long-term debt	—	104,778
Current maturities of finance lease obligations	38,693	36,128
Long-term debt, net of current maturities	399,674	202,824
Finance lease obligations, net of current maturities	92,061	103,513
Total Debt (GAAP)	1,815,461	1,568,733
Adjustments:		
Debt related to lease & rental fleet	(526,443)	(443,095)
Floor plan notes payable	(1,285,033)	(1,121,490)
Adjusted Total Debt (Non-GAAP)	3,985	4,148
Adjustment:		
Cash and cash equivalents	(185,073)	(191,988)
Adjusted Net Debt (Cash) (Non-GAAP)	\$ (181,088)	\$ (187,840)

Management uses “Adjusted Total Debt” to reflect the Company’s estimated financial obligations less debt related to lease and rental fleet (L&RFD) and floor plan notes payable (FPNP), and “Adjusted Net (Cash) Debt” to present the amount of Adjusted Total Debt net of cash and cash equivalents on the Company’s balance sheet. The FPNP is used to finance the Company’s new and used inventory, with its principal balance changing daily as vehicles are purchased and sold and the sale proceeds are used to repay the notes. Consequently, in managing the business, management views the FPNP as interest bearing accounts payable, representing the cost of acquiring the vehicle that is then repaid when the vehicle is sold, as the Company’s floor plan credit agreements require it to repay loans used to purchase vehicles when such vehicles are sold. The Company has the capacity to finance all of its lease and rental fleet under its lines of credit established for this purpose, but may choose to only partially finance the lease and rental fleet depending on business conditions and its management of cash and interest expense. The Company’s lease and rental fleet inventory are either: (i) leased to customers under long-term lease arrangements; or (ii) to a lesser extent, dedicated to the Company’s rental business. In both cases, the lease and rental payments received fully cover the capital costs of the lease and rental fleet (i.e., the interest expense on the borrowings used to acquire the vehicles and the depreciation expense associated with the vehicles), plus a profit margin for the Company. The Company believes excluding the FPNP and L&RFD from the Company’s total debt for this purpose provides management with supplemental information regarding the Company’s capital structure and leverage profile and assists investors in performing analysis that is consistent with financial models developed by Company management and research analysts. “Adjusted Total Debt” and “Adjusted Net (Cash) Debt” are both non-GAAP financial measures and should be considered in addition to, and not as a substitute for, the Company’s debt obligations, as reported in the Company’s consolidated balance sheet in accordance with U.S. GAAP. Additionally, these non-GAAP measures may vary among companies and may not be comparable to similarly titled non-GAAP measures used by other companies.

	Twelve Months Ended	
	September 30, 2024	September 30, 2023
EBITDA (in thousands)		
Net Income attributable to Rush Enterprises, Inc. (GAAP)	\$ 307,448	\$ 367,334
Provision for income taxes	98,145	117,229
Interest expense	70,603	45,877
Depreciation and amortization	66,475	58,851
(Gain) on sale of assets	\$ 937	(618)
EBITDA (Non-GAAP)	543,608	588,673
Adjustments:		
Interest expense associated with FPNP and L&RFD	(71,439)	(46,806)
Adjusted EBITDA (Non-GAAP)	\$ 472,169	\$ 541,867

The Company presents EBITDA and Adjusted EBITDA, for the twelve months ended each period presented, as additional information about its operating results. The presentation of Adjusted EBITDA that excludes the addition of interest expense associated with FPNP and the L&RFD to EBITDA is consistent with management’s presentation of Adjusted Total Debt, in each case reflecting management’s view of interest expense associated with the FPNP and L&RFD as an operating expense of the Company, and to provide management with supplemental information regarding operating results and to assist investors in performing analysis that is consistent with financial models developed by management and research analyst. “EBITDA” and “Adjusted EBITDA” are both non-GAAP financial measures and should be considered in addition to, and not as a substitute for, net income of the Company, as reported in the Company’s consolidated statements of income in accordance with U.S. GAAP. Additionally, these non-GAAP measures may vary among companies and may not be comparable to similarly titled non-GAAP measures used by other companies.

	Twelve Months Ended	
	September 30, 2024	September 30, 2023
Free Cash Flow (in thousands)		
Net cash provided by operations (GAAP)	\$ 311,922	\$ 322,469
Acquisition of property and equipment	(384,033)	(356,896)
Free cash flow (Non-GAAP)	(72,111)	(34,427)
Adjustments:		
Draws on floor plan financing, net	163,109	185,065
Acquisitions of L&RF assets	285,404	261,685
Non-maintenance capital expenditures	21,753	29,815
Adjusted Free Cash Flow (Non-GAAP)	\$ 398,156	\$ 442,138

“Free Cash Flow” and “Adjusted Free Cash Flow” are key financial measures of the Company’s ability to generate cash from operating its business. Free Cash Flow is calculated by subtracting the acquisition of property and equipment included in the *Cash flows from investing activities* from *Net cash provided by (used in) operating activities*. For purposes of deriving Adjusted Free Cash Flow from the Company’s operating cash flow, Company management makes the following adjustments: (i) adds back draws (or subtracts payments) on the floor plan financing that are included in *Cash flows from financing activities*, as their purpose is to finance the vehicle inventory that is included in *Cash flows from operating activities*; (ii) adds back lease and rental fleet purchases that are included in acquisition of property and equipment (iii) adds back non-maintenance capital expenditures that are for growth and expansion (i.e. building of new dealership facilities) that are not considered necessary to maintain the current level of cash generated by the business. “Free Cash Flow” and “Adjusted Free Cash Flow” are both presented so that investors have the same financial data that management uses in evaluating the Company’s cash flows from operating activities. “Free Cash Flow” and “Adjusted Free Cash Flow” are both non-GAAP financial measures and should be considered in addition to, and not as a substitute for, net cash provided by (used in) operations of the Company, as reported in the Company’s consolidated statement of cash flows in accordance with U.S. GAAP. Additionally, these non-GAAP measures may vary among companies and may not be comparable to similarly titled non-GAAP measures used by other companies.

	September 30, 2024	September 30, 2023
Invested Capital (in thousands)		
Total Rush Enterprises, Inc. Shareholders' equity (GAAP)	\$ 2,083,145	\$ 1,899,612
Adjusted net debt (cash) (Non-GAAP)	(181,088)	(187,840)
Adjusted Invested Capital (Non-GAAP)	\$ 1,902,057	\$ 1,711,772

“Adjusted Invested Capital” is a key financial measure used by the Company to calculate its return on invested capital. For purposes of this analysis, management excludes L&RFD, FPNP, and cash and cash equivalents, for the reasons provided in the debt analysis above and uses Adjusted Net Debt in the calculation. The Company believes this approach provides management a more accurate picture of the Company’s leverage profile and capital structure and assists investors in performing analysis that is consistent with financial models developed by Company management and research analysts. “Adjusted Net (Cash) Debt” and “Adjusted Invested Capital” are both non-GAAP financial measures. Additionally, these non-GAAP measures may vary among companies and may not be comparable to similarly titled non-GAAP measures used by other companies.