

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): **May 14, 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.)

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

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

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

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

Emerging growth company

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

Item 7.01 Regulation FD Disclosure.

As previously disclosed in a press release on May 10, 2019, W.M. “Rusty” Rush, Chief Executive Officer, President and Chairman of the Board of Rush Enterprises, Inc. (the “Company”), and Steven L. Keller, Chief Financial Officer and Treasurer of the Company, will participate in meetings with members of the investment community at the Bank of America Merrill Lynch 2019 Transportation and Industrials Conference in Boston, Massachusetts on Tuesday, May 14, 2019 and Wednesday, May 15, 2019. In addition, Mr. Rush will present at the conference at 8:00 a.m. Eastern Time on Wednesday, May 15, 2019. An audio webcast of the presentation may be accessed live at <http://www.veracast.com/webcasts/baml/transportation2019/id97205259184.cfm> and in the “Investor Relations” section of the Company’s website at www.rushenterprises.com. The audio webcast will be available after the presentation at the websites listed above until August 12, 2019.

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 the conference referenced above and potentially at other investor meetings over the next couple of months. The Company has posted the Investor Presentation in the “Investor Relations” section of its website at www.rushenterprises.com. The Company reserves the right to discontinue the availability of the Investor Presentation at any time.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

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

SIGNATURES

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

RUSH ENTERPRISES, INC.

Dated: May 14, 2019

By: /s/ Michael Goldstone
Vice President, General Counsel and
Corporate Secretary

EXHIBIT INDEX

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



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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, cyclicity, market conditions in the new and used commercial vehicle markets, customer relations, relationships with vendors, the interest rate environment, governmental regulation and supervision, seasonality, distribution networks, product introductions and acceptance, technological change, changes in industry practices and one-time events. Please refer to the documents that we have filed with the U.S. Securities and Exchange Commission for a discussion of these factors. We do not undertake any obligation to update any forward-looking statements contained in or incorporated in this presentation to reflect actual results, changes in assumptions or in other factors which may affect any forward-looking statements.



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Company Overview

- Full service solutions provider to commercial vehicle industry
- 7,385 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
- First ever cash dividend Q2 2018
- Share repurchase authorization of \$150 million



Company at a Glance

Rush Truck Centers

Rush Bus Centers

Rush Refuse Systems

Rush Crane Systems

Rush Towing Systems

Rush Truck Leasing

Rush Truck Insurance Services

Rig Tough Truck Parts

House of Trucks

Momentum Fuel Technologies

Custom Vehicle Solutions

Perfection Truck Parts and Equipment

Chrome Country

World Wide Tires

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Commercial Vehicle Market

- Healthy economy positively impacting truck sales and aftermarket services
 - Continued strength in vocational markets
 - Extended delivery time for new truck orders
- Decreased freight rates, increased used truck supply could put pressure on used truck values
- U.S. Class 8 truck sales in Q1-Q2 2019 look solid; purchase decisions may be affected Q3-Q4
- Alternative fuel vehicles adoption rate slowed but remains long-term growth opportunity
- Strong Class 4-7 market continues



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US Retail Truck Sales



Source: ACT Research

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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 Momentum Fuel Technologies market share to 30%
 - Increase U.S. Class 8 market share to 7.5%
 - Increase U.S. Class 4-7 market share to 6.2%
 - Increase RTL pretax margin to 7.0%
- Capital deployment
 - Disciplined investment in strategic growth
 - Consistent shareholder return program



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Rush Truck Centers

- Largest commercial vehicle dealer group in North America
- 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



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Rush Truck Centers Network



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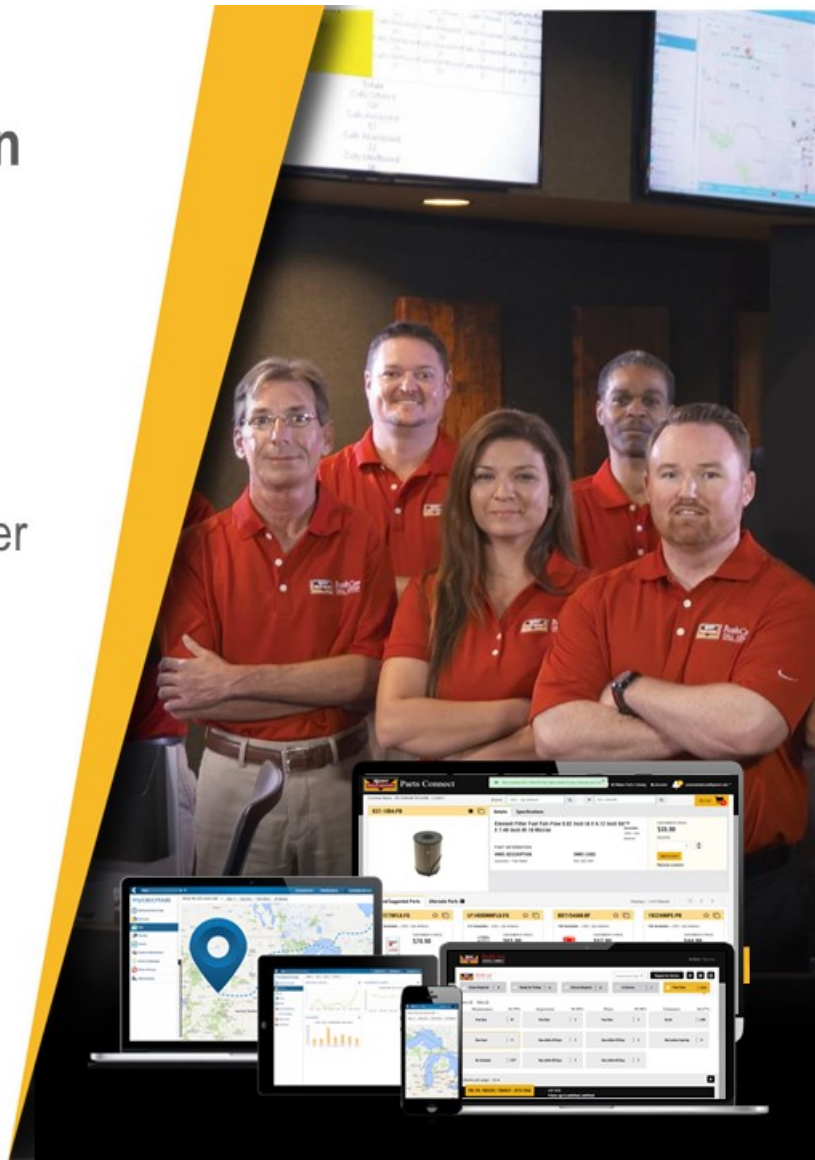
Solutions Network

- Capabilities for all makes and models
- Aftermarket parts
 - \$268 million parts inventory
 - Proprietary Rig Tough truck parts
 - RushCare Rapid Parts call centers
- Service and body shop
 - 2,349 service bays; 2,610 technicians; 26 collision centers
 - Complete range of maintenance solutions
 - 502 mobile and embedded technicians
 - RushCare services
 - CNG/LNG service capabilities



Technology Innovation

- RushCare Parts Connect
- RushCare Service Connect
- RushCare Telematics Solutions
- RushCare call center and customer support team



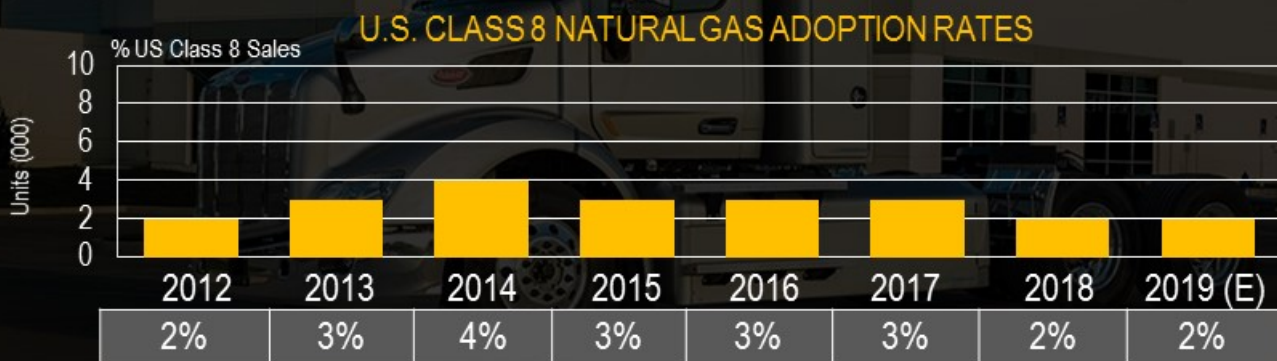
Natural Gas Sales and Service

- Natural gas-powered vehicles remain long-term growth opportunity
- More than 6,928 units sold since 2005
- Sales specialists and grant consultant
- Parts and service support
 - Natural gas operations manager
 - 27 dedicated CNG locations
 - Natural gas service included in all new facility construction and expansion
 - Mobile service
 - 172 certified technicians
- Natural gas fuel system installation



Momentum Fuel Technologies

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

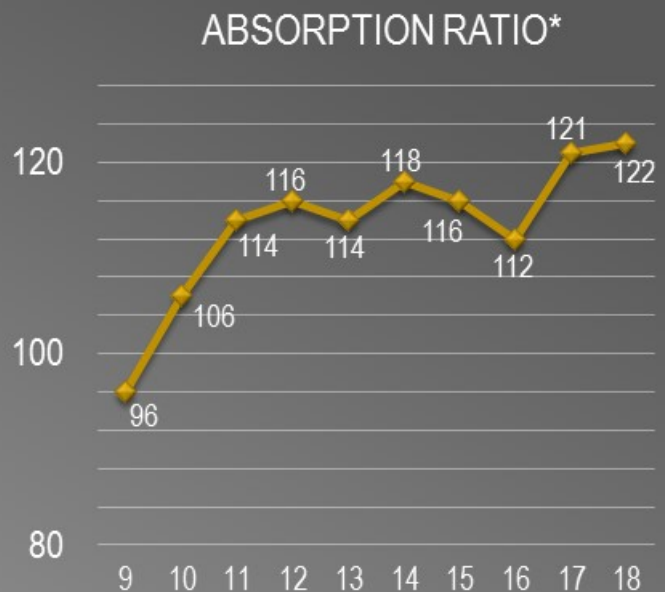


Source: ACT Research

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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

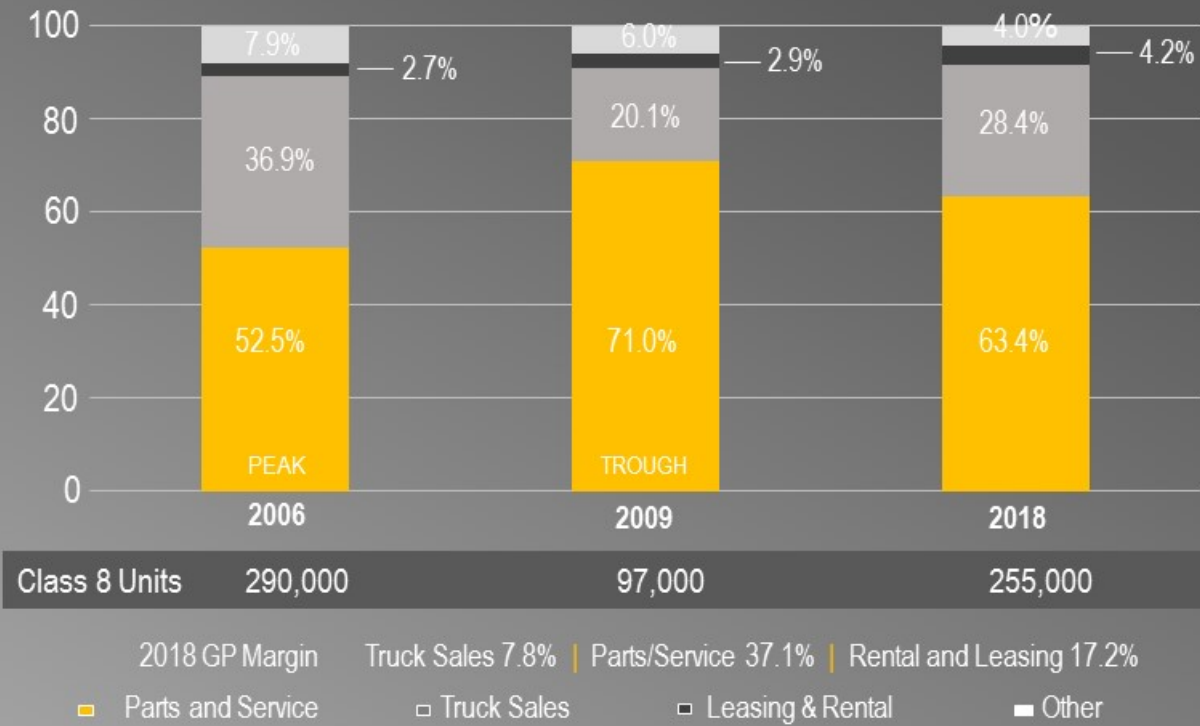


*Absorption ratio is calculated by dividing the gross profit from the parts, service and body shop departments of a dealership by the overhead expenses of all of a dealership's departments, except for the selling expenses of new and used commercial vehicles and the carrying costs of the new and used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

Source: ACT Research

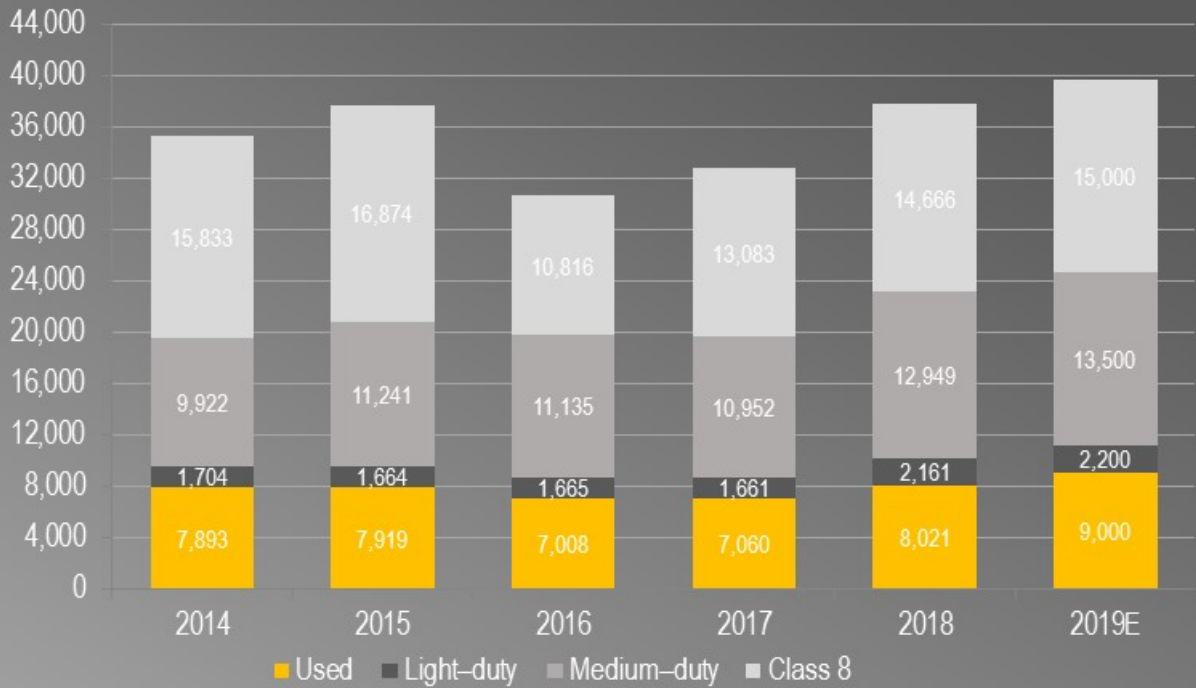
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Quality of Earnings



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Rush Annual Truck Sales



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Commercial Vehicle Franchises

Peterbilt, Class 6-8 – 59 locations, 11 states

International, Class 5-8 – 45 locations, 9 states and 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 – 24 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

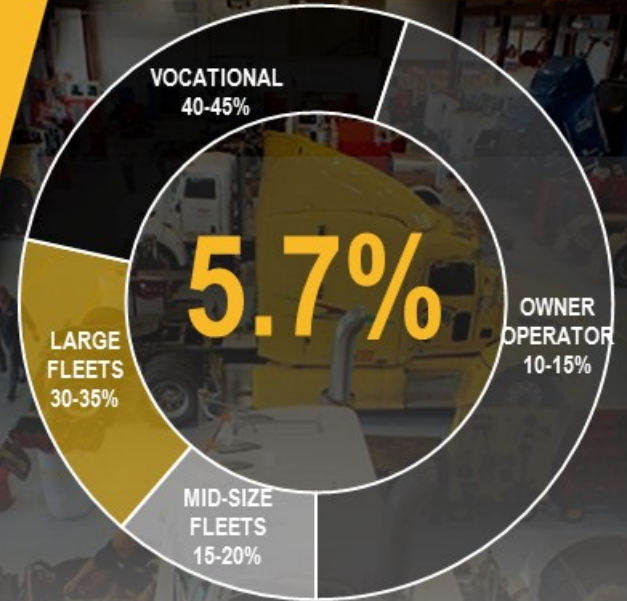
Idealease – 19 locations, 9 states



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Rush Enterprises Class 8 Customers

- Rush Enterprises 2018 US 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



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Rush Enterprises Class 4-7 Customers

- Rush Enterprises 2018 US Class 4-7 market share – 5.0%
- Vocational and specialty markets
- Ready-to-roll inventory
- National fleet accounts
- Market tied closely to the general economy



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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
- 8,135 units in truck fleet; 1,197 units under contract maintenance
- Growing need by customers for outsourced maintenance

Leasing and Rental Revenue



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Historical Results

\$ in millions, except per share amounts	2015	2016	2017	Three Months Ended 3/31/2018	Three Months Ended 3/31/2019
Revenue	\$4,979.7	\$4,214.6	\$4,713.9	\$1,240.8	\$1,348.3
Gross profit	\$784.9	\$718.0	\$829.9	\$227.0	\$256.9
Gross profit margin	15.8%	17.0%	17.6%	18.3%	19.1%
Adjusted EBIT (1)*	\$108.8	\$76.0	\$138.7	\$38.9	\$49.8
Adjusted EBIT margin*	2.2%	1.8%	2.9%	3.1%	3.7%
Net income	\$66.1	\$40.6	\$172.1	\$21.0	\$37.1
Adjusted net income (1)*	\$66.1	\$46.0	\$89.3	\$28.7	\$37.1
EPS	\$1.61	\$1.00	\$4.20	\$0.51	\$0.98
Adjusted EPS (1)*	\$1.61	\$1.13	\$2.18	\$0.70	\$0.98

(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

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Adjusted Return on Invested Capital

\$ in thousands	2015	2016	2017	3/31/2018	3/31/2019
Total debt	\$1,586,278	\$1,335,441	\$1,473,230	\$1,481,023	\$1,905,410
Adjustments					
Debt related to lease and rental fleet	(\$603,894)	(\$579,819)	(\$598,512)	(\$583,906)	(\$597,182)
Floor plan notes payable	(\$854,758)	(\$646,945)	(\$778,561)	(\$805,531)	(\$1,111,473)
Adjusted total debt*	\$127,626	\$108,677	\$96,157	\$91,586	\$196,755
Cash and cash equivalents	(\$64,847)	(\$82,026)	(\$124,541)	(\$131,712)	(\$126,572)
Adjusted net (cash) debt*	\$62,779	\$26,651	(\$28,384)	(\$40,126)	\$70,183
Shareholders' equity	\$844,897	\$862,825	\$1,040,373	\$1,031,669	\$1,083,421
Adjusted invested capital*	\$907,676	\$889,476	\$1,011,989	\$991,543	\$1,153,604
Adjusted return on invested capital (1)*	13.7%	8.5%	14.6%	11.0%	20.0%

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

*Non-GAAP financial measure. See Appendix

(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

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Free Cash Flow

\$ in thousands	2015	2016	2017	Twelve Months Ended 3/31/2018	Twelve Months Ended 3/31/2019
Net cash provided by (used in) operations	\$227,250	\$521,170	\$152,737	\$232,876	\$58,445
Acquisition of property/equipment	(\$367,790)	(\$196,965)	(\$209,917)	(\$218,923)	(\$253,616)
Free cash flow*	(\$140,540)	\$324,205	(\$57,180)	\$13,953	(\$195,171)
Adjustments:					
Draws (payments) on floor plan financing, net	\$31,568	(\$211,802)	\$112,261	\$84,753	\$261,536
Proceeds from lease/rental debt	\$162,497	\$121,188	\$152,562	\$159,144	\$162,473
Principal payments on lease/rental debt	(\$138,813)	(\$168,644)	(\$144,998)	(\$151,369)	(\$161,962)
Debt proceeds related to acquisitions	(\$5,645)	\$0	\$0	\$0	\$0
Non-maintenance capital expenditures	\$138,190	\$45,003	\$28,734	\$26,912	\$48,050
Adjusted free cash flow*	\$47,257	\$109,950	\$91,379	\$133,393	\$114,926

*Non-GAAP financial measure. See Appendix

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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	Three Months Ended 3/31/2018	Three Months Ended 3/31/2019
Net Income	\$66,053	\$40,582	\$172,129	\$21,039	\$37,104
Adjustments					
Restructuring charges, net of tax		\$5,425			
ERP platform write-off, net of tax				\$7,671	
Aircraft impairment charge, net of tax					
Revaluation of deferred tax liabilities			(\$82,862)		
Adjusted Net Income*	\$66,053	\$46,007	\$89,267	\$28,710	\$37,104
Diluted shares outstanding EPS	41,093	40,603	40,980	41,092	37,834
EPS	\$1.61	\$1.00	\$4.20	\$0.51	\$0.98
Adjusted EPS*	\$1.61	\$1.13	\$2.18	\$0.70	\$0.98

*Non-GAAP financial measure

(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.

*Non-GAAP financial measure – see Appendix

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Appendix Reconciliation

Adjusted EBITDA
and EBIT

\$ in thousands	2015	2016	2017	Three Months Ended 3/31/2018	Three Months Ended 3/31/2019
Net Income	\$66,053	\$40,582	\$172,129	\$21,039	\$37,104
Adjusted Net Income*	\$66,053	\$46,007	\$89,267	\$28,710	\$37,104
Provision for Income Taxes	\$41,750	\$29,372	\$47,132	\$7,044	\$12,454
Interest expense	\$13,473	\$14,279	\$12,310	\$4,306	\$7,358
Depreciation and amortization	\$43,859	\$51,261	\$50,069	\$22,908	\$12,925
Asset impairment charge, net of tax				(\$7,671)	
(Gain) Loss on sales of assets	\$544	(\$1,755)	\$105	\$28	(\$57)
EBITDA*	\$165,679	\$139,164	\$198,883	\$55,325	\$69,784
Adjustment					
Interest expense associated with floor plan notes payable	(\$13,054)	(\$11,901)	(\$10,121)	(\$3,768)	(\$7,077)
Adjusted EBITDA*	\$152,625	\$127,263	\$188,762	\$51,557	\$62,707
Depreciation and amortization	(\$43,859)	(\$51,261)	(\$50,069)	(\$12,680)	(\$12,925)
Adjusted EBIT*	\$108,776	\$76,002	\$138,693	\$38,877	\$49,782

*Non-GAAP financial measure

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