Werner Enterprises, Inc. (WERN)

Updated February 10th, 2026 by Josh Arnold

Key Metrics

Current Price:	$36	**5 Year CAGR Estimate:**	4.7%	**Market Cap:**	$2.1 B
Fair Value Price:	$17	**5 Year Growth Estimate:**	20.0%	**Ex-Dividend Date:**	04/14/26[1]
% Fair Value:	212%	**5 Year Valuation Multiple Estimate:**	-13.9%	**Dividend Payment Date:**	05/07/26
Dividend Yield:	1.6%	**5 Year Price Target**	$42	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Industrials	**Rating:**	Sell

Overview & Current Events

Werner Enterprises is a transportation company based in Omaha, Nebraska. The company, through its subsidiaries, transports via truckload shipments of general commodities in the US, Mexico, and internationally. It operates two distinct segments: Truckload Transportation Services, and Werner Logistics. The Truckload segment operates a fleet of medium or long-haul trucks that transport various nondurable goods, regional short-haul routes, temperature-sensitive products, and more. The Werner Logistics segment provides non-asset-based transportation and logistics services, including a brokerage business, logistics management services and solutions, rail transportation, and other related services. The company operates more than 8,000 trucks and more than 30,000 trailers. Werner was founded in 1956, employs around 13,000 people, and generates about $3.5 billion in annual revenue.

Werner posted fourth quarter and full-year earnings on February 6th, 2026, and results were weaker than expected on both the top and bottom lines. Adjusted earnings-per-share came to a nickel, which missed estimates for 10 cents. Revenue was down 2.3% year-over-year to $737.6 million, missing estimates by $23.5 million.

Truckload Transportation Services revenue was $513 million, down 3% year-over-year. Net of fuel surcharges, revenue was off 3% to $455 million. Adjusted segment operating income was $12.7 million, and adjusted operating margin net of fuel was 2.8% of revenue.

Dedicated revenue net of fuel was $292 million, up 1% from the year-ago period. Dedicated average trucks rose 2.4% year-over-year and 1.8% sequentially at 4,954 trucks. One-way business saw revenue net of fuel at $156 million, down 8%, with average trucks down 10%. Revenue per truck per week was up 2.2%.

We start 2026 with an estimate of a sharp rebound in earnings to 85 cents per share.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.09	$2.80	$2.33	$2.38	$2.44	$3.37	$3.60	$1.77	$0.45	($0.02)	***$0.85***	***$2.12***
DPS	$0.24	$0.27	$0.34	$0.36	$0.36	$0.48	$0.51	$0.55	$0.56	$0.56	***$0.56***	***$0.59***
Shares[2]	72	73	72	70	69	68	65	64	63	60	***58***	***50***

Werner has seen enormously volatile earnings over time, with 2025 easily being the worst year of the past decade. It does, however, look like this year may finally see an upward move in earnings. We think the company has upside to more normalized levels of earnings, but the base for this year is very low, and shows no signs of improvement.

Management is quite confident its end markets are recovering, with a shift in focus to one-way rate increases, as well as fleet growth in its Dedicated segment. Fuel costs can add or detract from the bottom line over time, an expense Werner has little control over. Still, we like the cost controls as the company deals with imbalances in supply and demand, lower resale values for used equipment, and inflation in input costs. Werner is focusing on operating efficiently, investing in a modernized fleet, and expanding its portfolio.

[1] Estimated date

[2] In Millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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All told, we see 20% earnings growth annually as Werner looks to normalize its profits from extremely low levels. We think a steady-state earnings growth rate is probably in the mid-single digits when profits reach historical levels again.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	25.8	14.5	14.1	15.5	16.1	13.2	13.0	22.3	80.2	--	***42.4***	***20.0***
Avg. Yld.	0.9%	0.7%	1.0%	1.0%	0.9%	1.1%	1.1%	1.4%	1.6%	1.9%	***1.6%***	***1.4%***

Werner's valuation has been steady for most of the past decade if we remove a couple of outlier years. We've settled on a fair value multiple of 20 times earnings for Werner given the weakness it's exhibiting. With shares well ahead of that level today, it's quite overvalued. However, if the earnings recovery materializes how we believe it might, the stock will become cheaper fairly quickly.

The yield is 1.6% today, better than the S&P 500. We see modest growth in the payout, consistent with Werner's prior practice. The dividend, we believe, can be defended at its current level temporarily, but Werner needs earnings to rebound fairly quickly. We note the company has ended its streak of dividend increases.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	22%	10%	15%	15%	15%	14%	14%	31%	124%	--	***66%***	***28%***

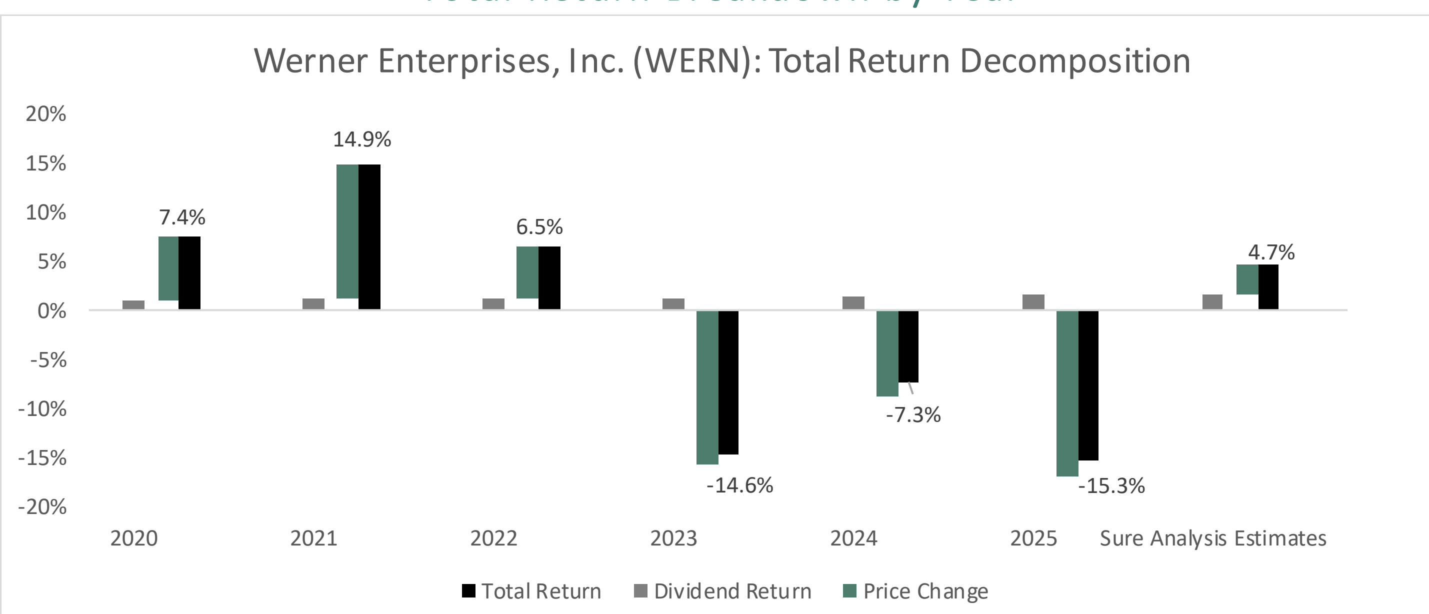
Given Werner is a trucking company, it is highly susceptible to recessions. We believe that when the next recession strikes, Werner's earnings will be at risk. Whether the dividend would need to be cut would depend upon the severity and longevity of the recession, but the earnings outlook would almost certainly suffer sharply.

Competitive advantages are difficult to come by in trucking, and Werner pretty much does the same thing as other large truckers. It does have some scale, but we don't see a sustainable competitive advantage.

Final Thoughts & Recommendation

Werner is facing significant headwinds, and earnings went negative in 2025. Risks are very high, and we're at a sell rating on its modest total return prospects and lack of dividend growth.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,009	2,117	2,458	2,464	2,372	2,734	3,290	3,283	3,030	2,974
Gross Profit	324	345	418	427	461	478	522	424	339	172
Gross Margin	16.1%	16.3%	17.0%	17.3%	19.4%	17.5%	15.9%	12.9%	11.2%	5.8%
SG&A Exp.	100	96	114	104	124	112	163	157	163	16
D&A Exp.	210	218	230	250	263	268	280	300	290	---
Operating Profit	126	144	224	225	227	309	323	176	66	70
Operating Margin	6.3%	6.8%	9.1%	9.2%	9.6%	11.3%	9.8%	5.4%	2.2%	2.3%
Net Profit	79	203	168	167	169	259	241	112	34	(23)
Net Margin	3.9%	9.6%	6.8%	6.8%	7.1%	9.5%	7.3%	3.4%	1.1%	-0.8%
Free Cash Flow	(228)	(34)	(102)	6	33	(38)	(59)	(124)	(84)	---
Income Tax	48	(58)	56	55	56	85	79	35	9	2

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,793	1,808	2,084	2,144	2,157	2,604	3,097	3,158	3,052	2,887
Cash & Equivalents	17	14	34	26	29	54	107	62	41	60
Accounts Receivable	261	304	338	323	341	461	519	445	392	395
Inventories	13	12	10	9	12	11	15	18	14	12
					-	130	214	216	206	174
Total Liabilities	798	623	819	1,033	962	1,240	1,615	1,591	1,558	1,496
Accounts Payable	67	74	98	95	83	94	124	136	112	95
Long-Term Debt	180	97	125	300	200	428	694	649	650	752
Shareholder's Equity	995	1,185	1,265	1,111	1,195	1,328	1,444	1,528	1,456	1,363
LTD/E Ratio	0.18	0.08	0.10	0.27	0.17	0.32	0.48	0.42	0.45	0.55

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.7%	11.3%	8.6%	7.9%	7.9%	10.9%	8.5%	3.6%	1.1%	-0.8%
Return on Equity	8.2%	18.6%	13.7%	14.1%	14.7%	20.3%	17.0%	7.4%	2.2%	-1.6%
ROIC	7.2%	16.5%	12.6%	11.9%	12.1%	16.3%	12.2%	5.1%	1.6%	-1.1%
Shares Out.									62.7	60.7
Revenue/Share	27.75	29.17	34.11	35.18	34.17	40.30	50.95	51.53	48.36	49.08
FCF/Share	(3.15)	(0.46)	(1.41)	0.08	0.47	(0.56)	(0.91)	(1.95)	(1.34)	---

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.