



CreditRiskMonitor's assessment of Roadrunner Transportation Systems, Inc.'s ("Roadrunner") "high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Roadrunner Transportation Systems, Inc., (NYSE: RRTS) at a **1**, the highest probability of bankruptcy in the next 12 months.

Business Name	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Roadrunner Transportation Systems Inc	3	3	3	1	1	2	1	1	1	1	1	1	1

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody's, Fitch, DBRS, & Morningstar

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company's management and sales representatives to be alerted to concerns in a public company's performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation's quarterly journal article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"](#)

COMPANY REPORT DETAIL

Roadrunner Transportation Systems, Inc.

4900 S Pennsylvania Ave

Phone: (414) 615-1500

CUDAHY, WI 53110-1347 United States

Ticker: RRTS

Latest Financial Statements as of 9/30/2018

Business Summary

Roadrunner Transportation Systems, Inc. (RRTS) is an asset-light transportation and logistics service provider. The Company offers a suite of global supply chain solutions, including truckload logistics (TL), customized and expedited less-than-truckload (LTL), intermodal solutions (transporting a shipment by over one mode, primarily through rail and truck), freight consolidation, inventory management, expedited services, air freight, international freight forwarding, customs brokerage and transportation management solutions. The Company operates through three segments: Truckload Logistics, Less-than-Truckload and Global Solutions. The Company utilizes a third-party network of transportation providers, consisting of independent contractors (ICs) and purchased power providers, to serve a diverse customer base. It primarily focuses on small to mid-size shippers.

(Source: 10-K)

Employees: 4,600 (as of 12/31/2017)

Incorporated: 2/22/2005

Federal Tax Id: 202454942

Credit Score History

Score/ Index	2017			2018											
	N	D	J	F	M	A	M	J	J	A	S	O	N		
FRISK® Score*	3	3	3	1	1	2	1	1	1	1	1	1	1		
DBT Index	9	9	9	9	9	9	9	9	9	9	9	9	9		
Z"-Score	-0.47	-0.51	-0.58	-0.78	-1.48										

*FRISK® Scores are month-end

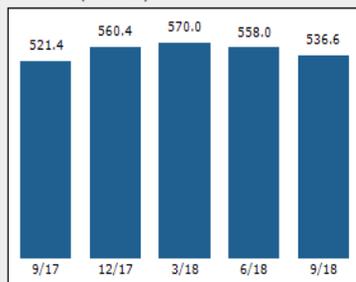
Auditor Information

Last Audit: 12/31/2017

Auditors: Deloitte & Touche LLP

Opinion: Unqualified

Net Sales(millions)



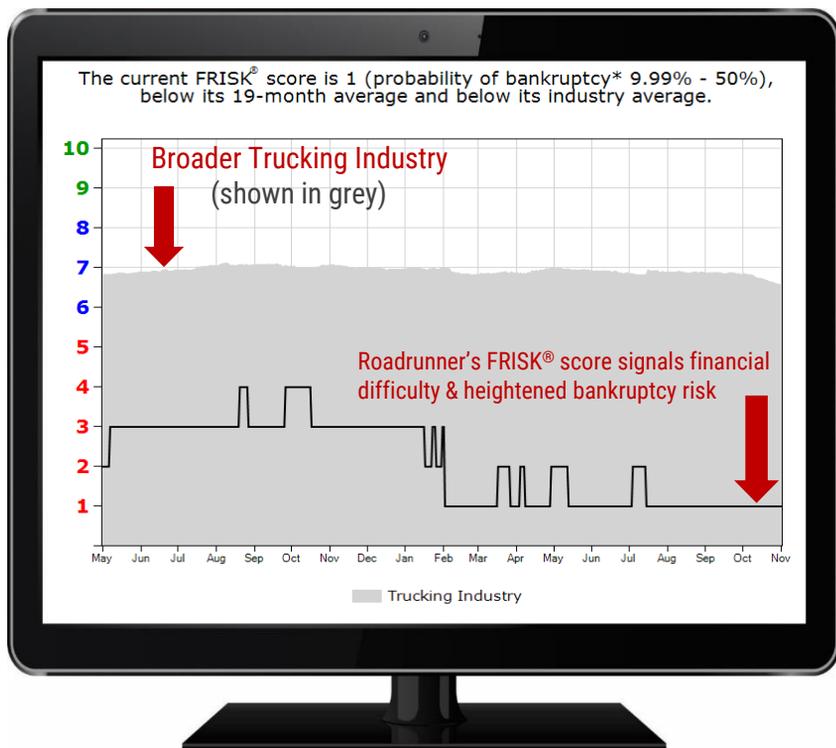
Working Capital (mill)



The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing.

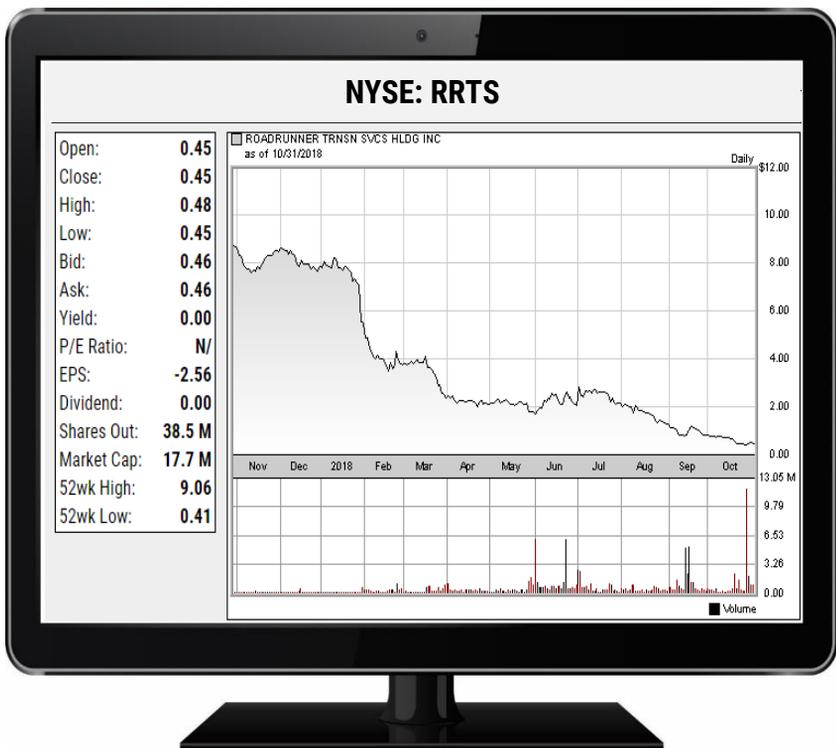
FRISK® DEEP DIVE



The FRISK® score relative to the broader Trucking industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

Business Name	Country	Score
Roadrunner Transportation Systems Inc	United States	1
Grindrod Limited	South Africa	2
Jutha Maritime PCL	Thailand	2
Waberer's International Nyrt	Hungary	2
Express Kenya Limited	Kenya	3
OT Logistics SA	Poland	3
NCL International Logistics PCL	Thailand	4
Scan Global Logistics A/S	Denmark	4
MSCO Bhd	Malaysia	4
Cargoes and Frogn Ted Log. Jec	Vietnam	4
Holdings Bhd	Malaysia	4

FRISK® Stress Index - SIC classification: Arrangement of transportation of freight and cargo

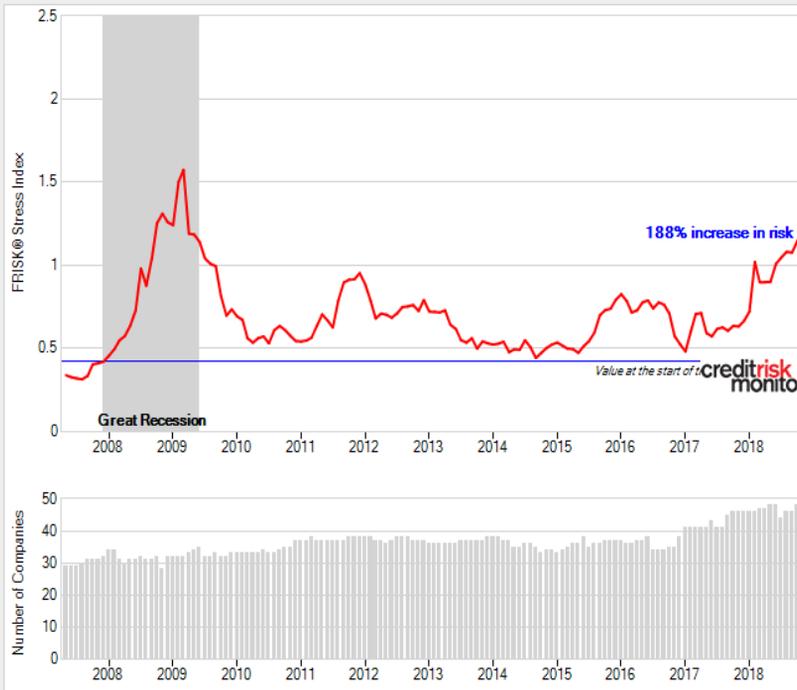
Primary industry codes only
 Primary and secondary industry codes

Businesses From: All Businesses CLEAR
 In Industry: SIC 4731: Arrangement of transportation of freight and cargo
 Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months 73



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 4731 (Arrangement of transportation of freight and cargo) has increased 188% since 2007. Roadrunner is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Roadrunner demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis

2018.3

SIC 4731: Arrangement of transportation of freight and cargo

REFRESH

[SIC: 4731] [Calendar Year/Quarter: 2018.3]

Businesses in Peer Group: 931

Metric	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	110	113	-1.48	-9.24	2.97	22.52
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	11	22	536,584	0	42	144,000
Gross Margin % Of Sales	32	116	31.85	-72.14		0.09
Gross Margin % Of Sales -- TTM	32	117	30.61	-13.8		0
SG&A % Of Sales	83	116	14.56	0		
SG&A % Of Sales -- TTM	77	117	13.64	0		
Operating Margin % Of Sales	110	116	-2.02	-141		
Operating Margin % Of Sales TTM	105	117	-2.61	-352		
EBITDA Margin Of Sales	54	57	-0.19	-177		
EBITDA Margin Of Sales -- TTM	61	64	-0.88	-68		
Net Profit Margin % Of Sales	113	116	-7.75	-141.57		
Net Profit Margin % Of Sales - TTM	110	117	-5.86	-320.23		
Pre-tax Income % Of Sales	113	116	8.69	-141.57		153.46
Effective Tax Rate	26	111	10.85	-1,250.00	21.70	210.45
Depreciation % Of Prop/Plant/Equipment	72	93	18.91	0.19	10.40	155.56
Capital Expense % Of Prop/Plant/Equipment	43	86	13.06	0.04	12.82	569.98
Interest Coverage	46	49	-0.03	-38.52	8.33	149.97
Interest Coverage -- TTM	56	59	-0.15	-319.39	8.04	202.24
Liquidity ratios:						
Cash Ratio	111	115	0.03	0.02	0.42	15.59
Quick Ratio	59	110	1.01	0.28	1.05	14.16
Current Ratio	73	115	1.23	0.47	1.45	15.94
Efficiency ratios:						
Accounts Receivable Turnover	51	115	7.42	0.00		43
Days Sales Outstanding	53	116	49.18	0.00		8
% of Inventory Financed by Vendors	N/A	83	N/A	6		
% of Inventory Financed by Vendors -- TTM	N/A	85	N/A	6		
Inventory Turnover	N/A	94	N/A	0		
Inventory Turnover TTM	N/A	94	N/A	0		
Days Sales in Inventory	N/A	93	N/A	0		
Inventory to Working Capital	N/A	92	N/A	-39.1		
Accounts Payable Turnover	59	109	9.48	0.00		05
Accounts Payable Turnover -- TTM	62	109	9.64	0.00		50.79
Leverage & debt coverage:						
Total Debt to Equity Ratio	104	104	89.74	0.00	0.49	89.74
Debt to Tangible Equity Ratio	N/A	95	N/A	0.00	0.50	14.22
Total Debt to Assets Ratio	102	104	0.62	0.00	0.23	0.72
Short-Term Debt % of Total Debt	5	26	1.91	0.00	32.68	100.00
Short-Term Debt % of Working Capital	28	102	15.37	-3,891.94	13.64	2,902.55
Liabilities to Net Worth Ratio	N/A	106	N/A	0.06	0.97	28.98
Total Liabilities to Equity Ratio	115	115	142.98	0.06	0.98	142.98
TTM EBITDA Over Total Debt	52	54	-0.04	-0.70	0.28	3.87
Net Debt Over TTM EBITDA	N/A	53	N/A	-9.41	1.72	113.16

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

QUARTERLY PERFORMANCE RATIOS

Net losses in the each of the last five fiscal quarters

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017	3 mos 9/30/2017
Net Sales \$	\$536,584	\$558,026	\$569,984	\$560,359	\$521,433
% change	-3.84%	-2.10%	1.72%	7.47%	-1.72%
Gross Margin \$	\$170,906	\$177,954	\$169,021	\$163,178	\$162,953
% change	-3.96%	5.29%	3.58%	0.14%	-5.34%
% of sales	31.85%	31.89%	29.65%	29.12%	31.25%
change as % of incremental sales	n/m	n/m	60.71%	0.58%	n/m
SG&A \$	\$78,118	\$75,838	\$75,887	\$73,580	\$73,263
% change	3.01%	-0.06%	3.14%	0.43%	-3.18%
% of sales	14.56%	13.59%	13.31%	13.13%	14.05%
change as % of incremental sales	n/m	n/m	23.97%	0.81%	n/m
Operating margin \$	(\$10,821)	(\$11,375)	(\$13,430)	(\$22,335)	\$5,237
% change	4.87%	15.30%	39.87%	-526.48%	130.24%
% of sales	-2.02%	-2.04%	-2.36%	-3.99%	1.00%
change as % of incremental sales	n/m	n/m	92.52%	-70.83%	n/m
EBITDA \$	(\$1,015)	(\$2,085)	(\$4,168)	(\$12,235)	\$14,715
% change	51.32%	49.98%	65.93%	-183.15%	286.36%
% of sales	-0.19%	-0.37%	-0.73%	-2.18%	2.82%
change as % of incremental sales	n/m	n/m	83.81%	-69.23%	n/m
EBIT \$	(\$10,821)	(\$11,375)	(\$13,430)	(\$22,335)	\$5,237
% change	4.87%	15.30%	39.87%	-526.48%	130.24%
% of sales	-2.02%	-2.04%	-2.36%	-3.99%	1.00%
change as % of incremental sales	n/m	n/m	92.52%	-70.83%	n/m
Pre-tax income \$	(\$46,619)	(\$45,607)	(\$22,973)	(\$41,002)	(\$5,265)
% change	-2.22%	-98.52%	43.97%	-678.77%	88.47%
% of sales	-8.69%	-8.17%	-4.03%	-7.32%	-1.01%
change as % of incremental sales	n/m	n/m	187.31%	-91.81%	n/m
Net income (loss) \$	(\$41,561)	(\$41,955)	(\$23,643)	(\$23,327)	(\$10,053)
% change	0.94%	-77.45%	-1.35%	-132.04%	73.45%
% of sales	-7.75%	-7.52%	-4.15%	-4.16%	-1.93%
change as % of incremental sales	n/m	n/m	-3.28%	-34.16%	n/m
Tax expense \$	(\$5,058)	(\$3,652)	\$670	(\$1,000)	(\$1,000)
Effective tax rate	10.85%	8.01%	-2.92%	4.30%	19.40%
Depreciation expense \$	\$8,006	\$7,490	\$7,462	\$7,462	\$7,462
% of sales	1.49%	1.34%	1.31%	1.31%	1.43%
% of capital expenses	144.75%	131.59%	130.94%	130.94%	130.94%
% of PP&E, net (annualized)	18.91%	18.64%	18.80%	18.80%	18.80%
Capital expenditures \$	\$5,531	\$5,692	\$5,699	\$5,699	\$5,699
% change	-2.83%	-0.12%	72.44%	72.44%	72.44%
% of PP&E, net (annualized)	13.06%	14.17%	14.36%	14.36%	14.36%
% of working capital (annualized)	25.03%	20.47%	20.50%	10.94%	10.04%
Interest coverage ratio	(0.03)	(0.06)	(0.44)	(0.25)	1.40
% change	53.37%	86.06%	-77.42%	-117.57%	603.12%
Free cash flow \$	\$4,922	\$3,600	(\$15,897)	\$1,114	(\$14,548)
% change	36.72%	122.65%	-1,527.02%	107.66%	58.53%

Poor interest coverage ratio & weak free cash flow

QUARTERLY LEVERAGE RATIOS

Total debt in relation to tangible net worth signals heightened risk

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Total debt \$	\$528,096	\$524,463	\$481,611	\$462,727	\$448,723
% change	0.69%	8.90%	4.08%	3.12%	-17.95%
Stockholders' equity \$	\$5,885	\$46,954	\$88,538	\$110,847	\$133,597
% change	-87.47%	-46.97%	-20.13%	-17.03%	-6.76%
Total debt to equity ratio	89.74	11.17	5.44	4.17	3.36
% change	703.39%	105.34%	30.31%	24.29%	-11.99%
Tangible net worth \$	(\$303,217)	(\$263,934)	(\$224,140)	(\$203,627)	(\$182,549)
% change	-14.88%	-17.75%	-10.07%	-11.55%	20.86%
Total assets \$	\$847,296	\$850,398	\$884,490	\$876,043	\$862,511
% change	-0.36%	-3.85%	0.96%	1.57%	-8.67%
Total debt to assets ratio	0.62	0.62	0.54	0.53	0.52
% change	1.07%	13.26%	3.09%	1.52%	-10.14%
Tangible assets \$	\$538,194	\$539,510	\$571,812	\$550,000	\$565,000
% change	-0.24%	-5.65%	1.82%	1.57%	-1.57%
Short-term debt \$	\$10,088	\$10,012	\$10,087	\$10,087	\$10,087
% change	0.76%	-0.74%	1.38%	0.00%	0.00%
Short-term debt % of total debt	1.91%	1.91%	2.09%	2.18%	2.25%
% change	0.07%	-8.85%	-2.60%	4.13%	3.11%
Short-term debt % of working capital	15.37%	9.01%	9.06%	9.06%	9.06%
% change	70.63%	-0.63%	1.22%	0.00%	0.00%
Total liabilities \$	\$841,411	\$803,444	\$795,952	\$765,196	\$728,914
% change	4.73%	0.94%	4.02%	4.98%	-9.02%
Total liabilities to equity ratio	142.98	17.11	8.99	6.90	5.46
% change	735.56%	90.34%	30.23%	26.52%	-2.42%
Total debt to EBITDA	n/a	n/a	n/a	n/a	7.62
Source:	10-Q 11/7/2018	10-Q 8/7/2018	10-Q 6/28/2018	10-K 6/20/2018	10-Q 3/30/2018

Total debt to assets ratio is high

Total liabilities to equity ratio has worsened significantly

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital drastically decreases

Recurring meager cash ratio

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Current assets \$	\$357,265	\$370,333	\$409,627	\$398,386	\$376,790
% change	-3.53%	-9.59%	2.82%	5.73%	-5.83%
% of short-term debt	3,541.48%	3,698.89%	4,060.94%	4,003.88%	4,959.72%
Current liabilities \$	\$291,624	\$259,170	\$298,336	\$287,264	\$246,331
% change	12.52%	-13.13%	3.85%	16.62%	13.39%
Working capital \$	\$65,641	\$111,163	\$111,291	\$111,122	\$130,459
% change	-40.95%	-0.12%	0.15%	-14.82%	-28.66%
% of sales (annualized)	3.06%	4.98%	4.88%	4.96%	6.25%
Cash \$	\$10,019	\$35,638	\$20,769	\$25,702	\$17,066
% change	-71.89%	71.59%	-19.19%	50.60%	-42.47%
% of short-term debt	99.32%	355.95%	205.90%	258.31%	224.64%
Cash ratio	0.03	0.14	0.07	0.09	0.07
% change	-74.98%	97.56%	-22.23%	29.15%	-49.27%
Quick assets \$	\$295,412	\$328,676	\$356,803	\$347,331	\$304,342
% change	-10.12%	-7.88%	2.73%	14.13%	-2.85%
% of short-term debt	2,928.35%	3,282.82%	3,537.26%	3,490.76%	4,006.08%
Quick ratio	1.01	1.27	1.20	1.21	1.24
% change	-20.12%	6.04%	-1.08%	-2.14%	-14.32%
Current ratio	1.23	1.43	1.37	1.39	1.53
% change	-14.26%	4.07%	-1.00%	-9.34%	-16.95%
Source:	10-Q 11/7/2018	10-Q 8/7/2018	10-Q 6/28/2018	10-K 6/20/2018	10-Q 3/30/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017	3 mos 9/30/2017
Return on equity	-88.51%	-47.39%	-21.33%	-17.46%	-7.02%
% change	-86.79%	-122.16%	-22.16%	-148.87%	67.03%
Return on total assets	-4.90%	-4.84%	-2.69%	-2.68%	-1.11%
% change	-1.23%	-80.07%	-0.09%	-141.17%	72.90%
Return on tangible assets	-7.71%	-7.55%	-4.17%	-4.21%	-1.80%
% change	-2.15%	-80.98%	0.92%	-133.91%	73.99%
Source:	10-Q 11/7/2018	10-Q 8/7/2018	10-Q 6/28/2018	10-K 6/20/2018	10-Q 3/30/2018

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 58,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

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Contact us at:

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creditriskmonitor.com/contact-us