# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the quarterly period ended March 31, 2024**

**Or**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from __________ to**

**Commission File Number: 001-35392**

# RADIANT LOGISTICS, INC.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **04-3625550**<br>**(I.R.S. Employer Identification No.)** |

**Triton Tower Two**
**700 S Renton Village Place, Seventh Floor**
**Renton, Washington 98057**
**(Address of principal executive offices) (Zip Code)**

**(425) 462-1094**
**(Registrant's telephone number, including area code)**

**N/A**
**(Former name, former address, and former fiscal year, 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 |
|---|---|---|
| Common Stock, $0.001 Par Value | RLGT | NYSE American |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☒ |
| 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 47,002,141 shares outstanding of the registrant's common stock as of May 2, 2024.

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**RADIANT LOGISTICS, INC.**
**Condensed Consolidated Balance Sheets**

| (In thousands, except share and per share data) | March 31, 2024 (unaudited) | June 30, 2023 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 31,233 | $ 32,456 |
| Accounts receivable, net of allowance of $3,565 and $2,776, respectively | 105,513 | 126,725 |
| Contract assets | 7,244 | 6,180 |
| Income tax receivable | 4,223 | — |
| Prepaid expenses and other current assets | 11,540 | 15,211 |
| Total current assets | 159,753 | 180,572 |
| | | |
| Property, technology, and equipment, net | 26,226 | 25,389 |
| | | |
| Goodwill | 90,424 | 89,203 |
| Intangible assets, net | 31,618 | 36,641 |
| Operating lease right-of-use assets | 51,961 | 56,773 |
| Deposits and other assets | 3,984 | 5,163 |
| Total other long-term assets | 177,987 | 187,780 |
| Total assets | $ 363,966 | $ 393,741 |
| | | |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable | $ 70,266 | $ 84,561 |
| Operating partner commissions payable | 12,998 | 18,360 |
| Accrued expenses | 7,822 | 8,739 |
| Income tax payable | — | 369 |
| Current portion of notes payable | 639 | 4,107 |
| Current portion of operating lease liabilities | 11,129 | 11,273 |
| Current portion of finance lease liabilities | 608 | 620 |
| Current portion of contingent consideration | 150 | 3,886 |
| Other current liabilities | 1,918 | 258 |
| Total current liabilities | 105,530 | 132,173 |
| | | |
| Operating lease liabilities, net of current portion | 47,592 | 52,120 |
| Finance lease liabilities, net of current portion | 744 | 1,121 |
| Contingent consideration, net of current portion | 1,190 | 287 |
| Deferred tax liabilities | 2,761 | 2,944 |
| Total long-term liabilities | 52,287 | 56,472 |
| Total liabilities | 157,817 | 188,645 |
| | | |
| Commitments and contingencies (Note 15) | | |
| | | |
| Equity: | | |
| Common stock, $0.001 par value, 100,000,000 shares authorized; 51,842,855 and 51,603,386 shares issued, and 47,001,597 and 47,294,529 shares outstanding, respectively | 33 | 33 |
| Additional paid-in capital | 110,676 | 108,516 |
| Treasury stock, at cost, 4,841,258 and 4,308,857 shares, respectively | (30,148) | (27,067) |
| Retained earnings | 128,497 | 125,593 |
| Accumulated other comprehensive loss | (3,087) | (2,205) |
| Total Radiant Logistics, Inc. stockholders' equity | 205,971 | 204,870 |
| Non-controlling interest | 178 | 226 |
| Total equity | 206,149 | 205,096 |
| Total liabilities and equity | $ 363,966 | $ 393,741 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**RADIANT LOGISTICS, INC.**
**Condensed Consolidated Statements of Comprehensive Income**
**(unaudited)**

| (In thousands, except share and per share data) | Three Months Ended March 31, 2024 | Three Months Ended March 31, 2023 | Nine Months Ended March 31, 2024 | Nine Months Ended March 31, 2023 |
|---|---|---|---|---|
| Revenues | $ 184,559 | $ 244,171 | $ 596,438 | $ 853,261 |
| Operating expenses: | | | | |
| Cost of transportation and other services | 131,438 | 177,154 | 420,495 | 635,736 |
| Operating partner commissions | 20,077 | 26,499 | 69,678 | 87,116 |
| Personnel costs | 19,416 | 19,817 | 58,803 | 60,229 |
| Selling, general and administrative expenses | 9,994 | 10,591 | 30,063 | 28,029 |
| Depreciation and amortization | 4,540 | 4,549 | 13,430 | 18,242 |
| Change in fair value of contingent consideration | — | (697) | (450) | (387) |
| Total operating expenses | 185,465 | 237,913 | 592,019 | 828,965 |
| Income (loss) from operations | (906) | 6,258 | 4,419 | 24,296 |
| Other income (expense): | | | | |
| Interest income | 623 | 216 | 1,829 | 315 |
| Interest expense | (250) | (683) | (843) | (2,246) |
| Foreign currency transaction gain | 105 | 331 | 121 | 802 |
| Change in fair value of interest rate swap contracts | (170) | (355) | (903) | 231 |
| Other | 32 | 123 | 195 | 153 |
| Total other income (expense) | 340 | (368) | 399 | (745) |
| Income (loss) before income taxes | (566) | 5,890 | 4,818 | 23,551 |
| Income tax expense | (49) | (1,346) | (1,467) | (5,570) |
| Net income (loss) | (615) | 4,544 | 3,351 | 17,981 |
| Less: net income attributable to non-controlling interest | (88) | (361) | (447) | (529) |
| Net income (loss) attributable to Radiant Logistics, Inc. | $ (703) | $ 4,183 | $ 2,904 | $ 17,452 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation gain (loss) | (1,151) | 122 | (882) | (2,455) |
| Comprehensive income (loss) | $ (1,766) | $ 4,666 | $ 2,469 | $ 15,526 |
| Income (loss) per share: | | | | |
| Basic | $ (0.02) | $ 0.09 | $ 0.06 | $ 0.36 |
| Diluted | $ (0.02) | $ 0.08 | $ 0.06 | $ 0.35 |
| Weighted average common shares outstanding: | | | | |
| Basic | 46,963,845 | 48,180,834 | 47,084,645 | 48,391,310 |
| Diluted | 46,963,845 | 49,304,991 | 48,899,138 | 49,679,999 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**RADIANT LOGISTICS, INC.**
**Condensed Consolidated Statements of Changes in Equity**
**Three and Nine Months Ended March 31, 2024**
**(unaudited)**

| | RADIANT LOGISTICS, INC. STOCKHOLDERS' EQUITY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (In thousands, except share and per share data) | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Treasury Stock | Retained Earnings | Accumulated Other Comprehensive Loss | Total Radiant Logistics, Inc. Stockholders' Equity | Non-Controlling Interest | Total Equity |
| Balance as of June 30, 2023 | 47,294,529 | $ 33 | $ 108,516 | $ (27,067) | $ 125,593 | $ (2,205) | $ 204,870 | $ 226 | $ 205,096 |
| Repurchase of common stock | (35,349) | — | — | (230) | — | — | (230) | — | (230) |
| Issuance of common stock upon vesting of restricted stock units, net of taxes withheld and paid | 127,868 | — | (331) | — | — | — | (331) | — | (331) |
| Issuance of common stock upon exercise of stock options, net of taxes withheld and paid | 1,933 | — | — | — | — | — | — | — | — |
| Share-based compensation | — | — | 881 | — | — | — | 881 | — | 881 |
| Net income | — | — | — | — | 2,622 | — | 2,622 | 229 | 2,851 |
| Other comprehensive loss | — | — | — | — | — | (1,128) | (1,128) | — | (1,128) |
| Balance as of September 30, 2023 | 47,388,981 | $ 33 | $ 109,066 | $ (27,297) | $ 128,215 | $ (3,333) | $ 206,684 | $ 455 | $ 207,139 |
| Repurchase of common stock | (497,052) | — | — | (2,851) | — | — | (2,851) | — | (2,851) |
| Issuance of common stock upon vesting of restricted stock units, net of taxes withheld and paid | 27,980 | — | (32) | — | — | — | (32) | — | (32) |
| Issuance of common stock upon exercise of stock options, net of taxes withheld and paid | 1,539 | — | — | — | — | — | — | — | — |
| Distribution to non-controlling interest | — | — | — | — | — | — | — | (345) | (345) |
| Share-based compensation | — | — | 694 | — | — | — | 694 | — | 694 |
| Net income | — | — | — | — | 985 | — | 985 | 130 | 1,115 |
| Other comprehensive income | — | — | — | — | — | 1,397 | 1,397 | — | 1,397 |
| Balance as of December 31, 2023 | 46,921,448 | $ 33 | $ 109,728 | $ (30,148) | $ 129,200 | $ (1,936) | $ 206,877 | $ 240 | $ 207,117 |
| Issuance of common stock upon exercise of stock options, net of taxes withheld and paid | 80,149 | — | (3) | — | — | — | (3) | — | (3) |
| Distribution to non-controlling interest | — | — | — | — | — | — | — | (150) | (150) |
| Share-based compensation | — | — | 951 | — | — | — | 951 | — | 951 |
| Net income (loss) | — | — | — | — | (703) | — | (703) | 88 | (615) |
| Other comprehensive loss | — | — | — | — | — | (1,151) | (1,151) | — | (1,151) |
| Balance as of March 31, 2024 | 47,001,597 | $ 33 | $ 110,676 | $ (30,148) | $ 128,497 | $ (3,087) | $ 205,971 | $ 178 | $ 206,149 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**RADIANT LOGISTICS, INC.**
**Condensed Consolidated Statements of Changes in Equity (continued)**
**Three and Nine Months Ended March 31, 2023**
**(unaudited)**

| | RADIANT LOGISTICS, INC. STOCKHOLDERS' EQUITY | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-in | Treasury | Retained | Accumulated Other Comprehensive | Total Radiant Logistics, Inc. Stockholders' | Non-Controlling | Total |
| (In thousands, except share and per share data) | Shares | Amount | Capital | Stock | Earnings | Loss | Equity | Interest | Equity |
| Balance as of June 30, 2022, as restated | 48,740,935 | $ 33 | $ 106,146 | $ (16,004) | $ 104,998 | $ (796) | $ 194,377 | $ 180 | $ 194,557 |
| Repurchase of common stock | (219,517) | — | — | (1,340) | — | — | (1,340) | — | (1,340) |
| Issuance of common stock upon vesting of restricted stock units, net of taxes withheld and paid | 152,881 | — | (442) | — | — | — | (442) | — | (442) |
| Issuance of common stock upon exercise of stock options, net of taxes withheld and paid | 411 | — | 1 | — | — | — | 1 | — | 1 |
| Distribution to non-controlling interest | — | — | — | — | — | — | — | (75) | (75) |
| Share-based compensation | — | — | 609 | — | — | — | 609 | — | 609 |
| Net income | — | — | — | — | 8,433 | — | 8,433 | 79 | 8,512 |
| Other comprehensive loss | — | — | — | — | — | (3,478) | (3,478) | — | (3,478) |
| Balance as of September 30, 2022 | 48,674,710 | $ 33 | $ 106,314 | $ (17,344) | $ 113,431 | $ (4,274) | $ 198,160 | $ 184 | $ 198,344 |
| Repurchase of common stock | (620,347) | — | — | (3,660) | — | — | (3,660) | — | (3,660) |
| Issuance of common stock upon vesting of restricted stock units, net of taxes withheld and paid | 24,606 | — | (15) | — | — | — | (15) | — | (15) |
| Issuance of common stock upon exercise of stock options, net of taxes withheld and paid | 100,863 | — | 192 | — | — | — | 192 | — | 192 |
| Distribution to non-controlling interest | — | — | — | — | — | — | — | (75) | (75) |
| Share-based compensation | — | — | 679 | — | — | — | 679 | — | 679 |
| Net income | — | — | — | — | 4,836 | — | 4,836 | 89 | 4,925 |
| Other comprehensive income | — | — | — | — | — | 901 | 901 | — | 901 |
| Balance as of December 31, 2022 | 48,179,832 | $ 33 | $ 107,170 | $ (21,004) | $ 118,267 | $ (3,373) | $ 201,093 | $ 198 | $ 201,291 |
| Issuance of common stock upon exercise of stock options, net of taxes withheld and paid | 1,424 | — | (3) | — | — | — | (3) | — | (3) |
| Distribution to non-controlling interest | — | — | — | — | — | — | — | (90) | (90) |
| Share-based compensation | — | — | 544 | — | — | — | 544 | — | 544 |
| Net income | — | — | — | — | 4,183 | — | 4,183 | 361 | 4,544 |
| Other comprehensive income | — | — | — | — | — | 122 | 122 | — | 122 |
| Balance as of March 31, 2023 | 48,181,256 | $ 33 | $ 107,711 | $ (21,004) | $ 122,450 | $ (3,251) | $ 205,939 | $ 469 | $ 206,408 |

The accompanying notes are an integral part of these condensed consolidated financial statements

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**RADIANT LOGISTICS, INC.**
**Condensed Consolidated Statements of Cash Flows**
**(unaudited)**

| (In thousands) | Nine Months Ended March 31, 2024 | 2023 |
|---|---|---|
| OPERATING ACTIVITIES: | | |
| Net income | $ 3,351 | $ 17,981 |
| ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Share-based compensation | 2,526 | 1,832 |
| Amortization of intangible assets | 7,780 | 12,650 |
| Depreciation and amortization of property, technology, and equipment | 5,650 | 5,592 |
| Deferred income tax benefit | (186) | (4,178) |
| Amortization of debt issuance costs | 384 | 373 |
| Change in fair value of contingent consideration | (450) | (387) |
| Change in fair value of interest rate swap contracts | 903 | (231) |
| Other | 1,013 | (64) |
| CHANGES IN OPERATING ASSETS AND LIABILITIES: | | |
| Accounts receivable | 20,718 | 78,600 |
| Contract assets | (1,076) | 16,210 |
| Income taxes | (4,582) | (1,442) |
| Prepaid expenses, deposits, and other assets | 3,743 | 3,335 |
| Operating lease right-of-use assets | 8,595 | 8,044 |
| Accounts payable | (14,235) | (43,738) |
| Operating partner commissions payable | (5,380) | (1,811) |
| Accrued expenses and other liabilities | (999) | (4,256) |
| Operating lease liabilities | (8,286) | (6,374) |
| Payments of contingent consideration | (3,473) | (2,500) |
| Net cash provided by operating activities | 15,996 | 79,636 |
| | | |
| INVESTING ACTIVITIES: | | |
| Payments to acquire businesses | (1,959) | (3,250) |
| Purchases of property, technology, and equipment | (7,151) | (6,169) |
| Proceeds from sale of property, technology, and equipment | 235 | 77 |
| Net cash used for investing activities | (8,875) | (9,342) |
| | | |
| FINANCING ACTIVITIES: | | |
| Proceeds from revolving credit facility | — | 67,500 |
| Repayments of revolving credit facility | — | (102,500) |
| Payments of debt issuance costs | (119) | (820) |
| Repayments of notes payable and finance lease liabilities | (3,946) | (3,713) |
| Repurchases of common stock | (3,081) | (5,000) |
| Payment of contingent consideration | (250) | — |
| Distributions to non-controlling interest | (495) | (240) |
| Proceeds from exercise of stock options | 5 | 193 |
| Payments of employee tax withholdings related to restricted stock units and stock options | (371) | (460) |
| Net cash used for financing activities | (8,257) | (45,040) |
| | | |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | (100) | 1,282 |
| | | |
| NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH | (1,236) | 26,536 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD | 33,062 | 25,067 |
| | | |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD | $ 31,826 | $ 51,603 |
| | | |
| RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH: | | |
| Cash and cash equivalents | $ 31,233 | $ 51,008 |
| Restricted cash | 593 | 595 |
| Total cash, cash equivalents, and restricted cash | $ 31,826 | $ 51,603 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Income taxes paid | $ 6,236 | $ 11,162 |
| Interest paid | $ 394 | $ 1,870 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**RADIANT LOGISTICS, INC.**
**Notes to the Condensed Consolidated Financial Statements**
**(unaudited)**
**(Dollars in thousands, except share and per share data)**

## NOTE 1 – THE COMPANY AND BASIS OF PRESENTATION

### The Company

Radiant Logistics, Inc., and its consolidated subsidiaries (the "Company"), operates as a third-party logistics company, providing technology-enabled global transportation and value-added logistics solutions primarily in the United States and Canada. The Company services a large and diversified account base across a range of industries and geographies, which is supported from an extensive network of operating locations across North America as well as an integrated international service partner network located in other key markets around the globe. The Company provides these services through a multi-brand network, which includes over 100 operating locations. Included in these operating locations are a number of independent agents, who are also referred to as "strategic operating partners," that operate exclusively on the Company's behalf, and approximately 25 Company-owned offices. As a third-party logistics company, the Company has access to a vast carrier network of asset-based transportation companies, including motor carriers, railroads, airlines and ocean lines in its carrier network.

Through its operating locations across North America, the Company offers domestic, international air and ocean freight forwarding services and freight brokerage services, including truckload services, less than truckload services, and intermodal services, which is the movement of freight in trailers or containers by combination of truck and rail. The Company's primary transportation services involve arranging shipments, on behalf of its customers, of materials, products, equipment, and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL and UPS, including arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. The Company also provides other value-added logistics services including materials management and distribution services (collectively, "materials management and distribution" or "MM&D" services), and customs house brokerage ("CHB") services to complement its core transportation service offering.

### Basis of Presentation

The condensed consolidated financial statements included herein have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted pursuant to such rules and regulations. The Company's management believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

The interim period information included in this Quarterly Report on Form 10-Q reflects all adjustments, consisting of normal recurring adjustments, that are, in the opinion of the Company's management, necessary for a fair statement of the results of the respective interim periods. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Principles of Consolidation

The condensed consolidated financial statements include the accounts of Radiant Logistics, Inc. and its wholly-owned subsidiaries as well as a variable interest entity, Radiant Logistics Partners, LLC ("RLP"), which is 60% owned by Radiant Capital Partners, LLC ("RCP," see Note 11), an entity owned by the Company's Chief Executive Officer. All significant intercompany balances and transactions have been eliminated.

Non-controlling interest in the condensed consolidated balance sheets represents RCP's proportionate share of equity in RLP. Net income (loss) of non-wholly-owned consolidated subsidiaries or variable interest entities is allocated to the Company and the holder(s) of the non-controlling interest in proportion to their percentage ownership interests.

### b) Use of Estimates

The preparation of condensed consolidated financial statements and related disclosures in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that could differ from these estimates.

### c) Cash and Cash Equivalents

The Company maintains its cash in bank deposit accounts that may, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts. Cash equivalents consist of highly liquid investments with original maturities of three months or less.

### d) Restricted Cash

Restricted cash represents five months of interest payments on the Company's senior secured loan held by the lender that are required to be set aside. Restricted cash of $593 and $606 is included in prepaid expenses and other current assets in the condensed consolidated balance sheet as of March 31, 2024 and June 30, 2023, respectively. The Company combines unrestricted and restricted cash for presentation in the condensed consolidated statements of cash flows.

### e) Accounts Receivable

Accounts receivable, which includes billed and unbilled amounts, are stated net of the allowance for expected credit losses and represents the net amount expected to be collected. The Company measures the expected credit losses on a collective (pool) basis based on the levels of delinquency (i.e., aging analysis) and applying an expected loss percentage rate to each pool when similar risk characteristics exist. The Company determines the allowance for expected credit losses by computing an expected loss percentage rate to each pool based upon its historical write-off experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. When specific customers are identified as no longer sharing the same risk profile as their current pool, they are removed from the pool and evaluated separately. Amounts for shipments delivered but unbilled were $18,534 and $22,515 as of March 31, 2024 and June 30, 2023, respectively.

Through a contractual arrangement, the Company records trade accounts receivable from revenue generated from independently owned strategic operating partners operating under various Company brands. Under these contracts, each strategic operating partner is responsible for some or all of the collection of its customer accounts receivable. To facilitate this arrangement, certain strategic operating partners are required to maintain a deposit with the Company for these receivables. The Company charges the respective strategic operating partner's deposit account for any accounts receivable aged beyond 90 days along with any other amounts owed to the Company by strategic operating partners. If a deficit balance occurs in the strategic operating partners' deposit account, these amounts are included as accounts receivable in the Company's condensed consolidated financial statements. For those strategic operating partners not required to maintain a deposit, the Company may withhold all or a portion of future commissions payable to the strategic operating partner to satisfy any deficit balance. The Company expects to replenish these funds through the future business operations of these strategic operating partners, or as these amounts are ultimately collected from these customers. However, to the extent any of these strategic operating partners were to cease operations or otherwise be unable to replenish these deficit amounts, the Company would be at risk of loss for any such amounts. Due to the nature and specific risk characteristics of these accounts, the Company evaluates these accounts separately in determining an allowance for expected credit losses.

The activity in the allowance for expected credit losses is as follows:

| (In thousands) | | |
|---|---|---|
| Balance as of June 30, 2023 | $ | 2,776 |
| Write-offs | | (240) |
| Recoveries | | 95 |
| Provision for expected credit losses | | 955 |
| Foreign currency translation | | (21) |
| Balance as of March 31, 2024 | $ | 3,565 |

**f) Property, Technology, and Equipment**

Property, technology, and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets. Upon retirement or other disposition of these assets, the cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in other income (expense). Expenditures for maintenance, repairs and renewals of minor items are expensed as incurred. Major renewals and improvements are capitalized.

**g) Goodwill**

Goodwill represents the excess acquisition cost of an acquired entity over the estimated fair values assigned to the net tangible and identifiable intangible assets acquired. Goodwill is not amortized, but rather is reviewed for impairment annually or more frequently if facts or circumstances indicate that its carrying amount may not be recoverable.

The Company has determined that there are two reporting units for the purpose of the goodwill impairment test. An entity has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount prior to performing a quantitative impairment test. The qualitative assessment evaluates various factors, such as macroeconomic conditions, industry and market conditions, cost factors, recent events, and financial trends that may impact the fair value of the reporting unit. If it is determined that the estimated fair value of the reporting unit is more-likely-than-not less than its carrying amount, including goodwill, a quantitative assessment is required. Otherwise, no further analysis is required.

If a quantitative assessment is performed, a reporting unit's fair value is compared to its carrying amount. A reporting unit's fair value is determined based upon consideration of various valuation methodologies, including the income approach, which utilizes projected future cash flows discounted at rates commensurate with the risks involved, and multiples of current and future earnings, and market approach, which utilizes a selection of guideline public companies. If the fair value of a reporting unit is less than its carrying amount, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit.

The Company performs its annual goodwill impairment test as of April 1 of each year or more frequently if facts or circumstances indicate that the carrying amount may not be recoverable. As of March 31, 2024, management believes no impairment exists.

**h) Long-Lived Assets**

Long-lived assets, such as property, technology, and equipment, and definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company compares the undiscounted expected future cash flows to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent the carrying amount of the asset or asset group exceeds the fair value. Fair values of long-lived assets are determined through various techniques, such as applying probability weighted, expected present value calculations to the estimated future cash flows using assumptions a market participant would utilize or through the use of a third-party independent appraiser or valuation specialist.

Definite-lived intangible assets consist of customer related intangible assets, trade names and trademarks, licenses, developed technology, and non-compete agreements arising from the Company's acquisitions. Customer related intangible assets and trademarks and trade names are amortized using the straight-line method over periods of up to 15 years, licenses are amortized using the straight-line method over ten years, developed technology is amortized using the straight-line method over five years, and non-compete agreements are amortized using the straight-line method over periods of up to five years.

**i) Business Combinations**

The Company accounts for business acquisitions using the acquisition method*.* The assets acquired and liabilities assumed in business combinations, including identifiable intangible assets, are recorded based upon their estimated fair values as of the acquisition date. The excess of the purchase price over the estimated fair value of the net tangible and identifiable intangible assets acquired is recorded as goodwill. Acquisition expenses are expensed as incurred. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed as of the acquisition date, the estimates are inherently uncertain and subject to refinement.

The fair values of intangible assets are generally estimated using a discounted cash flow approach with Level 3 inputs. The estimate of fair value of an intangible asset is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To estimate fair value, the Company generally uses risk-adjusted cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes the level and timing of cash flows appropriately reflects market participant assumptions.

For acquisitions that involve contingent consideration, the Company records a liability equal to the fair value of the contingent consideration obligation as of the acquisition date. The Company determines the acquisition date fair value of the contingent consideration based on the likelihood of paying the additional consideration. The fair value is generally estimated using projected future operating results and the corresponding future earn-out payments that can be earned upon the achievement of specified operating results and financial objectives by acquired companies using Level 3 inputs discounted to present value. These liabilities are measured quarterly at fair value, and any change in the fair value of the contingent consideration liability is recognized in the condensed consolidated statements of comprehensive income.

During the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding adjustment to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in the condensed consolidated statements of comprehensive income.

**j) Revenue Recognition**

The Company recognizes revenue to depict the transfer of promised goods or services to its customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods and services. The Company's revenues are primarily from transportation services, which include providing for the arrangement of freight, both domestically and internationally, through modes of transportation, such as air freight, ocean freight, truckload, less than truckload, and intermodal. The Company generates its transportation services revenue by purchasing transportation from carriers and reselling those services to its customers.

In general, each shipment transaction or service order constitutes a separate contract with the customer. A performance obligation is created once a customer agreement with an agreed upon transaction price exists. The transaction price is typically fixed and not contingent upon the occurrence or non-occurrence of any other event. The transaction price is generally due 30 to 45 days from the date of invoice. The Company's transportation transactions provide for the arrangement of the movement of freight to a customer's agreed upon destination. The transportation services, including certain ancillary services, such as loading/unloading, freight insurance and customs clearance, that are provided to the customer represent a single performance obligation as the ancillary services are not distinct in the context of the contract and therefore combined with the performance obligation for transportation services. This performance obligation is satisfied over time and recognized in revenue upon the transfer of control of the services over the requisite transit period as the customer's goods move from point of origin to point of destination. The Company determines the period to recognize revenue based upon the actual departure date and delivery date, if available, or estimated delivery date if delivery has not occurred as of the reporting date. Certain shipments may require the Company to estimate revenue, in which case it uses the average revenue per shipment, per mode of transportation. Determination of the estimated revenue, transit period and the percentage of completion of the shipment as of the reporting date requires management to make judgments that affect the timing and amount of revenue recognition. The Company has determined that revenue recognition over the transit period provides a reasonable estimate of the transfer of services to its customers as it depicts the pattern of the Company's performance under the contracts with its customers. The timing of revenue recognition, billings, cash collections, and allowance for expected credit losses results in billed and unbilled receivables. The Company receives the unconditional right to bill when shipments are delivered to their destination. The Company has elected to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as of the end of the period as the Company's contract with its transportation customers have an expected duration of one year or less. The corresponding direct costs of revenue, which primarily includes purchased transportation costs and commissions, have been expensed ratably as incurred.

The Company also provides MM&D services for its customers under contracts generally ranging from a few months to five years and include renewal provisions. These MM&D service contracts provide for inventory management, order fulfillment and warehousing of the customer's product and arrangement of transportation of the customer's product. The Company's performance obligations are satisfied over time as the customers simultaneously receive and consume the services provided by the Company as it performs. Revenue is recognized in the amount for which the Company has the right to invoice the customer, as this amount corresponds directly with the value provided to the customer for the Company's performance completed to date. The transaction price is based on the consideration specified in the contract with the customer and contains fixed and variable consideration. In general, the fixed consideration component of a contract represents reimbursement for facility and equipment costs incurred to satisfy the performance obligation and is recognized on a straight-line basis over the term of the contract. The variable consideration component is comprised of cost reimbursement per unit pricing for time and pricing for materials used and is determined based on cost plus a mark-up for hours of services provided and materials used and is recognized over time based on the level of activity volume.

Other services include primarily CHB services sold separately as a single performance obligation. The Company recognizes revenue from this performance obligation at a point in time, which is the completion of the services. Duties and taxes collected from the customer and paid to the customs agent on behalf of the customers are excluded from revenue.

The Company uses independent contractors and third-party carriers in the performance of its transportation services. The Company evaluates who controls the transportation services to determine whether its performance obligation is to transfer services to the customer or to arrange for services to be provided by another party. The Company determined it acts as the principal for its transportation services performance obligation since it is in control of establishing the prices for the specified services, managing all aspects of the shipments process and assuming the risk of loss for delivery and collection. Such transportation services revenue is presented on a gross basis in the condensed consolidated statements of comprehensive income.

***Contract Assets***

Contract assets represent estimated amounts for which the Company has the right to consideration for transportation services related to the completed portion of in-transit shipments at period end, but for which it has not yet completed the performance obligations. Upon completion of the performance obligations, which can vary in duration based upon the mode of transportation, the balance is included in accounts receivable.

***Operating Partner and Other Commissions***

The Company enters into contractual arrangements with strategic operating partners that operate, on behalf of the Company, an office in a specific location that engages primarily in arranging, domestic and international transportation services. In return, the strategic operating partner is compensated through the payment of sales commissions, which are based on individual shipments. The Company accrues the strategic operating partners' commission obligation ratably as the goods are transferred to the customer.

The Company records employee sales commissions related to transportation services as an expense when incurred since the amortization period of such costs is less than one year.

**k) Defined Contribution Savings Plan**

The Company has an employee savings plan under which the Company provides safe harbor matching contributions. The Company's contributions under the plan were $549 and $1,401 for the three and nine months ended March 31, 2024, respectively, and $573 and $1,436 for the three and nine months ended March 31, 2023, respectively.

**l) Income Taxes**

Income taxes are accounted for using the asset and liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company records a liability for unrecognized tax benefits resulting from uncertain income tax positions taken or expected to be taken in an income tax return. Interest and penalties, if any, are recorded as a component of interest expense or other expense, respectively. Currently, the Company does not have any accruals for uncertain tax positions.

**m) Share-Based Compensation**

The Company grants restricted stock awards, restricted stock units, and stock options to certain directors, officers, and employees. The fair value of restricted stock awards is the market price of the Company's common stock as of the grant date, and the fair value of each stock option grant is estimated as of the grant date using the Black-Scholes option pricing model. Determining the fair value of stock option awards at the grant date requires judgment about, among other things, stock volatility, the expected life of the award, and other inputs.

Share-based compensation is recorded over the requisite service period, generally defined as the vesting period. The Company records share-based compensation for service-based restricted stock awards and stock options on a straight-line basis over the requisite service period of the entire award. Certain restricted stock units also have performance-based conditions and will vest upon achievement of pre-established individual and Company performance goals as measured after a three-year period. The Company accounts for forfeitures as they occur. Share-based compensation expense is reflected in personnel costs in the condensed consolidated statements of comprehensive income.

**n) Basic and Diluted Income per Share Allocable to Common Stockholders**

Basic income per common share is computed by dividing net income (loss) allocable to common stockholders by the weighted average number of common shares outstanding. Diluted income per common share is computed by dividing net income (loss) allocable to common stockholders by the weighted average number of common shares outstanding, plus the number of additional common shares that would have been outstanding after giving effect to all potential dilutive securities, such as restricted stock units and stock options.

**o) Foreign Currency**

For the Company’s foreign subsidiaries that prepare financial statements in currencies other than U.S. dollars, the local currency is the functional currency. All assets and liabilities are translated at period end exchange rates and all revenue and expenses are translated at the weighted average rates for the period. Translation adjustments are recorded in foreign currency translation in other comprehensive income. Gains and losses on transactions of monetary items denominated in a foreign currency are recognized within other expense on the condensed consolidated statements of comprehensive income.

**p) Leases**

The Company determines if an arrangement is a lease at inception. Assets and obligations related to operating leases are included in operating lease right-of-use (“ROU”) assets; current portion of operating lease liabilities; and operating lease liabilities, net of current portion in the condensed consolidated balance sheets. Assets and obligations related to finance leases are included in property, technology, and equipment, net; current portion of finance lease liabilities; and finance lease liabilities, net of current portion in the condensed consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company’s leases do not provide an implicit rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. Lease terms may include options to extend or terminate the lease, which the Company has generally not included in its calculation of ROU assets or lease liabilities as it is not reasonably certain that the option will be exercised in the normal course of business.

For the Company’s lease agreements containing fixed payments for both lease and non-lease components, the Company accounts for the components as a single lease component, as permitted. For leases with an initial term of twelve months or less, the Company elected the exemption from recording ROU assets and lease liabilities for all leases that qualify, and records rent expense on a straight-line basis over the lease term. Expenses for these short-term leases for the three and nine months ended March 31, 2024 and 2023 are insignificant.

Certain leases include variable payments, which may vary based upon changes in facts or circumstances after the start of the lease. Variable payments, to the extent they are not considered fixed, are expensed as incurred. Variable lease costs for the three and nine months ended March 31, 2024 and 2023 are insignificant.

For finance leases, interest expense on the lease liability is recognized using the effective interest method and amortization of the ROU asset is recognized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

**q) Derivatives**

Derivative instruments are recognized as either assets or liabilities and measured at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation.

For derivative instruments designated as cash flow hedges, gains and losses are initially reported as a component of other comprehensive income and subsequently recognized in earnings with the corresponding hedged item. Gains and losses representing hedge components excluded from the assessment of effectiveness are recognized in earnings. As of March 31, 2024, the Company does not have any derivatives designated as hedges.

For derivative instruments that are not designated as hedges, gains and losses from changes in fair value of interest rate swap contracts are recognized in the condensed consolidated statements of comprehensive income.

**r) Treasury Stock**

The Company accounts for treasury stock under the cost method, and repurchases are reflected as reductions of stockholders’ equity at cost (see Note 10). As of March 31, 2024, there have been no reissuances of treasury stock.

**s) Reclassification of Previously Issued Financial Statements**

Certain amounts in the prior period have been reclassified in the condensed consolidated financial statements to conform to the current year presentation. There has been no impact on previously reported net income or stockholders’ equity from such reclassification.

**t) Recently Adopted Accounting Guidance**

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (and issued subsequent ASUs on ASC 326), which changes estimates for credit losses related to financial assets measured at amortized cost, including loan receivables, trade receivables and other contracts, such as off-balance sheet credit exposure, specifically, loan commitments and standby letters of credit, financial guarantees, and other similar instruments. The guidance replaced the current incurred loss accounting model with an expected loss model, which is referred to as the current expected credit loss ("CECL") model. The CECL model requires the measurement of the lifetime expected credit losses on financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard requires a cumulative effect adjustment to retained earnings to the first reporting period in which the guidance is effective. The Company, as a smaller reporting company as of the relevant measuring period, qualified for an extension of the adoption of ASU 2016-13 to July 1, 2023.

The Company adopted ASU 2016-13 on July 1, 2023 for all financial assets measured at amortized cost, consisting primarily of trade accounts receivable, which are short-term and for which the Company has not historically experienced significant credit losses. Based on the immaterial effect of ASU 2016-13 on the financial statements, a cumulative effect adjustment was not considered necessary.

**u) Recent Accounting Guidance Not Yet Adopted**

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which requires greater disaggregation of information in a reporting entity's effective tax rate reconciliation as well as disaggregation of income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The guidance should be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-09 on its income tax disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires more disaggregated expense information about a public entity's reportable segments if the significant segment expenses are regularly provided to the chief operating decision maker and included in each reported measure of segment profit or loss. Additionally, ASU 2023-07 allows public entities to disclose more than one measure of segment profit or loss used by the chief operating decision maker. This ASU 2023-07 does not change the definition of a segment, the method of determining segments, or the criteria for aggregating operating segments into reportable segments. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024. The ASU should be adopted retrospectively as of the beginning of the earliest period presented. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-07 on its segment reporting disclosures.

**NOTE 3 – REVENUE**

A summary of the Company's gross revenues disaggregated by major service lines and geographic markets (reportable segments), and timing of revenue recognition are as follows:

| | Three Months Ended March 31, 2024 | | | |
|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
| Major service lines: | | | | |
| Transportation services | $ 153,428 | $ 20,055 | $ (42) | $ 173,441 |
| Value-added services [1] | 3,419 | 7,699 | — | 11,118 |
| Total | $ 156,847 | $ 27,754 | $ (42) | $ 184,559 |
| | | | | |
| Timing of revenue recognition: | | | | |
| Services transferred over time | $ 155,369 | $ 27,734 | $ (42) | $ 183,061 |
| Services transferred at a point in time | 1,478 | 20 | — | 1,498 |
| Total | $ 156,847 | $ 27,754 | $ (42) | $ 184,559 |

| | Nine Months Ended March 31, 2024 | | | |
|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
| Major service lines: | | | | |
| Transportation services | $ 496,372 | $ 63,018 | $ (167) | $ 559,223 |
| Value-added services [1] | 10,270 | 26,945 | — | 37,215 |
| Total | $ 506,642 | $ 89,963 | $ (167) | $ 596,438 |
| | | | | |
| Timing of revenue recognition: | | | | |
| Services transferred over time | $ 502,060 | $ 89,904 | $ (167) | $ 591,797 |
| Services transferred at a point in time | 4,582 | 59 | — | 4,641 |
| Total | $ 506,642 | $ 89,963 | $ (167) | $ 596,438 |

| | Three Months Ended March 31, 2023 | | | |
|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
| Major service lines: | | | | |
| Transportation services | $ 204,330 | $ 26,361 | $ (96) | $ 230,595 |
| Value-added services [1] | 4,114 | 9,462 | — | 13,576 |
| Total | $ 208,444 | $ 35,823 | $ (96) | $ 244,171 |
| | | | | |
| Timing of revenue recognition: | | | | |
| Services transferred over time | $ 207,123 | $ 35,803 | $ (96) | $ 242,830 |
| Services transferred at a point in time | 1,321 | 20 | — | 1,341 |
| Total | $ 208,444 | $ 35,823 | $ (96) | $ 244,171 |

| | Nine Months Ended March 31, 2023 | | | |
|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
| Major service lines: | | | | |
| Transportation services | $ 726,050 | $ 88,016 | $ (351) | $ 813,715 |
| Value-added services [1] | 10,203 | 29,343 | — | 39,546 |
| Total | $ 736,253 | $ 117,359 | $ (351) | $ 853,261 |
| | | | | |
| Timing of revenue recognition: | | | | |
| Services transferred over time | $ 730,910 | $ 117,295 | $ (351) | $ 847,854 |
| Services transferred at a point in time | 5,343 | 64 | — | 5,407 |
| Total | $ 736,253 | $ 117,359 | $ (351) | $ 853,261 |

(1) Value-added services include MM&D, CHB, GTM, and other services.

**NOTE 4 – EARNINGS PER SHARE**

The computations of the numerator and denominator of basic and diluted income per share are as follows:

| (In thousands, except share data) | Three Months Ended March 31, 2024 | Three Months Ended March 31, 2023 | Nine Months Ended March 31, 2024 | Nine Months Ended March 31, 2023 |
|---|---|---|---|---|
| Numerator: | | | | |
| Net income (loss) attributable to Radiant Logistics, Inc. | $ (703) | $ 4,183 | $ 2,904 | $ 17,452 |
| Denominator: | | | | |
| Weighted average common shares outstanding, basic | 46,963,845 | 48,180,834 | 47,084,645 | 48,391,310 |
| Dilutive effect of share-based awards | — | 1,124,157 | 1,814,493 | 1,288,689 |
| Weighted average common shares outstanding, diluted | 46,963,845 | 49,304,991 | 48,899,138 | 49,679,999 |
| Potentially dilutive common shares excluded | 2,291,322 | 110,000 | 106,667 | 106,667 |

**NOTE 5 – LEASES**

The Company has finance leases for equipment, and operating leases for office space, warehouse space, and other equipment with lease terms expiring at various dates through December 2033.

The Company has a lease commitment that has been executed but not yet commenced. The undiscounted future lease payments total $21,390 and are excluded from the tables below.

The components of lease expense are as follows:

| (In thousands) | Three Months Ended March 31, 2024 | Three Months Ended March 31, 2023 | Nine Months Ended March 31, 2024 | Nine Months Ended March 31, 2023 |
|---|---|---|---|---|
| Operating lease cost | $ 3,529 | $ 4,027 | $ 10,905 | $ 10,650 |
| Finance leases: | | | | |
| Amortization of leased assets | 171 | 184 | 555 | 517 |
| Interest on lease liabilities | 20 | 16 | 53 | 53 |
| Total finance lease cost | $ 191 | $ 200 | $ 608 | $ 570 |

Supplemental cash flow information related to leases are as follows:

| (In thousands) | Nine Months Ended March 31, 2024 | Nine Months Ended March 31, 2023 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows paid for operating leases | $ 10,595 | $ 8,458 |
| Operating cash flows paid for interest portion of finance leases | 53 | 53 |
| Financing cash flows paid for principal portion of finance leases | 452 | 431 |
| Right-of-use assets obtained in exchange for lease liabilities: | | |
| Operating leases | $ 5,278 | $ 26,711 |
| Finance leases | 211 | — |

Supplemental balance sheet information related to leases are as follows:

| (In thousands) | March 31, 2024 | June 30, 2023 |
|---|---|---|
| Operating leases: | | |
| Operating lease right-of-use assets | $ 51,961 | $ 56,773 |
| | | |
| Current portion of operating lease liabilities | 11,129 | 11,273 |
| Operating lease liabilities, net of current portion | 47,592 | 52,120 |
| | | |
| Total operating lease liabilities | $ 58,721 | $ 63,393 |
| | | |
| Finance leases: | | |
| Property, technology, and equipment, net | $ 1,353 | $ 1,878 |
| | | |
| Current portion of finance lease liabilities | 608 | 620 |
| Finance lease liabilities, net of current portion | 744 | 1,121 |
| | | |
| Total finance lease liabilities | $ 1,352 | $ 1,741 |
| | | |
| Weighted average remaining lease term: | | |
| Operating leases | 5.9 years | 6.2 years |
| Finance leases | 3.3 years | 3.2 years |
| | | |
| Weighted average discount rate: | | |
| Operating leases | 5.51 % | 5.29 % |
| Finance leases | 5.37 % | 4.93 % |

As of March 31, 2024, maturities of lease liabilities for each of the next five fiscal years ending June 30 and thereafter are as follows:

| (In thousands) | Operating | Finance |
|---|---|---|
| 2024 (remaining) | $ 3,421 | $ 167 |
| 2025 | 14,126 | 661 |
| 2026 | 12,927 | 305 |
| 2027 | 11,568 | 83 |
| 2028 | 7,611 | 83 |
| Thereafter | 20,281 | 196 |
| | | |
| Total lease payments | 69,934 | 1,495 |
| | | |
| Less imputed interest | (11,213 ) | (143 ) |
| | | |
| Total lease liabilities | $ 58,721 | $ 1,352 |

**NOTE 6 – PROPERTY, TECHNOLOGY, AND EQUIPMENT**

| (In thousands) | Useful Life | March 31, 2024 | June 30, 2023 |
|---|---|---|---|
| Computer software | 3 − 5 years | $ 27,867 | $ 26,964 |
| Office and warehouse equipment | 3 − 15 years | 15,901 | 14,179 |
| Leasehold improvements | (1) | 10,980 | 9,083 |
| Trailers and related equipment | 3 − 15 years | 6,818 | 7,015 |
| Computer equipment | 3 − 5 years | 5,571 | 4,529 |
| Furniture and fixtures | 3 − 15 years | 1,847 | 1,743 |
| | | | |
| Property, technology, and equipment | | 68,984 | 63,513 |
| Less: accumulated depreciation and amortization | | (42,758 ) | (38,124 ) |
| | | | |
| Property, technology, and equipment, net | | $ 26,226 | $ 25,389 |

(1) The cost is amortized over the shorter of the lease term or useful life.

Depreciation and amortization expenses related to property, technology, and equipment were $1,957 and $5,650 for the three and nine months ended March 31, 2024, respectively, and $1,908 and $5,592 for the three and nine months ended March 31, 2023, respectively. Computer software includes approximately $193 and $548 of software in development as of March 31, 2024 and June 30, 2023, respectively.

## NOTE 7 – GOODWILL AND INTANGIBLE ASSETS

### Goodwill

Changes in the carrying amount of goodwill are as follows:

| (In thousands) | | |
|---|---|---|
| Balance as of June 30, 2023 | $ | 89,203 |
| Acquisitions | | 1,660 |
| Foreign currency translation loss | | (439) |
| Balance as of March 31, 2024 | $ | 90,424 |

### Intangible Assets

Intangible assets consist of the following:

| | March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| (In thousands) | Weighted Average Amortization Period | | Gross Carrying Amount | | Accumulated Amortization | | Net Carrying Amount |
| Customer related | 8.0 years | $ | 119,820 | $ | (93,326) | $ | 26,494 |
| Trade names and trademarks | 6.9 years | | 15,434 | | (12,812) | | 2,622 |
| Developed technology | 2.7 years | | 4,091 | | (1,909) | | 2,182 |
| Licenses | 3.0 years | | 768 | | (538) | | 230 |
| Covenants not to compete | 0.8 years | | 1,433 | | (1,343) | | 90 |
| | | $ | 141,546 | $ | (109,928) | $ | 31,618 |

| | June 30, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| (In thousands) | Weighted Average Amortization Period | | Gross Carrying Amount | | Accumulated Amortization | | Net Carrying Amount |
| Customer related | 7.5 years | $ | 117,645 | $ | (87,175) | $ | 30,470 |
| Trade names and trademarks | 7.6 years | | 15,547 | | (12,637) | | 2,910 |
| Developed technology | 3.4 years | | 4,091 | | (1,295) | | 2,796 |
| Licenses | 3.7 years | | 785 | | (490) | | 295 |
| Covenants not to compete | 1.6 years | | 1,433 | | (1,263) | | 170 |
| | | $ | 139,501 | $ | (102,860) | $ | 36,641 |

Amortization expense amounted to $2,583 and $7,780 for the three and nine months ended March 31, 2024, respectively, and $2,641 and $12,650 for the three and nine months ended March 31, 2023, respectively. Certain acquired trade names have been rebranded in connection with the Company's long-term growth strategy for consistency across the business and to better serve its customers. The Company will gradually phase out certain trade names and will predominantly use Radiant to refer to the Company. The rebranding resulted in the reduction of the related useful lives of certain trade names and accelerated amortization expense from June 2022 to December 2022.

Future amortization expense for each of the next five fiscal years ending June 30 are as follows:

| (In thousands) | | |
|---|---|---|
| 2024 (remaining) | $ | 2,537 |
| 2025 | | 8,397 |
| 2026 | | 3,699 |
| 2027 | | 3,123 |
| 2028 | | 2,500 |

**NOTE 8 – NOTES PAYABLE**

Notes payable consist of the following:

| (In thousands) | | March 31, 2024 | | June 30, 2023 |
|---|---|---|---|---|
| Senior secured loans | $ | 657 | $ | 4,204 |
| Unamortized debt issuance costs | | (18) | | (97) |
| Total notes payable | | 639 | | 4,107 |
| Less: current portion | | (639) | | (4,107) |
| Total notes payable, net of current portion | $ | — | $ | — |

Future maturities of notes payable for each of the next five fiscal years ending June 30 and thereafter are as follows:

| (In thousands) | | |
|---|---|---|
| 2024 (remaining) | $ | 657 |
| Total | $ | 657 |

**Revolving Credit Facility**

The Company entered into a $200,000 syndicated, revolving credit facility (the "Revolving Credit Facility") pursuant to a Credit Agreement dated as of August 5, 2022, and amended as of September 27, 2023. The Revolving Credit Facility is segregated into two tranches, a $150,000 tranche that may be loaned in U.S. Dollars and a $50,000 tranche that may be loaned in either U.S. Dollars or Canadian Dollars. The Revolving Credit Facility includes a $75,000 accordion feature to support future acquisition opportunities. The Revolving Credit Facility was entered into with Bank of America, N.A. and BMO Capital Markets Corp. as joint book runners and joint lead arrangers, Bank of America, N.A. as Administrative Agent, Swingline Lender and Letter of Credit Issuer, Bank of Montreal as syndication agent, KeyBank National Association and MUFG Union Bank, N.A. as co-documentation agents and Bank of America, N. A., Bank of Montreal, KeyBank National Association, MUFG Union Bank, N.A. and Washington Federal Bank, National Association as lenders (such named lenders are collectively referred to herein as "Lenders").

The Revolving Credit Facility has a term of five years and is collateralized by a first-priority security interest in the accounts receivable and other assets of the Company and its guarantors on a parity basis with the security interest held by Fiera Private Debt Fund IV LP and Fiera Private Debt Fund V LP described below. Borrowings in U.S. Dollars accrue interest (at the Company's option) at a) the Lenders' base rate plus 0.50% to 1.50%; b) Term Secured Overnight Financing Rate ("SOFR") plus 1.40% to 2.40%; or c) Term SOFR Daily Floating Rate plus 1.40% to 2.40%. Borrowings in Canadian Dollars accrue interest (at the Company's option) at a) Term Canadian Overnight Repo Rate Average ("CORRA") plus 0.29547% to 0.32138% depending on the term, plus 1.40% to 2.40%; or b) Daily Simple CORRA plus 0.29547% plus 1.40% to 2.40%. Rates are adjusted based on the Company's consolidated net leverage ratio. The Company's U.S. and Canadian subsidiaries are guarantors of the Revolving Credit Facility. As of March 31, 2024, the one-month SOFR was 5.33%.

For borrowings under the Revolving Credit Facility, the Company is subject to the maximum consolidated net leverage ratio of 3.00 and minimum consolidated interest coverage ratio of 3.00. Additional minimum availability requirements and financial covenants apply in the event the Company seeks to use advances under the Revolving Credit Facility to pursue acquisitions or repurchase its common stock.

As of March 31, 2024, there were no borrowings outstanding on the Revolving Credit Facility.

### Senior Secured Loans

In connection with the Company's acquisition of Radiant Canada, Radiant Canada obtained a CAD$29,000 senior secured Canadian term loan from Fiera Private Debt Fund IV LP ("FPD IV" formerly, Integrated Private Debt Fund IV LP) pursuant to a CAD$29,000 Credit Facilities Loan Agreement. The Company's U.S. and Canadian subsidiaries are guarantors of the obligations thereunder. The loan matures on April 1, 2024 and accrues interest at a rate of 6.65% per annum. The Company is required to maintain five months interest in a debt service reserve account to be controlled by FPD IV. As of March 31, 2024, the amount of $593 is recorded as restricted cash presented within prepaid expenses and other current assets in the accompanying condensed consolidated financial statements. The Company made interest-only payments for the first twelve months followed by monthly principal and interest payments of CAD$390 that will be paid through maturity. As of March 31, 2024, $287 was outstanding under this term loan and it was repaid in full subsequent to quarter end.

In connection with the Company's acquisition of Lomas, Radiant Canada obtained a CAD$10,000 senior secured Canadian term loan from Fiera Private Debt Fund V LP (formerly, Integrated Private Debt Fund V LP) pursuant to a CAD$10,000 Credit Facilities Loan Agreement. The Company's U.S. and Canadian subsidiaries are guarantors of the obligations thereunder. The loan matures on June 1, 2024 and accrues interest at a fixed rate of 6.65% per annum. The loan repayment consists of monthly principal and interest payments of CAD$149. As of March 31, 2024, $370 was outstanding under this term loan.

The loans may be prepaid in whole at any time providing the Company gives at least 30 days prior written notice and pays the difference between (i) the present value of the loan interest and the principal payments foregone discounted at the Government of Canada Bond Yield for the term from the date of prepayment to the maturity date, and (ii) the face value of the principal amount being prepaid.

The covenants of the Revolving Credit Facility, described above, also apply to the FPD IV and FPD V term loans. As of March 31, 2024, the Company was in compliance with all of its covenants.

## NOTE 9 – DERIVATIVES

All derivatives are recognized on the Company's condensed consolidated balance sheets at their fair values and consist of interest rate swap contracts. On March 20, 2020, and effective April 17, 2020, the Company entered into an interest rate swap contract with Bank of America to trade variable interest cash inflows at one-month LIBOR for a $20,000 notional amount, for fixed interest cash outflows at 0.635%. On April 1, 2020, and effective April 2, 2020, the Company entered into an interest rate swap contract with Bank of America to trade the variable interest cash inflows at one-month LIBOR for a $10,000 notional amount, for fixed interest cash outflows at 0.5865%. Both interest rate swap contracts mature and terminate on March 13, 2025.

The Company uses interest rate swaps for the management of interest rate risk exposure, as the interest rate swaps effectively convert a portion of the Company's Revolving Credit Facility from a floating to a fixed rate. The interest rate swaps are agreements between the Company and Bank of America to pay, in the future, a fixed rate payment in exchange for Bank of America paying the Company a variable payment. The net payment obligation is based on the notional amount of the swap contracts and the prevailing market interest rates. The Company may terminate the swap contracts prior to their expiration, at which point a realized gain or loss would be recognized. The value of the Company's commitment would increase or decrease based primarily on the extent to which interest rates move against the rate fixed for each swap. The derivative instruments had a total notional amount of $30,000 and a fair value of $1,326 and $2,229 recorded in deposits and other assets in the condensed consolidated balance sheets as of March 31, 2024 and June 30, 2023, respectively.

Neither interest rate swap contract is designated as a hedge, and gains and losses from changes in fair value are recognized in the condensed consolidated statements of comprehensive income. See Note 12 for discussion of fair value of the derivative instruments.

## NOTE 10 – STOCKHOLDERS' EQUITY

The Company is authorized to issue 5,000,000 shares of preferred stock, par value at $0.001 per share and 100,000,000 shares of common stock, $0.001 per share. No shares of preferred stock are issued or outstanding on March 31, 2024 or June 30, 2023.

### Common Stock

In December 2023, the Company's board of directors authorized the repurchase of up to 5,000,000 shares of the Company's common stock through December 31, 2025. In February 2022, the Company's board of directors authorized the repurchase of up to 5,000,000 shares of the Company's common stock through December 31, 2023. Under the stock repurchase programs, the Company is authorized to repurchase, from time to time, shares of its outstanding common stock in the open market at prevailing market prices or through privately negotiated transactions as permitted by securities laws and other legal requirements. The programs do not obligate the Company to repurchase any specific number of shares and could be suspended or terminated at any time without prior notice. Under the repurchase programs, the Company purchased 532,401 shares of its common stock at an average cost of $5.79 per share for an aggregate cost of $3,081, and 839,864 shares of its common stock at an average cost of $5.95 per share for an aggregate cost of $5,000 during the nine months ended March 31, 2024 and 2023, respectively.

### NOTE 11 – VARIABLE INTEREST ENTITY AND RELATED PARTY TRANSACTIONS

RLP is owned 40% by a wholly-owned subsidiary of the Company and 60% by RCP, a company for which the Chief Executive Officer of the Company is the sole member. RLP is a certified minority business enterprise that was formed for the purpose of providing the Company with a national accounts strategy to pursue corporate and government accounts with diversity initiatives. RCP's ownership interest entitles it to 60% of the profits and distributable cash, if any, generated by RLP. The operations of RLP are intended to provide certain benefits to the Company, including expanding the scope of services offered by the Company and participating in supplier diversity programs not otherwise available to the Company. In the course of evaluating and approving the ownership structure, operations and economics emanating from RLP, a committee consisting of the independent Board members of the Company, considered, among other factors, the significant benefits provided to the Company through association with a minority business enterprise, particularly as many of the Company's largest current and potential customers have a need for diversity offerings. In addition, the committee concluded that the economic relationship with RLP was on terms no less favorable to the Company than terms generally available from unaffiliated third parties.

Certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties are considered variable interest entities. The Company has power over significant activities of RLP including the fulfillment of its contracts and financing its operations. Additionally, the Company also pays expenses and collects receivables on behalf of RLP. Thus, the Company is the primary beneficiary, RLP qualifies as a variable interest entity, and RLP is consolidated in these condensed consolidated financial statements.

RLP recorded $148 and $746 in net income, of which RCP's distributable share was $88 and $447 for the three and nine months ended March 31, 2024, respectively. RLP recorded $602 and $882 in net income, of which RCP's distributable share was $361 and $529 for the three and nine months ended March 31, 2023, respectively. The non-controlling interest recorded as a reduction of net income available to common stockholders in the condensed consolidated statements of comprehensive income represents RCP's distributive share.

### NOTE 12 – FAIR VALUE MEASUREMENT

The accounting guidance for fair value, among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The framework for measuring fair value consists of a three-level valuation hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon whether such inputs are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions made by the reporting entity. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets and liabilities measured at fair value are based on one or more of the following three valuation techniques:

- Market approach: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach: Amount that would be required to replace the service capacity of an asset (replacement cost); and
- Income approach: Techniques to convert future amounts to a single present amount based upon market expectations, including present value techniques, option pricing, and excess earning models.

**Items Measured at Fair Value on a Recurring Basis**

The following table sets forth the Company's financial assets (liabilities) measured at fair value on a recurring basis:

| | Fair Value Measurements as of March 31, 2024 | |
|---|---|---|
| (In thousands) | Level 3 | Total |
| Contingent consideration | $ (1,340) | $ (1,340) |
| Interest rate swap contracts (derivatives) | 1,326 | 1,326 |

| | Fair Value Measurements as of June 30, 2023 | |
|---|---|---|
| (In thousands) | Level 3 | Total |
| Contingent consideration | $ (4,173) | $ (4,173) |
| Interest rate swap contracts (derivatives) | 2,229 | 2,229 |

The following table provides a reconciliation of the financial assets (liabilities) measured at fair value using significant unobservable inputs (Level 3):

| (In thousands) | Contingent Consideration | Interest Rate Swap Contracts (Derivatives) |
|---|---|---|
| Balance as of June 30, 2023 | $ (4,173) | $ 2,229 |
| Increase related to acquisitions | (1,340) | — |
| Contingent consideration paid | 3,723 | — |
| Change in fair value | 450 | (903) |
| Balance as of March 31, 2024 | $ (1,340) | $ 1,326 |

The Company has contingent obligations to transfer cash payments and equity shares to former shareholders of acquired operations in conjunction with certain acquisitions if specified operating results and financial objectives are met over their stated earn-out period. Contingent consideration is measured quarterly at fair value, and any change in the fair value of the contingent liability is included in the condensed consolidated statements of comprehensive income. The change in fair value in each period is principally attributable to a change in management's estimates of future earn-out payments through the remainder of the earn-out periods.

The Company uses projected future financial results based on recent and historical data to value the anticipated future earn-out payments. To calculate fair value, the future earn-out payments were then discounted using Level 3 inputs. The Company has classified the contingent consideration as Level 3 due to the lack of relevant observable market data over fair value inputs. The Company believes the discount rate used to discount the earn-out payments reflects market participant assumptions. Changes in assumptions and operating results could have a significant impact on the earn-out amount up to a maximum of $4,350 through earn-out periods measured through January 2027.

As discussed in Note 9, derivative instruments are carried at fair value on the condensed consolidated balance sheets. The fair market value of interest rate swaps is determined using Level 3 unobservable inputs, specifically a pricing service proprietary to Bank of America.

***Fair Value of Financial Instruments***

The carrying amounts of the Company's cash equivalents, receivables, contract assets, accounts payable, commissions payable, accrued expenses, and the income tax receivable and payable approximate the fair values due to the relatively short maturities of these instruments. The carrying amounts of the Company's Revolving Credit Facility and notes payable would not differ significantly from fair value (based on Level 2 inputs) if recalculated based on current interest rates. During the nine months ended March 31, 2024, there were no transfers of financial instruments between Levels 1, 2, and 3.

**NOTE 13 – INCOME TAXES**

For the three and nine months ended March 31, 2024, respectively, the components of income tax expense are as follows:

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | 2024 | 2023 |
| Current income tax expense (benefit) | $ (1,254) | $ 3,858 | $ 1,653 | $ 9,748 |
| Deferred income tax expense (benefit) | 1,303 | (2,512) | (186) | (4,178) |
| Income tax expense | $ 49 | $ 1,346 | $ 1,467 | $ 5,570 |

The Company’s effective tax rates prior to discrete items for the three and nine months ended March 31, 2024 and 2023 are higher than the U.S. federal statutory rates primarily due to the jurisdictional mix of income and state taxes. Income tax expense for the nine months ended March 31, 2024 results in an effective tax rate of 30.20%, which is higher than the U.S. federal statutory rate due to jurisdictional mix of federal, state and foreign income taxes, and reduced by share-based compensation benefits, which is discretely recognized through the nine months ended March 31, 2024 and is not a component of the Company’s annualized forecasted effective tax rate for the fiscal year ending June 30, 2024. The effective tax rate through the nine months ended March 31, 2023 was 24.55%, which was higher than the U.S. federal statutory rate due to jurisdictional mix of income and state taxes, and reduced by share-based compensation benefits, which was discretely recognized in the quarter and was not a component of the Company’s annualized forecasted effective tax rate. The Company does not have any uncertain tax positions.

## NOTE 14 – SHARE-BASED COMPENSATION

The Radiant Logistics, Inc. 2021 Omnibus Incentive Plan (the “2021 plan”) permits the Company’s Audit and Executive Committee to grant share-based awards to eligible employees, non-employee directors, and consultants of the Company. The 2021 plan became effective immediately upon approval by the Company’s stockholders and will expire on November 16, 2031, unless terminated earlier by the Board. The 2021 plan replaces the 2012 Radiant Logistics, Inc. Stock Option and Performance Award Plan (the “2012 plan”). The remaining shares available for grant under the 2012 plan will roll over into the 2021 plan, and no new awards will be granted under the 2012 plan. The terms of the 2012 plan, as applicable, will continue to govern awards outstanding under the 2012 plan, until exercised, expired, paid or otherwise terminated or canceled. Other than the 2021 plan, there are no other equity compensation plans under which equity awards can be granted.

### Restricted Stock Units

The Company recognized share-based compensation expense related to restricted stock units of $933 and $2,472 for the three and nine months ended March 31, 2024, respectively, and $526 and $1,779 for the three and nine months ended March 31, 2023, respectively. As of March 31, 2024, the Company had approximately $5,232 of total unrecognized share-based compensation cost for restricted stock units expected to be recognized over a weighted average period of approximately 1.79 years.

The following table summarizes restricted stock unit activity under the plans:

| | Number of Units | Weighted Average Grant Date Fair Value |
|---|---|---|
| Unvested balance as of June 30, 2023 | 1,360,796 | $ 6.54 |
| Vested | (217,185) | 5.18 |
| Granted | 570,826 | 6.27 |
| Forfeited | (159,264) | 6.56 |
| Unvested balance as of March 31, 2024 | 1,555,173 | $ 6.63 |

As of March 31, 2024, the unvested balance includes a total of 870,252 restricted stock units with performance-based conditions. These awards will vest upon achievement of pre-established individual and Company performance goals as measured after a three-year period.

### Stock Options

Stock options are granted at exercise prices equal to the fair value of the common stock at the date of the grant and have a term of ten years. Generally, grants under each plan vest 20% annually over a five-year period from the date of grant. The Company recognized share-based compensation expense related to stock options of $18 and $54 for the three and nine months ended March 31, 2024, respectively, and $18 and $53 for the three and nine months ended March 31, 2023, respectively. As of March 31, 2024, the Company had approximately $155 of total unrecognized share-based compensation cost for stock options expected to be recognized over a weighted average period of approximately 2.18 years.

The following table summarizes stock option activity under the plans:

| | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value (In thousands) |
|---|---|---|---|---|
| Outstanding as of June 30, 2023 | 946,514 | $ 4.37 | 2.40 | $ 2,302 |
| Exercised | (210,365) | 3.46 | — | 485 |
| Outstanding as of March 31, 2024 | 736,149 | $ 4.63 | 1.97 | $ 802 |
| Exercisable as of March 31, 2024 | 676,149 | $ 4.37 | 1.51 | $ 802 |

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

**Legal Proceedings**

The Company and its subsidiaries may be subject to legal actions and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened legal proceedings, except as described below, that are considered other than routine legal proceedings. The Company believes that the ultimate disposition or resolution of its routine legal proceedings, in the aggregate, are not material to its financial position, results of operations and liquidity.

The Company initiated claims against a former customer for unpaid accounts receivable. In response, the former customer has claimed damages against the Company for alleged fines and penalties, detention and demurrage charges paid or due to carriers, and for damaged or lost product. The matter is ongoing and the Company is not yet able to reasonably estimate a possible loss or range of loss, if any. The Company intends to defend against these claims. The outcome of litigation is inherently unpredictable and subject to significant uncertainties. An adverse outcome could have a material impact on the Company's results of operations and cash flows.

On or about March 14, 2024, through its information technology systems monitoring tools, the Company detected what was determined to be the initial stages of a cybersecurity incident related to its Canadian operations. Upon detection, the Company immediately initiated its incident response and business continuity protocols and began taking measures to disrupt the unauthorized activity. As part of its process to address the incident, the Company proactively took measures to isolate its Canadian operations from the rest of its network and engaged the services of cybersecurity and forensics professionals to further assess, contain and remediate the incident. While the incident in combination with the Company's security protocols caused service delays for customers in Canada, systems recovery efforts were promptly completed. The Company's U.S. and other international operations continued without disruption throughout this process in all material respects.

While the investigation is ongoing, as of the date of this filing, the incident has not had a material impact on the Company's overall operations, and the Company has not determined the incident is reasonably likely to materially impact the Company's financial conditions or results of operations. Although the Company acted promptly and as efficiently as possible, any failure of the Company to comply with data privacy or other laws and regulations related to this event could result in claims, legal or regulatory proceedings, inquiries, or investigations.

**Contingent Consideration and Earn-out Payments**

The Company's agreements with respect to previous acquisitions contain future consideration provisions, which provide for the selling equity owners to receive additional consideration if specified operating results and financial objectives are achieved in future periods. Earn-out payments are generally due annually following the first anniversary of each respective acquisition.

The following table represents the estimated discounted earn-out payments to be paid in each of the following fiscal years:

| (In thousands) | 2024 (remaining) | 2025 | 2026 | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|
| Earn-out payments: | | | | | | |
| Cash | $ — | $ 150 | $ — | $ 560 | $ 630 | $ 1,340 |
| Total estimated earn-out payments | $ — | $ 150 | $ — | $ 560 | $ 630 | $ 1,340 |

**Other Contractual Commitments**

As of March 31, 2024, the Company has $842 of non-cancelable contractual commitments related to warehouse equipment associated with an operating lease that has not yet commenced. The amounts are expected to be paid within one year.

## NOTE 16 – OPERATING AND GEOGRAPHIC SEGMENT INFORMATION

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker or decision-making group in making decisions regarding allocation of resources and assessing performance. The Company's chief operating decision-maker is the Chief Executive Officer. The Company has two operating and reportable segments: United States and Canada.

The Company evaluates the performance of the segments primarily based on their respective revenues and income from operations. In addition, the Company includes the costs of the Company's executives, board of directors, professional services, such as legal and consulting, amortization of intangible assets, and certain other corporate costs associated with operating as a public company as Corporate.

| As of and for the Three Months Ended March 31, 2024 (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
|---|---|---|---|---|
| Revenues | $ 156,847 | $ 27,754 | $ (42) | $ 184,559 |
| Income (loss) from operations | 4,135 | 879 | (5,920) | (906) |
| Other income | 10 | 127 | 203 | 340 |
| Income (loss) before income taxes | 4,145 | 1,006 | (5,717) | (566) |
| Depreciation and amortization | 843 | 1,108 | 2,589 | 4,540 |
| Total assets | 254,702 | 109,264 | — | 363,966 |
| Property, technology, and equipment, net | 9,714 | 16,512 | — | 26,226 |
| Goodwill | 70,483 | 19,941 | — | 90,424 |

| As of and for the Three Months Ended March 31, 2023 (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
|---|---|---|---|---|
| Revenues | $ 208,444 | $ 35,823 | $ (96) | $ 244,171 |
| Income (loss) from operations | 9,353 | 2,914 | (6,009) | 6,258 |
| Other income (expense) | 413 | 41 | (822) | (368) |
| Income (loss) before income taxes | 9,766 | 2,955 | (6,831) | 5,890 |
| Depreciation and amortization | 1,069 | 838 | 2,642 | 4,549 |
| Total assets | 314,557 | 119,373 | — | 433,930 |
| Property, technology, and equipment, net | 9,953 | 15,299 | — | 25,252 |
| Goodwill | 68,991 | 19,978 | — | 88,969 |

| As of and for the Nine Months Ended March 31, 2024 (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
|---|---|---|---|---|
| Revenues | $ 506,642 | $ 89,963 | $ (167) | $ 596,438 |
| Income (loss) from operations | 16,711 | 5,884 | (18,176) | 4,419 |
| Other income | 163 | 153 | 83 | 399 |
| Income (loss) before income taxes | 16,874 | 6,037 | (18,093) | 4,818 |
| Depreciation and amortization | 2,707 | 2,934 | 7,789 | 13,430 |
| Total assets | 254,702 | 109,264 | — | 363,966 |
| Property, technology, and equipment, net | 9,714 | 16,512 | — | 26,226 |
| Goodwill | 70,483 | 19,941 | — | 90,424 |

| As of and for the Nine Months Ended March 31, 2023 (In thousands) | United States | Canada | Corporate/ Eliminations | Total |
|---|---|---|---|---|
| Revenues | $ 736,253 | $ 117,359 | $ (351) | $ 853,261 |
| Income (loss) from operations | 33,268 | 13,720 | (22,692) | 24,296 |
| Other income (expense) | 564 | 391 | (1,700) | (745) |
| Income (loss) before income taxes | 33,832 | 14,111 | (24,392) | 23,551 |
| Depreciation and amortization | 3,183 | 2,407 | 12,652 | 18,242 |
| Total assets | 314,557 | 119,373 | — | 433,930 |
| Property, technology, and equipment, net | 9,953 | 15,299 | — | 25,252 |
| Goodwill | 68,991 | 19,978 | — | 88,969 |

## NOTE 17 – BUSINESS COMBINATION

### Fiscal Year 2024 Acquisitions

On October 1, 2023, the Company acquired the assets and operations of Daleray Corporation (“Daleray”), a Fort Lauderdale, Florida based, privately held company that has operated under the Company’s Distribution by Air brand since 2014. Effective February 1, 2024, the Company acquired the stock of Select Logistics, Inc. and Select Cartage Inc. (collectively “Select”), both Doral, Florida based, privately held companies that have operated as part of the Company’s Adcom Worldwide brand since 2007. Select is expected to transition to the Radiant brand and combine with the operations of Daleray to solidify the Company’s cruise logistics service offerings in south Florida.

The Company structured the transactions similar to its previous transactions, with a portion of the expected purchase price payable in subsequent periods based on the future performance of the acquired operations. The total consideration for the business combinations was not significant. Goodwill is recorded in the United States operating segment and is expected to be deductible for income tax purposes over a period of 15 years. Intangible assets acquired consist of customer related intangible assets and have an estimated useful life of 10 years.

The preliminary fair value estimates for the assets acquired and liabilities assumed are based upon preliminary calculations and valuations. The estimates and assumptions are subject to change as additional information is obtained for the estimates during the respective measurement periods (up to one year from the acquisition date). The primary estimates not yet finalized relate to identifiable intangible assets, working capital and contingent consideration.

## NOTE 18 – SUBSEQUENT EVENTS

### Fiscal Year 2024 Acquisition

Effective April 1, 2024, the Company acquired the assets and operations of Viking Worldwide, Inc., a Minnesota based, privately held company with operations in both Minneapolis, Minnesota and Houston, Texas that has operated under the Company’s Service by Air brand since 2012. The Company structured the transaction similar to its previous transactions, with a portion of the expected purchase price payable in subsequent periods based on the future performance of the acquired operations.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

*This report contains "forward-looking statements" within the meaning set forth in United States securities laws and regulations – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business, financial performance and financial condition, and often contain words such as "anticipate," "believe," "estimates," "expect," "future," "intend," "may," "plan," "see," "seek," "strategy," or "will" or the negative thereof or any variation thereon or similar terminology or expressions. These forward-looking statements are not guarantees and are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. We have developed our forward-looking statements based on management's beliefs and assumptions, which in turn rely upon information available to them at the time such statements were made. Such forward-looking statements reflect our current perspectives on our business, future performance, existing trends and information as of the date of this report. These include, but are not limited to, our beliefs about future revenue and expense levels, growth rates, prospects related to our strategic initiatives and business strategies, along with express or implied assumptions about, among other things: our continued relationships with our strategic operating partners; the performance of our historic business, as well as the businesses we have recently acquired, at levels consistent with recent trends and reflective of the synergies we believe will be available to us as a result of such acquisitions; our ability to successfully integrate our recently acquired businesses; our ability to locate suitable acquisition opportunities and secure the financing necessary to complete such acquisitions; transportation costs remaining in-line with recent levels and expected trends; our ability to mitigate, to the best extent possible, our dependence on current management and certain larger strategic operating partners; our compliance with financial and other covenants under our indebtedness; the absence of any adverse laws or governmental regulations affecting the transportation industry in general, and our operations in particular; the impact of any health pandemic or environment event on our operations and financial results; continued disruptions in the global supply chain; higher inflationary pressures particularly surrounding the costs of fuel; labor and other components of our operations; potential adverse legal, reputational and financial effects on the Company resulting from the cybersecurity incidents that we reported in December 2021 and March 2024 or future cyber incidents and the effectiveness of the Company's business continuity plans in response to cyber incidents, like these cybersecurity incidents; the commercial, reputational and regulatory risks to our business that may arise as a consequence of our need to restate our financial statements; our longer-term relationship with our senior lenders as a consequence of our need to restate our financial statements; any disruption to our business that may occur on a longer-term basis should we be unable to remediate during fiscal year 2024 certain material weaknesses in our internal controls over financial reporting, and such other factors that may be identified from time to time in our Securities and Exchange Commission ("SEC") filings and other public announcements including those set forth under the caption "Risk Factors" in Part 1 Item 1A of this report. In addition, the global economic climate and additional or unforeseen effects from any unexpected health pandemics, may amplify many of these risks. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the foregoing. Readers are cautioned not to place undue reliance on our forward-looking statements, as they speak only as of the date made. We disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*

***The following discussion and analysis of our financial condition and result of operations should be read in conjunction with the condensed consolidated financial statements and the related notes and other information included elsewhere in this report.***

**Overview**

Radiant Logistics, Inc., and its consolidated subsidiaries (the "Company," "we" or "us"), operates as a third-party logistics company, providing technology-enabled global transportation and value-added logistics solutions primarily in the United States and Canada. We service a large and diversified account base across a range of industries and geographies, which is supported from an extensive network of operating locations across North America as well as an integrated international service partner network located in other key markets around the globe. The Company provides these services through a multi-brand network, which includes over 100 operating locations. Included in these operating locations are a number of independent agents, who are also referred to as "strategic operating partners," that operate exclusively on the Company's behalf, and approximately 25 Company-owned offices. As a third-party logistics company, the Company has a vast carrier network of asset-based transportation companies, including motor carriers, railroads, airlines and ocean lines in its carrier network. We believe shippers value our services because we are able to objectively arrange the most efficient and cost-effective means, type and provider of transportation service without undue influence caused by the ownership of transportation assets. In addition, our minimal investment in physical assets affords us the opportunity for a higher return on invested capital and net cash flows than our asset-based competitors.

Through our operating locations across North America, we offer domestic, international air and ocean freight forwarding services and freight brokerage services, including truckload services, less than truckload ("LTL") services, and intermodal services, which is the movement of freight in trailers or containers by combination of truck and rail. Our primary business operations involve arranging the shipment, on behalf of our customers, of materials, products, equipment, and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL, and UPS, including arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. We also provide other value-added logistics services including materials management and distribution services (collectively, "materials management and distribution" or "MM&D" services), customs house brokerage ("CHB") services and global trade management ("GTM") services to complement our core transportation service offering.

The Company expects to grow its business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. The Company's organic growth strategy will continue to focus on strengthening existing and expanding new customer relationships leveraging the benefit of the Company's technology platform, while continuing its efforts on the organic build-out of the Company's network of strategic operating partner locations. In addition, as the Company continues to grow and scale its business, the Company believes that it is creating density in its trade lanes, which creates opportunities for the Company to more efficiently source and manage its transportation capacity.

In addition to its focus on organic growth, the Company will continue to search for acquisition candidates that bring critical mass from a geographic and purchasing power standpoint, along with providing complementary service offerings to the current platform. As the Company continues to grow and scale its business, it also remains focused on leveraging its back-office infrastructure and technology systems to drive productivity improvement across the organization.

**Impact of Notable External Conditions**

The global economic and trade environments remain uncertain, including continued inflation, geopolitical tensions and changes in consumer behavior could have a negative impact on our business and financial results.

**Performance Metrics**

Our principal source of income is derived from freight forwarding and freight brokerage services we provide to our customers. As a third-party logistics provider, we arrange for the shipment of our customers' freight from point of origin to point of destination. Generally, we quote our customers a turnkey cost for the movement of their freight. Our price quote will often depend upon the customer's time-definite needs (first day through fifth day delivery), special handling needs (heavy equipment, delicate items, environmentally sensitive goods, electronic components, etc.), and the means of transport (motor carrier, air, ocean, or rail). In turn, we assume the responsibility for arranging and paying for the underlying means of transportation.

Our transportation revenue represents the total dollar value of services we sell to our customers. Our cost of transportation includes direct costs of transportation, including motor carrier, air, ocean, and rail services. Our adjusted transportation gross profit (gross transportation revenue less the direct cost of transportation), a non-GAAP financial measure, is the primary indicator of our ability to source, add value and resell services provided by third-parties, and is considered by management to be a key performance measure. In addition, management believes measuring its operating costs as a function of adjusted transportation gross profit provides a useful metric, as our ability to control costs as a function of adjusted transportation gross profit directly impacts operating results.

Our operating results will be affected as acquisitions occur. Since acquisitions are recorded using the acquisition method of accounting for business combinations, our financial statements will only include the results of operations and cash flows of acquired companies for periods subsequent to the date of acquisition.

Adjusted gross profit, a non-GAAP financial measure, is our revenue minus our cost of transportation and other services (excluding depreciation and amortization, which are reported separately), and adjusted gross profit percentage is adjusted gross profit as a percentage of our total revenue. We believe that these provide investors with meaningful information to understand our results of operations and the ability to analyze financial and business trends on a period-to-period basis.

Our GAAP-based net income will be affected by non-cash charges relating to the amortization of customer related intangible assets and other intangible assets attributable to completed acquisitions. Under applicable accounting standards, purchasers are required to allocate the total consideration in a business combination to the identified assets acquired and liabilities assumed based on their fair values at the time of acquisition. The excess of the consideration paid over the fair value of the identifiable net assets acquired is to be allocated to goodwill, which is tested at least annually for impairment. Applicable accounting standards require that we separately account for and value certain identifiable intangible assets based on the unique facts and circumstances of each acquisition. As a result of our acquisition strategy, our net income will include material non-cash charges relating to the amortization of customer related intangible assets and other intangible assets acquired in our acquisitions. Although these charges may increase as we complete more acquisitions, we believe we will be growing the value of our intangible assets (e.g., customer relationships). Thus, we believe that earnings before interest, taxes, depreciation and amortization, or EBITDA, is a useful financial measure for investors because it eliminates the effect of these non-cash costs and provides an important metric for our business.

EBITDA is a non-GAAP measure of income and does not include the effects of interest, taxes, and the “non-cash” effects of depreciation and amortization on long-term assets. Companies have some discretion as to which elements of depreciation and amortization are excluded in the EBITDA calculation. We exclude all depreciation charges related to property, technology, and equipment and all amortization charges (including amortization of leasehold improvements). We then further adjust EBITDA to exclude share-based compensation expense, changes in fair value of contingent consideration, expenses specifically attributable to acquisitions, ransomware incident related costs, changes in fair value of interest rate swap contracts, restatement costs, transition and lease termination costs, foreign currency transaction gains and losses, extraordinary items, litigation expenses unrelated to our core operations, and other non-cash charges. While management considers EBITDA and adjusted EBITDA useful in analyzing our results, it is not intended to replace any presentation included in our condensed consolidated financial statements. The Company’s financial covenants with its lenders define an adjusted EBITDA as a key component of its covenant calculations. The Company’s ability to grow adjusted EBITDA is closely monitored by management as it’s directly tied to financial borrowing capacity and also is a frequent point of discussion with its investors as well as the Company’s earnings calls.

Our operating results are also subject to seasonal trends when measured on a quarterly basis. The impact of seasonality on our business will depend on numerous factors, including the markets in which we operate, holiday seasons, consumer demand, and economic conditions. Since our revenue is largely derived from customers whose shipments are dependent upon consumer demand and just-in-time production schedules, the timing of our revenue is often beyond our control. Factors such as shifting demand for retail goods and/or manufacturing production delays could unexpectedly affect the timing of our revenue. As we increase the scale of our operations, seasonal trends in one area of our business may be offset to an extent by opposite trends in another area. We cannot accurately predict the timing of these factors, nor can we accurately estimate the impact of any particular factor, and thus we can give no assurance any historical seasonal patterns will continue in future periods.

### Results of Operations

***Three months ended March 31, 2024 and 2023 (unaudited)***

***The following table summarizes revenues, cost of transportation and other services, and adjusted gross profit by reportable operating segments for the three months ended March 31, 2024 and 2023:***

| | Three Months Ended March 31, 2024 | | | | Three Months Ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total | United States | Canada | Corporate/ Eliminations | Total |
| Revenues | | | | | | | | |
| Transportation | $ 153,428 | $ 20,055 | $ (42) | $ 173,441 | $ 204,330 | $ 26,361 | $ (96) | $ 230,595 |
| Value-added services | 3,419 | 7,699 | — | 11,118 | 4,114 | 9,462 | — | 13,576 |
| | 156,847 | 27,754 | (42) | 184,559 | 208,444 | 35,823 | (96) | 244,171 |
| Cost of transportation and other services | | | | | | | | |
| Transportation | 110,602 | 15,513 | (42) | 126,073 | 149,409 | 20,973 | (96) | 170,286 |
| Value-added services | 1,748 | 3,617 | — | 5,365 | 2,386 | 4,482 | — | 6,868 |
| | 112,350 | 19,130 | (42) | 131,438 | 151,795 | 25,455 | (96) | 177,154 |
| Adjusted gross profit [1] | | | | | | | | |
| Transportation | 42,826 | 4,542 | — | 47,368 | 54,921 | 5,388 | — | 60,309 |
| Value-added services | 1,671 | 4,082 | — | 5,753 | 1,728 | 4,980 | — | 6,708 |
| | $ 44,497 | $ 8,624 | $ — | $ 53,121 | $ 56,649 | $ 10,368 | $ — | $ 67,017 |
| Adjusted gross profit percentage | | | | | | | | |
| *Transportation* | 27.9% | 22.6% | N/A | 27.3% | 26.9% | 20.4% | N/A | 26.2% |
| *Value-added services* | 48.9% | 53.0% | N/A | 51.7% | 42.0% | 52.6% | N/A | 49.4% |

(1) Adjusted gross profit is revenues net of cost of transportation and other services.

Transportation revenue was $173.4 million and $230.6 million for the three months ended March 31, 2024 and 2023, respectively. The decrease of $57.2 million, or 24.8% is primarily due to significant decreases in international and ocean rates, lower ocean volumes, and an overall decrease in charter business compared to the comparable prior year period. Adjusted transportation gross profit was $47.4 million and $60.3 million for the three months ended March 31, 2024 and 2023, respectively. Net transportation margins increased from 26.2% to 27.3%, primarily due to a higher mix of domestic shipments, which have higher gross profit margin characteristics than ocean and charter shipments.

Value-added services revenue was $11.1 million and $13.6 million for the three months ended March 31, 2024 and 2023, respectively. Adjusted value-added services gross profit was $5.8 million for the three months ended March 31, 2024, compared to $6.7 million for the comparable prior year period. Adjusted value-added services gross profit percentage increased from 49.4% to 51.7%.

***The following table provides a reconciliation for the three months ended March 31, 2024 and 2023 of adjusted gross profit to gross profit, the most directly comparable GAAP measure:***

| (In thousands) | Three Months Ended March 31, | |
|---|---|---|
| **Reconciliation of adjusted gross profit to GAAP gross profit** | 2024 | 2023 |
| Revenues | $ 184,559 | $ 244,171 |
| Cost of transportation and other services (exclusive of depreciation and amortization, shown separately below) | (131,438) | (177,154) |
| Depreciation and amortization | (4,370) | (3,478) |
| GAAP gross profit | $ 48,751 | $ 63,539 |
| Depreciation and amortization | 4,370 | 3,478 |
| Adjusted gross profit | $ 53,121 | $ 67,017 |
| | | |
| GAAP gross margin (GAAP gross profit as a percentage of revenues) | 26.4% | 26.0% |
| Adjusted gross profit percentage (adjusted gross profit as a percentage of revenues) | 28.8% | 27.4% |

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***The following table compares condensed consolidated statements of comprehensive income data by reportable operating segments for the three months ended March 31, 2024 and 2023:***

| (In thousands) | Three Months Ended March 31, 2024 United States | Canada | Corporate/ Eliminations | Total | Three Months Ended March 31, 2023 United States | Canada | Corporate/ Eliminations | Total |
|---|---|---|---|---|---|---|---|---|
| Adjusted gross profit (1) | $ 44,497 | $ 8,624 | $ — | $ 53,121 | $ 56,649 | $ 10,368 | $ — | $ 67,017 |
| Operating expenses: | | | | | | | | |
| Operating partner commissions | 20,077 | — | — | 20,077 | 26,499 | — | — | 26,499 |
| Personnel costs | 13,134 | 4,638 | 1,644 | 19,416 | 13,536 | 4,438 | 1,843 | 19,817 |
| Selling, general and administrative expenses | 6,308 | 1,999 | 1,687 | 9,994 | 6,192 | 2,178 | 2,221 | 10,591 |
| Depreciation and amortization | 843 | 1,108 | 2,589 | 4,540 | 1,069 | 838 | 2,642 | 4,549 |
| Change in fair value of contingent consideration | — | — | — | — | — | — | (697) | (697) |
| Total operating expenses | 40,362 | 7,745 | 5,920 | 54,027 | 47,296 | 7,454 | 6,009 | 60,759 |
| Income (loss) from operations | 4,135 | 879 | (5,920) | (906) | 9,353 | 2,914 | (6,009) | 6,258 |
| Other income (expense) | 10 | 127 | 203 | 340 | 413 | 41 | (822) | (368) |
| Income (loss) before income taxes | 4,145 | 1,006 | (5,717) | (566) | 9,766 | 2,955 | (6,831) | 5,890 |
| Income tax expense | — | — | (49) | (49) | — | — | (1,346) | (1,346) |
| Net income (loss) | 4,145 | 1,006 | (5,766) | (615) | 9,766 | 2,955 | (8,177) | 4,544 |
| Less: Net income attributable to non-controlling interest | (88) | — | — | (88) | (361) | — | — | (361) |
| Net income (loss) attributable to Radiant Logistics, Inc. | $ 4,057 | $ 1,006 | $ (5,766) | $ (703) | $ 9,405 | $ 2,955 | $ (8,177) | $ 4,183 |

| Operating expenses as a percent of adjusted gross profit (1): | Three Months Ended March 31, 2024 United States | Canada | Corporate/ Eliminations | Total | Three Months Ended March 31, 2023 United States | Canada | Corporate/ Eliminations | Total |
|---|---|---|---|---|---|---|---|---|
| Operating partner commissions | 45.1% | 0.0% | N/A | 37.8% | 46.8% | 0.0% | N/A | 39.5% |
| Personnel costs | 29.5% | 53.8% | N/A | 36.6% | 23.9% | 42.8% | N/A | 29.6% |
| Selling, general and administrative expenses | 14.2% | 23.2% | N/A | 18.8% | 10.9% | 21.0% | N/A | 15.8% |
| Depreciation and amortization | 1.9% | 12.8% | N/A | 8.5% | 1.9% | 8.1% | N/A | 6.8% |

(1) Adjusted gross profit is revenues net of cost of transportation and other services.

(2) Certain amounts in the corporate/eliminations segment have been reclassified from the United States column to conform to the current year presentation.

Operating partner commissions decreased $6.4 million, or 24.2%, to $20.1 million for the three months ended March 31, 2024. The decrease in commissions is primarily due to an overall decrease in charter business, a reduction of adjusted gross profit generated from our strategic operating partners, and the conversions of strategic operating partners to company-owned locations who earned commissions in the comparable prior year period. As a percentage of adjusted gross profit, operating partner commissions decreased 175 basis points to 37.8% from 39.5% for the three months ended March 31, 2024 and 2023, respectively, as a result of a lower percentage of gross margin generated from strategic operating partners.

Personnel costs decreased $0.4 million, or 2.0%, to $19.4 million for the three months ended March 31, 2024. As a percentage of adjusted gross profit, personnel costs increased 698 basis points to 36.6% from 29.6% for the three months ended March 31, 2024 and 2023, respectively.

Selling, general and administrative ("SG&A") expenses decreased $0.6 million, or 5.6%, to $10.0 million for the three months ended March 31, 2024. The decrease is primarily due to decreased bad debt expense and lower professional fees due to the restatement in the comparable prior year period, offset by increased software and facilities costs. As a percentage of adjusted gross profit, SG&A increased 300 basis points to 18.8% from 15.8% for the three months ended March 31, 2024 and 2023, respectively.

Depreciation and amortization costs were flat at $4.5 million for the three months ended March 31, 2024. As a percentage of adjusted gross profit, depreciation and amortization costs increased 176 basis points to 8.5% from 6.8% for the three months ended March 31, 2024 and 2023, respectively.

Our decrease in net income is driven principally by decreased adjusted gross profit, partially offset by decreased operating partner commissions, decreased other income and income tax expense compared to the comparable prior year period.

Our future financial results may be impacted by amortization of intangible assets resulting from acquisitions, gains or losses from changes in fair value of contingent consideration, and changes in fair value of interest rate swap contracts, which are difficult to predict.

***The following table provides a reconciliation for the three months ended March 31, 2024 and 2023 of adjusted EBITDA to net income (loss), the most directly comparable GAAP measure:***

| | Three Months Ended March 31, 2024 | | | | Three Months Ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total | United States (3) | Canada | Corporate/ Eliminations (3) | Total |
| Net income (loss) attributable to Radiant Logistics, Inc. | 4,057 | 1,006 | (5,766) | (703) | 9,405 | 2,955 | (8,177) | 4,183 |
| Income tax expense | — | — | 49 | 49 | — | — | 1,346 | 1,346 |
| Depreciation and amortization (1) | 957 | 1,108 | 2,589 | 4,654 | 1,183 | 838 | 2,642 | 4,663 |
| Net interest expense | — | — | (373) | (373) | — | — | 467 | 467 |
| EBITDA | 5,014 | 2,114 | (3,501) | 3,627 | 10,588 | 3,793 | (3,722) | 10,659 |
| Share-based compensation | 429 | 83 | 439 | 951 | 265 | 34 | 245 | 544 |
| Change in fair value of contingent consideration | — | — | — | — | — | — | (697) | (697) |
| Acquisition related costs | — | — | 129 | 129 | — | — | 98 | 98 |
| Cyber security event | — | — | 266 | 266 | — | — | 12 | 12 |
| Litigation costs | — | — | 170 | 170 | — | — | 383 | 383 |
| Change in fair value of interest rate swap contracts | — | — | 170 | 170 | — | — | 355 | 355 |
| Restatement costs | — | — | — | — | — | — | 537 | 537 |
| Foreign currency transaction loss (gain) | 11 | (116) | — | (105) | (292) | (39) | — | (331) |
| Adjusted EBITDA | $ 5,454 | $ 2,081 | $ (2,327) | $ 5,208 | $ 10,561 | $ 3,788 | $ (2,789) | $ 11,560 |
| Adjusted EBITDA as a % of adjusted gross profit (2) | 12.3% | 24.1% | N/A | 9.8% | 18.6% | 36.5% | N/A | 17.2% |

(1)Depreciation and amortization for the purposes of calculating adjusted EBITDA, a non-GAAP financial measure, includes depreciation expenses recognized on certain computer software as a service.

(2)Adjusted gross profit is revenues net of cost of transportation and other services.

(3)Certain amounts in the corporate/eliminations segment have been reclassified from the United States column to conform to the current year presentation.

***Nine months ended March 31, 2024 and 2023 (unaudited)***

***The following table summarizes revenues, cost of transportation and other services, and adjusted gross profit by reportable operating segments for the nine months ended March 31, 2024 and 2023:***

| | Nine Months Ended March 31, 2024 | | | | Nine Months Ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total | United States | Canada | Corporate/ Eliminations | Total |
| Revenues | | | | | | | | |
| Transportation | $ 496,372 | $ 63,018 | $ (167) | $ 559,223 | $ 726,050 | $ 88,016 | $ (351) | $ 813,715 |
| Value-added services | 10,270 | 26,945 | — | 37,215 | 10,203 | 29,343 | — | 39,546 |
| | 506,642 | 89,963 | (167) | 596,438 | 736,253 | 117,359 | (351) | 853,261 |
| Cost of transportation and other services | | | | | | | | |
| Transportation | 355,527 | 48,080 | (167) | 403,440 | 549,280 | 68,821 | (351) | 617,750 |
| Value-added services | 4,653 | 12,402 | — | 17,055 | 4,577 | 13,409 | — | 17,986 |
| | 360,180 | 60,482 | (167) | 420,495 | 553,857 | 82,230 | (351) | 635,736 |
| Adjusted gross profit [1] | | | | | | | | |
| Transportation | 140,845 | 14,938 | — | 155,783 | 176,770 | 19,195 | — | 195,965 |
| Value-added services | 5,617 | 14,543 | — | 20,160 | 5,626 | 15,934 | — | 21,560 |
| | $ 146,462 | $ 29,481 | $ — | $ 175,943 | $ 182,396 | $ 35,129 | $ — | $ 217,525 |
| Adjusted gross profit percentage | | | | | | | | |
| *Transportation* | 28.4% | 23.7% | N/A | 27.9% | 24.3% | 21.8% | N/A | 24.1% |
| *Value-added services* | 54.7% | 54.0% | N/A | 54.2% | 55.1% | 54.3% | N/A | 54.5% |

(1) Adjusted gross profit is revenues net of cost of transportation and other services.

Transportation revenue was $559.2 million and $813.7 million for the nine months ended March 31, 2024 and 2023, respectively. The decrease of $254.5 million, or 31.3% is primarily due to significant decreases in international and ocean rates, compounded by lower ocean volumes, and an overall decrease in charter business compared to the comparable prior year period. Adjusted transportation gross profit was $155.8 million and $196.0 million for the nine months ended March 31, 2024 and 2023, respectively. Net transportation margins increased from 24.1% to 27.9%, primarily due to a higher mix of domestic shipments, which have higher gross profit margin characteristics than ocean and charter shipments.

Value-added services revenue was $37.2 million and $39.5 million for the nine months ended March 31, 2024 and 2023, respectively. Adjusted value-added services gross profit was $20.2 million for the nine months ended March 31, 2024, compared to $21.6 million for the comparable prior year period. Adjusted value-added services gross profit percentage decreased from 54.5% to 54.2%.

***The following table provides a reconciliation for the nine months ended March 31, 2024 and 2023 of adjusted gross profit to gross profit, the most directly comparable GAAP measure:***

| (In thousands) | Nine Months Ended March 31, | |
|---|---|---|
| **Reconciliation of adjusted gross profit to GAAP gross profit** | 2024 | 2023 |
| Revenues | $ 596,438 | $ 853,261 |
| Cost of transportation and other services (exclusive of depreciation and amortization, shown separately below) | (420,495) | (635,736) |
| Depreciation and amortization | (10,908) | (10,294) |
| GAAP gross profit | $ 165,035 | $ 207,231 |
| Depreciation and amortization | 10,908 | 10,294 |
| Adjusted gross profit | $ 175,943 | $ 217,525 |
| | | |
| GAAP gross margin (GAAP gross profit as a percentage of revenues) | 27.7% | 24.3% |
| Adjusted gross profit percentage (adjusted gross profit as a percentage of revenues) | 29.5% | 25.5% |

***The following table compares condensed consolidated statements of comprehensive income data by reportable operating segments for the nine months ended March 31, 2024 and 2023:***

| (In thousands) | Nine Months Ended March 31, 2024 United States | Canada | Corporate/ Eliminations | Total | Nine Months Ended March 31, 2023 United States [2] | Canada | Corporate/ Eliminations [2] | Total |
|---|---|---|---|---|---|---|---|---|
| Adjusted gross profit [1] | $ 146,462 | $ 29,481 | $ — | $ 175,943 | $ 182,396 | $ 35,129 | $ — | $ 217,525 |
| Operating expenses: | | | | | | | | |
| Operating partner commissions | 69,678 | — | — | 69,678 | 87,116 | — | — | 87,116 |
| Personnel costs | 39,693 | 14,384 | 4,726 | 58,803 | 42,519 | 13,222 | 4,488 | 60,229 |
| Selling, general and administrative expenses | 17,673 | 6,279 | 6,111 | 30,063 | 16,310 | 5,780 | 5,939 | 28,029 |
| Depreciation and amortization | 2,707 | 2,934 | 7,789 | 13,430 | 3,183 | 2,407 | 12,652 | 18,242 |
| Change in fair value of contingent consideration | — | — | (450) | (450) | — | — | (387) | (387) |
| Total operating expenses | 129,751 | 23,597 | 18,176 | 171,524 | 149,128 | 21,409 | 22,692 | 193,229 |
| Income (loss) from operations | 16,711 | 5,884 | (18,176) | 4,419 | 33,268 | 13,720 | (22,692) | 24,296 |
| Other income (expense) | 163 | 153 | 83 | 399 | 564 | 391 | (1,700) | (745) |
| Income (loss) before income taxes | 16,874 | 6,037 | (18,093) | 4,818 | 33,832 | 14,111 | (24,392) | 23,551 |
| Income tax expense | — | — | (1,467) | (1,467) | — | — | (5,570) | (5,570) |
| Net income (loss) | 16,874 | 6,037 | (19,560) | 3,351 | 33,832 | 14,111 | (29,962) | 17,981 |
| Less: net income attributable to non-controlling interest | (447) | — | — | (447) | (529) | — | — | (529) |
| Net income (loss) attributable to Radiant Logistics, Inc. | $ 16,427 | $ 6,037 | $ (19,560) | $ 2,904 | $ 33,303 | $ 14,111 | $ (29,962) | $ 17,452 |

| Operating expenses as a percent of adjusted gross profit [1]: | Nine Months Ended March 31, 2024 United States | Canada | Corporate/ Eliminations | Total | Nine Months Ended March 31, 2023 United States | Canada | Corporate/ Eliminations | Total |
|---|---|---|---|---|---|---|---|---|
| Operating partner commissions | 47.6 % | 0.0 % | N/A | 39.6 % | 47.8 % | 0.0 % | N/A | 40.0 % |
| Personnel costs | 27.1 % | 48.8 % | N/A | 33.4 % | 23.3 % | 37.6 % | N/A | 27.7 % |
| Selling, general and administrative expenses | 12.1 % | 21.3 % | N/A | 17.1 % | 8.9 % | 16.5 % | N/A | 12.9 % |
| Depreciation and amortization | 1.8 % | 10.0 % | N/A | 7.6 % | 1.7 % | 6.9 % | N/A | 8.4 % |

(1) Adjusted gross profit is revenues net of cost of transportation and other services.

(2) Certain amounts in the corporate/eliminations segment have been reclassified from the United States column to conform to the current year presentation.

Operating partner commissions decreased $17.4 million, or 20.0%, to $69.7 million for the nine months ended March 31, 2024. The decrease in commissions is primarily due to a reduction of adjusted gross profit generated from our strategic operating partners, and the conversions of strategic operating partners to company-owned locations who earned commissions in the comparable prior year period. As a percentage of adjusted gross profit, operating partner commissions decreased 45 basis points to 39.6% from 40.0% for the nine months ended March 31, 2024 and 2023, respectively, as a result of a lower percentage of gross margin generated from strategic operating partners.

Personnel costs decreased $1.4 million, or 2.4%, to $58.8 million for the nine months ended March 31, 2024 due to lower headcount in certain locations, decreases in sales commissions, partially offset by the increase in headcount from acquisitions of strategic operating partners and a new brokerage location. As a percentage of adjusted gross profit, personnel costs increased 573 basis points to 33.4% from 27.7% for the nine months ended March 31, 2024 and 2023, respectively.

SG&A expenses increased $2.1 million, or 7.3%, to $30.1 million for the nine months ended March 31, 2024. The increase is primarily due to increased software and facilities costs, offset by decreased bad debt expense, lower professional fees due to the restatement in the comparable prior year period, and lower travel expenses. As a percentage of adjusted gross profit, SG&A increased 420 basis points to 17.1% from 12.9% for the nine months ended March 31, 2024 and 2023, respectively.

Depreciation and amortization costs decreased $4.8 million, or 26.4%, to $13.4 million for the nine months ended March 31, 2024. The decrease is attributable to the accelerated amortization of intangible assets in the prior year resulting from the rebranding of certain trade names. As a percentage of adjusted gross profit, depreciation and amortization costs decreased 75 basis points to 7.6% from 8.4% for the nine months ended March 31, 2024 and 2023, respectively.

Our decrease in net income is driven principally by decreased adjusted gross profit, partially offset by decreased operating partner commissions, decreased amortization of intangible assets, and decreases in other income assets and income tax expense compared to the comparable prior year period.

Our future financial results may be impacted by amortization of intangible assets resulting from acquisitions, gains or losses from changes in fair value of contingent consideration, and changes in fair value of interest rate swap contracts, which are difficult to predict.

***The following table provides a reconciliation for the nine months ended March 31, 2024 and 2023 of adjusted EBITDA to net income (loss), the most directly comparable GAAP measure:***

| | Nine Months Ended March 31, 2024 | | | | Nine Months Ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| (In thousands) | United States | Canada | Corporate/ Eliminations | Total | United States [3] | Canada | Corporate/ Eliminations [3] | Total |
| Net income (loss) attributable to Radiant Logistics, Inc. | $ 16,427 | $ 6,037 | $ (19,560) | $ 2,904 | $ 33,303 | $ 14,111 | $ (29,962) | $ 17,452 |
| Income tax expense | — | — | 1,467 | 1,467 | — | — | 5,570 | 5,570 |
| Depreciation and amortization [1] | 3,050 | 2,934 | 7,789 | 13,773 | 3,526 | 2,407 | 12,652 | 18,585 |
| Net interest expense | — | — | (986) | (986) | — | — | 1,931 | 1,931 |
| EBITDA | 19,477 | 8,971 | (11,290) | 17,158 | 36,829 | 16,518 | (9,809) | 43,538 |
| Share-based compensation | 1,224 | 235 | 1,067 | 2,526 | 814 | 163 | 855 | 1,832 |
| Change in fair value of contingent consideration | — | — | (450) | (450) | — | — | (387) | (387) |
| Acquisition related costs | — | — | 450 | 450 | — | — | 147 | 147 |
| Cyber security event | — | — | 266 | 266 | — | — | 12 | 12 |
| Litigation costs | — | — | 1,275 | 1,275 | — | — | 751 | 751 |
| Transition, lease termination, and other costs | 76 | — | — | 76 | 30 | — | — | 30 |
| Change in fair value of interest rate swap contracts | — | — | 903 | 903 | — | — | (231) | (231) |
| Restatement costs | — | — | — | — | — | — | 1,544 | 1,544 |
| Foreign currency transaction gain | (97) | (24) | — | (121) | (417) | (385) | — | (802) |
| Adjusted EBITDA | $ 20,680 | $ 9,182 | $ (7,779) | $ 22,083 | $ 37,256 | $ 16,296 | $ (7,118) | $ 46,434 |
| Adjusted EBITDA as a % of adjusted gross profit [2] | 14.1 % | 31.1 % | N/A | 12.6 % | 20.4 % | 46.4 % | N/A | 21.3 % |

(1) Depreciation and amortization for the purposes of calculating adjusted EBITDA, a non-GAAP financial measure, includes depreciation expenses recognized on certain computer software as a service.

(2) Adjusted gross profit is revenues net of cost of transportation and other services.

(3) Certain amounts in the corporate/eliminations segment have been reclassified from the United States column to conform to the current year presentation.

**Liquidity and Capital Resources**

Generally, our primary sources of liquidity are cash generated from operating activities and borrowings under our Revolving Credit Facility, as described below. These sources also fund a portion of our capital expenditures and contractual contingent consideration obligations. Our level of cash and financing capabilities along with cash flows from operations have historically been sufficient to meet our operating and capital needs. As of March 31, 2024, we have $31.2 million in unrestricted cash on hand to serve as adequate working capital.

Net cash provided by operating activities was $16.0 million and $79.6 million for the nine months ended March 31, 2024 and 2023, respectively. The cash provided by operating activities primarily consisted of net income adjusted for depreciation and amortization and changes in accounts receivable, contract assets, accounts payable, income taxes, and payments of contingent consideration. Cash flow from operating activities for the nine months ended March 31, 2024 decreased by $63.6 million, compared with the same period in fiscal year 2023, primarily due to decreased net income, amortization of intangible assets, and net changes in accounts receivable, contract assets, and accounts payable.

Net cash used for investing activities was $8.9 million and $9.3 million for the nine months ended March 31, 2024 and 2023, respectively. Cash paid for acquisitions were $2.0 million and $3.3 million for the nine months ended March 31, 2024 and 2023, respectively. Cash paid for purchases of property, technology, and equipment were $7.2 million and $6.2 million for the nine months ended March 31, 2024 and 2023, respectively. Proceeds from sale of property, technology, and equipment were $0.2 million and less than $0.1 million of the nine months ended March 31, 2024 and 2023.

Net cash used for financing activities was $8.3 million and $45.0 million for the nine months ended March 31, 2024 and 2023, respectively. There were no repayments or borrowings under the Revolving Credit Facility for the nine months ended March 31, 2024, compared to net repayments of the Revolving Credit Facility of $35.0 million for the nine months ended March 31, 2023. Payments of debt issuance costs were $0.1 million and $0.8 million for the nine months ended March 31, 2024 and 2023, respectively. Repayments of notes payable and finance lease liabilities were $3.9 million and $3.7 million for each of the nine months ended March 31, 2024 and 2023, respectively. Payments for repurchases of common stock was $3.1 million and $5.0 million for the nine months ended March 31, 2024 and 2023, respectively. Payments of contingent consideration was $0.3 million for the nine months ended March 31, 2024. Distributions to non-controlling interest were $0.5 million and $0.2 million for the nine months ended March 31, 2024 and 2023, respectively. Proceeds from exercise of stock options were less than $0.1 million and $0.2 million for the nine months ended March 31, 2024 and 2023, respectively. Payments of employee tax withholdings related to restricted stock units and stock options were $0.4 million and $0.5 million for the nine months ended March 31, 2024 and 2023, respectively.

***Revolving Credit Facility***

The Company entered into a $200 million syndicated, revolving credit facility (the “Revolving Credit Facility”) pursuant to a Credit Agreement dated as of August 5, 2022, and amended as of September 27, 2023. The Revolving Credit Facility is segregated into two tranches, a $150 million tranche that may be loaned in U.S. Dollars and a $50 million tranche that may be loaned in either U.S. Dollars or Canadian Dollars. The Revolving Credit Facility includes a $75 million accordion feature to support future acquisition opportunities. The Revolving Credit Facility was entered into with Bank of America, N.A. and BMO Capital Markets Corp. as joint book runners and joint lead arrangers, Bank of America, N.A. as Administrative Agent, Swingline Lender and Letter of Credit Issuer, Bank of Montreal as syndication agent, KeyBank National Association and MUFG Union Bank, N.A. as co-documentation agents and Bank of America, N. A., Bank of Montreal, KeyBank National Association, MUFG Union Bank, N.A. and Washington Federal Bank, National Association as lenders (such named lenders are collectively referred to herein as “Lenders”).

The Revolving Credit Facility has a term of five years and is collateralized by a first-priority security interest in the accounts receivable and other assets of the Company and the guarantors on a parity basis with the security interest held by Fiera Private Debt Fund IV LP and Fiera Private Debt Fund V LP described below. Borrowings in U.S. Dollars accrue interest (at the Company’s option) at a) the Lenders’ base rate plus 0.50% to 1.50%; b) Term Secured Overnight Financing Rate (“SOFR”) plus 1.40% to 2.40%; or c) Term SOFR Daily Floating Rate plus 1.40% to 2.40%. Borrowings in Canadian Dollars accrue interest (at the Company’s option) at a) Term Canadian Overnight Repo Rate Average (“CORRA”) plus 0.29547% to 0.32138% depending on the term, plus 1.40% to 2.40%; or b) Daily Simple CORRA plus 0.29547% plus 1.40% to 2.40%. Rates are adjusted based on the Company’s consolidated net leverage ratio. The Company’s U.S. and Canadian subsidiaries are guarantors of the Revolving Credit Facility.

For borrowings under the Revolving Credit Facility, the Company is subject to the maximum consolidated net leverage ratio of 3.00 and minimum consolidated interest coverage ratio of 3.00. Additional minimum availability requirements and financial covenants apply in the event the Company seeks to use advances under the Revolving Credit Facility to pursue acquisitions or repurchase its common stock.

As of March 31, 2024, there were no borrowings outstanding on the Revolving Credit Facility.

***Senior Secured Loans***

In connection with the Company’s acquisition of Radiant Canada, Radiant Canada obtained a CAD$29 million senior secured Canadian term loan from Fiera Private Debt Fund IV LP (“FPD IV” formerly, Integrated Private Debt Fund IV LP) pursuant to a CAD$29,000,000 Credit Facilities Loan Agreement. The Company’s U.S. and Canadian subsidiaries are guarantors of the obligations thereunder. The loan matures on April 1, 2024 and accrues interest at a rate of 6.65% per annum. The Company is required to maintain five months interest in a debt service reserve account to be controlled by FPD IV. As of March 31, 2024, $287 was outstanding under this term loan and it was repaid in full subsequent to quarter end.

In connection with the Company’s acquisition of Lomas, Radiant Canada obtained a CAD$10 million senior secured Canadian term loan from Fiera Private Debt Fund V LP (formerly, Integrated Private Debt Fund V LP) pursuant to a CAD$10,000,000 Credit Facilities Loan Agreement. The Company’s U.S. and Canadian subsidiaries are guarantors of the obligations thereunder. The loan matures on June 1, 2024 and accrues interest at a fixed rate of 6.65% per annum. The loan repayment consists of monthly blended principal and interest payments. As of March 31, 2024, $370 was outstanding under this term loan.

The loans may be prepaid in whole at any time providing the Company gives at least 30 days prior written notice and pays the difference between (i) the present value of the loan interest and the principal payments foregone discounted at the Government of Canada Bond Yield for the term from the date of prepayment to the maturity date, and (ii) the face value of the principal amount being prepaid.

For additional information regarding our indebtedness, see Note 8 to our unaudited condensed consolidated financial statements.

### Item 3. Quantitative and Qualitative Disclosure about Market Risk

We are exposed to market risks in the ordinary course of business. These risks are primarily related to foreign exchange risk. We have currency exposure arising from both sales and purchases denominated in foreign currencies, as well as intercompany transactions. Significant changes in exchange rates between foreign currencies in which we transact business and the U.S. dollar may adversely affect our results of operations and financial condition. Historically, we have not entered into any hedging activities, and, to the extent that we continue not to do so in the future, we may be vulnerable to the effects of currency exchange rate fluctuations. A portion of our business is conducted in Canada. If foreign exchange rates were 1.0% higher or lower, our net income for the nine months ended March 31, 2024 would have changed by approximately $0.06 million.

We are also subject to risks related to an increase in interest rates. For every $1.0 million outstanding on our Revolving Credit Facility, we will incur approximately $0.05 million of interest expense. For every 1.0% increase in interest rates, our interest expense per $1.0 million in borrowings will increase by approximately $0.01 million.

### Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of our “disclosure controls and procedures” (as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act) as of March 31, 2024 was carried out by our management under the supervision and with the participation of our CEO and CFO. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were ineffective as of March 31, 2024 due to the existence of material weaknesses described below.

Material Weakness over Recording and Processing of Revenue Transactions and Remediation Efforts

As of June 30, 2021, we concluded that a material weakness existed in our internal control over financial reporting related to the recording and processing of revenues transactions, including the timing of the Company’s estimated accrual of in-transit revenues and related costs.

In response to this material weakness, the Company has continued making progress with corrective action to address the material weakness and provide reasonable assurance that future errors in revenue transactions would be prevented and/or detected in a timely manner. The Company’s corrective actions include, but are not limited to:

a)Implementing new controls;

b)Working with strategic operating partners and Company-owned locations to understand their processes and strengthen the Company’s monitoring controls over their operations;

c)Identifying and formalizing the critical data elements in our revenue accrual process;

d)Further refining our accrual process to be more granular and operate to the desired level of precision to detect material misstatements; and

e)Performing additional review procedures and analysis including testing of unposted shipments and subsequently analyzing posted shipments in an effort to improve the overall accuracy of the revenue accrual.

As of March 31, 2024, remediation is ongoing. As such, we concluded the Company does not have effective internal controls over the recording and processing of revenues. Specifically, the controls as currently designed are not sufficient to prevent or detect a material misstatement in revenues as the design of the controls lacks the level of precision necessary to ensure the completeness and accuracy of revenues. While existing controls have been enhanced, and new controls have been implemented, further testing procedures are needed to verify their effectiveness over multiple periods of operation before the company can conclude the material weakness has been fully remediated. We anticipate fully remediating the material weakness during fiscal year 2024.

Material Weaknesses over Information Technology General Controls (“ITGCs”) and Remediation Efforts

As of June 30, 2023, we concluded that material weaknesses exist surrounding our ITGCs, specifically relating to change management and user access rights.

The material weaknesses related to the ineffective design and operation of ITGCs over the information technology (“IT”) systems supporting the Company’s Transportation Management (“TM”) systems as well as its Enterprise Resource Planning (“ERP”) system. Business process controls (automated and manual) that are dependent on effective IT systems, or that rely on data produced from systems impacted by the ineffective ITGCs, are also deemed ineffective. The Company identified material weaknesses in their internal control over financial reporting associated with (i) not designing and maintaining effective ITGCs over privileged user accounts and developers for its TM systems used to account for revenue and related cost of transportation and its ERP system used in the preparation of the condensed consolidated financial statements and (ii) not designing and maintaining effective controls to timely detect and independently review instances where individuals with access to create and implement systems changes to the TM and ERP systems.

In response to the material weaknesses, the Company removed certain elevated logical access privileges from user accounts, enhanced existing controls, and implemented new controls to further strengthen our technology environment. For user access rights, software specifically designed to control access of the company's ERP has been deployed, however further testing procedures are needed to verify their effectiveness over multiple periods of operations. We expect the material weaknesses to be resolved in fiscal year 2024. The Company will need the refined and new controls to operate effectively for a specific period before concluding that the material weaknesses have been resolved.

Changes in Internal Control over Financial Reporting

Except for the remediation activities regarding material weaknesses described above, there have not been any other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The Company and its subsidiaries may be subject to legal actions and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened legal proceedings, except as described below, that are considered other than routine legal proceedings. The Company believes that the ultimate disposition or resolution of its routine legal proceedings, in the aggregate, are not material to its financial position, results of operations and liquidity.

### Item 1A. Risk Factors

There have been no material changes in the risk factors disclosed by us under Part I, Item 1A. Risk Factors contained in the Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

### Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

In December 2023, the Company's board of directors authorized the repurchase of up to 5,000,000 shares of the Company's common stock through December 31, 2025. The Company did not purchase shares of common stock during the three months ended March 31, 2024. As of March 31, 2024, the company may purchase 5,000,000 shares under the repurchase program.

### Item 5. Other Information

(a) None
(b) None
(c) None

**ITEM 6. EXHIBITS**

| Exhibit Number | Description | Filed/Furnished Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | Period Ending | Exhibit Number | Filing Date |
| 31.1 | Certification by Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | X | | | | |
| 31.2 | Certification by Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | X | | | | |
| 32.1 | Certification by the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | X | | | | |
| 101.INS | Inline XBRL Instance | X | | | | |
| 101.SCH | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents | X | | | | |
| 104 | Cover Page Interactive Data (embedded within the Inline XBRL document) | X | | | | |

**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, thereunto duly authorized.

| | |
|---|---|
| | **RADIANT LOGISTICS, INC.** |
| Date: May 9, 2024 | /s/ Bohn H. Crain<br>Bohn H. Crain<br>Chief Executive Officer<br>(Principal Executive Officer) |
| Date: May 9, 2024 | /s/ Todd E. Macomber<br>Todd E. Macomber<br>Senior Vice President and Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) |

**Exhibit 31.1**

**Certification**

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Bohn H. Crain, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Radiant Logistics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. As a certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /s/ Bohn H. Crain
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**Certification**

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Todd E. Macomber, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Radiant Logistics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. As a certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 9, 2024

By: /s/ Todd E. Macomber
Chief Financial Officer
(Principal Accounting Officer)

**Exhibit 32.1**

**Certifications Pursuant to**
**Section 906 of the Sarbanes-Oxley Act of 2002**
**(18 U.S.C. Section 1350)**

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of Radiant Logistics, Inc. (the “Company”) hereby certifies that, to his knowledge, the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

By: /s/ Bohn H. Crain
Bohn H. Crain
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Todd E. Macomber
Todd E. Macomber
Chief Financial Officer

(Principal Accounting Officer)