Delivering the Goods in an Urban World

Commercial Transportation Outlook
Company Stats:

- Celebrating 80 years in business
  - US based – Miami, FL
  - $6B+ annual revenue
  - Publicly held

- 27,700 employees

- 1,100+ locations (800 maintenance/service)

- 400 Commercial Diesel Fuel Service Locations
  - Dispense 300,000,000 gallons of diesel per year

- 210,000+ vehicles in our commercial fleet
Ryder’s Business Model

*Ryder targets core transportation centered around truck placement. Ryder then builds different product/service offerings around the vehicle.*

- **Factory**
- **Retailer**
- **Port**
- **Supply Chain Solutions**
- **Distribution Center**

**FMS: Commercial Rental**
- Customers who have temporary vehicle needs

**FMS: Full Service Lease & Contract Maintenance**
- Customers who want to manage their own freight, but want to outsource maintenance or total vehicle management

**Dedicated Contract Carriage**
- Customers who still want to manage their overall freight moves, but want to outsource vehicle management, drivers and route planning
International Overview

Countries of operation include:

North America: U.S., Canada, Mexico
Europe: U.K., Germany
Asia: Singapore, China - with a network of owned and agent offices throughout Asia

Revenue by region:

Total non-U.S. revenue = 16%
Fleet Management Solutions: Product and Services Overview

- **Commercial Rental** (23% FMS revenue)
  - Commercial vehicles for short-term customer needs
  - Used by both lease and non-lease customers

- **Full Service Lease** (63% FMS revenue)
  - Long-term contractual agreement
  - Includes vehicle procurement, maintenance services and used vehicle disposition
  - Comprehensive package of fleet support services available

- **Contract Maintenance** (6% FMS revenue)
  - Comprehensive, preventive maintenance services
  - Vehicles are owned by our clients or under third-party finance lease contracts

- **Contract-Related Maintenance** (6% FMS revenue)
  - Ancillary maintenance work on Ryder or customer owned vehicles not included in base contract
  - On-demand maintenance for large customer owned fleets

- **Fleet Support Services** (2% FMS revenue)
  - Fuel
  - Insurance
  - Safety
  - Regulatory reporting
  - Technology

Sample Clients:

- Domino’s Pizza
- Dunkin’ Donuts
- Southeast Frozen Foods
- Mohawk
- Airgas
- International Paper
- Coca-Cola
- Andersen AW
- Royal Mail
- Associated Grocers of Florida
- NAPA
- Ryder Supply Chain Solutions
Supply Chain Solutions:
Product and Services Overview

<table>
<thead>
<tr>
<th>Professional Services (4% SCS revenue)</th>
<th>Distribution Management (30% SCS revenue)</th>
<th>Dedicated (57% SCS revenue)</th>
<th>Transportation Management (9% SCS revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>◮ Strategic consulting &amp; decision support</td>
<td>◮ Order fulfillment</td>
<td>◮ Turnkey transportation service</td>
<td>◮ Freight procurement &amp; contract management</td>
</tr>
<tr>
<td>◮ Solutions engineering</td>
<td>◮ Warehouse and distribution center operations</td>
<td>◮ Drivers</td>
<td>◮ Shipment planning and execution</td>
</tr>
<tr>
<td>◮ Network modeling &amp; optimization</td>
<td>◮ Inbound materials management</td>
<td>◮ Vehicles</td>
<td>◮ Freight brokerage</td>
</tr>
<tr>
<td>◮ Total landed cost</td>
<td>◮ Outbound product support</td>
<td>◮ Routing &amp; scheduling</td>
<td>◮ Freight bill audit and payment</td>
</tr>
<tr>
<td>◮ Lean Six Sigma</td>
<td>◮ Reverse logistics</td>
<td>◮ Management &amp; administrative support</td>
<td>◮ Origin/destination services</td>
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<td>◮ Kitting, packaging &amp; assembly</td>
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</tbody>
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Supported by: IT Solutions

- Transportation & warehouse management systems
- Inventory & shipment visibility tools
- Network optimization tools

Sample Clients:

- TOYOTA
- ConAgra Foods
- Xerox
- KRAFT
- RITE AID
- STONYFIELD FARMS
- P&G
- CVS/Pharmacy
- Kellogg's
- Imperial Tobacco Canada
- BOEING
- Whirlpool
- Cisco
- GM
- Dean Foods

Note: Revenue percents based on segment operating revenue (excludes subcontracted transportation).
Fleet Management Solutions:
Macro Trends - Commercial Vehicle Average Fleet Age

AVERAGE AGE:
U.S. Class 8 Active Population
1990 - 2018

ACT Research Co., LLC: Copyright 2013
TWO DECADES OF EPA DIESEL EMISSIONS REGULATIONS

Overview of EPA Regulations

- 2007 Required reductions in both NOx and PM
- 2010 Required further reductions in NOx

Graph showing required reductions in NOx and PM from 1990 to 2010:
- 1990
- 1991
- 1994
- 1998
- 2002/2004
- 2007
- 2010

Graph axes:
- NOx (g/bhp-hr)
- PM (g/bhp-hr)
Hurdles - New Technology Costs

Vehicle Investments

- Commercial Tractors
- Commercial Trucks
Fleet Management Solutions: Macro Trends - Hurdles

Limited Access to Capital

- Smaller companies are struggling to obtain new capital due to more stringent bank capital requirements

Re-prioritization of Capital by Large Customers

- Larger companies are more inclined to focus investment dollars on their core business
DRIVER SUPPLY: U.S. MALES
Potential Hirees & Impending Retirees
2000-2020

Warm Bodies (000s)

2600
2400
2200
2000
1800
1600
1400
1200
1000
800

21 Year-olds
65 Year-olds

SUPPLY OF INCOMING CDL-AGE U.S. MALES NARROWS

HARD TO FIND DRIVERS

NOT SO HARD TO FIND DRIVERS

U.S. MALES AT RETIREMENT AGE RISES SHARPLY

Source: U.S. Census Bureau, ACT Research Co., LLC; Copyright 2013
Other Operational Hurdles/Distractions:

- High Turnover/limited replacement personnel
  - Shifts in logistics design (sleeper vs. daycab)

- More restricted Hours of Service rules

- Federal Motor Carrier Safety Administration
  - CSA 2010- Compliance, Safety, Accountability

- Electronic On Board Recorders for HOS management

- Future Emissions Regulations
  - GHG ‘14/’17
Fleet Management Solutions:
Macro Trends – Ryder’s Role in Accelerating Technology Adoption

NACFE will Accelerate Innovation and Early Adoption

Focus of NACFE

Early Adopters

Innovators

Laggards

Typical Industry Adoption Curve

Late Adopters

Early Adopters

Innovators

Time

Adoption

0%

100%
**FIGURE S-1.** Comparison of 2015-2020 new vehicle potential fuel-saving technologies for seven vehicle types: tractor trailer (TT), Class 3-6 box (box), Class 3-6 bucket (bucket), Class 8 refuse (refuse), transit bus (bus), motor coach (coach), and Class 2b pickups and vans (2b). SOURCE: TIAAX (2009) at ES-4.
Ryder Natural Gas Fleet Innovation

• Investing in Natural Gas since 2009
• Deep knowledge base
  ► 350 NG Tractors/Trucks & growing
  ► 15,000,000 miles run on NG
  ► Fuel station networks, design and layout
  ► Natural Gas engine technology
  ► Facility design and layout
  ► Facility modifications required to maintain compliance to NFPA codes
• Customer access to fleet innovation:
  ► Latest natural gas fleet technology
  ► CNG & LNG fueling infrastructure
  ► Maintenance & roadside services
  ► Safety and technical expertise

“Providing leadership to promote the use of natural gas in heavy duty commercial fleets is a strategic initiative for Ryder. Participation in this event underscores our commitment to bringing cost effective, environmentally sound commercial transportation solutions to market that help reduce both fleet costs and emissions.”

-- Robert Sanchez
CEO, Ryder System
“NGVs Take the Hill”
April 19, 2011
Washington DC
Jumpstarting natural gas fleets

Ryder is putting sustainable efficiencies within reach of more customers

- Coverage for largest county in the U.S. 20,000+ square miles
- Largest investment of its kind with 221 natural gas vehicles (CNG/LNG)
- Maintenance and fueling facility upgrades
Natural Gas Maintenance Facilities

Current upgraded facility locations

Facilities to be upgraded soon