

# Delivering the Goods in an Urban World

## Commercial Transportation Outlook



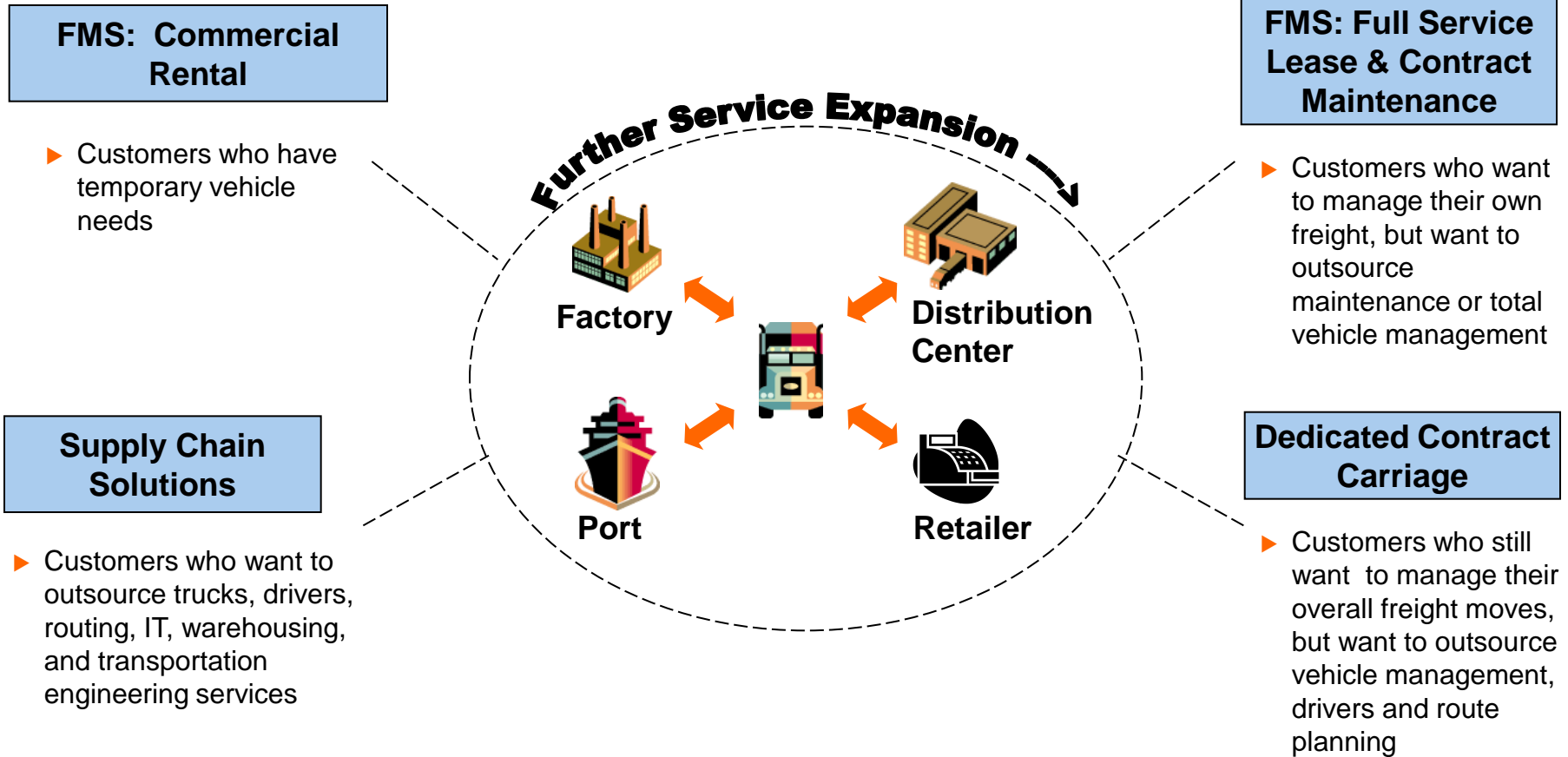
## Company Stats:

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- 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.*

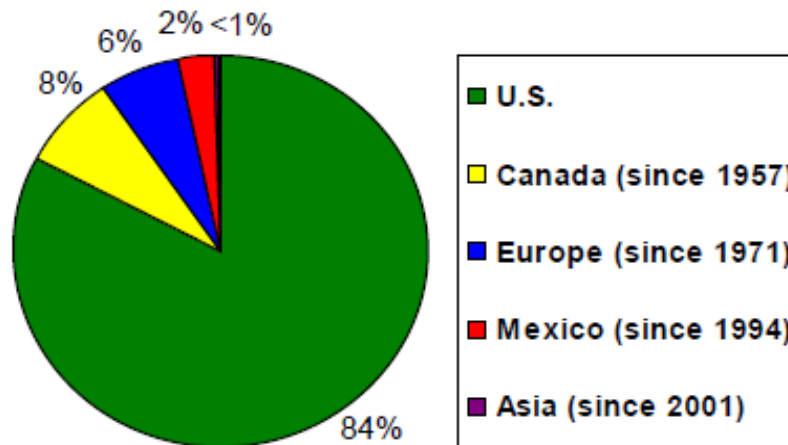


## International Overview

### Countries of operation include:

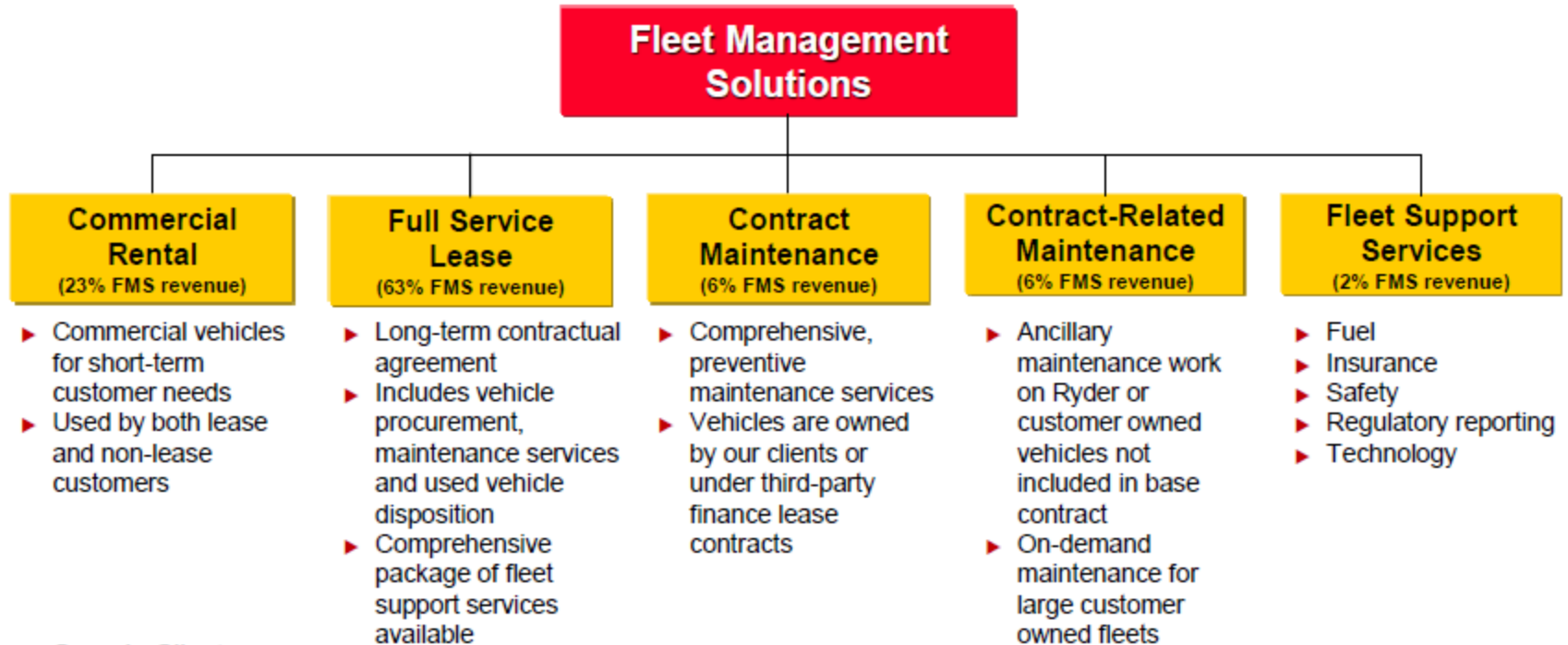
North America:	U.S., Canada, Mexico
Europe:	U.K., Germany
Asia:	Singapore, China - with a network of owned and agent offices throughout Asia

### Revenue by region:



Total non-U.S. revenue = 16%

# Fleet Management Solutions: Product and Services Overview



Sample Clients:



# Supply Chain Solutions: Product and Services Overview

## Supply Chain Solutions

Professional Services (4% SCS revenue)	Distribution Management (30% SCS revenue)	Dedicated (57% SCS revenue)	Transportation Management (9% SCS revenue)
<ul style="list-style-type: none"> <li>▶ Strategic consulting &amp; decision support</li> <li>▶ Solutions engineering</li> <li>▶ Network modeling &amp; optimization</li> <li>▶ Total landed cost</li> <li>▶ Lean Six Sigma</li> </ul>	<ul style="list-style-type: none"> <li>▶ Order fulfillment</li> <li>▶ Warehouse and distribution center operations</li> <li>▶ Inbound materials management</li> <li>▶ Outbound product support</li> <li>▶ Reverse logistics</li> <li>▶ Vendor managed inventory</li> <li>▶ Kitting, packaging &amp; assembly</li> </ul>	<ul style="list-style-type: none"> <li>▶ Turnkey transportation service</li> <li>▶ Drivers</li> <li>▶ Vehicles</li> <li>▶ Routing &amp; scheduling</li> <li>▶ Management &amp; administrative support</li> </ul>	<ul style="list-style-type: none"> <li>▶ Freight procurement &amp; contract management</li> <li>▶ Shipment planning and execution</li> <li>▶ Freight brokerage</li> <li>▶ Freight bill audit and payment</li> <li>▶ Origin/destination services</li> </ul>

**Supported by: IT Solutions**

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

Sample Clients:

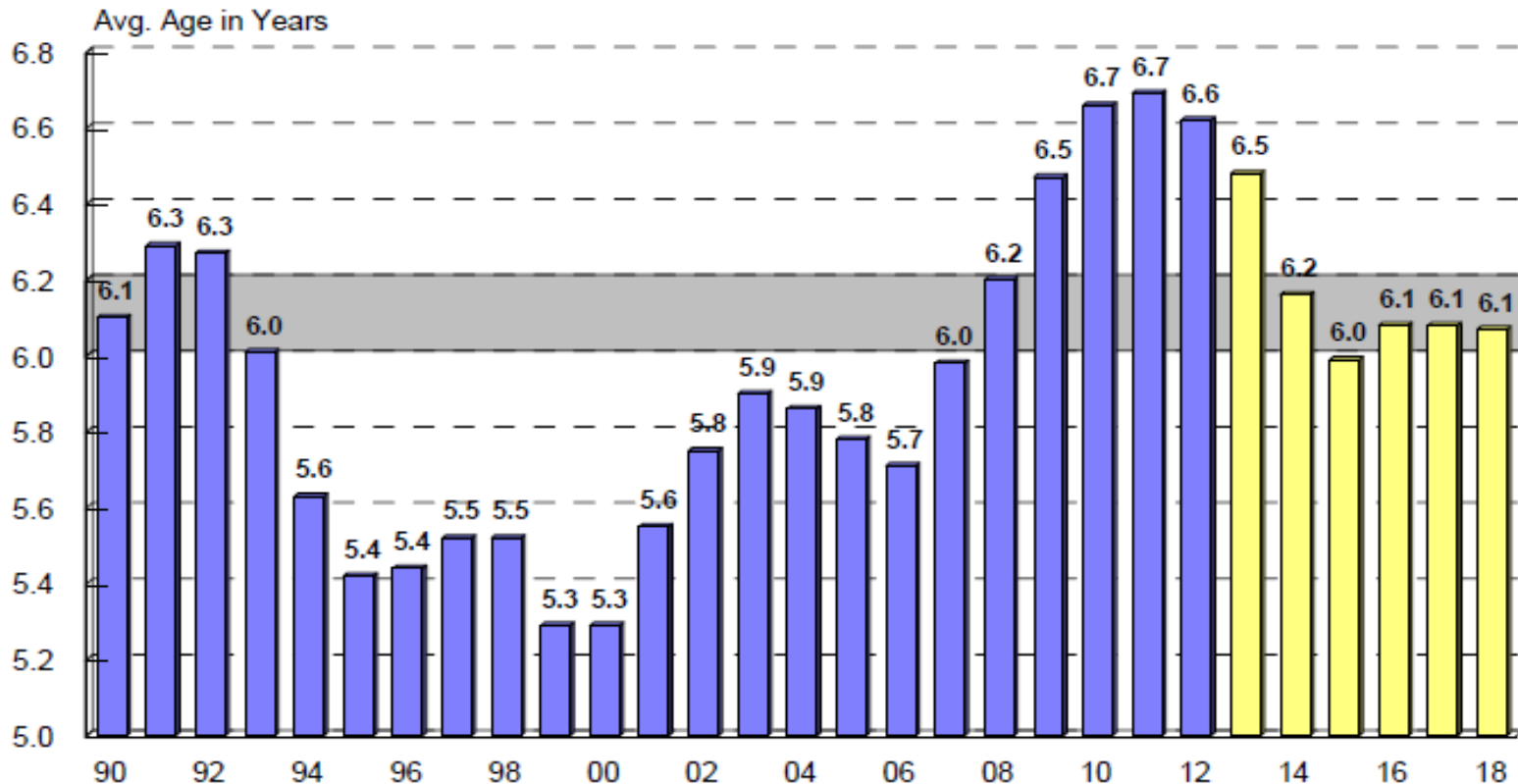


Note: Revenue percents based on segment operating revenue (excludes subcontracted transportation).

# Fleet Management Solutions:

## Macro Trends - Commercial Vehicle Average Fleet Age

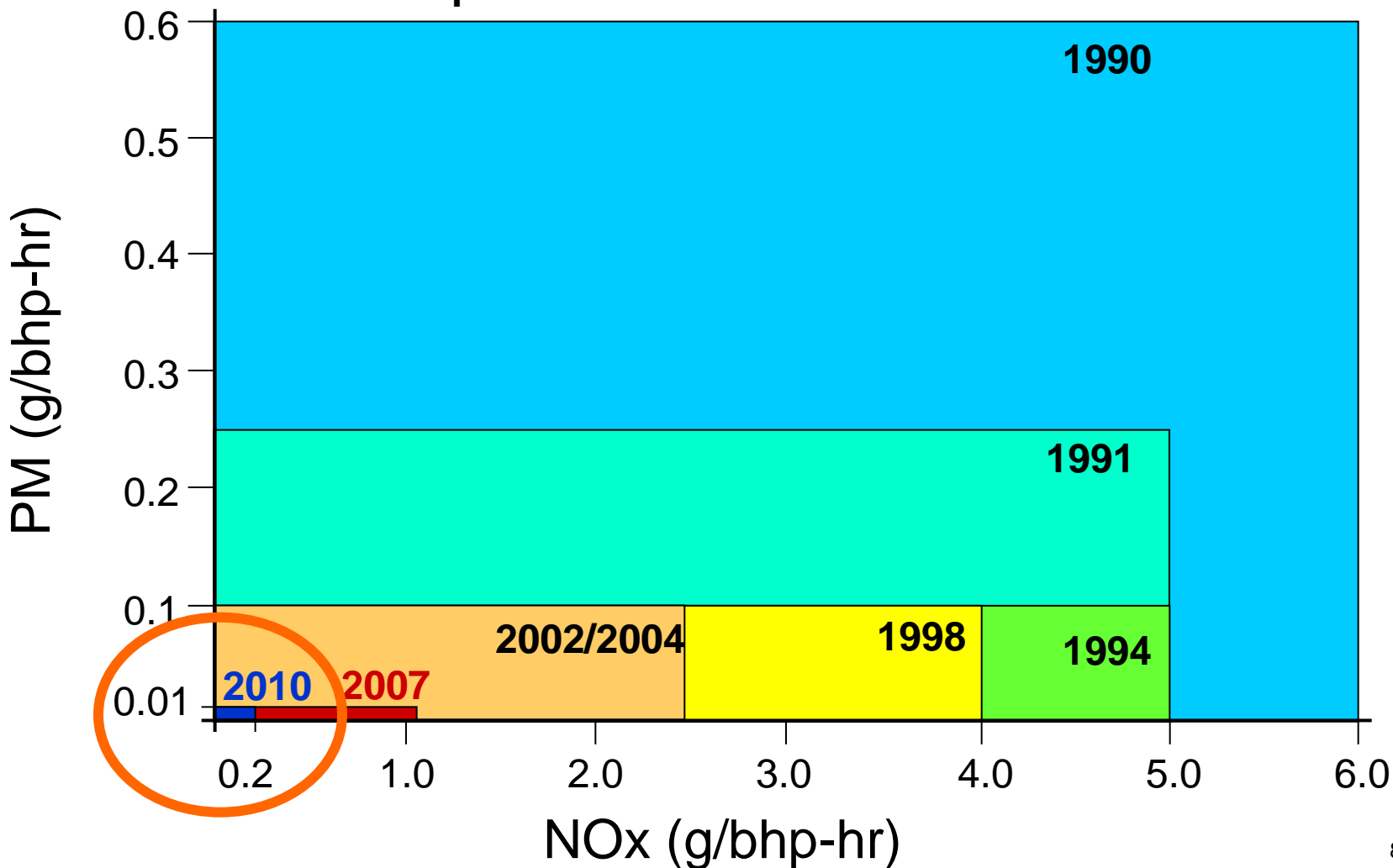
### AVERAGE AGE: U.S. Class 8 Active Population 1990 - 2018



# TWO DECADES OF EPA DIESEL EMISSIONS REGULATIONS

## Overview of EPA Regulations

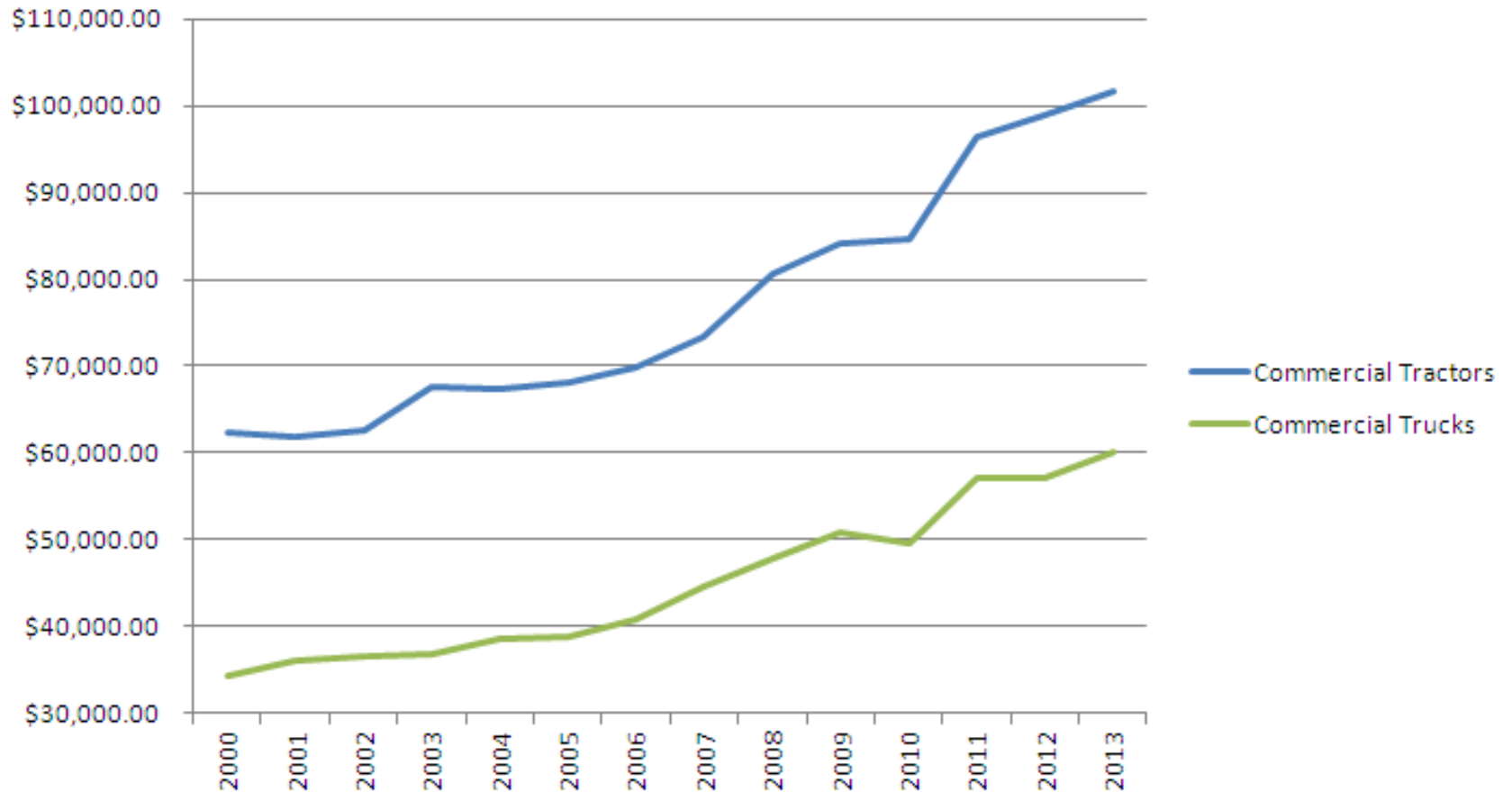
- 2007 Required reductions in both NOx and PM
- 2010 Required further reductions in NOx





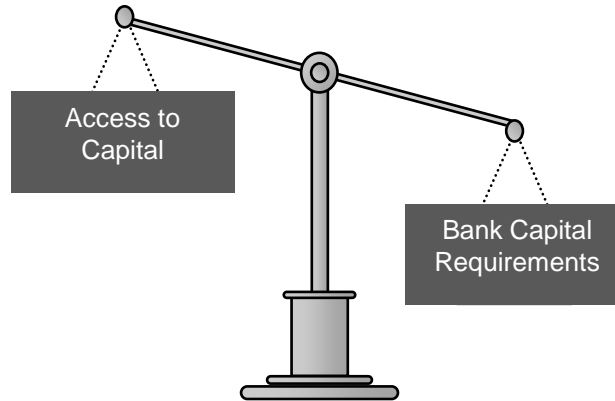
# Hurdles - New Technology Costs

## Vehicle Investments



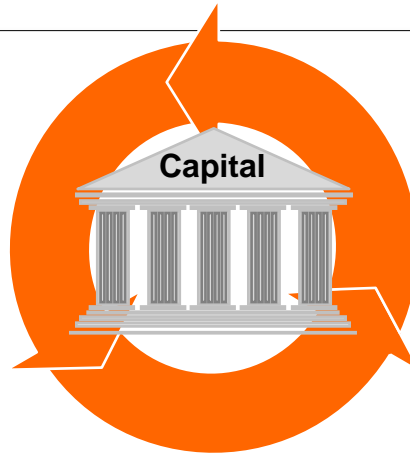
# Fleet Management Solutions: Macro Trends - Hurdles

## 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

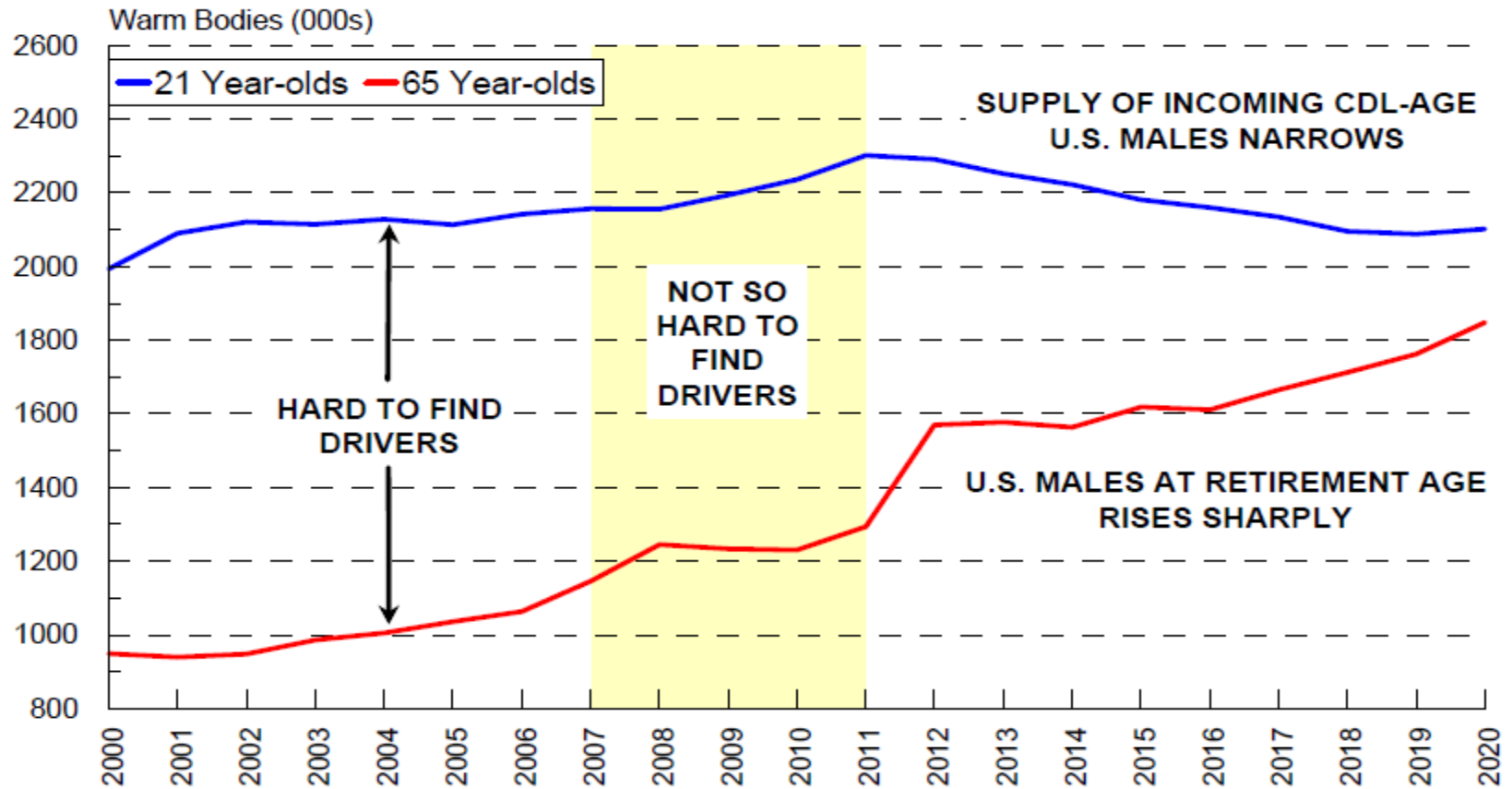


- Larger companies are more inclined to focus investment dollars on their core business

# DRIVER SUPPLY: U.S. MALES

## Potential Hires & Impending Retirees

2000-2020



Source: U.S. Census Bureau, ACT Research Co., LLC: Copyright 2013

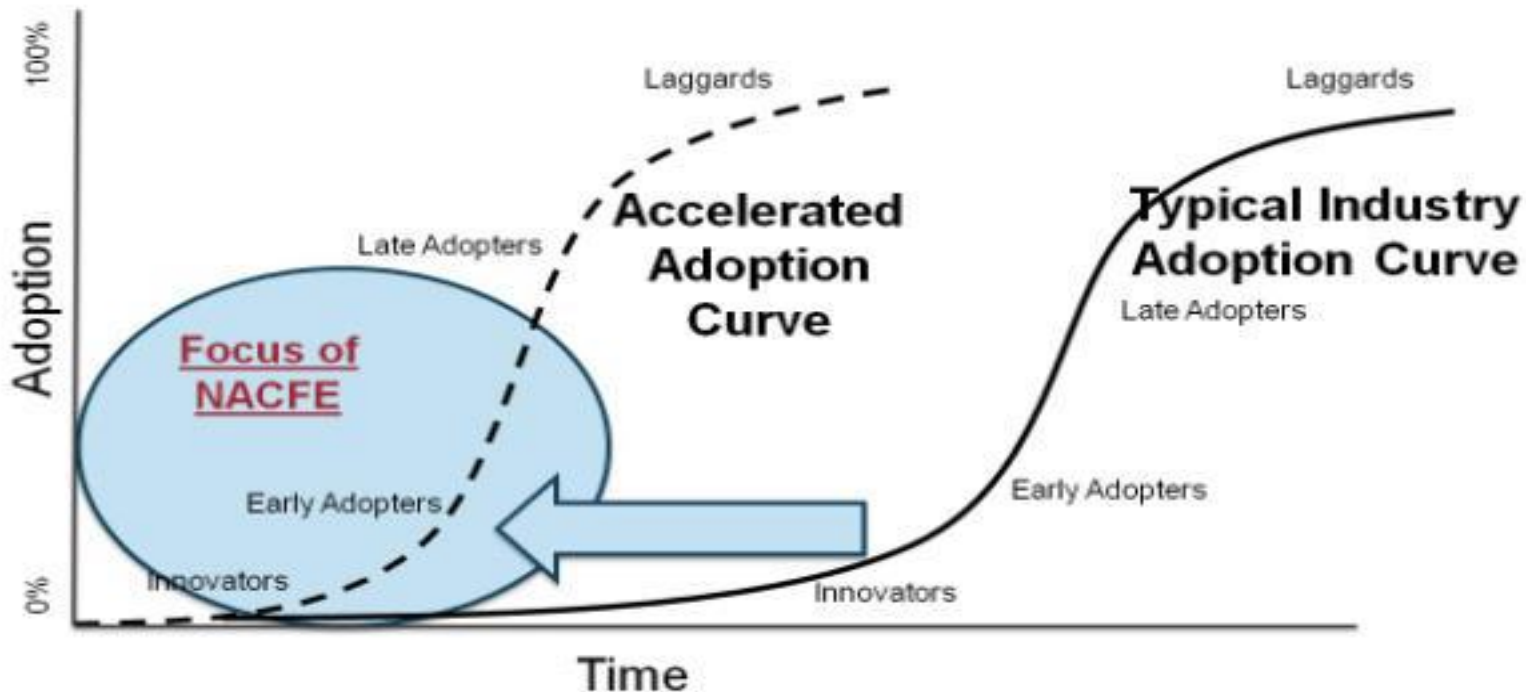
## Other Operational Hurdles/Distractions:

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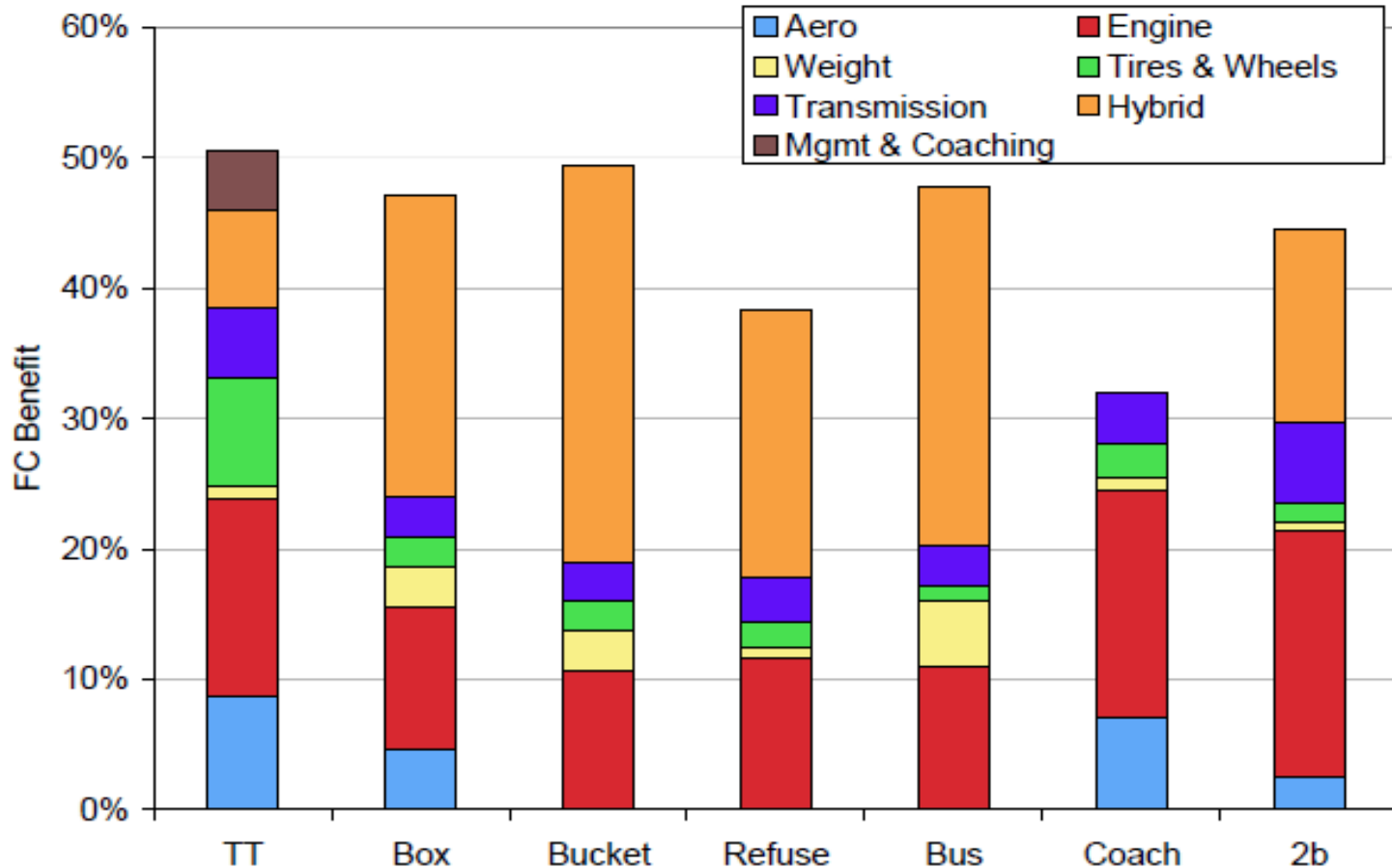
- High Turnover/limited replacement personnel
  - ▶ Shifts in logistics design (sleeper vs. daycab)
  
- More restricted Hours of Service rules
  
- Federal Motor Carrier Safety Administration
  - ▶ CSA 2010- Compliance, Safety, Accountability
  
- Electronic On Board Recorders for HOS management
  
- 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*



# Potential Fuel Saving Technologies



**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: TIAX (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



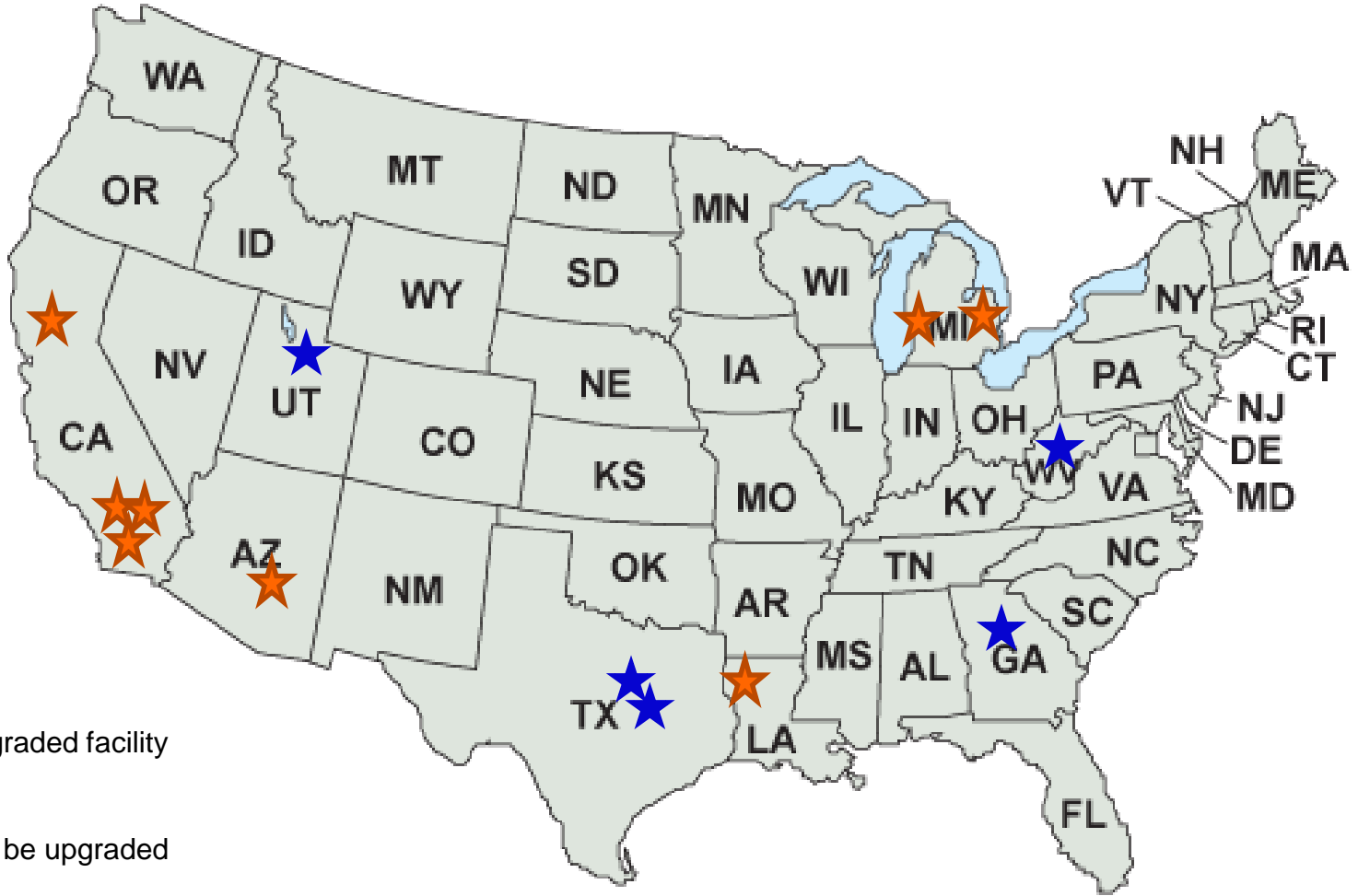
### Ryder is putting sustainable efficiencies within reach of more customers

- 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

