



Third Quarter 2021 Earnings Conference Call

October 27, 2021

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS



Safe Harbor and Non-GAAP Financial Measures

Note Regarding Forward-Looking Statements:

Certain statements and information included in this news release are “forward-looking statements” under the Federal Private Securities Litigation Reform Act of 1995, including our forecast, expectations regarding market trends and economic environment; impact of the COVID-19 pandemic, including ongoing supply chain and labor challenges, on market conditions, e-commerce trends, freight environment, expected sales and earnings, commercial rental demand and utilization, and used vehicle sales volume and pricing, among other factors; expected benefits from and timing of our strategic investments and initiatives, including our multi-year maintenance cost-savings initiatives and acquisition of Midwest Warehouse & Distribution System; expected benefits of lease pricing initiatives; implementation of our asset management strategy; performance, including sales and revenue growth, in our product lines and segments; residual values and depreciation expense; used vehicle inventory; rental utilization; free cash flow; operating cash flow; capital expenditures; fleet growth; and profitability of our Ryder Last Mile operations. Our forward-looking statements also include our estimates of the impact of our changes to residual value estimates on earnings and depreciation expense. The expected impact of the change in residual value estimates is based on our current assessment of the residual values and useful lives of revenue-earning equipment based on multi-year trends and our outlook for the expected near and long-term used vehicle market. Our assessment is subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. Factors that could cause actual results related to vehicle residual values to materially differ from estimates include changes in supply and demand, competitor pricing, regulatory requirements, driver shortages, changes in customer requirements and preferences, as well as changes in underlying assumption factors.

All of our forward-looking statements should be evaluated by considering the many risks and uncertainties inherent in our business that could cause actual results and events to differ materially from those in the forward-looking statements. Important factors that could cause such differences include, the effect of the COVID-19 pandemic; our ability to adapt to changing market conditions, lower than expected contractual sales, decreases in commercial rental demand or utilization or poor acceptance of rental pricing, declining market demand for or excess supply of used vehicles impacting current or estimated pricing and our anticipated proportion of retail versus wholesale sales; the effect of disruptive technologies; declining customer demand for our services; higher than expected maintenance costs; lower than expected benefits from our cost-savings initiatives; lower than expected benefits from our sales, marketing and new product initiatives; setbacks in the economic market or in our ability to retain profitable customer accounts; impact of changing laws and regulations; difficulty in obtaining adequate profit margins for our services; inability to maintain current pricing levels due to soft economic conditions, business interruptions or expenditures due to labor disputes, severe weather or natural occurrences; competition from other service providers and new entrants; driver and technician shortages resulting in higher procurement costs and turnover rates; impact of worldwide semiconductor shortage, higher than expected bad debt reserves or write-offs; decrease in credit ratings; increased debt costs; adequacy of accounting estimates; higher than expected reserves and accruals particularly with respect to pension, taxes, insurance and revenue; impact of changes in our residual value estimates and accounting policies; unanticipated changes in fuel prices; unanticipated currency exchange rate fluctuations; our ability to manage our cost structure; and the risks described in our filings with the Securities and Exchange Commission (SEC). The risks included here are not exhaustive. New risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Note Regarding Non-GAAP Financial Measures: This presentation includes certain non-GAAP financial measures as defined under SEC rules, including:

Comparable Earnings Measures, including comparable earnings from continuing operations; comparable earnings per share from continuing operations; comparable earnings before income tax; and comparable earnings before interest, income tax, depreciation and amortization for Ryder and its business segments. Additionally, our adjusted ROE (ROE) measure is calculated based on adjusted earnings items.

Operating Revenue Measures, including operating revenue for Ryder and its business segments and segment EBT as a percentage of operating revenue.

Cash Flow Measures, including total cash generated and free cash flow.

Refer to Appendix - Non-GAAP Financial Measures for reconciliations of the non-GAAP financial measures contained in this presentation to the nearest GAAP measure. Additional information regarding non-GAAP financial measures as required by Regulation G and Item 10(e) of Regulation S-K can be found in our most recent Form 10-K, Form 10-Q, and our Form 8-K filed with the SEC as of the date of this presentation, which are available at <http://investors.ryder.com>.

All amounts subsequent to January 1, 2017 have been recast to reflect the impact of the lease accounting standard, ASU 2016-02, *Leases*.

Amounts throughout the presentation may not be additive due to rounding.



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3Q21 Earnings Release Conference Call

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Appendix & Non-GAAP Financial Measures

Key Updates

Strategy Update

- Current labor, supply chain, and truck production challenges strengthen outsourcing trends
- Planned acquisition of Midwest Warehouse & Distribution System (Midwest) accelerates growth and expands SCS capabilities
- New share repurchase programs consistent with disciplined capital allocation strategy

Returns Focus

- Expect 18% - 19% ROE in 2021
- Leveraging favorable pricing trends in used vehicle sales, rental, and lease
- Implementing price adjustments to address higher SCS and DTS labor costs

Cash Flow / Leverage

- Full year 2021 free cash flow forecast of \$1.0B - \$1.1B
- Strong balance sheet and below target leverage provide capacity for acquisitions and shareholder returns

Executing on our strategy to create long-term shareholder value

Note: See Appendix for reconciliations of non-GAAP financial measures including ROE and Free Cash Flow.

Investments to Accelerate Growth in SCS & DTS

New & Enhanced Products

- **Ryder Last Mile (RLM)**
home delivery and installation of big-and-bulky goods
- **E-commerce fulfillment**
delivers to +95% of U.S. in 2 days or less
- **Freight Brokerage**
+17K vetted carriers, 24/7/365 support, 100% visibility, high % of workstream digitized

Technology

- **RyderShare™**
freight visibility, collaboration & exceptions management tool
- **RyderView™**
self-scheduling and route optimization platform for RLM
- **E-commerce technology**
faster and easier customer onboarding, enhances robotics integration and carrier optimization

Marketing & Sales Initiatives

- **Ever better™ Campaign**
brand awareness campaign highlighting supply chain
- **Digital Marketing**
targets prospects online
- **Expanding Sales Force**
recruiting talent to leverage opportunities from outsourcing trends

M&A and RyderVentures

M&A: Planned acquisition of Midwest
adds multi-client warehousing capabilities; expands presence in key supply chain geography

RyderVentures
invested in start-ups addressing disruptive trends including:

- *E-commerce micro-fulfillment*
- *Digital driver staffing*
- *Autonomous vehicles*

Organic growth and capital allocation initiatives expected to enable faster growth and margin enhancement

Spotlight: RyderShare™



Product Statistics

- 4.4 million transactions life-to-date through Sept 2021
- 68% of Ryder's transportation volume
- 5,300+ users with new users added every day

To learn more visit: <https://ryder.com/technology-innovations/visibility-and-collaboration/rydershare>

RyderShare™ is a strategic differentiator enabling Ryder to win new business and larger deals

The ultimate end-to-end visibility, collaboration and exception management platform

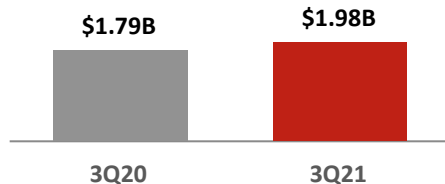
Product Overview

- Only digital product that combines ~90 years of logistics experience with best in class technology and provides:
 - Real-time **visibility** throughout full lifecycle of an order (supplier through to customer)
 - Information **sharing and collaboration** between suppliers, carriers, shippers, and consignees within one platform
 - **Exception management** by Ryder supply chain experts
- Drives real value throughout a customer's organization by:
 - Improving **customer service**
 - Increasing **employee productivity**
 - Connecting disparate systems and data within a supply chain to **create one information hub**

Results Overview

Operating Revenue

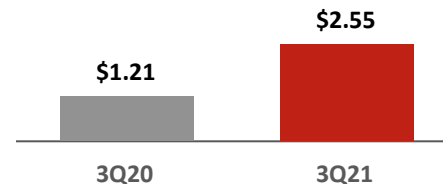
Third Quarter



Higher revenue across all segments

Comparable EPS

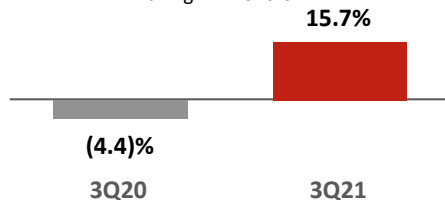
Third Quarter



Improved results in rental, used vehicle sales, and lease, as well as declining depreciation expense impact

ROE

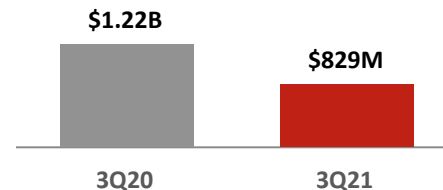
Trailing 12 Months



Higher earnings primarily from declining depreciation expense impact and improved results in used vehicle sales, rental, and lease

Free Cash Flow

Year-To-Date



Higher capital expenditures offset by higher sales proceeds

Note: See Appendix for reconciliations of non-GAAP financial measures including Operating Revenue, Comparable EPS, ROE and Free Cash Flow.

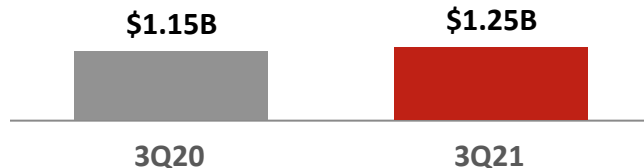
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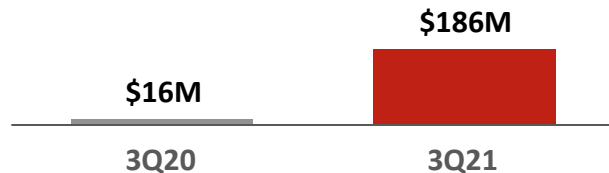
3rd Quarter Results Overview – FMS

Operating Revenue



8% increase due to 37% higher rental revenue driven by strong demand and higher pricing

Earnings Before Tax (EBT)



EBT as % of
Operating Revenue

1.4%

14.9%

Earnings improvement of \$170 million reflects:

- \$93 million YOY earnings benefit from higher gains on used vehicles sold and a declining depreciation expense impact related to prior residual value estimate changes
- improved rental and lease results

Trailing 12-month FMS EBT as % of Operating Revenue is 9.7%, in line with high-single-digit target

Note: See Appendix for reconciliations of non-GAAP financial measures including Operating Revenue.

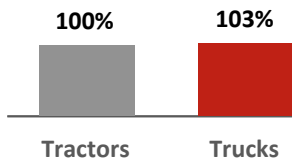
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Global Used Vehicle Sales Update – FMS

**% Change in Proceeds*
vs. 3Q20**



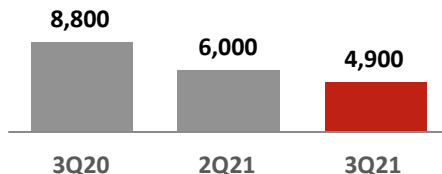
**% Change in Proceeds*
vs. 2Q21**



Higher proceeds reflect improved market pricing

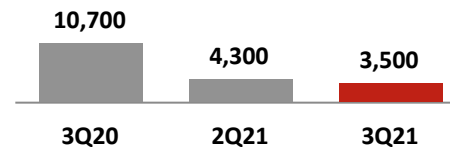
*Represents average sales proceeds per used vehicle sold compared to prior period

Used Vehicles Sold



YOY and sequential sales volumes declined due to lower inventory

Used Vehicle Inventory

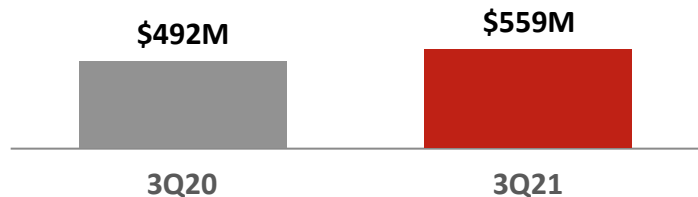


Below target range of 7K - 9K

Average U.S. tractor and truck pricing is well above residual values used for depreciation purposes

3rd Quarter Results Overview – SCS

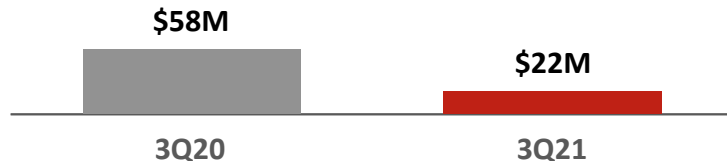
Operating Revenue



14% increase primarily reflects:

- new business, higher volumes, and increased pricing
- partially offset by the impact of supply chain disruptions on automotive production activity

Earnings Before Tax (EBT)



62% decrease reflects:

- lower automotive earnings from supply chain disruptions
- higher labor costs and strategic investments
- partially offset by earnings from new business

EBT as % of Operating Revenue

11.8%

4.0%

Trailing 12-month SCS EBT as % of Operating Revenue is 6.2%, below high-single digit target

Note: See Appendix for reconciliations of non-GAAP financial measures including Operating Revenue.

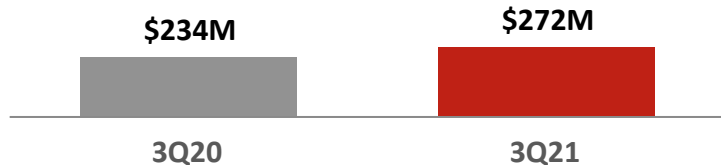
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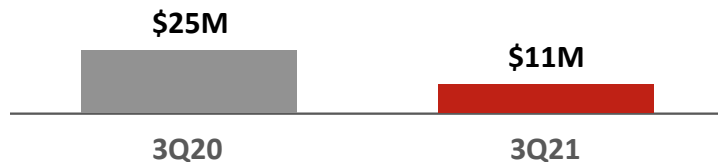
3rd Quarter Results Overview – DTS

Operating Revenue



Increased 16% due to new business, higher volumes, and increased pricing

Earnings Before Tax (EBT)



Decreased 54% primarily due to increased labor and insurance costs, partially offset by earnings from new business

- implementing price adjustments to offset higher labor costs

EBT as % of Operating Revenue

10.6%

4.2%

Trailing 12-month DTS EBT as % of Operating Revenue is 5.3%, below high-single digit target

Note: See Appendix for reconciliations of non-GAAP financial measures including Operating Revenue.

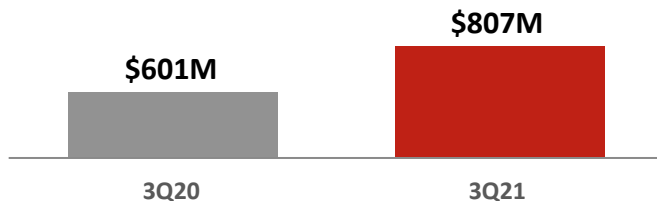
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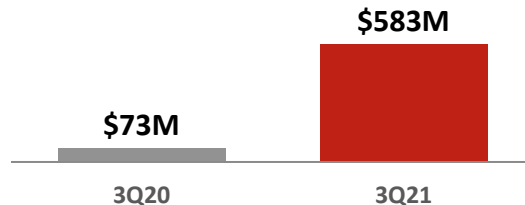
Capital Expenditures

Lease Year-To-Date



Higher planned lease capex;
lease returns benefiting from pricing initiatives

Rental Year-to-Date



Rental fleet growth supported by strong demand and
pricing environment

Gross Capital Expenditures (billions)

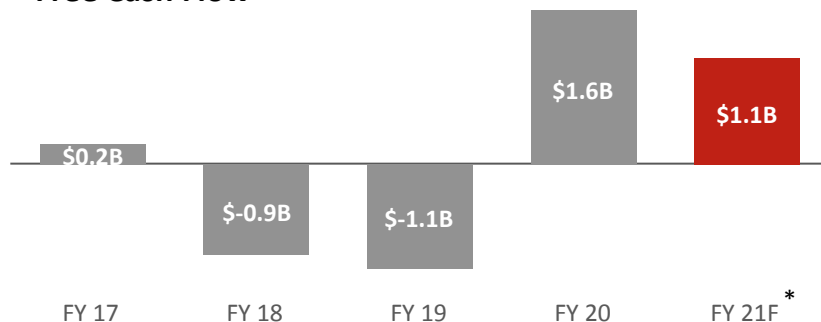
Lease Vehicles
Rental Vehicles
Operating Property & Equipment
Gross Capital Expenditures

| | <u>FY20</u> | <u>FY21F</u> |
|----|-------------|----------------------|
| \$ | 0.9 | \$1.2 - \$1.3 |
| | 0.1 | 0.6 |
| | 0.1 | 0.1 |
| \$ | <u>1.1</u> | <u>\$1.9 - \$2.0</u> |

**FY21 capital expenditures forecast is below our initial forecast range and
reflects an estimated \$400M impact from OEM delays**

Free Cash Flow, ROE & Comparable EBITDA

Free Cash Flow



- Record FY20 free cash flow primarily reflects lower capital spending primarily due to COVID effects
- FY21 forecast revised to \$1.0B - \$1.1B from \$650M - 750M and reflects cash flow benefit from OEM delivery delays of \$400M and record proceeds from used vehicles sold
- Leverage declined to below 250-300% target range reflecting higher earnings and strong free cash flow

* Midpoint of \$1.0B - \$1.1B forecast range

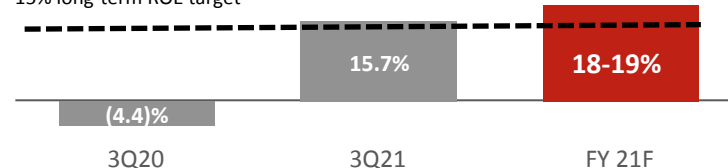
Note: See Appendix for reconciliations of non-GAAP financial measures including Free Cash Flow, ROE and Comparable EBITDA.

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ROE

Trailing 12 Months
15% long-term ROE target



- Reflects actions to increase returns as well as a strong freight environment, resulting in improved performance in rental, used vehicle sales, and lease
- Declining depreciation impact also contributed to higher ROE

Comparable EBITDA⁽¹⁾

Year-To-Date



- Increase due to revenue growth and improved operating performance

(1) Comparable EBITDA has been recast to exclude gains/losses from the sale of used vehicles. Reconciliation may be found on slide 36.



Capital Allocation Priorities

Invest in Organic Growth

- Base fleet reinvestment
 - Replacement capital \$1.8B - \$2.1B, offset by used vehicle proceeds \$0.6B+
 - Higher pricing / returns
- Moderate fleet growth
 - Growth capital \$0.2B - \$0.5B
- Accelerated growth in higher return supply chain and dedicated
- Innovative technology
 - RyderShare, RyderView, etc.

Pursue Targeted Acquisitions / Investments

- New services and capabilities
 - E-commerce fulfillment
 - Last mile
 - New / expanded SCS verticals
- Accretive tuck-in acquisitions
- Disruptive trends
 - RyderVentures

Return Capital to Shareholders

- Annual dividend growth
 - 7% dividend growth past 10 years
 - Currently \$2.32 / share
- Share repurchases

15%+

ROE Over the Cycle

250% - 300%

Target Leverage (D/E)

~3%

Current Dividend Yield

Disciplined capital allocation generates positive free cash flow over the cycle and higher returns creating long-term value

EPS – Continuing Operations

| | | (\$ Earnings Per Share) | | |
|------------------------|-----------------|-------------------------|--------------------|--------|
| GAAP Comparable | Full Year EPS | | Fourth Quarter EPS | |
| | 2021 Forecast | 2020 | 2021 Forecast | 2020 |
| | \$8.60 - \$8.70 | \$(2.15) | \$2.27 - \$2.37 | \$0.48 |
| | \$8.40 - \$8.50 | \$(0.27) | \$2.36 - \$2.46 | \$0.83 |

- Used vehicle sales, rental, and lease are key drivers of increased full-year 2021 forecast
- Strong freight environment and truck production challenges are expected to continue into 2022 and benefit FMS results
- Record SCS and DTS new contract wins in 2021 expected to benefit 2022 revenue growth
- SCS and DTS margins expected to improve in 2022 reflecting price increases to address higher labor costs

Note: See Appendix for reconciliations of non-GAAP financial measures including Comparable EPS.

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Q&A

Appendix

Financial Targets

Comparable Segment EBITDA

ChoiceLease Fleet Count - Active Fleet

Business Segment Detail

Central Support Services

Balance Sheet

Asset Management

Non-GAAP Financial Measures & Reconciliations

Long Term Financial Model

Our primary financial target relates to ROE

ROE

| | |
|---------------------------------|-----|
| Long-term target over the cycle | 15% |
|---------------------------------|-----|

Component drivers to achieve ROE target include:

Operating Revenue Growth

| | |
|------------------|------------------|
| Fleet Management | Mid Single Digit |
|------------------|------------------|

| | |
|--------------------------|-------------------|
| Supply Chain & Dedicated | High Single Digit |
|--------------------------|-------------------|

EBT as % of Operating Revenue

| | |
|--------------|-------------------|
| All Segments | High Single Digit |
|--------------|-------------------|

| | |
|---------------------------|------------|
| Leverage (Debt-to-Equity) | 250 - 300% |
|---------------------------|------------|

In order to achieve a long-term ROE target over the cycle, we are pursuing segment revenue and profitability targets as set forth above over the long-term. Our long-term leverage goal is also set forth above. These targets are based on management's current estimates and expectations over the long-term and are subject to change.

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Comparable Segment EBITDA ⁽¹⁾

(\$ Millions)

| | <u>Year-to-Date</u> | | |
|--|---------------------|----------|---------|
| 2021 YTD | FMS | SCS | DTS |
| Net segment earnings | \$ 320.1 | \$ 68.4 | \$ 26.4 |
| Income taxes | 88.2 | 27.8 | 11.1 |
| EBT | 408.2 | 96.2 | 37.5 |
| Interest expense / (income) | 163.2 | 1.5 | (2.1) |
| Depreciation | 1,312.4 | 33.6 | 2.4 |
| Used vehicle sales, net | (149.8) | — | — |
| Amortization | 1.3 | 3.4 | 0.4 |
| Comparable Segment EBITDA ⁽²⁾ | \$ 1,735.4 | \$ 134.7 | \$ 38.1 |
| 2020 YTD | FMS | SCS | DTS |
| Net segment earnings | \$ (165.5) | \$ 94.1 | \$ 47.0 |
| Income taxes | (36.7) | 31.7 | 11.2 |
| EBT | (202.2) | 125.8 | 58.1 |
| Interest expense / (income) | 195.0 | 0.2 | (2.4) |
| Depreciation | 1,518.3 | 27.8 | 2.1 |
| Used vehicle sales, net | 17.3 | — | — |
| Amortization | 2.0 | 3.5 | 0.4 |
| Comparable Segment EBITDA ⁽²⁾ | \$ 1,530.5 | \$ 157.3 | \$ 58.2 |

Note: Amounts may not be additive due to rounding. Segment EBITDA excludes eliminations, unallocated CSS, non-operating pension costs, net and certain other items noted on slide 36

(1) Comparable EBITDA has been recast to exclude gains/losses from the sale of used vehicles.

(2) Non-GAAP financial measure.

ChoiceLease Fleet Count - Active Fleet

Third Quarter

| | | | Change |
|---|-----------------|-------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021/2020</u> |
| Average Active Vehicles ⁽¹⁾ | 140,200 | 144,100 | (3)% |
| Revenue per Average Active Vehicle ⁽²⁾ | \$ 5,700 | \$ 5,500 | 4% |

Year-to-Date

| | | | Change |
|---|------------------|-------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021/2020</u> |
| Average Active Vehicles ⁽¹⁾ | 141,300 | 146,300 | (3)% |
| Revenue per Average Active Vehicle ⁽²⁾ | \$ 17,000 | \$ 16,000 | 6% |
| End of Period Active Vehicles | 140,000 | 143,400 | (2)% |

(1) Active ChoiceLease vehicles are calculated as those units currently earning revenue and excludes not yet earning or no longer earning units.

(2) Calculated based on the quarterly and year-to-date ChoiceLease revenue. Quarterly and year-to-date revenue per active ChoiceLease vehicle may be impacted by changes in vehicle mix.

Business Segments

| | Third Quarter | | | Memo: Operating Revenue ⁽²⁾ | | | (\$ Millions) |
|---|---------------|------------|---------|--|------------|---------|---------------|
| | 2021 | 2020 | % B/(W) | 2021 | 2020 | % B/(W) | |
| | | | | | | | |
| Total Revenue: | | | | | | | |
| Fleet Management Solutions | \$ 1,436.3 | \$ 1,297.2 | 11% | \$ 1,247.6 | \$ 1,153.4 | 8% | |
| Supply Chain Solutions | 802.4 | 685.4 | 17% | 559.3 | 492.3 | 14% | |
| Dedicated Transportation Solutions | 380.4 | 299.7 | 27% | 271.6 | 233.6 | 16% | |
| Eliminations | (160.0) | (131.7) | (21)% | (95.6) | (89.1) | (7)% | |
| Total | \$ 2,459.0 | \$ 2,150.6 | 14% | \$ 1,982.9 | \$ 1,790.2 | 11% | |
| Segment Earnings Before Tax: ⁽¹⁾ | | | | | | | |
| Fleet Management Solutions | \$ 186.4 | \$ 16.2 | NM | | | | |
| Supply Chain Solutions | 22.2 | 57.8 | (62)% | | | | |
| Dedicated Transportation Solutions | 11.3 | 24.7 | (54)% | | | | |
| Eliminations | (21.1) | (12.9) | (63)% | | | | |
| Total | 198.8 | 85.8 | NM | | | | |
| Central Support Services (Unallocated Share) | (17.0) | (8.0) | NM | | | | |
| Non-operating Pension Costs, net | 0.1 | (7.2) | NM | | | | |
| Other Items Impacting Comparability, net ⁽²⁾ | 1.3 | (15.8) | NM | | | | |
| Earnings Before Income Taxes | 183.2 | 54.8 | NM | | | | |
| Provision for Income Taxes | 44.5 | 9.7 | NM | | | | |
| Earnings from Continuing Operations | \$ 138.7 | \$ 45.1 | NM | | | | |
| Comparable Earnings from Continuing Operations ⁽³⁾ | \$ 137.5 | \$ 63.8 | NM | | | | |

(1) Our primary measure of segment financial performance excludes unallocated CSS, non-operating pension costs, net and other items impacting comparability.

(2) Amounts in 2021 are comprised of Restructuring and other, net of \$4.1 million and Gains on sale of properties of \$(5.4) million. Amounts in 2020 are comprised of Restructuring and other, net of \$18.7 million, ERP implementation costs of \$5.8 million, Gains on sale of properties of \$(3.7) million and ChoiceLease liability insurance revenue of \$(5.0) million.

(3) See our Non-GAAP reconciliations in this earnings presentation for further discussion on these items.

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Fleet Management Solutions (FMS)

Third Quarter

(\$ Millions)

| Revenue | 2021 | 2020 | % B/(W) |
|--|------------|------------|---------|
| ChoiceLease | \$ 799.6 | \$ 788.2 | 1% |
| SelectCare | 127.4 | 128.4 | (1)% |
| Commercial Rental | 300.6 | 220.1 | 37% |
| Other | 20.0 | 16.7 | 20% |
| FMS Operating Revenue ⁽¹⁾ | 1,247.6 | 1,153.4 | 8% |
| Fuel Services Revenue | 188.8 | 138.9 | 36% |
| ChoiceLease Liability Insurance Revenue ⁽²⁾ | — | 5.0 | NM |
| FMS Total Revenue | \$ 1,436.3 | \$ 1,297.2 | 11% |
| FMS Earnings (Loss) Before Tax | | | |
| FMS Earnings (Loss) Before Tax (EBT) | \$ 186.4 | \$ 16.2 | NM |
| FMS EBT as a % of FMS Total Revenue | 13.0 % | 1.2 % | |
| FMS EBT as a % of FMS Operating Revenue ⁽¹⁾ | 14.9 % | 1.4 % | |

NM - Not meaningful

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) In the first quarter of 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program was completed in the first quarter of 2021.

Fleet Management Solutions (FMS)

(\$ Millions)

Rolling Twelve Months

| <u>Revenue</u> | <u>2021</u> | <u>2020</u> | <u>% B/(W)</u> |
|--|-------------------|-------------------|----------------|
| FMS Operating Revenue ⁽¹⁾ | \$ 4,833.5 | \$ 4,608.9 | 5% |
| Fuel Services Revenue | 678.5 | 626.9 | 8% |
| ChoiceLease Liability Insurance Revenue ⁽²⁾ | 2.9 | 31.3 | NM |
| FMS Total Revenue | <u>\$ 5,514.9</u> | <u>\$ 5,267.2</u> | 5% |
| <u>FMS Earnings (Loss) Before Tax</u> | | | |
| FMS Earnings (Loss) Before Tax (EBT) | <u>\$ 468.4</u> | <u>\$ (282.5)</u> | <u>NM</u> |
| FMS EBT as a % of FMS Total Revenue | <u>8.5 %</u> | <u>(5.4)%</u> | |
| FMS EBT as a % of FMS Operating Revenue ⁽¹⁾ | <u>9.7 %</u> | <u>(6.1)%</u> | |

NM - Not meaningful

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) In the first quarter of 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program was completed in the first quarter of 2021.

Supply Chain Solutions (SCS)

Third Quarter

(\$ Millions)

| <u>Revenue</u> | <u>2021</u> | <u>2020</u> | <u>% B/(W)</u> |
|--|-----------------|-----------------|----------------|
| Automotive | \$ 167.9 | \$ 182.0 | (8)% |
| Technology & Healthcare | 60.8 | 55.3 | 10% |
| CPG & Retail | 263.7 | 205.7 | 28% |
| Industrial & Other | 67.0 | 49.3 | 36% |
| SCS Operating Revenue ⁽¹⁾ | 559.3 | 492.3 | 14% |
| Subcontracted Transportation | 214.1 | 172.0 | 24% |
| Fuel | 29.0 | 21.1 | 37% |
| SCS Total Revenue | <u>\$ 802.4</u> | <u>\$ 685.4</u> | <u>17%</u> |
| <u>Earnings Before Tax</u> | | | |
| SCS Earnings Before Tax (EBT) | <u>\$ 22.2</u> | <u>\$ 57.8</u> | <u>(62)%</u> |
| SCS EBT as a % of SCS Total Revenue | <u>2.8 %</u> | <u>8.4 %</u> | |
| SCS EBT as a % of SCS Operating Revenue ⁽¹⁾ | <u>4.0 %</u> | <u>11.8 %</u> | |

NM - Not meaningful

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

Proprietary and Confidential



Supply Chain Solutions (SCS)

Rolling Twelve Months

(\$ Millions)

Revenue

| | <u>2021</u> | <u>2020</u> | <u>% B/(W)</u> |
|--------------------------------------|---------------------------------|--------------------------|----------------|
| SCS Operating Revenue ⁽¹⁾ | \$ 2,102.2 | \$ 1,831.1 | 15% |
| Subcontracted Transportation | 790.1 | 564.2 | 40% |
| Fuel | 103.7 | 86.6 | 20% |
| SCS Total Revenue | <u><u>\$ 2,995.9</u></u> | <u><u>\$ 2,481.9</u></u> | 21% |

Earnings Before Tax

| | | | |
|--|-------------------------------|------------------------|----------------------------|
| SCS Earnings Before Tax (EBT) | <u><u>\$ 130.3</u></u> | <u><u>\$ 158.2</u></u> | <u><u>(18)%</u></u> |
| SCS EBT as a % of SCS Total Revenue | <u><u>4.3 %</u></u> | <u><u>6.4 %</u></u> | |
| SCS EBT as a % of SCS Operating Revenue ⁽¹⁾ | <u><u>6.2 %</u></u> | <u><u>8.6 %</u></u> | |

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

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Dedicated Transportation Solutions (DTS)

Third Quarter

(\$ Millions)

Revenue

| | <u>2021</u> | <u>2020</u> | <u>% B/(W)</u> |
|--------------------------------------|-----------------|-----------------|----------------|
| DTS Operating Revenue ⁽¹⁾ | \$ 271.6 | \$ 233.6 | 16% |
| Subcontracted Transportation | 68.4 | 40.5 | 69% |
| Fuel | 40.4 | 25.6 | 58% |
| DTS Total Revenue | <u>\$ 380.4</u> | <u>\$ 299.7</u> | <u>27%</u> |

Earnings Before Tax

| | | | |
|--|----------------|----------------|--------------|
| DTS Earnings Before Tax (EBT) | <u>\$ 11.3</u> | <u>\$ 24.7</u> | <u>(54)%</u> |
| DTS EBT as a % of DTS Total Revenue | <u>3.0 %</u> | <u>8.3 %</u> | |
| DTS EBT as a % of DTS Operating Revenue ⁽¹⁾ | <u>4.2 %</u> | <u>10.6 %</u> | |

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

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Dedicated Transportation Solutions (DTS)

(\$ Millions)

Rolling Twelve Months

| <u>Revenue</u> | 2021 | 2020 | % B/(W) |
|--|-------------------|-------------------|--------------|
| DTS Operating Revenue ⁽¹⁾ | \$ 995.2 | \$ 939.5 | 6% |
| Subcontracted Transportation | 222.6 | 218.1 | 2% |
| Fuel | 138.6 | 117.3 | 18% |
| DTS Total Revenue | <u>\$ 1,356.4</u> | <u>\$ 1,274.9</u> | <u>6%</u> |
| | | | |
| <u>Earnings Before Tax</u> | | | |
| DTS Earnings Before Tax (EBT) | <u>\$ 52.8</u> | <u>\$ 76.3</u> | <u>(31)%</u> |
| DTS EBT as a % of DTS Total Revenue | <u>3.9 %</u> | <u>6.0 %</u> | |
| DTS EBT as a % of DTS Operating Revenue ⁽¹⁾ | <u>5.3 %</u> | <u>8.1 %</u> | |

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

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Central Support Services (CSS)

Third Quarter

(\$ Millions)

| | <u>2021</u> | <u>2020</u> | <u>% B/(W)</u> |
|-----------------------|----------------|----------------|----------------|
| Allocated CSS Costs | \$ 73.5 | \$ 61.5 | (19)% |
| Unallocated CSS Costs | 17.0 | 8.0 | NM |
| Total CSS Costs | <u>\$ 90.5</u> | <u>\$ 69.6</u> | <u>(30)%</u> |

Year-to-Date

| | <u>2021</u> | <u>2020</u> | <u>% B/(W)</u> |
|-----------------------|-----------------|-----------------|----------------|
| Allocated CSS Costs | \$ 219.3 | \$ 179.3 | (22)% |
| Unallocated CSS Costs | 53.3 | 28.1 | (89)% |
| Total CSS Costs | <u>\$ 272.6</u> | <u>\$ 207.4</u> | <u>(31)%</u> |

Note: Amounts may not be additive due to rounding.

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

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Balance Sheet

(\$ Millions)

| | September 30, 2021 | December 31, 2020 |
|---|---------------------------|--------------------------|
| Cash and cash equivalents | \$ 202.7 | \$ 151.3 |
| Other current assets | 1,636.5 | 1,444.2 |
| Revenue earning equipment, net | 8,435.0 | 8,777.0 |
| Operating property and equipment, net | 942.4 | 927.1 |
| Other assets | 1,679.5 | 1,632.4 |
| Total assets | \$ 12,896.1 | \$ 12,932.0 |
| Current liabilities | \$ 1,799.8 | \$ 1,536.6 |
| Total debt (including current portion) | 5,987.1 | 6,610.2 |
| Other non-current liabilities (including deferred income taxes) | 2,595.5 | 2,529.6 |
| Shareholders' equity | 2,513.7 | 2,255.6 |
| Total liabilities and shareholders' equity | \$ 12,896.1 | \$ 12,932.0 |

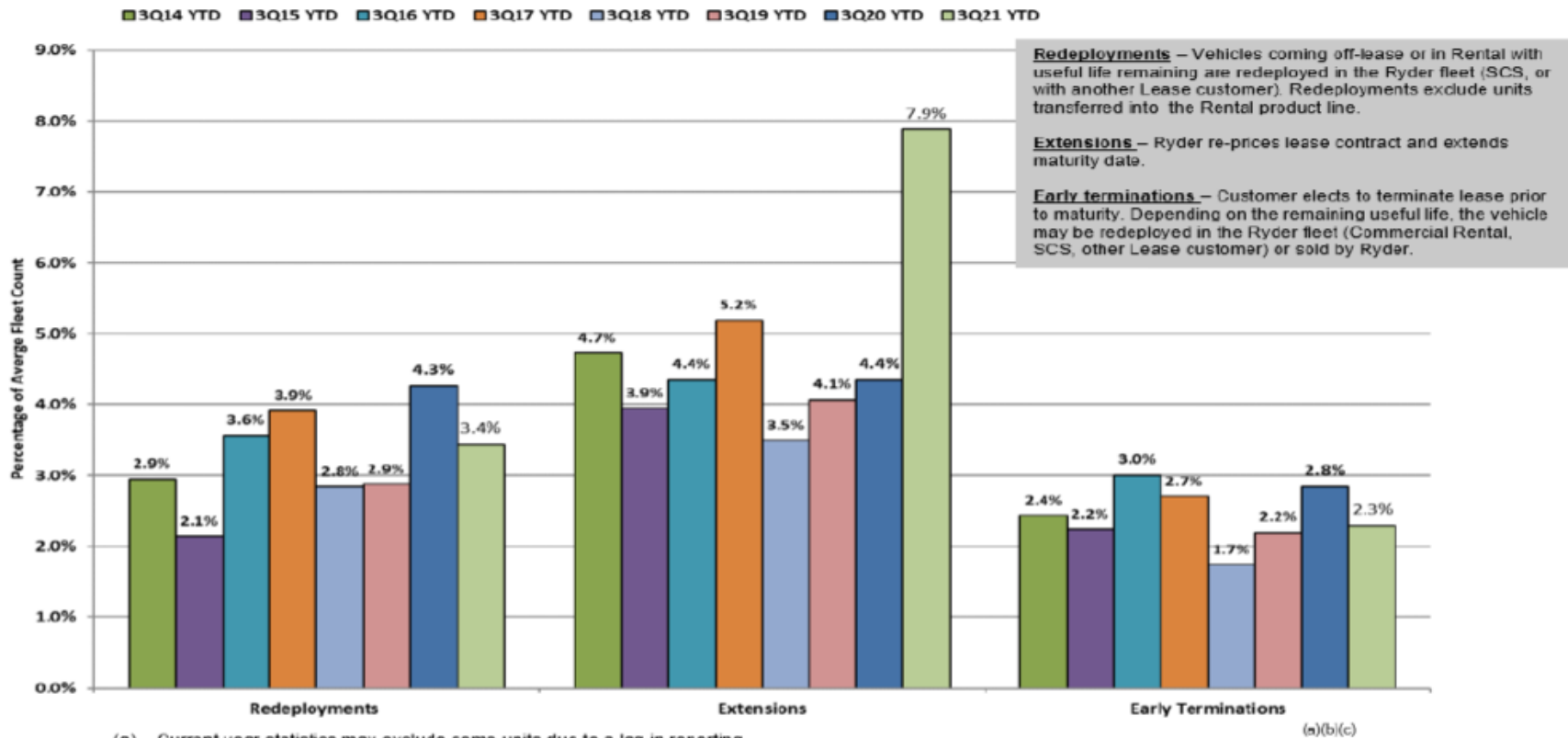
Note: Amounts may not be additive due to rounding.

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

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Asset Management Update (US Only)



(a) Current year statistics may exclude some units due to a lag in reporting

(b) Excludes early terminations where customer purchases vehicle

(c) Beginning in 2018, activity excludes internal assignments. Historical periods not restated to exclude assignments (represents ~30% of volume)

Non-GAAP Financial Measures

This presentation includes “non-GAAP financial measures” as defined by SEC rules. As required by SEC rules, we provide a reconciliation of each non-GAAP financial measure to the most comparable GAAP measure. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP. Specifically, the following non-GAAP financial measures are included in this presentation:

| Non-GAAP Financial Measure | Comparable GAAP Measure | Reconciliation & Additional Information Presented on Slide Titled |
|---|--|---|
| Operating Revenue Measures: | | |
| Operating Revenue | Total Revenue | Reconciliation of Total to Operating Revenue |
| FMS Operating Revenue, SCS Operating Revenue and DTS Operating Revenue | FMS Total Revenue, SCS Total Revenue and DTS Total Revenue | Fleet Management Solutions (FMS), Supply Chain Solutions (SCS) and Dedicated Transportation Solutions (DTS) |
| FMS EBT as a % of FMS Operating Revenue, SCS EBT as a % of SCS Operating Revenue, and DTS EBT as a % of DTS Operating Revenue | FMS EBT as a % of FMS Total Revenue, SCS EBT as a % of SCS Total Revenue, and DTS EBT as a % of DTS Total Revenue | Fleet Management Solutions (FMS), Supply Chain Solutions (SCS) and Dedicated Transportation Solutions (DTS) |
| Comparable Earnings Measures: | | |
| Comparable Earnings (Loss) and Comparable EPS | Earnings (Loss) and EPS from Continuing Operations | Earnings (Loss) and EPS from Continuing Operations Reconciliation Comparable EPS Reconciliation |
| Adjusted Return on Equity (ROE) | Not Applicable. However, the non-GAAP elements of the calculation have been reconciled to the corresponding GAAP measures. A numerical reconciliation of net earnings to adjusted net earnings and average shareholders' equity to adjusted average equity is provided in the following reconciliations. | Adjusted Return on Equity Reconciliation |
| Comparable Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA) | Net Earnings (Loss) | Comparable EBITDA Reconciliation |
| FMS Comparable EBITDA, SCS Comparable EBITDA, and DTS Comparable EBITDA ** | FMS Net Segment Earnings, SCS Net Segment Earnings, and DTS Net Segment Earnings | Comparable Segment EBITDA |
| Cash Flow Measures: | | |
| Total Cash Generated and Free Cash Flow | Cash Provided by Operating Activities | Cash Flow Reconciliation |

** We believe comparable segment EBITDA provides investors with useful information, as it is a standard measure commonly reported and widely used by analysts, investors and other interested parties to measure financial performance by segment.

Reconciliation of Total to Operating Revenue

Third Quarter

(\$ Millions, Except Per Share Amounts)

| | 2021 | 2020 |
|--|------------|------------|
| Total Revenue | \$ 2,459.0 | \$ 2,150.6 |
| Subcontracted Transportation | (282.5) | (212.5) |
| Fuel | (193.7) | (142.9) |
| ChoiceLease Liability Insurance Revenue ⁽¹⁾ | — | (5.0) |
| Operating Revenue ⁽²⁾ | \$ 1,982.9 | \$ 1,790.2 |

Note: Amounts may not be additive due to rounding.

(1) In the first quarter of 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program was completed in the first quarter of 2021.

(2) Non-GAAP financial measure.

Earnings (Loss) and EPS from Continuing Operations Reconciliation

(\$ Millions, Except Per Share Amounts)

| | 3Q21 Earnings | 3Q21 EPS | 3Q20 Earnings | 3Q20 EPS |
|---|------------------|----------------|------------------|----------------|
| Continuing operations (GAAP) | \$ 138.7 | \$ 2.58 | \$ 45.1 | \$ 0.85 |
| Non-operating pension costs, net | (0.9) | (0.02) | 4.7 | 0.09 |
| Restructuring and other, net ⁽¹⁾ | 3.7 | 0.07 | 11.2 | 0.21 |
| ERP implementation costs ⁽¹⁾ | — | — | 4.3 | 0.08 |
| Gains on sale of properties ⁽¹⁾ | (4.1) | (0.08) | (3.4) | (0.06) |
| Tax adjustments ⁽¹⁾ | — | — | 2.1 | 0.04 |
| Comparable (non-GAAP) | <u>\$ 137.5</u> | <u>\$ 2.55</u> | <u>\$ 63.8</u> | <u>\$ 1.21</u> |

Note: Amounts may not be additive due to rounding.

(1) Comprises Other items impacting comparability, net.

Comparable EPS Reconciliation

| |
|---|
| EPS from continuing operations forecast (GAAP) |
| Non-operating pension costs, net |
| Restructuring and other, net |
| ERP implementation costs |
| Gains on sale of properties |
| Tax adjustments, net |
| Comparable EPS from continuing operations forecast (non-GAAP) |

| |
|--|
| EPS from continuing operations (GAAP) |
| Non-operating pension costs, net |
| Restructuring and other, net |
| ERP implementation costs |
| Gains on sale of properties |
| Early redemption of medium-term notes |
| Tax adjustments, net |
| Comparable EPS from continuing operations (non-GAAP) |

| Fourth Quarter 2021 Forecast | Full Year 2021 Forecast |
|---------------------------------|----------------------------|
| \$2.27 - \$2.37 | \$8.60 - \$8.70 |
| (0.01) | (0.06) |
| 0.10 | 0.27 |
| — | 0.18 |
| (0.01) | (0.60) |
| — | 0.01 |
| \$2.36 - \$2.46 | \$8.40 - \$8.50 |
| Fourth Quarter 2020 | Full Year 2020 |
| \$ 0.48 | \$ (2.15) |
| 0.01 | 0.10 |
| 0.14 | 0.84 |
| 0.10 | 0.49 |
| (0.02) | (0.10) |
| 0.13 | 0.13 |
| (0.01) | 0.42 |
| \$ 0.83 | \$ (0.27) |

Adjusted Return on Equity Reconciliation ⁽¹⁾

| | Twelve months ended September 30, | | 2021 Forecast |
|--|-----------------------------------|-------------------|-------------------|
| | 2020 | 2021 | |
| Net earnings (loss) (12-month rolling period) | \$ (201.4) | \$ 363.5 | \$ 465.0 |
| Other items impacting comparability, net ⁽⁶⁾ | 96.4 | 2.7 | (15.0) |
| Income taxes ⁽²⁾ | (85.0) | 114.8 | 155.0 |
| Adjusted earnings (loss) before income taxes | (190.1) | 481.0 | 605.0 |
| Adjusted income taxes ⁽³⁾ | 85.8 | (112.3) | (155.0) |
| Adjusted net earnings (loss) [A] | <u>\$ (104.3)</u> | <u>\$ 368.7</u> | <u>\$ 450.0</u> |
| Average shareholders' equity ⁽⁴⁾ | \$ 2,301.1 | \$ 2,323.5 | \$ 2,415.0 |
| Average adjustments to shareholders' equity ⁽⁵⁾ | 43.1 | 30.2 | 15.0 |
| Adjusted average shareholders' equity [B] | <u>\$ 2,344.2</u> | <u>\$ 2,353.8</u> | <u>\$ 2,430.0</u> |
| Adjusted return on equity [A]/[B] | <u>(4.4)%</u> | <u>15.7 %</u> | <u>18.5 %</u> |

(\$ Millions)

- (1) Non-GAAP elements of this calculation have been reconciled to the corresponding GAAP measures. A numerical reconciliation of net earnings to adjusted net earnings and average shareholders' equity to adjusted average total equity is provided on this slide.
- (2) Includes income taxes on discontinued operations.
- (3) Adjusted income taxes represents the tax provision on adjusted earnings before income taxes.
- (4) The average is calculated based on the GAAP balances.
- (5) Represents the impact of other items impacting comparability, net of tax, to equity for the respective period.
- (6) Other items impacting comparability are comprised of the following:

| | Twelve months ended September 30, | | 2021 Forecast |
|---|-----------------------------------|---------------|------------------|
| | 2020 | 2021 | |
| Restructuring and other, net | \$ 96.7 | \$ 20.6 | \$ 15.0 |
| ERP implementation costs | 34.8 | 19.9 | 13.0 |
| Gains on sale of properties | (3.7) | (43.9) | (43.0) |
| Early redemption of medium-term notes | — | 9.0 | — |
| ChoiceLease liability insurance revenue | (31.3) | (2.9) | — |
| Other items impacting comparability | <u>\$ 96.4</u> | <u>\$ 2.7</u> | <u>\$ (15.0)</u> |

Comparable EBITDA Reconciliation ⁽¹⁾

| | Nine months ended September 30, | | (\$ Millions) |
|--|---------------------------------|------------|---------------|
| | 2021 | 2020 | |
| Net earnings (loss) | \$ 338.0 | \$ (147.9) | |
| Loss from discontinued operations, net of tax | 1.8 | 10.1 | |
| Provision for (benefit from) income taxes | 117.2 | (15.9) | |
| Earnings (loss) before income taxes from continuing operations | 457.0 | (153.6) | |
| Non-operating pension costs, net | (0.5) | 9.4 | |
| Restructuring and other, net ⁽²⁾ | 9.7 | 65.5 | |
| ERP implementation costs ⁽²⁾ | 12.7 | 27.1 | |
| Gains on sale of properties ⁽²⁾ | (42.2) | (3.7) | |
| ChoiceLease liability insurance revenue ⁽²⁾ | (0.8) | (21.7) | |
| Comparable earnings (loss) before income taxes | 436.0 | (77.1) | |
| Interest expense | 162.6 | 192.5 | |
| Depreciation | 1,349.2 | 1,552.3 | |
| Used vehicle sales, net ⁽¹⁾ | (149.8) | 17.3 | |
| Amortization | 5.1 | 5.9 | |
| Comparable EBITDA ⁽³⁾ | \$ 1,803.2 | \$ 1,690.8 | |

Note: Amounts may not be additive due to rounding.

(1) Comparable EBITDA has been recast to exclude gains/losses from the sale of used vehicles.

(2) Comprises Other items impacting comparability.

(3) Non-GAAP financial measure.

Cash Flow Reconciliation

(\$ Millions)

| | Nine months ended September 30, | |
|--|---------------------------------|------------|
| | 2020 | 2021 |
| Net Cash Provided by Operating Activities from Continuing Operations | \$ 1,696.6 | \$ 1,684.9 |
| Proceeds from Sales (Primarily Revenue Earning Equipment) ⁽¹⁾ | 400.7 | 571.1 |
| Other ⁽¹⁾ | — | 0.7 |
| Total Cash Generated ⁽²⁾ | 2,097.3 | 2,256.7 |
| Purchases of Property and Revenue Earning Equipment ⁽¹⁾ | (879.4) | (1,427.7) |
| Free Cash Flow ^{(2) (3)} | \$ 1,217.9 | \$ 829.0 |
| Memo: | | |
| Net Cash Used in Investing Activities | \$ (484.4) | \$ (860.9) |
| Net Cash Provided by (Used in) Financing Activities | \$ (603.7) | \$ (768.1) |

Note: Amounts may not be additive due to rounding.

(1) Included in cash flows from investing activities.

(2) Non-GAAP financial measure.

(3) We calculate free cash flow as the sum of net cash provided by operating activities, net cash provided by the sale of revenue earning equipment and operating property and equipment, and other cash inflows from investing activities, less purchases of property and revenue earning equipment.

Cash Flow Reconciliation

(\$ Millions)

| | 2017 | 2018 | 2019 | 2020 | 2021 Forecast |
|--|------------|------------|------------|------------|-----------------|
| Net Cash Provided by Operating Activities from Continuing Operations | \$ 1,628 | \$ 1,718 | \$ 2,141 | \$ 2,181 | \$ 2,250 |
| Proceeds from Sales (Primarily Revenue Earning Equipment) ⁽¹⁾ | 429 | 396 | 518 | 552 | 750 |
| Total Cash Generated ⁽²⁾ | 2,057 | 2,114 | 2,659 | 2,734 | 3,000 |
| Purchases of Property and Revenue Earning Equipment ⁽¹⁾ | (1,860) | (3,050) | (3,735) | (1,147) | (1,900 - 2,000) |
| Free Cash Flow ^{(2) (3)} | \$ 197 | \$ (936) | \$ (1,077) | \$ 1,587 | \$1.0B - \$1.1B |
| Memo: | | | | | |
| Net Cash Used in Investing Activities | \$ (1,439) | \$ (2,821) | \$ (3,217) | \$ (601) | \$ (1,200) |
| Net Cash Provided by (Used in) Financing Activities | \$ (162) | \$ 1,086 | \$ 1,084 | \$ (1,507) | \$ (1,000) |

Note: Amounts may not be additive due to rounding.

(1) Included in cash flows from investing activities.

(2) Non-GAAP financial measure.

(3) We calculate free cash flow as the sum of net cash provided by operating activities, net cash provided by the sale of revenue earning equipment and operating property and equipment, and other cash inflows from investing activities, less purchases of property and revenue earning equipment.