Ryder Systems, Inc. | Citi's 2026 Global Industrial Tech and Mobility Conference | February 17, 2026

Ben Mohr:

My name is Ben Mohr. I cover transportation, equipment, shipping, and transportation at Citigroup. I am very delighted and honored to host Robert Sanchez, CEO, and Chairman of Ryder. We also have CFO, Christy Gallo-Aquino of Ryder, and Ryder's head of IR Calene Candela here.

So Robert, thank you for joining us at Citi's Industrial Conference. I'd like to explain to kind of newcomers to Ryder that Ryder's not your mom or dad's Ryder anymore. So Robert, if you could introduce yourself and intro Ryder, especially your very favorable transformation over the last few years, that'd be great.

Robert Sanchez:

Okay, great. Well, my name is Robert Sanchez, as Ben mentioned. Chairman/CEO of Ryder. So thank you for having us and welcome all to Miami. This is our hometown. So Calene, Christy and I had probably the shortest commute of anybody to get here, and glad to be here.

So a little bit about Ryder. Ryder's been around for a long time. Founded in 1933 right here in Miami by a gentleman named Jim Ryder. One man in one truck built the company into a publicly traded company. We went public in 1960. 1955 I think it was. We traded under the stock symbol R. We're one of the longest tenured publicly traded companies, at least part of the NYSC. I think we're in the top 5% in terms of tenure. We're just under 13 billion of revenue.

We are an outsourced transportation logistics provider here in North America. What that means that everything we do for a company, a company could do on their own. We operate in three segments. Our fleet ... I like to divide it as the outsourcing of a truck, the outsourcing of a truck and a driver, and the outsourcing of broader supply chain activities. So the outsourcing of the truck is our fleet management solutions business. Represents about 43% of the revenues of the company. We have a fleet of just under 240,000 vehicles that are in that segment, and if you think about it, if you own a business and you need a fleet of trucks to deliver your product, whether you're a baker or you're a food distributor or you're in some type of industrial type business and you need a fleet of trucks to deliver your product or pick it from your suppliers, you can go out and buy that fleet of trucks.

You can figure out what you need, which is complicated. You can order them through a dealer and then you can worry about the maintenance and keeping up with all the regulatory issues that occurred during the life of a vehicle, and then at the end you can try to resell it yourself, or you can come to Ryder and we'll do all that for you for a flat monthly fee and a mileage fee. We have a network of just about 800 maintenance locations where we full service all of the vehicles that our customers lease from us.

The next is the outsourcing of the truck and the driver. That's about 19% of the revenue. So not only do you want Ryder to take over the truck, but we'll also provide the drivers. We have about 13,000 professional drivers who work for Ryder and run these operations for us and these customers. So you'll see ... In these types of operations, you won't know it's a Ryder truck. It has a customer's logo on it, but it's our driver and it's our truck actually running that private fleet for the customer.

And then the third one is supply chain solutions, which is the outsourcing of broader supply chain activities. Mostly warehousing operations. It could be transportation networks where we'll access a traffic department for a customer. We have over 330 warehouses, over a hundred million square feet of warehouse space that we operate for customers, optimize and run those operations. And then we also have a final mile delivery business of big and bulky product, and an e-commerce fulfillment business that we brought into the fold a few years ago where we're doing e-commerce fulfillment for companies. And then more recently we purchased a co-manufacturing, co-packaging operation, mostly in the CPG business that's part of that also. So those are the services we provide. They're mostly contractual. 90% of our revenues are contractual multi-year contracts, so relatively sticky and stable.

And again, operating here in North America. So you mentioned the transformation over the last several years. In 2019, we pivoted towards what we call balanced growth strategy. That was really focused on three things. The first one was really trying to de-risk our business model. We've been around for 90 plus years, a big part of that business, the outsourcing of the truck where we basically buy a truck and we full service lease it to the customer. We make an assumption on that residual value, what it's going to sell for in six years, and determining a lease, just like you would for your car lease along with all the maintenance costs. That residual value, for many years we had been determining it by doing a five year, six year look back at what we've been selling used trucks for, and assuming that in six years that vehicle's going to sell for about that price. Inflation adjust kind of had worked for a long time, but coming out of the great recession, the volatility of used trucks started to move up and down a lot more due to several factors, and we realized that that was ...

After really the used truck market being below our residual assumptions for multiple years decided this probably wasn't good. We were very reliant on that final sale of that vehicle in order to make our targeted returns. So we made the decision to lower the residual assumptions on all of our new leases going forward, and that was really going to de-risk that lease. So we knew that unless the used truck market really collapsed for a long period of time, we were going to at least make the returns that we had targeted, and most likely do better.

So we started doing that, de-risking the business, got out of some businesses that we had and services that we were providing that weren't profitable. So different geographies we exited, really focused in North America and then also got out of some services that were less profitable.

So de-risk the business, improving the returns then, not only did we lower the residual value leases, but we raised the prices on the leases above and beyond that to improve the spread. We optimized our maintenance operations. We had initially targeted 100 million dollars of savings from our maintenance initiatives and have well exceeded that and really found ways of optimizing the operations better and improving the returns.

And then the third piece of it, so you had de-risking the business, improving the returns. And the third piece was that we wanted to accelerate the growth in our more asset-like businesses. Our supply chain and dedicated businesses, not only through organic growth but also through acquisition. So what you see on this page is really the tail of the tape of what happened pre-transformation to today. So if you look at the revenue mix in 2018, our asset- intensive business was 56% of the revenues. This year ... I'm sorry, last year it was 38% of the revenues. So a lot more, the majority of the revenue outcomes are more asset-like supply chain dedicated businesses.

In 2018, which was a peak in the freight market, our comparable earnings per share was just under $6. So that was the peak earnings that we had in that cycle. In 2025, which is more of a trough in the freight cycle, we did just under $13 a share. So again, a significant improvement in the earnings profile of the company. Return on equity at a peak of 2018 was 13%, and in 2025 when it's more trough-like of 17, and we're targeting low 20s ROE over the cycle, so certainly high mid-twenties when we get into more of a peak and averaging somewhere in the low 20s. And then you can see what happened with operating cash flows. So overall, this is kind of the tail of the tape of transformation we've been through, but as we like to say, there's more to come.

This year, we have, in those initiatives that I talked about, we had announced in 2024 that we had 150 million dollars target for initiatives over a multiple years. We've actually upsized that on this last earnings call from 150 to 170, with the last 70 million of that really being delivered here in 2026. So we feel really good about that. We also have identified 250 million, over 250 million of earnings lift as the market recovers. So as the freight market improves, we're going to start to see that in our rental and used vehicle segments, which have really been impacted by the soft freight market.

So as those really begin to improve, between now when they get to the next peak, we're expecting 250 million plus of earnings pre-tax earnings benefit from that, and that'll be just a matter of the improvement in the market. We also have a couple other things. As the driver market tightens, we expect more growth in dedicated, and also some optimization of our omnichannel network.

And then last but not least is the overall growth opportunities of our contractual businesses. We had a really strong sales year in our supply chain segment in contractual sales, but there's still opportunities in '25 that's going to start to bleed in '26. But our contractual lease business and dedicated have both been below their targets. So as all those start to achieve their targets, there's certainly an earnings, ongoing earnings benefit from growth in those contractual businesses.

Ben Mohr:

Wonderful, thank you. Fantastic. What a great overview. Ryder is very much a different business as you were in 2018. Maybe starting with direction and management, at the end of this month, Robert, you'll remain as executive chair and John Diez will take over as CEO. What have you done to set Ryder in the right course?

Robert Sanchez:

Well, first of all, we've got the right team in place. I think that's really important. And I've been with the company for 33 years, been the CEO now for 13. And I feel really proud of the team that we've put together. Not just John, but the whole

Robert Sanchez:

... the leadership team and the culture that we've set. I think really being in three contractual segments and businesses focused in North America in the outsourcing of transportation logistics is a really good market to be in right now. As more industrial businesses start coming back to the US, I think that's going to be very helpful. So I think we're well positioned from a market standpoint, but I think we also have... One of the things that we've changed I think over the last several years, in addition to things we talked about, is having more of an innovation mindset. We have Ryder Ventures where we invest in startups. Being able to take new ideas and bring those into the company and being able to develop new services and new products as the market changes I think is an important part of the future of Ryder.

So I feel really good about the handoff to John. He's been with the company for over 20 years. I've worked with him for over 20 years. He makes great decisions and he's a great leader for the company going forward. A real focus around innovation and technology as the market continues to evolve, and I think he's going to really write Ryder's next chapter.

Ben Mohr:

Wonderful. What ending would you say our Ryder is in terms of your overall transformation? You've got your mix of your asset light, that's 62% SCS, the supply chain and DTS, the dedicated trucking business, and 38% your traditional leasing fleet management FMS. What about in terms of capital intensity, in CapEx, free cash flow? Where are you in terms of inning for your transformation there?

Robert Sanchez:

Yeah, I think there's still a lot of room to go, whether it's the fifth inning or the sixth inning, I don't know, but we've gotten through some of the heavy lifting of making the shift towards more supply chain and dedicated, but those businesses and those markets are evolving. So more automation, the needs for those services is really expanding, and I think there's going to be a lot of work and a lot of evolution there. Now what happens with the percentages? I think as rental comes back, as the freight market comes back, you'll see the fleet management business grow a little bit more and maybe take a little bit more percent, but it's probably in that range where I'd say now in that 60/ 40 is a good place, and until the next chapter comes and we make decisions on what else we want to do.

Ben Mohr:

Great. Can we go through a rapid fire section with each of your three businesses? We'll take a look at where you are in revenue, where you are in margin. So starting with FMS, your fleet management systems segment, which is your traditional leasing. Your long-term target is mid-single digits growth. You've guided to below that target. We're seeing pressure at lease sales, rental fleet downsizing. Last year was flattish. We in consensus are at flattish for this year. What's your view for FMS revenue? Could it be higher? What's a potential range?

Robert Sanchez:

At this point, it's more dependent on the freight market, so as the freight market comes back, that's going to drive up rental revenue and it's going to drive up lease sales. So as the freight market comes back, we expect that to move up and cycle back up to the target range.

Ben Mohr:

Great. And within the same segment, FMS, the margin, EBT as a percentage of operating revenue, your long-term target is low teens. You've guided to slightly below target and it's being supported by stronger rental utilization. As you downsize your rental fleet, your maintenance lease pricing initiative is benefiting that. Last year, the margin was about 10%. We in consensus are roughly there at 10% for this year. What are some puts and takes? What could bring it above, below?

Robert Sanchez:

Again, it's the same thing. Freight market, right? So as the freight market tightens, you're going to get benefits in rental and used vehicle sales, which are going to improve the margin.

Ben Mohr:

Great, great. How about affecting your FMS is your use truck gain on sale? You've guided to '26 being flattish to '25. The level was about 22 million in 2025. You've had more retail mix over wholesale in 4Q, so that's helped. Even though retail used prices are declining, you've guided 1Q to be more challenged then it gets better throughout the balance of the year. What's your sense now and what are some puts and takes?

Robert Sanchez:

I think as we said on the call, we are not expecting a big improvement in the used truck market. It's going to remain down and maybe a slight uplift towards the end of the year, but flattish year over year. Again, that's our assumption when we put out the guidance. What happens will depend on what happens in the market, and if the freight market comes back sooner and the used truck market follows, there could be upside on that.

Ben Mohr:

What are you seeing in terms of the three key policies affecting your used truck sales, the non-domiciled CDL, all the driver type policies? Number two, truck tariffs, and then number three, EPA 27?

Robert Sanchez:

Right. So those should all be... Well, the non-domiciled theoretically could put a little bit of pressure on used trucks but could tighten up the market, which would actually benefit. On the EPA side, will there be a pre-buy? There could be. There's going to be some increase in pricing as we get into 2027, but we haven't seen it yet. We certainly haven't seen a lot of fleets rushing to pre-buy yet, but that could happen. And I think overall, there's been a lot of excitement over the PMI, and is the PMI an indicator that the freight market is coming back? It could be.

We also follow active truck utilization that FTR puts out. That's been above 95, which is nice too. That's usually a pretty good indicator spot markets are good. So those are external leading indicators that we look at that say could be, but one month or one reading doesn't make a trend. And typically, there is a lag of let's say six months between when the freight market really starts to pick up or the spot market picks up and we start to see people needing to come into rent trucks or buy used trucks, so we'll see.

Ben Mohr:

How about we'll transition to the real growth engine? Your SCS segment supply chain, which is contract warehousing. Your long-term target is low double-digits growth year over year. You've guided to accelerating through the year with wins weighted to second quarter and third quarter. And so our view, we're modeling you at kind of low double-digits growth to exit the year, averaging maybe up 3%. Up five, 7% is where consensus is. What's your view on the cadence of SCS revenue?

Robert Sanchez:

Generally that's the expectation, that we know we signed a lot of contracts in 2025. Those contracts start to bleed in in 2026, so our expectation as we exit the year is that we'd be approaching that target double-digit growth rate towards the end of the year.

Ben Mohr:

Maybe as a follow-up, SCS is really where you have the hugest TAM. What are you doing to win share there? What are you doing differently than other contract warehousers?

Robert Sanchez:

I think we've been in that business for a while and I think our key is our specialization and our ability to execute. We have a long track record of being able to take on these projects and execute them very well, and drive continuous improvement for our customers. Automation has become a more important component in some of those verticals. I think if you go back two or three years ago, automation was more specific to certain applications. It's become more broadly available now and applicable, so we've got a big expertise in that too and being able to implement that automation, and that's really, I think, what helps us win accounts. What helps us win accounts is our ability to execute well for our customers and continue to drive continuous improvement.

Ben Mohr:

And I've had the privilege, along with some of our investors here, to tour Chicago SCS facility for a major consumer packaged goods company. I was very pleasantly surprised at your cadence in getting one facility with that customer as a foothold. Doing a good job, they'll award you with a next facility, and then a next and a next. Can you talk about that structure or cadence of winning a new client, then growing by providing good service with your multiple clients?

Robert Sanchez:

Yeah, it's not unusual. Typically, what will happen is most of the clients in our supply chain business are large, call it Fortune 500 type companies that have operations. They start to outsource some, and those are the ones we like, where they'll outsource one facility maybe to us and we can prove ourselves against the execution of other facilities, and that allows us to pick up, start picking up more locations over time. And again, it's our process and our rigor around executing and running these facilities and always trying to find more efficiencies so that we can bring savings to the customer, and over time, pick up more business.

Ben Mohr:

SCS, your margin has been very resilient, even in this downturn. Your long-term target is high single digits. You've guided to at target, and last year, you were at 8.7%. We in consensus are roughly 9% for this year. How have you been able to be so resilient with your SCS margin, and what's your view for this year? Could it step up?

Robert Sanchez:

Yeah, if you think about that business, it's contractual, so it should be steady. It should be. What can create issues typically is something that wasn't picked up in the contract or an execution issue. So I think when you look at the steadiness of our margin in that business, it's a reflection of the execution of our operations and our ability to continue to deliver and drive efficiencies for our customers and without hiccups that create those margin changes.

Ben Mohr:

Great. Moving on to DTS, dedicated trucking. The industry has gone through a lot of changes. There's a lot of opportunities in terms of government action driving out capacity. And we've seen 11, 12 weeks of consecutive year-over-year increases of mid to high single digits for the spot rate. Your business is completely, pretty much entirely dedicated. Your long-term target for operating revenue growth for DTS, high single digits, you've guided to below target. There's still uncertainty over volumes and pricing cycle improvement. It's still kind of early innings when it comes to the spot rate coming up. Last year was down 1.6%. We in consensus, roughly flattish for this year. What's your view on that relative to the spot rates being fairly strong?

Robert Sanchez:

Yeah, I think dedicated, just like any of our businesses, the more complicated it becomes, the more difficult it becomes, it's really good for Ryder. So when the driver market is soft and it's easy to hire a truck driver, that's not great for dedicated. We like it better when it's hard to hire a truck driver because that way private fleets will more likely outsource. So as the driver market tightens with some of these things that you mentioned, I think that's where you'll start to see sales improve in dedicated, new sales improve in dedicated, some of the loss business improves. And then you'll see that get back towards its target growth rates.

Ben Mohr:

Great. And then margin for DTS, your long-term guide is high single digits, you've guided to at target. So your margins are still very resilient despite headwinds on the top line side. You're roughly through all of your Cardinal synergies for '25, not much left for '26 there. You have sort of a balance here with a headwind from the government action. We talked about tightening the driver market, that could raise your labor costs in DTS. And there's your contract revenue that's lagging the spot rate coming up. But that can be roughly fully offset maybe by tailwind of tighter driver conditions, higher spot rates that drive more outsourcing into DTS. Can you talk about the dynamics there? Last year your margin was 7.6%, we in consensus, roughly 8%.

Robert Sanchez:

So you can have a little bit of volatility, but our context, especially after COVID, we really tightened up our dedicated contracts. So that as there's wage increases are required to retain drivers, we can more easily pass those through to the customer. Because we typically work very closely with the customer when we have to give wage increases. And by not giving them, you get more turnover. So we've created, I think the contracts are much tighter now around that. So I wouldn't expect significant margin volatility. But I would expect us to see improved top line growth as the market tightens and our prospects are needing help with finding drivers and maybe want to hand that off to somebody that does it for a living and we're there to pick that up.

The other thing we're seeing too is around running your own private fleet, driver hiring is one of the complexities. Safety is another complexity that private fleets are dealing with and insurance claims and those types of things. And as companies continue to go through those types of challenges, we are seeing more companies looking for companies like Ryder to help them.

Ben Mohr:

Wonderful. We'll bring it all together and point to your EPS guide and put some takes there. But before going there, I wanted to get your sense of what customers are saying in your conversations with them, how they differ between your three segments, your FMS, SCS, and DTS. How are customers viewing this year maybe a little differently in each segment?

Robert Sanchez:

I think on the supply chain side, again, those are the large more Fortune 500 type companies, we're seeing companies making decisions moving forward with projects and plans and what they need to do. And our dedicated lease business, which are more small to mid-size companies, we're still seeing hesitation. Now that could be because they're small to mid-size and they're more hesitant. Also those are also the parts of the business that are more tied to the freight market. And the freight market is the one that continues to be soft or has continued to be soft. So those dynamics are the same. We're seeing the large companies moving forward with projects where we're seeing really good sales on the supply chain side. But on the small to mid-size we're still seeing pipelines grow, but decisions being put off.

Ben Mohr:

Great. And so I said we'll bring it all together for your EPS guide. Your midpoint reflects roughly an 8% year-over-year growth for 2026, which is roughly equivalent to the 8% growth you had in '27. The range is between 4% to 12%. You've noted on your earnings call, the top and bottom end, you assume no macro support. With the top end, you're assuming some modest improvement in use gains and rental utilization and a higher benefit from your maintenance organization and omnichannel optimization initiatives. For the lower end, kind of the reverse of each of those things. What could you say about, am I being accurate in characterizing that, can you offer any additional puts and takes?

Robert Sanchez:

No, I think you've got it right. I think we didn't assume any improvement in the macro environment. I think if it does improve, you should see ... I have to be careful what I do since I'm retiring, I could really make all kinds of commitments here that I wouldn't have to keep. But I'm sticking on what we said on the call, that we did not assume any macro improvement. We talk about the 250 million of earnings benefit when the macro improves. And that benefit will accrue between now and when the market begins to turn up and the next peak. So certainly pieces of that could be delivered as the market improves. And that was not contemplated, I'm looking at the CFO who is going to have to live with this, that was not contemplated in the guide for '26. So I think short term, that's the piece that could be upside.

Ben Mohr:

And if you're growing at 8% midpoint in a challenged market, what's your view on what it could be in a more normalized market?

Robert Sanchez:

Right. That, again, all kinds of dangerous things I could say there. But look, I think what we've shown in the last three years is an ability to deliver significant earnings improvement on initiatives. And I don't expect that's going to end. I think you'll always find ways to improve. Quantifying it, I can't. You have 250 million that we've talked about of just ... rising tide lifts all boats. And I think that we do have line of sight once the things improve. We will make some investments in our rental fleet too, and that doesn't all come free, you have to buy some trucks. But we know that there's opportunities for that to come in.

And then organic growth, organic growth as we hit our targets across our contractual businesses, that should deliver 50 million plus of earnings each year. So that one just keeps accumulating each year. That we're at our target contractual growth rate. So just hitting our target earnings number and our target growth rate should deliver 50 plus on top of that. So put all that together, it's a nice number.

Ben Mohr:

Great. I've got many other questions, but I want to open up the floor to any audience members who might have questions for Robert.

I'd like to maybe go back to management and direction. Going back to John Diez. Can you talk to John's achievements? He'll be your new CEO at the end of next month. Especially his achievements in Ryder's transformation over the last year.

Robert Sanchez:

So we have over 50,000 employees at Ryder, so getting to the position that John is in, there's been a lot of tests and cross-training I think that has happened over the last 20 plus years of John. John started in our finance organization, ran our rental business for a period of time, ran asset management, ran our dedicated business for five years and really helped to transform that model. Took over our lease business, our fleet management business as we began the transformation. So played a key role in some of the important things that were done in the fleet management business around the maintenance initiatives, around the lease pricing, which Cristy also played a big role in. So John has been in the heart of all the activity that we've done. Has been the chief financial officer and more recently the COO. So he's intimately familiar with the operations of our business. And I am confident he is going to do a great job. He is a good friend and I know he's a good leader who's really well-supported in the organization.

I'd say above and beyond that, we've got a great management team lineup as part of that, that collaborates and works really well together. And I think that cohesiveness is also an important factor for the success we've had over the last six years. And I expect that will continue.

Ben Mohr:

It seems like the three of you, you, John and Cristy, have been very much involved with the transformation over the last six years.

Robert Sanchez:

Absolutely. Yeah, yeah. John and Cristy and I'd add Steve Sensing and many of the folks on the leadership team, their fingerprints are all over this work.

Ben Mohr:

Great. Capital allocation. You've guided to 700/800 million of free cash flow this year with a step-up in your CAPEX. Can you talk about free cash flow and your capital allocation plan for '26, what are you going to do with all that cash or what is John going to do with all that cash?

Robert Sanchez:

What's John going to do with all that, yeah.

Ben Mohr:

Or Cristy.

Robert Sanchez:

Well, first of all, organic growth is a number one priority. So if things do pick up strongly and heavily and we say, "Boy, there's an incredible need for rental," or

Robert Sanchez:

We signed a new lease contract, you could have more of it going toward organic growth. We've always talked about acquisitions. We're always in the market looking for companies like Cardinal, companies that are well-run that we could bring into the Ryder fold, whether it's a tuck-in in our lease business, a tuck-in our dedicated business or new services for our supply chain business, we're in the market for those and have plenty of capacity to do that.

Then you're going to see us, obviously dividend payment is important and continue to work that and then ultimately buybacks. I think keeping our leverage close to our target range is important for capital efficiency and continuing to buy back, I think we've bought back 24% of the company over the last five years. That's also part of the value that we create by giving money back to shareholders and keeping our leverage where it needs to be.

Ben Mohr:

Wonderful. We'll open it up for the floor for any questions from audience members, otherwise we'll continue, AI. We've seen AI to be a real disruptor in industrials and transports lately, and I know that Ryder is no stranger to AI, you've incorporated it in a lot of areas of your business. Can you talk about the ramp-up of the use of AI for driving revenue and margin growth?

Robert Sanchez:

Yeah, so I'd say in several places. One is customer-facing. So we have systems that we have created, RyderShare, RyderGyde. RyderShare is in our supply chain and dedicated business RyderGyde is in our FMS business. These are proprietary systems that we run, that we are incorporating AI to bring efficiencies to the way we operate our accounts and also bring efficiencies to our customers, giving them data so that they can manage their business better.

So we've got some initial applications in those customer-facing systems. We then have AI that we're building into or that we're investing in through a company we purchased, Baton. So Baton was a technology company that we invested through Ryder Ventures, and I guess it was four years ago now, we acquired the whole company. This was a company that was working on an optimization software for truck load carriers. We invested them through Ryder Ventures and felt they had a good product, but maybe the wrong application. So we decided to buy the company and bring it in-house and have all those smart people and a lot more that we've hired since then work on optimizing for Ryder for our accounts and across our accounts.

So that group is now, it was originally, I always said we bought five guys, now we've got about 40 -50 people out in the Valley that are working on this stuff and working on software for us. They're incorporating AI into the software that they're building for us and for our accounts, and we're excited about that work. And then ultimately, we're also leveraging our partners, so back office type systems, whether it's call centers that we run today that we're incorporating AI into to make either the agents more efficient or actually replacing some of the agents as part of that also. So really opportunities across those three different areas.

Ben Mohr:

Wonderful. I was very much amazed, I think along with some of the investors that toured with me, your Chicago SCS and FMS facilities. For your FMS, your leasing business, you show your real-time KPIs for each mechanic, and I thought that was very much a value driver. And then for your SCS, your contract warehousing, you're making great use of fully automated robotic forklifts. Can you talk about outside of tech, just broader tech implementation along those lines?

Robert Sanchez:

Sure. So the first one that you mentioned in FMS, when we talk about these maintenance initiatives that delivered now I think 150 million of annual savings, that's been part of it is we employ just over 4,500 technicians who work on our trucks, highly valued, best technicians in the industry, and we learned that we weren't utilizing them to their capabilities. They were spending too much time in front of the computer doing things that were not what they really liked to do and are intended to do. So those boards that you saw, we basically took away all the computer terminals and work that they were spending time in front of that they actually hated being in front of and said, your job is to work on those trucks and here you go and we're just going to give you a display, it says what job you're on and what your time is and how that's going, and kind of a gamification of that and that's generated significant productivity improvements in our shop.

Around automation in the warehouses, as I mentioned, if you go back five years ago, I would say a very small percentage of our warehouses had automation because there wasn't really a business case for it. Automation was too expensive for the value we're getting. That has shifted and there's more warehouses now and there's more operations where automation does create value and where that's happening we are implementing that and have an expertise. We have an entire engineering group that focuses on finding those automation systems that apply well to each of the different verticals that we operate in and implement them for our customers.

Ben Mohr:

Wonderful. So to summarize, smooth transition with the management change, FMS very much levered to the macro. SCS a very strong growth engine, and DTS has some sort of puts and takes from the spot rates and supply and demand. Can I ask you to give us a summary and a closing statement, Robert?

Robert Sanchez:

No, I think as we started, Ryder's been around a long time. We're going to be around for a long time. There's not too many companies that are 93 years old that have the growth spurts that we've had over the last several years. And as I told everybody as I'm transitioning out that I am confident that the best years of this company are ahead of us with the need for the services that we provide really accelerating and the team that we have that can deliver.

Ben Mohr:

Great. Thank you very much, Robert. Thanks everyone.

Robert Sanchez:

Bye.