



# First Quarter 2023 Earnings Conference Call

April 26, 2023

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, including favorable outsourcing trends, slowing macroeconomic and freight environment, continued inflationary costs pressures (including rising interest rates); expectations regarding total revenue growth, operating revenue growth, earnings per share, comparable earnings per share, adjusted ROE, earnings before income tax, debt-to-equity, operating cash flow, free cash flow, capital expenditures (including with respect to lease/rental replacement, lease/rental growth, and operating property and equipment), and the causes of change; expectations regarding commercial rental demand and utilization, and used vehicle sales volume and pricing; expectations regarding long-term profitable growth; our ability to profitably grow SCS/DTS, and benefits from FMS lease pricing and maintenance cost savings initiatives; expectations regarding excess capital for acquisitions and additional share purchases; our ability to execute our balanced growth strategy to outperform prior cycles; our ability to maintain low levels of used vehicle inventory; our ability to strengthen renewing DTS contracts; our ability to invest in strategic M&A activity and technology to expand our capabilities; our ability to invest in industry disruptions; our ability to meet increased demand for nearshoring in Mexico; our ability to redeploy rental vehicles and leverage our expanded retail used vehicle network; and our ability to execute our enhanced asset management playbook. 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. A variety of factors, many of which are outside of our control, could cause residual value estimates to differ from actual used vehicle sales pricing, such as changes in supply and demand of used vehicles; volatility in market conditions; changes in vehicle technology; competitor pricing; regulatory requirements; professional driver availability; customer requirements and preferences; and 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 changes in general economic and financial conditions in the U.S. and worldwide; the ongoing supply chain and labor challenges and vehicle production constraints, including OEM delays; the impact of geopolitical events; 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; 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; 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; fluctuations in interest rates; increasing inflationary pressures; competition from other service providers and new technology or entrants; professional 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; our ability to effectively and efficiently integrate acquisitions into our business; 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, including our depreciation policy; unanticipated changes in fuel and alternative energy 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; and comparable earnings before income tax. Additionally, our adjusted ROE (ROE) measure is calculated based on adjusted earnings items.

**Operating Revenue Measures,** including operating revenue, operating revenue growth and EBT as a percentage of operating revenue, in each case for Ryder and its business segments.

**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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*Appendix & Non-GAAP Financial Measures*

# Key Updates

## Strategy Update

- Secular trends continue to favor long-term outsourcing decisions
- Continued execution on balanced growth strategy benefited results and positions the business to outperform prior cycles
- Strategic investments focused on opportunities for long-term profitable growth

## Returns Focus

- Adjusted ROE (ROE) of 27% reflects elevated market conditions in FMS and return initiatives
- Pricing actions benefited returns in all segments
- Enhanced asset management playbook focused on optimizing returns over the cycle

## Balance Sheet / Cash Flow

- Strong balance sheet provides capacity for share repurchases and additional acquisitions
- FY23 free cash flow forecast unchanged at ~\$200 million

## Executing on strategy to create long-term shareholder value

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

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# Balanced Growth Strategy Execution

## *Actions Transforming the Business*



### De-risk the Model

- Lowered lease pricing residuals
- Exited underperforming services / geographies
- Strengthening renewing DTS contracts



### Improve Returns / Cash Flow

- Multi-year lease pricing and maintenance cost-savings initiatives in FMS
- Pricing and cost-recovery actions in DTS and SCS
- Enhanced capital allocation discipline



### Position for Long-Term Growth

- Accelerating growth in higher return SCS & DTS businesses
- Strategic M&A and technology investments to expand capabilities
- Investing in areas of industry disruption

**Focused on higher return contractual growth while reducing reliance on transactional business to achieve target returns**

# Spotlight: Increasing Supply Chain Resilience Through Nearshoring

## Market Trends: Increased x-border activity and investment\*

- US-MX truck border crossings up 20%+ annually since COVID
- ~40% of new industrial space in MX attributed to nearshoring in 2022
- \$20B in MX nearshoring investments announced in 2022

## Ryder is a leading logistics provider in Mexico



- 30 years of experience
- Manage 250K US-MX border crossings annually through key entry ports
- Manage 40+ distribution centers
- Strong presence with strategic locations covering "golden triangle" — Mexico City, Monterrey, and Guadalajara

## Ryder Mexico's key differentiators

- Highly integrated with distribution and transportation operations across North America
- Long-standing relationships with local carriers and customs brokers, as well as U.S. parent companies
- Visibility and security to all shipments provided by proprietary technology
- CTPAT and FAST clearance enable safe and efficient border movements
- IMMEX distinction supports export activity for foreign-based manufacturers

## ~120 customers, primarily Fortune 500, including:



TOYOTA

Chobani



**Ryder well positioned to meet increased demand for nearshoring in Mexico**

\*Source: Bureau of Transportation Statistics, GBM with CBRE data, McKinsey

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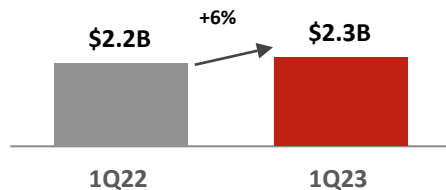
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# Results Overview

## Operating Revenue

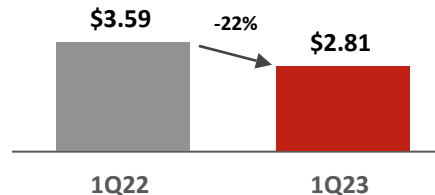
First Quarter



Primarily driven by SCS revenue growth

## Comparable EPS

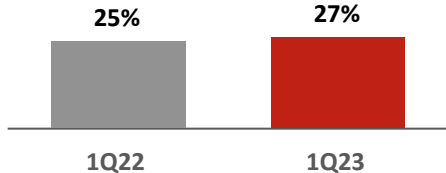
First Quarter



Lower FMS results, as expected, and SCS asset impairment; partially offset by lower share count and higher earnings in DTS

## ROE

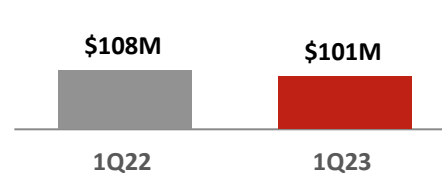
Trailing 12 months



Well above high-teens target due to elevated market conditions in UVS and rental

## Free Cash Flow

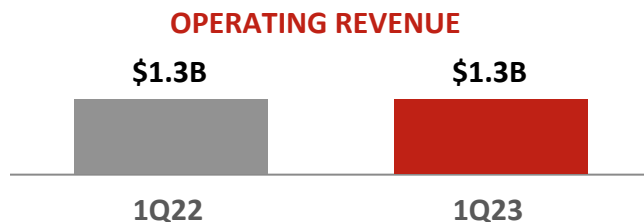
First Quarter



Increased capital expenditures largely offset by higher operating property and equipment proceeds

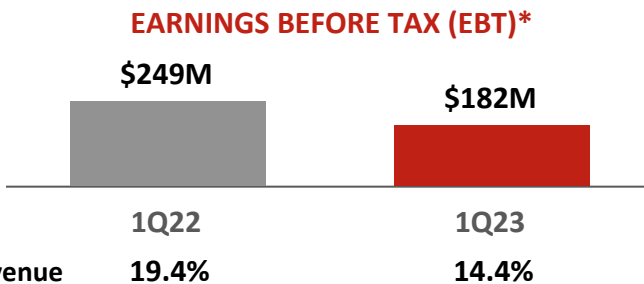
Note: See Appendix for reconciliations of non-GAAP financial measures including Operating Revenue, Comparable EPS, ROE, and Free Cash Flow.

# 1st Quarter Results Overview – FMS



2% decrease reflects:

- a 4% increase in North American revenue due to higher SelectCare and ChoiceLease, more than offset by 6% negative revenue impact from UK exit



Earnings decline primarily reflects:

- lower gains on used vehicle sales due to lower pricing partially offset by higher volumes
- decreased rental results due to lower utilization partially offset by higher pricing

**Trailing 12-month FMS EBT as % of Operating Revenue is 19.1%, well above low double-digit target**

\* Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.

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

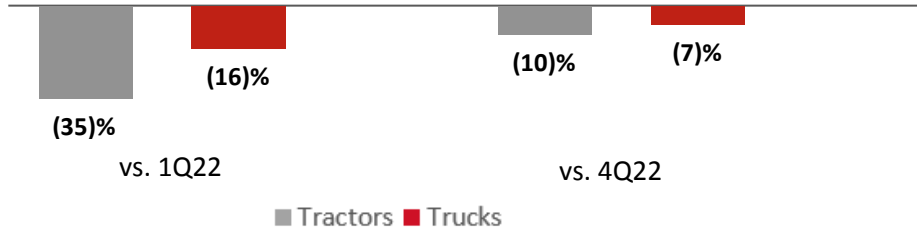
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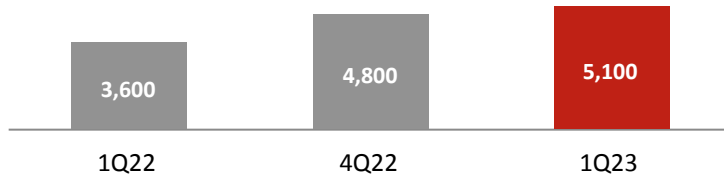
# 1st Quarter Used Vehicle Sales Update – FMS

## % CHANGE IN PROCEEDS

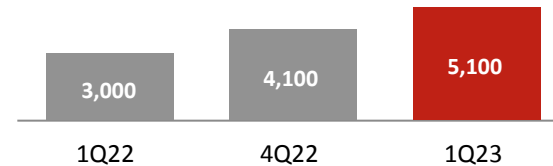


- Used vehicle proceeds remain well above historical averages
- Sequential pricing decline better than anticipated for trucks and in-line with our expectations for tractors

## USED VEHICLES SOLD



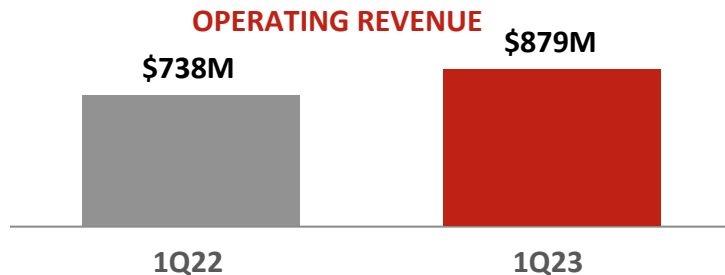
## USED VEHICLE INVENTORY



Inventory remains at low end of historical levels

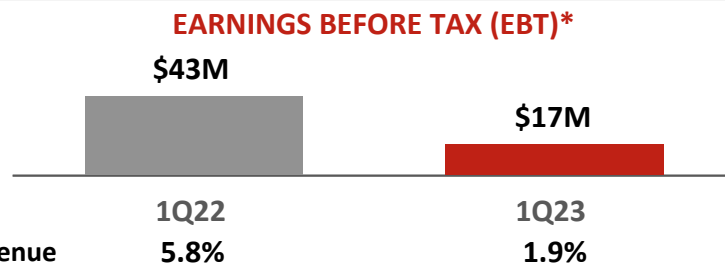
**Used vehicle prices declined but remain well above residual value estimates**

# 1st Quarter Results Overview – SCS



19% increase reflects new business, higher volumes and increased pricing

- strong revenue growth in all industry verticals



60% decrease reflects:

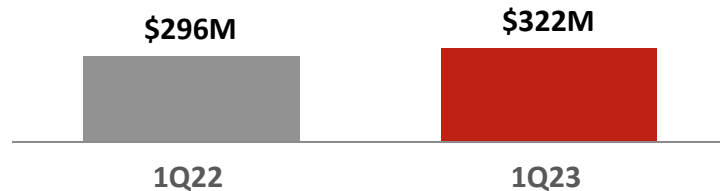
- \$30 million asset impairment related to a customer bankruptcy
- partially offset by revenue growth, primarily from automotive vertical performance

**Trailing 12-month SCS EBT as % of Operating Revenue is 5.7%, below high single-digit target**

\* Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.  
Note: See Appendix for reconciliations of non-GAAP financial measures including Operating Revenue.

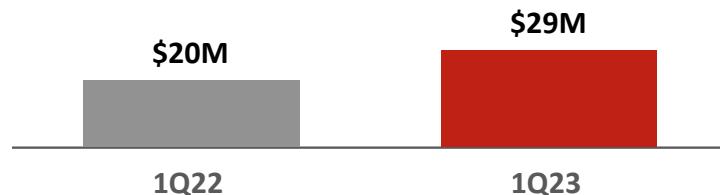
# 1st Quarter Results Overview – DTS

## OPERATING REVENUE



9% increase reflects higher pricing and increased volumes

## EARNINGS BEFORE TAX (EBT)\*



45% increase primarily reflects revenue growth and improved conditions for hiring professional drivers

EBT as % of  
Operating Revenue

1Q22  
6.8%

1Q23  
9.0%

**Trailing 12-month DTS EBT as a % of Operating Revenue is 8.8%, in line with high single-digit target**

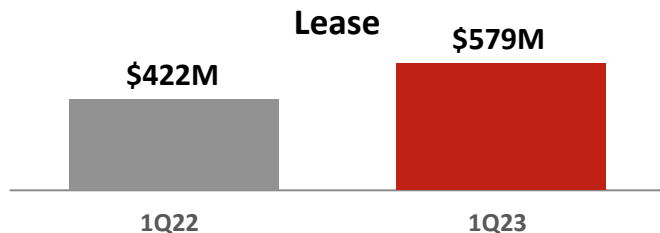
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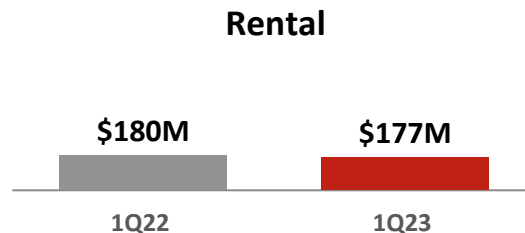
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# Capital Expenditures



Reflects higher lease replacement capital; lease returns benefiting from pricing initiatives



Shifting vehicle mix toward trucks due to stronger, historically more resilient demand trends than tractors

## Capital Expenditures (billions)

Lease Vehicles
Rental Vehicles
Operating Property & Equipment
<b>Gross Capital Expenditures</b>
Less: Proceeds from Sales*
<b>Net Capital Expenditures</b>

	<u>FY22</u>	<u>FY23F</u>
Lease Vehicles	\$ 1.8	\$ 2.4
Rental Vehicles	0.5	0.4
Operating Property & Equipment	0.3	0.2
<b>Gross Capital Expenditures</b>	<b>\$ 2.7</b>	<b>\$ 3.0</b>
Less: Proceeds from Sales*	(1.2)	(0.8)
<b>Net Capital Expenditures</b>	<b>\$ 1.4</b>	<b>\$ 2.2</b>

\* FY22 includes proceeds of ~\$0.4B related to exit of UK FMS business

Note: Amounts may not be additive due to rounding.

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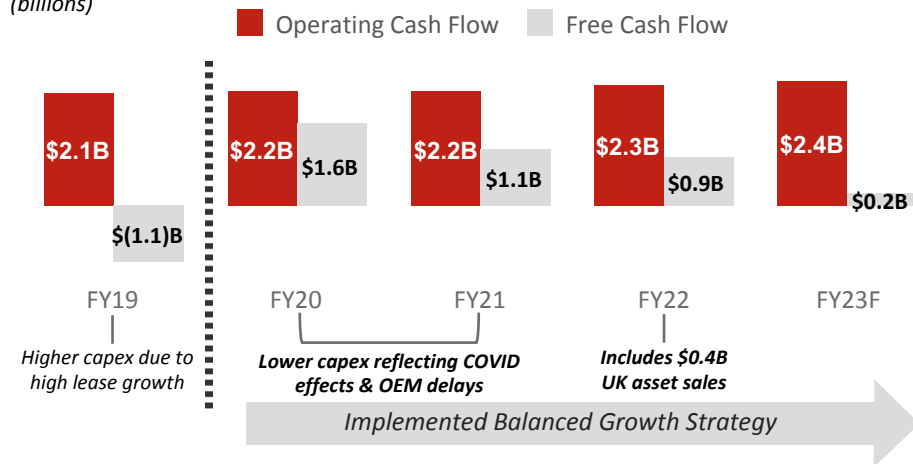
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# Cash Flow and Capital Allocation Priorities

## OPERATING CASH FLOW AND FREE CASH FLOW HISTORY

(billions)



## FREE CASH FLOW SUMMARY

(billions)

	2022	2023F
Cash Flow from Operations	\$ 2.3	\$ 2.4
Proceeds from Sales (Primarily Revenue Earning Equipment)*	0.8	0.8
<b>Total Cash Generated</b>	<b>\$ 3.1</b>	<b>\$ 3.2</b>
Less: Fleet Replacement Capex	2.1	2.4
Operating Property & Equipment Capex	0.3	0.2
<b>FCF Prior to Fleet Growth Capex &amp; UK exit</b>	<b>\$ 0.8</b>	<b>\$ 0.6</b>
Less: Fleet Growth Capex	0.3	0.4
Add: Proceeds from UK exit	0.4	—
<b>Free Cash Flow</b>	<b>\$ 0.9</b>	<b>\$ 0.2</b>

\* 2022 reported proceeds adjusted to exclude ~\$400 million from UK exit

## CAPITAL ALLOCATION PRIORITIES

- Invest in organic growth in line with balanced growth strategy
- Pursue targeted acquisitions
- Return capital to shareholders via share repurchases and dividends

# Enhanced Asset Management Playbook in Place



## ***Key actions to mitigate impact from weakening demand:***

- Redeploy rental vehicles to fulfill lease contracts and support strong growth in dedicated and supply chain
- Leverage expanded retail used vehicle sales network and digital transformation
- Maintain low levels of used truck inventory
- Extend lease contracts

**Although earnings will be impacted by freight cycles, executing our enhanced asset management playbook positions Ryder for higher earnings in each phase of the cycle**

# EPS – Continuing Operations

	FULL YEAR EPS		SECOND QUARTER EPS		<i>(Earnings Per Share)</i>
	2023 Forecast	2022	2023 Forecast	2022	
<b>GAAP</b>	\$7.21 - \$7.96	\$16.96	\$(1.12) - \$(0.87)	\$4.72	
<b>Comparable</b>	\$11.30 - \$12.05	\$16.37	\$2.80 - \$3.05	\$4.43	

- Raising low end of full-year 2023 comparable EPS forecast range from \$11.05 - \$12.05 to reflect modestly higher-than-expected used vehicle sales trends
- 2Q23 and full-year 2023 GAAP EPS forecast includes ~\$3.75 cumulative currency translation charge for UK exit
- 2023 ROE Forecast on 16% - 18%, in line with long-term target range of high-teens
- Continue to expect strong but reduced earnings in 2023 as weak freight conditions impact used vehicle sales and rental
- Contractual lease, dedicated, and supply chain businesses expected to continue to show improvement based on our growth and return initiatives

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

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# Positioned to Increase Shareholder Value

Secular trends, operational expertise, and momentum from multi-year initiatives provide **significant opportunity for long-term profitable growth**

Structural changes to our business model and continued execution of our balanced growth strategy position us to **achieve long-term targets, increase business model resiliency and outperform prior cycles**

Investing in the future of transportation and logistics to **create value for our customers and shareholders**





# Q&A

# Appendix

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Financial Targets

Residuals Chart

Comparable Segment EBITDA

Business Segment Detail

Central Support Services

Balance Sheet

Asset Management

Non-GAAP Financial Measures & Reconciliations

# Long Term Financial Model

## ROE

**Long-term average over the cycle**

*Component drivers to achieve ROE target include:*

### Operating Revenue Growth

**Total Ryder**

**Fleet Management**

**Supply Chain**

**Dedicated**

### EBT as % of Operating Revenue

**Fleet Management**

**Supply Chain**

**Dedicated**

### Leverage (Debt-to-Equity)

## TARGET

**High Teens**

**High Single Digit**

**Mid Single Digit**

**Low Double Digit**

**High Single Digit**

**Low Double Digit**

**High Single Digit**

**High Single Digit**

**250 - 300%**

## 2023 FORECAST



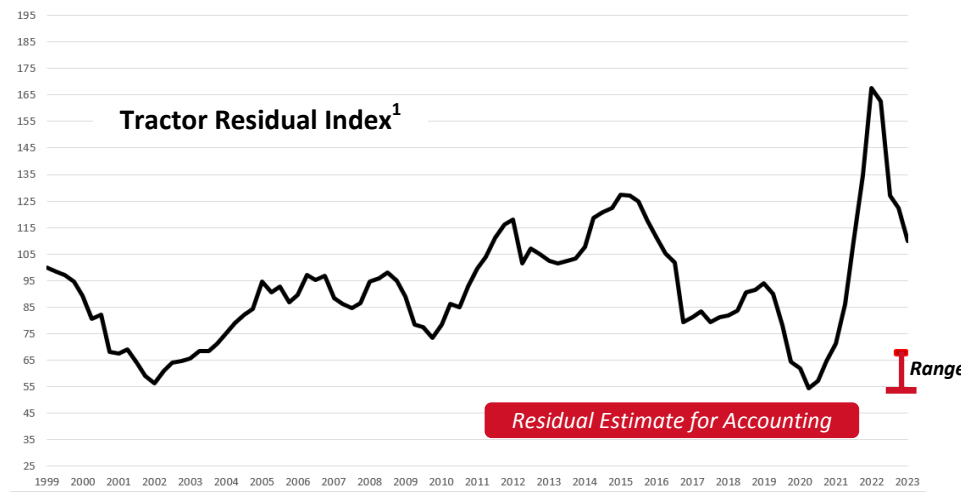
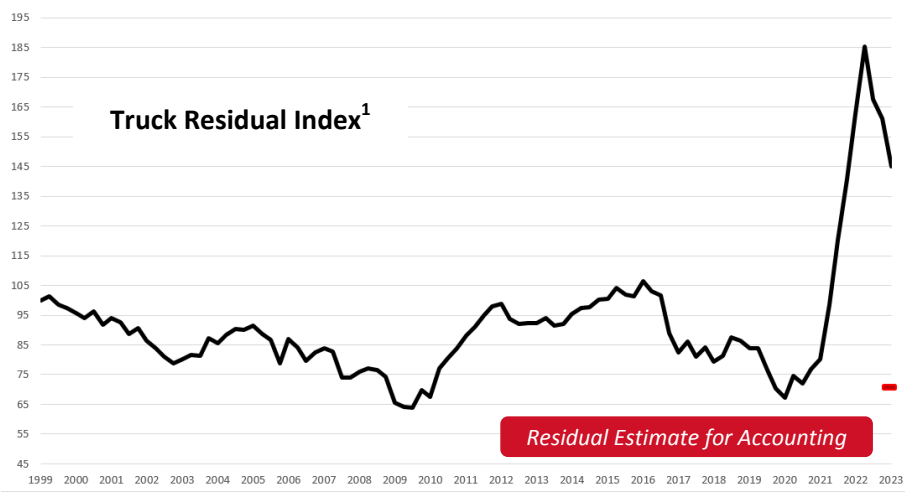
In order to achieve a long-term ROE target over the cycle, we are pursuing segment revenue and profitability targets as set forth above over the long-term. Our long-term leverage goal is also set forth above. These targets are based on management's current estimates and expectations over the long-term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

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# Historical Sales Price as % of Original Cost & Current Residual Value Estimates



**RESIDUAL VALUE  
ESTIMATE  
ACTIONS TAKEN**



**Accounting Residuals:** Previously lowered by ~30% to address used vehicle volatility risk and incorporated a tractor downturn into estimates

<sup>1</sup> Illustrative for Truck and Tractor (U.S. only) fleets. Depicts Ryder's sales prices as a percent of original cost indexed to the value in 1999 to show the percent change in value each year. Excludes vehicles operated in excessively high mileage applications and sales prices adjusted to a consistent age at sale. Sales prices incorporate retail/wholesale mix at the respective time periods.

# Comparable Segment EBITDA

1Q23	First Quarter			(\$ Millions)
	FMS	SCS	DTS	
Earnings before income tax	\$ 182	\$ 17	\$ 29	
Interest expense / (income)	64	2	(1)	
Depreciation <sup>(1)</sup>	389	54	1	
Used vehicle sales, net <sup>(1)</sup>	(70)	—	—	
<b>Comparable Segment EBITDA <sup>(2)</sup></b>	<b>\$ 565</b>	<b>\$ 73</b>	<b>\$ 29</b>	

1Q22	First Quarter			(\$ Millions)
	FMS	SCS	DTS	
Earnings before income tax	\$ 249	\$ 43	\$ 20	
Interest expense / (income)	50	3	(1)	
Depreciation <sup>(1)</sup>	412	16	1	
Used vehicle sales, net	(105)	—	—	
<b>Comparable Segment EBITDA <sup>(2)</sup></b>	<b>\$ 607</b>	<b>\$ 62</b>	<b>\$ 20</b>	

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

(1) Excludes the impact of depreciation and gains on vehicles sold allocated to SCS and DTS.

(2) Non-GAAP financial measure. A reconciliation of GAAP net earnings to comparable EBITDA for each business segment (FMS, SCS and DTS) is set forth in this table.

# Business Segments

## First Quarter

(\$ Millions)

	2023			Memo: Operating Revenue <sup>(3)</sup>		
	2023	2022	% B/(W)	2023	2022	% B/(W)
Total Revenue:						
Fleet Management Solutions	\$ 1,503	\$ 1,529	(2)%	\$ 1,262	\$ 1,282	(2)%
Supply Chain Solutions	1,201	1,089	10%	879	738	19%
Dedicated Transportation Solutions	454	425	7%	322	296	9%
Eliminations	(206)	(189)	(9)%	(117)	(100)	(17)%
Total	<u>\$ 2,952</u>	<u>\$ 2,854</u>	<u>3%</u>	<u>\$ 2,346</u>	<u>\$ 2,216</u>	<u>6%</u>
Segment Earnings Before Tax: <sup>(1)</sup>						
Fleet Management Solutions	\$ 182	\$ 249	(27)%			
Supply Chain Solutions	17	43	(60)%			
Dedicated Transportation Solutions	29	20	45%			
Eliminations	(25)	(26)	4%			
Total	<u>203</u>	<u>286</u>	<u>(29)%</u>			
Central Support Services (Unallocated Share)	(15)	(16)	(6)%			
Intangible amortization expense	(9)	(10)	(10)%			
Non-operating Pension Costs, net	(10)	(3)	233%			
Other Items Impacting Comparability, net <sup>(2)</sup>	32	(5)	NM			
Earnings Before Income Taxes	<u>201</u>	<u>252</u>	<u>(20)%</u>			
Provision for Income Taxes	61	76	(20)%			
Earnings from Continuing Operations	<u>\$ 140</u>	<u>\$ 176</u>	<u>(20)%</u>			
Comparable Earnings from Continuing Operations <sup>(3)</sup>	<u>\$ 133</u>	<u>\$ 188</u>	<u>(29)%</u>			

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

(2) Amounts in 2023 are comprised of FMS U.K. exit of \$31 million and other, net of \$1 million. Amounts in 2022 are comprised of FMS U.K. exit of \$(1) million and other, net of \$(4) million.

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

# Fleet Management Solutions (FMS)

	<u>First Quarter</u>		(\$ Millions)
<u>Revenue</u>	<u>2023</u>	<u>2022</u>	<u>% B/(W)</u>
ChoiceLease	\$ 776	\$ 764	2%
Commercial rental	304	306	(1)%
SelectCare and other	182	148	23%
FMS Europe	—	64	NM
FMS operating revenue <sup>(1)</sup>	<u>1,262</u>	<u>1,282</u>	<u>(2)%</u>
Fuel services revenue	<u>241</u>	<u>247</u>	<u>(2)%</u>
FMS total revenue	<u>\$ 1,503</u>	<u>\$ 1,529</u>	<u>(2)%</u>
<u>Earnings Before Tax</u>			
FMS Earnings Before Tax (EBT) <sup>(2)</sup>	<u>\$ 182</u>	<u>\$ 249</u>	<u>(27)%</u>
FMS EBT as a % of FMS total revenue	<u>12.1 %</u>	<u>16.3 %</u>	
FMS EBT as a % of FMS operating revenue <sup>(1)</sup>	<u>14.4 %</u>	<u>19.4 %</u>	

NM - Not meaningful

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.

# Fleet Management Solutions (FMS)

(\$ Millions)

## Trailing Twelve Months

<u>Revenue</u>	<u>2023</u>	<u>2022</u>	<u>% B/(W)</u>
FMS operating revenue <sup>(1)</sup>	\$ 5,193	\$ 5,055	3%
Fuel services revenue	1,108	818	35%
FMS total revenue	<u>\$ 6,301</u>	<u>\$ 5,873</u>	7%
 <u>FMS Earnings Before Tax</u>			
FMS Earnings Before Tax (EBT) <sup>(2)</sup>	<u>\$ 990</u>	<u>\$ 850</u>	16%
FMS EBT as a % of FMS total revenue	<u>15.7 %</u>	<u>14.5 %</u>	
FMS EBT as a % of FMS operating revenue <sup>(1)</sup>	<u>19.1 %</u>	<u>16.8 %</u>	

NM - Not meaningful

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.

# Supply Chain Solutions (SCS)

## First Quarter

(\$ Millions)

<u>Revenue</u>	<u>2023</u>	<u>2022</u>	<u>% B/(W)</u>
Omnichannel retail	\$ 311	\$ 270	15%
Automotive	254	195	30%
Consumer packaged goods	218	187	17%
Industrial and other	96	86	12%
SCS operating revenue <sup>(1)</sup>	879	738	19%
Subcontracted transportation and fuel	322	351	(8)%
SCS total revenue	<u>\$ 1,201</u>	<u>\$ 1,089</u>	10%
<u>Earnings Before Tax</u>			
SCS Earnings Before Tax (EBT) <sup>(2)</sup>	<u>\$ 17</u>	<u>\$ 43</u>	(60)%
SCS EBT as a % of SCS total revenue	<u>1.4 %</u>	<u>3.9 %</u>	
SCS EBT as a % of SCS operating revenue <sup>(1)</sup>	<u>1.9 %</u>	<u>5.8 %</u>	

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.

# Supply Chain Solutions (SCS)

## Trailing Twelve Months

(\$ Millions)

<u>Revenue</u>	<u>2023</u>	<u>2022</u>	<u>% B/(W)</u>
SCS operating revenue <sup>(1)</sup>	\$ 3,395	\$ 2,446	39%
Subcontracted transportation and fuel	1,437	1,091	32%
SCS total revenue	<u>\$ 4,832</u>	<u>\$ 3,537</u>	37%
<u>Earnings Before Tax</u>			
SCS Earnings Before Tax (EBT) <sup>(2)</sup>	<u>\$ 194</u>	<u>\$ 132</u>	47%
SCS EBT as a % of SCS total revenue	<u>4.0 %</u>	<u>3.7 %</u>	
SCS EBT as a % of SCS operating revenue <sup>(1)</sup>	<u>5.7 %</u>	<u>5.4 %</u>	

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.

# Dedicated Transportation Solutions (DTS)

(\$ Millions)

	<u>First Quarter</u>		<u>% B/(W)</u>
	<u>2023</u>	<u>2022</u>	
<u>Revenue</u>			
DTS Operating Revenue <sup>(1)</sup>	\$ <b>322</b>	\$ 296	<b>9%</b>
Subcontracted transportation and fuel	<b>132</b>	129	<b>2%</b>
DTS Total Revenue	<u>\$ <b>454</b></u>	<u>\$ 425</u>	<b>7%</b>
 <u>Earnings Before Tax</u>			
DTS Earnings Before Tax (EBT) <sup>(2)</sup>	<u>\$ <b>29</b></u>	<u>\$ 20</u>	<b>45%</b>
DTS EBT as a % of DTS Total Revenue	<u><b>6.4 %</b></u>	<u>4.7 %</u>	
DTS EBT as a % of DTS Operating Revenue <sup>(1)</sup>	<u><b>9.0 %</b></u>	<u>6.8 %</u>	

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.

# Dedicated Transportation Solutions (DTS)

(\$ Millions)

## Trailing Twelve Months

<u>Revenue</u>	<u>2023</u>	<u>2022</u>	<u>% B/(W)</u>
DTS Operating Revenue <sup>(1)</sup>	\$ 1,265	\$ 1,115	13%
Subcontracted transportation and fuel	550	447	23%
DTS Total Revenue	<u>\$ 1,815</u>	<u>\$ 1,562</u>	16%
<u>Earnings Before Tax</u>			
DTS Earnings Before Tax (EBT) <sup>(2)</sup>	<u>\$ 111</u>	<u>\$ 56</u>	98%
DTS EBT as a % of DTS Total Revenue	<u>6.1 %</u>	<u>3.6 %</u>	
DTS EBT as a % of DTS Operating Revenue <sup>(1)</sup>	<u>8.8 %</u>	<u>5.0 %</u>	

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

(2) Beginning in Q1 2023, we redefined segment EBT to exclude intangible amortization expense, in addition to certain other items which were already excluded as described in our annual and quarterly filings with the SEC. All prior year segment EBT financial metrics shown have been recast to exclude intangible amortization expense.

# Central Support Services (CSS)

## First Quarter

(\$ Millions)

	<u>2023</u>	<u>2022</u>	<u>% B/(W)</u>
Allocated CSS Costs	\$ <b>88</b>	\$ 81	<b>(9)%</b>
Unallocated CSS Costs	<b>15</b>	16	<b>6%</b>
Total CSS Costs	<u>\$ <b>103</b></u>	<u>\$ 97</u>	<u><b>(6)%</b></u>

Note: Amounts may not be additive due to rounding.

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# Supply Chain Solutions (SCS) - 2022 Quarterly

Beginning in the first quarter of 2023, we introduced the Omnichannel retail industry to provide better visibility to the revenue mix following recent acquisitions and organic growth.

(\$ Millions)

## Revenue - New Vertical Presentation

	1Q22	2Q22	3Q22	4Q22
Omnichannel retail	\$ 270	\$ 292	\$ 309	\$ 344
Automotive	195	217	226	232
Consumer packaged goods	187	198	208	213
Industrial and other	86	91	92	94
SCS operating revenue <sup>(1)</sup>	738	798	835	883
Subcontracted transportation and fuel	351	376	371	368
SCS total revenue	<u>\$ 1,089</u>	<u>\$ 1,174</u>	<u>\$ 1,206</u>	<u>\$ 1,251</u>

## Revenue - Prior Vertical Presentation

Consumer packaged good and retail	\$ 395	\$ 423	\$ 445	\$ 484
Automotive	195	217	226	232
Technology and healthcare	70	74	78	80
Industrial and other	78	84	86	87
SCS operating revenue <sup>(1)</sup>	738	798	835	883
Subcontracted transportation and fuel	351	376	371	368
SCS total revenue	<u>\$ 1,089</u>	<u>\$ 1,174</u>	<u>\$ 1,206</u>	<u>\$ 1,251</u>

Note: Amounts may not be additive due to rounding.

Note: We updated our primary measurement of segment financial performance. See slides 32 and 33 for more information.

(1) Non-GAAP financial measure.

# Supply Chain Solutions (SCS) - Full Year

Beginning in the first quarter of 2023, we introduced the Omnichannel retail industry to provide better visibility to the revenue mix following recent acquisitions and organic growth.

## Revenue - New Vertical Presentation

	2022	2021	2020	(\$ Millions)
Omnichannel retail	\$ 1,215	\$ 627	\$ 524	
Automotive	870	693	638	
Consumer packaged goods	806	629	513	
Industrial and other	363	262	195	
SCS operating revenue <sup>(1)</sup>	<u>3,254</u>	<u>2,211</u>	<u>1,870</u>	
Subcontracted transportation and fuel	1,466	944	674	
SCS total revenue	<u>\$ 4,720</u>	<u>\$ 3,155</u>	<u>\$ 2,544</u>	

## Revenue - Prior Vertical Presentation

Consumer packaged good and retail	\$ 1,747	\$ 1,020	\$ 814	
Automotive	870	693	638	
Technology and healthcare	302	240	223	
Industrial and other	335	258	195	
SCS operating revenue <sup>(1)</sup>	<u>3,254</u>	<u>2,211</u>	<u>1,870</u>	
Subcontracted transportation and fuel	1,466	944	674	
SCS total revenue	<u>\$ 4,720</u>	<u>\$ 3,155</u>	<u>\$ 2,544</u>	

Note: Amounts may not be additive due to rounding.

Note: We updated our primary measurement of segment financial performance. Detail See slides 32 and 33 for more information.

(1) Non-GAAP financial measure.

# Segment EBT

In the first quarter of 2023, we revised our primary measurement of segment financial performance to exclude intangible amortization expense, as our chief operating decision maker does not consider intangible amortization expense when evaluating the profitability of our segments. We revised the presentation of the prior period to conform to the current period presentation. This change did not have a material impact to segment results.

(\$ Millions)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>FMS Earnings Before Tax (EBT)</u>			
FMS EBT	\$ 1,057	\$ 665	\$ (139)
FMS EBT as a % of FMS Total Revenue	16.7 %	11.7 %	(2.7)%
FMS EBT as a % of FMS Operating Revenue <sup>(1)</sup>	20.3 %	13.5 %	(3.0)%
<u>SCS Earnings Before Tax (EBT)</u>			
SCS EBT	\$ 220	\$ 123	\$ 165
SCS EBT as a % of SCS Total Revenue	4.7 %	3.9 %	6.5 %
SCS EBT as a % of SCS Operating Revenue <sup>(1)</sup>	6.8 %	5.6 %	8.8 %
<u>DTS Earnings Before Tax (EBT)</u>			
DTS EBT	\$ 102	\$ 49	\$ 73
DTS EBT as a % of DTS Total Revenue	5.7 %	3.4 %	5.9 %
DTS EBT as a % of DTS Operating Revenue <sup>(1)</sup>	8.2 %	4.6 %	7.9 %

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

# Segment EBT

In the first quarter of 2023, we revised our primary measurement of segment financial performance to exclude intangible amortization expense, as our chief operating decision maker does not consider intangible amortization expense when evaluating the profitability of our segments. We revised the presentation of the prior period to conform to the current period presentation. This change did not have a material impact to segment results.

(\$ Millions)

	<u>1Q22</u>	<u>2Q22</u>	<u>3Q22</u>	<u>4Q22</u>	<u>1Q21</u>	<u>2Q21</u>	<u>3Q21</u>	<u>4Q21</u>
<u>FMS Earnings Before Tax</u>								
FMS Earnings Before Tax (EBT)	\$ 249	\$ 284	\$ 268	\$ 256	\$ 64	\$ 159	\$ 186	\$ 256
FMS EBT as a % of FMS Total Revenue	16.3 %	17.5 %	16.9 %	16.1 %	4.8 %	11.3 %	12.9 %	17.1 %
FMS EBT as a % of FMS Operating Revenue <sup>(1)</sup>	19.4 %	21.7 %	20.6 %	19.4 %	5.5 %	13.0 %	14.9 %	19.7 %
<u>SCS Earnings Before Tax</u>								
SCS Earnings Before Tax (EBT)	\$ 43	\$ 62	\$ 71	\$ 44	\$ 34	\$ 42	\$ 23	\$ 24
SCS EBT as a % of SCS Total Revenue	3.9 %	5.3 %	5.9 %	3.5 %	4.8 %	5.4 %	2.9 %	2.8 %
SCS EBT as a % of SCS Operating Revenue <sup>(1)</sup>	5.8 %	7.8 %	8.5 %	5.0 %	6.8 %	7.9 %	4.1 %	3.9 %
<u>DTS Earnings Before Tax</u>								
DTS Earnings Before Tax (EBT)	\$ 20	\$ 24	\$ 28	\$ 30	\$ 13	\$ 13	\$ 11	\$ 12
DTS EBT as a % of DTS Total Revenue	4.7 %	5.3 %	6.2 %	6.6 %	4.1 %	3.7 %	2.9 %	3.0 %
DTS EBT as a % of DTS Operating Revenue <sup>(1)</sup>	6.8 %	7.8 %	8.8 %	9.4 %	5.5 %	5.1 %	4.0 %	4.1 %

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

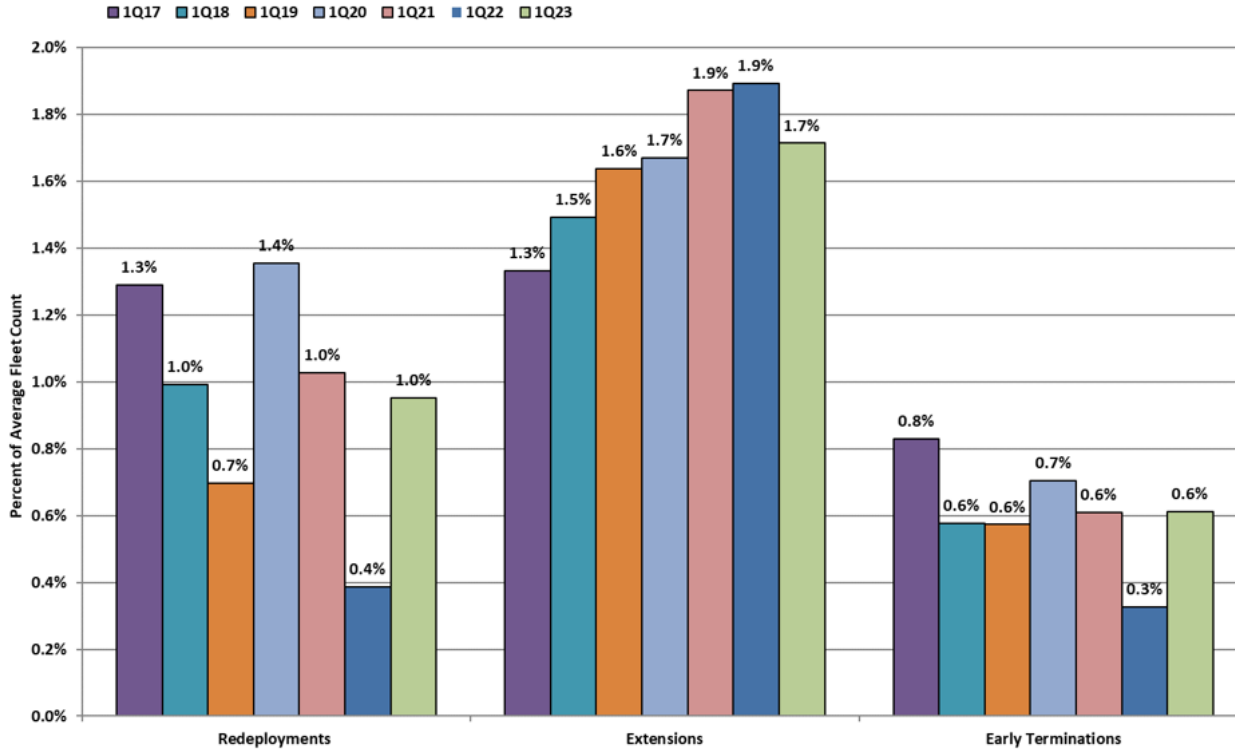
# Balance Sheet

(\$ Millions)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Cash and cash equivalents	\$ 253	\$ 267
Other current assets	2,007	1,933
Revenue earning equipment, net	8,253	8,190
Operating property and equipment, net	1,093	1,148
Other assets	2,937	2,857
Total assets	<u>\$ 14,543</u>	<u>\$ 14,395</u>
Current liabilities	\$ 2,081	\$ 1,967
Total debt (including current portion)	6,340	6,352
Other non-current liabilities (including deferred income taxes)	3,117	3,139
Shareholders' equity	3,005	2,937
Total liabilities and shareholders' equity	<u>\$ 14,543</u>	<u>\$ 14,395</u>

Note: Amounts may not be additive due to rounding.

# Asset Management Update (US Only)



**Redeployments** – Vehicles coming off-lease or in Rental with useful life remaining are redeployed in the Ryder fleet (SCS, or with another Lease customer). Redeployments exclude units transferred into the Rental product line.

**Extensions** – Ryder re-prices lease contract and extends maturity date.

**Early terminations** – Customer elects to terminate lease prior to maturity. Depending on the remaining useful life, the vehicle may be redeployed in the Ryder fleet (Commercial Rental, SCS, other Lease customer) or sold by Ryder.

# 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
<b>Operating Revenue Measures:</b>		
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)
<b>Comparable Earnings Measures:</b>		
Comparable Earnings and Comparable EPS	Earnings and EPS from Continuing Operations	Earnings and EPS from Continuing Operations Reconciliation Comparable EPS
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
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
<b>Cash Flow Measures:</b>		
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

(\$ Millions)

## First Quarter

	<u>2023</u>	<u>2022</u>
Total Revenue	\$ 2,952	\$ 2,854
Subcontracted Transportation and Fuel	(606)	(638)
Operating Revenue <sup>(1)</sup>	<u>\$ 2,346</u>	<u>\$ 2,216</u>

Note: Amounts may not be additive due to rounding.

(1) Non-GAAP financial measure.

# Earnings and EPS from Continuing Operations Reconciliation

(\$ Millions, Except Per Share Amounts)

	1Q23 Earnings	1Q23 EPS	1Q22 Earnings	1Q22 EPS
Continuing operations (GAAP)	\$ 140	\$ 2.95	\$ 176	\$ 3.35
Non-operating pension costs, net	8	0.17	2	0.04
FMS U.K. exit <sup>(1)</sup>	(31)	(0.66)	1	0.02
Other, net <sup>(1)</sup>	(1)	(0.01)	4	0.08
Tax adjustments, net <sup>(2)</sup>	17	0.36	5	0.10
Comparable (non-GAAP)	<u>\$ 133</u>	<u>\$ 2.81</u>	<u>\$ 188</u>	<u>\$ 3.59</u>

Note: Amounts may not be additive due to rounding.

(1) Comprises Other items impacting comparability, net.

(2) Primarily includes gains on properties as part of planned exit of the U.K. business in 2022 and certain FMS properties in the U.K. that were restructured as part of cost reduction activities in prior periods.

# Comparable EPS Reconciliation

	Second Quarter 2023 Forecast	Full Year 2023 Forecast
EPS from continuing operations forecast (GAAP)	<b>\$(1.12) - \$(0.87)</b>	<b>\$7.21 - \$7.96</b>
Non-operating pension costs, net	<b>0.17</b>	<b>0.66</b>
CTA release from FMS U.K. exit	<b>3.75</b>	<b>3.75</b>
FMS U.K. exit	<b>—</b>	<b>(0.32)</b>
Comparable EPS from continuing operations forecast (non-GAAP)	<b>\$2.80 - \$3.05</b>	<b>\$11.30 - \$12.05</b>
	Second Quarter 2022	Full Year 2022
EPS from continuing operations (GAAP)	\$ 4.72	\$ 16.96
Non-operating pension costs, net	0.03	0.14
FMS U.K. exit	(0.63)	(1.61)
Other, net	—	(0.02)
Tax adjustments, net	0.31	0.90
Comparable EPS from continuing operations (non-GAAP)	\$ 4.43	\$ 16.37

# Adjusted Return on Equity Reconciliation <sup>(1)</sup>

	Twelve months ended March 31,			(\$ Millions)
	2022	2023	2023 Forecast	
Net earnings	\$ 644	\$ 832	\$ 325	
Other items impacting comparability, net <sup>(5)</sup>	(13)	(121)	190	
Income taxes <sup>(2)</sup>	228	339	195	
Adjusted earnings before income taxes	859	1,050	710	
Adjusted income taxes <sup>(3)</sup>	(215)	(280)	(195)	
Adjusted net earnings [A]	<u>\$ 644</u>	<u>\$ 770</u>	<u>\$ 515</u>	
Average shareholders' equity	\$ 2,532	\$ 2,887	\$ 3,040	
Average adjustments to shareholders' equity <sup>(4)</sup>	(2)	(15)	(10)	
Adjusted average shareholders' equity [B]	<u>\$ 2,530</u>	<u>\$ 2,872</u>	<u>\$ 3,030</u>	
Adjusted return on equity <sup>(1)</sup> [A]/[B]	25 %	27 %	17 %	

- (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) Represents provision for income taxes plus income taxes on other items impacting comparability.
- (4) Represents the impact of other items impacting comparability, net of tax, to equity for the respective period.
- (5) Other items impacting comparability are comprised of the following:

	Twelve months ended March 31,		
	2022	2023	2023 Forecast
FMS U.K. exit	\$ (28)	\$ (114)	\$ 10
CTA release from FMS U.K. exit	—	—	180
Other, net	10	(7)	—
ERP implementation costs	5	—	—
Other items impacting comparability	<u>\$ (13)</u>	<u>\$ (121)</u>	<u>\$ 190</u>

# Free Cash Flow Reconciliation

(\$ Millions)

	Three months ended March 31,	
	2022	2023
Cash Provided by Operating Activities from Continuing Operations	\$ 466	\$ 478
Proceeds from Sales (Primarily Revenue Earning Equipment) <sup>(1)</sup>	226	264
Total Cash Generated <sup>(2)</sup>	692	742
Purchases of Property and Revenue Earning Equipment	(584)	(641)
Free Cash Flow <sup>(2) (3)</sup>	\$ 108	\$ 101

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)

	2019	2020	2021	2022	2023 Forecast
Net Cash Provided by Operating Activities from Continuing Operations	\$ 2,141	\$ 2,181	\$ 2,175	\$ 2,310	\$ 2,400
Proceeds from Sales (Primarily Revenue Earning Equipment) <sup>(1)</sup>	518	552	822	1,235	800
Other, net <sup>(1)</sup>	—	—	1	7	—
Total Cash Generated <sup>(2)</sup>	2,659	2,734	2,998	3,552	3,200
Purchases of Property and Revenue Earning Equipment <sup>(1)</sup>	(3,735)	(1,147)	(1,941)	(2,631)	(3,000)
Free Cash Flow <sup>(2) (3)</sup>	\$ (1,077)	\$ 1,587	\$ 1,057	\$ 921	\$ 200

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.