



2024 ANNUAL REPORT

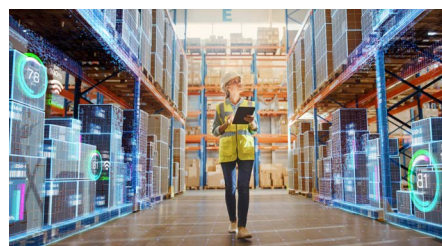
UNLEASHING OUR POTENTIAL



CORPORATE PROFILE

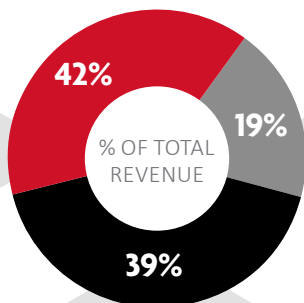
Ryder System, Inc. is a \$12.6 billion fully integrated port-to-door logistics and transportation company. We operate behind the scenes managing critical fleet, transportation, and supply chain functions for more than 40,000 customers, many of which make products consumers use every day.

RYDER OPERATES IN THREE COMPLEMENTARY BUSINESS SEGMENTS:



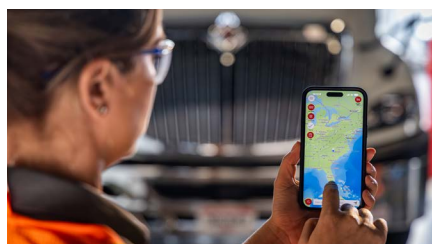
SCS
SUPPLY CHAIN SOLUTIONS

Offers end-to-end suite of solutions that includes warehousing, distribution, transportation logistics, e-commerce and omnichannel fulfillment, and last mile delivery to turn logistics networks into competitive advantages.



DTS
DEDICATED TRANSPORTATION SOLUTIONS

Provides all the benefits of a private fleet by combining the best of Ryder’s leasing and maintenance capabilities with the safest and most professional drivers and technology in the industry.



FMS
FLEET MANAGEMENT SOLUTIONS

Offers full-service leasing, contract maintenance, and commercial rental of trucks, tractors, and trailers to help businesses of all sizes across virtually every industry deliver for their customers.

QUICK FACTS

1933
YEAR FOUNDED

50,700
FULL-TIME EMPLOYEES

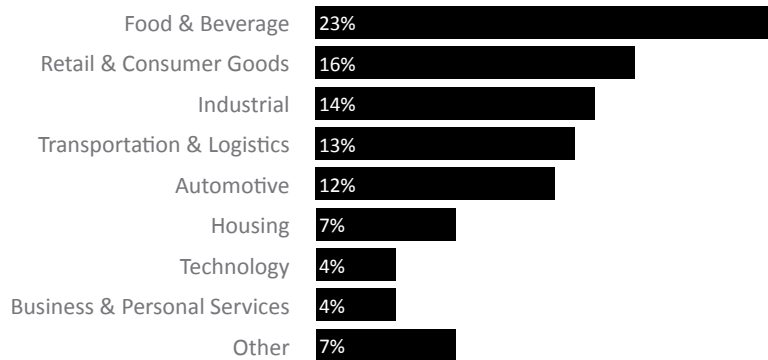
~250,000
VEHICLES SERVICED

\$10B
FREIGHT UNDER MANAGEMENT

>40,000¹
COMMERCIAL CUSTOMERS

>100M
SQ. FT. OF WAREHOUSE SPACE

DIVERSIFIED CUSTOMER BASE (as a % of operating revenue)



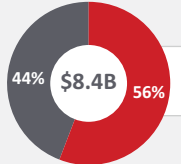
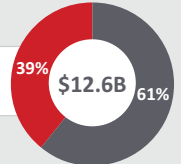
¹Represents total customers across all product lines. Customers utilizing multiple product lines may be counted more than once.

STRATEGY

“Across all phases of the current freight cycle, our earnings and return profile has outperformed prior cycles.”

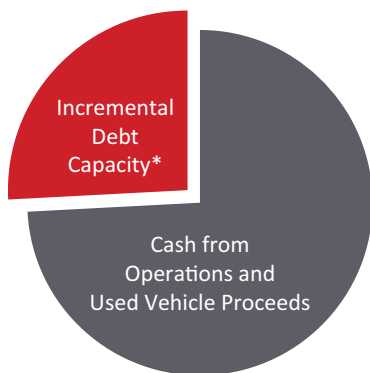
ROBERT SANCHEZ
CHAIR AND CHIEF
EXECUTIVE OFFICER

HIGHER EARNINGS AND RETURN PROFILE REFLECTS TRANSFORMATIVE CHANGES

	2018: Pre-transformation <i>Freight Cycle Peak</i>	2024: Post-transformation <i>Expected Freight Cycle Trough</i>	CHANGE (Δ)
Revenue Mix			+17 pts (SCS/DTS) ↑
Comparable EPS	\$5.95	\$12.00	2.0x ↑
Adjusted ROE (ROE)	13%	16%	+300 bps ↑

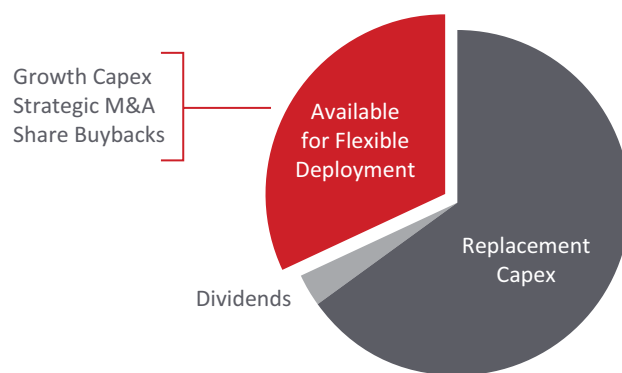
CREATING INCREMENTAL CAPITAL DEPLOYMENT CAPACITY

Earnings power of contractual business is expected to drive strong operating cash flow, creating incremental debt capacity



*Debt capacity based on 2.75x leverage (midpoint of target range)

Capital deployment capacity supports capital allocation priorities



SINCE 2021

~\$7.9B

INVESTED IN
VEHICLE CAPEX

~\$1.1B

INVESTED IN
STRATEGIC M&A

~\$950M

DISCRETIONARY SHARE
REPURCHASES

Comparable EPS and ROE are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures, see page 49 and 51 of our Annual Report on Form 10-K for the year ended December 31, 2024.

STRATEGY

CURRENT PHASE OF BALANCED GROWTH STRATEGY BUILDS ON TRANSFORMED BUSINESS MODEL

CREATE COMPELLING VALUE THROUGH OPERATIONAL EXCELLENCE

Continuous improvement process to drive maintenance and operations efficiencies – **\$50M** multi-year **maintenance cost savings initiative**

Leverage multi-client network; well-positioned to benefit from long-term growth trends

Continue to deploy Ryder Flex operating structure – improve efficiencies while driving increased customer service levels

INVEST IN CUSTOMER-CENTRIC INNOVATION

Proprietary technologies differentiate services and provide customer value:

- **RYDERSHARE™**
- **RYDERGYDE™**
- **RYDERVIEW™**
- **RYDERSHIP™**

Baton, a Ryder Technology Lab – creating a first-of-its-kind **AI-powered digital platform and optimization engine**

FURTHER IMPROVE FULL-CYCLE RETURNS AND GENERATE PROFITABLE GROWTH

Differentiate lease pricing with focus on higher return segments – **full annual benefit of \$125M** (compared to FY18) expected to be realized in 2025

Expand share of wallet within vertical subsegments—cross sell **co-packaging and co-manufacturing** within CPG and expand to other verticals

Integrate Cardinal acquisition to realize synergies and benefit from top-grade talent; **\$40-60M synergies** expected by 2026

ONGOING EXECUTION OF STRATEGY EXPECTED TO FURTHER LIFT RETURNS PROFILE

INCREASED
ROE TARGET
TO
LOW 20S
OVER THE CYCLE

ROE is a non-GAAP financial measure. For a reconciliation of this non-GAAP financial measure, see page 51 of our Annual Report on Form 10-K for the year ended December 31, 2024.



CEO LETTER



“During 2024, the business generated comparable earnings per share of \$12.00, which is significantly above the \$5.95 of comparable earnings per share generated in 2018, prior to our business transformation and representing prior freight cycle peak.”

ROBERT SANCHEZ
CHAIR AND CHIEF EXECUTIVE OFFICER

\$456M

RETURNED IN CASH
 TO SHAREHOLDERS

14%

INCREASED DIVIDEND

DEAR SHAREHOLDERS:

I’m extremely proud of the Ryder team for delivering solid results throughout 2024 despite an extended freight cycle downturn. We continue to outperform prior cycles, driven by our high-quality contractual portfolio and reflecting the actions we’ve taken under our balanced growth strategy to de-risk the business, increase the return profile, and accelerate growth in our asset-light Supply Chain Solutions (SCS) and Dedicated Transportation Solutions (DTS) businesses. We continue to see long-term growth opportunities in all three of our business segments, supported by secular trends that favor outsourcing decisions, large addressable markets, and the value of our solutions.

2024 RESULTS

During 2024, the business generated comparable earnings per share (EPS) of \$12.00, which is significantly above the \$5.95 of comparable earnings per share generated in 2018, prior to our business transformation and representing prior freight cycle peak. The business also delivered adjusted return on equity (ROE) of 16%, which is in line with our expectations for an extended freight cycle downturn and reflects the benefits of our initiatives focused on enhancing returns. The strength of our contractual businesses continues to demonstrate the enhanced quality of the portfolio and increased resilience of our business model. Operating revenue grew by 8%, reflecting the Cardinal and IFS acquisitions. Through organic growth, strategic acquisitions, and innovative technology, we have shifted our revenue mix towards SCS and DTS, with 61% of 2024 revenue coming from these asset-light businesses, compared to 44% in 2018.

For several years, you have heard me speak of my optimism toward Ryder’s transformation journey. During 2024, we continued to outperform key metrics relative to prior cycles, demonstrating the effectiveness of the strategy. The next phase of our balanced growth strategy focuses on creating compelling value through operational excellence, investing in customer-centric innovation, and further improving full-cycle returns and generating profitable growth. At the Investor Day we hosted in June 2024, we increased our ROE target over the cycle from high teens to low 20s. We are confident in our ability to achieve this new target over time as we continue to execute on our initiatives.

Comparable EPS, ROE and operating revenue are non-GAAP financial measures.

For a reconciliation of these non-GAAP financial measures, see page 49-51 of our Annual Report on Form 10-K for the year ended December 31, 2024.

Lease or Buy? Evaluating the Rising Costs of Truck Fleet Ownership

Data-driven analysis for fleet owners and managers to understand the total cost of ownership (TCO) and make informed decisions about fleet management strategy.

**LEARN MORE ABOUT THE
VALUE PROPOSITION OF RYDER
CHOICELEASE [HERE](#).**



CAPACITY TO SUPPORT CAPITAL ALLOCATION PRIORITIES

The earnings power of our contractual portfolio provides us with increased capital deployment capacity, which we expect to use to support profitable growth and return capital to shareholders. During 2024, we returned \$456 million in cash to shareholders through share repurchases and dividends. We repurchased 2.5 million shares and increased our dividend by 14%. Since 2021, we have repurchased approximately 19% of our shares outstanding and increased the average dividend growth rate to 12%.

CUSTOMER-CENTRIC INNOVATION AND THOUGHT LEADERSHIP

Ryder is at the forefront of identifying new technology for operational advancements. This has led Ryder to develop a suite of customer-centric technology solutions for enhanced supply chain visibility (RyderShare™), control of last mile orders (RyderView™), fleet management (RyderGyde™), and e-commerce fulfillment (RyderShip™), and even new services like our retail mobile maintenance solution (Torque by Ryder™).

Ryder also acts as an extended research and development arm for our suppliers and customers. We are at the table with vehicle manufacturers, technology innovators, and industry peers to develop solutions our customers can implement to reach their goals. In 2024, one area fleet operators frequently asked us about centered on the cost, benefit, and complexities of converting to electric. As a result, Ryder published “Charged Logistics: The Cost of Electric Vehicle Conversion for U.S. Commercial Fleets.” Using extensive Ryder historical data and current market prices for both electric and internal combustion engine (ICE) vehicles as well as charging infrastructure, Ryder examined the potential economic impacts of implementing an all-EV fleet in California and Georgia, states where electricity, fuel, and labor costs range from highest in the country to more modest. The results of the study delivered data-driven insights that fleet operators, regulators, vehicle manufacturers, and technology innovators will find valuable as they evaluate the opportunities and costs of fleet electrification.

CORPORATE RESPONSIBILITY

We strive daily to uphold our corporate values of being Responsible, Determined, and Trustworthy, as well as live up to our tagline of “Ever better!” and its message of continuous improvement. With 50,000 plus employees living those values every day, instilling them as a natural part of Ryder’s workplace culture, I’m proud to say that their efforts did not go unnoticed. For the 13th year in a row, FORTUNE named Ryder one of the “World’s Most Admired Companies” for 2025. Of course, one of our most important distinctions is cultivating a positive, inclusive, and innovative work environment for our employees, and I was proud to see Ryder named among Newsweek’s “America’s Greatest Workplaces” as well as being named a 2024 “Top Company for Women to Work in Transportation” by Women in Trucking. Finally, to be the best, you must employ the best. Ryder has long seen the

LEARN MORE ABOUT SUSTAINABILITY AT RYDER HERE.

Ryder sustainability reporting includes an annual Corporate Sustainability Report (CSR) and CDP Corporate Response.



value in recruiting military veterans, which is why we were proud to be honored as a 2024 VETS Indexes Recognized Employer for our commitment to recruiting, hiring, retaining, developing, and supporting veterans and the military-connected community.

Ryder employees live and work in communities across North America. And it's not only the business we conduct, but how we conduct our business that has a direct impact on those communities. In October, we hosted our annual United Way workplace campaign. Between employee contributions and Ryder's corporate gift, we raised a record \$1.15 million.

Ryder is focused on optimizing supply chains by improving efficiencies, conserving resources, and minimizing waste. Doing business responsibly, efficiently, and safely is ingrained in our culture and supports creating value for all Ryder stakeholders. The U.S. EPA named Ryder a 2024 SmartWay® Excellence Award winner and SmartWay® High Performer for outstanding environmental performance and freight sustainability leadership in our dedicated transportation business. Ryder has earned the SmartWay Excellence Award—the EPA's highest accolade in this program—six times since 2013.

LOOKING AHEAD

On behalf of Ryder's leadership team and all our employees, thank you for your investment and confidence in Ryder. We remain focused on executing our balanced growth strategy, which is delivering profitable growth and we expect will continue increasing shareholder value with more opportunity ahead.

Sincerely,

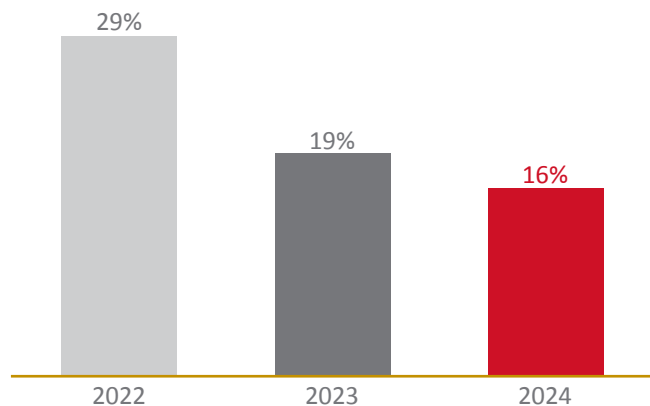
Robert Sanchez
Chair and Chief Executive Officer
March 2025

A handwritten signature in black ink, appearing to read 'R Sanchez', is positioned to the right of the typed name and title.

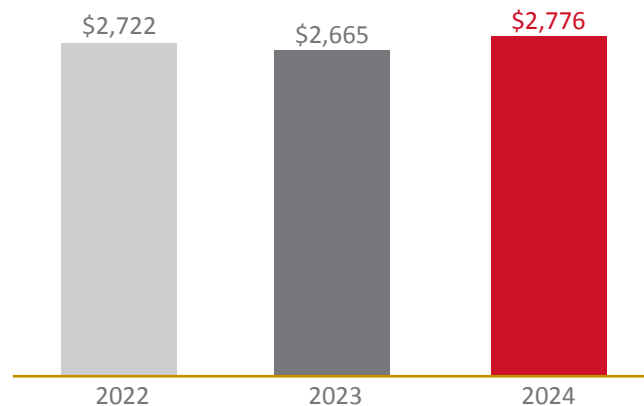
PERFORMANCE

(in millions except per share amounts)

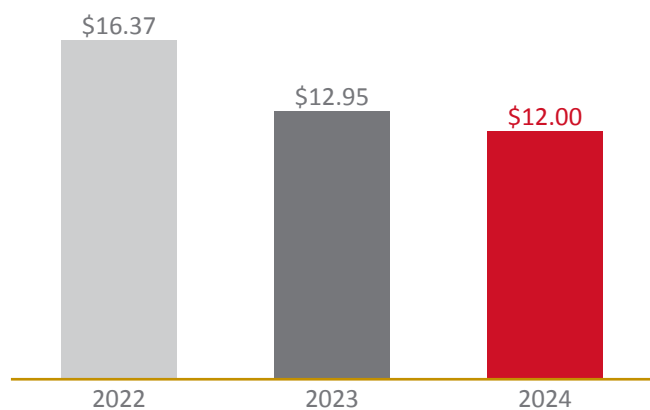
ROE



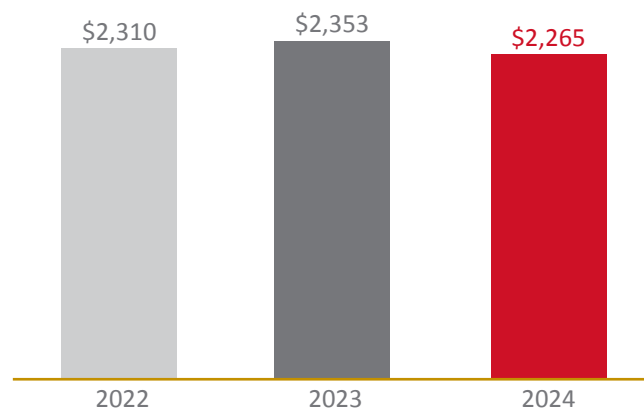
Comparable EBITDA



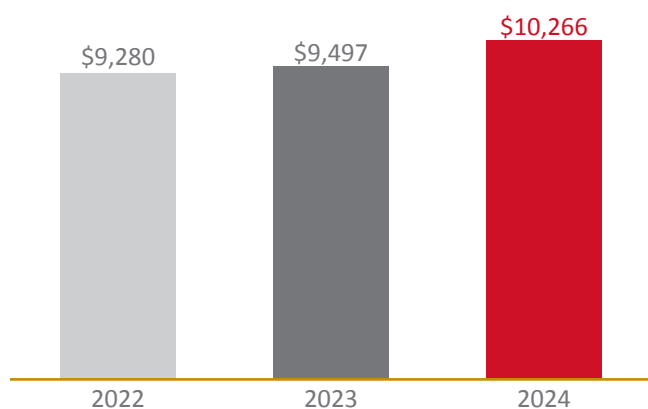
Comparable EPS



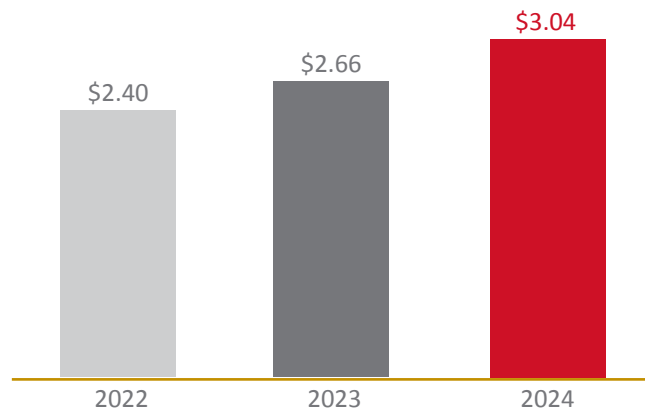
Cash Flow from Operations



Operating Revenue



Dividend Per Common Share



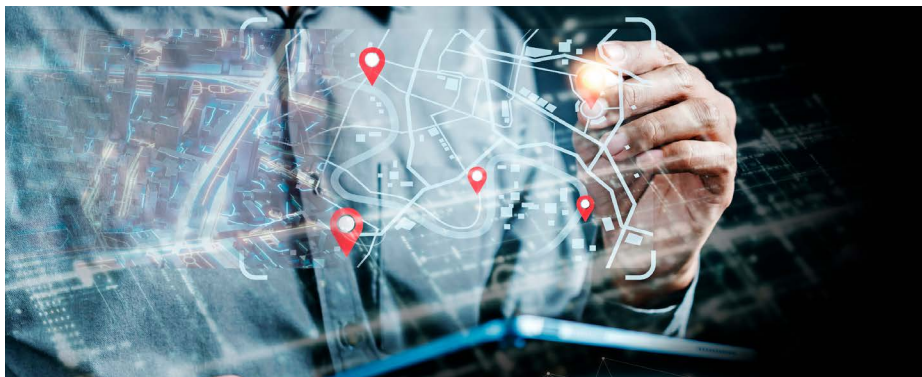
ROE, comparable EBITDA, comparable EPS, and operating revenue are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures, see pages 49-51 of our Annual Report on Form 10-K for the year ended December 31, 2024.

UNLEASHING OUR POTENTIAL

STRENGTHENING OUR MARKET LEADERSHIP

“We continue to be a market leader in third-party logistics, providing port-to-door services across North America. By bringing in and leveraging new capabilities across industry verticals, Ryder is leveraging the complementary services we’ve achieved through strategic investments and acquisitions and increasing the value we offer to our customers.”

STEVE SENSING
PRESIDENT, SUPPLY CHAIN SOLUTIONS
AND DEDICATED TRANSPORTATION
SOLUTIONS



ADDING SCALE AND DENSITY WITH CARDINAL ACQUISITION

The 2024 acquisition of Cardinal Logistics advances Ryder’s strategy to accelerate profitable growth in its dedicated business by adding scale and density, driving operating efficiencies, and delivering better value. Primarily serving the consumer packaged goods, omnichannel, grocery, building products, automotive, and industrial verticals, Cardinal brings to Ryder a highly diversified portfolio serving long-tenured blue-chip customers.

In 2024, Ryder integrated Cardinal operations, facilities, and equipment into its dedicated transportation, fleet management, and supply chain businesses. The transaction is expected to be accretive in 2025. The acquisition of Cardinal complements and strengthens Ryder’s position as a leading specialized dedicated transportation provider in North America and establishes Ryder as the second largest Dedicated provider in our industry.

EXPANDING RYDER’S CPG WALLET SHARE

Through the 2023 acquisition of Impact Fulfillment Services (IFS), Ryder is now a one-stop-shop for customers with added co-packing and co-manufacturing capabilities. Their proven model in both food and non-food products, as well as 15 multi-client and dedicated operations, enables Ryder to address an identified need of top customers for co-packing and co-manufacturing services. While Ryder already serves the top 10 U.S. food and beverage companies, this acquisition has expanded and strengthened our relationships with existing customers while also attracting new customers in additional verticals.

OMNICHANNEL EXCELLENCE: THE KEY TO CUSTOMER SATISFACTION

Ryder released its 10th annual e-commerce consumer study, “The Influence of Omnichannel Excellence on Consumer Behavior.” The survey of more than 1,300 U.S. shoppers explored preferences, expectations, sentiment, and behavior pertaining to purchasing, omnichannel experiences, packaging, shipping, returns, and sustainability. This latest study demonstrates that, while consumers maintain a robust appetite for e-commerce, they are simultaneously embracing in-person shopping, presenting an impetus for merchants to refine their omnichannel strategies.



UNLEASHING OUR POTENTIAL

INNOVATION DRIVEN BY CUSTOMER- CENTRIC MINDSET



RYDERSHARE™ CUSTOMER BENEFITS

Real-time visibility of your goods on trucks and inside warehouses



Productivity
Increased productivity up to 50%



Labor Efficiency
Labor efficiency savings up to 50%



On-Time Performance
On-time performance of 99%



Organizational Reaction
Improved organizational reaction time by 90%

RYDERSHARE™

Ryder's one-of-a-kind visibility and collaborative logistics technology RyderShare™ enables everyone involved in moving goods through supply chains – shippers, receivers, carriers, and service providers – to work together in real-time to prevent costly delays and find efficiency gains.

The platform gives Ryder customers unprecedented visibility into their supply chains, and in fact is the only digital platform from a 3PL that provides end-to-end visibility, collaboration, and exception management across the supply chain. It is clear customers are seeing the value in the platform as 35% of new business revenue in SCS and DTS can be attributed to RyderShare™.

RYDERVIEW™

RyderView™ is the industry's leading comprehensive last mile digital application that gives customers real-time visibility and control of orders—and their brand—while enhancing the delivery experience for their consumers. The platform allows companies and consumers to schedule deliveries, track orders, receive notifications, and access actionable data. In 2024, Ryder Last Mile completed more than 700,000 orders that utilized the RyderView™ application.

RYDERGYDE™

Designed to enhance the way customers manage their fleets, RyderGyde™ offers a full suite of fleet management tools so they can easily schedule and see the status of maintenance service, access complete vehicle history, view real-time contracted fuel rates, and access roadside assistance. This allows businesses to manage their fleets more efficiently.

As of 2024, RyderGyde™ is utilized by 9,000 customers and has more than 65,000 users.

RYDERSHIP™

In 2022, Ryder acquired nationwide e-commerce and omnichannel fulfillment services provider Whiplash. This acquisition amplified Ryder's e-commerce network, bringing with it a best-in-class technology and operating platform. RyderShip™ is the only digital platform purpose-built for e-commerce fulfillment that is customizable to customers' needs and easily integrates with their entire ecosystem.

UNLEASHING OUR POTENTIAL

ENABLING ELECTRICIFICATION OF FLEETS

“One of the top competitive advantages Ryder can offer our customers is to serve as an extended R&D partner for their transportation network, while advising them when emerging technologies can provide their business a tangible benefit, or when a technology may not be ready to roll out. Through close collaboration with both customers and OEMs, we often serve as beta testers for the businesses we support, ensuring that they can stay on the cutting-edge of vehicle technology while meeting and exceeding their operational objectives.”

TOM HAVENS
PRESIDENT, FLEET MANAGEMENT
SOLUTIONS

CHARGED LOGISTICS: THE COST OF ELECTRIC VEHICLE CONVERSION FOR U.S. COMMERCIAL FLEETS

Ryder’s data-driven analysis of the potential economic impacts of state and federal legal requirements aimed at converting commercial diesel vehicles to zero-emission vehicles.

**LEARN MORE ABOUT ELECTRIC
VEHICLE TCT ANALYSIS
AT RYDER HERE.**



RYDERELECTRIC+™

RyderElectric+™ is a turnkey electric vehicle (EV) fleet solution, which helps our customers navigate the EV landscape and provides electrification advisory services, vehicles, charging and infrastructure support, telematics, and maintenance. By combining Ryder’s 90-plus-year industry expertise, our network of roughly 800 facilities, and the best-in-class relationships with vehicle, charging, and telematic providers, RyderElectric+ helps companies adopt an electric fleet that fits their needs. We currently have approximately 200 EVs in our managed fleet, 20 locations with charging to support our rental fleet, and have tested more than 30 different advanced vehicle technologies from various OEMs. The introduction of EVs into Ryder’s lease and rental fleet, and the simplicity of RyderElectric+, allows us to identify and provide EV solutions that fit the operational needs for our customers.

TOTAL COST OF TRANSPORT

To assist our customers in better understanding the costs, benefits, and complexities of converting their fleets to electric vehicles, including the evolving state and federal legal requirements and regulations, Ryder published a groundbreaking study in 2024 titled “Charged Logistics: The Cost of Electric Vehicle Conversion for U.S. Commercial Fleets.” Based on representative network loads and routes from Ryder’s dedicated fleet operations in today’s market and other factors, the data shows the annual total cost to transport (TCT) by EV versus diesel in the light-, medium-, and heavy-duty vehicle classes.

The data revealed the annual TCT by EV versus diesel is estimated to increase across the board – ranging from up to 5% for a light-duty transit van to as much as 114% for a heavy-duty tractor (depending on the geographic area). And, for a mixed fleet of 25 light-, medium- and heavy-duty vehicles, the analysis shows an increased TCT of up to 67% for an all-electric fleet. Our analysis also considered the potential inflationary impact if companies were required to convert to electric vehicles at the time of the study. Based on the TCT for a mixed EV fleet, and assuming companies pass the increased TCT on to consumers, Ryder estimated those increases could cumulatively add 0.5% to 1% to overall inflation.

In May 2024, Ryder Chair and CEO Robert Sanchez delivered a keynote address to the Advanced Clean Transportation (ACT) Expo where he presented these findings and explored the transport costs and infrastructure challenges associated with converting commercial diesel vehicles to EVs in today’s market.

UNLEASHING OUR POTENTIAL

ON THE FOREFRONT OF DISCOVERY

“Find the best and most qualified people, put them in a room together, and give them the resources and freedom to create. Innovation and disruption don’t just happen. They are a choice Ryder has been making and investing in, so we are the ones bringing to market the tools, products, technologies, and services that our customers recognize will improve their logistics networks and drive their businesses.”

KAREN JONES
EXECUTIVE VICE PRESIDENT AND
CHIEF MARKETING OFFICER



RYDER VENTURES

Through RyderVentures, our corporate venture capital fund, we’re committed to investing in and collaborating with start-up companies that are tackling disruptions in our industry, driven by accelerating demand for e-commerce fulfillment, commercial asset sharing, next generation vehicles, and digital technologies.

With RyderVentures, we gain early access to emerging technologies that address our customers’ pain points and help speed them up to market. To date, RyderVentures has made investments in start-ups that range from warehouse automation to autonomous vehicles, computer vision to mobile carbon capture, among others.

BATON, A RYDER TECHNOLOGY LAB

Ryder first invested in Baton in 2021 through RyderVentures. Seeing the value in their efforts to disrupt and optimize transportation networks through technology-driven solutions early on, Ryder acquired Baton in August 2022, establishing Baton, A Ryder Technology Lab, a Silicon Valley-based innovation lab.

The mission of Baton, A Ryder Technology Lab is to pioneer a suite of groundbreaking customer-facing technologies designed to revolutionize how Ryder’s customers interact with their transportation and supply chain networks. These technologies will digitize and optimize networks at a level not currently available in the industry and will prepare Ryder for future advancements.

THE DIGITAL YARD

Ryder conducted a pilot program in 2024 along with Terminal Industries, which develops artificial intelligence (AI) platforms to digitize yard operations, to automatically index and analyze trucks and trailers flowing in and out of the warehouse yard. Terminal estimates that more than 90% of yards lack the technology to operate efficiently, costing the industry up to \$146 billion each year.

Since January 2024, the ongoing pilot at a Ryder e-commerce fulfillment center in City of Industry, California, has processed more than 10,000 truck detections, achieving 99% accuracy in capturing license plates and Department of Transportation (DOT) numbers.

EXECUTIVE LEADERSHIP**ROBERT E. SANCHEZ**

Chair and Chief Executive Officer

JOHN J. DIEZ*

President and Chief Operating Officer

CRISTINA GALLO-AQUINO**Executive Vice President,
Chief Financial Officer**THOMAS M. HAVENS**President,
Fleet Management Solutions**J. STEVEN SENSING**President,
Supply Chain Solutions and
Dedicated Transportation Solutions**STEVE W. MARTIN**Executive Vice President, Dedicated
Transportation Solutions**ROBERT D. FATOVIC**Executive Vice President,
Chief Legal Officer and
Corporate Secretary**KAREN M. JONES**Executive Vice President and
Chief Marketing Officer**FRANCISCO LOPEZ**Executive Vice President and
Chief Human Resources Officer**SANFORD J. HODES**Senior Vice President and
Chief Procurement and
Corporate Development Officer**RAJEEV RAVINDRAN**Executive Vice President and
Chief Information Officer**BOARD OF DIRECTORS****ROBERT E. SANCHEZ**

Chair and Chief Executive Officer

ROBERT J. ECK^{2,3,5}Retired Chief Executive Officer
of Anixter International Inc.**ROBERT A. HAGEMANN^{1,4}**Retired Senior Vice President and Chief
Financial Officer of Quest Diagnostics
Incorporated**MICHAEL F. HILTON^{2,3}**Retired President and Chief Executive Officer
of Nordson Corporation**TAMARA L. LUNDGREN^{1,3}**Chairman, President and Chief Executive
Officer of Radius Recycling**LUIS P. NIETO, JR.^{2,4}**Retired President of the Consumer Foods
Group for ConAgra Foods Inc.**DAVID G. NORD^{1,4}**Retired Chairman, President and Chief
Executive Officer of Hubbell Incorporated**ABBIE J. SMITH^{1,4}**Professor of Accounting at the University of
Chicago Booth School of Business**E. FOLLIN SMITH^{2,3}**Retired Executive Vice President, Chief Financial
Officer and Chief Administrative Officer of
Constellation Energy Group, Inc.**DMITRI L. STOCKTON^{2,4}**Retired Chairman, President and CEO of
GE Asset Management**CHARLES M. SWOBODA^{1,3}**Retired Chairman, President and Chief
Executive Officer of Cree, Inc.**NEW YORK STOCK EXCHANGE**

NYSE: R

ANNUAL MEETINGRyder System, Inc. will be hosting its Annual
Meeting of Shareholders on Friday, May 2,
2025, at 10 a.m. The Annual Meeting will
be held in person at the Hotel Colonnade Coral
Gables, 180 Aragon Avenue, Coral Gables,
Florida 33134.**INDEPENDENT REGISTERED CERTIFIED
PUBLIC ACCOUNTING FIRM****PRICEWATERHOUSECOOPERS LLP****TRANSFER AGENT AND REGISTRAR****EQ SHAREHOLDER SERVICES**Post Office Box 64854
St. Paul, MN 55164-0854
(866) 927-3884
(651) 450-4085 (fax)
www.shareowneronline.com**OUTSIDE THE U.S.**

(651) 450-4064

DIVIDEND REINVESTMENT PLANShareholders may automatically reinvest
their dividends and cash in additional shares
of Ryder System, Inc. stock by enrolling in
the Company's Dividend Reinvestment Plan.
Information about the Dividend Reinvestment
Plan may be obtained by contacting:**EQ SHAREHOLDER SERVICES**Post Office Box 64854
St. Paul, MN 55164-0854
(866) 927-3884
(651) 450-4085 (fax)
www.shareowneronline.com**OUTSIDE THE U.S.**(651) 450-4064
For Dividend Reinvestment Plan Optional
Cash Investments:**EQ SHAREOWNER SERVICES**Post Office Box 64856
St. Paul, MN 55164-0856**RYDER CORPORATE HEADQUARTERS**2333 Ponce De Leon Blvd., Suite 700
Coral Gables, FL 33134**INVESTOR RELATIONS**<https://investors.ryder.com>
(305) 500-4053
RyderForInvestors@ryder.com**CALENE CANDELA**Vice President, Investor Relations
ccandela@ryder.com**NICOLE DOMINGUEZ**Group Director, Investor Relations
nicole_dominguez@ryder.com

-
- 1-Audit Committee
 - 2-Compensation Committee
 - 3-Corporate Governance and Nominating Committee
 - 4-Finance Committee
 - 5-Lead Independent Director

* John J. Diez was appointed President and Chief Operating Officer, effective January 1, 2025.

** Cristina Gallo-Aquino was appointed Executive Vice President, Chief Financial Officer and Principal Accounting Officer, effective January 1, 2025.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 1-4364



RYDER SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

2333 Ponce de Leon Blvd., Suite 700

Coral Gables, Florida 33134

(Address of principal executive offices, including zip code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Ryder System, Inc. Common Stock (\$0.50 par value)

Trading symbol(s)

R

Name of exchange on which registered

New York Stock Exchange

59-0739250

(I.R.S. Employer Identification No.)

(305) 500-3726

(Telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant computed by reference to the price at which the common equity was sold at June 30, 2024 was \$5.2 billion. The number of shares of Ryder System, Inc. Common Stock outstanding at January 31, 2025 was 42,084,928.

Documents Incorporated by Reference into this Report

Ryder System, Inc. 2024 Proxy Statement

Part of Form 10-K into which Document is Incorporated

Part III

RYDER SYSTEM, INC.
FORM 10-K ANNUAL REPORT

TABLE OF CONTENTS

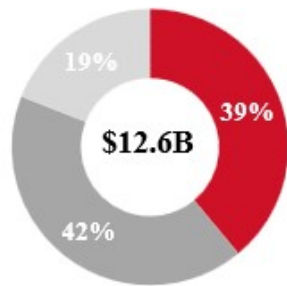
	<u>Page No.</u>
PART I	
ITEM 1 Business	<u>1</u>
ITEM 1A Risk Factors	<u>11</u>
ITEM 1B Unresolved Staff Comments	<u>21</u>
ITEM 1C Cybersecurity	<u>21</u>
ITEM 2 Properties	<u>21</u>
ITEM 3 Legal Proceedings	<u>22</u>
ITEM 4 Mine Safety Disclosures	<u>22</u>
PART II	
ITEM 5 Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	<u>22</u>
ITEM 6 Selected Financial Data	<u>23</u>
ITEM 7 Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>23</u>
ITEM 7A Quantitative and Qualitative Disclosures About Market Risk	<u>51</u>
ITEM 8 Financial Statements and Supplementary Data	<u>53</u>
ITEM 9 Changes In and Disagreements with Accountants on Accounting and Financial Disclosure	<u>98</u>
ITEM 9A Controls and Procedures	<u>98</u>
ITEM 9B Other Information	<u>98</u>
ITEM 9C Disclosure Regarding Foreign Jurisdictions That Prevent Inspections	<u>98</u>
PART III	
ITEM 10 Directors, Executive Officers and Corporate Governance	<u>98</u>
ITEM 11 Executive Compensation	<u>99</u>
ITEM 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	<u>99</u>
ITEM 13 Certain Relationships and Related Transactions, and Director Independence	<u>100</u>
ITEM 14 Principal Accountant Fees and Services	<u>100</u>
PART IV	
ITEM 15 Exhibits and Financial Statement Schedules	<u>100</u>
ITEM 16 Form 10-K Summary	<u>100</u>
Exhibit Index	<u>101</u>
SIGNATURES	<u>105</u>

PART I
ITEM 1. BUSINESS

OVERVIEW

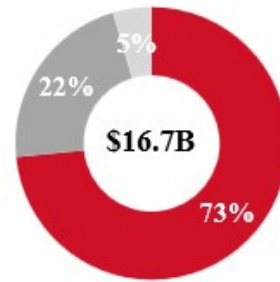
Ryder System, Inc. (Ryder) is a leading provider of outsourced logistics and transportation services to customers throughout North America. We report our financial performance based on three business segments: (1) Fleet Management Solutions (FMS), which provides full service leasing, commercial rental and vehicle maintenance services; (2) Supply Chain Solutions (SCS), which provides fully integrated port-to-door logistics solutions; and (3) Dedicated Transportation Solutions (DTS), which provides turnkey transportation solutions, including dedicated vehicles, professional drivers, management and administrative support. Dedicated transportation services provided as part of an operationally integrated, multi-service supply chain solution to SCS customers are primarily reported in the SCS business segment.

REVENUE BY SEGMENT



■ FMS ■ SCS ■ DTS

ASSETS BY SEGMENT

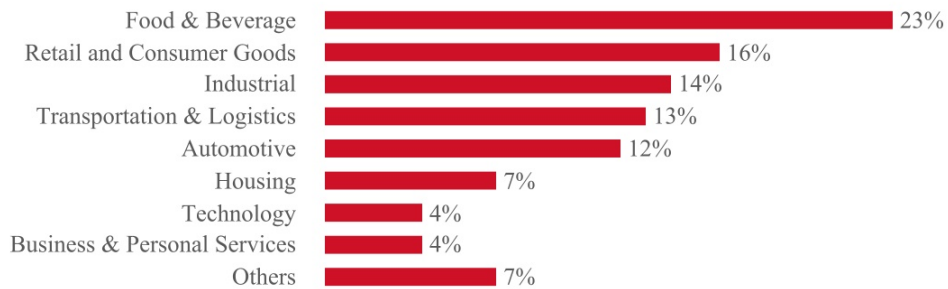


■ FMS ■ SCS ■ DTS

As of and for the year ended December 31, 2024. FMS revenue includes eliminations

We operate in highly competitive markets. Our customers select us based on numerous factors including service quality, price, technology and service offerings. As an alternative to using our services, customers may choose to provide these services themselves or obtain similar services from other third parties. Our customer base reflects a variety of industries as shown below (as percentage of revenue):

DIVERSIFIED CUSTOMER BASE



Further information on our business and business segments is presented in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", and in Note 3, "Segment Reporting" of the Notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in this Annual Report.

MISSION AND STRATEGY

Ryder's mission is to responsibly deliver innovative supply chain and transportation solutions that are reliable, safe and efficient, enabling our customers to deliver on their promises. Companies performing their own logistics and transportation services face increasing challenges related to dynamic supply chains, disruptive technologies, labor shortages, government regulation and increased vehicle cost and complexity. We have a balanced growth strategy focused on de-risking and optimizing the business model, enhancing returns and free cash flow, and driving long-term profitable growth. We aim to achieve this by growing with existing customers and new prospects who internally manage their supply chain services. The current phase of our balanced growth strategy is driven by three priorities: (i) create value through operational excellence, (ii) invest in customer-centric innovation, and (iii) further improve full-cycle returns and generate profitable growth. We seek to execute our strategy by:

- leveraging secular trends that favor outsourcing logistics and transportation services;
- growing earnings from our contractual lease, dedicated and supply chain businesses;
- continuously improving productivity and processes;
- investing in customer-centric innovations that differentiate and enhance our solutions;
- attracting, developing and retaining the best talent; and
- executing our disciplined capital allocation priorities, including organic growth, targeted acquisitions and strategic investments, and returning capital to shareholders.

Cardinal Logistics Acquisition

In 2024, we acquired CLH Parent Corporation (Cardinal Logistics), a leading customized dedicated contract carrier in the United States (U.S.) primarily providing dedicated transportation services and professional drivers, as well as freight brokerage services. The acquisition increased our scale and network density, supporting our strategy to accelerate profitable growth in our dedicated business. Vehicles acquired from Cardinal Logistics are included as FMS operating lease right-of-use assets and revenue earning equipment, and our DTS business leases and obtains maintenance services on these vehicles from our FMS business.

INDUSTRY AND OPERATIONS

Fleet Management Solutions

Value Proposition

Our FMS business provides a variety of fleet solutions that are designed to improve our customers' competitive positions. By outsourcing their needs to us, our customers can focus on their core business, improve their efficiency and productivity and lower their costs. Our FMS product offerings include contract terms with full service leasing, as well as leasing with flexible maintenance options; commercial vehicle rental; maintenance services; digital and technology support services that optimize asset performance, compliance, and safety; and comprehensive fuel services. In addition, our customers are able to purchase used trucks, tractors and trailers through our used vehicle sales facilities or our digital channel. FMS also provides vehicles, as well as maintenance, fuel and other services, to our SCS and DTS businesses.

Market Trends

The U.S. commercial fleet market is estimated to include 10 million vehicles, of which 5 million are privately owned by companies, 2 million are for-hire carriers, 1 million are leased from banks or other financial institutions, 1 million are part of utilities and government fleets, and 1 million are being leased or rented from third parties like Ryder.¹

Companies that privately own their fleets are generally providing fleet management services themselves rather than outsourcing those services to third parties like Ryder. Over the last few years, several trends have emerged that we believe increase the value of our product offerings and will increasingly lead companies with privately held fleets to outsource. These trends include:

(1) U.S. Fleet as of December 2023, Class 3-8, IHS Markit Ltd.

- Demand for efficient and reliable vehicles have caused companies to place greater emphasis on the quality of their preventive maintenance and safety programs;
- Maintaining and operating commercial vehicles has become more complex and expensive, as truck technology must comply with increasing state and federal emissions regulations; and
- Companies must also manage global supply chain and labor challenges, as well as volatile used vehicle markets.

Operations

In 2024, our global FMS business accounted for 39% of our consolidated revenue.

U.S. Our FMS customers in the U.S. range from small businesses to large enterprises operating in a variety of industries. As of December 31, 2024, we had 563 operating locations, excluding ancillary storage locations, in 49 states, the District of Columbia and Puerto Rico. Our operating locations serve multiple customers, and typically include maintenance facilities; service islands for fueling; safety inspections and preliminary maintenance checks; sales and administrative offices; and commercial rental vehicle counters. We also operate on-site at 158 customer locations where we provide vehicle maintenance solely for that customer's fleet.

Canada. As of December 31, 2024, we had 27 operating locations throughout seven Canadian provinces. We also operate 14 maintenance facilities on-site at customer locations.

FMS Product Offerings

ChoiceLease. Our lease offering provides customers with bundled vehicle and maintenance services while our customers furnish and supervise their own drivers and exercise control over the vehicles. Customers are able to select the terms of their lease and their preferred level of maintenance services, from full service to on-demand maintenance.

Our ChoiceLease customers receive the following benefits:

- *Competitive Prices* as we leverage our vehicle buying power to benefit our customers. Once we have an executed customer agreement, we acquire vehicles and components that are custom engineered to our customer's requirements and lease such vehicles to them for periods generally ranging three to seven years for trucks and tractors and ten years for trailers;
- *Extensive Network of Maintenance Facilities and Trained Technicians* for vehicle maintenance and repairs, temporary substitute vehicles and 24-hour emergency roadside service;
- *Preventive and Flexible Maintenance Programs* that are cost-effective and designed to reduce vehicle downtime;
- *Access to Lease Vehicles* as we leverage our original equipment manufacturer (OEM) relationships to secure access to vehicles. Once we have a signed agreement with the customer, we acquire vehicles that are engineered to the customer's requirements;
- *No Vehicle Residual Risk Exposure* as we typically retain vehicle residual risk exposure;
- *Fleet Support Services*, including services related to fuel, safety, fuel tax reporting, permitting and licensing, certain regulatory compliance and physical damage coverage; and
- *Digital Fleet Management Platform, RyderGyde™ available in a mobile application or at ryder.com®*, that enables our customers to manage their fleets.

During 2024, ChoiceLease revenue accounted for 59% of our FMS total revenue.

Commercial Rental. We offer rental vehicles to customers that need to supplement their fleets on a short-term basis to handle seasonal increases or discrete projects. ChoiceLease customers also utilize our commercial rental fleet as substitute vehicles while their lease vehicles undergo maintenance and while they await delivery of new lease vehicles. Although our commercial rental business is transactional in nature, we focus on building long-term relationships with customers to become their preferred source for commercial vehicle rentals. In addition, we also provide other benefits, including extending auto-liability insurance coverage and competitive fuel pricing. During 2024, commercial rental revenue accounted for 17% of our FMS total revenue.

SelectCare. Through SelectCare, customers have access to our extensive network of maintenance facilities and trained technicians to maintain the vehicles they own or lease from third parties. We offer several bundles of services, including full service contract maintenance, as well as preventive and on-demand maintenance. While we typically service these vehicles at our own facilities, we also operate on-site maintenance facilities or provide mobile maintenance services at customer locations.

We also provide additional maintenance and repair services that are not included in our contractual maintenance programs and generally charge for those services on an hourly basis. By servicing all of our customers' maintenance needs, we create stronger, long-term relationships and can provide a wide range of outsourcing solutions.

In 2023, we launched Torque by Ryder[®], an on-demand retail mobile maintenance solution offered in select U.S. markets that enables our customers to order on-site maintenance services with no long-term contractual commitment.

During 2024, SelectCare revenue accounted for 11% of our FMS total revenue.

The following table provides information regarding the number of vehicles and customers by FMS product offering as of December 31, 2024:

	U.S.		Canada		Total	
	Vehicles	Customers	Vehicles	Customers	Vehicles	Customers
ChoiceLease	136,700	10,600	8,600	1,200	145,300	11,800
Commercial rental ⁽¹⁾	33,500	24,700	2,000	3,100	35,500	27,800
SelectCare ⁽²⁾	39,100	1,800	2,700	200	41,800	2,000

(1) Commercial rental customers represent those who rented a vehicle for more than three days during the year and include 5,100 ChoiceLease customers.

(2) Our SelectCare customers include approximately 1,100 ChoiceLease customers.

Fuel Services. Our FMS customers have access to competitively priced diesel fuel at 412 of our maintenance facilities across the U.S. and Canada. We also provide services such as fuel planning, fuel tax reporting, centralized billing, fuel cards and fuel monitoring. Although fuel sales do not significantly impact our FMS earnings, as the costs are largely a pass-through to our customers, we believe that leveraging our fuel buying power provides a valuable benefit to our customers. During 2024, fuel services revenue accounted for 13% of our FMS total revenue.

Used Vehicles. We offer used vehicles from our 63 retail sales centers throughout the U.S. and Canada (14 of which are co-located at an FMS shop), at our branch locations and through our website at www.ryder.com/used-trucks. We primarily sell our used vehicles through our retail channel, which allows us to leverage our maintenance expertise and strong brand reputation, and to realize higher sales proceeds than in the wholesale market. The realized sales proceeds of used vehicles are dependent upon various factors, including the used vehicle market, supply and demand in wholesale and retail markets, and changes in vehicle technology. In recent years, the used vehicle sales market has been particularly weak. At December 31, 2024, we have used vehicle inventory of 9,000 vehicles, in line with our long-term target range of 7,000 to 9,000.

FMS Business Strategy

Our strategy is to be the leading provider of fleet management services for light-, medium- and heavy-duty commercial vehicles. Our strategy is driven by the following priorities:

- drive fleet growth that maximizes our return on investment by (1) implementing sales and marketing initiatives to encourage private fleets to outsource their fleet management needs to us, (2) reducing costs through operational efficiencies, and (3) offering innovative products, solutions and support services that strengthen customer relationships;
- deliver a consistent, industry-leading and cost-effective lease and maintenance program through continued process improvement, productivity initiatives and technology improvements, which also help us attract new customers; and
- optimize asset utilization and management, particularly with respect to our rental fleet, used vehicle operations and maintenance facility infrastructure.

Competition

As an alternative to using our fleet management services, companies may choose to provide these services themselves or to obtain them from other third parties. We compete with finance lessors, truck and trailer manufacturers and independent dealers. We also compete with other companies on factors such as price, geographic coverage, equipment, maintenance options, and service reliability and quality. We also face competition from managed maintenance providers who are hired to coordinate and manage the maintenance of large fleets through a network of independent maintenance providers.

Supply Chain Solutions

Value Proposition

Our SCS business provides a broad range of innovative logistics management services that optimize our customers' supply chains and key business requirements. Our business is organized by the following industry verticals: omnichannel retail (which includes retail, technology, last mile and e-commerce); automotive; consumer packaged goods (CPG); and industrial and other (which includes healthcare). Our SCS product offerings provide port-to-door solutions, including both dedicated distribution and multi-client distribution, transportation management, dedicated transportation, brokerage, e-commerce, last mile, co-manufacturing and co-packing, and other value-added services. Key aspects of our value proposition are our operational execution, leveraged assets and infrastructure, technical and industry expertise and customer-facing visibility platforms.

Market Trends

Logistics spending in North America in the key target markets in which we operate was approximately \$2.9 trillion, of which \$369 billion was outsourced.² As supply chains continue to expand and become more complex, the demand for outsourced logistics is expected to continue increasing as companies will require more sophisticated, cost-effective and reliable supply chain practices. For example, we believe secular trends continue to accelerate demand for supply chain resiliency, e-commerce fulfillment, final mile delivery of big and bulky goods, and onshoring and nearshoring of manufacturing and supply chain operations.

Operations

During 2024, our SCS business accounted for 42% of our consolidated revenue, and our customer accounts and warehousing square footage were as follows:

<i>(Square footage in millions)</i>	December 31, 2024		
	Customer Accounts ⁽¹⁾	Number of Warehouses	Square Footage
SCS			
United States	675	233	92
Foreign ⁽³⁾	157	58	11
Total	<u>832</u>	<u>291</u>	<u>103</u>

⁽¹⁾ Customer accounts excludes 489 brokerage customers.

⁽²⁾ Includes Ryder leased and owned and Ryder managed.

⁽³⁾ Includes 17 managed warehouses in Mexico.

In the U.S., SCS customer accounts are mostly large enterprises with complex supply chains. Most of our core SCS business operations are strategically located to maximize efficiencies and reduce costs. For example, we centralize certain administrative support services, including our carrier procurement and contract management, in our logistics centers in Novi, Michigan and Fort Worth, Texas. In Mexico, we offer a full range of logistics services and manage approximately 21,500 border crossings each month between the U.S. and Mexico. Our Canadian operations are also highly coordinated with their U.S. and Mexico counterparts and manage approximately 5,100 border crossings each month.

SCS Product Offerings

Distribution Management. We offer a variety of logistics services for warehousing and transportation, including network design; warehouse design and automation; coordinating inbound and outbound material flow; managing import and export of international shipments; coordinating just-in-time replenishment of component parts and final assembly; shipment delivery to distribution centers or end delivery points; and e-commerce fulfillment. We also offer additional value-added services, such as light assembly, packaging and refurbishment, and contract packaging and contract manufacturing. During 2024, distribution management and value-added services accounted for approximately 34% of our SCS revenue.

(2) *Armstrong & Associates – Divergence, Latest Third-Party Logistics Market Results and Outlook, July 2024.*

Dedicated Transportation. We offer specialized dedicated transportation services as part of an integrated supply chain solution with our equipment and professional drivers or with outside carriers. We also offer additional services related to routing and scheduling, fleet design, safety, regulatory compliance, risk management, technology and communication systems support. We operate at our customers' facilities, and our customers benefit from our extensive network of FMS facilities that provide maintenance for all Ryder vehicles used in SCS solutions. During 2024, approximately 30% of our SCS revenue was related to dedicated transportation services.

Transportation Management and Brokerage. We offer transportation management and brokerage services, including shipment optimization, load scheduling and delivery confirmation through a series of technology and web-based solutions. Our transportation consultants focus on carrier procurement for all modes of transportation, with an emphasis on truck-based transportation, and also provide additional services like rate negotiation, freight bill audits and payment services. During 2024, we purchased or executed \$10.4 billion in freight moves on our customers' behalf, including \$328 million in brokerage services. The brokerage and logistics business from the Cardinal Logistics acquisition complemented our existing product offerings. During 2024, transportation management solutions accounted for 12% of our SCS revenue.

E-commerce and Last Mile. We offer omnichannel delivery services through a network of over 150 sites strategically located throughout the U.S. that we own or that are leased by us, our customers or our agents. For our e-commerce customers, we receive, pick, pack and ship smaller items via parcel carriers to the end consumer's home or to our customer's warehouse or retail stores. For our last mile customers, we receive, assemble and coordinate final delivery of big and bulky items to the end consumer. We also offer minor installation and disposal services. Customers also benefit from our proprietary software, Ryder View 2.0, that optimizes routes and allows customers to schedule their appointment. During 2024, our e-commerce and last mile services accounted for 17% of our SCS revenue.

Contract Manufacturing and Contract Packaging. We offer contract manufacturing and contract packaging, and warehousing, for some of the largest and best-known consumer brands in the U.S., primarily in the consumer packaged goods, retail, and healthcare industries. During 2024, our contract manufacturing and contract packaging services and other services accounted for 7% of our SCS revenue.

SCS Business Strategy

Our strategy is to offer differentiated and proactive solutions utilizing our expertise in our key industry verticals. Our strategy is driven by the following key priorities:

- provide best in class execution and quality through reliable and flexible supply chain solutions;
- develop innovative solutions, capabilities, and customer-centric technology such as *RyderShare*[™];
- focus consistently on network optimization and continuous improvement;
- execute on targeted sales and marketing growth strategies; and
- expand customer relationships to include fast growing offerings in e-commerce fulfillment and last mile.

Competition

As an alternative to using our services, companies may choose to internally manage their own supply chains and logistics operations, or obtain alternative services from other third parties. We compete with a handful of large, multi-service companies across all of our product offerings and industries, as well as with other companies on specific service offerings like transportation or distribution management. We compete based on factors such as price, service offerings, market knowledge, expertise in logistics-related technology and overall performance (e.g., timeliness, accuracy and flexibility).

Dedicated Transportation Solutions

Value Proposition

Our DTS business provides specialized dedicated transportation services. We provide our customers with vehicles and professional drivers, and offer a variety of engineering and other services related to routing and scheduling, fleet design, safety, regulatory compliance, risk management and technology and communication systems support. Our customers benefit from a dedicated transportation solution that mitigates the labor and regulatory challenges associated with maintaining a private fleet, such as driver recruitment and retention, hours of service requirements, Department of Transportation (DOT) audits and workers' compensation.

Market Trends

The outsourced U.S. dedicated market was estimated to be \$30 billion³ from an addressable market of approximately \$660 billion.⁴ Many of the same trends that impact our FMS business affect our DTS business. As operating and maintaining a private fleet becomes more complex, especially as companies must comply with increasing DOT regulations, we expect the demand for outsourced dedicated services to increase. In addition, there is still significant demand for qualified truck drivers, dedicated capacity from quality transportation and logistics providers, and industry expertise related to asset utilization analysis and fleet rationalization studies offered as part of our DTS services.

Operations/Product Offerings

During 2024, our DTS business accounted for 19% of our consolidated revenue. As of December 31, 2024, we had 231 DTS customer accounts in the U.S. Although a significant portion of our DTS operations are located at customer facilities, our DTS business also utilizes and benefits from our FMS services, including our extensive network of FMS maintenance facilities. Our DTS accounts typically operate in a limited geographic area for short-haul drives. The Cardinal Logistics acquisition increased our scale and customer network density and supports our strategy to accelerate profitable growth in our dedicated business.

We provide custom transportation analysis using advanced logistics planning and operating tools. Based on this analysis, our logistics specialists create a distribution system that optimizes freight flow while meeting customer service goals. If a distribution system includes multiple modes of transportation (air, rail, sea and highway), we select appropriate transportation modes and carriers, and monitor and audit carrier performance. In addition, customers from our SCS business that utilize our dedicated transportation services benefit from our cost-effective solutions that help aggregate loads, consolidate shipments or optimize backhaul opportunities.

DTS Business Strategy

Our strategy is to offer custom solutions to customers who need specific vehicles, specialized handling, dedicated capacity or integrated transportation services. Our strategy is driven by the following key priorities:

- increase market share to provide more specialized services across industries, including retail, metals, agriculture and grocery, energy and utility, consumer product goods, construction and food and beverage;
- develop innovative solutions, capabilities, and customer-centric technology such as *RyderShare*TM;
- leverage our FMS sales team to convince private fleet operators to outsource their transportation needs to us;
- integrate the DTS business with the acquired Cardinal Logistics network to realize integration synergies;
- focus consistently on network optimization and continuous improvement; and
- recruit and retain professional drivers.

Competition

We compete with other dedicated providers to provide highly engineered solutions, involving specialized handling or service requirements. To a lesser extent, we also compete with truckload carriers providing dedicated solutions for standard freight. We compete based on a number of factors, including price, equipment options and features, maintenance, service and geographic coverage, driver availability and operational expertise. As an alternative to using our services, companies may choose to manage their own private fleets or obtain alternative services from other third-party vendors. We differentiate our product offering by leveraging our FMS vehicles and maintenance services and integrating our services with those of our SCS business to create a more comprehensive transportation solution. Our strong safety record and focus on customer service also enables us to uniquely satisfy our customers' needs with high-value products that require specialized handling in a manner that differentiates us from truckload carriers.

(3) *Armstrong & Associates – Divergence, Latest Third-Party Logistics Market Results and Outlook, July 2024.*

(4) *Addressable market as of September 2024, Class 3-8, IHS Markit Ltd. (formerly RL Polk) & Ryder Internal Estimates.*

CYCLICALITY

Our business is impacted by economic and market conditions. In a strong economic environment, there is generally more demand for our services. In a weak or volatile economy, demand for our services decreases and is considerably more unpredictable. To mitigate this volatility, we have continued to focus on diversifying our contractual business mix and strengthening our long-term customer relationships. Although we believe these efforts help lessen the immediate impact of an economic downturn, companies are often unwilling to commit to a full service lease or long-term supply chain and dedicated contracts. Our commercial rental and used vehicle sales businesses are transactional and more susceptible to economic and market conditions, which can significantly impact their results in both the short- and long-term. We mitigate some of the potential impact of an economic downturn through a disciplined and centralized approach to asset management. We strive to manage the size, mix and location of our operating fleet and used vehicle inventories to maximize asset utilization and used vehicle proceeds in both strong and weak market conditions.

SEASONALITY

Historically, our lease and related maintenance revenues, DTS service revenues and most of our SCS service revenues have not been impacted by seasonality because of the long-term nature of the underlying customer contracts and the associated fixed charges. However, our rental revenue and certain SCS service revenues are seasonal in nature.

Commercial rental operations are seasonal and generate the lowest revenue of the year typically in the first quarter due to lower market demand and the highest revenue typically in the third and fourth quarters. We generally decrease or increase the size of our rental fleet throughout the year to mitigate the seasonal effect of demand as well as changing economic conditions. As demand changes because of seasonal factors, we also move our rental vehicles among our locations.

Some of our SCS customers tend to operate in seasonal industries. Because of the concentration of customers in our SCS business, we experience reduction in freight volume shipped by those customers or a reduction in their need for our services from time to time. We actively monitor and shift resources to mitigate these seasonal effects.

REGULATION

Our business is subject to regulation by various federal, state, local and foreign governmental entities, including the Department of Transportation (DOT). The Federal Motor Carrier Safety Administration (FMCSA), an agency within the DOT, manages a Compliance, Safety, Accountability initiative (CSA), together with state agencies, designed to monitor and improve commercial vehicle motor safety. The FMCSA also has regulations mandating electronic logging devices in commercial motor vehicles that impact various aspects of our dedicated, supply chain and rental businesses.

We are also subject to a variety of laws and regulations promulgated by the Occupational Safety and Health Administration (OSHA), the U.S. Environmental Protection Agency (EPA), the Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA). In addition, we must comply with licensing and other requirements imposed by the U.S. Department of Homeland Security and the U.S. Customs Service as a result of increased focus on homeland security and our Customs-Trade Partnership Against Terrorism certification. We may also become subject to new or more restrictive regulations by these agencies or other authorities, including regulations related to emissions reduction or engine exhaust requirements, drivers' hours of service, wage and hour requirements, employee and independent contractor classification, security, including data privacy and cybersecurity, and ergonomics.

Additional information about the regulations that we are subject to can be found in Item 1A, "Risk Factors" in this Annual Report on Form 10-K.

HUMAN CAPITAL

We strive to create a high-performance culture that embraces diverse perspectives and experiences and ensures that all of our employees have opportunities to develop the skills they need to grow and excel in their fields. Human capital management is a priority for our executives and board of directors. We are committed to identifying and developing the talent necessary for our long-term success throughout all levels of our organization, including our front-line employees interacting with our customers or supporting our field teams from behind the scenes. We have a robust talent and succession planning process and

have established programs to support the development of our talent pipeline for critical roles in our organization. Annually, we conduct a robust review with our leadership team focusing on high performing and high potential talent, diverse talent and the succession plan for our critical roles.

We recognize that it is important to develop our future leaders. We provide a variety of resources to help our employees build and develop their skills, including online development resources as well as individual development opportunities and projects for key talent. Additionally, we have leadership development resources for our future leaders as they continue to develop their skills. We invest in our employees by offering comprehensive health, welfare and retirement programs, along with wellness programs and well-being initiatives.

In addition, we provide our professional drivers, technicians and warehouse workers with on-going training opportunities. For example, we pair our professional drivers with certified driver trainers during onboarding and provide position and customer-specific training. Our technicians also receive both online and in-person training, and we collaborate with our OEMs to ensure our technicians possess the knowledge and skills necessary to service our customers. Our warehouse workers also receive regular safety and compliance training that is specific to their location.

As of December 31, 2024, we had approximately 50,700 full-time employees in North America. We currently employ approximately 13,400 professional drivers and 5,000 technicians. We have approximately 34,000 hourly employees in the U.S., approximately 3,800 of which are organized by labor unions. Those employees organized by labor unions are principally represented by the International Brotherhood of Teamsters, the International Association of Machinists and Aerospace Workers and the United Auto Workers. Their wages and benefits are governed by 91 separate labor agreements, which are renegotiated periodically. Although we have not experienced a material work stoppage or strike, these events can potentially occur given the types of businesses in which we engage. Refer to Item 1A, "Risk Factors" for further information regarding risk associated with our human capital and the attraction, development and retention of personnel.

Safety

Our safety culture is founded upon a core commitment to the safety, health and well-being of our employees, customers and the community. As a core value, safety is embedded in our day-to-day operations, reinforced by many safety programs and continuous operational improvement, and supported by a talented and dedicated safety organization. We have created and implemented policies, processes and training programs to minimize safety events, and we review and monitor our performance closely. Our safety organization team oversees our overall safety strategy and consists of three divisions: Safety Standards & Technology, Field Safety Solutions, and U.S. Department of Transportation Compliance. Our safety organization manages our safety policies, technologies and training, all field safety processes, risks assessments, safety site investigations and regulatory compliance activities, among other things.

We deploy relevant vehicle safety systems in the vehicles we operate and install aftermarket safety monitoring systems that allow our operations teams to measure and improve driver performance, including in-vehicle video event recorders. Driver training is also a key component of our safety program. We use certified driver trainers to on-board and train our professional drivers. We also regularly provide proactive injury and crash prevention and remedial training. Our technicians also receive training to improve their maintenance skills to ensure we are complying with best-in-line safety measures. For our warehouse employees, we provide annual training on various safety techniques along with regular OSHA training. Our proprietary, web-based safety management system, *Ryder SafetyNet*, delivers monthly proactive safety programs and compliance tasks that are tailored to each location.

The safety policies and procedures in place require that all managers, supervisors and employees incorporate safe processes in all aspects of our business. Monthly safety scorecards are tracked and reviewed by management for progress toward key safety objectives.

The safety of our customers is also paramount at Ryder. Safety support is provided to customers through Ryder Fleet Risk Services (FRS), which helps customers navigate the increasingly complex industry landscape through customized consultation, innovative solutions and best-in-class safety programs.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Name	Position	Current Position Since	Prior Business Experience	Age
Robert E. Sanchez	Chair and Chief Executive Officer	2013	President and Chief Operating Officer from February 2012 to December 2012. President, Global FMS from September 2010 to February 2012. Executive Vice President and Chief Financial Officer from October 2007 to September 2010. Executive Vice President of Operations, U.S. FMS from October 2005 to October 2007. Senior Vice President and Chief Information Officer from January 2003 to October 2005.	59
John J. Diez ⁽¹⁾	President and Chief Operating Officer	2025	Executive Vice President and Chief Financial Officer from June 2021 to December 2024. President, Global FMS from August 2019 to May 2021. President of DTS from March 2015 to August 2019. Senior Vice President of Ryder Dedicated from March 2014 to February 2015. Senior Vice President of Asset Management from January 2011 to February 2014.	54
Cristina Gallo-Aquino ⁽²⁾	Executive Vice President, Chief Financial Officer and Principal Accounting Officer	2025	Senior Vice President, Controller and Principal Accounting Officer from September 2020 to December 2024. Vice President and Chief Financial Officer, Global FMS from August 2015 to August 2020. Vice President and Controller from September 2010 to August 2015.	51
Thomas M. Havens	President, Fleet Management Solutions	2021	Senior Vice President and Global Chief of Operations for FMS from November 2012 to May 2021. Vice President and General Manager for FMS in Canada from September 2011 to November 2012.	56
J. Steven Sensing	President, Supply Chain Solutions and Dedicated Transportation Solutions	2015	Vice President and General Manager of the Hi-Tech and Healthcare industry groups for SCS from February 2007 to February 2015.	57
Steve W. Martin	Executive Vice President, Dedicated Transportation Solution	2024	Senior Vice President, Dedicated Transportation Solutions from August 2019 to February 2024. Vice President and General Manager of the Automotive, Aerospace and Industrial vertical from February 2017 to August 2019. Vice President, Dedicated Transportation Services - East from February 2012 to February 2017. Vice President for Supply Chain Excellence from February 2009 to February 2012.	61
Robert D. Fatovic	Executive Vice President, Chief Legal Officer and Corporate Secretary	2012	Executive Vice President, General Counsel and Secretary from June 2004 to July 2012. Senior Vice President, U.S. Supply Chain Operations, Hi-Tech and Consumer Industries from December 2002 to May 2004. Vice President and Deputy General Counsel from May 2000 to December 2002.	59
Karen M. Jones	Executive Vice President and Chief Marketing Officer	2014	Senior Vice President and Chief Marketing Officer from September 2013 to October 2014.	62
Francisco Lopez	Executive Vice President and Chief Human Resources Officer	2018	Chief Human Resources Officer February 2016 to February 2018. Senior Vice President, Global Human Resources Operations from July 2013 to February 2016.	50
Sanford J. Hodes	Senior Vice President and Chief Procurement and Corporate Development Officer	2022	Senior Vice President and Deputy General Counsel and Safety, Health, and Security from February 2011 to October 2022.	57
Rajeev Ravindran	Executive Vice President and Chief Information Officer	2018	Chief Information Officer and Group Vice President at JM Enterprises from 2012 to January 2018.	59

(1) John J. Diez was appointed President and Chief Operating Officer, effective January 1, 2025.

(2) Cristina Gallo-Aquino was appointed Executive Vice President, Chief Financial Officer and Principal Accounting Officer, effective January 1, 2025.

FURTHER INFORMATION

For further discussion concerning our business, see the information included in Items 7 and 8 of this Annual Report. Industry and market data used throughout Item 1 was obtained through a compilation of surveys and studies conducted by industry sources, consultants and analysts.

We make available our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports through the Investor Relations area of our website at investors.ryder.com as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (SEC). The

SEC maintains an Internet site that contains our reports, proxy and information statements and other SEC filings. The address of the SEC's website is www.sec.gov.

In addition, our Corporate Governance Guidelines, Principles of Business Conduct and board committee charters are posted on the Governance page in the Investor Relations area of our website at investors.ryder.com. A copy of these documents is available to anyone through the Investor Relations area of our website at investors.ryder.com.

ITEM 1A. RISK FACTORS

The following is a cautionary discussion of the material risks and uncertainties that management believes affect us. Any of the following risks, as well as risks that are not currently known to us or that we currently deem immaterial, could materially affect our business, financial condition or results of operations. Accordingly, you should carefully consider the following risk factors in conjunction with all of the other information set forth in or incorporated by reference in this Form 10-K.

Business and Operating Risks

Decreased customer demand for transportation and logistics services due to adverse economic conditions, competition or other factors has impacted and could in the future adversely impact our business and operating results.

The transportation industry is highly cyclical and susceptible to trends in economic activity. Our business relies on the strength of our customers' businesses and their level of confidence in current and future economic conditions. In our FMS business, vehicles are leased or rented to customers that transport goods commercially, hence, the demand for our products and services is directly tied to the production and sale of goods by our customers, and more generally, the health of the North American economy. In our SCS and DTS businesses, our logistics and transportation services are tied to the demand of our customers' goods. If demand for our customers' products declines, our customers may experience a decline in volumes, which may impact our financial results. As a result, our business may begin to slow before overall market slowdowns, at the point of customer uncertainty, and may recover later than overall market recoveries, as our customers may continue to feel uncertain about future market conditions. If uncertainty around macroeconomic conditions and the transportation and logistics industries increase, such as due to recessionary conditions, labor shortages, interest rate fluctuations or inflationary pressures, our future growth prospects, business and results of operations could be materially adversely affected.

Among our services and product offerings, demand for used vehicles, rental and contractual services are particularly susceptible to changes in economic and market conditions. In a weak or volatile economy (such as during an economic recession or downturn), our customers may not need additional vehicles, may experience reduced shipping or warehousing needs, or are often unwilling to commit or unable to fulfill long-term contracts. For example, we make real estate commitments to support our SCS multi-client warehouse network based on anticipated customer demand to drive the highest level of utilization and revenue per warehouse. If we miss our projections and have excess capacity in our warehouses, it could result in a decrease in revenue that could adversely affect our financial condition and operating results. Accordingly, any sustained weakness in demand or a protracted economic downturn can negatively impact performance and operating results in used vehicle sales, rental and contractual services across our business segments.

We bear the risk that we will not be able to resell our used vehicles at a price at or above their residual value estimates.

To determine the residual value estimates and useful life of our vehicle fleet, management is required to make judgments about future events that are subject to risks and uncertainties outside of their control. While we regularly review and update our outlook for the used vehicle market, as management believes appropriate, the used vehicle pricing market has historically been subject to significant pricing volatility. Despite management's best estimates, we may be unable to accurately forecast the residual value of our vehicle fleet or accurately and timely adjust our residual estimates to better align with future market conditions at the end of a vehicle's useful life. 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; regulatory requirements; competitor pricing; wholesale market prices; customer requirements and preferences; and changes in underlying assumption factors.

Any material decrease in residual value estimates could have a material adverse impact on our financial results. In the past, we have realized losses on sales of used vehicles at the end of a vehicle's useful life when our residual value estimates were above used vehicle market prices such as due to rapidly changing market conditions. In addition, when we have materially decreased residual value estimates, our earnings over the vehicle's remaining useful life have decreased due to an increase in depreciation expense. Alternatively, we may realize gains on sales of used vehicles at the end of a vehicle's useful life when our

residual value estimates are below used vehicle market prices. While management determines residual value estimates with the goal of minimizing losses on sales of used vehicles and to record the best estimate of fair value at the end of a vehicle's useful life, there is no assurance our residual value estimates will be at or below used vehicle market sales.

For a detailed discussion on our accounting policies and assumptions relating to depreciation and residual values, please see "Critical Accounting Estimates - Residual Value Estimates and Depreciation" in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our profitability has been and could in the future be negatively impacted if our key operational assumptions and pricing structure prove to be invalid.

Substantially all of our SCS and DTS services, as well as our ChoiceLease and SelectCare products offered through FMS, are provided under long-term contractual arrangements with our customers. These contractual arrangements include pricing terms that are subject to a number of key operational assumptions, including:

- with respect to our SCS contracts, the scope of services, production volumes, operational efficiencies, the mix of fixed versus variable costs, market wages, availability of labor, productivity, inflation, interest rates and other factors;
- with respect to our DTS contracts, market wages, availability of labor, equipment costs, insurance rates, inflation, interest rates, and other operating factors; and
- with respect to our ChoiceLease and SelectCare contracts, residual value estimates (ChoiceLease only) and maintenance costs (including inflation and interest rates), as well as other factors.

If we are incorrect in our operational assumptions, or, as a result of subsequent changes in customer demand or other market forces that are outside of our control, these assumptions prove to be invalid, we could have lower margins than anticipated in a contract or segment, lose business, or be unable to offer competitive products and services. Although these contracts include indexed price escalation clauses or permit renegotiation upon a material change, there is no assurance that we will be successful in obtaining the necessary price adjustments or that pricing will be sufficient to cover the risk. For example, our SCS and DTS services are highly customized and offer a high degree of specialization to meet the needs of our customers. We may not be able to adjust the pricing terms in some of our SCS and DTS contracts in the event any of our assumptions prove to be invalid. As a result, if we do not accurately predict our costs to execute SCS or DTS contracts, it could result in a significant decrease in revenue or loss that could adversely affect our operating results and financial condition.

Disruptions in global supply chains have impacted, and may continue to impact, our business, results of operations and financial condition.

Our business is highly susceptible to disruptions in global supply chains as services are directly tied to the production and sale of goods. Disruptions in global supply chains have impacted each of our business segments as the supply and demand of commercial vehicles directly impacts our FMS business, and the production and supply of certain goods impacts the businesses of our customers in SCS and DTS, and therefore our own business.

To the extent that customers are prohibited from continuing or are unable to continue their operations, whether due to measures implemented in response to a public health or safety crisis or to labor strikes or geopolitical developments, our business and results of operations may be adversely affected. For example, when COVID-19 measures prohibited many of our customers from continuing their operations, our business was initially adversely impacted because we experienced lower demand for commercial rental and used vehicles in our FMS business and reduced volumes in our SCS business. On the other hand, when global supply chain disruptions caused a semiconductor shortage, we experienced a significant increase in demand for rental and used vehicles, as well as lease, due to the limited supply of commercial vehicles. However, we may experience limited rental and lease fleet growth and have a limited inventory of used vehicles for sale during an extended period of limited supply of commercial vehicles. After a period of limited commercial vehicle supply, if OEMs then produce an oversupply of new commercial vehicles, our FMS business may experience reduced rental demand and used vehicle sales in the future. In addition, when global supply chains have been disrupted, we have experienced increased inflationary pressures that increased costs in certain areas like payroll, real estate or lease costs and other third-party services.

Overall, the extent to which future supply chain disruptions impact our business, operations and financial results will depend on numerous factors that are difficult to accurately predict. Depending on the circumstances of a particular supply chain

disruption, economic and commercial activity may be impacted, and, as a result, we may again experience slowdowns, reduced demand and a negative impact to a portion of our earnings.

Our capital-intensive business requires us to make capital decisions based upon projected customer activity levels and market demand for our commercial rental product line.

We make significant investments in vehicles to support our rental business based on anticipated customer demand. We make commitments to purchase the vehicles many months in advance of the expected use of the vehicle and seek to optimize the size and mix of the commercial rental fleet based on demand projections and various other factors. As a result, our business is dependent on our ability to accurately estimate future levels of rental activity and consumer preferences to effectively capitalize on market demand in order to drive the highest levels of utilization and revenue per unit. Missing our projections could result in too much or too little capacity in our rental fleet. Overcapacity could require us to deploy or sell vehicles at lower than anticipated pricing levels, which may result in higher depreciation or losses on vehicle sales. In addition, overcapacity could result in lower revenues and higher costs and have an adverse impact on profitability. Undercapacity could impact our ability to reliably provide rental vehicles to our customers and may negatively affect our reputation. We employ a sales force and operations team on a full-time basis to manage and optimize this product line; however, their efforts may not be sufficient to overcome unforeseen changes in market demand in the rental business. In contrast, in our ChoiceLease product line, we typically do not purchase vehicles until we have an executed contract with a customer.

Failure to maintain, upgrade and consolidate our information technology networks, or maintain adequate controls over such technology systems, could adversely affect us.

Our success depends on the functionality of information technology systems to support our business and service offerings. When outages, system failures or delays in timely access to data occur in our information technology systems that support key business processes, for example our financial reporting and service offerings, our business may be adversely impacted. In addition, extended delays or cost overruns in securing, developing, managing and otherwise implementing technology solutions to support our business may delay and possibly prevent us from realizing the projected benefits of these solutions. Any failure to develop or maintain effective controls, including the risk of human error or misconduct, or to adequately monitor and control access to data in our systems, may result in our financial reporting being unreliable or cause us to fail to meet our reporting obligations. Further, any vulnerabilities found in the technology systems we use to support our controls or any challenges encountered in their implementation or improvement may also adversely affect our financial reporting.

We are continuously upgrading and consolidating our information technology systems by enhancing or replacing legacy systems. When we acquire new businesses, we also have to integrate those acquired systems to our network. These activities subject us to additional costs and risks, including disruption of our internal control structure, substantial capital expenditures, additional administration and operating expenses, impairment of our ability to provide our services, retention of sufficiently skilled personnel to implement and operate the new systems, and other costs and risks. Our system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or any increased productivity.

We face risks related to cybersecurity incidents and other breaches of our systems and information technology.

We depend on the integrity of our information and the proper functioning and availability of our information systems in operating our business. It is important that the data processed by these systems remains confidential and accurate as it may include sensitive customer information, confidential customer transaction data, employee records, and key financial and operational results and statistics. While we maintain an information security program that consists of industry standard safeguards and controls to help safeguard our confidential information, including security training and compliance protocols, we cannot prevent or mitigate all data breaches or cyber incidents. Threats to network and data security are becoming increasingly diverse and sophisticated, with attacks increasing in frequency (especially with the shift to remote work environments), scope and potential harm. Additionally, emerging technologies such as artificial intelligence may make it more difficult to implement protective measures that detect and prevent the occurrence of breaches or cyber incidents described above. We use artificial intelligence in our business, and challenges with its use could result in reputational or competitive harm and legal liability, which could have an adverse impact on our results of operations.

We have experienced cybersecurity threats and breaches targeting our information technology systems, networks and information, and those of our third-party providers and customers. Although, to date, these incidents have not had a material impact on our financial condition or results of operations, future events could expose us to these risks. Moreover, these types of events could also expose us, our vendors, or our customers to loss or misuse of information and restrict or prevent operations or

financial reporting for a period of time. Depending on the type and scope of the intrusion or cybersecurity incident, we could face litigation or other potential liability and harm to our business. Likewise, data privacy breaches from our systems could expose the personally identifiable information of our employees or contractors, sensitive customer data, or vendor data to unauthorized persons, adversely impacting our customer service, employee and customer relationships, and our reputation.

In addition, some of our software applications are utilized by third parties who provide outsourced administrative functions. Such third parties may have access to confidential information important to our business operations and services. While our information security program includes enhanced controls to monitor third-party providers' security programs, these third parties are subject to their own data breaches, cyberattacks and other events or actions that could damage, disrupt or close down their networks or systems, which in turn may adversely impact our performance capabilities. Moreover, weaknesses in vendor management or third-party controls could expose us, our vendors or our customers to additional cybersecurity risks. Also, efforts to prevent, detect and mitigate data breaches and cyber incidents subject us to additional costs.

Regulatory authorities continue to focus on how companies collect, process, use, store, share and transmit personal data. Privacy security laws and regulations pose increasingly complex and rigorous compliance challenges, which impacts our compliance costs. Any failure to comply with data privacy laws and regulations could result in significant penalties, fines, legal challenges and reputational harm.

We may fail to respond adequately or in a timely manner to innovative changes in new technology in our industry.

In recent years, our industry has been characterized by rapid changes in technology, leading to innovative transportation and logistics concepts that have impacted, or have the potential to significantly impact, our business model, competitive landscape and the industries of our customers and suppliers. While we are actively engaged in deploying emerging technologies and developing strategic alliances and new products, we cannot be certain that our initiatives will be successful or timely, and our failure to effectively implement any initiative could have an adverse impact on our financial condition or results of operations.

For example, advanced vehicle technologies include electric vehicles, autonomous or semi-autonomous vehicles, as well as driver assist technologies. Additionally, e-commerce services, last-mile home delivery, and asset- and freight-sharing services continue to garner demand and interest. In addition, there may be other innovations that could impact the transportation, trucking and supply chain and logistics industries, such as machine learning and artificial intelligence, as well as other technologies we cannot yet foresee. Our inability to quickly adapt to and adopt innovations desired by our customers may result in a significant loss of demand for our service offerings. An increase in customer use of electric vehicles, for example, could reduce the demand for our diesel vehicle and related maintenance and other offerings. Likewise, certain advancements in autonomous vehicles may reduce the demand for our dedicated service offerings, where, in addition to a vehicle, we provide a professional driver as part of an integrated, full service customer solution. Moreover, advances in technology may require us to increase investments in order to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments. In addition, the political or regulatory environment may affect the requirements or timing of adopting new technologies. These changes could further increase our investment costs, operating complexity and our ability to offer such technologies to our customers in the jurisdictions in which we operate.

We may fail to establish sufficient insurance reserves to adequately cover workers' compensation and vehicle liabilities.

We are substantially self-insured for vehicle liability and workers' compensation claims. Our self-insurance accruals are based on actuarially estimated, undiscounted cost of claims, which includes claims incurred but not reported. While we believe that our estimation processes are well designed and comply with generally accepted accounting principles in the United States, actuarial techniques and best practices, any projection of losses concerning workers' compensation and vehicle coverage is subject to a considerable degree of variability. The causes of this variability include litigation trends, claim settlement patterns, rising medical and other costs, as well as fluctuations in the frequency or severity of accidents. If actual losses incurred are greater than those anticipated, our self-insurance reserves may be insufficient, and additional costs could be recorded in our consolidated financial statements. If we suffer a substantial loss in excess of our self-insured limits, the loss and related expenses may be covered by traditional insurance and excess insurance we have in place, but if not covered or above such coverage amounts, losses could harm our business, financial condition or results of operations. For a detailed discussion on our accounting policies and assumptions relating to our self-insurance reserves, please see the "Critical Accounting Estimates - Self-Insurance Accruals" section in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Strategic Risks

We operate in a highly competitive industry, and our business may suffer if we are unable to adequately address potential downward pricing pressures and other competitive factors.

The transportation and logistics industry is highly competitive. We face competition in all geographic markets and each industry sector in which we operate. Increased competition or our inability to compete successfully may lead to a reduction in revenues, reduced profit margins, increased pricing pressure or a loss of market share, any one of which could affect our financial results. Numerous competitive factors could impair our ability to maintain our current profitability, including:

- our inability to obtain expected customer retention levels or profitability;
- customers may choose to provide the services we provide for themselves;
- we compete with many other transportation and logistics service providers, some of which have greater capital resources or lower cost structures than we do;
- our inability to compete with new entrants in the transportation and logistics market that may offer similar services at lower cost or have greater technological capabilities;
- our competitors may periodically reduce their prices to gain business, especially during times of declining economic growth, which may limit our ability to maintain or increase prices or impede our ability to maintain our profitability or grow our market share or profitability;
- many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress rates or result in the loss of some of our business to competitors;
- the continuing trend toward consolidation in the trucking industry may result in larger carriers with greater financial resources than we have;
- advances in technology require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments; and
- because cost of capital is a significant competitive factor, any increase in either the cost of our debt or equity as a result of, for example, reductions in our debt rating or stock price volatility could have a significant impact on our competitive position.

Failure to execute our business strategy, explore strategic transactions, and develop, market and deliver high-quality services that meet customer expectations may cause our revenue and earnings to suffer.

Our balanced growth strategy focuses on de-risking and optimizing the business model, enhancing returns and free cash flow, and driving long-term profitable growth, including by moving clients to outsource their logistics and transportation needs and thereby expanding the market for our services, among other factors. We seek to execute our strategy by providing customer centric innovative solutions, operational excellence, top customer service, superior talent and best-in-class information technology, while also attempting to mitigate risks to the business. Failure to execute our business strategy may negatively impact our ability to continue to create long-term shareholder value and may result in stock price volatility.

To successfully execute on this strategy, we must continue to focus on developing innovative solutions that meet both our existing and target customers' evolving needs and keep pace with our competitors. Expanding our service offerings to entice and support new clients may strain our management, capital resources, information systems and customer service. We may also need to hire new employees, which may increase costs and may result in temporary inefficiencies until those employees become proficient in their jobs.

In furtherance of our strategy, we routinely evaluate opportunities and may enter into agreements for possible strategic transactions, including acquisitions, partnerships or divestitures. We may be unable to identify strategic transactions or we may be unable to negotiate commercially acceptable terms. Other risks involved in engaging in these strategic transactions include the possible failure to realize the expected benefits of such transactions within the anticipated time frame, or at all, such as cost savings, synergies, sales and growth opportunities. In addition, the integration of an acquired business may result in material unanticipated challenges, expenses and liabilities. Any one of these factors could result in lower than expected revenues or earnings from the acquisition or strategic transaction and could adversely impact our financial condition or results of operations.

Notwithstanding our efforts, new or enhanced service offerings may not meet customer demands, prove to be profitable, or succeed in the long term. If we do not respond to current customer needs and establish new, and further develop existing, customer relationships, our ability to maintain a competitive advantage and continue to grow our business profitability could be negatively affected.

We and the vehicle equipment manufacturers in our FMS business rely on a small number of suppliers.

We buy vehicles and related equipment from a relatively small number of OEMs in our FMS business. Some of our OEMs rely on a small concentration of suppliers for certain vehicle parts, components and equipment. A discrete event in a particular OEM's or supplier's industry or location, or adverse regional economic conditions impacting an OEM or supplier's ability to provide vehicles or a particular component, has and could in the future adversely impact our FMS business and profitability. In addition, our business and reputation could also be negatively impacted if any parts, components or equipment from one of our suppliers suffer from broad-based quality control issues or become the subject of a product recall and we are unable to obtain replacement parts from another supplier in a timely manner. Although we believe we have alternative sources of supply for the equipment and other supplies used in our business, termination or significant alteration of our relationship with any of our key suppliers could have a material adverse effect on our business, financial condition or results of operations in the unlikely event that we were unable to obtain adequate equipment or supplies from other sources in a timely manner or at all.

We derive a significant portion of our SCS and DTS revenue from a limited number of customers.

In our SCS and DTS businesses a limited number of customers account for a significant portion of revenue. Although we maintain multiple service contracts with each of these large customers, the loss of or reduction in business from one or more of these large customers could have a material adverse effect on our business, results of operations and financial condition. While we continue to focus our efforts on diversifying our customer and carrier base, we may not be successful in doing so. During 2024, sales to our top ten customers in each of SCS and DTS accounted for approximately one-third of total revenue and operating revenue for each segment.

We are also subject to credit risk associated with the concentration of our accounts receivable from our SCS and DTS customers. We have had to take an asset impairment charge in the past when one of our SCS customers filed for bankruptcy, which adversely impacted our operating results. If one or more of our customers were to become bankrupt, insolvent or otherwise were unable to pay for the services we provide, we may incur significant write-offs of accounts receivable or incur lease or asset impairment charges that could adversely affect our operating results and financial condition.

In addition, many of our SCS customers operate in cyclical or seasonal industries, or operate in industries, such as the food and beverage industry, that may be impacted by unanticipated weather, growing conditions (such as drought, insects or disease), natural disasters, pandemics and other conditions over which we have no control. Because of the concentration of customers in our SCS business, a downturn in our customers' businesses could cause a reduction in freight volume shipped by those customers or a reduction in their need for our services, which could materially and adversely affect our operating results and financial condition.

Human Capital

If we are unable to mitigate labor shortage challenges, our financial results may continue to be negatively impacted.

We have experienced high labor costs due to labor shortage challenges across all of our business segments, particularly our DTS and SCS segments. These higher labor costs as well as higher subcontracted transportation costs have negatively impacted our earnings in both DTS and SCS. If labor shortages continue for an extended period of time, our earnings may be further adversely impacted.

Professional Drivers. We hire professional drivers primarily for our SCS and DTS business segments. There is significant competition for qualified professional drivers in the transportation industry. Additionally, interventions and enforcement under the CSA initiative may shrink the industry's pool of professional drivers as those drivers with unfavorable scores may no longer be eligible to drive for us. As a result of driver shortages, we have, and in the future could continue to be required to, increase driver compensation, let trucks sit idle, use outside driver agencies and subcontracted transportation carriers, or face difficulty meeting customer demands, all of which could adversely affect our growth and profitability.

Technicians. Similarly, we hire technicians in our FMS business segment to perform vehicle maintenance services on our ChoiceLease, SelectCare and rental fleets. In recent years, there has been a decrease in the overall supply of skilled maintenance technicians, particularly new technicians with qualifications from technical programs and schools, which could make it more difficult to attract and retain skilled technicians. If we are unable to maintain an adequate number of qualified

technicians, whether through the retention of current technicians or the hiring of new qualified technicians, our business could be adversely affected.

Management and Other Key Personnel. The foundation to our success is developing a skilled and diverse workforce that is motivated and committed to providing our customers with extraordinary service. If we fail to recruit, retain and motivate our employees, including those in senior management and other key roles, such as technology and supply chain management, or fail to preserve company culture, then we may not be able to execute on our strategy and grow our business as planned.

In addition, we are committed to creating a positive and collaborative work environment throughout our organization. If we do not, or are perceived not to, have such a work environment, our reputation or ability to recruit and retain talent may be adversely impacted. Moreover, our current employees may terminate their employment with us at any time with minimal advance notice, and we are experiencing increased competition for talent that is making it more difficult for us to retain the employees we have and to recruit new employees. In addition, we are facing increased regulatory and compliance requirements that further decrease the pool of available candidates.

A significant labor dispute involving us, our vendors or one or more of our customers, or that could otherwise affect our operations, may result in strikes, work stoppages or substantially higher labor costs.

We have approximately 3,800 employees in the U.S. that are organized by labor unions whose wages and benefits are governed by 91 labor agreements that are renegotiated periodically. Disputes with regard to the terms of these agreements or our potential inability to negotiate acceptable contracts with these unions in the future could result in, among other things, a material work stoppage, slowdown or strike by the affected employees. If our workers were to engage in a work stoppage, strike or other slowdown, other employees were to become unionized, or the terms and conditions in future labor agreements were renegotiated, we could experience business disruptions or higher operating costs, which could have an adverse effect on our financial position, results of operations or cash flows. Moreover, a current or future labor dispute involving our vendors or customers, or that could otherwise affect our operations, could affect our business, financial condition or results of operations.

Legal and Regulatory Risks

We face litigation risks that could have a material adverse effect on the operation of our business.

We face litigation risks regarding a variety of issues, including accidents involving our trucks and injuries to employees, alleged violations of federal and state labor and employment law including class-action lawsuits alleging wage and hour violations, independent contractor misclassification and improper pay, securities laws, environmental liability, commercial claims, cyber and other matters. These proceedings may be time-consuming, expensive and disruptive to normal business operations. The defense of such lawsuits could result in significant expense and the diversion of our management's time and attention from the operation of our business, and our involvement could negatively impact our business reputation and our relationships with our customers, suppliers or employees. In recent years, several insurance companies have stopped offering coverage to trucking companies and reduced capacity limits as a result of increases in the severity of automobile liability claims and higher costs of settlements and verdicts, causing the cost of such insurance to increase. This trend could adversely affect our ability to obtain suitable insurance coverage or significantly increase the cost of such coverage, each of which may adversely affect our financial condition, results of operations, liquidity or cash flows. Costs we incur to defend or to satisfy a judgment or settlement of these claims may not be covered by insurance or could exceed the amount of that coverage or increase our insurance costs and could have a material adverse effect on our financial condition, results of operations, liquidity and cash flows.

We operate in a highly regulated industry, and changes in existing regulations or costs of compliance with, or liability for violation of, existing or future laws or regulations could have a material adverse effect on our business.

Our business is subject to laws and regulation by various federal, state, local and foreign governmental agencies. For example, in the U.S., the DOT exercises broad powers over our motor carrier operations and safety. We are also subject to health and safety regulations imposed by state and federal agencies, such as the FDA, the USDA and OSHA. Additionally, we are subject to environmental laws and regulations imposed by various state and federal jurisdictions, such as the EPA, including requirements related to emissions and vehicle mandates. We must also comply with domestic and international laws and regulations related to tax, and we are further subject to anti-bribery, anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act and Office of Foreign Assets Control (OFAC) restrictions. With respect to our operations in Canada and Mexico, we are subject to local laws and regulatory requirements, including tax and anti-bribery laws,

which may vary significantly from country to country. Our failure to comply with applicable laws and regulations may expose us to legal liability, fines or other penalties.

Compliance with laws and regulations has involved, and we expect will continue to involve, significant time commitments and costs, and in recent years, we have seen an increase in proactive regulatory enforcement. For example, the DOT, through the FMCSA, periodically conducts compliance reviews and evaluates the safety rating assessed to motor carriers ("satisfactory," "conditional" or "unsatisfactory"). The receipt of a final "conditional" or "unsatisfactory" safety rating could have a material adverse effect on certain customer relationships. Moreover, if we fail to comply with DOT regulations, including failing to maintain a "satisfactory" safety rating, the DOT could levy fines and require us to cease all transportation services, which could have a material adverse effect on our business. In addition, compliance and enforcement initiatives implemented by the FMCSA related to driver time, fitness and safety may shrink the industry's pool of professional drivers.

In addition, new laws or regulations may be adopted or interpretative changes to existing regulations could be issued at any time. Any changes could further increase our costs or operating complexity and our ability to offer certain services in the jurisdictions in which we operate. Our failure to comply with any existing or future laws or regulations, whether actual or alleged, could have a material adverse effect on our business and on our ability to access the capital required to operate our business. Among other things, any such failure could expose us to reputational harm, loss of business, fines, penalties or potential litigation liabilities, and the loss of operating authority and restrictions on our operations. For example, compliance with new laws or regulations related to employee and independent contractor classification may cause us to incur additional exposure under federal and state tax and employment laws. Similarly, compliance with new environmental laws or regulations may also impose new restrictions on our business or require us to take certain actions that may increase our costs and adversely affect our business.

We may also fail to ensure that companies we acquire, that may not have historically maintained internal compliance controls, risk mitigation processes, or policies or procedures, comply with regulatory and legal requirements consistent with our standards. Moreover, we are also subject to reputational risk and other detrimental business consequences associated with noncompliance by other parties with whom we engage with, such as employees, customers, agents, suppliers or other persons using our supply chain or assets, who may commit illegal acts, including the use of company assets for terrorist activities, fraud or a breach of data privacy laws.

Our failure to comply with U.S. or foreign tax laws or a government challenging our tax position could adversely affect our business and future operating results.

We are affected by various federal, state and foreign tax laws, including income taxes, taxes imposed on the purchase, sale and lease of goods and services, such as sales, excise, property, value-added tax, fuel, environmental and other taxes, and taxes imposed on multinational corporations. If we are unable to successfully take actions to manage the adverse impacts of new tax legislation, or if additional interpretations, regulations, amendments or technical corrections exacerbate the adverse impacts of such legislation, our financial condition, results of operations and cash flows could be adversely affected. In addition, in the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. For example, significant judgment is required in determining our worldwide provision for income taxes, and our tax expense includes estimates of additional tax that may be incurred for tax exposures and reflects various estimates and assumptions. Our operating results could be adversely affected by changes in the effective tax rate as a result of a change in a variety of factors, including the mix of earnings in countries with differing statutory tax rates and changes in our overall profitability.

From time to time we are also under audit by tax authorities in different jurisdictions with regards to income tax and indirect tax matters. Although we believe our tax estimates are reasonable, the final determination of tax audits and any other related tax proceedings in the jurisdictions where we are subject to taxation could be materially different from our historical income and indirect tax provisions and accruals.

Environmental, Climate and Weather Risks

Our business may be affected by climate change and legal, regulatory or other market responses to such change.

Federal, state, local and international legislative and regulatory efforts to address the effects of climate change have affected and will likely continue to affect our business. For example, some jurisdictions are considering or have implemented environmental disclosure requirements, emissions reduction (e.g., greenhouse gas and nitrogen oxide) and zero-emission

vehicle requirements and related taxes, and other increased compliance requirements. These and other similar efforts may impose restrictions on our activities or require us to take certain actions, all of which may, over time, increase our costs and adversely affect our business and results of operations.

For instance, regulations mandating the use of zero-emission vehicles or restricting the use of diesel- or gasoline-powered vehicles could reduce the resale value or availability and demand for certain of our vehicles. Additionally, the demand for maintenance services in FMS and offerings in our SCS and DTS businesses may also be adversely affected. In addition, compliance with environmental regulations and the associated potential cost is complicated by the fact that jurisdictions are following different approaches to the regulation of climate change. As a result, we cannot predict the ultimate effect on our operating results or cost structure until the timing, scope and extent of any such regulations become known.

On the other hand, even absent any such law or regulation, increased awareness of the impact of climate change and any adverse publicity about emissions by the transportation industry could accelerate the adoption of new technology and potentially decrease customer demand for some of our services and used vehicles if consumers change their purchasing behaviors in response to the effects of climate change.

Extreme weather or other natural occurrences could result in significant business interruptions and expenditures in excess of available insurance coverage.

Our business is susceptible to extreme weather and other natural occurrences as we operate a capital-intensive business with a large number of vehicles and need to access roads, warehouses and other facilities in order to service our customers. Extreme weather and other natural occurrences may negatively affect our operations as it may damage our vehicles and facilities and prohibit our workforce from servicing our customers. In addition, fuel costs may rise and other significant business interruptions could occur. Insurance to protect against loss of business and other related consequences resulting from these natural occurrences is subject to coverage limitations, and may not be sufficient to cover all of our damages or may not be available at commercially reasonable rates.

General Risk Factors

Our business may be affected by uncertainty or changes in U.S. or global social, political or regulatory conditions.

Adverse developments in laws, policies or practices in the U.S. and internationally can negatively impact our business and the businesses of our customers. Negative domestic and international global trade conditions as a result of social, political or regulatory changes or perceptions could materially affect our business, financial conditions and results of operations.

We provide services domestically and to a lesser extent outside of the U.S., which subjects our business to various additional risks, including:

- changes in tariffs, trade restrictions, trade agreements and taxes;
- varying tax regimes, including consequences from changes in applicable tax laws;
- difficulties in managing or overseeing foreign operations and agents;
- foreign currency fluctuations and limitations on the repatriation of funds due to foreign currency controls;
- different liability standards;
- fluctuations in inflation and interest rates;
- the price and availability of fuel;
- geopolitical developments, such as national and international conflict; and
- intellectual property laws of countries that do not protect our rights in intellectual property to the same extent as the laws of the U.S.

If we do not correctly anticipate changes in social, political or regulatory conditions or their impact on the transportation and logistics industries, we may not alter our business practices in time to avoid adverse effects. Additionally, the occurrence or consequences of any of these factors may restrict our ability to operate in the affected region or decrease the profitability of our operations in that region.

Our suppliers and customers may also be affected by changes in the political and regulatory environment, both in the U.S. and internationally. Negative impacts on our suppliers or customers could in turn affect our ability to operate and serve our customers, which may adversely impact our business and operating results.

Volatility in assumptions, discount rates and asset values related to our pension plans may adversely affect the valuation of our obligations, the current funding levels and our pension expense under our defined benefit pension plans.

We historically sponsored a number of defined benefit plans for employees not covered by union-administered plans, including certain employees in foreign countries. As of December 31, 2024, the aggregate projected benefit obligations of our global defined pension plans was \$1.6 billion, and the plan assets of our global defined benefit pension plans was \$1.5 billion. The funded status of the plans, equal to the difference between the present value of plan obligations and assets, is a significant factor in determining pension expense and the ongoing funding requirements of those plans. Macroeconomic factors, as well as changes in investment returns and discount rates used to calculate pension expense and related assets and liabilities, can be volatile and may have an unfavorable impact on our costs and funding requirements. Although we are actively seeking to control increases in these costs and funding requirements through annuitization transactions, investment policies and plan contributions, there can be no assurance that we will succeed, and continued cost and funding requirement pressure could reduce the profitability of our business and negatively impact our cash flows.

Damage to our reputation through unfavorable publicity or the actions of our employees could adversely affect our financial condition.

Our success depends on our ability to consistently deliver operational excellence and strong customer service. Our inability to deliver our services and solutions as promised on a consistent basis, or our customers having a negative experience or otherwise becoming dissatisfied, can negatively impact our relationships with new or existing customers and adversely affect our brand and reputation, which could adversely affect revenue and earnings growth. Adverse publicity (whether or not justified) relating to activities by our employees, contractors, agents or others with whom we do business, such as customer service mishaps or noncompliance with laws, including misconduct, fraud or other improper activities, could tarnish our reputation and reduce the value of our brand. With the increase in the use of social media outlets, adverse publicity can be disseminated quickly and broadly, making it increasingly difficult to effectively respond. This unfavorable publicity could also require us to allocate significant resources to rebuild our reputation.

We may be negatively impacted by adverse events in the global credit and financial markets, by an investment rating downgrade, or by the loss of an investment grade rating.

Our FMS business is highly capital intensive, and its profitability could be adversely affected if we are unable to obtain sufficient capital to fund its operations. In general, we rely in large part upon global credit and financial markets to fund our operations and contractual commitments as well as to refinance existing debt. These markets can experience high levels of volatility, and our access to capital could be constrained for extended periods. Our ability to raise capital may be materially reduced or our borrowing costs may significantly increase if, among other things, access to public investment-grade debt becomes limited or closed, we lose access to our revolving credit facility, or funding costs increase due to the loss of an investment grade rating, a severe economic downturn, or rising interest rates.

As of December 31, 2024, we had \$7.8 billion of outstanding indebtedness. If we are unable to raise additional capital by accessing the debt and equity markets, or our costs of raising additional capital were to materially increase, our business could experience a material adverse effect on our operating results or we could face difficulty in implementing our long-term strategy.

Future acts of terrorism or war, or regulatory changes to combat the risk of terrorism or war may cause significant disruptions in our operations.

Transportation assets such as our fleet of vehicles and other infrastructure and information technology systems remain a target for terrorist activities. Terrorist attacks, along with any government response to those attacks, may adversely affect our financial condition, results of operations or liquidity. Regulations adopted by federal, state or local governmental bodies, including the OFAC, that impact the transportation industry, including checkpoints and travel restrictions on large trucks, could disrupt or impede the timing of our operations or cause us to incur increased expenses in order to continue meeting customer requirements. In addition, complying with these or future regulations could continue to increase our operating costs and reduce operating efficiencies. We maintain insurance coverages addressing these risks, and we have received U.S. Patriot Act protections for our security practices related to the rental of our assets. However, such insurance may be inadequate or become unavailable, premiums charged for some or all of the insurance could increase dramatically, regulations may change, or U.S. Patriot Act protections could be reduced. These changes could exacerbate the effects of an act of terrorism on our business,

resulting in a significant business interruption, increased costs and liabilities and decreased revenues, or an adverse impact on results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Our cybersecurity program is designed to protect the integrity of our information and the proper functioning and availability of the information systems that help operate our business. We utilize the National Institute of Standards and Technology's Cybersecurity Framework (NIST CSF) to inform our cybersecurity program and maintain International Organization for Standardization 27001 (ISO 27001) certification. We have created and implemented processes that assess, identify, respond to and manage cybersecurity threats and incidents, and we oversee these processes to minimize the occurrence and impact of any unauthorized access, disruption or use of our information or that of our customers. We have a robust set of information security policies related to encryption of data, anti-virus, firewalls, multi-factor authentication, training of employees, as well as incident response capabilities designed to proactively identify risks and mitigate attacks and unauthorized access attempts to our systems, amongst other measures.

Our cybersecurity program is evaluated by both our management and board of directors. Our Chief Information Officer supervises our cybersecurity program, and our Chief Information Security Officer (CISO) manages its daily operation. Our CISO has over two decades of experience in the cybersecurity and risk management fields, including over 15 years of experience leading cybersecurity oversight, as well as various industry-recognized certifications, such as the Certified Information Systems Security Professional and Auditors certifications. The CISO provides quarterly reports to the audit committee of our board of directors, which is responsible for overseeing cybersecurity and information technology and notifying the board of directors of any significant risks or updates. These reports may include updates on our enterprise-wide cybersecurity strategy, policies, processes and standards, as well as potential cybersecurity or information technology risks and threats. Our cybersecurity program is also evaluated at least annually by external experts, and the results of those reviews are reported to our leadership team and the board of directors. Cybersecurity risk is also evaluated as an enterprise-wide risk via our enterprise risk management program, which is reviewed by our leadership team and the board of directors. All employees are required to complete semiannual cybersecurity trainings and have access to more frequent cybersecurity trainings through online simulations. We also require employees in certain roles to complete additional role-based, specialized cybersecurity trainings.

While we have experienced cybersecurity threats and breaches targeting our information technology systems, networks and information, and those of our third-party providers and customers, to date, these incidents have not had a material impact on our financial condition or results of operations. In the event of a cybersecurity incident, we assess whether such incident had a material impact, and in certain cases, such assessment is reviewed by our leadership team, including the Chief Executive Officer, outside legal advisors and other third-party advisors. Refer to Item 1A. Risk Factors for further information regarding risk related to cybersecurity incidents and other breaches of our systems and information technology.

ITEM 2. PROPERTIES

Our properties consist primarily of vehicle maintenance and repair facilities, warehouses and other real estate and improvements.

We maintain 639 FMS properties in the U.S., Puerto Rico and Canada; we own 447 of these and lease the remaining properties. Our FMS properties are primarily comprised of maintenance facilities generally including a shop for preventive maintenance and repairs, a service island for fueling, safety inspections and preliminary maintenance checks, used vehicle retail sales centers, and in many cases, a commercial rental vehicle counter.

Additionally, we manage 172 on-site maintenance facilities, located at customer locations.

We also maintain 359 locations in the U.S., Canada and Mexico in connection with our SCS business. Almost all of our SCS locations are leased and generally include a warehouse and administrative offices. Our Mexico locations may also include repair shops.

Additionally, we maintain 13 U.S. locations primarily used for Central Support Services. These facilities are generally administrative offices, of which we own three and lease the remaining locations.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various claims, lawsuits and administrative actions arising in the normal course of our businesses. Some involve claims for substantial amounts of money and/or claims for punitive damages. While any proceeding or litigation has an element of uncertainty, management believes that the disposition of such matters, in the aggregate, will not have a material impact on our consolidated financial condition or liquidity. Refer to Note 21, "Contingencies and Other Matters", for additional information regarding our legal proceedings.

Securities Litigation Relating to Residual Value Estimates

As discussed in Note 21, "Contingencies and Other Matters," between June 2020 and February 2021, five shareholder derivative complaints were filed against certain of our current and former officers and directors (the "Derivative Cases"). In December 2024, the parties to the Derivative Cases executed definitive settlement documentation and submitted them for court approval. On January 21, 2025, the court entered an order preliminarily approving the settlement and authorizing the notice of settlement. *See In re Ryder System, Inc. Stockholder Derivative Action*, Lead Case No. 2020-013618-CA-01 (Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida). A hearing to determine whether the court should issue a final order approving the proposed settlement has been scheduled for April 1, 2025. The Stipulation and Agreement of Settlement, with its exhibits, as well as the court-approved Notice of Pendency and Proposed Settlement can be found on the investor relations page of the Company's website, at investors.ryder.com.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

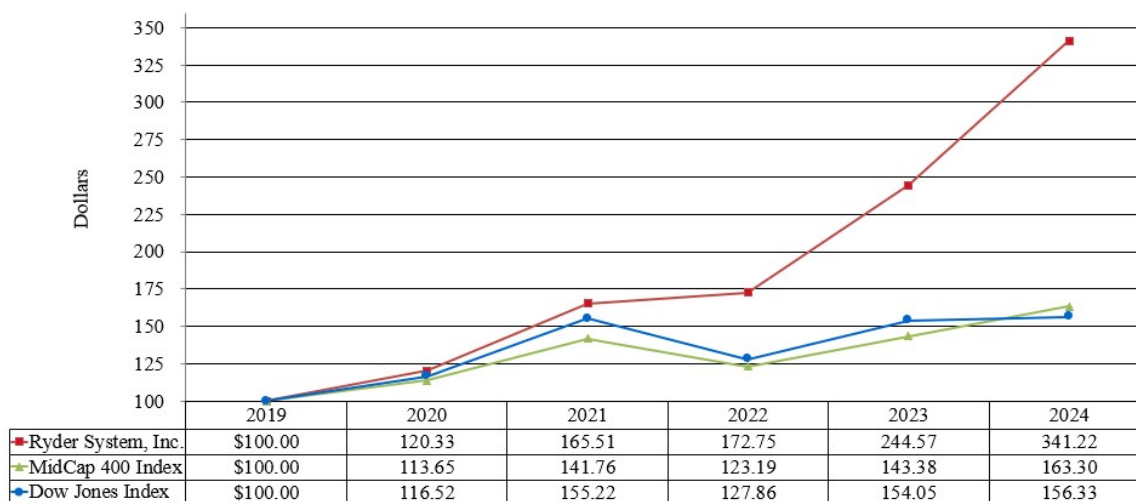
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Ryder Common Stock

Our common shares are listed on the New York Stock Exchange under the trading symbol "R." As of January 31, 2025, there were 4,649 common stockholders of record.

Performance Graph

The following graph compares the performance of our common stock with the performance of the Standard & Poor's MidCap 400 Index and the Dow Jones Transportation 20 Index for a five-year period by measuring the changes in common stock prices from December 31, 2019 to December 31, 2024.



The stock performance graph assumes for comparison that the value of our common stock and of each index was \$100 on December 31, 2019, and that all dividends were reinvested. Past performance is not necessarily an indicator of future results.

Purchases of Equity Securities

The following table provides information with respect to purchases we made of our common stock during the quarter ended December 31, 2024:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽¹⁾	Aggregate Maximum Number of Shares That May Yet Be Purchased Under the Discretionary and Anti-Dilutive Programs ⁽¹⁾
October 1 through October 31, 2024	170,221	\$ 145.44	170,221	3,076,493
November 1 through November 30, 2024	94,720	153.39	91,768	2,984,725
December 1 through December 31, 2024	686	158.15	—	2,984,725
Total	265,627	\$ 148.30	261,989	

(1) We currently maintain two share repurchase programs approved by our board of directors in October 2023 and October 2024. Refer to Note 15, "Share Repurchase Programs," in the Notes to Consolidated Financial Statements for a discussion on our share repurchase programs. Share repurchases can be made from time to time using our working capital and a variety of methods, including open-market transactions and trading plans established pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934. The timing and actual number of shares repurchased are subject to market conditions, legal requirements and other factors, including balance sheet leverage, availability of quality acquisitions and stock price.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with our consolidated financial statements and related notes contained in Part II, Item 8 of this Annual Report on Form 10-K. The following MD&A describes the principal factors affecting our results of operations, financial resources, liquidity, contractual cash obligations and critical accounting estimates during 2024, compared with 2023. A detailed discussion of the year 2023 compared with 2022 is not included herein and can be found in the MD&A section in our 2023 Annual Report on Form 10-K, filed with the SEC on February 20, 2024, which is incorporated herein by reference.

Our results of operations and financial condition are influenced by a number of factors including: macroeconomic and other market conditions, including pricing and demand; used vehicle sales; customer contracting activity and retention; maintenance costs; residual value estimate changes; currency exchange rate fluctuations; customer preferences; inflation; fuel and energy prices; insurance costs; interest rates; labor costs; unemployment levels; tax rates; changes in accounting or regulatory requirements; and cybersecurity attacks. This MD&A includes certain forward-looking statements that are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. We caution readers that certain important factors could cause actual results and events to differ significantly from those expressed. This MD&A should be read in conjunction with our discussion of cautionary statements and significant risks to the business under Part I, Item 1A. "Risk Factors" and "Special Note Regarding Forward-Looking Statements" sections included in this Annual Report.

Certain prior period amounts have been reclassified to conform with the current period presentation.

This MD&A includes certain non-GAAP financial measures. Please refer to the "Non-GAAP Financial Measures" section of this MD&A for information on these non-GAAP measures, including reconciliations to the most comparable GAAP financial measure and the reasons why we believe each measure is useful to investors.

OVERVIEW

General

Ryder is a leading logistics and transportation company. We report our financial performance based on three business segments: (1) Fleet Management Solutions (FMS), which provides full service leasing, commercial rental and vehicle maintenance services; (2) Supply Chain Solutions (SCS), which provides fully integrated port-to-door logistics solutions; and

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(3) Dedicated Transportation Solutions (DTS), which provides turnkey transportation solutions, including dedicated vehicles, professional drivers, management and administrative support. Dedicated transportation services provided as part of an operationally integrated, multi-service supply chain solution to SCS customers are primarily reported in the SCS business segment.

Further information on our business and business segments are presented in Part I, Item 1, "Business", and in Note 3, "Segment Reporting" of the Notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in this Annual Report.

2024 HIGHLIGHTS COMPARED WITH 2023

- Diluted EPS from continuing operations of \$11.06, up from \$8.73 in prior year, which reflected a non-cash FMS U.K. business exit charge
- Comparable EPS (a non-GAAP measure) from continuing operations of \$12.00 compared to \$12.95 in prior year, reflecting higher earnings in contractual lease, supply chain, and dedicated businesses and weaker market conditions in rental and used vehicle sales
- Adjusted Return on Equity (ROE) (a non-GAAP measure) of 16%, compared to 19% in prior year
- Total revenue of \$12.6 billion, up 7%, and operating revenue (a non-GAAP measure) of \$10.3 billion, up 8%, reflecting acquisitions
- Net cash provided by operating activities from continuing operations of \$2.3 billion and free cash flow (a non-GAAP measure) of \$133 million

Business Trends

During 2024, the strength and diversification of our contractual portfolio in lease, supply chain and dedicated helped mitigate the impact of weak market conditions from used vehicle sales and commercial rental demand. We continue to benefit from favorable long-term secular trends in logistics and transportation solutions; however, we are experiencing near-term sales headwinds that reflect the extended freight downturn and overall economic uncertainty. The favorable secular trends provide long-term revenue and earnings growth opportunities for our FMS, SCS, and DTS business segments, and we expect to benefit from the cycle upturn.

In our FMS business, strong lease performance was driven by our lease pricing and maintenance cost savings initiatives which delivered improved portfolio returns. ChoiceLease vehicle fleet grew during 2024, as a result of the CLH Parent Corporation (Cardinal Logistics) acquisition. Rental demand and used vehicle pricing declined from the prior year with rental utilization at 70% during 2024, as compared to 75% in the prior year. We anticipate a very modest improvement in freight market conditions in the latter half of 2025.

In our SCS business, the acquisition of IFS Holdings, LLC, a holding company for Impact Fulfillment Services, LLC (IFS), as well as the brokerage and logistics business from the Cardinal Logistics acquisition drove SCS revenue growth in 2024. In our DTS business, the Cardinal Logistics acquisition drove revenue growth in 2024, and we expect this acquisition to benefit DTS earnings in 2025 as we realize synergies from the acquisition.

While we are experiencing positive momentum from long-term secular trends in our businesses, other unknown effects from inflationary cost pressures, labor interruptions, disruptions in vehicle and vehicle part production and the higher interest rate environment may negatively impact demand for our business, financial results, and significant judgments and estimates.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS SUMMARY

<i>(Dollars in millions, except per share amounts)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Total revenue	\$ 12,636	\$ 11,783	\$ 12,011	7%	(2)%
Operating revenue ⁽¹⁾	10,266	9,497	9,280	8%	2%
Earnings from continuing operations before income taxes (EBT)	\$ 661	\$ 618	\$ 1,216	7%	(49)%
Comparable EBT ⁽¹⁾	715	815	1,144	(12)%	(29)%
Earnings from continuing operations	489	406	863	21%	(53)%
Comparable earnings from continuing operations ⁽¹⁾	531	602	833	(12)%	(28)%
Comparable EBITDA ⁽¹⁾	2,776	2,665	2,722	4%	(2)%
Earnings (loss) per common share (EPS) — Diluted					
Continuing operations	\$ 11.06	\$ 8.73	\$ 16.96	27%	(49)%
Comparable ⁽¹⁾	12.00	12.95	16.37	(7)%	(21)%
Cash dividend per share	3.04	2.66	2.40	14%	11%
Book value per share ⁽²⁾	74.07	69.91	63.45	6%	10%
Total debt	\$ 7,779	\$ 7,114	\$ 6,352	9%	12%
Total shareholders' equity	3,117	3,069	2,937	2%	4%
Debt to equity	250 %	232 %	216 %		
Adjusted return on equity ⁽¹⁾	16 %	19 %	29 %		
Net cash provided by operating activities from continuing operations	2,265	2,353	2,310		
Free cash flow ⁽¹⁾	133	(54)	921		
Total capital expenditures ⁽³⁾	2,694	3,279	2,652		

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

(2) Book value per share is calculated using Total shareholders' equity divided by common shares outstanding.

(3) Includes capital expenditures that have been accrued, but not yet paid.

In 2024, total revenue increased 7% to \$12.6 billion, reflecting higher operating revenue and higher subcontracted transportation. Operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation) increased 8% to \$10.3 billion, reflecting recent acquisitions, partially offset by lower commercial rental revenue in FMS.

EBT increased to \$661 million from \$618 million, due to a 2023, one-time, non-cash \$188 million currency translation adjustment loss related to the FMS U.K. business, partially offset by a decrease in comparable EBT (a non-GAAP measure). Comparable EBT decreased to \$715 million from \$815 million, reflecting weaker conditions in rental and used vehicles, partially offset by higher earnings in contractual lease, supply chain and dedicated businesses.

FULL YEAR CONSOLIDATED RESULTS

Services

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Services revenue	\$ 8,345	\$ 7,297	\$ 7,118	14%	3%
Cost of services	7,099	6,266	6,153	13%	2%
Gross margin	\$ 1,246	\$ 1,031	\$ 965	21%	7%
Gross margin %	15%	14%	14%		

Services revenue represents all the revenues associated with our SCS and DTS business segments, including subcontracted transportation and fuel, as well as SelectCare. Services revenue increased 14% in 2024, due to increases in DTS and SCS revenue primarily driven by recent acquisitions.

Cost of services represents the direct costs related to services revenue and is primarily comprised of salaries and employee-related costs, subcontracted transportation (purchased transportation from third parties), fuel, vehicle liability costs

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

and maintenance costs. Cost of services increased 13% in 2024, reflecting higher revenue, partially offset by a \$35 million SCS asset impairment charge in the prior year.

Services gross margin and gross margin as a percentage increased in 2024, primarily driven by operational improvements in SCS and a \$35 million SCS asset impairment charge in the prior year.

Lease & Related Maintenance and Rental

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Lease & related maintenance and rental revenue	\$ 3,835	\$ 3,937	\$ 4,174	(3)%	(6)%
Cost of lease & related maintenance and rental	2,623	2,684	2,774	(2)%	(3)%
Gross margin	\$ 1,212	\$ 1,253	\$ 1,400	(3)%	(11)%
Gross margin %	32%	32%	34%		

Lease & related maintenance and rental revenue represent revenue from our ChoiceLease and commercial rental product offerings within our FMS business segment. Revenue decreased 3% in 2024, reflecting lower commercial rental demand partially offset by ChoiceLease growth.

Cost of lease & related maintenance and rental represents the direct costs related to Lease & related maintenance and rental revenue and are comprised of depreciation of revenue earning equipment, maintenance costs (primarily repair parts and labor), and other costs such as licenses, insurance and operating taxes. Cost of lease & related maintenance and rental excludes interest costs from vehicle financing, which are reported within "Interest expense" in our Consolidated Statements of Earnings. Cost of lease & related maintenance and rental decreased 2% in 2024 reflecting lower operating costs on a 10% smaller average commercial rental fleet, lower maintenance costs on a younger fleet and maintenance cost savings initiatives.

Lease & related maintenance and rental gross margin decreased primarily due to lower commercial rental demand. Lease & related maintenance and rental gross margin as a percentage of revenue remained consistent at 32% as lower commercial rental utilization was offset by improved lease performance and maintenance cost savings initiatives.

Fuel Services

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Fuel services revenue	\$ 456	\$ 549	\$ 719	(17)%	(24)%
Cost of fuel services	441	534	694	(17)%	(23)%
Gross margin	\$ 15	\$ 15	\$ 25	—%	(40)%
Gross margin %	3%	3%	3%		

Fuel services revenue represents fuel services provided to our FMS customers. Fuel services revenue decreased 17% in 2024, primarily reflecting lower fuel prices passed through to customers and fewer gallons sold.

Cost of fuel services includes the direct costs associated with providing our customers with fuel. These costs include fuel, salaries and employee-related costs of fuel island attendants and depreciation of our fueling facilities and equipment. Cost of fuel services decreased 17% in 2024 as a result of 11% lower fuel prices and 2% lower gallons sold.

Fuel services gross margin remained consistent at \$15 million and gross margin as a percentage of revenue remained unchanged at 3% in 2024. Fuel is largely a pass-through to customers for which we realize minimal changes in margin during periods of steady market fuel prices. However, fuel services margin is impacted by sudden increases or decreases in market fuel prices during a short period of time, as customer pricing for fuel is established based on current market fuel costs. Fuel services gross margin was not significantly impacted by these price change dynamics in 2024.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Selling, General and Administrative Expenses

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Selling, general and administrative expenses (SG&A)	\$ 1,478	\$ 1,421	\$ 1,415	4%	—%
Percentage of total revenue	12 %	12 %	12 %		

SG&A expenses increased to \$1.5 billion primarily due to the impact from recent acquisitions. SG&A expenses as a percentage of total revenue remained at 12% in 2024.

Non-Operating Pension Costs, net

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Non-operating pension costs, net	\$ 41	\$ 40	\$ 11	NM	NM

NM - Denotes Not Meaningful throughout the MD&A

Non-operating pension costs, net include the amortization of net actuarial loss and prior service cost, interest cost and expected return on plan assets components of pension and postretirement benefit costs, as well as any significant charges for settlements or curtailments if recognized. Refer to Note 19, "Employee Benefit Plans" for further discussion.

Used Vehicle Sales, net

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Used vehicle sales, net	\$ (72)	\$ (196)	\$ (450)	(63)%	(56)%

Used vehicle sales, net includes gains or losses from sales of used vehicles, selling costs associated with used vehicles and write-downs of vehicles held for sale to fair market value (referred to as "valuation adjustments"). Used vehicle sales, net gains decreased in 2024 due to lower proceeds per unit on sales of used vehicles and lower volume sold.

Average proceeds per unit decreased in 2024 from the prior year. The following table presents the average used vehicle proceeds per unit changes, using constant currency, compared with the prior year:

	2024/2023	2023/2022
Tractors	(21)%	(37)%
Trucks	(23)%	(28)%

Interest Expense

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Interest expense	\$ 386	\$ 296	\$ 228	30%	30%
Effective interest rate	5.1%	4.4%	3.5%		

Interest expense increased 30% in 2024, primarily reflecting higher market interest rates on new debt issuances and refinancings, as well as increased debt borrowings to fund share repurchases and recent acquisitions.

Miscellaneous Income, net

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Miscellaneous income, net	\$ (34)	\$ (47)	\$ (32)	(28)%	47%

Miscellaneous income, net consists of investment income on securities used to fund certain benefit plans, interest income, gains on sales of operating property, foreign currency transaction remeasurement and other non-operating items. The higher

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Miscellaneous income, net in 2023 is primarily due to the gains from the sale of our corporate headquarters building and U.K. properties sold as part of our FMS U.K. business exit.

Currency Translation Adjustment Loss

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Currency translation adjustment loss	\$ —	\$ 188	\$ —	NM	NM

Refer to Note 16, "Accumulated Other Comprehensive Loss" for a discussion on the currency translation adjustment loss in 2023.

Restructuring and Other Items, net

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Restructuring and other items, net	\$ 13	\$ (21)	\$ 2	NM	NM

Refer to Note 20, "Other Items Impacting Comparability" in the Notes to Consolidated Financial Statements for a discussion of restructuring charges and other items.

Provision for Income Taxes

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Provision for income taxes	\$ 172	\$ 212	\$ 353	(19)%	(40)%
Effective tax rate on continuing operations	26.0 %	34.3 %	29.1 %		
Comparable tax rate on continuing operations ⁽¹⁾	25.7 %	26.1 %	27.2 %		

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

Our effective tax rate from continuing operations was 26.0% in 2024 as compared to 34.3% in the prior year. The higher effective rate in the prior year is due to a one-time, nondeductible cumulative currency translation adjustment loss related to the completion of the FMS U.K. business exit. Our comparable tax rate on continuing operations, which excludes the impact of the prior year currency translation adjustment loss, declined slightly to 25.7% in 2024 from 26.1% in the prior year. Refer to our discussion of changes in our provision for income taxes and effective tax rate from continuing operations in Note 11, "Income Taxes" in the Notes to Consolidated Financial Statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FULL YEAR OPERATING RESULTS BY BUSINESS SEGMENT

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Revenue:					
Fleet Management Solutions	\$ 5,888	\$ 5,930	\$ 6,327	(1)%	(6)%
Supply Chain Solutions	5,300	4,875	4,720	9%	3%
Dedicated Transportation Solutions	2,446	1,785	1,786	37%	—%
Eliminations	(998)	(807)	(822)	24%	(2)%
Total	<u>\$ 12,636</u>	<u>\$ 11,783</u>	<u>\$ 12,011</u>	7%	(2)%
Operating Revenue: ⁽¹⁾					
Fleet Management Solutions	\$ 5,116	\$ 5,053	\$ 5,213	1%	(3)%
Supply Chain Solutions	3,965	3,625	3,254	9%	11%
Dedicated Transportation Solutions	1,870	1,298	1,239	44%	5%
Eliminations	(685)	(479)	(426)	43%	12%
Total	<u>\$ 10,266</u>	<u>\$ 9,497</u>	<u>\$ 9,280</u>	8%	2%
Earnings from continuing operations before income taxes:					
Fleet Management Solutions	\$ 516	\$ 665	\$ 1,057	(22)%	(37)%
Supply Chain Solutions	332	231	218	44%	6%
Dedicated Transportation Solutions	125	121	103	4%	17%
Eliminations	(134)	(95)	(114)	41%	17%
	<u>839</u>	<u>922</u>	<u>1,264</u>	(9)%	(27)%
Unallocated Central Support Services	(71)	(72)	(83)	—%	(13)%
Intangible amortization expense ⁽²⁾	(53)	(35)	(37)	52%	4%
Non-operating pension costs, net ⁽³⁾	(41)	(40)	(11)	NM	NM
Other items impacting comparability, net ⁽⁴⁾	(13)	(157)	83	NM	NM
Earnings from continuing operations before income taxes	<u>\$ 661</u>	<u>\$ 618</u>	<u>\$ 1,216</u>	7%	(49)%

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

(2) Refer to Note 9, "Intangible Assets, Net," for a discussion on this item.

(3) Refer to Note 19, "Employee Benefit Plans," for a discussion on this item.

(4) Refer to Note 20, "Other Items Impacting Comparability," and below for a discussion of items excluded from our primary measure of segment performance.

As part of management's evaluation of segment operating performance, we define the primary measurement of our segment financial performance as "Earnings from continuing operations before income taxes" (EBT), which includes an allocation of costs from Central Support Services (CSS) and excludes Non-operating pension costs, net, intangible amortization expense, and certain other items as discussed in Note 20, "Other Items Impacting Comparability," in the Notes to Consolidated Financial Statements. CSS represents those costs incurred to support all business segments, including information technology, finance, marketing, human resources, legal, and safety.

The objective of the EBT measurement is to provide clarity on the profitability of each business segment and, ultimately, to hold leadership of each business segment accountable for their allocated share of CSS costs. Segment results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented. Certain costs are not attributable to any segment and remain unallocated in CSS, including costs for investor relations, public affairs and certain executive compensation. Refer to Note 3, "Segment Reporting," in the Notes to Consolidated Financial Statements for a description of the methodology for allocating the remainder of CSS costs to the business segments.

Our FMS segment leases revenue earning equipment and provides rental vehicles, fuel, maintenance and other ancillary services to the SCS and DTS segments. Inter-segment EBT allocated to SCS and DTS includes earnings related to equipment used in providing services to SCS and DTS customers. EBT related to inter-segment equipment and services billed to SCS and

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DTS customers (equipment contribution) are included in both FMS and the segment that served the customer and then eliminated upon consolidation (presented as “Eliminations”).

The following table sets forth the benefit from equipment contribution included in EBT for our SCS and DTS business segments:

(Dollars in millions)	2024	2023	2022	Change	
				2024/2023	2023/2022
Equipment Contribution:					
Supply Chain Solutions	\$ 45	\$ 43	\$ 46	5%	(7)%
Dedicated Transportation Solutions	89	52	68	70%	(24)%
Total	<u>\$ 134</u>	<u>\$ 95</u>	<u>\$ 114</u>	41%	(17)%

Vehicles acquired from Cardinal Logistics are included in FMS revenue earning equipment and leased to our DTS segment. EBT related to inter-segment equipment and services on the Cardinal vehicles drove the increase in DTS equipment contribution during 2024.

Fleet Management Solutions

(Dollars in millions)	2024	2023	2022	Change	
				2024/2023	2023/2022
ChoiceLease	\$ 3,446	\$ 3,181	\$ 3,101	8%	3%
Commercial rental ⁽¹⁾	976	1,178	1,338	(17)%	(12)%
SelectCare and other	694	694	624	—%	11%
FMS Europe ⁽²⁾	—	—	150	—%	(100)%
Fuel services revenue	772	877	1,114	(12)%	(21)%
FMS total revenue	<u>\$ 5,888</u>	<u>\$ 5,930</u>	<u>\$ 6,327</u>	(1)%	(6)%
FMS operating revenue ⁽³⁾	<u>\$ 5,116</u>	<u>\$ 5,053</u>	<u>\$ 5,213</u>	1%	(3)%
FMS EBT	<u>\$ 516</u>	<u>\$ 665</u>	<u>\$ 1,057</u>	(22)%	(37)%
FMS EBT as a % of FMS total revenue	<u>8.8%</u>	<u>11.2%</u>	<u>16.7%</u>	(240) bps	(550) bps
FMS EBT as a % of FMS operating revenue ⁽³⁾	<u>10.1%</u>	<u>13.2%</u>	<u>20.3%</u>	(310) bps	(710) bps

(1) During 2024, 2023 and 2022, rental revenue from lease customers in place of a lease vehicle represented 31%, 34%, and 33% of commercial rental revenue, respectively.

(2) Refer to Note 20, “Other Items Impacting Comparability,” in the Notes to Consolidated Financial Statements for additional information.

(3) Non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

FMS total revenue decreased 1% in 2024, primarily due to lower fuel service revenue passed through to customers partially offset by higher operating revenue (a non-GAAP measure excluding fuel services revenue). FMS operating revenue increased 1% in 2024, reflecting ChoiceLease growth, including the inter-segment lease revenue with DTS from the Cardinal Logistics acquisition. The increase in FMS operating revenue was partially offset by lower rental demand.

The following table summarizes the components of the change in revenue on a percentage basis versus the prior years:

	2024		2023		2022	
	Total	Operating ⁽¹⁾	Total	Operating ⁽¹⁾	Total	Operating ⁽¹⁾
Organic, including price and volume	(2)%	(3)%	— %	— %	6 %	8 %
Acquisition / (U.K. business exit)	3	4	(2)	(3)	(2)	(2)
Fuel	(2)	—	(4)	—	7	—
Net change	<u>(1)%</u>	<u>1 %</u>	<u>(6)%</u>	<u>(3)%</u>	<u>11 %</u>	<u>6 %</u>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(1) *Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.*

FMS EBT decreased 22% in 2024, reflecting weaker commercial rental demand and lower gains on used vehicle sales due to lower pricing and volume, partially offset by higher ChoiceLease performance and benefits from maintenance cost savings initiatives. Lower gains on used vehicles sales reflect a 23% and 21% decrease in used truck and tractor pricing, respectively. Used vehicle inventory levels increased to 9,000 vehicles but is still in line with our long term target range of 7,000 - 9,000 vehicles. Rental power fleet utilization decreased to 70% from 75% in prior year. The average power fleet was 9% smaller in 2024.

Our North America fleet of owned and leased revenue earning equipment and SelectCare vehicles, including vehicles under on-demand maintenance, is summarized as follows (rounded to the nearest hundred):

	2024	2023	2022	Change	
				2024/2023	2023/2022
End of period vehicle count					
By type:					
Trucks ⁽¹⁾	80,500	75,600	72,100	6%	5%
Tractors ⁽²⁾	66,700	69,000	69,300	(3)%	—%
Trailers and other ⁽³⁾	44,700	40,800	41,200	10%	(1)%
Total	<u>191,900</u>	<u>185,400</u>	<u>182,600</u>	4%	2%
By ownership:					
Owned	186,200	184,400	181,300	1 %	2 %
Leased	5,700	1,000	1,300	470 %	(23)%
Total	<u>191,900</u>	<u>185,400</u>	<u>182,600</u>	4 %	2 %
By product line:					
ChoiceLease	145,300	138,900	134,600	5%	3%
Commercial rental	35,500	36,400	41,800	(2)%	(13)%
Service vehicles and other	2,100	2,100	2,100	—%	—%
Total	<u>182,900</u>	<u>177,400</u>	<u>178,500</u>	3%	(1)%
Held for sale	9,000	8,000	4,100	13%	95%
Total	<u>191,900</u>	<u>185,400</u>	<u>182,600</u>	4%	2%
<i>Memo: U.K. Vehicle Count</i>	—	—	1,000	N/A	(100)%
Customer vehicles under SelectCare contracts ⁽⁴⁾	<u>41,800</u>	<u>51,600</u>	<u>54,600</u>	(19)%	(5)%
Average vehicle count					
By product line:					
ChoiceLease	145,000	137,800	134,000	5%	3%
Commercial rental	35,300	39,300	40,800	(10)%	(4)%
Service vehicles and other	2,100	2,000	2,000	5%	—%
Total	<u>182,400</u>	<u>179,100</u>	<u>176,800</u>	2%	1%
Held for sale	9,200	6,500	3,400	42%	91%
Total	<u>191,600</u>	<u>185,600</u>	<u>180,200</u>	3%	3%
Customer vehicles under SelectCare contracts ⁽⁴⁾	<u>48,900</u>	<u>52,700</u>	<u>54,800</u>	(7)%	(4)%
Customer vehicles under SelectCare on-demand ⁽⁵⁾	<u>6,900</u>	<u>10,600</u>	<u>15,400</u>	(35)%	(31)%
Total vehicles serviced	<u>247,400</u>	<u>248,900</u>	<u>250,400</u>	(1)%	(1)%

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- (1) Generally comprised of Class 1 through Class 7 type vehicles with a Gross Vehicle Weight (GVW) up to 33,000 pounds.
(2) Generally comprised of over the road on highway tractors and are primarily comprised of Class 8 type vehicles with a GVW over 33,000 pounds.
(3) Generally comprised of dry, flatbed and refrigerated type trailers.
(4) Excludes customer vehicles under SelectCare on-demand contracts.
(5) Comprised of the number of unique vehicles serviced under on-demand maintenance agreements. This does not represent averages for the periods. Vehicles included in the count may have been serviced more than one time during the respective period.

Note: Average vehicle counts were computed using a 24-point average based on monthly information.

The following table provides information on our North America active ChoiceLease fleet (number of units rounded to nearest hundred) and our commercial rental power fleet (excludes trailers):

	2024	2023	2022	Change	
				2024/2023	2023/2022
Active ChoiceLease fleet					
End of period vehicle count ⁽¹⁾	135,000	129,800	128,400	4%	1%
Full year average vehicle count ⁽¹⁾	135,900	129,800	128,700	5%	1%
Commercial rental statistics					
Commercial rental utilization - power fleet ⁽²⁾	70 %	75 %	83 %	(500) bps	(800) bps

- (1) Active ChoiceLease vehicles are calculated as those units currently earning revenue and not classified as not yet earning or no longer earning units..
(2) Rental utilization is calculated using the number of days units are rented divided by the number of days units are available to rent based on the days in the calendar year.

Supply Chain Solutions

(Dollars in millions)	2024	2023	2022	Change	
				2024/2023	2023/2022
Omnichannel retail	\$ 1,197	\$ 1,207	\$ 1,215	(1)%	(1)%
Automotive	1,080	1,061	870	2%	22%
Consumer packaged goods	1,149	926	806	24%	15%
Industrial and other	539	431	363	25%	19%
Subcontracted transportation and fuel	1,335	1,250	1,466	7%	(15)%
SCS total revenue	\$ 5,300	\$ 4,875	\$ 4,720	9%	3%
SCS operating revenue ⁽¹⁾	\$ 3,965	\$ 3,625	\$ 3,254	9%	11%
SCS EBT	\$ 332	\$ 231	\$ 218	44%	6%
SCS EBT as a % of SCS total revenue	6.3%	4.7%	4.6%	160 bps	10 bps
SCS EBT as a % of SCS operating revenue ⁽¹⁾	8.4%	6.4%	6.7%	200 bps	(30) bps
<i>End of period vehicle count:</i>					
Power vehicles	3,900	4,200	4,200	(7)%	—%
Trailers	9,100	9,600	8,900	(5)%	8%
Total	13,000	13,800	13,100	(6)%	5%

- (1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table summarizes the components of the change in revenue on a percentage basis versus the prior years:

	2024		2023		2022	
	Total	Operating ⁽¹⁾	Total	Operating ⁽¹⁾	Total	Operating ⁽¹⁾
Organic, including price and volume	(1)%	— %	2 %	9 %	25 %	22 %
Acquisitions	10	9	1	2	23	25
Fuel	—	—	—	—	2	—
Net change	9 %	9 %	3 %	11 %	50 %	47 %

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

SCS total revenue increased 9% primarily as a result of higher operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation), which increased 9% driven by recent acquisitions.

SCS EBT increased 44% in 2024, primarily reflecting stronger performance in the omnichannel retail and automotive verticals, a prior year \$35 million asset impairment charge, and acquisition benefits.

Dedicated Transportation Solutions

(Dollars in millions)	2024	2023	2022	Change	
				2024/2023	2023/2022
DTS total revenue	\$ 2,446	\$ 1,785	\$ 1,786	37%	—%
DTS operating revenue ⁽¹⁾	\$ 1,870	\$ 1,298	\$ 1,239	44%	5%
DTS EBT	\$ 125	\$ 121	\$ 103	4%	18%
DTS EBT as a % of DTS total revenue	5.1%	6.8%	5.8%	(170) bps	100 bps
DTS EBT as a % of DTS operating revenue ⁽¹⁾	6.7%	9.3%	8.3%	(260) bps	100 bps
<i>End of period vehicle count:</i>					
Power vehicles	7,500	5,200	5,400	44%	(4)%
Trailers	11,600	5,700	6,000	104%	(5)%
Total	19,100	10,900	11,400	75%	(4)%

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

The following table summarizes the components of the change in revenue on a percentage basis versus the prior years:

	2024		2023		2022	
	Total	Operating ⁽¹⁾	Total	Operating ⁽¹⁾	Total	Operating ⁽¹⁾
Organic, including price and volume	(2)%	(2)%	3 %	5 %	17 %	17 %
Acquisition	41	46	—	—	—	—
Fuel	(2)	—	(3)	—	6	—
Net change	37 %	44 %	— %	5 %	23 %	17 %

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

DTS total revenue increased in 2024 primarily due to higher operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation revenues). DTS operating revenue increased 44% in 2024 due to the Cardinal Logistics acquisition.

DTS EBT increased 4% in 2024, due to improved operating performance and the Cardinal Logistics acquisition.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Central Support Services

<i>(Dollars in millions)</i>	2024	2023	2022	Change	
				2024/2023	2023/2022
Total CSS	\$ 417	\$ 419	\$ 419	—%	—%
Allocation of CSS to business segments	(346)	(347)	(336)	—%	3%
Unallocated CSS	\$ 71	\$ 72	\$ 83	—%	(13)%

Total CSS costs and Unallocated CSS costs remained relatively unchanged in 2024.

FINANCIAL RESOURCES AND LIQUIDITY

Cash Flows

The following is a summary of our cash flows from continuing operations:

<i>(In millions)</i>	2024	2023	2022
Net cash provided by (used in):			
Operating activities	\$ 2,265	\$ 2,353	\$ 2,310
Investing activities	(2,446)	(2,663)	(1,850)
Financing activities	153	256	(861)
Effect of exchange rate changes on cash	(21)	(9)	(4)
Net change in cash, cash equivalents, and restricted cash	\$ (49)	\$ (63)	\$ (405)

<i>(In millions)</i>	2024	2023	2022
Net cash provided by operating activities from continuing operations			
Earnings from continuing operations	\$ 489	\$ 406	\$ 863
Non-cash and other, net	2,260	2,088	1,903
Currency translation adjustment loss	—	188	—
Collections on sales-type leases	148	126	135
Changes in operating assets and liabilities	(632)	(455)	(591)
Net cash provided by operating activities from continuing operations	\$ 2,265	\$ 2,353	\$ 2,310

Net cash provided by operating activities from continuing operations was \$2.3 billion in 2024, compared with \$2.4 billion in 2023, due to the timing of vendor payments and prefunding of future required pension contributions. Net cash used in investing activities from continuing operations decreased to \$2.4 billion in 2024 compared with \$2.7 billion in 2023, reflecting lower capital expenditures and decreased cash proceeds from sales of used vehicles and property. Net cash provided by financing activities from continuing operations decreased to \$153 million in 2024, compared to \$256 million in 2023, primarily reflecting lower borrowing needs.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table shows the components of our free cash flow (a non-GAAP measure):

<i>(In millions)</i>	2024	2023	2022
Net cash provided by operating activities from continuing operations	\$ 2,265	\$ 2,353	\$ 2,310
Sales of revenue earning equipment ⁽¹⁾	532	764	1,182
Sales of operating property and equipment ⁽¹⁾	19	63	53
Other ⁽¹⁾	—	—	7
Total cash generated ⁽²⁾	2,816	3,180	3,552
Purchases of property and revenue earning equipment ⁽¹⁾	(2,683)	(3,234)	(2,631)
Free cash flow ⁽²⁾	\$ 133	\$ (54)	\$ 921

(1) Includes cash inflows from other investing activities.

(2) Non-GAAP financial measures. Reconciliations of net cash provided by operating activities to total cash generated and to free cash flow are set forth in this table. Refer to the "Non-GAAP Financial Measures" section of this MD&A for the reasons why management believes these measures are important to investors.

Free cash flow (a non-GAAP measure) increased to \$133 million in 2024 from negative \$54 million in 2023, reflecting reduced capital expenditures partially offset by lower proceeds from sales of used vehicles and property and lower cash from operating activities.

Net cash provided by operating activities from continuing operations will increase to approximately \$2.5 billion in 2025. We expect free cash flow (a non-GAAP measure) to increase to approximately \$400 million reflecting higher cash generated and lower investments in the ChoiceLease fleet.

Purchase Obligations

The majority of our purchase obligations are pay-as-you-go transactions made in the ordinary course of business. Purchase obligations include agreements to purchase goods or services that are legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed minimum or variable price provisions; and the approximate timing of the transaction. Any amounts for which we are liable under purchase orders for goods and services received are reflected in the Consolidated Balance Sheets as "Accounts payable" and "Accrued expenses and other current liabilities." In addition, we reflect obligations with settlements that are greater than twelve months from the balance sheet date, as "Other non-current liabilities", including operating lease liabilities. The most significant purchase obligations relate to the purchase of revenue earning equipment.

Capital expenditures generally represent the purchase of revenue earning equipment (trucks, tractors and trailers) within our FMS segment. These expenditures primarily support the ChoiceLease and commercial rental product lines. The level of capital required to support the ChoiceLease product line varies based on customer contract signings for replacement vehicles and growth. These contracts are long-term agreements that result in predictable cash flows typically over three to seven years for trucks and tractors and ten years for trailers. We utilize capital for the purchase of vehicles in our commercial rental product line to replenish and expand the fleet available for shorter-term use by contractual or occasional customers. Operating property and equipment expenditures primarily relate to spending on items such as vehicle maintenance facilities and equipment, computer and telecommunications equipment, investments in technologies, and warehouse facilities and equipment.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a summary of capital expenditures:

<i>(In millions)</i>	2024	2023	2022
Revenue earning equipment:			
ChoiceLease	\$ 2,042	\$ 2,562	\$ 1,824
Commercial rental	525	438	541
	<u>2,567</u>	<u>3,000</u>	<u>2,365</u>
Operating property and equipment	127	279	287
Gross capital expenditures ⁽¹⁾	2,694	3,279	2,652
Changes in accounts payable related to purchases of property and revenue earning equipment	(11)	(45)	(21)
Cash paid for purchases of property and revenue earning equipment	<u>\$ 2,683</u>	<u>\$ 3,234</u>	<u>\$ 2,631</u>

(1) Excludes \$46 million, \$26 million and \$12 million in 2024, 2023 and 2022, respectively, in assets held under finance leases resulting from new or the extension of existing finance leases and other additions.

Gross capital expenditures decreased to \$2.7 billion in 2024, reflecting reduced investments in the ChoiceLease fleet due to lower sales activity. We expect gross capital expenditures to remain at approximately \$2.7 billion in 2025, reflecting lower investments in the rental fleet, offset by investments in the lease fleet.

Other Obligations and Commitments

The following table provides other material cash requirements from contractual obligations and commitments and the related reference in the Notes to Consolidated Financial Statements for further information:

Description	Reference	Reference Title
Insurance obligations (primarily self-insurance)	Note 10	Accrued Expenses and Other Liabilities
Operating leases	Note 12	Leases
Debt	Note 13	Debt
Employee benefit plans	Note 19	Employee Benefit Plans

We believe that our operating cash flows and access to the debt markets, as further discussed in "Financing and Other Funding Transactions" below, are sufficient to meet our contractual obligations.

Off-Balance Sheet Arrangements

Guarantees. Refer to Note 14, "Guarantees," in the Notes to Consolidated Financial Statements for a discussion of our agreements involving guarantees.

Financing and Other Funding Transactions

We utilize external capital primarily to support working capital needs and growth in our asset-based product lines. The variety of financing alternatives typically available to fund our capital needs include commercial paper, long-term and medium-term public and private debt, asset-backed securities, bank term loans, leasing arrangements, and bank credit facilities. Our principal sources of financing are issuances of unsecured commercial paper and medium-term notes.

As of December 31, 2024, cash and equivalents totaled \$154 million and approximately \$107 million was held outside the U.S. and is available to fund operations and other growth of non-U.S. subsidiaries. We consider our U.K. earnings to be no longer indefinitely reinvested. We consider the historical earnings of Mexico, along with our remaining foreign jurisdictions to be permanently reinvested. During 2024, we repatriated \$14 million of current year foreign earnings from Mexico with minimal tax costs. Federal, state and foreign income taxes, withholding taxes and the tax impact of foreign currency exchange gains or losses were considered on the remaining U.K. undistributed earnings as of December 31, 2024, and there was no impact to deferred taxes.

We believe that our operating cash flows, together with our access to the public unsecured bond market, commercial paper market and other available debt financing, will be adequate to meet our operating, investing and financing needs in the foreseeable future. However, volatility or disruption in the public unsecured debt market or the commercial paper market may

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

impair our ability to access these markets on terms commercially acceptable to us. If we cease to have access to public bonds, commercial paper and other sources of unsecured borrowings, we would meet our liquidity needs by drawing upon contractually committed lending agreements or by seeking other funding sources.

In February 2024, we issued two tranches of unsecured medium-term notes with aggregate principal amounts of \$350 million and \$550 million, bearing annual interest of 5.30% and 5.38%, respectively, and maturing on March 15, 2027 and March 15, 2029, respectively. In May 2024, we issued an unsecured medium-term note with aggregate principal amount of \$300 million, bearing annual interest of 5.50%, and maturing on June 1, 2029. In August 2024, we issued an unsecured medium-term note with aggregate principal amount of \$300 million, bearing annual interest of 4.95%, and maturing on September 1, 2029. In November 2024, we issued an unsecured medium-term note with aggregate principal amount of \$300 million, bearing annual interest of 4.90%, and maturing on December 1, 2029.

Refer to Note 13, "Debt," in the Notes to Consolidated Financial Statements for information around the revolving credit facility, the trade receivables financing program, issuance of medium-term notes under our shelf registration statement, asset-backed financing obligations and debt maturities.

Our ability to access unsecured debt in the capital markets is impacted by both our short-term and long-term debt ratings. These ratings are intended to provide guidance to investors in determining the credit risk associated with our particular securities based on current information obtained by the rating agencies from us or from other sources. Ratings are not recommendations to buy, sell or hold our debt securities and may be subject to revision or withdrawal at any time by the assigning rating agency. Lower ratings generally result in higher borrowing costs, as well as reduced access to unsecured capital markets. A significant downgrade below investment grade of our short-term debt ratings would impair our ability to issue commercial paper and likely require us to rely on alternative funding sources. A significant downgrade below investment grade would not affect our ability to borrow amounts under our revolving credit facility described below, assuming ongoing compliance with the terms and conditions of the credit facility.

Our debt ratings and rating outlooks as of December 31, 2024 were as follows:

	Rating Summary		
	Short-term	Long-term	Long-term Outlook
Standard & Poor's Ratings Services	A2	BBB+	Stable
Moody's Investors Service	P2	Baa2	Positive
Fitch Ratings	F2	BBB+	Positive

As of December 31, 2024, we had the following amounts available to fund operations under the following facilities:

	<i>(In millions)</i>
Revolving credit facility	\$532
Trade receivables financing program	\$181

In accordance with our funding philosophy, we generally attempt to align the aggregate average remaining re-pricing life of our debt with the aggregate average remaining re-pricing life of our vehicle assets. We utilize both fixed-rate and variable-rate debt to achieve this alignment and generally target a mix of 20% - 40% variable-rate debt as a percentage of total debt outstanding. The variable-rate portion of our total debt (including notional value of swap agreements) was 18% and 16% as of December 31, 2024 and 2023, respectively.

Our debt to equity ratios were 250% and 232% as of December 31, 2024 and 2023, respectively. The debt to equity ratio represents total debt divided by total equity. The increase in the debt to equity ratio primarily reflects share repurchases and the Cardinal Logistics acquisition funded with debt.

Pension Information

Refer to Note 19, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements for background and further information regarding our company-sponsored defined benefit retirement plans.

During 2024, total pension contributions were \$56 million, which primarily related to a prefunding of future required pension contributions, compared with \$21 million in 2023. We estimate total 2025 required contributions to our pension plans to be approximately \$13 million. The present value of estimated global pension contributions that will be required over the next 5 years totals approximately \$25 million (pre-tax). Changes in interest rates and the market value of the securities held by the plans could materially change, positively or negatively, the funded status of the plans and affect the level of pension expense

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

and required contributions in future years. The ultimate amount of contributions is also dependent upon the requirements of applicable laws and regulations.

Due to the underfunded status of our defined benefit plans, we had an accumulated net pension equity charge (after-tax) of \$597 million and \$637 million as of December 31, 2024 and 2023, respectively. The funded status of our defined benefit pension plans increased to 91% in 2024 from 88% in 2023, primarily reflecting an increase in discount rates used to value our obligations at year-end 2024.

We expect 2025 defined benefit pension expense to decrease to \$37 million. See the "Critical Accounting Estimates — Pension Plans" section for further discussion on pension accounting estimates.

Income Tax Cash Obligations

During 2024, total income taxes paid were \$207 million. In the future, our income tax cash obligations may increase. Taxable income and cash taxes payable may be impacted by a variety of factors, including (i) the amount of book income generated in each jurisdiction, (ii) total capital expenditures, (iii) the reversal of our deferred tax liability, (iv) remaining net operating losses, (v) the availability of U.S. federal bonus depreciation, and (vi) the impact of any changes in U.S., state and foreign income tax laws. While it is likely that our income tax cash obligations may increase at some point in the future, we cannot reasonably estimate the timing or impact of these factors.

Share Repurchase Programs and Cash Dividends

Refer to Note 15, "Share Repurchase Programs," in the Notes to Consolidated Financial Statements for a discussion on our share repurchase programs. In 2024, we returned a total of \$456 million of capital to our shareholders through share repurchases of \$321 million and cash dividends of \$135 million.

Cash dividend payments to shareholders of common stock were \$135 million, \$128 million, and \$123 million in 2024, 2023, and 2022, respectively. In 2024, 2023, and 2022, our annualized dividend was \$3.04, \$2.66, and \$2.40 per share of common stock, respectively. During 2024, we increased our annualized dividend rate 14% to \$3.24 per share of common stock.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the U.S. (U.S. GAAP) requires us to make estimates and assumptions. Our significant accounting policies are described in the Notes to Consolidated Financial Statements. Certain of these policies require the application of subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. These estimates and assumptions are based on historical experience, changes in the business environment, and other factors that we believe to be reasonable under the circumstances. Different estimates that could have been applied in the current period or changes in the accounting estimates that are reasonably likely can result in a material impact on our financial condition and operating results in the current and future periods. We review the development, selection and disclosure of these critical accounting estimates with Ryder's Audit Committee on an annual basis.

The following discussion, which should be read in conjunction with the descriptions in the Notes to Consolidated Financial Statements, is furnished for additional insight into certain accounting estimates that we consider to be critical.

Vehicle Residual Values. At the time we acquire a vehicle, we estimate the residual value at the end of its useful life. These estimates determine the depreciation that will be recognized evenly (straight-line) over the vehicle's useful life and are intended to minimize losses or to record the best estimate of fair value at the end of a vehicle's useful life. At the end of its useful life or termination of the lease, the equipment is either sold to a third party or purchased by the lessee, in which case we may record a gain or loss for the difference between the estimated residual value and the sale price.

We periodically review and adjust, as appropriate, the estimated residual values of existing revenue earning equipment for the purposes of recording depreciation expense as described in Note 6, "Revenue Earning Equipment, Net" in the Notes to Consolidated Financial Statements. Based on the results of our analysis, we may adjust the estimated residual values and useful lives of certain classes of our revenue earning equipment each year. Reductions in estimated residual values will increase depreciation expense over the remaining useful life of the vehicle. Conversely, an increase in estimated residual values will decrease depreciation expense over the remaining useful life of the vehicle. Our review of the estimated residual values of revenue earning equipment is based on vehicle class, (i.e., generally subcategories of trucks, tractors and trailers by weight and usage), historical and current market prices, third-party expected future market prices, expected lives of vehicles, and expected sales in the wholesale or retail markets, among other factors. We did not adjust the estimated residual values of existing revenue earning equipment in for the periods presented.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Depreciation Sensitivity

Based on our fleet of revenue earning equipment as of December 31, 2024, a hypothetical 10% reduction in estimated residual values would increase depreciation expense over the remaining life of our fleet by approximately \$340 million. The current residual value estimates of our total fleet are at historically low levels. Our estimates reflect anticipated market conditions and are intended to reduce the probability of losses or need for additional depreciation during a potential cyclical downturn.

While we believe that the carrying values and estimated sales proceeds for revenue earning equipment are reasonable, we cannot guarantee that if economic conditions deteriorate or future sales proceeds are adversely impacted, we will not realize losses on sales or be required to further reduce our residual value estimates. 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; wholesale market prices; customer requirements and preferences; and changes in underlying assumption factors. As a result, future residual value estimates and resulting depreciation expense are subject to change based upon changes in these factors.

Revenue Recognition. We generate revenue primarily through contracts with customers to lease, rent and maintain revenue earning equipment and to provide logistics management and dedicated transportation services. We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are determined, the contract has commercial substance, and collectibility of consideration is probable. We generally recognize revenue over time as we provide the promised products or services to our customers in an amount we expect to receive in exchange for those products or services.

We offer a full service lease as well as a lease with more flexible maintenance options under our ChoiceLease product line in our FMS business segment, which are marketed, priced and managed as bundled products that include the equipment lease, maintenance and other related services. Our ChoiceLease product line includes the lease of a vehicle (lease component) and maintenance and other services (non-lease component). Contract consideration is allocated between the lease and non-lease components based on management's best estimate of the relative stand-alone selling price of each component. We do not sell the components of our ChoiceLease product offering on a stand-alone basis, therefore significant judgment is required to determine the stand-alone selling prices of the lease and maintenance components in order to allocate the consideration on a relative stand-alone selling price basis.

For the lease component, we estimate the stand-alone selling price using the projected cash outflows related to the underlying leased vehicle, net of the estimated disposal proceeds, and a certain targeted return considering the weighted average cost of capital. For the non-lease component of the contract, we estimate the stand-alone selling price of the maintenance component using an expected cost-plus margin approach. The expected costs are based on our historical costs of providing maintenance services in our ChoiceLease arrangements. The margin is based on the historical margin percentages for our full service maintenance contracts in the SelectCare product line, as the maintenance performance obligation in those contracts is similar to maintenance in our ChoiceLease arrangements. Full service maintenance arrangements in SelectCare are priced based on targeted margin percentages for new and used vehicles by type of vehicle (trucks, tractors, and trailers), considering the fixed and variable costs of providing maintenance services.

We recognize maintenance revenue using an input method, consistent with the estimated pattern of the costs to maintain the underlying vehicles. This generally results in the recognition of a contract liability for the portion of the customer's billings allocated to the maintenance service component of the agreement. The non-lease revenue from maintenance services related to our ChoiceLease product is recognized in "Lease & related maintenance and rental revenue" in the Consolidated Statements of Earnings. We recognized \$972 million in 2024, \$963 million in 2023 and \$1.0 billion in 2022.

The stand-alone price for both the lease and non-lease components could vary in the future based on both external market conditions and our pricing strategies as a result of the market conditions.

Pension Assumptions. We apply actuarial methods to determine the annual net periodic pension expense and pension plan liabilities on an annual basis, or on an interim basis if there is an event, such as a curtailment, requiring remeasurement. Each December, we review actual experience compared with the assumptions used and make adjustments to our assumptions, if warranted. In determining our annual estimate of periodic pension cost, we are required to make an evaluation of critical factors such as discount rate, expected long-term rate of return on assets, retirement rate and mortality. Discount rates are based upon a

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

duration analysis of expected benefit payments and the equivalent average yield for high quality corporate fixed income investments as of our annual measurement date at December 31. In order to estimate the discount rate relevant to our plan, we use models that match projected benefits payments of our primary plans to interest payments and maturities from a hypothetical portfolio of high quality corporate bonds. Long-term rate of return assumptions are based on a review of our asset allocation strategy and long-term expected asset returns. Investment management and other fees paid using plan assets are factored into the determination of asset return assumptions.

Assumptions as to mortality of the participants in our pension plan is a key estimate in measuring the expected payments participants may receive over their lifetime, and therefore the amount of expense we will recognize. We update our mortality assumptions as deemed necessary by taking into consideration relevant actuarial studies as they become available as well as reassessing our own historical experience. Disclosure of the significant assumptions used in arriving at the 2024 net pension expense is presented in Note 19, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements.

As part of our strategy to manage future pension costs and net funded status volatility, we regularly assess our pension investment strategy. Our U.S. pension investment policy and strategy seek to reduce the effects of future volatility on the fair value of our pension assets relative to our pension liabilities by achieving attractive risk-adjusted returns that will balance the liquidity requirements of the plans' liabilities while striving to minimize the risk of significant funded status deterioration. As the funded status of the plan improves, we (1) gradually increase the liability hedging portfolio, which consists of high quality, fixed income securities and (2) reduce our allocation of equity investments. The composition of our U.S. pension assets was 22% equity securities and alternative assets, 77% debt securities and 1% cash as of December 31, 2024. In 2025, our long-term expected rate of return assumption (net of fees) for our primary U.S. plan will be 6.15%.

Accounting guidance applicable to pension plans does not require immediate recognition of the effects of a deviation between these assumptions and actual experience or the revision of an estimate. This approach allows the favorable and unfavorable effects that fall within an acceptable range to be netted and included in "Accumulated other comprehensive loss." We had a pre-tax accumulated actuarial loss of \$777 million and \$830 million as of December 31, 2024 and 2023, respectively. To the extent the amount of cumulative actuarial gains and losses exceed 10% of the greater of the benefit obligation or plan assets, the excess amount is primarily amortized over the average remaining life expectancy of participants. As of December 31, 2024, the amount of the actuarial loss subject to amortization in 2025 and future years is \$615 million. In 2025, we expect to amortize \$30 million of net actuarial loss as a component of pension expense. The effect on years beyond 2025 will depend substantially upon the actual experience of our plans in future years.

A sensitivity analysis of 2025 net pension expense to changes in key underlying assumptions for our primary plan, the U.S. pension plan, is presented below:

	Assumed Rate	Change	Impact on 2025 Net Pension Expense	Effect on December 31, 2024 Projected Benefit Obligation
Expected long-term rate of return on assets	6.15%	+/- 0.25	+/- \$3 million	N/A
Discount rate	5.65%	+/- 0.25	NM	+/- \$27 million

Self-Insurance Obligations. The majority of our self-insurance relates to vehicle liability and workers' compensation. We use a variety of statistical and actuarial methods that are widely used and accepted in the insurance industry to estimate amounts for claims that have been reported but not paid and claims incurred but not reported. In applying these methods and assessing their results, we consider such factors as frequency and severity of claims, claim development and payment patterns, and changes in the nature of our business, among others. Such factors are analyzed for each of our business segments. Our estimates may be impacted by such factors as increases in the market price for medical services, unpredictability of the size of jury awards and limitations inherent in the estimation process. We recognized a charge of \$15 million in 2024, a benefit of \$17 million in 2023 and a benefit of \$25 million in 2022 from the development of estimated prior years' self-insured loss reserves. Based on self-insurance accruals at December 31, 2024, a 5% adverse change in actuarial claim loss estimates would increase operating expense in 2025 by \$24 million. Refer to Note 10, "Accrued Expenses and Other Liabilities," in the Notes to Consolidated Financial Statements for changes to the self-insurance accruals during the year.

Goodwill. We assess goodwill for impairment, as described in Note 1, "Summary of Significant Accounting Policies — Goodwill and Other Intangible Assets," in the Notes to Consolidated Financial Statements, on an annual basis or more often if deemed necessary. As of December 31, 2024, total goodwill was \$1.2 billion. To determine whether goodwill is impaired, we

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

are required to assess the fair value of each reporting unit and compare it to its carrying value. A reporting unit is a component of an operating segment for which discrete financial information is available and management regularly reviews its operating performance.

We assess goodwill for impairment on October 1st of each year or more often if deemed necessary. In evaluating goodwill for impairment, we have the option to first assess qualitative factors to determine whether further impairment testing is necessary, such as macroeconomic conditions, changes in our industry and the markets in which we operate, and our market capitalization as well as our reporting units' historical and expected future financial performance. If we conclude that it is more likely than not that a reporting unit's fair value is less than its carrying value or we bypass the optional qualitative assessment, recoverability is assessed by comparing the fair value of the reporting unit with its carrying amount. If a reporting unit's carrying value exceeds its fair value, we will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

For quantitative tests, we estimate the fair value of the reporting units using a combination of both a market and income approach. Under the market approach, we use a selection of comparable publicly-traded companies that correspond to the reporting unit to derive a market-based multiple. Under the income approach, the fair value of the reporting unit is estimated based on the discounted present value of the projected future cash flows. Rates used to discount cash flows are dependent upon interest rates and the cost of capital based on our industry and capital structure, adjusted for equity and size risk premiums based on market capitalization. Estimates of future cash flows are dependent on our knowledge and experience about past and current events and significant judgments and assumptions about conditions we expect to exist, including revenue growth rates, margins, long-term growth rates, capital requirements, proceeds from the sale of used vehicles, the ability to utilize our tax net operating losses, and the discount rate. Our estimates of cash flows are also based on historical and future operating performance, economic conditions and actions we expect to take. In addition to these factors, our SCS and DTS reporting units are dependent on several key customers or industry sectors. The loss of a key customer may have a significant impact to our SCS or DTS reporting units, causing us to assess whether or not the event resulted in a goodwill impairment loss.

In making our assessments of fair value, we rely on our knowledge and experience about past and current events and assumptions about conditions we expect to exist in the future. These assumptions are based on a number of factors, including future operating performance, economic conditions, actions we expect to take and present value techniques. There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of goodwill impairment. It is possible that assumptions underlying the impairment analysis will change in such a manner that impairment in value may occur in the future. We conduct additional sensitivity analyses to assess the risk for potential impairment based upon changes in the key assumptions in our goodwill valuation test, including long-term growth rates and discount rates.

On October 1, 2024, we completed our annual goodwill impairment test for all reporting units and determined that the fair values more likely than not exceeded their respective carrying values for each reporting unit. We conducted a quantitative analysis for our SCS and DTS reporting units and qualitative analyses for our FMS reporting unit.

Income Taxes. Our overall tax position is complex and requires careful analysis by management to estimate the expected realization of income tax assets and liabilities.

Tax regulations can require items to be included in the tax return at different times than the items are reflected in the financial statements. As a result, the effective tax rate reflected in the financial statements can be different than that reported in the tax return. Timing differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that can be used as a tax deduction or credit in the tax return in future years for which we have already recognized the tax benefit in the financial statements. Deferred tax assets were \$446 million and \$541 million as of December 31, 2024 and 2023, respectively. We recognize a valuation allowance against deferred tax assets to reduce such assets to amounts expected to be realized. As of December 31, 2024 and 2023, the deferred tax valuation allowance was \$12 million and \$87 million, respectively. In determining the required level of valuation allowance, we consider whether it is more likely than not that all or some portion of deferred tax assets will not be realized. This assessment is based on management's expectations as to whether sufficient taxable income of an appropriate character will be realized within tax carryback and carryforward periods. Our assessment involves estimates and assumptions about matters that are inherently uncertain, and unanticipated events or circumstances could cause actual results to differ from these estimates. Should we change our estimate of the amount of deferred tax assets that we would be able to realize, an adjustment to the valuation allowance would result in an increase or decrease to the provision for income taxes in the period such a change in estimate was made.

As part of our calculation of the provision for income taxes, we determine whether the benefits of our tax positions are at least more likely than not of being sustained upon audit based on the technical merits of the tax position. We accrue the largest

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

amount of the benefit that has a cumulative probability of greater than 50% of being sustained. These accruals require management to make estimates and judgments with respect to the ultimate outcome of a tax audit. Actual results could vary materially from these estimates.

A number of years may elapse before a particular matter for which we have established a reserve is audited and finally resolved. The number of years exposed to audit due to open statutes varies depending on the tax jurisdiction. The tax benefit that has been previously reserved because of a failure to meet the "more likely than not" recognition threshold would be recognized in our income tax expense in the first interim period when the uncertainty is resolved under any one of the following conditions: (1) the tax position has been determined to be "more likely than not" of being sustained, (2) the tax position, amount and/or timing is ultimately settled through negotiation or litigation, or (3) the statutes of limitations for the tax position has expired. Refer to Note 11, "Income Taxes," in the Notes to Consolidated Financial Statements for further discussion.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 2, "Recent Accounting Pronouncements," in the Notes to Consolidated Financial Statements for a discussion of recent accounting pronouncements.

NON-GAAP FINANCIAL MEASURES

Non-GAAP Financial Measures. This Annual Report on Form 10-K includes information extracted from consolidated financial information that is not required by U.S. GAAP to be presented in the financial statements. Certain elements of this information are considered "non-GAAP financial measures" as defined by SEC rules. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, other measures of financial performance or liquidity prepared in accordance with U.S. GAAP. Also, our non-GAAP financial measures may not be comparable to financial measures used by other companies. We provide a reconciliation of each of these non-GAAP financial measures to the most comparable GAAP measure in this non-GAAP financial measures section or in the MD&A above. We also provide the reasons why management believes each non-GAAP financial measure is useful to investors in this section.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Specifically, we refer to the following non-GAAP financial measures in this Form 10-K:

Non-GAAP Financial Measure	Comparable GAAP Measure
Operating Revenue Measures:	
Operating Revenue	Total Revenue
FMS Operating Revenue	FMS Total Revenue
SCS Operating Revenue	SCS Total Revenue
DTS Operating Revenue	DTS Total Revenue
FMS EBT as a % of FMS Operating Revenue	FMS EBT as a % of FMS Total Revenue
SCS EBT as a % of SCS Operating Revenue	SCS EBT as a % of SCS Total Revenue
DTS EBT as a % of DTS Operating Revenue	DTS EBT as a % of DTS Total Revenue
Comparable Earnings Measures:	
Comparable Earnings Before Income Tax	Earnings Before Income Tax
Comparable Earnings	Earnings from Continuing Operations
Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Net Earnings
Comparable EPS	EPS from Continuing Operations
Comparable Tax Rate	Effective Tax Rate from Continuing Operations
Adjusted Return on Equity (ROE)	Not Applicable. However, 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.
Cash Flow Measures:	
Total Cash Generated and Free Cash Flow	Cash Provided by Operating Activities from Continuing Operations

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Set forth in the table below is an overview of each non-GAAP financial measure and why management believes that presentation of each non-GAAP financial measure provides useful information to investors.

Operating Revenue Measures:	
Operating Revenue	<p><i>Operating revenue</i> is defined as total revenue for Ryder or each business segment (FMS, SCS and DTS) excluding any (1) fuel and (2) subcontracted transportation. We use operating revenue to evaluate the operating performance of our core businesses and as a measure of sales activity at the consolidated level for Ryder System, Inc., as well as for each of our business segments. We also use segment EBT as a percentage of segment operating revenue for each business segment for the same reason. Note: FMS EBT, SCS EBT and DTS EBT, our primary measures of segment performance, are not non-GAAP measures.</p> <p><i>Fuel:</i> We exclude FMS, SCS and DTS fuel from the calculation of our operating revenue measures, as fuel is an ancillary service that we provide our customers. Fuel revenue is impacted by fluctuations in market fuel prices and the costs are largely a pass-through to our customers, resulting in minimal changes in our profitability during periods of steady market fuel prices. However, profitability may be positively or negatively impacted by rapid changes in market fuel prices during a short period of time, as customer pricing for fuel services is established based on current market fuel costs.</p> <p><i>Subcontracted transportation:</i> We exclude subcontracted transportation from the calculation of our operating revenue measures, as these costs are also typically a pass-through to our customers and, therefore, fluctuations result in minimal changes to our profitability. While our SCS and DTS business segments subcontract certain transportation services to third party providers, our FMS business segment does not engage in subcontracted transportation and, therefore, this item is not applicable to FMS.</p>
FMS Operating Revenue	
SCS Operating Revenue	
DTS Operating Revenue	
FMS EBT as a % of FMS Operating Revenue	
SCS EBT as a % of SCS Operating Revenue	
DTS EBT as a % of DTS Operating Revenue	
Comparable Earnings Measures:	
Comparable Earnings before Income Taxes (EBT)	<p><i>Comparable EBT, Comparable Earnings and Comparable EPS</i> are defined, respectively, as GAAP EBT, earnings and EPS, all from continuing operations, excluding (1) non-operating pension costs, net and (2) other items impacting comparability (as further described below). We believe these non-GAAP measures provide useful information to investors and allow for better year-over-year comparison of operating performance.</p> <p><i>Non-operating pension costs, net:</i> Our comparable earnings measures exclude non-operating pension costs, net, which include the amortization of net actuarial loss and prior service cost, interest cost and expected return on plan assets components of pension and postretirement benefit costs, as well as any significant charges for settlements or curtailments if recognized. We exclude non-operating pension costs, net because we consider these to be impacted by financial market performance and outside the operational performance of our business.</p> <p><i>Other Items Impacting Comparability:</i> Our comparable and adjusted earnings measures also exclude other significant items that are not representative of our business operations and vary from period to period.</p> <p><i>Comparable Tax Rate</i> is computed using the same methodology as the GAAP provision for income taxes. Income tax effects of non-GAAP adjustments are calculated based on the marginal tax rates to which the non-GAAP adjustments are related.</p> <p><i>Adjusted ROE</i> is defined as adjusted net earnings divided by adjusted average shareholders' equity and represents the rate of return on shareholders' investment. Other items impacting comparability described above are excluded, as applicable, from the calculation of adjusted net earnings and adjusted average shareholders' equity. We also exclude any significant charges for pension settlements or curtailments from the calculation of adjusted net earnings. We use adjusted ROE as an internal measure of how effectively we use the owned capital invested in our operations.</p>
Comparable Earnings	
Comparable Earnings per Diluted Common Share (EPS)	
Comparable Tax Rate	
Adjusted Return on Equity (ROE)	

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

<p>Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)</p>	<p>Comparable EBITDA is defined as net earnings, first adjusted to exclude discontinued operations and the following items, all from continuing operations: (1) non-operating pension costs, net and (2) any other items that are not representative of our business operations (these items are the same items that are excluded from comparable earnings measures for the relevant periods as described immediately above) and then adjusted further for (1) interest expense, (2) income taxes, (3) depreciation, (4) used vehicle sales results and (5) intangible amortization.</p> <p>We believe comparable EBITDA provides investors with useful information, as it is a standard measure commonly reported and widely used by investors and other interested parties to measure financial performance and our ability to service debt and meet our payment obligations. We believe that the inclusion of comparable EBITDA also provides consistency in financial reporting and aids investors in performing meaningful comparisons of past, present and future operating results. Our presentation of comparable EBITDA may not be comparable to similarly-titled measures used by other companies.</p> <p>Comparable EBITDA should not be considered a substitute for, or superior to, the measures of financial performance determined in accordance with GAAP.</p>
<p>Cash Flow Measures:</p>	
<p>Total Cash Generated Free Cash Flow</p>	<p>We consider total cash generated and free cash flow to be important measures of comparative operating performance, as our principal sources of operating liquidity are cash from operations and proceeds from the sale of revenue earning equipment.</p> <p><u>Total Cash Generated</u> is defined as the sum of (1) net cash provided by operating activities, (2) net cash provided by the sale of revenue earning equipment, (3) net cash provided by the sale of operating property and equipment and (4) other cash inflows from investing activities. We believe total cash generated is an important measure of total cash flows generated from our ongoing business activities.</p> <p><u>Free Cash Flow</u> is defined as the net amount of cash generated from operating activities and investing activities (excluding acquisitions) from continuing operations. We calculate free cash flow as the sum of (1) net cash provided by operating activities, (2) net cash provided by the sale of revenue earning equipment and operating property and equipment, and (3) other cash inflows from investing activities, less (4) purchases of property and revenue earning equipment. We believe free cash flow provides investors with an important perspective on the cash available for debt service and for shareholders, after making capital investments required to support ongoing business operations. Our calculation of free cash flow may be different from the calculation used by other companies and, therefore, comparability may be limited.</p> <p>* See Total Cash Generated and Free Cash Flow reconciliations in the Financial Resources and Liquidity section of Management's Discussion and Analysis.</p>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table provides a reconciliation of GAAP Earnings from continuing operations before income taxes (EBT), Earnings from continuing operations, and Earnings from continuing operations per common share — Diluted (Diluted EPS) to comparable EBT, comparable earnings and comparable EPS, respectively. Certain items included in EBT, Earnings from continuing operations and Diluted EPS have been excluded from our comparable EBT, comparable earnings and comparable diluted EPS measures. The following table lists a summary of these items, which are discussed in more detail throughout our MD&A and within the Notes to Consolidated Financial Statements:

<i>(In millions, except per share amounts)</i>	Continuing Operations		
	2024	2023	2022
EBT	\$ 661	\$ 618	\$ 1,216
Non-operating pension costs, net ⁽¹⁾	41	40	11
Acquisition costs ⁽²⁾	7	2	6
FMS U.K. business exit ⁽²⁾	—	(32)	(82)
Currency translation adjustment loss	—	188	—
Other, net ⁽²⁾	6	(1)	(7)
Comparable EBT	\$ 715	\$ 815	\$ 1,144
Earnings	\$ 489	\$ 406	\$ 863
Non-operating pension costs, net ⁽¹⁾	31	31	7
Acquisition costs ⁽²⁾	6	2	5
FMS U.K. business exit ⁽²⁾	—	(19)	(36)
Currency translation adjustment loss	—	183	—
Other, net ⁽²⁾	5	(1)	(6)
Comparable Earnings	\$ 531	\$ 602	\$ 833
Diluted EPS	\$ 11.06	\$ 8.73	\$ 16.96
Non-operating pension costs, net ⁽¹⁾	0.69	0.68	0.14
Acquisition costs ⁽²⁾	0.13	0.04	0.10
FMS U.K. business exit ⁽²⁾	—	(0.40)	(0.71)
Currency translation adjustment loss	—	3.93	—
Other, net ⁽²⁾	0.12	(0.03)	(0.12)
Comparable EPS	\$ 12.00	\$ 12.95	\$ 16.37

(1) Refer to Note 19, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements for additional information.

(2) Refer to Note 20, "Other Items Impacting Comparability," in the Notes to Consolidated Financial Statements for additional information.

The following table provides a reconciliation of the effective tax rate to the comparable tax rate:

	2024	2023	2022
Effective tax rate on continuing operations ⁽¹⁾	26.0%	34.3%	29.1%
Tax adjustments and income tax effects of non-GAAP adjustments ⁽²⁾	(0.3)%	(8.2)%	(1.9)%
Comparable tax rate on continuing operations ⁽¹⁾	25.7%	26.1%	27.2%

(1) The effective tax rate on continuing operations and comparable tax rate are based on EBT and comparable EBT, respectively.

(2) Refer to the table above for more information on tax adjustments. Income tax effects of non-GAAP adjustments are calculated based on the marginal tax rates to which the non-GAAP adjustments are related.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table provides a reconciliation of Net earnings to comparable EBITDA:

<i>(In millions)</i>	2024	2023	2022
Net earnings	\$ 489	\$ 406	\$ 867
Earnings from discontinued operations, net of tax	—	—	(4)
Provision for income taxes	172	212	353
EBT	<u>661</u>	<u>618</u>	<u>1,216</u>
Non-operating pension costs, net ⁽¹⁾	41	40	11
Acquisition costs ⁽²⁾	7	2	6
FMS U.K. business exit ⁽²⁾	—	(32)	(82)
Currency translation adjustment loss ⁽²⁾	—	188	—
Other, net ⁽²⁾	6	(1)	(7)
Comparable EBT	<u>715</u>	<u>815</u>	<u>1,144</u>
Interest expense	386	296	228
Depreciation	1,694	1,712	1,713
Used vehicle sales, net ⁽³⁾	(72)	(193)	(400)
Intangible amortization	53	35	37
Comparable EBITDA	<u>\$ 2,776</u>	<u>\$ 2,665</u>	<u>\$ 2,722</u>

(1) Refer to Note 19, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements for additional information.

(2) Refer to the table above in the Full Year Operating Results by Segment for a discussion on items excluded from our comparable measures and their classification within our Consolidated Statements of Earnings and Note 20, "Other Items Impacting Comparability" in the Notes to Consolidated Financial Statements for additional information.

(3) Refer to Note 6, "Revenue Earning Equipment, net," in the Notes to Consolidated Financial Statements for additional information. In 2023, and 2022, Used vehicle sales, net gain of \$2 million and \$49 million, respectively, related to the FMS U.K. business exit is included above in "Other Items Impacting Comparability."

The following table provides a reconciliation of total revenue to operating revenue:

<i>(In millions)</i>	2024	2023	2022
Total revenue	\$ 12,636	\$ 11,783	\$ 12,011
Subcontracted transportation and fuel	(2,370)	(2,286)	(2,731)
Operating revenue	<u>\$ 10,266</u>	<u>\$ 9,497</u>	<u>\$ 9,280</u>

The following table provides a reconciliation of FMS total revenue to FMS operating revenue:

<i>(In millions)</i>	2024	2023	2022
FMS total revenue	\$ 5,888	\$ 5,930	\$ 6,327
Fuel services revenue	(772)	(877)	(1,114)
FMS operating revenue	<u>\$ 5,116</u>	<u>\$ 5,053</u>	<u>\$ 5,213</u>
FMS EBT	<u>\$ 516</u>	<u>\$ 665</u>	<u>\$ 1,057</u>
FMS EBT as a % of FMS total revenue	<u>8.8%</u>	<u>11.2%</u>	<u>16.7%</u>
FMS EBT as a % of FMS operating revenue	<u>10.1%</u>	<u>13.2%</u>	<u>20.3%</u>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table provides a reconciliation of SCS total revenue to SCS operating revenue:

<i>(In millions)</i>	2024	2023	2022
SCS total revenue	\$ 5,300	\$ 4,875	\$ 4,720
Subcontracted transportation and fuel	(1,335)	(1,250)	(1,466)
SCS operating revenue	<u>\$ 3,965</u>	<u>\$ 3,625</u>	<u>\$ 3,254</u>
SCS EBT	<u>\$ 332</u>	<u>\$ 231</u>	<u>\$ 218</u>
SCS EBT as a % of SCS total revenue	<u>6.3%</u>	<u>4.7%</u>	<u>4.6%</u>
SCS EBT as a % of SCS operating revenue	<u>8.4%</u>	<u>6.4%</u>	<u>6.7%</u>

The following table provides a reconciliation of DTS total revenue to DTS operating revenue:

<i>(In millions)</i>	2024	2023	2022
DTS total revenue	\$ 2,446	\$ 1,785	\$ 1,786
Subcontracted transportation and fuel	(576)	(487)	(547)
DTS operating revenue	<u>\$ 1,870</u>	<u>\$ 1,298</u>	<u>\$ 1,239</u>
DTS EBT	<u>\$ 125</u>	<u>\$ 121</u>	<u>\$ 103</u>
DTS EBT as a % of DTS total revenue	<u>5.1%</u>	<u>6.8%</u>	<u>5.8%</u>
DTS EBT as a % of DTS operating revenue	<u>6.7%</u>	<u>9.3%</u>	<u>8.3%</u>

The following tables provide numerical reconciliations of net earnings to adjusted net earnings and average shareholders' equity to adjusted average shareholders' equity, and of the non-GAAP elements used to calculate the adjusted return on equity (Adjusted ROE) to the corresponding GAAP measures:

<i>(In millions)</i>	2024	2023	2022
Net earnings	\$ 489	\$ 406	\$ 867
Other items impacting comparability, net ⁽¹⁾	13	157	(83)
Tax impact ⁽²⁾	(2)	8	46
Adjusted net earnings	<u>\$ 500</u>	<u>\$ 571</u>	<u>\$ 830</u>
Average shareholders' equity	\$ 3,078	\$ 3,041	\$ 2,845
Average adjustments to shareholders' equity ⁽³⁾	2	(19)	(12)
Adjusted average shareholders' equity	<u>\$ 3,080</u>	<u>\$ 3,022</u>	<u>\$ 2,833</u>
Adjusted ROE ⁽⁴⁾	<u>16%</u>	<u>19%</u>	<u>29%</u>

(1) Refer to Note 20, "Other Items Impacting Comparability" in the Notes to Consolidated Financial Statements for additional information.

(2) Includes income taxes on discontinued operations.

(3) Represents the impact of Other items impacting comparability, net of tax, to equity for the respective period.

(4) Adjusted ROE is calculated by dividing Adjusted net earnings into Adjusted average shareholders' equity.

The following table provides a reconciliation of forecasted net cash provided by operating activities to forecasted total cash generated and forecasted free cash flow (a non-GAAP measure) for 2025:

<i>(In millions)</i>	Forecast 2025
Net cash provided by operating activities from continuing operations	\$ 2,500
Proceeds from sales of property and revenue earning equipment ⁽¹⁾	500
Total cash generated	3,000
Purchases of property and revenue earning equipment ⁽¹⁾	(2,600)
Forecasted free cash flow	<u>\$ 400</u>

(1) Included in cash flows from investing activities.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements (within the meaning of the Federal Private Securities Litigation Reform Act of 1995) are statements that relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends concerning matters that are not historical facts. These statements are often preceded by or include the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “will,” “may,” “could,” “should” or similar expressions. This Annual Report contains forward-looking statements including statements regarding:

- our expectations regarding used vehicle sales and commercial rental;
- our expectations with respect to the freight cycle and market conditions, including general economic uncertainty;
- our expectations with respect to demand for outsourced logistics and the impacts of outsourcing and other secular trends in our SCS and DTS business segments and on our business and financial results;
- our expectations regarding the supply of vehicles and vehicle parts and its effect on pricing and demand;
- our expectations regarding the impact of labor shortages and interruptions and subcontracted transportation costs;
- our expectations regarding ChoiceLease revenue and earnings;
- our expectations in our SCS and DTS business segments related to revenue, earnings growth and contract sales activity;
- our expectations of cash flow from operating activities, free cash flow and full-year guidance;
- the adequacy of our accounting estimates and reserves for goodwill and other asset impairments, residual values and other depreciation assumptions, deferred income taxes and annual effective tax rates, variable revenue considerations, the valuation of our pension plans, allowance for credit losses, and self-insurance loss reserves;
- the adequacy of our fair value estimates of publicly traded debt and other debt;
- our ability to fund all of our operating, investing and financial needs for the foreseeable future through internally generated funds and outside funding sources;
- our expected level of use and availability of outside funding sources, anticipated future payments under debt and lease agreements, and risk of losses resulting from counterparty default under hedging and derivative agreements;
- our ability to meet our objectives with the share repurchase programs;
- the anticipated impact of fuel and energy prices, interest rate movements, and exchange rate fluctuations;
- our expectations as to return on pension plan assets and future pension expense;
- our expectations regarding the scope and anticipated outcomes with respect to certain claims, proceedings and lawsuits;
- our ability to access commercial paper and other available debt financing in the capital markets;
- our intent to permanently reinvest the earnings of our foreign subsidiaries;
- our expectations regarding the benefits from our strategic investments and initiatives, including our maintenance and lease pricing initiatives;
- our expectations regarding recent acquisitions, including Cardinal Logistics;
- the anticipated impact of inflationary pressures;
- our expectations of the long-term residual values of revenue earnings equipment, including the probability of incurring losses or having to decrease residual value estimates in the event of a potential cyclical downturn or changes to the estimated useful lives; and
- our expectations regarding U.S. federal, state and foreign tax positions and the realizability of deferred tax assets and changes in foreign tax rates.

These statements, as well as other forward-looking statements contained in this Annual Report, are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. We caution readers that certain important factors could cause actual results and events to differ significantly from those expressed in any forward-looking statements. These risk factors, among others, include the following:

- Market Conditions:
 - Changes in general economic and financial conditions in the U.S. and worldwide leading to decreased demand for our services and products, lower profit margins, increased levels of bad debt and reduced access to credit and financial markets.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- Decreases in freight demand which would impact both our transactional and variable-based contractual business.
- Changes in our customers' operations, financial condition or business environment that may limit their demand for, or ability to purchase, our services and products.
- Decreases in market demand affecting the commercial rental market and used vehicle sales as well as global economic conditions.
- Volatility in customer volumes and shifting customer demand in the industries we service.
- Changes in current financial, tax or other regulatory requirements, such as tariffs, trade restrictions or trade agreements, that could negatively impact our financial and operating results.
- Financial institution disruptions and geopolitical events or conflicts.
- Competition:
 - Advances in technology may impact demand for our services or may require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments.
 - Competition from other service providers, some of which have greater capital resources or lower capital costs, or from our customers, who may choose to provide services themselves.
 - Continued consolidation in the markets where we operate which may create large competitors with greater financial resources.
 - Our inability to maintain current pricing levels due to economic conditions, demand for services, customer acceptance or competition.
- Profitability:
 - Lower than expected sales volumes or customer retention levels.
 - Decreases in commercial rental fleet utilization and pricing.
 - Lower than expected used vehicle sales pricing levels and fluctuations in the anticipated proportion of retail versus wholesale sales.
 - Loss of key customers in our SCS and DTS business segments.
 - Decreases in volume in our omnichannel retail vertical.
 - Our inability to adapt our product offerings to meet changing consumer preferences on a cost-effective basis.
 - The inability of our information technology systems to provide timely access to data.
 - The inability of our information security program to safeguard our data.
 - Sudden changes in market fuel prices and fuel shortages.
 - Higher prices for vehicles, diesel engines and fuel as a result of new regulations or inflationary pressures.
 - Higher than expected maintenance costs and lower than expected benefits associated with our maintenance initiatives.
 - Lower than expected revenue growth due to production delays at our automotive SCS customers and supply chain disruptions.
 - The inability of an original equipment manufacturer or supplier to provide vehicles or vehicle components as originally scheduled.
 - Our inability to successfully execute our strategic returns and asset management initiatives, maintain our fleet at normalized levels and right-size our fleet in line with demand.
 - Our key assumptions and pricing structure, including any assumptions made with respect to inflation, of our SCS and DTS contracts prove to be inaccurate.
 - Increased unionizing, labor strikes and work stoppages.
 - Difficulties in attracting and retaining professional drivers, warehouse personnel and technicians due to labor shortages, which may result in higher costs to procure drivers and technicians and higher turnover rates affecting our customers.
 - Our inability to manage our cost structure.
 - Our inability to limit our exposure for customer claims.
 - Unfavorable or unanticipated outcomes in legal or regulatory proceedings or uncertain positions.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- Business interruptions or expenditures due to severe weather or other natural occurrences.
- Financing Concerns:
 - Higher borrowing costs.
 - Increased inflationary pressures.
 - Unanticipated interest rate and currency exchange rate fluctuations.
 - Negative funding status of our pension plans caused by lower than expected returns on invested assets and unanticipated changes in interest rates.
 - Instability in U.S. and worldwide credit markets, resulting in higher borrowing costs and/or reduced access to credit.
- Accounting Matters:
 - Reductions in residual values or useful lives of revenue earning equipment.
 - Increases in compensation levels, retirement rate and mortality resulting in higher pension expense.
 - Changes in accounting rules, assumptions and accruals.
- Other risks detailed from time to time in our SEC filings, including in "Item 1A. Risk Factors" of this Annual Report.

New risk factors 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 risk factors on our business. As a result, no assurance can be given as to our future results or achievements. You should not place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this Annual Report. We do not intend, or assume any obligation, to update or revise any forward-looking statements contained in this Annual Report, whether as a result of new information, future events or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to fluctuations in interest rates, foreign currency exchange rates and market fuel prices. We manage these exposures in several ways, including, in certain circumstances, the use of a variety of derivative financial instruments when deemed prudent. We do not enter into leveraged derivative financial transactions or use derivative financial instruments for trading purposes.

Interest Rate Risk

Exposure to market risk for changes in interest rates exists for our debt obligations. Our interest rate risk management program objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. We manage our exposure to interest rate risk primarily through the proportion of fixed-rate and variable-rate debt we hold in the total debt portfolio. From time to time, we also use interest rate swap agreements to manage our fixed-rate and variable-rate exposure and to better match the repricing of debt instruments to that of our portfolio of assets. The fair value of our derivatives liability was \$25 million as of December 31, 2024.

As of December 31, 2024, we had \$6.1 billion of fixed-rate debt outstanding (excluding finance leases and U.S. asset-backed securities) with a weighted-average interest rate of 5.07% and a fair value of \$6.2 billion. A hypothetical 10% change in market interest rates would impact the fair value of our fixed-rate debt by approximately \$103 million and impact pre-tax earnings by \$31 million as of December 31, 2024, respectively. Changes in the relative sensitivity of the fair value of our financial instrument portfolio for these theoretical changes in the level of interest rates are primarily driven by changes in our debt maturities, interest rate profile and amount.

As of December 31, 2024, we had \$1.4 billion of variable-rate debt, including \$500 million of fixed-rate debt instruments swapped to SOFR-based floating-rate debt. Changes in the fair value of the interest rate swaps were offset by changes in the fair value of the debt instruments and no net gain or loss was recognized in earnings. The fair value of our variable-rate debt as of December 31, 2024 was \$1.4 billion. A hypothetical 10% increase in market interest rates would impact the fair value of our variable-rate debt and pre-tax earnings by \$7 million as of December 31, 2024.

We are also subject to interest rate risk with respect to our pension and postretirement benefit obligations, as changes in interest rates will effectively increase or decrease our liabilities associated with these benefit plans, which also results in changes to the amount of pension and postretirement benefit expense recognized on an annual basis.

Foreign Currency Exchange Risk

Exposure to market risk for changes in foreign currency exchange rates relates primarily to our foreign operations' buying, selling and financing in currencies other than local currencies and to the carrying value of net investments in foreign subsidiaries. The majority of our transactions are denominated in U.S. dollars. The principal foreign currency exchange rate risks to which we are exposed include the Canadian dollar and Mexican peso. We manage our exposure to foreign currency exchange rate risk related to our foreign operations' buying, selling and financing in currencies other than local currencies by naturally offsetting assets and liabilities not denominated in local currencies to the extent possible. A hypothetical uniform 10% strengthening in the value of the U.S dollar relative to all the currencies in which our transactions are denominated would not materially impact the results of operations. We also use foreign currency option contracts and forward agreements from time to time to hedge foreign currency transactional exposure. We generally do not hedge the foreign currency exposure related to our net investment in foreign subsidiaries.

Exposure to market risk for fluctuations in market fuel prices relates to a small portion of our service contracts for which the cost of fuel is integral to service delivery and the service contract does not have a mechanism to adjust for increases in market fuel prices. As of December 31, 2024, we also had various fuel purchase arrangements in place to ensure delivery of fuel at market rates in the event of fuel shortages. We are exposed to fluctuations in market fuel prices in these arrangements since none of the arrangements fix the price of fuel to be purchased. Changes in the price of fuel are generally passed on to our customers for which we realize minimal changes in profitability during periods of steady market fuel prices. However, profitability may be positively or negatively impacted by sudden increases or decreases in market fuel prices during a short period of time as customer pricing for fuel services is established based on current market fuel costs. We believe the exposure to fuel price fluctuations would not materially impact our results of operations, cash flows or financial position.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
FINANCIAL STATEMENTS

	<u>Page No.</u>
Management's Report on Internal Control over Financial Reporting	<u>54</u>
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	<u>55</u>
Consolidated Statements of Earnings	<u>57</u>
Consolidated Statements of Comprehensive Income	<u>58</u>
Consolidated Balance Sheets	<u>59</u>
Consolidated Statements of Cash Flows	<u>60</u>
Consolidated Statements of Shareholders' Equity	<u>61</u>
Notes to Consolidated Financial Statements:	
Note 1. Summary of Significant Accounting Policies	<u>62</u>
Note 2. Recent Accounting Pronouncements	<u>69</u>
Note 3. Segment Reporting	<u>69</u>
Note 4. Revenue	<u>71</u>
Note 5. Receivables, Net	<u>74</u>
Note 6. Revenue Earning Equipment, Net	<u>74</u>
Note 7. Operating Property and Equipment, Net	<u>75</u>
Note 8. Goodwill	<u>76</u>
Note 9. Intangible Assets, Net	<u>76</u>
Note 10. Accrued Expenses and Other Liabilities	<u>77</u>
Note 11. Income Taxes	<u>78</u>
Note 12. Leases	<u>81</u>
Note 13. Debt	<u>84</u>
Note 14. Guarantees	<u>86</u>
Note 15. Share Repurchase Programs	<u>86</u>
Note 16. Accumulated Other Comprehensive Loss	<u>87</u>
Note 17. Earnings Per Share	<u>88</u>
Note 18. Share-Based Compensation Plans	<u>88</u>
Note 19. Employee Benefit Plans	<u>90</u>
Note 20. Other Items Impacting Comparability	<u>96</u>
Note 21. Contingencies and Other Matters	<u>96</u>
Note 22. Supplemental Cash Flow Information	<u>97</u>
Note 23. Acquisitions	<u>97</u>

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE SHAREHOLDERS OF RYDER SYSTEM, INC.:

Management of Ryder System, Inc., together with its consolidated subsidiaries (Ryder), is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Ryder's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Ryder's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Ryder; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of Ryder's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Ryder's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Ryder's internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control — Integrated Framework (2013)." Based on our assessment and those criteria, management determined that Ryder maintained effective internal control over financial reporting as of December 31, 2024.

Ryder's independent registered public accounting firm, PricewaterhouseCoopers LLP, has audited the effectiveness of Ryder's internal control over financial reporting as of December 31, 2024. Their report appears on the subsequent page.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Ryder System, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Ryder System, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of earnings, of comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Cardinal Logistics from its assessment of internal control over financial reporting as of December 31, 2024, because it was acquired by the Company in a purchase business combination during 2024. We have also excluded Cardinal Logistics from our audit of internal control over financial reporting. Cardinal Logistics is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 1.9% and 7.8%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2024.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the

company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Earning Equipment - Residual Values

As described in Notes 1 and 6 to the consolidated financial statements, the net carrying amount of revenue earning equipment was \$9.2 billion as of December 31, 2024. Depreciation expense was \$1.5 billion primarily related to Fleet Management Solutions (FMS) revenue earning equipment. Revenue earning equipment, comprised of vehicles, is initially recorded at cost inclusive of vendor rebates. The provision for depreciation is computed using the straight-line method. As disclosed by management, they periodically review and adjust, as appropriate, the estimated residual values of existing revenue earning equipment. Management's review of the estimated residual values of revenue earning equipment is based on vehicle class (i.e., generally subcategories of trucks, tractors and trailers by weight and usage), historical and current market prices, third-party expected future market prices, expected lives of vehicles, and expected sales in the wholesale or retail markets, among other factors.

The principal considerations for our determination that performing procedures related to revenue earning equipment - residual values is a critical audit matter are the significant judgment by management when estimating residual values, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and in evaluating the significant judgment by management in estimating residual values related to the Company's historical and current market prices, and third-party expected future market prices.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of, and related adjustments to, the estimated residual values of revenue earning equipment. These procedures also included, among others, (i) testing management's process for developing the estimated residual values of revenue earning equipment, (ii) testing the accuracy of the Company's historical used vehicle sales data and historical and current market prices, and (iii) evaluating the reasonableness of management's significant assumption related to third-party expected future market prices. Evaluating management's significant assumption related to third-party expected future market prices of used vehicles involved evaluating whether the assumption used was reasonable considering (i) past trends in the used vehicle sales market, (ii) consistency with external market and industry data, and (iii) consistency with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
Miami, Florida
February 12, 2025

We have served as the Company's auditor since 2006.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

(In millions, except per share amounts)

	2024	2023	2022
Services revenue	\$ 8,345	\$ 7,297	\$ 7,118
Lease & related maintenance and rental revenue	3,835	3,937	4,174
Fuel services revenue	456	549	719
Total revenue	<u>12,636</u>	<u>11,783</u>	<u>12,011</u>
Cost of services	7,099	6,266	6,153
Cost of lease & related maintenance and rental	2,623	2,684	2,774
Cost of fuel services	441	534	694
Selling, general and administrative expenses	1,478	1,421	1,415
Non-operating pension costs, net	41	40	11
Used vehicle sales, net	(72)	(196)	(450)
Interest expense	386	296	228
Miscellaneous income, net	(34)	(47)	(32)
Currency translation adjustment loss	—	188	—
Restructuring and other items, net	13	(21)	2
	<u>11,975</u>	<u>11,165</u>	<u>10,795</u>
Earnings from continuing operations before income taxes	661	618	1,216
Provision for income taxes	172	212	353
Earnings from continuing operations	489	406	863
Earnings from discontinued operations, net of taxes	—	—	4
Net earnings	<u>\$ 489</u>	<u>\$ 406</u>	<u>\$ 867</u>
Earnings per common share — Basic			
Continuing operations	\$ 11.29	\$ 8.89	\$ 17.32
Discontinued operations	—	(0.01)	0.09
Net earnings	<u>\$ 11.29</u>	<u>\$ 8.89</u>	<u>\$ 17.41</u>
Earnings per common share — Diluted			
Continuing operations	\$ 11.06	\$ 8.73	\$ 16.96
Discontinued operations	—	(0.01)	0.08
Net earnings	<u>\$ 11.06</u>	<u>\$ 8.73</u>	<u>\$ 17.04</u>

See accompanying Notes to Consolidated Financial Statements.

Note: EPS amounts may not be additive due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(In millions)</i>	2024	2023	2022
Net earnings	<u>\$ 489</u>	<u>\$ 406</u>	<u>\$ 867</u>
Other comprehensive (loss) income:			
Change in cumulative translation adjustment and unrealized (loss) gain from cash flow hedges, net of taxes	<u>(77)</u>	<u>212</u>	<u>(69)</u>
Amortization of pension and postretirement items	<u>31</u>	<u>26</u>	<u>21</u>
Income tax expense related to amortization of pension and postretirement items	<u>(8)</u>	<u>(6)</u>	<u>(5)</u>
Amortization of pension and postretirement items, net of taxes	<u>23</u>	<u>20</u>	<u>16</u>
Change in net actuarial gain (loss) and prior service cost	<u>23</u>	<u>(121)</u>	<u>(72)</u>
Income tax (expense) benefit related to change in net actuarial loss and prior service cost	<u>(6)</u>	<u>30</u>	<u>18</u>
Change in net actuarial gain (loss) and prior service cost, net of taxes	<u>17</u>	<u>(91)</u>	<u>(54)</u>
Other comprehensive (loss) income, net of taxes	<u>(37)</u>	<u>141</u>	<u>(107)</u>
Comprehensive income	<u>\$ 452</u>	<u>\$ 547</u>	<u>\$ 760</u>

See accompanying Notes to Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(In millions, except share amounts)</i>	December 31,	
	2024	2023
Assets:		
Current assets:		
Cash and cash equivalents	\$ 154	\$ 204
Receivables, net	1,861	1,714
Prepaid expenses and other current assets	448	347
Total current assets	2,463	2,265
Revenue earning equipment, net	9,206	8,892
Operating property and equipment, net	1,184	1,217
Goodwill	1,158	940
Intangible assets, net	457	396
Operating lease right-of-use assets	1,055	1,016
Sales-type leases and other assets	1,149	1,052
Total assets	\$ 16,672	\$ 15,778
Liabilities and shareholders' equity:		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 1,120	\$ 1,583
Accounts payable	828	833
Accrued expenses and other current liabilities	1,323	1,233
Total current liabilities	3,271	3,649
Long-term debt	6,659	5,531
Other non-current liabilities	1,954	1,871
Deferred income taxes	1,671	1,658
Total liabilities	13,555	12,709
Commitments and contingencies (Note 21)		
Shareholders' equity:		
Preferred stock, no par value per share — authorized, 3,800,917; none outstanding, December 31, 2024 and 2023	—	—
Common stock, \$0.50 par value per share — authorized, 400,000,000; outstanding, December 31, 2024 — 42,080,039 and December 31, 2023 — 43,902,065	21	22
Additional paid-in capital	1,144	1,148
Retained earnings	2,644	2,554
Accumulated other comprehensive loss	(692)	(655)
Total shareholders' equity	3,117	3,069
Total liabilities and shareholders' equity	\$ 16,672	\$ 15,778

See accompanying Notes to Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In millions)</i>	2024	2023	2022
Cash flows from operating activities from continuing operations:			
Net earnings	\$ 489	\$ 406	\$ 867
Less: Earnings from discontinued operations, net of taxes	—	—	4
Earnings from continuing operations	489	406	863
Depreciation expense	1,694	1,712	1,713
Used vehicle sales, net	(72)	(196)	(450)
Currency translation adjustment loss	—	188	—
Amortization expense and other non-cash charges, net	160	102	118
Non-cash lease expense	374	271	199
Non-operating pension costs, net and share-based compensation expense	83	84	57
Deferred income tax expense	21	115	266
Collections on sales-type leases	148	126	135
Changes in operating assets and liabilities:			
Receivables	(61)	(26)	(134)
Prepaid expenses and other assets	(108)	(85)	(130)
Accounts payable	(32)	(7)	(29)
Accrued expenses and other liabilities	(431)	(337)	(298)
Net cash provided by operating activities from continuing operations	<u>2,265</u>	<u>2,353</u>	<u>2,310</u>
Cash flows from investing activities from continuing operations:			
Purchases of property and revenue earning equipment	(2,683)	(3,234)	(2,631)
Sales of revenue earning equipment	532	764	1,182
Sales of operating property and equipment	19	63	53
Acquisitions, net of cash acquired	(314)	(250)	(458)
Other investing activities	—	(6)	4
Net cash used in investing activities from continuing operations	<u>(2,446)</u>	<u>(2,663)</u>	<u>(1,850)</u>
Cash flows from financing activities from continuing operations:			
Net borrowings (repayments) of commercial paper and other	296	(100)	134
Debt proceeds	1,789	2,307	1,229
Debt repayments	(1,479)	(1,481)	(1,552)
Dividends on common stock	(135)	(128)	(123)
Common stock issued	10	2	14
Common stock repurchased	(321)	(337)	(557)
Other financing activities	(7)	(7)	(6)
Net cash provided by (used in) financing activities from continuing operations	<u>153</u>	<u>256</u>	<u>(861)</u>
Effect of exchange rate changes on Cash and cash equivalents	(21)	(9)	(4)
Decrease in Cash and cash equivalents from continuing operations	(49)	(63)	(405)
Net cash used by operating activities from discontinued operations	(1)	—	—
Decrease in Cash and cash equivalents	(50)	(63)	(405)
Cash and cash equivalents at beginning of period	204	267	672
Cash and cash equivalents at end of period	<u>\$ 154</u>	<u>\$ 204</u>	<u>\$ 267</u>

See accompanying Notes to Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<i>(In millions, except share amounts in thousands)</i>	Preferred Stock	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Gain	Total
	Amount	Shares	Par				
Balance at January 1, 2022	\$ —	53,789	\$ 27	\$ 1,194	\$ 2,266	\$ (689)	\$ 2,798
Comprehensive income	—	—	—	—	867	(107)	760
Common stock dividends declared — \$2.40 per share	—	—	—	—	(124)	—	(124)
Common stock issued under employee stock award and stock purchase plans and other ⁽¹⁾	—	(549)	—	14	—	—	14
Common stock repurchased	—	(6,953)	(4)	(62)	(491)	—	(557)
Share-based compensation expense	—	—	—	46	—	—	46
Balance at December 31, 2022	—	46,287	23	1,192	2,518	(796)	2,937
Comprehensive income	—	—	—	—	406	141	547
Common stock dividends declared — \$2.66 per share	—	—	—	—	(125)	—	(125)
Common stock issued under employee stock award and stock purchase plans and other	—	1,176	1	1	1	—	3
Common stock repurchased	—	(3,561)	(2)	(89)	(246)	—	(337)
Share-based compensation expense	—	—	—	44	—	—	44
Balance at December 31, 2023	—	43,902	22	1,148	2,554	(655)	3,069
Comprehensive income	—	—	—	—	489	(37)	452
Common stock dividends declared — \$3.04 per share	—	—	—	—	(135)	—	(135)
Common stock issued under employee stock award and stock purchase plans and other	—	663	—	9	1	—	10
Common stock repurchased	—	(2,485)	(1)	(55)	(265)	—	(321)
Share-based compensation expense	—	—	—	42	—	—	42
Balance at December 31, 2024	<u>\$ —</u>	<u>42,080</u>	<u>\$ 21</u>	<u>\$ 1,144</u>	<u>\$ 2,644</u>	<u>\$ (692)</u>	<u>\$ 3,117</u>

(1) We reversed the issuance of approximately 1.3 million unvested restricted shares. These shares will be issued and released upon satisfaction of the applicable vesting conditions. The reversal of the shares did not impact earnings per share.

See accompanying Notes to Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation and Presentation

The consolidated financial statements include the accounts of Ryder System, Inc. (Ryder), all entities in which Ryder has a controlling voting interest (subsidiaries) and variable interest entities (VIEs) where Ryder is determined to be the primary beneficiary in accordance with generally accepted accounting principles in the United States (U.S. GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period presentation.

We report our financial performance based on three business segments: (1) Fleet Management Solutions (FMS), which provides full service leasing and leasing with flexible maintenance options, commercial rental and maintenance services of trucks, tractors and trailers to customers principally in the United States (U.S.) and Canada; (2) Supply Chain Solutions (SCS), which provides integrated logistics solutions, including distribution management, dedicated transportation, transportation management, brokerage, e-commerce, last mile, and professional services in North America; and (3) Dedicated Transportation Solutions (DTS), which provides turnkey transportation solutions in the U.S., including dedicated vehicles, professional drivers, management, and administrative support. Dedicated transportation services provided as part of an operationally integrated, multi-service, supply chain solution to SCS customers are primarily reported in the SCS business segment.

Use of Estimates

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates are based on management's best knowledge of historical trends, actions that we may take in the future, and other information available when the consolidated financial statements are prepared. Changes in estimates are typically recognized in the period when new information becomes available. Areas where the nature of the estimate make it reasonably possible that actual results could materially differ from the amounts estimated include: vehicle residual values, pension assumptions, self-insurance obligations, revenue recognition, goodwill, and income taxes.

Cash, Cash Equivalents

Cash and cash equivalents represent cash on hand, and highly liquid investments in short-term, interest-bearing instruments with maturities of three months or less at the date of purchase and are stated at cost.

Revenue Recognition

We generate revenue primarily through contracts with customers to lease, rent and maintain revenue earning equipment and to provide logistics management and dedicated transportation services. We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are determined, the contract has commercial substance, and collectibility of consideration is probable.

We generally recognize revenue over time as we provide the promised products or services to our customers in an amount we expect to receive in exchange for those products or services. Revenue is recognized net of amounts collected from customers for taxes, such as sales tax, that are remitted to the applicable taxing authorities.

Lease & related maintenance and rental

Lease & related maintenance and rental revenue include ChoiceLease and commercial rental revenues from our FMS business segment. We offer a full service lease as well as a lease with more flexible maintenance options under our ChoiceLease product line. Our ChoiceLease product is marketed, priced and managed as a bundled service. We do not offer a stand-alone lease of a vehicle. We also offer rental of vehicles under our commercial rental product line, which allows customers to supplement their fleet of vehicles on a short-term basis.

Our ChoiceLease product line includes the lease of a vehicle (lease component) and maintenance and other services (non-lease component). We generally lease new vehicles to our customers. Consideration is allocated between the lease and non-lease components based on management's best estimate of the relative stand-alone selling price of each component. For further

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

information regarding our stand-alone selling price estimation process, refer to the "Significant Judgments and Estimates" section below.

Our ChoiceLease product provides for a fixed charge and a variable charge based on mileage or time usage. Fixed charges are typically billed at the beginning of the month and variable charges are typically billed a month in arrears. Revenue from the lease component of ChoiceLease agreements is recognized based on the classification of the arrangement, typically as either an operating or a sales-type lease. The majority of our leases are classified as operating leases and we recognize revenue for the lease component of these agreements on a straight-line basis. The non-lease component for maintenance services are not typically performed evenly over the life of a ChoiceLease contract as the level of maintenance provided generally increases as vehicles age. Therefore, we recognize maintenance revenue consistent with the estimated pattern of the costs to maintain the underlying vehicles. This generally results in the recognition of deferred revenue for the portion of the customer's billings allocated to the maintenance service component of the agreement.

Our commercial rental product includes the short-term rental of a vehicle (one day up to one year in length). All of our rental arrangements are classified as operating leases and revenue is recognized on a straight-line basis.

Lease and rental agreements do not usually provide for scheduled rent increases or escalations. However, most lease agreements allow for rate changes based upon changes in the Consumer Price Index (CPI). Lease and rental agreements also provide for variable usage charges based on a time charge and/or a fixed per-mile charge. The time charge, the per-mile charge and the changes in rates attributed to changes in the CPI are considered contingent revenue. These charges are not considered fixed or determinable until the equipment usage or CPI change occurs and are excluded from the allocation of consideration at the inception of the contract. Revenues associated with licensing and operating taxes that are billed as incurred are also excluded from the allocation of consideration at contract inception and allocated as earned. Variable consideration is allocated to the lease and maintenance components when earned based on the same allocation percentages at contract inception (or the most recent contract modification). Amounts allocated to the lease component are recognized in revenue as earned and amounts allocated to the non-lease component are recognized in revenue using an input method, consistent with the estimated pattern of maintenance costs for the remainder of the contract term.

Leases not classified as operating leases are considered sales-type leases. We recognize revenue for sales-type leases using the effective interest method, which provides a constant periodic rate of return on the outstanding investment in the lease. We recognize the difference between the net investment in the lease and the carrying value in selling profit or loss on used vehicles in our results of operations at lease commencement.

Services

Services revenue includes all SCS and DTS revenues, as well as SelectCare and other revenues from our FMS business segment. In our SCS business segment, we offer a broad range of logistics management services designed to optimize the supply chain and address the key business requirements of our customers supported by a variety of technology and engineering solutions. In our DTS business segment, we combine equipment, maintenance, professional drivers, administrative services and additional services to provide customers with a single integrated dedicated transportation solution. DTS services are customized for our customers based on a transportation analysis to optimize vehicle capacity and overall asset utilization.

Revenues from SCS and DTS service contracts are recognized as services are rendered in accordance with contract terms. SCS and DTS contracts typically include (1) fixed and variable billing rates, (2) cost-plus billing rates (input method based on actual costs incurred to perform services and a contracted mark-up), or (3) variable only or fixed only billing rates for the services. Our billing structure aligns with the value transferred to our customers. We generally have a right to consideration in an amount that corresponds directly with the value we have delivered to the customer.

Our customers contract us to provide an integrated service of transportation or supply chain logistical services into a single transportation or supply chain solution. Therefore, we typically recognize SCS and DTS service contracts as one performance obligation satisfied over time.

Under our SelectCare arrangements, we provide maintenance and repairs required to keep a vehicle in good operating condition, perform preventive maintenance inspections, provide access to emergency road service, and substitute vehicles. We provide these maintenance services to customers who choose not to lease our vehicles. The vast majority of our services are routine and performed on a recurring basis throughout the term of the arrangement. From time to time, we provide non-routine major repair services in order to place a vehicle back in service.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Our maintenance service arrangement generally provides for a monthly fixed charge and a monthly variable charge based on mileage or time usage. Fixed charges are typically billed at the beginning of the month for the services to be provided that month, while variable charges are typically billed a month in arrears. Most maintenance agreements allow for rate changes based upon changes in the CPI. The fixed per-mile charge and the changes in rates attributed to changes in the CPI are recognized as earned.

The maintenance service is the only performance obligation in SelectCare contracts. For contract maintenance agreements, revenue is recognized as maintenance services are rendered over the terms of the related arrangements. We generally account for long-term maintenance contracts as one-year contracts since our maintenance arrangements are typically cancellable, without penalty, after the first year. For on-demand maintenance services, revenue is recognized at the point in time when the service is provided.

Costs associated with the activities performed under our maintenance arrangements are primarily comprised of labor, parts and outside repair work and are expensed as incurred. Non-chargeable maintenance costs have been allocated and reflected within "Cost of services" based on the proportionate maintenance-related labor costs relative to all product lines.

Fuel Services

Fuel services revenue is reported in our FMS business segment. We provide our FMS customers with access to fuel at our maintenance facilities across the U.S. and Canada. Fuel services revenue is invoiced to customers at contracted rates separate from other contracted services, or at retail prices. Revenue from fuel services is recognized when fuel is delivered to customers.

Significant Judgments and Estimates

We allocate the contract consideration from our ChoiceLease arrangements between the lease and maintenance components based on the relative stand-alone selling prices of each of those services. We do not sell the lease component of our ChoiceLease product offering on a stand-alone basis, therefore significant judgment is required to determine the stand-alone selling price of the lease component. We sell maintenance services separately through our SelectCare arrangements.

For the lease component, we estimate the stand-alone selling price using the projected cash outflows related to the underlying leased vehicle, net of the estimated disposal proceeds, and a certain targeted return considering our weighted average cost of capital. For the non-lease component of the contract, we estimate the stand-alone selling price of the maintenance component using an expected cost-plus margin approach. The expected costs are based on our history of providing maintenance services in our ChoiceLease arrangements. The margin is based on the historical margin percentages for our full service maintenance contracts in the SelectCare product line, as the maintenance performance obligation in those contracts is similar to our ChoiceLease arrangements.

Our SCS and DTS contracts often include promises to transfer multiple services to a customer. Judgment is required to determine whether each service is considered distinct and accounted for as a separate performance obligation, or accounted for together as a significant integrated service and recognized over time. Our SCS and DTS services provided within a contract depend on a significant level of integration and interdependency between the services and are generally considered integrated arrangements with revenue recognized as the interdependent services are delivered.

Contract Balances

We record a receivable related to revenue recognized when we have an unconditional right to invoice. We do not have material contract assets as we generally invoice customers as we perform services. We have determined our contracts do not include a significant financing component as the period between the receipt of customer payment and the transfer of service to the customer is less than a year.

Our contract liabilities consist of deferred revenue, which primarily relates to payments received or due in advance of performance for the maintenance services component of our ChoiceLease product. Changes in contract liabilities are due to the collection of cash or the satisfaction of our performance obligation under the contract. Refer to Note 4, "Revenue," for further information.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Costs to Obtain and Fulfill a Contract

Our incremental direct costs of obtaining and fulfilling a contract primarily consist of sales commissions and contract origination costs. For SCS and DTS contracts, these costs are capitalized and amortized on a straight-line basis over the period of contract performance or the expected duration of the customer relationship, if renewals are expected. For Choicelease contracts, capitalized sales commission are allocated and amortized based on the same pattern as the revenue is recognized for the underlying lease or non-lease components of the contract; generally on a straight-line basis for the lease component and consistent with the estimated pattern of maintenance costs for the non-lease component.

The incremental costs to obtain and fulfill a contract are included in "Sales-type leases and other assets" in the Consolidated Balance Sheets. Costs are primarily amortized in "Selling, general and administrative expenses" in the Consolidated Statements of Earnings over the expected period of benefit. Refer to Note 4, "Revenue," for further discussion.

Allowance for Credit Losses and Other

We maintain an allowance for credit losses and billing adjustments related to certain discounts and other customer concessions. Amounts are charged against the allowance when the receivable is determined to be uncollectible. Increases and decreases to the allowance are recorded to earnings in the period determined.

When a business relationship with a customer is initiated, we evaluate collectability from the customer and it is continuously monitored as services are provided. We have a credit rating system based on a combination of internally developed standards and ratings provided by third parties. Our credit rating system, along with monitoring for delinquent payments, allows us to make decisions as to whether collectability is probable at the onset of the relationship and subsequently as we offer services. Factors considered during this process include historical payment trends, industry risks, liquidity of the customer, years in business, judgments, liens, and bankruptcies. Payment terms vary by contract type, although terms generally include a requirement of payment within 10 to 90 days.

Leases

Leases as Lessor

We lease revenue earning equipment to customers for periods generally ranging from three to seven years for trucks and tractors and up to ten years for trailers. We determine if an arrangement is or contains a lease at inception. The standard lease agreement for revenue earning equipment provides both parties the right to terminate; therefore, we evaluate whether the lessee is reasonably certain to exercise the termination option in order to determine the appropriate lease term. If we terminate, the customer has the right (but not obligation) to purchase the vehicle. If the customer terminates, we have the option to require the customer to purchase the vehicle or pay a termination penalty. We also rent revenue earning equipment to customers on a short-term basis, from one day up to one year in length. From time to time, we may also lease facilities to third parties. The majority of our leases are classified as operating leases. However, some of our revenue earning equipment leases are classified as sales-type leases. Refer to Note 6, "Revenue Earning Equipment, Net" for further information on our estimates of residual values and useful lives of revenue earning equipment which impact our sales-type leases.

Leases as Lessee

We lease facilities, revenue earning equipment, material handling equipment, automated vehicle washing machines, vehicles and office equipment from third parties. We determine if an arrangement is or contains a lease at inception. Operating lease right-of-use (ROU) assets, which represent our right to use an underlying asset for the lease term, and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate of return, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Operating lease ROU assets also exclude lease incentives received. We pay variable lease charges related to property taxes, insurance and maintenance as well as changes in CPI for leased facilities; usage of revenue earning equipment, automated washing machines, vehicles and office equipment; and hours of operation for material handling equipment. For leases with a term of 12 months or less, with the exception of our real estate leases, we do not recognize a ROU asset or liability and recognize lease payments in our income statement on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Lease terms for facilities are generally three to five years with one or more five-year renewal options and the lease terms for revenue earning equipment, material handling equipment, automated washing machines, vehicles and office equipment typically range from three to seven years with no extension options. Certain of our material handling equipment and revenue earning equipment leases have residual value guarantees. For purposes of calculating operating lease ROU assets and operating lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. None of our leasing arrangements contain restrictive financial covenants. Lease expense is primarily included in "Selling, general and administrative expenses" in the Consolidated Statements of Earnings. For amounts capitalized in the Consolidated Balance Sheets, noncurrent finance lease ROU assets are included in "Operating property and equipment, net" and "Revenue earning equipment, net" Current operating and finance lease liabilities are included in "Accrued expenses and other current liabilities" and "Short-term debt and current portion of long-term debt," respectively. Noncurrent operating and finance lease liabilities are included in "Other non-current liabilities" and "Long-term debt," respectively. Refer to Note 12, "Leases," for additional information.

Revenue Earning Equipment, Operating Property and Equipment, and Depreciation

Revenue earning equipment, comprised of vehicles, and operating property and equipment are initially recorded at cost inclusive of vendor rebates. Revenue earning equipment and operating property and equipment recognized as finance leases are initially recorded at the lower of the present value of the lease payments to be made over the lease term or fair value. Vehicle repairs and maintenance that extend the life or increase the value of a vehicle are capitalized, whereas ordinary repairs and maintenance (including tire replacement or repair) are expensed as incurred. Direct costs incurred in connection with developing or obtaining internal-use software are capitalized. Costs incurred during the preliminary stage of a software development project, as well as maintenance and training costs, are expensed as incurred.

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the term of the related lease. If a substantial additional investment is made in a leased property during the term of the lease, we re-evaluate the lease term to determine whether the investment, together with any penalties related to non-renewal, would constitute an economic penalty such that the renewal appears to be reasonably assured.

Depreciation is computed using the straight-line method on all depreciable assets. Depreciation expense has been recognized depending on the nature of the related asset. We periodically review and adjust depreciation expense prospectively reflecting changes in the estimated residual values and useful lives of revenue earning equipment. We routinely dispose of used revenue earning equipment as part of our FMS business. Refer to Note 6, "Revenue Earning Equipment, Net" for more information. Gains and losses on sales of operating property and equipment are reflected in "Miscellaneous income, net" in the Consolidated Statements of Earnings.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets with indefinite useful lives are not amortized, but rather, are tested for impairment at least annually as of October 1 of each year, or more frequently if events or circumstances indicate the carrying value of goodwill may be impaired. In evaluating goodwill for impairment, we have the option to first assess qualitative factors to determine whether further impairment testing is necessary, such as macroeconomic conditions, changes in our industry and the markets in which we operate, and our market capitalization as well as our reporting units' historical and expected future financial performance.

If we conclude that it is more likely than not that a reporting unit's fair value is less than its carrying value or we bypass the optional qualitative assessment, recoverability is assessed by comparing the fair value of the reporting unit with its carrying amount. If a reporting unit's carrying value exceeds its fair value, we would recognize a goodwill impairment loss for the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Our estimate of fair value for reporting units is determined based on a combination of a market and an income approach. Under the market approach, we use a selection of comparable publicly-traded companies that correspond to the reporting unit to derive a market-based multiple. Under the income approach, the fair value of the reporting unit is estimated based on the discounted present value of the projected future cash flows. Rates used to discount cash flows are dependent upon interest rates and the cost of capital based on our industry and capital structure, adjusted for equity and size risk premiums based on market capitalization. Estimates of future cash flows are dependent on our knowledge and experience about past and current events and significant judgments and assumptions about conditions we expect to exist, including revenue growth rates, margins, long-term

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

growth rates, capital requirements, proceeds from the sale of used vehicles, the ability to utilize our tax net operating losses, and the discount rate. Our estimates of cash flows are also based on historical and future operating performance, economic conditions and actions we expect to take.

There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of goodwill impairment. It is possible that assumptions underlying the impairment analysis will change in such a manner that impairment in value may occur in the future.

Indefinite-lived intangible assets, consisting of our trade name, are assessed for impairment when circumstances indicate that the carrying amount may not be recoverable. The assessment is consistent with the process used to evaluate goodwill impairment. Intangible assets with finite lives are amortized over their respective estimated useful lives. Identifiable intangible assets that are subject to amortization are evaluated for impairment as described below.

Impairment of Long-Lived Assets Other than Goodwill and Indefinite-Lived Intangible Assets

Long-lived assets held and used, including revenue earning equipment, operating property and equipment, and intangible assets with finite lives, are tested for recoverability when circumstances indicate that the carrying amount of assets may not be recoverable. Recoverability of long-lived assets is evaluated by comparing the carrying value of an asset or asset group to the undiscounted future operating cash flows (excluding interest charges) expected to be generated by the asset or asset group. If these comparisons indicate that the carrying value of the asset or asset group is not recoverable, an impairment loss is recognized for the amount by which the carrying value of the asset or asset group exceeds its estimated fair value.

Self-Insurance Accruals

We retain a portion of the accident risk under auto liability, workers' compensation and other insurance programs. Under our insurance programs, we retain the risk of loss in various amounts, generally up to \$3 million on a per occurrence basis. Self-insurance accruals are based primarily on an actuarial estimated, undiscounted cost of claims, which includes claims incurred but not reported. Historical loss development factors are utilized to project the future development of incurred losses, and these amounts are adjusted based upon actual claim experience and settlements. Changes in the actuarial estimates of these liabilities are charged or credited to earnings in the period determined. Amounts estimated to be paid within the next year have been classified as "Accrued expenses and other current liabilities" with the remainder included in "Other non-current liabilities" in the Consolidated Balance Sheets.

We also maintain additional insurance at certain amounts in excess of our respective underlying retention. Amounts recoverable from insurance companies are not offset against the related liability as our insurance policies do not extinguish or provide legal release from the obligation to make payments related to such risk-related losses. Amounts expected to be received within the next year from insurance companies have been included within "Receivables, net" with the remainder included in "Sales-type leases and other assets" and are recognized only when realization of the claim for recovery is considered probable.

Income Taxes

Provision for income taxes is based on reported earnings before income taxes. Deferred income taxes are recognized for the future tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, using tax rates in effect for the years in which the differences are expected to reverse. We have elected to account for the tax effects of the global intangible low-taxed income provision as a current period cost.

Valuation allowances are recognized to reduce deferred income tax assets to the amount that is more likely than not to be realized. In assessing the likelihood of realization, we consider estimates of future sources of taxable income. We calculate our current and deferred income tax position based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years. Adjustments based on filed returns are recorded when identified.

We believe our measurement of liabilities for uncertain tax positions is reasonable, however, assurances cannot be given that the final outcome of these matters will be consistent with the historical income tax provisions and accruals. If a liability is ultimately deemed unnecessary, the liability will be reversed, and a tax benefit will be recognized in that period. Conversely, if additional liability is necessary, a tax provision will be recorded when that determination is made. If additional taxes are assessed as a result of an audit or litigation, there could be a material effect on our income tax provision and net income in the period or periods for which that determination is made.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Interest and penalties related to income tax exposures are recognized as incurred and included in "Provision for income taxes" in the Consolidated Statements of Earnings. Accruals for income tax exposures, including penalties and interest, expected to be settled within the next year are included in "Accrued expenses and other current liabilities".

Foreign Currency Translation

Our foreign operations generally use local currency as their functional currency. Assets and liabilities of these operations are translated at the exchange rates in effect on the balance sheet date. Items in the Consolidated Statements of Earnings are translated at the average exchange rates. The related translation adjustments are recorded in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets. Gains and losses resulting from foreign currency transactions are recognized in "Miscellaneous income, net" in the Consolidated Statements of Earnings.

Share-Based Compensation

The fair value of stock option awards and unvested restricted stock unit (RSU or RSUs) awards to employees are expensed on a straight-line basis over the vesting period of the awards. RSUs granted to the board of directors are expensed over a one year period when they are granted. Windfall tax benefits and tax shortfalls are charged directly to income tax expense.

Defined Benefit Pension and Postretirement Benefit Plans

The funded status of our defined benefit pension plans and postretirement benefit plans are recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation. Overfunded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and reported as a pension asset in Sales-type leases and other assets. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and reported as a pension and postretirement benefit liability in Other non-current liabilities.

The current portion of pension and postretirement benefit liabilities represents the actuarial present value of benefits payable within the next year exceeding the fair value of plan assets (if funded), measured on a plan-by-plan basis. These liabilities are recognized in "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets.

Prior service costs and actuarial gains and losses are recognized in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets and are subsequently amortized as a component of pension and postretirement benefit expense generally over the remaining life expectancy.

The measurement of benefit obligations and pension and postretirement benefit expense is based on estimates and assumptions. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases, interest rates and mortality rates.

Fair Value Measurements

We carry various assets and liabilities at fair value in the Consolidated Balance Sheets, including vehicles held for sale, investments held in Rabbi Trusts and pension assets.

Fair value measurements are classified based on the following fair value hierarchy:

- Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2** Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs for the asset or liability. These inputs reflect our own assumptions about the assumptions a market participant would use in pricing the asset or liability.

When available, we use unadjusted quoted market prices to measure fair value and classify such measurements within Level 1. If quoted prices are not available, fair value is based upon model-driven valuations that use current market-based or

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

independently sourced market parameters such as interest rates and currency rates. Items valued using these models are classified according to the lowest level input or value driver that is significant to the valuation.

The carrying amounts reported in the Consolidated Balance Sheets for Cash and cash equivalents, Receivables, net and Accounts payable approximate fair value due to the immediate or short-term maturities of these financial instruments. Revenue earning equipment held for sale is measured at fair value on a nonrecurring basis and is stated at the lower of carrying amount or fair value less costs to sell. Investments held in Rabbi Trusts and derivatives are carried at fair value on a recurring basis. Investments held in Rabbi Trusts include exchange-traded equity securities and mutual funds. Fair values for these investments are based on quoted prices in active markets. Refer to Note 19, "Employee Benefit Plans," for further information regarding pension assets.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07, Segment Reporting (Topic 280). The amendments are intended to increase reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. We adopted the new standard retrospectively on December 31, 2024 and this ASU did not impact our consolidated financial position, results of operations, or cash flows.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740). The amendments require disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. The standard is effective for fiscal years beginning in 2025, with early adoption permitted. We are currently evaluating the disclosure impact of the adoption of this update. This ASU does not impact our consolidated financial position, results of operations, or cash flows.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). The amendments provide for more detailed disaggregation of expenses. The standard is effective for fiscal years beginning in 2027, with early adoption permitted. We are currently evaluating the disclosure impact of the adoption of this update. This ASU does not impact our consolidated financial position, results of operations, or cash flows.

3. SEGMENT REPORTING

Our operating segments are aggregated into reportable business segments based upon similar economic characteristics, products, services, customers and delivery methods.

Our primary measurement of segment financial performance, defined as "Earnings from continuing operations before income taxes" (Segment EBT), includes an allocation of costs from Central Support Services (CSS) and excludes Non-operating pension costs, net, intangible amortization expense, and certain other items as discussed in Note 20, "Other Items Impacting Comparability." The objective of the Segment EBT measurement is to provide clarity on the profitability of each business segment and, ultimately, to hold leadership of each business segment accountable for their allocated share of CSS costs. CSS represents those costs incurred to support all business segments, including information technology, finance, marketing, human resources, legal, and safety. These costs are allocated based on various methods, including resource utilization, personnel supported and utilization-related metrics. Certain costs are not attributable to any segment and remain unallocated in CSS, including costs for investor relations, public affairs and certain executive compensation. CSS costs attributable to the business segments are predominantly allocated to FMS, SCS and DTS.

Our FMS segment leases revenue earning equipment and provides fuel, maintenance and other ancillary services to the SCS and DTS segments. Inter-Segment EBT allocated to SCS and DTS includes earnings related to equipment used to provide services to SCS and DTS customers. Segment EBT related to inter-segment equipment and services billed to SCS and DTS customers (Equipment Contribution) are included in both FMS and the segment that served the customer and then eliminated upon consolidation (presented as "Eliminations").

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table set forth financial information regularly provided and reviewed by our Chair and Chief Executive Officer (our Chief Operating Decision Maker), to analyze financial performance, make strategic decisions and allocate resources. The table also provides a reconciliation between Segment EBT and Earnings from continuing operations before income taxes (in millions):

2024	FMS	SCS	DTS	Elimination⁽¹⁾	Total
Revenue	\$ 5,888	\$ 5,300	\$ 2,446	\$ (998)	\$ 12,636
Direct operating costs	4,638	4,735	2,270		
Used vehicle sales, net	(72)	—	—		
Other segment items ⁽³⁾	806	233	51		
Segment EBT	<u>\$ 516</u>	<u>\$ 332</u>	<u>\$ 125</u>	\$ (134)	<u>839</u>
Unallocated Central Support Services					(71)
Intangible amortization expense ⁽⁴⁾					(53)
Non-operating pension costs, net ⁽⁵⁾					(41)
Other items impacting comparability, net ⁽⁶⁾					(13)
Earnings from continuing operations before income taxes					<u>\$ 661</u>
2023					
Revenue	\$ 5,930	\$ 4,875	\$ 1,785	\$ (807)	\$ 11,783
Direct operating costs	4,651	4,420	1,634		
Used vehicle sales, net ⁽²⁾	(194)	—	—		
Other segment items ⁽³⁾	808	224	30		
Segment EBT	<u>\$ 665</u>	<u>\$ 231</u>	<u>\$ 121</u>	\$ (95)	<u>922</u>
Unallocated Central Support Services					(72)
Intangible amortization expense ⁽⁴⁾					(35)
Non-operating pension costs, net ⁽⁵⁾					(40)
Other items impacting comparability, net ⁽⁶⁾					(157)
Earnings from continuing operations before income taxes					<u>\$ 618</u>
2022					
Revenue	\$ 6,327	\$ 4,720	\$ 1,786	\$ (822)	\$ 12,011
Direct operating costs	4,845	4,253	1,670		
Used vehicle sales, net ⁽²⁾	(401)	—	—		
Other segment items ⁽³⁾	826	249	13		
Segment EBT	<u>\$ 1,057</u>	<u>\$ 218</u>	<u>\$ 103</u>	\$ (114)	<u>1,264</u>
Unallocated Central Support Services					(83)
Intangible amortization expense ⁽⁴⁾					(37)
Non-operating pension costs, net ⁽⁵⁾					(11)
Other items impacting comparability, net ⁽⁶⁾					83
Earnings from continuing operations before income taxes					<u>\$ 1,216</u>

(1) Represents the intercompany revenues in our FMS business segment and Inter-Segment EBT.

(2) In 2023, and 2022, Used vehicle sales, net gain of \$2 million and \$49 million, respectively, related to the FMS U.K. business exit is included in Other Items Impacting Comparability, net.

(3) Other segment items for each reportable segment include indirect costs and also include Equipment Contribution for SCS and DTS.

(4) Refer to Note 9, "Intangible Assets, Net," for a discussion on this item.

(5) Refer to Note 19, "Employee Benefit Plans," for a discussion on this item.

(6) Refer to Note 20, "Other Items Impacting Comparability," for a discussion of items excluded from our primary measure of segment performance.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table sets forth additional segment items as of and for the years ended presented:

<i>(In millions)</i>	FMS	SCS	DTS	CSS	Eliminations	Total
December 31, 2024						
Depreciation expense ⁽¹⁾	\$ 1,583	104	5	2	\$ —	\$ 1,694
Other non-cash charges, net ⁽²⁾	\$ 192	267	14	61	—	\$ 534
Interest expense (income) ⁽³⁾	\$ 362	17	8	(1)	—	\$ 386
Capital expenditures paid	\$ 2,616	50	1	16	—	\$ 2,683
Total assets	\$ 12,073	3,673	765	1,333	(1,172)	\$ 16,672
December 31, 2023						
Depreciation expense ⁽¹⁾	\$ 1,571	136	3	2	—	\$ 1,712
Other non-cash charges, net ⁽²⁾	\$ 106	230	8	29	—	\$ 373
Interest expense (income) ⁽³⁾	\$ 292	8	(3)	(1)	—	\$ 296
Capital expenditures paid	\$ 3,085	117	1	31	—	\$ 3,234
Total assets	\$ 11,588	3,717	384	1,026	(937)	\$ 15,778
December 31, 2022						
Depreciation expense ⁽¹⁾	\$ 1,618	91	3	1	—	\$ 1,713
Other non-cash charges, net ⁽²⁾	\$ 90	173	4	50	—	\$ 317
Interest expense (income) ⁽³⁾	\$ 219	10	(2)	1	—	\$ 228
Capital expenditures paid	\$ 2,442	155	2	32	—	\$ 2,631
Total assets	\$ 10,811	3,043	380	904	(743)	\$ 14,395

(1) Depreciation expense totaling \$29 million in 2024, \$28 million in 2023, and \$27 million in 2022 associated with CSS assets was allocated to business segments based upon estimated and planned asset utilization.

(2) Primarily includes operating lease ROU assets amortization.

(3) Interest expense was primarily allocated to the FMS segment since borrowings were used principally to fund the purchase of FMS revenue earning equipment; however, interest was also reflected in SCS and DTS based on targeted segment leverage ratios.

Geographic Information

<i>(In millions)</i>	December 31,	
	2024	2023
Long-lived assets:		
United States	\$ 9,758	\$ 9,473
Foreign:		
Canada	563	552
Mexico	69	84
	632	636
Total	\$ 10,390	\$ 10,109

4. REVENUE

Disaggregation of Revenue

The following tables disaggregate our revenue recognized by primary geographical market by our business segments and by industry for SCS. Refer to Note 3, "Segment Reporting", for the disaggregation of our revenue by major product/service lines.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Primary Geographical Markets

<i>(In millions)</i>	2024				
	FMS	SCS	DTS	Eliminations	Total
United States	\$ 5,585	\$ 4,697	\$ 2,446	\$ (955)	\$ 11,773
Canada	303	278	—	(43)	538
Mexico	—	325	—	—	325
Total revenue	<u>\$ 5,888</u>	<u>\$ 5,300</u>	<u>\$ 2,446</u>	<u>\$ (998)</u>	<u>\$ 12,636</u>

<i>(In millions)</i>	2023				
	FMS	SCS	DTS	Eliminations	Total
United States	\$ 5,616	\$ 4,295	\$ 1,785	\$ (764)	\$ 10,932
Canada	314	267	—	(43)	538
Mexico	—	313	—	—	313
Total revenue	<u>\$ 5,930</u>	<u>\$ 4,875</u>	<u>\$ 1,785</u>	<u>\$ (807)</u>	<u>\$ 11,783</u>

<i>(In millions)</i>	2022				
	FMS	SCS	DTS	Eliminations	Total
United States	\$ 5,858	\$ 4,209	\$ 1,786	\$ (780)	\$ 11,073
Canada	319	251	—	(42)	528
Europe ⁽¹⁾	150	—	—	—	150
Mexico	—	260	—	—	260
Total revenue	<u>\$ 6,327</u>	<u>\$ 4,720</u>	<u>\$ 1,786</u>	<u>\$ (822)</u>	<u>\$ 12,011</u>

(1) Refer to Note 20, "Other Items Impacting Comparability", for further information on the exit of the FMS U.K. business.

Product Line

Our FMS revenue disaggregated by product line is as follows:

<i>(In millions)</i>	2024	2023	2022
ChoiceLease	\$ 3,446	\$ 3,181	\$ 3,101
Commercial rental	976	1,178	1,338
SelectCare and other	694	694	624
FMS Europe ⁽¹⁾	—	—	150
Fuel services revenue	772	877	1,114
Fleet Management Solutions	<u>\$ 5,888</u>	<u>\$ 5,930</u>	<u>\$ 6,327</u>

(1) Refer to Note 20, "Other Items Impacting Comparability," for further information on the FMS U.K. business exit

Industry

We have a diversified portfolio of customers across a full array of transportation and logistics solutions and across many industries. We believe this will help to mitigate the impact of adverse downturns in specific sectors of the economy. Our portfolio of ChoiceLease and commercial rental customers, as well as our DTS business, is not concentrated in any one particular industry or geographic region.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Our SCS business segment included revenue from the following industries:

<i>(In millions)</i>	2024	2023	2022
Omnichannel retail	\$ 1,726	\$ 1,757	\$ 1,861
Automotive	1,580	1,600	1,523
Consumer packaged goods	1,182	965	845
Industrial and other	812	553	491
Total SCS revenue	<u>\$ 5,300</u>	<u>\$ 4,875</u>	<u>\$ 4,720</u>

Lease & Related Maintenance and Rental Revenue

The non-lease revenue from maintenance services related to our ChoiceLease product is recognized in "Lease & related maintenance and rental revenue" in the Consolidated Statements of Earnings. We recognized \$972 million in 2024, \$963 million in 2023 and \$1.0 billion in 2022.

Deferred Revenue

The following table includes the changes in deferred revenue due to the collection and deferral of cash or the satisfaction of our performance obligation under the contract:

<i>(In millions)</i>	2024	2023	2022
Balance as of beginning of period	\$ 545	\$ 544	\$ 594
Recognized as revenue during period from beginning balance	(174)	(166)	(181)
Consideration deferred during period, net	231	168	140
Foreign currency translation adjustment and other	(2)	(1)	(9)
Balance as of end of period	<u>\$ 600</u>	<u>\$ 545</u>	<u>\$ 544</u>

Contracted Not Recognized Revenue

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized (contracted not recognized revenue). Contracted not recognized revenue was \$3.1 billion and \$2.8 billion as of December 31, 2024 and 2023, respectively, and primarily includes deferred revenue and amounts for full service ChoiceLease maintenance revenue that will be recognized as revenue in future periods as we provide maintenance services to our customers. Contracted not recognized revenue excludes (1) variable consideration as it is not included in the transaction price consideration allocated at contract inception, (2) revenues from the lease component of our ChoiceLease product and all the revenue from the commercial rental product, (3) revenues from contracts with an original duration of one year or less, including SelectCare contracts, and (4) revenue from SCS, DTS and other contracts where there are remaining performance obligations when we have the right to invoice but the revenue to be recognized in the future corresponds directly with the value to be delivered to the customer.

Sales Commissions and Contract Origination Costs

The sales commission and setup costs capitalized as of the period ended and the amortization expense for the years ended were as follows:

<i>(In millions)</i>	December 31,	
	2024	2023
Sales commissions	\$ 109	\$ 117
Contract origination costs	\$ 75	\$ 84

<i>(In millions)</i>	2024	2023	2022
Sales commissions amortization expense	\$ 46	\$ 47	\$ 44
Contract origination amortization expense	\$ 34	\$ 30	\$ 28

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

5. RECEIVABLES, NET

<i>(In millions)</i>	December 31,	
	2024	2023
Trade	\$ 1,634	\$ 1,505
Sales-type leases	161	140
Other, primarily warranty and insurance	104	111
	<u>1,899</u>	<u>1,756</u>
Allowance for credit losses and other	<u>(38)</u>	<u>(42)</u>
Receivables, net	<u>\$ 1,861</u>	<u>\$ 1,714</u>

The following table provides a reconciliation of our allowance for credit losses and other:

<i>(In millions)</i>	2024	2023
Balance as of beginning of period	\$ 42	\$ 41
Changes to provisions for credit losses	26	22
Write-offs and other	(30)	(21)
Balance as of end of period	<u>\$ 38</u>	<u>\$ 42</u>

6. REVENUE EARNING EQUIPMENT, NET

<i>(In millions)</i>	Estimated Useful Lives	December 31, 2024			December 31, 2023		
		Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Held for use:	(In years)						
Trucks	3 — 7	\$ 6,252	\$ (2,210)	\$ 4,042	\$ 5,630	\$ (2,192)	\$ 3,438
Tractors	4 — 7.5	6,721	(2,739)	3,982	6,995	(2,712)	4,283
Trailers and other	9.5 — 12	1,695	(671)	1,024	1,686	(683)	1,003
Held for sale		781	(623)	158	732	(564)	168
Total		<u>\$ 15,449</u>	<u>\$ (6,243)</u>	<u>\$ 9,206</u>	<u>\$ 15,043</u>	<u>\$ (6,151)</u>	<u>\$ 8,892</u>

Total depreciation expense related to revenue earning equipment primarily used in our FMS segment was \$1.5 billion in 2024, 2023, and 2022.

Residual Value Estimate Changes

We periodically review and adjust, as appropriate, the estimated residual values of existing revenue earning equipment for the purposes of recording depreciation expense. Reductions in estimated residual values will increase depreciation expense over the remaining useful life of the vehicle. Conversely, an increase in estimated residual values will decrease depreciation expense over the remaining useful life of the vehicle. Our review of the estimated residual values of revenue earning equipment is based on vehicle class, (i.e., generally subcategories of trucks, tractors and trailers by weight and usage), historical and current market prices, third-party expected future market prices, expected lives of vehicles, and expected sales in the wholesale or retail markets, among other factors. 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; wholesale market prices; customer requirements and preferences; and changes in underlying assumption factors. We have disciplines related to the management and maintenance of our vehicles designed to manage the risk associated with the residual values of our revenue earning equipment.

In 2024, 2023, and 2022, we did not adjust the estimated residual values of existing revenue earning equipment.

Used Vehicle Sales and Valuation Adjustments

Revenue earning equipment held for sale is stated at the lower of carrying amount or fair value less costs to sell. Losses on vehicles held for sale for which carrying values exceed fair value, which we refer to as "valuation adjustments," are recognized

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

at the time they are deemed to meet the held for sale criteria and are presented within "Used vehicle sales, net" in the Consolidated Statements of Earnings. For revenue earning equipment held for sale, we stratify our fleet by vehicle type (trucks, tractors and trailers), weight class, age and other relevant characteristics and create classes of similar assets for analysis purposes. For revenue earning equipment held for sale, fair value was determined based upon recent market prices obtained from our own sales experience for each class of similar assets and vehicle condition if available or third-party market pricing. In addition, we also consider expected declines in market prices, as well as, forecasted sales channel mix (retail/wholesale) when valuing the vehicles held for sale.

The following table presents our assets held for sale that are measured at fair value on a nonrecurring basis and considered a Level 3 fair value measurement:

<i>(In millions)</i>	December 31,		Losses from Valuation Adjustments		
	2024	2023	2024	2023	2022
Revenue earning equipment held for sale:					
Trucks	\$ 10	\$ 5	\$ 14	\$ 6	\$ 3
Tractors	27	38	12	9	5
Trailers and other	3	4	5	5	1
Total assets at fair value	<u>\$ 40</u>	<u>\$ 47</u>	<u>\$ 31</u>	<u>\$ 20</u>	<u>\$ 9</u>

The table above reflects only the portion where net book values of revenue earnings equipment held for sale exceeded fair values and valuation adjustments were recorded. The net book value of assets held for sale that were less than fair value was \$118 million and \$121 million as of December 31, 2024 and 2023, respectively.

The components of Used vehicle sales, net were as follows:

<i>(In millions)</i>	2024	2023	2022
Gains on vehicle sales, net ⁽¹⁾	\$ (103)	\$ (216)	\$ (459)
Losses from valuation adjustments	31	20	9
Used vehicle sales, net	<u>\$ (72)</u>	<u>\$ (196)</u>	<u>\$ (450)</u>

⁽¹⁾ 2023 and 2022 includes gains on used vehicles sold as part of the exit of the FMS U.K business of \$2 million and \$49 million, respectively.

7. OPERATING PROPERTY AND EQUIPMENT, NET

<i>(Dollars in millions)</i>	Estimated Useful Lives <i>(In years)</i>	December 31,	
		2024	2023
Land	—	\$ 230	\$ 227
Buildings and improvements	1 — 40	1,124	1,082
Machinery and equipment	2 — 10	1,322	1,219
Other	1 — 30	164	200
		<u>2,840</u>	<u>2,728</u>
Accumulated depreciation		<u>(1,656)</u>	<u>(1,511)</u>
Operating property and equipment, net		<u>\$ 1,184</u>	<u>\$ 1,217</u>

<i>(In millions)</i>	2024	2023	2022
Operating property and equipment depreciation expense ⁽¹⁾	\$ 203	\$ 228	\$ 182

⁽¹⁾ During 2023 and 2022, we recorded asset impairments of \$35 million and \$20 million, respectively, related to a SCS customer bankruptcy.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

8. GOODWILL

The carrying amount of goodwill attributable to each business segment with changes therein was as follows:

<i>(In millions)</i>	FMS	SCS	DTS	Total
Balance as of January 1, 2023	\$ 245	\$ 575	\$ 41	\$ 861
Acquisitions ⁽¹⁾	—	79	—	79
Balance as of December 31, 2023	245	654	41	940
Acquisition ⁽¹⁾	15	18	186	219
Foreign currency translation adjustment	—	(1)	—	(1)
Balance as of December 31, 2024	<u>\$ 260</u>	<u>\$ 671</u>	<u>\$ 227</u>	<u>\$ 1,158</u>

⁽¹⁾ Refer to Note 23, "Acquisitions," for additional information.

9. INTANGIBLE ASSETS, NET

<i>(In millions)</i>	December 31, 2024				
	FMS	SCS	DTS	CSS	Total
Indefinite lived intangible assets — Trade name	\$ —	\$ —	\$ —	\$ 9	\$ 9
Finite lived intangible assets, primarily customer relationships ⁽¹⁾	49	495	92	—	636
Accumulated amortization	(47)	(123)	(18)	—	(188)
Total	<u>\$ 2</u>	<u>\$ 372</u>	<u>\$ 74</u>	<u>\$ 9</u>	<u>\$ 457</u>

<i>(In millions)</i>	December 31, 2023				
	FMS	SCS	DTS	CSS	Total
Indefinite lived intangible assets — Trade name	\$ —	\$ —	\$ —	\$ 9	\$ 9
Finite lived intangible assets, primarily customer relationships ⁽¹⁾	49	469	8	—	526
Accumulated amortization	(46)	(87)	(6)	—	(139)
Total	<u>\$ 3</u>	<u>\$ 382</u>	<u>\$ 2</u>	<u>\$ 9</u>	<u>\$ 396</u>

⁽¹⁾ Includes \$116 million of customer relationships related to the acquisition of CLH Parent Corporation (Cardinal Logistics) in 2024. Includes \$127 million of customer relationships related to the acquisition of IFS Holdings, LLC, a holding company for Impact Fulfillment Services, LLC (IFS) in 2023. Refer to Note 23, "Acquisitions," for additional information.

The Ryder trade name has been identified as having an indefinite useful life. We recognized intangible asset amortization expense of \$53 million in 2024, of which \$51 million is associated with finite lived intangible assets and \$2 million relates to the amortization of favorable lease assets recorded in Operating lease right-of-use assets in the Consolidated Balance Sheets. In 2023, we recognized intangible assets amortization expense of \$35 million, of which \$28 million is associated with finite lived intangible assets and \$7 million relates to favorable lease asset amortization. We also wrote-off \$10 million of FMS U.K. finite lived intangible assets and the related accumulated amortization as part of the shutdown of those operations in 2023. In 2022, we recognized intangible assets amortization expense of \$37 million, of which \$32 million is associated with finite lived intangible assets and \$5 million relates to favorable lease asset amortization. The future amortization expense for each of the five succeeding years related to all intangible assets that are currently reported in the Consolidated Balance Sheets is estimated to range from \$44 - \$53 million per year for 2025 - 2029.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

10. ACCRUED EXPENSES AND OTHER LIABILITIES

<i>(In millions)</i>	December 31, 2024			December 31, 2023		
	Accrued expenses and other current liabilities	Other non- current liabilities	Total	Accrued expenses and other current liabilities	Other non- current liabilities	Total
Operating lease liabilities ⁽¹⁾	\$ 302	\$ 804	\$ 1,106	\$ 234	\$ 800	\$ 1,034
Deferred revenue	160	440	600	177	368	545
Self-insurance	193	349	542	175	284	459
Salaries and wages	197	—	197	200	—	200
Pension and other employee benefits	26	156	182	27	231	258
Operating taxes	134	—	134	129	—	129
Deferred compensation	7	127	134	6	102	108
Deposits, mainly from customers	67	—	67	68	—	68
Interest	65	—	65	59	—	59
Income taxes	7	—	7	14	—	14
Other	165	78	243	144	86	230
Total	\$ 1,323	\$ 1,954	\$ 3,277	\$ 1,233	\$ 1,871	\$ 3,104

(1) Refer to Note 12, "Leases," for further information.

Self-insurance accruals include vehicle liability, workers' compensation, property damage, cargo, medical and dental, which comprise our self-insurance programs.

Changes to self-insurance accruals consisted of the following:

<i>(In millions)</i>	2024	2023	2022
Balance as of beginning of period	\$ 459	\$ 463	\$ 466
Additions charged to earnings	628	520	497
Employee contributions to medical and dental self-insurance plans	117	103	95
Claim payments and write-offs	(662)	(627)	(595)
Balance as of end of period	\$ 542	\$ 459	\$ 463

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

11. INCOME TAXES

The components of "Earnings from continuing operations before income taxes" and the "Provision for income taxes" from continuing operations in the Consolidated Statements of Earnings were as follows:

<i>(In millions)</i>	2024	2023	2022
Earnings from continuing operations before income taxes			
United States	\$ 555	\$ 479	\$ 1,021
Foreign	106	139	195
Total	<u>\$ 661</u>	<u>\$ 618</u>	<u>\$ 1,216</u>
Provision for income taxes			
Current tax expense from continuing operations:			
Federal	\$ 112	\$ 35	\$ 30
State	15	45	43
Foreign	24	17	14
	<u>151</u>	<u>97</u>	<u>87</u>
Deferred tax expense (income) from continuing operations:			
Federal	(13)	88	214
State	28	(8)	23
Foreign	6	35	29
	<u>21</u>	<u>115</u>	<u>266</u>
Total	<u>\$ 172</u>	<u>\$ 212</u>	<u>\$ 353</u>

Federal, state, and foreign net operating losses were utilized to offset current income taxes payable resulting in tax benefits of \$10 million, \$56 million, and \$103 million in 2024, 2023 and 2022, respectively.

A reconciliation of the federal statutory tax rate with the effective tax rate from continuing operations follows:

<i>(Percentage of pre-tax earnings)</i>	2024	2023	2022
Federal statutory tax rate	21.0 %	21.0 %	21.0 %
Impact on deferred taxes for changes in tax rates	0.6 %	(0.8)%	(0.4)%
State income taxes, net of federal income tax benefit	5.0 %	5.8 %	5.1 %
Foreign rates varying from federal statutory tax rate	1.2 %	2.2 %	(5.3)%
FMS U.K. business exit	— %	1.9 %	3.2 %
Tax contingencies	(0.8)%	(0.2)%	(0.3)%
Tax credits	(1.2)%	(1.8)%	(0.2)%
Other permanent book-tax differences	0.2 %	0.9 %	0.6 %
Change in foreign valuation allowance ⁽¹⁾	(11.9)%	(0.3)%	5.4 %
Foreign net operating loss write-off ⁽¹⁾	11.9 %	— %	— %
Currency translation adjustment	— %	5.5 %	— %
Other	— %	0.1 %	— %
Effective tax rate	<u>26.0 %</u>	<u>34.3 %</u>	<u>29.1 %</u>

⁽¹⁾ The cessation of business activities in a foreign subsidiary during 2024 led to the write-off of the subsidiary's net operating losses and the associated valuation allowance.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Deferred Income Taxes

The components of the net deferred income tax liability were as follows:

<i>(In millions)</i>	December 31,	
	2024	2023
Deferred income tax assets:		
Self-insurance accruals	\$ 131	\$ 110
Net operating loss carryforwards	33	94
Accrued compensation and benefits	102	87
Pension benefits	35	50
Deferred revenue	23	133
Interest expense limitation	75	28
Other	47	39
	<u>446</u>	<u>541</u>
Valuation allowance	(12)	(87)
	<u>434</u>	<u>454</u>
Deferred income tax liabilities:		
Property and equipment basis differences	(1,979)	(2,012)
Intangible assets bases difference	(92)	(65)
Other	(20)	(22)
	<u>(2,091)</u>	<u>(2,099)</u>
Net deferred income tax liability ⁽¹⁾	<u>\$ (1,657)</u>	<u>\$ (1,645)</u>

(1) *Deferred tax assets of \$14 million and \$13 million have been included in "Sales-type leases and other assets" as of December 31, 2024 and 2023.*

Changes to the valuation allowance on deferred tax assets consisted of the following:

<i>(In millions)</i>	2024	2023	2022
Balance at January 1	\$ 87	\$ 88	\$ 24
Additions charged to income tax expense	—	—	64
Deductions credited to income tax expense	(75)	(1)	—
Balance as of December 31	<u>\$ 12</u>	<u>\$ 87</u>	<u>\$ 88</u>

As of December 31, 2024, we have a cumulative valuation allowance of \$12 million against our deferred tax assets, a net decrease of \$75 million from the prior year. The decrease is primarily due to the cessation of all business activities by a foreign subsidiary on December 27, 2024, leading to the write-off of the subsidiary's net operating losses and the associated valuation allowance. The valuation allowance is subject to change in future years based on the availability of future sources of taxable income.

In 2024, we repatriated \$14 million of current year earnings from our Mexico subsidiary with minimal tax cost. In 2023, we repatriated \$78 million of undistributed earnings from our U.K. subsidiaries. As of December 31, 2024, we continue to consider our U.K. earnings to no longer be indefinitely reinvested and determined that there was no impact to deferred taxes. We consider the historical earnings of Mexico, along with our remaining foreign jurisdictions to be permanently reinvested, which collectively had \$653 million of undistributed foreign earnings as of December 31, 2024. Any future repatriations of unremitted earnings could be subject to additional federal, state and foreign income taxes, withholding taxes, and/or the tax impact of foreign currency exchange gains or losses. The determination of the amount of unrecognized deferred tax liability associated with the \$653 million of undistributed foreign earnings is not practicable because of the complexities associated with the hypothetical calculations used in evaluating whether we will maintain the indefinite reinvestment assertion on the remaining foreign subsidiaries.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Our carryforwards for net operating losses and tax benefits with the related valuation allowances were as follows:

<i>(Dollars in millions)</i>	December 31, 2024			December 31, 2023		
	Carryforwards ⁽¹⁾	Valuation Allowance	Net Carryforwards	Carryforwards ⁽¹⁾	Valuation Allowance	Net Carryforwards
Net operating losses and tax benefits						
U.S. Federal jurisdictions ⁽²⁾	\$ 6	\$ (3)	\$ 3	\$ 6	\$ (1)	\$ 5
U.S. Federal jurisdictions (with no expiration)	11	—	11	3	—	3
U.S. State jurisdictions ⁽³⁾	27	—	27	26	(1)	25
U.S. State jurisdictions (with no expiration)	3	—	3	4	—	4
Foreign jurisdictions ⁽⁴⁾	7	(7)	—	82	(82)	—
Foreign jurisdictions (with no expiration)	4	(2)	2	4	(3)	1
Total carryforwards	\$ 58	\$ (12)	\$ 46	\$ 125	\$ (87)	\$ 38

(1) Net operating losses are shown before unrecognized tax benefits.

(2) Expires between the years 2034 to 2037.

(3) Expires between the years 2026 to 2044.

(4) Expires between the years 2031 to 2043.

Amounts in the table may not be additive due to rounding.

U.S. federal net operating loss deductions are limited to 80% of taxable income for losses generated in taxable years beginning after December 31, 2017. As of December 31, 2024, all remaining U.S. federal net operating losses are subject to IRC Section 382 limitations, further reducing the amount available for offset in any given future year.

Uncertain Tax Positions

In many cases, our uncertain tax positions are related to tax years that remain subject to examination by the relevant taxing authorities. The following table summarizes these open tax years by jurisdiction:

Jurisdiction	Open Tax Year
United States (Federal)	2018 - 2024
Canada	2013 - 2015, 2017 - 2024
Mexico	2019 - 2024
United Kingdom (discontinued operations)	2023 - 2024
Brazil (discontinued operations)	2020- 2024

The following table summarizes the activity related to unrecognized tax benefits (excluding the federal benefit received from state positions):

<i>(In millions)</i>	2024	2023	2022
Balance at January 1	\$ 32	\$ 34	\$ 38
Additions based on tax positions related to the current year	2	2	2
Reductions due to lapse of applicable statutes of limitation	(8)	(4)	(6)
Total before interest and penalties at December 31	26	32	34
Interest and penalties	3	3	3
Balance at December 31	\$ 29	\$ 35	\$ 37

Of the total unrecognized tax benefits as of December 31, 2024, \$24 million (net of the federal benefit on state issues) represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate in future periods. Unrecognized tax benefits related to federal, state and foreign tax positions may decrease \$8 million by December 31, 2025, if audits are completed or tax years close during 2025.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

12. LEASES

Leases as Lessor

The components of revenue from leases were as follows:

<i>(In millions)</i>	2024	2023	2022
Operating leases			
Lease income related to ChoiceLease	\$ 1,482	\$ 1,483	\$ 1,490
Lease income related to commercial rental ⁽¹⁾	\$ 928	\$ 1,123	\$ 1,286
Sales-type leases			
Interest income related to net investment in leases	\$ 75	\$ 56	\$ 45
Variable lease income excluding commercial rental ⁽¹⁾	\$ 373	\$ 308	\$ 323

(1) Lease income related to commercial rental includes both fixed and variable lease income. Variable lease income is approximately 15% of total commercial rental income based on management's internal estimates.

The components of the net investment in sales-type leases, which are included in "Receivables, net" and "Sales-type leases and other assets" in the Consolidated Balance Sheets, were as follows:

<i>(In millions)</i>	December 31,	
	2024	2023
Net investment in the lease - lease payment receivable	\$ 818	\$ 723
Net investment in the lease - unguaranteed residual value in assets	49	43
	867	766
Estimated loss allowance	(5)	(4)
Total	\$ 862	\$ 762

Maturities of sales-type lease receivables as of December 31, 2024, were as follows:

<i>Years ending December 31,</i>	<i>(In millions)</i>	
2025	\$	235
2026		221
2027		181
2028		162
2029		114
Thereafter		141
Total undiscounted cash flows		1,054
Present value of lease payments (recognized as lease receivables)		(818)
Difference between undiscounted cash flows and discounted cash flows	\$	236

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Operating lease payments expected to be received as of December 31, 2024, were as follows:

Years ending December 31,	<i>(In millions)</i>
2025	\$ 1,289
2026	1,019
2027	775
2028	581
2029	408
Thereafter	323
Total undiscounted cash flows	<u>\$ 4,395</u>

Leases as Lessee

The components of lease expense were as follows:

<i>(In millions)</i>	2024	2023	2022
Finance lease cost			
Amortization of right-of-use-assets	\$ 20	\$ 15	\$ 13
Interest on lease liabilities	3	2	2
Operating lease cost	374	271	199
Short-term lease and other	8	10	10
Variable lease cost	54	50	26
Sublease income	(29)	(41)	(39)
Total lease cost	<u>\$ 430</u>	<u>\$ 307</u>	<u>\$ 211</u>

Operating and finance lease ROU assets and lease liabilities included in the Consolidated Balance Sheets were as follows:

<i>(In millions)</i>	December 31,			
	2024		2023	
	Operating	Finance	Operating	Finance
Noncurrent assets	\$ 1,055	\$ 75	\$ 1,016	\$ 48
Current liabilities	\$ 302	\$ 22	\$ 234	\$ 16
Noncurrent liabilities	\$ 804	\$ 54	\$ 800	\$ 33

	December 31,	
	2024	2023
Weighted-average remaining lease term		
Operating	<u>5 years</u>	5 years
Finance	<u>4 years</u>	4 years
Weighted-average discount rate		
Operating	<u>5.4 %</u>	5.1 %
Finance	<u>5.1 %</u>	5.0 %

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Maturities of operating and finance lease liabilities were as follows (in millions):

Years ending December 31,	Operating Leases	Finance Leases	Total
2025	\$ 352	\$ 25	\$ 376
2026	289	21	310
2027	226	16	242
2028	154	12	166
2029	85	7	91
Thereafter	149	3	152
Total lease payments	1,255	84	1,339
Less: Imputed Interest	(149)	(8)	(157)
Present value of lease liabilities	<u>\$ 1,106</u>	<u>\$ 76</u>	<u>\$ 1,182</u>

Note: Amounts may not be additive due to rounding.

As of December 31, 2024, we have entered into \$22 million of additional facility operating leases that have not yet commenced. The operating leases will commence in 2025 with lease terms of generally 4 to 10 years.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

13. DEBT

<i>(Dollars in millions)</i>	Weighted Average Interest Rate		Maturities	December 31,	December 31,
	December 31, 2024	December 31, 2023		2024	2023
Debt:					
Trade receivables financing program	5.06%	5.87%	2025	\$ 20	\$ 50
U.S. commercial paper	4.78%	5.68%	2026	868	572
Unsecured medium-term note issued February 2019	—%	3.65%	2026	—	600
Unsecured medium-term note issued August 2019	—%	2.50%	2026	—	550
Unsecured medium-term note issued April 2020	4.63%	4.63%	2025	400	400
Unsecured medium-term note issued May 2020	3.35%	3.35%	2025	400	400
Unsecured medium-term note issued December 1995	6.95%	6.95%	2025	150	150
Unsecured medium-term note issued November 2021	5.53%	6.15%	2026	300	300
Unsecured medium-term note issued November 2019	2.90%	2.90%	2026	400	400
Unsecured medium-term note issued February 2022	4.27%	4.50%	2027	450	450
Unsecured medium-term note issued May 2022	4.30%	4.30%	2027	300	300
Unsecured medium-term note issued February 2024	5.30%	—%	2027	350	—
Unsecured medium-term note issued February 2023	5.65%	5.65%	2028	500	500
Unsecured medium-term note issued May 2023	5.25%	5.25%	2028	650	650
Unsecured medium-term note issued November 2023	6.30%	6.30%	2028	400	400
Unsecured medium-term note issued February 2024	5.38%	—%	2029	550	—
Unsecured medium-term note issued May 2024	5.50%	—%	2029	300	—
Unsecured medium-term note issued August 2024	4.95%	—%	2029	300	—
Unsecured medium-term note issued November 2024	4.90%	—%	2029	300	—
Unsecured medium-term note issued November 2023	6.60%	6.60%	2033	600	600
Unsecured foreign obligations	—%	2.88%	2024	—	50
Unsecured U.S. obligations	5.14%	4.13%	2027	275	375
Asset-backed U.S. obligations ⁽¹⁾	3.59%	3.40%	2025-2030	252	382
Finance lease obligations and other			2025-2031	76	49
				7,841	7,178
Fair market value adjustment on medium-term notes ⁽²⁾				(25)	(34)
Debt issuance costs and original issue discounts				(37)	(30)
Total debt ⁽³⁾				7,779	7,114
Short-term debt and current portion of long-term debt				(1,120)	(1,583)
Long-term debt				\$ 6,659	\$ 5,531

(1) Asset-backed U.S. obligations are financing transactions backed by a portion of our revenue earning equipment.

(2) Included in "Other non-current liabilities" within the Consolidated Balance Sheets. The notional amount of the executed interest rate swaps designated as fair value hedges was \$500 million as of both December 31, 2024 and 2023.

(3) The unsecured medium-term notes bear semi-annual interest.

The fair value of total debt (excluding finance lease and asset-backed U.S. obligations) was approximately \$7.6 billion and \$6.8 billion as of December 31, 2024 and 2023, respectively. For publicly-traded debt, estimates of fair value were based on market prices. For other debt, fair value was estimated based on a model-driven approach using rates currently available to us for debt with similar terms and remaining maturities. The fair value measurements of our publicly-traded debt and our other debt were classified within Level 2 of the fair value hierarchy.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Debt Proceeds and Repayments

The following table includes our debt proceeds and repayments in 2024:

<i>(In millions)</i>	Debt Proceeds		Debt Repayments
Medium-term notes ⁽¹⁾	\$ 1,789	Medium-term notes	\$ 1,150
U.S. and foreign term loans, finance lease obligations and other	—	U.S. and foreign term loans, finance lease obligations and other	329
Total debt proceeds	\$ 1,789	Total debt repaid	\$ 1,479

(1) Proceeds from medium-term notes presented net of discount and issuance costs.

Debt proceeds were used to repay maturing debt and for general corporate purposes. If the unsecured medium-term notes are downgraded below investment grade following, or as a result of, a change in control, the note holders can require us to repurchase all or a portion of the notes at a purchase price equal to 101% of principal value plus accrued and unpaid interest.

Contractual maturities of total debt, excluding finance lease obligations, are as follows:

<i>Years ending December 31,</i>	<i>(In millions)</i>
2025	\$ 1,099
2026	1,641
2027	1,388
2028	1,565
2029	1,472
Thereafter	600
Total	7,765
Finance lease obligations (Refer to Note 12, "Leases")	76
Total long-term debt	\$ 7,841

Credit Arrangements

Our borrowing capacity under the revolving credit facility and trade receivables financing program was as follows:

<i>(In millions)</i>	December 31, 2024		
	Borrowing Capacity	Outstanding	Available
Revolving credit facility	\$ 1,400	\$ 868	\$ 532
Trade receivables financing facility ⁽¹⁾	300	119	181
Total	\$ 1,700	\$ 987	\$ 713

(1) Includes borrowings of \$20 million and letters of credit outstanding of \$99 million.

Revolving Credit Facility

We maintain a \$1.4 billion committed revolving credit facility, which supports U.S. and Canadian commercial paper programs, with a syndicate of eleven lending institutions that expires in December 2026. The agreement provides for annual facility fees which range from 7.0 to 17.5 basis points based on our long-term credit ratings. The annual facility fee is 10.0 basis points as of December 31, 2024. The credit facility is primarily used to finance working capital and vehicle purchases, but can also be used to issue up to \$75 million in letters of credit (there were no letters of credit outstanding against the facility as of December 31, 2024). At our option, the interest rate on borrowings under the credit facility is based on specific risk-free rates. The credit facility contains no provisions limiting its availability in the event of a material adverse change to our business operations; however, the credit facility does contain standard representations and warranties, events of default, cross-default provisions, and certain affirmative and negative covenants.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Our revolving credit facility enables us to refinance short-term obligations on a long-term basis. Short-term commercial paper obligations are classified as long-term as we have both the intent and ability to refinance on a long-term basis.

Trade Receivables Financing Program

We maintain a \$300 million trade receivables purchase and sale program, pursuant to which we sell certain of our domestic trade accounts receivable to a bankruptcy remote, consolidated subsidiary of Ryder, that in turn sells, on a revolving basis, an ownership interest in certain of these accounts receivable to a committed purchaser. The subsidiary is considered a VIE and is consolidated based on our control of the entity's activities. We use this program to provide additional liquidity to fund our operations, particularly when it is cost effective to do so. The costs under the program may vary based on changes in interest rates. The credit facility has a commitment fee of 35 to 45 basis points dependent on the utilization of the credit facility, which includes both borrowings and letters of credit that are supported by the credit facility. Borrowings bear interest at a variable interest rate based on the 30-day term SOFR rate plus 90 basis points or the A1/P1 commercial paper yield rate plus 80 basis points. In April 2024, we extended the trade receivables financing program until April 2025.

14. GUARANTEES

We have executed various agreements with third parties that contain standard indemnifications that may require us to indemnify a third party against losses arising from a variety of matters, such as lease obligations, financing agreements, environmental matters, and agreements to sell business assets, if they bring a claim against us. Additionally, we have entered into individual indemnification agreements with each of our independent directors, through which we will indemnify such director acting in good faith against any and all losses, expenses and liabilities arising out of such director's service as a director. The maximum amount of potential future payments under these agreements is generally unlimited.

We cannot predict the maximum potential amount of future payments under certain of these agreements, including the indemnification agreements, due to the contingent nature of the potential obligations and the distinctive provisions that are involved in each individual agreement. We believe that if a loss were incurred in any of these matters, the loss would not have a material adverse impact on our consolidated results of operations or financial position.

As of December 31, 2024 and 2023, we had letters of credit and surety bonds outstanding, which primarily guarantee various insurance activities as noted in the following table:

<i>(In millions)</i>	December 31,	
	2024	2023
Letters of credit	\$ 292	\$ 301
Surety bonds	\$ 191	\$ 165

15. SHARE REPURCHASE PROGRAMS

We currently maintain two share repurchase programs approved by our board of directors. The first program authorized management to repurchase up to 2 million shares issued to employees under our employee stock plans since August 31, 2023, under an anti-dilutive program (the "2023 Anti-Dilutive Program"). The second program grants management discretion to repurchase up to 2 million shares of common stock over a period of two years under a new discretionary share repurchase program (the "October 2024 Discretionary Program"). Share repurchases under both programs can be made from time to time using our working capital and other borrowing sources. Shares are repurchased under open-market transactions and trading plans established pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934. The timing and actual number of shares repurchased are subject to market conditions, legal requirements and other factors, including balance sheet leverage, availability of acquisitions and stock price.

The discretionary share repurchase programs are designed to provide management with capital structure flexibility while concurrently managing objectives related to balance sheet leverage, acquisition opportunities, and shareholder returns. The anti-dilutive share repurchase programs are designed to mitigate the dilutive impact of shares issued under our employee stock plans. Shares are retired upon repurchase.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table provides the activity for shares repurchased and retired:

<i>(In millions)</i>	2024		2023		2022	
	Shares	Amount	Shares	Amount	Shares	Amount
2023 Anti-Dilutive Program ⁽¹⁾	0.7	\$ 83	0.1	\$ 11	—	\$ —
2021 Anti-Dilutive Program <i>(expired in October 2023)</i>	—	—	1.0	96	0.9	78
Anti-Dilutive Programs	0.7	83	1.1	107	0.9	78
October 2024 Discretionary Program ⁽²⁾	0.2	33	—	—	—	—
October 2023 Discretionary Program <i>(expired in September 2024)</i>	1.6	205	0.4	44	—	—
February 2023 Discretionary Program <i>(expired in September 2023)</i>	—	—	2.0	186	—	—
2021 Discretionary Program <i>(expired in November 2022)</i>	—	—	—	—	2.0	179
Discretionary Programs	1.8	238	2.4	230	2.0	179
2022 Accelerated share repurchase program <i>(expired in September 2022)</i>	—	—	—	—	4.0	300
Total	2.5	\$ 321	3.6	\$ 337	7.0	\$ 557

(1) Program commenced October 2023 and expires October 2025.

(2) Program commenced October 2024 and expires October 2026.

Amounts in the table may not be additive due to rounding.

16. ACCUMULATED OTHER COMPREHENSIVE LOSS

Comprehensive income presents a measure of all changes in shareholders' equity except for changes resulting from transactions with shareholders in their capacity as shareholders. The following summary sets forth the components of Accumulated other comprehensive loss, net of taxes:

<i>(In millions)</i>	Currency Translation Adjustments	Net Actuarial (Loss) Gain and Prior Service Costs	Unrealized (Loss) Gain from Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Gain
December 31, 2022	\$ (238)	\$ (566)	\$ 8	\$ (796)
Other comprehensive (loss) income, net of taxes, before reclassifications	37	(91)	(1)	(55)
Amounts reclassified from AOCI, net of taxes	183	20	(7)	196
Net current-period Other comprehensive (loss) income, net of taxes	220	(71)	(8)	141
December 31, 2023	(18)	(637)	—	(655)
Other comprehensive (loss) income, net of taxes, before reclassifications	(76)	17	5	(54)
Amounts reclassified from AOCI, net of taxes	(2)	23	(4)	17
Net current-period Other comprehensive (loss) income, net of taxes	(78)	40	1	(37)
December 31, 2024	\$ (96)	\$ (597)	\$ 1	\$ (692)

In 2023, we recognized a non-cash, cumulative currency translation adjustment loss of \$183 million, net of tax, as a result of the FMS U.K. business exit, which is included in "Currency translation adjustment loss" in our Consolidated Statements of Earnings. The cumulative currency translation adjustment loss had no impact on our consolidated financial position or cash flows.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

17. EARNINGS PER SHARE

The following table presents the calculation of basic and diluted earnings per common share from continuing operations:

(Dollars in millions, except per share amounts; share amounts in thousands)

	2024	2023	2022
Earnings per common share — Basic			
Earnings from continuing operations	\$ 489	\$ 406	\$ 863
Less: Distributed and undistributed earnings allocated to unvested stock	(3)	(2)	(5)
Earnings from continuing operations available to common shareholders	<u>\$ 486</u>	<u>\$ 404</u>	<u>\$ 858</u>
Weighted average common shares outstanding	<u>43,079</u>	<u>45,383</u>	<u>49,549</u>
Earnings from continuing operations per common share — Basic	<u>\$ 11.29</u>	<u>\$ 8.89</u>	<u>\$ 17.32</u>
Earnings per common share — Diluted			
Earnings from continuing operations	\$ 489	\$ 406	\$ 863
Less: Distributed and undistributed earnings allocated to unvested stock	—	—	—
Earnings from continuing operations available to common shareholders — Diluted	<u>\$ 489</u>	<u>\$ 406</u>	<u>\$ 863</u>
Weighted average common shares outstanding — Basic	43,079	45,383	49,549
Effect of dilutive equity awards	1,155	1,104	1,337
Weighted average common shares outstanding — Diluted	<u>44,234</u>	<u>46,486</u>	<u>50,887</u>
Earnings from continuing operations per common share — Diluted	<u>\$ 11.06</u>	<u>\$ 8.73</u>	<u>\$ 16.96</u>
Anti-dilutive equity awards not included in diluted EPS	66	825	662

Amounts in the table may not recalculate due to rounding of earnings and shares.

18. SHARE-BASED COMPENSATION PLANS

The following table provides information on Share-based compensation expense and related income tax benefits recognized:

	2024	2023	2022
<i>(In millions)</i>			
Unvested stock awards	\$ 40	\$ 42	\$ 44
Stock option and employee stock purchase plans	2	2	2
Share-based compensation expense	42	44	46
Income tax benefit	(5)	(6)	(6)
Share-based compensation expense, net of tax	<u>\$ 37</u>	<u>\$ 38</u>	<u>\$ 40</u>

Total unrecognized pre-tax compensation expense related to share-based compensation arrangements as of December 31, 2024 was \$38 million and is expected to be recognized over a weighted-average period of approximately 1.7 years. The total fair value of equity awards vested was \$33 million, \$41 million, and \$31 million, during 2024, 2023, and 2022, respectively. The total cash received from employees under all share-based employee compensation arrangements, net of shares withheld for taxes, was \$10 million, \$2 million, and \$14 million during 2024, 2023, and 2022, respectively.

Share-Based Incentive Awards

Share-based incentive awards are provided to employees under the terms of various share-based compensation plans (collectively, the Plans). The Plans are administered by the compensation committee of the board of directors and principally include grants of RSUs.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Restricted Stock Units

RSUs entitle the holder to receive one share of Ryder common stock for each RSU granted. Under the terms of our Plans, dividends on RSUs are paid only upon vesting of the award, and the amount of dividends paid is equal to the aggregate dividends declared on common shares during the period from the date of grant of the award until the date the shares underlying the award are delivered. The common stock underlying RSUs is not deemed issued or outstanding upon grant, and does not carry any voting rights. As of December 31, 2024, there are 7.8 million shares authorized for issuance under the Plans and 2.8 million shares remaining available for future grants.

RSUs granted to employees typically contain time-based vesting conditions, and in the case of certain senior executives also performance-based vesting conditions. Time-vested restricted stock rights (TVRSRs) typically vest ratably over three years for employees. The fair value of TVRSRs is determined and fixed based on Ryder's stock price on the date of grant. Performance-based restricted stock rights (PBRsRs) are generally granted to executive management and include company specific performance-based vesting conditions. PBRsRs are awarded based on various revenue, return-based and cash flow performance targets and may include a total shareholder return (TSR) modifier. The fair values of the PBRsRs that include a TSR modifier are estimated using a lattice-based option-pricing valuation model that incorporates a Monte-Carlo simulation. Share-based compensation expense for PBRsRs is recognized on a straight-line basis over the vesting period, based upon the probability that the performance target will be met.

In 2024, 2023, and 2022, PBRsRs were awarded based on adjusted return on equity (ROE), strategic revenue growth (SRG), and free cash flow (FCF). Our TSR will be compared against the TSR of each of the companies in a custom peer group to determine our TSR percentile rank versus this custom peer group. The number of PBRsRs will then be adjusted based on this rank.

We also grant stock awards and RSUs to non-executive members of the board of directors. RSUs to new board members do not vest until the director has served a minimum of one year. After one year of service on the board of directors, each director may elect to receive his or her stock award in the form of either (1) shares that are distributed at the time of grant or (2) RSUs that are delivered upon or after separation from the board. The fair value of the awards is determined and fixed based on Ryder's stock price on the date of grant. Share-based compensation expense is recognized for RSUs in the year the RSUs are granted to board members. Shares of Ryder common stock delivered upon grant have standard voting rights and rights to dividend payments.

The following is a summary of activity for RSUs as of and for the year ended December 31, 2024:

	Time-Vested ⁽¹⁾		Performance-Based ⁽²⁾	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
<i>(Shares in millions)</i>				
Unvested stock awards at January 1, 2024	0.7	\$ 75.55	0.4	\$ 82.11
Granted	0.2	119.22	0.1	121.10
Vested	(0.3)	76.41	(0.1)	69.73
Unvested stock awards at December 31, 2024	<u>0.6</u>	<u>\$ 86.37</u>	<u>0.4</u>	<u>\$ 97.81</u>

(1) Includes RSUs granted to non-executive members of the board of directors.

(2) Performance-based awards are initially granted at target, assuming 100% payout.

Option Awards

Stock options are awards that allow employees to purchase shares of our stock at a fixed price in the future. Stock option awards are granted at an exercise price equal to the market price of our stock at the time of grant. These awards, which generally vest one-third each year, are fully vested three years from the grant date. Stock options have contractual terms of ten years.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

We have not granted stock option awards since 2019. The fair value of each option award is estimated on the date of grant using a Black-Scholes-Merton option-pricing valuation model. We use historical data to estimate stock option forfeitures. The following table summarizes the activity related to our stock option awards:

<i>(Option awards and aggregate intrinsic value in millions)</i>	Number of Option Awards	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding and exercisable as of December 31, 2023	0.9	\$ 72.37	3.1	\$ 37
Exercised	(0.2)	87.64		
Outstanding and exercisable as of December 31, 2024	0.7	\$ 67.33	2.5	\$ 58

(1) The intrinsic value represents the amount by which the fair value of our stock price exceeds the option exercise price, multiplied by the number of in-the-money options.

Employee Stock Purchase Plan

We maintain an Employee Stock Purchase Plan (ESPP) that enables eligible employees in the U.S. and Canada to purchase full or fractional shares of Ryder common stock through payroll deductions of a specific dollar amount or up to 15% of eligible compensation during quarterly offering periods. The price is based on the fair market value of the stock on the last trading day of the quarter. Stock purchased under the ESPP must be held for 90 days or one year for officers.

The following table presents the shares purchased and the related weighted-average purchase price under the ESPP:

	2024 ⁽¹⁾	2023	2022
Shares purchased	120,000	152,000	171,000
Weighted average purchase price	\$ 114.84	\$ 82.81	\$ 65.50

(1) As of December 31, 2024, there were 7.5 million shares authorized for issuance and 1.4 million shares remaining available to be purchased in the future.

19. EMPLOYEE BENEFIT PLANS

Pension Plans

We historically sponsored several defined benefit pension plans covering most employees not covered by union-administered plans, including certain employees in foreign countries. These plans generally provided participants with benefits based on years of service and career-average compensation levels.

In past years, we made amendments to defined benefit retirement plans that froze the retirement benefits for non-grandfathered and certain non-union employees in the U.S., Canada and the U.K. As of December 31, 2024, our U.S., Canadian and U.K. pension plans are frozen for all remaining active employees. These employees have ceased accruing further benefits under the defined benefit pension plans and began receiving benefits under enhanced defined contribution plans. All pension benefits earned were fully preserved and will be paid in accordance with plan and legal requirements. We maintain an active \$11 million statutory unfunded pension plan in Mexico.

In September 2023, we executed a bulk annuity contract with a U.K. insurance company to fully settle our \$250 million U.K. pension benefit obligation. We are targeting a pension plan termination in April 2026. The bulk annuity transaction will not impact to our financial position or statement of earnings until we terminate the pension plan.

We also have a non-qualified supplemental pension plan covering certain U.S. employees, which provides for incremental pension payments so that the participants' payments equal the amounts that could have been received under our qualified pension plan if it were not for limitations imposed by income tax regulations. The accrued pension liability related to this plan was \$43 million and \$45 million as of December 31, 2024 and 2023, respectively.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Net Pension Expense

Components of net pension expense for defined benefit pension plans were as follows:

<i>(In millions)</i>	2024	2023	2022
Company-administered plans:			
Service cost	\$ 1	\$ 1	\$ 1
Interest cost	86	90	63
Expected return on plan assets	(76)	(77)	(74)
Amortization of net actuarial loss and prior service cost	31	27	21
Net pension expense	\$ 42	\$ 41	\$ 11
Company-administered plans:			
U.S.	\$ 29	\$ 31	\$ 13
Non-U.S.	13	10	(2)
Net pension expense	\$ 42	\$ 41	\$ 11

Non-operating pension costs, net include the amortization of net actuarial loss and prior service cost, interest cost and expected return on plan assets components of pension and postretirement benefit costs, as well as any significant charges for settlements or curtailments if recognized.

The following table sets forth the weighted-average actuarial assumptions used in determining our annual net pension expense:

	U.S. Plans			Non-U.S. Plans		
	2024	2023	2022	2024	2023	2022
Discount rate	5.15%	5.50%	2.95%	4.25%	5.05%	2.14%
Expected long-term rate of return on plan assets	5.40%	5.40%	3.60%	3.97%	3.80%	2.79%
Gain and loss amortization period (years)	20	20	21	24	24	25

The return on plan assets assumption reflects the weighted-average of the expected long-term rates of return for the broad categories of investments held in the plans net of fees. The expected long-term rate of return is adjusted when there are fundamental changes in expected returns or in asset allocation strategies of the plan assets.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Obligations and Funded Status

The following table sets forth the benefit obligations, assets and funded status associated with our pension plans:

<i>(In millions)</i>	2024	2023
Change in benefit obligations:		
Benefit obligations at January 1	\$ 1,858	\$ 1,705
Service cost	1	1
Interest cost	86	90
Actuarial loss (gain)	(127)	155
Pension curtailment and settlement	—	—
Benefits paid	(180)	(111)
Foreign currency exchange rate changes	(10)	18
Benefit obligations at December 31	<u>1,628</u>	<u>1,858</u>
Change in plan assets:		
Fair value of plan assets at January 1	1,642	1,600
Actual return on plan assets	(28)	114
Employer contribution	56	21
Benefits paid	(180)	(111)
Foreign currency exchange rate changes	(9)	18
Fair value of plan assets at December 31	<u>1,481</u>	<u>1,642</u>
Funded status	\$ (147)	\$ (216)
Funded percent	<u>91%</u>	<u>88%</u>

The funded status of our pension plans was presented in the Consolidated Balance Sheets as follows:

<i>(In millions)</i>	December 31,	
	2024	2023
Noncurrent asset	\$ 2	\$ 7
Current liability	(4)	(4)
Noncurrent liability	(145)	(219)
Net amount recognized	<u>\$ (147)</u>	<u>\$ (216)</u>

Amounts recognized in Accumulated other comprehensive loss (pre-tax) consisted of:

<i>(In millions)</i>	December 31,	
	2024	2023
Prior service cost	\$ 26	\$ 26
Net actuarial loss	777	830
Net amount recognized	<u>\$ 803</u>	<u>\$ 856</u>

In 2025, we expect to amortize \$30 million of net actuarial loss and prior service cost as a component of pension expense.

The following table sets forth the weighted-average actuarial assumptions used in determining funded status:

	U.S. Plans December 31,		Non-U.S. Plans December 31,	
	2024	2023	2024	2023
Discount rate	5.65%	5.15%	5.22%	4.25%

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

As of December 31, 2024 and 2023, our total accumulated benefit obligations, as well as our pension plan obligations (projected benefit obligations (PBO) and accumulated benefit obligations (ABO)) in excess of the fair value of the related plan assets, for our U.S. and foreign plans were as follows:

<i>(In millions)</i>	U.S. Plans December 31,		Non-U.S. Plans December 31,		Total December 31,	
	2024	2023	2024	2023	2024	2023
Total accumulated benefit obligations	\$ 1,284	\$ 1,444	\$ 341	\$ 411	\$ 1,625	\$ 1,855
Plans with pension obligations in excess of plan assets:						
PBO	1,284	1,444	285	352	1,569	1,796
ABO	1,284	1,444	283	349	1,567	1,793
Fair value of plan assets	1,154	1,241	—	—	1,154	1,241

Investment Policy and Fair Value of Plan Assets

We have a liability hedging investment strategy for our qualified pension plans that reduces the volatility of our pension assets relative to our pension liabilities. The overall objective is to achieve attractive risk-adjusted returns that will balance the liquidity requirements related to the plans' liabilities while striving to minimize the risk of significant funded status deterioration. As the funded status of each plan improves, we (1) gradually increase the liability hedging portfolio, which consists of high quality, longer-term fixed income securities and (2) reduce our allocation of equity investments. The plans utilize several investment strategies, including actively and passively managed fixed income strategies and passively managed equity strategies. The investment policy establishes targeted allocations for each asset class that incorporate measures of asset and liability risks. Deviations between actual pension plan asset allocations and targeted asset allocations may occur as a result of investment performance and changes in the funded status from time to time. Rebalancing of our pension plan asset portfolios is evaluated periodically and rebalanced if actual allocations exceed an acceptable range. U.S. plans account for approximately 78% of our total pension plan assets. Fixed income and equity securities in our international plans include actively and passively managed funds.

The following table presents the fair value of each major category of pension plan assets and the level of inputs used to measure fair value:

<i>(In millions)</i>	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Asset Category				
Commingled funds:				
Equity funds	\$ 166	\$ —	\$ 166	\$ —
Fixed income funds	57	—	57	—
Fixed income securities	879	—	879	—
Alternative investments:				
Private equity fund	34	—	—	34
Hedge fund	58	—	—	58
Bulk annuity contract	263	—	—	263
Cash and cash equivalents	24	—	24	—
Total	\$ 1,481	\$ —	\$ 1,126	\$ 355

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

(In millions)

Asset Category	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Commingled funds:				
Equity funds	\$ 155	\$ —	\$ 155	\$ —
Fixed income funds	70	—	65	5
Fixed income securities	969	—	969	—
Alternative investments:				
Private equity fund	38	—	—	38
Hedge fund	67	—	—	67
Bulk annuity contract	327	—	—	327
Cash and cash equivalents	16	—	16	—
Total	\$ 1,642	\$ —	\$ 1,205	\$ 437

The following is a description of the valuation methodologies used for our pension assets as well as the level of input used to measure fair value:

Commingled funds — These investments include index common collective trusts that track U.S. equity indices and U.S. income indices. The collective investment trusts were valued at the unit prices established by the funds' sponsors based on the fair value of the assets underlying the funds. Since the units of the funds are not actively traded, the fair value measurements have been classified within Level 2 of the fair value hierarchy.

Fixed income securities — These investments include investment grade bonds of U.S. issuers from diverse industries, government issuers, index common collective trusts that track the Barclays Aggregate Index and other fixed income investments. Fair values for the corporate bonds were valued using third-party pricing services. These sources determine prices utilizing market income models which factor in, where applicable, transactions of similar assets in active markets, transactions of identical assets in infrequent markets, interest rates, bond or credit default swap spreads and volatility. Since the corporate bonds are not actively traded, the fair value measurements have been classified within Level 2 of the fair value hierarchy. The common collective trusts were valued at the unit prices established by the funds' sponsors based on the fair value of the assets underlying the funds. Since the units of the funds are not actively traded, the fair value measurements have been classified within Level 2 of the fair value hierarchy. The other investments are not actively traded and fair values are estimated using bids provided by brokers, dealers or quoted prices of similar securities with similar characteristics or pricing models. Therefore, the other investments have been classified within Level 2 of the fair value hierarchy.

Private equity and hedge funds — These investments represent limited partnership interests in private equity and hedge funds. The partnership interests are valued by the general partners based on the underlying assets in each fund. The limited partnership interests are valued using unobservable inputs and have been classified within Level 3 of the fair value hierarchy.

Bulk annuity contract — The bulk annuity contract is a U.K insurance policy issued by an authorized U.K. life insurer. This contract is valued by the insurer using unobservable inputs not traded on an open market. Accordingly, this contract was categorized as Level 3.

Cash and Cash Equivalent - These investments include short-term investments, such as obligations of the U.S. Government and its agencies, and related money market instruments held in a collective investment trust structure. The collective investment trusts were valued at the unit prices established by the funds' sponsors based on the fair value of the assets underlying the funds. Since the units of the funds are not actively traded, the fair value measurements have been classified within Level 2 of the fair value hierarchy.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table presents a summary of changes in the fair value of the pension plans' Level 3 assets:

<i>(In millions)</i>	2024	2023
Beginning balance at January 1	\$ 437	\$ 115
Return on plan assets:		
Relating to assets still held at the reporting date	(47)	(3)
Purchases, sales, settlements and expenses	(35)	325
Ending balance at December 31	<u>\$ 355</u>	<u>\$ 437</u>

Funding Policy and Contributions

The funding policy for these plans is to make contributions when required by statute. We may, from time to time, make voluntary contributions to our pension plans, which exceed the amount required by statute. The majority of the plans' assets are invested in a master trust that, in turn, is invested primarily in commingled funds and fixed income securities. During 2024, total global pension contributions were \$56 million, which includes the prefunding of \$50 million in future required contributions to our U.S. pension plan, compared with \$21 million in 2023. We estimate total 2025 required contributions to our pension plans to be approximately \$13 million, and we do not expect to make voluntary contributions.

Estimated Future Benefits Payments

The following table details pension benefits expected to be paid in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter:

	<i>(In millions)</i>
2025	\$ 139
2026	137
2027	134
2028	129
2029	127
2030-2034	598

Savings Plans

Employees who are not covered by union-administered plans are generally eligible to participate in enhanced savings plans. These plans provide for (1) a company contribution even if employees do not make contributions for employees hired before January 1, 2016, (2) a company match of employee contributions of eligible pay, subject to tax limits and (3) a discretionary company match. Savings plan costs totaled \$49 million, \$48 million and \$49 million in 2024, 2023 and 2022, respectively.

Deferred Compensation and Long-Term Compensation Plans

We have deferred compensation plans that permit eligible U.S. employees, officers and directors to defer a portion of their compensation. The deferred compensation liability, including Ryder matching amounts and accumulated earnings, was \$133 million and \$108 million as of December 31, 2024 and 2023, respectively.

We have established grantor trusts (Rabbi Trusts) to provide funding for benefits payable under the supplemental pension plan, deferred compensation plans and long-term incentive compensation plans. The assets held in the trusts were \$134 million and \$109 million as of December 31, 2024 and 2023, respectively. The Rabbi Trusts' assets consist of short-term cash investments and mutual funds that invest in debt and equity securities, including our common stock. These assets, except for the investment in our common stock, are included in "Sales-type leases and other assets" because they are available to our general creditors in the event of insolvency. The equity securities are classified as trading securities and stated at fair value. The realized and unrealized investment income (loss) recognized in "Miscellaneous income, net" was \$20 million income for 2024, \$17 million income for 2023 and \$15 million loss for 2022. The Rabbi Trusts' investments in our common stock as of both December 31, 2024 and 2023 were not material. Investments held in Rabbi Trusts are assets measured at fair value on a recurring basis. All investments are considered Level 1 of the fair value hierarchy.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

20. OTHER ITEMS IMPACTING COMPARABILITY

Our primary measure of segment performance as shown in Note 3, "Segment Reporting," excludes certain items we do not believe are representative of the ongoing operations of the segment. Excluding these items from our segment measure of performance allows for better year over year comparison:

<i>(In millions)</i>	Years ended December 31,		
	2024	2023	2022
Acquisition costs ⁽¹⁾	7	2	6
FMS U.K. business exit ⁽²⁾	—	(32)	(82)
Currency translation adjustment loss	—	188	—
Other, net ⁽¹⁾⁽³⁾	6	(1)	(7)
Other items impacting comparability, net	\$ 13	\$ 157	\$ (83)

(1) Included within "Restructuring and other items, net" in our Consolidated Statements of Earnings.

(2) Primarily included within "Restructuring and other items, net" in our Consolidated Statements of Earnings. In 2023, primarily reflects commercial claims proceeds, net of fees. In 2022, primarily reflects gains on sale of U.K. revenue earnings equipment and properties, and commercial claims proceeds, net of fees, offset by severance and other costs.

(3) In 2024, primarily reflects severance costs associated with cost savings initiatives in all three segments. In 2022, primarily includes expenses associated with the ChoiceLease liability insurance program which we exited in 2020.

21. CONTINGENCIES AND OTHER MATTERS

We are a party to various claims, complaints and proceedings arising in the ordinary course of our continuing business operations including those relating to commercial and employment claims, environmental matters, risk management matters (e.g., vehicle liability, workers' compensation, etc.), and administrative assessments primarily associated with operating taxes. We have established loss provisions for matters in which losses are probable and can be reasonably estimated. We believe that the resolution of these claims, complaints and legal proceedings will not have a material effect on our consolidated financial statements.

Our estimates regarding potential losses and materiality are based on our judgment and assessment of the claims utilizing currently available information. Although we will continue to reassess our estimated liability based on future developments, our objective assessment of the legal merits of such claims may not always be predictive of the outcome and actual results may vary from our current estimates.

Securities Litigation Relating to Residual Value Estimates

As previously disclosed, on May 20, 2020, a putative class action on behalf of purchasers of our securities who purchased or otherwise acquired their securities between 2015 and 2020 was commenced against Ryder and certain of our current and former officers (the "Securities Class Action"). The complaint alleged, among other things, that the defendants misrepresented Ryder's depreciation policy and residual value estimates for its vehicles. In May 2023, the parties reached an agreement in principle to settle the Securities Class Action, and in November 2024 the court approved the settlement and dismissed the case with prejudice. Those orders are now final. We expect that the settlement amount will be covered by insurance, and accordingly is not material to our financial position or results of operations.

Between June 2020 and February 2021, five shareholder derivative complaints were filed against certain of our current and former officers and directors (the "Derivative Cases"). The Derivative Cases are generally based on the allegations set forth in the Securities Class Action and allege breach of fiduciary duties, unjust enrichment and waste of corporate assets. In September 2023, the parties reached an agreement in principle to resolve the Derivative Cases in exchange for certain specified corporate reforms. On January 21, 2025, the court entered an order preliminarily approving the settlement and authorizing the notice of settlement. A hearing to determine whether the court should issue a final order approving the proposed settlement has been scheduled for April 1, 2025. We expect that any settlement amount of plaintiffs' attorneys' fees and expenses in connection with the settlement of the Derivative Cases will be covered by insurance, and accordingly is not material to our financial position or results of operations.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Environmental Matters

Our operations involve storing and dispensing petroleum products, primarily diesel fuel, regulated under environmental protection laws. These laws require us to eliminate or mitigate the effect of such substances on the environment. In response to these requirements, we continually upgrade our operating facilities and implement various programs to detect and minimize contamination. In addition, we have received notices from the EPA and others that we have been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act; the Superfund Amendments and Reauthorization Act; and similar state statutes. We may be required to share in the cost of cleanup of 22 identified disposal sites and have established loss provisions for matters in which losses are probable and can be reasonably estimated. We believe that the resolution of these matters will not have a material effect on our consolidated financial statements.

The ultimate cost of our environmental liabilities cannot presently be projected with certainty due to the presence of several unknown factors, primarily the level of contamination, the effectiveness of selected remediation methods, the stage of investigation at individual sites, the determination of our liability in proportion to other responsible parties and the recoverability of such costs from third parties. Based on information presently available, we believe that the ultimate disposition of these matters, although potentially material to the results of operations in any one year, will not have a material adverse effect on our financial condition or liquidity.

22. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information was as follows:

<i>(In millions)</i>	As of and for the Years Ended December 31,		
	2024	2023	2022
Interest paid	\$ 372	\$ 269	\$ 214
Income taxes paid	\$ 207	\$ 96	\$ 115
Cash paid for operating lease liabilities	\$ 359	\$ 249	\$ 184
Right-of-use assets obtained in exchange for lease obligations:			
Finance leases	\$ 46	\$ 26	\$ 12
Operating leases	\$ 148	\$ 477	\$ 340
Capital expenditures acquired but not yet paid	\$ 263	\$ 244	\$ 199

23. ACQUISITIONS

On February 1, 2024, we acquired all the outstanding equity of Cardinal Logistics for a purchase price of \$302 million. Cardinal Logistics is a leading customized dedicated contract carrier in North America, providing dedicated fleets and professional drivers, as well as complementary freight brokerage services, last-mile delivery and contract logistics services. We expect that the acquisition will increase our scale and network density and further advance our strategy to accelerate growth in DTS.

The purchase price allocation of estimated fair values reflected were finalized, resulting in additions of goodwill and intangible assets of \$200 million and \$116 million, respectfully, for the Cardinal Logistics acquisition. None of the goodwill is expected to be deductible for income tax purposes.

During 2024, we also acquired a business in our FMS segment for a purchase price of \$15 million.

On November 1, 2023, we acquired all the outstanding equity of IFS, which specializes in contract packaging, contract manufacturing and warehousing, primarily in the consumer packaged goods, retail, and healthcare industries, for an approximate purchase price of \$254 million. The purchase price allocation of estimated fair values reflected were finalized, resulting in additions to goodwill and intangible assets of \$83 million and \$127 million, respectively. The acquisition was included within the consumer packaged goods industry vertical in our SCS business segment and expands the product offerings that we can offer to our customers. All of the goodwill is expected to be deductible for income tax purposes. All of the intangible assets acquired relates to customer relationship and is expected to be amortized over 11 to 15 years.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including Ryder's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Ryder's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2024, Ryder's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) were effective.

Management's Report on Internal Control over Financial Reporting

We excluded Cardinal Logistics from our assessment of internal control over financial reporting as of December 31, 2024, because it was acquired in a purchase business combination during the year ended December 31, 2024. The total assets and total revenues of Cardinal Logistics, a wholly-owned subsidiary, represented 1.9% and 7.8%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2024.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm thereon are set out in Item 8 of Part II of this Form 10-K Annual Report.

Changes in Internal Controls over Financial Reporting

During the three months ended December 31, 2024, there were no changes in Ryder's internal control over financial reporting that have materially affected or are reasonably likely to materially affect such internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans and Non-Rule 10b5-1 Trading Arrangements

Certain of our officers or directors, as applicable, have made elections to participate in, and are participating in, our dividend reinvestment plan and 401(k) savings plan, and have made, and may from time to time make, elections to purchase shares, have shares withheld to cover withholding taxes, or pay the exercise price of options, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 with respect to executive officers is included within Item 1 in Part I under the caption "Information about our Executive Officers" of this Form 10-K Annual Report.

The information required by Item 10 with respect to directors, audit committee, audit committee financial experts and Section 16(a) beneficial ownership reporting compliance (to the extent applicable) is included under the captions "Election of Directors," "Audit Committee," and "Delinquent Section 16(a) Reports," respectively, in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

Code of Ethics

Ryder has adopted a code of ethics, the Principles of Business Conduct applicable to all employees, including its Chief Executive Officer. Our code of ethics is available through the Investor Relations area of our website at investors.ryder.com.

Insider Trading Policy

Ryder has adopted insider trading policies and procedures governing the purchase, sale and other dispositions of its securities by directors, officers and employees that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and applicable listing standards. This summary is qualified by reference to the full text of our insider trading policy, which is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is included under the captions “Compensation Discussion and Analysis,” “Executive Compensation,” “Compensation Committee,” “Compensation Committee Report on Executive Compensation” and “Director Compensation” in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 with respect to security ownership of certain beneficial owners and management is included under the captions “Security Ownership of Officers and Directors” and “Security Ownership of Certain Beneficial Owners” in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

Securities Authorized for Issuance under Equity Compensation Plans

The following table includes information as of December 31, 2024, about certain plans that provide for the issuance of common stock in connection with the exercise of stock options and other share-based awards.

Plans	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders:			
Broad based employee and non-employee directors' stock plan	1,649,238 ⁽¹⁾	\$ 67.33 ⁽²⁾	2,840,310 ⁽³⁾
Employee stock purchase plan	—	—	1,433,289
Total	<u>1,649,238</u>	<u>\$ 67.33</u>	<u>4,273,599</u>

(1) Includes broad based employee stock options and other share-based awards of 650,406 stock options, 412,132 time-vested restricted stock units and 314,792 performance-based restricted stock units calculated at target. Includes non-employee directors' units of 267,189 time-vested restricted stock units, as well as 4,719 time-vested restricted stock units awarded to non-executive directors and vested but not exercisable until six months after the director's retirement. Refer to Note 18, "Share-Based Compensation Plans", for additional information.

(2) Weighted-average exercise price of outstanding options excludes restricted stock units.

(3) Calculated by reducing shares authorized for issuance by a ratio of two shares for each share issued (on a 1:2 ratio) other than with respect to shares delivered pursuant to a stock option which shall reduce the shares available by one share (on a 1:1 ratio) as set forth under the terms of the 2019 Equity and Incentive Compensation Plan and assuming maximum performance for the performance-based restricted stock units. All future awards issued will reduce the shares available for issuance by the terms set forth in the 2019 Equity and Incentive Compensation Plan, as described in the previous sentence.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS,
AND DIRECTOR INDEPENDENCE**

The information required by Item 13 is included under the captions “Board of Directors” and “Related Person Transactions” in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is included under the caption “Ratification of Independent Auditor” in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Items A through H and are presented on the following pages of this Form 10-K Annual Report:

	<u>Page No.</u>
1. Financial Statements for Ryder System, Inc. and Consolidated Subsidiaries:	
A) Management’s Report on Internal Control over Financial Reporting	<u>54</u>
B) Report of Independent Registered Public Accounting Firm	<u>55</u>
C) Consolidated Statements of Earnings	<u>57</u>
D) Consolidated Statements of Comprehensive Income	<u>58</u>
E) Consolidated Balance Sheets	<u>59</u>
F) Consolidated Statements of Cash Flows	<u>60</u>
G) Consolidated Statements of Shareholders’ Equity	<u>61</u>
H) Notes to Consolidated Financial Statements	<u>62</u>

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits:

The following exhibits are filed with this report or, where indicated, incorporated by reference (Forms 10-K, 10-Q and 8-K referenced herein have been filed under the Commission’s file No. 1-4364). Ryder will provide a copy of the exhibits filed with this report at a nominal charge to those parties requesting them.

ITEM 16. FORM 10-K SUMMARY

None.

EXHIBIT INDEX

Exhibit Number	Description
3.1	<u>The Ryder System, Inc. Restated Articles of Incorporation (conformed copy incorporating all amendments through May 3, 2019), previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
3.2	<u>The Ryder System, Inc. By-Laws, as amended on October 9, 2024.</u>
4.1	Ryder hereby agrees, pursuant to paragraph (b)(4)(iii) of Item 601 of Regulation S-K, to furnish the Commission with a copy of any instrument defining the rights of holders of long-term debt of Ryder, where such instrument has not been filed as an exhibit hereto and the total amount of securities authorized there under does not exceed 10% of the total assets of Ryder and its subsidiaries on a consolidated basis.
4.2	The First Supplemental Indenture between Ryder System, Inc. and The Chase Manhattan Bank (National Association) dated October 1, 1987, previously filed with the Commission as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated by reference into this report.
4.3	The Form of Indenture between Ryder System, Inc. and The Chase Manhattan Bank (National Association) dated as of May 1, 1987, and supplemented as of November 15, 1990 and June 24, 1992, filed with the Commission on July 30, 1992 as an exhibit to Ryder's Registration Statement on Form S-3 (No. 33-50232), is incorporated by reference into this report.
4.4	<u>The Form of Indenture between Ryder System, Inc. and J.P. Morgan Trust Company (National Association) dated as of October 3, 2003 filed with the Commission on August 29, 2003 as an exhibit to Ryder's Registration Statement on Form S-3 (No. 333-108391), is incorporated by reference into this report.</u>
4.5	<u>Form of Medium-Term Note - Master Note, previously filed with the Commission on July 30, 2019, as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
4.6	<u>Description of Ryder System, Inc.'s Securities Registered Under Section 12 of the Securities Exchange Act of 1934, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.</u>
10.1*	<u>The Ryder System, Inc. 2005 Equity Compensation Plan, previously filed with the Commission on March 21, 2008, as Appendix A to Ryder's Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.</u>
10.2*	<u>The Ryder System, Inc. Stock Purchase Plan for Employees, previously filed with the Commission on March 29, 2010, as Appendix B to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.</u>
10.3*	<u>Terms and Conditions applicable to restricted stock units granted under the Ryder System, Inc. 2005 Equity Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Quarterly Report on Form 8-K filed with the Commission on May 11, 2005, are incorporated by reference into this report.</u>
10.4*	<u>Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on May 10, 2012, is incorporated by reference into this report.</u>
10.5*	<u>Terms and Conditions applicable to non-qualified stock options granted under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on May 10, 2012, are incorporated by reference into this report.</u>
10.6*	<u>Terms and Conditions applicable to restricted stock units granted under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on May 10, 2012, are incorporated by reference into this report.</u>

Exhibit Number	Description
10.7*	Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on May 10, 2016 as an exhibit to Ryder's Quarterly Report on Form 8-K, is incorporated by reference to this report.
10.8*	Form of Terms and Conditions applicable to non-qualified stock options granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on July 27, 2016 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.
10.9*	Form of Terms and Conditions applicable to restricted stock units for non-employee directors granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on July 27, 2016 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.
10.10*	The Officer Severance Plan
10.11*	Form of Terms and Conditions Applicable to Restricted Stock Rights issued under the Amended and Restated Ryder System, Inc. 2019 Equity and Incentive Compensation Plan
10.12*	Form of Terms and Conditions applicable to non-qualified stock options granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on April 25, 2017 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.
10.13*	Form of Terms and Conditions applicable to restricted stock units for non-employee directors granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on April 25, 2017 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.
10.14*	Form of Terms and Conditions applicable to performance-based restricted stock rights granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on February 20, 2018 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference to this report.
10.16*	Form of Terms and Conditions applicable to stock-awards for non-employee directors issued under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on July 25, 2018 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.
10.17*	Form of Terms and Conditions applicable to deferred stock awards for non-employee directors issued under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on October 26, 2018 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.
10.18*	The Ryder System, Inc. Directors Stock Award Plan, as amended and restated at February 10, 2005, previously filed with the Commission on February 24, 2005 as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 2004, is incorporated by reference into this report.
10.19*	The Ryder System, Inc. Directors Stock Plan, as amended and restated at May 7, 2004, previously filed with the Commission on February 24, 2005 as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 2004, is incorporated by reference into this report.
10.20*	The Ryder System Benefit Restoration Plan, as amended and restated, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on February 11, 2009, is incorporated by reference into this report.
10.21*	Form of Indemnification Agreement for independent directors, effective as of February 24, 2016, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on February 29, 2016, is incorporated by reference into this report.

Exhibit Number	Description
10.22*	The Ryder System, Inc. Deferred Compensation Plan, effective as of January 1, 2009, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on February 11, 2009, is incorporated by reference to this report.
10.23	Third Amended and Restated Global Revolving Credit Agreement, dated as of December 14, 2021, by and among Ryder System, Inc., certain Ryder subsidiaries, and the lenders and agents named therein, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on December 20, 2021, is incorporated by reference to this report.
10.24*	Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on March 18, 2019, as Appendix A to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.
10.26*	Form of Terms and Conditions Applicable to Deferred Stock Awards for Non-Employee Directors issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.
10.27*	Form of Terms and Conditions Applicable to Non-Qualified Stock Options issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.
10.28*	Form of Terms and Conditions Applicable to Performance-Based Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.
10.29*	Form of Terms and Conditions Applicable to Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.
10.30*	Form of Terms and Conditions Applicable to Stock Awards for Non-Employee Directors issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.
10.31*	Ryder System, Inc. Non-Qualified Stock Option Award Granted as an "Employment Inducement Grant" under New York Stock Exchange Listing Rule 303A.08, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.
10.32*	Ryder System, Inc. Restricted Stock Rights Award Granted as an "Employment Inducement Grant" under New York Stock Exchange Listing Rule 303A.08, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.
10.33*	Forms of Terms and Conditions Applicable to Non-Qualified Stock Options issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.
10.34*	Form of Terms and Conditions Applicable to Performance-Based Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.
10.35*	Form of Terms and Conditions Applicable to Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.
10.36*	The Ryder System, Inc. Stock Purchase Plan for Employees, previously filed with the Commission on March 16, 2020, as Appendix A to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.
10.37*	Form of Annual Cash Incentive Award Agreement for Executive Officers.
10.38*	Form of Terms and Conditions Applicable to Restricted Stock Rights issued under the Amended and Restated Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on March 15, 2021 as Appendix A to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference to this report.
10.39*	Ryder System, Inc. Amended and Restated 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on March 15, 2021 as Appendix A to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.

Exhibit Number	Description
10.41	Second Amendment to Third Amended and Restated Global Revolving Credit Agreement, dated as of December 14, 2021, by and among Ryder System, Inc., certain Ryder subsidiaries, and the lenders and agents named therein
10.42*	Ryder System, Inc. Amended and Restated 2019 Equity and Incentive Compensation Plan, effective as of May 5, 2023, previously filed with the Commission on March 15, 2023 as Appendix A to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report
10.43*	The Form of Amended and Restated Severance Agreement for Executive Officers (other than the Chief Executive Officer)
10.44*	The Form of Amended and Restated Severance Agreement for the Chief Executive Officer
19.1	Ryder System, Inc. Insider Trading Policy
21.1	List of subsidiaries of the registrant, with the state or other jurisdiction of incorporation or organization of each, and the name under which each subsidiary does business.
23.1	PricewaterhouseCoopers LLP consent to the incorporation by reference in certain Registration Statements on Form S-8 and on Form S-3 of their report on the financial statements and financial statement schedule and effectiveness of internal control over financial reporting of Ryder System, Inc.
24.1	Manually executed powers of attorney for each of: Robert J. Eck, Robert A. Hagemann, Michael F. Hilton, Tamara L. Lundgren, Luis P. Nieto, Jr., David G. Nord, Abbie J. Smith, E. Follin Smith, Dmitri L. Stockton, Charles M. Swoboda
31.1	Certification of Robert E. Sanchez pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31.2	Certification of Cristina Gallo-Aquino pursuant to Rule 13a-14(a) or Rule 15d-14(a).
32	Certification of Robert E. Sanchez and Cristina Gallo-Aquino pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350.
97.1	The Ryder System, Inc Policy for the Recoupment of Erroneously Awarded Compensation from Executive Officers
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

* Management contract or compensation plan arrangement pursuant to Item 601(b)(10) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 12, 2025

RYDER SYSTEM, INC.

By: /s/ ROBERT E. SANCHEZ

Robert E. Sanchez

Chair and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 12, 2025

By: /s/ ROBERT E. SANCHEZ

Robert E. Sanchez

Chair and Chief Executive Officer

(Principal Executive Officer)

Date: February 12, 2025

By: /s/ CRISTINA GALLO-AQUINO

Cristina Gallo-Aquino

Executive Vice President and Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Date: February 12, 2025

By: ROBERT J. ECK *

Robert J. Eck

Director

Date: February 12, 2025

By: ROBERT A. HAGEMANN *

Robert A. Hagemann

Director

Date: February 12, 2025

By: MICHAEL F. HILTON*

Michael F. Hilton

Director

Date: February 12, 2025

By: TAMARA L. LUNDGREN*

Tamara L. Lundgren

Director

Date: February 12, 2025

By: LUIS P. NIETO, JR. *

Luis P. Nieto, Jr.

Director

Date: February 12, 2025

By: DAVID G. NORD *

David G. Nord

Director

Date: February 12, 2025

By: ABBIE J. SMITH *

Abbie J. Smith

Director

Date: February 12, 2025

By: E. FOLLIN SMITH *

E. Follin Smith

Director

Date: February 12, 2025

By: DMITRI L. STOCKTON *

Dmitri L. Stockton

Director

Date: February 12, 2025

By: CHARLES M. SWOBODA *

Charles M. Swoboda

Director

Date: February 12, 2025

*By: /s/ ROBERT D. FATOVIC

Robert D. Fatovic

Attorney-in-Fact, pursuant to a power of attorney

Ryder System, Inc.
Insider Trading Policy
Effective March 30, 2005

Purpose

Ryder System, Inc. (“Ryder” or the “Company”) has adopted this Insider Trading Policy (the “Policy”), effective as of March 30, 2005, amended and restated as of January 1, 2024, to prevent insider trading or even allegations of insider trading and to provide guidelines to all the Company’s employees and members of the Company’s Board of Directors (“Board members”) to avoid the severe consequences associated with violations of insider trading laws.

Insider trading laws prevent the purchase or sale of securities based on material, nonpublic information (“MNPI”). The Securities and Exchange Commission (“SEC”) and the United States Department of Justice vigorously pursue individuals who violate insider trading laws and punish offenders severely. The Company and its management may also be subject to liability for failure to take reasonable steps to prevent insider trading by employees.

Who is this Policy for?

This Policy applies to *all* employees of the Company and its subsidiaries (regardless of role or title) and all Board members of the Company and its subsidiaries (collectively, the “Covered Persons”). The Company may also determine that other persons should be subject to this Policy, such as contractors or consultants who have access to MNPI.

This Policy also applies to family members of Covered Persons who reside with any Covered Person (including spouses, children, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives at a Covered Person’s household, and any family members who do not live at a Covered Person’s household but whose transactions in the Company’s securities are directed by a Covered Person or are subject to a Covered Person’s influence or control, such as parents or children who consult with Covered Persons before they trade in the Company’s securities (collectively referred to as “Family Members”). Covered Persons are responsible for the transactions of Family Members and therefore should make Family Members aware of the need to confer with Covered Persons before they trade in the Company’s securities. Transactions by Family Members should be treated for the purposes of this Policy and applicable insider trading laws as if they were on account of the Covered Person. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to the Covered Person.

In addition, this Policy applies to any entities that Covered Persons influence or control, including any corporations, partnerships or trusts (collectively referred to as “Controlled

Entities”). Transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable insider trading laws as if they were on account of the Covered Person.

What this Policy applies to?

Material Information

Information is material if a reasonable investor would likely consider the information important in making a decision to buy, hold or sell securities (that is, “transactions” in securities). Any information that could be expected to affect the price of the Company’s securities, whether it is positive or negative, should be considered material. Note, however, there is no precise definition of materiality, and the question of whether information is material is subjective and often judged in hindsight. Covered Persons should take a broad and cautious view when evaluating whether a particular piece of information is material.

Examples of material information can include, but are not limited to: significant upward or downward revisions to earnings forecasts; significant restructurings; senior management or independent auditor changes; important product developments; initiation or resolution of significant litigation or government investigations or proceedings; mergers; acquisitions; tender offers; joint ventures; changes in control; gain or loss of a significant customer or supplier; defaults on debt; changes in credit ratings; repurchase plans; stock splits; changes in dividends or sales of securities; developments affecting major business units; bankruptcies; a significant disruption in the Company’s operations; and an actual or suspected loss, breach or unauthorized access of its property, data or assets, including its facilities and information technology infrastructure.

The foregoing examples are provided solely for illustrative purposes and are not a complete list of the types of events that may be considered material. If you have any questions about whether information is material, you should contact the Chief Legal Officer or their designee.

Nonpublic Information

Nonpublic information is information that is not generally known or available to the public. Information is considered to be available to the public only when (1) it has been released broadly to the marketplace (such as by a press release or an SEC filing), and (2) the investing public has had time to absorb the information fully. As a general rule, information is considered nonpublic until the first or second full trading day after the information is released, depending on the circumstances.

Policy

It is illegal and against this Policy to directly or indirectly buy or sell the Company’s securities based on MNPI (the “trading restrictions”). The trading restrictions also apply to the purchase or

sale of the securities of other companies. In particular, the trading restrictions apply to MNPI concerning the Company's existing or potential customers, suppliers, competitors or business partners, which Covered Persons may acquire as part of their work for Ryder.

It is also illegal and against this Policy to inform others, including but not limited to Family Members and Controlled Entities, about MNPI or to make stock buying or selling recommendations to others based on such MNPI (in other words, you are prohibited from "tipping" MNPI to others). This Policy further prohibits even the appearance of improper conduct.

The trading restrictions do not apply to the purchase or sale of Ryder's securities through a trading plan under SEC Rule 10b5-1 (a "10b5-1 Plan") or otherwise (a "non-10b5-1 trading arrangement," and collectively, "trading plans"), as specified in the Addendum. If you are aware of MNPI when your employment or service relationship with the Company terminates, you still may not trade in Company securities until that information has become public or is no longer material.

Transactions Covered

The Policy's trading restrictions cover virtually all transactions in Company securities. "Securities" includes common stock, derivative securities (such as options, futures or convertible debentures), preferred stock and debt securities. Transactions in Company securities include purchases, sales, pledges, hedges, loans and gifts of Company securities, as well as other direct or indirect transfers of Company securities. Certain of these transactions are addressed in more detail below and may not be permitted under this Policy.

- *Stock Option Exercises.* The trading restrictions generally **do not** apply to the exercise of a stock option, or to the exercise of a tax withholding right in which you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements. The trading restrictions **do** apply, however, to any sale of the underlying stock or to a cashless exercise of the option through a broker, and to "sell-to-cover" transactions (unless conducted through an approved 10b5-1 Plan), because this entails selling a portion of the underlying stock to cover the costs of exercise.
- *Restricted Stock Awards.* The trading restrictions **do not** apply to the vesting of restricted stock or restricted stock units, or to the exercise of a tax withholding right in which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock or restricted stock unit. The trading restrictions **do** apply, however, to any market sale of restricted stock or the stock underlying a restricted stock unit, including "sell-to-cover" transactions, unless conducted through an approved 10b5-1 Plan.

- *Employee Stock Purchase Plan.* The trading restrictions **do not** apply to purchases of Company stock in the Company's employee stock purchase plan resulting from your periodic payroll contributions to the plan under an election you made at the time of enrollment in the plan. The trading restrictions **do** apply, however, to your election to participate in the plan, any changes to your elections under the plan, and to your sales of Company stock purchased under the plan.
- *401(k) and Deferred Compensation Plans.* The trading restrictions **do not** apply to purchases of Company stock in the Company's 401(k) or deferred compensation plans resulting from your periodic contribution of money to the plan through payroll deductions. The trading restrictions **do** apply, however, to elections you make under the 401(k) or deferred compensation plan to (a) increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund, (b) make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (c) borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance, and (d) prepay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.
- *Dividend Reinvestment Plan.* The trading restrictions **do not** apply to purchases of Company stock under the Company's dividend reinvestment plan resulting from your reinvestment of dividends paid on Company securities. The trading restrictions **do** apply, however, to voluntary purchases of Company stock resulting from additional contributions you choose to make to the plan, and to your election to participate in the plan or increase your level of participation in the plan. This Policy also applies to your sale of Company stock purchased under the plan.
- *Gifts.* The trading restrictions **do** apply to gifts made by a Covered Person that is aware of MNPI and knows, or is reckless in not knowing, that the gift recipient intends to sell the gifted securities prior to the disclosure of the MNPI. In addition, gifts by Board members and Executive Officers are subject to the pre-clearance procedures, as specified in the Addendum.

Unauthorized Disclosure

Maintaining the confidentiality of Company information is essential for competitive, security and other business reasons, as well as to comply with securities laws. Covered Persons should treat all information they learn about the Company in connection with their employment, including information about the Company's existing or potential customers, suppliers, competitors or business partners, as confidential and proprietary to the Company both during and after the Covered Person's employment. Inadvertent disclosure of confidential information or MNPI may expose the Covered Person and the Company to significant risk of investigation and litigation.

The timing and nature of the Company's disclosure of material information to outsiders is subject to legal rules, and if a Covered Person violates those rules, the Covered Person, the Company and its management could be subject to substantial liability. Accordingly, it is important that responses to inquiries about the Company by the press, investment analysts or others in the financial community be made on the Company's behalf only through authorized individuals.

Please consult the Company's Disclosure Policy for more details regarding the Company's policy on speaking to the media, financial analysts and investors.

Blackout and Pre-clearance Procedures

To help prevent inadvertent violations of federal securities laws and to avoid even the appearance of trading on the basis of MNPI, the Company has adopted additional policies that apply to Board members, officers of the Company within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934, as determined by the Company's Board of Director's ("Executive Officers"), all employees holding the position of vice president or above, and certain other designated employees of the Company who have access to MNPI (collectively, "Insiders"). Such additional policies are referred to as the "Addendum." The Company will notify you if you are subject to the Addendum.

The Addendum generally prohibits Insiders from trading in the Company's securities during blackout periods. All Board members and Executive Officers must also pre-clear transactions in the Company's securities, as specified in the Addendum.

Who to Contact

Any person who has a question about this Policy, the Addendum to the Policy, or application of the Policy or Addendum to any proposed transaction, may obtain additional guidance from the Company's Chief Legal Officer or their designee.

Enforcement

You should remember that the ultimate responsibility for adhering to this Policy and, if applicable, the Addendum, and avoiding violations of insider trading laws rests with you. If you violate this Policy (including, if applicable, the Addendum), the Company may take disciplinary action up to and including termination. In addition, the Company will cooperate fully in all governmental investigations of insider trading.

Ryder System, Inc.
Insider Trading Policy
Effective March 30, 2005

Addendum – Additional Policies Applicable to “Insiders”

The Company has adopted the Insider Trading Policy, above. Where indicated, this Addendum describes additional policies and procedures governing transactions in Company securities by the Company’s Board members, Executive Officers, vice presidents, and certain other designated employees (collectively, “Insiders”).

Pre-Clearance Procedures for Board Members and Executive Officers

Board members and Executive Officers of the Company, together with their immediate family members, may not engage in any transaction involving the Company’s securities (including a stock plan transaction such as an option exercise, gift, loan, contribution to a trust, or any other transfer) without first obtaining pre-clearance of the transaction from the Chief Legal Officer or their designee, unless such transaction is conducted pursuant to an approved 10b5-1 Plan. A request for pre-clearance should be submitted to the Chief Legal Officer or their designee at least two business days in advance of the proposed transaction. The Chief Legal Officer or their designee is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction.

Blackout Procedures for All Insiders

All Insiders are subject to the following blackout procedures, as indicated. The blackout procedures apply to transactions in the Company’s securities. The Policy describes the “Transactions Covered.”

- *Quarterly Blackout Periods.* The Company’s announcement of its quarterly financial results almost always has the potential to have a material effect on the market for the Company’s securities. Therefore, to avoid even the appearance of trading on the basis of MNPI, Insiders may not trade in the Company’s securities during the period beginning on the first day of the third month of a fiscal quarter and ending at the close of trading on the first full trading day following the Company’s issuance of its quarterly earnings release.
- *Interim Earnings Guidance.* The Company may on occasion issue interim earnings guidance or other potentially material information by means of a press release, SEC filing on Form 8-K, or other means designed to achieve widespread dissemination of the information. Insiders should anticipate that transactions are unlikely to be pre-cleared while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

- *Event-specific Blackout Periods.* From time to time, an event may occur or be expected to occur that is material to the Company and is known by only a few, such as Board members or Executive Officers. So long as the event remains material and nonpublic, Board members, Executive Officers, and such other persons with knowledge of the event may not trade in the Company's securities. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person. The failure of the Company to designate a person as being subject to an event-specific blackout will not relieve that person of the obligation not to trade while aware of MNPI.
- Board members and Executive Officers may also be subject to event-specific blackouts pursuant to the SEC's Regulation Blackout Trading Restrictions, which prohibits certain sales and other transfers by insiders during certain pension plan blackout periods.
- *Post-Termination Transactions.* If you are aware of MNPI when you terminate service as a Board member, Executive Officer, or other Insider, you may not trade in the Company securities until that information has become public or is no longer material. In all other respects, the procedures set forth in this Addendum will cease to apply to Insider transactions in Company securities upon the expiration of any "blackout period" that is applicable to the Insider's transactions at the time of their termination of service.

Exception for Approved 10b5-1 Plan

Trading in the Company's securities pursuant to an approved 10b5-1 Plan is not subject to the prohibition on trading on the basis of MNPI contained in the Insider Trading Policy or to the restrictions set forth in the Addendum relating to the pre-clearance and blackout procedures.

Board members and Executive Officers who wish to implement a trading plan must first pre-clear the trading plans with the Chief Legal Officer or their designee. A 10b5-1 Plan must comply with all the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934, as amended, including cooling-off periods and other requirements. You may enter into trading plans only when you are not in possession of MNPI. In addition, you may not enter into trading plans during a blackout period. Transactions effected pursuant to a pre-cleared trading plan will not require further pre-clearance at the time of the transaction if the plan specifies the dates, prices and amounts of the contemplated trades, if the plan establishes a formula for determining the dates, prices and amounts, or if the plan delegates discretion on those matters to an independent third party. Any amendment to, or termination of, a trading plan must also be pre-cleared with the Chief Legal Officer or their designee.

Additionally, the Company is required to disclose 10b5-1 Plans and non-10b5-1 trading arrangements by its Board members and Executive Officers in its quarterly filings (such as Form

10-Ks and Form 10-Qs), and transactions pursuant to 10b5-1 Plans are required to be disclosed in applicable Form 4 filings. Whether any Board members or Executive Officers adopted any trading plans, terminated any trading plans, or modified any 10b5-1 Plans, including modifications or changes to the amount, price or timing of any 10b5-1 Plan, will be disclosed in the following Form 10-Q or Form 10-K, as applicable for the subsequent quarterly or annual filing, respectively, and the material terms of the plan will be described without requiring disclosure of the price at which the transaction is authorized. Transactions made pursuant to an approved 10b5-1 Plan will also be designated by a checkbox on the applicable Form 4 filing.

Prohibited Transactions for All Insiders

The Company considers it improper and inappropriate for any Insider to engage in short-term or speculative transactions in the Company's securities or in other transactions in the Company's securities that may lead to inadvertent violations of insider trading laws. Accordingly, trading by Insiders in Company securities is subject to the following additional guidelines.

- *Short Sales.* Short sales (sales of securities that are not yet owned) of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, Insiders may not engage in short sales of the Company's securities.
- *Publicly Traded Options.* A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that the person transacting is trading on the basis of MNPI. Transactions in options also may focus the transacting person's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, Insiders may not effect transactions in options, such as puts, calls or other derivative securities, on an exchange or in any other organized market.
- *Hedging Transactions.* Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a person to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow a person to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the person transacting may no longer have the same objectives as the Company's other shareholders. Therefore, Insiders are prohibited from engaging in any such transactions.

Additional Prohibited Transactions for Board Members and Executive Officers

The Company considers it improper and inappropriate for any Board member or Executive Officer to engage in short-term trading or to enter into agreements that may result in their shares being sold when they may be in possession of MNPI. Accordingly, Board members or Executive Officers are subject to the following additional guidelines.

- *Short-Term Trading.* Short-term trading (including day trading) of the Company's securities may be distracting to the person and may unduly focus the person on the Company's short-term stock market performance instead of the Company's long-term business objectives. Therefore, Board members and Executive Officers may not enter into both a purchase transaction and a sale transaction (or transactions that are treated as a purchase or sale pursuant to Section 16) with respect to Company stock or securities convertible into Company stock within a six-month period.
- *Margin Accounts and Pledged Securities.* Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of MNPI or otherwise is not permitted to trade in the Company's securities, Board members and Executive Officers are prohibited from holding the Company's securities in a margin account or otherwise pledging the Company's securities as collateral for a loan.

Certifications

All Insiders must certify their understanding of, and intent to comply with, the Company's Insider Trading Policy, including the procedures set forth in this Addendum, as applicable. In addition, Insiders may be asked periodically to certify their compliance with this Policy and Addendum.

EXHIBIT 21.1

The following list sets forth (i) all subsidiaries of Ryder System, Inc. at December 31, 2024, (ii) the state or country of incorporation or organization of each subsidiary, and (iii) the names under which certain subsidiaries do business.

Name of Subsidiary	State or Country of Incorporation or Organization
3241290 Nova Scotia Company	Canada
Associated Ryder Capital Services, Inc.	Florida
Bedford Leasing, LLC	Delaware
Bedford Logistics, LLC	Illinois
Bedford Motor Service, LLC	Illinois
BirchStone Management, LLC	Delaware
Cardinal Holdco, LLC	Delaware
Cardinal Logistics Management Corporation	North Carolina
Cardinal Logistics Risk Retention Group, Inc.	South Carolina
CLH Acquisition Corporation	Delaware
CLH Intermediate Corporation	Delaware
CLH Parent Corporation	Delaware
COOP Technologies, Inc.	Delaware
CRTS Logistica Automotiva S.A.	Brazil
DSJ Acquisition, LLC	Delaware
DSJ West, LLC	Delaware
Enlinx, LLC	Utah
Euroway Vehicle Contracts Limited	England
Euroway Vehicle Engineering Limited	England
Gateway Commerce Logistics, LLC	Delaware
IFS Holdings, LLC	Delaware
IFS SCS Holdings, LLC	Delaware
Impact Freight Management, LLC	Oregon
Impact Fulfillment Services, LLC	Delaware
Impact Transport, LLC	Oregon
Impact Warehouse, LLC	Oregon
Laromark Intermediate Holding Corporation	Delaware
Logistics Resources, LLC	Illinois
Maple Mountain Co-Packers, LLC	Utah
Midwest Warehouse and Distribution System, LLC	Illinois
Network Vehicle Central, LLC	Florida
PLG Holdings, LLC	Delaware
PLG Investments II Holdings, LLC	Delaware
PLG Investments II, Inc.	Delaware
Port Logistics Group, LLC	Delaware
Road Master, Limited	Bermuda
RSI Holding B.V.	Netherlands
RTRC Finance LP	Canada

RTR Holdings (B.V.I.) Limited	British Virgin Islands
RTR Leasing I, Inc.	Delaware
RTR Next Gen Sales, LLC	Florida
Ryder Asia Pacific Holdings B.V.	Netherlands
Ryder Capital (Barbados) SRL	Barbados
Ryder Canadian Financing US LLC	Delaware
Ryder Capital Ireland Holdings II LLC	Delaware
Ryder Capital Luxembourg Limited, S.A.R.L.	England
Ryder Capital S. de R.L. de C.V.	Mexico
Ryder Claims Services Corporation. ⁽¹⁾	Florida
Ryder Dedicated Logistics, Inc.	Delaware
Ryder de Mexico S. de R.L. de C.V.	Mexico
Ryder do Brasil Ltda.	Brazil
Ryder E-commerce, LLC	Delaware
Ryder Energy Distribution Corporation	Florida
Ryder Europe B.V.	Netherlands
Ryder Freight Brokerage, Inc.	Delaware
Ryder Fuel Services, LLC	Florida
Ryder Funding LP	Delaware
Ryder Funding II LP	Delaware
Ryder Global Services, LLC	Florida
Ryder Holdings Mexico One S. de R.L. de C.V.	Mexico
Ryder Holdings Mexico Two S. de R.L. de C.V.	Mexico
Ryder Holdings Mexico Three S. de R.L. de C.V.	Mexico
Ryder Integrated Logistics, Inc. ⁽²⁾	Delaware
Ryder Integrated Logistics of California Contractors, LLC	Delaware
Ryder Integrated Logistics of Texas, LLC	Texas
Ryder International Holdings LLC	Delaware
Ryder International, Inc.	Florida
Ryder Last Mile (California) LLC	Delaware
Ryder Last Mile, Inc. ⁽³⁾	California
Ryder Limited	England
Ryder Logistica Ltda.	Brazil
Ryder Mauritius Holdings, Ltd.	Mauritius
Ryder Mexican Holding B.V.	Netherlands
Ryder Midwest Warehouse LLC	Delaware
Ryder Pension Fund Limited	England
Ryder Puerto Rico, Inc.	Delaware
Ryder Purchasing LLC	Delaware
Ryder Receivable Funding III, LLC	Delaware
Ryder Risk Solutions, LLC	Florida
Ryder Servicios do Brasil Ltda.	Brazil

Ryder Supply Chain Solutions Canada ULC/Solutions de Chaîne D'Approvisionnement Ryder Canada SRI	Canada
Ryder Supply Chain Solutions Puerto Rico, LLC	Delaware
Ryder System Holdings (UK) Limited	England
Ryder Transport Express, LLC	California
Ryder Transportation Solutions, LLC ^{(4) (5)}	Delaware
Ryder Truck Rental Holdings Canada Ltd.	Canada
Ryder Truck Rental, Inc. ^{(6) (7) (8)}	Florida
Ryder Truck Rental I LLC	Delaware
Ryder Truck Rental II LLC	Delaware
Ryder Truck Rental III LLC	Delaware
Ryder Truck Rental IV LLC	Delaware
Ryder Truck Rental I LP	Delaware
Ryder Truck Rental II LP	Delaware
Ryder Truck Rental Canada Ltd. ⁽⁹⁾	Canada
Ryder Truck Rental LT ⁽¹⁰⁾	Delaware
Ryder Vehicle Sales, LLC	Florida
RyderVentures, LLC	Florida
Sistemas Logisticos Sigma S.A.	Argentina
Tandem Transport, L.P.	Georgia
Tech Packaging, LLC	Florida
TPE Acquisition, LLC	Delaware
Translados Americano S. de R.L. de C.V.	Mexico
Transport 100, LLC	Delaware
Whiplash Merchandising, LLC	Delaware

(1) Name Changed to Ryder Claims Services Corporation – effective 6/4/2024
Florida, California, Georgia, Indiana, Maine, Michigan, Minnesota, Missouri, New Jersey, Ohio and Texas
DBA Name Dissolved: New Jersey, Ohio and Texas

(2) Florida: *d/b/a UniRyder*
Delaware, Missouri and Oklahoma: *d/b/a Ryder*

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia and Wisconsin: *d/b/a Ryder Freight Brokerage*

(3) *Canadian Province – Dissolution:*
Alberta – 8/9/2024
British Columbia – 8/9/2024
Ontario – 11/25/2024
Quebec – 11/25/2024

(4) Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Montana, Nebraska, New Jersey, New Mexico, North Carolina, South Dakota, Texas, Virginia, Washington and Wyoming: *d/b/a Ryder Transportation Services*

(5) Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Virginia and Wyoming: *d/b/a Ryder*

- (6) Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming: *d/b/a Ryder Transportation Services*
- (7) Alabama, Arizona, Arkansas, California, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas and Washington: *d/b/a Torque By Ryder*
- (8) Florida: *d/b/a Florida*
Maryland and Virginia: *d/b/a Ryder/Jacobs*
Michigan: *d/b/a Atlas Trucking, Inc.*
Michigan: *d/b/a Ryder Atlas of Western Michigan*
Texas: *d/b/a DSC Truck Services*
- (9) French Name: Location de Camions Ryder du Canada Ltee
Canadian Province: Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec
DBA: Ryder Integrated Logistics,
Ryder Dedicated Logistics,
Ryder Canada
- (10) Alabama and Iowa: *d/b/a Ryder Truck Rental LT Corp*
Connecticut: *d/b/a Ryder Truck Rental LT, LLL*
Missouri: *d/b/a Ryder Truck Rental, Inc; Ryder Truck Rental Inc. d/b/a Ryder Truck Rental LT*
Nevada: *d/b/a Ryder Truck Rental LT Business Trust*
New Hampshire: *d/b/a Ryder Truck Rental Leasing Trust*
Rhode Island: *d/b/a Ryder Truck Rental LT Co.*
South Dakota: *d/b/a Ryder Truck Rental Leasing Trust*
Texas: *d/b/a Ryder Vehicle Rental LT, LLC*
Vermont: *d/b/a Ryder Truck Rental Leasing Trust*
West Virginia: *d/b/a Ryder Truck Rental Leasing Trust*
Wyoming: *d/b/a Ryder Truck Rental LT Statutory Trust*

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-19515, No. 333-26653, No. 333-69628, No. 333-108364, No. 333-124828, No. 333-134113, No. 333-153123, No. 333-177285, No. 333-181396, No. 333-211206, No. 333-212138, No. 333-231208, No. 333-239437, No. 333-256368 and No. 333-272079) and

Form S-3 (No. 033-58667, No. 333-254767 and No. 333-278118) of Ryder System, Inc. of our report dated February 12, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10K.

/s/ PricewaterhouseCoopers LLP

Miami, Florida

February 12, 2025

EXHIBIT 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned, being directors of Ryder System, Inc., a Florida corporation, hereby constitutes and appoints Robert D. Fatovic, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 2024 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange and any other stock exchange on which the Company's common stock is listed, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

This Power of Attorney may be signed in any number of counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one Power of Attorney.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand effective the 12th day of February, 2025.

/s/ Robert J. Eck
Robert J. Eck

/s/ Robert A. Hagemann
Robert A Hagemann

/s/ Michael F. Hilton
Michael F. Hilton

/s/ Tamara L. Lundgren
Tamara L. Lundgren

/s/ Luis P. Nieto, Jr.
Luis P. Nieto, Jr.

/s/ David G. Nord
David G. Nord

/s/ Abbie J. Smith
Abbie J. Smith

/s/ E. Follin Smith
E. Follin Smith

/s/ Dmitri L. Stockton
Dmitri L. Stockton

/s/ Hansel E. Tookes, II
Hansel E. Tookes, II

/s/ Charles M. Swoboda
Charles M. Swoboda

EXHIBIT 31.1
CERTIFICATION

I, Robert E. Sanchez, certify that:

1. I have reviewed this annual report on Form 10-K of Ryder System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 12, 2025

/s/ ROBERT E. SANCHEZ

Robert E. Sanchez
Chair and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Cristina Gallo-Aquino, certify that:

1. I have reviewed this annual report on Form 10-K of Ryder System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 12, 2025

/s/ CRISTINA GALLO-AQUINO

Cristina Gallo-Aquino
Executive Vice President and Chief Financial Officer

EXHIBIT 32

CERTIFICATION

In connection with the Annual Report of Ryder System, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Robert E. Sanchez, President and Chief Executive Officer of the Company, and Cristina Gallo-Aquino, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ROBERT E. SANCHEZ

Robert E. Sanchez
Chair and Chief Executive Officer
February 12, 2025

/s/ CRISTINA GALLO-AQUINO

Cristina Gallo-Aquino
Executive Vice President and Chief Financial Officer
February 12, 2025