
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 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

59-0739250

(State or other jurisdiction of incorporation or organization)

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

2333 Ponce de Leon Blvd. , Suite 700

(305) 500-3726

Coral Gables , Florida 33134

(Registrant's telephone number, including area code)

(Address of principal executive offices, including zip code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Ryder System, Inc. Common Stock (\$0.50 par value)	R	New York Stock Exchange

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of Ryder System, Inc. Common Stock outstanding at September 30, 2024, was 42,290,213 .

RYDER SYSTEM, INC.
FORM 10-Q QUARTERLY REPORT
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
RYDER SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(unaudited)

<i>(In millions, except per share amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Services revenue	\$ 2,097	\$ 1,799	\$ 6,248	\$ 5,399
Lease & related maintenance and rental revenue	960	986	2,844	2,941
Fuel services revenue	111	139	355	420
Total revenue	<u>3,168</u>	<u>2,924</u>	<u>9,447</u>	<u>8,760</u>
Cost of services	1,774	1,524	5,311	4,638
Cost of lease & related maintenance and rental	646	666	1,960	2,001
Cost of fuel services	108	137	344	412
Selling, general and administrative expenses	368	347	1,113	1,053
Non-operating pension costs, net	10	10	31	30
Used vehicle sales, net	(15)	(47)	(54)	(174)
Interest expense	98	75	286	212
Miscellaneous income, net	(10)	(5)	(29)	(36)
Currency translation adjustment loss	—	—	—	188
Restructuring and other items, net	1	4	5	(22)
	<u>2,980</u>	<u>2,711</u>	<u>8,967</u>	<u>8,302</u>
Earnings from continuing operations before income taxes	188	213	480	458
Provision for income taxes	45	53	126	176
Earnings from continuing operations	143	160	354	282
(Loss) earnings from discontinued operations, net of taxes	(1)	1	—	—
Net earnings	<u>\$ 142</u>	<u>\$ 161</u>	<u>\$ 354</u>	<u>\$ 282</u>
Earnings (loss) per common share — Basic				
Continuing operations	\$ 3.32	\$ 3.51	\$ 8.11	\$ 6.11
Discontinued operations	(0.01)	0.03	—	0.01
Net earnings	<u>\$ 3.30</u>	<u>\$ 3.55</u>	<u>\$ 8.11</u>	<u>\$ 6.12</u>
Earnings (loss) per common share — Diluted				
Continuing operations	\$ 3.25	\$ 3.44	\$ 7.96	\$ 6.01
Discontinued operations	(0.01)	0.03	—	0.01
Net earnings	<u>\$ 3.24</u>	<u>\$ 3.47</u>	<u>\$ 7.95</u>	<u>\$ 6.02</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

Note: Earnings per common share—basic (EPS) and/or earnings per common share—diluted (Diluted EPS) amounts may not be additive due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net earnings	\$ 142	\$ 161	\$ 354	\$ 282
Other comprehensive (loss) income:				
Changes in cumulative translation adjustment and unrealized gains from cash flow hedges, net of taxes	(12)	(14)	(40)	202
Amortization of pension and postretirement items	8	7	23	20
Income tax expense related to amortization of pension and postretirement items	(3)	(2)	(6)	(5)
Amortization of pension and postretirement items, net of taxes	5	5	17	15
Other comprehensive (loss) income, net of taxes	(7)	(9)	(23)	217
Comprehensive income	\$ 135	\$ 152	\$ 331	\$ 499

See accompanying Notes to Condensed Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(In millions, except share amounts)	September 30, 2024	December 31, 2023
Assets:		
Current assets:		
Cash and cash equivalents	\$ 162	\$ 204
Receivables, net	1,869	1,714
Prepaid expenses and other current assets	350	347
Total current assets	2,381	2,265
Revenue earning equipment, net	9,091	8,892
Operating property and equipment, net of accumulated depreciation of \$ 1,620 and \$ 1,511	1,197	1,217
Goodwill	1,126	940
Intangible assets, net	480	396
Operating lease right-of-use assets	1,097	1,016
Sales-type leases and other assets	1,125	1,052
Total assets	\$ 16,497	\$ 15,778
Liabilities and shareholders' equity:		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 975	\$ 1,583
Accounts payable	891	833
Accrued expenses and other current liabilities	1,345	1,233
Total current liabilities	3,211	3,649
Long-term debt	6,628	5,531
Other non-current liabilities	1,974	1,871
Deferred income taxes	1,628	1,658
Total liabilities	13,441	12,709
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Preferred stock, no par value per share — authorized, 3,800,917 ; none outstanding, September 30, 2024 and December 31, 2023	—	—
Common stock, \$ 0.50 par value per share — authorized, 400,000,000 ; outstanding, September 30, 2024 — 42,290,213 and December 31, 2023 — 43,902,065	21	22
Additional paid-in capital	1,136	1,148
Retained earnings	2,577	2,554
Accumulated other comprehensive loss	(678)	(655)
Total shareholders' equity	3,056	3,069
Total liabilities and shareholders' equity	\$ 16,497	\$ 15,778

See accompanying Notes to Condensed Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(In millions)	Nine months ended September 30,	
	2024	2023
Cash flows from operating activities from continuing operations:		
Net earnings	\$ 354	\$ 282
Depreciation expense	1,275	1,274
Used vehicle sales, net	(54)	(174)
Currency translation adjustment loss	—	188
Amortization expense and other non-cash charges, net	110	67
Non-cash lease expense	267	190
Non-operating pension costs, net and share-based compensation expense	63	63
Deferred income tax expense	(29)	129
Collections on sales-type leases	111	91
Changes in operating assets and liabilities:		
Receivables	(63)	18
Prepaid expenses and other assets	15	(4)
Accounts payable	(27)	13
Accrued expenses and other liabilities	(315)	(295)
Net cash provided by operating activities from continuing operations	1,707	1,842
Cash flows from investing activities from continuing operations:		
Purchases of property and revenue earning equipment	(1,922)	(2,457)
Sales of revenue earning equipment	414	587
Sales of operating property and equipment	19	60
Acquisitions, net of cash acquired	(313)	—
Other investing activities	—	(4)
Net cash used in investing activities from continuing operations	(1,802)	(1,814)
Cash flows from financing activities from continuing operations:		
Net borrowings of commercial paper and other	405	85
Debt proceeds	1,490	1,314
Debt repayments	(1,448)	(1,144)
Dividends on common stock	(101)	(96)
Common stock issued	6	1
Common stock repurchased	(282)	(282)
Other financing activities	(5)	(4)
Net cash provided by (used in) financing activities from continuing operations	65	(126)
Effect of exchange rate changes on Cash and cash equivalents	(12)	(10)
Decrease in Cash and cash equivalents	(42)	(108)
Cash and cash equivalents at beginning of period	204	267
Cash and cash equivalents at end of period	\$ 162	\$ 159

See accompanying Notes to Condensed Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)

(In millions, except share amounts in thousands)	Three months ended September 30, 2024						
	Preferred Stock	Common Stock		Additional Paid-In Capital	Retained Earnings	Other Comprehensive Loss	Accumulated Other Comprehensive Loss
	Amount	Shares	Par	\$ 1,141	\$ 2,589	\$ (671)	\$ 3,081
Balance as of July 1, 2024	\$ —	43,283	\$ 22	\$ 1,141	\$ 2,589	\$ (671)	\$ 3,081
Comprehensive income	—	—	—	—	142	(7)	135
Common stock dividends declared —\$ 0.81 per share	—	—	—	—	(36)	—	(36)
Common stock issued under employee stock award and stock purchase plans and other ⁽¹⁾	—	50	(1)	7	—	—	6
Common stock repurchases	—	(1,043)	—	(23)	(118)	—	(141)
Share-based compensation	—	—	—	11	—	—	11
Balance as of September 30, 2024	<u>\$ —</u>	<u>42,290</u>	<u>\$ 21</u>	<u>\$ 1,136</u>	<u>\$ 2,577</u>	<u>\$ (678)</u>	<u>\$ 3,056</u>

(In millions, except share amounts in thousands)	Three months ended September 30, 2023						
	Preferred Stock	Common Stock		Additional Paid-In Capital	Retained Earnings	Other Comprehensive Loss	Accumulated Other Comprehensive Loss
	Amount	Shares	Par	\$ 1,154	\$ 2,489	\$ (570)	\$ 3,096
Balance as of July 1, 2023	\$ —	45,527	\$ 23	\$ 1,154	\$ 2,489	\$ (570)	\$ 3,096
Comprehensive income	—	—	—	—	161	(9)	152
Common stock dividends declared —\$ 0.71 per share	—	—	—	—	(34)	—	(34)
Common stock issued under employee stock award and stock purchase plans and other ⁽¹⁾	—	281	—	21	—	—	21
Common stock repurchases	—	(1,486)	(1)	(37)	(111)	—	(149)
Share-based compensation	—	—	—	11	—	—	11
Balance as of September 30, 2023	<u>\$ —</u>	<u>44,322</u>	<u>\$ 22</u>	<u>\$ 1,149</u>	<u>\$ 2,505</u>	<u>\$ (579)</u>	<u>\$ 3,097</u>

(1) Net of common shares delivered as payment for the exercise price or to satisfy the holders' withholding tax liability upon exercise of options.

See accompanying Notes to Condensed Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
 (unaudited)

(In millions, except share amounts in thousands)	Nine months ended September 30, 2024						
	Preferred Stock	Common Stock		Additional Paid-In Capital	Retained Earnings	Other Comprehensive Loss	Accumulated Total
	Amount	Shares	Par	\$ 1,148	\$ 2,554	\$ (655)	\$ 3,069
Balance as of January 1, 2024	\$ —	43,902	\$ 22	\$ 1,148	\$ 2,554	\$ (655)	\$ 3,069
Comprehensive income	—	—	—	—	354	(23)	331
Common stock dividends declared —\$ 2.23 per share	—	—	—	—	(100)	—	(100)
Common stock issued under employee stock award and stock purchase plans and other ⁽¹⁾	—	611	—	6	—	—	6
Common stock repurchases	—	(2,223)	(1)	(50)	(231)	—	(282)
Share-based compensation	—	—	—	32	—	—	32
Balance as of September 30, 2024	<u>\$ —</u>	<u>42,290</u>	<u>\$ 21</u>	<u>\$ 1,136</u>	<u>\$ 2,577</u>	<u>\$ (678)</u>	<u>\$ 3,056</u>

(In millions, except share amounts in thousands)	Nine months ended September 30, 2023						
	Preferred Stock	Common Stock		Additional Paid-In Capital	Retained Earnings	Other Comprehensive Loss	Accumulated Total
	Amount	Shares	Par	\$ 1,192	\$ 2,518	\$ (796)	\$ 2,937
Balance as of January 1, 2023	\$ —	46,287	\$ 23	\$ 1,192	\$ 2,518	\$ (796)	\$ 2,937
Comprehensive income	—	—	—	—	282	217	499
Common stock dividends declared —\$ 1.95 per share	—	—	—	—	(93)	—	(93)
Common stock purchased under employee stock option and stock purchase plans and other ⁽¹⁾	—	1,066	1	—	2	—	3
Common stock repurchases	—	(3,031)	(2)	(76)	(204)	—	(282)
Share-based compensation	—	—	—	33	—	—	33
Balance as of September 30, 2023	<u>\$ —</u>	<u>44,322</u>	<u>\$ 22</u>	<u>\$ 1,149</u>	<u>\$ 2,505</u>	<u>\$ (579)</u>	<u>\$ 3,097</u>

(1) Net of common shares delivered as payment for the exercise price or to satisfy the holders' withholding tax liability upon exercise of options.

See accompanying Notes to Condensed Consolidated Financial Statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. GENERAL

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements include the accounts of Ryder System, Inc. (Ryder) and all entities in which Ryder has a controlling voting interest (subsidiaries) and variable interest entities (VIE) where Ryder is determined to be the primary beneficiary in accordance with generally accepted accounting principles in the United States (GAAP). Ryder is deemed to be the primary beneficiary if we have the power to direct the activities that most significantly impact the entity's economic performance and we share in the significant risks and rewards of the entity. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the accounting policies described in our 2023 Annual Report on Form 10-K and should be read in conjunction with the consolidated financial statements and notes thereto. The year-end Condensed Consolidated Balance Sheet data was derived from our audited financial statements, but does not include all disclosures required by GAAP. In the opinion of management, all adjustments, including normal recurring accruals, considered necessary for a fair statement of our results have been included and the disclosures herein are adequate. The operating results for interim periods are not necessarily indicative of the results that can be expected for a full year. Certain prior period amounts disclosed within the Notes to Condensed Consolidated Financial Statements 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.

2. SEGMENT REPORTING

Our primary measurement of segment financial performance, defined as segment "Earnings from continuing operations before income taxes" (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 13, "Other Items Impacting Comparability." 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. Certain costs are not attributable to any segment and remain unallocated in CSS, including costs for investor relations, public affairs and certain executive compensation. 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.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The following table sets forth financial information for each of our segments and provides a reconciliation between segment EBT and Earnings from continuing operations before income taxes:

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenue:				
Fleet Management Solutions:				
ChoiceLease	\$ 857	\$ 799	\$ 2,556	\$ 2,356
Commercial rental	251	293	726	898
SelectCare and other	173	174	526	528
Fuel services revenue	189	221	595	667
Fleet Management Solutions	1,470	1,487	4,403	4,449
Supply Chain Solutions	1,317	1,194	3,960	3,574
Dedicated Transportation Solutions	633	448	1,831	1,342
Eliminations ⁽¹⁾	(252)	(205)	(747)	(605)
Total revenue	\$ 3,168	\$ 2,924	\$ 9,447	\$ 8,760
 Earnings from continuing operations before income taxes:				
Fleet Management Solutions	\$ 132	\$ 169	\$ 365	\$ 531
Supply Chain Solutions	93	81	242	174
Dedicated Transportation Solutions	36	28	91	90
Eliminations	(34)	(23)	(97)	(73)
	227	255	601	722
Unallocated Central Support Services	(17)	(20)	(52)	(54)
Intangible amortization expense ⁽²⁾	(11)	(8)	(33)	(25)
Non-operating pension costs, net ⁽³⁾	(10)	(10)	(31)	(30)
Other items impacting comparability, net ⁽⁴⁾	(1)	(4)	(5)	(155)
Earnings from continuing operations before income taxes	\$ 188	\$ 213	\$ 480	\$ 458

(1) Represents the elimination of intercompany revenue in our FMS business segment.

(2) Included within "Selling, general and administrative expenses" in our Condensed Consolidated Statements of Earnings.

(3) Refer to Note 12, "Employee Benefit Plans," for a discussion on this item.

(4) Refer to Note 13, "Other Items Impacting Comparability," for a discussion of items excluded from our primary measure of segment performance.

The following table sets forth the capital expenditures paid for each of our segments:

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Fleet Management Solutions	\$ 576	\$ 754	\$ 1,866	\$ 2,346
Supply Chain Solutions	15	44	45	88
Dedicated Transportation Solutions	—	—	1	1
Central Support Services	8	7	10	22
Purchases of property and revenue earning equipment	\$ 599	\$ 805	\$ 1,922	\$ 2,457

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

3. REVENUE

Disaggregation of Revenue

The following tables disaggregate our revenue recognized by primary geographical market in our reportable business segments and by industry for SCS. Refer to Note 2, "Segment Reporting," for the disaggregation of our revenue by major products/service lines.

Primary Geographical Markets

<i>(In millions)</i>	Three months ended September 30, 2024				
	FMS	SCS	DTS	Eliminations	Total
United States	\$ 1,393	\$ 1,170	\$ 633	\$ (242)	\$ 2,954
Canada	77	66	—	(10)	133
Mexico	—	81	—	—	81
Total revenue	\$ 1,470	\$ 1,317	\$ 633	\$ (252)	\$ 3,168

<i>(In millions)</i>	Three months ended September 30, 2023				
	FMS	SCS	DTS	Eliminations	Total
United States	\$ 1,407	\$ 1,042	\$ 448	\$ (193)	\$ 2,704
Canada	80	69	—	(12)	137
Mexico	—	83	—	—	83
Total revenue	\$ 1,487	\$ 1,194	\$ 448	\$ (205)	\$ 2,924

<i>(In millions)</i>	Nine months ended September 30, 2024				
	FMS	SCS	DTS	Eliminations	Total
United States	\$ 4,174	\$ 3,506	\$ 1,831	\$ (714)	\$ 8,797
Canada	229	207	—	(33)	403
Mexico	—	247	—	—	247
Total revenue	\$ 4,403	\$ 3,960	\$ 1,831	\$ (747)	\$ 9,447

<i>(In millions)</i>	Nine months ended September 30, 2023				
	FMS	SCS	DTS	Eliminations	Total
United States	\$ 4,214	\$ 3,145	\$ 1,342	\$ (573)	\$ 8,128
Canada	235	197	—	(32)	400
Mexico	—	232	—	—	232
Total revenue	\$ 4,449	\$ 3,574	\$ 1,342	\$ (605)	\$ 8,760

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

Industry

Our SCS business segment included revenue from the following industries:

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Omnichannel retail	\$ 421	\$ 421	\$ 1,254	\$ 1,279
Automotive	384	388	1,207	1,192
Consumer packaged goods	302	237	886	695
Industrial and other	210	148	613	408
Total SCS revenue	\$ 1,317	\$ 1,194	\$ 3,960	\$ 3,574

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 Condensed Consolidated Statements of Earnings. For the three months ended September 30, 2024 and 2023, we recognized \$ 242 million and \$ 239 million, respectively. For the nine months ended September 30, 2024 and 2023, we recognized \$ 726 million and \$ 722 million, respectively.

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:

(In millions)	Nine months ended September 30,	
	2024	2023
Balance as of beginning of period	\$ 545	\$ 544
Recognized as revenue during period from beginning balance	(146)	(131)
Consideration deferred during period, net	185	137
Other	2	—
Balance as of end of period	\$ 586	\$ 550

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 \$ 3.0 billion as of September 30, 2024, and primarily includes deferred revenue and amounts for ChoiceLease maintenance revenue that will be recognized as revenue in future periods as we provide maintenance services to our customers.

4. RECEIVABLES, NET

(In millions)	September 30, 2024	December 31, 2023
	\$ 1,641	\$ 1,505
Trade	\$ 1,641	\$ 1,505
Sales-type lease	152	140
Other, primarily warranty and insurance	117	111
	1,910	1,756
Allowance for credit losses and other	(41)	(42)
Receivables, net	<u><u>\$ 1,869</u></u>	<u><u>\$ 1,714</u></u>

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

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

(In millions)	Nine months ended September 30,	
	2024	2023
Balance as of beginning of period	\$ 42	\$ 41
Changes to provisions for credit losses	20	13
Write-offs and other	(21)	(20)
Balance as of end of period	\$ 41	\$ 34

5. REVENUE EARNING EQUIPMENT, NET

(Dollars in millions)	Estimated Useful Lives (In Years)	September 30, 2024			December 31, 2023		
		Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Held for use:							
Trucks	3 — 7	\$ 6,105	\$ (2,213)	\$ 3,892	\$ 5,630	\$ (2,192)	\$ 3,438
Tractors	4 — 7.5	6,689	(2,690)	3,999	6,995	(2,712)	4,283
Trailers and other	9.5 — 12	1,700	(673)	1,027	1,686	(683)	1,003
Held for sale		813	(640)	173	732	(564)	168
Total		\$ 15,307	\$ (6,216)	\$ 9,091	\$ 15,043	\$ (6,151)	\$ 8,892

Residual Value Estimate Changes

We periodically review and adjust, as appropriate, the estimated residual values and useful lives of existing revenue earning equipment for the purposes of recording depreciation expense. 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 or useful lives will increase depreciation expense over the remaining useful life of the vehicle. Conversely, an increase in estimated residual values or useful lives will decrease depreciation expense over the remaining useful life of the vehicle. At the end of the vehicle's useful life or end of the lease term, the vehicle 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 sales price.

Our review of the estimated residual values and useful lives 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. As a result, future residual value estimates and resulting depreciation expense are subject to change based upon these 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. For the nine months ended September 30, 2024 and 2023, we did not adjust the estimated residual values and useful lives 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 exceeded fair value, which we refer to as "valuation adjustments," are recognized at the time they are deemed to meet the held-for-sale criteria and are presented within "Used vehicle sales, net" in the Condensed 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

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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:

(In millions)	September 30,		December 31,		Losses from Valuation Adjustments			
	2024		2023		Three months ended September 30, 2024		Nine months ended September 30, 2024	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue earning equipment held for sale:								
Trucks	\$ 10	\$ 5	\$ 3	\$ 2	\$ 9	\$ 5	\$ 9	\$ 5
Tractors	31	38	4	1	13	1	13	1
Trailers and other	3	4	1	2	3	3	3	3
Total assets at fair value	\$ 44	\$ 47	\$ 8	\$ 5	\$ 25	\$ 9	\$ 25	\$ 9

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 \$ 129 million and \$ 121 million as of September 30, 2024 and December 31, 2023, respectively.

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

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Gains on used vehicle sales, net	\$ (23)	\$ (52)	\$ (79)	\$ (183)
Losses from valuation adjustments	8	5	25	9
Used vehicle sales, net	\$ (15)	\$ (47)	\$ (54)	\$ (174)

6. ACCRUED EXPENSES AND OTHER LIABILITIES

(In millions)	September 30, 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
	2024	2023	2024	2023	2024	2023
Operating lease liabilities	\$ 304	\$ 850	\$ 1,154	\$ 234	\$ 800	\$ 1,034
Deferred revenue	163	423	586	177	368	545
Self-insurance	195	314	509	175	284	459
Pension and other employee benefits	23	183	206	27	231	258
Salaries and wages	192	—	192	200	—	200
Operating taxes	141	—	141	129	—	129
Interest	72	—	72	59	—	59
Deposits, mainly from customers	66	—	66	68	—	68
Income taxes	9	—	9	14	—	14
Other	180	204	384	150	188	338
Total	\$ 1,345	\$ 1,974	\$ 3,319	\$ 1,233	\$ 1,871	\$ 3,104

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7. LEASES**Leases as Lessor**

The components of lease income were as follows:

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Operating leases				
Lease income related to ChoiceLease	\$ 362	\$ 375	\$ 1,102	\$ 1,103
Lease income related to commercial rental ⁽¹⁾	<u>\$ 240</u>	<u>\$ 281</u>	<u>\$ 691</u>	<u>\$ 856</u>
Sales-type leases				
Interest income related to net investment in leases	\$ 18	\$ 14	\$ 54	\$ 40
Variable lease income excluding commercial rental ⁽¹⁾	<u>\$ 96</u>	<u>\$ 74</u>	<u>\$ 267</u>	<u>\$ 216</u>

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

(In millions)	September 30, 2024	December 31, 2023
Net investment in the lease — lease payment receivable	\$ 785	\$ 723
Net investment in the lease — unguaranteed residual value in assets	48	43
	<u>833</u>	<u>766</u>
Estimated loss allowance	(3)	(4)
Total	\$ 830	\$ 762

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8. DEBT

(Dollars in millions)	Weighted Average Interest Rate		September 30, 2024		December 31, 2023	
	September 30, 2024	Maturities	Maturities	Maturities	Maturities	Maturities
Debt:						
Trade receivables financing program	5.80 %	2025	\$ 20	\$ 50		
U.S. commercial paper	5.28 %	2026	977	572		
Unsecured medium-term note issued February and August 2019	— %	2024	—	1,150		
Unsecured medium-term note issued April 2020	4.63 %	2025	400	400		
Unsecured medium-term note issued May 2020	3.35 %	2025	400	400		
Unsecured medium-term note issued December 1995	6.95 %	2025	150	150		
Unsecured medium-term note issued November 2021	5.96 %	2026	300	300		
Unsecured medium-term note issued November 2019	2.90 %	2026	400	400		
Unsecured medium-term note issued February 2022	4.43 %	2027	450	450		
Unsecured medium-term note issued May 2022	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 %	2028	500	500		
Unsecured medium-term note issued May 2023	5.25 %	2028	650	650		
Unsecured medium-term note issued November 2023	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 2023	6.60 %	2033	600	600		
Unsecured foreign obligations	— %	2024	—	50		
Unsecured U.S. obligations	5.14 %	2027	275	375		
Asset-backed U.S. obligations ⁽¹⁾	3.49 %	2024-2030	279	382		
Finance lease obligations and other		2024-2031	62	49		
			7,663	7,178		
Fair market value adjustments on medium-term notes ⁽²⁾			(22)	(34)		
Debt issuance costs and original issue discounts			(37)	(30)		
Total debt ⁽³⁾			7,603	7,114		
Short-term debt and current portion of long-term debt			(975)	(1,583)		
Long-term debt			\$ 6,628	\$ 5,531		

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

⁽²⁾ Interest rate swaps are included in "Other non-current liabilities" within the Condensed Consolidated Balance Sheets. The notional amount of interest rate swaps designated as fair value hedges was \$ 500 million as of both September 30, 2024 and December 31, 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 \$ 7.5 billion and \$ 6.8 billion as of September 30, 2024 and December 31, 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.

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

Nine months ended September 30, 2024		
(In millions)	Debt Proceeds	Debt Repayments
Medium-term notes ⁽¹⁾	\$ 1,490	Medium-term notes
U.S. and foreign term loans, finance lease obligations and other	—	U.S. and foreign term loans, finance lease obligations and other
Total debt proceeds	\$ 1,490	Total debt repaid
		\$ 1,448

(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.

On June 28, 2024, certain terms of our global revolving credit facility were amended. Pursuant to the amendment, the Canadian Dollar Offered Rate (CDOR) was replaced as an available benchmark interest rate with the Canadian Overnight Repo Rate Average (CORRA).

As of September 30, 2024, there was \$ 423 million available under the \$ 1.4 billion global revolving credit facility. In order to maintain availability of funding, we must maintain a ratio of debt to consolidated net worth of less than or equal to 300 %, as defined in the credit facility agreement. As of September 30, 2024, the ratio was 191 %.

We had letters of credit and surety bonds outstanding of \$ 453 million and \$ 466 million as of September 30, 2024 and December 31, 2023, respectively, which primarily guarantee the payment of insurance claims.

As of September 30, 2024, the available proceeds under the \$ 300 million trade receivables financing program were \$ 223 million. Utilization of this program included borrowings of \$ 20 million and letters of credit outstanding of \$ 57 million.

9. SHARE REPURCHASE PROGRAMS

During the nine months ended September 30, 2024, we maintained two share repurchase programs approved by our board of directors in October 2023. 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 granted management discretion to repurchase up to 2 million shares of common stock over a period of two years under a discretionary share repurchase program (the "October 2023 Discretionary Program"). The 2023 Anti-Dilutive Program commenced October 12, 2023, and expires October 12, 2025. The October 2023 Discretionary Program commenced October 12, 2023 and was completed during the third quarter of 2024, upon the aggregate repurchase of 2 million shares of common stock. Share repurchases under the 2023 Anti-Dilutive Program 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.

In October 2024, our board of directors approved a new discretionary share repurchase program (the "October 2024 Discretionary Program"). Under the October 2024 Discretionary Program, management is authorized to repurchase up to 2 million shares of common stock, at its discretion, over a period of two years from October 9, 2024, to October 9, 2026.

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.

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

(In millions)	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
2023 Anti-Dilutive Program	0.1	\$ 7	—	\$ —	0.6	\$ 77	—	\$ —
2021 Anti-Dilutive Program	—	—	0.3	26	—	—	1.0	96
Anti-Dilutive Programs	0.1	7	0.3	26	0.6	77	1.0	96
October 2023 Discretionary Program	1.0	134	—	—	1.6	205	—	—
February 2023 Discretionary Program	—	—	1.2	123	—	—	2.0	186
Discretionary Programs	1.0	134	1.2	123	1.6	205	2.0	186
Total	1.1	\$ 141	1.5	\$ 149	2.2	\$ 282	3.0	\$ 282

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

10. 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 change in each component of Accumulated other comprehensive loss, net of tax (AOCL):

(In millions)	Currency Translation Adjustments	Net Actuarial (Loss) Gain and Prior Service Costs		Unrealized (Loss) Gain from Cash Flow Hedges		Accumulated Other Comprehensive (Loss) Gain	
		Currency Translation Adjustments	Net Actuarial (Loss) Gain and Prior Service Costs	Unrealized (Loss) Gain from Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Gain		
January 1, 2024	\$ (18)	\$ (637)	\$ —	\$ —	\$ (655)		
Other comprehensive loss, net of tax, before reclassifications	(36)	—	—	—	(36)		
Amounts reclassified from AOCI, net of tax	—	17	(4)	13			
Net current-period other comprehensive (loss) gain, net of tax	(36)	17	(4)	(23)			
September 30, 2024	\$ (54)	\$ (620)	\$ (4)	\$ (678)			

(In millions)	Currency Translation Adjustments	Net Actuarial (Loss) Gain and Prior Service Costs		Unrealized (Loss) Gain from Cash Flow Hedges		Accumulated Other Comprehensive (Loss) Gain	
		Currency Translation Adjustments	Net Actuarial (Loss) Gain and Prior Service Costs	Unrealized (Loss) Gain from Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Gain		
January 1, 2023	\$ (238)	\$ (566)	\$ 8	\$ (796)			
Other comprehensive gain, net of tax, before reclassifications	20	—	4	24			
Amounts reclassified from AOCI, net of tax	183	15	(5)	193			
Net current-period other comprehensive gain (loss), net of tax	203	15	(1)	217			
September 30, 2023	\$ (35)	\$ (551)	\$ 7	\$ (579)			

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

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11. EARNINGS PER SHARE

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

(Dollars in millions and shares in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Earnings per common share — Basic:				
Earnings from continuing operations	\$ 143	\$ 160	\$ 354	\$ 282
Less: Distributed and undistributed earnings allocated to unvested stock	(1)	(1)	(2)	(2)
Earnings from continuing operations available to common shareholders	<u><u>\$ 142</u></u>	<u><u>\$ 159</u></u>	<u><u>\$ 352</u></u>	<u><u>280</u></u>
Weighted average common shares outstanding	<u><u>42,731</u></u>	<u><u>45,087</u></u>	<u><u>43,399</u></u>	<u><u>45,813</u></u>
Earnings from continuing operations per common share — Basic	<u><u>\$ 3.32</u></u>	<u><u>\$ 3.51</u></u>	<u><u>\$ 8.11</u></u>	<u><u>6.11</u></u>
Earnings per common share — Diluted:				
Earnings from continuing operations	\$ 143	\$ 160	\$ 354	\$ 282
Less: Distributed and undistributed earnings allocated to unvested stock	—	—	—	—
Earnings from continuing operations available to common shareholders — Diluted	<u><u>\$ 143</u></u>	<u><u>\$ 160</u></u>	<u><u>\$ 354</u></u>	<u><u>282</u></u>
Weighted average common shares outstanding — Basic	<u><u>42,731</u></u>	<u><u>45,087</u></u>	<u><u>43,399</u></u>	<u><u>45,813</u></u>
Effect of dilutive equity awards	<u><u>1,154</u></u>	<u><u>1,183</u></u>	<u><u>1,107</u></u>	<u><u>1,047</u></u>
Weighted average common shares outstanding — Diluted	<u><u>43,885</u></u>	<u><u>46,270</u></u>	<u><u>44,506</u></u>	<u><u>46,860</u></u>
Earnings from continuing operations per common share — Diluted	<u><u>\$ 3.25</u></u>	<u><u>\$ 3.44</u></u>	<u><u>\$ 7.96</u></u>	<u><u>6.01</u></u>
Anti-dilutive equity awards not included in Diluted EPS	61	73	78	1,077

Note: Amounts may not be additive due to rounding.

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12. EMPLOYEE BENEFIT PLANS

Components of net pension expense for defined benefit pension plans were as follows:

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Company-administered plans:				
Service cost	\$ —	\$ 1	\$ 1	\$ 1
Interest cost	22	22	65	67
Expected return on plan assets	(19)	(20)	(57)	(58)
Amortization of net actuarial loss and prior service cost	7	7	22	20
Net pension expense	\$ 10	\$ 10	\$ 31	\$ 30
Company-administered plans:				
U.S.	\$ 7	\$ 8	\$ 22	\$ 23
Non-U.S.	3	2	9	7
Net pension expense	\$ 10	\$ 10	\$ 31	\$ 30

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. During the nine months ended September 30, 2024, we prefunded future required contributions of \$ 50 million to our U.S. pension plan. We also maintain other postretirement benefit plans that are not reflected in the table above as the amount of postretirement benefit expense for such plans was not material for any period presented.

13. OTHER ITEMS IMPACTING COMPARABILITY

Our primary measure of segment performance as shown in Note 2, "Segment Reporting," excludes certain items we do not believe are representative of the ongoing operations of our business segments. Excluding these items from our segment measure of performance allows for better year-over-year comparison:

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Acquisition costs ⁽¹⁾	\$ 1	—	\$ 6	—
FMS U.K. exit, primarily net commercial claim proceeds ⁽²⁾	—	4	—	(32)
Currency translation adjustment loss	—	—	—	188
Other, net ⁽¹⁾	—	—	(1)	(1)
Other items impacting comparability	\$ 1	\$ 4	\$ 5	\$ 155

⁽¹⁾ Included within "Restructuring and other items, net" in our Condensed Consolidated Statements of Earnings.

⁽²⁾ Primarily included within "Restructuring and other items, net" in our Condensed Consolidated Statements of Earnings.

14. 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 condensed 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

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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, in May 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 alleges, among other things, that the defendants misrepresented Ryder's depreciation policy and residual value estimates for its vehicles. In April 2023, the parties reached an agreement in principle to resolve the Securities Class Action. In February 2024, the court entered an order preliminarily approving a settlement and authorizing dissemination of the notice of settlement. 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, subject to the execution of definitive settlement documentation and court approval. We expect that any settlement amount of plaintiffs' attorneys' fees and expenses in connection with the settlement of the Derivative Cases also will be covered by insurance, and accordingly is not material to our financial position or results of operations.

Income Taxes

The Organisation for Economic Co-operation and Development (OECD) set forth a framework to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar Two), with certain aspects of Pillar Two effective January 1, 2024, and other aspects effective January 1, 2025. While the U.S. has not enacted legislation to adopt Pillar Two as of September 30, 2024, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement Pillar Two. We do not expect Pillar Two to have a material impact on our effective tax rate or our consolidated results of operation, financial position, and cash flows.

15. SUPPLEMENTAL CASH FLOW INFORMATION

(In millions)	Nine months ended September 30,	
	2024	2023
Interest paid	\$ 268	\$ 199
Income taxes paid	\$ 203	\$ 78
Cash paid for operating lease liabilities	\$ 253	\$ 175
Right-of-use assets obtained in exchange for lease obligations:		
Finance leases	\$ 25	\$ 18
Operating leases	\$ 102	\$ 422
Capital expenditures acquired but not yet paid	\$ 308	\$ 324

16. ACQUISITIONS

We believe that we have sufficient information to provide a reasonable basis for estimating the fair values of assets acquired and liabilities assumed. The purchase price allocation excludes certain items to be resolved post-closing with the seller, which may result in additional adjustments to the final purchase price. Therefore, the provisional measurements of estimated fair values reflected below are subject to change.

On February 1, 2024, we acquired all the outstanding equity of CLH Parent Corporation (Cardinal Logistics) for a purchase price of \$ 299 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

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services. We expect that the acquisition will increase our scale and network density and further advance our strategy to accelerate growth in DTS.

We have preliminarily estimated goodwill of \$ 168 million and intangible assets of \$ 116 million for the Cardinal Logistics acquisition. None of the goodwill is expected to be deductible for income tax purposes. We expect to finalize the valuation and complete the purchase consideration allocation no later than one year from the acquisition date.

During the third quarter of 2024, we also acquired a business in our FMS segment for a purchase price of \$ 15 million.

**ITEM 2. 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 the unaudited Condensed Consolidated Financial Statements and notes thereto included under Item 1, as well as our audited consolidated financial statements and notes thereto and related MD&A included in the 2023 Annual Report on Form 10-K. All percentages have been calculated using unrounded amounts.

OVERVIEW

General

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 for themselves, or may choose to obtain similar or alternative services from other third-party vendors. Our customer base includes enterprises operating in a variety of industries including food and beverage service, retail and consumer goods, transportation and logistics, automotive, industrial, housing, technology, and business and personal services.

SELECTED OPERATING PERFORMANCE ITEMS

- Diluted EPS from continuing operations of \$3.25 in the third quarter of 2024 compared to \$3.44 in prior year
- Comparable EPS (a non-GAAP measure) from continuing operations of \$3.44 in the third quarter of 2024, as compared to \$3.58 in prior year, reflecting weaker market conditions in rental and used vehicle sales, partially offset by higher earnings in contractual lease, supply chain, and dedicated transportation businesses
- Total revenue of \$3.2 billion in the third quarter of 2024, compared to \$2.9 billion in prior year
- Operating revenue (a non-GAAP measure) of \$2.6 billion in the third quarter of 2024, up 9%, reflecting recent acquisitions
- Adjusted Return on Equity (ROE) (a non-GAAP measure) of 16% for the trailing twelve months ended September 30, 2024
- Net cash provided by operating activities from continuing operations of \$1.7 billion and free cash flow (a non-GAAP measure) of \$218 million in the nine months ended September 30, 2024

Business Trends

During the three and nine months ended September 30, 2024, market conditions for used vehicle sales and commercial rental remained weak. Although we are experiencing near-term sales headwinds that reflect the extended freight downturn and overall economic uncertainty, we continue to benefit from favorable long-term secular trends in logistics and transportation solutions. These secular trends provide long-term growth opportunities for our Supply Chain Solutions (SCS) and Dedicated Transportation Solutions (DTS) business segments.

In our Fleet Management Solutions (FMS) business, rental demand and used vehicle pricing declined from the prior year. We now anticipate that market conditions, including a freight recessionary environment, will remain weak through the end of 2024 for rental and used vehicle sales. Our maintenance cost savings initiatives continue to benefit earnings, and our lease pricing initiatives are delivering improved portfolio returns. We expect to continue to realize incremental earnings benefits as our remaining portfolio is renewed at higher returns.

In our SCS business, the acquisition of IFS as well as brokerage and logistics business from the acquisition of Cardinal Logistics drove total SCS revenue and operating revenue (a non-GAAP measure) growth during the nine months ended September 30, 2024. The dedicated business from the Cardinal Logistics acquisition drove operating revenue growth in DTS during the nine months ended September 30, 2024, and we expect this acquisition to continue to significantly benefit DTS revenue for the remainder of 2024.

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.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

The following discussion provides a summary of financial highlights that are discussed in more detail throughout our MD&A and within the Notes to Condensed Consolidated Financial Statements:

(Dollars in millions, except per share)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
Total revenue	\$ 3,168	\$ 2,924	\$ 9,447	\$ 8,760	8%	8%
Operating revenue ⁽¹⁾	2,593	2,379	7,649	7,051	9%	8%
Earnings from continuing operations before income taxes (EBT)	\$ 188	\$ 213	\$ 480	\$ 458	(12)%	5%
Comparable EBT ⁽¹⁾	199	227	516	643	(12)%	(20)%
Earnings from continuing operations	143	160	354	282	(10)%	26%
Comparable earnings from continuing operations ⁽¹⁾	151	165	381	468	(9)%	(19)%
Comparable EBITDA ⁽¹⁾	716	680	2,056	1,982	5%	4%
Earnings per common share (EPS) — Diluted						
Continuing operations	\$ 3.25	\$ 3.44	\$ 7.96	\$ 6.01	(4)%	32%
Comparable ⁽¹⁾	3.44	3.58	8.56	10.00	(3)%	(14)%
Net cash provided by operating activities from continuing operations			\$ 1,707	\$ 1,842		(7)%
Total capital expenditures ⁽²⁾			1,986	2,582		(23)%
Free cash flow ⁽¹⁾			218	32		581%
	September 30, 2024	December 31, 2023				
Debt to equity ⁽³⁾	249%	232%				1,700 bps
	Twelve months ended September 30, 2024	2023				
Adjusted return on equity ⁽¹⁾	16%	21%				(500) bps

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

(3) Represents total debt divided by total equity.

Total revenue was \$3.2 billion in the third quarter of 2024, as compared to \$2.9 billion in the prior year, and \$9.4 billion in the nine months ended September 30, 2024, as compared to \$8.8 billion in the prior year, primarily reflecting higher operating revenue and higher subcontracted transportation. Operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation) increased 9% in the third quarter of 2024 and 8% in the nine months ended September 30, 2024, reflecting recent acquisitions and contractual revenue growth in FMS and SCS, partially offset by lower commercial rental revenue in FMS.

EBT decreased to \$188 million in the third quarter largely reflecting weaker rental demand and lower gains on used vehicle sales due to lower volumes and pricing in FMS. EBT increased to \$480 million in the nine months ended September 30, 2024, due to a 2023 one-time, non-cash \$188 million currency translation adjustment loss related to the FMS U.K. business exit, partially offset by lower comparable EBT (a non-GAAP measure). Comparable EBT decreased 12% and 20% in the third quarter and nine months ended September 30, 2024, respectively, primarily due to decreased commercial rental results and reduced gains on used vehicles sold in FMS, partially offset by higher ChoiceLease results in FMS as well as SCS and DTS earnings.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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CONSOLIDATED RESULTS

Services

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
	\$ 2,097	\$ 1,799	\$ 6,248	\$ 5,399	17%	16%
Services revenue	\$ 2,097	\$ 1,799	\$ 6,248	\$ 5,399	17%	16%
Cost of services	1,774	1,524	5,311	4,638	16%	15%
Gross margin	\$ 323	\$ 275	\$ 937	\$ 761	17%	23%
Gross margin %	15%	15%	15%	14%		

Services revenue represents all the revenue associated with our SCS and DTS business segments, including subcontracted transportation and fuel, as well as SelectCare and fleet support services associated with our FMS business segment. Services revenue increased 17% in the third quarter and 16% in the nine months ended September 30, 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 and maintenance costs. Cost of services increased 16% in the third quarter of 2024 reflecting higher revenue. Cost of services increased 15% for the nine months ended September 30, 2024 reflecting higher revenue, partially offset by a \$30 million SCS asset impairment charge in the prior year.

Services gross margin increased 17% in the third quarter and increased 23% for the nine months ended September 30, 2024 primarily driven by recent acquisitions in DTS and SCS. Services gross margin increase for the nine months ended September 30, 2024, also reflects an SCS asset impairment charge in the prior year.

Lease & Related Maintenance and Rental

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
	\$ 960	\$ 986	\$ 2,844	\$ 2,941	(3)%	(3)%
Lease & related maintenance and rental revenue	\$ 960	\$ 986	\$ 2,844	\$ 2,941	(3)%	(3)%
Cost of lease & related maintenance and rental	646	666	1,960	2,001	(3)%	(2)%
Gross margin	\$ 314	\$ 320	\$ 884	\$ 940	(2)%	(6)%
Gross margin %	33%	32%	31%	32%		

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 the third quarter and nine months ended September 30, 2024, reflecting lower 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 Condensed Consolidated Statements of Earnings. Cost of lease & related maintenance and rental decreased 3% in the third quarter and 2% in the nine months ended September 30, 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 in the third quarter and in the nine months ended September 30, 2024, primarily due to lower rental demand. Lease & related maintenance and rental gross margin percentage increased in the third quarter due to higher rate in Choicelease and decreased in the nine months ended September 30, 2024 primarily due to lower rental utilization.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

Fuel

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
	\$ 111	\$ 139	\$ 355	\$ 420	(20)%	(15)%
Fuel services revenue	\$ 108	137	344	412	(21)%	(17)%
Cost of fuel services	\$ 3	2	\$ 11	8	50%	38%
Gross margin	3%	2%	3%	2%		
Gross margin %						

Fuel services revenue represents fuel services provided to our FMS customers. Fuel services revenue decreased 20% in the third quarter and 15% in the nine months ended September 30, 2024, primarily reflecting lower fuel prices passed through to customers.

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 21% in the third quarter and 17% in the nine months ended September 30, 2024, as a result of lower market fuel prices.

Fuel services gross margin increased in the third quarter and the nine months ended September 30, 2024. Fuel services gross margin as a percentage of revenue increased compared to prior year for the third quarter and nine months ended September 30, 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 for the third quarter and nine months ended September 30, 2024, was not significantly impacted by these price change dynamics as fuel prices fluctuated during the periods.

Selling, General and Administrative Expenses

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
	\$ 368	\$ 347	\$ 1,113	\$ 1,053	6%	6%
Selling, general and administrative expenses (SG&A)	12%	12%	12%	12%		
Percentage of total revenue						

SG&A expenses increased 6% in the third quarter of 2024 and 6% in the nine months ended September 30, 2024. The increase in the third quarter primarily reflects higher incentive-based compensation expenses and the increase in the nine months ended September 30, 2024 primarily reflects the impact from recent acquisitions, partially offset by lower advertising expense. SG&A expenses as a percentage of total revenue remained at 12% for the third quarter and for the nine months ended September 30, 2024.

Non-Operating Pension Costs, net

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
	\$ 10	\$ 10	\$ 31	\$ 30	1%	1%
Non-operating pension costs, net						

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.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

Used Vehicle Sales, net

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023		
	\$ (15)	\$ (47)	\$ (54)	\$ (174)	Three Months (68)%	Nine Months (69)%
Used vehicle sales, net	\$ (15)	\$ (47)	\$ (54)	\$ (174)	Three Months (68)%	Nine Months (69)%

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 values (referred to as "valuation adjustments"). Used vehicle sales, net decreased in the third quarter due to lower proceeds per unit on sales of used vehicles and decreased in the nine months ended September 30, 2024, due to lower proceeds per unit on sales of used vehicles partially offset by higher volumes.

Average proceeds per unit decreased in the third quarter and for the nine months ended September 30, 2024. The following table presents the average used vehicle pricing changes for North America compared to the prior year:

	Proceeds per unit change 2024/2023 ⁽¹⁾	
	Three Months	Nine Months
Tractors	(22)%	(25)%
Trucks	(19)%	(25)%

⁽¹⁾ Represents percentage change compared to prior year period in average sales proceeds on used vehicle sales using constant currency.

Interest Expense

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023		
	\$ 98	\$ 75	\$ 286	\$ 212	Three Months 31%	Nine Months 35%
Interest expense	\$ 98	\$ 75	\$ 286	\$ 212	Three Months 31%	Nine Months 35%
Effective interest rate	5.3%	4.6%	5.2%	4.4%		

Interest expense increased 31% in the third quarter and 35% for the nine months ended September 30, 2024, reflecting higher market interest rates on new debt issuances and refinancings, as well as increased debt borrowings to fund recent acquisitions and share repurchases.

Miscellaneous Income, net

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023		
	\$ (10)	\$ (5)	\$ (29)	\$ (36)	Three Months 100%	Nine Months (19)%
Miscellaneous income, net	\$ (10)	\$ (5)	\$ (29)	\$ (36)	Three Months 100%	Nine Months (19)%

Miscellaneous income, net consists of investment income, interest income, gains on sales of operating property, foreign currency transaction remeasurement and other non-operating items. Miscellaneous income, net increased to \$10 million in the third quarter of 2024, primarily due to higher investment income offset by lower gains on sales of properties. Miscellaneous income, net decreased to \$29 million for the nine months ended September 30, 2024, due to lower gains on sales of properties, offset by higher investment income.

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Currency Translation Adjustment Loss

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
Currency translation adjustment loss	\$ —	\$ —	\$ —	\$ 188	NM	NM

NM - Denotes Not Meaningful throughout the MD&A

Refer to Note 10, "Accumulated Other Comprehensive Loss" for a discussion on the Currency translation adjustment loss.

Restructuring and Other Items, net

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
Restructuring and other items, net	\$ 1	\$ 4	\$ 5	\$ (22)	NM	NM

Refer to Note 13, "Other Items Impacting Comparability" in the Notes to Condensed Consolidated Financial Statements for a discussion of restructuring charges and other items.

Provision for Income Taxes

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
Provision for income taxes	\$ 45	\$ 53	\$ 126	\$ 176	(15)%	(28)%
Effective tax rate on continuing operations	24.0%	25.2%	26.2%	38.5%		
Comparable tax rate on continuing operations ⁽¹⁾	23.9%	27.0%	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 on continuing operations was 24.0% in the third quarter of 2024, compared to 25.2% in the prior year, and 26.2% for the nine months ended September 30, 2024, compared to 38.5% in the prior year. The higher effective tax rate in the nine months ended September 30, 2023 is primarily due to the second quarter 2023 one-time, nondeductible cumulative currency translation adjustment loss from the FMS U.K. business exit. Our comparable tax rate, which excludes the impact of the prior year currency translation adjustment loss, was lower at 23.9% in the third quarter of 2024 compared to 27.0% in the prior year, and 26.1% for the nine months ended September 30, 2024, compared to 27.2% in the prior year. The decrease in the comparable tax rate was due to discrete tax benefits during the third quarter of 2024.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

OPERATING RESULTS BY BUSINESS SEGMENT

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
	\$	\$	\$	\$	%	%
Revenue:						
Fleet Management Solutions	\$ 1,470	\$ 1,487	\$ 4,403	\$ 4,449	(1)%	(1)%
Supply Chain Solutions	1,317	1,194	3,960	3,574	10%	11%
Dedicated Transportation Solutions	633	448	1,831	1,342	41%	36%
Eliminations	(252)	(205)	(747)	(605)	23%	23%
Total	\$ 3,168	\$ 2,924	\$ 9,447	\$ 8,760	8%	8%
Operating Revenue: ⁽¹⁾						
Fleet Management Solutions	\$ 1,281	\$ 1,266	\$ 3,808	\$ 3,782	1%	1%
Supply Chain Solutions	996	909	2,958	2,653	10%	11%
Dedicated Transportation Solutions	486	325	1,397	974	49%	43%
Eliminations	(170)	(121)	(514)	(358)	40%	44%
Total	\$ 2,593	\$ 2,379	\$ 7,649	\$ 7,051	9%	8%
Earnings from continuing operations before income taxes:						
Fleet Management Solutions	\$ 132	\$ 169	\$ 365	\$ 531	(22)%	(31)%
Supply Chain Solutions	93	81	242	174	14%	39%
Dedicated Transportation Solutions	36	28	91	90	31%	1%
Eliminations	(34)	(23)	(97)	(73)	46%	34%
	227	255	601	722	(11)%	(17)%
Unallocated Central Support Services	(17)	(20)	(52)	(54)	(13)%	(2)%
Intangible amortization expense	(11)	(8)	(33)	(25)	33%	28%
Non-operating pension costs, net ⁽²⁾	(10)	(10)	(31)	(30)	1%	1%
Other items impacting comparability, net ⁽³⁾	(1)	(4)	(5)	(155)	NM	NM
Earnings from continuing operations before income taxes	\$ 188	\$ 213	\$ 480	\$ 458	(12)%	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.

(2) Refer to Note 12, "Employee Benefit Plans," for a discussion on this item.

(3) Refer to Note 13, "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 segment "Earnings from continuing operations before income taxes" (EBT), which includes an allocation of Central Support Services (CSS), and excludes Non-operating pension costs, net, intangible amortization expense, and certain other items as discussed in Note 13, "Other Items Impacting Comparability," in the Notes to Condensed Consolidated Financial Statements. CSS represents those costs incurred to support all business segments, including finance and procurement, corporate services, human resources, information technology, public affairs, legal, marketing and corporate communications.

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 corporate costs are not attributable to any segment and remain unallocated in CSS, including costs for investor relations, public affairs and certain executive compensation.

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

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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used in providing services to SCS and DTS customers. 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").

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

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
					Three Months	Nine Months
	2024	2023	2024	2023		
Equipment Contribution:						
Supply Chain Solutions	\$ 11	\$ 10	\$ 33	\$ 32	8%	3%
Dedicated Transportation Solutions	23	13	64	41	76%	58%
Total	\$ 34	\$ 23	\$ 97	\$ 73	46%	34%

Vehicles acquired from Cardinal Logistics are included in FMS revenue earning equipment. Our FMS segment leases these vehicles and also provides maintenance services to our DTS segment. EBT related to inter-segment equipment and services on these acquired vehicles billed to DTS drove the increase in DTS equipment contribution in the third quarter and nine months ended September 30, 2024.

Fleet Management Solutions

(Dollars in millions)	Three months ended September						Change 2024/2023	
	30,		Nine months ended September 30,					
	2024	2023	2024	2023	Three Months	Nine Months		
ChoiceLease	\$ 857	\$ 799	\$ 2,556	\$ 2,356	7%	8%		
Commercial rental ⁽¹⁾	251	293	726	898	(15)%	(19)%		
SelectCare and other	173	174	526	528	—%	—%		
Fuel services revenue	189	221	595	667	(15)%	(11)%		
FMS total revenue	<u><u>\$ 1,470</u></u>	<u><u>\$ 1,487</u></u>	<u><u>\$ 4,403</u></u>	<u><u>\$ 4,449</u></u>	<u><u>(1)%</u></u>	<u><u>(1)%</u></u>		
FMS operating revenue ⁽²⁾	<u><u>\$ 1,281</u></u>	<u><u>\$ 1,266</u></u>	<u><u>\$ 3,808</u></u>	<u><u>\$ 3,782</u></u>	<u><u>1%</u></u>	<u><u>1%</u></u>		
FMS EBT	<u><u>\$ 132</u></u>	<u><u>\$ 169</u></u>	<u><u>\$ 365</u></u>	<u><u>\$ 531</u></u>	<u><u>(22)%</u></u>	<u><u>(31)%</u></u>		
FMS EBT as a % of FMS total revenue	<u><u>9.0%</u></u>	<u><u>11.4%</u></u>	<u><u>8.3%</u></u>	<u><u>11.9%</u></u>	<u><u>(240) bps</u></u>	<u><u>(360) bps</u></u>		
FMS EBT as a % of FMS operating revenue ⁽²⁾	<u><u>10.3%</u></u>	<u><u>13.4%</u></u>	<u><u>9.6%</u></u>	<u><u>14.0%</u></u>	<u><u>(310) bps</u></u>	<u><u>(440) bps</u></u>		
			Twelve months ended September 30,			Change 2024/2023		
			2024	2023				
FMS EBT as a % of FMS total revenue			8.5%	13.0%	(450) bps			
FMS EBT as a % of FMS operating revenue ⁽²⁾			9.8%	15.4%	(560) bps			

(1) For the three months ended September 30, 2024 and 2023, rental revenue from lease customers in place of a lease vehicle represented 30% and 34% of commercial rental revenue, respectively. For the nine months ended September 30, 2024 and 2023, rental revenue from lease customers in place of a lease vehicle represented 32% and 35% of commercial rental revenue, respectively.

(2) **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 the third quarter and in the nine months ended September 30, 2024 due to lower fuel services 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 the third quarter and in the nine months ended September 30, 2024,

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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due to higher ChoiceLease revenue, including the inter-segment lease revenue with DTS from the Cardinal Logistics acquisition. The increase in FMS operating revenue in both periods was partially offset by lower rental demand.

FMS EBT decreased 22% in the third quarter and 31% in the nine months ended September 30, 2024, reflecting weaker rental demand and lower gains on used vehicle sales due to lower volumes and pricing, partially offset by higher ChoiceLease performance and benefits from maintenance cost savings initiatives. Lower gains on used vehicle sales reflect a 19% and 22% decrease in used truck and tractor pricing, respectively, in the third quarter of 2024 and a 25% and 25% decrease in used truck and tractor pricing, respectively, in the nine months ended September 30, 2024. Rental power fleet utilization decreased to 71% in the third quarter and 69% in the nine months ended September 30, 2024, as compared to 75% in both the third quarter and the nine months ended September 30, 2023. The average power fleet was 7% smaller in the third quarter of 2024 and 11% smaller in the nine months ended September 30, 2024.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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Our North America fleet of owned and leased revenue earning equipment and SelectCare vehicles, including vehicles under on-demand maintenance, is summarized as follows (number of units rounded to the nearest hundred):

	September 30, 2024	December 31, 2023	September 30, 2023	Sept 2024/ Dec 2023	Sept 2024/ Sept 2023	Change
End of period vehicle count						
By type:						
Trucks ⁽¹⁾	79,300	75,600	75,100	5%	6%	
Tractors ⁽²⁾	67,300	69,000	70,500	(2)%	(5)%	
Trailers and other ⁽³⁾	45,100	40,800	41,400	11%	9%	
Total	191,700	185,400	187,000	3%	3%	
By ownership:						
Owned	184,900	184,400	186,000	—%	(1)%	
Leased	6,800	1,000	1,000	580%	580%	
Total	191,700	185,400	187,000	3%	3%	
By product line:						
ChoiceLease	145,800	138,900	139,300	5%	5%	
Commercial rental	34,700	36,400	37,900	(5)%	(8)%	
Service vehicles and other	2,100	2,100	2,000	—%	5%	
	182,600	177,400	179,200	3%	2%	
Held for sale	9,100	8,000	7,800	14%	17%	
Total	191,700	185,400	187,000	3%	3%	
Customer vehicles under SelectCare contracts ⁽⁴⁾	47,900	51,600	52,300	(7)%	(8)%	
Quarterly average vehicle count						
By product line:						
ChoiceLease	145,300	139,000	139,200	5%	4%	
Commercial rental	35,000	37,200	38,700	(6)%	(10)%	
Service vehicles and other	2,100	2,000	2,000	5%	5%	
	182,400	178,200	179,900	2%	1%	
Held for sale	9,400	8,000	7,400	18%	27%	
Total	191,800	186,200	187,300	3%	2%	
Customer vehicles under SelectCare contracts ⁽⁴⁾	49,000	51,800	52,100	(5)%	(6)%	
Customer vehicles under SelectCare on-demand ⁽⁵⁾	2,300	3,000	3,000	(23)%	(23)%	
Total vehicles serviced	243,100	241,000	242,400	1%	—%	

(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 of 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 for the quarterly periods. 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: Quarterly amounts were computed using a 6-point average based on monthly information.

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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):

	September 30, 2024	December 31, 2023	September 30, 2023	Change	
				Sept 2024/ Dec 2023	Sept 2024/ Sept 2023
Active ChoiceLease fleet					
End of period vehicle count ⁽¹⁾	135,300	129,800	130,500	4%	4%
Quarterly average vehicle count ⁽¹⁾	136,200	130,300	130,500	5%	4%
Commercial rental statistics					
Quarterly commercial rental utilization - power fleet ⁽²⁾	71 %	75 %	75 %	(400) bps	(400) bps
Year-to-date commercial rental utilization - power fleet ⁽²⁾	69 %	75 %	75 %	(600) bps	(600) 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)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
	\$ 295	\$ 291	\$ 873	\$ 877	2%	—%
Omni-channel retail	\$ 295	\$ 291	\$ 873	\$ 877	2%	—%
Automotive	270	274	818	790	(2)%	4%
Consumer packaged goods	294	228	861	669	29%	29%
Industrial and other	137	116	406	317	18%	28%
Subcontracted transportation and fuel	321	285	1,002	921	13%	9%
SCS total revenue	\$ 1,317	\$ 1,194	\$ 3,960	\$ 3,574	10%	11%
SCS operating revenue ⁽¹⁾	\$ 996	\$ 909	\$ 2,958	\$ 2,653	10%	11%
SCS EBT	\$ 93	\$ 81	\$ 242	\$ 174	14%	39%
SCS EBT as a % of SCS total revenue	7.0%	6.8%	6.1%	4.9%	20 bps	120 bps
SCS EBT as a % of SCS operating revenue ⁽¹⁾	9.3%	9.0%	8.2%	6.6%	30 bps	160 bps
<i>End of period vehicle count:</i>						
Power vehicles	3,800	4,200	3,800	4,200	(10)%	(10)%
Trailers	8,800	9,900	8,800	9,900	(11)%	(11)%
Total	12,600	14,100	12,600	14,100	(11)%	(11)%
						Twelve months ended September 30,
						Change 2024/2023
						2024
						2023
SCS EBT as a % of SCS total revenue	5.7%	4.5%				120 bps
SCS EBT as a % of SCS operating revenue ⁽¹⁾	7.6%	6.1%				150 bps

(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 10% in the third quarter of 2024 and 11% in the nine months ended September 30, 2024, primarily as a result of higher operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation). SCS

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operating revenue increased 10% in the third quarter of 2024 and 11% for the nine months ended September 30, 2024, driven primarily by recent acquisitions. SCS operating revenue in the nine months ended September 30, 2024 also benefited from organic growth across industry verticals.

SCS EBT increased 14% in the third quarter of 2024 primarily reflecting stronger omnichannel retail performance and lower overhead spending. SCS EBT increased 39% in the nine months ended September 30, 2024, primarily reflecting a prior year \$30 million asset impairment charge, stronger automotive performance and lower overhead spending.

Dedicated Transportation Solutions

(Dollars in millions, except fleet count)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
DTS total revenue	\$ 633	\$ 448	\$ 1,831	\$ 1,342	41%	36%
DTS operating revenue ⁽¹⁾	<u><u>\$ 486</u></u>	<u><u>\$ 325</u></u>	<u><u>\$ 1,397</u></u>	<u><u>\$ 974</u></u>	49%	43%
DTS EBT	\$ 36	\$ 28	\$ 91	\$ 90	31%	1%
DTS EBT as a % of DTS total revenue	<u><u>5.8%</u></u>	<u><u>6.2%</u></u>	<u><u>5.0%</u></u>	<u><u>6.7%</u></u>	(40) bps	(170) bps
DTS EBT as a % of DTS operating revenue ⁽¹⁾	<u><u>7.5%</u></u>	<u><u>8.5%</u></u>	<u><u>6.5%</u></u>	<u><u>9.3%</u></u>	(100) bps	(280) bps
<i>End of period vehicle count:</i>						
Power vehicles	7,400	5,200	7,400	5,200	42%	42%
Trailers	11,800	5,900	11,800	5,900	100%	100%
Total	<u><u>19,200</u></u>	<u><u>11,100</u></u>	<u><u>19,200</u></u>	<u><u>11,100</u></u>	73%	73%
Twelve months ended September 30,						
	2024	2023			Change 2024/2023	
DTS EBT as a % of DTS total revenue	<u><u>5.4%</u></u>	<u><u>6.7%</u></u>			(130) bps	
DTS EBT as a % of DTS operating revenue ⁽¹⁾	<u><u>7.1%</u></u>	<u><u>9.4%</u></u>			(230) bps	

⁽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:

	Three months ended September 30,		Nine months ended September 30,	
	2024		2024	
	Total	Operating ⁽¹⁾	Total	Operating ⁽¹⁾
Organic, including price and volume	(2) %	(3) %	(2) %	(2) %
Acquisition	45	52	40	45
Fuel	<u><u>(2)</u></u>	—	<u><u>(2)</u></u>	—
Net change	<u><u>41</u></u> %	<u><u>49</u></u> %	<u><u>36</u></u> %	<u><u>43</u></u> %

DTS total revenue increased 41% in the third quarter of 2024 and 36% for the nine months ended September 30, 2024, primarily due to higher operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation). DTS operating revenue increased 49% in the third quarter of 2024 and 43% in the nine months ended September 30, 2024, due to the Cardinal Logistics acquisition.

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DTS EBT increased 31% in the third quarter of 2024, due to improved operating performance and the Cardinal Logistics' acquisition. DTS EBT increased 1% for the nine months ended September 30, 2024, due to improved operating performance partially offset by the Cardinal Logistics' acquisition integration and other related costs.

Central Support Services

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Change 2024/2023	
	2024	2023	2024	2023	Three Months	Nine Months
Total CSS	105	106	311	312	(1)%	—%
Allocation of CSS to business segments	(88)	(86)	(259)	(258)	2%	—%
Unallocated CSS	<u><u>\$ 17</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 52</u></u>	<u><u>\$ 54</u></u>	<u><u>(13)%</u></u>	<u><u>(2)%</u></u>

Total CSS costs in the third quarter and in the nine months ended September 30, 2024 were consistent with the prior year.

Unallocated CSS costs decreased 13% in the third quarter of 2024 and decreased 2% in the nine months ended September 30, 2024, primarily reflecting lower incentive-based compensation and professional fees.

FINANCIAL RESOURCES AND LIQUIDITY

Cash Flows

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

(In millions)	Nine months ended September 30,	
	2024	2023
Net cash provided by (used in):		
Operating activities	\$ 1,707	\$ 1,842
Investing activities	(1,802)	(1,814)
Financing activities	65	(126)
Effect of exchange rate changes on cash	(12)	(10)
Net change in cash, cash equivalents, and restricted cash	<u><u>\$ (42)</u></u>	<u><u>\$ (108)</u></u>
(In millions)	Nine months ended September 30,	
	2024	2023
Net cash provided by operating activities from continuing operations		
Earnings from continuing operations	\$ 354	\$ 282
Non-cash and other, net	1,632	1,549
Currency translation adjustment loss	—	188
Collections on sales-type leases	111	91
Changes in operating assets and liabilities	(390)	(268)
Net cash provided by operating activities from continuing operations	<u><u>\$ 1,707</u></u>	<u><u>\$ 1,842</u></u>

Net cash provided by operating activities from continuing operations were \$1.7 billion for the nine months ended September 30, 2024, compared to \$1.8 billion in the prior year period, primarily reflecting higher working capital needs, including a \$50 million prefunding of future required pension contribution. Net cash used in investing activities from continuing operations was \$1.8 billion for the nine months ended September 30, 2024, consistent with 2023, reflecting the acquisition of Cardinal Logistics and decreased cash proceeds from sales of used vehicles and property, partially offset by lower cash paid for capital expenditures. Net cash provided by financing activities from continuing operations increased to \$65 million for the nine months ended September 30, 2024, compared with cash used of \$126 million in 2023, primarily reflecting higher borrowing needs.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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The following table shows our free cash flow (a non-GAAP measure) computation:

(In millions)	Nine months ended September 30,	
	2024	2023
Net cash provided by operating activities from continuing operations	\$ 1,707	\$ 1,842
Sales of revenue earning equipment ⁽¹⁾	414	587
Sales of operating property and equipment ⁽¹⁾	19	60
Total cash generated ⁽²⁾	2,140	2,489
Purchases of property and revenue earning equipment ⁽¹⁾	(1,922)	(2,457)
Free cash flow ⁽²⁾	\$ 218	\$ 32

(1) Included in cash flows from investing activities.

(2) Non-GAAP financial measure. 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 this measure is important to investors.

Free cash flow (a non-GAAP measure) increased to \$218 million for the nine months ended September 30, 2024, compared to \$32 million in 2023, reflecting reduced capital expenditures partially offset by lower cash from operating activities and proceeds from sales of used vehicles and property.

The following table provides a summary of gross capital expenditures:

(In millions)	Nine months ended September 30,	
	2024	2023
Revenue earning equipment:		
ChoiceLease	\$ 1,474	\$ 1,994
Commercial rental	401	388
	1,875	2,382
Operating property and equipment	111	200
Gross capital expenditures	1,986	2,582
Changes to liabilities related to purchases of property and revenue earning equipment	(64)	(125)
Cash paid for purchases of property and revenue earning equipment	\$ 1,922	\$ 2,457

Gross capital expenditures decreased to \$2.0 billion for the nine months ended September 30, 2024, compared to \$2.6 billion in 2023, primarily reflecting reduced investments in the ChoiceLease fleet due to lower sales activity.

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.

Cash and cash equivalents totaled \$162 million as of September 30, 2024. As of September 30, 2024, \$98 million was held outside the U.S. and is available to fund operations. Our intention is to permanently reinvest the earnings of our foreign subsidiaries, with the exception of our non-operating U.K. subsidiary where the assertion was removed in 2021. 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 September 30, 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 impair our ability to access these markets or secure 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.

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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.

Refer to Note 8, "Debt," in the Notes to Condensed Consolidated Financial Statements for additional information on our global revolving credit facility, trade receivables financing program, medium-term notes and asset-backed financing obligations.

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 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 would not affect our ability to borrow amounts under our global 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 September 30, 2024, were as follows:

	Rating Summary		
	Short-term	Long-term	Outlook
Standard & Poor's Ratings Services	A2	BBB+	Stable
Moody's Investors Service ⁽¹⁾	P2	Baa2	Positive
Fitch Ratings	F2	BBB+	Positive

⁽¹⁾ In August 2024, the rating outlook was upgraded to positive.

As of September 30, 2024, we had the following amounts available to fund operations under the following facilities:

	(In millions)	
Global revolving credit facility	\$	423
Trade receivables financing program	\$	223

In accordance with our funding philosophy, we 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 20% and 16% as of September 30, 2024 and December 31, 2023, respectively.

Our debt-to-equity ratio was 249% and 232% as of September 30, 2024 and December 31, 2023, respectively. The debt-to-equity ratio represents total debt divided by total equity.

Share Repurchases and Cash Dividends.

Refer to Note 9, "Share Repurchase Programs," in the Notes to Condensed Consolidated Financial Statements for a discussion on our share repurchase programs.

In October 2024 and 2023, our board of directors declared a quarterly cash dividend of \$0.81 and \$0.71 per share of common stock, respectively.

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AND RESULTS OF OPERATIONS — (Continued)****NON-GAAP FINANCIAL MEASURES**

This Quarterly Report on Form 10-Q includes information extracted from condensed consolidated financial information, but not required by generally accepted accounting principles in the United States (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 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.

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

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

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

Operating Revenue Measures:	
Operating Revenue	<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.
FMS Operating Revenue	
SCS Operating Revenue	
DTS Operating Revenue	
FMS EBT as a % of FMS Operating Revenue	<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.
SCS EBT as a % of SCS Operating Revenue	
DTS EBT as a % of DTS Operating Revenue	<i>Subcontracted transportation:</i> We exclude subcontracted transportation from the calculation of our operating revenue measures, as these services 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.
Comparable Earnings Measures:	
Comparable Earnings before Income Taxes (EBT)	<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.
Comparable Earnings	
Comparable Earnings per Diluted Common Share (EPS)	
Comparable Tax Rate	<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.
Adjusted Return on Equity (ROE)	<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. <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. <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.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	<p><i>Comparable EBITDA</i> 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) 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>
Cash Flow Measures:	
Total Cash Generated	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.
Free Cash Flow	<p><i>Total Cash Generated</i> 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><i>Free Cash Flow</i> 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>

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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The following table provides a reconciliation of GAAP earnings before taxes (EBT), earnings, and earnings per diluted share (Diluted EPS) from continuing operations to comparable EBT, comparable earnings, and comparable EPS. Certain items included in EBT, earnings, and Diluted EPS from continuing operations have been excluded from our comparable EBT, comparable earnings and comparable 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 Condensed Consolidated Financial Statements:

(In millions, except per share amounts)	Continuing Operations			
	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
EBT	\$ 188	\$ 213	\$ 480	\$ 458
Non-operating pension costs, net	10	10	31	30
Acquisition costs ⁽¹⁾	1	—	6	—
FMS U.K. exit ⁽¹⁾	—	4	—	(32)
Currency translation adjustment loss ⁽¹⁾	—	—	—	188
Other, net ⁽¹⁾	—	—	(1)	(1)
Comparable EBT	\$ 199	\$ 227	\$ 516	\$ 643
Earnings from continuing operations	\$ 143	\$ 160	\$ 354	\$ 282
Non-operating pension costs, net	7	8	22	24
Acquisition costs ⁽¹⁾	1	—	5	—
FMS U.K. exit ⁽¹⁾	—	(3)	—	(20)
Currency translation adjustment loss ⁽¹⁾	—	—	—	183
Other, net ⁽¹⁾	—	—	(1)	(1)
Comparable Earnings	\$ 151	\$ 165	\$ 381	\$ 468
Diluted EPS	\$ 3.25	\$ 3.44	\$ 7.96	\$ 6.01
Non-operating pension costs, net	0.17	0.17	0.50	0.51
Acquisition costs ⁽¹⁾	0.01	—	0.12	—
FMS U.K. exit ⁽¹⁾	—	(0.03)	—	(0.41)
Currency translation adjustment loss	—	—	—	3.91
Other, net ⁽¹⁾	0.01	—	(0.02)	(0.02)
Comparable EPS	\$ 3.44	\$ 3.58	\$ 8.56	\$ 10.00

(1) Refer to Note 13, "Other Items Impacting Comparability," in the Notes to Condensed Consolidated Financial Statements for additional information.

Note: Amounts may not be additive due to rounding.

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Effective tax rate on continuing operations ⁽¹⁾	24.0 %	25.2 %	26.2 %	38.5 %
Tax adjustments and income tax effects of non-GAAP adjustments ⁽²⁾	(0.1)%	1.8 %	(0.1)%	(11.3)%
Comparable tax rate on continuing operations ⁽¹⁾	23.9 %	27.0 %	26.1 %	27.2 %

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

(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.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

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

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024		2023	
	\$ 142	\$ 161	\$ 354	\$ 282
Net earnings				
Loss (earnings) from discontinued operations, net of tax	1	(1)	—	—
Provision for income taxes	45	53	126	176
EBT	188	213	480	458
Non-operating pension costs, net	10	10	31	30
Acquisition costs	1	—	6	—
FMS U.K. exit, primarily net commercial claim proceeds ⁽¹⁾	—	4	—	(32)
Currency translation adjustment loss ⁽¹⁾	—	—	—	188
Other, net ⁽¹⁾	—	—	(1)	(1)
Comparable EBT	199	227	516	643
Interest expense	98	75	286	212
Depreciation	423	417	1,275	1,274
Used vehicle sales, net ⁽²⁾	(15)	(47)	(54)	(172)
Amortization	11	8	33	25
Comparable EBITDA	\$ 716	\$ 680	\$ 2,056	\$ 1,982

(1) Refer to the table above in the *Operating Results by Segment* for a discussion on items excluded from our comparable measures and their classification within our Condensed Consolidated Statements of Earnings and Note 13, "Other Items Impacting Comparability," in the Notes to Condensed Consolidated Financial Statements for additional information.

(2) Refer to Note 5, "Revenue Earning Equipment, net," in the Notes to Condensed Consolidated Financial Statements for additional information.

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

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2024		2023	
	\$ 3,168	\$ 2,924	\$ 9,447	\$ 8,760
Total revenue				
Subcontracted transportation and fuel	(575)	(545)	(1,798)	(1,709)
Operating revenue	\$ 2,593	\$ 2,379	\$ 7,649	\$ 7,051

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

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Twelve months ended September 30,	
	2024		2023		2024	
	\$ 1,470	\$ 1,487	\$ 4,403	\$ 4,449	\$ 5,884	\$ 6,044
FMS total revenue						
Fuel services revenue	(189)	(221)	(595)	(667)	(805)	(941)
FMS operating revenue	\$ 1,281	\$ 1,266	\$ 3,808	\$ 3,782	\$ 5,079	\$ 5,103
FMS EBT	\$ 132	\$ 169	\$ 365	\$ 531	\$ 499	\$ 787
FMS EBT as a % of FMS total revenue	9.0%	11.4%	8.3%	11.9%	8.5%	13.0%
FMS EBT as a % of FMS operating revenue	10.3%	13.4%	9.6%	14.0%	9.8%	15.4%

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

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

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Twelve months ended September 30,	
	2024	2023	2024	2023	2024	2023
SCS total revenue	\$ 1,317	\$ 1,194	\$ 3,960	\$ 3,574	\$ 5,261	\$ 4,825
Subcontracted transportation and fuel	(321)	(285)	(1,002)	(921)	(1,331)	(1,289)
SCS operating revenue	<u>996</u>	<u>909</u>	<u>2,958</u>	<u>2,653</u>	<u>3,930</u>	<u>3,536</u>
SCS EBT	<u>93</u>	<u>81</u>	<u>242</u>	<u>174</u>	<u>299</u>	<u>217</u>
SCS EBT as a % of SCS total revenue	<u>7.0%</u>	<u>6.8%</u>	<u>6.1%</u>	<u>4.9%</u>	<u>5.7%</u>	<u>4.5%</u>
SCS EBT as a % of SCS operating revenue	<u>9.3%</u>	<u>9.0%</u>	<u>8.2%</u>	<u>6.6%</u>	<u>7.6%</u>	<u>6.1%</u>

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

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,		Twelve months ended September 30,	
	2024	2023	2024	2023	2024	2023
DTS total revenue	\$ 633	\$ 448	\$ 1,831	\$ 1,342	\$ 2,274	\$ 1,798
Subcontracted transportation and fuel	(147)	(123)	(434)	(368)	(553)	(504)
DTS operating revenue	<u>486</u>	<u>325</u>	<u>1,397</u>	<u>974</u>	<u>1,721</u>	<u>1,294</u>
DTS EBT	<u>36</u>	<u>28</u>	<u>91</u>	<u>90</u>	<u>122</u>	<u>121</u>
DTS EBT as a % of DTS total revenue	<u>5.8%</u>	<u>6.2%</u>	<u>5.0%</u>	<u>6.7%</u>	<u>5.4%</u>	<u>6.7%</u>
DTS EBT as a % of DTS operating revenue	<u>7.5%</u>	<u>8.5%</u>	<u>6.5%</u>	<u>9.3%</u>	<u>7.1%</u>	<u>9.4%</u>

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

(Dollars in millions)	Twelve months ended September 30,	
	2024	2023
Net earnings	\$ 477	\$ 488
Other items impacting comparability, net ⁽¹⁾	7	128
Tax impact ⁽²⁾	—	25
Adjusted net earnings [A]	<u>484</u>	<u>641</u>
Average shareholders' equity	\$ 3,074	\$ 3,029
Average adjustments to shareholders' equity ⁽³⁾	(3)	(21)
Adjusted average shareholders' equity [B]	<u>3,071</u>	<u>3,008</u>
Adjusted return on equity [A/B]	<u>16%</u>	<u>21%</u>

(1) Refer to the table below for a composition of Other items impacting comparability, net, for the 12-month rolling period.

(2) Represents income taxes on Other items impacting comparability, net.

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

Note: Amounts may not be additive due to rounding.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

(In millions)	Twelve months ended September 30,	
	2024	2023
Acquisition costs	\$ 8	\$ —
FMS U.K. exit	—	(56)
Currency translation adjustment loss	—	188
Other, net	(1)	(4)
Other items impacting comparability, net⁽¹⁾	\$ 7	\$ 128

(1) Refer to Note 13, "Other Items Impacting Comparability," in the Notes to Condensed Consolidated Financial Statements for additional information.

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 Quarterly 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 general economic environment;
- our expectations with respect to 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 seasonal 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, intangible assets 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;

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

- 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 Quarterly 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.
 - 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 that could negatively impact our financial and operating results.
 - Financial institution disruptions and the impacts of 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 may 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.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

- 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 SCS 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 cost 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 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.
 - 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.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS — (Continued)**

- 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.
 - Regulatory changes affecting pension estimates, accruals and expenses.
 - Changes in accounting rules, assumptions and accruals.
- Other risks detailed from time to time in our SEC filings including our 2023 Annual Report on Form 10-K and in "Item 1A.-Risk Factors" of this Quarterly 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, we cannot provide assurance 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 Quarterly Report. We do not intend, or assume any obligation, to update or revise any forward-looking statements contained in this Quarterly Report, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to Ryder's exposures to market risks since December 31, 2023. Please refer to the 2023 Annual Report on Form 10-K for a complete discussion of Ryder's exposures to market risks.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the third quarter of 2024, 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 the end of the third quarter of 2024, Ryder's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) were effective.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 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.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please refer to Note 14, "Contingencies and Other Matters," in the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

To our knowledge and except to the extent additional factual information disclosed in this Quarterly Report on Form 10-Q relates to such risk factors, there have been no material changes in the risk factors described in "Item 1A. Risk Factors" in our

Form 10-K for the year ended December 31, 2023, filed with the SEC on February 20, 2024. Our operations could also be affected by additional risk factors that are not presently known to us or by factors that we currently consider not material to our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information with respect to purchases we made of our common stock during the three months ended September 30, 2024:

(Dollars in millions, except per share)	Total Number of Shares Purchased	Average Price Paid per Share	Part of Publicly Announced Programs	Aggregate Maximum	
				Total Number of Shares Purchased as That May Yet Be Purchased Under the Anti-Dilutive Program ⁽¹⁾	Number of Shares That May Yet Be Purchased Under the Anti-Dilutive Program
July 1 through July 31, 2024	242,963	\$ 131.21	242,963	2,047,062	
August 1 through August 31, 2024	700,160	136.66	700,160	1,346,902	
September 1 through September 30, 2024	100,382	136.89	100,188	1,246,714	
Total	<u>1,043,505</u>	<u>\$ 135.41</u>	<u>1,043,311</u>		

(1) We currently maintain two share repurchase programs approved by our board of directors in October 2023 and October 2024. Refer to Note 9, "Share Repurchase Programs," in the Notes to Condensed 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 5. 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 6. EXHIBITS

Exhibit Number	Description
3.1	The Ryder System, Inc. By-Laws, as amended on October 9, 2024
10.10	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
31.1	Certification of Robert E. Sanchez pursuant to Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification of John J. Diez pursuant to Rule 13a-14(a) or Rule 15d-14(a)
32	Certification of Robert E. Sanchez and John J. Diez pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C Section 1350
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements 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.

RYDER SYSTEM, INC.

(Registrant)

Date: October 24, 2024

By: /s/ JOHN J. DIEZ

John J. Diez

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: October 24, 2024

By: /s/ CRISTINA GALLO-AQUINO

Cristina Gallo-Aquino

Senior Vice President and Controller
(Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATION

I, Robert E. Sanchez, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: October 24, 2024

/s/ ROBERT E. SANCHEZ

Robert E. Sanchez
Chair and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, John J. Diez, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: October 24, 2024

/s/ JOHN J. DIEZ

John J. Diez

Executive Vice President and Chief Financial Officer

EXHIBIT 32

CERTIFICATION

In connection with the Quarterly Report of Ryder System, Inc. (the "Company") on Form 10-Q for the period ended September 30, 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 John J. Diez, 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
October 24, 2024

/s/ JOHN J. DIEZ

John J. Diez
Executive Vice President and Chief Financial Officer
October 24, 2024