

2023 Commercial Vehicle Rental Market Guide: Third Quarter



Soak Up Some Summer Transportation Forecasts for Your Business

While summer brings longer days and more sunshine, let's not forget that being prepared for the occasional rainy day is always a good thing to consider. As businesses adapt to changes and challenges in transportation and logistics over the last couple of years, this guide will dive into some important insights, trends, and developments that companies like yours will want to note. We'll even cover the question everyone is asking as Q3 gets underway. Can we expect to see an uptick in demand like the seasons before?

From growth in the food industry's demand for freight, interest rates remaining high for the time being, fluctuating truckload rates, and other trends, some speed bumps are likely to continue, but as we enter the historically busy seasons, having the flexibility and options to manage fleet utilization successfully will present opportunities to bring in revenue, mitigate risks, reduce vehicle downtime, and improve operational costs.

Now's the time to leverage new tools with technological advantages to manage your fleet needs effectively. With the COOP by Ryder commercial vehicle sharing platform, businesses can conveniently fill the need for extra capacity, and those with idle vehicles can use their idle fleet to improve the bottom line. Use this data and insights to empower your business to make informed decisions on how to approach developments in the transportation market this summer.

Q3 Trends & Insights

Here are a few factors we expect to affect commercial vehicle rental demand this summer and impact your fleet's utilization:



Slowdown in Grocery Inflation

This summer, shoppers will see lower costs when filling up their carts. This is excellent news for consumers and trucking companies. After many months of rising prices, the price tag on food items has taken a welcome dip thanks to various factors, such as increased agricultural production and improved distribution networks. Filling grocery loads will be vital over the following months, especially as demand for refrigerated vehicles skyrockets.



The State of Interest Rates

In June, Federal Reserve officials voted to keep rates steady, but experts don't expect that to last. Changing interest rates have a mixed impact on the trucking and logistics industry. On one hand, lower rates can stimulate activity because consumers and companies are borrowing, buying, and investing, leading to increased demand for transportation services. On the other hand, higher interest rates add inflationary pressures, which may increase the costs of fuel, maintenance, and labor. Businesses should pay close attention when rates rise to manage fleet strategies in the next quarter.



Reduced Truckload Volumes

In May, several carriers reported a decrease of about 11% in truckload volumes. While industry experts predict it may not go up as high as last year's level, the demand across the food, leisure, and entertainment industry is accelerating. This rapid growth will impact businesses needing vehicles, especially highly in-demand commercial trailers.

Historical Industry Rental Trends for Q3

Based on historical rental trends over the last few years, we expect the Food & Beverage to remain strong across the aisles thanks partly to lower prices and a healthy harvest from producers. Additionally, moving companies have plenty of activity with local and cross-country moves until summer's end. And let's not forget that with the pandemic behind us, this is the season for fun in the sun. **63% percent of Americans plan to travel around the U.S. this summer, up from 61% this time last year.**

As pointed out in our previous guides, experiences and services are top of mind over purchasing goods. However, as the holiday rush of Q4 approaches, many businesses will look to secure additional fleet capacity to move inventory toward the end of this season.

Rental Demand by Industry in Q3



1. Food & Beverage



2. Moving Services



3. Entertainment,
Travel & Leisure



Average Rental Days by Vehicle Type in Q3 2022



Box Trucks

27
DAYS

JUL

11.90
DAYS

AUG

12.60
DAYS

SEP

12.43
DAYS



Tractors

48
DAYS

JUL

20.81
DAYS

AUG

22.76
DAYS

SEP

23.00
DAYS



Refrigerated Vehicles

61
DAYS

JUL

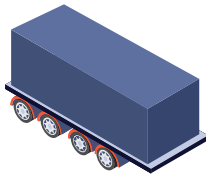
26.12
DAYS

AUG

26.56
DAYS

SEP

27.09
DAYS



Trailers

76
DAYS

JUL

27.14
DAYS

AUG

28.22
DAYS

SEP

28.83
DAYS

Top 5 Makes Rented in Q3 2022

1. 
2. 
3. **WABASH**
4. 
5.  **GREAT DANE**

337

**Rentals that
began in Q3
2022 were
extended into
Q4 2022 on
COOP.**

Most Popular Vehicle Type of Q3 2022



**LARGE
DRY TRAILER**

Popular Vehicle Types in Q3

Refrigerated Trailers

With the predicted rise in grocery consumption and e-grocery deliveries (12% annual growth), refrigerated trailers will be in high demand as businesses in the food and beverage industry get their delicious goods to the shelves. **During the summer, we typically see a 54% increase in demand for them, with an average of about three weeks for rental requests.** Because these specialized vehicles maintain a controlled temperature environment to ensure the quality and safety of goods in the market, they are vital to businesses across many industries, including pharmaceutical and some electronic manufacturers.



Dry Van Trailers

The most rented and versatile piece of equipment rented on COOP is a workhorse throughout Q3 and into Q4. They offer ample space to accommodate a wide range of cargo, and since we have thousands with unique specs, they can transport everything from construction materials to furniture, and more.

According to recent reports, during the summer months, dry van trailers are estimated to account for approximately 70% of all rented trailers.

Tandem Sleeper Tractors

Thanks to COOP's partnership with Ryder, many businesses that rent out their tandem sleeper tractors are serviced by Ryder and are current model vehicles to meet the needs of many companies on the platform. These powerful vehicles offer a unique combination of freight capacity and comfortable sleeping accommodations for long-haul truckers. **According to last year's data, businesses rent tandem sleeper tractors for an average of 25 days during summer.** These long-term rentals can be attributed to the need for extended travel times, increased demand for perishable goods, and the desire to maximize productivity.



Solutions to Optimize Fleet Utilization



Drop and Hook Freight

This streamlined logistics process involves the detachment and replacement of trailers or containers by truck drivers at designated locations, such as warehouses, distribution centers, or shipping yards. Businesses renting trailers on the COOP platform are finding success with drop and hook freight. It enables faster turnaround times and flexibility for both carriers and shippers.



Telematics

Technology has revolutionized supply chain visibility, empowering businesses with valuable insights and more control over their operations. With telematics, companies can easily monitor their inventory, assets, and shipments in real-time. It enables accurate and instantaneous data collection, allowing for proactive decision-making and streamlined logistics.



Repositioning

Strategically relocating idle vehicles to areas with higher demand optimizes their utilization and minimizes transportation costs. This approach ensures that they are readily available where needed, reducing downtime and maximizing rental efficiency.



Creative Tech Solutions

Today's businesses benefit from data analytics for fleet maintenance, GPS for route planning, and online commercial vehicle rental platforms like COOP for convenience, transparency, and increased operational effectiveness.

How COOP Can Help with Rentals

Having the right amount of vehicles for your business can be challenging in today's market. COOP by Ryder helps businesses stay more flexible with their fleets. As the leading vehicle-sharing platform, we're connecting businesses that have idle trucks, tractors, and trailers with other trusted companies that need to rent commercial vehicles.

As a Renter on the COOP platform, you can find availability of thousands of specialized vehicles across the nation. With unique specifications and features not commonly available at rental counters, you'll have more options to find the best vehicle for your business needs.



As inflation concerns, spot rates, and freight rates keep changing, **our Smart Rate tool allows businesses that list trucks to offer competitive rates by considering the age of their vehicles and market conditions at the time.** You can also take advantage of negotiated rates and long-term discounts to secure various types of vans, trucks, tractors, or trailers you need.



The COOP platform has many vehicles with a wide variety of specifications to get the job done. For instance, a 53 foot dry trailer with E-Track and Telematics can provide extra secure space combined with the data you want when your business is hauling goods. Or, if you need something more specialized, like multi-temp refrigerated trailers, **we have options that aren't typically available at other rental companies.**



Expand your search area to source the truck you need. **Even if a vehicle is further away, COOP offers repositioning and transfer options on some vehicles to bring the equipment to your location.** It could unlock more opportunities for your rental needs.

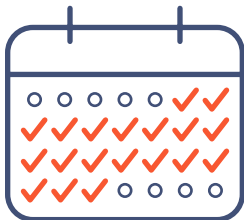
How COOP Helps Your Business Earn Revenue

Whether you have a large or small fleet, think outside the box to improve utilization. Consider innovative solutions like renting out your trailers and select power units on the leading vehicle-sharing platform, COOP by Ryder, to cover transportation costs.

It's simple and safe to list your idle vehicles on the platform and rent them out to trusted businesses near you. Here are a few ways to improve your bottom line in Q3 with COOP.



When vehicles become idle during the slower months of the season, you can use COOP as part of your business plan to reduce their downtime. **In Q3 of 2022, one business on the platform generated over \$237K renting out their vehicles to other companies.** They have listed over 30 units, which include a mix of trucks and trailers.



Make your vehicle more appealing by offering long-term discounts. This incentive keeps your truck competitive in the marketplace and attracts more Renters. **Combining discounts for extended reservations can result in rentals of 30 days or more.**



Last year in Q3, about 39% of the rental requests that came through on COOP needed a vehicle within 1-3 days. We expect that this percentage is similar across the rental vehicle market. For those looking to fulfill last-minute requests, there's an opportunity to keep your vehicles earning if you respond quickly to rental requests on the platform.

Note Regarding Forward-Looking Statements: Certain statements and information included in this Market Guide are "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties that could cause actual results and events to differ materially from those in the forward-looking statements including those risks set forth in our periodic filings with the Securities and Exchange Commission. New risks emerge from time to time. It is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

What COOP by Ryder Can Do for Your Business

When you use COOP, you're not just renting or listing a vehicle. With the help of our experts and our innovative commercial vehicle sharing platform, you have the flexibility, options, and control to optimize the needs of your business. It's time to reimagine how you tackle challenges in the ever-changing transportation industry. Discover how so many companies nationwide are generating thousands of dollars as an additional revenue stream or finding the extra capacity they need on COOP.

Get Started

