Derek J. Leathers  
President and CEO  
Werner Enterprises

- Founded in 1956; grown from one-truck operation to a $2 billion company
- Among five largest U.S. truckload carriers
- Largest truckload carrier serving Mexico
- Fleet includes more than 7,300 trucks, 24,000 trailers & 16,000 alliance carriers
- Conducting business in more than 150 countries with offices in U.S., Canada, Mexico, China & Australia
ECONOMIC ENVIRONMENT

U.S. Real GDP Growth is Expected to Continue at Healthiest Clip Since 2004-05 Upcycle

The last major upcycle saw above +2.5% GDP growth for several years

Economists generally calling for +2 to +3% GDP growth the next 2 years

Monthly Job Changes (Thousands)

Unemployment Rate (Percent)

Source(s): U.S. Bureau of Economic Analysis, U.S. Bureau of the Census, Stephens Inc., BLS, ATA
NGFA Transportation Open Forum // Derek Leathers, President and CEO, Werner Enterprises

ECONOMIC ENVIRONMENT (cont.)

Source(s): FTR, Witte Economics
SUPPLY, DEMAND & CAPACITY TRENDS

Buckingham Research Group Dry Van Supply/Demand Index Surges to All-time High

- Index surges to all time highs after ELOs, cold weather
- Market already running ahead of 2014 levels in July-August
- Hurricanes further constrain capacity during September
- Strong November Seasonality

Source(s): Buckingham Research Group
SUPPLY, DEMAND & CAPACITY TRENDS (cont.)

**Van Load-to-Truck Ratio**

Source(s): DAT Solutions

- **Van Hot States: Feb. 25 – Mar. 3, 2018**
- **Van Hot States: Feb. 26 – Mar. 4, 2017**

**Reefer Load-to-Truck Ratio**

Source(s): DAT Solutions

- **Reefer Hot States: Feb. 26 – Mar. 4, 2017**
SUPPLY, DEMAND & CAPACITY TRENDS (cont.)

Used Truck Blended Wholesale & Retail Pricing

Used Truck Units Sold

Used Truck Estimated Inventory

New Truck Order Activity

New Truck Lead Time

New Truck Net Orders & Production

Source(s): ACT Research Co., KeyBanc Capital Markets Inc., FTR
NGFA Transportation Open Forum // Derek Leathers, President and CEO, Werner Enterprises

DRIVER LABOR ENVIRONMENT

Driver Supply & Truck Loadings
Y/Y % Change
August 2016 to January 2018

Source(s): FTR, U.S. Bureau of Labor Statistics
DRIVER LABOR ENVIRONMENT (cont.)

Total Number of Drivers Needed Through 2026

- Drivers Leaving Before Retirement
- Drivers Pushed Out of the Industry
- Industry Growth
- Retirements

Share of Drivers Needed Through 2026

- Drivers Leaving Before Retirement: 7%
- Drivers Pushed Out of the Industry: 16%
- Industry Growth: 28%
- Retirements: 49%

Source(s): ATA’s Truck Driver Shortage Analysis 2017
LEGISLATIVE/REGULATORY ENVIRONMENT

- Regulations / regulatory reform
- Federal Aviation Administration Authorization Act
- North American Free Trade Agreement
- Electronic logging devices
- Infrastructure development and funding
Advanced safety systems (ex. collision-mitigation)

Autonomous trucks

Alternative fuel trucks

Platooning
TRANSPORTATION OPEN FORUM

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