Trucking 2018 and Beyond: A Truckers Perspective....

By: G. Tommy Hodges
Real Gross Domestic Product Growth
Annualized Rates

Sources: BEA & ATA
The Drivers of Truck Freight Are Solid

Sources: BLS, Census, and Federal Reserve
U.S. Economy is at Full-Employment

Unemployed and Job Openings

Sources: Department of Labor
Real Personal Consumption Growth
(Goods Only)

Sources: BEA & ATA
Single-Family Housing Starts Will Continue Their Upward Climb

Total Housing Starts (Monthly; Annualized Rate; Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>H.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.11 M</td>
</tr>
<tr>
<td>2016</td>
<td>1.18 M</td>
</tr>
<tr>
<td>2017</td>
<td>1.21 M</td>
</tr>
<tr>
<td>2018</td>
<td>1.34 M</td>
</tr>
<tr>
<td>2019</td>
<td>1.41 M</td>
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</tbody>
</table>

Sources: Census & ATA
Non-Res Construction Spending Is Accelerating

Source: Census Bureau
Factory Output is Stronger

Sources: Federal Reserve & ATA

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<th>2019</th>
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</thead>
<tbody>
<tr>
<td>Output</td>
<td>0.2%</td>
<td>0.2%</td>
<td>1.5%</td>
<td>2.9%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
Factory Output

Sources: Federal Reserve & ATA
Total Business Inventory-to-Sales Ratio

(Data adjusted for seasonal, holiday, and trading-day differences, but not price changes)

Source: Census Bureau
US Retail Diesel Price

($/gallon)

Current Price: $3.285
YTD Average: $3.085

Source: Energy Information Administration
Freight Remains Very Strong

(With Year-Over-Year Comparisons Becoming More Difficult)
Total For-Hire TL Loads

Index: January 2010=100; 3-Month Moving Average

Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Source: ATA’s Trucking Activity Report
For-Hire Truckload Loads

Source: ATA’s Trucking Activity Report
Total For-Hire TL Miles

Index: 2010=100; Seasonally Adjusted; 3-Month Moving Average

Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Source: ATA’s Trucking Activity Report
Dry Van Truckload Average Length-Of-Haul Continues to Fall

Source: ATA's Trucking Activity Report
US Retail Class 8 Truck Sales

Includes Tractors & Straight Trucks

Source: ATA’s American Trucking Trends 2016 & ACT Research
For-Hire TL Tractor Changes: Large vs Small Fleets

Includes company tractors and independent contractor equipment

Source: ATA’s Trucking Activity Report
Public Truckload Fleet Capacity

- Source: Key Banc. Includes CGI, CVTI, JBHT, KNX (including SWFT), MRTN, USAK, and WERN (excluding acquisitions, if applicable).

Including owner operators, capacity at public fleets is 11% below peak 3Q06 levels; And -7.1% since Q3 2015.
Rates and Rate Proxies: Contract vs Spot

Index: January 2010=100; 3-Month Moving Average

- Spot
- Contract

Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Contract = For-Hire Truckload Average Revenue per Mile x FSC

Source: ATA’s Trucking Activity Report & DAT.com
The Driver Situation Remains Very Difficult
The driver shortage is primarily an over-the-road for-hire truckload issue. So how many drivers are in that space?

Source: U.S. Department of Labor

Based on government data, ATA estimates that there are roughly 500,000 OTR for-hire TL drivers.
Driver Shortage

Source: ATA’s Truck Driver Shortage Analysis 2017
Total Number of Drivers Needed Through 2026

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

Share of Drivers Needed Through 2026

Source: ATA’s Truck Driver Shortage Analysis 2017
Questions?

Thank you for your time today!