

Transportation: Adapting to Industry Changes



Overview

- Trendlines in the trucking industry
- Tools used to find carriers
- Strategic Shipping Points
- Product Diversity
- Alternatives to trucking
 - Barge
 - Rail
- Questions/Comments



Trendlines in Trucking Industry

- All the data compiled in the next few slides is by DAT Solutions, a national freight exchange

The Original Load Board - Trusted Since 1978

- The company was established in 1978 as the Dial-A-Truck (DAT) load finder service at Jubitz® truck stop in Portland, Or
- **About DAT:**
- DAT operates the largest truckload freight marketplace in North America. Transportation brokers, carriers, news organizations and industry analysts rely on DAT for market trends and data insights derived from 270 million freight matches (2018 est.) and a database of \$57 billion of market transactions.






www.DAT.com



Trendlines in Trucking Industry

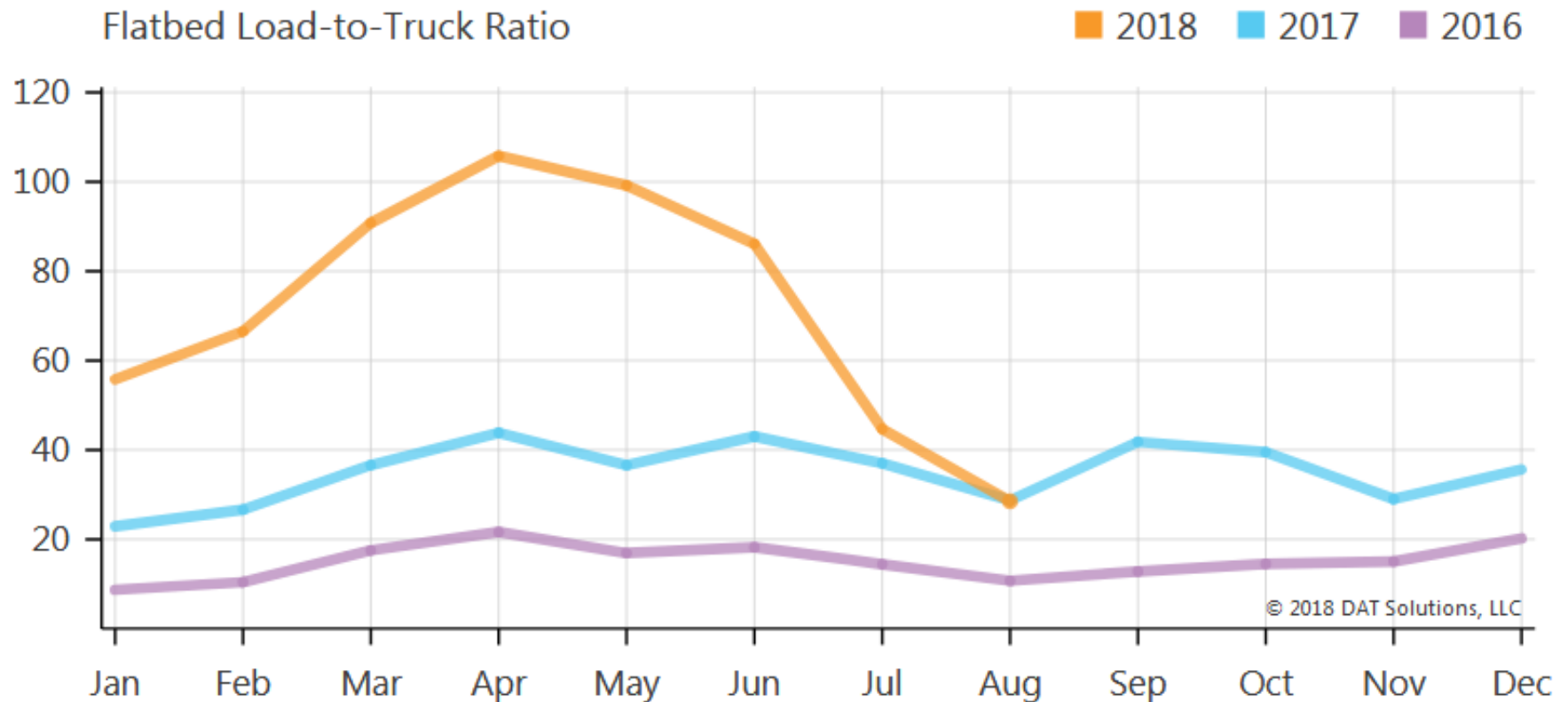
Current Trendlines as of 9/11/18

DAT TrendlinesTM
powered by DAT RateViewTM

Industry Trends	WEEK Sep 2 - 8 vs. Aug 26 - Sep 1	MONTH Aug 2018 vs. Jul 2018	YEAR Aug 2018 vs. Aug 2017
 Spot Market Loads	- 11%	- 7.1%	+ 27%
Spot Market Capacity	- 13%	+ 10%	+ 18%
 <u>Van Load-To-Truck</u>	+ 9.4%	- 8.8%	+ 29%
<u>Van Rates (Spot)</u>	+ 2.8%	- 5.7%	+ 20%
 <u>Flatbed Load-To-Truck</u>	+ 0.8%	- 36%	- 0.8%
<u>Flatbed Rates (Spot)</u>	- 0.8%	- 4.3%	+ 21%
 <u>Reefer Load-To-Truck</u>	- 10%	+ 1.4%	- 9.1%
<u>Reefer Rates (Spot)</u>	+ 3.2%	- 3.9%	+ 20%
 Fuel Prices	+ 0.8%	- 0.5%	+ 24%



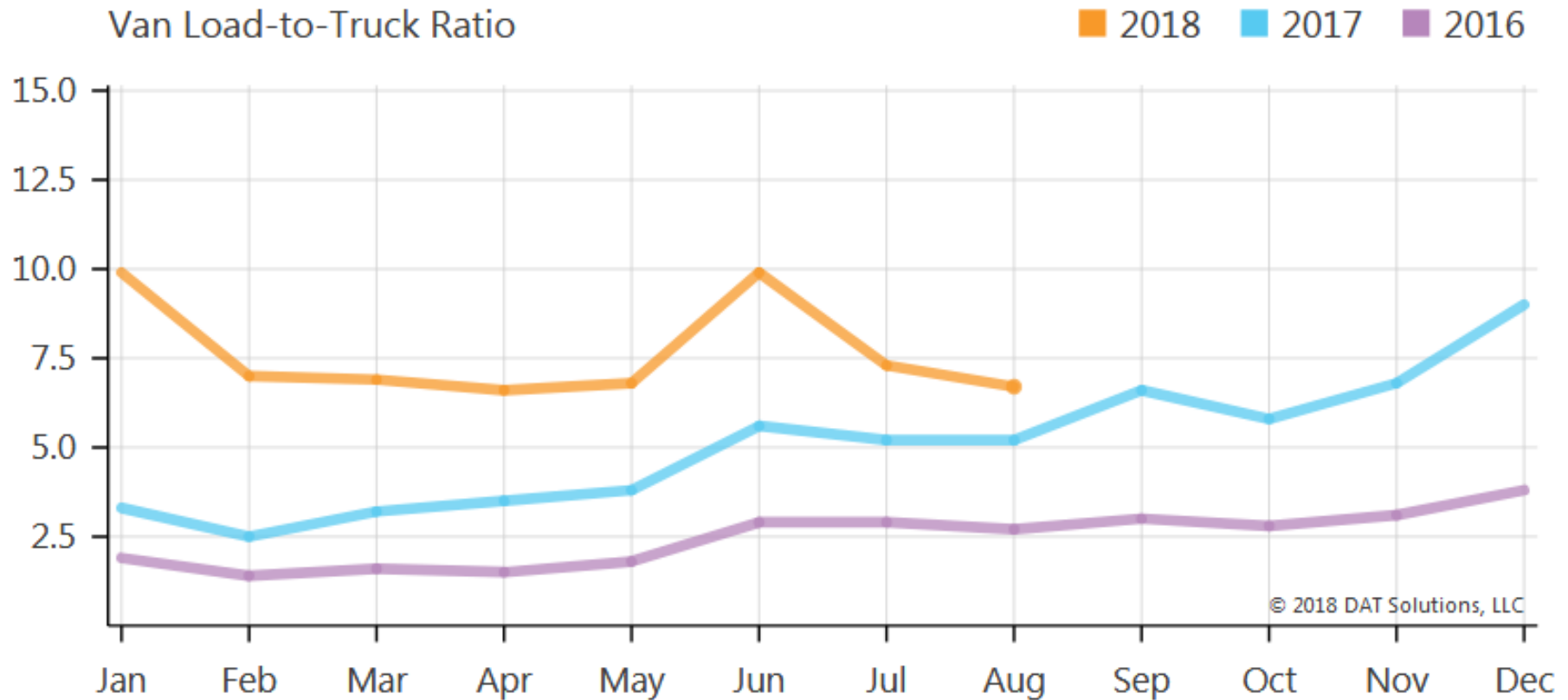
Trendlines in Trucking Industry



About the Load-to-Truck Ratio

Load-to-truck ratios represent the number of loads posted for every truck posted on [DAT Load Boards](#). The load-to-truck ratio is a sensitive, real-time indicator of the balance between spot market demand and capacity. Changes in the ratio often signal impending changes in rates.

Trendlines in Trucking Industry



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Trendlines in Trucking Industry

NATIONWIDE LOAD-TO-TRUCK RATIO:
MAY 2018



Van Loads to Truck
Ratio: 6.8

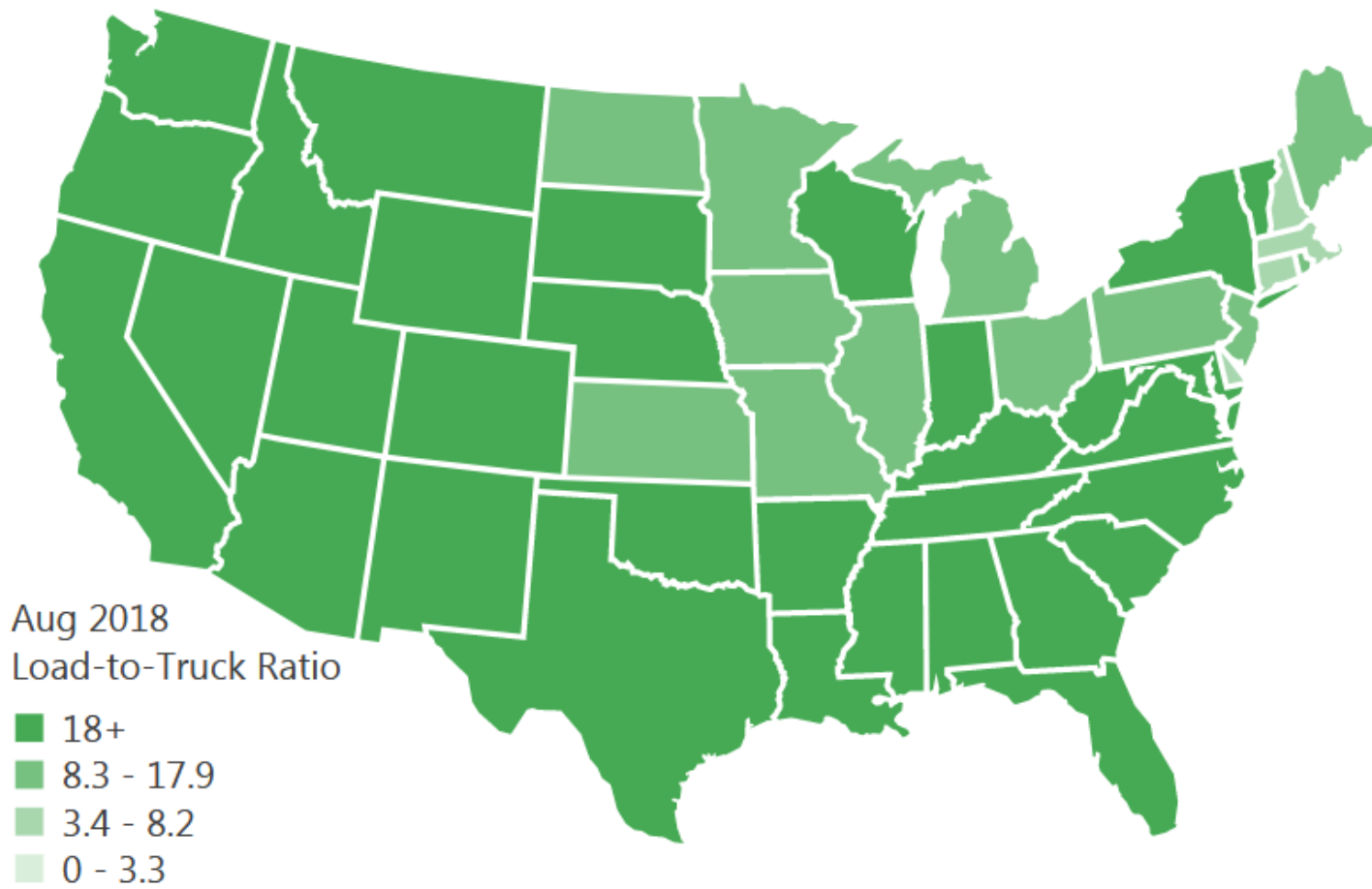


Flatbed Loads to
Truck Ratio: 99.2



Trendlines in Trucking Industry

National Flatbed Demand and Capacity



Factors

Factors that have impacted the trucking industry:

1. The economy
2. The weather
3. Driver shortage
4. ELD implementation



Factors

The economy

- Example: Home Depot's earnings 2017 vs 2018

THE HOME DEPOT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

<i>in millions, except per share data</i>	Three Months Ended			Six Months Ended		
	July 29, 2018	July 30, 2017	% Change	July 29, 2018	July 30, 2017	% Change
Net sales	\$ 30,463	\$ 28,108	8.4 %	\$ 55,410	\$ 51,995	6.6 %
Cost of sales	20,098	18,647	7.8	36,428	34,380	6.0
Gross profit	10,365	9,461	9.6	18,982	17,615	7.8



Tools Used to Build Carrier Base

- Load Boards
- Databases



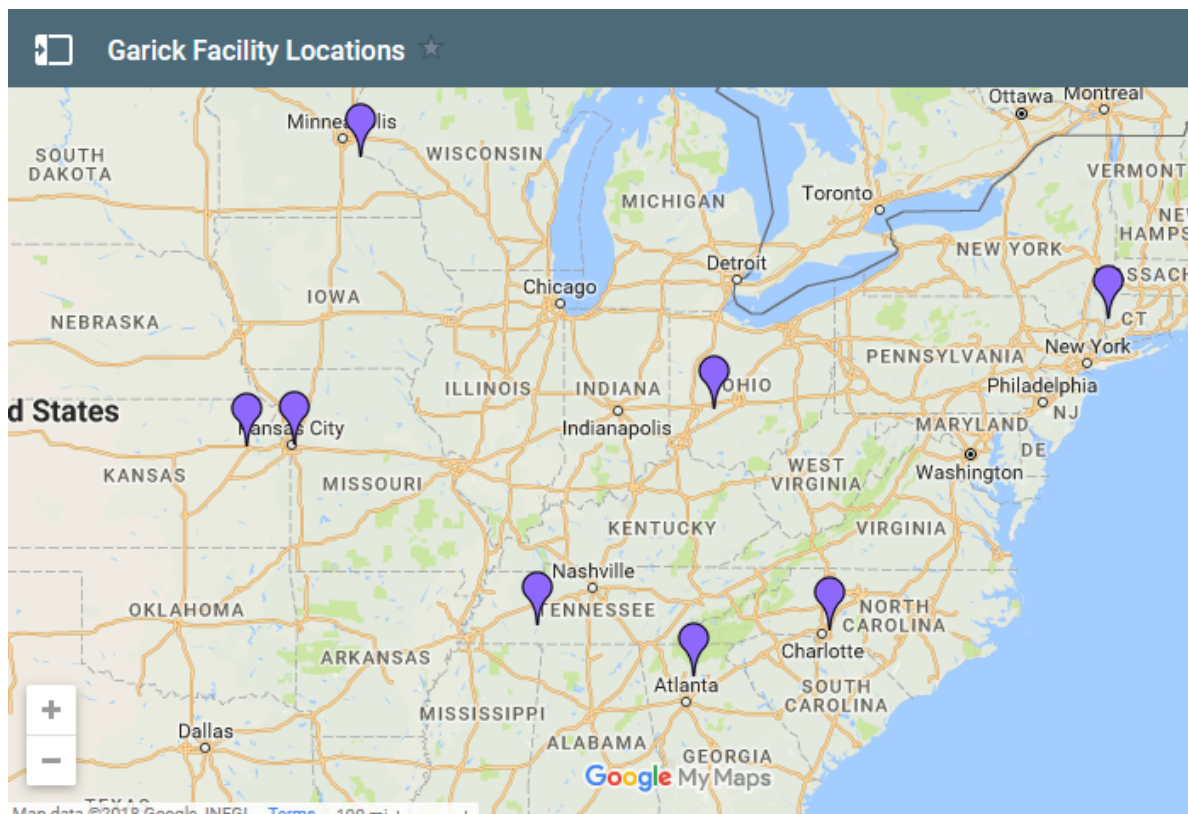
Load Boards

- www.Gartran.com
 - Garick's load board
 - Connected with our in-house operating system
 - Automatic posting
 - Daily email blast
 - Spider out
- Independent load boards and Databases
 - DAT
 - Truckstop
 - Bulk Loads Now
 - Trucking Planet (FMCSA Database)



Strategic Shipping Points

- Near Vendors
 - How do we work with vendors closer to our plants?
 - FOB pricing vs. Delivered



Product Diversity



- Diversifying product line provides opportunities to utilize various modes of transportation and truck types

Trucking Alternatives

- Rail
- Barge



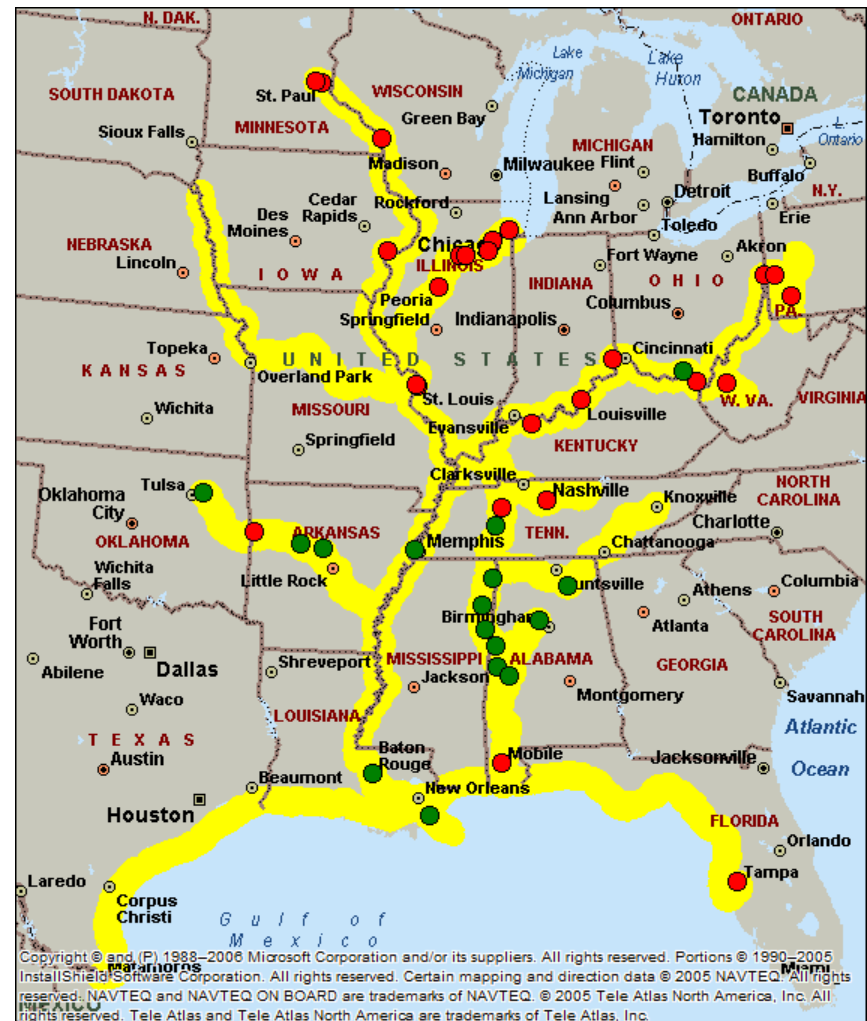
Rail

- Commodity hauled:
Lightweight aggregate,
white marble, decorative
stone
- Capacity: 100 tons
- Main rail lines Garick uses:
 - BNSF
 - CSX
 - Norfolk Southern
 - IORY
- Moved over 1,000 rail cars
this year



Barge

- Garick's barge operations:
- Points of origin:
 - Baton Rouge, LA
 - Saltillo, TN
 - Chattanooga, TN
- Points of destination:
 - All inland river points



Barge

- Products we ship via barge:
 - Bark (wood fiber)
 - Lightweight aggregate
 - Decorative stone
 - Other commodities on request
- Capacity:
 - Approx. 15-1,600 tons
 - 35-45,000 yards depending on density



Barge



- Saltillo, TN – Point Pleasant Terminal



Barge



- Saltillo, TN – Point Pleasant Terminal



Questions?

