



## THE BENEFITS OF FLEET LEASING FROM A TRUSTED PROVIDER:

Save Money, Gain Control, and Keep Tax Benefits



## Leasing Gives You the Flexibility You Just Don't Get with Ownership

Businesses depend on fleets to deliver their products amid a challenging economy, so every penny counts. Traditionally, companies purchased fleet assets. However, the latest research shows that leasing, rather than purchasing, offers significant cost savings and operational benefits. This applies to all fleet vehicles: semis, tractors, trailers, straight trucks, refrigerated vehicles, or cargo vans.

According to a study cited by Fleet Owner, switching to a shorter lifecycle leasing procurement strategy improves cash flow. For example, purchasing an asset results in an immediate large cash outflow. In sharp contrast is the outflow associated with leasing: fixed annual costs with an after-tax advantage that you can put toward the bottom line.

It's a win-win for challenging economic times. There is no capital outlay or upfront costs, it works with economies of scale, maintenance packages are built in, and it provides customization, insurance, advanced technology, access to rental vehicles, and flexible terms and financing.

The advantages of leasing over ownership are many. However, to realize all its benefits, partner with a company you can trust with the fleet and resources to meet your needs. This report deep dives into the benefits of optimizing your business operations through leasing.

## Leasing Provides No Capital Outlay or Upfront Costs

Leasing delivers financial flexibility, improved cash flow, and budget predictability. Fleet operators gain necessary equipment without the upfront costs and credit constraints associated with ownership. This minimizes down payment or acquisition costs, leaving money for working capital.

Hidden ownership costs are also removed: regular maintenance and repairs, downtime, vehicle substitutions, bungled deliveries, and administrative work. Statistics published by G2 report that fleet leasing is 10% to 15% more cost-efficient than ownership, figuring in expenses like maintenance, insurance, and financing. Businesses spend an annual average of \$860 on vehicle maintenance.

Ryder offers the only truck leasing solution that lets you choose the vehicles you need, light-, medium- or heavy-duty, all with built-in maintenance options.

Commercial vehicle leasing also means you can get what you need with lower, predictable monthly payments that facilitate better budgeting and financial planning and reduce cash flow constraints. Liquidity and solvency ratios improve, the risks of ownership are avoided, and business flexibility and efficiency improve.

## Large, Reputable Providers and Economies of Scale Mean the Best Pricing

Leasing from reputable providers gives you direct access to their purchasing power. These companies benefit from economies of scale passed on to you through competitive leasing rates. They also have the purchasing power to source replacement parts at the best prices.

For example, the monthly payment on a \$150,000 truck financed for seven years at 7% interest is about \$2,300. That creates a total purchase price of over \$190,000. Leasing a used truck from a reputable, trusted company can cost less than half of that per month, with no interest or long-term commitment.

Leasing also offers tax advantages. Taxes you pay as part of your monthly payment are deductible, as is mileage. The only thing you can't deduct is depreciation.

## Built-in Maintenance Packages Eliminate Worry and Cost

Trusted companies also provide a choice of maintenance packages. These maintenance packages cover routine servicing, repairs, and upkeep, and Ryder offers three of them – preventive, full-service, and on-demand to reduce or eliminate maintenance costs. Ryder offers a best-in-class maintenance network of more than 5,000 certified technicians in more than 800 shops nationwide.

Commercial vehicles are useless if they break down. Ryder offers 24/7 support for breakdowns and emergencies to minimize downtime and productivity loss. Often, loads are switched out within an hour. This, combined with over 2,200 annual preventive maintenance inspections, resulted in an industry record 99% on-time delivery rate for W.B. Mason, the largest privately owned office products company in the U.S. They're known for their fleet of more than 1,100 colorful vehicles in 24 states, which are customized and leased from Ryder.

The W.B. Mason trucks are just one example of tech-forward customizations that can be made on leased trucks to suit any business.



## Optimize Your Leased Fleet with Telematics and Advanced Vehicle Technology

Many leased commercial vehicles include telematics systems and advanced vehicle technologies, which enable efficient fleet management, real-time tracking, and data-driven insights. Telematics uses a modem to connect the vehicle's onboard diagnostics with a centralized server. This server analyzes data, such as location, speed, idling time, harsh braking or acceleration, fuel consumption, and more.

Ryder's relationships mean we integrate technologies and work with OEMs on implementation to be sure it meets the fleet-manager needs. With the insights provided by telematics, driver safety improves, as does operational efficiency. In one survey conducted by Work Truck, fleets can realize up to 30% operational cost savings. This adds to the savings of leasing over purchasing.

## Leasing Provides Additional Major Perks

The cost of vehicle ownership doesn't stop at the purchase price. Leasing has maintenance covered, but what about insurance, access to rentals, and regulatory compliance? Leasing helps here as well.



## Insurance

When you lease a truck, you have comprehensive coverage for accidents and damages. With Ryder, collision insurance covers damage to your vehicle from accidents, including rollovers and collisions with other objects. Comprehensive coverage pays for damage not caused by an accident: theft, vandalism, fires, and natural disasters. There are also several coverage options, including stated value, replacement cost value, actual cost value, and guaranteed asset protection.

For businesses, this not only simplifies insurance management but saves money. The insurance premium on a single commercial vehicle is between \$1,000 and \$2,000 per year for a small fleet and up to \$3,000 per vehicle per year for larger fleets. Compare this to a lease package where the insurance package you select can be included in the lease price.

## Access to Rental Vehicles

Build flexibility into your lease. Ryder's rental service meets temporary fleet expansion needs, such as holidays and other peak seasons. Commercial truck rentals offer companies the flexibility to scale up or down with the right trucks at any given time, which optimizes resources and avoids unnecessary expenses, and maintains brand reputation.

As a Ryder leasing customer, you get the flexibility of selecting the commercial vehicle of your choice, and preferred pricing on rentals.

Let's use Company Z as an example. This leading online retailer had a huge and unexpected surge in holiday orders. They were already leasing a fleet, but needed additional capacity. Rental vehicles to the rescue!

Company Z rented additional trucks and vans to ensure orders were delivered on time, solidifying their reputation for exceptional customer service. After peak season, they scaled down by returning rented vehicles. This flexible solution saved them money with no year-round fleet to maintain.



## Flexible Terms and Financing

With Ryder, you can get a lease that suits your business cycles. We offer short-term and long-term leases from one-to-10 years, with an adjustable lease structure that adjusts when your requirements change, scaling your fleet up or down depending on demand. This means you can optimize your fleet and its capabilities almost instantly, putting financial resources where they'll do the most work.

Ryder works with any credit history and offers competitive financing for capital and operating leases and options that let you take advantage of the tax benefits we mentioned.

Let's review: no capital outlay, better pricing through economies of scale, and built-in maintenance packages with 24/7 roadside assistance mean your products get delivered at a lower cost.

Custom specifications mean you can make a memorable impression that boosts the bottom line.

You get the insurance protection you need and advanced technology that offers valuable insights to save even more money and maintain regulatory compliance.

The flexibility you need for financing, along with rental options with preferred pricing that save you money when temporary peaks in demand call for a larger fleet. Add cost savings, tax benefits, flexibility, convenience, improved cash flow, and accelerated ROI.

Optimize your company's fleet with a trusted provider like Ryder. Trust is crucial for sustained and strong supplier relationships, and we go the extra mile (no pun intended!) to ensure customer satisfaction. We know that the fleet provider you choose affects the quality, cost, efficiency, and reputation of your business.

Get the industry's only truck leasing solution that lets you choose the light-, medium-, or heavy-duty vehicle you need with built-in truck maintenance options. It's simple: Choose your vehicles, maintenance level, financing, and terms. Discover how Ryder fleet leasing solutions can make you ever better at [ryder.com](http://ryder.com).

# About Ryder System, Inc.

Ryder System, Inc. (NYSE: R) is a leading logistics and transportation company. It provides supply chain, dedicated transportation, and fleet management solutions, including warehousing and distribution, e-commerce fulfillment, last-mile delivery, managed transportation, professional drivers, freight brokerage, full-service leasing, maintenance, commercial truck rental, and used vehicle sales to some of the world's most recognized brands. Ryder provides services throughout the United States, Mexico, and Canada.

In addition, Ryder manages nearly 260,000 commercial vehicles and operates approximately 300 warehouses encompassing more than 95 million square feet. Ryder is regularly recognized for its industry-leading practices in third-party logistics, technology-driven innovations, commercial vehicle maintenance, environmental stewardship, corporate social responsibility, world-class safety and security programs, military veteran recruitment initiatives, and the hiring of a diverse workforce.

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