Ryder System (R)

$190.64 (Stock Price as of 12/15/2025)

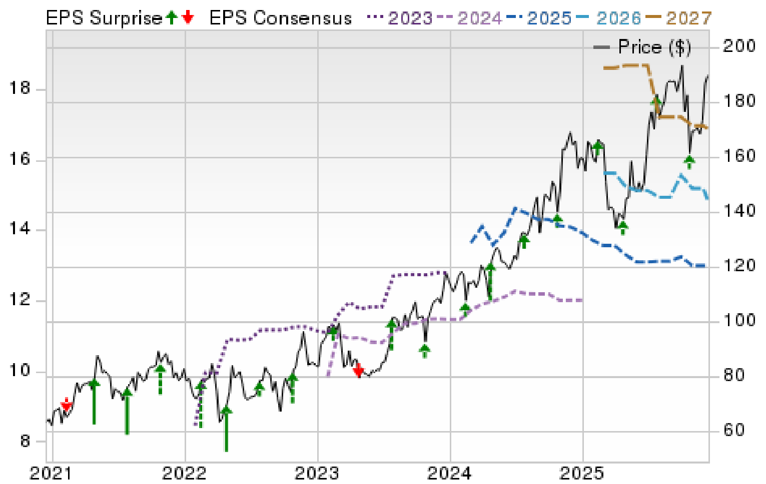
Price Target (6-12 Months): **$199.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 07/15/24) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**4-Sell**
	Zacks Style Scores:	VGM: A
	Value: A | Growth: B	Momentum: A

Summary

Ryder has been making uninterrupted dividend payments for more than 49 years. Such shareholder-friendly moves instills investors' confidence and positively impacts the bottom line. Ryder's cost-cutting initiatives in response to the weak freight market conditions are also commendable. Higher free cash flow generation expectation for 2025 is another added positive. On the flip side, Ryder's bottom line has been grappling operating expenses. The company's liquidity position is also a concern. Considering all these factors, investors are advised to wait for a better entry pointand not buy Ryder now. For those who already own the stock, it will be prudent to stay invested. Our thesis is supported by our Neutral recommendation on the shares.

Price, Consensus & Surprise[1]



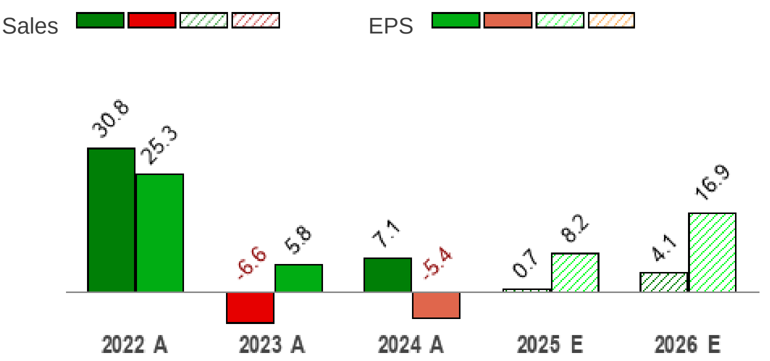
Data Overview

52 Week High-Low	**$200.53 - $125.54**
20 Day Average Volume (sh)	**384,571**
Market Cap	**$7.7 B**
YTD Price Change	**21.5%**
Beta	**0.97**
Dividend / Div Yld	**$3.64 / 1.9%**
Industry	**[Transportation - Equipment and Leasing]**
Zacks Industry Rank	**Bottom 33% (162 out of 243)**

Last EPS Surprise	**0.3%**
Last Sales Surprise	**-1.6%**
EPS F1 Est- 4 week change	**0.0%**
Expected Report Date	**02/11/2026**
Earnings ESP	**0.0%**

P/E TTM	**14.9**
P/E F1	**15.0**
PEG F1	**1.2**
P/S TTM	**0.6**

Sales and EPS Growth Rates (Y/Y %)[1]



Sales Estimates (millions of $)[1]

	Q1	Q2	Q3	Q4	Annual*
2026					13,250 E
2025	3,131 A	3,189 A	3,171 A		12,730 E
2024	3,098 A	3,182 A	3,168 A	3,189 A	12,636 A

EPS Estimates[1]

	Q1	Q2	Q3	Q4	Annual*
2026					15.18 E
2025	2.46 A	3.32 A	3.57 A		12.99 E
2024	2.14 A	3.00 A	3.44 A	3.45 A	12.00 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/15/2025.
(2) The report's text and the price target are as of 12/08/2025.

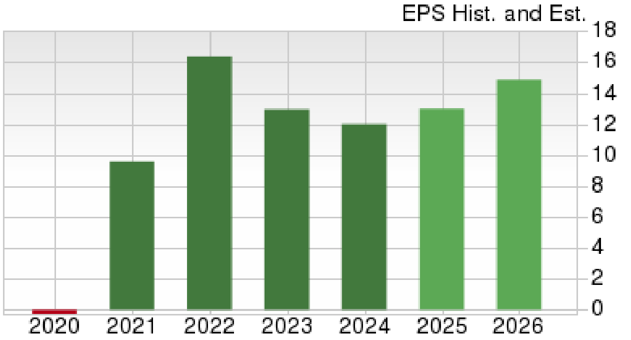
Overview

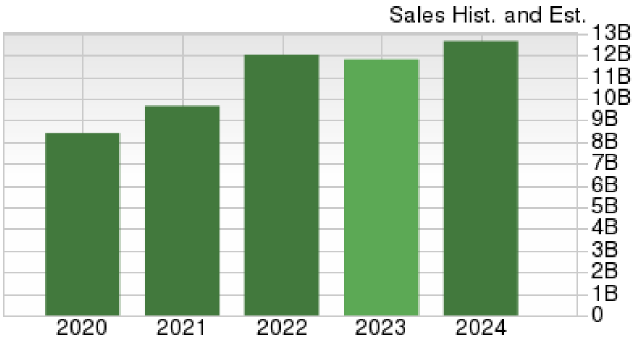
Ryder System, Inc., a Florida-based corporation founded in 1933, is recognized as one of the world's largest providers of integrated logistics and transportation solutions. Ryder's customers range from small businesses to large international enterprises. They are drawn from a wide variety of industries, the most significant of which include automotive, electronics, transportation, grocery, lumber and wood products, food service and home furnishing.

Ryder System consists of the following business segments:

Fleet Management Solutions: This segment provides full-service leasing, contract maintenance, contract-related maintenance and commercial rental of trucks, tractors and trailers to customers principally in the United States, Canada and the U.K. Additionally, the segment offers customers a wide variety of used trucks, tractors and trailers for purchase through its used vehicle sales program. The unit also provides maintenance and fuel services, among others, for the vehicles used in the DTS and SCS segments. The segment contributed 46.6% of the company's total revenues in 2024.

Supply Chain Solutions (41.9% of the company's total revenues in 2024): This segment provides comprehensive supply chain solutions including distribution and transportation services throughout North America and Asia. Toward the end of 2008, the company announced strategic initiatives to increase its competitiveness and drive long-term profitable growth. As part of these initiatives, in 2009, Ryder discontinued SCS operations in Brazil, Argentina, and Chile and transitioned out customer contracts in Europe.





As of 12/15/2025

Dedicated Transportation Solutions (19.4% of the company's total revenues in 2024): This segment offers customers with vehicles, drivers, management and administrative service, with the assets committed to a specific customer for a contractual term. The segment aims to increase market share with customers in industries such as energy and utility, metals and mining, retail etc. Among other things, Ryder, through the segment, also focuses on increasing competitiveness across the non-specialized customer segments.

The company's fiscal year coincides with the calendar year.

As of 12/15/2025

Reasons To Buy:

> Ryder's efforts to reward shareholders through dividends and share buybacks are impressive.

- ***Strong Financial Returns for Shareholders***: Ryder has been making uninterrupted dividend payments for more than 48 years. Ryder's bottom line has been benefiting from its consistent efforts to reward its shareholders through dividends and share buybacks. During 2021, Ryder rewarded its shareholders through dividends of $122 million and repurchased shares worth $57 million. In 2022, Ryder paid dividends of $123 million and repurchased shares worth $557 million. In 2023, Ryder paid dividends of $128 million and repurchased shares worth $337 million. In 2024, Ryder returned $456 million in cash to shareholders through share repurchases and dividends. During the first half of 2025, Ryder paid $71 million in the form of dividend payments and repurchased shares worth $261 million. Such shareholder-friendly moves indicate the company's commitment to creating value for shareholders and underline its confidence in its business. Dividend-paying stocks provide a solid income stream and have fewer chances of experiencing wild price swings. Dividend stocks, like Ryder, are safe bets for creating wealth, as the payouts generally act as a hedge against economic uncertainty like the current scenario.

- ***Positive Earnings Surprise History***: Ryder has an impressive earnings surprise history. The company's earnings outpaced the Zacks Consensus Estimate in each of the trailing four quarters, delivering an average surprise of 2.60%. Driven by the upbeat earnings performance, shares of Ryder gained 10% over the past year, outperforming its industry's 4% uptick.

- ***Low Capex & Free Cash Flow Generation Ability***: Ryder's cost-cutting initiatives in response to the weak freight market conditions are also commendable. Ryder has reduced its 2025 capital expenditure guidance to $2.3 billion from the prior view of $2.6 billion. Higher free cash flow generation expectation (this reflects lower capital spending due to softer lease sales activity) for the full year is another added positive. For 2025, Ryder raised the free cash flow outlook to the range of $900 million-$1 billion from the prior gudance of $375 - $475 million.

Reasons To Sell:

Supply-chain disruptions, macroeconomic uncertainty and a debt-laden balance sheet does not bode well for Ryder's prospects.

- ***Supply-Chain Disruptions & High Costs***: Although economic activities picked up from the pandemic gloom, supply-chain disruptions are a bane for a company. Factors like higher commodity costs and shortages of components, chips and labor hurt results. As a reflection of this, operating expenses are hurting Ryder’s bottom line. Evidently, total operating expenses increased from $8.97 billion in 2021 to $10.8 billion in 2022, $11.2 billion in 2023 and $11.6 billion in 2024. In the first six months of 2025, the metric rose 0.2% year over year.

- ***Economic Uncertainty Remains***: The tariff-induced economic uncertainties do not bode well for industry participants. With inflation remaining a concern, risks associated with an economic slowdown and geopolitical tensions dampen the prospects of stocks belonging to this industrial cohort. Sluggish economic growth and inflationary woes are likely to make markets more volatile in the coming days. Rising economic uncertainty does not bode well for industry players.

- ***High Debt***: Ryder’s financial metrics indicate that its leverage is elevated and is a massive negative for its shareholders. Ryder exited the third quarter of 2025 with cash and cash equivalents of $189 million, lower than the current debt level of $577 million. This implies that the company does not have sufficient cash to meet its current debt obligations. Meanwhile, long-term debt level has increased to $7.28 billion (which translates into a debt-to-capitalization of 71.7%) at the end of third-quarter 2025 from $6.99 billion (which translates into a debt-to-capitalization of 71.5%) at second-quarter 2025.

Last Earnings Report

Ryder Q3 Earnings Beat Estimates

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Oct 23, 2025
Sales Surprise	-1.56%
EPS Surprise	0.28%
Quarterly EPS	3.57
Annual EPS (TTM)	12.80

Ryder reported mixed third-quarter 2025 results wherein the company's earnings surpassed the Zacks Consensus Estimate while revenues missed the mark.

Quarterly earnings per share of $3.57 surpassed the Zacks Consensus Estimate by a penny and improved 3.7% year over year, reflecting higher contractual earnings and share repurchases. The reported figure lies within the guided range of $3.45-$3.65.

Total revenues of $3.17 billion lagged the Zacks Consensus Estimate of $3.22 billion and marginally grew 0.1% year over year. Operating revenues (adjusted) of $2.61 billion, up 1% year over year, reflecting contractual revenue growth in Supply Chain Solutions (SCS) and Fleet Management Solutions (FMS).

Segmental Results

Fleet Management Solutions: Total revenues of $1.46 billion inched down 0.3% year over year. Operating revenues totaled $1.28 billion, almost in line on a year-over-year basis.

Supply-Chain Solutions: Total revenues of $1.38 billion inched up 5% year over year, reflecting increased operating revenues and subcontracted transportation costs passed through to customers. Operating revenues rose 4% year over year to $1.03 billion, owing to new business in omnichannel retail.

Dedicated Transportation Solutions: Total revenues of $570 million and operating revenues of $458 million declined 10% and 6%, year over year, respectively, owing to decreased subcontracted transportation costs and lower fleet count reflecting prolonged freight market downturn.

Liquidity

Ryder exited the third quarter with cash and cash equivalents of $189 million compared with $180 million at the end of the prior quarter. R's total debt (including the current portion) was $7.85 billion at the third-quarter end compared with $7.72 billion at the end of the prior quarter.

R's Outlook

For fourth-quarter 2025, Ryder expects adjusted EPS in the range of $3.50-$3.70. The Zacks Consensus Estimate of $3.76 lies above the guidance.

For 2025, Ryder now expects adjusted EPS in the range of $12.85-$13.05 (prior view: $12.85 - $13.30). The Zacks Consensus Estimate of $13.09 lies above the updated guidance.

Management continues to anticipate total revenues to increase by almost 1%. Operating revenues (adjusted) are still expected to increase 1%.

Adjusted ROE (return on equity) is still expected to be 17%. Net cash from operating activities is still projected to be $2.8 billion. Adjusted free cash flow is still expected to be in the range of $900 million-$1.00 billion. Capital expenditure is still estimated to be $2.3 billion.

Recent News

Southeast Network Strengthened -- Dec. 4, 2025

Ryder is strengthening its Southeast growth strategy with the launch of its new full-service facility in McDonough, GA, a prime location near I-75 and major distribution hubs. By expanding its rental, leasing and maintenance footprint in South Atlanta's logistics corridor, the company is directly addressing rising demand from e-commerce, manufacturing and regional distribution customers. Following closely on its Nashville-area opening, this move reinforces Ryder's commitment to scaling in high-growth freight markets.

Valuation

Ryder System's shares are up 18.8% year to date. Shares gained 10% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 12.4% and the Zacks Transportation sector is down 0.1% year to date. Over the past year, the Zacks sub-industry has been up 4% and the Zacks Transportation sector is down 6.2%.

The S&P 500 index is up 19.3% year to date and 16.3% gain in a year's time.

The stock is currently trading at 0.39X forward 12-month price-to-sales, which compares to 1.46X for the Zacks sub-industry, 1.82X for the Zacks sector and 3.76X for the S&P 500 index.

Over the past five years, the stock has traded as high as 0.52X and as low as 0.14X, with a 5-year median of 0.35X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $199 price target reflects 0.42X forward 12-month sales.

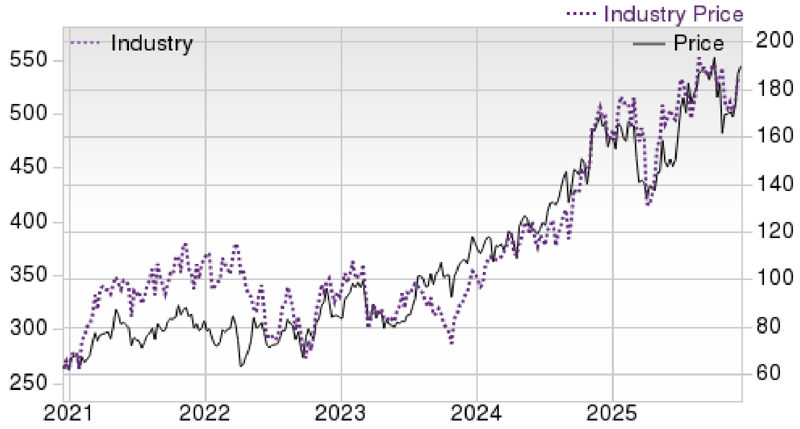
The table below shows summary valuation data for R

Valuation Multiples - R

		Stock	Sub-Industry	Sector	S&P 500
P/S F 12M	Current	0.39	1.46	1.82	3.76
	5-Year High	0.52	1.5	2.25	4.22
	5-Year Low	0.14	0.67	1.24	2.93
	5-Year Median	0.35	1.23	1.65	3.57
EV/EBITDA TTM	Current	4.45	10.03	12.27	14.35
	5-Year High	4.99	11.05	22.96	17.3
	5-Year Low	3.56	7.03	6.53	9.84
	5-Year Median	4.07	9.85	10.99	13.78
EV/S TTM	Current	1	3.04	2.08	3.83
	5-Year High	1.21	3.36	3.36	4.39
	5-Year Low	0.66	1.87	1.46	2.43
	5-Year Median	0.95	2.82	2.19	3.47

As of 12/05/2025 *Source: Zacks Investment Research*

Industry Analysis[1] Zacks Industry Rank: Bottom 33% (162 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Aercap Holdings N.V. **(AER)**	Outperform	1
Expeditors Internati…**(EXPD)**	Outperform	1
C.H. Robinson Worldw…**(CHRW)**	Neutral	3
Herc Holdings Inc. **(HRI)**	Neutral	3
Union Pacific Corpor…**(UNP)**	Neutral	3
Wabtec **(WAB)**	Neutral	3
Air Lease Corporatio…**(AL)**	Underperform	
Greenbrier Companies…**(GBX)**	Underperform	5

Industry Comparison[1] Industry: Transportation - Equipment And Leasing

	R	X Industry	S&P 500	AER	HRI	WAB
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	1	3	3
VGM Score	A	-	-	B	C	C
Market Cap	7.70 B	5.10 B	39.20 B	26.48 B	5.10 B	36.82 B
# of Analysts	2	1	22	6	2	4
Dividend Yield	1.91%	0.97%	1.4%	0.76%	1.83%	0.46%
Value Score	A	-	-	B	B	D
Cash/Price	0.02	0.07	0.04	0.07	0.01	0.01
EV/EBITDA	5.10	9.73	14.73	9.73	9.77	19.96
PEG Ratio	1.20	1.55	2.24	0.74	1.55	1.66
Price/Book (P/B)	2.49	1.67	3.35	1.46	2.65	3.32
Price/Cash Flow (P/CF)	3.38	5.18	15.24	5.16	3.70	20.76
P/E (F1)	15.02	16.06	19.90	9.61	20.33	24.07
Price/Sales (P/S)	0.61	1.24	3.09	3.17	1.24	3.41
Earnings Yield	6.81%	5.76%	5.01%	10.40%	4.92%	4.16%
Debt/Equity	2.35	2.35	0.57	2.43	4.28	0.45
Cash Flow ($/share)	56.40	10.79	8.99	27.49	41.47	10.37
Growth Score	B	-	-	D	D	C
Hist. EPS Growth (3-5 yrs)	19.76%	20.12%	8.16%	16.02%	23.88%	20.48%
Proj. EPS Growth (F1/F0)	5.75%	12.97%	8.57%	22.81%	-41.38%	18.39%
Curr. Cash Flow Growth	-1.28%	9.20%	6.75%	-0.73%	5.94%	15.55%
Hist. Cash Flow Growth (3-5 yrs)	1.27%	6.47%	7.43%	12.72%	15.75%	10.94%
Current Ratio	1.02	1.66	1.18	0.30	1.22	1.42
Debt/Capital	70.18%	70.47%	38.01%	70.81%	81.07%	31.21%
Net Margin	3.96%	6.30%	12.78%	45.41%	-1.68%	10.94%
Return on Equity	17.69%	11.62%	17.00%	15.16%	16.32%	13.84%
Sales/Assets	0.77	0.38	0.53	0.12	0.38	0.54
Proj. Sales Growth (F1/F0)	-6.60%	0.00%	5.77%	4.10%	26.60%	6.40%
Momentum Score	A	-	-	B	C	A
Daily Price Chg	0.58%	0.11%	-0.16%	1.61%	-0.72%	0.45%
1 Week Price Chg	1.69%	0.85%	-0.44%	-0.32%	9.34%	-0.25%
4 Week Price Chg	15.93%	11.14%	2.16%	6.63%	19.64%	7.92%
12 Week Price Chg	3.07%	1.66%	1.83%	15.88%	23.27%	8.80%
52 Week Price Chg	16.24%	2.15%	12.22%	45.72%	-22.93%	6.47%
20 Day Average Volume	384,571	329,801	2,744,252	1,427,993	414,495	732,135
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.10%	0.00%	0.11%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.10%	0.00%	0.11%
(F1) EPS Est 12 week change	-1.93%	4.51%	0.69%	13.71%	16.26%	0.69%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	B
Momentum Score	A
VGM Score	A

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.