

Uber Freight

2025 Q4 Market update & outlook

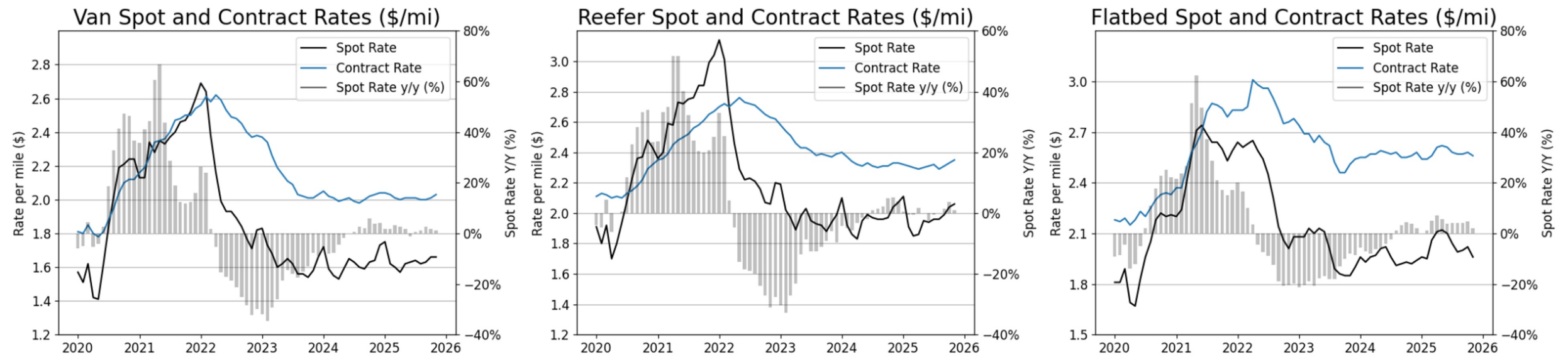
December 2025



US Full Truckload

Spot rates and contract rates generally rose in Q4 across van and reefer

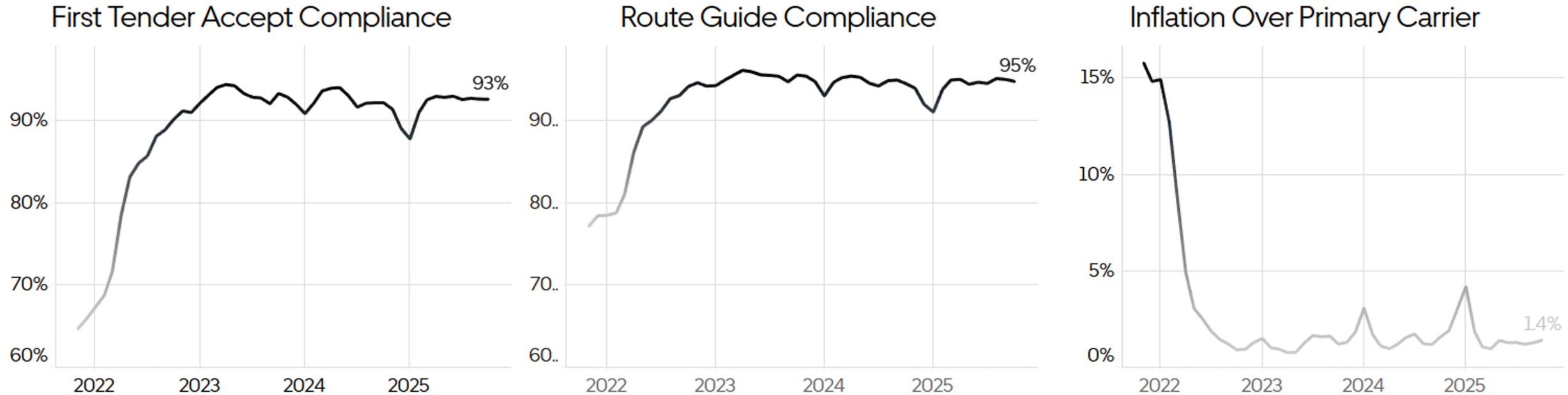
Flatbed rates fell due to seasonal headwinds



		Dry Van	Reefer	Flatbed
Spot rates	Nov / Oct	0%	+1.0%	-3.0%
	Oct / Sep	+1.8%	+2.5%	+1.0%
	Nov'25 / Nov'24	+1.2%	+1.0%	+2.1%
Contract rates	Nov / Oct	+1.0%	+0.9%	-0.8%
	Oct / Sep	+1.0%	+1.3%	+0.8%
	Nov'25 / Nov'24	0%	+0.9%	0%

Source: ACT Research, DAT data.

Route guide performance remained robust

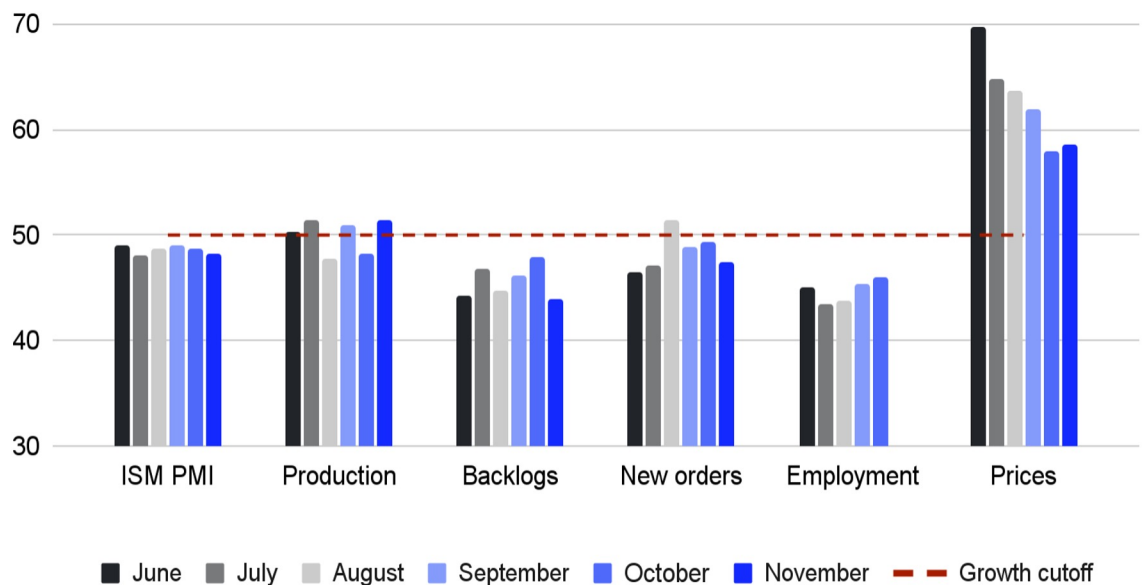


- The average First Tender Acceptance Rate remained unchanged at 93% in October.
- Route Guide Compliance also remained unchanged at 95%.
- Tender rejections are resulting in a slight cost increase of 1.4% over the primary carrier, up from 1.2% in September. This marginal increase indicates that route guide failure remains de-risked.

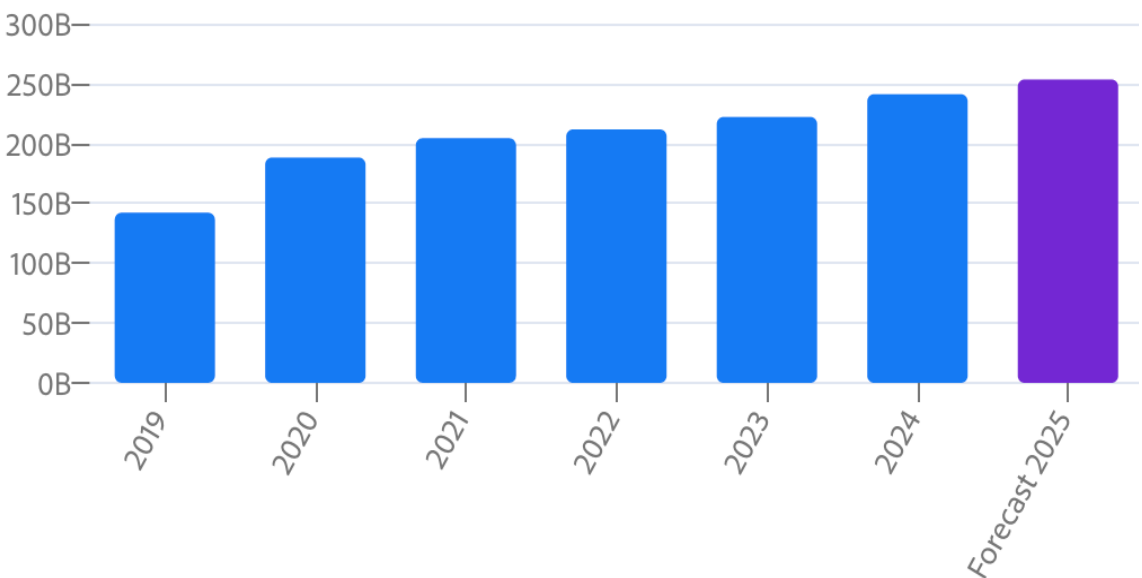
Consumer spending remains healthy, but the manufacturing sector is contracting

ISM Manufacturing PMI ⁽¹⁾

Values above 50 imply expansion and below 50 imply contraction



Consumer Spending During Holiday Season ⁽²⁾



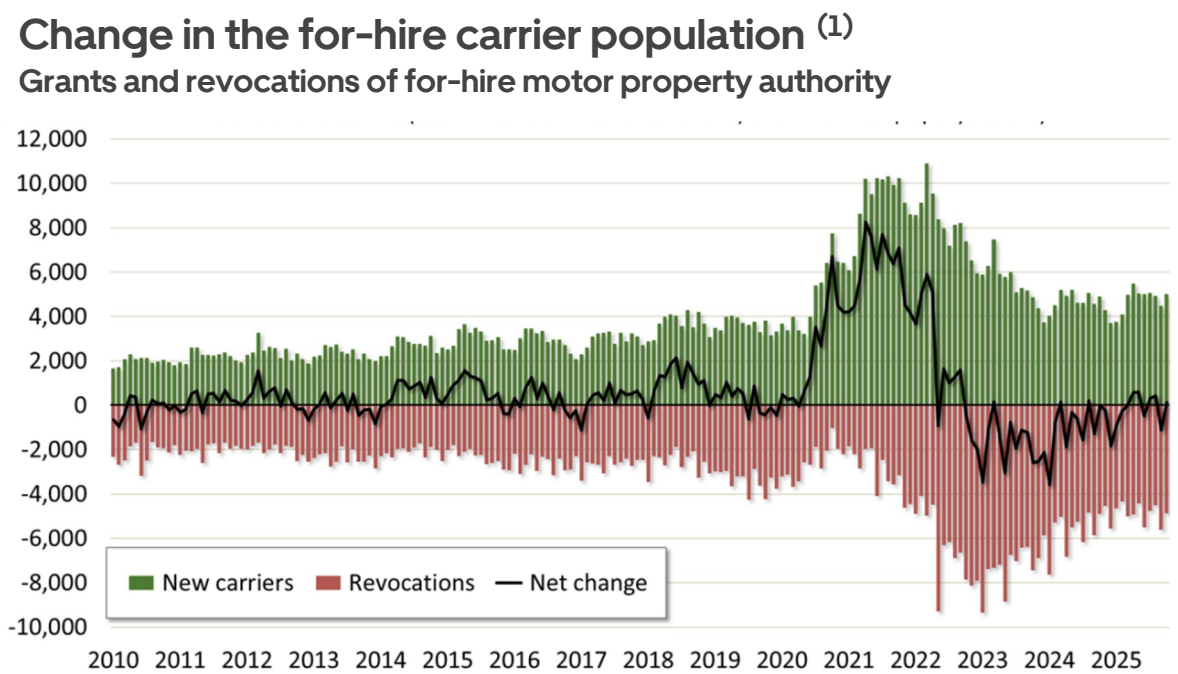
The ISM PMI fell slightly to 48.2, remaining below the 50.0 mark and indicating a continued contraction in the manufacturing sector. Forward-looking indicators such as New Orders and Backlogs deteriorated further in November. Employment remained well below 50, indicating a substantial reduction in the manufacturing workforce.

Consumers spent \$11.7B online on Black Friday (+8.3% y/y) and \$14.2B on Cyber Monday (+6.7% y/y). Despite record levels of spending this holiday season (estimated at \$253B), growth remains concentrated in industries that do not generate significant freight volumes such as pharmaceuticals, electronics, and personal care products.

⁽¹⁾ Institute for Supply Management; ⁽²⁾ Adobe Analytics

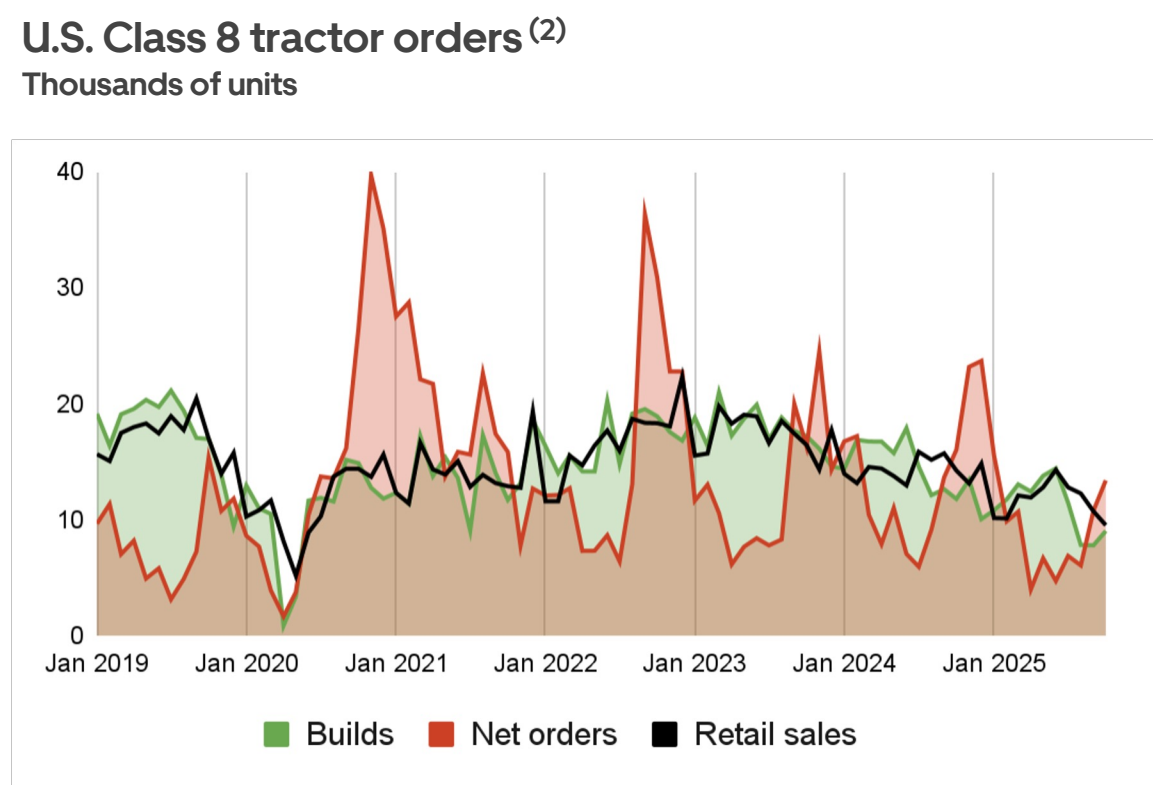
Weak tractor orders signal continued supply contraction into 2026

Capacity reduction, previously concentrated among smaller fleets, is projected to shift to larger fleets in 2026.



Source: FTR analysis of Federal Motor Carrier Safety Administration data

The Transportation Secretary's order (currently being challenged in court) to halt the issuance or renewal of non-domiciled Commercial Driver's Licenses (CDLs) is projected by the FMCSA to remove an estimated 194,000 drivers from the market over the next two years. Despite this anticipated impact, the carrier population in October did not show any effect, instead seeing a slight net increase of 132 carriers.



The soft market is leading large fleets to continue rationing their equipment investments. The peak tractor ordering season has begun, but it appears significantly weaker than prior seasons. Tractor orders are down 16% y/y and 23% year-to-date compared to 2024. This trend is mirrored in sales and production, with tractor sales dropping 33% and production declining 23% y/y.

⁽¹⁾ FTR analysis of FMCSA data; ⁽²⁾ ACT Research

Outlook

- **Spot rates are expected to rise gradually in 2026 as capacity exits the market.**
 - Van and reefer spot rates are expected to soften in Q1 due to seasonal tailwinds.
 - However, rates are expected to rise in Q2 and remain higher than the comparable 2025 levels.
 - Flatbed spot rates are expected to rise towards the end of Q1 due to flatbed peak season.
- **Contract rates are expected to remain steady in H1 but rise in H2.**
 - The van and reefer markets should remain balanced, with slight rate growth due to tightening capacity and cold-chain demand.
 - Flatbed rates are expected to increase if recovery occurs in construction and manufacturing.
- If the FMCSA regulation on non-domiciled carriers passes, the market could experience significant tightening leading to double digit growth in spot rates.

Recommendations

General

- Lock in contract rates early while the market remains relatively soft.
- Diversify carriers, including reliable midsize fleets, to hedge against potential capacity tightening.
- Forecast collaboratively with carriers to help them plan capacity during a slower-growth year.
- Strengthen core carrier programs to ensure stability as certain segments tighten.
- Use data-driven lane analysis to identify which lanes need contracts and which can float in spot.

Reefer

- Book produce-season capacity early, especially cross-border or in high-demand regions.
- Use a blended strategy (contract + spot) to manage seasonal surges without overspending.
- Enhance visibility and temperature-tracking requirements to reduce claims and strengthen partnerships.

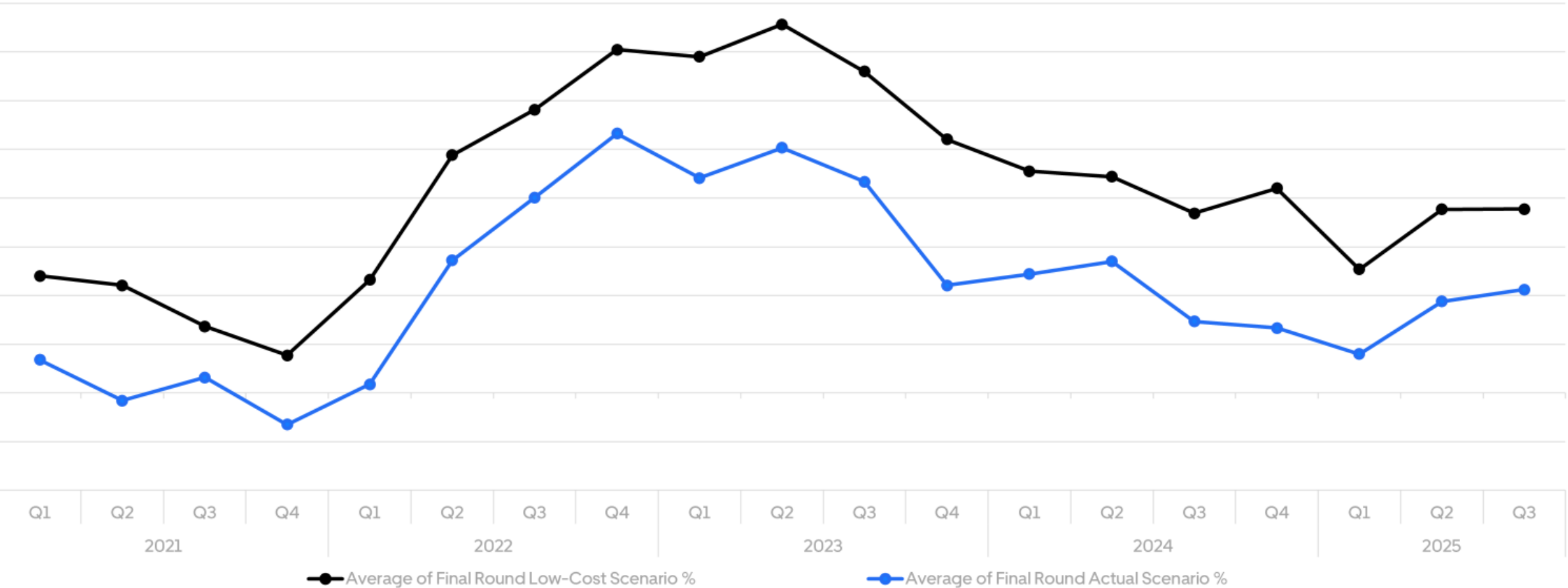
Bulk

- Strengthen long-term contracts with high-safety-rating carriers, since reliable bulk capacity is limited.
- Improve loading/unloading efficiency to become a shipper of choice and secure preferred rates.

Procurement Insights

Savings Gap Between Low-Cost & Final Scenario - Truckload

Uber Freight



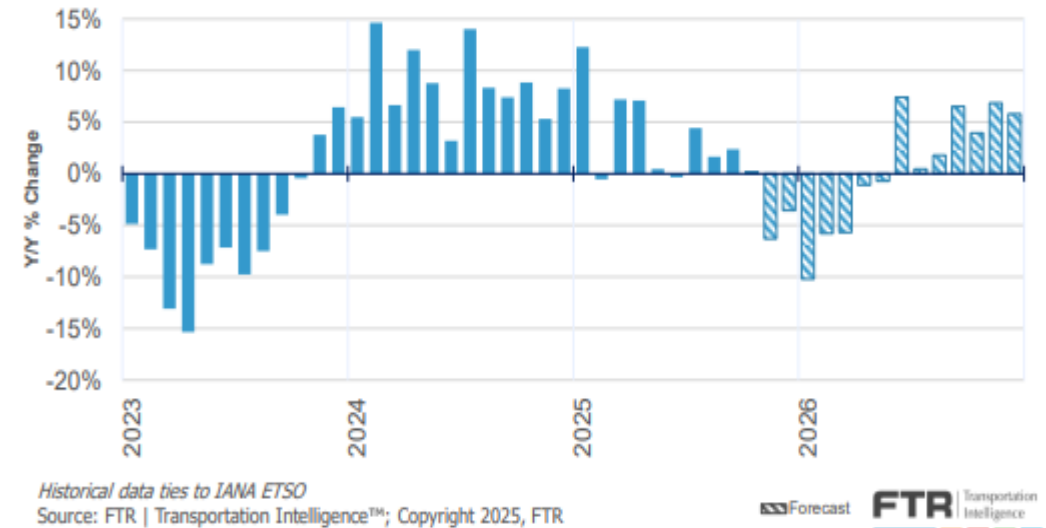
- This graph represents the difference between the Low-Cost procurement Scenario (Base) vs the final scenario
- The higher the data point, the higher the savings %
- The wider the gap, the more aggressive but potentially not viable pricing
- Final results have been flattening over the last 3 quarters, but savings appears to be increasing coming into Q3

US Intermodal

Supply, demand, and trends

- Intermodal did continue to experience the seasonal uptick in demand out of California to start off the fourth quarter. The elevated volume is expected to continue into early December.
- Over the road capacity remains plentiful, which is a limiting factor to the growth of intermodal volume.
- Per FTR, their forecast for North American intermodal volume was revised up to +2.0% y/y in 2025 from 1.5% last month. However, we lowered our expectations to +0.7% for 2026, down from 1.6%. 2026's moderation comes as the result of slight growth in the U.S., declines in Canada, and flat volume in Mexico.

Rail Intermodal Loads Outlook



Supply, demand, and trends continued

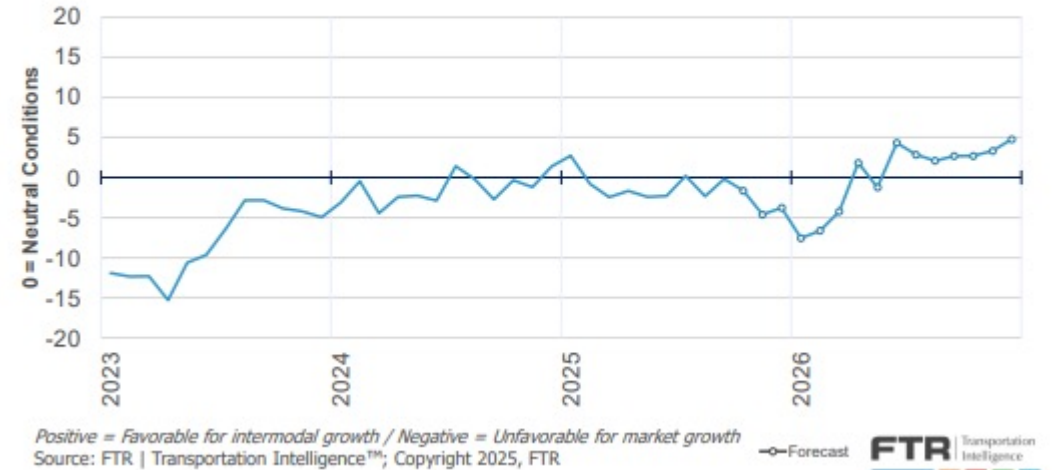
- Rail car and container supply continues to be plentiful across the intermodal network. Overall, shippers have not had an issue getting their volume covered during this peak season.
- Drayage capacity remains plentiful across the intermodal network as well.
- Intermodal providers continue to pursue volume inbound into California to support their need for network balance.
- The railroads continue to add new lanes and enhance their service on existing lanes. Examples include:
 - BNSF and CSX partnering to enhance the transit time on several transcontinental lanes.
 - UP and NS partnering to start up domestic intermodal service between Louisville, KY and several points on UP's western network.
 - CSX is opening service on lanes from the southeast to/from the northeast

Outlook

- The railroads are expected to continue to push for new and enhanced service offerings as the UP-NS merger is under review.
- It appears like the 2025-2026 bid season will mirror last year, at least to start with. As a general rule in 2025, rates were held year over year. The exception would be rate increases out of southern California, and in some cases rate reductions on backhaul lanes (i.e. into southern California).
- By the middle of 2026 Intermodal rates are expected to rise by 2%-4%.

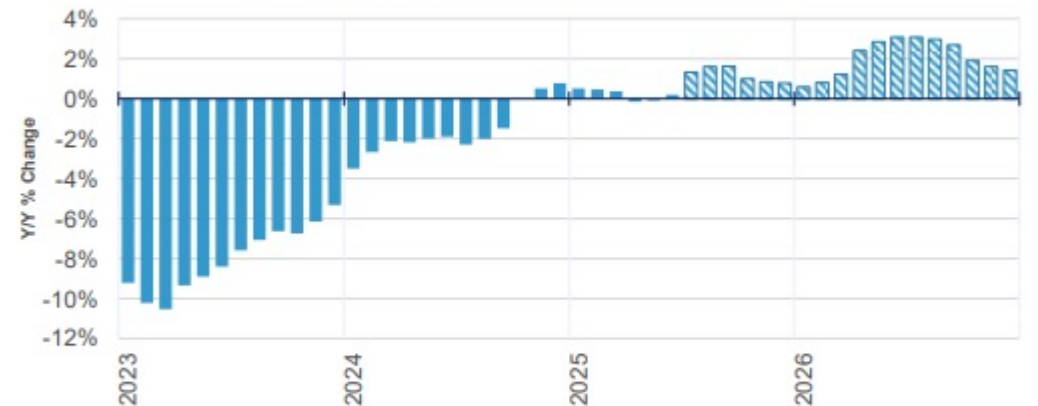
FTR Intermodal Competitive Index

ICI is a measure of domestic rail intermodal's competitive landscape versus OTR Trucking



Intermodal Price Pressure Index

Rail Linehaul + Drayage, Revenue per Load exc. Fuel Surcharge



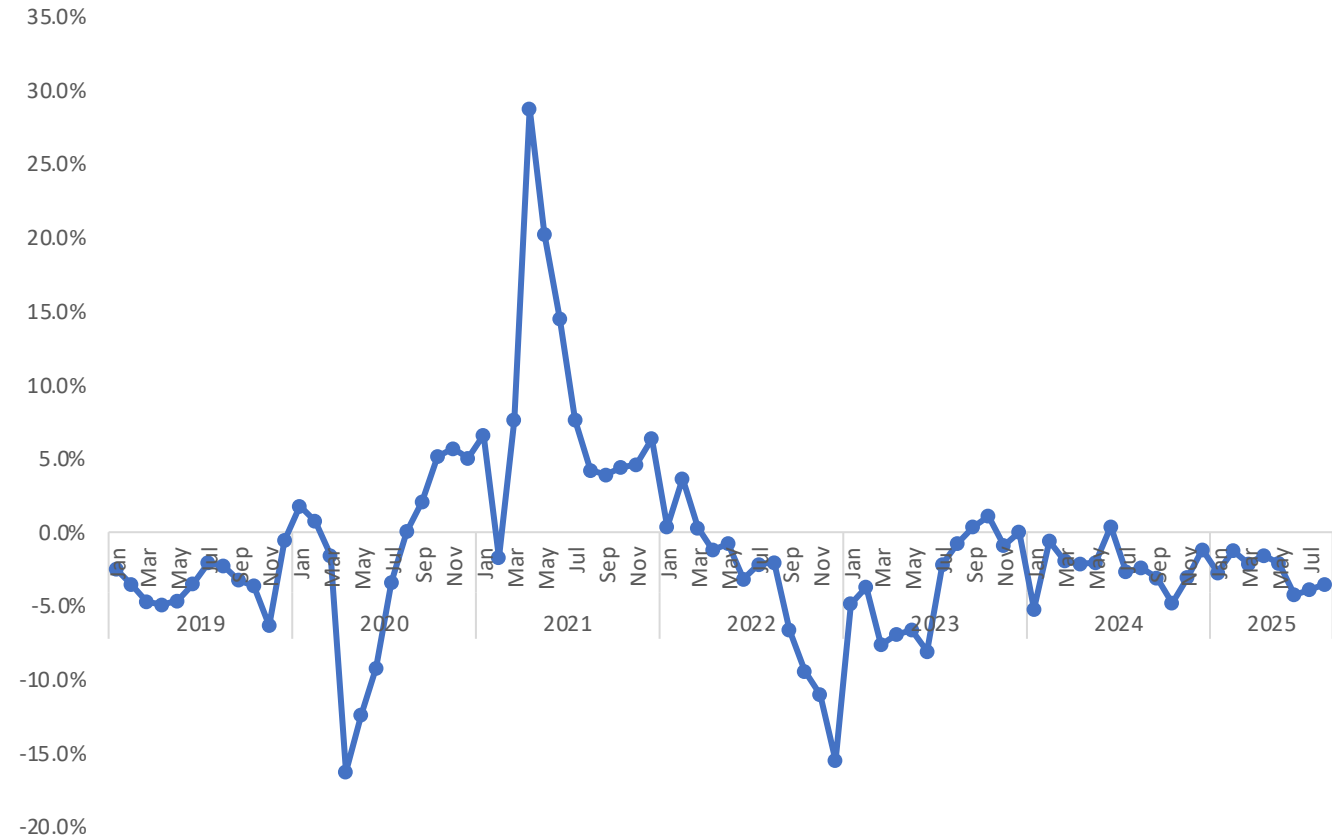
Source: STB, FTR | Transportation Intelligence™; Copyright 2025, FTR

US Less-than-truckload

Supply, demand, and trends

- LTL trends have not changed significantly since April 2023
- Carriers have capacity in their networks but are exhibiting cost control vs relative to previous cycles
- Volume remains flat/down YOY
- LTL service remains relatively strong
- Carriers have invested in tech, process improvements and facilities over the last several years and have become more consistent and reliable as a whole with those investments

LTL Tonnage Growth MOM Since 2019



Source: ACT Research

Outlook

- For Q1 2026 - bid activity will continue to be high as shippers look to lock in rates before an eventual market shift,. While freight may trade back and forth between carriers as this process plays out, we don't expect any new volume in the market or substantial changes to pricing .
- Full Year- Carriers currently have between 10 and 30% capacity available in their networks. When and if volumes rise in 2026, the industry should flex to be able to absorb the increased volume.
- While pricing will still likely fluctuate if capacity is absorbed (would likely be H2 if that occurs), relative overall carrier health and pricing discipline over the last coupled of years should help buffer price increases. Optimism exists in the carrier base that this will occur, would generate requested 3-5 % increases, however shippers will still have options to offset.

Recommendations

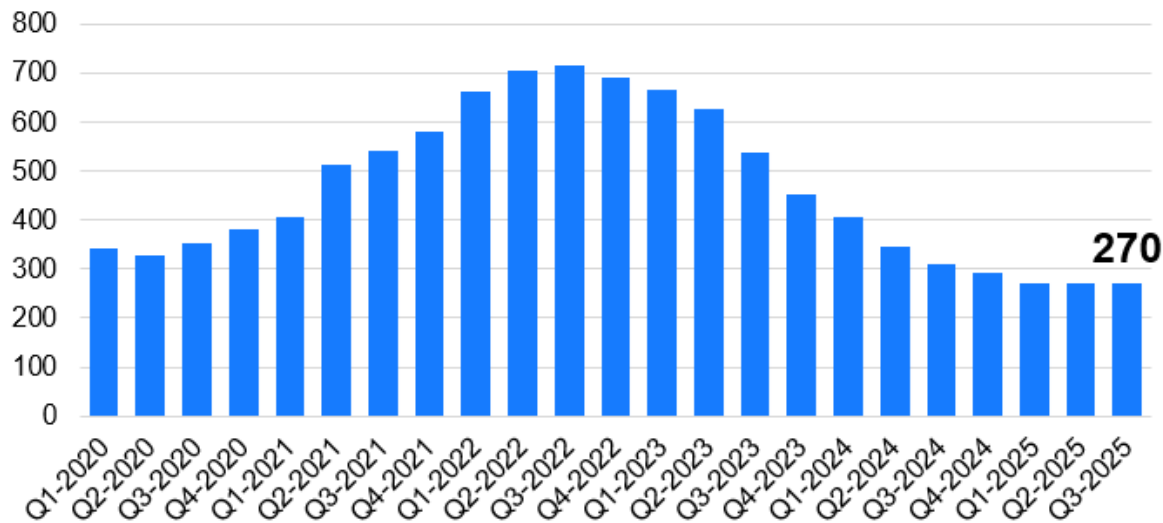
- Now is a good time to balance your portfolio of carriers
 - Explore regional and sub regional capacity
 - Align with strategic partners
- Control your destiny
 - Accurate bill of lading and proper freight classification help you eliminate costs, drive carrier efficiency and overall better pricing
 - Review packaging and loading to reduce overall space on truck where you can
- Expect incumbents to push for moderate increases – work with Uber Freight or your own procurement team to look for tradeoffs
- In most cases, you can keep cost flat by understanding which lanes, products etc are driving carrier cost up, and look for viable alternatives for those lanes /freight

US Warehousing

Supply, demand, and trends

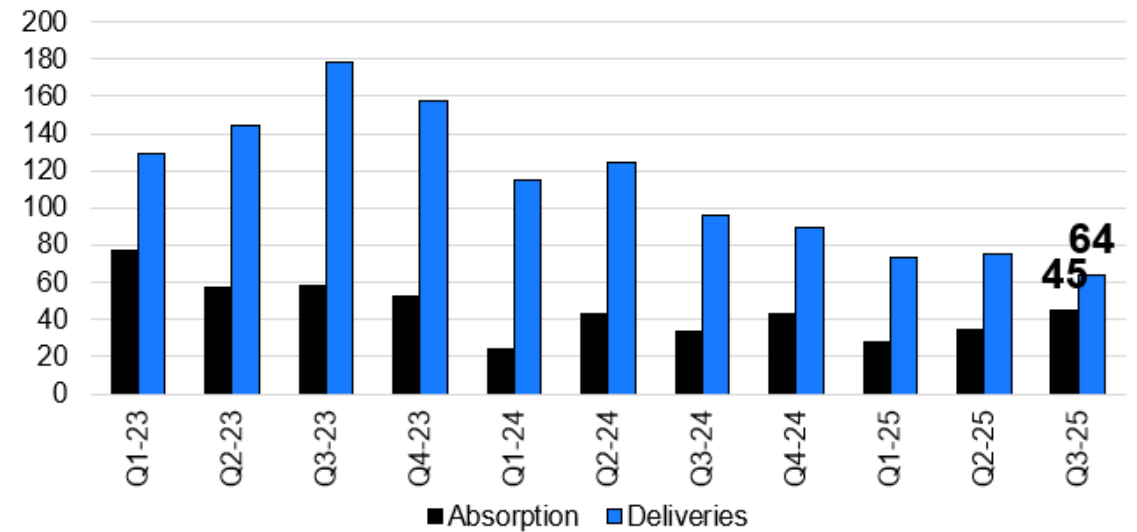
Under Construction ⁽¹⁾

Millions of Square Feet (MSF)



Net Absorptions & Completions ⁽¹⁾

Millions of Square Feet (MSF)



- The under-construction pipeline has fallen **13.4%** YOY.
- Industrial demand improved for the second consecutive quarter. Reaching **45** MSF in Q3 2025, a **30%** increase QOQ.
- Just **64** MSF of new space was delivered during the third quarter, a **32%** decrease from a year ago.

Outlook

Q4 Outlook

- Industrial demand is improving, with strong Q3 absorption indicating stabilizing activity.
- New supply is shrinking – under construction pipeline is down 13% YOY.
- Deliveries are slowing significantly (-32% YOY), reducing new inventory entering the market.
- Vacancy remains elevated enough to give tenants short-term leverage.
- Rent growth has flattened, creating a temporary window of pricing stability.
- Class A, modern facilities remain in highest demand and will tighten first.
- Older buildings are seeing weaker demand and more concessions.
- Small-bay warehouse space (<100k SF) remains tight nationwide.

2026 Outlook

- The reduced construction pipeline will lead to fewer new deliveries in 2026.
- Prime Class A space is expected to tighten as demand continues improving.
- Rent growth likely re-accelerates in late 2026 due to constrained new supply.
- Availability of modern, functional warehouses (40' clear, heavy power, high dock count) may become limited.
- Shippers will face longer lead times for site selection, permitting, racking, and build-outs.
- Legacy facilities will face increasing functional obsolescence.
- 3PL capacity may tighten as both shippers and retailers secure long-term commitments.
- Markets near major ports, intermodal hubs, and population centers will experience the earliest tightening.

Recommendations

Q4 Recommendations

- Lock in high-quality warehouse space before 2026 tightening begins.
- Negotiate aggressively on older or vacant buildings—TI dollars, lower escalations, free rent.
- Finalize your 2026–2027 network strategy while space options are still broad.
- Push for flexible lease structures: termination clauses, expansion rights, and fixed-rate caps.
- Act quickly if you need smaller warehouses (<100k SF), as these remain constrained.
- Leverage slowing rent growth to secure multi-year pricing stability.
- Prioritize facilities with modern specs—high clear heights, trailer parking, and efficient loading.
- If using 3PLs, secure capacity or preferred rates now before demand increases.

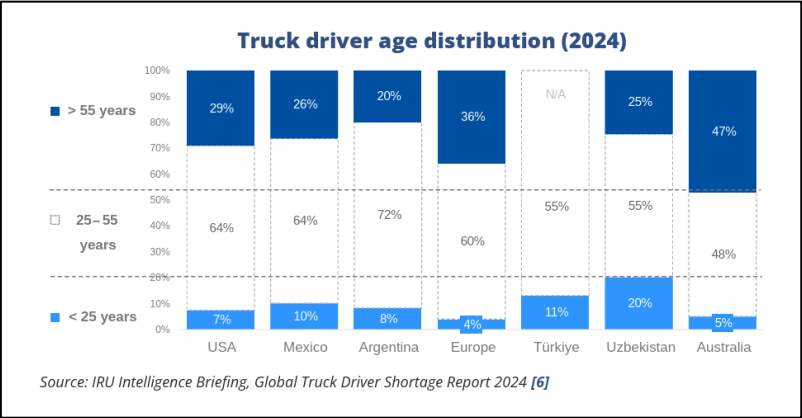
2026 Recommendations

- Plan expansion or relocation projects 12+ months ahead to avoid space shortages.
- Budget for renewed rent growth, especially in Class A and port-adjacent markets.
- Begin modernizing facilities now if you want to avoid premium costs in 2026.
- Tighten your distribution footprint using SKU profiling and transportation modeling.
- Strengthen 3PL partnerships with long-term agreements or dedicated capacity.
- Pre-plan for higher inventory needs—space flexibility will be more limited.
- Prioritize regions that will tighten fastest (ports, population centers, intermodal corridors).
- Revisit long-term lease strategy and secure renewal options before the market shifts upward.

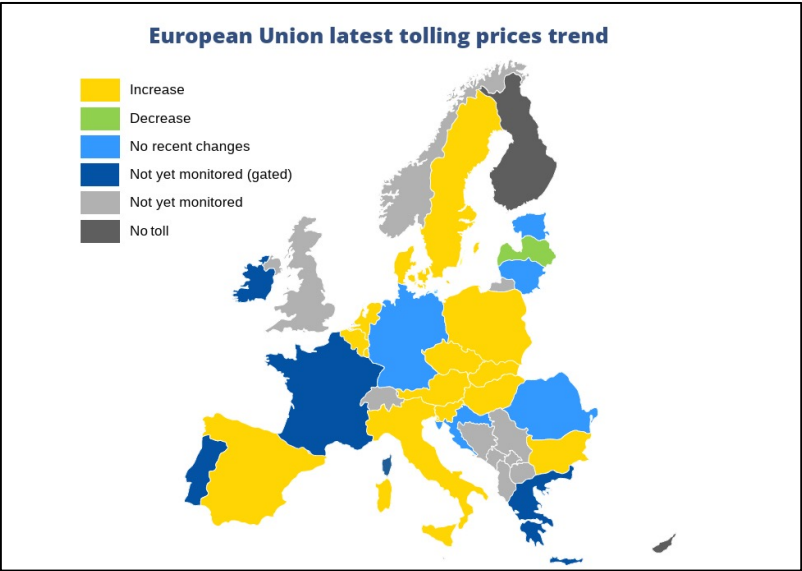
Europe

Supply, demand, and trends

Truck driver shortage is expected to increase from 425,000 in 2024 to 745,000 by 2028



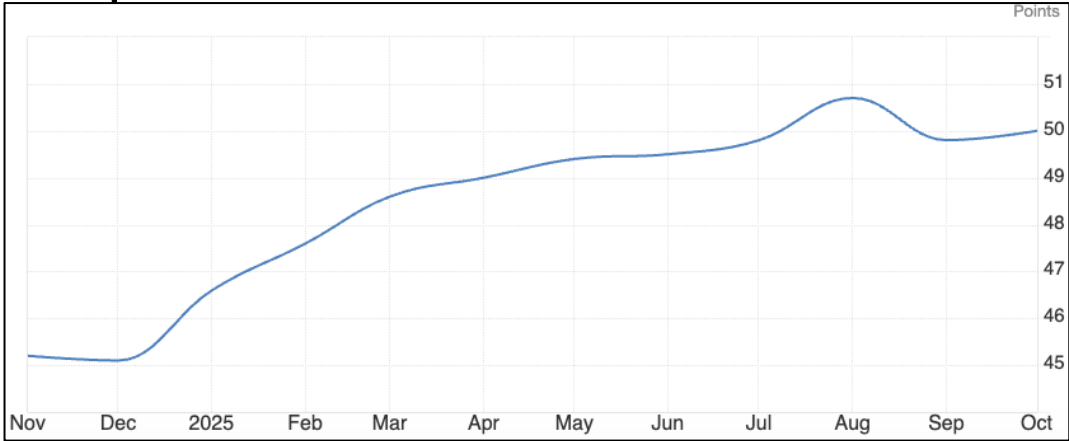
European road tolling continues to be rolled out



The Euro area GDP Economic Outlook (EO) remains weak

Region	2025 GDP Growth %	2026 GDP Growth %
Euro Area	1.0%	1.2%
World	2.9%	2.9%
G20	3.1%	3.0%

Euro Area manufacturing PMI index has recovered, providing a leading indicator of potential increased transport demand



Outlook

- The Brent crude oil price fell during the third quarter, starting at \$67 per barrel in July and ending at \$65 at the end of October. OPEC+ countries are moderately increasing production in Q4 '25, however these increases will be paused in Q1 '26 to maintain price stability.
 - HVO distribution is improving, leading to lower prices at the pump, but the price per litre is still c20% higher than diesel across the UK and EU.
- ETS2 will require fuel distributors to buy emissions allowances from 2027, analysts estimate a diesel price uplift by 14 cents per liter by 2027.
- Zero-emission trucks remain a small but fast-growing share of the fleet, accelerated by EU toll exemptions and public investment. In October 2025, the European Parliament voted to extend full toll exemptions for zero-emission trucks until at least June 2031.
- Domestic road freight is expected to grow at an average 2.7% annual rate, while international segments could expand faster, barring major geopolitical disruptions.
- Overall freight demand is projected to grow in 2026, but these gains will be constrained by available driver and vehicle capacity. Cost inflation for labour, fuel, tolls, and regulatory compliance will force operators, especially SMEs, to pass costs onto customers, resulting in spot rate increases.

Recommendations

- Transport demand is expected to increase, with the backdrop of increased costs from multiple areas such as driver shortages, tolls, ETS2 – this environment warrants increased collaboration with transport suppliers to jointly identify efficiency opportunities.
- Examine the ‘friction’ in the supply chain that increases transportation costs – sub optimal manufacturing stability, warehouse capacity and customer demands can add 5-15% to transportation costs, so a cross functional approach to mitigate costs is required.
- Procure for the longer term – increase strategic relationships with carriers to enable joint initiatives, but also to secure longer term rate agreements with cost mitigation incentives.
- Leverage technology to provide data visibility and cost efficiency opportunities.

Mexico

Transportation Challenges

→ According to the SESNSP*, comparing figures between September 2024 and September 2025, the states with the highest robbery rates in the country (State of Mexico and Puebla) showed an increase of 4.5% and a decrease of 38.5%, respectively.

→ **Road Blockades: CANACAR reports UNTA-led blockades** disrupting logistics, supply chains, and productivity after failed talks with authorities.

→ Farmer blockades in the Bajío have disrupted over 8,000 truckloads, causing major congestion, delayed deliveries, production impacts, and supply chain instability across Mexico–U.S. corridors.

→ **Client investments related to security:** Technology has played an important role in this area due to its high efficiency in reducing theft.

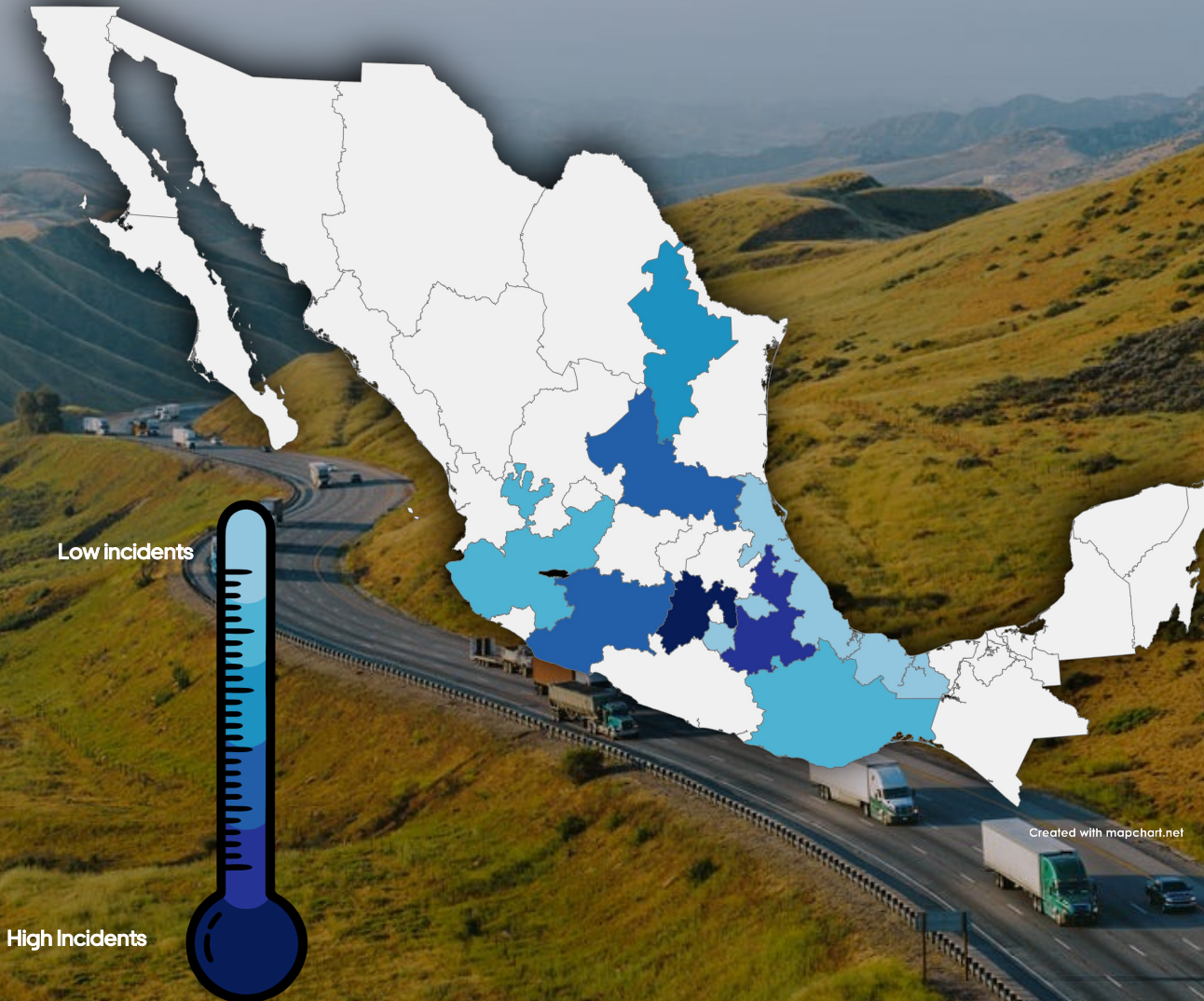
→ Advanced telemetry for satellite tracking.

→ In-cab cameras with live streaming.

→ Geofences and alerts for route deviations.

** Executive Secretariat of the National Public Security System (SESNSP)*

** National Chamber of Freight Transport (CANACAR)*



Supply, demand, and trends

Supply

U.S. Driver Requirements:
The **DOT** will now **disqualify drivers lacking English proficiency** and **review foreign CDLs** for irregularities like cabotage. CANACAR warns this could **worsen the driver shortage**, as **70%+ of B1 drivers** may not meet language standards.

Visa Processing Pause:
The **U.S. has paused visa reviews for H-2B, E-2, and EB-3 applicants**, affecting international drivers.

Mexican B-visa drivers under **USMCA** remain authorized, and **existing permits stay valid**.

VISA	Applicants
H-2B	For temporary, seasonal, non-agricultura jobs.
E-2	For investors from treaty countries who want to invest in a U.S. business
EB-3	For employment-based, permanent immigration visa for skilled workers, professionals, or other workers that can lead to a green card.

Demand

Product Deadline:
Vehicle production in Mexico fell 3.7% year-on-year in October, impacted by the semiconductor shortage and USMCA-related uncertainty.

Positive Developments:
China suspended export restrictions for one year (until November 2027), benefiting automakers like Honda, which had halted operations at its Celaya, Guanajuato plant due to chip shortages.

Supply Chain Adaptation:
Local manufacturers are strengthening regional supply chains by substituting components and boosting national integration. Mazda, Honda, and General Motors have increased local sourcing and diversified suppliers to reduce production risks.

Trends

New Investments: FDI reached USD 34.3 billion in H1 2025 (+10.2% YoY). USA continues to be Mexico's top investment partner; Spain and Canada followed as the second and third largest investors, respectively. Mexico City remains the leading destination for FDI, followed by Nuevo León and the State of Mexico.

Export Growth: Mexico recorded between 2%- and 4%-point growth in exports of beverages, industrial machinery, vehicles, auto parts, furniture, and medical instruments, compared to the six-year average. This increased Mexico's U.S. market share from 14.5% to 15.5%, making it the top individual supplier to the U.S. economy.

Metals Sector Impact: Despite 50% U.S. tariffs on steel, aluminum, and copper, Mexico maintained export levels, though with higher production costs and lower volumes.

Mexico's Trade Balance: From January to September 2025, the trade balance recorded a USD 2.93 billion deficit, reflecting higher imports (USD 484.57 billion) compared with exports (USD 481.64 billion).

Outlook

- CANACAR expresses its concern over the recent road blockades organized by members of UNTA mainly affecting the roads of the Bajío area Jalisco, Guanajuato, Querétaro and Michoacán, causing a huge impact inside the supply chain across Mexico-USA corridors .
- The USMCA 2026 Review will be critical to shaping North America's economic prosperity. Mexico, the United States, and Canada have already launched public consultations to gather input and assess the agreement's overall impact.
- Mexico has experienced the pause by U.S. government to determine their qualifications for a U.S. visa, this situation affects workers of all nationalities applying to operate trucks under the H-2B, E-2 and EB-3 visa classifications. Although, Mexican drivers who still cross under B visas linked to USMCA trade rules can continue operations.

What's next 2026?

- Despite new tariffs on metals and auto parts, automakers such as Mazda, Honda, and GM are boosting local sourcing and supplier diversity, strengthening Mexico's position in North American manufacturing.
- **The USMCA review on July 1, 2026** could extend or modify the agreement; Mexico's auto sector warns of **stricter rules of origin** and **tighter scrutiny of Asian content**, with heavy-vehicle makers concerned about **meeting regional content requirements**.
- The FIFA World Cup 2026, will be hosted in Mexico (Monterrey, Guadalajara, and Mexico City). This will present major logistical challenges for the movement of people and goods. Authorities and logistics operators are preparing alternative transportation routes and nighttime operations to avoid congestion in urban areas.

Recommendations

- The Secretary of Infrastructure, Roads, and Transportation (SICT) recommends taking necessary precautions and regularly checking the official social media accounts of both this Secretariat and the Federal Roads and Bridges Agency (CAPUFE).
- Be open to work with our different borders across US and Mexico. On the last year it grew a 6% the usage of other borders such as Pharr, San Diego, Eagle Pass and others.
- Continue having open communication and 1:1 negotiations with your incumbents' carriers and logistics partners to prioritize service.

Canada

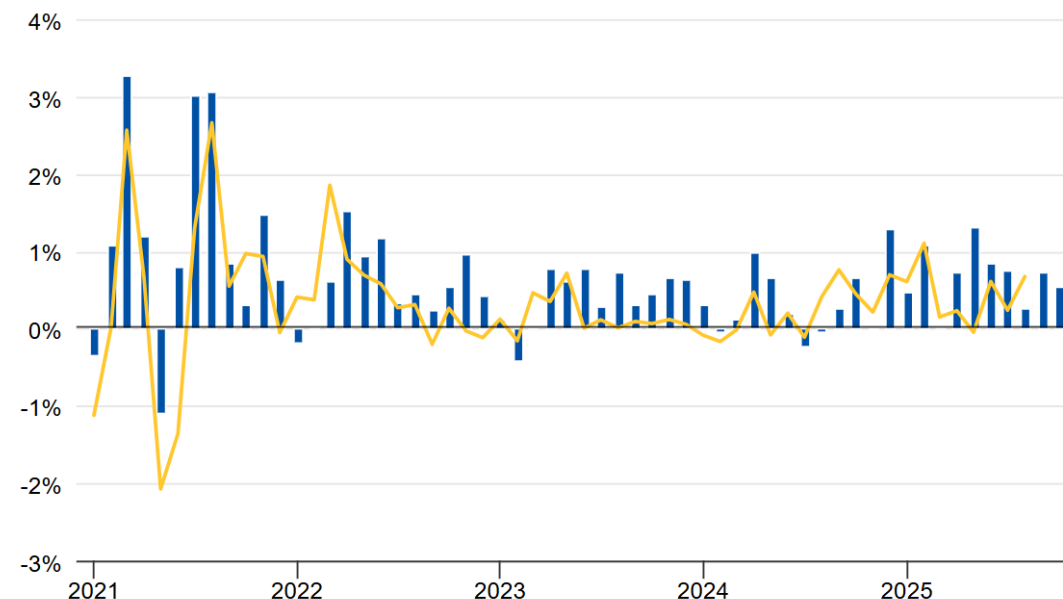
Manufacturing contraction rate slows into Q4 while consumers resilient



Canada Manufacturing PMI^{2,3}
sa, >50 = growth since previous month



Core Retail Sales, MoM Change (3 month MA, SA)¹
Statistics Canada (line), RBC (bars), ex-auto sales & gas stations



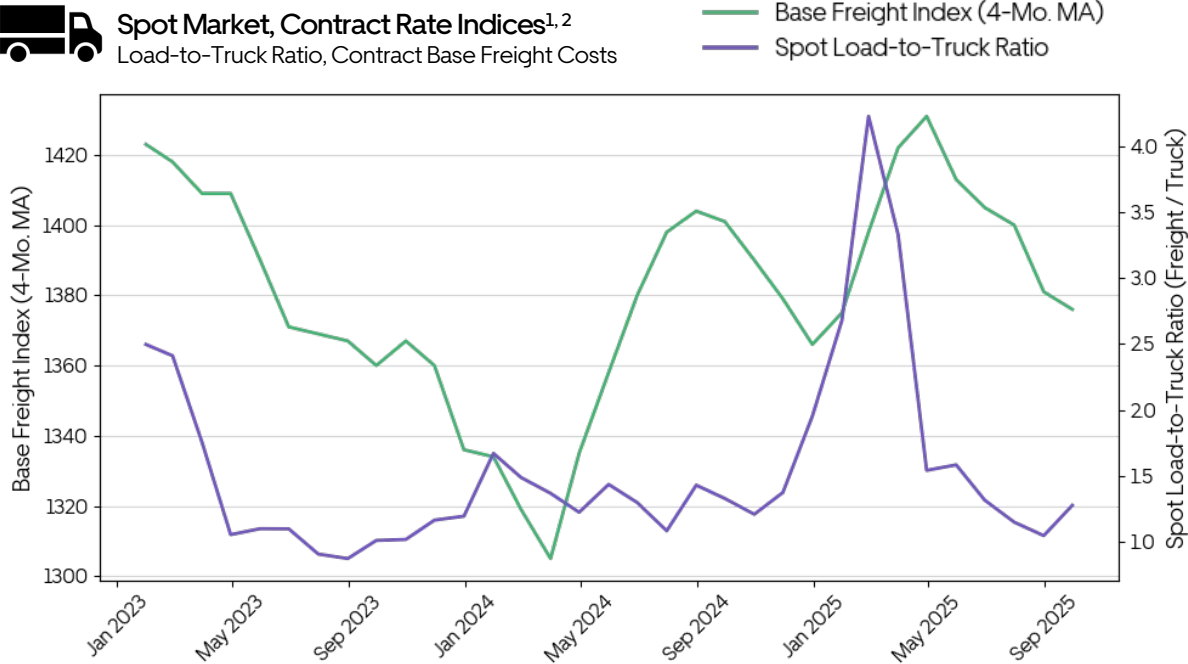
Q4 is seeing a continued, but slowing, decline in Canada's manufacturing sector, with S&P's PMI showing that production and exports declined by the weakest degree in nine months. Manufacturing sentiment is at its highest level since January, reflecting a positive outlook heading into 2026. Employment in the sector decreased, with industry feedback noting that firms are leveraging voluntary attrition as a headcount-reduction approach, contributing to slower hiring rather than faster firing.

The Canadian economy at large saw employment recover to previous-year levels in October⁴, with retail spending maintaining its growth momentum to close out the year despite earlier uncertainty caused by trade disruption. Continued rate cuts by the Central Bank⁵ are also aimed at stimulating credit-financed spending.

Sources ¹RBC Consumer Spending Tracker, October 2025. ²S&P Global, Canada Manufacturing PMI®, October 2025. ³tradingeconomics.com. ⁴Monthly Labour Force Survey, 14-10-0287-01, Statistics Canada.

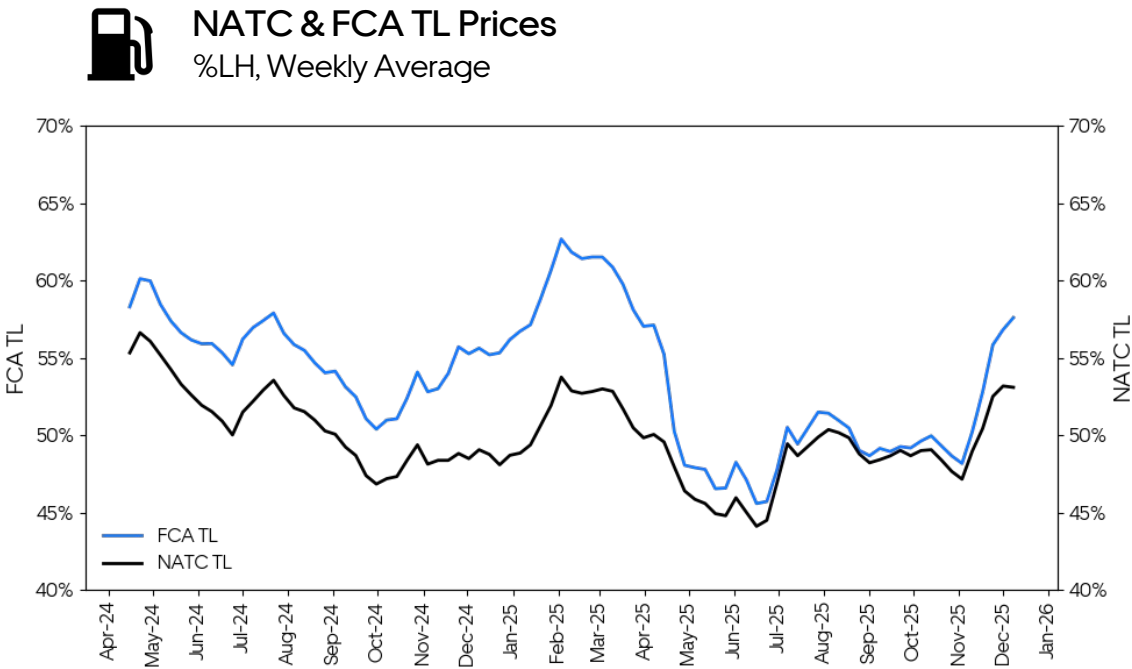
Outlook

Shippers face higher replacement rates in Q4 as legislation, high interest squeezes carriers



Carriers continue to face several headwinds — as the year saw international student-to-driver pipeline dry up³, Minister Champagne’s crackdown on Driver Inc. loopholes intensified⁴, and a high-interest-rate environment constrained new asset acquisitions. These pressures have manifested as higher replacement rates for 2026 contracts, while as carriers remain active in the spot market to pursue margin opportunities.

Winter formulations bump TL indices, but commodity trade suggests slide into ‘26



FCA and NATC indices strengthened through November and regained lost ground headed into December contracts, with both benchmarks positioned to finish 2026 near early-year highs with winter diesel formulations adding upwards momentum despite late November futures suggesting a slide into 2026¹.

Recommendations

Optimize cross-border flows

- Explore non-resident importer status to leverage duty mitigation strategies.
- Zone Skip international parcel shipments through pre-labelling and consolidating into LTL at origin, and clearing customs as a consolidated entry.

Maintain access to capacity through RFQs or mini-bids as the market rebalances

- Forecast, simulate and optimize contract volume % to determine desirable exposure to market through RFP cycle.
- Leverage spot volume to widen carrier base between contract cycles.
- Evaluate, standardize, and renegotiate accessorial charges across your carrier base.

Implement network efficiencies

- Optimize for long-distance: Sailing schedules to create consolidation opportunities and MSTL
- Explore multi-stop truckload or pooling alternatives as potential replacements for conventional hub-and-spoke LTL shipping methods.
- Avoid national tariffs through zone skipping, tendering cargo as regional carriers from a deconsolidation point

Uber Freight

Powering Intelligent Logistics