# Independent Contractor Benchmarking (ICB)

***A Guide To Independent Contractor Success***

## 2024 – Third Quarter Analysis

**Todd Amen, CEO**

# History of ATBS

# THE TRUCK DRIVER CAREER JOURNEY

IN THE WORLD OF TRUCKING, DRIVERS ARE OFTEN LUMPED INTO TWO MAIN CATEGORIES, COMPANY DRIVERS AND OWNER-OPERATORS. IN ACTUALITY, THERE ARE A FEW TYPES OF DRIVERS, EACH IN DIFFERENT STAGES OF THEIR CAREER. THE TRUCK DRIVER CAREER JOURNEY IS NOT A LINEAR PATH, AND MANY DRIVERS WILL TRAVEL BACK AND FORTH BETWEEN DIFFERENT STOPS ON THE JOURNEY OVER THE COURSE OF THEIR CAREERS. WE DEFINE THE DIFFERENT STOPS ALONG THE JOURNEY AS FOLLOWS:

## COMPANY DRIVER

- Represents the majority of drivers
- **An employee of the carrier**
- Drives the carrier's truck
- Dependent on the carrier for income
- Low risk with more consistent earnings
- Typically much lower earnings than an owner-operator doing similar work

## PIONEER

- **First time owner-operator**
- Truck is typically sourced through carrier
- Operate under the carrier's operating authority
- Manage their own revenue and expenses
- Haul carrier's freight
- Take advantage of carrier's buying networks

## HIRED GUN

- **Experienced owner-operator**
- Source their own truck
- Operate under carrier's operating authority
- Manage their own revenue and expenses
- Haul carrier's freight
- Take advantage of carrier's buying networks

## LONE RANGER

- Experienced owner-operator
- Source their own truck
- **Operate on their own operating authority**
- Source their own freight, often rely on load boards and factoring companies
- Often gravitate towards specialty niches
- Income fluctuates based on industry freight cycles
- Often join associations that provide buying discounts

## TRAIL BLAZER

- **Small fleet owner (typically 2-20 trucks)**
- Typically still drive one of the trucks themselves
- Operate either under a carrier's authority (similar to a Hired Gun) or under their own authority (similar to a Lone Ranger)
- Complex back-office

ATBS

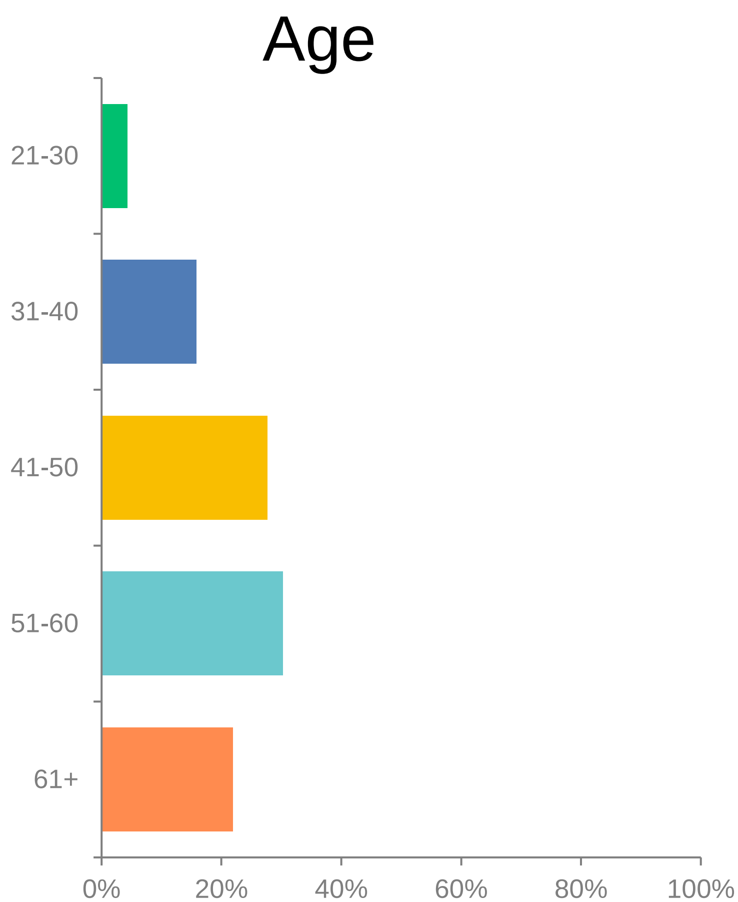
RUMBLESTRIP By ATBS

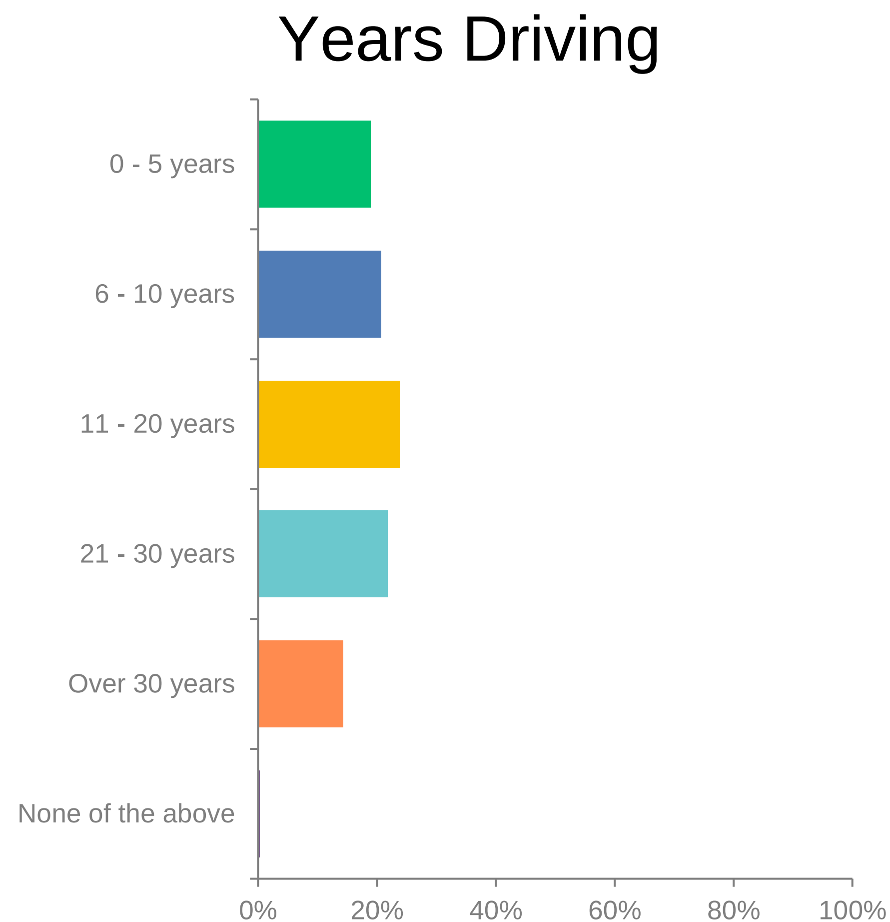
# CALL 866-920-2827 TO GET STARTED

| | ESSENTIALS (Hired Gun/Lone Ranger) | PROFESSIONAL (Pioneer & Hired Gun) | ENTERPRISE (Lone Ranger/Trailblazer) |
|---|---|---|---|
| **Planning** | | | |
| Detailed Profit Plan | | ✓ | ✓ |
| **Coaching** | | | |
| Unlimited Business Consulting | | ✓ | ✓ |
| Industry Benchmarking | | ✓ | ✓ |
| **Data and Analysis** | | | |
| Monthly Profit and Loss Statements | | ✓ | ✓ |
| Year-to-Date Profit and Loss Statement | ✓ | ✓ | ✓ |
| Bookkeeping | ✓ | ✓ | ✓ |
| Secure Online Document Portal | ✓ | ✓ | ✓ |
| **Tax Preparation** | | | |
| Tax Consulting | ✓ | ✓ | ✓ |
| Quarterly Tax Estimates | ✓ | ✓ | ✓ |
| Year-End State/Federal Tax Returns | ✓ | ✓ | ✓ |
| Tax Reconciliation - Bottom Line Checkup | ✓ | | |
| Tax Reconciliation - Bottom Line Maximizer | | ✓ | ✓ |
| **Organizational Support** | | | |
| Entity Formation | | | ✓ |
| Tax Preparation for Business Entities | | | ✓ |
| Payroll Services | | | ✓ |

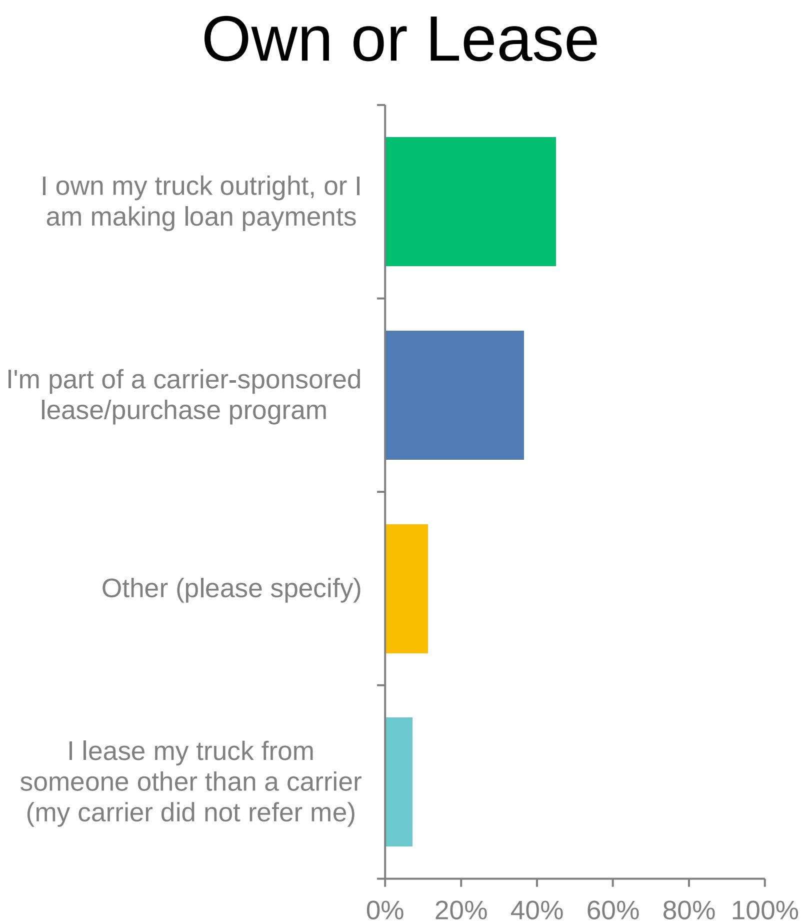

# IC Survey Results

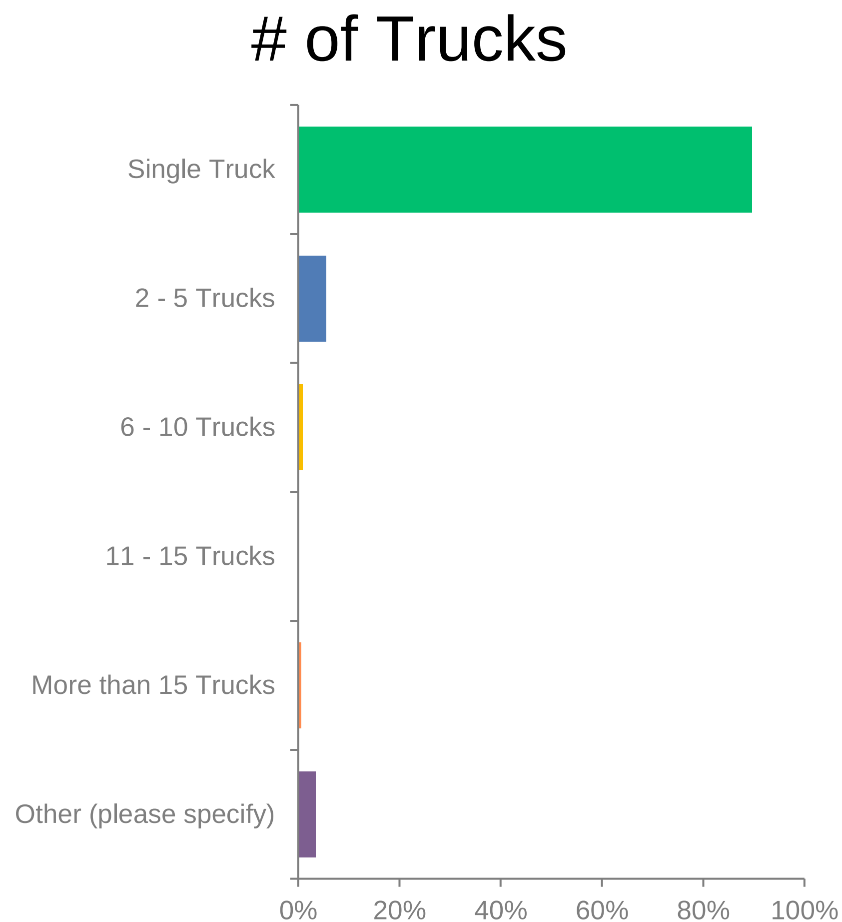
# Driver Demographics



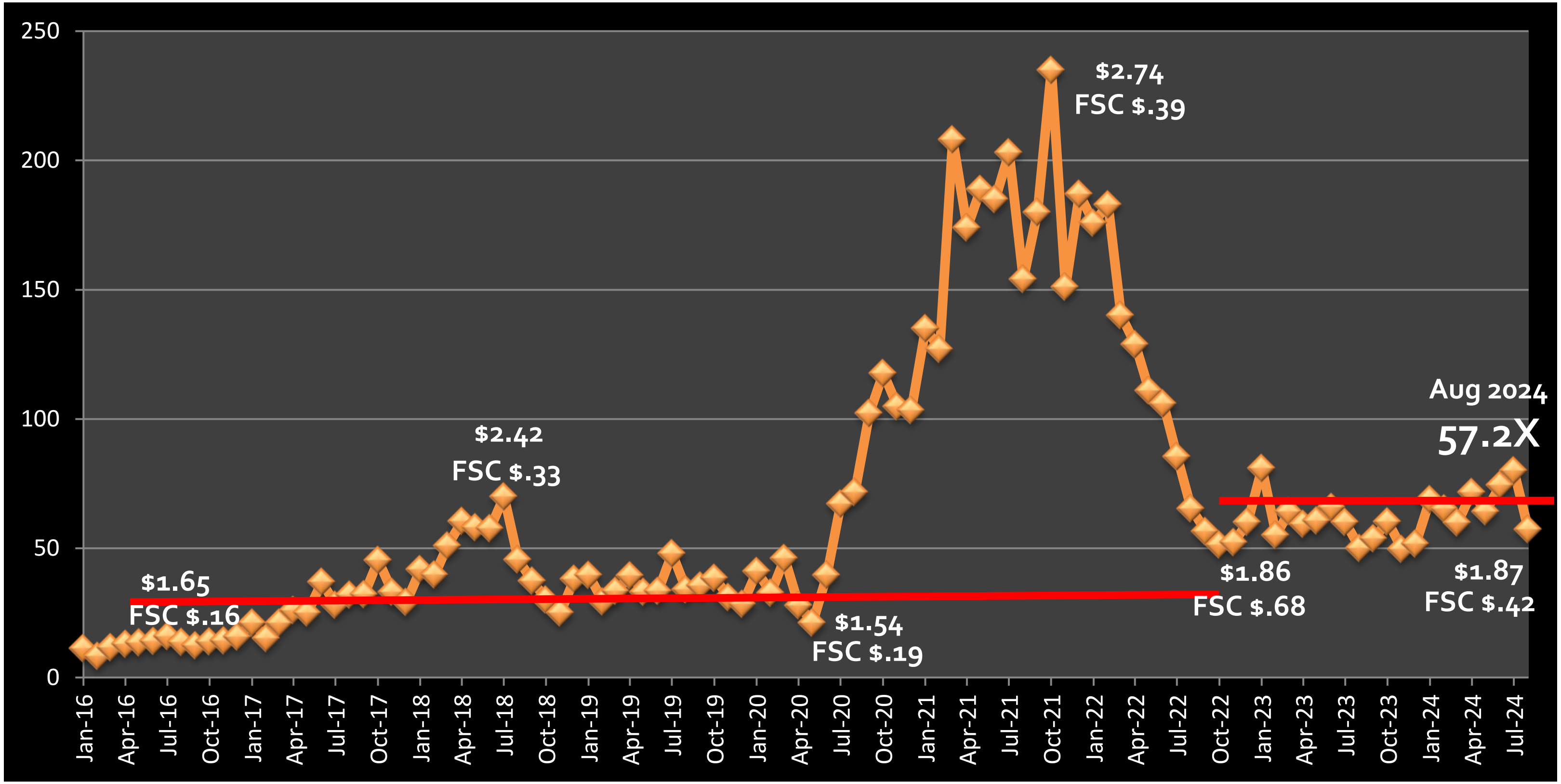
# Driver Demographics



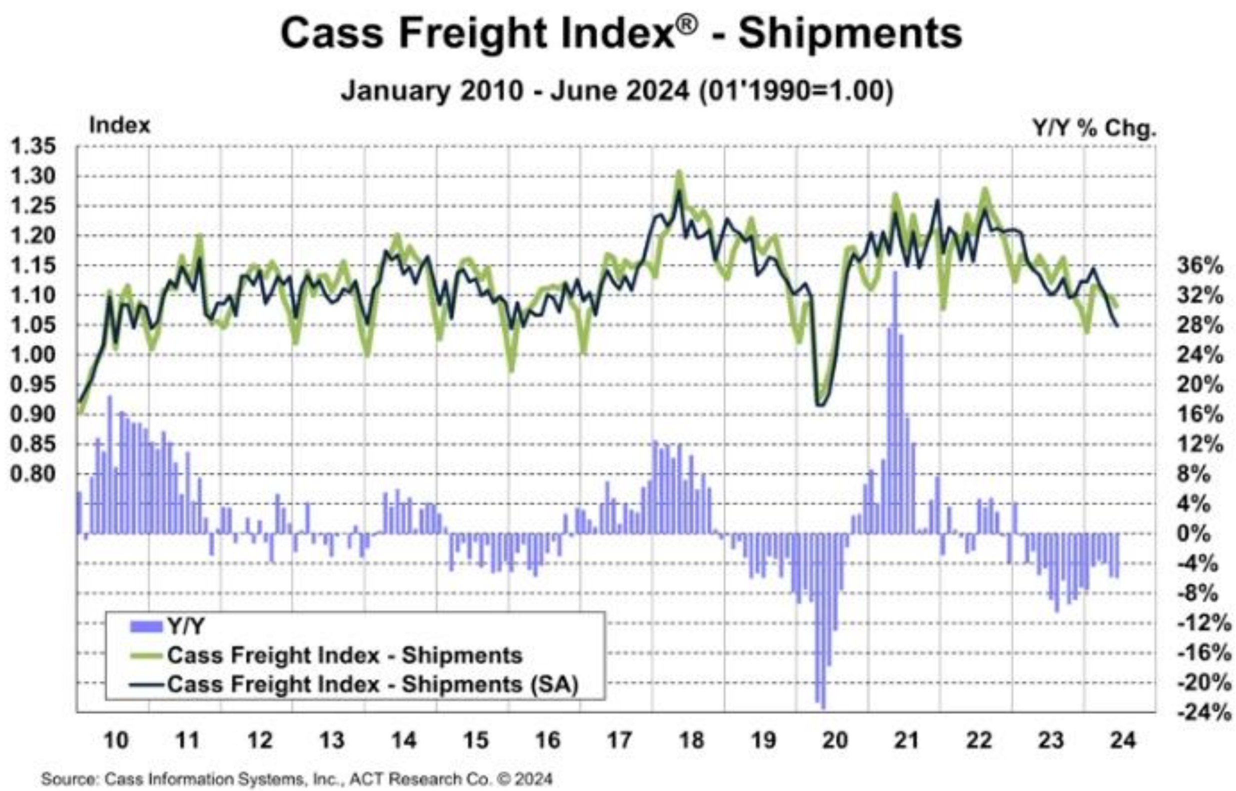

# What is the economic environment in trucking?

# Truckstop.com
# Broker Load vs Truck Index – Net Rate



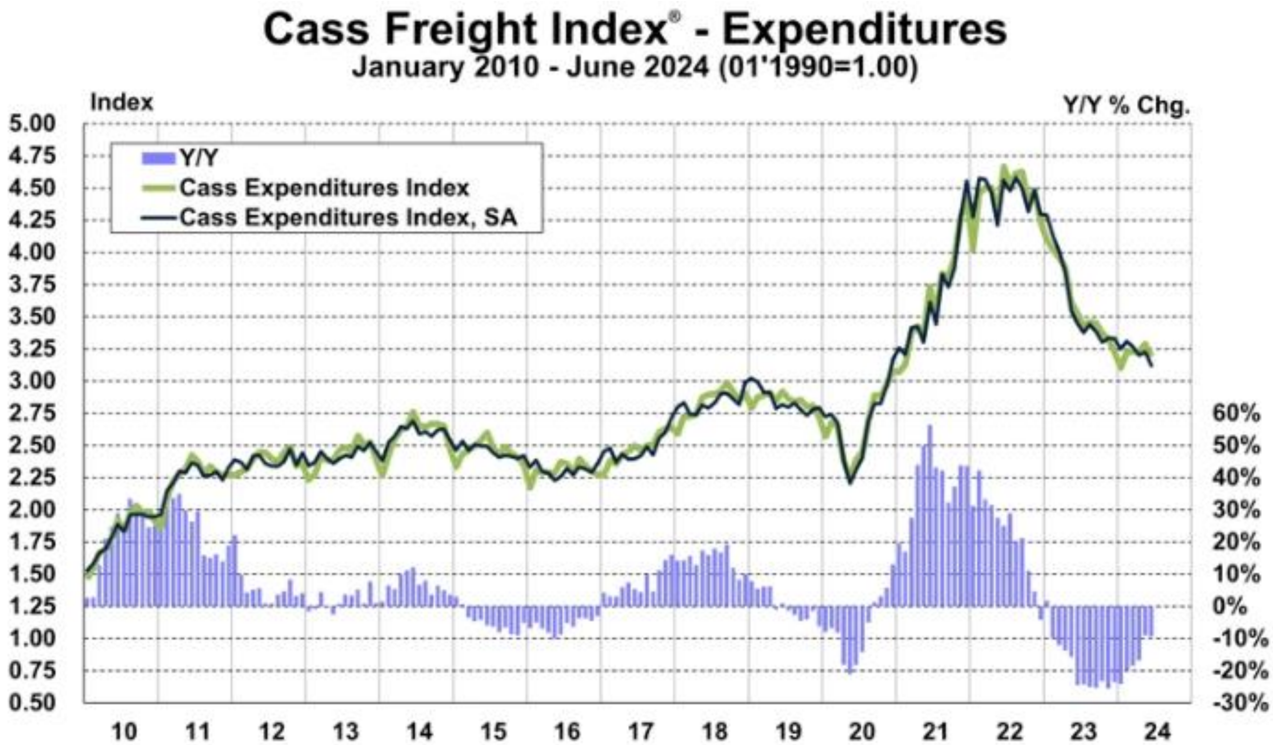

Spot Rate X Fuel Surcharge (FSC) based on $1.25 base for fuel

# CASS Freight Index - Shipments




"After rising 0.6% in 2022, the index declined 5.5% in 2023. With normal seasonality from the June level, the index will fall about 4% y/y in July and about 5% for the full year."

# CASS Freight Index - Expenditures




Source: Cass Information Systems, Inc., ACT Research Co. © 2024

The expenditures component of the Cass Freight Index fell 19% in 2023, after a record 38% surge in 2021 and another 23% increase in 2022. It declined another 16% in 1H'24, and assuming normal seasonal patterns from here, will decline 11%-12% for the full year. ”

# What are fleets saying?

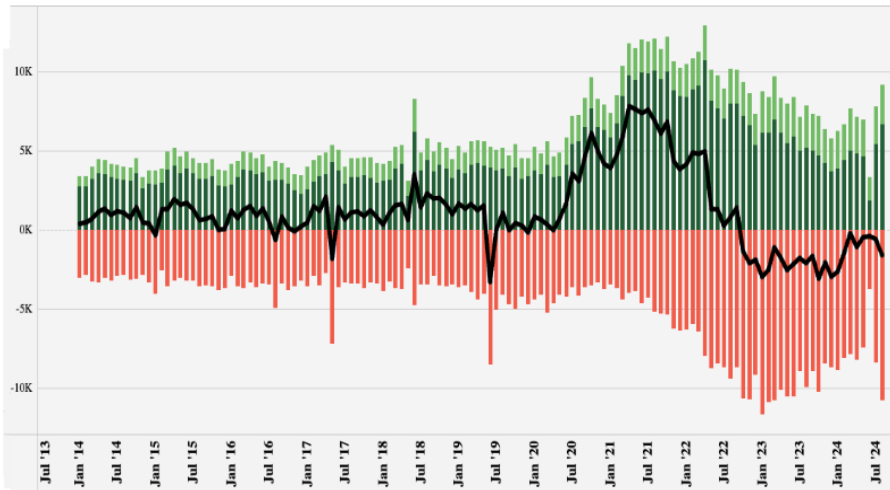
- Freight demand is flat to down with small movement of freight to spot market. That will very slowly inch up rates as carriers are choosing not to take freight at lower rates.
- Contract rates are seeing downward pressure, but we are holding our line and pushing for more rate to work toward profitability.
- In the trough and moving but very slow.
- Common theme - Shippers seem to be securing extra capacity earlier than usual to lock in lower rates. This implies they think rates will be going up.

# How will Trump Affect Trucking?

- Tariffs = increase demand
- Oil = lower cost – Trump 4 years = $2.80, Biden 4 years = $3.77
- Reduced Regulation = increased demand
- Taxes = TCJA extended = increased demand
- IC vs Employee Attack = Subsides

# DAT – Motor Carrier Activity

## Interstate Truckload Capacity - Monthly Changes




**Note:** This data applies to all vehicles involved in interstate commerce over 10,000 lbs GVW.

Measure Names
- Re-Entrances, Daily
- News, Daily
- Departures, Daily
- Net Change, Daily

Month of Month, Beg.: **Jul '24**

| | |
|---|---|
| New Entrances: | **5,404** |
| Re-Entrances: | **2,395** |
| New + Re-Entrances: | **7,799** |
| Departures (-): | **(8,398)** |
| Net Change: | **(599)** |

Month of Month, Beg.: **Aug '24**

| | |
|---|---|
| New Entrances: | **6,642** |
| Re-Entrances: | **2,508** |
| New + Re-Entrances: | **9,150** |
| Departures (-): | **(10,770)** |
| Net Change: | **(1,620)** |

- Carrier that change their operating status represent ~3% of total carriers
- The rate of interstate carriers entering the market surged in August - up 17% m/m and 28% y/y
- Carrier exits also accelerated - up 28% m/m and 20% y/y.
- Since June '20, 450,861 carriers have entered the market and 380,166 have left, leaving 13% remaining.
- 94% of **exits** are in fleets with less than 10 power units:
  - 70% are owner-operators, 17% have 2-3 PUs, 7% have 4-9 PUs
- 93% of **new and reactivated** carrier authorities have 1-3 power units
  - 81% are owner-operators

# Operating Analysis

## By Independent Contractor Segment

Independents, Dry, Reefer, Flatbed, & Average of All Segments

# Methodology of Data

- Sample Size = thousands of owner-operators in each market segment
- Most recent 24 months including an average of each 12-month period (Trailing Twelve Months or TTM)
- *Avg All Market Segments* is a weighted average of the “segments” taking into account the percent of clients in each market segment
- Data Tables are available from ATBS

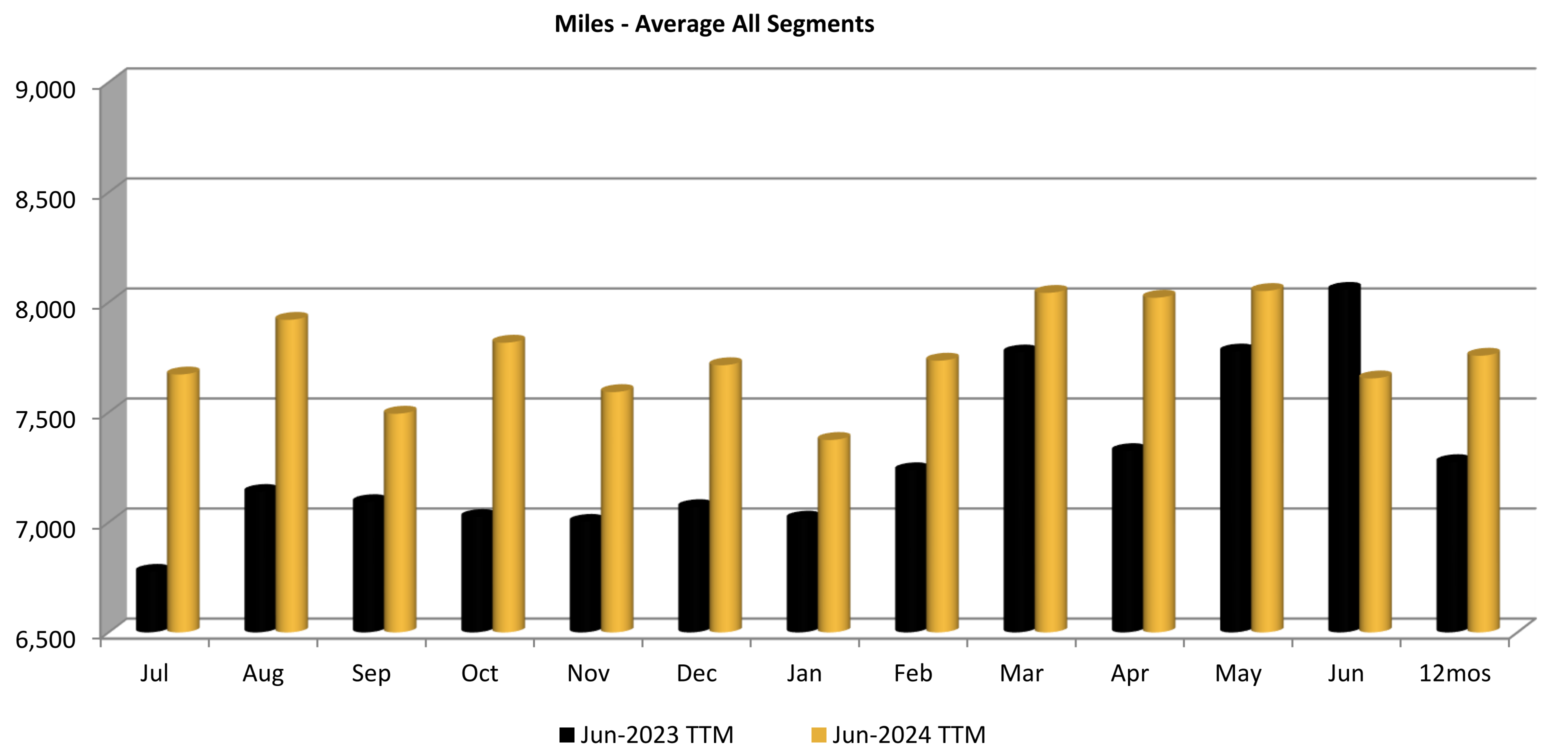
# Specific Anonymous Carrier Benchmarks

- 132 Total Carriers in the Benchmark Group
  - 41 -Dry Van
  - 24 -Reefer
  - 25 -Flat
  - 31 -Specialized
  - 11 -Tank
- Data is weighted 70% Dry, 20% Reefer, 10% Flat
- Data is based on thousands of contractors
- Data Purified across all fleets & contractors, based on consistent monthly measurements


# Revenue Analysis

Miles, RPM, Gross Revenue

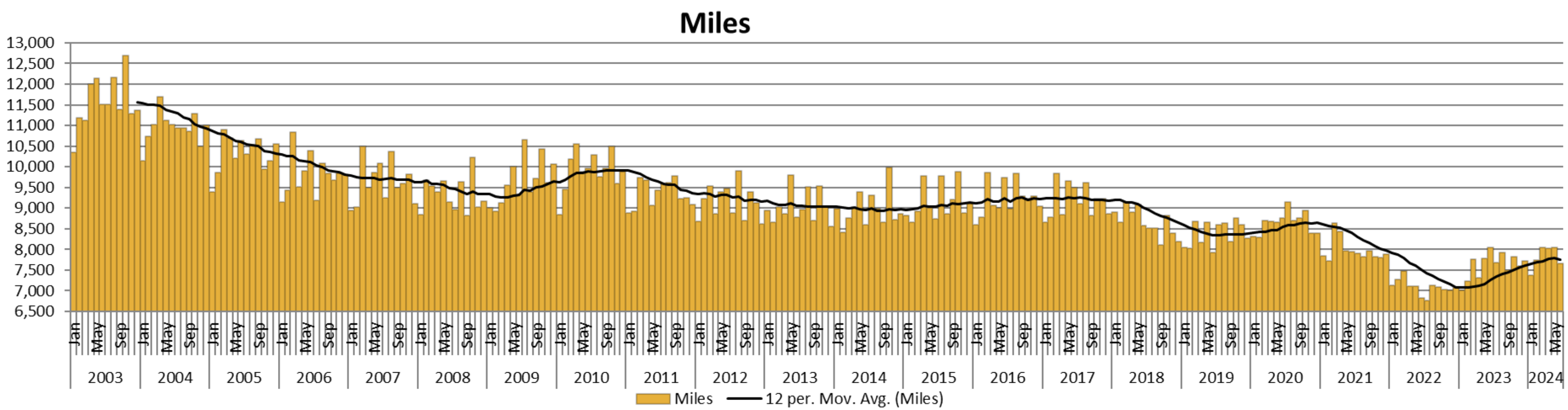
# Miles –
# Avg All Market Segments



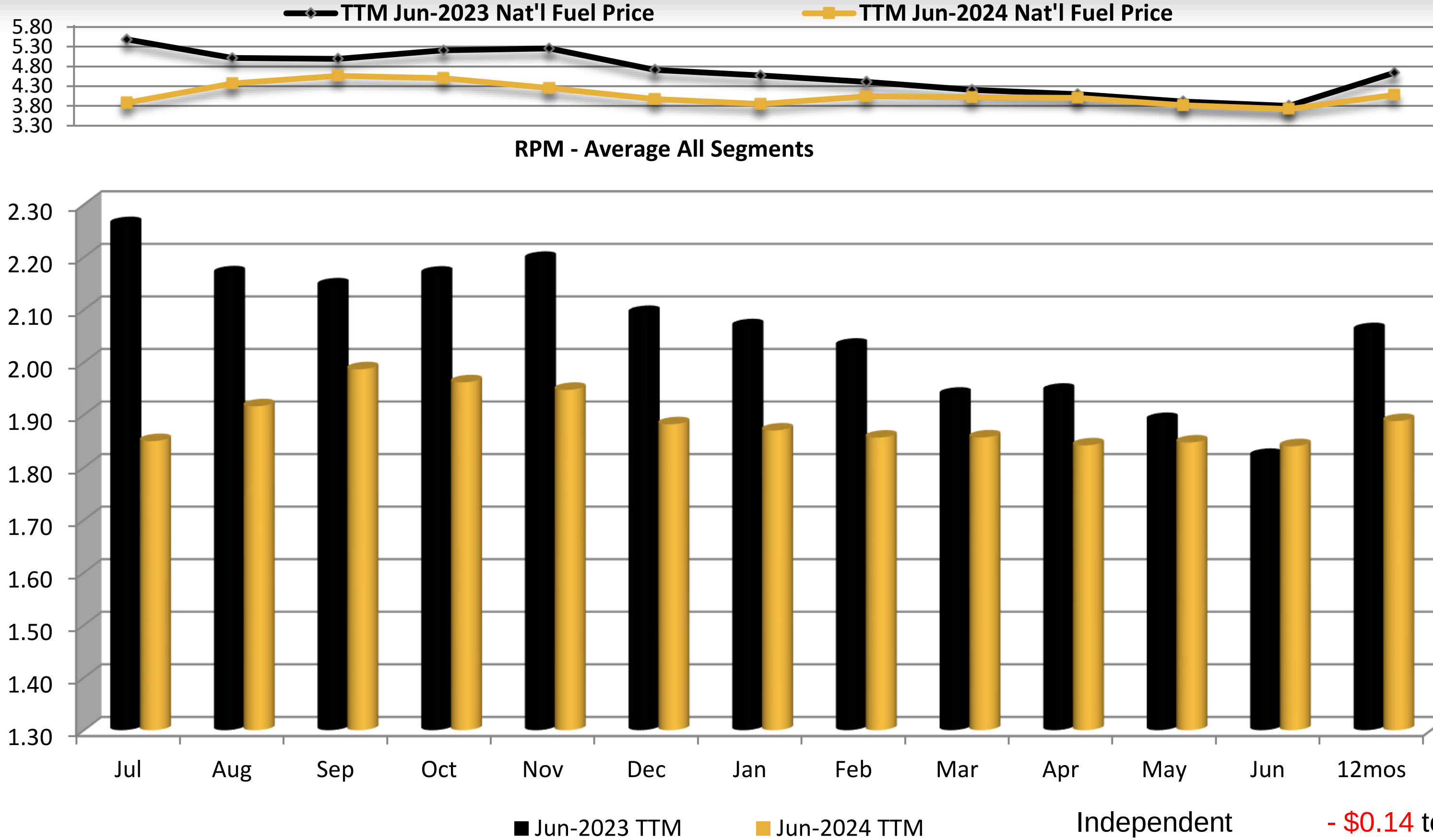

TTM 2023 vs TTM 2024: +6.7% +5,805 to 93,092

| | |
|---|---|
| Independent | + 5.4% to 80,861 |
| Dry | + 8.0% to 98,237 |
| Reefer | + 4.2% to 101,777 |
| Flat | + 5.8% to 85,146 |

# Miles 2003–2024
# Average All Market Segments



# RPM – Avg All Market Segments

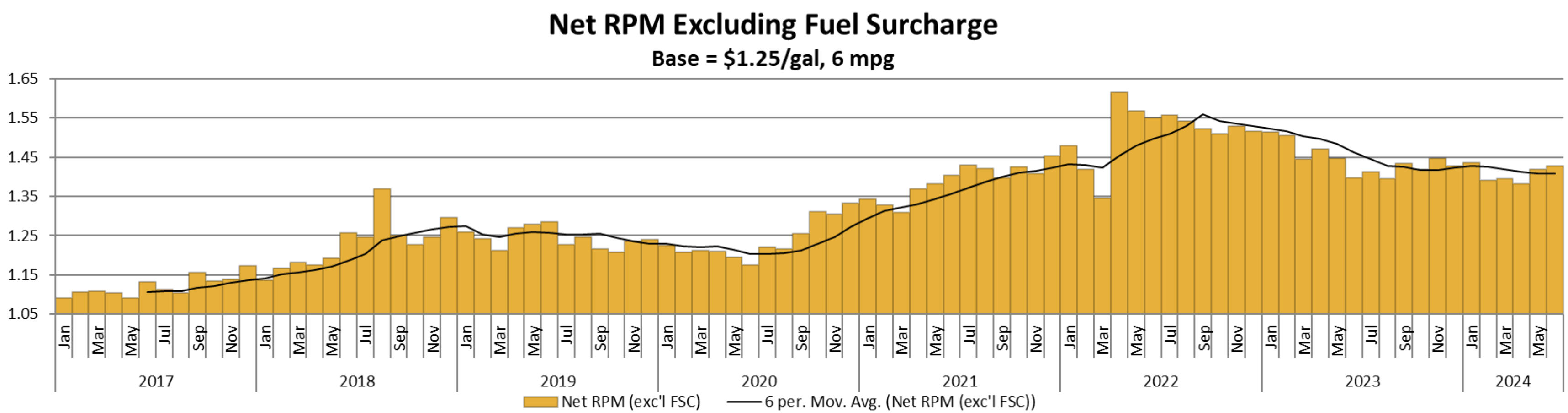



TTM 2023 vs TTM 2024: -8.1% -$0.17 to $1.89

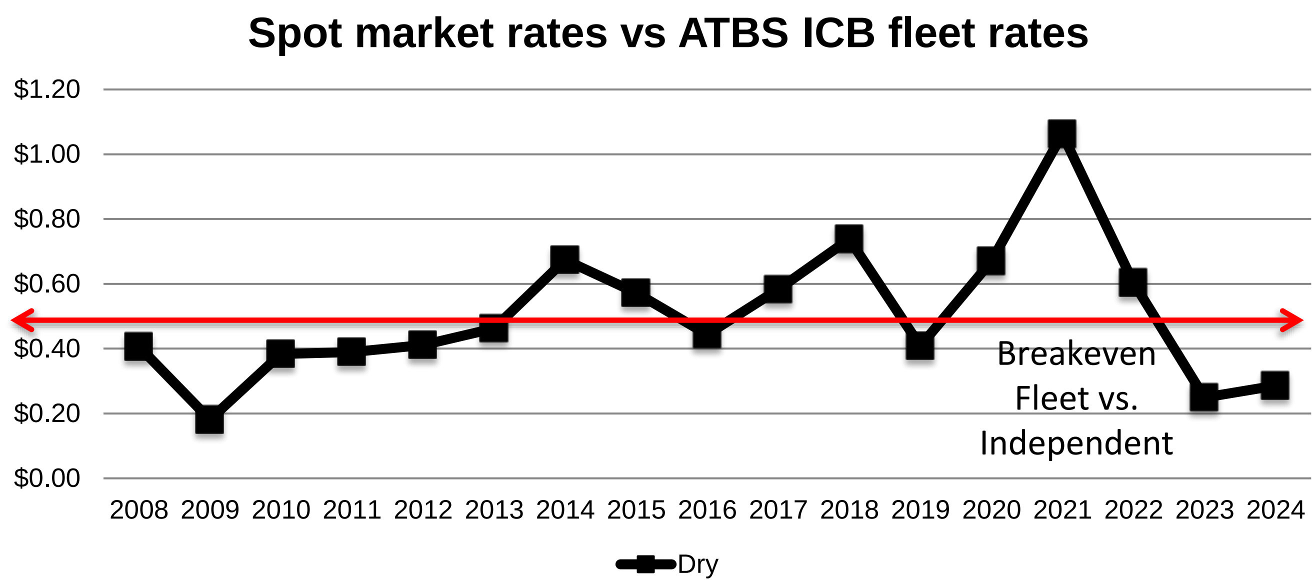
| | |
|---|---|
| Independent | - $0.14 to $2.18 |
| Dry | - $0.21 to $1.77 |
| Reefer | - $0.10 to $1.79 |
| Flat | - $0.09 to $2.08 |

# RPM Excluding Fuel Surcharge, Avg All

## Calculated Base = $1.25/gal, 6 mpg

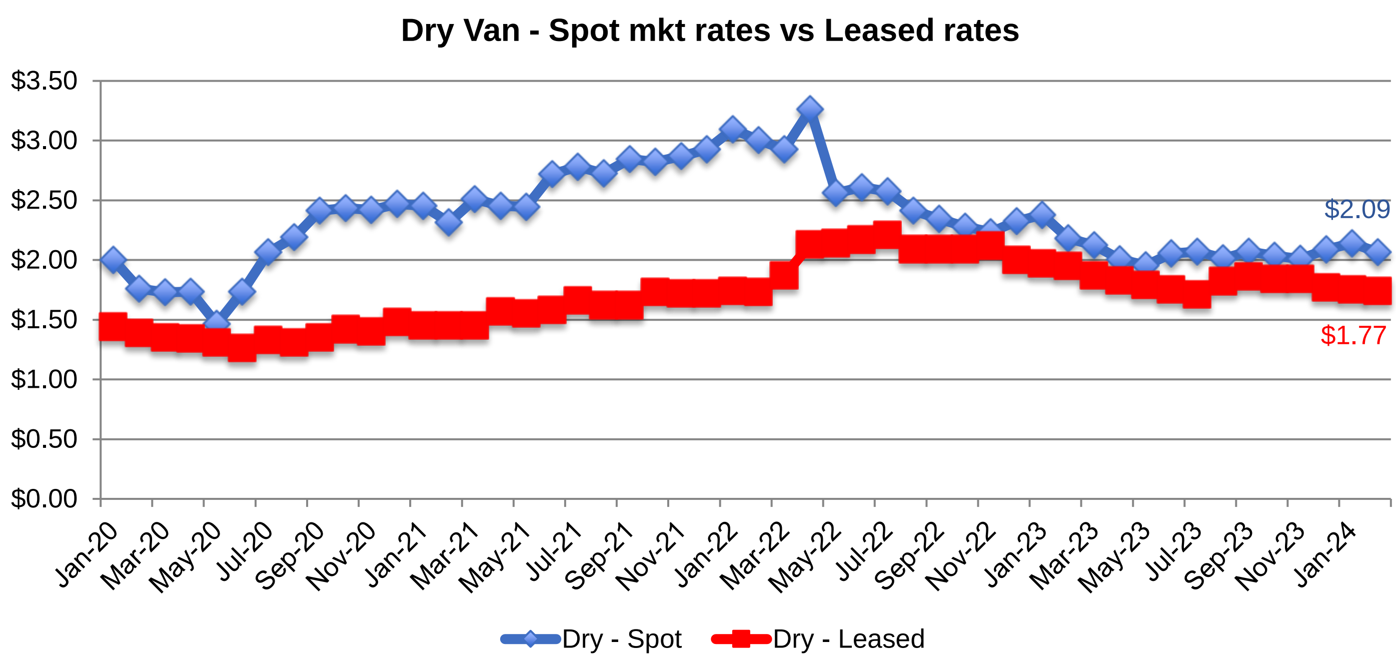


# Spot market rates vs ATBS ICB fleet rates – 2008 to 2024




| Indep Cost Increase | $ Amount | Per Mile |
|---|---|---|
| License, Permit, IFTA, etc | $3,000 | 0.03 |
| Additional Insurance | $12,500 | 0.11 |
| Trailer | $7,000 | 0.06 |
| Book, Bill & Collect Loads | $5,000 | 0.05 |
| Operational Losses, ELD's (drop & Hook) | $25,000 | 0.23 |
| **TOTAL** | $52,500 | 0.48 |

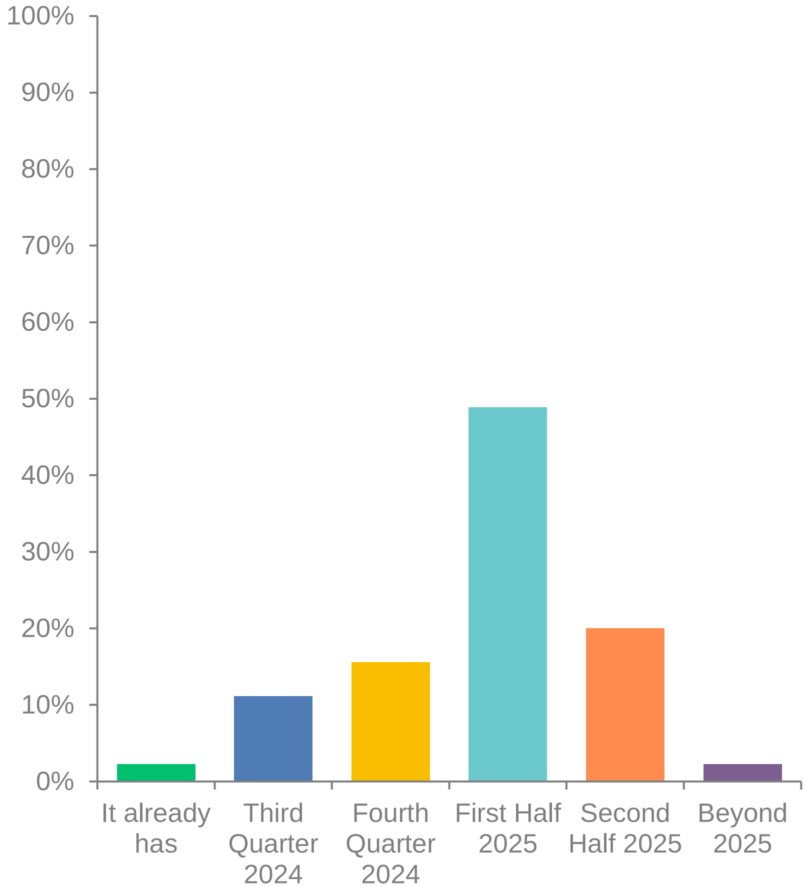
# Dry spot rates vs ATBS ICB fleet rates – Covid Era



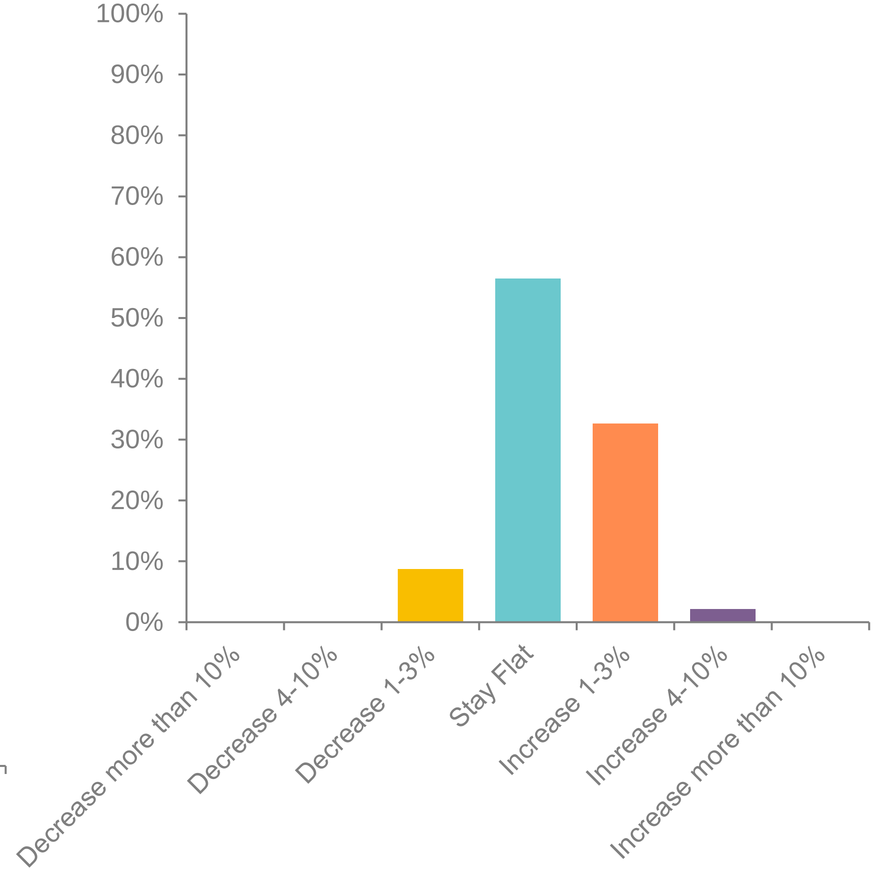

O/O running 95k mi at $2.09/mi in spot market = $199k revenue
O/O running 95k mi at $1.77/mi leased to carrier = $168k revenue
$31k add'l rev - $50k add'l cost = Losing $19k to run spot market
Hence value proposition is still better at fleet

# ATBS Partner Survey – Q3 2024

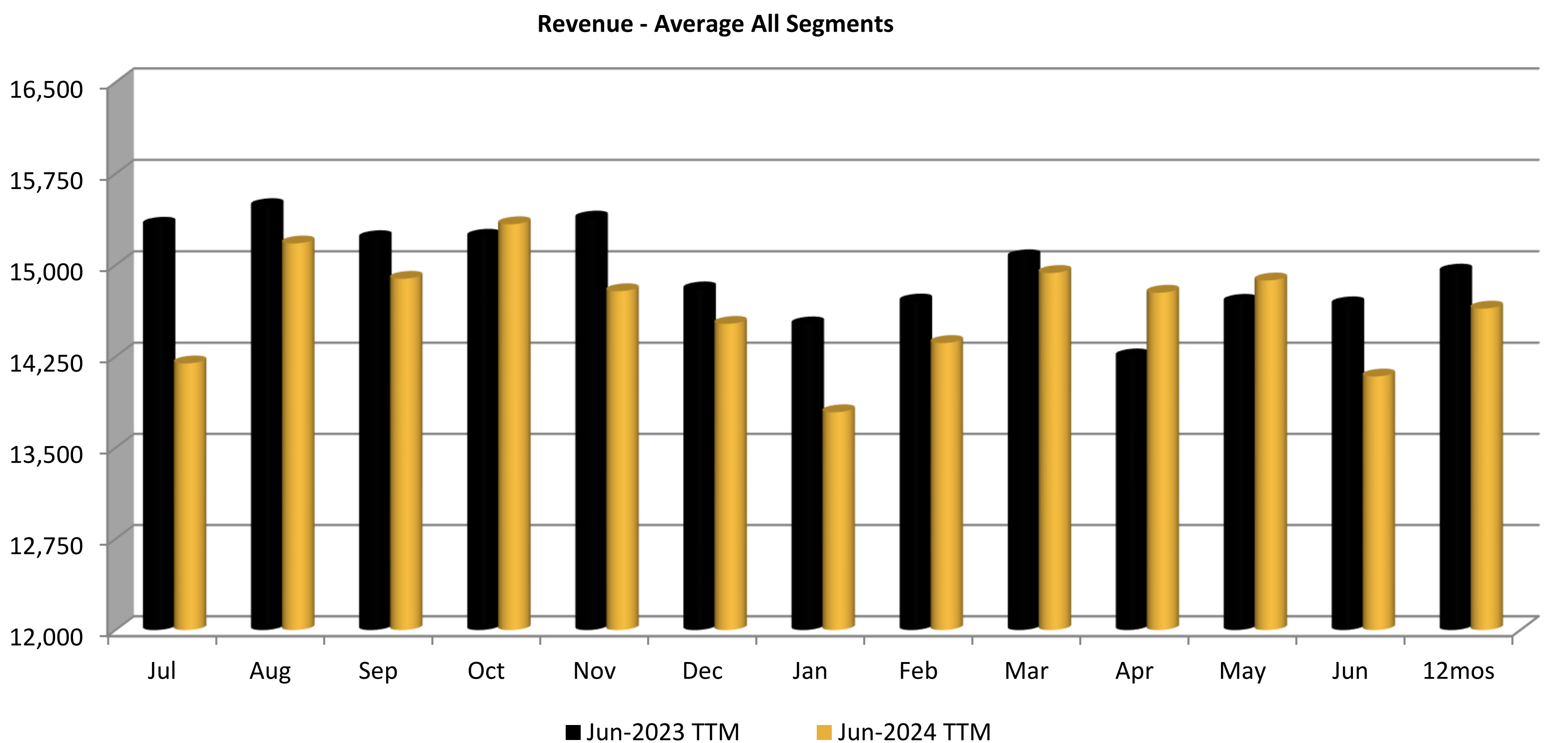
When will rates improve?




Expectations for 2025 rates



# Gross Revenue – Average All Market Segments




TTM 2023 vs TTM 2024: -2.0% -3,641 to $175,730

| | |
|---|---|
| Independent | - 1.1% to $175,943 |
| Dry | - 3.3% to $173,646 |
| Reefer | - 1.4% to $181,824 |
| Flat | +1.5% to $177,122 |


# Cost Analysis

Fixed, Variable, Total

# Cost Analysis

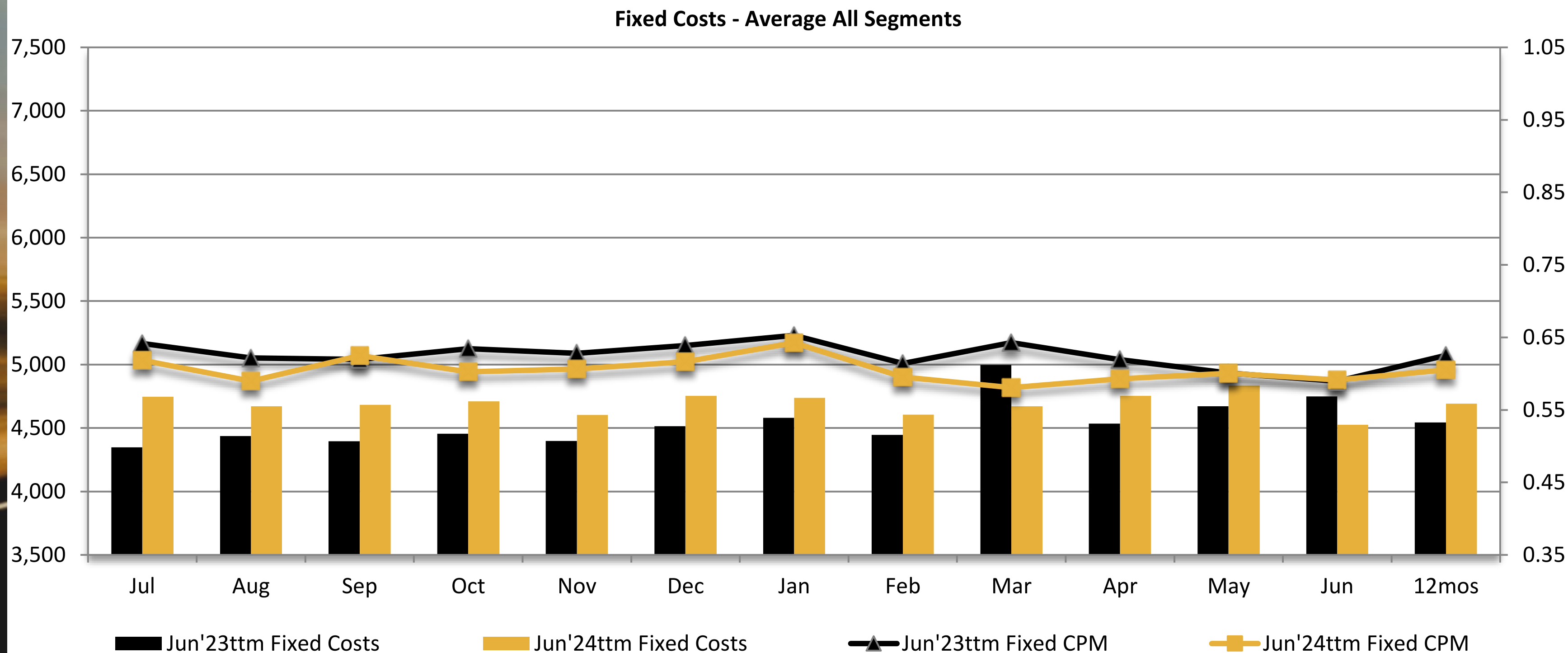
**Fixed Costs**

- Truck Payment
- Trailer Payment
- License, Permits, FHUT, Tolls, Scales
- Phys Dam Insurance
- Bobtail Insurance
- OccAcc Insurance
- Health Insurance

**Variable Costs**

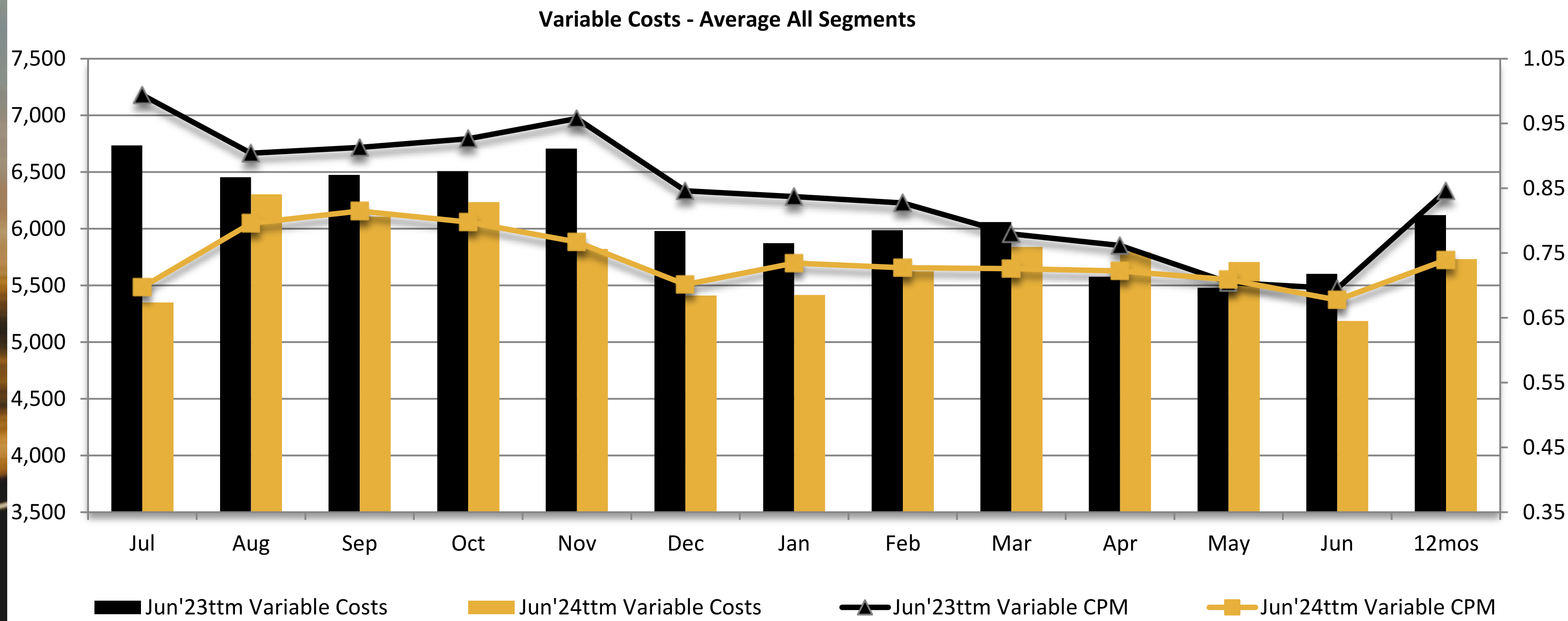
- Fuel
- Maintenance
- Communication
- Hotels

# Fixed Costs – Average All Market Segments



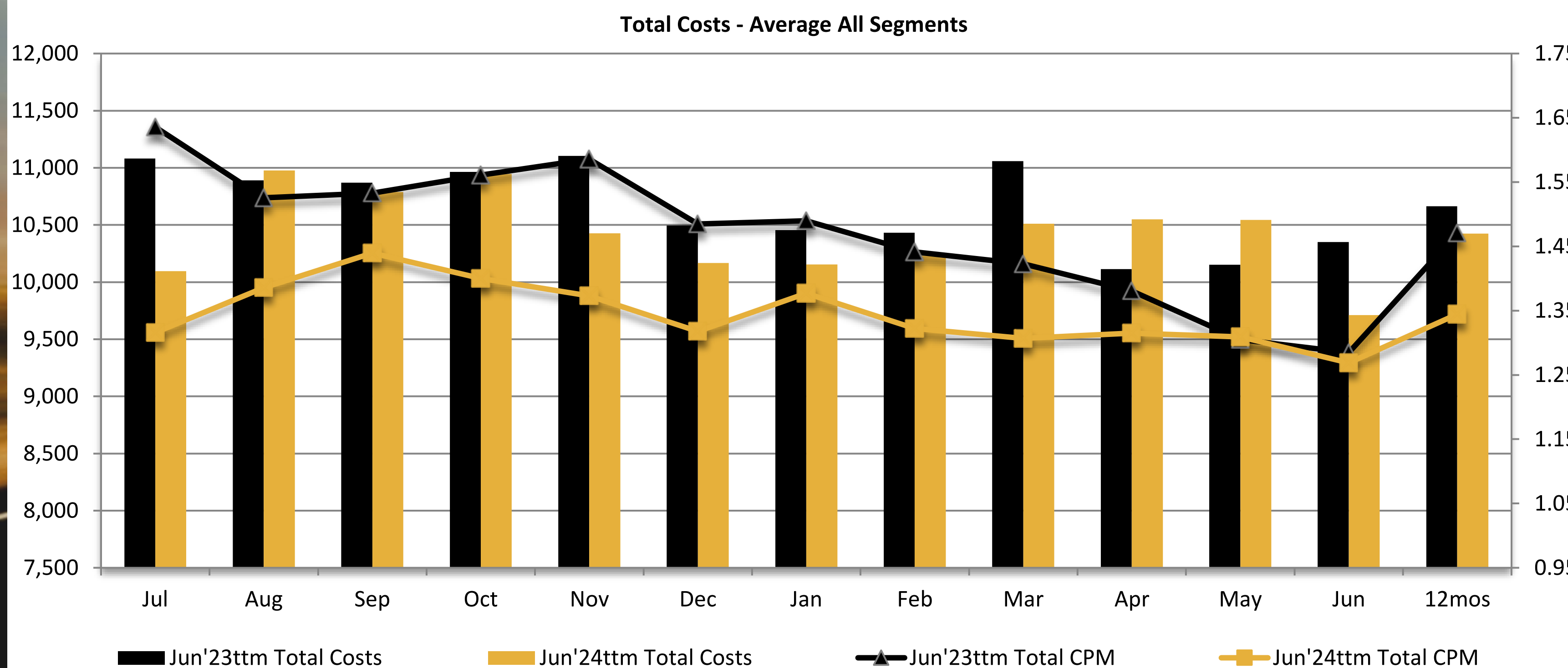

TTM 2023 vs TTM 2024: +3.2% up $1,771 to $56,296

# Variable Costs – Average All Market Segments



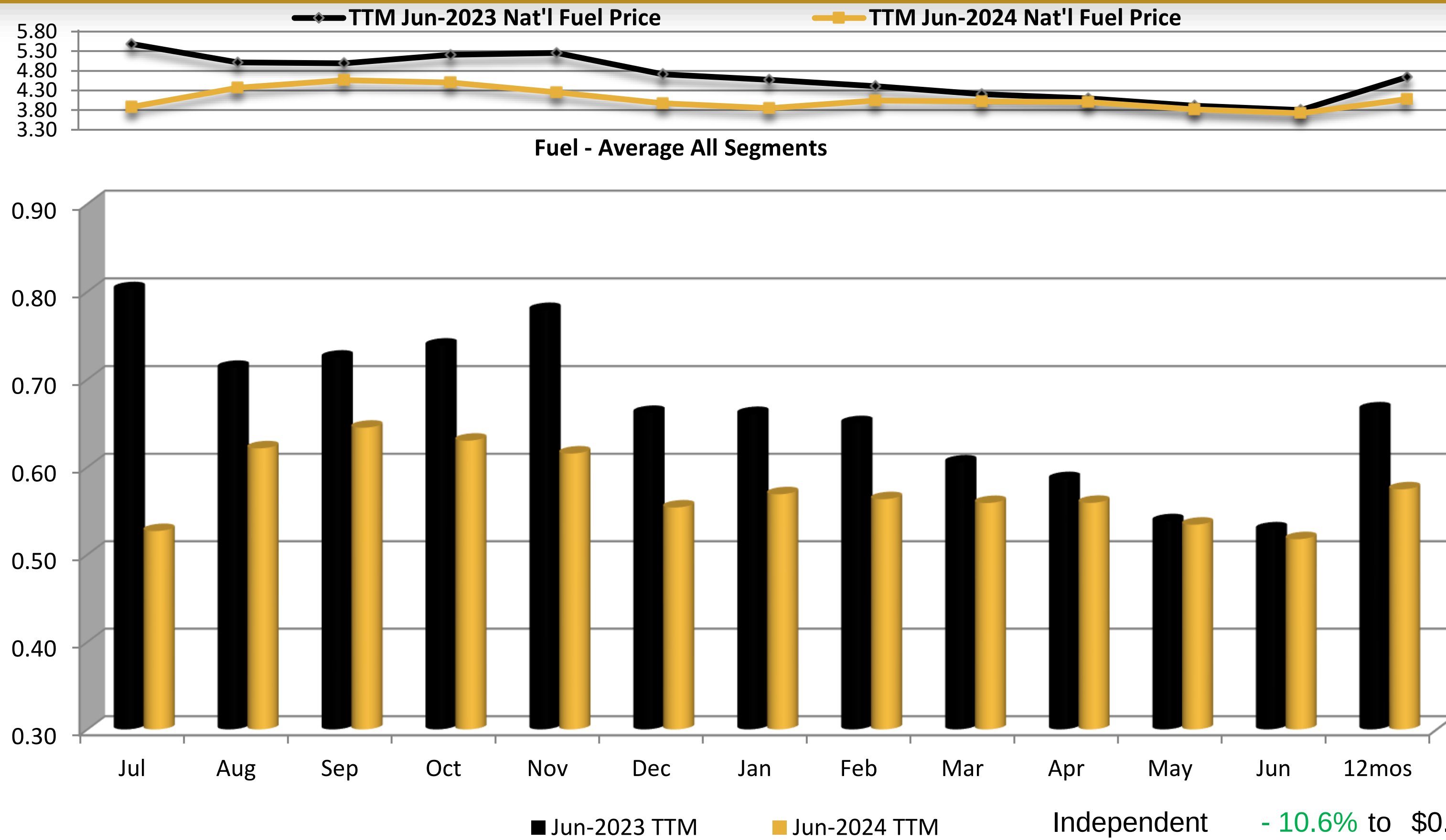

TTM 2023 vs TTM 2024: -6.3% down $4,634 to $68,804

# Total Costs – Average All Market Segments




TTM 2023 vs TTM 2024: -2.2% down $2,863 to $125,100

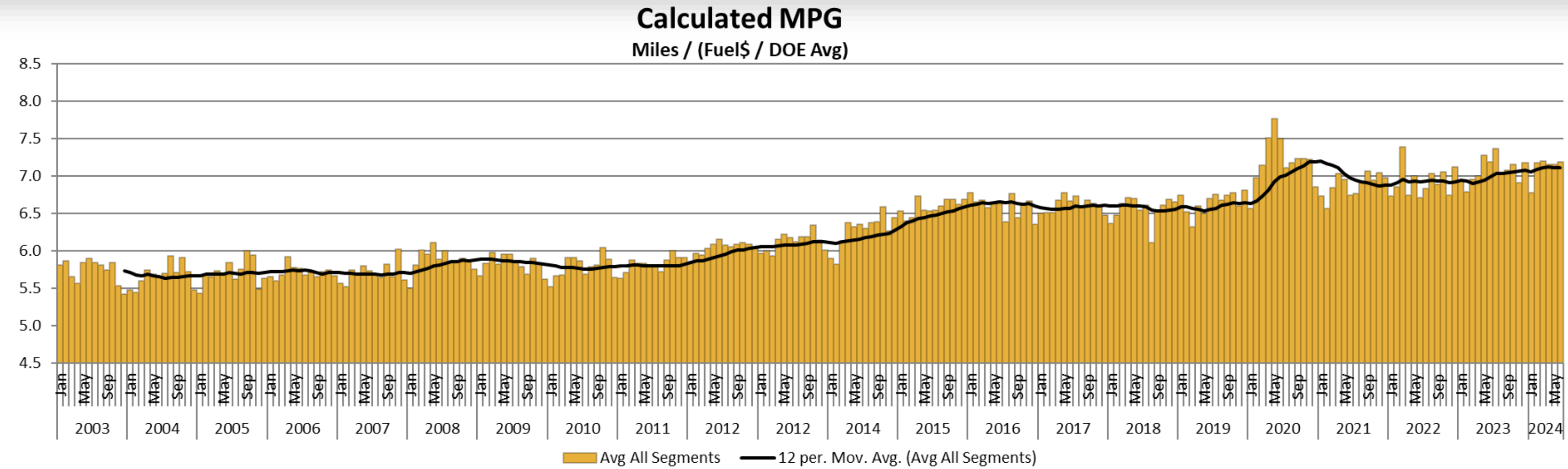
# Fuel CPM –
# Avg All Market Segments

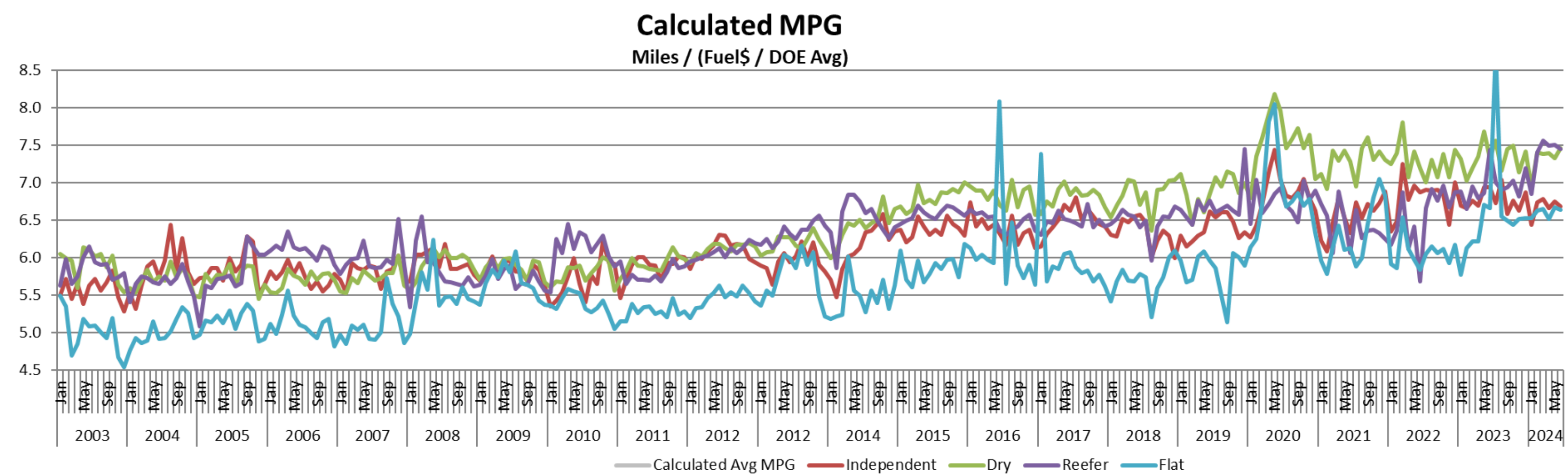



TTM 2023 vs TTM 2024: -13.2% -$0.09 to $0.57 CPM

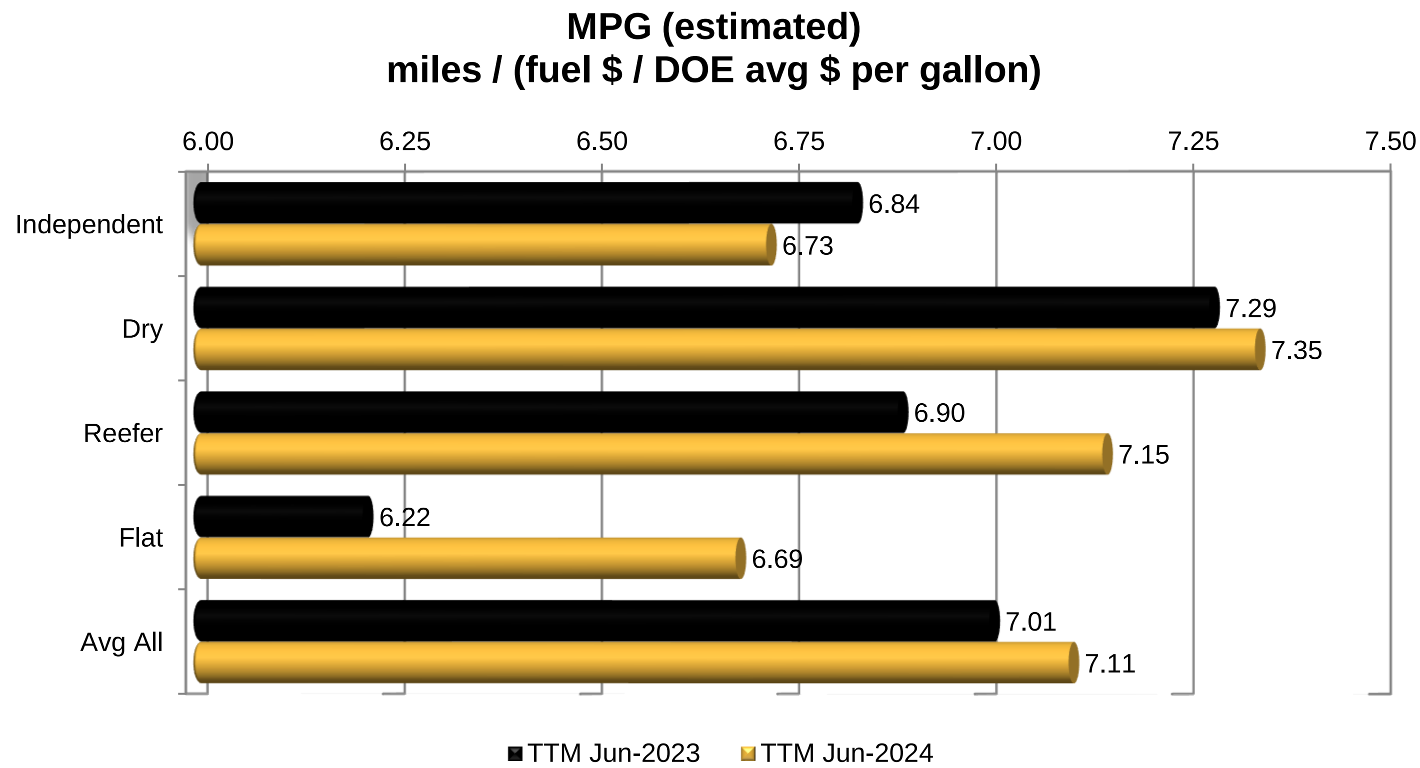
| | | | |
|---|---|---|---|
| Independent | - 10.6% | to | $0.61 |
| Dry | - 12.7% | to | $0.56 |
| Reefer | - 15.2% | to | $0.57 |
| Flat | - 18.2% | to | $0.61 |

# Estimated MPG

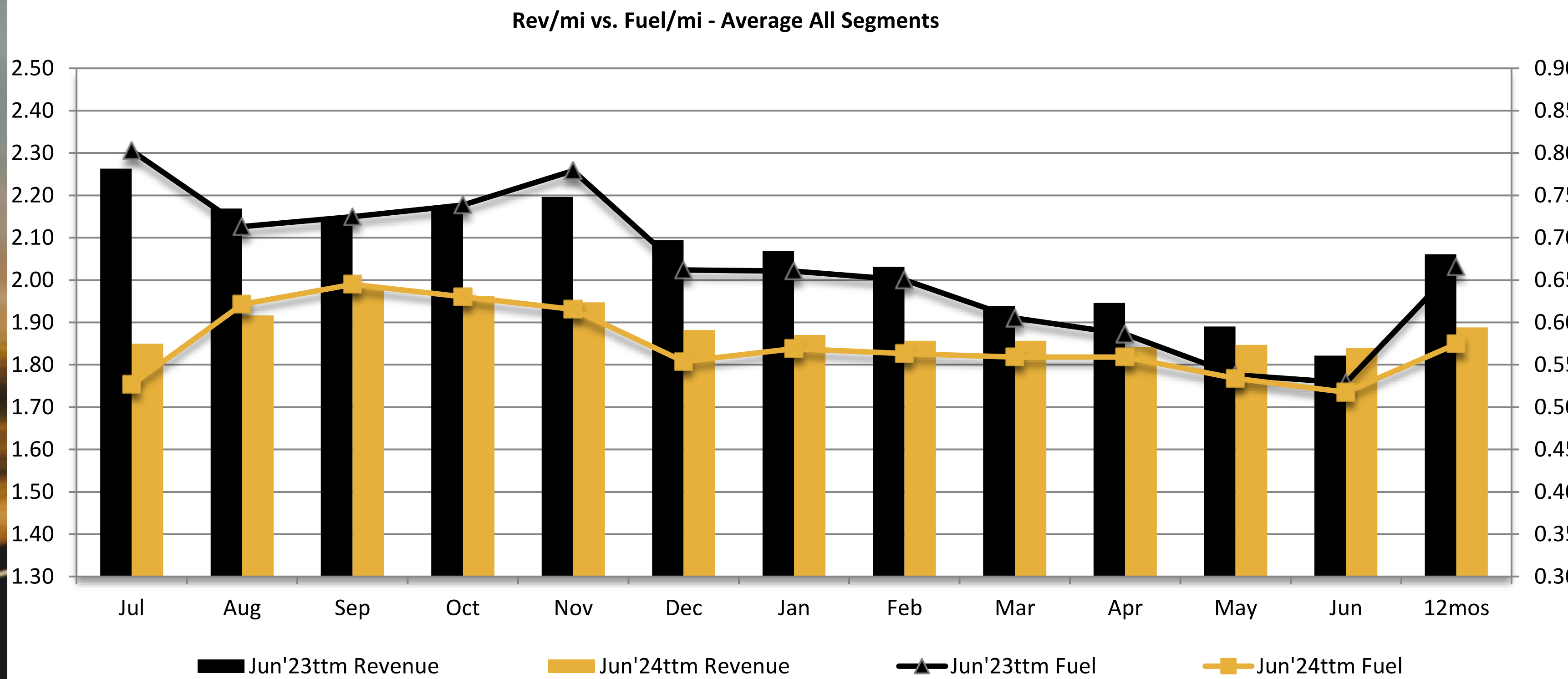


# Estimated MPG

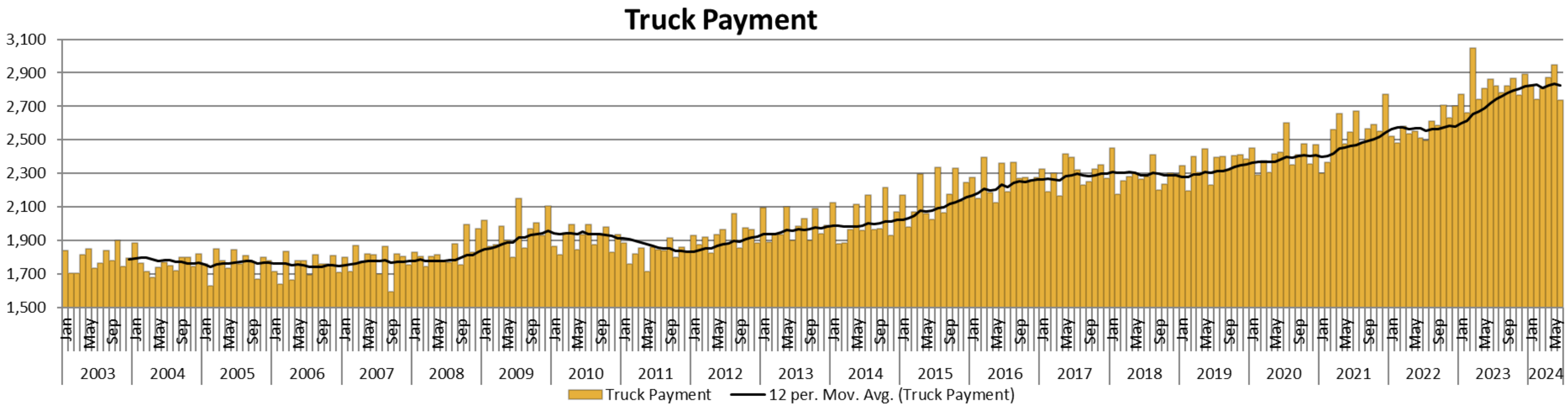


# Revenue CPM vs. Fuel CPM – Average All Market Segments

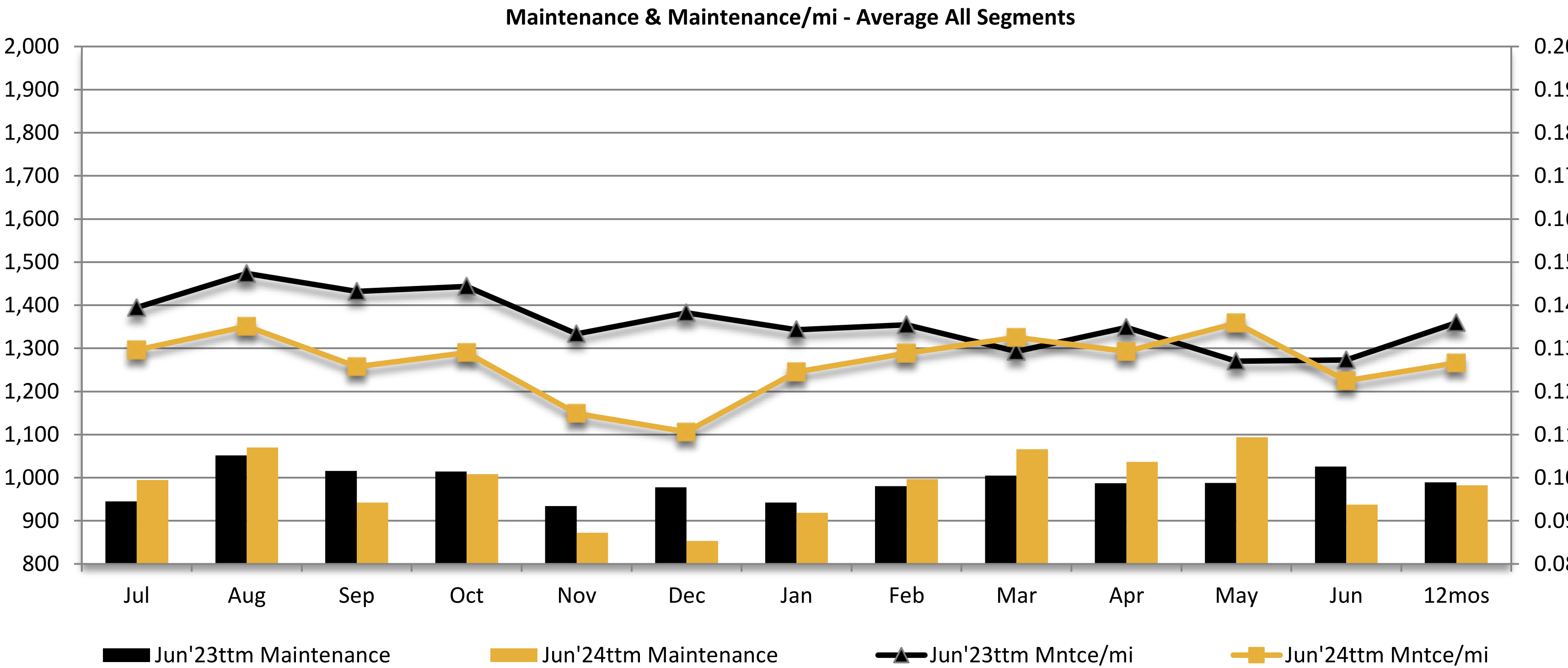



| | | | | |
|---|---|---|---|---|
| TTM 2023 vs TTM 2024 Revenue CPM: | - 8.1% | down $0.17 | to $1.89 | Decrease of $3,641 |
| TTM 2023 vs TTM 2024 Fuel CPM: | - 13.2% | down $0.09 | to $0.57 | Decrease of $4,308 |

# Truck Payments 2003–2024
# Average All Market Segments



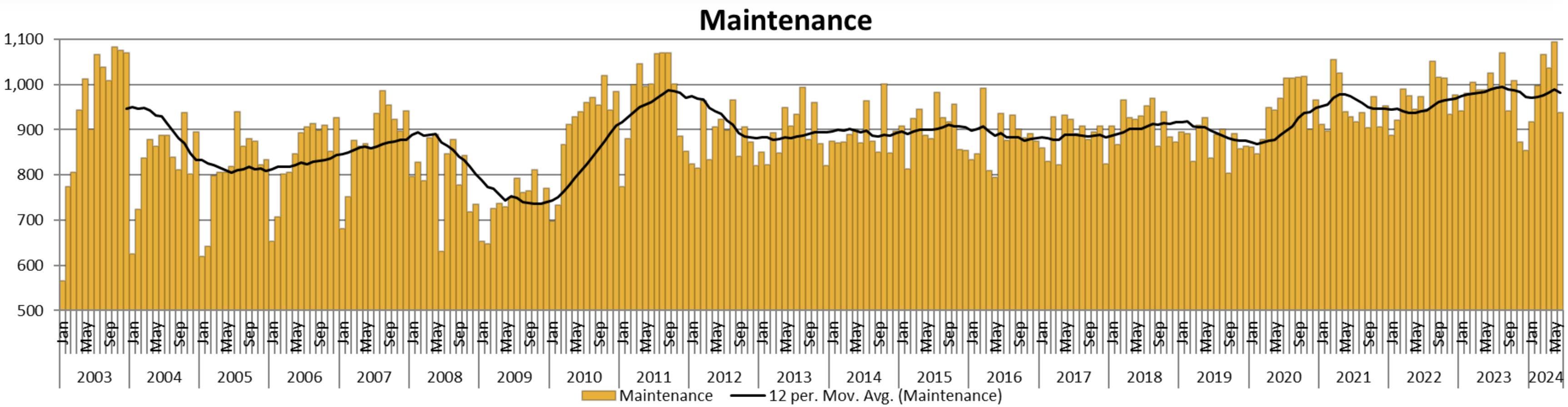
# Maintenance – Avg All Market Segments

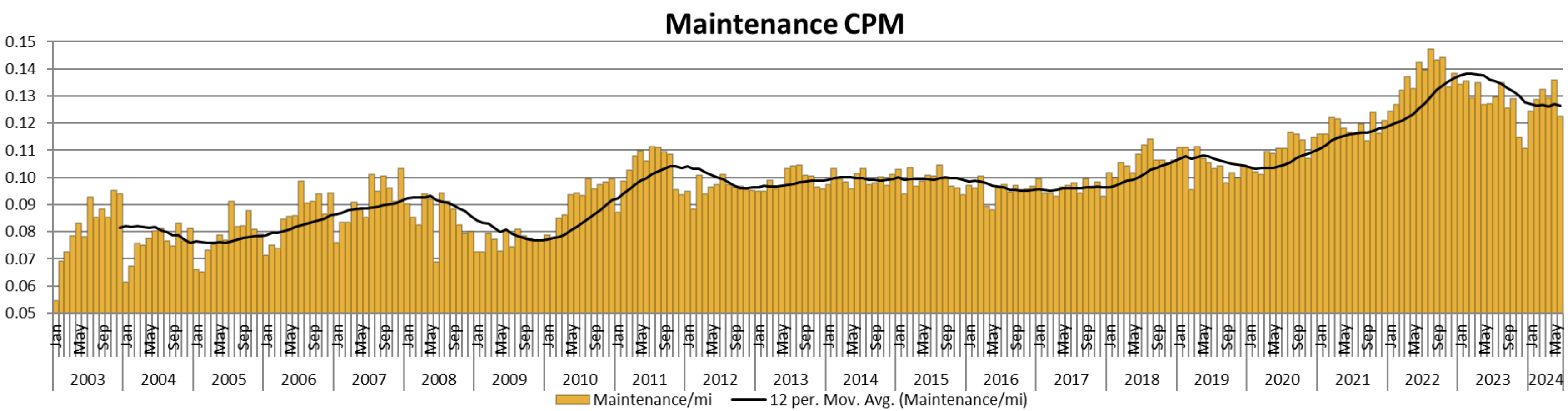



TTM 2023 vs TTM 2024: -0.6% -$76 to $11,791

| | | | |
|---|---|---|---|
| Independent | +$417 | to | $14,053 |
| Dry | - $242 | to | $10,722 |
| Reefer | - $2,069 | to | $ 9,477 |
| Flat | +$2,314 | to | $14,574 |

# Maintenance 2003–2024
# Average All Market Segments

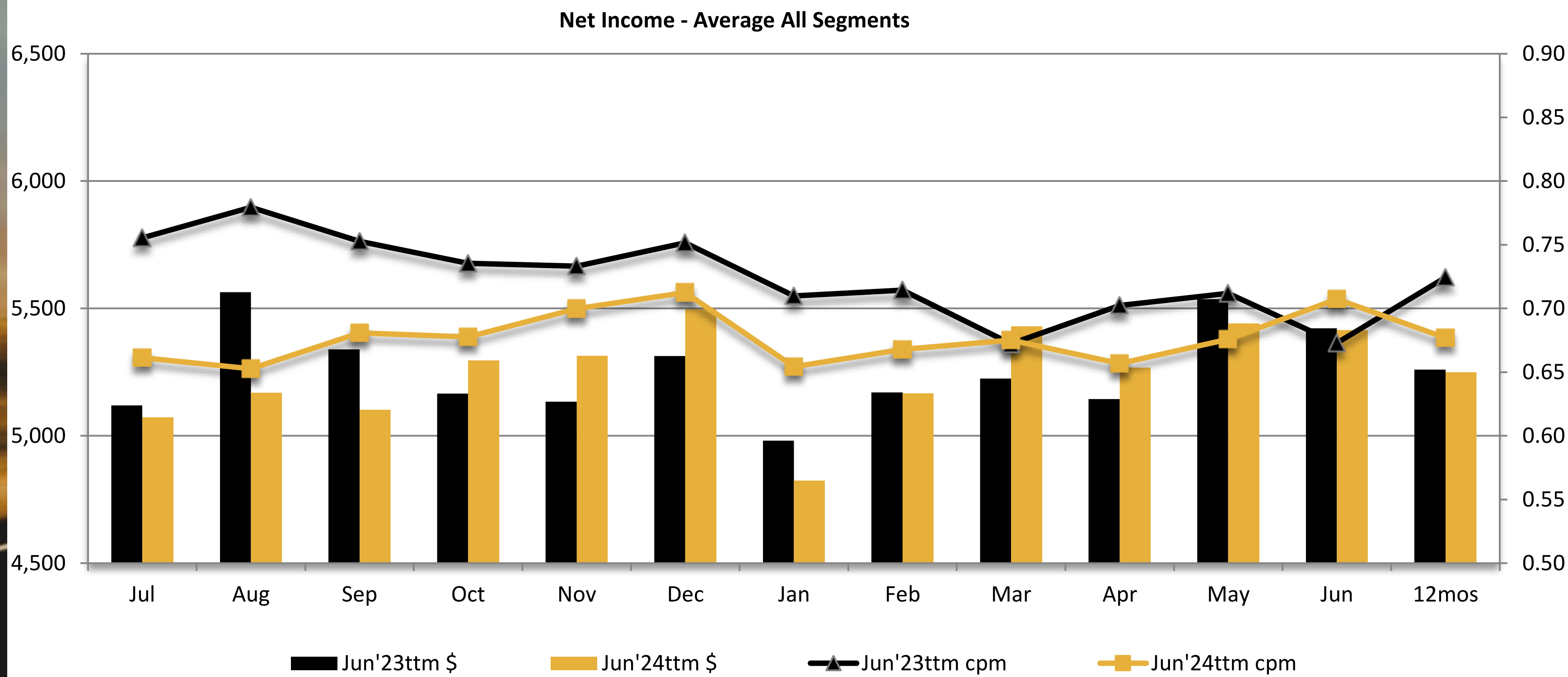



# Net Income

Dollars vs Cents Per Mile (CPM)

# Net Income – Avg All Market Segments

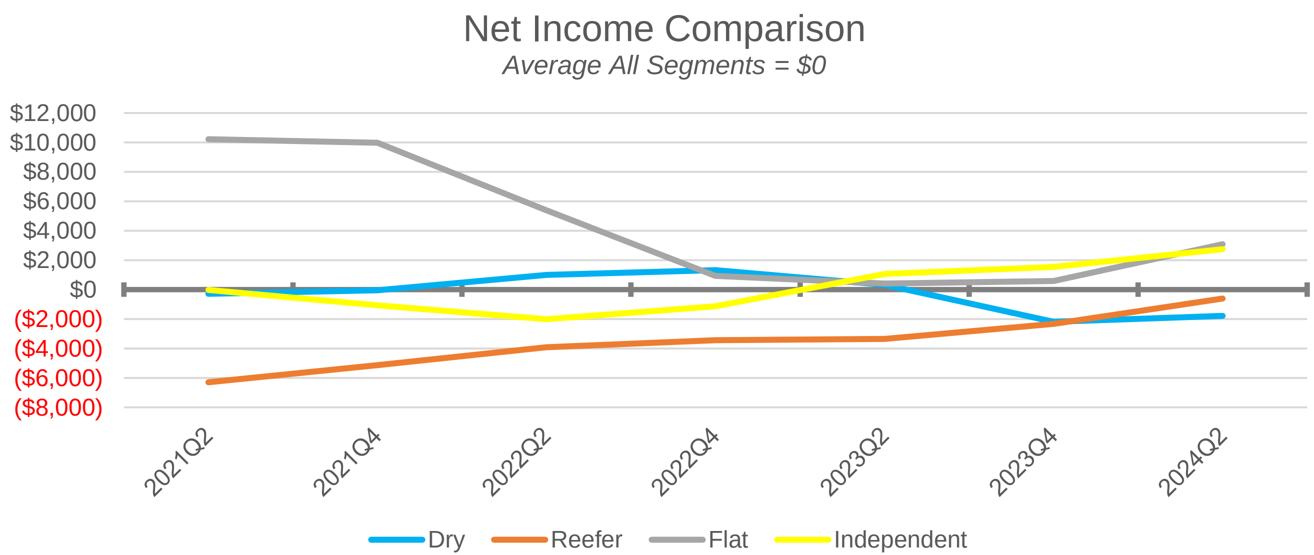



TTM 2023 vs TTM 2024: -0.2% -$114 to $63,000

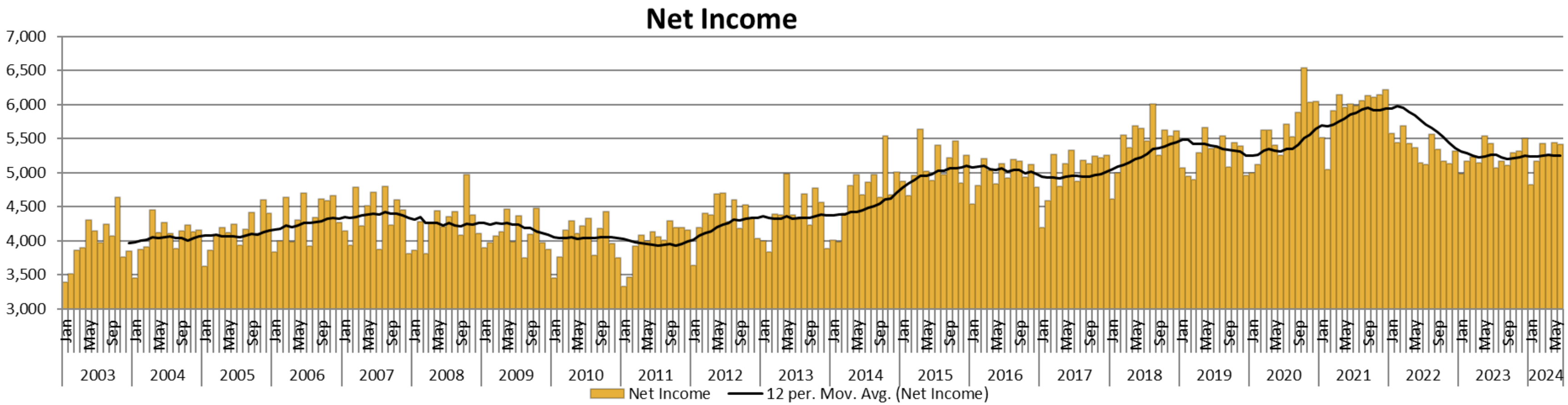
| | | | |
|---|---|---|---|
| Independent | +$1,565 | to | $65,745 |
| Dry | - $2,234 | to | $61,210 |
| Reefer | +$2,623 | to | $62,391 |
| Flat | +$2,577 | to | $66,081 |

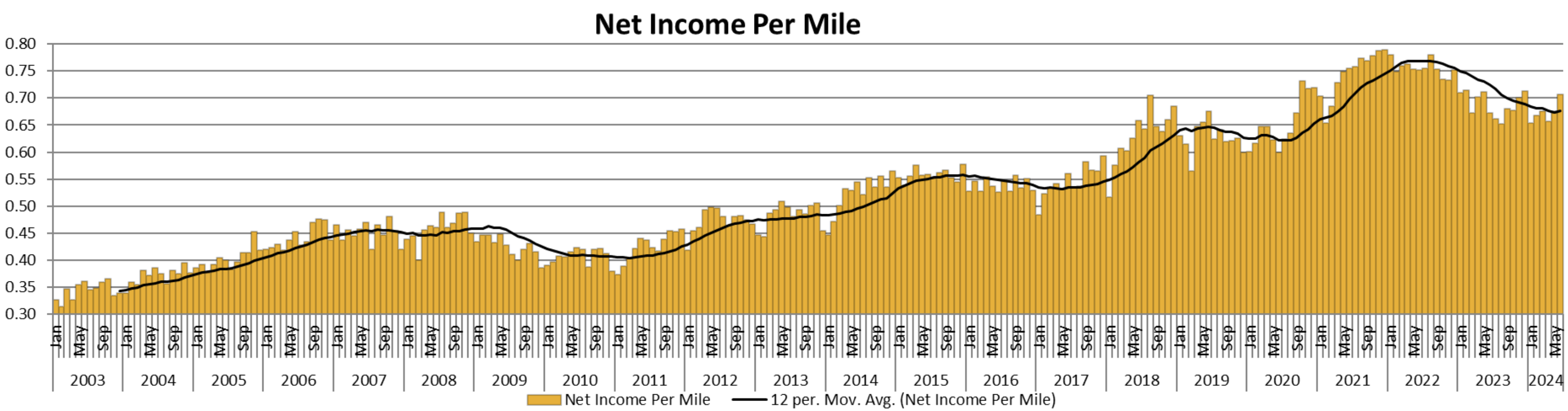
# Net Income Comparison
## Compared to Average All Segments

| | Avg All | Dry | | Reefer | | Flat | | Independent | |
|---|---|---|---|---|---|---|---|---|---|
| **2021Q2** | $70,310 | $70,017 | ($293) | $64,013 | ($6,297) | $80,529 | $10,219 | $70,294 | ($16) |
| **2021Q4** | $71,218 | $71,170 | ($48) | $66,075 | ($5,143) | $81,194 | $9,976 | $70,140 | ($1,078) |
| **2022Q2** | $69,263 | $70,250 | $987 | $65,347 | ($3,916) | $74,658 | $5,395 | $67,251 | ($2,012) |
| **2022Q4** | $64,263 | $65,585 | $1,322 | $60,828 | ($3,435) | $65,195 | $932 | $63,132 | ($1,131) |
| **2023Q2** | $63,114 | $63,444 | $330 | $59,768 | ($3,346) | $63,524 | $410 | $64,180 | $1,066 |
| **2023Q4** | $63,932 | $61,743 | ($2,189) | $61,607 | ($2,325) | $64,525 | $593 | $65,467 | $1,535 |
| **2024Q2** | $63,000 | $61,210 | ($1,790) | $62,391 | ($609) | $66,081 | $3,081 | $65,745 | $2,745 |



# Net Income 2003–2024
# Average All Market Segments

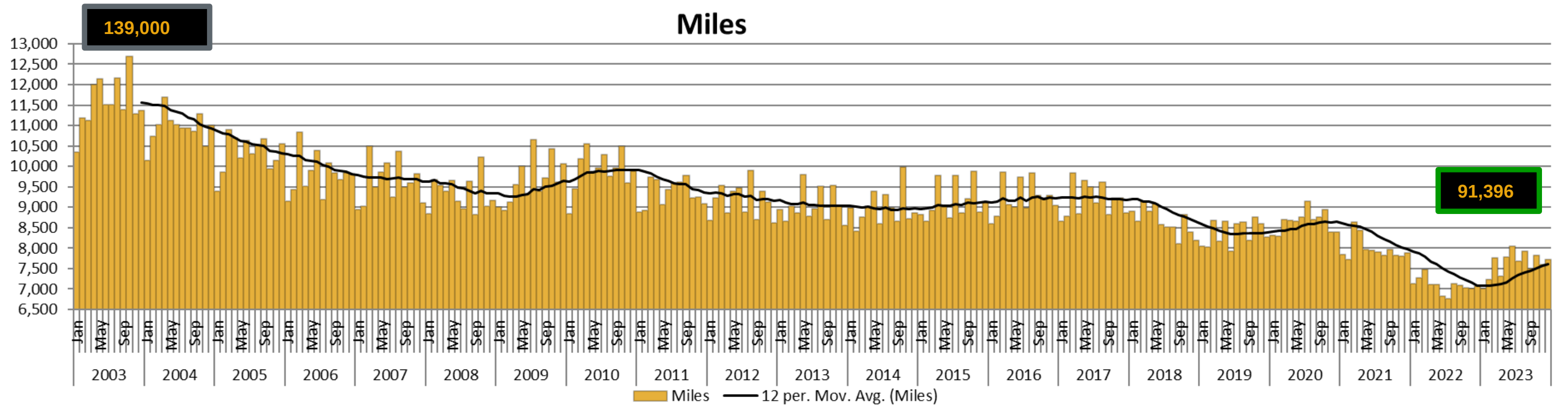


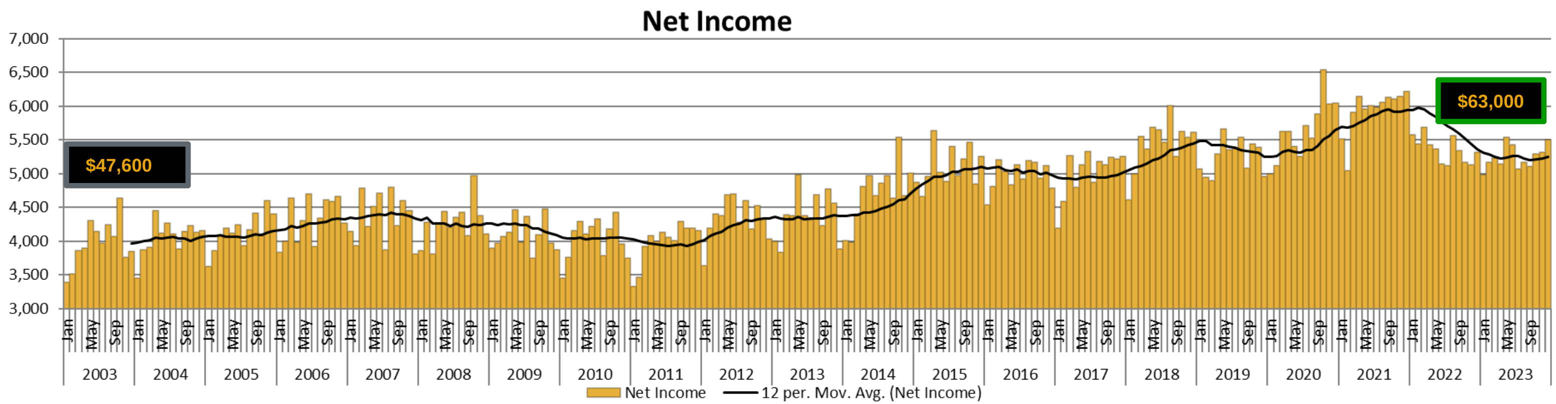



# Avg Annualized Net Income
# ATBS Clients >1 Year

| | 2021Q4 | 2022Q2 | 2022Q4 | 2023Q2 | 2023Q4 | 2024Q2 |
|---|---|---|---|---|---|---|
| Bottom 1/3rd of ATBS Clients | $56,341 | $61,029 | $57,066 | $56,839 | $56,816 | $56,398 |
| Middle 1/3rd of ATBS Clients | $96,965 | $95,619 | $87,194 | $86,300 | $85,514 | $86,215 |
| Top 1/3rd of ATBS Clients | $168,664 | $164,929 | $152,046 | $150,006 | $151,330 | $153,047 |
| Top 10% of ATBS Clients | | | | $206,058 | $212,735 | $211,365 |

# Miles vs Net Income 2003–2023
# Average All Market Segments



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