

**THE POWER
OF ONE**



AVERITT 55
Our Driving Force is People *years*

Leadership Perspectives: Q4 2026 Supply Chain & Logistics Outlook

Less-Than-Truckload

Larry Mason, VP of Operations

Economic Outlook

The fourth-quarter outlook remains somewhat uncertain, but recent improvements in manufacturing, retail sales and employment provide reasons for cautious optimism. Elevated diesel prices remain a concern across commercial transportation.

Regional Growth

Truckload activity has increased substantially. LTL growth has been strongest in the Southwest, with more modest gains throughout the rest of the South.

Capacity Watch

LTL capacity could tighten as the holidays approach. Shippers should also prepare for another increase in activity after the first of the year.





Truckload

Jeff Edwards, VP of Truckload Sales

Capacity Outlook

Truckload capacity remains tight heading into Q4, with little indication of significant softening before year end. Current industry trends could keep capacity constrained well into 2027.

Averitt Capacity

Averitt continues to hire professional drivers. As portions of the touring season conclude, drivers supporting On Tour Logistics can transition back into Truckload and strengthen available capacity.

Industry Pressure

Federal enforcement involving driver training and licensing could further constrain the driver pipeline. The Supreme Court's broker liability decision has also increased scrutiny of carrier selection and safety.

Dedicated

David Fussell, VP of Dedicated Sales

Regulatory Pressure

USDOT and FMCSA enforcement continues to focus on CDL training, licensing fraud and non-domiciled CDLs. Related licensing reforms could affect nearly 200,000 CDL holders over time.

Demand Signal

New contracted business secured during Q3 will expand Averitt Dedicated's fleet by close to 10% once fully implemented. Existing customers are also adding dedicated lanes that previously relied on the spot market.

Shipper Consideration

Dedicated capacity can help shippers reduce exposure to a tightening market while providing greater control over service and on-time performance.



Intermodal

Allison Phillips, Intermodal Service Leader

Truckload Cost Pressure

Tight capacity and rising fuel costs will continue to create volatility in full-load transportation costs during Q4.

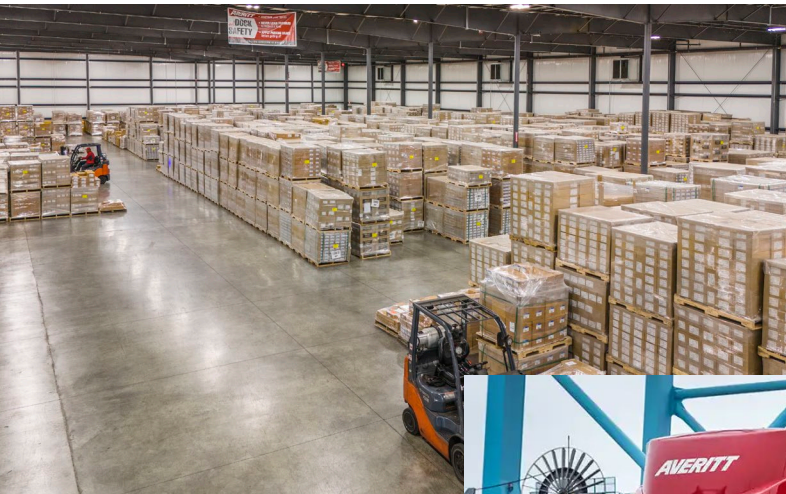
Intermodal Opportunity

Shifting truckload freight to intermodal can provide an attractive alternative on longer, consistent lanes. Class I rail partners report a steady increase in freight moving from truck to rail as shippers seek greater cost efficiency.

Contractual Options

Shippers with steady volume may be able to secure contractual pricing and capacity for up to one year, reducing exposure to market volatility and improving cost predictability.





Warehousing & Ports

Ed Smith, VP of Distribution & Fulfillment

Peak Season Transition

As products move into the market for peak season, companies are drawing down inventory while forecasting next year's needs and evaluating potential tariff effects.

Space Planning

Inventory levels must support peak demand without leaving companies committed to unnecessary space afterward. Flexible planning with a 3PL partner can help balance those needs.

Execution Matters

During peak season, warehouse performance becomes as important as available space. Accurate inventory management and dependable execution directly affect a shipper's ability to capture revenue.

International

Rich Egan, Vice President of International Solutions

Transpacific Market

Spot rates remain elevated at approximately \$8,000 per FEU to the West Coast and \$9,500 to \$12,000 to the East Coast. Golden Week schedule changes and Maersk's suspension of its seasonal TPX service could further tighten capacity.

Global Disruptions

Red Sea uncertainty, elevated energy costs and new Panama Canal restrictions continue to affect schedules. Airfreight capacity also remains tight on several Asian technology trade lanes.

Planning Priorities

Customers should book early, remain flexible with routes and allow additional transit time. Tariffs, capacity and transportation costs may continue changing rapidly throughout Q4.



Mexico & Cross-Border

Ed Habe, VP of Mexico Sales

Trade Outlook

Trade between Mexico and the United States remains strong. Mexico's plans to purchase more U.S. products could also create new southbound opportunities for American manufacturers.

Capacity Constraints

English-language proficiency enforcement, insurance requirements, safety standards and fuel expenses are reducing the available provider pool.

Infrastructure Advantage

Border facilities, I-35 corridor coverage and Laredo cross-docking can help manufacturers move freight without using limited plant space for staging. Bonded transportation also supports qualifying freight moving between Mexico and Canada through the United States.

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