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Werner Enterprises: Nathan Meisgeier, President and Chief Legal Officer, Chris Wikoff, EVP, CFO & Treasurer and Chris Neil, SVP, Pricing and Strategic Planning

Ravi Shanker

Great. So, to round out the transports track on day one, we have Werner, and we're very happy to welcome back Laguna, Chris Wikoff, EVP, CFO and Treasurer; Nathan Meisgeier, President and Chief Legal Officer; and Chris Neil, SVP of Pricing and Strategic Planning.

Gentlemen, thanks so much for being here. So yes, I think the debate continues on the macro and the cycle as to whether we are going into an old mighty recession or we are going into a huge rebound. I'm sure you know the answer to that question. So, if you please enlighten us, that would be amazing.

Chris Wikoff

Absolutely. Yes, we'll get right to the answer. No, maybe just to back up and maybe we'll just all take a bite at just overall describing the macro, at least from a demand standpoint. On the One-Way side, that's been generally steady and generally seasonal. It's been more so on Dedicated and the Logistics business, where we've seen some positive momentum, particularly in the second quarter, and that continues.

In Dedicated, we saw fleet growth that we signed earlier in the year in the first quarter, really our biggest streak of wins, new logos across a number of different verticals. It takes time to implement that, but we've been doing that over the last quarter and continue through the third quarter. So, we like the trend there really bringing reliability back in focus for shippers. And that's positive. When that's front and center with large enterprise shippers, that's when we're going to excel the most for our Dedicated product.

And then Logistics, we were back to mid-single-digit growth on a year-over-year basis in the second quarter. A lot of different underpinnings for that. That was in our Truckload Brokerage, our PowerLink offering, where we're brokering the driver and the tractor and we own the trailer and then also positive momentum in Intermodal. So that's been positive, more so volume driven also with a little bit of rate in the last quarter. That continues. And so overall, a good trajectory in Dedicated and Logistics.

Nathan Meisgeier

Yes. So I would say that on the tariff front, which is something that's been a challenge all year long with starts, stops, tariff on Monday, it's paused on Tuesday and it's back on Friday. Our customers have settled in nicely to – this is the new normal for now. And so whatever pent-up wait-and-see approach has really broken through. And so we think that we're settled into this is our normal now for our customers. We talk a lot about our discount customers and retail and food and beverage, and the good news about that is it's a constant replenishment of nondiscretionary items. And so both on the – who is the end customer. So, the discount customer and people who are trading down into discount retail, that's healthy. Food and beverage, that's healthy. And so all of the nondiscretionary. And so we feel like we've got a good inside track on that in terms of our customer base.

Chris Neil

I think the only other thing I'd add would just be the uncertainty that's out there has led shippers to look for service providers that have more capability, scale and high service. And so we've just seen more constructive conversations over the last couple of quarters that led partly to some of the Dedicated wins that we talked about and just a general positive momentum, although stable, positive at the same time.

Ravi Shanker

You guys are using all the right words. So, if I were to just kind of do the sell-side, kind of give me a thumbs up, thumbs down, kind of do you feel better now than you did during your 2Q call?

Chris Wikoff

I would say we generally feel the same. Q2 was certainly an improvement over Q1. And relative to where we were a year ago, overall, I think the fundamental trends are positive. And so we're in a better place than we were a year ago. All of the momentum that we're referring to, it's gradual, and it was more so in the second quarter, but it's encouraging to see that continue.

Ravi Shanker

Got it. Nathan, just to follow up on what you said with your customers telling you that we now accept this is a new normal. Is that a good thing or a bad thing? Because are they saying that the chopping and changing is a new normal, and there's nothing we can do about it. And so we just need to look in front of our nose? Or are they saying now that we know there is a tariff number, if it's a 10% or 15%, like it doesn't matter what the number is, we can go plan ahead, build inventory, etc.

Nathan Meisgeier

Yes. I think the answer is yes. It's both of those things. It's the – we now know what this looks like. By the way, back when Liberation Day happened, it was what the heck is this going to look like. Now we've been dealing with it for long enough, we can build a plan. Uncertainty is the certainty of the day, maybe is the better way to summarize that. And some customers do get a little more certainty on what's their percentage rate and can build around that.

Ravi Shanker

Got it. So we've heard a couple of times today that the stats thrown out that one house equals anywhere from 7 to 7.5 trucks and so there is a lot of focus on unlocking the housing market to try to break a lot of log jams, including the transportation side. Would you kind of endorse that view and kind of what do you think happens next week? I mean I'm not asking you to pick 25, 50 bps, but do you think that's going to be enough to unlock that? Or do you think we need more?

Chris Wikoff

I don't know that I would say that, that by itself is a catalyst for significant change. I think it all contributes and it's helpful. Having a rate cut is certainly positive from a consumer standpoint, which the consumer has held in there, been resilient. but also more recently selective. So that's helpful. And to your point, in terms

of that opening up a log jam to building projects, new construction, and the supply chain that follows that, that can be very positive. Is it a catalyst to suddenly get into an up cycle and a meaningfully improved macro, we'll see, but it would be helpful.

Ravi Shanker

Got it. So in this continued uncertain world, when you think of One-Way versus Dedicated versus Logistics, kind of as you highlighted at the top, where do you pour your resources into? Do you pour it into One-Way saying this is the torque of the cycle and kind of is going to be what explodes in the up cycle that comes? Do you say Dedicated is safe, sure bet, and so that's what we're going to focus on? Kind of how do you prioritize those three?

Chris Wikoff

Well, as Werner's evolved, we've become more solution-oriented to large enterprise shippers. So that's really the common thread across our entire portfolio is large-scale shippers in a number of different verticals. So there's going to be homes within that complex supply chain for different modes, Dedicated, One-Way and Logistics. So having all of those solutions is helpful as we approach the broad supply chain problems of our customers. But to be more specific, where we see more pronounced growth is in Dedicated and also in Logistics.

With Logistics getting back to mid-single-digit year-over-year growth in the second quarter and continuing, that is our fastest-growing segment. The Dedicated fleet growth also being positive. There are pockets within One-Way being less commoditized and more highly engineered. It's also our One-Way business that supports nearshoring in our Mexico franchise. And it's also the platform where new customers, new logos to Werner can get to know our solution, our brand, our service offering before entering maybe into a long-term contract in Dedicated. So, there's other ways that One-Way is beneficial to us. But I think as we look to the future, there's more pronounced growth that we would see in Dedicated and Logistics.

Ravi Shanker

Got it. I'll come back to Dedicated and Logistics in a second. But maybe first, the peak season question, kind of what are you seeing out there for peak season? I think you guys did comment on project business on your 2Q call. Has there been any kind of further developments or acceleration there?

Chris Wikoff

Yes. First, in terms of peak, just to zoom out on what peak means for Werner, I mean, typically, it's a couple of handfuls of customers that really make up our peak business. So that's what we're talking about when we're talking about peak. So it's early on. We've had some conversations with some of those customers. I would say it's generally positive. And still more time will tell. These are projections. These are outlooks with those customers. But I would say it appears with those early conversations to be similar or potentially up in volume and/or rate. So still more to go. It's early and projections can be very different from kind of the actual and the reality. But it's generally positive. We're more concentrated in retail. I think some of the recent performance and earnings and commentary around retail has shown that some of the back-to-school traffic has been positive. That can be a positive indicator of peak. So maybe more to the upside than the downside, but still would need a bit more time to tell.

Ravi Shanker

So maybe going to switch gears and talk about pricing. So One-Way revenue per total mile increased 2.7% year-over-year in 2Q, and you guided flat to up 3% for 3Q. It sounds like there's some potential for getting more. So obviously, 2025 bid season is over, what can you potentially look forward to going into start of '26? And that kicks off what, October for you? Or when does bid season for '26 start?

Chris Neil

Well, '26 bid season has really started, we're on the very early stages of that. We've received a handful of opportunities that would become effective January mainly, but only a very handful. So we're at the very, very beginning of '26 bid season. But kind of setting the stage here in terms of One-Way pricing, yes, it was up 2.7% in the second quarter. That was our fourth consecutive quarter where it had been up on a year-over-year basis, but still pretty minimal when you consider what's really needed and more sustainable long term.

So, it continues to be just a challenging, difficult backdrop out there in One-Way. But I think the setup is such that we'll continue to work with our customers that have leaned into the service and scale that we can offer in our One-Way segment. And so all in all, it's going to continue to be a challenging bid environment in '26, just like it was in '25. I mean it feels like things are a little better now than they were a year ago, but the setup is similar.

At the same time, you look at our One-Way division, you look at the other One-Way sectors out there, and they're under duress. It's a really tough environment. And so clearly, what's needed is more than low single-digit increases, which is kind of what we've been enduring here over the last four quarters.

So when you think about what's important and what are the components of the One-Way rate, you're thinking about contract rates, you're thinking about spot rates and then mix. And to your point, the bid season here in '25 is over. We got relatively low to mid-single-digit increases there. It was mixed, but that was kind of the average. So those rates are kind of baked, and that's what we'll endure for the rest of the quarter or the rest of the year.

Spot rates, they've kind of been at low levels. In fact, they've fallen off a bit here in August. And you're really looking now at spot rates that are similar on a year-over-year basis to what they were a year ago. So we were hoping that, that would be something that we would see some inflection with. And typically, you do in September. So we'll wait and see. It's still early in September. But so far, it's been kind of a muted spot rate environment. So that's not been something that's been terribly helpful in the quarter. And then mix because volume has been stable, mix has been similar to what it was in the second quarter heading into the third quarter.

Ravi Shanker

Got it. That's helpful. What are you seeing out there on capacity? Kind of are you seeing incremental changes in capacity coming out of the market? And kind of any further commentary on the English language proficiency test and the H-1B visas with kind of what you've seen out there in the marketplace?

Nathan Meisgeier

Yes. So capacity, we keep seeing more attrition. There are some larger carriers that have gone out in the last few months. So we're seeing a little more impactful, nothing, obviously, at the thousands of trucks per carrier, but hundreds certainly. The English language proficiency, the ELP, the enforcement numbers on that are getting to be significantly higher. So first month was hundreds of out-of-service drivers. Second month was 1,000-ish, and the numbers just came out for the last 30 days, and it's more like 2,000. So still not, I mean we're talking about 3,500, 3,700 all in. That's not going to move the needle much. But if you look at the trend line, obviously, that's doubling from month to month. We're hearing about more states that are now taking the enforcement seriously. It's a state-by-state battle. And so as you see more states come online with enforcement, we think that number continues to inflect upward. But if you just take the last 30 days and annualize that, that's 25,000-ish drivers that go out of service and stay out of service in a year, that's a meaningful number. Obviously, that's a huge carrier that goes out and disappears in a year. So, we see that having more and more impact as enforcement comes more and more online.

And then the B1 enforcement, that's something that we, as an industry, have been talking about for a long time in terms of getting that kind of shadow capacity out of the market where cabotage is scavenging rates that no one else can compete at those rates. So, we like the sound of all of that. And really, when it comes down to it, we're talking about safety first. The English language proficiency is about safety. It's about making sure that drivers can communicate with roadside enforcement. If there's an accident that the driver can communicate with law enforcement on, is there someone else in that vehicle that you need to go rescue, what's in the trailer? And is that going to cause a safety problem for others?

And then just the ability to read and understand the more dynamic roadside signs. So, it's not just a stop sign and a yield sign and a speed limit sign. It's the one that says – vehicles over this weight need to take an exit right now. And if you don't, we're going to have a big problem. That's a safety problem for everybody on the road.

So, we're proud of the fact that our ELP compliance has stayed put. We've never really wavered on it at all. We have not used B1 drivers, we could. We've got a large cross-border presence, and we could figure out a way to do it, but we just don't think it's worth the risk.

Ravi Shanker

Got it. So right now, is enforcement mostly in the smile states? And what's your share like in those regions where you might potentially benefit if small carriers are put out of business?

Nathan Meisgeier

Yes, it's in the states that you would expect it to be, with probably red states is the right way to say it. But the federal government obviously is turning the screws on all states, especially the ones that are thumbing their nose at the enforcement. They're taking funding away from those states, which start hitting somebody in their pocket book and maybe they'll pay attention a little bit more. So yes, the states that are enforcing it are the ones you would expect. The ones that are getting the most pressure are also the ones that you would expect to be getting the pressure from the Feds.

Ravi Shanker

Got it. Speaking of pressure, obviously, while this does not impact you guys and one factor that does impact you guys is insurance costs. And you guys obviously, it happens on both sides. So on the one hand, you had the good news with the favorable settlement of the verdict, kind of that removes a big overhang that's been around for years. But on the other hand, insurance is something that kind of inflates for everybody, right? So what is the line of sight to resolving this over time? Is this just considered to be normal course? And how sympathetic are your customers when you say, hey, my insurance is up 20%, I need to pass that through.

Nathan Meisgeier

Yes, there's a lot there. So on the Texas case, Ravi, I got asked about that every day for 7.5 years. So we should probably just take up the rest of our time to talk about that big victory in.

Ravi Shanker

This may be the last time.

Nathan Meisgeier

Only from you. So yes, the answer is on the risk mitigation side, it starts with let's not have the accident in the first place. So we're investing heavily in the safety technology on the truck. We're investing heavily in the quality of the driver that comes on board. We're investing heavily in the training for that driver, and it's having an impact. So our trend line on our accidents is down and to the right. Our trend line on our accident per million mile is down and to the right. Our trend line on our severity is down and to the right. So all those trend lines are trending favorably. And really, it goes along with our mantra of – nothing we do is worth getting hurt or hurting anyone else. And so that matters to us as our culture and our company approach. So that's one.

Two is, you're right, the customer question is one that for a long time, it's been, “well, that's your problem.” And as customers start feeling a little bit more of that pain directly themselves, whether it's on slip and fall accidents, premises liability, or their own auto liability claims, there's a little bit more sympathy there. A topic that's come up a lot today in our one-on-ones is private fleets. So those private fleets that have felt some of that pain that are also our customers at the same time, they have empathized with us a little bit more and seen what we've been preaching about. Derek, our boss likes to say, it's one thing to tell someone that it's raining. It's a very different thing for them to be standing out in the rain with you. And so as they are standing out in the rain with us, they sympathize a little bit more.

And really, the last point I would make there is we're taking different approaches in terms of, we've always talked about settling claims at a fair price, which we are now emphasizing doing it more quickly. And the problem becomes if you have an accident on Monday, and you have a lawsuit in your hand on Friday over the same week, which that's a real thing that happens on a regular basis, sometimes you don't have that opportunity. But we're working hard to, again, handle those claims fairly, resolve them quickly, resolve them at a fair price. And when we need to, like the Texas case, see, I'm going to bring it up again. We are going to take a case to verdict if/when we need to, when it's time to dig in and fight.

Ravi Shanker

I'll never speak of it ever again.

Nathan Meisgeier

I'm happy to talk about it every day.

Ravi Shanker

But that's a good segue to something you said which is private fleets because that has been a topic of discussion in recent months. There is a thesis floating out there that one of the reasons why there appears to be a persistent capacity problem in the TL world is the growth of private fleets that's left a lot of stranded capacity on the for-hire side. Do you endorse this view? Kind of what do you see out there? What do you think of that?

Chris Neil

Yes. I think I'd concur that there was some growth in private fleets over the last four or five years really. I mean, during the pandemic era, there was really a necessity for some of those companies to stand up their own fleets or increase the size of an existing fleet. And so I think that's occurred, and that's potentially part of the problem in terms of the One-Way truckload market, just taking some of that volume out of that space and moving it over to the private space.

But now I think those folks are in an interesting place because you have a truck now that's four or five years old, you're going to have to reinvest in that equipment and make some big CapEx if you're going to continue to operate with that. You have the insurance issues that are different arguably now than then, certainly not better now than they were several years ago. So that's an additional risk factor that's out there that maybe wasn't quite as severe. And then you've got the driver issue where you think over the last handful of years, it's never easy to hire good quality professional drivers, but it's been easier than during the pandemic times and even other times where the market was more accelerating and drivers had more options. So it's been a favorable environment to grow a private fleet.

And I think what we're hearing now is that the goal would be to hold them kind of where they are, hold them flat, less of a desire to grow those. And even in our own Dedicated business, we've seen a little bit more in terms of private fleet conversions coming to us, talking about how we can take on that fleet for them and take on that risk.

Ravi Shanker

And just on that point, does that then set up this really good pipeline of private fleet conversion? And when do you expect to see that usually? Does that conversion usually happen at the bottom of the cycle or when the up cycle shows up and the customer is like, "well, I can't manage the things of my hands?"

Chris Neil

I don't know if there's a time necessarily when you can point to when it happens more frequently. But I think because of the factors I mentioned earlier that it is a unique time now with some of that equipment

coming due, as I mentioned, and maybe as you think about an up cycle coming up and driver availability getting more challenging, that now would be a time for them to consider an alternative.

Ravi Shanker

Got it. So moving on to Logistics. How has your Logistics segment kind of been in the third quarter? Obviously, things appear to have gone relatively sideways in a good way. And so again, are there opportunities here? Or is it just something that we need to wait for the cycle to show up before that really inflects?

Chris Wikoff

Yes. In the second quarter, Logistics was certainly a bright spot. We do see that continuing. Again, back to that mid-single-digit growth year-over-year, a number of different drivers to that growth. Some of it new awards, some of it more volume with large customers, some cross-selling, seeing more cross-selling between our Truckload Transportation Services and Logistics, not cannibalizing, but more modes, more solutions, to solve broader supply chain needs for our customers. Technology also contributing to that as well as some project freight and pop-up freight, which continued through the second quarter into the third quarter, that project freight is now transitioning off, but right behind it are some new awards that we're also ramping up within Brokerage. So now that can come with a different margin profile as some of that mix change. But overall, that top-line growth on a year-over-year basis, we're seeing that continue. So that's been positive.

And then along with that, not only in the second quarter, did we see that top-line growth, but we also had OpEx down 9%. Salary, wages and benefits down double digits. So really pointing to technology, we started this technology journey in Logistics as really our first proof case. We've had a couple of years of that, and now we're really seeing that benefit where we're able to support more volume, but do it in a way that's better, faster, cheaper and keep that cost profile low as we scale from here. So, we're excited about what we're seeing overall in the Logistics segment.

Ravi Shanker

Got it. What was the strategy? Five T'S? Technology was one of the T's.

Chris Wikoff

Five T's.

Ravi Shanker

Yes, 5 T's. So just on that point, right, I think in recent months, it's emerged that truck brokerage is like the hottest thing in AI. And everybody is like, this is where you'll see these opportunities. Obviously, one of the large players in the space kind of has a press release every week about all these AI tools they're putting out. Do you feel like that is something that works for them that may not work for you guys? Or because you guys have always focused on technology, kind of have you been putting those tools in place as well? And do you think it can work for you?

Chris Wikoff

Well, broadly, it's just part of our strategy of leaning into technology. Certainly, there are components of our Edge TMS and our technology platform that are key. But surrounding that, we're also looking at other pioneering technologies in the space and looking for ways that we can plug that into kind of the digital ecosystem and to test to see if they fail fast or if there's opportunities. So, it's just a broad focus on technology.

There's a number of different ways that we're using that, some that are more mature than others. But in the case of Brokerage, as you mentioned, and specifically in Logistics as one area that's continuing to scale is more automation and no-touch loads and load bookings. So that's early on and just other ways where we're able to have all the freight in one system. It makes it easier for our employees. We're able to be more responsive to our customers, optimize freight selection, bring shippers and carriers together. So, seeing a lot of benefit, and we're only going to see that grow from here.

Ravi Shanker

Got it. Switching gears to Dedicated. We had a previous session here where we had a CFO talking about churn within the space, customer churn and how that's becoming an increasing problem and how they tackle that. What's your churn like? And kind of what do you see as the drivers of that and kind of what are the solutions?

Chris Wikoff

Well, I think there's always going to be pockets of churn, more so in pockets that are more transactional, more commoditized. As our portfolio evolves, as Werner continues to evolve, being more, again, solution-oriented with large complex supply chains, being more stickier, having solutions that are differentiated on reliability, on service, on that technology component.

So as we go forward, it's about long-term partnerships with large enterprise customers and seeing less churn. But churn is there in Dedicated, in Logistics, in One-Way, having more wins than churn is obviously the goal. We've seen that more recently in Dedicated as well as Logistics. And so excited to see more of it.

Ravi Shanker

Got it. So when, not if, the upcycle shows up. How do you see that growth profile between the three segments? Which one leads, which one will drive the margins, maybe it's the same segment, but how do you see resources put in Dedicated versus One-Way versus Logistics?

Chris Wikoff

Well, as I said earlier, as we look longer term, I think more pronounced growth in Dedicated and Logistics. Right now, Logistics is our fastest-growing segment. It wasn't in the not-too-distant past where that was the same. So we would see that continuing. Again, there's still valuable pockets for One-Way in supporting our PowerLink offering that sits within Logistics, in being an avenue to flex and surge with customer needs on the Dedicated side, to support our Mexico cross-border offering to provide other kind of highly engineered solutions and be some of the glue between these different modes. So, there's always going to be a sleeve of One-Way business that's valuable to our portfolio, valuable to our customers. But Dedicated is durable. It's

longer term. It's difficult to serve. There's a high capital intensity to it over a multiyear period, along with that comes a higher premium and margin expectation. It has been more durable. One of the more durable aspects of our portfolio during this down cycle. So that's a place that will continue to play. These wins that we papered earlier in the year, it was good to see that they were in a number of new verticals for us. There was only about 25% that was in our more concentrated areas of retail, food and beverage. The other 75% were in verticals of choice that we want to expand in, so that's positive to just see more use cases in Dedicated.

Ravi Shanker

Got it. So, what does this evolving mix mean for your long-term mid-cycle margins? Because obviously, Logistics is a high ROIC, low-margin business. So what's the target over time?

Chris Wikoff

Yes. For our Truckload Transportation Services segment, we continue to maintain a mid-cycle target of low double-digit margins. So obviously, a way to go from our more recent baseline. Second quarter was 2.7% or 2.8% adjusted OI in TTS. If you were to normalize that for some of the start-up expenses, which were about \$1 million by implementing some of the new Dedicated wins and some other outliers in the quarter, we would call it closer to 4%, but that's still a long ways from 10%, 11%, 12% as a mid-cycle target. So pace and timing more uncertain to get there. But in terms of the how and the levers and the road map to get there, we continue to maintain confidence in that, really looking to mid-single-digit rate improvement on the One-Way side, more volume normalization in Dedicated with existing and new customers as well as vertical expansion. That's number two.

Three, improvement in gains in the used equipment market, which we saw in the second quarter. One of the best quarters for gains that we've really seen in two years. And then our ongoing focus on cost discipline, leveraging technology, and making those structural changes that can give us more operating leverage, particularly with a better environment. The sum of those is the pathway to low double-digit margins.

Ravi Shanker

Got it. Questions from the audience?

Unidentified Audience Member

I was wondering if you could talk a little bit about the AV strategy that you guys have, the pilot that's going on with Aurora and maybe thinking about, is there, any sort of thoughts in terms of how it will change the business longer term? I know like longer term, hours of service is obviously a natural one. But would it change the unit economics of the business much? Or is a lot of the benefits being kind of shared with the multiple parties?

Nathan Meisgeier

Yes. So I'll start. So we're excited about it. We're partnering not just with Aurora, but with a number of other autonomous suppliers, and we've been close to them since they've launched. A large part of that is our ability to give them feedback on the realities of what it means to be an over-the-road trucker, so we've seen the technology. We've been in those trucks. I've personally been in all of their different products, seen

it, and it's exciting. A few years ago, we talked about how those trucks were kind of like handing the keys to your car to a 14-year-old, and if you said, "Hey, drive down this road, it's straight, keep it between these two lines, don't leave the road. And when you get to the end, just stop and I'll come, help you out," the trucks could do that. Now it's way past that, and the trucks will move dynamically through traffic, figure out what's going on in the construction zone, figure out what's going on with other problems and hazards on the road, it's pretty exciting what it can do. And yet how many loads are actually being delivered by autonomous trucks right now? A few. So the impact today, not a lot. The impact in the near term is geographically limited, but in that geographic limitation, it's exciting and it's expanding all the time. And the technology, just like Ravi was asking about AI earlier, and we weren't talking about that a couple of years ago and now everybody talks about it. The autonomous, the leaps and bounds that the technology is making is pretty exciting.

What do we see for that for our business? So we will need more truck drivers in the coming years and in the out years than we have today even in the bull case of autonomous. So the American Trucking Association has run the math on that, and it's about a million more truck drivers need to enter the market in the next decade to be able to serve the increase in demand over that decade, even at the bull case of autonomous. So the great thing that we can tell our drivers, and it's true, is if you're a 25-year-old coming into the market, you can have a truck-driving job for the rest of your 40-year career. And if you're a 50-year-old or a 60-year-old truck driver, you are absolutely okay. But what it will do is it will improve quality of life and home time for some drivers, especially in the South. So hub-to-hub deliveries, absolutely. Long haul on a straight line across good roads with good weather, absolutely. And then it will need people to make the final delivery at the ends of those, at the beginnings and heads of those locations. So that's a long answer. We're excited about it, the people still running the company still running that race are all the real deal. 5 to 10 years ago, there were a lot more people running and a lot of them aren't in the race anymore.

Unidentified Audience Member

Hello, guys. Could you talk a bit about, I guess, going back to pre-COVID on the One-Way side, the differences seem to be drop-and-hook power only as well as pricing transparencies increased a bit, how did that change for the industry, not a Werner question, but more industry-wide, what that means for small owner-operators, what that means for large carriers, just how you think some of the changes over the last 5 or 6 years in the industry will have implications going forward?

Chris Wikoff

Yes. Certainly, technology and just speed information to your point, has brought just more transparency, real-time data more information for a lot of different stakeholders in supply chain, shippers, carriers, providers. So, decisions are more informed and more timely. I think it's really more about those that are going to differentiate, those that are going to be more successful going forward is about how you use that information to optimize our network, our solutions, our pricing, how we use that information to automate certain decisions and put it all to work that benefits our customer with the optimal solution at a very competitive price. So, it certainly made a decision making and other aspects of the industry, I think, more challenging, but that's where we are. And those that will excel, I think, it's about how that information is used.

Ravi Shanker

Great. I think we're out of time. So, gentlemen, thanks so much for joining us, and we shall remain on cycle watch.

Chris Wikoff

Great. Thanks, Ravi.