

Business Update Call: Announcement of FirstFleet Acquisition
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Werner Enterprises: Derek Leathers, Chairman and CEO, Chris Wikoff, EVP, CFO and Treasurer, and Chris Neil, SVP, Pricing and Strategic Planning

Operator

Good day, and welcome to the Werner Enterprises Business Update Conference Call.

(Operator Instructions) Please note, this event is being recorded. I would now like to turn the conference over to Chris Neil, Werner's Senior Vice President of Pricing and Strategic Planning. Please go ahead.

Chris Neil

Good morning. Earlier today, we issued a press release and posted a slide presentation announcing our acquisition of FirstFleet. These materials are available in the Investors section of our website at werner.com. Today's webcast is being recorded and will be available for replay beginning later this evening. Before we begin, please direct your attention to the disclosure statement on slide two of the presentation as well as the disclaimers in the press release related to forward-looking statements. Today's remarks could contain forward-looking statements that may involve risks, uncertainties, and other factors that could cause actual results to differ materially. On today's call with me are Derek Leathers, Chairman and CEO, and Chris Wikoff, Executive Vice President, Treasurer, and CFO.

We're excited to announce our acquisition of FirstFleet, one of the leading pure-play Dedicated trucking companies in the U.S. This is an important milestone for Werner as we execute our business strategy. This transaction will meaningfully strengthen our platform and position the company for sustainable, profitable growth over the long term.

As you will hear over the next few minutes, FirstFleet is the perfect acquisition to accelerate the strategic expansion of our Dedicated business, establishing Werner as the fifth largest Dedicated carrier in the U.S. It expands our scale and density across the eastern half of the country, significantly improving our ability to serve customers. FirstFleet brings deep relationships with an impressive roster of large top-tier customers that further diversifies our exposure to attractive and resilient end markets. Importantly, this acquisition is also immediately accretive to EPS and positions us to capitalize on growth opportunities as market conditions continue to improve.

For slide three, I will now turn the call over to Derek to provide a high-level overview of FirstFleet and the power of our combined enterprise.

Derek Leathers

Thank you, Chris, and thanks everyone, for joining us today as we update you on this exciting milestone in our history. FirstFleet was founded in 1986 and is headquartered in Murfreesboro, Tennessee. Over the past four decades, the company has delivered sustained growth, built deep relationships with premier customers winning in their space, and developed a strong reputation for safety and service that closely aligns with Werner's own values. FirstFleet also has a 100% company driver base with lower-than-average industry turnover. FirstFleet brings meaningful additional scale to Werner, generating more than \$615 million in annual revenue for the 12 months ended September 30, 2025, operating approximately 2,400 tractors and 11,000 trailers, supported by more than 2,650 drivers, and serving customers in roughly 130 sites nationwide.

Moving to slide four. This slide provides a by the numbers look at this acquisition and the combined scale of our two companies. From a revenue standpoint, the combination expands our total trailing revenues for

the 12 months ending September 30, 2025, from approximately \$3 billion for Werner on a stand-alone basis to approximately \$3.6 billion on a combined basis. Importantly, our combined company mix shifts a larger portion of our portfolio toward Dedicated, which grows from roughly 43% of total revenues today to approximately 52% on a combined basis while one-way truckload and logistics will account for approximately 22% and 24% of total revenues, respectively. This transaction drives a 20% increase in our total revenues, a 30% increase in TTS, and almost a 50% increase to Dedicated. The combined company will operate over 9,800 trucks in our Truckload Transportation Services fleet. Dedicated represents approximately three quarters of the total fleet with around 7,365 Dedicated trucks in addition to roughly 2,480 trucks in One-Way Truckload.

Now turning to slide five. That mix shift is one of the key strategic benefits of this transaction. As we've discussed before, we've been very deliberate over the past few years about transitioning our portfolio increasingly towards the higher-margin Dedicated trucking business, a \$30 billion-plus total addressable market that is more resilient, contract based and protected by high barriers to entry. Differentiators like scale, flexibility, and industry expertise are critical here, and addressing complex customer needs drives higher margins, strong customer retention, and robust cross-selling opportunities. That's exactly what FirstFleet delivers. Added scale, geographic density in the market diversification, deep industry expertise in grocery, bakery, and corrugated packaging, a commitment to customers, safety and innovation, and a proven track record of profitable growth. As you can see on the right side of the slide, the impact of this acquisition is clear. It adds highly qualified drivers to create a top five Dedicated fleet in the U.S., delivers EPS accretion, accelerates profitable growth and earnings stability, and expands in market diversification.

Slide six demonstrates how FirstFleet's complementary footprint transforms our network. As you can see from the map, FirstFleet's customer sites and facilities layer perfectly onto ours, creating nearly 300 Dedicated locations across 37 states with significant density in the eastern half of the U.S. as well as complementary terminals and facilities throughout. Greater network density means higher asset utilization and flexibility to meet customers' needs anywhere, leading to overall improved efficiency and capability. With greater scale, we're also able to benefit from better fixed cost absorption and purchasing power.

On slide seven, we look at how this acquisition deepens and diversifies our exposure to premier customers across our primary verticals. As I mentioned, one of the things that really stands out about FirstFleet is the quality of its customer base. FirstFleet services many leading customers in attractive and resilient markets including grocery, bakery, and corrugated packaging. Among its top 10 customers, the average tenure is 17 years, and three of its top four customers have been with FirstFleet for more than 25 years, a testament to their high service levels and commitment to long-standing and winning customers.

On a combined basis, retail remains our largest vertical at about 60% of our portfolio. In this vertical, we service a variety of retail customers including discount, grocery, and home improvement retailers. The addition of FirstFleet strengthens our position with national retailers, driving deeper route density and expanding share of wallet with new and existing retailers to Werner. Manufacturing and industry represent about 19% of our portfolio with core exposure to manufacturing and heavy equipment end markets supporting OEMs and industrial distributors. FirstFleet brings unique capabilities at a significant scale in non-commoditized corrugated box solutions. FirstFleet's corrugated solutions are particularly attractive as they primarily service large enterprises with high volumes tied to recovery in e-commerce and manufacturing demand. FirstFleet also provides specialized packaging solutions that are sticky and have higher margin.

And finally, food and beverage accounts for about 15% of our portfolio. Werner already provides dedicated and temperature-controlled services for numerous food and beverage customers. FirstFleet further strengthens our exposure to essential staple food categories and as leading customers with

consistent demand and nationwide distribution footprints with particular expertise and scale in specialty bakery. Taken together, these complementary verticals provide a diversified, resilient set of end markets with long-term customers that will amplify our competitive edge and help drive profitable growth. Overall, we have deep faith in the dedicated service offering to be a higher-margin anchor product that generates customer loyalty and enables us to cross-sell and upsell. So, this is a strategic move to increase our market position and be poised for growth as the market recovers all without compromising our balance sheet. This transaction will immediately deliver strong EPS accretion while maintaining modest leverage. This is a great outcome for shareholders and all of our stakeholders. I will now turn it over to Chris to take a closer look at the transaction itself.

Chris Wikoff

Thanks, Derek. Turning to slide eight, Werner is purchasing 100% of the equity in the FirstFleet operating entity for \$245 million. We have also entered into a separate agreement to purchase the underlying owned real estate assets for \$37.8 million. The transaction closed yesterday on January 27, 2026, and was funded using cash on hand in our existing revolver credit facility in addition to assuming certain capital leases. From an integration standpoint, FirstFleet's management team will largely remain in place, and FirstFleet will operate as a business unit within Werner's TTS segment. Going forward, its results will be combined with Werner dedicated in our quarterly earnings reporting. As mentioned at the top of the call, the transaction is immediately accretive to our EPS even before synergies. Following the full realization of anticipated synergies, we expect to expand margin and cash flow. While FirstFleet's operating margins have been profitable and durable through this prolonged and challenging downturn, we have identified approximately \$18 million in annual synergies, which we expect to be largely implemented within 18 months of closing and will drive continued EPS growth for the next two fiscal years.

Closing with the summary of the key takeaways on slide nine. First, the acquisition accelerates our planned transition to Dedicated, making us one of the largest Dedicated carriers in the U.S. This also enables us to diversify our revenue streams during market disruptions by increasing exposure to more resilient end markets. Second, with FirstFleet's highly complementary footprint, we will have expanded scale, greater reach, and coverage. Third, it deepens and diversifies our exposure to top-tier customers across durable and resilient verticals, particularly in retail, manufacturing, industrial, and food and beverage. Fourth, there is a strong cultural fit between Werner and FirstFleet with a shared commitment to safety, service, and innovation. These shared values give us confidence in smooth integration and the long-term success of the combined platform. And finally, the transaction provides exceptional EPS value and increases free cash flow while maintaining modest leverage. At this time, I'd like to turn the call over to the operator for a few questions.

QUESTION AND ANSWER

Operator

(Operator Instructions)

The first question comes from Tom Wadewitz with UBS. Please go ahead.

Mike Triano

Hello, thanks. This is Mike Triano on for Tom. And congratulations on the deal.

Derek Leathers

Thank you.

Mike Triano

I wonder if you could just help us a little more with the accretion build. Just what type of operating margin should we assume for FirstFleet? And then on the additional interest expense, how much should we bake into our models related to the deal? Thank you.

Chris Wikoff

Hello, Mike. Thanks for joining. This is Chris. In terms of margins, FirstFleet has continued to be profitable across all cycles. Durable margins are very much reflective of having a 100% dedicated model. That said, their margins are a bit lower than what we typically see from our Dedicated solution. Some of that's given some slight difference in mix, more trailer pools, given some of the trailer intensity of their business and other factors including having some more operating leases and whatnot.

But when you look at that and what we have mentioned as an \$18 million midpoint of synergies, which is about 3% of revenue, there's a good opportunity over time here to expand margins and get that closer to what we expect. So, that's on the margin front.

In terms of the interest expense, we're not disclosing any of that at this time. We did fund this through some cash on hand but the majority was debt. And that debt is really in two parts. It's an assumption of some low-cost capital leases of the business in addition to pulling on our revolver, which is also low cost. Overall, this wasn't necessarily your question, but Derek did mention that we expect this to be modest leverage. I would maybe just add to that to say that we think this is going to be at our peak, low 2x leverage including pro forma synergies. So, probably not as much detail as you would like at this time, but we can provide more detail as we get into our next earnings call and provide more guidance for the company overall.

Operator

The next question comes from Jason Seidl. Please go ahead.

Jason Seidl

Thank you, Operator. Derek, Chris, good morning and congratulations on the deal. Chris, I was wondering if you can go into the \$18 million of synergies over the next 18 months and sort of give us sort of the buckets where you expect to derive them from? And then I guess my follow-up question would be, how does the driver pay at the new entity look versus Werner legacy Dedicated? Thanks.

Chris Wikoff

Good morning. Thanks for the question. On the synergies, \$18 million at the midpoint, really three buckets there, procurement and just the purchasing power of Werner and FirstFleet being able to benefit in fairly short order on a number of categories whether that be tires, brake pads, oil filters, windshields, fuel, software, and insurance. So, there are a lot of opportunity there from just a combined purchasing power perspective. We've gone through a lot of detail on sizing that up.

Also, in terms of operating efficiencies, there's several of them. Maybe one example is just around maintenance. We have a number of terminals that FirstFleet didn't necessarily have access to given where their density resides, and therefore, in certain parts of the country, they were forced to have more over-the-road and third-party maintenance expense, and we can quickly flip that to in-house. So, that's a big benefit.

And then also some revenue synergies, improving the backhaul value, surge capability just given other assets and resources that we have that we know is beneficial to our Dedicated customers and can also be a strong benefit to FirstFleet's Dedicated customers, and of course, opportunity to cross-sell.

Jason Seidl

And are these all evenly split, or is one of the buckets more heavily weighted?

Chris Wikoff

No, I would say this is more weighted on the cost synergy side than the revenue synergy side.

Derek Leathers

And I would just add that the revenue synergies will develop with time. We've got to continue to work and collaborate with the folks here at FirstFleet. But we know in short order, there will be increasing opportunities for revenue synergies. But for today, we wanted to be specific with some starting guidance for everybody to come out of the gate with. On the driver question, I'll just say this, one of the most attractive things about FirstFleet is the cultural fit between us and them – both office, driver maintenance and all of the above and probably more than anywhere, on the leadership side.

But obviously, with drivers, pay matters a ton, and so it certainly makes it a lot easier that their pay structures, their pay approach philosophy, their commitment to safety and service above all else, all align with us. And so, when we look through their pay packages and we look through their different networks, we feel like there's a pretty hand-in-glove kind of fit here without a lot of unnecessary sort of friction points because of disparities and approach.

Operator

The next question comes from Jordan Alliger with Goldman Sachs. Please go ahead.

Jordan Alliger

Hello. Just a follow-up on a financial question. Again, I'm not sure if you can give color around it yet around either accretion range or perhaps how much EBIT or EBITDA you're buying even on a trailing basis. But then the other part of the question is, now that Dedicated is north of 50%, how do you think about the Dedicated fleet growth plans from here especially given that maybe One-Way it could be approaching a bottom given all the supply side constraints? Do you think there could be opportunities back in the One-Way side, or is it just going to continue to push Dedicated even perhaps at the bottom? Thanks.

Derek Leathers

I'll start on the Dedicated, One-Way question, and then, Chris, you can come in with more color. But I would think about it a little differently than the way you asked the question. When things start to turn like the market we're in right now, assets matter, and assets are going to matter a lot more in the coming months and coming quarters. And so, by doing an acquisition like this, we're able to both simultaneously lean into our long-term strategy about durable Dedicated business across multiple verticals with winning customers without sacrificing the size of our One-Way fleet to be able to seat those tractors and define that growth more organically.

And so, a different perspective on the same question would be that we're able to maintain the size of our One-Way fleet currently while significantly growing the business and significantly growing on our long-term journey relative to Dedicated so that our One-Way fleet is more nimble, more available, more flexible as this market continues to turn, which we believe it will. And so, I think it's sort of the best of both worlds.

They've had long-standing dedicated relationships for multiple decades. We want to grow in those relationships. We know many of those people already at those customers, and we're going to continue to lean into the kind of quality that FirstFleet has already provided them. And yet, in One-Way, we're able to continue to preserve the size of that One-Way fleet and then augment it with PowerLink and the work we've been doing for some time as we continue to grow out our sort of asset-light solution within One-

Way via our PowerLink product. So, all in, we think it's a win across the board, and we're excited about it as we look forward.

Chris Wikoff

And, Jordan, I would just add to it. Back to your question on accretion. This is a very attractive value and asset for us. It's strategic. We think the value is right, particularly once we look at its value once it's fully synergized. We think the time is right. So, we're very excited about the value. We said it was immediately accretive. I would maybe just add to it that it's double-digit accretive. I know that doesn't maybe give you as much finite detail as you would like, but we're excited about the value that this brings to earnings immediately and as we expand margins and take that from a very good value to a great value. So, we're excited about it.

Operator

The next question comes from Bascome Majors with Susquehanna. Please go ahead.

Bascome Majors

Thanks for taking my question. I just wanted to follow up on the prior question about the One-Way fleet and how it fits in the mix long term. Can you talk a little bit about how you feel that you are positioned for that upturn now? And is the message from that prior answer, like, we're kind of where we want to be on an absolute size and maybe the asset side of that, and any growth will be from Power Only? Just thinking about, on an absolute basis, how you scale with the One-Way side of the business as you continue to go Dedicated long term. Thank you.

Derek Leathers

I'll speak to that, but only as it relates to the acquisition. Obviously, we have a call next week where everybody will get another crack at us for all kinds of longer-term or more broad-based market questions. But we have previously communicated, and we'll stay consistent with that messaging that we do believe One-Way is about the size that we think it should be. We're going to continue to work and provide that One-Way solution both to the over-the-road market, but also it serves as a surge capability within Dedicated, which now has even more demand for that surge with the acquisition itself.

So, if you think about a company like FirstFleet, they've done some incredible things for many, many decades and had to do so with arguably one hand tied behind their back. They didn't have the same search capabilities. They didn't have the same abilities to bring multiple products to bear and yet still build a hell of a business. And so, when we take that product and that business and combine it with what we can now bring to bear, we see a lot of upsides across Dedicated, across One-Way across, frankly, the entire portfolio. So, we're excited about it, and we're excited about the fact that on the cost synergy side, which we've referenced several times, we can do all of the above and still bring a quality priced product to our customers while expanding our margins through our own internal hard work, not through their wallets. And so, it provides an example where these two organizations coming together can just be a leaner kind of meaner version of themselves.

Operator

The next question comes from Eric Morgan with Barclays. Please go ahead.

Eric Morgan

Good morning. Congrats on deal and thanks for taking my question. I was wondering if you could elaborate a bit on just the growth profile of FirstFleet. I know you mentioned it's been profitable through cycles. But I guess just thinking more about the top line trajectory historically looking ahead and maybe just any discussion on the commercial strategy, customer concentration, and opportunities you see there?

Derek Leathers

So, I mean, first off, FirstFleet is not immune to the market that we've been in over the last several years. No different than Werner or anybody else. So, the more recent trailing, call it, two-year growth profile has been muted compared to historical averages. But what we do know is that the relationship they have with customers is extremely strong. While they're participating in a multi-location level at almost every one of their major customers, those customers have many more locations still available and in play. We know Dedicated is in a \$30 billion-plus addressable market, probably closer to \$40 billion than \$30 billion to be frank. And so, our ability to bring a better overall solution with the density that this provides is something we're excited about. In Dedicated, although the assets are, in fact, dedicated to particular customers, the more density and more other fleets you have in the neighborhood in the vicinity regionally or otherwise just gives you the opportunity to bring surge capabilities in all kinds of additional capacity and really basically simultaneously give the customer a better product while giving yourself a lower cost to serve. And so, those are things that, as we look forward, we're excited about.

Operator

Next question comes from Chris Wetherbee with Wells Fargo. Please go ahead.

Chris Wetherbee

Good morning, guys. Maybe just following up a little bit on cash flow, maybe CapEx needs. And I guess maybe one follow-up question as we think about just the margin profile of the business. I think you said sort of maybe it looks a little different than what your Dedicated margin looks like. Obviously, the One-Way has been probably the bigger pressure on your results over the course of the last trailing 12 months or so. So, maybe if you could give us a little bit of sense of where that might fall relative to where you guys have been running. And then again, on the cash flow piece, any CapEx needs that are unique about this business and maybe how quickly you think you can kind of take that leverage number back down once you have it accretive?

Chris Wikoff

From a cash flow standpoint, this is going to be cash flow accretive. FirstFleet has strong free cash flow conversion, and a lower run rate of CapEx than typically what we see. So, this is going to be very positive, great value from a cash flow standpoint. I mentioned that low 2x peak leverage, including pro forma synergies. We do expect to prioritize debt reduction and be able to delever from there. And then you were also asking about margins. I don't know if there's really much more to say than what we've already said here other than they're good margins. It's a profitable business throughout all cycles including this much prolonged down cycle, and we have opportunity to expand it even more to the tune of 3% of revenue once we get fully synergized. And none of that is putting the high service focus that FirstFleet has with its customers and that we certainly value and that they do a great job with. So, this is very low to mid-hanging fruit, if you will, on opportunities to expand margin, and we're excited about what that financial model looks like and relative to what we expect from our own business.

Operator

The next question comes from Scott Group with Wolfe Research. Please go ahead.

Scott Group

Thanks. Morning. Maybe a different version of the same question we've all asked. Can you just share like the purchase multiple on EBITDA? Chris, your comment about double-digit accretion, is that pre- or post-synergy? And then, Derek, you guys did a few big deals in recent years. What's been experience with revenue retention on those deals, and do you think – there's any reason to think this one is any different, better or worse?

Derek Leathers

On the revenue retention side, you're right. We've done four deals to date. We've had pretty good success with revenue retention on those. Two were kind of trucking or truckload operations. One was a Final Mile company, and the last was ReedTMS, which was predominantly a brokerage logistics organization. I think in three of the four, revenues were up year-over-year at the one-year anniversary mark. One of them was not, but that had more to do with the big and bulky kind of crash that took place after COVID. So, I think our experience has been pretty solid.

This is a large asset-intensive business, and so it's all about staying close to the drivers. As I mentioned earlier, one of the best things in this deal is a couple of things that come to note. One is long-term customer relationships over multiple decades, especially at the top end of the customer list. We're going to stand by those commitments and those customers. We're going to work with FirstFleet to give them even better support than maybe they had when they were trying to go it alone. And we expect to keep those customers. We're going to work hard to make sure and earn their trust.

The other one is on the driver side. If you had a lot of frictional issues going with drivers – like meaning our spec is fundamentally different, our pay packages are fundamentally different, you'd have issues. But they're not, and we're not changing those. As we think about the synergies, synergies don't come from changing driver pay or messing with people's W-2. It's about blocking and tackling maintenance, tires, tractors, trailers, and fuel. And that's the best kind of synergies because we can just go out and have more purchasing power and kind of improve the experience of the customer, driver, and everybody in between. So, yes, I would tell you, Scott, I'm confident in the revenue retention on this one. Obviously, it takes real work, and actions are louder than words, and so we're going to go to work.

Chris Wikoff

And, Scott, just to answer the other parts of your question. The comments about immediate accretion, double digits, that's pre-synergies. So, again, it is very attractive value. I know everybody is trying to get more granular on TEV multiples and EBITDA. Again, I would just say it's \$615 million LTM revenue. It's \$245 million on the operating company. There was also \$37.8 million, but that's more for 11 properties and certain acquired real estate. It's attractive value. I would say that it's a mid-single-digit TEV multiple, but that's based on management forward-looking estimates of adjusted EBITDA. So, I'm not going to get too granular on that because there's implications for doing so. But we're excited about the value of this acquisition.

Scott Group

Okay. Thank you. I totally get it that you guys don't want to share. Maybe just one thought. Just thinking out loud. Maybe on earnings instead of giving the accretion on this, maybe we get more of a consolidated earnings guide or something like that for '26. Maybe that could be more helpful, just as a thought. Thank you, guys. I appreciate the time. Thank you.

Operator

Next question comes from Reed Seay with Stephens. Please go ahead.

Reed Seay

Hello, guys. Thanks for taking my question. Earlier, you mentioned that \$18 million of synergies was a midpoint. If you could maybe give what that range is, the bottom end and the top end and maybe what needs to happen to be at that bottom end or what needs to go well to be at that top end. And then, as we think about the fleet that you bought, the 2,400 trucks, what's an average age that we can think about as

we try to kind of compare what this transaction looks like compared to the book value of the operating fleet that you're buying? Thank you.

Chris Wikoff

Good morning. I'll take the synergy topic. Yes, we said \$18 million is the midpoint. I won't get too granular on you. I think the range could be plus or minus 10% from there. I would also say that we haven't factored in everything. This is not fully exhaustive. It's prior to us settling into this business and getting to know the business, engaging with customers, with associates, with drivers, which we're excited to do before we get too focused on integration. So, we're going to do this right and take our time to realize value but do it in a thoughtful way.

So, we've talked about really the buckets in doing that, purchasing power, procurement, operating efficiencies, as well as over time, some revenue synergies that are also multipronged. So, I think this is thoughtful. It's not overly comprehensive. Once we get 18 months to two years under our belt or even sooner, we may see other opportunities. But at this point, this is what we've sized up, and we're excited to get closer to this business and the talent and the customers to reassess and see how we can collaborate to harvest additional value while servicing our customers very, very well.

Reed Seay

And then if you have any color on maybe the book value of the fleet that you're buying here?

Chris Wikoff

No, I don't have any specifics to share with you at this time on book value of the fleet.

Derek Leathers

As it relates to, you mentioned earlier, age and things like that, it's similar. There's going to be some opportunity for us to freshen the fleet over time obviously. And we've mentioned earlier that they have a large portion of their tractor fleet that's in operating and capital leases. Over time, that model may change based on our ability to infuse equipment into the fleet. And again, this is first call. You're going to get another crack in a week, and we'll have more color as we go. But right now, the good thing is that this is not a fixer upper whether that's related to fleet age, customer mix, or current profitability in what has been a difficult market up to this point. This is one that we have line of sight to the improvements that can be made and the enhancements that we can bring to the table, which is part of what causes our excitement over it.

Operator

Next question comes from Ravi Shanker with Morgan Stanley. Please go ahead.

Ravi Shanker

Good morning, guys. How long have you been thinking of doing a Dedicated deal like this? And kind of how long have you been talking to FirstFleet in particular? And, did you think of diversifying into any other parts of trucking maybe outside of your core competency instead of doubling down on Dedicated? Thank you.

Derek Leathers

We talk a lot and spend a lot of time looking at opportunities across our portfolio. We've been clear about our desire to continue to lean into and grow the non-asset part of our portfolio, and we've done so, and we'll continue to do that organically and be open-minded otherwise. But pure-play Dedicated opportunities, especially of high quality with the kind of culture and kind of customer mix that FirstFleet has, don't come around very often. So, we've been in conversations for many months. This took a long

time to come together. And we're very excited to get to what we refer to now as the starting line, not the finish line. Sitting in Murfreesboro right now at headquarters, and Paul Wilson, one of the family members and owners of FirstFleet and I will be hitting the road here shortly, and we're going to work today. So, multiple months. As we look forward, we're going to be open for business, but obviously, we've got some digestion to do as well as it relates to M&A. And we'll continue to put our laser focus right now on integrating and working with FirstFleet to attack the synergies and other things that we've been talking about throughout the call.

Ravi Shanker

Any thoughts on potentially diversifying or did you consider diversifying away from Dedicated away from truckload into other segments or other areas within truckload that you aren't present in right now?

Derek Leathers

Well, the short answer would be absolutely. We've had multiple kinds of all day, multi-day strategy sessions on what ifs and if then and then modeling. But again, despite whatever planning you may do at times and all the strategic thoughts you may have, sometimes, when an asset of this quality is available and able to be actionable, you move on it quickly. This, we feel, fits hand in glove with our core strategy, which is to be an elite Dedicated carrier in the United States, providing service quality to large enterprise customers and complex delivery solutions. And that's what this is. It's right down the middle of the fairway. That's what was so attractive about it, and it only got better the more we got to know it and the further we were able to understand both those long-term relationships but also the people that drove those relationships that exist in the first place. They've got some long-tenured folks in this building and some good folks and people that have been spending time with all morning, and we're excited to hit the ground running.

Operator

The last question comes from Ken Hoexter with Bank of America. Please go ahead.

Ken Hoexter

Good morning. Congrats on the acquisition. Derek, a couple here – it sounds like the fleet is no different in terms of age. So, I just want to make sure there's no CapEx catch-up. It sounds like they had operating leases. Do you have to kind of spend money to reduce the age, or does it sound like it's in line?

Is there any rebranding? Are you going to keep their brand name? Are you going to rebrand as Werner? And I guess maybe your thoughts on the fleet size long term. So, three questions in there, right? So, the fleet size, you moved to suspend 350 OTR trucks. Do you now take those, move them more into Dedicated? I just want to understand your thought on the fleet size post-acquisition here. Thank you, sir.

Derek Leathers

I appreciate the questions. The fleet age, it's a little older than the Werner fleet age but not by any meaningful or material amount. We don't believe it creates any kind of major CapEx catch-up. We already had been planning and obviously working on our 2026 order for some time and knowing full well that we had kind of a high probability of having FirstFleet as part of the mix. So, we're in pretty good shape, and we'll be coming out with CapEx guidance and other things next week on the call, but I don't expect anything that's going to alarm anyone given the overall size of the new combined fleet. As it relates to the rebrand, that's a delicate thing. If you look at our prior four acquisitions, in two of the four, we rebranded and rebranded in short order. FirstFleet, again, going back to something we talked about a lot, has a very long-standing and deeply held relationship with customers. So, it's going to be a collaborative conversation between us, FirstFleet, and frankly even some of the customer base. But if you also think about some of the synergies and some of the efficiencies of more of a universal trailer fleet, the asset

flexibility, if you will, of universal assets, it's certainly on the table. We are not prepared today to make a final decision on that other than, for now, FirstFleet's name is not changing. And we're going to continue to get to know these customers and these relationships better. Serve them exactly as they are today or better with now an expanded portfolio that we can bring to bear, and over time, we will continue to evaluate that branding question. And it will be at the forefront, but the outcome will be determined on economics, efficiencies, and the ability to serve not based on any particular ego-driven Werner-only kind of approach. That's just not the way we think about the business. We want to do what's best for our customers and our associates and ultimately our shareholders.

Chris Wikoff

I would just add to it to say that there isn't any CapEx catch-up as you referred to it that we're highlighting here. And in terms of the age difference, just keep in mind, this is nearly 100% Dedicated business, shorter length of haul, and it makes sense to have a fleet that's a bit older but might be comparable in terms of usage and miles. As Derek said, there isn't anything concerning or that we need to change, alter, or fix relative to the quality of the equipment.

Ken Hoexter

Thanks, Chris. And size of the fleet long term with the combo of these? Do you shrink the fit? Do you take those OTR trucks and move them into Dedicated? Any thoughts on your long-term fleet thoughts?

Derek Leathers

I would ask if you don't mind, I understand the question, and it's valid. But with earnings call less than a week away, that feels more to me like a long-term strategy market question than it does specific to the acquisition. I can tell you right now, like there's no thoughts of shrinking this fleet at FirstFleet or our existing Dedicated fleet, but as we are in a market that is moving fairly quickly, there's always going to be dialogue that we need to have as that market moves with our customers about where that market is headed. And at times, that does mean that you have to make difficult decisions relative to where you stay and what else you may do. But again, I'm more than happy to answer greater depth next week on the call about market-related questions.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Derek Leathers for any closing remarks. Please go ahead.

Derek Leathers

Thank you. I just want to thank everybody for joining us today, taking time out of your morning to ask us and spend time with us on these important questions. I want to specifically thank all of the Wilson family for how they've handled themselves from day one through yesterday's closing. We are excited to work with them as we go forward, as well as thank the Werner team that put in a considerable, considerable amount of time and effort throughout the due diligence. This is an exciting time for Werner. We think this makes us a bigger, stronger, more robust version of ourselves, and we look forward to proving that in the coming quarters and years. Thank you for attending and being with us today.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.