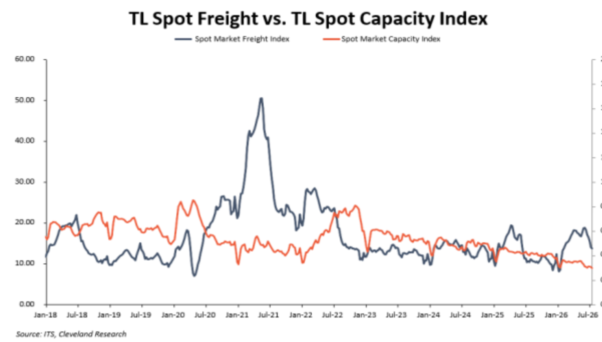
CRANE WORLDWIDE LOGISTICS

GROUND MARKET UPDATE

CURRENT STATE

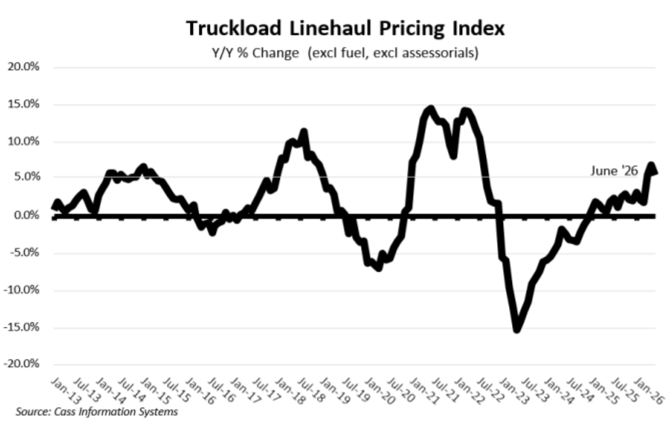
During an industry analysts podcast a large shipper had the following to say about recent TL trends. **This shipper's TL tender acceptance rates currently sit in the low-90% range but have been testing COVID lows in the mid-80s in recent weeks around the end of the month and over July 4th. With these route guide disruptions, this shipper plans to re-bid a large portion of its network to get tender acceptance levels back into the 93%-95% range. At the beginning of the year, this shipper expected low-single digit contract rate increases but now expects 5%-8% contract rate increases in its upcoming bid with risk for additional increases if the market continues to tighten through July. This shipper is also doing some one-off rate adjustments on certain lanes with rates that are up high single digits on average, including a few lanes with increases over 30%.** This shipper is seeing more pressure on tender acceptance and bigger pricing increases from brokers than asset-based carriers, and this continues to minimize brokerage use where possible. While they believe the tight market is being driven largely by supply pressure, they also believe there could be some degree of pull forward with continued tariff uncertainty. This shipper introduced Amazon to its TL network as a broker this year and mentioned they've done very well with service despite offering very attractive rates. At this point, there are no real plans to add Amazon across other modes.

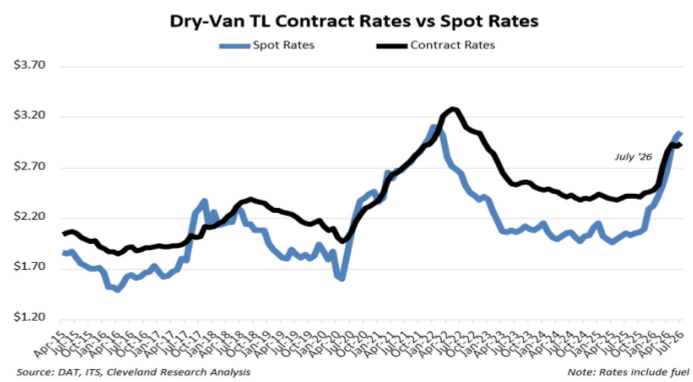


Spot market demand declined through June and early July as markets remain challenging given persistently tepid demand growth, ongoing macro environment uncertainty, and carriers shifting operations toward contract/dedicated services. Capacity continues to exit the market as carriers struggle to source drivers given ongoing driver regulatory concerns.

MARKET FORECAST

TL linehaul rates (ex-fuel, ex-assessorial) in June were 6% higher Y/Y in June but declined 1% M/M according to Cass Systems. While TL linehaul rates have been slowly rising, June was the largest step-back M/M during the last ~12 months, leaving rates remain 11% below the May 2022 peak. Our work indicates 2026 contract TL prices likely rise +5-15% Y/Y ex-fuel primarily due to supply/capacity constraints.



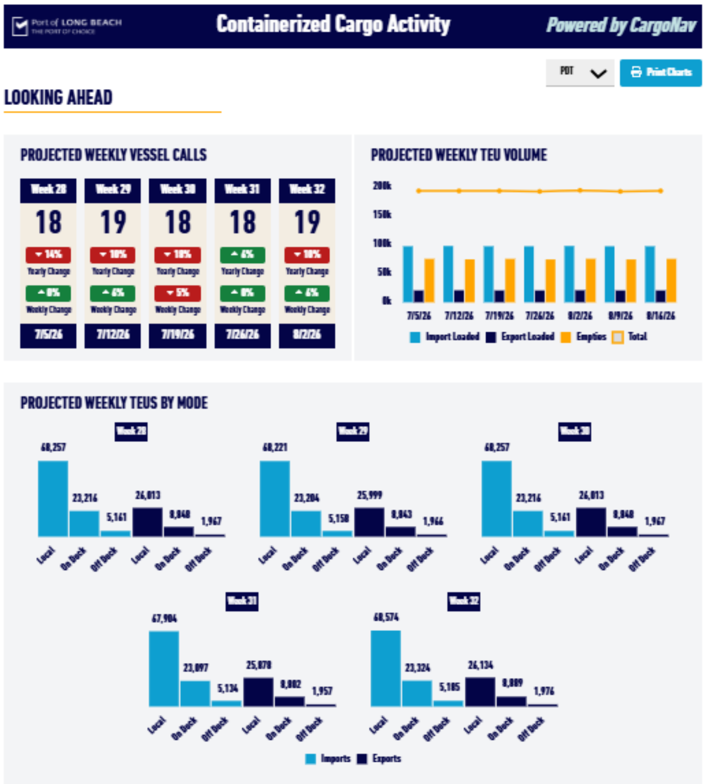


In July, contract TL rates (incl fuel) are +21% Y/Y and spot rates are +49% Y/Y, according to DAT. Spot rates remain above contract rates as spot rates increased 2% M/M while contract rates increased 1% M/M. As costs continue to increase from tighter capacity due to driver regulations and elevated fuel prices, we are hearing TL contract rates appear +5-15% (prior 5-10%) ex-fuel in 2026. Asset-based carriers appear more focused on volume/asset utilization rather than pure price at this point given modest organic volume growth pace and less cost-push compared to the owner-operator dominated spot market.

INDUSTRY INSIGHT

The Port of Long Beach currently has 12 container vessels at berth…
Average at anchor is 0 days...

OPERATIONS DASHBOARD



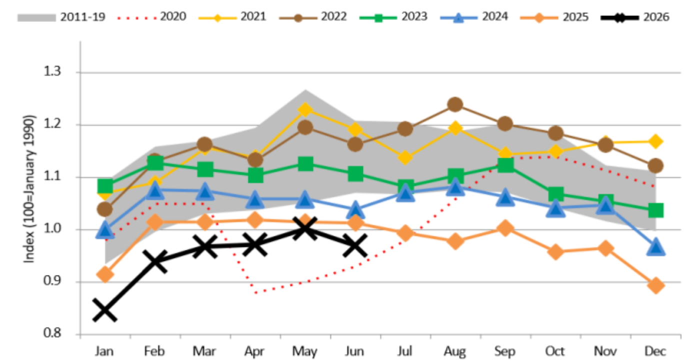
Trucking firms file for bankruptcy, citing $3M legal claim in dispute. San Bernardino, California-based Victory Freight Corp. and related businesses recently filed for Chapter 7 bankruptcies. **Multiple trucking businesses based in the city cited an alleged negligence lawsuit for multimillion-dollar liabilities in bankruptcy petitions**. A Southern California trucking company, Victory Freight Corp., filed for Chapter 7 bankruptcy on July 2, citing a multimillion dollar claim as a liability in a pending legal case. Victory Freight Corp. listed unsecured creditor Raul Contreras as having a nearly $3.1 million claim but also reported that the money is in dispute, according to the bankruptcy petition. The legal case involves an Aug. 8, 2024, highway crash in Fontana, California, in which a commercial truck crashed into a vehicle driven by Contreras, causing significant damage to the automobile and significant injuries to the victim, according to a June 2025 complaint. The trucking business has denied the claims in the complaint, which include alleged negligence. According to the complaint, Victory Freight employed the truck driver and owned the truck. The case is ongoing in San Bernardino Superior Court. The carrier reported less than $1 in assets and $3.2 million in liabilities, primarily due to the lawsuit. The business also reported related trucking businesses, Isaiah Transportation and Trans Bay Logistics, were also undergoing Chapter 7 bankruptcies. Chapter 7 bankruptcies primarily seek to liquidate assets to pay unsecured creditors, according to the U.S. Courts. **In the May bankruptcy filing for Isaiah Transportation, the business reported less than $1 in assets and over $769,000 in liabilities. The June filing for Trans Bay Logistics reported $3.69 in assets and nearly $3.4 million in liabilities, repeating the Contreras claim under dispute**. Victory Freight had five power units and four drivers as of April 2025, according to a federal database. Trans Bay Logistics, located in San Bernardino, and Connecticut-based Isaiah Transportation both reported having two power units and two drivers in the past, according to FMCSA records.

INDUSTRY INSIGHT

During June, freight shipments across domestic modes remain lower Y/Y (down 4%, down 5% YTD) and took a step-down M/M (down 3%) according to Cass Systems. After three consecutive years of declines (2025 down 6%, 2024 down 4%, 2023 down 5%,

2022 +1%, 2021 +12%), our work indicates 2026 shipments will grow +0-3% as inventory destocking appears largely complete.

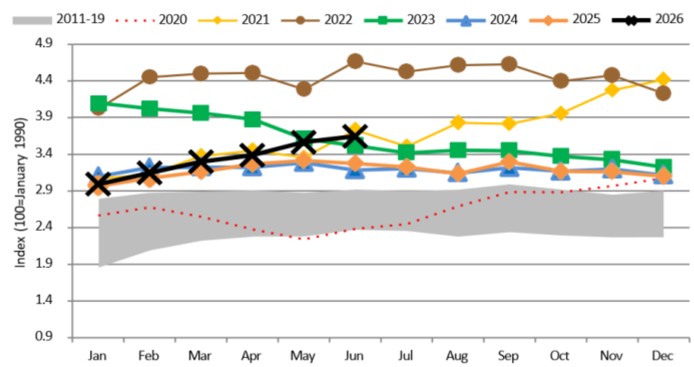
Cass Freight Index - Shipments



Source: Cass Transportation Indexes, CRC Analysis

Total freight spend in June was up 11% Y/Y due to higher cost per shipment as shipments were down ~4% Y/Y (see above exhibit) according to Cass Information Systems. Versus prior month, expenditures were up 2% and shipments were down 3%.

Cass Freight Index - Expenditures



The June 2026 readings in the Logistics Manager's Index (LMI) was in expansionary territory for the thirty-first month in a row (above 50 indicates expansion, below 50 indicates contraction) at 71.1 (69.5 in May). Most notably, Transportation Capacity continues to contract, down 42% Y/Y and down 3% M/M while Transportation Prices continue to increase, although at a slightly slower rate than last month, down 4% M/M but up 49% Y/Y. Inventory Levels saw their fastest rate of expansion since March 2025, increasing 10% M/M, up 1% Y/Y.