



**CAPITAL
ALLIANCE**
—
EST. 1999

Mergers &
Acquisitions

Capital
Raise

Strategic
Advisory

Transportation & Logistics Market Monitor

March 2023

EXPERIENCE

Proven Track Record of Successful Transactions



Gordon Trucking
has been acquired by
Heartland Express



Haney Truck Line, Inc.
has been acquired by
Evergreen Pacific Partners



we provided corporate
financial services for
Watkins and Shepard
Trucking, Inc.



Paradigm Holdings Group LLC d.b.a
Zone 4 Systems Integration and Design
has been acquired by



Bellingham Cold Storage
acquired by
Joshua Green Corporation



Pendragon | PLC



Newport Beach Jaguar Land Rover
Dealership

has been acquired by
US Auto Group New



Pendragon | PLC



Mission Viejo Jaguar Land Rover
Dealership

has been acquired by

Lithia Motors



Harloff BMW
acquired by
AutoNation



Northwest Aerospace Technologies, Inc.
acquired by
Zodiac Aerospace



Lexus Marin
acquired by
Sonic Automotive, Inc.



EXPERIENCE

Expertise and Discipline Yield Successful Outcomes for Our Clients

- Deep expertise and strong relationships with relevant market participants
- Battle tested process that drives maximum valuation and enhanced terms
- Exclusive focus on private, middle market companies
- A life-cycle approach to client service



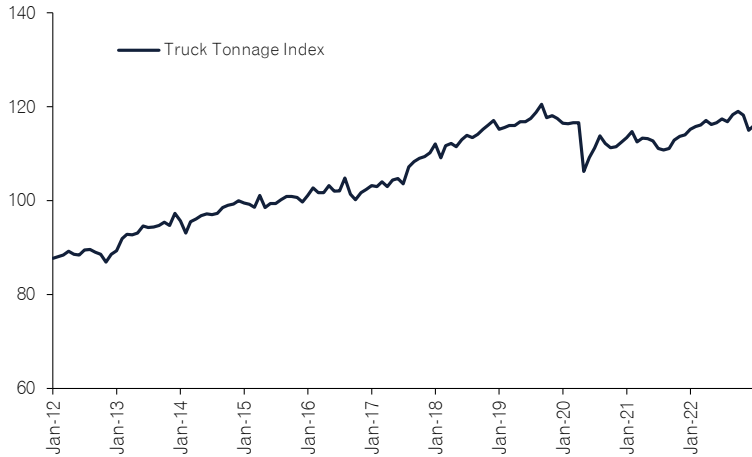
Economic Landscape

- In 4Q 2022, the U.S. experienced a large drop in volume of cargo. Many sources attribute this to an inventory correction and a lack of demand. Costs such as gas, inflation, and wages to retain workers have also risen for companies partially or wholly offset by price increases to customers.
- Port activity was strong for the full year, but dropped significantly in 4Q and 1Q 2023, especially on the West Coast. U.S. ocean imports have lost almost all pandemic gains and have reached close to pre-pandemic levels. Consumer demand has been negatively impacted by rising inflation, interest rates and shrinkflation.
- Diesel costs have retreated from pandemic highs but are still elevated from pre-pandemic levels. However, with US diesel supply near lows, there may be an impending diesel shortage, putting additional pressure on Transportation and Logistics companies facing softening consumer demand.
- Long Haul trucking has also been trending downward, due to imports becoming more regionalized as port traffic diversified from West Coast.
- With global supply chains experiencing re-alignment due to geopolitical risk, reduced traffic and normalized inventory levels, and companies driving toward optimized efficiencies in time and cost (huge focus on automated warehousing and last mile delivery), we expect consolidation of the sector to accelerate to capture growth in new geographies and cost savings in new technologies. Where there is change, there is often times opportunity, and the Transportation and Logistics Sector has seen plenty of volatility over the past 12 months.

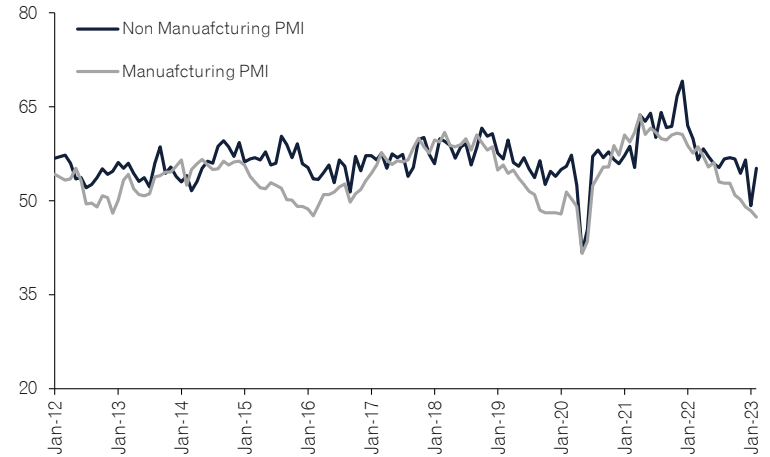


Transportation & Logistics Macro Indicators

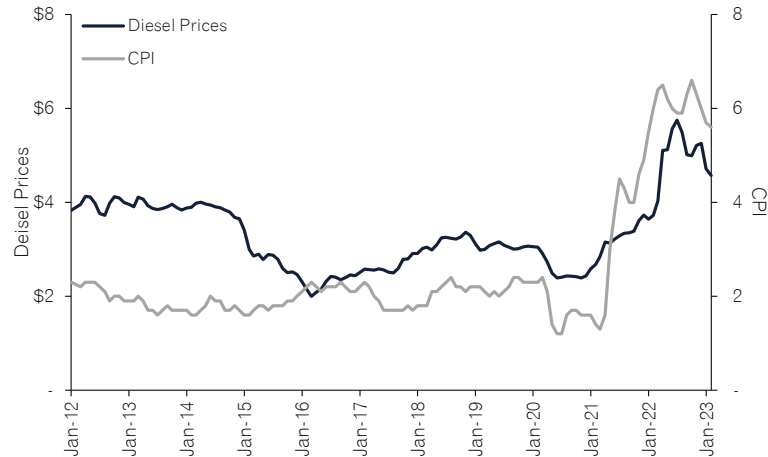
US Trucking Tonnage Index



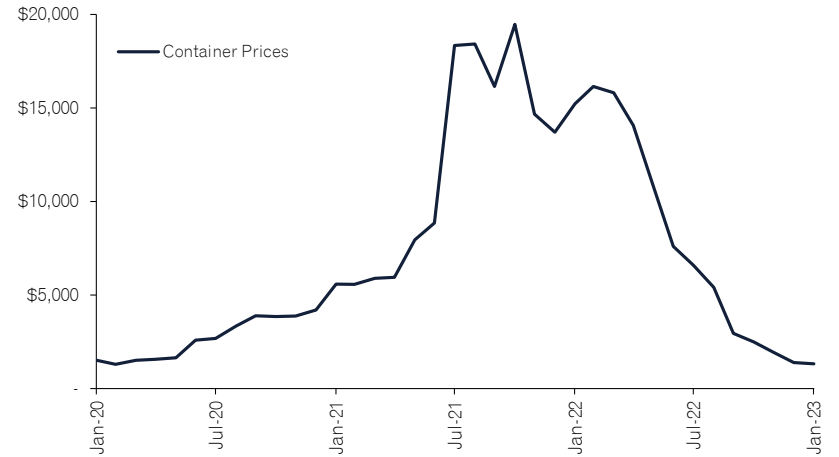
Institute of Supply Management (ISM) Manufacturing Purchasing Managers Index (PMI) & Non-Manufacturing PMI (NMI)



Diesel vs inflation chart



Cost of Container from China to North America West Coast



MARKET DATA

Notable M&A Transactions

- The Transportation and Logistics sector has seen a slight dip in transaction volumes in YTD March 2023, compared to the same time last year in 2022.
- Some notable trucking AND logistics transactions were:



acquired by



Baylor Trucking, Inc.

Werner Enterprises, Inc.



acquired by



Boasso Global Inc.

KKR & Co. Inc



acquired by



Atlantic-Pacific Express, Inc.

ASAP Expediting solutions



MCO
TRANSPORT, INC.

acquired by



MCO Transport, Inc.

NFI Industries, Inc.



acquired by



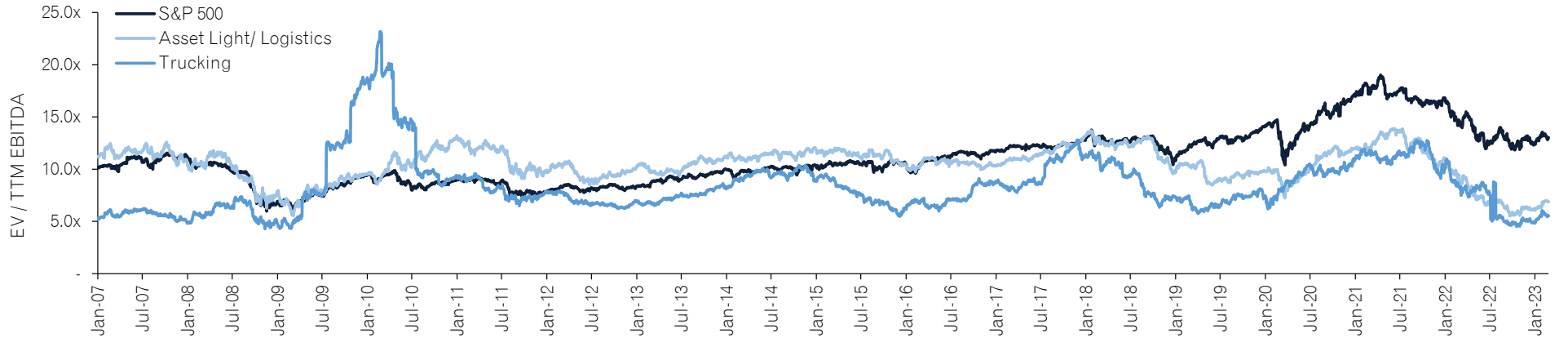
ATS Logistics, Inc.

Harbor Logistics, LLC

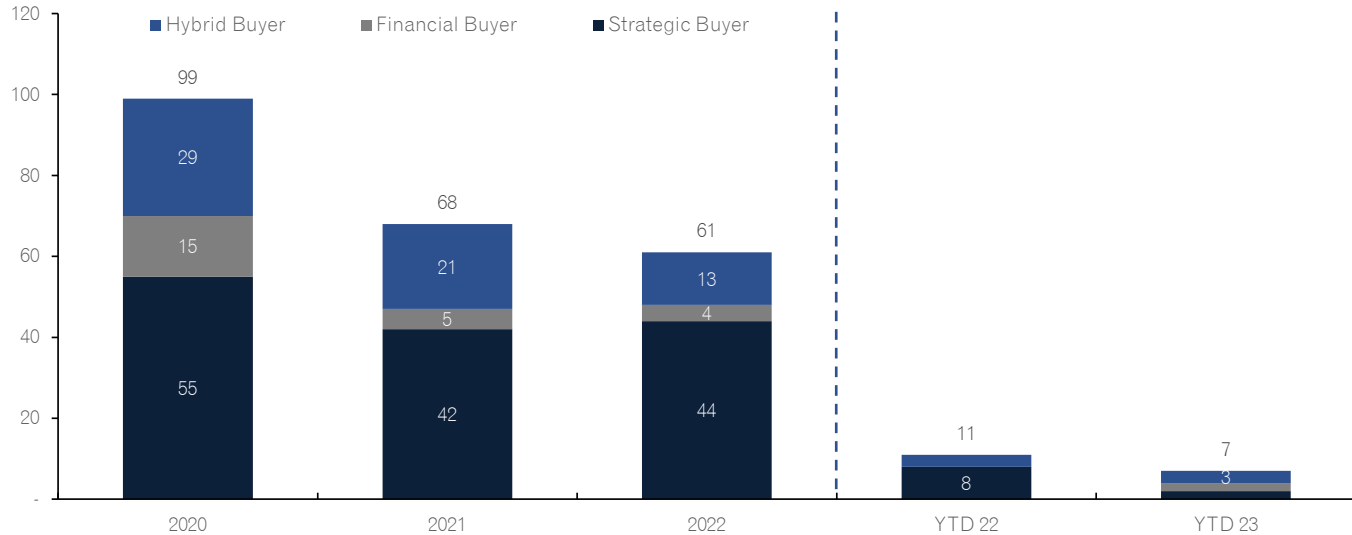


Transportation & Logistics Public Market Overview

Public Company EV / TTM EBITDA Multiples (as of February 28, 2023)



U.S. Transportation M&A Transaction Volume



MARKET DATA

Public Company Valuations

\$ in millions, except per share data		2/23/23	TTM Data				NTM Est. Growth	EV Multiple		
Category	Company Name	Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Sales	TTM Sales	TTM EBITDA
Asset Light/ Logistics	DSV A/S	\$182.62	\$39,520	\$43,660	\$33,860	\$7,493	22.1%	(22.5%)	1.29x	11.5x
	Kuehne + Nagel International AG	257.36	30,957	29,778	42,349	11,855	28.0%	(32.8%)	0.70x	6.5x
	Expeditors International of Washington, Inc.	104.56	16,135	14,623	17,071	2,228	13.1%	(30.4%)	0.86x	7.8x
	C.H. Robinson Worldwide, Inc.	99.96	11,646	13,790	24,697	1,892	7.7%	(19.5%)	0.56x	10.1x
	Landstar System, Inc.	180.79	6,495	6,300	7,440	1,510	20.3%	(18.7%)	0.85x	10.1x
	Ryder System, Inc.	97.91	4,532	11,349	12,011	2,390	19.9%	2.4%	0.94x	4.2x
	XPO, Inc.	33.36	3,853	6,650	7,718	1,619	21.0%	(2.4%)	0.86x	6.6x
	Hub Group, Inc.	91.73	3,062	3,227	5,340	890	16.7%	(1.7%)	0.60x	5.1x
	CJ Logistics Corporation	61.99	1,236	3,705	8,471	812	9.6%	13.3%	0.44x	6.1x
	Universal Logistics Holdings, Inc.	29.70	780	1,102	2,015	427	21.2%	(8.2%)	0.55x	3.6x
	Wincanton plc	3.78	465	702	1,654	72	4.3%	10.0%	0.42x	7.9x
Radiant Logistics, Inc.	5.68	268	324	1,455	242	16.6%	NA	0.22x	3.9x	
	Median	\$4,193	\$6,475	\$8,095	\$1,564	18.3%	(8.2%)	0.65x	6.6x	
	Average	\$9,913	\$11,268	\$13,674	\$2,619	16.7%	(10.0%)	0.69x	7.0x	
Trucking	Old Dominion Freight Line, Inc.	\$339.26	\$37,328	\$37,290	\$6,260	\$2,492	39.8%	(0.5%)	5.96x	17.6x
	J.B. Hunt Transport Services, Inc.	180.79	18,748	20,267	14,814	2,578	17.4%	(2.1%)	1.37x	10.3x
	TFI International Inc.	122.38	10,591	12,164	8,812	1,857	21.1%	(7.3%)	1.38x	9.8x
	Knight-Swift Transportation Holdings Inc.	56.84	9,148	11,050	7,429	2,411	32.5%	(7.1%)	1.49x	6.7x
	Saia, Inc.	270.87	7,167	7,134	2,792	748	26.8%	(1.3%)	2.56x	11.4x
	Schneider National, Inc.	28.06	4,996	4,848	6,604	1,271	19.2%	(3.2%)	0.73x	4.9x
	Werner Enterprises, Inc.	46.45	2,938	3,605	3,290	786	23.9%	3.2%	1.10x	6.9x
	ArcBest Corporation	96.20	2,334	2,446	5,324	555	10.4%	(3.7%)	0.46x	4.6x
	Marten Transport, Ltd.	22.07	1,790	1,710	1,264	340	26.9%	4.2%	1.35x	6.9x
	Heartland Express, Inc.	16.13	1,274	1,659	968	327	33.8%	30.8%	1.71x	8.2x
	Mullen Group Ltd.	0.00	972	1,489	1,477	422	28.6%	(0.5%)	1.01x	6.6x
	P.A.M. Transportation Services, Inc.	29.00	643	792	947	234	24.7%	(5.5%)	0.84x	4.3x
	Covenant Logistics Group, Inc.	34.65	459	534	1,217	238	19.6%	(14.0%)	0.44x	3.9x
	Daseke, Inc.	8.15	368	1,122	1,773	513	28.9%	0.7%	0.63x	6.0x
Yellow Corporation	2.42	125	1,576	5,245	601	11.5%	(6.4%)	0.30x	5.4x	
U.S. Xpress Enterprises, Inc.	1.57	81	906	2,161	263	12.2%	(0.8%)	0.42x	14.9x	
	Median	\$2,062	\$2,078	\$3,041	\$578	24.3%	(1.7%)	1.05x	6.8x	
	Average	\$6,185	\$6,787	\$4,399	\$977	23.6%	(0.8%)	1.36x	8.0x	
Total Logistics and Trucking		Median	\$3,000	\$3,655	\$5,332	\$799	20.6%	(2.4%)	0.84x	6.7x
		Average	\$7,783	\$8,707	\$8,374	\$1,681	20.6%	(4.6%)	1.07x	7.6x

Select, Recent M&A Activity

\$ in millions			
Close Date	Acquirer/Investor	Target	Short Description
Announced	Dayton Freight Lines, Inc.	Cartage Division of Valley Companies	Provides LTL trucking transportation services
Announced	Link Reservations Inc.	Global Enterprises & Logistics Inc.	Offers refrigerated trucking and individualize logistics services
Announced	Private Investor	Solid Rock Carriers, Inc.	Transports refrigerated products through its fleet of trucks
Feb-23	TFI International Inc.	Axsun, Inc.	Offers intermodal, highway, cartage, global freight forwarding, warehousing, and distribution services
Feb-23	KKR & Co. Inc.; KKR Global Infrastructure Investors IV	Boasso Global Inc.	Transports bulk chemicals in North America through three segments: Chemical Logistics, Intermodal, and Energy Logistics
Jan-23	Private Investor	Horizon Moving Group, LLC	Offers logistics and transportation services for local commodities
Jan-23	Fitzmark, Inc.	GTO 2000, LLC	Provides temperature-controlled truckload transportation services
Jan-23	RoadOne, Inc.	The Transporter, Inc.	Operates as a local and over-the-road container hauling company
Jan-23	Harbor Logistics, LLC	ATS Logistics, Inc.	Provides transportation, freight management, and warehousing services
Jan-23	Transport Acquisitions LLC	Elmer Buchta Trucking, LLC	Provides transportation and logistics services for coal, limestone, and aggregate
Dec-22	2635-8762 Québec Inc.	W.J. Deans Transportation Inc.	Provides truck transportation of metals, aluminum platforms, and metallurgical goods
Dec-22	Heritage Environmental Services, LLC	Frank's Vacuum Truck Service, Inc.	Provides hazardous and non-hazardous waste transportation services through the road
Dec-22	Alterna Equity Partners	Bulk Express Transport, LLC	Operates as a transportation and logistics company that provides long-haul transportation, collection, and loading services of waste and other materials
Nov-22	Gas Field Services, LLC	CS Trucking LLC	Provides trucking services to the natural gas and mining industries
Nov-22	Brooks Furniture Xpress, Inc.	Shelba D. Johnson Trucking, Inc	Operates as a furniture transportation services company

TRANSACTION DATA

Select, Recent M&A Activity

\$ in millions	Close Date	Acquirer/Investor	Target	Short Description
	Nov-22	Fuchs Holding Corporation Inc.	Fuchs Trucking, LLC	Offers trucking and logistics services
	Nov-22	Heniff Transportation Systems, LLC	Coal City Cob Company, Inc.	Provides liquid bulk transportation services to customers in chemical and hazardous waste industries
	Oct-22	Ruan Transportation Management Systems, Inc.	NTB, Inc.	Operates as a truckload carrier in the Midwest
	Oct-22	ASAP Expediting solutions	Atlantic-Pacific Express, Inc.	Provides trucking services as the largest shipper in the Southeast
	Oct-22	Port Jersey Logistics	TruckItNow, Inc.	Provides logistics services as a full-service transportation company
	Oct-22	Richie Auto Transport, Inc.	Interlink Auto Transport/Interlink Transport Logistics Illinois	Provides vehicle transportation services
	Oct-22	KAG Logistics, Inc.	Connectrans Logistics Inc.	Provides freight transportation and management services
	Oct-22	NFI Industries, Inc.	MCO Transport, Inc.	Provides transportation and warehouse services such as container drayage services and domestic truckload services
	Oct-22	TerraVest Industries Inc.	TSX Transport Inc.	Provides drop deck transportation services
	Oct-22	Werner Enterprises, Inc.	Baylor Trucking, Inc.	Provides freight transportation services by road
	Sep-22	Schenker, Inc.	USA Truck, Inc.	Operates as a truckload carrier as a medium-haul common and contract carrier and provides additional freight services
	Sep-22	Transportation and Logistics Systems, Inc.	Freight Connections	Offers trucking and shipping services
	Sep-22	Berger Logistik GmbH	Super T Transport, Inc.	Provides trucking and logistic services
	Aug-22	TFI International Inc.	Transport St-Michel Inc.	Operates in the trucking industry offering general transportation, specialized transport, storage, and heated warehouse services

TRANSACTION DATA

Notable M&A Activity

\$ in millions						
Close Date	Acquirer/Investor	Target	Short Description	Implied EV	EV/ Revenue	EV/ EBITDA
Oct-22	Werner Enterprises, Inc.	Baylor Trucking, Inc.	Provides freight transportation services by road	\$95.0	1.17x	-
Sep-22	Schenker, Inc.	USA Truck, Inc.	Operates as a truckload carrier and offers medium-haul common and contract carrier, freight services, and logistics	\$461.3	0.61x	5.2x
Sep-22	Transportation and Logistics Systems, Inc.	Freight Connections	Offers trucking and freight services	\$9.4	1.18x	-
Aug-22	Heartland Express, Inc.	Transportation Resources, Inc.	Provides truckload transportation services	\$525.0	0.91x	-
Aug-22	GulfMark Asset Holdings, Inc.	Firebird Bulk Carriers, Inc./Phoenix Oil, Inc.	Provides truckload transportation services	\$48.9	-	-
Aug-22	Cougar Express Inc.	JFK Cartage Inc.	Provides cartage, warehousing, first/final mile, and convention services	\$1.7	0.47x	-
May-22	Heartland Express, Inc.	Smith Transport, Inc.	Provides bundled and customized third-party logistics packages or individually tailored services	\$150.2	-	-
May-22	A.P. Møller - Mærsk A/S	Pilot Freight Services, Inc.	Provides transportation and logistics services internationally	\$1,800.0	-	-
May-22	Mullen Group Ltd.	1297683 Alberta Ltd.	Offers LTL freight shipping, truckload, flatbed, expedited and hotshot freight services	\$19.5	-	-
Apr-22	ID Logistics Group SA	Kane Logistics, Inc.	Provides integrated logistics services in the United States	\$240.0	1.02x	-
Feb-22	Covenant Logistics Group, Inc.	AAT Carriers, Inc.	Offers government and commercial hazardous materials shipping, high security transportation, and expedited shipping	\$55.2	2.21x	-
Jan-22	Spotlight Capital Holdings, Inc.	Chevine Transport LLC	Provides trucking services	\$2.5	-	-
Jan-22	Mullen Group Ltd.	Assets And Business Of Monarch Services Ltd.	Provides trucking services	\$2.7	-	-
Jan-22	Titanium Transportation Group Inc.	Bert and Son's Cartage Limited	Operates as a truckload and a less-than-load carrier	\$8.0	-	-
Median				\$52.0	1.02x	5.2x

What We Are About

Results Driven

Meticulously craft a transaction blueprint with steadfast commitment to achieve our clients' goals

Experienced Investment Banking Professionals

A 20-year firm with professionals with 120 years of combined experience in middle market mergers & acquisitions and corporate finance advisory services

Objective Advice

We provide frank advice, backed with analysis and perspective, to map out and execute a process to reach our clients' transaction objectives

Industry Expertise

Real-time pulse of sector activity, corporate, family office & private equity participants and enterprise valuation metrics

The Right Capital

Capital is a commodity ... the investor behind the capital is targeted based on our clients' objectives

Senior Banker Immersion

From engagement inception through post-closing transaction functions, our senior bankers are front and center

Services & Industries

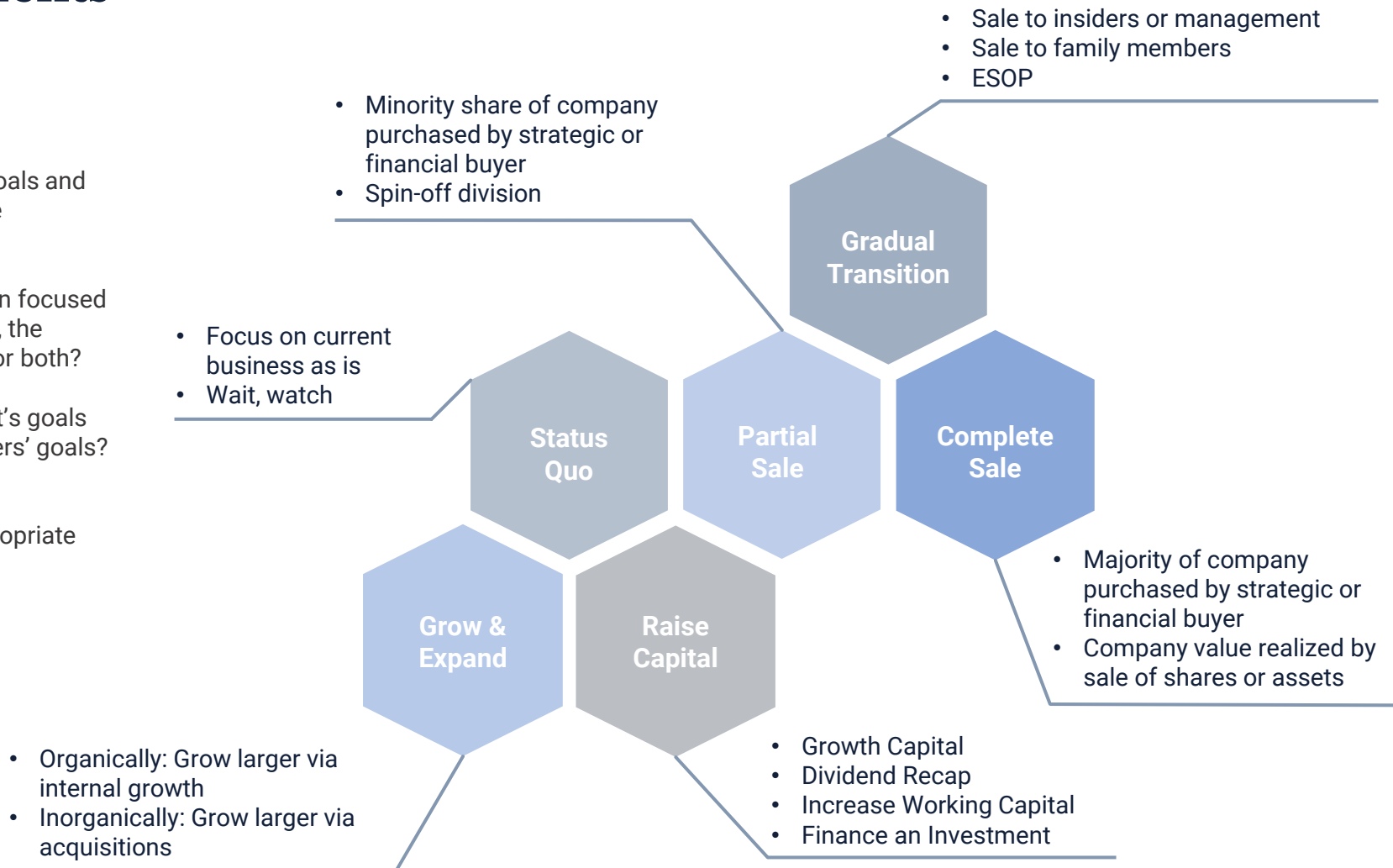
With more than 300 completed transactions, HCA's investment bankers maintain relationships with key decision-makers among strategic buyers and investors and comprehensive coverage of relevant private equity groups and family offices

- Merger and Acquisition Advisory
- Equity and Debt Capital Placement
- Strategic Alternatives Assessment
- Exclusive Sales and Divestitures
- Strategic Planning
- Management Buy-outs
- Recapitalizations



Our Clients

- What are your goals and objectives of the transaction?
- Is the transaction focused on the company, the shareholder(s), or both?
- Do management's goals differ from owners' goals? How so?
- What is the appropriate timing?



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