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Mergers &  
Acquisitions

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Strategic  
Advisory

# Transportation & Logistics Market Monitor

Summer 2023



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2021 Recan

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EXPERIENCE

# Proven Track Record of Successful Transactions



has been acquired by



has been acquired by



We provided corporate financial services for



has been acquired by



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US Auto GroupNew



has been acquired by



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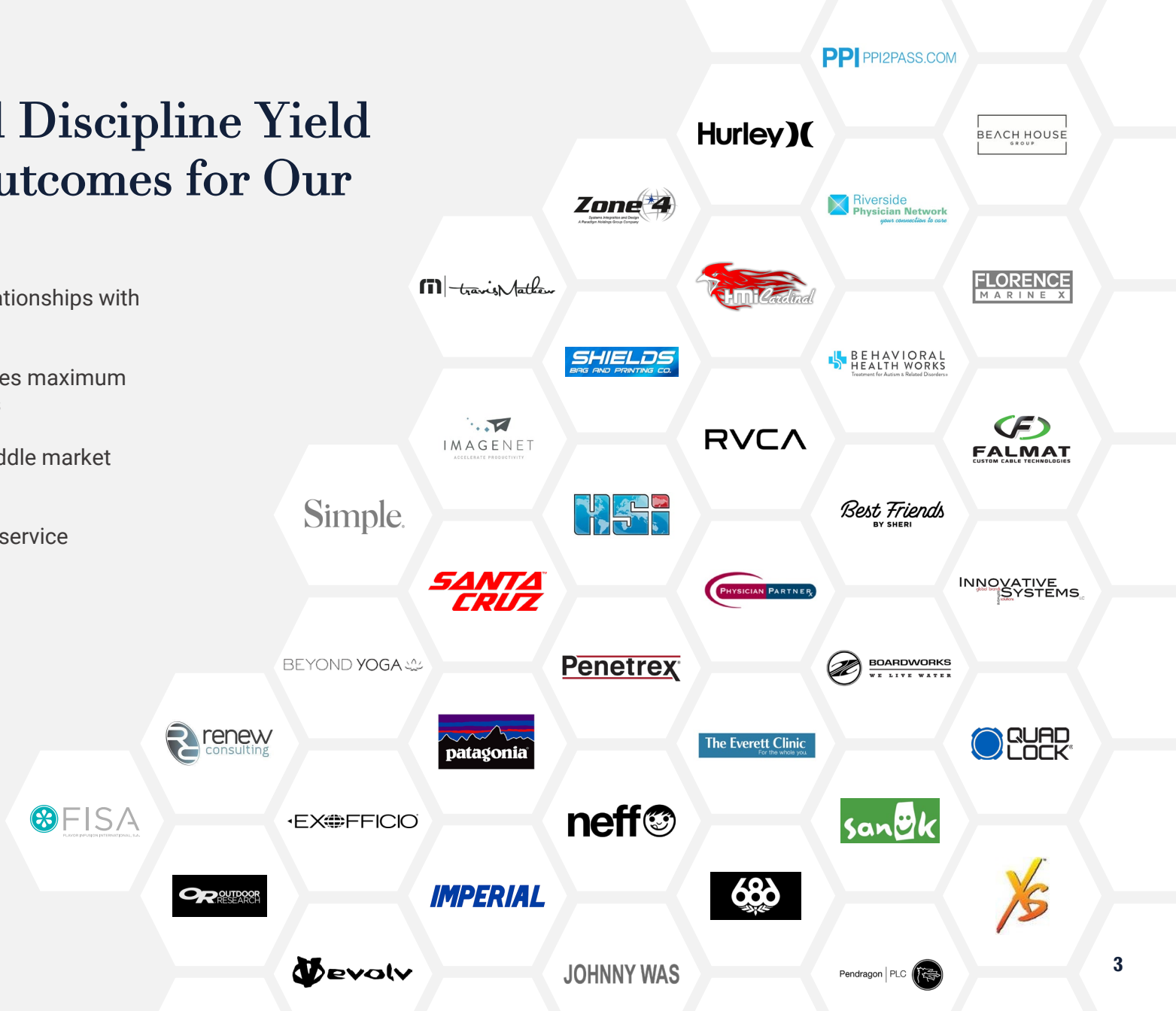
has been acquired by



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



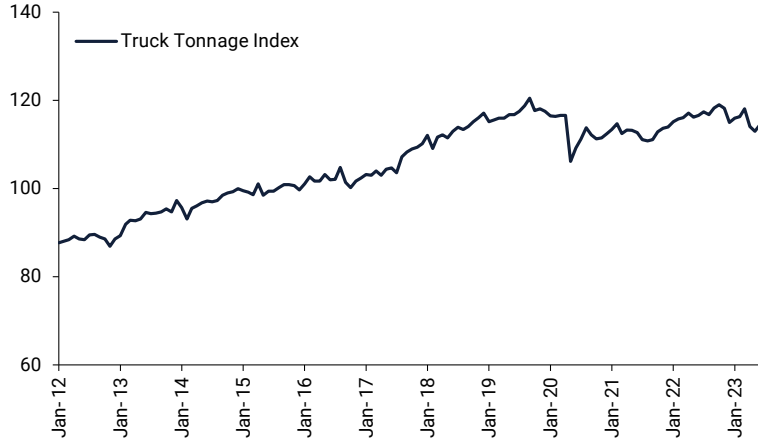
# Economic Landscape

- In Q1 and Q2 2023, publicly traded Transportation and Logistics companies regrouped and traded higher, reversing the downward trends of 2022. M&A Transaction volumes also surged by ~30% YTD 2023 compared to the same period in 2022. Hybrid buyers, strategic companies owned by private equity groups, have acquired aggressively, more than doubling the number of M&A transactions in 2023, compared to the previous year.
- In March 2023, Knight-Swift (NYSE:KNX), the biggest US truckload provider, announced its acquisition of competitor and the ninth-largest truckload carrier, U.S. Xpress (NYSE:KNX), for \$808 million. Despite paying a 310% premium over the previous day closing stock price, this acquisition is projected to generate an additional \$2.2 billion in total operating revenue. Moreover, it will significantly expand Knight-Swift's fleet, adding thousands of tractors and trailers, ultimately bringing their total fleet to approximately 25,000 tractors and 93,000 trailers. Due to the substantial operational synergies between the two companies and the successful merger and integration of Knight-Swift in 2017, the management team is confident that this current deal will be highly accretive.
- Prominent retailers such as Walmart, Target, Kroger, and Home Depot are making substantial investments in high-tech fulfillment centers, integrating automation and robotics to strengthen supply chains, expand capacity, enhanced last-mile delivery, and address the challenges posed by escalating e-commerce logistics and labor expenses. Rising costs and labor shortages, coupled with consumer expectations for fast doorstep delivery, have compelled retailers to adopt robotics and automation to sustain growth.
- HCA predicts the logistics industry will continue to experience rapid growth as retailers strive to catch up to Amazon's early advantage.

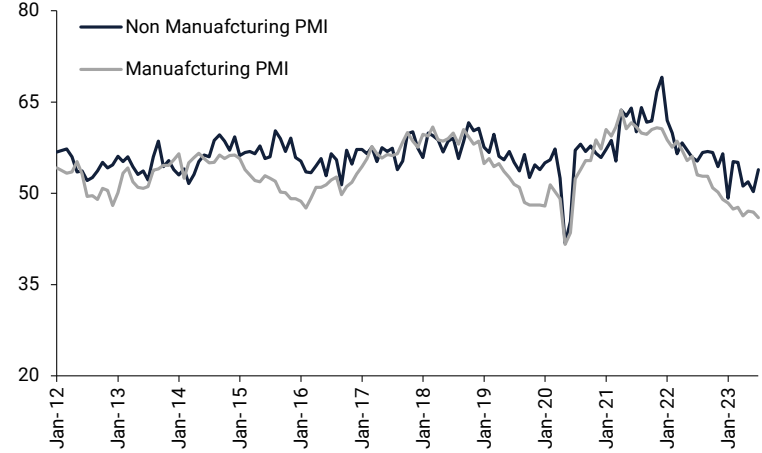


# Transportation & Logistics Macro Indicators

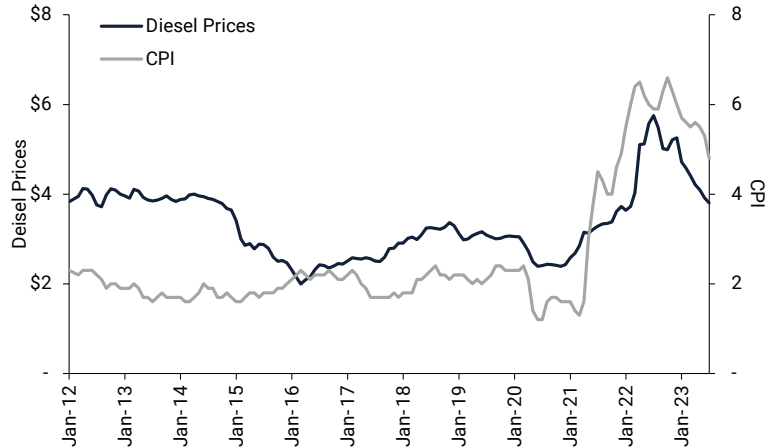
**US Trucking Tonnage Index**



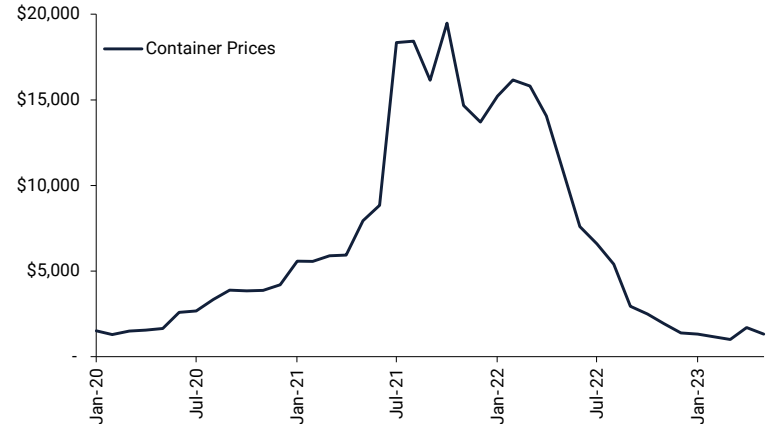
**Institute of Supply Management (ISM) Manufacturing Purchasing Managers Index (PMI) & Non-Manufacturing PMI (NMI)**



**Diesel vs Inflation**



**Cost of Container from China to North America West Coast**



MARKET DATA

# Notable M&A Transactions

- The Transportation and Logistics sector has seen an increase in transaction volumes in YTD July 2023, compared to the same period last year in 2022.
- **Some notable trucking AND logistics transactions were:**



acquired by



U.S. Xpress Enterprises

Knight-Swift Holdings Inc.



acquired by



Siemens Transportation Group Inc.

TFI International Inc.



acquired by



Interstate Transport, Inc.

Dupré Logistics, LLC



acquired by



Global Diversity Logistics, LLC

DSV A/S



acquired by



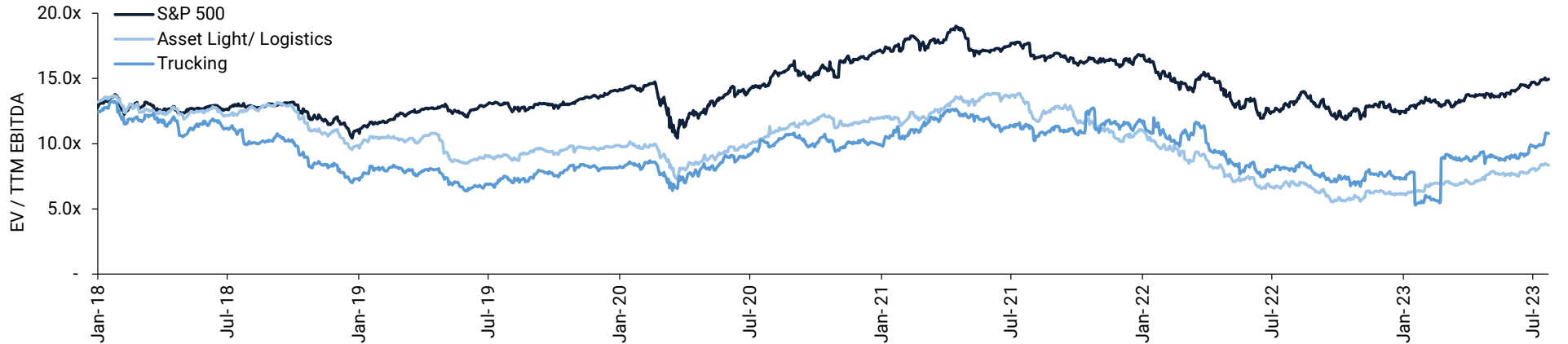
Byland Transportation LLC

Sage Freight, LLC

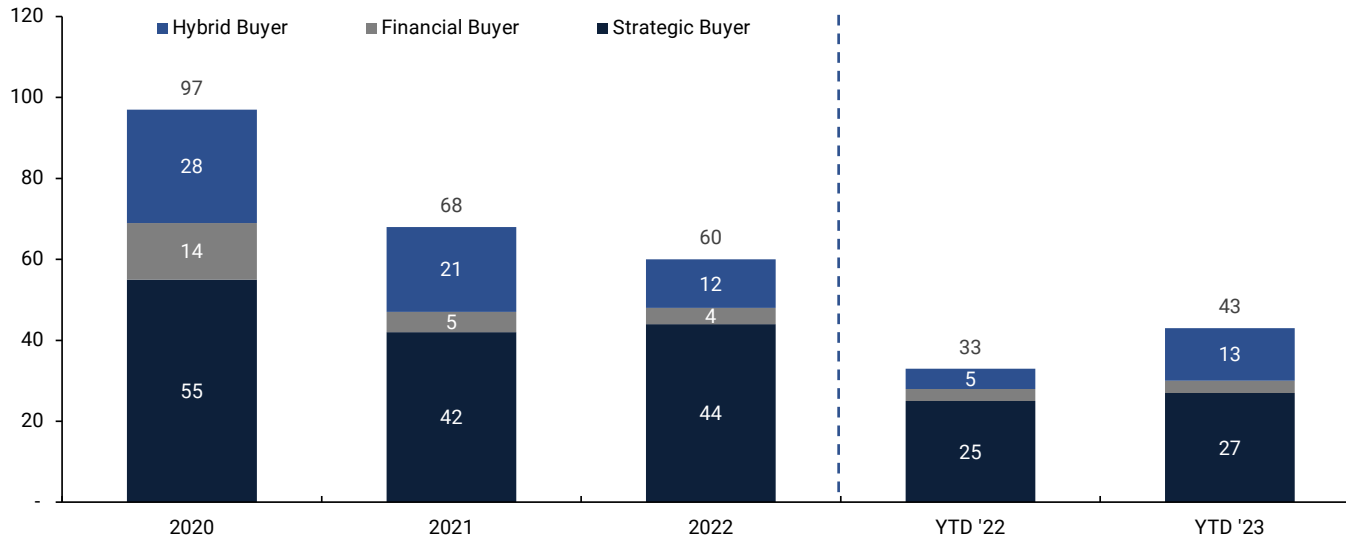


# Transportation & Logistics Public Market Overview

**Public Company EV / TTM EBITDA Multiples (as of July 24, 2023)**



**U.S. Transportation M&A Transaction Volume**



MARKET DATA

# Public Company Valuations

\$ in millions, except per share data		7/24/23	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	\$217.66	\$46,397	\$50,564	\$31,427	\$7,388	23.5%	(22.6%)	1.61x	14.1x
	Kuehne + Nagel International AG	306.02	36,606	34,098	39,434	11,572	29.3%	(19.3%)	0.86x	8.9x
	Expeditors International of Washington, Inc.	124.99	19,097	17,271	15,000	2,041	13.6%	(28.9%)	1.15x	10.2x
	C.H. Robinson Worldwide, Inc.	97.94	11,252	13,260	22,492	1,705	7.6%	(16.2%)	0.59x	11.2x
	XPO, Inc.	65.27	7,562	10,513	7,731	1,639	21.2%	(1.8%)	1.36x	10.2x
	Landstar System, Inc.	203.05	7,296	7,070	6,905	1,428	20.7%	(18.0%)	1.02x	12.5x
	Ryder System, Inc.	91.48	4,253	11,033	12,109	2,362	19.5%	2.6%	0.91x	4.2x
	Hub Group, Inc.	84.40	2,815	2,991	5,195	863	16.6%	(10.9%)	0.58x	4.9x
	CJ Logistics Corporation	58.17	1,160	3,673	9,266	940	10.1%	1.7%	0.40x	5.1x
	Universal Logistics Holdings, Inc.	31.66	832	1,235	1,929	408	21.2%	(6.9%)	0.64x	4.1x
	Wincanton plc	3.15	385	633	1,809	83	4.6%	(0.9%)	0.35x	6.4x
	Radiant Logistics, Inc.	7.39	344	392	1,236	224	18.1%	(13.6%)	0.32x	5.7x
	Median	\$5,775	\$8,792	\$8,498	\$1,533	18.8%	(12.2%)	0.75x	7.7x	
	Average	\$11,500	\$12,728	\$12,878	\$2,555	17.2%	(11.2%)	0.82x	8.1x	
Trucking	Old Dominion Freight Line, Inc.	\$389.46	\$42,705	\$42,572	\$6,205	\$2,484	40.0%	(6.2%)	6.86x	20.2x
	J.B. Hunt Transport Services, Inc.	198.34	20,557	22,100	13,850	2,519	18.2%	(5.7%)	1.60x	11.7x
	TFI International Inc.	122.47	10,508	12,116	8,471	1,808	21.3%	(9.5%)	1.43x	10.1x
	Saia, Inc.	396.58	10,494	10,473	2,791	751	26.9%	(1.2%)	3.75x	16.7x
	Knight-Swift Transportation Holdings Inc.	57.48	9,256	11,453	6,830	2,151	31.5%	18.4%	1.68x	8.8x
	Schneider National, Inc.	29.79	5,315	5,087	6,413	1,194	18.6%	(8.4%)	0.79x	5.6x
	Werner Enterprises, Inc.	45.96	2,913	3,555	3,358	777	23.2%	(0.7%)	1.06x	7.1x
	ArcBest Corporation	109.57	2,625	2,708	5,162	512	9.9%	(12.7%)	0.52x	5.7x
	Marten Transport, Ltd.	21.28	1,730	1,650	1,231	329	26.7%	(2.9%)	1.34x	7.0x
	Heartland Express, Inc.	16.48	1,302	1,630	1,148	370	32.2%	13.6%	1.42x	6.6x
	Mullen Group Ltd.	0.00	1,045	1,654	1,520	445	29.3%	0.4%	1.09x	7.1x
	Covenant Logistics Group, Inc.	46.82	605	723	1,192	232	19.5%	(8.9%)	0.61x	5.9x
	P.A.M. Transportation Services, Inc.	25.26	557	647	919	201	21.9%	(7.9%)	0.70x	4.6x
	Daseke, Inc.	7.48	340	1,085	1,752	511	29.2%	(6.2%)	0.62x	6.0x
Yellow Corporation	1.36	71	1,533	5,143	572	11.1%	(12.4%)	0.30x	5.5x	
	Median	\$2,625	\$2,708	\$3,358	\$572	23.2%	(6.2%)	1.09x	7.0x	
	Average	\$7,335	\$7,932	\$4,399	\$990	24.0%	(3.4%)	1.58x	8.6x	
<b>Total Logistics and Trucking</b>		Median	\$2,913	\$3,673	\$5,195	\$863	21.2%	(6.9%)	0.91x	7.0x
		Average	\$9,186	\$10,064	\$8,167	\$1,686	20.9%	(6.9%)	1.24x	8.4x



## TRANSACTION DATA

# Notable M&A Transactions – With Valuation Data

\$ in millions						
Close Date	Acquirer/Investor	Target	Short Description	Implied EV	EV/ Revenue	EV/ EBITDA
Jul-23	SMG Industries Inc.	Barnhart/Barnhart Fleet/Lake Shore/Lake Shore Global	Operates as a cargo ground transportation company	\$53.3	-	-
Jul-23	Knight-Swift Transportation Holdings Inc.	U.S. Xpress Enterprises, Inc.	Operates as an asset-based truckload carrier	\$835.4	0.39x	5.5x
Apr-23	EFL Global LLC (USA)	Locher Evers International Inc.	Offers logistics services, including warehousing, distribution, fulfillment, and domestic trucking	\$66.5	-	-
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	0.88x	5.1x
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	-
<b>Median</b>				<b>\$80.8</b>	<b>0.95x</b>	<b>5.2x</b>

## TRANSACTION DATA

# Select, Recent M&A

## Transactions

Close Date	Acquirer/Investor	Target	Short Description
Announced	Ascentria Capital, Eastwood Capital	General Trucking, Inc.	Operates as a cargo ground transportation company
Jul-23	P & S Transportation LLC	All substantial transportation assets of Action Dedicated	A dedicated transportation primarily hauling automotive components for blue-chip customers
Jul-23	TFI International Inc.	Siemens Transportation Group Inc.	Provides transportation services including less-than-truckload, truckload, intermodal, flat deck truckload, expedited and regular, and other services
Jul-23	Redwood Logistics, LLC	Rockfarm Supply Chain Solutions Inc.	Provides supply chain management, technology, and consulting services
Jul-23	SMG Industries Inc.	Barnhart/Barnhart Fleet/Lake Shore/Lake Shore Global	Operates as a cargo ground transportation company
Jul-23	Knight-Swift Transportation Holdings Inc.	U.S. Xpress Enterprises, Inc.	Operates as an asset-based truckload carrier
Jun-23	Macek Consulting LLC	Mach 7.4, Inc.	Operates as a third-party logistics company
Jun-23	Crowley Maritime Corporation	Tamarind Consolidated	Operates as a logistics services company
Jun-23	Dupré Logistics, LLC	Interstate Transport, Inc.	Provides truckload freight or rail freight transportation, logistics, and freight management services
Jun-23	Trappers Transport Ltd.	Plett Trucking Ltd.	Offers logistics and transportation services for dry goods to ice cream, eggs, flooring, and electronics items
Jun-23	MAGNATE WORLDWIDE Ltd., LLC	Cargo Logistics Group, Inc.	Provides global logistics solutions
Jun-23	Peavey Industries LP	Guys Freightways Ltd	Operates as a logistics and transport company
May-23	Geodis CI Geoparts	Southern Companies	Provides transportation, warehousing, and logistics services
May-23	Online Transport, Inc.	Mustang Express, Ltd.	Provides truckload services, 3PL warehousing, and manufacturing support transportation services
May-23	Capstone Logistics, LLC	Rapid Response Delivery, LLC	Provides transportation and delivery services, including pharmaceutical delivery, postal distribution, e-commerce small parcel delivery, pool distribution, and cross-dock services
May-23	R&R Express, Inc.	Taylor Transportation, Inc.	Operates as a truckload commodity carrier, providing bulk carbon-black, silica, and dry-van transportation services'

TRANSACTION DATA

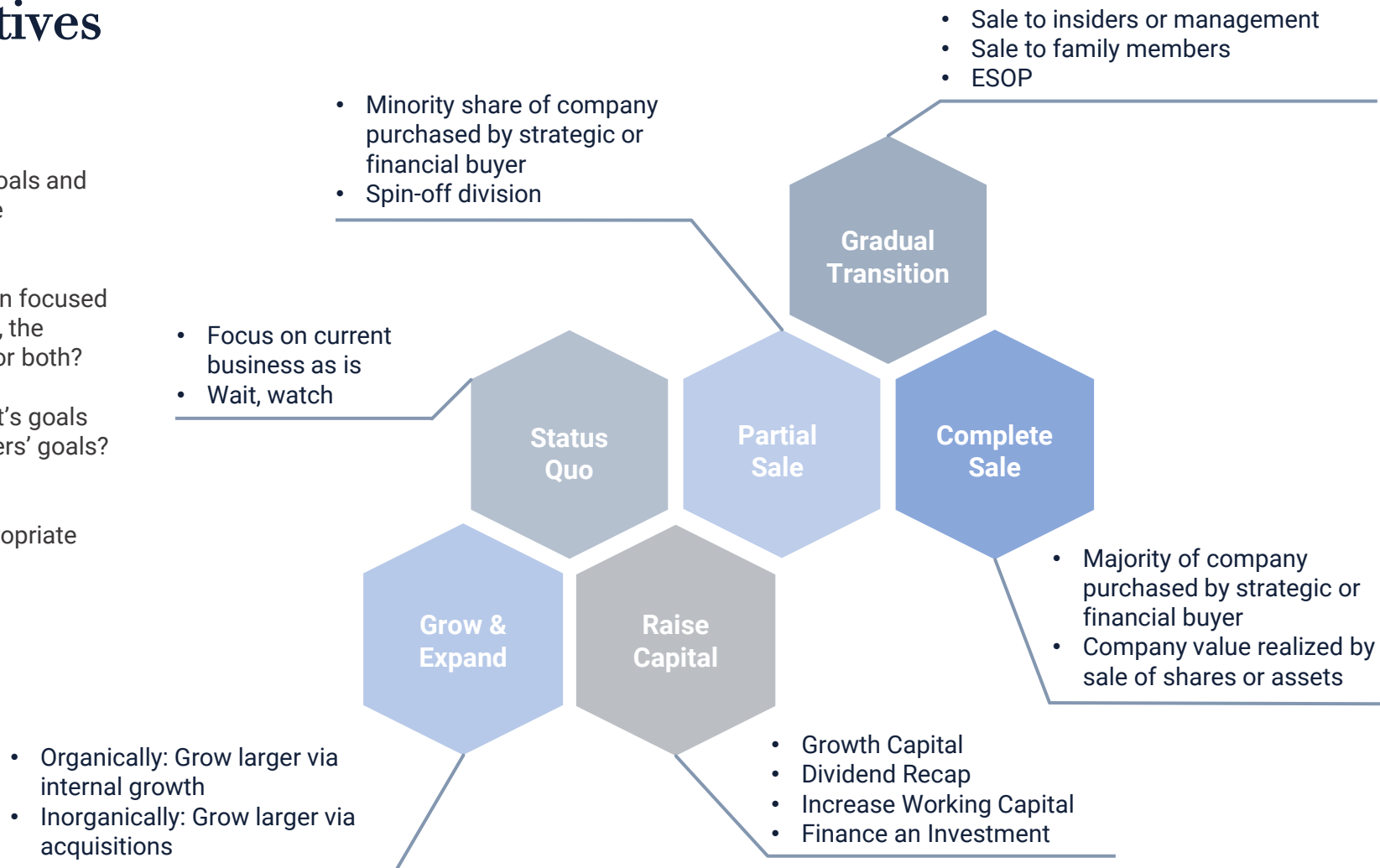
# Select, Recent M&A

\$ in millions

Close Date	Acquiree/Investor	Target	Short Description
May-23	Patrick Industries, Inc.	BTI Transportation Inc. (nka:Patrick Marine Transport)	Provides transportation and logistics services to OEMs and dealers in the leisure lifestyle markets
May-23	Transportation Infrastructure Partners LLC	Dupuy Silo Facility, L.L.C.	Operates as a diversified global logistics and storage provider
Apr-23	DSV A/S	Global Diversity Logistics, LLC	Provides logistic and menu supply chain services
Apr-23	NFI Industries, Inc.	SDR Distribution Services Inc.	Provides third-party logistics, warehousing, and distribution services
Apr-23	RoadOne, Inc.	Ace Transport Miami LLC	Provides intermodal, warehouse and logistics services
Apr-23	Protect Pharmaceutical Corporation	Antarax Capital Danismanlik Limited	Provides air, sea, and logistics, warehousing, and transportation services
Apr-23	EFL Global LLC (USA)	Locher Evers International Inc.	Offers logistics services, including warehousing, distribution, fulfillment, and domestic trucking
Apr-23	Boasso Global Inc.	Linden Bulk Transportation LLC	Provides transportation services for bulk commodities for oil and chemical companies
Apr-23	Allen Lund Company, Inc.	United World Holdings Ltd.	Provides third-party logistics services
Mar-23	STG Logistics, Inc	Clear Lane Freight Systems, LLC	Provides less than a truckload services
Mar-23	STG Logistics, Inc	Frontline Freight, Inc.	Provides less-than-truckload services to and from Southern California
Mar-23	TFI International Inc.	Hot-Line Freights Systems, Inc./Hot-Line Logistics, LLC	Provides volume LTL direct shipments and LTL servicing
Mar-23	R&R Express, Inc.	Haney Transportation, LLC	Offers truckload and volume shipments, pool distribution, warehousing, and expedited services
Mar-23	Estes Forwarding Worldwide, LLC	Legacy Logistics	Provides logistics services, warehousing and storage solutions, and white-glove shipping
Mar-23	Sage Freight, LLC	Byland Transportation LLC	Provides over-the-road full truckload, LTL, expedited, local and regional delivery, hazardous delivery, drayage, and warehousing services
Mar-23	Staci SAS	Amware Fulfillment, LLC	Provides logistics solution for various sales channels that include retail, wholesale, direct sales, and eCommerce
Mar-23	Yusen Logistics (Americas) Inc.	Taylorred Services, LLC	Offers third party logistics (3PL), warehouse, distribution, and fulfillment center services

# Job 1 – Achieving Our Clients’ Transactions Objectives

- 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?



# 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



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