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Transportation & Logistics Market Update

THIRD QUARTER 2023

Transportation & Logistics Industry Overview

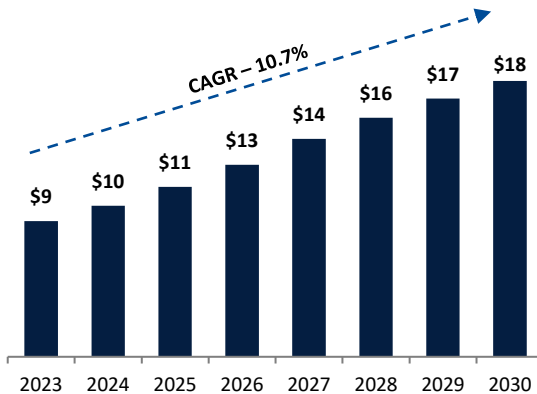


The industry since the beginning of 2023 has been impacted by continued growth in e-commerce, the increased adoption of advanced technology, focused attention on environmental, social and governance (“ESG”) issues, and the overall slowdown of the economy.

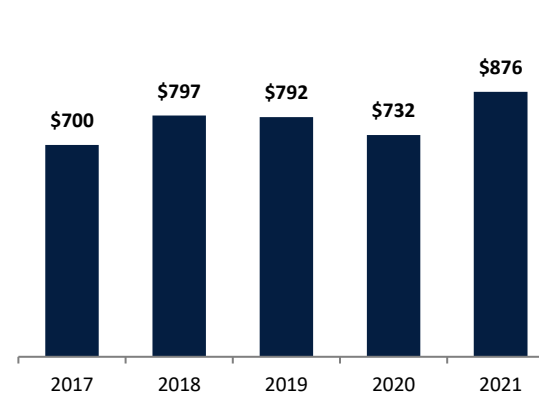
Overview

- The logistics and transportation industry in the United States is highly competitive, with companies in this industry benefitting from a highly skilled workforce and relatively low costs.
- Digital freight platforms that allow truckers and shippers to complete key steps of transactions online are expected to grow at a faster rate in the future.
- Trends, such as the steady decline in spot rates, a decline in diesel and shipping rates, and an increase in the number of supply chain companies exploring the adoption of artificial intelligence (“AI”) and machine learning (“ML”), were also prominent within the sector.

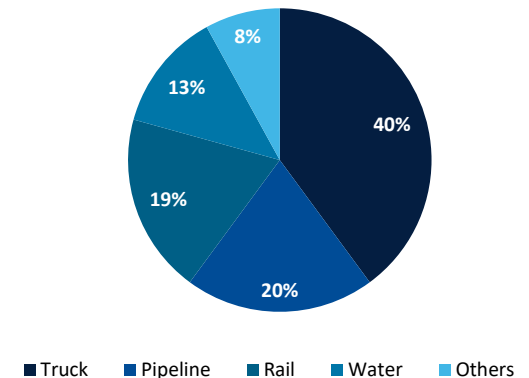
Global Logistics Market Size (\$TN)



U.S. Trucking Total Revenue (\$BN)




2023 U.S. Freight Shipments by Mode



- The booming e-commerce industry, as well as the improving availability of high-speed network connectivity is expected to drive the market. The need for effective logistics services is rising as the e-commerce industry grows. Furthermore, the market is being driven by a shift in customer preference toward online purchases.
- The future of the trucking industry is also being greatly influenced by technological advancements. One area of operations that is being changed in many trucking businesses is the integration of machine learning to reduce the time spent on several tasks that could be performed by computers.
- According to the U.S. Department of Transportation, the truck network is expected to account for ~40% of U.S. freight movement by ton-miles (the length and weight freight travels) in 2023, followed by pipeline and rail. The rail industry is particularly efficient for moving heavy freight over long distances.

















Transportation & Logistics M&A Deals



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description
Jul-23			0.4x	18.8x	Operates as an asset-based truckload carrier primarily in the United States operating through two segments, Truckload and Brokerage.
Apr-23			2.0x	5.2x	Provides poultry feed and live haul freight transportation services.
Nov-22			0.3x	CONF	Provides various solutions, such as full truckload, less-than-truckload and freight management, flatbed and heavy haul, rail and intermodal truckload services.
Oct-22			0.3x	CONF	Operates as a trucking company that provides OTR, regional, and local hauling and transportation services to all customers.
Oct-22			1.2x	CONF	Operates as a cargo ground transportation company.
Jun-22			1.0x	5.0x	Operates as a truckload carrier in the United States, Mexico, and Canada. The company operates in two segments, Trucking and USAT Logistics.
May-22			0.4x	CONF	Provides logistics and freight forwarding services.
Apr-22			1.0x	CONF	Provides integrated logistics services in the United States.
Dec-21			2.1x	8.7x	Operates as a logistics company.
Nov-21			0.4x	12.0x	Provides various transportation management and logistics services.

Transportation & Logistics M&A Deals (cont.)



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description
Sep-21	 MoLo	 ArcBest	0.6x	1.0x	Provides transportation and logistics services through road.
Jun-21	 HAUListic	 Mullen	CONF	CONF	Provides services in the areas of domestic air freight, expedited delivery, surface freight forwarding, international air freight, internal mail and ocean forwarding.
Apr-21	 AIT WORLDWIDE LOGISTICS	 TJC	CONF	CONF	Transportation management company, offers transportation and logistics solutions.
Feb-20	 PT PERFORMANCE TEAM A Maersk Company	 MAERSK	1.0x	6.1x	Logistics company that provides distribution, E-Commerce fulfillment, deconsolidation and transload, transportation, and supply chain management services for companies worldwide.
Jul-19	 ARGUS CARRIERS LTD.  InterUrban Delivery Service Ltd.	 Mullen	0.8x	CONF	Provides transportation and logistics services.
Apr-19	 A&S KINARD  BUCKLER TRANSPORT	 DAY & ROSS	0.9x	CONF	Provides transportation services in the Northeast and Mid-Atlantic regions.
Jul-18	 Landair LOGISTICS • TRANSPORTATION • DISTRIBUTION	 Covenant	0.7x	4.4x	Primarily provides transportation services. It provides irregular route, high-service truckload carrier, and logistics services.
			25th Percentile	0.4x	4.9x
			Mean	0.9x	7.6x
			Median	0.8x	5.6x
			75th Percentile	1.0x	9.5x

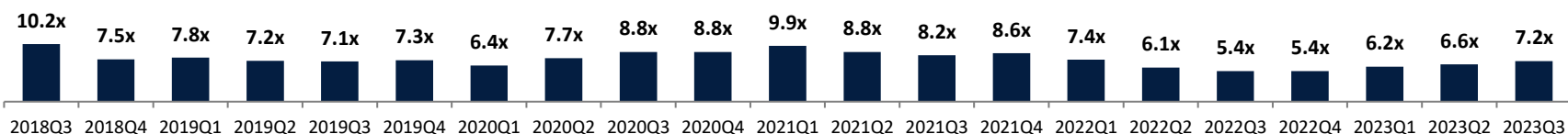
Comparable Transportation & Logistics Public Companies



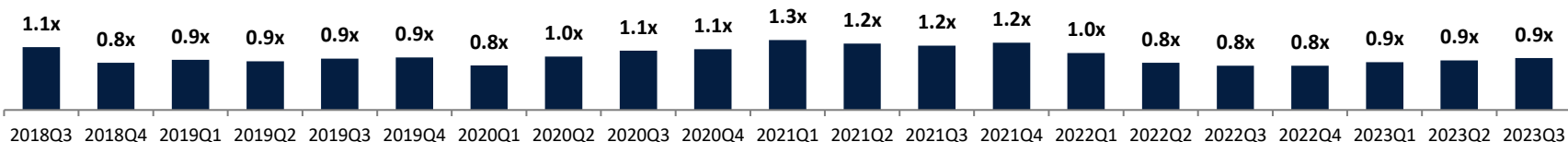
Transportation & Logistics	Market		LTM Results			LTM Margins		1Yr FWD Margins		TEV / LTM:		TEV / 1Yr FWD:	
	Cap	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA	Revenue	EBITDA	Revenue	EBITDA		
FedEx Corporation	\$ 65,417	\$ 88,594	\$ 16,207	27.5%	18.3%	27.5%	12.0%	1.1x	6.0x	1.1x	8.9x		
J.B. Hunt Transport Services, Inc.	\$ 19,306	\$ 13,850	\$ 1,886	18.2%	13.6%	18.2%	14.3%	1.5x	11.0x	1.6x	11.2x		
Expeditors International of Washington, Inc.	\$ 16,847	\$ 12,636	\$ 1,642	13.9%	13.0%	13.9%	11.3%	1.2x	9.5x	1.7x	14.9x		
TFI International Inc.	\$ 10,732	\$ 7,840	\$ 1,184	21.1%	15.1%	21.1%	16.9%	1.6x	10.3x	1.6x	9.4x		
C.H. Robinson Worldwide, Inc.	\$ 9,979	\$ 20,116	\$ 965	7.1%	4.8%	7.1%	4.0%	0.6x	12.3x	0.7x	16.5x		
Knight-Swift Transportation Holdings Inc.	\$ 7,866	\$ 6,830	\$ 1,380	31.5%	20.2%	31.5%	14.5%	1.5x	7.3x	1.3x	8.8x		
Landstar System, Inc.	\$ 6,288	\$ 6,306	\$ 502	21.0%	8.0%	21.0%	7.6%	1.0x	12.1x	1.1x	14.6x		
Schneider National, Inc.	\$ 4,738	\$ 6,012	\$ 886	18.6%	14.7%	18.6%	13.6%	0.8x	5.3x	0.8x	6.0x		
Hub Group, Inc.	\$ 2,473	\$ 4,834	\$ 572	16.8%	11.8%	16.8%	9.7%	0.5x	4.6x	0.6x	6.3x		
Werner Enterprises, Inc.	\$ 2,437	\$ 3,333	\$ 510	22.9%	15.3%	22.9%	15.6%	0.9x	6.1x	0.9x	6.0x		
ArcBest Corporation	\$ 2,361	\$ 4,944	\$ 413	8.5%	8.4%	8.5%	8.7%	0.5x	6.0x	0.5x	6.1x		
Mullen Group Ltd.	\$ 859	\$ 1,520	\$ 258	29.3%	17.0%	29.3%	15.9%	1.0x	5.6x	1.0x	6.1x		
Universal Logistics Holdings, Inc.	\$ 637	\$ 1,814	\$ 297	20.6%	16.3%	20.6%	14.9%	0.6x	3.5x	0.6x	4.1x		
Covenant Logistics Group, Inc.	\$ 553	\$ 1,149	\$ 166	19.4%	14.4%	19.4%	11.6%	0.7x	4.8x	0.7x	5.9x		
P.A.M. Transportation Services, Inc.	\$ 476	\$ 919	\$ 143	21.9%	15.5%	21.9%	13.0%	0.6x	4.0x	0.7x	5.2x		
Daseke, Inc.	\$ 207	\$ 1,678	\$ 211	29.5%	12.5%	29.5%	12.7%	0.6x	4.6x	0.6x	4.9x		

25th Percentile	17.1%	12.0%	17.1%	10.1%	0.6x	4.7x	0.6x	5.9x
Mean	20.5%	13.7%	20.5%	12.3%	0.9x	7.1x	1.0x	8.4x
Median	20.8%	14.6%	20.8%	12.9%	0.9x	6.0x	0.9x	6.2x
75th Percentile	26.4%	16.1%	26.4%	14.8%	1.2x	10.1x	1.2x	10.8x

Quarterly EV / EBITDA Trend



Quarterly EV / Revenue Trend



ADDICUS

PRIVATE WEALTH
CAPITAL ADVISORS
PRIVATE EQUITY
CONSULTING GROUP



Chris Lewis
Managing Director

christopher.lewis@addicusadvisors.com

662.701.8961



Jon Campbell
Managing Director

jon.campbell@addicusadvisors.com

205.520.4503

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