



# INDUSTRY UPDATE

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TRANSPORTATION & LOGISTICS  
Q4 2021



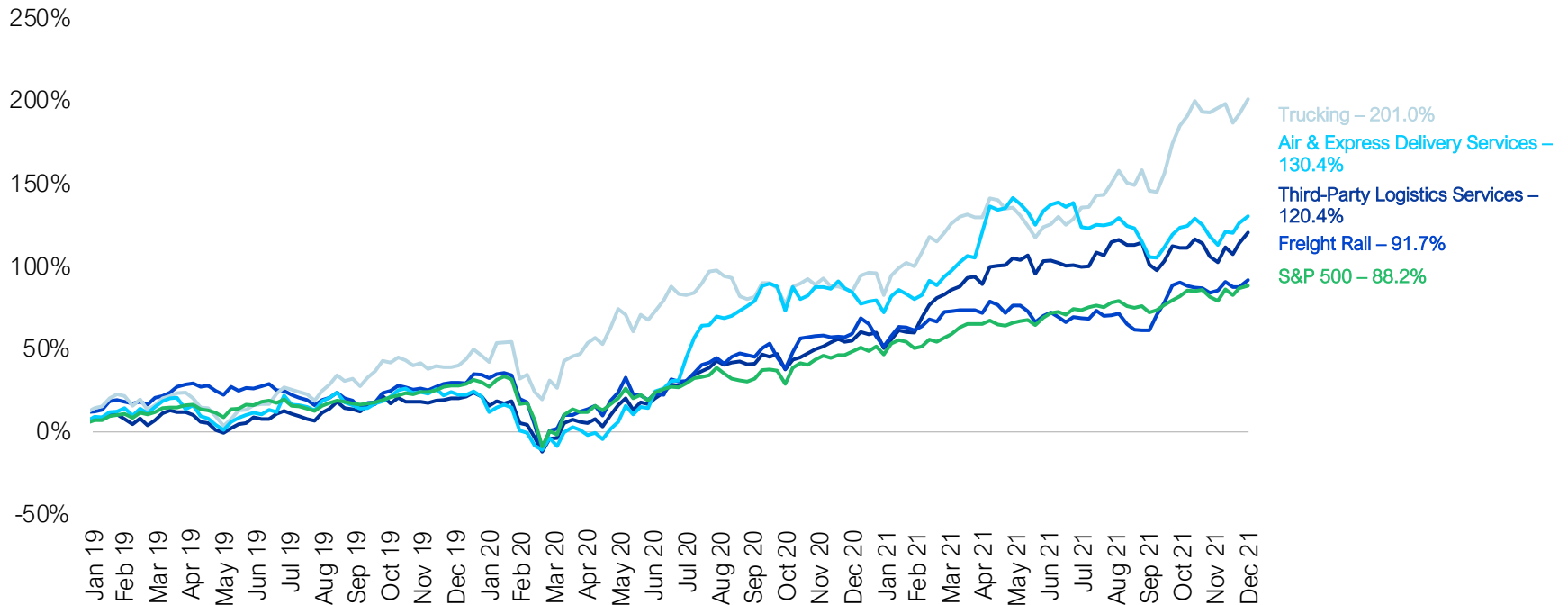
GREENWICH  
CAPITAL GROUP

# GCG Transportation & Logistics Update | Q4 2021

## Public Market Performance

Public equities across the Transportation & Logistics industry rebounded in Q4 2021 after a slight decrease in Q3. The Transportation & Logistics industry has been greatly impacted throughout 2021 by regulations, technological disruption, and the increasing labor challenges leading to a shortage of drivers. However, several companies in the industry have been able to mitigate these challenges and capitalize on the increased demand for businesses that can move goods from point A to point B. Additionally, “last-mile” delivery service companies are expected to experience continued growth alongside the e-commerce industry. Both sectors were bolstered by the pandemic as people chose to have items delivered to their homes instead of personally picking them up, and the anticipation is that this trend won’t be going away any time soon. On a 3-year period ending in December 2021, all sectors within the Transportation & Logistics industry outpaced the S&P 500, which had an 88.2% return. The Trucking sector led the way, followed by Air & Express Delivery, Third-Party Logistics, and Freight Rail (201.0%, 130.4%, 120.4% and 91.7% respectively)

Transportation & Logistics Market Performance

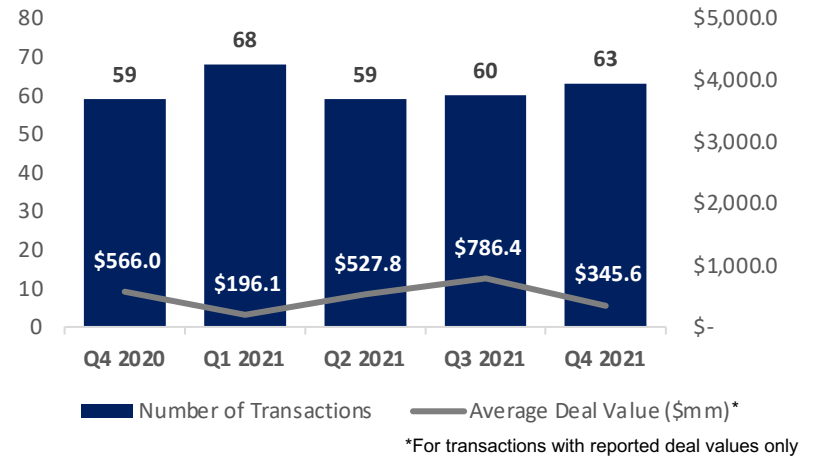


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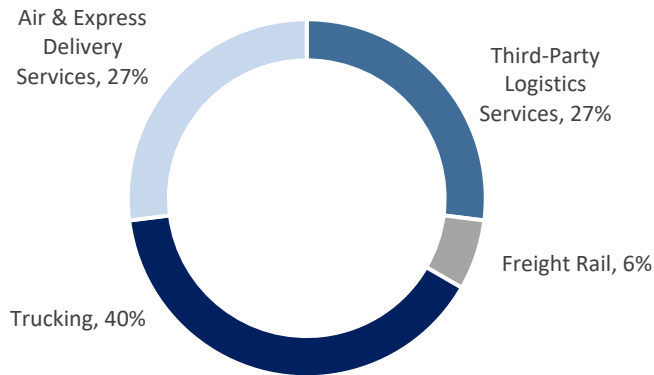
## M&A Activity

The volume of M&A activity in the Transportation & Logistics industry slightly increased, with 63 deals closed in Q4 2021, compared to 60 during the prior quarter. While activity within the industry grew, the average deal value (based on transactions with reported values only) interestingly decreased to its lowest value since Q1 2021. The decrease in value shows that buyers are shifting their attention to mid-range transportation and logistics companies when searching for a possible acquisition. Strategic buyers continue to represent the majority of the transactions in the sector as they seek to expand and gain market share through M&A. Private equity sponsors remained active in the market, with PE activity more than doubling since last quarter. The Trucking segment led activity, accounting for 40% of total Transportation & Logistics transaction volume. Air & Express Delivery Services and Third-Party Logistics Services proved to be attractive targets as well, both accounting for 27% of deal flow.

### Transportation & Logistics M&A Activity

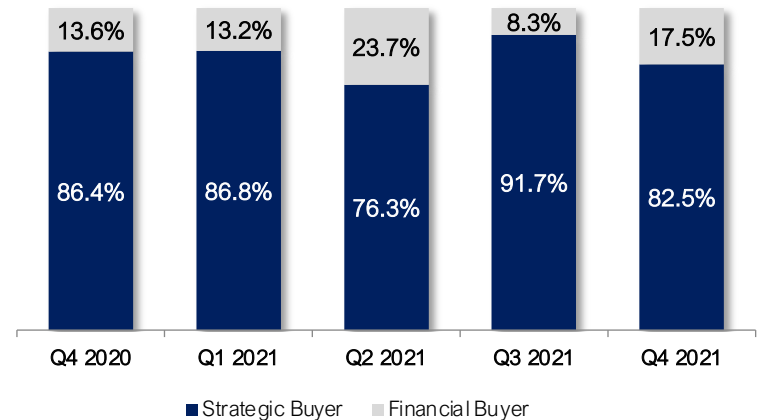


### Q4 2021 M&A Activity by Sector



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 12/31/2021

### M&A Activity by Buyer Type

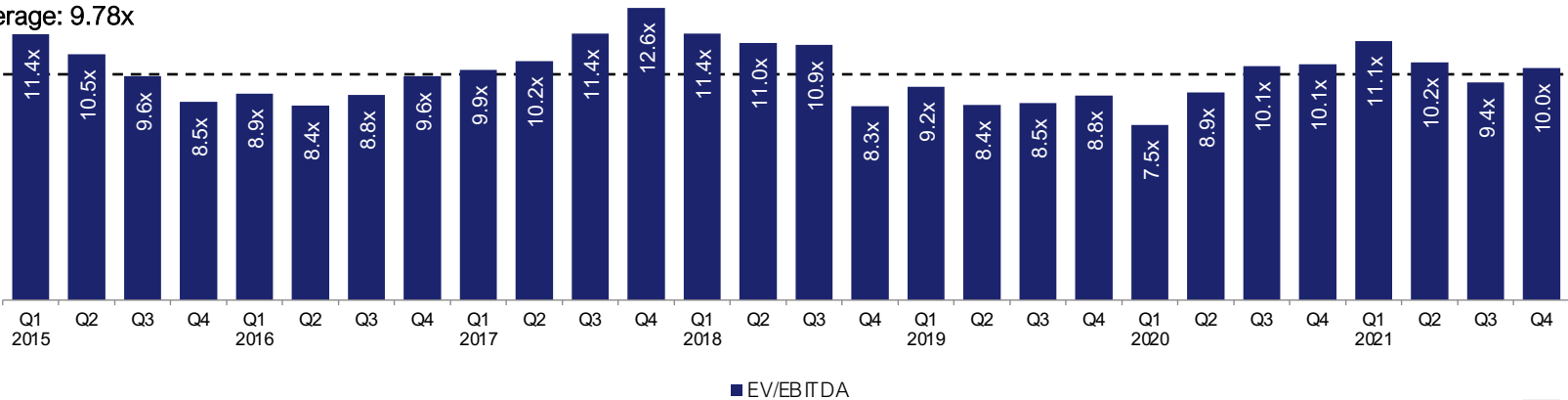


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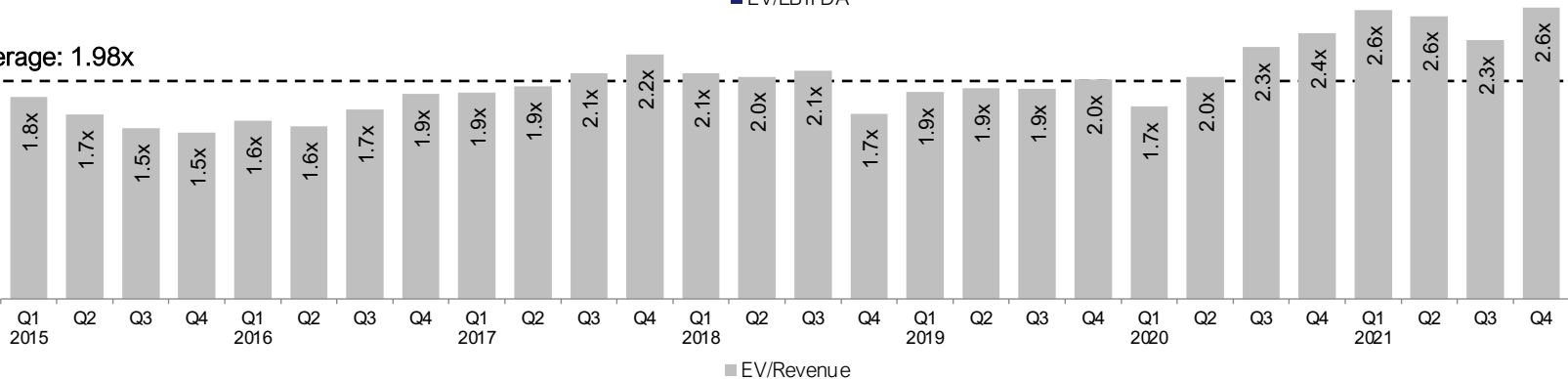
## Public Company Trading Multiples

Select publicly traded companies representing the key sectors across the Transportation & Logistics industry traded at an average multiple of 9.84x EBITDA and 2.11x Revenue. Trading multiples varied significantly across the four categories with the strongest multiples observed in the Freight Rail sector. North American railroad companies such as Union Pacific, CSX Corporation, and Norfolk Southern had strong quarters, realizing gains of 28.5%, 26.4% and 24.4% in their share price, respectively. This sector received a significant boost when the Infrastructure bill was passed on November 15, 2021, allocating \$66 billion to improving America's passenger and freight rail system.

Average: 9.78x



Average: 1.98x



Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



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## Select M&A Transaction Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
12/23/2021	Nova Marketing Services, LLC	Crown Capital Investments, LLC	Third-Party Logistics Services	-	-	-
12/22/2021	Transcope Services, LLC	US Services Group, LLC	Third-Party Logistics Services	-	-	-
12/17/2021	ICAT Logistics, Inc.	Midwest Mezzanine Funds; KCM Capital Partners; Lightspring Capital Partners	Third-Party Logistics Services	-	-	-
12/13/2021	Whiplash Inc.	Ryder System, Inc.	Third-Party Logistics Services	480.0	-	-
12/13/2021	MNX Global Logistics	Quad-C Management, Inc.	Third-Party Logistics Services	-	-	-
12/13/2021	Redwood Logistics, LLC	AEA Investors LP	Third-Party Logistics Services	-	-	-
12/6/2021	RAC MME Holdings, LLC	Knight-Swift Transportation Holdings Inc.	Trucking	150.0	-	-
11/29/2021	NEHDS Logistics LLC	Werner Enterprises, Inc.	Air & Express Delivery Services	64.0	-	-
11/29/2021	Web to Door Trucking Corp.	ParcelPal Logistics Inc.	Trucking	2.8	-	-
11/11/2021	Bergen Shippers Corp.	Elanders AB (publ)	Air & Express Delivery Services	155.0	-	-
11/3/2021	Trinity Highway Products, LLC	Monomoy Capital Partners	Trucking	375.0	-	-
10/28/2021	Driving Force Decks International Ltd	TFI International Inc.	Trucking	-	-	-
10/27/2021	Midwest Warehouse And Distribution System, Inc.	Ryder System, Inc.	Third-Party Logistics Services	275.0	-	-
10/25/2021	Genesis Rail Services, Inc.	Auxo Investment Partners	Freight Rail	-	-	-
10/21/2021	Greyhound Lines, Inc.	FlixBus GmbH	Trucking	93.5	-	-
10/19/2021	Choptank Transport, Inc.	Hub Group, Inc.	Third-Party Logistics Services	130.0	-	-
10/5/2021	T.F. Boyle Transportation, Inc.	Andlauer Healthcare Group Inc.	Trucking	80.7	-	-
10/5/2021	Skelton USA Inc.	Andlauer Healthcare Group Inc.	Trucking	99.6	-	-
10/4/2021	Inter-Orient Services	FM Global Logistics Ventures Sdn. Bhd.	Air & Express Delivery Services	2.2	-	-

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



# GCG Transportation & Logistics Update | Q4 2021

## Public Comparable Companies

Company Name	Enterprise	Revenue	Price Change		LTM Margins		TEV / LTM:		
	Value (\$mils)	(\$mils)	3 month	12 month	Gross	EBITDA	Revenue	EBITDA	
<b>Third-Party Logistics Services</b>									
XPO Logistics, Inc.	\$ 13,041	\$ 18,436	(2.7%)	(35.0%)	16.1%	8.9%	0.7x	4.9x	
J.B. Hunt Transport Services, Inc.	\$ 22,429	\$ 12,168	22.2%	49.6%	16.6%	13.1%	2.0x	3.0x	
C.H. Robinson Worldwide, Inc.	\$ 15,771	\$ 23,102	23.7%	14.7%	7.0%	5.1%	0.7x	13.5x	
Hub Group, Inc.	\$ 2,990	\$ 3,929	22.5%	47.8%	12.5%	7.4%	0.8x	9.9x	
Radiant Logistics, Inc.	\$ 432	\$ 999	14.1%	25.7%	18.2%	5.2%	0.4x	7.2x	
Universal Logistics Holdings, Inc.	\$ 1,046	\$ 1,670	(6.1%)	(8.4%)	16.2%	10.4%	0.6x	4.8x	
GXO Logistics, Inc.	\$ 12,967	\$ 7,444	15.8%	-	16.6%	7.8%	1.7x	9.6x	
Expeditors International of Washington, Inc.	\$ 21,388	\$ 14,640	12.7%	41.2%	12.7%	11.1%	1.5x	12.2x	
Kuehne + Nagel International AG	\$ 39,264	\$ 29,347	(5.7%)	42.3%	32.2%	8.3%	1.3x	13.0x	
Landstar System, Inc.	\$ 6,743	\$ 6,540	13.4%	32.9%	20.2%	8.5%	1.1x	13.4x	
ArcBest Corporation	\$ 2,951	\$ 3,980	46.6%	180.9%	9.7%	9.9%	0.8x	8.2x	
Covenant Logistics Group, Inc.	\$ 505	\$ 1,046	(4.4%)	78.5%	18.8%	11.3%	0.5x	3.5x	
Daseke, Inc.	\$ 1,262	\$ 1,557	9.0%	72.8%	30.4%	11.8%	0.8x	5.9x	
Mean	\$ 10,830	\$ 9,604	12.4%	45.2%	17.5%	9.1%	1.0x	8.4x	
Median	\$ 6,743	\$ 6,540	13.4%	41.7%	16.6%	8.9%	0.8x	8.2x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



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## Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise</u>	<u>Revenue</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>		
	<u>Value (\$mils)</u>	<u>(\$mils)</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>	
<b>Freight Rail</b>									
Union Pacific Corporation	\$ 191,683	\$ 21,804	28.5%	21.0%	58.3%	53.0%	9.0x	16.8x	
Canadian National Railway Company	\$ 96,039	\$ 11,440	5.8%	11.8%	56.0%	51.9%	8.5x	15.9x	
Canadian Pacific Railway Limited	\$ 74,911	\$ 6,318	9.9%	3.7%	57.4%	57.4%	11.9x	20.3x	
CSX Corporation	\$ 98,101	\$ 12,522	26.4%	24.3%	52.4%	52.4%	8.2x	14.8x	
Norfolk Southern Corporation	\$ 85,347	\$ 11,142	24.4%	25.3%	50.5%	50.5%	7.9x	14.5x	
Mean	\$ 109,216	\$ 12,645	19.0%	17.2%	54.9%	53.0%	9.1x	16.5x	
Median	\$ 96,039	\$ 11,440	24.4%	21.0%	56.0%	52.4%	8.5x	15.9x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



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## Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise</u>	<u>Revenue</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>		
	<u>Value (\$mils)</u>	<u>(\$mils)</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>	
<b>Trucking</b>									
Knight-Swift Transportation Holdings Inc.	\$ 12,065	\$ 5,998	19.1%	45.7%	32.8%	25.8%	2.2x	8.7x	
Old Dominion Freight Line, Inc.	\$ 40,753	\$ 5,256	25.3%	83.6%	38.1%	31.4%	8.3x	26.6x	
Heartland Express, Inc.	\$ 1,147	\$ 607	5.0%	(7.1%)	37.5%	28.4%	1.9x	6.5x	
Marten Transport, Ltd.	\$ 1,340	\$ 974	9.4%	(0.4%)	28.5%	21.0%	1.4x	6.5x	
USA Truck, Inc.	\$ 321	\$ 668	30.1%	122.6%	16.7%	10.4%	0.5x	4.0x	
Werner Enterprises, Inc.	\$ 3,543	\$ 2,589	7.7%	21.5%	27.9%	19.8%	1.4x	6.7x	
U.S. Xpress Enterprises, Inc.	\$ 933	\$ 1,873	(32.0%)	(14.2%)	15.0%	6.1%	0.5x	4.4x	
Schneider National, Inc.	\$ 4,539	\$ 5,609	18.3%	30.0%	18.9%	15.0%	0.9x	5.7x	
P.A.M. Transportation Services, Inc.	\$ 980	\$ 707	57.9%	189.8%	26.1%	21.8%	1.5x	7.0x	
Mean	\$ 7,291	\$ 2,698	15.6%	52.4%	26.8%	20.0%	2.1x	8.5x	
Median	\$ 1,340	\$ 1,873	18.3%	30.0%	27.9%	21.0%	1.4x	6.5x	

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## Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise</u>	<u>Revenue</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>		
	<u>Value (\$mils)</u>	<u>(\$mils)</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>	
<b>Air &amp; Express Delivery Services</b>									
FedEx Corporation	\$ 98,528	\$ 89,552	17.9%	(0.4%)	27.5%	13.1%	1.1x	5.9x	
United Parcel Service, Inc.	\$ 201,355	\$ 94,412	17.7%	27.3%	19.9%	11.5%	2.1x	15.2x	
Deutsche Post AG	\$ 94,512	\$ 90,195	1.8%	29.8%	18.3%	11.5%	1.1x	7.6x	
Air Transport Services Group, Inc.	\$ 3,552	\$ 1,651	13.8%	(6.3%)	39.8%	31.1%	2.2x	6.5x	
Atlas Air Worldwide Holdings, Inc.	\$ 4,579	\$ 3,800	15.2%	72.6%	33.4%	24.9%	1.2x	4.4x	
DSV A/S	\$ 58,852	\$ 23,796	(2.7%)	39.4%	21.7%	9.4%	2.5x	22.2x	
Mean	\$ 76,896	\$ 50,568	10.6%	27.1%	26.8%	16.9%	1.7x	10.3x	
Median	\$ 76,682	\$ 56,674	14.5%	28.5%	24.6%	12.3%	1.7x	7.0x	
Transportation & Logistics Mean	\$ 36,784	\$ 15,629	14.0%	39.5%	27.4%	20.2%	2.6x	10.0x	
Transportation & Logistics Median	\$ 12,065	\$ 5,998	14.1%	28.5%	21.7%	11.8%	1.4x	7.6x	

Source: S&P Capital IQ

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## Transportation & Logistics Expertise

GCG's Transportation & Logistics team has vast industry background and expertise formed by working with clients across nearly all aspects of the sector. Our professionals bring direct experience in senior operating roles within the industry to augment our investment banking and consulting services. With experience serving private and publicly traded Transportation & Logistics companies, GCG has a deep understanding of the trends and dynamics affecting this increasingly global industry.

## More about Greenwich Capital Group

Greenwich Capital Group ("GCG") is a middle market focused advisory firm offering a range of investment banking and consulting services to private companies, public companies and private equity investors. For additional perspective or to discuss M&A related opportunities in the transportation & logistics sector, please reach out to GCG's transportation & logistics practice leader, Chris Lewis. For more information, please visit [www.greenwichgp.com](http://www.greenwichgp.com).



**Chris Lewis**

Managing Director

Transportation & Logistics Leader

[clewis@greenwichgp.com](mailto:clewis@greenwichgp.com)

M: (615) 946-3462

Data Sources: We have based our findings on data provided by industry recognized sources. Data and information for this publication was collated from the S&P Capital IQ database. For more information on this or anything else related to our research, please email [info@greenwichgp.com](mailto:info@greenwichgp.com).

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