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Industry Observations – September 30, 2018

Transportation & Logistics Industry

Select Transportation & Logistics Public Company Industry Data As of September 30, 2018

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 09/30/18	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2018 Revenue Estimate	CY 2018 EBITDA Estimate
Transportation - Less Than Truckload											
ArcBest Corporation	ARCB	\$ 48.55	94.4%	\$ 1,247.0	\$ 1,269.3	29.2%	\$ 1,517.7	\$ 3,030.2	\$ 227.6	\$3,093.05	\$239.74
Old Dominion Freight Line, Inc.	ODFL	\$ 161.26	94.7%	\$ 13,222.7	\$ 13,127.2	1.7%	\$ 3,489.3	\$ 3,907.9	\$ 962.6	\$4,026.26	\$1,016.83
Saia, Inc.	SAIA	\$ 76.45	87.8%	\$ 1,946.0	\$ 2,099.8	15.3%	\$ 1,088.1	\$ 1,581.1	\$ 229.0	\$1,646.34	\$241.58
YRC Worldwide Inc.	YRCW	\$ 8.98	51.0%	\$ 305.8	\$ 1,040.3	158.8%	\$ 1,657.6	\$ 5,053.2	\$ 248.7	\$5,071.77	\$290.72
Transportation - Long-Haul / Truckload											
Covenant Transportation Group, Inc.	CVTI	\$ 29.06	82.6%	\$ 533.1	\$ 679.4	46.1%	\$ -	\$ 816.5	\$ 125.0	\$875.98	\$136.28
J.B. Hunt Transport Services, Inc.	JBHT	\$ 118.94	90.3%	\$ 13,005.4	\$ 13,995.2	34.0%	\$ 4,721.7	\$ 8,287.2	\$ 1,131.3	\$8,599.36	\$1,253.67
Knight-Swift Transportation Holdings	KNX	\$ 34.48	66.4%	\$ 6,141.2	\$ 6,886.6	15.3%	\$ 7,932.1	\$ 5,308.8	\$ 924.9	\$5,357.76	\$960.34
Werner Enterprises, Inc.	WERN	\$ 35.35	80.4%	\$ 2,532.4	\$ 2,617.4	9.1%	\$ 2,033.1	\$ 2,378.9	\$ 403.1	\$2,461.79	\$450.65
Transportation - Other											
FedEx Corporation	FDX	\$ 240.79	87.7%	\$ 63,452.0	\$ 78,027.0	46.9%	\$51,901.0	\$67,205.0	\$ 8,512.0	\$68,594.97	\$8,927.17
United Parcel Service, Inc.	UPS	\$ 116.75	86.1%	\$100,445.2	\$118,304.2	88.2%	\$46,689.0	\$70,275.0	\$ 9,977.0	\$72,204.89	\$9,757.52
Logistics - Asset Light Transportation											
C.H. Robinson Worldwide, Inc.	CHRW	\$ 97.92	96.8%	\$ 13,566.3	\$ 14,662.8	46.1%	\$ 4,492.7	\$16,453.1	\$ 949.6	\$16,770.31	\$986.21
Expeditors International of Washington, Inc.	EXPD	\$ 73.53	94.1%	\$ 12,818.9	\$ 11,800.8	0.0%	\$ 3,334.8	\$ 7,804.1	\$ 828.5	\$8,050.73	\$840.96
Hub Group, Inc.	HUBG	\$ 45.60	80.6%	\$ 1,567.8	\$ 1,816.2	25.2%	\$ 1,823.2	\$ 4,486.4	\$ 210.7	\$4,178.11	\$206.47
XPO Logistics, Inc.	XPO	\$ 114.17	98.2%	\$ 14,482.6	\$ 19,180.9	47.8%	\$12,676.1	\$17,084.0	\$ 1,466.8	\$17,462.98	\$1,578.17

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt); EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

The material contained in this publication is meant to provide general information regarding valuation topics. This publication does not constitute investment advice with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Professional advice should be obtained before taking any action based on the information contained herein.

Publicly available information utilized in this publication has been obtained from sources deemed to be reliable. Houlihan does not guarantee the accuracy or completeness of the information provided within this publication. The material presented reflects information known to the authors at the time this publication was written and this information is subject to change.

Select Transportation & Logistics Public Company Valuation Metrics As of September 30, 2018

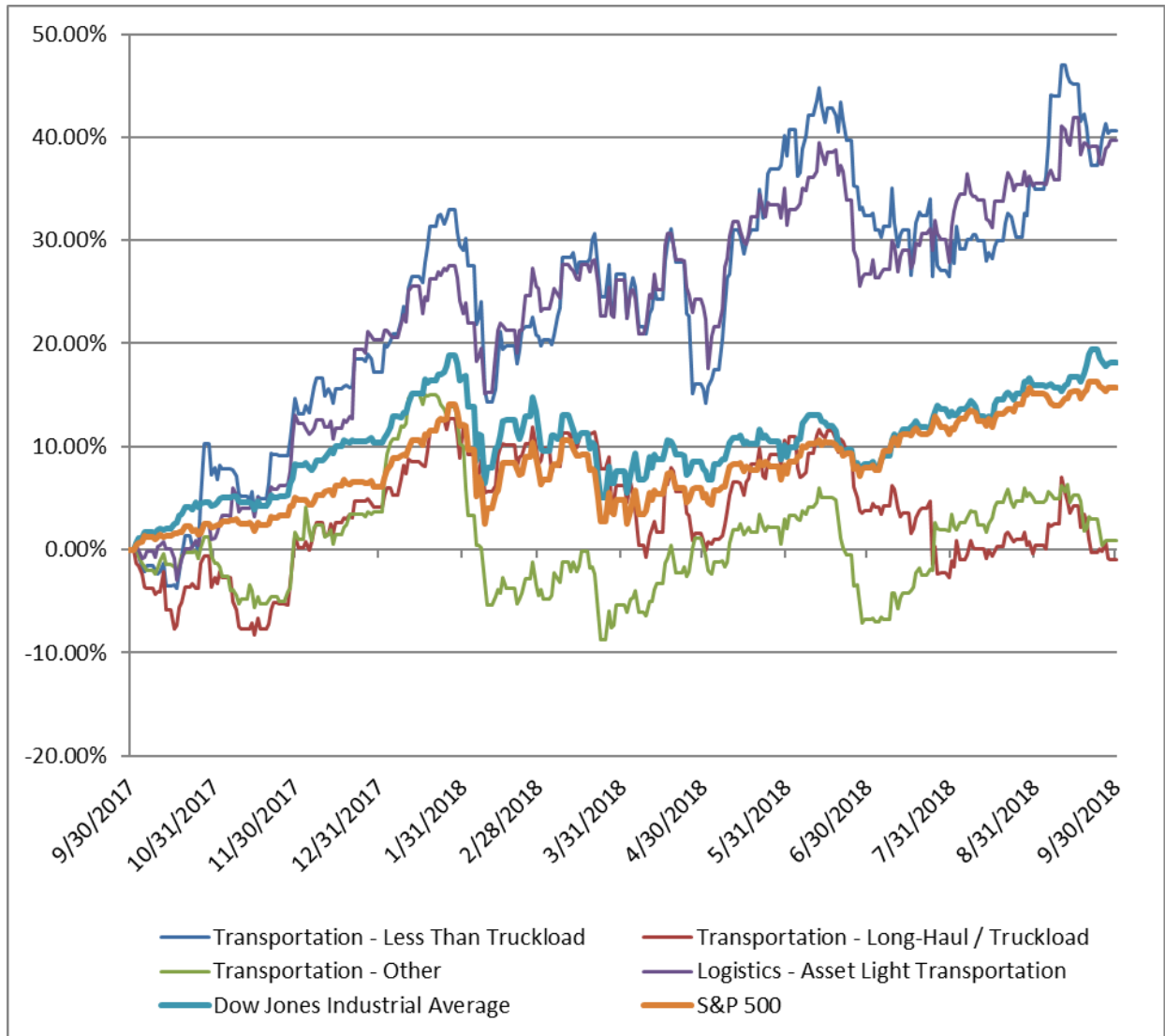
(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics						Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2018 Revenue	TEV/ LTM EBITDA	TEV/ CY 2018 EBITDA
Transportation - Less Than Truckload											
ArcBest Corporation	ARCB	5.3%	13.4%	8.2%	8.1%	47.4%	7.5%	0.4x	0.4x	5.6x	5.3x
Old Dominion Freight Line, Inc.	ODFL	14.4%	27.4%	19.1%	21.6%	28.7%	24.6%	3.4x	3.3x	13.6x	12.9x
Saia, Inc.	SAIA	8.1%	21.2%	11.3%	17.6%	33.2%	14.5%	1.3x	1.3x	9.2x	8.7x
YRC Worldwide Inc.	YRCW	3.8%	N/A	11.6%	4.6%	-1.7%	4.9%	0.2x	0.2x	4.2x	3.6x
	Mean	7.9%	20.7%	12.6%	13.0%	26.9%	12.9%	1.3x	1.3x	8.1x	7.6x
	Median	6.7%	21.2%	11.5%	12.8%	30.9%	11.0%	0.9x	0.8x	7.4x	7.0x
Transportation - Long-Haul / Truckload											
Covenant Transportation Group,	CVTI	0.0%	0.0%	6.3%	17.9%	24.4%	15.3%	0.8x	0.8x	5.4x	5.0x
J.B. Hunt Transport Services, Inc.	JBHT	10.1%	44.3%	15.5%	19.7%	8.2%	13.7%	1.7x	1.6x	12.4x	11.2x
Knight-Swift Transportation Holdings	KNX	4.1%	14.1%	5.2%	291.8%	251.4%	17.4%	1.3x	1.3x	7.4x	7.2x
Werner Enterprises, Inc.	WERN	5.8%	22.2%	8.9%	15.0%	17.2%	16.9%	1.1x	1.1x	6.5x	5.8x
	Mean	5.0%	20.1%	9.0%	86.1%	75.3%	15.8%	1.2x	1.2x	7.9x	7.3x
	Median	5.0%	18.1%	7.6%	18.8%	20.8%	16.1%	1.2x	1.2x	7.0x	6.5x
Transportation - Other											
FedEx Corporation	FDX	6.6%	26.9%	9.9%	10.3%	7.3%	12.7%	1.2x	1.1x	9.2x	8.7x
United Parcel Service, Inc.	UPS	11.0%	233.2%	20.6%	8.9%	26.7%	14.2%	1.7x	1.6x	11.9x	12.1x
	Mean	8.8%	130.0%	15.2%	9.6%	17.0%	13.4%	1.4x	1.4x	10.5x	10.4x
	Median	8.8%	130.0%	15.2%	9.6%	17.0%	13.4%	1.4x	1.4x	10.5x	10.4x
Logistics - Asset Light Transportation											
C.H. Robinson Worldwide, Inc.	CHRW	12.5%	43.1%	18.9%	14.9%	13.4%	5.8%	0.9x	0.9x	15.4x	14.9x
Expeditors International of Washington, Inc.	EXPD	15.1%	30.9%	24.6%	17.2%	14.8%	10.6%	1.5x	1.5x	14.2x	14.0x
Hub Group, Inc.	HUBG	4.9%	20.7%	7.5%	40.5%	70.2%	4.7%	0.4x	0.4x	8.6x	8.8x
XPO Logistics, Inc.	XPO	3.8%	13.5%	5.6%	14.9%	20.3%	8.6%	1.1x	1.1x	13.1x	12.2x
	Mean	9.1%	27.1%	14.2%	21.9%	29.7%	7.4%	1.0x	1.0x	12.8x	12.5x
	Median	8.7%	25.8%	13.2%	16.0%	17.6%	7.2%	1.0x	1.0x	13.7x	13.1x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

Transportation & Logistics Public Company LTM Equity Performance As of September 30, 2018



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

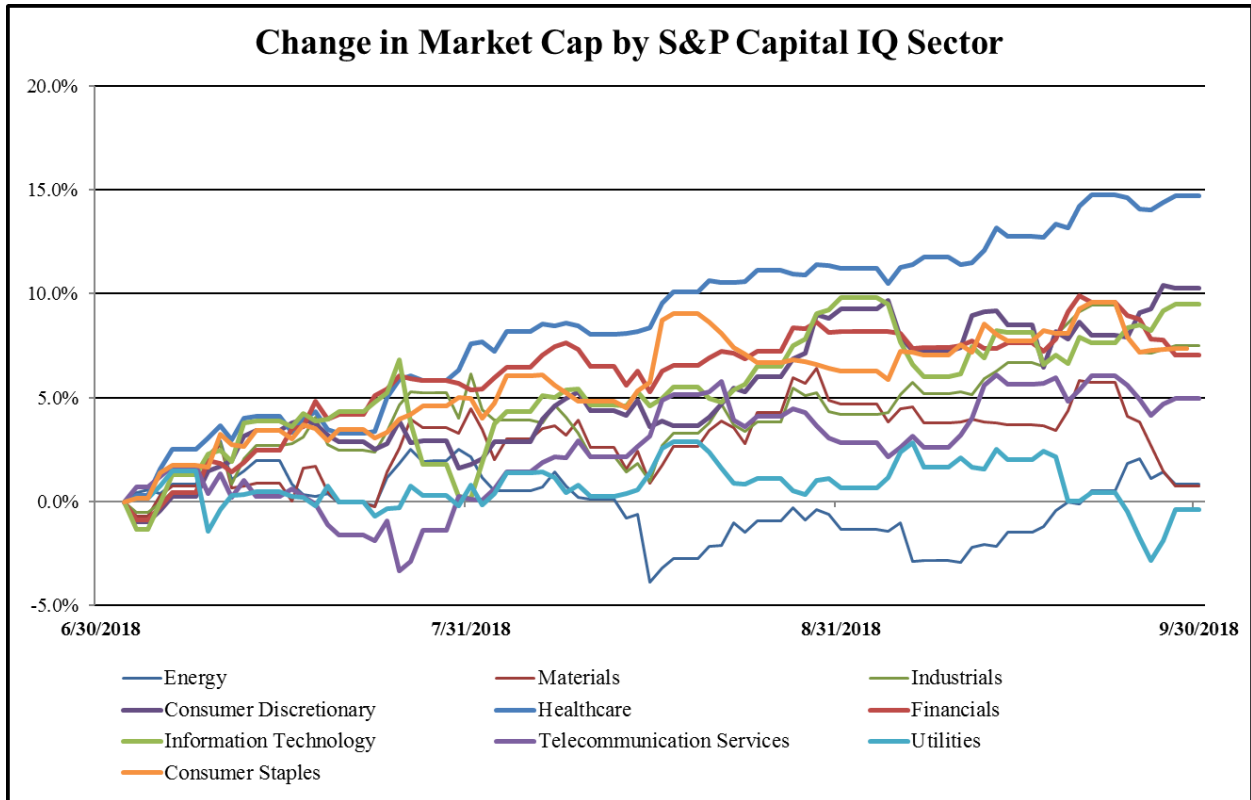
Recent M&A Activity in the Transportation & Logistics Industry September 30, 2017 to September 30, 2018

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
12/1/2017	Global Gateway South Terminal	EQT Partners AB; EQT Infrastructure III; P5	Marine Ports and Services	\$875.00
2/15/2018	Higman Marine Services, Inc.	Kirby Corporation	Marine	\$419.00
3/14/2018	PS Logistics, LLC	OEP Capital Advisors, L.P.	Trucking	\$400.00
7/31/2018	White Pass & Yukon Route Rail and Port Operations Of	Royal Hwy Tours Inc.	Railroads	\$290.00
8/24/2018	DSC Logistics, Inc.	CJ Logistics USA Corporation	Air Freight and Logistics	\$240.13
8/31/2018	Mark VII, Inc.	York Capital Management	Trucking	\$238.50
7/16/2018	American Roads LLC	Dutch Infrastructure Fund B.V.; DIF Infrastructure V	Highways and Railtracks	\$220.00
10/2/2017	Enviva Port of Wilmington, LLC	Enviva Partners, LP	Marine Ports and Services	\$130.00
4/2/2018	MXD Group, Inc.	Ryder System, Inc.	Air Freight and Logistics	\$120.00
7/3/2018	Landair Holdings, Inc.	Covenant Transportation Group, Inc.	Air Freight and Logistics	\$105.96
10/2/2017	Commodity Forwarders Inc.	Kuehne + Nagel International AG	Air Freight and Logistics	\$94.44
3/1/2018	Gulf Stream Marine, Inc.	Logistec Corporation	Marine Ports and Services	\$65.70
8/10/2018	Southern Counties Express, Inc./Aquarius Financial, Inc.	Mason Dixon Intermodal, Inc.	Trucking	\$65.00
12/8/2017	Keen Transport, Inc.	Wallenius Wilhelmsen Logistics ASA (nka:Wallenius	Trucking	\$64.00
6/30/2018	Logistics Business of R.R. Donnelley & Sons Company	LSC Communications, Inc.	Air Freight and Logistics	\$60.00
11/1/2017	Indiana Transport, Inc.	Patrick Industries, Inc.	Trucking	\$59.00
2/2/2018	Fore Transportation, Inc.	Universal Logistics Holdings, Inc.	Trucking	\$34.90
12/11/2017	MR Coal Marketing & Trading, LLC	N/A	Air Freight and Logistics	\$34.50
2/23/2018	Flightseeing Assets in Alaska of Em Group Inc.	N/A	Airlines	\$10.00
5/25/2018	Pensacola Stevedore Company, Inc.	Logistec Corporation	Marine Ports and Services	\$9.60
8/23/2018	U S Rail Holdings LLC	Las Vegas Railway Express, Inc. (nka:United Rail, Inc.)	Railroads	\$4.50
6/1/2018	Thunder Ridge Transport, Inc.	EVO Transportation & Energy Services, Inc.	Trucking	\$2.95
5/28/2018	SaaS Transportation, Inc.	Wisetech Global Limited	Air Freight and Logistics	\$2.87
1/18/2018	Sequel International Logistics (USA) Inc.	Loomis AB (publ)	Air Freight and Logistics	\$2.00
12/31/2017	Yellow Cab Cooperative, Inc.	Big Dog City Corporation	Trucking	\$0.81
6/21/2018	All Assets of Big Red L.T.L. Transport, Inc. and CIN-SAN	Big Red Express Trucking LLC	Trucking	\$0.73
6/18/2018	Prime EFS LLC	PetroTerra Corp. (nka:Transportation and Logistics	Trucking	\$0.50
3/7/2018	LBC Mabuhay Saipan, Inc.	LBC Express Holdings, Inc.	Air Freight and Logistics	\$0.21
12/22/2017	Dependable Auto Shippers, Inc., Peterbilt Truck	Bailey Truck & Trailer	Trucking	\$0.15
10/3/2017	ABC Cab Company	Metropolitan Taxi Cab Corp.	Trucking	\$0.13
9/27/2018	Air Service Inc.	1100 Holdings, LLC	Airlines	NA
9/14/2018	Mendon Leasing Corporation	Petit Forestier SA	Trucking	NA
9/10/2018	Bay Pointe Marina Corporation	MarineMax, Inc.	Marine Ports and Services	NA
8/31/2018	Landjet LLC	N/A	Trucking	NA
8/31/2018	TAGG Logistics, LLC	Dot Family Holdings	Air Freight and Logistics	NA
8/29/2018	Airports Worldwide, Inc.	VINCI Airports US, Inc.	Airport Services	NA
8/23/2018	All Assets of D. Mosley Trucking, Inc./ All Assets of DMT	PS Logistics, LLC	Trucking	NA
8/15/2018	SynchOne, LLC	GlobalTranz Enterprises, Inc.	Air Freight and Logistics	NA
8/13/2018	Leavitt's Freight Service, Inc.	Central Oregon Trucking Company, INC.	Trucking	NA
8/6/2018	Walpar, LLC	Valmont Industries, Inc.	Highways and Railtracks	NA
8/2/2018	Grenada Railroad, LLC	International Rail Partners LLC	Railroads	NA
7/31/2018	Assets of Yellow Cab	Motown Taxi, LLC	Trucking	NA
7/31/2018	Rock-It Cargo USA, LLC/Rich Forwarding Ltd	ATL Partners	Air Freight and Logistics	NA
7/17/2018	Condor Mobility, LLC	Mobiliti, LLC	Trucking	NA
7/16/2018	Manna Freight Systems, Inc.	Pilot Freight Services, Inc.	Trucking	NA
7/16/2018	Berry Aviation, Inc.	Acom Growth Companies; Acom Growth Capital Fund	Airlines	NA
7/12/2018	Web To Door Corp	Supurva Healthcare Group, Inc. (nka:Web To Door, Inc.)	Air Freight and Logistics	NA
7/11/2018	DAGOS, LLC	Gold Shield Limousine Company, Inc.	Trucking	NA
7/11/2018	Sun Valley Air Club/Telluride Air Club	Embark Air Club, Inc.	Airlines	NA
7/11/2018	Walt's Drive-A-Way Services, Inc.	Warehouse Services, Inc.	Trucking	NA
7/10/2018	Alabama & Tennessee River Railway and Fulton County	OmniTRAX, Inc.	Railroads	NA
7/10/2018	ALT Sales LLC	Manitex International, Inc.	Trucking	NA
7/10/2018	MNX Global Logistics	Audax Group, Inc.	Air Freight and Logistics	NA
7/10/2018	Molly's Trolleys of Pittsburgh	Pittsburgh Party Pedaler, LLC	Trucking	NA
7/6/2018	Substantially All Assets of Freight Management Plus, Inc.	Echo Global Logistics, Inc.	Air Freight and Logistics	NA
7/5/2018	Van Pool Transportation LLC	Audax Group, Inc.	Trucking	NA
7/2/2018	Epes Transport System, LLC	Penske Logistics, Inc.	Trucking	NA

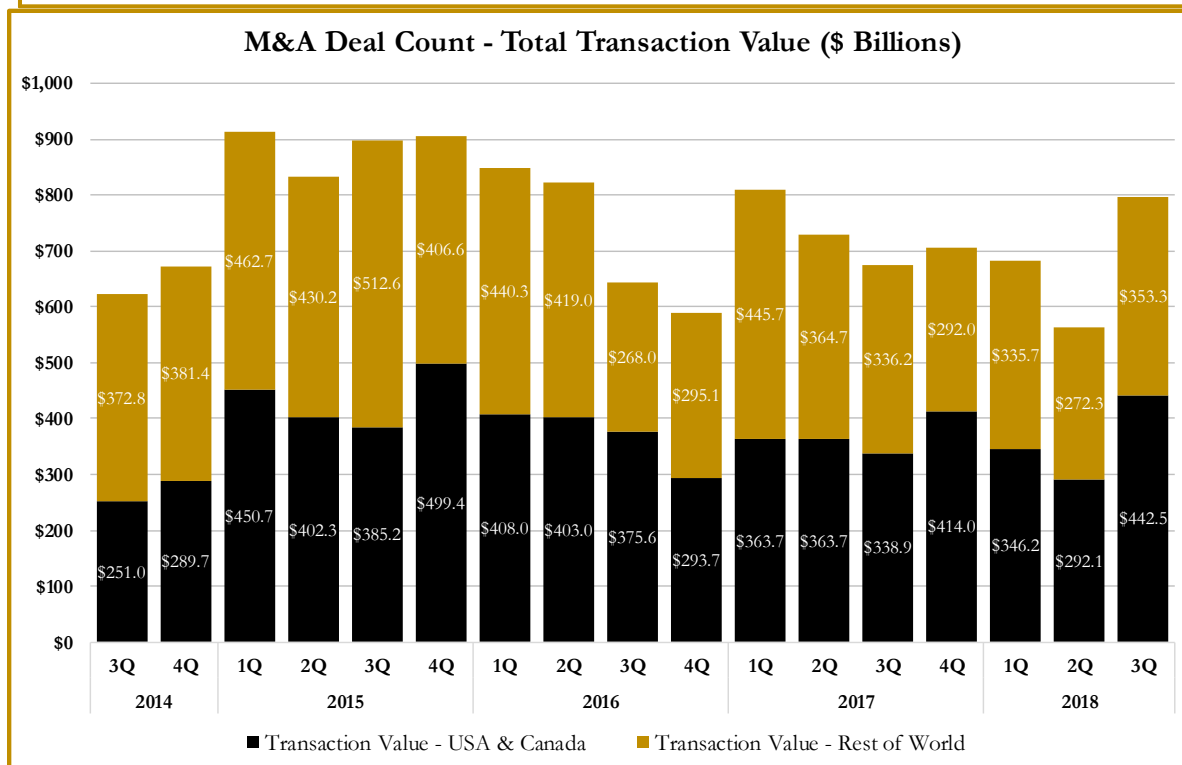
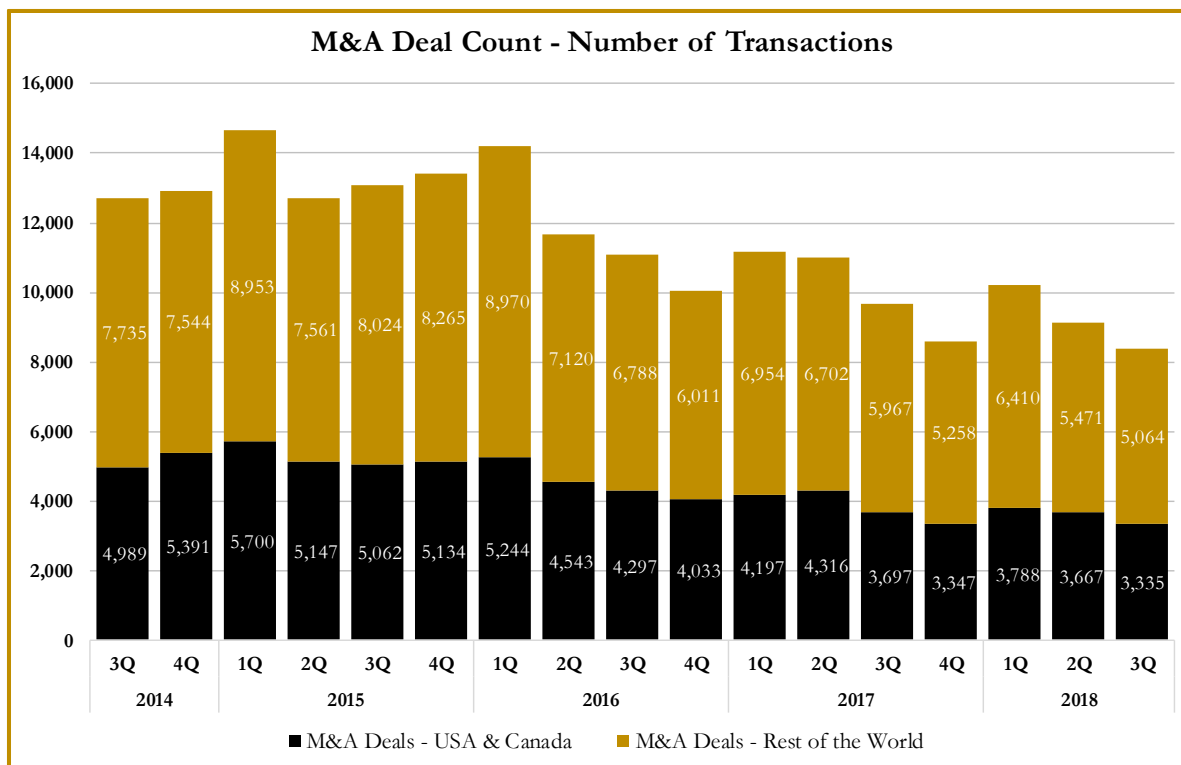
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance
As of September 30, 2018

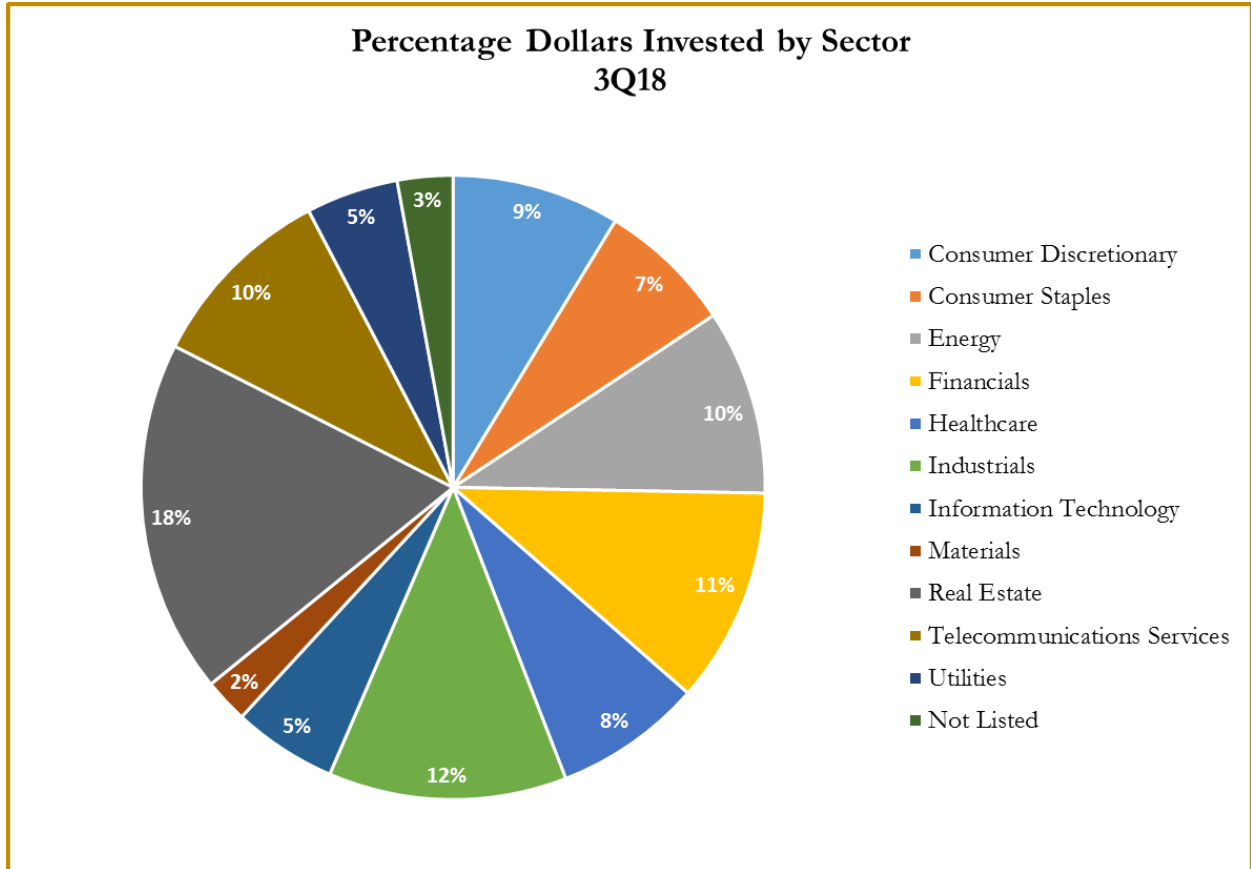


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector As of September 30, 2018



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of September 30, 2018





About Us

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

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We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

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Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

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