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Industry Observations – March 31, 2019

# Transportation & Logistics Industry

## Select Transportation & Logistics Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

| Company Name                                  | Ticker | Market Data       |                   |              |                  |                      | LTM Operating Data |             |            | Forward Estimates        |                         |
|---|--------|-------------------|-------------------|--------------|------------------|----------------------|--------------------|-------------|------------|--------------------------|-------------------------|
|   |        | Price at 03/31/19 | % of 52 Week High | Equity Value | Enterprise Value | Debt / Total Capital | Total Assets       | LTM Revenue | LTM EBITDA | CY 2019 Revenue Estimate | CY 2019 EBITDA Estimate |
| <b>Transportation - Less Than Truckload</b>   |        |                   |                   |              |                  |                      |                    |             |            |                          |                         |
| ArcBest Corporation                           | ARCB   | \$ 30.79          | 59.8%             | \$ 786.3     | \$ 781.8         | 29.0%                | \$ 1,539.2         | \$ 3,093.8  | \$ 232.3   | \$3,191.21               | \$248.09                |
| Old Dominion Freight Line, Inc.               | ODFL   | \$ 144.39         | 84.8%             | \$ 11,716.8  | \$ 11,571.5      | 1.7%                 | \$ 3,545.3         | \$ 4,043.7  | \$ 1,047.4 | \$4,345.78               | \$1,123.22              |
| Saia, Inc.                                    | SALA   | \$ 61.10          | 70.2%             | \$ 1,565.1   | \$ 1,685.7       | 15.0%                | \$ 1,133.7         | \$ 1,653.8  | \$ 243.3   | \$1,748.72               | \$277.61                |
| YRC Worldwide Inc.                            | YRCW   | \$ 6.69           | 56.9%             | \$ 226.4     | \$ 873.7         | 153.7%               | \$ 1,617.1         | \$ 5,092.0  | \$ 268.1   | \$5,099.45               | \$286.63                |
| <b>Transportation - Long-Haul / Truckload</b> |        |                   |                   |              |                  |                      |                    |             |            |                          |                         |
| Covenant Transportation Group, Inc.           | CVTI   | \$ 18.98          | 53.9%             | \$ 348.6     | \$ 561.3         | 40.7%                | \$ 773.5           | \$ 885.5    | \$ 136.6   | \$1,024.05               | \$136.44                |
| J.B. Hunt Transport Services, Inc.            | JBHT   | \$ 101.29         | 76.9%             | \$ 11,014.2  | \$ 12,160.5      | 36.8%                | \$ 5,324.2         | \$ 8,756.3  | \$ 1,119.3 | \$9,292.29               | \$1,356.49              |
| Knight-Swift Transportation Holdings          | KNX    | \$ 32.68          | 69.7%             | \$ 5,653.9   | \$ 6,502.3       | 14.5%                | \$ 7,911.9         | \$ 5,344.1  | \$ 965.9   | \$5,566.48               | \$1,073.27              |
| Werner Enterprises, Inc.                      | WERN   | \$ 34.15          | 79.8%             | \$ 2,407.2   | \$ 2,498.2       | 9.0%                 | \$ 2,083.5         | \$ 2,457.9  | \$ 444.7   | \$2,619.11               | \$490.05                |
| <b>Transportation - Other</b>                 |        |                   |                   |              |                  |                      |                    |             |            |                          |                         |
| FedEx Corporation                             | FDX    | \$ 181.41         | 68.0%             | \$ 47,270.8  | \$ 62,814.8      | 48.1%                | \$54,464.0         | \$69,200.0  | \$ 8,785.0 | \$70,511.19              | \$8,704.29              |
| United Parcel Service, Inc.                   | UPS    | \$ 111.74         | 89.3%             | \$ 96,116.3  | \$113,873.3      | 88.2%                | \$50,016.0         | \$71,861.0  | \$ 7,665.0 | \$75,755.90              | \$10,524.19             |
| <b>Logistics - Asset Light Transportation</b> |        |                   |                   |              |                  |                      |                    |             |            |                          |                         |
| C.H. Robinson Worldwide, Inc.                 | CHRW   | \$ 86.99          | 86.0%             | \$ 11,904.9  | \$ 12,872.6      | 45.8%                | \$ 4,427.4         | \$16,631.2  | \$ 994.1   | \$17,099.89              | \$1,067.35              |
| Expeditors International of Washington, Inc.  | EXPD   | \$ 75.90          | 97.1%             | \$ 13,043.9  | \$ 12,121.1      | 0.0%                 | \$ 3,314.6         | \$ 8,138.4  | \$ 850.6   | \$8,608.10               | \$895.22                |
| Hub Group, Inc.                               | HUBG   | \$ 40.85          | 72.2%             | \$ 1,420.5   | \$ 1,697.5       | 25.6%                | \$ 1,924.9         | \$ 3,683.6  | \$ 204.1   | \$4,152.07               | \$248.62                |
| XPO Logistics, Inc.                           | XPO    | \$ 53.74          | 46.2%             | \$ 5,868.1   | \$ 10,152.1      | 52.3%                | \$12,270.0         | \$17,279.0  | \$ 1,513.0 | \$17,862.11              | \$1,656.98              |

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

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## Select Transportation & Logistics Public Company Valuation Metrics As of March 31, 2019

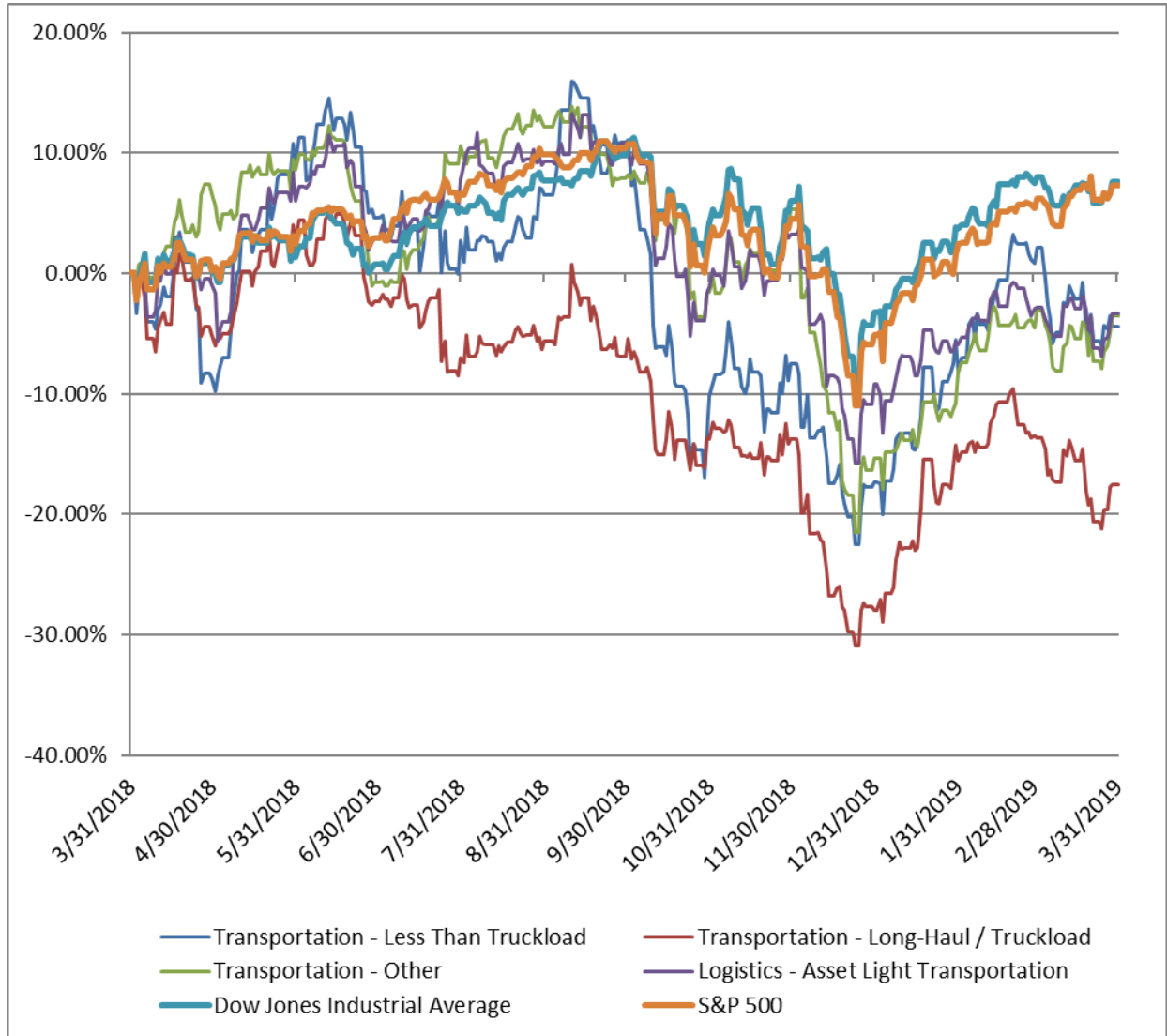
(USD in millions, except per share data)

| Company Name                                  | Ticker | LTM Operating Statistics |                        |                         |                   |                  |                  | Trading Multiples      |                            |                       |                           |
|---|--------|--------------------------|------------------------|-------------------------|-------------------|------------------|------------------|------------------------|----------------------------|-----------------------|---------------------------|
|   |        | Return<br>On<br>Assets   | Return<br>On<br>Equity | Return<br>On<br>Capital | Revenue<br>Growth | EBITDA<br>Growth | EBITDA<br>Margin | TEV/<br>LTM<br>Revenue | TEV/<br>CY 2019<br>Revenue | TEV/<br>LTM<br>EBITDA | TEV/<br>CY 2019<br>EBITDA |
| <b>Transportation - Less Than Truckload</b>   |        |                          |                        |                         |                   |                  |                  |                        |                            |                       |                           |
| ArcBest Corporation                           | ARCB   | 5.4%                     | 9.8%                   | 8.1%                    | 9.5%              | 50.6%            | 7.5%             | 0.3x                   | 0.2x                       | 3.4x                  | 3.2x                      |
| Old Dominion Freight Line, Inc.               | ODFL   | 15.4%                    | 24.4%                  | 20.0%                   | 20.4%             | 34.0%            | 25.9%            | 2.9x                   | 2.7x                       | 11.0x                 | 10.3x                     |
| Saia, Inc.                                    | SAIA   | 8.4%                     | 16.4%                  | 11.5%                   | 17.7%             | 33.8%            | 14.7%            | 1.0x                   | 1.0x                       | 6.9x                  | 6.1x                      |
| YRC Worldwide Inc.                            | YRCW   | 4.7%                     | N/A                    | 13.4%                   | 4.1%              | 9.2%             | 5.3%             | 0.2x                   | 0.2x                       | 3.3x                  | 3.0x                      |
|   | Mean   | 8.5%                     | 16.9%                  | 13.3%                   | 12.9%             | 31.9%            | 13.3%            | 1.1x                   | 1.0x                       | 6.2x                  | 5.6x                      |
|   | Median | 6.9%                     | 16.4%                  | 12.5%                   | 13.6%             | 33.9%            | 11.1%            | 0.6x                   | 0.6x                       | 5.1x                  | 4.6x                      |
| <b>Transportation - Long-Haul / Truckload</b> |        |                          |                        |                         |                   |                  |                  |                        |                            |                       |                           |
| Covenant Transportation Group,                | CVTI   | 5.3%                     | 13.3%                  | 7.0%                    | 25.6%             | 35.9%            | 15.4%            | 0.6x                   | 0.5x                       | 4.1x                  | 4.1x                      |
| J.B. Hunt Transport Services, Inc.            | JBHT   | 8.7%                     | 23.7%                  | 13.2%                   | 16.6%             | 7.3%             | 12.8%            | 1.4x                   | 1.3x                       | 10.9x                 | 9.0x                      |
| Knight-Swift Transportation Holdings          | KNX    | 4.3%                     | 7.9%                   | 5.3%                    | 120.3%            | 120.1%           | 18.1%            | 1.2x                   | 1.2x                       | 6.7x                  | 6.1x                      |
| Werner Enterprises, Inc.                      | WERN   | 6.9%                     | 13.7%                  | 10.1%                   | 16.1%             | 25.4%            | 18.1%            | 1.0x                   | 1.0x                       | 5.6x                  | 5.1x                      |
|   | Mean   | 6.3%                     | 14.6%                  | 8.9%                    | 44.7%             | 47.2%            | 16.1%            | 1.1x                   | 1.0x                       | 6.8x                  | 6.1x                      |
|   | Median | 6.1%                     | 13.5%                  | 8.6%                    | 21.1%             | 30.6%            | 16.8%            | 1.1x                   | 1.1x                       | 6.2x                  | 5.6x                      |
| <b>Transportation - Other</b>                 |        |                          |                        |                         |                   |                  |                  |                        |                            |                       |                           |
| FedEx Corporation                             | FDX    | 6.5%                     | 18.7%                  | 9.2%                    | 8.4%              | 9.2%             | 12.7%            | 0.9x                   | 0.9x                       | 7.2x                  | 7.2x                      |
| United Parcel Service, Inc.                   | UPS    | 7.1%                     | 236.0%                 | 13.3%                   | 7.9%              | -13.0%           | 10.7%            | 1.6x                   | 1.5x                       | 14.9x                 | 10.8x                     |
|   | Mean   | 6.8%                     | 127.3%                 | 11.3%                   | 8.1%              | -1.9%            | 11.7%            | 1.2x                   | 1.2x                       | 11.0x                 | 9.0x                      |
|   | Median | 6.8%                     | 127.3%                 | 11.3%                   | 8.1%              | -1.9%            | 11.7%            | 1.2x                   | 1.2x                       | 11.0x                 | 9.0x                      |
| <b>Logistics - Asset Light Transportation</b> |        |                          |                        |                         |                   |                  |                  |                        |                            |                       |                           |
| C.H. Robinson Worldwide, Inc.                 | CHRW   | 13.2%                    | 44.0%                  | 19.5%                   | 11.8%             | 16.4%            | 6.0%             | 0.8x                   | 0.8x                       | 12.9x                 | 12.1x                     |
| Expeditors International of Washington, Inc.  | EXPD   | 15.5%                    | 31.1%                  | 25.0%                   | 17.6%             | 14.1%            | 10.5%            | 1.5x                   | 1.4x                       | 14.3x                 | 13.5x                     |
| Hub Group, Inc.                               | HUBG   | 4.2%                     | 10.0%                  | 6.3%                    | 17.9%             | 49.5%            | 5.5%             | 0.5x                   | 0.4x                       | 8.3x                  | 6.8x                      |
| XPO Logistics, Inc.                           | XPO    | 4.0%                     | 11.1%                  | 5.9%                    | 12.3%             | 18.0%            | 8.8%             | 0.6x                   | 0.6x                       | 6.7x                  | 6.1x                      |
|   | Mean   | 9.2%                     | 24.1%                  | 14.2%                   | 14.9%             | 24.5%            | 7.7%             | 0.8x                   | 0.8x                       | 10.6x                 | 9.6x                      |
|   | Median | 8.7%                     | 21.1%                  | 12.9%                   | 15.0%             | 17.2%            | 7.4%             | 0.7x                   | 0.7x                       | 10.6x                 | 9.4x                      |

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 March 31, 2019



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

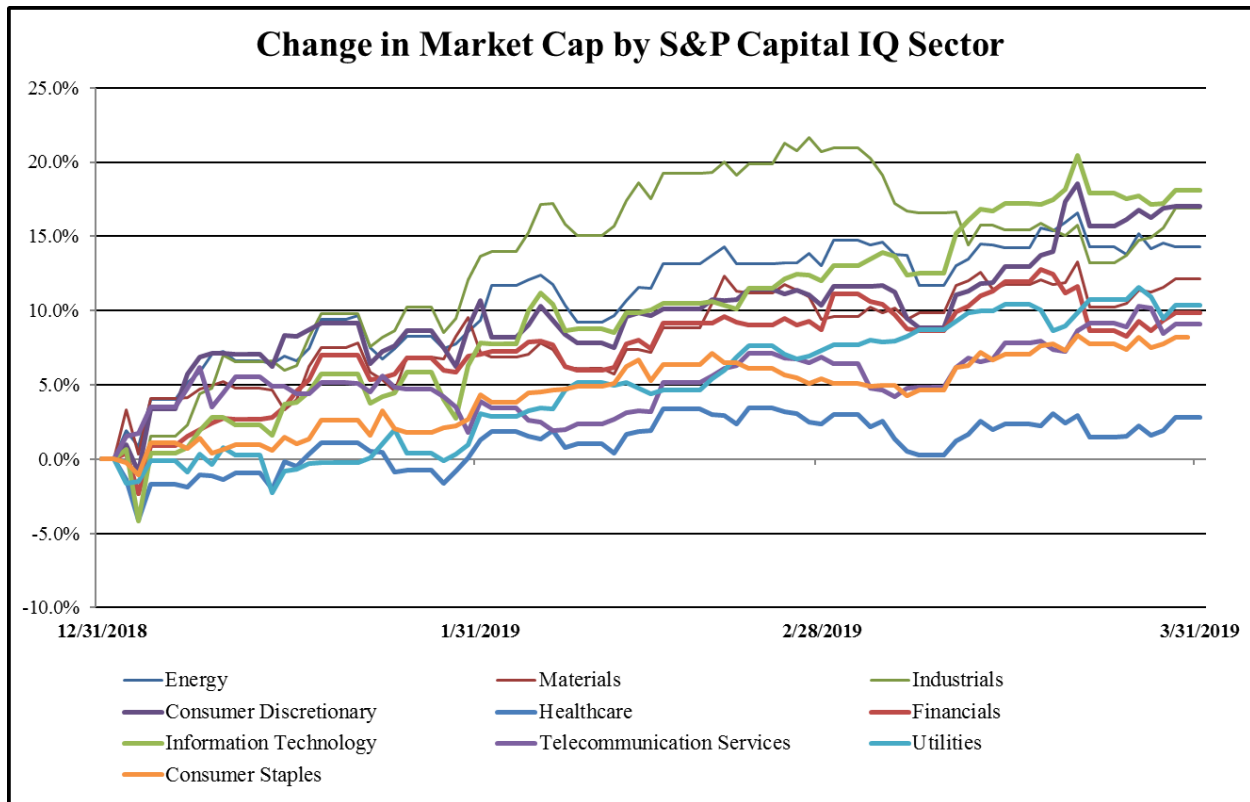
## Recent M&A Activity in the Transportation & Logistics Industry March 31, 2018 to March 31, 2019

(USD in millions)

| Close Date | Target  | Acquirer  | Target Company Primary Industry | Implied Enterprise Value |
|------------|---|---|---------------------------------|--------------------------|
| 11/9/2018  | Omni Air International, LLC                               | Air Transport Services Group, Inc.                        | Airlines                        | \$845.00                 |
| 12/31/2018 | Q International Courier, Inc.                             | Kuehne + Nagel International AG                           | Air Freight and Logistics       | \$510.51                 |
| 12/3/2018  | American Fast Freight, Inc.                               | Odyssey Logistics & Technology Corporation                | Marine                          | \$465.00                 |
| 7/31/2018  | White Pass & Yukon Route Rail and Port Operations Of      | Royal Hwy Tours Inc.                                      | Railroads                       | \$290.00                 |
| 12/3/2018  | CaseStack, Inc.   | Hub Group, Inc.   | Air Freight and Logistics       | \$255.00                 |
| 11/29/2018 | Motivate LLC  | Lyft, Inc.  | Trucking                        | \$243.69                 |
| 8/24/2018  | DSC Logistics, Inc.                                       | CJ Logistics USA Corporation                              | Air Freight and Logistics       | \$240.13                 |
| 8/31/2018  | MODE Transportation, LLC                                  | York Capital Management                                   | Trucking                        | \$238.50                 |
| 7/16/2018  | American Roads LLC  | DIF; DIF Infrastructure V                                 | Highways and Railtracks         | \$220.00                 |
| 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                 |
| 2/15/2019  | All Assets of Joseph Cory Warehouses, Inc.                | J.B. Hunt Transport, Inc.                                 | Trucking                        | \$100.00                 |
| 1/23/2019  | Parcel Pending, Inc.                                      | Neopost S.A.  | Air Freight and Logistics       | \$100.00                 |
| 8/3/2018   | Walpar, LLC   | Valmont Industries, Inc.                                  | Diversified Metals and Mining   | \$80.28                  |
| 12/21/2018 | DAL Global Services, LLC                                  | Argenbright Holdings I, LLC                               | Airport Services                | \$78.43                  |
| 5/10/2018  | Inland Marine Tank Barge Business of Targa Resources      | Kirby Corporation   | Marine                          | \$69.30                  |
| 8/10/2018  | Southern Counties Express, Inc./Aquarius Financial, Inc.  | Mason Dixon Intermodal, Inc.                              | Trucking                        | \$65.00                  |
| 10/18/2018 | Davis Transfer Company Inc./Davis Transfer Logistics      | USA Truck, Inc.   | Trucking                        | \$53.00                  |
| 6/30/2018  | Logistics Business of R.R. Donnelley & Sons Company       | LSC Communications, Inc.                                  | Air Freight and Logistics       | \$52.00                  |
| 1/16/2019  | Blackbird Logistics Corporation                           | Santé Venitas Holdings Inc. (nka:TILT Holdings Inc.)      | Air Freight and Logistics       | \$50.00                  |
| 1/22/2019  | ExpressJet Airlines, Inc.                                 | ManaAir, LLC  | Airlines                        | \$13.00                  |
| 10/12/2018 | Specialized Rail Service, Inc.                            | Westport Axle Corp.                                       | Trucking                        | \$12.30                  |
| 7/6/2018   | Substantially All Assets of Freight Management Plus, Inc. | Echo Global Logistics, Inc.                               | Air Freight and Logistics       | \$10.20                  |
| 5/25/2018  | Pensacola Stevedore Company, Inc.                         | Logistec Corporation                                      | Marine Ports and Services       | \$9.60                   |
| 1/2/2019   | Sheehy Mail Contractors, Inc.                             | EVO Transportation & Energy Services, Inc.                | Trucking                        | \$8.80                   |
| 2/4/2019   | Morris Sheet Metal Corp./ Morris Enterprises, LLC/ Morris | Alpine 4 Technologies Ltd.                                | Trucking                        | \$6.60                   |
| 10/25/2018 | J & B Services, Inc.                                      | Milan Supply Chain Solutions                              | Trucking                        | \$6.40                   |
| 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                   |
| 2/7/2019   | Ursa Major Corporation                                    | EVO Transportation & Energy Services, Inc.                | Trucking                        | \$2.00                   |
| 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                   |
| 11/16/2018 | W.E. Graham, Inc.   | EVO Transportation & Energy Services, Inc.                | Trucking                        | \$0.49                   |
| 3/26/2019  | International Fulfillment Solutions, LLC/ IFS360          | Rakuten Super Logistics, Inc.                             | Air Freight and Logistics       | NA                       |
| 3/22/2019  | Assets and Operations of Ocean Tech Services, LLC         | EOM Offshore LLC  | Marine                          | NA                       |
| 3/21/2019  | Hunter Maritime Acquisition Corp.                         | Hunter Maritime Acquisition Corp.                         | Marine                          | NA                       |
| 3/19/2019  | NYK Terminals (North America) Inc.                        | Macquarie Infrastructure Partners Inc.; Macquarie         | Marine Ports and Services       | NA                       |
| 3/13/2019  | Scenic Technology Corporation                             | The Related Companies, L.P.; Greenfield Partners, LLC     | Air Freight and Logistics       | NA                       |
| 3/13/2019  | Costin Airport  | Skyborne Technology, Inc.                                 | Airport Services                | NA                       |
| 3/10/2019  | Stevens Worldwide Van Lines, Inc.                         | Wheaton Van Lines, Inc.                                   | Trucking                        | NA                       |
| 3/8/2019   | TAD Relocation/TAD Transport                              | WayForth  | Trucking                        | NA                       |
| 3/5/2019   | Bullet Deliveries, Inc.                                   | N/A   | Air Freight and Logistics       | NA                       |
| 3/4/2019   | Fleet Trailer Rentals LLC                                 | American Trailer Rental Group                             | Trucking                        | NA                       |
| 3/1/2019   | Door To Door Solutions, Inc.                              | WayForth  | Trucking                        | NA                       |
| 3/1/2019   | Business and Assets of Leading Edge Services, LLC         | Sharp Details, Inc.                                       | Airport Services                | NA                       |
| 2/28/2019  | Riechmann Transport, Inc.                                 | PS Logistics, LLC   | Trucking                        | NA                       |
| 2/27/2019  | Front Range Aviation (nka:Great Falls Jet Center)         | Eagle Jet Solutions                                       | Airport Services                | NA                       |
| 2/25/2019  | New England Southern Railroad in Concord, New             | United Rail, Inc.   | Railroads                       | NA                       |
| 2/25/2019  | Schilli Corporation                                       | TFI International Inc.                                    | Trucking                        | NA                       |
| 2/21/2019  | Andrie, Inc.  | Auxo Investment Partners                                  | Marine                          | NA                       |
| 2/21/2019  | Sea Tow South Miami & Key Biscayne                        | N/A   | Marine Ports and Services       | NA                       |
| 2/20/2019  | Tidewater Holdings, Incorporated                          | BlackRock, Inc.; Ullico Inc.; The Silverfern Group, Inc.; | Marine                          | NA                       |
| 2/19/2019  | San Juan FBO of Pazos FBO Services                        | Jet Aviation AG   | Airport Services                | NA                       |
| 2/15/2019  | Rectrix Commercial Aviation Services, Inc.                | Ross Aviation LLC   | Airlines                        | NA                       |
| 2/14/2019  | Scott Logistics Corp.                                     | FLS Transportation Services (USA) Inc.                    | Air Freight and Logistics       | NA                       |
| 2/12/2019  | Mokulele Flight Service, Inc.                             | Southern Airways Corporation                              | Airlines                        | NA                       |

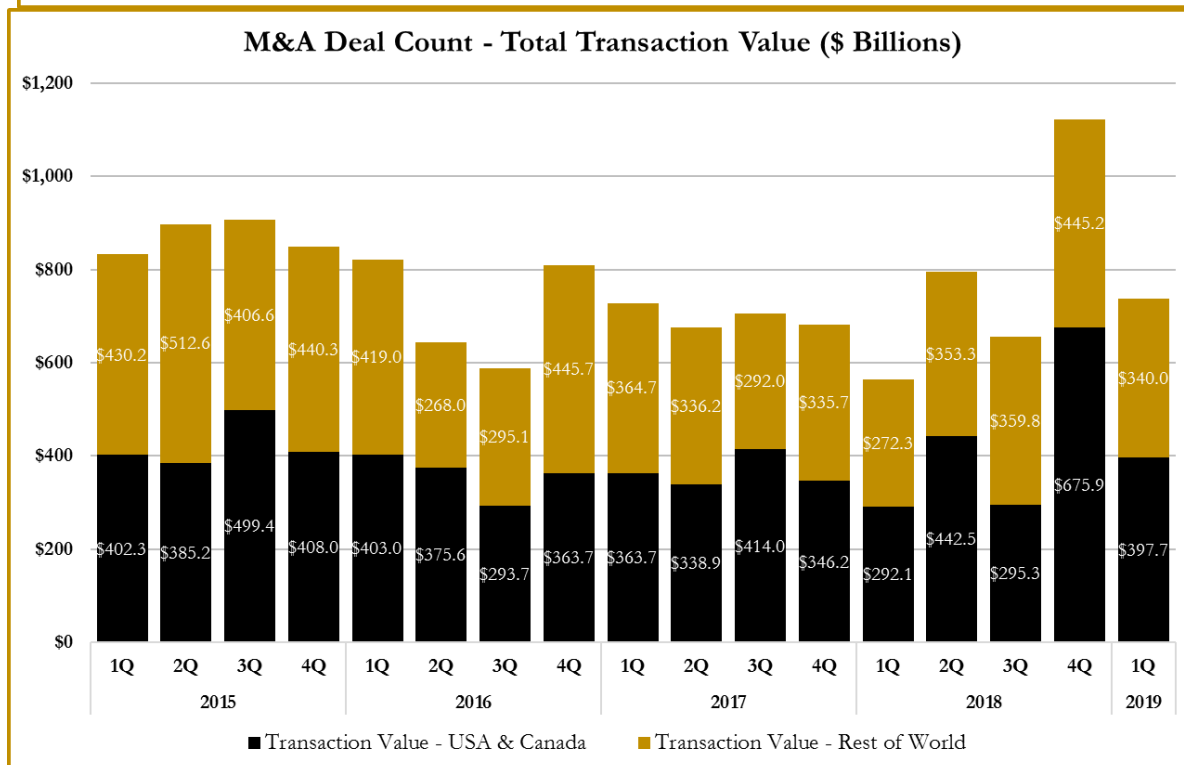
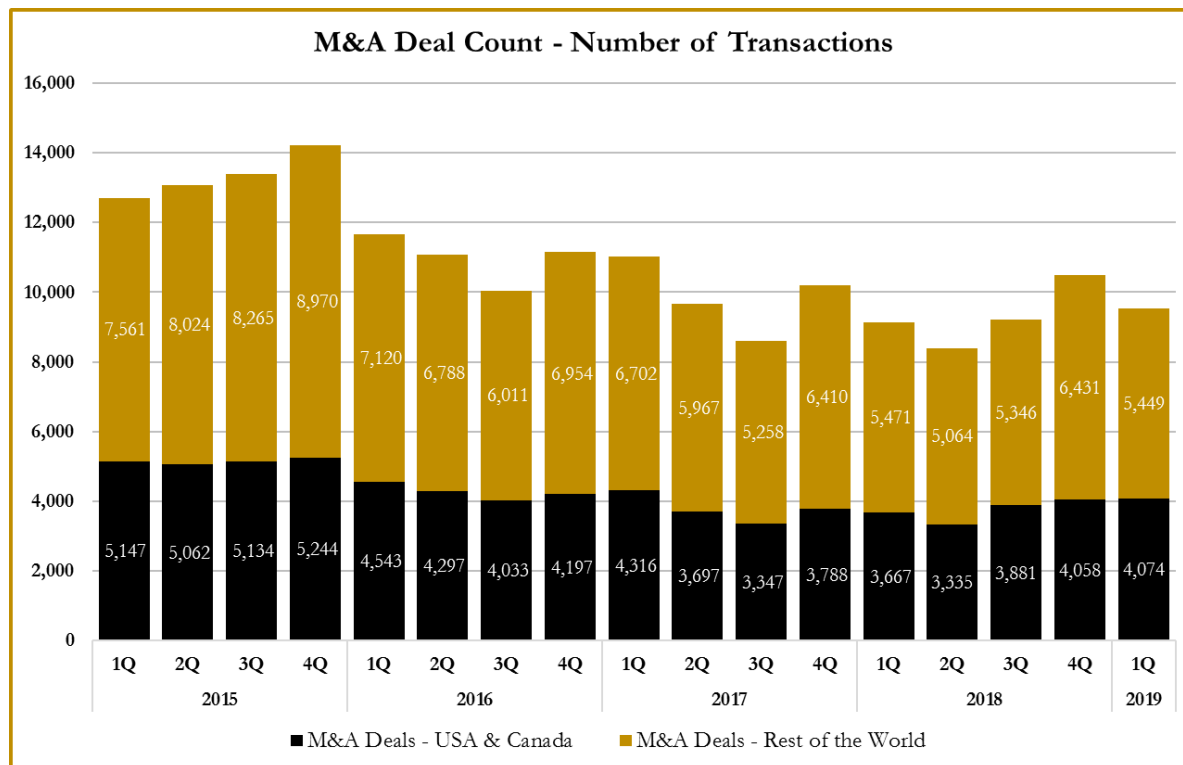
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance  
As of March 31, 2019

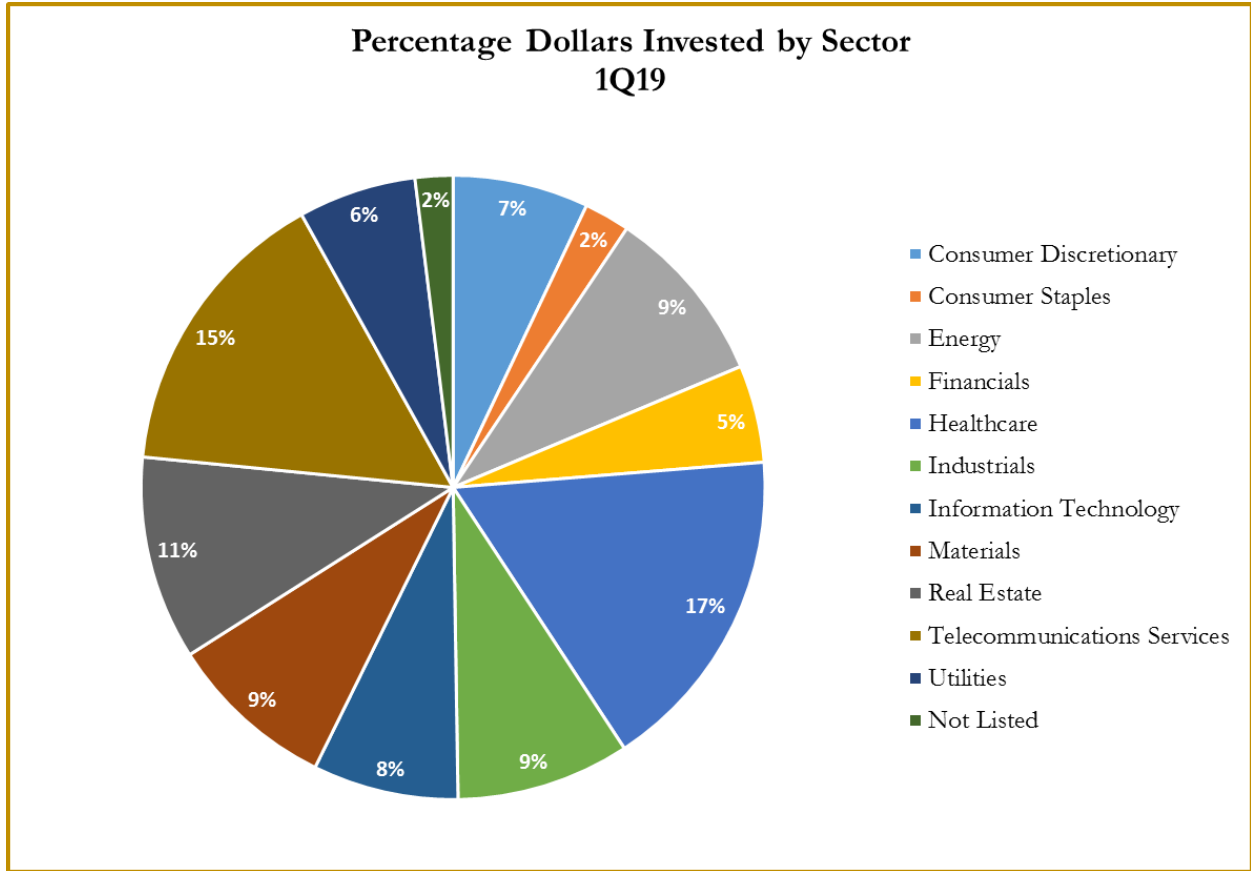


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

### M&A Deal Flow Statistics by S&P Capital IQ Sector As of March 31, 2019



M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of March 31, 2019







## About Us

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**Andrew Smith**

asmith@houlihancapital.com  
312.450.8610

**Paul Clark**

pclark@houlihancapital.com  
312.450.8656

**Michael Norton**

mnorton@houlihancapital.com  
312.450.8628

**Monica Blocker**

mblocker@houlihancapital.com  
312.450.8699

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