



## **Executive Summary**

Key Takeaways

## **Key Trends**

- **Regulatory:** New regulations, such as the EU Green Deal and the U.S. SEC Climate Disclosure Rules, are compelling logistics companies to adopt greener practices, including the use of electric vehicles and optimized delivery routes.
- **Technology:** Companies like Aurora and Volvo are deploying driverless trucks on routes such as Dallas–Houston, addressing driver shortages and enhancing efficiency. Platforms like Uber Freight are also utilizing AI to reduce empty miles and optimize routing
- **Political:** Geopolitical tensions, including U.S. trade policies and tariffs, are introducing uncertainties in global shipping, affecting container rates and supply chain stability.

## Market Overview

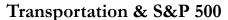
- After showing signs of recovery in late 2024, the transportation and logistics sector saw a **downturn** in performance in Q1 2025.
- M&A activity, which reached a two-year high in Q4 2024, **fell** to its lowest level since 2023.
- Geopolitical tensions, fragmented regulations, and volatile energy prices continue to drive uncertainty across the industry.

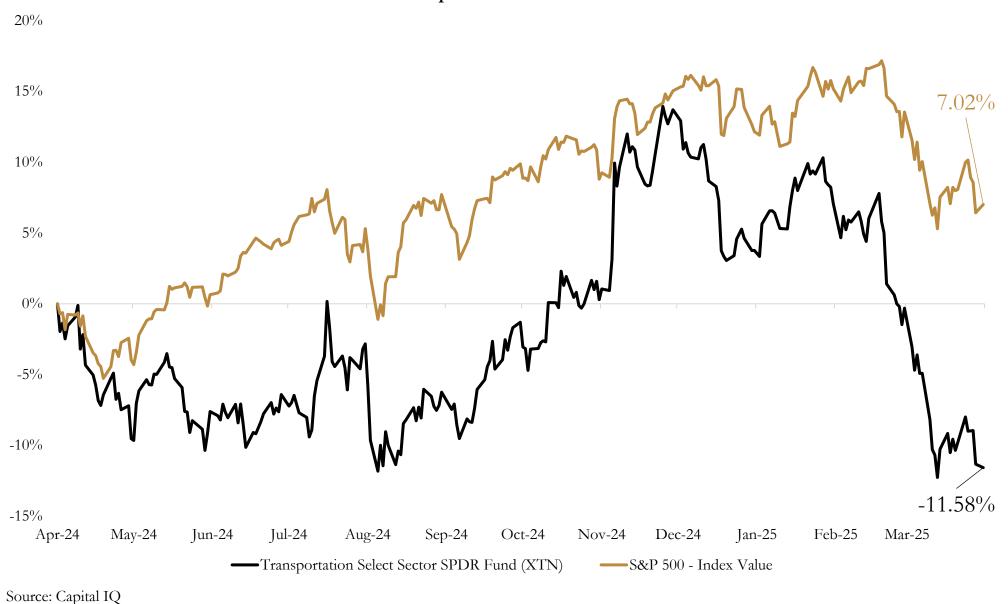
## External Drivers

- Ongoing U.S.—China tariffs and geopolitical uncertainty are disrupting global freight flows and pressuring logistics planning.
- Commercial deployment of driverless freight routes, like Aurora's in Texas, is helping offset labor shortages and improve efficiency.
- Fluctuating fuel costs, driven by geopolitical instability and energy transition dynamics, are impacting carrier margins and pricing.

Sources: CtrlChain, Axios, Business Insider, Reuters, Fleetio.

Sector ETF vs. S&P 500





# Public Market Performance Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

		Financial Metrics					Valuation Metrics				
Company Name	Ticker	Price at 03/31/25	% of 52 Week High	TEV	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin	TEV / LTM Revenue	TEV LTM EBITDA	
Airlines & Air Transportation											
Delta Air Lines, Inc.	DAL	\$43.60	62.3%	\$53,414	\$61,935	\$7,950	4.9%	12.8%	0.9x	6.7x	
United Airlines Holdings, Inc.	UAL	\$69.05	59.5%	\$44,768	\$57,737	\$8,504	5.3%	14.7%	0.8x	5.3x	
American Airlines Group Inc.	AAL	\$10.55	55.2%	\$36,405	\$54,192	\$5,323	1.9%	9.8%	0.7x	6.8x	
Southwest Airlines Co.	LUV	\$33.58	93.0%	\$19,324	\$27,582	\$1,891	3.2%	6.9%	0.7x	10.2x	
Alaska Air Group, Inc.	ALK	\$49.22	63.0%	\$10,073	\$12,640	\$1,528	20.8%	12.1%	0.8x	6.6x	
JetBlue Airways Corporation	JBLU	\$4.82	58.0%	\$7,698	\$9,210	\$483	-3.0%	5.2%	0.8x	15.9x	
SkyWest, Inc.	SKYW	\$87.37	64.4%	\$6,053	\$3,673	\$908	20.5%	24.7%	1.6x	6.7x	

Trucking & Ground Freight & Logistics										
Old Dominion Freight Line, Inc.	ODFL	\$165.45	70.9%	\$35,442	\$5,730	\$1,845	-2.6%	32.2%	6.2x	19.2x
XPO, Inc.	XPO	\$107.58	66.8%	\$18,476	\$8,008	\$1,216	1.9%	15.2%	2.3x	15.2x
U-Haul Holding Company	UHAL	\$65.36	82.7%	\$17,532	\$5,829	\$1,702	3.6%	29.2%	3.0x	10.3x
J.B. Hunt Transport Services, Inc.	ЈВНТ	\$147.95	73.8%	\$16,278	\$12,065	\$1,573	-3.8%	13.0%	1.3x	10.3x
Ryder System, Inc.	R	\$143.81	83.7%	\$15,043	\$12,669	\$2,742	6.2%	21.6%	1.2x	5.5x
C.H. Robinson Worldwide, Inc.	CHRW	\$102.40	89.2%	\$13,017	\$17,359	\$804	-0.2%	4.6%	0.7x	16.2x
Knight-Swift Transportation Holdings Inc.	KNX	\$43.49	70.7%	\$10,350	\$7,412	\$1,049	1.2%	14.1%	1.4x	9.9x
GXO Logistics, Inc.	GXO	\$39.08	61.7%	\$10,095	\$12,230	\$822	23.4%	6.7%	0.8x	12.3x
Saia, Inc.	SAIA	\$349.43	55.9%	\$7,399	\$3,242	\$659	8.9%	20.3%	2.3x	11.2x
Landstar System, Inc.	LSTR	\$150.20	76.3%	\$4,692	\$4,816	\$281	-4.7%	5.8%	1.0x	16.7x

Source: Capital IQ

# **Public Market Performance**Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

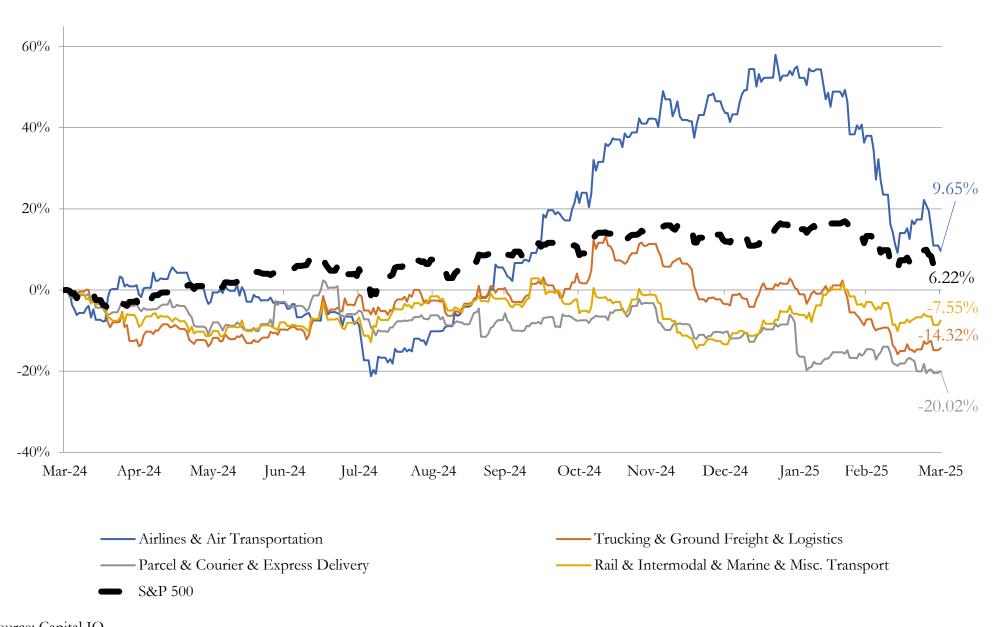
(O3D in munons, except per soure unit)		Financial Metrics				Valuation Metrics				
Company Name	Ticker	Price at 03/31/25	% of 52 Week High	TEV	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin	TEV / LTM Revenue	TEV LTM EBITDA
Parcel & Courier & Express Delivery										
United Parcel Service, Inc.	UPS	\$109.99	71.3%	\$107,316	\$90,910	\$11,613	1.3%	12.8%	1.2x	9.2x
FedEx Corporation	FDX	\$243.78	77.7%	\$86,443	\$87,815	\$10,992	0.3%	12.5%	1.0x	7.9x
Expeditors International of Washington, Inc.	. EXPD	\$120.25	91.4%	\$15,011	\$11,060	\$1,153	24.1%	10.4%	1.4x	13.0x
Rail & Intermodal & Marine & Misc. Tra	nsport									
Uber Technologies, Inc.	UBER	\$72.86	83.7%	\$181,653	\$45,380	\$4,576	17.6%	10.1%	4.0x	39.7x
Union Pacific Corporation	UNP	\$236.24	91.5%	\$167,861	\$24,246	\$12,179	0.6%	50.2%	6.9x	13.8x
CSX Corporation	CSX	\$29.43	79.3%	\$79,842	\$14,282	\$6,789	-2.4%	47.5%	5.6x	11.8x
Norfolk Southern Corporation	NSC	\$236.85	85.3%	\$73,762	\$12,112	\$5,994	0.7%	49.5%	6.1x	12.3x
Avis Budget Group, Inc.	CAR	\$75.90	57.4%	\$30,324	\$11,668	\$901	-2.8%	7.7%	2.6x	33.7x
Hertz Global Holdings, Inc.	HTZ	\$3.94	49.9%	\$20,175	\$8,782	-\$810	-6.6%	-9.2%	2.3x	N/A
Kirby Corporation	KEX	\$101.01	76.4%	\$7,546	\$3,244	\$660	3.0%	20.3%	2.3x	11.4x
Lyft, Inc.	LYFT	\$11.87	60.4%	\$5,671	\$5,959	\$63	27.3%	1.1%	1.0x	90.6x
Matson, Inc.	MATX	\$128.17	75.8%	\$4,306	\$3,482	\$757	11.9%	21.7%	1.2x	5.7x
FTAI Infrastructure Inc.	FIP	\$4.53	43.3%	\$3,889	\$345	\$93	5.7%	27.0%	11.3x	41.8x
Genco Shipping & Trading Limited	GNK	\$13.36	57.0%	\$641	\$377	\$96	-7.4%	25.3%	1.7x	6.7x

Source: Capital IQ

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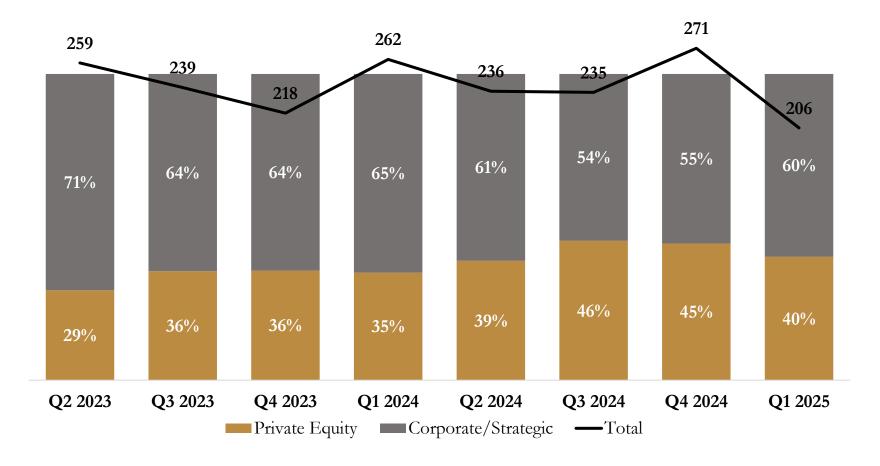
## **Public Market Performance**

Sub-Industry Performance vs. S&P 500



**M&A Trends**Quarterly M&A Volume (Strategic vs. Private Equity)

Over the past two years, strategic acquirers have led M&A activity in the transportation and logistics sector, accounting for approximately 62% of total deal volume on average. The industry saw strong momentum in 2024, with over 1,000 transactions completed. However, activity slowed in Q1 2025, largely due to a combination of factors: tightening credit markets have made acquisition financing more expensive, while lingering macroeconomic uncertainty and shifting global trade dynamics have caused strategic buyers to adopt a more cautious stance.



Source: PitchBook

# M&A Trends Recent M&A Transactions

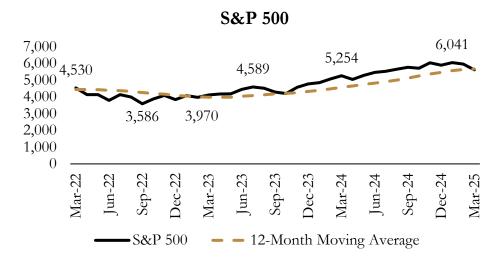
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Sep-24	Hawaiian Holdings, Inc.	Alaska Air Group, Inc.	\$1,842
Apr-24	Daseke, Inc.	TFI International Inc.	\$1,098
Sep-24	Coyote Logistics, LLC	RXO, Inc.	\$1,029
Apr-24	Eagle Bulk Shipping Inc.	Star Bulk Carriers Corp.	\$987
Dec-24	Cowan Equipment Leasing, LLC/Cowan Transport Holdings, LLC/Cowan	Schneider National, Inc.	\$390
Apr-24	The Northwest Parkway LLC	VINCI Highways SAS	\$232
May-24	Delta Automotive Services, Inc.	PAL Stock Acquiror, Inc.	\$73
Nov-24	Turbine Standard Ltd.	BSEL USA, Inc.	\$41
May-24	Deluxe Auto Carriers, Inc.	Proficient Auto Logistics, Inc.	\$39
Nov-24	Nordic Bulk Partners LLC	Pangaea Logistics Solutions, Ltd.	\$38
Mar-25	Flewber Global Inc.	Creatd, Inc.	\$14
Sep-24	Foundation Logistics & Services, LLC	Radiant Logistics, Inc.	\$12
Apr-24	Assets of Reading Jet Center, Inc.	Reading Regional Airport	\$9
Aug-24	Buckshot Trucking LLC	Enservco Corporation	\$6
Mar-25	Pure NJ Logistics LLC	Smart Repair Pro	\$3
Apr-24	Eb Rental, Ltd.	EB Strategies Inc.	\$1
Mar-25	J&J Transportation Consultants Inc	Neace Ventures	NA
Mar-25	Thoroughbred Transportation Inc.	Neace Ventures	NA
Mar-25	M. C. Tank Transport, Inc.	Kenan Advantage Group, Inc.	NA
Mar-25	High Point Logistics, LLC	Fitzmark, Inc.	NA
Mar-25	North Coast Logistics, Inc.	Cobalt Wine Logistics LLC	NA
Mar-25	Sabine River & Northern Railroad LLC	County Line Rail Services LLC	NA
Mar-25	Evergreen Transport, LLC.	Kenan Advantage Group, Inc.	NA
Mar-25	Future Labs, LLC	KTA-Tator, Inc.	NA
Mar-25	BandWagon RV Rentals, LLC	Celebrity Coaches, LLC	NA
Mar-25	Ckj Transport Of North Texas	Miles Ahead Brands Services, LLC	NA
Mar-25	Transcon Shipping Co., Inc.	Radiant Logistics, Inc.	NA
Feb-25	Bay Bridge Marina, LLC	The Talaria Company, LLC	NA
Feb-25	Saturn Freight Systems, Inc.	Allstates WorldCargo, Inc.	NA
Feb-25	Dth Expeditors, Inc.	IMPERATIVE LOGISTICS GROUP, LLC	NA

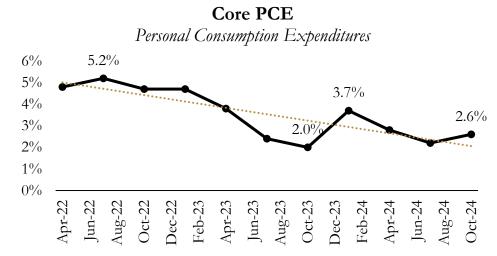
Source: Capital IQ

## Macroeconomic Environment

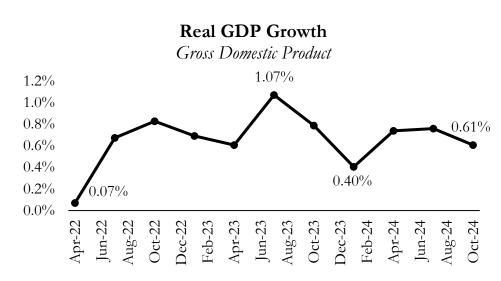
Macroeconomic Indicators



A leading equity index tracking the performance of 500 large U.S. companies.



A key inflation gauge that tracks consumer spending, excluding volatile food and energy prices.



Federal Funds Rate

Tracks inflation-adjusted economic output, typically reported quarterly.

6%

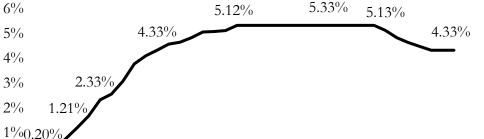
5%

4%

3%

2%

0%



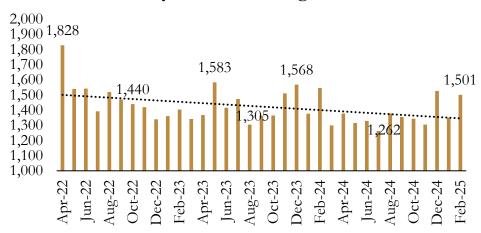
Sep-22 Nov-22Mar-23 May-23 Jul-23 Sep-23 Nov-23 Jan-24 Mar-24 May-24 Jul-24 Jan-23 The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

Source: Capital IQ, St. Louis Fed – FRED Economic Data, Institute for Supply Management

## **Macroeconomic Environment**

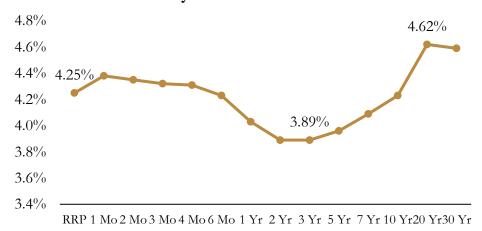
Macroeconomic Indicators (Cont.)

### New Privately-Owned Housing Units Started<sup>1</sup>



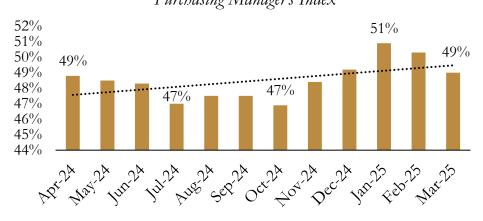
Measures the number of new residential construction projects begun each month.

### Treasury Par Yield Curve Rates



Displays yields across Treasury maturities, reflecting market expectations for future interest rates.

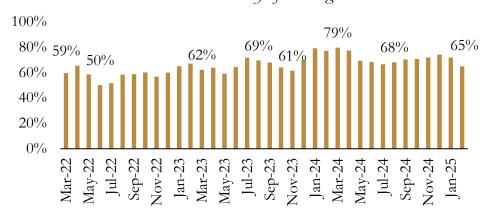
Manufacturing PMI
Purchasing Manager's Index



A monthly survey signaling manufacturing sector activity; readings above 50 indicate expansion.

### **Consumer Sentiment**

From the University of Michigan



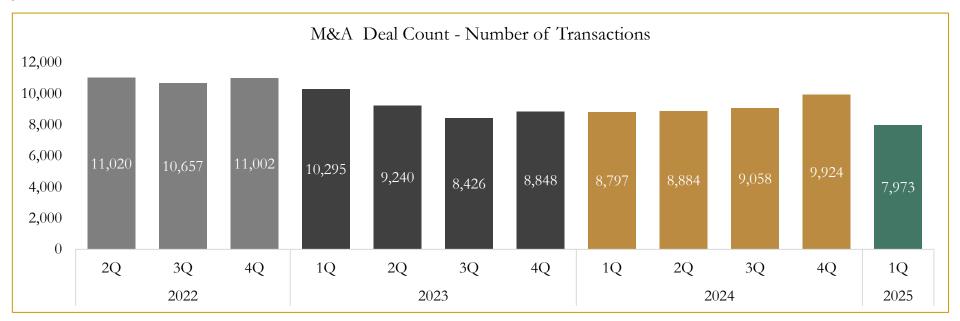
Measures consumer confidence in the economy based on monthly survey data.

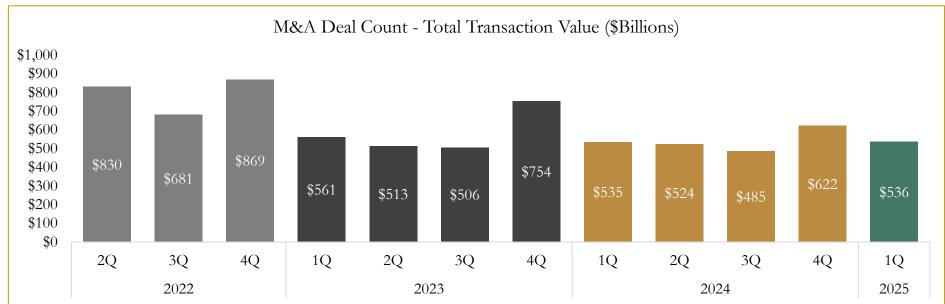
Source: St. Louis Fed – FRED Economic Data <sup>1</sup>Figures in Thousands

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## **Macroeconomic Environment**

Total M&A Volume (Past Three (3) Years)





Source: Capital IQ; Data derived from M&A activity over the past three years.

## Houlihan Capital

About Us

## **Company Overview**

- Founded in 1996, Houlihan Capital is an employeeowned valuation and investment banking firm.
- As a member of FINRA and SIPC, our team of 40+ professionals are committed to the highest levels of quality and professionalism.

## **Divisions & Core Offerings**

- Valuation & Financial Advisory Portfolio Valuations for Funds, with an industry specialization in cryptocurrency.
- Investment Banking M&A Advisory for Founders and Family-Owned businesses in the lower middle market.

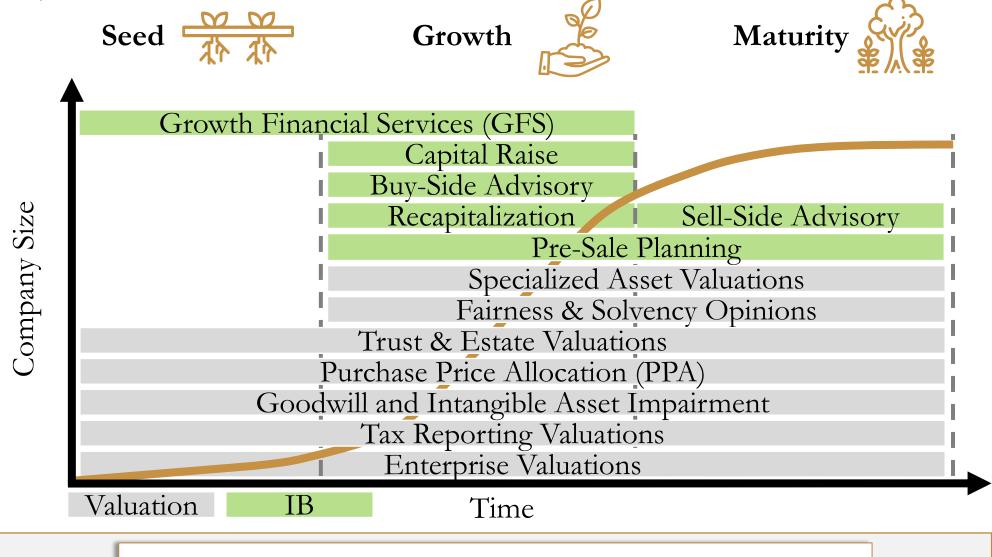
## Houlihan Capital Locations



Chicago, IL



Cleveland, OH



For questions or inquiries regarding our services, please contact:

info@houlihancapital.com