HOULIHAN CAPITAL *Value. Added.*

Valuation & Financial Advisory | Investment Banking

Industry Update

Transportation & Logistics

Q2 2025

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1 Executive Summary

Key Takeaways

Key Trends

- **Regulatory:** New mandates like the EU Green Deal and SEC Climate Disclosure Rules are pushing logistics providers toward electric fleets and route optimization to meet emissions and sustainability targets.
- **Technology:** Driverless trucks from firms like Aurora and Volvo are entering commercial use on key U.S. routes, while AI-powered platforms such as Uber Freight are improving routing and reducing empty miles.
- **Political:** U.S. trade policies, tariffs, and broader geopolitical tensions are disrupting global shipping patterns and container pricing, creating volatility in freight networks.

Market Overview

- Sector performance **declined** in Q2 2025 after a modest rebound in late 2024, with public logistics stocks trailing broader indices.
- M&A activity dropped to its **lowest level since 2023**, following a peak in Q4 2024, amid economic and regulatory uncertainty.
- Continued fragmentation in global regulations and persistent energy price volatility contributed to **elevated operational risk**.

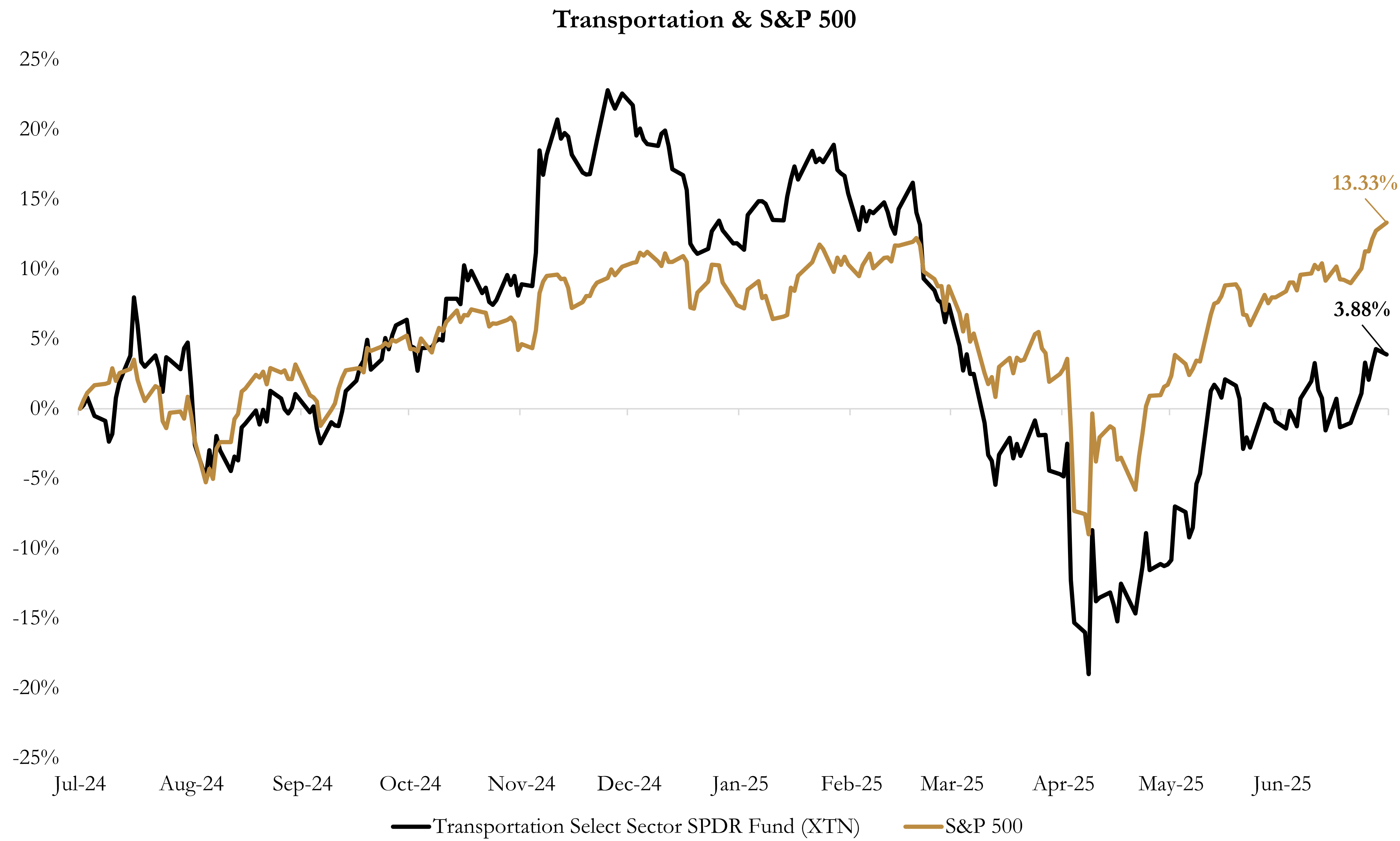
External Drivers

- U.S. – China tariffs and global political friction are **reshaping** freight flows and **complicating** logistics planning.
- Driverless freight deployments are helping **offset driver shortages** and enhance delivery efficiency.
- Fuel price swings – driven by both geopolitical shocks and renewable transition pressures – are **squeezing carrier margins** and affecting rate structures.

Sources: U.S. SEC, European Commission, Aurora Innovation & Volvo Autonomous Reports, Uber Freight, PitchBook, Capital IQ, IEA, WSJ

2 Public Market Performance

Sector ETF vs. S&P 500



Source: Capital IQ

2 Public Market Performance

Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

Company Name	Ticker	Financial Metrics					Valuation Metrics			
		Price at 06/30/25	% 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	$49.18	70.3%	$52,774	$61,925	$7,772	3.0%	12.6%	0.9x	6.8x
United Airlines Holdings, Inc.	UAL	$79.63	68.6%	$43,782	$57,737	$8,504	5.3%	14.7%	0.8x	5.1x
American Airlines Group Inc.	AAL	$11.22	58.7%	$36,305	$54,192	$5,323	1.9%	9.8%	0.7x	6.8x
Southwest Airlines Co.	LUV	$32.44	89.8%	$19,426	$27,582	$1,891	3.2%	6.9%	0.7x	10.3x
Alaska Air Group, Inc.	ALK	$49.48	63.4%	$9,849	$12,640	$1,528	20.8%	12.1%	0.8x	6.4x
JetBlue Airways Corporation	JBLU	$4.23	50.9%	$7,411	$9,210	$483	-3.0%	5.2%	0.8x	15.3x
SkyWest, Inc.	SKYW	$102.97	76.0%	$6,217	$3,673	$908	20.5%	24.7%	1.7x	6.8x
Trucking & Ground Freight & Logistics										
Old Dominion Freight Line, Inc.	ODFL	$162.30	69.6%	$35,468	$5,730	$1,845	-2.6%	32.2%	6.2x	19.2x
XPO, Inc.	XPO	$126.29	78.4%	$19,489	$8,008	$1,216	1.9%	15.2%	2.4x	16.0x
U-Haul Holding Company	UHAL	$60.56	76.6%	$17,201	$5,829	$1,702	3.6%	29.2%	3.0x	10.1x
J.B. Hunt Transport Services, Inc.	JBHT	$143.60	71.7%	$17,021	$12,065	$1,573	-3.8%	13.0%	1.4x	10.8x
Ryder System, Inc.	R	$159.00	92.6%	$15,704	$12,669	$2,750	6.2%	21.7%	1.2x	5.7x
C.H. Robinson Worldwide, Inc.	CHRW	$95.95	83.6%	$13,367	$17,359	$804	-0.2%	4.6%	0.8x	16.6x
GXO Logistics, Inc.	GXO	$48.70	76.9%	$10,809	$12,230	$822	23.4%	6.7%	0.9x	13.1x
Knight-Swift Transportation Holdings Inc.	KNX	$44.23	71.9%	$10,729	$7,412	$1,049	1.2%	14.1%	1.4x	10.2x
Saia, Inc.	SAIA	$273.99	43.9%	$8,414	$3,242	$659	8.9%	20.3%	2.6x	12.8x
Landstar System, Inc.	LSTR	$139.02	70.6%	$4,675	$4,816	$281	-4.7%	5.8%	1.0x	16.6x

Source: Capital IQ

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Key Financial and Valuation Metrics for Large Industry Operators

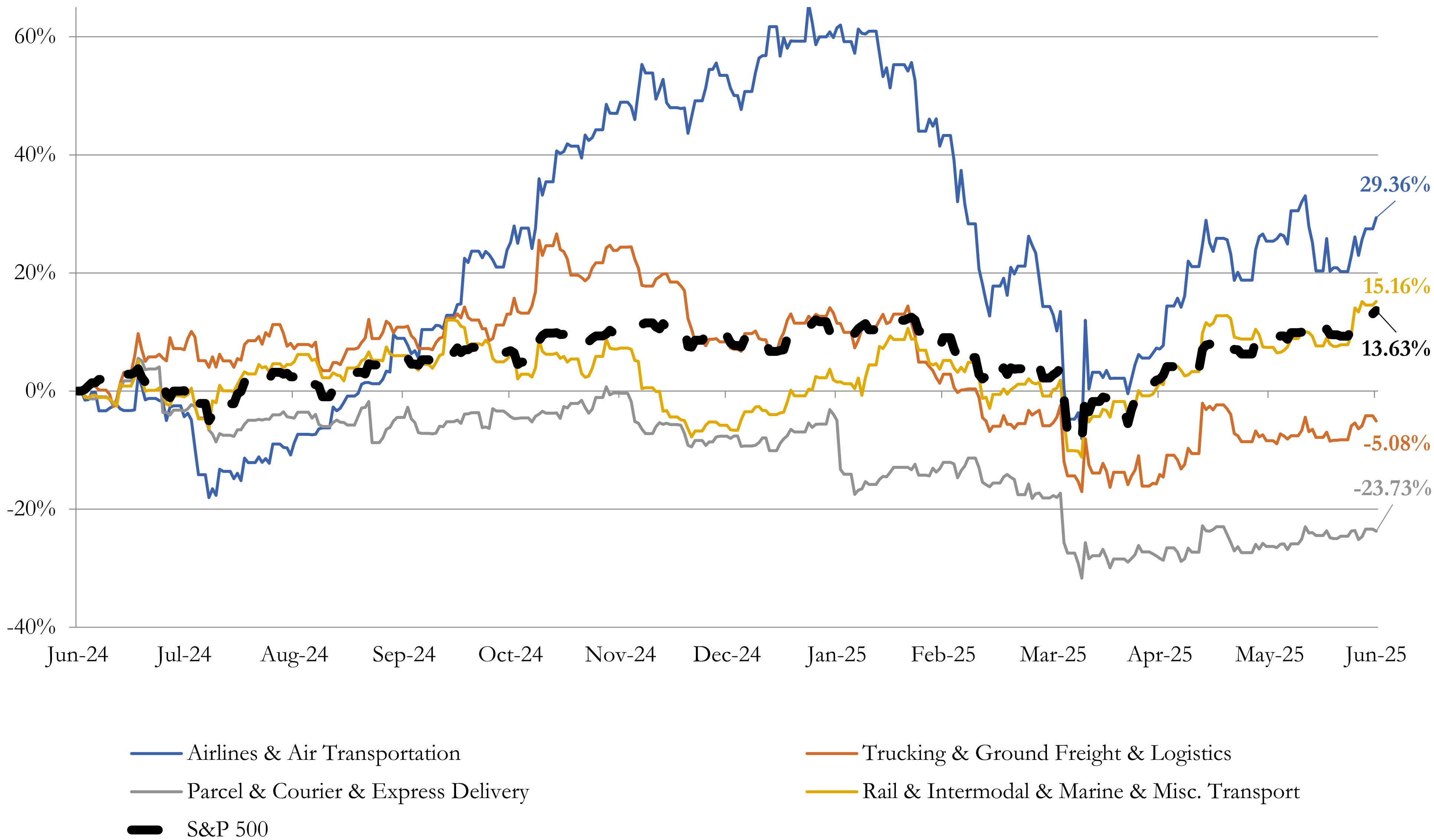
(USD in millions, except per share data)

		Financial Metrics					Valuation Metrics			
Company Name	**Ticker**	**Price at 06/30/25**	**% 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	$100.94	68.1%	$107,053	$90,910	$11,613	1.3%	12.8%	1.2x	9.2x
FedEx Corporation	FDX	$227.31	72.4%	$88,582	$87,926	$11,009	0.3%	12.5%	1.0x	8.0x
Expeditors International of Washington	EXPD	$114.25	86.8%	$15,331	$11,060	$1,153	24.1%	10.4%	1.4x	13.3x
Rail & Intermodal & Marine & Misc. Transport										
Uber Technologies, Inc.	UBER	$93.30	98.9%	$203,087	$45,380	$4,576	17.6%	10.1%	4.5x	44.4x
Union Pacific Corporation	UNP	$230.08	89.2%	$173,770	$24,246	$12,179	0.6%	50.2%	7.2x	14.3x
CSX Corporation	CSX	$32.63	88.0%	$81,195	$14,282	$6,789	-2.4%	47.5%	5.7x	12.0x
Norfolk Southern Corporation	NSC	$255.97	92.2%	$75,367	$12,112	$5,994	0.7%	49.5%	6.2x	12.6x
Avis Budget Group, Inc.	CAR	$169.05	89.0%	$32,148	$11,668	$901	-2.8%	7.7%	2.8x	35.7x
Hertz Global Holdings, Inc.	HTZ	$6.83	72.7%	$20,475	$8,782	-$810	-6.6%	-9.2%	2.3x	-25.3x
Kirby Corporation	KEX	$113.41	85.8%	$7,770	$3,244	$660	3.0%	20.3%	2.4x	11.8x
Lyft, Inc.	LYFT	$15.76	82.7%	$5,662	$5,959	$63	27.3%	1.1%	1.0x	90.4x
Matson, Inc.	MATX	$111.35	65.8%	$4,244	$3,482	$757	11.9%	21.7%	1.2x	5.6x
FTAI Infrastructure Inc.	FIP	$6.17	59.0%	$3,902	$345	$93	5.7%	27.0%	11.3x	41.9x
Genco Shipping & Trading Limited	GNK	$13.07	58.9%	$658	$377	$96	-7.4%	25.3%	1.7x	6.9x

Source: Capital IQ

2 Public Market Performance

Sub-Industry Performance vs. S&P 500

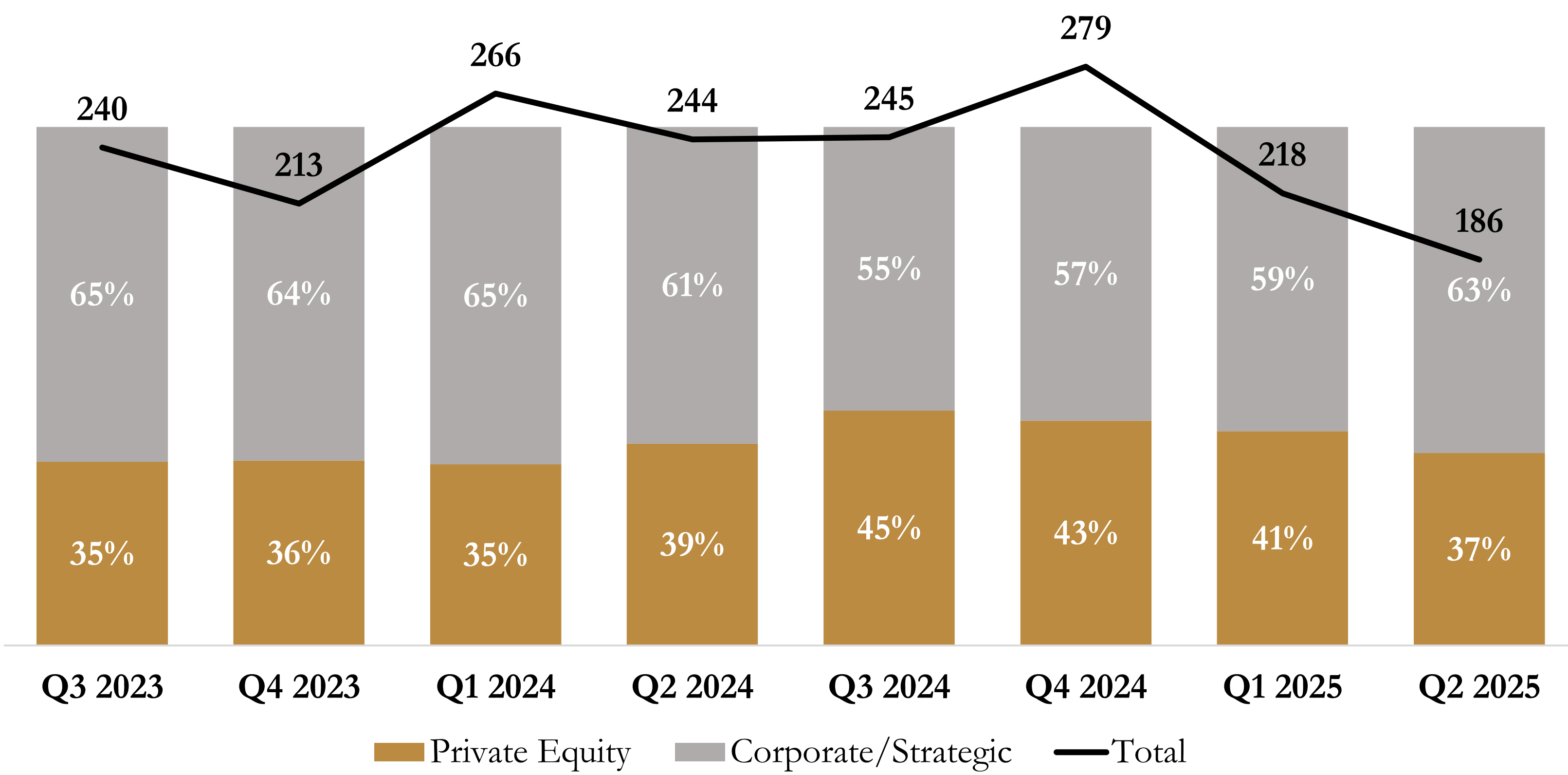


Source: Capital IQ

3 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 experienced strong momentum in 2024, with over 1,000 transactions completed. However, activity has slowed in 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. Private equity accounted for just 37% of transactions in Q2 2025, marking its lowest share since Q1 2024. Q2 2025 also marked the lowest number of transactions in this dataset.



Source: PitchBook

3 M&A Trends

Recent M&A Transactions

(USD in millions)

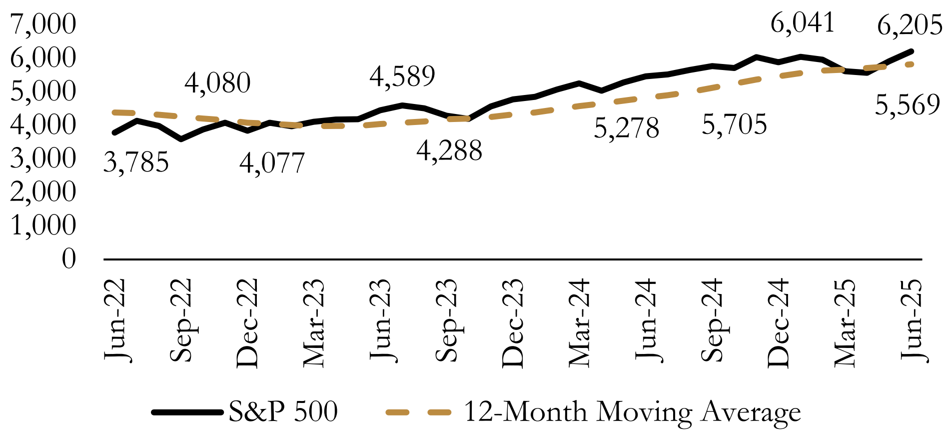
Close Date	Target	Acquirer	Implied TEV
Apr-25	Air Transport Services Group, Inc.	Stonepeak Partners LP	$3,104
Sep-24	Hawaiian Holdings, Inc.	Alaska Air Group, Inc.	$1,842
Apr-24	Daseke, Inc.	TFI International Inc.	$1,098
Sep-24	Coyote Logistics, LLC	RXO, Inc.	$1,029
Dec-24	Cowan Equipment Leasing, LLC/Cowan Transport Holdings, LLC/Cowan	Schneider National, Inc.	$390
Nov-24	Turbine Standard Ltd.	BSEL USA, Inc.	$41
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
Aug-24	Buckshot Trucking LLC	Enservco Corporation	$6
Jun-25	Bahama Boat Works, LLC	Twin Vee Powercats Co.	$3
Apr-25	Buckshot Trucking LLC	N/A	$3
Mar-25	Pure NJ Logistics LLC	Smart Repair Pro	$3
Jun-25	Rapid Track Service, Inc.	American Track	NA
Jun-25	Howards Wrecker Service	Guardian Fleet Services, Inc.	NA
Jun-25	Ts3 Logistics LLC	Heritage Trucking LLC	NA
Jun-25	Massiano Logistics	Diverse Logistics & Distribution, LLC	NA
Jun-25	Red Arrow Consulting, Inc.	Allstates WorldCargo, Inc.	NA
Jun-25	Cathcart Rail Holdco, LLC.	Tikehau Star Infra Partners, LLC	NA
Jun-25	PDP Courier Services (USA) Inc.	DHL Supply Chain International Holding B.V.	NA
Jun-25	ATI Jet, Inc	N/A	NA
Jun-25	Minnesota Commercial Railway Company	Regional Rail, LLC	NA
May-25	Kable Products Services, Inc	Aero Fulfillment Services Corp.	NA
May-25	Headliner Tours	Perkin Industries, LLC	NA
May-25	Simple Logistics LLC	Everest Transportation Systems, LLC	NA
May-25	The Perishable Specialist, Inc.	Alba Wheels Up International, LLC	NA
May-25	Angels Moving Autos Inc.	Montway LLC	NA

Source: Capital IQ

4 Macroeconomic Environment

Macroeconomic Indicators

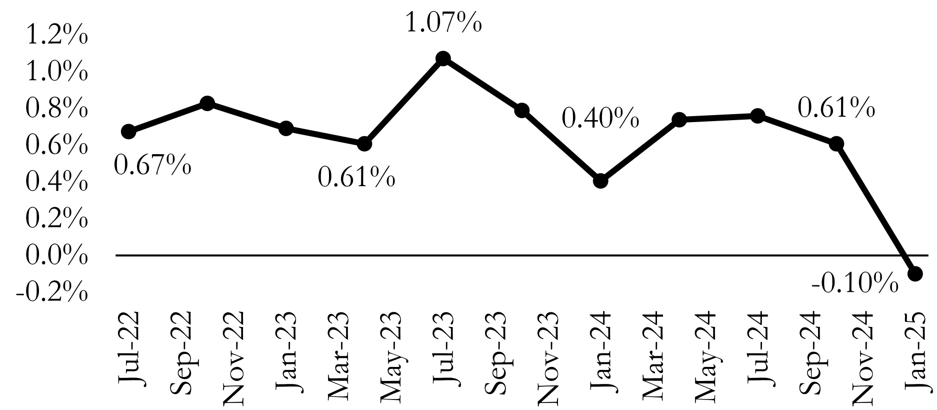
S&P 500



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

Real GDP Growth

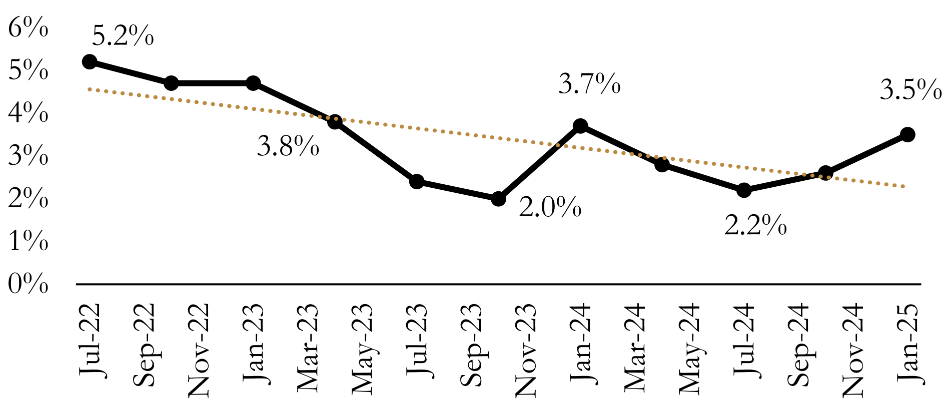
Gross Domestic Product



Tracks inflation-adjusted economic output, typically reported quarterly.

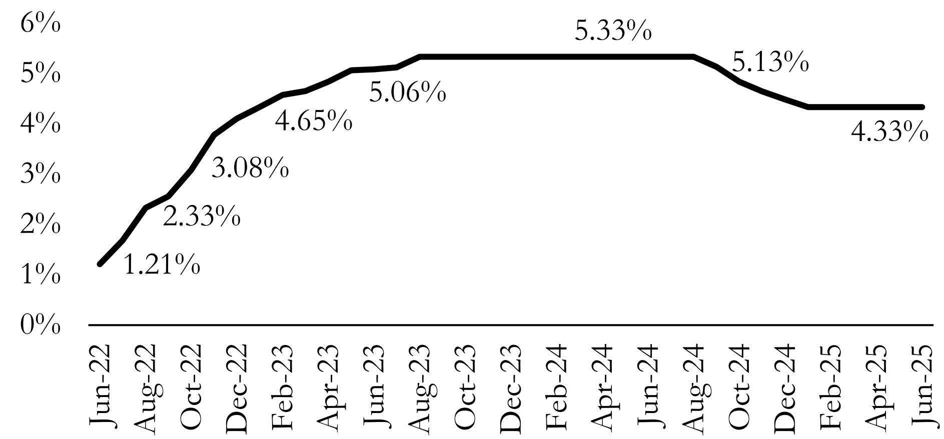
Core PCE

Personal Consumption Expenditures



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

Federal Funds Rate

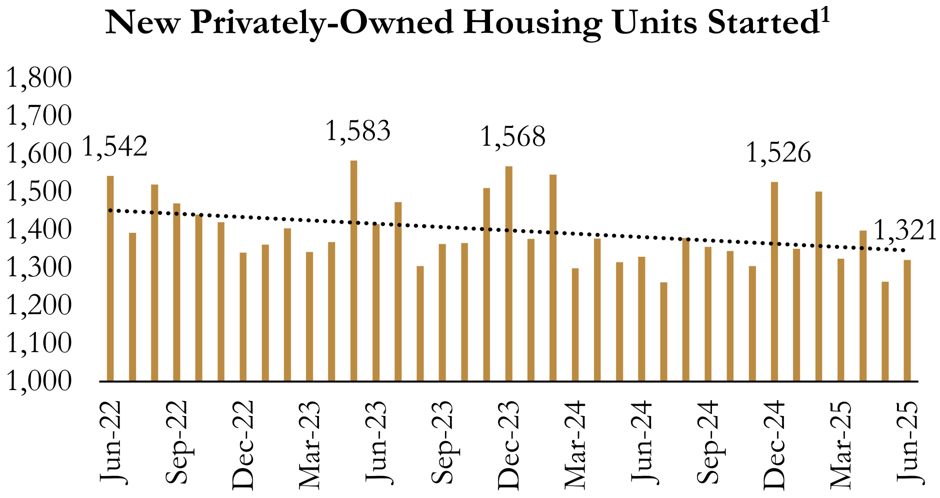


The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

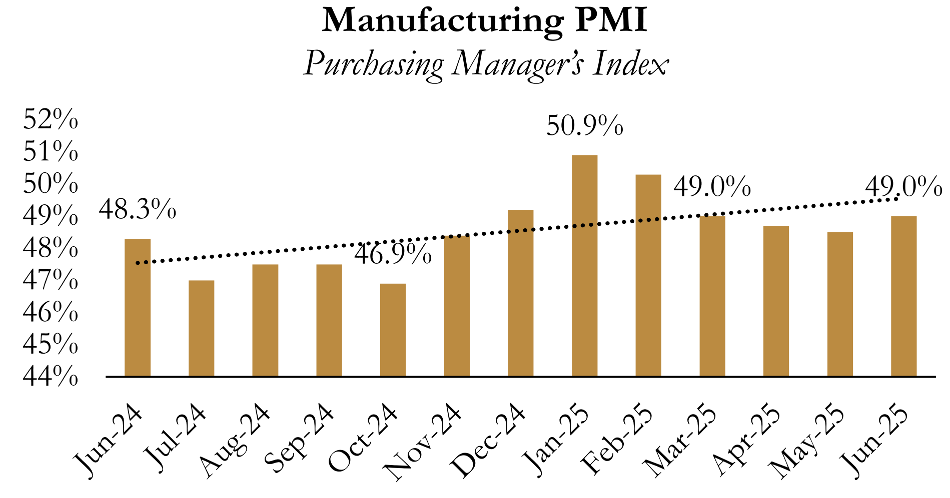
Source: Capital IQ, St. Louis Fed – FRED Economic Data, Institute for Supply Management

4 Macroeconomic Environment

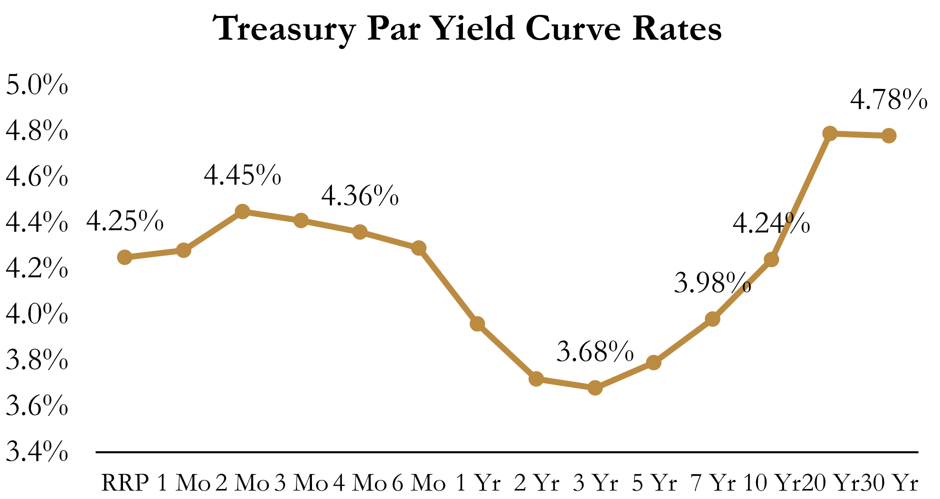
Macroeconomic Indicators (Cont.)



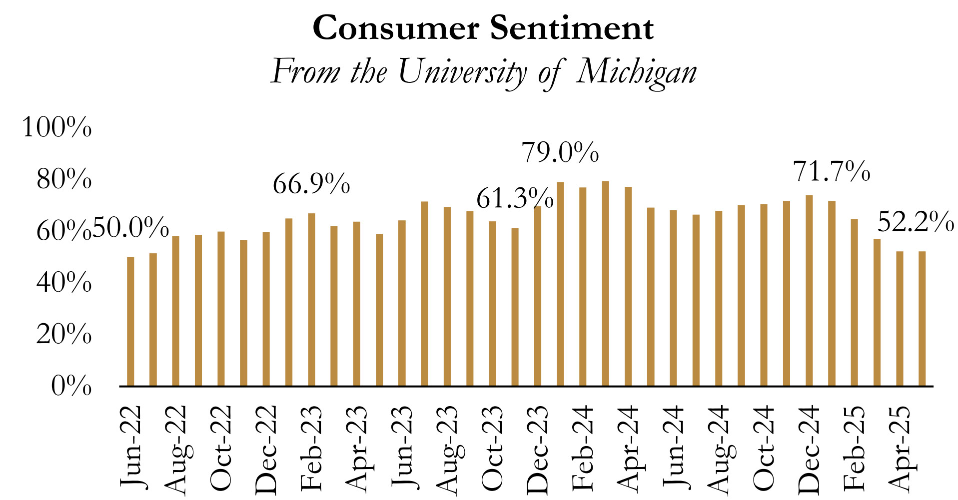
Measures the number of new residential construction projects begun each month.



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



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



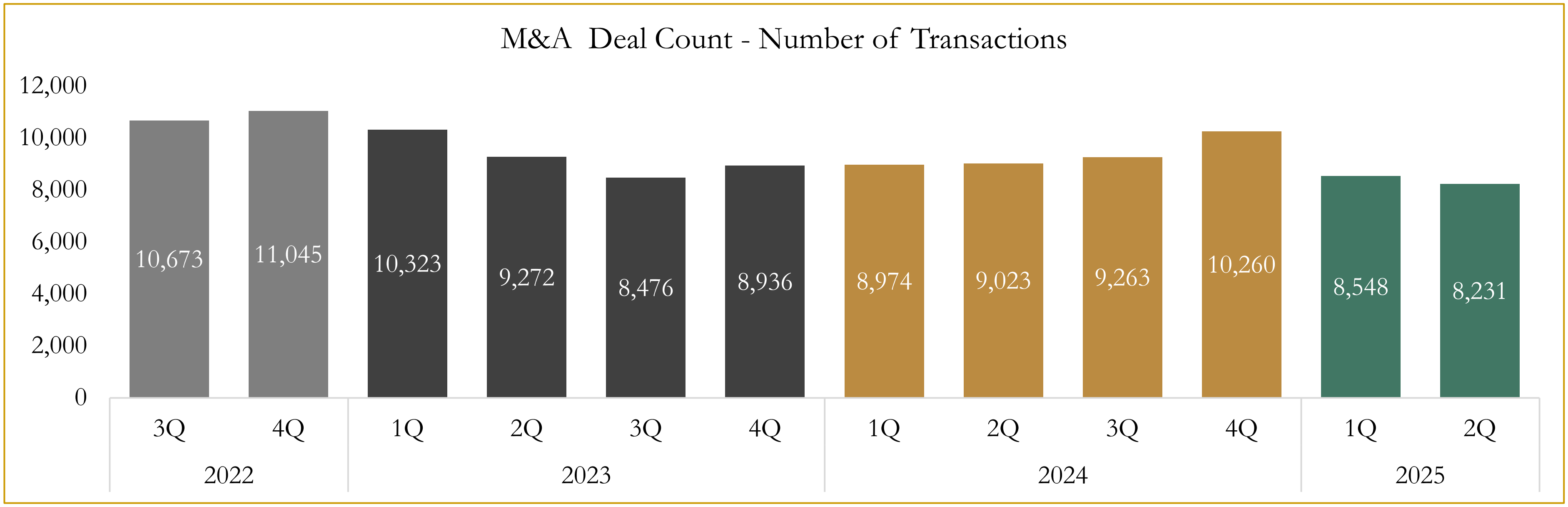
Measures consumer confidence in the economy based on monthly survey data.

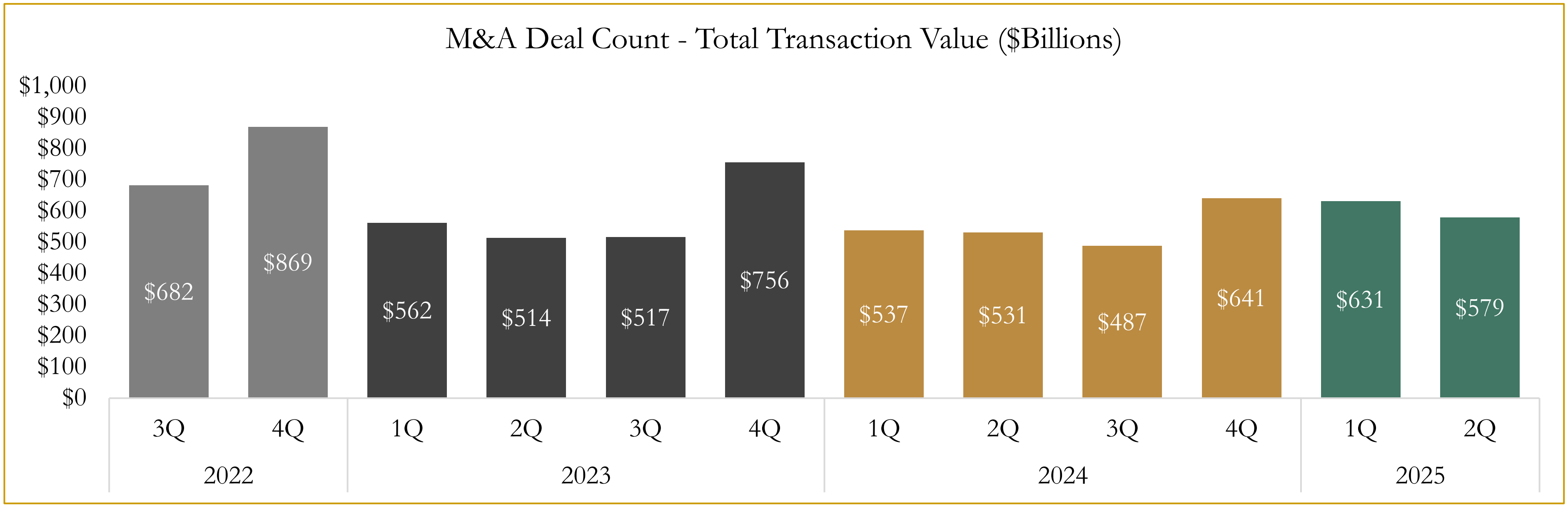
Source: St. Louis Fed – FRED Economic Data [1]Figures in Thousands

4

Macroeconomic Environment

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





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

Company Overview

- Founded in 1996, Houlihan Capital is an employee-owned 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

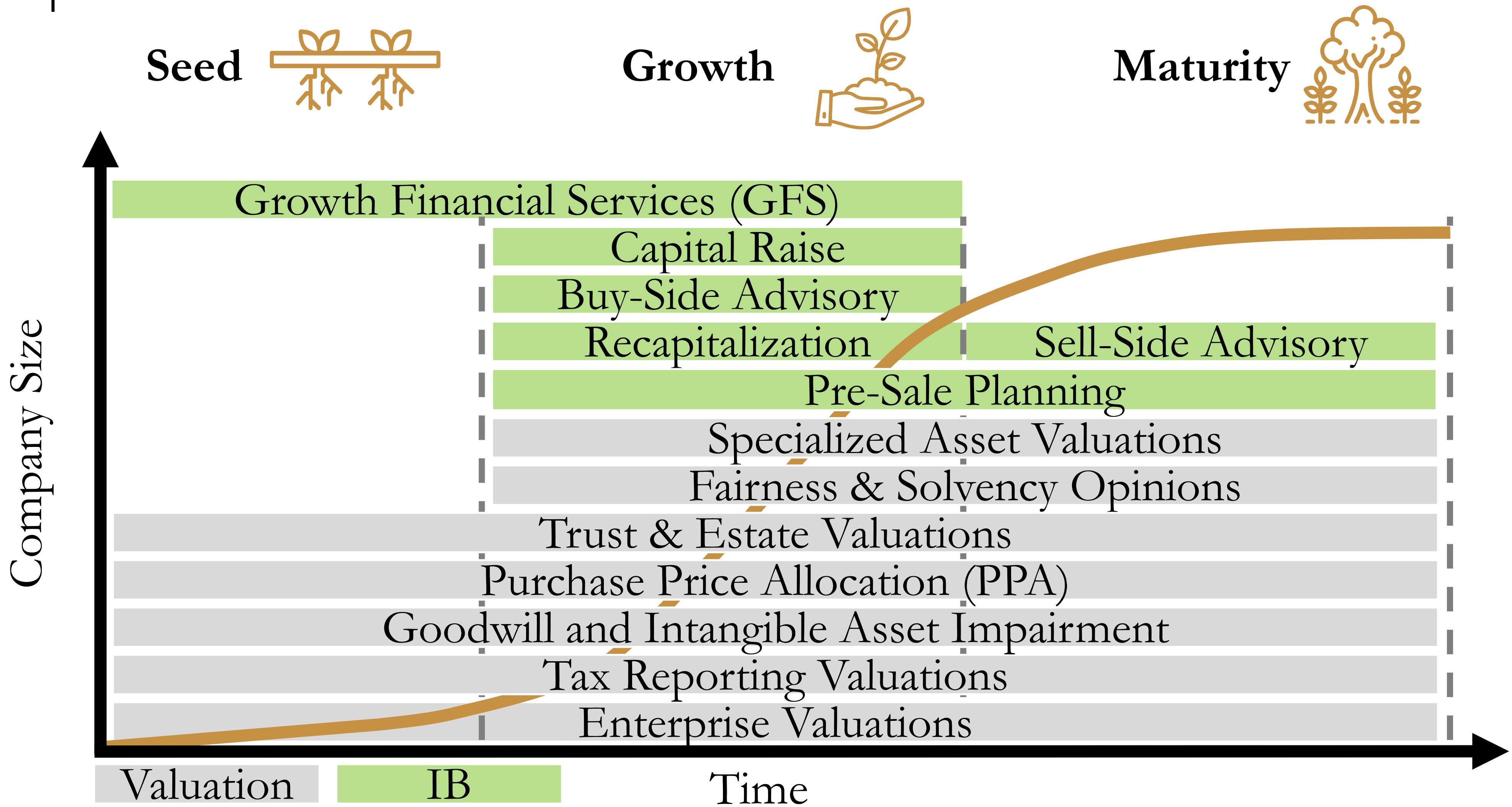
Divisions & Core Offerings

- 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:

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