

H HOULIHAN
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Valuation & Financial Advisory | Investment Banking

**INDUSTRY UPDATE
TRANSPORTATION & LOGISTICS
Q4 2025**

Key Trends

- **Freight Demand & Capacity:** Freight demand remained soft in Q4 2025, keeping pressure on rates across modes. Carriers continued to manage capacity and prioritize contract freight to support margins.
- **Cost & Margin Management:** Elevated labor, fuel, and maintenance costs persisted, driving efficiency initiatives, asset utilization, and disciplined cost control amid limited pricing power.
- **Technology & Optimization:** Carriers increased investment in automation, telematics, and data analytics to improve routing efficiency, network visibility, and service reliability.

Market Overview

- Sector performance improved late in Q4 2025, reaching its highest level since the prior year, though it continued to underperform the broader market.
- M&A activity remained selective, focused on technology-enabled and specialized logistics assets amid cautious investor sentiment.
- Trade uncertainty and fuel volatility increased operational risk across global supply chains.

External Drivers

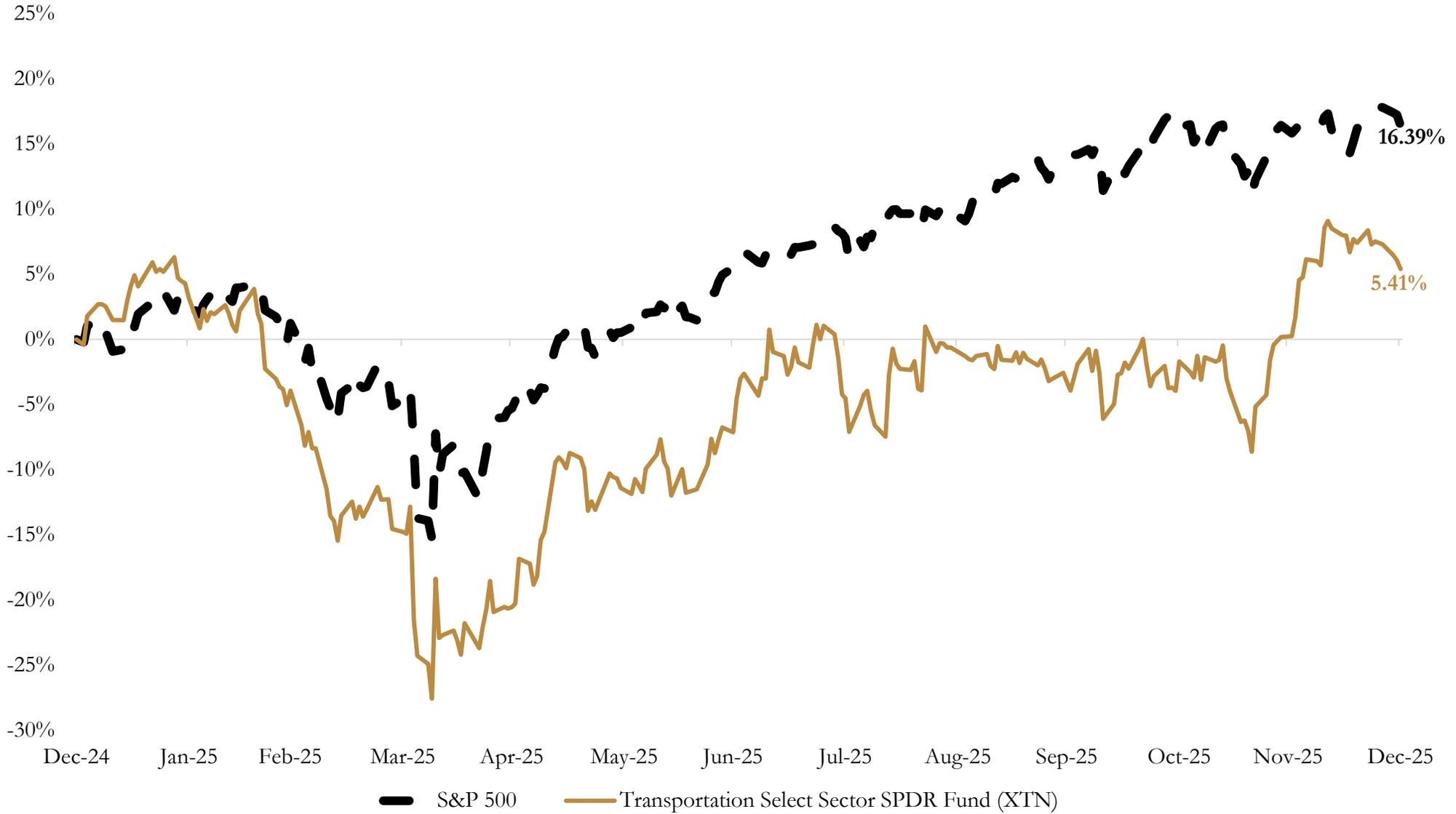
- Tighter credit conditions and **higher financing costs** are constraining fleet investment, equipment replacement, and expansion plans.
- Port congestion and infrastructure constraints are increasing transit time variability and complicating network planning.
- Customer contract renegotiations and shorter freight commitments are reducing revenue visibility and **increasing volatility** for carriers.

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Public Market Performance

Sector ETF vs. S&P 500

Transportation & 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	Valuation Metrics					Financial Metrics			
		TEV	Price at 12/31/25	% of 52 Week High	TEV / LTM Revenue	TEV / LTM EBITDA	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin
Airlines & Air Transportation										
Delta Air Lines, Inc.	DAL	\$60,821	\$69.40	95.9%	1.0x	7.4x	\$63,364	\$8,236	2.8%	13.0%
United Airlines Holdings, Inc.	UAL	\$53,944	\$111.82	96.1%	0.9x	6.8x	\$59,070	\$7,911	3.5%	13.4%
American Airlines Group Inc.	AAL	\$38,440	\$15.33	80.3%	0.7x	8.3x	\$54,294	\$4,613	1.3%	8.5%
Southwest Airlines Co.	LUV	\$24,157	\$41.33	94.9%	0.9x	14.3x	\$27,551	\$1,685	0.6%	6.1%
Alaska Air Group, Inc.	ALK	\$9,720	\$50.30	64.4%	0.7x	7.3x	\$14,141	\$1,336	31.5%	9.4%
JetBlue Airways Corporation	JBLU	\$8,679	\$4.55	54.8%	1.0x	22.0x	\$9,095	\$395	-2.5%	4.3%
SkyWest, Inc.	SKYW	\$5,636	\$100.41	74.1%	1.4x	5.7x	\$3,978	\$990	19.3%	24.9%
Trucking & Ground Freight & Logistics										
Old Dominion Freight Line, Inc.	ODFL	\$35,585	\$156.80	74.8%	6.4x	20.3x	\$5,575	\$1,752	-5.9%	31.4%
C.H. Robinson Worldwide, Inc.	CHRW	\$22,051	\$160.76	95.7%	1.3x	25.3x	\$16,505	\$871	-7.1%	5.3%
J.B. Hunt Transport Services, Inc.	JBHT	\$21,007	\$194.34	95.1%	1.8x	13.3x	\$11,999	\$1,579	-0.7%	13.2%
XPO, Inc.	XPO	\$20,979	\$135.91	87.6%	2.6x	16.9x	\$8,068	\$1,244	-0.3%	15.4%
U-Haul Holding Company	UHAL	\$16,689	\$50.41	67.0%	2.8x	16.9x	\$5,972	\$988	5.9%	16.5%
Ryder System, Inc.	R	\$16,243	\$191.39	95.4%	1.3x	5.9x	\$12,679	\$2,768	1.7%	21.8%
Knight-Swift Transportation Holdings Inc.	KNX	\$11,974	\$52.28	85.0%	1.6x	11.4x	\$7,478	\$1,048	0.0%	14.0%
GXO Logistics, Inc.	GXO	\$11,498	\$52.64	90.8%	0.9x	13.1x	\$12,921	\$878	16.9%	6.8%
Saia, Inc.	SAIA	\$9,369	\$326.52	60.7%	2.9x	14.8x	\$3,233	\$634	2.0%	19.6%
Landstar System, Inc.	LSTR	\$4,881	\$143.70	79.9%	1.0x	19.0x	\$4,793	\$256	-0.7%	5.4%

Source: Capital IQ

2 Public Market Performance

Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

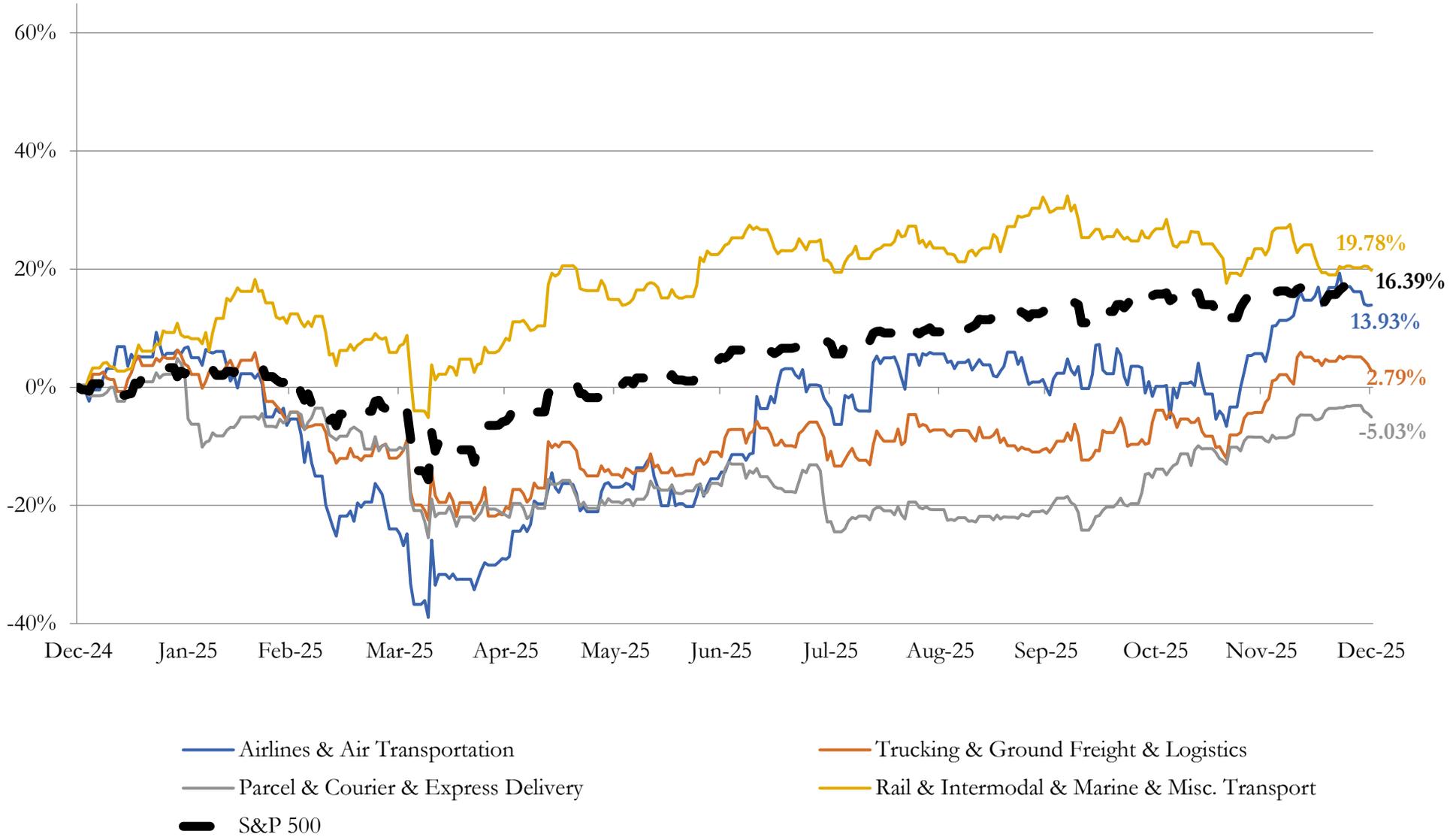
Company Name	Ticker	Valuation Metrics					Financial Metrics			
		TEV	Price at 12/31/25	% of 52 Week High	TEV / LTM Revenue	TEV / LTM EBITDA	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin
Parcel & Courier & Express Delivery										
United Parcel Service, Inc.	UPS	\$112,791	\$99.19	72.4%	1.3x	9.7x	\$89,483	\$11,601	-1.3%	13.0%
FedEx Corporation	FDX	\$101,788	\$288.86	97.3%	1.1x	9.0x	\$90,093	\$11,369	3.1%	12.6%
Expeditors International of Washington, Inc.	EXPD	\$20,698	\$149.01	96.1%	1.9x	17.8x	\$11,168	\$1,161	12.5%	10.4%
Rail & Intermodal & Marine & Misc. Transport										
Uber Technologies, Inc.	UBER	\$173,494	\$81.71	80.1%	3.5x	32.8x	\$49,610	\$5,291	18.2%	10.7%
Union Pacific Corporation	UNP	\$163,518	\$231.32	90.1%	6.7x	13.1x	\$24,546	\$12,470	1.1%	50.8%
CSX Corporation	CSX	\$85,318	\$36.25	96.6%	6.0x	13.0x	\$14,123	\$6,538	-3.8%	46.3%
Norfolk Southern Corporation	NSC	\$79,115	\$288.72	95.5%	6.5x	13.9x	\$12,230	\$5,678	0.5%	46.4%
Avis Budget Group, Inc.	CAR	\$32,331	\$128.32	60.3%	2.8x	31.9x	\$11,698	\$1,015	-1.2%	8.7%
Hertz Global Holdings, Inc.	HTZ	\$20,284	\$5.14	54.7%	2.4x	654.3x	\$8,516	\$31	-7.4%	0.4%
Kirby Corporation	KEX	\$8,086	\$110.18	89.9%	2.4x	11.8x	\$3,315	\$687	1.6%	20.7%
Lyft, Inc.	LYFT	\$6,595	\$19.37	75.8%	1.1x	49.8x	\$6,274	\$132	14.9%	2.1%
FTAI Infrastructure Inc.	FIP	\$5,318	\$4.61	54.0%	12.1x	33.2x	\$440	\$160	32.4%	36.5%
Matson, Inc.	MATX	\$5,136	\$123.55	80.1%	1.5x	7.7x	\$3,383	\$665	1.9%	19.7%
Genco Shipping & Trading Limited	GNK	\$906	\$18.43	94.0%	2.7x	15.4x	\$331	\$59	-24.6%	17.8%

Source: Capital IQ

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Public Market Performance

Sub-Industry Performance vs. S&P 500



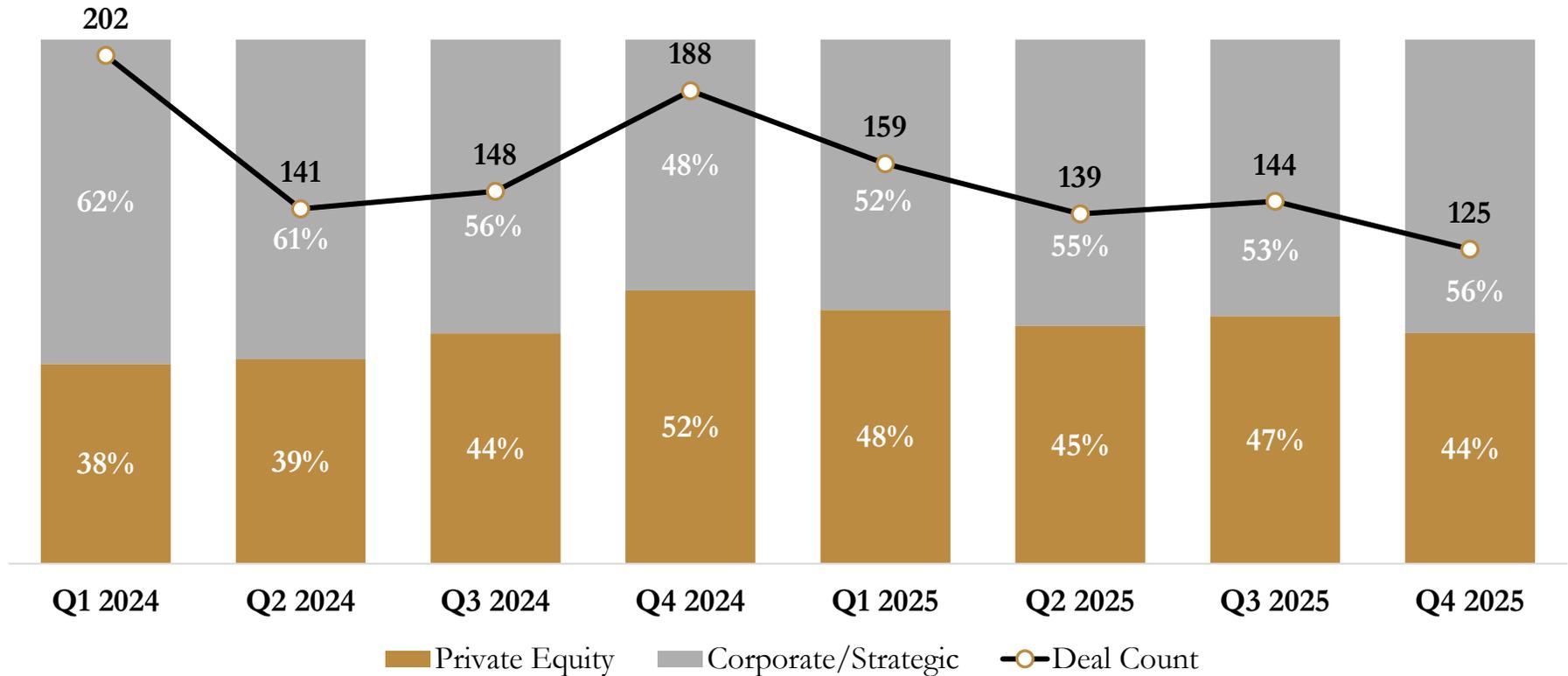
Source: Capital IQ

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M&A Trends

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

Over the past two (2) years, strategic acquirers have accounted for approximately 55% of M&A activity in the Transportation and Logistics sector. After a strong close to 2024, when industry transaction volume exceeded 600 deals, activity slowed through the end of 2025. The decline reflects sector-specific pressures, including softer freight demand, ongoing supply chain inefficiencies, and higher operating costs related to labor, fuel, and infrastructure. Shifts in trade flows and continued efforts to restructure logistics networks have also led many operators to focus on internal initiatives rather than acquisitions. Private equity represented 44% of Q4 2025 transactions, while total deal volume declined to 125, the lowest quarterly level in the dataset.



Source: PitchBook

Note: Transaction data reflects completed U.S. transactions involving Strategic M&A, PE-backed Companies, and Buyout/LBO platform transactions

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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
Aug-25	The Wheeling Corporation	Percy Acquisition LLC	\$1,050
Jul-25	National Express LLC	I Squared Capital Advisors, LLC	\$608
Aug-25	G2 Secure Staff, L.L.C.	Menzies Aviation plc	\$315
Oct-25	Janel Group, Inc.	Rubicon Technology, Inc.	\$46
Mar-25	Flewber Global Inc.	Creatd, Inc.	\$14
Jul-25	Envoy Aerospace, LLC	Astronics Corporation	\$8
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
Dec-25	JetStream Ground Services, Inc.	Alliance Ground International, LLC	NA
Dec-25	State Transport Auto Brokers, Inc. (nka:Dealers Choice Auto Transport)	RPM Freight Systems, LLC	NA
Dec-25	Vital Delivery Solutions LLC	Copley Equity Partners	NA
Dec-25	Airforce Turbine Service, Ltd	McNally Capital, LLC; McNally Capital Fund III, LP	NA
Dec-25	Eagle Rock Fulfillment Inc.	WeShip Express	NA
Dec-25	Billings Flying Service, Inc.	Quanta Services, Inc.	NA
Dec-25	Professional Automotive Relocation Services, LLC	RPM Freight Systems, LLC	NA
Dec-25	Debrick Truck Line Company	PGT Trucking, Inc.	NA
Dec-25	Hogan Truck Leasing, Inc.	Enterprise Holdings, Inc.	NA
Dec-25	Quality Life Science Transportation LLC	Bluejay Capital Partners, LLC	NA
Dec-25	UAC USA	American Worldwide Agencies	NA
Nov-25	Mesa Air Group, Inc.	Republic Airways Holdings Inc.	NA
Nov-25	CARMI Logistics LLC	The Nearshore Company	NA
Nov-25	STB Freight Brokers, Inc.	BlueGrace Logistics I.P. LLC.	NA
Nov-25	George M. Carroll Transportation, Inc.	Beacon Mobility Corp.	NA
Nov-25	Special Delivery Service, Inc.	Counsel Press Inc.	NA
Nov-25	Xpress Global Systems, LLC	Little River Transportation, Llc	NA

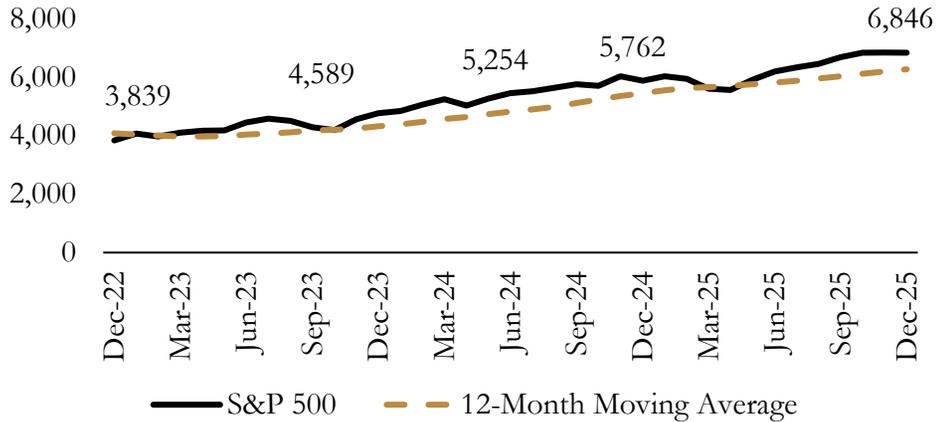
Source: Capital IQ

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Macroeconomic Environment

Macroeconomic Indicators

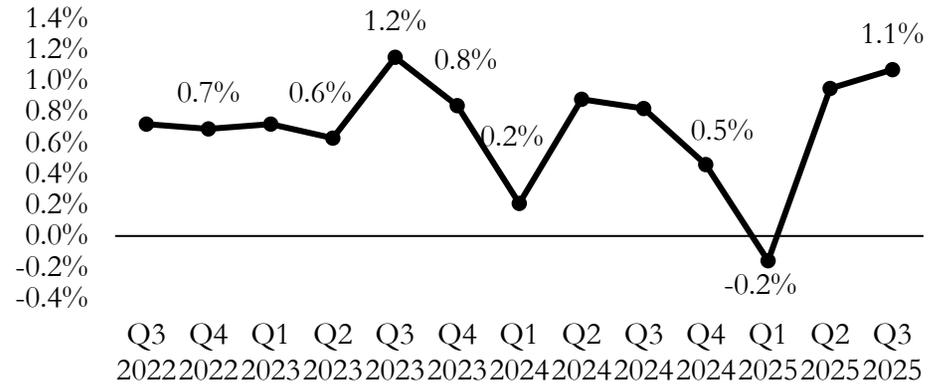
S&P 500



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

Real GDP Growth

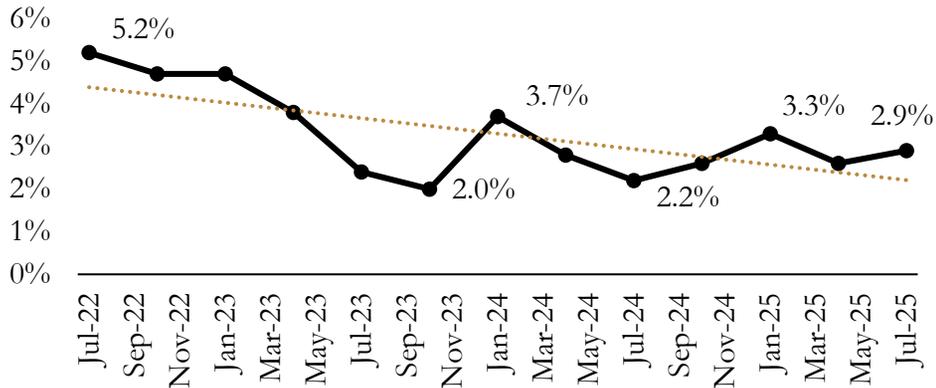
Gross Domestic Product



Tracks inflation-adjusted economic output, typically reported quarterly.

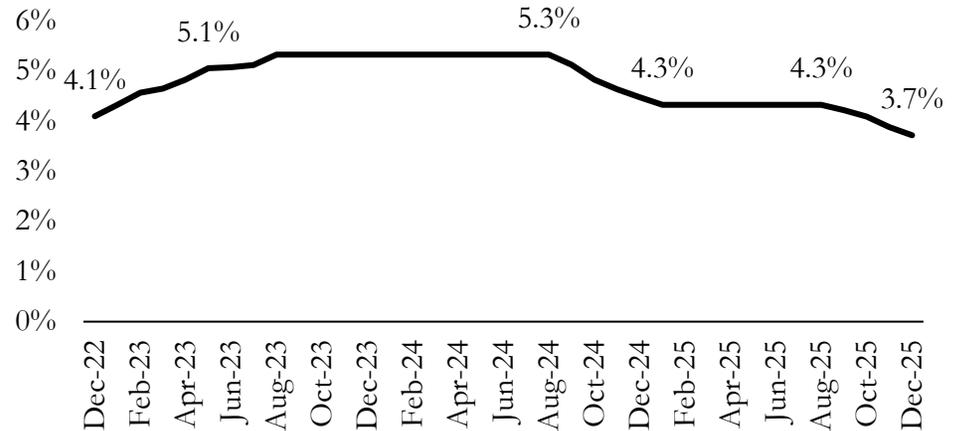
Core PCE

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.

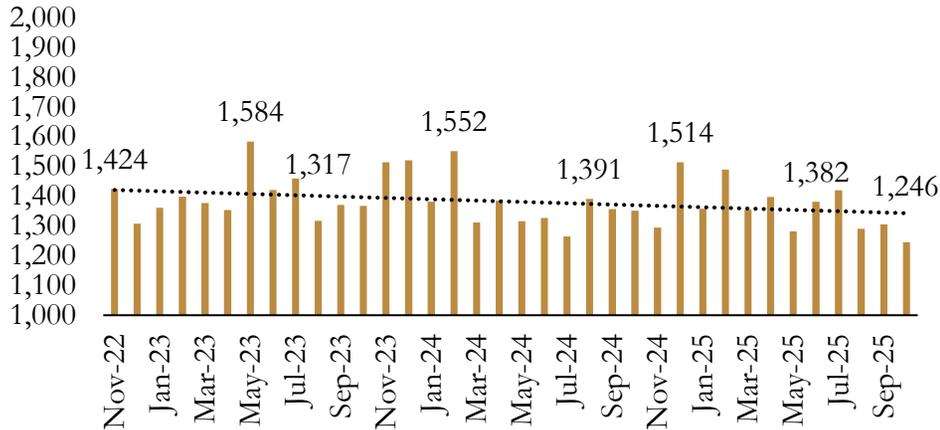
Source: Capital IQ, St. Louis Fed – FRED Economic Data, Institute for Supply Management

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Macroeconomic Environment

Macroeconomic Indicators (Cont.)

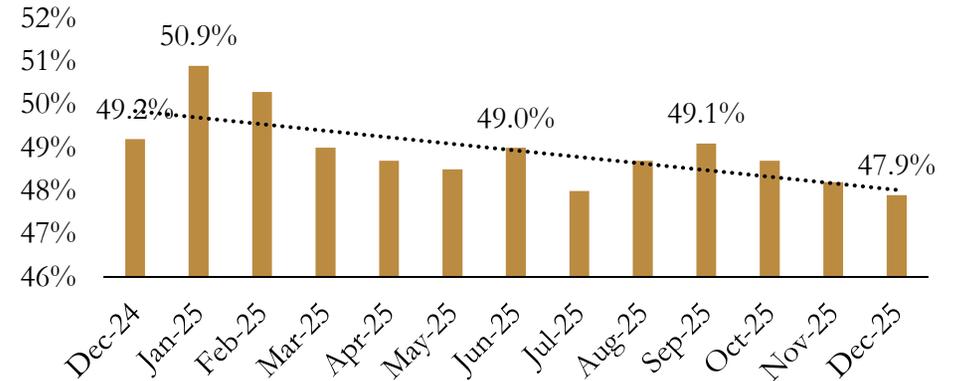
New Privately-Owned Housing Units Started¹



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

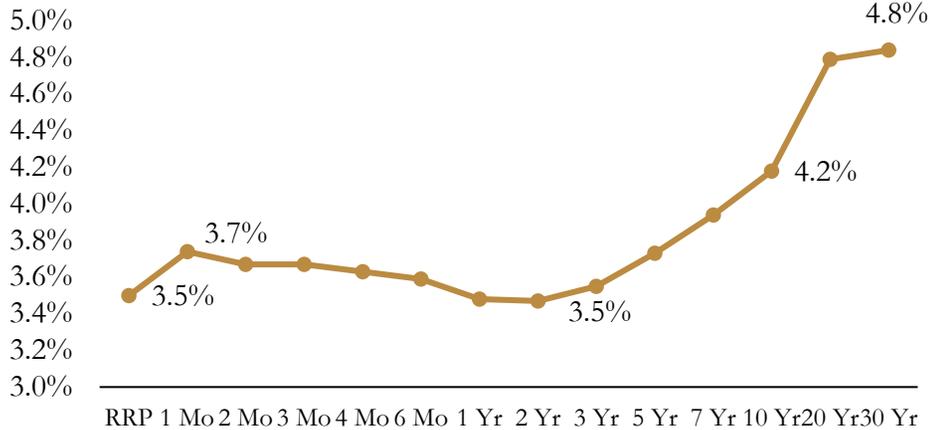
Manufacturing PMI

Purchasing Manager's Index



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

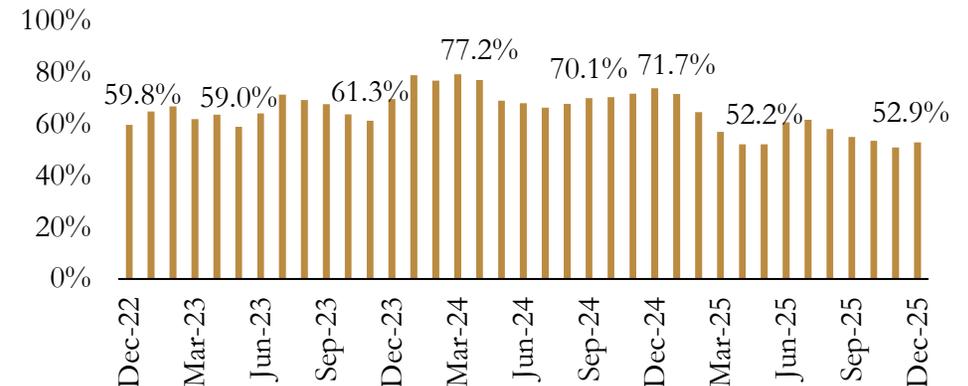
Treasury Par Yield Curve Rates



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

Consumer Sentiment

From the University of Michigan



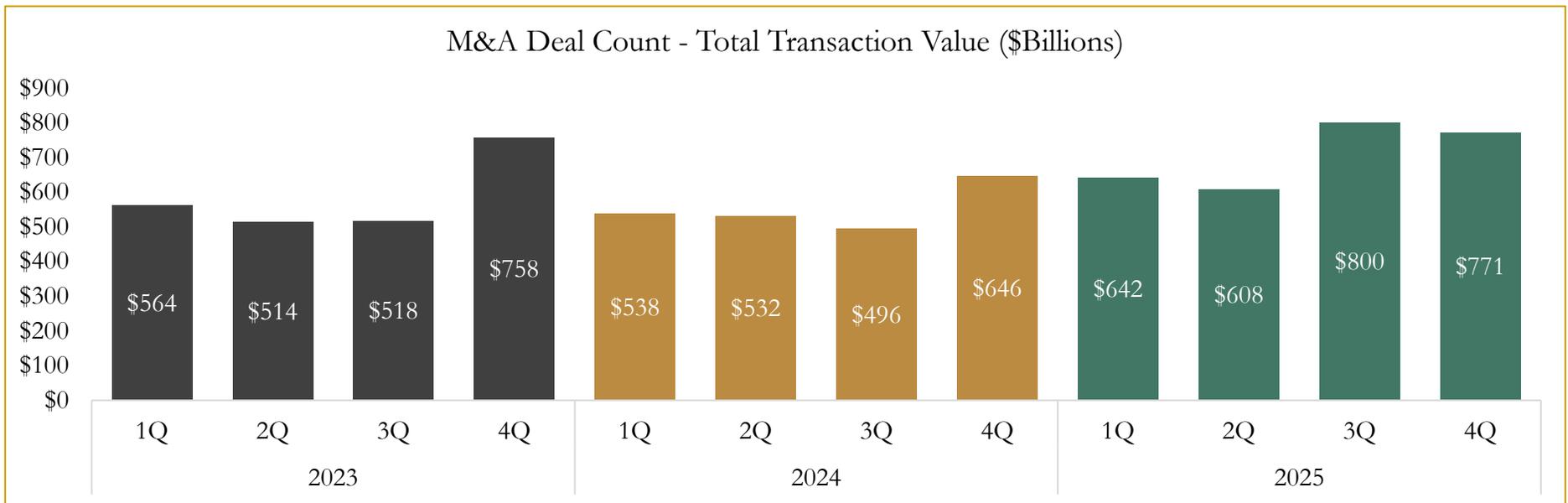
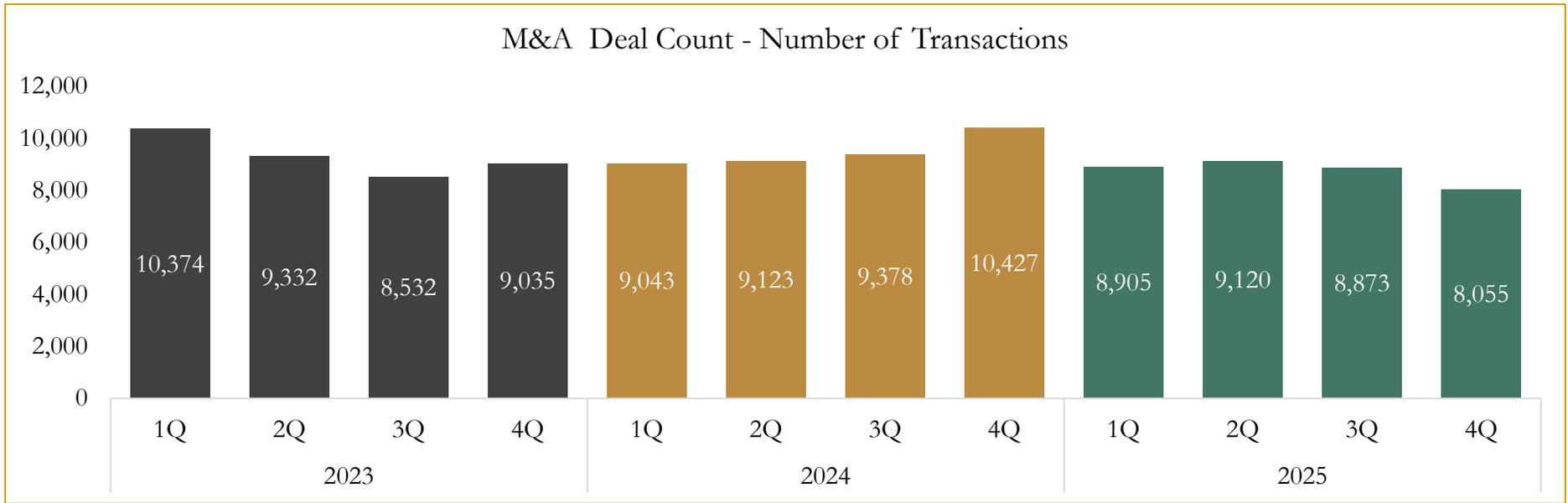
Measures consumer confidence in the economy based on monthly survey data.

Source: St. Louis Fed – FRED Economic Data, Institute for Supply Management ¹Figures 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.

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 and Transaction Advisory (i.e., Fairness Opinions) 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

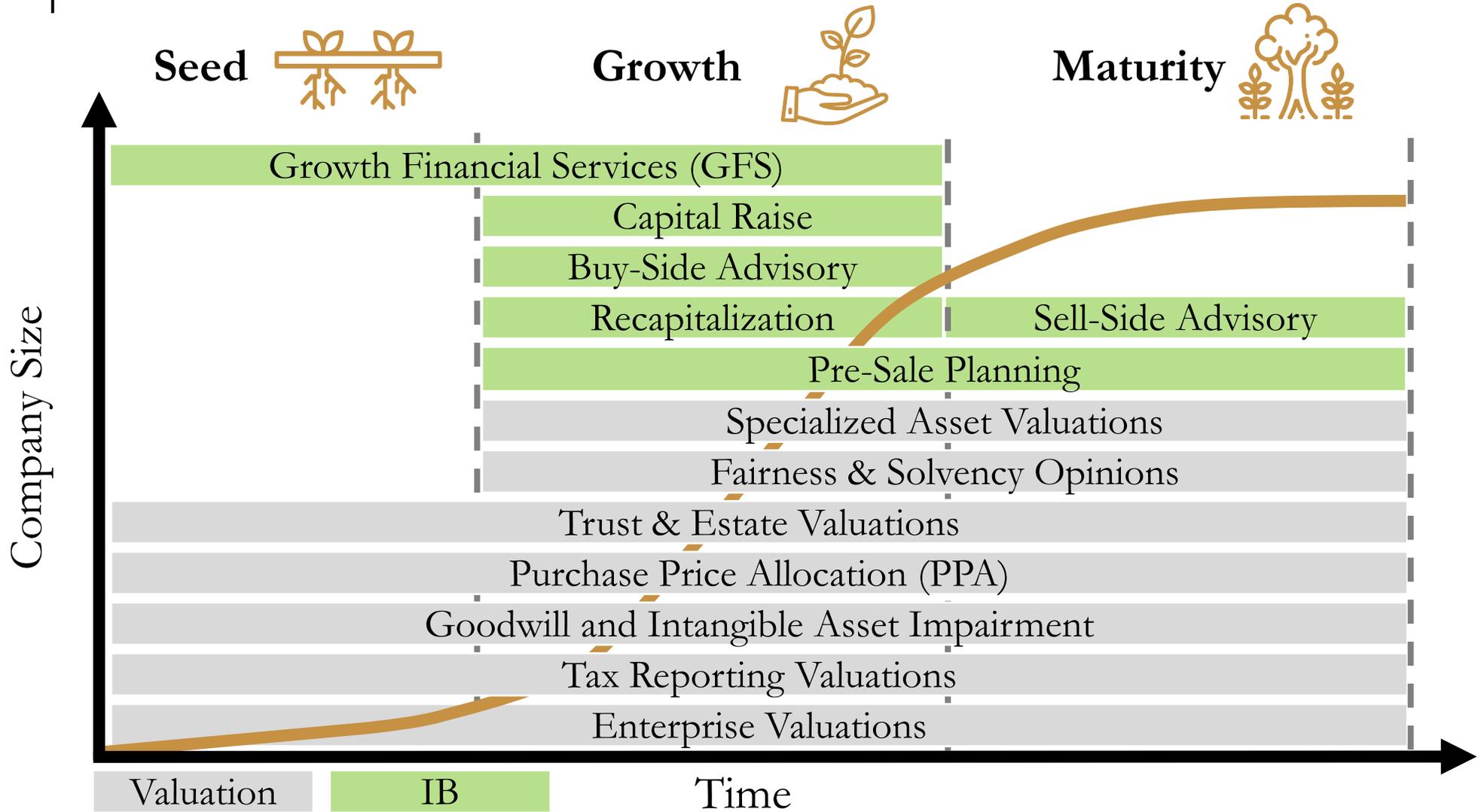


Cleveland, OH

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Houlihan Capital

About Us (Cont.)



For questions or inquiries regarding our services, please contact:

info@houlihancapital.com