HOULIHAN CAPITAL

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Valuation & Financial Advisory | Investment Banking

INDUSTRY UPDATE
TRANSPORTATION & LOGISTICS
Q2 2026

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1 Executive Summary

Key Takeaways

Key Trends

- **Tight Capacity, Higher Rates:** Spot truckload rates hit multi-year highs as driver attrition and stricter licensing pulled supply out faster than demand returned.
- **Buyers Chasing Quality:** M&A concentrated on asset-light, tech-enabled operators and specialty niches: pharma, cold-chain, and outsourced logistics.
- **Capital Repositioning:** Tariff shifts, nearshore manufacturing, and a landmark railroad merger are funneling capital into freight infrastructure.
- **Financing Window Reopens:** Fed rate cuts and stronger debt markets are unlocking deferred buyouts and sponsor exits, with infrastructure funds widening the buyer pool.

Market Overview

- Sector stocks slipped **2.3% in Q2** but beat the S&P (down 7.1%) as investors rotated into defensive, cash-generative names.
- Dealmaking stayed selective at **274 global Q2 transactions** (logistics led with 148); valuations for asset-light platforms reached a four-year high of 13.2x cash flow.
- Truckload spot rates jumped **~18.7% year over year**, the steepest rise since 2022, driven by shrinking driver supply rather than a demand rebound.

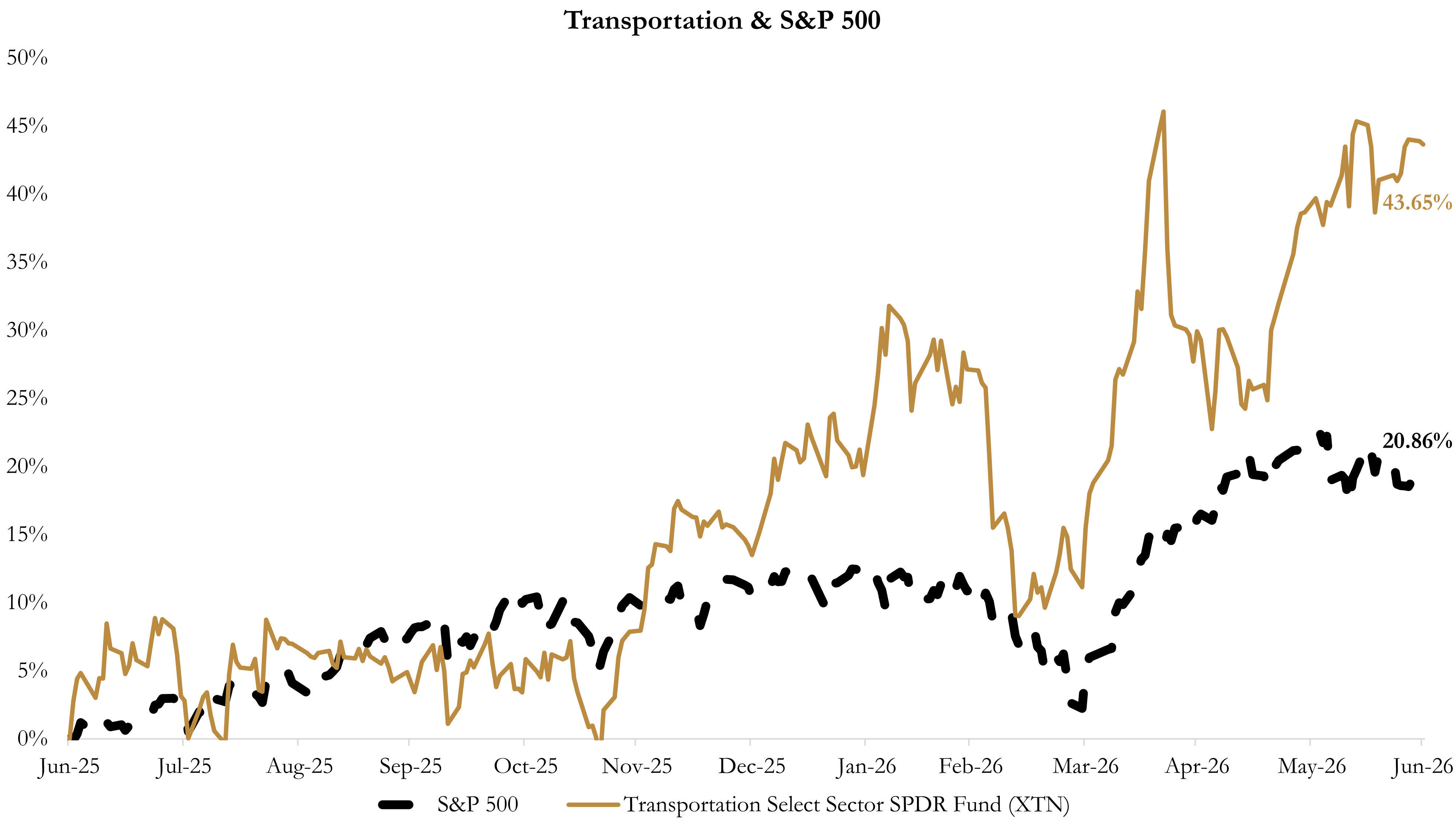
External Drivers

- Lower rates and **easier financing** are reviving stalled deals and restoring dealmaker confidence across the sector.
- Tariffs are forcing a **rerouting of trade flows**; combined with nearshoring, this is pushing more volume through the Mexico-U.S. corridor.
- Stricter driver licensing is pulling capacity off the road, producing **lasting tightness**: load rejections above 10% and the toughest truck-to-load balance in four years.

Sources: PCE Investment Bankers, R.L. Hulett, PwC US Deals 2026 Outlook, RXO Q2 2026 Truckload Forecast, C.H. Robinson, Capital IQ, FreightWaves

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	TEV	Price at 06/30/26	% of 52 Week High	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin	TEV / LTM Revenue	TEV / LTM EBITDA
		Financial Metrics					Valuation Metrics			
Airlines & Air Transportation										
Delta Air Lines, Inc.	DAL	$76,325	$93.66	98.4%	$68,287	$7,507	10.3%	11.0%	1.1x	10.2x
United Airlines Holdings, Inc.	UAL	$58,704	$135.99	98.0%	$62,902	$7,091	8.5%	11.3%	0.9x	8.3x
American Airlines Group Inc.	AAL	$37,986	$18.07	98.4%	$58,337	$3,372	7.5%	5.8%	0.7x	11.3x
Southwest Airlines Co.	LUV	$26,125	$51.42	93.3%	$30,073	$2,338	9.5%	7.8%	0.9x	11.2x
Alaska Air Group, Inc.	ALK	$10,556	$52.20	79.2%	$14,763	$692	9.8%	4.7%	0.7x	15.3x
JetBlue Airways Corporation	JBLU	$9,717	$5.73	88.2%	$9,503	$86	4.0%	0.9%	1.0x	113.0x
SkyWest, Inc.	SKYW	$6,108	$99.33	80.1%	$4,190	$955	9.1%	22.8%	1.5x	6.4x
Trucking & Ground Freight & Logistics										
Old Dominion Freight Line, Inc.	ODFL	$43,726	$216.60	85.9%	$5,603	$1,817	-0.6%	32.4%	7.8x	24.1x
XPO, Inc.	XPO	$26,814	$205.29	88.5%	$8,574	$1,381	7.1%	16.1%	3.1x	19.4x
J.B. Hunt Transport Services, Inc.	JBHT	$26,466	$289.43	98.6%	$12,701	$1,674	5.3%	13.2%	2.1x	15.8x
U-Haul Holding Company	UHAL	$19,433	$65.44	97.2%	$6,038	$744	3.6%	12.3%	3.2x	26.1x
C.H. Robinson Worldwide, Inc.	CHRW	$18,995	$188.34	92.6%	$16,997	$933	-0.1%	5.5%	1.1x	20.4x
Ryder System, Inc.	R	$18,295	$263.77	92.8%	$12,819	$2,783	1.1%	21.7%	1.4x	6.6x
Knight-Swift Transportation Holdings Inc.	KNX	$13,644	$77.87	94.0%	$7,729	$1,050	4.1%	13.6%	1.8x	13.0x
GXO Logistics, Inc.	GXO	$11,025	$50.70	75.8%	$13,499	$939	10.4%	7.0%	0.8x	11.7x
Saia, Inc.	SAIA	$9,766	$421.16	85.1%	$3,392	$616	4.8%	18.1%	2.9x	15.9x
Landstar System, Inc.	LSTR	$5,790	$206.81	90.5%	$4,995	$245	4.0%	4.9%	1.2x	23.6x

Source: Capital IQ

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(USD in millions, except per share data)

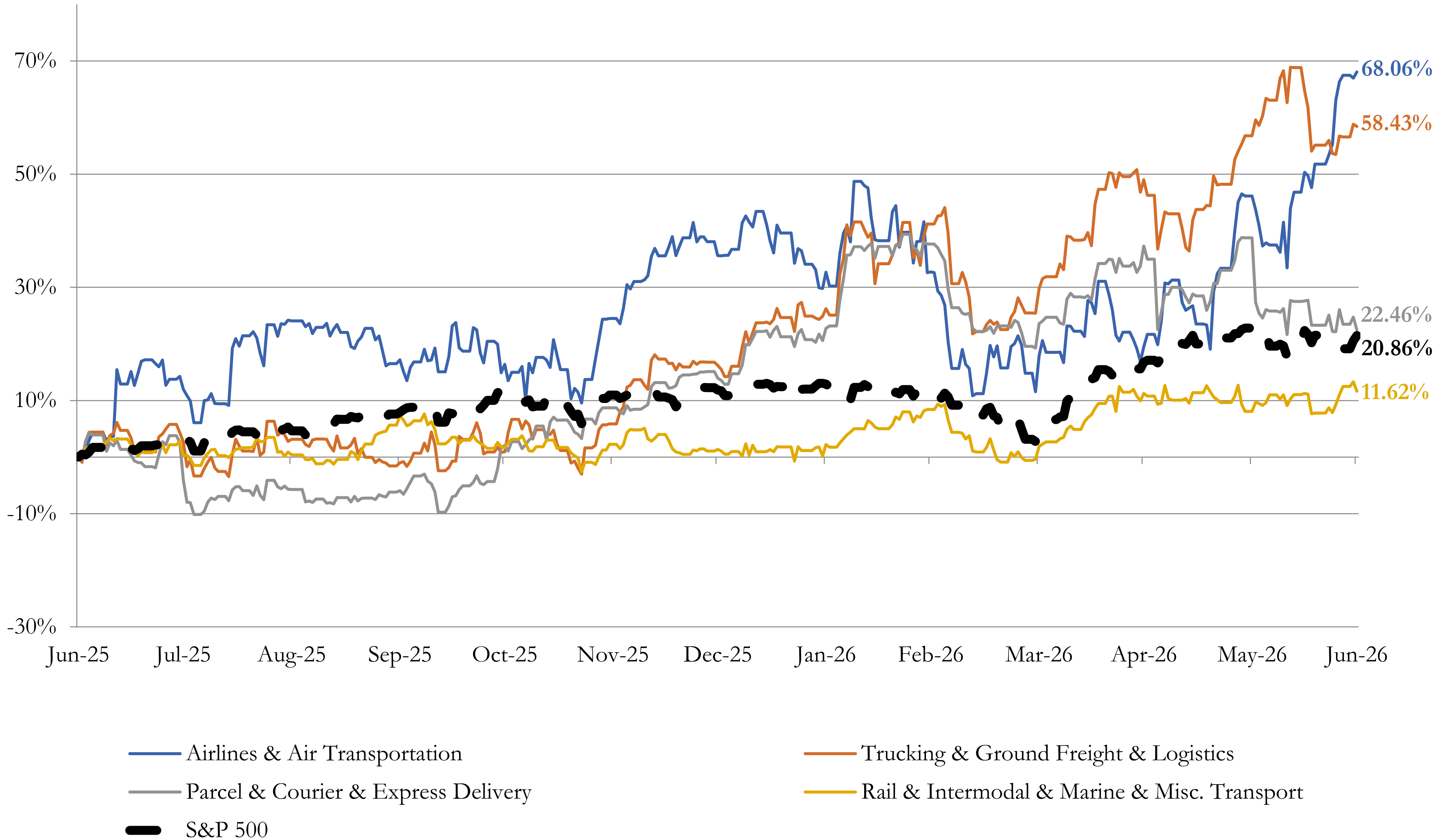
		Financial Metrics					Valuation Metrics			
Company Name	**Ticker**	**TEV**	**Price at 06/30/26**	**% of 52 Week High**	**LTM Revenue**	**LTM EBITDA**	**Revenue Growth**	**EBITDA Margin**	**TEV / LTM Revenue**	**TEV / LTM EBITDA**
Parcel & Courier & Express Delivery										
United Parcel Service, Inc.	UPS	$114,892	$107.50	87.8%	$89,930	$11,096	-0.4%	12.3%	1.3x	10.4x
FedEx Corporation	FDX	$102,556	$313.13	75.7%	$94,720	$11,844	7.7%	12.5%	1.1x	8.7x
Expeditors International of Washington	EXPD	$21,562	$162.98	96.7%	$12,036	$1,238	6.8%	10.3%	1.8x	17.4x
Rail & Intermodal & Marine & Misc. Transport										
Union Pacific Corporation	UNP	$202,068	$272.00	97.2%	$25,410	$12,884	4.2%	50.7%	8.0x	15.7x
Uber Technologies, Inc.	UBER	$149,285	$72.16	70.8%	$53,687	$7,020	18.3%	13.1%	2.8x	21.3x
CSX Corporation	CSX	$110,368	$47.53	98.2%	$14,512	$6,831	2.5%	47.1%	7.6x	16.2x
Norfolk Southern Corporation	NSC	$91,695	$314.59	96.5%	$12,540	$5,663	3.0%	45.2%	7.3x	16.2x
Avis Budget Group, Inc.	CAR	$33,634	$147.83	17.4%	$11,711	$1,539	0.4%	13.1%	2.9x	21.9x
Hertz Global Holdings, Inc.	HTZ	$20,482	$2.27	26.8%	$8,695	$304	-1.0%	3.5%	2.4x	67.4x
Kirby Corporation	KEX	$8,113	$135.97	86.2%	$3,489	$773	6.6%	22.2%	2.3x	10.5x
Matson, Inc.	MATX	$6,875	$192.23	94.7%	$3,459	$675	-0.2%	19.5%	2.0x	10.2x
Lyft, Inc.	LYFT	$5,788	$14.61	57.2%	$6,517	-$7	9.4%	-0.1%	0.9x	-866.6x
FTAI Infrastructure Inc.	FIP	$5,270	$4.64	58.5%	$595	$205	72.3%	34.5%	8.9x	25.7x
Genco Shipping & Trading Limited	GNK	$1,415	$24.78	90.9%	$385	$90	2.2%	23.3%	3.7x	15.8x

Source: Capital IQ

2

Public Market Performance

Sub-Industry Performance vs. S&P 500

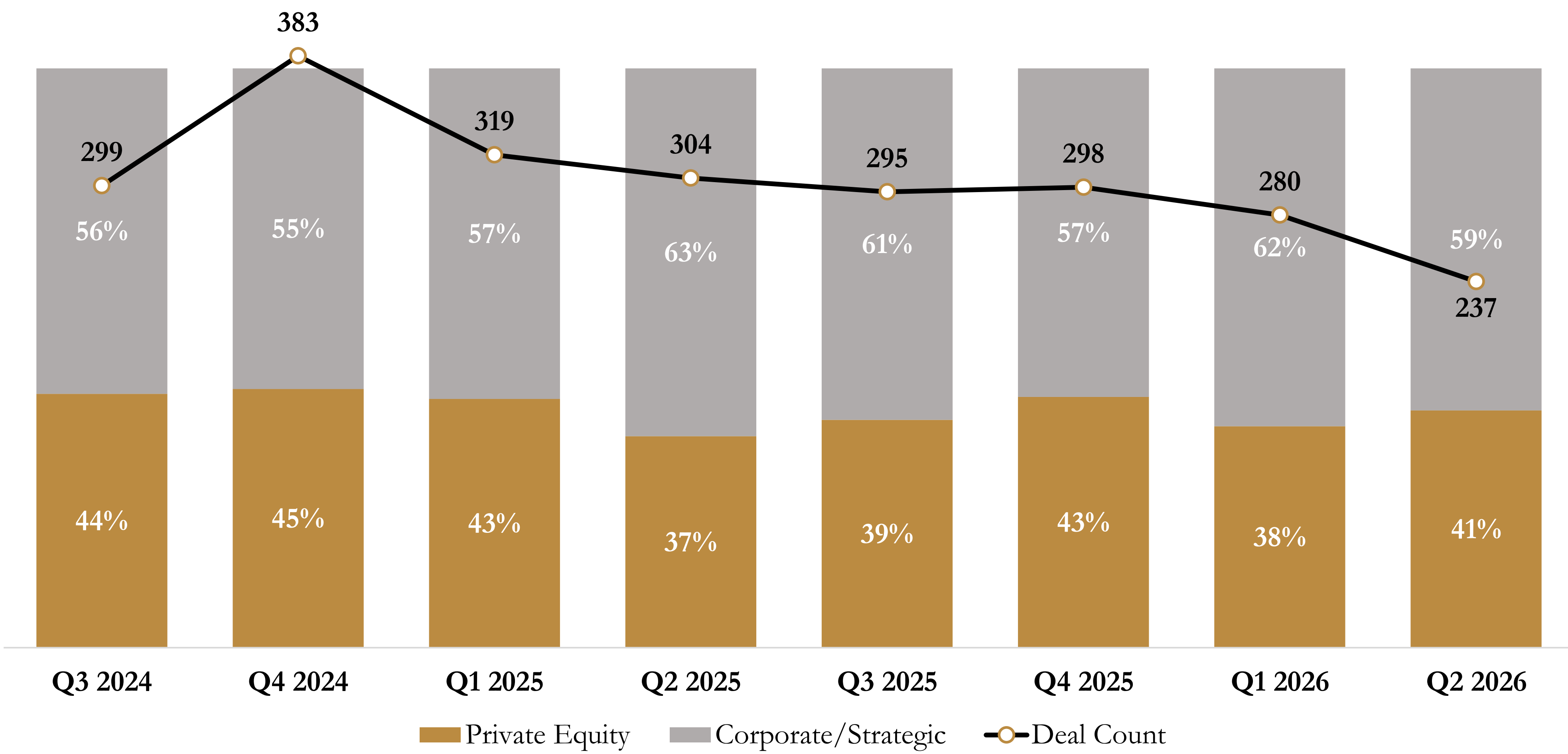


Source: Capital IQ

3 M&A Trends

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

Over the past two years, strategic acquirers have accounted for approximately 59% of M&A activity in the Transportation and Logistics sector. After a strong Q4 2024, when industry transaction volume peaked at 383 deals, activity has steadily declined through early 2026. Private equity represented 41% of Q2 2026 transactions, while total deal volume declined to 237, 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

3 M&A Trends

Recent M&A Transactions

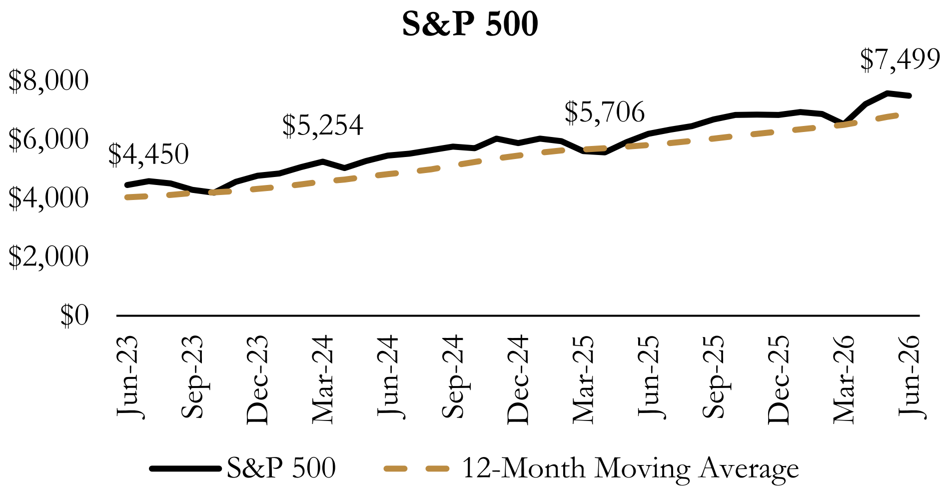
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
May-26	Cross Border Xpress, L.L.C.	Grupo Aeroportuario del Pacífico, S.A.B. de C.V.	$2,644
May-26	Sun Country, Inc.	Allegiant Travel Company	$1,398
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
Jan-26	Firstfleet, Inc.	Werner Enterprises, Inc.	$245
Jan-26	Air Wisconsin Airlines LLC	CSI Aviation, Inc.	$110
Jun-26	Despir Logistics LLC	C.H. Robinson Worldwide, Inc.	$75
Oct-25	Janel Group, Inc.	Rubicon Technology, Inc.	$46
Jun-26	AP Shale Logistics ManagementCo LLC	FTAI Infrastructure Inc.	$45
Mar-26	Fly Flyte, Inc.	Catheter Precision, Inc.	$14
Jul-25	Envoy Aerospace, LLC	Astronics Corporation	$8
May-26	APEX	Off The Hook YS Inc. (nka:NextBoat Inc.)	$6
Jun-26	AG Freight, LLC	Behnke Dedicated, LLC	NA
Jun-26	Rotorcraft Leasing Company, LLC	Voyager Interests, LLC	NA
Jun-26	Masterpiece International, Ltd.	Boxart Inc.; Maxwell Street Capital Partners, LP	NA
Jun-26	Ally Global Logistics LLC	PLS Logistics Services	NA
Jun-26	Dedicated Systems, Inc.	AmeriLux Transportation, LLC	NA
Jun-26	F2f Transport, LLC	LRT Solutions, Inc.	NA
Jun-26	Leading Edge Holdings, LLC	Equivu Capital, LLC	NA
Jun-26	Envoy Technologies, Inc.	BladeRanger Ltd	NA
Jun-26	Locked And Loaded Deliveries Inc.	Cadogan Tate Group Limited	NA
Jun-26	LG Logistics Solutions LLC	Fura, Inc.	NA
Jun-26	Dauntless Air Inc	Ridgewood Infrastructure, LLC	NA
Jun-26	King Courier	Mercury Business Services, LLC	NA
Jun-26	Double-Stack Logistics, LLC	Open Road Ventures	NA
May-26	Scl Cold Chain, LLC	RealCold	NA

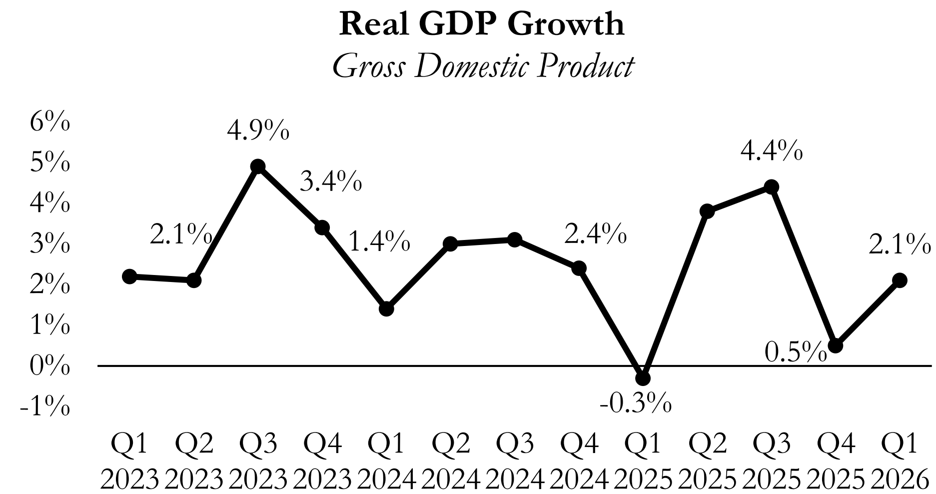
Source: Capital IQ

4 Macroeconomic Environment

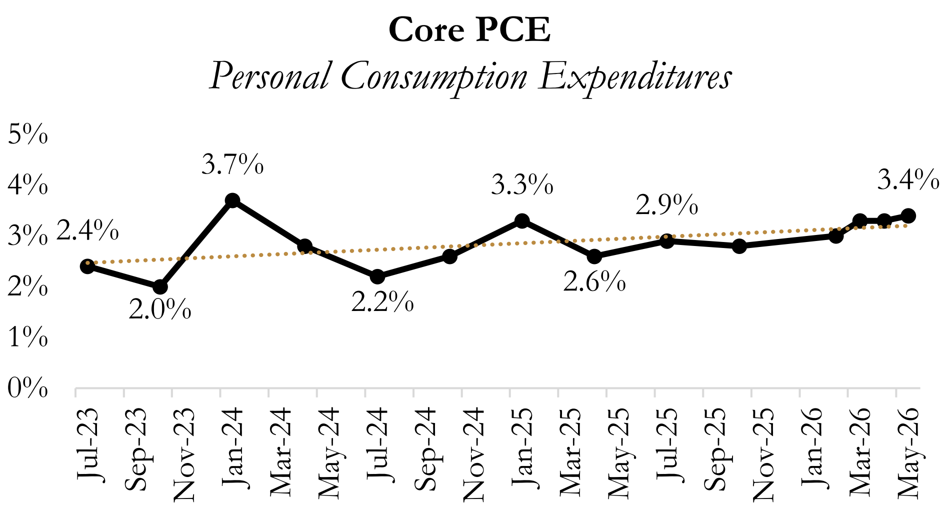
Macroeconomic Indicators



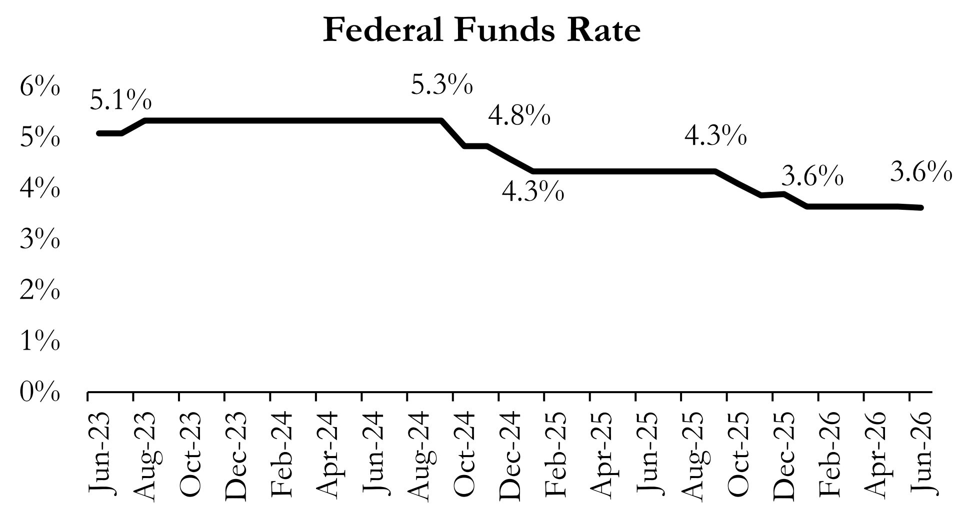
A leading equity index tracking the performance of 500 large U.S. companies.



Tracks inflation-adjusted economic output, typically reported quarterly.



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



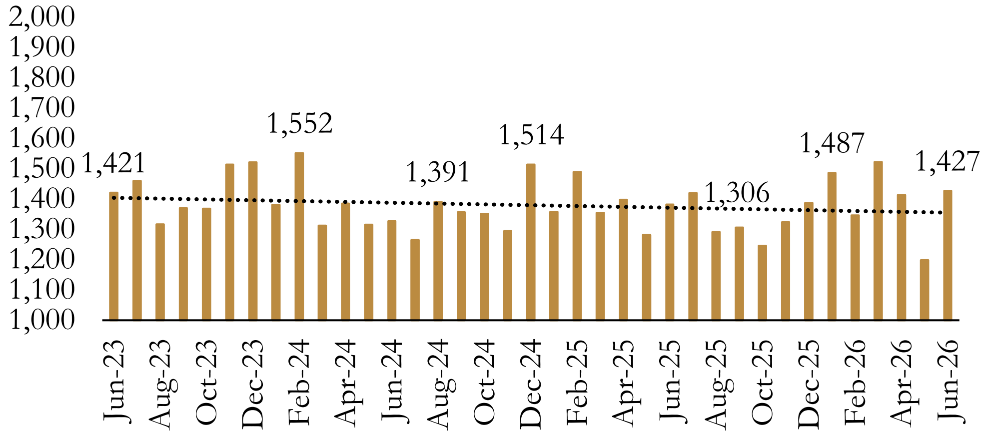
The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

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

4 Macroeconomic Environment

Macroeconomic Indicators (Cont.)

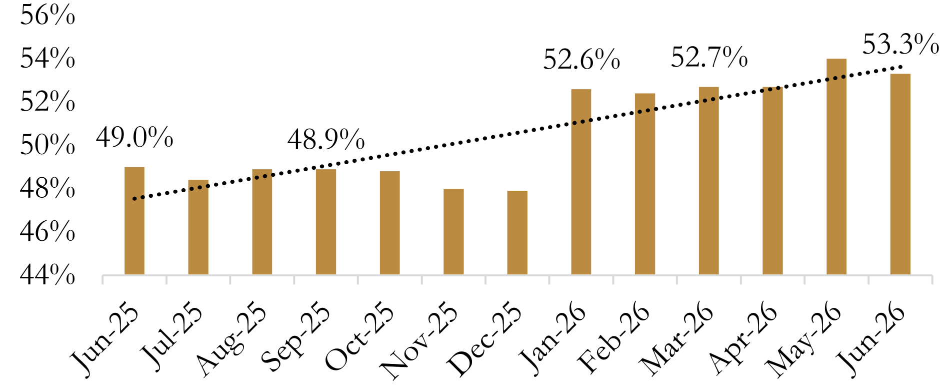
New Privately-Owned Housing Units Started[1]



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

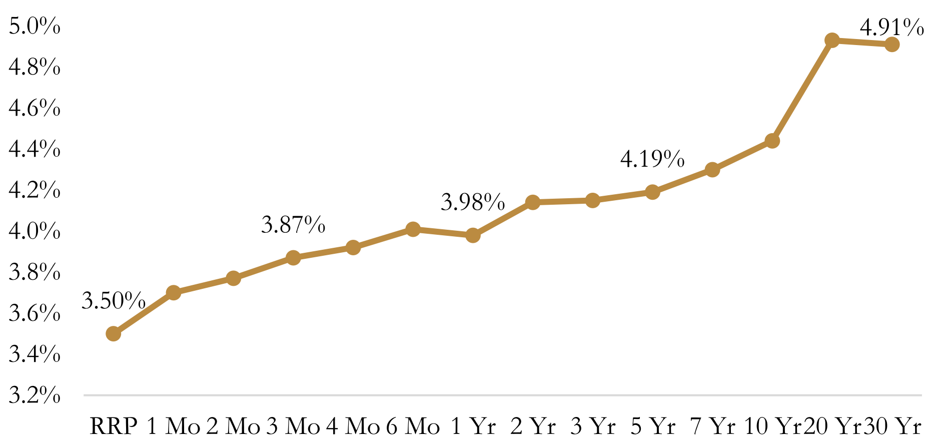
Manufacturing PMI

Purchasing Manager's Index



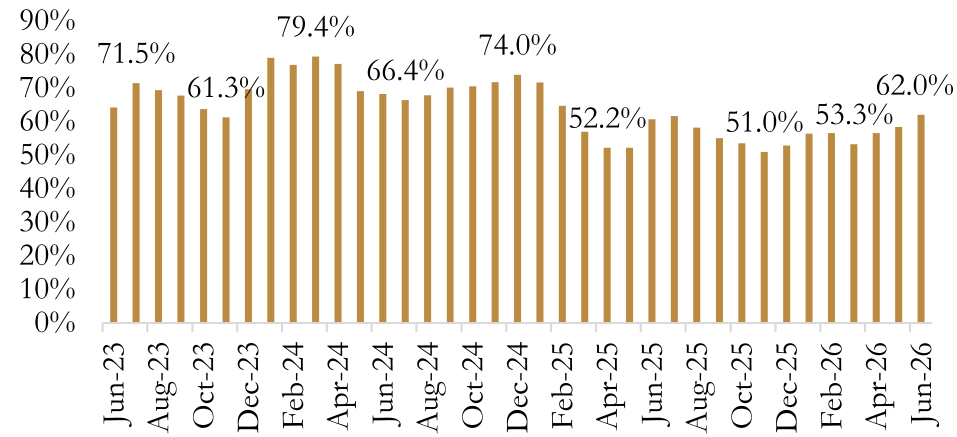
A monthly survey signaling manufacturing sector activity; readings above 50 indicate expansion.

Treasury Par Yield Curve Rates



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

Consumer Sentiment

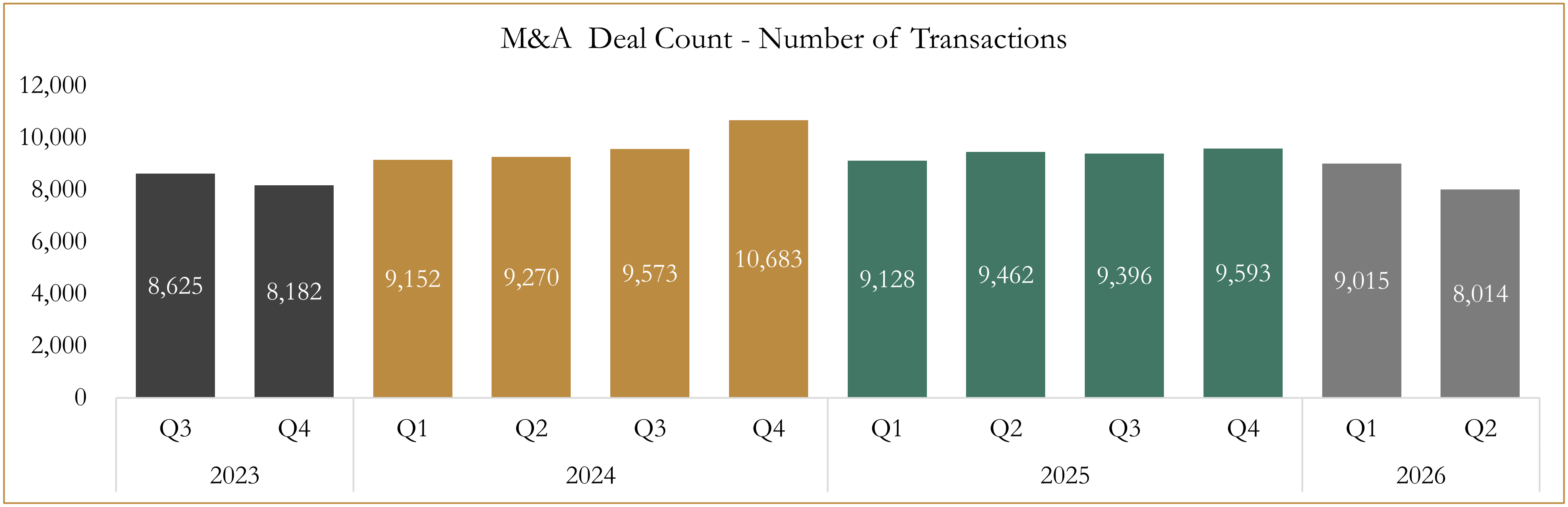


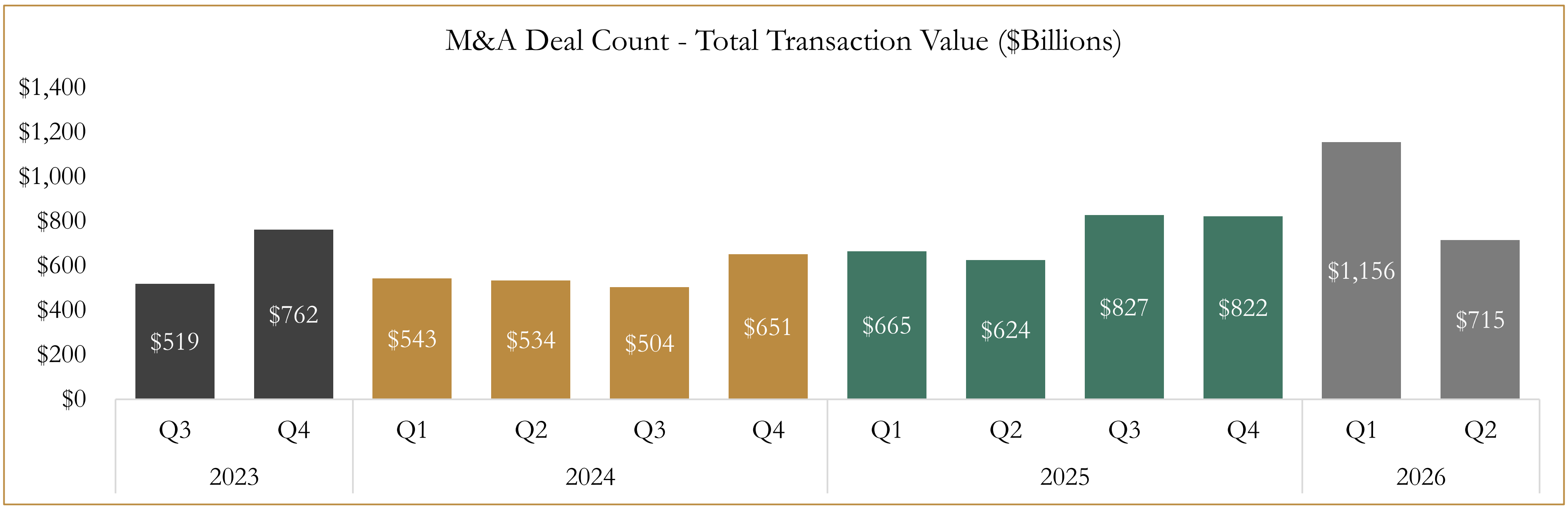
Measures consumer confidence in the economy based on monthly survey data from the University of Michigan.

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

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About Us

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

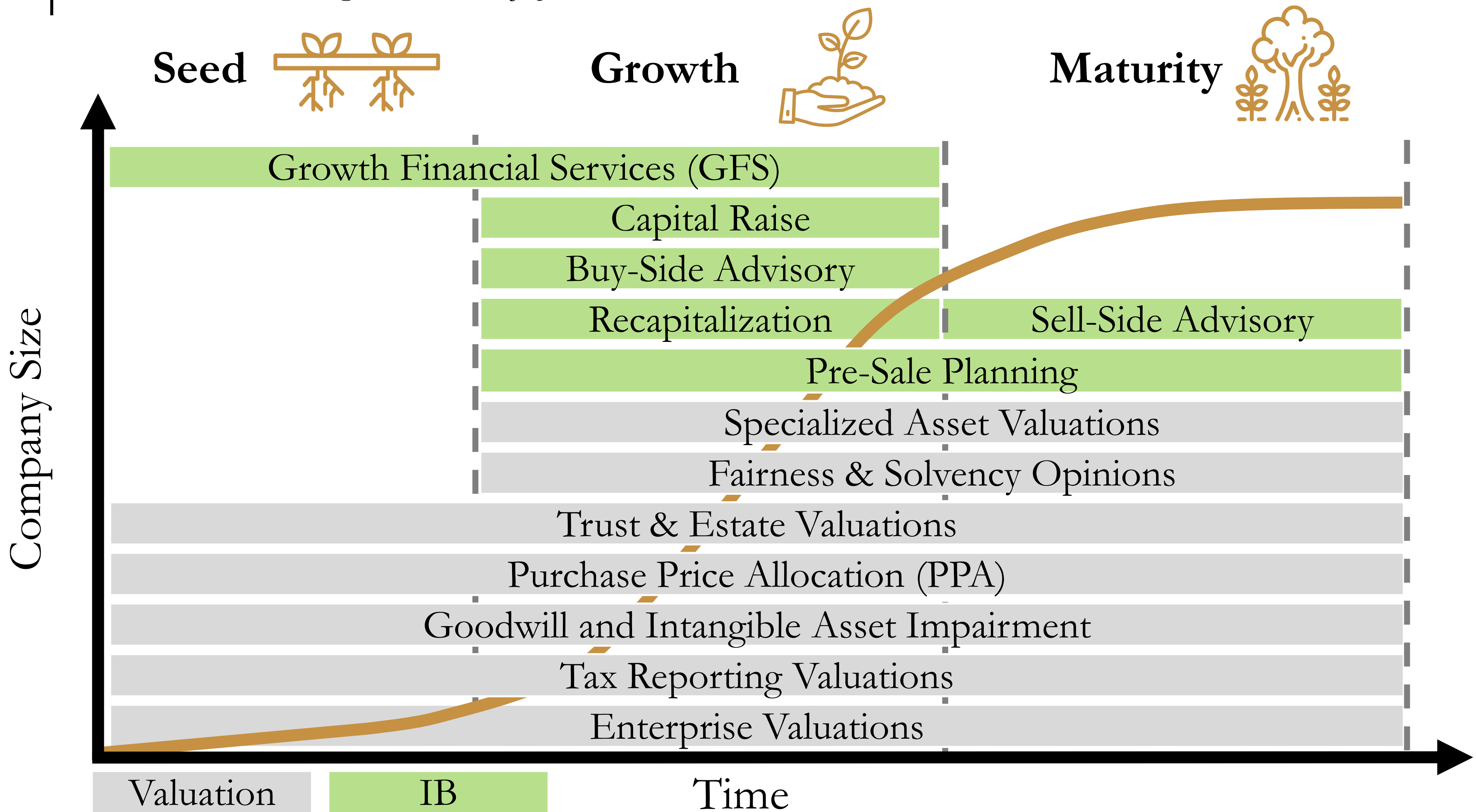
Houlihan Capital Locations

Chicago, IL

Cleveland, OH

5 Houlihan Capital

Houlihan's services along the business lifecycle



For questions or inquiries regarding our services, please contact:

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