HOULIHAN CAPITAL *Value. Added.*

Valuation & Financial Advisory | Investment Banking

Industry Update

Transportation & Logistics

Q3 2025

200 W. Madison Street, Suite 2150 | Chicago, IL 60606 | www.houlihancapital.com | 312.450.8600

Member of FINRA | Member of SIPC

1 Executive Summary

Key Takeaways

Key Trends

- **Supply Chain:** Firms are focusing on resilience by diversifying suppliers and routes. Near-shoring and regional warehousing are gaining traction to cut risk and improve delivery reliability.
- **Technology:** AI, automation, and digital freight platforms are streamlining logistics operations. Companies are using analytics and telematics to optimize routes, manage fleets, and lower costs.
- **Modal Shifts:** Freight demand remains weak, pressuring rates across modes. Operators are tightening capacity and leaning on value-added or niche services to sustain margins.

Market Overview

- Sector performance declined in Q3 2025, as **weak freight demand** and persistent **overcapacity** continued to pressure pricing and profitability.
- M&A activity remained **cautious**, centered on tech-enabled and **specialized logistics assets** amid subdued investor sentiment.
- Trade friction and **fuel volatility** heightened operational risks and added complexity to **global supply chains**.

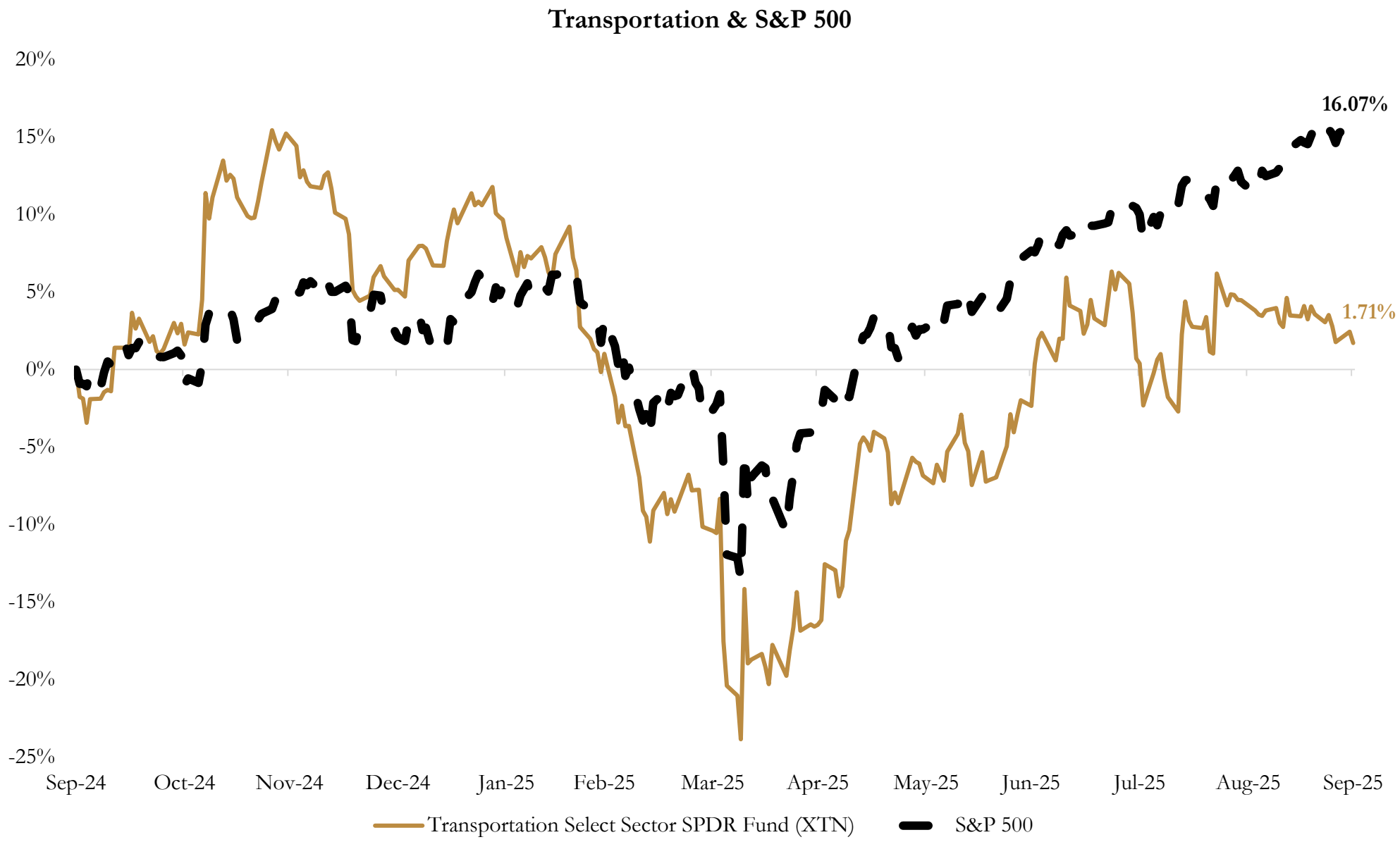
External Drivers

- Geopolitical and trade tensions are **rerouting freight flows** and driving more regionalized supply chains.
- Labor shortages and aging fleets are **straining capacity** and pushing greater automation and outsourcing.
- Stricter emissions and sustainability rules are **raising costs** as carriers invest in cleaner technologies and alternative fuels.

Sources: U.S. SEC, European Commission, 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	Valuation Metrics					Financial Metrics			
		TEV	Price at 09/30/25	% 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	$58,340	$56.75	81.1%	0.9x	7.3x	$62,920	$8,022	4.3%	12.7%
United Airlines Holdings, Inc.	UAL	$50,784	$96.50	83.2%	0.9x	6.3x	$58,369	$8,080	4.2%	13.8%
American Airlines Group Inc.	AAL	$36,658	$11.24	58.8%	0.7x	7.2x	$54,250	$5,108	1.5%	9.4%
Southwest Airlines Co.	LUV	$19,584	$31.91	84.1%	0.7x	11.4x	$27,472	$1,713	1.6%	6.2%
Alaska Air Group, Inc.	ALK	$9,842	$49.78	63.8%	0.7x	6.7x	$13,447	$1,471	27.8%	10.9%
JetBlue Airways Corporation	JBLU	$8,049	$4.92	59.2%	0.9x	17.4x	$9,138	$463	-1.9%	5.1%
SkyWest, Inc.	SKYW	$5,939	$100.62	74.2%	1.5x	6.2x	$3,841	$952	20.5%	24.8%
Trucking & Ground Freight & Logistics										
Old Dominion Freight Line, Inc.	ODFL	$29,719	$140.78	60.4%	5.3x	16.6x	$5,639	$1,787	-5.5%	31.7%
XPO, Inc.	XPO	$19,780	$129.27	80.3%	2.5x	16.2x	$8,009	$1,219	-0.1%	15.2%
J.B. Hunt Transport Services, Inc.	JBHT	$17,649	$134.17	67.0%	1.5x	11.3x	$12,049	$1,562	-1.6%	13.0%
C.H. Robinson Worldwide, Inc.	CHRW	$16,588	$132.40	95.9%	1.0x	20.1x	$17,013	$826	-2.6%	4.9%
U-Haul Holding Company	UHAL	$16,313	$57.07	72.2%	2.8x	9.6x	$5,911	$1,707	4.9%	28.9%
Ryder System, Inc.	R	$16,029	$188.64	98.8%	1.3x	5.8x	$12,676	$2,768	3.7%	21.8%
GXO Logistics, Inc.	GXO	$11,728	$52.89	83.5%	0.9x	13.8x	$12,683	$848	22.4%	6.7%
Knight-Swift Transportation Holdings Inc.	KNX	$10,648	$39.51	64.2%	1.4x	10.2x	$7,427	$1,049	-2.5%	14.1%
Saia, Inc.	SAIA	$8,670	$299.36	47.9%	2.7x	13.7x	$3,236	$631	4.2%	19.5%
Landstar System, Inc.	LSTR	$4,341	$122.56	62.3%	0.9x	16.3x	$4,802	$267	-2.1%	5.6%

Source: Capital IQ

2 Public Market Performance

Key Financial and Valuation Metrics for Large Industry Operators

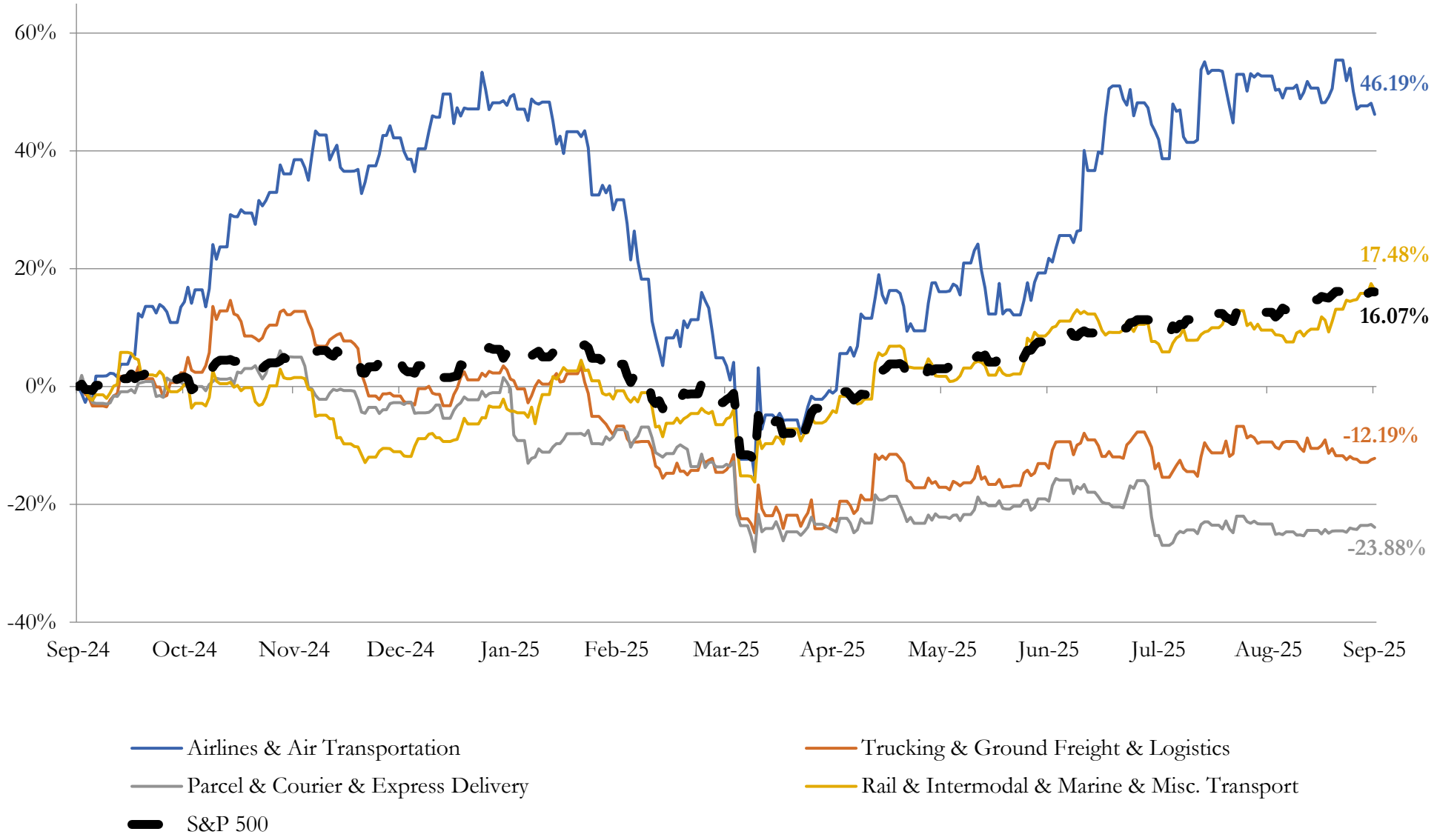
(USD in millions, except per share data)

Company Name	Ticker	Valuation Metrics					Financial Metrics			
		TEV	Price at 09/30/25	% 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	$96,312	$83.53	57.6%	1.1x	8.4x	$90,313	$11,497	0.9%	12.7%
FedEx Corporation	FDX	$88,253	$235.81	76.4%	1.0x	7.9x	$88,591	$11,120	1.1%	12.6%
Expeditors International of Washington	EXPD	$15,778	$122.59	93.5%	1.4x	13.4x	$11,273	$1,176	23.7%	10.4%
Rail & Intermodal & Marine & Misc. Transport										
Uber Technologies, Inc.	UBER	$196,464	$97.97	96.1%	4.2x	37.6x	$47,331	$5,230	18.2%	11.0%
Union Pacific Corporation	UNP	$167,693	$236.37	92.0%	6.9x	13.6x	$24,393	$12,366	1.1%	50.7%
CSX Corporation	CSX	$87,478	$35.51	95.3%	6.2x	13.4x	$14,123	$6,538	-3.8%	46.3%
Norfolk Southern Corporation	NSC	$81,919	$300.41	99.8%	6.7x	13.5x	$12,178	$6,056	0.7%	49.7%
Avis Budget Group, Inc.	CAR	$33,961	$160.58	75.5%	2.9x	35.7x	$11,659	$952	-2.2%	8.2%
Hertz Global Holdings, Inc.	HTZ	$20,968	$6.80	72.4%	2.4x	-66.6x	$8,614	-$315	-7.6%	-3.7%
Lyft, Inc.	LYFT	$7,231	$22.01	93.7%	1.2x	84.8x	$6,111	$85	19.9%	1.4%
Kirby Corporation	KEX	$6,055	$83.45	63.1%	1.8x	8.9x	$3,275	$678	2.4%	20.7%
FTAI Infrastructure Inc.	FIP	$4,220	$4.36	43.8%	11.0x	36.6x	$383	$115	16.1%	30.2%
Matson, Inc.	MATX	$3,609	$98.59	58.3%	1.0x	4.9x	$3,465	$743	8.8%	21.4%
Genco Shipping & Trading Limited	GNK	$749	$17.80	90.8%	2.1x	10.1x	$351	$74	-17.2%	21.2%

Source: Capital IQ

2 Public Market Performance

Sub-Industry Performance vs. S&P 500

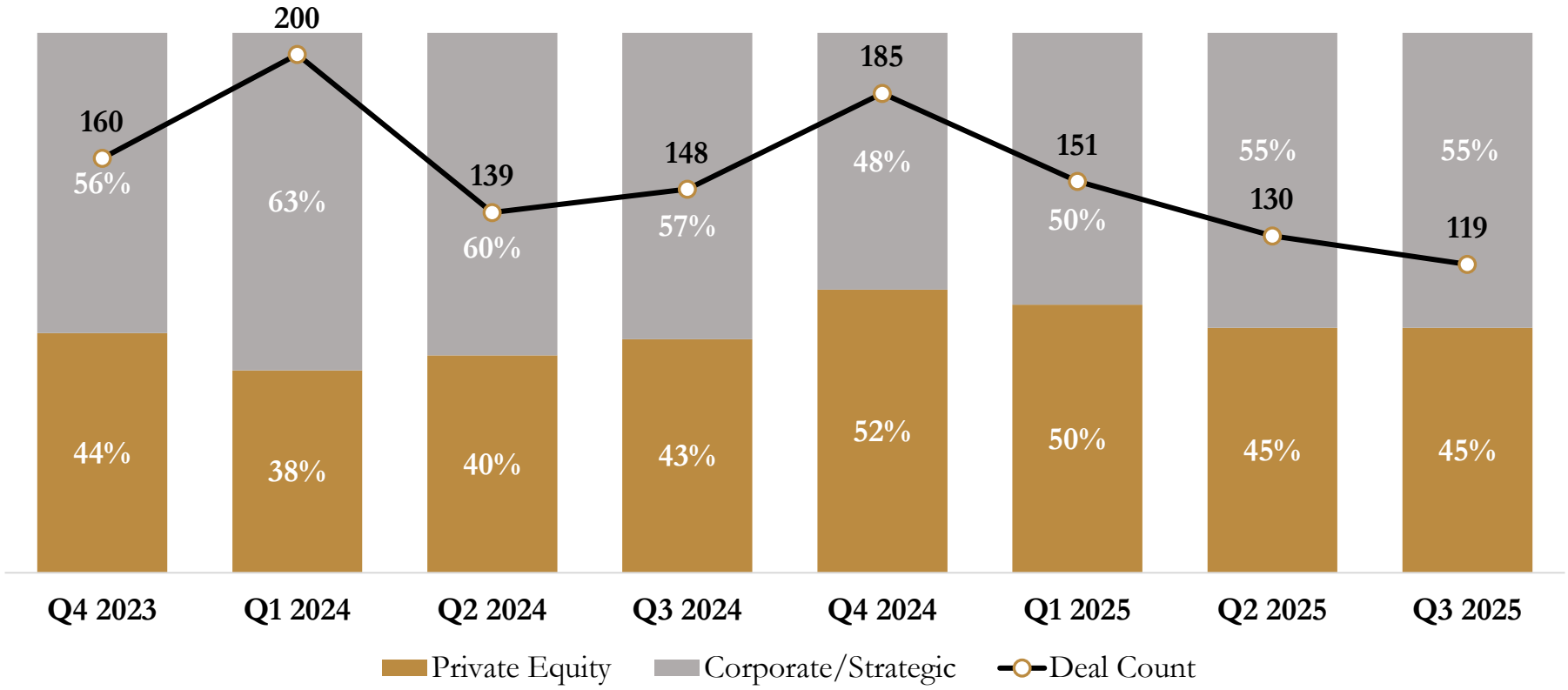


Source: Capital IQ

3 M&A Trends

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

Over the past two (2) years, strategic acquirers have continued to drive M&A activity in the Transportation and Logistics sector, accounting for roughly 55% of total deal volume on average. After a strong year in 2024, when the industry recorded more than 600 transactions, activity has slowed through 2025. The moderation reflects several industry-specific challenges – including cooling freight demand, persistent supply chain inefficiencies, and rising operational costs tied to labor, fuel, and infrastructure constraints. In addition, evolving trade flows and ongoing efforts to restructure logistics networks for resilience have led many operators to focus inward rather than pursue acquisitions. Private equity accounted for 45% of Q3 2025 transactions, while total deal volume declined to 119, marking the lowest quarterly total in this dataset.



Source: PitchBook

3 M&A Trends

Recent M&A Transactions

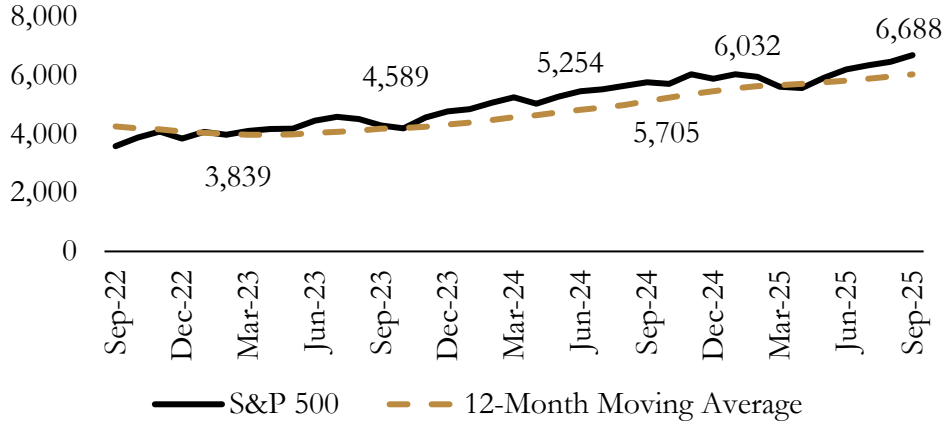
Close Date	Target	Acquirer	Implied TEV
Apr-25	Air Transport Services Group, Inc.	Stonepeak Partners LP	$3,104
Aug-25	The Wheeling Corporation	Percy Acquisition LLC	$1,050
Jul-25	National Express LLC	I Squared Capital Advisors, LLC	$608
Dec-24	Cowan Equipment Leasing, LLC/Cowan Transport Holdings, LLC/Cowan	Schneider National, Inc.	$390
Aug-25	G2 Secure Staff, L.L.C.	Menzies Aviation plc	$315
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
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
Sep-25	Dedicated Carriers, Inc.	R2X LLC	NA
Sep-25	Nomlas Ventures Inc.	Seneca Partners Limited	NA
Sep-25	Donjon Marine Co., Inc.	Tallvine Partners Management LP	NA
Sep-25	Red Wing Aeroplane, LLC	JEM Air Holdings LLC	NA
Sep-25	Fleet Distributors Inc.	AETNA Truck Parts, Inc.	NA
Sep-25	Razr Logistics, LLC	Best Warehousing & Transportation, LLC	NA
Sep-25	Big Spring Rail System, Inc.	Isomeric Industries Incorporated	NA
Sep-25	Southwest Rail Industries, LLC	FGL Investment USA	NA
Sep-25	EZDMV Inc	Tag Agency Professionals, Inc.	NA
Sep-25	TurnTime Transport	Montway LLC	NA
Sep-25	Hopewell, Inc.	UOVO ART LLC	NA
Sep-25	Load Delivered Logistics, LLC	Logistics Plus Inc.	NA
Sep-25	Distribution Management Corporation, Inc.	RD Last Mile Holdings, LLC	NA
Sep-25	Glacier Jet Center	Atlantic Aviation FBO Inc.	NA
Sep-25	Colossal Transport Solutions, LLC	Watco Companies, LLC	NA

Source: Capital IQ

4 Macroeconomic Environment

Macroeconomic Indicators

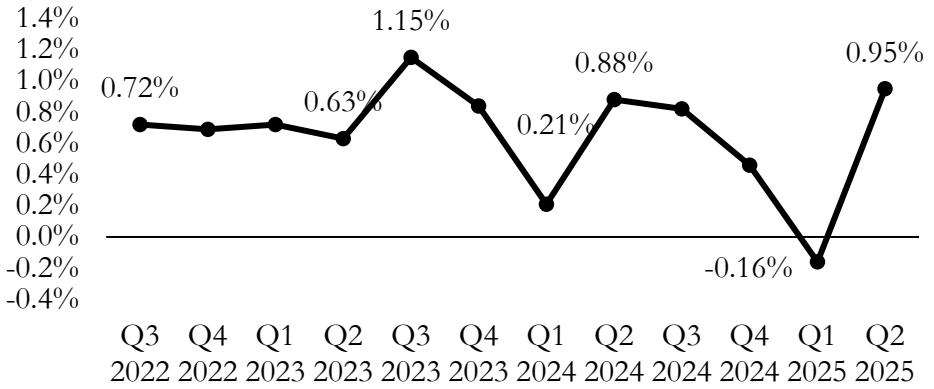
S&P 500



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

Real GDP Growth

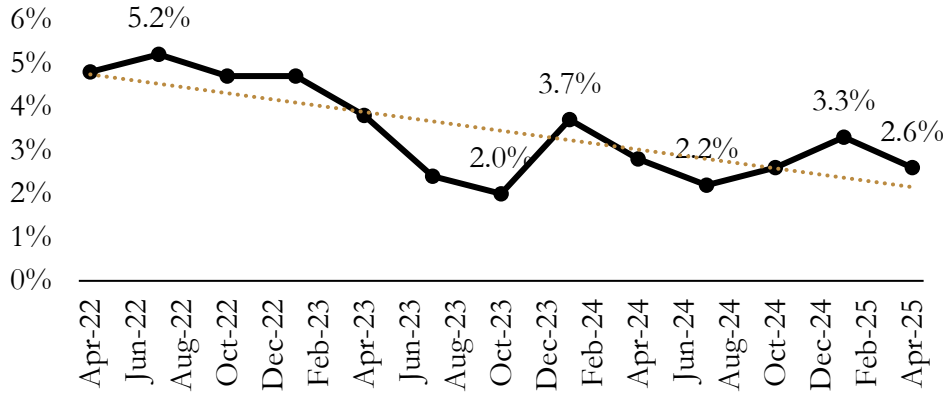
Gross Domestic Product



Tracks inflation-adjusted economic output, typically reported quarterly.

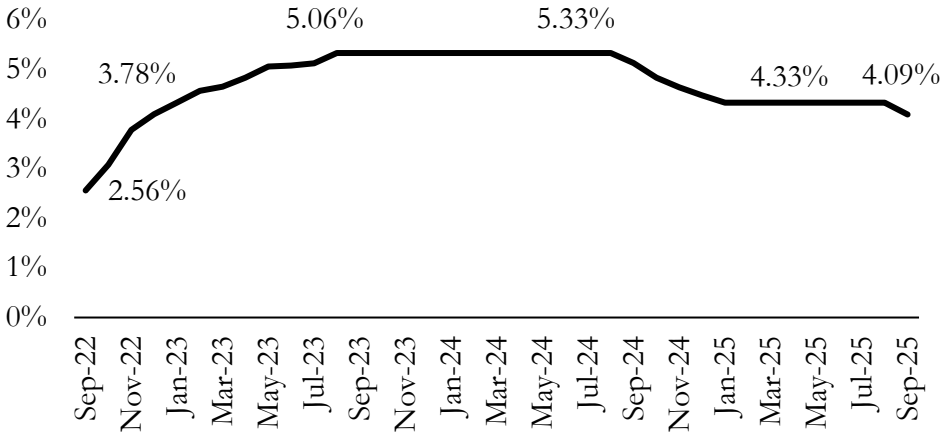
Core PCE

Personal Consumption Expenditures



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

Federal Funds Rate



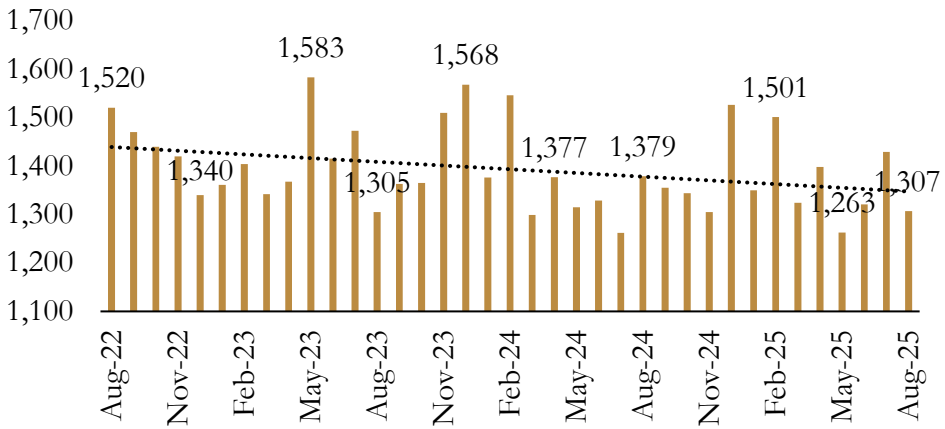
The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

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

4 Macroeconomic Environment

Macroeconomic Indicators (Cont.)

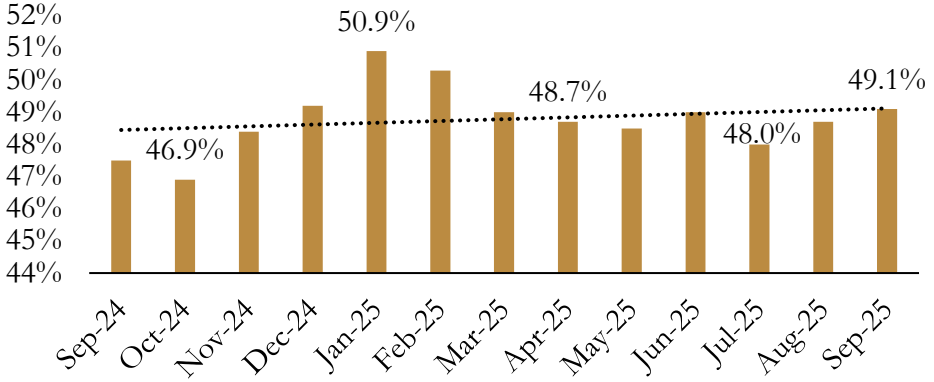
New Privately-Owned Housing Units Started[1]



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

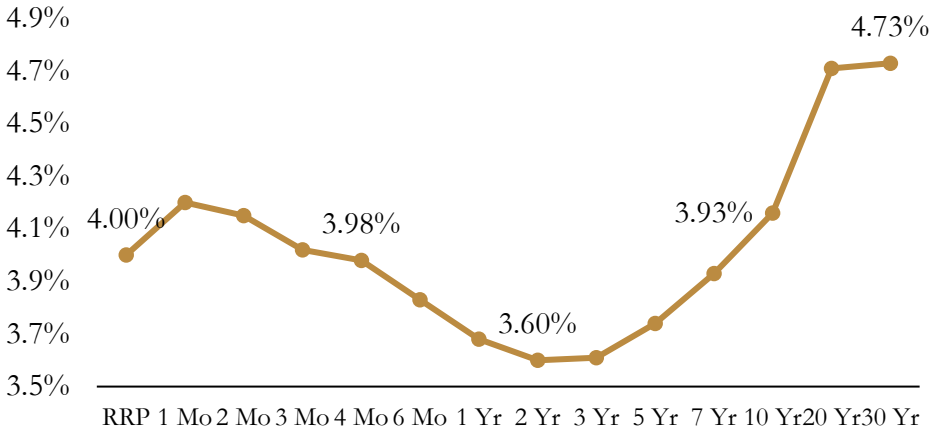
Manufacturing PMI

Purchasing Manager's Index



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

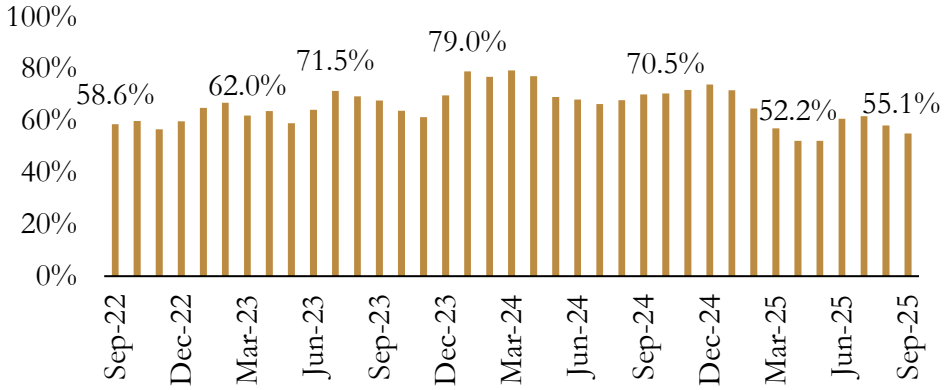
Treasury Par Yield Curve Rates



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

Consumer Sentiment

From the University of Michigan

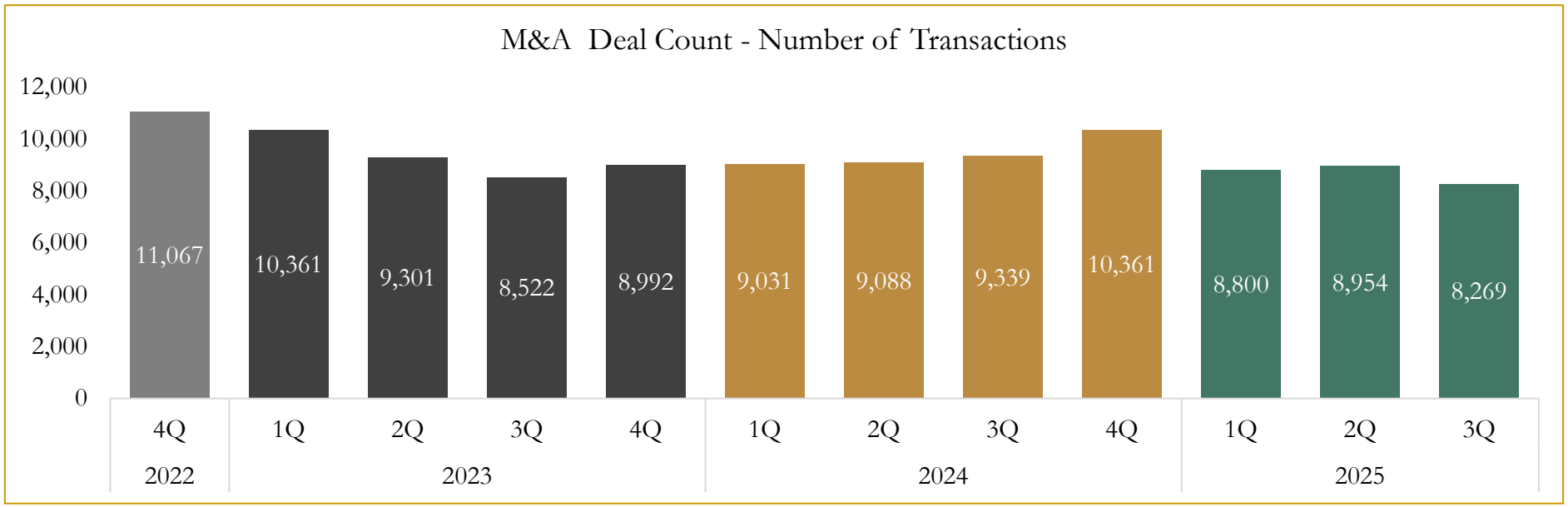


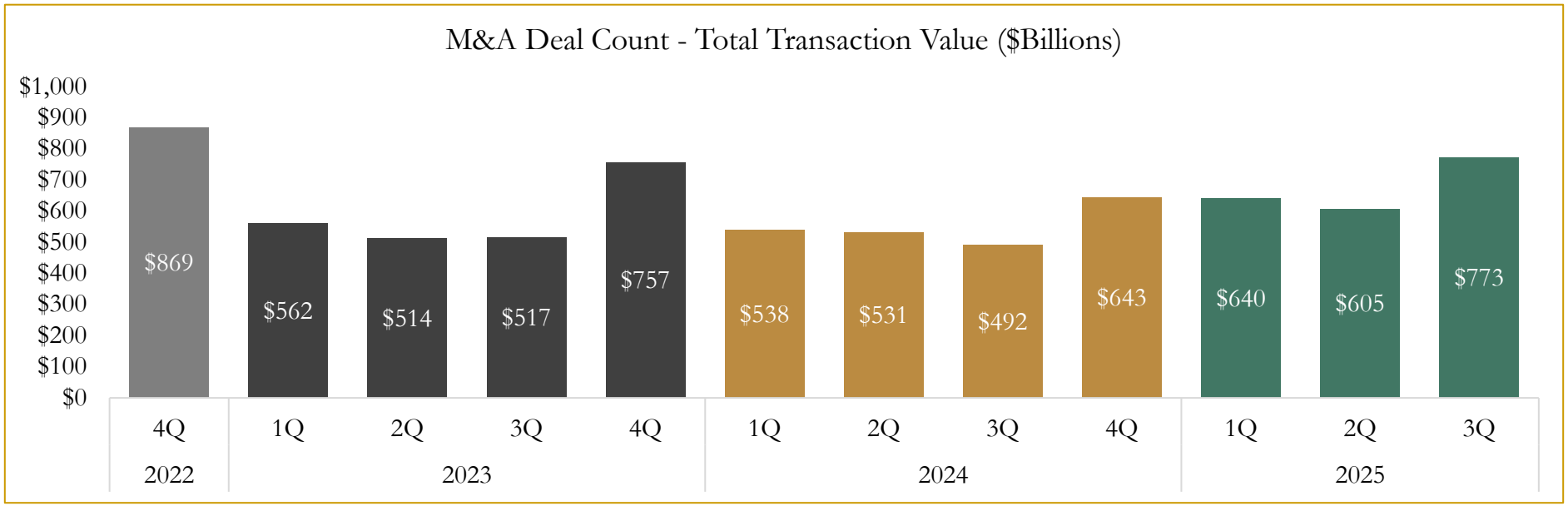
Measures consumer confidence in the economy based on monthly survey data.

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

5 Houlihan Capital

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

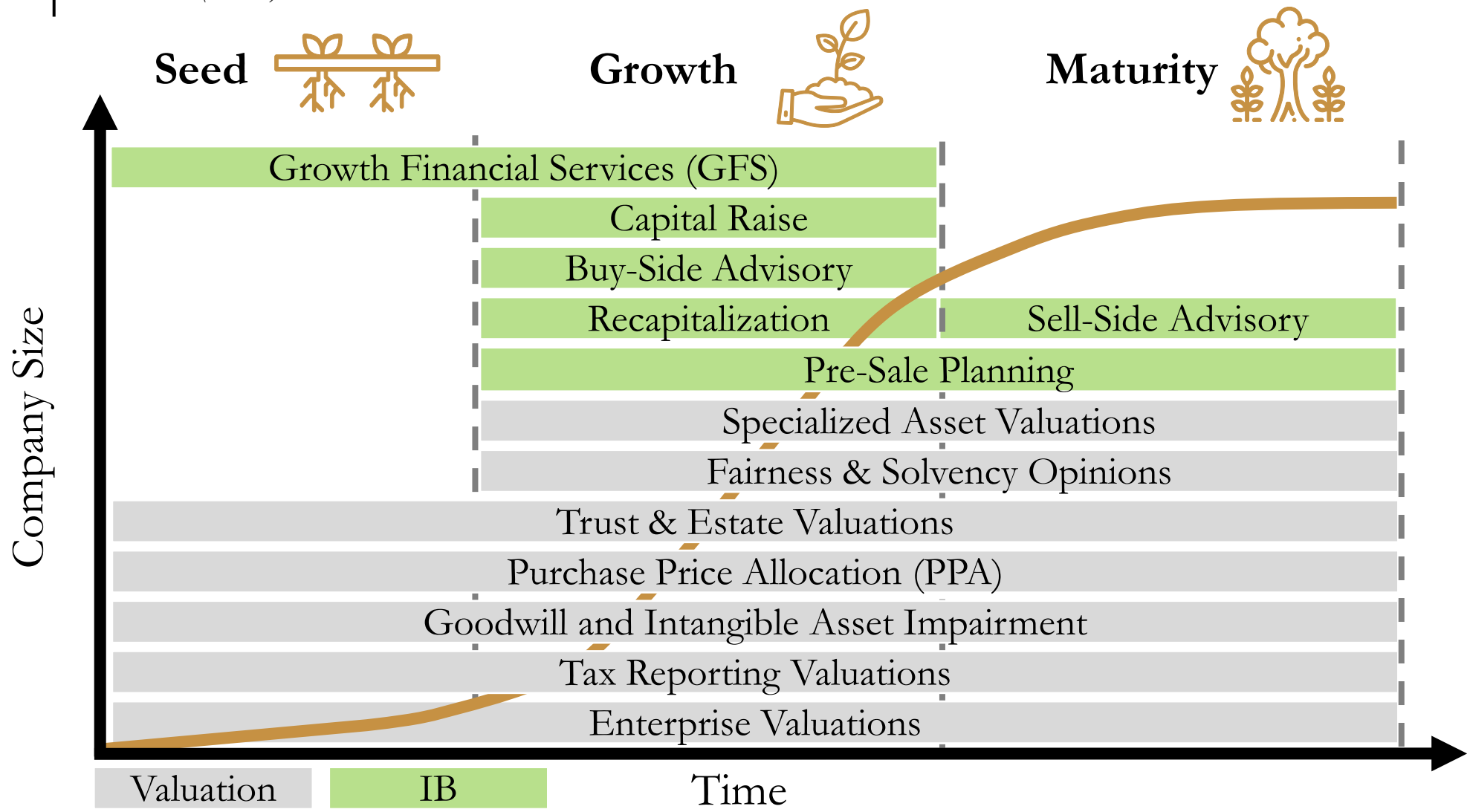
Divisions & Core Offerings

- 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



For questions or inquiries regarding our services, please contact:

info@houlihancapital.com