HOULIHAN CAPITAL

Valuation & Financial Advisory | Investment Banking



INDUSTRY UPDATE TRANSPORTATION & LOGISTICS Q3 2026

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01 EXECUTIVE SUMMARY

Key Takeaways

KEY TRENDS

- **Sharp Q3 Pullback:** Transportation stocks gave back much of their first-half rally, falling ~15% while the S&P 500 continued to climb.
- **Trucking Still Leads:** Trucking and ground freight remain the top-performing sub-sector over the past year, while rail and marine lagged.
- **Strategics Set the Pace:** Corporate buyers drove 63% of Q3 deals, focused on aviation services, e-fulfillment, and specialty freight.

MARKET OVERVIEW

- **Deal Volume Steady:** Q3 deal count rose slightly from Q2 but stayed below last year's level. Strategic buyers led most activity.
- **Valuations Vary by Segment:** Trucking and ground freight trade at the highest multiples, while airlines and parcel carriers trade lower.

EXTERNAL DRIVERS

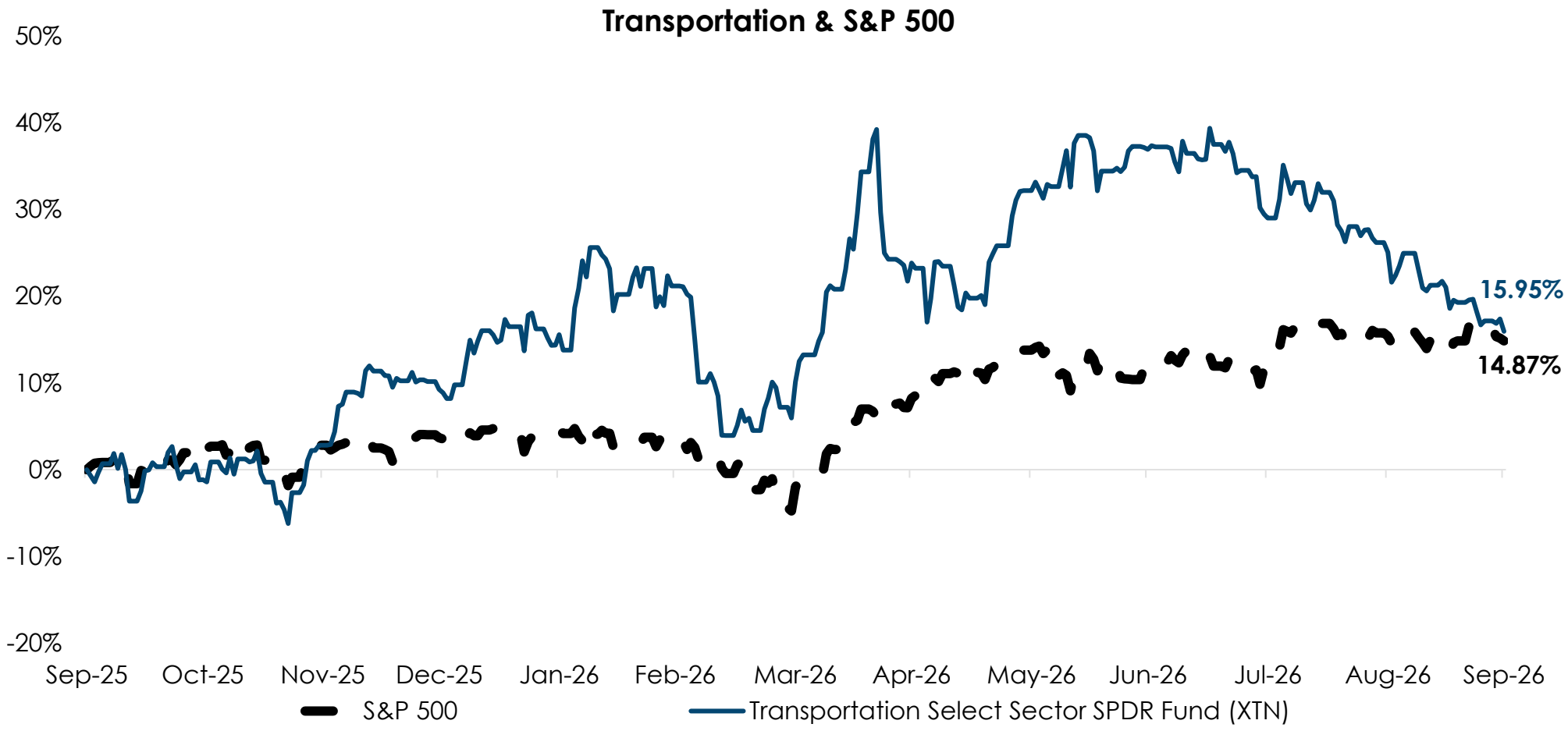
- **Interest Rates:** Rates have held steady all year, keeping financing costs elevated.
- **Inflation:** Inflation remains above the Fed's target, limiting room for rate cuts.
- **Freight Demand:** Manufacturing activity has expanded for nine straight months, a positive sign for freight volumes.
- **Consumer:** Consumer confidence fell sharply over the summer, which could weigh on consumer-driven freight.

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



02 PUBLIC MARKET PERFORMANCE

Sector ETF vs. S&P 500



Source: Capital IQ



02 PUBLIC MARKET PERFORMANCE

Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

		Valuation Metrics					Financial Metrics			
Company Name	Ticker	TEV	Price at 09/30/26	% 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	$68,569	$83.46	87.2%	1.0x	9.1x	$71,800	$7,507	14.1%	10.5%
United Airlines Holdings, Inc.	UAL	$50,931	$110.95	80.0%	0.8x	7.2x	$62,902	$7,091	8.5%	11.3%
American Airlines Group Inc.	AAL	$35,722	$13.37	71.2%	0.6x	10.6x	$58,337	$3,372	7.5%	5.8%
Southwest Airlines Co.	LUV	$23,038	$41.64	75.6%	0.8x	9.9x	$30,073	$2,338	9.5%	7.8%
Alaska Air Group, Inc.	ALK	$9,202	$38.70	63.8%	0.6x	13.1x	$14,763	$703	9.8%	4.8%
JetBlue Airways Corporation	JBLU	$8,732	$4.23	63.9%	0.9x	101.5x	$9,503	$86	4.0%	0.9%
SkyWest, Inc.	SKYW	$5,473	$96.92	82.3%	1.3x	5.7x	$4,190	$955	9.1%	22.8%
Trucking & Ground Freight & Logistics										
Old Dominion Freight Line, Inc.	ODFL	$37,456	$173.84	69.0%	6.7x	20.9x	$5,603	$1,793	-0.6%	32.0%
XPO, Inc.	XPO	$24,883	$175.98	75.8%	2.9x	18.0x	$8,574	$1,381	7.1%	16.1%
J.B. Hunt Transport Services, Inc.	JBHT	$22,841	$224.05	74.7%	1.8x	13.6x	$12,701	$1,674	5.3%	13.2%
C.H. Robinson Worldwide, Inc.	CHRW	$17,954	$147.96	70.3%	1.1x	19.3x	$16,997	$933	-0.1%	5.5%
Ryder System, Inc.	R	$17,342	$227.86	80.2%	1.4x	6.2x	$12,819	$2,783	1.1%	21.7%
U-Haul Holding Company	UHAL	$16,656	$60.17	78.7%	2.7x	21.9x	$6,089	$760	3.0%	12.5%
Knight-Swift Transportation Holdings Inc.	KNX	$13,010	$63.59	76.7%	1.7x	12.4x	$7,729	$1,050	4.1%	13.6%
GXO Logistics, Inc.	GXO	$10,729	$44.45	66.5%	0.8x	11.4x	$13,641	$941	7.6%	6.9%
Saia, Inc.	SAIA	$9,165	$333.74	67.5%	2.7x	14.9x	$3,392	$616	4.8%	18.1%
Landstar System, Inc.	LSTR	$5,519	$168.65	73.8%	1.1x	22.5x	$4,995	$245	4.0%	4.9%

Source: Capital IQ



02 PUBLIC MARKET PERFORMANCE

Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

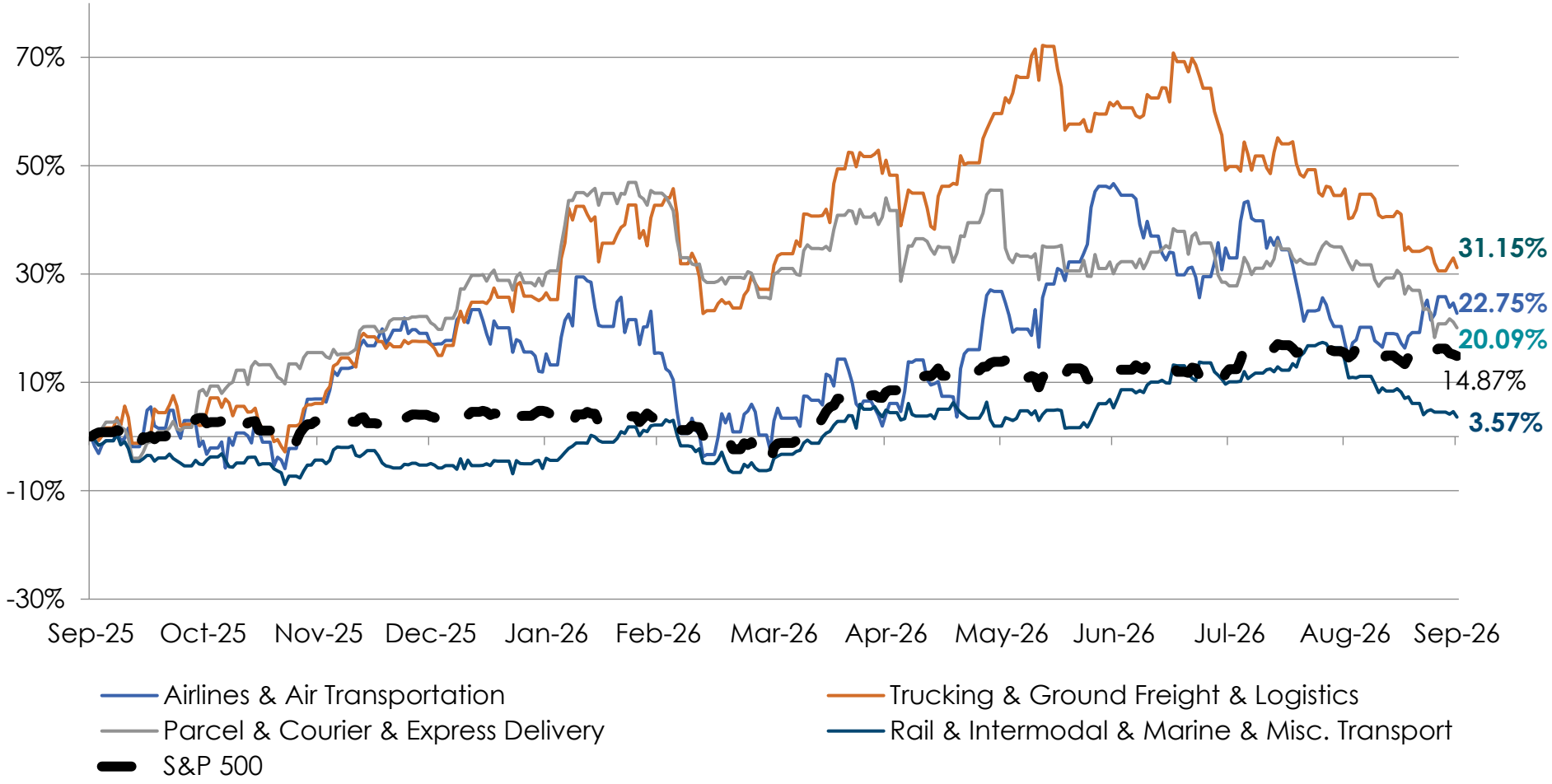
		Valuation Metrics					Financial Metrics			
Company Name	Ticker	TEV	Price at 09/30/26	% of 52 Week High	TEV / LTM Revenue	TEV / LTM EBITDA	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin
Parcel & Courier & Express Delivery										
United Parcel Service, Inc.	UPS	$105,166	$93.44	76.3%	1.2x	8.7x	$89,930	$12,084	-0.4%	13.4%
FedEx Corporation	FDX	$98,555	$285.09	68.9%	1.0x	8.3x	$94,720	$11,844	7.7%	12.5%
Expeditors International of Washington, Inc.	EXPD	$24,680	$184.64	94.9%	2.1x	19.5x	$12,036	$1,264	6.8%	10.5%
Rail & Intermodal & Marine & Misc. Transport										
Union Pacific Corporation	UNP	$196,329	$272.13	86.1%	7.7x	15.2x	$25,410	$12,884	4.2%	50.7%
Uber Technologies, Inc.	UBER	$151,870	$68.51	67.6%	2.7x	20.3x	$55,227	$7,474	16.7%	13.5%
CSX Corporation	CSX	$106,515	$46.51	86.8%	7.3x	15.6x	$14,512	$6,831	2.5%	47.1%
Norfolk Southern Corporation	NSC	$87,812	$309.00	86.2%	7.0x	15.5x	$12,540	$5,663	3.0%	45.2%
Avis Budget Group, Inc.	CAR	$32,441	$106.67	12.6%	2.8x	21.1x	$11,711	$1,539	0.4%	13.1%
Hertz Global Holdings, Inc.	HTZ	$21,111	$1.67	20.4%	2.4x	56.9x	$8,906	$371	3.4%	4.2%
Kirby Corporation	KEX	$8,365	$131.25	83.2%	2.4x	10.7x	$3,489	$778	6.6%	22.3%
Matson, Inc.	MATX	$7,406	$219.64	91.2%	2.1x	11.0x	$3,459	$675	-0.2%	19.5%
Lyft, Inc.	LYFT	$5,596	$15.01	58.8%	0.8x	120.1x	$6,772	$47	10.8%	0.7%
FTAI Infrastructure Inc.	FIP	$4,133	$2.76	41.3%	6.3x	18.2x	$659	$227	72.3%	34.4%
Genco Shipping & Trading Limited	GNK	$1,414	$26.16	92.0%	3.2x	10.8x	$441	$132	25.6%	29.8%

Source: Capital IQ



02 PUBLIC MARKET PERFORMANCE

Sub-Industry Performance vs. S&P 500



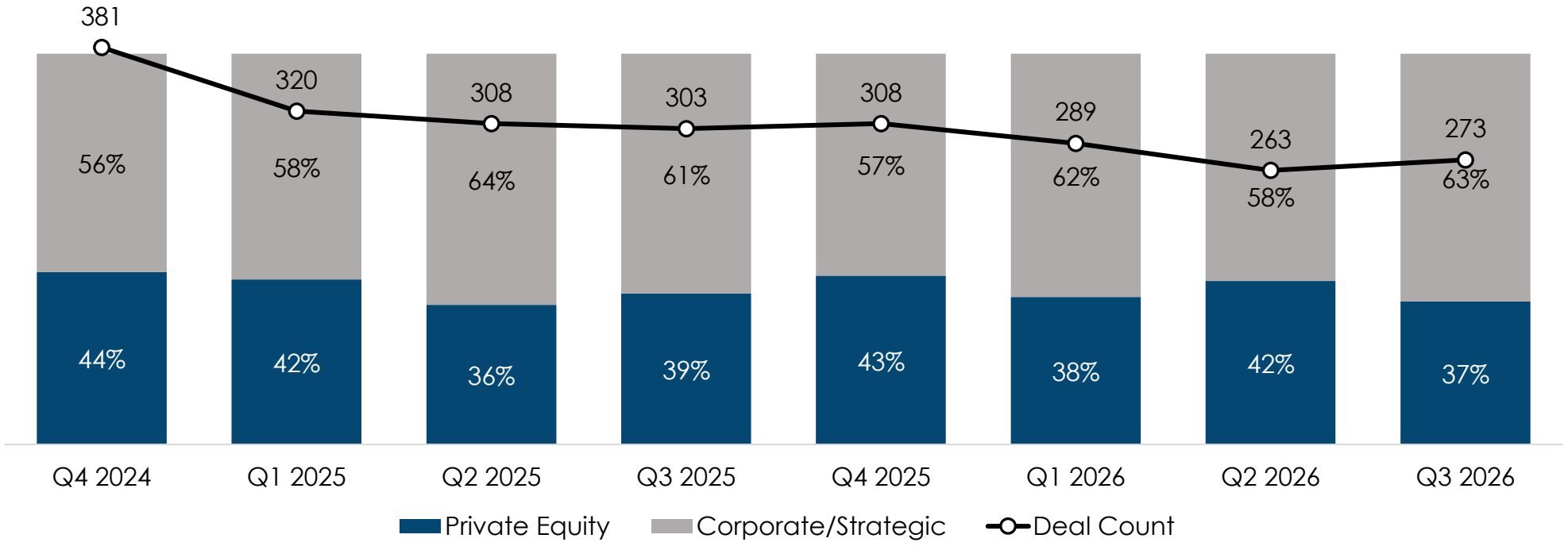
Source: Capital IQ



03 M&A TRENDS

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

Transportation and Logistics M&A activity increased modestly in Q3 2026, with total transactions rising to 273 from 263 in Q2 2026, though volume remained below the 303 deals recorded in Q3 2025. Corporate and strategic buyers continued to dominate, accounting for 63% of activity, up from 58% in the prior quarter, while private equity participation declined to 37% from 42%.



Source: PitchBook

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



03 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
Jul-26	Passport Global, Inc.	Global-E Online Ltd.	$425
Jan-26	Firstfleet, Inc.	Werner Enterprises, Inc.	$245
Jan-26	Air Wisconsin Airlines LLC	CSI Aviation, Inc.	$110
Jul-26	Berry Aviation, Inc.	Bristow Group Inc.	$105
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. (nka:Flyte Aviation, Inc.)	$14
May-26	APEX	Off The Hook YS Inc. (nka:NextBoat Inc.)	$6
Sep-26	Flanagan-White Express, LLC	RF, LLC	NA
Sep-26	VerifyMe, Inc.	OpenWorld, Inc.	NA
Sep-26	Sunrise Transportation, LLC	Student Transportation of America, Inc.	NA
Sep-26	Castle & Cooke Aviation Services, LLC	Signature Aviation Limited	NA
Sep-26	Freight Crafters, Inc.	The Specialized Packaging Group, Inc.	NA
Sep-26	United Transportation Services, Inc.	Fitzmark, Inc.	NA
Sep-26	Eyre Bus Service, Inc.	Errands Plus, Inc.	NA
Aug-26	Asphalt Express Enterprises, LLC.	Construction Partners, Inc.	NA
Aug-26	INPAX Shipping Solutions, Inc.	Timberland Transportation Inc.	NA
Aug-26	Boost Transport, LLC	AMX Logistics, Inc.	NA
Aug-26	Fisher Shipping, LLC	Metrogistics, LLC	NA
Aug-26	California Freight Sales	Trimac Transportation Services Inc.	NA
Aug-26	Heartland Aviation, Inc.	SC Aviation, Inc.	NA
Jul-26	Mr. Bult's, Inc.	Basalt Infrastructure Partners LLP	NA
Jul-26	Rail Modal Group LLC	InfraRed Capital Partners Limited	NA
Jul-26	Boxzooka E-Fulfillment LLC	Tower Arch Capital, L.P.	NA

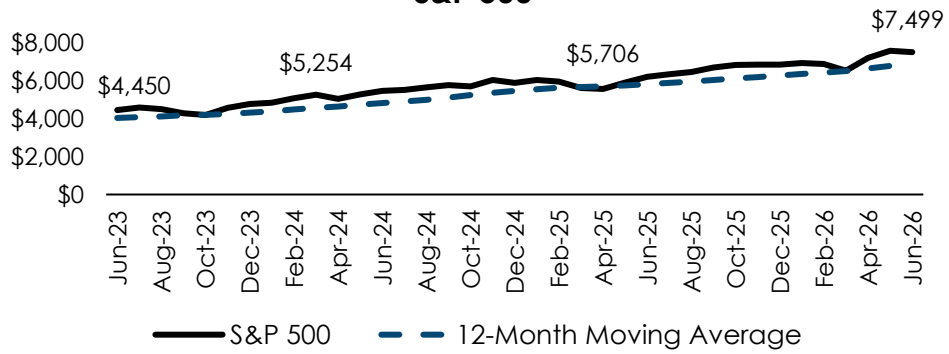
Source: Capital IQ



04 MACROECONOMIC ENVIRONMENT

Macroeconomic Indicators

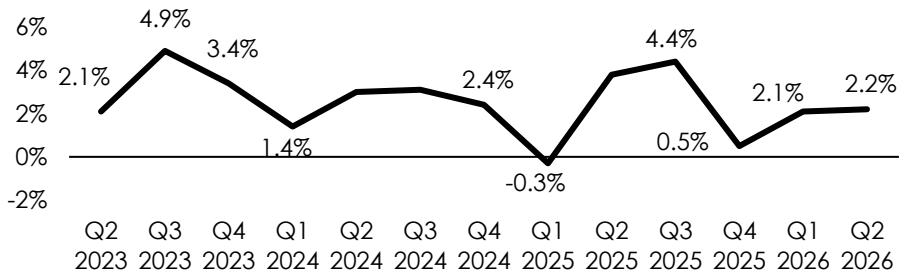
S&P 500



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

Real GDP Growth

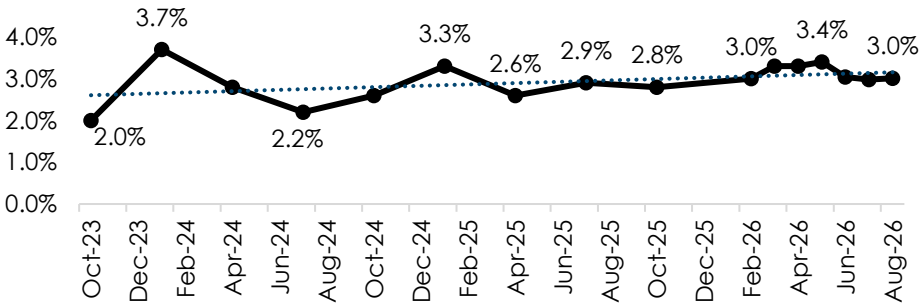
Gross Domestic Product



Tracks inflation-adjusted economic output, typically reported quarterly.

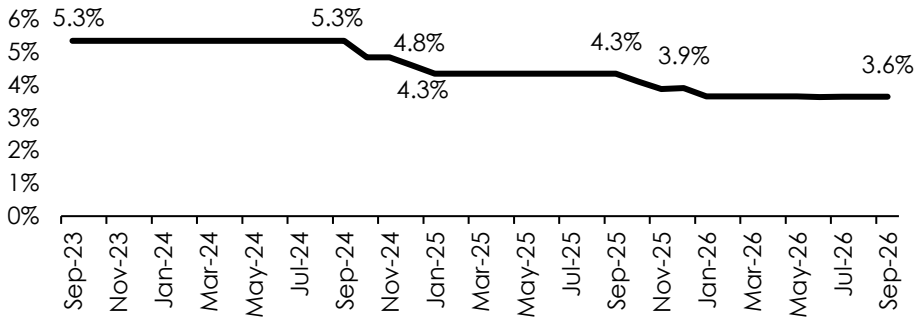
Core PCE

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.

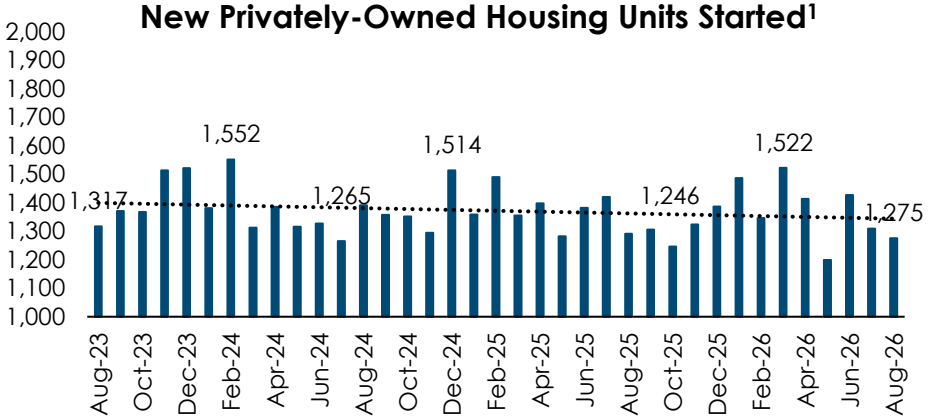
Source: Capital IQ, St. Louis Fed – FRED Economic Data, Institute for Supply Management



04 MACROECONOMIC ENVIRONMENT (cont.)

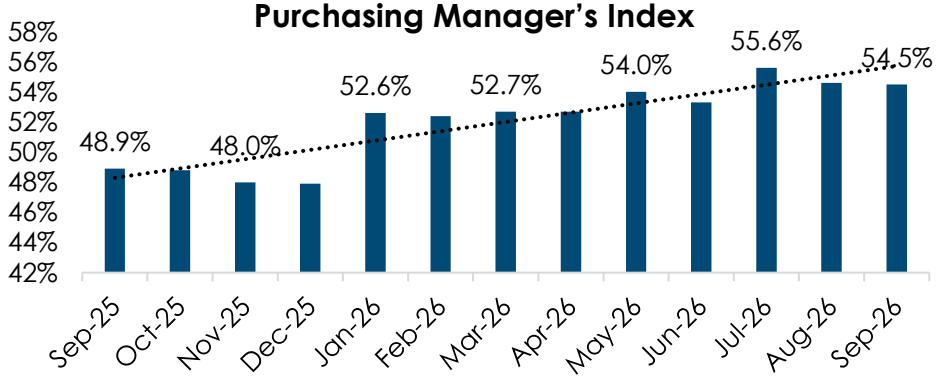
Macroeconomic Indicators

New Privately-Owned Housing Units Started[1]



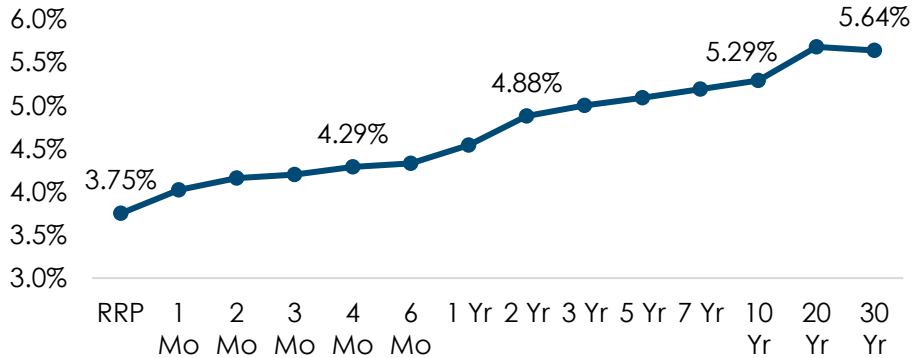
Measures the number of new residential construction projects begun each month.

Manufacturing PMI Purchasing Manager's Index



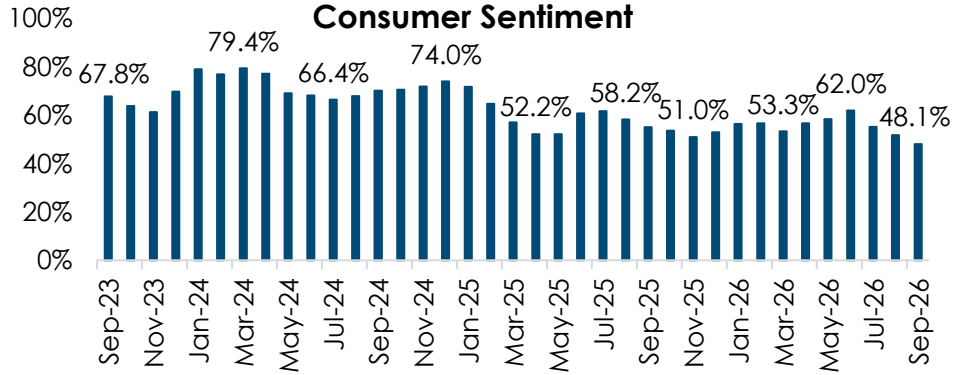
A monthly survey signaling manufacturing sector activity; readings above 50 indicate expansion.

Treasury Par Yield Curve Rates



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

Consumer Sentiment



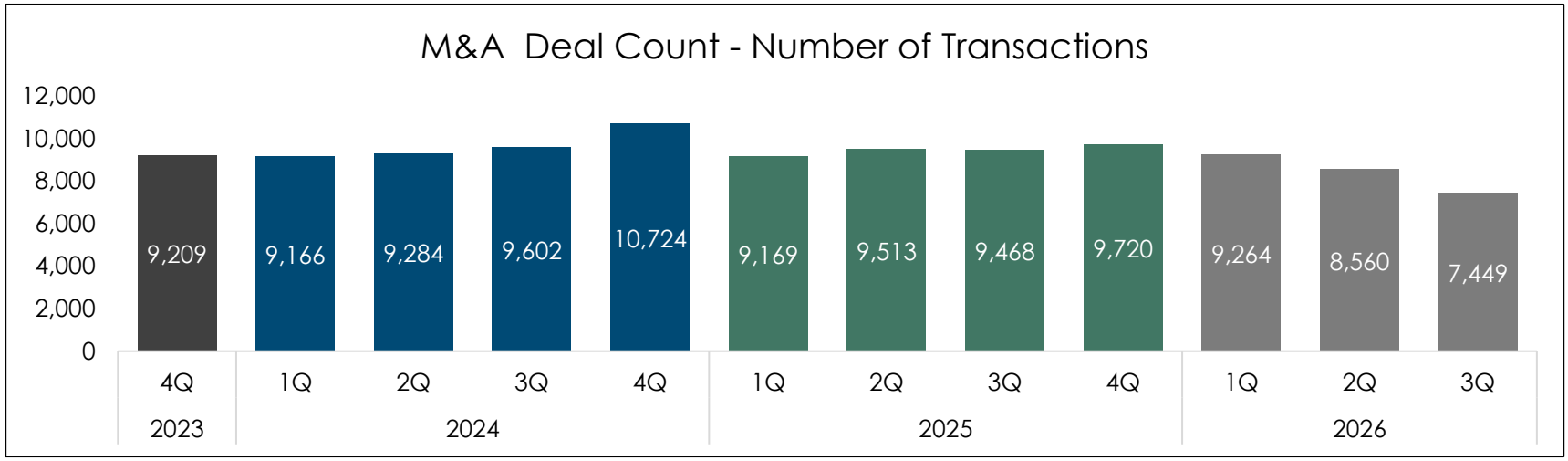
Measures consumer confidence in the economy based on monthly survey data from the University of Michigan.

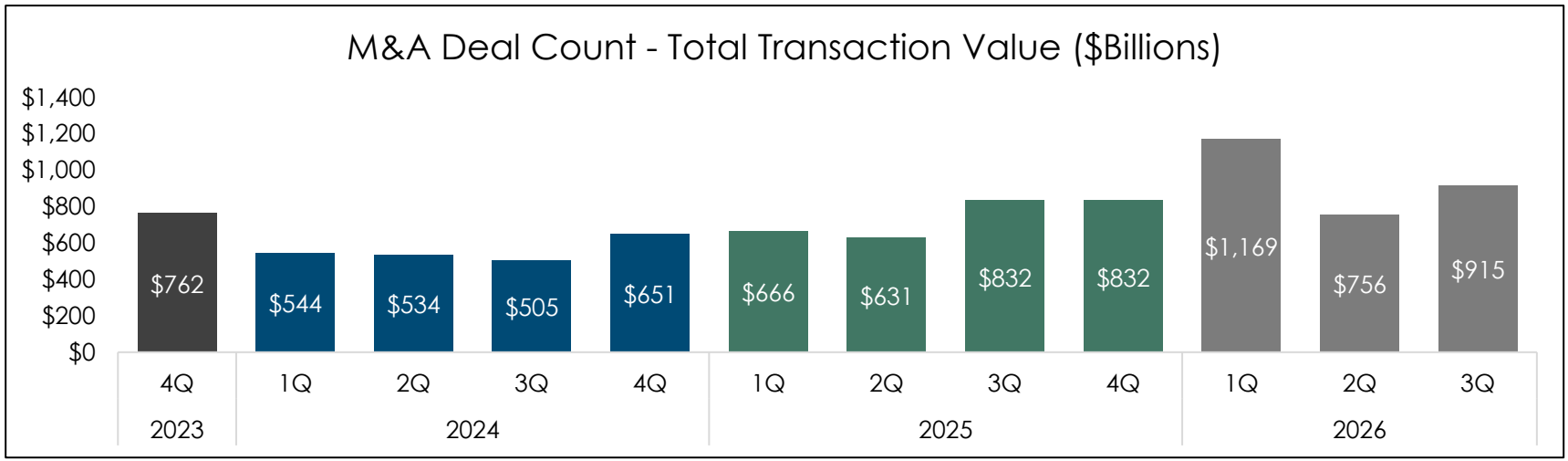
Source: St. Louis Fed – FRED Economic Data, Institute for Supply Management, [1]Figures in Thousands



04 MACROECONOMIC ENVIRONMENT (cont.)

Total M&A Volume (Past 3 years)





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



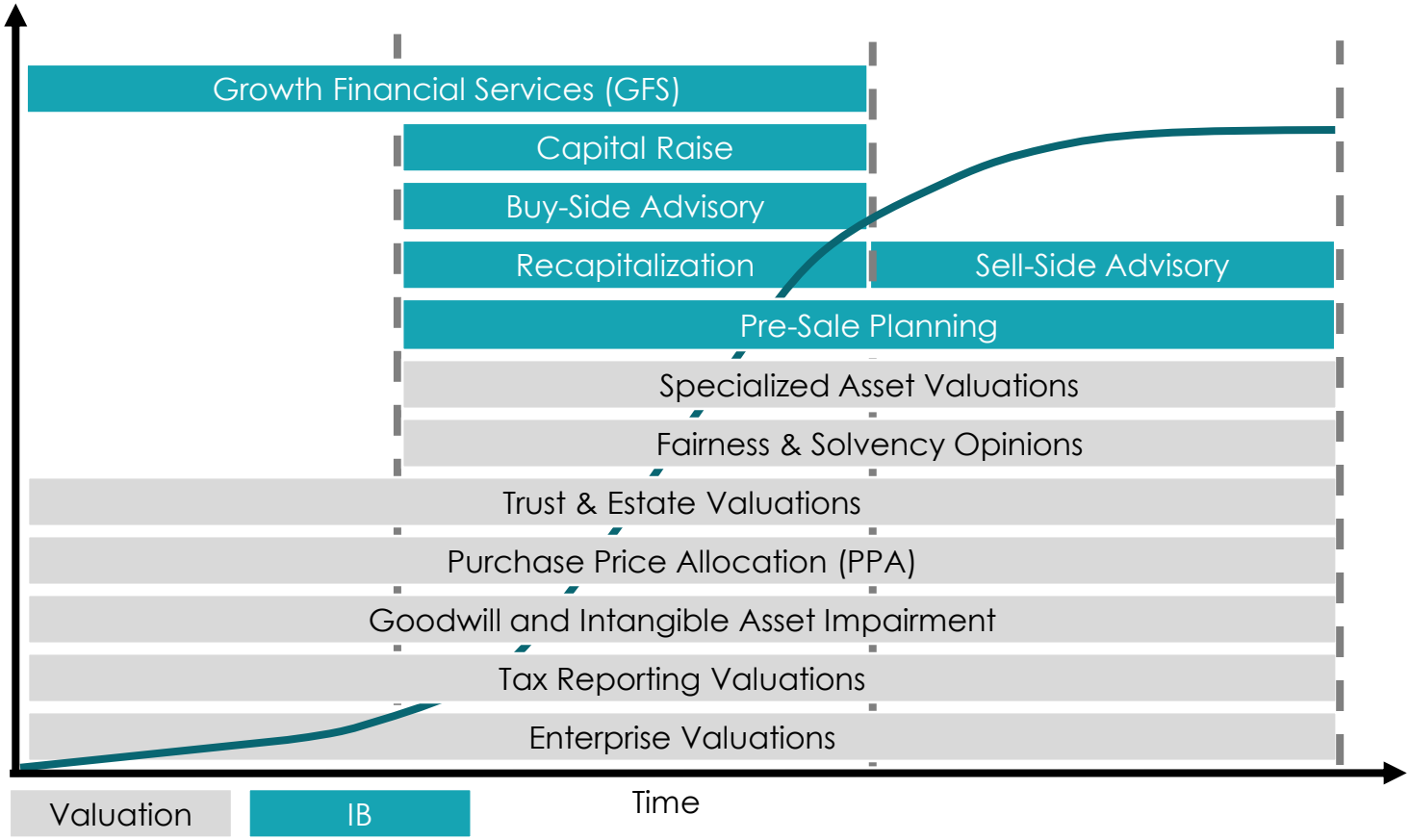
05 HOULIHAN CAPITAL

Houlihan's services along the business lifecycle

SEED

GROWTH

MATURITY



For questions or inquiries regarding our services, please contact: info@houlihancapital.com

HOULIHAN CAPITAL

Valuation & Financial Advisory | Investment Banking



ABOUT US

Houlihan Capital is an employee-owned valuation and investment banking firm.

We pride ourselves on delivering exceptional client value and trusted advisory in a dynamic marketplace.

As a FINRA registered broker-dealer, SIPC member, and SOC-compliant firm, we are committed to the highest standards of integrity and professionalism.

OUR HISTORY

Houlihan Capital's origins date back to 1996 when Andrew Smith and Richard Houlihan founded a valuation and investment banking firm to serve small to middle-market companies. Over the years, the firm organically grew to accommodate the needs of an increasingly complex client base.

Today, Houlihan Capital continues that rich tradition through our Valuation & Financial Advisory and Investment Banking groups. We serve some of the largest corporations, hedge funds, private equity funds, venture capital funds and sovereign wealth funds in the world. We pride ourselves on being solutions-driven and delivering superior client value.

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