

VALUE FOCUS

# Transportation & Logistics

First Quarter 2019 | Article: The Rise of FreightTech

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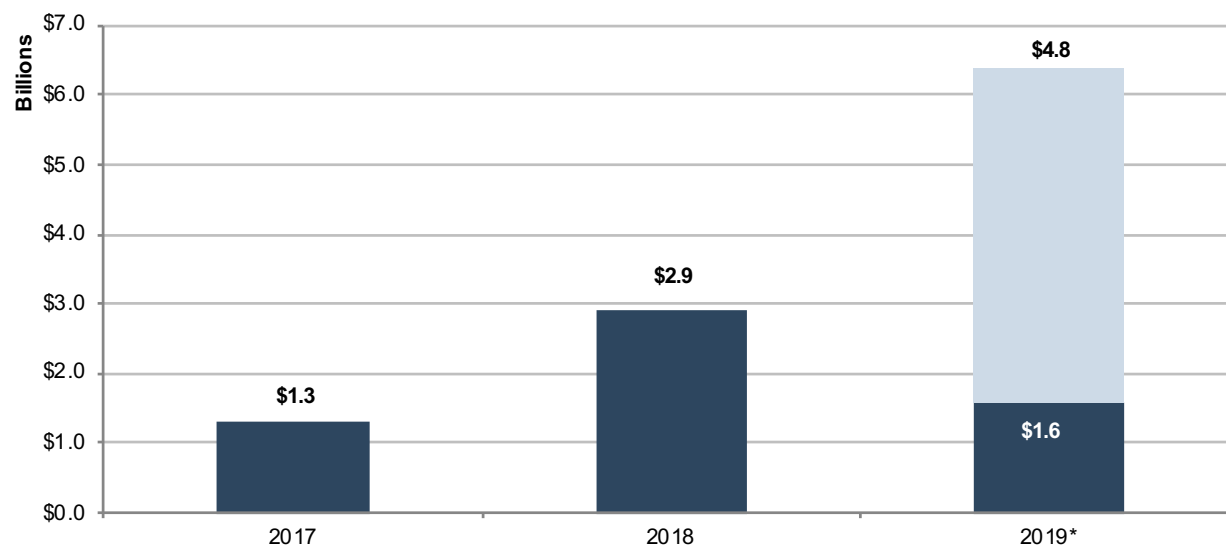
FEATURE

# The Rise of FreightTech

To the lay person, transportation may seem like the farthest end of the spectrum from the technology industry – telephone orders and paper shipment tracking. But those in the know understand just how tech-enabled the industry has become. Advancements in machine learning, artificial intelligence, and predictive technology could have the power to disrupt the way goods are transported, stored, and tracked. And investors are clearly willing to take bets on that.

Over the past few years, FreightTech has emerged as its own category of technology. The level of excitement in the space grew in 2018 as **global venture capital investment increased** to \$2.9 billion from \$1.3 billion the prior year. FreightTech is on track for another year of exponential growth in 2019, with \$1.6B of funding raised in the first quarter alone.

## FreightTech VC Funding



Source: Pitchbook, Freightwaves

2019 data through Q1 annualized

## FEATURE

# The Rise of FreightTech

(continued)

The willingness of industry participants to adopt logistics technology is evident as well. **Corporate players and major OEMs have spun up** innovation departments, startup accelerators, and investment arms in order to find and fund new technology. However, it's not only the companies that directly benefit from this technology that are investing capital in the space. Technology players recognize the potential for returns on transportation investments, too. Alphabet's venture capital arm, Capital G, led a \$185 million investment in **Convoy**, a tech-enabled freight matching startup, at the end of 2018. The Series C round valued Convoy at \$1.0 billion and brought the company's total capital raise to \$265 million. Softbank Vision Fund, known for making big bets on disruptive technology, got in on the game too. The fund invested \$1.0 billion in **Flexport**, a digital platform for freight forwarding and logistics, at the start of the year. The investment valued the company at \$3.2 billion.

The table below shows the five largest North American FreightTech investments in the first quarter of 2019 by round size.

## Top North American FreightTech Deals - 1Q19

Name	Round Size	Stage	Description
<b>Flexport</b>	\$1.0 billion	Late Stage	digital freight-forwarding platform
<b>NEXT Trucking</b>	\$97 million	Series C	digital freight matching platform
<b>FourKites</b>	\$50 million	Series C	supply chain visibility platform
<b>Flexe</b>	\$43 million	Series B	online marketplace for on-demand warehousing
<b>Bringg</b>	\$25 million	Series C	delivery logistics platform

Sources: Freightwaves, Crunchbase

## FEATURE

# The Rise of FreightTech

(continued)

Investment in FreightTech has not only grown in terms of aggregate investment, but the average size of deal rounds has increased as well, mirroring the trends in the overall venture capital landscape. **According to Morningstar**, the average round size for a Series B round in the FreightTech industry increased 78% from \$24.5 million in 2014 to \$43.6 million in 2017.

## Industry Startup Activity

Classification	# Companies	Funding Rounds	Funding Amount (\$B)	Acquisitions
Logistics	6,466	3,154	\$64.8	1,347
Transportation	988	2,105	\$32.7	63
Freight Service	369	184	\$1.4	82
Shipping	172	373	\$1.3	12

Source: Crunchbase

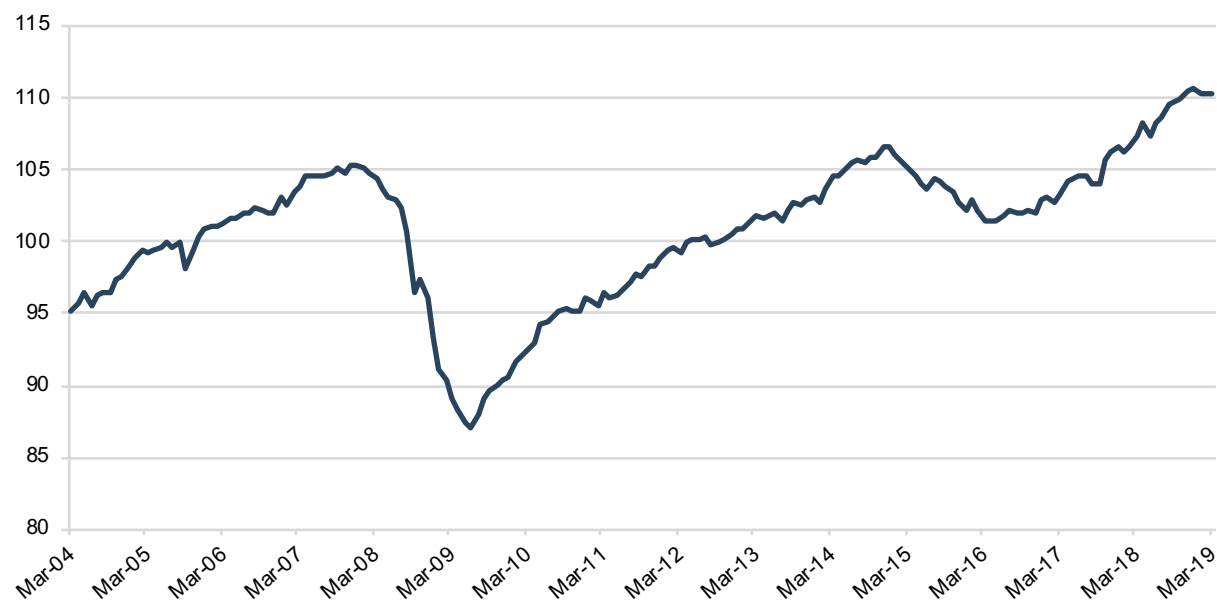
The classification of transportation and logistics startups differs, but it is clear that there is growing innovation in many different facets of the industry. It is evident that technological change in the freight transportation industry is about far more than just digitizing processes that once involved paper or fax machines. The application of advanced data and analytics to the transportation and logistics industry has the potential to change the global movement of freight.

# Industry Macro Trends

## Industrial Production Index

Demand for services in the logistics industry is tied to the level of domestic industrial production. The Industrial Production Index is an economic measure of all real output from manufacturing, mining, electric, and gas utilities. The index value in March 2019 reached 110.2, down 0.33% from 110.6 in December 2018 and the first quarter-over-quarter decline since 2017. The largest category decline was in consumer durables, led by automotive products.

Industrial Production Index (seasonally adjusted)



Source: Federal Reserve Bank of St. Louis

Indexed to 2012

# Industry Macro Trends

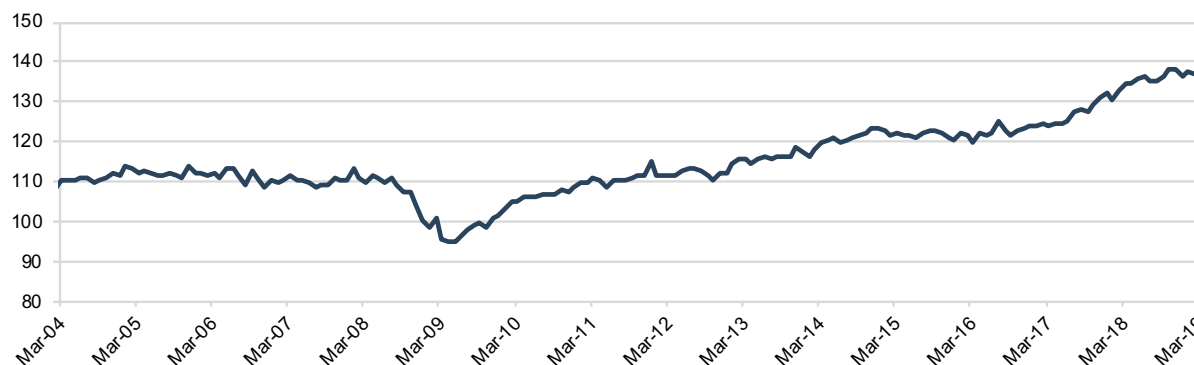
## Transportation Services Index

Similarly, the Transportation Services Index, which measures freight traffic in the United States, moderated slightly in February 2019. The index fell to 136.9, down 0.5% from 137.6 in January 2019, but 3.2% higher than 132.7 in February 2018. The use of freight transportation has generally paced with industrial output over the last 20 years.

## Cass Freight Index

The **Cass Freight Index** of shipments and expenditures is considered one of the best indicators of overall U.S. freight activity. Although shipments were at record highs in early 2018, three straight months of year-over-year declines in first quarter 2019 appear to indicate some moderation in the industry. Index movement over the coming months will indicate whether industry executives should view this as a temporary slow-down or a signal of industry contraction.

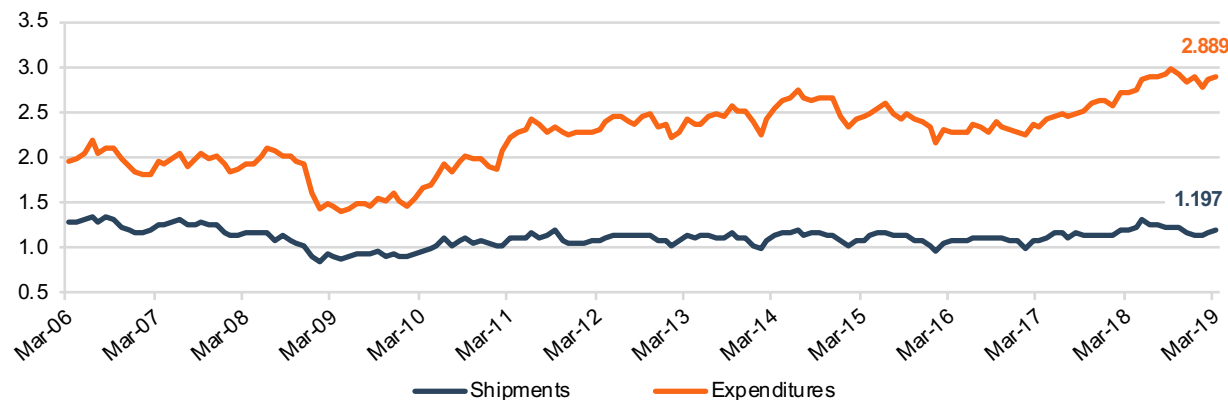
Transportation Services Index (freight, seasonally adjusted)



Source: Bureau of Transportation Statistics

Indexed to January 2000

Cass Freight Index



Source: Cass Information Systems, Inc. and Avondale Partners

# Industry Macro Trends

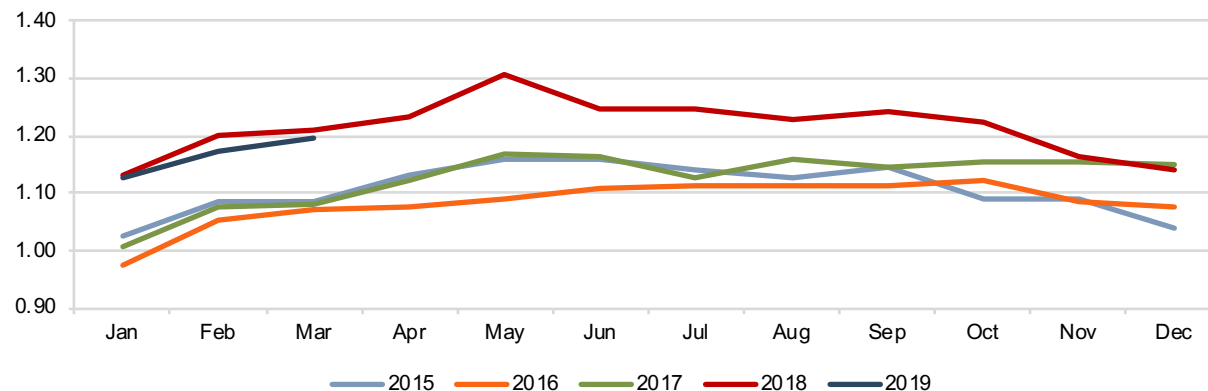
## Shipments

Shipments in 1Q19 were slightly below the level recorded at this point last year. After an exceptionally strong 2018, the index declined on a year-over-year basis in December 2018, which has continued through the first quarter. The Cass report points to the risk of continued global trade uncertainty and the benefit of falling WTI crude prices as the two primary factors influencing trade activity. Increases and declines in the level of freight shipments are frequent precursors to economic activity, signaling economic expansion and contraction, respectively.

## Expenditures

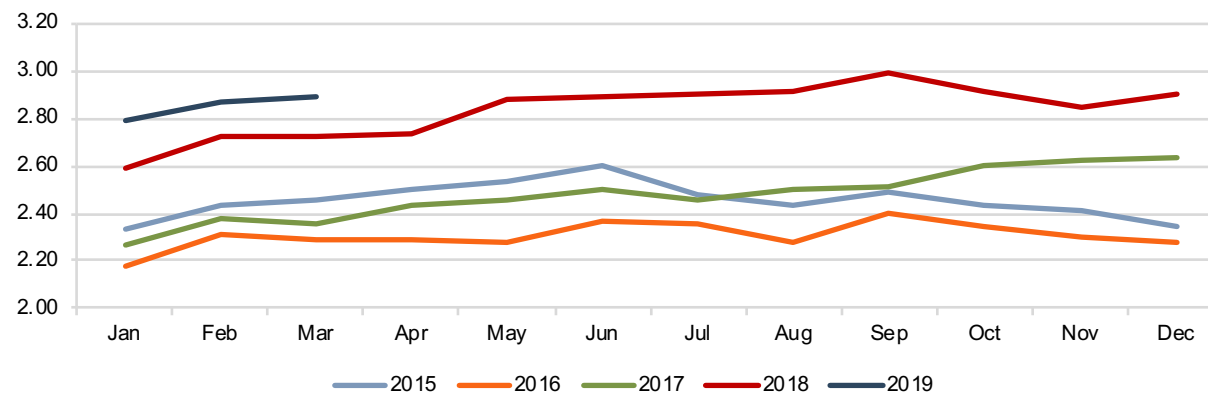
Expenditures rose to 2.889 in March 2019, indicating continued pricing power for freight shippers. However, the rate of growth in expenditures has slowed some from 2018. For example, the year-over-year increase in March 2019 was 6.1%, compared to a 15.6% year-over-year increase in March 2018.

### Shipments



Source: Cass Information Systems, Inc. and Avondale Partners

### Expenditures



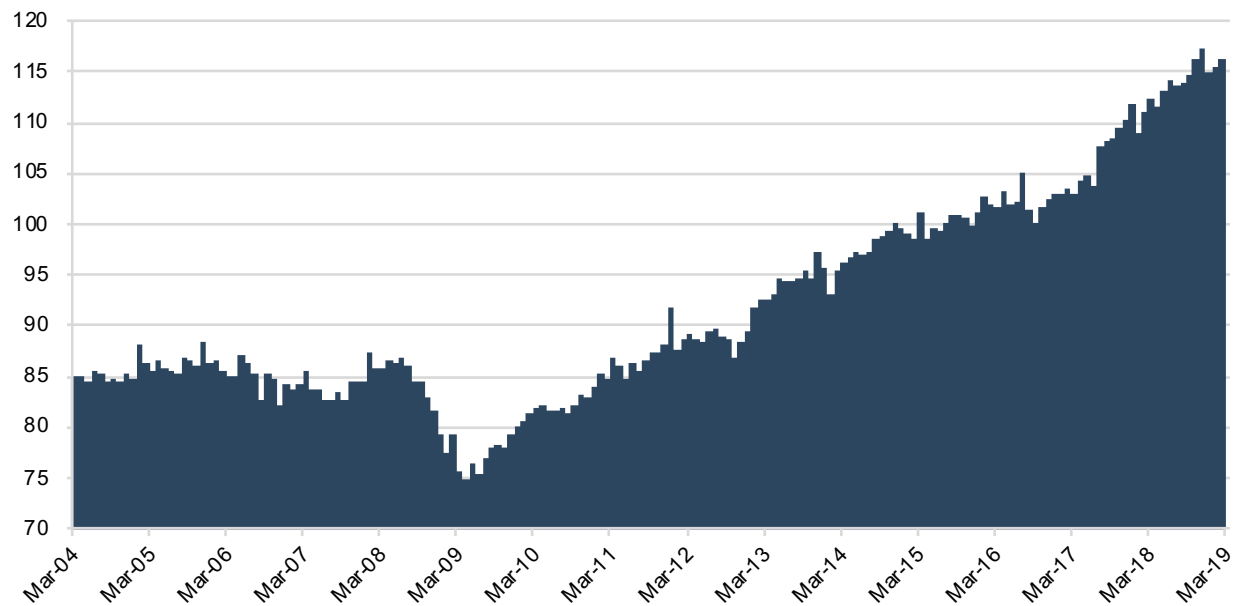
Source: Cass Information Systems, Inc. and Broughton Capital

# Trucking

## Truck Tonnage

The truck tonnage index reached a high level in November 2018 at 117.3, compared to a low of 74.8 in April 2009 during the Great Recession. Tonnage decreased in first quarter 2019, however, falling to 115.5 in January and 116.4 in February. The American Trucking Association attributes this slight dip to **higher than normal winter storm activity** that continued through March for much of the United States and restricted road shipping.

**Truck Tonnage (seasonally adjusted)**



Source: Bureau of Transportation Statistics

Indexed to January 2000



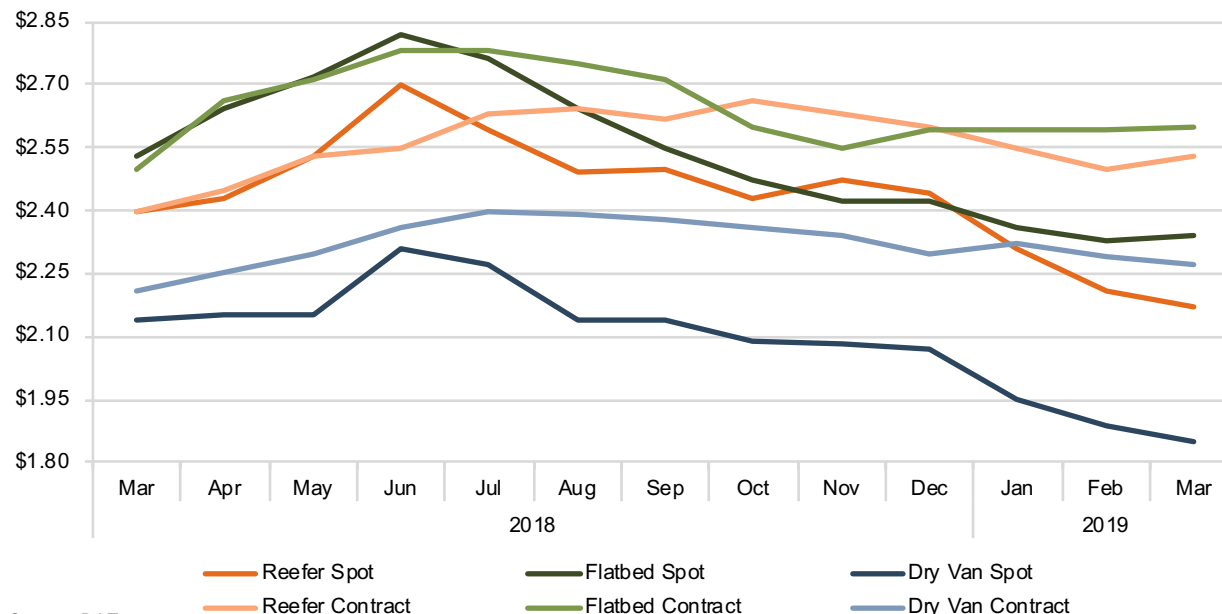
# Trucking

## Spot vs. Contract Rates

The Spot vs. Contract Rates charts depicts monthly national average line haul rates and fuel surcharges **from DAT**. Shippers enter contracts that lock in a static contract rate for a period of time. Spot rates, on the other hand, are one-time shipping quotes for a specific transaction or series of transactions. Excess capacity has contributed to spot rates below contract rates in recent months and a larger than normal divergence between the two rates.

Rates decreased from December 2018 across all categories. Reefer spot rates fell 27¢ to \$2.17 in March 2019 from \$2.44 in December 2018. Dry van spot rates declined 22¢ to \$1.85 from \$2.07. Flatbed spot rates showed the smallest change, with a decline of 8¢ from \$2.42 to \$2.34. However, **Freightwaves Chief Economist Ibrahiim Bayaan** said on his *April Market Update* that this indicates more of a reversion to normal levels than a true decline.

Spot vs. Contract Rates



Source: DAT

# Trucking

## Load-to-Truck Ratio

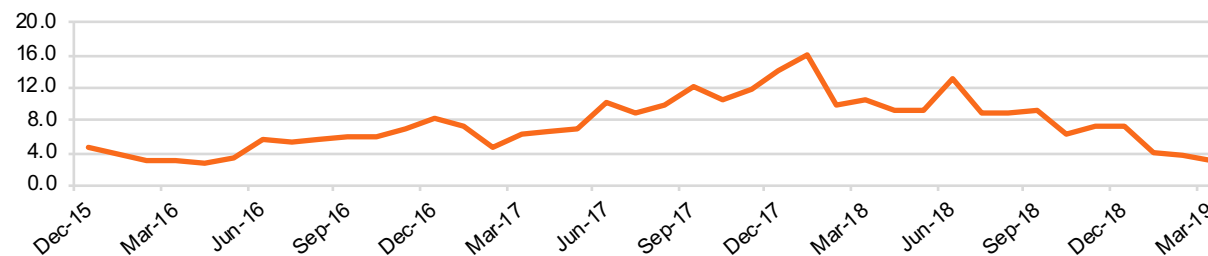
Increases or decreases in freight rates are **influenced by** trucking capacity, as measured by the load-to-truck ratio. While economic factors typical push supply and demand, compression or expansion that occurs faster in the shipping industry can accelerate movements faster than the overall economy.

Movement in the load-to-truck ratio varied significantly in first quarter 2019. The van and reefer ratios fell 74% and 59% over fourth quarter 2018, respectively. The load-to-truck rate for flatbed rose 15% from year-end 2018, but remains near historical lows.

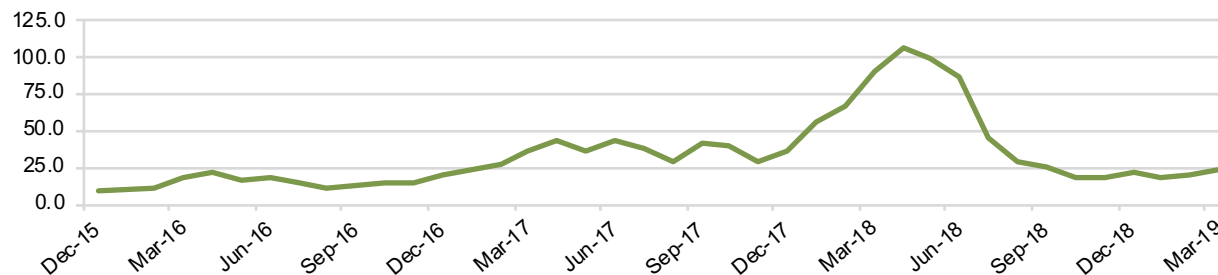
**Dry Van Load-to-Truck**



**Reefer Load-to-Truck**



**Flatbed Load-to-Truck**



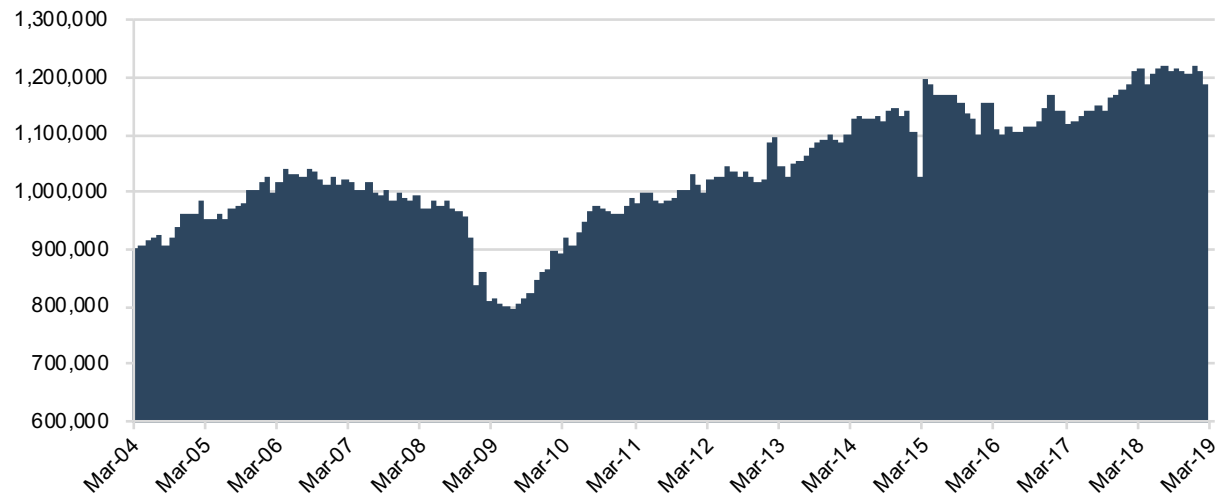
Source: DAT

# Rail & Intermodal

## Rail Freight Intermodal Traffic

Intermodal shipments declined in first quarter 2019, with intermodal freight volumes down 2.6% through February from 1.22 million carloads in December 2018 to 1.19 million in February. **According to Logistics Management**, the potential border closing between the U.S. and Mexico could threaten rail shipping, especially in the automotive and auto parts sectors, which account for approximately 25% of trade between the two countries. In 2018, approximately \$1.4 billion of trade goods crossed the U.S.-Mexico border via truck and train per day.

**Rail Freight Intermodal Traffic**



Source: Bureau of Transportation Statistics

Indexed to January 2000

# Rail & Intermodal

## Cass Intermodal Index

The Cass Intermodal Index measures changes in per mile U.S. domestic intermodal costs. The index rose to a new high of 151.9 in October 2018, 6.1% over the prior year. According to Cass, constraint in truckload capacity has spurred demand for intermodal, while an increase in diesel prices contributed to higher pricing power for carriers.

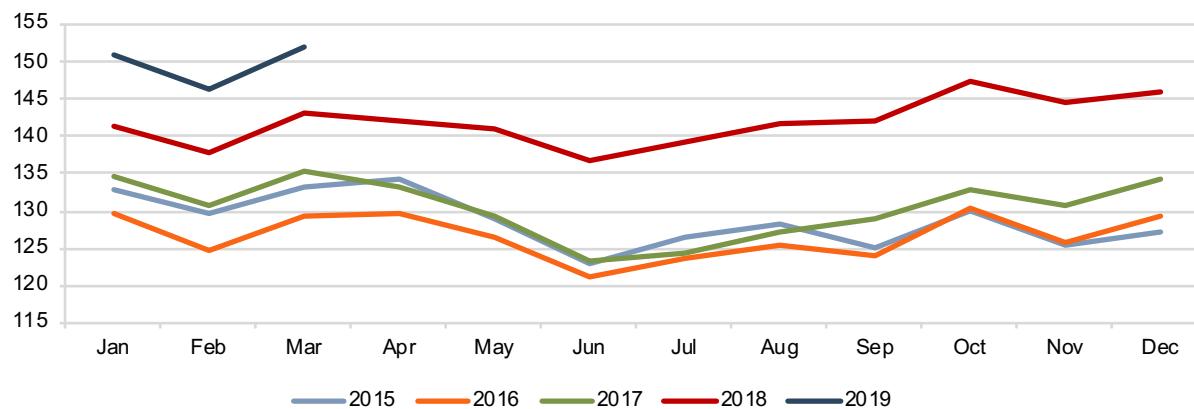
**Cass Intermodal Index: Historical Trend**



Source: Cass Information Systems, Inc. and Broughton Capital

Indexed to January 2005

**Cass Intermodal Index: Annual Comparison**



Source: Cass Information Systems, Inc. and Broughton Capital

Indexed to January 2005

# M&A Activity

## Featured Transactions

### J.B. Hunt Acquired Assets of Joseph Cory Warehouses

J.B. Hunt Transport acquired the furniture warehouse and delivery company for \$100 million on January 9. The acquisition is expected to boost J.B. Hunt's last mile capabilities, adding 3.1 million sq. ft. across 14 warehouses. "We have high expectations that there will be a lot of demand for that heavy goods delivery," J.B. Hunt CEO John Roberts.



### TFI International Acquired Five Trucking and Logistics Companies

TFI International made several acquisitions in February and March, including two acquisitions to expand its specialty transportation services: Toronto Tank Lines, which transports food grade liquids and industrial chemicals, and Schilli, a dry and liquid bulk carrier.



### Private Equity Acquisition of Tidewater Holdings, Inc.

A group of private equity investors, including Upper Bay Infrastructure Partners and BlackRock, acquired Tidewater Holdings, a multi-commodity transportation and marine terminal construction company. The deal closed on February 20.



### Noatum Logistics Acquired MIQ Logistics

Noatum Logistics acquired MIQ Logistics on March 21. MIQ was previously the logistics division of LTL carrier YRC Worldwide before it was sold to private equity firm Austin Ventures for \$38.7 million in 2010. Deal values for the most recent transaction were not disclosed.



## Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to		
					Sales	EBITDA	
<b>Trucking</b>							
TRANSPORT LYON INC.	Ecolomondo Corporation (TSXV:ECM)	3/15/19	Announced	\$2.6	0.3x	3.2x	
Transport S.A.F. (1994) Inc.	TFI International Inc. (TSX:TFII)	3/11/19	Closed	-	-	-	
Double-D Transport Inc.	TFI International Inc. (TSX:TFII)	3/11/19	Closed	-	-	-	
A. Beaumont Transport inc.	TFI International Inc. (TSX:TFII)	3/11/19	Closed	-	-	-	
Riechmann Transport, Inc.	PS Logistics, LLC	2/28/19	Closed	-	-	-	
Schilli Corporation	TFI International Inc. (TSX:TFII)	2/25/19	Closed	-	-	-	
Toronto Tank Lines	TFI International Inc. (TSX:TFII)	2/19/19	Closed	-	-	-	
Precision Specialized Division Inc.	The GTI Group	2/11/19	Announced	-	-	-	
Concorde Distribution Services Inc.	C.W.H. Distribution Services Inc.	1/31/19	Closed	-	-	-	
CityDash, Inc.	Brixey & Meyer Capital	1/29/19	Closed	-	-	-	
LTX Solutions	Redwood Logistics, LLC	1/22/19	Closed	-	-	-	
Reliable Source Logistics LLC	Fitzmark, Inc.	1/21/19	Closed	-	-	-	
J&B Express LLC	Kuhlhaus Logistics Systems	1/21/19	Closed	-	-	-	
Assets of J&J Drive Away, Inc. and J&J Freight Brokers, LLC	Auto Driveaway Corporation	1/14/19	Closed	-	-	-	
All Assets of Joseph Cory Warehouses, Inc.	J.B. Hunt Transport, Inc.	1/9/19	Closed	\$100.0	-	-	
<b>Rail</b>							
New England Southern Railroad in Concord, New Hampshire	United Rail, Inc. (OTCPK:URAL)	2/25/19	Closed	-	-	-	

Source: S&P Global Market Intelligence  
in USD millions

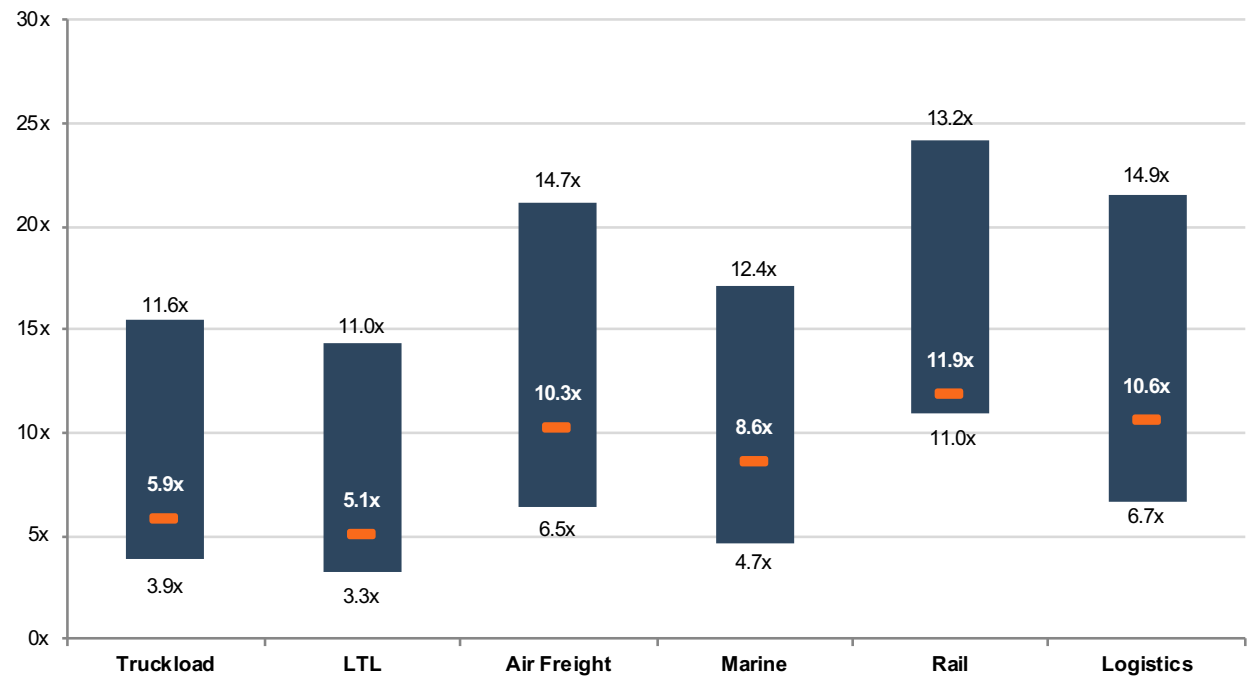
## Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
<b>Marine</b>						
Tidewater Holdings, Incorporated	Upper Bay Infrastructure Partners, BlackRock, Inc. (NYSE:BLK), et al.	2/20/19	Closed	-	-	-
<b>Air Freight &amp; Logistics</b>						
Safe Harbour Tanker Chartering, LLC	Clarksons Platou Shipping Services USA, LLC	3/27/19	Announced	-	-	-
Trinity Logistics, Inc.	Burriss Logistics Inc.	3/27/19	Announced	-	-	-
International Fulfillment Solutions, LLC/ IFS360	Rakuten Super Logistics, Inc.	3/26/19	Closed	-	-	-
MIQ Logistics, LLC	Noatum Logistics SL	3/21/19	Closed	-	-	-
Rodair International Ltd.	Rhenus SE & Co. KG	3/18/19	Closed	-	-	-
Scenic Technology Corporation	The Related Companies, L.P.; Greenfield Partners, LLC	3/13/19	Closed	-	-	-
Livingston Group	Platinum Equity, LLC	2/21/19	Announced	-	-	-
Scott Logistics Corp.	FLS Transportation Services (USA) Inc.	2/14/19	Closed	-	-	-
Vandegrift Forwarding Company, Inc.	A.P. Møller - Mærsk A/S (CPSE:MAERSK B)	2/12/19	Closed	-	-	-
Strive Logistics, LLC	Redwood Logistics, LLC	2/11/19	Announced	-	-	-
SCR Air Services, Inc.	NFI Industries, Inc.	2/11/19	Closed	-	-	-
Assets of Genco Pharmaceutical Services	Inmar, Inc.	2/4/19	Closed	-	-	-
Our Freight Guy	GlobalTranz Enterprises, Inc.	1/16/19	Closed	-	-	-
Qontinuity Enterprises, LLC	Legion Logistics, LLC	1/9/19	Closed	-	-	-
GoodShip International Inc.	SEKO Worldwide, LLC	1/3/19	Closed	-	-	-

Source: S&P Global Market Intelligence  
in USD millions

# Public Company Performance

Monthly Median TEV/EBITDA Multiples (as of March 31, 2019)



Source: S&P Global Market Intelligence

Data as of March 31, 2019, excludes outliers



## Publicly Traded Companies

Company Name	Ticker	Price at 3/31/19	QoQ Price Change	Enterprise Value	Debt / Total Capital	Return on Assets	LTM		LTM Multiples		Forward Multiples		
							Rev.	EBITDA Margin	EV / Rev.	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Truckload</b>													
J.B. Hunt Transport Services, Inc.	JBHT	\$101.29	9%	\$12,160	9%	872%	\$8,615	13%	1.4x	10.9x	22.5x	9.0x	17.7x
Ryder System, Inc.	R	\$61.99	30%	\$9,858	66%	332%	\$8,409	24%	1.2x	4.9x	12.1x	4.5x	10.1x
Knight-Swift Transportation Holdings Inc.	KNX	\$32.68	13%	\$6,502	13%	444%	\$5,344	18%	1.2x	6.7x	13.5x	6.2x	12.3x
Landstar System, Inc.	LSTR	\$109.39	29%	\$4,335	-1%	1575%	\$4,619	8%	0.9x	11.6x	17.2x	11.3x	17.1x
TFI International Inc.	TFII	\$29.53	16%	\$3,710	32%	668%	\$3,755	13%	1.0x	7.5x	11.8x	6.0x	10.1x
Schneider National, Inc.	SNDR	\$21.05	14%	\$3,708	-1%	689%	\$4,977	14%	0.7x	5.5x	13.9x	5.1x	12.5x
Werner Enterprises, Inc.	WERN	\$34.15	14%	\$2,498	4%	711%	\$2,458	18%	1.0x	5.6x	14.3x	5.0x	13.0x
Heartland Express, Inc.	HTLD	\$19.28	5%	\$1,418	-11%	542%	\$611	27%	2.3x	8.5x	21.7x	7.3x	19.7x
Daseke, Inc.	DSKE	\$5.09	9%	\$1,033	68%	175%	\$1,613	10%	0.6x	6.2x	nm	5.1x	nm
Universal Logistics Holdings, Inc.	ULH	\$19.68	38%	\$944	41%	813%	\$1,462	10%	0.6x	6.3x	10.7x	5.2x	7.2x
Marten Transport, Ltd.	MRTN	\$17.83	10%	\$916	-6%	563%	\$788	19%	1.2x	6.0x	17.7x	5.3x	15.9x
Covenant Transportation Group, Inc.	CVTI	\$18.98	-1%	\$561	38%	0%	\$885	15%	0.6x	4.1x	8.2x	4.3x	8.7x
P.A.M. Transportation Services, Inc.	PTSI	\$48.94	24%	\$494	41%	664%	\$533	17%	0.9x	5.5x	12.1x	4.8x	9.0x
USA Truck, Inc.	USAK	\$14.44	-4%	\$277	58%	430%	\$534	9%	0.5x	5.9x	9.6x	4.5x	7.3x
ENTREC Corporation	ENT	\$0.11	-5%	\$132	91%	-168%	\$127	8%	1.0x	12.8x	nm	5.6x	nm
Titanium Transportation Group Inc.	TTR	\$1.03	10%	\$77	51%	516%	\$135	12%	0.6x	4.7x	8.9x	4.2x	7.3x
Patriot Transportation Holding, Inc.	PATI	\$18.80	-4%	\$42	-48%	56%	\$114	9%	0.4x	4.0x	12.2x	nm	nm
<b>Median</b>			<b>10%</b>		<b>32%</b>			<b>13.1%</b>	<b>0.9x</b>	<b>6.0x</b>	<b>12.2x</b>	<b>5.2x</b>	<b>11.2x</b>

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q4

## Publicly Traded Companies

Company Name	Ticker	Price at 3/31/19	QoQ Price Change	Enterprise Value	Debt / Total Capital	Return on Assets	LTM		LTM Multiples		Forward Multiples		
							Rev.	EBITDA Margin	EV / Rev.	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Less-Than-Truckload</b>													
Old Dominion Freight Line, Inc.	ODFL	\$144.39	17%	\$11,572	-1%	1544%	\$4,044	26%	2.9x	11.0x	19.3x	10.2x	18.1x
Saia, Inc.	SAIA	\$61.10	9%	\$1,686	7%	840%	\$1,654	15%	1.0x	6.9x	14.9x	6.1x	13.2x
Roadrunner Transportation Systems, Inc.	RRTS	\$10.50	-15%	\$1,016	61%	-217%	\$2,216	1%	0.5x	nm	nm	nm	nm
YRC Worldwide Inc.	YRCW	\$6.69	112%	\$874	74%	470%	\$5,092	5%	0.2x	3.3x	11.2x	3.0x	9.3x
ArcBest Corporation	ARCB	\$30.79	-10%	\$782	-1%	541%	\$3,094	8%	0.3x	3.4x	11.7x	3.2x	8.4x
<b>Median</b>			<b>9%</b>		<b>7%</b>			<b>8%</b>	<b>0.5x</b>	<b>5.1x</b>	<b>13.3x</b>	<b>4.6x</b>	<b>11.2x</b>
<b>Air Freight</b>													
Atlas Air Worldwide Holdings, Inc.	AAWW	\$50.56	20%	\$3,535	63%	352%	\$2,678	20%	1.3x	6.5x	4.8x	5.8x	6.6x
Air Transport Services Group, Inc.	ATSG	\$23.05	1%	\$2,705	50%	387%	\$892	35%	3.0x	8.7x	19.6x	6.0x	17.9x
Forward Air Corporation	FWRD	\$64.73	18%	\$1,888	1%	967%	\$1,321	12%	1.4x	11.7x	20.3x	11.0x	19.8x
Cargojet Inc.	CJT	\$59.98	16%	\$1,258	36%	509%	\$333	25%	3.8x	15.0x	nm	11.7x	nm
<b>Median</b>			<b>17%</b>		<b>43%</b>			<b>23%</b>	<b>2.2x</b>	<b>10.2x</b>	<b>19.6x</b>	<b>8.5x</b>	<b>17.9x</b>

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q4

## Publicly Traded Companies

Company Name	Ticker	Price at 3/31/19	QoQ Price Change	Enterprise Value	Debt / Total Capital	Return on Assets	LTM		LTM Multiples		Forward Multiples		
							Rev.	EBITDA Margin	EV / Rev.	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Marine</b>													
Triton International Limited	TRTN	\$31.10	0%	\$10,000	75%	473%	\$1,405	96%	7.1x	7.4x	6.9x	7.4x	6.7x
Kirby Corporation	KEX	\$75.11	12%	\$5,903	24%	286%	\$2,971	16%	2.0x	12.4x	nm	10.3x	21.2x
Seaspan Corporation	SSW	\$8.70	11%	\$5,686	67%	440%	\$1,096	65%	5.2x	8.0x	6.7x	7.8x	10.7x
Textainer Group Holdings Limited	TGH	\$9.65	-3%	\$3,859	86%	292%	\$677	67%	5.7x	8.5x	11.0x	7.9x	7.0x
Matson, Inc.	MATX	\$36.09	13%	\$2,382	35%	349%	\$2,223	10%	1.1x	10.6x	14.2x	8.3x	15.5x
Costamare Inc.	CMRE	\$5.20	18%	\$2,120	72%	295%	\$380	57%	5.6x	9.8x	8.8x	7.3x	9.5x
Global Ship Lease, Inc.	GSL	\$5.79	17%	\$853	93%	403%	\$157	58%	5.4x	9.3x	nm	4.9x	3.2x
Eagle Bulk Shipping Inc.	EGLE	\$4.65	1%	\$604	44%	282%	\$310	22%	1.9x	8.8x	nm	7.3x	nm
Navios Maritime Partners L.P.	NMM	\$0.91	7%	\$602	74%	332%	\$231	55%	2.6x	4.7x	nm	5.5x	5.2x
Pangaea Logistics Solutions, Ltd.	PANL	\$3.07	1%	\$324	58%	527%	\$373	15%	0.9x	5.9x	7.7x	5.2x	4.4x
Sino-Global Shipping America, Ltd.	SINO	\$0.89	17%	\$6	-110%	-671%	\$23	4%	0.3x	7.4x	nm	-11.2x	nm
<b>Median</b>			<b>11%</b>		<b>67%</b>				<b>2.6x</b>	<b>8.5x</b>	<b>8.2x</b>	<b>7.3x</b>	<b>7.0x</b>
<b>Railroads</b>													
Union Pacific Corporation	UNP	\$167.20	21%	\$141,923	15%	896%	\$22,832	47%	6.2x	13.2x	20.3x	12.4x	18.4x
CSX Corporation	CSX	\$74.82	20%	\$74,468	18%	830%	\$12,250	50%	6.1x	12.1x	18.4x	11.3x	17.1x
Canadian National Railway Company	CNR	\$89.51	21%	\$74,104	12%	903%	\$10,495	50%	7.1x	14.1x	20.5x	13.0x	19.4x
Norfolk Southern Corporation	NSC	\$186.89	25%	\$60,927	18%	709%	\$11,458	45%	5.3x	11.9x	18.7x	11.1x	17.1x
Canadian Pacific Railway Limited	CP	\$206.01	16%	\$35,275	18%	953%	\$5,362	53%	6.6x	12.5x	20.2x	12.3x	16.9x
Kansas City Southern	KSU	\$115.98	22%	\$14,580	20%	651%	\$2,714	48%	5.4x	11.1x	18.6x	10.2x	16.9x
Genesee & Wyoming Inc.	GWR	\$87.14	18%	\$7,536	34%	317%	\$2,349	29%	3.2x	11.0x	20.3x	10.4x	19.9x
<b>Median</b>			<b>21%</b>		<b>18%</b>				<b>6.1x</b>	<b>12.1x</b>	<b>20.2x</b>	<b>11.3x</b>	<b>17.1x</b>

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q4

## Publicly Traded Companies

Company Name	Ticker	Price at 3/31/19	QoQ Price Change	Enterprise Value	Debt / Total Capital	Return on Assets	LTM		LTM Multiples		Forward Multiples		
							Rev.	EBITDA Margin	EV / Rev.	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Logistics &amp; Intermodal</b>													
United Parcel Service, Inc.	UPS	\$111.74	15%	\$113,873	16%	678%	\$71,861	11%	1.6x	14.9x	20.1x	10.8x	14.9x
FedEx Corporation	FDX	\$181.41	12%	\$62,815	25%	646%	\$65,450	13%	1.0x	7.5x	10.3x	7.4x	11.8x
C.H. Robinson Worldwide, Inc.	CHRW	\$86.99	3%	\$12,873	8%	1316%	\$16,631	6%	0.8x	12.9x	17.9x	12.1x	17.3x
Expeditors International of Washington, Inc.	EXPD	\$75.90	11%	\$12,121	-8%	1548%	\$8,138	10%	1.5x	14.3x	21.1x	13.5x	21.4x
XPO Logistics, Inc.	XPO	\$53.74	-6%	\$10,152	42%	401%	\$17,279	9%	0.6x	6.7x	13.9x	6.1x	15.8x
Air Transport Services Group, Inc.	ATSG	\$23.05	1%	\$2,705	50%	387%	\$892	35%	3.0x	8.7x	19.6x	6.0x	17.9x
Forward Air Corporation	FWRD	\$64.73	18%	\$1,888	1%	967%	\$1,321	12%	1.4x	11.7x	20.3x	11.0x	19.8x
Hub Group, Inc.	HUBG	\$40.85	10%	\$1,697	16%	418%	\$3,684	6%	0.5x	8.3x	7.0x	6.8x	12.7x
Echo Global Logistics, Inc.	ECHO	\$24.78	22%	\$832	17%	376%	\$2,440	3%	0.3x	11.0x	24.0x	8.4x	13.8x
Radiant Logistics, Inc.	RLGT	\$6.30	48%	\$360	13%	428%	\$842	3%	0.4x	13.6x	nm	8.9x	14.3x
<b>Median</b>			<b>12%</b>		<b>16%</b>				<b>0.9x</b>	<b>11.3x</b>	<b>19.6x</b>	<b>8.7x</b>	<b>15.4x</b>

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q4

# Mercer Capital

Transportation & Logistics  
Industry Services

Mercer Capital provides valuation and transaction advisory services to the transportation & logistics industry.

## Industry Segments

Mercer Capital serves the following industry segments:

- Trucking
- Air Freight
- Marine
- Railroads
- Logistics & Intermodal

## Services Provided

- Valuation of transportation and logistics companies
- Transaction advisory for acquisitions and divestitures
- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and valuation and shareholder disputes

Contact a Mercer Capital professional to discuss your needs in confidence.

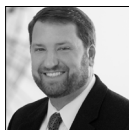
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