

VALUE FOCUS

Transportation & Logistics

Second Quarter 2022

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FEATURE ARTICLE

FreightTech Update

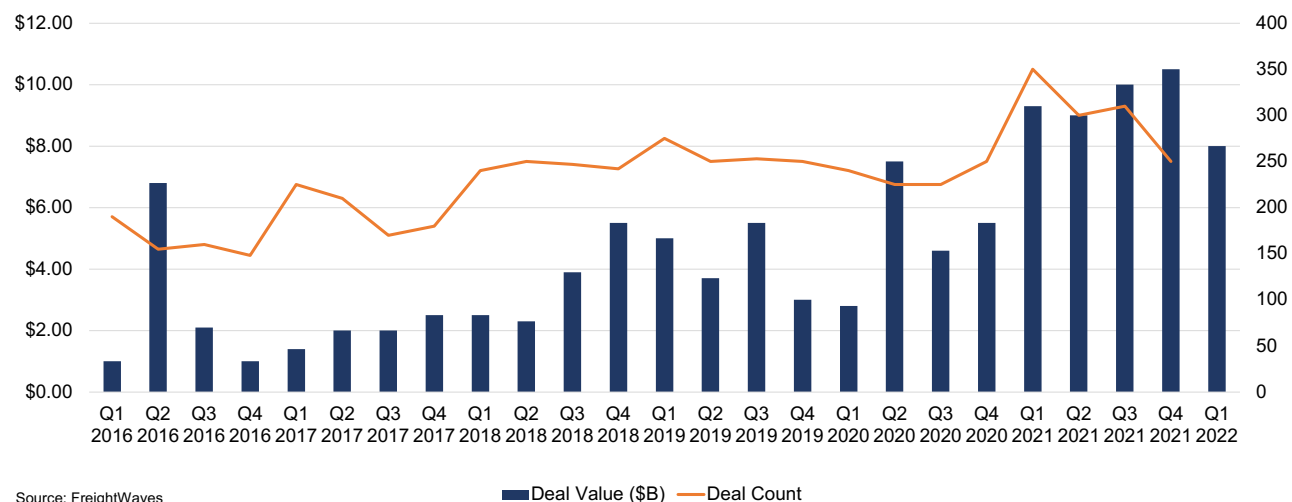
Automated Trucks, VC Frenzy, and the Rise of Brokerages

The COVID-19 pandemic brought economic hardship to many. The second quarter of 2020 might go down as one of the quickest economic downturns ever recorded. However, in an effort to protect the economy, the Fed created an **extremely hospitable environment** for venture capital, and with the glaring supply chain issues, FreightTech became a cushy landing place for investor's money. We have written about venture capital and FreightTech **before**, and it has only gotten bigger since then.

In the fourth quarter of 2020, American and European FreightTech companies raised a combined \$4.1 billion from venture capitalists. This was a 21% increase quarter-over-quarter, and an increase of 49% on an annual basis. In less than twelve months, 2020 went from a dark and gloomy place for businesses to a 4th of July fireworks parade, during which \$12.6 billion was poured into 555 deals in America and Europe.

The parade continued marching into 2021, with average pre-money valuations increasing by 28.4% to \$30 million, and late-stage valuations increasing by 95.3% to \$120 million. During these six quarters, companies like **Loadsmith** continued to introduce digital technologies that seek to revolutionize the brokerage industry and allow smaller brokerages and 3PLs to compete with the largest asset-based carriers.

Industrial Production Index (Seasonally Adjusted)



Source: FreightWaves

FEATURE ARTICLE

FreightTech Update

Automated Trucks, VC Frenzy, and the Rise of Brokerages

(cont.)

Self-driving trucks have also remained a point of focus. Though one of our clients maintains that self-driving trucks are “always ten years away,” they are the holy grail of FreightTech. The trucking industry has long struggled with an exodus of workers, and during COVID a large portion of its aging labor force decided to either retire due to fears of contracting the virus or moved on to less-regulated sectors. To prevent driver shortages and reduce turnover, many companies are increasing driver pay. For example, Walmart began paying their drivers \$110,000 in their first year. With a fleet of 12,000 drivers, that is a very expensive endeavor, so it is no surprise that companies like **TuSimple**, that develop self-driving trucks, already have deals in place with ready-to-pay customers. The **CEO of Werner Enterprises** was quoted as saying that “We look forward to building a hybrid world where drivers continue to haul freight while autonomous trucks supplement rising demand,” showing that self-driving freight modes are no longer only a fantasy of Silicon Valley, but a future of the industry.

Despite all the positive growth between the third quarter of 2020 and the fourth quarter of 2021, the proverbial truck ran into a roadblock. As the Federal Reserve increased interest rates in its efforts to tame inflation, deal values in the first quarter of 2022 recorded decreases of 3.6% and 20.4% on a quarterly and annual basis, respectively. Startups raised only \$14 billion. The number of IPO listings decreased dramatically, as did the average valuations of FreightTech firms.

While the number of new FreightTech startups has decreased, an opportunity in the form of higher gas prices, created by the Russia-Ukraine conflict, emerged. High gas prices have made electric vehicles much more attractive both to the consumer as well as the manufacturers. Ford **began production** on the first ever electric pickup truck (beating Tesla's Batmobi...excuse me Cybertruck to the punch), and GM has promised to release its own fully electric truck in the spring of 2023. Artificial intelligence has also evolved in the FreightTech world, running robots in warehouses (which exponentially increases efficiency in over-capacity facilities) and even analyzing space and creating the mathematically most optimal way of storing items in a container for maritime shipping.

Even though the current economic outlook can appear somewhat gloomy, the transportation sector can still expect money to be available for startups, though it might be harder to get. Ryan Schreiber, Vice President of Growth and Industry for supply chain consultant Metafora stated that “One founder described it to me as saying in early '21, if you had any revenue, you could raise and at a valuation you preferred,” compared to the current situation where “You've got to have a \$1.5 million

Self-driving freight modes are no longer only a fantasy of Silicon Valley, but a future of the industry

FEATURE ARTICLE

FreightTech Update

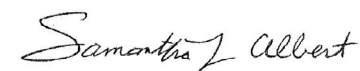
Automated Trucks, VC Frenzy, and the Rise of Brokerages

(cont.)

annual recurring revenue, and you are going to be grateful to get any valuation.” Schreiber advises FreightTech firms to not burn through their runway, and to not sell equity unless for a very good reason.

There is also good news for FreightTech entrepreneurs. A McKinsey survey revealed that 77% of supply chain executives intend on investing in supply chain visibility, among other things. That combined with the growth of the e-commerce industry, it is fair to anticipate a decent amount of investment to continue flowing into the sector.

The best inventions often came from times of crisis. Nuclear fission was invented during World War II, antiseptic disinfectant was invented to stop a cholera epidemic in Germany, and in the midst of the '08 financial crisis, Beyonce released her hit single “Single Ladies.” So it is no surprise that the COVID-19 pandemic and the Russia-Ukraine war have sparked a new wave of innovation in the FreightTech industry. And while, perhaps, startups are no longer getting as much funding as they did in 2021, it is clear that it will remain a hot sector for as long as we face supply chain bottlenecks and restrictions.



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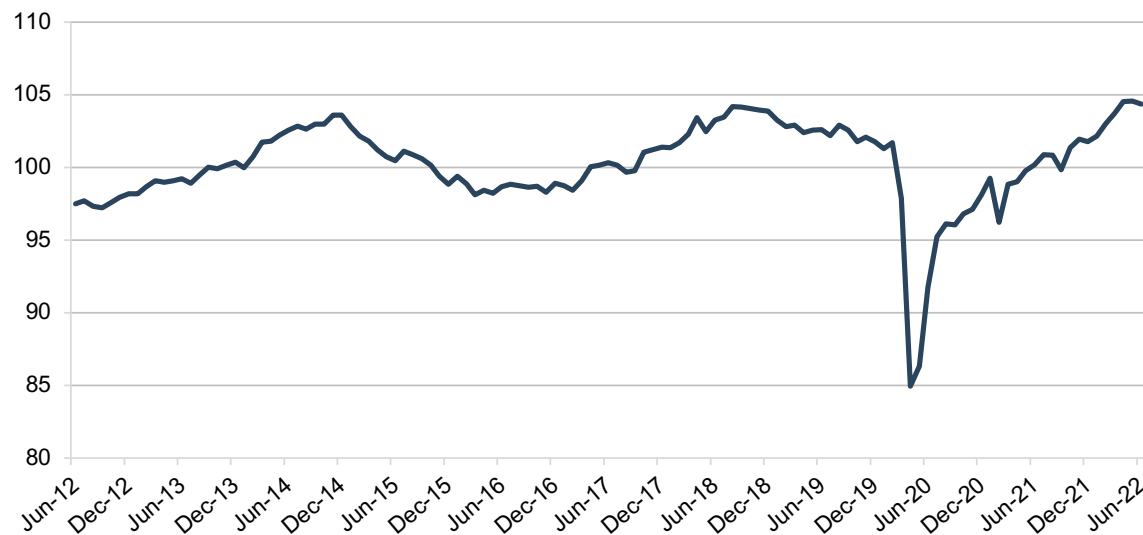
** We would like to thank Samuel Singer, a summer intern associate, for his contributions to this article.*

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 COVID-19 pandemic resulted in numerous shutdowns and manufacturing disruptions that resulted in productivity falling to lows previously seen during the Great Recession. Production recovered during the summer months of 2020 and generally continued its upward trend through 2022. The index value at the beginning of June 2022 was 104.36, a 0.2% decrease from May 2022 and an increase of 4.16% on a year-over-year basis. The June 2022 index represented an increase of 2.62% from the pre-COVID level in February 2020.

Industrial Production Index (Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

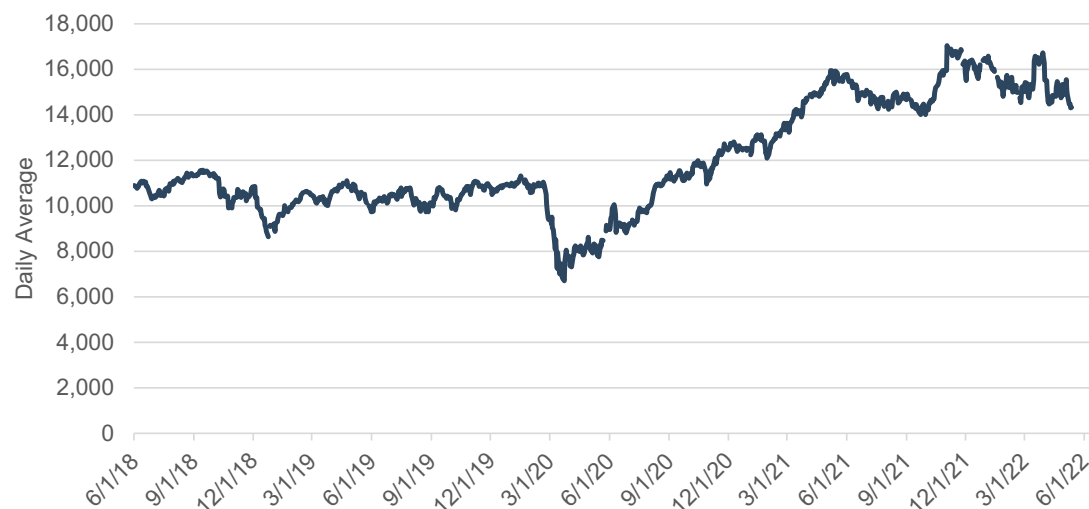
Indexed to 2017

Industry Macro Trends

Dow Jones Transportation Index

The Dow Jones Transportation Average (**DJTA**) is a price-weighted average of 20 transportation stocks in the U.S. The DJTA is often interpreted as a signal of the health of the overall market. Pre-COVID, the DJTA reached highs not seen since 2018 in January 2020, before falling again in March 2020. Since March 2020, the DJTA has experienced two periods of rapid gains bookending a period of turbulence. The DJTA dropped to 14,320 by May 12th, 2022, reflecting decrease of 1.42% month-over-month 2022 and a decrease of 8.26% year-over-year.

Dow Jones Transportation Index



Source: Federal Reserve Bank of St. Louis

Industry Macro Trends

Global Supply Chain Pressure Index

In January 2022, the Federal Reserve Board of New York launched a **new index** designed to track various demands and constraints on supply chains. The Global Supply Chain Pressure Index (GSCPI) combines over 27 data points and indices to provide an overview of supply chain disruptions and pressure. Although the GSCPI was released by the Federal Reserve, some critics of the index are skeptical of its meaningfulness to the transportation and logistics industry. When the Federal Reserve launched the index, they included historical periods back to 1997, capturing multiple waves of expansion and recession in addition to recent pandemic issues. Despite rising **sharply during the last year** (the index reported year-over-year decrease on the order of 9.61%), the index fell 6.51% from May to June 2022 and 13.5% from March 2022 to June 2022.

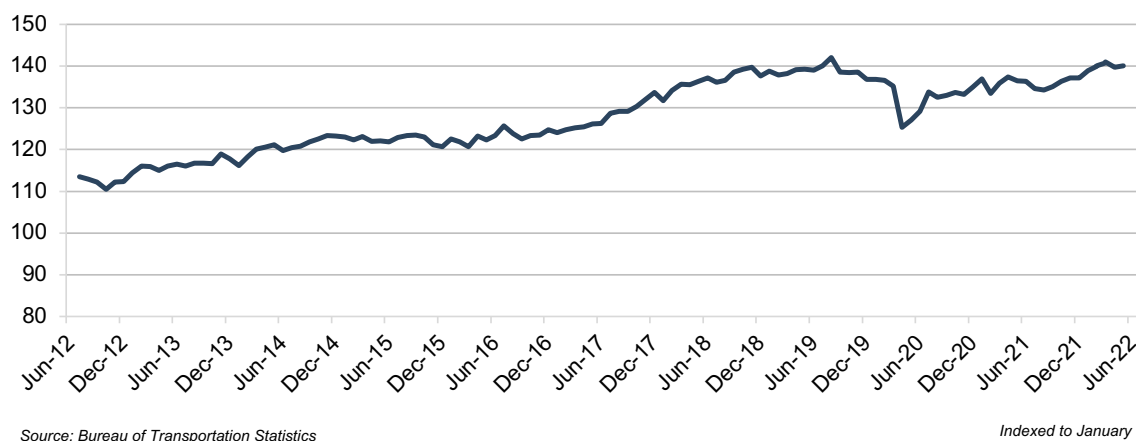
Transportation Services Index

The Transportation Services Index measures freight traffic in the U.S., including rail, trucking, and marine shipping. The TSI increased 0.14% from February 2022 to May 2022 and increased 2.64% on a year-over-year basis. The index in May 2022 was 140.1.

Global Supply Chain Pressure Index



Transportation Services Index (Freight, Seasonally Adjusted)

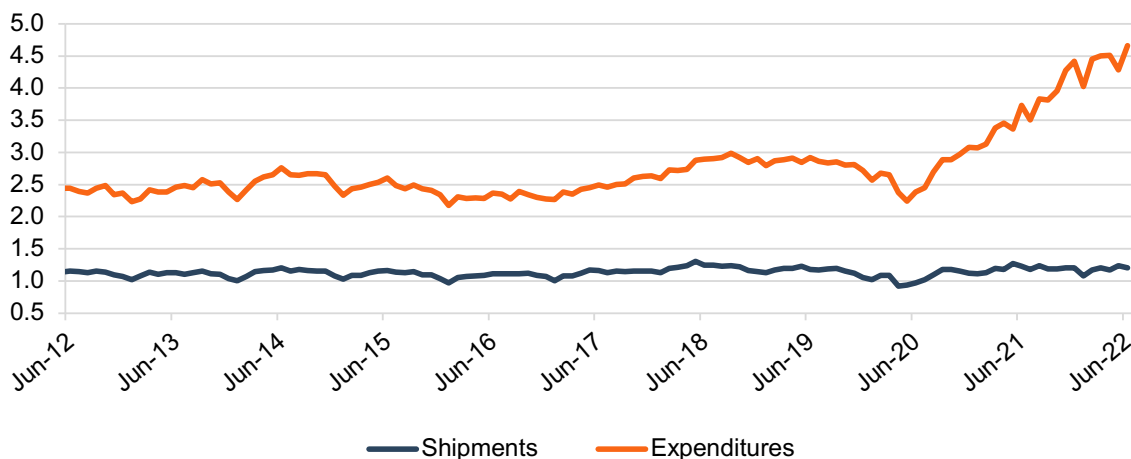


Industry Macro Trends

Cass Freight Index

The **Cass Freight Index** of shipments and expenditures is considered one of the best indicators of overall U.S. freight activity. In April 2020, shipments fell to their lowest levels since January 2010 due to COVID-19 related shutdowns in the U.S. and abroad. Shipments have generally increased since COVID-induced lows, though the index has experienced several periods of decline. While still trending upwards, in June 2022, shipments have decreased by 2.6% month-over-month, and 2.3% year-over-year. At the same time, expenditures have increased by 8.8% month-over-month, and by 25% year over year. The divergence of the expenditures and the shipments index helps to illustrate the impact increased demand for transportation services has had on freight pricing. The increase in expenditures is also linked to the growing levels of inflation in the United States.

Cass Freight Index



Source: Cass Information Systems, Inc.

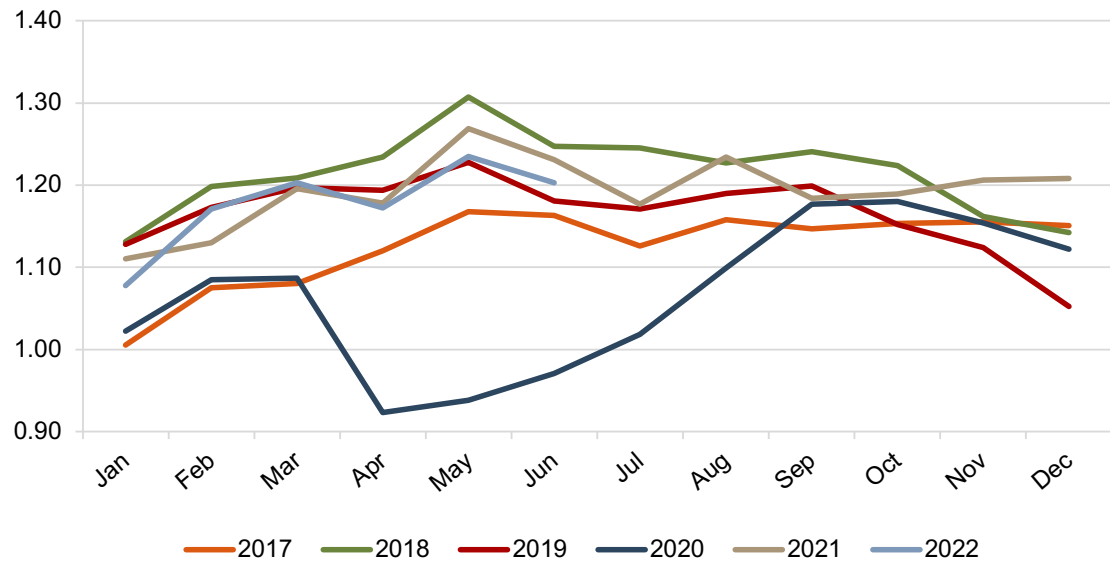
Indexed to January 1990

Industry Macro Trends

Shipments

The Shipments Index hit 1.203 in March 2022, down 0.4% since December 2021. Shipments increased 2.7% relative to March 2021 and 0.6% relative to February 2022.

Cass Freight Shipments Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

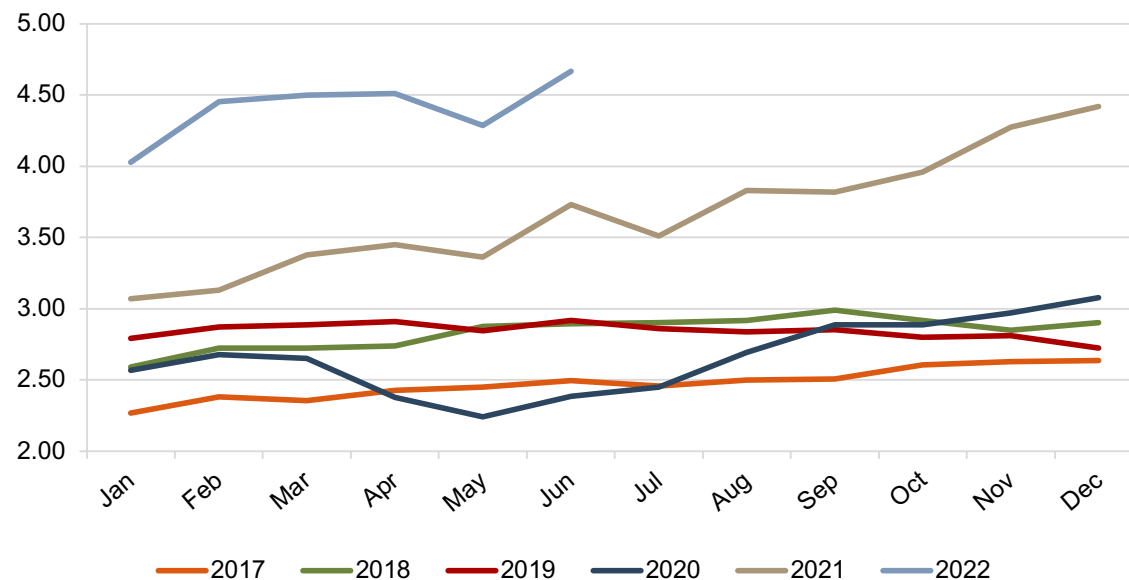
Industry Macro Trends

Expenditures

The Expenditures Index measures the total amount spent on freight. The Expenditures Index hit 4.501 in March 2022, an increase of 1.9% on a quarterly basis and an increase of 33.2% on an annual basis. The index increased 1.1% from February 2022. The Expenditures Index rose throughout 2021 and the first quarter of 2022 and has reached previously unrecorded levels. The difficulty in retaining drivers and purchasing new tractors and trailers combined with the shift in transportation suppliers has resulted in rapidly rising freight prices.

The American Trucking Association (ATA) **estimates** trucking accounts for almost 73% of all domestic freight tonnage and over 80% of total freight expenditures.

Cass Freight Expenditures Index



Source: Cass Information Systems, Inc.

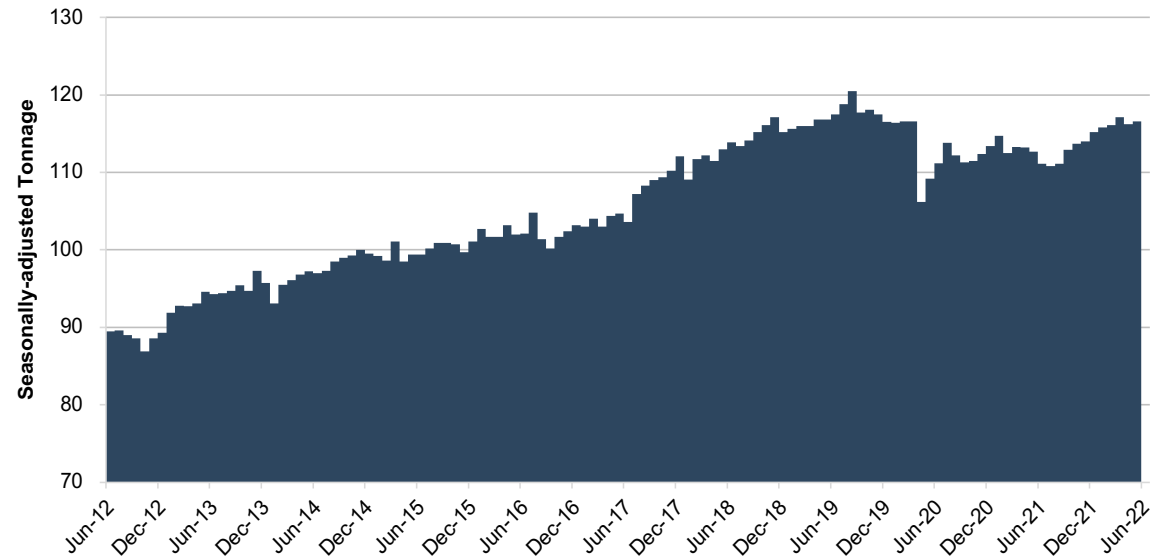
Indexed to January 1990

Trucking

Truck Tonnage

The Truck Tonnage Index has increased significantly since April 2020 but remains just shy of pre-COVID tonnage. The index reached 117.70 in March 2022, compared to pre-COVID levels in March 2020 of 116.90. The Truck Tonnage Index increased 1.99% relative to January 2022 and 2.44% relative to December 2021.

Truck Tonnage (Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to 2015

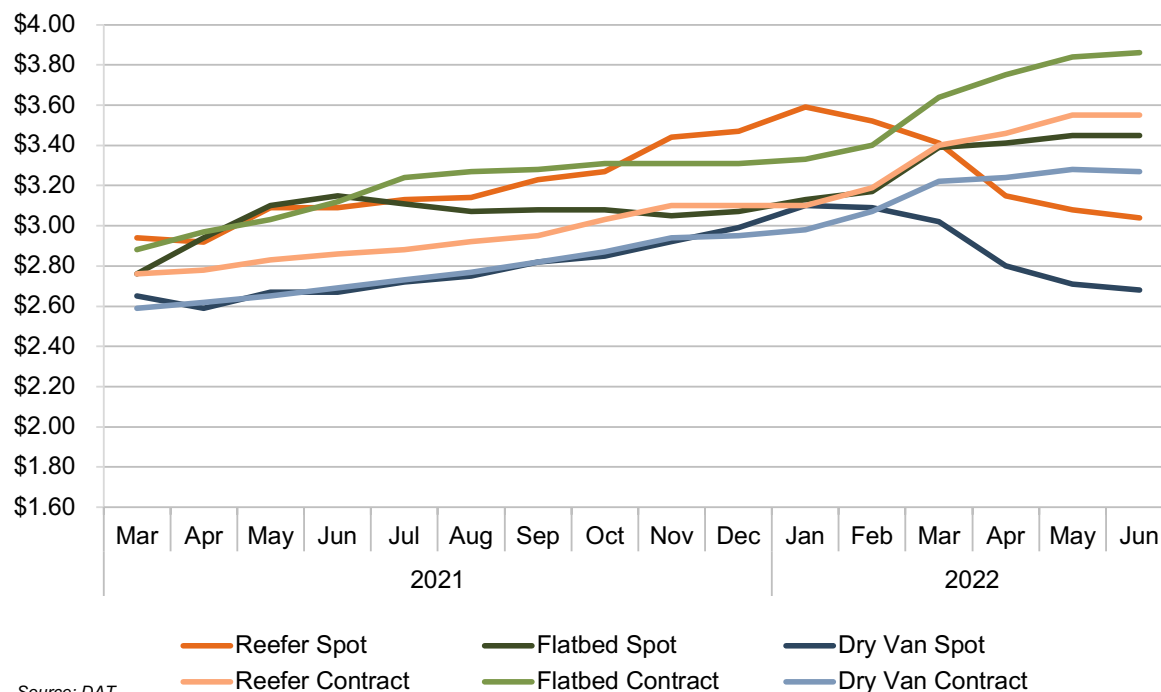
Trucking

Spot vs. Contract Rates

The Spot vs. Contract Rates chart 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. As capacity tightened during 2021, spot rates eclipsed contract rates in the reefer and van categories, though this effect had largely normalized by the end of March 2021. Reefer spot rates equaled reefer contract rates in March 2022, but van spot rates dipped back below van contract rates. While flatbed spot rates have increased over the quarter, they remain lower than flatbed contract rates. Both types of flatbed rates increased on a quarter-over-quarter basis. Reefer and van contract rates climbed, but reefer and van spot rates declined.

All classes of rates increased on a year-over-year basis. Flatbed contract rates posted the largest year-over-year gain climbing 26% since March 2021. Spot rates have continued to escalate in the last year, although at a slower rate than prior periods. Reefer, flatbed, and dry van spot rates showed increases of 15.7%, 23.2%, and 14.0%, respectively. These declines reflect rate normalization and a reversion to pre-pandemic pricing norms.

Spot vs. Contract Rates



Source: DAT

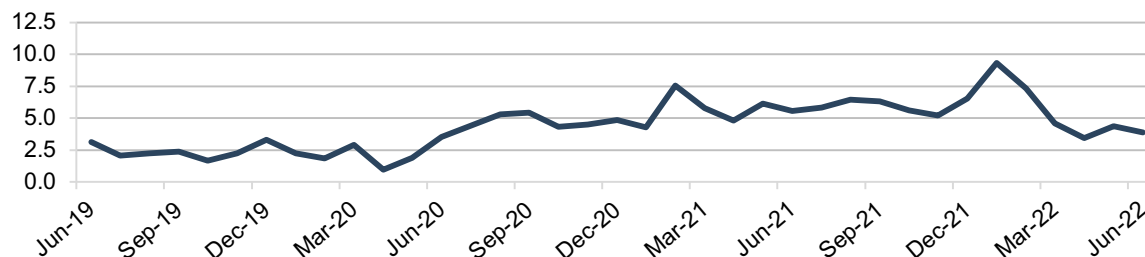
Trucking

Load-to-Truck Ratio

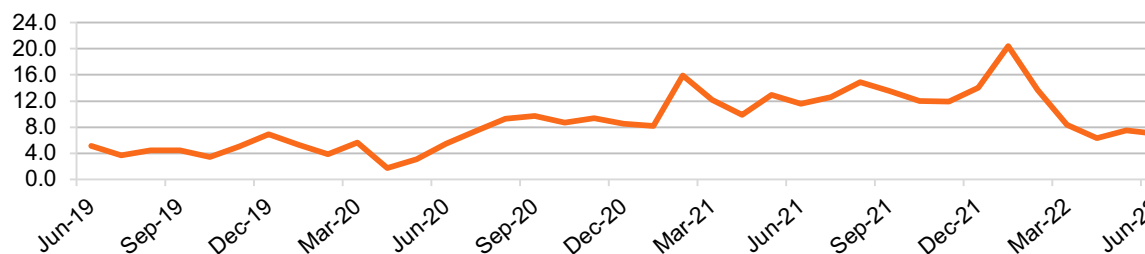
The **load-to-truck ratio** is calculated by dividing the total number of loads for shipments by the total number of trucks available. The load-to-truck ratio can signal a shortage or excess of capacity, which in turn influences changes in freight. An increase in the ratio (i.e., a higher number of loads relative to the level of available trucks) is typically associated with shipping rate increases. While economic factors typically push supply and demand, compression or expansion that occurs faster in the shipping industry can accelerate movements faster than the overall economy.

Van, reefer, and flatbed classes experienced decreases of 15%, 16%, 58% in Q2 of 2022 compared to Q1. The decrease in the van ratio is **attributable** largely to a decrease in container imports, although container imports do remain higher than the same period in 2021. Reefer classes, which typically experience seasonal gains due to summer produce shipments, are **suffering** as the volume of long-haul produce is 17% lower than 2021 and is at its lowest point since 2017. Flatbed classes increased 75% during the same period. The flatbed ratio has been **impacted** by reduced domestic steel output combined with ever lower tonnage. Relative to March 2021, the van, reefer, and flatbed ratios decreased 30%, 40%, and 44%, respectively.

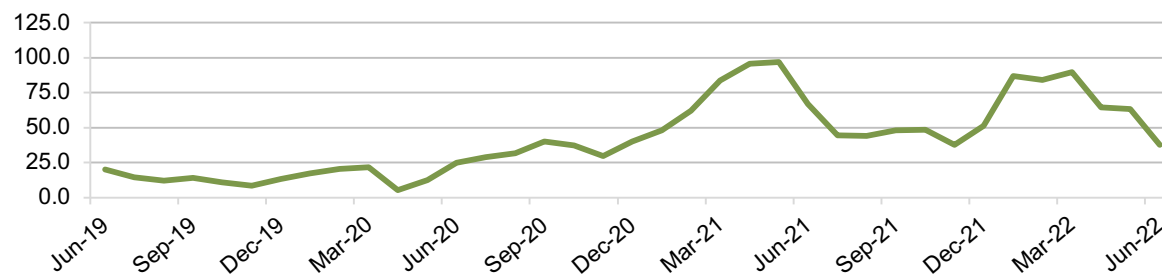
Dry Van Load-to-Truck



Reefer Load-to-Truck



Flatbed Load-to-Truck



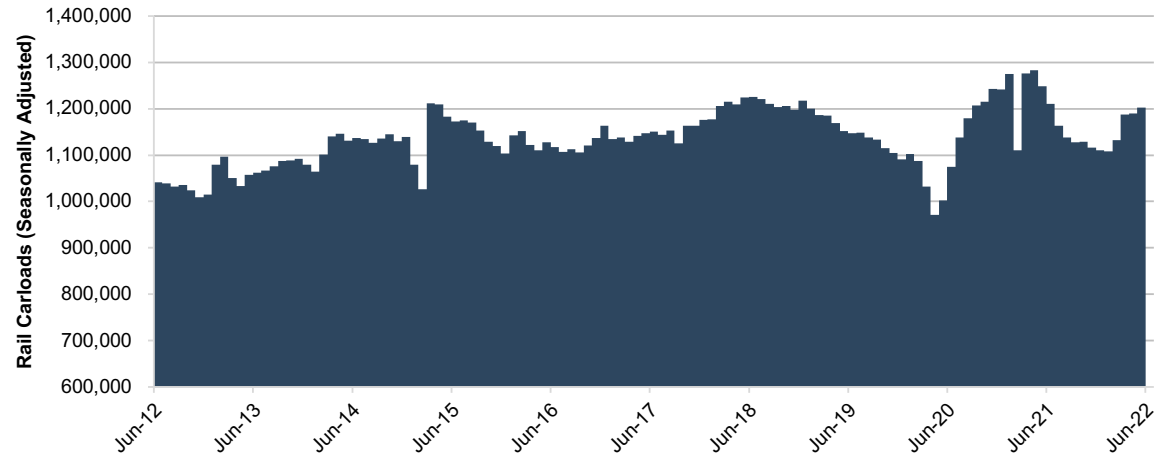
Source: DAT

Rail & Intermodal

Rail Freight Intermodal Traffic

As reported by the **Bureau of Transportation Statistics**, the intermodal shipments index declined during two of the three months in the first quarter of 2022. Rail freight intermodal traffic posted a decrease of 6.9% on a year-over-year basis, largely due to a significant decline in the second half of 2021 due to congestion at intermodal ports.

Rail Freight Intermodal Traffic



Source: Bureau of Transportation Statistics

M&A Activity

Featured Transactions

DB Schenker Acquires USA Truck

DB Schenker, a Germany-based 3PL, announced that it would acquire USA Truck (USAK) in an all-stock transaction. The deal gives Schenker greater access to U.S. markets. The price announced in the deal of \$31.72 per share reflects a nearly 120% premium relative to the \$24 trading price from the day before. The deal values USAK at \$435 million, which is roughly 0.6x sales and 5.2x EBITDA. The deal is still pending approval by USAK shareholders, but is expected to be completed before the end of 2022.

The deal is part of a trend of traditionally logistics-focused companies expanding into more asset-based services. USAK has a fleet of 1,900 tractors, relationships with 600 independent contractors, and over 2,100 employees.



FreightTech Activity

VerifyMe, Inc. announced its acquisition of PeriShip, LLC. The total transaction value is estimated to be \$10.5 million and includes cash, VerifyMe stock, and a promissory note. VerifyMe uses smartphone technology to provide verification and supply chain monitoring, while PeriShip provides logistics services for perishable healthcare and food products.



Niche Marine Shippers Merge

Westwood Shipping Lines, a shipping line focused on shipping among Japan, Korea, Washington State and British Columbia, was acquired by Swire Shipping, a vessel operating in the Asia Pacific region. The two companies provide customized shipping services and expect to be able to combine their service offerings and client base.



Select Transactions

| Target | Buyer | Date Announced | Deal Status | Total Deal Value | Deal Value to | |
|---|---|----------------|-------------|------------------|---------------|--------|
| | | | | | Sales | EBITDA |
| Trucking | | | | | | |
| Advance Distribution INC | Murrow's Transfer, Inc. | 4/4/22 | Closed | - | - | - |
| Marine Container Services, Inc. | Premium Transportation Services, Inc. | 4/11/22 | Closed | - | - | - |
| Operating Assets of Clean Car Connexion, Inc. | Mark-it Express Logistics LLC | 5/2/22 | Closed | - | - | - |
| Roadtex Transportation Management Corp. | Echo Global Logistics, Inc. | 5/5/22 | Announced | - | - | - |
| Assets of Edgmon Trucking, LLC | Forward Air Corporation (NasdaqGS:FWRD) | 5/9/22 | Announced | - | - | - |
| Freight Connections | TLSS Acquisition, Inc. | 5/26/22 | Announced | 7.00 | - | - |
| Princeton Logistics Group LLC | ShipX Inc. | 5/26/22 | Closed | - | - | - |
| Smith Transport, Inc. | Heartland Express, Inc. (NasdaqGS:HTLD) | 6/1/22 | Closed | 170.00 | - | - |
| Global Enterprises & Logistics Inc. | Link Reservations Inc. (OTCPK:LRSV) | 6/6/22 | Announced | - | - | - |
| Certain Assets of deBoer Transportation, Inc. | Schneider National, Inc. (NYSE:SNDP) | 6/7/22 | Closed | - | - | - |
| USA Truck, Inc. (NasdaqGS:USAK) | Schenker, Inc. | 6/24/22 | Announced | 461.29 | 0.6 | 5.2 |
| JFK Cartage Inc. | Cougar Express Inc. | 6/30/22 | Announced | 1.70 | - | - |
| Ryder System, Inc. (NYSE:R) | HG Vora Capital Management, LLC | 5/13/22 | Announced | - | - | - |

Source: S&P Global Market Intelligence
in USD millions

Select Transactions (cont.)

| Target | Buyer | Date Announced | Deal Status | Total Deal Value | Deal Value to | |
|--|--|----------------|-------------|------------------|---------------|--------|
| | | | | | Sales | EBITDA |
| Rail | | | | | | |
| Precision Rail Management Group LLC | - | 4/11/22 | Closed | - | - | - |
| ARINC rail solutions business segment of Collins Aerospace | Westinghouse Air Brake Technologies Corporation (NYSE:WAB) | 6/16/22 | Closed | - | - | - |
| Marine | | | | | | |
| Westwood Shipping Lines, Inc. | Swire Shipping Limited | 4/28/22 | Closed | - | - | - |
| Individual Transportation Brokerage | | | | | | |
| PBSC Urban Solutions Inc. | Lyft, Inc. (NasdaqGS:LYFT) | 4/19/22 | Announced | - | - | - |
| Deliverr, Inc. | Shopify Inc. (NYSE:SHOP) | 5/5/22 | Closed | 2,100.00 | - | - |
| Wheels Labs Inc. | Helbiz, Inc. (NasdaqCM:HLBZ) | 6/21/22 | Announced | - | - | - |
| Freight Tech | | | | | | |
| Assets of PeriShip, LLC | VerifyMe, Inc. (NasdaqCM:VRME) | 4/25/22 | Closed | 10.47 | 0.4 | - |

Source: S&P Global Market Intelligence
in USD millions

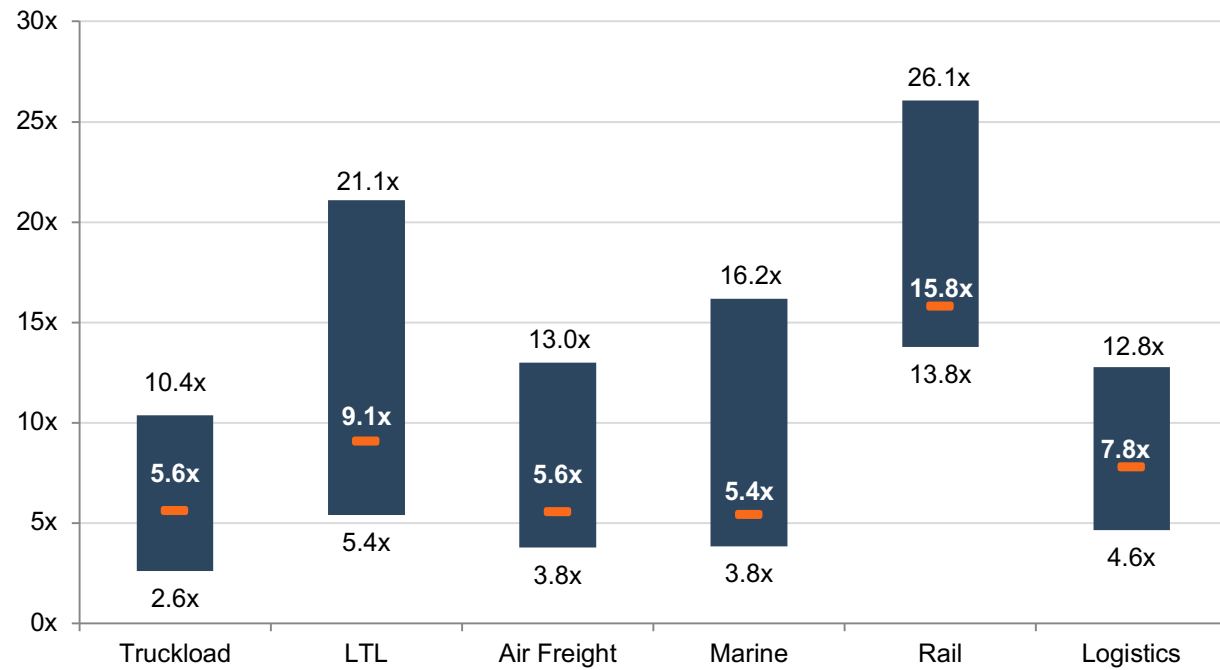
Select Transactions (cont.)

| Target | Buyer | Date Announced | Deal Status | Total Deal Value | Deal Value to | |
|-------------------------------------|--|----------------|-------------|------------------|---------------|--------|
| | | | | | Sales | EBITDA |
| Air Freight & Logistics | | | | | | |
| Pacific Coast Warehouse Corporation | Weber Logistics LLC | 4/4/22 | Closed | - | - | - |
| Hoosier Logistics, LLC | Direct Connect Logistix, Inc. | 4/5/22 | Closed | - | - | - |
| The Import Export Group, Inc. | Universal Power Industry Corporation (OTCP-K:UPIN) | 4/7/22 | Closed | - | - | - |
| VersaCold Logistics Services | Lineage Logistics, LLC | 4/13/22 | Announced | - | - | - |
| The RK Logistics Group Inc. | Aoi Capital LLC | 4/15/22 | Closed | - | - | - |
| Suburban Air Freight, Inc. | Alpine Air Express Inc. | 4/18/22 | Closed | - | - | - |
| Foxconn Logistics LLC | GTI Transport Solutions Inc. | 4/21/22 | Closed | - | - | - |
| Vnomics Corp./True Load Time, Inc. | Tenstreet Inc. | 4/27/22 | Closed | - | - | - |
| Ryan Ship Services, LLC | Capes Shipping Agency Inc. | 5/4/22 | Closed | - | - | - |
| C2 Freight Resources Inc. | TA Services, Inc. | 5/3/22 | Closed | - | - | - |
| 2022 A Cooper, Inc. | Epes Logistics Services, Inc. | 5/10/22 | Closed | - | - | - |
| Express Courier International, Inc. | Diligent Delivery Systems, Inc. | 5/11/22 | Closed | - | - | - |
| iDC Logistics Inc. | H.I.G. Capital, LLC | 5/7/22 | Closed | - | - | - |
| Access USA Shipping, LLC | Aramex PJSC (DFM:ARMX) | 6/1/22 | Announced | 265.00 | - | - |
| HapTrans Holdings Ltd. | Bondex International Logistics (HK) Co., Limited | 5/11/22 | Closed | 26.81 | - | - |
| MNX Global Logistics | Quad-C Management, Inc. | 12/13/21 | Closed | - | - | - |

Source: S&P Global Market Intelligence
in USD millions

Public Company Performance

Monthly Median TEV/EBITDA Multiples (as of June 30, 2022)



Source: S&P Global Market Intelligence

Data as of June 30, 2022, excludes outliers

Publicly Traded Companies

| Company Name | Ticker | Price at 6/30/22 | 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. |
| Truckload | | | | | | | | | | | | | |
| J.B. Hunt Transport Services, Inc. | JBHT | \$157.47 | -22% | \$17,899 | 8% | 1230% | \$13,968 | 13% | 1.3x | 9.6x | 17.5x | 8.8x | 16.2x |
| Ryder System, Inc. | R | \$71.06 | -10% | \$10,730 | 66% | 493% | \$10,947 | 26% | 1.0x | 3.8x | 4.9x | 3.4x | 4.8x |
| Knight-Swift Transportation Holdings Inc. | KNX | \$46.29 | -8% | \$9,461 | 20% | 730% | \$7,247 | 24% | 1.3x | 5.4x | 8.5x | 5.1x | 8.6x |
| Landstar System, Inc. | LSTR | \$145.42 | -4% | \$5,488 | 2% | 1901% | \$7,628 | 8% | 0.7x | 8.5x | 12.0x | 8.9x | 12.4x |
| Schneider National, Inc. | SNDR | \$22.38 | -12% | \$3,872 | -3% | 1095% | \$6,387 | 16% | 0.6x | 3.9x | 8.5x | 3.9x | 8.4x |
| Werner Enterprises, Inc. | WERN | \$38.54 | -6% | \$2,882 | 13% | 617% | \$3,069 | 17% | 0.9x | 5.4x | 9.4x | 4.7x | 10.1x |
| Heartland Express, Inc. | HTLD | \$13.91 | -1% | \$911 | -21% | 458% | \$640 | 27% | 1.4x | 5.2x | 7.9x | 3.7x | 12.2x |
| Daseke, Inc. | DSKE | \$6.39 | -37% | \$1,012 | 54% | 578% | \$1,721 | 11% | 0.6x | 5.3x | 6.9x | 4.2x | 7.6x |
| Universal Logistics Holdings, Inc. | ULH | \$27.31 | 36% | \$1,217 | 41% | 896% | \$1,964 | 12% | 0.6x | 5.1x | 6.4x | 3.9x | 4.7x |
| Marten Transport, Ltd. | MRTN | \$16.82 | -5% | \$1,312 | -5% | 858% | \$1,135 | 20% | 1.2x | 5.7x | 13.1x | 5.1x | 12.4x |
| Covenant Logistics Group, Inc. | CVLG | \$25.09 | 17% | \$475 | 18% | 801% | \$1,178 | 12% | 0.4x | 3.4x | 4.8x | 3.2x | 4.5x |
| P.A.M. Transportation Services, Inc. | PTSI | \$27.39 | -21% | \$752 | 19% | 1310% | \$854 | 22% | 0.9x | 4.0x | 6.3x | 3.4x | 5.5x |
| Usak Seramik Sanayi A.S. | USAK | \$0.11 | 13% | \$44 | 37% | 683% | \$72 | 17% | 0.6x | 3.5x | 3.1x | nm | nm |
| U.S. Xpress Enterprises, Inc. | USX | \$2.68 | -31% | \$840 | 84% | 39% | \$2,094 | 4% | 0.4x | 10.8x | nm | 10.1x | nm |
| Patriot Transportation Holding, Inc. | PATI | \$7.44 | -7% | \$22 | -17% | -9% | \$83 | 9% | 0.3x | 3.1x | 4.1x | nm | nm |
| Median | | | -7% | | 18% | | | 15.6% | 0.7x | 5.2x | 7.4x | 4.2x | 8.5x |

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q2 2022

Publicly Traded Companies

| Company Name | Ticker | Price at 6/30/22 | 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. |
| Less-Than-Truckload | | | | | | | | | | | | | |
| Old Dominion Freight Line, Inc. | ODFL | \$256.28 | -14% | \$28,609 | -2% | 2238% | \$5,975 | 32% | 4.8x | 14.8x | 23.4x | 13.8x | 21.9x |
| Saia, Inc. | SAIA | \$188.00 | -23% | \$4,959 | 0% | 1520% | \$2,640 | 23% | 1.9x | 8.3x | 14.5x | 7.7x | 13.6x |
| ArcBest Corporation | ARCB | \$70.37 | -13% | \$2,011 | 14% | 1235% | \$4,930 | 11% | 0.4x | 3.7x | 5.7x | 3.2x | 5.0x |
| Mullen Group Ltd. | MTL | \$8.77 | -18% | \$1,422 | 43% | 511% | \$1,439 | 14% | 1.0x | 7.2x | 10.9x | 6.1x | 9.3x |
| Yellow Corporation | YELL | \$2.93 | -58% | \$1,644 | 91% | 357% | \$5,294 | 5% | 0.3x | 5.7x | nm | 3.8x | 2.9x |
| Median | | | -18% | | 14% | | | 14% | 1.0x | 7.2x | 12.7x | 6.1x | 9.3x |
| Air Freight | | | | | | | | | | | | | |
| Atlas Air Worldwide Holdings, Inc. | AAWW | \$61.71 | -29% | \$3,440 | 49% | 700% | \$4,396 | 23% | 0.8x | 3.4x | 3.7x | 3.5x | 3.7x |
| Air T, Inc. | AIRT | \$16.46 | -28% | \$198 | 76% | 336% | \$183 | -1% | 1.1x | -86.3x | 10.9x | nm | nm |
| Forward Air Corporation | FWRD | \$91.96 | -6% | \$2,733 | 10% | 1247% | \$1,862 | 14% | 1.5x | 10.2x | 15.2x | 8.7x | 12.7x |
| Air Transport Services Group, Inc. | ATSG | \$28.73 | -14% | \$3,424 | 38% | 552% | \$1,944 | 32% | 1.8x | 5.5x | 9.9x | 5.3x | 12.7x |
| Cargojet Inc. | CJT | \$110.64 | -27% | \$2,181 | 12% | 771% | \$703 | 33% | 3.1x | 9.5x | 12.7x | 8.7x | 20.5x |
| Median | | | -27% | | 38% | | | 23% | 1.5x | 5.5x | 10.9x | 7.0x | 12.7x |

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q2 2022

Publicly Traded Companies

| Company Name | Ticker | Price at 6/30/22 | 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. |
| Marine | | | | | | | | | | | | | |
| Kirby Corporation | KEX | \$60.84 | -16% | \$4,984 | 26% | 151% | \$2,499 | 14% | 2.0x | 14.7x | nm | 12.2x | 29.5x |
| Atlas Corp. | ATCO | \$10.71 | -27% | \$9,303 | 65% | 424% | \$1,525 | 66% | 6.1x | 9.2x | 5.5x | 8.3x | 7.0x |
| Matson, Inc. | MATX | \$72.88 | -40% | \$3,681 | 20% | 2944% | \$4,765 | 38% | 0.8x | 2.0x | 2.1x | 2.3x | 2.6x |
| Eagle Bulk Shipping Inc. | EGLE | \$51.88 | -24% | \$1,023 | 31% | 1834% | \$751 | 52% | 1.4x | 2.6x | 2.3x | 3.0x | 3.1x |
| Pangaea Logistics Solutions, Ltd. | PANL | \$5.08 | -9% | \$532 | 56% | 1090% | \$835 | 17% | 0.6x | 3.7x | 2.7x | 3.7x | 2.6x |
| Global Ship Lease, Inc. | GSL | \$16.52 | -42% | \$1,576 | 61% | 1161% | \$534 | 62% | 3.0x | 4.7x | 2.3x | 3.8x | 2.2x |
| Genco Shipping & Trading Limited | GNK | \$19.32 | -18% | \$966 | 16% | 1289% | \$613 | 48% | 1.6x | 3.3x | 3.4x | 4.0x | 4.7x |
| Algoma Central Corporation | ALC | \$12.45 | -10% | \$709 | 34% | 457% | \$483 | 25% | 1.5x | 5.9x | 6.1x | 4.9x | 7.6x |
| Median | | | -21% | | 32% | | | | 1.5x | 4.2x | 2.7x | 3.9x | 3.9x |

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Publicly Traded Companies

| Company Name | Ticker | Price at 6/30/22 | 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. |
| Railroads | | | | | | | | | | | | | |
| Union Pacific Corporation | UNP | \$213.28 | -22% | \$166,825 | 20% | 968% | \$23,428 | 51% | 7.1x | 13.9x | 19.6x | 13.2x | 18.4x |
| Canadian National Railway Company | CNR | \$112.41 | -16% | \$87,958 | 12% | 913% | \$11,953 | 56% | 7.4x | 13.2x | 19.5x | 14.3x | 21.2x |
| CSX Corporation | CSX | \$29.06 | -22% | \$77,975 | 19% | 877% | \$13,947 | 51% | 5.6x | 11.0x | 16.0x | 10.5x | 15.6x |
| Norfolk Southern Corporation | NSC | \$227.29 | -20% | \$67,978 | 20% | 758% | \$11,869 | 50% | 5.7x | 11.4x | 17.8x | 11.1x | 16.8x |
| Canadian Pacific Railway Limited | CP | \$69.80 | -16% | \$80,324 | 19% | 462% | \$6,228 | 53% | 12.9x | 24.1x | 35.4x | 25.1x | 25.7x |
| Median | | | -20% | | | 19% | | | 7.1x | 13.2x | 19.5x | 13.2x | 18.4x |
| Logistics & Intermodal | | | | | | | | | | | | | |
| United Parcel Service, Inc. | UPS | \$182.54 | -15% | \$172,405 | 7% | 1261% | | 17% | 1.7x | 10.4x | 14.6x | 10.1x | 14.3x |
| FedEx Corporation | FDX | \$226.71 | -2% | \$89,055 | 34% | 421% | \$89,552 | 13% | 1.0x | 7.6x | 12.0x | 8.2x | 11.0x |
| Expeditors International of Washington, Inc. | EXPD | \$97.46 | -6% | \$14,685 | -11% | 2036% | \$18,983 | 12% | 0.8x | 6.6x | 10.6x | 7.9x | 12.1x |
| TFI International Inc. | TFII | \$80.22 | -25% | \$9,379 | 22% | 957% | \$8,849 | 14% | 1.1x | 7.8x | 12.0x | 6.4x | 9.9x |
| XPO Logistics, Inc. | XPO | \$48.16 | -34% | \$8,910 | 38% | 458% | \$13,336 | 10% | 0.7x | 6.6x | 8.0x | 6.3x | 8.4x |
| GXO Logistics, Inc. | GXO | \$43.27 | -39% | \$7,474 | 34% | 251% | \$8,475 | 7% | 0.9x | 11.8x | 23.0x | 10.2x | 15.6x |
| C.H. Robinson Worldwide, Inc. | CHRW | \$101.37 | -6% | \$15,080 | 15% | 1322% | \$26,380 | 6% | 0.6x | 10.2x | 11.7x | 9.5x | 11.6x |
| Forward Air Corporation | FWRD | \$91.96 | -6% | \$2,733 | 10% | 1247% | \$1,862 | 14% | 1.5x | 10.2x | 15.2x | 8.7x | 12.7x |
| Hub Group, Inc. | HUBG | \$70.94 | -8% | \$2,573 | 4% | 1108% | \$5,031 | 11% | 0.5x | 4.5x | 7.7x | 4.2x | 6.8x |
| Air Transport Services Group, Inc. | ATSG | \$28.73 | -14% | \$3,424 | 38% | 552% | \$1,944 | 32% | 1.8x | 5.5x | 9.9x | 5.3x | 12.7x |
| Radiant Logistics, Inc. | RLGT | \$7.42 | 16% | \$480 | 25% | 696% | \$1,113 | 5% | 0.4x | 8.6x | 12.0x | 6.5x | 7.4x |
| Median | | | -8% | | | 22% | | | 0.9x | 7.8x | 12.0x | 7.9x | 11.6x |

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q2 2022

Mercer Capital

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

Industry Segments

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

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