

VALUE FOCUS

# Transportation & Logistics

Third Quarter 2024

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## FEATURE ARTICLE

## One Strike and We're Out?

### The ILA Strike and It's Implications on Industry Data

At the beginning of October, we attended the Memphis World Trade Club's annual Memphis Logistics Summit. In conjunction with the New Orleans Port Night, the Memphis Logistics Summit gathers players from a wide cross section of the transportation industry to discuss the industry, current events, and new technology. The Summit began on October 2nd and the schedule was filled with excellent panels and speakers. The space between sessions was filled, of course, with discussions of the ILA strike and how it was impacting different aspects of the transportation world.

#### The ILA Strike

The 50,000 workers covered by the strike handle **between 40% and 50%** of all U.S. imports. Negotiations between the ILA and the U.S. Maritime Alliance (USMX) were in troubled waters by June 2024, with the two sides disagreeing about contractual raises and rules for port automation. The shipping industry was wary of a full strike beginning in the middle of peak season, and many shippers took action to move cargo to alternate ports or shift to off-port storage locations in advance of the expected strike.

The strike **was suspended on** October 4th – in time for the New Orleans Port Night Gala. The contract negotiations were not fully resolved – the ILA is working under a contract that runs through January 15, 2025 — but the ILA and the USMX have gotten considerably closer in negotiations than they were on September 30. There is a good chance that the industry will have to prepare for East Coast Strike, Part 2 following the Christmas season.

#### Industry Data Implications in This Newsletter

Partially as a result of the strike, public company data as of September 30, 2024 is somewhat more muddled than it typically is. Valuation multiples rose to stratospheric levels and do not fully reflect ongoing valuations of companies. We have presented the guideline public data as usual, but we note that it is not as reliable as in other time periods.

You may also notice some differences in the transaction overview section of this newsletter. With only 30 acquisitions reported by publicly traded companies during the third quarter and no valuation data available from those transactions, we elected to present summary data from an alternate source. We have long used GF Data® to review PE sponsored middle market transactions. While the presentation of the data does not allow analysis on a transaction-by-transaction basis, the aggregate data can be used identify trends based on time period, company size, and industry.

We hope you enjoy this quarter's edition of the Transportation and Logistics newsletter. As always, feel free to reach out to us to discuss any valuation questions you may have in confidence.

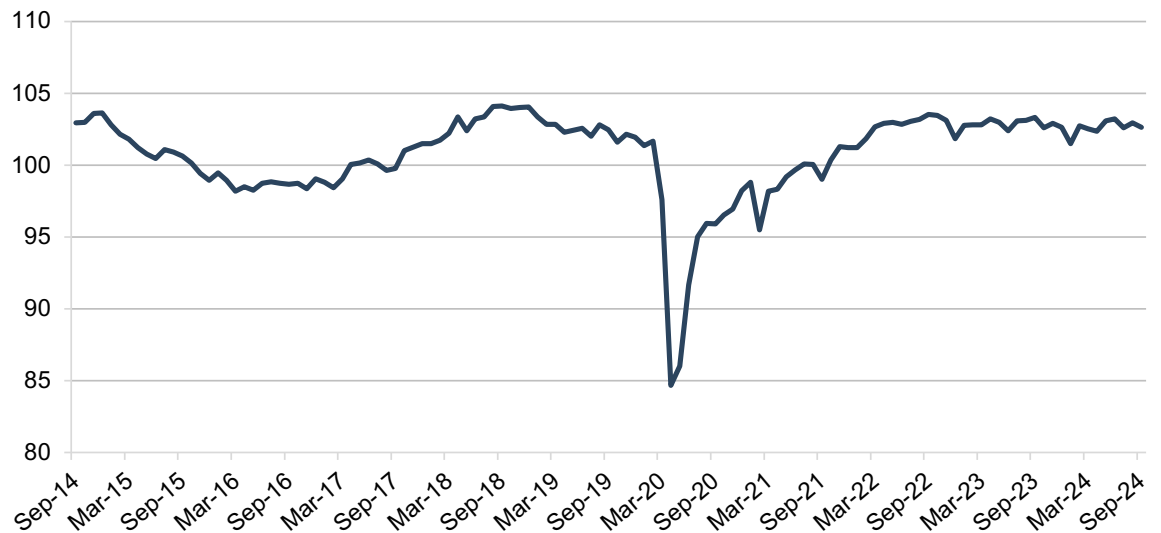
# Industry Macro Trends

## Industrial Production Index

The level of domestic **industrial production** directly impacts demand for transportation services. 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 lock-downs throughout the pandemic and high interest rates in recent years have resulted in cancelled or delayed investments.

On September 18th, the Federal Reserve **decreased** the target federal funds interest rate by 50 basis points. The September change was follows nearly a year of no changes to the federal funds rate and is the first rate decrease since the outbreak of COVID-19. While industrial production has increased since January 2024, the index has declined 0.6% since September 2023. The industrial production index stood at 102.6 at the end of the quarter, compared to 103.2 in June 2024. While consumer goods production has increased slightly over the past year (a 0.2% increase from September 2023), overall industrial production has been **weighed down** by declines in business equipment (4.2%), manufacturing (0.5%), and mining (2.2%).

Industrial Production Index (Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

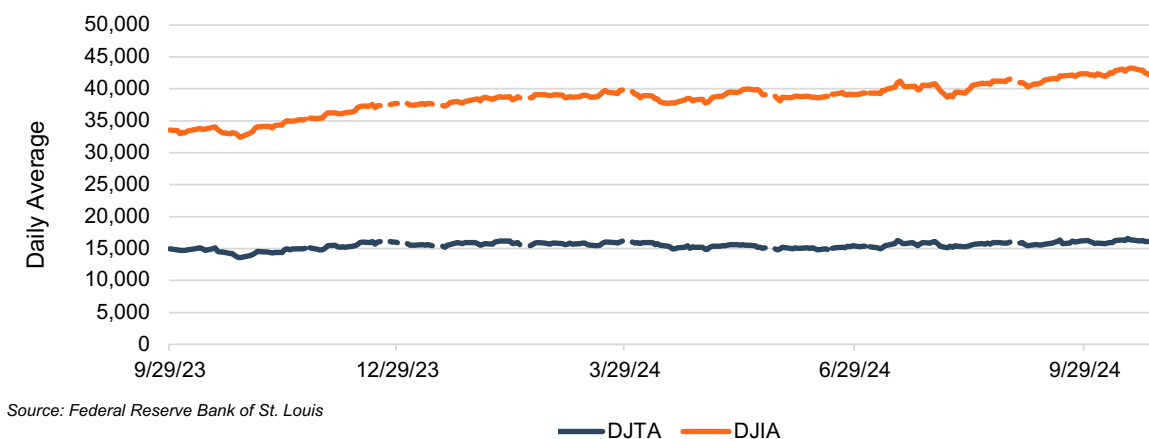
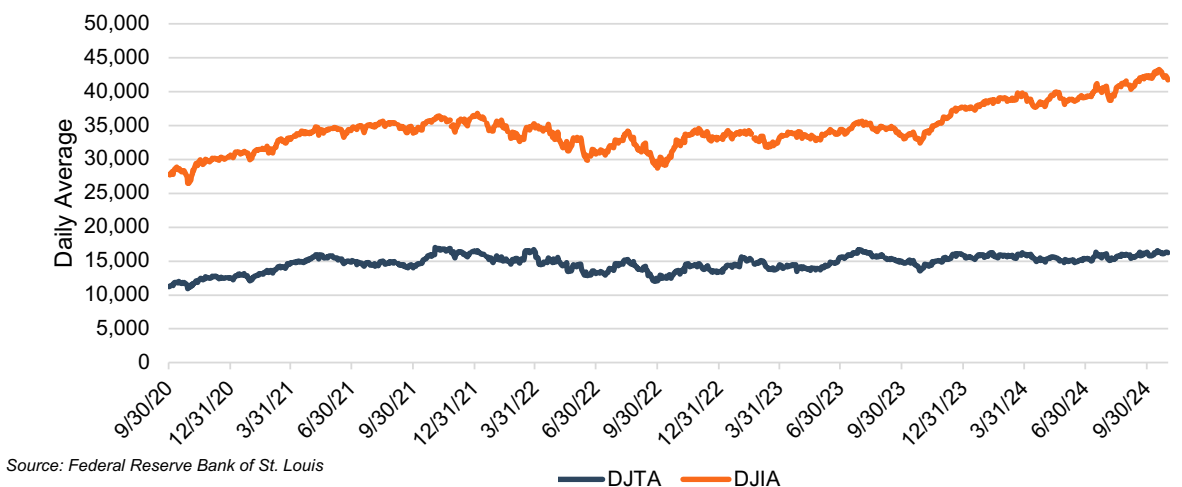
Indexed to 2017

# 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 – a divergence of the DJTA from the Dow Jones Industrial Average (DJIA) signals a coming reversal of the prevailing trend. In 2023, the DJTA outperformed the overall economy, growing nearly 19% over the year, while the DJIA grew 13.7% during the same period. In 2024, however, this trend has been reversed. Through September 30, 2024, the DJTA has increased 2.5% while the DJIA has increased 12.3%. On a year-over-year basis, the DJIA outperformed the DJTA ever further, increasing nearly 28% compared to the DJTA's 8.8% increase. This divergence – occurring even as the transportation industry is in the depths of peak season – suggests an overall cooling of the economy.

Dow Jones Transportation Index

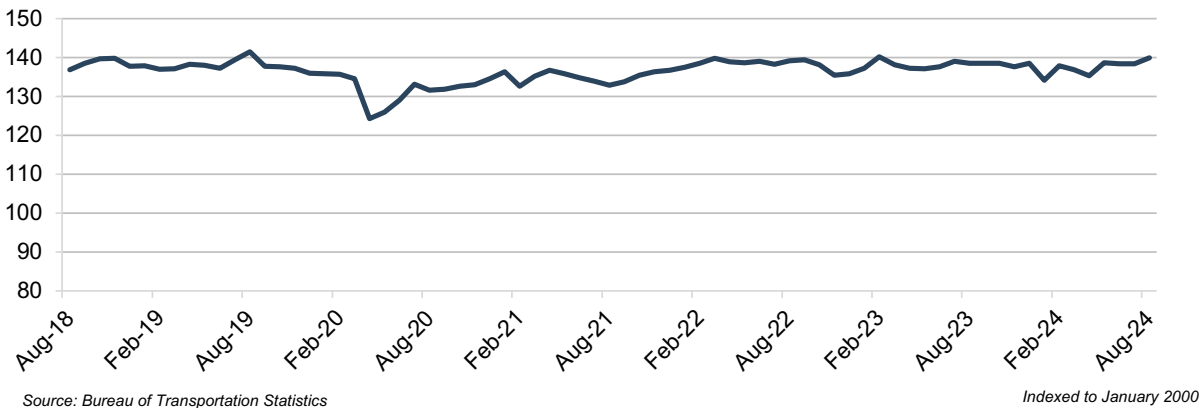


# Industry Macro Trends

## Transportation Services Index

The **Transportation Services Index** measures freight traffic in the United States, including rail, trucking, and marine shipping. The TSI increased 1.0% on a monthly basis in August 2024 and increased 0.9% relative to May 2024. This indicates a relatively modest peak season compared to earlier years. The TSI grew 1.0% on a year-over-year basis and at 139.9 by August 2024.

Transportation Services Index (Freight, Seasonally Adjusted)

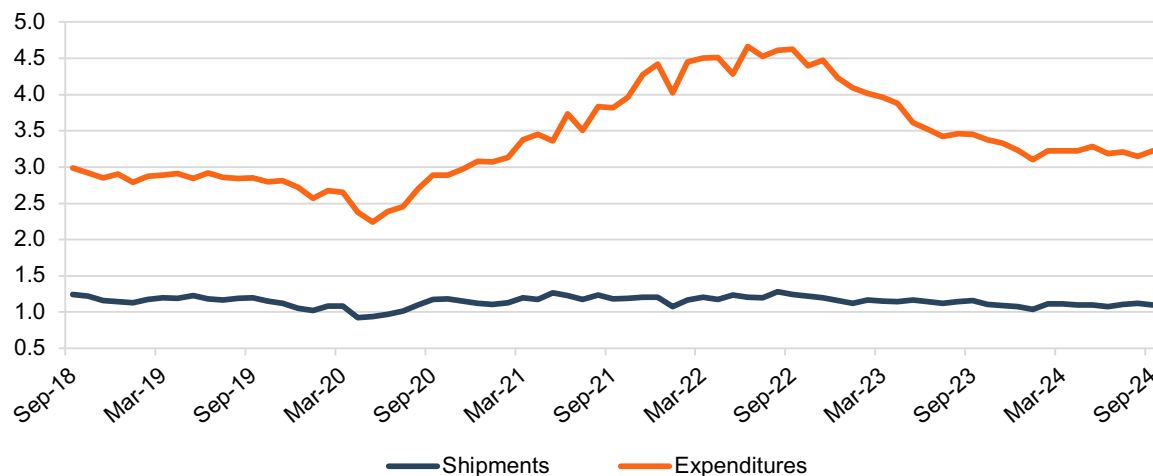


# Industry Macro Trends

## 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 the Great Recession due to COVID-19 related shutdowns in the U.S. and abroad. During the COVID-19 pandemic, limits on freight capacity growth combined with increasing demand caused increasing spreads between expenditures and shipments. Fueled by e-commerce, shipments increased during the COVID era but have since declined to levels more commonly seen pre-pandemic. The Cass shipment index has declined on a year-over-year basis since February 2023. In July and August, the rate of year-over-year decline slowed, potentially indicating the coming end of post-pandemic normalization, but shipments ultimately declined 5.2% on an annual basis in September 2024. While the index has declined on a year-over-year basis, monthly performance has varied throughout 2024. The index's lowest level since the pandemic was reached in January 2024, and the shipments index has increased 0.6% since the start of the year. During the third quarter of 2024, the index increased 2.2%, as would be expected with the coming of peak season.

Cass Freight Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

# Industry Macro Trends

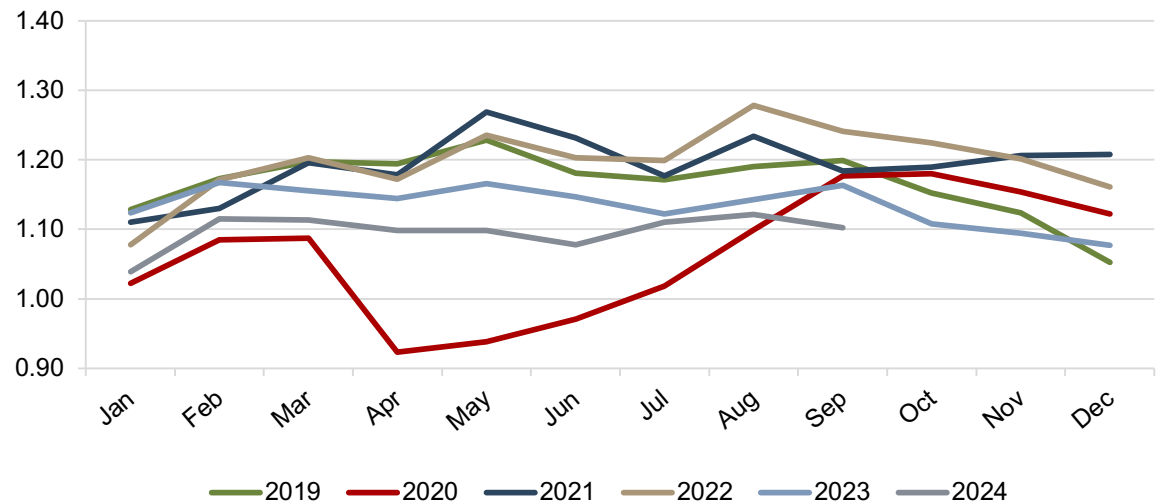
## Cass Freight Index (cont.)

Expenditures also posted large declines through the end of 2023, ultimately decreasing 24% over the year. This change was driven largely by the fall of spot rates (and the lagging adjustment of contract rates) from pandemic-induced highs. As we completed the third quarter of 2024, the year-over-year declines continue to moderate. While September 2024 was 6.6% lower than September 2023, this compares favorably to the double digit declines of 2023 and early 2024. On a monthly basis, the expenditures index increased 2.4% in September 2024, compared to an increase of 0.7% in July and a decrease of 2.0% in August.

## Shipments

The shipments index declined to 1.102 in September 2024, down 1.7% from August 2024. Shipments decreased 5.2% relative to September 2024 but increased 2.2% relative to June 2024. In terms of shipments, 2024 is trending below all recent years (excluding 2020).

Cass Freight Shipments Index



Source: Cass Information Systems, Inc.

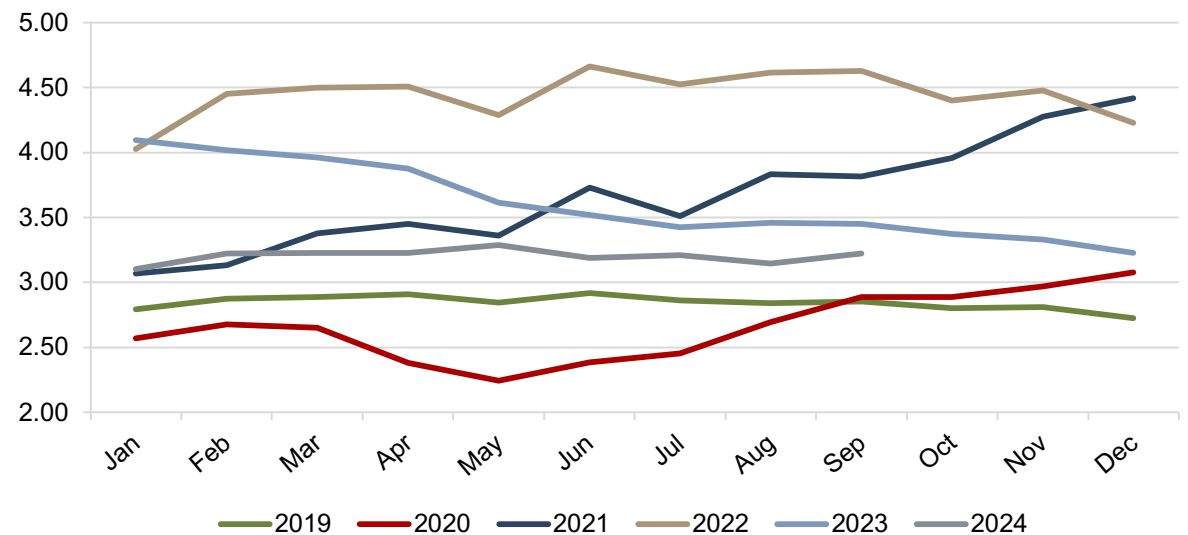
Indexed to January 1990

# Industry Macro Trends

## Expenditures

The expenditures index measures the total amount spent on freight. The expenditures index hit 3.224 in September 2024, up 1.1% from the prior quarter and 2.4% from August 2024. Ultimately, the expenditures index declined 6.6% on a year-over-year basis. The expenditures index had reached previously unrecorded levels during 2022 and remains elevated compared to 2019 performance. Increasing inflation has decreased the demand for the slow-to-change capacity of freight, reducing stress on shipping prices. The elevated performance of expenditures relative to shipments indicate that the pricing of loads is elevated relative to pre-pandemic norms.

Cass Freight Expenditures Index



Source: Cass Information Systems, Inc.

Indexed to January 1990



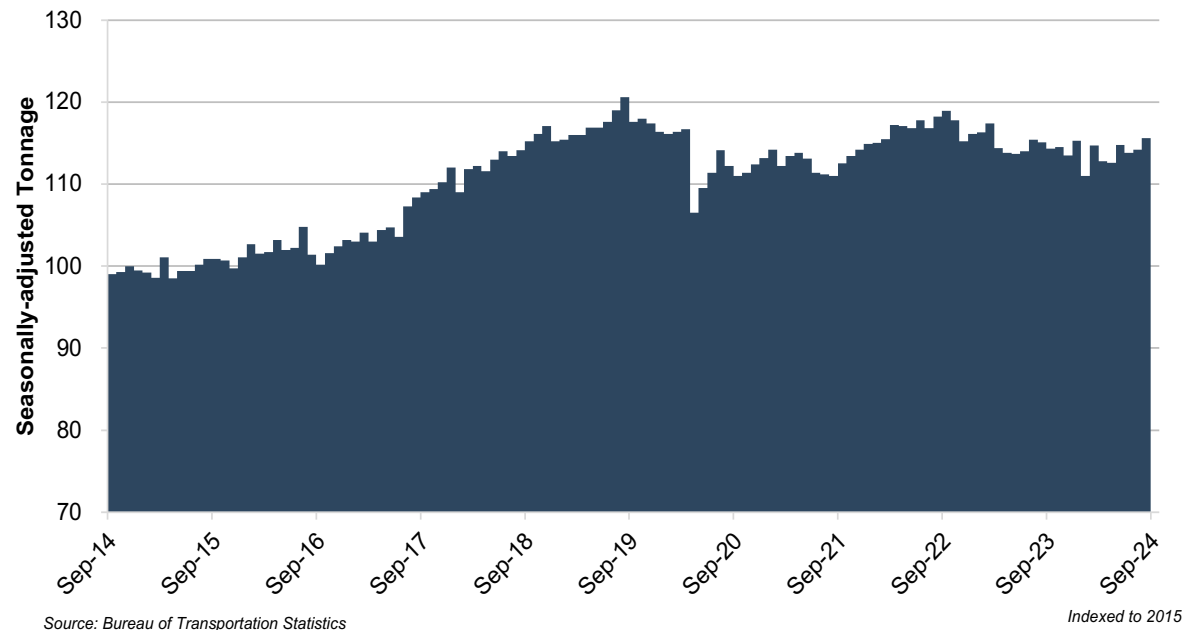
# Trucking

## Truck Tonnage

The American Trucking Association (ATA) **estimates** trucking accounts for over 72% of all domestic freight tonnage and over 80% of total freight expenditures.

The truck tonnage index set a record level in August 2019. After falling off steeply at the start of the pandemic, truck tonnages generally increased throughout 2022. Reflective of the broad trend in the industry, truck tonnages experienced year-over-year declines during most of 2023 and 2024. Tonnage declines on a year-over-year basis were reported in 16 of the last 18 months. Tonnage growth was weak in August 2024, resulting in an overall gain of 0.7% for the quarter and 0.4% on a year-over-year basis.

Truck Tonnage (Seasonally Adjusted)

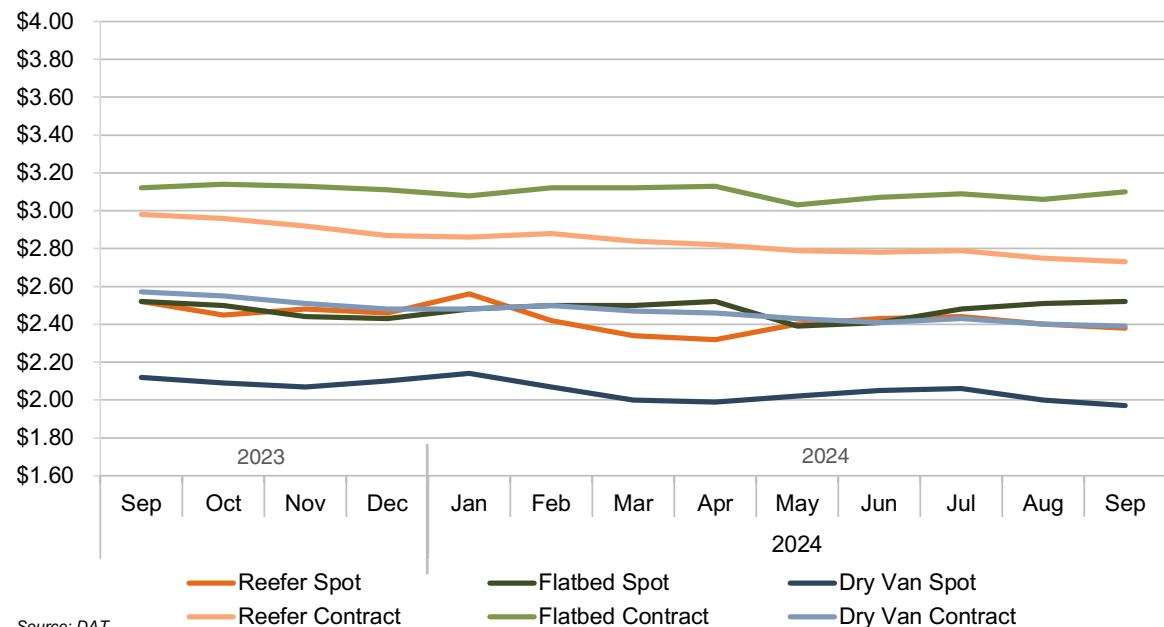


# Trucking

## Spot vs. Contract Rates

The Spot vs. Contract Rates charts depicts monthly national average line haul rates and fuel surcharges from **DAT** for three classes of trucking freight – dry van, reefer (refrigerated), and flatbed. Shippers can 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. The softening of demand during 2022 resulted in the opposite trend. Contract rates have exceeded spot rates since April 2022 in all three classes. Spot and contract rates have slowed their declines in recent months, with rates occasionally posting month-over-month gains while still reporting year-over-year declines. On a quarterly basis, reefer and dry van rates (both spot and contract) declined relative to June 2024. At the same time, flatbed spot and contract rates increased during the third quarter.

Spot vs. Contract Rates (Sept 2023 - Sept 2024)



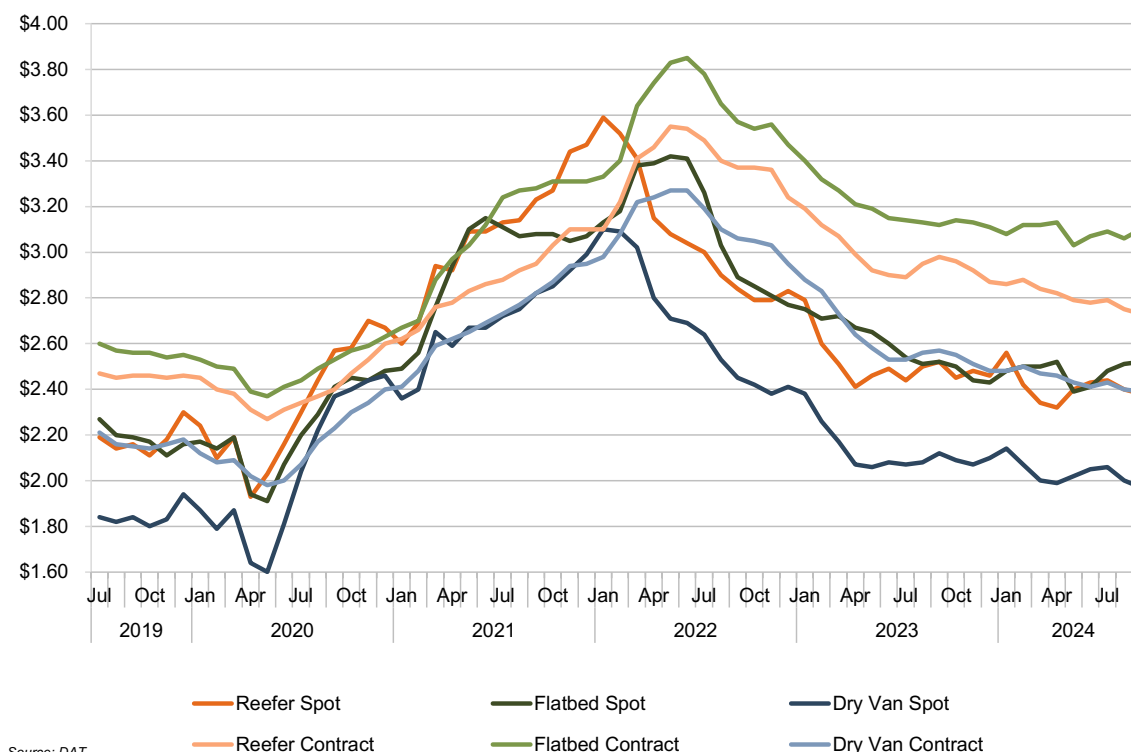
## Trucking

## Spot vs. Contract Rates (cont.)

Contract rates for all three classes declined on a year-over-year basis. On the spot rate front, dry van and reefer rates declined while flatbed spot rates reported no change relative to September 2023. Spot rates initially declined faster than their contract rate counterparts. On a year-over-year basis, reefer spot rates decreased 5.6% while reefer contract rates declined 8.4%. Flatbed spot rates remained steady and contract rates declined 0.6% relative to September 2023. Dry van contract rates declined 7% year-over-year. Dry van rates have experienced smaller declines during 2024 than in 2023. While dry van spot rates declined 10% in January 2024 on an annual basis, they declined only 0.5% in July 2024. Dry van rates in August 2024 increased 3.9% and 7.1% in September 2024.

As shown in the chart on the right, with the exception of dry van spot rate, rates generally remained elevated relative to pre-pandemic rates. As 2024 progresses, we notes that while dry van spot rates remain above pre-pandemic levels, they are approaching 2019 rates. It is important to note that despite year-over-year declines in many trucking industry metrics, the industry as a whole remains well positioned relative to its pre-pandemic status.

### Spot vs. Contract Rates (July 2019 - Sept 2024)



Source: DAT

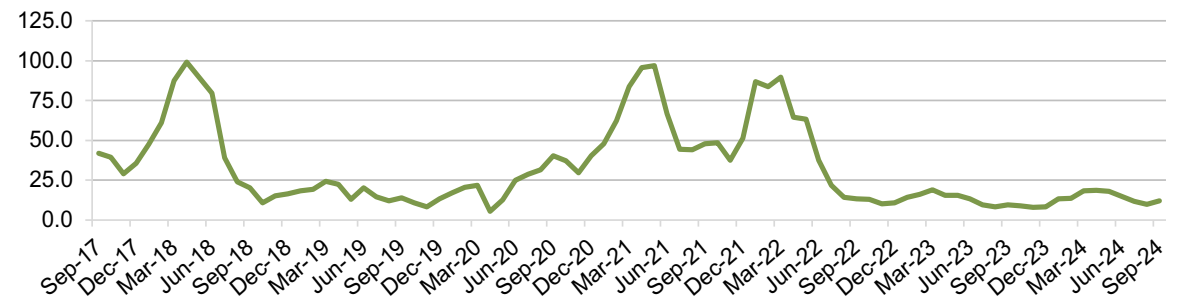
# Trucking

## Load-to-Truck Ratio

The **load-to-truck ratio** is calculated by dividing the total number of loads for shipment by the total number of trucks available. As a result, 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.

While 2023 was marked by year-over-year declines in load-to-truck ratios as the industry normalized, 2024 has largely been marked by gains. This trend is threatening to end or be reversed in the reefer and dry van domains. The flatbed load-truck-ratio has posted six months of double digit growth, which follows year-over-year declines reported since 2022. Flatbed load-to-truck metrics are down 17.5% relative to June 2024 but have increased 23% in the last month.

Flatbed Load-to-Truck



Source: DAT

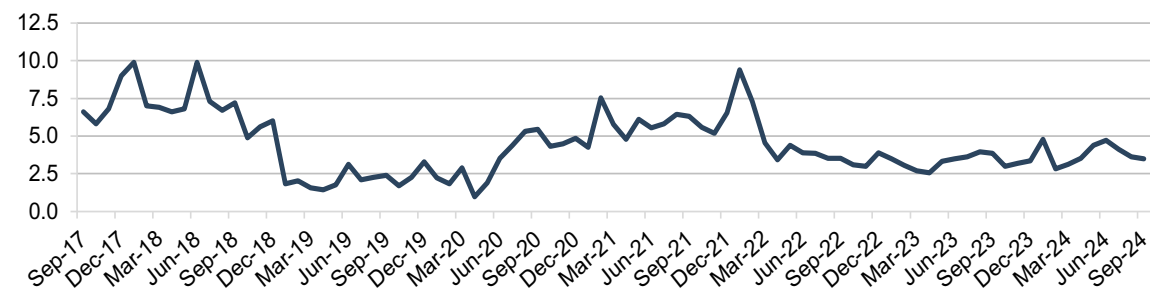
# Trucking

## Load-to-Truck Ratio (cont.)

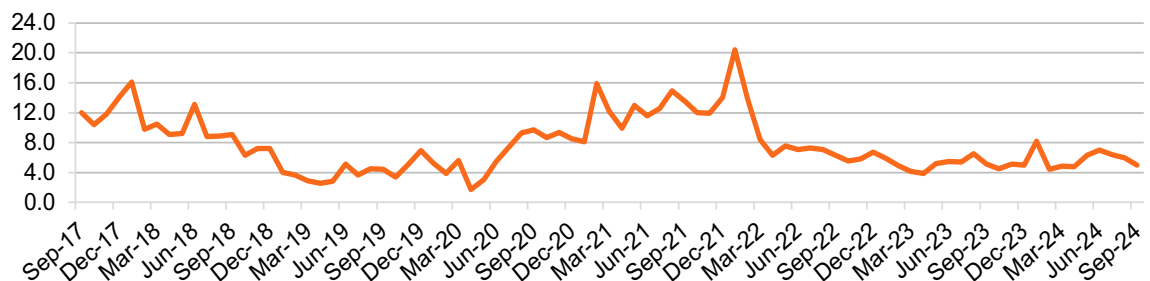
Van and reefer ratios declined 9.8% and 2.0%, respectively, on a year-over-year basis, having slid since recent highs in June 2024. On a monthly basis, both van and reefer ratios have declined since June 2024. The reefer and van load-to-truck ratios both experienced double digit declines during the third quarter of 2024.

For flatbed, the cumulative change for the quarter reflects continuing uncertainties relating to the presidential election and interest rates. Dry van loads decreased by 7% due to the ILA strike. Reefer load-to-truck is slowing slightly as produce seasons change and lower-volume crops become ready for harvesting.

### Dry Van Load-to-Truck



### Reefer Load-to-Truck



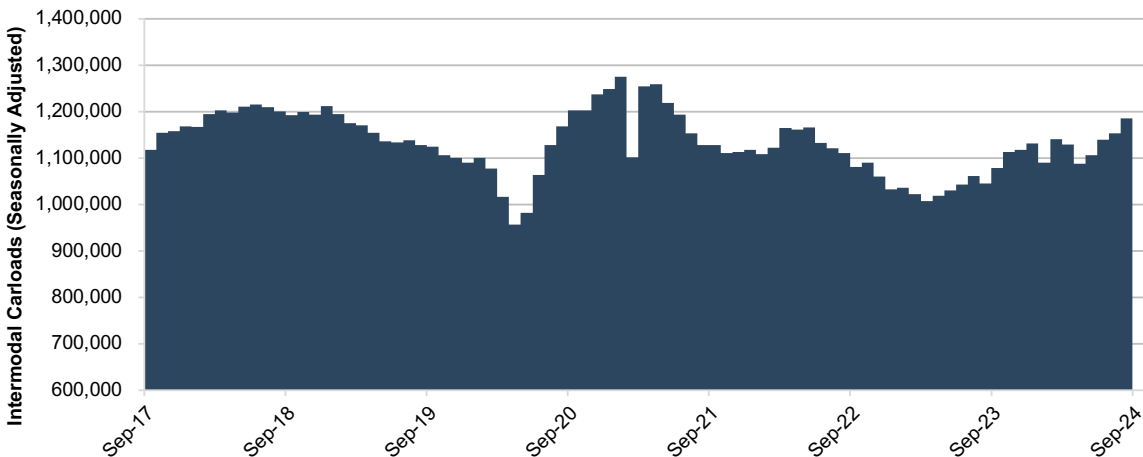
Source: DAT

# Rail & Intermodal

## Rail Freight Intermodal Traffic

As reported by the **Bureau of Transportation Statistics**, rail freight intermodal traffic posted an increase of 13.4% on a year-over-year basis, the eleventh straight month of year-over-year growth. Rail freight increased 7% on a quarterly basis. Ongoing labor disputes and the push for greater safety regulations may disrupt rail shipping in 2025, but the August 2024 carload level is the highest level reported since June 2021.

Rail Freight Intermodal Traffic



Source: Bureau of Transportation Statistics

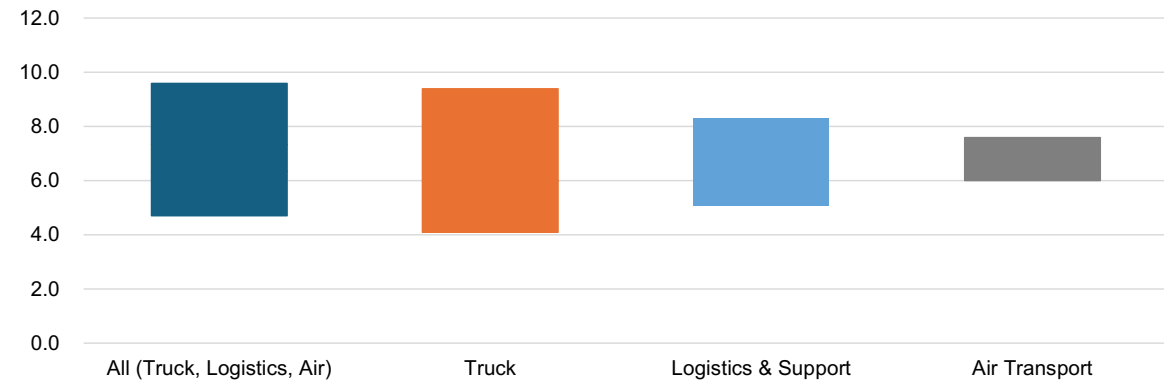
# M&A Activity

## Featured Transactions

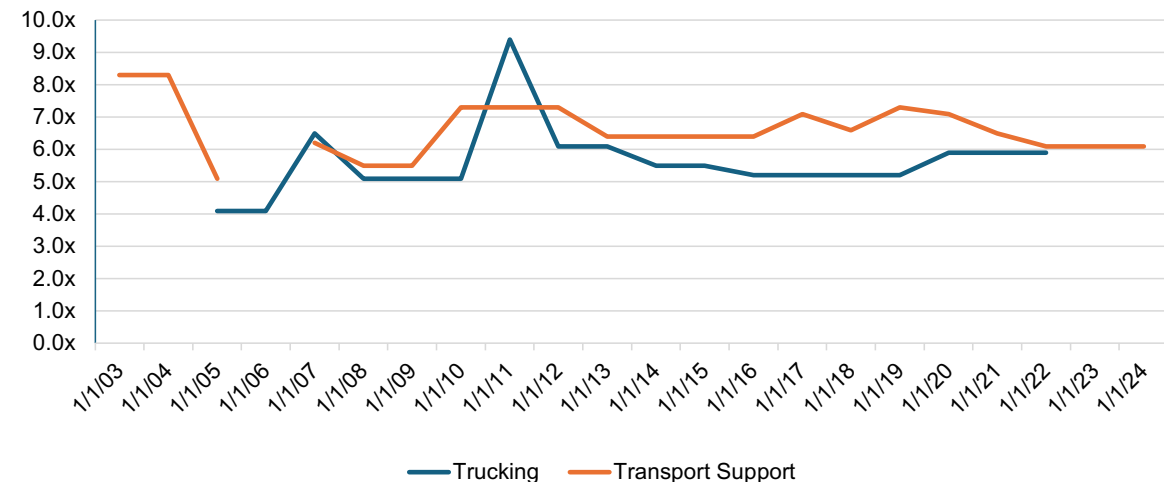
As we can see from the first chart, companies classified as trucking companies exhibit the widest range of TEV/EBITDA multiples. GF Data does not differentiate between asset-light and asset-heavy companies, nor between very profitable and barely profitable companies. The variety of trucking companies that are targeted by private equity might account for this range.

The second chart looks at TEV/EBITDA multiples for trucking and transportation support companies (including brokerages, freight forwarders, cargo handlers, rail switching, and the like). While information isn't available for every period, we can see that multiples have been considerably more stable in the last ten years than in the early 2000s.

TEV / EBITDA (2003 - 2024)



TEV / EBITDA



## Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Ground Freight						
C.R.S. Express Inc	TFI International Inc. (TSX:TFII)	7/16/24	Closed	-	-	-
MTS Transportation, Inc.	High Desert Management Group, LLC	7/10/24	Closed	-	-	-
Operating Assets of the Non-Union Regional Less-than-Truckload Division of Dependable Highway, Inc.	AAA Cooper Transportation, Inc.	7/30/24	Closed	-	-	-
Groupe Sylvain Simard	RTL-Westcan Group of Companies	7/30/24	Closed	-	-	-
Auto Transport Group, LC	PAL Stock Acquiror, Inc.	8/9/24	Announced	-	-	-
BR Williams Trucking Inc.	Haney and White Enterprise, LLC; Running Ox Logistics	8/14/24	Closed	-	-	-
Transvac, LLC	Kenan Advantage Group, Inc.	8/20/24	Closed	-	-	-
Linden Bulk Transportation LLC	Groendyke Transport, Inc.	8/19/24	Closed	-	-	-
Dancer Logistics, Inc.	FST Logistics, Inc.	8/1/24	Closed	-	-	-
Superior Truck Lines Inc.	California Freight Sales	9/3/24	Closed	-	-	-
REX Trucking, LLC	Zipp Express Inc	9/17/24	Closed	-	-	-
Gilbert Freight Service, Inc.	AmeriLux Transportation & Logistics	9/19/24	Closed	-	-	-
West Side Transport, Inc.	EVO Transportation & Energy Services, Inc.	9/23/24	Closed	-	-	-
Rail						
Cincinnati Eastern Railroad LLC	Regional Rail, LLC	7/2/24	Closed	-	-	-
Hondo Railway, LLC.	Pinsly Railroad Company, Inc.	8/28/24	Announced	-	-	-
Rail infrastructure and remaining park acreage of Central Arizona Commerce Park's ("CAZCP")	OmniTRAX, Inc.	9/5/24	Closed	-	-	-

Source: S&P Global Market Intelligence  
in USD millions



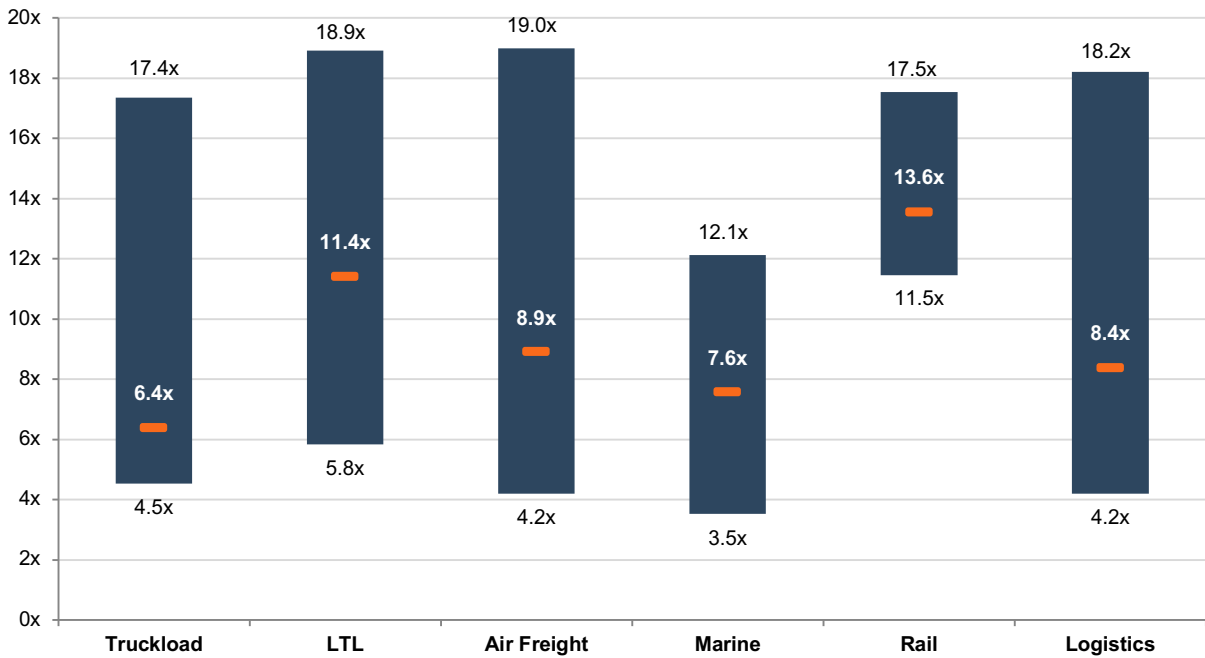
## Select Transactions (cont.)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Air Freight and Logistics						
GLS US Freight Inc/GLS US Business Solutions Inc	Pier Enterprises Group, LLC	8/8/24	Announced	-	-	-
Premier LogiTech, LLC	Tide Rock Holdings LLC	8/13/24	Closed	-	-	-
True North Marine Inc.	Accelleron Industries AG (SWX:ACLN)	8/19/24	Announced	-	-	-
CAMS Software Corporation	Kaleris LLC	7/11/24	Closed	-	-	-
Mideast Delivery Solutions, LLC	Statimrx LLC	7/15/24	Closed	-	-	-
ConData Global, Inc.	Astira Capital Partners LP	7/23/24	Closed	-	-	-
Kwt International, Inc.	Wiseway Logistics INC.	7/26/24	Closed	-	-	-
Horizon Air Freight, Inc.	GHK Capital Partners LP	8/26/24	Effective	-	-	-
Hydra Warehouse and Transportation	Buske Lines, Inc.	9/3/24	Closed	-	-	-
Foundation Logistics & Services, LLC	Radiant Logistics, Inc. (NYSEAM:RLGT)	9/4/24	Closed	11.78	-	-
ContainerTransport.com	Nationwide Transport Services, LLC	9/9/24	Closed	-	-	-
Shipsi, Inc.	Rainmakers	9/24/24	Closed	-	-	-
Capital Transportation Services, LLC	Heritage Trucking LLC	9/24/24	Closed	-	-	-
Westman Courier & Freight	Gardewine Group Inc.	9/25/24	Announced	-	-	-
LYNX Logistics, LLC	River Horse Logistics, LLC	9/30/24	Closed	-	-	-

Source: S&P Global Market Intelligence  
in USD millions

# Public Company Performance Multiples

Monthly Median TEV/EBITDA Multiples



Source: S&P Capital IQ

Data from most recent filing available, excludes outliers

## Publicly Traded Companies

Company Name	Ticker	Price at 9/30/24	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	\$172.33	8%	\$19,393	9%	6%	\$12,245	13%	1.6x	12.3x	30.9x	12.6x	30.9x
Ryder System, Inc.	R	\$145.80	18%	\$14,881	58%	4%	\$12,470	20%	1.2x	5.9x	13.2x	5.2x	11.2x
Knight-Swift Transportation Holdings Inc.	KNX	\$53.95	8%	\$11,678	25%	1%	\$7,478	13%	1.6x	12.3x	nm	10.1x	37.6x
Landstar System, Inc.	LSTR	\$188.87	2%	\$6,325	-6%	8%	\$4,829	7%	1.3x	19.7x	32.2x	23.8x	40.2x
Schneider National, Inc.	SNDR	\$28.54	18%	\$5,108	2%	2%	\$5,323	10%	1.0x	9.6x	44.7x	7.6x	34.3x
Werner Enterprises, Inc.	WERN	\$38.59	8%	\$3,068	22%	1%	\$3,098	12%	1.0x	8.3x	51.9x	9.0x	104.9x
Heartland Express, Inc.	HTLD	\$12.28	0%	\$1,189	19%	-2%	\$1,080	14%	1.1x	7.8x	nm	8.9x	nm
Universal Logistics Holdings, Inc.	ULH	\$43.11	6%	\$1,683	33%	5%	\$1,772	18%	0.9x	5.4x	8.7x	7.3x	34.5x
Marten Transport, Ltd.	MRTN	\$17.70	-4%	\$1,364	-6%	1%	\$1,001	16%	1.4x	8.8x	42.8x	9.4x	58.6x
Covenant Logistics Group, Inc.	CVLG	\$26.42	7%	\$1,012	31%	0%	\$1,128	13%	0.9x	7.0x	16.6x	7.3x	15.1x
Pamt Corp.	PTSI	\$0.00	nm	\$555	27%	-5%	\$728	10%	0.8x	7.7x	nm	9.8x	nm
Titanium Transportation Group Inc.	TTNM	\$1.69	6%	\$207	63%	2%	\$326	8%	0.6x	7.6x	nm	7.0x	nm
Median			7%		24%			12.7%	1.0x	8.1x	31.6x	9.0x	34.5x

Source: S&P Global Market Intelligence

USD millions except per share values

## Publicly Traded Companies

Company Name	Ticker	Price at 9/30/24	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	\$198.64	12%	\$42,523	0%	16%	\$5,925	33%	7.2x	21.6x	34.2x	24.6x	41.0x
Saia, Inc.	SAIA	\$437.26	-8%	\$11,885	2%	8%	\$3,171	22%	3.7x	17.1x	30.9x	20.3x	48.1x
ArcBest Corporation	ARCB	\$108.45	1%	\$2,726	6%	3%	\$4,267	8%	0.6x	8.1x	13.2x	9.1x	22.9x
Mullen Group Ltd.	MTL	\$10.53	10%	\$1,609	43%	5%	\$1,472	16%	1.1x	7.0x	10.2x	6.7x	13.6x
Median			5%		4%			19%	2.4x	12.6x	22.1x	14.7x	32.0x
Air Freight													
Air T, Inc.	AIRT	\$16.16	-24%	\$176	75%	1%	\$289	-1%	0.6x	nm	nm	nm	nm
Forward Air Corporation	FWRD	\$35.40	86%	\$3,038	68%	1%	\$2,180	10%	1.4x	13.7x	nm	10.1x	nm
Air Transport Services Group, Inc.	ATSG	\$0.00	nm	\$2,728	61%	2%	\$1,962	23%	1.4x	6.0x	nm	nm	nm
Cargojet Inc.	CJT	\$102.26	0%	\$2,170	24%	0%	\$688	23%	3.2x	13.8x	970.1x	8.8x	25.4x
Lakeside Holding Limited	LSH	\$3.63	-9%	\$32	14%	-36%	\$18	2%	1.8x	nm	nm	nm	nm
Median			-5%		61%			10%	1.4x	13.7x	970.1x	9.4x	25.4x

Source: S&P Global Market Intelligence  
USD millions except per share values

## Publicly Traded Companies

Company Name	Ticker	Price at 9/30/24	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	\$122.43	2%	\$8,256	14%	0%	\$3,263	21%	2.5x	12.1x	23.2x	10.8x	19.4x
Matson, Inc.	MATX	\$142.62	9%	\$5,284	9%	8%	\$3,320	19%	1.6x	8.4x	11.7x	8.7x	12.9x
Pangaea Logistics Solutions, Ltd.	PANL	\$7.23	-8%	\$555	39%	3%	\$521	14%	1.1x	7.4x	15.7x	7.7x	72.3x
Genco Shipping & Trading Limited	GNK	\$19.50	-8%	\$892	7%	1%	\$439	31%	2.0x	6.5x	12.1x	9.7x	63.4x
Algoma Central Corporation	ALC	\$10.98	6%	\$757	41%	3%	\$515	19%	1.5x	7.7x	8.2x	4.6x	8.0x
Median			2%		14%				1.6x	7.7x	12.1x	8.7x	19.4x
Railroads													
Union Pacific Corporation	UNP	\$246.48	9%	\$182,195	18%	9%	\$24,288	49%	7.5x	15.2x	22.6x	14.4x	21.0x
Canadian National Railway Company	CNR	\$117.23	-1%	\$89,033	17%	8%	\$12,701	52%	7.0x	13.6x	18.4x	14.2x	21.2x
CSX Corporation	CSX	\$34.53	3%	\$84,840	21%	7%	\$14,681	49%	5.8x	11.9x	18.5x	12.9x	20.7x
Norfolk Southern Corporation	NSC	\$248.50	16%	\$73,652	24%	7%	\$12,172	47%	6.1x	12.8x	23.3x	12.7x	19.8x
Canadian Pacific Kansas City Limited	CP	\$85.62	9%	\$96,947	18%	4%	\$10,695	53%	9.1x	17.2x	30.5x	16.8x	24.9x
Median			9%		18%				7.0x	13.6x	22.6x	14.2x	21.0x

Source: S&P Global Market Intelligence  
USD millions except per share values

## Publicly Traded Companies

Company Name	Ticker	Price at 9/30/24	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>Median</b>			<b>-6%</b>						<b>26.8x</b>	<b>52.7x</b>	<b>79.5x</b>	<b>12.2x</b>	<b>19.6x</b>
<b>Logistics &amp; Intermodal</b>													
United Parcel Service, Inc.	UPS	\$136.34	0%	\$136,726	15%	7%	\$90,686	13%	1.5x	11.7x	20.6x	11.8x	20.6x
FedEx Corporation	FDX	\$273.68	-9%	\$98,688	32%	5%	\$87,514	13%	1.1x	8.8x	15.2x	9.6x	15.2x
Expeditors International of Washington, Inc.	EXPD	\$131.40	5%	\$17,827	-4%	15%	\$9,924	10%	1.8x	17.7x	25.3x	17.0x	23.9x
TFI International Inc.	TFII	\$137.13	-6%	\$14,863	22%	5%	\$8,289	14%	1.8x	13.1x	24.8x	12.3x	29.8x
XPO, Inc.	XPO	\$107.51	1%	\$16,413	24%	6%	\$8,090	15%	2.0x	13.6x	33.8x	13.0x	29.3x
RXO, Inc.	RXO	\$28.00	7%	\$5,012	12%	1%	\$3,861	3%	1.3x	nm	nm	34.6x	185.7x
GXO Logistics, Inc.	GXO	\$52.07	3%	\$11,207	44%	2%	\$11,049	7%	1.0x	14.6x	58.1x	12.8x	20.6x
C.H. Robinson Worldwide, Inc.	CHRW	\$110.37	25%	\$14,814	13%	9%	\$17,762	4%	0.8x	22.0x	37.3x	16.3x	22.5x
Forward Air Corporation	FWRD	\$35.40	86%	\$3,038	68%	1%	\$2,180	10%	1.4x	13.7x	nm	10.1x	nm
Hub Group, Inc.	HUBG	\$45.45	6%	\$3,124	10%	3%	\$3,958	8%	0.8x	9.4x	26.1x	9.8x	24.1x
Air Transport Services Group, Inc.	ATSG	\$0.00	nm	\$2,728	61%	2%	\$1,962	23%	1.4x	6.0x	nm	nm	nm
Radiant Logistics, Inc.	RLGT	\$6.43	13%	\$324	10%	3%	\$829	3%	0.4x	12.7x	48.0x	8.0x	14.3x
Armlogi Holding Corp.	BTOC	\$4.37	-7%	\$292	38%	-5%	\$170	9%	1.7x	20.1x	15.0x	nm	nm
FTAI Infrastructure Inc.	FIP	\$9.36	8%	\$2,824	52%	0%	\$332	18%	nm	nm	nm	8.9x	nm
<b>Median</b>			<b>5%</b>						<b>1.4x</b>	<b>13.4x</b>	<b>25.7x</b>	<b>12.1x</b>	<b>23.2x</b>

Source: S&P Global Market Intelligence  
 USD millions except per share values

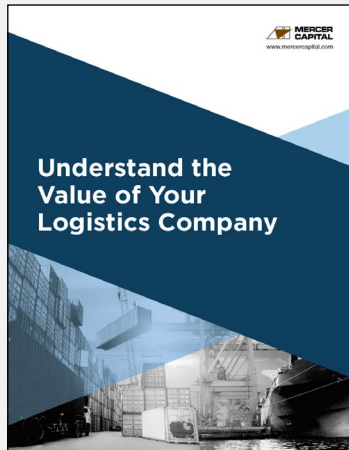
## Publicly Traded Companies

Company Name	Ticker	Price at 9/30/24	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.
Individual Transportation Brokerage													
Uber Technologies, Inc.	UBER	\$75.16	3%	\$161,197	2%	6%	\$41,955	8%	3.8x	nm	nm	18.5x	25.9x
Lyft, Inc.	LYFT	\$12.75	-10%	\$4,689	-12%	-1%	\$5,460	0%	0.9x	nm	nm	9.0x	11.2x
Median			-3%		-5%				2.4x	nm	nm	13.8x	18.5x
Autonomous Trucking													
Freight Technologies, Inc.	FRGT	\$7.72	-78%	\$1,270	nm	0%	\$16	-48%	81.2x	-169.3x	nm	nm	nm
Argo Corporation	ARGH	\$0.14	-50%	\$26	nm	-29%	\$1	-316%	28.5x	nm	nm	nm	nm
Median			-64%		#NUM!				54.9x	nm	nm	nm	nm

Source: S&P Global Market Intelligence  
USD millions except per share values

## OTHER RESOURCES

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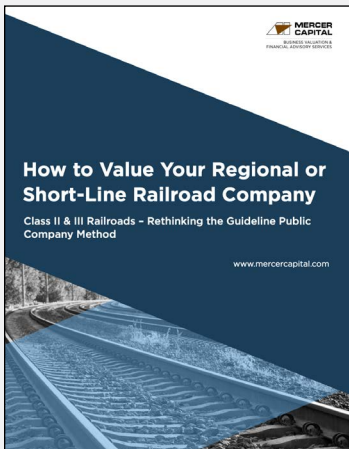


### WHITEPAPER

## Understand the Value of Your Logistics Company

There are many reasons why a logistics company can be worth more or less than a standard rule of thumb might imply, and many reasons why a particular interest in a logistics company can be worth more or less than the pro rata value implied by that rule of thumb. This whitepaper provides useful information as to how logistics companies are valued and what impact that might have on their owners. The whitepaper breaks down basic concepts that must be defined in every valuation and goes into depth about three commonly accepted approaches to value. Financial and market considerations are discussed as are the differences between public and private companies as well as public and private logistics companies.

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### WHITEPAPER

## How to Value Your Regional or Short-Line Railroad Company

In the railroad industry, Class I public company multiples are often used to estimate the fair market value of private railroads classified as Class II or Class III. In almost every case, this method significantly misrepresents the fair market value of private railroad operations. In this whitepaper, we explain why public company multiples can be misleading and discuss the mechanics of valuation used by professional business appraisers. We do so in order to provide you with the knowledge and vocabulary necessary to be an informed consumer of business valuation services and, more importantly, to understand the value of your regional or short-line railroad company.

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# Mercer Capital

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At Mercer Capital, we specialize in delivering valuation, financial advisory, and transaction advisory services to companies across the full spectrum of the transportation industry, including trucking, air freight, marine, railroads, logistics, and intermodal sectors.

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In addition to valuation, our transaction advisory services support companies through mergers, acquisitions, and divestitures, offering transaction guidance grounded in deep industry insight and valuation experience.

We recognize the operational complexities and market forces that shape your industry. Whether you're contemplating or responding to a transaction, planning for succession, have a need for estate planning, or are seeking strategic clarity, Mercer Capital can help.

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Mercer Capital serves the following industry segments:

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- Marine
- Railroads
- Logistics & Intermodal

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

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