

VALUE FOCUS

Transportation & Logistics

Fourth Quarter 2022

FEATURE ARTICLE

**The Truck Is Slowing: Are We Running Out
of Gas or Just Coasting?**

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FEATURE ARTICLE

The Truck Is Slowing

Are We Running Out of Gas or Just Coasting?

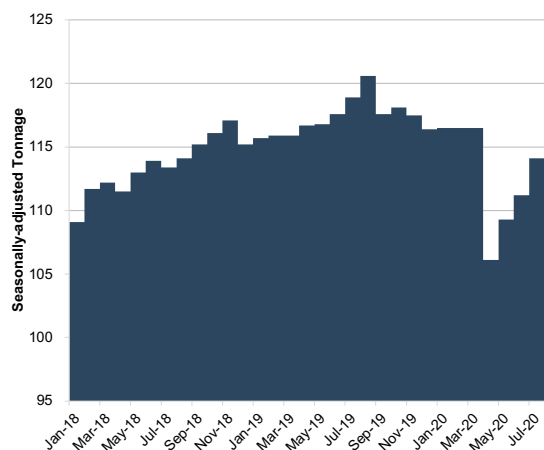
Most experts agree that rates and demand for transportation services have been trending downward. There has been more disagreement about what that means, though – are we headed for a **trucking recession**, or are we simply **coming down** off our COVID-19 induced highs?

First, let's set the scene: December 2019 marked the end of an okay-but-not-great year for the transportation industry. Industrial production and the Transportation Services Index both stalled during the fourth quarter of 2019. The Cass Freight Shipments Index had marked three consecutive months of declines and the Expenditures Index had slid all year to end 2019 some 6% below its 2018 levels. While the truck tonnage index increased 1.0% on a year-over-year basis in 2019, tonnage had declined almost 3.5% from its peak in August 2019. Freight volumes were not expected to recover materially during 2020.

However, to say that 2020 was a series of unexpected non-recurring events would be putting it lightly (whatever did happen to the **murder hornets?**). The **outbreak of the global COVID-19 pandemic** and its associated lock downs resulted in plummeting production and demand. Truck tonnage fell 9% and rail carloads dropped by over 5% between March and April 2020. Rates for all three classes of truck transportation reacted to the sudden drop in demand.

A pictorial impact of COVID outbreaks:

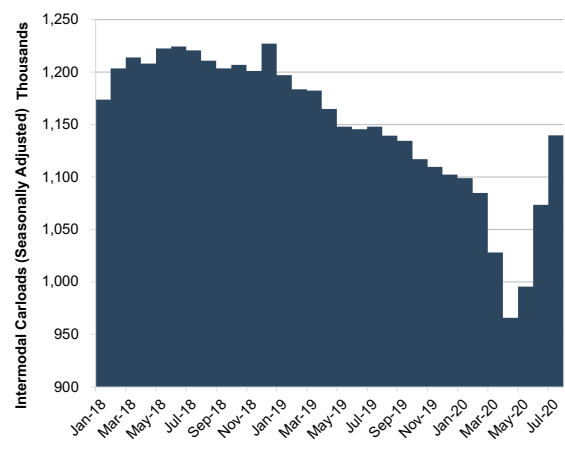
Truck Tonnage (seasonally adjusted)



Source: Bureau of Transportation Statistics

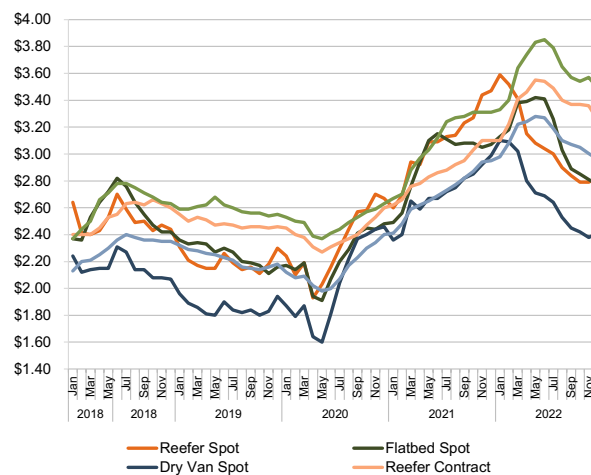
Indexed to 2015

Rail Freight Intermodal Traffic



Source: Bureau of Transportation Statistics

Spot vs. Contract Rates (Jun. 2018 - Dec. 2022)



Source: DAT

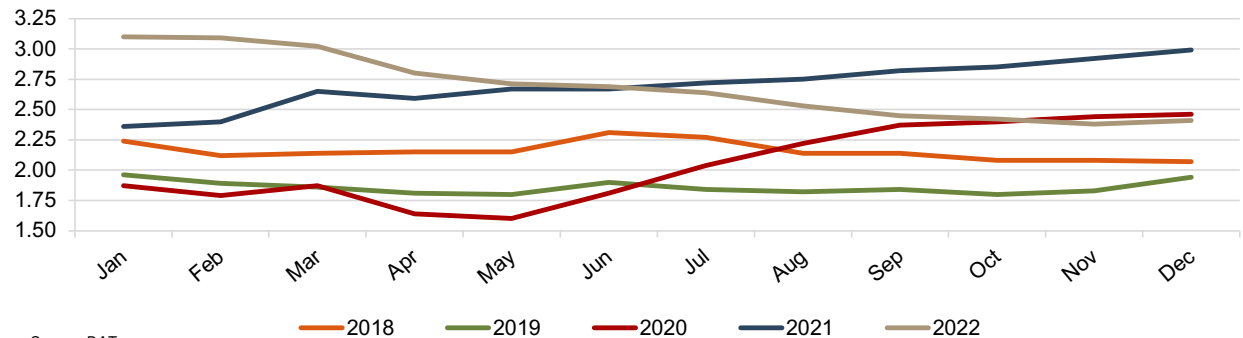
FEATURE ARTICLE

The Truck Is Slowing

Are We Running Out of Gas or Just Coasting? (cont.)

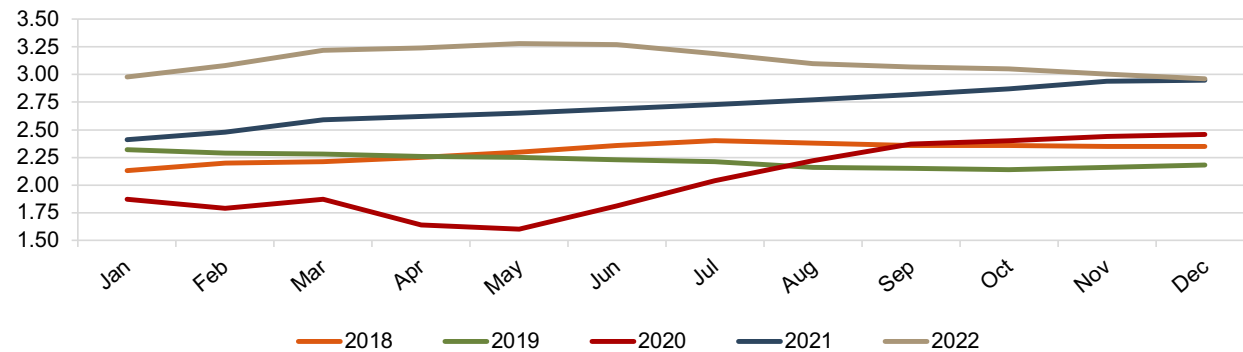
Even though the industry appeared to have driven off a cliff in March 2020, the crash was short in nature. Ongoing pandemic-related shutdowns shifted consumer demand away from services and towards goods. At the same time, global production and supply chain issues resulted in shortages of semiconductors and microchips, which slowed the production of tractors. The reduction in new tractors reaching the market drove up the prices for used tractors and limited carriers' abilities to respond to market demands. Additionally, back-ups at marine ports cascaded into a shortage of intermodal containers. The surge in demand, accompanied by limits on capacity growth and ever-present driver turnover issues allowed the industry to throttle up to never-before-experienced levels. The following two charts show how dry van spot and contract rates took off in mid-2020 (red line) and continued to climb through 2021 (blue line).

Dry Van Spot Rates



Source: DAT

Dry Van Contract Rates



Source: DAT

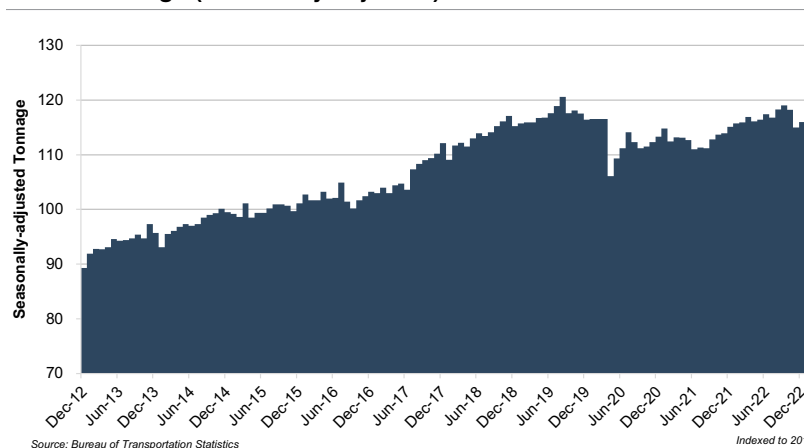
FEATURE ARTICLE

The Truck Is Slowing

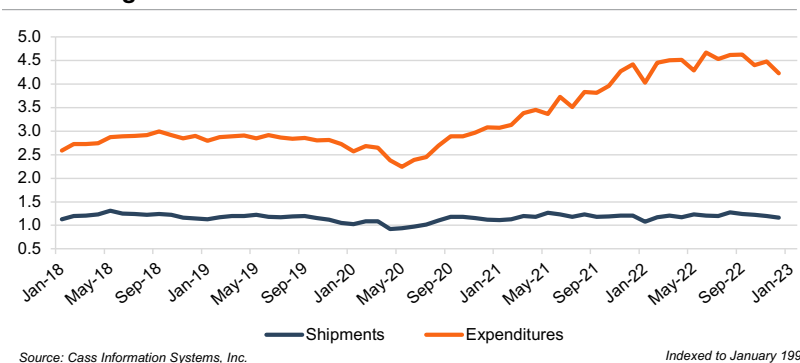
Are We Running Out of Gas or Just Coasting? (cont.)

Now, nearly two years after the initial lock downs, we are seeing several signs of a cooling trucking industry. As you can see in the previous two charts, 2022 dray van rates (tan line) ended the year lower than they started. Spot rates, which tend to move more quickly in response to the market, actually reached rates last seen in the fourth quarter of 2020. The decline in rates was accompanied by moderating levels of truck tonnage and a downturn of the Cass freight expenditures index.

Truck Tonnage (seasonally adjusted)



Cass Freight Index



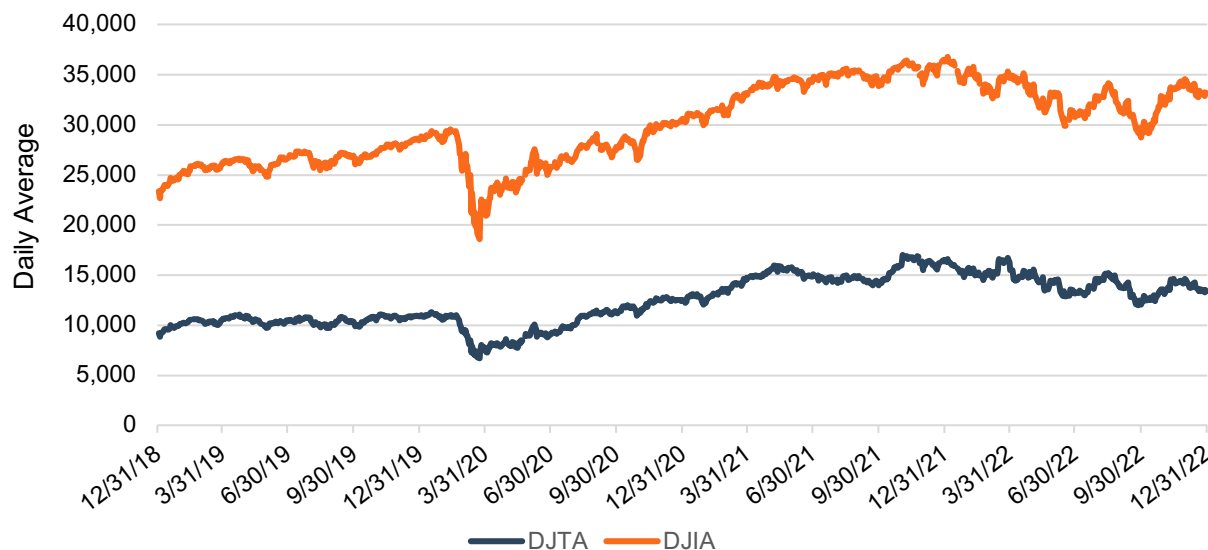
While declining tonnage and falling rates are typically associated with recessionary trends, it's important to remember exactly how high industry indicators reached during the pandemic period. Even though dry van contract rates are down 10% from their May 2022 peak, the average 2022 dry van contract rate (\$3.12) remains over 40% higher than the average 2019 rate (\$2.22) and 35% higher than the average 2018 rate (\$2.30). On the spot rate side of things, even though rates in December 2022 ended below December 2020 rates, the average 2022 spot rate is 45% higher than the average 2019 rate and 35% higher than the average 2018 rate. Likewise, even though the Dow Jones Transportation Average (chart on next page) is down nearly 19% on a year-over-year basis, it remains nearly 23% higher than the closing value in December 2019. By comparison, the entire Dow Jones Industrial declined almost 9% since December 2021 and increased 16% relative to December 2019.

FEATURE ARTICLE

The Truck Is Slowing

Are We Running Out of Gas or Just Coasting? (cont.)

Dow Jones Transportation Index



Source: Federal Reserve Bank of St. Louis

At the end of the day, when emerging from a period of highly unusual circumstances, it's important to look beyond short-term trends. While rate declines and falling tonnage would be a concern on a normal basis, the fact remains that the transportation industry as a whole experienced an era of unprecedented demand and pricing during the pandemic. We all knew it couldn't last forever and a return to "normal" would come eventually. While it may have arrived a bit more abruptly than we previously expected (or hoped!), it's hard to consider the industry in a recession when it remains so elevated compared to pre-pandemic norms.

Samantha L. Albert

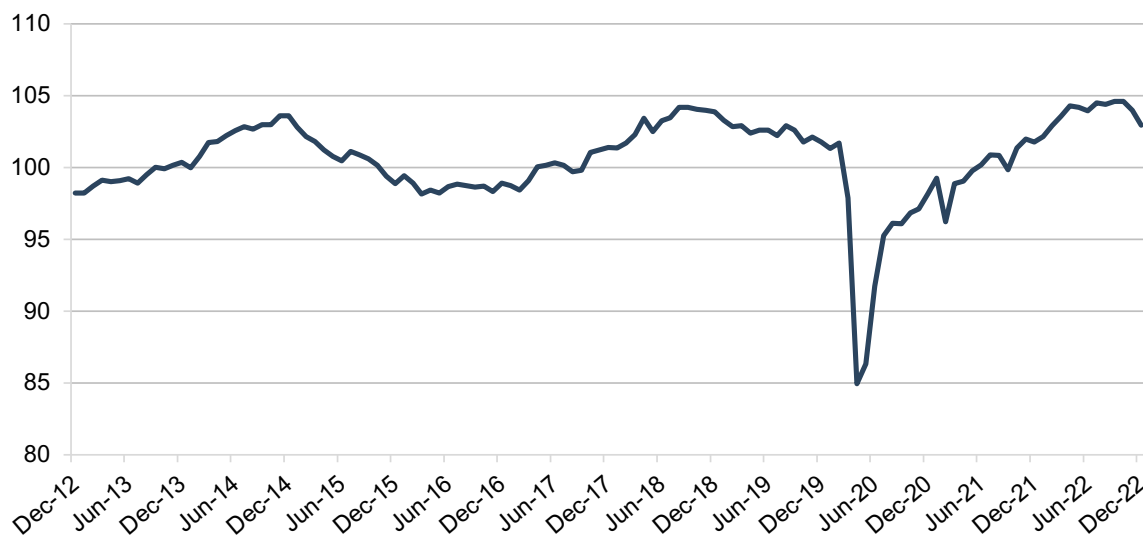
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Industry Macro Trends

Industrial Production Index

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 manufacturing disruptions that resulted in productivity falling to lows not seen since the Great Recession. Production took over a year to fully recover and reached pre-COVID levels in fall of 2021. Production generally continued its upward trend through 2022, reaching its highest recorded level of all time in October 2022 (104.59) before declining for the next two months. The index value at the beginning of December 2022 was 102.93, a 1.6% decrease from September 2022 but still an increase of 1.2% on a year-over-year basis. The December 2022 index represented an increase of 1.2% from the pre-COVID level in February 2020. The decline in industrial production, combined with a **concurrent decline in retail sales**, may point to a decline in consumption or an overall slowing of the economy.

Industrial Production Index (Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

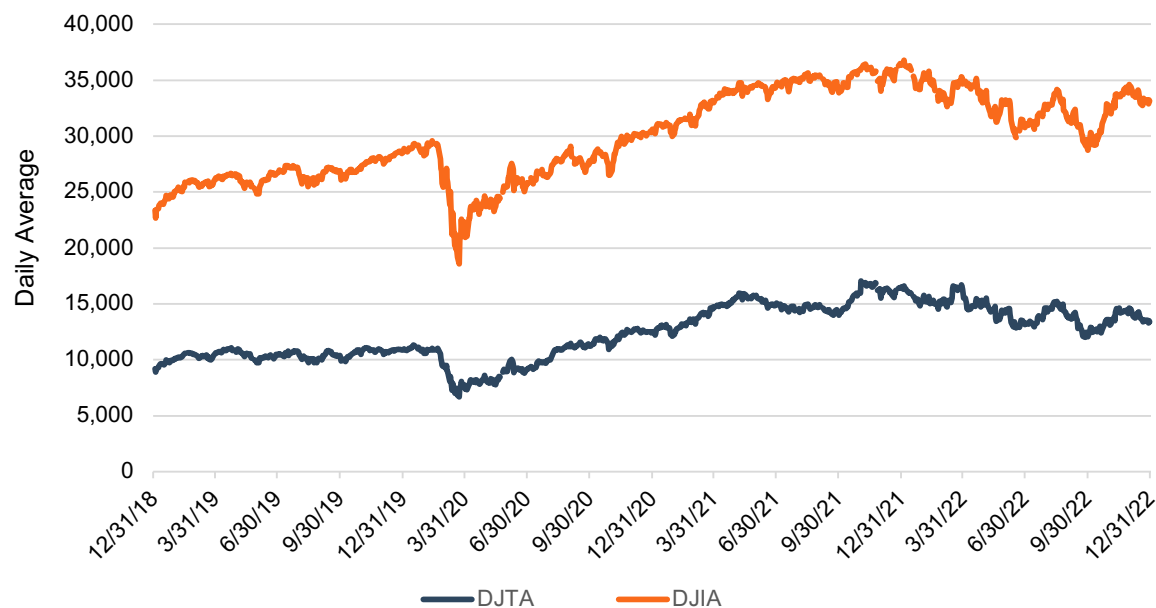
Indexed to 2017

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. The DJTA dropped rapidly with the onset of COVID-19 restrictions in March 2020. The DJTA then grew steadily from April 2020 through September 2021 before becoming more volatile in 2022. While still higher than its pre-COVID level, the DJTA ended December 2022 at 13,339.91, a decline of over 18% on a year-over-year basis. The DJTA declined slightly over 8.5% during December 2022 but increased 11% relative to the end of September 2022.

Dow Jones Transportation Index



Source: Federal Reserve Bank of St. Louis

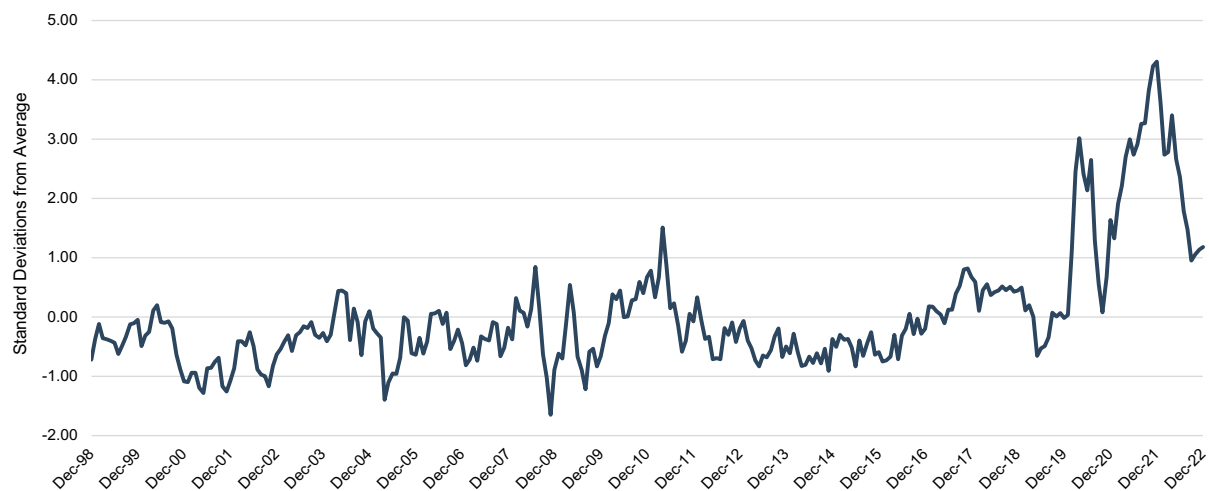
Industry Macro Trends

Global Supply Chain Pressure Index

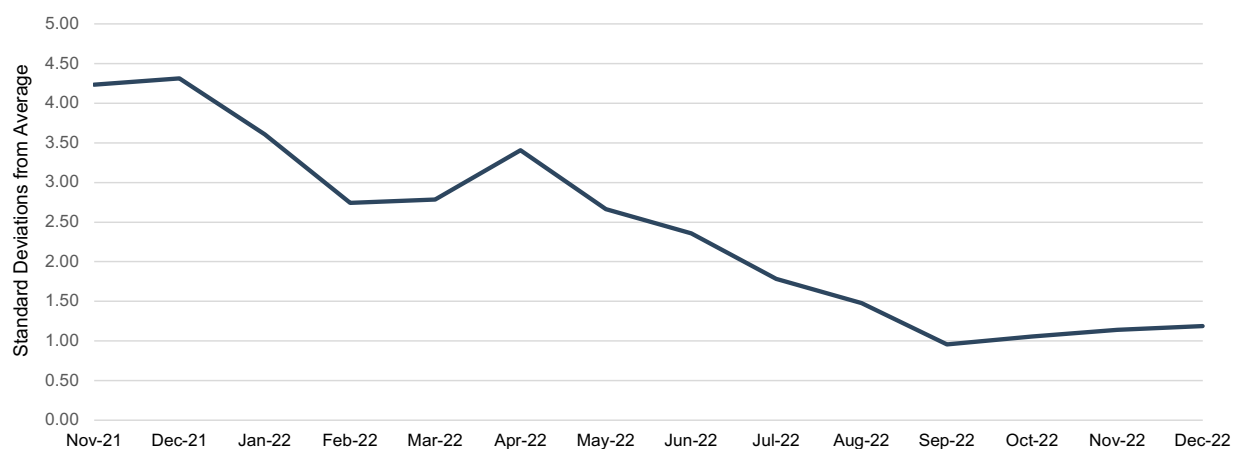
The Global Supply Chain Pressure Index (**GSCPI**) combines over 27 data points and indices to provide an overview of supply chain disruptions and pressure. The GSCPI was released by the Federal Reserve, but some critics of the index are skeptical of its meaningfulness due to the sheer number of tracked datapoints. The GSCPI is presented as “standard deviations from average,” so swings above and below zero reflect variations from the long-term average.

The index includes periods back to 1997, capturing multiple waves of expansion and recession in addition to recent pandemic issues. The index has been highly volatile since the beginning of the pandemic. While the GSCPI was approaching 0 in Q4 2019 (effectively returning to its long-term average after the stresses of 2019), the GSCPI went through a series of hikes and declines during the COVID-19 era. The Index peaked at 4.31 in December 2021. The GSCPI ended September 2022 below 1.0 for the first time since November 2020 but increased to 1.19 by December 2022. The GSCPI increased 4.1% on a month-over-month basis but declined nearly 73% on a YOY basis. This fits with the sentiment that the transportation industry is beginning to normalize to pre-pandemic levels, but remains stressed by high inflation and declining consumer spending.

Global Supply Chain Pressure Index (Dec. 1998 - Dec. 2022)



Global Supply Chain Pressure Index (Nov. 2021 - Dec. 2022)

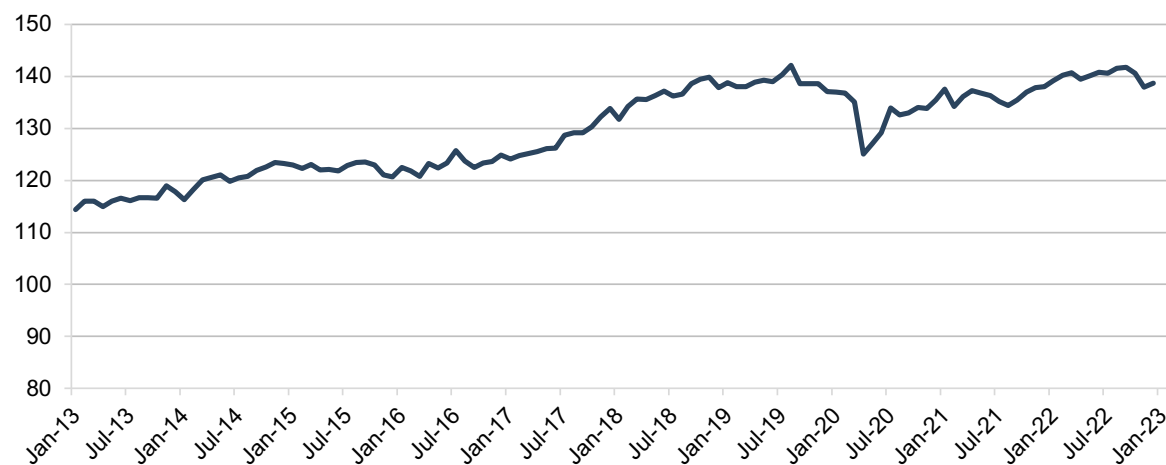


Industry Macro Trends

Transportation Services Index

The Transportation Services Index (TSI) measures freight traffic in the United States, including rail, trucking, and marine shipping. The TSI declined 2.1% from September 2022 to December 2022 and increased only 0.5% on a year-over-year basis. The index in September 2022 stood at 138.7.

Transportation Services Index (Freight, Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to January 2000

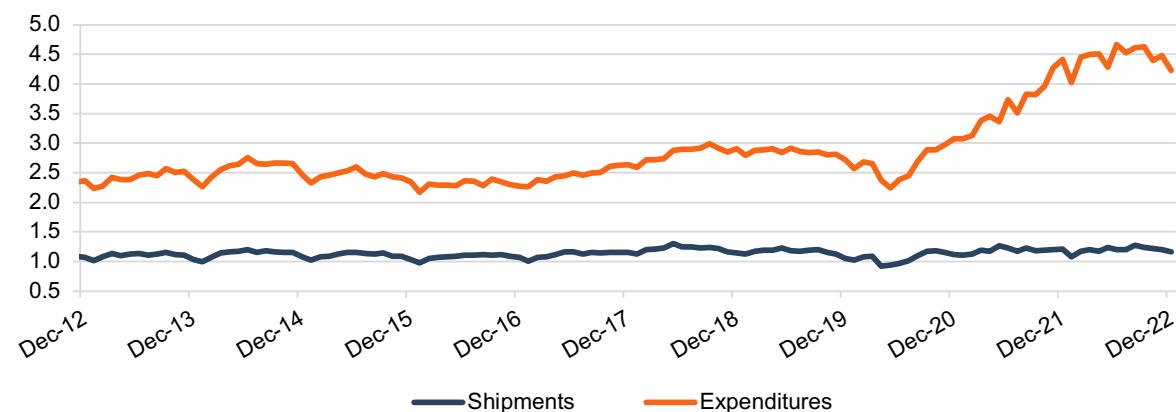
Industry Macro Trends

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. Shipments generally increased over the past two years but have declined on a monthly basis since September 2022. Shipments in December 2022 declined 3.3% relative to November 2022. Shipments also declined 6.4% on a quarterly basis and 3.9% on a year-over-year basis. Expenditures also declined in December 2022 and marked their first decline on a year-over-year basis since August 2020. Expenditures decreased 8.6% during the fourth quarter of 2022.

During the COVID-19 pandemic, limits on capacity combined with increasing demand to cause increased spreads between expenditures and shipments. In the fourth quarter of 2022, cooling demand resulted in a moderation of expenditures, although expenditures do remain elevated compared to pre-pandemic norms.

Cass Freight Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

Industry Macro Trends

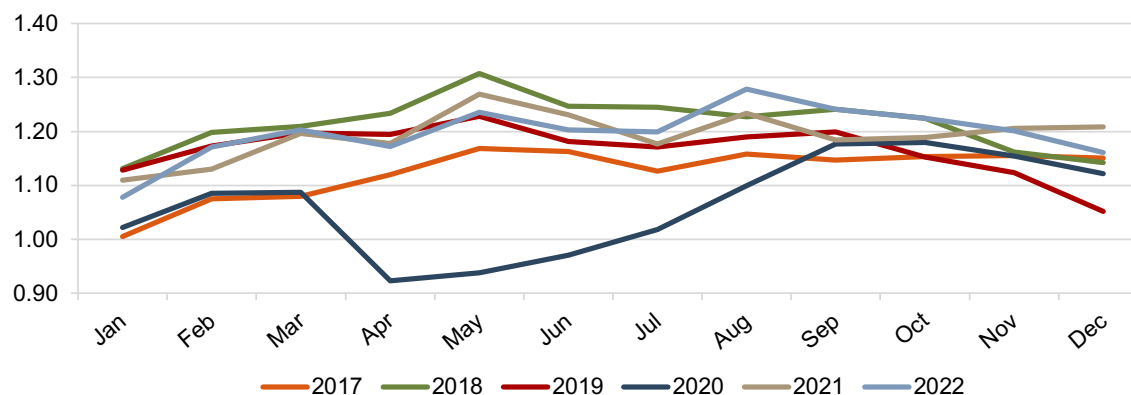
Shipments

The shipments index hit 1.161 in December 2022, down 3.9% from December 2021. Shipments decreased 6.4% relative to September 2022 and 3.3% relative to November 2022.

Expenditures

The expenditures index measures the total amount spent on freight. The expenditures index hit 4.234 in December 2022, a decrease of 8.6% from the prior quarter on an annual basis. The index decreased 5.5% from November 2022. The expenditures index rose throughout 2021 and the first half of 2022, reaching previously unrecorded levels, but have now declined on a month-over-month basis for five consecutive months. Increasing inflation and the moderation of consumer consumption have decreased the demand for the limited capacity of freight.

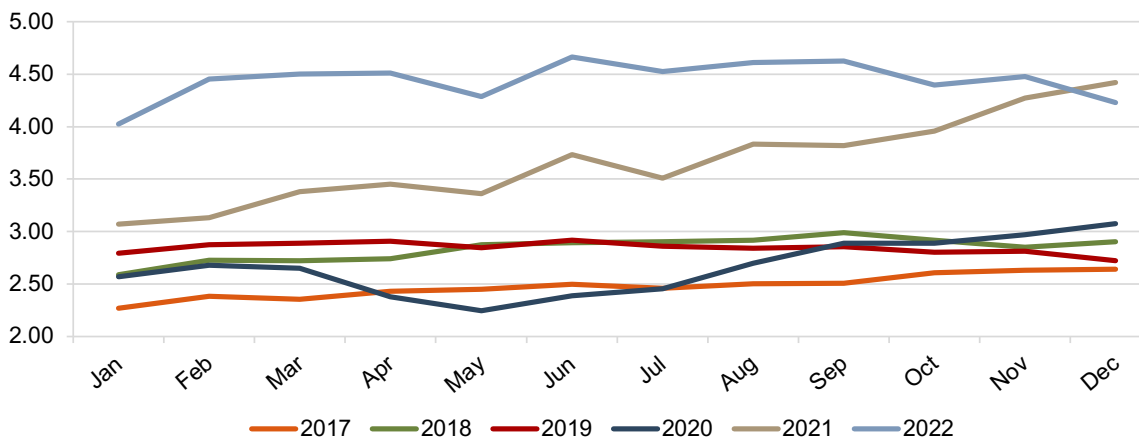
Cass Freight Shipments Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

Cass Freight Expenditures Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

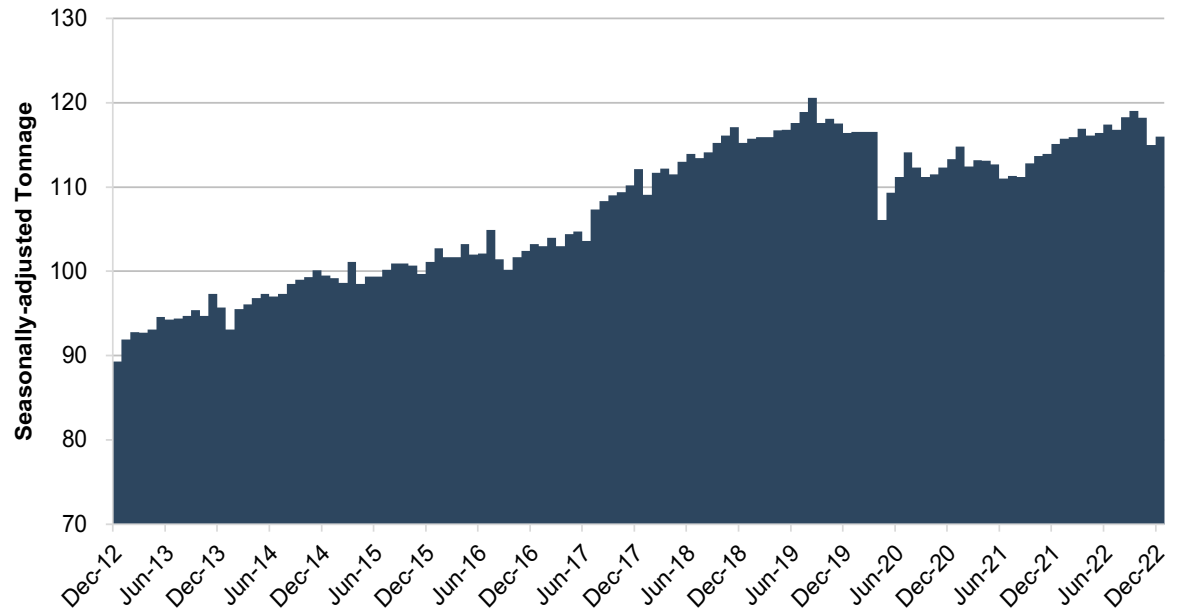
Trucking

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 has increased significantly since April 2020 but did not surpass pre-Covid levels until mid-2022. The index reached 116.0 in December 2022, compared to pre-COVID levels in February 2020 of 116.50. The truck tonnage index increased 0.8% relative to December 2021 but declined 2.5% relative to September. The index increased 0.9% relative to November 2022.

Truck Tonnage (Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to 2015

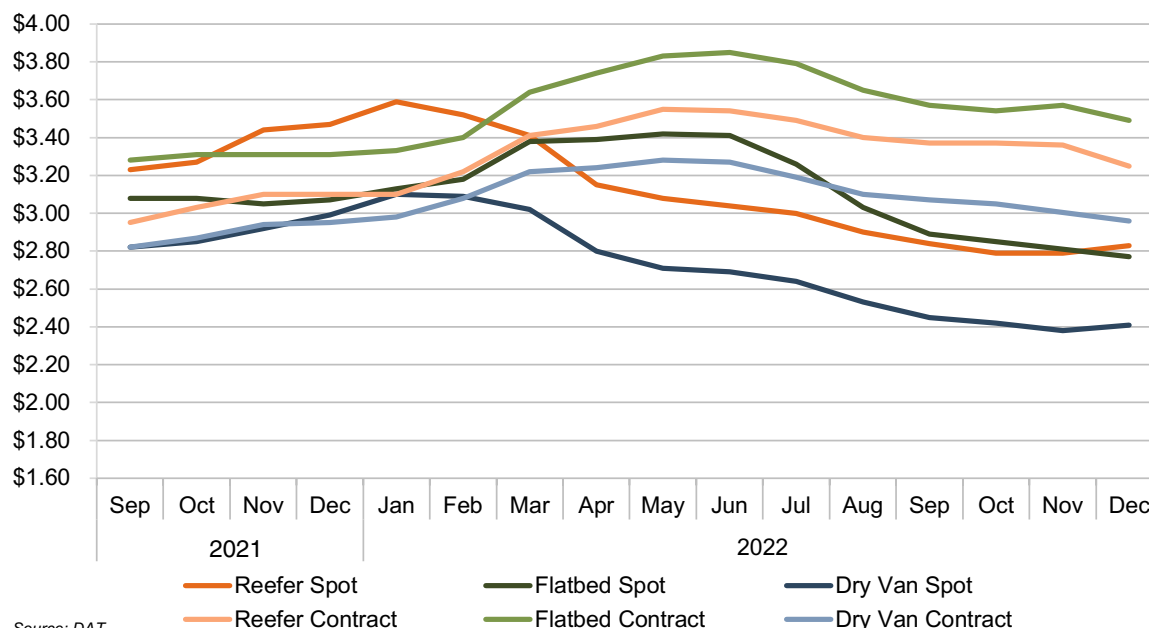
Trucking

Spot vs. Contract Rates

The Spot vs. Contract Rates charts (on this page and the next) depict monthly national average line haul rates and fuel surcharges from **DAT** for three categories – 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 has resulted in the opposite trend – contract rates have exceeded spot rates in all three categories since at least April. Spot and contract rates in all three categories peaked in the first or second quarters of 2022 and have been sliding downwards for the rest of the year.

Spot rates for all three categories have declined on a year-over-year basis, while contract rates reflect modest increases or no change relative to prior-year rates. On a year-over-year basis, reefer spot rates declined 18% while reefer contract rates increased 5%. Similarly, flatbed spot rates declined 9.8% while flatbed contract rates are 5% higher than they were in December 2021. Dry van spot rates declined 19.4% year-over-year, while dry van contract rates have been effectively flat over the last twelve months, increasing only 0.3%.

Spot vs. Contract Rates (Sept. 2021 - Dec. 2022)



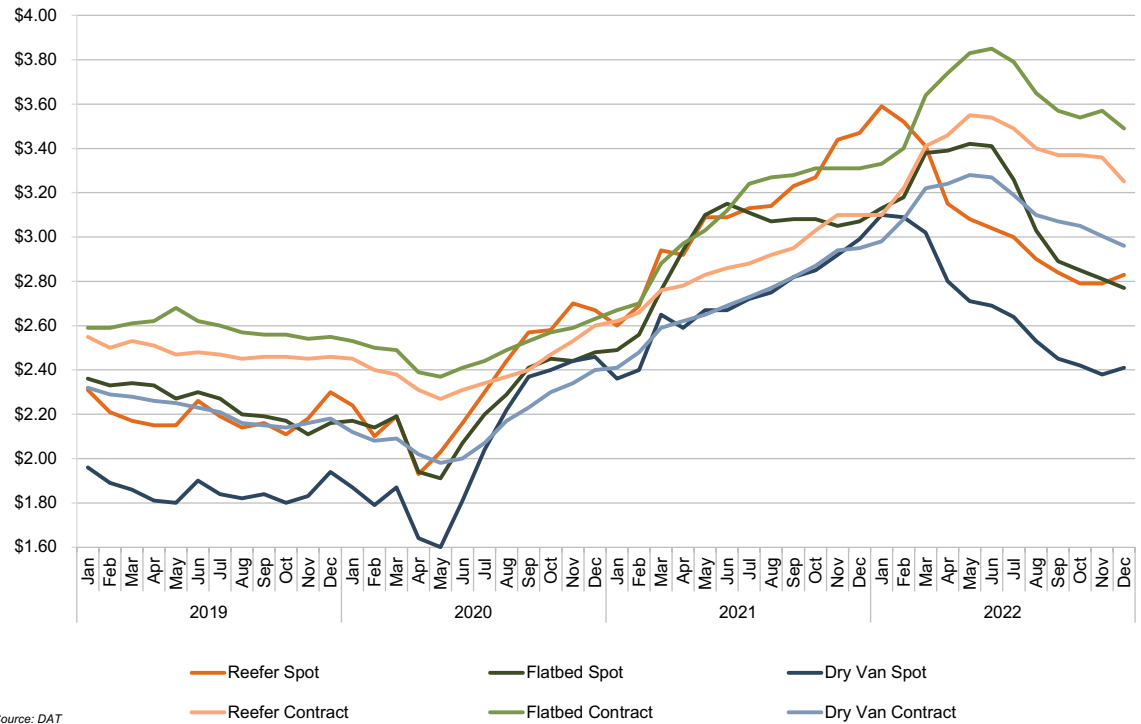
Source: DAT

Trucking

Spot vs. Contract Rates (cont.)

While these rates shown in the chart are lower than the industry has garnered recently, the declines reflect rate normalization and a reversion to pre-pandemic pricing norms. Additionally, retail inventories have continued to grow while consumer spending has softened, reducing demand for immediate spot-rate transportation.

Spot vs. Contract Rates (Jan. 2019 - Dec. 2022)



Source: DAT

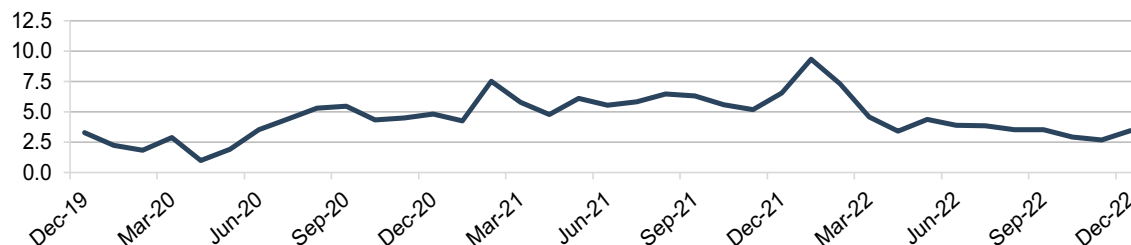
Trucking

Load-to-Truck Ratio

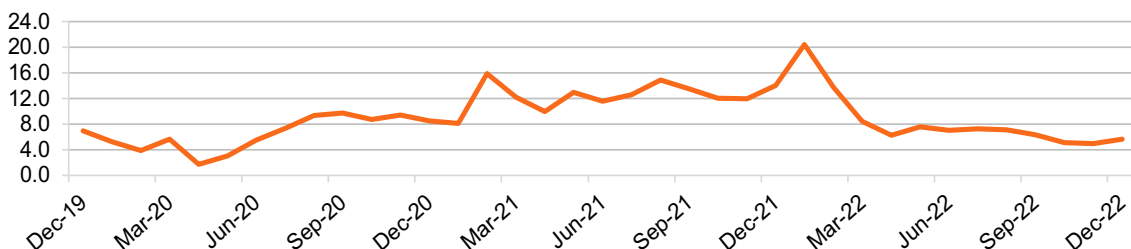
The **load-to-truck ratio** is calculated by dividing the total number of loads for shipment by the total number of trucks available. As a result, the load-to-truck ratio can signal a shortage or excess of capacity, which in turn influences changes in freight. An increase in the ratio (i.e., a higher 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.

Van, reefer, and flatbed classes experienced decreases of 2.5%, 10%, and 26%, respectively, in Q4 2022 compared to Q3. On a YOY basis, van, reefer, and flatbed classes experienced decreases of 47%, 59%, 81%, respectively. The decrease in the van ratio results from growing inventory levels as retailers back off their COVID-induced purchasing frenzy and the **underperformance** of the peak holiday season. **Reefer classes** experienced a poor year for produce, with volumes coming in at 2016 levels (a **decline** of 8.5% relative to 2021). The flatbed ratio, which is strongly tied to manufacturing and housing construction, declined due to both a slowing housing market and a significant **die-off of trees** in the Pacific Northwest.

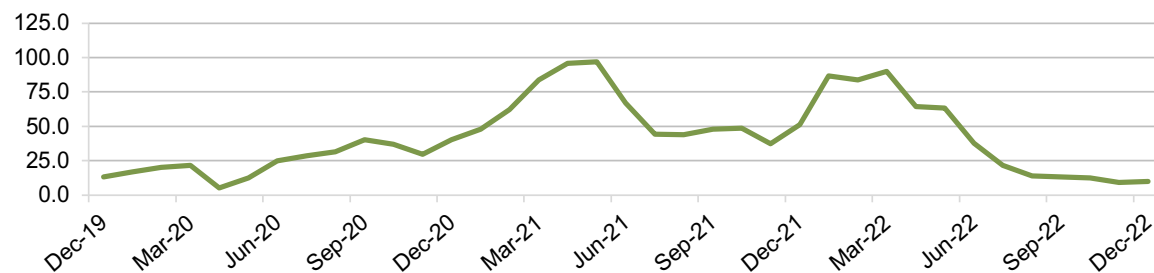
Dry Van Load-to-Truck



Reefer Load-to-Truck



Flatbed Load-to-Truck



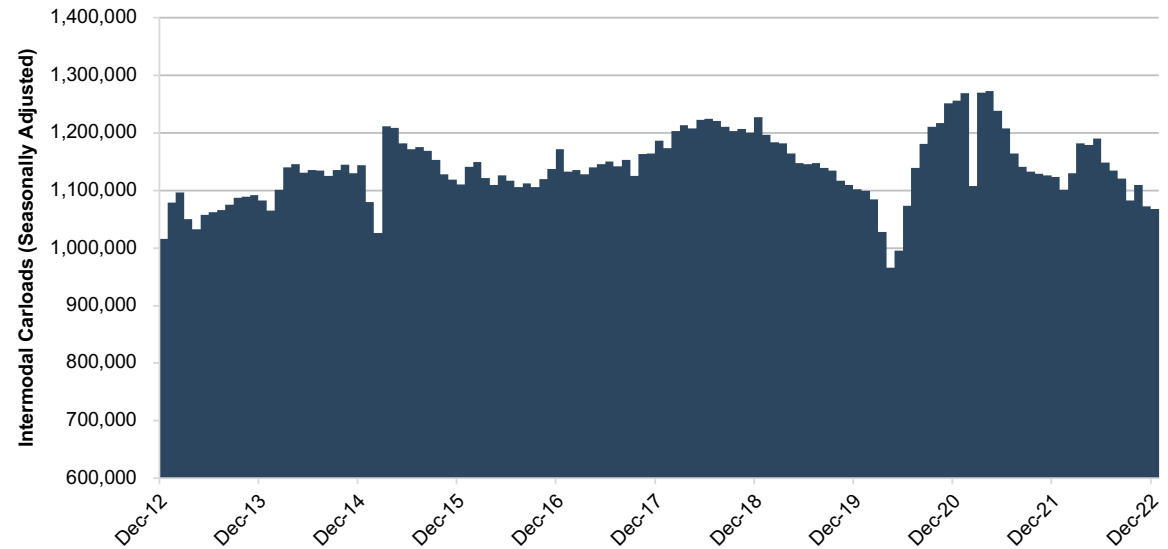
Source: DAT

Rail & Intermodal

Rail Freight Intermodal Traffic

As reported by the **Bureau of Transportation Statistics**, rail freight intermodal traffic posted a decrease of 4.9% on a year-over-year basis, despite a significant decline in the second half of 2021 due to congestion at intermodal ports. Rail freight also declined 0.4% since November 2022 and 1.3% since September 2022. Ongoing labor disputes among the largest railroad companies and key workers' unions may cause further rail disruption throughout 2023.

Rail Freight Intermodal Traffic



Source: Bureau of Transportation Statistics

M&A Activity

Featured Transactions

Werner (WERN) Acquires Indiana-Based Truckload Company

Werner (NasdaqGS:WERN) acquired Baylor Trucking, a trucking company based in Indiana, in a deal valued at \$95 million, implying a revenue multiple of 1.2x. Baylor provides truckload services.



Quantix SCS Makes Fleet-Motivated Purchase

Quantix SCS acquired certain assets of Chancelor Transportation in November 2022. Combined with other recent transactions, Quantix added over 140 trucks and trailers to its fleet.



Bird Global (BRDS) Merges With Bird Canada Following Cash Flow Difficulties

Bird Global (NYSE:BRDS) announced in November 2022 that the company had overstated revenue in its filings for over two years and was encountering cash flow difficulties. Following this developments, BRDS merged with Bird Canada (the original platform partner for BRDS) and embarked on a new fundraising round.



Glid, LLC Acquired By Genesis Electronics Group (Gegi)

Glid, LLC is developing road-to-rail "gliders" that aim to transport dry van trailers and shipping containers on an electric vehicle capable of running on either roads or rails. Glid was acquired by FreightTech company Genesis Electronics Group (OTCPK:GEGI). The transaction was valued at \$4.0 million.



Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Trucking						
Baylor Trucking, Inc.	Werner Enterprises, Inc. (NasdaqGS:WERN)	10/3/22	Closed	95.00	1.2	-
Tradition Transportation Group, Inc.	Aqua Power Systems Inc. (OTCPK:APSI)	10/7/22	Closed	28.55	0.3	-
MCO Transport, Inc.	NFI Industries, Inc.	10/10/22	Closed	-	-	-
Connectrans Logistics Inc.	KAG Logistics, Inc.	10/12/22	Closed	-	-	-
Tank Trucking Business of Bay & Bay Transfer Co. Inc.	McCoy Group, Inc.	10/11/22	Closed	-	-	-
Atlantic-Pacific Express, Inc.	ASAP Expediting solutions	10/26/22	Closed	-	-	-
Coal City Cob Company, Inc.	Heniff Transportation Systems, LLC	11/2/22	Closed	-	-	-
NTB, Inc.	Ruan Transportation Management Systems, Inc.	10/28/22	Closed	-	-	-
Fuchs Trucking, LLC	Fuchs Holding Corporation Inc.	11/7/22	Closed	-	-	-
Interlink Auto Transport/Interlink Transport Logistics Illinois	Richie Auto Transport, Inc.	10/20/22	Closed	-	-	-
Clays Transport Inc./Clays Logistics LLC	P & S Transportation LLC	11/10/22	Closed	-	-	-
Assets of Chancellor Transportation LLC	Quantix SCS, Inc.	11/16/22	Closed	-	-	-
Shelba D. Johnson Trucking, Inc	Brooks Furniture Xpress, Inc.	11/15/22	Closed	-	-	-
CS Trucking LLC	Gas Field Services, LLC	11/19/22	Closed	-	-	-
Bulk Express Transport, LLC	Alterna Equity Partners	12/14/22	Closed	-	-	-
Frank's Vacuum Truck Service, Inc.	Heritage Environmental Services, LLC	12/15/22	Closed	-	-	-
W.J. Deans Transportation Inc.	2635-8762 Québec Inc.	12/16/22	Closed	-	-	-
Transport St-Michel Inc.	TFI International Inc. (TSX:TFII)	12/2/22	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
Rail						
A portfolio of freight rail assets located across western Canada	Regional Rail, LLC	11/11/22	Closed	-	-	-
Marine						
Intermarine Americas, LLC	SAL Heavy Lift GmbH & Co. KG	11/30/22	Closed	-	-	-
Air Freight and Logistics						
City Express, Inc.	American Expediting Company	10/5/22	Closed	-	-	-
Lindsey Forwarders, Inc.	MGN Logistics, Inc.	10/11/22	Closed	-	-	-
Presort Assets of Skymail International, Inc.	Pitney Bowes Inc. (NYSE:PBI)	10/13/22	Closed	-	-	-
KPI Logistics, LLC	TA Services, Inc.	10/7/22	Closed	-	-	-
Flex Logistics, Inc.	Partners Warehouse LLC	10/20/22	Effective	-	-	-
TruckItNow, Inc.	Port Jersey Logistics	10/21/22	Closed	-	-	-
Business Assets of A-Logistics, LLC	AAGEX Freight Group, LLC	10/21/22	Closed	-	-	-
Dotcom Distribution, Inc.	Ryder System, Inc. (NYSE:R)	11/2/22	Closed	-	-	-
Fastmore Logistics LLC	Echo Global Logistics, Inc.	11/3/22	Closed	-	-	-
Assets of Chickasaw Container Services, Inc.	Forward Air Corporation (NasdaqGS:FWRD)	11/7/22	Announced	-	-	-
ReedTMS Logistics	Werner Enterprises, Inc. (NasdaqGS:WERN)	11/7/22	Closed	112.40	0.3	-
KSI Corp.	Alba Wheels Up International, LLC	11/8/22	Closed	-	-	-

Source: S&P Global Market Intelligence
in USD millions

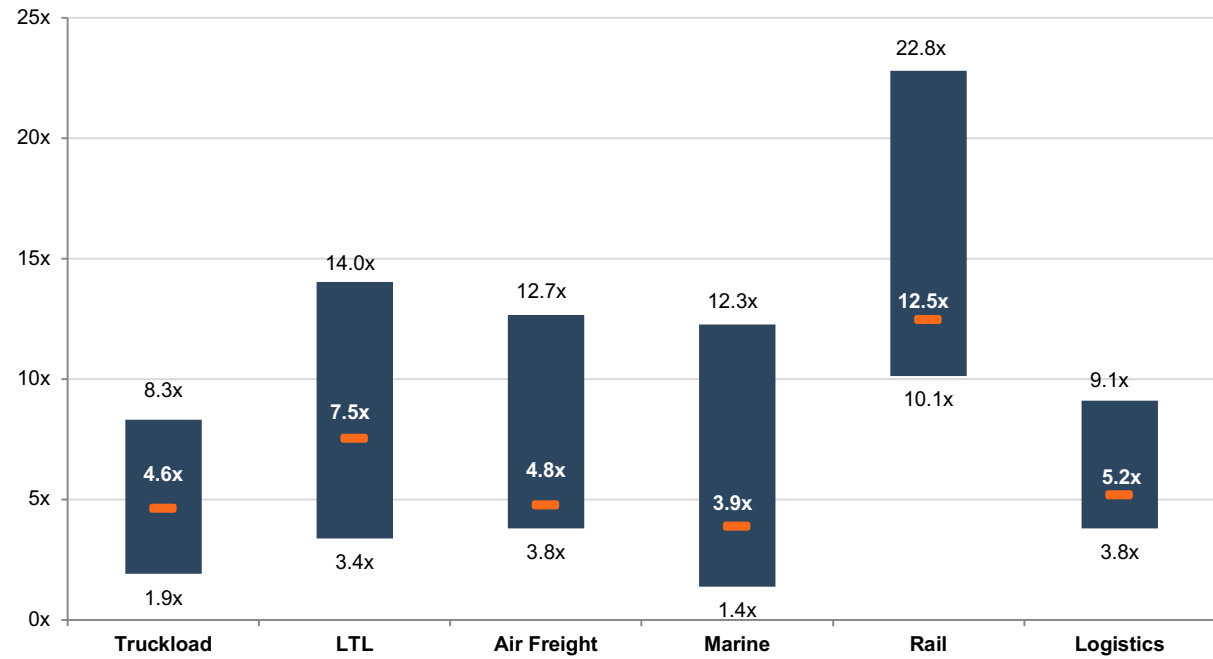
Select Transactions (cont.)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Air Freight and Logistics (cont.)						
IQ Logistics Solutions Inc.	Cedric Millar Integrated Solutions Inc.	11/29/22	Closed	-	-	-
Pacific Cascade Distribution, LLC	World Shipping, Inc.	12/7/22	Closed	-	-	-
Mid-States Packaging, Inc.	Quantix SCS, Inc.	12/7/22	Closed	-	-	-
Flash Global Logistics, Inc.	Comvest Partners	12/8/22	Closed	-	-	-
Unique Logistics International, Inc. (OTCPK:UNQL)	Edify Acquisition Corp. (NasdaqCM:EAC)	12/19/22	Announced	307.10	-	-
Sunset Transportation, Inc.	Armada Supply Chain Solution, LLC	12/3/22	Closed	-	-	-
UV Logistics Holding Corp.	Bluestem Equity, Ltd	12/28/22	Closed	-	-	-
Individual Transportation Brokerage						
Bird Canada Inc.	Bird Global, Inc. (NYSE:BRDS)	12/20/22	Closed	-	-	-
FreightTech						
Glid, LLC	Genesis Electronics Group, Inc. (OTCPK:GEGI)	10/26/22	Closed	4.00	-	-

Source: S&P Global Market Intelligence
in USD millions

Public Company Performance

Monthly Median TEV/EBITDA Multiples (as of December 31, 2022)



Source: S&P Capital IQ

Data from most recent filing available, excludes outliers

Publicly Traded Companies

Company Name	Ticker	Price at 12/31/22	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	\$174.36	11%	\$19,514	7%	11%	\$14,814	13%	1.3x	9.9x	18.6x	9.6x	17.9x
Ryder System, Inc.	R	\$83.57	11%	\$10,726	61%	6%	\$12,011	26%	0.9x	3.4x	4.8x	3.5x	5.2x
Knight-Swift Transportation Holdings Inc.	KNX	\$52.41	7%	\$10,273	18%	6%	\$7,429	24%	1.4x	5.9x	10.9x	5.8x	10.1x
Landstar System, Inc.	LSTR	\$162.90	13%	\$5,833	0%	18%	\$7,440	8%	0.8x	9.3x	13.6x	9.3x	13.9x
Schneider National, Inc.	SNDR	\$23.40	15%	\$3,984	-5%	9%	\$6,604	14%	0.6x	4.2x	9.1x	4.1x	9.0x
Werner Enterprises, Inc.	WERN	\$40.26	7%	\$3,066	17%	7%	\$3,290	18%	0.9x	5.1x	10.5x	5.1x	11.0x
Heartland Express, Inc.	HTLD	\$15.34	7%	\$1,635	26%	4%	\$968	21%	1.7x	8.1x	9.1x	6.6x	13.8x
Daseke, Inc.	DSKE	\$5.69	5%	\$879	56%	5%	\$1,773	10%	0.5x	4.7x	5.1x	3.7x	8.8x
Universal Logistics Holdings, Inc.	ULH	\$33.44	5%	\$1,355	35%	13%	\$2,015	15%	0.7x	4.4x	5.2x	4.2x	5.2x
Marten Transport, Ltd.	MRTN	\$19.78	3%	\$1,533	-5%	9%	\$1,264	19%	1.2x	6.3x	14.5x	6.1x	14.8x
Covenant Logistics Group, Inc.	CVLG	\$34.57	20%	\$542	14%	0%	\$1,217	11%	0.4x	4.0x	4.3x	3.6x	5.9x
P.A.M. Transportation Services, Inc.	PTSI	\$25.90	-16%	\$755	24%	11%	\$947	19%	0.8x	4.1x	6.3x	3.8x	6.0x
U.S. Xpress Enterprises, Inc.	USX	\$1.81	-26%	\$880	89%	-1%	\$2,161	3%	0.4x	14.5x	nm	15.1x	nm
Titanium Transportation Group Inc.	TTNM	\$1.79	9%	\$136	41%	7%	\$362	8%	0.4x	4.6x	5.1x	3.3x	5.2x
Patriot Transportation Holding, Inc.	PATI	\$7.03	-11%	\$19	-30%	1%	\$88	7%	0.2x	3.0x	3.4x	nm	nm
Median			7%		18%			14.4%	0.8x	4.7x	7.7x	4.7x	9.0x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q4 2022, except for TTNM, AAWW, ATSG, CJT, MATX, EGLE, PANL, GSL, GNK, ALC, EXPD, BRDS, STER, and TSP.RLGT data excluded to delayed filings.

Publicly Traded Companies

Company Name	Ticker	Price at 12/31/22	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	\$283.78	14%	\$31,077	-1%	24%	\$6,260	34%	5.0x	14.7x	22.8x	14.9x	23.9x
Saia, Inc.	SAIA	\$209.68	10%	\$5,529	0%	15%	\$2,792	22%	2.0x	8.8x	15.5x	8.7x	15.5x
ArcBest Corporation	ARCB	\$70.04	-4%	\$1,833	7%	10%	\$5,324	10%	0.3x	3.5x	5.7x	3.1x	5.1x
Mullen Group Ltd.	MTL	\$10.75	4%	\$1,576	37%	7%	\$1,477	15%	1.1x	7.0x	8.5x	6.3x	10.2x
Yellow Corporation	YELL	\$2.51	-50%	\$1,547	92%	4%	\$5,245	6%	0.3x	5.3x	5.9x	4.0x	3.7x
Median			4%		7%			15%	1.1x	7.0x	8.5x	6.3x	10.2x
Air Freight													
Atlas Air Worldwide Holdings, Inc.	AAWW	\$100.80	5%	\$4,550	37%	6%	\$4,505	21%	1.0x	4.9x	7.0x	5.0x	7.1x
Air T, Inc.	AIRT	\$24.72	44%	\$234	70%	3%	\$177	6%	1.3x	22.0x	6.4x	nm	nm
Forward Air Corporation	FWRD	\$104.89	16%	\$3,020	8%	14%	\$1,973	16%	1.5x	9.6x	14.4x	9.4x	14.0x
Air Transport Services Group, Inc.	ATSG	\$25.98	8%	\$3,257	42%	6%	\$1,995	32%	1.6x	5.2x	9.4x	5.1x	11.2x
Cargojet Inc.	CJT	\$85.97	6%	\$1,917	23%	8%	\$691	31%	2.8x	9.0x	7.0x	7.7x	15.5x
Median			8%		37%			21%	1.5x	9.0x	7.0x	6.4x	12.6x

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Publicly Traded Companies

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							Rev.	EBITDA Margin	EV / Rev.	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
Marine													
Kirby Corporation	KEX	\$64.35	6%	\$5,116	25%	0%	\$2,785	14%	1.8x	13.3x	31.5x	12.6x	31.0x
Atlas Corp.	ATCO	\$15.34	10%	\$10,619	57%	4%	\$1,697	66%	6.3x	9.4x	6.8x	9.2x	8.6x
Matson, Inc.	MATX	\$62.51	2%	\$2,713	10%	27%	\$4,808	37%	0.6x	1.5x	1.8x	1.8x	2.3x
Eagle Bulk Shipping Inc.	EGLE	\$49.94	16%	\$869	21%	16%	\$753	48%	1.2x	2.4x	2.2x	2.6x	3.0x
Pangaea Logistics Solutions, Ltd.	PANL	\$5.15	11%	\$466	49%	11%	\$806	19%	0.6x	3.1x	3.0x	3.3x	2.9x
Global Ship Lease, Inc.	GSL	\$16.65	6%	\$1,467	59%	11%	\$583	64%	2.5x	4.0x	2.1x	3.5x	2.1x
Genco Shipping & Trading Limited	GNK	\$15.36	23%	\$760	14%	12%	\$593	46%	1.3x	2.8x	2.9x	3.3x	4.1x
Algoma Central Corporation	ALC	\$13.46	15%	\$710	28%	4%	\$471	23%	1.5x	6.4x	6.8x	4.7x	7.8x
Median			11%		26%				1.4x	3.5x	3.0x	3.4x	3.5x

Source: S&P Global Market Intelligence

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Publicly Traded Companies

Company Name	Ticker	Price at 12/31/22	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	\$207.07	6%	\$166,858	20%	10%	\$24,875	49%	6.7x	13.8x	19.0x	13.5x	18.2x
Canadian National Railway Company	CNR	\$118.84	9%	\$91,674	12%	10%	\$12,640	56%	7.3x	12.9x	21.2x	14.4x	21.5x
CSX Corporation	CSX	\$30.98	16%	\$81,400	20%	9%	\$14,853	50%	5.5x	11.0x	15.6x	11.0x	16.4x
Norfolk Southern Corporation	NSC	\$246.42	18%	\$74,353	19%	8%	\$12,745	48%	5.8x	12.1x	18.3x	12.1x	18.1x
Canadian Pacific Railway Limited	CP	\$74.59	11%	\$84,684	18%	3%	\$6,512	53%	13.0x	24.8x	26.7x	25.8x	27.2x
Median			11%			19%			6.7x	12.9x	19.0x	13.5x	18.2x
Logistics & Intermodal													
United Parcel Service, Inc.	UPS	\$173.84	8%	\$162,876	8%	14%		19%	1.6x	8.8x	13.0x	9.6x	13.5x
FedEx Corporation	FDX	\$173.20	17%	\$77,105	43%	4%	\$93,512	11%	0.8x	7.7x	11.4x	7.1x	8.4x
Expeditors International of Washington, Inc.	EXPD	\$103.92	18%	\$14,891	-11%	20%	\$19,026	12%	0.8x	6.6x	10.4x	7.4x	11.7x
TFI International Inc.	TFII	\$100.20	10%	\$10,320	15%	10%	\$8,812	14%	1.2x	8.3x	10.6x	7.1x	12.4x
XPO Logistics, Inc.	XPO	\$33.29	-25%	\$7,014	45%	5%	\$7,718	13%	0.9x	7.0x	5.8x	5.6x	6.3x
GXO Logistics, Inc.	GXO	\$42.69	22%	\$8,742	42%	3%	\$8,993	7%	1.0x	13.2x	25.7x	12.2x	15.5x
C.H. Robinson Worldwide, Inc.	CHRW	\$91.56	-5%	\$13,153	18%	12%	\$24,697	6%	0.5x	9.7x	11.5x	9.2x	11.6x
Forward Air Corporation	FWRD	\$104.89	16%	\$3,020	8%	14%	\$1,973	16%	1.5x	9.6x	14.4x	9.4x	14.0x
Hub Group, Inc.	HUBG	\$79.49	15%	\$2,859	8%	11%	\$5,340	12%	0.5x	4.5x	7.4x	4.6x	7.5x
Air Transport Services Group, Inc.	ATSG	\$25.98	8%	\$3,257	42%	6%	\$1,995	32%	1.6x	5.2x	9.4x	5.1x	11.2x
Radiant Logistics, Inc.	RLGT	\$5.09	-11%	\$310	22%	9%	\$1,338	5%	0.2x	4.6x	6.1x	4.2x	5.1x
Median			10%			18%			0.9x	7.7x	10.6x	7.1x	11.6x

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Publicly Traded Companies

Company Name	Ticker	Price at 12/31/22	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.
Individual Transportation Brokerage													
Uber Technologies, Inc.	UBER	\$24.73	-7%	\$54,685	10%	-3%	\$31,877	-3%	1.7x	-61.8x	nm	32.7x	nm
Lyft, Inc.	LYFT	\$11.02	-16%	\$3,295	-21%	-20%	\$4,095	-32%	0.8x	-2.5x	nm	11.3x	26.9x
Bird Global, Inc.	BRDS	\$0.18	-49%	\$118	55%	-65%	\$225	-158%	0.5x	-0.3x	nm	-2.0x	nm
Steer Technologies Inc.	STER	\$0.26	-39%	\$46	24%	-55%	\$37	-66%	1.3x	-1.9x	nm	nm	nm
HyreCar Inc.	HYRE	\$0.42	-54%	\$5	-152%	-65%	\$40	-51%	0.1x	-0.3x	nm	-0.3x	nm
Median			-39%		10%				0.8x	-1.9x	nm	5.5x	26.9x
Autonomous Trucking													
TuSimple Holdings Inc.	TSP	\$1.64	-78%	-\$639	158%	-20%	\$10	-4236%	-66.9x	1.6x	nm	1.7x	nm
Median			-78%		158%				-66.9x	1.6x	nm	1.7x	nm

Source: S&P Global Market Intelligence

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Mercer Capital

Transportation & Logistics
Industry Services

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

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Mercer Capital serves the following industry segments:

- Trucking
- Air Freight
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- Railroads
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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
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Contact a Mercer Capital professional to discuss your needs in confidence.

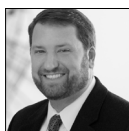
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