

VALUE FOCUS

Transportation & Logistics

First Quarter 2021

Article: Labor Shortage in Trucking Industry Leading to a Rise in Consumer Pricing

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FEATURE ARTICLE

Labor Shortage in Trucking Industry Leading to a Rise in Consumer Pricing

A truck driver's lifestyle is typically portrayed as being lackluster due to exhausting work hours and countless days away from home. As a result of the work environment for a driver, prospects debating entering the labor force in this career field ponder whether driving would be an enjoyable lifestyle. Due to the notion that the younger generation typically finds a career path in trucking unappealing, the demographics of this industry lean towards older males with 27% of truck drivers being over the age of 55 and the median age being 46.

Once the COVID-19 pandemic hit the United States in 2020, the demand for truck drivers increased sharply as many consumers turned towards online shopping. Even though trucking services were in high demand, the trucking industry struggled to grow its workforce during this time period.

Many eligible drivers elected to enter early retirement rather than waiting to return to work at the conclusion of the pandemic. Additionally, many prospects in the job market feel that they can achieve better working conditions and benefits along with similar wages working somewhere besides the transportation industry. Driver turnover is another factor that contributes to the abundance of available positions. Historically, truck drivers have a yearly turnover rate of 87%. During the 4th quarter of 2020, truck driver **turnover** reached 92%. High turnover rates coupled with mediocre working conditions have directly contributed to the current driver shortage that the United States is facing today. We last looked at this **driver shortage** in December 2018 – the situation has not changed and driver hiring and retention **remains a concern** for many trucking companies.

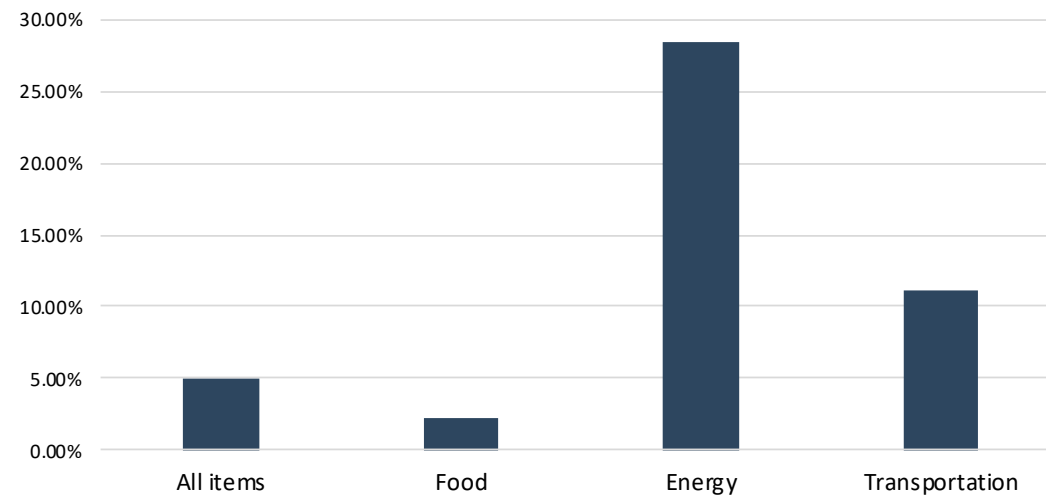
Logistics companies have been forced to raise wages for their current drivers. Many have seen wage **increases** of up to 50% since 2018 due to lack of available drivers throughout the U.S. Leah Shaver, CEO of the National Transportation Institute told **Transport Topics** that the ongoing duration of driver shortage is leaving companies with no choice but to raise pay. "For the last few weeks, it seems every couple of hours, some fleet is increasing pay," she said. "The fleets are telling us because capacity is so tight, they could do four times the amount of work, if only they had enough drivers." It harkens back to basic supply and demand – increasing wages for truck drivers is an approach that many transportation companies have instituted in order to fill vacant driver positions.

FEATURE ARTICLE

Labor Shortage in Trucking Industry Leading to a Rise in Consumer Pricing

(continued)

Hiking wages for drivers has had a serious economic impact on the economy. Elevated wages for drivers have forced retailers to increase their prices. Retailers reason that they must raise their prices as a result of the increased shipping costs so that they can maintain their current profit margins. As a result, the consumer price index has been steadily on the rise every month in 2021. The **CPI** surged 4.2% in April, 2021, causing it to reach a 13 year high surpassing pre-Recession levels. For the 12 months ending March 31, 2021, the **CPI** increased 2.6% overall, with food prices seeing a rise of 3.5% and energy prices skyrocketing 13.2%.

Consumer Price Index :: 12 Month Percent Change :: May 2021 (Not Seasonally Adjusted)*Samantha L. Albert***Samantha L. Albert, ASA**

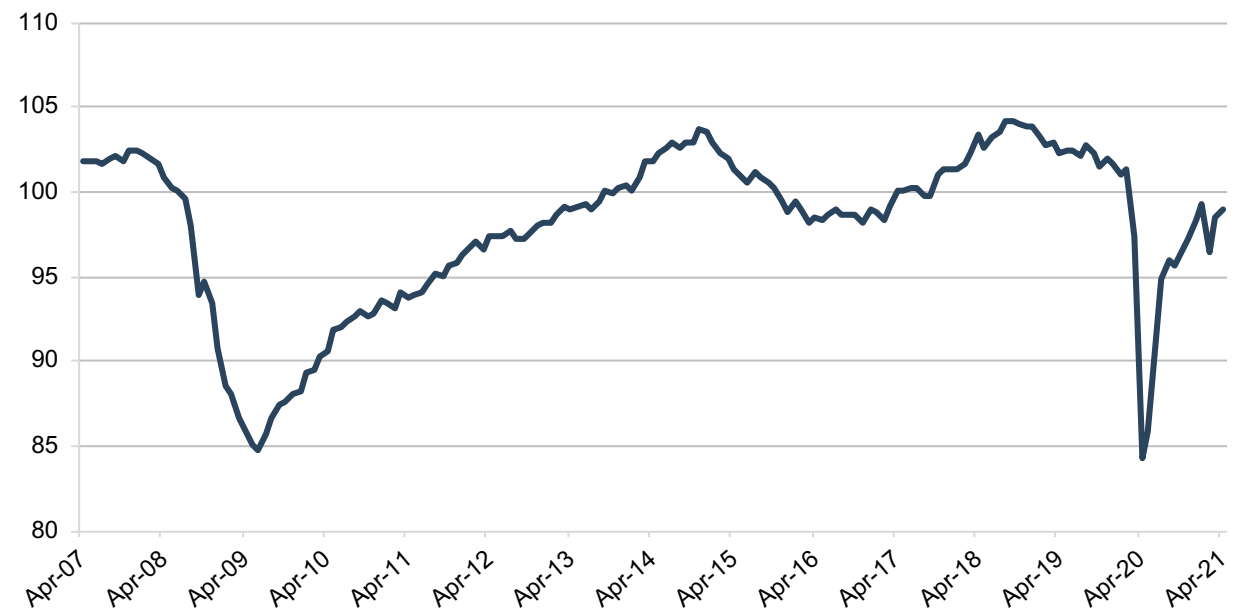
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Industry Macro Trends

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 lock-downs that began in March 2020. Many shutdowns and restrictions continued throughout 2020. Production recovered during summer months, but uncertainties remained as the U.S. headed into winter months. The index value at the end of March 2020 was 99.01, a -0.31% decrease from the beginning of January, but up 17.59% on a year-over-year basis. The index increased over the last two months of the first quarter after seeing a slight drop in January. Production levels **remain below historically observed levels**, but total industrial production saw an increase of 2.5% in the first quarter of 2021. In the first quarter of 2021, construction, manufacturing, and consumer goods increased 2.2%, 3.1%, and 5.1%, respectively, relative to levels in the fourth quarter of 2021.

Industrial Production Index (Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

Indexed to 2012

Industry Macro Trends

Transportation Services Index

The Transportation Services Index, which measures freight traffic in the United States, decreased from February to March 2021 while also declining on a year-over-year basis. The index fell to 128.2 reaching levels that were seen in June of 2020 during COVID-19. The index declined 5.25% on a year-over-year basis.

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. By the end of March 2021, U.S. expenditures reached a 10-year peak. Both indices continued to grow in the first quarter and posted growth on a year-over-year basis.

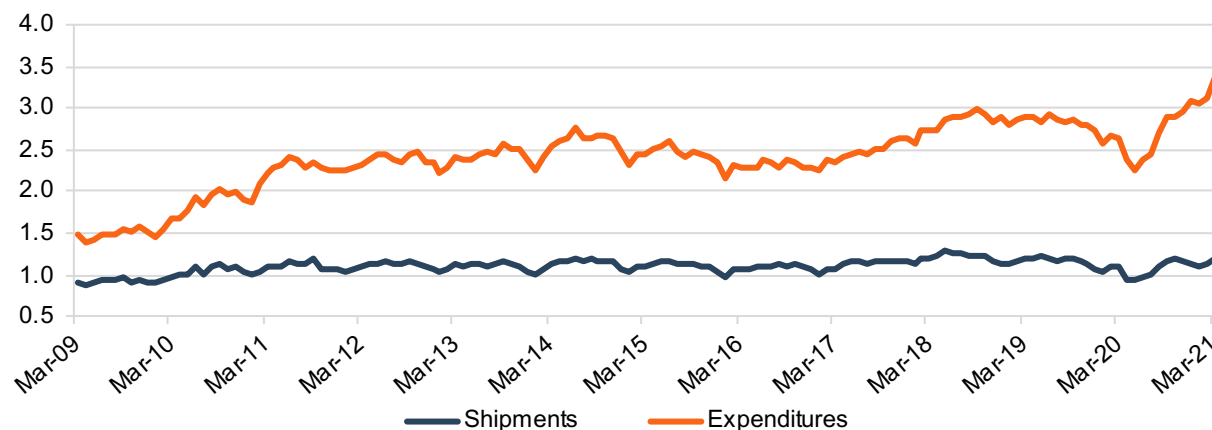
Transportation Services Index (Freight, Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to January 2000

Cass Freight Index



Source: Cass Information Systems, Inc. and Avondale Partners

Indexed to January 1990

Industry

Macro Trends

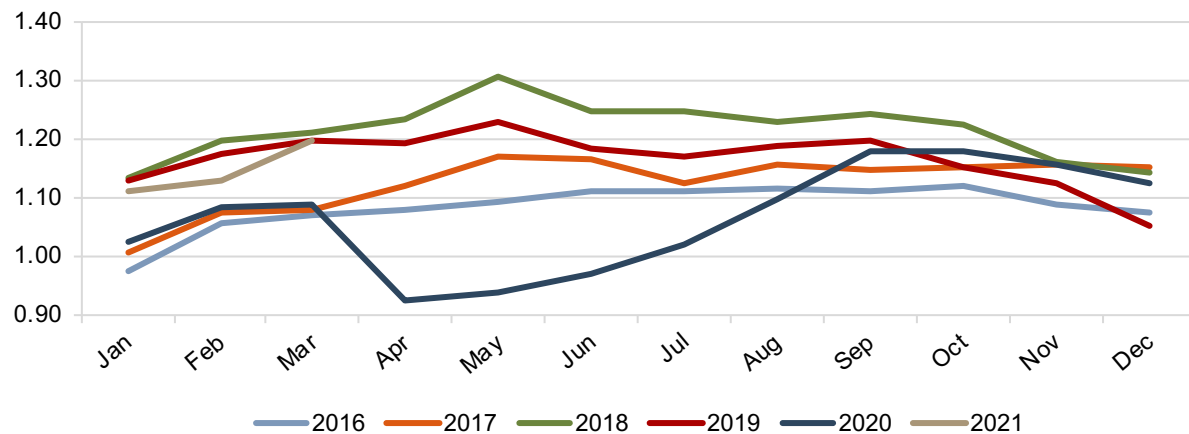
Shipments

Shipments in March 2021 increased 10.0% relative to March 2020. The shipments index saw consistent month-over-month boosts during the first quarter of 2021 with increases from January to February and February to March of 1.8% and 5.8% respectively.

Expenditures

The expenditures index measures the total amount spent on freight. The expenditures index hit 3.077 in December 2020, an increase of 6.5% on a quarterly basis and an increase of 3.6% on a monthly basis. December 2020 marked the fourth straight month of year-over-year growth, growing 13% relative to December 2019. The May 2020 Expenditures Index was the lowest recording since January 2016. The Cass Report indicated that lower fuel prices have offset index gains. Reduced capacity combined with higher levels of consumer consumption are serving to drive up rates.

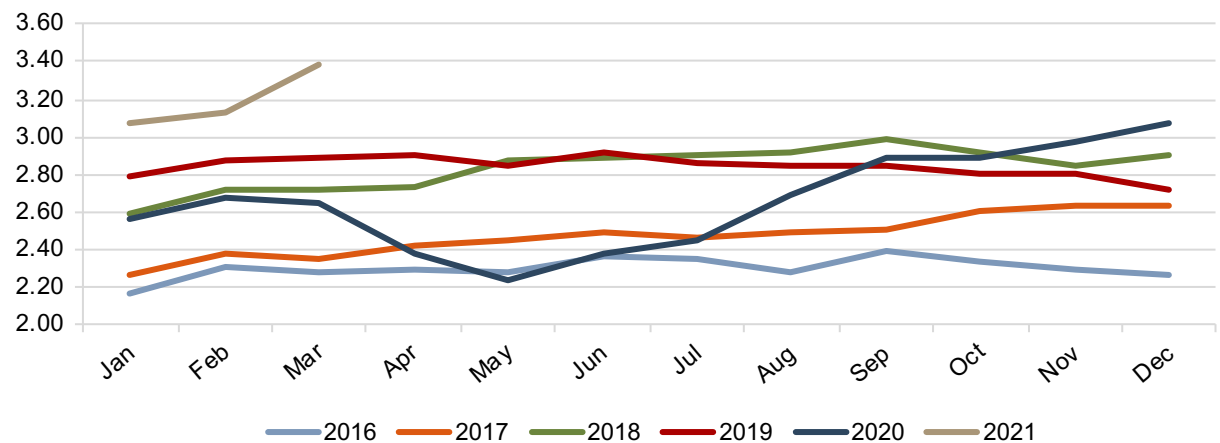
Cass Freight Shipments Index



Source: Cass Information Systems, Inc. and Avondale Partners

Indexed to January 1990

Cass Freight Expenditures Index



Source: Cass Information Systems, Inc. and Broughton Capital

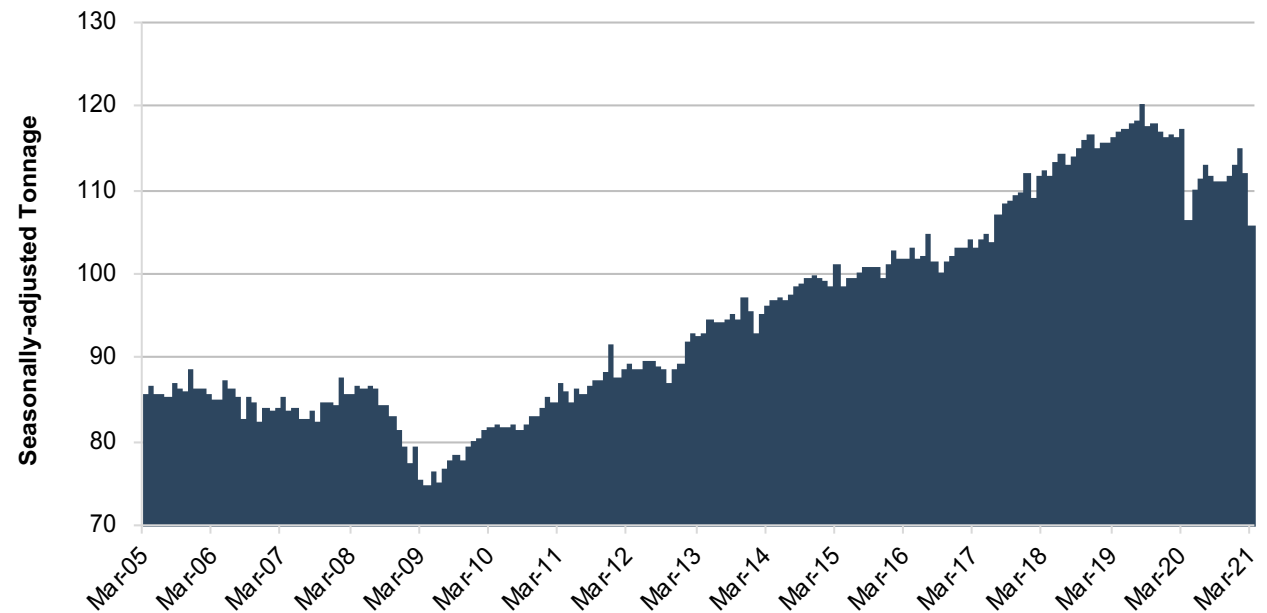
Indexed to January 1990

Trucking

Truck Tonnage

The American Trucking Association (“ATA”) **estimates** trucking accounts for over 70% of all domestic freight tonnage and over 80% of total freight expenditures. The truck tonnage index in the first quarter of 2021 saw a drop off from the end of 2020 with a decrease of 6.46% on a quarter-over-quarter basis. The index had a generally upward trend since April 2020, but that trend flipped in the first quarter of 2021 when seasonally-adjusted truck tonnage index at the end of March 2021 fell below April 2020 numbers.

Truck Tonnage (Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to 2015

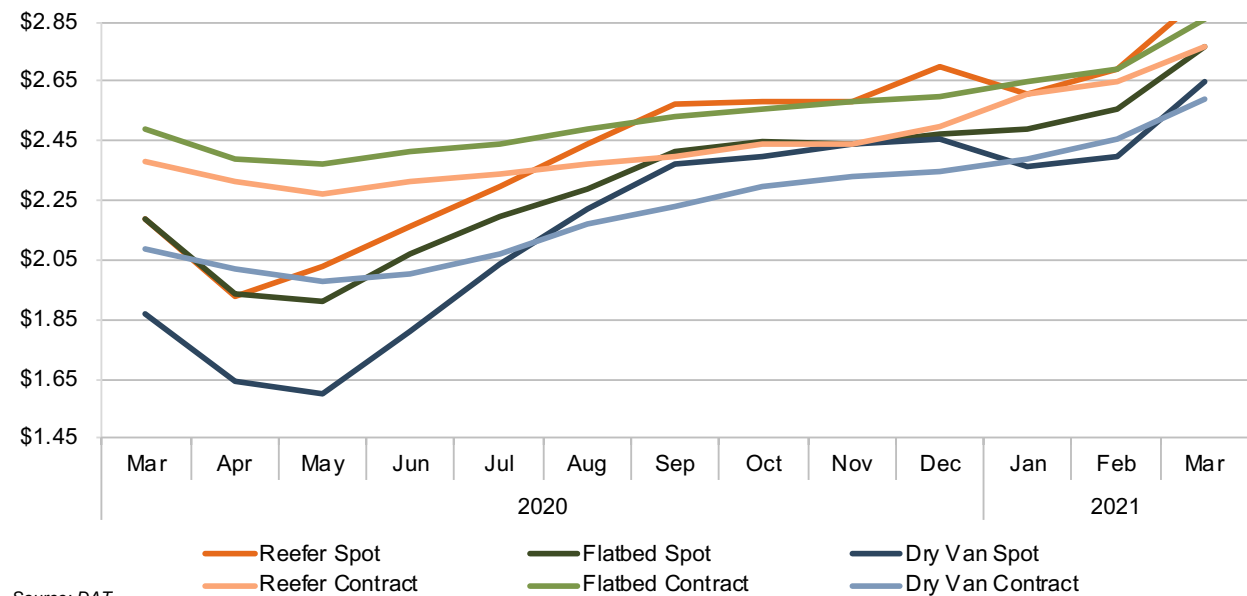
Trucking

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 has tightened during 2021, spot rates have eclipsed contract rates in the reefer and dry van categories; spot rates continue to lag contract rates in the flatbed market.

All classes of rates increased during the first quarter and all classes except for reefer contract increased on a year-over-year basis. Reefer spot and flatbed spot rates increased 34.25% and 26.48% on a year-over-year basis, respectively.

Spot vs. Contract Rates



Source: DAT

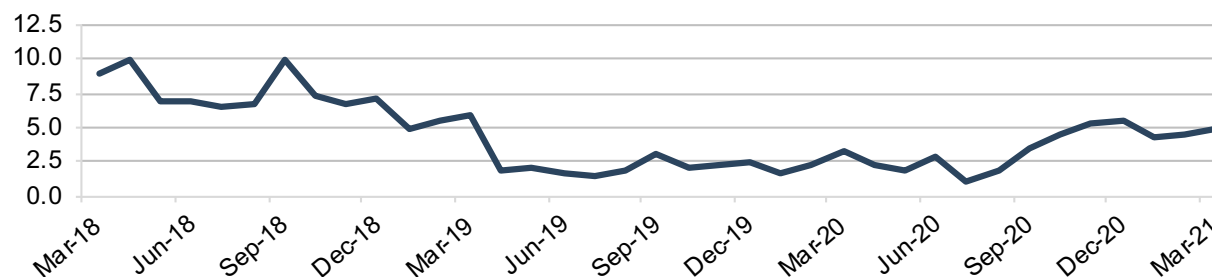
Trucking

Load-to-Truck Ratio

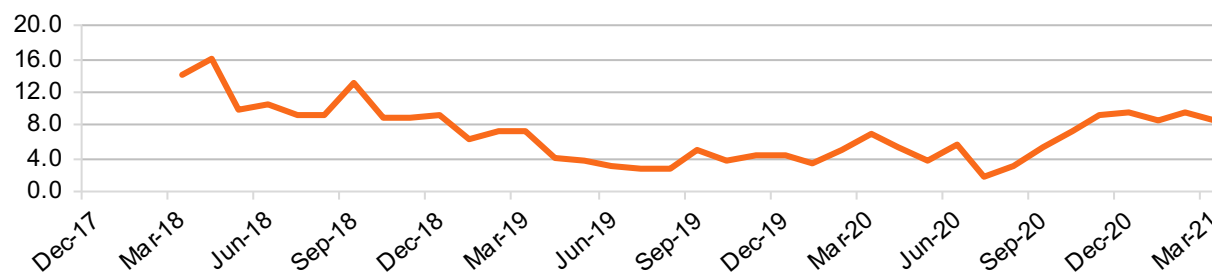
The load-to-truck ratio is calculated by dividing the total number of loads for shipment by the total number of trucks available. As a result, the load-to-truck ratio can signal a shortage or excess of capacity, which in turn influences changes in freight. An increase in the ratio (i.e., a higher number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

All three classes experienced surges in their respective load-to-truck ratios during the first quarter of 2021. Dry van and reefer ratios increased 19% and 43% respectively, while flatbed skyrocketed 108% during the first quarter. Comparatively, on a year-over-year basis, all three classes posted massive gains. Relative to March 2020, the van, reefer, and flatbed ratios increased 100%, 117%, and 285%, respectively.

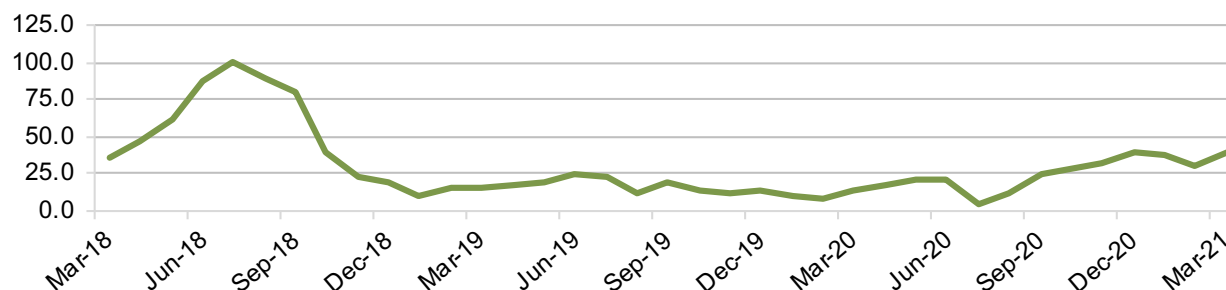
Dry Van Load-to-Truck



Reefer Load-to-Truck



Flatbed Load-to-Truck



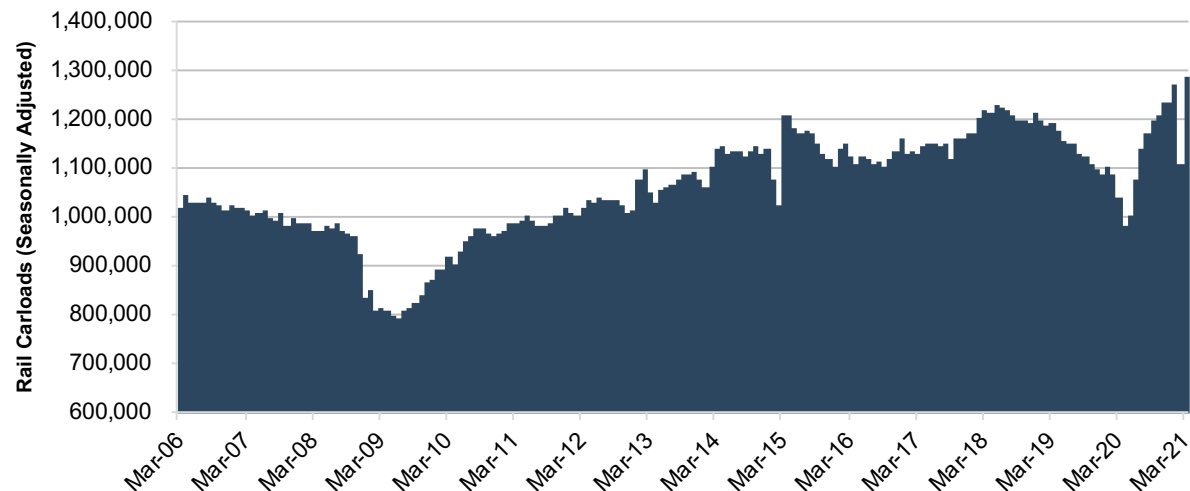
Source: DAT

Rail & Intermodal

Rail Freight Intermodal Traffic

As reported by the Bureau of Transportation Statistics, intermodal shipments **recovered** in March from a shaky February with a month-over-month increase of 16.12% while also posting year-over-year growth of 24.00%. A steep drop in February 2021 is largely attributable to poor weather conditions in the U.S. limiting traffic in many areas.

Rail Freight Intermodal Traffic



Intermodal Market – Intermodal Savings Relative to Trucking

The Journal of Commerce analyzes the costs savings of the intermodal market relative to domestic trucking. In general, a higher number on the index means intermodal is that much cheaper relative to trucking. A lower number implies trucking is cheaper relative to intermodal. A value of 100 on the index means the costs are identical. The JOC tracks both the Spot Intermodal Savings Index (“ISI”) and the Contract ISI.

In December 2020, the 12-month Spot ISI was 114.9, implying that intermodal was approximately 14.9% cheaper than trucking. The 12-month Contract ISI was 126.6, implying that intermodal was 26.6% cheaper than trucking. The 3-month Spot ISI and Contract ISI were 122.5 and 132.5, respectively. For the last three years, domestic intermodal business has been **trending** upward with domestic volume reaching its peak for that time frame.

M&A Activity

Featured Transactions

Tfi International Acquired Ltl And Tl Targets, Reflecting Different Multiples

TFI International (TSX:TFII) acquired two different targets during the first quarter. TFI acquired UPS Freight LTL business for \$800 million with 0.27x LTM revenue. TFI also acquired Fleetway Transport Inc., a heavy haul and specialty hauler, for \$16.4 million which reflects 0.84x LTM revenue.



Pilot Freight Services Expands Regional Footprint

Pilot Freight Services purchased the Memphis and St. Louis franchises. The locations have operated as franchises for nearly thirty years. The Memphis location is well situated for e-commerce and last mile services.



Imc Companies Expands Truck Capacity

Memphis-based IMC, one of the largest marine drayage companies in the U.S., acquired Empire Truck Lines, a container drayage company. The acquisition allows IMC to expand into the Houston market and represents a strategic transaction for the company.



Private Equity Company Purchases Ait Worldwide Logistics

AIT Worldwide Logistics was sold to The Jordan Company for \$1.2 billion, approximately 1x revenue. AIT had been previously owned by Quad-C Management, another private equity firm. AIT provides international freight forwarding services.



Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Trucking						
Bison Transport Inc.	James Richardson & Sons, Limited	01/05/2021	Closed	-	-	-
W.W. Transport, Inc.	McCoy Group, Inc.	01/02/2021	Closed	-	-	-
Spirit Truck Lines, Inc.	ForgeLight LLC	01/07/2021	Closed	-	-	-
Assets of KBT Enterprises Inc.	Fraley and Schilling Inc	01/05/2021	Closed	-	-	-
Sam Dunn Express/ Assets of Sam Dunn Enterprises, Inc.	Phoenix Logistics, Inc.	01/11/2021	Closed	-	-	-
Jeeves Exclusive Transportation Inc.	Tony's Limousine Company	01/11/2021	Closed	-	-	-
Substantially all the assets of WilMar Trucking LLC and WilMar Logistics LLC	DMT Trucking, LLC	01/07/2021	Closed	-	-	-
Omega Trucking Inc.	TECMA Group LP	01/14/2021	Closed	-	-	-
Substantially All of the Assets and Certain Liabilities of Double D Trucking, Inc.	Shyp FX Inc.	01/19/2021	Closed	\$0.5	.5x	-
Temp-Distribution of Maryland, Inc.	East Coast Warehouse & Distribution Corp.	01/13/2021	Closed	-	-	-
UPS Ground Freight, Inc.	TFI International Inc. (TSX:TFII)	01/25/2021	Closed	\$800.0	.267x	-
Fleetway Transport Inc.	TFI International Inc. (TSX:TFII)	02/01/2021	Closed	\$16.4	.84x	-
Mazuma Transportation Company	UMAX Group Corp. (OTCPK:UMAX)	02/01/2021	Closed	-	-	-
Big Prime Hauling, LLC	Bright Hope Capital LLC	02/01/2021	Closed	-	-	-
Premier Bulk Systems Ltd	Heniff Transportation Systems, LLC	02/02/2021	Closed	-	-	-
International Truckload Services Inc.	Titanium Transportation Group Inc. (TSXV:TTR)	02/05/2021	Closed	\$60.5	.756x	-
Substantially all the assets of Proficient Transport Inc.	Forward Air Corporation (NasdaqGS:FWRD)	02/11/2021	Announced	\$15.0	-	-
ASL Distribution Services Limited	Consolidated Fastfrate Inc.	02/16/2021	Closed	-	-	-

Source: S&P Global Market Intelligence
in USD millions

Select Transactions (continued)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Trucking (cont.)						
Excel Transportation	TFI International Inc. (TSX:TFII)	02/18/2021	Closed	-	-	-
Armour Transportation Systems, Inc.	Seaboard Transportation Group	02/18/2021	Announced	-	-	-
Avenger Logistics, LLC	MODE Transportation, LLC	01/31/2021	Closed	-	-	-
Jason Jones Trucking, Inc.	P & S Transportation, LLC	03/01/2021	Closed	-	-	-
Senior Move Masters	Westview SHPP, LLC	02/02/2021	Closed	-	-	-
Savoie Inc	XTL Group of Companies	02/12/2021	Closed	-	-	-
APPS Transport Group Inc.	Mullen Group Ltd. (TSX:MTL)	03/08/2021	Announced	-	-	-
Assets of Jesse Baro, Inc.	Denali Water Solutions LLC	03/08/2021	Closed	-	-	-
RevGroup Holdings, LLC	UniGroup, Inc.	03/10/2021	Closed	-	-	-
Southwest Rail Industries, Inc.	Sojitz Corporation of America	03/10/2021	Closed	-	-	-
Franchises in Memphis & St. Louis	Pilot Freight Services, Inc.	03/04/2021	Closed	-	-	-
Voyage Auto, Inc.	Cruise LLC	03/15/2021	Closed	-	-	-
Empire Truck Lines, Inc.	IMC Companies LLC	03/12/2021	Closed	-	-	-
Mid States School Bus, Inc.	First Student, Inc.	03/18/2021	Announced	-	-	-
Star Leasing Company, LLC	I Squared Capital Advisors, LLC	03/24/2021	Closed	-	-	-
Seville Container Freight Station, Inc./Seville Freight Systems Inc./Seville Transfer Ltd.	Expolanka USA LLC	03/12/2021	Closed	\$2.2	-	-
LTO Holdings, LLC	LMP Finance, LLC	03/09/2021	Closed	\$0.5	-	-

Source: S&P Global Market Intelligence
in USD millions

Select Transactions (continued)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Rail						
Cryo-Trans, Inc.	Lineage Logistics Holding, LLC	01/05/2021	Closed	\$500.0	-	-
Non-Core Lines, Assets and Branch Lines of Wisconsin Central and Algoma in Wisconsin and Michigan	Watco Companies, LLC	03/30/2021	Announced	-	-	-
Arctic Gateway Group Limited Partnership	-	03/11/2021	Closed	-	-	-
Marine						
Lake Michigan Trans-Lake Shortcut, Inc.	Interlake Holding Company	1/1/21	Closed	-	-	-
Inland Dredging Company, LLC	AV Capital Holdings, LLC; Encore Dredging Partners, LLC	01/05/2021	Closed	-	-	-
Marker 1 Marina	Equity LifeStyle Properties, Inc. (NYSE:ELS)	01/26/2021	Closed	-	-	-
Devall Towing & Boat Service of Hackberry, LLC	Southern Towing Company, Inc.	02/02/2021	Closed	-	-	-
Air Freight & Logistics						
Hybrid International Forwarding, LLC	Masterpiece International Ltd., LLC	01/04/2021	Closed	-	-	-
Capital Delivery Systems, Inc.	USPack Logistics Corp.	01/08/2021	Closed	-	-	-
Lewis Logistics, Inc.	Estes Forwarding Worldwide, LLC	01/11/2021	Closed	-	-	-
Stalco Inc.	Canada Cartage System Limited	01/11/2021	Closed	-	-	-

Source: S&P Global Market Intelligence
in USD millions

Select Transactions (continued)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Air Freight & Logistics (cont.)						
Concepts In Freight, Inc.	L.V. Overseas S.A.S.	01/13/2021	Closed	-	-	-
Parcel Delivery Business of ShipperBee Canada Inc.	Metroland Parcel Services	01/25/2021	Closed	-	-	-
Transportation Systems, Inc.	Cardinal Logistics Management Corporation	01/19/2021	Closed	-	-	-
Transaver Global Services, Inc.	Transportation Insight, LLC	01/27/2021	Closed	-	-	-
Werner Global Logistics, Inc.	Scan Global Logistics A/S	01/27/2021	Closed	-	-	-
Recommerce Group, Inc.	Cannagistics Inc. (OTCPK:CNGT)	01/28/2021	Announced	-	-	-
Tigers Ltd	JAS WorldWide Management Inc.	01/28/2021	Closed	-	-	-
SFS Holdings, LLC	Associated Couriers, Inc.	02/01/2021	Closed	-	-	-
Magic Valley Truck Brokers, Inc.	Allen Lund Company, Inc.	02/01/2021	Closed	-	-	-
DJR Logistics, Inc.	Supply Chain Solutions, Inc.	02/03/2021	Closed	-	-	-
LSO Inc.	WeDo Logistics Limited	02/09/2021	Closed	-	-	-
Pool distribution business of Forward Air Corporation	Ten Oaks Group	02/11/2021	Closed	\$20.0	-	-
Freightline Carrier SYSTEMS Inc.	TFI International Inc. (TSX:TFII)	01/28/2021	Closed	-	-	-
ASAP E&L, Inc.	TrumpCard Inc.	02/22/2021	Closed	-	-	-
Facility in Shepherdsville, Kentucky of Bluegrass Supply Chain Services, LLC	Houston-Johnson, Inc.	03/04/2021	Announced	-	-	-
ProDynn Distribution, LLC	Emergence Global Enterprises Inc. (CNSX:EMRG)	03/05/2021	Closed	\$0.7	-	-

Source: S&P Global Market Intelligence
in USD millions

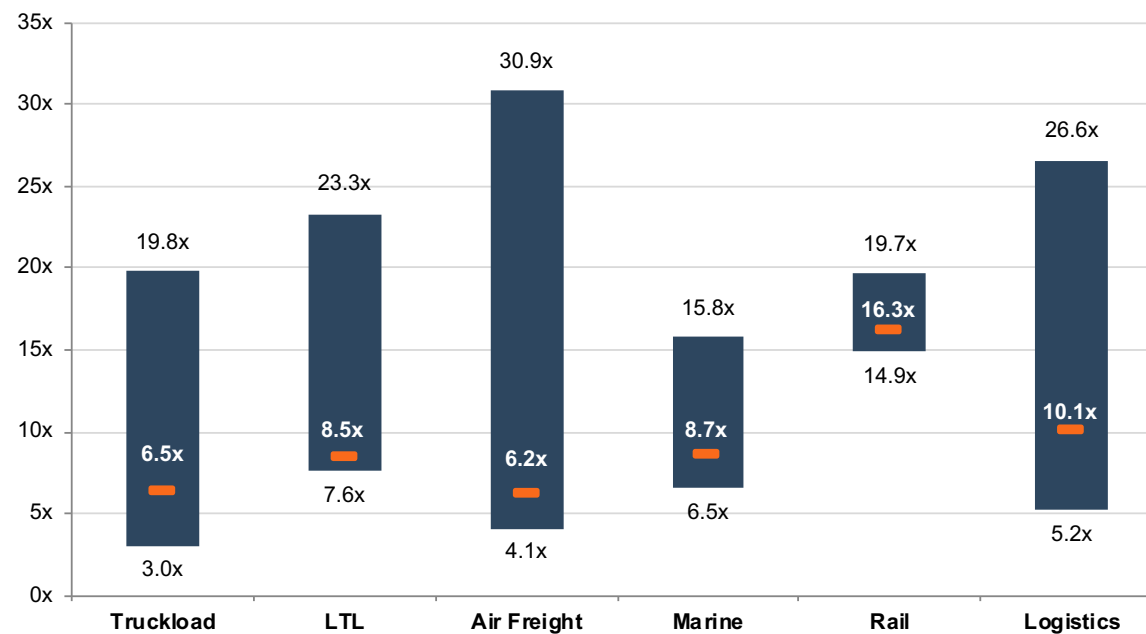
Select Transactions (continued)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Air Freight & Logistics (cont.)						
Radius Global Solutions, Inc.	Charles L. King & Associates	03/09/2021	Closed	-	-	-
Mid-Pacific Transportation, Inc.	ZMac Transportation Solutions, LLC	03/01/2021	Closed	-	-	-
AIT Worldwide Logistics, Inc.	The Jordan Company, L.P.	03/17/2021	Closed	\$1,200.0	.996x	-
Alba Wheels Up International, Inc.	Southfield Capital, LLC	03/16/2021	Closed	-	-	-

Source: S&P Global Market Intelligence
in USD millions

Public Company Performance

Monthly Median TEV/EBITDA Multiples (as of March 31, 2021)



Source: S&P Global Market Intelligence

Data as of March 31, 2021, excludes outliers

Publicly Traded Companies

Company Name	Ticker	Price at 3/31/21	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	\$168.07	1%	\$18,893	6%	830%	\$9,974	13%	1.9x	14.5x	32.4x	12.2x	25.6x
Ryder System, Inc.	R	\$75.65	-4%	\$10,796	62%	269%	\$8,480	28%	1.3x	4.6x	106.6x	4.3x	13.0x
Knight-Swift Transportation Holdings Inc.	KNX	\$48.09	3%	\$8,843	10%	465%	\$4,772	24%	1.9x	7.7x	16.8x	6.9x	13.4x
Landstar System, Inc.	LSTR	\$165.06	2%	\$6,227	-2%	1417%	\$4,496	8%	1.4x	17.1x	27.8x	12.8x	18.3x
Schneider National, Inc.	SNDR	\$24.97	10%	\$4,367	-1%	559%	\$4,662	13%	0.9x	7.0x	19.9x	6.1x	15.0x
Werner Enterprises, Inc.	WERN	\$47.17	4%	\$3,389	5%	735%	\$2,396	21%	1.4x	6.7x	16.7x	5.9x	13.9x
Heartland Express, Inc.	HTLD	\$19.58	10%	\$1,452	-8%	504%	\$631	29%	2.3x	7.8x	22.0x	6.6x	19.8x
Daseke, Inc.	DSKE	\$8.49	15%	\$1,240	50%	309%	\$1,397	11%	0.9x	8.1x	36.3x	7.3x	44.7x
Universal Logistics Holdings, Inc.	ULH	\$26.31	7%	\$1,253	43%	531%	\$1,424	11%	0.9x	7.8x	12.3x	5.7x	8.0x
Marten Transport, Ltd.	MRTN	\$16.97	0%	\$1,339	-5%	657%	\$879	23%	1.5x	6.8x	19.0x	6.1x	16.6x
Covenant Logistics Group, Inc.	CVLG	\$20.59	-11%	\$448	23%	139%	\$849	9%	0.5x	5.7x	nm	4.0x	7.5x
P.A.M. Transportation Services, Inc.	PTSI	\$61.70	0%	\$624	43%	442%	\$507	19%	1.2x	6.6x	11.4x	nm	nm
USA Truck, Inc.	USAK	\$19.11	24%	\$341	54%	391%	\$583	11%	0.6x	5.4x	14.5x	4.7x	8.7x
U.S. Xpress Enterprises, Inc.	USX	\$11.75	13%	\$1,228	52%	292%	\$1,760	8%	0.7x	9.1x	19.3x	6.8x	11.8x
Patriot Transportation Holding, Inc.	PATI	\$11.01	-1%	\$33	-14%	39%	\$84	11%	0.4x	3.6x	nm	nm	nm
Median			3%		10%			13.0%	1.2x	7.0x	19.3x	6.1x	13.9x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q1 2021

Publicly Traded Companies

Company Name	Ticker	Price at 3/31/21	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	\$240.41	-5%	\$27,587	-2%	1498%	\$4,154	30%	6.6x	22.0x	38.0x	18.4x	30.7x
Saia, Inc.	SAIA	\$230.58	10%	\$6,185	3%	741%	\$1,860	18%	3.3x	19.0x	40.8x	15.5x	32.5x
ArcBest Corporation	ARCB	\$70.37	19%	\$1,823	2%	392%	\$3,068	8%	0.6x	7.8x	19.3x	5.8x	13.5x
Mullen Group Ltd.	MTL	\$9.68	-11%	\$1,337	30%	426%	\$904	18%	1.5x	8.1x	16.3x	7.3x	16.9x
Yellow Corporation	YRCW	\$0.00	nm	\$1,523	70%	6%	\$4,562	3%	0.3x	11.3x	nm	5.1x	nm
Median			2%		3%			18%	1.5x	11.3x	28.7x	7.3x	23.8x
Air Freight													
Atlas Air Worldwide Holdings, Inc.	AAWW	\$60.44	-17%	\$3,691	53%	610%	\$3,429	25%	1.1x	4.3x	4.1x	4.2x	4.4x
Air T, Inc.	AIRT	\$23.77	2%	\$166	59%	-24%	\$227	5%	0.7x	16.0x	13.6x	nm	nm
Forward Air Corporation	FWRD	\$88.81	-5%	\$2,648	8%	525%	\$1,326	9%	2.0x	21.6x	92.1x	14.2x	23.7x
Air Transport Services Group, Inc.	ATSG	\$29.26	21%	\$3,236	47%	400%	\$1,557	31%	2.1x	6.7x	nm	6.1x	18.2x
Cargojet Inc.	CJT	\$128.98	-11%	\$2,711	17%	815%	\$561	35%	4.8x	13.9x	835.8x	12.4x	27.7x
Median			-5%		47%			25%	2.0x	13.9x	52.9x	9.3x	21.0x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q1 2021

Publicly Traded Companies

Company Name	Ticker	Price at 3/31/21	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	\$60.28	-10%	\$5,210	30%	103%	\$2,024	16%	2.6x	16.4x	50.8x	15.7x	60.3x
Atlas Corp.	ATCO	\$13.65	-2%	\$8,383	60%	405%	\$1,485	65%	5.6x	8.7x	14.1x	8.4x	10.3x
Triton International Limited	TRTN	\$54.99	6%	\$10,736	60%	429%	\$1,410	90%	7.6x	8.4x	9.4x	7.4x	6.9x
Matson, Inc.	MATX	\$66.70	4%	\$3,887	25%	787%	\$2,581	19%	1.5x	8.0x	10.5x	6.3x	8.9x
Textainer Group Holdings Limited	TGH	\$28.65	-12%	\$5,500	74%	296%	\$693	76%	7.9x	10.5x	10.4x	8.5x	6.0x
Costamare Inc.	CMRE	\$9.62	-20%	\$2,627	55%	345%	\$466	62%	5.6x	9.1x	26.6x	5.5x	4.7x
Eagle Bulk Shipping Inc.	EGLE	\$36.12	-29%	\$841	47%	117%	\$297	21%	2.8x	13.6x	nm	4.2x	4.0x
Navios Maritime Partners L.P.	NMM	\$23.56	-18%	\$754	64%	174%	\$245	41%	3.1x	7.5x	3.5x	2.2x	1.9x
Pangaea Logistics Solutions, Ltd.	PANL	\$3.16	-35%	\$309	54%	430%	\$412	12%	0.8x	6.4x	5.9x	4.9x	4.5x
Global Ship Lease, Inc.	GSL	\$14.10	-30%	\$1,200	57%	546%	\$285	55%	4.2x	7.7x	11.2x	5.4x	4.6x
Genco Shipping & Trading Limited	GNK	\$10.08	-45%	\$728	42%	71%	\$345	20%	2.1x	10.4x	nm	4.4x	4.6x
Algoma Central Corporation	ALC	\$13.67	-1%	\$745	31%	384%	\$428	27%	1.7x	6.5x	13.8x	5.4x	12.3x
Sino-Global Shipping America, Ltd.	SINO	\$6.48	82%	\$84	-11%	-2912%	\$6	-280%	14.3x	-5.1x	nm	nm	nm
Median			-12%		54%				3.1x	8.4x	10.8x	5.5x	5.3x

Source: S&P Global Market Intelligence

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Publicly Traded Companies

Company Name	Ticker	Price at 3/31/21	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	\$220.41	-1%	\$173,422	15%	779%	\$19,305	51%	9.0x	17.5x	28.2x	15.2x	23.0x
Canadian National Railway Company	CNR	\$115.94	5%	\$92,482	11%	762%	\$10,978	52%	8.4x	16.2x	29.4x	14.9x	23.8x
CSX Corporation	CSX	\$96.42	-2%	\$87,314	16%	691%	\$10,541	54%	8.3x	15.3x	27.1x	13.6x	22.0x
Norfolk Southern Corporation	NSC	\$268.52	-2%	\$79,951	16%	588%	\$9,803	48%	8.2x	17.0x	29.2x	14.7x	23.3x
Canadian Pacific Railway Limited	CP	\$76.32	-5%	\$58,769	13%	956%	\$6,063	58%	9.7x	16.8x	24.3x	15.9x	22.0x
Kansas City Southern	KSU	\$263.92	-10%	\$27,984	14%	636%	\$2,607	53%	10.7x	20.3x	38.8x	17.0x	29.3x
Median			-2%		15%				8.7x	16.9x	28.7x	15.0x	23.1x
Logistics & Intermodal													
United Parcel Service, Inc.	UPS	\$169.99	-16%	\$169,254	13%	652%	\$89,501	10%	1.9x	18.3x	28.6x	11.4x	15.5x
FedEx Corporation	FDX	\$284.04	-5%	\$105,078	28%	396%	\$71,490	10%	1.5x	14.9x	42.2x	10.7x	15.8x
Expeditors International of Washington, Inc.	EXPD	\$107.69	-14%	\$17,081	-6%	1627%	\$11,572	11%	1.5x	14.0x	21.1x	12.0x	18.5x
TFI International Inc.	TFII	\$74.89	-20%	\$8,241	15%	585%	\$4,005	14%	2.1x	14.4x	24.4x	9.0x	18.6x
XPO Logistics, Inc.	XPO	\$123.30	-19%	\$19,787	36%	281%	\$17,162	8%	1.2x	13.7x	62.4x	10.6x	19.6x
C.H. Robinson Worldwide, Inc.	CHRW	\$95.43	-4%	\$13,699	9%	942%	\$17,206	5%	0.8x	15.9x	20.8x	13.7x	18.8x
Forward Air Corporation	FWRD	\$88.81	-5%	\$2,648	8%	525%	\$1,326	9%	2.0x	21.6x	92.1x	14.2x	23.7x
Hub Group, Inc.	HUBG	\$67.28	-1%	\$2,511	8%	347%	\$3,576	7%	0.7x	10.3x	29.9x	8.7x	19.9x
Air Transport Services Group, Inc.	ATSG	\$29.26	21%	\$3,236	47%	400%	\$1,557	31%	2.1x	6.7x	nm	6.1x	18.2x
Echo Global Logistics, Inc.	ECHO	\$31.41	-4%	\$960	13%	282%	\$2,761	2%	0.3x	15.6x	28.9x	9.0x	14.3x
Radiant Logistics, Inc.	RLGT	\$6.95	-7%	\$379	10%	598%	\$831	4%	0.5x	10.4x	32.9x	8.1x	11.0x
Median			-5%		13%				1.5x	14.4x	29.4x	10.6x	18.5x

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Mercer Capital

Transportation & Logistics
Industry Services

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

Industry Segments

Mercer Capital serves the following industry segments:

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

Services Provided

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

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

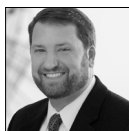
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