

VALUE FOCUS

Transportation & Logistics

Second Quarter 2020 | Article: Trucking Industry Explosions and Implosions

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FEATURE ARTICLE

Trucking Industry Explosions and Implosions

Summary of ATRI Data Set

	Verdict Amount
Mean	\$3,162,571
Median	\$1,750,000
Minimum	\$0
Maximum	\$91,000,000
Number of Cases	451

The trucking industry has recently been shaken by a series of large accident-related litigation verdicts, also known as nuclear verdicts. The definition of what constitutes a nuclear verdict can vary; however, the most common definition is verdicts in excess of \$10 million. No matter how they are defined, nuclear verdicts are causing upheaval in the trucking industry. Trucking companies have historically only had to insure drivers for \$1 million each, amplifying the effect of significantly larger verdicts.

- In 2017, **RCX Solutions Inc.** received a legal verdict of \$23 million. In 2019, this verdict was reduced to \$7.5 million by the U.S. Circuit Court of Appeals. Following the verdict, RCX was unable to renew financing and closed in March 2020.
- In May 2018, a jury awarded an \$89.7 million award against **Werner Enterprises**.
- In July 2018, a jury penalized **FTS International**, an oil company that was shipping fracking sands through its in-house fleet, with a verdict of \$101 million.
- In April 2019, a jury award \$33.6 million against **JHOC, Inc.**
- In August 2019, a jury awarded a \$280 million verdict against **Schnitzer Southeast** and Schnitzer Steel.
- In September 2019, a jury awarded a \$26.6 million verdict against **Country Wide RV Transport (CWRV)** after an independent contractor driver fell asleep at the wheel. CWRV announced its intentions to shut down as of November 1, 2019.
- In February 2020, a federal jury in Georgia awarded a \$21 million verdict against trucking company **JW Harper Farms** and its insurance company.

The American Transportation Research Institute (ATRI) conducted an analysis of over 400 cases from 2006 through 2019. ATRI issued its findings in its June 2020 publication “**Understanding the Impact of Nuclear Verdicts on the Trucking Industry.**” The table to the left summarizes the data analyzed by ATRI. While the majority of verdicts still fall under \$2 million, the number of large verdicts has increased, and the size of those large verdicts has continued to grow.

FEATURE ARTICLE

Trucking Industry Explosions and Implosions

(continued)

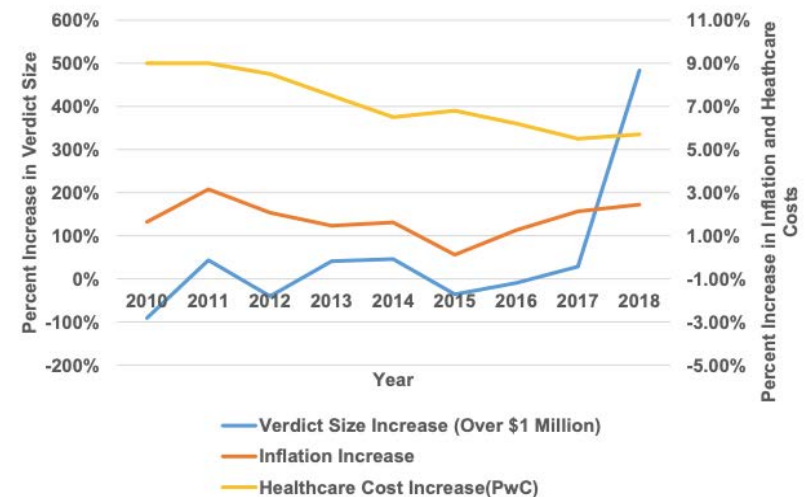
According to ATRI's analysis, nuclear verdicts have increased at a much faster rate than can be accounted for by inflation or increase in health care costs. The chart to the right (from ATRI's June 2020 publication) shows the rapid increase in verdict size.

It is not a surprise that trucking companies are already responding to these verdicts. Many companies are beefing up safety measures, including installing in-cab cameras to watch drivers and keep an extra eye on the road. Others are conducting more thorough reviews of drivers and are paying closer attention to prior incidents.

Some of the biggest impact can be seen in **insurance premiums** in the industry. The average insurance premium increased 42% from 2010 to 2018, and several major underwriters have exited the trucking industry altogether. Premiums are only expected to go higher – possibly increasing as much as 20% or 30% in 2020. Higher premiums have changed the way some companies conduct business. Rather than operate their fleets directly, some carriers have leased their trailers to a larger firm, hoping to take advantage of the larger company's insurance policy.

Overall, the increase in nuclear verdicts fuels uncertainty in the trucking industry, making it difficult for trucking companies to budget insurance and litigation expenses.

Percent Change in Average Verdict Size, Annual Inflation, and Annual Healthcare Inflation by Year



Samantha L. Albert

Samantha L. Albert, ASA

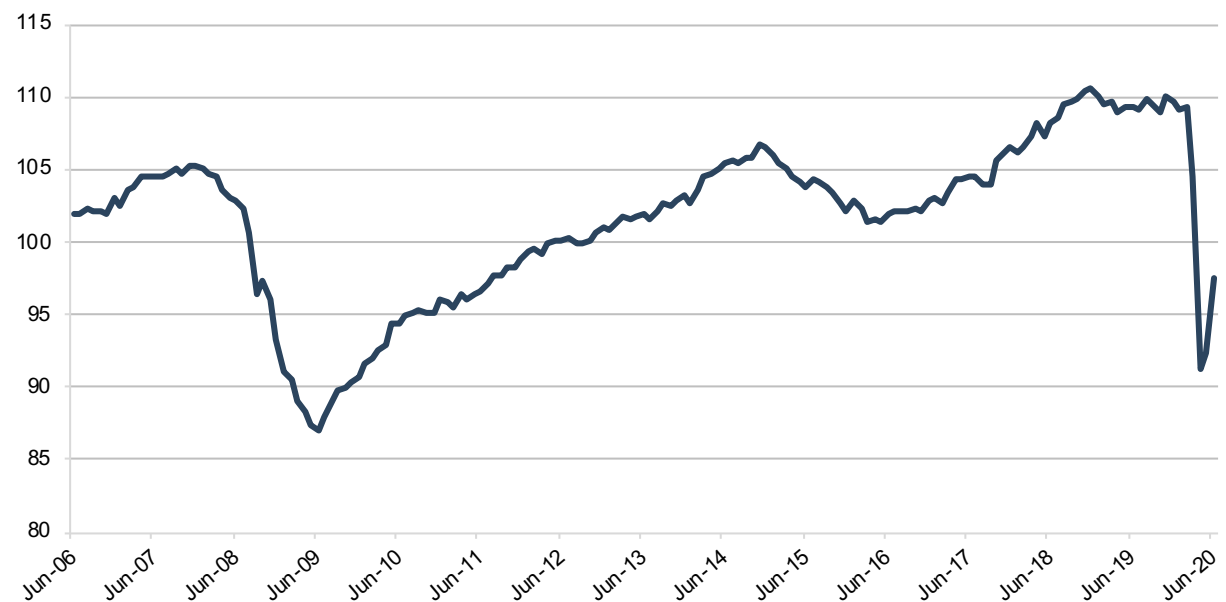
alberts@mercercapital.com | 901.322.9702

Industry Macro Trends

Industrial Production Index

Demand for services in the logistics industry is tied to the level of domestic industrial production. The Industrial Production Index is an economic measure of all real output from manufacturing, mining, electric, and gas utilities. The index value in June 2020 was 97.5, a 7% decline from the March 2020 value of 104.5, and down 11% on a year-over-year basis. June 2020 was up 5.4% from May 2020. The COVID-19 pandemic resulted in numerous shutdowns and lock-downs that began in March 2020. Many shutdowns and restrictions continued into June 2020. **The COVID-19 related decrease in industrial production** is the largest decrease since World War II. Materials, manufacturing, and consumer goods declined 41%, 47%, and 38%, respectively, between March and June.

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, increased in May 2020 relative to the prior month. The index rose to 127.4, up 1.6% from 15.4 in April 2020, but down 6.4% from 136.1 in February 2020. The index hit 125.4 in April 2020, the lowest it had been since March 2017.

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 February 2010 due to COVID-19 related shutdowns in the U.S. and abroad. Shipments did recover slightly during the second quarter of 2020, but still remain below pre-pandemic levels. Expenditures declined in the mid-quarter and have been lower than 2019 levels since January 2020.

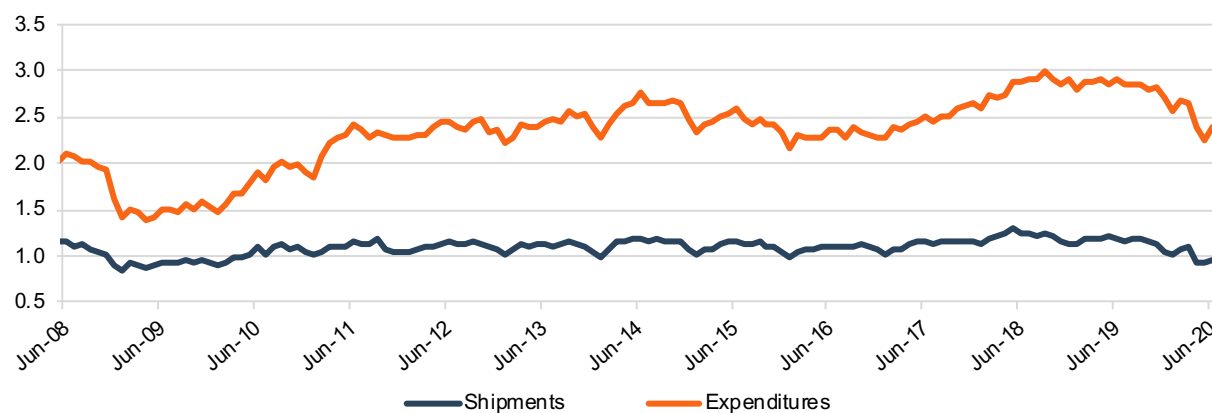
Transportation Services Index (Freight, Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to January 2000

Cass Freight Index



Source: Cass Information Systems, Inc. and Avondale Partners

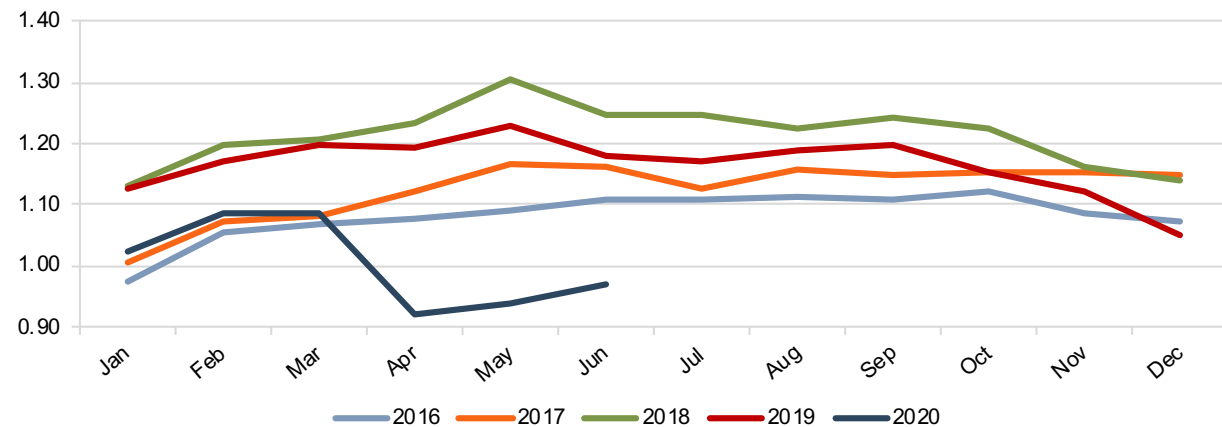
Indexed to January 1990

Industry Macro Trends

Shipments

Shipments in the second quarter of 2020 were approximately 20% below shipments in the first quarter of 2019. After an exceptionally strong year in 2018, the index began declining on a year-over-year basis in December 2018, which has continued through June 2020. The Cass report notes that the COVID-19 pandemic hit an already weak freight market and freight volumes and prices have not rebounded as expected. **The Cass report** does not expect freight volumes to reach pre-COVID levels before 2021. On a year-over-year basis, the Cass Freight Shipment Index declined 18%.

Cass Freight Shipments Index



Source: Cass Information Systems, Inc. and Avondale Partners

Indexed to January 1990

Industry

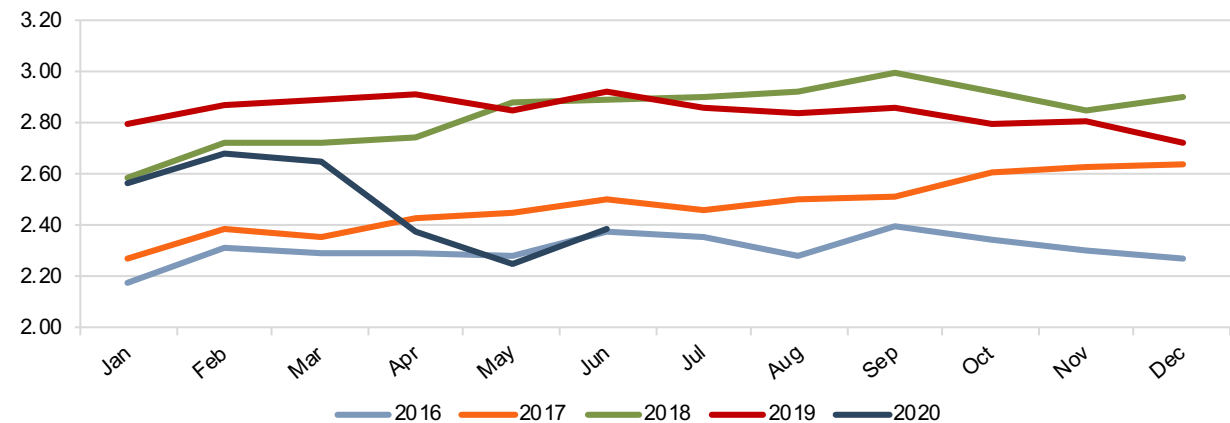
Macro Trends

Expenditures

The Expenditures Index hit 2.386 in June 2020, decrease on a quarterly basis (10%) and an annual basis (18%), but an increase of 6% over May 2020. Expenditures declined on a year-over-year basis between July 2019 and May 2020, which is the longest downward trend since March 2015 through November 2016. The May 2020 Expenditures Index was the lowest recording since January 2016.

The Cass Report indicated that lower fuel prices have contributed to the Expenditure Index decline.

Cass Freight Expenditures Index



Source: Cass Information Systems, Inc. and Broughton Capital

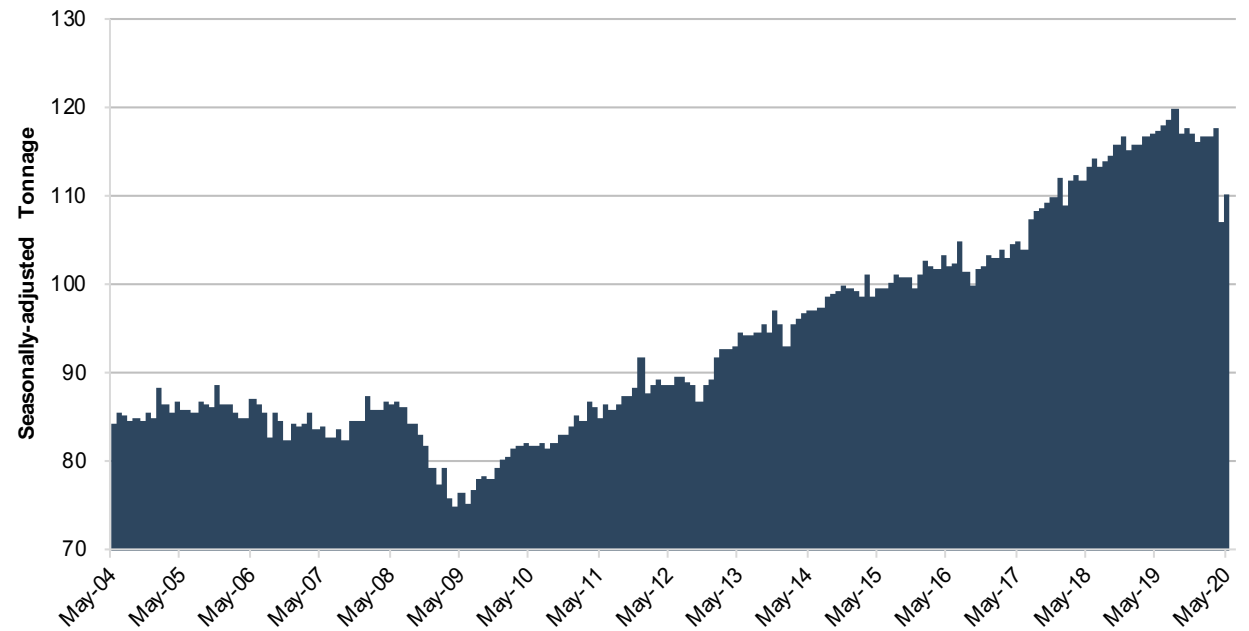
Indexed to January 1990

Trucking

Truck Tonnage

The Truck Tonnage Index reached a high level in August 2019 at 120 (the eighth consecutive month of increases), compared to a low of 74.8 in April 2009 during the Great Recession. The index declined slightly in subsequent months and ended December at 116.2. After holding relatively steady first quarter, the index dropped 9% in April 2020. The index ended May 2020 at 110.2, a 3% increase relative to April 2020, but still 5.6% below February 2020 and 6% below May 2019. In a June 2020 press release, **the American Trucking Association (“ATA”) indicated** that it is more optimistic about the recovery of the trucking industry and believes that improving retail sales will spur on the trucking industry.

Truck Tonnage (Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to January 2000

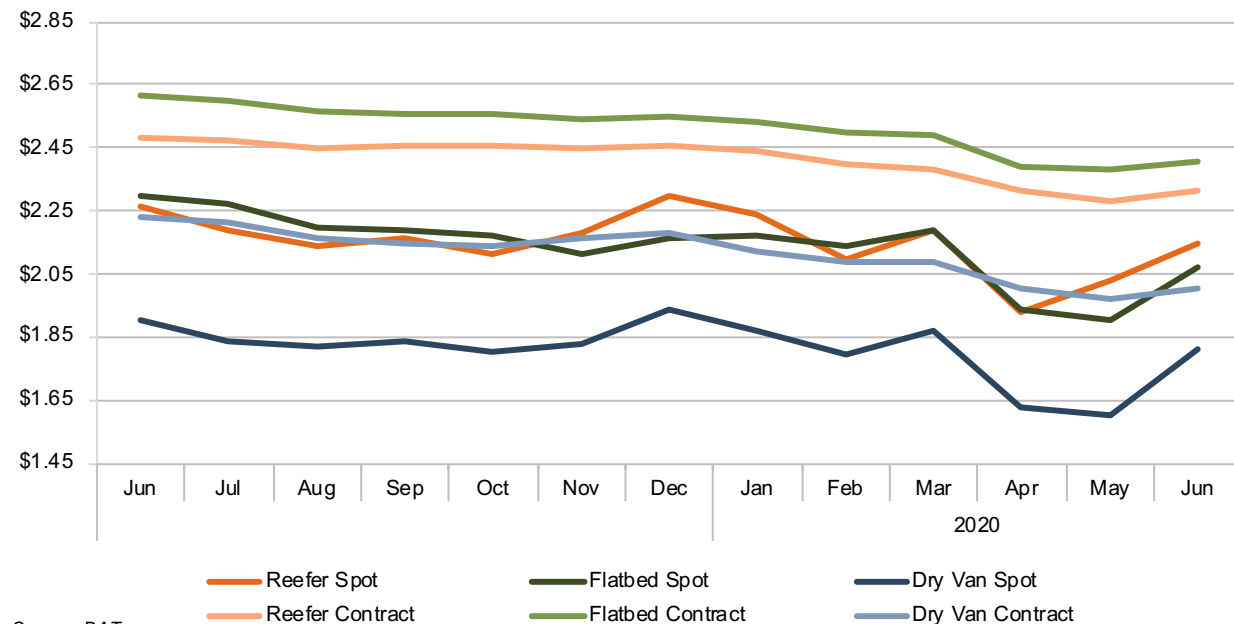
Trucking

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. Excess capacity has contributed to spot rates below contract rates in recent months and a larger than normal divergence between the two rates.

All three classes of spot rates decreased in June 2020 relative to June 2019. All three classes of spot rates did increase relative to May 2020.

Spot vs. Contract Rates



Source: DAT

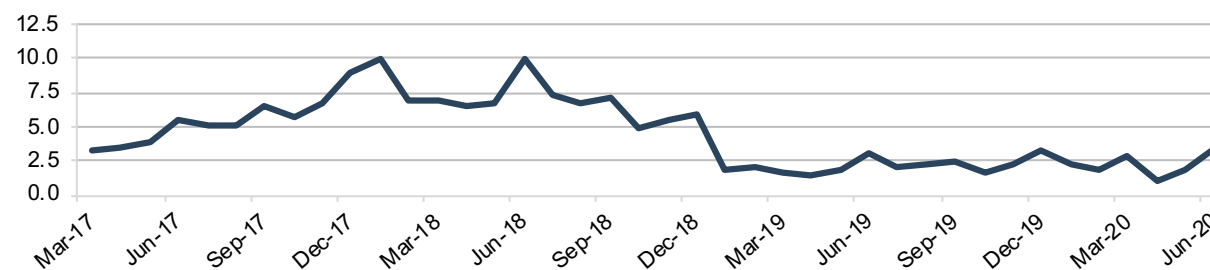
Trucking

Load-to-Truck Ratio

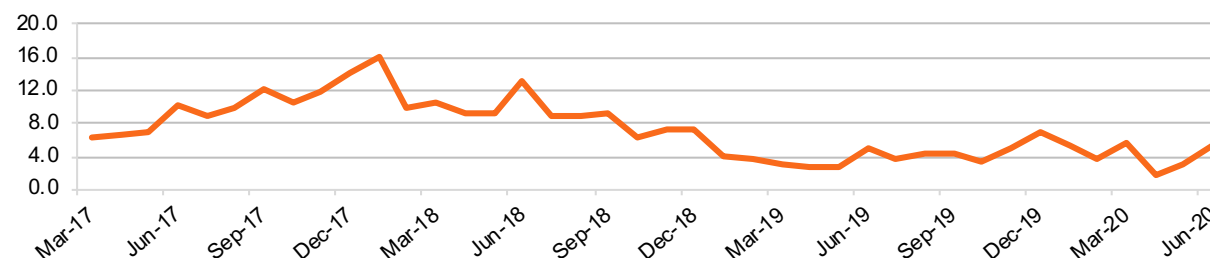
The load-to-truck ratio is calculated by dividing the total number of loads for shipment by the total number of trucks available. As a result, the load-to-truck ratio can signal a shortage or excess of capacity, which in turn influences changes in freight. An increase in the ratio (i.e., a higher number 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 fell sharply in April 2020 before recovering as the quarter progressed. Van and flatbed surpassed their March 2020 load-to-truck ratios in June 2020; reefer continued to lag. Relative to March 2020, the van ratio increased 21.8% and the flatbed ratio increased 13.7%. The reefer ratio was 2.2% below its March 2020 indication. On a year-over-year basis, the ratio trends were reversed. On a year-over-year basis, all three cases increased. Relative to June 2019, the van, reefer, and flatbed ratios increased 12.5%, 7.1%, and 23.3%, respectively.

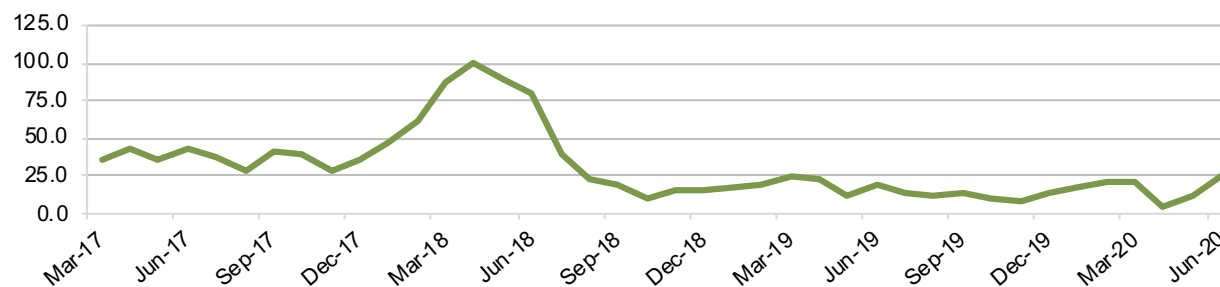
Dry Van Load-to-Truck



Reefer Load-to-Truck



Flatbed Load-to-Truck



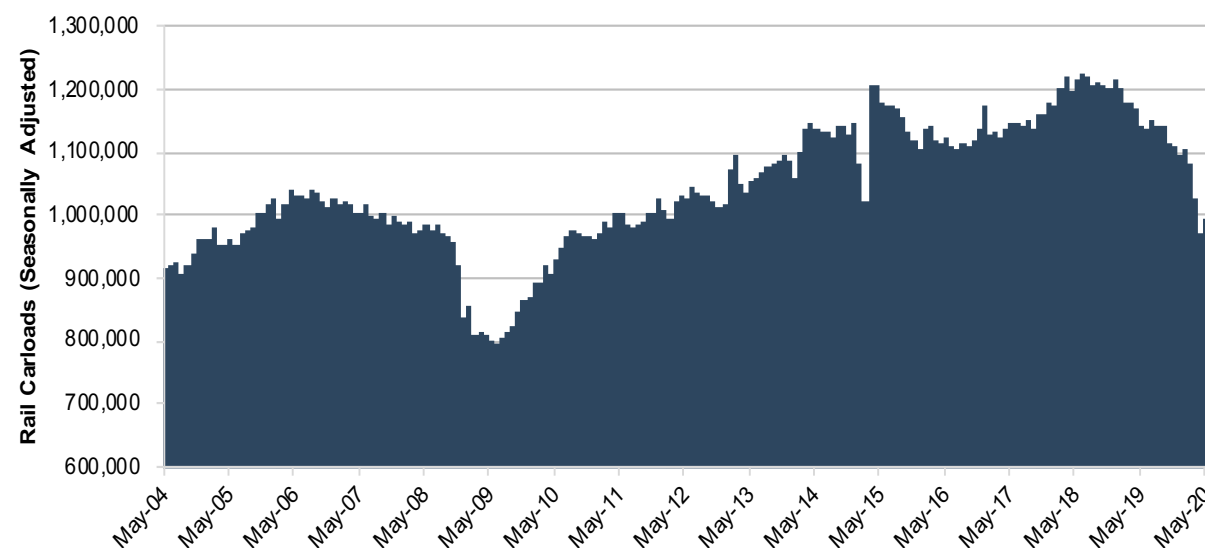
Source: DAT

Rail & Intermodal

Rail Freight Intermodal Traffic

Intermodal shipments increased in May 2020 relative to April, with intermodal freight volumes down 7.9% from February 2019. On an annual basis, rail carloads declined 13% from May 2019. American Association of Railroads (AAR) **Senior Vice President of Policy and Economics John T. Gray** noted that eleven of twenty carload categories had improved. In mid-May 2020 the AAR observed automobile loadings around 10% of normal capacity; by the end of May 2020 they had increased to one-third of normal capacity. The AAR estimated the combined railcar and intermodal shipments were down 815,000 and 662,000 carloads, respectively, from May 2019.

Rail Freight Intermodal Traffic



Source: Bureau of Transportation Statistics

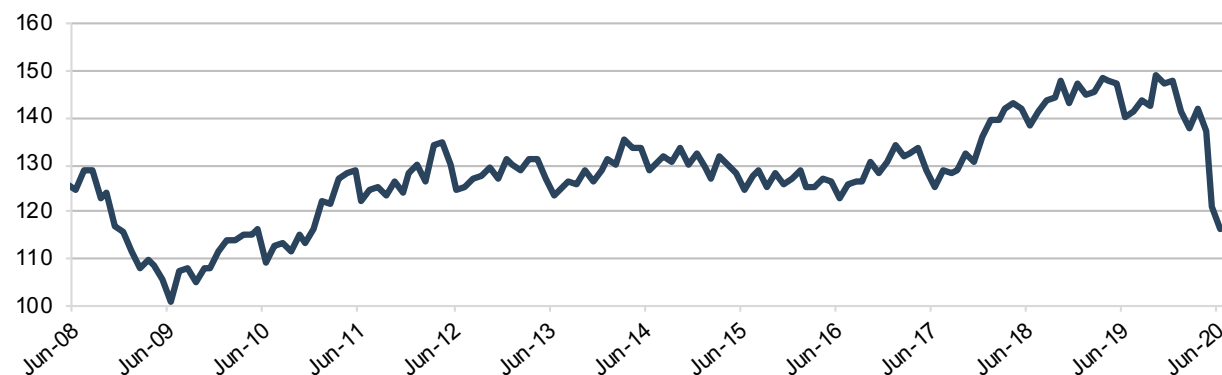
Indexed to January 2000

Rail & Intermodal

Cass Intermodal Index

The Cass Intermodal Index measures changes in per mile U.S. domestic intermodal costs. The index in June 2020 was 116.4, down 18% from 142.0 in March 2020, and down 16.9% on a year-to-year basis. **The Cass Report believes** that falling fuel surcharges account for only 5% of the decline, indicating that contract pricing is lagging and is under pressure.

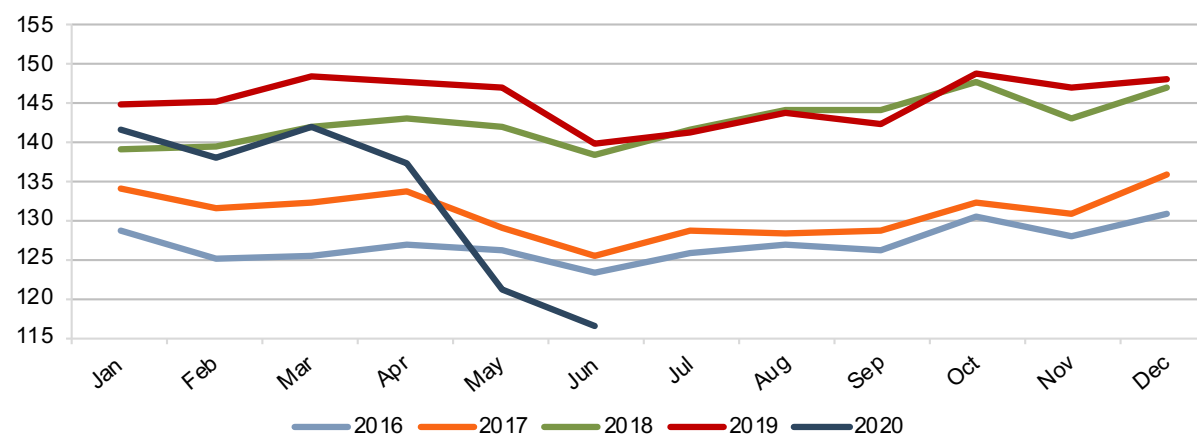
Cass Intermodal Price Index (Historical Trend)



Source: Cass Information Systems, Inc. and Broughton Capital

Indexed to January 2005

Cass Intermodal Price Index (Annual Comparison)



Source: Cass Information Systems, Inc. and Broughton Capital

Indexed to January 2005

M&A Activity

Featured Transactions

Stord Acquires Cave Logistics

Stord, a cloud-based provider of on-demand warehousing, purchased Springfield, Missouri-based Cave Logistics for \$10 million. Cave's 15 employees will join the 70 already employed by the start-up Stord.



TFI International Completes Two Second Quarter Transaction

While M&A slowed in the second quarter of 2020 due to the pandemic, TFI International (TFII) completed two acquisitions. Gusgo Transport, acquired in June 2020, was a privately-held container transport and storage company. MCT Transportation, also acquired in June 2020, was a refrigerated and dry van subsidiary of Comcar Industries, which had filed for bankruptcy in May 2020.



Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Trucking						
Stagecoach Cartage and Distribution, LLC	J.H. Rose Logistics, LLC	4/1/20	Closed	-	-	-
All Assets of CTL Transportation, LLC	Service Transport Company	5/18/20	Closed	\$9.0	-	-
Intermodal Division of Wills Transfer Limited	Kriska Transportation Group Limited	5/18/20	Closed	-	-	-
MD Logistics, Inc./MD Express, Inc.	Nippon Express USA, Inc.	5/22/20	Announced	-	-	-
Point Dedicated Services L L C	EVE Partners, LLC	5/22/20	Closed	-	-	-
Gusgo Transport Ltd.	TFI International Inc. (TSX:TFII)	6/12/20	Closed	-	-	-
Bergland Transport Ltd.	Joseph Haulage Canada Corp.	5/22/20	Closed	-	-	-
Fast Lane Freight Services Inc.	Aevitas Inc.	6/16/20	Closed	-	-	-
Assets of MCT Transportation	White Willow Holdings LLC	5/18/20	Announced	-	-	-
Assets of Coastal Transport, Inc.	Bulk Transport Company East, Inc.	6/19/20	Closed	\$15.0	-	-
Substantially All the Assets of MCT Transportation, LLC	TFI International Inc. (TSX:TFII)	6/29/20	Closed	\$9.6	-	-
Operating Assets of Sava Transportation Inc.	Mark-it Express Logistics LLC	6/30/20	Closed	-	-	-
Rail						
Certain assets and operating rights of New England Southern Railroad Company, Inc.	Vermont Rail System	5/11/20	Announced	-	-	-

Source: S&P Global Market Intelligence
in USD millions

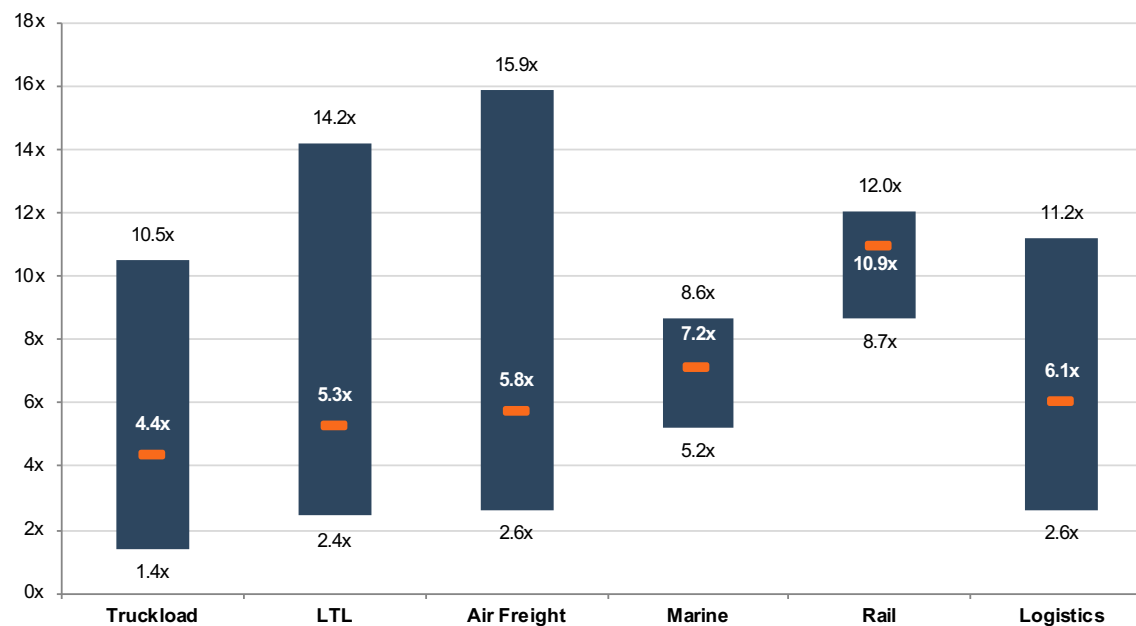
Select Transactions (continued)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Marine						
Substantially All of the Assets of American Global Logistics, LLC	Terra Worldwide Logistics LLC	4/2/20	Closed	-	-	-
Air Freight & Logistics						
Logistics Made Simple, Inc.	Fitzmark, Inc.	3/31/20	Closed	-	-	-
Substantially All Assets of Great Lakes Aviation, Ltd.	Alpine Air Express Inc.	4/8/20	Closed	-	-	-
24 Seven Enterprises, Inc.	Wineshipping, LLC	4/6/20	Closed	-	-	-
Fleet Logistics, Inc.	Expeditors International of Washington, Inc. (Nasdaq GS:EXPD)	5/26/20	Closed	-	-	-
Cove Logistics LLC	Stord, Inc.	6/12/20	Closed	\$10.0	-	-
Ritter Transportation Systems, Inc./Ritter Transport, Inc.	EVO Transportation & Energy Services, Inc. (OTCPK:EVOA)	9/20/19	Closed	\$13.7	-	-

Source: S&P Global Market Intelligence
in USD millions

Public Company Performance

Monthly Median TEV/EBITDA Multiples (as of June 30, 2020)



Source: S&P Global Market Intelligence

Data as of June 30, 2020, excludes outliers

Publicly Traded Companies

Company Name	Ticker	Price at 6/30/20	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	\$92.23	-21%	\$11,186	12%	827%	\$9,356	14%	1.2x	8.8x	19.5x	8.9x	19.4x
Ryder System, Inc.	R	\$26.44	-51%	\$9,456	85%	182%	\$8,907	25%	1.1x	4.2x	nm	4.3x	nm
Knight-Swift Transportation Holdings Inc.	KNX	\$32.80	-8%	\$6,506	14%	301%	\$4,764	19%	1.4x	7.2x	19.4x	6.7x	15.1x
Landstar System, Inc.	LSTR	\$95.86	-16%	\$3,602	-5%	1073%	\$3,984	8%	0.9x	11.4x	18.4x	13.8x	22.8x
TFI International Inc.	TFII	\$21.91	-35%	\$3,495	45%	618%	\$3,660	14%	1.0x	6.6x	8.5x	6.4x	10.2x
Schneider National, Inc.	SNDR	\$19.34	-11%	\$3,270	-5%	573%	\$4,672	14%	0.7x	5.1x	22.3x	6.1x	18.5x
Werner Enterprises, Inc.	WERN	\$36.26	0%	\$2,800	10%	566%	\$2,460	18%	1.1x	6.2x	16.3x	6.4x	18.8x
Heartland Express, Inc.	HTLD	\$18.57	-12%	\$1,447	-5%	449%	\$624	27%	2.3x	8.6x	22.1x	7.2x	21.6x
Daseke, Inc.	DSKE	\$1.40	-56%	\$858	82%	38%	\$1,695	9%	0.5x	5.9x	nm	6.2x	nm
Universal Logistics Holdings, Inc.	ULH	\$13.10	-31%	\$886	60%	568%	\$1,517	11%	0.6x	5.4x	11.0x	6.0x	nm
Marten Transport, Ltd.	MRTN	\$20.52	-5%	\$1,095	-3%	553%	\$863	19%	1.3x	6.6x	18.4x	5.8x	18.1x
Covenant Logistics Group, Inc.	CVLG	\$8.67	-33%	\$465	65%	81%	\$889	10%	0.5x	5.2x	87.7x	6.0x	28.2x
P.A.M. Transportation Services, Inc.	PTSI	\$30.75	-47%	\$398	56%	0%	\$515	14%	0.8x	5.7x	nm	4.8x	14.4x
USA Truck, Inc.	USAK	\$3.17	-57%	\$216	88%	-57%	\$515	7%	0.4x	6.2x	nm	5.0x	nm
U.S. Xpress Enterprises, Inc.	USX	\$3.34	-34%	\$832	80%	49%	\$1,725	6%	0.5x	8.7x	nm	7.3x	nm
Patriot Transportation Holding, Inc.	PATI	\$9.25	-53%	\$16	-98%	-119%	\$105	8%	0.1x	2.0x	nm	nm	nm
Median			-32%		30%			13.5%	0.8x	6.2x	18.9x	6.2x	18.6x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q2 2020

Publicly Traded Companies

Company Name	Ticker	Price at 6/30/20	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	\$131.26	4%	\$15,400	-2%	1347%	\$4,106	26%	3.8x	14.3x	25.5x	15.2x	28.1x
Saia, Inc.	SAIA	\$73.54	-21%	\$2,140	11%	712%	\$1,823	16%	1.2x	7.5x	15.9x	7.5x	18.0x
ArcBest Corporation	ARCB	\$17.52	-37%	\$522	15%	280%	\$2,978	6%	0.2x	2.7x	12.0x	3.5x	16.7x
Mullen Group Ltd.	MTL	\$2.89	-60%	\$683	56%	337%	\$901	15%	0.8x	5.1x	6.6x	4.6x	10.4x
YRC Worldwide Inc.	YRCW	\$1.68	-34%	\$1,184	95%	66%	\$4,839	3%	0.2x	7.0x	nm	11.2x	nm
Median			-34%		15%			15%	0.8x	7.0x	13.9x	7.5x	17.3x
Air Freight													
Atlas Air Worldwide Holdings, Inc.	AAWW	\$25.67	-7%	\$3,478	81%	211%	\$2,703	18%	1.3x	7.3x	nm	5.5x	3.1x
Air T, Inc.	AIRT	\$12.51	-38%	\$133	73%	341%	\$245	6%	0.5x	9.1x	nm	nm	nm
Forward Air Corporation	FWRD	\$50.65	-28%	\$1,586	10%	681%	\$1,431	10%	1.1x	10.8x	18.5x	15.4x	28.9x
Air Transport Services Group, Inc.	ATSG	\$18.28	-22%	\$2,572	58%	397%	\$1,493	30%	1.7x	5.7x	6.1x	5.5x	13.3x
Cargojet Inc.	CJT	\$71.35	-10%	\$1,549	29%	414%	\$352	27%	4.4x	16.5x	159.6x	11.0x	47.4x
Median			-22%		58%			18%	1.3x	9.1x	18.5x	8.3x	21.1x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q2 2020

Publicly Traded Companies

Company Name	Ticker	Price at 6/30/20	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	\$43.47	-51%	\$4,122	37%	226%	\$2,738	16%	1.5x	9.3x	nm	9.7x	20.0x
Atlas Corp.	ATCO	\$7.69	-46%	\$6,203	70%	327%	\$1,155	63%	5.4x	8.5x	9.2x	7.1x	7.6x
Triton International Limited	TRTN	\$25.87	-36%	\$8,875	73%	400%	\$1,363	90%	6.5x	7.2x	5.5x	8.1x	7.5x
Matson, Inc.	MATX	\$30.62	-25%	\$2,520	48%	252%	\$2,185	10%	1.2x	11.7x	17.8x	9.2x	16.0x
Sibanye Stillwater Limited	SSW	\$1.27	-50%	\$4,527	25%	426%	\$0	na	nm	nm	nm	2.0x	3.2x
Textainer Group Holdings Limited	TGH	\$8.22	-23%	\$4,138	89%	260%	\$692	68%	6.0x	8.8x	13.2x	9.4x	16.4x
Costamare Inc.	CMRE	\$4.52	-53%	\$1,947	72%	436%	\$487	66%	4.0x	6.1x	4.1x	5.7x	4.9x
Eagle Bulk Shipping Inc.	EGLE	\$1.85	-60%	\$556	74%	1%	\$289	13%	1.9x	15.1x	nm	8.8x	nm
Navios Maritime Partners L.P.	NMM	\$5.32	-71%	\$518	88%	227%	\$219	45%	2.4x	5.2x	nm	4.9x	3.6x
Pangaea Logistics Solutions, Ltd.	PANL	\$2.00	-32%	\$289	69%	360%	\$429	10%	0.7x	6.5x	77.7x	7.6x	4.0x
Global Ship Lease, Inc.	GSL	\$3.70	-58%	\$825	92%	542%	\$268	57%	3.1x	5.4x	2.1x	5.2x	3.2x
Genco Shipping & Trading Limited	GNK	\$6.42	-40%	\$606	56%	2%	\$394	17%	1.5x	9.0x	nm	8.5x	nm
Algoma Central Corporation	ALC	\$6.40	-36%	\$465	48%	315%	\$410	22%	1.1x	5.1x	14.7x	4.8x	19.1x
Sino-Global Shipping America, Ltd.	SINO	\$1.84	-18%	\$2	-279%	-2181%	\$37	-15%	0.0x	-0.3x	nm	nm	nm
Median			-43%		69%				1.9x	7.2x	11.2x	7.6x	7.5x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q2 2020

Publicly Traded Companies

Company Name	Ticker	Price at 6/30/20	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	\$141.04	-22%	\$123,496	21%	817%	\$21,553	51%	5.7x	11.2x	16.2x	12.2x	18.1x
Canadian National Railway Company	CNR	\$77.63	-14%	\$65,249	15%	803%	\$10,525	51%	6.2x	12.2x	17.6x	12.7x	19.4x
CSX Corporation	CSX	\$57.30	-21%	\$59,011	25%	719%	\$11,779	53%	5.0x	9.4x	13.5x	10.6x	16.5x
Norfolk Southern Corporation	NSC	\$146.00	-25%	\$49,971	25%	679%	\$11,081	47%	4.5x	9.6x	15.5x	11.2x	17.4x
Canadian National Railway Company	CNR	\$77.63	-14%	\$65,249	15%	803%	\$10,525	51%	6.2x	12.2x	17.6x	12.7x	19.4x
Canadian Pacific Railway Limited	CP	\$219.09	-14%	\$36,295	17%	1022%	\$5,692	56%	6.4x	11.5x	17.6x	11.9x	16.8x
Kansas City Southern	KSU	\$127.18	-17%	\$15,786	22%	661%	\$2,923	50%	5.4x	10.7x	20.8x	11.4x	19.3x
Median			-17%		21%				5.7x	11.2x	17.6x	11.9x	18.1x
Logistics & Intermodal													
United Parcel Service, Inc.	UPS	\$111.18	19%	\$118,015	19%	613%	\$77,380	11%	1.5x	14.5x	21.9x	11.7x	15.8x
FedEx Corporation	FDX	\$140.22	16%	\$67,872	46%	267%	\$69,189	6%	1.0x	15.2x	488.4x	10.7x	16.2x
Expeditors International of Washington, Inc.	EXPD	\$76.04	14%	\$11,923	-6%	1330%	\$8,602	10%	1.4x	14.1x	21.0x	13.6x	20.6x
TFI International Inc.	TFII	\$35.43	14%	\$6,062	31%	619%	\$4,957	15%	1.2x	8.1x	13.9x	7.2x	9.8x
XPO Logistics, Inc.	XPO	\$77.25	58%	\$14,277	50%	215%	\$15,656	8%	0.9x	11.3x	54.6x	11.5x	81.5x
C.H. Robinson Worldwide, Inc.	CHRW	\$79.06	19%	\$12,118	12%	836%	\$15,082	5%	0.8x	16.8x	22.7x	16.2x	22.5x
Forward Air Corporation	FWRD	\$49.82	-2%	\$1,627	14%	586%	\$1,416	10%	1.1x	12.1x	24.1x	15.2x	31.6x
Hub Group, Inc.	HUBG	\$47.86	5%	\$1,777	8%	372%	\$3,432	7%	0.5x	7.5x	20.3x	7.7x	21.1x
Air Transport Services Group, Inc.	ATSG	\$22.27	22%	\$2,853	54%	435%	\$1,536	31%	1.9x	6.0x	13.5x	6.0x	14.5x
Echo Global Logistics, Inc.	ECHO	\$21.62	27%	\$740	22%	138%	\$2,159	2%	0.3x	18.8x	133.8x	11.6x	23.6x
Radiant Logistics, Inc.	RLGT	\$3.93	2%	\$254	25%	355%	\$813	4%	0.3x	7.1x	14.5x	9.0x	16.4x
Median			16%		22%				1.0x	12.1x	21.9x	11.5x	20.6x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q2 2020

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.

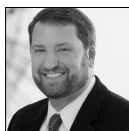
Contact Us



Timothy R. Lee, ASA
901.322.9740
leet@mercercapital.com



Nicholas J. Heinz, ASA
901.685.2120
heinzn@mercercapital.com



Scott A. Womack, ASA, MAFF
615.345.0234
womacks@mercercapital.com



Samantha L. Albert, ASA
901.322.9702
alberts@mercercapital.com

www.mercercapital.com



Mercer Capital

www.mercercapital.com

