

VALUE FOCUS

Transportation & Logistics

Third Quarter 2020 | Article: Critical Issues in the Trucking Industry – 2020 Edition

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FEATURE ARTICLE

Critical Issues in the Trucking Industry – 2020 Edition

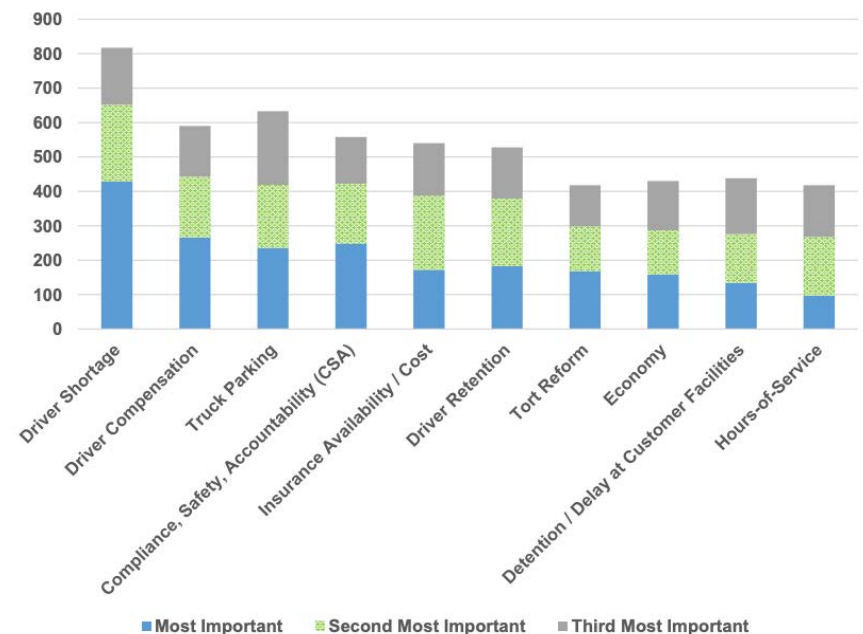
Every year the American Transportation Research Institute (“ATRI”) publishes its report, *Critical Issues in the Trucking Industry*. A key piece of this annual report is a survey of key risk factors in the industry. While some of the risks of 2020 were not anticipated at the beginning of the year, some of the industry’s largest risk factors remain major concerns.

Driver shortages and driver compensation continue to be at the forefront of peoples’ minds. This year marks the fourth year that driver shortages have topped the list and over a quarter of survey participants marked it as one of their three largest concerns. While parts of the industry have been hit hard by COVID-19 (for example, automobile shippers or marine port logistics companies), freight demand continues to grow. The pool of available drivers – already pruned by rules changes and more stringent drug testing – shrunk further as COVID limited company’s abilities to hire and train more drivers. The American Trucking Association (“ATA”) **estimated that the driver shortfall at over 60,000 drivers.**

Driver compensation ranked as the second largest concern, up from the third largest in 2019. Driver compensation and driver shortages are closely linked – in order to encourage driver retention, companies are reconsidering base pay and benefits.

Truck parking first appeared on the top ten list in 2012. With just over 20% of respondents listing it as one of their top three concerns, truck parking availability reached its highest position yet. Once again, the COVID-19 pandemic underlies part of the issue – many states closed rest areas during the early stages of the pandemic. Lack of truck parking was a greater concern among owner-operators and independent contractors than among company drivers.

Distribution of Industry Issue Prioritization Scores



FEATURE ARTICLE

Critical Issues in the Trucking Industry – 2020 Edition

(continued)

Compliance, safety, and accountability have been a top five concern for seven of the last ten years and has ranked in the top ten since 2010. The FMCSA has updated standards during its ten-year history, but transparency, details, and legal classifications continue to cause uncertainty and unrest in the industry.

The cost and availability of insurance ranked as the fifth highest concern. In a 2019 report, **ATRI estimated** that insurance costs per mile increased 12% between 2017 and 2018 and 5.6% on a compound annual basis since 2013. The impact of large court verdicts, increased vehicle values, and higher levels of traffic have all driven insurance prices up.

COVID-19 ranked 13th in the survey, although the impacts of the pandemic bleed through into other industry concerns. ATRI found that the COVID-19 pandemic tended to impact smaller carriers and owner-operators on a larger scale than bigger companies.

ATRI ultimately discusses the ten highest-ranked concerns in its report. The transportation and logistics industry continues to evolve as new risks and concerns rise in importance.



Samantha L. Albert, ASA

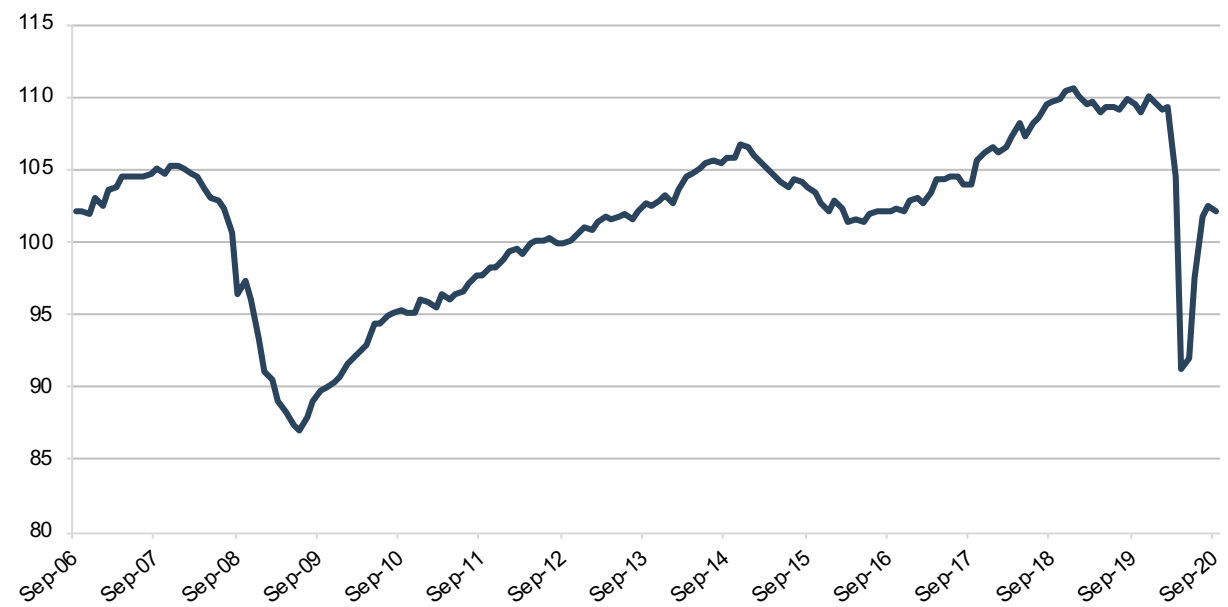
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Industry Macro Trends

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 index value in September 2020 increased to 102.1, a 5% increase from the June 2020 value of 97.6, but down 11% on a year-over-year basis. September 2020 down 0.3% from August 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. Production recovered during summer months, but uncertainties remained as the U.S. headed into winter months. **Production levels still remain below historically observed levels** and are 7% below February 2020 production levels. Materials, manufacturing, and consumer goods increased 28%, 54%, and 56.7%, respectively, relative to June 2020 levels.

Industrial Production Index (Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

Indexed to 2012

Industry Macro Trends

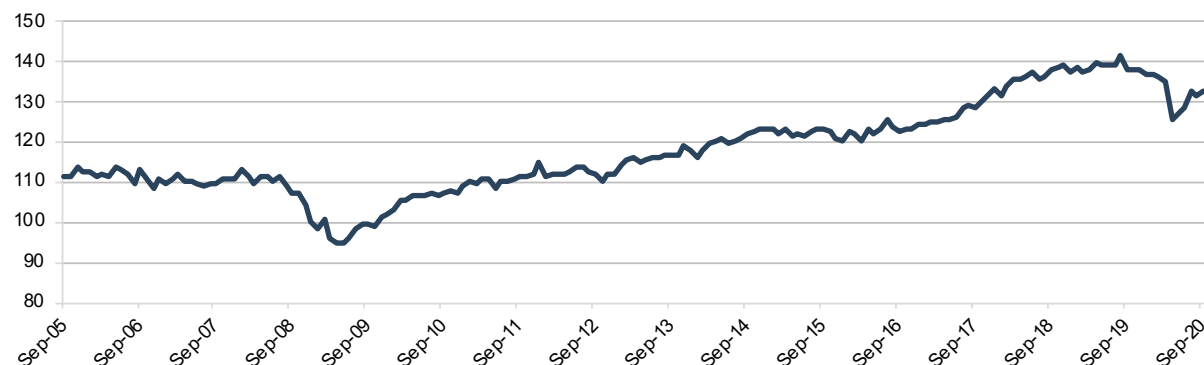
Transportation Services Index

The Transportation Services Index, which measures freight traffic in the United States, increased in September 2020 relative to the prior month. The index rose to 132.6, up 0.8% from 131.6 in August 2020, but was down 2.5% from 136.0 in February 2020. The index declined 4% on a year-over-year basis. The index hit 125.7 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 January 2010 due to COVID-19 related shutdowns in the US and abroad. Both shipments and expenditures began to recover during the second quarter of 2020, and the recovery continued into the third quarter. By the end of September 2020, both the shipments and expenditures indices had surpassed February 2020 levels.

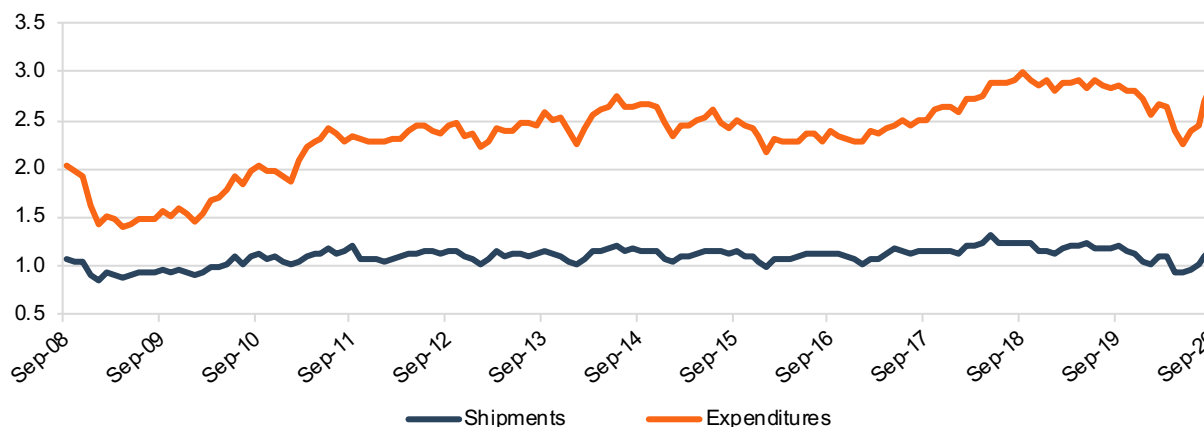
Transportation Services Index (Freight, Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to January 2000

Cass Freight Index



Source: Cass Information Systems, Inc. and Avondale Partners

Indexed to January 1990

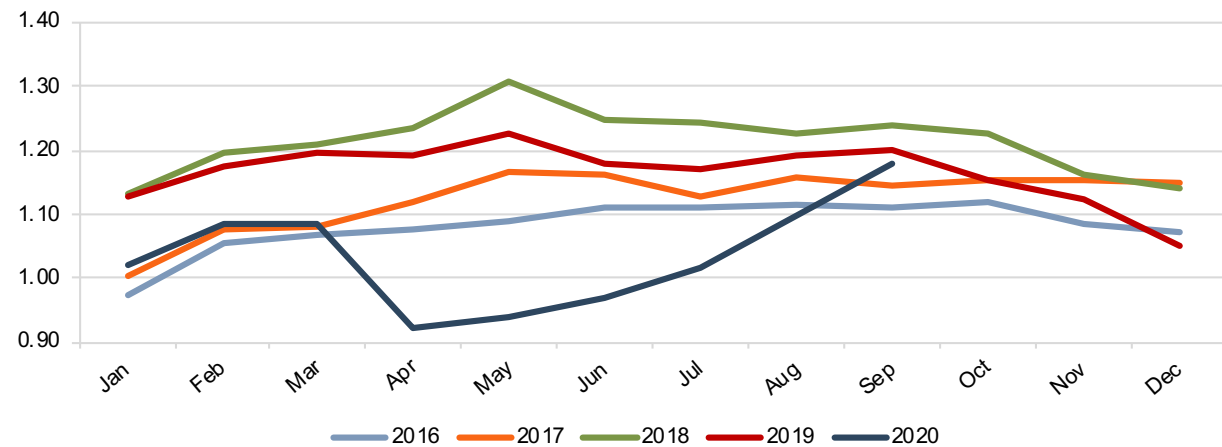
Industry

Macro Trends

Shipments

Shipments in September 2020 were approximately 2% below shipments in September 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 September 2020. **The Cass report expects** October to report year-over-year growth. The shipment index is almost 30% higher than it was in April 2020.

Shipments



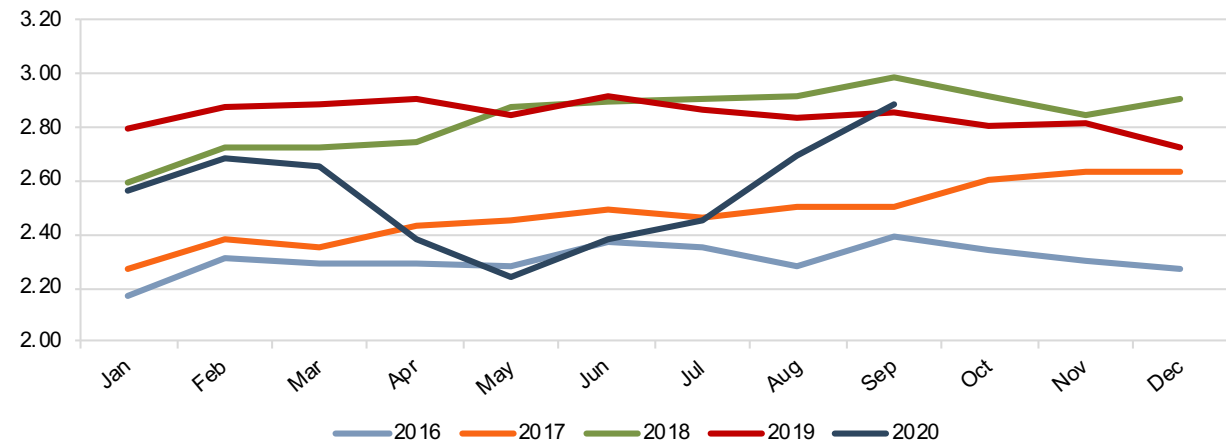
Industry

Macro Trends

Expenditures

The expenditures index measures the total amount spent on freight. The expenditures index hit 2.888 in September 2020, an increase of 21% on a quarterly basis and an increase of 7.2% on a monthly basis. September 2020 marked the first year-over-year increase since June 2019. The index has increased on a monthly basis for four straight months. 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 is serving to drive up rates.

Expenditures



Source: Cass Information Systems, Inc. and Broughton Capital

Indexed to January 1990

Trucking

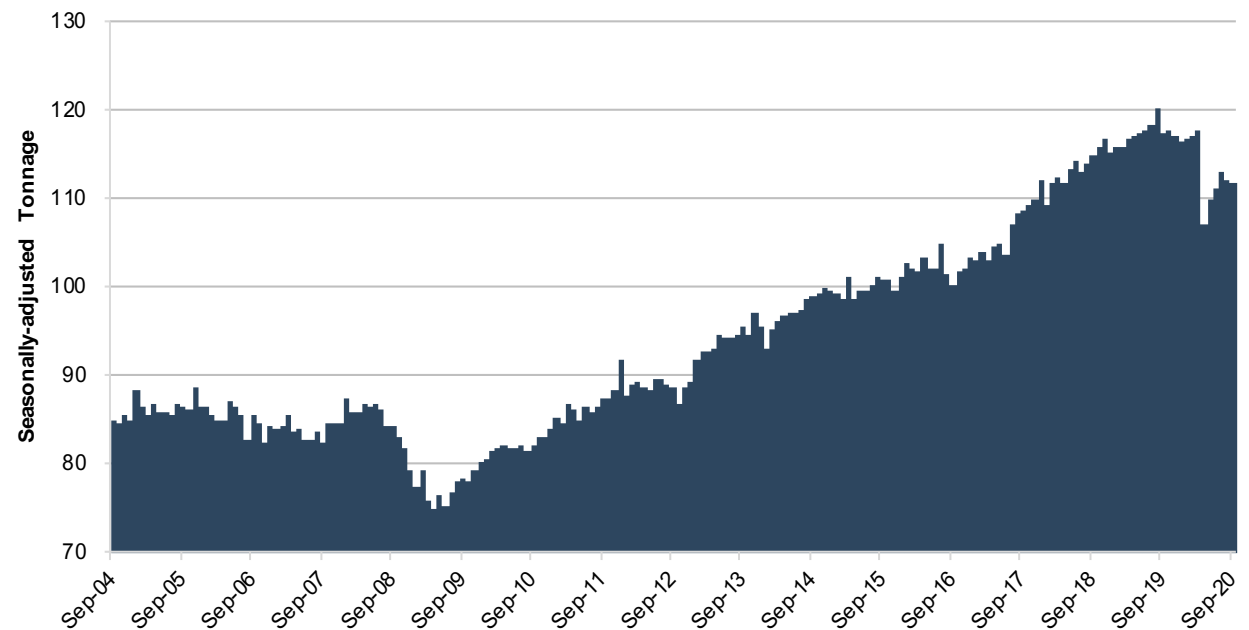
Tonnage

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 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 ended 2019 at 116.4, and then dropped 9% in April 2020. The index ended September 2020 at 111.7, a 0.2% decrease relative to August 2020, and 1.1% below Pre-COVID levels in February 2020. The index declined 5% on a year-over year basis.

The ATA expects trucking volumes to increase over the next five years, growing on the order of 3% to 5% through 2026.

Truck Tonnage (Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to 2015

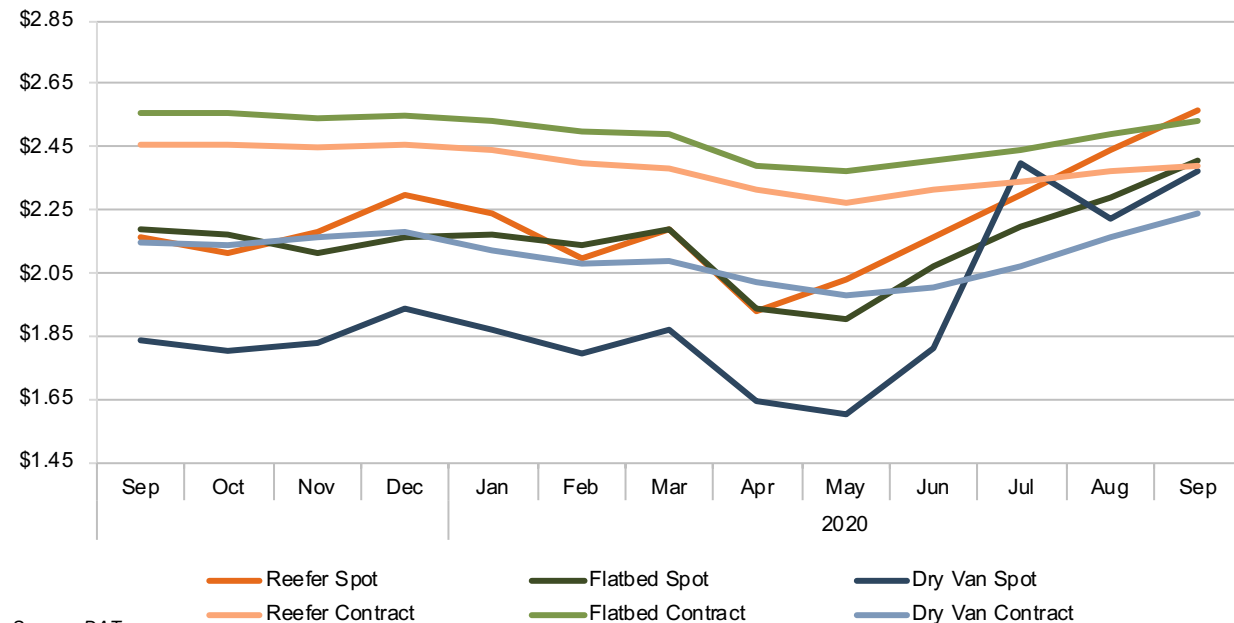
Trucking

Spot vs. Contract Rates

The Spot vs. Contract Rates charts 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.

While all classes of rates increased during the third quarter, dry van spot rates posted the largest gain during the third quarter, increasing over 30% relative to June 2020 and increasing nearly 29% since September 2019. Reefer contract rates and flatbed contract rates declined on a year-over-year basis; all other rate classes increased.

Spot vs. Contract Rates



Source: DAT

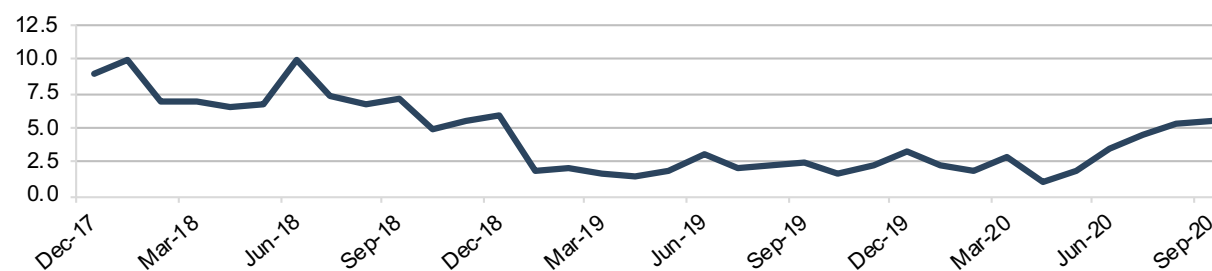
Trucking

Load-to-Truck Ratio

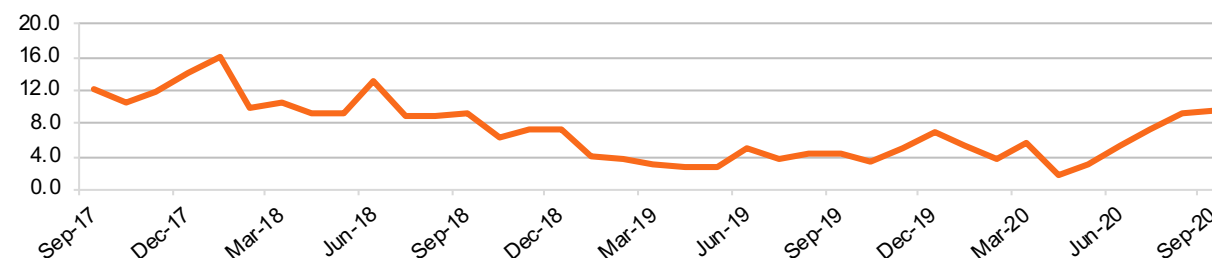
The **load-to-truck ratio** is calculated by dividing the total number of loads for shipment by the total number of trucks available. As a result, the load-to-truck ratio can signal a shortage or excess of capacity, which in turn influences changes in freight. An increase in the ratio (i.e., a higher 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 strong gains in their respective load-to-truck ratios during the third quarter of 2020. Dry van increased 55%, reefer increased 77%, and flatbed increased 62% during the third quarter. Following steep declines in April 2020, the load-to-truck ratios for dry van, reefer, and flat bed increased over 450%, 460%, and 650%, respectively, since April 2020. Additionally, on a year-over-year basis, all three classes posted gains. Relative to September 2020, the van, reefer, and flatbed ratios increased 128%, 117%, and 187%, respectively. These are all signs of tightening capacity and rate increases.

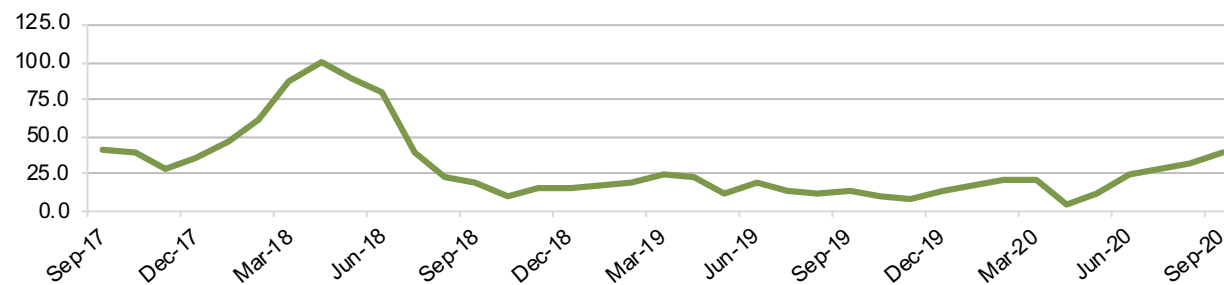
Dry Van Load-to-Truck



Reefer Load-to-Truck



Flatbed Load-to-Truck



Source: DAT

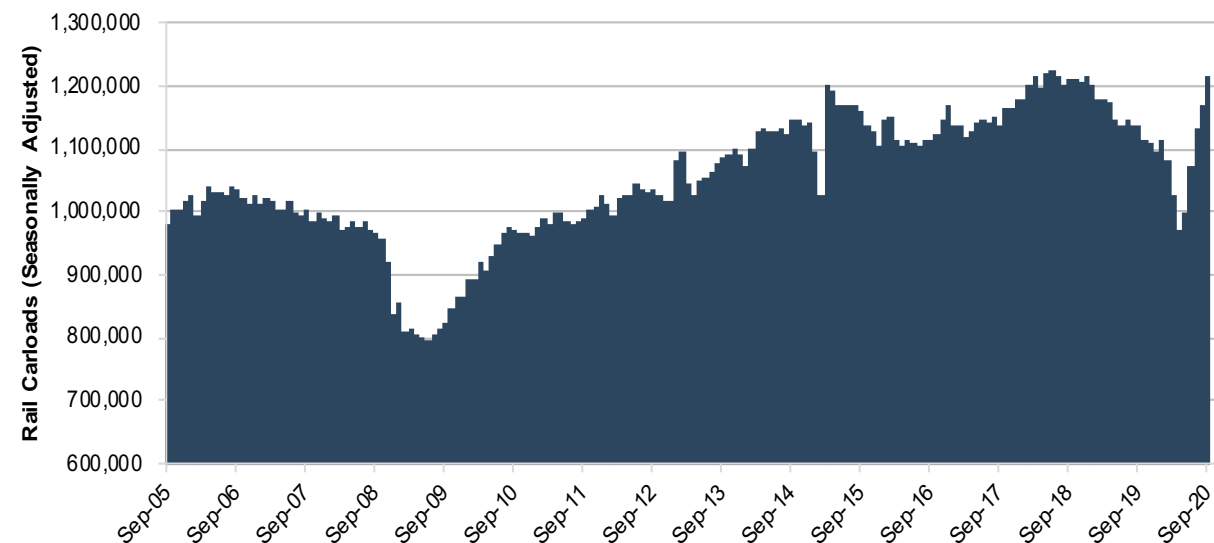
Rail & Intermodal

Rail Freight Intermodal Traffic

Intermodal shipments increased 4% in September 2020 relative to August, with intermodal freight volumes up 13.3% from June 2020 (the prior quarter end) and 12.3 from February 2020 (pre-COVID). On an annual basis, rail carloads increased 7.0% from September 2019. American Association of Railroads (AAR) Senior Vice President of Policy and Economics **John T. Gray** stated that September 2020 represented the fourth best intermodal month in the history of US railroads.

The AAR also observed that U.S. railroads originated 10% fewer carloads in September 2020 compared to September 2020. The AAR estimated that, in the first nine months of 2020, rail carloads and intermodal shipments were down 15.3% and 5.9%, respectively, from the same period in 2020.

Rail Freight Intermodal Traffic



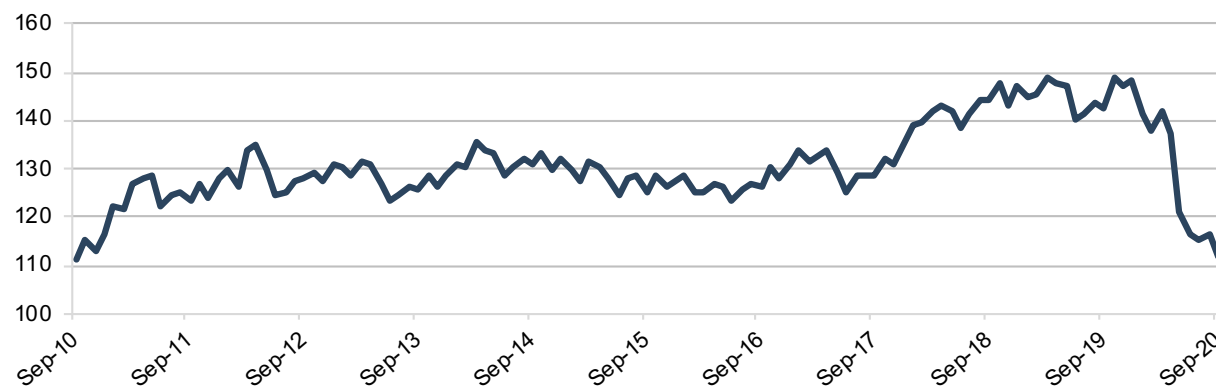
Source: Bureau of Transportation Statistics

Rail & Intermodal

Cass Intermodal Index

The Cass Intermodal Index measures changes in per mile U.S. domestic intermodal costs. The index in September 2020 was 112.0, down 18% from 116.4 in June 2020, and down 21.4% on a year-to-year basis. The September 2020 is a new all-time low, falling past the previous low in September 2010. **The Cass Report indicated** that it expects stronger demand in the fourth quarter of 2020 and the first quarter of 2021.

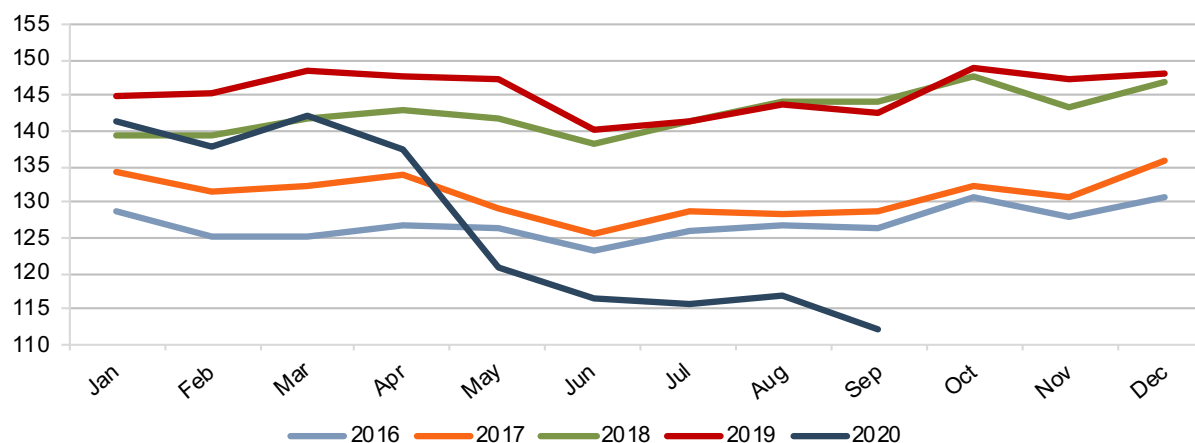
Cass Intermodal Index: Historical Trend



Source: Cass Information Systems, Inc. and Broughton Capital

Indexed to January 2005

Cass Intermodal Index: Annual Comparison



Source: Cass Information Systems, Inc. and Broughton Capital

Indexed to January 2005

M&A Activity

Featured Transactions

Final Reorganization of Roadrunner Assets

Three separate units of Roadrunner (PINK: RRTS) were sold during the third quarter, wrapping up the reorganization of the company. Two divestitures were made to an undisclosed strategic buyer. Laurel Oak Capital Partners purchased Roadrunner Temperature Controlled. No multiples or deal values were disclosed.



Entrec's Final Dissolution

Entrec (TSX:ENT), a heavy load hauling company specializing in oil and gas equipment transportation, filed for bankruptcy on May 15, 2020, citing COVID-19 related disruptions as a key factor. During the third quarter, Entrec announced the substantial sale of its U.S. and Canadian assets. No deal multiples were disclosed.



Mullen Group Acquires Canadian Trucking Company

Mullen Group Ltd (TSX: MTL) acquired the remaining 60% interest in Canada-based Pacific Coast Express, Ltd. Mullen Group paid CAD 14.4 million, implying a total enterprise value of CAD 18.3 million and a revenue multiple of 1.0x.



TFI Purchases DLW Worldwide from RR Donnelly

TFI International Inc. (TSX:TFII) entered into an asset purchase agreement to acquire DLS Worldwide logistics business from R. R. Donnelley & Sons Company (NYSE:RRD) for approximately \$230 million, implying a revenue multiple of 0.4x and an EBITDA multiple of 9.0x.



Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Trucking						
M. J. Van Damme Trucking Inc.	Eberhart Capital, LLC	8/11/20	Closed	-	-	-
Bonnyville location of ENTREC Corporation	Unknown	9/1/20	Closed	\$50.0	-	-
Fort McMurray location of ENTREC Corporation	Laprairie Crane (Alberta) Ltd	8/24/20	Closed	-	-	-
The US operations of ENTREC Corporation	Unknown	9/1/20	Closed	-	-	-
Assets of Comcar Industries, Inc. and CCC Transportation, LLC	Bulk Transport Company East, Inc.	9/4/20	Closed	-	-	-
Les Distributions Carl Beaulac Inc.	RTL-Westcan Group of Companies	9/18/20	Closed	\$6.8	-	-
Intermodal Division of Double VV Inc in Kansas City, Kansas	International Express Trucking, Inc.	9/29/20	Closed	-	-	-
A.R.C. Transit, Inc.	Evans Delivery Company, Inc.	9/29/20	Closed	-	-	-
Network Transport, LLC	SOAR Transportation Group	8/28/20	Closed	-	-	-
Empire Transportation Ltd	Grant Group of Companies	9/22/20	Closed	-	-	-
Keith Hall & Sons Transport Ltd.	TFI International Inc. (TSX:TFII)	7/31/20	Closed	-	-	-
Certain Assets of Comcar Industries, Inc and CCC Transportation, LLC	Florida Rock & Tank Lines, Inc.	8/3/20	Announced	-	-	-
Bestway Cartage Limited	Consolidated Fastfrate Inc.	8/10/20	Closed	\$4.1	-	-
Darcol International Inc.	Keystone Western Inc.	8/10/20	Closed	-	-	-
Pacific Coast Express Limited	Mullen Group Ltd. (TSX:MTL)	9/1/20	Closed	\$18.3	1.0x	-
Rich Transport, Inc.	Unknown	8/17/20	Effective	-	-	-
Integrated Services, Inc.	Unknown	8/17/20	Effective	-	-	-
Roadrunner Temperature Controlled	Laurel Oak Capital Partners	8/17/20	Closed	-	-	-
L.T. Harnett Trucking Inc.	A&R Logistics, Inc.	8/18/20	Closed	-	-	-

Source: S&P Global Market Intelligence
in USD millions

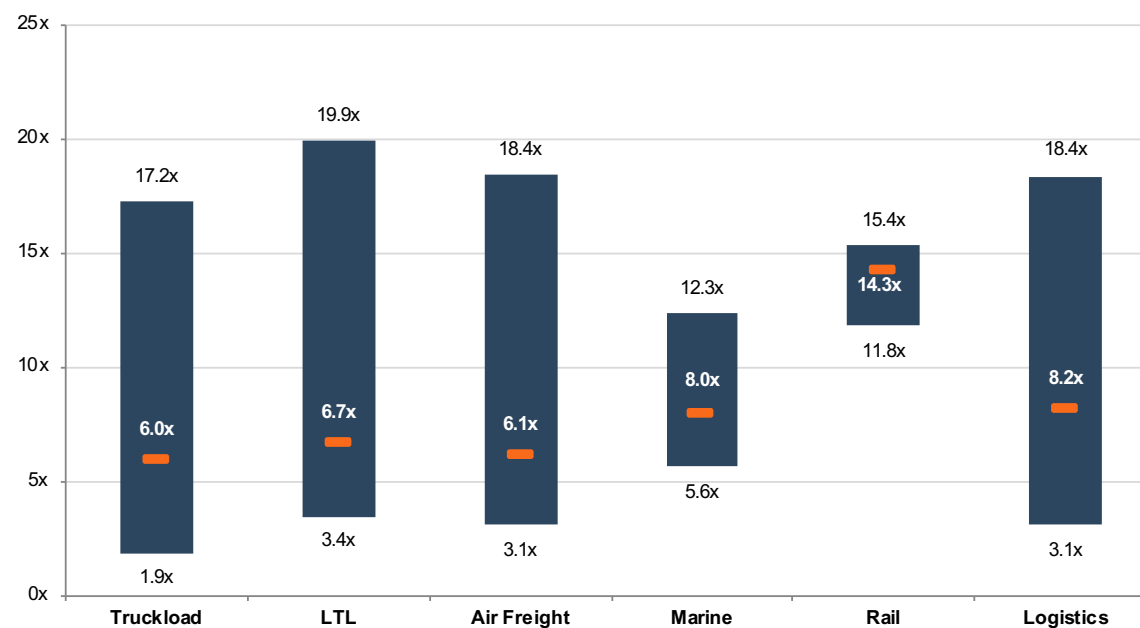
Select Transactions (continued)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Rail						
USA Rail Terminals, LLC	Connor, Clark & Lunn Infrastructure Ltd.; Alpenglow Rail LLC	8/5/20	Closed	-	-	-
Owego Harford Railway, Inc/Lehigh Railway, LLC/Luzerne Susquehanna Railway Company/TranZ, LLC	R. J. Corman Railroad Group, LLC	8/19/20	Announced	-	-	-
Air Freight & Logistics						
Freight Rite, Inc.	USPack Logistics Corp.	8/24/20	Closed	-	-	-
Gumro & Associates, Inc.	USPack Logistics Corp.	8/24/20	Closed	-	-	-
Synergy Rv Transport, Inc.	Patrick Industries, Inc. (NasdaqGS:PATK)	8/28/20	Closed	-	-	-
LEANCOR, LLC	Transplace Inc.	9/1/20	Closed	-	-	-
TriCon	Visible Supply Chain Management, LLC	7/7/20	Closed	-	-	-
Ultimate Logistics, LLC/Ultimate Innovations, LLC	Next10, Inc. (OTCPK:NXTN)	7/9/20	Closed	-	-	-
Aircraft Management and Air Charter Business of Meridian	Jet Linx Aviation LLC	7/8/20	Closed	-	-	-
DLS Worldwide	TFI International Inc. (TSX:TFII)	9/15/20	Closed	\$225.0	0.4x	9.0x
Assets of CLW Delivery, Inc.	Forward Air Corporation (NasdaqGS:FWRD)	9/16/20	Announced	\$5.5	-	-
Assets of Secur LPT, LLC	NAC LPT, LLC.	9/22/20	Closed	-	-	-

Source: S&P Global Market Intelligence
in USD millions

Public Company Performance

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



Source: S&P Global Market Intelligence

Data as of September 30, 2020, excludes outliers

Publicly Traded Companies

Company Name	Ticker	Price at 9/30/20	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	\$126.38	37%	\$14,515	8%	803%	\$9,349	13%	1.6x	11.7x	26.8x	11.8x	27.2x
Ryder System, Inc.	R	\$42.24	60%	\$9,824	77%	234%	\$8,484	26%	1.2x	4.4x	nm	4.3x	nm
Knight-Swift Transportation Holdings Inc.	KNX	\$40.70	24%	\$7,805	11%	362%	\$4,593	21%	1.7x	7.9x	20.7x	7.3x	15.3x
Landstar System, Inc.	LSTR	\$125.49	31%	\$4,671	-3%	1060%	\$3,836	7%	1.2x	16.6x	27.2x	15.6x	25.3x
Schneider National, Inc.	SNDR	\$24.73	28%	\$3,962	-11%	489%	\$4,444	13%	0.9x	6.7x	23.0x	6.8x	20.5x
Werner Enterprises, Inc.	WERN	\$41.99	16%	\$3,022	4%	601%	\$2,374	19%	1.3x	6.5x	18.5x	6.2x	17.0x
Heartland Express, Inc.	HTLD	\$18.60	0%	\$1,431	-6%	470%	\$657	28%	2.2x	7.8x	23.0x	7.0x	21.2x
Daseke, Inc.	DSKE	\$5.37	284%	\$1,057	61%	284%	\$1,522	10%	0.7x	6.7x	nm	6.1x	nm
Universal Logistics Holdings, Inc.	ULH	\$20.86	59%	\$1,038	46%	440%	\$1,381	11%	0.8x	7.1x	13.8x	6.9x	12.0x
Marten Transport, Ltd.	MRTN	\$16.32	19%	\$1,275	-6%	576%	\$864	21%	1.5x	7.2x	20.6x	6.5x	20.0x
Covenant Logistics Group, Inc.	CVLG	\$17.49	102%	\$584	49%	88%	\$853	10%	0.7x	7.1x	nm	6.5x	16.2x
P.A.M. Transportation Services, Inc.	PTSI	\$37.60	22%	\$436	50%	-2%	\$468	12%	0.9x	7.8x	nm	5.4x	17.0x
USA Truck, Inc.	USAK	\$9.45	198%	\$269	71%	27%	\$516	8%	0.5x	6.5x	nm	5.3x	26.3x
U.S. Xpress Enterprises, Inc.	USX	\$8.26	147%	\$1,075	62%	157%	\$1,736	7%	0.6x	9.3x	296.0x	7.1x	16.6x
Patriot Transportation Holding, Inc.	PATI	\$8.95	-3%	\$20	-51%	-116%	\$93	8%	0.2x	2.6x	nm	nm	nm
Median			31%		11%		12.0%	0.9x	7.1x	23.0x	6.7x	18.5x	

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q3 2020

Publicly Traded Companies

Company Name	Ticker	Price at 9/30/20	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	\$180.92	38%	\$20,854	-2%	1287%	\$3,951	28%	5.3x	18.9x	33.9x	18.0x	32.3x
Saia, Inc.	SAIA	\$126.14	72%	\$3,520	7%	646%	\$1,789	16%	2.0x	12.3x	27.3x	11.3x	25.3x
ArcBest Corporation	ARCB	\$31.06	77%	\$836	5%	274%	\$2,841	7%	0.3x	4.4x	19.0x	3.9x	10.2x
Mullen Group Ltd.	MTL	\$6.76	134%	\$1,048	37%	372%	\$887	17%	1.2x	6.9x	14.1x	6.3x	14.5x
YRC Worldwide Inc.	YRCW	\$3.92	133%	\$1,151	82%	4%	\$4,509	3%	0.3x	8.2x	nm	6.5x	nm
Median			77%		7%			16%	1.2x	8.2x	23.1x	6.5x	19.9x
Air Freight													
Atlas Air Worldwide Holdings, Inc.	AAWW	\$60.90	137%	\$3,845	59%	444%	\$3,026	23%	1.3x	5.5x	nm	4.9x	5.0x
Air T, Inc.	AIRT	\$9.74	-22%	\$124	77%	85%	\$239	7%	0.5x	7.1x	2.9x	nm	nm
Forward Air Corporation	FWRD	\$57.38	13%	\$1,787	10%	542%	\$1,434	9%	1.2x	13.9x	30.7x	15.0x	28.1x
Air Transport Services Group, Inc.	ATSG	\$25.06	37%	\$2,994	51%	467%	\$1,575	32%	1.9x	6.0x	nm	6.1x	14.9x
Cargojet Inc.	CJT	\$143.14	101%	\$2,638	17%	776%	\$466	33%	5.7x	17.3x	nm	11.9x	88.4x
Median			37%		51%			23%	1.3x	7.1x	16.8x	9.0x	21.5x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q3 2020

Publicly Traded Companies

Company Name	Ticker	Price at 9/30/20	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	\$36.17	-17%	\$3,914	45%	146%	\$2,338	15%	1.7x	10.8x	nm	10.9x	21.2x
Atlas Corp.	ATCO	\$8.94	16%	\$7,153	69%	390%	\$1,346	59%	5.3x	9.0x	7.6x	7.8x	8.3x
Triton International Limited	TRTN	\$40.67	57%	\$9,833	66%	395%	\$1,336	88%	7.4x	8.4x	9.7x	8.4x	9.3x
Matson, Inc.	MATX	\$40.09	31%	\$2,831	39%	394%	\$2,224	13%	1.3x	9.9x	14.0x	7.9x	11.3x
Textainer Group Holdings Limited	TGH	\$14.16	72%	\$4,292	82%	234%	\$665	69%	6.5x	9.3x	13.2x	9.3x	10.6x
Costamare Inc.	CMRE	\$6.07	34%	\$2,058	64%	385%	\$466	64%	4.4x	6.9x	41.4x	6.4x	6.0x
Eagle Bulk Shipping Inc.	EGLE	\$16.37	26%	\$621	71%	-83%	\$271	11%	2.3x	21.8x	nm	13.9x	nm
Navios Maritime Partners L.P.	NMM	\$6.02	13%	\$546	88%	143%	\$219	38%	2.5x	6.5x	nm	7.0x	8.6x
Pangaea Logistics Solutions, Ltd.	PANL	\$2.59	30%	\$304	62%	302%	\$401	10%	0.8x	7.6x	nm	7.0x	nm
Global Ship Lease, Inc.	GSL	\$6.90	86%	\$881	86%	561%	\$280	56%	3.1x	5.6x	3.2x	5.5x	4.6x
Genco Shipping & Trading Limited	GNK	\$6.90	7%	\$654	56%	13%	\$369	18%	1.8x	10.0x	nm	9.4x	nm
Algoma Central Corporation	ALC	\$7.56	18%	\$540	47%	352%	\$421	25%	1.3x	5.1x	18.9x	4.3x	8.2x
Sino-Global Shipping America, Ltd.	SINO	\$1.42	-23%	\$1	-551%	-8324%	\$7	-102%	0.1x	-0.1x	nm	nm	nm
Median			26%		64%				2.3x	8.4x	13.2x	7.9x	8.6x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q3 2020

Publicly Traded Companies

Company Name	Ticker	Price at 9/30/20	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	\$196.87	40%	\$160,945	17%	795%	\$19,604	52%	8.2x	15.8x	24.9x	15.8x	24.8x
Canadian National Railway Company	CNR	\$106.44	37%	\$86,245	12%	758%	\$10,318	51%	8.4x	16.4x	29.5x	16.4x	26.2x
CSX Corporation	CSX	\$77.67	36%	\$73,828	20%	683%	\$10,643	53%	6.9x	13.1x	21.4x	12.9x	21.6x
Norfolk Southern Corporation	NSC	\$213.99	47%	\$66,425	18%	570%	\$9,906	46%	6.7x	14.4x	27.2x	14.5x	23.5x
Canadian Pacific Railway Limited	CP	\$304.01	39%	\$48,160	14%	976%	\$5,830	56%	8.3x	14.8x	23.8x	15.4x	22.6x
Kansas City Southern	KSU	\$180.83	42%	\$20,606	17%	649%	\$2,669	52%	7.7x	14.8x	29.5x	14.7x	25.7x
Median			39%		17%				8.0x	14.8x	26.0x	15.0x	24.2x
Logistics & Intermodal													
United Parcel Service, Inc.	UPS	\$166.63	78%	\$164,596	13%	653%	\$80,300	11%	2.0x	19.0x	31.4x	15.3x	21.7x
FedEx Corporation	FDX	\$251.52	107%	\$97,122	32%	289%	\$69,666	6%	1.4x	24.2x	nm	15.3x	29.1x
Expeditors International of Washington, Inc.	EXPD	\$90.52	36%	\$14,429	-5%	1300%	\$8,992	10%	1.6x	16.1x	23.9x	15.1x	22.7x
TFI International Inc.	TFII	\$41.79	91%	\$5,209	25%	642%	\$3,677	16%	1.4x	8.9x	15.7x	7.5x	13.0x
XPO Logistics, Inc.	XPO	\$84.66	74%	\$15,017	48%	218%	\$15,723	8%	1.0x	11.8x	84.0x	11.4x	60.0x
C.H. Robinson Worldwide, Inc.	CHRW	\$102.19	54%	\$14,853	7%	777%	\$15,451	4%	1.0x	21.6x	30.1x	19.8x	28.3x
Forward Air Corporation	FWRD	\$57.38	13%	\$1,787	10%	542%	\$1,434	9%	1.2x	13.9x	30.7x	15.0x	28.1x
Hub Group, Inc.	HUBG	\$50.20	10%	\$1,812	5%	342%	\$3,444	7%	0.5x	7.9x	21.7x	7.8x	22.0x
Air Transport Services Group, Inc.	ATSG	\$25.06	37%	\$2,994	51%	467%	\$1,575	32%	1.9x	6.0x	nm	6.1x	14.9x
Echo Global Logistics, Inc.	ECHO	\$25.77	51%	\$828	17%	129%	\$2,289	2%	0.4x	20.9x	109.3x	11.2x	21.4x
Radiant Logistics, Inc.	RLGT	\$5.14	33%	\$285	12%	424%	\$784	4%	0.4x	8.7x	24.3x	10.2x	21.4x
Median			51%		13%				1.2x	13.9x	30.1x	11.4x	22.0x

Source: S&P Global Market Intelligence

USD millions except per share values | Financial statement data as of Q3 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.

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