

VALUE FOCUS

# Transportation & Logistics

Fourth Quarter 2023

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FEATURE ARTICLE

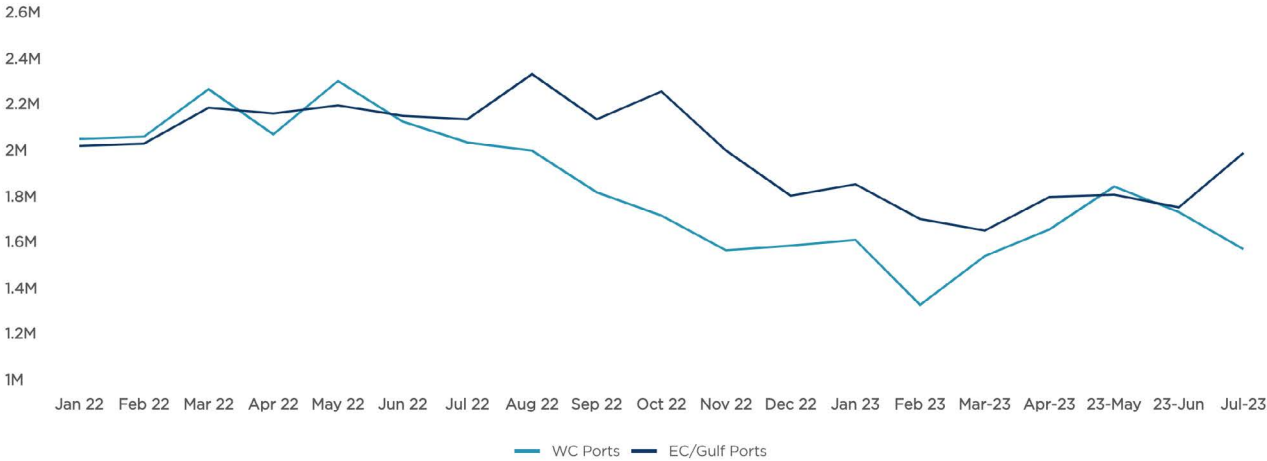
# Worldwide Impacts on Marine Shipping

Q4 2023

We discussed reshoring and nearshoring trends a bit in the **last newsletter**. There's been some developments on that front, especially as it relates to the ongoing battle between East Coast and West Coast ports.

As we mentioned **last time**, a variety of pandemic-related and regulatory issues resulted in long delays at California ports, the traditional import location for the majority of goods from East Asia. Many carriers shifted their import handling to East Coast ports – with the port of Savannah being one of the biggest winners. Georgia has posted three straight record-setting years for exports. A study by Cushman Wakefield that ran through October 2023 shows that volumes at East Gulf Ports exceeded West Coast volumes for the majority of 2022 and 2023. However, early results indicate the West Coast ports grew faster than East Coast ports in November and December 2023, and there are a couple of reasons behind that.

## Major East & Gulf Ports See Higher Market Share



\*Only Ports of Houston, NY/NJ, Charleston, Norfolk, & Savannah used in above EC/GC Port TEU calculation  
Source: Cushman & Wakefield Research, U.S. Census Bureau, various Port websites

## FEATURE ARTICLE

# Worldwide Impacts on Marine Shipping

Q4 2023

(cont.)

The El Niño weather event has hit the Panama Canal hard. Under normal conditions, between 36 and 38 ships per day will make the transit. Due to **the worst drought** Panama has experienced in over 70 years, the Canal Authority began reducing the number of ships passing through on a daily basis in July 2023. In February 2024, the Canal Authority reduced the total number of ships to 18 per day.

Meanwhile, approaching from the other direction has been made harder by attacks on vessels in the Red Sea. About **one-fifth of freight reaching East Coast ports** travels through the Red Sea and the Suez Canal. Shippers continuing to use the Suez canal route will face higher insurance charges, while shippers opting to go around the Cape of Good Hope can expect to add at least a week to transit times. More recently, the **first fully sunk ship** from the conflict also disrupted underwater data cables. So far, analysts have had mixed opinions on the overall impact that will arise from the Houthi attacks.

Between Red Sea disruptions and climate issues in Latin America the impact of worldwide current events on marine logistics cannot be ignored.

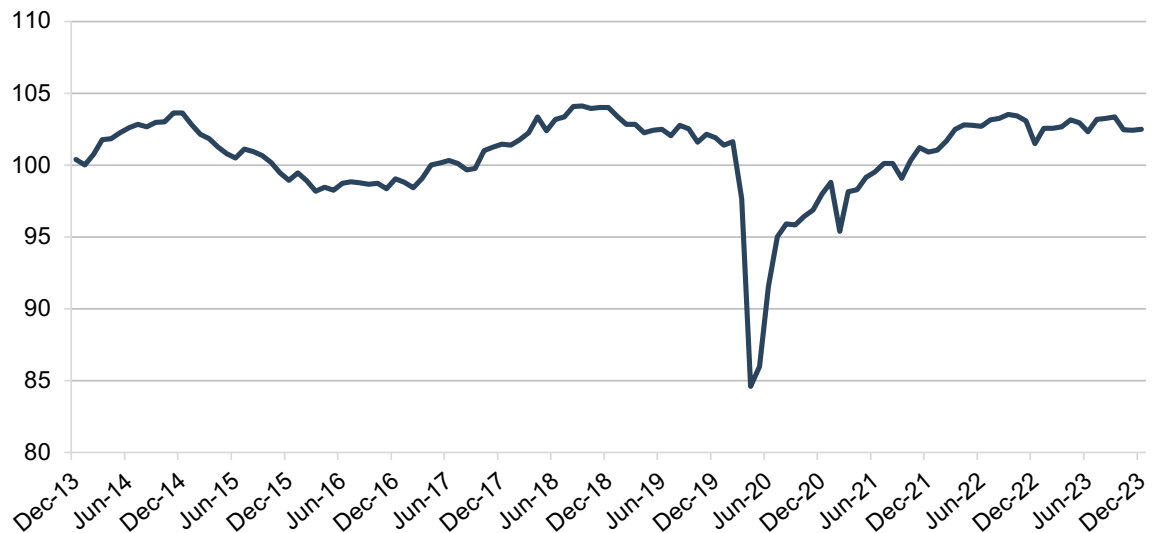
# Industry Macro Trends

## Industrial Production Index

The level of domestic **industrial production** directly impacts demand for transportation services. The Industrial Production Index is an economic measure of all real output from manufacturing, mining, electric, and gas utilities. The COVID-19 pandemic resulted in numerous shutdowns and lock-downs that began in March 2020, however, by the beginning of 2023 the pandemic was generally considered to be over and shutdowns had ceased. The index value in December 2023 reached 102.5, essentially flat from November 2023, and a 1.0% increase relative to December 2022. Industrial production has decreased 0.8% since September 2023. Consumer goods decreased 1.0% and construction was down 1.0%, relative to December 2022. Manufacturing output increased 0.1% in December 2023 and rose 1.2% since December 2022.

In general, the manufacturing sector has been heavily impacted by **recent increases in interest rates**. The manufacturing sector **experienced a small gain** in December but an overall decline in the fourth quarter, while the retail sector **rose more** than expected during the holiday season.

Industrial Production Index (Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

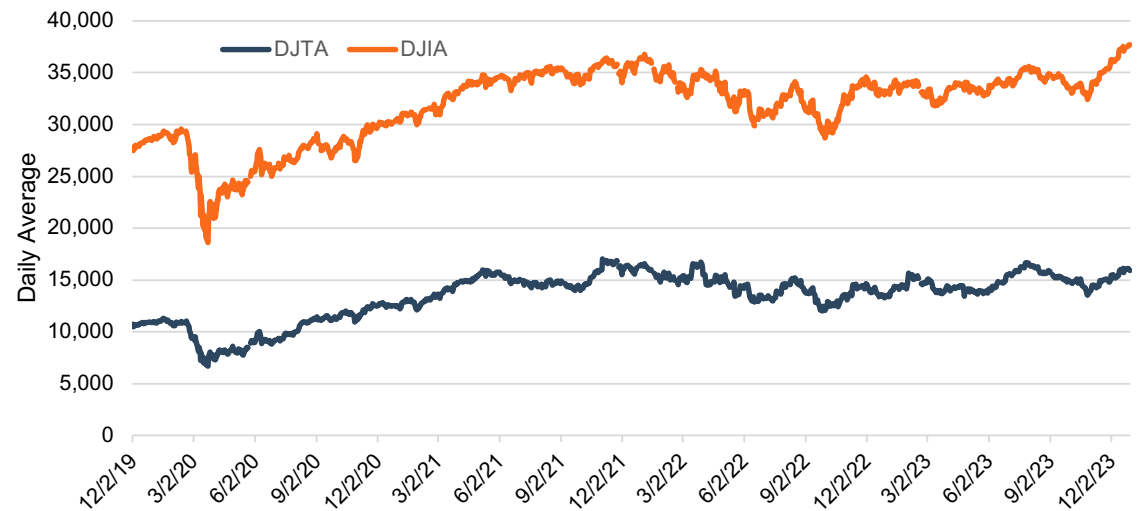
Indexed to 2017

# Industry Macro Trends

## Dow Jones Transportation Index

The Dow Jones Transportation Average (**DJTA**) is a price-weighted average of 20 transportation stocks in the US. 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. In 2022 the DJTA was more volatile, as expectations for a transportation industry slowdown became stronger (while the timing of and magnitude of the slowdown remained unclear). In 2023, the index continues to outperform the overall economy. The DJTA ended December 2023 at 15,899.85, an increase of over 18.7% on a year-over-year basis, compared to the 13.7% growth reported by the DJIA. The DJTA increased 6.2% relative to September 2023.

Dow Jones Transportation Index



Source: Federal Reserve Bank of St. Louis

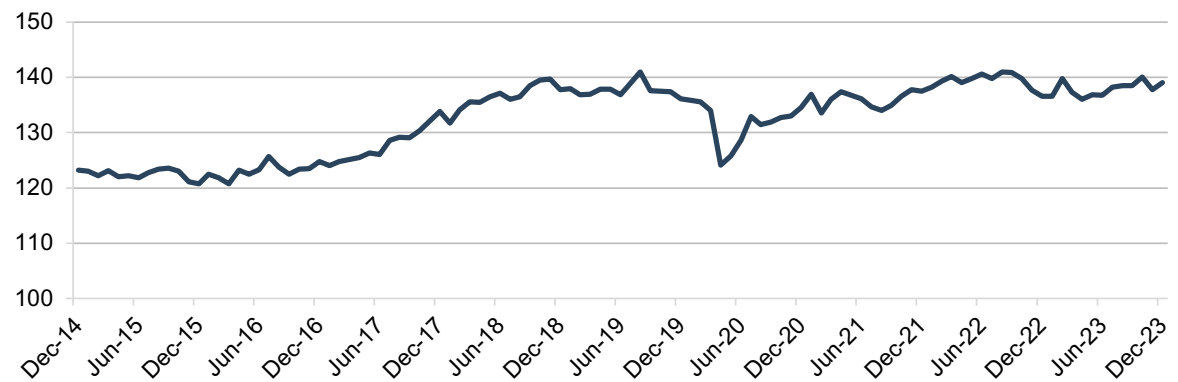
# Industry Macro Trends

## Transportation Services Index

The Transportation Services Index (TSI) measures freight traffic in the United States, including rail, trucking, and marine shipping.

The TSI increased 0.9% in December 2023 and 0.4% relative to September 2023. The TSI rose 1.8% on a year-over-year basis. The index in December 2023 stood at 139.1.

Transportation Services Index (Freight, Seasonally Adjusted)



Source: Bureau of Transportation Statistics

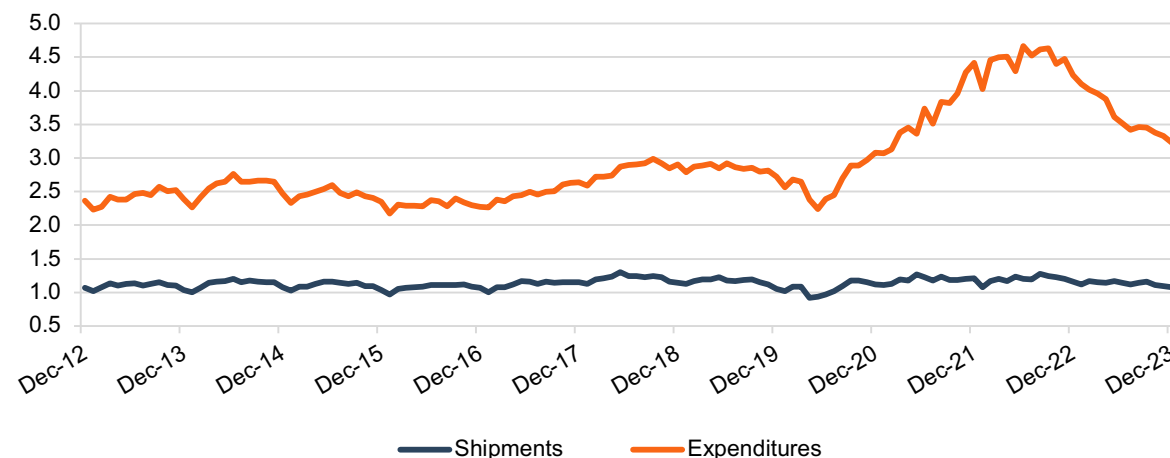
Indexed to January 2000

# 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 US and abroad. Shipments increased during the COVID era but have since declined to levels more commonly seen pre-pandemic. Individual months have not reported a steady trend during 2023, with declines in one month frequently being offset by gains in the next month. While shipments declined 7.4% in the fourth quarter of 2023, they declined only 0.5% and 0.7% in the first and second quarters, respectively, and shipments posted an increase of 1.4% in the third quarter. Year-over-year declines continue as the industry returns to pre-pandemic norms. Expenditures have declined steadily throughout each quarter of 2023. In September 2023 and December 2023, expenditures posted quarterly declines of 1.9% and 6.4%, respectively. Expenditures have decreased 24% over the prior year – as we will see later in this quarterly update, not all of this change is explained by changes in rates.

Cass Freight Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

# Industry Macro Trends

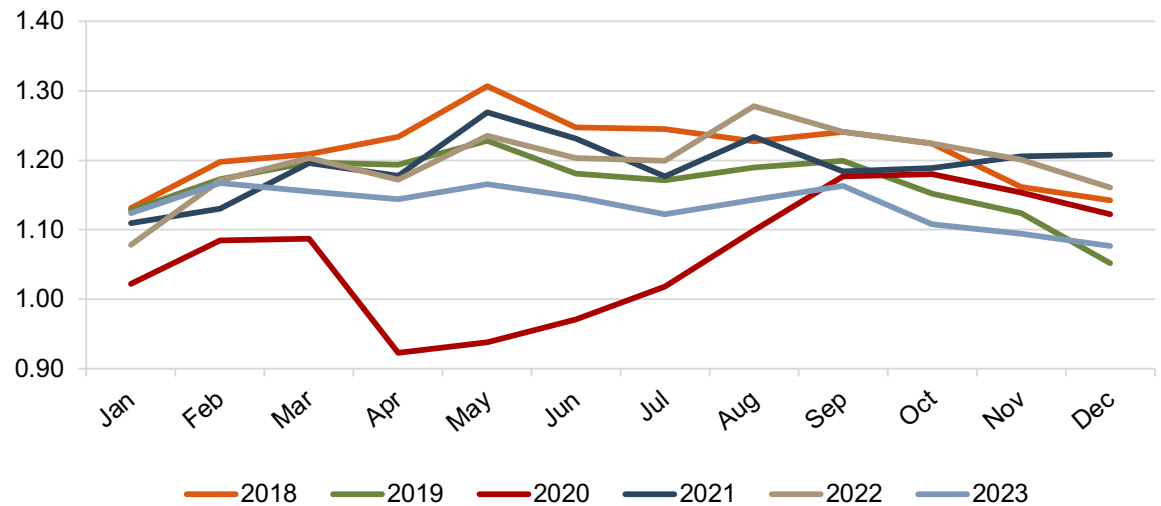
## Cass Freight Index (cont.)

During the Covid-19 pandemic, limits on capacity combined with increasing demand caused increasing spreads between expenditures and shipments. While this spread has normalized somewhat over the past year, the spreads between expenditures and shipments remains elevated compared to pre-pandemic norms.

## Shipments

The shipments index hit 1.077 in December 2023, down 7.2% from December 2022. Shipments decreased 7.4% relative to September 2023 and 1.6% relative to November 2023.

Cass Freight Shipments Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

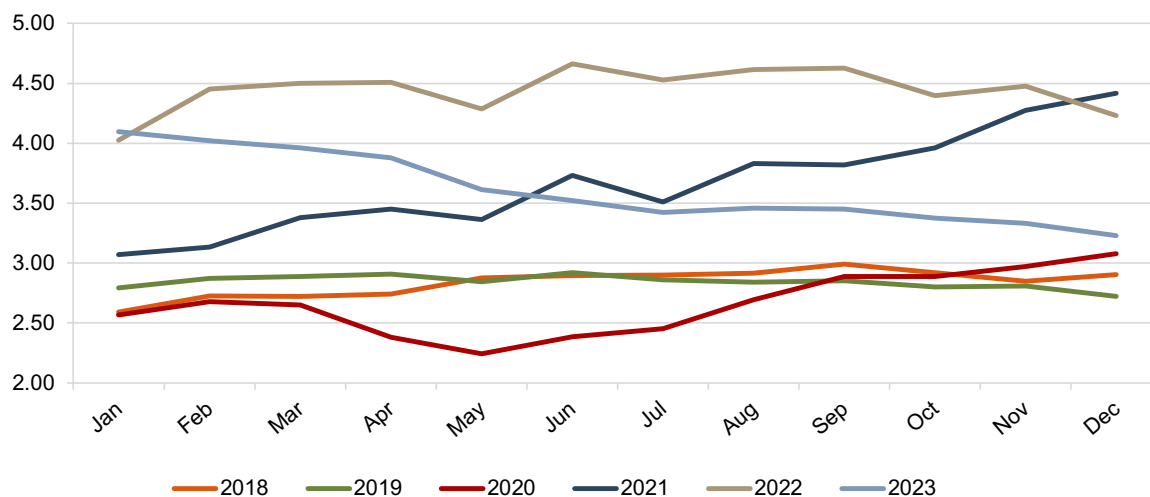


# Industry Macro Trends

## Expenditures

The expenditures index measures the total amount spent on freight. The expenditures index fell to 3.230 in December 2023, a decrease of 6.4% from the prior quarter and a decline of 24% on an annual basis. December 2023 marked the index's lowest level since July 2021. The expenditures index rose throughout 2021 and the first half of 2022, reaching previously unrecorded levels. With the exception of a small uptick in August 2023, expenditures have declined on a month-over-month basis for 13 months. Increasing inflation has decreased the demand for the slow-to-change capacity of freight.

Cass Freight Expenditures Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

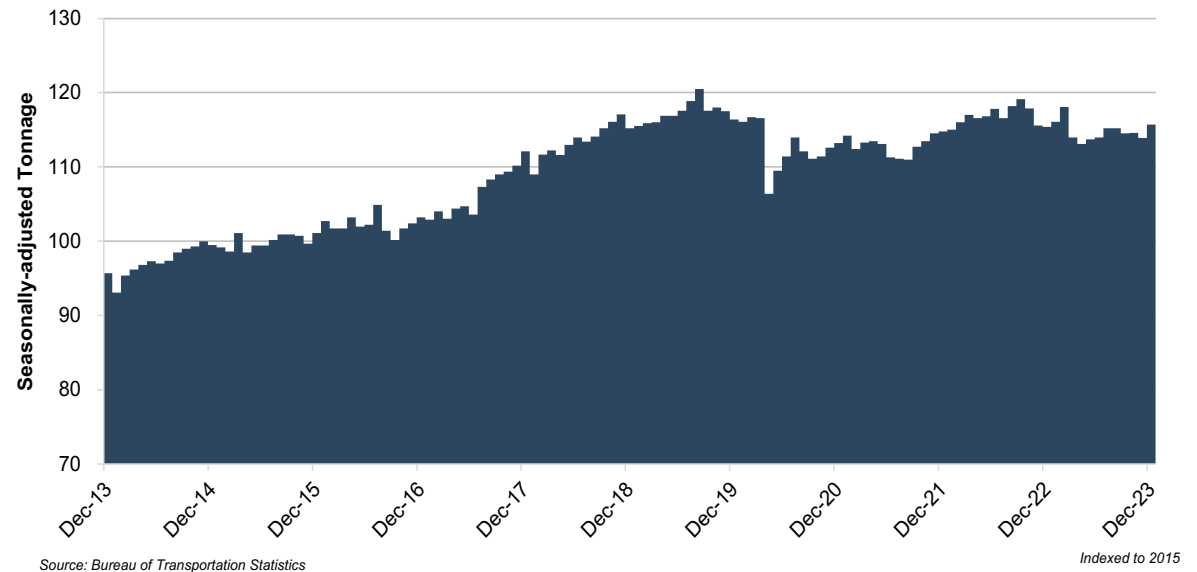
# Trucking

## 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 and briefly surpassed pre-Covid levels in mid-2022 before declining again. In recent months, however, tonnage levels appear to have stabilized and have reversed course. The truck index averaged 117.3 during the fourth quarter of 2019, fell to a low of 106.4 in April 2020, and peaked at 119.1 in September 2022. In September 2023, the TSI hit 114.5, a decline of 3.9% on a year-over-year basis. In December, however, the index stood at 115.7, which reflects a modest increase of 0.3% from the prior year. The index increased 1.0% relative to September 2023.

Truck Tonnage (Seasonally Adjusted)



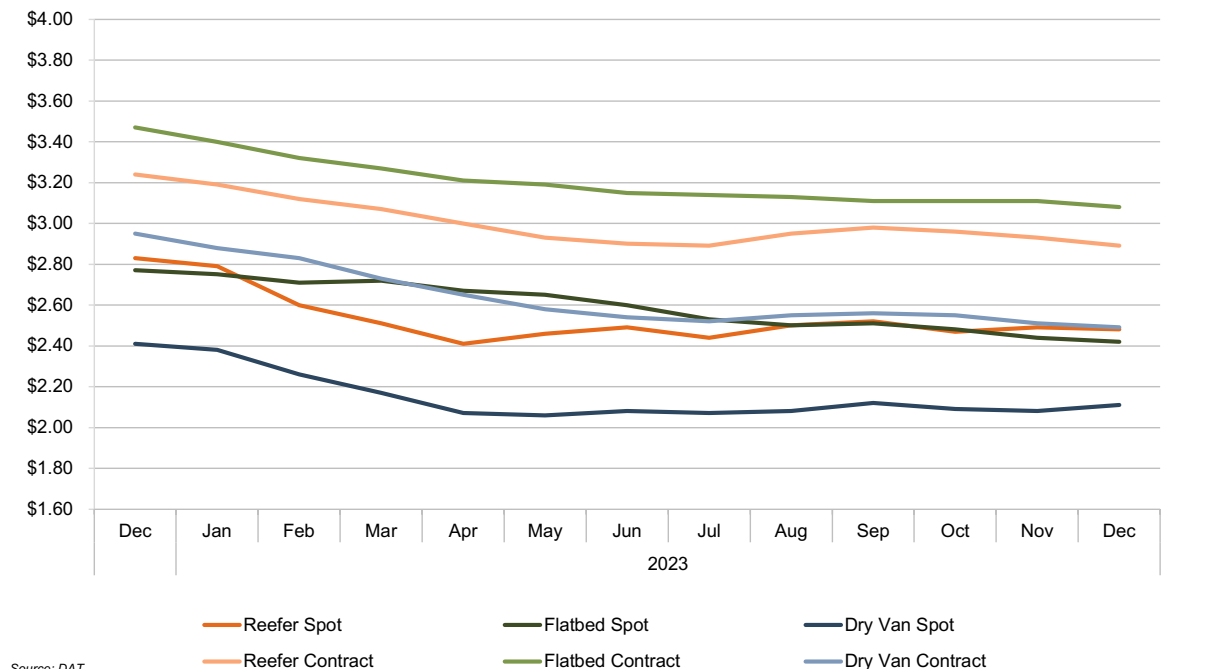
# Trucking

## Spot vs. Contract Rates

The Spot vs. Contract Rates charts depicts monthly national average line haul rates and fuel surcharges from **DAT** for three classes of trucking freight – dry van, reefer (refrigerated), and flatbed. Shippers can enter contracts that lock in a static contract rate for a period of time. Spot rates, on the other hand, are one-time shipping quotes for a specific transaction or series of transactions. As capacity tightened during 2021, spot rates eclipsed contract rates in the reefer and van categories. The softening of demand during 2022 resulted in the opposite trend – contract rates have exceeded spot rates in all three categories since at least April 2022. Spot and contract rates have slowed their declines in recent months, with rates occasionally posting month-over-month gains during 2023.

Spot rates and contract rates for all three classes have declined on a year-over-year basis. Spot rates initially declined faster than their contract rate counterparts. However, since rates have been softening for over a year and many contract rates either renew or adjust annually, contract rate normalization has nearly caught up to spot rates. On a year-over-year basis, reefer spot rates decreased 12.4% while reefer contract rates declined 10.8%.

Spot vs. Contract Rates (Dec. 2022 - Dec. 2023)



Source: DAT

# Trucking

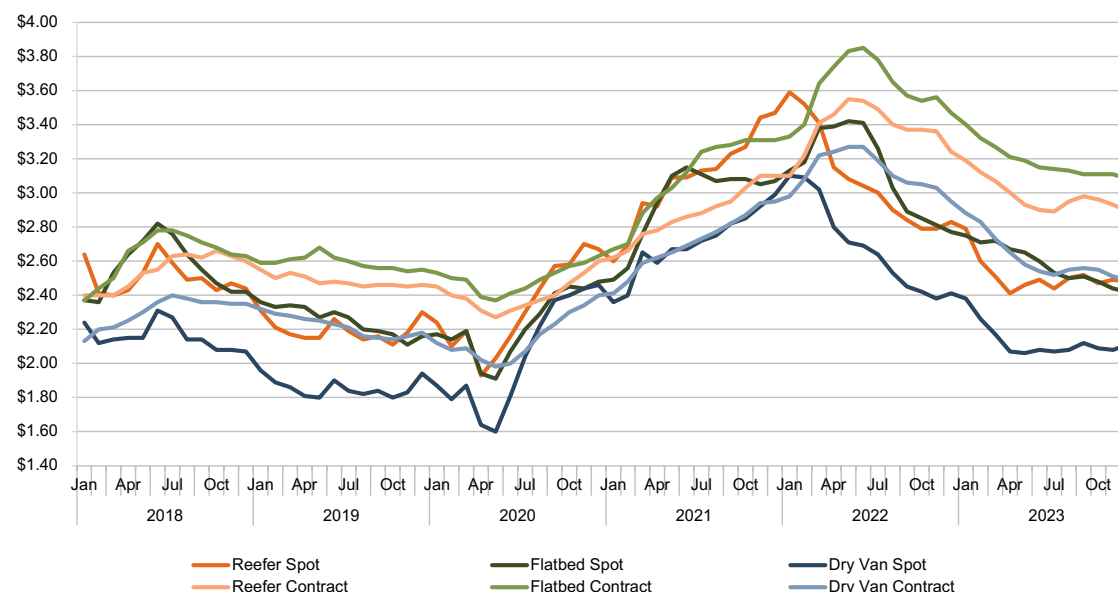
## Spot vs. Contract Rates (cont.)

Flatbed spot rates declined 12.6% while flatbed contract rates fell 11.2%, relative to December 2022. Dry van spot rates declined 12.4% year-over-year, while dry van contract rates decreased 15.6% during the same period.

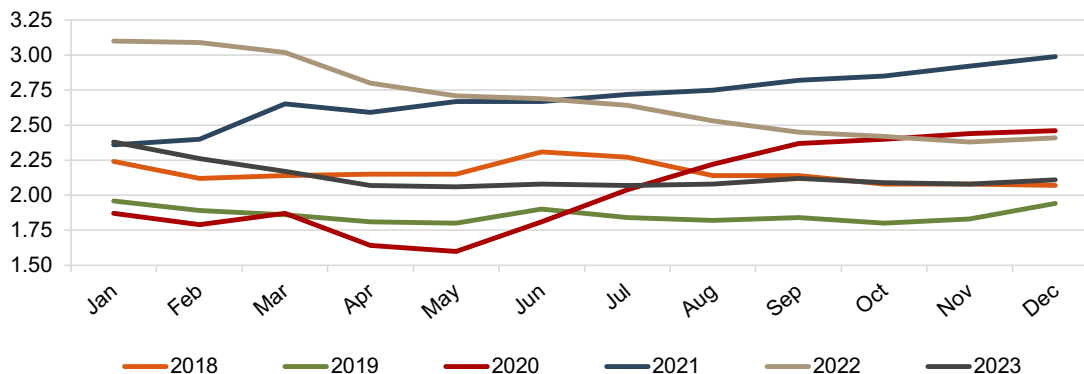
Spot rates and contract rates for all three classes have declined on a quarterly basis. Reefer spot and contract rates fell 1.6% and 3.0%, respectively. Dry van rates declined 3.6% and 1.0% for spot and contract rates, respectively. Flatbed spot and contract rates decreased 0.5% and 2.7%, respectively.

As shown in the charts on the right, while these rates are lower than the industry has garnered recently, rates remain elevated relative to pre-pandemic rates. The third chart compares monthly dry van spot rates on a year-over-year basis. Through December 2023, dry van spot rates have declined relative to 2019 rates (the most recent freight recession) and remain comparable to 2018 rates. As such, the rate declines in 2022 and 2023 reflect rate normalization and a reversion to pre-pandemic pricing norms rather than a sign of an oncoming freight recession. Rates are expected to stabilize as retailers use their accrued inventories.

Spot vs. Contract Rates (Jan. 2018 - Dec. 2023)



Dry Van Spot Rates



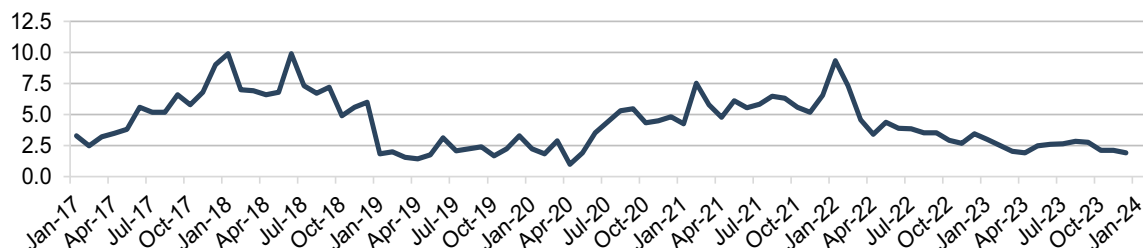
# Trucking

## Load-to-Truck Ratio

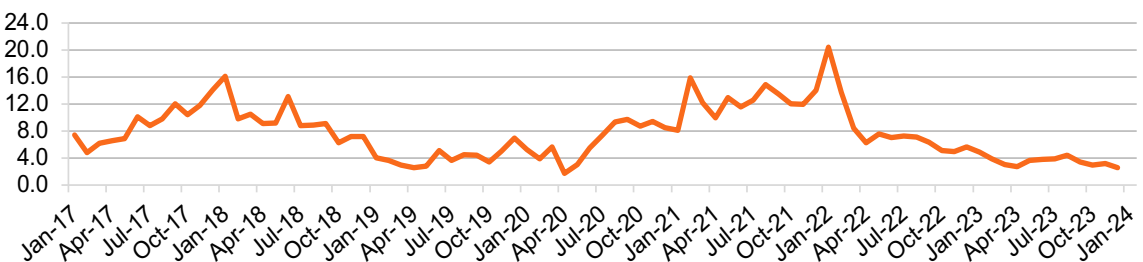
The **load-to-truck ratio** is calculated by dividing the total number of loads for shipment by the total number of trucks available. As a result, the load-to-truck ratio can signal a shortage or excess of capacity, which in turn influences changes in freight. An increase in the ratio (i.e., a higher 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 of trucking freight experienced significant year-over-year declines as the industry exited the high demand conditions of the pandemic. Van, reefer, and flatbed classes experienced year-over-year decreases of 44%, 55%, 48%, respectively. More recent performance has indicated excess capacity for all three classes. During the fourth quarter of 2023, the van, reefer and flatbed load-to-truck ratios declined 30.6%, 24.8%, and 26.1%, respectively.

### Dry Van Load-to-Truck



### Reefer Load-to-Truck



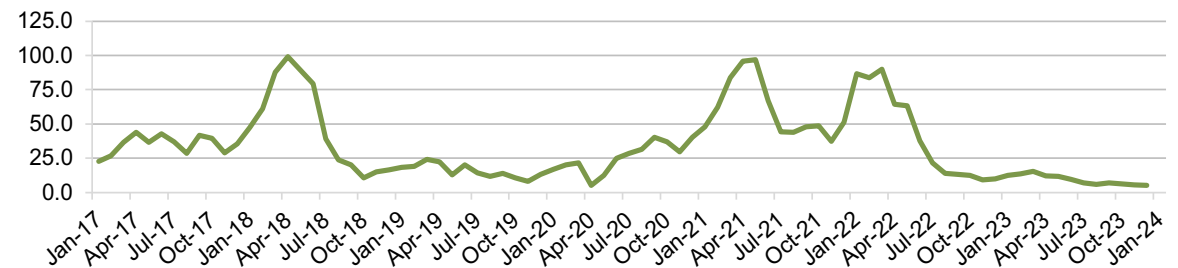
Source: DAT

# Trucking

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

Since the highs of 2021, the trucking industry has experienced year-over-year declines in load-to-truck ratios. The December 2023 ratios are amongst the lowest levels recorded post-pandemic. The ATA expects conditions to improve in 2024, which would prompt a **need for more drivers**. The federal government announced \$48 million in grant funding to increase commercial driver's license opportunities and strengthen America's trucking workforce.

Flatbed Load-to-Truck



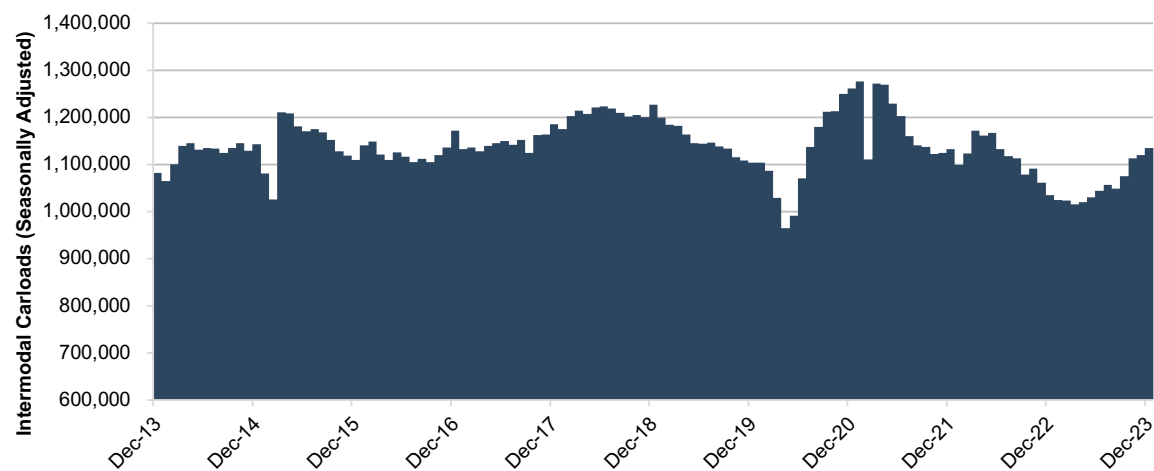
Source: DAT

# Rail & Intermodal

## Rail Freight Intermodal Traffic

As reported by the **Bureau of Transportation Statistics**, rail freight intermodal traffic posted an increase of 9.7% on a year-over-year basis, a reversal from the annual declines reported in January through September. Rail freight grew 1.4% relative to November 2023 and rose 5.6% over September 2023. Ongoing labor disputes and push for greater safety regulations may cause rail disruption as we move into 2024.

Rail Freight Intermodal Traffic



Source: Bureau of Transportation Statistics

# M&A Activity

## Featured Transactions

### Patriot Transportation Taken Private

Patriot Transportation was taken private by Blue Horizon Partners, an affiliate of United Petroleum Transports. The all-cash transaction valued Patriot at \$67.1 million, representing 0.6x sales and 5.5x EBITDA. The Patriot and United combination created a top 10 bulk tank carrier, with 1,000 drivers and over 30 terminals in 11 states.



### Daseke Announces Definitive Agreement to be Acquired by TFI

Daseke announced a definitive agreement on December 22, 2023 to be acquired by TFI. The all-cash transaction values Daseke at \$1.2 billion, representing 0.7x sales and 5.4x EBITDA. The announced price is a 69% premium to the previous day's stock price. The acquisition is expected to close Q2 2024.



### Star Bulk Carriers and Eagle Bulk Shipping Announce All-Stock Merger

Star Bulk and Eagle announced a definitive merger agreement in December 2023. The all-stock merger values Eagle at \$1.1 billion, representing 2.2x sales and 9.7x EBITDA. The combined company will be the largest US-listed dry bulk shipping company, with a combined fleet of 169 owned-vessels. The transaction is expected to generate \$50 million in annual cost and revenue synergies within 12-18 months.



### Ryder Acquires Impact Fulfillment Services

Ryder acquired all of the outstanding equity of IFS Holdings. IFS specializes in contract packaging, contract manufacturing and warehousing, primarily in the CPG, retail and healthcare industries. The acquisition values IFS at \$250 million and adds approximately \$250 million in revenue to Ryder. IFS enables Ryder to expand its supply chain offerings.





## Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Trucking						
Patterson Trucking & Hauling	Meridian Waste Services, LLC	10/3/23	Closed	-	-	-
Idaho Milk Transport, Inc.	Kenan Advantage Group, Inc.	10/12/23	Closed	-	-	-
Patriot Transportation Holding, Inc.	Blue Horizon Partners, Inc.	11/1/23	Closed	67.07	0.6	5.5
Office Interiors Of Virginia, Inc.	Workplace Install Network, Inc.	11/6/23	Closed	-	-	-
BCB Transport, LLC	CRST The Transportation Solution, Inc.	10/31/23	Closed	-	-	-
Kelley Leasing Partners, LLC	Composite Advanced Technologies, LLC	11/14/23	Closed	-	-	-
Transport Inter-Nord	Groupe Guilbault Ltée	11/14/23	Closed	-	-	-
Freight All Kinds, Inc.	Woerner Holdings, Inc.	11/15/23	Closed	-	-	-
Ark Traffic Solutions Inc.	Premier Bulk Systems Ltd	10/11/23	Closed	-	-	-
Certain Assets of Wallace & Carey Inc.	7-Eleven Canada, Inc.	11/21/23	Closed	-	-	-
Dahlsten Truck Line, Inc.	TFI International Inc. (TSX:TFII)	11/20/23	Closed	-	-	-
American MedTrans	WHC MKE, LLC	11/30/23	Closed	-	-	-
17 Terminals of Yellow Corporation	Saia Motor Freight Line, LLC	12/5/23	Closed	235.68	-	-
Gti Transport Solutions Inc.	Canada Cartage Diversified ULC	11/27/23	Announced	-	-	-
Pac-Modal Transportation LLC	Warehouse Specialists, Inc.	11/22/23	Closed	-	-	-
Spotting Operations of Hirschbach Motor Lines, Inc.	Lazer Logistics, Inc	11/6/23	Closed	-	-	-
Daseke, Inc. (NasdaqCM:DSKE)	TFI International Inc. (TSX:TFII)	12/22/23	Announced	1,174.78	0.7	5.4
Florida Food Tankers, Inc.	Kenan Advantage Group, Inc.	12/12/23	Effective	-	-	-
13 Terminals of Yellow Corp.	Knight-Swift Transportation Holdings Inc. (NYSE:KNX)	12/4/23	Closed	51.30	-	-

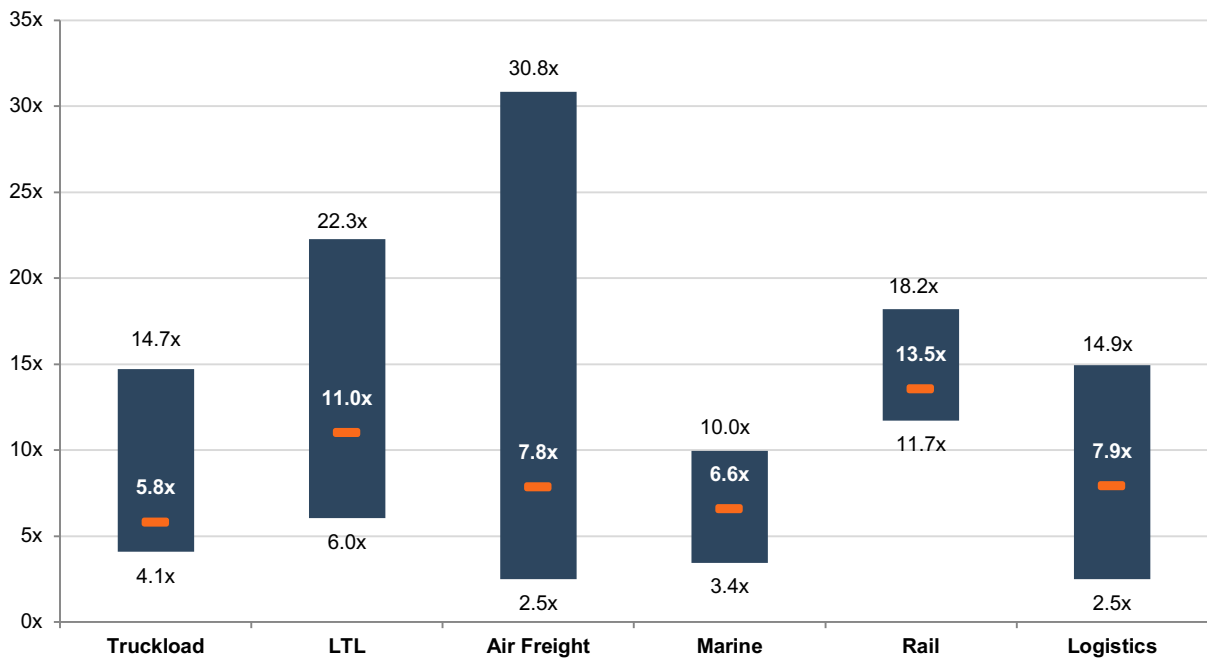
Source: S&P Global Market Intelligence  
in USD millions

## Select Transactions (cont.)

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Marine						
Cfr Rinkens, LLC	DP World Limited	10/19/23	Closed	-	-	-
SCF Marine Inc.	Ingram Barge Company LLC	10/24/23	Announced	-	-	-
Mckeil Marine Limited	Astatine Investment Partners LLC	11/3/23	Closed	-	-	-
Edward Transit Express Group Inc.	Cheetah Net Supply Chain Service Inc.	11/16/23	Announced	1.500	-	-
Eagle Bulk Shipping Inc. (NYSE:EGLE)	Star Bulk Carriers Corp. (NasdaqGS:SBLK)	12/11/23	Announced	1,109.850	2.2	9.7
Air Freight and Logistics						
Operations of Daleray Corporation	Radiant Logistics, Inc. (NYSEAM:RLGT)	10/2/23	Closed	-	-	-
Impact Fulfillment Services, LLC	Ryder System, Inc. (NYSE:R)	10/23/23	Announced	250.00	-	-
Assets of The Hill and Griffith Company/Assets of HG Logistics	-	11/7/23	Closed	-	-	-
IMTT Epic LLC	Instar Asset Management Inc.	10/2/23	Announced	-	-	-
Bluebird Express, LLC	Cryoport, Inc. (NasdaqCM:CYRX)	11/16/23	Closed	-	-	-
Ralph's Transfer Inc.	Riverstone Logistics, LLC	11/13/23	Closed	-	-	-
Farrow Group Inc.	Kuehne + Nagel International AG (SWX:KNIN)	11/28/23	Announced	-	-	-
STS Intermodal, LLC	Boasso Global Inc.	11/6/23	Closed	-	-	-
A&R Bulk-Pak, Inc.	NOVA Infrastructure Management, LLC	12/12/23	Closed	-	-	-
Rail						
5.92 miles of rail line between milepost QND 0.08 and milepost QND 6.00 in Bristol County, Mass	Massachusetts Coastal Railroad LLC	11/30/23	Closed	-	-	-
Iowa Northern Railway Company	Canadian National Railway Company (TSX:CNR)	12/6/23	Announced	230.00	-	-
Hydra Logistics Group	Patriot Rail Company LLC	12/4/23	Closed	-	-	-

# Public Company Performance

Monthly Median TEV/EBITDA Multiples (as of December 2023)



Source: S&P Capital IQ

Data from most recent filing available, excludes outliers

## Publicly Traded Companies

Company Name	Ticker	Price at 12/29/23	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	\$199.74	6%	\$22,360	8%	8%	\$12,830	13%	1.7x	12.9x	28.3x	11.8x	25.6x
Ryder System, Inc.	R	\$115.06	8%	\$12,560	59%	3%	\$11,783	22%	1.1x	4.9x	12.6x	4.3x	9.8x
Knight-Swift Transportation Holdings Inc.	KNX	\$57.65	15%	\$12,342	25%	1%	\$7,142	14%	1.7x	12.1x	42.8x	9.1x	23.1x
Landstar System, Inc.	LSTR	\$193.65	9%	\$6,590	-6%	11%	\$5,313	7%	1.2x	16.6x	26.3x	18.0x	29.7x
Schneider National, Inc.	SNDR	\$25.45	-8%	\$4,665	4%	4%	\$5,499	12%	0.8x	7.2x	18.8x	6.8x	22.4x
Werner Enterprises, Inc.	WERN	\$42.37	9%	\$3,410	21%	3%	\$3,283	13%	1.0x	7.8x	23.9x	6.8x	21.2x
Heartland Express, Inc.	HTLD	\$14.26	-3%	\$1,462	23%	0%	\$1,207	16%	1.2x	7.4x	76.3x	6.7x	119.1x
Universal Logistics Holdings, Inc.	ULH	\$28.02	11%	\$1,195	38%	7%	\$1,662	13%	0.7x	5.4x	7.9x	4.8x	7.7x
Marten Transport, Ltd.	MRTN	\$20.98	6%	\$1,638	-4%	5%	\$1,131	18%	1.4x	8.2x	24.2x	8.0x	24.1x
Covenant Logistics Group, Inc.	CVLG	\$46.04	5%	\$830	28%	0%	\$1,104	10%	0.8x	7.2x	10.8x	6.0x	10.0x
P.A.M. Transportation Services, Inc.	PTSI	\$20.78	-4%	\$542	16%	2%	\$811	11%	0.7x	5.8x	24.8x	nm	nm
Titanium Transportation Group Inc.	TTNM	\$1.76	-6%	\$213	63%	4%	\$318	10%	0.7x	6.6x	7.8x	4.9x	9.7x
Titanium Transportation Group Inc.	TTNM	\$1.70	-8%	\$149	44%	6%	\$0	na	nm	nm	nm	3.2x	7.4x
Patriot Transportation Holding, Inc.	PATI	\$7.77	-8%	\$25	-16%	3%	\$93	9%	0.3x	3.0x	11.0x	nm	nm
Median			6%		22%			13.3%	1.1x	7.3x	24.1x	6.8x	22.4x

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

## Publicly Traded Companies

Company Name	Ticker	Price at 12/29/23	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	\$403.28	9%	\$44,731	0%	20%	\$5,862	33%	7.6x	22.8x	36.0x	19.4x	30.0x
Saia, Inc.	SAIA	\$397.92	16%	\$10,450	-1%	12%	\$2,786	22%	3.8x	17.0x	31.4x	13.8x	24.8x
ArcBest Corporation	ARCB	\$97.68	-1%	\$2,540	4%	4%	\$4,796	6%	0.5x	8.3x	13.3x	5.4x	9.3x
Mullen Group Ltd.	MTL	\$9.75	-15%	\$1,474	40%	7%	\$1,478	15%	1.0x	6.5x	7.1x	6.1x	9.5x
Median			9%		2%			19%	2.5x	13.3x	23.6x	10.5x	19.4x
Air Freight													
Air T, Inc.	AIRT	\$16.90	-24%	\$177	73%	-2%	\$247	0%	0.7x	634.4x	nm	nm	nm
Forward Air Corporation	FWRD	\$62.87	-9%	\$1,891	15%	3%	\$1,371	11%	1.4x	13.0x	9.6x	3.9x	24.5x
Air Transport Services Group, Inc.	ATSG	\$17.61	-16%	\$2,846	60%	3%	\$2,071	24%	1.4x	5.6x	18.9x	5.6x	25.0x
Cargojet Inc.	CJT	\$90.24	36%	\$2,131	27%	2%	\$664	25%	3.2x	12.8x	55.0x	8.9x	31.7x
Median			-12%		44%			18%	1.4x	12.9x	18.9x	5.6x	25.0x

Source: S&P Global Market Intelligence

USD millions except per share values

## Publicly Traded Companies

Company Name	Ticker	Price at 12/29/23	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	\$78.48	-5%	\$5,840	21%	4%	\$3,092	18%	1.9x	10.7x	20.8x	9.0x	15.9x
Matson, Inc.	MATX	\$109.60	24%	\$4,425	13%	5%	\$3,095	16%	1.4x	9.0x	12.9x	8.8x	13.0x
Pangaea Logistics Solutions, Ltd.	PANL	\$8.24	40%	\$622	38%	5%	\$495	17%	1.3x	7.4x	9.4x	6.2x	7.6x
Global Ship Lease, Inc.	GSL	\$19.82	8%	\$1,418	51%	10%	\$646	64%	2.2x	3.4x	2.2x	3.1x	2.3x
Genco Shipping & Trading Limited	GNK	\$16.59	19%	\$803	12%	2%	\$384	23%	2.1x	9.0x	nm	4.8x	7.6x
Algoma Central Corporation	ALC	\$11.32	4%	\$700	38%	3%	\$546	19%	1.3x	6.6x	6.9x	4.7x	8.7x
Median			13%		29%				1.7x	8.2x	9.4x	5.5x	8.2x

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

## Publicly Traded Companies

Company Name	Ticker	Price at 12/29/23	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	\$245.62	21%	\$183,446	18%	9%	\$24,119	47%	7.6x	16.0x	23.5x	14.9x	22.0x
Canadian National Railway Company	CNR	\$126.11	16%	\$95,303	15%	9%	\$12,742	53%	7.5x	14.2x	19.1x	14.3x	21.4x
CSX Corporation	CSX	\$34.67	13%	\$86,185	21%	8%	\$14,657	49%	5.9x	12.0x	18.4x	11.6x	17.5x
Norfolk Southern Corporation	NSC	\$236.38	20%	\$68,973	23%	6%	\$12,156	44%	5.7x	12.8x	29.2x	12.4x	19.7x
Canadian Pacific Kansas City Limited	CP	\$79.39	6%	\$92,379	20%	4%	\$9,507	51%	9.7x	18.9x	24.9x	16.8x	24.8x
Median			16%		20%				7.5x	14.2x	23.5x	14.3x	21.4x
Logistics & Intermodal													
United Parcel Service, Inc.	UPS	\$157.23	1%	\$152,122	12%	9%	\$90,958	14%	1.7x	11.6x	20.0x	11.6x	19.0x
FedEx Corporation	FDX	\$252.97	-5%	\$94,668	33%	5%	\$90,155	12%	1.1x	8.9x	15.9x	9.1x	14.4x
Expeditors International of Washington, Inc.	EXPD	\$127.20	11%	\$17,375	-6%	12%	\$9,300	11%	1.9x	17.2x	24.6x	18.8x	26.7x
TFI International Inc.	TFII	\$136.48	6%	\$13,551	15%	8%	\$7,521	14%	1.8x	13.1x	22.9x	9.5x	18.3x
XPO, Inc.	XPO	\$87.59	17%	\$13,019	22%	5%	\$7,744	13%	1.7x	13.1x	53.7x	10.5x	25.0x
RXO, Inc.	RXO	\$23.26	18%	\$3,246	16%	2%	\$3,927	3%	0.8x	24.2x	680.4x	25.5x	101.9x
GXO Logistics, Inc.	GXO	\$61.16	4%	\$10,843	33%	3%	\$9,778	8%	1.1x	14.4x	31.8x	14.0x	22.2x
C.H. Robinson Worldwide, Inc.	CHRW	\$86.39	0%	\$11,855	15%	6%	\$17,596	3%	0.7x	20.0x	31.0x	17.7x	26.7x
Forward Air Corporation	FWRD	\$62.87	-9%	\$1,891	15%	3%	\$1,724	12%	1.1x	9.0x	14.9x	3.9x	24.5x
Hub Group, Inc.	HUBG	\$45.97	17%	\$3,075	5%	4%	\$4,203	9%	0.7x	7.9x	17.4x	8.4x	20.5x
Air Transport Services Group, Inc.	ATSG	\$17.61	-16%	\$2,846	60%	3%	\$2,071	24%	1.4x	5.6x	18.9x	5.6x	25.0x
Radiant Logistics, Inc.	RLGT	\$6.64	18%	\$340	8%	2%	\$1,085	5%	0.3x	6.8x	15.1x	9.3x	14.8x
Median			5%		15%				1.1x	12.3x	21.4x	10.0x	23.4x

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## Publicly Traded Companies

Company Name	Ticker	Price at 9/30/23	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	\$61.57	34%	\$131,006	3%	2%	\$37,281	5%	3.5x	67.8x	67.1x	21.1x	50.5x
Lyft, Inc.	LYFT	\$14.99	42%	\$5,345	-10%	-5%	\$4,404	-6%	1.2x	-19.6x	nm	15.9x	24.2x
Steer Technologies Inc.	STER	\$0.08	34%	\$22	53%	-27%	\$24	-56%	0.9x	-1.7x	1.0x	nm	nm
Zoomcar Holdings, Inc.	ZCAR	\$3.69	nm	\$380	61%	-111%	\$9	-405%	43.1x	-10.6x	nm	nm	nm
Median			34%		28%				2.4x	-6.2x	34.1x	18.5x	37.3x
Autonomous Trucking													
TuSimple Holdings Inc.	TSP	\$0.02	-18%	\$2	16%	-11%	\$0	na	nm	-2.1x	nm	nm	nm
Freight Technologies, Inc.	FRGT	\$3.36	-6%	\$204	1%	-38%	\$20	-38%	10.4x	-27.5x	nm	-51.1x	nm
Median			-12%		8%				10.4x	-14.8x	nm	-51.1x	nm

Source: S&P Global Market Intelligence

USD millions except per share values



# 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

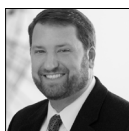
- Valuation of transportation and logistics companies
- Transaction advisory for acquisitions and divestitures
- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and valuation and shareholder disputes

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

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