

VALUE FOCUS

Transportation & Logistics

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In This Issue

FEATURE ARTICLE

The Tariff Hangover:

How a Year of Trade Volatility
Is Reshaping Transportation

1

Industry Macro Trends

5

Trucking

11

Rail & Intermodal

16

M&A Activity

17

Select Transactions

18

Public Company

Performance Multiples

20

Publicly Traded Companies

21

About Mercer Capital

27



FEATURE ARTICLE

The Tariff Hangover: How a Year of Trade Volatility Is Reshaping Transportation

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The past year has been defined by a series of rapid and often unpredictable shifts in trade policy. New tariffs, temporary pauses, retaliatory measures, and evolving global supply chains have left a measurable impact on the transportation and logistics industry. These developments have influenced freight volumes, pricing dynamics, capital allocation, and ultimately the valuation of transportation companies.

A review of freight activity, economic indicators, and policy outcomes suggests that the industry is now entering a distinct phase following the initial disruption, a phase that can only be described as the “tariff hangover.” This period reflects the transition from short-term demand distortions to a more normalized, but structurally altered, operating environment.

For firms across the transportation sector, the implications are increasingly clear: investors and operators are shifting focus away from temporary volume spikes toward sustainable demand, cost discipline, and resilience to policy uncertainty. Below, we examine the key economic and operational forces shaping this transition and their implications for valuation. But first, what role do tariffs play in shaping transportation demand?

Tariffs and Their Impact on Transportation Demand

Tariffs are taxes imposed on imported goods, typically calculated as a percentage of the import's value. By **increasing** the cost of foreign goods, tariffs can influence trade flows, supply chains, and domestic production decisions.

In the short term, tariffs often create a surge in transportation demand. Businesses accelerate imports ahead of tariff implementation, leading to temporary increases in shipping volumes and freight rates. However, economic research suggests that these effects are not permanent. The **Federal Reserve notes** that tariff increases can initially act as both a cost shock and demand dampener, as higher prices reduce consumption and slow economic activity. Over time, these dynamics tend to reverse. As inventories normalize and higher costs work through the system, demand for transportation services can soften. Freight indicators **collected** by the Bureau of Transportation Statistics show that transportation activity tends to stabilize after periods of disruption, reflecting underlying economic fundamentals rather than temporary policy-driven surges.

In essence, tariffs create both a pull-forward of demand and a subsequent normalization period, setting the stage for the “hangover” now emerging across the industry.

FEATURE ARTICLE

The Tariff Hangover: How a Year of Trade Volatility Is Reshaping Transportation

(cont.)

Pre-Tariff Stability: Balanced Demand and Predictable Cycles (Pre-2025)

Prior to the widespread implementation of tariffs in 2025, the transportation industry was already adjusting to a post-pandemic normalization phase. Freight volumes had moderated from COVID-era highs, and pricing power had weakened as capacity expanded and demand stabilized.

While the industry has historically been cyclical, operators had relatively clear visibility into demand drivers such as industrial production, consumer spending, and inventory cycles. Soft freight markets were somewhat predictable, allowing companies to manage capacity and costs with a reasonable degree of confidence. This was the environment post-pandemic, reflecting a return to traditional transportation economics, where supply and demand fundamentals, rather than external policy shocks, drove performance.

The Tariff Surge: Demand Pull-Forward and Temporary Strength (Early 2025)

With the introduction of new tariffs in early 2025, the industry experienced a sudden and significant shift. Importers accelerated shipments to avoid higher costs, leading to a temporary surge in freight volumes across ports, rail networks, and trucking routes. This demand pull-forward created localized tightening in capacity and, in some cases, short-term pricing stability. However, this strength was largely driven by timing rather than underlying growth. As **research** from the Federal Reserve Bank of Minneapolis suggests, many firms built up inventories in anticipation of tariff increases and subsequently worked down those inventories over time.

At the same time, tariffs introduced new inefficiencies into global supply chains. Higher input costs, shifting trade routes, and uncertainty around future policy decisions made it more difficult for businesses to plan production and distribution. The Federal Reserve has **noted** that tariffs can reduce economic efficiency by increasing costs and disrupting established trade patterns. The key theme of this period was distortion. Transportation demand was elevated, but not necessarily sustainable, as it was driven by policy timing rather than long-term economic growth.

FEATURE ARTICLE

The Tariff Hangover: How a Year of Trade Volatility Is Reshaping Transportation

(cont.)

The Tariff Hangover: Normalization and Margin Pressure (Mid-Late 2025)

As 2025 progressed, the initial surge in activity began to fade. Inventories that had been built up earlier in the year were gradually drawn down, leading to softer freight volumes and reduced demand for transportation services. At the same time, the cost environment remained elevated. Tariffs continued to increase the price of imported goods, with **studies** indicating that a significant portion of these costs are passed through to domestic businesses and consumers. This combination of lower volumes and higher costs created margin pressure across many segments of the transportation industry.

Freight markets have also been influenced by excess capacity and ongoing uncertainty. **Industry data** suggests that lingering fleet capacity leftover from pandemic highs, combined with policy volatility, has weighed on rates and slowed the pace of recovery.

This phase represents a return to fundamentals but under shifted equilibrium and less favorable conditions. While demand has normalized, it has done so at a lower level, with increased volatility and reduced visibility. For valuation purposes, this environment reinforces a familiar principle: temporary increases in earnings are less relevant than the sustainability and predictability of future cash flows. As a result, valuation multiples are more likely to reflect normalized performance rather than tariff-driven peaks.

Interpreting the Arc of Tariff-Driven Change

Taken together, the data suggest a clear progression:

- 1. Pre-Tariff Period:** Stable but soft demand driven by traditional economic cycles.
- 2. Tariff Surge:** Temporary increase in activity due to inventory stockpiling and policy timing.
- 3. Tariff Hangover:** Normalization of demand accompanied by margin pressure and continued uncertainty.

For transportation companies, the lesson is consistent with prior cycles: while external shocks can influence short-term performance, long-term value is driven by the durability of earnings and the ability to adapt to changing conditions. The past year has demonstrated that trade policy can introduce meaningful volatility into the industry. However, it has also reinforced the importance of operational flexibility, cost management, and strategic positioning in maintaining value through periods of disruption.

FEATURE ARTICLE

The Tariff Hangover: How a Year of Trade Volatility Is Reshaping Transportation

(cont.)

Is the Transportation Sector Becoming Structurally More Risky?

The recent period of tariff-driven volatility raises a broader question: is the transportation sector becoming structurally more risky? Historically, the industry's risk profile has been tied primarily to economic cycles. Today, however, additional factors, including trade policy, supply chain reconfiguration, and regulatory pressures, are playing a more prominent role.

Economic research suggests that tariffs can alter supply chains, increase costs, and introduce inefficiencies that persist beyond the initial policy change. These effects can create longer-term uncertainty for transportation companies, particularly those with significant exposure to international trade flows. At the same time, firms are increasingly adjusting sourcing strategies, rerouting supply chains, and diversifying trade partners in response to these pressures.

From a valuation perspective, an increase in perceived risk can influence both discount rates and valuation multiples. Investors may require higher returns to compensate for policy uncertainty, while placing greater emphasis on resilience and flexibility. Companies with diversified operations, strong balance sheets, and the ability to adapt to shifting trade dynamics may be better positioned to navigate this environment. While it is not yet clear whether these risks represent a permanent structural shift, the events of 2025 suggest that transportation companies must now account for a broader range of external factors than in prior cycles. The industry remains cyclical, but the sources of that cyclicity are becoming more complex.

Conclusion

Mercer Capital's Transportation & Logistics team continues to monitor the evolving impact of trade policy, economic conditions, and industry dynamics on valuation. As the effects of the past year's tariff activity continue to unfold, distinguishing between temporary disruptions and lasting structural changes will be critical for transportation companies and their stakeholders.

Whether you are evaluating a potential transaction, preparing for succession, or navigating an uncertain freight environment, understanding how these trends influence value is essential. Contact a member of our team to discuss how these developments may impact your company's strategic options and long-term value.

Industry Macro Trends

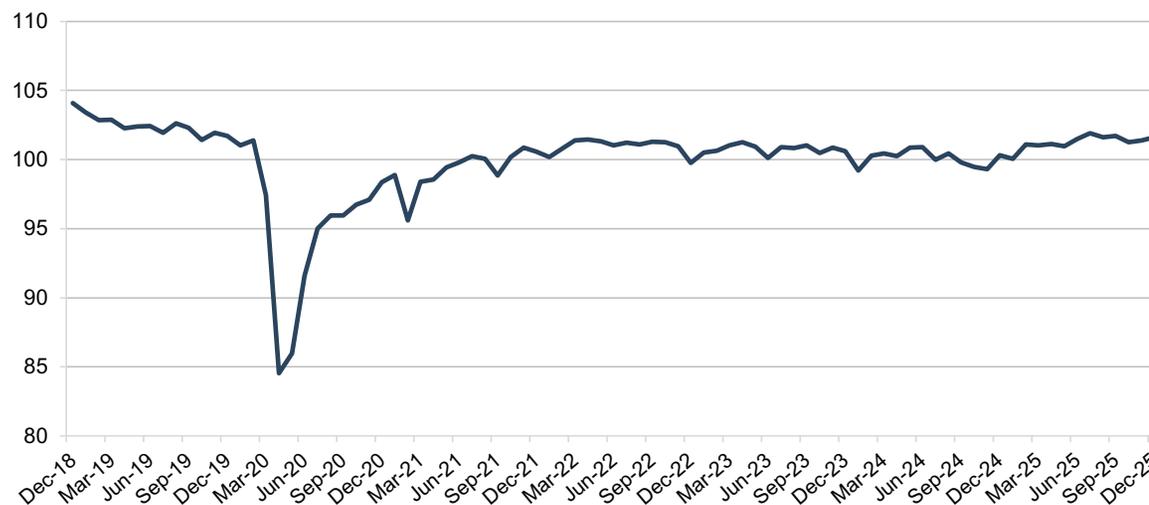
Industrial Production Index

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 affected the index, but it has since rebounded and returned to pre-pandemic levels.

In November 2025, the Federal Reserve **revised** the industrial production index. The largest impact of the revision was converting the classification of industry group and incorporating the 2022 Economic Census. On the whole, the changes adjusted the index downward. For example, previously industrial production was estimated to have increased by 2.2% between February 2020 (a pre-COVID date) and August 2025. Following the revisions, industrial production was flat during this period.

As of December 2025, industrial production was sitting at 101.6, an increase of 1.6% over the full year and 0.25% over the prior month. Industrial production is essentially unchanged relative to the prior quarter. Relative to September 2025, utilities had the largest increase. Utilities grow 4.5% over the quarter, likely driven by increased demand and data center activity.

Industrial Production Index (Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

Indexed to 2017

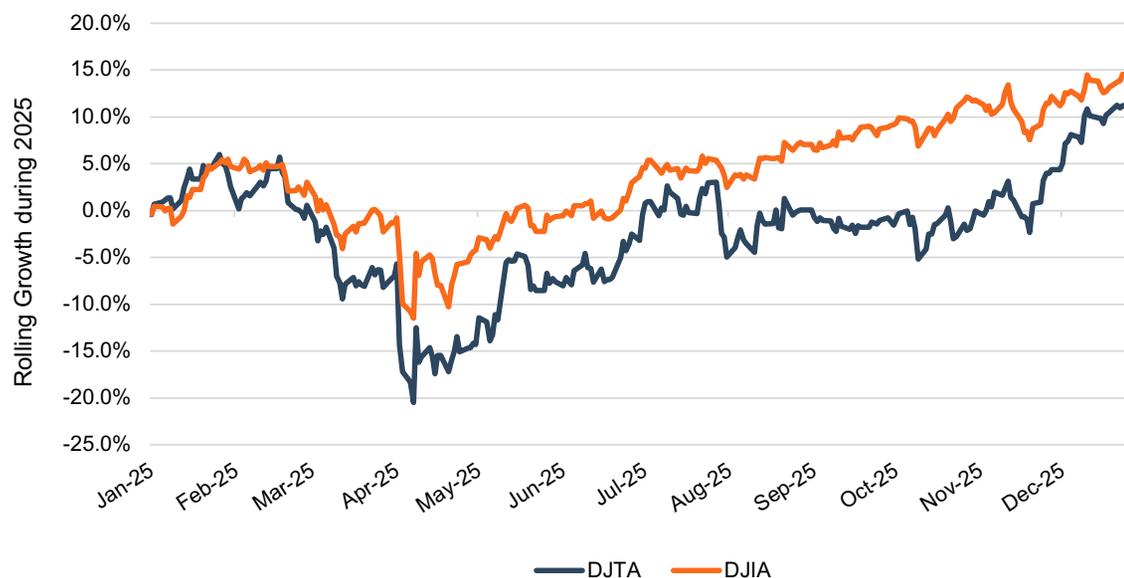
Industry Macro Trends

Dow Jones Transportation Index

The Dow Jones Transportation Average (DJTA) is a price-weighted index of 20 U.S. transportation stocks and is often viewed as a signal of overall market health; divergence from the Dow Jones Industrial Average (DJIA) can indicate a coming trend reversal. The DJTA fell sharply with COVID-19 restrictions in March 2020, then grew steadily through September 2021. In 2022, it became more volatile as expectations of a transportation slowdown increased, though timing and magnitude remained unclear. In 2023, the DJTA outperformed the broader economy, rising nearly 19% versus 13.7% for the DJIA. In 2024, it cooled in the first half but rallied late, peaking at 17,754 in November and finishing up 3.24% for the year.

Following tariff announcements on imports in April 2025, the DJTA declined significantly, especially relative to the DJIA; April 8 marked the yearly low for both. Year-to-date, the DJTA fell over 20% compared to an 11.5% decline in the DJIA. By June 30, the DJIA had rebounded to +3.6% for the year, while the DJTA remained down 3.2%. By August, the DJTA diverged further due to stagnant inventories (as suppliers pulled forward orders ahead of tariffs) and a weak peak season, which increased pricing and margin pressure amid low volumes, reflecting the “tariff hangover” discussed earlier.

Dow Jones Transportation Index



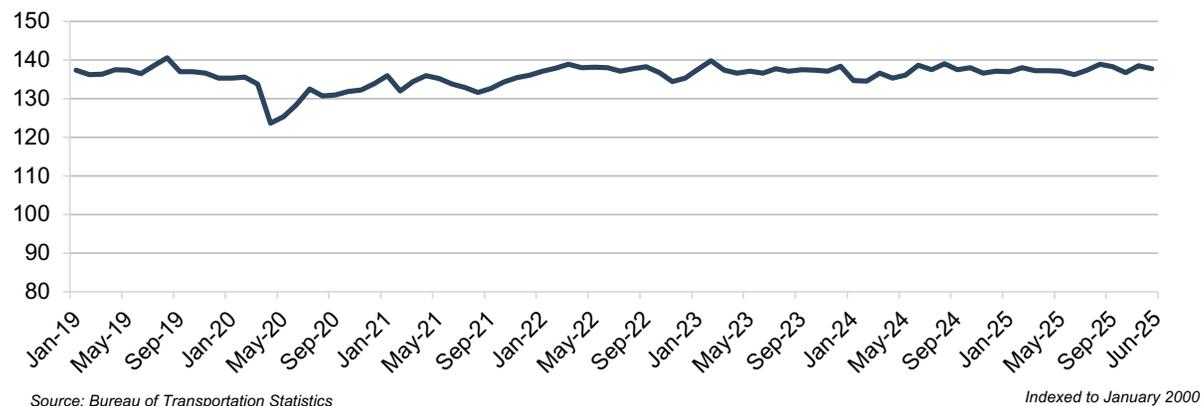
Source: Federal Reserve Bank of St. Louis

Industry Macro Trends

Transportation Services Index

The **Transportation Services Index** measures freight traffic in the United States, including rail, trucking, and marine shipping. The TSI has experienced modest changes throughout the year but has remained in the upper 130s. The TSI has increased 0.51% on a year-over-year basis since December 2024. The index in December 2025 stood at 137.8 which has been around average for the past three years.

Transportation Services Index (Freight, Seasonally Adjusted)



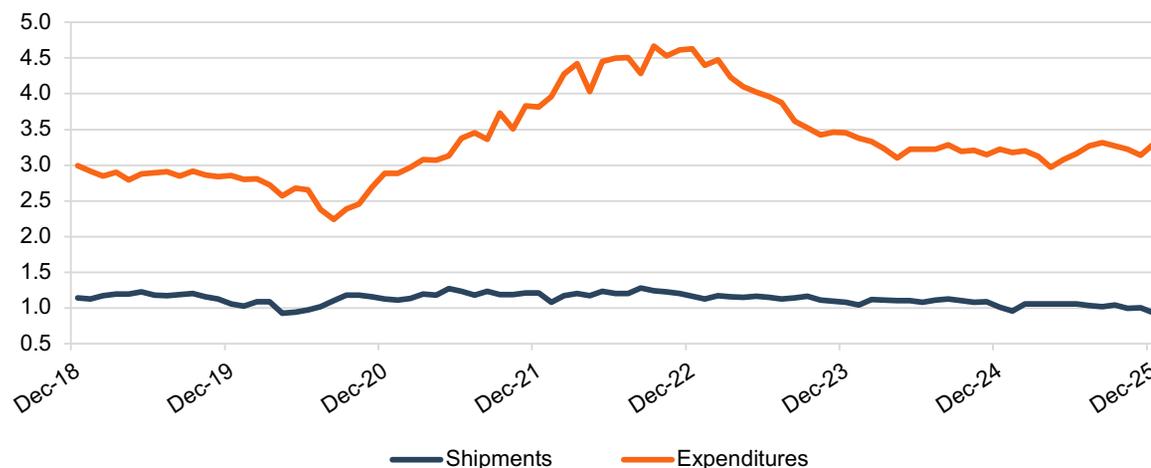
Industry Macro Trends

Cass Freight Index

The **Cass Freight Index** of shipments and expenditures is considered one of the best indicators of overall U.S. freight activity. The shipments index measures freight shipments within North America for all domestic modes and goods. Cass notes that trucking (both truckload and LTL) accounts for nearly 75% of the index. The expenditures index measures total dollars spent on freight transportation in both contract and spot rate markets.

In April 2020, the shipments index dropped to its lowest level since the Great Recession due to COVID 19-related shutdowns in the U.S. and abroad. However, shipments later increased during 2021 and 2022 due to gains in ecommerce. Following the end of the pandemic, the shipments index softened and fell below even 2020 performance. The shipments index has experienced year-over-year declines since the beginning of February 2023 (35 consecutive months) as the industry first returned to pre-pandemic norms and then continued to fall. Tariff uncertainty leading to delayed import shipments has continued to be a drag on the shipments index, which has decreased 7.5% relative to December 2024.

Cass Freight Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

Industry Macro Trends

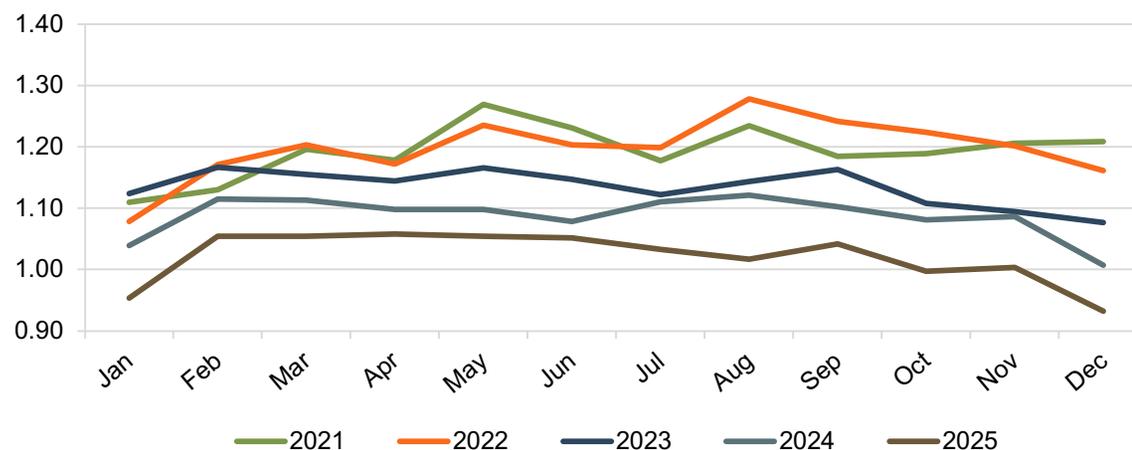
Cass Freight Index (cont.)

During the height of the pandemic, increased demand for shipments combined with limited available capacity resulted in a divergence of the shipments and expenditures indices. Expenditures posted large declines through the first half of 2024 that slowed towards the year's end. This change was driven largely by the fall of spot rates (and the lagging adjustment of contract rates) from those pandemic-induced highs. Throughout 2024 and the first quarter of 2025, the year-over-year declines moderated and switched over to gains from in April 2025 through July 2025. Expenditures performance has been mixed through the end of 2025. Relative to December 2024, the expenditures index decline 0.6%. On a monthly basis, the expenditures index decreased three months in a row at the end of 2025.

Shipments

The shipments index fell to 0.932 in December 2025. Shipments decreased 7.5% relative to December 2024. In terms of the shipments index, 2025 has underperformed every post-COVID year. The second chart shows the average level of the shipments index over the last ten years.

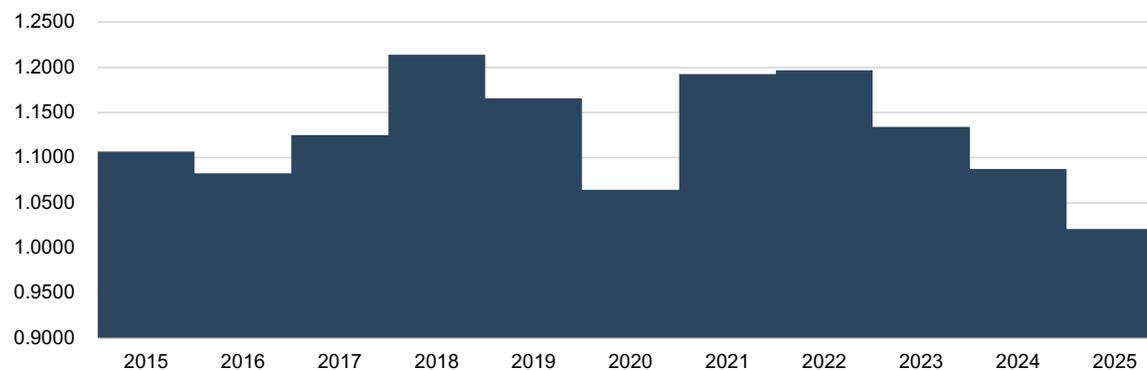
Cass Freight Shipments Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

Average Annual Shipment Index Reading

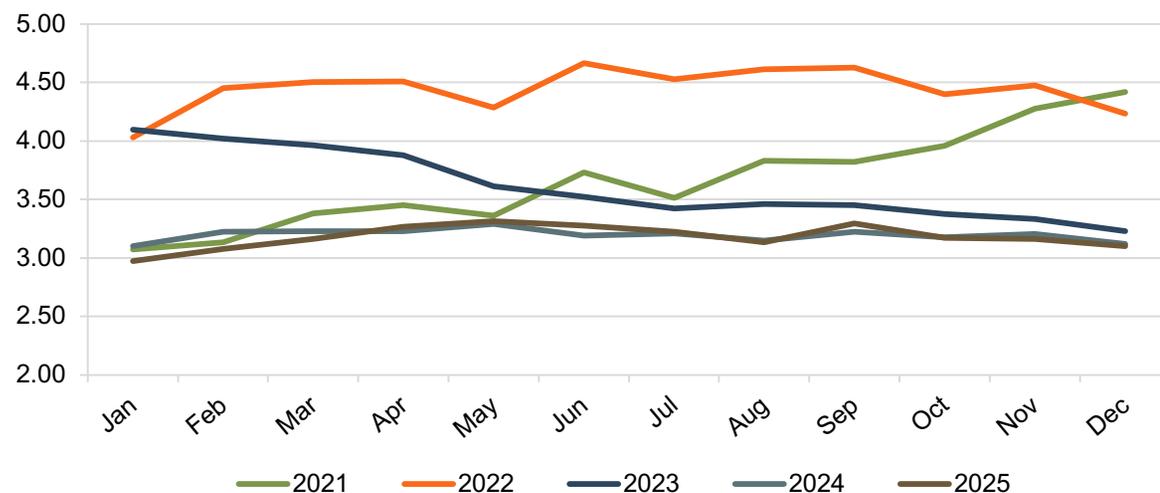


Industry Macro Trends

Expenditures

The expenditures index measures the total amount spent on freight. The expenditures index fell to 3.101 in December 2025, down 5.9% from the prior quarter and 0.6% on a year-over-year basis. The expenditures index reached previously unrecorded levels during 2022. Increasing inflation and general global trade uncertainty has decreased the demand for the slow-to-change capacity of freight, reducing stress on shipping prices. The expenditures index in 2025 has closely tracked the performance of 2024.

Cass Freight Expenditures Index



Source: Cass Information Systems, Inc.

Indexed to January 1990

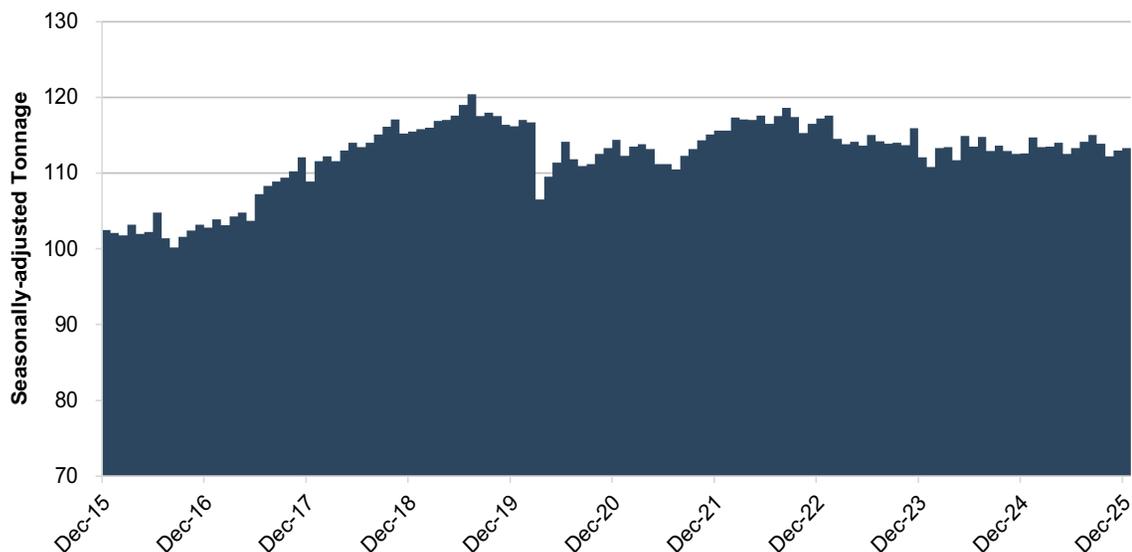
Trucking

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 set a record level in August 2019. After falling off steeply at the start of the pandemic, truck tonnages generally recovered alongside growth in e-commerce. Reflective of the broader industry trend, truck tonnages experienced year-over-year declines during most of 2023 and 2024. The truck tonnage index has fluctuated throughout 2025, without exhibiting a particular trend in one direction or another. The truck tonnage index ended the year 0.62% above December 2024, but 0.53% below September 2025.

Truck Tonnage (Seasonally Adjusted)



Source: Bureau of Transportation Statistics

Indexed to 2015

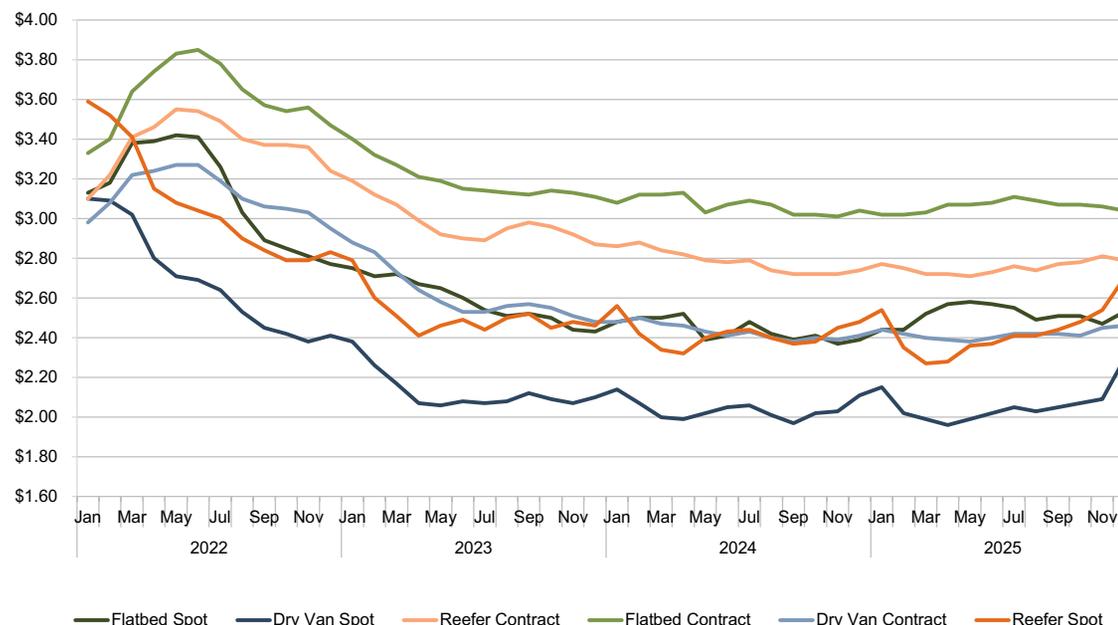
Trucking

Spot vs. Contract Rates

The Spot vs. Contract Rates charts on this and the following page depict 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. The movement of spot rates and contract rates relative to each other can signal the capacity and demand of the freight market. As capacity tightens, spot rates tend to eclipse contract rates. Conversely, if demand softens, lock-in contract rates may end up exceeding spot rates.

During the last quarter, while flatbed contract rates have declined, reefer, dry van, and flatbed spot rates have grown, with reefer and dry van spot rates sporting double digit growth. All six classes of rates tracked by DAT have increased or stayed flat during the last twelve months. On a year-over-year basis, reefer spot rates increased 8.9% and reefer contract rates increased 1.8%. Flatbed spot rates increased 5.9% relative to December 2024 and contract rates stayed steady during the same period. Dry van spot rates increased 8.5% year-over-year and dry van contract rates increased 2.1% compared to the end of 2024. Despite weak underlying demand, ongoing capacity contraction and seasonal factors supported year-end spot rate increases.

Spot vs. Contract Rates (Sept. 2021 - Dec. 2025)



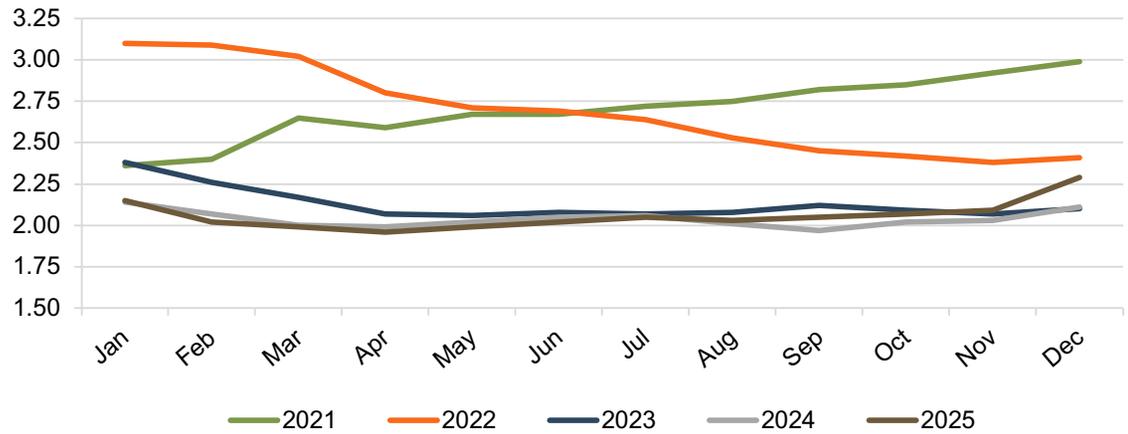
Source: DAT

Trucking

Spot vs. Contract Rates (cont.)

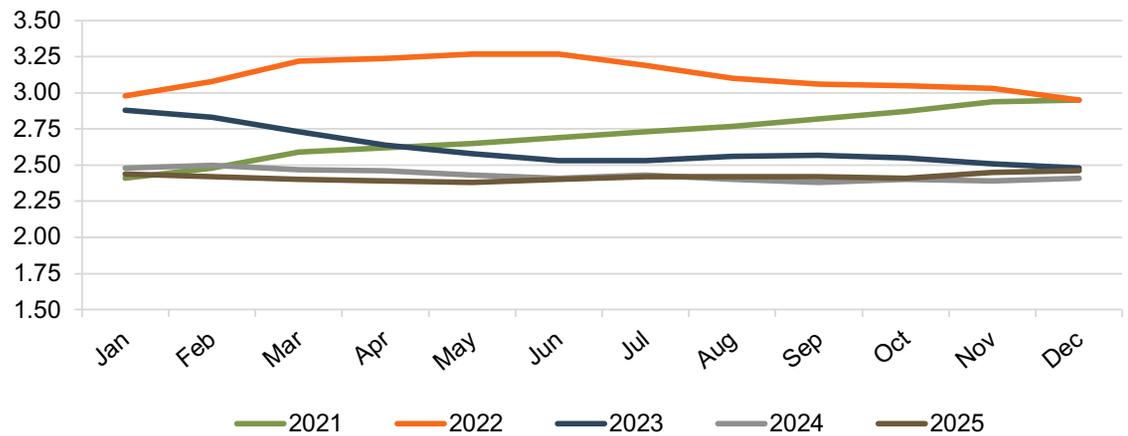
The charts on this page compare monthly dry van spot rates and contract rates on a year-over-year basis. Rates in 2025 tracked closely to 2024 rates, despite the increases in expenses and inflation that have been incurred in the last twelve months.

Dry Van Spot Rates



Source: DAT

Dry Van 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.

While 2023 was marked by year-over-year declines in load-to-truck ratios as the industry normalized, 2024 was largely marked by gains. The van load-to-truck ratio peaked in January 2025 but fell 34% the following month. Despite this month-to-month fall, the van load-to-truck ratio has posted double digit year-over-year growth since October 2024. The van load-to-truck ratio ultimately reached 9.02 by the end of 2025, growing 47% since December 2024. The reefer ratios also experienced sharp 30% drop following January 2025, but has similarly grown on a year-over-year basis since October 2024. The reefer load-to-truck ratio ended 2025 at 16.72, nearly 54% greater than November 2025 and 47% higher relative to December 2024.

Flatbed Load-to-Truck



Source: DAT

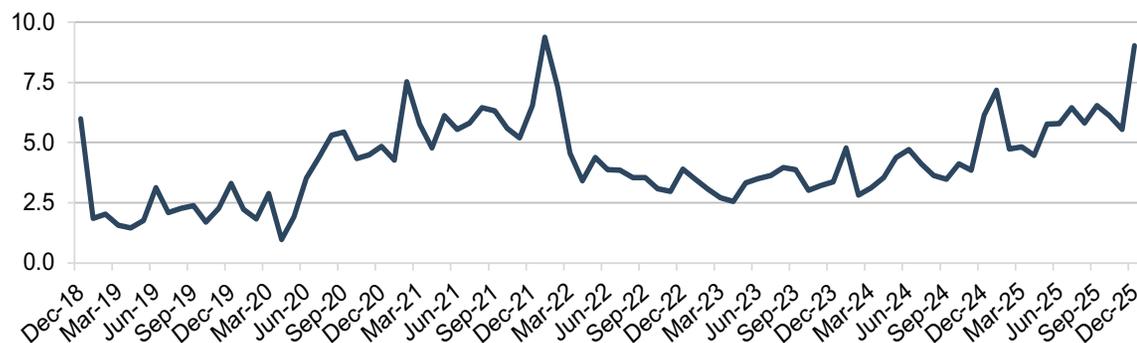
Trucking

Load-to-Truck Ratio (cont.)

The flatbed load-to-truck ratio peaked in March 2025 and again in July 2025. Despite declines in the second half of the year, the flatbed load-to-truck remains 75% above the December 2024 ratio. On a quarterly basis, flatbed load-to-truck metrics increased 6.1% relative to September 2025.

The sharp increase in dry van load-to-truck ratios in December 2025 suggests that the freight market tightened meaningfully to close the year, but the underlying drivers warrant a nuanced interpretation. It is likely the dry van spike was fueled by a combination of holiday shipping demand, winter weather disruptions which may only have temporary impacts on pricing. Conversely, both flatbed and reefer reported reductions in equipment, which open the door for long-term tightening. The load-to-truck charts are presented to the right.

Dry Van Load-to-Truck



Reefer Load-to-Truck



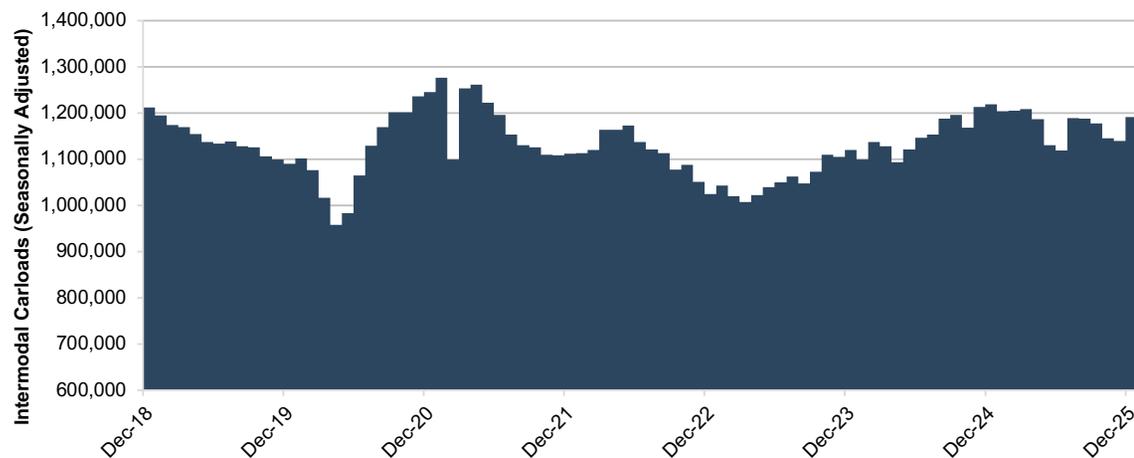
Source: DAT

Rail & Intermodal

Rail Freight Intermodal Traffic

As reported by the **Bureau of Transportation Statistics**, rail freight intermodal traffic in December 2025 increased 4.5% from the prior month but declined 2.3% on a year-over-year basis. Rail freight carloads had increased on a year-over-year basis for twenty months between October 2023 and May 2025; the streak finally ended in June 2025. Rail traffic then declined on a year-over-year basis for five straight months. Rapidly changing tariff policy has resulted in churn in the import market and overall imports are expected to remain low into 2026.

Rail Freight Intermodal Traffic



Source: Bureau of Transportation Statistics

M&A Activity

Featured Transactions

Velox to Acquire 98% of International Logistics Associates

Velox Shipping and Logistics announced a plan to acquire 98% of International Logistics Associates, LLC for \$450,000 in cash, implying a purchase price of \$459,000 for a 100% interest. Velox is publicly traded on the Bombay Stock Exchange under the identifier 506178 and raised funds for the transaction through a private placement transaction. Based on International Logistics's reported revenue of \$4.23M, the transaction implies a revenue multiple of 0.11x.



Tugboat Companies Merge

In October, Moran Towing Company announced the acquisition of Bisso Towboat Co. Both towboat companies are based in New Orleans and the lower Mississippi River region. The merger represents the combination of two historical family-owned and -run tugboat companies both founded in the second half of the 1800s.



Select Transactions

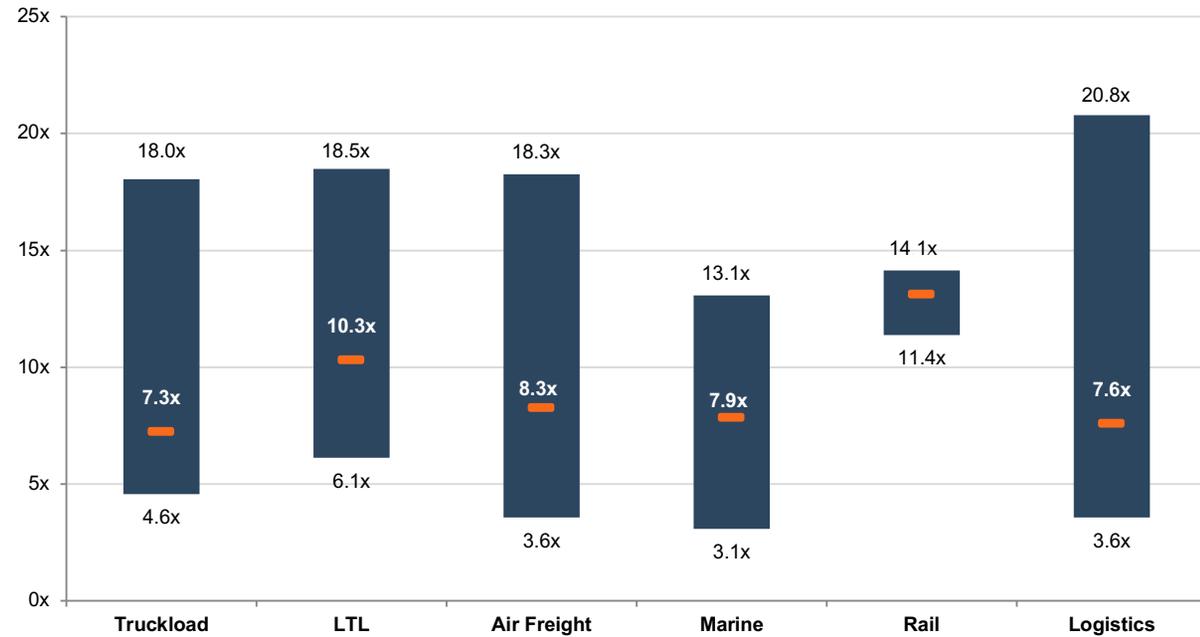
Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Ground Freight						
Dealers Choice Auto Transport	RPM Freight Systems, LLC	12/18/25	Closed	-	-	-
Triumph Energy Services, LLC	Black Dragon Resource Companies, Inc. (OTCP-K:BDGR)	12/10/25	Announced	-	-	-
Professional Automotive Relocation Services, LLC	RPM Freight Systems, LLC	12/9/25	Closed	-	-	-
Debrick Truck Line Company	PGT Trucking, Inc.	12/9/25	Closed	-	-	-
1st Choice Delivery, LLC	Lanter Delivery Systems, LLC	12/8/25	Closed	-	-	-
Goulet Trucking, Inc.	Page Trucking Inc.	11/20/25	Announced	-	-	-
STB Freight Brokers, Inc.	BlueGrace Logistics I.P. LLC.	11/11/25	Closed	-	-	-
Marine						
Bisso Towboat Co., Inc.	Moran Towing Corporation	10/2/25	Closed	-	-	-
Fleet Equipment						
Tradeport USA LLC	Rockton Ventures	10/15/25	Closed	-	-	-

Select Transactions

Target	Buyer	Date Announced	Deal Status	Total Deal Value	Deal Value to	
					Sales	EBITDA
Air Freight and Logistics						
Eagle Rock Fulfillment Inc.	WeShip Express	12/16/25	Closed	-	-	-
Intramodal Warehouses Inc	Alliance Solution Group	12/9/25	Announced	-	-	-
Quality Life Science Transportation LLC	Bluejay Capital Partners, LLC	12/2/25	Closed	-	-	-
Kwt International, Inc.	-	12/1/25	Closed	-	-	-
UAC USA	American Worldwide Agencies	11/24/25	Closed	-	-	-
CARMI Logistics LLC	The Nearshore Company	11/19/25	Closed	-	-	-
International Logistics Associates LLC	Velox Shipping and Logistics Limited	11/14/25	Announced	0.46	0.1	-
Special Delivery Service, Inc.	Proceed Legal	11/7/25	Closed	-	-	-
Xpress Global Systems, LLC	Little River Transportation, Llc	11/6/25	Closed	-	-	-
Bay Area Research Logistics	Oximio	10/17/25	Closed	-	-	-
American Chain of Warehouses, Inc.	3PL-Rx Inc.	10/6/25	Announced	-	-	-
Barrett Directline Delivery Services, Inc.	C & M Express Logistics, Inc.	10/1/25	Announced	-	-	-

Public Company Performance Multiples

TEV/EBTIDA Multiples (as of December 2025) by Sector



Source: S&P Capital IQ

Data from most recent filing available, excludes outliers

Publicly Traded Companies

Company Name	Ticker	Price at 12/31/25	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	\$194.34	45%	\$20,350	9%	7%	\$12,049	13%	1.7x	13.0x	32.3x	11.9x	27.0x
Ryder System, Inc.	R	\$191.39	1%	\$16,380	53%	4%	\$12,679	22%	1.3x	5.9x	15.4x	5.6x	13.6x
Knight-Swift Transportation Holdings Inc.	KNX	\$52.28	32%	\$11,521	26%	1%	\$7,478	14%	1.5x	11.0x	59.7x	9.0x	27.5x
Landstar System, Inc.	LSTR	\$143.70	17%	\$4,627	-7%	7%	\$4,793	5%	1.0x	18.0x	36.0x	16.2x	26.9x
Schneider National, Inc.	SNDR	\$26.53	25%	\$4,937	6%	2%	\$5,614	11%	0.9x	8.4x	40.8x	7.3x	31.5x
Werner Enterprises, Inc.	WERN	\$30.01	14%	\$2,552	30%	1%	\$2,991	11%	0.9x	7.6x	71.0x	6.1x	40.3x
Heartland Express, Inc.	HTLD	\$9.03	8%	\$855	18%	-3%	\$869	13%	1.0x	7.4x	nm	6.6x	nm
Universal Logistics Holdings, Inc.	ULH	\$15.19	-35%	\$1,297	69%	2%	\$1,638	14%	0.8x	5.7x	nm	5.2x	14.9x
Marten Transport, Ltd.	MRTN	\$11.38	7%	\$879	-6%	1%	\$904	14%	1.0x	6.8x	47.9x	6.4x	41.3x
Covenant Logistics Group, Inc.	CVLG	\$22.04	2%	\$858	36%	1%	\$1,146	12%	0.7x	6.4x	17.1x	4.8x	12.1x
Pamt Corp.	PAMT	\$12.08	6%	\$480	47%	-7%	\$623	6%	0.8x	12.0x	nm	nm	nm
Proficient Auto Logistics, Inc.	PAL	\$9.64	40%	\$343	22%	-1%	\$418	8%	0.8x	10.8x	nm	7.3x	28.1x
Titanium Transportation Group Inc.	TTNM	\$1.17	21%	\$147	63%	2%	\$337	7%	0.4x	6.7x	nm	4.7x	12.3x
Median			14%		26%			11.8%	0.9x	7.6x	38.4x	6.5x	27.0x

Source: S&P Global Market Intelligence

USD millions except per share values

Publicly Traded Companies

Company Name	Ticker	Price at 12/31/25	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	\$156.80	11%	\$32,825	0%	16%	\$5,575	31%	5.9x	18.7x	31.0x	18.7x	31.2x
Saia, Inc.	SAIA	\$326.52	9%	\$8,990	3%	6%	\$3,233	20%	2.8x	14.2x	30.6x	13.9x	30.8x
ArcBest Corporation	ARCB	\$74.19	6%	\$1,998	16%	2%	\$4,039	7%	0.5x	7.2x	17.2x	6.4x	16.3x
Mullen Group Ltd.	MTL	\$11.48	15%	\$1,853	41%	5%	\$1,507	14%	1.2x	9.1x	16.0x	7.1x	12.7x
Median			10%		10%			17%	2.0x	11.6x	23.9x	10.5x	23.6x
Air Freight													
Air T, Inc.	AIRT	\$19.10	-19%	\$176	71%	-2%	\$298	3%	0.6x	17.0x	nm	nm	nm
Forward Air Corporation	FWRD	\$25.00	-2%	\$2,853	73%	2%	\$2,497	9%	1.1x	13.1x	nm	9.2x	nm
Cargojet Inc.	CJT	\$61.22	-7%	\$1,544	40%	4%	\$719	24%	2.1x	8.8x	10.3x	6.5x	21.4x
Lakeside Holding Limited	LSH	\$0.89	-31%	\$17	10%	-16%	\$16	na	1.1x	nm	nm	nm	nm
Median			-13%		55%			9%	1.1x	13.1x	10.3x	7.9x	21.4x

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

Publicly Traded Companies

Company Name	Ticker	Price at 12/31/25	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	\$110.18	32%	\$7,179	17%	5%	\$3,315	21%	2.2x	10.4x	19.5x	9.3x	16.3x
Matson, Inc.	MATX	\$123.55	25%	\$4,479	14%	6%	\$3,383	20%	1.3x	6.7x	9.0x	6.5x	9.3x
Pangaea Logistics Solutions, Ltd.	PANL	\$6.88	35%	\$781	43%	3%	\$595	13%	1.3x	10.2x	28.1x	6.8x	25.5x
Genco Shipping & Trading Limited	GNK	\$18.43	4%	\$872	9%	0%	\$331	18%	2.6x	14.8x	nm	4.6x	12.0x
Algoma Central Corporation	ALC	\$13.78	15%	\$1,002	44%	3%	\$542	23%	1.8x	8.1x	7.7x	nm	nm
Median			25%		17%				1.8x	10.2x	14.3x	6.6x	14.1x
Railroads													
Union Pacific Corporation	UNP	\$231.32	-2%	\$169,230	19%	9%	\$24,546	51%	6.9x	13.6x	19.5x	12.8x	18.6x
Canadian National Railway Company	CNR	\$99.01	5%	\$76,543	20%	8%	\$12,347	52%	6.2x	11.9x	18.4x	11.9x	17.2x
CSX Corporation	CSX	\$36.25	2%	\$86,696	22%	7%	\$14,123	46%	6.1x	13.3x	23.3x	12.7x	19.6x
Norfolk Southern Corporation	NSC	\$288.72	-4%	\$80,984	20%	6%	\$12,230	46%	6.6x	14.3x	21.9x	14.3x	23.8x
FTAI Infrastructure Inc.	FIP	\$4.61	6%	\$5,196	79%	1%	\$440	36%	11.8x	32.4x	nm	13.9x	nm
Canadian Pacific Kansas City Limited	CP	\$73.70	-1%	\$84,216	21%	4%	\$10,790	53%	7.8x	14.6x	21.7x	13.8x	19.5x
Median			1%		21%				6.8x	13.9x	21.7x	13.3x	19.5x

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USD millions except per share values

Publicly Traded Companies

Company Name	Ticker	Price at 12/31/25	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.
Logistics & Intermodal													
United Parcel Service, Inc.	UPS	\$99.19	19%	\$106,555	21%	7%	\$89,483	13%	1.2x	9.2x	15.3x	8.7x	14.1x
FedEx Corporation	FDX	\$288.86	22%	\$98,927	31%	5%	\$87,815	13%	1.1x	9.0x	17.3x	9.4x	15.5x
Expeditors International of Washington, Inc.	EXPD	\$149.01	22%	\$19,343	-3%	14%	\$11,168	10%	1.7x	16.7x	23.6x	17.6x	24.8x
TFI International Inc.	TFII	\$103.47	18%	\$11,524	26%	5%	\$8,048	13%	1.4x	11.4x	26.0x	9.7x	22.2x
XPO, Inc.	XPO	\$135.91	5%	\$19,807	19%	6%	\$8,068	15%	2.5x	15.9x	48.1x	14.2x	30.5x
RXO, Inc.	RXO	\$12.64	-18%	\$2,731	24%	0%	\$5,940	2%	0.5x	20.7x	nm	24.7x	nm
GXO Logistics, Inc.	GXO	\$52.64	0%	\$11,222	46%	2%	\$12,921	7%	0.9x	12.8x	67.7x	11.8x	17.6x
C.H. Robinson Worldwide, Inc.	CHRW	\$160.76	21%	\$20,357	7%	10%	\$16,505	5%	1.2x	23.4x	31.6x	19.3x	26.6x
Forward Air Corporation	FWRD	\$25.00	-2%	\$2,853	73%	2%	\$2,497	9%	1.1x	13.1x	nm	9.2x	nm
Hub Group, Inc.	HUBG	\$42.61	24%	\$3,038	14%	3%	\$3,729	9%	0.8x	9.1x	24.8x	8.8x	20.3x
Radiant Logistics, Inc.	RLGT	\$6.33	7%	\$362	18%	3%	\$888	4%	0.4x	9.2x	17.3x	10.3x	18.4x
Armlogi Holding Corp.	BOC	\$0.52	-35%	\$142	83%	-7%	\$185	na	0.8x	nm	nm	nm	nm
Toppoint Holdings Inc.	TOPP	\$0.81	-42%	\$16	3%	-54%	\$16	na	1.0x	nm	nm	nm	nm
Callan JMB Inc.	CJMB	\$1.11	-77%	\$4	-16%	-51%	\$6	na	0.7x	nm	nm	nm	nm
FTAI Infrastructure Inc.	FIP	\$4.61	6%	\$5,196	79%	1%	\$440	36%	11.8x	32.4x	nm	13.9x	nm
Median			6%		21%				1.1x	12.9x	24.8x	11.1x	20.3x

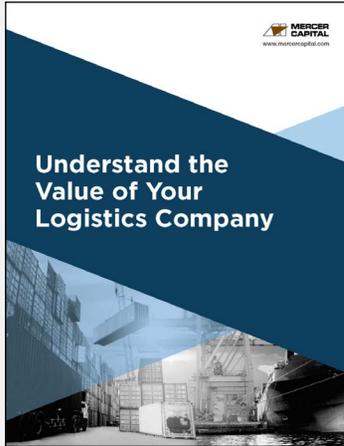
Source: S&P Global Market Intelligence
USD millions except per share values

Publicly Traded Companies

Company Name	Ticker	Price at 12/31/25	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	\$81.71	-17%	\$169,318	0%	6%	\$49,610	11%	3.4x	32.0x	10.2x	15.3x	24.3x
Lyft, Inc.	LYFT	\$19.37	-12%	\$7,062	-10%	-1%	\$6,274	2%	1.1x	53.3x	51.3x	10.4x	13.0x
Median			-14%		-5%				2.3x	nm	nm	12.8x	18.6x
Autonomous Trucking													
Freight Technologies, Inc.	FRGT	\$1.68	-74%	\$39	8%	0%	\$13	na	3.0x	nm	nm	nm	nm
Argo Corporation	ARGH	\$0.28	-22%	\$54	-2%	-44%	\$1	na	48.7x	nm	nm	nm	nm
Median			-48%		3%				25.8x	nm	nm	nm	nm

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

OTHER RESOURCES

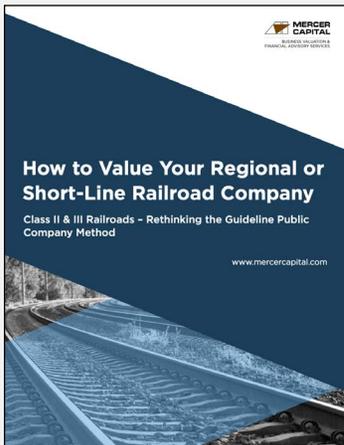


WHITEPAPER

Understand the Value of Your Logistics Company

There are many reasons why a logistics company can be worth more or less than a standard rule of thumb might imply, and many reasons why a particular interest in a logistics company can be worth more or less than the pro rata value implied by that rule of thumb. This whitepaper provides useful information as to how logistics companies are valued and what impact that might have on their owners. The whitepaper breaks down basic concepts that must be defined in every valuation and goes into depth about three commonly accepted approaches to value. Financial and market considerations are discussed as are the differences between public and private companies as well as public and private logistics companies.

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WHITEPAPER

How to Value Your Regional or Short-Line Railroad Company

In the railroad industry, Class I public company multiples are often used to estimate the fair market value of private railroads classified as Class II or Class III. In almost every case, this method significantly misrepresents the fair market value of private railroad operations. In this whitepaper, we explain why public company multiples can be misleading and discuss the mechanics of valuation used by professional business appraisers. We do so in order to provide you with the knowledge and vocabulary necessary to be an informed consumer of business valuation services and, more importantly, to understand the value of your regional or short-line railroad company.

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