



HOULIHAN LOKEY

# TRANSPORTATION & LOGISTICS

INDUSTRY UPDATE | Fall 2018



# Houlihan Lokey Transportation & Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation & Logistics Industry Update for Fall 2018.

We have included important news stories, transaction announcements, a public markets overview, and industry insights to help you stay ahead in our dynamic and constantly evolving industry. We hope you find this quarterly update to be informative and that it serves as a valuable resource to you in staying abreast of the market. If there is additional content you would find useful for future updates, please don't hesitate to call or email us with your suggestions. We look forward to staying in touch with you.

Regards,



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## Industry Sectors Covered

LOGISTICS 

ASSET-BASED TRUCKING 

MARINE 

RAIL 

TRANSPORTATION EQUIPMENT LEASING 

AVIATION 

TECH-ENABLED SERVICES 



Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

**Corporate Finance**

**2017 M&A Advisory Rankings All U.S. Transactions**

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>174</b>
2 Goldman Sachs & Co	173
3 JP Morgan	164
4 Morgan Stanley	132
5 Barclays	106

Source: Thomson Reuters

**Financial Restructuring**

**2017 Global Distressed Debt & Bankruptcy Restructuring Rankings**

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>63</b>
2 Rothschild & Co.	48
3 Lazard	36
4 PJT Partners LP	35
5 Moelis & Co.	22

Source: Thomson Reuters

**Financial Advisory**

**1997 to 2017 Global M&A Fairness Advisory Rankings**

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>1,001</b>
2 JP Morgan	959
3 Bank of America Merrill Lynch	699
4 Duff & Phelps	672
5 Morgan Stanley	660

Source: Thomson Reuters. Announced or completed transactions.

**No. 1 U.S. M&A Advisor**

**Top 10 Global M&A Advisor**

**Leading Capital Markets Advisor**

**No. 1 Global Investment Banking Restructuring Advisor**

**1,000+ Transactions Completed Valued at More Than \$2.5 Trillion Collectively**

**No. 1 Global M&A Fairness Opinion Advisor Over the Past 20 Years**

**1,000+ Annual Valuation Engagements**

**Selected Transactions**

<p>has been acquired by</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has completed a comprehensive lender-led restructuring of AUD 666m Senior Secured Credit Facilities and USD 369m PIK Toggle Notes</p> <p>Senior Lender Advisor</p>	<p>has completed a restructuring of its capital structure through a cash offer to holders of its 6.5% Eurobond Loan due 2017</p> <p>Company Advisor</p>	<p>has completed a restructuring of its \$655m Eurobonds via a UK Scheme of Arrangement</p> <p>Company Advisor</p>	<p>has confirmed a pre-arranged Chapter 11 Plan of Reorganization including a New-Money Rights Offering</p> <p>Ad Hoc Noteholder Group Advisor</p>
<p>a subsidiary of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has confirmed a Chapter 11 Plan of Reorganization</p> <p>Secured Noteholder Advisor</p>	<p>Making business flow</p> <p>has completed an exchange offer for its 4.00% First Lien Senior Secured Notes due 2018</p> <p>Company Advisor</p>	<p>has confirmed a Chapter 11 Plan of Reorganization including a \$300 million rights offering primarily backstopped by the Ad Hoc Group of Secured Noteholders</p> <p>Secured Noteholder Advisor</p>	<p>a subsidiary of</p> <p>has been acquired by funds advised by</p> <p>Sellside Advisor</p>

# Significant News Stories

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## LOGISTICS

### **Transplace Announces Acquisition of Yusen Logistics' IMC/Over-the-Road Freight Brokerage Group** (*Logistics Management*, October 9, 2018)

"With an eye on expanding its North American intermodal capabilities and a corporate commitment focused on strategic growth to meet its customers supply chain needs, non asset-based third-party logistics (3PL) services provider Transplace said this week it has acquired Yusen Logistics (Americas) Inc.'s intermodal marketing company/over-the-road freight brokerage group. Yusen Logistics (Americas) Inc. is a subsidiary of Nippon Yusen Kaisa (NYK), a Tokyo, Japan-based global ocean container carrier. It has offices in 44 countries and regions. Transplace officials explained that by bringing Yusen Logistics (Americas) Inc. into the fold it is able to expand the company's geographic footprint and intermodal network, adding that it also augments its objective to provide shippers with a high level of transportation management, intermodal, brokerage, and cross-border trade management services."

## ASSET-BASED TRUCKING

### **Truckers Get Digital in Search for Big Rigs** (*The Wall Street Journal*, September 5, 2018)

"Big trucking companies, scrambling along with their customers to keep up with fast-growing U.S. economic demand, are plowing millions of dollars into technology to build up services as digital freight middlemen. The growing investment in online freight brokerage is aimed at building on operations many truckers have used to supplement their core transportation businesses, even when that means turning shipments over to other truckers or independent drivers. The expansion is being driven by customer demand and by the need to compete with a growing lineup of upstart companies that are using new technology to grab a slice of a U.S. freight market that's growing at a fevered pace. Like the Uber Freight unit at Uber Technologies Inc. and load-matching startups like Seattle-based Convoy, the trucking companies' platforms aim to automate tasks like phone calls and booking shipments. They also harvest information that trucking companies say can help find space for customers grappling with one of the tightest freight markets in years."

### **FreightRover Closes \$500 Million Deal to Support Factoring Operations** (*Commercial Carrier Journal*, September 27, 2018)

"FreightRover, a supply chain management and payment solutions provider in the transportation industry, has closed a deal on a financing arrangement of up to \$500 million that will support the supply chain and factoring operations conducted by FreightRover's affiliate, Rover180. The new financing from Crayhill Capital Management and other investors with Rover180 will allow more shippers, 3PLs and brokers—the buyers—to benefit from extended payment terms and give trucking companies and transportation providers—the suppliers—the ability to accelerate receivables. 'Traditional supply chain finance offers limited flexibility and often lacks automated efficiencies,' said Eric Meek, Chief Executive of FreightRover. 'Our capital and technology structure uniquely address both challenges for prospective clients.'"

## RAIL

### **Union Pacific's Cure for Congestion: Imitate a Rival** (*The Wall Street Journal*, September 19, 2018)

"Union Pacific Corp. never hired Hunter Harrison to run its sprawling network. But with congestion clogging its system, the company is now adopting the late railroad maverick's strategy to speed its freight trains. The railroad, which until recently had been adding locomotives and crew, plans to use less equipment in a bid to improve its financial performance and service. Union Pacific will shift its focus from moving trains to moving the individual railcars, with the end goal of providing a tighter delivery window for customers. It also will try to minimize downtime for railcars, reduce the number of times cars are sorted at facilities so-called hump yards and blend different types of cargo on one train. The company said the changes being implemented will help its operating ratio hit 60% by 2020 and 55% longer-term."

# Significant News Stories (cont.)

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## MARINE

### **Airbus Looks Windward, Will Put Sails on Ships Moving Plane Parts**

*(The Wall Street Journal, September 8, 2018)*

“European plane maker Airbus SE, in a bid to trim its logistics costs, is turning to wind power on the big ocean-going cargo ships it uses to move aircraft parts around the world. The world’s No. 2 aircraft manufacturer after Boeing Co. said it would equip one of its three roll-on, roll-off vessels with new sail technology that operates essentially like a kite. The massive 5,382-square-foot sail should help Airbus save more than 1 million euros (\$1.2 million) in annual fuel spending and cut carbon dioxide emissions by about 8,000 metric tons a year. The device is the latest in an array of technologies shipping companies are using to cope with rising fuel costs as the International Maritime Organization implements rules to reducing pollution at sea. The IMO, which sets standards for the shipping industry, is targeting a 30% improvement in energy efficiency in the global fleet.”

### **Maersk Invests in Freight-Booking Startup Loadsmart** *(The Wall Street Journal, October 9, 2018)*

“A.P. Moeller-Maersk A/S is investing in U.S. freight-booking startup Loadsmart Inc. as the container shipping giant works to extend its services beyond maritime transportation. Maersk’s venture investment arm is leading a \$21.6 million Series A funding round for Loadsmart, together with Connor Capital SB and Chromo Invest. Maersk said its stake in the New York-based company provides “huge potential” for integrating its ocean-shipping services with Loadsmart’s trucking technology. The startup, which focuses on booking full-truckload shipments for such shippers as Daimler AG, Anheuser-Busch InBev SA and Electrolux AB, says it will use the funds primarily to reach new customers.”

## AVIATION

### **Air Transport Services Group Buys Charter Airline for \$845 Million**

*(The Wall Street Journal, October 2, 2018)*

“A major flyer of parcels for Amazon.com Inc. on Tuesday said it could expand its e-commerce business more rapidly after acquiring the airline that is the Pentagon’s largest troop carrier. Air Transport Services Group Inc. said it plans to buy Omni Air International LLC for \$845 million in cash, adding a passenger airline best known for flying troops and professional sports teams to its freight-focused business. The military business will add capacity to expand flying for customers such as Amazon and satisfy an e-commerce sector growing as much as 20% a year, said Wilmington, Ohio-based ATSG. That surge in demand has also driven a run-up in orders for new Boeing Co. cargo jets from companies including FedEx Corp. and United Parcel Service Inc. Cargo carriers have been snapping up older passenger jets such as the 767 for conversion to freighters.”

## TECH-ENABLED SERVICES

### **Digital Freight Startup Convoy Raises \$185 Million, Surpasses \$1 Billion in Value**

*(The Wall Street Journal, September 21, 2018)*

“Digital freight-booking startup Convoy raised \$185 million in a funding round led by an investment arm of Google parent company Alphabet Inc., adding big new backing for the company competing in an increasingly crowded field trying to reshape U.S. shipping operations. The funding round led by Alphabet’s CapitalG, one of the biggest investments yet in a lineup of technology-driven freight startups, brings Convoy’s total raised to \$265 million, and Chief Executive Dan Lewis said it gives the business a total value of over \$1 billion. Seattle-based Convoy is one of a stream of operators trying to bring to the freight world what Uber Technologies Inc. built in the on-demand passenger industry. Those companies include Uber itself with its Uber Freight business, and other technology-focused businesses like Transfix, Cargomatic Inc. and Trucker Path.”

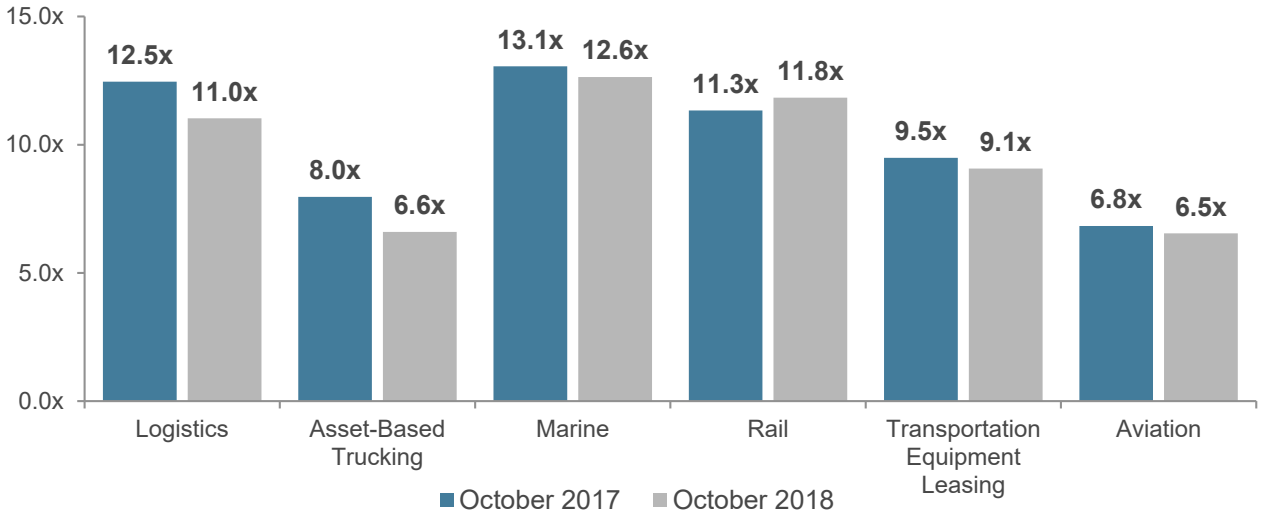
# Recent M&A Transactions

Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Oct-18	Canadian National Railway Company	TransX Group of Companies	Provides integrated transportation and logistics services, including intermodal, truckload, less-than-truckload, and specialized services	Asset-Based Trucking	NA
Oct-18	Randall-Reilly, LLC	Transportation Data Source, LLC	Provides a search engine and trucking company database used for motor carrier safety monitoring and lead generation	Tech-Enabled Services	NA
Oct-18	SF Holding Limited	DHL Supply Chain (Hong Kong) Co., Ltd./DHL Logistics (Beijing) Co., Ltd.	Provides supply chain and logistics services in China	Logistics	\$795
Oct-18	Groendyke Transport, Inc.	Tank Truck Assets of McKenzie Tank Lines, Inc.	Tank truck carrier that specializes in hauling petroleum products, chemicals, and other bulk hazardous materials	Asset-Based Trucking	NA
Oct-18	Equity Group Investments; International Rail Partners LLC	RailUSA, LLC	Florida-based owner/operator of railroads and rail-related businesses in North America	Rail	NA
Oct-18	Argosy Capital; Headhaul Capital Partners LLC	Anderson Cargo Services, Inc.	Provides third-party logistics solutions to the healthcare, financial services, technology, and home delivery industries; services include domestic freight management, truckload and LTL brokerage, and warehousing	Logistics	NA
Oct-18	E2open, LLC	INTRRA Inc.	Ocean shipping network, software and information provider	Tech-Enabled Services	NA
Oct-18	Odyssey Logistics & Technology Corporation	American Fast Freight, Inc.	Provides third-party logistics and freight forwarding services	Logistics	\$465
Oct-18	FedEx Corporation	Manton Air-Sea Pty Ltd	Provides logistics services, including freight forwarding and customs brokerage solutions in Australia	Logistics	NA
Oct-18	USA Truck, Inc.	Davis Transfer Company Inc./Davis Transfer Logistics Inc./B & G Leasing, L.L.C.	Provides regional full-truckload carrier services in the southeastern U.S.	Asset-Based Trucking	\$53
Oct-18	AIT Worldwide Logistics, Inc.	Worldfresh Express, Inc.	Freight forwarder specializing in perishable food products	Logistics	NA
Oct-18	EPIC Companies, LLC	BAE Systems Southeast Shipyards Alabama LLC	Offer blue-water ship construction, repairs, and conversions	Marine	NA
Oct-18	Universal Logistics Holdings, Inc.	Specialized Rail Service Inc.	Offers local and regional intermodal drayage services, as well as transloading, cross-docking, warehousing and distribution, and intermodal facility management	Logistics	\$12
Oct-18	Greenbriar Equity Group LLC	Spireon, Inc.	Provides cloud-based GPS vehicle tracking and fleet management solutions for businesses and consumers	Tech-Enabled Services	NA
Oct-18	DSV A/S	Ceva Logistics AG	Offer Rejected - Global asset-light third-party logistics company that designs and operates industry leading supply-chain solutions for large and medium-size national and multinational companies	Logistics	\$2,681
Oct-18	Hivest Capital Partners	Groupe STG	Provides bundling, warehousing, freight, logistics, temperature controlled, and industrial courier services	Logistics	NA
Oct-18	Delmar International Inc.	CV Logistics Inc.	Offers logistics and supply chain services to automotive, paper, insulation, plastics, aluminium, building material, and food industries	Logistics	NA
Oct-18	Kinaxia Logistics	AKW Group	Provides a range of logistics services including transport, warehousing, contract packing, and international operations	Logistics	NA
Oct-18	Evergreen Marine Corporation (Taiwan) Ltd.	Green Andes Shipping Agency (Chile) SpA	Provides maritime agency services	Marine	NA
Oct-18	Celtic International Inc.	Intermodal Operations of Yusen Logistics (Americas) Inc.	Provides intermodal marketing and over-the-road freight brokerage transportation services in the U.S.	Logistics	NA
Oct-18	Air Transport Services Group, Inc.	Omni Air International, LLC	Offers passenger charter services for tour operators, scheduled and charter airlines, cruise lines, corporations, sports teams, alumni groups, and global government agencies in the United States and internationally	Aviation	\$845
Oct-18	RETHMANN AG & Co. KG	Transdev S.A.	Provides urban and intercity public transportation services for passengers and local government authorities in Europe and internationally	Passenger Transportation	\$1,291
Oct-18	Stellax Capital Management LP	Grammer Industries, Inc.	Provides transportation services for industrial, agricultural, and retail suppliers in the eastern United States	Asset-Based Trucking	NA
Oct-18	Civil Aviation Group	Air Moldova	Provides airline passenger transportation services in Europe	Aviation	\$71
Oct-18	Amware Fulfillment, LLC	Iron Mountain Fulfillment Services, Inc.	Specializes in fulfillment and distribution of printed and promotional materials	Logistics	NA
Oct-18	Horizon Maritime Services Ltd.	Nordic American Offshore Ltd.	Owns and operates a fleet of 10 platform supply vessels in the U.K. and North Sea	Marine	NA
Oct-18	Kuehne + Nagel International AG	Logistics Operations of Wira Logistics	Provides logistics services such as warehousing and distribution in Indonesia	Logistics	NA

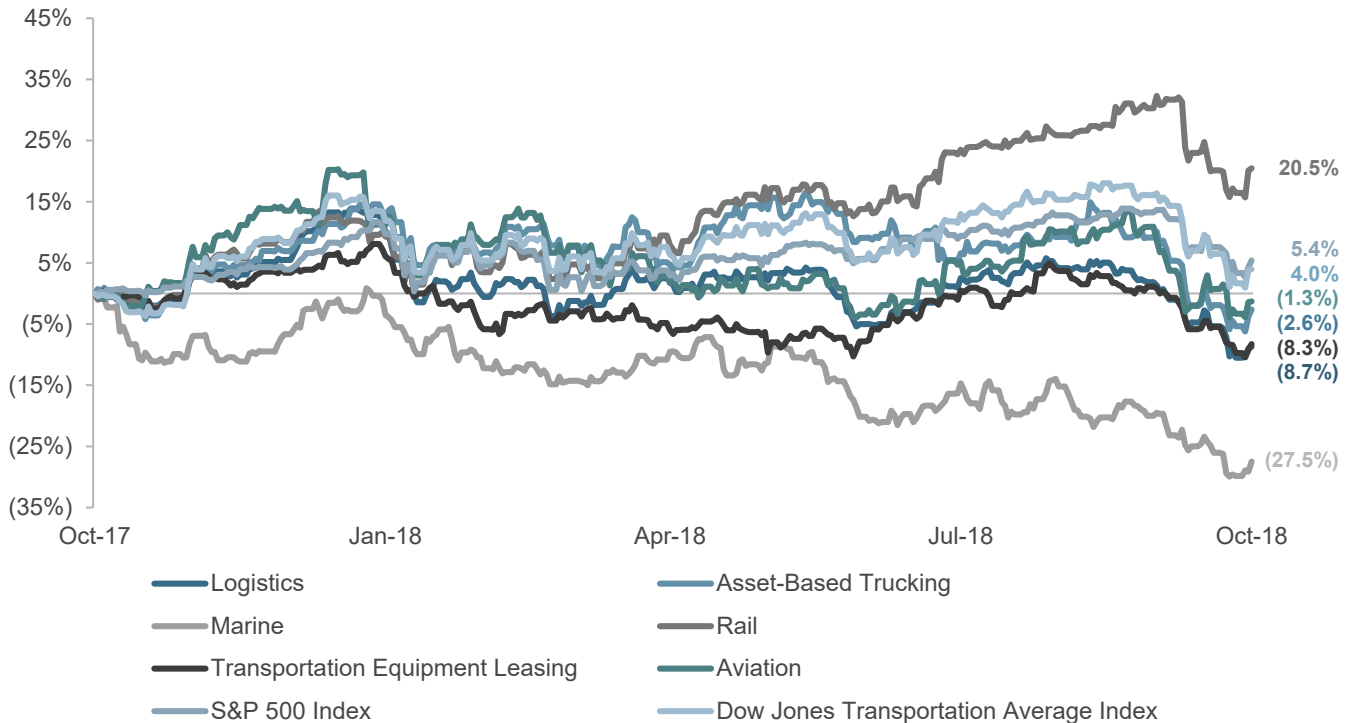
Sources: S&P Capital IQ, Mergermarket

# Public Markets Overview

## Median TEV/LTM EBITDA



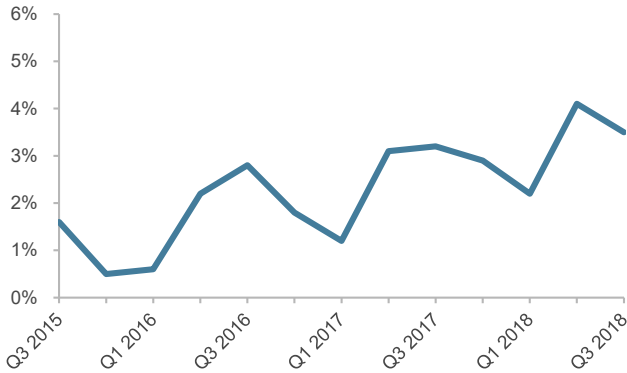
## 12 Months Indexed Stock Price Performance



Note: All data as of October 31, 2018.  
Source: S&P Capital IQ

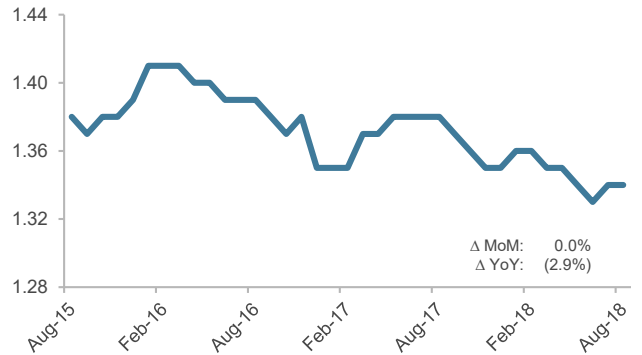
# Broad Economic Data

## QoQ Real GDP Growth<sup>(1)(2)</sup>



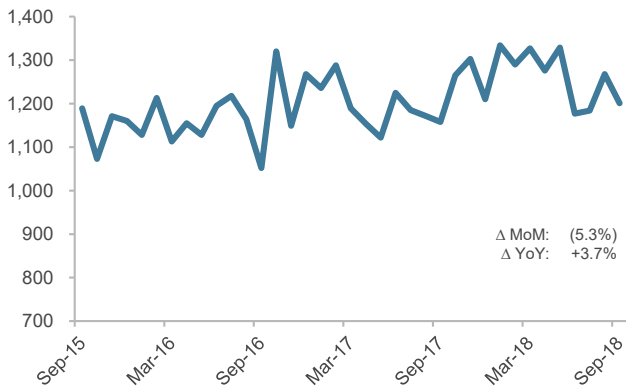
Source: Bureau of Economic Analysis

## Inventory/Sales Ratio<sup>(1)</sup>



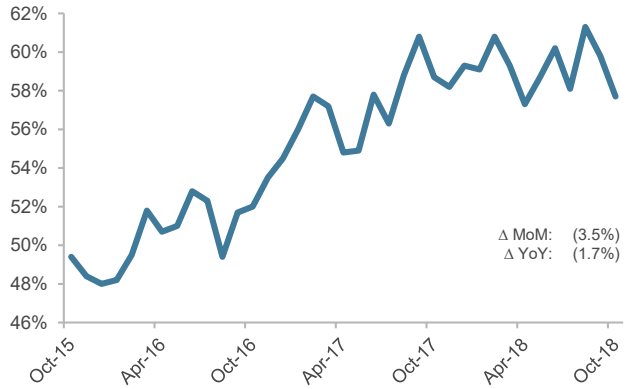
Source: U.S. Census Bureau

## Housing Starts (000s)<sup>(1)(2)</sup>



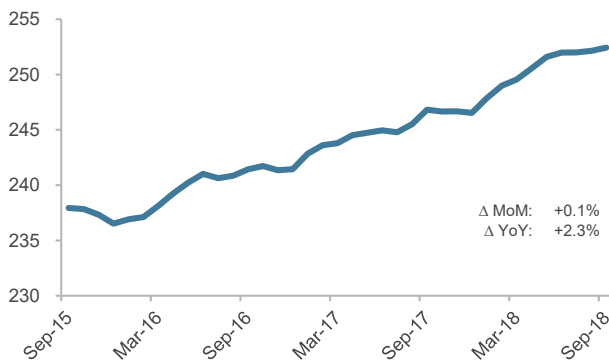
Source: U.S. Census Bureau

## ISM Manufacturing Index<sup>(1)</sup>



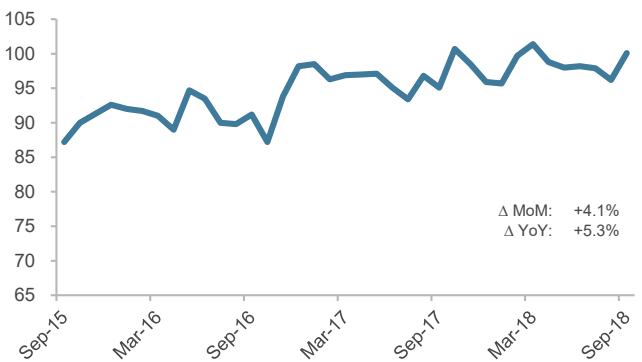
Source: Institute for Supply Management

## Consumer Price Index



Source: Bureau of Labor Statistics

## Consumer Sentiment Index



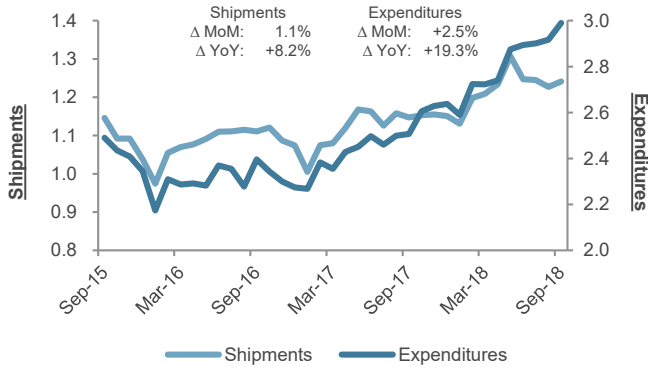
Source: University of Michigan

(1) Seasonally adjusted.  
(2) Annualized.



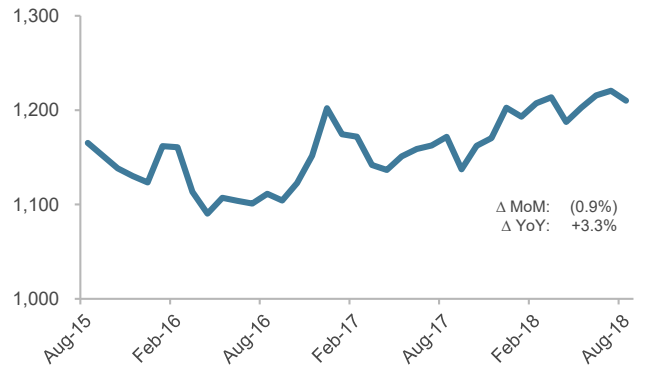
# Relevant Sector Data

## Cass Freight Index



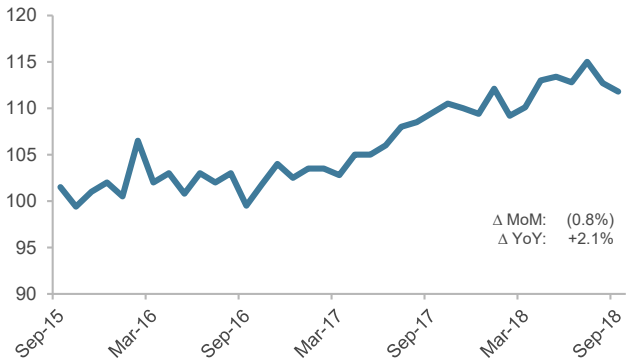
Source: Cass Information Systems, Inc.

## Intermodal Volume (000s of Containers)<sup>(1)</sup>



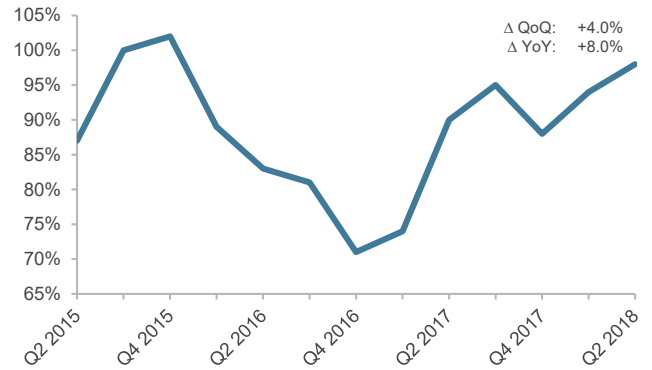
Source: Association of American Railroads

## ATA Tonnage Index<sup>(1)</sup>



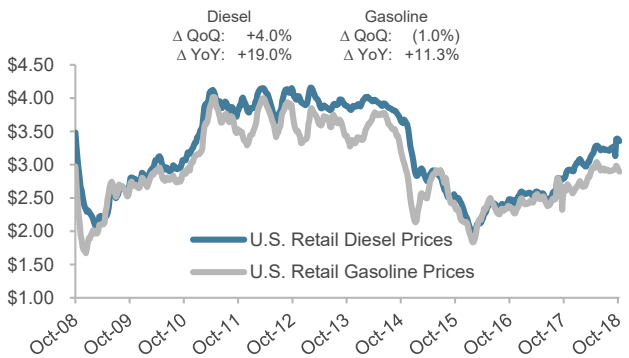
Source: American Trucking Association

## Driver Turnover<sup>(2)</sup>



Source: American Trucking Association

## Diesel & Gasoline Prices (\$/gal)



Source: U.S. Energy Information Administration

## Class 8 Tractor Orders<sup>(3)</sup>



Source: FTR Transportation Intelligence

(1) Seasonally adjusted.

(2) Annualized driver turnover for truckload fleets with over \$30 million in annual revenue.

(3) Total North American Class 8 orders includes U.S., Canada, Mexico, and North America export sales.

# Public Comparables

## Logistics and Asset-Based Trucking

### Logistics

(\$ in millions, except per-share prices)  
As of 10/31/18

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
					Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
<b>Asset-Light/Third-Party Logistics</b>													
Agility Public Warehousing Company K.S.C.P.	\$2.73	90.9%	\$3,950.7	\$4,527.5	\$4,945.3	31.4%	\$432.1	8.7%	6.1%	\$430.7	1.8x	10.5x	9.4x
Ceva Logistics AG	29.33	97.7%	1,213.1	2,332.3	7,315.0	19.1%	228.0	3.1%	2.7%	1,132.0	6.4x	10.2x	9.3x
C.H. Robinson Worldwide, Inc.	89.03	88.0%	12,334.6	13,378.1	16,453.1	7.9%	949.6	5.8%	22.6%	1,043.5	1.4x	14.1x	13.6x
DSV A/S	80.34	86.6%	14,495.5	15,353.8	12,017.1	22.2%	905.1	7.5%	10.1%	886.7	1.2x	17.0x	16.1x
Echo Global Logistics, Inc.	25.71	70.0%	734.0	890.2	2,404.4	17.2%	76.6	3.2%	9.7%	156.2	2.8x	11.6x	9.2x
Expeditors International of Washington, Inc.	67.18	86.0%	11,711.9	10,693.8	7,515.4	13.6%	811.1	10.8%	38.0%	(1,020.9)	0.0x	13.2x	12.7x
Forward Air Corporation	59.99	82.4%	1,751.8	1,763.7	1,220.9	24.4%	155.6	12.7%	14.9%	11.8	0.3x	11.3x	10.9x
Hub Group, Inc.	45.82	81.0%	1,570.5	1,614.8	4,486.4	11.9%	215.4	4.8%	8.6%	44.3	1.4x	7.5x	7.7x
Kuehne + Nagel International AG	139.05	77.1%	16,640.2	16,434.7	20,930.2	37.3%	1,237.6	5.9%	14.1%	(218.2)	0.2x	13.3x	13.5x
Landstar System, Inc.	100.09	77.8%	4,115.1	4,016.9	4,487.9	20.9%	357.8	8.0%	26.2%	(100.6)	0.4x	11.2x	10.7x
Panalpina Welttransport (Holding) AG	122.08	74.5%	2,898.5	3,025.6	6,054.5	24.9%	144.7	2.4%	6.0%	126.2	2.4x	20.9x	10.6x
Radiant Logistics, Inc.	5.44	89.3%	269.0	309.1	842.4	24.0%	26.6	3.2%	5.3%	39.9	1.8x	11.6x	8.6x
Roadrunner Transportation Systems, Inc.	0.46	5.1%	17.7	506.5	2,209.8	16.9%	(30.0)	(1.4%)	(9.3%)	488.8	(17.5x)	NM	NM
Universal Logistics Holdings, Inc.	27.17	72.1%	771.5	1,087.8	1,389.4	16.2%	133.9	9.6%	8.2%	316.3	2.5x	8.1x	7.6x
Wincanton plc	2.64	72.6%	326.9	364.5	1,644.9	6.0%	85.8	5.2%	19.3%	41.4	0.8x	4.3x	4.3x
XPO Logistics, Inc.	89.38	76.9%	11,337.9	15,448.6	17,084.0	14.9%	1,442.1	8.4%	7.0%	3,661.4	2.8x	10.7x	9.7x
<b>Parcel Delivery</b>													
Deutsche Post AG	\$31.64	67.6%	\$39,002.4	\$54,737.6	\$71,361.6	14.5%	\$5,391.4	7.6%	9.0%	\$15,834.8	3.4x	10.2x	7.5x
FedEx Corporation	220.34	80.2%	58,063.1	72,638.1	67,205.0	26.9%	8,512.0	12.7%	8.6%	14,575.0	2.0x	8.5x	7.8x
PostNL N.V.	2.96	58.3%	1,389.3	1,512.7	4,101.0	12.4%	277.7	6.8%	9.5%	123.7	2.6x	5.4x	4.5x
Royal Mail plc	4.58	56.7%	4,579.8	4,587.5	14,394.3	33.3%	803.8	5.6%	3.5%	8.5	1.1x	5.7x	4.9x
United Parcel Service, Inc.	106.54	78.6%	91,519.4	110,068.4	70,275.0	21.4%	9,977.0	14.2%	14.3%	18,521.0	2.3x	11.0x	11.4x
ZTO Express (Cayman) Inc.	16.22	71.6%	12,767.8	10,402.4	2,298.8	32.7%	715.8	31.1%	22.8%	(2,366.6)	0.0x	14.5x	12.7x
<b>Median</b>					<b>\$5,499.9</b>	<b>20.0%</b>	<b>\$395.0</b>	<b>7.2%</b>	<b>9.2%</b>	<b>\$141.2</b>	<b>1.6x</b>	<b>11.0x</b>	<b>9.4x</b>
<b>Mean</b>					<b>\$15,483.5</b>	<b>20.5%</b>	<b>\$1,493.2</b>	<b>8.0%</b>	<b>11.7%</b>	<b>\$2,442.5</b>	<b>0.9x</b>	<b>11.0x</b>	<b>9.6x</b>

### Asset-Based Trucking

(\$ in millions, except per-share prices)  
As of 10/31/18

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
					Revenue	Operating Ratio	EBITDA	EBITDA Margin	ROIC <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
<b>Less-Than-Truckload</b>													
ArcBest Corporation	\$37.12	72.1%	\$953.4	\$975.7	\$3,030.2	97.1%	\$199.7	6.6%	5.5%	\$37.2	1.5x	4.9x	4.4x
Old Dominion Freight Line, Inc.	130.42	76.8%	10,694.0	10,561.5	3,907.9	81.0%	963.5	24.7%	14.8%	(132.5)	0.0x	11.0x	10.4x
Saia, Inc.	62.86	72.2%	1,601.0	1,721.8	1,581.1	91.7%	229.0	14.5%	8.2%	120.8	0.5x	7.5x	7.2x
YRC Worldwide Inc.	8.26	46.9%	281.3	1,015.8	5,053.2	98.1%	250.7	5.0%	4.4%	694.9	3.5x	4.1x	3.3x
<b>Specialty Trucking</b>													
Marten Transport, Ltd.	\$19.26	65.1%	\$1,052.8	\$1,017.1	\$766.4	92.4%	\$146.1	19.1%	5.4%	(\$35.7)	0.0x	7.0x	6.4x
Mullen Group Ltd.	10.42	80.0%	1,092.3	1,464.4	946.6	92.6%	135.7	14.3%	4.4%	378.4	2.8x	10.8x	10.1x
TFI International Inc.	33.32	89.4%	2,931.5	4,055.1	3,789.3	92.2%	490.6	12.9%	11.6%	1,142.8	2.3x	8.3x	7.9x
<b>Truckload</b>													
Covenant Transportation Group, Inc.	\$25.03	71.1%	\$459.1	\$605.5	\$816.5	93.6%	\$125.0	15.3%	12.4%	\$146.4	2.1x	4.8x	4.5x
Daseke, Inc.	6.08	41.9%	391.8	993.5	1,193.0	97.9%	124.9	10.5%	2.0%	536.7	4.9x	8.0x	5.8x
Heartland Express, Inc.	19.47	81.5%	1,594.6	1,474.6	629.5	92.4%	152.3	24.2%	5.1%	(120.0)	0.0x	9.7x	7.9x
J.B. Hunt Transport Services, Inc.	110.61	84.0%	12,076.0	13,138.0	8,287.2	91.5%	1,131.3	13.7%	11.1%	1,062.0	0.9x	11.6x	10.5x
Knight-Swift Transportation Holdings Inc.	32.00	61.6%	5,699.5	6,582.0	5,308.8	90.5%	924.9	17.4%	6.7%	880.0	1.1x	7.1x	6.8x
P.A.M. Transportation Services, Inc.	58.62	83.7%	354.9	533.9	506.0	93.7%	78.8	15.6%	13.0%	179.0	2.6x	6.8x	NM
Schneider National, Inc.	21.87	71.7%	3,870.9	3,922.7	4,846.6	93.0%	609.8	12.6%	7.6%	17.8	0.7x	6.4x	5.8x
USA Truck, Inc.	19.67	67.5%	159.7	256.0	516.2	96.8%	44.9	8.7%	4.3%	96.3	2.1x	5.7x	5.2x
U.S. Xpress Enterprises, Inc.	9.63	56.8%	464.2	851.4	1,766.9	96.0%	150.8	8.5%	11.4%	400.1	2.7x	5.6x	4.2x
Werner Enterprises, Inc.	32.19	73.2%	2,291.7	2,407.1	2,378.9	92.0%	415.6	17.5%	6.3%	115.4	0.3x	5.8x	5.3x
<b>Passenger Transportation</b>													
ComfortDelGro Corporation Limited	\$1.62	89.6%	\$3,515.4	\$3,641.4	\$2,955.0	90.0%	\$588.7	19.9%	7.8%	(\$168.7)	0.4x	6.2x	6.1x
FirstGroup plc	1.09	71.5%	1,321.5	2,782.5	8,980.8	98.4%	771.7	8.6%	2.1%	1,593.7	3.1x	3.6x	3.1x
National Express Group PLC	5.11	93.8%	2,603.7	3,837.2	3,111.9	91.5%	484.5	15.6%	5.0%	1,243.6	3.0x	7.9x	7.6x
Stagecoach Group plc	1.95	81.2%	1,117.1	1,630.5	4,448.9	96.8%	327.0	7.4%	4.4%	581.1	2.8x	5.0x	4.4x
The Go-Ahead Group plc	19.60	76.6%	841.4	673.3	4,567.5	96.3%	278.4	6.1%	10.2%	(215.5)	1.9x	2.4x	2.8x
<b>Median</b>					<b>\$2,992.6</b>	<b>92.8%</b>	<b>\$264.6</b>	<b>14.0%</b>	<b>6.5%</b>	<b>\$162.7</b>	<b>2.0x</b>	<b>6.6x</b>	<b>5.8x</b>
<b>Mean</b>					<b>\$3,154.0</b>	<b>93.4%</b>	<b>\$392.0</b>	<b>13.6%</b>	<b>7.4%</b>	<b>\$388.8</b>	<b>1.8x</b>	<b>6.8x</b>	<b>6.2x</b>

(1) ROIC defined as NOPAT over average total assets less cash, goodwill, and accounts payable.

Source: S&P Capital IQ

# Public Comparables

## Marine and Rail

### Marine

(\$ in millions, except per-share prices)  
As of 10/31/18

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
					Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
<b>Container</b>													
A.P. Moller - Maersk A/S	\$1,268.74	67.5%	\$25,479.1	\$34,746.4	\$34,914.0	9.6%	\$3,366.0	9.6%	0.5%	\$8,804.0	5.2x	10.3x	9.0x
COSCO SHIPPING Development Co., Ltd.	0.10	44.0%	2,930.0	13,185.2	2,564.4	22.2%	900.5	35.1%	1.4%	10,277.7	13.5x	14.6x	NM
Evergreen Marine Corporation (Taiwan) Ltd.	0.37	63.8%	1,551.7	4,084.2	5,062.5	4.3%	222.5	4.4%	(0.5%)	2,496.7	16.5x	18.4x	25.8x
Hapag-Lloyd Aktiengesellschaft	35.29	82.5%	6,202.8	12,575.0	12,693.7	13.2%	1,172.8	9.2%	1.6%	6,553.8	6.1x	10.7x	10.6x
Orient Overseas (International) Limited	5.87	55.7%	3,670.8	5,981.4	6,390.9	9.1%	441.5	6.9%	0.2%	2,309.4	9.6x	13.5x	10.1x
Seaspan Corporation	8.94	83.4%	1,578.8	5,494.2	1,015.8	66.6%	627.7	61.8%	4.0%	3,867.7	6.8x	8.8x	7.8x
Yang Ming Marine Transport Corporation	0.28	67.0%	641.0	3,029.5	4,342.1	1.5%	76.6	1.8%	(2.1%)	2,412.9	39.2x	39.5x	NM
<b>Dry Bulk</b>													
Diana Shipping Inc.	\$3.81	73.8%	\$411.2	\$900.8	\$194.7	47.3%	\$76.8	39.5%	(0.3%)	\$489.6	7.4x	11.7x	9.8x
Eagle Bulk Shipping Inc.	4.99	81.3%	364.5	609.4	291.6	31.5%	50.8	17.4%	1.8%	244.9	6.3x	12.0x	7.7x
Genco Shipping & Trading Limited	11.02	54.9%	457.8	634.9	289.2	42.7%	88.0	30.4%	1.1%	177.1	5.1x	7.2x	4.9x
Navios Maritime Holdings Inc.	0.55	29.5%	64.7	1,715.0	498.0	36.1%	135.4	27.2%	0.9%	1,548.2	12.3x	12.7x	9.2x
Safe Bulkers, Inc.	2.53	63.3%	256.9	753.6	170.2	63.2%	88.6	52.0%	2.3%	496.6	6.3x	8.5x	7.0x
<b>Offshore Vessel Operators</b>													
Bourbon Corporation SA	\$5.84	59.1%	\$451.9	\$2,015.3	\$799.7	38.8%	\$42.9	5.4%	(6.4%)	\$1,530.2	42.6x	46.9x	NM
Hornbeck Offshore Services, Inc.	3.15	51.3%	118.4	1,092.5	214.7	34.7%	22.8	10.6%	(4.2%)	974.0	47.4x	47.9x	NM
Tidewater Inc.	28.85	74.4%	805.5	790.2	361.4	19.5%	(40.8)	(11.3%)	(2.2%)	(16.6)	NM	NM	20.6x
<b>Jones Act</b>													
American Shipping Company ASA	\$4.16	98.6%	\$251.9	\$797.7	\$87.8	99.3%	\$84.2	95.9%	3.8%	\$564.2	7.3x	9.5x	9.5x
Kirby Corporation	71.94	76.5%	4,307.3	5,748.9	2,957.3	27.3%	455.6	15.4%	6.9%	1,438.3	3.2x	12.6x	11.7x
Matson, Inc.	35.08	86.4%	1,497.8	2,417.5	2,128.5	16.0%	223.0	10.5%	4.4%	919.7	4.2x	10.8x	8.2x
SEACOR Holdings Inc.	47.99	81.3%	875.7	1,178.6	758.3	33.9%	146.9	19.4%	3.2%	162.4	3.6x	8.0x	8.2x
<b>Tanker</b>													
Ardmore Shipping Corporation	\$6.46	71.8%	\$213.8	\$623.0	\$199.3	25.3%	\$35.2	17.7%	0.0%	\$409.2	13.0x	17.7x	17.8x
Capital Product Partners L.P.	2.76	76.7%	351.2	776.3	268.6	48.9%	141.3	52.6%	2.2%	425.1	3.2x	5.5x	6.0x
Frontline Ltd.	7.15	96.4%	1,214.1	3,135.9	654.0	27.3%	167.3	25.6%	0.7%	1,921.6	12.2x	18.7x	20.0x
GasLog Ltd.	20.46	90.7%	1,699.5	5,448.4	581.6	74.7%	366.6	63.0%	3.2%	2,760.3	8.4x	14.9x	13.0x
Navigator Holdings Ltd.	10.94	80.7%	608.9	1,376.9	297.9	46.0%	105.4	35.4%	1.3%	768.0	7.8x	13.1x	11.7x
Scorpio Tankers Inc.	1.79	49.6%	848.9	3,462.7	565.9	36.6%	125.3	22.1%	(0.3%)	2,613.8	23.0x	27.6x	18.0x
Teekay Corporation	6.63	60.8%	665.9	7,042.1	1,622.6	39.2%	466.6	28.8%	1.3%	4,298.8	10.2x	15.1x	14.9x
Tsakos Energy Navigation Limited	3.30	71.1%	288.2	1,719.2	508.4	41.1%	173.7	34.2%	0.7%	1,401.1	9.6x	9.9x	9.9x
<b>Median</b>					<b>\$581.6</b>	<b>34.7%</b>	<b>\$141.3</b>	<b>22.1%</b>	<b>1.1%</b>	<b>\$1,438.3</b>	<b>8.1x</b>	<b>12.6x</b>	<b>9.9x</b>
<b>Mean</b>					<b>\$2,979.0</b>	<b>35.4%</b>	<b>\$361.6</b>	<b>26.7%</b>	<b>0.9%</b>	<b>\$2,216.6</b>	<b>12.7x</b>	<b>16.4x</b>	<b>11.8x</b>

### Rail

(\$ in millions, except per-share prices)  
As of 10/31/18

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
					Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
Canadian National Railway Company	\$85.60	94.9%	\$62,343.4	\$71,149.2	\$10,674.1	53.3%	\$5,314.6	49.8%	9.0%	\$8,956.0	1.7x	13.4x	13.7x
Canadian Pacific Railway Limited	205.35	92.6%	29,282.8	35,471.3	5,433.0	54.1%	2,805.1	51.6%	9.3%	6,294.0	2.3x	12.6x	13.5x
CSX Corporation	68.86	90.3%	58,146.8	70,656.8	11,970.0	49.9%	5,968.0	49.9%	8.1%	12,494.0	2.3x	11.8x	11.4x
Genesee & Wyoming Inc.	79.23	85.3%	4,761.9	7,013.6	2,344.5	36.7%	726.5	31.0%	4.3%	2,251.6	3.2x	9.7x	10.1x
Kansas City Southern	101.96	84.7%	10,369.1	13,278.1	2,680.4	47.1%	1,296.7	48.4%	6.6%	2,584.1	2.1x	10.2x	10.0x
Norfolk Southern Corporation	167.83	89.8%	45,708.0	56,394.0	11,231.0	44.5%	5,031.0	44.8%	7.0%	10,686.0	2.3x	11.2x	11.4x
Union Pacific Corporation	146.22	88.3%	107,733.5	128,244.5	22,525.0	52.4%	10,763.0	47.8%	9.3%	20,511.0	2.1x	11.9x	12.0x
<b>Median</b>					<b>\$10,674.1</b>	<b>49.9%</b>	<b>\$5,031.0</b>	<b>48.4%</b>	<b>8.1%</b>	<b>\$8,956.0</b>	<b>2.3x</b>	<b>11.8x</b>	<b>11.4x</b>
<b>Mean</b>					<b>\$9,551.1</b>	<b>48.3%</b>	<b>\$4,557.8</b>	<b>46.2%</b>	<b>7.7%</b>	<b>\$9,111.0</b>	<b>2.3x</b>	<b>11.6x</b>	<b>11.7x</b>

(1) ROIC defined as NOPAT over average total assets less cash, goodwill, and accounts payable.

Source: S&P Capital IQ

# Public Comparables

## Transportation Equipment Leasing and Aviation

### Transportation Equipment Leasing

(\$ in millions, except per-share prices)  
As of 10/31/18

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
					Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
AMERCO	\$326.48	81.4%	\$6,401.6	\$9,185.3	\$3,662.8	29.7%	\$1,110.3	30.3%	3.5%	\$2,935.8	3.2x	8.3x	9.9x
Brambles Limited	7.52	90.4%	11,984.1	14,194.0	5,758.0	34.0%	1,709.2	29.7%	11.0%	2,308.1	1.5x	8.3x	8.8x
CAI International, Inc.	24.91	66.2%	475.8	2,513.4	410.6	45.6%	149.8	36.5%	3.4%	1,933.7	13.2x	16.8x	7.9x
GATX Corporation	74.93	82.2%	2,817.4	6,971.8	1,357.3	62.8%	634.7	46.8%	2.6%	4,154.4	6.9x	11.0x	10.0x
Ryder System, Inc.	55.31	61.3%	2,936.3	9,158.7	8,114.6	19.5%	1,888.9	23.3%	3.3%	6,222.4	3.3x	4.8x	4.7x
Textainer Group Holdings Limited	11.73	44.3%	670.3	3,811.8	552.7	81.6%	387.3	70.1%	2.5%	3,044.7	8.3x	9.8x	8.5x
<b>Median</b>					<b>\$2,510.0</b>	<b>39.8%</b>	<b>\$872.5</b>	<b>33.4%</b>	<b>3.3%</b>	<b>\$2,990.2</b>	<b>5.1x</b>	<b>9.1x</b>	<b>8.7x</b>
<b>Mean</b>					<b>\$3,309.3</b>	<b>45.5%</b>	<b>\$980.0</b>	<b>39.4%</b>	<b>4.4%</b>	<b>\$3,433.2</b>	<b>6.1x</b>	<b>9.8x</b>	<b>8.3x</b>

### Aviation

(\$ in millions, except per-share prices)  
As of 10/31/18

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
					Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
<u>Airlines</u>													
Air Canada	\$19.00	85.8%	\$5,183.0	\$6,518.6	\$13,645.5	25.3%	\$1,674.1	12.3%	5.6%	\$1,358.4	3.1x	3.9x	3.1x
Alaska Air Group, Inc.	61.42	80.8%	7,576.8	8,208.8	8,181.0	27.5%	1,254.0	15.3%	7.2%	632.0	1.6x	6.5x	5.7x
Allegiant Travel Company	114.14	62.9%	1,843.0	2,730.7	1,626.0	31.7%	354.3	21.8%	8.4%	887.7	3.7x	7.7x	7.6x
American Airlines Group Inc.	35.08	59.4%	16,157.2	36,069.2	43,799.0	27.2%	5,691.0	13.0%	5.1%	19,912.0	4.4x	6.3x	5.5x
Delta Air Lines, Inc.	54.73	90.0%	37,381.7	45,918.7	44,030.0	27.2%	7,588.0	17.2%	8.4%	8,537.0	1.4x	6.1x	5.7x
Hawaiian Holdings, Inc.	34.61	78.2%	1,709.9	1,836.5	2,843.0	28.3%	548.4	19.3%	11.7%	126.7	1.3x	3.3x	2.9x
JetBlue Airways Corporation	16.73	72.5%	5,099.1	5,730.1	7,451.0	33.5%	1,134.0	15.2%	4.8%	631.0	1.4x	5.1x	4.6x
SkyWest, Inc.	57.29	87.1%	2,983.6	5,387.8	3,271.1	33.2%	771.2	23.6%	5.4%	2,404.2	4.0x	7.0x	5.7x
Southwest Airlines Co.	49.10	73.3%	27,609.3	27,257.3	21,544.0	32.5%	4,178.0	19.4%	9.7%	(352.0)	0.8x	6.5x	6.3x
Spirit Airlines, Inc.	51.90	96.6%	3,542.9	4,588.8	3,130.5	32.7%	514.7	16.4%	7.3%	1,045.9	3.7x	8.9x	6.2x
United Continental Holdings, Inc.	85.51	93.6%	23,298.4	32,743.4	40,215.0	32.1%	5,544.0	13.8%	6.5%	9,445.0	2.6x	5.9x	5.2x
WestJet Airlines Ltd.	14.59	68.9%	1,662.4	2,181.0	3,601.9	45.5%	472.2	13.1%	2.5%	527.5	3.3x	4.6x	4.0x
<u>Airport Services</u>													
Air Transport Services Group, Inc.	\$19.60	70.8%	\$1,158.0	\$1,647.0	\$934.5	37.1%	\$276.6	29.6%	5.2%	\$498.6	2.0x	6.0x	5.3x
BBA Aviation plc	3.06	64.8%	3,150.6	4,304.8	2,496.3	23.1%	445.6	17.9%	6.8%	1,192.1	3.0x	9.7x	9.3x
Fraport AG	77.31	70.2%	7,142.4	11,938.9	3,670.9	38.2%	1,215.6	33.1%	4.1%	4,748.3	4.5x	9.8x	9.4x
SATS Ltd.	3.59	85.1%	4,009.8	3,867.3	1,274.7	32.5%	227.0	17.8%	9.1%	(244.4)	0.3x	17.0x	16.4x
<u>Helicopter Operators</u>													
Bristow Group Inc.	\$11.01	58.2%	\$393.8	\$1,554.4	\$1,395.7	20.8%	\$118.1	8.5%	(0.1%)	\$1,153.5	12.4x	13.2x	12.2x
Era Group Inc.	11.32	79.6%	245.5	409.0	234.0	28.9%	18.9	8.1%	(1.8%)	160.0	9.2x	21.6x	14.6x
PHI, Inc.	8.31	59.6%	124.7	679.5	628.1	5.3%	46.8	7.5%	(1.3%)	554.8	13.3x	14.5x	NM
<b>Median</b>					<b>\$3,271.1</b>	<b>31.7%</b>	<b>\$548.4</b>	<b>16.4%</b>	<b>5.6%</b>	<b>\$887.7</b>	<b>3.1x</b>	<b>6.5x</b>	<b>5.7x</b>
<b>Mean</b>					<b>\$10,735.4</b>	<b>29.6%</b>	<b>\$1,688.0</b>	<b>17.0%</b>	<b>5.5%</b>	<b>\$2,801.0</b>	<b>4.0x</b>	<b>8.6x</b>	<b>7.2x</b>

(1) ROIC defined as NOPAT over average total assets less cash, goodwill, and accounts payable.

Source: S&P Capital IQ

# About Houlihan Lokey

Houlihan Lokey (NYSE:HLI) is a global investment bank with expertise in [mergers and acquisitions](#), [capital markets](#), [financial restructuring](#), [valuation](#), and [strategic consulting](#). The firm serves corporations, institutions, and governments worldwide with offices in the United States, Europe, the Middle East, and the Asia-Pacific region. Independent advice and intellectual rigor are hallmarks of the firm's commitment to client success across its advisory services. Houlihan Lokey is ranked as the No. 1 M&A advisor for all U.S. transactions, the No. 1 global restructuring advisor, and the No. 1 global M&A fairness opinion advisor over the past 20 years, according to Thomson Reuters.

## Locations

North America	Europe & Middle East	Asia-Pacific
Atlanta	Amsterdam	Beijing
Chicago	Dubai	Hong Kong
Dallas	Frankfurt	Singapore
Houston	London	
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