



HOULIHAN LOKEY

TRANSPORTATION & LOGISTICS

INDUSTRY UPDATE | Summer 2018



Houlihan Lokey Transportation & Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation & Logistics industry update for summer 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
1 Houlihan Lokey	174
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
1 Houlihan Lokey	63
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
1 Houlihan Lokey	1,001
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

has been acquired by

Sellside Advisor

a portfolio company of

has been acquired by

Sellside Advisor

has completed a comprehensive lender-led restructuring of AUD 666m Senior Secured Credit Facilities and USD 369m PIK Toggle Notes

Senior Lender Advisor

has completed a restructuring of its capital structure through a cash offer to holders of its 6.5% Eurobond Loan due 2017

Company Advisor

has completed a restructuring of its \$655m Eurobonds via a UK Scheme of Arrangement

Company Advisor

has confirmed a pre-arranged Chapter 11 Plan of Reorganization including a New-Money Rights Offering

Ad Hoc Noteholder Group Advisor

a subsidiary of

Bridgestone Americas, Inc.

has been acquired by

Sellside Advisor

has been acquired by

Sellside Advisor

has confirmed a Chapter 11 Plan of Reorganization

Secured Noteholder Advisor

Making business flow

has completed an exchange offer for its 4.00% First Lien Senior Secured Notes due 2018

Company Advisor

has confirmed a Chapter 11 Plan of Reorganization including a \$300 million rights offering primarily backstopped by the Ad Hoc Group of Secured Noteholders

Secured Noteholder Advisor

a subsidiary of

has been acquired by funds advised by

Sellside Advisor

Significant News Stories

LOGISTICS

Amazon Drives Deeper Into Package Delivery (*The Wall Street Journal*, June 28, 2018)

“Amazon.com Inc. is pushing further onto the turf of its shipping partners United Parcel Service Inc. and FedEx Corp., enabling small businesses to carry its overflowing supply of packages in the all-important last-delivery leg to the consumer’s door. The online retail giant on Thursday said it is inviting entrepreneurs to form small delivery companies employing up to 100 drivers and leasing between about 20 and 40 Amazon-emblazoned vans, an initiative that should help it rapidly build out its own delivery network across the country. It is yet another major push by Amazon to gain more control over its own deliveries in a continued quest to build a vast freight and parcel shipping network. Amazon says it has to build out its own services simply to handle the surging number of online orders that UPS, FedEx, and the U.S. Postal Service can’t. More than \$4 of every \$10 spent online in the U.S. is on Amazon.com, and the number of its deliveries topped more than a billion last year, according to analyst estimates.”

Meet the Startup Building a Market From Scratch to Become Africa’s Alibaba (*The Wall Street Journal*, May 23, 2018)

“On safari for the rare African tech unicorn, Goldman Sachs Group Inc. and other big-name investors think they have spotted a winner in Jumia, the continent’s aspiring Alibaba. The online retailer, which launched in 2012 in Nigeria with the backing of German startup fund Rocket Internet SE, is Africa’s biggest e-commerce platform selling goods and services to millions of customers. It has raised more than \$700 million from investors, including global telecom operators, and was valued at \$1.2 billion—qualifying as a so-called unicorn—during its last fundraising round in 2016. Jumia has expanded from four to 14 countries. Gross sales last year reached €507 million (\$597 million), up 42% from the year before. Its vendor network, from Cape Town, South Africa, to Casablanca, Morocco, includes up to 70,000 businesses offering their goods and services online.”

ASSET-BASED TRUCKING

Trucker U.S. Xpress Makes Second Public Debut (*The Wall Street Journal*, June 14, 2018)

“Trucking company U.S. Xpress Enterprises Inc. went public again after more than a decade. The Chattanooga, Tennessee-based company raised \$289 million, selling more than 18 million shares at \$16 apiece at its initial public offering. It is the second IPO of a trucking company in the U.S. since 2010, according to data compiled by Dealogic that excludes IPOs via acquisitions. U.S. Xpress is among the largest U.S. carriers, generating \$1.6 billion in revenue last year through trucking and freight brokerage services for customers such as Walmart Inc., Amazon.com Inc., FedEx Corp., and Procter & Gamble Co. The listing comes as public trucking companies are logging some of their best results in years. Cargo volumes are surging on robust demand from retailers, manufacturers, and other shippers as the economy expands and consumer spending rises. Truck tonnage was up 9.5% in April compared with the same month in 2017, according to the American Trucking Associations, an industry group.”

RAIL

GE to Merge Rail Division With Wabtec in \$11 Billion Deal (*The Wall Street Journal*, May 21, 2018)

“General Electric Co. agreed to merge its railroad business with Wabtec Corp. in a deal valued at roughly \$11 billion, letting GE raise some cash to fund its turnaround and shed one of its oldest operations. The transportation unit, which mostly manufactures locomotives, is one of the smaller of GE’s seven industrial units. GE examined an initial public offering for its transportation division, which has struggled with falling profit and sales in recent years. It declined selling to private-equity firms for cash, people familiar with the matter said, and hopes the Wabtec deal will allow the business to benefit from expected growth. GE will receive \$2.9 billion in cash at closing. GE shareholders will own 40.2% of the combined company, with GE owning about 9.9% after the deal, the companies said Monday. GE is required to sell its stake in the combined company within three years.”

Significant News Stories (cont.)

TRANSPORTATION EQUIPMENT LEASING



Houlihan Lokey Advises Metro Truck and Tractor Leasing

“Houlihan Lokey is pleased to announce the sale of Metro Truck and Tractor Leasing, Inc. (Metro) to Ryder System, Inc. (Ryder) (NYSE:R). The transaction closed on June 15, 2018. Metro, based in Beltsville, Maryland, and operating in the Baltimore and Washington, D.C., metropolitan areas, is one of the largest independently owned and operated full-service truck leasing and rental companies in North America. Since its founding in 1972, Metro grew from just two trucks to a diversified fleet of ~900 vehicles serving over 150 commercial customers. Metro distinguishes itself from competitors utilizing a comprehensive, value-added service offering including on-site preventative maintenance and repair services, parts inventory management, emergency roadside repair services, fuel services, truck body customization, and insurance intervention for resolving physical damage claims. Metro remained family-owned and -operated until its sale.”

Goshawk to buy SKY Leasing’s 51-aircraft Dublin unit (*FlightGlobal*, June 22, 2018)

“Goshawk has entered a deal to buy Sky Aviation Leasing International (SALI), the core unit of Dublin-based Sky Aviation Leasing International LP (SKY Leasing). The deal will bring Dublin-based Goshawk’s fleet to 183 aircraft with a total value of \$9.1 billion, says Goshawk parent NWS Holdings. Goshawk is a 50:50 joint venture between NWS and Chow Tai Fook Enterprises. SALI has 51 “owned and committed aircraft,” and is worth about \$3 billion, says Goshawk. The deal is subject to regulatory approvals and is expected to close in the third quarter of 2018. SKY Leasing’s owners, Canada’s Public Sector Pension Investment Board and ATL Partners, add that after the SALI deal goes through, they will continue to own SKY, which through U.S.-based entities will continue to service aircraft owned by various securitization vehicles.”

AVIATION



Cerberus Capital Management to Acquire Worldwide Flight Services (*PRNewswire*, June 19, 2018)

“Cerberus Capital Management, L.P. (Cerberus) today announced that one of its affiliates has entered into an agreement to acquire Worldwide Flight Services (WFS) from Platinum Equity. Headquartered in Paris, WFS is the world’s largest air cargo handler and a leading provider of ground handling services with over €1.2 billion of total revenues. WFS has a presence in 198 airport locations in 22 countries and serves over 300 customers. ‘WFS is a market leader in aviation services and is positioned to benefit from attractive long-term industry growth,’ said Brett Ingersoll, Head of Global Private Equity and Senior Managing Director of Cerberus. ‘Cerberus has extensive operational experience and a successful track record in aviation and we are excited to support WFS’s next stage of growth.’ Craig Smyth, CEO of WFS, said, ‘WFS has transformed into a leading global aviation handling player in recent years through growth and operational initiatives. We believe that Cerberus is the ideal partner to support our continued transformation.’”

TECH-ENABLED SERVICES



Ford-Backed Driverless-Car Startup Argo AI Lures Talent From Uber, Apple (*The Wall Street Journal*, June 12, 2018)

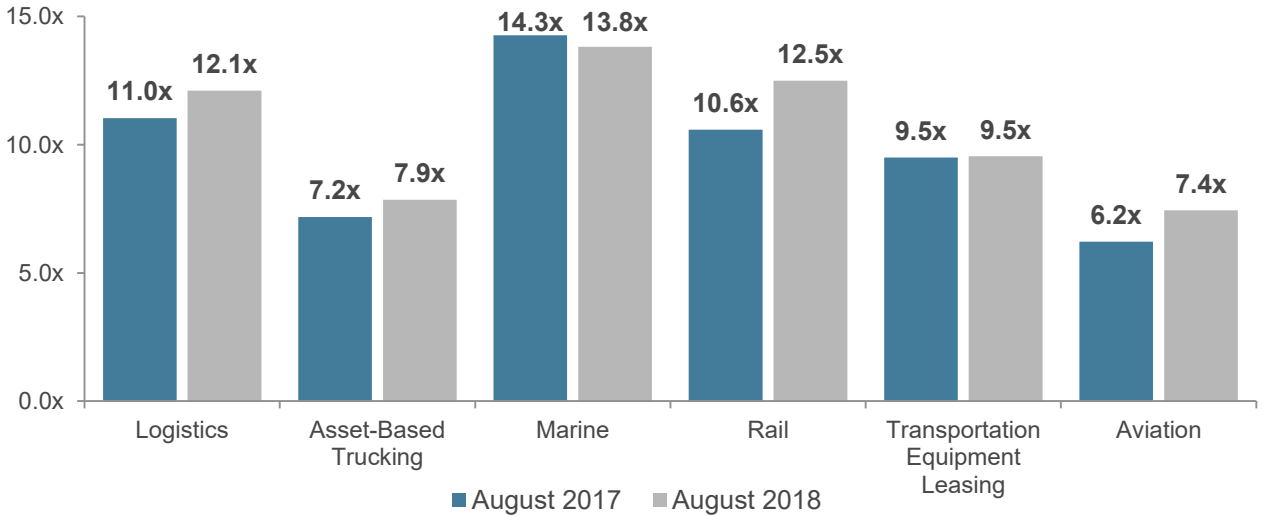
“In the auto industry’s war for tech talent, Ford Motor Co. made an unusual \$1 billion bet last year to fund an artificial-intelligence company in Pittsburgh with fewer than a dozen employees. The aim was to build expertise in automated driving by offering job recruits a potentially lucrative perk that the Dearborn, Michigan, car maker couldn’t otherwise provide: an equity stake for new hires in a fast-growing startup. The company, Argo AI, has since grown to about 330 employees, in part by luring away software engineers and robotics researchers from Apple Inc., Uber Technologies Inc., and other tech companies. Ford, which holds a majority stake in the company, is banking on Argo to help it catch up in the race to build driverless cars. Ford aims to start selling a fully autonomous car for commercial use in 2021. Argo is also working on an autonomous-driving system that they can eventually sell to other companies, too.”

Recent M&A Transactions

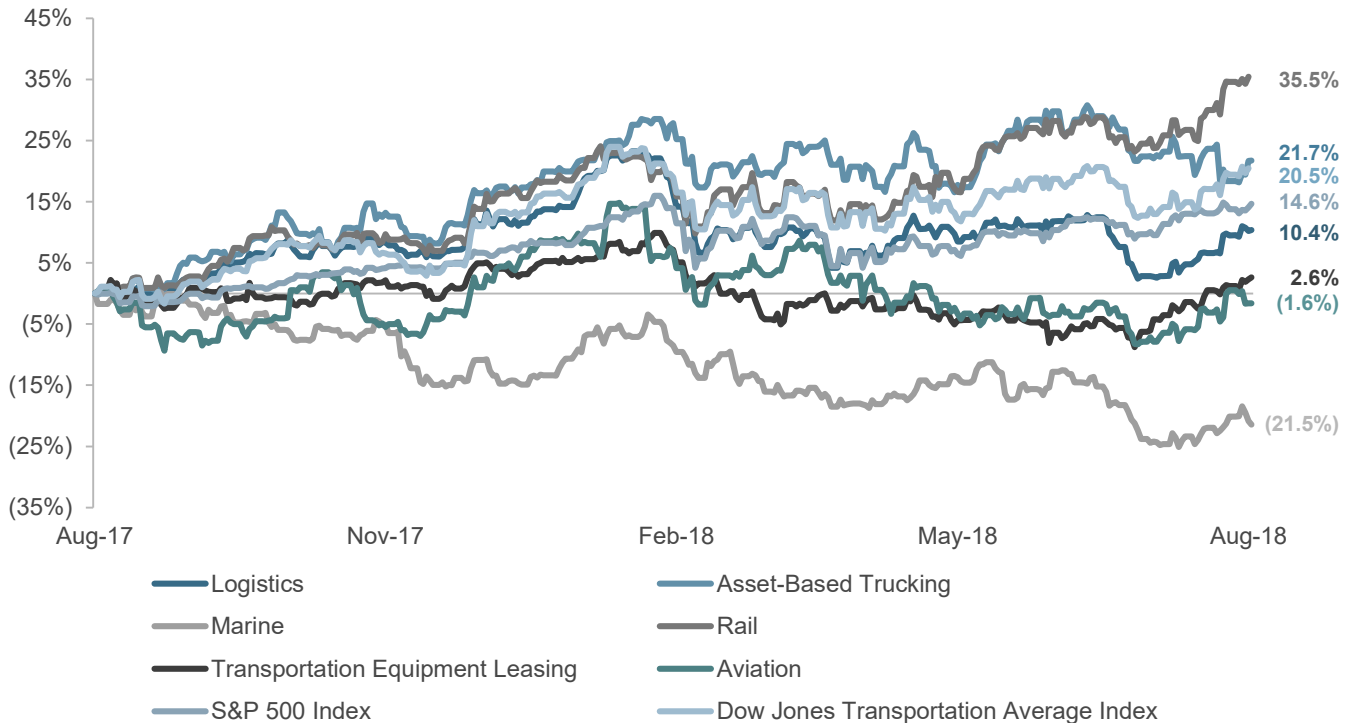
Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Jun-18	Cube Infrastructure Managers	Groupe Lacroix	French provider of passenger transportation services	Passenger Transportation	N/A
Jun-18	Goshawk Aviation Limited	SKY Aviation Leasing International Limited	Dublin-based aircraft lessor with a current fleet of 51 owned and committed aircraft	Aviation	N/A
Jun-18	Wisetech Global Limited	Pierbridge, Inc.	Provides parcel shipping TMS direct to customers and through solution providers such as Logistyx, Pitney Bowes, and others	Tech-Enabled Services	\$59
Jun-18	STEF S.A.	Express Marée SAS	French provider of temperature-controlled transportation of seafood products, fresh fruit and vegetables, and wine	Logistics	N/A
Jun-18	Penske Logistics, Inc.	Epes Transport Systems	Provides regional dry-van truckload transportation in the U.S.	Asset-Based Trucking	N/A
Jun-18	Cerberus Capital Management, L.P.	Worldwide Flight Services	World's largest air cargo handler and one of the world's leading providers of ground handling and technical services	Logistics	\$1,391
Jun-18	J&R Schugel Trucking Inc.	Super Service	Provides regional hauling, dedicated trucking, and logistics services primarily east of the Mississippi River	Asset-Based Trucking	N/A
Jun-18	Ryder System, Inc.	Metro Truck and Tractor Leasing, Inc.	One of the largest independently owned and operated full-service truck leasing and rental companies in North America	Equipment Leasing	N/D
Jun-18	BWAY Parent Company, Inc.	Industrial Container Services, Inc.	Provider of container solutions, container services, and container management systems	Logistics	\$1,000
Jun-18	Panalpina Welttransport (Holding) AG	Newport Cargo S.A.	Argentinian provider of air freight export of perishable goods	Logistics	N/A
Jun-18	Evans Delivery Company, Inc.	New Age Transportation, Distribution & Warehousing Inc.	Provides third-party freight, warehousing, and distribution services in the U.S.	Logistics	N/A
Jun-18	Bright Light Partners	First Coast and Mile High Logistics	Provides intermodal drayage and logistics operations in the Southeastern U.S.	Asset-Based Trucking	N/A
Jun-18	CJ Logistics USA Corporation	DSC Logistics, Inc.	Provides lead logistics partner, logistics center management, transportation management, network analysis and design, business process integration, consolidation, and value-added services	Logistics	\$231
Jun-18	The Jordan Company	GlobalTranz Enterprises	Leading technology-driven third-party logistics solutions provider with 25,000+ customers and a network of 34,000+ carriers	Logistics	N/A
Jun-18	Zippy Shell Incorporated	1-800-Pack-Rat, LLC	Provides moving and portable storage services in the United States and Canada	Asset-Based Trucking	N/A
Jun-18	Palm Beach Capital IV, L.P.	Need It Now Delivers	Specializes in the time-definite, same-day delivery of packages of all sizes	Logistics	N/A
Jun-18	Lineage Logistics, LLC	Service Cold Storage	Wisconsin-based cold storage provider with over 11 million cubic feet of temperature-controlled storage space	Logistics	N/A
Jun-18	Europa Worldwide Group	Continental Cargo Carriers	Belgium-based specialist part and full load operator with a fleet of 270 trailers and 4,000 sq. meters of warehouse space across Belgium, the U.K., and the Czech Republic	Logistics	N/A
May-18	ROAR Logistics	Integra Logistics Services	Provides transportation services and logistics solutions throughout North America, transporting a wide range of packaged materials and finished goods via intermodal and highway transportation services	Logistics	N/A
May-18	The Brink's Company	Dunbar Armored	Virginia-based provider of cash management and secure logistics solutions	Logistics	\$520
May-18	Wisetech Global Limited	SaaS Transportation, Inc.	Provides LTL and logistics transportation management solutions to third-party logistics companies and shippers with integrated quoting, booking, and tracking	Tech-Enabled Services	\$3
May-18	Kerry Logistics Network Limited	Shipping and Airfreight Services (Pty) Limited	South Africa-based provider of a complete suite of ocean and air freight services, including less-than-container load and full container load, as well as break bulk services for ocean freight cargoes	Logistics	N/A
May-18	Logistec Corporation	Pensacola Stevedore Company, Inc.	Florida-based provider of cargo handling and distribution services	Logistics	N/A
May-18	Madison Dearborn Partners, LLC	SIRVA, Inc.	Provides moving and relocation services to corporate customers, individual consumers, and military and government agencies worldwide	Logistics	N/A
May-18	Grupo Traxión, S.A.B. de C.V.	Redpack, S.A. De C.V.	Mexican messenger and courier service company	Logistics	\$24
May-18	Savage Industries, Inc.	Bartlett and Company, Inc.	Focused on the acquisition, storage, transportation, processing, merchandising, and export of grain	Logistics	N/A
May-18	P2P Transport Limited	Black & White Cabs Pty Ltd.	Provides passenger transport service, including conventional taxis, business class taxis, high occupancy taxis, and wheelchair accessible taxis, as well as express parcel delivery	Passenger Transportation	\$15
May-18	TransForce Inc.	SafetyServe	Provider of online safety training courses to companies, government agencies, insurance companies, and other organizations	Tech-Enabled Services	N/A
May-18	I Squared Capital Advisors, LLC; ISQ Global Infrastructure Fund II, L.P.	TIP Trailer Services Group	Pan-European and Canadian trailer leasing and services company operating 66,000 trailers and 86 trailer service centers serving about 7,700 customers	Equipment Leasing	N/A
May-18	Huron Capital Partners, LLC	Direct Connect Logistix, Inc.	Provider of domestic brokerage services for shippers across the U.S.	Logistics	N/D

Public Markets Overview

Median TEV/LTM EBITDA



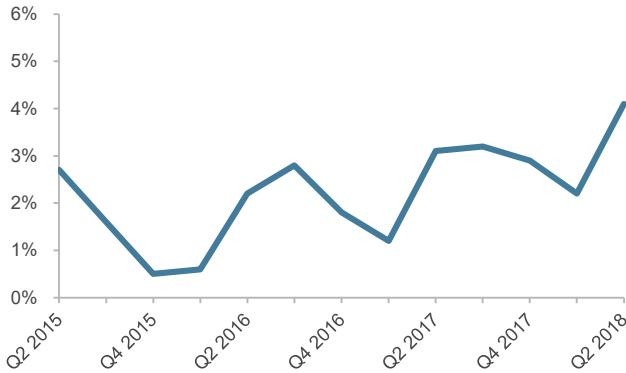
12 Months Indexed Stock Price Performance



Note: All data as of August 3, 2018
Source: S&P Capital IQ

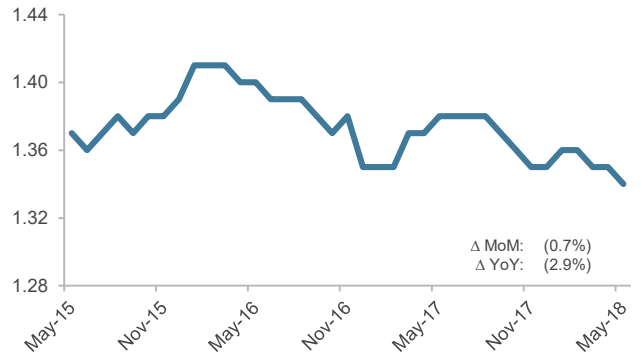
Broad Economic Data

QoQ Real GDP Growth⁽¹⁾⁽²⁾



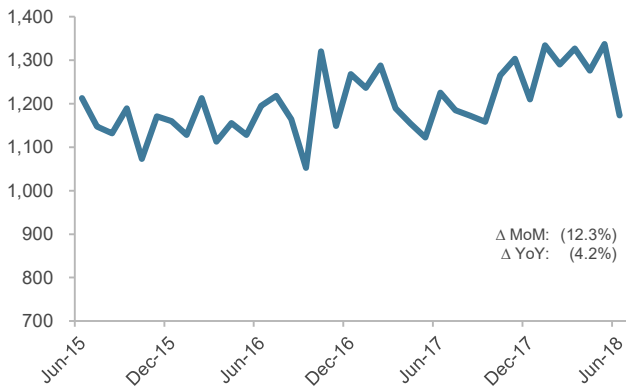
Source: Bureau of Economic Analysis

Inventory/Sales Ratio⁽¹⁾



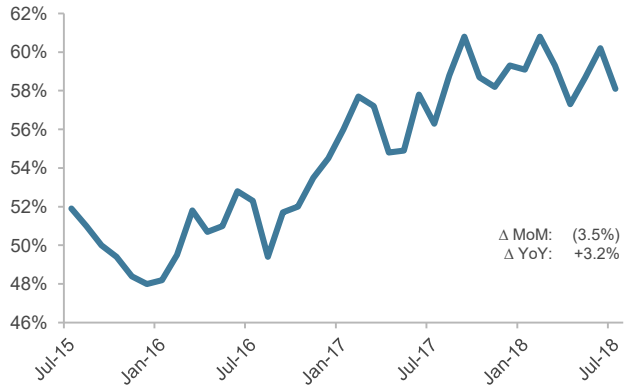
Source: U.S. Census Bureau

Housing Starts (000s)⁽¹⁾⁽²⁾



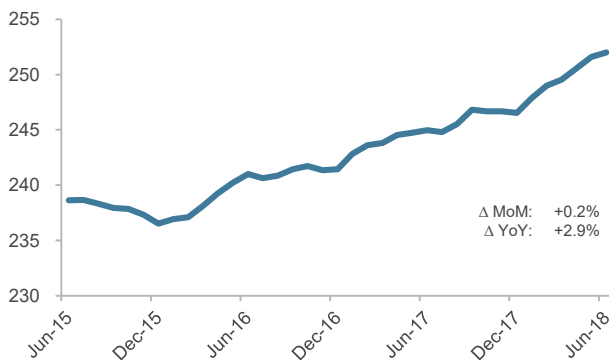
Source: U.S. Census Bureau

ISM Manufacturing Index⁽¹⁾



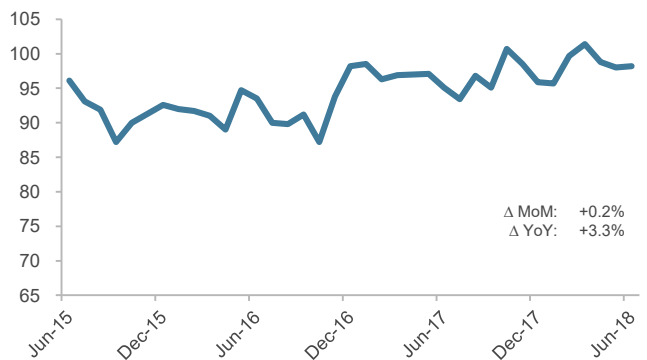
Source: Institute for Supply Management

Consumer Price Index



Source: Bureau of Labor Statistics

Consumer Sentiment Index

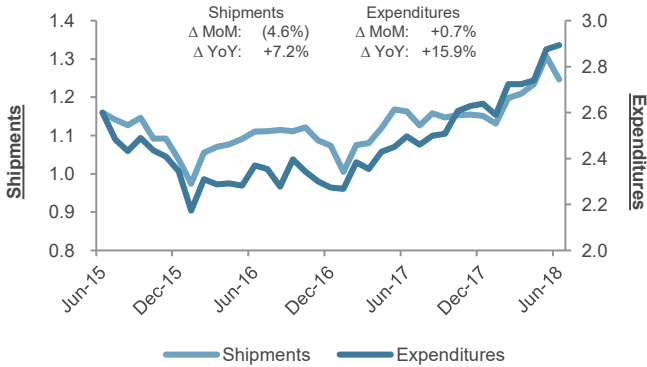


Source: University of Michigan

(1) Seasonally adjusted
(2) Annualized

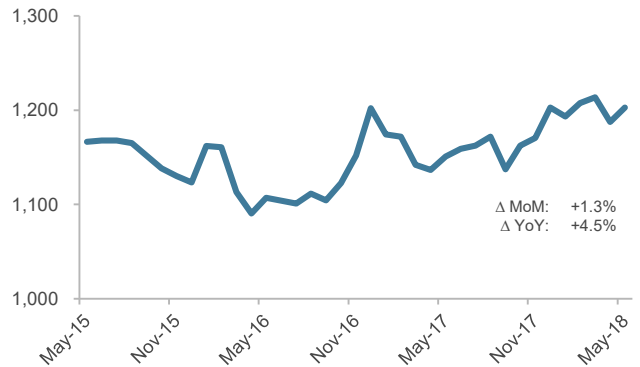
Relevant Sector Data

Cass Freight Index



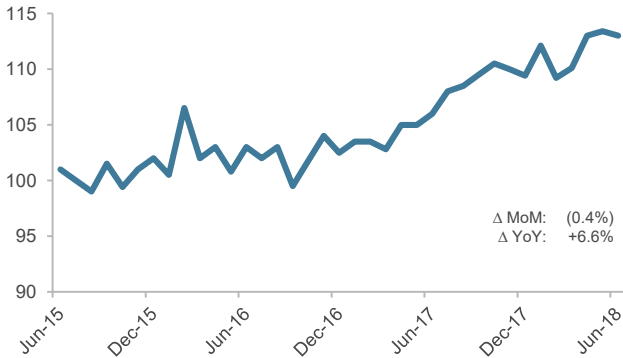
Source: Cass Information Systems, Inc.

Intermodal Volume (000s of Containers)⁽¹⁾



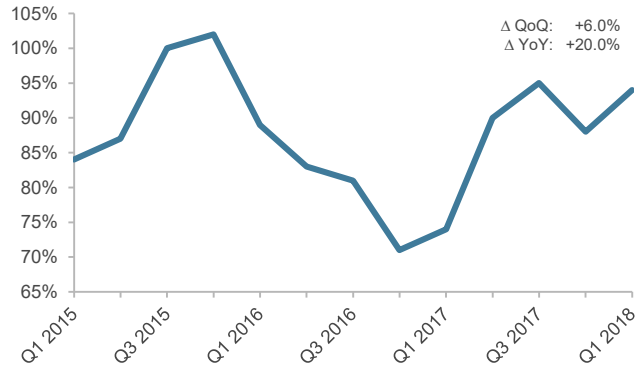
Source: Association of American Railroads

ATA Tonnage Index⁽¹⁾



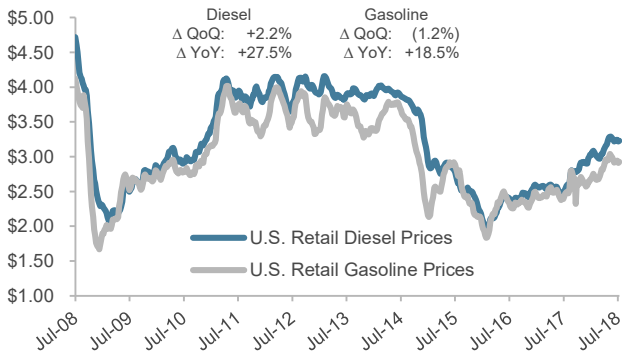
Source: American Trucking Association

Driver Turnover⁽²⁾



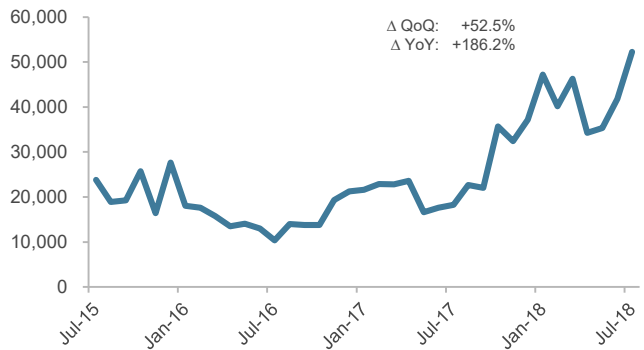
Source: American Trucking Association

Diesel & Gasoline Prices (\$/gal)



Source: U.S. Energy Information Administration

Class 8 Tractor Orders⁽³⁾



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 8/3/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Asset-Light/Third-Party Logistics													
Agility Public Warehousing Company K.S.C.P.	\$2.85	99.8%	\$4,111.6	\$4,560.2	\$4,867.2	31.8%	\$422.7	8.7%	6.3%	\$278.6	1.8x	10.8x	9.4x
C.H. Robinson Worldwide, Inc.	95.79	95.6%	13,337.7	14,434.1	15,945.6	7.8%	898.1	5.6%	21.9%	1,096.5	1.6x	16.1x	14.9x
DSV A/S	89.98	99.1%	16,388.7	17,241.3	11,841.4	22.1%	878.9	7.4%	10.0%	862.8	1.2x	19.6x	17.6x
Echo Global Logistics, Inc.	33.55	96.3%	957.8	1,127.9	2,269.2	17.2%	65.5	2.9%	7.9%	170.1	3.3x	17.2x	12.2x
Expeditors International of Washington, Inc.	76.57	98.0%	13,375.3	12,245.2	7,230.1	13.6%	794.3	11.0%	38.8%	(1,132.9)	0.0x	15.4x	14.1x
Forward Air Corporation	62.81	96.6%	1,843.4	1,864.1	1,187.8	24.7%	152.7	12.9%	14.9%	20.7	0.3x	12.2x	11.2x
Hub Group, Inc.	52.85	93.4%	1,817.0	2,065.4	4,493.6	11.4%	194.7	4.3%	8.5%	248.4	1.4x	10.6x	9.8x
Kuehne + Nagel International AG	160.78	87.8%	19,240.4	19,142.6	19,974.2	37.6%	1,203.8	6.0%	14.2%	(103.7)	0.4x	15.9x	15.2x
Landstar System, Inc.	111.80	94.3%	4,594.2	4,557.8	4,229.0	21.0%	331.1	7.8%	24.7%	(39.6)	0.5x	13.8x	12.0x
Panalpina Weltransport (Holding) AG	143.40	86.2%	3,404.6	3,555.7	5,855.1	24.9%	142.5	2.4%	6.2%	145.5	2.5x	25.0x	12.1x
Radiant Logistics, Inc.	4.11	75.4%	202.9	243.6	810.4	23.8%	23.9	2.9%	4.7%	40.7	1.9x	10.2x	9.0x
Roadrunner Transportation Systems, Inc.	2.08	21.3%	80.1	540.9	2,182.4	16.9%	(24.7)	(1.1%)	(8.9%)	460.8	(19.5x)	NM	NM
Universal Logistics Holdings, Inc.	34.15	99.1%	969.7	1,227.7	1,328.1	15.8%	104.3	7.9%	6.0%	258.0	2.6x	11.8x	9.2x
Wincanton plc	3.52	94.7%	435.0	473.4	1,644.9	6.0%	85.8	5.2%	19.3%	41.4	0.8x	5.5x	5.5x
XPO Logistics, Inc.	101.43	87.8%	12,845.6	17,423.9	16,636.0	14.8%	1,397.2	8.4%	6.8%	4,129.6	3.2x	12.5x	10.8x
Parcel Delivery													
Deutsche Post AG	\$34.25	71.4%	\$42,073.4	\$56,400.0	\$74,754.2	13.8%	\$5,619.1	7.5%	9.1%	\$14,856.5	3.3x	10.0x	7.6x
FedEx Corporation	243.32	88.6%	64,704.8	78,024.8	65,450.0	27.2%	8,343.0	12.7%	8.5%	13,320.0	2.0x	9.4x	8.0x
PostNL N.V.	3.79	72.8%	1,755.8	1,761.6	4,311.9	12.9%	336.3	7.8%	12.5%	2.5	2.3x	5.2x	5.0x
Royal Mail plc	6.02	73.1%	6,021.7	6,029.5	14,394.3	33.3%	803.8	5.6%	3.5%	8.5	1.1x	7.5x	5.5x
United Parcel Service, Inc.	119.15	87.9%	102,059.1	116,246.1	69,004.0	24.1%	9,682.0	14.0%	12.8%	14,187.0	2.0x	12.0x	11.8x
ZTO Express (Cayman) Inc.	19.39	85.5%	15,134.2	13,711.4	2,230.1	33.2%	702.6	31.5%	25.4%	(1,423.9)	0.0x	19.5x	16.5x
Median					\$4,867.2	21.0%	\$422.7	7.5%	9.1%	\$170.1	1.6x	12.1x	11.0x
Mean					\$15,744.7	20.7%	\$1,531.3	8.2%	12.1%	\$2,258.5	0.6x	13.0x	10.9x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 8/3/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Less-Than-Truckload													
ArcBest Corporation	\$46.40	92.0%	\$1,191.7	\$1,214.1	\$2,948.4	96.8%	\$199.1	6.8%	6.3%	\$22.3	1.3x	6.1x	5.4x
Old Dominion Freight Line, Inc.	145.74	88.8%	11,979.7	11,884.2	3,722.6	81.8%	889.1	23.9%	13.7%	(95.6)	0.1x	13.4x	12.0x
Saia, Inc.	75.60	86.8%	1,924.4	2,078.2	1,512.6	92.3%	209.5	13.9%	7.4%	153.8	0.7x	9.9x	8.7x
YRC Worldwide Inc.	9.21	52.3%	313.6	1,048.1	5,000.8	98.0%	250.7	5.0%	4.6%	734.5	3.6x	4.2x	3.4x
Specialty Trucking													
Marten Transport, Ltd.	\$22.10	74.7%	\$1,208.0	\$1,186.0	\$737.4	92.9%	\$138.3	18.8%	4.9%	(\$22.0)	0.0x	8.6x	7.4x
Mullen Group Ltd.	12.46	91.7%	1,305.2	1,652.5	887.8	92.8%	125.4	14.1%	4.2%	342.6	2.9x	13.2x	11.2x
TFI International Inc.	35.29	99.5%	3,087.7	4,291.3	3,639.7	93.3%	438.1	12.0%	9.5%	1,187.1	2.7x	9.8x	8.6x
Truckload													
Covenant Transportation Group, Inc.	\$29.33	83.4%	\$537.6	\$713.2	\$751.8	94.0%	\$117.7	15.6%	9.9%	\$175.5	1.8x	6.1x	5.1x
Daseke, Inc.	8.44	58.1%	496.1	992.5	1,013.5	98.2%	104.1	10.3%	1.9%	431.3	5.9x	9.5x	6.1x
Heartland Express, Inc.	19.19	76.1%	1,576.5	1,470.1	660.3	94.6%	145.3	22.0%	4.2%	(106.4)	0.0x	10.1x	8.0x
J.B. Hunt Transport Services, Inc.	120.81	91.7%	13,209.9	14,199.7	7,920.8	91.2%	1,108.8	14.0%	11.4%	989.8	0.9x	12.8x	11.1x
Knight-Swift Transportation Holdings Inc.	32.42	62.4%	5,781.0	6,526.4	4,483.8	91.2%	753.3	16.8%	8.6%	743.2	1.1x	8.7x	7.0x
P.A.M. Transportation Services, Inc.	56.87	95.3%	353.3	502.7	474.5	95.2%	66.3	14.0%	9.2%	149.4	2.7x	7.6x	NM
Schneider National, Inc.	27.25	89.3%	4,823.1	4,874.9	4,677.3	93.5%	591.1	12.6%	7.1%	51.8	0.7x	8.2x	7.3x
USA Truck, Inc.	21.75	74.6%	175.5	265.8	497.9	97.4%	41.7	8.4%	3.4%	90.3	2.2x	6.4x	5.4x
U.S. Xpress Enterprises, Inc.	13.33	78.7%	642.5	1,029.7	1,696.8	96.5%	148.2	8.7%	5.8%	384.3	2.6x	6.9x	5.0x
Werner Enterprises, Inc.	36.25	82.5%	2,603.9	2,689.0	2,277.8	92.8%	382.9	16.8%	5.6%	85.1	0.2x	7.0x	6.1x
Passenger Transportation													
ComfortDelGro Corporation Limited	\$1.66	90.4%	\$3,602.2	\$3,693.4	\$3,037.4	89.8%	\$618.0	20.3%	7.9%	(\$234.9)	0.4x	6.0x	6.2x
FirstGroup plc	1.17	75.2%	1,420.3	2,911.3	8,980.8	98.4%	771.7	8.6%	2.1%	1,593.7	3.1x	3.8x	3.2x
National Express Group PLC	5.24	94.4%	2,679.6	3,938.5	3,111.9	91.5%	484.5	15.6%	5.0%	1,243.6	3.0x	8.1x	7.6x
Stagecoach Group plc	2.10	85.5%	1,201.9	1,725.8	4,448.9	96.8%	327.0	7.4%	4.4%	581.1	2.8x	5.3x	4.7x
The Go-Ahead Group plc	19.75	75.7%	848.5	678.6	4,859.0	95.4%	330.5	6.8%	43.0%	(228.0)	1.6x	2.1x	2.5x
Median					\$2,992.9	93.7%	\$288.9	13.9%	6.0%	\$164.7	1.7x	7.9x	6.2x
Mean					\$3,061.0	93.8%	\$374.6	13.3%	8.2%	\$376.0	1.8x	7.9x	6.8x

(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 8/3/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Container													
A.P. Moller - Maersk A/S	\$1,341.45	63.0%	\$26,956.1	\$35,723.8	\$33,097.0	10.7%	\$3,556.0	10.7%	0.8%	\$8,503.0	4.9x	10.0x	9.3x
COSCO SHIPPING Development Co., Ltd.	0.15	58.8%	3,419.3	15,108.3	2,600.9	23.7%	973.1	37.4%	1.6%	11,590.1	15.7x	15.5x	NM
Evergreen Marine Corporation (Taiwan) Ltd	0.46	60.0%	1,836.7	4,068.6	5,287.6	6.3%	356.8	6.7%	1.1%	2,249.5	9.6x	11.4x	13.6x
Hapag-Lloyd Aktiengesellschaft	39.21	84.8%	6,891.0	13,225.0	12,884.1	13.7%	1,309.6	10.2%	2.7%	6,716.4	5.7x	10.1x	10.7x
Orient Overseas (International) Limited	10.52	100.0%	6,582.4	8,873.6	6,108.4	9.4%	520.8	8.5%	0.7%	2,301.4	8.7x	17.0x	12.4x
Seaspan Corporation	8.73	81.4%	1,186.4	5,471.3	931.8	64.9%	555.0	59.6%	3.4%	4,237.6	8.1x	9.9x	7.8x
Yang Ming Marine Transport Corporation	0.30	52.4%	698.8	3,076.8	4,539.6	4.2%	208.5	4.6%	(0.2%)	2,485.1	14.0x	14.8x	21.0x
Dry Bulk													
Diana Shipping Inc.	\$4.34	84.1%	\$468.4	\$958.0	\$194.7	47.3%	\$76.8	39.5%	(0.3%)	\$489.6	7.4x	12.5x	10.5x
Eagle Bulk Shipping Inc.	5.43	88.4%	396.4	660.0	270.3	29.4%	38.9	14.4%	0.8%	263.6	8.3x	17.0x	8.6x
Genco Shipping & Trading Limited	14.57	72.6%	605.3	936.6	248.4	43.6%	73.4	29.5%	0.3%	331.3	6.9x	12.8x	7.6x
Navios Maritime Holdings Inc.	0.86	45.5%	101.8	1,753.9	484.6	32.8%	117.5	24.2%	0.3%	1,551.4	14.2x	14.9x	9.9x
Safe Bulkers, Inc.	3.32	83.1%	337.2	833.8	170.2	63.2%	88.6	52.0%	2.3%	496.6	6.3x	9.4x	8.0x
Offshore Vessel Operators													
Bourbon Corporation SA	\$5.00	49.4%	\$385.3	\$2,052.6	\$952.9	42.5%	\$44.2	4.6%	(5.5%)	\$1,639.2	43.7x	46.5x	25.8x
Hornbeck Offshore Services, Inc.	4.12	77.0%	154.5	1,065.7	209.9	37.1%	28.6	13.6%	(4.0%)	911.2	37.9x	37.3x	NM
Tidewater Inc.	32.14	89.3%	838.4	844.6	370.9	17.1%	(55.5)	(15.0%)	(3.1%)	3.8	NM	NM	17.6x
Jones Act													
American Shipping Company ASA	\$3.41	94.5%	\$207.0	\$755.7	\$87.8	100.0%	\$84.8	96.6%	3.8%	\$575.7	7.3x	8.9x	8.8x
Kirby Corporation	83.55	88.8%	4,987.7	6,407.3	2,793.7	27.3%	433.9	15.5%	7.6%	1,416.3	3.3x	14.8x	13.0x
Matson, Inc.	35.67	88.5%	1,523.0	2,442.7	2,128.5	16.0%	223.0	10.5%	4.4%	919.7	4.2x	11.0x	8.3x
SEACOR Holdings Inc.	51.10	86.6%	931.2	1,244.4	714.7	32.9%	130.6	18.3%	2.4%	182.7	4.1x	9.5x	9.2x
Tanker													
Ardmore Shipping Corporation	\$6.80	75.1%	\$225.1	\$634.2	\$199.3	25.3%	\$35.2	17.7%	0.0%	\$409.2	13.0x	18.0x	15.8x
Capital Product Partners L.P.	3.06	82.6%	389.4	830.1	257.9	52.5%	144.7	56.1%	2.3%	440.8	3.3x	5.7x	6.4x
Frontline Ltd.	5.08	79.0%	862.6	2,764.3	637.2	30.1%	182.1	28.6%	0.9%	1,901.3	11.1x	15.2x	19.2x
GasLog Ltd.	17.25	76.5%	1,392.3	5,141.2	552.6	74.4%	366.6	66.3%	3.0%	2,794.3	8.6x	14.0x	12.7x
Navigator Holdings Ltd.	12.40	91.5%	690.1	1,478.8	299.1	46.7%	108.5	36.3%	1.5%	788.6	7.7x	13.6x	11.8x
Scorpio Tankers Inc.	2.10	50.2%	696.4	3,265.7	569.8	37.9%	151.0	26.5%	(0.0%)	2,569.2	18.1x	21.6x	15.0x
Teekay Corporation	6.98	64.0%	701.0	7,025.1	1,622.6	39.2%	466.6	28.8%	1.3%	4,246.6	10.1x	15.1x	13.3x
Tsakos Energy Navigation Limited	3.54	72.1%	305.9	1,886.9	516.7	42.9%	187.3	36.3%	1.0%	1,555.6	9.1x	10.1x	10.4x
Median					\$569.8	32.9%	\$151.0	24.2%	1.0%	\$1,551.4	8.4x	13.8x	10.7x
Mean					\$2,916.0	36.0%	\$385.4	27.3%	1.1%	\$2,280.4	11.2x	15.3x	12.3x

Rail

(\$ in millions, except per-share prices)
As of 8/3/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Canadian National Railway Company	\$88.40	96.9%	\$64,769.9	\$73,619.1	\$10,135.3	54.0%	\$5,129.6	50.6%	8.9%	\$8,728.0	1.8x	14.4x	14.0x
Canadian Pacific Railway Limited	201.74	99.2%	28,763.1	35,262.8	5,109.1	51.9%	2,517.3	49.3%	8.5%	6,410.7	2.6x	14.0x	13.8x
CSX Corporation	71.26	98.7%	61,198.8	73,597.8	11,584.0	47.8%	5,541.0	47.8%	7.4%	12,385.0	2.5x	13.3x	12.4x
Genesee & Wyoming Inc.	88.40	100.0%	5,376.6	7,683.2	2,318.2	36.4%	707.1	30.5%	4.2%	2,306.6	3.4x	10.9x	10.8x
Kansas City Southern	115.77	98.3%	11,827.0	14,783.7	2,638.0	46.7%	1,268.9	48.1%	6.5%	2,632.0	2.1x	11.7x	10.9x
Norfolk Southern Corporation	171.62	99.3%	48,058.7	57,554.7	10,954.0	44.7%	4,898.0	44.7%	6.8%	9,496.0	2.0x	11.8x	11.7x
Union Pacific Corporation	149.78	98.9%	110,761.5	131,880.5	22,005.0	52.4%	10,548.0	47.9%	9.1%	21,119.0	2.2x	12.5x	12.3x
Median					\$10,135.3	47.8%	\$4,898.0	47.9%	7.4%	\$8,728.0	2.2x	12.5x	12.3x
Mean					\$9,249.1	47.7%	\$4,372.9	45.6%	7.4%	\$9,011.1	2.4x	12.6x	12.3x

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

Public Comparables

Transportation Equipment Leasing and Aviation

Transportation Equipment Leasing

(\$ in millions, except per-share prices)
As of 8/3/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
AMERCO	\$381.76	95.2%	\$7,485.5	\$10,077.3	\$3,601.1	30.9%	\$1,124.0	31.2%	3.8%	\$2,743.8	3.1x	9.0x	9.5x
Brambles Limited	7.34	95.0%	11,691.1	14,259.7	5,440.8	34.0%	1,591.4	29.2%	9.8%	2,707.4	1.9x	9.0x	9.1x
CAI International, Inc.	25.00	62.3%	479.7	2,333.0	385.3	45.5%	138.8	36.0%	3.5%	1,798.3	13.2x	16.8x	7.9x
GATX Corporation	83.58	91.7%	3,151.0	7,327.7	1,367.2	62.3%	646.7	47.3%	2.7%	4,176.7	6.8x	11.3x	10.5x
Ryder System, Inc.	77.17	85.5%	4,097.3	10,001.7	7,797.4	19.7%	1,822.1	23.4%	3.1%	5,904.3	3.3x	5.5x	5.1x
Textainer Group Holdings Limited	16.15	60.9%	922.2	3,970.9	507.4	86.3%	392.1	77.3%	2.4%	2,989.5	8.1x	10.1x	8.9x
Median					\$2,484.2	39.7%	\$885.3	33.6%	3.3%	\$2,866.7	5.1x	9.5x	9.0x
Mean					\$3,183.2	46.4%	\$952.5	40.7%	4.2%	\$3,386.7	6.1x	10.3x	8.5x

Aviation

(\$ in millions, except per-share prices)
As of 8/3/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
<i>Airlines</i>													
Air Canada	\$18.29	81.5%	\$4,983.5	\$6,710.9	\$13,003.9	31.0%	\$1,732.7	13.3%	24.6%	\$1,703.8	3.0x	3.9x	3.1x
Alaska Air Group, Inc.	62.80	72.3%	7,737.2	8,481.2	8,079.0	29.6%	1,367.0	16.9%	8.3%	744.0	1.7x	6.2x	5.9x
Allegiant Travel Company	125.10	68.9%	2,020.4	2,768.2	1,583.0	33.3%	364.3	23.0%	29.4%	747.7	3.1x	7.6x	7.6x
American Airlines Group Inc.	38.42	65.0%	17,692.8	37,094.8	43,204.0	28.3%	6,019.0	13.9%	5.7%	19,402.0	4.0x	6.2x	5.7x
Delta Air Lines, Inc.	54.26	89.3%	37,370.5	45,954.5	43,139.0	27.9%	7,704.0	17.9%	8.7%	8,584.0	1.4x	6.0x	5.7x
Hawaiian Holdings, Inc.	41.15	92.9%	2,087.9	2,186.7	2,800.2	30.3%	593.8	21.2%	13.7%	98.9	1.2x	3.7x	3.2x
JetBlue Airways Corporation	18.25	79.1%	5,709.4	6,152.4	7,260.0	35.2%	1,241.0	17.1%	5.8%	443.0	1.1x	5.0x	4.9x
SkyWest, Inc.	59.30	95.0%	3,086.3	5,406.6	3,254.5	32.1%	726.8	22.3%	5.2%	2,320.3	4.1x	7.4x	5.7x
Southwest Airlines Co.	57.41	85.7%	32,897.0	32,754.0	21,272.0	32.9%	4,217.0	19.8%	10.0%	(143.0)	0.8x	7.8x	7.5x
Spirit Airlines, Inc.	42.60	87.3%	2,907.6	3,885.1	2,913.4	33.0%	474.5	16.3%	7.0%	977.6	4.0x	8.2x	5.5x
United Continental Holdings, Inc.	81.34	99.1%	22,173.6	31,605.6	39,111.0	32.7%	5,504.0	14.1%	6.5%	9,432.0	2.6x	5.7x	5.1x
WestJet Airlines Ltd.	13.40	62.1%	1,529.1	2,119.7	3,507.8	47.3%	555.6	15.8%	4.1%	582.5	2.8x	3.8x	3.8x
<i>Airport Services</i>													
Air Transport Services Group, Inc.	\$21.23	76.7%	\$1,254.3	\$1,794.1	\$1,033.3	31.5%	\$267.6	25.9%	4.9%	\$539.9	2.2x	6.7x	5.8x
BBA Aviation plc	3.99	82.7%	4,098.8	5,276.8	2,496.3	23.1%	445.6	17.9%	6.8%	1,192.1	3.0x	11.8x	11.1x
Fraport AG	97.20	86.2%	8,980.9	13,762.9	3,770.6	39.0%	1,278.8	33.9%	4.8%	4,887.3	4.4x	10.8x	10.6x
SATS Ltd.	3.77	88.0%	4,215.3	4,070.6	1,274.7	32.5%	227.0	17.8%	9.1%	(244.4)	0.3x	17.9x	17.0x
<i>Helicopter Operators</i>													
Bristow Group Inc.	\$12.35	65.3%	\$436.8	\$1,591.3	\$1,400.2	21.0%	\$125.1	8.9%	0.0%	\$1,147.3	11.7x	12.7x	12.5x
Era Group Inc.	13.75	96.6%	298.2	476.0	234.1	28.5%	23.0	9.8%	(1.6%)	174.2	8.3x	20.7x	10.8x
PHI, Inc.	8.61	61.7%	131.9	682.9	605.3	4.8%	43.5	7.2%	(1.4%)	551.0	14.3x	15.7x	NM
Median					\$3,254.5	31.5%	\$593.8	17.1%	6.5%	\$747.7	3.0x	7.4x	5.8x
Mean					\$10,523.3	30.2%	\$1,732.1	17.5%	8.0%	\$2,796.8	3.9x	8.8x	7.3x

(1) ROIC defined as NOPAT over average total assets less cash, goodwill, and accounts payable
Source: S&P Capital IQ

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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. For more information, please visit www.HL.com.

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