



HOULIHAN LOKEY

TRANSPORTATION & LOGISTICS

INDUSTRY UPDATE | Winter 2018



Houlihan Lokey Transportation & Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation & Logistics industry update for winter 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 will 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,



Kris Hopkins
245 Park Avenue, 20th Floor
New York, NY 10167
KHopkins@HL.com
212.497.7856

Additional Transportation & Logistics Group Contacts

Phil Keffer, CFA
PKeffer@HL.com
212.497.7851

Brandon Bleakley
BBleakley@HL.com
646.259.7488

Jason Weisbaum
JWeisbaum@HL.com
212.497.4265

Austen Dixon
ADixon@HL.com
646.259.7474

Rohan Chudasama
RChudasama@HL.com
212.497.7908

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

1,000+ Annual Valuation Engagements

Selected Transactions

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

a portfolio company of

Manquette Capital Partners

has been acquired by

a portfolio company of

Sellside Advisor

has been acquired by

STAIRWAY SOLUTIONS

Sellside Advisor

has acquired

Buyside Advisor

\$162,500,000 Senior Credit Facilities Refinancing & Amendment

Exclusive Placement Agent

a portfolio company of

has been acquired by

Sellside Advisor

Tombstones included herein represent transactions closed from 2015 forward. It is not known whether the listed clients approve or disapprove of Houlihan Lokey or the advisory services provided.

Significant News Stories

LOGISTICS

Amazon to Launch Delivery Service That Would Vie With FedEx, UPS (*The Wall Street Journal*, Feb. 9, 2018)

"Amazon.com Inc. is preparing to launch a delivery service for businesses, positioning it to compete directly with United Parcel Service Inc. and FedEx Corp. Dubbed "Shipping with Amazon," or SWA, the new service will entail the online retail giant picking up packages from businesses and shipping them to consumers, according to people familiar with the matter. Amazon expects to roll out the delivery service in Los Angeles in coming weeks with third-party merchants that sell goods via its website, according to the people. Amazon then aims to expand the service to more cities as soon as this year, some of the people say. While the program is being piloted with the company's third-party sellers, it is envisioned as eventually accommodating other businesses as well, according to some of the people. Amazon is planning to undercut UPS and FedEx on pricing, although the exact rate structure is still unclear, these people said. Still, Amazon will face steep hurdles to build out the needed infrastructure and personnel for a reliable delivery network of any broader scale, and it could take years for the company to make a meaningful dent on the industry."

ASSET-BASED TRUCKING

A Shortage of Trucks Is Forcing Companies to Cut Shipments or Pay Up (*The Wall Street Journal*, Jan. 25, 2018)

"A nationwide truck shortage is forcing thousands of shippers into a tough choice: postpone all but the most important deliveries, or pay dearly to jump to the front of the line. Several factors have converged to overwhelm the trucking market. Freight volumes in December hit near-record levels for that time of year, on the back of a strengthening economy. Retailers are replenishing stocks after one of the strongest holiday sales seasons in recent years. Manufacturers are also shipping more cargo; in December, industrial production had the largest year-over-year gain since 2010, according to the Federal Reserve. What's more, bad weather and a new federal safety rule that took effect in December have crimped the supply of available trucks. Diesel prices are near a three-year high, adding to transportation costs. Spot-market prices for dry vans, the most commonly used big rig, are up more than 20% year-over-year. Analysts expect long-term contract rates that shippers negotiate with carriers to rise by between 5% and 8% this year."

UPS Orders 125 Tesla Semi-Trucks (*Transport Topics*, Dec. 20, 2017)

"The market for the Tesla Class 8 truck keeps growing as UPS Inc. put in an order for 125 electric trucks, the largest order to date that has been made public. Tesla has already received multiple orders for the truck, which was launched in mid-November in Hawthorne, Calif. Announced orders include 40 by Anheuser-Busch, 100 by PepsiCo Inc., 50 by Sysco Co. and 15 by Wal-Mart Stores Inc. Fleet operators such as J.B. Hunt Transport Services Inc., NFI Industries and Bison Transport Inc. and retailers Meijer and Loblaw Cos. confirmed that they have pre-ordered the truck or plan to do so. The base price for a tractor with a 300-mile range will be \$150,000, while the anticipated base price for the version with a 500-mile range will be \$180,000."

MARINE

Euronav to Buy Gener8 to Create Oil-Tanker Giant (*The Wall Street Journal*, Dec. 21, 2017)

"Euronav NV said Thursday that it is buying rival Gener8 Maritime Inc., an all-share deal worth about \$500 million expected to create one of the world's biggest oil tankers. The transaction, reported by *The Wall Street Journal* on Wednesday is likely to kick off a round of consolidation in the fragmented tanker sector, which has been roiled by an oversupply of vessels, a glut of crude oil and changing energy markets. The merged entity, in which Belgium-based Euronav will hold a 72% stake and New York-based Gener8 the remaining 28%, will control 75 tankers, including 44 very large crude carriers, or VLCCs, the massive ships that move the world's oil across oceans. Euronav, which paid a 35% premium for Gener8 shares based on Dec. 20 closing prices, said the combined company will remain listed both on Euronext and the New York Stock Exchange, with a balance sheet of more than \$4 billion."

Significant News Stories (cont.)

RAIL

GE Explores Exiting From the Railroad Business (*The Wall Street Journal*, Oct. 26, 2017)

“General Electric Co. is looking to exit from the railroad business, one of its oldest, as new Chief Executive John Flannery seeks to streamline the conglomerate. The Boston-based company is exploring options for the GE Transportation division, according to people familiar with the matter, as a major part of Mr. Flannery’s plans to divest more than \$20 billion worth of assets in the next two years. The company, the people said, is looking to partner, spin off or possibly sell the operations, which primarily produce diesel-powered locomotives and railroad equipment. Although GE is one of the world’s biggest makers of freight locomotives, the business is cyclical and has been suffering lately from slack demand. In the first nine months of 2017, the unit’s revenue slipped 8% and profits fell 15%. The division accounted for \$4.7 billion of GE’s total revenue of \$123.7 billion last year.”

TRANSPORTATION EQUIPMENT LEASING

DCLI to acquire TRAC Intermodal’s domestic chassis fleet (*Logistics Management*, Oct. 27, 2017)

“Earlier this week, DCLI Chassis Link, a Charlotte, NC-based provider of marine chassis and asset management services to the U.S. intermodal industry, said it has inked a definitive agreement to acquire TRAC Intermodal’s fleet of roughly 72,000 53-foot domestic chassis and related customer and hosting contracts with major Class I railroads and intermodal shipping companies throughout the United States. Financial terms of the deal were not disclosed. DCLI officials said the deal is expected to close in January 2018. Upon completion of this deal, DCLI said it will own, lease or manage approximately 136,000 marine chassis, as well as approximately 80,000 domestic chassis, for a total chassis fleet of over 216,000.”

Uber to Sell U.S. Auto-Leasing Business to Startup Fair.com (*The Wall Street Journal*, Dec. 26, 2017)

“Uber Technologies Inc. has agreed to sell its U.S. subprime auto-leasing business to startup car marketplace Fair.com, people familiar with the matter said, bringing to an end the ride-hailing giant’s failed attempt to attract new drivers who lack regular access to vehicles. Uber has been seeking a buyer for Xchange Leasing, as the unit is known, since this summer, when it decided to wind down the business after learning it was losing roughly \$9,000 a car, 18 times more than previously believed. In September, the company said it would begin to shutter Xchange Leasing, affecting about 500 jobs, while also launching a sale process. It couldn’t be learned what price Fair agreed to pay for the division. A Xchange Leasing document compiled for prospective buyers and reviewed by The Wall Street Journal said the net book value of its more than 30,000 vehicles was roughly \$400 million.”

AVIATION

Airbus Firms Big Indigo Jet Order (*The Wall Street Journal*, Dec. 28, 2017)

“Airbus SE said Thursday it had completed a record-setting order for 430 jets from four airlines linked to a U.S. private-equity firm, narrowing the gap opened up by rival Boeing Co. on new plane deals in 2017. The European plane maker booked the order first outlined at last month’s Dubai Airshow for A320neo family jets destined for carriers linked to Indigo Partners LLC: Frontier Airlines in the U.S., Hungary’s Wizz Air Holdings PLC, Mexico’s Volaris and JetSmart, a new Chile-based carrier. The sale is the biggest-ever bulk buy of planes in terms of aircraft number, with the jets carrying a list price of \$49.5 billion before discounts that analysts estimate could run as high as 60%. Airbus and Indigo didn’t disclose the actual terms.”

TECH-ENABLED SERVICES

Peloton holds 1,000-mile platooning demo in Florida (*Commercial Carrier Journal*, Dec. 29, 2017)

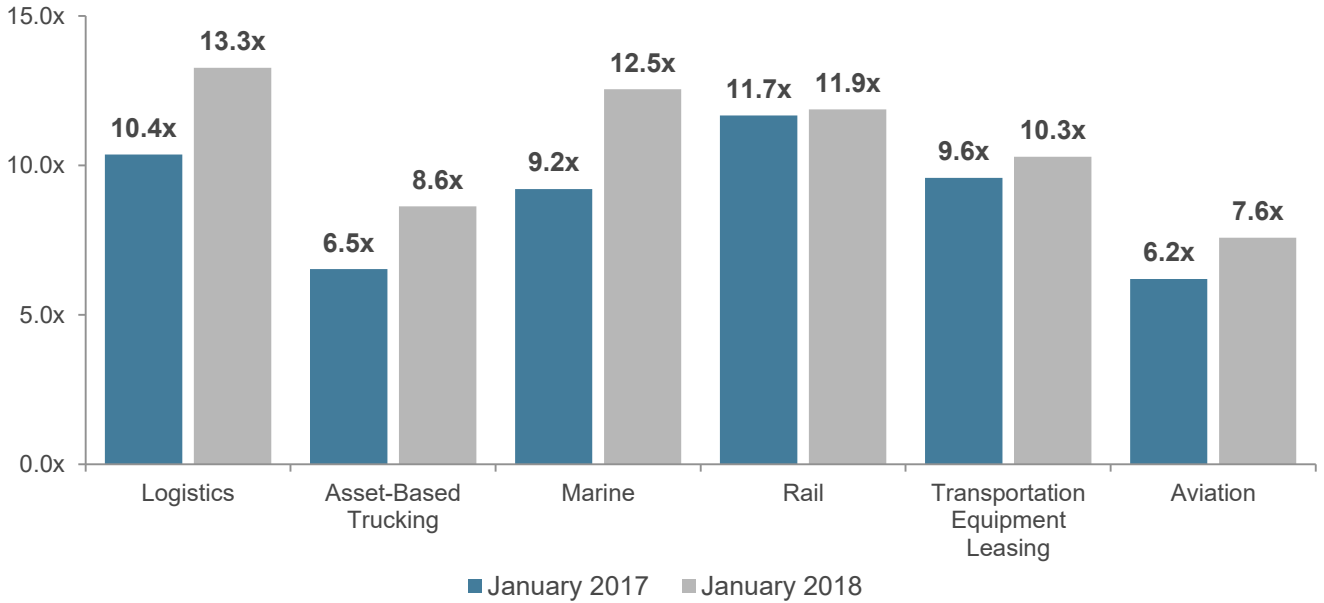
“Peloton Technology logged more than 1,000 miles in two Peloton-equipped Volvo VNL670 Class 8 trucks during the State of Florida’s Driver-Assistive Truck Platooning Pilot Project on the Florida Turnpike. Held in collaboration with the Florida Department of Transportation, Florida’s Turnpike Enterprise and the Florida Department of Highway Safety and Motor Vehicles, the demonstration used advanced driver-assistance systems provided by Peloton Technology, including linked collision avoidance capability. The two trucks traveled at a separation distance of approximately 65 feet, with professional drivers remaining fully in command of each truck at all times. Working together using this technology, Peloton co-founder and Vice President of External Affairs Steve Boyd says the two drivers in the demonstration benefited from connected safety systems and enhanced driver-to-driver communication while achieving high levels of aerodynamic fuel savings.”

Recent M&A Transactions

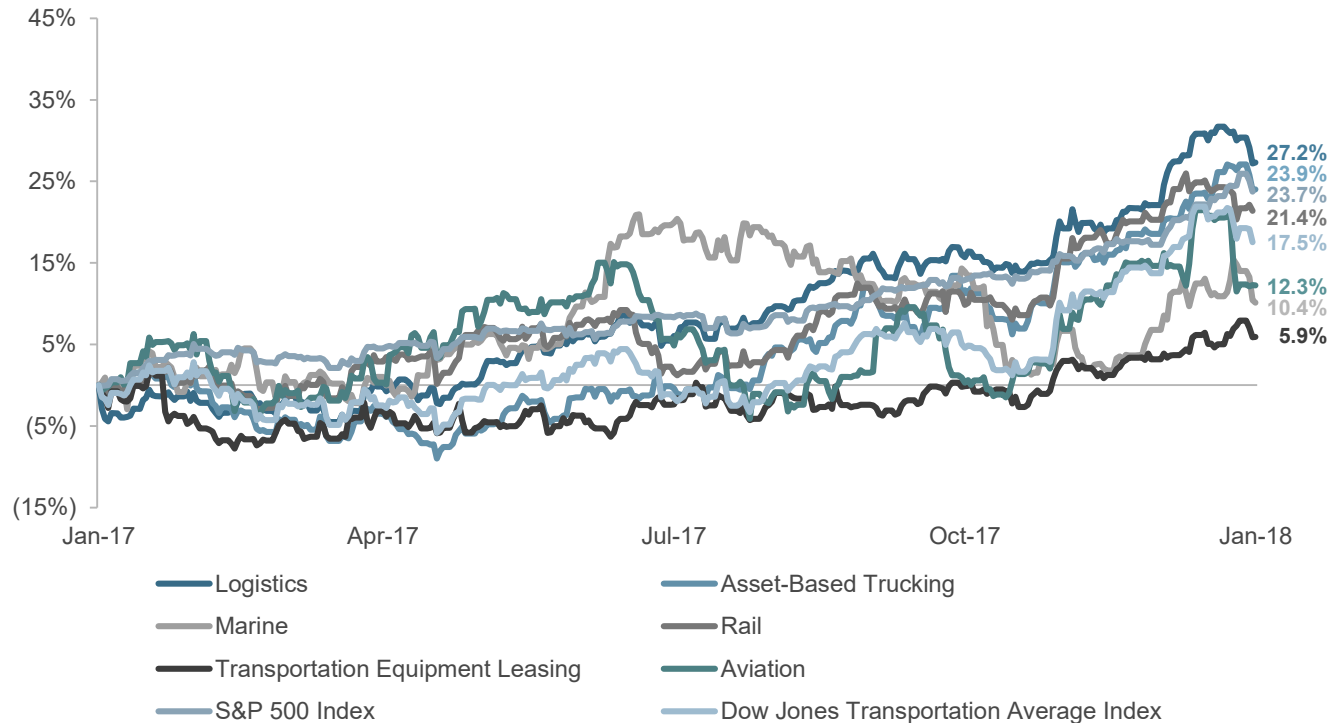
Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Feb-18	Grey Mountain Partners	CHEP Recycled	Largest whitewood pallet recycler in the North America, recycling over 90 million pallets annually	Equipment Leasing	N/A
Jan-18	IMC Companies	H&M Terminal Transport	Provides container drayage and depot services in the northeastern U.S.	Asset-Based Trucking	N/A
Jan-18	Smokey Point Distributing (Daseke)	Belmont Enterprises	Provides glass hauling services in the U.S.	Asset-Based Trucking	N/A
Jan-18	Simplified Logistics, LLC (CI Capital)	Redwood Logistics, LLC	Offers transportation brokerage, asset-based warehouse and distribution, freight exchange, and supply chain solutions	Logistics	N/A
Dec-17	Renren Inc.	Trucker Path, Inc.	Application-based platform that provides navigational assistance and freight matching for the trucking industry	Tech-Enabled Services	N/A
Dec-17	Euronav NV	Gener8 Maritime, Inc.	Engages in the transportation of international seaborne crude oil and petroleum products	Marine	\$1,764
Dec-17	Stackry, LLC	BedaBox, LLC	Offers shipping and international package forwarding services	Logistics	N/A
Dec-17	Panalpina World Transport (Holding) Ltd.	Adelantex NV	Specializes in the handling of perishable imports in Brussels, Liège, and Ostend	Logistics	N/A
Dec-17	Apollo Global Management, LLC	MN Airlines, LLC	Doing business as Sun Country Airlines, Inc., offers services to various destinations in the U.S., Mexico, Costa Rica, and the Caribbean	Aviation	N/A
Dec-17	St. George Trucking & Warehouse Inc.	Channel Distribution Corporation	Operates a full-service air cargo warehouse and distribution center	Logistics	N/A
Dec-17	AGRO Merchants Group, LLC	Grocontinental Limited	Leading provider of cold storage and logistics services to the food industry in the U.K. with a particular expertise in the dairy and meat sectors	Logistics	N/A
Dec-17	ComfortDelGro Corporation Limited	Uber Technologies Singapore Operations (51% Stake)	Develops, markets, and operates a ridesharing mobile application that allows consumers to submit a trip request, which is routed to crowd-sourced taxi drivers	Tech-Enabled Services	\$436
Dec-17	Wallenius Wilhelmsen Logistics ASA	Keen Transport, Inc.	Provides heavy-haul logistics and transportation services for construction, mining, and agriculture equipment markets in the U.S.	Asset-Based Trucking	\$64
Dec-17	GlobalTranz Enterprises	Apex Logistics Group	Provides logistics services such as truckload shipping, temperature-controlled transportation, and warehouse management	Logistics	N/A
Dec-17	Daseke, Inc.	Roadmaster Group	Provides high-security cargo services in the U.S.	Asset-Based Trucking	N/A
Dec-17	Daseke, Inc.	Tennessee Steel Haulers, Inc.	Provides asset-light, flatbed, long-haul, and short-haul trucking services for the industrial market in the U.S. and internationally	Logistics	N/A
Dec-17	Daseke, Inc.	Moore Freight Service, Inc.	Provides freight services, specializing in commercial flat glass transportation	Asset-Based Trucking	N/A
Dec-17	United Parcel Service, Inc.	Sandler & Travis Trade Advisory Services Inc.	Provides international trade and customs consulting services	Logistics	N/A
Nov-17	LSC Communications, Inc.	The Clark Group, Inc.	Provides third-party logistics services for publishing, printing, distribution, and other highly service-sensitive industries in the U.S. and internationally	Logistics	N/A
Nov-17	Kane Is Able, Inc.	Vintners Logistics LLC	Provides warehousing and transportation of food and beverage products for wineries and food processing companies in the U.S.	Logistics	N/A
Nov-17	American Industrial Partners	Rand Logistics, Inc.	Leading provider of bulk freight shipping services throughout the Great Lakes region in the U.S.	Logistics	N/A
Nov-17	Becker Logistics LLC	Savage Logistics, LLC	Provides third-party logistics services including van, flatbed, over-dimensional, reefer, warehousing, intermodal, LTL, and specialized transportation for various commodities in the U.S. and Canada	Logistics	N/A
Nov-17	Incline Equity Partners	Fond du Lac Cold Storage	Provides local refrigerated logistics and storage services to New Jersey, Illinois, and New York	Logistics	N/A
Nov-17	Day & Ross Transportation Group Inc.	REI Logistics and Kortzen Quality Systems, Ltd.	REI Logistics provides dedicated truckload services in the U.S.; Kortzen Quality Systems provides manufacturing support services and logistics solutions in the U.S.	Logistics	N/A
Nov-17	The Blackstone Group L.P.	Cloverleaf Cold Storage Co., Inc.	Provides cold storage warehousing and food logistics solutions	Logistics	N/A
Nov-17	DFDS A/S	Alphatrans Group BV	Provides transport solutions for customers with general and exceptional cargo using flatbed trailers and other specialized equipment	Asset-Based Trucking	N/A
Nov-17	OL International Holdings, LLC (Headhaul Capital Partners)	Transitainer, LLC U.S. Division	Provides air freighting, sea freighting, and air transit services in the U.S.	Logistics	N/A
Nov-17	Patrick Industries, Inc.	Indiana Transport, Inc.	Provides transportation and logistics solutions to original equipment manufacturers and dealers in the recreational vehicle market	Asset-Based Trucking	\$59
Oct-17	PHI, Inc.; Don Wall (HNZ President & CEO)	HNZ Group Inc. Offshore Business	International provider of offshore helicopter transportation and related support services in New Zealand, Australia, the Philippines, and Papua New Guinea	Aviation	\$130
Oct-17	Nippon Yusen Kabushiki Kaisha	Yusen Logistics Co.,Ltd.	Provides air and ocean freight forwarding, contract logistics, and transportation services in Japan, the Americas, Europe, East Asia, South Asia, and Oceania	Logistics	\$916
Oct-17	Direct ChassisLink, Inc.	TRAC Intermodal LLC, Domestic Chassis Fleet	Fleet of 72,000 domestic 53-foot chassis as well as related customer and hosting contracts with major Class I railroads and intermodal shipping companies throughout the U.S.	Equipment Leasing	N/A
Oct-17	Quad-C Management, Inc.	AIT Worldwide Logistics, Inc.	Provides international transportation and logistics solutions including air and sea freight, ground distribution, warehouse management, third-party logistics, and intermodal	Logistics	N/A

Public Markets Overview

Median TEV/LTM EBITDA



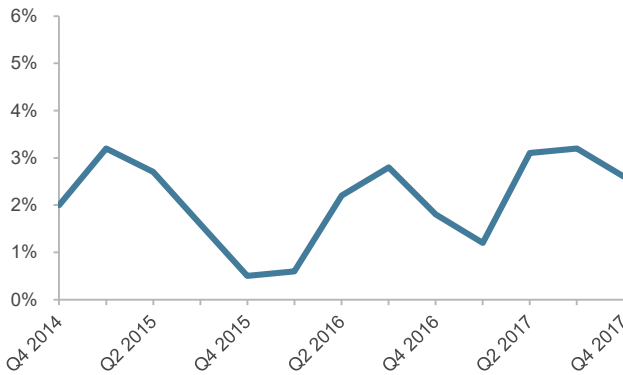
12 Months Indexed Stock Price Performance



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

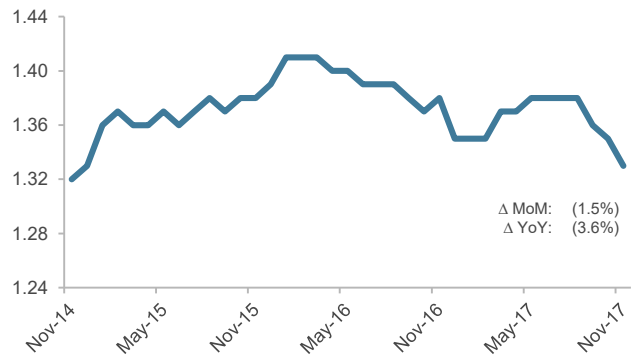
Broad Economic Data

QoQ Real GDP Growth⁽¹⁾⁽²⁾



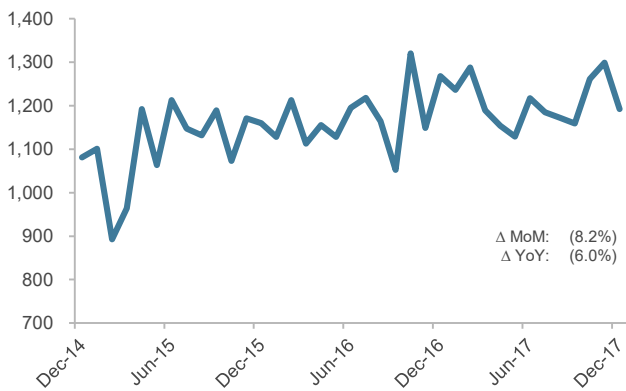
Source: Bureau of Economic Analysis

Inventory/Sales Ratio⁽¹⁾



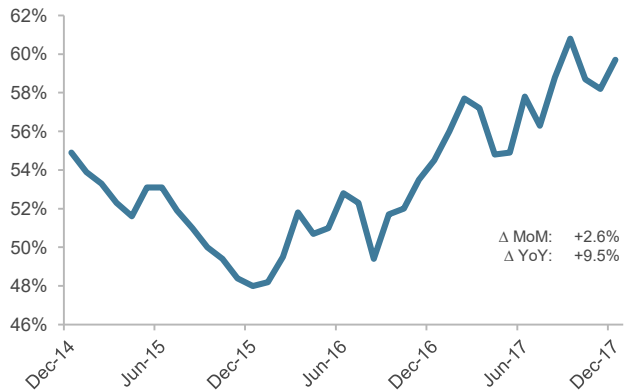
Source: U.S. Census Bureau

Housing Starts (000s)⁽¹⁾⁽²⁾



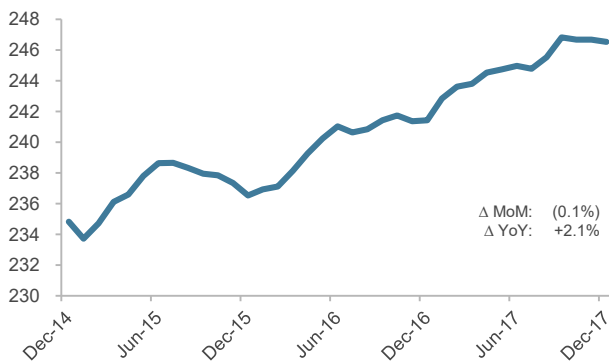
Source: U.S. Census Bureau

ISM Manufacturing Index⁽¹⁾



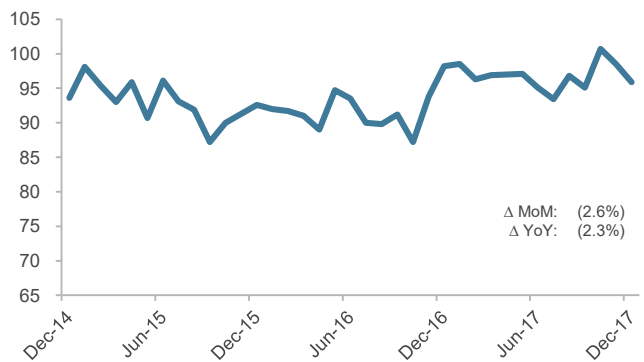
Source: Institute for Supply Management

Consumer Price Index



Source: Bureau of Labor Statistics

Consumer Sentiment Index

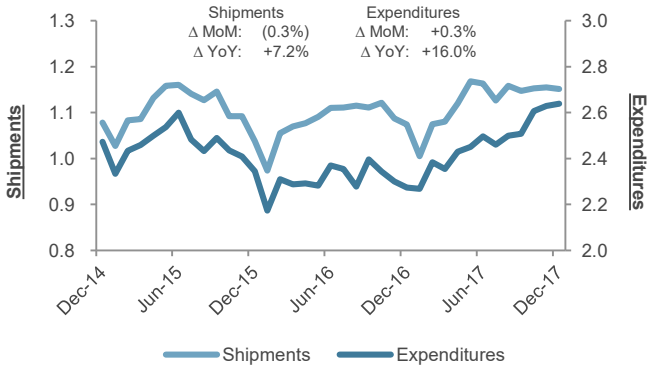


Source: University of Michigan

(1) Seasonally adjusted
(2) Annualized

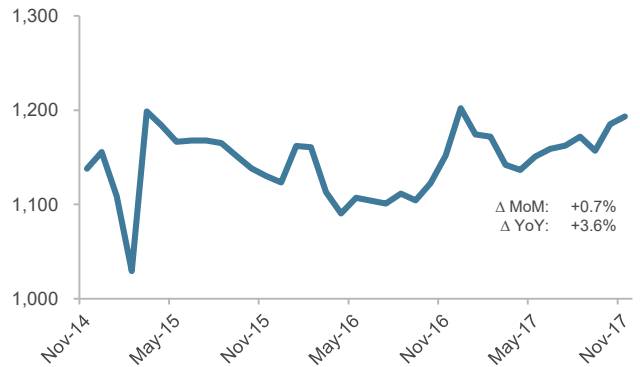
Relevant Sector Data

Cass Freight Index



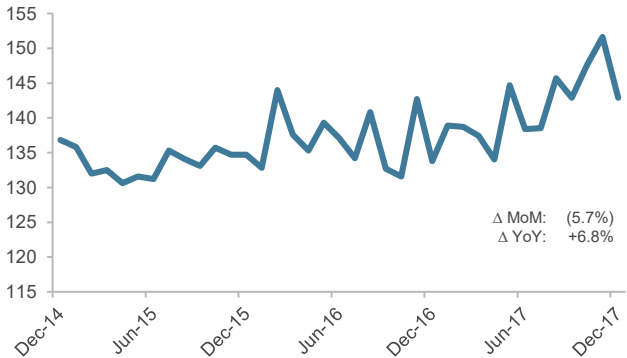
Source: Cass Information Systems, Inc.

Intermodal Volume (000s of Containers)⁽¹⁾



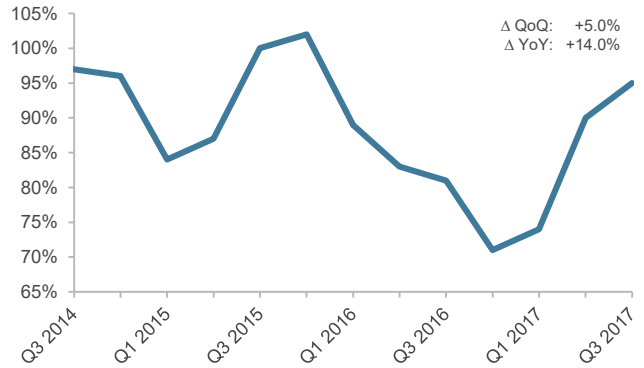
Source: Association of American Railroads

ATA Tonnage Index⁽¹⁾



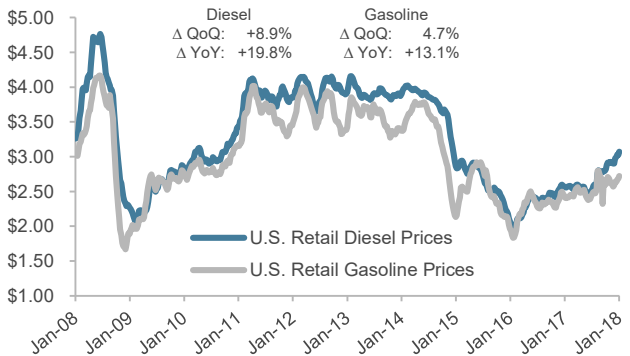
Source: American Trucking Association

Driver Turnover⁽²⁾



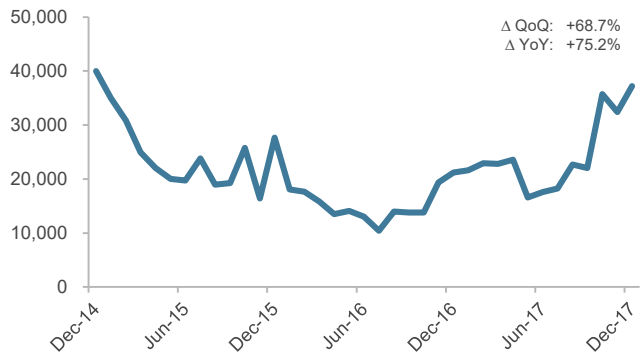
Source: American Trucking Association

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 1/31/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Asset-Light/Third-Party Logistics													
Agility Public Warehousing Company K.S.C.P.	\$2.88	87.7%	\$3,621.9	\$4,115.2	\$4,422.0	32.7%	\$384.4	8.7%	5.7%	\$375.4	1.7x	10.7x	NM
C.H. Robinson Worldwide, Inc.	91.46	91.3%	12,777.4	13,908.5	14,869.4	8.0%	868.1	5.8%	22.3%	1,131.1	1.7x	16.0x	14.2x
DSV A/S	82.40	96.1%	15,116.1	16,173.6	11,673.5	22.5%	842.3	7.2%	9.0%	1,010.3	1.5x	19.2x	17.8x
Echo Global Logistics, Inc.	29.20	88.6%	814.9	1,002.7	1,802.2	17.5%	31.8	1.8%	1.6%	187.8	6.6x	31.5x	17.8x
Expeditors International of Washington, Inc.	64.95	96.2%	11,541.8	10,511.4	6,661.6	13.6%	721.6	10.8%	35.8%	(1,033.4)	0.0x	14.6x	14.5x
Forward Air Corporation	60.71	93.7%	1,807.5	1,836.2	1,059.5	25.4%	147.1	13.9%	15.0%	28.7	0.3x	12.5x	12.1x
Hub Group, Inc.	48.05	91.5%	1,639.2	1,918.9	3,850.9	11.4%	143.4	3.7%	6.7%	279.7	2.1x	13.4x	13.7x
Kuehne + Nagel International AG	183.68	94.0%	21,958.3	21,360.8	18,372.5	38.1%	1,131.1	6.2%	15.1%	(580.0)	0.0x	18.9x	18.0x
Landstar System, Inc.	111.05	97.5%	4,660.3	4,519.7	3,648.9	21.4%	283.9	7.8%	21.9%	(124.0)	0.6x	15.9x	14.1x
Panalpina World Transport (Holding) Ltd.	165.62	93.4%	3,931.1	2,761.0	5,570.7	24.7%	112.7	2.0%	6.0%	(299.9)	0.0x	32.2x	23.8x
Radiant Logistics, Inc.	4.81	72.3%	236.2	276.1	780.5	24.6%	27.0	3.5%	6.5%	39.9	1.7x	10.2x	8.5x
Roadrunner Transportation Systems, Inc.	5.57	57.1%	214.0	630.1	2,033.2	18.8%	10.6	0.5%	(3.8%)	416.1	42.0x	NM	5.9x
Universal Logistics Holdings, Inc.	23.25	90.6%	659.6	885.6	1,166.7	14.9%	79.0	6.8%	5.3%	226.0	3.1x	11.2x	NM
Wincanton plc	3.18	72.5%	393.9	455.7	1,524.8	4.5%	78.3	5.1%	96.8%	58.3	1.1x	5.8x	5.0x
XPO Logistics, Inc.	94.44	96.0%	11,321.8	16,025.5	14,863.5	14.9%	1,219.1	8.2%	5.4%	4,272.9	3.9x	13.1x	11.7x
Parcel Delivery													
Deutsche Post AG	\$47.36	92.0%	\$57,259.0	\$61,946.2	\$71,270.5	13.1%	\$5,492.3	7.7%	12.1%	\$4,179.2	1.1x	11.3x	9.9x
FedEx Corporation	262.48	95.6%	70,315.7	82,988.7	62,335.0	27.5%	8,485.0	13.6%	9.3%	12,673.0	1.8x	9.8x	9.4x
PostNL N.V.	5.00	86.3%	2,287.9	2,350.0	4,101.2	15.0%	395.9	9.7%	16.5%	74.5	1.7x	5.9x	5.2x
Royal Mail plc	6.67	99.2%	6,668.5	7,239.4	13,548.0	34.5%	982.8	7.3%	5.2%	543.4	0.9x	7.4x	5.9x
United Parcel Service, Inc.	127.32	93.9%	109,715.6	124,213.6	63,974.0	19.9%	7,846.0	12.3%	11.7%	14,468.0	2.4x	15.8x	11.7x
ZTO Express (Cayman) Inc.	15.81	87.4%	11,277.6	9,707.3	1,791.6	34.8%	603.8	33.7%	28.2%	(1,571.1)	0.1x	16.1x	14.3x
Median					\$4,422.0	19.9%	\$395.9	7.3%	9.3%	\$226.0	1.7x	13.3x	12.1x
Mean					\$14,729.5	20.9%	\$1,423.2	8.4%	15.8%	\$1,731.2	3.5x	14.6x	12.3x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 1/31/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Less-Than-Truckload													
ArcBest Corporation	\$35.55	89.5%	\$911.6	\$1,003.4	\$2,826.5	98.1%	\$156.6	5.5%	3.5%	\$91.7	1.7x	6.4x	5.2x
Old Dominion Freight Line, Inc.	146.45	97.4%	12,064.0	12,080.9	3,212.7	83.0%	748.1	23.3%	12.1%	16.9	0.1x	16.1x	15.4x
Saia, Inc.	75.55	94.1%	1,907.2	2,034.4	1,325.5	93.4%	172.0	13.0%	6.4%	127.2	0.7x	11.8x	11.2x
YRC Worldwide Inc.	15.97	90.7%	535.3	1,316.0	4,830.7	97.9%	252.9	5.2%	4.4%	780.7	3.7x	5.2x	4.7x
Specialty Trucking													
Marten Transport, Ltd.	\$23.20	78.4%	\$1,265.2	\$1,249.4	\$698.1	92.6%	\$136.5	19.6%	4.8%	(\$15.8)	0.0x	9.2x	7.9x
Mullen Group Ltd.	12.24	79.6%	1,268.6	1,606.5	880.2	91.8%	134.9	15.3%	4.7%	332.3	3.2x	11.9x	11.2x
TFI International, Inc.	25.88	89.0%	2,306.2	3,532.1	3,757.4	94.7%	405.4	10.8%	9.1%	1,205.3	3.0x	8.7x	8.4x
Truckload													
Celadon Group, Inc.	\$5.55	58.4%	\$153.8	\$528.2	\$1,054.6	99.2%	\$83.5	7.9%	0.5%	\$374.3	4.6x	6.3x	NM
Covenant Transportation Group, Inc.	29.33	95.8%	536.5	748.0	705.0	96.0%	100.8	14.3%	5.7%	211.6	2.2x	7.4x	6.2x
Daseke, Inc.	13.50	93.0%	599.3	974.1	739.5	99.2%	76.6	10.4%	0.6%	309.8	5.5x	12.7x	10.3x
Heartland Express, Inc.	22.69	90.0%	1,890.1	1,838.8	581.7	90.9%	153.9	26.5%	5.7%	(51.3)	0.0x	11.9x	10.7x
J.B. Hunt Transport Services, Inc.	120.83	95.5%	13,261.5	14,332.5	7,189.6	91.3%	998.7	13.9%	10.4%	1,071.0	1.1x	14.4x	11.7x
Knight-Swift Transportation Holdings Inc.	49.79	100.0%	8,859.3	9,756.2	2,425.5	90.4%	441.1	18.2%	5.0%	894.3	2.2x	22.1x	10.1x
P.A.M. Transportation Services, Inc.	37.51	86.8%	236.4	365.1	435.3	97.1%	52.0	11.9%	4.3%	128.7	3.0x	7.0x	NM
Schneider National, Inc.	29.28	97.9%	5,179.0	5,377.8	4,262.3	93.8%	512.3	12.0%	6.2%	198.8	0.9x	10.5x	9.6x
USA Truck, Inc.	20.16	91.7%	160.0	280.7	426.4	102.2%	19.8	4.6%	(2.1%)	120.7	6.1x	14.2x	10.8x
Werner Enterprises, Inc.	40.70	92.6%	2,947.1	3,008.4	2,116.7	93.2%	356.1	16.8%	5.0%	61.4	0.2x	8.4x	7.2x
Passenger Transportation													
ComfortDelGro Corporation Limited	\$1.60	75.0%	\$3,468.0	\$3,642.2	\$2,929.2	89.2%	\$621.1	21.2%	8.1%	(\$131.9)	0.4x	5.9x	6.0x
Firstgroup plc	1.47	67.2%	1,782.5	3,584.5	7,856.6	96.1%	886.9	11.3%	4.5%	1,676.1	2.5x	4.0x	3.5x
National Express Group PLC	5.21	93.8%	2,656.0	3,955.9	2,944.2	91.5%	463.0	15.7%	4.8%	1,163.5	2.7x	8.5x	7.7x
Stagecoach Group plc	2.15	68.3%	1,230.6	1,908.0	4,904.3	98.1%	285.4	5.8%	4.0%	638.3	3.2x	6.7x	4.4x
The Go-Ahead Group plc	22.94	68.9%	986.2	693.6	4,521.0	95.7%	281.4	6.2%	13.9%	(300.1)	1.7x	2.5x	2.6x
Median					\$2,626.0	94.3%	\$267.2	12.5%	4.9%	\$205.2	2.2x	8.6x	8.2x
Mean					\$2,755.6	94.3%	\$333.6	13.2%	5.4%	\$404.7	2.2x	9.6x	8.2x

(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 1/31/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Container													
A.P. Moller - Maersk A/S	\$1,788.39	75.0%	\$36,280.8	\$50,710.5	\$37,925.0	20.3%	\$7,487.0	19.7%	3.0%	\$12,879.0	2.1x	6.8x	13.9x
COSCO SHIPPING Development Co., Ltd.	0.22	85.3%	5,212.2	17,232.8	2,382.5	20.7%	708.5	29.7%	1.2%	11,949.2	19.5x	24.3x	NM
Evergreen Marine Corporation (Taiwan) Ltd	0.59	73.9%	2,373.0	4,737.4	4,852.7	7.2%	401.0	8.3%	1.9%	2,189.9	8.6x	11.8x	10.1x
Hapag-Lloyd Aktiengesellschaft	41.90	84.5%	7,363.6	15,101.0	11,032.6	13.2%	1,036.9	9.4%	2.1%	7,339.9	8.5x	14.6x	12.7x
Orient Overseas (International) Limited	9.42	96.7%	5,893.1	7,997.2	5,635.3	6.6%	323.5	5.7%	(0.7%)	2,108.0	13.0x	24.7x	12.5x
Seaspan Corporation	7.12	79.1%	880.6	3,740.1	830.1	64.5%	477.0	57.5%	3.4%	2,859.2	6.6x	7.8x	7.4x
Yang Ming Marine Transport Corporation	0.40	66.1%	923.9	3,568.7	4,309.3	3.3%	158.6	3.7%	(0.8%)	2,527.1	18.5x	22.5x	14.7x
Dry Bulk													
Diana Shipping Inc.	\$3.80	61.3%	\$403.3	\$988.2	\$141.0	33.2%	\$13.8	9.8%	(2.4%)	\$584.9	45.2x	NM	27.9x
Eagle Bulk Shipping Inc.	4.74	70.7%	333.4	582.8	204.0	22.2%	7.9	3.9%	(1.8%)	249.4	39.6x	NM	17.4x
Genco Shipping & Trading Limited	13.01	85.8%	449.3	816.1	178.7	35.6%	19.2	10.7%	(2.1%)	366.9	NM	42.5x	13.9x
Navios Maritime Holdings Inc.	1.22	54.0%	143.4	1,798.9	434.0	23.4%	87.5	20.2%	(0.4%)	1,529.0	18.8x	20.6x	15.5x
Safe Bulkers, Inc.	3.43	89.3%	348.2	849.4	137.4	59.8%	67.8	49.4%	0.9%	501.2	8.4x	12.5x	11.8x
Offshore Vessel Operators													
Bourbon Corporation SA	\$10.09	63.9%	\$781.5	\$2,569.1	\$1,008.2	43.9%	\$57.3	5.7%	(4.5%)	\$1,508.6	33.0x	44.9x	20.8x
Hornbeck Offshore Services, Inc.	3.40	39.9%	126.0	1,027.2	177.1	34.0%	10.3	5.8%	(2.3%)	901.2	NM	NM	NM
Tidewater Inc.	27.95	92.1%	838.5	829.3	515.6	33.7%	15.5	3.0%	(2.7%)	(11.1)	NM	NM	48.4x
Jones Act													
American Shipping Company ASA	\$2.99	71.0%	\$181.1	\$789.9	\$87.8	NM	NM	NM	3.7%	\$588.7	NM	NM	NM
Kirby Corporation	74.90	94.0%	4,471.3	5,503.4	2,214.4	29.7%	401.3	18.1%	6.9%	1,028.6	2.6x	13.7x	11.3x
Matson, Inc.	34.21	84.8%	1,452.1	2,266.7	2,050.1	16.4%	237.3	11.6%	5.2%	814.6	3.5x	9.6x	7.6x
SEACOR Holdings Inc.	46.58	61.4%	831.9	1,365.1	909.1	27.8%	120.0	13.2%	(0.4%)	409.8	6.2x	11.4x	13.6x
Tanker													
Ardmore Shipping Corporation	\$7.10	78.5%	\$238.4	\$638.6	\$191.3	29.9%	\$43.9	22.9%	0.7%	\$400.2	10.2x	14.6x	14.2x
Capital Product Partners L.P.	3.31	82.8%	418.6	809.6	249.1	59.3%	156.8	62.9%	2.8%	391.0	2.9x	5.2x	NM
Frontline Ltd.	4.60	63.5%	781.1	2,533.4	643.8	39.0%	235.4	36.6%	2.1%	1,752.1	8.1x	10.8x	12.6x
GasLog Ltd.	20.20	89.6%	1,629.1	4,876.5	515.9	75.9%	349.9	67.8%	3.1%	2,412.5	8.0x	13.9x	13.6x
Gener8 Maritime, Inc.	5.87	84.6%	488.8	1,668.3	351.3	65.0%	192.4	54.8%	2.1%	1,179.5	7.1x	8.7x	10.0x
Navigator Holdings Ltd.	12.30	83.4%	683.0	1,449.2	297.4	49.1%	115.5	38.8%	1.9%	766.1	7.2x	12.5x	12.0x
Scorpio Tankers Inc.	2.66	55.5%	839.5	3,450.9	470.4	38.4%	110.5	23.5%	0.1%	2,611.4	25.4x	31.2x	21.0x
Teekay Corporation	8.16	73.2%	736.5	6,407.1	2,110.4	47.4%	800.7	37.9%	2.0%	3,837.5	5.4x	8.0x	7.3x
Tsakos Energy Navigation Limited	3.65	69.3%	308.7	1,893.9	525.3	46.1%	193.5	36.8%	1.6%	1,585.3	9.4x	9.8x	8.6x
Median					\$520.6	33.7%	\$158.6	19.7%	1.4%	\$1,344.1	8.4x	12.5x	13.1x
Mean					\$2,870.7	35.0%	\$512.2	24.7%	0.9%	\$2,330.7	13.2x	16.6x	14.9x

Rail

(\$ in millions, except per-share prices)
As of 1/31/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
Canadian National Railway Company	\$80.22	90.7%	\$59,732.7	\$68,486.7	\$10,398.9	55.8%	\$5,453.4	52.4%	9.6%	\$8,578.4	1.6x	12.6x	12.0x
Canadian Pacific Railway Limited	185.32	96.9%	26,864.9	33,229.0	5,226.1	52.7%	2,754.2	52.7%	9.4%	6,236.4	2.4x	12.1x	11.3x
CSX Corporation	56.77	94.6%	50,736.7	62,126.7	11,408.0	44.6%	5,088.0	44.6%	6.6%	11,390.0	2.3x	12.2x	11.2x
Genesee & Wyoming Inc.	79.85	94.6%	4,981.4	7,621.0	2,153.0	37.4%	652.9	30.3%	4.1%	2,322.4	3.7x	11.7x	11.3x
Kansas City Southern	113.13	98.5%	11,658.5	14,466.4	2,582.9	46.4%	1,242.5	48.1%	6.4%	2,485.3	2.1x	11.6x	10.7x
Norfolk Southern Corporation	150.88	96.0%	42,873.6	52,019.6	10,551.0	44.0%	4,645.0	44.0%	6.5%	9,146.0	2.1x	11.2x	11.0x
Union Pacific Corporation	133.50	93.3%	105,087.0	120,666.0	21,240.0	52.3%	10,166.0	47.9%	8.8%	15,579.0	1.7x	11.9x	11.3x
Median					\$10,398.9	46.4%	\$4,645.0	47.9%	6.6%	\$8,578.4	2.1x	11.9x	11.3x
Mean					\$9,080.0	47.6%	\$4,286.0	45.7%	7.3%	\$7,962.5	2.3x	11.9x	11.3x

(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 1/31/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
AMERCO	\$365.08	91.0%	\$7,158.4	\$9,662.3	\$3,500.5	32.4%	\$1,151.6	32.9%	4.6%	\$2,655.9	3.0x	8.4x	9.8x
Brambles Limited	8.04	92.8%	12,720.8	15,428.1	5,205.9	34.2%	1,529.3	29.4%	11.0%	2,572.7	1.8x	10.1x	9.9x
CAI International, Inc.	28.26	70.5%	544.5	2,093.5	331.6	38.8%	88.4	26.7%	2.4%	1,549.0	17.9x	23.7x	8.8x
GATX Corporation	71.14	97.5%	2,724.7	6,816.7	1,376.9	62.1%	649.9	47.2%	3.0%	4,092.0	6.8x	10.5x	10.2x
Ryder System, Inc.	87.03	96.4%	4,608.0	9,892.0	7,119.1	20.5%	1,773.5	24.9%	3.2%	5,284.0	3.0x	5.6x	5.7x
Textainer Group Holdings Limited	24.50	92.5%	1,392.6	4,147.8	483.7	74.8%	281.3	58.2%	1.2%	2,696.1	10.0x	14.7x	10.9x
Median					\$2,438.7	36.5%	\$900.8	31.1%	3.1%	\$2,676.0	4.9x	10.3x	9.9x
Mean					\$3,002.9	43.8%	\$912.3	36.5%	4.2%	\$3,141.6	7.1x	12.2x	9.2x

Aviation

(\$ in millions, except per-share prices)
As of 1/31/18

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 ⁽¹⁾			LTM EBITDA	NFY EBITDA
<u>Airlines</u>													
Air Canada	\$19.46	83.3%	\$5,313.0	\$7,098.3	\$12,686.7	27.5%	\$1,799.4	14.2%	8.0%	\$1,755.4	2.8x	3.9x	3.1x
Alaska Air Group, Inc.	65.73	64.8%	8,088.8	9,036.8	7,933.0	33.6%	1,737.7	21.9%	12.2%	948.0	1.5x	5.2x	5.3x
Allegiant Travel Company	159.25	89.2%	2,560.7	3,146.8	1,503.8	35.2%	385.8	25.7%	35.1%	586.0	2.6x	8.2x	7.6x
American Airlines Group Inc.	54.32	91.9%	25,829.2	45,828.2	42,207.0	30.2%	6,756.7	16.0%	7.2%	19,999.0	3.7x	6.8x	6.4x
Delta Air Lines, Inc.	56.77	93.4%	40,317.8	46,512.8	41,244.0	29.4%	8,053.7	19.5%	9.6%	6,195.0	1.1x	5.8x	5.4x
Hawaiian Holdings, Inc.	37.35	62.8%	1,959.8	1,847.2	2,695.6	32.6%	605.5	22.5%	47.2%	(112.6)	0.8x	3.1x	2.8x
JetBlue Airways Corporation	20.86	86.4%	6,688.7	7,129.7	7,015.0	37.7%	1,437.3	20.5%	16.1%	441.0	0.9x	5.0x	4.9x
SkyWest, Inc.	55.75	97.2%	2,890.2	4,907.3	3,165.1	28.5%	647.4	20.5%	4.8%	2,017.1	4.1x	7.6x	5.5x
Southwest Airlines Co.	60.80	90.8%	36,078.0	36,473.0	21,171.0	34.3%	4,577.0	21.6%	10.8%	395.0	0.8x	8.0x	7.0x
Spirit Airlines, Inc.	42.12	69.9%	2,922.0	3,277.7	2,559.0	36.4%	490.3	19.2%	9.6%	355.7	2.7x	6.7x	4.4x
United Continental Holdings, Inc.	67.82	81.7%	20,091.8	29,706.8	37,736.0	34.0%	5,820.7	15.4%	17.8%	9,615.0	2.4x	5.1x	4.9x
WestJet Airlines Ltd.	20.03	87.9%	2,308.6	2,797.7	3,524.0	49.2%	658.5	18.7%	6.6%	480.9	2.5x	4.2x	3.5x
<u>Airport Services</u>													
Air Transport Services Group, Inc.	\$24.86	89.8%	\$1,469.8	\$1,970.6	\$966.9	31.0%	\$231.2	23.9%	4.0%	\$500.9	2.4x	8.5x	7.6x
BBA Aviation plc	5.00	95.0%	5,133.6	6,518.9	2,274.0	23.5%	424.3	18.7%	5.8%	1,265.0	3.3x	15.4x	14.7x
Fraport AG	118.47	97.9%	10,946.0	16,145.4	3,420.2	38.9%	1,120.0	32.7%	4.0%	4,741.2	5.0x	14.4x	13.4x
SATS Ltd.	4.22	94.5%	4,724.1	4,508.9	1,272.8	31.8%	220.1	17.3%	9.6%	(270.2)	0.4x	20.5x	18.8x
<u>Helicopter Operators</u>													
Bristow Group Inc.	\$15.41	73.4%	\$545.0	\$1,771.5	\$1,345.7	18.3%	\$68.8	5.1%	(1.0%)	\$1,214.8	19.1x	25.7x	22.3x
Era Group Inc.	10.13	62.6%	216.1	410.4	230.1	30.1%	28.7	12.5%	(1.3%)	190.3	7.6x	14.3x	12.1x
PHI, Inc.	12.25	73.0%	183.7	574.9	576.1	4.1%	43.6	7.6%	(1.0%)	391.2	13.7x	13.2x	NM
Median					\$3,165.1	31.8%	\$647.4	19.2%	8.0%	\$586.0	2.6x	7.6x	5.9x
Mean					\$10,185.6	30.9%	\$1,847.7	18.6%	10.8%	\$2,668.9	4.1x	9.6x	8.3x

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

About Houlihan Lokey

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