



HOULIHAN LOKEY

TRANSPORTATION AND LOGISTICS

INDUSTRY UPDATE | Fall 2019



Houlihan Lokey Transportation and Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation and Logistics Fall 2019 Industry Update.

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

RAIL

ASSET-BASED TRUCKING

TRANSPORTATION EQUIPMENT LEASING

TECHNOLOGY-ENABLED SERVICES

MARINE

AVIATION



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

Corporate Finance

2018 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	207
2	Goldman Sachs & Co	197
3	JP Morgan	154
4	Morgan Stanley	135
5	Jefferies LLC	117

Source: Thomson Reuters

Financial Restructuring

2018 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	63
2	PJT Partners Inc.	45
3*	Moelis & Co.	36
3*	Lazard	36
3*	Rothschild & Co.	36

Source: Thomson Reuters

* Denotes tie

Financial Advisory

1999 to 2018 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,073
2	JP Morgan	971
3	Duff & Phelps	728
4	Bank of America Merrill Lynch	660
5	Morgan Stanley	659

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**

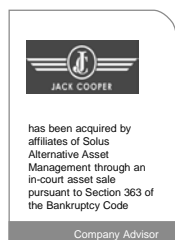
**No. 1 Global M&A Fairness Opinion
Advisor Over the Past 20 Years**

1,000+ Annual Valuation Engagements

Selected Transactions

<p>has been acquired by affiliates of Solus Alternative Asset Management through an in-court asset sale pursuant to Section 363 of the Bankruptcy Code</p> <p>Company Advisor</p>	<p>has merged with</p> <p>each a portfolio company of</p> <p>Fairness Opinion</p>	<p>has confirmed a Chapter 11 Plan of Reorganization, restructuring \$700 million of debt and raising \$225 million of new debt and up to \$75 million of new equity</p> <p>Company Advisor</p>	<p>a portfolio company of</p> <p>has acquired</p> <p>Buyside Advisor</p>	<p>a joint venture of</p> <p>has been acquired by</p> <p>First Aviation Services Inc.</p> <p>Sellside Advisor</p>	<p>has divested its subsidiary</p> <p>Sellside Advisor</p>
<p>has sold substantially all of its assets for \$650 million, pursuant to a court-approved sale to</p> <p>and secured lenders of certain debt facilities pursuant to Section 363(k) of the US Bankruptcy Code</p> <p>Company Advisor</p>	<p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>	<p>Express Division</p> <p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>	<p>Supply Chain Services Division</p> <p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>	<p>Medical Logistics Solutions Division</p> <p>has been acquired by</p> <p>Sellside Advisor</p>

Select Recent Transactions



November 2019

Jack Cooper Investments, Inc. (Jack Cooper), along with its subsidiaries, is a leading provider of transportation and logistics services and one of the largest over-the-road finished vehicle logistics companies in North America.

Houlihan Lokey served as exclusive financial advisor to Jack Cooper and assisted in structuring and negotiating the sale of the company's assets pursuant to Section 363 of the United States Bankruptcy Code. The assets were purchased by the company's junior lien lender, Solus Alternative Asset Management, pursuant to a stalking-horse credit bid in conjunction with a substantial restructuring of the company's pension obligations and collective bargaining agreement.



September 2019

PHI, Inc., is a leading provider of safe and reliable helicopter transportation services in the oil and gas industry, primarily transporting crews and materials, and the healthcare and emergency medical services industry (i.e., transporting patients).

Houlihan Lokey was retained in September 2018 by PHI to explore strategic alternatives, including a sale of its Air Medical business, a sale of the whole company, a capital markets solutions, and potential restructuring solutions. After months of negotiations, PHI filed its third amended Plan of Reorganization (POR), which provided for a consensual restructuring amongst the debtors, the UCC, and the equity committee. The POR was confirmed on July 30, 2019.



April 2019

Grammer Industries is recognized as the premier provider of safe, dependable bulk hazardous chemicals transportation services in the United States. The company's excellent record of safety and reliability has allowed the company to cultivate long-standing relationships with its customers, with many spanning back to its founding. Grammer Industries has 17 facilities strategically located near major chemical production hubs across the United States.

Sterling Transport provides bulk carrier services with transport trucks to retail, commercial, and industrial transport clients, primarily in the Southeastern United States.

Houlihan Lokey served as the exclusive financial advisor to Grammer Industries in its acquisition of Sterling Transport.



April 2019

DART Aerospace provides industry-leading design, manufacturing, and market-certified solutions for the helicopter and aerospace industry. DART Aerospace's key products include flotation systems, landing gears, interior and exterior accessories, cargo expansion, external loads, cable cutters, and filters. DART Aerospace has extensive engineering and manufacturing capabilities, which enable it to offer fast time-to-market solutions with strong customer support in more than 120 countries worldwide.

Greenbriar Equity Group is a leading private equity firm with decades of experience partnering alongside middle-market companies in the transportation and logistics, aerospace and defense, manufacturing, and business services sectors.

Houlihan Lokey served as the exclusive financial advisor to DART Aerospace.



March 2019

Waypoint Leasing provides helicopter leasing services to various sectors including oil and gas, air medical services, search and rescue, humanitarian services, firefighting, and wind farm support. The company is headquartered in Ireland, with additional offices in the United States, Canada, and the United Kingdom, among others.

Macquarie Rotorcraft Leasing (Macquarie) provides helicopter financing and leasing solutions, primarily for both new and used twin-engine helicopters.

Houlihan Lokey served as the exclusive financial advisor to Waypoint Leasing during its restructuring process and ultimate sale to Macquarie.

Significant News Stories

LOGISTICS

Deutsche Post DHL Targets \$2.2 Billion in Technology Upgrades

(The Wall Street Journal, October 1, 2019)

"Deutsche Post DHL Group plans to invest \$2.2 billion on digital initiatives through 2025 as the global logistics company looks to e-commerce to drive growth across its business lines. The investments are part of a push for greater efficiency as parent company Deutsche Post AG focuses on long-term profitability in its core logistics businesses. The company expects the accelerated technology upgrades to help increase operating profit to at least \$5.8 billion in 2022. The German operator's move comes as big freight transportation and logistics providers are pouring millions of dollars into technology, driven in part by digital-focused startups that are trying to siphon away business with technology targeting the shipping world."

C.H. Robinson Worldwide to Double Spending on Freight Technology

(The Wall Street Journal, September 18, 2019)

"C.H. Robinson Worldwide Inc., the biggest freight broker in North America, will double its technology spending over the next five years as it fends off challenges from a growing field of digital startups. The Eden Prairie, Minnesota-based company plans to spend \$1 billion to hire more data scientists, engineers and developers to expand its technology and develop new services in an estimated \$86.5 billion U.S. domestic market for managing freight transportation. The spending plan comes as digital freight-booking startups such as Uber Technologies Inc.'s Freight unit, Seattle-based Convoy, and New York-based Transfix Inc. are jockeying to take a bigger slice of the truck-brokerage market with technology that aims to connect truckers with shippers more efficiently. C.H. Robinson Chief Executive Bob Biesterfeld downplayed the impact of the startups, noting the company is adding newly available technology at a rapid rate and that, after all, it handles far more business than its competitors, both tech-forward operators and traditional middlemen."

ASSET-BASED TRUCKING

Trucking Industry Raises Alarms on California Gig Economy Legislation

(The Wall Street Journal, September 12, 2019)

"Trucking industry officials say a California bill aimed at the 'gig-economy' business models of ride-hailing companies would upend operations in the state and potentially raise shipping costs by pressing fleets to count as employees the thousands of drivers that now move freight as independent contractors. The state's Senate and Assembly this week passed legislation that seeks to force companies to reclassify certain contract workers as employees. The measure is aimed at putting into law a state court ruling last year involving package-delivery workers. The bill is aimed at big tech companies like Uber Technologies Inc. and Lyft Inc., but experts say it would go beyond those businesses to affect industries like trucking that use contract workers."

Federal Regulators Propose Changes to Trucker Work-Hour Rules

(The Wall Street Journal, August 14, 2019)

"Highway safety regulators are proposing changes to rules that limit truckers' daily driving hours, shifts they say would give drivers more leeway over their time behind the wheel and save millions of dollars. Federal regulations limit most commercial truck drivers to 11 hours of driving time in a 14-hour workday, restrictions intended to reduce accidents caused by highway fatigue. Some trucking companies and drivers who own and operate their big rigs, however, complain the current rules lack flexibility and don't account for issues drivers have little control over, such as unexpected traffic or long wait times at loading docks, that eat into their 14-hour workday. Under a plan the Federal Motor Carrier Safety Administration released Wednesday, commercial truck drivers could split their required 10-hour rest period into two separate breaks instead of having to take it all at once. Neither break would count against their 14-hour on-duty window. Drivers would be able to stop the clock for another off-duty break of between 30 minutes and three hours, [and] the proposed changes also include extending drivers' maximum on-duty period by two hours in the event of adverse conditions such as severe weather."

Significant News Stories (cont.)

MARINE

Oil Shipping Costs Soar to Highest Levels in 11 Years

(The Wall Street Journal, October 10, 2019)

"The cost of moving oil around the world has hit an 11-year high as producers scramble to find new supertankers following a U.S. blacklisting of a major Chinese operator that has sidelined dozens of ships. Shipping executives say the U.S. action late last month over allegations that the vessels were tied to illicit shipments of Iranian crude has hit more than 40 tankers operated by a subsidiary of Cosco Shipping Energy Transportation, one of the world's largest tanker owners and a major carrier for China's oil needs. A Singapore broker said rates for some VLCC cargoes on sailings from the U.S. Gulf Coast to the Far East were more than \$120,000 on Thursday. Average earnings for supertankers picking up cargoes from around the world hit \$94,124 a day, up from \$18,284 on Sept. 25, when Washington blacklisted the Cosco fleet."

FINISHED VEHICLE LOGISTICS

Jack Cooper Will Emerge From Chapter 11 With More Flexible Operating Model

(Automotive Logistics, September 30, 2019)

"An aggressive acquisition strategy that ran into automotive market contraction, combined with union contracts with limited flexibility, forced Jack Cooper Ventures, the USA's biggest car carrier, into Chapter 11 bankruptcy proceedings this past summer. The good news, according to Alex Meza, President of Jack Cooper Transport, is that the company is emerging from the process with a stronger operating model, one that gives it greater flexibility in meeting the sudden increases in demand from customers which are typifying the market in the US currently. What is more, the new organization, under the ownership of Solus Alternative Asset Management, will emerge with a modified collective bargaining agreement that was ratified by an overwhelming majority of its union employees in early September this year."

TECHNOLOGY-ENABLED SERVICES

Uber Seeks to Build Up Freight Business

(The Wall Street Journal, September 17, 2019)

"Uber Technologies Inc. is digging deeper into the freight business, ramping up hiring at a planned new hub in Chicago and rolling out logistics services even as its core ride-hailing business continues to post steep losses. The company's Uber Freight said Tuesday it is expanding a service aimed at making it easier for truckers to pick up already-loaded trailers ready for transport. It is the latest in a stream of upgrades at the business as it looks to grab business from traditional freight transport companies and compete with a growing field of like-minded digital brokerages. To scale up faster, Uber Freight and rival digital freight platforms are also adding services intended to help truckers potentially make more money and boost efficiency for the customers whose freight they are hauling. They include ratings features for cargo pickup and drop-off facilities that help carriers decide which loads they want to accept."

California Bill Makes App-Based Companies Treat Workers as Employees

(The New York Times, September 11, 2019)

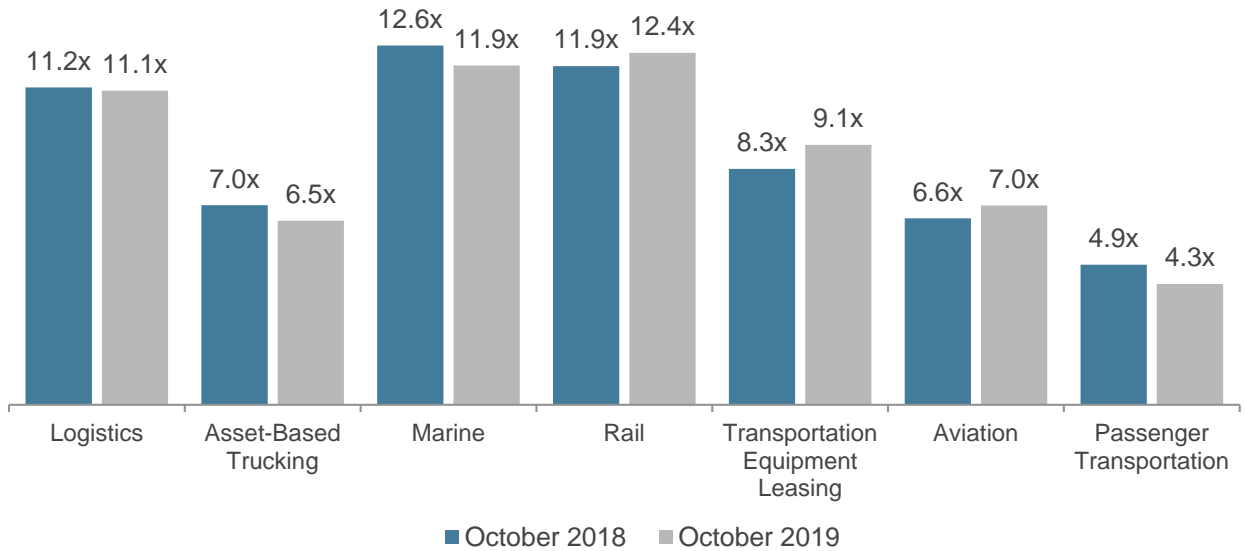
"California legislators approved a landmark bill on Tuesday that requires companies like Uber and Lyft to treat contract workers as employees, a move that could reshape the gig economy and that adds fuel to a yearslong debate over whether the nature of work has become too insecure. Gig-type work has been under the spotlight for years as companies like Uber, Lyft and DoorDash in the United States—as well as Didi Chuxing in China and Ola in India—have grown into behemoths even as the contractors they relied on did not receive the benefits or minimum pay guaranteed to employees. Many of the companies have worked assiduously to beat back efforts to classify their workers as employees, settling class-action lawsuits from drivers and securing exemptions from rules that might have threatened the drivers' freelancer status."

Recent M&A Transactions

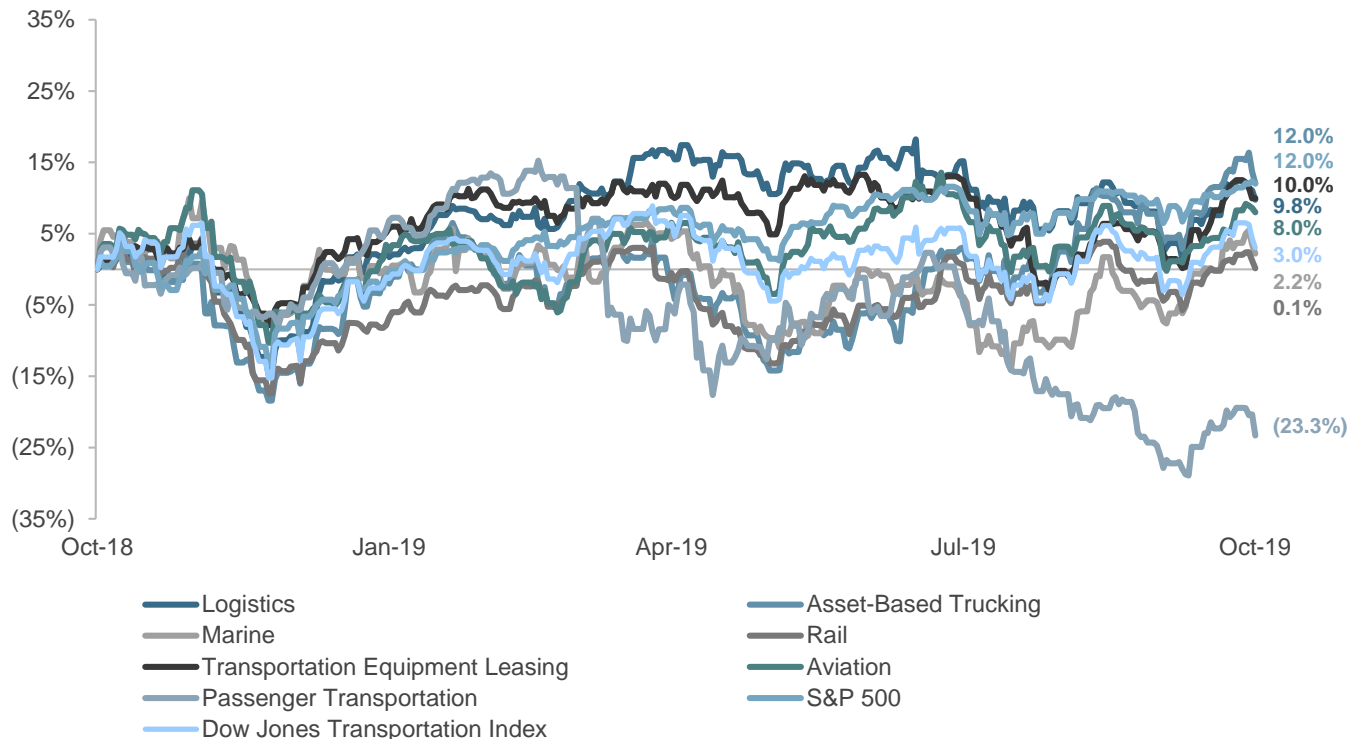
Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Oct. 2019	Mobile Mini Inc.	Portable storage rental assets of Mobile On Demand Storage of NY Inc. (dba MODS)	Portable storage rental company providing storage containers, office trailers, storage trailers, and trucking services to customers in Long Island and the greater New York City area	Equipment Leasing	N/A
Oct. 2019	Regional Rail, LLC (3i Group)	Operations of Pinsky Railroad Company, Inc., in Florida	Operations include 208 miles of track across three short line railroads	Rail	N/A
Oct. 2019	Capstone Logistics, LLC (The Jordan Company)	Priority Express, Inc. (JZ Partners, The Edgewater Funds)	Provides courier services and warehousing and distribution services	Logistics	N/A
Oct. 2019	Granite Creek Capital Partners, LLC; Red Arts Capital	Charles L. King & Associates (dba Sunset Pacific Transportation)	Provides logistics services, offering freight consolidation, larger volume LTL (less than truckload), partial shipment, full shipment, and other logistics solutions	Logistics	N/A
Oct. 2019	Manitoulin Global Forwarding Inc. (Manitoulin Group of Companies)	Associated Cargo Specialists (Canada) Inc.	Provides shipping agency, logistics, and freight forwarding services	Logistics	N/A
Oct. 2019	United Road Services, Inc. (The Carlyle Group)	Team Drive-Away, Inc./ Team FR8 Management Inc. (CID Capital)	National non-asset-based commercial vehicle logistics provider	Logistics	N/A
Oct. 2019	Mutares SE & Co. KGaA	Q Logistics GmbH	Provider of cross-border transport logistics and warehousing services, with several locations in Austria	Logistics	N/A
Oct. 2019	GPF Capital (Nazca Capital)	GESTAIR S.A.	Provides aeronautical services to corporations, companies, and individuals in Europe	Aviation	N/A
Oct. 2019	Mitsui Group, Deutsche Bahn AG	GHT Mobility (dba CleverShuttle)	Operates as a licensed ride-pooling car rental company	Passenger Transportation	N/A
Oct. 2019	GlobalTranz Enterprises Inc. (Providence Equity)	Global Freight Solutions, Inc.	Arizona-based provider of logistics software and services	Logistics	N/A
Oct. 2019	Tosca Services LLC	Polymer Logistics NV	Develops, manufactures, and markets retail-ready packaging (RRP) solutions to retailers worldwide	Logistics	N/A
Oct. 2019	Rinchem Company, Inc.	Carolina Tank Lines, Inc.	Offers transportation services focused on medical instruments and supplies as well as diagnostics and food industries	Logistics	N/A
Oct. 2019	Staci SAS	move elevator GmbH & Co. KG	German marketing logistics solutions provider	Logistics	N/A
Oct. 2019	NEP Group, Inc.	SOS Global Express, Inc.	Provides freight forwarding and logistics services	Logistics	N/A
Oct. 2019	Sealink Travel Group Ltd.	Transit Systems Pty Ltd.	Provides passenger and school transportation services in Australia	Passenger Transportation	\$428
Oct. 2019	Metro Supply Chain Group Inc. (CDPW)	Custom Delivery Solutions Inc.	Uses advanced technology to provide next-generation delivery efficiency and visibility for home furnishings and appliance brands and their retail partners across Canada	Logistics	N/A
Oct. 2019	Stagecoach West (LSE: SGC)	South Gloucestershire Bus and Coach Company Ltd.	Offers private hire, tours, and contract services	Passenger Transportation	N/A
Sept. 2019	Transportation Insight, LLC (Gryphon Investors)	The Transportation Specialist's Group, Inc.	Provides technology-enabled, multimodal freight management for LTL, TL, small parcel, brokered, and international shipments	Technology-Enabled Services	N/A
Sept. 2019	Infracapital; Infracapital Partners III (Sterling) SCSP	GB Railfreight Ltd. (EQT Partners)	Provides rail freight transportation services in the United Kingdom	Rail	N/A
Sept. 2019	Wheels Up Partners LLC	Certain material assets of Avianis Systems, LLC	Provides flight management system for private aircraft owners, operators, management companies, charter brokers, and flight departments	Technology-Enabled Services	N/A
Sept. 2019	GO Riteway Transportation Group	Lazers Bus Service	Provides transportation services through buses and coaches for schools and general needs	Passenger Transportation	N/A
Sept. 2019	Dickinson Fleet Services, LLC (Ridgemont Equity Partners)	A1 Diesel Service	Provides fleet vehicle repair services	Asset-Based Trucking	N/A
Sept. 2019	Ardian; Société Générale Capital Partenaires SAS, SCR	Staci SAS (Cobepa)	Specializes in the management of the logistic projects in France and internationally	Logistics	\$673
Sept. 2019	Connor, Clark & Lunn Infrastructure Ltd.	Vidal Street Industrial Park Inc. (Stonecourt Capital LP)	Short line rail logistics business that provides critical first- and last-mile rail transportation and storage solutions to an established, blue-chip customer base in the Sarnia, Ontario, area	Rail	N/A
Sept. 2019	Shopify Inc.	6 River Systems, Inc. (Eclipse Ventures)	Provides fulfillment automation for e-commerce and retail operation	Technology-Enabled Services	\$364
Sept. 2019	TIP Trailer Services Management BV	Trailer Wizards Ltd.	Operates as a commercial trailer rental, leasing, sales, service, parts, and storage company	Equipment Leasing	N/A
Sept. 2019	Rhenus Logistics Ltd.	The PSL Group Ltd.	Provides freight forwarding and logistic services	Logistics	N/A

Public Markets Overview

Median TEV/LTM EBITDA



12-Month Indexed Stock Price Performance

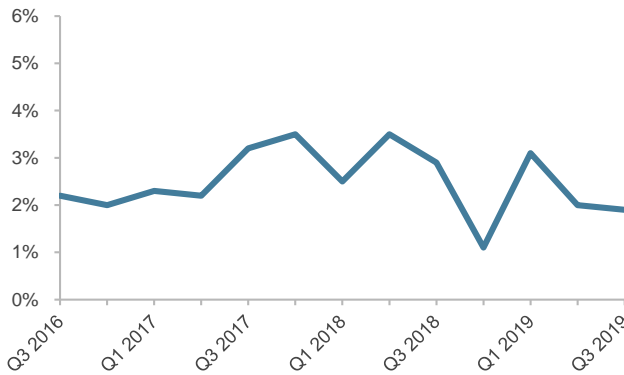


Note: All data as of October 31, 2019.

Source: S&P Capital IQ

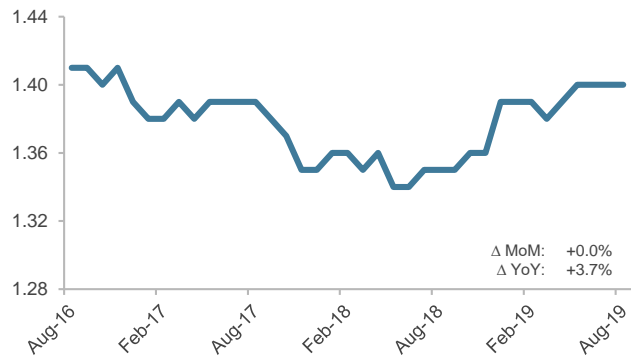
Broad Economic Data

Quarter on Quarter Real GDP Growth⁽¹⁾⁽²⁾



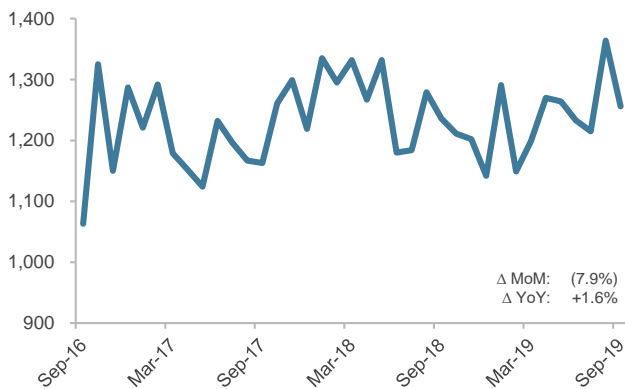
Source: Bureau of Economic Analysis

Inventory/Sales Ratio⁽¹⁾



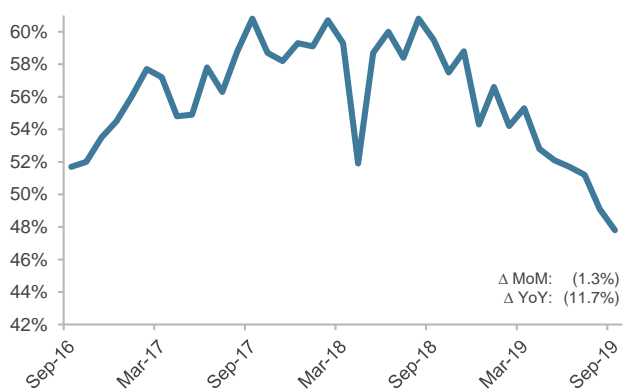
Source: U.S. Census Bureau

Housing Starts (Thousands)⁽¹⁾⁽²⁾



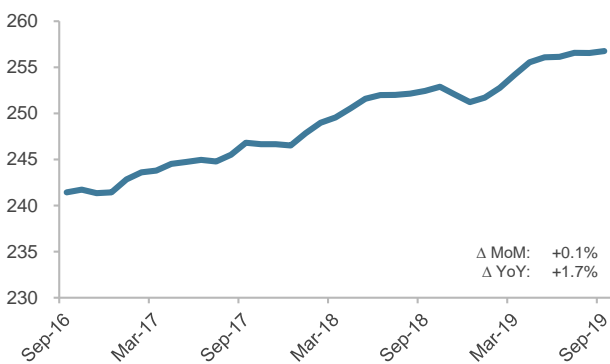
Source: United States Census Bureau

ISM Manufacturing Index⁽¹⁾



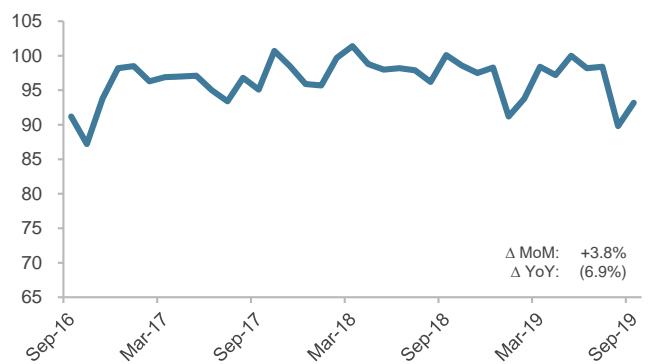
Source: Institute for Supply Management

Consumer Price Index



Source: Bureau of Labor Statistics

Consumer Sentiment Index

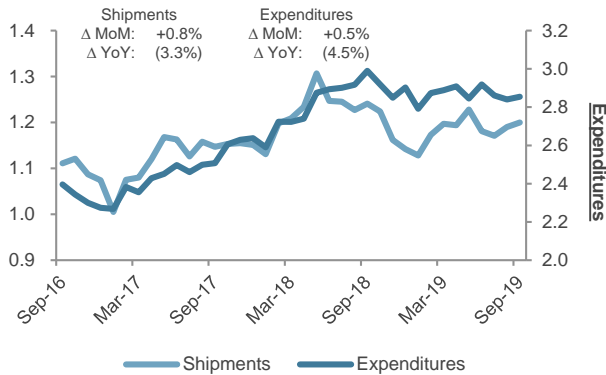


Source: University of Michigan

(1) Seasonally adjusted.
(2) Annualized.

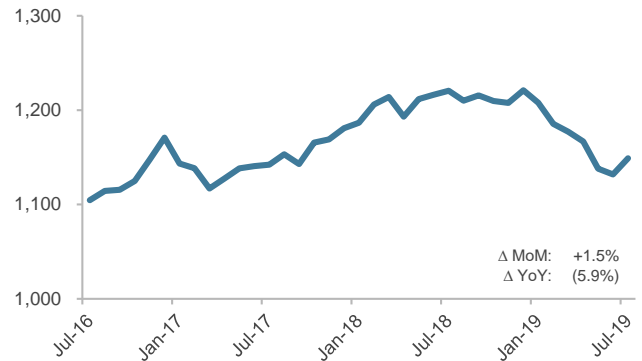
Relevant Sector Data

Cass Freight Index



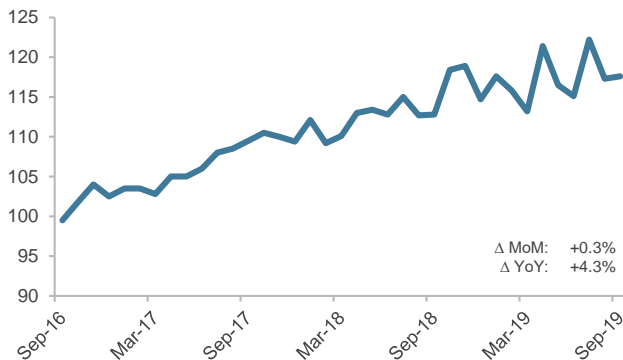
Source: Cass Information Systems, Inc.

Intermodal Volume (Thousands of Containers)⁽¹⁾



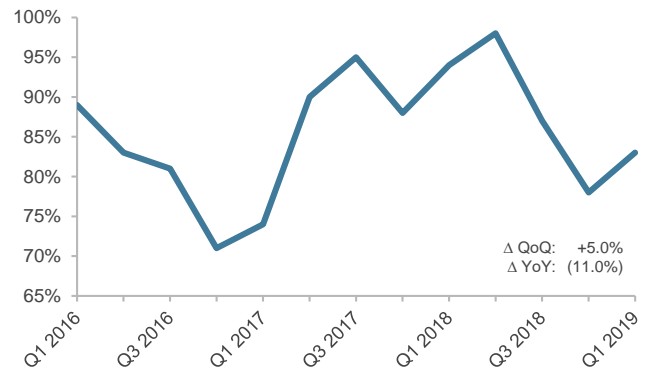
Source: Association of American Railroads

ATA Tonnage Index⁽¹⁾



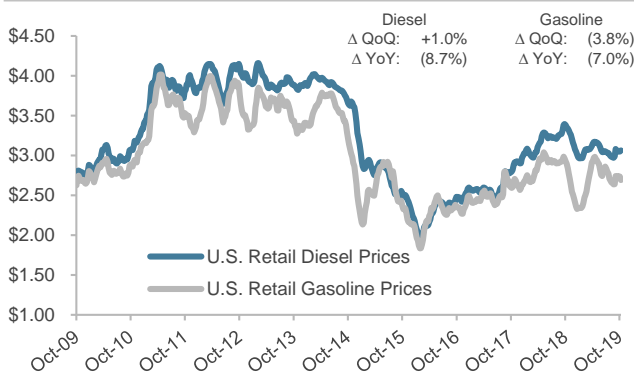
Source: American Trucking Association

Driver Turnover⁽²⁾



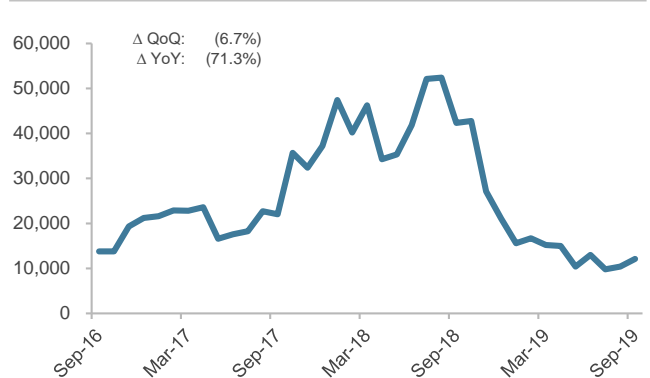
Source: American Trucking Association

Diesel and 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 more than \$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 10/31/19

As of 10/31/19		% of 52-Week High	Equity Value	Total Enterprise Value	LTM						Debt/EBITDA	TEV/NFY EBITDA	
Company Name	Stock Price				Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC ⁽¹⁾	Net Debt		EBITDA	
<i>Asset-Light/Third-Party Logistics</i>													
Agility Public Warehousing Company K.S.C.P.	\$2.47	86.3%	\$4,113.0	\$5,286.0	\$5,168.7	30.7%	\$496.2	9.6%	6.4%	\$1,011.8	2.6x	10.7x	8.4x
C.H. Robinson Worldwide, Inc.	75.64	80.2%	10,240.0	11,381.1	15,654.1	8.8%	993.4	6.3%	21.7%	1,141.1	1.5x	11.5x	12.0x
CJ Logistics Corp.	133.42	80.0%	2,445.2	5,845.6	8,556.4	8.8%	413.2	4.8%	2.1%	3,003.6	7.7x	14.1x	12.8x
DSV Panalpina A/S	96.99	93.1%	22,336.1	24,559.1	12,386.4	23.8%	975.2	7.9%	9.8%	2,280.8	2.6x	25.2x	16.4x
Echo Global Logistics, Inc.	19.91	73.7%	543.4	709.5	2,236.3	17.8%	67.5	3.0%	8.5%	166.1	2.9x	10.5x	8.6x
Expeditors International of Washington, Inc.	72.94	90.4%	12,452.3	11,748.1	8,382.2	12.9%	852.6	10.2%	31.8%	(705.6)	0.4x	13.8x	13.8x
Forward Air Corp.	69.17	95.9%	1,948.7	2,147.8	1,385.5	23.7%	162.7	11.7%	12.4%	199.2	1.4x	13.2x	13.0x
Hub Group, Inc.	45.80	90.7%	1,558.9	1,802.2	3,785.7	14.1%	268.5	7.1%	8.8%	243.3	1.2x	6.7x	6.6x
Kerry Logistics Network Ltd.	1.60	82.7%	2,739.4	3,923.3	5,183.4	12.3%	409.7	7.9%	4.0%	670.2	3.7x	9.6x	8.9x
Kintetsu World Express, Inc.	16.18	89.1%	1,176.4	1,940.3	5,413.0	16.4%	301.0	5.6%	6.1%	673.1	4.8x	6.4x	6.9x
Kuehne + Nagel International AG	161.35	96.4%	19,319.6	21,179.8	21,299.1	37.5%	1,240.8	5.8%	11.1%	1,797.1	1.9x	17.1x	11.8x
Landstar System, Inc.	113.15	94.1%	4,465.2	4,294.6	4,276.8	21.7%	361.6	8.5%	24.9%	(170.6)	0.4x	11.9x	12.3x
Radiant Logistics, Inc.	5.39	73.5%	268.5	299.9	890.5	19.1%	38.7	4.3%	10.6%	31.2	0.9x	7.7x	6.8x
Universal Logistics Holdings, Inc.	18.86	67.5%	514.4	885.3	1,522.4	17.1%	145.5	9.6%	6.5%	370.9	2.7x	6.1x	5.4x
Wincanton plc	3.23	90.7%	398.9	423.9	1,486.5	6.3%	83.1	5.6%	22.2%	25.1	0.5x	5.1x	4.8x
XPO Logistics, Inc.	76.40	84.2%	7,051.7	14,381.7	16,901.0	15.6%	1,600.0	9.5%	7.2%	6,896.0	4.6x	9.0x	8.6x
<i>Parcel Delivery</i>													
Deutsche Post AG	\$35.39	98.1%	\$43,654.9	\$60,597.3	\$71,504.3	15.8%	\$5,079.7	7.1%	6.3%	\$16,915.1	3.9x	11.9x	7.1x
FedEx Corp.	152.66	65.1%	39,830.6	70,235.6	69,689.0	21.6%	4,921.0	7.1%	1.9%	30,405.0	6.7x	14.3x	9.1x
PostNL NV	2.29	74.8%	1,133.2	1,541.1	3,182.7	14.4%	287.9	9.0%	8.3%	413.1	2.3x	5.4x	4.5x
Royal Mail plc	2.74	57.2%	2,736.4	3,150.2	13,779.3	36.8%	1,049.6	7.6%	6.1%	416.7	0.7x	3.0x	2.9x
United Parcel Service, Inc.	115.17	93.2%	98,795.4	120,750.4	73,374.0	18.6%	7,906.0	10.8%	9.0%	21,939.0	3.3x	15.3x	11.5x
ZTO Express (Cayman) Inc.	22.00	97.5%	17,206.5	14,923.5	2,891.9	29.7%	836.8	28.9%	17.2%	(2,294.2)	0.1x	17.8x	15.5x
Median					\$5,298.2	17.5%	\$454.7	7.7%	8.6%	\$543.4	2.4x	11.1x	8.8x
Mean					\$15,861.3	19.3%	\$1,295.0	8.5%	11.0%	\$3,883.1	2.6x	11.2x	9.5x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 10/31/19

As of 10/31/19													
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
<u>Less-Than-Truckload</u>													
ArcBest Corp.	\$28.89	65.1%	\$737.3	\$793.0	\$3,045.2	95.8%	\$237.0	7.8%	7.4%	\$61.6	1.6x	3.3x	4.0x
Old Dominion Freight Line, Inc.	182.08	95.2%	14,567.5	14,357.3	4,126.8	79.4%	1,099.6	26.6%	15.0%	(210.3)	0.1x	13.1x	13.2x
Saia, Inc.	89.20	83.4%	2,292.0	2,562.1	1,750.4	90.9%	273.2	15.6%	8.1%	270.1	1.0x	9.4x	9.3x
YRC Worldwide Inc.	3.35	38.6%	121.5	1,248.4	4,959.1	99.2%	192.7	3.9%	1.6%	1,126.9	6.5x	6.5x	6.1x
<u>Specialty Trucking</u>													
Marten Transport, Ltd.	\$21.66	95.0%	\$1,184.5	\$1,144.8	\$830.0	91.6%	\$162.6	19.6%	6.1%	(\$39.8)	0.0x	7.0x	6.6x
Mullen Group Ltd.	6.23	57.9%	653.2	1,067.8	979.8	92.1%	146.8	15.0%	4.7%	412.1	3.2x	7.3x	6.9x
TFI International Inc.	31.90	88.6%	2,612.3	4,315.9	3,924.0	91.2%	560.8	14.3%	26.7%	1,693.4	3.0x	7.7x	6.6x
<u>Truckload</u>													
Covenant Transportation Group, Inc.	\$15.37	59.5%	\$283.7	\$578.2	\$933.7	96.1%	\$117.7	12.6%	6.9%	\$294.5	2.7x	4.9x	5.9x
Daseke, Inc.	2.69	42.2%	173.7	980.7	1,792.2	98.9%	163.9	9.1%	1.1%	742.0	4.9x	6.0x	5.9x
Heartland Express, Inc.	20.90	92.0%	1,714.1	1,655.7	576.6	87.4%	166.4	28.9%	6.4%	(58.5)	0.3x	9.9x	8.1x
J.B. Hunt Transport Services, Inc.	117.56	98.5%	12,531.9	13,750.1	9,032.8	92.3%	1,181.8	13.1%	9.5%	1,218.2	1.1x	11.6x	10.4x
Knight-Swift Transportation Holdings Inc.	36.46	92.9%	6,216.9	7,280.2	5,041.8	89.7%	972.8	19.3%	6.3%	1,061.2	1.2x	7.5x	7.7x
P.A.M. Transportation Services, Inc.	57.30	80.1%	329.9	528.7	528.9	91.5%	98.5	18.6%	14.7%	198.8	2.3x	5.4x	5.2x
Schneider National, Inc.	22.87	95.8%	4,050.6	4,019.6	4,912.3	93.1%	637.9	13.0%	7.0%	(31.0)	0.6x	6.3x	6.5x
USA Truck, Inc.	7.93	35.0%	66.1	258.6	539.6	97.4%	48.4	9.0%	3.1%	188.7	3.9x	5.3x	5.2x
U.S. Xpress Enterprises, Inc.	5.19	50.2%	254.1	900.7	1,758.7	95.7%	160.8	9.1%	5.3%	646.0	4.0x	5.6x	6.1x
Werner Enterprises, Inc.	36.50	93.1%	2,526.0	2,861.6	2,488.3	91.0%	469.1	18.9%	6.8%	335.6	0.7x	6.1x	6.1x
Median					\$1,792.2	92.1%	\$192.7	14.3%	6.8%	\$294.5	1.6x	6.5x	6.5x
Mean					\$2,777.7	92.5%	\$393.5	15.0%	8.0%	\$465.3	2.2x	7.2x	7.1x

Source: S&P Capital IQ

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

Public Comparables

Marine and Rail

Marine

(\$ in millions, except per-share prices)
As of 10/31/19

As of 10/31/19		% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
Company Name	Stock Price				Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC ⁽¹⁾			EBITDA	NFY EBITDA
<u>Container</u>													
A.P. Møller - Mærsk A/S	\$1,274.01	86.1%	\$24,990.9	\$38,683.6	\$39,297.0	11.6%	\$4,785.0	12.2%	1.3%	\$13,250.0	3.8x	8.1x	7.1x
COSCO SHIPPING Development Co., Ltd.	0.11	73.3%	3,189.9	16,338.8	1,880.2	27.4%	802.2	42.7%	1.2%	13,143.5	19.0x	20.4x	N/M
Evergreen Marine Corporation (Taiwan) Ltd.	0.41	85.0%	1,850.6	6,539.4	6,027.3	7.3%	439.1	7.3%	1.3%	4,483.7	13.1x	14.9x	14.3x
Hapag-Lloyd AG	72.79	93.3%	12,774.0	19,734.1	14,025.7	16.1%	1,607.1	11.5%	3.6%	7,087.4	4.7x	12.3x	9.6x
Seaspan Corp.	10.84	92.3%	2,333.1	6,585.6	1,150.6	67.9%	732.6	63.7%	4.0%	4,203.2	6.5x	9.0x	9.5x
Yang Ming Marine Transport Corp.	0.25	80.2%	646.9	3,444.1	4,923.1	3.6%	186.0	3.8%	(0.2%)	2,733.2	18.2x	18.5x	14.1x
<u>Dry Bulk</u>													
Diana Shipping Inc.	\$3.67	88.4%	\$330.9	\$704.5	\$240.1	56.9%	\$87.7	36.6%	3.0%	\$373.6	5.6x	8.0x	7.5x
Eagle Bulk Shipping Inc.	4.34	73.3%	333.0	650.8	302.6	31.7%	56.1	18.5%	1.8%	317.8	6.4x	11.6x	10.2x
Genco Shipping & Trading Ltd.	9.88	85.7%	411.6	757.4	381.5	32.3%	86.5	22.7%	0.9%	345.9	5.9x	8.8x	8.8x
Navios Maritime Holdings Inc.	5.15	63.6%	64.0	2,364.7	556.3	40.6%	208.3	37.4%	2.4%	2,028.7	10.3x	11.4x	11.2x
Safe Bulkers, Inc.	1.63	62.0%	165.1	669.7	197.1	61.8%	100.3	50.9%	3.0%	487.5	5.6x	6.7x	6.8x
<u>Offshore Vessel Operators</u>													
Bourbon Corporation SA	\$4.10	65.9%	\$311.3	\$2,881.6	\$740.7	38.4%	(\$82.8)	(11.2%)	(5.2%)	\$2,608.7	N/M	N/M	N/M
Hornbeck Offshore Services, Inc.	0.51	11.8%	19.3	1,193.7	217.6	26.3%	15.4	7.1%	(4.9%)	1,174.4	N/M	N/M	N/M
Tidewater Inc.	16.23	57.5%	675.2	746.3	457.4	33.0%	30.5	6.7%	(1.7%)	69.2	14.5x	24.5x	9.0x
<u>Jones Act</u>													
American Shipping Company ASA	\$3.91	95.7%	\$236.8	\$727.7	\$87.8	100.2%	\$84.4	96.1%	4.0%	\$528.9	6.9x	8.6x	8.6x
Kirby Corp.	79.16	91.6%	4,741.8	6,483.4	2,904.0	28.4%	523.1	18.0%	7.8%	1,738.6	3.4x	12.4x	12.9x
Matson, Inc.	38.18	90.6%	1,636.2	2,703.2	2,244.6	14.9%	209.4	9.3%	3.5%	1,067.0	5.2x	12.9x	10.0x
SEACOR Holdings Inc.	42.91	83.5%	865.9	1,254.9	821.0	28.4%	128.2	15.6%	2.8%	388.3	3.7x	9.8x	10.5x
<u>Tanker</u>													
Ardmore Shipping Corp.	\$7.99	81.6%	\$264.5	\$643.9	\$224.6	22.3%	\$33.3	14.8%	(0.1%)	\$379.4	13.0x	19.3x	11.4x
Capital Product Partners LP	11.58	58.4%	210.4	418.2	269.9	48.9%	144.1	53.4%	3.5%	207.7	1.8x	2.9x	6.0x
Frontline Ltd.	10.42	87.5%	2,051.6	3,823.2	836.2	36.2%	272.2	32.6%	3.2%	1,771.3	6.8x	14.0x	10.1x
GasLog Ltd.	13.71	59.2%	1,108.6	5,156.4	666.0	77.4%	474.2	71.2%	3.9%	2,974.5	7.0x	10.9x	10.8x
Navigator Holdings Ltd.	10.79	84.8%	602.4	1,419.4	308.8	43.8%	102.5	33.2%	1.2%	817.0	8.4x	13.9x	13.4x
Scorpio Tankers Inc.	31.81	86.3%	1,742.6	4,097.9	633.4	51.1%	232.0	36.6%	1.2%	2,355.2	12.2x	17.7x	10.6x
Teekay Corp.	5.11	68.2%	514.6	7,227.1	1,847.0	37.6%	557.5	30.2%	2.5%	4,707.1	8.9x	13.0x	N/M
Tsakos Energy Navigation Ltd.	3.55	88.8%	318.1	1,794.2	571.3	43.0%	208.8	36.5%	1.5%	1,389.2	7.5x	8.6x	6.1x
Median					\$649.7	34.6%	\$197.1	26.4%	2.1%	\$1,563.9	6.9x	11.9x	10.1x
Mean					\$3,146.6	38.0%	\$462.4	29.1%	1.7%	\$2,716.6	8.3x	12.4x	9.9x

Rail

(\$ in millions, except per-share prices)
As of 10/31/19

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 Co.	\$89.52	92.1%	\$64,035.0	\$74,709.2	\$11,437.2	54.0%	\$5,810.4	50.8%	9.2%	\$10,610.0	1.9x	12.9x	13.4x
Canadian Pacific Railway Ltd.	227.61	92.5%	31,227.2	38,224.8	5,838.3	56.1%	3,140.9	53.8%	10.2%	6,955.5	2.2x	12.2x	13.1x
CSX Corp.	70.27	87.0%	54,645.1	69,392.1	12,195.0	52.4%	6,393.0	52.4%	8.7%	14,732.0	2.7x	10.9x	10.9x
Genesee & Wyoming Inc.	111.03	99.6%	6,327.2	9,340.0	2,308.5	36.3%	671.0	29.1%	3.7%	2,809.4	4.3x	13.9x	13.4x
Kansas City Southern	140.78	94.3%	13,954.1	17,042.3	2,830.5	48.9%	1,376.0	48.6%	6.8%	2,759.9	2.1x	12.4x	12.0x
Norfolk Southern Corp.	182.00	86.1%	47,455.9	59,680.9	11,502.0	46.1%	5,303.0	46.1%	7.2%	12,225.0	2.4x	11.3x	11.6x
Union Pacific Corp.	165.46	91.6%	114,862.3	141,206.3	22,253.0	53.4%	10,857.0	48.8%	8.9%	26,344.0	2.5x	13.0x	13.0x
Median					\$11,437.2	52.4%	\$5,303.0	48.8%	8.7%	\$10,610.0	2.4x	12.4x	13.0x
Mean					\$9,766.4	49.6%	\$4,793.0	47.1%	7.8%	\$10,919.4	2.6x	12.3x	12.5x

Source: S&P Capital IQ

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

Public Comparables

Leasing, Aviation, and Passenger Transportation

Transportation Equipment Leasing

(\$ in millions, except per-share prices)
As of 10/31/19

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	\$405.04	96.5%	\$7,941.9	\$11,720.2	\$3,828.4	31.3%	\$1,223.0	31.9%	3.6%	\$3,930.3	3.6x	9.6x	11.2x
Brambles Ltd.	8.25	88.9%	12,883.8	12,979.8	4,802.0	35.4%	1,419.1	29.6%	9.7%	97.7	1.6x	9.1x	9.0x
CAI International, Inc.	23.77	89.3%	407.5	2,592.2	458.9	44.4%	160.5	35.0%	3.3%	2,080.9	13.3x	16.1x	9.6x
GATX Corp.	79.55	93.5%	2,792.2	7,875.5	1,393.5	62.7%	662.1	47.5%	2.6%	5,083.3	7.8x	11.9x	10.3x
Ryder System, Inc.	48.63	71.9%	2,591.6	10,480.0	8,904.7	19.7%	2,413.8	27.1%	3.6%	7,888.4	3.3x	4.3x	4.8x
Textainer Group Holdings Ltd.	10.35	73.0%	594.6	3,988.2	705.9	73.6%	475.7	67.4%	2.9%	3,601.8	7.9x	8.4x	8.5x
Triton International Ltd.	36.70	97.9%	2,651.1	9,903.3	1,420.0	95.0%	1,320.5	93.0%	4.5%	7,022.2	5.4x	7.5x	8.0x
Median					\$1,420.0	44.4%	\$1,223.0	35.0%	3.6%	\$3,930.3	5.4x	9.1x	9.0x
Mean					\$3,073.3	51.7%	\$1,096.4	47.4%	4.3%	\$4,243.5	6.1x	9.6x	8.8x

Aviation

(\$ in millions, except per-share prices)
As of 10/31/19

As of 10/31/19

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⁾			EBITDA	NFY EBITDA
<i>Airlines</i>													
Air Canada	\$35.64	97.5%	\$9,484.1	\$12,137.1	\$14,359.0	28.4%	\$2,346.2	16.3%	5.9%	\$2,637.0	3.0x	5.2x	4.3x
Alaska Air Group, Inc.	69.43	92.8%	8,559.2	10,293.2	8,617.0	27.9%	1,410.0	16.4%	7.0%	1,734.0	2.4x	7.3x	5.6x
Allegiant Travel Co.	167.33	96.7%	2,695.7	3,548.0	1,792.0	36.3%	444.0	24.8%	29.6%	852.4	3.4x	8.0x	6.8x
American Airlines Group Inc.	30.06	74.1%	13,168.0	42,440.0	45,393.0	27.4%	6,058.0	13.3%	5.0%	29,272.0	5.7x	7.0x	6.0x
Delta Air Lines, Inc.	55.08	86.8%	35,490.4	50,427.4	46,310.0	27.0%	8,597.0	18.6%	8.7%	14,937.0	2.0x	5.9x	5.3x
Hawaiian Holdings, Inc.	28.61	71.0%	1,333.0	1,912.3	2,821.6	27.0%	436.3	15.5%	6.4%	579.3	3.0x	4.4x	3.2x
JetBlue Airways Corp.	19.30	97.3%	5,571.8	7,085.8	8,031.0	34.2%	1,314.0	16.4%	5.4%	1,514.0	1.9x	5.4x	4.9x
SkyWest, Inc.	59.55	93.9%	3,032.2	5,445.5	3,031.9	37.7%	889.0	29.3%	5.7%	2,413.3	3.4x	6.1x	5.8x
Southwest Airlines Co.	56.13	95.5%	30,170.8	30,535.8	22,402.0	32.2%	4,194.0	18.7%	9.1%	365.0	1.0x	7.3x	7.1x
Spirit Airlines, Inc.	37.56	57.5%	2,570.9	4,727.3	3,723.5	34.9%	696.6	18.7%	6.8%	2,156.4	4.6x	6.8x	5.3x
United Airlines Holdings, Inc.	90.84	92.8%	22,986.5	38,000.5	42,862.0	34.3%	6,783.0	15.8%	7.6%	15,014.0	3.0x	5.6x	5.3x
WestJet Airlines Ltd.	23.28	98.8%	2,694.6	3,438.1	3,816.1	46.5%	488.1	12.8%	3.3%	739.0	3.6x	7.0x	4.5x
<i>Airport Services</i>													
Air Transport Services Group, Inc.	\$20.91	81.0%	\$1,231.8	\$2,675.3	\$1,168.5	42.4%	\$381.6	32.7%	5.1%	\$1,443.6	3.9x	7.0x	5.9x
BBA Aviation plc	3.93	92.9%	4,044.5	6,592.1	2,585.7	21.4%	429.1	16.6%	5.1%	2,501.3	6.1x	15.4x	11.7x
Fraport AG	83.54	95.5%	7,718.0	12,857.5	4,286.5	34.1%	1,263.4	29.5%	3.9%	5,063.5	4.7x	10.2x	9.7x
SATS Ltd.	3.70	92.5%	4,148.8	4,191.1	1,369.9	32.5%	244.0	17.8%	8.2%	(81.7)	0.9x	17.2x	17.1x
<i>Helicopter Operators</i>													
Era Group Inc.	9.67	73.5%	205.3	288.9	213.4	30.2%	28.3	13.3%	(0.8%)	80.5	6.0x	10.2x	10.0x
Median					\$3,816.1	32.5%	\$889.0	16.6%	5.9%	\$1,734.0	3.4x	7.0x	5.8x
Mean					\$12,516.6	32.6%	\$2,117.8	19.2%	7.2%	\$4,777.7	3.4x	8.0x	7.0x

Passenger Transportation

(\$ in millions, except per-share prices)
As of 10/31/19

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
ComfortDelGro Corporation Ltd.	\$1.69	79.3%	\$3,660.5	\$4,171.9	\$2,892.1	88.4%	\$640.1	22.1%	8.4%	\$214.0	1.0x	6.5x	6.6x
FirstGroup plc	1.67	93.0%	2,020.2	3,216.3	9,281.1	97.2%	756.1	8.1%	3.7%	1,245.1	2.8x	4.3x	1.9x
Lyft, Inc.	41.44	46.8%	12,331.9	9,663.5	3,268.5	179.2%	(2,490.4)	N/M	N/M	(2,668.4)	N/M	N/M	N/M
National Express Group PLC	5.77	96.2%	2,942.7	4,671.8	3,275.4	90.6%	575.9	17.6%	5.3%	1,644.7	3.3x	8.1x	7.3x
Stagecoach Group plc	1.78	74.3%	976.9	1,318.7	2,429.2	94.1%	313.1	12.9%	5.3%	341.7	1.8x	4.2x	4.3x
The Go-Ahead Group plc	26.43	91.0%	1,136.5	900.5	4,837.9	96.8%	258.1	5.3%	8.1%	(276.5)	2.0x	3.5x	1.2x
Uber Technologies, Inc.	31.50	66.9%	53,550.1	47,985.1	12,183.0	166.8%	(7,641.0)	(62.7%)	(34.9%)	(5,551.0)	N/M	N/M	N/M
Median					\$3,275.4	96.8%	\$313.1	10.5%	5.3%	\$214.0	2.0x	4.3x	4.3x
Mean					\$5,452.5	116.1%	(\$1,084.0)	0.6%	(0.7%)	(\$721.5)	2.2x	5.3x	4.3x

Source: S&P Capital IQ

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

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