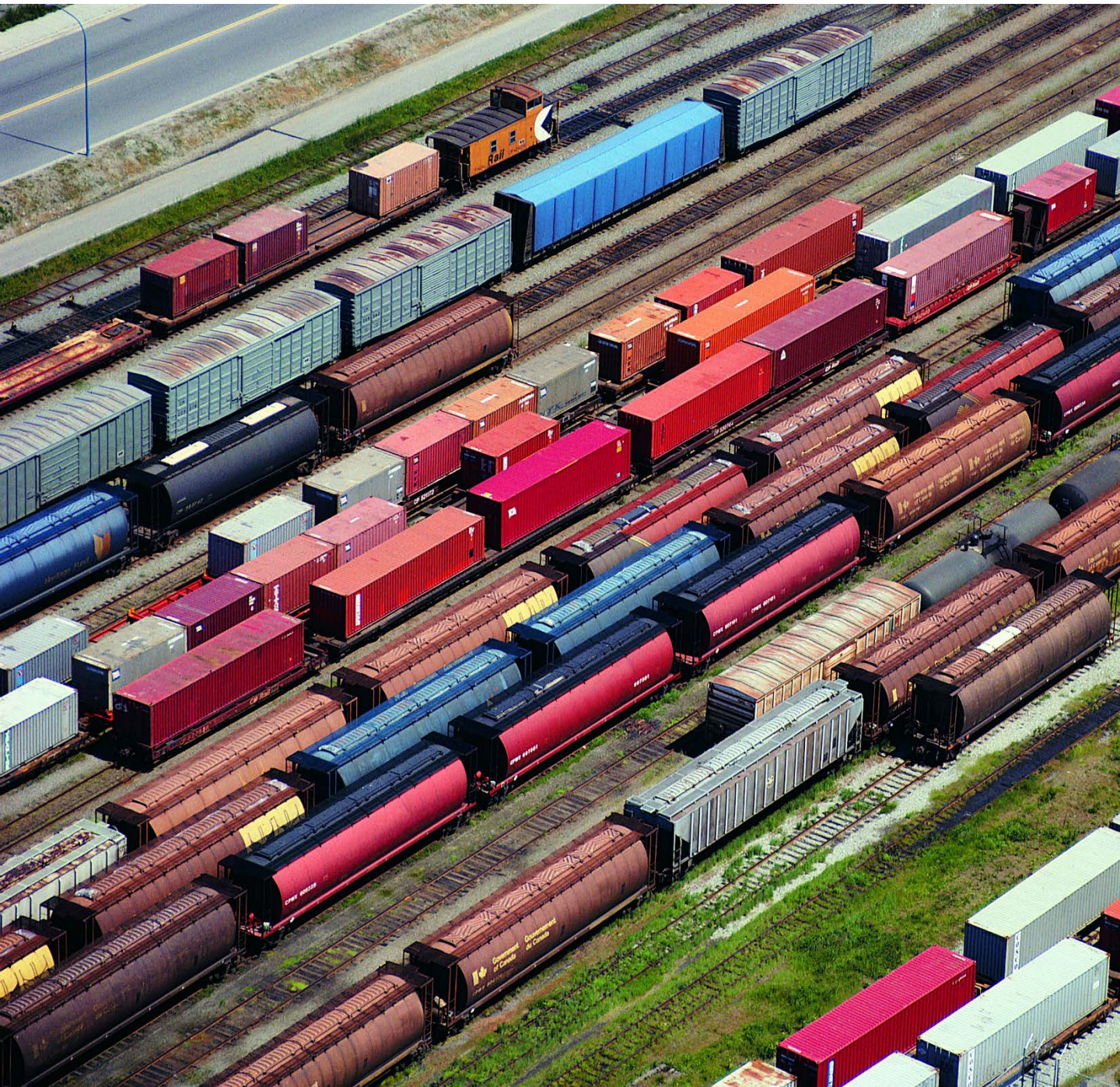




HOULIHAN LOKEY

TRANSPORTATION AND LOGISTICS

INDUSTRY UPDATE | Spring 2019



Houlihan Lokey Transportation and Logistics Update

Dear Clients and Friends,

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

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,



Kris Hopkins
Director
Head of Transportation and Logistics
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Industry Sectors Covered

LOGISTICS

RAIL

ASSET-BASED TRUCKING

TRANSPORTATION EQUIPMENT LEASING

TECH-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

Grammer Industries
a portfolio company of
stellex
CAPITAL MANAGEMENT
has acquired
Sterling
Transport

Buy-side Advisor

DART
AEROSPACE
a joint venture of
Era and **EAGLE**
has been acquired by
GREENBRIAR
EQUITY GROUP, L.P.
First Aviation Services Inc.

Sell-side Advisor

Waypoint Leasing
has sold substantially all of its
assets for \$650 million, pursuant to
a court-approved sale to
RECAP
and secured lenders of certain debt
facilities pursuant to Section 363(k)
of the US Bankruptcy Code

Company Advisor

FLEX FLEET
has been acquired by
WATERFALL
Asset Management

Sell-side Advisor

Fleet Car
CARRIERS
has been acquired by
UNITEDROAD
a portfolio company of
THE CARLYLE GROUP

Sell-side Advisor

ngl network
Express Division
has been acquired by
MNX
GLOBAL LOGISTICS
a portfolio company of
Andax Private Equity

Sell-side Advisor

ngl network
Supply Chain Services Division
has been acquired by
IFS
impact
a portfolio company of
ENDEAVOUR

Sell-side Advisor

ngl network
Medical Logistics Solutions Division
has been acquired by
BLACK HART
CAPITAL

Sell-side Advisor

Lineage
has acquired
YEARSLEY
GROUP

Buy-side Advisor

METRO
TRUCK & TRACTOR LEASING
has been acquired by
Ryder

Sell-side Advisor

Fraikin
has completed a court approved
restructuring involving a debt-for-
equity swap and a new money
injection from the senior lenders

Creditors Committee Advisor

SUBSEA GLOBAL
a portfolio company of
LP
LARIAT
has been acquired by
GenNx360

Sell-side Advisor

eft's 3PL & Supply Chain Summit: Atlanta



eft
eye for transport

3PL & SUPPLY CHAIN SUMMIT: ATLANTA

10-12TH JUNE @ THE WESTIN PEACHTREE PLAZA

Mastering the Digital Supply Chain

800+	200+	100	60+	9
Attendees	Retailers & Manufacturers	Educational Sessions	C-Level Speakers	Keynotes

#3PLUS19

WE'LL BE THERE!

To schedule a time to meet in person, email Kris Hopkins at KHopkins@HL.com or Phil Keffer at PKeffer@HL.com

3PL & Supply Chain Summit

June 10-12, 2019

The Westin Peachtree Plaza – Atlanta, GA

Kris Hopkins, Director, Head of Transportation and Logistics
Phil Keffer, Associate, Transportation and Logistics

Significant News Stories

LOGISTICS

DSV Reaches Panalpina Merger Deal After Increasing Offer (*The Wall Street Journal*, April 1, 2019)

“Danish logistics firm DSV A/S said Monday that it reached a merger agreement with Panalpina Welttransport Holding AG after increasing its offer to 4.6 billion Swiss francs (\$4.62 billion), ending a monthslong battle for the Swiss freight major. DSV’s all-stock offer will see it pay 2.375 DSV shares for each Panalpina share, implying an offer price of CHF195.8 a share. In January DSV initially offered CHF170 in stock and cash, later increasing the offer to CHF180 in cash after the Switzerland-based company disclosed it was in separate talks to merge logistics operations with Kuwait’s Agility Group. DSV said the combination will increase its annual revenue by close to 50%, ranking the combined companies in the industry top four with a pro forma revenue of approximately 118 billion Danish kroner (\$17.73 billion) and a combined workforce of more than 60,000 employees. The combined company will have its own operations in more than 90 countries.”

Amazon’s Freight Push Rattles Logistics Sector (*The Wall Street Journal*, April 30, 2019)

“Amazon.com Inc. is pushing deeper into logistics as it tries to tamp down transportation costs ahead of a pricey push into one-day shipping, raising potential concerns for freight operators that may end up competing for business with the e-commerce giant that many count as a significant customer. The online retailer has opened an online freight brokerage platform to connect shippers with available trucks, offering service in five Eastern states. That makes Amazon the latest business to bring significant new financial backing to industrial shipping with plans to digitize the inefficient, sometimes cumbersome business of booking freight transport. Tech-focused brokerage startups like Convoy and Transfix Inc. drew more than \$611 million in funding between 2011 and 2018, according to logistics consulting firm Armstrong & Associates Inc., while trucking and logistics companies are spending heavily to ramp up their own digital freight marketplaces. Uber Freight’s online load-matching platform generated \$359 million in gross freight bookings last year, according to a securities filing by parent Uber Technologies Inc.”

ASSET-BASED TRUCKING

Will Truckers Trade Futures? A New Market Seeks to Draw Freight Bets

(*The Wall Street Journal*, March 28, 2019)

“The first futures tied to the cost of trucking goods across the U.S. are set to launch on Friday, testing whether an old-school industry will embrace a new financial tool designed to protect cargo haulers and shippers against swings in freight rates. Nodal Exchange, a unit of German exchange giant Deutsche Börse AG, plans to debut 11 new futures contracts linked to trucking costs. Futures allow firms to bet on whether the price of an asset will rise or fall, or to hedge against unfavorable price moves. There is an established market for futures-like contracts on ocean freight rates, but Nodal’s trucking futures will be the first of their kind, their creators say. Recent volatility in trucking rates has bolstered the case for hedging freight costs. Average national trucking costs hit a record \$2.32 per mile in June 2018, up 29% from a year earlier, according to DAT.”

Grammer Industries Acquires Sterling Transport Co. (*Transport Topics*, April 2, 2019)

“Grammer Industries Inc. announced it has acquired North Vass, North Carolina-based Sterling Transport Co. The deal is the first since Columbus, Indiana-based Grammer Industries was acquired by private equity investment firm Stellex Capital Management in October. Both trucking companies specialize in hauling hazardous and specialty chemicals as well as other bulk commodities and have many of the same customers, according to a statement issued by Grammer Industries on April 1. Terms of the transaction were not disclosed. Sterling Transport was started in the early 1990s by Hugh Hinton Jr. to haul bulk propane. The company operates a fleet of 302 tractors, two straight trucks and 733 trailers, according to registration data on file with the U.S. Department of Transportation. Kris Hopkins, a Director in the Business Services Group at Houlihan Lokey, a firm based in Los Angeles that advises companies on mergers and acquisitions, said he expects to see an increase in the number of deals as investors continue to pour money into the transportation and logistics marketplace. ‘There’s a lot of interest in truck brokerage from many players,’ Hopkins noted. ‘Firms have seen 15 to 20 years of steady growth and so it’s a growing [market]. Investors like that dynamic.’”

Significant News Stories (cont.)

INFRASTRUCTURE

Democrats, Trump Agree to Aim for \$2 Trillion Infrastructure Package

(The Wall Street Journal, April 30, 2019)

“Democratic congressional leaders said President Trump agreed to aim for a \$2 trillion infrastructure package in a White House meeting on Tuesday, though the two sides didn’t discuss how it would be paid for, and Capitol Hill Republicans are unlikely to go along. In unusually positive comments about negotiations with the president, Mrs. Pelosi and Senate Minority Leader Chuck Schumer (D., N.Y.) said that the meeting was productive, and that they had agreed to return in three weeks to hear Mr. Trump’s ideas about how to pay for an infrastructure bill. Mrs. Pelosi said the two sides had ‘come to one agreement: that the agreement would be big and bold.’”

TRANSPORTATION EQUIPMENT LEASING

Apollo Global Management Buys Direct ChassisLink, Blume Global (*Freight Waves*, March 7, 2019)

“Direct ChassisLink Inc. (DCLI) and its subsidiary Blume Global, announced that they were to be acquired by Apollo [Global Management]. Reuters reported that the deal was for approximately \$2.5 billion, including debt. Direct ChassisLink is a leading North American provider of intermodal chassis, operating a network of approximately 235,000 chassis in hundreds of locations. Blume Global has built an extensive digital supply chain platform providing visibility into the intermodal supply chain and automated payments processing; its customers, including shippers, intermodal marketing companies, freight forwarders and asset-based carriers use the platform to track shipments and optimize their supply chains end-to-end. EQT Infrastructure was the seller in the deal and will retain a 20 percent stake in DCLI and Blume Global. EQT bought DCLI in 2016 from Littlejohn & Co.; Littlejohn bought DCLI in 2012 in a carve-out from Maersk, which started DCLI as a division in 1988. DCLI acquired TRAC Intermodal’s chassis fleet, which numbered about 72,000 chassis, in 2017.”

Xtra Lease Invests \$300 Million to Buy 10,000 New Trailers (*Freight Waves*, April 4, 2019)

“Xtra Lease announced it will invest more than \$300 million to buy more than 10,000 trailers in 2019, the company’s largest capital investment in over-the-road trailers in a single year. The St. Louis, Missouri-based provider of rental and lease trailers said it will buy new dry vans, refrigerated trailers (‘reefers’), flatbed and chassis, boosting its fleet to around 85,000 trailers. The new van and reefer trailers will be equipped with fuel-saving side skirts, air disc brakes and trailer tracking, which is free on all rental and leases, Xtra Lease said in a release. All new van trailers will include a free cargo sensor. ‘We invest in new trailers every year to provide the youngest, most reliable fleet of rental trailers in the market,’ said Bill Franz, president and chief executive of Xtra Lease, which is owned by Berkshire Hathaway. ‘This purchase will lower the average age of Xtra’s dry van fleet to 5.6 years and drop the age of its flatbed trailers to 4.9 years,’ Franz said.”

TECH-ENABLED SERVICES

SoftBank’s Vision Fund Leads \$1 Billion Funding Round for Shipping Broker Flexport

(The Wall Street Journal, February 21, 2019)

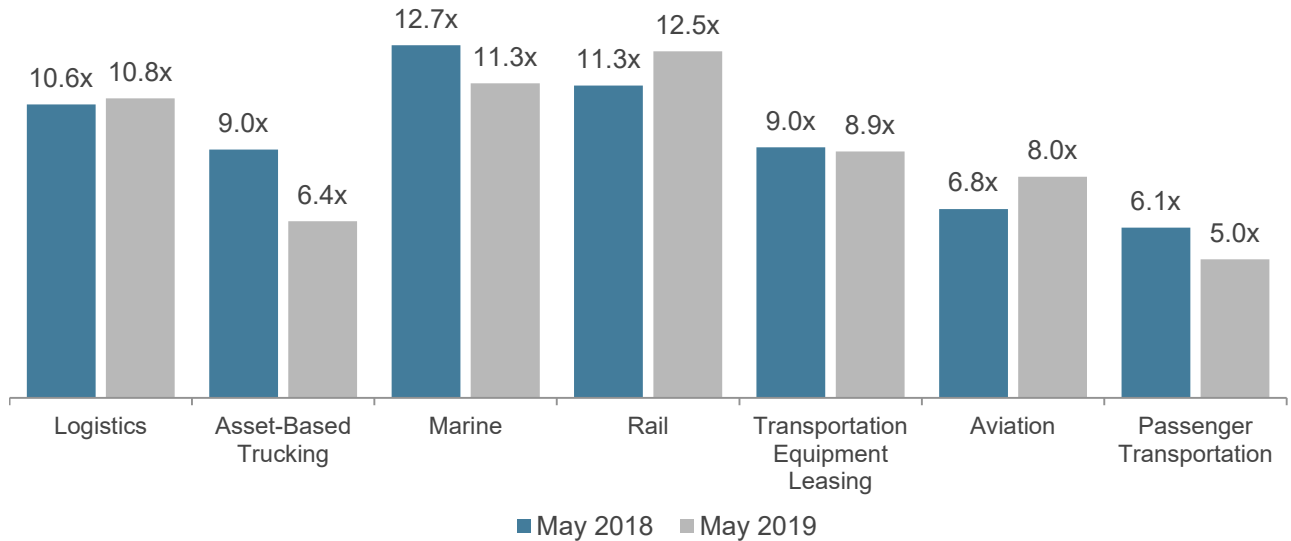
“SoftBank Group Corp.’s Vision Fund is diving into the global freight business, leading a new \$1 billion round of funding in Flexport Inc., a six-year-old international shipping broker built by Silicon Valley technology developers. Based in San Francisco, Flexport arranges ocean and airfreight shipments for retailers and manufacturers—a \$2 trillion global business known as freight forwarding—by using technology and a web interface that mirrors travel-booking websites such as Expedia Group Inc. and Priceline Group Inc. The new capital will back the company’s plans to further build its technology by hiring hundreds of additional engineers, and augment its global logistics network by adding physical distribution operations in major cities, Flexport Chief Executive Ryan Petersen said Thursday. Apart from SoftBank, the round included funding from existing investors, Founders Fund, DST Global, Cherubic Ventures, Susa Ventures, and SF Express. Michael Ronen, managing partner at SoftBank Investment Advisers, will join Flexport’s board.”

Recent M&A Transactions

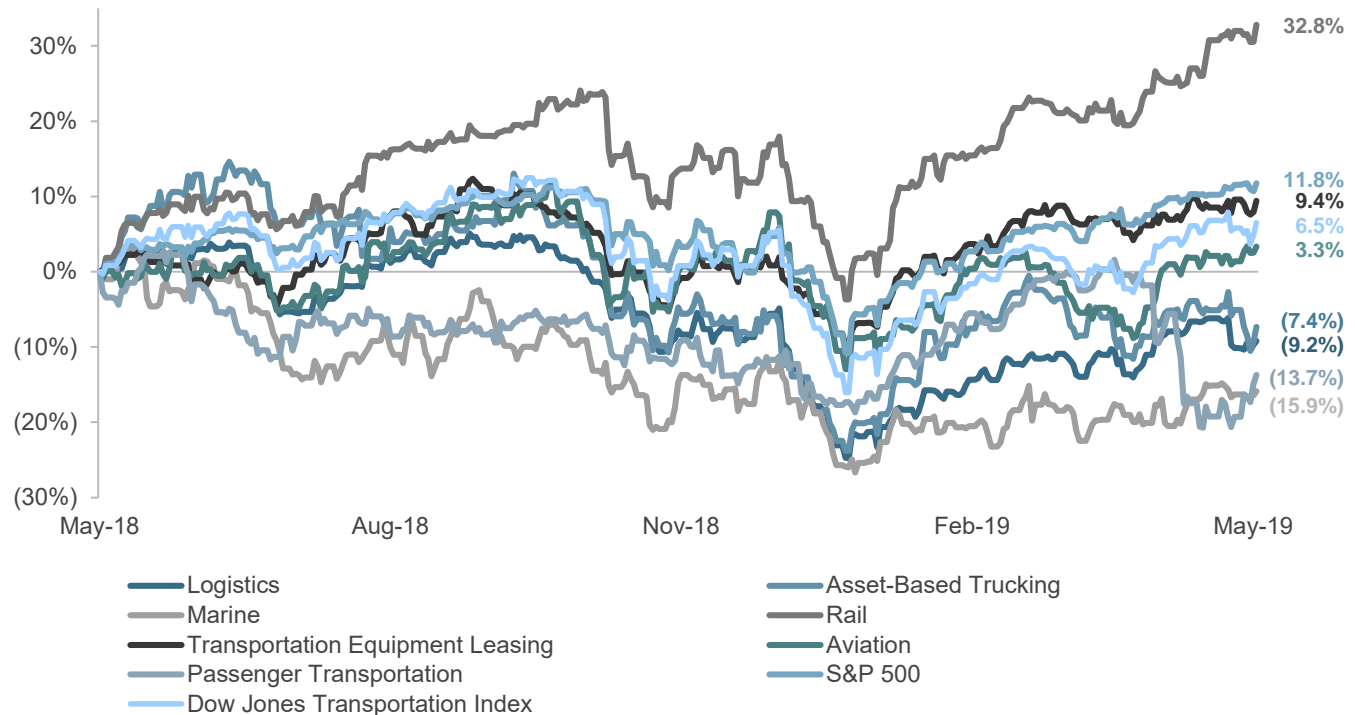
Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
May-19	Kinaxia Logistics	David Hathaway Transport	U.K.-based freight, logistics, and storage company	Logistics	N/A
May-19	George Walker Transport Ltd (Total Capital Partners)	MTH Express Services Ltd. (Palletways)	U.K.-based freight and transportation services provider	Logistics	N/A
May-19	FlixBus GmbH	Euroloines S.A.	Provides long distance coach services in Europe	Passenger Transportation	N/A
Apr-19	Eberhart Capital, LLC	TBI Inc.	Provides full truckload refrigerated and dry van shipment services	Asset-Based Trucking	N/A
Apr-19	Bison Transport Inc.	Substantially All Assets of COFC Intermodal Division of Celadon Group, Inc.	The container on flat car ("COFC") intermodal operations of Celadon Group	Logistics	N/A
Apr-19	Estes Express Lines	Substantially All the Assets of New England Motor Freight Inc.	Fleet of more than 1,300 semi-tractors and 4,000 trailers; NEMF was one of the largest less-than-truckload trucking companies in the U.S.	Asset-Based Trucking	\$15
Apr-19	Panalpina Welttransport (Holding) AG	CargoMaster S.A.S.	Specializes in the air freight export of perishables, mostly of flowers, to the U.S.	Logistics	N/A
Apr-19	Port Logistics Group, Inc. (Endeavour Capital)	Whiplash Merchandising Inc.	Provides e-commerce fulfillment, distribution, and packaging services	Logistics	N/A
Apr-19	ComfortDelGro Corporation Australia Pty Ltd	B & E Blanch Pty Ltd	Owns and operates scheduled route buses and school buses in Australia	Passenger Transportation	\$20
Apr-19	Mason Dixon Intermodal, Inc. (Universal Logistics Holdings, Inc.)	Michael's Cartage, Inc.	Chicagoland-based full-service provider of intermodal drayage services to customers in the Midwest	Logistics	N/A
Apr-19	Americold Realty Trust	Cloverleaf Cold Storage Co., Inc. (The Blackstone Group)	Operates as the fifth largest cold storage warehouse and processing company	Logistics	\$1,242
Apr-19	The Rhenus Group (RETHMANN AG & Co. KG)	Freight Logistics	Provides supply-chain solutions, international transportation (air and ocean), customs brokerage, compliance, warehousing, and distribution solutions	Logistics	N/A
Apr-19	PS Logistics (One Equity Partners)	Celadon Logistics (Celadon Group)	Provider of transportation management, warehousing services, transportation services, materials management, and repacking and sub assembly	Logistics	N/A
Apr-19	National Express Group PLC	WeDriveU, Inc.	Provides employee shuttle services to many of the largest Fortune 500 companies based in Silicon Valley and the broader San Francisco Bay Area	Passenger Transportation	\$141
Apr-19	Transdev Canada, Inc. (Caisse des dépôts et consignations; RETHMANN AG & Co. KG)	Voyago	Provider of student transportation, conventional and specialized public transportation, and patient transportation services	Passenger Transportation	N/A
Apr-19	Providence Equity Partners LLC	GlobalTranz Enterprises, Inc. (The Jordan Company)	Leading technology-driven third-party logistics solutions provider	Logistics	N/A
Apr-19	The Cynosure Group	Visible Supply Chain Management	Provides packing, shipping, warehousing, and logistics services to B2B and B2C organizations	Logistics	N/A
Apr-19	Grammer Industries, Inc. (Stellax Capital Management)	Sterling Transport Co., Inc.	Transporter of hazardous and specialty chemicals and materials with customers in the Southeast, the Midwest, East Coast, and in the West, including Texas	Asset-Based Trucking	N/A
Apr-19	GlobalTranz Enterprises, Inc. (The Jordan Company)	Circle 8 Logistics	Provider of third-party multimodal transportation and logistics services throughout North America	Logistics	N/A
Apr-19	Suttons Tankers Limited	Domestic Bulk Commodity Chemical Business of DHL Supply Chain Limited	Provides commodity bulk chemical transportation services in the U.K.	Asset-Based Trucking	N/A
Apr-19	3i Group plc	Regional Rail, LLC (Levine Leichtman, Brown Advisory)	Leading owner and operator of short-line freight railroads and rail-related businesses throughout the Mid-Atlantic U.S.	Rail	N/A
Apr-19	Bison Transport, Inc.	H.O. Wolding, Inc.	320 truck/dry van fleet with truckload operations in the U.S. Midwest, Northeast, and Southeast regions	Asset-Based Trucking	N/A
Apr-19	TFI International Inc.	Aulick Leasing Corporation/ShirAul, LLC	Aulick provides contract hauling services for aggregate materials, wood byproduct, agriculture/commodities, beets, dry bulk materials, railroad traction sand and food grade product materials. ShirAul designs and manufactures the exclusive Bullet trailer, which is an aluminum-bottom dump tank trailer capable of hauling a variety of products across a multitude of industries	Asset-Based Trucking	N/A
Apr-19	Day & Ross Inc.	A&S Kinard Logistics, LLC/Buckler Transport, Inc.	Provide regional, dedicated, and specialized transportation services in the Northeast and Mid-Atlantic regions of the U.S.	Asset-Based Trucking	\$140
Mar-19	Burris Logistics Inc.	Trinity Logistics, Inc.	Provides third-party logistics services such as freight arrangement and supply chain solutions	Logistics	N/A
Mar-19	Cathay Pacific Airways Limited	Hong Kong Express Airways Ltd.	Owns and operates commercial airline in Hong Kong	Aviation	\$628

Public Markets Overview

Median TEV/LTM EBITDA

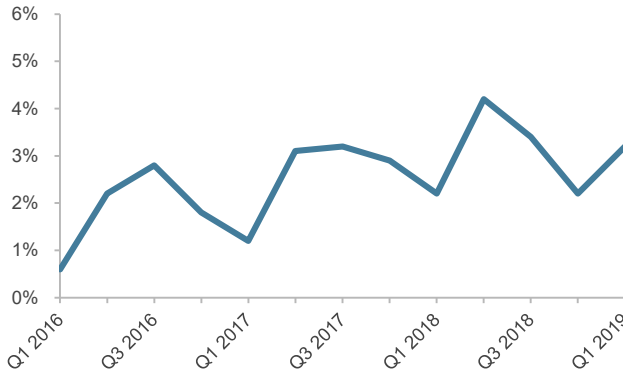


12 Months Indexed Stock Price Performance



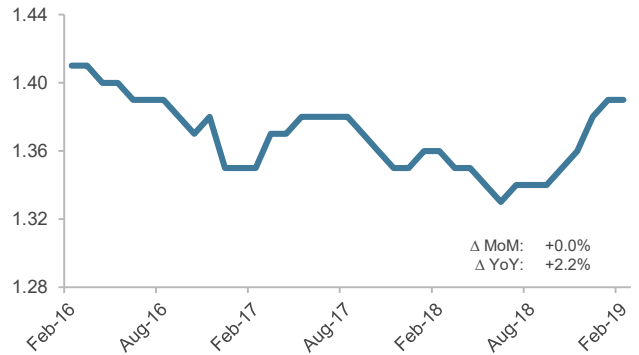
Broad Economic Data

QoQ Real GDP Growth⁽¹⁾⁽²⁾



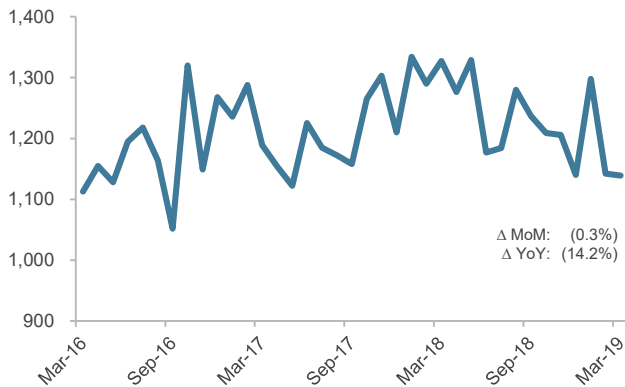
Source: Bureau of Economic Analysis

Inventory/Sales Ratio⁽¹⁾



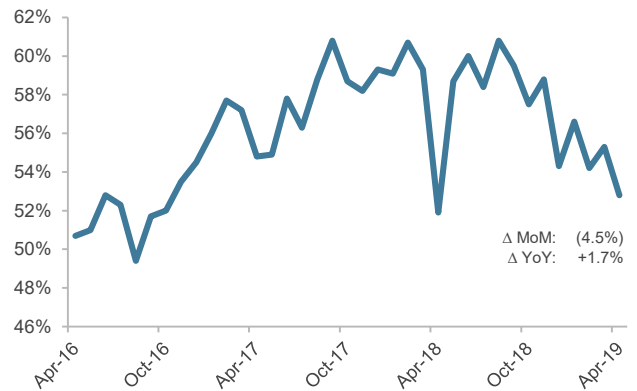
Source: U.S. Census Bureau

Housing Starts (000s)⁽¹⁾⁽²⁾



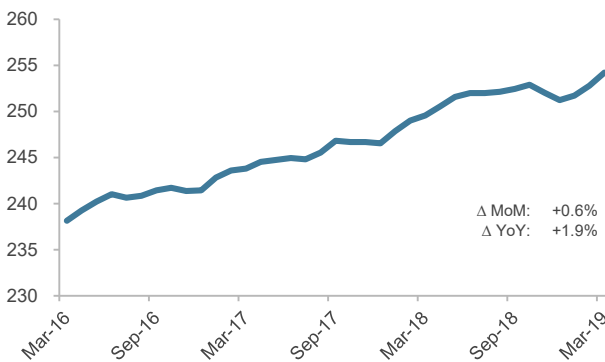
Source: U.S. Census Bureau

ISM Manufacturing Index⁽¹⁾



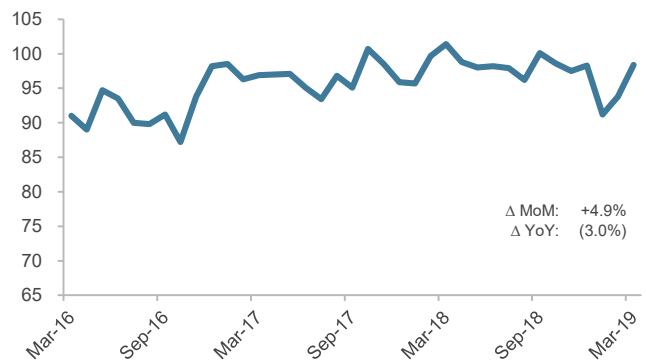
Source: Institute for Supply Management

Consumer Price Index



Source: Bureau of Labor Statistics

Consumer Sentiment Index

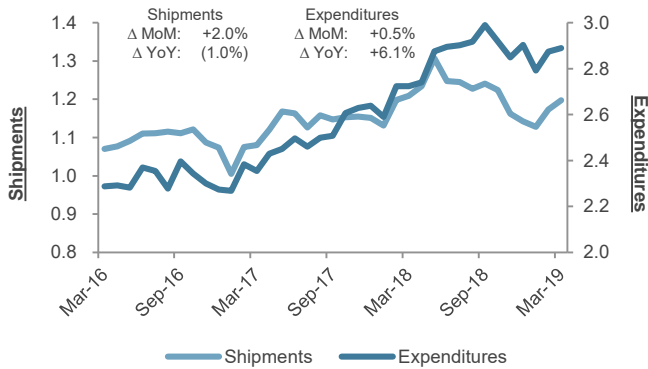


Source: University of Michigan

(1) Seasonally adjusted.
(2) Annualized.

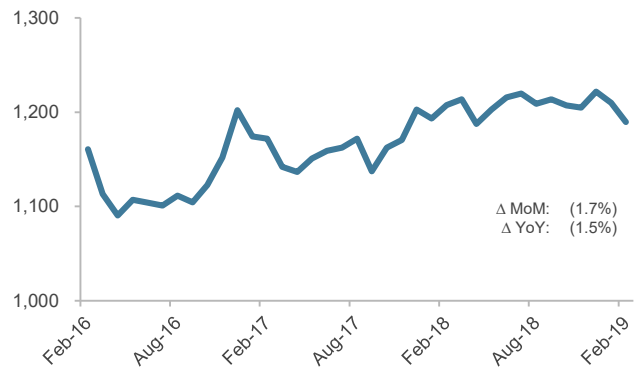
Relevant Sector Data

Cass Freight Index



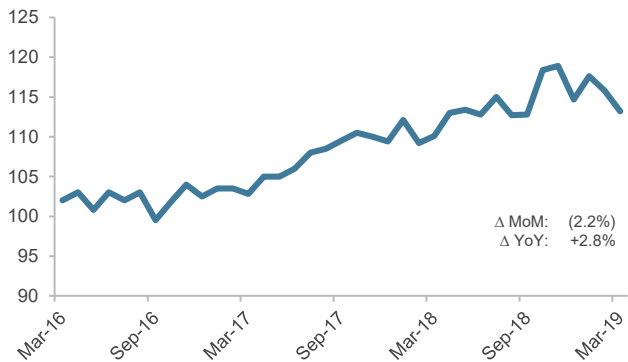
Source: Cass Information Systems, Inc.

Intermodal Volume (000s of Containers)⁽¹⁾



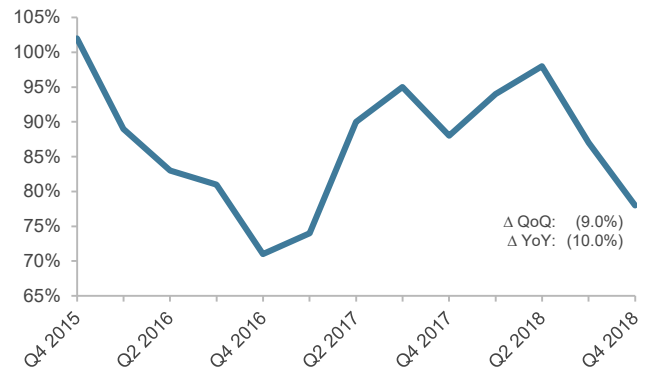
Source: Association of American Railroads

ATA Tonnage Index⁽¹⁾



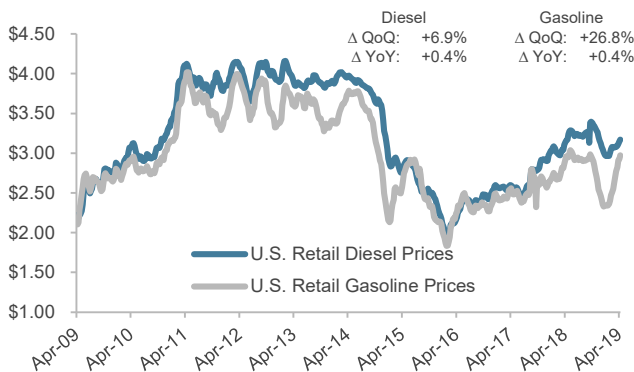
Source: American Trucking Association

Driver Turnover⁽²⁾



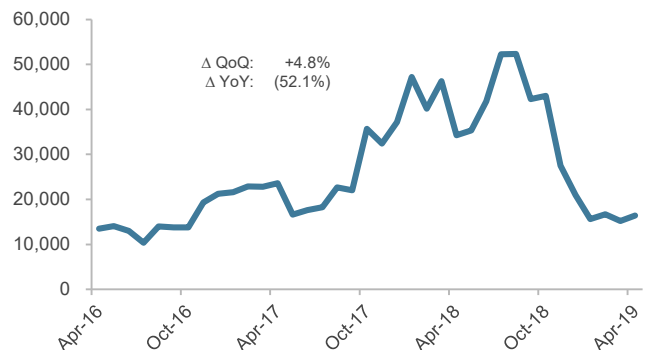
Source: American Trucking Association

Diesel 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 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 5/3/19

As of 5/3/19		% of 52-Week High	Equity Value	Total Enterprise Value	LTM					TEV/			
Company Name	Stock Price				Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC ⁽¹⁾	Net Debt	Debt/EBITDA	LTM EBITDA	NFY EBITDA
<u>Asset-Light/Third-Party Logistics</u>													
Agility Public Warehousing Company K.S.C.P.	\$2.44	86.3%	\$4,088.6	\$4,692.5	\$5,104.5	30.8%	\$477.7	9.4%	5.5%	\$431.7	1.8x	9.8x	8.8x
C.H. Robinson Worldwide, Inc.	83.90	82.9%	11,524.4	12,685.3	16,457.1	8.5%	1,027.4	6.2%	23.2%	1,160.9	1.6x	12.3x	12.0x
CJ Logistics Corporation	144.12	86.2%	3,287.6	6,031.9	8,281.8	8.9%	406.1	4.9%	2.7%	2,445.4	6.5x	14.9x	13.5x
DSV A/S	93.70	98.9%	16,755.4	19,187.9	12,125.6	22.9%	932.4	7.7%	9.3%	2,447.6	2.8x	20.6x	13.2x
Echo Global Logistics, Inc.	23.70	64.5%	661.2	840.7	2,400.7	17.5%	75.3	3.1%	10.1%	179.6	2.9x	11.2x	8.5x
Expeditors International of Washington, Inc.	79.16	98.1%	13,604.2	12,681.3	8,138.4	13.2%	850.6	10.5%	35.8%	(923.7)	N/M	14.9x	14.3x
Forward Air Corporation	64.06	88.0%	1,838.3	1,977.4	1,339.7	23.5%	162.3	12.1%	13.7%	139.2	1.1x	12.2x	11.5x
Hub Group, Inc.	46.85	82.8%	1,629.1	1,871.8	3,779.2	12.7%	233.0	6.2%	8.2%	242.7	1.5x	8.0x	7.1x
Kerry Logistics Network Limited	1.82	94.2%	3,111.5	4,012.4	4,870.0	12.5%	381.3	7.8%	4.8%	439.8	3.3x	10.5x	9.2x
Kintetsu World Express, Inc.	15.09	66.6%	1,086.5	1,957.7	5,402.1	16.5%	309.8	5.7%	6.6%	793.8	4.8x	6.3x	6.4x
Kuehne + Nagel International AG	144.96	90.9%	17,356.2	18,865.2	21,242.5	37.1%	1,183.2	5.6%	10.6%	1,494.6	1.8x	15.9x	11.1x
Landstar System, Inc.	112.08	87.1%	4,501.4	4,355.4	4,604.3	21.3%	380.4	8.3%	27.4%	(146.0)	0.4x	11.5x	11.4x
Radiant Logistics, Inc.	6.74	92.0%	333.7	382.0	917.5	24.7%	34.9	3.8%	8.9%	47.8	1.7x	10.9x	9.6x
Universal Logistics Holdings, Inc.	23.13	61.4%	656.5	1,009.6	1,504.0	16.8%	159.5	10.6%	9.1%	353.1	2.3x	6.3x	5.6x
Wincanton plc	3.29	87.7%	406.9	438.8	1,529.9	6.1%	82.1	5.4%	136.2%	31.6	0.7x	5.3x	5.1x
XPO Logistics, Inc.	64.45	55.4%	5,926.5	13,544.5	17,207.0	14.9%	1,522.0	8.8%	6.4%	7,182.0	5.0x	8.9x	8.2x
<u>Parcel Delivery</u>													
Deutsche Post AG	\$34.54	82.9%	\$42,586.3	\$56,896.8	\$70,722.5	16.0%	\$5,325.2	7.5%	8.8%	\$14,314.2	3.5x	10.7x	6.8x
FedEx Corporation	188.06	70.5%	49,003.7	64,547.7	69,200.0	26.9%	8,785.0	12.7%	8.2%	15,544.0	2.1x	7.3x	7.6x
PostNL N.V.	2.58	65.7%	1,208.4	1,385.3	3,173.8	14.2%	251.9	7.9%	8.5%	177.5	1.9x	5.5x	3.7x
Royal Mail plc	3.28	39.4%	3,278.1	3,922.5	13,437.2	35.4%	890.6	6.6%	5.4%	640.8	1.0x	4.4x	4.3x
United Parcel Service, Inc.	106.65	85.3%	91,799.6	112,483.6	71,908.0	18.2%	7,540.0	10.5%	8.9%	20,666.0	3.4x	14.9x	10.7x
ZTO Express (Cayman) Inc.	19.98	88.1%	15,742.6	13,096.7	2,559.6	30.5%	754.0	29.5%	19.6%	(2,653.6)	N/M	17.4x	12.8x
Median					\$5,253.3	17.1%	\$441.9	7.8%	8.9%	\$435.7	2.0x	10.8x	9.0x
Mean					\$15,723.0	19.5%	\$1,443.9	8.7%	17.2%	\$2,954.9	2.5x	10.9x	9.1x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 5/3/19

As of 5/3/19		Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM				Net Debt	Debt/EBITDA	TEV/	
Company Name	Revenue					Operating Ratio	EBITDA	EBITDA Margin	ROIC ⁽¹⁾			LTM EBITDA	NFY EBITDA
<u>Less-Than-Truckload</u>													
ArcBest Corporation	\$30.20	58.7%	\$770.5	\$864.5	\$3,105.6	96.1%	\$228.2	7.3%	7.4%	\$94.0	1.5x	3.8x	3.7x
Old Dominion Freight Line, Inc.	153.29	90.1%	12,436.0	12,200.3	4,109.5	79.4%	1,080.6	26.3%	16.1%	(235.6)	0.0x	11.3x	10.8x
Saia, Inc.	68.27	78.4%	1,751.3	1,975.6	1,671.6	91.5%	248.2	14.9%	8.0%	224.3	0.9x	8.0x	7.2x
YRC Worldwide Inc.	7.14	60.7%	247.0	894.3	5,092.0	97.6%	268.1	5.3%	5.7%	647.3	3.3x	3.3x	3.1x
<u>Specialty Trucking</u>													
Marten Transport, Ltd.	\$20.11	81.9%	\$1,097.4	\$1,012.4	\$799.7	91.6%	\$155.8	19.5%	6.1%	(\$85.1)	0.0x	6.5x	5.8x
Mullen Group Ltd.	7.26	57.6%	761.3	1,170.6	963.8	92.0%	143.9	14.9%	4.9%	411.0	2.9x	8.1x	7.7x
TFI International Inc.	32.74	89.7%	2,765.4	4,379.0	3,858.8	91.4%	527.2	13.7%	11.8%	1,620.7	3.1x	8.3x	6.9x
<u>Truckload</u>													
Covenant Transportation Group, Inc.	\$19.12	54.3%	\$351.2	\$563.9	\$931.1	93.6%	\$136.0	14.6%	12.3%	\$212.7	1.7x	4.1x	4.3x
Daseke, Inc.	5.51	54.1%	355.2	1,060.4	1,718.5	98.4%	166.3	9.7%	1.8%	632.9	4.2x	6.4x	5.3x
Heartland Express, Inc.	19.93	92.0%	1,633.5	1,457.2	593.6	87.9%	172.6	29.1%	8.2%	(176.3)	N/M	8.4x	7.5x
J.B. Hunt Transport Services, Inc.	96.96	72.8%	10,434.6	11,783.5	8,756.3	92.2%	1,130.3	12.9%	9.6%	1,348.9	1.2x	10.4x	8.7x
Knight-Swift Transportation Holdings Inc.	33.30	76.8%	5,763.7	6,686.6	5,277.5	89.4%	995.7	18.9%	7.1%	921.0	1.0x	6.7x	6.4x
P.A.M. Transportation Services, Inc.	52.70	75.3%	312.0	497.5	542.5	91.6%	96.8	17.8%	7.2%	185.5	2.2x	5.1x	4.8x
Schneider National, Inc.	20.78	68.1%	3,680.2	3,690.3	5,032.1	92.7%	660.5	13.1%	7.9%	10.1	0.8x	5.6x	5.4x
USA Truck, Inc.	14.73	53.6%	122.1	303.5	543.0	96.2%	50.7	9.3%	4.7%	181.4	3.6x	6.0x	4.8x
U.S. Xpress Enterprises, Inc.	6.01	35.5%	292.4	894.1	1,794.6	95.1%	173.0	9.6%	6.3%	597.9	3.5x	5.2x	4.7x
Werner Enterprises, Inc.	33.48	78.2%	2,339.9	2,400.1	2,491.3	91.0%	456.4	18.3%	7.4%	60.3	0.3x	5.3x	4.8x
Median					\$1,794.6	92.0%	\$228.2	14.6%	7.4%	\$212.7	1.6x	6.4x	5.4x
Mean					\$2,781.3	92.2%	\$393.6	15.0%	7.8%	\$391.2	1.9x	6.6x	6.0x

(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 5/3/19

As of 5/3/19		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⁾			LTM EBITDA	NFY EBITDA
<u>Container</u>													
A.P. Møller - Maersk A/S	\$1,303.74	81.1%	\$26,106.2	\$33,297.5	\$39,019.0	9.4%	\$3,888.0	10.0%	0.9%	\$6,586.0	3.1x	8.6x	6.3x
COSCO SHIPPING Development Co., Ltd.	0.13	64.0%	4,202.5	14,122.9	2,397.6	24.0%	862.8	36.0%	1.3%	9,914.4	13.8x	16.4x	N/M
Evergreen Marine Corporation (Taiwan) Ltd.	0.44	91.0%	2,001.9	4,847.9	5,528.8	4.4%	270.8	4.9%	(0.2%)	2,736.8	14.7x	17.9x	11.9x
Hapag-Lloyd Aktiengesellschaft	30.73	72.7%	5,400.3	11,405.4	13,188.6	12.7%	1,260.2	9.6%	2.1%	6,130.5	5.5x	9.1x	6.3x
Seaspan Corporation	10.30	96.1%	2,214.1	6,650.7	1,156.9	68.4%	751.0	64.9%	4.0%	4,388.1	6.7x	8.9x	9.2x
Yang Ming Marine Transport Corporation	0.29	83.6%	669.4	3,189.8	4,633.5	0.0%	17.4	0.4%	(2.9%)	2,527.7	N/M	N/M	20.8x
<u>Dry Bulk</u>													
Diana Shipping Inc.	\$3.25	63.0%	\$318.9	\$722.6	\$226.2	54.5%	\$89.3	39.5%	2.1%	\$403.7	5.9x	8.1x	8.0x
Eagle Bulk Shipping Inc.	5.70	92.8%	416.9	680.5	310.1	35.8%	69.0	22.2%	3.0%	263.5	4.8x	9.9x	8.2x
Genco Shipping & Trading Limited	10.14	50.5%	422.4	763.5	367.5	41.8%	117.9	32.1%	2.3%	341.1	4.6x	6.5x	6.3x
Navios Maritime Holdings Inc.	4.59	48.3%	56.4	2,004.3	517.7	40.5%	169.3	32.7%	1.7%	1,678.1	10.7x	11.8x	13.9x
Safe Bulkers, Inc.	1.81	46.4%	183.2	693.2	193.2	64.3%	104.0	53.8%	3.4%	492.9	5.5x	6.7x	6.9x
<u>Offshore Vessel Operators</u>													
Bourbon Corporation SA	\$2.52	37.6%	\$194.7	\$1,709.3	\$725.8	37.5%	(\$58.6)	(8.1%)	(7.6%)	\$1,462.8	N/M	N/M	23.6x
Hornbeck Offshore Services, Inc.	1.48	24.1%	56.0	1,051.0	224.9	32.4%	28.9	12.9%	(4.2%)	995.0	42.1x	36.3x	18.4x
Tidewater Inc.	22.31	61.8%	831.9	898.8	406.5	32.3%	12.9	3.2%	(1.7%)	65.8	34.0x	N/M	10.8x
<u>Jones Act</u>													
American Shipping Company ASA	\$3.89	94.2%	\$236.1	\$784.5	\$87.8	100.0%	\$84.2	95.9%	3.9%	\$550.9	7.1x	9.3x	8.9x
Kirby Corporation	84.90	90.3%	5,083.4	6,488.9	2,973.6	27.9%	499.8	16.8%	7.3%	1,402.4	2.8x	13.0x	11.5x
Matson, Inc.	40.16	95.7%	1,719.9	2,556.7	2,222.8	15.6%	225.3	10.1%	4.4%	836.8	3.8x	11.3x	8.9x
SEACOR Holdings Inc.	45.91	79.2%	850.7	1,331.9	860.5	29.4%	149.4	17.4%	3.6%	316.5	3.3x	8.9x	9.5x
<u>Tanker</u>													
Ardmore Shipping Corporation	\$7.66	87.5%	\$253.5	\$650.7	\$222.0	20.5%	\$28.8	13.0%	(0.5%)	\$397.1	15.6x	22.6x	10.3x
Capital Product Partners L.P.	11.06	49.0%	201.0	737.8	279.3	47.9%	145.1	51.9%	2.4%	410.8	3.0x	5.1x	8.7x
Frontline Ltd.	8.24	98.9%	1,399.3	3,163.0	741.0	28.5%	193.7	26.1%	1.5%	1,763.2	9.5x	16.3x	11.3x
GasLog Ltd.	15.70	67.8%	1,266.2	5,271.6	648.8	77.1%	459.7	70.9%	3.7%	2,911.7	6.9x	11.5x	10.7x
Navigator Holdings Ltd.	11.26	83.1%	626.7	1,396.3	310.0	45.7%	109.7	35.4%	1.4%	769.6	7.7x	12.7x	9.9x
Scorpio Tankers Inc.	27.73	85.3%	1,332.1	3,681.1	624.4	47.5%	222.4	35.6%	0.9%	2,349.1	12.9x	16.5x	10.2x
Teekay Corporation	4.48	48.5%	451.0	7,189.9	1,707.8	34.8%	453.0	26.5%	1.7%	4,680.9	11.3x	15.9x	11.9x
Tsakos Energy Navigation Limited	3.25	81.5%	284.7	1,710.7	529.9	40.0%	175.4	33.1%	0.7%	1,395.9	9.1x	9.8x	7.5x
Median					\$636.6	35.3%	\$159.3	26.3%	1.7%	\$1,399.1	7.0x	11.3x	9.9x
Mean					\$3,080.9	37.4%	\$397.3	28.7%	1.4%	\$2,145.1	10.2x	12.7x	10.8x

Rail

(\$ in millions, except per-share prices)
As of 5/3/19

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 Company	\$93.37	98.4%	\$67,360.0	\$77,536.2	\$10,976.7	53.2%	\$5,477.5	49.9%	9.0%	\$10,221.0	1.9x	14.2x	13.5x
Canadian Pacific Railway Limited	222.74	97.7%	31,144.8	37,817.0	5,552.3	54.3%	2,885.0	52.0%	9.6%	6,701.5	2.4x	13.1x	13.2x
CSX Corporation	80.52	99.7%	65,153.9	79,481.9	12,387.0	51.3%	6,356.0	51.3%	8.6%	14,311.0	2.6x	12.5x	12.0x
Genesee & Wyoming Inc.	90.01	96.9%	5,123.4	7,471.5	2,332.0	36.3%	683.8	29.3%	3.8%	2,348.1	3.5x	10.9x	10.4x
Kansas City Southern	125.25	99.5%	12,598.5	15,675.5	2,750.2	48.0%	1,329.4	48.3%	6.6%	2,749.4	2.1x	11.8x	10.9x
Norfolk Southern Corporation	205.06	97.0%	54,539.2	65,812.2	11,581.0	45.2%	5,267.0	45.5%	7.2%	11,273.0	2.2x	12.5x	12.1x
Union Pacific Corporation	179.20	99.5%	126,844.6	152,917.6	22,741.0	51.8%	10,735.0	47.2%	8.9%	26,073.0	2.5x	14.2x	13.3x
Median					\$10,976.7	51.3%	\$5,267.0	48.3%	8.6%	\$10,221.0	2.4x	12.5x	12.1x
Mean					\$9,760.0	48.6%	\$4,676.2	46.2%	7.7%	\$10,525.3	2.5x	12.7x	12.2x

(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 5/3/19

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	\$385.50	98.1%	\$7,558.8	\$10,398.2	\$3,800.8	30.0%	\$1,168.5	30.7%	3.7%	\$2,991.4	3.4x	8.9x	10.4x
Brambles Limited	8.59	97.5%	13,695.2	16,093.4	5,862.4	33.7%	1,705.2	29.1%	10.8%	2,407.2	1.5x	9.4x	10.3x
CAI International, Inc.	24.19	88.2%	426.4	2,570.0	447.8	45.5%	170.8	38.1%	3.8%	2,039.7	12.2x	15.0x	8.1x
GATX Corporation	78.28	85.9%	2,833.7	7,836.6	1,372.6	63.4%	659.9	48.1%	2.6%	5,002.9	8.0x	11.9x	10.2x
Ryder System, Inc.	63.66	79.6%	3,391.5	10,471.9	8,685.3	19.2%	2,040.4	23.5%	3.4%	7,080.4	3.5x	5.1x	4.7x
Textainer Group Holdings Limited	9.65	50.7%	553.9	3,859.3	676.9	73.7%	451.9	66.8%	2.9%	3,276.2	7.6x	8.5x	7.9x
Triton International Limited	32.32	81.7%	2,451.6	9,903.8	1,430.2	96.2%	1,360.3	95.1%	4.8%	7,328.7	5.4x	7.3x	7.4x
Median					\$1,430.2	45.5%	\$1,168.5	38.1%	3.7%	\$3,276.2	5.4x	8.9x	8.1x
Mean					\$3,182.3	51.7%	\$1,079.6	47.3%	4.6%	\$4,303.8	5.9x	9.5x	8.4x

Aviation

(\$ in millions, except per-share prices)
As of 5/3/19

As of 5/3/19		% of 52-Week High	Equity Value	Total Enterprise Value	LTM						Debt/EBITDA	TEV/	
Company Name	Stock Price				Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC ⁽¹⁾	Net Debt		LTM EBITDA	NFY EBITDA
<u>Airlines</u>													
Air Canada	\$25.04	94.7%	\$6,744.3	\$8,193.2	\$13,238.9	25.0%	\$1,604.9	12.1%	5.3%	\$1,425.4	3.0x	5.1x	3.0x
Alaska Air Group, Inc.	62.48	83.5%	7,716.5	9,962.5	8,308.0	26.6%	1,200.5	14.4%	5.8%	2,246.0	3.1x	8.3x	5.8x
Allegiant Travel Company	147.26	89.2%	2,370.0	3,245.8	1,693.6	32.8%	359.7	21.2%	21.0%	875.7	3.5x	9.0x	6.4x
American Airlines Group Inc.	34.79	75.9%	15,475.8	44,570.8	44,724.0	27.1%	5,819.0	13.0%	4.7%	29,095.0	5.7x	7.7x	6.4x
Delta Air Lines, Inc.	57.80	94.3%	37,838.6	54,509.6	44,942.0	25.3%	7,690.0	17.1%	7.8%	16,671.0	2.4x	7.1x	6.0x
Hawaiian Holdings, Inc.	28.05	63.4%	1,347.7	1,999.8	2,828.8	26.6%	459.4	16.2%	7.6%	652.1	2.6x	4.4x	3.5x
JetBlue Airways Corporation	18.71	92.9%	5,630.7	7,201.7	7,775.0	33.0%	1,144.0	14.7%	4.4%	1,571.0	2.1x	6.3x	5.0x
SkyWest, Inc.	61.78	93.9%	3,190.8	5,743.6	3,162.0	35.4%	845.0	26.7%	5.7%	2,552.8	3.7x	6.8x	6.0x
Southwest Airlines Co.	53.62	83.8%	29,119.1	29,965.1	22,170.0	32.0%	4,154.0	18.7%	9.2%	846.0	1.1x	7.2x	6.6x
Spirit Airlines, Inc.	52.50	80.3%	3,593.0	5,603.6	3,474.7	33.7%	628.7	18.1%	6.7%	2,010.6	5.1x	8.9x	5.8x
United Continental Holdings, Inc.	88.50	90.4%	23,287.0	39,308.0	41,860.0	32.8%	6,139.0	14.7%	6.7%	16,021.0	3.3x	6.4x	5.7x
WestJet Airlines Ltd.	13.77	82.0%	1,568.6	2,059.4	3,465.2	44.6%	415.5	12.0%	1.8%	482.9	3.5x	5.0x	3.1x
<u>Airport Services</u>													
Air Transport Services Group, Inc.	\$23.14	89.6%	\$1,362.9	\$2,710.1	\$892.3	42.3%	\$312.1	35.0%	4.5%	\$1,347.2	4.5x	8.7x	6.0x
BBA Aviation plc	3.59	77.1%	3,711.2	5,088.9	2,347.3	22.2%	417.4	17.8%	5.7%	1,333.1	3.5x	12.2x	11.2x
Fraport AG	83.43	85.1%	7,708.6	12,251.8	4,023.6	35.4%	1,258.1	31.3%	4.1%	4,432.3	4.4x	9.7x	9.2x
SATS Ltd.	3.91	95.0%	4,357.4	4,331.5	1,306.6	32.6%	230.3	17.6%	8.7%	(127.6)	0.3x	18.8x	17.7x
<u>Helicopter Operators</u>													
Bristow Group Inc.	\$0.44	2.3%	\$15.8	\$1,171.5	\$1,344.0	19.0%	\$112.0	8.3%	(0.5%)	\$1,148.6	13.0x	10.5x	N/M
Era Group Inc.	9.46	66.5%	210.2	325.0	221.7	31.6%	25.0	11.3%	(1.2%)	111.5	6.5x	13.0x	10.2x
Median					\$3,470.0	32.3%	\$736.9	16.7%	5.7%	\$1,386.3	3.5x	8.0x	6.0x
Mean					\$11,543.2	31.0%	\$1,823.0	17.8%	6.0%	\$4,594.2	4.0x	8.6x	6.9x

Passenger Transportation

(\$ in millions, except per-share prices)
As of 5/3/19

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 Limited	\$2.00	99.6%	\$4,330.2	\$4,622.2	\$2,793.1	77.3%	\$924.6	33.1%	13.4%	(\$11.9)	0.5x	5.0x	7.3x
FirstGroup plc	1.51	96.1%	1,834.2	3,290.9	9,041.1	97.1%	802.8	8.9%	3.8%	1,435.4	2.8x	4.1x	3.5x
Lyft, Inc.	62.51	70.6%	17,870.2	20,984.4	2,156.6	145.2%	(956.4)	N/M	N/M	(2,037.9)	N/M	N/M	N/M
National Express Group PLC	5.39	93.6%	2,748.2	4,107.6	3,123.5	90.7%	509.2	16.3%	8.4%	1,288.4	2.8x	8.1x	7.3x
Stagecoach Group plc	1.77	72.8%	1,011.4	1,622.3	3,417.0	100.6%	147.0	4.3%	(0.9%)	596.0	5.7x	11.0x	4.2x
The Go-Ahead Group plc	25.18	90.7%	1,082.0	862.0	4,508.5	97.0%	234.3	5.2%	22.0%	(256.2)	2.1x	3.7x	3.3x
Median					\$3,270.2	97.1%	\$371.7	8.9%	8.4%	\$292.1	2.8x	5.0x	4.2x
Mean					\$4,173.3	101.3%	\$276.9	13.6%	9.3%	\$169.0	2.8x	6.4x	5.1x

(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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- Financial Restructuring
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