



HOULIHAN LOKEY

TRANSPORTATION & LOGISTICS

INDUSTRY UPDATE | Winter 2019



Houlihan Lokey Transportation & Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation & Logistics Industry Update for winter 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
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

Caroline Weakland
CWeakland@HL.com
212.497.7916

Yash Srivastav
YSrivastav@HL.com
212.497.7863

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

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</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>	<p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>	<p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>	<p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has acquired</p> <p>Buyside Advisor</p>	<p>has been acquired by</p> <p>Sellside Advisor</p>
<p>has completed a court approved restructuring involving a debt-for-equity swap and a new money injection from the senior lenders</p> <p>Creditors Committee Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has completed a comprehensive lender-led restructuring of AUD 666m Senior Secured Credit Facilities and USD 369m PIK Toggle Notes</p> <p>Senior Lender Advisor</p>	<p>has completed a restructuring of its capital structure through a cash offer to holders of its 6.5% Eurobond Loan due 2017</p> <p>Company Advisor</p>	<p>has completed a restructuring of its \$655m Eurobonds via a UK Scheme of Arrangement</p> <p>Company Advisor</p>	<p>has confirmed a pre-arranged Chapter 11 Plan of Reorganization including a New-Money Rights Offering</p> <p>Ad Hoc Noteholder Group Advisor</p>

Transport Intermediaries Association (TIA) Conference



TIA 2019
CAPITAL IDEAS CONFERENCE & EXHIBITION

APRIL 10-13, 2019
LOEWS ROYAL PACIFIC RESORT
UNIVERSAL ORLANDO™
ORLANDO, FLORIDA

WE'LL BE THERE!

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

TIA Conference

April 10-13, 2019

Loews Royal Pacific Resort – Orlando, FL

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

Significant News Stories

LOGISTICS

FedEx Tiptoes Into \$9 Billion Online Market for Bulky Deliveries (*Bloomberg*, January 13, 2019)

“FedEx Corp. is testing full-service residential delivery of bulky products, a \$9 billion market that couriers had left to more traditional trucking companies because large items don’t fit well in their sorting operations. The service would be offered through FedEx’s freight business, which is a less-than-truckload operation geared more toward industrial shipments. Under a pilot project, FedEx is carrying items such as washing machines and sectional sofas into a customer’s home and assembling them, FedEx said in an email. Large trucking companies including XPO Logistics Inc., J.B. Hunt Transport Services Inc. and Ryder Systems Inc. have made acquisitions to offer nationwide delivery service for bulky items because it’s one of the areas they’re able to tap into the fast-growing e-commerce sales. The service is growing at about a 10 percent clip, according to Satish Jindel, founder of SJ Consulting Group.”

Warehouse Availability Reached Lowest Point Since 2000 Last Year

(*The Wall Street Journal*, January 11, 2019)

“The hunt for warehouse space in the U.S. won’t get any easier this year. The availability of industrial space fell to 7% in the fourth quarter, the lowest point since 2000, and real-estate brokerage CBRE Group Inc. said the tight capacity that has driven up the costs of warehousing in recent years will remain a challenge for companies well into this year. The U.S. market for distribution centers and other storage sites has become increasingly competitive in recent years as the growth of e-commerce has boosted demand for warehouse space, especially for large sites located near major population centers. Distributors and logistics providers are snapping up new facilities as quickly as they come online. Demand exceeded supply by roughly 6 million square feet in the fourth quarter, or by 29 million square feet for the full year, according to CBRE, and the gap between demand and supply grew wider in the second half of the year.”

ASSET-BASED TRUCKING

J.B. Hunt expands Final Mile service with acquisition of Cory 1st Choice Home Delivery

(*Logistics Management*, January 9, 2019)

“Lowell, Arkansas-based trucking and intermodal services bellwether J.B. Hunt Transport Services Inc. announced today that its subsidiary, J.B. Hunt Transport Inc., entered into a definitive agreement to acquire Secaucus, New Jersey-based Cory’s First Choice Home Delivery. The purchase price is \$100 million, and J.B. Hunt said it will be financed with the company’s existing revolver credit facility. Established in 1934, Cory provides home delivery services of big and bulky products in the continental United States and U.S. territories using 14 warehouses and other customer-owned facilities. The company utilizes more than 1,000 independent contractors, carriers, and delivery drivers to complete more than two million annual deliveries. J.B. Hunt’s Final Mile division is part of the company’s Dedicated Contract Services group. The company said that the Final Mile division operates one of the largest national, comingled cross-dock operations and can serve 100% of the contiguous United States.”

Walmart Says It Needs 900 More Truckers This Year, Hikes Pay (*Transport Topics*, January 23, 2019)

“Walmart is raising trucker salaries in its push to hire 900 more drivers this year across the United States, including Texas, where it has a big concentration of large distribution centers where empty trucks get filled. Companies are competing for the best drivers as a shortage of truckers in the United States continues. Walmart is promising more predictable scheduling to be conscious of work-life balance and said it has shortened the time from application and starting work. Last year, it also started a \$1,500 referral bonus. In the latest hiring push, Walmart’s driver wages will rise by \$14 million from a combination of a per-mile increase, activity, and drop-off pay. That’s an average annual salary of \$87,500 and 21 days of vacation in the first year.”

Significant News Stories (cont.)

RAIL

Watco, Oaktree Form Strategic Partnership (*Progressive Railroading*, January 7, 2019)

“Watco Companies, LLC and Oaktree Capital Management LP have announced a strategic partnership and definitive agreement in which Oaktree has committed \$450 million of non-controlling equity capital to Watco. The proceeds will help Watco continue to expand via mergers and acquisitions. Both companies expect the aggregate equity capital commitment to increase over time as the short-line holding company continues to grow, according to a Watco press release.”

MARINE

World’s Biggest Shipping Line Maersk Looks for Deals on land (*Financial Times*, December 26, 2018)

“Maersk is looking for acquisitions to boost its logistics operations on land as the world’s largest container shipping company tries to broaden its appeal to big shippers of goods. Soren Skou, Chief Executive of the Danish company, told the Financial Times that the next few years would see Maersk push the parts of its business not to do with the ocean, such as trucks, supply chain management and running warehouses. ‘The future will be very much about scaling the land side of the equation . . . We for sure have to do some acquisitions in the logistics space, primarily to gain capability and scale,’ Mr Skou said. Maersk has broken itself in two in the past two years, disposing of almost all its oil and energy businesses and trying to shed the tag of conglomerate.”

AVIATION

Why KKR Is Investing in Leasable Aircraft (*Forbes*, January 8, 2019)

“Private equity firm KKR and aircraft leasing broker Altavair announced a partnership last week that would see KKR invest \$1 billion into cargo and commercial planes. KKR will acquire a 50% stake in the air financing company. Altavair handles ordering and leasing the aircraft, and may handle their configuration and outfitting for cargo and passengers. Nearly four dozen airlines, including industry leaders American Airlines, Southwest, and Delta but also more niche services like South Africa’s Comair, Spain’s Gestair, and Air Greenland, are listed among current lessees. Institutional investors are eyeing aviation finance as a way to buy into the growth of online retailers like Amazon. For every ‘prime 2-day shipping’ member acquired by Amazon, a small amount of cargo space on a flight will be needed. These purchases—half of all Americans are Amazon Prime members and half of those buy something weekly—are expected to continue as ‘just in time’ acquisition becomes the expectation. Amazon’s plans to expand Prime overseas will require yet more cargo aircraft, many of which will be leased from companies like Altavair.”

TECH-ENABLED SERVICES

Truck Technology Startup Raises \$97 Million for Port Freight Plan

(*The Wall Street Journal*, January 23, 2019)

“The developer of a freight-matching app for truck drivers and shippers at the ports of Los Angeles and Long Beach has raised \$97 million in new funding as the startup works to improve its fledgling technology and expand to other ports. NEXT Trucking Inc. said Wednesday that Brookfield Asset Management Inc.’s venture investment arm is leading the Series C funding round together with Sequoia Capital, logistics property developer GLP and other backers. Brookfield owns some 37 seaport facilities globally, including the TraPac LLC terminal at the Port of Los Angeles, where NEXT trucking has been working to integrate its technology with the facility’s container-pickup appointment system. NEXT’s app seeks to provide greater visibility on cargo movements at the nation’s busiest container shipping complex. ‘Seaport terminals tend to be particularly opaque points in many supply chains,’ said Josh Raffaelli, a Managing Director with Brookfield Ventures. ‘We’re dealing with a fragmented base of trucking companies coming in and shippers who want to know where their goods are,’ Mr. Raffaelli said.”

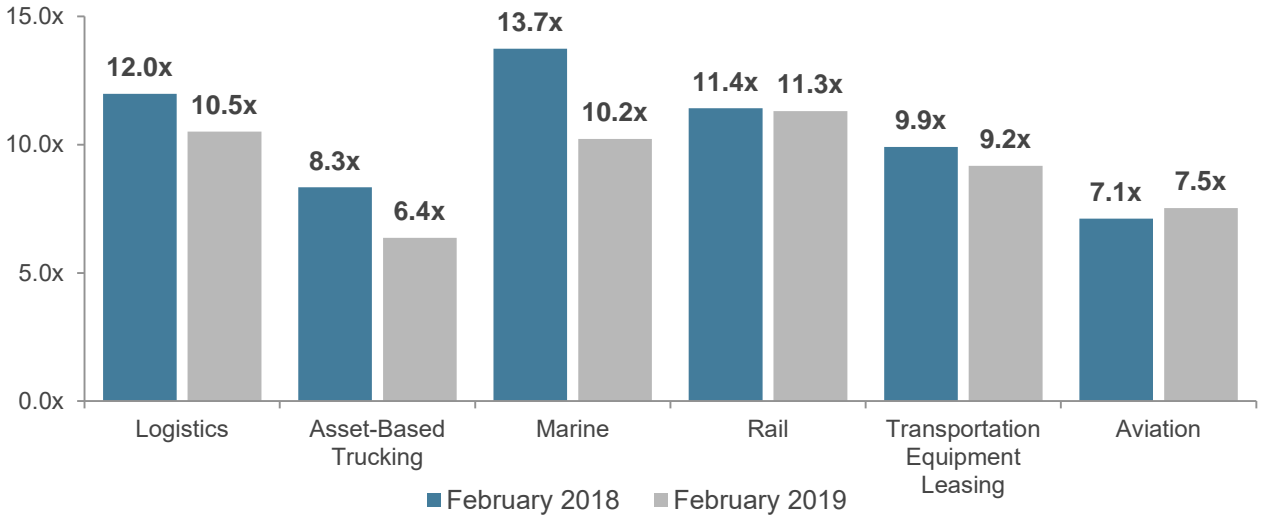
Recent M&A Transactions

Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Jan-19	Brixey & Meyer Capital; BMC Growth Fund II	CityDash, Inc.	Provider of courier, trucking, and logistics solutions to customers with diverse delivery and logistics needs in southwest Ohio	Logistics	N/A
Jan-19	Neopost S.A.	Parcel Pending, Inc.	Leading package solution provider for residential, commercial, retail and universities across the United States and Canada	Logistics	\$100
Jan-19	Redwood Logistics, LLC (CI Capital Partners)	LTX Solutions	Provides less-than-truckload freight management and transportation supply chain solutions	Logistics	N/A
Jan-19	The China Navigation Company Limited	Hamburg Süd Bulk Shipping Business	Operates from Hamburg, London, Melbourne and Rio de Janeiro with a chartered fleet of approximately 45 vessels in the segments: Handysize, Supra/Ultramax and Kamsarmax/Panamax	Marine	N/A
Jan-19	Fitzmark, Inc.	Reliable Source Logistics LLC	Provides freight brokerage services in the United States	Logistics	N/A
Jan-19	GlobalTranz Enterprises, Inc. (The Jordan Company)	Our Freight Guy	California-based provider of freight brokerage and logistics services	Logistics	N/A
Jan-19	Federal Express Corporation (U.S.)	International Express Business In Israel Of Flying Cargo Ltd.	Provides international express transportation services, including import and export of shipments	Logistics	N/A
Jan-19	Auto Driveaway Corporation (Evanston Partners)	Assets of J&J Drive Away, Inc. and J&J Freight Brokers, LLC	Provides heavy-truck transport and boutique freight brokerage services	Asset-Based Trucking	N/A
Jan-19	Connect Airways Limited	Flybe Group PLC	Offers scheduled passenger aviation services with a fleet of 80 aircraft as well as maintenance, repair, and overhaul services to third-party customers	Aviation	\$130
Jan-19	J.B. Hunt Transport Services, Inc.	Joseph Cory Holdings	Provides warehousing and last-mile delivery of fine furnishings, appliances, and consumer electronics	Logistics	\$100
Jan-19	Britton Transport, Inc.	Assets of Ace Logistics/C & C Realty, LLC	Provides specialized refrigerated logistics services as well as dry, cool, and frozen warehousing and cross docking	Logistics	N/A
Jan-19	Nonantum Capital Partners, LLC	RoadOne, Inc.	Full-service intermodal transportation and logistics company, providing port and rail container drayage, terminal operations, dedicated truckload services, and transloading, warehousing, and distribution solutions	Logistics	N/A
Jan-19	Rhenus Warehousing Solutions Europe GmbH & Co. KG	CML Limited	Provides warehousing, pre-retail, freight forwarding, and distribution services in the United Kingdom	Logistics	N/A
Jan-19	SEKO Logistics (Greenbriar Equity Group)	Goodship International	Chicago-based customs brokerage and compliance consultancy	Logistics	N/A
Dec-18	CFI Logistics	Optimal Freight, LLC	Provides transport of truckload and less-than-truckload shipments throughout the United States, Canada, and Mexico	Logistics	N/A
Dec-18	Great Western Leasing and Sales, LLC (Headhaul Capital Partners)	All Points Equipment	Provides trailer rental, new and used trailer sales, repair and maintenance service, and over-the-counter parts sales to customers in the Detroit metropolitan area	Equipment Leasing	N/A
Dec-18	United Road Services, Inc. (The Carlyle Group)	Fleet-Car Lease, Inc.	A leading provider of asset-light finished vehicle logistics in the United States	Asset-Based Trucking	N/D
Dec-18	Aterian Investment Partners, LLC	Xpress Global Systems, Inc.	Tennessee-based transporter of rolled goods floor coverings	Asset-Based Trucking	N/A
Dec-18	PS Logistics (One Equity Partners)	Robinette Trucking, Inc.	Provides specialty truckload carrier services for the aluminum industry in the Southeast and Midwest	Asset-Based Trucking	N/A
Dec-18	Gryphon Investors Inc	Nolan Transportation Group, Inc.	Provides freight brokerage services, including truckload, expedited, less-than-truckload, drayage, and intermodal, among others	Logistics	N/A
Dec-18	Universal Logistics Holdings, Inc.	Container Connection	Provides harbor drayage, warehousing, secured parking, and yard space; serves the Port of Los Angeles and the Port of Long Beach in California	Logistics	\$60
Dec-18	Greenbriar Equity Group LLC	BDP International, Inc.	Provides logistics, transportation, and supply chain services for various industries, including chemical & petrochemical, healthcare & life sciences, oil & gas, manufacturing, and retail & consumer goods	Logistics	N/A
Dec-18	Impact Fulfillment Services (Endeavour Capital)	Network Global Logistics Supply Chain Services Division	Provides multi-client and dedicated contract logistics solutions with a multi-regional footprint in North America	Logistics	N/D
Dec-18	Black Lake Capital	Network Global Logistics Medical Logistics Solutions	National medical courier specializing in same day delivery and handling of medical samples, pharmaceuticals, and other critical items	Logistics	N/D
Dec-18	MNX Global Logistics (Audax Private Equity)	Network Global Logistics Express Division	Provides next flight out, on-demand courier, and SPL services to customers requiring immediate delivery of critical parts, devices, and parcels	Logistics	N/D
Dec-18	Project44, Inc. (Insight Venture Partners; Sapphire Ventures)	GateHouse Logistics A/S	Provides tracking solutions to the transportation industry	Tech-Enabled Services	N/A
Dec-18	AIT Worldwide Logistics, Inc. (Quad-C Management)	ConneXion World Cargo	Freight forwarder specializing in shipment, order tracking, and distribution services for the aerospace, pharmaceutical, and textile industries	Logistics	N/A

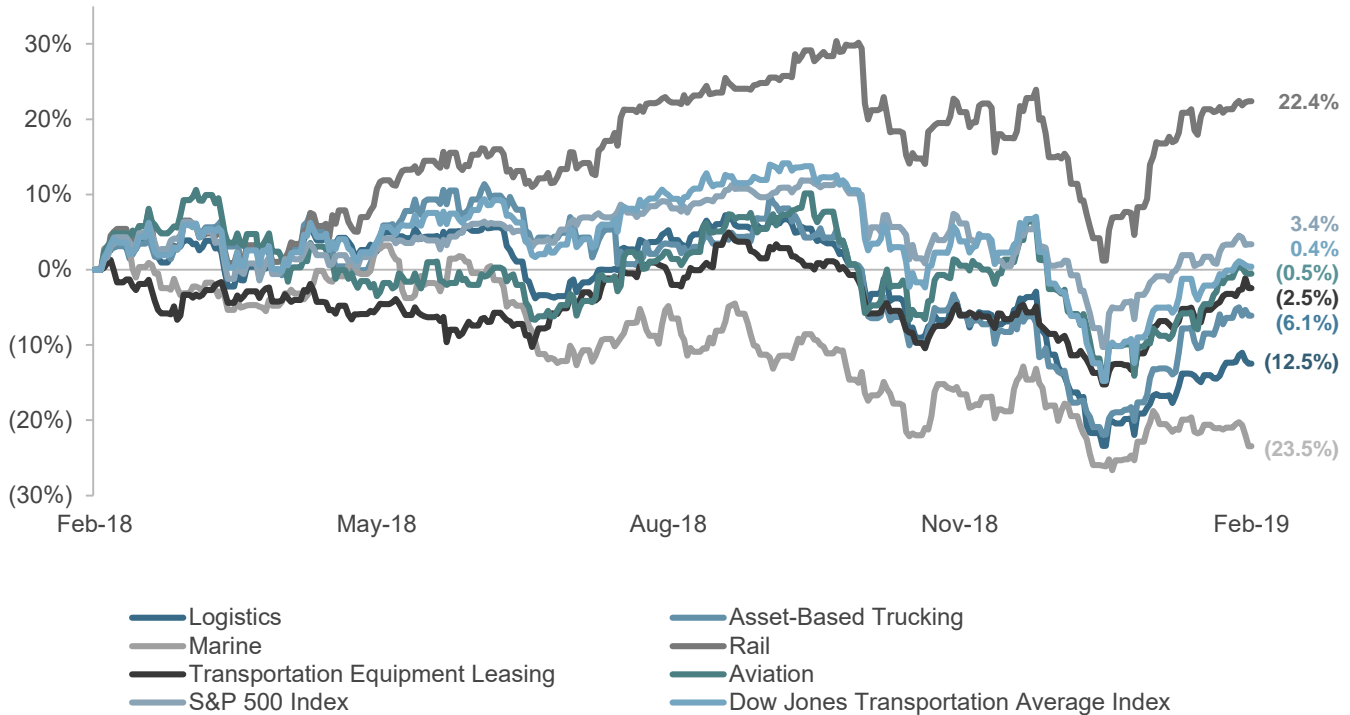
Sources: S&P Capital IQ, Mergermarket

Public Markets Overview

Median TEV/LTM EBITDA



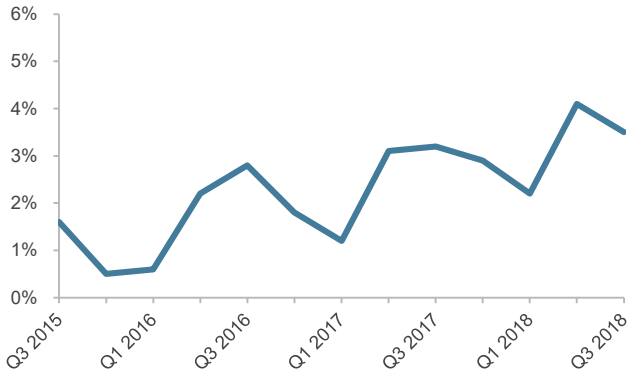
12 Months Indexed Stock Price Performance



Note: All data as of February 8, 2019.
Source: S&P Capital IQ

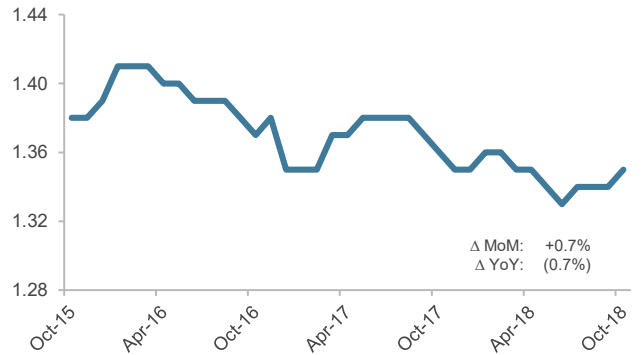
Broad Economic Data

QoQ Real GDP Growth⁽¹⁾⁽²⁾



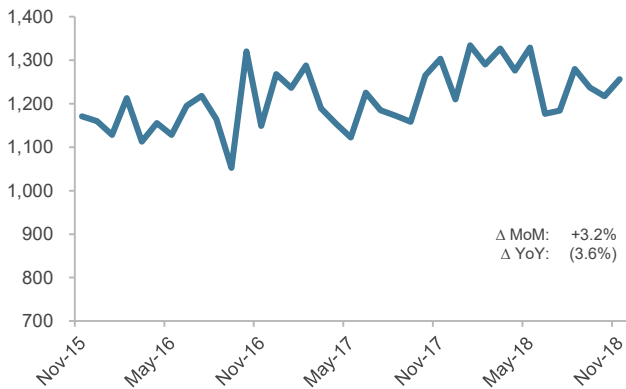
Source: Bureau of Economic Analysis

Inventory/Sales Ratio⁽¹⁾



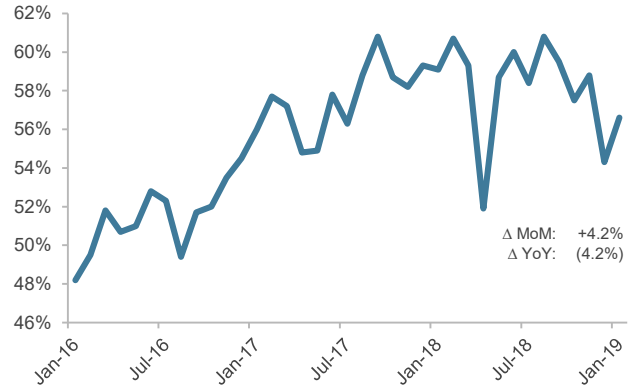
Source: U.S. Census Bureau

Housing Starts (000s)⁽¹⁾⁽²⁾



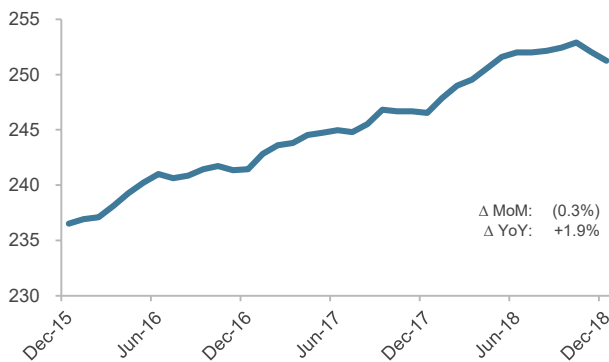
Source: U.S. Census Bureau

ISM Manufacturing Index⁽¹⁾



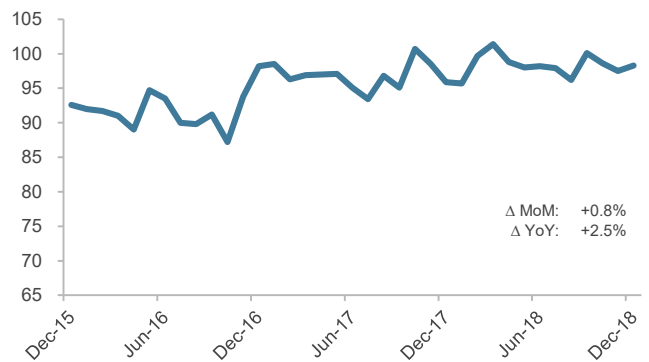
Source: Institute for Supply Management

Consumer Price Index



Source: Bureau of Labor Statistics

Consumer Sentiment Index

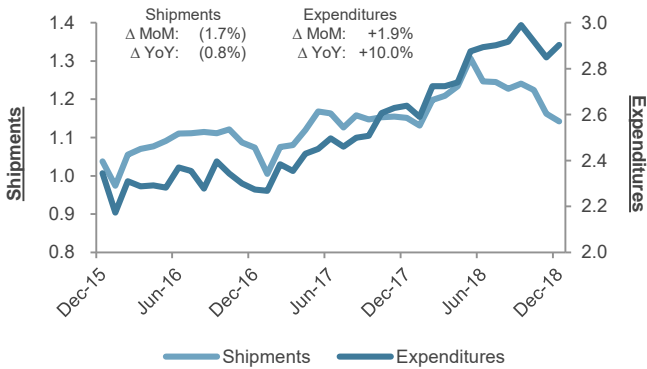


Source: University of Michigan

(1) Seasonally adjusted.
(2) Annualized.

Relevant Sector Data

Cass Freight Index



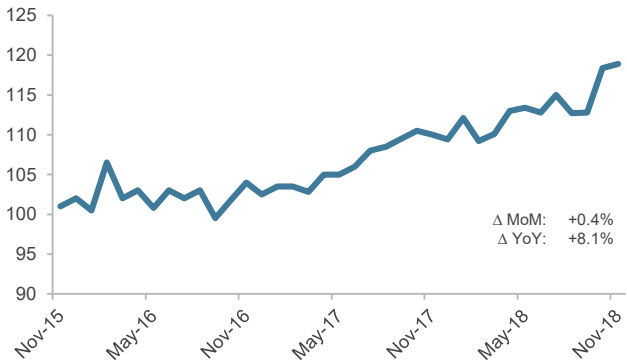
Source: Cass Information Systems, Inc.

Intermodal Volume (000s of Containers)⁽¹⁾



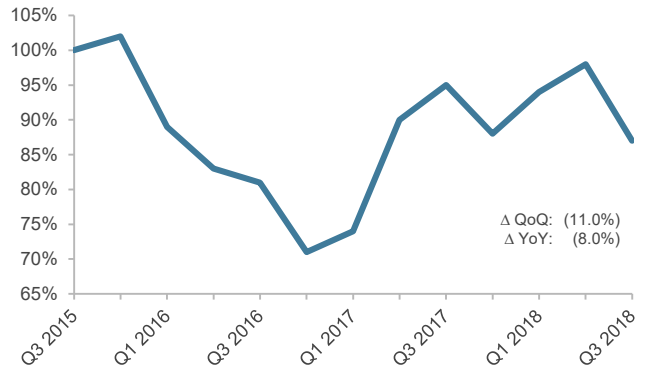
Source: Association of American Railroads

ATA Tonnage Index⁽¹⁾



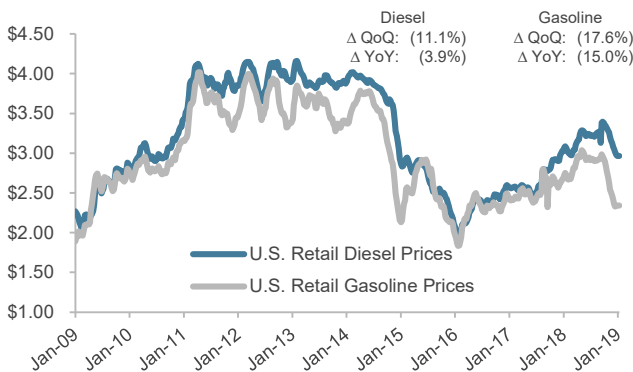
Source: American Trucking Association

Driver Turnover⁽²⁾



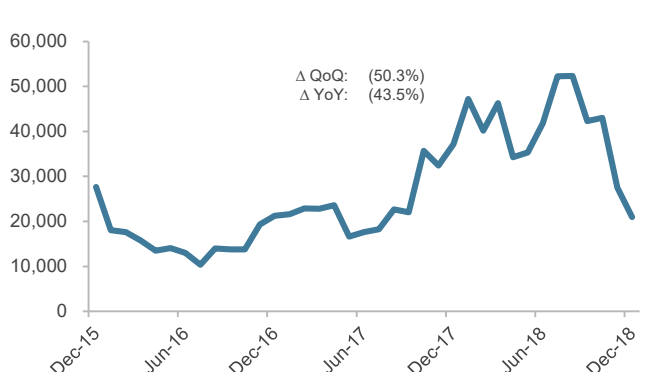
Source: American Trucking Association

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 2/8/19

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
Asset-Light/Third-Party Logistics													
Agility Public Warehousing Company K.S.C.P.	\$2.54	86.3%	\$3,678.4	\$4,295.2	\$5,062.3	31.3%	\$447.2	8.8%	6.2%	\$455.9	1.8x	9.6x	9.1x
Ceva Logistics AG	30.09	99.5%	1,661.2	2,874.1	7,343.0	18.7%	187.0	2.5%	1.4%	1,241.0	8.6x	15.4x	11.2x
C.H. Robinson Worldwide, Inc.	90.36	89.3%	12,424.9	13,392.6	16,631.2	8.2%	1,008.8	6.1%	23.7%	967.7	1.3x	13.3x	12.6x
CJ Logistics Corporation	154.85	98.0%	3,532.5	6,311.1	7,782.6	9.0%	366.5	4.7%	2.2%	2,391.7	7.0x	17.2x	12.5x
DSV A/S	79.05	85.2%	14,072.8	14,963.8	12,125.0	22.1%	905.2	7.5%	22.2%	905.1	1.2x	16.5x	14.4x
Echo Global Logistics, Inc.	23.91	65.1%	682.6	825.5	2,439.7	17.2%	90.9	3.7%	7.0%	142.9	2.0x	9.1x	8.5x
Expeditors International of Washington, Inc.	71.12	91.0%	12,274.6	11,285.5	7,804.1	13.4%	828.5	10.6%	35.8%	(990.6)	N/M	13.6x	13.4x
Forward Air Corporation	64.52	88.6%	1,865.3	1,887.2	1,320.9	23.3%	164.2	12.4%	15.1%	22.0	0.3x	11.5x	10.8x
Hub Group, Inc.	44.73	79.0%	1,541.2	1,818.2	3,683.6	12.1%	208.8	5.7%	7.3%	276.9	1.6x	8.7x	7.2x
Kerry Logistics Network Limited	1.61	94.5%	2,738.1	3,809.8	4,402.5	13.2%	358.3	8.1%	4.2%	624.3	3.3x	10.6x	9.5x
Kintetsu World Express, Inc.	14.68	63.9%	1,056.8	1,940.0	5,402.1	16.5%	311.3	5.8%	6.6%	793.8	4.8x	6.2x	6.8x
Kuehne + Nagel International AG	132.96	80.2%	15,911.7	15,704.7	20,930.2	37.3%	1,237.6	5.9%	14.1%	(218.2)	0.2x	12.7x	12.7x
Landstar System, Inc.	103.85	80.7%	4,166.0	4,112.3	4,619.0	21.1%	375.1	8.1%	26.1%	(56.0)	0.5x	11.0x	10.7x
Panalpina Welttransport (Holding) AG	165.56	90.0%	3,930.8	4,058.8	6,054.5	24.9%	144.7	2.4%	6.0%	126.2	2.4x	28.1x	13.9x
Radiant Logistics, Inc.	5.40	87.8%	267.1	304.8	863.3	24.5%	29.3	3.4%	6.4%	37.5	1.5x	10.4x	8.4x
Universal Logistics Holdings, Inc.	21.38	56.7%	606.6	922.9	1,389.4	16.2%	116.2	8.4%	8.0%	316.3	2.8x	7.9x	6.5x
Wincanton plc	3.09	83.9%	383.1	414.4	1,529.9	6.1%	82.1	5.4%	136.2%	31.6	0.7x	5.1x	4.8x
XPO Logistics, Inc.	57.55	49.5%	7,305.8	11,530.4	17,084.0	14.9%	1,466.8	8.6%	7.3%	3,775.3	2.9x	7.9x	7.3x
Parcel Delivery													
Deutsche Post AG	\$28.61	66.2%	\$35,269.1	\$51,102.6	\$71,361.7	15.1%	\$5,298.0	7.4%	8.5%	\$15,959.1	3.5x	9.6x	7.0x
FedEx Corporation	177.24	66.5%	46,267.4	61,435.4	68,716.0	26.8%	8,648.0	12.6%	8.4%	15,168.0	2.0x	7.1x	6.9x
PostNL N.V.	2.47	55.0%	1,157.3	1,374.8	4,101.3	12.5%	280.0	6.8%	9.1%	219.6	1.7x	4.9x	4.3x
Royal Mail plc	3.51	42.9%	3,510.2	4,144.2	13,437.2	35.4%	890.6	6.6%	5.4%	640.8	1.0x	4.7x	4.6x
United Parcel Service, Inc.	108.10	86.4%	92,772.7	107,668.7	71,861.0	45.1%	8,741.0	12.2%	10.0%	14,896.0	2.3x	12.3x	10.2x
ZTO Express (Cayman) Inc.	17.91	79.0%	14,098.1	11,458.7	2,374.2	31.7%	721.0	30.4%	21.6%	(2,644.8)	N/M	15.9x	14.3x
Median					\$5,728.3	18.0%	\$370.8	7.1%	8.2%	\$386.1	1.9x	10.5x	9.3x
Mean					\$14,929.9	20.7%	\$1,371.1	8.1%	16.6%	\$2,295.1	2.4x	11.2x	9.5x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 2/8/19

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
Less-Than-Truckload													
ArcBest Corporation	\$37.12	72.1%	\$949.8	\$944.5	\$3,093.8	95.9%	\$235.6	7.6%	7.8%	(\$5.3)	1.2x	4.0x	3.7x
Old Dominion Freight Line, Inc.	141.75	83.3%	11,588.1	11,442.8	4,043.7	79.8%	1,040.8	25.7%	15.8%	(145.3)	0.0x	11.0x	10.1x
Saia, Inc.	65.11	74.8%	1,658.3	1,779.0	1,653.8	91.4%	243.7	14.7%	8.7%	120.7	0.5x	7.3x	6.3x
YRC Worldwide Inc.	6.75	57.4%	228.5	875.8	5,092.0	97.7%	264.7	5.2%	5.5%	647.3	3.3x	3.3x	2.9x
Specialty Trucking													
Marten Transport, Ltd.	\$18.48	74.7%	\$1,006.5	\$949.8	\$787.6	92.0%	\$151.5	19.2%	5.8%	(\$56.8)	N/M	6.3x	5.3x
Mullen Group Ltd.	8.67	68.0%	908.5	1,291.2	924.0	91.9%	138.5	15.0%	4.6%	372.5	2.7x	9.3x	8.3x
TFI International Inc.	29.65	80.4%	2,561.8	3,674.1	3,789.3	92.2%	490.6	12.9%	11.6%	1,142.8	2.3x	7.5x	7.4x
Truckload													
Covenant Transportation Group, Inc.	\$23.14	65.8%	\$424.5	\$640.5	\$885.5	93.3%	\$134.1	15.1%	11.7%	\$216.0	1.8x	4.8x	4.4x
Daseke, Inc.	4.24	32.3%	273.3	988.6	1,423.3	97.7%	149.4	10.5%	2.3%	650.4	4.5x	6.6x	5.7x
Hearland Express, Inc.	20.17	91.5%	1,652.5	1,491.1	610.8	89.4%	166.3	27.2%	7.3%	(161.4)	N/M	9.0x	7.4x
J.B. Hunt Transport Services, Inc.	109.28	83.0%	11,879.9	13,021.4	8,614.9	92.1%	1,110.1	12.9%	10.0%	1,141.5	1.0x	11.7x	9.0x
Knight-Swift Transportation Holdings Inc.	31.10	61.8%	5,391.7	6,240.1	5,344.1	89.3%	1,001.9	18.7%	7.3%	846.6	0.9x	6.2x	5.8x
P.A.M. Transportation Services, Inc.	53.20	76.0%	317.8	501.8	533.3	92.4%	89.0	16.7%	15.3%	184.0	2.4x	5.6x	NM
Schneider National, Inc.	21.74	71.2%	3,848.0	3,829.3	4,977.0	92.4%	669.1	13.4%	8.3%	(18.7)	0.6x	5.7x	5.2x
USA Truck, Inc.	18.21	62.5%	147.9	307.4	534.1	96.5%	47.5	8.9%	4.3%	159.5	3.4x	6.5x	5.0x
U.S. Xpress Enterprises, Inc.	8.38	49.5%	404.7	822.9	1,804.9	95.0%	180.4	10.0%	7.4%	414.7	2.4x	4.6x	3.9x
Werner Enterprises, Inc.	34.17	79.8%	2,407.0	2,498.1	2,457.9	90.4%	462.7	18.8%	7.7%	91.1	0.3x	5.4x	5.0x
Passenger Transportation													
ComfortDelGro Corporation Limited	\$1.73	93.2%	\$3,736.1	\$3,993.0	\$3,003.0	90.1%	\$584.8	19.5%	7.7%	(\$39.3)	0.6x	6.8x	6.7x
FirstGroup plc	1.19	77.0%	1,444.8	2,878.2	9,041.1	97.1%	802.8	8.9%	3.8%	1,435.4	2.8x	3.6x	3.1x
National Express Group PLC	4.96	89.8%	2,527.2	3,778.2	3,111.9	91.5%	484.5	15.6%	5.0%	1,243.6	3.0x	7.8x	7.5x
Stagecoach Group plc	1.99	83.3%	1,139.2	1,740.3	3,417.0	100.6%	147.0	4.3%	(0.9%)	596.0	5.7x	11.8x	4.6x
The Go-Ahead Group plc	23.32	89.9%	1,002.1	831.5	4,567.5	96.3%	278.4	6.1%	10.2%	(215.5)	1.9x	3.0x	3.4x
Median					\$3,048.4	92.3%	\$254.2	14.1%	7.5%	\$200.0	2.1x	6.4x	5.3x
Mean					\$3,168.6	93.0%	\$403.3	14.0%	7.6%	\$391.8	2.1x	6.7x	5.8x

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

Source: S&P Capital IQ

Public Comparables

Marine and Rail

Marine

(\$ in millions, except per-share prices)
As of 2/8/19

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
Container													
A.P. Møller - Mærsk A/S	\$1,276.39	76.1%	\$25,632.7	\$33,945.5	\$37,277.0	9.9%	\$3,686.0	9.9%	0.5%	\$7,772.0	4.6x	9.2x	8.8x
COSCO SHIPPING Development Co., Ltd.	0.12	57.3%	3,236.6	17,003.0	2,564.4	22.2%	900.5	35.1%	1.4%	13,805.5	17.4x	18.9x	NM
Evergreen Marine Corporation (Taiwan) Ltd.	0.39	72.3%	1,748.2	4,478.7	5,166.9	3.4%	170.3	3.3%	(1.3%)	2,635.5	22.4x	26.3x	16.2x
Hapag-Lloyd Aktiengesellschaft	24.94	58.3%	4,383.1	10,827.3	12,981.5	13.2%	1,252.9	9.7%	2.0%	6,598.5	5.8x	8.6x	8.5x
Orient Overseas (International) Limited	6.63	63.0%	4,146.9	6,456.0	6,390.9	9.1%	441.5	6.9%	0.2%	2,309.4	9.6x	14.6x	10.5x
Seaspan Corporation	8.39	78.3%	1,806.8	5,722.8	1,015.8	66.6%	615.2	60.6%	4.0%	3,867.9	6.9x	9.3x	8.1x
Yang Ming Marine Transport Corporation	0.29	75.8%	673.2	3,210.1	4,432.8	(0.2%)	3.7	0.1%	(3.1%)	2,549.8	N/M	NM	NM
Dry Bulk													
Diana Shipping Inc.	\$3.06	59.3%	\$317.5	\$746.1	\$212.3	51.9%	\$104.4	49.2%	0.8%	\$428.6	5.8x	7.1x	7.8x
Eagle Bulk Shipping Inc.	4.03	65.6%	292.5	534.1	298.0	34.7%	61.7	20.7%	2.5%	241.5	5.2x	8.7x	6.5x
Genco Shipping & Trading Limited	7.35	36.6%	306.1	694.7	330.3	41.8%	103.2	31.2%	1.7%	388.7	5.4x	6.7x	5.8x
Navios Maritime Holdings Inc.	1.85	13.6%	21.8	1,592.7	518.9	40.7%	167.1	32.2%	1.8%	1,466.4	9.6x	9.5x	8.7x
Safe Bulkers, Inc.	1.55	38.8%	157.4	667.5	183.0	64.3%	97.5	53.3%	2.9%	510.1	5.7x	6.8x	6.4x
Offshore Vessel Operators													
Bourbon Corporation SA	\$3.99	48.2%	\$308.9	\$1,873.2	\$799.7	38.8%	\$42.9	5.4%	(6.4%)	\$1,530.2	42.6x	43.6x	NM
Hornbeck Offshore Services, Inc.	1.39	22.6%	52.3	1,028.4	214.7	34.7%	23.3	10.8%	(2.0%)	976.1	46.6x	44.2x	NM
Tidewater Inc.	20.90	57.9%	758.9	740.3	350.0	23.0%	(28.6)	(8.2%)	(3.0%)	(19.5)	N/M	NM	19.3x
Jones Act													
American Shipping Company ASA	\$3.69	88.5%	\$223.8	\$753.5	\$87.8	99.1%	\$84.0	95.7%	3.8%	\$561.7	7.2x	9.0x	9.0x
Kirby Corporation	73.92	78.6%	4,425.3	5,824.8	2,970.7	27.3%	464.7	15.6%	7.3%	1,396.3	3.0x	12.5x	10.0x
Matson, Inc.	32.04	76.4%	1,368.3	2,264.3	2,174.0	15.6%	221.4	10.2%	4.2%	896.0	4.1x	10.2x	7.6x
SEACOR Holdings Inc.	42.16	71.5%	769.3	1,072.3	758.3	33.9%	146.9	19.4%	3.2%	162.4	3.6x	7.3x	7.4x
Tanker													
Ardmore Shipping Corporation	\$5.26	60.1%	\$174.1	\$589.0	\$210.2	19.7%	\$25.5	12.1%	(0.7%)	\$414.9	18.5x	23.1x	9.0x
Capital Product Partners L.P.	2.18	65.9%	277.4	688.2	279.3	47.9%	145.1	51.9%	2.4%	410.8	3.0x	4.7x	8.1x
Frontline Ltd.	4.90	58.8%	832.1	2,676.5	702.4	27.1%	178.2	25.4%	1.0%	1,844.2	10.7x	15.0x	13.8x
GasLog Ltd.	16.98	73.4%	1,372.3	5,140.4	581.6	74.7%	390.4	67.1%	3.2%	2,760.4	7.8x	13.2x	11.9x
Navigator Holdings Ltd.	10.01	73.9%	557.1	1,327.8	308.5	45.7%	109.5	35.5%	1.4%	770.6	7.5x	12.1x	11.0x
Scorpio Tankers Inc.	15.59	48.0%	970.3	3,584.1	665.9	36.6%	125.3	22.1%	(0.3%)	2,613.8	23.0x	28.6x	20.0x
Teekay Corporation	3.42	37.1%	343.5	7,026.3	1,538.3	36.0%	393.1	25.6%	1.6%	4,605.3	12.7x	17.9x	13.9x
Tsakos Energy Navigation Limited	3.08	77.2%	269.0	1,659.9	510.6	39.4%	164.4	32.2%	0.5%	1,390.9	9.9x	10.1x	8.7x
Median					\$581.6	34.7%	\$146.9	22.1%	1.4%	\$1,396.3	7.5x	10.2x	8.8x
Mean					\$3,086.1	35.4%	\$373.7	27.2%	1.1%	\$2,329.2	12.0x	15.1x	10.3x

Rail

(\$ in millions, except per-share prices)
As of 2/8/19

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	\$82.55	92.4%	\$59,761.3	\$69,025.0	\$10,495.1	53.2%	\$5,240.6	49.9%	8.7%	\$9,016.2	1.8x	13.2x	11.8x
Canadian Pacific Railway Limited	200.13	91.2%	28,538.8	35,040.6	5,361.5	53.5%	2,866.2	53.5%	9.5%	6,328.1	2.2x	12.2x	11.9x
CSX Corporation	68.75	90.2%	56,074.6	69,737.6	12,250.0	50.3%	6,166.0	50.3%	8.4%	13,646.0	2.4x	11.3x	10.7x
Genesee & Wyoming Inc.	80.18	86.3%	4,725.2	7,088.3	2,348.6	36.4%	698.6	29.7%	4.0%	2,363.2	3.5x	10.1x	9.7x
Kansas City Southern	102.22	84.9%	10,318.2	13,232.5	2,714.0	47.7%	1,315.1	48.5%	6.5%	2,588.9	2.0x	10.1x	9.2x
Norfolk Southern Corporation	171.46	91.7%	45,857.9	56,924.9	11,458.0	44.4%	5,124.0	44.7%	7.1%	11,067.0	2.2x	11.1x	10.8x
Union Pacific Corporation	161.72	97.6%	116,903.8	137,961.8	22,832.0	51.5%	10,746.0	47.1%	9.1%	21,058.0	2.1x	12.8x	11.8x
Median					\$10,495.1	50.3%	\$5,124.0	48.5%	8.4%	\$9,016.2	2.2x	11.3x	10.8x
Mean					\$9,637.0	48.1%	\$4,593.8	46.2%	7.6%	\$9,438.2	2.3x	11.6x	10.8x

(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 2/8/19

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	\$370.03	95.4%	\$7,255.5	\$10,094.9	\$3,800.8	30.0%	\$1,168.5	30.7%	3.7%	\$2,991.4	3.4x	8.6x	10.1x
Brambles Limited	7.90	94.8%	12,585.5	14,797.9	5,758.0	34.0%	1,709.2	29.7%	11.0%	2,308.1	1.5x	8.7x	9.1x
CAI International, Inc.	24.48	89.2%	467.7	2,505.2	410.6	45.0%	149.5	36.4%	3.4%	1,933.7	13.2x	16.8x	7.8x
GATX Corporation	72.88	80.0%	2,740.3	7,191.9	1,360.9	63.1%	650.2	47.8%	2.7%	4,451.6	7.0x	11.1x	10.4x
Ryder System, Inc.	57.92	68.0%	3,074.9	9,297.3	8,114.6	19.5%	1,888.9	23.3%	3.3%	6,222.4	3.3x	4.9x	4.7x
Textainer Group Holdings Limited	13.38	56.9%	764.7	3,868.4	552.7	81.4%	399.1	72.2%	2.4%	3,044.7	8.0x	9.7x	8.7x
Median					\$2,580.8	39.5%	\$909.4	33.6%	3.3%	\$3,018.0	5.2x	9.2x	8.9x
Mean					\$3,332.9	45.5%	\$994.2	40.0%	4.4%	\$3,492.0	6.1x	10.0x	8.5x

Aviation

(\$ in millions, except per-share prices)
As of 2/8/19

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
<i>Airlines</i>													
Air Canada	\$23.61	99.2%	\$6,392.9	\$7,715.1	\$13,645.5	25.3%	\$1,674.1	12.3%	5.6%	\$1,358.4	3.1x	4.6x	3.7x
Alaska Air Group, Inc.	65.27	87.2%	8,040.9	8,907.9	8,264.0	25.3%	1,183.7	14.3%	6.5%	867.0	1.8x	7.5x	4.7x
Allegiant Travel Company	135.76	74.8%	2,192.1	3,079.8	1,667.4	32.8%	367.0	22.0%	22.1%	887.7	3.6x	8.4x	6.0x
American Airlines Group Inc.	36.00	62.7%	16,580.9	46,107.9	44,541.0	26.7%	5,607.0	12.6%	4.6%	29,527.0	6.1x	8.2x	6.0x
Delta Air Lines, Inc.	50.47	82.3%	34,472.0	50,302.0	44,438.0	25.2%	7,584.3	17.1%	7.6%	15,830.0	2.3x	6.6x	5.6x
Hawaiian Holdings, Inc.	30.65	69.3%	1,514.2	1,640.9	2,837.4	27.1%	489.8	17.3%	27.3%	126.7	1.5x	3.3x	2.7x
JetBlue Airways Corporation	18.14	79.6%	5,528.8	6,159.8	7,658.0	33.5%	1,203.0	15.7%	11.2%	631.0	1.3x	5.1x	4.0x
SkyWest, Inc.	53.78	81.7%	2,790.9	5,261.6	3,221.7	33.6%	802.8	24.9%	5.6%	2,470.6	3.9x	6.6x	5.5x
Southwest Airlines Co.	57.65	90.0%	31,862.5	31,564.5	21,965.0	32.3%	4,213.0	19.2%	9.6%	(298.0)	0.8x	7.5x	6.2x
Spirit Airlines, Inc.	61.44	94.0%	4,194.2	5,275.0	3,323.0	34.4%	626.1	18.8%	7.5%	1,080.8	3.5x	8.4x	4.9x
United Continental Holdings, Inc.	88.17	90.1%	24,023.2	34,801.2	41,303.0	32.4%	6,019.0	14.6%	6.9%	10,778.0	2.4x	5.8x	4.9x
WestJet Airlines Ltd.	15.83	78.7%	1,803.5	2,299.6	3,465.2	44.6%	415.5	12.0%	1.8%	482.9	3.5x	5.5x	3.3x
<i>Airport Services</i>													
Air Transport Services Group, Inc.	\$23.99	89.1%	\$1,417.3	\$1,916.0	\$934.5	37.1%	\$293.9	31.4%	5.3%	\$498.6	1.8x	6.5x	6.4x
BBA Aviation plc	3.00	65.4%	3,081.2	4,251.8	2,496.3	23.1%	445.6	17.9%	6.8%	1,192.1	3.0x	9.5x	9.5x
Fraport AG	74.93	73.5%	6,922.5	11,619.9	3,819.6	37.0%	1,247.0	32.6%	4.0%	4,595.0	4.4x	9.3x	9.0x
SATS Ltd.	3.58	86.2%	3,993.1	3,956.4	1,284.7	32.6%	229.5	17.9%	9.0%	(135.3)	0.3x	17.2x	16.3x
<i>Helicopter Operators</i>													
Bristow Group Inc.	\$2.90	15.3%	\$103.8	\$1,259.5	\$1,372.4	20.0%	\$112.1	8.2%	(0.2%)	\$1,148.6	13.0x	11.2x	10.8x
Era Group Inc.	9.62	67.6%	209.3	327.8	227.2	30.1%	21.7	9.6%	(1.5%)	115.0	7.5x	15.1x	10.2x
PHI, Inc.	5.35	38.3%	77.1	658.7	646.7	4.4%	41.2	6.4%	(1.8%)	581.6	15.2x	16.0x	NM
Median					\$3,323.0	32.3%	\$626.1	17.1%	6.5%	\$887.7	3.1x	7.5x	5.8x
Mean					\$10,900.6	29.3%	\$1,714.5	17.1%	7.2%	\$3,775.7	4.2x	8.6x	6.7x

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

About Houlihan Lokey

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

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