



HOULIHAN LOKEY

TRANSPORTATION AND LOGISTICS

INDUSTRY UPDATE | FALL 2020



Houlihan Lokey Transportation and Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation and Logistics Fall 2020 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 Subsectors Covered



Asset-Light/
Third-Party Logistics



Asset-Based
Trucking



Transportation
Equipment Leasing



Marine Services and
Transportation



Helicopter Operators
and Other Aviation



Rail and Related
Services



Passenger
Transportation



Tech-Enabled
Services



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

Corporate Finance

2019 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	184
2	Goldman Sachs & Co	167
3	JP Morgan	141
4	Morgan Stanley	122
5	Evercore Partners	112

Source: Refinitiv (formerly known as Thomson Reuters)

Financial Restructuring

2019 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	76
2	PJT Partners Inc	43
3	Moelis & Co	36
4	Lazard	29
5	AlixPartners	19

Source: Refinitiv (formerly known as Thomson Reuters)

Financial and Valuation Advisory

2000 to 2019 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,057
2	JP Morgan	929
3	Duff & Phelps	734
4	Morgan Stanley	621
5	Bank of America Merrill Lynch	612

Refinitiv (formerly known as 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

Angel MedFlight
a portfolio company of
VISTRIA
has acquired
MEDICO
Dividend Recapitalization &
Acquisition Financing
Exclusive Placement Agent

PECO
PALLET
has been acquired by
ALINDA
and
USS
Sellside Advisor

Bristow
has merged with
Era
Buyside Advisor

19TH
CAPITAL
a subsidiary of:
element
has completed the sale of certain
assets to
Hilco Global
Sellside Advisor

Merchants
AUTOMOTIVE GROUP
Series A
Senior Secured Notes
Growth Capital
\$50,000,000
Exclusive Financial Advisor & Placement Agent

syncreon
has completed a restructuring
through English schemes of
arrangement, a U.S. Chapter 15
filing and Canadian CCAA
Creditor Advisor

Europcar
Mobility
Group
has acquired
FOX
RENT A CAR
Buyside Advisor

Bristow
has confirmed a Chapter 11
Plan of Reorganization
Company Advisor

JACK COOPER
has been acquired by affiliates
of Solus Alternative Asset
Management through an in-
court asset sale pursuant to
Section 363 of the Bankruptcy
Code
Company Advisor

MILESTONE
Chassis Company
has merged with
MILESTONE
each a portfolio company of
BARINGS
Fairness Opinion

Pf
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
Company Advisor

Grammer Industries
a portfolio company of
stellex
has acquired
Sterling
Transport
Buyside Advisor

Significant News Stories

Subject: COVID-19 Vaccine

Pfizer COVID-19 Vaccine's Next Big Challenge: Giving It to Enough People

The Wall Street Journal

Date: November 10, 2020

On Monday, Pfizer and its partner BioNTech SE said their COVID-19 vaccine proved more than 90% effective in protecting people from the virus in a study, raising hopes that it could—pending regulatory authorization—become the first of several vaccines that could stem the tide of the disease. Already, governments are mapping out how they intend to distribute such vaccines. Britain's National Health Service has held test runs to see how a vaccine that has to be stored at an ultralow temperature could be administered to people en masse, ahead of a planned rollout to healthcare workers as soon as next month. The United Nations Children's Fund has begun stockpiling half-a-billion syringes in preparation to distribute a vaccine globally. The European Union's executive arm has drafted a plan on who to vaccinate, in what order, starting with healthcare workers, then the elderly, the sick, and then essential workers.

Subject: Proposition 22/AB5

Prop 22 Wins in California; Takes Uber, Lyft, and Other Drivers Out From Under AB5

FreightWaves

Date: November 4, 2020

Proposition 22, designed to push back against AB5 in California for app-based drivers like those at Uber or Lyft, passed comfortably in Tuesday's election. AB5 is the California law passed in the wake of the Dynamex decision that puts into law the so-called ABC test that was at the core of the Dynamex ruling in 2018. By doing so, even though there were carve-outs for a variety of professions that were added to later through amendments, it would have forced Uber, Lyft and DoorDash—the three companies behind Prop 22—to classify many of their independent contractor drivers as employees. There is no immediate or obvious impact on trucking. The role of AB5 on trucking in California remains in the balance as a federal appeals court considers a challenge to an earlier and ongoing preliminary injunction that cited a 90's era federal law—the Federal Aviation Administration Authorization Act—as effectively blocking the provisions of AB5 in the trucking sector.

Subject: Truckload Rates

Spillover From TL Contract Market Elevates Van Spot Rates

Transport Dive

Date: November 4, 2020

The growth rate in dry van spot rates reached a new high, at 59% YoY for the week ended Friday. A demand for trucks drove the rates, as Truckstop.com's Market Demand Index grew 281% YoY for the same week. Supply of available Class 8 trucks is constrained, despite a 142% increase, YoY, in September orders of Class 8 tractors. Fleets are making more orders for trucks to catch up to ready for growing freight demand, but production slowdowns from COVID-19 will stall the process of replenishing fleets. And in Q4, factories will again slow to retool and to allow time off for holidays. Numerous reasons exist for the elevated spot rates, including more freight coming through the supply chain than expected, caused by consistent consumer demand and a desire of retailers to grow inventories and prevent stockouts. Contract carriers are rejecting 25% of electronically tendered freight, pushing more loads onto the spot market, said Brent Hutto, chief relationship officer for Truckstop.com.

Subject: Digital Freight Matching

Uber Sells Stake in Freight Unit to Private Investors

The Wall Street Journal

Date: October 2, 2020

Uber Technologies Inc. is selling a stake in its Uber Freight truck brokerage arm for \$500 million to investors in a funding round led by Greenbriar Equity Group LP, pumping fresh cash into a business that has been growing rapidly while also losing money at a fast clip. The planned investment comes as the coronavirus pandemic has hammered Uber's core ride-hailing business, prompting the company to slash jobs and re-evaluate cash-burning businesses such as Freight, which accounts for a small portion of Uber's overall revenue. The new investors are coming in through what Uber Freight says is a Series A preferred stock financing. The investment values the business at \$3.3 billion after the funding round. Two managing partners at Greenbriar, a Rye, New York-based middle-market private-equity firm focused on logistics and transportation, will join Uber Freight's board of directors as part of the deal, which Uber said was expected to close this month.

Significant News Stories (cont.)

Subject: Pallet Pooling/Logistics M&A

PECO Pallet, Inc. Announces Definitive Agreement to be Acquired by Alinda Capital and USS

BusinessWire

Date: October 5, 2020



PECO Pallet, Inc., one of North America's largest providers of pooled rental pallets and services to the foodservice, grocery, and consumer products industries, announced that a definitive agreement has been reached for PECO to be acquired by U.S.-based Alinda Capital Partners and USS, a leading pension fund for the higher education sector in the United Kingdom. "Alinda and USS are among the world's most successful investors in infrastructure businesses which provide the foundation for economic growth," said Joe Dagnese, President and Chief Executive Officer of privately held PECO Pallet. "They support our strategy of growing with customers that value the quality and service PECO delivers."

Subject: Cold Storage M&A

Americold Acquires Agro Merchants Group in \$1.74 Billion Deal

FreightWaves

Date: October 13, 2020

Cold storage warehouse owner and operator Americold Realty Trust (NYSE:COLD) announced on Tuesday that it has entered into an agreement to acquire the world's fourth largest temperature-controlled operator, Agro Merchants Group, for \$1.74 billion. The announcement follows several others over the last two years as the Atlanta-based real estate investment trust continues to expand its network through acquisition. Americold added facilities in Florida and Texas in August and was chosen by the East Coast's largest retail grocery group for a \$325 million two-facility project in May. In 2019, the company acquired Canadian-based Nova Cold Logistics in a \$250 million deal and purchased Cloverleaf Cold Storage from a private equity group for \$1.24 billion. In addition to being the globe's No. 4 cold storage provider, Agro is the third largest in Europe and the fourth largest in the United States.

Subject: Cold Storage M&A

Americold Announces Acquisition and Development Activity Totaling \$575 Million

BusinessWire

Date: November 5, 2020

Cold storage warehouse owner and operator Americold Realty Trust (NYSE:COLD) (Americold) announced that it has acquired South Plainfield, New Jersey-based Hall's Warehouse Corp. (Hall's) for \$480 million. The company also announced two expansion projects, including a build-to-suit expansion in Arkansas for a top-tier customer and an expansion of its existing Calgary facility, which was acquired earlier in the year with the acquisition of Nova Cold, for \$84 million and \$11 million, respectively. The acquisition of Hall's and the expansion projects will be funded with a combination of proceeds from recent equity offerings and debt private placements. The Hall's portfolio consists of eight facilities in Northern New Jersey, totaling 58 million cubic feet and 200,000 pallet positions. This fully integrated portfolio serves 220 customers and is 95% occupied. All facilities are located within 15 miles of each other and 30 miles from the Port of Newark.

Subject: Third-Party Logistics M&A

Capstone Logistics Returns to H.I.G. Capital

FreightWaves

Date: October 21, 2020

Alternative investment firm H.I.G. Capital (H.I.G.) announced that an affiliate company has entered into an agreement to acquire Capstone Logistics (Capstone) from an affiliate company of private equity firm The Jordan Co. Based in Peachtree Corners, Georgia, Capstone was formed by H.I.G. in 2011, when it merged portfolio company Progressive Logistics Services with LMS Intellibound. H.I.G. sold Capstone to The Jordan Co. in 2014. Capstone is a third-party logistics provider (3PL) of outsourced supply chain solutions covering origin to destination. Its non-asset-based offering includes warehouse management, freight brokerage, last-mile delivery, reverse logistics, and payment processing, primarily to the grocery, food service, retail, and consumer packaged goods industries. Capstone has more than 14,000 employees operating out of more than 560 locations in 49 states.

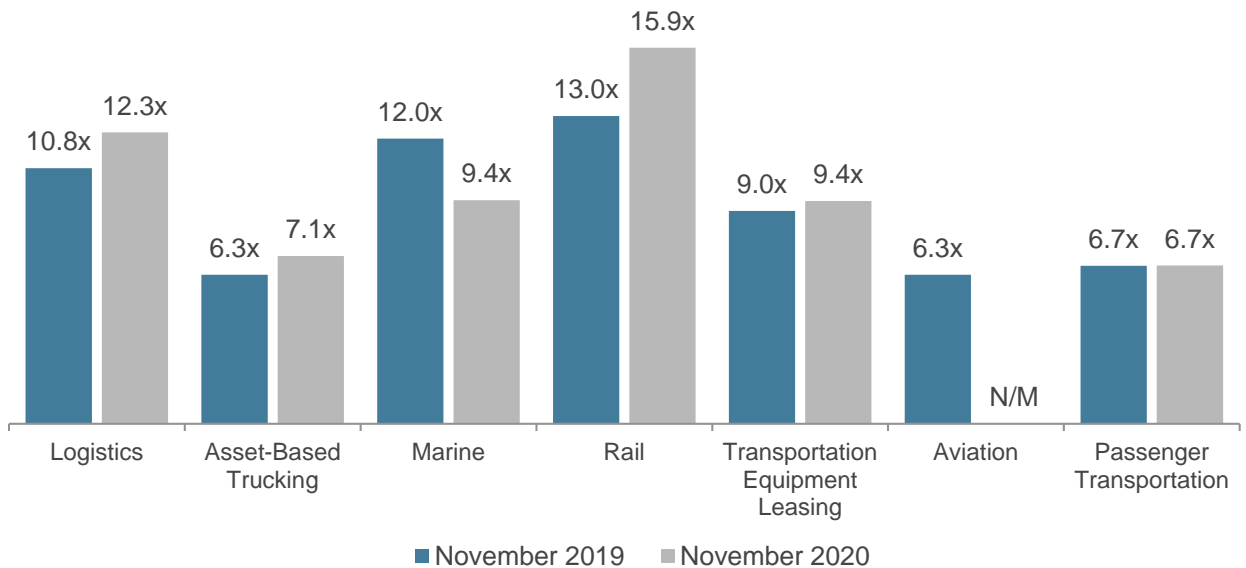
Recent M&A Transactions

Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Nov-20	The Kenan Advantage Group, Inc. (OMERS)	Fort Transfer	Provides freight transportation services in the United States and Canada.	Asset-Based Trucking	N/A
Nov-20	Select Express & Logistics (LongueVue Capital)	Go Configure (Step2 Discovery)	A New York City-based provider of delivery and assembly of heavy goods firm.	Logistics	N/A
Nov-20	Welsh, Carson, Anderson & Stowe	TrueCommerce, Inc. (Accel-KKR)	Develops and provides on-premise and online electronic data interchange solutions for small- and mid-tier companies.	Logistics	N/A
Nov-20	Ironwood Capital; Expedition Capital Partners LLC; Tecum Capital Management, Inc.	COX Transportation Services, Inc.	Provides motor carriers hauling and truck brokerage services in the United States and Canada.	Logistics	N/A
Nov-20	Taylor Services (Saybrook Capital LLC)	Toll Global Logistics' U.S. Warehousing and trucking business (Japan Post Holdings Co., Ltd.)	Provides logistics services and solutions that encompass air, land, and sea services.	Logistics	N/A
Nov-20	AEA Investors LP; AEA Small Business Fund, LP	Montway, Inc.	Provides vehicle transport services to individual consumers and corporate shippers.	Logistics	N/A
Nov-20	Hudson Hill Capital	Inxpress Holdings Ltd.	Designs and develops a platform for providing transportation and logistics services.	Logistics	N/A
Nov-20	Jaguar Transport Holdings, LLC	The Western Railroad Builders/5 Shortline Railroads (The Western Group)	A railroad engineering, design, construction, and maintenance firm with industrial and railroad clients and five short-line railroads.	Rail	N/A
Nov-20	Americold Realty Trust	Hall's Warehouse Corp. (The Yucaipa Companies)	Provides third-party logistics services in the Northeastern United States, offering frozen, refrigerated, and dry transportation.	Logistics	\$480
Nov-20	Castik Capital Partners GmbH; EPIC II	Customs Support Group B.V. (Mentha Capital B.V.)	Offers customs solutions in handling customs formalities in the Netherlands and internationally.	Logistics	N/A
Nov-20	Jardine Transport Ltd. (SeaFort Capital)	Quality Transportation Services NB Ltd.	Provides freight transportation services in Canada and the United States.	Asset-Based Trucking	N/A
Nov-20	TA Services, Inc. (PS Logistics)	Certain Assets of Top Gun Freight, Inc.	Offers full and partial loads service, flatbeds/Vans, and warehousing services.	Logistics	N/A
Oct-20	DSV Panalpina A/S	Prime Cargo A/S	Provides customized freight, warehousing, and logistics solutions to small and large companies in Denmark and internationally.	Logistics	N/A
Oct-20	Hillebrand	Braid Logistics (U.K.) Ltd.	U.K.-based bulk liquids logistics firm.	Logistics	N/A
Oct-20	H.I.G. Capital, LLC	Capstone Logistics, LLC (The Jordan Co.)	Provides performance workgroup services for manufacturing operations and distribution centers in the United States.	Logistics	N/A
Oct-20	Geodis SA	PEKAES Sp. z o.o. (Innova Capital)	Provides warehouse logistics services, as well as domestic, international, sea and air freight forwarding services	Logistics	N/A
Oct-20	Americold Realty Trust	Agro Merchants Group and Companies (Oaktree Capital Management)	Offers cold storage warehousing and logistics services.	Logistics	\$1,743
Oct-20	Scan Global Logistics A/S (AEA Investors)	Postnord Air & Ocean (Postnord)	Provides logistics services.	Logistics	N/A
Oct-20	TFI International Inc.	Dry Bulk Business of Grammer Logistics (Grammer Logistics)	Provides transportation services for industrial, agricultural, and retail suppliers in the eastern United States.	Logistics	N/A
Oct-20	Alinda Capital Partners, USS	PECO Pallet, Inc. (Pritzker Private Capital)	Manufactures and rents pallets in the United States, Canada, and Mexico.	Logistics	N/D
Oct-20	The Kenan Advantage Group, Inc. (OMERS)	Paul's Hauling	Provides bulk transport services in Western Canada.	Asset-Based Trucking	N/A
Oct-20	Greenbriar Equity Group, LP	Uber Freight LLC	Develops an application that matches carriers with shippers.	Logistics	\$500
Sep-20	The Kenan Advantage Group, Inc. (OMERS)	Les Distributions Carl Beaulac Inc. (Carl Beaulac)	Specializes in the tank transportation of petroleum, hot, chemical, and aviation products.	Asset-Based Trucking	N/A
Sep-20	Forward Air Corp.	Assets of CLW Delivery, Inc.	Provides last-mile logistics and in-home installation services for national retailers and manufacturers.	Logistics	\$6
Sep-20	TFI International Inc.	DLS Worldwide Logistics Business (nka:TFORCE Worldwide, Inc.) (R.R. Donnelley & Sons)	Provides logistics services through 140 agent-stations.	Logistics	\$225

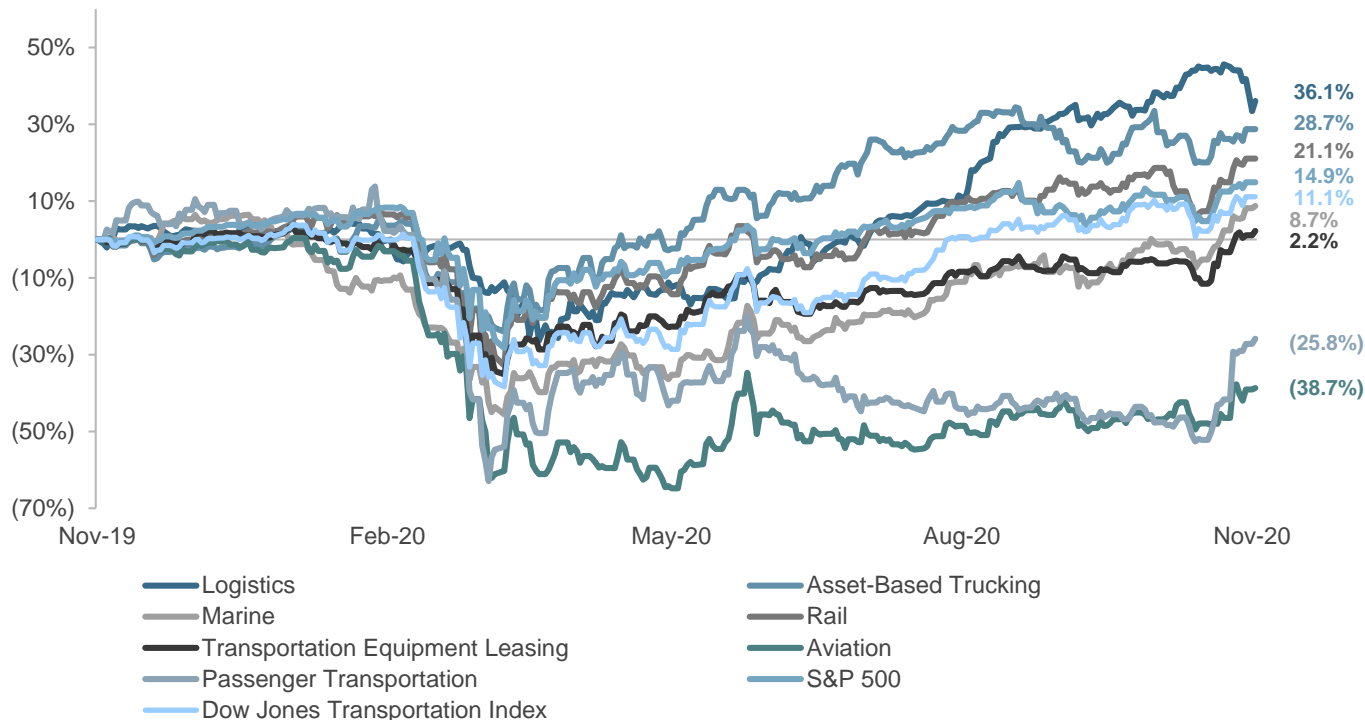
Sources: S&P Capital IQ, Mergermarket.

Public Markets Overview

Median TEV/LTM EBITDA



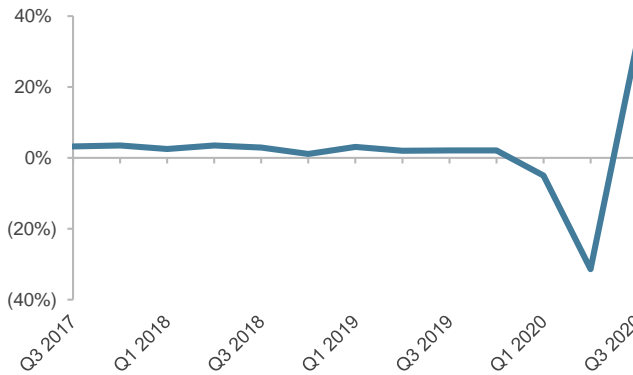
12-Month Indexed Stock Price Performance



Source: S&P Capital IQ.
Note: All data as of November 16, 2020.

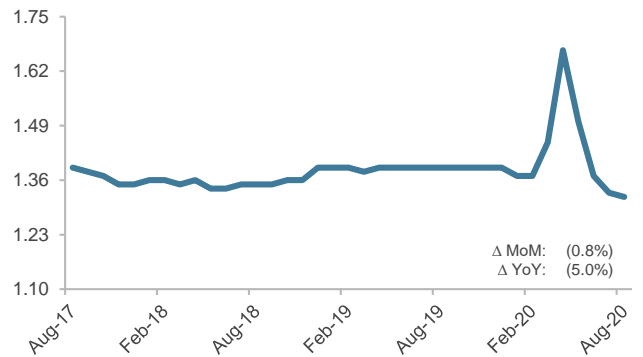
Macroeconomic Data

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



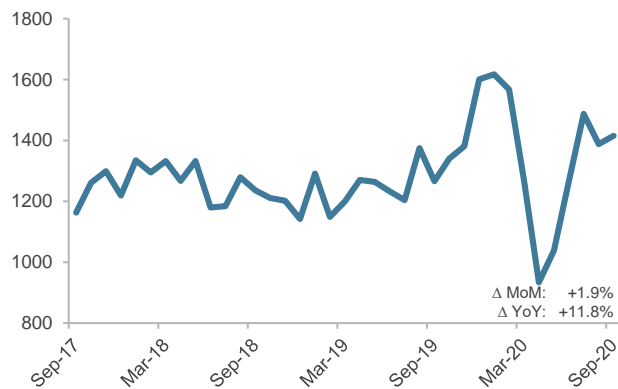
Source: Bureau of Economic Analysis.

Inventory / Sales Ratio⁽¹⁾



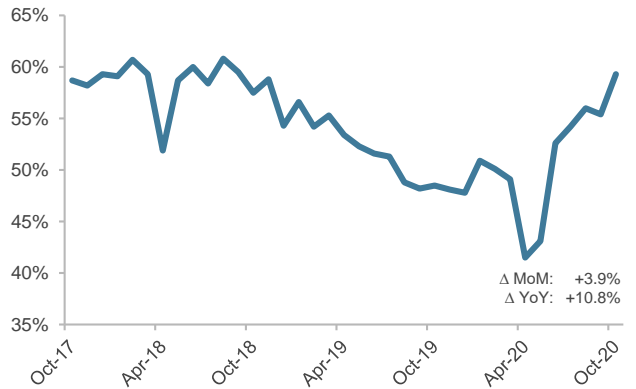
Source: U.S. Census Bureau.

Housing Starts (000s)⁽¹⁾⁽²⁾



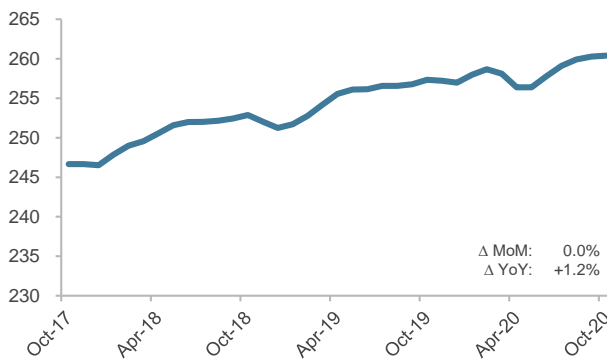
Source: United States Census Bureau.

ISM Manufacturing Index⁽¹⁾



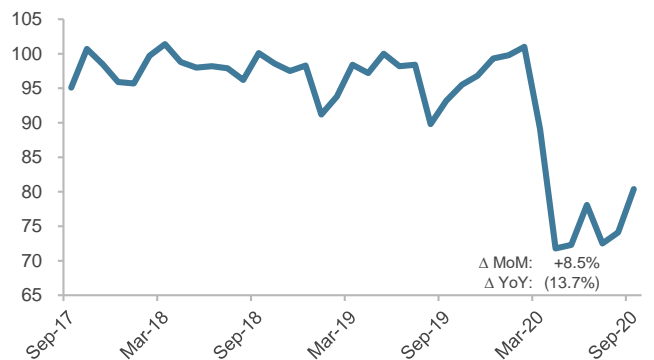
Source: Institute for Supply Management.

Consumer Price Index



Source: Bureau of Labor Statistics

Consumer Sentiment Index



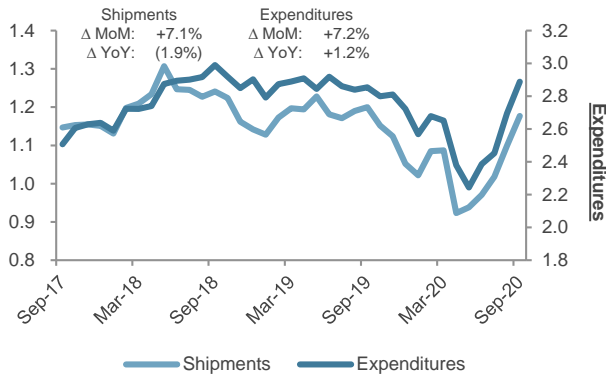
Source: University of Michigan

(1) Seasonally adjusted.

(2) Annualized.

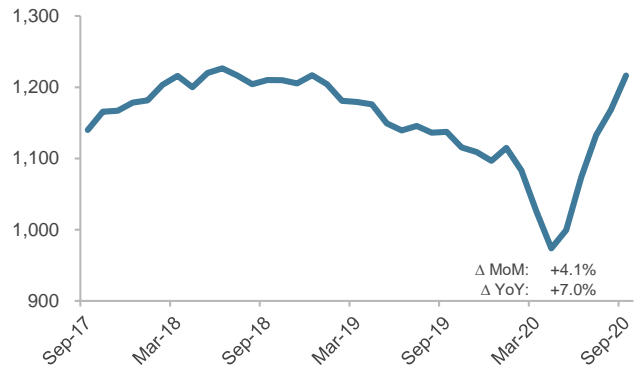
Relevant Transportation and Logistics Sector Data

Cass Freight Index



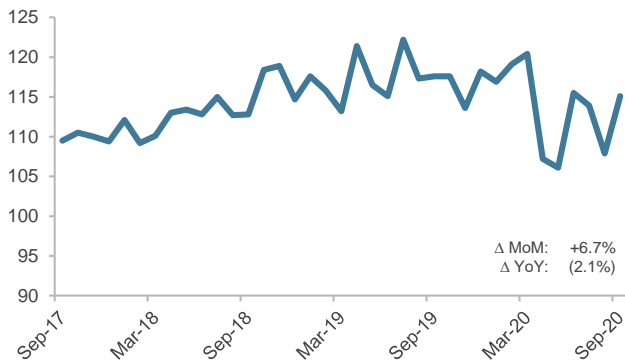
Source: Cass Information Systems, Inc.

Intermodal Volume (000s of Containers)⁽¹⁾



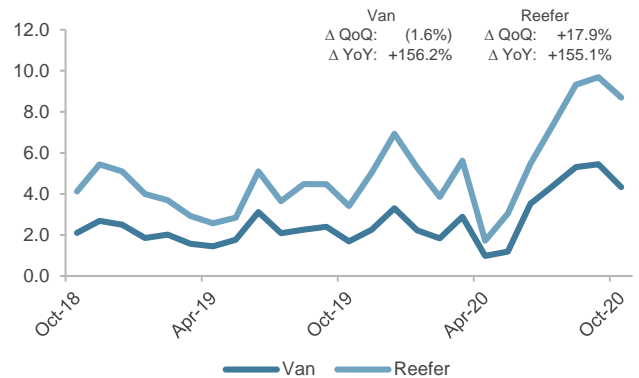
Source: Association of American Railroads.

ATA Tonnage Index⁽¹⁾



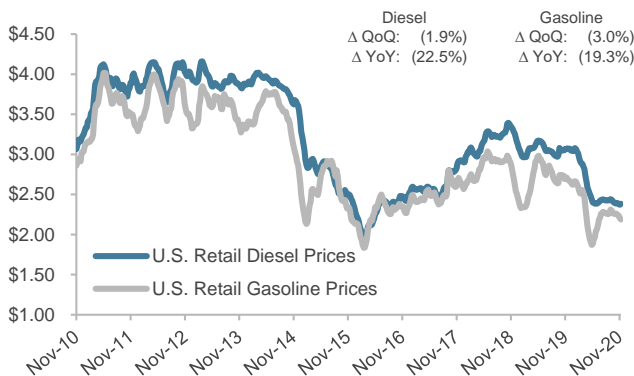
Source: American Trucking Association.

DAT Load-to-Truck Ratio



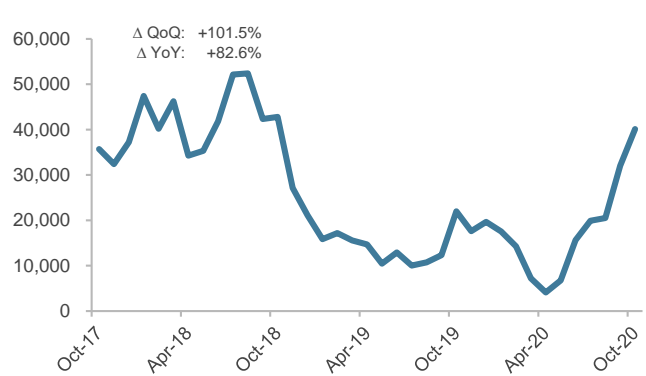
Source: DAT Freight & Analytics.

Diesel and Gasoline Prices (\$/gal)



Source: U.S. Energy Information Administration.

Class 8 Tractor Orders⁽²⁾



Source: FTR Transportation Intelligence.

(1) Seasonally adjusted.

(2) 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 11/16/20

of 11/16/20

		% of 52-		Total	LTM						TEV/		
Company Name	Stock Price	Week High	Equity Value	Enterprise Value	Revenue	Gross Margin	EBITDA	EBITDA Margin	FCF Conversion ⁽¹⁾	Net Debt	Debt/ EBITDA	LTM EBITDA	NFY EBITDA
Asset-Light/Third-Party Logistics													
Agility Public Warehousing Company K.S.C.P.	\$2.11	86.3%	\$4,035.7	\$5,473.5	\$5,115.1	30.9%	\$452.0	8.8%	49.8%	\$1,278.8	3.8x	12.1x	9.7x
C.H. Robinson Worldwide, Inc.	92.83	87.0%	12,503.0	13,520.3	15,451.0	7.2%	688.6	4.5%	96.1%	900.5	1.7x	19.6x	18.0x
CJ Logistics Corp.	143.73	82.4%	2,609.2	6,020.9	8,848.1	9.5%	717.9	8.1%	57.4%	2,607.4	4.3x	8.4x	9.7x
DSV Panalpina A/S	160.27	86.3%	36,700.3	40,169.3	18,036.3	24.8%	1,541.8	8.5%	88.4%	2,644.1	2.0x	26.1x	18.5x
Echo Global Logistics, Inc.	29.12	93.2%	767.1	864.2	2,288.9	16.1%	39.6	1.7%	49.0%	96.4	3.6x	21.8x	11.7x
Expeditors International of Washington, Inc.	89.66	94.0%	15,096.8	13,933.6	8,992.2	12.4%	894.1	9.9%	94.8%	(1,465.5)	N/M	15.6x	14.6x
Forward Air Corp.	73.47	100.0%	1,985.5	2,067.7	1,434.1	21.2%	128.7	9.0%	83.4%	75.2	0.9x	16.1x	17.5x
Hub Group, Inc.	55.06	91.1%	1,835.9	1,889.1	3,443.6	12.9%	230.7	6.7%	59.0%	53.2	1.0x	8.2x	8.2x
Kerry Logistics Network Ltd.	2.26	98.0%	4,056.0	5,339.8	5,575.6	12.9%	493.6	8.9%	71.1%	791.8	3.3x	10.8x	8.3x
Kintetsu World Express, Inc.	21.42	90.4%	1,540.2	2,065.4	5,088.1	17.9%	426.7	8.4%	92.8%	423.7	3.3x	4.8x	6.4x
Kuehne + Nagel International AG	209.22	94.7%	25,201.3	26,159.3	21,906.4	37.4%	1,391.0	6.3%	84.0%	947.3	1.5x	18.8x	13.0x
Landstar System, Inc.	129.54	92.5%	4,939.6	4,818.3	3,835.5	20.8%	281.2	7.3%	89.5%	(122.9)	0.5x	17.1x	16.0x
Radiant Logistics, Inc.	5.79	97.5%	279.8	295.0	830.5	17.4%	36.4	4.4%	84.8%	10.4	0.9x	8.1x	8.0x
Universal Logistics Holdings, Inc.	22.27	93.0%	595.2	1,046.4	1,381.1	17.0%	146.7	10.6%	37.4%	451.2	3.2x	7.1x	6.9x
Wincanton plc	3.11	74.0%	383.6	460.3	1,535.0	5.8%	81.0	5.3%	93.6%	69.3	1.9x	5.7x	4.0x
XPO Logistics, Inc.	106.70	100.0%	9,564.8	14,499.0	15,723.0	15.7%	1,276.0	8.1%	55.7%	4,704.0	5.3x	11.4x	10.7x
Parcel Delivery													
Deutsche Post AG	\$45.87	89.2%	\$56,839.0	\$73,860.0	\$76,201.3	16.0%	\$5,906.5	7.8%	48.4%	\$16,614.6	3.8x	12.5x	7.5x
FedEx Corp.	277.50	94.6%	71,401.4	89,417.3	71,490.0	24.7%	7,038.0	9.8%	16.5%	16,337.0	3.3x	12.7x	9.8x
PostNL N.V.	3.24	86.4%	1,575.2	2,016.3	3,572.7	14.0%	284.7	8.0%	86.5%	431.0	3.8x	7.1x	4.7x
Royal Mail plc	3.58	96.0%	3,613.4	5,132.1	13,455.1	36.0%	655.9	4.9%	49.8%	1,431.2	5.3x	7.8x	7.0x
United Parcel Service, Inc.	163.98	92.1%	141,476.0	158,061.3	80,300.0	18.6%	8,655.0	10.8%	39.2%	16,477.0	3.0x	18.3x	14.7x
ZTO Express (Cayman) Inc.	33.07	84.8%	27,994.0	26,296.2	3,175.2	27.6%	955.1	30.1%	15.5%	(1,713.9)	0.3x	27.5x	24.8x
Median					\$5,345.4	17.2%	\$574.7	8.1%	65.0%	\$621.5	3.2x	12.3x	9.8x
Mean					\$16,712.7	19.0%	\$1,469.1	8.5%	65.6%	\$2,865.5	2.7x	13.5x	11.4x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 11/16/20

As of 11/16/20													
Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/	
					Revenue	Operating Ratio	EBITDA	Margin	FCF Conversion ⁽¹⁾			EBITDA	NFY EBITDA
<i>Less-Than-Truckload</i>													
ArcBest Corp.	\$38.31	100.0%	\$942.6	\$885.5	\$2,841.2	97.4%	\$191.1	6.7%	78.4%	(\$57.1)	1.5x	4.6x	3.9x
Old Dominion Freight Line, Inc.	205.70	96.3%	23,789.0	23,308.2	3,950.9	78.7%	1,101.5	27.9%	75.0%	(480.8)	0.1x	21.2x	20.1x
Saia, Inc.	168.35	95.6%	4,322.5	4,452.0	1,788.9	91.4%	286.9	16.0%	13.6%	95.5	0.4x	15.5x	14.3x
YRC Worldwide Inc.	4.56	80.6%	225.9	898.8	4,508.7	100.0%	140.3	3.1%	47.9%	672.9	7.9x	6.4x	4.8x
<i>Specialty Trucking</i>													
Marten Transport, Ltd.	\$18.21	90.5%	\$1,467.6	\$1,389.3	\$864.2	91.3%	\$177.2	20.5%	(14.0%)	(\$88.3)	N/M	7.8x	7.1x
Mullen Group Ltd.	7.21	91.9%	688.5	1,081.5	886.6	91.1%	152.7	17.2%	69.9%	388.3	3.1x	7.1x	6.5x
TFI International Inc.	51.58	100.0%	4,689.1	5,809.0	3,677.2	90.0%	584.2	15.9%	70.0%	1,028.3	2.2x	9.9x	8.4x
<i>Truckload</i>													
Covenant Logistics Group, Inc.	\$17.09	82.6%	\$277.6	\$387.4	\$853.0	98.7%	\$82.0	9.6%	11.6%	\$109.8	1.5x	4.7x	4.2x
Daseke, Inc.	6.77	90.3%	412.9	971.8	1,521.5	96.5%	157.6	10.4%	85.7%	490.7	4.3x	6.2x	5.7x
Heartland Express, Inc.	19.10	84.0%	1,530.3	1,448.4	656.7	89.1%	183.4	27.9%	(12.9%)	(81.9)	N/M	7.9x	7.1x
J.B. Hunt Transport Services, Inc.	131.65	91.2%	13,648.4	14,633.2	9,349.2	92.3%	1,238.2	13.2%	44.2%	984.8	1.1x	11.8x	11.9x
Knight-Swift Transportation Holdings Inc.	41.45	87.4%	6,947.8	7,600.7	4,592.7	89.4%	981.9	21.4%	41.5%	641.6	0.9x	7.7x	7.0x
P.A.M. Transportation Services, Inc.	48.00	72.3%	271.6	517.3	467.6	100.0%	55.9	12.0%	8.6%	245.8	4.9x	9.3x	6.4x
Schneider National, Inc.	22.00	78.2%	3,862.5	3,355.2	4,443.9	93.2%	587.4	13.2%	51.4%	(507.3)	0.5x	5.7x	5.8x
USA Truck, Inc.	10.46	81.4%	80.8	251.7	516.4	99.7%	41.0	7.9%	51.0%	170.9	4.2x	6.1x	5.0x
U.S. Xpress Enterprises, Inc.	7.92	69.8%	385.0	772.3	1,736.1	98.3%	115.4	6.6%	(33.0%)	385.9	3.4x	6.7x	5.1x
Werner Enterprises, Inc.	41.83	88.2%	2,833.0	2,967.5	2,373.7	91.3%	461.5	19.4%	26.3%	134.5	0.4x	6.4x	6.1x
Median					\$1,788.9	92.3%	\$183.4	13.2%	44.2%	\$170.9	1.5x	7.1x	6.4x
Mean					\$2,648.7	93.4%	\$384.6	14.7%	36.2%	\$243.1	2.4x	8.5x	7.6x

Source: S&P Capital IQ.

(1) FCF Conversion defined as (EBITDA - CapEx)/EBITDA. For companies whose LTM CapEx is unavailable for the most recent quarter, FCF conversion is calculated using LTM figures as of the prior quarter.

Public Comparables

Marine and Rail

Marine

(\$ in millions, except per-share prices)
As of 11/16/20

As of 11/16/20													
		% of 52-Week High	Equity Value	Total Enterprise Value	LTM						Debt/	TEV/	
Company Name	Stock Price				Revenue	Gross Margin	EBITDA	EBITDA Margin	ROIC ⁽¹⁾	Net Debt	EBITDA	EBITDA	NFY EBITDA
Container													
A.P. Møller—Maersk A/S	\$1,814.66	99.1%	\$33,329.3	\$47,071.9	\$38,291.0	16.8%	\$5,050.0	13.2%	2.5%	\$12,023.0	3.4x	9.3x	6.0x
COSCO SHIPPING Development Co., Ltd.	0.15	84.3%	3,876.0	18,938.3	2,468.5	24.4%	814.8	33.0%	1.2%	15,069.0	20.2x	23.2x	N/M
Evergreen Marine Corporation (Taiwan) Ltd.	0.72	92.3%	3,460.7	8,604.0	6,572.7	14.4%	920.1	14.0%	4.3%	4,901.1	7.2x	9.4x	5.5x
Hapag-Lloyd AG	67.53	30.6%	12,055.5	18,151.1	14,663.8	20.2%	2,369.5	16.2%	5.1%	6,034.2	3.0x	7.7x	6.2x
Atlas Corp.	11.30	77.3%	2,708.1	6,809.1	1,346.4	69.1%	793.7	58.9%	3.9%	4,098.7	5.4x	8.6x	7.4x
Yang Ming Marine Transport Corp.	0.44	86.2%	1,140.5	3,745.3	4,875.5	7.5%	367.8	7.5%	1.5%	2,542.6	9.2x	10.2x	4.5x
Dry Bulk													
Diana Shipping Inc.	\$1.58	43.8%	\$131.6	\$484.2	\$189.8	45.8%	\$51.3	27.0%	0.5%	\$352.6	8.9x	9.4x	11.3x
Eagle Bulk Shipping Inc.	16.32	47.8%	176.3	591.3	271.4	25.3%	28.5	10.5%	(0.9%)	415.0	17.5x	20.7x	13.6x
Genco Shipping & Trading Ltd.	7.10	63.3%	292.2	620.7	368.8	27.3%	65.5	17.7%	0.1%	328.6	7.1x	9.5x	9.0x
Navios Maritime Holdings Inc.	1.83	35.8%	26.7	1,676.6	448.7	38.1%	113.7	25.3%	0.4%	1,537.8	14.0x	14.7x	N/M
Safe Bulkers, Inc.	1.04	57.1%	102.2	639.1	199.2	42.3%	62.1	31.2%	0.5%	519.3	9.8x	10.3x	9.9x
Offshore Vessel Operators													
Tidewater Inc.	\$8.47	41.7%	\$320.3	\$395.3	\$424.0	30.3%	(\$37.7)	(8.9%)	(5.3%)	\$63.5	N/M	N/M	7.9x
Jones Act													
American Shipping Company ASA	\$3.32	84.6%	\$198.2	\$735.9	\$88.1	100.2%	\$85.2	96.7%	4.4%	\$510.5	6.5x	8.6x	8.7x
Kirby Corp.	46.80	50.7%	2,706.6	4,168.4	2,337.6	29.9%	361.2	15.5%	1.7%	1,458.8	4.4x	11.5x	11.7x
Matson, Inc.	57.95	93.9%	2,466.3	3,267.5	2,223.9	17.4%	286.6	12.9%	4.8%	795.2	2.8x	11.4x	9.1x
SEACOR Holdings Inc.	33.41	70.0%	664.5	808.6	733.1	25.4%	82.1	11.2%	0.5%	143.2	3.0x	9.8x	8.6x
Tanker													
Ardmore Shipping Corp.	\$2.95	31.3%	\$94.2	\$442.3	\$239.0	36.4%	\$68.1	28.5%	3.1%	\$348.1	6.0x	6.5x	7.3x
Capital Product Partners LP	7.69	54.2%	140.3	490.8	133.5	68.8%	97.4	73.0%	3.9%	350.5	3.9x	5.0x	5.4x
Frontline Ltd.	6.61	49.6%	1,245.5	3,265.1	1,323.9	55.3%	680.9	51.4%	9.9%	2,019.3	3.3x	4.8x	4.6x
GasLog Ltd.	2.74	26.5%	247.4	4,820.4	663.7	74.6%	436.3	65.7%	3.2%	3,630.9	8.7x	11.0x	10.9x
Navigator Holdings Ltd.	7.43	53.1%	418.7	1,147.0	321.1	45.4%	110.0	34.3%	1.4%	726.8	7.2x	10.4x	9.0x
Scorpio Tankers Inc.	11.03	27.3%	570.1	3,421.4	999.3	65.7%	518.9	51.9%	4.2%	2,851.3	5.9x	6.6x	6.4x
Teekay Corp.	2.12	37.7%	200.2	5,686.2	2,023.7	46.7%	810.4	40.0%	5.1%	3,452.9	4.7x	7.0x	N/M
Tsakos Energy Navigation Ltd.	7.87	33.0%	140.6	1,443.3	676.1	52.3%	313.6	46.4%	3.8%	1,256.6	4.8x	4.6x	5.0x
Median					\$704.6	37.2%	\$300.1	27.7%	2.8%	\$1,357.7	6.0x	9.4x	7.9x
Mean					\$3,411.8	40.8%	\$602.1	32.2%	2.5%	\$2,726.2	7.3x	10.0x	8.0x

Rail

(\$ in millions, except per-share prices)
As of 11/16/20

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM				FCF Conversion ⁽²⁾	Net Debt	Debt/EBITDA	TEV/	
					Revenue	Operating Ratio	EBITDA	EBITDA Margin				LTM EBITDA	NFY EBITDA
Canadian National Railway Co.	\$108.73	96.0%	\$76,872.6	\$87,252.9	\$10,317.9	60.6%	\$5,245.6	50.8%	56.7%	\$10,133.2	2.0x	16.6x	16.7x
Canadian Pacific Railway Ltd.	331.46	99.6%	44,645.5	52,197.8	5,829.5	53.4%	3,252.1	55.8%	57.5%	7,207.6	2.3x	16.1x	16.8x
CSX Corp.	92.10	98.3%	69,288.6	83,050.5	10,643.0	59.9%	5,652.0	53.1%	70.4%	13,593.0	2.9x	14.7x	14.6x
Kansas City Southern	189.37	94.7%	17,510.0	21,027.8	2,668.7	61.0%	1,396.9	52.3%	64.3%	3,130.2	2.7x	15.1x	15.0x
Norfolk Southern Corp.	244.36	100.0%	60,768.5	72,808.1	9,906.0	65.2%	4,601.0	46.4%	65.7%	11,644.0	2.8x	15.8x	15.7x
Union Pacific Corp.	208.18	98.7%	137,091.9	162,690.1	19,604.0	59.2%	10,204.0	52.1%	68.1%	25,399.0	2.7x	15.9x	16.0x
Median					\$10,111.9	60.2%	\$4,923.3	52.2%	65.0%	\$10,888.6	2.7x	15.9x	15.9x
Mean					\$9,828.2	59.9%	\$5,058.6	51.8%	63.8%	\$11,851.2	2.6x	15.7x	15.8x

Source: S&P Capital IQ.

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

(2) FCF Conversion defined as (EBITDA - CapEx)/EBITDA. For companies whose LTM CapEx is unavailable for the most recent quarter, FCF conversion is calculated using LTM figures as of the prior quarter.

Public Comparables

Leasing, Aviation, and Passenger Transportation

Transportation Equipment Leasing

(\$ in millions, except per-share prices)
As of 11/16/20

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	\$407.32	100.0%	\$7,879.8	\$11,220.6	\$4,061.6	31.5%	\$1,281.2	31.5%	3.1%	\$3,492.8	3.7x	8.8x	12.1x
Brambles Ltd.	7.87	80.9%	11,680.6	13,478.3	4,863.4	35.2%	1,432.6	29.5%	10.7%	1,711.8	1.8x	9.4x	8.4x
CAI International, Inc.	30.36	95.8%	523.8	2,800.1	400.7	42.4%	125.2	31.2%	2.5%	2,167.7	17.7x	22.4x	10.1x
GATX Corp.	81.02	94.5%	2,758.0	7,518.0	1,396.5	61.9%	654.6	46.9%	2.3%	4,729.8	7.9x	11.5x	10.1x
Ryder System, Inc.	56.75	98.9%	3,007.0	9,759.3	8,483.7	18.7%	2,232.7	26.3%	2.5%	6,752.3	3.3x	4.4x	4.2x
Textainer Group Holdings Ltd.	16.77	96.8%	843.7	4,476.2	663.5	75.3%	460.4	69.4%	2.3%	3,600.6	8.2x	9.7x	9.8x
Triton International Ltd.	41.28	99.4%	2,758.7	9,724.5	1,336.1	92.3%	1,176.5	88.1%	4.0%	6,410.8	5.6x	8.3x	8.3x
Median					\$1,396.5	42.4%	\$1,176.5	31.5%	2.5%	\$3,600.6	5.6x	9.4x	9.8x
Mean					\$3,029.3	51.1%	\$1,051.9	46.1%	3.9%	\$4,123.7	6.9x	10.6x	9.0x

Aviation

(\$ in millions, except per-share prices)
As of 11/16/20

As of 11/16/20													
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	\$15.42	38.3%	\$4,376.1	\$8,520.0	\$7,081.5	9.8%	(\$1,121.3)	(15.8%)	(10.1%)	\$4,043.2	N/M	N/M	N/M
Alaska Air Group, Inc.	46.82	66.4%	5,522.8	5,597.8	4,986.0	2.8%	(592.0)	(11.9%)	(6.7%)	63.0	N/M	N/M	N/M
Allegiant Travel Co.	161.85	88.3%	2,490.2	3,332.2	1,204.6	21.8%	90.0	7.5%	(0.9%)	840.0	17.2x	37.0x	N/M
American Airlines Group Inc.	12.74	41.4%	6,696.9	31,198.9	24,622.0	(6.3%)	(5,662.0)	(23.0%)	(9.8%)	24,502.0	N/M	N/M	N/M
Delta Air Lines, Inc.	37.69	60.3%	23,157.3	40,400.3	24,561.0	(0.1%)	(51.0)	(0.2%)	(2.8%)	17,243.0	N/M	N/M	N/M
Hawaiian Holdings, Inc.	18.92	60.4%	854.3	1,173.7	1,403.3	10.5%	(62.6)	(4.5%)	(4.0%)	319.5	N/M	N/M	N/M
JetBlue Airways Corp.	14.77	68.2%	3,858.4	5,696.5	4,326.0	6.7%	(752.0)	(17.4%)	(7.5%)	1,820.0	N/M	N/M	N/M
SkyWest, Inc.	36.81	55.3%	1,785.0	4,036.5	2,281.1	26.6%	379.6	16.6%	(0.8%)	2,246.0	8.1x	10.6x	6.3x
Southwest Airlines Co.	45.02	76.5%	25,901.2	22,523.6	12,765.0	15.8%	(384.0)	(3.0%)	(4.5%)	(3,668.0)	N/M	N/M	N/M
Spirit Airlines, Inc.	20.24	42.6%	1,927.2	3,377.0	2,281.3	6.9%	(323.8)	(14.2%)	(5.2%)	1,394.3	N/M	N/M	N/M
United Airlines Holdings, Inc.	40.84	43.6%	11,345.7	25,927.2	22,831.0	8.4%	(3,292.0)	(14.4%)	(8.3%)	14,550.0	N/M	N/M	N/M
<i>Airport Services</i>													
Air Transport Services Group, Inc.	\$29.91	96.8%	\$1,690.6	\$3,110.1	\$1,574.6	41.1%	\$497.4	31.6%	5.6%	\$1,419.5	3.0x	6.3x	6.3x
Signature Aviation plc	3.36	64.5%	2,778.4	5,165.3	1,822.8	18.9%	298.3	16.4%	2.6%	2,238.4	8.1x	17.3x	14.6x
Fraport AG	56.34	60.0%	5,205.4	11,843.1	2,594.1	5.4%	(72.2)	(2.8%)	(2.6%)	6,401.4	N/M	N/M	N/M
SATS Ltd.	2.96	77.2%	3,319.2	3,500.0	1,040.0	31.2%	127.2	12.2%	2.1%	56.6	5.2x	27.5x	38.5x
<i>Helicopter Operators</i>													
Bristow Group Inc.	\$22.96	90.4%	\$667.6	\$1,011.6	\$1,126.6	20.8%	\$101.5	9.0%	0.2%	\$343.0	6.3x	10.0x	5.3x
Median					\$2,437.7	10.1%	(\$67.4)	(2.9%)	(3.4%)	\$1,619.8	7.2x	14.0x	6.3x
Mean					\$7,281.3	13.8%	(\$676.2)	(0.9%)	(3.3%)	\$4,613.2	8.0x	18.1x	14.2x

Passenger Transportation

(\$ in millions, except per-share prices)
As of 11/16/20

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.	\$1.17	64.5%	\$2,539.5	\$2,999.2	\$2,514.5	92.6%	\$463.4	18.4%	4.5%	\$156.0	1.3x	6.5x	7.6x
FirstGroup plc	0.81	45.9%	936.7	5,305.4	9,654.5	98.7%	623.2	6.5%	1.4%	4,143.3	8.4x	8.5x	4.1x
Lyft, Inc.	39.62	72.7%	11,919.8	10,259.5	2,811.9	161.6%	(1,587.1)	N/M	(43.9%)	(1,756.1)	N/M	N/M	N/M
National Express Group plc	3.19	49.9%	1,835.1	3,709.3	3,022.9	98.0%	311.9	10.3%	1.0%	1,690.2	7.7x	11.9x	15.1x
Stagecoach Group plc	0.80	36.5%	425.2	918.3	1,777.1	97.6%	180.6	10.2%	1.9%	469.3	5.0x	5.1x	5.3x
The Go-Ahead Group plc	11.72	38.6%	473.8	1,166.2	4,805.4	98.7%	174.4	3.6%	2.5%	602.5	7.5x	6.7x	1.6x
Uber Technologies, Inc.	49.52	99.8%	83,973.0	87,247.0	12,982.0	135.3%	(4,111.0)	(31.7%)	(14.6%)	1,085.0	N/M	N/M	N/M
Median					\$3,022.9	98.7%	\$180.6	8.3%	1.4%	\$602.5	7.5x	6.7x	5.3x
Mean					\$5,366.9	111.8%	(\$563.5)	2.9%	(6.7%)	\$912.9	6.0x	7.7x	6.8x

Source: S&P Capital IQ.

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

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