



HOULIHAN LOKEY

TRANSPORTATION AND LOGISTICS

INDUSTRY UPDATE | SUMMER 2020



Houlihan Lokey Transportation and Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation and Logistics Summer 2020 Industry Update. As the global economy and public markets continue to recover from the initial market shock caused by COVID-19, the outlook and deal activity for the transportation and logistics industry has begun to thaw. Deals are proceeding for companies with strong stories and/or COVID-19 performance, but uncertainty and the likelihood of a market correction are likely to persist as infections continue to rise in many U.S. states.

We have included in this newsletter 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 this quarterly update serves as a valuable resource to you in staying abreast of the market, and 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's 2020 Virtual Business Services Conference



WE'LL BE THERE!

2020 Virtual Business Services Conference

Virtual Presentations: September 29, 2020

Virtual One-on-One Meetings: September 30 and October 1, 2020

Conference Overview

Houlihan Lokey is pleased to host its 2020 Virtual Business Services Conference on Tuesday, September 29, 2020. This conference is an excellent opportunity to develop relationships and gain insights into the market dynamics and strategies within a wide variety of sectors.

Conference Format

Executives from high-performing services companies will showcase their businesses to an audience of prospective strategic, financial, and institutional investors and other capital providers. Conference activities include:

Detailed Company Presentations

One-on-One Discussions (upon request, if available, on September 30 and October 1)

Conference Attendees

- Senior executives from leading companies
- Private equity and hedge fund investors with relevant industry experience and knowledge
- Mezzanine and senior debt providers

Participation Benefits

- Network with prospective financial, institutional, and strategic investors and other capital providers
- Interact and develop new relationships with industry experts and thought leaders
- Discuss strategies for creating value for stakeholders
- Get a time-efficient pulse check on the state of the market and other current issues

Email BUSConference@HL.com to reserve your place at the conference.



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

has merged with

Buyside Advisor

a subsidiary of:

has completed the sale of certain assets to

Sellside Advisor

Series A
Senior Secured Notes

Growth Capital

\$50,000,000

Exclusive Financial Advisor & Placement Agent

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

Creditor Advisor

has acquired

Buyside Advisor

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

has confirmed a Chapter 11 Plan of Reorganization

Company Advisor

has merged with

each a portfolio company of

Fairness Opinion

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

a portfolio company of

has acquired

Buyside Advisor

a joint venture of

has been acquired by

First Aviation Services Inc.

Sellside Advisor

has divested its subsidiary

Sellside Advisor

Significant News Stories

TECH-ENABLED SERVICES

Uber to Buy Postmates for \$2.65 Billion in Stock

(The Wall Street Journal, July 6, 2020)

“Uber Technologies Inc. said its \$2.65 billion deal for rival Postmates Inc. will help it better compete in restaurant delivery and the market for delivering groceries and other staples, a signal of the ride-hailing company’s ambitions to provide a wider range of items to consumer doorsteps. San Francisco–based Uber said it was attracted to Postmates both for its large delivery presence in several U.S. cities and partnerships with companies including Walgreens Boots Alliance Inc. and Seven & i Holdings Co.’s 7-Eleven. But Uber executives said the deal also presents an opportunity to bring more customers to its ride-share business, which has been rocked as the coronavirus pandemic has hurt demand across its markets for months.” ([Link](#))

HELICOPTER OPERATORS AND OTHER AVIATION

Bristow Completes Merger with Era

(Vertical Magazine, June 12, 2020)

“Bristow Group Inc. and Era Group Inc. announced recently that they have completed their combination, creating a financially stronger company with enhanced size and diversification. The newly combined company will use the Bristow Group name and will remain a publicly traded company on the New York Stock Exchange. The merger strengthens Bristow’s global leadership position, with significant operations throughout the Americas, Nigeria, Norway, the United Kingdom, and Australia for offshore aviation transportation and search-and-rescue solutions. The combined company offers a broader range of efficient solutions through enhanced fleet size and diversity, investments in new technology, and safety features to meet the evolving needs of new and existing oil and gas customers and governmental agencies.” ([Link](#))

Airfreight Pulse: More Capacity Eases Pressure on Rates

(Freight Waves, July 12, 2020)

“Airfreight rates continued to fall in July as virus-related shipments gave way to a more normal mix of commodities and beefed-up passenger schedules presented greater transport opportunities for shippers. But there are signs the trend may not last. The ebb and flow of coronavirus containment and spread in different regions of the world presents a cautionary note against expectations [that] the airline industry recovery will continue in a straight line without interruption and that cargo capacity won’t be sidelined in the process. Airlines are quickly adding passenger routes back into their networks after shuttering most operations for more than two months because of the novel coronavirus. That is partially alleviating a large transport-supply shortage that makes it difficult for businesses to easily and affordably move goods since passenger planes constitute more than 50% of global cargo capacity.” ([Link](#))

AUTOS

Rivian Raises \$2.5 Billion as Investors Chase Electric-Car Buzz

(The Wall Street Journal, July 10, 2020)

“Rivian Automotive LLC, an electric pickup-truck startup backed in part by Ford Motor Co. and Amazon.com Inc., said Friday it had secured another \$2.5 billion in funding from private investors, providing it with extra cash to help navigate growing economic uncertainty and release new vehicles next year. Asset-management firm T. Rowe Price Group, Inc., led the investment round, which in addition to raising more money from existing investors also attracted new backers, including the Soros Fund Management LLC and Fidelity Investments, Rivian said Friday in a press release. Amazon and BlackRock Inc. also added to their earlier investments, the company said. The new funding round illustrates that the auto industry’s push to electric vehicles is still generating interest from investors, even as the economic fallout of the COVID-19 pandemic has dented buyer demand for vehicles and forced many auto makers to draw down on their credit lines to shore up cash.” ([Link](#))

Significant News Stories

MARINE SERVICES AND TRANSPORTATION



Maersk Acquires KGH Customs Services for \$281M

(Supply Chain Dive, July 6, 2020)

“A.P. Moller–Maersk will acquire Sweden-based KGH Customs Services for 2.6 billion Swedish crowns (\$281 million), the company announced Monday. KGH specializes in trade and customs management services in Europe across multiple freight modes. The deal adds to Maersk's service offerings as the carrier looks to expand beyond ocean shipping and position itself as a full-service supply chain solutions provider. Maersk has been open about its ambitions to expand its business into other parts of the supply chain, positing its logistics sector growth as a main business objective.” ([Link](#))

Big Seafaring Nations Agree to Open Borders for Crew Changes

(The Wall Street Journal, July 10, 2020)

“Several nations have agreed to ease border restrictions to allow for the repatriation of hundreds of thousands of sailors who have been stranded for months as a result of coronavirus-related lockdowns. The countries, including the U.S. and 12 other nations, will recognize seafarers as essential personnel, making it easier for them to board flights and to move to and from ships. Some 150,000 sailors fly around the globe each month to connect with ships to replace colleagues that have been at sea for months. The widespread travel restrictions countries have imposed to rein in the spread of the coronavirus have made their travel nearly impossible, while their replacement crews are stuck on land without work.” ([Link](#))

ASSET-BASED TRUCKING



Congressional Panel Questions \$700 Million Loan to YRC Worldwide

(The Wall Street Journal, July 20, 2020)

“A bipartisan panel of legislators raised questions Monday about the Treasury Department's decision to designate trucking company YRC Worldwide Inc. as critical to national security and lend it \$700 million in coronavirus-relief funds. The loan, which sent YRC's shares soaring 75% after it was unveiled July 1, would give the government a 29.6% equity stake in the company. It was the first to be made from a \$17 billion pot of money created by the CARES Act for businesses critical to national security. YRC didn't meet the Treasury's standards for identifying such businesses, which usually must have either high-priority defense contracts or top-secret security clearance, according to a report by the Congressional Oversight Commission. Instead, the company qualified ‘under a catch-all provision created by the Treasury...based solely on a recommendation and certification from the Secretary of Defense or the Director of National Intelligence,’ the report said. The commission said it plans to investigate the decision ‘in part, because the risk of loss of U.S. taxpayer money on this loan appears high.’ The level of risk assumed by the government in lending to YRC ‘appears strikingly higher’ than that of other lending facilities created to combat the economic damage caused by the pandemic, the commission said.” ([Link](#))

Werner Expands Big and Bulky Final-Mile Service into Canada

(Transport Dive, July 9, 2020)

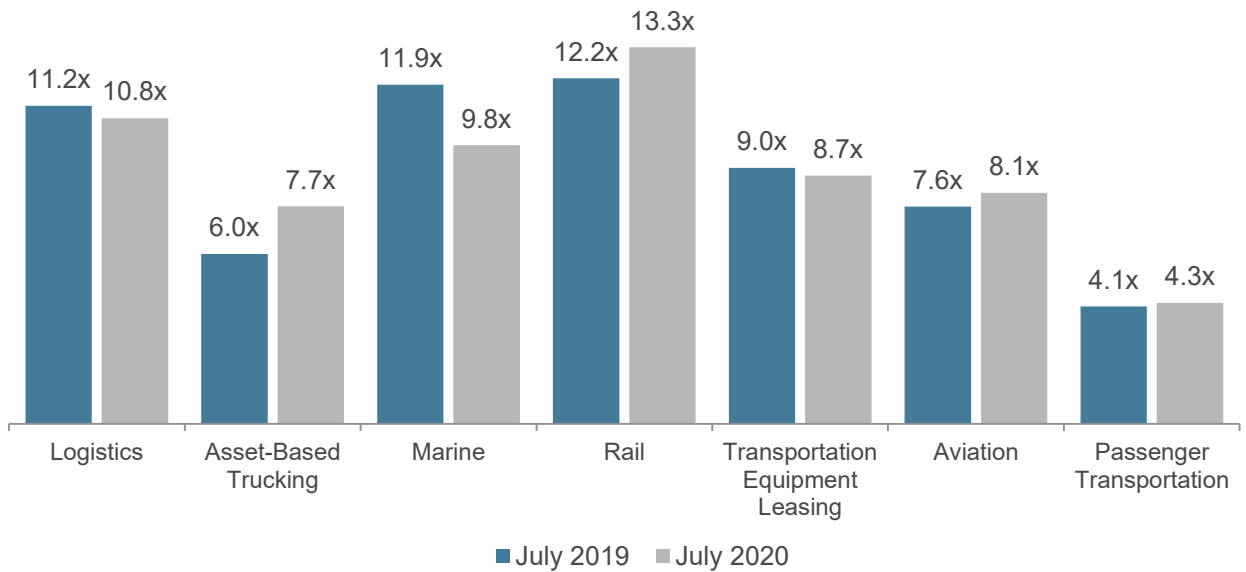
“Werner is expanding its final-mile service to Canada, the company said in a news release Tuesday. It will provide ‘delivery and related services’ to residential and business addresses in every province and territory. Werner's expansion comes as digital sales grow north of the border. Canadian e-commerce sales reached nearly \$43 billion in 2018, which made up 9% of total Canadian retail sales, according to a report by Deloitte, and they're expected to rise another 25% by 2023, reaching \$55.4 billion. Although big and bulky delivery is a growing segment of last-mile logistics, expanding the final-mile footprint isn't a winning strategy for everyone. Werner, J.B. Hunt, and others have invested; Schneider has divested.” ([Link](#))

Recent M&A Transactions

Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Jul-20	Lineage Logistics, LLC (Bay Grove Capital)	Ontario Refrigerated Services Inc.	Provides refrigerated warehousing services in Canada	Logistics	N/A
Jul-20	PS Logistics, LLC (One Equity Partners)	Substantially All Assets of Diamond State Trucking, Inc., RDA Tractor, LLC, and RDA Trailer, LLC	Provides trucking services in the United States	Logistics	N/A
Jul-20	Moira Capital	GOI Travel, S.L.	Provides parcel delivery services	Logistics	N/A
Jul-20	Visible Supply Chain Management, LLC (Cynosure Group)	TriCon	Provides logistics and fulfillment services	Logistics	N/A
Jul-20	A.P. Møller - Mærsk A/S	KGH Customs Services AB (Bridgepoint Development Capital)	Provides trade and customs management services	Logistics	\$282
Jul-20	Uber Technologies, Inc.	Postmates Inc.	Provides food and grocery delivery services	Logistics	\$2,784
Jun-20	Mark-it Express Logistics LLC	Operating Assets of Sava Transportation Inc.	Provides intermodal transportation, hauling, and logistics services	Logistics	N/A
Jun-20	Tosca Services, LLC (Apax Partners)	Contraload NV	Provides pooling, rental, and washing solutions for pallets and boxes	Logistics	N/A
Jun-20	Strategic Delivery Solutions, LLC (HCI Equity Partners)	Medical Delivery Services Inc.	Provides transportation services for radiopharmaceutical products	Logistics	N/A
Jun-20	Chapman Freeborn Holdings Ltd. (Avia Solutions Group)	Logistics Division of Arcus-Air GmbH & Co. KG	Provides air charter and aviation support services	Logistics	N/A
Jun-20	Ancala Partners	Hector Rail AB (EQT Partners)	Provides independent line haul services for the European rail transport market	Rail	N/A
Jun-20	TFI International Inc.	Gusgo Transport Ltd.	Provides marine transportation and distribution services in Canada and the United States	Marine	N/A
Jun-20	Stord, Inc.	Cove Logistics LLC	Provides materials transportation and support services	Logistics	\$10
Jun-20	OSM Worldwide	KGJS Fleet Management Operations	Provides fleet management operations	Marine	N/A
Jun-20	sennder GmbH	EVEROAD, SAS	Owns and operates a platform that connects carriers and shippers in real time	Marine	N/A
Jun-20	Transplace Inc. (TPG Capital)	ScanData Systems, Inc.	Provides a parcel transportation management software	Logistics	N/A
Jun-20	Brown Truck Leasing Corporation; Aim Leasing Company; Airoidi Brothers, Inc.	Assets of McCoy NationalLease	Provides trucking leasing services in Iowa, Wisconsin, Minnesota, and Illinois	Equipment Leasing	N/A
Jun-20	Transportation Infrastructure Partners LLC (Ridgewood Infrastructure, Savage Enterprises)	Carolina Marine Terminal, Inc.	Owns and operates a marine cargo terminal	Marine	N/A
May-20	Schneider + Cie AG (Invision)	Nova Traffic Ltd.	Provides logistics, airfreight, seafreight, and warehouse logistics services	Logistics	N/A
May-20	Lineage Logistics, LLC (Stonepeak Infrastructure Partners, D1 Capital Partners)	Henningsen Cold Storage Co.	Provides multi-temperature controlled storage and refrigerated logistics services in the United States and internationally	Logistics	N/A
May-20	Expeditors International of Washington, Inc.	Digital Platform of Fleet Logistics	Provides an online LTL shipping platform	Logistics	N/A
May-20	Nippon Express (Europe) GmbH	MD Logistics	Third-party logistics company specializing in supply chain solutions	Logistics	N/A
May-20	Lineage Logistics, LLC	QSR and Casual Dining Distribution Business of Maines Paper & Food Service, Inc.	Last mile food service distribution assets of Maines, which primarily supports Burger King, Tim Hortons, and Darden Restaurants	Logistics	N/A

Public Markets Overview

Median TEV/LTM EBITDA



12-Month Indexed Stock Price Performance

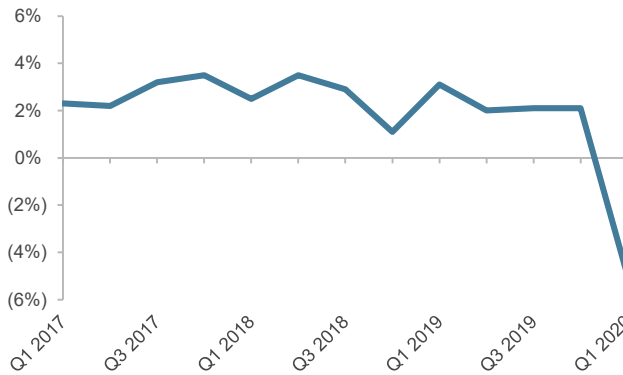


Note: All data as of July 24, 2020.

Source: S&P Capital IQ.

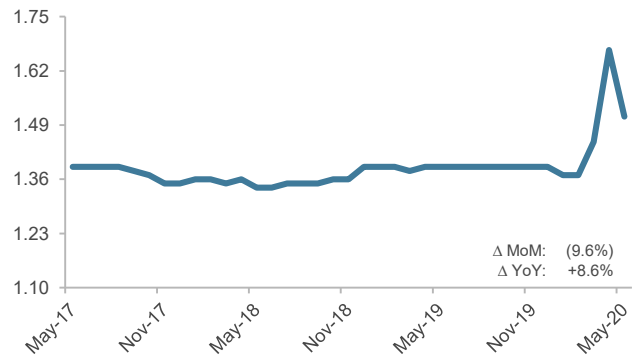
Macroeconomic Data

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



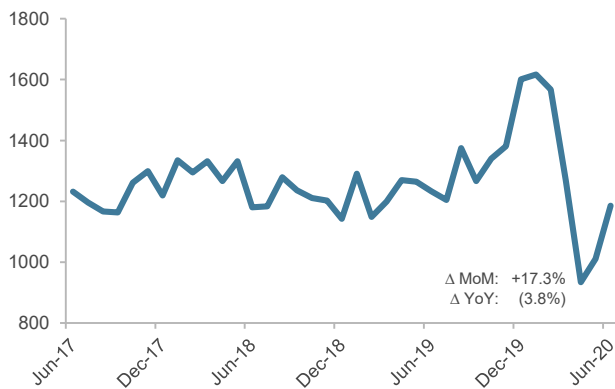
Source: Bureau of Economic Analysis.

Inventory / Sales Ratio⁽¹⁾



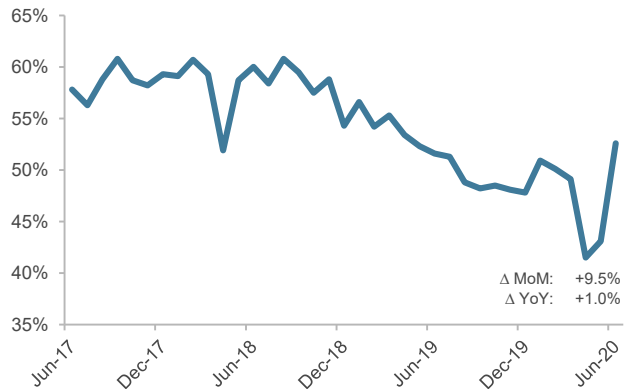
Source: U.S. Census Bureau.

Housing Starts (000s)⁽¹⁾⁽²⁾



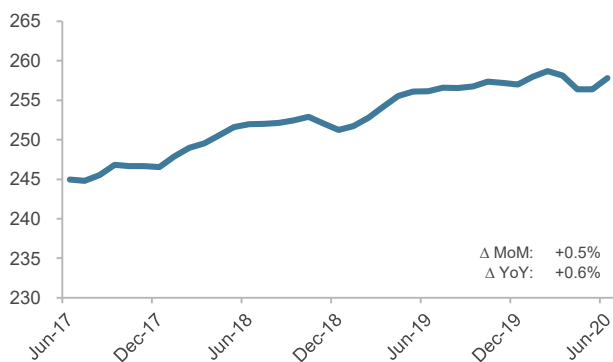
Source: United States Census Bureau.

ISM Manufacturing Index⁽¹⁾



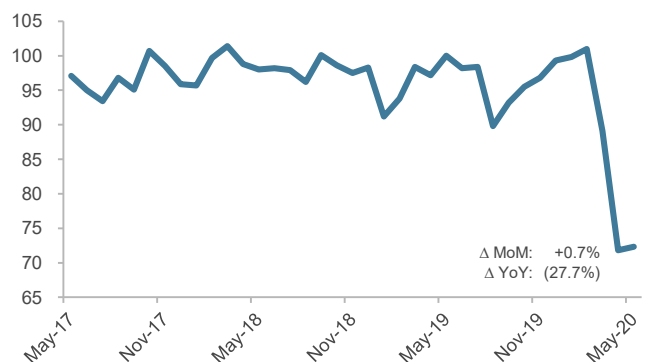
Source: Institute for Supply Management.

Consumer Price Index



Source: Bureau of Labor Statistics.

Consumer Sentiment Index

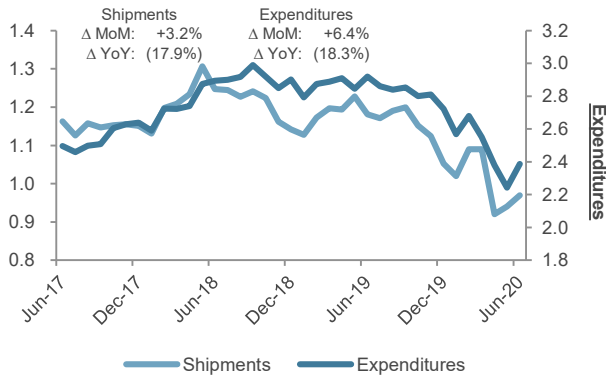


Source: University of Michigan.

(1) Seasonally adjusted.
(2) Annualized.

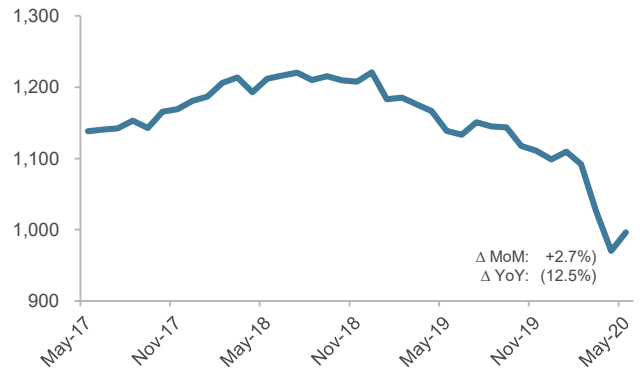
Relevant Transportation and Logistics Sector Data

Cass Freight Index



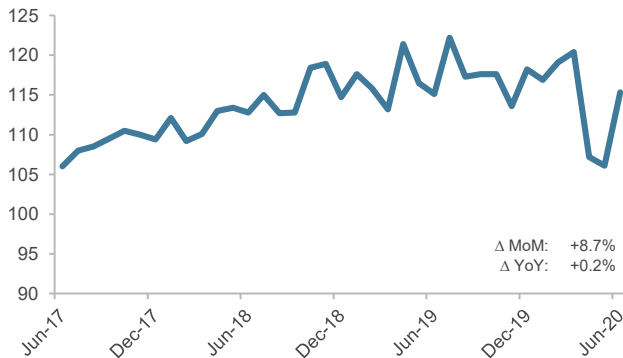
Source: Cass Information Systems, Inc.

Intermodal Volume (000s of Containers)⁽¹⁾



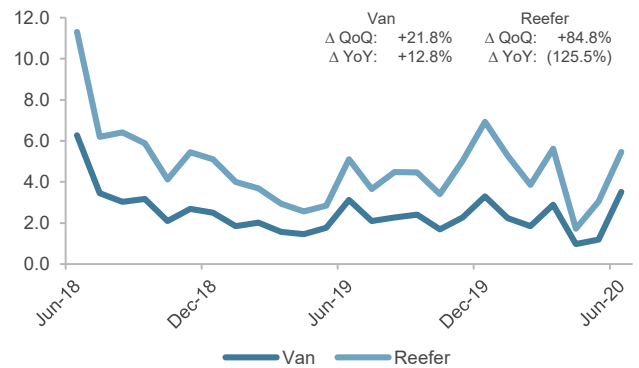
Source: Association of American Railroads.

ATA Tonnage Index⁽¹⁾



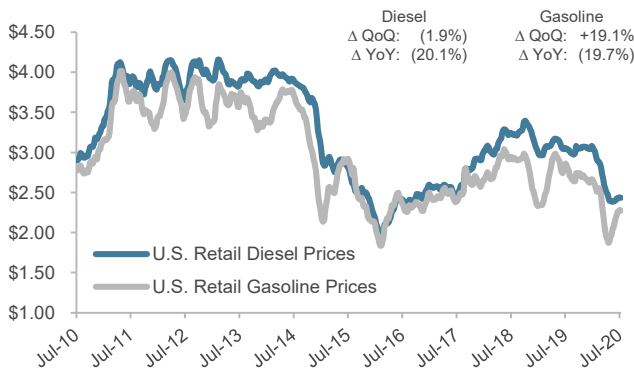
Source: American Trucking Association.

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 7/24/20

As of 7/24/20

		% 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	\$2.04	86.3%	\$3,903.6	\$5,043.3	\$5,207.4	32.2%	\$497.5	9.6%	5.1%	\$991.6	2.9x	10.1x	9.0x
C.H. Robinson Worldwide, Inc.	86.07	94.3%	11,585.9	13,061.5	15,363.3	7.7%	758.1	4.9%	20.4%	1,475.6	2.3x	17.2x	20.5x
CJ Logistics Corporation	126.77	90.2%	2,301.4	5,478.4	8,634.8	9.3%	653.5	7.6%	2.2%	2,591.5	4.6x	8.4x	9.5x
DSV Panalpina A/S	134.97	97.6%	31,213.7	34,547.0	15,044.7	24.8%	1,115.8	7.4%	6.4%	3,159.9	3.1x	31.0x	18.8x
Echo Global Logistics, Inc.	26.40	97.3%	702.6	811.0	2,158.9	16.9%	39.8	1.8%	2.6%	108.4	3.6x	20.4x	12.5x
Expeditors International of Washington, Inc.	80.19	98.2%	13,345.7	12,613.5	8,057.2	12.7%	788.4	9.8%	26.3%	(734.6)	0.5x	16.0x	17.2x
Forward Air Corporation	51.20	71.0%	1,432.3	1,665.3	1,431.4	22.4%	146.3	10.2%	9.6%	233.0	2.1x	11.4x	16.8x
Hub Group, Inc.	51.40	85.1%	1,757.4	1,898.1	3,574.0	13.9%	255.7	7.2%	7.6%	140.7	1.6x	7.4x	9.2x
Kerry Logistics Network Limited	1.47	81.0%	2,633.9	3,680.8	5,281.6	13.1%	451.5	8.5%	4.9%	520.6	3.4x	8.2x	6.7x
Kintetsu World Express, Inc.	17.80	92.7%	1,279.6	2,191.0	5,060.6	17.2%	376.0	7.4%	6.2%	799.2	4.2x	5.8x	5.8x
Kuehne + Nagel International AG	173.16	94.9%	20,743.2	21,706.1	21,436.9	37.5%	1,212.2	5.7%	9.4%	931.3	1.8x	17.9x	12.6x
Landstar System, Inc.	123.37	99.5%	4,734.9	4,587.0	3,762.2	20.9%	270.0	7.2%	19.1%	(147.8)	0.5x	17.0x	17.8x
Radiant Logistics, Inc.	4.20	70.7%	207.5	269.9	784.3	20.2%	32.7	4.2%	7.2%	62.2	2.4x	8.3x	9.1x
Universal Logistics Holdings, Inc.	17.42	63.4%	468.9	1,022.9	1,516.8	17.2%	164.9	10.9%	7.6%	554.0	3.4x	6.2x	7.0x
Wincanton plc	2.38	58.3%	294.8	479.6	1,495.5	6.5%	87.9	5.9%	15.6%	179.9	2.9x	5.5x	4.7x
XPO Logistics, Inc.	79.25	79.1%	7,221.8	14,458.8	16,392.0	16.2%	1,605.0	9.8%	6.4%	7,046.0	5.1x	9.0x	11.9x
<u>Parcel Delivery</u>													
Deutsche Post AG	\$40.40	96.8%	\$49,840.1	\$66,880.1	\$70,024.2	15.9%	\$4,847.3	6.9%	4.5%	\$15,776.9	3.9x	13.8x	7.6x
FedEx Corporation	165.04	93.6%	43,233.0	74,473.0	69,217.0	24.3%	6,345.0	9.2%	3.2%	31,240.0	5.7x	11.7x	10.0x
PostNL N.V.	2.38	94.9%	1,177.9	1,716.4	3,144.0	13.8%	230.8	7.3%	6.2%	505.5	4.5x	7.4x	4.7x
Royal Mail plc	2.29	69.3%	2,291.3	3,765.9	13,455.1	36.0%	655.9	4.9%	2.9%	1,431.2	5.3x	5.7x	8.4x
United Parcel Service, Inc.	118.35	94.4%	102,038.6	124,196.6	74,969.0	18.3%	7,712.0	10.3%	7.7%	22,144.0	4.1x	16.1x	15.0x
ZTO Express (Cayman) Inc.	34.88	89.5%	27,342.2	25,362.3	3,029.1	28.8%	912.9	30.1%	13.7%	(1,994.4)	0.2x	27.8x	22.4x
Median					\$5,244.5	17.2%	\$575.5	7.4%	6.8%	\$676.6	3.3x	10.8x	9.8x
Mean					\$15,865.5	19.4%	\$1,325.4	8.5%	8.9%	\$3,955.2	3.1x	12.8x	11.7x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 7/24/20

As of 7/24/20		% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Debt/		TEV/	
Company Name	Stock Price				Revenue	Operating Ratio	EBITDA	EBITDA Margin	ROIC ⁽¹⁾	Net Debt	EBITDA	LTM EBITDA	NFY EBITDA
<u>Less-Than-Truckload</u>													
ArcBest Corporation	\$30.58	94.2%	\$772.5	\$854.6	\$2,977.9	97.4%	\$190.0	6.4%	4.3%	\$82.1	3.2x	4.5x	5.5x
Old Dominion Freight Line, Inc.	182.24	95.9%	21,494.9	21,182.9	4,105.7	79.9%	1,079.5	26.3%	14.5%	(312.0)	0.0x	19.6x	21.1x
Saia, Inc.	126.34	95.3%	3,260.0	3,572.8	1,822.5	91.2%	285.8	15.7%	7.4%	312.8	1.3x	12.5x	12.4x
YRC Worldwide Inc.	2.47	51.6%	91.7	1,175.3	4,839.3	99.6%	168.2	3.5%	0.8%	1,083.6	7.1x	7.0x	11.1x
<u>Specialty Trucking</u>													
Marten Transport, Ltd.	\$26.37	87.3%	\$1,453.2	\$1,378.4	\$863.2	91.6%	\$174.2	20.2%	6.1%	(\$74.8)	0.0x	7.9x	7.4x
Mullen Group Ltd.	6.71	84.7%	668.1	1,053.1	893.7	92.2%	142.4	15.9%	4.3%	379.8	3.2x	7.4x	7.0x
TFI International Inc.	39.91	97.1%	3,507.9	4,896.3	3,660.5	91.2%	528.1	14.4%	10.5%	1,314.4	2.7x	9.3x	8.9x
<u>Truckload</u>													
Covenant Logistics Group, Inc.	\$16.81	90.3%	\$294.2	\$630.9	\$888.9	98.7%	\$90.2	10.1%	0.9%	\$336.7	4.2x	7.0x	8.2x
Daseke, Inc.	3.72	84.0%	240.4	1,000.0	1,695.0	99.5%	144.7	8.5%	0.5%	694.6	5.5x	6.9x	7.2x
Heartland Express, Inc.	20.37	89.5%	1,657.5	1,575.1	642.3	90.0%	173.4	27.0%	6.6%	(82.5)	N/M	9.1x	7.8x
J.B. Hunt Transport Services, Inc.	130.79	94.3%	13,799.3	14,831.6	9,240.4	92.1%	1,241.7	13.4%	9.2%	1,032.4	1.1x	11.9x	11.9x
Knight-Swift Transportation Holdings Inc.	45.11	95.3%	7,660.7	8,538.9	4,582.8	91.3%	882.3	19.3%	4.7%	876.0	1.1x	9.7x	8.7x
P.A.M. Transportation Services, Inc.	30.16	42.1%	173.2	411.1	474.6	100.4%	55.0	11.6%	(0.6%)	237.9	4.7x	7.5x	5.0x
Schneider National, Inc.	25.06	94.7%	4,441.0	4,127.8	4,672.0	92.6%	637.2	13.6%	7.4%	(313.2)	0.5x	6.5x	7.8x
USA Truck, Inc.	8.80	89.6%	73.0	269.2	515.4	100.6%	35.2	6.8%	(0.6%)	196.2	5.6x	7.7x	6.1x
U.S. Xpress Enterprises, Inc.	7.08	92.8%	349.9	1,072.4	1,724.6	99.5%	96.1	5.6%	0.5%	721.9	7.6x	11.2x	9.4x
Werner Enterprises, Inc.	44.15	94.0%	3,050.6	3,240.0	2,460.3	92.3%	448.0	18.2%	5.9%	189.4	0.6x	7.2x	7.3x
Median					\$1,822.5	92.3%	\$174.2	13.6%	4.7%	\$312.8	2.9x	7.7x	7.8x
Mean					\$2,709.4	94.1%	\$374.8	13.9%	4.8%	\$392.7	3.0x	9.0x	9.0x

Source: S&P Capital IQ.

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

Public Comparables

Marine and Rail

Marine

(\$ in millions, except per-share prices)
As of 7/24/20

As of 7/24/20		% 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
<i>Container</i>													
A.P. Møller - Mærsk A/S	\$1,311.84	79.5%	\$24,367.0	\$38,000.5	\$38,921.0	15.8%	\$4,727.0	12.1%	2.1%	\$12,142.0	3.4x	8.0x	6.9x
COSCO SHIPPING Development Co., Ltd.	0.10	72.1%	2,673.2	16,778.8	2,044.3	26.1%	751.4	36.8%	1.0%	14,106.8	21.9x	22.3x	N/M
Evergreen Marine Corporation (Taiwan) Ltd.	0.36	72.8%	1,747.6	6,846.6	6,229.5	7.5%	424.2	6.8%	0.9%	4,871.6	14.5x	16.1x	7.8x
Hapag-Lloyd Aktiengesellschaft	58.62	27.0%	9,985.9	16,958.4	14,163.0	17.0%	1,585.9	11.2%	3.3%	6,568.8	4.8x	10.7x	7.4x
Atlas Corp.	7.27	49.7%	1,790.1	6,675.0	1,154.6	66.6%	732.2	63.4%	3.4%	4,884.6	7.0x	9.1x	7.7x
Yang Ming Marine Transport Corporation	0.21	69.8%	551.7	3,377.9	4,919.2	4.1%	159.5	3.2%	(0.5%)	2,733.1	21.2x	21.2x	11.6x
<i>Dry Bulk</i>													
Diana Shipping Inc.	\$1.40	33.7%	\$119.6	\$494.4	\$204.2	49.0%	\$65.5	32.1%	1.3%	\$374.7	7.1x	7.5x	11.6x
Eagle Bulk Shipping Inc.	2.08	40.4%	159.6	597.7	289.4	27.1%	36.9	12.7%	0.0%	438.0	13.8x	16.2x	9.5x
Genco Shipping & Trading Limited	6.11	51.7%	255.4	608.9	394.4	26.5%	67.4	17.1%	0.0%	353.4	7.2x	9.0x	7.5x
Navios Maritime Holdings Inc.	1.92	25.9%	29.2	1,995.4	465.1	40.1%	151.3	32.5%	1.3%	1,858.4	12.6x	13.2x	N/M
Safe Bulkers, Inc.	1.16	51.6%	118.5	648.3	195.2	51.6%	79.0	40.5%	1.7%	512.6	7.7x	8.2x	9.6x
<i>Offshore Vessel Operators</i>													
Tidewater Inc.	\$6.41	27.3%	\$258.5	\$354.3	\$480.8	31.3%	\$29.8	6.2%	(2.0%)	\$94.3	9.5x	11.9x	10.9x
<i>Jones Act</i>													
American Shipping Company ASA	\$2.95	72.3%	\$178.6	\$768.0	\$88.1	100.0%	\$85.0	96.5%	4.3%	\$520.3	6.5x	9.0x	9.0x
Kirby Corporation	47.20	51.1%	2,833.8	4,381.5	2,737.7	28.9%	445.3	16.3%	2.7%	1,544.7	4.2x	9.8x	10.4x
Matson, Inc.	35.19	83.5%	1,514.6	2,682.3	2,184.6	14.9%	215.1	9.8%	3.1%	1,167.7	5.5x	12.5x	9.8x
SEACOR Holdings Inc.	27.08	52.7%	550.6	902.3	782.7	25.6%	92.4	11.8%	1.0%	350.9	4.7x	9.8x	9.3x
<i>Tanker</i>													
Ardmore Shipping Corporation	\$4.12	42.1%	\$136.9	\$500.5	\$233.0	31.8%	\$55.8	24.0%	2.0%	\$363.6	7.7x	9.0x	6.6x
Capital Product Partners L.P.	8.24	58.0%	149.8	499.4	115.2	67.5%	85.9	74.6%	3.3%	349.6	4.3x	5.8x	5.8x
Frontline Ltd.	7.68	57.6%	1,518.3	3,545.3	1,130.2	47.4%	497.2	44.0%	6.9%	2,026.7	4.5x	7.1x	4.9x
GasLog Ltd.	3.10	20.4%	294.9	4,571.3	670.5	75.2%	449.9	67.1%	3.6%	3,329.5	8.0x	10.2x	10.1x
Navigator Holdings Ltd.	7.31	52.3%	408.7	1,218.5	306.5	44.9%	102.8	33.5%	1.1%	809.3	8.5x	11.9x	8.4x
Scorpio Tankers Inc.	13.31	32.9%	733.5	3,788.1	762.7	58.5%	325.5	42.7%	2.1%	3,054.6	9.8x	11.6x	5.7x
Teekay Corporation	2.48	43.1%	250.7	6,472.8	2,032.6	41.3%	719.2	35.4%	3.8%	4,136.5	6.5x	9.0x	N/M
Tsakos Energy Navigation Limited	8.97	37.6%	168.6	1,428.9	629.3	48.7%	267.2	42.5%	2.8%	1,260.2	5.5x	5.3x	4.3x
Median					\$716.6	36.0%	\$187.3	32.3%	2.0%	\$1,402.5	7.2x	9.8x	8.4x
Mean					\$3,380.6	39.5%	\$506.3	32.2%	2.1%	\$2,827.2	8.6x	11.0x	8.3x

Rail

(\$ in millions, except per-share prices)
As of 7/24/20

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
Canadian National Railway Company	\$96.53	99.0%	\$68,523.2	\$79,133.3	\$10,415.7	54.4%	\$5,307.1	51.0%	8.0%	\$10,467.2	2.0x	14.9x	15.3x
Canadian Pacific Railway Limited	274.01	97.8%	37,135.8	44,300.1	5,795.3	58.4%	3,253.8	56.1%	10.4%	7,067.8	2.2x	13.6x	14.6x
CSX Corporation	71.34	88.5%	54,578.8	68,984.8	10,973.0	52.8%	5,791.0	52.8%	7.5%	14,393.0	2.9x	11.9x	12.4x
Kansas City Southern	154.70	86.6%	14,595.8	18,140.8	2,756.8	51.7%	1,407.2	51.0%	6.9%	3,214.9	2.7x	12.9x	13.1x
Norfolk Southern Corporation	187.01	85.1%	47,908.1	59,787.1	11,081.0	46.8%	5,192.0	46.9%	6.8%	11,879.0	2.4x	11.5x	13.2x
Union Pacific Corporation	176.12	93.2%	119,509.4	146,492.4	20,201.0	56.7%	10,406.0	51.5%	8.1%	26,983.0	2.9x	14.1x	14.6x
Median					\$10,694.4	53.6%	\$5,249.6	51.3%	7.7%	\$11,173.1	2.6x	13.3x	13.9x
Mean					\$10,203.8	53.5%	\$5,226.2	51.5%	8.0%	\$12,334.2	2.5x	13.2x	13.9x

Source: S&P Capital IQ.

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

Public Comparables

Leasing, Aviation, and Passenger Transportation

Transportation Equipment Leasing

(\$ in millions, except per-share prices)
As of 7/24/20

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	\$316.47	74.2%	\$6,205.3	\$10,287.9	\$3,978.9	29.6%	\$1,183.5	29.7%	2.8%	\$4,234.6	4.0x	8.7x	9.5x
Brambles Limited	7.57	79.2%	11,395.4	12,945.4	4,898.0	35.6%	1,405.0	28.7%	10.5%	1,534.8	1.8x	9.2x	8.3x
CAI International, Inc.	17.79	60.2%	305.5	2,410.9	410.5	43.5%	128.0	31.2%	2.7%	2,001.5	16.5x	18.8x	8.5x
GATX Corporation	62.87	73.1%	2,194.2	7,158.8	1,390.9	61.7%	644.9	46.4%	2.3%	4,964.6	8.5x	11.1x	10.4x
Ryder System, Inc.	42.19	71.0%	2,267.1	10,272.2	8,906.8	16.9%	2,236.6	25.1%	1.9%	8,005.0	3.8x	4.6x	4.7x
Textainer Group Holdings Limited	8.81	75.0%	483.6	4,096.4	691.9	73.9%	469.0	67.8%	2.6%	3,587.2	7.9x	8.7x	9.3x
Triton International Limited	34.20	83.8%	2,349.6	9,392.8	1,340.8	92.8%	1,195.3	89.2%	4.0%	6,488.2	5.6x	7.9x	8.4x
Median					\$1,390.9	43.5%	\$1,183.5	31.2%	2.7%	\$4,234.6	5.6x	8.7x	8.5x
Mean					\$3,088.2	50.6%	\$1,037.5	45.4%	3.8%	\$4,402.3	6.9x	9.9x	8.5x

Aviation

(\$ in millions, except per-share prices)
As of 7/24/20

As of 7/24/20		% 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	\$12.27	31.2%	\$3,641.5	\$7,043.3	\$12,994.6	30.4%	\$1,567.6	12.1%	3.8%	\$3,220.6	4.8x	4.5x	N/M
Alaska Air Group, Inc.	35.06	48.5%	4,299.7	5,781.7	6,674.0	17.8%	342.0	5.1%	(0.6%)	1,482.0	12.5x	16.9x	N/M
Allegiant Travel Company	113.58	62.0%	1,811.2	2,918.4	1,798.5	35.7%	440.2	24.5%	7.9%	1,107.2	3.5x	6.6x	16.2x
American Airlines Group Inc.	11.39	35.3%	5,792.5	36,028.5	33,361.0	12.9%	(853.0)	(2.6%)	(3.9%)	30,236.0	N/M	N/M	N/M
Delta Air Lines, Inc.	25.96	41.4%	16,491.5	32,404.5	34,059.0	15.0%	3,087.0	9.1%	1.2%	15,913.0	10.2x	10.5x	N/M
Hawaiian Holdings, Inc.	13.14	41.9%	603.8	1,340.5	2,734.6	24.8%	360.5	13.2%	4.2%	736.8	4.3x	3.7x	N/M
JetBlue Airways Corporation	10.29	47.5%	2,775.3	4,993.3	7,811.0	32.0%	1,082.0	13.9%	3.6%	2,218.0	3.7x	4.6x	N/M
SkyWest, Inc.	28.18	42.4%	1,413.0	4,084.9	2,978.2	37.7%	872.0	29.3%	5.1%	2,672.0	3.7x	4.7x	6.4x
Southwest Airlines Co.	31.66	53.8%	18,659.9	15,624.9	16,611.0	22.6%	1,084.0	6.5%	0.0%	(3,035.0)	10.5x	14.4x	N/M
Spirit Airlines, Inc.	16.47	34.7%	1,460.4	4,247.0	2,871.4	21.2%	48.4	1.7%	(1.4%)	2,786.5	N/M	N/M	N/M
United Airlines Holdings, Inc.	32.88	34.6%	9,567.5	26,996.5	31,722.0	22.5%	629.0	2.0%	(2.5%)	17,429.0	39.6x	42.9x	N/M
<u>Airport Services</u>													
Air Transport Services Group, Inc.	\$24.00	93.8%	\$1,417.7	\$2,955.3	\$1,493.3	40.8%	\$451.1	30.2%	4.8%	\$1,537.6	3.6x	6.6x	6.3x
Signature Aviation plc	2.90	55.4%	2,401.0	4,537.1	2,260.5	20.0%	406.0	18.0%	4.8%	2,209.6	5.7x	11.2x	11.8x
Fraport AG	41.13	44.6%	3,799.7	9,424.2	3,958.0	34.9%	1,159.3	29.3%	3.3%	5,122.1	5.4x	8.1x	26.7x
SATS Ltd.	2.05	54.9%	2,294.3	2,484.6	1,365.3	32.5%	240.9	17.6%	7.1%	53.0	1.8x	10.3x	47.7x
<u>Helicopter Operators</u>													
Bristow Group Inc.	\$16.21	90.7%	\$500.6	\$1,320.7	\$1,190.6	21.0%	\$106.2	8.9%	(0.2%)	\$670.5	8.2x	12.4x	N/M
Median					\$3,468.1	23.7%	\$445.6	12.6%	3.4%	\$2,213.8	5.1x	9.2x	14.0x
Mean					\$10,242.7	26.4%	\$688.9	13.7%	2.3%	\$5,272.4	8.4x	11.2x	19.2x

Passenger Transportation

(\$ in millions, except per-share prices)
As of 7/24/20

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 Limited	\$1.00	49.1%	\$2,176.9	\$2,652.3	\$2,903.9	88.7%	\$624.0	21.5%	6.7%	\$181.2	1.0x	4.3x	5.8x
FirstGroup plc	0.41	23.1%	497.1	4,711.0	9,654.5	98.6%	629.0	6.5%	1.4%	4,143.3	8.3x	7.5x	4.1x
Lyft, Inc.	30.42	45.6%	9,333.1	7,196.1	3,795.6	151.6%	(1,838.5)	N/M	N/M	(2,137.1)	N/M	N/M	N/M
National Express Group PLC	1.91	30.8%	1,172.3	2,921.5	3,634.7	91.9%	534.8	14.7%	7.3%	1,760.9	4.5x	5.5x	7.0x
Stagecoach Group plc	0.65	30.3%	355.5	834.3	1,777.1	94.0%	210.5	11.8%	4.7%	469.3	4.3x	4.0x	4.0x
The Go-Ahead Group plc	8.70	29.5%	374.3	950.0	5,053.0	97.0%	265.9	5.3%	12.2%	548.0	5.1x	3.6x	1.5x
Uber Technologies, Inc.	31.18	68.3%	54,065.7	55,544.7	14,591.0	159.3%	(8,223.0)	(56.4%)	(28.3%)	503.0	N/M	N/M	N/M
Median					\$3,795.6	97.0%	\$265.9	9.2%	5.7%	\$503.0	4.5x	4.3x	4.1x
Mean					\$5,915.7	111.6%	(\$1,113.9)	0.6%	0.7%	\$781.2	4.6x	4.9x	4.5x

Source: S&P Capital IQ.

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

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