



HOULIHAN LOKEY

TRANSPORTATION AND LOGISTICS

INDUSTRY UPDATE | Winter 2020



Houlihan Lokey Transportation and Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation and Logistics Winter 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 Sectors Covered

LOGISTICS

RAIL


TECHNOLOGY-ENABLED SERVICES


ASSET-BASED TRUCKING


TRANSPORTATION EQUIPMENT LEASING


MARINE


AVIATION



















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)

No. 1 U.S. M&A Advisor

Top 10 Global M&A Advisor

Leading Capital Markets Advisor

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)

No. 1 Global Investment Banking
Restructuring Advisor

1,000+ Transactions Completed
Valued at More Than
\$2.5 Trillion Collectively

Financial 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 Global M&A Fairness Opinion
Advisor Over the Past 20 Years

1,000+ Annual Valuation Engagements

Selected Transactions

has acquired

Buy-side 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

Buy-side Advisor

a joint venture of

has been acquired by

First Aviation Services Inc.

Sell-side Advisor

has divested its subsidiary

Sell-side Advisor

has sold substantially all of its assets for \$650 million, pursuant to a court-approved sale to

and secured lenders of certain debt facilities pursuant to Section 363(k) of the US Bankruptcy Code

Company Advisor

has been acquired by

Sell-side Advisor

has been acquired by

a portfolio company of

Sell-side Advisor

Express Division

has been acquired by

a portfolio company of

Sell-side Advisor

Significant News Stories

TECHNOLOGY-ENABLED SERVICES

Permira Invests in Vehicle Telematics Maker Lytx

(*The Wall Street Journal*, January 8, 2020)

“Lytx Inc., whose systems monitor commercial vehicle drivers with cloud-connected video cameras, has received a new investment that values the business at more than \$2.5 billion. **London-based private-equity firm Permira took a majority stake in Lytx alongside co-investors that include Canada Pension Plan Investment Board and GIC Pvt. Ltd.** Lytx’s in-cab monitors track safe operation of vehicle fleets, delivery schedules, fuel consumption and general driving conditions. Its video telematics system uses machine vision and artificial intelligence technology to anticipate driver distractions and flag risky driving, drawing on a database of more than 100 billion miles of monitored operations. The company provides its sensors, dash cams and software to more than 3,000 fleet operators, including transit bus systems, food delivery vehicles, waste haulers and long-distance trucking operators. It counts Walmart Inc. and Waste Management Inc. among its clients, and monitors more than one million drivers daily.”

Convoy Says AI Now Fully Runs Its Load-Matching and Brokering

(*Transport Topics*, January 8, 2020)

“Services that rely on artificial intelligence to handle financial and broker-related transactions are making inroads in trucking, in some cases taking over manual processes that for years relied on human hands. And it’s an evolution that experts say can help trucking address a key challenge it’s facing: managing and analyzing all of the data the industry is generating. In September, third-party logistics provider Coyote Logistics of Chicago, a UPS Inc. subsidiary, said in a study titled Tech + Humanity that a balance of 60% technology and 40% human expertise is ideal for optimally managing supply chains. **Last month, Seattle-based digital freight network Convoy said it has achieved 100% automation of the load-brokering process,** adding automated load pricing to the automated load-matching service it announced in February 2019.”

ASSET-BASED TRUCKING

New Court Ruling Targets California’s ‘Gig Economy’ Trucking Regulation

(*The Wall Street Journal*, January 9, 2020)

“A California court ruled that a state law that could force companies to classify certain contract workers as employees **doesn’t apply to trucking companies, bolstering an industry push to carve out an exemption from the law targeting “gig-economy” business models.**...The decision by Los Angeles County Superior Court Judge William Highberger said the California law is pre-empted by the Federal Aviation Administration Authorization Act, which largely pre-empts states from regulating interstate motor carriers, because a test it uses to determine whether workers should be considered employees ‘prohibits motor carriers from using independent contractors as truck drivers.’”

Trucker Celadon Group Files for Bankruptcy

(*The Wall Street Journal*, December 9, 2019)

“Celadon Group Inc., one of North America’s largest truckload carriers, said Monday it filed for chapter 11 bankruptcy protection and will wind down its business operations. The Indianapolis-based firm has been trying to turn around its business in the wake of an accounting scandal that triggered a management overhaul as the company was seeking to recover from financial problems...The company had about 3,800 employees at the time of the shutdown, including approximately 2,500 drivers, and serves corporate customers including Lowe’s Cos., Philip Morris International Inc., Walmart Inc., Honda Motor Co. and Procter & Gamble Co., Celadon said in a bankruptcy court filing.”

Significant News Stories (cont.)

AVIATION

Bristow and Era to Merge, Forming a Larger, More Diverse and Financially Stronger Industry Leader (*GlobeNewswire*, January 24, 2020)

“Bristow Group Inc. (“Bristow”) and Era Group Inc. (NYSE:ERA) (“Era”) announced today that they entered into a **definitive agreement to combine the two companies in an all-stock transaction, creating a financially stronger company with enhanced size and diversification**. The combined company, which will be named Bristow, will strengthen its 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 new organization will offer a broader range of world-class, efficient solutions through enhanced fleet size and diversity, continuing to invest in new technology and safety features to meet the evolving needs of new and existing oil and gas customers and governmental agencies...Ducera Partners and Houlihan Lokey are serving as financial advisors to Bristow.”

LOGISTICS AND WAREHOUSING

E-Commerce Made Warehouses Hot. Now Investors Warm to Cold Storage (*The Wall Street Journal*, December 10, 2019)

“With the booming growth of online grocery sales and rising consumer demand for fresh produce, property investors are trying to cash in on the places where grocers and delivery companies store all their food... Now—similar to the way real-estate investors flocked to distribution centers to profit from the rise of online shopping—investors are starting to pile into cold-storage warehouses. Analysts say it is a business poised for rapid growth but one that involves more risks than owning other real estate, including typical industrial warehouses that hold books, mobile phones or sweaters. During the first three quarters this year, **investors bought \$1.9 billion of refrigerated warehouses—up from \$1.77 billion for all of 2018**—and higher than any year in the past decade, according to data firm Real Capital Analytics.”

SHIPPING

Smooth Sailing for Ships After Historic Fuel Switch (*The Wall Street Journal*, January 14, 2020)

“A major switch in maritime fuel aimed at reducing emissions from ships is proceeding smoothly, shipping executives say, with **new blends available in most ports and operators reporting few problems adapting to the fuel**. The mandatory change began on Jan. 1, when some 60,000 oceangoing vessels were ordered by the International Maritime Organization, the United Nations’ marine regulator, to slash their sulfur emissions by more than 80%. It is the first in a series of environmental steps the maritime industry is due to take in the coming years that will alter operating costs and raise fundamental questions about how ships should be powered. To comply with the 2016 Paris climate accord, members of the IMO have also agreed to cut greenhouse-gas emissions to half of their 2008 level by 2050. Ships now contribute up to 3% of the world’s global air pollution, a share comparable to that of a major country.”

WE’LL BE THERE!

To schedule a time to meet in person, email:

Kris Hopkins (*Director, Head of Transportation and Logistics*) at KHopkins@HL.com



Finished Vehicle
LOGISTICS

**NORTH
AMERICA**

12 - 14 May 2020

Four Seasons Hotel
Westlake Village, California

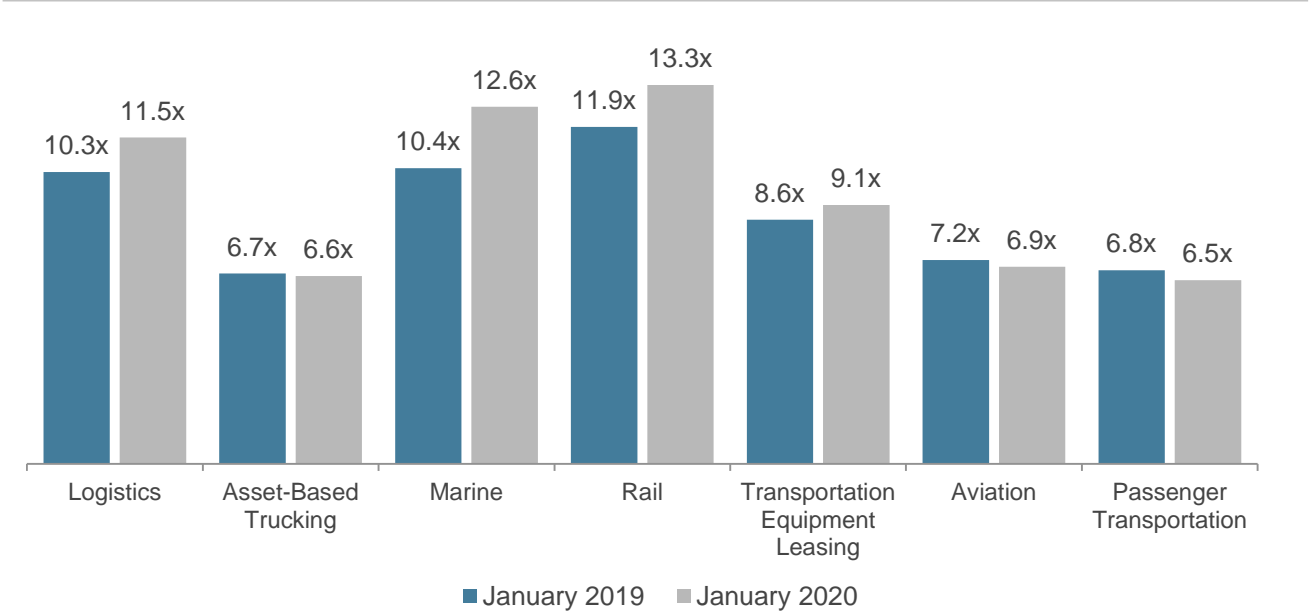
Kris Hopkins will speak on a panel regarding M&A trends

Recent M&A Transactions

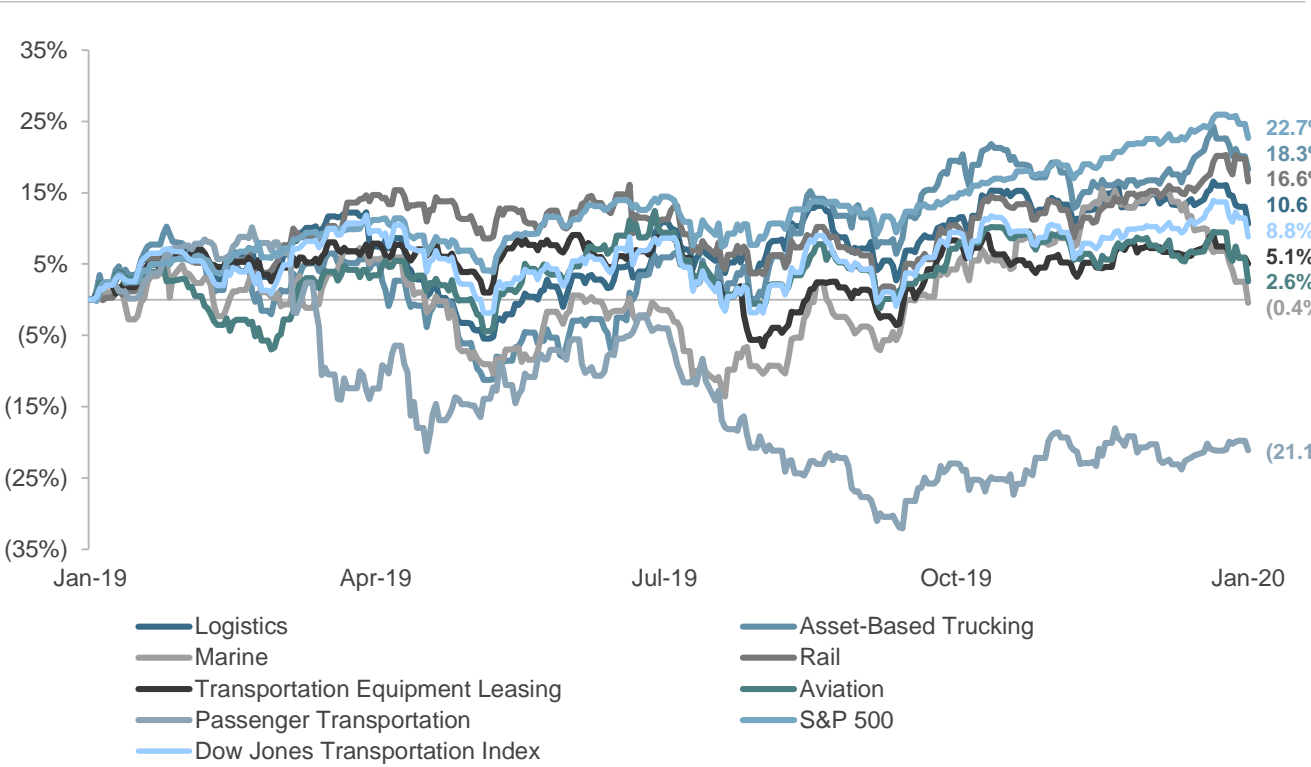
Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
Jan-20	Polish Aviation Group	Condor Flugdienst GmbH	German leisure airline operator	Aviation	N/A
Jan-20	Bristow Group Inc.	Era Group Inc.	Houston-based provider of aviation services	Aviation	N/A
Jan-20	Fortna Inc. (Thomas H. Lee Partners)	Pierau Planung	Provides international supply chain services	Logistics	N/A
Jan-20	Advantage Media Services, Inc. (Fort Point Capital)	EchoData Services, Inc.	Provides integrated logistics services and supply chain solutions	Logistics	N/A
Jan-20	Nolan Transportation Group (Gryphon Investors)	Eagle Transportation LLC	Freight brokerage specializing in temperature-controlled shipping	Logistics	N/A
Jan-20	GlobalTranz Enterprises Inc. (Providence Equity)	Cerasis Inc.	Develops transportation management software for shippers in North America	Logistics	N/A
Jan-20	Western Air Charter Inc. (Solace Capital Partners)	JetSelect Aviation	Provides on-demand aircraft charter, aircraft management, and aircraft maintenance services	Aviation	N/A
Jan-20	Transplace Inc.	Lanehub Inc.	Provides freight lane matching services	Logistics	N/A
Jan-20	Takkion Holdings LLC (Apollo Global Management)	Transportation Partners & Logistics, LLC	Provides logistics and transportation services	Logistics	N/A
Jan-20	Trimble Inc.	Kuebix, LLC	Provides a transportation management system	Logistics	N/A
Jan-20	Customs Support International BV (Menta Capital, LLC)	Kunow Group	Provides customs clearance services	Logistics	N/A
Jan-20	J.B. Hunt Transportation Services, Inc.	Assets of RDI Last Mile Co.	Provides outsourced delivery services	Logistics	N/A
Jan-20	SEKO Logistics	Air-City Inc.	Provides freight and logistics services	Logistics	N/A
Dec-19	NFI Industries Inc.	G&P Trucking Company, Inc.	Provides truckload freight services in North America	Asset-Based Trucking	N/A
Dec-19	Visible Supply Chain Management, LLC (The Cynosure Group)	Kansas Continental Express, Inc.	Provides shipping logistics and freight transportation services throughout North America	Logistics	N/A
Dec-19	Grammer Industries Inc. (Stellax Capital Management)	LiMarCo Logistics LLC	Offers transportation services of liquefied petroleum gas and natural gas liquids	Asset-Based Trucking	N/A
Dec-19	Visible Supply Chain Management, LLC	Assets of TradeGlobal LLC	Provides end-to-end e-commerce solutions	Logistics	N/A
Dec-19	Forward Air Corp.	Substantially all assets of Linn Star Holdings, Linn Star Transfer, and Linn Star Logistics	Specializes in last mile logistics and in-home installation services for a range of national retailers and manufacturers	Logistics	\$57
Dec-19	Heniff Transportation Systems, LLC (Olympus Partners)	Superior Bulk Logistics, Inc.	Provides food and chemical transport and transloading services	Specialty Trucking	N/A
Dec-19	Wheels Up	Delta Private Jets, Inc. (Delta Air Lines)	Provides on-demand private and business jet travel services to individuals and companies in the United States	Aviation	N/A
Dec-19	Olympus Partners	Heniff Transportation Systems, LLC	Provides bulk liquid chemical transportation services in North America	Asset-Based Trucking	N/A
Dec-19	STG Logistics (Wind Point Partners)	Veeco Holdings, LLC	New Jersey-based logistics solutions provider	Logistics	N/A
Dec-19	Textainer Group Holdings, Ltd.	Leased Assets Pool Company Ltd. (Trencor Ltd.)	Intermodal container fleet company	Equipment Leasing	\$192
Dec-19	Tower Arch Capital LLC	OSM Worldwide	Provides domestic and international package shipping services	Logistics	N/A

Public Markets Overview

Median TEV/LTM EBITDA

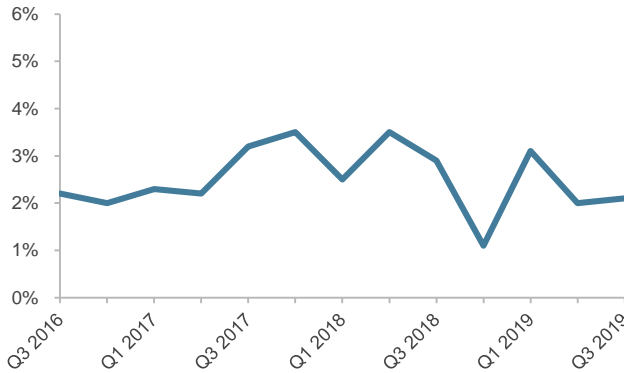


12 Months Indexed Stock Price Performance



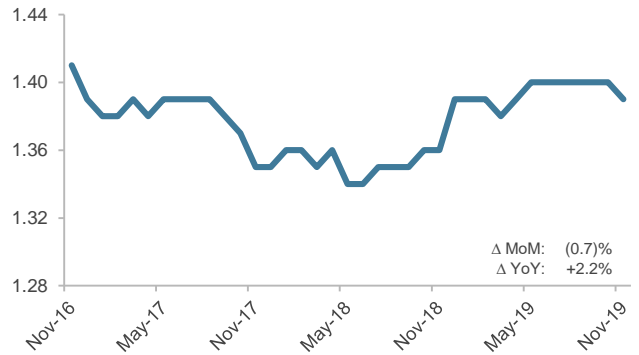
Macroeconomic Data

QoQ Real GDP Growth⁽¹⁾⁽²⁾



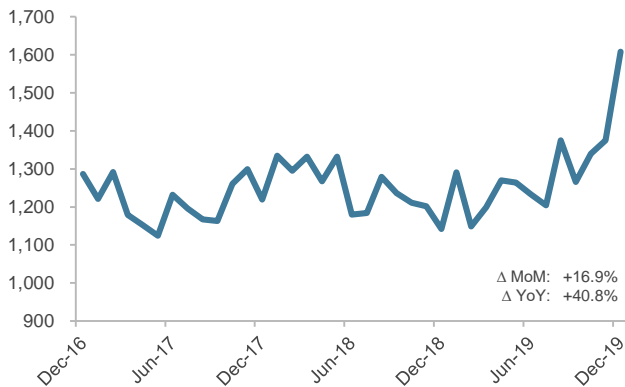
Source: Bureau of Economic Analysis

Inventory/Sales Ratio⁽¹⁾



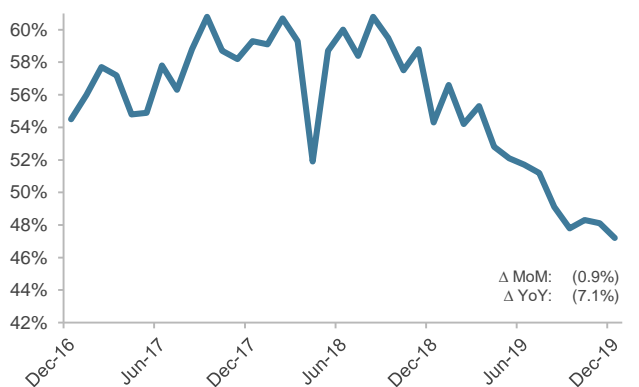
Source: U.S. Census Bureau

Housing Starts (000s)⁽¹⁾⁽²⁾



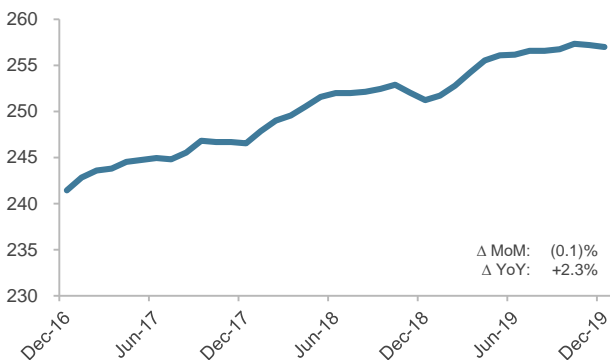
Source: U.S. Census Bureau

ISM Manufacturing Index⁽¹⁾



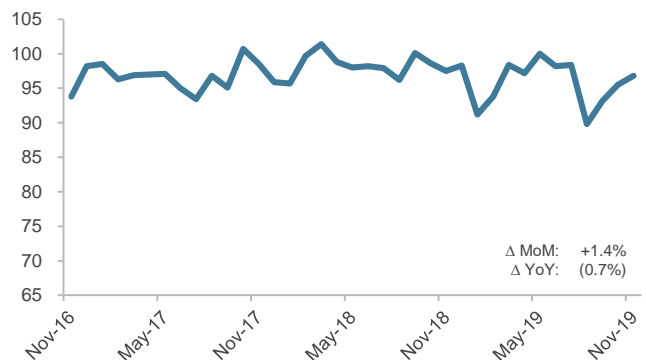
Source: Institute for Supply Management

Consumer Price Index



Source: Bureau of Labor Statistics

Consumer Sentiment Index

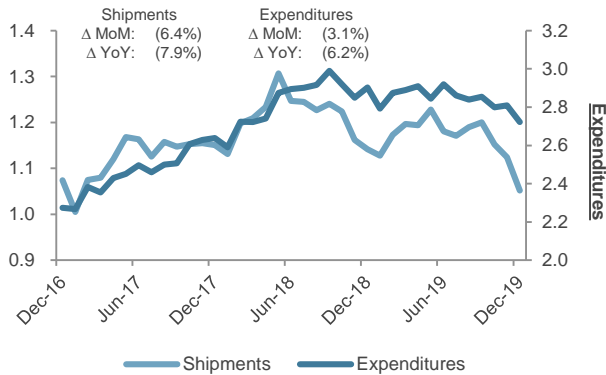


Source: University of Michigan

(1) Seasonally adjusted.
(2) Annualized.

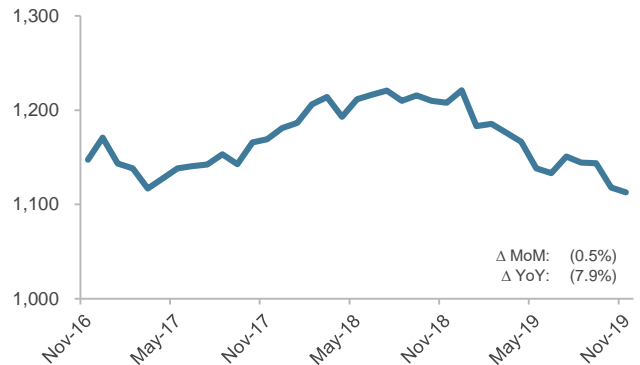
Relevant T&L Sector Data

Cass Freight Index



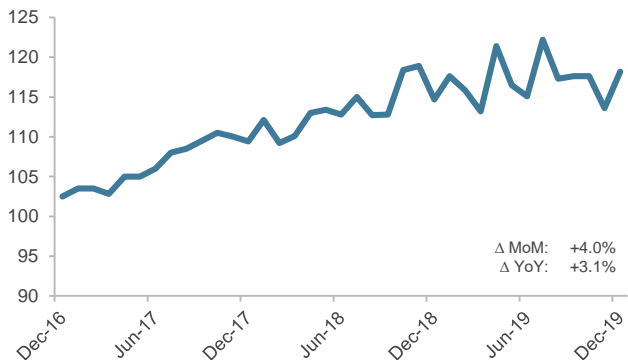
Source: Cass Information Systems, Inc.

Intermodal Volume (000s of Containers)⁽¹⁾



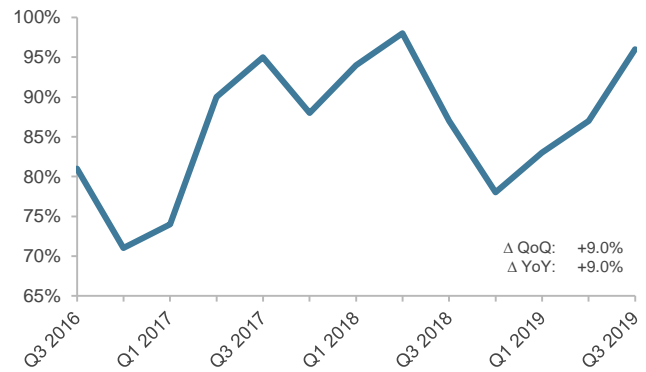
Source: Association of American Railroads

ATA Tonnage Index⁽¹⁾



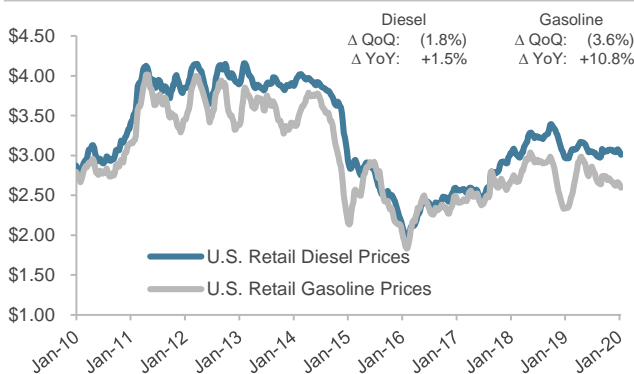
Source: American Trucking Association

Driver Turnover⁽²⁾



Source: American Trucking Association

Diesel and Gasoline Prices (\$/gal)



Source: U.S. Energy Information Administration

Class 8 Tractor Orders⁽³⁾



Source: FTR Transportation Intelligence

(1) Seasonally adjusted.

(2) Annualized driver turnover for truckload fleets with more than \$30 million in annual revenue.

(3) Total North American Class 8 orders includes U.S., Canada, Mexico, and North America export sales.

Public Comparables

Logistics and Asset-Based Trucking

Logistics

(\$ in millions, except per-share prices)
As of 1/27/20

As of 1/27/20		% 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
Asset-Light/Third-Party Logistics													
Agility Public Warehousing Co. KSCP	\$2.71	86.3%	\$4,505.9	\$5,651.4	\$5,178.4	31.1%	\$502.8	9.7%	6.4%	\$969.8	2.7x	11.2x	9.1x
C.H. Robinson Worldwide, Inc.	78.47	84.6%	10,613.1	11,754.2	15,654.1	8.8%	993.4	6.3%	28.7%	1,141.1	1.5x	11.8x	12.5x
CJ Logistics Corp.	118.51	71.5%	2,204.0	5,677.3	8,429.5	9.1%	429.5	5.1%	2.2%	2,955.7	7.3x	13.2x	12.0x
DSV Panalpina A/S	109.48	94.4%	24,940.7	27,466.2	12,488.8	24.7%	982.3	7.9%	6.2%	2,528.6	3.0x	28.0x	17.9x
Echo Global Logistics, Inc.	21.01	81.0%	573.5	739.5	2,236.3	17.8%	67.5	3.0%	8.5%	166.1	2.9x	10.9x	8.9x
Expeditors International of Washington, Inc.	73.96	90.6%	12,595.5	11,756.8	8,366.1	13.0%	855.0	10.2%	30.7%	(840.5)	0.4x	13.8x	14.2x
Forward Air Corp.	67.60	93.8%	1,904.4	2,103.6	1,385.5	23.7%	162.7	11.7%	12.4%	199.2	1.4x	12.9x	12.8x
Hub Group, Inc.	53.52	96.9%	1,821.7	2,065.0	3,785.7	14.1%	273.2	7.2%	9.0%	243.3	1.2x	7.6x	7.5x
Kerry Logistics Network Ltd.	1.67	85.9%	2,873.0	4,066.9	5,183.4	12.3%	409.7	7.9%	4.0%	670.2	3.7x	9.9x	9.2x
Kintetsu World Express, Inc.	17.15	91.9%	1,258.6	2,008.6	5,294.4	16.7%	344.1	6.5%	6.3%	666.5	4.0x	5.8x	6.6x
Kuehne + Nagel International AG	163.97	94.6%	19,632.8	21,527.8	21,299.1	37.5%	1,240.8	5.8%	11.1%	1,797.1	1.9x	17.3x	11.8x
Landstar System, Inc.	111.61	92.8%	4,404.5	4,236.6	4,276.8	21.7%	361.4	8.5%	24.9%	(167.9)	0.4x	11.7x	12.1x
Radiant Logistics, Inc.	4.93	67.3%	245.5	295.1	872.2	19.5%	39.2	4.5%	10.0%	49.4	1.5x	7.5x	7.2x
Universal Logistics Holdings, Inc.	17.65	64.2%	481.5	933.8	1,522.4	17.1%	173.4	11.4%	10.6%	452.2	2.7x	5.4x	5.6x
Wincanton plc	3.92	94.0%	484.4	665.3	1,417.6	6.5%	82.3	5.8%	51.3%	170.3	2.7x	8.1x	5.0x
XPO Logistics, Inc.	89.51	93.0%	8,261.8	15,591.8	16,901.0	15.6%	1,600.0	9.5%	7.2%	6,896.0	4.6x	9.7x	9.3x
Parcel Delivery													
Deutsche Post AG	\$35.58	92.2%	\$43,959.5	\$60,595.0	\$69,283.6	15.9%	\$4,953.7	7.1%	6.0%	\$16,191.3	3.8x	12.2x	7.0x
FedEx Corp.	148.49	74.5%	38,773.6	69,959.6	69,189.0	21.2%	4,456.0	6.4%	1.2%	31,186.0	7.5x	15.7x	9.8x
PostNL NV	1.87	66.4%	923.8	1,355.8	3,060.0	14.7%	289.0	9.4%	7.8%	425.9	3.5x	4.7x	3.7x
Royal Mail plc	2.59	64.2%	2,588.0	4,405.6	13,340.3	36.8%	1,056.6	7.9%	5.4%	1,714.2	1.9x	4.2x	4.0x
United Parcel Service, Inc.	114.92	91.7%	98,581.0	120,536.0	73,374.0	18.6%	7,906.0	10.8%	9.0%	21,939.0	3.3x	15.2x	11.5x
ZTO Express (Cayman) Inc.	22.21	91.8%	17,367.1	15,182.0	2,922.6	29.6%	859.5	29.4%	17.0%	(2,198.6)	0.1x	17.7x	15.5x
Median					\$5,238.9	17.5%	\$466.1	7.9%	8.7%	\$668.3	2.7x	11.5x	9.3x
Mean					\$15,702.8	19.4%	\$1,274.5	8.7%	12.5%	\$3,961.6	2.8x	11.6x	9.7x

Asset-Based Trucking

(\$ in millions, except per-share prices)
As of 1/27/20

As of 1/27/20													
Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM					Net Debt	Debt/EBITDA	TEV/NFY EBITDA	
					Revenue	Operating Ratio	EBITDA	EBITDA Margin	ROIC ⁽¹⁾			LTM EBITDA	NFY EBITDA
<u>Less-Than-Truckload</u>													
ArcBest Corp.	\$25.43	60.7%	\$648.6	\$711.1	\$3,045.2	97.0%	\$198.9	6.5%	5.2%	\$62.4	1.9x	3.6x	3.4x
Old Dominion Freight Line, Inc.	200.69	95.5%	16,019.8	15,811.0	4,126.8	79.3%	1,106.7	26.8%	15.4%	(208.7)	0.1x	14.3x	14.7x
Saia, Inc.	89.17	83.3%	2,291.2	2,561.3	1,750.4	90.9%	273.2	15.6%	8.1%	270.1	1.0x	9.4x	9.3x
YRC Worldwide Inc.	2.14	24.7%	77.6	1,208.1	4,959.1	99.2%	192.7	3.9%	1.6%	1,130.5	6.5x	6.3x	6.1x
<u>Specialty Trucking</u>													
Marten Transport, Ltd.	\$20.12	88.2%	\$1,100.6	\$1,069.8	\$843.3	92.0%	\$161.5	19.2%	5.7%	(\$30.8)	0.0x	6.6x	5.9x
Mullen Group Ltd.	6.87	70.6%	720.5	1,134.4	979.8	92.1%	146.8	15.0%	4.7%	412.1	3.2x	7.7x	7.3x
TFI International Inc.	32.91	93.6%	2,680.6	4,383.7	3,924.1	91.4%	548.3	14.0%	11.5%	1,695.8	3.1x	8.0x	6.7x
<u>Truckload</u>													
Covenant Transportation Group, Inc.	\$13.80	55.2%	\$254.8	\$583.6	\$894.5	98.2%	\$97.7	10.9%	3.0%	\$328.8	3.8x	6.0x	6.0x
Daseke, Inc.	3.14	55.6%	202.8	995.9	1,781.0	99.9%	158.5	8.9%	0.1%	728.1	5.1x	6.3x	6.0x
Heartland Express, Inc.	19.15	84.3%	1,570.4	1,493.7	596.8	89.5%	157.6	26.4%	6.6%	(76.7)	N/M	9.5x	7.7x
J.B. Hunt Transport Services, Inc.	114.81	93.9%	12,194.3	13,455.1	9,165.3	92.0%	1,228.1	13.4%	9.6%	1,260.7	1.1x	11.0x	9.8x
Knight-Swift Transportation Holdings Inc.	36.41	92.5%	6,213.2	7,276.6	5,041.8	89.7%	972.5	19.3%	6.3%	1,061.2	1.2x	7.5x	7.9x
P.A.M. Transportation Services, Inc.	53.63	74.9%	308.6	520.5	528.9	91.5%	98.6	18.6%	6.4%	211.9	2.4x	5.3x	5.3x
Schneider National, Inc.	22.56	92.6%	3,995.8	3,998.3	4,912.3	92.9%	643.6	13.1%	7.3%	2.5	0.8x	6.2x	6.6x
USA Truck, Inc.	7.19	34.4%	59.8	248.5	539.6	97.5%	48.2	8.9%	3.0%	188.7	3.9x	5.2x	5.7x
U.S. Xpress Enterprises, Inc.	5.46	55.3%	267.4	950.1	1,727.0	96.8%	143.7	8.3%	3.8%	682.1	4.8x	6.6x	7.4x
Werner Enterprises, Inc.	37.68	96.1%	2,607.6	2,953.5	2,488.3	90.9%	471.0	18.9%	6.8%	345.9	0.8x	6.3x	6.3x
Median					\$1,781.0	92.0%	\$192.7	14.0%	6.3%	\$328.8	2.2x	6.6x	6.6x
Mean					\$2,782.6	93.0%	\$391.0	14.6%	6.2%	\$474.4	2.5x	7.4x	7.2x

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 1/27/20

As of 1/27/20		% 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	LTM EBITDA	NFY EBITDA
Container													
A.P. Møller - Mærsk A/S	\$1,222.49	78.5%	\$23,705.1	\$36,910.0	\$39,199.0	13.0%	\$5,230.0	13.3%	1.5%	\$12,332.0	3.3x	7.1x	6.4x
COSCO SHIPPING Development Co., Ltd.	0.12	75.0%	3,175.7	16,793.2	1,880.2	26.7%	740.8	39.4%	1.0%	13,497.4	21.0x	22.7x	N/M
Evergreen Marine Corp. (Taiwan) Ltd.	0.43	88.1%	1,948.4	6,936.1	6,175.1	7.4%	445.4	7.2%	1.4%	4,694.0	13.6x	15.6x	8.2x
Hapag-Lloyd AG	82.54	91.8%	14,546.6	21,369.6	13,645.8	17.4%	1,600.7	11.7%	3.7%	6,733.0	4.6x	13.4x	9.8x
Seaspan Corp.	12.18	83.3%	2,621.2	6,791.1	1,138.4	67.0%	715.5	62.9%	3.9%	4,169.6	6.2x	9.5x	9.6x
Yang Ming Marine Transport Corp.	0.24	77.3%	622.7	3,383.0	4,883.8	4.6%	185.6	3.8%	(0.2%)	2,647.1	17.4x	18.2x	13.6x
Dry Bulk													
Diana Shipping Inc.	\$2.77	66.7%	\$242.2	\$600.4	\$232.1	55.1%	\$72.2	31.1%	2.7%	\$358.3	6.7x	8.3x	6.6x
Eagle Bulk Shipping Inc.	3.75	63.4%	287.3	656.2	307.6	30.0%	52.9	17.2%	1.5%	368.8	8.3x	12.4x	11.3x
Genco Shipping & Trading Ltd.	8.40	71.1%	350.7	701.3	393.0	30.2%	81.1	20.6%	0.6%	350.6	6.4x	8.6x	9.1x
Navios Maritime Holdings Inc.	3.25	40.1%	41.1	2,008.1	490.9	40.3%	201.9	41.1%	3.2%	1,852.9	9.6x	9.9x	N/M
Safe Bulkers, Inc.	1.41	59.2%	147.4	652.1	197.1	61.8%	100.3	50.9%	3.0%	487.5	5.6x	6.5x	6.5x
Offshore Vessel Operators													
Bourbon Corp. SA	\$4.05	76.6%	\$311.3	\$2,881.6	\$740.7	38.4%	(\$82.8)	(11.2%)	(5.2%)	\$2,608.7	N/M	N/M	N/M
Tidewater Inc.	16.01	63.8%	628.1	704.2	478.0	32.9%	31.0	6.5%	(2.1%)	73.8	14.0x	22.7x	10.5x
Jones Act													
American Shipping Company ASA	\$3.43	83.5%	\$207.6	\$729.7	\$87.8	100.6%	\$84.7	96.5%	4.1%	\$525.2	6.8x	8.6x	8.6x
Kirby Corp.	83.03	90.0%	4,977.4	6,569.4	2,904.0	28.4%	516.4	17.8%	3.7%	1,589.0	3.1x	12.7x	13.0x
Matson, Inc.	38.72	91.9%	1,659.8	2,773.6	2,227.3	14.8%	208.3	9.4%	3.3%	1,113.8	5.5x	13.3x	10.3x
SEACOR Holdings Inc.	38.49	74.9%	776.7	1,165.8	821.0	28.4%	128.2	15.6%	2.8%	388.3	3.7x	9.1x	9.5x
Tanker													
Ardmore Shipping Corp.	\$6.68	68.2%	\$221.1	\$599.8	\$227.8	24.5%	\$38.8	17.0%	0.5%	\$378.7	11.0x	15.5x	11.1x
Capital Product Partners LP	12.88	74.2%	234.1	441.9	269.9	48.9%	144.1	53.4%	3.5%	207.7	1.8x	3.1x	6.5x
Frontline Ltd.	10.49	78.7%	2,073.8	4,073.8	835.4	36.0%	267.0	32.0%	2.9%	1,999.8	7.9x	15.3x	10.7x
GasLog Ltd.	7.01	37.5%	566.8	4,734.2	669.1	77.2%	466.5	69.7%	3.8%	3,107.6	7.1x	10.1x	10.3x
Navigator Holdings Ltd.	12.54	89.6%	700.1	1,525.5	303.5	44.2%	102.0	33.6%	1.1%	825.5	8.6x	15.0x	13.4x
Scorpio Tankers Inc.	26.63	65.8%	1,458.9	4,356.0	650.2	54.0%	259.1	39.9%	1.3%	2,897.2	12.1x	16.8x	11.7x
Teekay Corp.	3.96	68.8%	399.1	7,064.0	1,851.1	37.0%	548.9	29.7%	2.4%	4,681.0	9.1x	12.9x	N/M
Tsakos Energy Navigation Ltd.	3.43	73.6%	307.4	1,659.6	575.8	44.1%	214.6	37.3%	1.7%	1,352.2	7.1x	7.7x	6.3x
Median					\$669.1	36.0%	\$201.9	29.7%	2.4%	\$1,589.0	7.1x	12.6x	9.6x
Mean					\$3,238.3	39.3%	\$494.1	33.1%	1.9%	\$2,769.3	8.4x	12.3x	9.4x

Rail

(\$ in millions, except per-share prices)
As of 1/27/20

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 Co.	\$92.72	95.5%	\$66,210.1	\$76,866.1	\$11,437.2	54.0%	\$5,810.4	50.8%	9.2%	\$10,610.0	1.9x	13.2x	14.0x
Canadian Pacific Railway Ltd.	257.26	97.0%	35,243.6	42,229.3	5,838.3	56.1%	3,140.9	53.8%	10.2%	6,955.5	2.2x	13.4x	14.3x
CSX Corp.	75.17	93.1%	58,455.5	72,739.5	11,937.0	52.1%	6,223.0	52.1%	8.2%	14,284.0	2.6x	11.7x	11.6x
Kansas City Southern	164.08	97.2%	15,776.4	19,333.7	2,866.0	49.7%	1,405.8	49.1%	6.8%	3,228.3	2.4x	13.8x	12.4x
Norfolk Southern Corp.	202.66	95.8%	52,842.9	65,067.9	11,502.0	46.1%	5,303.0	46.1%	7.2%	12,225.0	2.4x	12.3x	12.7x
Union Pacific Corp.	178.47	94.4%	123,893.9	149,673.9	21,708.0	54.5%	10,770.0	49.6%	8.7%	25,780.0	2.5x	13.9x	13.1x
Median					\$11,469.6	53.0%	\$5,556.7	50.2%	8.5%	\$11,417.5	2.4x	13.3x	12.9x
Mean					\$10,881.4	52.1%	\$5,442.2	50.3%	8.4%	\$12,180.5	2.3x	13.0x	13.0x

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 1/27/20

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	\$372.15	87.3%	\$7,297.0	\$11,224.9	\$3,874.1	31.2%	\$1,232.1	31.8%	3.4%	\$4,079.9	3.7x	9.1x	11.2x
Brambles Ltd.	8.39	92.2%	12,986.7	13,081.8	4,802.0	35.4%	1,419.1	29.6%	9.7%	97.7	1.6x	9.2x	9.1x
CAI International, Inc.	27.43	92.8%	470.3	2,662.7	458.9	44.8%	162.3	35.4%	3.3%	2,088.6	13.2x	16.4x	9.8x
GATX Corp.	78.76	91.6%	2,764.5	7,849.9	1,393.8	62.2%	656.3	47.1%	2.5%	5,085.4	8.0x	12.0x	10.1x
Ryder System, Inc.	49.72	73.5%	2,649.7	10,538.1	8,904.7	19.7%	2,413.8	27.1%	3.6%	7,888.4	3.3x	4.4x	4.8x
Textainer Group Holdings Ltd.	9.70	68.5%	551.4	4,192.7	705.9	73.6%	473.4	67.1%	2.8%	3,615.5	8.0x	8.9x	9.0x
Triton International Ltd.	37.75	92.5%	2,726.9	9,979.1	1,420.0	95.0%	1,320.5	93.0%	4.5%	7,022.2	5.4x	7.6x	8.1x
Median					\$1,420.0	44.8%	\$1,232.1	35.4%	3.4%	\$4,079.9	5.4x	9.1x	9.1x
Mean					\$3,079.9	51.7%	\$1,096.8	47.3%	4.3%	\$4,268.2	6.2x	9.6x	8.9x

Aviation

(\$ in millions, except per-share prices)
As of 1/27/20

As of 1/27/20		% 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
Airlines													
Air Canada	\$33.94	84.9%	\$9,442.9	\$12,091.4	\$14,359.0	27.1%	\$1,869.6	13.0%	5.5%	\$2,637.0	3.8x	6.5x	4.3x
Alaska Air Group, Inc.	65.34	90.5%	8,048.2	9,782.2	8,617.0	27.7%	1,393.0	16.2%	6.9%	1,734.0	2.4x	7.0x	5.3x
Allegiant Travel Co.	166.69	91.0%	2,682.4	3,655.6	1,792.0	35.8%	440.4	24.6%	8.8%	973.2	3.1x	8.3x	7.0x
American Airlines Group Inc.	26.11	70.1%	11,437.7	41,055.7	45,768.0	27.8%	5,992.7	13.1%	4.4%	29,618.0	5.6x	6.9x	6.0x
Delta Air Lines, Inc.	56.83	89.6%	36,618.0	51,727.0	47,007.0	27.6%	9,121.3	19.4%	8.4%	15,109.0	2.0x	5.7x	5.5x
Hawaiian Holdings, Inc.	27.43	81.4%	1,278.0	1,857.3	2,821.6	27.0%	436.3	15.5%	6.4%	579.3	3.0x	4.3x	3.1x
JetBlue Airways Corp.	20.04	94.6%	5,785.4	7,299.4	8,094.0	33.8%	1,327.3	16.4%	12.0%	1,514.0	1.9x	5.5x	4.5x
SkyWest, Inc.	61.80	92.9%	3,116.0	5,871.1	3,031.9	37.7%	891.5	29.4%	5.9%	2,755.0	3.7x	6.6x	6.0x
Southwest Airlines Co.	56.25	95.7%	29,603.0	29,527.0	22,428.0	32.1%	4,176.0	18.6%	9.0%	(76.0)	1.0x	7.1x	6.7x
Spirit Airlines, Inc.	41.32	63.8%	2,828.3	4,984.7	3,723.5	34.9%	696.6	18.7%	6.8%	2,156.4	4.6x	7.2x	5.4x
United Airlines Holdings, Inc.	77.63	80.8%	19,643.8	35,149.8	43,259.0	34.1%	6,835.0	15.8%	7.3%	15,506.0	3.0x	5.1x	4.9x
Airport Services													
Air Transport Services Group, Inc.	\$21.43	83.0%	\$1,262.6	\$2,720.6	\$1,329.6	41.6%	\$413.0	31.1%	5.4%	\$1,458.0	3.6x	6.6x	6.0x
Signature Aviation plc	3.81	71.4%	3,146.4	5,718.8	2,585.7	21.4%	429.1	16.6%	5.1%	2,501.3	6.1x	13.3x	10.6x
Fraport AG	74.63	85.4%	6,895.2	11,891.3	4,167.0	34.6%	1,217.6	29.2%	3.7%	4,742.6	4.7x	9.8x	8.9x
SATS Ltd.	3.46	86.1%	3,996.4	4,177.7	1,372.2	32.3%	243.7	17.8%	7.7%	54.0	0.9x	17.1x	16.4x
Helicopter Operators													
Era Group Inc.	10.19	82.0%	216.9	282.7	217.7	30.2%	29.3	13.5%	(0.7%)	62.8	5.8x	9.6x	8.2x
Median					\$3,945.3	32.2%	\$1,054.5	17.2%	6.6%	\$1,945.2	3.4x	6.9x	6.0x
Mean					\$13,160.8	31.6%	\$2,219.5	19.3%	6.4%	\$5,082.8	3.4x	7.9x	6.8x

Passenger Transportation

(\$ in millions, except per-share prices)
As of 1/27/20

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 Corp.	\$1.61	75.2%	\$3,558.4	\$4,089.7	\$2,837.2	88.5%	\$632.6	22.3%	8.2%	\$226.6	1.0x	6.5x	6.5x
FirstGroup plc	1.62	89.3%	1,957.9	4,688.1	9,046.9	98.0%	616.8	6.8%	2.3%	2,610.1	5.4x	7.6x	3.5x
Lyft, Inc.	47.36	53.5%	14,098.9	11,430.5	3,268.5	179.2%	(2,490.4)	N/M	N/M	(2,668.4)	N/M	N/M	N/M
National Express Group PLC	6.02	95.1%	3,068.4	4,817.0	3,275.4	90.6%	575.9	17.6%	5.3%	1,647.3	3.3x	8.4x	7.4x
Stagecoach Group plc	1.89	82.7%	1,037.5	1,554.0	2,143.9	92.4%	299.9	14.0%	7.2%	508.1	2.2x	5.2x	5.0x
The Go-Ahead Group plc	26.38	87.7%	1,134.7	896.4	4,837.9	96.8%	258.1	5.3%	8.1%	(276.5)	2.0x	3.5x	1.2x
Uber Technologies, Inc.	36.30	77.1%	61,921.1	57,836.1	13,052.0	165.0%	(8,013.0)	(61.4%)	(33.8%)	(5,074.0)	N/M	N/M	N/M
Median					\$3,275.4	96.8%	\$299.9	10.4%	6.2%	\$226.6	2.2x	6.5x	5.0x
Mean					\$5,494.5	115.8%	(\$1,160.0)	0.8%	(0.5%)	(\$432.4)	2.8x	6.2x	4.7x

Source: S&P Capital IQ

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

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