



HOULIHAN LOKEY

# TRANSPORTATION AND LOGISTICS

INDUSTRY UPDATE | SUMMER 2021



# Houlihan Lokey Transportation and Logistics Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Transportation and Logistics Summer 2021 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,



**Kris Hopkins**  
*Managing Director*  
*Head of Transportation and Logistics*  
[KHopkins@HL.com](mailto:KHopkins@HL.com)  
O: 212.497.7856  
M: 617.784.7934



**Phil Keffer, CFA**  
*Vice President*  
*Transportation and Logistics*  
[PKeffer@HL.com](mailto:PKeffer@HL.com)  
O: 212.497.7851  
M: 973.224.3476

## Additional Contacts

**Jason Weisbaum**  
*Vice President*  
[JWeisbaum@HL.com](mailto:JWeisbaum@HL.com)  
212.497.4265

**Matt Glaswand**  
*Associate*  
[MGlaswand@HL.com](mailto:MGlaswand@HL.com)  
212.497.4158

**Ari Cohen**  
*Financial Analyst*  
[ASCohen@HL.com](mailto:ASCohen@HL.com)  
212.497.4152

## 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

### 2020 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>210</b>
2	Goldman Sachs & Co	172
3	JP Morgan	132
4	Evercore Partners	126
5	Morgan Stanley	123

Source: Refinitiv (formerly known as Thomson Reuters)

## Financial Restructuring

### 2020 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>106</b>
2	PJT Partners Inc	63
3	Lazard	50
4	Rothschild & Co	46
5	Moelis & Co	39

Source: Refinitiv (formerly known as Thomson Reuters)

## Financial and Valuation Advisory

### 2001 to 2020 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>956</b>
2	JP Morgan	876
3	Duff & Phelps	802
4	Morgan Stanley	599
5	BofA Securities Inc	542

Refinitiv (formerly known as Thomson Reuters). Announced or completed transactions.

**No. 1 U.S. M&A Advisor**

**Top 5 Global M&A Advisor**

**Leading Capital Markets Advisor**

**No. 1 Global Investment  
Banking Restructuring Advisor**

**1,400+ Transactions Completed  
Valued at More Than  
\$3.0 Trillion Collectively**

**No. 1 Global M&A Fairness  
Opinion Advisor Over the Past 20  
Years**

**1,000+ Annual Valuation  
Engagements**

## Selected Transactions

has been acquired by

Sellside Advisor

has been acquired by

Sellside Advisor

a portfolio company of

Dividend Recapitalization &  
Acquisition Financing  
Revolver & Term Loan  
Exclusive Placement Agent

has been acquired by

and

Sellside Advisor

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

has acquired

Buyside Advisor

has confirmed a Chapter 11 Plan of  
Reorganization  
Company Advisor

has merged with

each a portfolio company of

Fairness Opinion



# Significant News Stories

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**Subject: Freight Demand**

## **Truckers Expect U.S. Transport Capacity Crunch to Persist**

*The Wall Street Journal*

*Date: May 2, 2021*

"Freight industry executives expect a squeeze on trucking capacity that has been driving up shipping costs for U.S. companies to persist through the rest of the year, as strong demand in a rebounding American economy collides with a shortfall in truck availability...Manufacturers and retailers including General Mills Inc., Rubbermaid-owner Newell Brands Inc. and Bed Bath & Beyond Inc. have pointed in recent quarterly earnings reports to rising transport costs and tight capacity as operational hurdles as they seek to restock inventories and meet strong consumer demand...Trucking fleets have been stepping up equipment orders and raising driver pay as they compete for labor with industries such as construction. But those efforts still haven't caught up with demand as the freight market roars back in an expanding economy."

**Subject: Logistics M&A**

## **DSV Resumes Freight-Forwarding Consolidation With Agility Logistics Acquisition**

*The Wall Street Journal*

*Date: April 27, 2021*

"DSV Panalpina AS plans to buy the logistics division of Agility Public Warehousing Co. in an all-share deal with an enterprise value of \$4.2 billion that would vault Denmark-based DSV into the top three global freight-forwarding companies. The purchase of Kuwait-based Agility's Global Integrated Logistics unit, DSV's third major acquisition of a rival business in the past five years, would bolster its reach in the Asia-Pacific region and the Middle East. The transaction would give Agility an approximately 8% stake in DSV, making it the company's second-largest shareholder. The deal is expected to close in the third quarter of 2021, and would increase DSV's annual revenue by an estimated 23%, to approximately 142 billion Danish kroner (equivalent to \$23 billion), the company said Tuesday. It follows DSV's acquisition of Swiss logistics provider Panalpina Welttransport Holding in 2019, a deal with an enterprise value of about 5.4 billion Swiss francs (equivalent to \$5.9 billion), DSV said when the transaction closed."

**Subject: Class 1 Rail M&A**

## **CN Rail Offer for K.C. Southern to Fall Under Stricter Rules**

*Transport Topics*

*Date: May 17, 2021*

"Canadian National Railway Co.'s proposal to acquire Kansas City Southern will be judged under stricter regulations adopted in 2001, the U.S. regulator said in an expected decision that lays the ground rules for what would be the first major rail merger in more than two decades...The merger rules for Canadian National's \$30 billion bid are different from how the STB plans to handle a competing \$25 billion proposal from Canadian Pacific Railway Ltd. The regulator said Canadian Pacific's merger proposal falls under the older, less strict rules because it would 'result in the fewest overlapping routes' and its voting trust was already approved. Kansas City Southern last week said it deemed Canadian National's offer superior and gave Canadian Pacific until May 21 to improve its offer. Kansas City Southern shares fell on news of the STB ruling and were down 3.5% to \$298.26 near the end of trading in New York. Canadian Pacific also dropped, down 3% on the day, while Canadian National erased earlier losses to trade up 0.8% in Toronto."

**Subject: Passenger Transportation M&A**

## **Agreement Reached to Sell School Bus Contractor First Student for \$4.6B**

*School Transportation News*

*Date: April 26, 2021*

"EQT Infrastructure, one of the world's largest infrastructure investors, has entered into an agreement with FirstGroup plc to acquire First Student and First Transit. Operations will reportedly continue as usual and uninterrupted with the same local teams and leadership. In December 2019, FirstGroup based in Aberdeen, Scotland, announced a review of strategic alternatives regarding both First Student, the largest student transportation provider in North America with 43,000 school buses in operation, and First Transit to unlock shareholder value. In March of last year, FirstGroup initiated a formal process to sell both divisions. EQT is a global private equity firm and blue-chip infrastructure investor. According to a statement issued last week by First Student, EQT is reputable and experienced, with the deployment of \$11 billion in equity in North America since 2012."

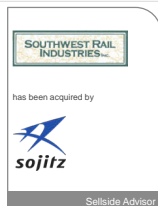
# Significant News Stories (cont.)

**Subject: Railcar Leasing M&A**

## Houlihan Lokey Advises Southwest Rail Industries

*Houlihan Lokey Deal Announcement*

*Date: March 10, 2021*



*Houlihan Lokey acted as the sellside advisor to SRI.*

“Houlihan Lokey is pleased to announce that Southwest Rail Industries, Inc. (SRI), a leading provider of railcar leasing services in the U.S., has been acquired by Sojitz Corporation (TSE:2768). The transaction closed on March 5, 2021...Based in Weimar, Texas, the company provides railcar leasing, brokerage, and maintenance services for its customers. SRI's fleet includes more than 4,000 tank and covered hopper cars, all under long-term leases that provide significant revenue visibility...SRI's railcars transport a variety of commodities such as liquefied petroleum gas (LPG), asphalt, solvents, lube oils, fine chemicals, fertilizers, and minerals for large, stable end markets.”

**Subject: Logistics Investment**

## ATL Partners-Led Group Invests More Than \$300 Million in Arrive Logistics

*The Wall Street Journal*

*Date: April 28, 2021*

“ATL Partners led a group backing a \$300 million-plus investment in Arrive Logistics, giving the group the largest stake in the freight-brokerage company. Boston-based hedge-fund manager Baupost Group, Canadian pension fund British Columbia Investment Management Corp. and Singapore sovereign wealth investor Temasek Holdings also were part of the investor group, according to a news release. Lead Edge Capital, a New York-based growth stage-investment firm that initially backed Arrive in 2018, sold a portion of its stake in the Austin, Texas-based company, said Frank Nash, ATL's founder and managing member. The freight broker, which until now had raised a total of \$50 million from Lead Edge and other investors, expects to generate more than \$1.2 billion in revenue this year, the release said. That is a 48% increase from \$810 million in revenue last year and more than double the \$530 million recorded in 2019.”

**Subject: Logistics M&A**

## AIT Worldwide Logistics concludes successful partnership with Quad-C, leading to recapitalization with The Jordan Company

*PR Newswire*

*Date: March 17, 2021*

“After reporting \$1.2 billion in gross revenue for 2020, global freight forwarding leader AIT Worldwide Logistics has agreed to recapitalize with New York City-based middle-market financial firm The Jordan Company, L.P. (TJC). The transaction, expected to be finalized at the end of March, marks the culmination of AIT's partnership with private equity group Quad-C Management, Inc. (Quad-C), which is selling its full stake in AIT to TJC...In three-and-a-half years of partnership with Quad-C, AIT's gross revenue more than doubled and the company launched new vertical market solutions for the automotive, e-Commerce, healthcare and industrial manufacturing industries. AIT's eleven company acquisitions since 2017 have increased its sales capacity, expanded AIT's global footprint, provided the organization with technical resources for strategic sectors and strengthened its core services.”

**Subject: Trucking M&A**

## TFI International Completes UPS Freight Acquisition

*Transport Topics*

*Date: May 3, 2021*

“TFI International has completed its previously announced acquisition of UPS Freight, the company said April 30. The UPS division, which is focused on less-than-truckload and dedicated truckload shipments, was acquired by TFI in an \$800 million deal announced in January. TFI, a transportation and logistics company based in Montreal, said approximately 90% of the acquired business will operate independently within its LTL segment under the new name TForce Freight. The former UPS Freight dedicated truckload assets will be incorporated into TFI's truckload segment. As part of the deal, TFI has entered into a five-year contract to use the UPS domestic network to move packages.”

# Recent M&A Transactions

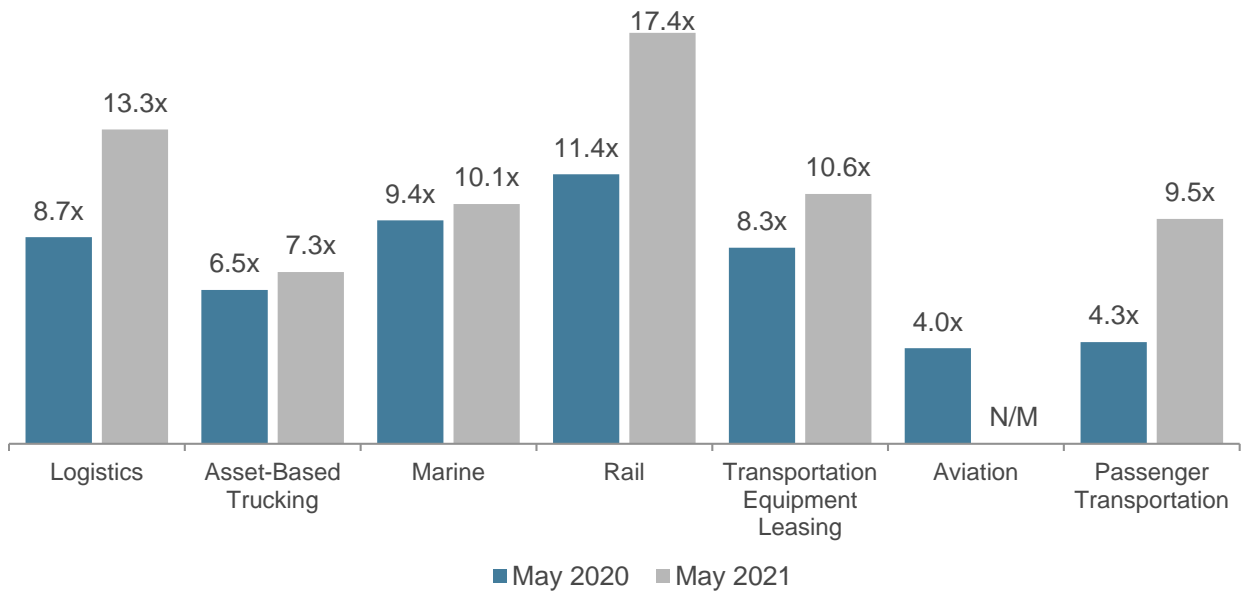
Announced Date	Acquirer	Target	Target Description	Target Sector	Transaction Value (\$M)
May-21	C.H. Robinson Worldwide, Inc.	Combinex Holding BV (Arie Troost)	Provides full-truckload and less-than-truckload (LTL) transportation services for dry, fresh, and frozen goods in the Netherlands and Europe.	Asset-Based Trucking	N/A
May-21	CSX Corp.	Quality Carriers Inc. (Quality Distribution Inc.)	Provides transportation and logistics services.	Logistics	N/A
Feb-21	OneSky Network, LLC	Associated Aircraft Group, Inc. (Sikorsky Aircraft Corp.)	Offers private charter, fractional ownership, aircraft management, and maintenance services.	Aviation	N/A
May-21	Lineage Logistics Holding, LLC	Frigoríficos de Navarra, S.A. (Frioastur)	Engages in preservation and freezing of foodstuffs.	Logistics	N/A
May-21	48forty Solutions (Audax Private Equity)	Relogistics Services, LLC	Provides pallet distribution and management, container tracking and management, and consulting services.	Logistics	N/A
May-21	Carry Transit, LLC (Heniff Transportation Holdings)	Jasa Transit, Inc.	Provides liquid and dry bulk food grade transportation services.	Logistics	N/A
Apr-21**	ATL Partners	Arrive Logistics	Provides supply chain services to businesses.	Logistics	\$300
Apr-21	Forward Air Corp.	Assets of J&P Hall Express (Bulloch & Bulloch, Inc.)	Provides expedited or LTL trucking transportation services.	Asset-Based Trucking	\$7
Apr-21	SecurCapital Corp. (Global Trac Solutions Inc.)	Business Intelligence Group, LLC	Provides traditional domestic/international freight forwarding, customs house brokerage, third-party logistics, and fulfillment services.	Logistics	N/A
Apr-21	DSV Panalpina A/S	Agility Global Integrated Logistics	Engages in the provision of logistics and related services in the Middle East, Europe, Asia, the United States, and Africa.	Logistics	\$4,316
Apr-21	Lineage Logistics, LLC (Bay Grove Capital)	UTI Forwarding (Nordian Capital Partners)	A freight forwarding company that arranges exports and imports from various destination worldwide.	Logistics	N/A
Apr-21	Alinda Capital Partners LLC	ACL AirShop Inc. (Argosy Private Equity, Azalea Capital)	Leases, sells, repairs, and manages unit load devices (ULD) for air carriers in Europe, North America, South America, Africa, Australia, and internationally.	Equipment Leasing	N/A
Apr-21	EQT Partners AB; EQT Infrastructure V	First Student, Inc./First Transit Inc. (FirstGroup America)	School bus operator that provides student transportation services for schools and districts in the United States and Canada.	Logistics	\$4,555
Apr-21	Mullen Group	Bandstra Group	Provides logistics services, servicing customers in the Province of British Columbia through its two primary operating businesses: Bandstra Transportation and Babine.	Logistics	N/A
Apr-21	American Securities LLC	LaserShip, Inc. (Greenbriar Equity Group)	Provider of same-day and next-day delivery services in the Midwest and eastern U.S. for e-commerce and product-supply businesses	Logistics	\$1,700
Apr-21	A&R Logistics, Inc. (Wind Point Partners)	Luckey Trucking, Inc.	Offers dry bulk, liquid bulk, dry van transportation, warehousing, and logistics services to the chemical industry.	Logistics	N/A
Apr-21	Scan Global Logistics Spain S.L. (Scan Global Logistics A/S)	Grupo Contenosa S.L.	Provides supply chain and logistics services.	Logistics	N/A
Apr-21	Bdp International Ltd.	DJS International Services, Inc.	Provides customized logistics solutions to a diverse group of more than 800 long-tenured customers across all modes of transportation.	Logistics	N/A
Apr-21	Jacky Perrenot (EMZ Partners)	VIR	Provider of heavy and bulky products' home delivery and assembly services.	Logistics	N/A
Apr-21	Pilot Freight Services, Inc. (ATL Partners)	DSI Logistics Inc. (Headhaul Capital Partners/Argosy Capital Group)	Provides home delivery and distribution services for retailers.	Logistics	N/A
Apr-21	The Suddath Companies	Daryl Flood Relocation, Inc.	Provides moving, relocation, and logistics services in Dallas, Fort Worth, Houston, and Austin, Texas.	Logistics	N/A
Mar-21	Leonard's Express	Holman Transportation Services	Provides asset-based transportation services for various industries in the U.S.	Asset-Based Trucking	N/A
Mar-21	I Squared Capital Advisors, LLC; ISQ Global Infrastructure Fund II	Star Leasing Company, LLC	Engages in rental, lease, sales, and maintenance of semi-trailers.	Equipment Leasing	N/A
Apr-21	Canadian National Railway Co.	Kansas City Southern	A transportation holding company; provides domestic and international rail transportation services in North America.	Rail	\$33,401
Mar-21	The Jordan Company, LP	AIT Worldwide Logistics, Inc. (Quad-C Management)	Offers transportation and logistics solutions around the world.	Logistics	\$1,200
Mar-21	Southfield Capital, LLC; Southfield Capital III LP	Alba Wheels Up International, Inc.	Provides customs brokerage and freight forwarding services.	Aviation	N/A
Mar-21	Staci SAS (Ardian)	Base Logistics BV (Waterland Private Equity Investments)	Designs and develops a platform for the logistics industry; the platform provides various solutions, including transport management, warehouse management, and data management.	Tech-Enabled Services	N/A
Mar-21	Sojitz Corporation of America	Southwest Rail Industries, Inc.	Provides leasing, fleet management, rail car brokering, and sale leaseback services.	Rail	N/D
Jan-21	TFI International Inc.	UPS Ground Freight, Inc. (United Parcel Service, Inc.)	Provides LTL and truckload freight services.	Asset-Based Trucking	\$800

Sources: S&P Capital IQ, Mergermarket.

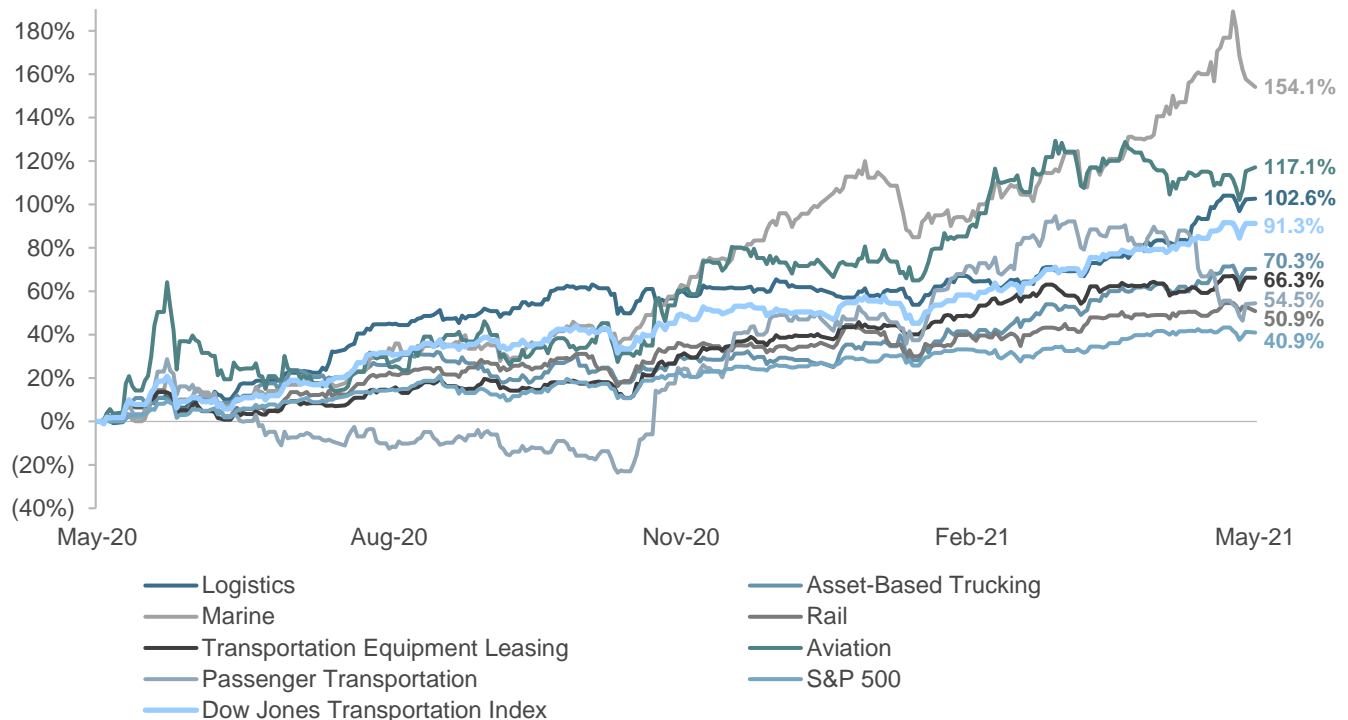
\*\*Denotes minority investment

# Public Markets Overview

## Median TEV/LTM EBITDA



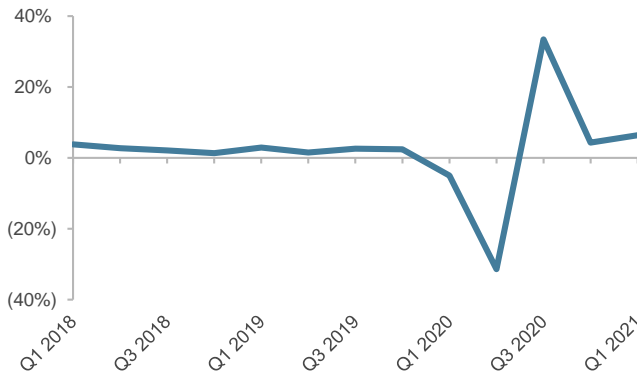
## 12-Month Indexed Stock Price Performance



Source: S&P Capital IQ.  
Note: All data as of May 17, 2021.

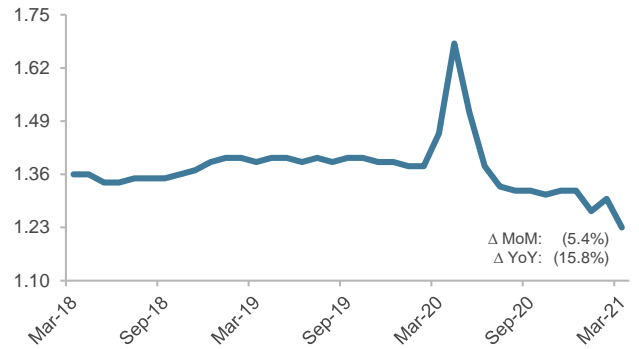
# Macroeconomic Data

## Real GDP Growth<sup>(1)(2)</sup>



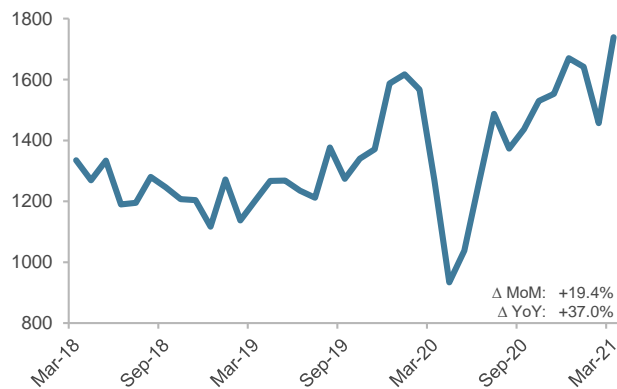
Source: Bureau of Economic Analysis.

## Inventory/Sales Ratio<sup>(1)</sup>



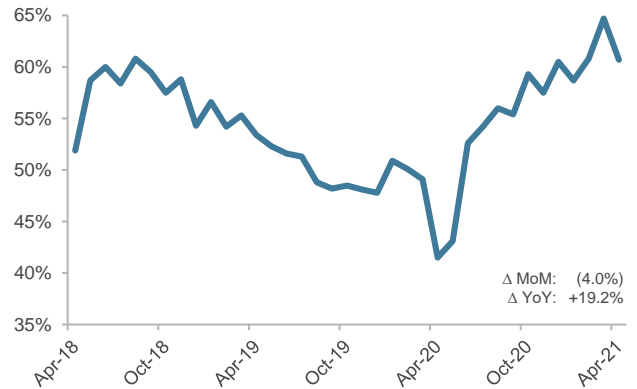
Source: U.S. Census Bureau.

## Housing Starts (000s)<sup>(1)(2)</sup>



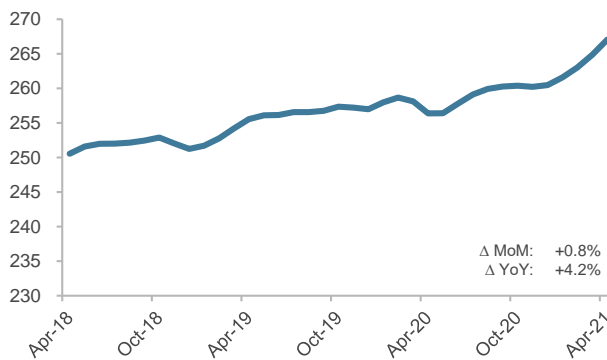
Source: United States Census Bureau.

## ISM Manufacturing Index<sup>(1)</sup>



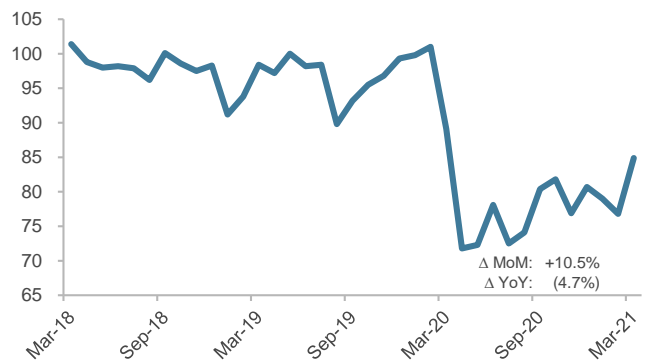
Source: Institute for Supply Management.

## Consumer Price Index



Source: Bureau of Labor Statistics.

## Consumer Sentiment Index



Source: University of Michigan.

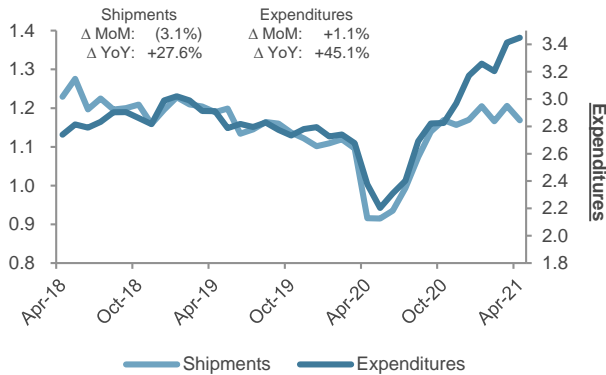
(1) Seasonally adjusted.

(2) Annualized.



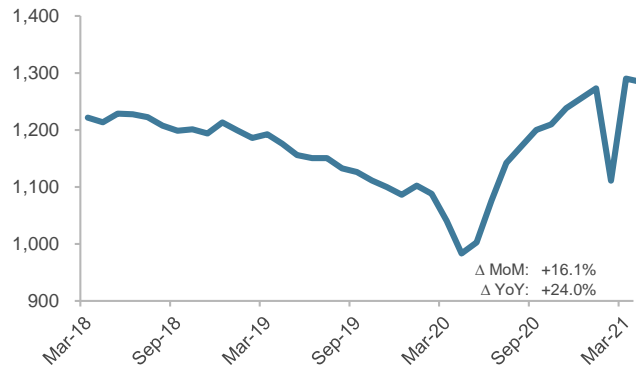
# Relevant Transportation and Logistics Sector Data

## Cass Freight Index



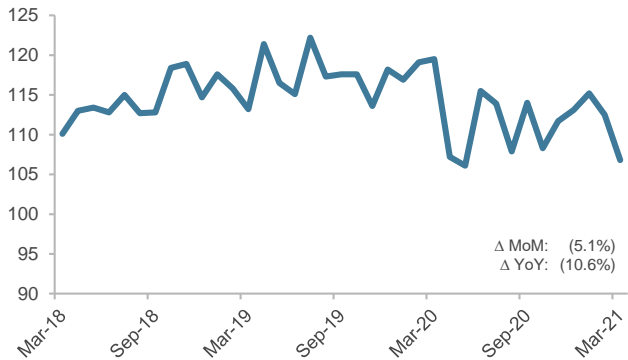
Source: Cass Information Systems, Inc.

## Intermodal Volume (000s of Containers)<sup>(1)</sup>



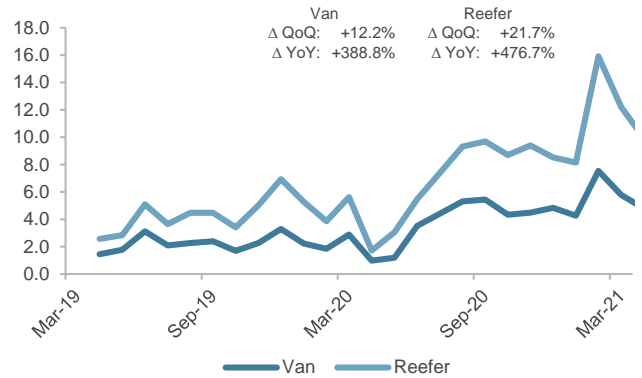
Source: Association of American Railroads.

## ATA Tonnage Index<sup>(1)</sup>



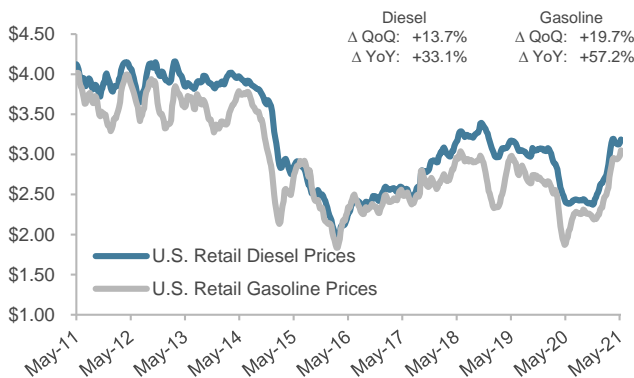
Source: American Trucking Association.

## DAT Load-to-Truck Ratio



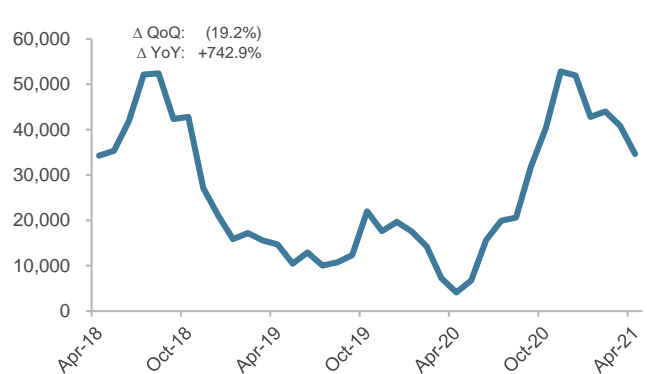
Source: DAT Freight & Analytics.

## Diesel and Gasoline Prices (\$/gal)



Source: U.S. Energy Information Administration.

## Class 8 Tractor Orders<sup>(2)</sup>



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 5/17/21

As of 5/17/21		% of 52-Week High	Equity Value	Total Enterprise Value	LTM			FCF		Debt/EBITDA	TEV/		
Company Name	Stock Price				Revenue	Gross Margin	EBITDA	EBITDA Margin	Conversion <sup>(1)</sup>		Net Debt	LTM EBITDA	NFY EBITDA
Asset-Light/Third-Party Logistics													
Agility Public Warehousing Company K.S.C.P.	\$3.61	86.3%	\$6,908.0	\$8,269.6	\$5,327.9	29.1%	\$428.5	8.0%	52.7%	\$1,190.7	4.1x	19.3x	12.4x
C.H. Robinson Worldwide, Inc.	99.03	92.8%	13,169.9	14,465.8	17,206.0	7.4%	864.3	5.0%	97.6%	1,125.9	1.6x	16.7x	14.5x
CJ Logistics Corp.	149.20	87.1%	2,708.4	5,737.4	9,906.7	9.2%	736.2	7.4%	61.0%	2,517.1	4.0x	7.8x	7.5x
DSV Panalpina A/S	223.57	95.4%	49,537.2	54,268.8	19,288.6	24.2%	1,835.8	9.5%	90.0%	3,313.8	2.2x	29.6x	20.4x
Echo Global Logistics, Inc.	35.59	94.5%	948.0	1,024.8	2,761.3	15.3%	61.4	2.2%	59.8%	76.6	2.2x	16.7x	9.7x
Expeditors International of Washington, Inc.	120.66	99.7%	20,377.8	18,855.1	11,572.2	12.5%	1,224.2	10.6%	95.9%	(1,793.4)	N/M	15.4x	13.0x
Forward Air Corp.	96.82	95.9%	2,644.9	2,754.3	1,326.2	21.3%	122.4	9.2%	83.4%	94.7	1.0x	22.5x	15.4x
Hub Group, Inc.	74.44	99.3%	2,562.7	2,581.4	3,576.3	12.0%	243.0	6.8%	59.1%	18.6	1.0x	10.6x	8.9x
Kerry Logistics Network Ltd.	3.00	90.0%	5,409.2	6,446.9	6,882.3	11.6%	533.0	7.7%	69.4%	376.3	3.3x	12.1x	9.2x
Kintetsu World Express, Inc.	24.34	91.0%	1,750.0	2,423.8	5,507.4	17.2%	499.2	9.1%	93.9%	572.5	2.9x	4.9x	5.9x
Kuehne + Nagel International AG	317.96	95.0%	38,262.0	38,515.0	22,814.3	35.4%	1,613.8	7.1%	88.6%	235.5	1.3x	23.9x	15.2x
Landstar System, Inc.	174.60	95.6%	6,706.1	6,612.6	4,495.9	20.7%	365.0	8.1%	92.1%	(95.0)	0.5x	18.1x	13.4x
Radiant Logistics, Inc.	8.17	99.6%	403.7	438.1	906.7	17.0%	46.8	5.2%	80.5%	27.6	0.7x	9.4x	9.3x
Universal Logistics Holdings, Inc.	26.46	94.7%	712.3	1,123.0	1,424.2	17.0%	161.3	11.3%	61.0%	410.7	2.7x	7.0x	5.1x
Wincanton plc	5.93	92.9%	735.4	823.0	1,535.0	5.8%	81.0	5.3%	93.6%	69.3	1.9x	10.2x	6.4x
XPO Logistics, Inc.	144.25	96.2%	16,114.2	20,932.6	17,162.0	16.1%	1,448.0	8.4%	63.6%	4,675.0	3.7x	14.5x	11.2x
Parcel Delivery													
Deutsche Post AG	\$61.92	98.6%	\$76,514.6	\$91,858.5	\$82,711.3	17.7%	\$8,664.3	10.5%	59.0%	\$14,381.5	2.6x	10.6x	6.9x
FedEx Corp.	309.26	97.6%	82,059.7	98,930.6	78,752.0	25.3%	8,586.0	10.9%	37.5%	14,587.0	2.7x	11.5x	10.1x
PostNL NV	5.27	94.5%	2,610.9	2,802.9	4,133.6	17.9%	494.9	12.0%	88.4%	183.4	2.4x	5.7x	5.3x
Royal Mail plc	7.33	97.7%	7,323.6	8,773.6	14,411.1	37.7%	833.8	5.8%	54.0%	1,304.6	3.2x	10.5x	5.5x
United Parcel Service, Inc.	216.29	98.5%	188,287.5	204,131.7	89,501.0	18.8%	9,248.0	10.3%	42.5%	15,656.0	2.6x	22.1x	13.9x
ZTO Express (Cayman) Inc.	30.87	79.2%	25,533.4	23,017.4	3,862.1	23.1%	1,010.1	26.2%	(9.7%)	(2,534.5)	0.2x	22.8x	18.8x
Median					\$6,194.8	17.4%	\$634.6	8.3%	66.5%	\$393.5	2.4x	13.3x	9.9x
Mean					\$18,412.0	18.7%	\$1,777.3	8.9%	68.8%	\$2,563.4	2.2x	14.6x	10.8x

### Asset-Based Trucking

(\$ in millions, except per-share prices)  
As of 5/17/21

As of 5/17/21		% of 52-Week High	Equity Value	Total Enterprise Value	LTM					FCF		TEV/	
Company Name	Stock Price				Revenue	Operating Ratio	EBITDA	Margin	Conversion <sup>(1)</sup>	Net Debt	Debt/ EBITDA	LTM EBITDA	NFY EBITDA
Less-Than-Truckload													
ArcBest Corp.	\$82.59	87.9%	\$2,096.6	\$2,003.8	\$3,068.0	96.3%	\$232.6	7.6%	80.2%	(\$92.8)	1.2x	8.6x	6.3x
Old Dominion Freight Line, Inc.	270.23	97.9%	31,337.1	30,775.0	4,154.3	76.1%	1,253.2	30.2%	82.1%	(562.2)	0.1x	24.6x	20.9x
Saia, Inc.	240.59	96.5%	6,284.4	6,321.2	1,860.0	89.8%	326.4	17.5%	54.3%	12.8	0.2x	19.4x	15.8x
Yellow Corp.	6.41	62.8%	327.5	1,341.6	4,561.7	100.0%	134.4	2.9%	N/M	1,014.1	10.4x	10.0x	6.3x
Specialty Trucking													
Marten Transport, Ltd.	\$17.74	88.1%	\$1,468.4	\$1,384.3	\$878.8	89.9%	\$198.0	22.5%	20.1%	(\$88.6)	N/M	7.0x	6.3x
Mullen Group Ltd.	10.79	94.1%	1,038.2	1,439.0	903.6	89.6%	165.2	18.3%	70.4%	384.7	2.9x	8.7x	7.8x
TFI International Inc.	90.91	99.9%	8,476.2	9,886.0	4,005.4	91.1%	570.9	14.3%	72.8%	1,195.8	2.8x	17.3x	11.0x
Truckload													
Covenant Logistics Group, Inc.	\$23.58	98.4%	\$395.0	\$483.9	\$848.6	97.9%	\$78.8	9.3%	20.4%	\$88.9	1.2x	6.1x	4.3x
Daseke, Inc.	6.23	69.2%	406.2	952.9	1,397.0	96.1%	153.3	11.0%	75.3%	479.8	3.8x	6.2x	5.6x
Heartland Express, Inc.	18.71	82.2%	1,495.0	1,346.8	631.3	88.1%	185.7	29.4%	7.4%	(148.2)	N/M	7.3x	6.2x
J.B. Hunt Transport Services, Inc.	176.07	95.8%	18,605.5	19,354.0	9,973.9	92.3%	1,300.9	13.0%	47.7%	748.5	1.0x	14.9x	12.6x
Knight-Swift Transportation Holdings Inc.	48.89	95.9%	8,091.8	8,740.9	4,772.1	86.9%	1,142.5	23.9%	54.2%	630.7	0.7x	7.7x	6.8x
P.A.M. Transportation Services, Inc.	57.38	86.6%	328.6	576.7	506.5	92.4%	94.6	18.7%	71.5%	248.2	3.0x	6.1x	NM
Schneider National, Inc.	25.63	91.1%	4,551.0	4,340.7	4,662.3	93.0%	621.5	13.3%	36.0%	(213.7)	0.5x	7.0x	6.1x
USA Truck, Inc.	16.86	77.0%	141.6	287.2	582.9	96.2%	63.1	10.8%	N/M	145.6	2.3x	4.6x	3.9x
U.S. Xpress Enterprises, Inc.	11.02	89.4%	553.7	895.3	1,760.3	96.9%	135.5	7.7%	3.1%	340.1	2.5x	6.6x	5.0x
Werner Enterprises, Inc.	48.58	97.6%	3,299.5	3,391.3	2,395.9	89.4%	502.7	21.0%	12.8%	91.9	0.3x	6.7x	5.9x
Median					\$1,860.0	92.3%	\$198.0	14.3%	54.2%	\$145.6	1.2x	7.3x	6.3x
Mean					\$2,762.5	91.9%	\$421.1	16.0%	47.2%	\$251.5	2.2x	9.9x	8.2x

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 5/17/21

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 <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
<i>Container</i>													
A.P. Møller—Maersk A/S	\$2,543.62	92.8%	\$47,638.6	\$56,986.4	\$42,608.0	24.8%	\$9,101.0	21.4%	7.4%	\$8,042.0	1.6x	6.3x	3.9x
COSCO SHIPPING Development Co., Ltd.	0.20	88.6%	4,636.2	20,263.5	3,166.0	23.8%	1,073.7	33.9%	1.7%	15,315.8	15.8x	18.9x	N/M
Evergreen Marine Corp. (Taiwan) Ltd.	2.24	63.1%	11,718.2	16,083.3	8,899.8	35.2%	3,066.4	34.5%	17.8%	2,835.9	1.8x	5.2x	2.8x
Hapag-Lloyd AG	166.22	75.9%	29,257.8	33,772.5	16,210.3	29.9%	3,891.5	24.0%	11.1%	4,361.0	1.6x	8.7x	6.7x
Atlas Corp.	13.80	93.1%	3,399.3	7,800.0	1,485.3	70.4%	963.0	64.8%	4.1%	4,258.2	4.8x	8.1x	7.9x
Yang Ming Marine Transport Corp.	2.37	63.1%	7,503.2	7,970.2	6,280.0	31.4%	1,901.9	30.3%	17.5%	439.1	1.0x	4.2x	1.6x
<i>Dry Bulk</i>													
Diana Shipping Inc.	\$3.87	90.4%	\$344.9	\$702.3	\$169.7	40.7%	\$30.7	18.1%	(0.6%)	\$357.4	13.7x	22.9x	9.2x
Eagle Bulk Shipping Inc.	45.20	87.8%	567.4	992.6	297.3	33.9%	61.9	20.8%	1.2%	410.5	7.9x	16.0x	4.9x
Genco Shipping & Trading Ltd.	15.39	90.5%	645.0	920.0	344.8	30.1%	70.0	20.3%	0.8%	269.2	5.6x	13.1x	5.6x
Navios Maritime Holdings Inc.	8.49	55.1%	131.7	1,728.5	416.7	34.9%	103.1	24.7%	1.1%	1,489.5	15.4x	16.8x	6.0x
Safe Bulkers, Inc.	3.86	87.1%	412.1	896.8	215.0	52.4%	89.9	41.8%	2.1%	484.7	6.6x	10.0x	5.3x
<i>Offshore Vessel Operators</i>													
Tidewater Inc.	\$14.70	92.3%	\$600.5	\$650.2	\$364.2	30.6%	(\$54.8)	(15.0%)	(6.5%)	\$34.7	N/M	N/M	16.7x
<i>Jones Act</i>													
American Shipping Company ASA	\$3.77	89.7%	\$229.5	\$759.9	\$88.2	100.0%	\$85.2	96.6%	4.4%	\$510.0	6.4x	8.9x	8.8x
Kirby Corp.	69.96	99.2%	4,204.9	5,507.1	2,024.3	29.8%	317.1	15.7%	1.2%	1,297.0	4.3x	17.4x	16.8x
Matson, Inc.	63.18	79.9%	2,744.2	3,416.0	2,581.2	22.5%	485.6	18.8%	9.6%	671.7	1.4x	7.0x	5.6x
SEACOR Marine Holdings Inc.	3.56	56.7%	86.1	493.2	142.7	28.5%	2.6	1.8%	(3.8%)	401.6	N/M	N/M	N/M
<i>Tanker</i>													
Ardmore Shipping Corp.	\$4.78	73.1%	\$159.3	\$501.8	\$200.4	26.0%	\$34.1	17.0%	0.2%	\$342.4	11.5x	14.7x	13.9x
Capital Product Partners LP	12.51	92.7%	233.0	581.7	145.3	68.8%	102.9	70.8%	3.7%	348.7	3.9x	5.7x	6.2x
Frontline Ltd.	7.91	84.0%	1,563.7	3,578.2	1,221.2	55.6%	616.1	50.5%	8.2%	2,014.9	3.6x	5.8x	16.7x
GasLog Ltd.	5.79	89.1%	551.2	5,294.3	713.5	76.1%	484.6	67.9%	3.6%	3,773.0	8.3x	10.9x	9.8x
Navigator Holdings Ltd.	11.11	89.2%	621.0	1,352.6	332.5	44.3%	111.0	33.4%	1.4%	729.7	7.1x	12.2x	7.6x
Scorpio Tankers Inc.	20.98	99.3%	1,144.7	4,027.0	795.9	57.2%	318.6	40.0%	1.8%	2,882.3	9.9x	12.6x	12.7x
Teekay Corp.	3.55	91.5%	359.5	5,818.9	1,600.7	43.2%	565.8	35.3%	3.3%	3,430.6	6.6x	10.3x	N/M
Tsakos Energy Navigation Ltd.	9.31	58.6%	169.4	1,595.4	644.1	46.3%	260.7	40.5%	2.7%	1,381.2	5.9x	6.1x	8.5x
Median					\$678.8	35.0%	\$288.9	31.8%	2.4%	\$1,013.4	6.2x	10.1x	7.6x
Mean					\$3,789.5	43.2%	\$986.8	33.7%	3.9%	\$2,336.7	6.6x	11.0x	8.4x

### Rail

(\$ in millions, except per-share prices)  
As of 5/17/21

Company Name	Stock Price	% of 52-Week High	Equity Value	Total Enterprise Value	LTM				FCF Conversion <sup>(2)</sup>	Net Debt	Debt/ EBITDA	TEV/	
					Revenue	Operating Ratio	EBITDA	Margin				LTM EBITDA	NFY EBITDA
Canadian National Railway Co.	\$108.48	87.6%	\$76,802.7	\$87,172.3	\$10,978.1	59.7%	\$5,701.7	51.9%	62.7%	\$9,865.9	1.8x	15.3x	13.9x
Canadian Pacific Railway Ltd.	77.67	94.8%	51,773.5	59,523.8	6,062.6	52.2%	3,489.2	57.6%	62.7%	7,439.6	2.2x	17.1x	16.0x
CSX Corp.	100.40	95.7%	76,043.0	89,614.2	10,541.0	58.8%	5,724.0	54.3%	72.9%	13,390.0	2.9x	15.7x	14.1x
Kansas City Southern	297.04	94.2%	27,011.0	30,967.4	2,606.9	61.0%	1,376.6	52.8%	69.6%	3,510.1	2.7x	22.5x	18.9x
Norfolk Southern Corp.	285.74	96.8%	71,503.9	83,949.4	9,803.0	63.9%	4,697.0	47.9%	70.3%	12,153.0	2.8x	17.9x	15.3x
Union Pacific Corp.	224.76	97.2%	149,848.4	175,511.9	19,305.0	60.0%	9,938.0	51.5%	73.3%	25,439.0	2.7x	17.7x	15.3x
Median					\$10,172.0	59.8%	\$5,199.4	52.4%	69.9%	\$11,009.4	2.7x	17.4x	15.3x
Mean					\$9,882.8	59.3%	\$5,154.4	52.7%	68.6%	\$11,966.3	2.5x	17.7x	15.6x

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 5/17/21

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 <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
AMERCO	\$618.33	94.0%	\$12,124.1	\$15,257.6	\$4,303.7	34.1%	\$1,446.0	33.6%	4.1%	\$3,285.5	3.2x	10.6x	NM
Brambles Ltd.	8.26	90.3%	11,961.9	13,959.6	5,028.0	35.5%	1,495.3	29.7%	11.2%	1,986.1	1.8x	9.3x	8.3x
CAI International, Inc.	43.15	85.9%	738.6	2,626.3	305.7	58.4%	166.5	54.5%	3.7%	1,778.8	11.0x	15.8x	8.1x
GATX Corp.	99.66	93.7%	3,526.6	9,022.7	1,215.6	69.5%	639.8	52.6%	2.1%	5,430.7	10.0x	14.1x	11.7x
Ryder System, Inc.	86.40	96.4%	4,654.4	10,961.5	8,480.4	18.7%	2,368.0	27.9%	2.8%	6,280.4	2.7x	4.6x	4.4x
Textainer Group Holdings Ltd.	28.42	89.6%	1,423.6	5,623.3	693.2	81.2%	525.1	75.7%	2.9%	4,184.2	8.2x	10.7x	8.6x
Triton International Ltd.	53.99	87.2%	3,637.4	10,937.0	1,409.9	94.3%	1,273.5	90.3%	4.4%	6,744.6	5.5x	8.6x	7.5x
<b>Median</b>					<b>\$1,409.9</b>	<b>58.4%</b>	<b>\$1,273.5</b>	<b>52.6%</b>	<b>3.7%</b>	<b>\$4,184.2</b>	<b>5.5x</b>	<b>10.6x</b>	<b>8.2x</b>
<b>Mean</b>					<b>\$3,062.3</b>	<b>56.0%</b>	<b>\$1,130.6</b>	<b>52.1%</b>	<b>4.5%</b>	<b>\$4,241.5</b>	<b>6.1x</b>	<b>10.5x</b>	<b>8.1x</b>

### Aviation

(\$ in millions, except per-share prices)  
As of 5/17/21

As of 5/17/21													
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 <sup>(1)</sup>			EBITDA	NFY EBITDA
<u>Airlines</u>													
Air Canada	\$21.14	82.4%	\$7,643.6	\$13,429.0	\$2,257.8	(73.4%)	(\$2,958.2)	(131.0%)	(18.2%)	\$5,392.4	N/M	N/M	N/M
Alaska Air Group, Inc.	71.67	96.5%	8,921.6	9,010.3	2,727.0	(43.1%)	(1,719.0)	(63.0%)	(14.3%)	22.0	N/M	N/M	49.9x
Allegiant Travel Co.	229.33	84.5%	4,059.8	4,947.9	860.0	(1.8%)	(120.8)	(14.0%)	(5.7%)	888.1	N/M	N/M	13.6x
American Airlines Group Inc.	23.35	89.5%	14,976.3	40,628.3	12,830.0	(65.0%)	(10,763.0)	(83.9%)	(15.9%)	25,652.0	N/M	N/M	N/M
Delta Air Lines, Inc.	46.75	89.4%	29,903.5	46,012.5	12,653.0	(63.5%)	(9,579.0)	(75.7%)	(14.3%)	16,109.0	N/M	N/M	N/M
Frontier Group Holdings, Inc.	20.13	91.5%	4,336.5	4,260.4	977.0	(52.2%)	(693.0)	(70.9%)	(22.1%)	(77.0)	N/M	N/M	N/M
Hawaiian Holdings, Inc.	24.92	83.4%	1,273.3	1,539.6	467.9	(49.2%)	(361.9)	(77.4%)	(9.6%)	266.2	N/M	N/M	N/M
JetBlue Airways Corp.	19.91	90.7%	6,304.2	8,165.4	2,102.0	(54.4%)	(1,971.0)	(93.8%)	(14.6%)	1,857.0	N/M	N/M	N/M
SkyWest, Inc.	49.74	81.3%	2,504.2	4,776.8	1,931.7	13.7%	57.5	3.0%	(4.4%)	2,269.7	N/M	N/M	6.6x
Southwest Airlines Co.	62.10	95.9%	36,724.5	34,588.9	6,866.0	(47.5%)	(5,146.0)	(74.9%)	(19.4%)	(3,577.0)	N/M	N/M	N/M
Spirit Airlines, Inc.	35.67	87.5%	3,866.6	5,696.9	1,500.2	(29.1%)	(840.8)	(56.0%)	(9.7%)	1,524.2	N/M	N/M	25.8x
Sun Country Airlines Holdings, Inc.	39.74	90.1%	2,271.3	2,501.0	348.8	13.7%	(14.7)	(4.2%)	(5.7%)	131.3	N/M	N/M	29.4x
United Airlines Holdings, Inc.	56.57	88.8%	18,304.8	35,123.8	10,597.0	(52.3%)	(8,867.0)	(83.7%)	(16.1%)	16,644.0	N/M	N/M	N/M
<u>Airport Services</u>													
Air Transport Services Group, Inc.	\$25.18	77.6%	\$1,855.4	\$3,301.6	\$1,557.4	40.0%	\$482.4	31.0%	4.8%	\$1,446.2	3.1x	6.8x	6.3x
Signature Aviation plc	5.60	89.1%	4,638.2	6,898.0	1,413.9	22.0%	264.4	18.7%	2.2%	2,183.9	8.9x	26.1x	16.5x
Fraport AG	71.40	95.5%	6,596.5	14,066.8	2,097.7	(10.8%)	(420.2)	(20.0%)	(4.1%)	7,349.5	N/M	N/M	28.9x
SATS Ltd.	2.80	81.5%	3,135.6	3,317.8	850.8	36.8%	65.4	7.7%	0.9%	58.4	10.4x	N/M	36.5x
<u>Helicopter Operators</u>													
Bristow Group Inc.	\$28.22	91.6%	\$838.4	\$1,162.2	\$1,131.9	23.1%	\$137.2	12.1%	1.3%	\$322.9	4.5x	8.5x	6.6x
Median					\$1,744.6	(36.1%)	(\$556.6)	(59.5%)	(9.7%)	\$1,485.2	6.7x	8.5x	21.2x
Mean					\$3,509.5	(21.8%)	(\$2,358.2)	(43.1%)	(9.2%)	\$4,359.0	6.7x	13.8x	22.0x

### Passenger Transportation

(\$ in millions, except per-share prices)  
As of 5/17/21

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 <sup>(1)</sup>			LTM EBITDA	NFY EBITDA
ComfortDelGro Corporation Ltd.	\$1.20	87.0%	\$2,596.4	\$2,911.4	\$2,442.6	98.1%	\$328.7	13.5%	0.9%	(\$1.2)	1.7x	8.9x	5.5x
FirstGroup plc	1.14	79.5%	1,383.0	5,609.1	9,471.5	99.0%	339.5	3.6%	0.9%	3,859.8	16.9x	16.5x	4.2x
Lyft, Inc.	49.71	72.8%	16,373.1	15,099.4	2,017.9	190.5%	(1,669.3)	N/M	(51.7%)	(1,527.7)	N/M	N/M	N/M
National Express Group plc	4.12	86.4%	2,526.4	3,957.7	2,670.4	106.2%	104.6	3.9%	(3.5%)	1,308.0	19.3x	37.8x	8.4x
Stagecoach Group plc	1.24	79.4%	685.2	1,143.9	1,388.9	101.7%	120.5	8.7%	(1.2%)	420.9	8.7x	9.5x	5.7x
The Go-Ahead Group plc	18.09	87.6%	777.7	1,221.6	5,416.7	98.8%	188.4	3.5%	3.5%	371.4	5.9x	6.5x	1.3x
Uber Technologies, Inc.	47.51	74.2%	88,927.3	92,835.0	10,794.0	143.2%	(4,064.0)	(37.7%)	(13.8%)	2,434.0	N/M	N/M	N/M
<b>Median</b>					<b>\$2,670.4</b>	<b>101.7%</b>	<b>\$120.5</b>	<b>3.8%</b>	<b>(1.2%)</b>	<b>\$420.9</b>	<b>8.7x</b>	<b>9.5x</b>	<b>5.5x</b>
<b>Mean</b>					<b>\$4,886.0</b>	<b>119.6%</b>	<b>(\$664.5)</b>	<b>(0.8%)</b>	<b>(9.3%)</b>	<b>\$980.7</b>	<b>10.5x</b>	<b>15.8x</b>	<b>5.0x</b>

Source: S&P Capital IQ.

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

# About Houlihan Lokey

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

## Locations



## Industry Expertise

Product Expertise	Dedicated Industry Groups	Financial Sponsors
Mergers and Acquisitions	Business Services	Active Dialogue
Capital Markets	Consumer, Food, and Retail	With a Diverse Group of 1,000+ Sponsors
Financial Restructuring	Data and Analytics	Private Equity Firms
Financial and Valuation Advisory	Energy	Hedge Funds
	Financial Institutions	Capital Alliances
	Healthcare	
	Industrials	
	Real Estate, Lodging, and Leisure	
	Technology, Media, and Telecom	



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