

Houlihan Lokey

Four Walls Logistics (4WL)

Market Monitor

Q3 2025

Four Walls Logistics (4WL) **Market Monitor**

In this series, we aim to provide our readers with a quick, useful snapshot of the (i) financial/operational performance and (ii) strategic imperatives of some of the largest global players operating in the warehousing, fulfillment, and contract logistics segment.

What We Are Reading

- "GXO Posts Record-Setting Q3 Earnings Results" (*Logistics Management*)
- "What to Know About Trump's Latest Tariffs?" (*WSJ*)
- "First Look: Ryder's Earnings Eke Out a Gain, Revenue Stagnant" (*FreightWaves*)
- "Fearing Customs Chaos, DHL Joins Others in Suspending U.S. Shipments" (*NYT*)
- "U.S. Warehouse Vacancies Steady as Demand Rises With Less New Space" (*WSJ*)

Recent M&A Transactions

- "Wind Point Scoops Up Supply Chain Solutions Firm Buske" (*PE Hub*)
- "Neace Transportation acquires Journey Warehousing" (*The Business Journals*)
- "The Integration Group Acquires North American Warehouse Company, Strengthening Midwest Specialty Logistics and Hazardous Materials Capabilities" (*BusinessWire*)
- "BWT Logistics Announces Strategic Acquisition of RAZR Logistics" (*MorningStar*)
- "Tobin Scientific Acquires Wakefield Moving & Storage" (*PR Newswire*)

Please feel free to reach out with any comments, questions, or suggestions—we welcome the discussion!

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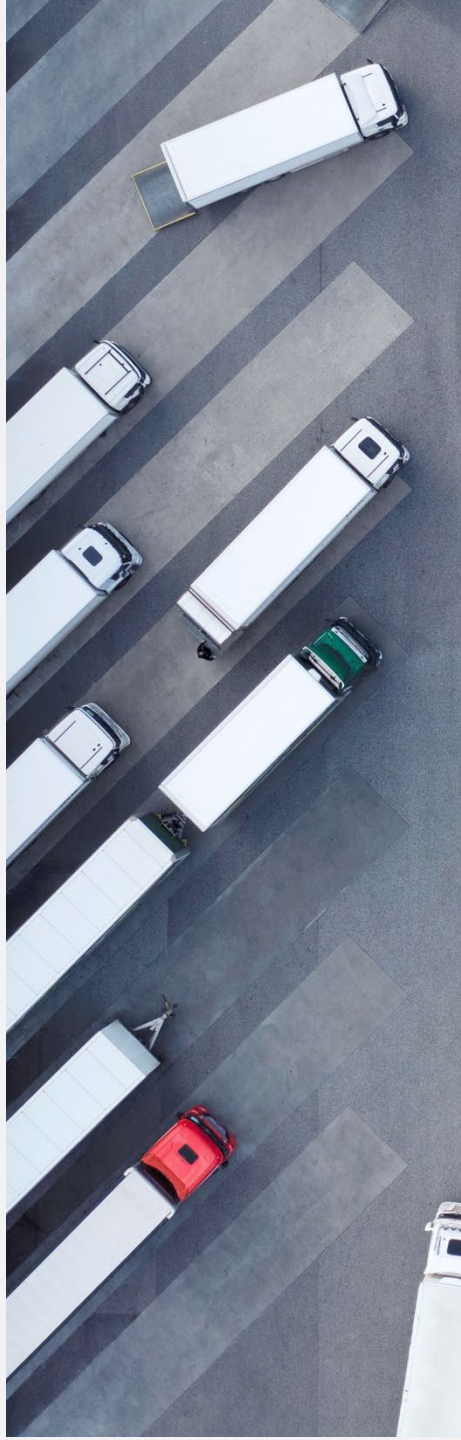


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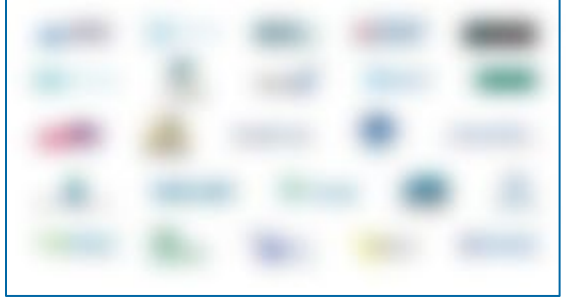


Four Walls Logistics Market Map
Differentiation by End Markets Served

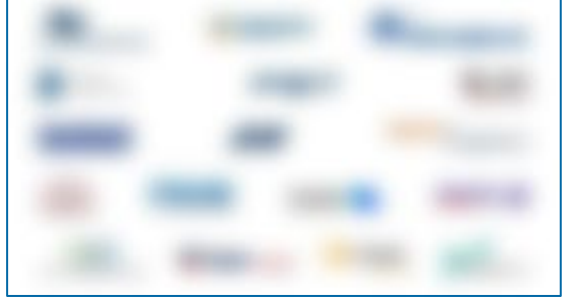
We look forward to discussing our proprietary 4WL Market Map.

Request Market Map

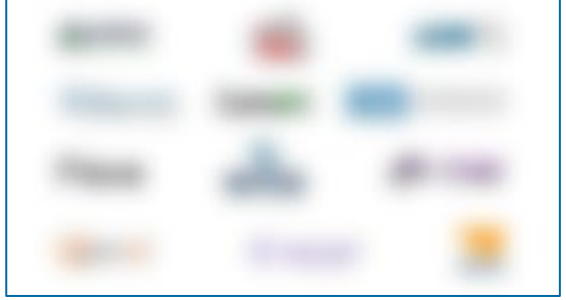
Temperature Controlled



Food and Beverage



E-Commerce



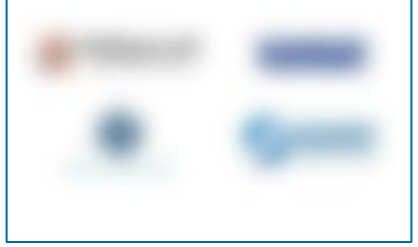
Retail/CPG



Healthcare/Pharma



Aerospace



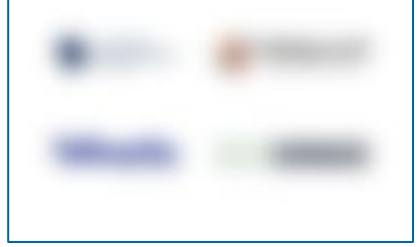
Auto



Industrial Manufacturing



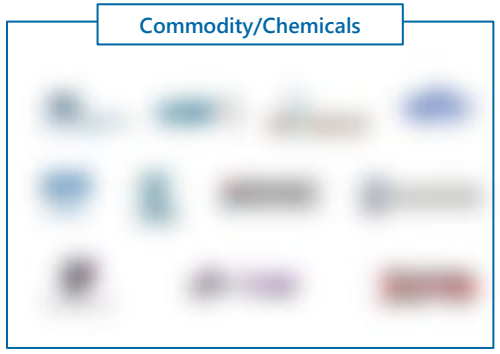
Reverse



Packaging



Commodity/Chemicals



Diversified

>$20 Million EBITDA



<$20 Million EBITDA



Note: Categories are not mutually exclusive or collectively exhaustive; most 4WL companies serve multiple end markets.

GXO Logistics

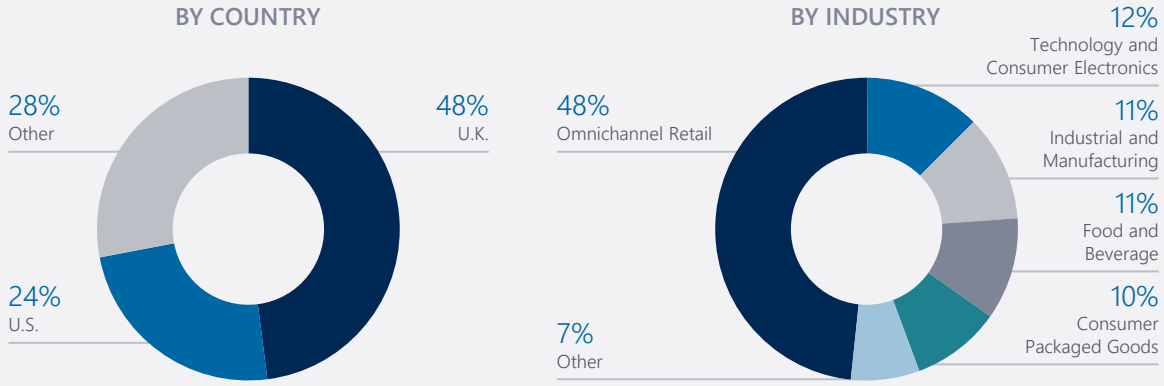
GXO Logistics (GXO) is one of the largest pure-play contract logistics providers in the world, offering customers high-value-added warehousing and distribution order fulfillment, e-commerce, reverse logistics, and other supply chain services.

Commentary

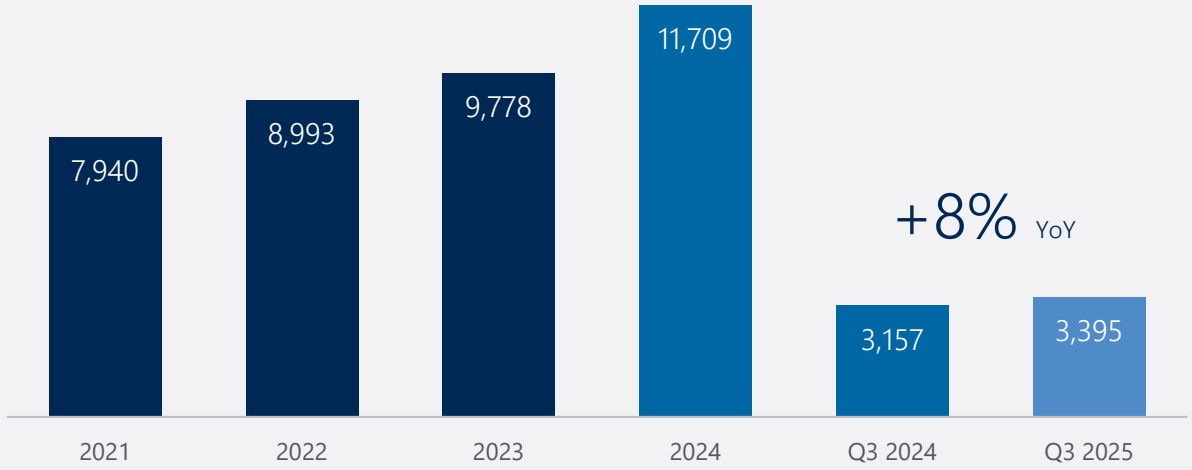
- "We delivered record revenue in the third quarter, as well as double-digit adjusted EBITDA growth, underscoring the strength and resilience of GXO's business model. **New business wins rose 24% year over year, and our commercial pipeline, which stands strong at $2.3 billion, is geographically diversified and scaling in high-growth sectors**."
  —Patrick Kelleher, CEO
- Effective August 19, 2025, **Patrick Kelleher, a 33-year global logistics veteran and former CEO for North America at DHL Supply Chain, took over as the new CEO of GXO**, replacing Malcolm Wilson, who is retiring and has led GXO's global expansion since its spinoff.
- Under new leadership, GXO plans to prioritize organic growth, particularly in three strategic industry verticals of aerospace and defense, industrial, and life sciences. M&A will continue to be part of the story, but management will be very disciplined.
- GXO reported an 8% revenue increase for the three months ended September 30, 2025, supported by **organic growth across all regions and aided by $115 million in favorable foreign-currency movements**.
- **New business wins totaled $280 million, up 24% year over year.** Wins included a fully automated U.S. project with a rapidly growing global sportswear brand, alongside continued wallet-share expansion with existing customers.
- GXO generated **$251 million of EBITDA, up 13% year over year**. Margins expanded by 100 basis points sequentially and by 30 basis points year over year, driven by stronger site-level productivity and the faster-than-expected ramp-up of major automated startups.

Sources: Company websites, press releases, and public filings.

GXO's Q3 2025 Revenue



Company Historical Revenue (USD Millions)



Ryder

Ryder's Supply Chain Solutions (SCS) business segment offers companies solutions that include warehousing, distribution, transportation logistics, e-commerce and omnichannel fulfillment, and last-mile delivery.

Commentary

- "Ryder delivered its fourth consecutive quarter of earnings-per-share growth. Earnings were in line with our expectations as operating performance from our resilient contractual businesses and benefits from our strategic initiatives more than offset the impact from freight market conditions. **In SCS, we delivered another quarter of solid contractual earnings performance**."
  —Robert Sanchez, Chairman and CEO
- **SCS total revenue and operating revenue increased 5% and 4%, respectively**. Total revenue reflects increased operating revenue and subcontracted transportation costs passed through to customers. Increase in operating revenue primarily driven by new business in omnichannel retail.
- **SCS EBT of $86 million, down 8%**. Benefits from operating revenue growth more than offset by e-commerce network performance and medical costs.
- In SCS, Ryder **focused on optimizing its omnichannel retail warehouse network** through continuous improvement efforts, driving operational efficiencies and better aligning its footprint with the demand environment.
- During the third quarter in SCS, Ryder incurred some incremental costs related to network optimization but expects continued progress on this initiative, with incremental benefits expected in 2026. By year-end 2025, **Ryder expects to realize approximately $100 million from these initiatives, benefiting all three business segments**.

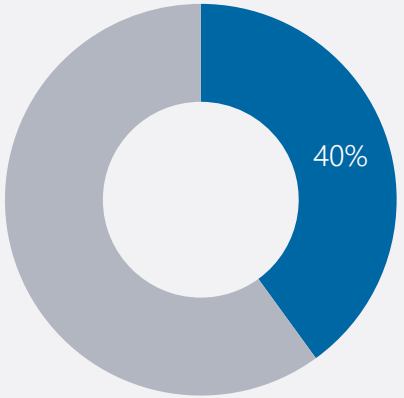
Sources: Company websites, press releases, and public filings.
(1) Operating revenue is defined as total revenue, excluding fuel and subcontracted transportation.

Ryder's Q3 2025 Revenue by Segment

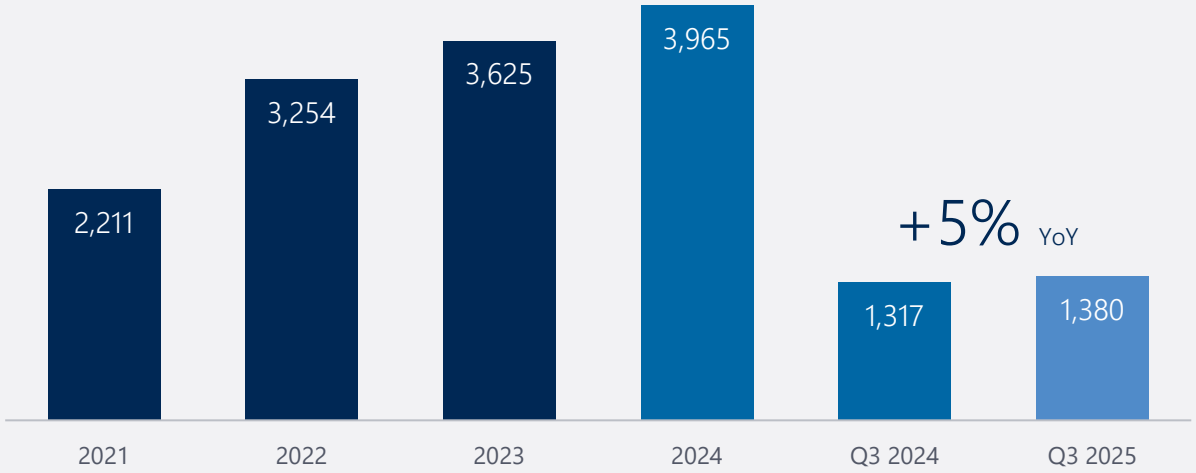
SCS Represented

40%

Of Revenue in Q3 2025



SCS Historical Operating Revenue[1] (USD Millions)



DSV

DSV's Contract Logistics operating segment offers warehousing and logistics services globally. The service portfolio includes freight management, customs clearance, order management, and e-commerce solutions.

Commentary

- "During the third quarter, we have made significant progress on the integration of Schenker, which has accelerated our synergies. **Through this integration, we are continuing to strengthen both our organization and global network to even better support our customers' supply chains**. Despite tough market conditions and lower volumes in some sectors, our commercial approach is driving increased activity among our largest customers."
  —Jens Hesselberg Lund, CEO
- **Strong growth in EBIT with positive contribution from Schenker** and strong organic growth in revenue and gross profit.
- **Organic revenue growth was driven by high growth in the technology sector, particularly in North America**, as well as increasing revenue from the largest customers.
- Gross profit improved compared to last year, partly due to a positive contribution from Schenker and a **higher utilization ratio based on a mixed model of client-controlled, multi-client, and owned facilities.**
- **DSV has appointed Maciej Walenda as the new CEO of its contract logistics division**, succeeding Albert-Derk Bruin, who is leaving the company. Walenda previously served as DSV's regional CEO for contract logistics in Europe and has held several key roles since joining in 2013.
- **On July 22, 2025, DSV celebrated the groundbreaking of its new, nearly 900,000-square-foot high-tech facility in Laredo, Texas**, significantly expanding its existing operations to solidify its position as a strategic hub for air and sea, road, and contract logistics services.

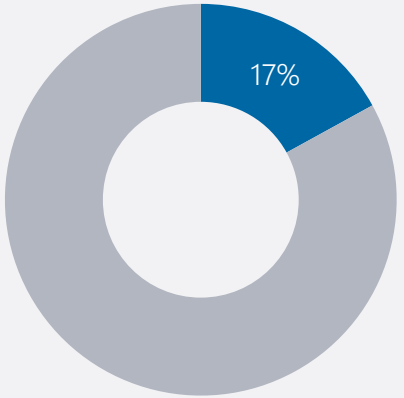
Sources: Company websites, press releases, and public filings.
(1) Organic revenue growth YoY was 20.7% with the Schenker acquisition contributing 5,311 (DKK Millions).

DSV's Q3 2025 Revenue by Segment

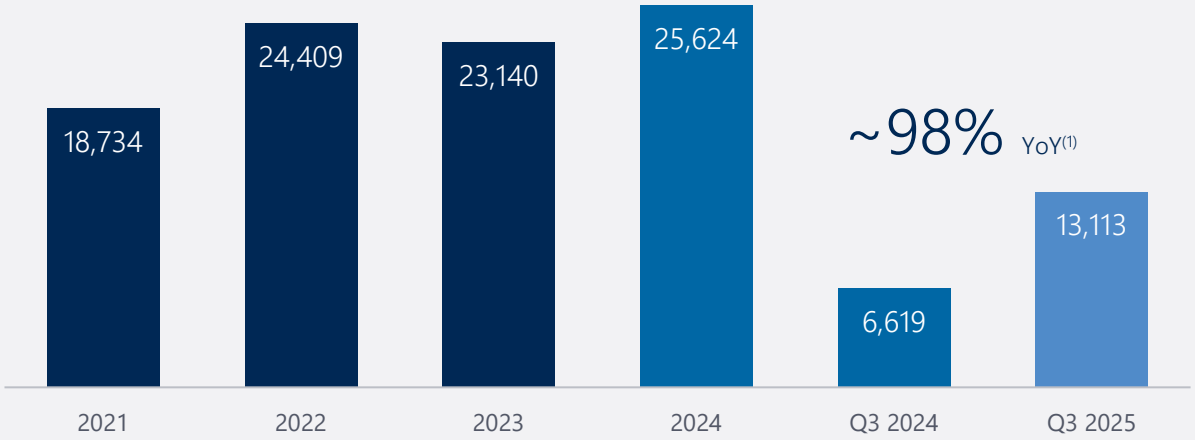
Contract Logistics Segment Represented

17%

Of Revenue in Q3 2025



Contract Logistics Segment Historical Revenue (DKK Millions)



DHL

DHL's Supply Chain division delivers customized logistics services and supply chain solutions based on globally standardized modular components, including warehousing, transport, and value-added services.

Commentary

- "In Supply Chain, our **ongoing investments in standardization and digitalization are paying off**. The division again achieved organic revenue growth in the third quarter and continues to operate very profitably."
  —Melanie Kreis, CFO
- Revenue in the Supply Chain division declined by 0.4% to €4,412 million in Q3 2025. **Excluding €156 million in negative currency effects, revenue grew by 3.2%**, driven mainly by life sciences and healthcare and engineering and manufacturing.
- In Q3 2025, the division secured **new contracts worth €1.4 billion, with retail (including e-fulfillment), consumer, and life sciences and healthcare, accounting for a substantial share**.
- EBIT rose by 1.6% to €278 million in Q3 2025, including a €7 million negative nonrecurring effect from M&A costs. **Productivity gains from digitalization, automation, and standardization, as well as new customers, supported earnings growth**.
- **Structural outsourcing trends remain strong**, particularly in life sciences and healthcare and e-commerce, with a continued focus on accelerating growth in the Middle East and Africa.
- On May 6, 2025, **DHL Supply Chain acquired U.S.-based e-commerce and retail logistics specialist IDS Fulfillment**, a strategic move that adds more than 1.3 million square feet of warehouse space across the U.S. and expands its service offerings to small and midsized companies, marking its second North American e-commerce acquisition in 2025.

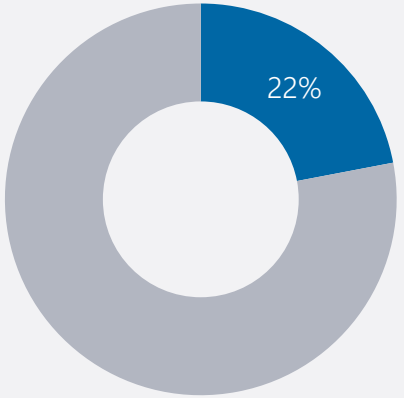
Sources: Company websites, press releases, and public filings.

DHL's Q3 2025 Revenue by Segment

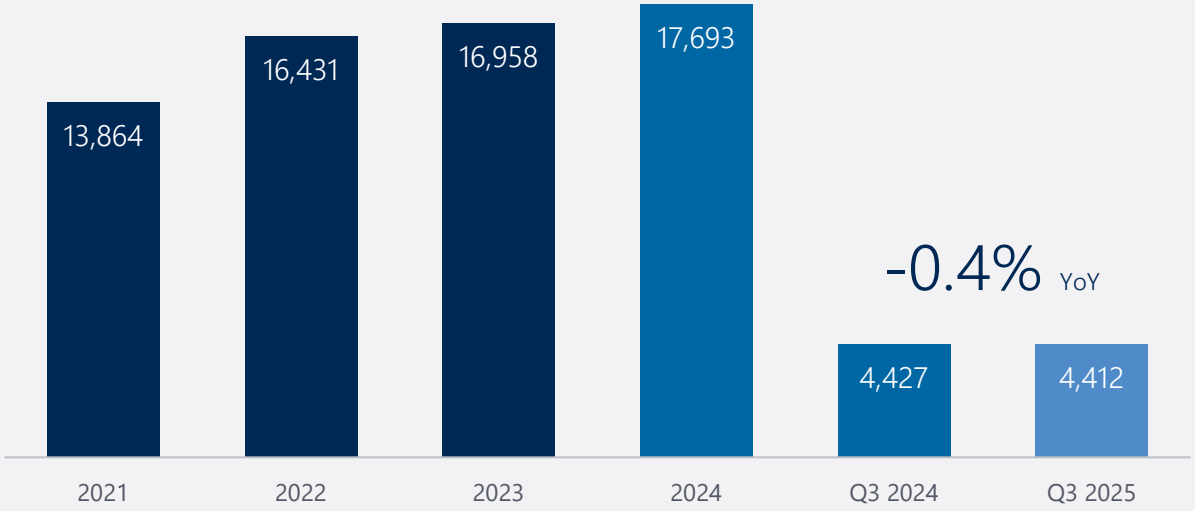
Supply Chain Represented

22%

Of Revenue in Q3 2025



Supply Chain Historical Revenue (EUR Millions)



Kuehne + Nagel (K+N)

K+N's Contract Logistics business segment includes services related to customer contracts for warehousing and distribution activities, whereby services performed are storage, handling, and distribution.

Commentary

- "Contract Logistics produced an EBIT of CHF62 million in Q3. This is the second strongest quarterly result ever and reflects 9% year-over-year EBIT growth, or 12% excluding currency effects. **Net turnover grew by 5% year-over-year in Q3 on a constant currency basis, in line with the growth over the first half of the year. This reflects continued market share expansion, with gains, as always, centered in healthcare and e-commerce.**"
  —Stefan Paul, CEO
- **Net turnover growth remained steady at +5% year-on-year in Q3, excluding foreign-exchange effects,** reflecting resilient underlying demand across key markets and reaffirming the strength of the company's core commercial pipeline.
- **Market share continues to expand in healthcare and e-commerce,** supported by ongoing investments in sector-specific capabilities and the company's deepening presence in high-growth verticals that remain central to its long-term strategic roadmap.
- **EBIT grew +9% year-on-year (+12% excluding FX effects), underpinned by a solid conversion rate**, as operational efficiencies, disciplined cost control, and an improving business mix contributed to stronger profitability and sustained margin enhancement.

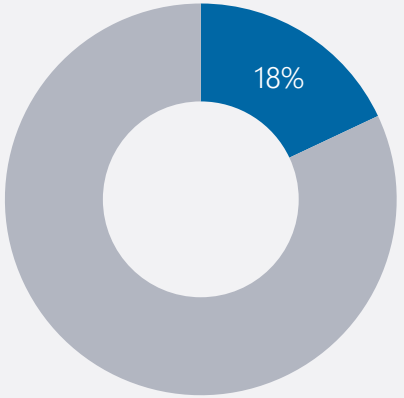
KUEHNE+NAGEL

K+N's Q3 2025 Net Revenue(1) by Segment

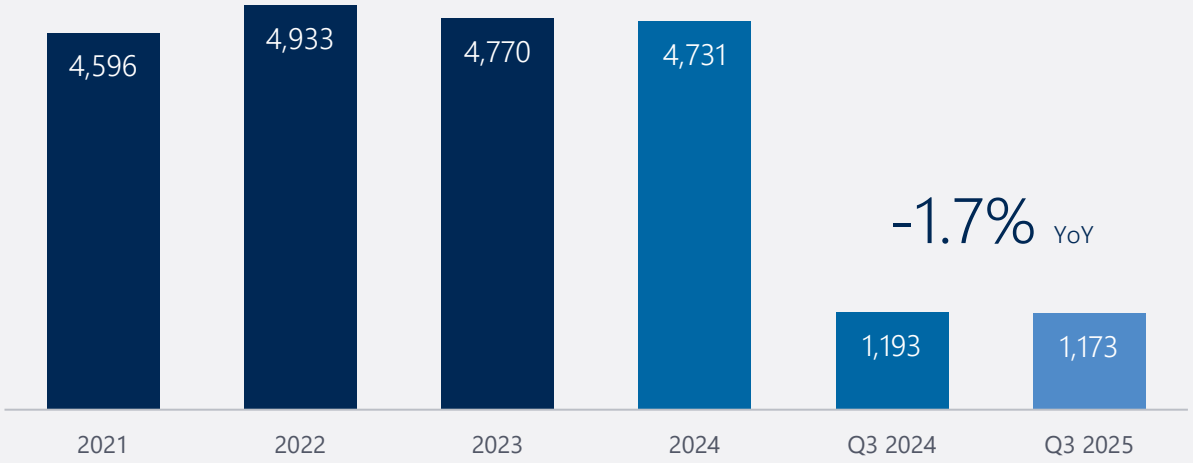
Contract Logistics Represented

18%

Of Revenue in Q3 2025



Contract Logistics Historical Net Revenue (CHF Millions)



Sources: Company websites, press releases, and public filings.
(1) Net Revenue is defined as total revenue excluding customs duties and taxes.

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