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Warehousing, Transportation & Logistics Industry Insight

August 2019

Warehousing, Transportation & Logistics M&A Update

Warehousing, Transportation & Logistics transaction multiples remained strong

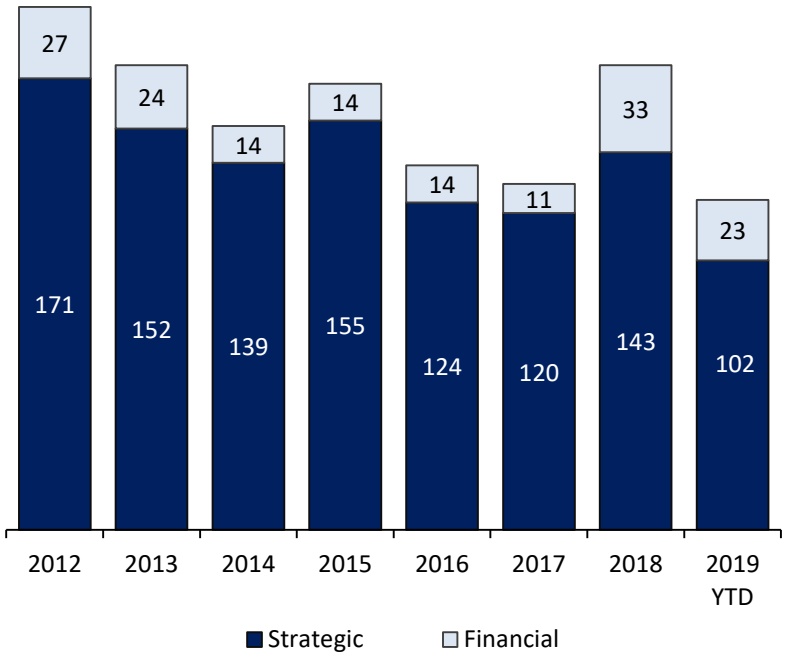
For 2019 YTD, strategic buyers have accounted for 82% of Warehousing, Transportation and Logistics M&A transactions with financial buyers making up the difference. During 2018, strategic buyers accounted for approximately 81% of the transactions.

Select Recent Notable Publicly Announced M&A Transactions

Date	Status	Target	Transaction Size	Buyer
Jul-2019	Announced	R-H-F Rail Feeding, a Genesee & Wyoming Company	$6.4 billion	Brookfield
Jun-2019	Closed	Petroleum Service Corporation, an SGS Company	$335 million	Aurora Capital Partners
Apr-2019	Closed	Long Beach Container Terminal	$1.7 billion	Macquarie Infrastructure and Real Assets
Apr-2019	Closed	Cloverleaf Cold Storage, Farmers Produce processing & packaging	$1.2 billion	Americold Realty
Oct-2018	Closed	Davis Transfer Company, Inc. (www.davistransfer.com)	$465 million	Odyssey, Innovating Logistics

Warehousing, Transportation & Logistics – M&A Market Overview

U.S. Transportation & Logistics Transactions by Buyer Type



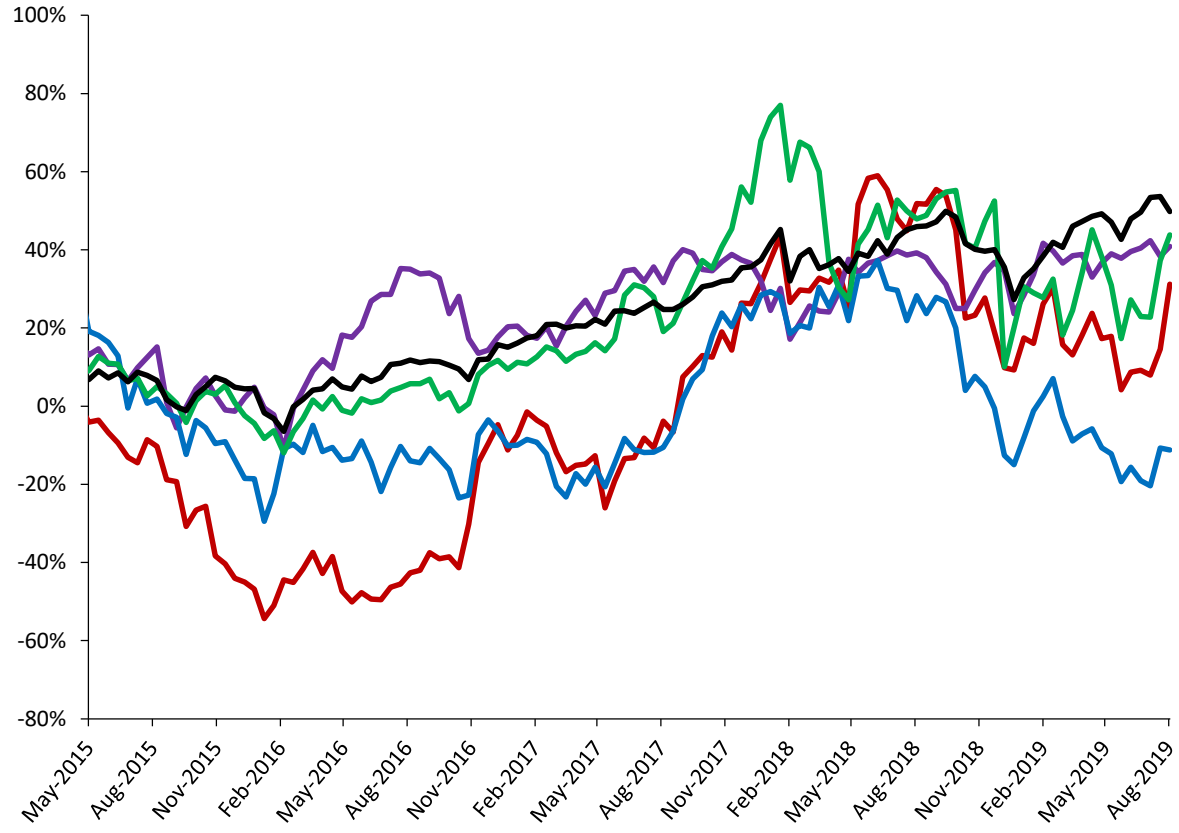
U.S. Transportation & Logistics Transaction Multiples

Source: Capital IQ, data as of August 2019

Peakstone Transportation Indices – Trading Statistics

Warehousing, Transportation & Logistics indexes have been trading in-line with the S&P 500

Relative Stock Performance



S&P 500: 50%

Asset-Light & Logistics: 44%

Warehousing & Storage REITs: 41%

LTL: 31%

Truckload: -11%

Peakstone Truckload Index
CGI, PTSI, KNX, JBHT, WERN, MRTN, USAK, HTLD, SWFT, CVTI, SNDR

Peakstone Asset-Light & Logistics Index
FWRD, RRTS, LSTR, CHRW, EXPD, XPO, HUBG, ECHO

Peakstone LTL Index
ARCB, SAIA, YRCW, ODFL

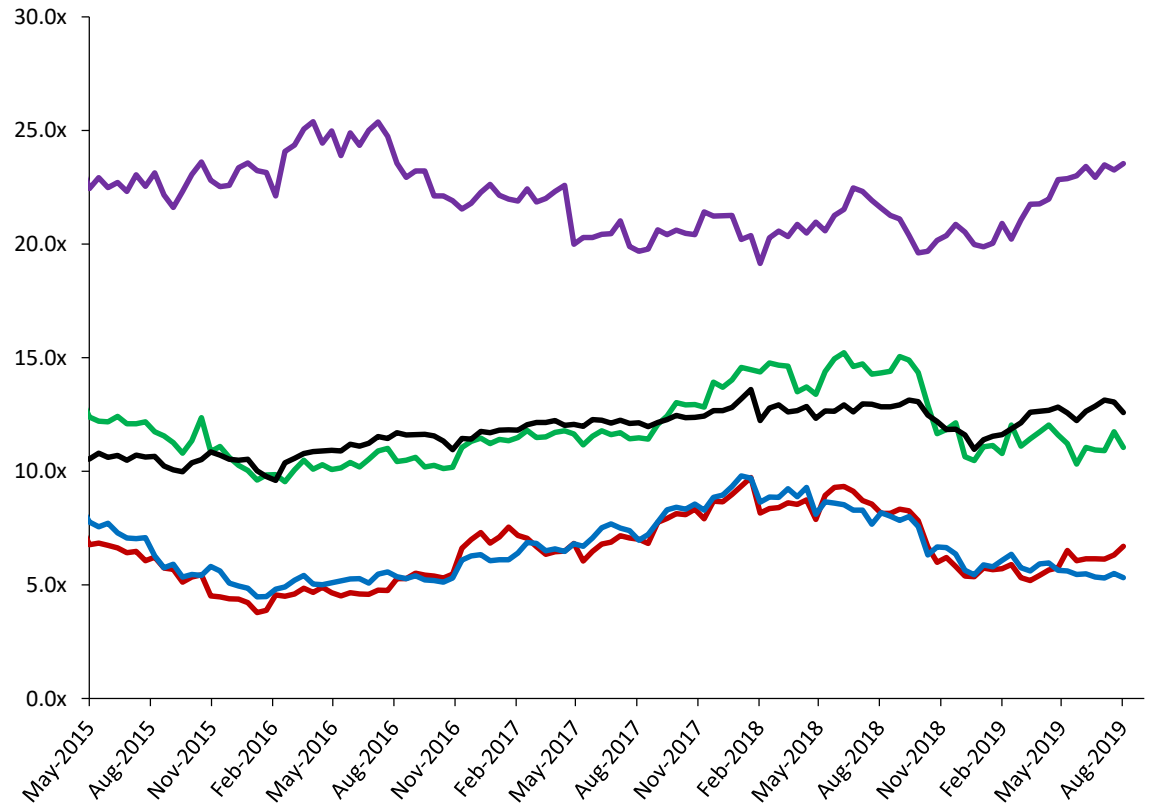
Peakstone Warehousing & Storage REIT Index
COLD, AVB, CUBE, DCT, EXR, JBGS, LXP, LSI, PLD, PSA, VTR, VNO

Source: Capital IQ, data as of August 2019
Note: Peakstone indexes are equally weighted

Peakstone Transportation Indices – Trading Statistics

Warehousing, Transportation & Logistics indexes have been trading in-line with the S&P 500

Comparable Valuation Trends – Enterprise Value / EBITDA



Warehousing & Storage REITs: 23.5x

S&P 500: 12.6x

Asset-Light & Logistics: 11.1x

LTL: 6.7x

Truckload: 5.3x

Peakstone Truckload Index
CGI, PTSI, KNX, JBHT, WERN, MRTN, USAK, HTLD, SWFT, CVTI, SNDR

Peakstone Asset-Light & Logistics Index
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Peakstone Warehousing & Storage REIT Index
COLD, AVB, CUBE, DCT, EXR, JBGS, LXP, LSI, PLD, PSA, VTR, VNO

Source: Capital IQ, data as of August 2019
Note: Peakstone indexes are equally weighted

Selected Public Trading Comparables

Selected Warehousing, Transportation & Logistics Public Trading Comparables

($ in millions) Company Name	Market Cap	Enterprise Value	Enterprise Value / Revenue	Enterprise Value / EBITDA	Enterprise Value / EBIT	Forward P/E Ratio	Gross Margin %	EBITDA Margin %
LTL								
Old Dominion Freight Line, Inc.	$13,479	$13,362	3.2x	12.1x	15.5x	20.2x	34%	27%
Saia, Inc.	$1,983	$2,235	1.3x	8.5x	14.7x	15.7x	21%	15%
ArcBest Corporation	$712	$767	0.2x	3.5x	6.6x	9.0x	9%	7%
YRC Worldwide Inc.	$114	$1,208	0.2x	4.9x	12.2x	18.1x	10%	5%
LTL Median	**$1,347**	**$1,722**	**0.8x**	**6.7x**	**13.5x**	**16.9x**	**15%**	**11%**
Warehousing & Storage REITs								
Prologis, Inc.	$50,806	$65,292	19.6x	29.5x	59.0x	54.2x	75%	67%
Public Storage	$44,386	$49,736	17.4x	24.8x	32.9x	33.7x	73%	70%
AvalonBay Communities, Inc.	$28,460	$35,572	15.5x	24.2x	42.9x	41.1x	66%	64%
Ventas, Inc.	$26,405	$37,092	10.0x	20.5x	40.7x	52.9x	54%	49%
Vornado Realty Trust	$11,619	$21,180	10.0x	21.9x	38.7x	31.9x	55%	46%
Extra Space Storage Inc.	$15,034	$20,665	16.4x	24.5x	32.8x	37.8x	75%	67%
CubeSmart	$6,713	$8,669	14.0x	22.9x	38.2x	41.2x	69%	61%
JBG SMITH Properties	$5,078	$7,081	10.7x	26.4x	100.8x	0.0x	52%	41%
Life Storage, Inc.	$4,746	$6,607	11.7x	20.1x	29.0x	26.8x	67%	58%
Americold Realty Trust	$6,489	$7,907	4.9x	28.3x	47.5x	69.1x	25%	17%
Lexington Realty Trust	$2,316	$3,833	11.0x	13.5x	30.0x	73.0x	88%	81%
DCT Industrial Trust Inc.	$0	$0	0.0x	0.0x	0.0x	0.0x	76%	69%
Warehousing & Storage REITs Median	**$9,166**	**$14,667**	**11.3x**	**23.5x**	**38.5x**	**39.4x**	**68%**	**63%**

Source: Capital IQ, data as of August 2019

Selected Public Trading Comparables

Selected Warehousing, Transportation & Logistics Public Trading Comparables

($ in millions) Company Name	Market Cap	Enterprise Value	Enterprise Value / Revenue	Enterprise Value / EBITDA	Enterprise Value / EBIT	Forward P/E Ratio	Gross Margin %	EBITDA Margin %
Truckload								
J.B. Hunt Transport Services, Inc.	$10,400	$11,889	1.3x	10.4x	17.5x	16.8x	17%	13%
Knight-Swift Transportation Holdings Inc.	$5,960	$7,040	1.4x	7.0x	12.6x	14.6x	27%	19%
Schneider National, Inc.	$3,353	$3,433	0.7x	5.3x	9.7x	13.9x	18%	13%
Werner Enterprises, Inc.	$2,196	$2,540	1.0x	5.4x	10.8x	13.4x	26%	19%
Heartland Express, Inc.	$1,596	$1,390	2.4x	8.1x	18.2x	20.2x	39%	30%
Marten Transport, Ltd.	$1,030	$947	1.2x	5.9x	13.5x	16.4x	28%	20%
Covenant Transportation Group, Inc.	$271	$549	0.6x	3.8x	8.5x	10.8x	23%	14%
P.A.M. Transportation Services, Inc.	$298	$496	0.9x	4.9x	10.0x	10.3x	24%	19%
USA Truck, Inc.	$72	$264	0.5x	5.2x	13.7x	8.4x	18%	9%
Celadon Group, Inc.	$45	$0	0.0x	0.0x	0.0x	NM	16%	8%
Truckload Median	**$1,313**	**$1,169**	**1.0x**	**5.3x**	**11.7x**	**13.9x**	**24%**	**16%**
Asset-Light & Logistics								
XPO Logistics, Inc.	$6,302	$13,878	0.8x	8.8x	16.4x	16.1x	15%	9%
C.H. Robinson Worldwide, Inc.	$11,403	$12,572	0.8x	12.1x	13.2x	17.7x	9%	6%
Expeditors International of Washington, Inc.	$12,343	$11,639	1.4x	13.7x	14.5x	20.1x	13%	10%
Landstar System, Inc.	$4,313	$4,179	0.9x	11.1x	12.5x	17.4x	22%	8%
Forward Air Corporation	$1,717	$1,910	1.4x	11.9x	16.0x	18.2x	24%	12%
Hub Group, Inc.	$1,431	$1,619	0.4x	6.2x	10.2x	12.5x	13%	7%
Echo Global Logistics, Inc.	$560	$736	0.3x	10.0x	14.5x	13.5x	18%	3%
Roadrunner Transportation Systems, Inc.	$329	$717	0.3x	NM	NM	39.7x	17%	-1%
Asset-Light & Logistics Median	**$3,015**	**$3,044**	**0.8x**	**11.1x**	**14.5x**	**17.5x**	**16%**	**8%**
Total WT&L Median	**$3,833**	**$4,006**	**1.3x**	**10.4x**	**14.7x**	**17.7x**	**25%**	**18%**

Source: Capital IQ, data as of August 2019

Selected Precedent M&A Transactions

Selected Warehousing, Transportation & Logistics Transactions

Date	Target / Issuer	Transaction Size ($mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
07/01/2019	Genesee & Wyoming Inc. (NYSE:GWR)	$6,409	Brookfield Infrastructure	14.0x	Brookfield Infrastructure/DJP XX, LLC entered into an agreement to acquire Genesee & Wyoming Inc. (NYSE:GWR) from Blue Harbour Group, L.P. and others for $6.4 billion on July 1, 2019. Under the terms of the agreement, DJP XX, LLC will pay $112 in cash to stockholders.
06/24/2019	Petroleum Services Corporation	$335	Aurora Capital Partners	-	Aurora Capital Partners acquired Petroleum Services Corporation from SGS SA (SWX:SGSN) for approximately $340 million on June 24, 2019. Petroleum Services Corporation had an annual turnover of approximately $300 million in 2018.
04/30/2019	LBCT LLC	$1,780	Macquarie Infrastructure and Real Assets	-	Macquarie Infrastructure Partners IV, L.P. of Macquarie Infrastructure and Real Assets and others entered into the sale and purchase agreement to acquire LBCT LLC from Long Beach Container Terminal, Inc. and OOCL LLC for approximately $1.
03/25/2019	Enviva Wilmington Holdings, LLC	$166	Enviva Partners, LP (NYSE:EVA)	-	Enviva Partners, LP (NYSE:EVA) entered into a contribution agreement to acquire an unknown stake in Enviva Wilmington Holdings, LLC from Enviva Development Holdings, LLC for approximately $170 million on March 21, 2019.
10/18/2018	Davis Transfer Company Inc./Davis Transfer Logistics Inc./B & G Leasing, L.L.C.	$465	Odyssey Logistics & Technology Corporation	-	Odyssey Logistics & Technology Corporation entered into an agreement to acquire AFF Global Logistics for approximately $470 million on October 18, 2018. The consideration is in a combination of cash and equity.
06/07/2018	Thunder Ridge Transport, Inc.	$216	CJ Logistics USA Corporation	-	CJ Logistics USA Corporation signed agreement to acquire 90% stake in DSC Logistics, Inc. for approximately KRW 230 billion on June 7, 2018. Under the transaction, CJ Logistics USA Corporation will acquire 1800 shares of DSC Logistics.
05/07/2018	Gramercy Property Trust	$220	DIF	-	DIF Infrastructure V, managed by Dutch Infrastructure Fund B.V. entered into an agreement to acquire American Roads LLC from Pike Pointe Holdings, LLC for $220 million on May 7, 2018.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected Warehousing, Transportation & Logistics Transactions

Date	Target / Issuer	Transaction Size ($mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
12/12/2017	New Acton Mobile Industries LLC	$220	WillScot Corporation (NasdaqCM:WSC)	-	WillScot Corporation (NasdaqCM:WSC) entered into a letter agreement to acquire New Acton Mobile Industries LLC from Prophet Equity LLC on December 1, 2017.
09/07/2017	Penske Truck Leasing Co., L.P.	$235	Penske Automotive Group, Inc. (NYSE:PAG); MBK USA Commercial Vehicles Inc.	-	Penske Automotive Group, Inc. (NYSE:PAG) and MBK USA Commercial Vehicles, Inc. acquired 15.5% stake in Penske Truck Leasing Co., L.P from GE Capital Global Holdings, LLC, Investment Arm for approximately $670 million on September 7, 2017.
07/03/2017	Global Gateway South Terminal	$674	EQT Partners AB; P5 Infrastructure	-	P5 Infrastructure and EQT Infrastructure III fund, fund sponsored by EQT Partners AB, signed a definitive agreement to acquire a 90% stake in Global Gateway South from CMA CGM for approximately $820 million on June 30, 2017.
05/30/2017	Aerostar Airport Holdings, LLC	$817	Grupo Aeroportuario del Sureste, S. A. B. de C. V. (BMV:ASUR B); Public Sector Pension Investment Board	-	Public Sector Pension Investment Board and Grupo Aeroportuario del Sureste, S. A. B. de C. V. (BMV:ASUR B) acquired 50% stake in Aerostar Airport Holdings, LLC from Oaktree Capital Management, L.P. for approximately $430 million on May 30, 2017.
05/25/2017	Hub Group Dedicated	$430	Hub Group Trucking, Inc.	-	Hub Group Trucking, Inc. entered into an agreement to acquire substantially all assets of Estenson Logistics, LLC from Timothy J. Estenson, Traci M. Estenson and Paul A. Truman for approximately $290 million on May 25, 2017.
05/23/2017	Navig8 Product Tankers Inc.	$285	Scorpio Tankers Inc. (NYSE:STNG)	18.3x	Scorpio Tankers Inc. (NYSE:STNG) ('Scorpio') entered into a definitive agreement to acquire Navig8 Product Tankers Inc. ('NPTI' or 'Navig8') for approximately $280 million on May 23, 2017.
04/10/2017	Swift Transportation Company	$1,204	Knight-Swift Transportation Holdings Inc. (NYSE:KNX)	-	Knight Transportation, Inc. (NYSE:KNX) entered into a definitive agreement to acquire Swift Transportation Company (NYSE:SWFT) for $3 billion on April 9, 2017. Under the terms of the definitive agreement, each Swift share will convert into 0.

Source: Capital IQ

Peakstone Momentum

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About Peakstone

Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com.

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