

PEAKSTONE

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Transportation & Logistics Industry Insight











October 2017

Transportation & Logistics M&A Update

Transportation & Logistics transaction multiples achieved a seven-year high in YTD 2017

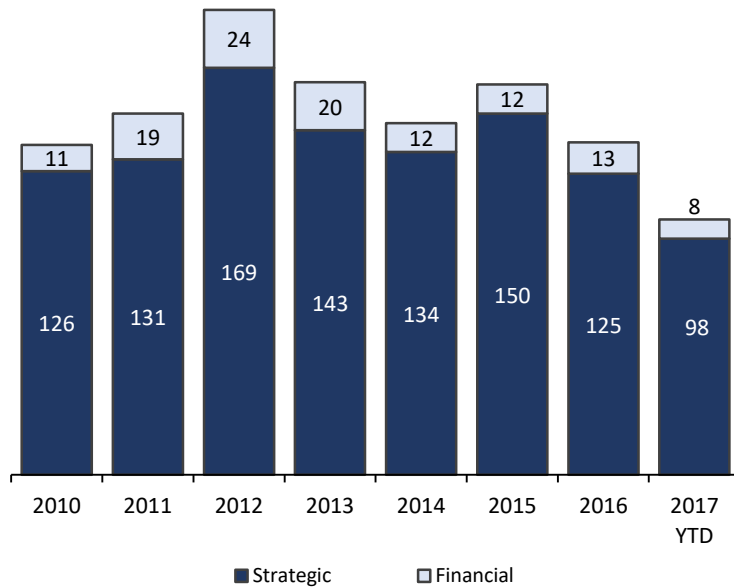
For 2017 YTD, strategic buyers accounted for 92% of the Transportation and Logistics M&A transactions with financial buyers making up the difference; during 2016, strategic buyers accounted for approximately 91% of the transactions

Select Recent Notable Publicly Announced M&A Transactions

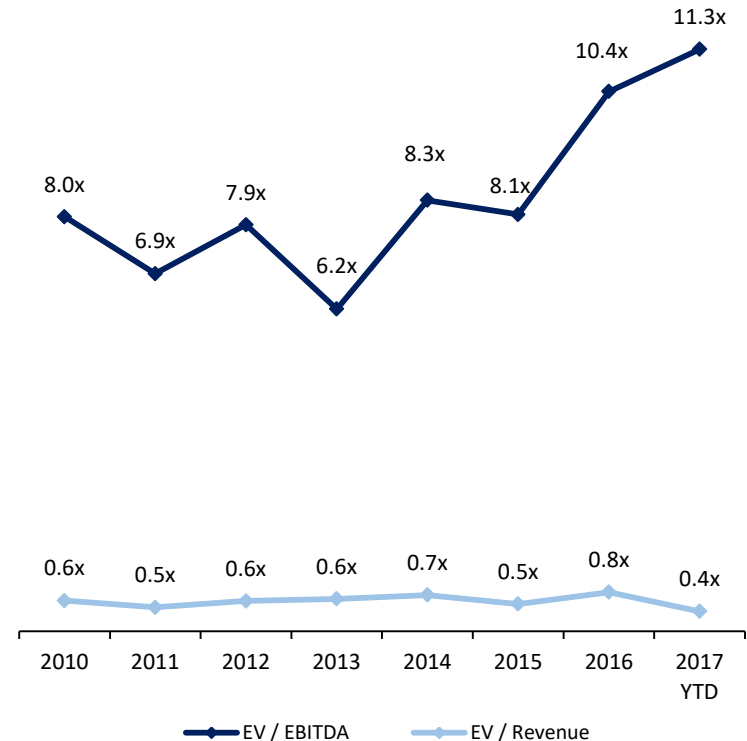
Date	Status	Target	Transaction Size	Buyer
Sep-2017	Closed		\$670 million	 MBK USA Commercial Vehicles, Inc.
Jul-2017	Announced		\$820 million	
May-2017	Announced		\$1.18 billion	
Apr-2017	Announced		\$2.97 billion	
Mar-2017	Announced		\$2.1 billion	

Transportation & Logistics – U.S. M&A Market Overview

U.S. Transportation & Logistics Transactions by Buyer Type



U.S. Transportation & Logistics Transaction Multiples

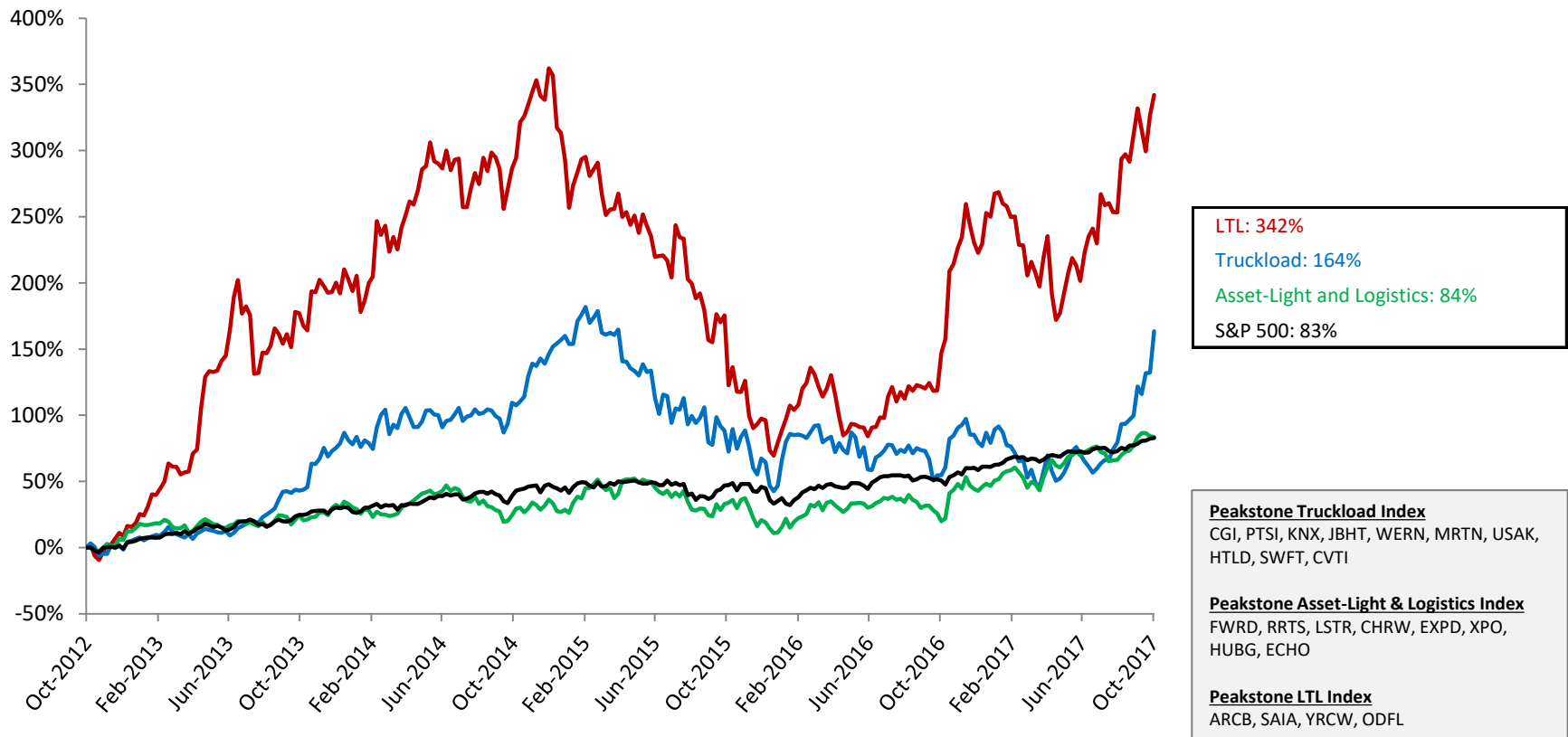


Source: Capital IQ.

Peakstone Transportation Indices – Trading Statistics

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

Relative Stock Performance

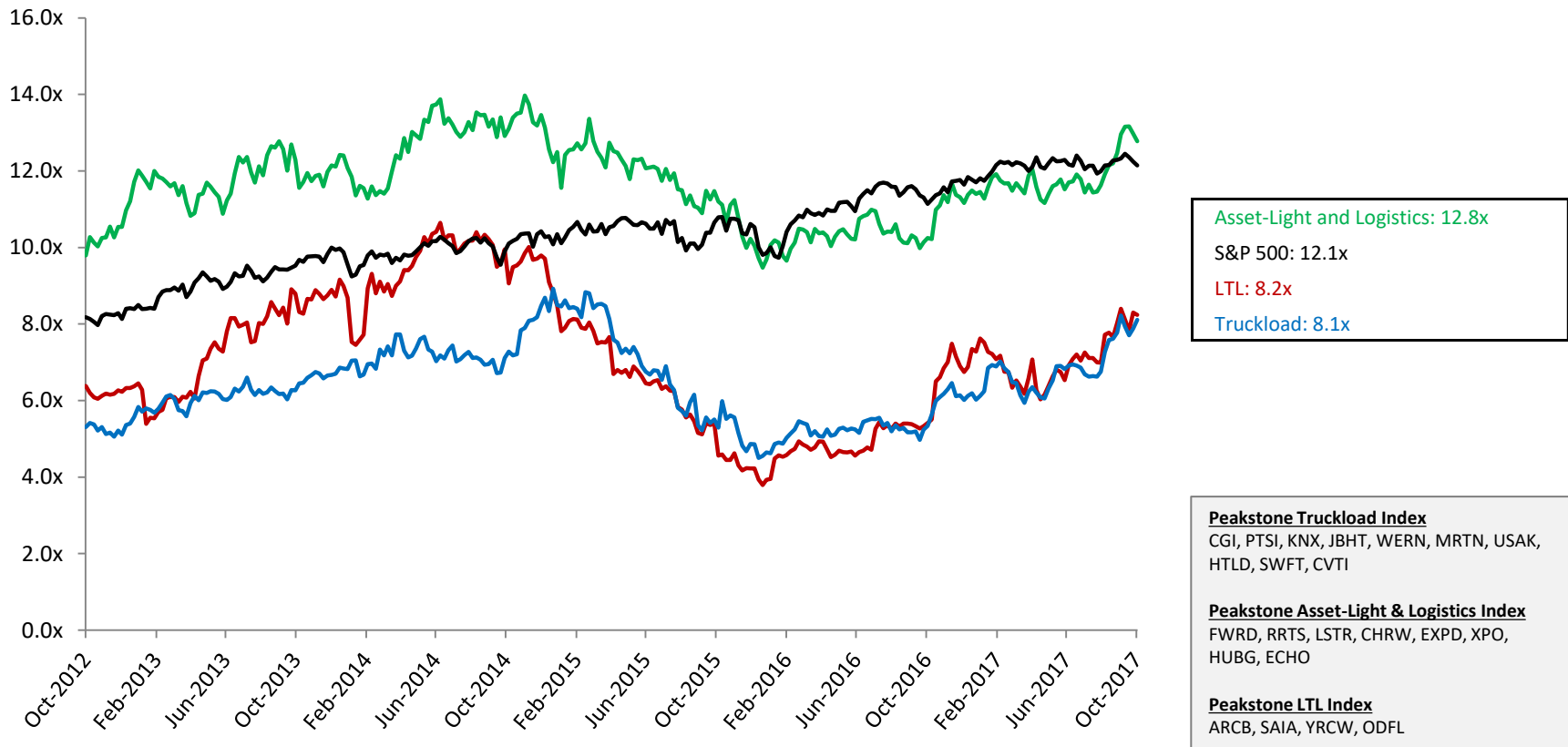


Source: Capital IQ, data as of 10/27/2017.
Note: Peakstone indexes are equally weighted.

Peakstone Transportation Indices – Trading Statistics

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

Comparable Valuation Trends – Enterprise Value / EBITDA



Source: Capital IQ, data as of 10/27/2017.
Note: Peakstone indexes are equally weighted.

Selected Public Trading Comparables

Peakstone LTL Index

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Old Dominion Freight Line Inc.	\$9,659	\$9,675	3.1x	13.5x	18.6x	25.0x	31.1%	23.2%
Saia, Inc.	\$1,576	\$1,724	1.3x	10.0x	19.6x	26.1x	19.1%	13.0%
YRC Worldwide Inc.	\$453	\$1,225	0.3x	4.8x	12.3x	12.8x	10.4%	5.3%
ArcBest Corporation	\$846	\$947	0.3x	6.4x	19.8x	21.9x	8.8%	5.3%
LTL Median	\$1,211	\$1,475	0.8x	8.2x	19.1x	23.4x	14.8%	9.1%

Peakstone Truckload Index

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
JB Hunt Transport Services Inc.	\$11,950	\$13,027	1.9x	12.5x	19.4x	26.1x	18.6%	15.1%
Knight Transportation Inc.	\$7,348	\$7,262	6.5x	29.8x	57.6x	28.4x	29.1%	21.8%
Werner Enterprises Inc.	\$2,644	\$2,708	1.3x	8.1x	23.1x	25.4x	26.1%	16.1%
Heartland Express, Inc.	\$1,995	\$1,824	3.1x	12.4x	34.5x	31.2x	36.1%	25.3%
Marten Transport Ltd.	\$1,080	\$1,078	1.6x	8.1x	22.4x	28.9x	28.9%	19.5%
Covenant Transportation Group, Inc.	\$525	\$714	1.0x	6.9x	24.9x	23.7x	23.7%	14.6%
Celadon Group Inc.	\$209	\$584	0.6x	6.8x	54.1x	0.0x	15.9%	7.9%
P.A.M. Transportation Services, Inc.	\$187	\$320	0.7x	6.4x	30.4x	0.0x	18.1%	11.4%
USA Truck Inc.	\$113	\$240	0.6x	12.9x	NM	224.0x	15.2%	4.5%
Truckload Median	\$1,080	\$1,078	1.3x	8.1x	27.7x	26.1x	23.7%	15.1%

Source: Capital IQ, data as of 10/27/2017.

Selected Public Trading Comparables (continued)

Peakstone Asset-Light & Logistics Index

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
XPO Logistics, Inc.	\$8,147	\$13,200	0.9x	11.0x	23.8x	30.4x	14.8%	8.1%
CH Robinson Worldwide Inc.	\$11,169	\$12,237	0.9x	14.4x	15.8x	23.7x	8.4%	6.1%
Expeditors International of Washington Inc.	\$10,705	\$9,593	1.5x	13.7x	14.7x	24.8x	13.7%	10.9%
Landstar System Inc.	\$4,190	\$4,050	1.2x	14.8x	17.3x	25.1x	21.6%	7.8%
Forward Air Corp.	\$1,718	\$1,747	1.6x	11.9x	16.1x	23.5x	25.4%	13.9%
Hub Group Inc.	\$1,353	\$1,632	0.4x	11.5x	18.9x	19.7x	11.4%	3.7%
Echo Global Logistics, Inc.	\$639	\$827	0.5x	26.6x	109.3x	24.3x	17.5%	1.7%
Roadrunner Transportation Systems, Inc.	\$354	\$753	0.4x	7.5x	12.6x	10.4x	19.8%	5.1%
Asset-Light & Logistics Median	\$2,954	\$2,898	0.9x	12.8x	16.7x	24.0x	16.1%	7.0%
Transportation & Logistics Total Median	\$1,576	\$1,724	1.0x	11.5x	19.7x	24.8x	18.6%	10.9%

Source: Capital IQ, data as of 10/27/2017.

Selected Precedent M&A Transactions

Selected Transportation & Logistics Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
09/07/2017	Penske Truck Leasing Co., L.P.	\$674	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 from GE Capital Global Holdings, LLC, Investment Arm for approximately \$670 million on September 7, 2017.
08/17/2017	Unitrans, Inc.	\$95	Quick International Courier, Inc.	-	Quick International Courier Inc. signed a stock purchase agreement to acquire Unitrans, Inc. from Ascent Global Logistics Holdings, Inc. for \$95 million on August 16, 2017.
07/21/2017	Special Dispatch of San Antonio, Inc. and Special Logistics Dedicated, LLC	\$136	J.B. Hunt Transport Services, Inc. (NasdaqGS:JBHT)	-	J.B. Hunt Transport Services, Inc. (NasdaqGS:JBHT) entered into an agreement to acquire Special Dispatch of San Antonio, Inc. for approximately \$140 million on July 20, 2017.
07/06/2017	Interstate Distributor Co., Inc.	\$117	Heartland Express, Inc. (NasdaqGS:HTLD)	-	Heartland Express, Inc. (NasdaqGS:HTLD) acquired Interstate Distributor Co., Inc. from Saltchuk Resources, Inc. for an enterprise value of approximately \$110 million on July 6, 2017.
07/03/2017	Global Gateway South Terminal	\$817	EQT Partners AB	-	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.
06/01/2017	Teekay Tankers Operations Ltd	\$39	Teekay Tankers Ltd. (NYSE:TNK)	-	Teekay Tankers Ltd. (NYSE:TNK) acquired the remaining 50% stake in Teekay Tankers Operations Ltd from Teekay Corporation (NYSE:TK) for \$39 million on May 31, 2017.
05/30/2017	Aerostar Airport Holdings, LLC	\$430	Grupo Aeroportuario del Sureste	-	Public Sector Pension Investment Board acquired 50% stake in Aerostar Airport Holdings, LLC from Oaktree Capital Management, L.P. for approximately \$430 million on May 30, 2017.

Source: Capital IQ.

Selected Precedent M&A Transactions (continued)

Selected Transportation & Logistics Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
05/25/2017	Estenson Logistics, LLC	\$285	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.	\$1,177	Scorpio Tankers Inc. (NYSE:STNG)	17.9x	Scorpio Tankers Inc. (NYSE:STNG) entered into a definitive agreement to acquire Navig8 Product Tankers Inc. (NPTI) for approximately \$250 million on May 23, 2017.
05/10/2017	Enviva Port of Wilmington, LLC	\$130	Enviva Partners, LP (NYSE:EVA)	-	Enviva Partners, LP (NYSE:EVA) agreed to acquire Enviva Port of Wilmington, LLC from Enviva Wilmington Holdings, LLC for \$130 million on May 10, 2017.
04/12/2017	United Road Towing, Inc.	\$40	Medley Capital Corporation (NYSE:MCC); MCC Advisors LLC	-	Medley Capital Corporation (NYSE:MCC), managed by MCC Advisors LLC won an auction to acquire substantially all the assets of United Road Towing, Inc. for \$40 million on April 10, 2017.
04/10/2017	Swift Transportation Company (NYSE:SWFT)	\$2,971	Knight Transportation, 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.
04/10/2017	4 Companies	\$24	Central States Trucking Co.	4.6x	Central States Trucking Co. entered into an agreement to acquire Atlantic Trucking Company, Inc. for \$23.5 million on April 10, 2017.
03/28/2017	Florida East Coast Holdings Corp.	\$2,100	Grupo México Transportes S.A. de C.V.	-	Grupo México Transportes S.A. de C.V. entered into an agreement to acquire Florida East Coast Holdings Corp. from Florida East Coast Industries, LLC for \$2.1 billion on March 28, 2017.

Source: Capital IQ..

Selected Precedent M&A Transactions (continued)

Selected Transportation & Logistics Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
03/07/2017	Dominion Terminal Associates LLP	\$20	Ashland Terminal, Inc.; Contura Energy, Inc. (OTCPK:CNTE)	-	Ashland Terminal, Inc. and Contura Energy, Inc. (OTCPK:CNTE) agreed to acquire 37.5% stake in Dominion Terminal Associates LLP from Peabody Energy Corporation (OTCPK:BTUU.Q) for \$20.5 million on March 7, 2017.
03/02/2017	Dulles Greenway, VA	\$445	Macquarie Atlas Roads Group (ASX:MQA)	-	Macquarie Atlas Roads Group (ASX:MQA) entered into a purchase agreement to acquire additional 50% stake in Dulles Greenway, VA from Toll Road Investors Partnership II, LP for approximately \$450 million on February 23, 2017.
01/18/2017	Canadian Pacific Railway Limited, Obico Rail Yard	\$29	-	-	Canadian Pacific Railway Limited (TSX:CP) sold Obico rail yard for CAD 38 million during the fourth quarter of 2016.
01/12/2017	Dominion Terminal Associates LLP	\$10	Newport News Terminal Associates, LLC	-	Newport News Terminal Associates, LLC agreed to acquire 37.5% in Dominion Terminal Associates LLP from James River Coal Terminal, LLC and Peabody Terminals, LLC for \$10 million in a stalking horse bid on January 12, 2017.
01/03/2017	Flyte Tyme Worldwide Transportation	\$25	Addison Lee PLC	-	Addison Lee PLC acquired Flyte Tyme Worldwide for \$25 million on January 3, 2017. As a part of the transaction, Timothy Rose, Chief Executive of Flyte Tyme, will head up Addison Lee's North America division.
12/21/2016	El Monte Rents, Inc.	\$64	Tourism Holdings Limited (NZSE:THL)	-	Tourism Holdings Limited (NZSE:THL) signed a share purchase agreement to acquire El Monte Rents Inc. from family for NZD 92.6 million on December 21, 2016. Under the terms, consideration to be paid includes 3.
12/02/2016	Northwest Parkway LLC	\$498	HICL Infrastructure Company Limited (LSE:HICL); InfraRed Capital Partners	-	HICL Infrastructure Company Limited (LSE:HICL), managed by InfraRed Capital Partners, signed an agreement to acquire Northwest Parkway LLC from Brisa - Auto-Estradas de Portugal SA for approximately \$500 million December 2, 2016.

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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