



# Transportation & Logistics

Strategic Market Insights – Q1 2017 Report

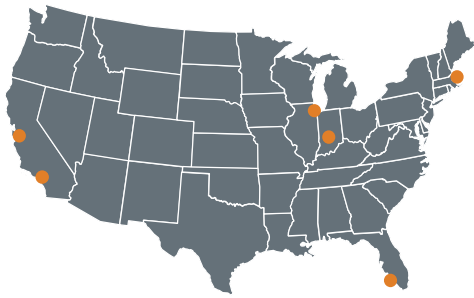


# G2 Overview

## Investment Banking and Restructuring Advisory

G2 Capital Advisors is pleased to present its Transportation & Logistics update for Q1 2017, providing commentary and analysis on M&A and market trends within the Transportation & Logistics industry. We hope you find this report helpful and encourage you to contact us directly if you would like to discuss our perspective on the current market environment, trends, or our relevant industry experience.

**THIRTY-FIVE** professionals



across **SIX** offices

**FOUR** Industry Practice Groups



Transportation & Logistics / Supply Chain



Technology / Business Services



Aerospace & Defense / Security



Industrials / Manufacturing

**FIVE** Service Offerings

Securities



Sell-Side

Buy-Side



Operational Restructuring

Financial Restructuring



# G2 Overview

## Sector-Focused; Experience-Based

G2 is focused in four sectors; each practice group headed by a leader with 20+ years of C-level operating experience. G2's managing directors have navigated all stages of the corporate lifecycle, from growth to maturity, and apply that experience to provide advisory services to our clients.



Transportation & Logistics / Supply Chain



Industrials / Manufacturing



Technology / Business Services



Aerospace & Defense / Security

**Led by Ron Lentz**

- Freight Forwarding
- Trucking / Final Mile
- Warehousing / Distribution
- Third Party Logistics (3PL)
- e-Commerce Fulfillment

**Led by Jack Shields**

- Manufacturing / Distribution
- Flooring
- Plastics / Packaging
- Consumer Products
- Metals

**Led by Matt Konkle**

- Tech-enabled Services
- BPO
- Managed Services
- Internet & Digital Media
- Business Services

**Led by Bob Kinder**

- Cyber Security
- Defense Robotics
- UAV, C4ISR, Hardware
- Aerospace Electronics
- Aerospace Components

G2 offers clients an operational, experience-based approach within each of its practice sectors.

# Market Update

## G2 Insights

“ Significant capital available for investment from strategic and financial investors, coupled with the steady-growth business environment is driving interest for M&A. Analysts suggest the merger between Knight and Swift is the start of a mega consolidation trend in the fragmented trucking industry, with key players seeking to lock up asset capacity before the market tightens and be well positioned to utilize driver pools and equipment more efficiently. The sentiment of ‘buy or be bought’ is a prevailing trend in the logistics sector. At the recently held Transportation Intermediaries Association (TIA) conference, a majority of attendants noted an increased exploration of M&A topics within their business strategy. Key industry themes over Q1 2017 include:

- Rapidly shifting market for 3PL players; the sector continues to evolve in response to increased competition and margin pressure, observed through a recent decline in 3PL quarterly profits. Continued shifts with growing e-Commerce demand has pushed 3PL providers into new markets and service offerings.
- Mixed container traffic results for the three major U.S. ports; though overall container traffic rose by 2.4%.
- M&A for assets; companies are acquiring freight hauling assets to shore up capacity in 1H 2017, in anticipation of implementation of the federal mandate that will require interstate drivers to use electronic logs to track hours of service.
- Technological based services; developments such as the introduction and marketing of electronic logging devices and automated freight marketplaces by tech firms, coupled with the host of startups in the “Uberization” of trucking industry continue to thrive.
- Focus on trade; major carriers stress the importance of free and fair international trade including the growing need to update NAFTA.







Overall the Transportation and Logistics industry outlook is positive despite tighter margin concerns in some segments.


Source: Transport Topics ”

## Transportation & Logistics

### Ron Lentz, Managing Director

G2 Capital Advisor’s Transportation & Logistics industry practice leader, Ron Lentz, brings 25+ years of C-level leadership and operating experience to the Transportation & Logistics practice group.

Company	Title	Role
	CEO	Restructured operations of international freight forwarder and acquired 11 companies in 18 months before selling the parent at 4.5x premium.
	EVP	Doubled the size of company sales and EBITDA in 18 months before selling at a 2.5x premium.
	COO	Restructured and recapitalized the company, before selling for \$400 million.
	COO	Restructured platform company for a private equity group before selling for \$658 million – representing a 6x return on initial investment.
	CEO	Co-founded the business in 2000, building the company from start-up to \$150 million in revenues in 18 months then sold to private equity firm in 2002.
	EVP	Built Ryder’s 3PL division from \$100 million revenues in 1988 to \$2.4 billion in 1999.



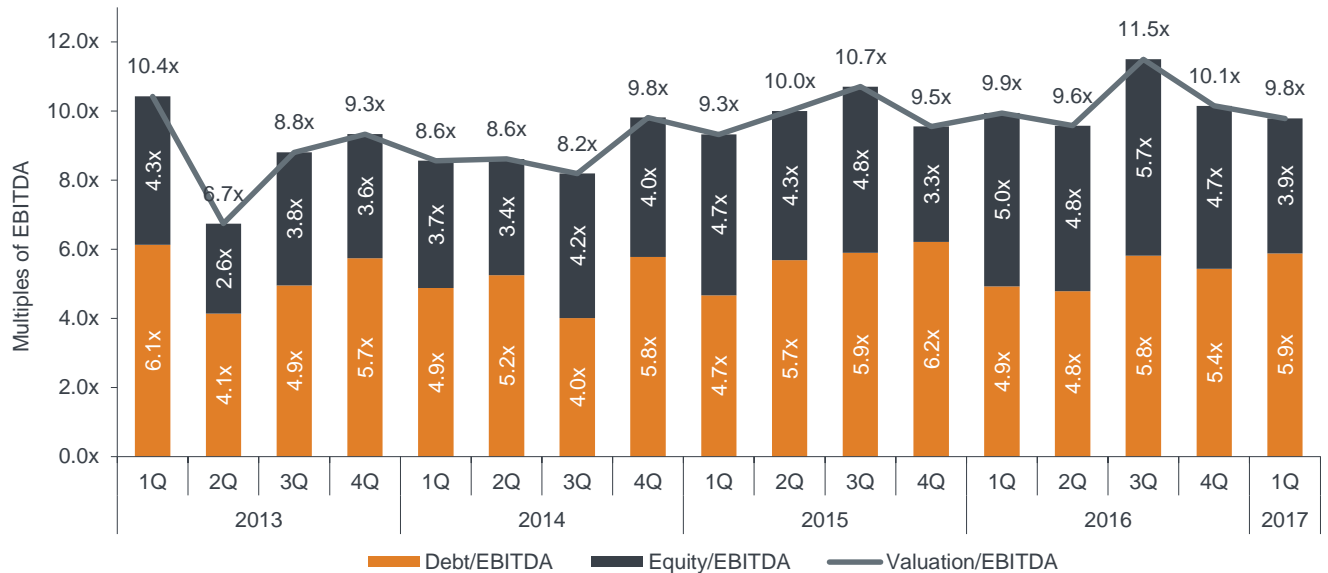
**Ron Lentz**  
Practice Leader  
Transportation & Logistics

# Transportation & Logistics

## M&A Activity – Middle Market

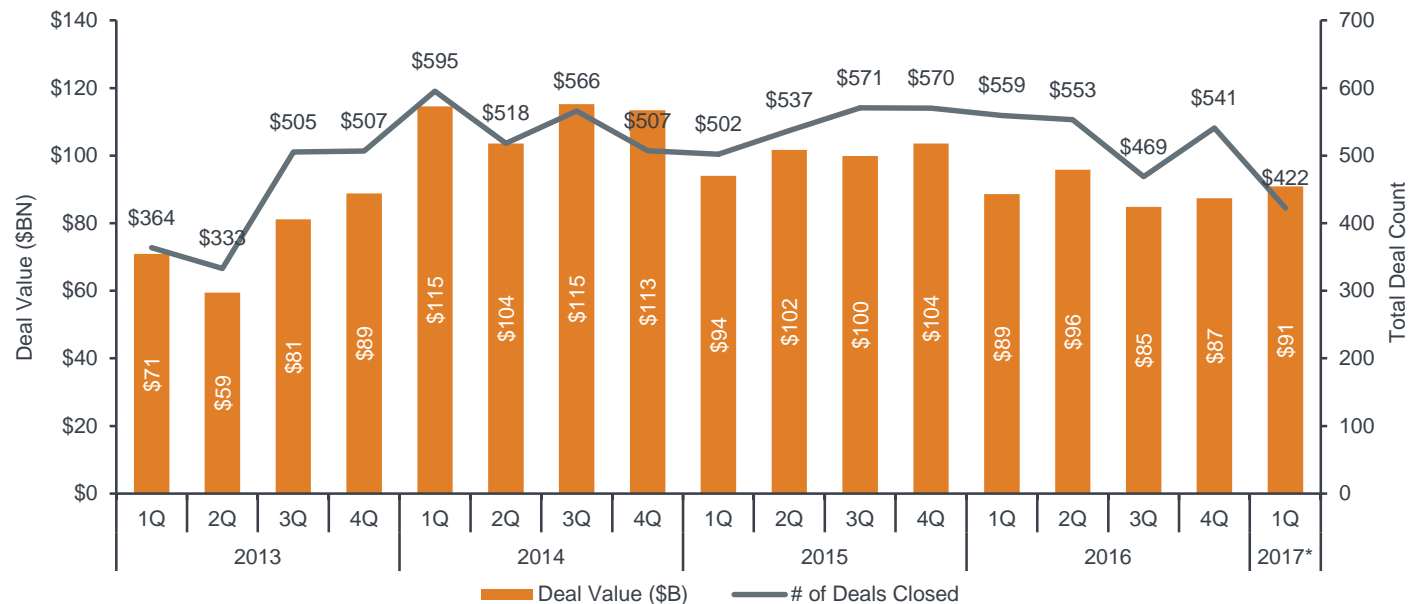
Total deal activity has remained steady since Q2 2013; overall deal multiples remain strong. Though there has been some pullback in M&A, debt remains a strong driver of transaction valuations.

### M&A Transaction Multiples



M&A transaction multiples are the median North American M&A activity independent of target / acquirer industry and enterprise value. The dataset has been restricted to multiples between 0.0x and 30.0x EBITDA; sourced through Pitchbook's 2017 Q1 Report.

### U.S. Middle Market Private Equity Activity



The U.S. Middle Market as shown in this chart has been defined as companies with an enterprise value between \$25MM and \$1,000MM, and headquartered in the United States.

Data sourced through PitchBook 2017 Q1 Report

# Transportation & Logistics

## Selected Industry Deals 2017 Q1

Several notable transactions have already been completed or announced in the Transportation & Logistics industry through 2017 Q1. G2 has outlined select transactions below, followed by a more comprehensive list on the following tables.

- **Wilson Trucking to be acquired by Central Freight (Pending)** – Less-than-truckload carrier Central Freight Lines has agreed to be acquired by Wilson Trucking Corp., also an LTL carrier, in a move to expand Central's service territory into the Southeast. The transaction allows Central to be the premier coast-to-coast Sunbelt LTL provider in the industry. No transaction details have been disclosed.
- **Login Logistics acquired by EPES Logistics (February 2017)** – Login Logistics, LLC (Login), an international freight forwarding and logistics company based in Charlotte, NC has been acquired by EPES Logistics Services, Inc., a privately held third party logistics and freight management company based in Greensboro, NC. The acquisition of Login will expand the EPES geographic footprint and will create a global logistics platform that offers enhanced service capabilities to all customers involved. No transaction details have been disclosed.
- **Metro Supply Chain Solutions acquired by LDC Logistics (February 2017)** – Metro Supply Chain Group of Companies is a Canadian-owned leading provider of third-party logistics (3PL) services across North America and Europe has been acquired by LDC Logistics, a diversified holding company with investments in both logistics companies and businesses related to the industry. No transaction details have been disclosed.

Source: Transportation Topics

# Transportation & Logistics

## Key Trading Statistics

Sector	Number of Companies	Median Enterprise Value (MM)	FY 2017 <sup>1</sup>		LTM <sup>2</sup>	
			Median Revenue Growth	Median EBITDA Growth	EV / Revenue	EV / EBITDA
Airlines	9	12,797	6.8%	14.2%	1.4x	5.9x
Marine	8	1,865	7.4%	15.1%	2.5x	10.8x
Less Than Truckload	4	1,209	6.4%	10.2%	1.0x	7.1x
Logistics	12	9,733	8.7%	22.8%	0.9x	12.0x
Rail Services	10	19,858	5.8%	8.0%	3.9x	9.7x
Truckload	16	773	5.4%	8.5%	1.1x	7.8x

<sup>1</sup> Estimated – 2017 Fiscal Year

<sup>2</sup> LTM Multiples as at Friday, March 31, 2017

Sector Summary in Millions USD (converted where necessary)  
Data sourced from S&P Capital IQ on Friday March 31, 2017

# Transportation & Logistics

## Recent Deal Activity – Pending & Closed

### Airlines

Date Closed	Target	Acquirer / Investor
Pending	Discovery Air Inc.	Clairvest Group Inc.; Clairvest Equity Partners IV Limited Partnership
Pending	Sterling Aviation, LLC	Gama Aviation, LLC
Mar-17	Tempus Jets, Inc.	Jackson River Aviation, LLC
Jan-17	KMR Aviation, Inc.	West Coast Aviation Services LLC
Jan-17	Pathfinder Aviation, LLC	Dos Rios Partners

### Marine

Date Closed	Target	Acquirer / Investor
Jan-17	Palmdeal Shipping Inc. and Mondalva Shipping	Interocean Transportation Inc.
Jan-17	Harbor Experience Companies	New York Cruise Lines, Inc.
Dec-16	Central Contracting & Marine Inc.	SEACOR Holdings Inc.

### Less Than Truckload and Truckload

Date Closed	Target	Acquirer / Investor
Pending	Swift Transportation Company	Knight Transportation, Inc.
Pending	Wilson Trucking Corporation	Central Freight Lines, Inc.
Pending	Dependable Auto Shippers, Inc., Peterbilt Truck	Bailey Truck & Trailer
Mar-17	Graebel Vanlines Holdings, LLC , Facilities in Florida, Oregon and California	Suddath Van Lines, Inc.
Mar-17	Western Co-op Transport Association	CHS, Inc.
Mar-17	American Red Ball Transit Company, Inc.	Interstate Group Holdings, Inc.
Mar-17	Highland Moving & Storage Ltd. and Starline Overseas Moving Ltd.	Campbell Bros. Movers Limited

### Logistics

Pending	Diversified Distribution Systems, LLC	Bunzl plc
Pending	Worldwide Express Operations, LLC	Unishippers Global Logistics, LLC
Apr-17	Lomas Logistics Limited	Wheels International Inc
Mar-17	Premium Transportation Logistics LLC	Magnate Worldwide, LLC
Mar-17	Worldnet International, London, Paris and Los Angeles Operations	Undisclosed
Mar-17	Argo Turboserve Corporation, Industrial Division	AgileX SC LLC
Mar-17	Simplified Logistics LLC	CI Capital Partners LLC
Feb-17	Cargo Chief, Inc., Logistics and Transportation Services Division	Genpro, Inc.
Feb-17	PPS Business Corporation	Pitney Bowes Inc.
Feb-17	Login Logistics LLC	Epes Logistics Services, Inc.
Feb-17	Metro Supply Chain Group Inc.	LDC Logistics Holdings Inc.
Jan-17	American Cargo Express, Inc.	OIA Global Logistics International Inc.
Jan-17	TForce Critical	Dynamex Inc.
Jan-17	Global Freight Source, Inc.	GlobalTranz Enterprises, Inc.

### Rail Services

Date Closed	Target	Acquirer / Investor
Pending	Florida East Coast Holdings Corp.	Grupo México Transportes S.A. de C.V.
Pending	Atlantic Western Transportation Inc.	Genesee & Wyoming Inc.
Jan-17	Canadian Pacific Railway Limited, Obico Rail Yard	Undisclosed

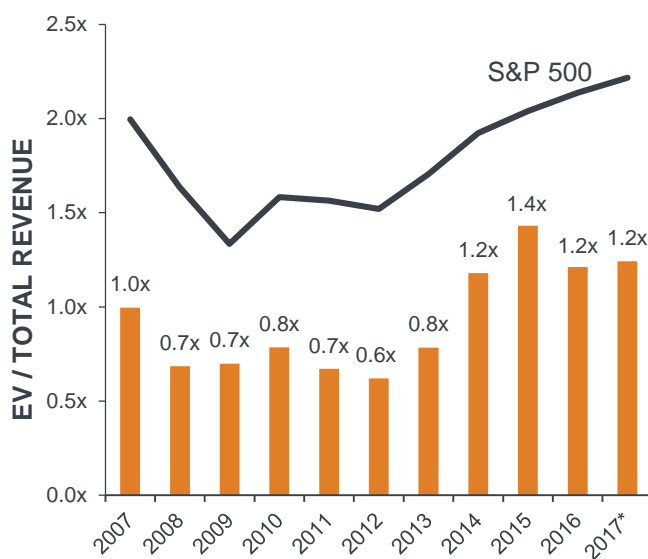
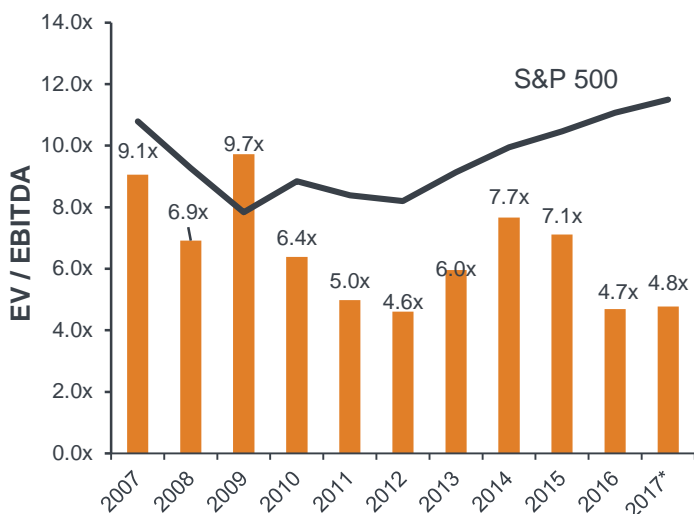
Sector Summary in Millions USD (converted where necessary)  
Data sourced from S&P Capital IQ on Friday, March 31, 2017

# Transportation & Logistics

## Public Trading Metrics – Airlines

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	18,879	15,291	919	17,378	3,459	20.4%	5,648	1.5x	1.4x	5.9x
Median	12,797	11,408	467	6,620	1,746	22.4%	2,531	1.4x	1.1x	5.5x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Alaska Air Group, Inc.	NYSE:ALK	12,797	11,408	183	6,333	1,746	27.6%	2,531	1.4x	2.0x	7.3x
Allegiant Travel Company	NasdaqGS:ALGT	3,139	2,665	65	1,389	432	31.1%	715	1.7x	2.3x	7.3x
American Airlines Group Inc.	NasdaqGS:AAL	39,311	21,326	374	40,369	7,158	17.7%	22,829	3.2x	1.0x	5.5x
Delta Air Lines, Inc.	NYSE:DAL	38,315	33,802	1,907	39,536	7,811	19.8%	8,193	1.0x	1.0x	4.9x
Hawaiian Holdings, Inc.	NasdaqGS:HA	2,438	2,491	467	2,514	607	24.2%	477	0.8x	1.0x	4.0x
JetBlue Airways Corporation	NasdaqGS:JBLU	7,359	6,946	438	6,620	1,485	22.4%	1,140	0.8x	1.1x	5.0x
Southwest Airlines Co.	NYSE:LUV	33,193	33,076	1,851	20,482	5,011	24.5%	2,781	0.6x	1.6x	6.6x
Spirit Airlines, Inc.	NasdaqGS:SAVE	3,860	3,680	818	2,376	504	21.2%	992	2.0x	1.6x	7.7x
United Continental Holdings, Inc.	NYSE:UAL	29,502	22,225	2,164	36,781	6,374	17.3%	11,178	1.8x	0.8x	4.6x



Sector Summary in Millions USD (converted where necessary)  
 Charts show average daily multiples for each year  
 Data sourced from S&P Capital IQ on Friday, March 31, 2017

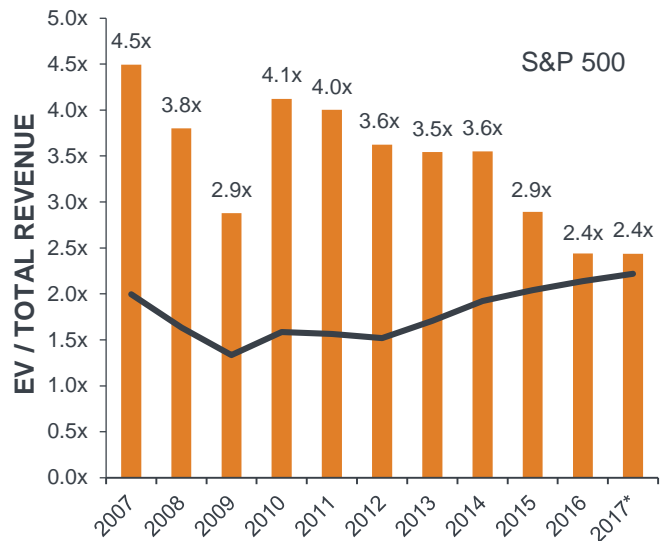
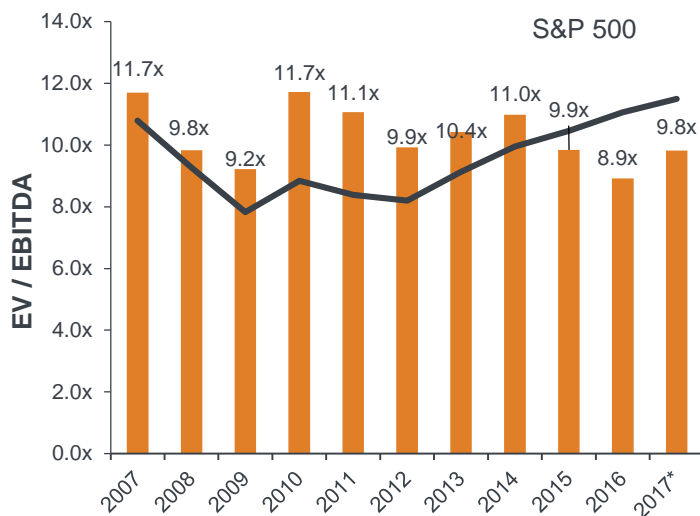
# Transportation & Logistics

## Public Trading Metrics – Marine

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	2,086	1,131	127	1,302	227	22.9%	854	4.9x	2.5x	10.8x
Median	1,865	785	70	836	176	23.3%	741	4.3x	2.4x	9.3x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Aegean Marine Petroleum Network Inc.	NYSE:ANW	1,199	475	94	4,076	133	3.3%	818	6.1x	0.3x	9.0x
Costamare Inc.	NYSE:CMRE	1,874	609	141	453	295	65.1%	798	2.7x	4.1x	6.3x
Kirby Corporation	NYSE:KEX	4,527	3,807	3	1,804	426	23.6%	675	1.6x	2.5x	10.6x
Matson, Inc.	NYSE:MATX	2,094	1,369	20	1,962	219	11.1%	749	3.4x	1.1x	9.6x
Nordic American Tankers	NYSE:NAT	1,195	834	46	336	114	33.8%	443	3.9x	3.6x	10.5x
Rand Logistics, Inc.	NasdaqCM:RLOG	217	12	0	117	27	23.0%	192	7.2x	1.9x	8.1x
SEACOR Holdings Inc.	NYSE:CKH	1,856	1,204	419	808	75	9.3%	733	9.8x	2.3x	24.8x
Seaspan Corporation	NYSE:SSW	3,729	737	296	864	525	60.8%	2,420	4.6x	4.3x	7.1x



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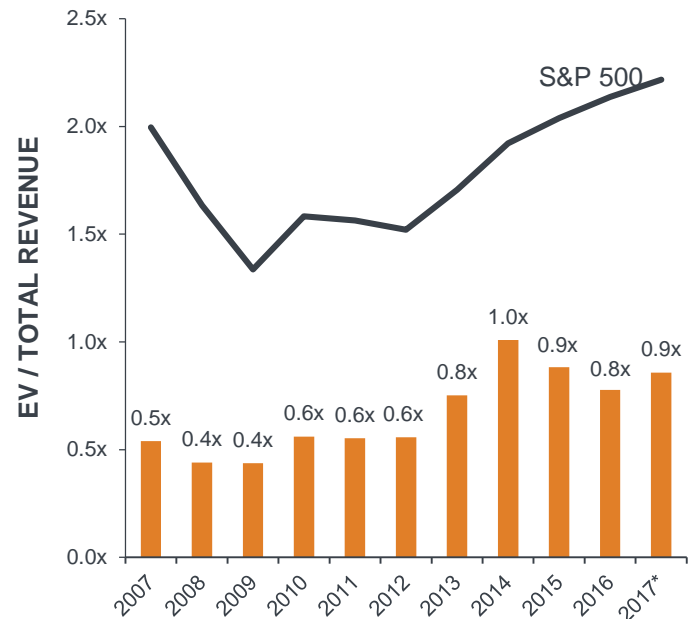
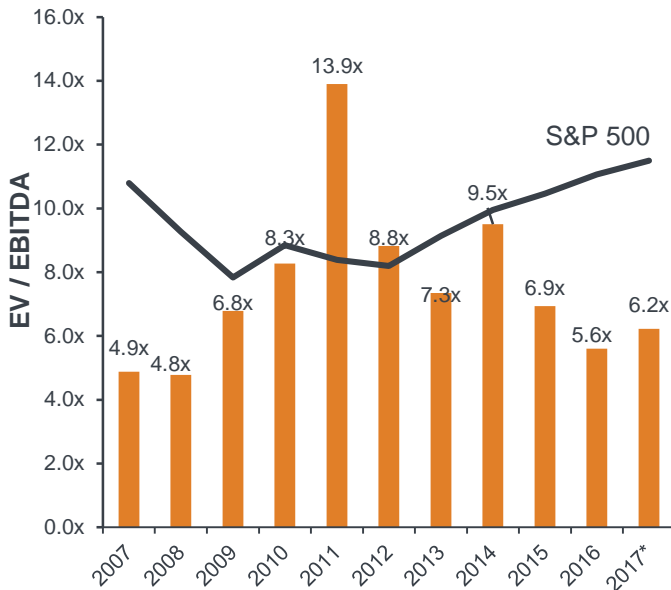


# Transportation & Logistics

## Public Trading Metrics – Less Than Truckload

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	2,577	2,302	78	2,940	309	8.9%	249	1.1x	1.0x	7.1x
Median	1,209	891	65	2,884	205	9.0%	116	0.8x	0.6x	6.5x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
ArcBest Corporation	NasdaqGS:ARCB	739	666	82	2,730	136	5.0%	167	1.2x	0.3x	5.4x
Old Dominion Freight Line, Inc.	NasdaqGS:ODFL	7,152	7,057	48	3,038	688	22.6%	45	0.1x	2.4x	10.4x
Saia, Inc.	NasdaqGS:SAIA	1,189	1,117	1	1,246	158	12.7%	65	0.4x	1.0x	7.5x
YRC Worldwide Inc.	NasdaqGS:YRCW	1,230	369	182	4,748	253	5.3%	717	2.8x	0.3x	4.9x



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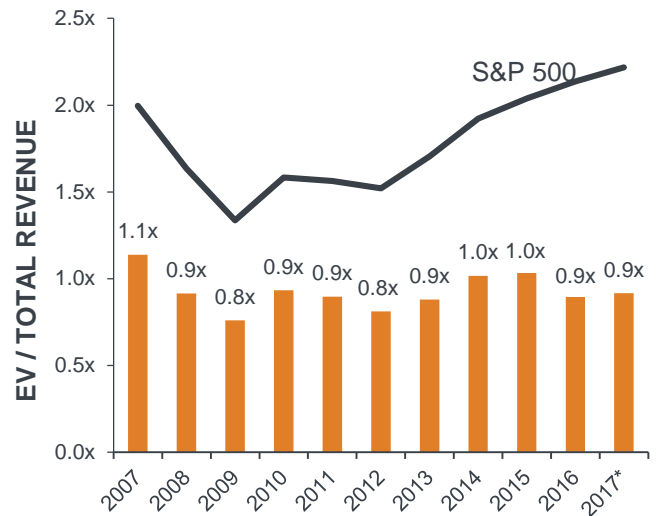
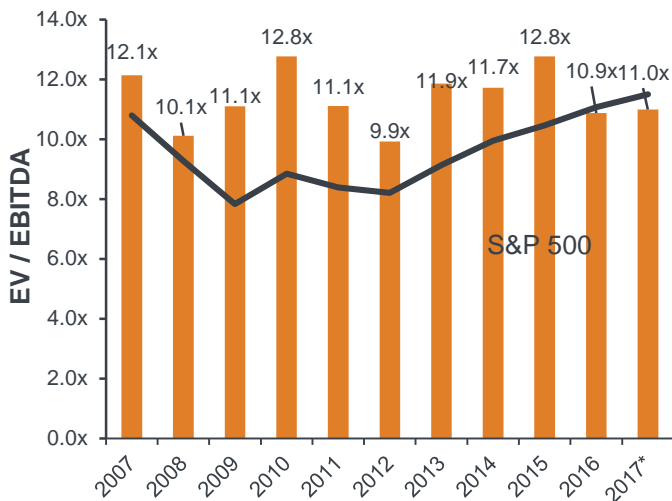
# Transportation & Logistics

## Public Trading Metrics – Logistics

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	22,349	19,704	1,045	20,315	2,064	7.1%	3,945	2.1x	0.9x	12.0x
Median	9,733	7,773	286	9,855	799	7.8%	849	1.4x	0.9x	10.3x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
C.H. Robinson Worldwide, Inc.	NasdaqGS:CHRW	11,918	10,926	230	13,486	887	6.6%	500	0.6x	0.9x	13.4x
Deutsche Post AG	XTRA:DPW	44,682	41,584	2,857	62,927	4,753	7.6%	4,904	1.0x	0.7x	9.4x
Echo Global Logistics, Inc.	NasdaqGS:ECHO	808	621	24	1,727	35	2.0%	205	5.9x	0.5x	23.2x
Expeditors International of Washington	NasdaqGS:EXPD	9,236	10,208	1,156	6,225	712	11.4%	NA	NA	1.5x	13.0x
FedEx Corporation	NYSE:FDX	63,763	52,178	3,173	57,570	7,805	13.6%	14,713	1.9x	1.1x	8.2x
Forward Air Corporation	NasdaqGS:FWRD	1,460	1,439	14	1,000	142	14.2%	14	0.1x	1.5x	10.3x
Hub Group, Inc.	NasdaqGS:HUBG	1,631	1,584	154	3,660	160	4.4%	104	0.7x	0.4x	10.2x
Kuehne + Nagel International AG	SWX:KNIN	16,034	16,913	844	16,811	1,064	6.3%	NA	NA	1.0x	15.1x
Radiant Logistics, Inc.	AMEX:RLGT	264	244	13	758	27	3.6%	30	1.1x	0.3x	9.8x
TFI International Inc.	TSX:TFII	3,324	2,135	0	3,199	345	10.8%	1,198	3.5x	1.0x	9.6x
United Parcel Service, Inc.	NYSE:UPS	104,837	93,276	2,687	61,803	7,662	12.4%	12,966	1.7x	1.7x	13.7x
XPO Logistics, Inc.	NYSE:XPO	10,229	5,338	342	14,613	1,178	8.1%	4,819	4.1x	0.7x	8.7x



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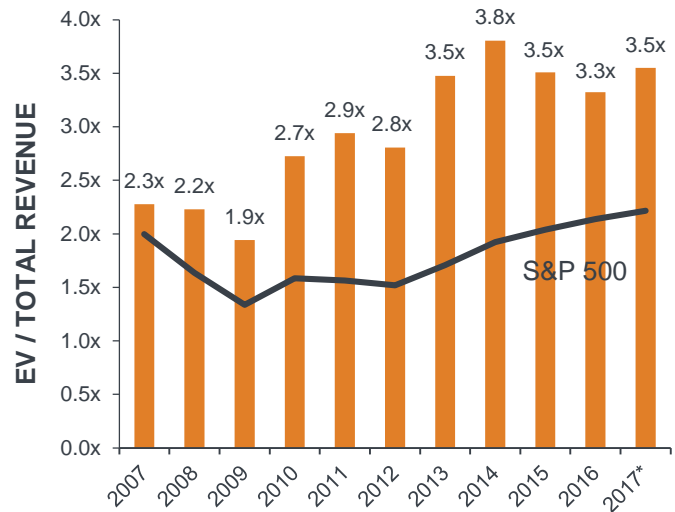
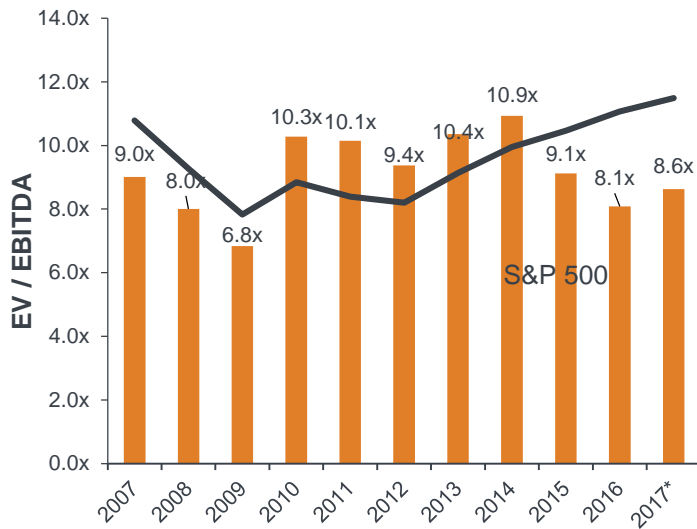
# Transportation & Logistics

## Public Trading Metrics – Rail Services

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	31,727	26,074	473	6,711	2,905	33.3%	5,506	2.2x	3.9x	9.7x
Median	19,858	15,321	372	4,482	1,766	42.3%	4,380	2.1x	4.6x	10.6x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
American Railcar Industries, Inc.	NasdaqGS:ARII	1,168	784	151	578	165	28.5%	539	3.3x	2.0x	7.1x
Canadian National Railway	TSX:CNR	64,078	56,003	199	9,214	4,982	54.1%	7,024	1.4x	7.0x	12.9x
Canadian Pacific Railway Limited	TSX:CP	27,942	21,497	151	4,685	2,384	50.9%	6,441	2.7x	6.0x	11.7x
CSX Corporation	NasdaqGS:CSX	53,414	43,126	930	11,320	4,878	43.1%	10,963	2.2x	4.7x	11.0x
Genesee & Wyoming Inc.	NYSE:GWR	6,851	4,216	38	2,038	590	29.0%	2,319	3.9x	3.4x	11.6x
The Greenbrier Companies, Inc.	NYSE:GBX	1,440	1,223	546	2,327	380	16.3%	533	1.4x	0.6x	3.8x
Kansas City Southern	NYSE:KSU	11,774	9,146	123	2,381	1,148	48.2%	2,264	2.0x	4.9x	10.3x
Norfolk Southern Corporation	NYSE:NSC	44,327	34,791	955	10,043	4,161	41.4%	9,849	2.4x	4.4x	10.7x
Trinity Industries, Inc.	NYSE:TRN	6,693	4,041	587	4,278	925	21.6%	823	0.9x	1.6x	7.2x
Union Pacific Corporation	NYSE:UNP	99,581	85,911	1,049	20,244	9,434	46.6%	14,310	1.5x	4.9x	10.6x



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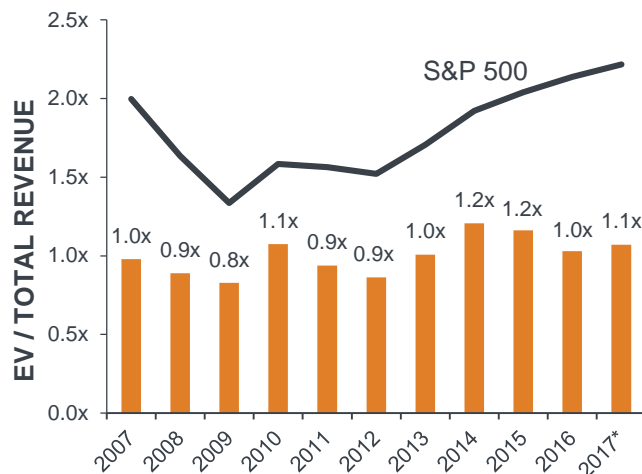
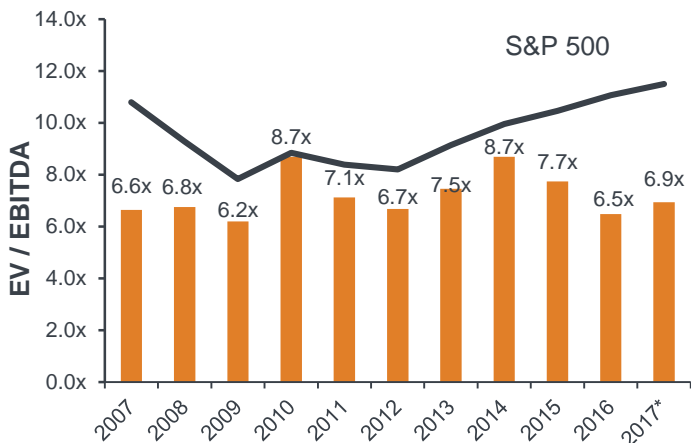
# Transportation & Logistics

## Public Trading Metrics – Truckload

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	2,446	1,870	38	2,008	323	10.5%	715	2.0x	1.1x	7.8x
Median	773	766	11	1,064	131	13.6%	193	1.8x	1.1x	7.1x

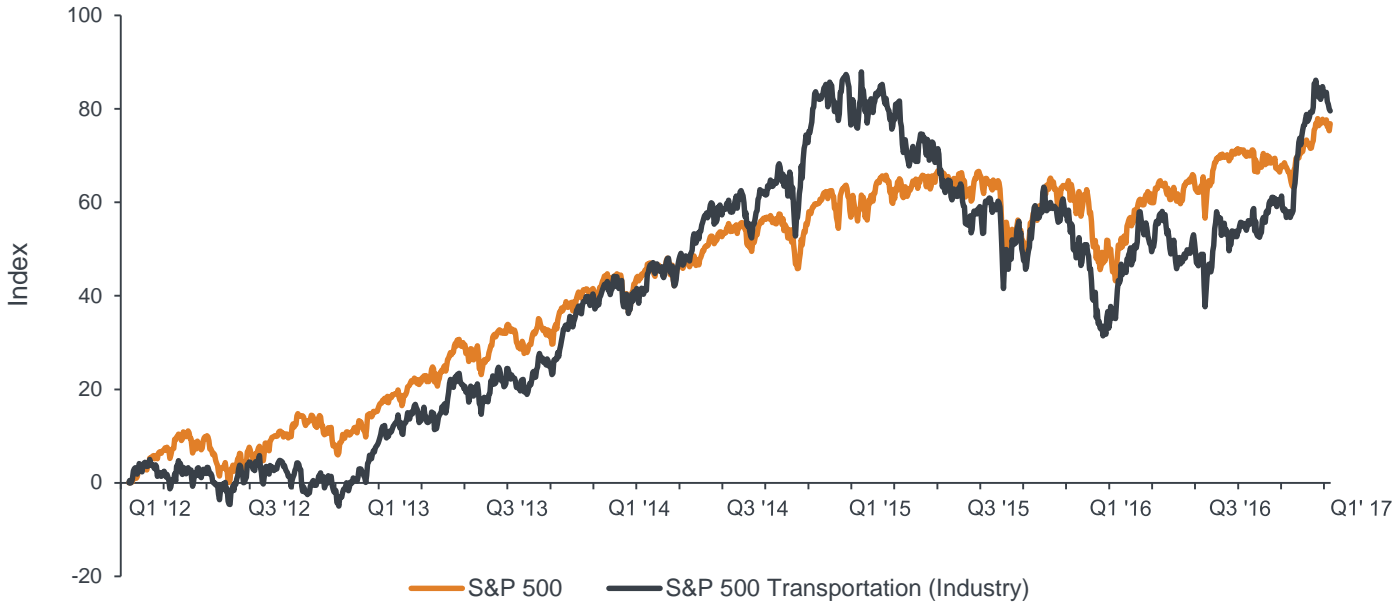
Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Celadon Group, Inc.	NYSE:CGI	556	182	6	1,055	83	7.9%	115	1.4x	0.5x	6.7x
Covenant Transportation Group, Inc.	NasdaqGS:CVTI	551	343	7	673	99	14.7%	160	1.6x	0.8x	5.6x
Daseke, Inc.	NasdaqCM:DSKE	712	382	39	655	76	11.6%	263	3.5x	1.1x	9.4x
Heartland Express, Inc.	NasdaqGS:HTLD	1,542	1,670	159	580	174	29.9%	NA	NA	2.7x	8.9x
J.B. Hunt Transport Services, Inc.	NasdaqGS:JBHT	11,192	10,212	12	6,656	1,068	16.0%	954	0.9x	1.7x	10.5x
Knight Transportation	NYSE:KNX	2,530	2,518	45	1,117	247	22.1%	NA	NA	2.3x	10.3x
Landstar System, Inc.	NasdaqGS:LSTR	3,513	3,584	179	3,169	256	8.1%	NA	NA	1.1x	13.7x
Marten Transport, Ltd.	NasdaqGS:MRTN	773	766	9	682	131	19.2%	NA	NA	1.1x	5.9x
Marten Transport, Ltd. P.A.M.	NasdaqGS:MRTN	773	766	9	682	131	19.2%	NA	NA	1.1x	5.9x
Transportation Services, Inc.	NasdaqGM:PTSI	254	104	0	439	53	12.2%	111	2.1x	0.6x	4.8x
Roadrunner Transportation Systems, Inc.	NYSE:RRTS	663	263	5	1,972	101	5.1%	NA	NA	0.3x	6.6x
Ryder System, Inc.	NYSE:R	9,366	4,033	38	6,905	1,822	26.4%	4,353	2.4x	1.4x	5.1x
Swift Transportation Company	NYSE:SWFT	3,789	2,733	62	4,028	504	12.5%	785	1.6x	0.9x	7.5x
Universal Logistics.	NasdaqGS:ULH	654	408	2	1,073	83	7.8%	227	2.7x	0.6x	7.8x
USA Truck, Inc.	NasdaqGS:USAK	211	59	0	420	22	5.3%	80	3.6x	0.5x	9.5x
Werner Enterprises	NasdaqGS:WERN	2,054	1,891	31	2,027	317	15.7%	105	0.3x	1.0x	6.5x



Sector Summary in Millions USD (converted where necessary)  
 Charts show average daily multiples for each year  
 Data sourced from S&P Capital IQ on Friday, March 31, 2017

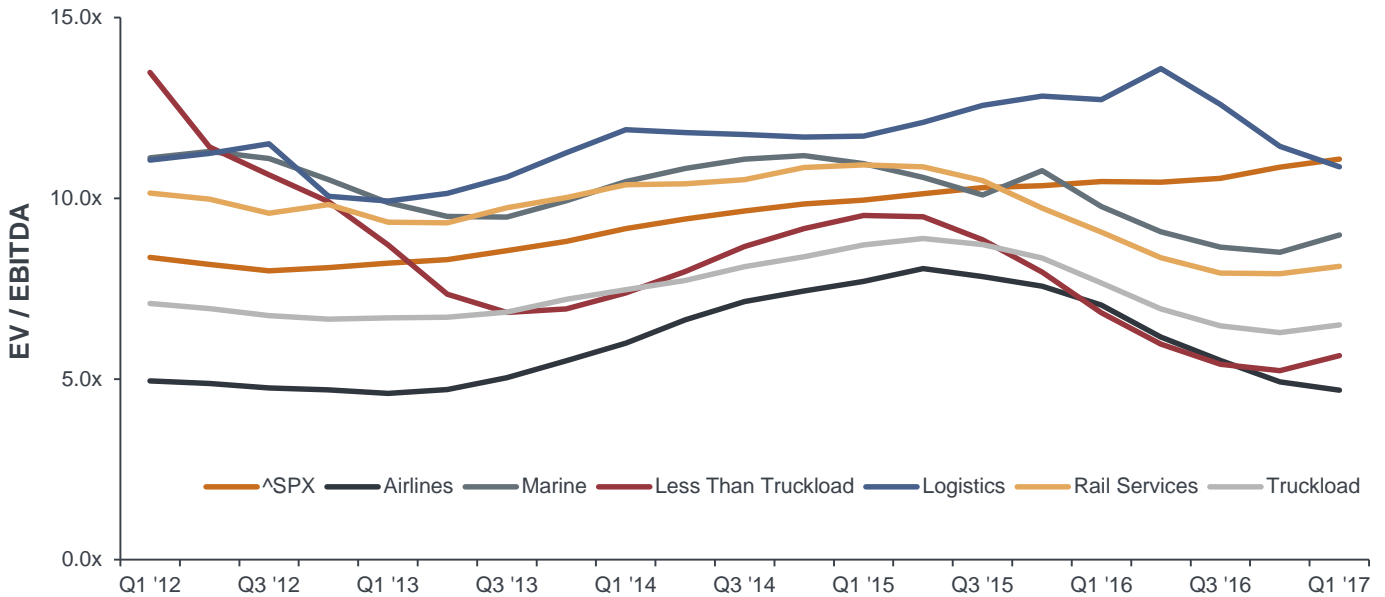
### Economic Index Trends

The Transportation sector has generally underperformed the S&P 500 index over the last 12 months



Data sourced from S&P Capital IQ on Friday, March 31, 2017

### Last 5 Year EV / EBITDA Trend by Industry



Data sourced from S&P Capital IQ on Friday, March 31, 2017

# Reference

## Contact & Glossary of Terms

### Ron Lentz, Managing Director

[rlentz@g2cap.com](mailto:rlentz@g2cap.com)

630.362.8317

### Jeffrey Unger, CEO

[junger@g2cap.com](mailto:junger@g2cap.com)

617.918.7929

### Shubz Chandna, Analyst

[schandna@g2cap.com](mailto:schandna@g2cap.com)

617.417.5891

Term	Definition
Revenue	Total revenue from the sale of goods and services rendered during the reporting period, in normal course of business, reduced by sales returns and allowances, and sales discounts. For banks, this item is defined as net interest income after loan loss provisions
EBITDA	Earnings before interest, taxes, depreciation, and amortization. Calculated as Revenue – Expenses, excluding interest, taxes, depreciation and amortization
Market Cap	Market value of a company using most recently reported basic weighted average shares outstanding. Calculated as Market Price (as of period end) * Basic Weighted Average Shares Outstanding
Long-Term Debt	Sum of the carrying values as of the balance sheet date of long-term debt with a maturity beyond one year or the normal operating cycle, if longer
Net Debt	Net Debt shows the company's overall debt situation by netting the value of debts with cash and other similar liquid assets. Calculated as Total Debt – Cash & Cash Equivalents and Short Term Investments
Enterprise Value	Enterprise Value represents the combined economic value of a company as of the most recent fiscal year end. Calculated as Diluted Market Capitalization + Total Debt + Minority Interest + Preferred Stock – Cash and Short Term investments
P/E	A valuation ratio of a company stock price compared to its per share earnings. Calculated as Market Price / Earnings per Share for the last annual period
Tangible Book Value	Total Shareholder's Equity – Goodwill and Intangible Assets

For more information about G2, please visit: [www.g2cap.com](http://www.g2cap.com)

Our corporate headquarters is located at: [535 Boylston Street, Suite 701, Boston, MA 02116](https://www.g2cap.com)

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