



# Transportation & Logistics

Strategic Market Insights – Q4 2016 Report

Release Date: Wednesday, February 22, 2017

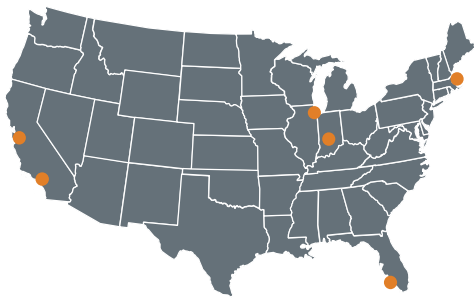


# G2 Overview

## Investment Banking and Restructuring Advisory

G2 Capital Advisors is pleased to present its Transportation & Logistics update for Q4 2016, 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)
- ECommerce 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

The theme of consolidation and service expansion continues in transportation & logistics segments undergoing significant competitive pressures, including the changing needs and demands of customers, especially as the economy transitions toward the late stage economic cycle. A key theme from 2016, which continues into 2017, is of increased complexity due to shippers requiring more robust supply chain and logistics solutions, not just lowest cost:

- Recent supply disruptions due to distress at Hanjin Shipping (7th largest global cargo shipping company), which caused cargo to be stranded at sea as ships were denied access to ports, and NY and NJ port strikes in early 2016
- Uncertainty around cross-border trade regulation and agreements with the change in U.S. administration
- Increased seasonal peak load demand, driven by growth in e-commerce, and changing online retail patterns such as ‘flash sales’
- Transition of shippers/3PLs to cloud-based IT solutions (in-house or shared environments), overall investment of digitization of value chains and demand for increasingly powerful customer access platforms

The T&L industry continues to respond through technology development, automation and M&A to expand regional and service capabilities. While overall global M&A activity slowed in 2016 vs. 2015, the consolidation theme continues. In the 3PL segment: competitive needs for expanding service and technology capabilities drive M&A—the top 15 consolidators have made 134 acquisitions since 2010.







Competitive challenges and increased overall M&A activity in 2012 – 2015 (at elevated leverage levels) and a changing marketplace are also driving advisory and restructuring needs for certain segments of the T&L market: G2 Capital Advisors T&L restructuring mandates have increased meaningfully in 2016.



## 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

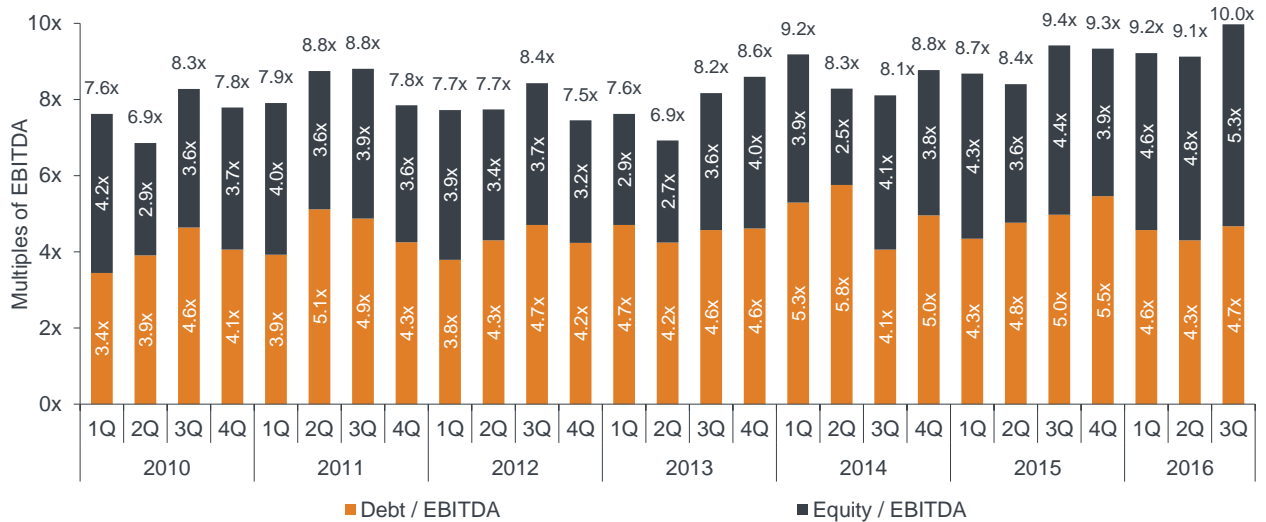
Source: S&P Capital IQ; Accessed: 2/10/2017; PwC Industry 4.0 Survey, Logistics Trends Inc., Pitchbook

# Transportation & Logistics

## M&A Activity – Middle Market

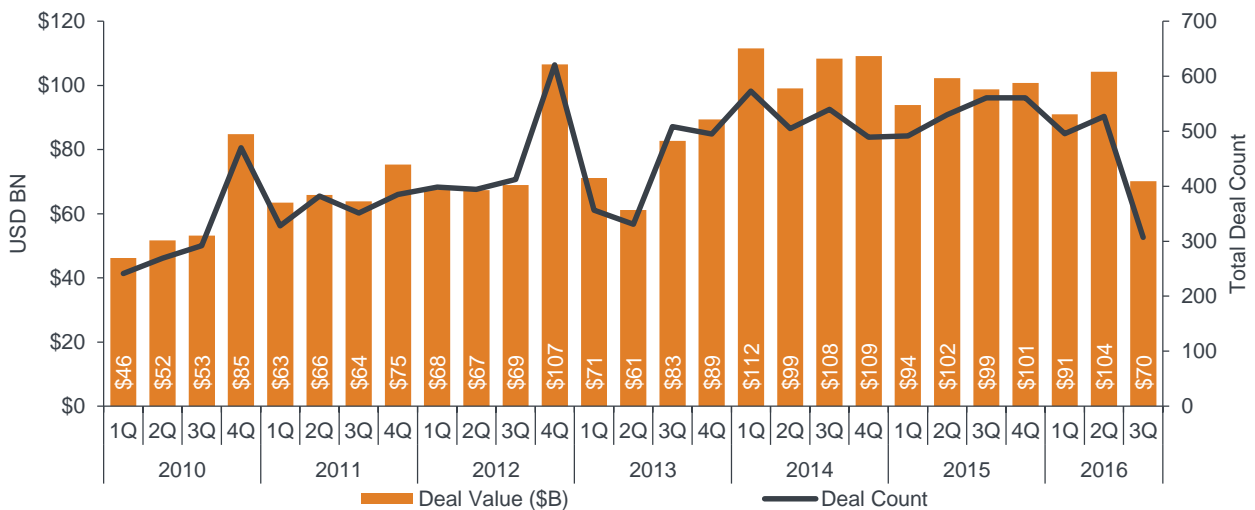
Total deal activity dropped to its lowest level since Q2 2013; overall however, deal multiples remain strong. Though there has been some pullback in capital markets, debt remains a strong driver of transaction valuations.

### M&A Transaction Multiples



M&A transaction multiples are an average of North American and European 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 2016 Annual M&A 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 on Friday, December 30, 2016

# Transportation & Logistics

## Selected Industry Deals 2016 Q4

Several notable transactions have already been completed or announced in the Transportation & Logistics industry through 2016 Q4. G2 has outlined select transactions below, followed by a more comprehensive list on the following tables.

- **Lakeside Logistics acquired by Transplace (November 2016)** - Transplace, a leading provider of transportation management services and logistics technology acquired Lakeside Logistics, a Canadian-based logistics services company in order to expand Transplace's presence throughout North America and further supports the company's commitment to strategic growth in order to meet the supply chain needs of its growing customer base. Terms were not disclosed.
- **TTS and Sunteck Merger (October 2016)** - Two leading agent-based, third-party providers of transportation and logistics management services, Sunteck Transport Group, and TTS, LLC, agreed to merge and will operate under Sunteck / TTS Holdings, LLC. The merger will create one of the largest, multimodal, agent-based freight management service providers in the U.S.
- **Con-way Truckload acquired by TransForce (October 2016)** - Third-party logistics and freight transportation services provider XPO Logistics sold its truckload business (formally Con-way Truckload) to TransForce Inc., a Montreal-based transportation and logistics services provider, for roughly \$558 million in cash in order to use the proceeds from the sale to pay down its current long term debt.

# Transportation & Logistics

## Key Trading Statistics

Sector	Number of Companies	Median Enterprise Value (MM)	FY 2016 <sup>1</sup>		LTM <sup>2</sup>		2016 <sup>3</sup>	
			Median Revenue Growth	Median EBITDA Growth	EV / Revenue	EV / EBITDA	EV / Revenue	EV / EBITDA
Air Transport	19	7,493	0.6%	13.8%	1.4x	6.4x	1.2x	5.6x
Contract Carriage	10	1,181	-2.2%	-2.6%	1.3x	7.5x	1.1x	6.5x
Freight Forward	18	1,717	0.0%	-1.4%	1.2x	10.2x	1.2x	9.9x
Less Than Truckload	8	1,202	-0.6%	-5.7%	1.1x	8.1x	0.9x	6.5x
Truckload	10	2,387	-5.4%	-5.2%	1.2x	8.7x	1.0x	7.4x
Third Party Logistics (3PL)	22	3,923	3.8%	3.8%	1.0x	9.4x	1.0x	9.8x

<sup>1</sup> Estimated – 2016 Fiscal Year

<sup>2</sup> LTM Multiples as at Friday, December 30, 2016

<sup>3</sup> Average daily multiple for 2016

Sector Summary in Millions USD (converted where necessary)  
Data sourced from S&P Capital IQ on Friday, December 30, 2016

# Transportation & Logistics

## Recent Deal Activity – Pending & Closed

### Air Transport

Date Closed	Target	Acquirer / Investor
Pending	Aviation A. I. Inc.	NWP Builder Sdn Bhd
Nov-16	Volcano Air Tours	Royal Pacific Air, LLC
Sep-16	Key Air, LLC	Clay Lacy Aviation, Inc.
Sep-16	Silver Airways Corp	Versa Capital Management, Inc.
Sep-16	Blue Sky Jets Inc.	Undisclosed

### Contract Carriage

Date Closed	Target	Acquirer / Investor
Dec-16	Marine Transport, Inc.	Maverick USA, Inc.
Nov-16	PaddyWagons	AmRide, LLC
Oct-16	Northwest Furniture Express, Inc.	SunBelt Furniture Xpress, Inc.
Oct-16	Diamond Transportation Services, Inc.	National Express Group PLC

### Freight Forwarding

Date Closed	Target	Acquirer / Investor
Pending	Terracor Group Ltd.	OmniTRAX, Inc.
Pending	Grand Power Logistics Group Inc.	Undisclosed
Dec-16	enVista, LLC, Capacity Solutions Brokerage Division	R <sup>2</sup> Freight & Logistics, Inc.
Nov-16	John M. Brining Company, Inc.	Dunavant Global Logistics Group, LLC

### Truck Load and Less than Truck Load

Date Closed	Target	Acquirer / Investor
Pending	El Monte Rents, Inc.	Tourism Holdings Limited
Dec-16	Best Courier and Delivery Services and JS Logistics, Inc.	USPack Logistics Corp.

### Third Party Logistics (3PL)

Date Closed	Target	Acquirer / Investor
Pending	Dominion Warehousing & Distribution	NFI
Dec-16	National Fast Freight (subsidiary of Calyx Transportation Group)	TFI International Inc., (formerly TransForce Inc.)
Dec-16	Intermodal Group Pty	Watco Companies LLC
Dec-16	Continental Traffic Company	Blue-Grace Logistics LLC
Dec-16	JS Logistics	USPack Logistics
Nov-16	Lakeside Logistics	Transplace
Oct-16	TTS	Sunteck/TTS Holdings
Oct-16	Transportation Resources, Inc.	TransForce Inc.
Oct-16	Atlantic Logistics, Inc.	Epes Logistics Services, Inc.

*Sector Summary in Millions USD (converted where necessary)  
Data sourced from S&P Capital IQ on Friday, December 30, 2016*

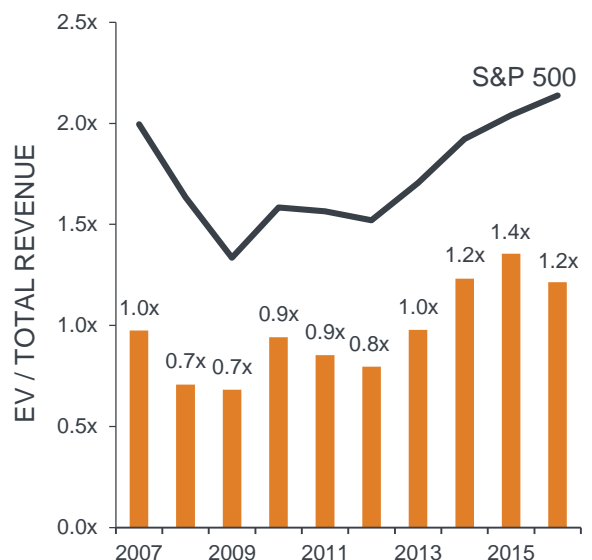
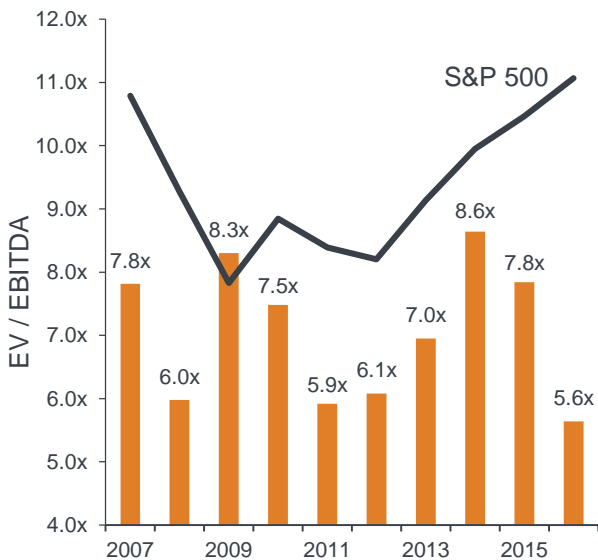
# Transportation & Logistics

## Public Trading Metrics – Air Transport

Industry		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean		13,114	9,172	520	13,917	2,627	21.7%	5,080	2.6x	1.4x	6.4x
Median		7,493	4,011	322	6,632	1,648	19.0%	1,925	2.5x	1.4x	6.1x

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
Air Transport Services Group, Inc.	NasdaqGS:ATSG	1,353	951	47	729	203	27.9%	414	2.0x	1.9x	6.7x
Atlas Air Worldwide Holdings, Inc.	NasdaqGS:AAWW	3,074	1,304	101	1,782	328	18.4%	1,693	5.2x	1.7x	9.4x
Cargojet Inc.	TSX:CJT	621	363	18	245	55	22.5%	138	2.5x	2.5x	11.3x
Era Group Inc.	NYSE:ERA	562	355	32	265	50	18.8%	233	4.7x	2.1x	11.3x
Korean Air Lines Co.,Ltd.	KOSE:A003490	13,707	1,655	902	10,655	2,587	24.3%	3,605	1.4x	1.3x	5.3x
LATAM Airlines Group S.A.	SNSE:LAN	12,285	4,592	708	8,878	1,281	14.4%	6,477	5.1x	1.4x	9.6x
Deutsche Lufthansa Aktiengesellschaft	DB:LHA	8,460	6,096	1,447	35,551	4,243	11.9%	5,631	1.3x	0.2x	2.0x
Southwest Airlines Co.	NYSE:LUV	30,530	30,681	1,680	20,425	4,981	24.4%	2,821	0.6x	1.5x	6.1x
SkyWest, Inc.	NasdaqGS:SKYW	3,555	1,886	50	3,116	561	18.0%	1,925	3.4x	1.1x	6.3x
Air Canada	TSX:AC	5,414	2,776	775	10,997	1,648	15.0%	4,632	2.8x	0.5x	3.3x
Alaska Air Group, Inc.	NYSE:ALK	9,848	10,938	1,818	5,784	1,788	30.9%	1,861	1.0x	1.7x	5.5x
JetBlue Airways Corporation	NasdaqGS:JBLU	7,493	7,258	0	6,632	1,697	25.6%	NA	NA	1.1x	4.4x
Allegiant Travel Company	NasdaqGS:ALGT	3,135	2,754	0	1,363	472	34.6%	NA	NA	2.3x	6.6x
American Airlines Group Inc.	NasdaqGS:AAL	40,779	24,191	322	40,180	7,497	18.7%	22,489	3.0x	1.0x	5.4x
United Continental Holdings, Inc.	NYSE:UAL	29,725	23,124	0	36,556	6,940	19.0%	NA	NA	0.8x	4.3x
Spirit Airlines, Inc.	NasdaqGS:SAVE	4,064	4,011	826	2,263	570	25.2%	895	1.6x	1.8x	7.1x
American Airlines Group Inc.	NasdaqGS:AAL	40,779	24,191	322	40,180	7,497	18.7%	22,489	3.0x	1.0x	5.4x
United Continental Holdings, Inc.	NYSE:UAL	29,725	23,124	0	36,556	6,940	19.0%	NA	NA	0.8x	4.3x
Spirit Airlines, Inc.	NasdaqGS:SAVE	4,064	4,011	826	2,263	570	25.2%	895	1.6x	1.8x	7.1x



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, December 30, 2016

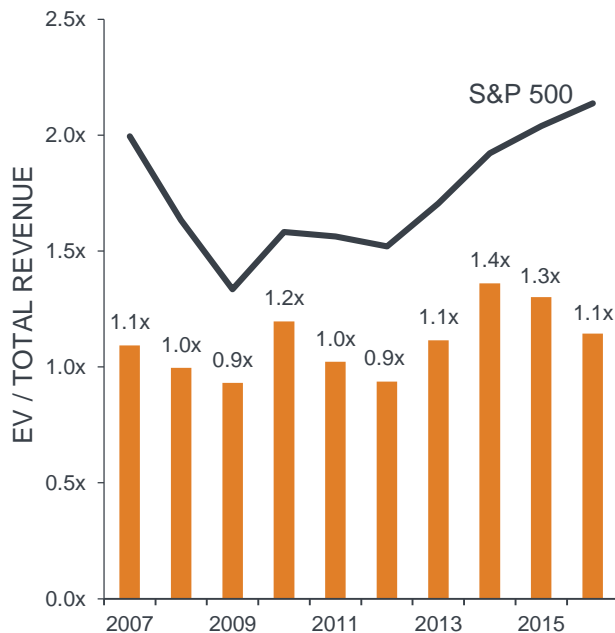
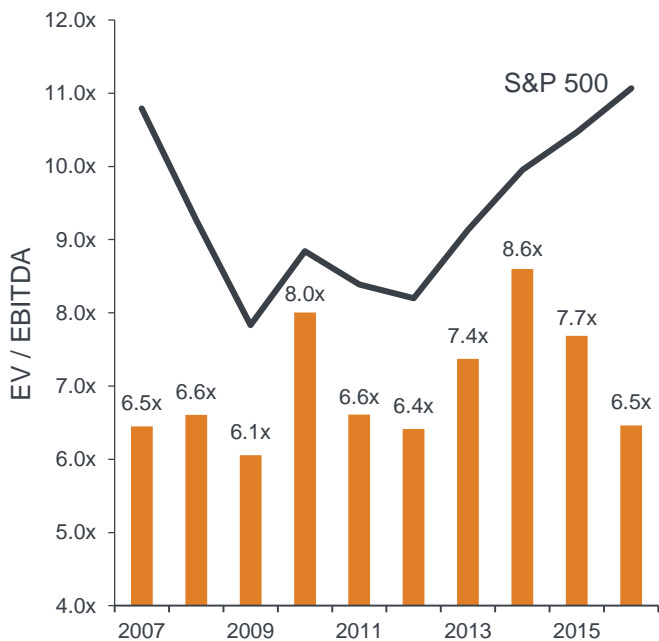
# Transportation & Logistics

## Public Trading Metrics – Contract Carriage

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	3,252	2,410	32	2,275	426	16.8%	774	1.5x	1.3x	7.5x
Median	1,181	1,227	6	1,079	155	14.8%	158	1.8x	1.1x	7.0x

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	640	202	6	1,064	97	9.1%	158	1.6x	0.6x	6.6x
Heartland Express, Inc.	NasdaqGS:HTLD	1,595	1,696	129	613	181	29.6%	NA	NA	2.6x	8.8x
J.B. Hunt Transport Services, Inc.	NasdaqGS:JBHT	11,828	10,890	6	6,555	1,081	16.5%	986	0.9x	1.8x	10.9x
Knight Transportation, Inc.	NYSE:KNX	2,695	2,645	8	1,118	264	23.6%	18	0.1x	2.4x	10.2x
Marten Transport, Ltd.	NasdaqGS:MRTN	767	759	0	671	129	19.3%	8	0.1x	1.1x	5.9x
P.A.M. Transportation Services, Inc.	NasdaqGM:PTSI	307	167	0	427	56	13.1%	114	2.0x	0.7x	5.5x
Ryder System, Inc.	NYSE:R	9,425	3,980	75	6,731	1,814	27.0%	4,464	2.5x	1.4x	5.2x
Swift Transportation Company	NYSE:SWFT	4,346	3,225	89	4,032	508	12.6%	903	1.8x	1.1x	8.5x
Universal Logistics Holdings, Inc.	NasdaqGS:ULH	698	465	2	1,095	94	8.6%	214	2.3x	0.6x	7.4x
USA Truck, Inc.	NasdaqGS:USAK	220	69	0	444	37	8.4%	100	2.7x	0.5x	5.9x



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, December 30, 2016



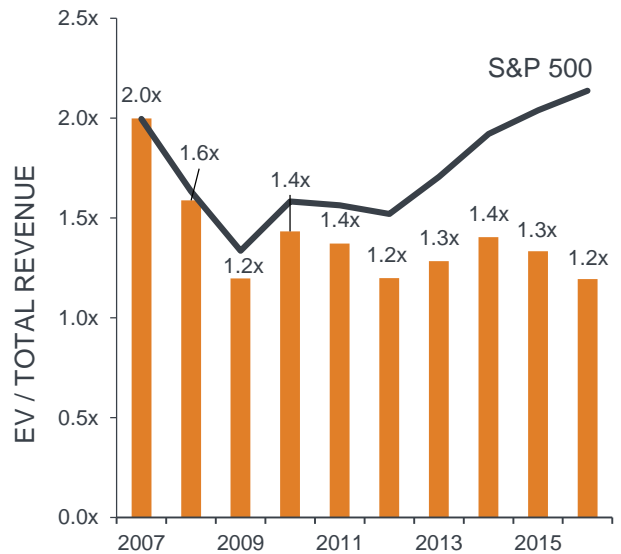
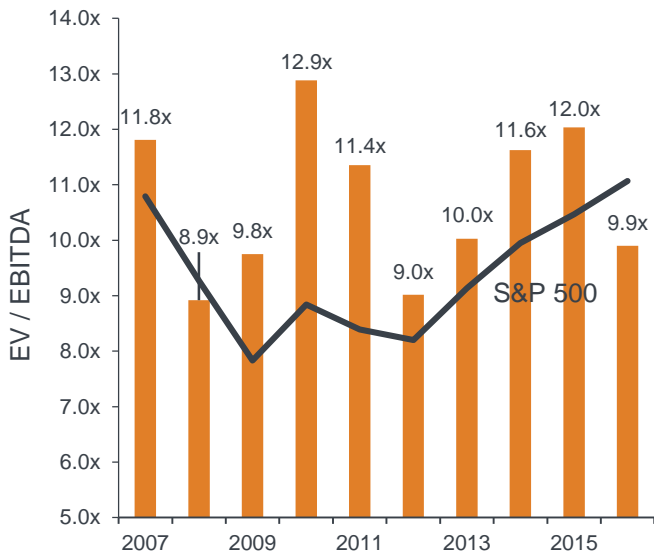
# Transportation & Logistics

## Public Trading Metrics – Freight Forwarding

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	3,323	2,939	239	3,569	306	13.4%	673	2.8x	1.2x	10.2x
Median	1,717	1,152	94	1,801	158	9.2%	428	2.8x	0.9x	9.6x

Company	Ticker	Size (Millions USD)						Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
C.H. Robinson Worldwide, Inc.	NasdaqGS:CHRW	11,383	10,382	248	13,144	912	6.9%	500	0.5x	0.9x	12.5x
Expeditors International of Washington, Inc.	NasdaqGS:EXPD	8,514	9,553	1,043	6,052	722	11.9%	NA	NA	1.4x	11.8x
Kintetsu World Express, Inc.	TSE:9375	1,929	1,000	648	4,769	239	5.0%	1,299	5.4x	0.4x	8.1x
Kuehne + Nagel International AG	SWX:KNIN	15,193	15,881	746	17,071	1,095	6.4%	NA	NA	0.9x	13.9x
Meiko Trans Co., Ltd.	NSE:9357	108	259	203	581	58	10.1%	NA	NA	0.2x	1.9x
Panalpina World Transport (Holding) Ltd.	SWX:PWTN	2,608	2,973	392	5,476	145	2.6%	NA	NA	0.5x	18.0x
Radiant Logistics, Inc.	AMEX:RLGT	215	190	8	762	22	2.9%	30	1.4x	0.3x	9.8x
Roadrunner Transportation Systems, Inc.	NYSE:RRTS	798	398	5	1,972	101	5.1%	NA	NA	0.4x	7.9x
Kirby Corporation	NYSE:KEX	4,309	3,581	5	1,819	476	26.2%	726	1.5x	2.4x	9.1x
Matson, Inc.	NYSE:MATX	2,312	1,516	16	1,917	284	14.8%	786	2.8x	1.2x	8.2x
Hub Group, Inc.	NasdaqGS:HUBG	1,505	1,481	135	3,485	171	4.9%	105	0.6x	0.4x	8.8x
Forward Air Corporation	NasdaqGS:FWRD	1,478	1,446	11	974	140	14.4%	1	0.0x	1.5x	10.5x
Atlas Air Worldwide Holdings, Inc.	NasdaqGS:AAWW	3,074	1,304	101	1,782	328	18.4%	1,693	5.2x	1.7x	9.4x
Seaspan Corporation	NYSE:SSW	3,504	962	538	883	555	62.8%	2,654	4.8x	4.0x	6.3x
Echo Global Logistics, Inc.	NasdaqGS:ECHO	900	732	34	1,716	52	3.0%	202	3.9x	0.5x	17.3x
Park-Ohio Holdings Corp.	NasdaqGS:PKOH	926	528	58	1,318	109	8.3%	428	3.9x	0.7x	8.5x
Cargojet Inc.	TSX:CJT	621	363	18	245	55	22.5%	138	2.5x	2.5x	11.3x
Algoma Central Corporation	TSX:ALC	446	355	88	283	45	15.7%	181	4.1x	1.6x	10.0x



Sector Summary in Millions USD (converted where necessary)  
 Charts show average daily multiples for each year  
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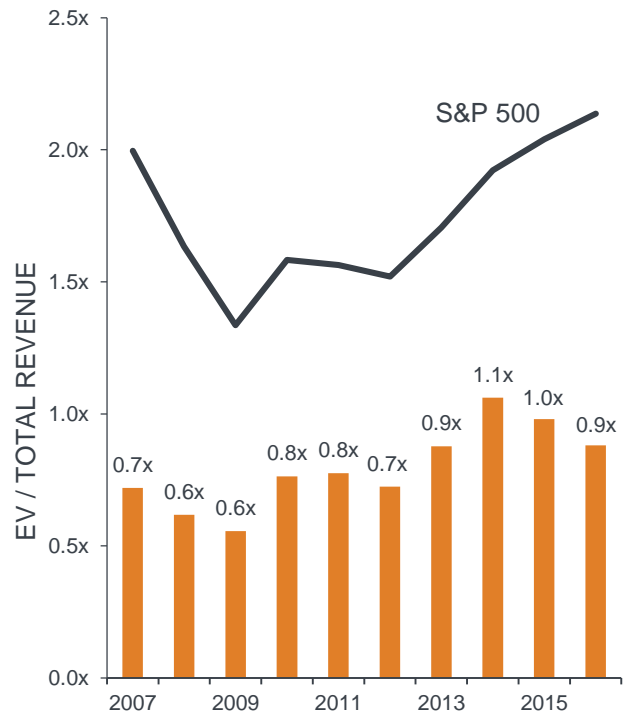
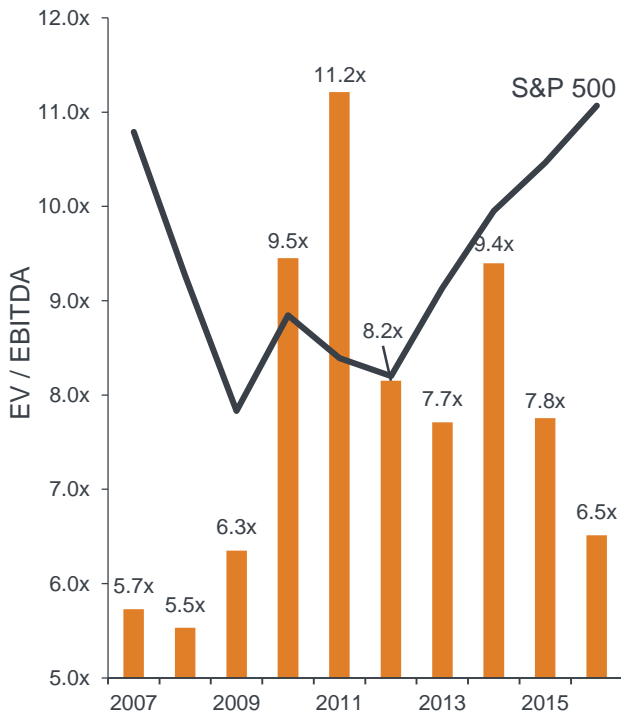
# Transportation & Logistics

## 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	2,082	1,748	78	2,247	233	11.8%	365	1.6x	1.1x	8.1x
Median	1,202	907	10	2,316	149	11.7%	307	1.6x	0.9x	7.9x

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	758	708	130	2,660	132	5.0%	178	1.3x	0.3x	5.7x
Covenant Transportation Group, Inc.	NasdaqGS:CVTI	570	352	0	671	102	15.2%	NA	NA	0.8x	5.6x
Mullen Group Ltd.	TSX:MTL	1,846	1,530	199	811	146	18.0%	421	2.9x	2.3x	12.7x
Old Dominion Freight Line, Inc.	NasdaqGS:ODFL	7,251	7,073	15	2,980	665	22.3%	193	0.3x	2.4x	10.9x
Roadrunner Transportation Systems, Inc.	NYSE:RRTS	798	398	5	1,972	101	5.1%	NA	NA	0.4x	7.9x
Saia, Inc.	NasdaqGS:SAIA	1,199	1,105	1	1,206	153	12.7%	22	0.1x	1.0x	7.8x
TFI International Inc.	TSX:TFII	3,026	2,372	0	2,982	319	10.7%	616	1.9x	1.0x	9.5x
YRC Worldwide Inc.	NasdaqGS:YRCW	1,206	442	276	4,692	243	5.2%	763	3.1x	0.3x	5.0x



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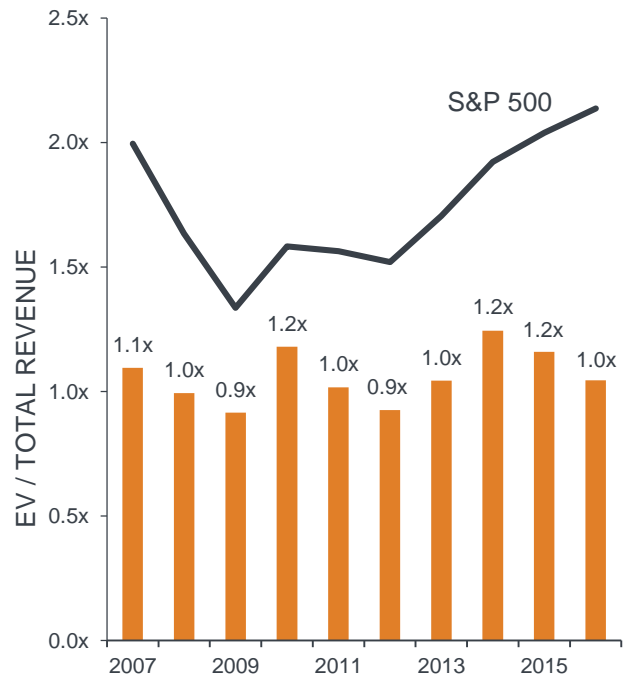
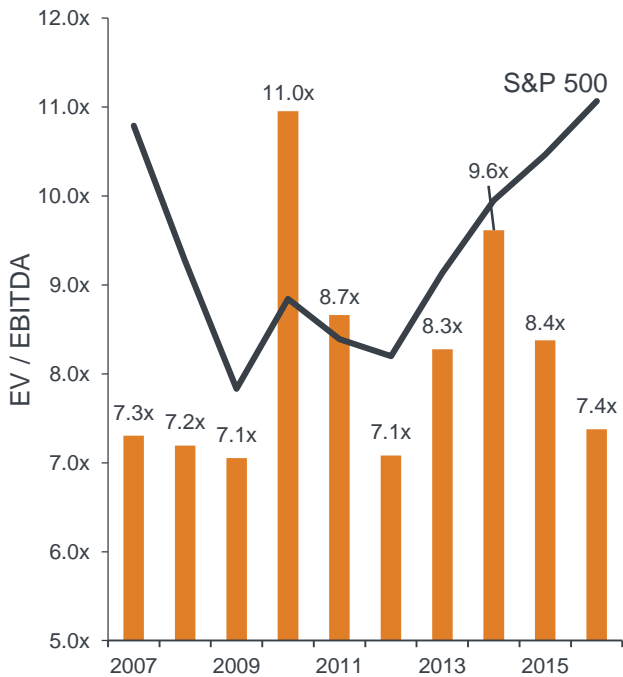
# Transportation & Logistics

## 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	7,182	6,432	306	8,646	722	13.6%	1,036	1.3x	1.2x	8.7x
Median	2,387	2,294	53	2,335	258	10.8%	169	1.3x	1.1x	8.7x

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	758	708	130	2,660	132	5.0%	178	1.3x	0.3x	5.7x
Celadon Group, Inc.	NYSE:CGI	640	202	6	1,064	97	9.1%	158	1.6x	0.6x	6.6x
Deutsche Post AG	XTRA:DPW	44,155	39,376	2,499	64,840	4,340	6.7%	5,788	1.3x	0.7x	10.2x
Heartland Express, Inc.	NasdaqGS:HTLD	1,595	1,696	129	613	181	29.6%	NA	NA	2.6x	8.8x
J.B. Hunt Transport Services, Inc.	NasdaqGS:JBHT	11,828	10,890	6	6,555	1,081	16.5%	986	0.9x	1.8x	10.9x
Knight Transportation, Inc.	NYSE:KNX	2,695	2,645	8	1,118	264	23.6%	18	0.1x	2.4x	10.2x
Landstar System, Inc.	NasdaqGS:LSTR	3,500	3,564	171	3,125	253	8.1%	NA	NA	1.1x	13.8x
Swift Transportation Company	NYSE:SWFT	4,346	3,225	89	4,032	508	12.6%	903	1.8x	1.1x	8.5x
USA Truck, Inc.	NasdaqGS:USAK	220	69	0	444	37	8.4%	100	2.7x	0.5x	5.9x
Werner Enterprises, Inc.	NasdaqGS:WERN	2,078	1,942	17	2,009	330	16.4%	160	0.5x	1.0x	6.3x



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, December 30, 2016

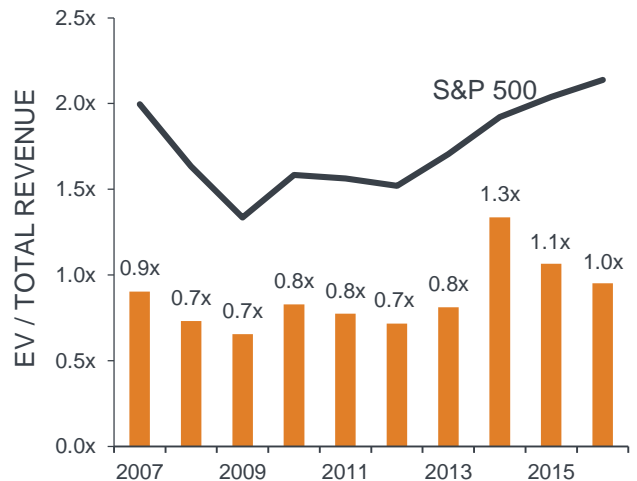
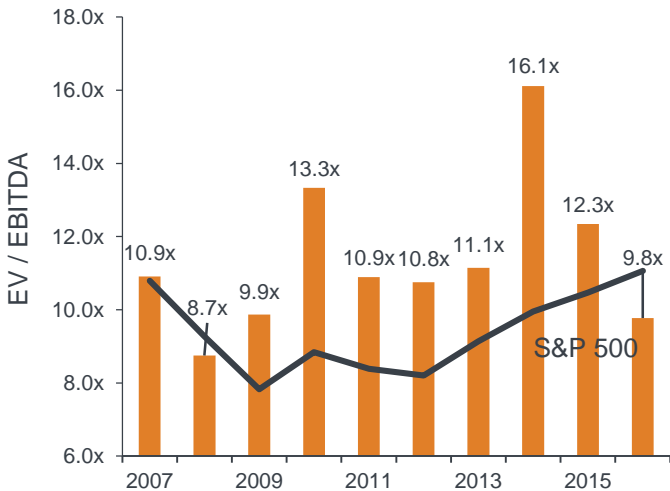
# Transportation & Logistics

## Public Trading Metrics – Third Party Logistics (3PL)

Industry		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean		12,496	10,635	621	11,226	1,187	7.4%	2,772	1.9x	1.0x	9.4x
Median		3,923	3,394	153	4,754	422	7.3%	701	1.7x	0.9x	9.4x

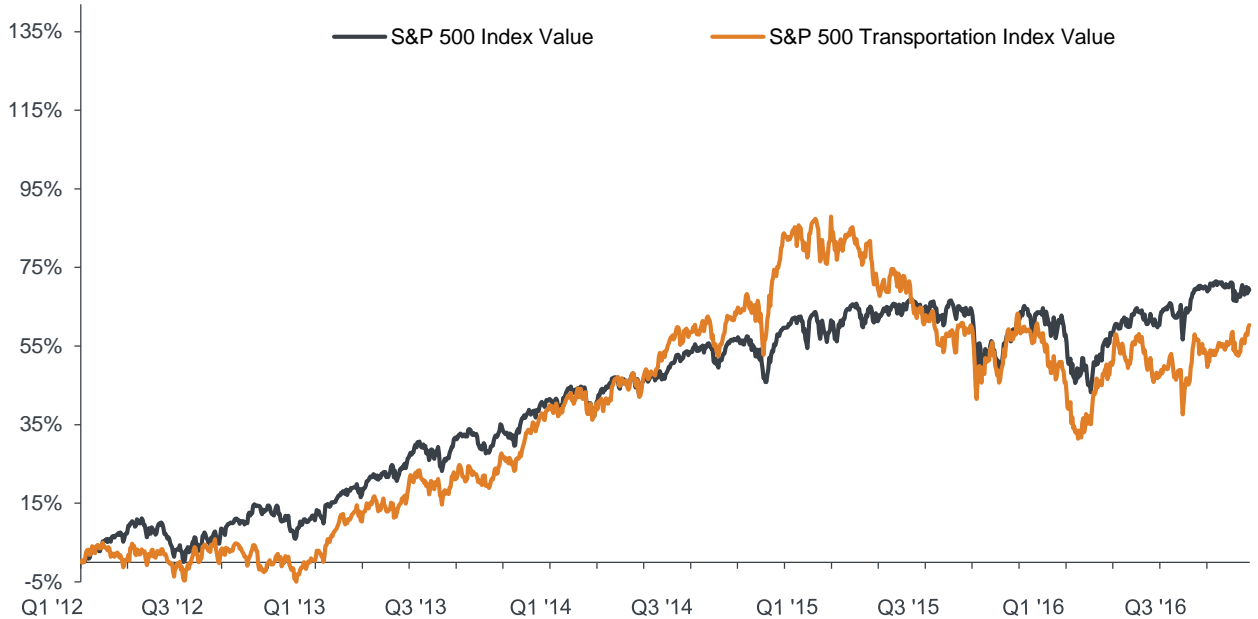
Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
C.H. Robinson Worldwide, Inc.	NASDAQGS:CHRW	11,383	10,382	248	13,144	912	6.9%	500	0.5x	0.9x	12.5x
United Parcel Service, Inc.	NYSE:UPS	110,079	100,041	4,567	60,906	7,691	12.6%	12,394	1.6x	1.8x	14.3x
Expeditors International of Washington, Inc.	NasdaqGS:EXPD	8,514	9,553	1,043	6,052	722	11.9%	NA	NA	1.4x	11.8x
J.B. Hunt Transport Services, Inc.	NASDAQGS:JBHT	11,828	10,890	6	6,555	1,081	16.5%	986	0.9x	1.8x	10.9x
XPO Logistics, Inc.	NYSE:XPO	10,268	4,785	360	14,285	1,103	7.7%	5,326	4.8x	0.7x	9.3x
Kuehne + Nagel International AG	SWX:KNIN	15,193	15,881	746	17,071	1,095	6.4%	NA	NA	0.9x	13.9x
Hub Group, Inc.	NASDAQGS:HUBG	1,505	1,481	135	3,485	171	4.9%	105	0.6x	0.4x	8.8x
FedEx Corporation	NYSE:FDX	60,161	49,624	3,059	55,227	7,859	14.2%	13,553	1.7x	1.1x	7.7x
Panalpina World Transport (Holding) Ltd.	SWX:PWTN	2,608	2,973	392	5,476	145	2.6%	NA	NA	0.5x	18.0x
Ryder System, Inc.	NYSE:R	9,425	3,980	75	6,731	1,814	27.0%	4,464	2.5x	1.4x	5.2x
Landstar System, Inc.	NasdaqGS:LSTR	3,500	3,564	171	3,125	253	8.1%	NA	NA	1.1x	13.8x
Genco Shipping & Trading Limited	NYSE:GNK	556	54	40	127	(44)	-34.4%	NA	NA	4.4x	-12.7x
Echo Global Logistics, Inc.	NasdaqGS:ECHO	900	732	34	1,716	52	3.0%	202	3.9x	0.5x	17.3x
Penske Automotive Group, Inc.	NYSE: PAG	9,458	4,416	89	20,152	663	3.3%	1,834	2.8x	0.5x	14.3x
Swift Transportation Company	NYSE:SWFT	4,346	3,225	89	4,032	508	12.6%	903	1.8x	1.1x	8.5x
New Flyer Industries Inc.	TSX:NFI	2,425	1,855	0	2,071	258	12.5%	481	1.9x	1.2x	9.4x
Werner Enterprises, Inc.	NasdaqGS:WERN	2,078	1,942	17	2,009	330	16.4%	160	0.5x	1.0x	6.3x
Yusen Logistics Co.,Ltd.	TSE:9370	647	440	312	3,744	95	2.5%	142	1.5x	0.2x	6.8x
Nippon Express Co., Ltd.	TSE:9062	7,079	5,299	1,977	15,886	948	6.0%	3,274	3.5x	0.4x	7.5x
Radiant Logistics, Inc.	AMEX:RLGT	215	190	8	762	22	2.9%	30	1.4x	0.3x	9.8x
Österreichische Post AG	WBAG:POST	1,955	2,274	294	2,436	335	13.7%	4	0.0x	0.8x	5.8x
Roadrunner Transportation Systems	NYSE: RRTS	798	398	5	1,972	101	5.1%	NA	NA	0.4x	7.9x



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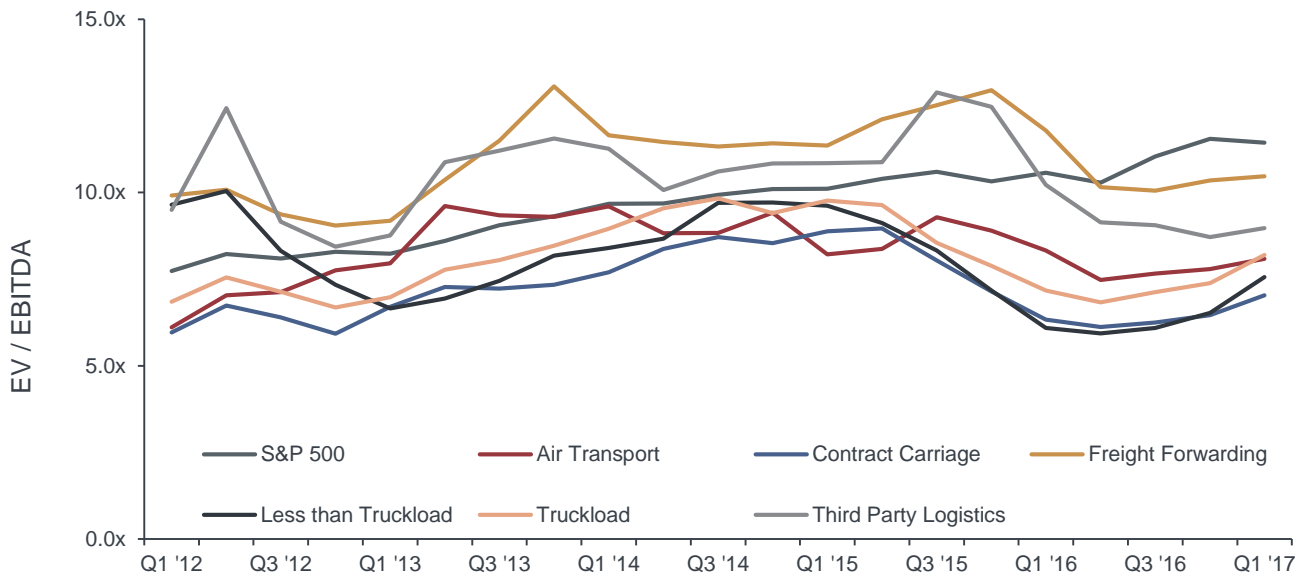
### Economic Index Trends

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, December 30, 2016

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



Data sourced from S&P Capital IQ on Friday, December 30, 2016

# Reference

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Term	Definition
<b>Revenue</b>	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
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortization. Calculated as Revenue – Expenses, excluding interest, taxes, depreciation and amortization
<b>Market Cap</b>	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
<b>Long-Term Debt</b>	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
<b>Net Debt</b>	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
<b>Enterprise Value</b>	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
<b>P/E</b>	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
<b>Tangible Book Value</b>	Total Shareholder's Equity – Goodwill and Intangible Assets

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