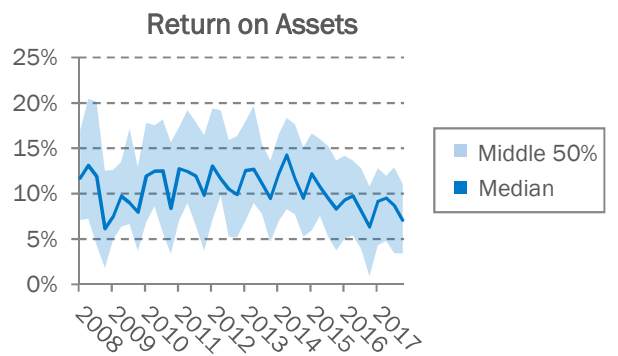
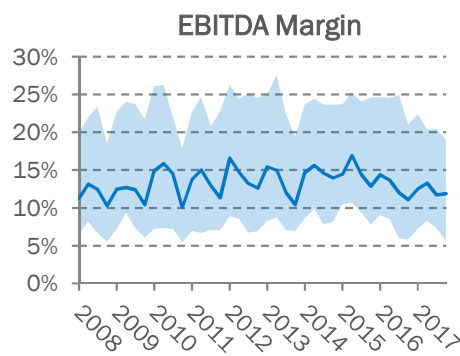
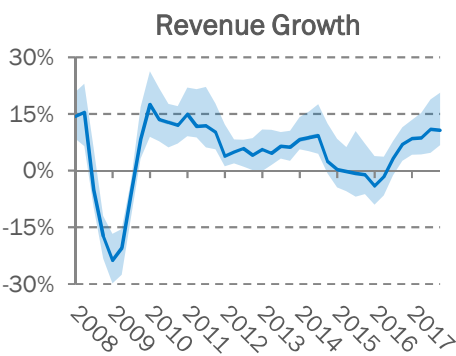
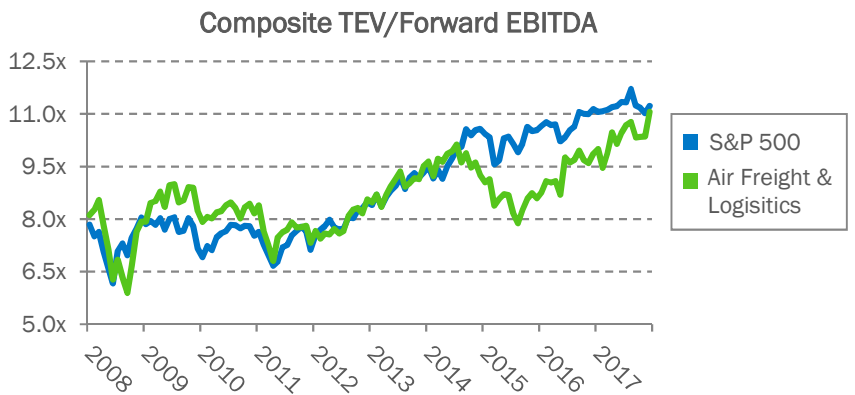
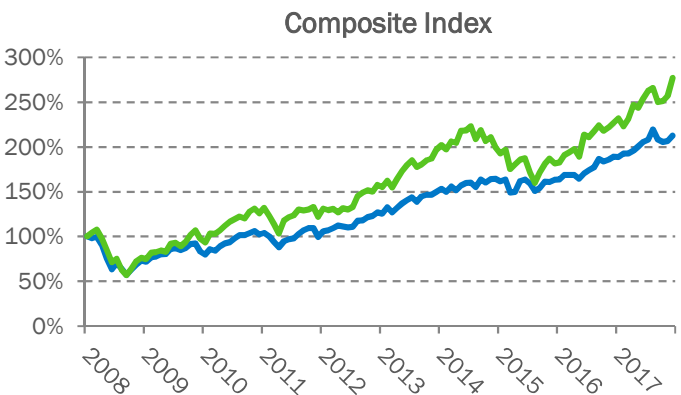
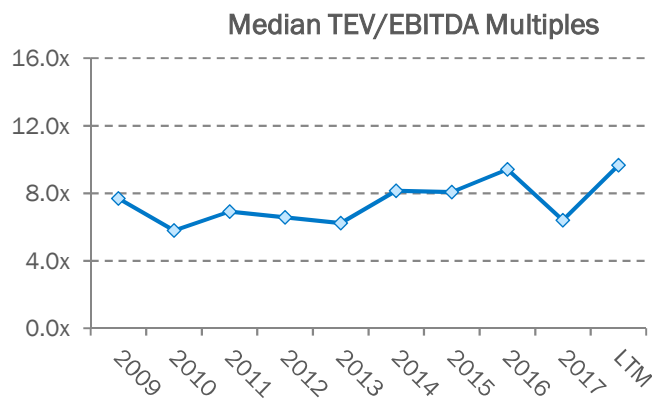
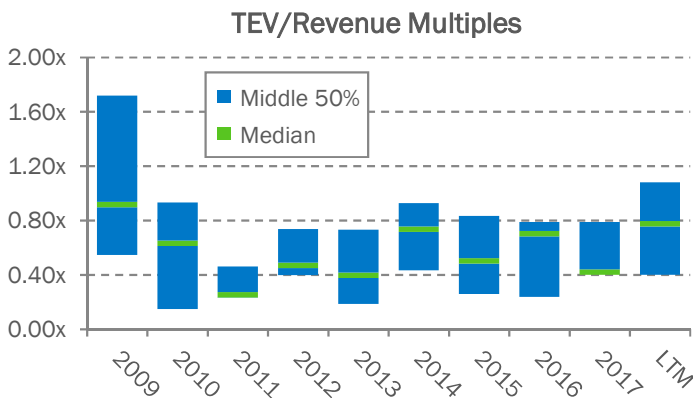
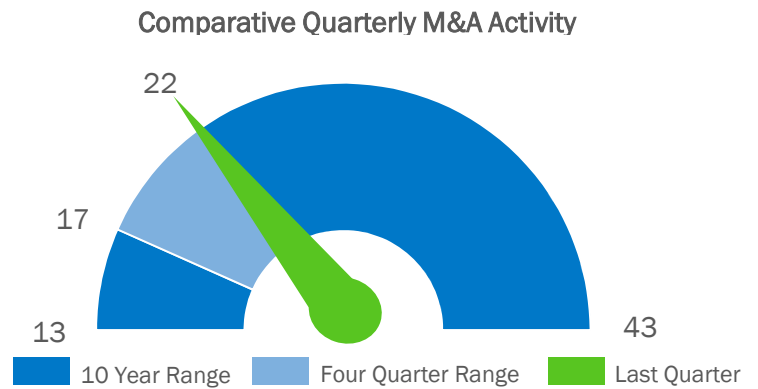
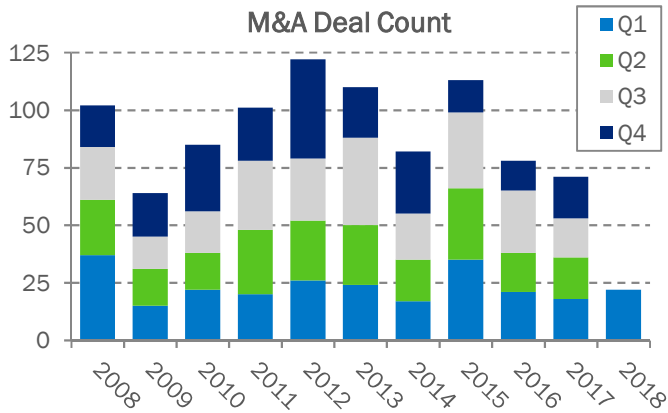


Quarterly Industry Snapshot

Air Freight & Logistics

- Consumer expectations are skyrocketing in the age of Amazon-same-day delivery. Customers expect to receive their goods more quickly, conveniently, and at a lower cost. The only way for logistics companies to keep pace, seemingly, is to invest in technology to deliver premium services more efficiently
- Data and analytics are seen as integral to the progression of the logistics industry over the next decade. Industry competitors who develop robust systems to leverage the power of data, either through internal capital investment or through acquisition, will be well-positioned to fend off increasing levels of competition
- Entrants to the logistics industry are coming from all angles, not just in the form of start-ups. Established players in other industries (retail, autonomous driving, drones) have started building out operations dedicated to logistics, from warehousing to transportation. We expect this to lead to consolidation across the logistics industry, with attractive start-up technologies and sizeable industry entrants fueling acquisition activity



Air Freight & Logistics Announced M&A Deals (US\$ in millions)

Date	Target	Buyer	Transaction Value	EBITDA Multiple
02-27-18	Student Transportation Inc.	ULLICO Inc.; CDPQ	1,337.1	12.9x
02-04-18	Higman Marine Services, Inc.	Kirby Corporation	519.8	-
02-02-18	Fore Transportation, Inc.	Universal Logistics Holdings, Inc.	43.3	-
12-12-17	New Acton Mobile Industries LLC	WillScot Corporation	302.6	-
12-07-17	Keen Transport, Inc.	Wallenius Wilhelmsen Logistics ASA	82.1	6.4x
02-07-18	Marshall Trucking Inc.	Mullen Trucking Corp.	10.1	-
11-01-17	Indiana Transport, Inc.	Patrick Industries, Inc.	76.0	-
08-17-17	Unitrans, Inc.	Quick International Courier, Inc.	120.2	-
04-10-17	Swift Transportation Company	Knight Transportation, Inc. (nka:Knight-	3,964.4	-
09-07-17	Penske Truck Leasing Co., L.P.	Penske Automotive Group, Inc.; MBK U	818.3	-
08-31-17	Milgram & Company Ltd.	C.H. Robinson Worldwide, Inc.	62.0	-
05-08-17	CanaDream Corporation	Apollo Tourism & Leisure Ltd.	27.8	-
07-06-17	Interstate Distributor Co., Inc.	Heartland Express, Inc.	151.4	-
03-28-17	Florida East Coast Holdings Corp.	GMéxico Transportes, S.A. de C.V.	2,805.9	13.6x
12-21-16	El Monte Rents, Inc.	Tourism Holdings Limited	85.7	-
08-15-16	Providence and Worcester Railroad Company	Genesee & Wyoming Inc.	168.7	22.6x
10-27-16	Transportation Resources, Inc.	TransForce Inc. (nka:TFI International Ir	747.0	-
10-04-16	Golden State Overnight Delivery Service Inc.	General Logistics Systems B.V.	118.4	-
07-18-16	Chariot Transit Inc.	Ford Smart Mobility LLC	256.6	-
07-28-16	Span-Alaska Transportation, Inc.	Matson Logistics, Inc.	657.4	9.4x

Air Freight & Logistics - 15 Largest Public Companies (US\$ in millions)

Company Name	TEV	TEV/EBITDA			EBITDA Margin	3-year CAGR ¹	Debt / EBITDA
		LTM	2018E	2019E			
Union Pacific Corporation	\$125,985	12.1x	11.8x	11.1x	38.4%	(1.2%)	1.7x
United Parcel Service, Inc.	\$113,923	11.7x	11.1x	10.1x	11.0%	11.5%	2.4x
Canadian National Railway Company	\$89,068	13.4x	13.4x	12.2x	41.2%	3.7%	1.8x
FedEx Corporation	\$75,990	9.1x	7.8x	7.0x	8.0%	5.3%	2.0x
CSX Corporation	\$67,903	12.2x	12.0x	11.3x	35.3%	2.7%	2.6x
Norfolk Southern Corporation	\$52,506	11.1x	11.0x	10.4x	34.3%	1.9%	2.2x
Canadian Pacific Railway Limited	\$42,672	13.0x	12.5x	11.7x	40.5%	3.2%	2.6x
XPO Logistics, Inc.	\$17,482	13.1x	10.7x	9.3x	4.1%	122.1%	3.7x
Hertz Global Holdings, Inc.	\$17,376	n.m. ²	n.m. ²	n.m. ²	2.7%	(22.4%)	n.m. ²
Avis Budget Group, Inc.	\$16,589	n.m. ²	n.m. ²	n.m. ²	8.7%	(5.6%)	n.m. ²
J.B. Hunt Transport Services, Inc.	\$14,608	14.0x	11.7x	10.3x	8.6%	2.2%	1.0x
Kansas City Southern	\$13,759	10.9x	10.2x	9.4x	35.6%	4.2%	2.1x
C.H. Robinson Worldwide, Inc.	\$12,969	14.9x	13.7x	12.5x	5.1%	1.8%	1.6x
Old Dominion Freight Line, Inc.	\$12,485	15.1x	13.3x	12.0x	17.5%	10.3%	0.1x
Expeditors International of Washington, Inc.	\$11,543	14.5x	13.4x	12.7x	10.3%	5.5%	0.0x

¹Historical compound annual growth rate of EBITDA

²Not measurable

High	\$125,985	15.1x	13.7x	12.7x	41.2%	122.1%	3.7x
Low	\$11,543	9.1x	7.8x	7.0x	2.7%	(22.4%)	0.0x
Median	\$17,482	13.0x	11.8x	11.1x	11.0%	3.2%	2.0x
Mean	\$45,657	12.7x	11.7x	10.8x	20.1%	9.7%	1.8x