



# Transportation and Logistics M&A Update

Q3 2022

---

## CONTENTS

- 2 Global Deal Analytics
- 6 Valuation Multiples
- 8 Leading M&A Deals
- 13 Industry Trends
- 14 Our Service Offerings
- 15 Selected Transactions
- 16 Our M&A Team

---

### Trevor Hulett

Managing Director  
thulett@rlhulett.com

### Ryan Hartman

Analyst  
rhartman@rlhulett.com

For more information on R.L Hulett or this report please visit our website at [rlhulett.com](http://rlhulett.com) or call us at (314) 721-0607

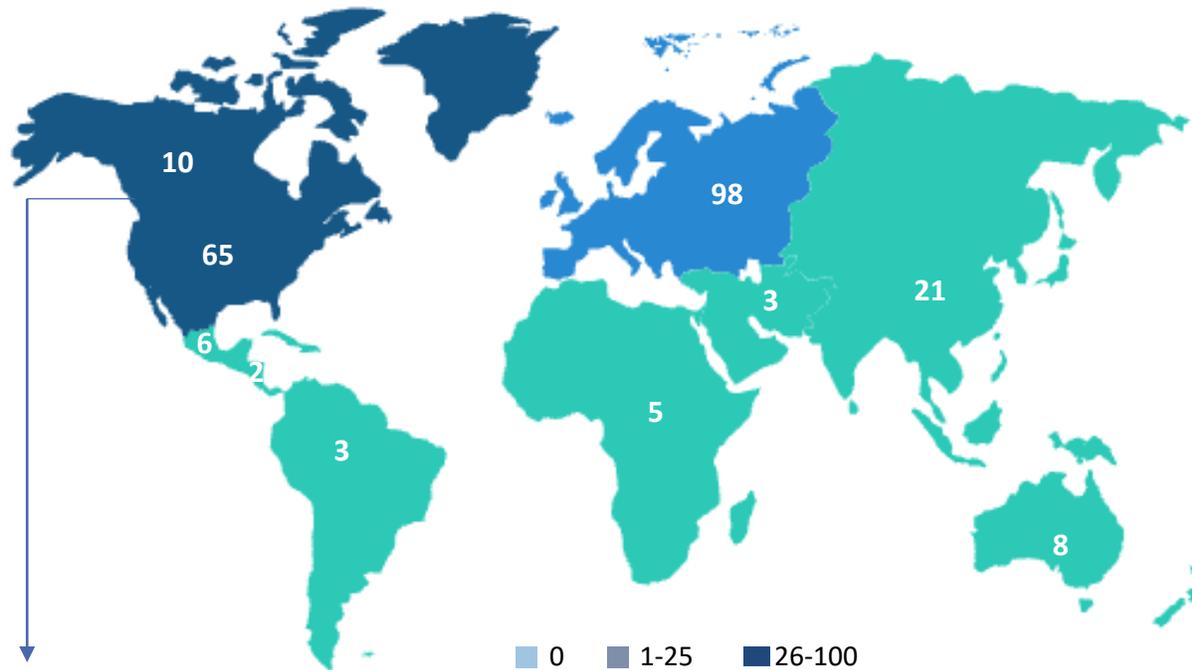
---

## REPORT HIGHLIGHTS

- The Transportation & Logistics (“T&L”) industry index declined 7.4% in Q3 2022 and underperformed the S&P 500 index, which declined 6.4% in the same period.
- Total capital invested in M&A transactions in the T&L sector decreased 55.1% in Q3 2022 to \$17.6B from \$39.2B in the prior quarter and 22.8% compared to Q3 of the prior year.
- YTD through Q3 2022, PE investors represented 66.6% of total capital invested in M&A transactions, up from 37.0% in 2021, compared to strategic buyers whose share decreased from 63% to 33.4% during the respective periods.
- Europe was the most active region in Q3 2022 with 98 deals. Most notably in Europe was the \$1.2 billion acquisition of Siemens Logistics Mail and Parcel Business by Körber in July 2022.
- Publicly traded stocks monitored in this report in the Packaging sector declined an average of 15.0% in Q3 and total capital invested dropped 22.8% compared to Q3 of the prior year.

# Global Deal Analytics

Of the 221 deals transacted globally in the T&L sector in Q3, Europe was the most active market with 98. Another notable European deal (in addition to Siemens Logistics mentioned on the previous page) was Agility's \$686 million acquisition of a United Kingdom provider of logistics services, Menzies Aviation, in August 2022. North America was the second most active with 75 closed transactions. All other regions combined for a total of 48 completed transactions.



**North America: 75**

**United States Regions: 65**

---

**West Coast: 13**

---

**Southeast: 12**

---

**Great Lakes: 11**

---

**South: 10**

---

**Others: 19**

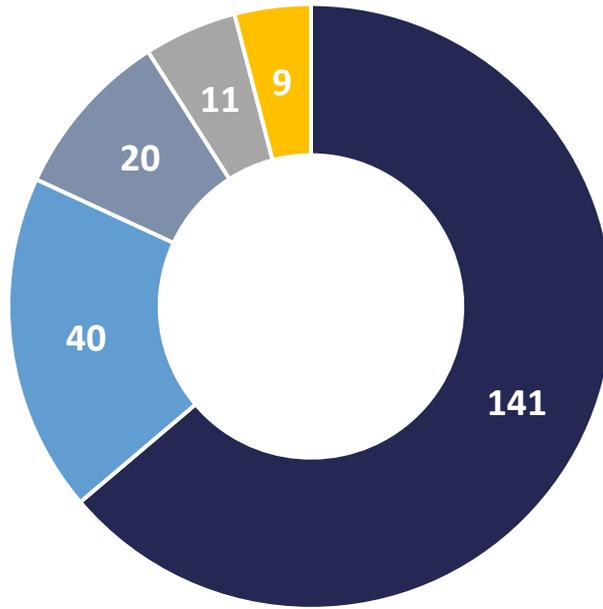
In the United States, the West Coast region was the most active in terms of T&L M&A transactions with 13 deals closed in Q3 2022, followed by the Southeast and Great Lakes regions with 12 and 11, respectively. The South region had 10 deals closed and all other regions had a total of 19 deals closed for the quarter.

Outside of the U.S., the Canadian market saw 10 completed transactions, while Mexico, Central America and South America saw 6, 2 and 3 deals closed, respectively.

# Global Deal Analytics

Of the 221 deals completed in the T&L sector in Q3 2022, 141 were in the Logistics subsector, making it the most active subsector in this industry in terms of M&A activities. 40 deals closed in the Road subsector, followed by Marine, Air, and Rail with 20, 11, and 9 deals, respectively.

Deal by Subsector



■ Logistics

■ Road

■ Marine

■ Air

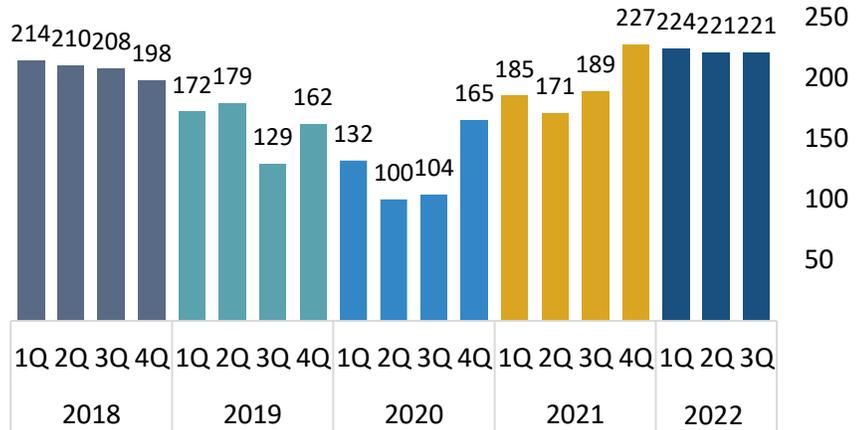
■ Rail

--------------	--------------	--------------	--------------	--------------

# Global Deal Analytics

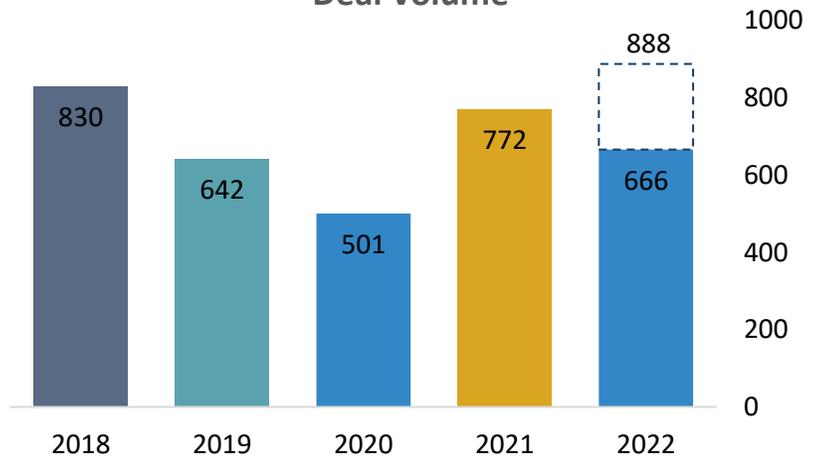
Deal volume in the T&L sector was steady in Q3 at 221 transactions, consistent with Q2 volume but up 16.9% over the 189 reported in Q3 of the prior year. Generally, deal volume has been steady over the last four quarters since the covid lows experienced in Q2 and Q3 of 2020.

Deal Volume



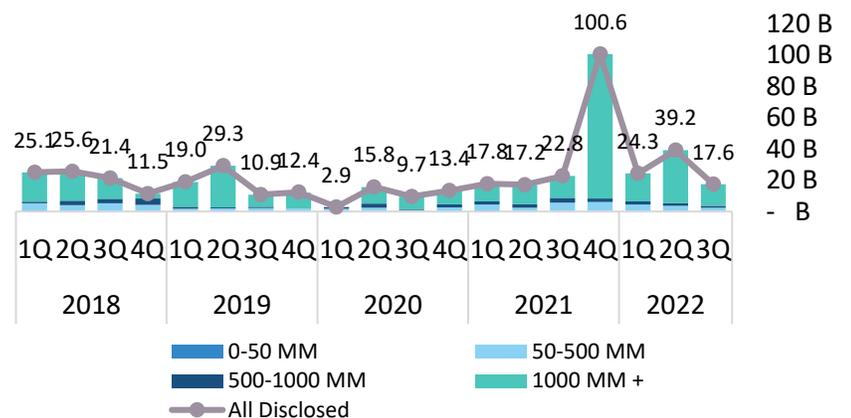
In spite of rising interest rates/cost of capital, tightening liquidity in the capital markets, ongoing delays in the supply chain and continuing inflation impacting labor and materials costs, we continue to see an active M&A market in the T&L sector and anticipate a 15.0% increase in 2022 M&A deal volume over the prior year to 888 deals from 772.

Deal Volume



In Q3 2022, total capital invested decreased 55.1% to \$17.6B from \$39.2B in the prior quarter. This decline is largely attributable to Blackstone's growth investment in Mileway of \$26.0B in Q2. In contrast, the largest deal in Q3 was Cummins' \$3.7B acquisition of Meritor.

Total Capital Invested by Deal Size



# Global Deal Analytics

YTD through Q3 2022, deal volume in the larger market (\$1000MM+) and upper middle market (\$500-\$1000MM) both saw decreases as a % of overall deal volume to 9.6% and 5.1% from 11.9% and 6.9% in FY 2021, respectively. Both the lower middle market (\$0 - \$50MM) and middle market (\$50 - \$500MM) increased to 44.1% and 41.2% from 40.1% and 41.1% in FY 2021, respectively.

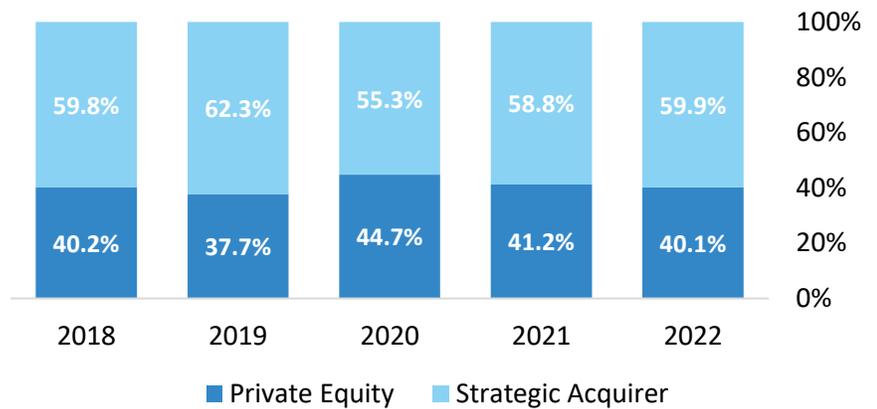
Strategic buyers have historically accounted for the majority of M&A volume in the T&L sector. We have seen this level of deal volume fluctuate between 55-63% of the total, compared to Private Equity which has historically represented 37-45% since FY 2018. In the YTD period through Q3, PE volume as a % of total volume is trending slightly below the prior two years at 40.1%.

YTD through Q3 2022, private equity’s share of total capital invested jumped significantly to 66.6% compared to 37.0% in 2021. This is largely attributable to Blackstone’s growth equity investment in Mileway in Q2 for \$26.0B, representing 32.1% of deal volume YTD through Q3 2022.

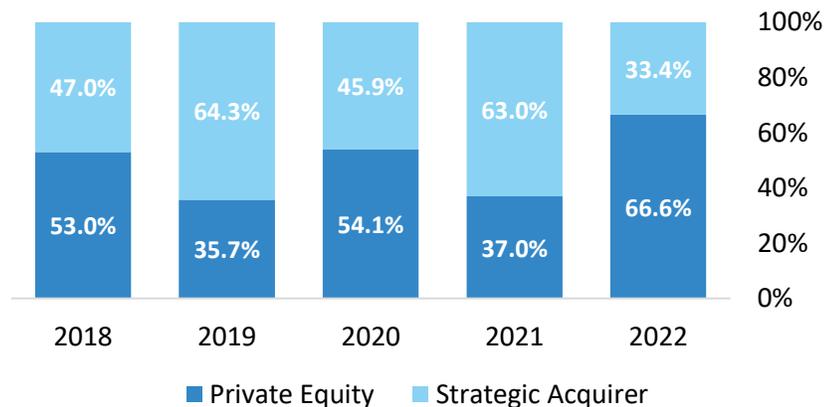
Deal Volume by Deal Size



Deal Volume by Acquirer

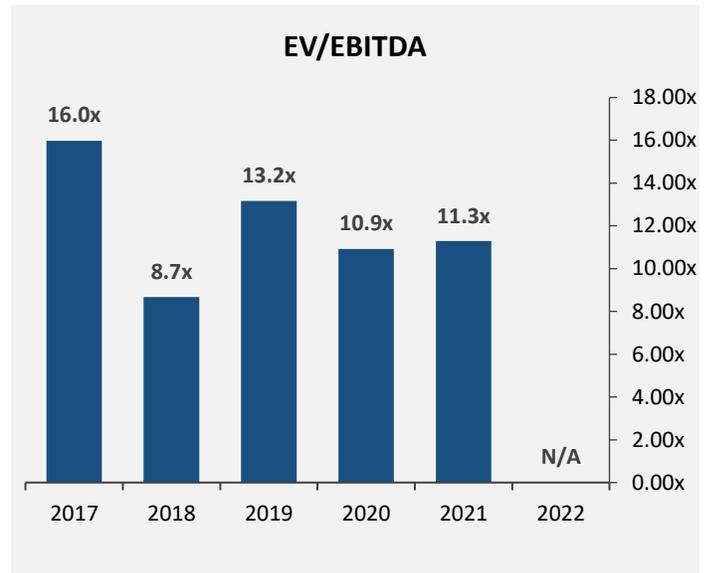
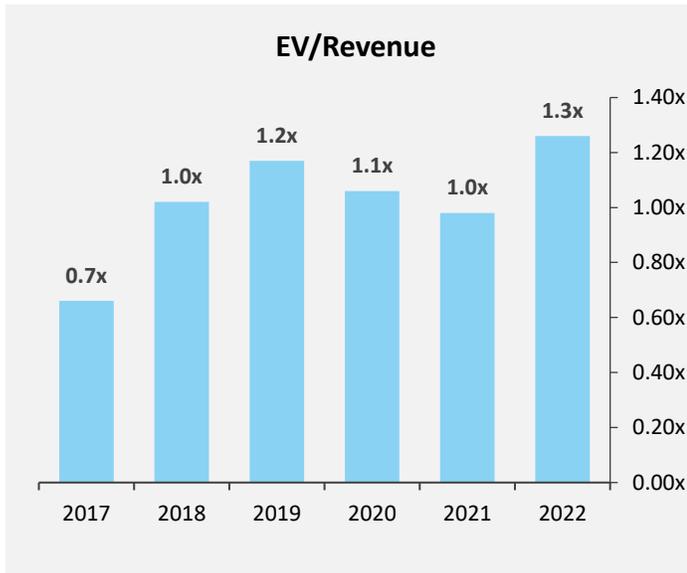


Total Capital Invested by Acquirer

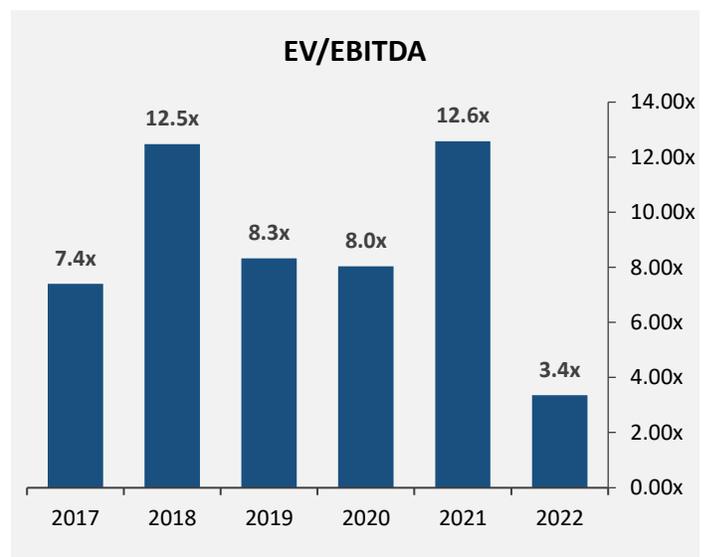
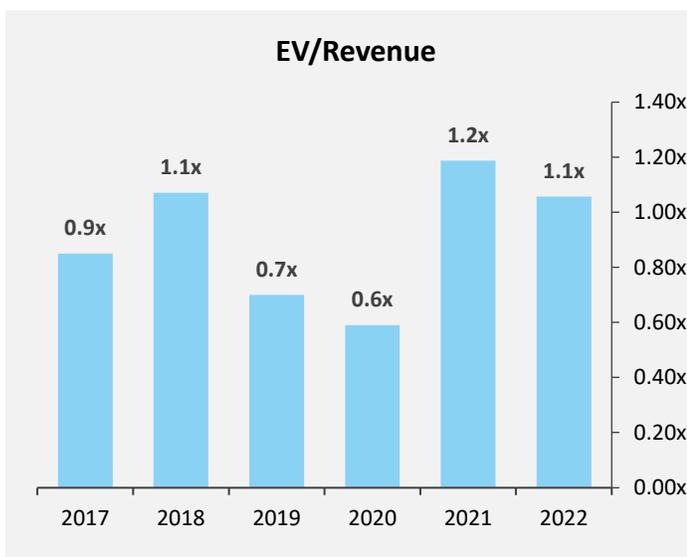


# Valuation Multiples

## PE Multiples



## Strategic Multiples



\* No reported PE EV/EBITDA transaction valuation multiples were available in Q3 2022.

# Largest Deals (Disclosed)

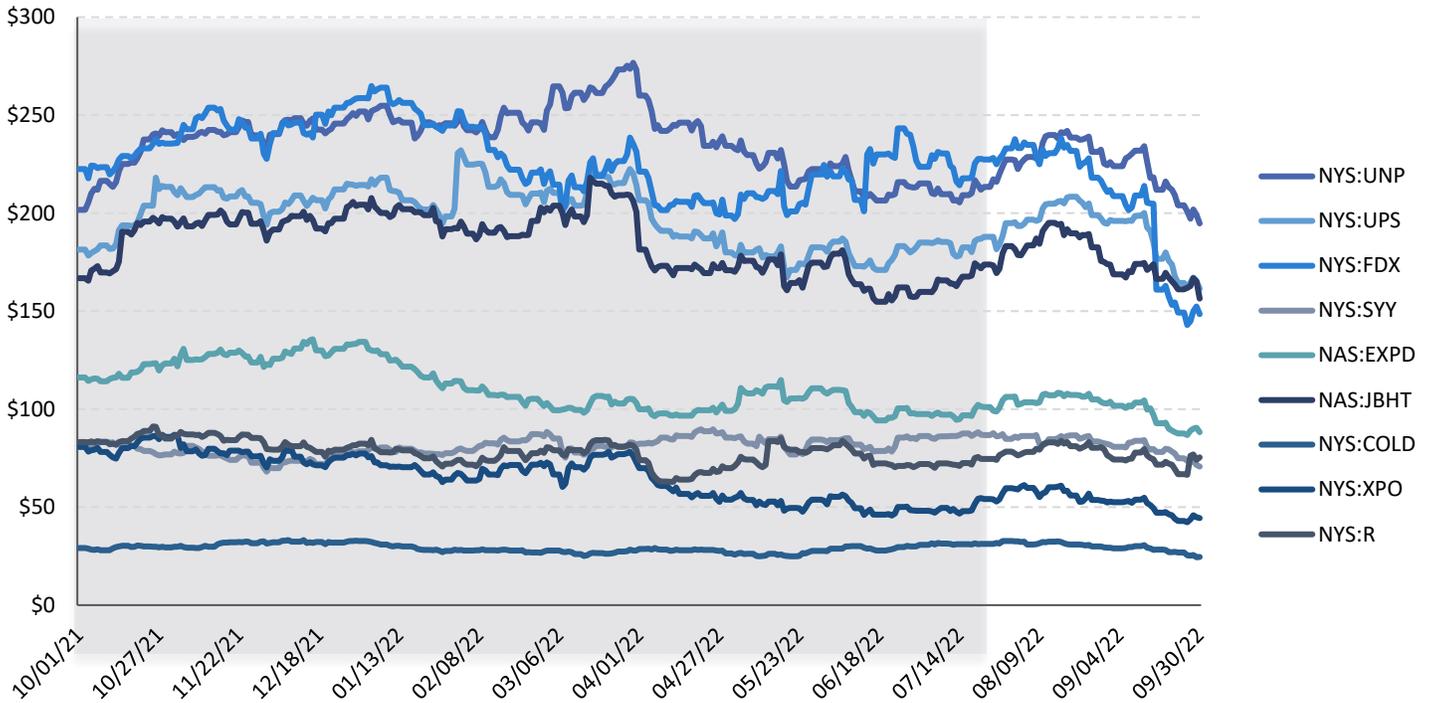
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
24-Sep-2022	Infraprime Logistics	Tube Investments of India	Merger/Acquisition	\$ 30.8			Operator of a logistics company utilizing electric trucks.
23-Sep-2022	Hoegh LNG Partners	Hoegh LNG Holding	Merger/Acquisition	167.6	0.87x	1.09x	Hoegh LNG Partners LP own and operate floating storage and regasification units.
15-Sep-2022	USA Truck	DB Schenker	Merger/Acquisition	483.5	0.61x	5.82x	USA Truck Inc provides transportation and logistics services.
14-Sep-2022	International Associated Cargo Carrier	Abu Dhabi Ports	Merger/Acquisition	140.0			Provider of investment services catering to the shipping and logistics industry.
14-Sep-2022	Transmar	Abu Dhabi Ports Group	Merger/Acquisition	140.0			Operator of a logistic company based in New Cairo, Egypt.
09-Sep-2022	Nauticus Robotics	AeroVironment	PIPE	73.0			Nauticus Robotics Inc is a developer of ocean robots and cloud software.
01-Sep-2022	Estaleiro Atlantico Sul	APM Terminals	Merger/Acquisition	88.5			Manufacturer of ships and vessel carriers based in Suape Ipojuca, Brazil.
01-Sep-2022	Danske Statsbaner	Knorr-Bremse	Merger/Acquisition	50.6			Provider of overhauls, repairs and the supply of parts and components.
31-Aug-2022	LF Logistics	A.P. Moller-Maersk	Merger/Acquisition	3,600.0			Provider of logistics services across Asia-Pacific.
31-Aug-2022	TFI International	Heartland Express	Merger/Acquisition	525.0			Provider of truckload and logistics services based in Joplin, Missouri.
24-Aug-2022	Medistik	Grupo Traxión	Merger/Acquisition	77.0			Provider of logistics and supply chain services.
22-Aug-2022	TAGG Logistics	Hub Group	Merger/Acquisition	103.0			Provider of logistics services.
10-Aug-2022	Alexandria Containers and Goods Company	Saudi Egyptian Investment Company	PIPE	158.9			Alexandria Containers and Goods is a cargo handling company.
04-Aug-2022	Menzies Aviation	Agility	Merger/Acquisition	686.0			Menzies (John) PLC provides support services to logistic companies.
03-Aug-2022	Meritor	Cummins	Merger/Acquisition	3,700.0	0.84x	8.06x	Meritor Inc is a manufacturer of automobile parts for commercial vehicles.
01-Aug-2022	Alfmeier Präzision	Gentherm	Merger/Acquisition	180.8			Provider of automotive massage and lumbar comfort solutions.
29-Jul-2022	One Rail Australia	Aurizon Holdings	Merger/Acquisition	1,608.5			Provider of rail freight services.
26-Jul-2022	Deppon	JD Logistics	Merger/Acquisition	1,334.3	0.36x	3.68x	Deppon Logistics Co Ltd is a logistics providing company.
25-Jul-2022	Total Airport Services	Alliance Ground International	Buyout/LBO	143.5			Provider of cargo and logistics services for the aviation industry.
21-Jul-2022	Gist	Marks & Spencer	Merger/Acquisition	174.8			Provider of logistics services intended to provide contract disposal.

## Leading M&A Deals

Target/Investor	Deal Synopsis	Driver
 	<p>In May 2022, Deliverr, a provider of tech-enabled e-commerce fulfillment services, was acquired by Shopify (NYS: SHOP) for \$2.5 billion in July 2022. The acquisition will help Shopify expand fast and easy fulfillment for merchants across multiple channels and strengthen SFN's ability to manage merchant inventory from 'port to porch' as merchandise arrives at domestic ports.</p>	<p><b>Merger/ Acquisition</b></p>
 	<p>Meritor Inc is a manufacturer of automobile parts for commercial vehicles and industrial markets. The company was acquired by Cummins (NYS: CMI) for \$3.7 billion in August 2022. The acquisition will position Cummins as a leading provider of integrated powertrain solutions across internal combustion and electric power applications and add products to its components business.</p>	<p><b>Merger/ Acquisition</b></p>
 	<p>Zipline Logistics is an Ohio based third-party logistics solutions provider exclusively servicing the consumer-packaged goods sector. The company was acquired by Frontenac Company through an LBO in October 2022 for an undisclosed amount.</p>	<p><b>Recapitalization</b></p>
 	<p>USA Truck Inc provides transportation and logistics services. The company was acquired by DB Schenker, a subsidiary of Stinnes, for \$483.5 million in September 2022. The acquisition allows Schenker to expand its global logistics services across land, air, and ocean transportation services, as well as comprehensive solutions for logistics and global supply chain management. Further, the company will delist from NASDAQ Global Select Market and become a private company.</p>	<p><b>Merger/ Acquisition</b></p>

# Public Comps

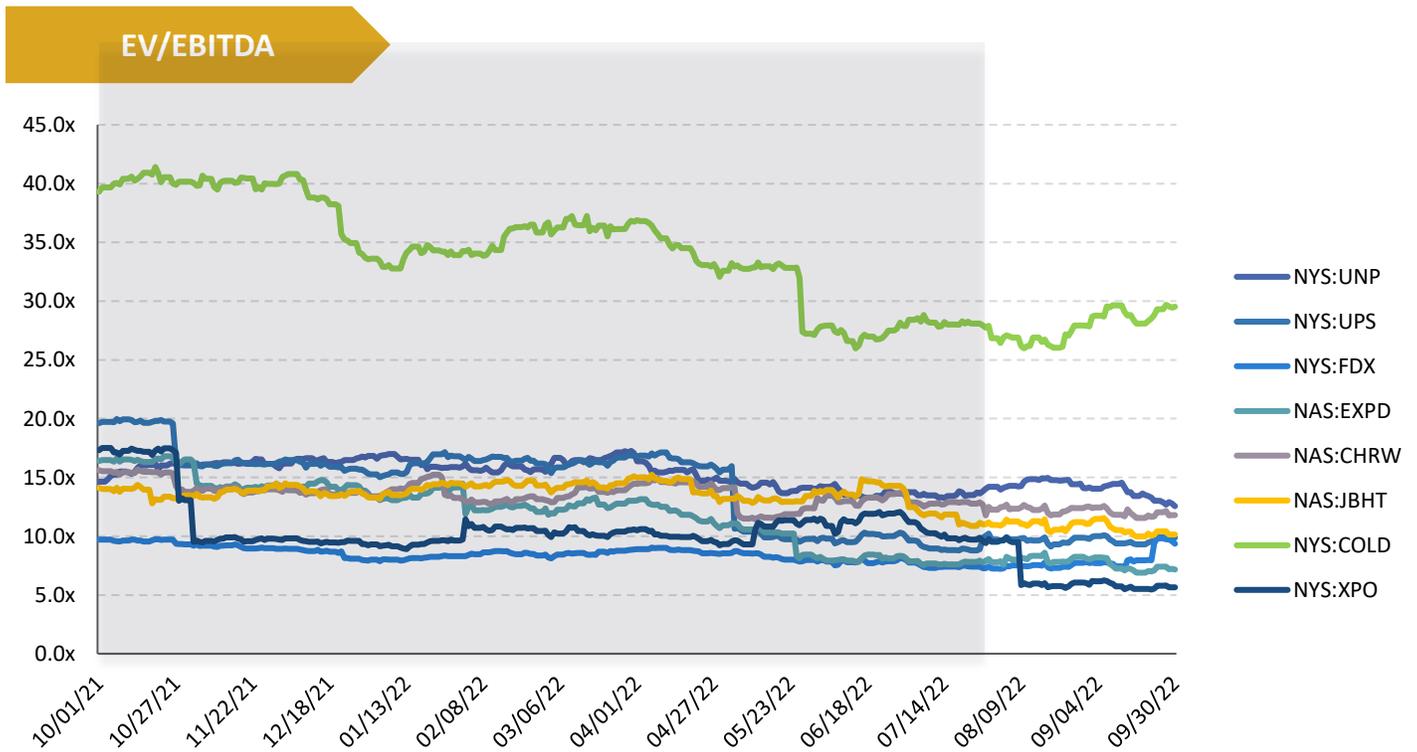
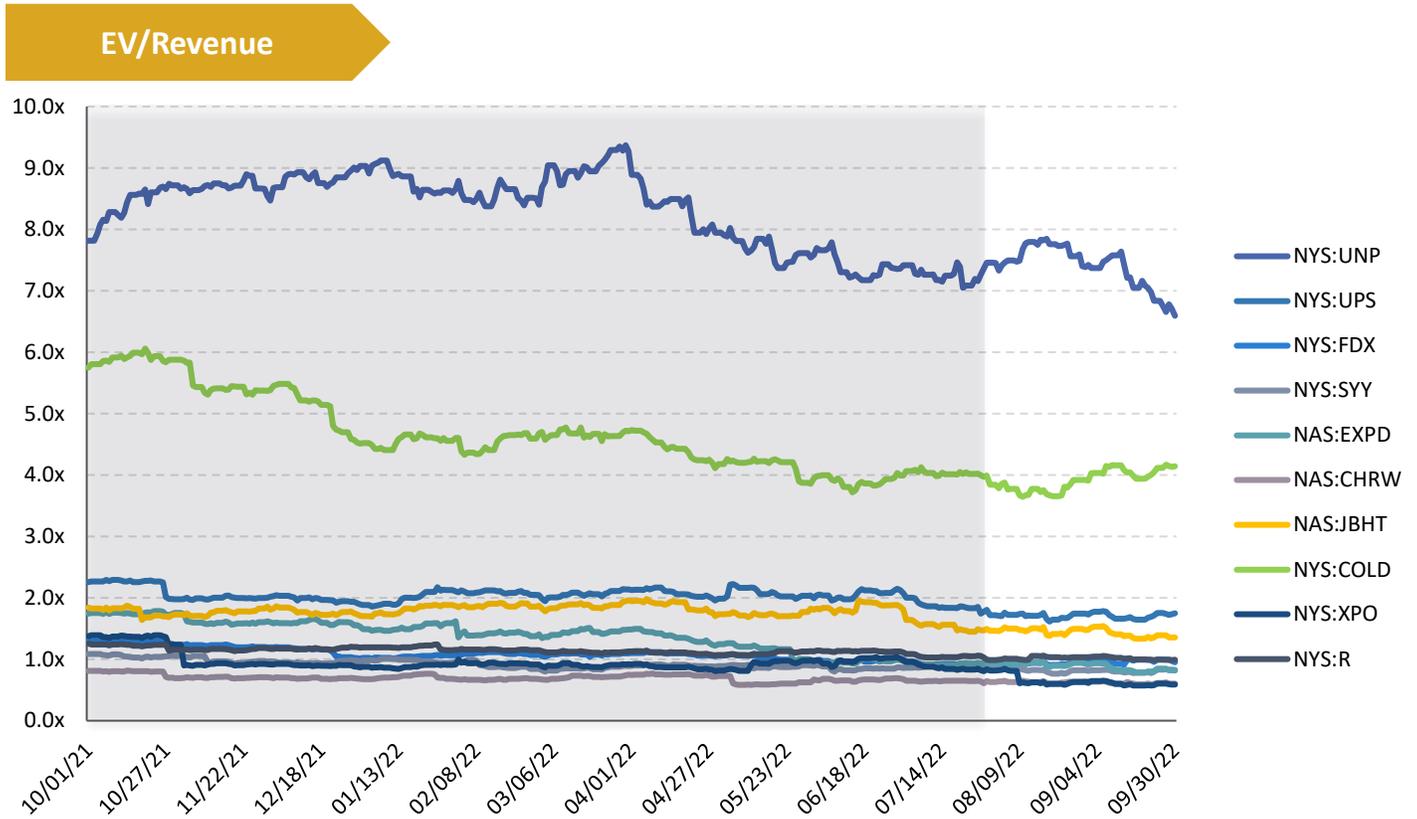
## Stock Price



## Financial & Valuation

SMM	Company	Ticker	Stock Price	Market Cap	Total Debt	EV/Revenue			EV/EBITDA			Revenue Growth			Gross Margin			EBITDA Margin		
						20A	21A	22E	20A	21A	22E	20A	21A	22E	20A	21A	22E	20A	21A	22E
	Union Pacific	NYS:UNP	194.8	121660.9	33616.0	8.5x	9.0x	8.3x	16.1x	16.8x	15.0x	-12%	8%	10%	46%	49%	N/A	53%	54%	53%
	United Parcel Service	NYS:UPS	161.5	139738.1	24100.0	2.1x	2.1x	2.0x	17.9x	16.8x	12.4x	9%	18%	4%	18%	20%	N/A	12%	13%	16%
	FedEx	NYS:FDX	148.5	38634.8	37645.0	1.3x	1.1x	1.1x	13.2x	8.9x	8.9x	8%	20%	0%	20%	21%	N/A	10%	12%	10%
	Sysco	NYS:SY	70.7	35787.1	11389.6	0.9x	0.9x	0.8x	34.3x	19.6x	13.9x	-18%	13%	10%	19%	18%	18%	3%	5%	6%
	Expeditors International of Washington	NAS:EXPD	88.3	14447.1	502.9	1.7x	1.5x	1.5x	16.7x	13.1x	N/A	1%	68%	-24%	13%	13%	N/A	11%	12%	9%
	C.H. Robinson Worldwide	NAS:CHRW	96.3	11931.2	2622.1	0.9x	0.7x	0.7x	19.9x	14.5x	13.6x	-1%	37%	-13%	7%	7%	8%	5%	5%	5%
	J.B. Hunt Transport	NAS:JBHT	156.4	16238.5	1296.0	1.6x	1.9x	1.7x	12.5x	15.0x	12.5x	4%	22%	10%	15%	15%	N/A	13%	13%	14%
	AmeriCold Logistics	NYS:COLD	24.6	6626.4	3496.1	4.9x	4.7x	4.0x	24.4x	36.8x	21.9x	14%	29%	10%	28%	25%	23%	20%	13%	17%
	XPO Logistics	NYS:XPO	44.5	5121.6	3743.0	1.1x	0.9x	1.0x	14.9x	10.6x	9.8x	-57%	71%	-4%	10%	16%	N/A	4%	9%	11%
	Ryder System	NYS:R	75.5	3864.7	7162.9	1.2x	1.1x	1.0x	5.1x	3.9x	4.0x	-5%	9%	12%	14%	18%	19%	27%	28%	23%
	<b>Mean</b>					<b>2.4x</b>	<b>2.4x</b>	<b>2.2x</b>	<b>17.5x</b>	<b>15.6x</b>	<b>12.5x</b>	<b>-5.8%</b>	<b>29.5%</b>	<b>1.5%</b>	<b>18.9%</b>	<b>20.1%</b>	<b>16.9%</b>	<b>15.7%</b>	<b>16.2%</b>	<b>16.5%</b>
	<b>Median</b>					<b>1.5x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>16.4x</b>	<b>14.8x</b>	<b>12.5x</b>	<b>-0.4%</b>	<b>20.9%</b>	<b>6.9%</b>	<b>16.7%</b>	<b>18.2%</b>	<b>18.5%</b>	<b>11.1%</b>	<b>12.5%</b>	<b>12.5%</b>

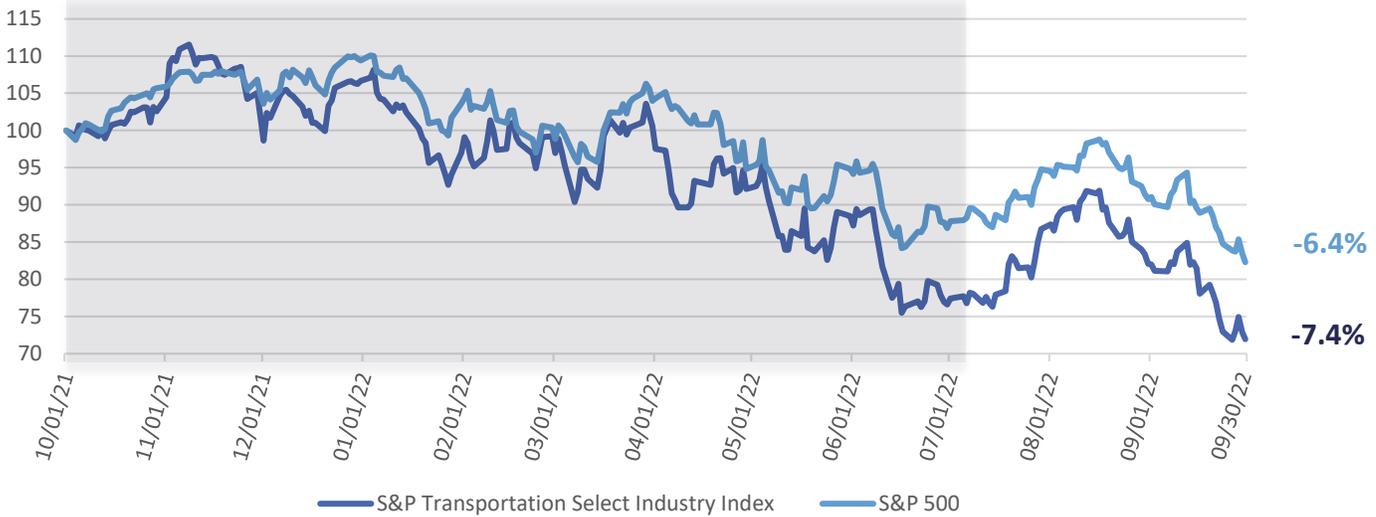
# Public Comps



# Public Markets

## Index Performance

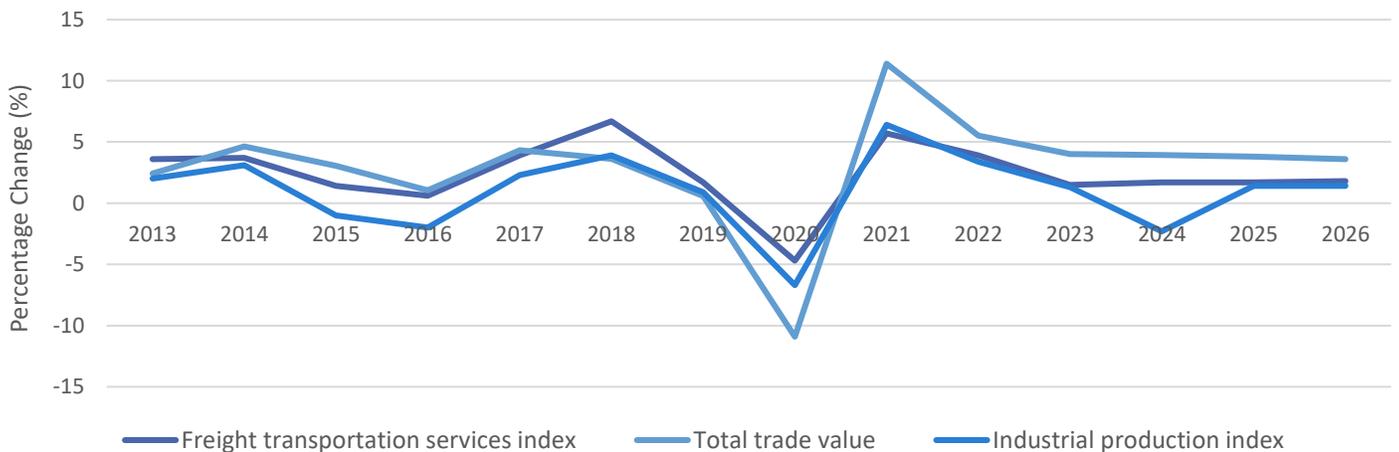
According to S&P Global Industry Index, the Transportation & Logistic industry declined 7.4% compared to a 6.4% decline for the S&P 500 since July 1, 2022.



## Key External Drivers

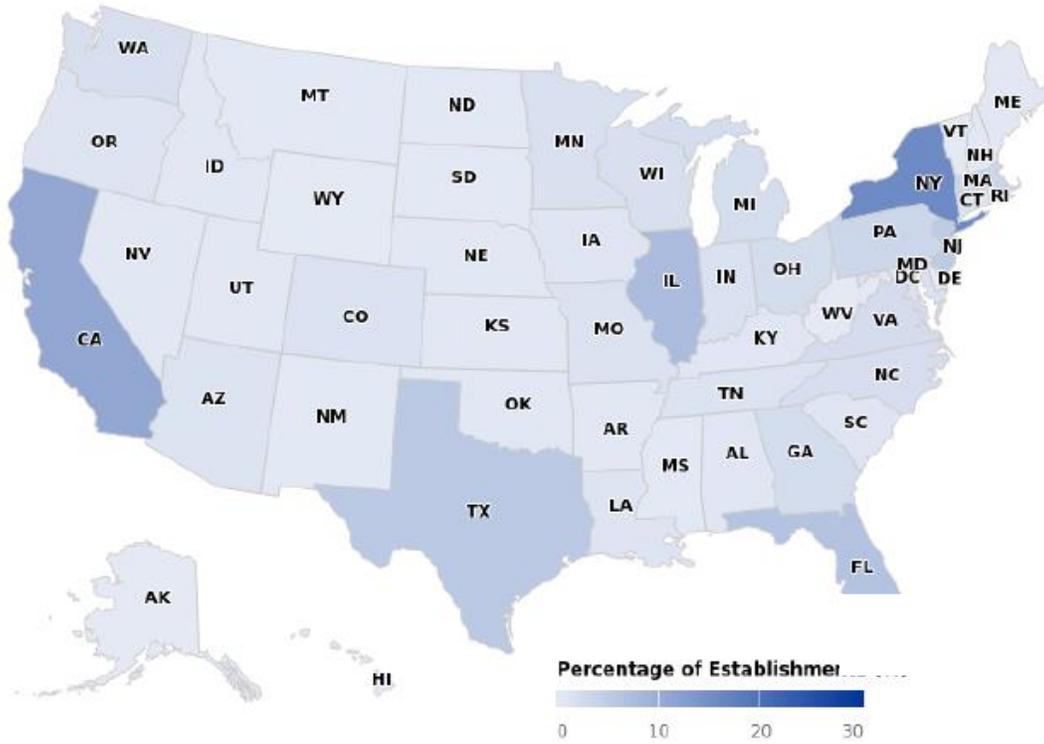
Lower consumer spending directly reduces the number of goods that redistributors need to transport. Therefore, when spending decreases, revenue tends to follow. To combat the rapid inflation in the U.S. CPI, the federal reserve is anticipated to continue quantitative tightening, in the form of rate hikes to the Fed Fund Rate, to slow down consumer spending. These ongoing rate hikes will likely send the United States economy into a recession sometime in 2023 and result in lower demand for transportation services.

Additionally, increasing tensions between the U.S. and China over TSM, a Taiwanese manufacturer of semiconductor chips, poses the potential threat of tariffs and other forms of restrictions on intercontinental trade, resulting in lower industry revenues.

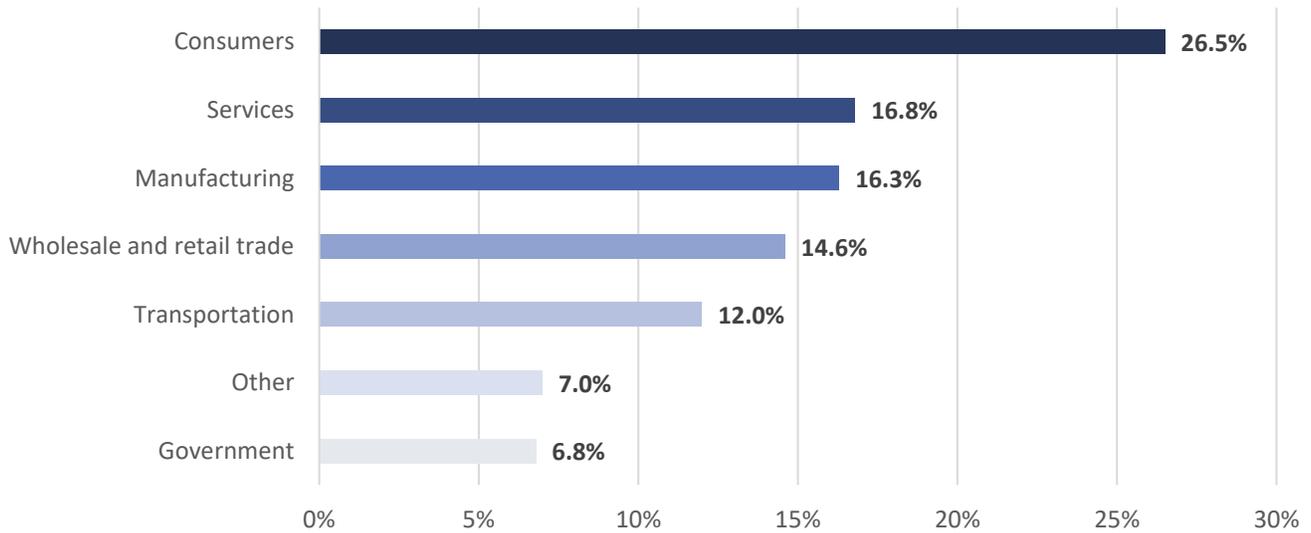


# Public Markets

## Business Locations



## Major Markets



# Industry Outlook

## Demand for Ocean Freight

### Ocean freight orders are signaling a big drop in consumer demand

U.S. shippers are seeing a 20% drop in ocean freight orders. The declines includes machinery, household products, industrial products and some apparel. Ocean carriers are canceling as much as 50% of sailings to rebalance vessel capacity to demand. Freight prices on one key route from Asia to the West Coast are now down more than 80% from last year.



## Fuel Prices & Rising Costs

### Increases to fuel and oil prices pressure travel costs

Excessive increases in fuel prices have cut into business' profit margins and have placed pressure on cost management for transportation businesses. Although gas prices have begun to fall month to month, overall, they are still near record highs.



## Demand for Passenger Transport

### Supply/demand

Demand for passenger transport services in the US has risen substantially since the pandemic travel restrictions in 2020 and portions of 2021. Similarly, greater demand for outsourced logistics and new technologies will likely propel demand for the T&L sector in the years ahead but are anticipated to be offset by macroeconomic challenges like rising inflation and interest rates curbing consumer spending.



## Commodities Supply Chain

### Auto Supply problems persist longer than anticipated

The post-pandemic shortage of cars had historically been driven primarily by challenges in the semiconductor supply chain. More recently conflicts between Russia and Ukraine have resulted in additional scarcity around Palladium used in catalytic converters, Neon Gas used for semiconductor production, Nickel, Aluminum, and Steel which are all key materials for vehicles. Auto manufacturers have adapted by prioritizing the production of their highest-margin vehicles, which typically favors Trucks and SUV's over passenger cars.



Source: Capital IQ, CFRA, J.P. Morgan, Inside Climate News

# Our Service Offerings



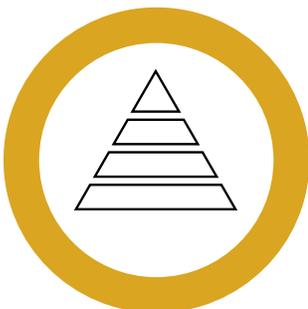
## Sell-Side Advisory: Sell your business

Sell your business for the highest price and for the best terms. At R.L. Hulett, communicating the value of your business to targeted buyers and finding the best fit for your team is our forte. We strive to maintain your company's culture and heritage even as you transition out of your business.



## Buy-Side Advisory: Buy a business

Searching for acquisition targets can be a challenging and time-consuming task when trying to run your own business at the same time. Navigating the risks and pitfalls in negotiating valuation and deal structure can also be a daunting task for many business owners. Let our team help you minimize your risk and reduce time wasting efforts with our decades of experience in advising in both buy and sell-side M&A transactions. We utilize industry-leading M&A databases to scout for opportunities and pre-screen for "real" actionable targets so you can stay focused on what matters.



## Capital Raise: Gain financial support

With nearly 40 years of experience in middle-market M&A advisory, we know how to package up your deal and put you in front of the right kind of investors who have the capital and the industry expertise you need to grow your business. Our team will develop a go-to-market strategy and advise on deal structure, valuation, due diligence and transition issues. Whether you are seeking capital for growth or trying to buy out other shareholders, we have the tools, expertise, and experience to execute a strategic process and find the optimal outcome to meet your objectives.



## Restructuring: reorganization of your business

In today's uncertain economic times, more and more companies are finding themselves in unfamiliar, and unwanted, positions. Many business owners are hoping recovery is just around the corner; however, proactive measures are often required to maximize the remaining value of the business. Our team can aid banking institutions with workout situations by implementing internal controls over cash management and performing on-going cash flow modeling for their clients. We can also help business owners avoid having trouble making payments on their debts and avoid the cumbersome and low-value asset liquidation process.

# Selected Transactions



Has been recapitalized by



Has sold substantially all of its assets to



Has sold substantially all of its assets to



Has been acquired by



Has sold substantially all of its assets to



Wood Waste Energy, Inc.

Has been acquired by



Was recapitalized by



Has been acquired by



has partnered with



a portfolio company of



## Our M&A Deal Leaders



**R. Trevor Hulett, CPA**  
Managing Director  
(314) 721-0607 x112  
thulett@rlhulett.com

Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution for over 15 years. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporations. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



**Robert L. Hulett**  
Chairman Emeritus  
(314) 721-0607 x134  
rlhulett@rlhulett.com

Mr. Hulett founded the firm in 1981 and has negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett has also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



**David T. Vass**  
Director  
(314) 721-0607 x115  
dvass@rlhulett.com

Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.

## Our M&A Deal Leaders



**Ron Litton**

Director

(816) 810-0799

rlitton@rlhulett.com

Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



**Ryan Hartman**

Analyst

(314) 721-8027

rhartman@rlhulett.com

Ryan joined R.L. Hulett in 2021 and provides transaction support for senior-level deal managers including financial modeling, valuations, industry research, offering memorandums and a variety of presentations. Ryan graduated with a Bachelor of Science in Management Degree with a major in finance from The Freeman School of Business, Tulane University. Prior to joining the firm Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



**Lynda Hulett**

Marketing

(314) 721-0607 x 104

lhulett@rlhulett.com

Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.

## About R.L. Hulett

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri. Since 1981, the firm specializes in providing financial advisory services to middle market companies. Since IB inception, the firm has advised in over 230 transactions in a variety of industries including manufacturing, distribution, business services, transportation/logistics, health care and software/technology. The firm has an experienced team of M&A advisors consisting of former business owners, seasoned corporate executives, professional service firm partners, CPAs and MBAs. Our ability to deliver customized solutions to meet or exceed our clients' expectations is what sets us apart from our competitors.

## Industry Sectors Covered:



**Industrial**



**Transportation and Logistics**



**Food & Beverage**



**Business Services**



**Tech-enabled Services**



**Healthcare**

## Disclaimer

The data in this document has been derived from PitchBook Data and has been compiled by R.L. Hulett & Company. This document is strictly for illustrative purposes only. The data presented in this document is not comprehensive and should not be used for benchmarking, valuation, or for any other decision making. R.L. Hulett accepts no responsibility for loss or damage caused by dependence on the information in this document.