



## Project Pallet – Intermodal Transportation Services Provider Teaser

# Investment Considerations

TEASER

Our client is a leading Midwest-based provider of intermodal, less-than-truckload (LTL), and full truckload (FTL) transportation services. R.L. Hulett has been retained as exclusive financial advisor to explore strategic alternatives for the business, including a potential sale. Ownership is seeking a buyer who recognizes the value of the business and who is interested in continuing to build on the platform developed over many years.

## Key Investment Highlights

**Strong EBITDA Margin:** Since 2019, the Company has achieved an adjusted EBITDA margin ranging from 27.5%-38.1%. This range is considerably higher than the 5-year industry average for Local Freight Trucking of 13.1%.

**Diverse Customer Base:** The Company has a very diverse list of customers with the top customer representing less than 9.3% of revenue in the Trailing Twelve Month (“TTM”) period ended March 2024. Thirteen of Pallet’s top twenty customers have been with the Company for 5+ years and accounted for roughly 48% of the Company’s revenue in the TTM period. This stickiness with many of Pallet’s top customers provides for a solid base of reoccurring revenue.

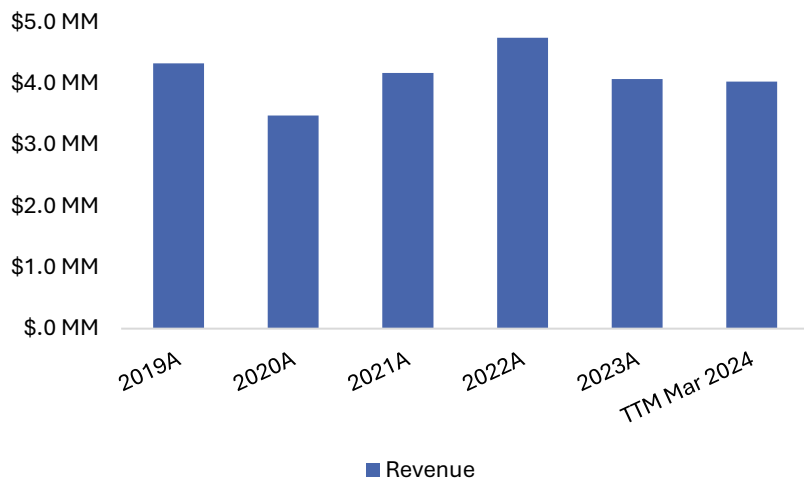
(in thousands \$'s)

	Years ended December 31,					TTM
	2019A	2020A	2021A	2022A	2023A	Mar 2024
Revenue	\$ 4,326	\$ 3,478	\$ 4,170	\$ 4,746	\$ 4,074	\$ 4,028
<b>Revenue Growth</b>		(19.6%)	19.9%	13.8%	(14.1%)	(1.1%)
Operating Expenses	3,373	2,706	2,658	2,966	2,772	2,747
Operating Profit	953	772	1,513	1,779	1,302	1,281
<b>Operating Profit Margin</b>	22.0%	22.2%	36.3%	37.5%	32.0%	31.8%
Other Income (Expense)	8	(86)	(93)	(81)	(54)	(42)
<b>Net Income</b>	<b>961</b>	<b>685</b>	<b>1,420</b>	<b>1,698</b>	<b>1,249</b>	<b>1,239</b>
<b>Definitional Adjustments:</b>						
Interest (Income) Expense	(5)	86	83	64	38	31
Income Tax			7	14	16	12
Depreciation & Amortization	234	223	33	31	4	3
<b>EBITDA, as adjusted</b>	<b>\$ 1,190</b>	<b>\$ 995</b>	<b>\$ 1,543</b>	<b>\$ 1,807</b>	<b>\$ 1,305</b>	<b>\$ 1,284</b>
<b>EBITDA Margin</b>	27.5%	28.6%	37.0%	38.1%	32.0%	31.9%

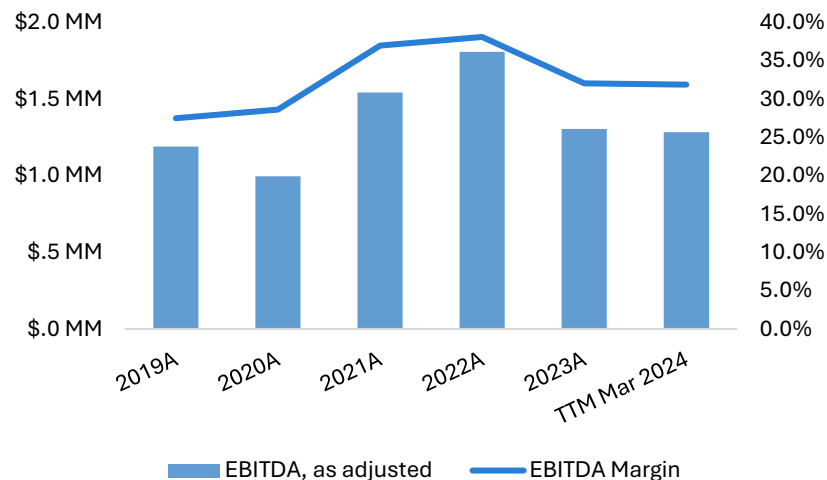
## Key Investment Highlights

**Outstanding Reputation:** Since inception 35 years ago, the Company has developed a strong reputation for quality and reliability. In large part, the Company's outstanding recognition in its primary coverage area drives steady and recurring demand for Pallet's intermodal and LTL delivery services with virtually no sales or marketing efforts. Pallet is positioned well for top-line revenue growth with the addition of drivers and fleet capacity.

### Revenue



### EBITDA & EBITDA Margin





# Contact Us

If you are interested in learning more about this opportunity, please complete and sign the Confidentiality Agreement ("CA"), and return it via e-mail. Upon receipt of the signed CA, we will follow up with more information on the transaction opportunity. Please direct all questions and communications through the RLH team members listed below.

**Trevor Hulett**  
Managing Director  
(314) 721-0608  
thulett@rlhulett.com

**Ryan Hartman**  
Senior Analyst  
(314) 721-8027  
rhartman@rlhulett.com

**Charlie Meier**  
Analyst  
(314) 721-8027  
cmeier@rlhulett.com

