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# **Transportation & Logistics M&A Update**

## **Q3 2024**

# Transportation & Logistics M&A Update Q3 2024

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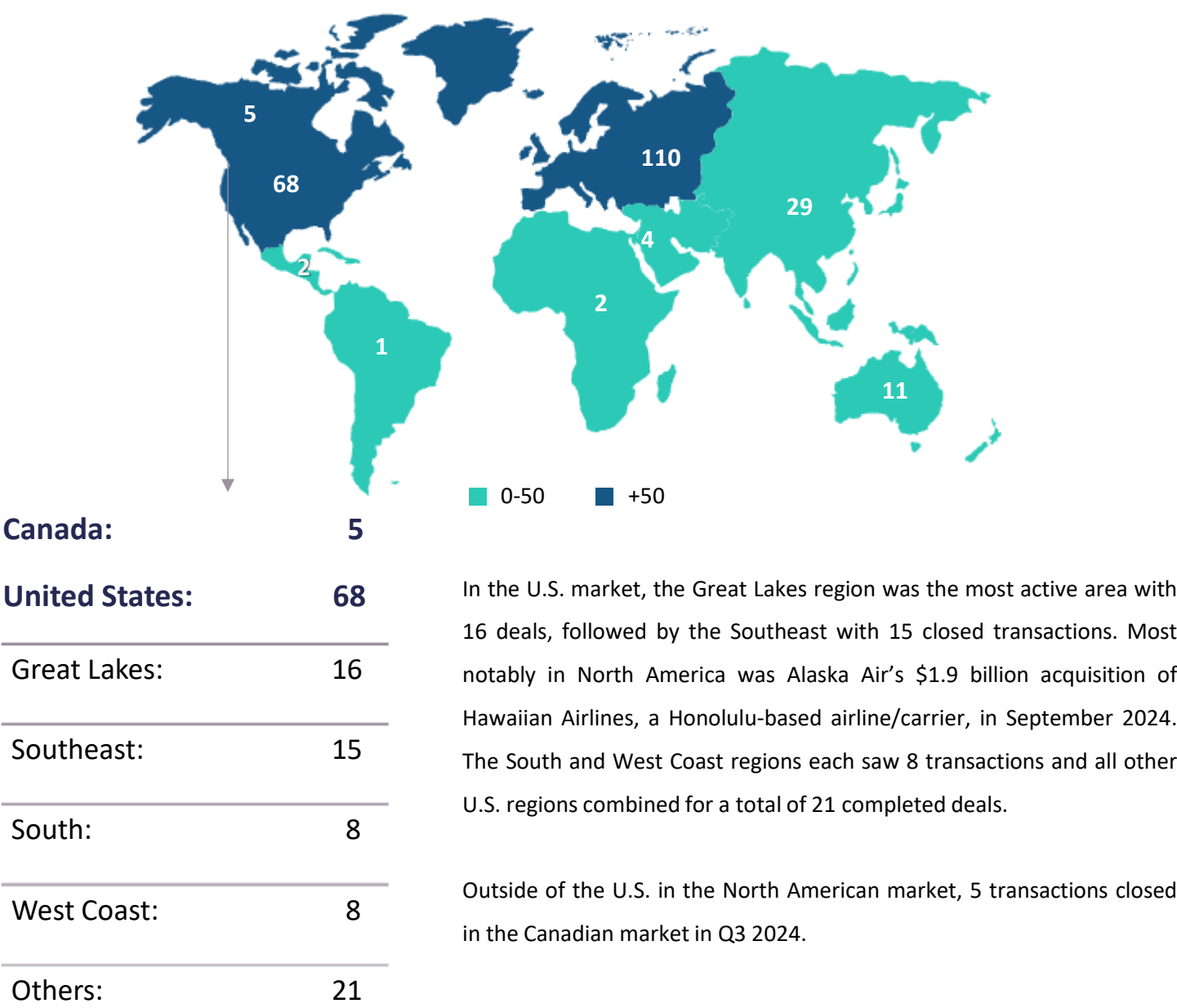
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## REPORT HIGHLIGHTS

- In Q3, the Transportation & Logistics Industry Index increased by 6.2% and outperformed the S&P 500, which increased by 5.3% over the same period.
- The median EV/EBITDA multiple for reported private equity deals decreased to 10.7x in YTD Q3 from 11.3x in 2022 (the last year with PE EV/EBITDA multiples reported), and decreased for strategic deals to 10.2x from 28.8x in the prior year.
- M&A deal volume in the T&L sector increased 8.9% in Q3 to 232 deals from 213 deals in Q2, and increased 12.1% from 207 deals in Q3 of the prior year.
- As a % of total capital invested in M&A transactions, PE participation decreased slightly in YTD Q3 to 30.3% from 30.8% in 2023.
- Europe was the most active region in Q3 with 110 deals. Most notably in Europe was MSC Mediterranean Shipping Company's \$691.2 million acquisition of Gram Car Carriers, a global car shipper with a fleet of distribution vessels, mid-size vessels, and Panamax vessels, in July 2024.

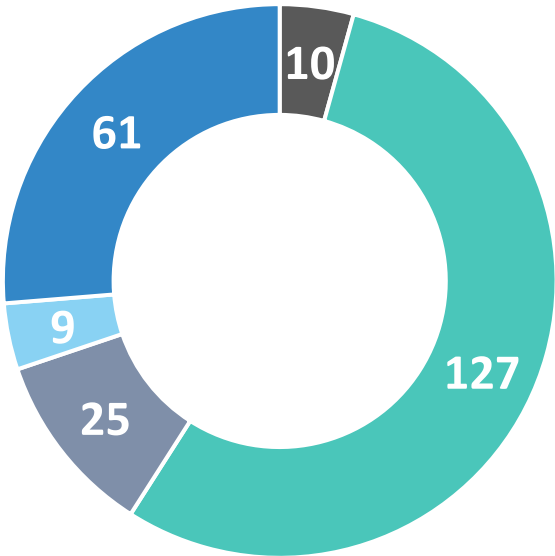


Of the 232 deals in the Packaging sector in Q3, Europe was the most active with 110. A notable European deal (in addition to the Gram Car Carriers deal mentioned on the previous page) was Global Menkul Degerler’s \$294.7 million acquisition of Global Ports Holding, a London-based operator of an independent cruise port, in August 2024. North America was the second most active with 73 transactions and all other regions combined for a total of 49 deals.



Of the 232 T&L deals in Q3, 127 deals were in the Logistics subsector, making it the most active from an M&A volume standpoint. The Road and Marine subsectors saw 61 and 25 deals close, respectively, followed by the Air and Rail subsectors with 10 and 9 transactions, respectively, in the quarter.

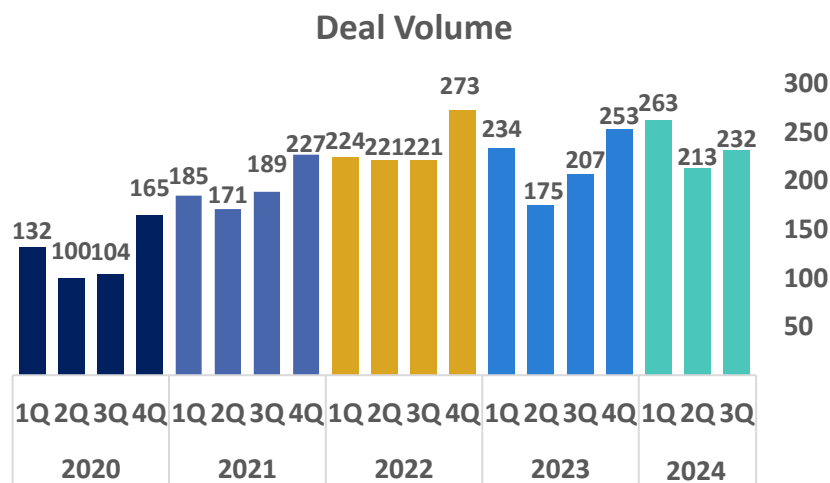
Deal by Subsector



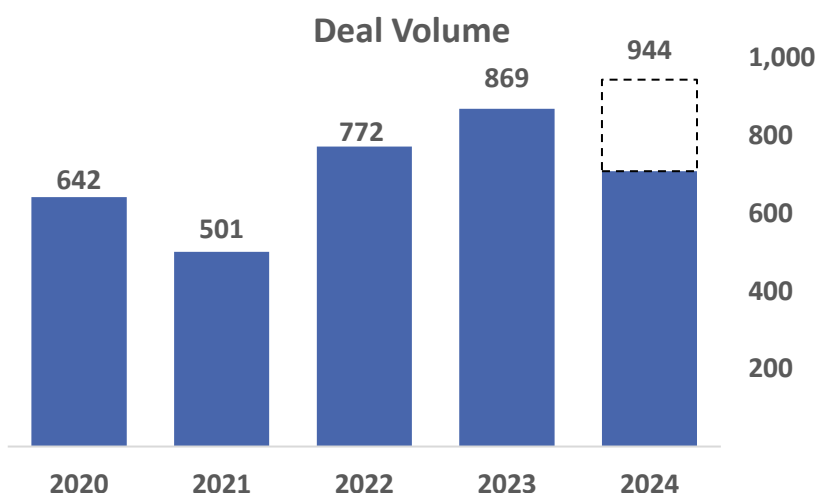
Logistics Road Marine Air Rail



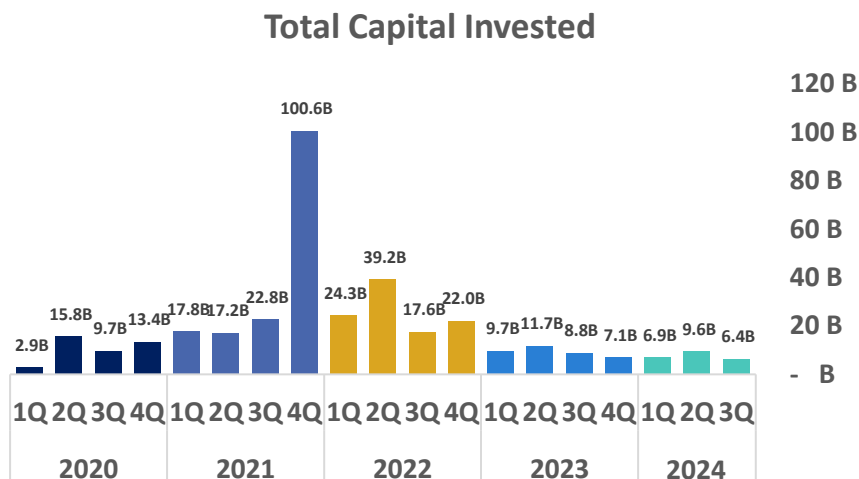
Deal volume in the T&L sector increased 8.9% in Q3 to 232 deals from 213 deals in Q2, and increased 12.1% from 207 deals in Q3 of the prior year. Q3 represents a return to the trend of increasing quarter over quarter deal volume seen from Q2 2023 – Q1 2024.



Based on activity through Q3, M&A deal volume is anticipated to increase 8.6% to 944 deals in 2024 from 869 in 2023. We attribute this uptick in deal volume to a more positive outlook on future market conditions in the coming quarters, with the Fed cuts in interest rates and the election moving to the rearview mirror.

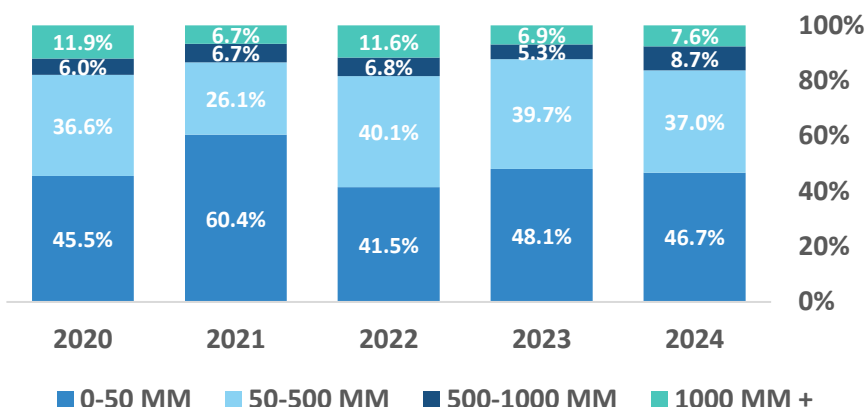


Total capital invested in M&A deals in the T&L sector decreased 33.3% in Q3 to \$6.4B from \$9.6B in Q2, and decreased 27.3% from \$8.8B in Q3 of the prior year. The decrease from the prior quarter is primarily due to a decrease in large cap transactions from 3 in Q2 totaling \$5.0B in value down to 2 in Q3 totaling \$2.9 billion.



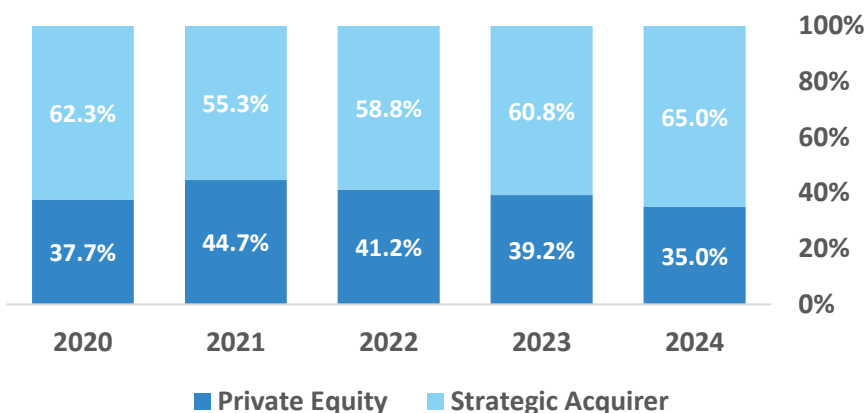
YTD through Q3, we generally saw a shift in mix towards larger-sized deals from the prior year, specifically in the upper middle market (\$500 - \$1000 MM), which increased to 8.7% from 5.3% in 2023, while the large cap market (\$1000 MM+) increased to 7.6% from 6.9% in the prior year. The middle (\$50 - \$500 MM) and lower middle (\$0-50MM) tranches of the market saw decreases to 37.0% and 46.7% in 2024 from 39.7% and 48.1% in 2023, respectively.

### Deal Volume by Deal Size



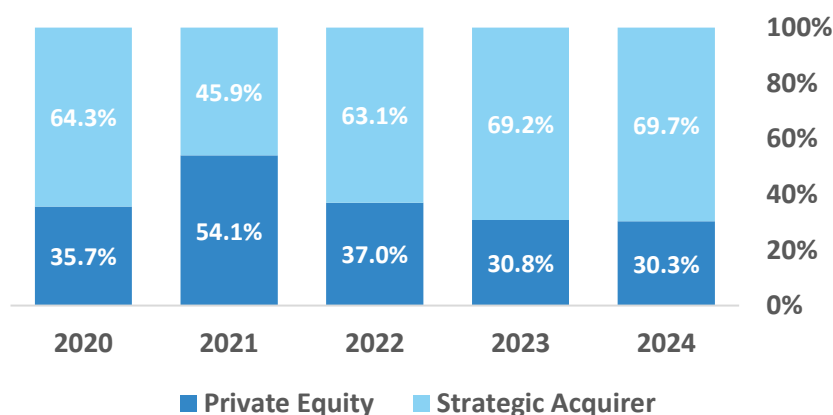
As a % of total deal volume, PE buyers have trended lower so far in 2024 relative to strategic buyers, representing 35.0% of deal volume in the sector compared to 39.2% in 2023. YTD Q3 2024 marks the lowest level of participation in the sector from PE buyers versus strategic buyers since 2020.

### Deal Volume by Acquirer



Following the trend in deal volume, total capital invested by PE investors (as a % of overall capital invested) decreased slightly in YTD 2024 to 30.3% from 30.8% in 2023. The 2 largest deals in Q3 were completed by strategic acquirers, which drove their % of capital invested higher relative to PE's share. The decrease in PE deal volume coupled with the % decrease in capital invested reflects PE's decreased appetite for investment in the T&L sector relative to strategic acquirers so far in 2024.

### Total Capital Invested by Acquirer

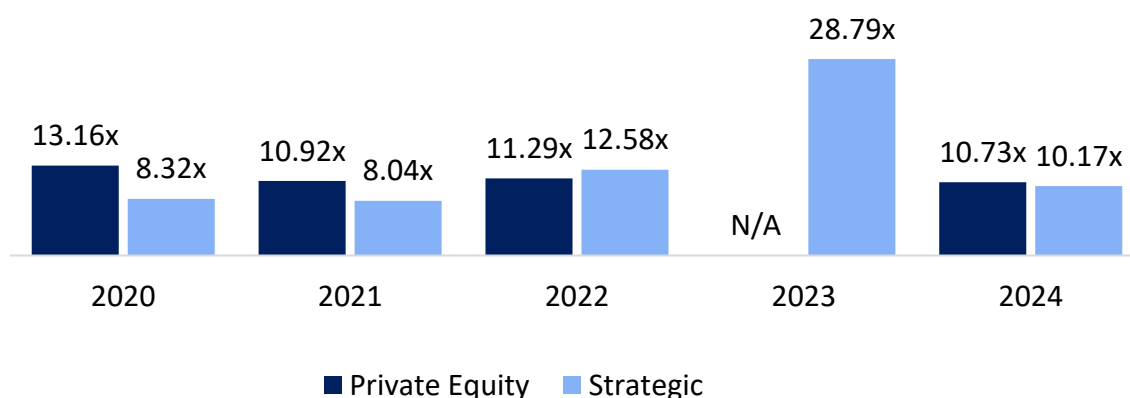


The median EV/EBITDA multiple for reported private equity deals decreased to 10.73x in 2024 from 11.29x in 2022 (the last year with PE EV/EBITDA multiples reported), and decreased for strategic deals to 10.17x from 28.79x in the prior year.

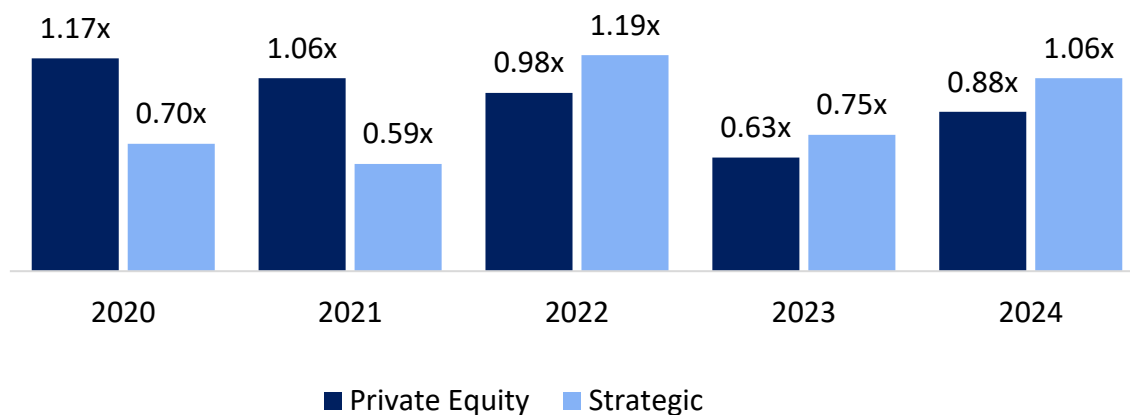
The median EV/Revenue multiple for reported private equity deals increased to 0.88x in 2024 from 0.63x in 2023, and increased for strategic deals to 1.06x from 0.75x in the prior year.

2024 marks the lowest reported median EV/EBITDA multiple for PE in the past five years.

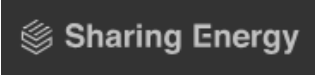


## Reported EV/EBITDA Multiples











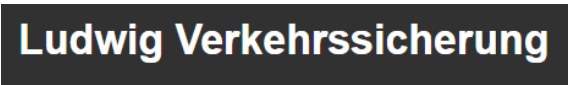



## Reported EV/Revenue Multiples



## Active Strategic Investors

Investor	YTD T&L Investments	Select Targets
 Sumitomo Corporation	22	   
	13	   
	10	   

## Active Private Equity Investors

Investor	YTD T&L Investments	Select Targets
	4	   
	3	  
	2	 

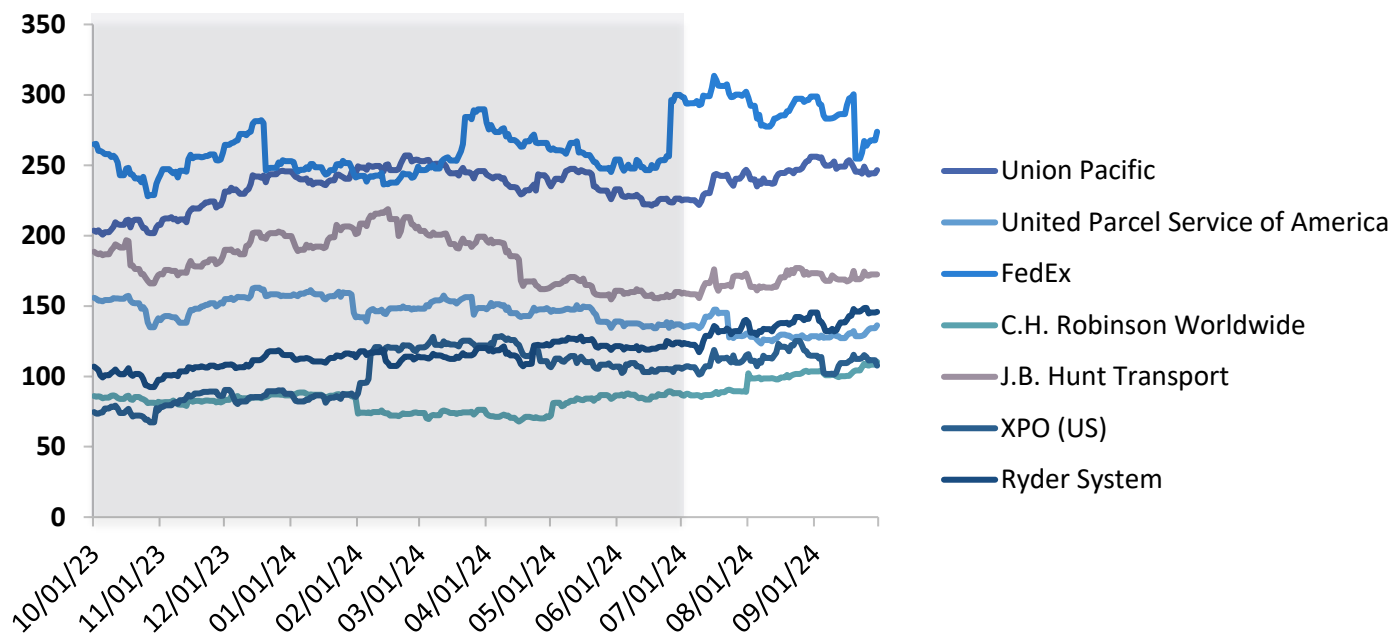


# Largest Deals (Disclosed)

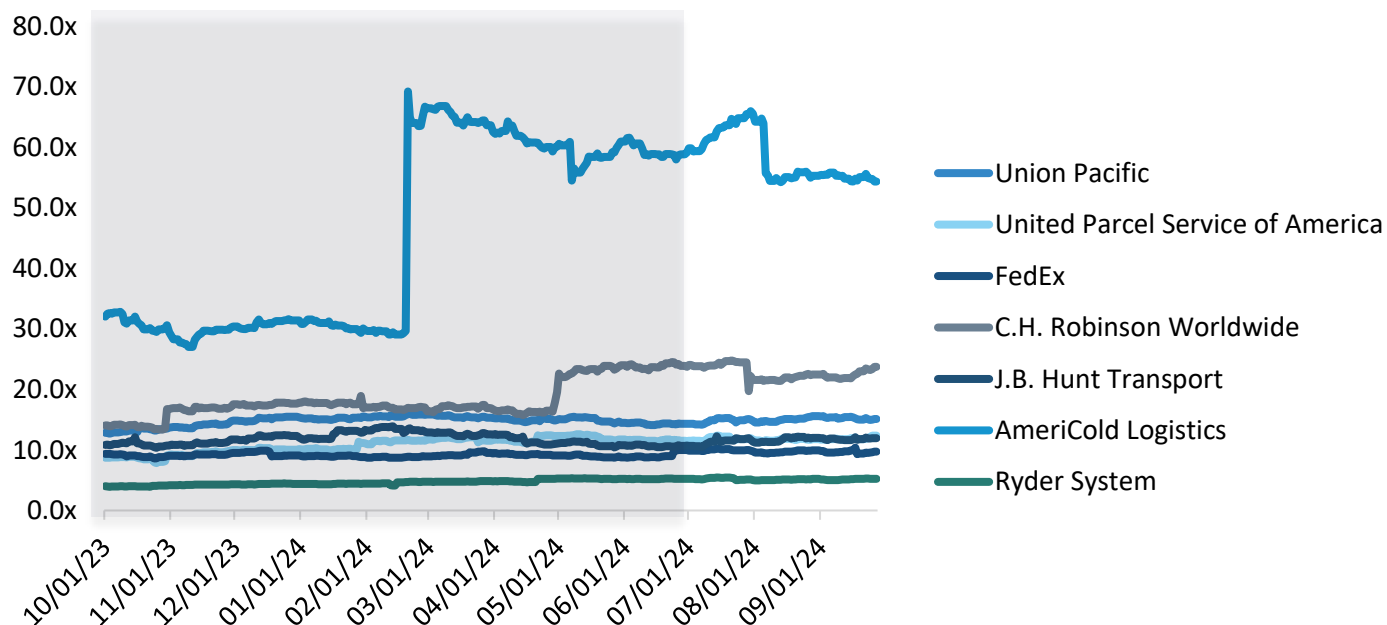
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
30-Sep-2024	Parsec	Universal Logistics Holdings	Merger/ Acquisition	\$ 193.6	0.84x		Provider of contract intermodal terminal management services catering to Class I, regional, and short-line railroads across North America.
26-Sep-2024	REE Automotive	M&G	PIPE	45.4			Operator of an automotive technology company focused on building commercial electric vehicles controlled fully by-wire.
17-Sep-2024	Hawaiian Airlines	Alaska Air	Merger/ Acquisition	1,900.0	0.23x		Provider of air transportation for passengers and cargo.
16-Sep-2024	Coyote Logistics	MFN Partners Management	Merger/ Acquisition	1,025.0			Provider of land-based transportation services catering to consumer goods, industrial goods, retail and healthcare industries.
05-Sep-2024	DTA The Smart Move	Enerpac Tool Group	Merger/ Acquisition	26.5			Manufacturer of heavy load transporters catering to automotive, aeronautical, steel mills, shipbuilding, automotive and wind sectors.
24-Aug-2024	Jiangsu Hongqiang Marine Heavy Industry Company	Nantong Xiangyu Shipbuilding & Offshore Engineering	Merger/ Acquisition	61.3			Provider of offshore engineering and shipbuilding services based in Qidong, China.
21-Aug-2024	Coleman Transport	Qube Holdings	Merger/ Acquisition	78.3			Provider of logistics services catering to mining and resource industries.
09-Aug-2024	Global Ports Holding	Global Menkul Degerler	Merger/ Acquisition	294.7	3.01x	5.48x	Operator of an independent cruise port.
01-Aug-2024	Delta Petroleum Company	Aurora Capital Partners	Buyout/ LBO	90.0			Provider of packaging, transloading and warehousing services for the chemical solutions industry.
01-Aug-2024	Sesé	Undisclosed Investor	Buyout/ LBO	48.9			Operator of a transport and logistics company intended to serve automotive, consumption, technology, and commercial industries.
25-Jul-2024	MMA Offshore	Alberta Investment Management	Buyout/ LBO	737.0			Provider of marine-related services.
24-Jul-2024	Gram Car Carriers	MSC Mediterranean Shipping Company	Merger/ Acquisition	691.2	3.10x	3.90x	Global car shipper with a fleet of distribution vessels, mid-size vessels, and Panamax vessels.
24-Jul-2024	Independent Truck Upfitters	The Shyft Group	Merger/ Acquisition	54.2			Provider of truck body and upfitting services catering to utility, construction, and fleet management companies.
19-Jul-2024	PSI Group Holdings	AIB Acquisition	Reverse Merger	200.0			Provider of freight forwarding services in Hong Kong with networks across the globe.
15-Jul-2024	Transportation Equipment Network	Mubadala Investment Company	PE Growth/ Expansion	600.0			Provider of emergency trailer breakdown and repair management services intended to serve the semi-trailer industry.
04-Jul-2024	SDEK-Global	Cluster Capital JSC	Buyout/ LBO	141.1	0.31x		Provider of logistics services intended for individuals, online stores, corporate clients and businesses.
01-Jul-2024	Eve Holding	Embraer	PIPE	94.0			Provider of Urban Air Mobility solutions.
Mean				369.5	1.50x	4.69x	
Median				141.1	0.84x	4.69x	
High				1,900.0	3.10x	5.48x	
Low				26.5	0.23x	3.90x	

Target	Investor	Driver	Deal Synopsis
		<b>Merger/ Acquisition</b>	<p>Hawaiian Airlines (“HA”), a Honolulu-based carrier, was acquired by Alaska Air for \$1.9 billion in September 2024. Following the acquisition, both brands will be maintained and operated as a single carrier with an integrated passenger service system. HA will become Alaska Airlines' second-largest hub, expanding its footprint in the Pacific region.</p>
		<b>Merger/ Acquisition</b>	<p>Coyote Logistics, a Chicago-based asset-light freight brokerage business, was acquired by RXO, a provider of asset-light transportation solutions, for \$1.0 billion in September 2024. The acquisition creates the third-largest provider of brokered transportation in North America.</p>
		<b>Buyout/ LBO</b>	<p>MMA Offshore, an Australian provider of transportation services supporting energy and offshore renewables projects, was acquired by Cyan Renewables, for \$737.0 million in July 2024. With the acquisition, Singapore-based Cyan Renewables becomes the largest Asia Pacific provider of offshore wind energy services.</p>
		<b>Merger/ Acquisition</b>	<p>Gram Car Carriers (“GCC”), a global car shipper with a fleet of distribution vessels, mid-size vessels, and Panamax vessels, was acquired by MSC Mediterranean Shipping Company (“MSC”) for \$691.2 million in July 2024. The acquisition expands MSC’s presence in the car transportation market at sea, leveraging GCC’s established position as a major player in the Pure Car Truck Carrier sector, allowing MSC to diversify beyond container shipping and capitalize on growing demand for vehicle transport.</p>

## Stock Price

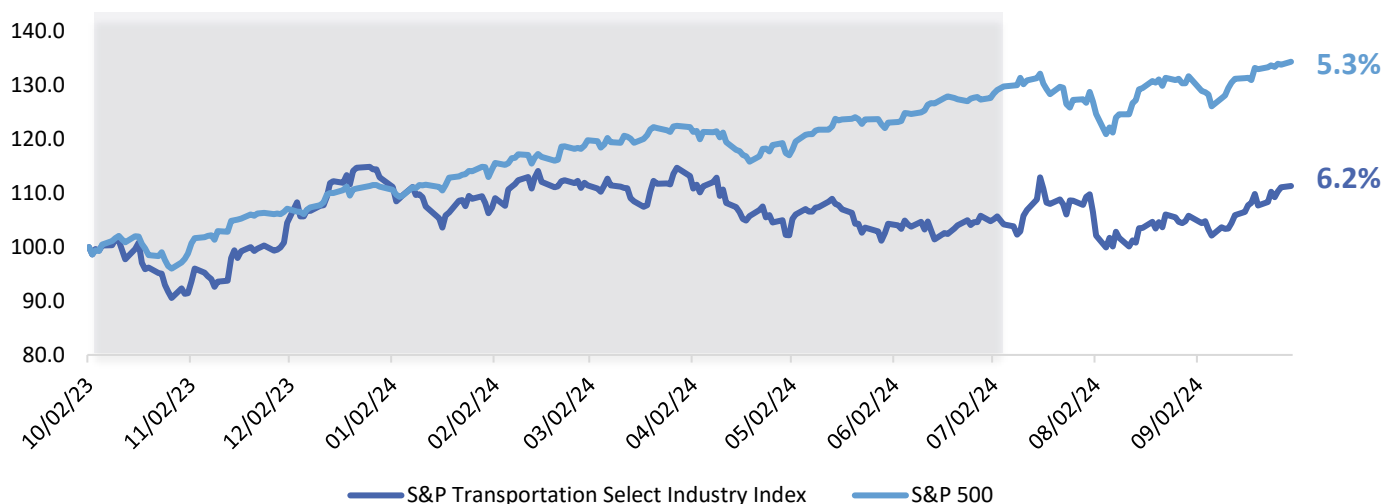


## EV/EBITDA



## Index Performance

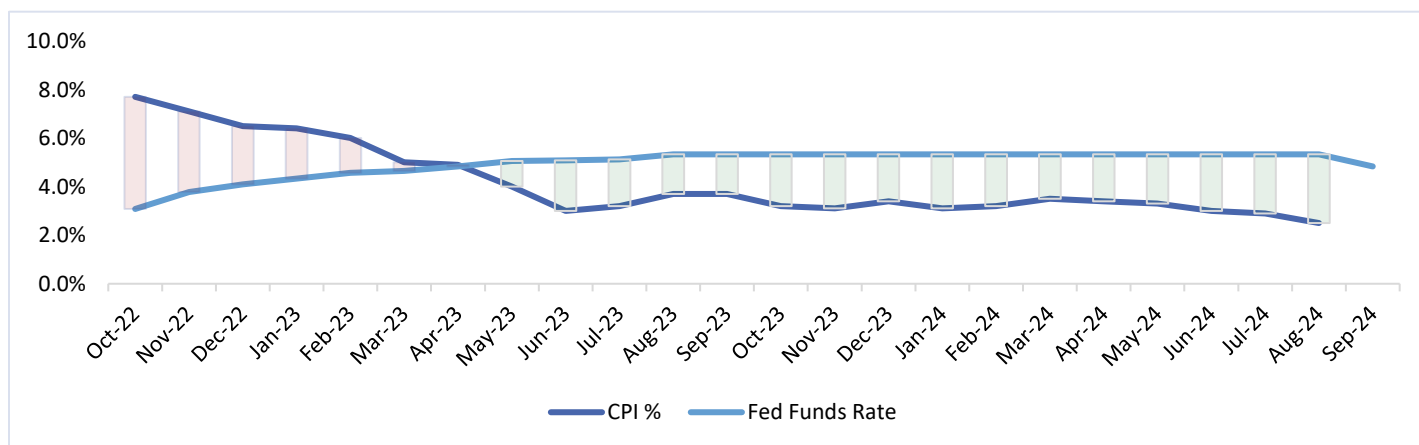
The Transportation & Logistic Industry Index increased by 6.2% and outperformed the S&P 500, which increased by 5.3% over the same period.



## Key External Drivers

Due to a burgeoning Direct-to-Consumer e-commerce market fueled in large part by the growth of Amazon and parcel delivery driving demand for transportation and logistics services, the sector is tied to consumer spending but does tend to be more stable and resistant to volatility in the broader economy than other industries.

The Federal Reserve implemented its first interest rate cut in more than four years following a mid-September meeting, lowering the federal funds rate by 0.50%. This marks the start of what many economists predict will be a series of cuts over the next 1-2 years. The decision comes after a year of holding rates steady in the 5.25% to 5.50% range, following 11 rate hikes between March 2022 and July 2023 aimed at combating record inflation. With inflation now closer to the Fed's 2% target, many experts anticipate further rate cuts through 2025. This move could ease borrowing costs, potentially narrowing the gap between seller expectations and buyer offers in M&A transactions, which may lead to increased deal volume.



## *Emerging trends in the T&L M&A space:*



### **Sustainability Initiatives in Supply Chains**

#### *Shift towards Sustainable Practices*

Companies are embracing eco-friendly logistics solutions, including electric vehicles (EVs) for delivery fleets, carbon-neutral shipping, and AI-powered route optimization to lower emissions. Consumer demand for sustainability and government regulations are key drivers. These shifts not only reduce environmental impact but also lower operational costs in the long run.



### **Autonomous Technology**

#### *Growth in Autonomous Delivery Systems*

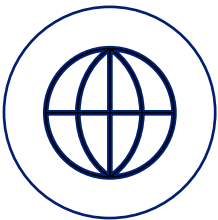
Advances in autonomous technology, such as drones and self-driving trucks, are streamlining last-mile delivery, cutting costs, and improving delivery times. Major players like Amazon and Google are heavily investing in these technologies. As adoption grows, it's expected to reshape logistics operations, reducing labor requirements and enhancing efficiency, especially in urban areas.



### **Labor Shortages**

#### *Labor Shortages Driving Increased Automation*

Persistent labor shortages, particularly in trucking and warehousing, are pushing logistics companies to automate key functions. Automated warehouses with robotic systems and the potential of autonomous trucks are helping mitigate workforce challenges. This increased automation not only fills labor gaps but also enhances productivity and cost-effectiveness.



### **Cross-Border E-commerce**

#### *Technological Advances in Global Shipping*

The rapid rise of international e-commerce is pushing logistics firms to innovate cross-border solutions. Investments in technology like automated customs processing, real-time tracking, and partnerships with local carriers are improving the speed and efficiency of global shipments. This is critical as consumers demand faster, more reliable international deliveries.



## Proven, Professional, Principled.

Investment Bankers for the Middle Market

### About

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri, providing M&A and financial advisory services to middle-market companies. Since its founding in 1981, the firm has advised in over 280 transactions in a variety of industries including Transportation & Logistics, Packaging, Food & Consumer, Industrials, Business Services, Healthcare and Software/Tech-Enabled Services. 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.

### Our Clients

**\$10 - 250MM**  
Revenue

**\$2 - 20MM**  
EBITDA

**Middle Market**  
Privately Owned

### Industries Served



**Transportation  
& Logistics**



**Healthcare**



**Tech-Enabled  
Services**



**Industrials**



**Plastics &  
Packaging**



**Food &  
Consumer**



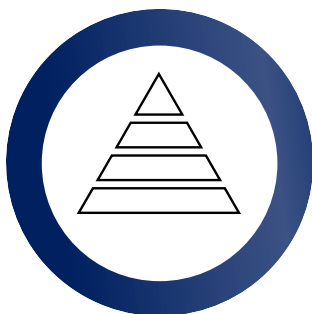
## **Sell-Side Advisory: Sell your business**

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.



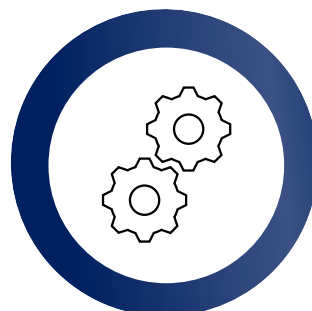
## **Buy-Side Advisory: Buy a business**

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.

Below are two recent transactions facilitated by R.L. Hulett, showcasing our expertise in the Transportation & Logistics Industry. Each transaction exemplifies our commitment to delivering exceptional value and strategic growth for our clients.



have been acquired by



a portfolio company of



**The Seller:** Based in St. Louis, Missouri and Hong Kong with additional warehouse locations in California and Virginia, Team Three is a leading global distributor of paper, packaging and disposable plastic products to the foodservice industry. Co-founded by Bob Hubbard and Roy Van in 2009 to create a global platform for companies seeking to expand their sourcing options, Team Three has organically grown revenue and income every year since inception and was awarded a global sourcing role with one of the largest foodservice distributors in the U.S.

**The Buyer:** Headquartered in Exton, PA, AmerCareRoyal (“ACR”) is a single stream resource for over 6,000 disposable products used in the foodservice, janitorial, sanitation, industrial, hospitality and medical industries. With multiple shipping points across North America, ACR’s family of companies service national level customers with outstanding customer service and an ever-growing product line.

**Transaction Rationale:** With the acquisition of Team Three, ACR is positioned as a leader in their market while also creating a better value proposition for customers.



has been recapitalized  
by



**The Seller:** Zipline Logistics (“Zipline”) is an Ohio-based third-party logistics solutions provider exclusively servicing the consumer-packaged goods sector. Zipline processes were built specifically to resolve the most critical logistics challenges faced by consumer goods brands shipping into retail.

**The Buyer:** Frontenac is a Chicago-based private equity firm. The firm focuses on investing in lower middle market buyout transactions in the consumer, industrial, and services industries. Frontenac works in partnership with established operating leaders, through an executive-centric approach called CEO1ST, which seeks to identify, acquire, and build market-leading companies through transformational acquisitions and operational excellence.

**Transaction Rationale:** The acquisition enables Zipline to accelerate organic growth initiatives and pursue strategic acquisitions in CPG space.



Over the years, R.L. Hulett has completed hundreds of transactions in a wide variety of industries. Below are several representative transactions. Please note that this list is not comprehensive.



TRILOGY WAREHOUSE PARTNERS

has partnered with



REFRIG Warehouse

a portfolio company of




tilia




Wood Waste  
Energy, Inc.

has been acquired by



RAILWORKS®





1st choice  
courier and  
distribution®

has sold substantially all  
of its assets to



Northern Pacific Group

DRIVING COLLABORATIVE ACHIEVEMENT






Hazelwood

Extended a \$55 MM  
secured loan to




emerald  
automotive  
DESIGN






Motorcycle  
Staff

has been acquired by



CUSTOM GEI CHROME





inclusion  
technologies

has sold substantially all  
of its assets to



MGP®





**R. Trevor Hulett, CPA**  
Managing Director  
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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**  
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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.



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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.



**David T. Vass**  
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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.



**Ryan Hartman**  
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Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry research reports. Ryan graduated with a Bachelor of Science degree 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.



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Charlie provides transaction support for senior-level deal managers including financial modeling, valuations, industry research, offering memorandums and a variety of presentations. He graduated with a Bachelor of Science in Business Administration Degree with a major in finance and banking from the Trulaske College of Business, University of Missouri. Prior to joining the firm, Charlie worked as an investment analyst for the University of Missouri's Investment Fund Management Program. During his time at University of Missouri, Charlie was elected as Recruitment Chairman for the Phi Delta Theta Fraternity and took extensive courses in Banking.



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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.



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