



# NORTH AMERICAN LOGISTICS

M&A Activity and Valuation Trends  
Q2 | 2018



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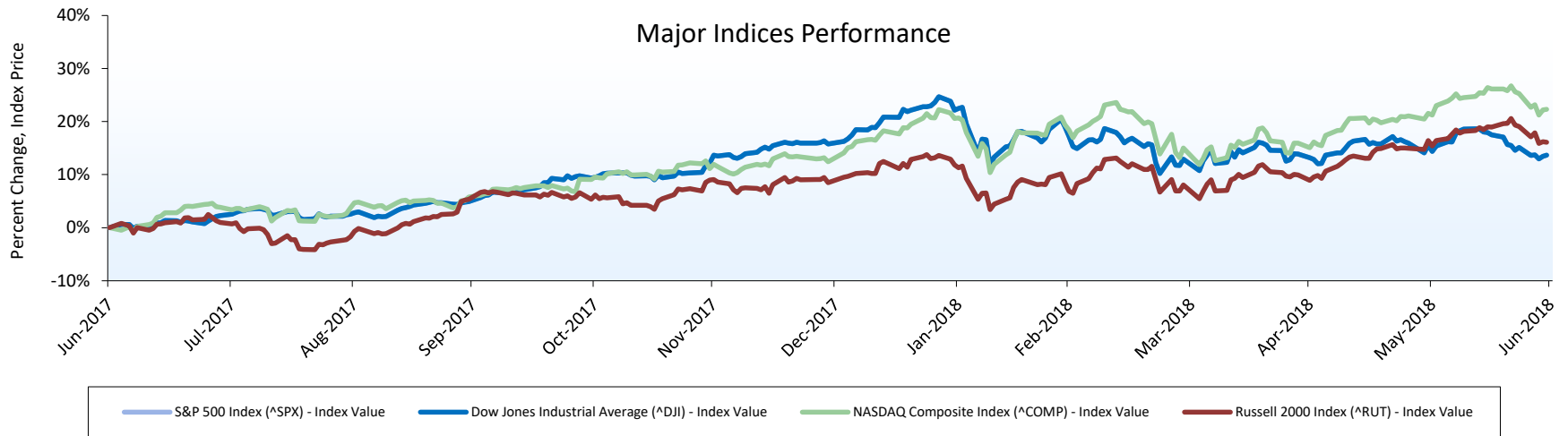
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# Economic Indicators

## Macroeconomic Overview



Index	As of 09/30/2017	As of 12/31/2017	As of 03/31/2018	As of 06/30/2018
^SPX	2519.36	2673.61	2640.87	2718.37
^COMP	6495.96	6903.39	7063.45	7510.30
^DJI	22405.09	24719.22	24103.11	24271.41
^RUT	1490.86	1535.51	1529.43	1643.07

### Major Economic Indicators

Economic Indicator	2013	2014	2015	2016	2017
Real GDP (% change)	2.20%	2.40%	3.00%	2.08%	2.30%
CPI (% change)	1.50%	1.62%	1.90%	2.38%	2.20%
Cons. Spending (% change)	2.40%	2.50%	2.90%	3.10%	3.30%
Nonfarm Productivity	0.90%	0.70%	-2.20%	1.00%	1.50%
Unemployment Rate	7.40%	6.20%	5.80%	4.40%	4.10%

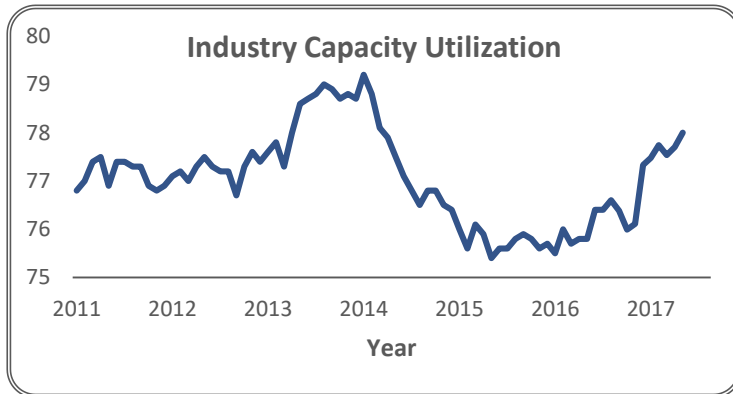
### Interest Rates

Interest Rates	09/30/2017	12/31/2017	03/31/2018	06/30/2018
United States Treasury - 2 Year	1.47%	1.89%	2.27%	2.52%
United States Treasury - 5 Year	1.92%	2.20%	2.56%	2.73%
United States Treasury - 10 Year	2.33%	2.40%	2.74%	2.85%
United States Treasury - 30 Year	2.86%	2.74%	2.97%	2.98%
United States Prime Rate	4.25%	4.50%	4.75%	5.00%

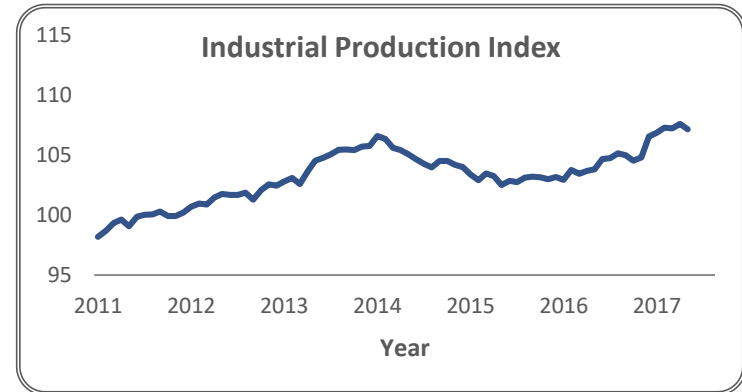
Source: Capital IQ, S&P NetAdvantage

# Economic Indicators

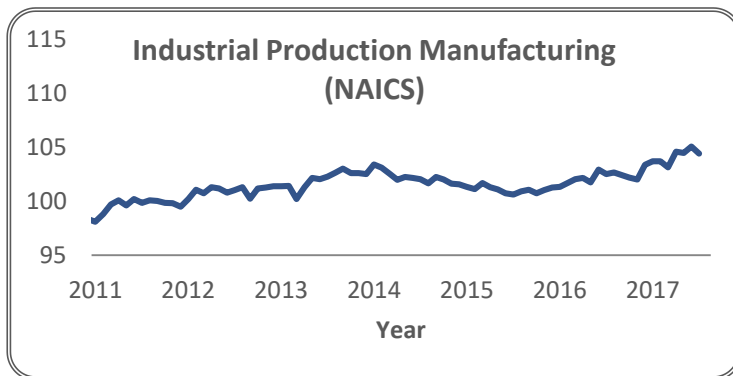
## Logistics Performance Metrics



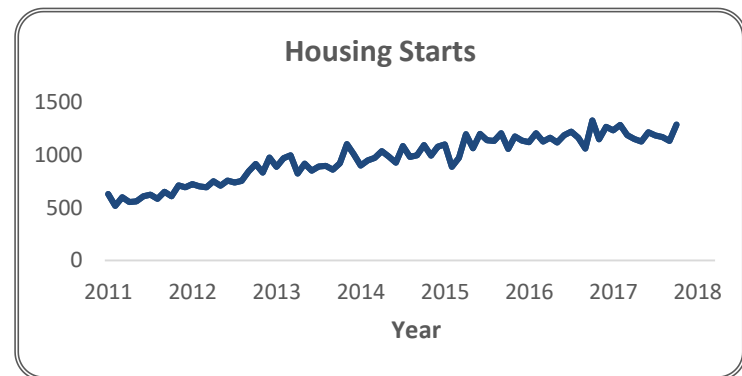
The Federal Reserve Board derives the Industrial Capacity Utilization Index through dividing an estimated monthly industrial production index by a related capacity index providing a more complete picture of industrial developments.



The Industrial Production index is an economic indicator published by the Federal Reserve that measures the level of real production output of manufacturing, mining, and utilities.



The Industrial Production Manufacturing measures North American manufacturing output according to the NAICS.



The US Census Bureau along with the US Department of Housing and Urban Development release a monthly report on housing starts. A housing start is defined as the beginning of a new foundation of a home itself.

Source: Federal Reserve Economic Data

# Dinan Index Constituents

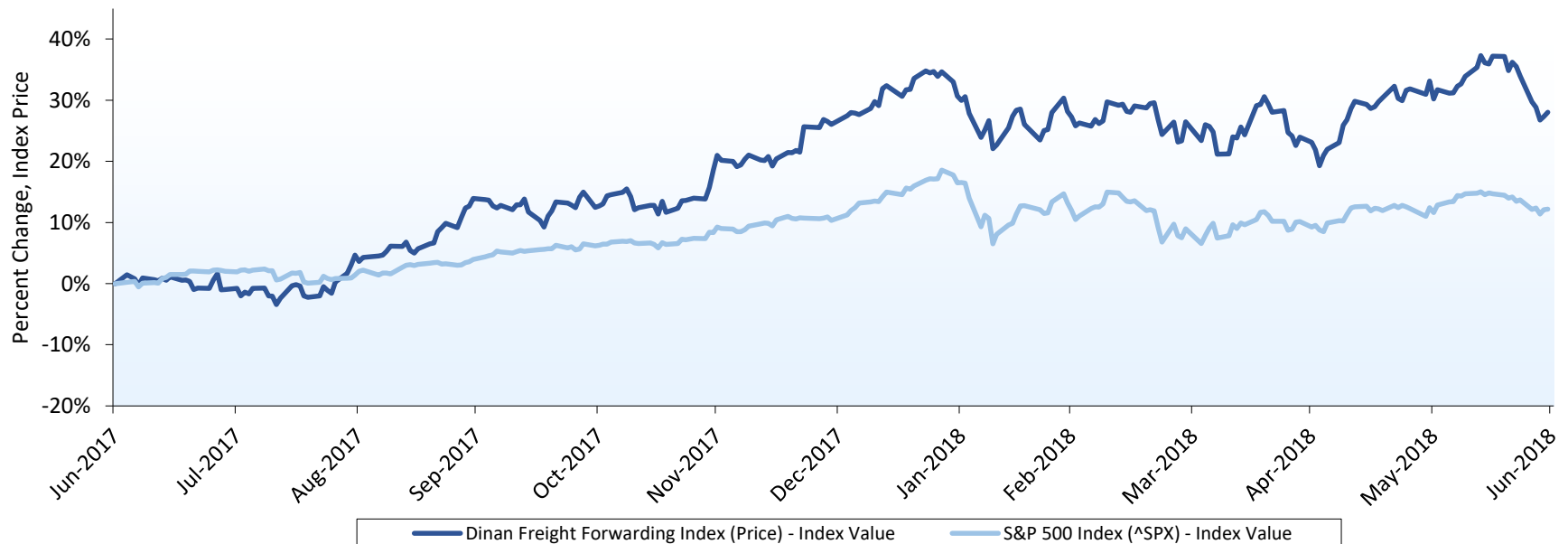
## Logistics



Freight/Logistics

# Capital Market Activity

## Logistics



Capitalization Profile	Number of Companies	% of Companies	Agg. Equity Mkt. Value	% of Agg. Equity Mkt. Value
> \$10B	4	57.14%	\$49,844.84	89.42%
\$5B - \$10B	0	0.00%	\$0.00	0.00%
\$1B - \$5B	2	28.57%	\$5,150.03	9.24%
< \$1B	1	14.29%	\$745.37	1.34%
<b>Total</b>	<b>7</b>	<b>100.00%</b>	<b>\$55,740.24</b>	<b>100.00%</b>

Source: Capital IQ

# Public Sector Valuations

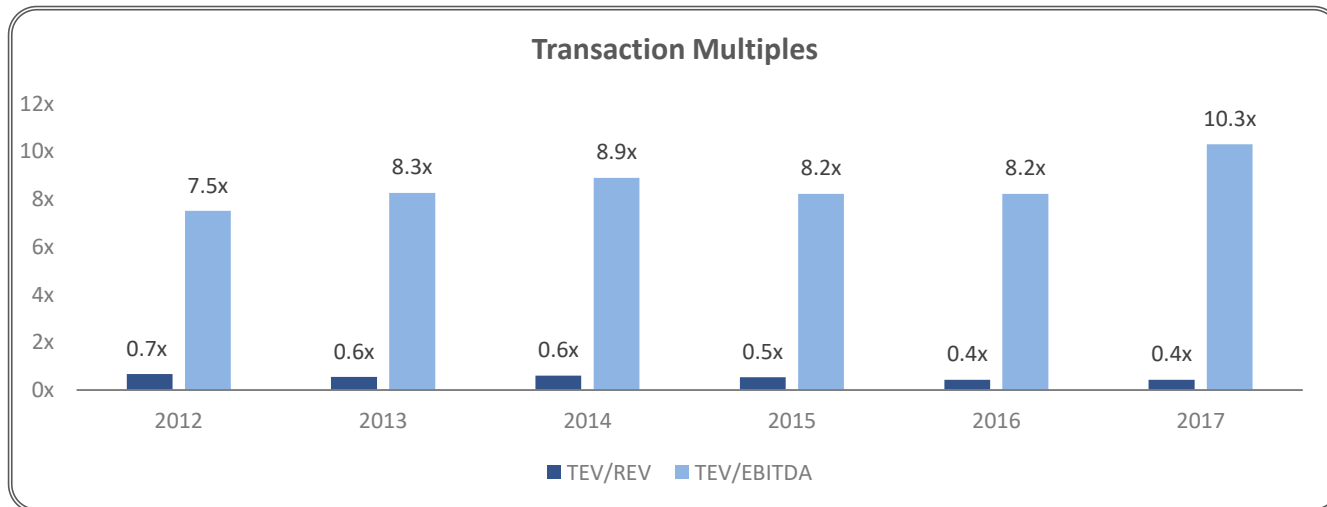
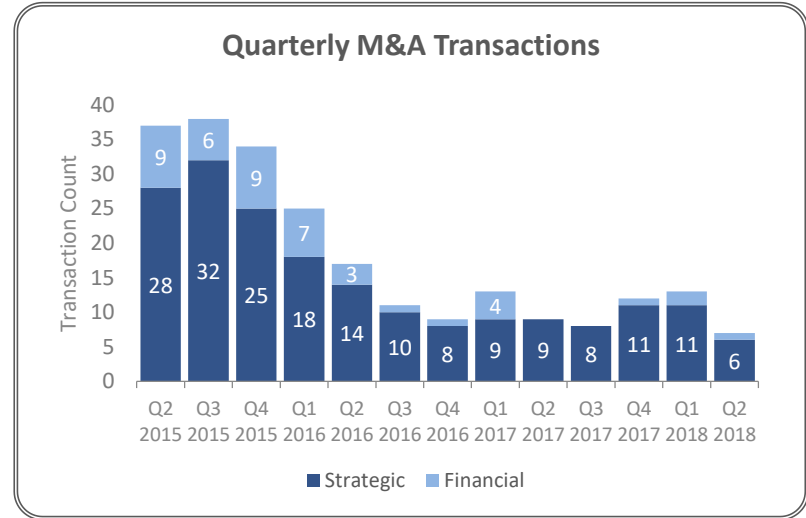
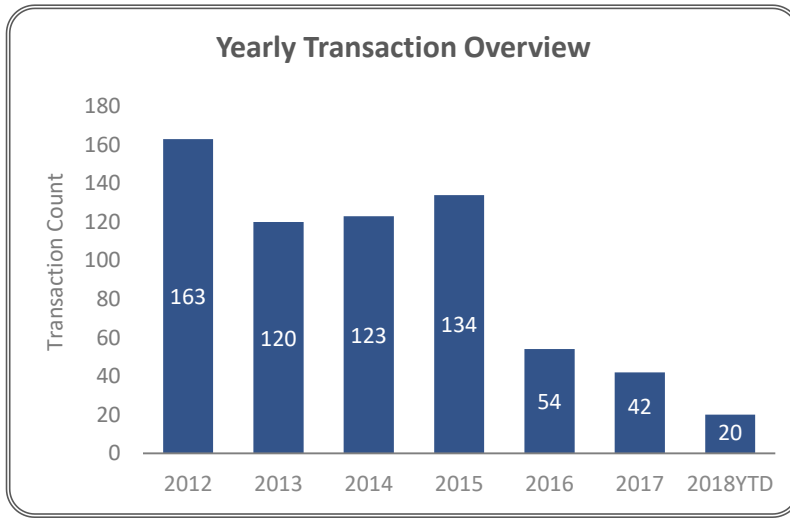
## Logistics

Industry /		Last Twelve Months								Next Twelve Months	
Company Name	Ticker	TEV (mm)	Market Cap (mm)	Rev (mm)	EBITDA (mm)	EBIT (mm)	TEV/Rev	TEV/EBIT	TEV/EBITDA	Forward TEV/Rev	Forward TEV/EBITDA
<b>Freight Forwarding</b>											
Air Transport Services Group, Inc.	NasdaqGS:ATSG	\$1,874.48	\$1,334.63	\$1,033.32	\$267.65	\$105.23	1.81x	18.83x	7.16x	2.17x	6.01x
C.H. Robinson Worldwide, Inc.	NasdaqGS:CHRW	\$12,699.92	\$11,648.70	\$15,379.58	\$868.40	\$787.50	0.83x	16.13x	14.62x	0.76x	12.94x
Expeditors International of Washington	NasdaqGS:EXPD	\$11,639.01	\$12,769.12	\$7,230.08	\$794.27	\$742.96	1.61x	15.67x	14.65x	1.44x	13.11x
J.B. Hunt Transport Services, Inc.	NasdaqGS:JBHT	\$14,333.75	\$13,340.80	\$6,687.02	\$1,043.19	\$646.28	1.91x	22.18x	13.74x	1.68x	10.94x
Ryder System, Inc.	NYSE:R	\$9,419.23	\$3,815.40	\$7,496.08	\$1,770.50	\$499.99	1.26x	18.84x	5.32x	1.14x	4.87x
Universal Logistics Holdings, Inc.	NasdaqGS:ULH	\$1,002.25	\$745.37	\$1,267.34	\$84.04	\$35.15	0.79x	28.51x	11.93x	0.75x	8.58x
XPO Logistics, Inc.	NYSE:XPO	\$17,078.03	\$12,086.23	\$16,032.80	\$1,332.30	\$660.40	1.07x	25.86x	12.82x	0.97x	9.71x
	<b>Median</b>	\$11,639.01	\$11,648.70	\$7,230.08	\$868.40	\$646.28	1.3x	18.8x	12.8x	1.1x	9.7x

Source: Capital IQ

# Mergers & Acquisitions Overview

## Logistics



Source: Capital IQ



# Second Quarter Transactions Overview

## Logistics

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
6/25/2018	Fulcrum Capital Partners Inc.	National Logistics Services, Inc.	Freight/Logistics	-	-	-	-	-
6/7/2018	RoadOne, Inc.	First Coast Logistics Services, Inc.	Freight/Logistics	-	-	-	-	-
5/28/2018	Wisetech Global Limited	SaaS Transportation, Inc.	Freight/Logistics	\$1.36	\$0.38	\$2.87	2.11x	7.60x
5/8/2018	Metro Supply Chain Group Inc.	Total E-com Home Delivery Inc.	Freight/Logistics	-	-	-	-	-
5/8/2018	AFF Global Logistics	Alaskan Express Service, Inc.	Freight/Logistics	-	-	-	-	-
4/30/2018	Redwood Logistics, LLC	ROAR Logistics, Inc.	Freight/Logistics	-	-	-	-	-
4/2/2018	Ryder System, Inc.	MXD Group, Inc.	Freight/Logistics	-	-	\$120.00	-	-

Source: Capital IQ

# Dinan Capital Advisors

## Logistics

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# Dinan Capital Advisors



Dinan Capital Advisors delivers a highly tailored strategic approach for middle-market companies that seek to capitalize on merger and acquisition transactions. Our services are comparable in scope to those employed by Wall Street investment banks for the world's most profitable multinational corporations, while using methodologies, processes and cost-effective structures that make sense for middle-market companies.

Based on a highly structured process that leverages our experience, research capabilities, and proprietary technology platforms, we initiate every engagement by first assessing the market climate, and then developing an understanding of the current situation and strategic objectives of each company. From there, we partner with our clients to develop a plan that maximizes shareholder value and delivers the optimal transaction outcome.

Dinan is the registered FINRA member broker-dealer division of the Dinan Group of Companies, responsible for executing the securities related transactions of the firm. The Dinan Group is a leading diversified financial services company with over 25 years of advisory and merchant banking experience dedicated to middle-market transactions.

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