



# NORTH AMERICAN LOGISTICS

M&A Activity and Valuation Trends  
Q3 | 2018



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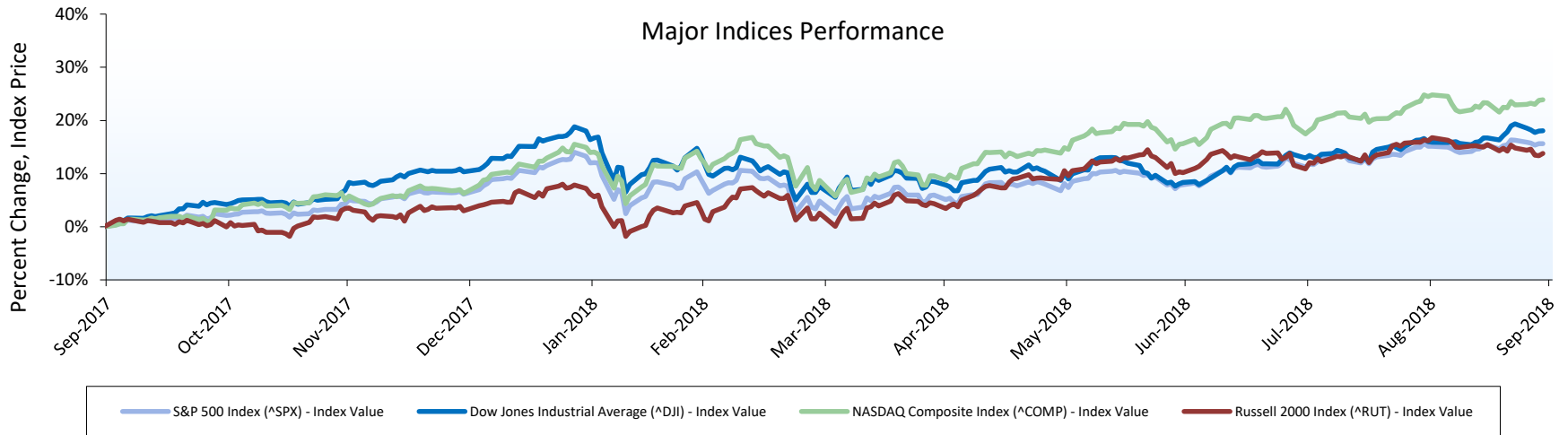
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# Economic Indicators

## Macroeconomic Overview



Index	As of 12/31/2017	As of 03/31/2018	As of 06/30/2018	As of 09/30/2018
^SPX	2673.61	2640.87	2718.37	2913.98
^COMP	6903.39	7063.45	7510.30	8046.35
^DJI	24719.22	24103.11	24271.41	26458.31
^RUT	1535.51	1529.43	1643.07	1696.57

### 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%

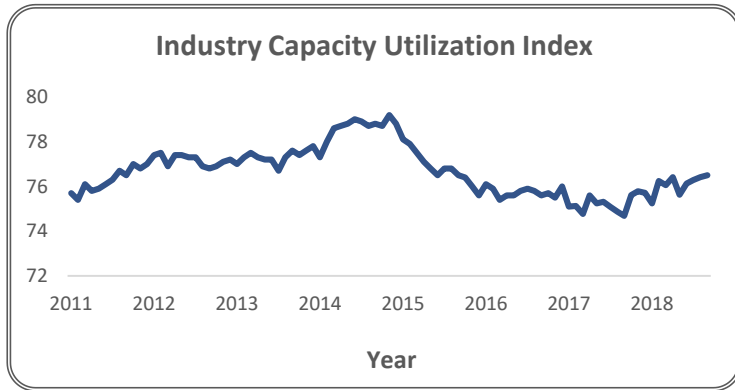
### Interest Rates

Interest Rates	12/31/2017	03/31/2018	06/30/2018	09/30/2018
United States Treasury - 2 Year	1.89%	2.27%	2.52%	2.81%
United States Treasury - 5 Year	2.20%	2.56%	2.73%	2.94%
United States Treasury - 10 Year	2.40%	2.74%	2.85%	3.05%
United States Treasury - 30 Year	2.74%	2.97%	2.98%	3.19%
United States Prime Rate	4.50%	4.75%	5.00%	5.25%

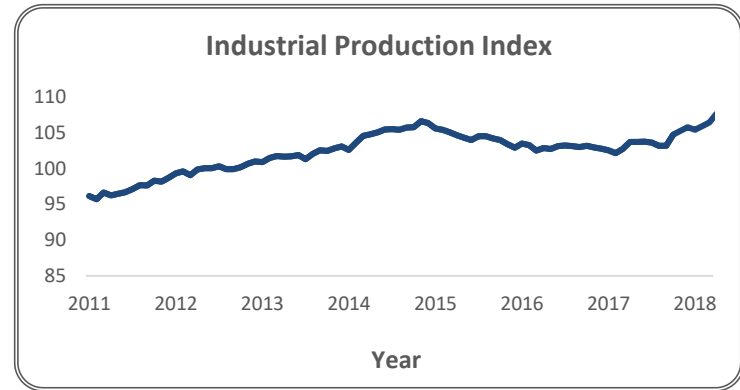
Source: Capital IQ, S&P NetAdvantage

# Economic Indicators

## Logistics Performance Metrics



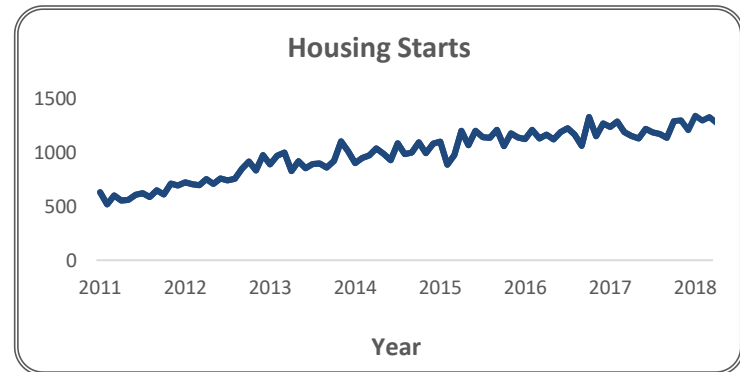
The Federal Reserve Board derives the Industrial Capacity Utilization Index through dividing an estimated monthly industrial production index by a related capacity index providing a more complete picture of industrial developments.



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

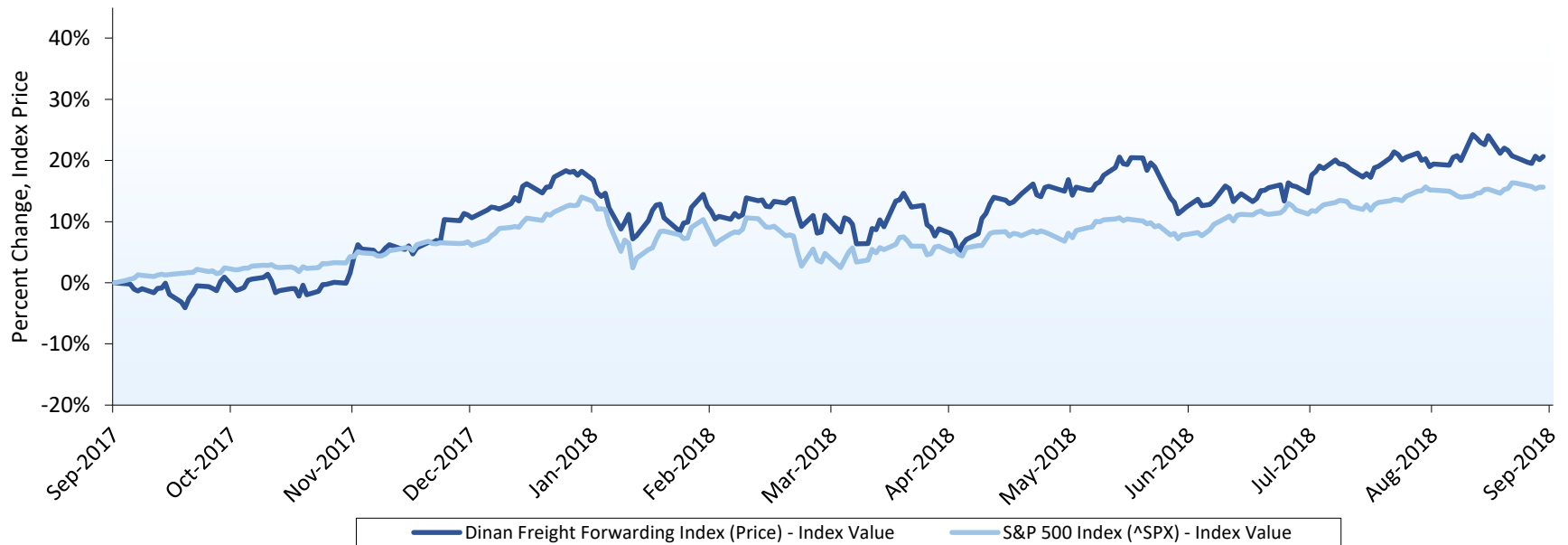
## Logistics



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%	\$53,873.10	89.69%
\$5B - \$10B	0	0.00%	\$0.00	0.00%
\$1B - \$5B	3	42.86%	\$6,193.02	10.31%
< \$1B	0	0.00%	\$0.00	0.00%
<b>Total</b>	<b>7</b>	<b>100.00%</b>	<b>\$60,066.12</b>	<b>100.00%</b>

Source: Capital IQ

# Public Sector Valuations

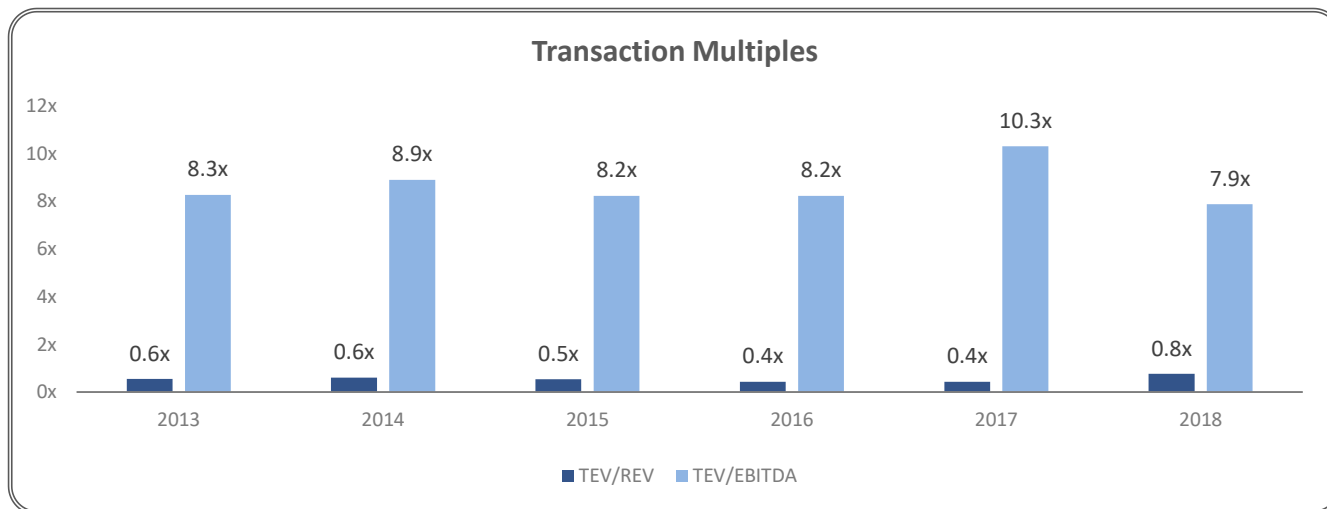
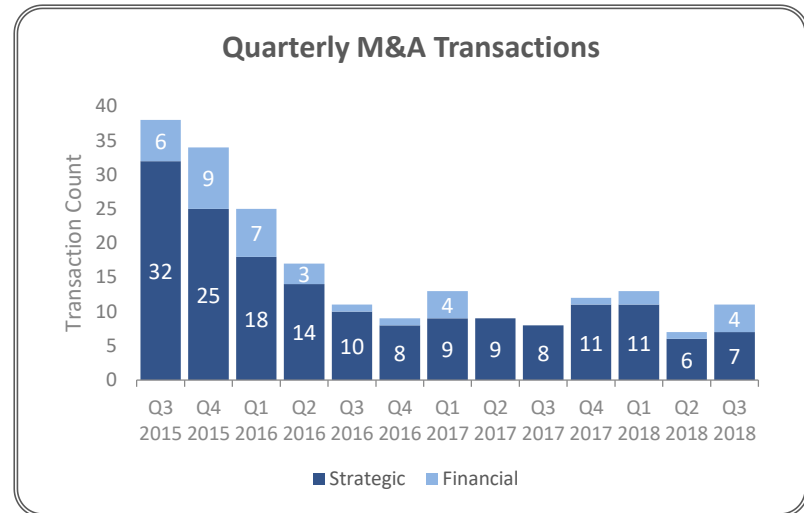
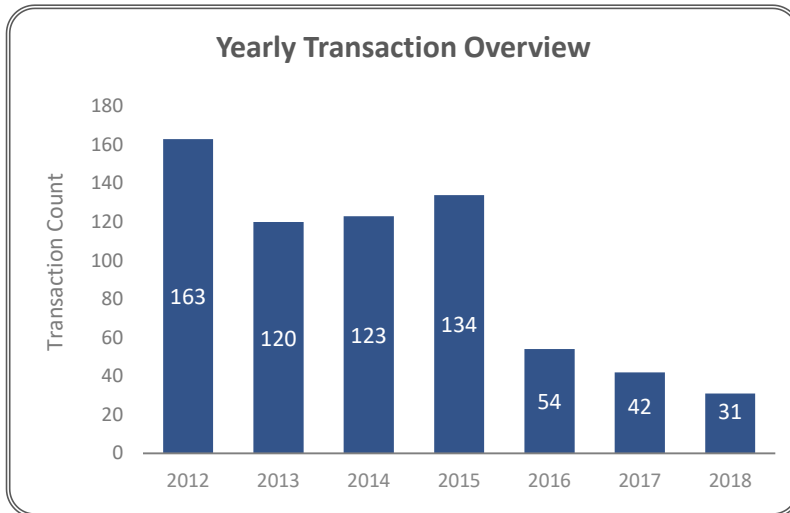
## Logistics

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	\$1,757.46	\$1,268.46	\$983.72	\$276.59	\$108.23	1.79x	17.55x	6.55x	1.80x	5.03x
C.H. Robinson Worldwide, Inc.	NasdaqGS:CHRW	\$14,662.76	\$13,566.28	\$15,945.60	\$906.88	\$824.68	0.92x	17.78x	16.17x	0.75x	12.59x
Expeditors International of Washington	NasdaqGS:EXPD	\$11,800.84	\$12,818.89	\$7,515.36	\$811.15	\$758.31	1.57x	15.56x	14.55x	1.27x	11.94x
J.B. Hunt Transport Services, Inc.	NasdaqGS:JBHT	\$13,995.20	\$13,005.38	\$7,289.63	\$1,131.78	\$707.20	1.77x	20.07x	12.62x	1.36x	9.05x
Ryder System, Inc.	NYSE:R	\$9,783.98	\$3,879.63	\$8,114.56	\$1,888.94	\$589.99	1.25x	18.02x	5.37x	1.06x	4.50x
Universal Logistics Holdings, Inc.	NasdaqGS:ULH	\$1,302.97	\$1,044.93	\$1,389.35	\$133.87	\$80.80	0.98x	23.70x	12.34x	0.77x	7.92x
XPO Logistics, Inc.	NYSE:XPO	\$19,180.85	\$14,482.55	\$16,636.00	\$1,397.20	\$713.30	1.15x	26.89x	13.73x	0.86x	9.12x
	<b>Median</b>	\$11,800.84	\$12,818.89	\$7,515.36	\$906.88	\$707.20	1.3x	18.0x	12.6x	1.1x	9.1x

Source: Capital IQ

# Mergers & Acquisitions Overview

## Logistics



Source: Capital IQ



# Third Quarter Transactions Overview

## Logistics

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
9/3/18	General Logistics Systems B.V.	Dicom Transportation Group Canada Inc.	Logistics	\$178.02	-	\$275.05	1.55x	-
8/31/18	Dot Family Holdings	TAGG Logistics, LLC	Logistics	-	-	-	-	-
8/24/18	CJ Logistics USA Corporation	DSC Logistics, Inc.	Logistics	\$540.14	-	\$240.13	0.44x	-
8/15/18	GlobalTranz Enterprises, Inc.	SynchOne, LLC	Logistics	-	-	-	-	-
7/31/18	ATL Partners	Rock-It Cargo USA, LLC	Logistics	-	-	-	-	-
7/12/18	Supurva Healthcare Group, Inc.	Web To Door Corp	Logistics	-	-	-	-	-
7/10/18	Audax Group, Inc.	MNX Global Logistics	Logistics	-	-	-	-	-
7/6/18	Echo Global Logistics, Inc.	Freight Management Plus, Inc.	Logistics	-	-	-	-	-
7/3/18	Covenant Transportation Group, Inc.	Landair Holdings, Inc.	Logistics	\$137.26	\$13.46	\$105.96	0.77x	7.87x
7/2/18	The Jordan Company, L.P.	GlobalTranz Enterprises, Inc.	Logistics	-	-	-	-	-
7/1/18	BNSF Logistics, LLC	Unlimited Freight, LLC	Logistics	-	-	-	-	-

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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