



# NORTH AMERICAN LOGISTICS

M&A Activity and Valuation Trends  
Q4 | 2018



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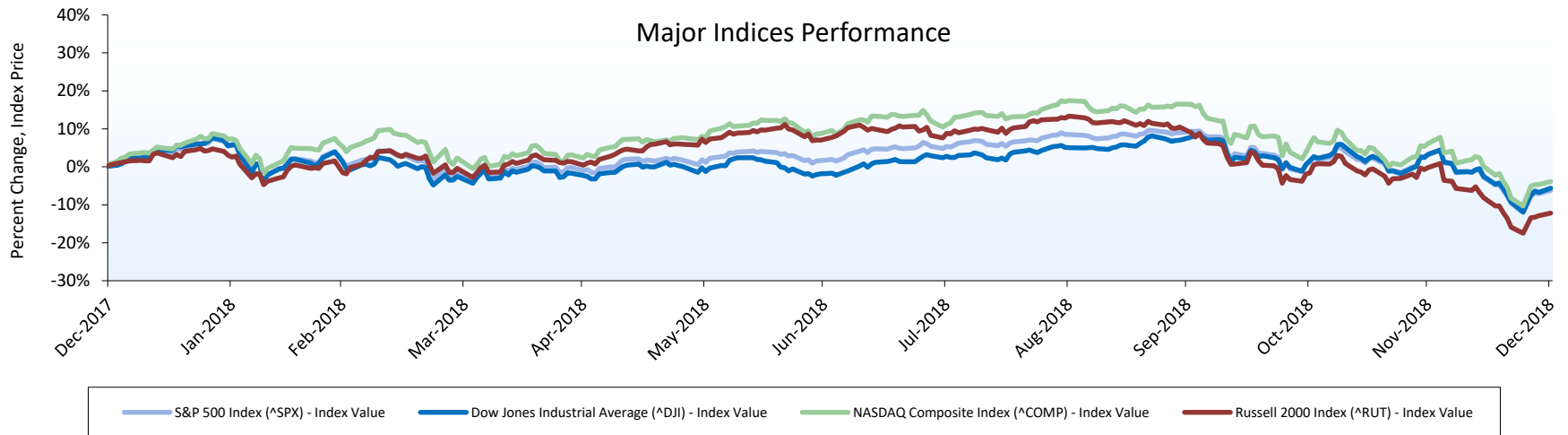
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# Economic Indicators

## Macroeconomic Overview



Index	As of 3/31/2018	As of 6/30/2018	As of 9/30/2018	As of 12/31/2018
^SPX	2640.87	2718.37	2913.98	2506.85
^COMP	7063.45	7510.30	8046.35	6635.28
^DJI	24103.11	24271.41	26458.31	23327.46
^RUT	1529.43	1643.07	1696.57	1348.56

### Major Economic Indicators

Economic Indicator	2014	2015	2016	2017	2018
Real GDP (% change)	2.40%	3.00%	2.08%	2.30%	2.22%
CPI (% change)	1.62%	1.90%	2.38%	2.20%	1.91%
Cons. Spending (% change)	2.50%	2.90%	3.10%	3.30%	2.80%
Nonfarm Productivity	0.70%	-2.20%	1.00%	1.50%	1.80%
Unemployment Rate	6.20%	5.80%	4.40%	4.10%	3.90%

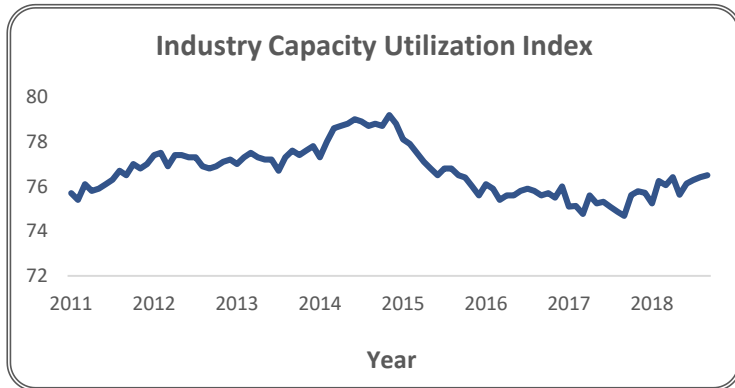
### Interest Rates

Interest Rates	3/31/2018	6/30/2018	9/30/2018	12/31/2018
United States Treasury - 2 Year	2.27%	2.52%	2.81%	2.48%
United States Treasury - 5 Year	2.56%	2.73%	2.94%	2.51%
United States Treasury - 10 Year	2.74%	2.85%	3.05%	2.69%
United States Treasury - 30 Year	2.97%	2.98%	3.19%	3.02%
United States Prime Rate	4.75%	5.00%	5.25%	5.50%

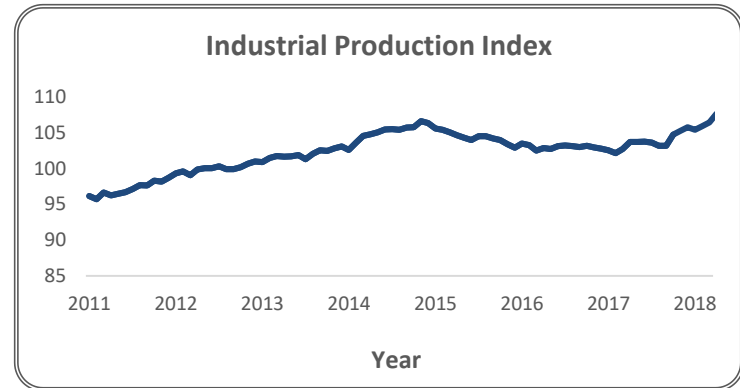
Source: Capital IQ, S&P NetAdvantage

# Economic Indicators

## Logistics Performance Metrics



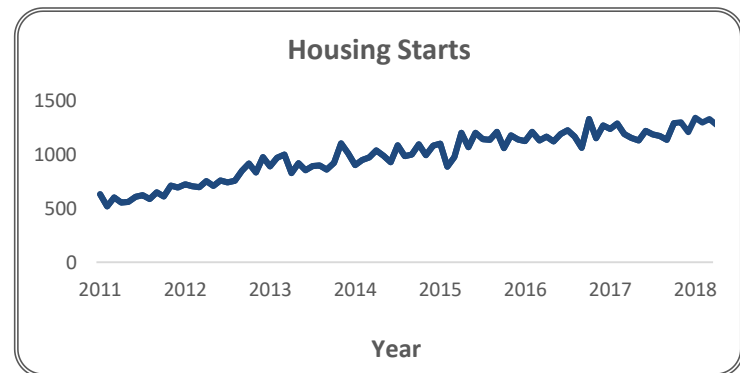
The Federal Reserve Board derives the Industrial Capacity Utilization Index through dividing an estimated monthly industrial production index by a related capacity index providing a more complete picture of industrial developments.



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

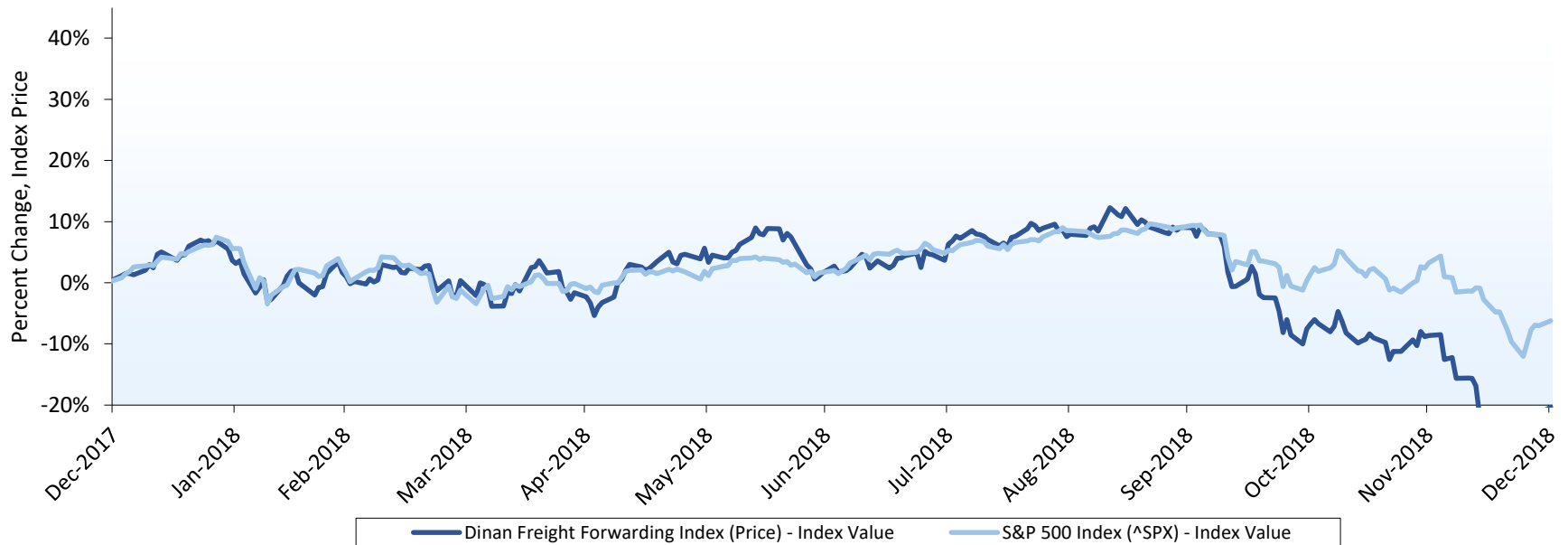
## Logistics



Freight/Logistics

# Capital Market Activity

## Logistics



Capitalization Profile	Number of Companies	% of Companies	Agg. Equity Mkt. Value	% of Agg. Equity Mkt. Value
> \$10B	3	42.86%	\$33,472.17	74.17%
\$5B - \$10B	1	14.29%	\$7,241.05	16.04%
\$1B - \$5B	2	28.57%	\$3,903.82	8.65%
< \$1B	1	14.29%	\$513.24	1.14%
Total	7	100.00%	\$45,130.27	100.00%

Source: Capital IQ

# Public Sector Valuations

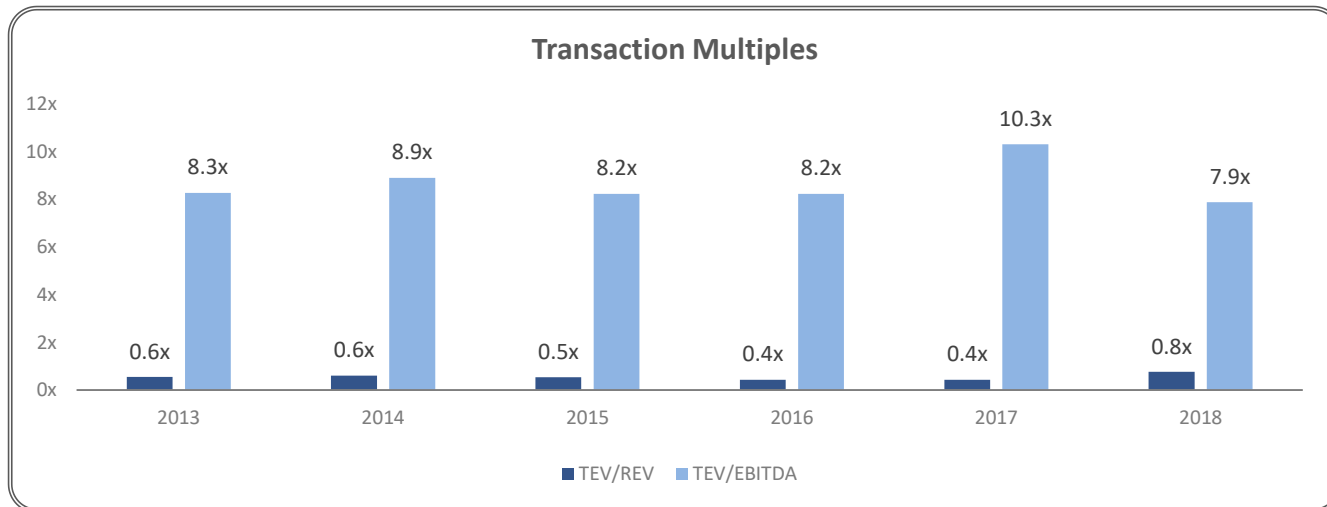
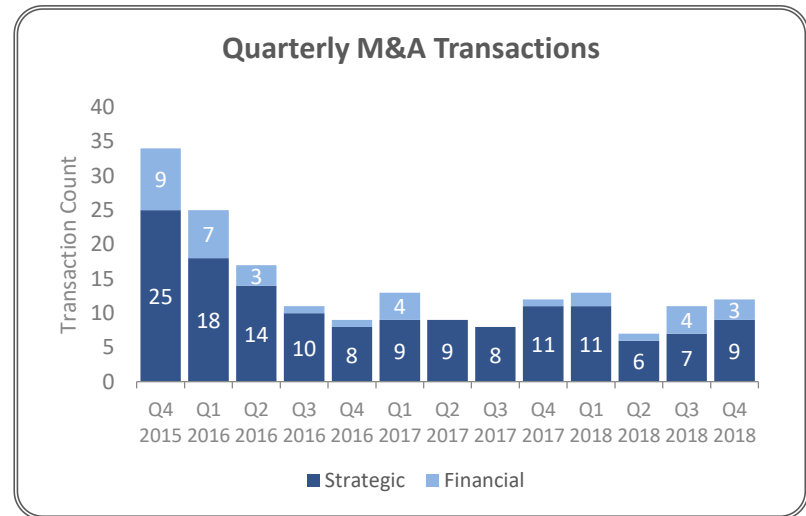
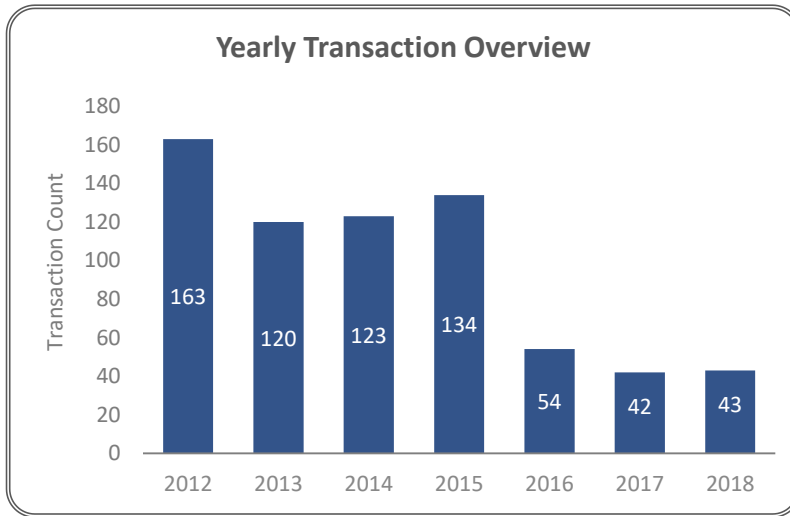
## Logistics

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	\$1,846.25	\$1,347.62	\$934.54	\$293.90	\$118.17	1.98x	17.03x	6.50x	1.56x	4.62x
C.H. Robinson Worldwide, Inc.	NasdaqGS:CHRW	\$12,606.25	\$11,562.74	\$16,453.05	\$949.59	\$867.44	0.77x	14.53x	13.28x	0.69x	11.47x
Expeditors International of Washington	NasdaqGS:EXPD	\$10,762.53	\$11,751.66	\$7,804.14	\$828.47	\$774.57	1.38x	13.89x	12.99x	1.22x	11.78x
J.B. Hunt Transport Services, Inc.	NasdaqGS:JBHT	\$11,219.72	\$10,157.77	\$7,289.63	\$1,131.32	\$707.20	1.35x	15.87x	9.92x	1.18x	7.91x
Ryder System, Inc.	NYSE:R	\$8,778.61	\$2,556.19	\$8,114.56	\$1,888.94	\$589.99	1.08x	14.88x	4.65x	1.01x	4.30x
Universal Logistics Holdings, Inc.	NasdaqGS:ULH	\$829.52	\$513.24	\$1,389.35	\$116.18	\$63.40	0.60x	13.08x	7.14x	0.53x	5.31x
XPO Logistics, Inc.	NYSE:XPO	\$11,465.65	\$7,241.05	\$17,084.00	\$1,466.80	\$770.30	0.67x	14.88x	7.82x	0.61x	6.47x
	<b>Median</b>	\$10,762.53	\$7,241.05	\$7,804.14	\$949.59	\$707.20	1.1x	14.9x	7.8x	1.0x	6.5x

Source: Capital IQ

# Mergers & Acquisitions Overview

## Logistics



Source: Capital IQ



# Fourth Quarter Transactions Overview

## Logistics

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise	Enterprise Value / LTM	
				Revenue	EBITDA	Value	Revenue	EBITDA
12/20/18	Exchange Income Corporation	Wings Over Kississing	Logistics	-	-	\$7.40	-	-
12/10/18	Day & Ross Inc.	Stonehammer Transport Inc.	Logistics	-	-	-	-	-
12/6/18	MNX Global Logistics	Express Division of Network Global Logistics	Logistics	-	-	-	-	-
12/3/18	Hub Group, Inc.	CaseStack, Inc.	Logistics	\$242.00	\$22.00	\$255.00	1.05x	11.59x
11/9/18	Manitoulin Global Forwarding Inc.	N/J International Inc.	Logistics	-	-	-	-	-
11/2/18	Masterpiece International Limited	Domek Logistics, LLC	Logistics	-	-	-	-	-
10/24/18	Argosy Capital	Anderson Cargo Services, Inc.	Logistics	-	-	-	-	-
10/17/18	AIT Worldwide Logistics, Inc.	Worldfresh Express, Inc.	Logistics	-	-	-	-	-
10/11/18	Delmar International Inc.	CV Logistics Inc.	Logistics	-	-	-	-	-
10/10/18	NextGen Growth Partners, LLC	Condata Global	Logistics	-	-	-	-	-
10/9/18	Sunteck Transport Group, Inc.	HA Logistics, Inc.	Logistics	-	-	-	-	-
10/8/18	Celtic International Inc.	Yusen Logistics (Americas) Inc.	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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