



TRANSPORTATION & LOGISTICS
SECTOR UPDATE AND M&A TRENDS

Q3 2022

ALMA.advisors

Persisting logistics and supply chain shocks continue to squeeze profit margins

Sector overview

Macroeconomic developments in the quarter

- A sharp slowdown in Eurozone's growth is considered imminent due to **sharp deterioration in the terms of trade primarily for energy** due to the ongoing war in Ukraine, which has **pushed inflation to record highs** and **consumer confidence to record lows**
- Following the 50bps rate hike in July, the ECB increased interest rates by another 75bps in September to combat surging inflation
- War in Ukraine, Chinese "zero-Covid" policy and post-Brexit complications **continue to exacerbate European supply chain disruptions**
- Cost-push inflationary pressures keep **eroding the sector's thin profit margins**

Transportation & logistics sector trends

Persisting bottlenecks

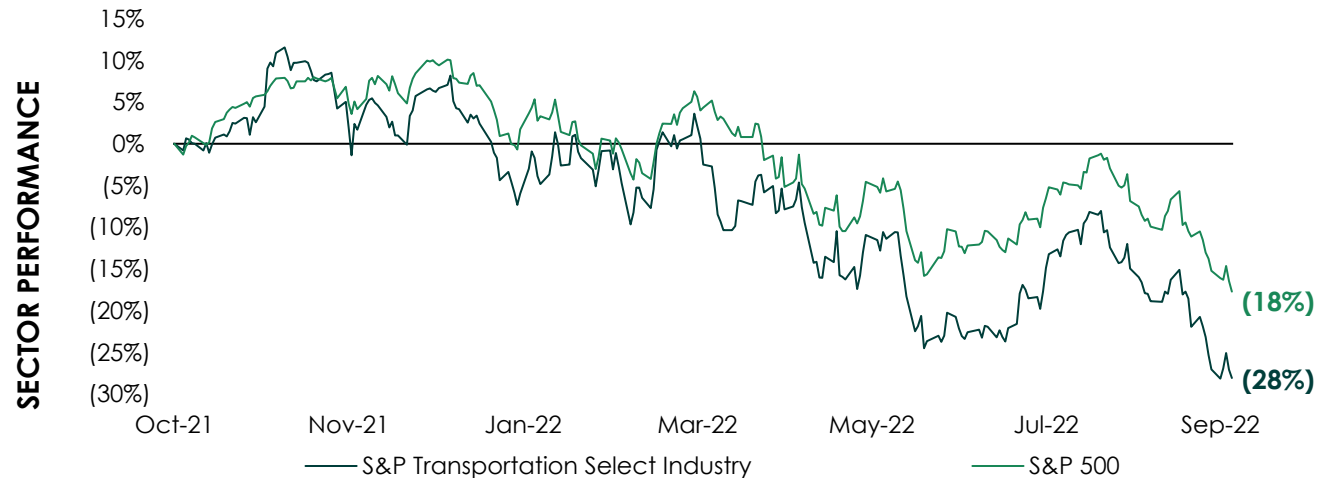
- Logistics and supply chain shocks brought by the pandemic has yet to alleviate → **lack of drivers, record high fuel prices, truck shortages**
- Truck shortages are making carriers **unable to upgrade or expand their fleets to match demand**

E-commerce demand

- Decline in e-commerce activity continues with companies **looking for ways to balance current capacity and costs** of their e-commerce supply infrastructure **without sacrificing future growth**

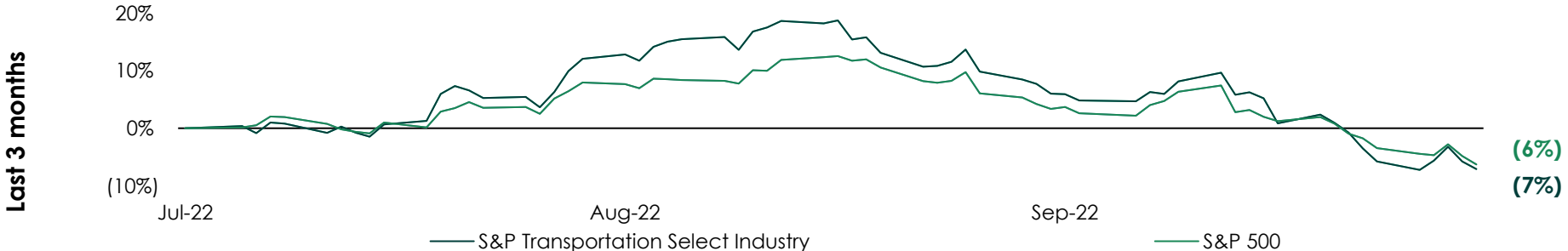
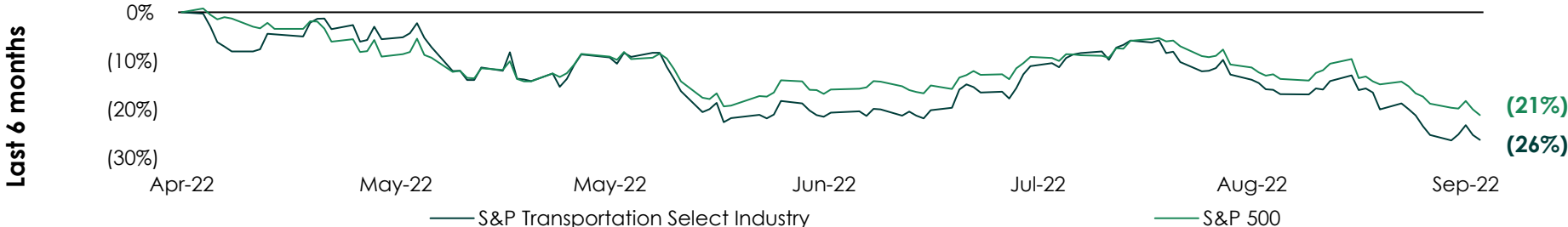
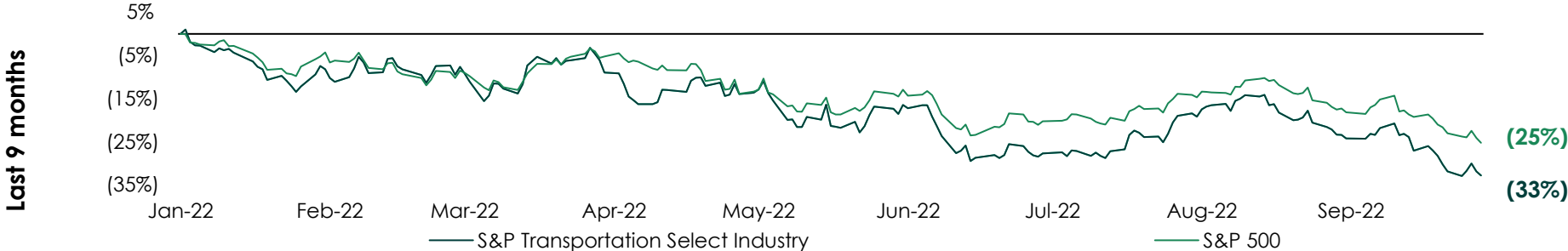
Building new legacies

- Large logistics companies are reorganizing their portfolios → **tech and automation solutions in the spotlight to improve efficiency and manage costs**
- Companies are expanding vertically, entering the transportation & logistics sector gain control over supply chains



S&P Transportation Select Industry has marginally underperformed the broader market over the last quarter

Sector performance

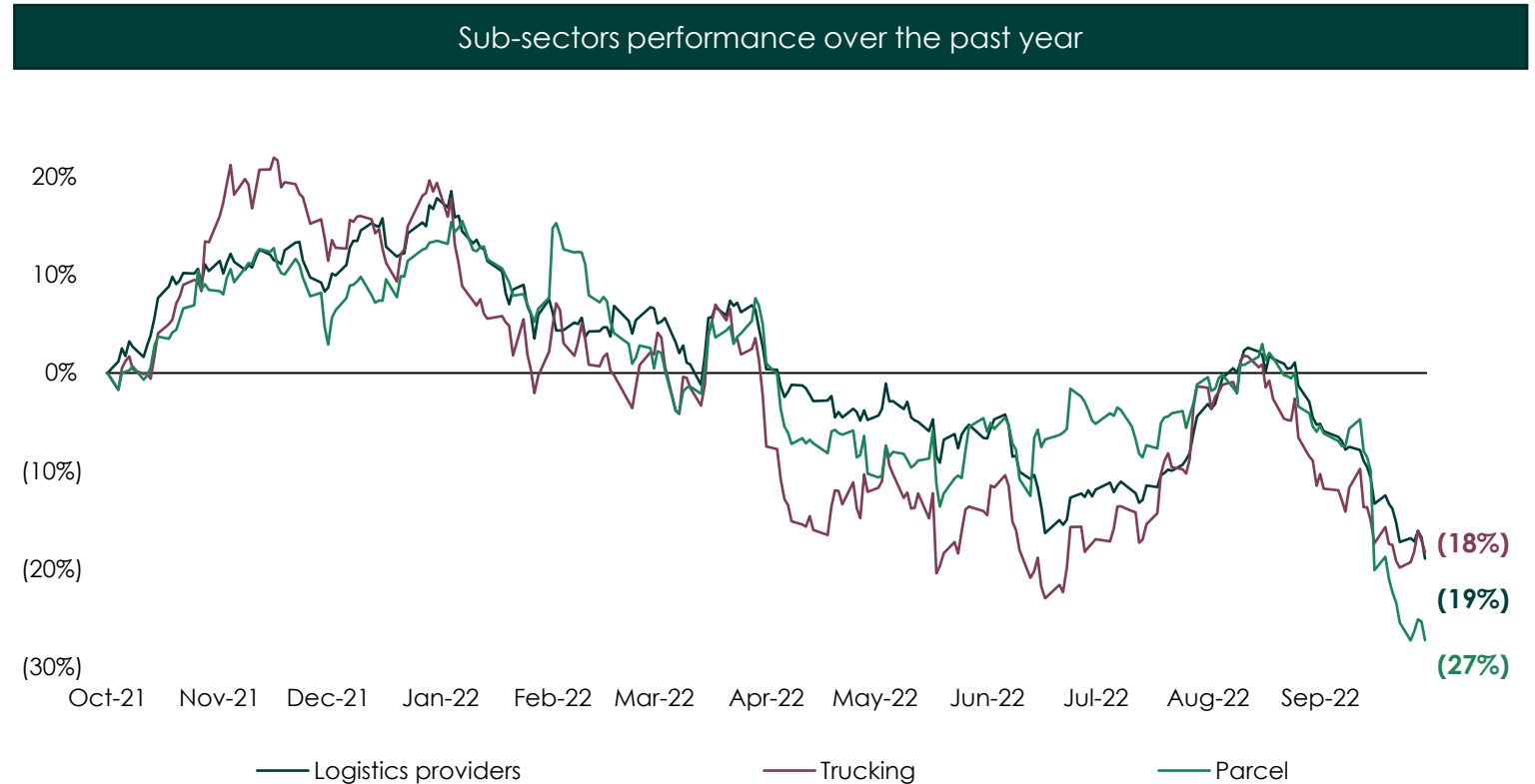


Notes: Data as of 30/09/2022
Sources: FactSet

Logistics providers and trucking segments move in tandem; parcel sector continues to lag

Publicly traded companies overview per sub-sector

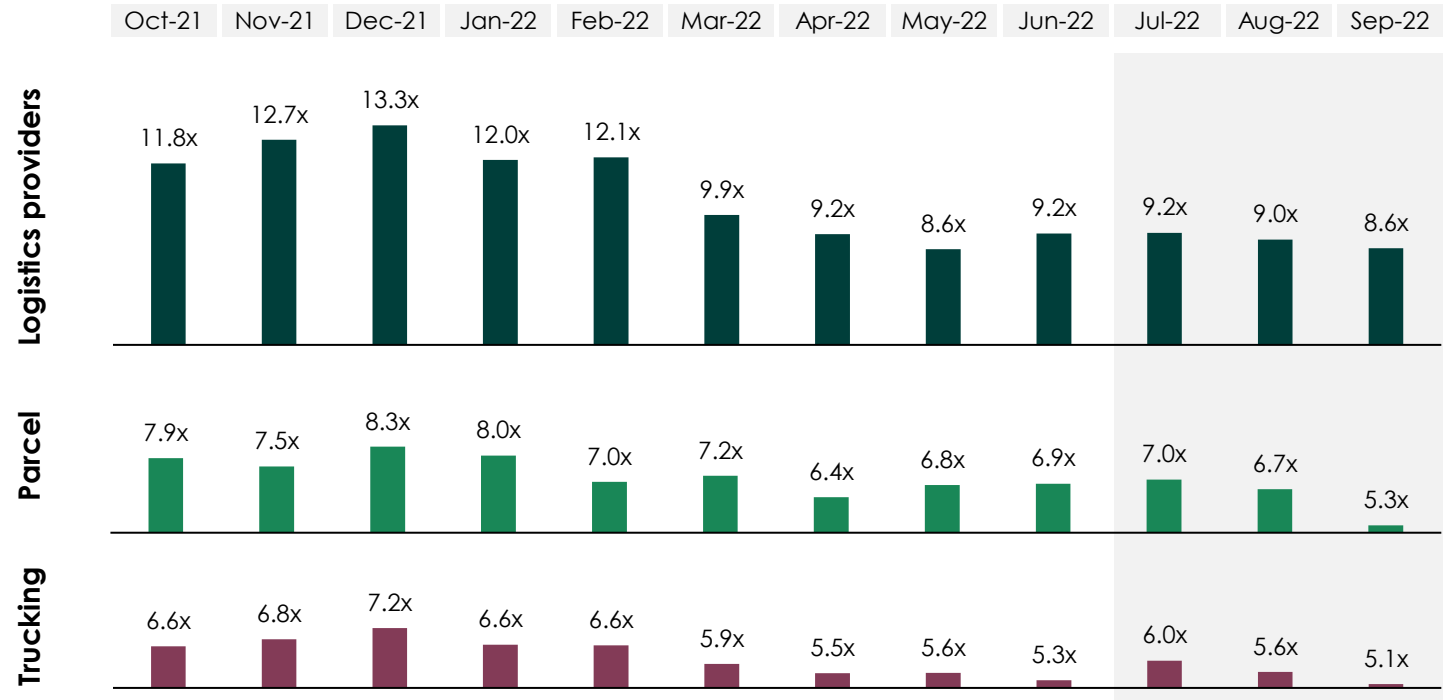
- *Logistic providers and trucking segments followed the broad steep market sell-off, recording losses of 19% and 18% LTM, respectively*
- *Parcel publicly traded companies continue to underperform as the reopening of the economy slowed down e-commerce demand, while recessionary fears are expected to decrease consumer spending*



Industry multiples have decreased over the last quarter as market turmoil continues

Median LTM EV/EBITDA multiples

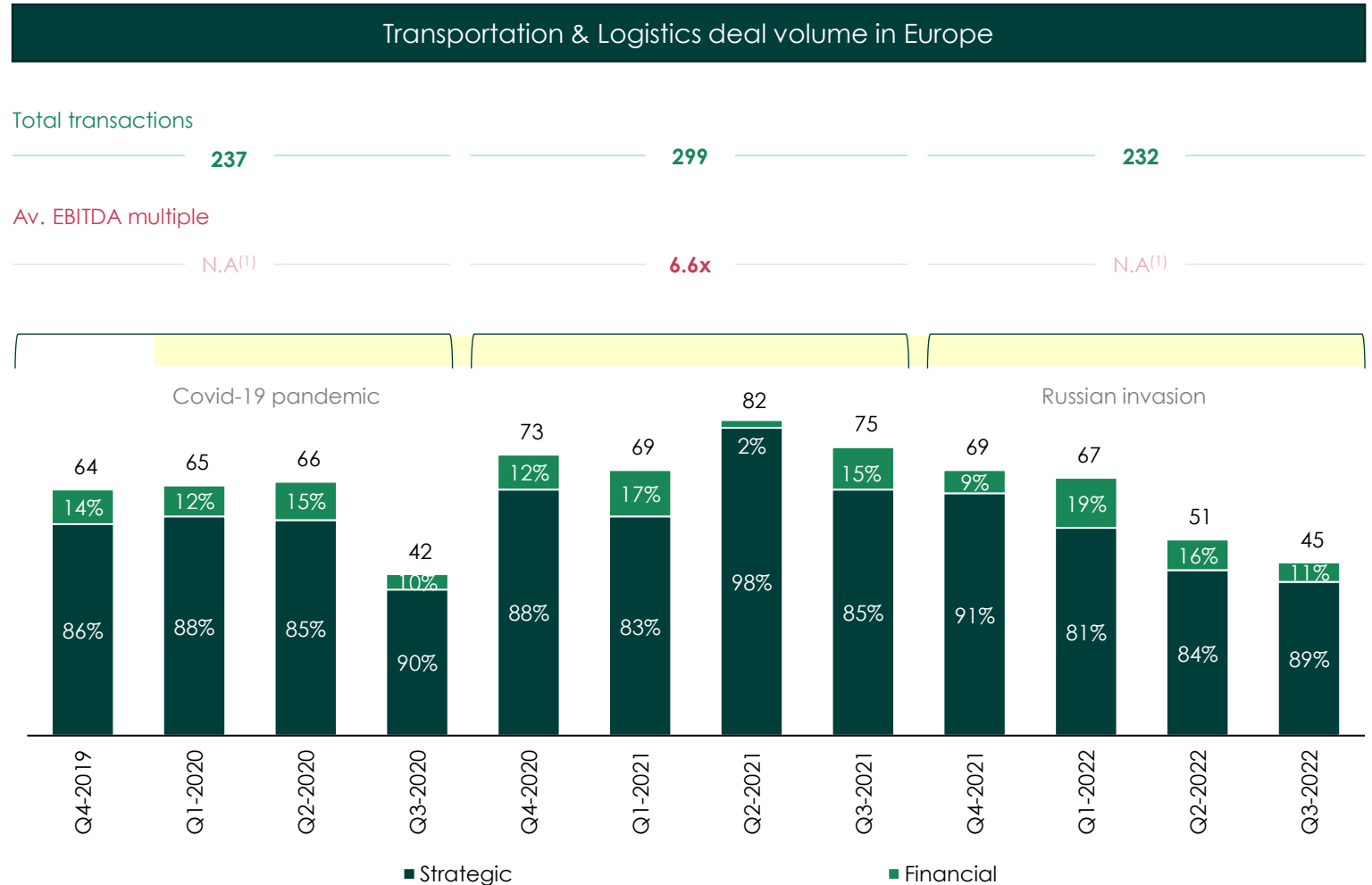
- All three segments of the transportation and logistics industry have witnessed a significant decrease in their valuation multiples over the LTM
- Logistic providers multiples remains elevated compared to the rest of the sector despite dropping to 8.6x in September 2022 compared to 11.8x in October 2021
- Parcel multiples had the steepest drop over the last quarter amid fading e-commerce demand



M&A activity has decreased as the European macroeconomic environment deteriorates

Europe M&A update

- Industry's M&A transactions have decreased for a fifth consecutive quarter as buyers and sellers postpone transactions due to the deteriorating macroeconomic environment
- Strategic buyers consistently accounted for over 80% of the deal count over the last 3 years
- This is expected to continue as strategic acquirers look for remedies to combat the squeezed profit margins through market consolidation



Data as of 30/09/2022

Note: (1) Not enough multiples for the period to obtain a reasonable figure

Sources: FactSet

European transportation and logistics M&A transactions (1/2)⁽¹⁾

Q3 2022



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Sep-2022	Cyber Freight International	Hitachi Transport System	-	-	-
Sep-2022	Kruiz	Megatonna	-	-	-
Sep-2022	RGS Nordic	Sortera Group	-	-	-
Sep-2022	Jan Tryk Facadepuds	P. Andersen & Søn Entreprise	-	-	-
Sep-2022	IDU Group	Valqari	-	-	-
Sep-2022	Alltrans	Axcel Management; Carousel Logistics	-	-	-
Sep-2022	Budbee	Instabox Sweden	-	-	-
Sep-2022	Transito 2000	Customs Support Group; Castik Capital Partners	-	-	-
Sep-2022	Spinelli	Hapag-Lloyd	-	-	-
Sep-2022	Zaslat	Abris Capital Partners; R2G Polska	-	-	-
Sep-2022	Carna Transport	Dixon International Logistics	-	-	-
Aug-2022	Equinoxe Solutions	Compass Group	-	-	-
Aug-2022	Legras Industries	Benalu	-	-	-
Aug-2022	Avtotransportnoe Predpriyatie 2606	Avtotransportnoe Predpriyatie 2606	-	-	-
Aug-2022	Keyes Transport	Freight 24 (Holdings)	-	-	-
Aug-2022	DKI Logistics	Rhenus Reserva 39	-	-	-
Aug-2022	Bontrans Transport en Opslag	Van Straalen De Vries Transport	-	-	-
Aug-2022	H & M Distribution	H & M Distribution / Management	-	-	-
Aug-2022	Thijssen Transport	DKL	-	-	-
Aug-2022	Bereznikipromzheldortrans	Bereznikipromzheldortrans / Chuv yzgalov	-	-	-
Aug-2022	Bomi Italia	UPS Healthcare Italia	-	-	-
Aug-2022	Trasporti Romagna	Iter Capital Partners	-	-	-
Aug-2022	Logik Logistics International	Logik Logistics International / Management	7.1	-	-
Aug-2022	LOGSTA	ANCLA Logistik	-	-	-

Notes: (1) Transactions also include non-EU European countries

Sources: FactSet

European transportation and logistics M&A transactions (2/2)⁽¹⁾

Q3 2022



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Aug-2022	Fresh Pack Logistics	Kivits-Goes Handling	-	-	-
Jul-2022	The City Bin	Thorntons Recycling Centre	-	-	-
Jul-2022	Universal Transport Michels	GRUBER Logistics	-	-	-
Jul-2022	Transports Picq & Charbonnier	PHARE	-	-	-
Jul-2022	Lucey Transport Logistics	DFDS	-	-	-
Jul-2022	Courier Polar Expres	Cryo International	-	-	-
Jul-2022	HCR Groep	FST Group	-	-	-
Jul-2022	Gist	Marks & Spencer Group	299.4	-	5.4x
Jul-2022	Transportbedrijf Nagele	Transportbedrijf Nagele / Private Group	-	-	-
Jul-2022	World Options	MBE Worldwide	-	-	-
Jul-2022	Alto Automotive	H & A Transport Leeds	-	-	-
Jul-2022	Ricotto	Sitra Logistic Services	-	-	-
Jul-2022	VGL Solid Group	Equistone Partners Europe; Ligentia	-	-	-
Jul-2022	Portmade	Customs Support Group	-	-	-
Jul-2022	Gelders Forwarding	Scan Global Logistics	-	-	-
Jul-2022	Bst	GK Maksima	-	-	-
Jul-2022	Gist Nederland	Daily Logistics Group	-	-	-
Jul-2022	Matthew Kibble Transport	Turners (Soham)	-	-	-
Jul-2022	Fandli	Obergudt	-	-	-
Jul-2022	International Associated Cargo Carrier	Abu Dhabi Ports	191.2	-	-
Jul-2022	Exaciel A.M.C Logistique	Clasquin	-	-	-

Notes: (1) Transactions also include non-EU European countries
Sources: FactSet

Notable transportation and logistics M&A transactions in Greece

2019 to Q3 2022



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Jan-2022	Mantis	Ecovium	-	-	-
Jan-2022	Anchor Shipbroking	Simpson Spence Young	-	-	-
Apr-2021	Tenberco	Eurobank	-	-	-
Jan-2021	MAKIOS Logistics	HIG Capital	-	-	-
Dec-2020	Sarmed Warehouse	BriQ Properties	29.5	1.4	10.5
Jul-2019	Victini Logistics	Brooklane Capital	12.5	8.7	22.7
Nov-2019	Pearl	Ocean Rail Logistics	-	-	-
Dec-2018	Irina Ktimatiki	Prodea Investments	-	-	-

Trading comps (1/2)

LOGISTICS PROVIDERS										
Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
C.H. Robinson Worldwide	12,179	14,459	26,354	1,622	0.5x	0.5x	0.6x	9.3x	8.9x	11.7x
CJ Logistics	1,471	4,076	8,600	606	0.5x	0.5x	0.4x	6.4x	6.2x	6.0x
Expeditors	14,747	13,347	18,023	1,902	0.7x	0.7x	0.9x	5.8x	6.9x	9.3x
Forward Air	2,474	2,736	2,014	318	1.4x	1.4x	1.3x	9.4x	8.6x	8.6x
GXO Logistics	4,245	7,681	9,138	736	0.9x	0.9x	0.8x	9.3x	10.6x	9.7x
Kerry Logistics Network	2,966	3,959	11,743	1,009	0.3x	0.3x	0.4x	3.7x	3.8x	4.5x
Radiant Logistics	287	394	1,479	78	0.3x	0.3x	0.4x	7.6x	4.8x	8.7x
Hub Group	2,440	2,477	5,676	622	0.5x	0.4x	0.4x	4.2x	3.9x	4.8x
ID Logistics Group	1,433	2,481	2,455	348	1.1x	1.0x	0.9x	7.8x	7.1x	6.2x
CTS	1,808	1,710	3,676	187	0.4x	0.4x	0.5x	8.7x	8.4x	7.5x
Mainfreight	3,919	4,302	3,517	499	1.4x	1.4x	1.4x	10.5x	8.9x	9.5x
Sankyu	1,829	1,787	3,927	393	0.5x	0.4x	0.4x	4.7x	4.4x	4.3x
Jiayou Intl Logistics	1,365	1,359	664	95	2.3x	2.0x	1.7x	15.4x	13.2x	10.5x
JWD InfoLogistics	461	644	150	41	4.3x	4.2x	3.9x	21.1x	15.7x	14.2x
JB Hunt Transport Svcs	16,576	17,715	15,178	2,061	1.2x	1.2x	1.1x	8.6x	8.6x	8.4x
Average					1.1x	1.0x	1.0x	8.8x	8.0x	8.3x
Median					0.7x	0.7x	0.8x	8.6x	8.4x	8.6x

PARCEL DELIVERY										
Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Deutsche Post	38,553	55,728	91,830	12,714	0.6x	0.6x	0.6x	4.5x	4.5x	4.9x
FedEx	39,437	70,062	95,868	9,578	0.7x	0.7x	0.7x	5.1x	7.5x	6.6x
PostNL	884	1,282	3,193	298	0.4x	0.4x	0.4x	5.3x	3.8x	3.2x
United Parcel Service	143,435	154,961	102,858	17,227	1.5x	1.5x	1.5x	8.9x	8.9x	8.7x
ZTO Express	20,248	18,818	5,323	1,549	3.6x	3.5x	2.9x	14.2x	11.9x	9.7x
Average					1.4x	1.3x	1.2x	7.6x	7.3x	6.6x
Median					0.7x	0.7x	0.7x	5.3x	7.5x	6.6x

Trading comps (2/2)

TRUCKING

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Werner Enterprises	2,434	2,884	3,297	623	0.9x	0.9x	0.9x	4.7x	4.6x	4.8x
Universal Logistics Hldgs	851	1,333	2,051	318	0.7x	0.7x	0.7x	4.5x	4.3x	4.5x
PAM Transportation Svcs	704	886	963	202	0.9x	0.9x	0.9x	4.3x	3.9x	4.2x
Saia Inc	5,122	5,131	2,830	654	1.9x	1.8x	1.8x	8.2x	7.7x	7.6x
Knight Swift Trans Hldgs	8,025	9,473	7,628	1,816	1.2x	1.2x	1.3x	4.9x	5.1x	5.7x
Marten Transport	1,585	1,513	1,277	258	1.2x	1.2x	1.1x	6.3x	5.7x	5.6x
Old Dominion Freight Line	28,384	28,077	6,387	2,102	4.6x	4.3x	4.2x	14.1x	13.2x	13.0x
ArcBest	1,821	1,965	5,450	629	0.4x	0.4x	0.4x	3.3x	3.1x	3.4x
Covenant Logistics Group	423	394	1,029	153	0.3x	0.3x	0.4x	2.7x	2.6x	3.4x
Heartland Express	1,153	1,059	888	246	1.6x	1.2x	0.9x	5.7x	4.4x	4.3x
DSV	28,198	30,674	31,392	3,993	1.0x	1.0x	1.2x	8.1x	7.7x	10.0x
Schneider National	3,689	3,530	6,901	1,010	0.5x	0.5x	0.5x	3.5x	3.4x	3.7x
Landstar System	5,368	5,273	7,611	637	0.7x	0.7x	0.8x	8.0x	8.2x	10.2x
Wincanton	415	649	1,708	131	0.4x	0.4x	0.4x	5.4x	4.9x	4.6x
Yellow	267	1,642	5,407	405	0.3x	0.3x	0.3x	4.4x	3.9x	4.3x
XPO Logistics	5,228	8,391	13,057	1,427	0.6x	0.7x	0.7x	6.0x	6.0x	5.8x
Average					1.1x	1.0x	1.0x	5.9x	5.5x	5.9x
Median					0.8x	0.8x	0.8x	5.1x	4.8x	4.7x

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Our firm

Alma Advisors is an independent financial services firm serving the European mid-market. We offer corporate finance solutions to corporates, family businesses and entrepreneurs.



Nikolas Evangelou, CFA
Partner
Nikolas@almaadvisors.com
+357 99 135 137
+30 69 8687 7720

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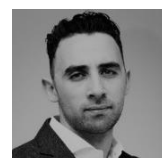
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Panagiotis Georgiou, ACA
Partner
Panagiotis@almaadvisors.com
+357 99 310 705

Greece

15 Platia Filikis Eterias,
106 74, Athens Greece
Email: office@almaadvisors.com
Phone: +30 210 672 8868

Cyprus

17 Grigoriou Xenopoulou St.,
3106, Limassol Cyprus
Email: office@almaadvisors.com
Phone: +357 25 86 80 80

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