



TRANSPORTATION & LOGISTICS
SECTOR UPDATE AND M&A TRENDS

Q4 2022

ALMA.advisors

Sector's profits balance between growth in top line and increasing costs

Q4 market and sector overview

Macroeconomic developments

- The European Central Bank has **increased interest rates to 2.5%** after two consecutive rate hikes of 75bps and 50bps, respectively in Q4
- **EU inflation for December 2022 edged lower to 9.2%**, with ECB expected to continue hiking rates to a more restrictive territory, ensuring a timely return to the 2% target
- European economic activity in the quarter continues to be sluggish amid the **ongoing energy crisis, weaker global economic activity and tighter financial conditions** → creating an explosive business environment
- Transportation & logistics sector continues to adapt to the growing demand for **e-commerce fulfilment solutions** and **lingering supply chain concerns** sparked by the pandemic and the ongoing war in Ukraine

Greek transportation & logistics sector trends

Greece as a transit hub

- Greek logistics sector continued its dynamic growth due to the **rapid development of e-commerce** and the **strategic position of Greece** as transport hub and global transit center
- **Increasing number of funds are entering the sector** predominantly by acquiring for-lease storage facilities

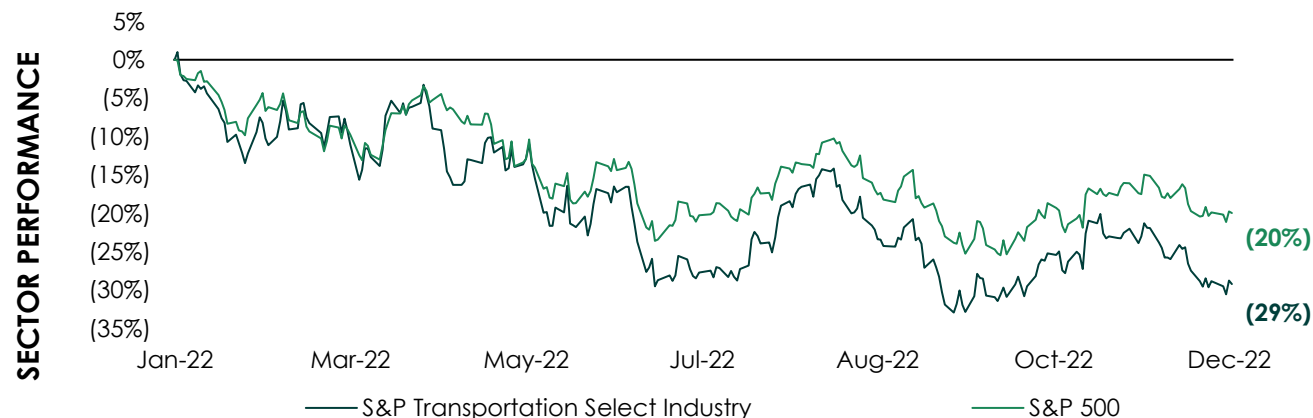
Cost burdens

- High fuel costs continue to **hurt cash flows and compress profitability**
- **Storage space rentals have spiked in Athens and Thessaloniki** due to rising demand and increasing construction costs for new logistic centers

Focus on cost reduction







- Intense competition in the sector is **dragging profit margins lower**
- Companies are trying to push operating costs lower through the utilization of tools such as **digitization and electronic sales and by outsourcing services**

Transportation Select Industry vs the S&P 500



Greek transportation & logistics companies are expanding warehousing capacity and upgrading their fleets

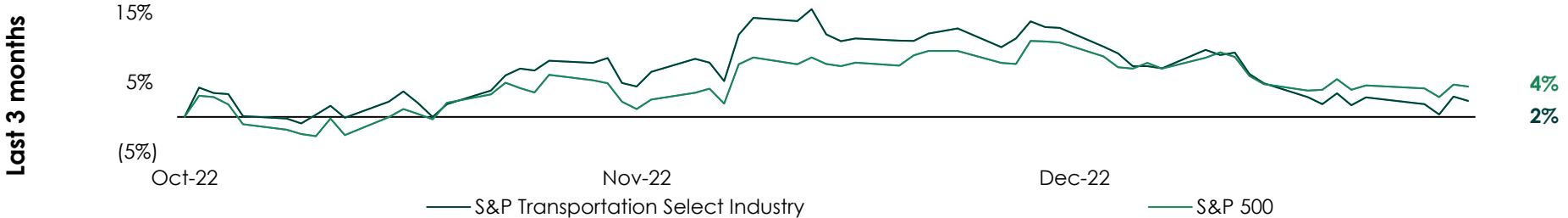
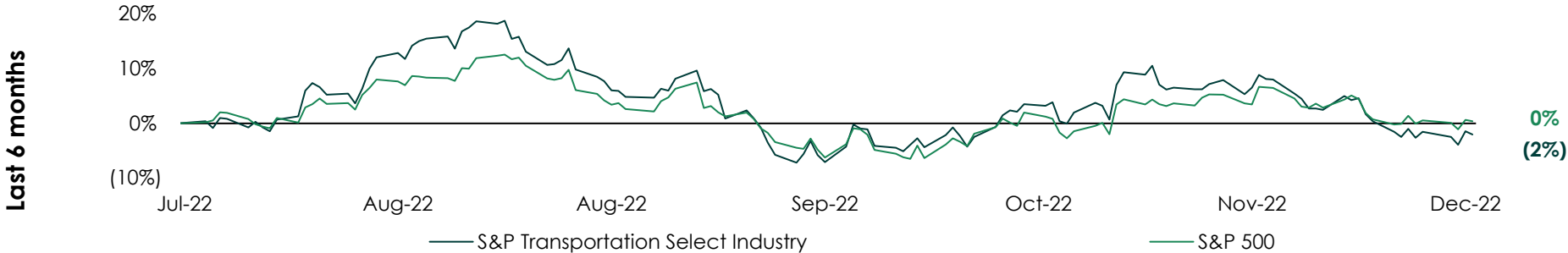
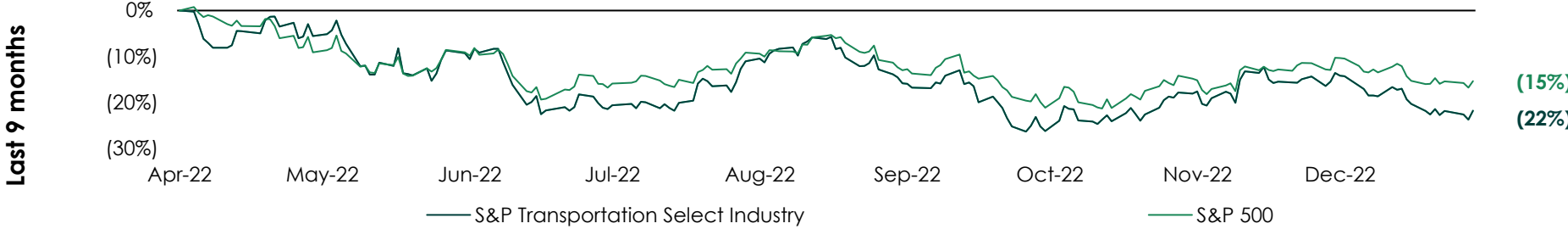
Greek transportation & logistics companies' key updates

Company	Key updates
	<ul style="list-style-type: none"> The warehousing, distribution and packaging company DIAKINISIS has leased warehouses released by AlphaOmega to further increase its market share
	<ul style="list-style-type: none"> Golden Cargo announced the opening of a new cargo management warehouse of 4,000m² in Crete and the construction of a 14,000m² warehouse in Aspropyrgos Golden Cargo to become General Service and Sales Agent in Greece and Cyprus for Dronamics, the first licensed cargo drone airline in Europe
	<ul style="list-style-type: none"> Opens a new office next to Thessaloniki's port to expand its operations
	<ul style="list-style-type: none"> HIG Capital is in final talks to acquire a majority stake in Orphee Beinoglou The company has also announced investments which are expected to reach €30m over the next 5 years to expand storage facilities
	<ul style="list-style-type: none"> Karassulis announced that it has received 10 new trailers out of the 20 purchased to upgrade its fleet amid increasing demand and rising fuel costs
	<ul style="list-style-type: none"> Cold Stores ALASKA announced the creation of a new 22,000m² cold storage facility to cope with increasing storage demand

Key takeaways
<p>Greek transportation & logistics sector attracts international funds</p> <ul style="list-style-type: none"> Logistics sector in Greece continues its dynamic growth attracting international funds Greece as a transport hub and global transit center
<p>Greek companies are looking to expand their warehousing capacity</p> <ul style="list-style-type: none"> Increasing demand for storage is prompting logistic companies to lease or invest in new storage facilities to gain market share
<p>Transportation & logistics companies are upgrading their fleets</p> <ul style="list-style-type: none"> Greek transportation and logistics companies are upgrading their fleets to cope with increasing demand and reduce operational costs

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

Sector performance

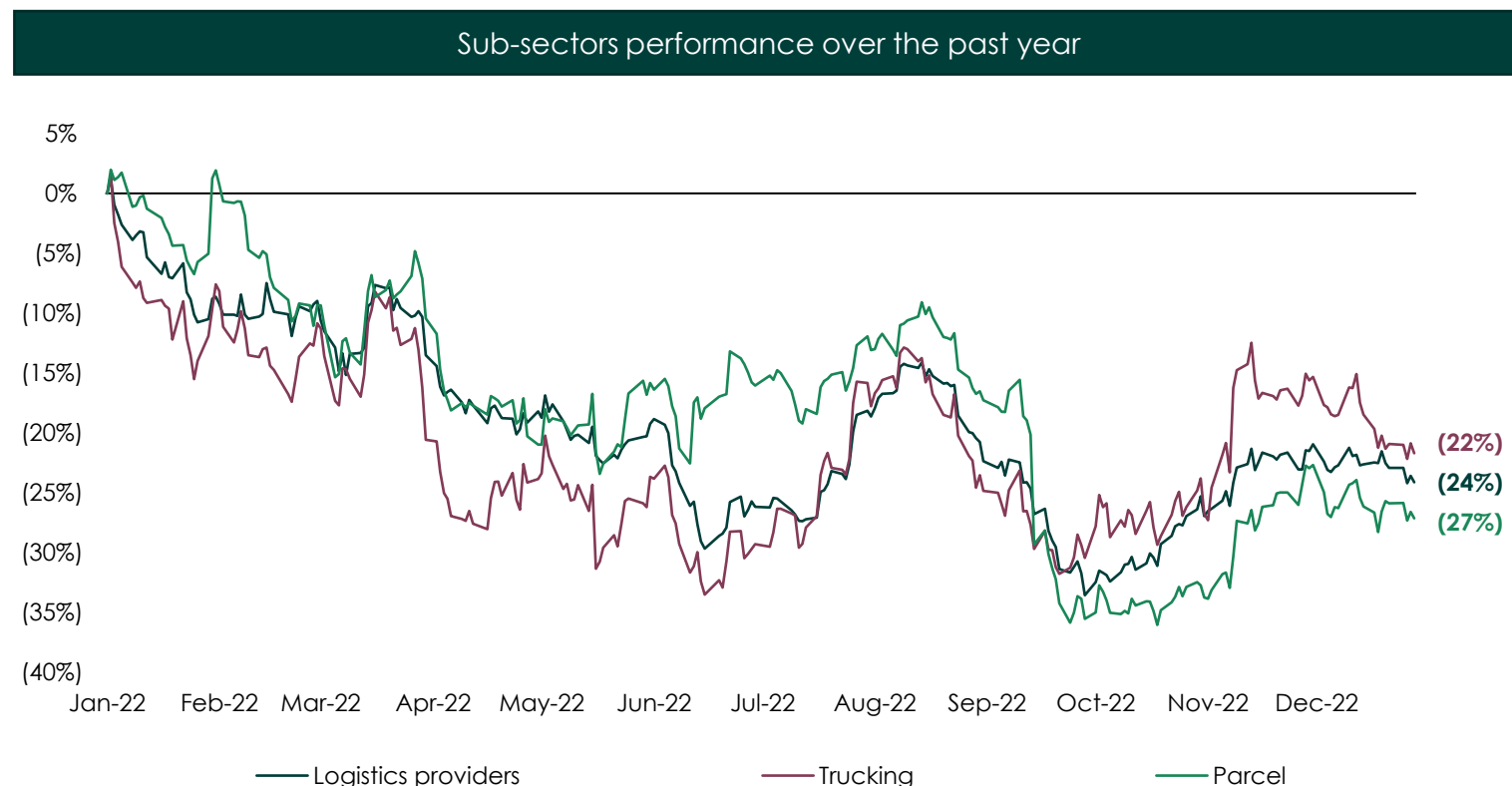


Notes: Data as of 31/12/2022
Sources: FactSet

Trucking segment has marginally outperformed the rest of the sector after a turbulent year; parcel sector continues to lag

Publicly traded companies overview per sub-sector

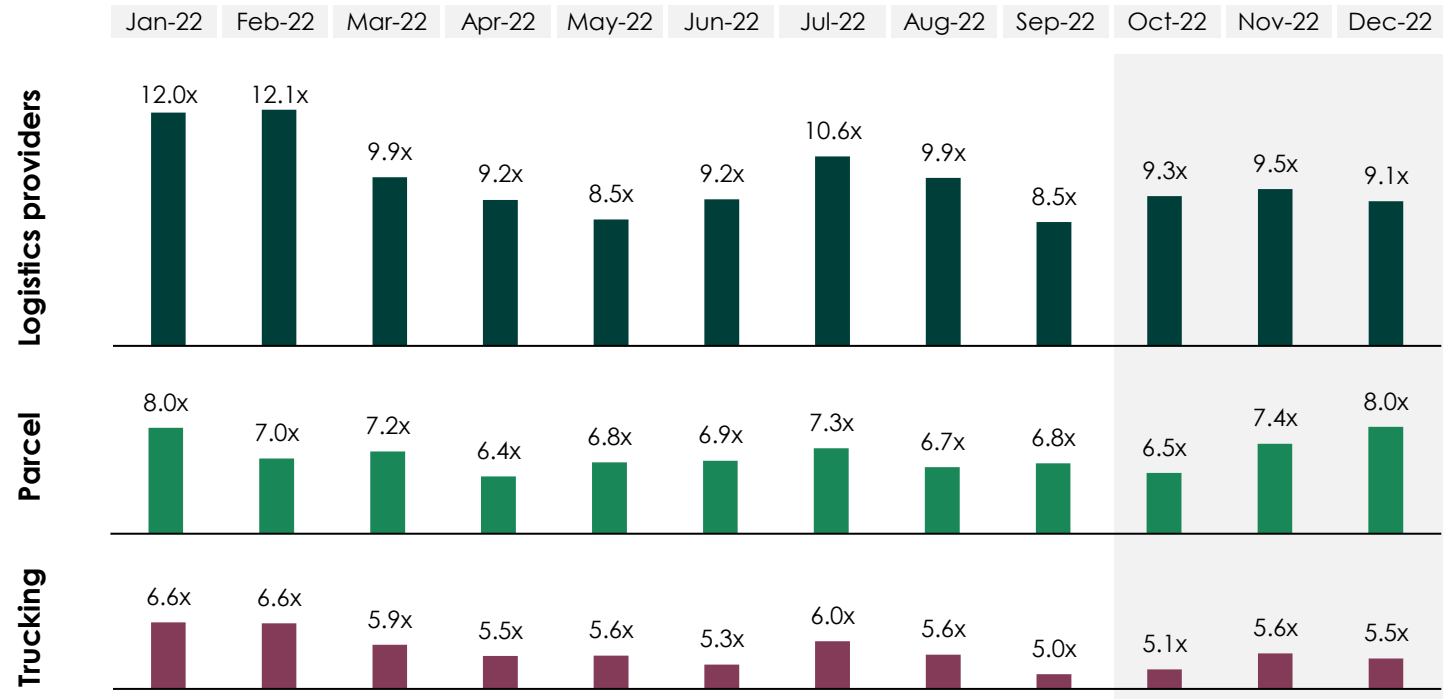
- *Transportation & logistics providers have experienced increased volatility in 2022 as macroeconomic headwinds continue to pose a threat on profitability*
- *Logistic providers and trucking segments followed the broad steep market sell-off, recording losses of 24% and 22% LTM, respectively*
- *Parcel sector continues to lag as recessionary fears are expected to decrease consumer spending*



All transportation & logistics providers have witnessed an increase in multiples in Q4 compared to Q3 of 2022

Median LTM EV/EBITDA multiples

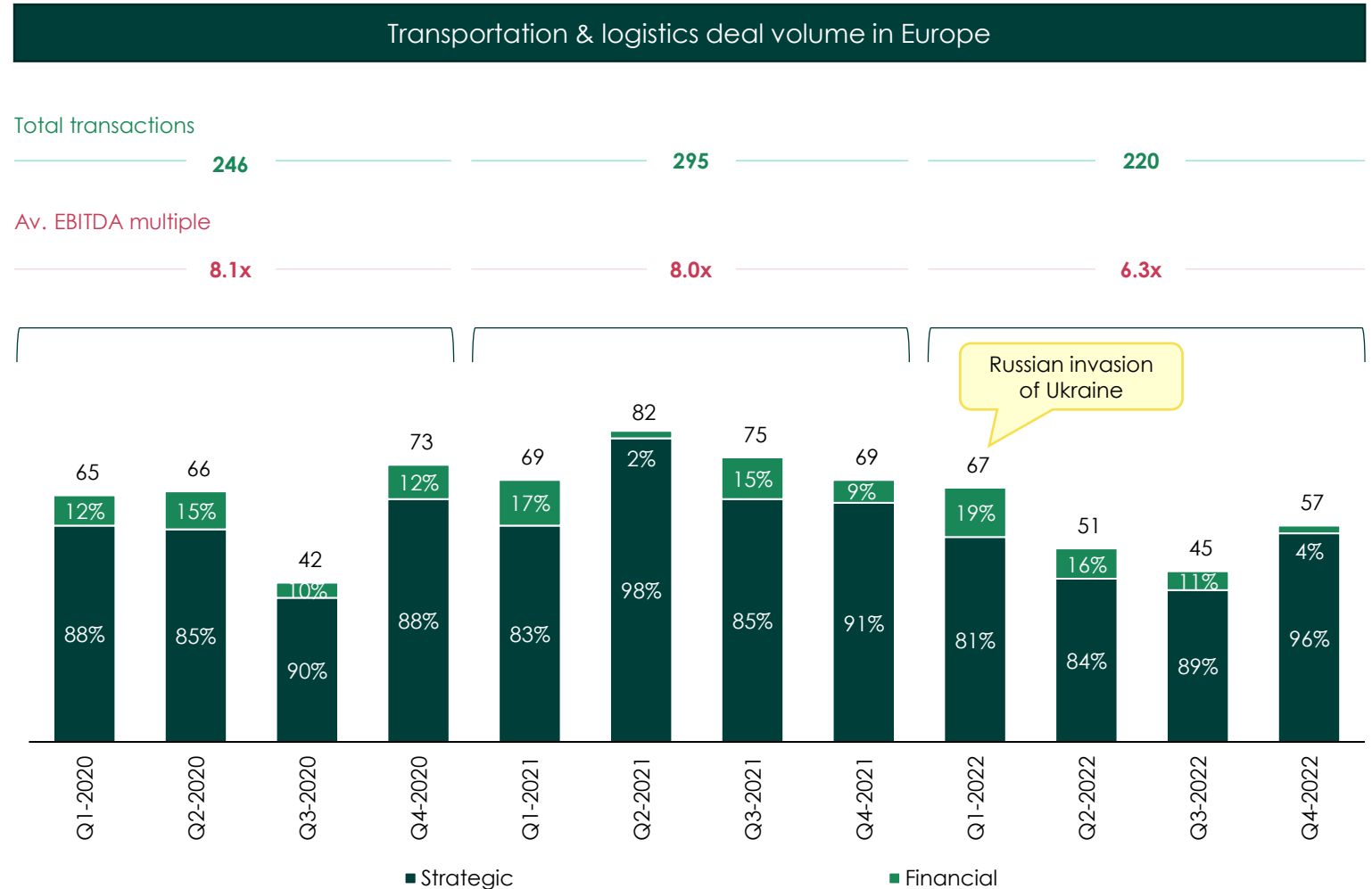
- Compared to Q3 2022, all transportation & logistics sub-sectors have witnessed an increase in Q4 multiples
- Logistic providers multiples remain the highest compared to the rest of the sector, increasing from 8.5x to 9.1x in Q4
- Parcel multiples witnessed the biggest increase in Q4 rising by 18% compared to Q3
- Despite reaching multiples of 5.5x versus 5.0x in Q3, trucking segment continues to have the lowest multiples as increasing energy costs are driving profit margins lower



M&A activity has started picking up during the fourth quarter of 2022

Europe M&A update

- Despite the challenging economic environment due to the ongoing war in Ukraine and the rising borrowing costs in both Europe and North America, M&A activity in the sector has picked up in Q4 2022
- M&A deal volume has increased by 27% in Q4 to 57 transactions from 45 in Q3, but it is still 17% down compared to Q4 of 2021



Trading comps (1/2)

LOGISTICS PROVIDERS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	Sales Growth		EBITDA 2022E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
				2022E	2023E			LTM	2023E	2024E	LTM	2023E	2024E
JB Hunt Transport	16,915	18,372	13,565	33%	(1%)	1,878	14%	1.3x	1.3x	1.3x	9.5x	9.6x	9.3x
Expeditors	15,495	13,609	11,390	14%	(29%)	1,142	11%	0.9x	1.1x	1.1x	7.4x	10.7x	11.3x
C.H. Robinson	10,098	11,988	18,637	15%	(17%)	843	5%	0.5x	0.6x	0.6x	9.1x	11.8x	11.7x
GXO Logistics	4,746	8,269	9,115	25%	8%	670	8%	1.0x	0.9x	0.9x	9.7x	12.1x	11.1x
Mainfreight	4,028	4,460	3,281	9%	(4%)	477	15%	1.3x	1.3x	1.2x	8.9x	9.0x	8.3x
Kerry Logistics Network	3,046	4,039	8,766	30%	(22%)	656	7%	0.4x	0.5x	0.5x	4.0x	6.6x	6.4x
Forward Air	2,613	2,818	1,815	30%	(1%)	268	16%	1.5x	1.5x	1.5x	9.1x	9.5x	10.0x
Hub Group	2,475	2,629	4,905	37%	(0%)	469	9%	0.5x	0.5x	0.5x	4.3x	5.6x	5.7x
Sankyu	2,118	2,126	4,143	(4%)	2%	412	10%	0.5x	0.5x	0.5x	5.2x	5.0x	4.8x
CTS	1,896	1,744	3,401	8%	(2%)	213	6%	0.5x	0.5x	0.4x	9.6x	8.0x	6.7x
CJ Logistics	1,585	4,143	8,973	7%	0%	635	7%	0.5x	0.4x	0.4x	7.0x	6.2x	5.9x
ID Logistics Group	1,524	2,572	2,761	31%	10%	400	15%	1.0x	0.9x	0.9x	9.6x	6.3x	6.0x
Jiayou Intl Logistics	1,523	1,371	892	27%	39%	140	16%	2.0x	1.5x	1.2x	16.7x	9.6x	7.7x
SCGJWD Logistics	574	760	738	17%	368%	48	7%	4.8x	1.1x	0.9x	22.1x	14.4x	9.0x
Radiant Logistics	236	282	1,066	96%	(28%)	55	5%	0.2x	0.2x	N.M.	2.8x	4.1x	N.M.
Average				25%	22%			1.1x	0.9x	0.8x	9.0x	8.6x	8.1x
Median				25%	(1%)			0.9x	0.9x	0.9x	9.1x	9.0x	8.0x

PARCEL DELIVERY

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	Sales Growth		EBITDA 2022E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
				2022E	2023E			LTM	2023E	2024E	LTM	2023E	2024E
United Parcel Service	140,704	154,825	92,067	14%	(2%)	15,326	17%	1.7x	1.6x	1.6x	10.0x	9.8x	9.7x
Deutsche Post	44,259	57,852	86,328	16%	(9%)	10,958	13%	0.6x	0.7x	0.7x	5.3x	5.2x	5.0x
FedEx	40,961	73,389	86,726	5%	1%	9,519	11%	0.8x	0.8x	0.8x	6.0x	7.6x	6.8x
ZTO Express	21,007	19,621	5,551	20%	16%	1,746	32%	3.9x	3.6x	3.1x	14.9x	11.5x	9.7x
PostNL	829	1,351	3,273	(8%)	3%	314	10%	0.4x	0.4x	0.4x	N.M.	4.2x	3.8x
Average				9%	2%			1.5x	1.4x	1.3x	9.0x	7.6x	7.0x
Median				14%	1%			0.8x	0.8x	0.8x	8.0x	7.6x	6.8x

Data as of 31/12/2022

Trading comps (2/2)

TRUCKING													
Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	Sales Growth		EBITDA 2022E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
				2022E	2023E			LTM	2023E	2024E	LTM	2023E	2024E
DSV	32,291	35,887	24,537	30%	(22%)	2,950	12%	1.1x	1.4x	1.5x	9.1x	12.0x	11.6x
Old Dominion Freight	29,377	29,273	5,821	29%	2%	1,922	33%	5.0x	5.0x	4.8x	14.5x	15.4x	14.1x
Knight Swift Trans	7,891	9,102	6,433	35%	(6%)	1,520	22%	1.3x	1.4x	1.3x	5.6x	6.2x	5.6x
Landstar System	5,483	5,301	5,694	23%	(16%)	453	8%	0.8x	0.9x	0.9x	9.0x	11.4x	11.2x
Saia Inc	5,199	5,155	2,595	33%	1%	577	23%	2.0x	2.0x	1.9x	8.6x	8.7x	8.1x
Schneider National	3,903	3,700	5,899	27%	(2%)	843	14%	0.6x	0.6x	0.6x	4.1x	4.3x	4.0x
XPO	3,592	6,197	6,927	18%	(3%)	875	13%	0.9x	0.9x	0.8x	6.3x	6.8x	6.2x
Werner Enterprises	2,384	3,010	3,262	33%	6%	562	18%	1.0x	1.0x	0.9x	5.2x	5.4x	4.9x
ArcBest	1,602	1,696	4,554	46%	(7%)	441	10%	0.3x	0.4x	0.3x	3.0x	3.4x	3.2x
Marten Transport	1,503	1,429	1,251	41%	8%	245	20%	1.2x	1.1x	N.M.	6.3x	5.9x	N.M.
Heartland Express	1,135	1,495	1,209	74%	36%	288	25%	1.6x	1.3x	1.3x	7.0x	5.1x	5.2x
Universal Logistics	823	1,130	1,731	27%	(8%)	252	14%	0.6x	0.6x	0.6x	3.8x	4.3x	3.9x
PAM Transportation	538	678	837	48%	(5%)	164	19%	0.8x	0.7x	N.M.	3.8x	3.9x	N.M.
Wincanton	473	690	1,643	(0%)	(1%)	123	8%	0.4x	0.4x	0.4x	5.3x	5.0x	4.8x
Covenant Logistics	437	543	847	27%	(24%)	109	12%	0.5x	0.6x	0.5x	3.7x	4.7x	N.M.
Yellow	122	1,476	4,675	13%	(5%)	268	7%	0.3x	0.3x	N.M.	4.7x	4.4x	6.4x
Average				31%	(3%)		16%	1.1x	1.2x	1.2x	6.3x	6.7x	6.9x
Median				29%	(4%)		14%	0.8x	0.9x	0.9x	5.5x	5.3x	5.6x

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

Q4 2022



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Dec-2022	Mcburney Transport Group	DFDS	156.4	1.2x	7.3x
Dec-2022	Rederi	VG-Shipping	-	-	-
Dec-2022	SVAT	Stef Frozen Italia	-	-	-
Dec-2022	Xpediator	BaltCap; Cogels Investments; Xpediator	146.5	0.3x	5.9x
Dec-2022	LIEGL & DACHSER Szállítványozási és Logisztikai	Dachser	-	-	-
Dec-2022	trans-o-flex Express GmbH	Geodis	-	-	-
Dec-2022	Forge Recycling	Biffa	24.9	1.4x	7.1x
Dec-2022	Basti	Etela-Suomen Kuriiripalvelu	-	-	-
Dec-2022	Sped-Ex Trinec	Cognor Holding	-	-	-
Dec-2022	Eminence Transport	EFS Global	-	-	-
Dec-2022	Floryn	EFS Global	-	-	-
Dec-2022	C. Neil Dowson	Kreiss	-	-	-
Dec-2022	Mick George	HEIDELBERGCEMENT UK	-	-	-
Dec-2022	Brunswick Rail	Vector Rail	-	-	-
Dec-2022	Conundra	PTV Planung Transport Verkehr	-	-	-
Dec-2022	Transports Chabrilac	Compagnie Daher	-	-	-
Dec-2022	Transportes Paz Ciria	Boasso Global Spain	-	-	-
Dec-2022	Transports Pierre	Yusen Logistics	-	-	-
Dec-2022	H. Bucher Internationale Transporte	Swiss Post	-	-	-
Nov-2022	Øverland Transport	Lomundal Transport	-	-	-
Nov-2022	MS "Paglia"	Gram Car Carriers	47.1	-	-
Nov-2022	Britannia Bureau	Customs Support Group; Castik Capital Partners	-	-	-
Nov-2022	Fair Trade	Allcargo Belgium	16.0	-	-
Nov-2022	Share Logistics	BBL Transport	-	-	-
Nov-2022	Philco International	Drewes	-	-	-

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

Sources: FactSet

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

Q4 2022



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Nov-2022	Gertner Express	Hellmann Worldwide Logistics; Honold Logistik	-	-	-
Nov-2022	Porath Customs Agents	Customs Support Group	-	-	-
Nov-2022	Pelipod	ByBox Holdings	-	-	-
Nov-2022	Havi Global Logistics / Russian Subs	Logistika I Tochka	-	-	-
Nov-2022	PJ EXPEDIS	RSBC Logistics	-	-	-
Nov-2022	Hellmich-Transport	Hergarten	-	-	-
Nov-2022	2MC	Holland Capital Management; AMP Logistics	-	-	-
Nov-2022	Kyst1	Nor Lines	-	-	-
Nov-2022	Memex	Posta Tabita Tour	-	-	-
Nov-2022	VG Shipping / 2 Subs	Savosolar	42.2	-	-
Nov-2022	CAMA Workspace	Harrow Green	2.8	-	-
Oct-2022	Puli Ecol Recuperi	HAIKI	4.0	-	-
Oct-2022	UAB Stebule	Green Landscaping Group	-	-	-
Oct-2022	Sigloch Distribution	Müller - Die lila Logistik	-	-	-
Oct-2022	Astral Couriers	CitySprint	-	-	-
Oct-2022	Humber Ports Logistics	Samskip Holding	-	-	-
Oct-2022	Götene Kyltransporter	Frigoscandia	-	-	-
Oct-2022	Rhenus Terminal Brussels	Van Moer Group	-	-	-
Oct-2022	Dooris	Early Bird	-	-	-
Oct-2022	Jetysu Terminal	Alacem	1.0	-	-
Oct-2022	Fratelli Gambetta	a. hartrodt italiana	-	-	-
Oct-2022	ECT Group	Compagnie Nationale; Sienna Capital	-	-	-
Oct-2022	Bruiseramor	Carrakeelty Beg Bidco	-	-	-
Oct-2022	C Chez Vous	GeoPost	67.4	-	-

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

Notable transportation and logistics M&A transactions in Greece

2019 to Q4 2022



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Jul-2022	Perme Hellas	Polygreen	-	-	-
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	1.4x	10.5x
Jul-2019	Victini Logistics	Brooklane Capital	12.5	8.7x	22.7x
Nov-2019	Pearl	Ocean Rail Logistics	-	-	-
Dec-2018	Irina Ktimatiki	Prodea Investments	-	-	-

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