

*M&A Update*

# Transportation & Logistics

June 2021

# Key Highlights

*M&A in the United States*

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*M&A in the Transportation & Logistics Sector*

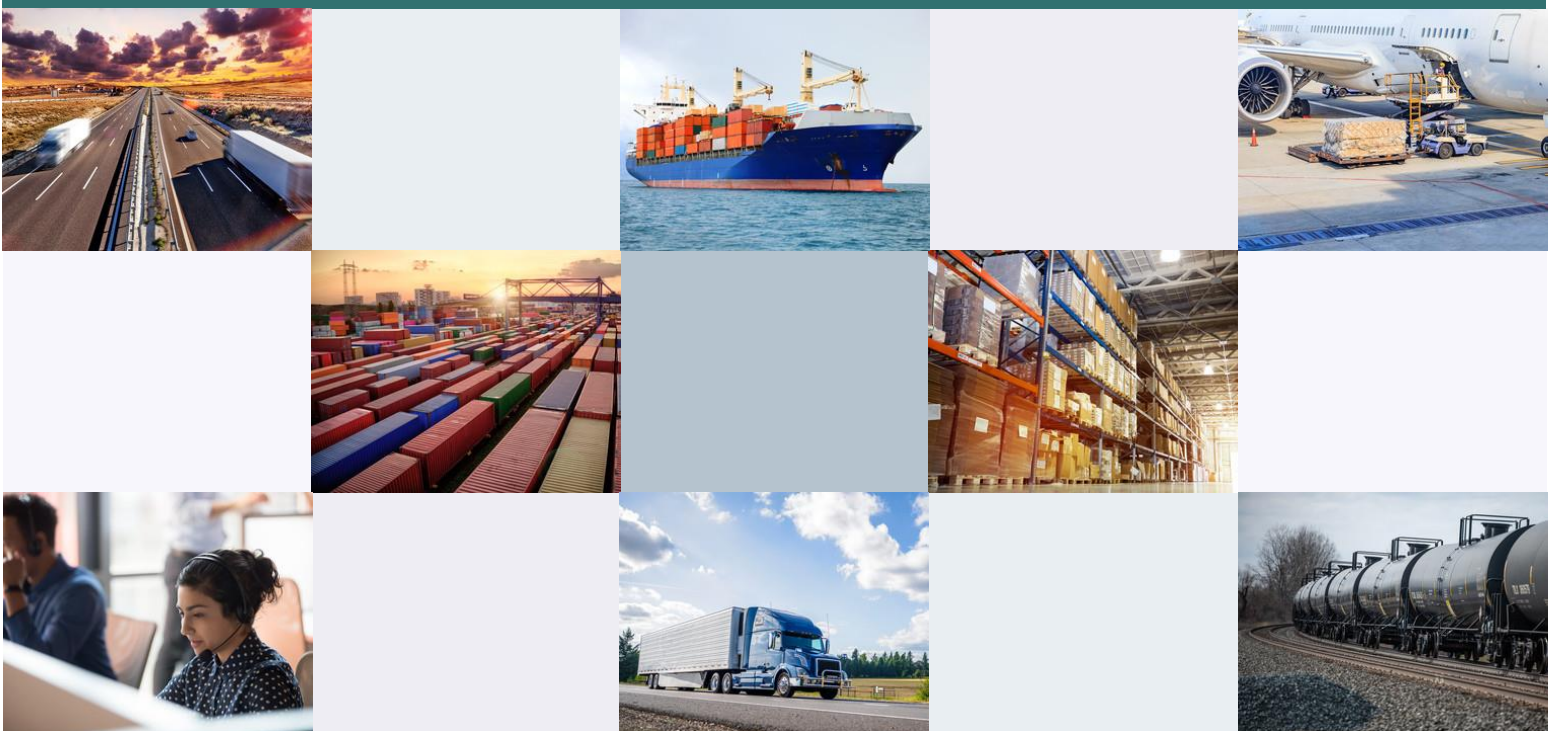
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*Notable Transactions*

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# M&A in the United States

## Deal Activity & Valuations

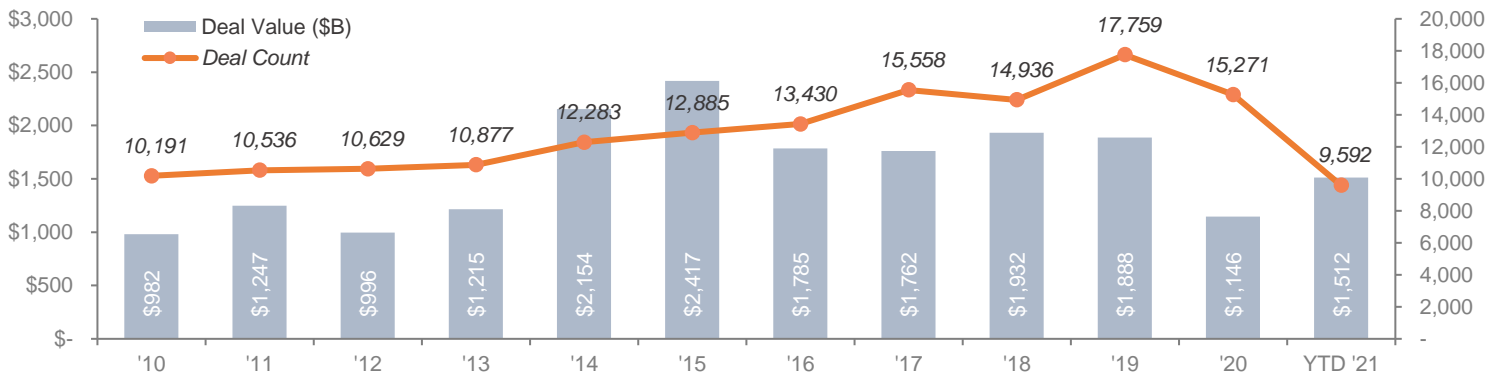
### Deal Activity

U.S. mergers and acquisitions activity in the first half of 2021 increased 36% on a year-over-year basis, reflecting a markedly different environment than the first half of 2020 when COVID-19 stalled transactions. Pent-up demand for transactions coupled with continued lower interest rates, an abundance of capital reserves and anticipated increases in tax rates resulted in a deal value record for the first six months of the year.

<b>9,592</b> M&A Deals	<b>\$1.5 Trillion</b> Deal Value
▲ 36% YoY growth	▲ 413% YoY growth

### Total M&A Deal Volume & Value in the United States

\$ in Billions; Year to date through June 30, 2021



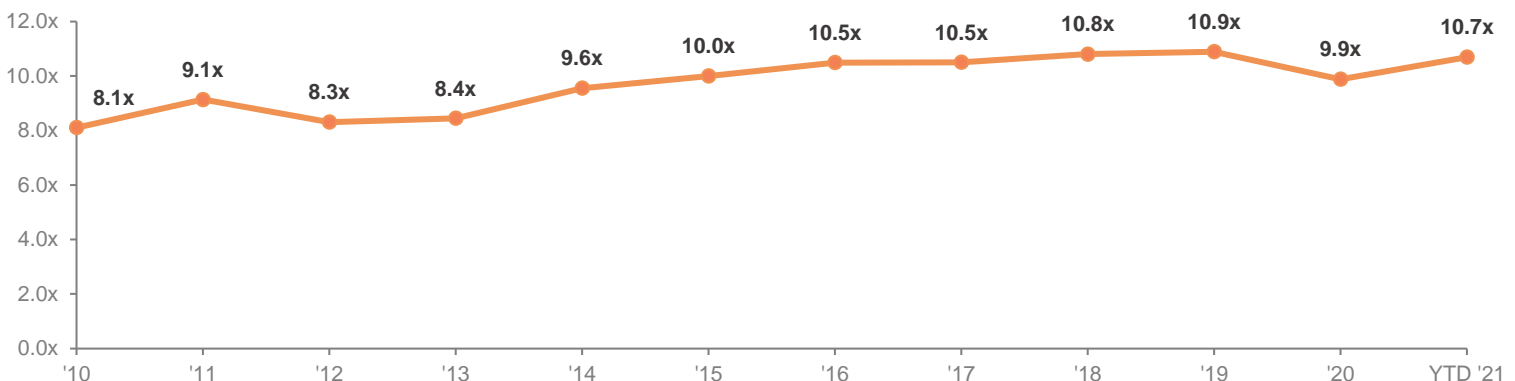
### Valuations

COVID-19 caused a significant drop in both M&A activity as well as overall valuations throughout 2020. However, due to a number of market factors, valuations bounced back in late 2020 and has remained elevated in 2021. Attractive assets that have been less impacted by COVID-19 or have a strong growth projection as the economy rebounds are demanding high valuations. Additionally, public market valuations have increased as more money is invested into the equity markets.

<b>10.7x</b>	<b>10.7x</b>
Current Median EV / EBITDA	5-Year Median EV / EBITDA

### Median Enterprise Value (EV) / EBITDA Valuation Multiple

Only includes transactions with disclosed financial terms; Year to date through June 30, 2021



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: YoY = Year-over-year; Enterprise Value = Market Cap + Debt - Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

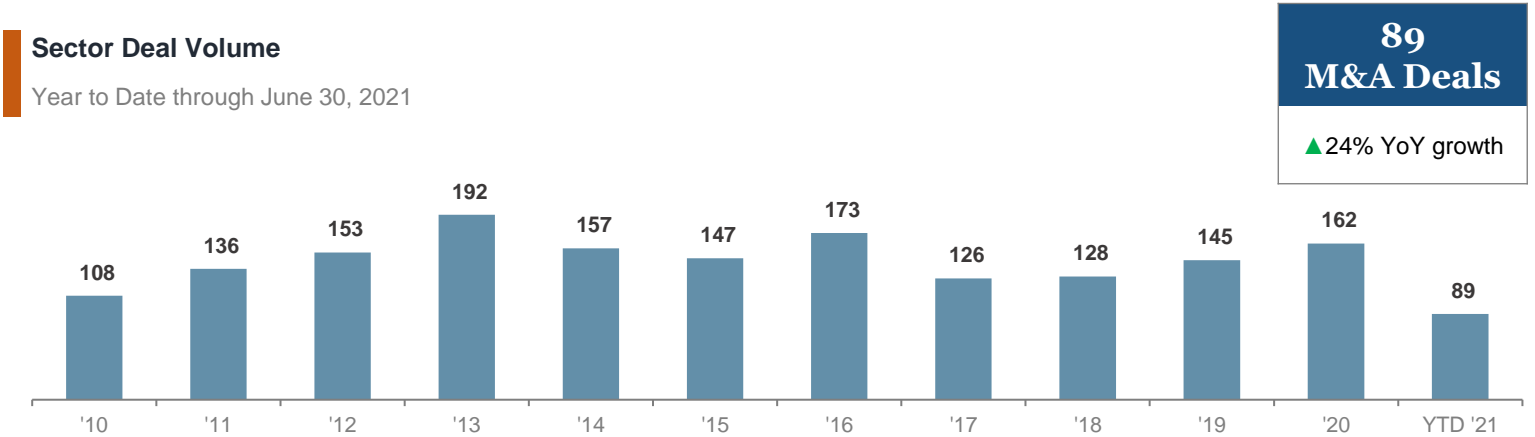
# M&A in the Transportation & Logistics Sector

## Sector Snapshot

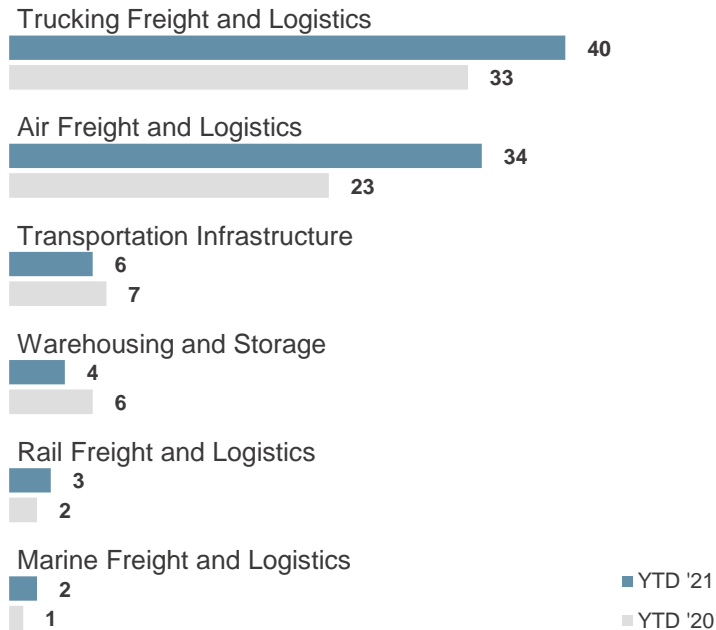
### Industries in the U.S. Transportation & Logistics Sector

- Air Freight & Logistics
- Marine Freight & Logistics
- Rail Freight & Logistics
- Trucking Freight & Logistics
- Transportation Infrastructure
- Warehousing & Storage

### Sector M&A Deal Volume



### M&A Deal Volume by Industry



### M&A Deal Volume by U.S. Region



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research  
Definitions: YoY = Year-over-year

# M&A in the Transportation & Logistics Sector

## Notable Deals & Buyer Mix

### Notable Deals

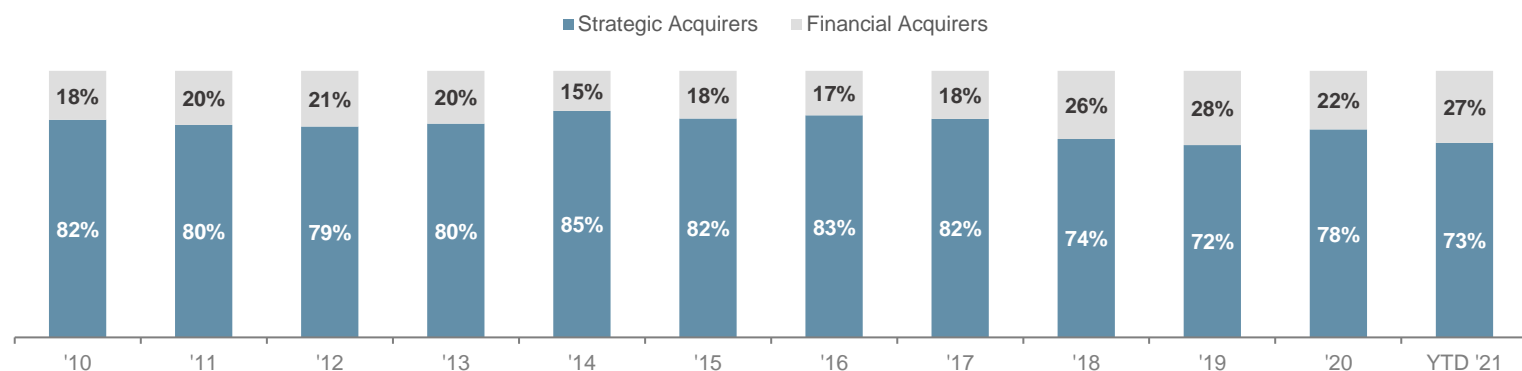
Date	Company	Acquirer	Enterprise Value (EV) (\$ in MM)	Implied EV / Revenue	Implied EV / EBITDA
Jan 2021	Cryo-Trans, Inc.	Lineage Logistics Holding, LLC	-	-	-
Jan 2021	UPS Ground Freight, Inc.	TFI International Inc. (TSX:TFII)	\$800	0.3x	-
Mar 2021	AIT Worldwide Logistics, Inc.	The Jordan Company, L.P.	\$1,200	1.0x	-
Apr 2021	Kansas City Southern (NYSE:KSU)	Canadian National Railway Company (TSX:CNR)	\$33,655	12.9x	24.0x
May 2021	Quality Carriers Inc.	CSX Corporation (NasdaqGS:CSX)	\$546	-	-
May 2021	Happy Returns, Inc.	PayPal Holdings, Inc. (NasdaqGS:PYPL)	-	-	-
Jun 2021	Utxl Enterprises, Inc.	Knight-Swift Transportation Holdings Inc. (NYSE:KNX)	\$23	0.2x	-
Jun 2021	Atlantic Aviation FBO Inc.	KKR & Co. Inc. (NYSE:KKR)	\$4,475	-	-
Jun 2021	Transtar LLC.	Fortress Transportation and Infrastructure Investors LLC (NYSE:FTAI)	\$640	-	-
Jun 2021	Salson Logistics, Inc.	Transportation and Logistics Systems, Inc. (OTCPK:TLSS)	\$90	0.9x	-

Note: This table includes only a sample of relevant transactions in the context of M&A activity in the sector. It is not meant to be all-inclusive.

### Buyer Mix

#### Share of Acquisitions

% of Acquisitions by Strategic and Financial Acquirers



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt – Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

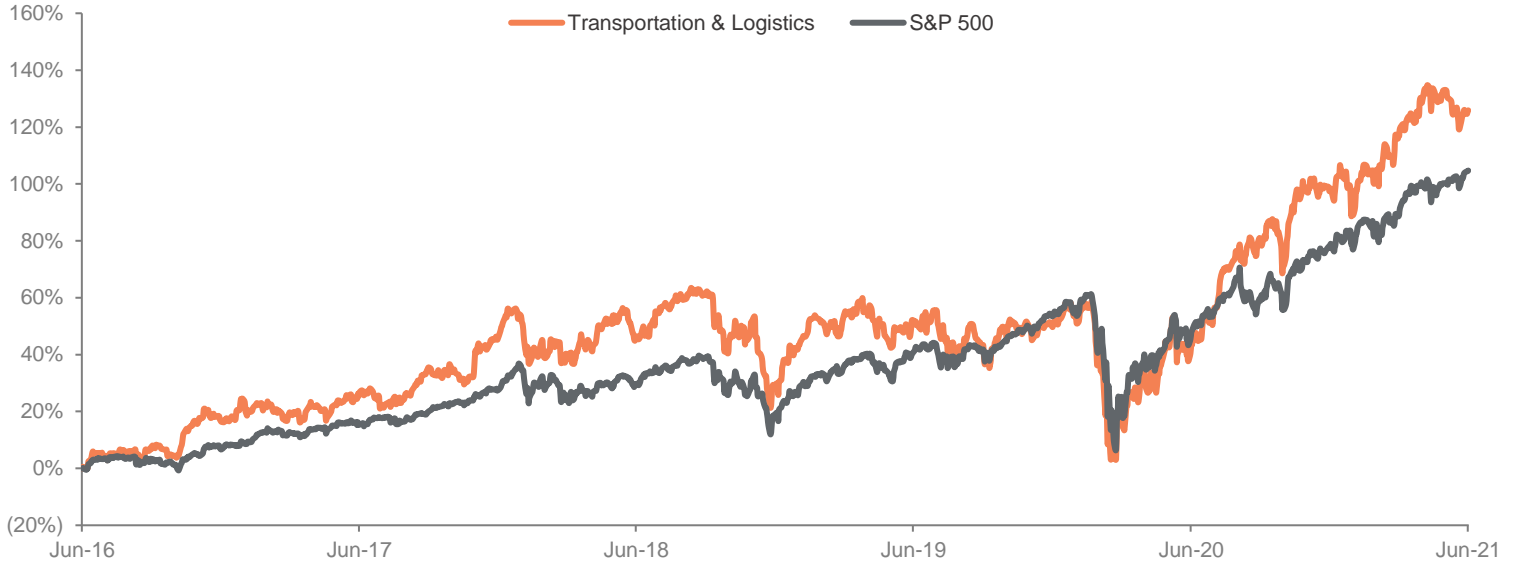
# Public Companies in the Transportation & Logistics Sector

## Performance & Valuations

### Sector Performance

#### Return vs. S&P 500

Last 5 Years



### Valuations

#### Enterprise Value / LTM EBITDA

Median of Publicly Traded Companies

Transportation Infrastructure



Rail Freight and Logistics



Marine Freight and Logistics



Air Freight and Logistics



Trucking Freight and Logistics



#### Enterprise Value / NTM EBITDA

Median of Publicly Traded Companies

Transportation Infrastructure



Rail Freight and Logistics



Air Freight and Logistics



Marine Freight and Logistics



Trucking Freight and Logistics



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt - Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization; LTM = Last Twelve Months; NTM = Next Twelve Months

# CC Capital Advisors

## Firm Overview

### Who We Are

CC Capital Advisors is a boutique investment banking firm providing mergers and acquisitions, capital raising and strategic advisory services to middle market clients. Our experienced team of committed advisors combines long-standing transaction experience to provide independent and uncompromised services to achieve our clients' objectives.

### Who We Serve

We tailor our services to a broad base of clients, including entrepreneurs, family-owned businesses, private and public corporations, family offices, private equity and venture capital investors. Clients have repeatedly chosen us as trusted advisors and partners because of our quality advice, ability to execute transactions and client-first philosophy.

### What We Do

Mergers & Acquisitions	Capital Raising Advisory	Strategic Advisory
<ul style="list-style-type: none"><li>Sales of privately-held companies</li><li>Buy-side acquisitions</li><li>Minority buyouts</li><li>Corporate subsidiary divestitures</li><li>Private equity and venture capital portfolio divestitures</li></ul>	<ul style="list-style-type: none"><li>Senior secured and unsecured debt</li><li>Mezzanine capital</li><li>Growth equity capital</li><li>Recapitalizations</li><li>Private placements of institutional capital</li></ul>	<ul style="list-style-type: none"><li>Business valuations</li><li>Strategic options assessment</li><li>Ownership transition planning</li><li>Corporate reorganizations</li></ul>

### Why Clients Choose Us

<b>100+ Years</b>	Collective investment banking experience of our team	<b>\$7 Billion</b>	Completed transaction experience of our team
<b>Midwest Values</b>	Integrity, experience and commitment are our core values	<b>\$400+ Million</b>	Completed transaction value in the last 12 months
<b>Global Reach</b>	We represent clients across the world	<b>30+ Deals</b>	Number of transactions closed since 2017

### Contact Our Team

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The information contained in this report was compiled by CC Capital Advisors from a variety of sources including news reports, S&P Capital IQ, Pitchbook, IMAA Institute, SEC filings, company statements, and information provided by M&A professionals. Many deals did not disclose pricing, and other private transactions may not have been publicly announced. Transactions are subject to change or termination prior to closing. While CC Capital Advisors makes a good faith effort to ensure the accuracy of this report, it is intended for general information purposes only. CC Capital Advisors is not responsible for any errors or omissions in this report.

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