



PCE Industry Report

Transportation & Logistics



Middle Market M&A Summary

Transportation & Logistics

4th Quarter 2017

Key Highlights

- The average value of the top transactions was \$223 million.
 - The largest transaction was the acquisition of Global Gateway South Terminal by EQT Partners AB & P5 Infrastructure for \$817 million.
- The public company industry median TEV/EBIT multiple is 18.9x.
- The public company industry median TEV/EBITDA multiple is 11.8x.

Key Trends

- Electric vehicle sales increased each month in the fourth quarter, from 21,325 in September to 26,107 in December, and altogether was a 5% increase from Q4 2016.¹
- Technology that supports transportation infrastructure, such as dynamic traffic signals, remote sensors, 5G networks, and ride-sharing services, grew during the quarter and is expected to improve productivity, safety, and efficiency. The city of Los Angeles synchronized 4,500 traffic signals, increasing the average speed of traffic by 16%, while Texas implemented smart transportation systems that adjust traffic flows using sensors, reducing traffic delays by 22%.²
- E-commerce continued to fuel growth in the air cargo industry, with demand outpacing supply by six percentage points in the fourth quarter. Upward pressure is expected to build on air freight prices and M&A activity could rise as shipping companies look to acquire new capabilities to meet rising demand.³
- A partnership between IBM and A.P. Moller Maersk, the world's largest container shipping company, was announced to create a new international trading platform designed to accelerate trade and save billions. The innovation will use blockchain technology to digitize the entire supply chain process and track millions of shipments worldwide.⁴

Source: IBIS World, S&P Capital IQ, and PCE Proprietary Data

¹ "December 2017 Plug-In Electric Vehicle Sales Report Card", Inside EVs, Steven Loveday, January 4, 2018.

² "Smart transportation in China and the United States", Yuming Ge, Xiaoman Liu, Libo Tang, and Darrell M. West, December 2017.

³ "Logistics' e-commerce evolution transforming transportation", www.joc.com, Peter Tirschwell, January 11, 2018.

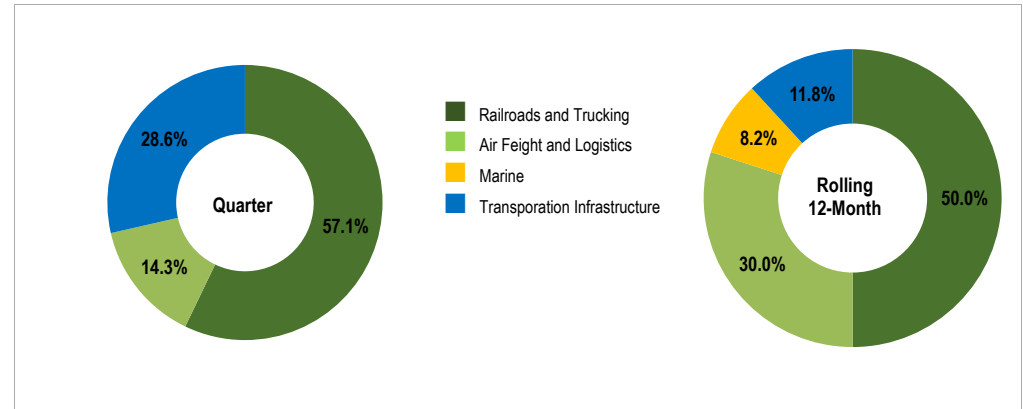
⁴ "Maersk, IBM to launch blockchain-based platform for global trade", Reuters, Jacob Gronholt-Pedersen, January 16, 2018.

Industry Trends During Quarter

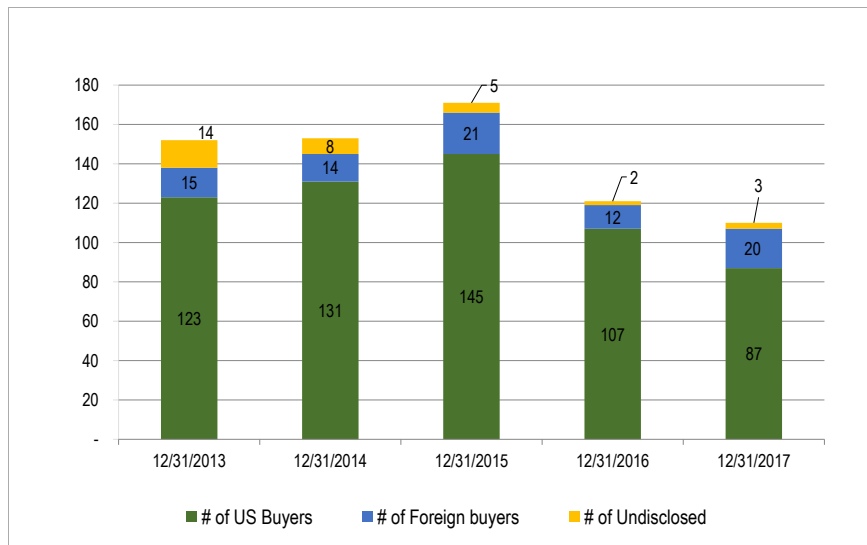
Sector	Transaction Volume	TEV/ Revenue	TEV/EBITDA
Railroads and Trucking	↓	↓	↓
Air Freight and Logistics	↑	↑	↑
Marine	↓	↓	↓
Transportation Infrastructure	→	↓	↓

* Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data

Transaction Volume as % of Industry



Rolling 12-Month Transaction Volume Trends by Buyer Origin



Largest Transactions Closed During Quarter by Transaction Value (\$ in millions)

Sector	Target	Buyer	Transaction Value
Transportation Infrastructure	Global Gateway South Terminal	EQT Partners AB; P5 Infrastructure	\$817.0
Railroads and Trucking	New Acton Mobile Industries LLC	WillScot Corporation	\$235.0
Transportation Infrastructure	Enviva Port of Wilmington, LLC	Enviva Partners, LP	\$130.0
Railroads and Trucking	Keen Transport, Inc.	Wallenius Wilhelmsen Logistics ASA	\$64.0
Railroads and Trucking	Indiana Transport, Inc.	Patrick Industries, Inc.	\$59.0
Air Freight & Logistics	MR Coal Marketing & Trading, LLC	Not Disclosed	\$34.5

About PCE

When you're navigating the critical and sometimes challenging phases of the business life cycle, nothing is more important than getting the right advice at the right time. At PCE, that's our specialty. Providing clients with the insightful strategies, creative solutions, and expert guidance they need to address the challenges they face today and achieve the goals they set for tomorrow.

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- Financial & Management Consulting
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- Consumer & Food
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- IT & Telecom
- Power & Energy
- Transportation & Logistics

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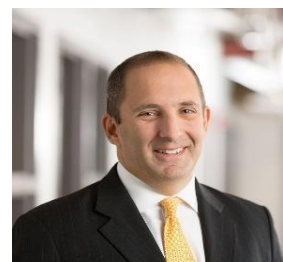


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Data Assumptions

This report represents transaction activity as mergers & acquisitions, consolidations, restructurings and spin-offs. Targets are defined as U.S. Based companies with either foreign or U.S. based buyers. Transaction information provided is based on closed dates only.

Glossary

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation, Amortization

LTM - Last Twelve Months

TEV - Total Enterprise Value

