



DISTRIBUTION & LOGISTICS REPORT

Explore M&A Activity, Capital Market Conditions and Current Trends for the Distribution & Logistics Industry



2H 2021

SDR*Ventures*

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DISTRIBUTION & LOGISTICS REPORT

DISTRIBUTION & LOGISTICS 2H21: WHAT TO KNOW

- ❑ Consumer demand is overwhelming transoceanic shipping capacity, creating clogged ports, supply chain bottlenecks, a spike in shipping costs – and big profits for shippers.
- ❑ Awash in cash, the big players went shopping in 2021.
- ❑ As they enjoy their bounty, industry leaders are aware of new environmental pressures on the sector and are actively seeking ways to reduce emissions and increase efficiency.

High Demand on the High Seas: Treasure for the Shipping Industry

As 2021 began, we watched domestic shipping issues with interest as trucking companies scrambled to find drivers and rail played an increasingly important role in moving goods efficiently. Workers, exiled to home offices by the COVID-19 pandemic, found time to order virtually everything online and were frustrated by shipping backlogs.^{1,2}

In the second half of 2021, the global, ocean-going shipping industry stole the spotlight as the world began to see the effect of consumer demand from the housebound hoards and built-up demand and retailers struggled to restock shelves and warehouses. The twin ports of Los Angeles and Long Beach – the U.S. economy's most essential shipping connection, accounting for some 40% of the country's imports – were overwhelmed. By year's end, ships were backed up two to three weeks waiting to unload.³ And it wasn't just California's ports. Even the world's biggest port, China's Shanghai, has been swamped in a rush to export goods worldwide while tangled up in China's strict COVID-19 regulations and protocols.^{3,4} Total trans-Pacific shipping time nearly doubled including loading and unloading delays.⁵

As demand and wait times rose, so did prices. The cost to ship a 40-foot container has been five times as high as pre-pandemic rates at up to \$15,000 per container.³

And while a spike in shipping demand and portside bottlenecks might not be good for retailers or consumers, it's been great for the shipping industry as a whole. Shippers had their best year ever in 2021, expected to eclipse \$150 billion in pretax profit (consider that figure was closer to \$25 billion in 2020). And the sector's prospects look excellent for 2022.^{6,7}

Flush with cash and eager to capture today's demand, industry leaders are showing a willingness to pay a premium for expansion and got busy acquiring new lines and ordering more ships.^{8,9}

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ABOUT SDR

Established in 2002, SDR Ventures has developed deep M&A and capital transaction knowledge and expertise. SDR offers transaction advisory, private capital formation and business consulting services across a wide range of industries. We serve business owners and operators of privately held companies and provide them with a professional-class experience.

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Buying Spree: Big Players Awash in Profits

The once sleepy, stodgy ocean shipping and port operations sector is bringing in the big bucks and showing no qualms about spending it. Profits were up, but underlying costs didn't change much, allowing companies to reap the windfall. Carriers doubled orders for new ships, making 381 new orders for their giant vessels in 2021.^{9,12}

The world's leading container logistics and shipping company, Maersk, was expecting to report its best year ever at the end of 2021 with expected earnings of more than \$17 billion (the biggest profit ever for a Danish company). In addition to giving every one of its 80,000 employees \$1,000 cash at the end of the year, the company was buying throughout the year, spending freely on growth.¹⁰

Maersk made a \$3.6 billion "big bet" on Asian logistics support with the acquisition of Hong Kong's LF Logistics, but it also made a 51% acquisition of South African logistics company Grindrod, invested in a Silicon Valley electrofuels start-up, consummated the \$838 million acquisition of e-commerce and fulfillment company Visible Supply Chain Management (a 13x EV/EBITDA multiple) as well as the Dutch e-commerce delivery company B2C Europe. Maersk also announced clean energy investments and partnerships, the purchase of Portuguese cloud-based logistics start-up Hubb and accelerated its share buyback program with a new \$5 billion round of buybacks.^{8,11,12}

Across the industry, we've watched the once highly competitive, low-margin sector veer into new ventures. Mediterranean Shipping Co. (MSC) ordered 12 new ships to add to its cruise line, and the world's third-largest shipping line, the French company CMA CGM, launched an air cargo line, purchasing six jets at a cost of about \$350 million each. The company also expanded its logistics footprint with the \$3 billion acquisition of Ingram Micro's cloud-based logistics platforms, including Shipwire. CMA CGM also bought out the majority partner at Fenix Marine Services shipping terminal in Los Angeles, one of the largest terminals in the U.S., for \$2.3 billion.^{12,13,32,33}

Greener Blue Sea?

Ocean-going shippers in 2021 also announced initiatives focused on cleaner, more environmentally friendly trans-oceanic transport. More than 90% of global trade moves by sea, but at a high cost to the environment. It's estimated shipping is responsible for about 3% of the world's greenhouse gas emissions (about all of the annual emissions of Germany), and the shipping industry has vowed to become carbon neutral by 2050, increasing pressure on shippers to innovate.^{14,15}

Once again, Maersk, because of its size, is a major player. To start 2022, the company announced a commitment to net zero emissions by 2040 with further commitments to reduce ocean transport emissions by 50% by 2030. In 2021, the company launched its \$570 million Green Finance Framework bond issue to build eight large ocean-going container ships capable of running on cleaner methanol fuels by 2024. The company also invested in California-based WasteFuel, a company seeking to turn waste into jet fuel, natural gas, and other materials.¹¹

In September, MSC announced the largest ever order for "air lubrication systems" from Silverstream Technologies to install the system – which improves fuel efficiency by creating a carpet of air bubbles under the hull – in 30 new ships. And in October, California-based West Coast Clean Fuels announced contracts to provide liquified natural gas to fuel two new freighters operated out of Long Beach by Pasha Hawaii Holdings for the companies California-to-Hawaii routes. In March, Singapore-based Eastern Pacific Shipping partnered with Dutch OCI N.V. and engine manufacturer MAN Energy Solutions to develop methanol and ammonia as marine fuels and retrofit vessels from the Eastern Pacific fleet to use the emerging, low-emission fuels.^{16,17,18}

Mergers & Acquisitions

- ❑ The world's largest shipping container logistics operator Maersk made what the company called "a big bet" on Asia in December with the \$3.6 billion acquisition of Hong Kong-based LF Logistics. The deal is one of Maersk's biggest as shipping giants showed a willingness to pay a premium for positioning amid pandemic-induced shipping frenzy. The Maersk deal represents a 14.4x EBITDA multiple. Just two years ago, LF Logistics was valued at \$1.4 billion. The 2021 Maersk acquisition indicates LF Logistics' value doubled in just those two years.^{19,20,21}



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- ❑ Not sitting on the sidelines, Maersk's closest competitor, Mediterranean Shipping Co. (MSC) in December announced it had entered into exclusive talks to acquire the African transportation and shipping business of Bellore SA for \$6.4 billion including debt. The African business of Bellore includes 21,000 employees in 49 countries working in 42 ports, including 16 container terminals and ferry ports and rail. MSC operates a fleet of about 600 ships serving 500 ports with 100,000 employees.⁶
- ❑ Private equity and institutional investors are also showing interest in the sector. In November, Blackstone bought out the controlling shareholders of Carrix Inc., a major player in marine terminal operation. The deal was valued at \$2.5 billion. Similarly, the Canada Pension Plan Investment Board in September announced the purchase of one of America's largest marine terminal operators, Ports America, from Oaktree Capital Management. The deal was reportedly valued at more than \$4 billion. The board also holds a one-third interest in Associated British Ports. Ports America operates in 70 locations at 33 U.S. ports handling 10 million tons of cargo.^{22,23}
- ❑ Regarding interest in "clean shipping," in October, Clean Sea Transport – a joint venture among MSEA Group, Arkview Capital, and Scorpio Tankers – acquired Sweden-based Marininvest's fleet of methanol-fueled tankers in a bid to promote more environmentally-friendly shipping. Marininvest is a pioneer in eco-friendlier methanol-powered vessels.²⁴

Ahoy, 2022: Over the Horizon

Looking ahead, much of what can and can't happen may depend on a stubborn pandemic and fickle consumer demand. The backlog is going to be a difficult situation to fix, and it's hard to see how bottlenecks at ports are eliminated – even with government intervention – if consumer demand remains high. There are some in the field who believe current conditions may last into 2023. Our supply chain is a delicate dance among ocean-going shippers, long- and short-haul trucking, rail, and air. As we saw early last year's shortage of truckers, any disruption in the chain can complicate our daily lives.²⁵

Alternatives to the clogged ports of Long Beach and Los Angeles have been proposed. Officials around the country are offering their states. Texas launched an "Escape California" campaign aimed at shippers. Florida touted its 15 ports with the Port of Jacksonville's director boasting, "We are within about a one-day truck drive of nearly 100 million consumers." And back in California, the Port of Oakland added 300 workers and said it's ready to take Los Angeles' overflow.²⁶

But being willing to accommodate more traffic doesn't mean being able to. Ships have gotten continually larger, and facilities have scrambled to keep up. The Port Authority of New York and New Jersey spent six years and \$1.7 billion to raise the Bayonne Bridge 215 feet to allow for bigger ships.²⁷

It took \$5 billion and seven years to increase the size of the Panama Canal's locks to accommodate modern ships. The locks are 1,400 feet long. But Evergreen Marine's new ship Ever Ace launched in 2021 at 1,300 feet long. Doesn't leave much room in the locks for the two necessary tugboats (which themselves are 100 feet long). If Evergreen Marine sounds familiar, the company owns the ship Ever Given, which got stuck last year in the Suez Canal.^{28,29}

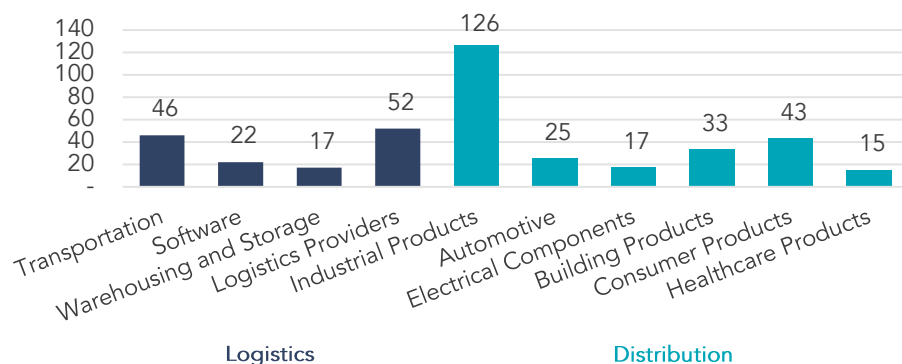
And then there's the U.S. labor shortage, hampering domestic port operations as it is affecting so many other sectors.³¹

So, what's the answer to 2021's shipping madness? Since it appears consumer demand is overwhelming our logistical capacity, maybe the only things normalize – at least for now – is for demand to normalize. Until high demand for shipping subsides, we expect to see activity across the sector as operators seek to spend record profits, build scale, and target the most innovative in related support and logistical sectors.³⁰

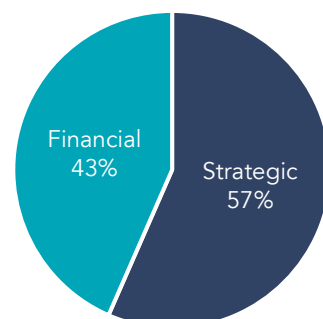


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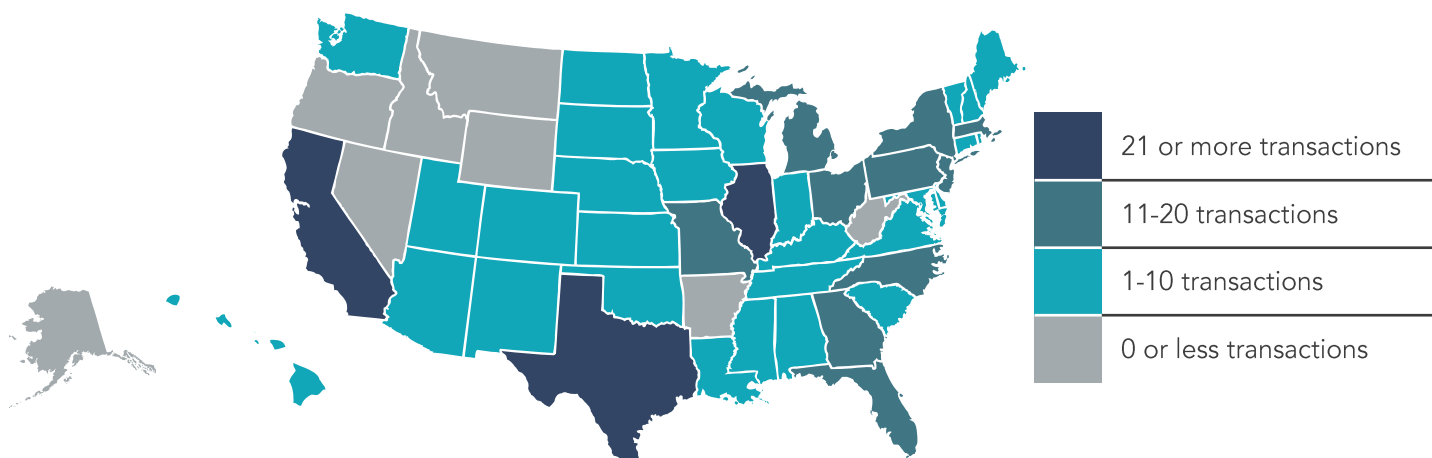
TRANSACTIONS BY SEGMENT



TRANSACTIONS BY TYPE



TRANSACTIONS BY LOCATION



TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
12/16/21	Kaman Distribution Group	Motion Industries	Industrial Products	1,300.00	-	-
12/14/21	Almo	DCC	Industrial Products	610.00	-	-
12/14/21	Kansas City Southern	Canadian Pacific Railway	Transportation	34,330.00	11.9x	47.4x
12/9/21	Storage West Platform	Cubesmart	Warehousing and Storage	1,730.90	-	-
12/6/21	Coastal Sunbelt	Sysco	Consumer Products	-	-	-
12/2/21	American Paper & Twine	Bain Capital, Imperial Dade	Industrial Products	-	-	-
11/30/21	BDP International	PSA International, Temasek Holdings	Logistics Providers	1,500.00	-	-
11/23/21	Echo Global Logistics	The Jordan Company	Logistics Providers	1,246.03	0.4x	10.7x

If You Are a Business Owner Looking for Additional Transaction Activity Within Your Industry, Please Call Our Offices at 720.221.9220.

Source: Pitchbook Financial Data and Analytics

Note: This data represents recorded transactions only, and is not all-inclusive. Nevertheless, they are typically representative of the industry.



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ACTIVE BUYERS

MOST ACTIVE STRATEGIC BUYERS

FIRM	SELECT SUBSIDIARY BRANDS				
	 Distributors of Pool & Spa Products	 Pool & Electrical Products	 LANDSCAPE SUPPLY 410-679-6700	 BUILDING MATERIALS, LANDSCAPE SUPPLIES GENERAL ENGINEERING	 QUALITY POOL SUPPLY
	 PCS POOL CONTRACTORS SUPPLY More than a supplier, your partner	 Johnston FOOD SERVICE & CLEANING SOLUTIONS		 Swish WHITE RIVER LTD. Premier Distributor of Janitorial and Foodservice Solutions	
	 AMBROSE EQUIPMENT CO.	 BARON AN ALTA MATERIAL HANDLING COMPANY	 GIBSON MACHINERY, LLC 'Whatever it Takes...'		

SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

FIRM	SELECT SUBSIDIARY BRANDS				
	 ARS ALOHA ROOFING SUPPLY	 Partstown	 ACORN ARS ROOFING SUPPLY	 Zep VehicleCare	 WIMSATT BUILDING MATERIALS
 Weatherpanel	 Audax Group	 PYRAMID WIRE & INSULATION	 ACD ADVANCED CONTROLS & DISTRIBUTION	 ALEXIS OIL COMPANY	 HB Horizon Bradco
 BainCapital	 AMERICAN PAPER & Twine	 AE SUPPLY CORP. ATLANTIC ELECTRICAL	 EBP Supply Solutions	 MAILENDER Distributing Excellence	 GARRETT PAPER, Inc.
				 NICHOLS	

Source: Pitchbook Financial Data and Analytics

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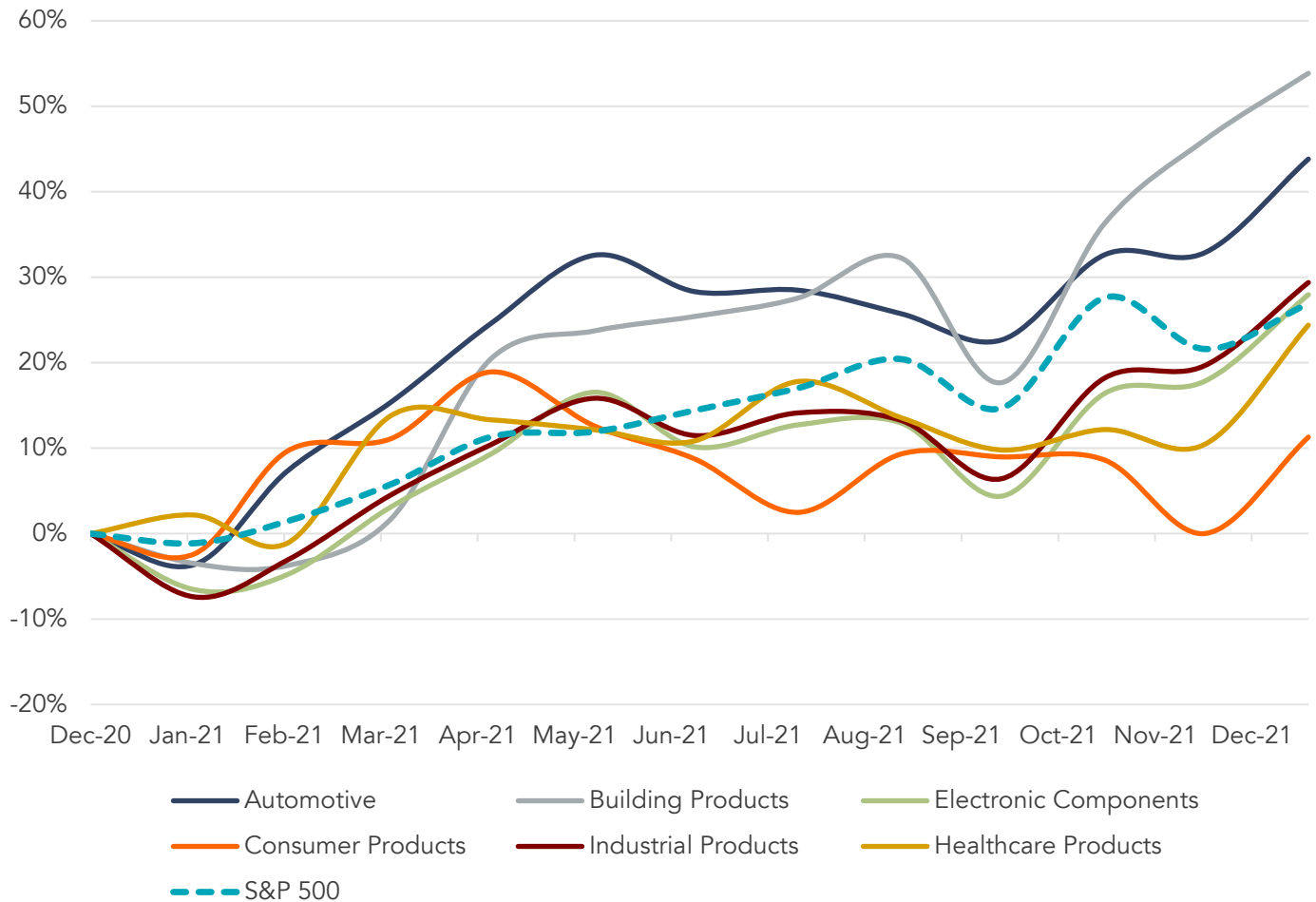


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DISTRIBUTION PUBLIC BASKET

DISTRIBUTION SEGMENTS VS. S&P 500

Segment Market Cap Performance – Running 12 Months



AUTOMOTIVE

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples		
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Genuine Parts	GPC	\$ 19,968	\$ 140.20	39.6%	39.6%	99.2%	6.7%	7.9%	12x	15.5x	24.9x	1.1x	12.3x
LKQ	LKQ	17,498	60.03	70.3%	70.3%	99.7%	4.4%	13.5%	16x	12.0x	17.4x	16x	115x
Dorman Products	DORM	3,574	113.01	30.2%	30.2%	919%	22.4%	16.2%	3.1x	18.9x	27.2x	2.5x	15.3x
Kaman	KAMN	1,202	43.15	(24.5%)	(24.5%)	72.2%	4.4%	8.7%	18x	20.4x	NM	1.7x	11.7x
Uni-Select	UNS	884	20.19	217.4%	217.4%	96.2%	8.2%	5.1%	0.8x	15.9x	NM	0.7x	8.5x
Lawson Products	LAWS	497	54.75	7.5%	7.5%	88.2%	4.4%	5.3%	12x	23.5x	49.3x	12x	12.6x
Segment Average				56.8%	56.8%	91.2%	8.4%	9.4%	1.6x	17.7x	29.7x	1.5x	12.0x
Segment Median				34.9%	34.9%	94.0%	5.6%	8.3%	1.4x	17.4x	26.1x	1.4x	12.0x

Source: Pitchbook Financial Data and Analytics



DISTRIBUTION & LOGISTICS REPORT

DISTRIBUTION PUBLIC BASKET (CONTINUED)

HEALTHCARE PRODUCTS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
McKesson	MCK	\$ 37,952	\$ 248.57	42.9%	42.9%	99.0%	3.7%	(17%)	0.2x	NM	NM	0.2x	9.2x
AmerisourceBergen	ABC	27,659	132.89	35.9%	35.9%	98.2%	12.5%	14%	0.2x	11x	18.0x	0.1x	9.0x
Cardinal Health	CAH	14,509	5149	(3.9%)	(3.9%)	818%	8.7%	10%	0.1x	10.8x	13.3x	0.1x	6.7x
Henry Schein	HSIC	10,751	77.53	16.0%	16.0%	92.9%	2.3%	8.2%	1x	13.0x	17.7x	10x	117x
Owens & Minor	OMI	3,282	43.50	60.8%	60.8%	88.5%	(15%)	4.6%	0.5x	9.9x	14.0x	0.5x	10.0x
Patterson Companies	PDCO	2,862	29.35	(0.9%)	(0.9%)	78.5%	18%	4.8%	0.5x	11x	18.0x	0.5x	10.1x
Segment Average				25.1%	25.1%	89.8%	4.6%	3.0%	0.4x	11.2x	16.2x	0.4x	9.4x
Segment Median				25.9%	25.9%	90.7%	3.0%	3.0%	0.3x	11.1x	17.7x	0.3x	9.6x

BUILDING PRODUCTS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
W.W. Grainger	GWW	\$ 26,700	\$ 518.24	26.9%	26.9%	98.3%	11.0%	12.8%	2.3x	18.0x	29.6x	2.1x	14.5x
POOLCORP	POOL	22,690	566.00	519%	519%	97.2%	14.3%	15.9%	4.5x	28.7x	38.3x	4.0x	24.4x
Beacon Roofing Supply	BECN	4,021	57.35	42.7%	42.7%	94.1%	7.0%	8.4%	0.9x	11x	20.3x	0.9x	9.1x
Boise Cascade	BCC	2,800	7120	49.0%	49.0%	90.9%	(3.9%)	12.3%	0.3x	3.0x	5.0x	0.3x	3.8x
BlueLinx Holdings	BXC	930	95.76	227.3%	227.3%	99.2%	(16.6%)	9.3%	0.4x	3.8x	3.8x	0.4x	6.6x
Huttig Building Products	HBP	303	1107	2016%	2016%	97.5%	NM	5.6%	0.5x	8.4x	7.2x	NM	NM
Segment Average				99.9%	99.9%	96.2%	2.4%	10.7%	1.5x	12.2x	17.4x	1.5x	11.7x
Segment Median				50.5%	50.5%	97.4%	7.0%	10.8%	0.7x	9.8x	13.8x	0.9x	9.1x

ELECTRONIC COMPONENTS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
W.W. Grainger	GWW	\$ 26,700	\$ 518.24	26.9%	26.9%	98.3%	11.0%	12.8%	2.3x	18.0x	29.6x	2.1x	14.5x
Arrow Electronics	ARW	9,349	134.27	38.0%	38.0%	98.0%	4.8%	4.7%	0.3x	7.3x	10.4x	0.3x	6.4x
WESCO International	WCC	6,633	131.59	67.6%	67.6%	93.4%	7.8%	5.0%	0.7x	13.1x	26.4x	0.6x	8.9x
Avnet	AVT	4,091	41.23	17.4%	17.4%	90.8%	9.3%	3.0%	0.3x	9.0x	12.8x	0.2x	NM
ScanSource	SCSC	900	35.08	33.0%	33.0%	85.9%	5.5%	3.8%	0.3x	8.5x	13.3x	0.3x	7.1x
Richardson Electronics	RELL	180	13.52	187.0%	187.0%	97.0%	NM	5.0%	0.8x	15.5x	32.2x	NM	NM
Segment Average				61.7%	61.7%	93.9%	7.7%	5.7%	0.8x	11.9x	20.8x	0.7x	9.2x
Segment Median				35.5%	35.5%	95.2%	7.8%	4.8%	0.5x	11.1x	19.9x	0.3x	8.0x

Source: Pitchbook Financial Data and Analytics



DISTRIBUTION & LOGISTICS REPORT

DISTRIBUTION PUBLIC BASKET (CONTINUED)

CONSUMER PRODUCTS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
Sysco	SYT	\$ 40,269	\$ 78.55	5.8%	5.8%	90.6%	19.6%	4.6%	0.9x	19.6x	59.5x	0.7x	12.6x
US Foods	USFD	7,760	34.83	4.6%	4.6%	82.7%	12.8%	2.5%	0.5x	18.5x	NM	0.4x	9.4x
Performance Food Group	PFGC	7,081	45.89	(3.6%)	(3.6%)	76.6%	60.8%	1.9%	0.4x	18.2x	NM	0.2x	10.9x
United Natural Foods	UNFI	2,851	49.08	207.3%	207.3%	84.8%	4.4%	2.6%	0.2x	9.1x	13.6x	0.2x	8.2x
The Chefs' Warehouse	CHEF	1,262	33.30	29.6%	29.6%	88.0%	45.9%	(2.5%)	1.1x	NM	NM	0.8x	15.4x
SpartanNash	SPTN	926	25.76	48.0%	48.0%	97.7%	(0.8%)	2.1%	0.2x	8.6x	14.5x	0.2x	7.8x
Coreo	CORE	23	134	(36.8%)	(36.8%)	62.5%	295.2%	11.3%	12.7x	NM	NM	3.2x	NM
Segment Average				36.4%	36.4%	83.3%	62.6%	3.2%	2.3x	14.8x	29.2x	0.8x	10.7x
Segment Median				5.8%	5.8%	84.8%	19.6%	2.5%	0.5x	18.2x	14.5x	0.4x	10.2x

INDUSTRIAL PRODUCTS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
Fastenal	FAST	\$ 36,845	\$ 64.06	312%	312%	98.9%	14.2%	23.1%	6.4x	27.6x	416x	5.6x	24.1x
W.W. Grainger	GWW	26,700	518.24	26.9%	26.9%	98.3%	110%	12.8%	2.3x	18.0x	29.6x	2.1x	14.5x
Genuine Parts	GPC	19,968	140.20	39.6%	39.6%	99.2%	6.7%	7.9%	12x	15.5x	24.9x	1.1x	12.3x
WESCO International	WCC	6,633	131.59	67.6%	67.6%	93.4%	7.8%	5.0%	0.7x	13.1x	26.4x	0.6x	8.9x
Msc Industrial Direct Co	MSM	4,690	84.06	(0.4%)	(0.4%)	87.4%	9.9%	12.3%	1.6x	13.4x	19.3x	1.5x	10.3x
DistributionNOW	DNOW	944	8.54	18.9%	18.9%	71.3%	20.3%	(16%)	0.4x	NM	NM	0.4x	8.9x
MRC Global	MRC	569	6.88	3.8%	3.8%	56.3%	17.7%	1.9%	0.6x	28.7x	NM	0.5x	7.9x
Lawson Products	LAWS	497	54.75	7.5%	7.5%	88.2%	4.4%	5.3%	12x	23.5x	49.3x	12x	12.6x
Segment Average				24.4%	24.4%	86.6%	11.5%	8.3%	1.8x	20.0x	31.9x	1.6x	12.5x
Segment Median				22.9%	22.9%	90.8%	10.5%	6.6%	1.2x	18.0x	28.0x	1.2x	11.3x

Source: Pitchbook Financial Data and Analytics

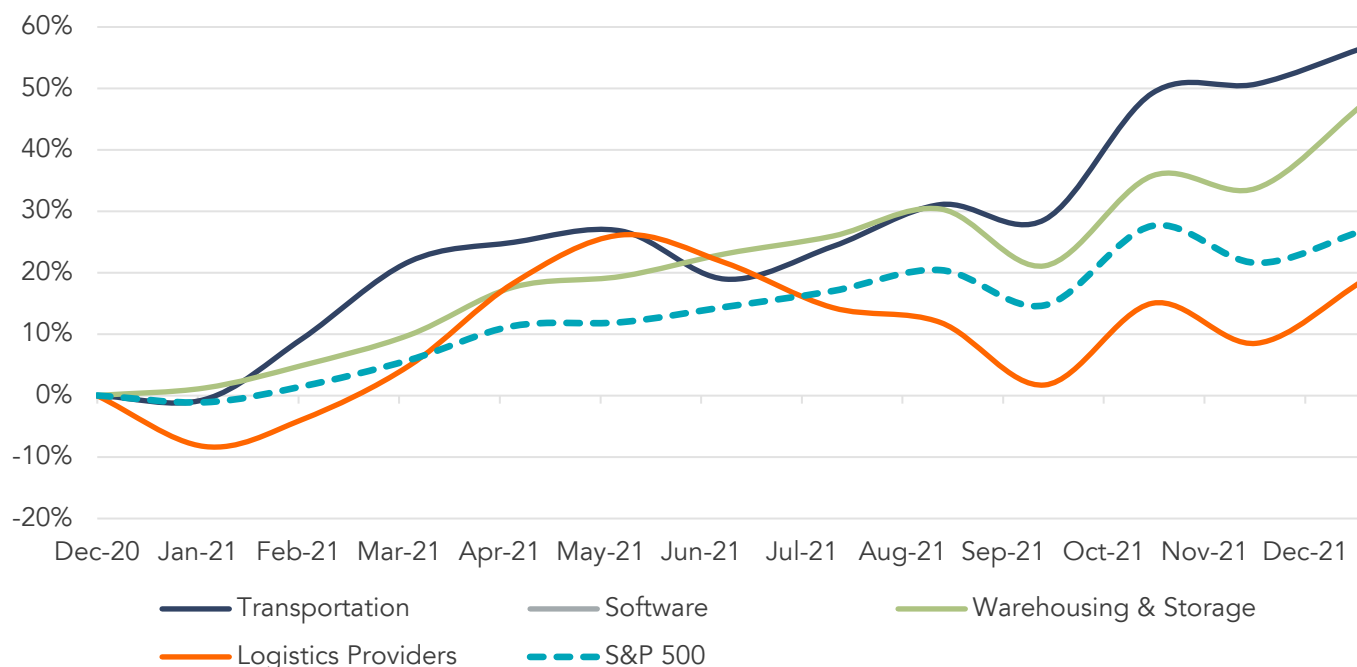


DISTRIBUTION & LOGISTICS REPORT

LOGISTICS PUBLIC BASKET

LOGISTICS SEGMENTS VS. S&P 500

Segment Market Cap Performance – Running 12 Months



TRANSPORTATION

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
United Parcel Service	UPS	\$ 186,292	\$ 214.34	27.3%	27.3%	97.3%	6.1%	12.7%	2.1x	16.8x	29.3x	2.0x	12.1x
FedEx	FDX	68,532	258.64	(0.4%)	(0.4%)	80.9%	6.3%	12.4%	1x	8.9x	14.2x	10x	8.5x
Old Dominion Freight Line	ODFL	412.16	358.38	83.6%	83.6%	95.9%	19.6%	31.1%	8.3x	26.6x	44.3x	6.9x	20.7x
J.B. Hunt Transport Services	JBHT	21,465	204.40	49.6%	49.6%	98.8%	22.2%	13.0%	19x	15.0x	32.4x	16x	12.2x
Knight-Swift Transportation	KNX	10,113	60.94	45.7%	45.7%	97.8%	27.9%	25.8%	2.2x	8.4x	16.2x	17x	6.9x
Saia	SAIA	8,876	337.03	86.4%	86.4%	92.2%	19.7%	20.0%	4.2x	20.8x	410x	3.5x	15.9x
Landstar System	LSTR	6,822	179.02	32.9%	32.9%	94.9%	12.5%	8.3%	1x	13.8x	20.6x	10x	12.3x
Schneider National	SNDR	4,781	26.91	30.0%	30.0%	98.5%	14.3%	14.5%	0.9x	5.9x	13.7x	0.7x	5.0x
Ryder System	R	4,426	82.43	33.5%	33.5%	88.6%	9.4%	27.7%	1x	3.9x	12.1x	10x	3.9x
Werner Enterprises	WERN	3,188	47.66	215%	215%	95.8%	13.0%	22.7%	14x	6.0x	13.4x	12x	5.6x
ArcBest	ARCB	3,064	119.85	180.9%	180.9%	95.9%	33.2%	9.7%	0.8x	8.4x	18.7x	0.6x	7.0x
Atlas Air Worldwide Holdings	AAWW	2,732	94.12	72.6%	72.6%	99.1%	6.5%	29.2%	12x	4.1x	5.4x	1x	5.0x
Marten Transport	MRTN	1,423	17.16	(0.4%)	(0.4%)	93.7%	17.7%	22.4%	14x	6.4x	17.9x	12x	NM
Heartland Express	HTLD	1,327	16.82	(7.1%)	(7.1%)	83.1%	0.3%	34.1%	19x	5.5x	17.5x	19x	5.8x
P.A.M. Transportation Services	PTSI	793	71.01	189.8%	189.8%	86.8%	25.7%	23.4%	15x	6.5x	13.0x	12x	NM
Canadian General Investment	CGI	721	34.55	26.6%	26.6%	95.9%	NM	NM	2.5x	NM	2.2x	NM	NM
Universal Logistics Holdings	ULH	508	16.86	(8.4%)	(8.4%)	67.5%	(313%)	10.9%	0.6x	5.7x	6.9x	0.9x	NM
Usa Truck	USAK	177	19.88	122.6%	122.6%	84.4%	10.2%	10.3%	0.5x	4.8x	9.6x	0.4x	NM
Roadrunner Transportation Services	RRTS	81	2.15	3.9%	3.9%	35.1%	NM	NM	NM	NM	NM	0.1x	2.0x
Segment Average				52.1%	52.1%	88.5%	12.5%	19.3%	1.9x	9.9x	18.3x	1.6x	8.8x
Segment Median				32.9%	32.9%	94.9%	13.0%	20.0%	1.4x	6.5x	15.2x	1.2x	6.9x

Source: Pitchbook Financial Data and Analytics



DISTRIBUTION & LOGISTICS REPORT

LOGISTICS PUBLIC BASKET (CONTINUED)

SOFTWARE

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Aspen Technology	AZPN	\$ 10,185	\$ 152.20	16.9%	16.9%	89.9%	2.5%	510%	14.0x	27.6x	319x	13.7x	27.6x
Manhattan Associates	MANH	9,840	155.49	47.8%	47.8%	82.5%	10.8%	22.4%	15.0x	67.3x	90.4x	13.6x	54.3x
Descartes Systems Group	DSGX	6,946	82.68	414%	414%	90.5%	13.6%	40.1%	16.7x	417x	84.4x	14.7x	33.7x
SPS Commerce	SPSC	5,120	142.35	31.1%	31.1%	81.6%	212%	21.1%	13.4x	63.4x	115.7x	110x	38.9x
American Software	AMSWA	877	26.17	52.4%	52.4%	78.7%	7.6%	13.8%	6.6x	47.7x	77.0x	6.1x	46.5x
Park City Group	PCYG	113	5.80	21.1%	21.1%	73.3%	8.2%	22.8%	4.6x	16.9x	29.0x	4.2x	11.7x
Segment Average				35.1%	35.1%	82.8%	10.7%	28.5%	11.7x	44.1x	71.4x	10.6x	35.5x
Segment Median				36.2%	36.2%	82.0%	9.5%	22.6%	13.7x	44.7x	80.7x	12.3x	36.3x

WAREHOUSING & STORAGE

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Public Storage	PSA	\$ 65,681	\$ 374.56	62.2%	62.2%	99.3%	17.5%	74.1%	22.9x	310x	44.8x	19.6x	28.9x
PACCAR	PCAR	30,642	88.26	2.3%	2.3%	85.5%	12.4%	14.1%	16x	116x	17.6x	15x	114x
Extra Space Storage	EXR	30,357	226.73	95.7%	95.7%	99.1%	14.9%	75.3%	24.3x	32.2x	42.1x	211x	29.9x
Wabtec	WAB	17,208	92.11	25.8%	25.8%	94.3%	9.5%	15.9%	2.7x	16.9x	38.2x	2.4x	12.8x
Cubesmart	CUBE	12,453	56.91	69.3%	69.3%	99.3%	20.0%	614%	19.3x	315x	517x	16.1x	24.6x
National Storage Affiliates	NSA	6,164	69.20	92.1%	92.1%	98.8%	27.8%	63.9%	17.3x	27.0x	NM	13.5x	17.6x
Dana (Automotive)	DAN	3,291	22.82	16.9%	16.9%	80.2%	10.7%	8.8%	0.7x	7.7x	15.7x	0.6x	5.9x
Meritor	MTOR	1,736	24.78	(112%)	(112%)	73.8%	NM	10.9%	0.7x	6.5x	9.0x	NM	NM
American Axle & Manufacturing	AXL	1,064	9.33	11.9%	11.9%	71.5%	7.2%	15.7%	0.7x	4.5x	12.3x	0.7x	4.1x
Wabash National	WNC	966	19.52	13.3%	13.3%	95.0%	316%	6.5%	0.8x	12.0x	32.0x	0.6x	7.0x
Miton UK MicroCap Trust	MINI	132	1.21	27.3%	27.3%	75.8%	NM	NM	2.3x	NM	3.0x	NM	NM
Segment Average				36.9%	36.9%	88.4%	16.8%	34.7%	8.5x	18.1x	26.6x	8.5x	15.8x
Segment Median				25.8%	25.8%	94.3%	14.9%	15.8%	2.3x	14.4x	24.8x	2.4x	12.8x

LOGISTICS PROVIDERS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
United Parcel Service	UPS	\$ 186,292	\$ 214.34	27.3%	27.3%	97.3%	6.1%	12.7%	2.1x	16.8x	29.3x	2.0x	12.1x
FedEx	FDX	68,532	258.64	(0.4%)	(0.4%)	80.9%	6.3%	12.4%	1.1x	8.9x	14.2x	1.0x	8.5x
Expeditors International of Washington	EXPD	22,749	134.29	41.2%	41.2%	97.5%	(16%)	11.1%	15x	13.1x	19.9x	15x	17.1x
C.H. Robinson Worldwide	CHRW	13,991	107.63	14.7%	14.7%	99.6%	9.8%	5.2%	0.7x	14.5x	19.0x	0.7x	13.3x
XPO Logistics	XPO	8,882	77.43	116%	116%	85.3%	(27.9%)	8.4%	0.9x	9.1x	28.8x	10x	9.8x
Forward Air	FWRD	3,264	121.09	57.6%	57.6%	98.2%	17.5%	10.6%	2.3x	21.3x	35.8x	19x	NM
Atlas Air Worldwide Holdings	AAWW	2,732	94.12	72.6%	72.6%	99.1%	6.5%	29.2%	12x	4.1x	5.4x	1.1x	5.0x
Air Transport Services Group	ATSG	2,180	29.38	(6.3%)	(6.3%)	90.6%	13.7%	38.2%	2.2x	5.6x	13.5x	19x	6.0x
Park Ohio Holdings	PKOH	267	21.17	(31.5%)	(31.5%)	50.7%	6.4%	4.4%	0.6x	14.0x	NM	0.6x	8.4x
Segment Average				20.8%	20.8%	88.8%	4.1%	14.7%	1.4x	11.9x	20.8x	1.3x	10.0x
Segment Median				14.7%	14.7%	97.3%	6.4%	11.1%	1.2x	13.1x	19.5x	1.1x	9.1x

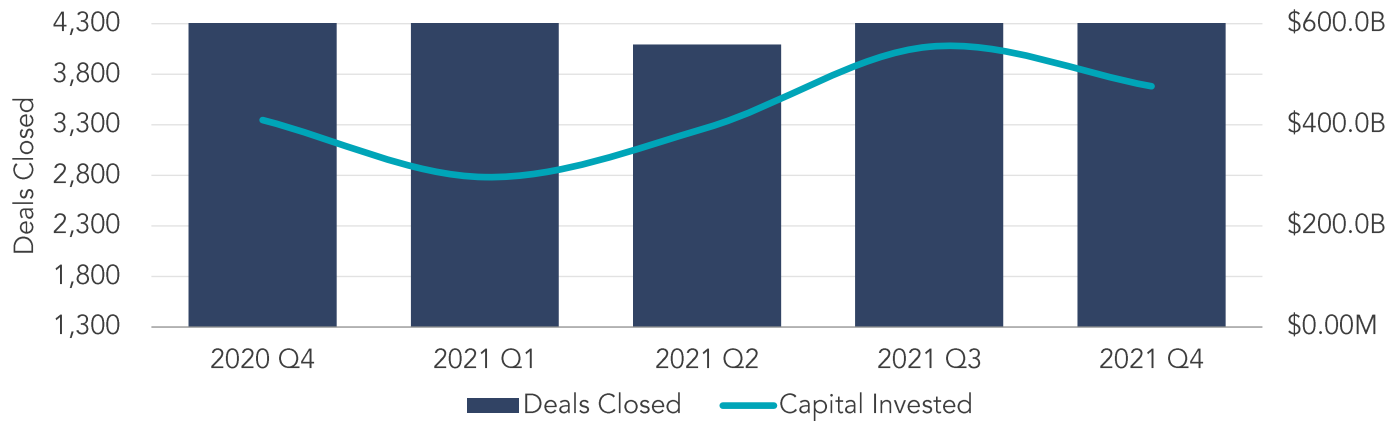
Source: Pitchbook Financial Data and Analytics



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U.S. M&A ACTIVITY SNAPSHOT

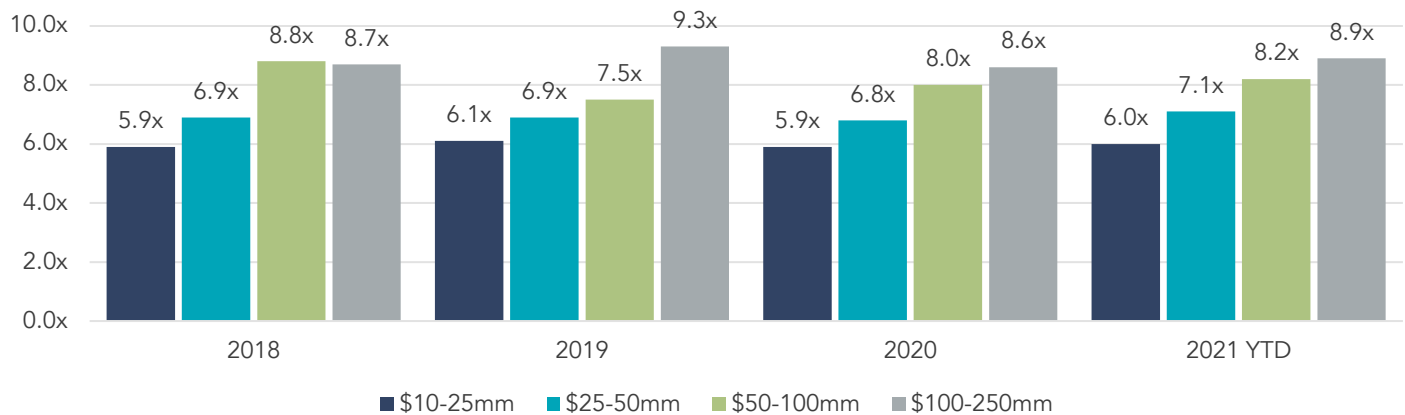
OVERALL U.S. M&A ACTIVITY



Source: PitchBook Financial Data and Analytics

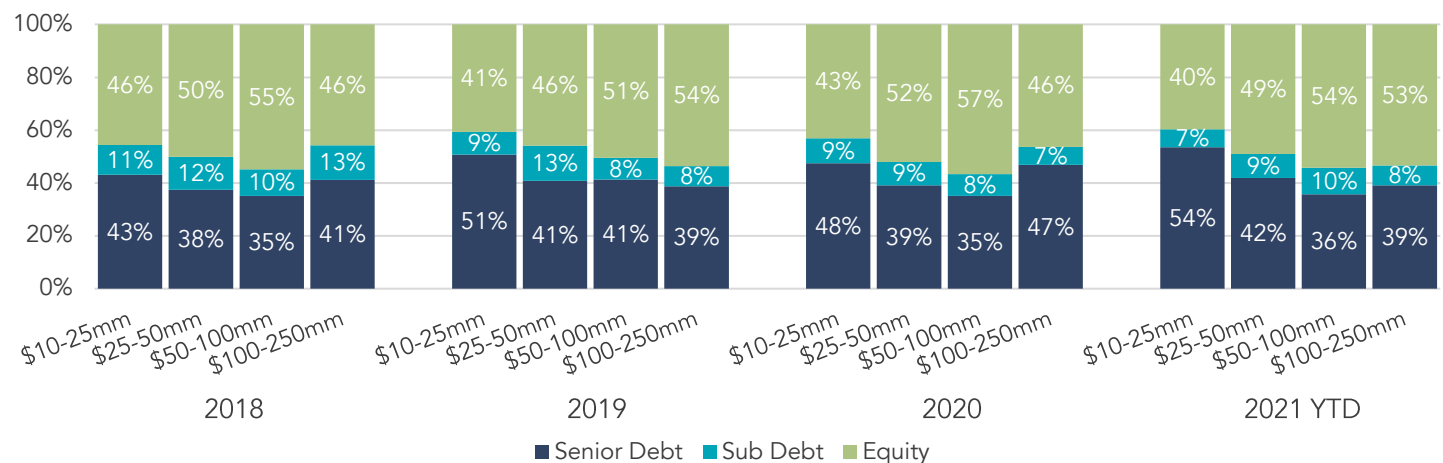
LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



Source: GF Data®

CAPITAL BREAKDOWN – LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTIONS



Note: The most current source of GF Data is as of November 2021.

Source: GF Data®



DISTRIBUTION & LOGISTICS REPORT

COMPREHENSIVE DISTRIBUTION & LOGISTICS EXPERTISE

With ownership and operations backgrounds in both logistics and distribution, our team has the depth of experience and industry expertise that you want on your side. Our team is active in the marketplace and consults regularly for dealership network peer groups on increasing transferable value. Let us help you understand the market and maximize the value of your transactions.

Our specialties in Logistics include: Our specialties in Distribution include:

- | | |
|--|--|
| <input type="checkbox"/> Trucking | <input type="checkbox"/> Consumer Products |
| <input type="checkbox"/> Logistics Software | <input type="checkbox"/> Electronic Components |
| <input type="checkbox"/> Warehousing and Storage | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Logistics Providers | <input type="checkbox"/> Healthcare |

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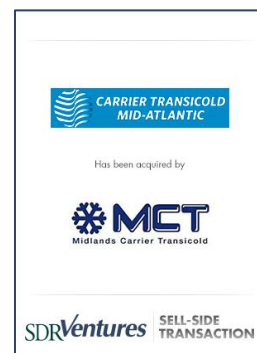
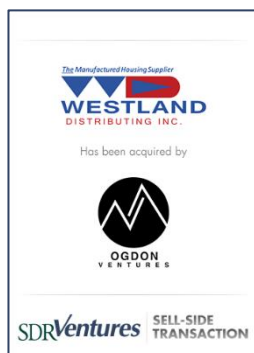
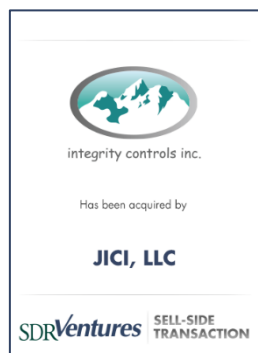
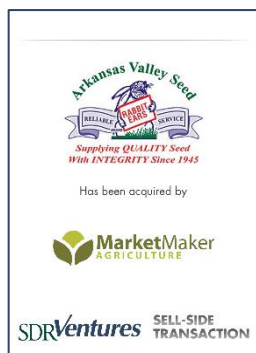
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RECENT SDR TRANSACTIONS

SDR has completed numerous transactions in Distribution & Logistics, most recently:



SDR SERVICE OFFERINGS



SELL-SIDE ADVISORY



PRIVATE CAPITAL FORMATION



BUY-SIDE ADVISORY



STRATEGIC CONSULTING



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