



DISTRIBUTION & LOGISTICS REPORT

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

2H 2024

SDR*Ventures*

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DISTRIBUTION & LOGISTICS REPORT

DISTRIBUTION & LOGISTICS 2H24: WHAT TO KNOW

- ❑ The 2024 U.S. elections shook up a lot of things, but the sheer number of issues poised to challenge the distribution and logistics sector can feel overwhelming.
- ❑ As producers look to get “inside the gate” and avoid tariffs by manufacturing goods in the U.S., unintended consequences may arise as crossing oceans on huge shipping containers shifts to a boom in domestic distribution by rail, congested roads, and aging bridges. Or overseas manufacturers may adjust shipping routes to favor alternative markets.
- ❑ Whatever happened to free trade, competition, and capitalism? It’s been in short supply on both sides of the political spectrum of late, sometimes in surprising ways. There has been some surprising resistance to the concept of free markets and trade from both sides of the political spectrum.

In or Out? Tariffs, Trade, Distribution, and Logistics

The 2024 U.S. election certainly altered the country’s political direction, but it may also be shaking up the country’s commercial relationship with the world, and that adds up to a potentially seismic upheaval in distribution and logistics. American business – and foreign manufacturers – spent a good part of Q4 2024 pondering the changes, and at the end of the year we were watching some already adjusting with a flurry of imports and manufacturing investments inside the country to avoid potential import duties and logistical snarls.^{1,2}

But tariffs aren’t the only story potentially impacting how we move things around the world. The politics of labor may also play a role. We’ve also seen an unusual new focus on the Panama Canal. We haven’t heard this much about the canal since Jimmy Carter (or maybe Teddy Roosevelt). Interestingly, the canal’s use going forward was already facing challenges, with slowdowns and backlogs in 2024 due to severe drought and struggles to adapt to today’s larger ships. Mexico has been talking about creating its own “land canal,” using rail to carry freight from ships at a Pacific port to ships waiting in the Gulf of Mexico. The proposal includes a \$2.8 billion effort to lay 188 miles of rail that proponents say could move 1.4 million containers a year within a decade. Even China is looking at Pacific options in the Americas, first pursuing an alternative to the Panama Canal with a water route through Nicaragua (a dream that appeared to die in 2024) then this year opening a \$1.3 billion megaport on the Peruvian coast, 40 miles north of the capital Lima.^{3,4,5,6,7}

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CONTENTS

[Transaction Activity](#)[Active Buyers](#)[Public Baskets](#)[M&A Market Activity](#)[About SDR Ventures](#)

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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DISTRIBUTION & LOGISTICS REPORT

The threat of U.S. tariffs could trigger changes around the world, whether that's other countries countering U.S. duties with their own on U.S. goods or manufacturing nations pivoting to other trading partners and customers. Some 437 million consumers live in South America, which doesn't include the 131 million in Mexico (part of North America, but with Pacific access to Asia). There are massive cities in South America and Mexico distributors could target including Sao Paulo (23 million), Mexico City (22 million), and Buenos Aires (15 million). Chinese products are ubiquitous in South America, and it makes us wonder if the Panama Canal is as vital to Asian exporters as some believe. At some point, the ease of reaching 23 million consumers at a single port may outweigh the value of dealing with a restricted canal and U.S. tariffs to ship a box of widgets to a discount outlet in rural Maine. Distribution is a business, not a public service. The sector will likely be reacting to a lot of competing forces in the coming years, and there may be some changes we didn't consider.^{8,9,10}

Free Trade in Focus

This renewed focus on impeding free trade is surfacing in unusual places and making for some strange bedfellows. Going against typical Republican policy, President Trump has taken an unexpected turn into support for distribution labor. The Longshoremen's union leaders praised President Trump for his help as they negotiate a new port contract, one that favors labor over automation. ILA leaders even met with the president at his Mar-a-Lago home.^{11,12}

Maybe we should have these swings in sentiment coming. A 2019 headline in Fortune magazine reads "On Trade, Trump and Alexandria Ocasio-Cortez Share Some Common Ground." Let that sink in, President Trump and AOC on the same side? Expect the unexpected in the years ahead.¹³

The dockworkers' strike was about labor demands for higher pay, job protections, and rejecting automation. It's like someone is negotiating the "Longshoreman's Guaranteed Lifetime Employment Act." Robotics previously were shaping up as the key to distribution efficiency and profit. Amazon is a huge player in distribution robotics. Quantum computing, with its massive capabilities, is being touted as a game-changer in logistical efficiencies. The Netherlands recently opened one of the most automated shipping hubs in the world in Rotterdam. Other European ports in Barcelona, Valencia, and Antwerp are highly automated. Chinese shippers are pressing for automation at their ports. Traditionally socialist and communist countries and capitalist forces in the United States appear headed in opposite, and unexpected, directions. Intriguing things are afoot, and distribution and logistics investors may not be operating in a business-as-usual environment.^{14,15,16,17,18}

If Not There, Where? Shift In Manufacturing Challenges Domestic Freight Capacity

If the new administration is serious about tariffs of up to 60% on goods made in China, we are watching the American manufacturing sector closely. Foreign domestic investment in the U.S. was already on the rise. The combination of threatened import taxes and a blast of federal investment through the CHIPS and Sciences Act is leading to new factories sprouting up across the U.S. producing semiconductors, batteries, and electric vehicles. The level of U.S. manufacturing construction in 2024 was more than triple the level 2019. Overseas companies have been pouring tens of billions of dollars into the modernization and construction of manufacturing facilities in America. For a look at what that could lead to, see South Carolina. Struggling before BMW announced construction of a facility there in the 1990s, the investment turned a downtrodden textile economy into an automotive and auto parts powerhouse, the development of a massive "inland port," billions in investment, and an aggressive freight-oriented airport expansion.^{2,19,20,21,22}

All of this to say again that for the distribution industry, these are strange times. The ripples, probably many of them unintended and unforeseen, may be felt across the country. Our existing infrastructure, from coast to coast, is a complex network of ports and rails and highways and airports. Distribution norms have evolved over an era of offshoring. It may challenge the sprawling network of highways and rail service to serve factories pumping out goods at home. There's already a national shortage of truck drivers. More than a third of American highway bridges need repairs. Funding for America's sprawling system is patchwork of federal initiatives and individual, cash-strapped states. Already choking on traffic, New York City enacted "congestion pricing" at the start of 2025 with higher tolls for entering the city to discourage traffic (and drawing the ire of the trucking industry).^{23,24,25,26}



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The Loading Dock: Mergers & Acquisitions

- ❑ In December, household name Samsung poured another \$181 million into Korean automation pioneer Rainbow Robotics, building on its \$60 million stake in the maker/designer of humanoid robots expected to work in both manufacturing and logistics operations. Samsung reported that its evolving AI capabilities will be blended into the robotic innovations behind Rainbow Robotics' work. Rainbow has strong connections to the U.S. It operates a facility in Illinois, and in 2015 the company won a \$2 million prize from the U.S. military's Defense Advanced Research Projects Agency (DARPA) for its humanoid robots. Humanoid robotics paired with machine learning and AI were hot in 2024 with deals involving Apptronik, and Google DeepMind, Figure AI, OpenAI, Realbotix, Amazon Web Services, Compass UOL, Schaeffler, Boston Dynamics, and the Toyota Research Institute.²⁷
- ❑ Home Depot made a substantial bet on expanding its professional contractor supply business in the roofing, pool, and landscaping business, spending \$18+ billion to acquire the massive construction distribution company SRS Distribution. If consumers, increasingly laden with debt, are taking a breather after a frenzy of DIY improvements in the work-from-home era, Home Depot's move is seen as a way to tap into contractors and commercial builders seeking more convenient online direct distribution. Home Depot said the acquisition isn't because it has lost faith in the DIY market, but rather that it's a natural step in its service to construction pros seeking a way around retail centers. With the addition, Home Depot makes a strong push into direct-to-site ordering and delivery by tapping into SRS' network of 11,000 employees and 780 warehouse facilities across 47 U.S. states.^{28,29}
- ❑ Not so much a distribution deal, but a story in foreign domestic manufacturing investment as a way around potential tariff-related distribution costs, Germany's Volkswagen in November announced a \$5.8 billion stake in EV maker Rivian, with operations in Illinois and a proposed facility in Georgia. Rivian will also make vehicles for the VW line as well as Scout. The California company has also talked about building on a line of EV charging stations nationwide. With the deal, VW edges away from labor troubles in Germany while ducking threatened tariff entanglements. Japanese automaker Toyota continued throughout 2024 to pour billions into U.S. operations in several states. Toyota has spent more than \$21 billion on stateside manufacturing in the past five years.^{30,31}

Down the Road, Reduced Visibility Ahead

Seemingly unrelated issues are converging to challenge distribution and logistics in unexpected ways. The sector will react, somehow. Consumers want to buy things, manufacturers want to sell them, and supply chains must adapt. But the sector seems to be caught at the hub of a spoked wheel involving transportation infrastructure, foreign domestic investment, onshoring, tariffs, labor, federal subsidies, EV mandates for trucking, oh, and the Panama Canal. These challenges make it hard to map the sector's direction. Actions have consequences, and when we tug on a single string, we find it's attached to everything else. Tariffs may be the biggest wildcard, and politicians don't always do what they promised in elections. But the incoming administration's resolve, at least at the highest level, appears genuine and deeply seated. The new president has been advocating for tariffs since the 1980s.^{32,33}

A wave of distribution demand is almost certainly headed for American shores as foreign manufacturers and suppliers look for ways around these proposed tariffs by investing inside the borders. A Swiss company, ABB, for example, says it has been busy assembling a billion-dollar war chest with an eye to investment in U.S. operations. An Emirati tycoon recently announced plans to invest \$20bn in U.S. industry. If America puts a toll at the gate, investors may just come inside and produce goods domestically.^{34,35}

What's next in the business of moving stuff? Driverless trucks, shipping giant Maersk's interest in nuclear powered container ships, electrically-powered freight airlines? For those who make wise decisions, solving a new set of problems to reliably get goods from one point to another, we see opportunities.^{36,27,38}



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The Next Horizon, Solutions for Whatever Storms Are Brewing

As supply chain costs and challenges mount, labor shortages boost prices, and geopolitical issues seem to pop up like wildfires, we anticipate everyone from raw materials suppliers to consumer goods producers will continue to look for ways to beef up and streamline supply chains. Therein lies opportunities for creative thinkers, entrepreneurs, and investors.

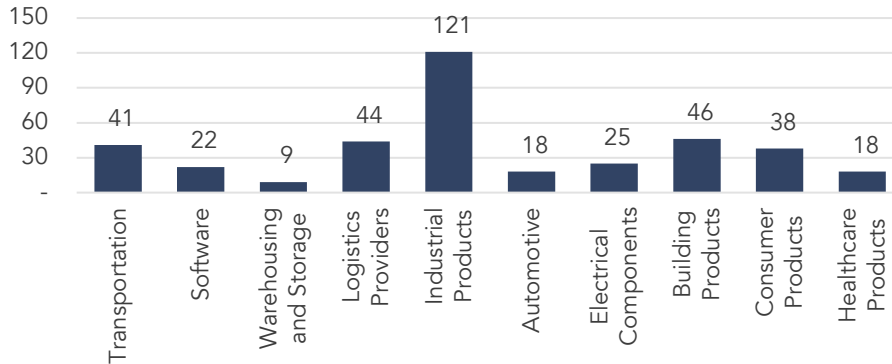
While deal volumes may have been hampered by relatively high interest rates, an anticipated reduction in rates may open the floodgates for those seeking the latest solutions across the sector, whether that's added capacity, technology, or robots. Investors have money to spend, and technology is racing ahead. Truck drivers in short supply? Self-driving big rigs equipped with lasers, radar, and sensors are expected to be on the road as early as 2H24. Crosstown traffic slowing things down? Watch for a series of rollups in the burgeoning electric vertical takeoff and landing (eVTOL) freight space. Last mile drone deliveries aren't science fiction. They are real as companies with names such as DroneUp, Zipline, and Wing ink delivery development deals with Walmart, the Cleveland Clinic, and Wendy's (yes, the hamburger chain). If Amazon isn't packing its shipping centers with robots, it's busy chasing FAA approval to expand its drone delivery operations.^{42,43,44,45,46,47}

The distribution and logistics sector in the past few years has been on a rollercoaster ride. Rollercoasters can be scary. But they can also be fun. We can't wait to see what's around the next curve.

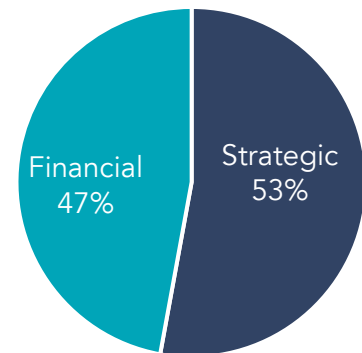


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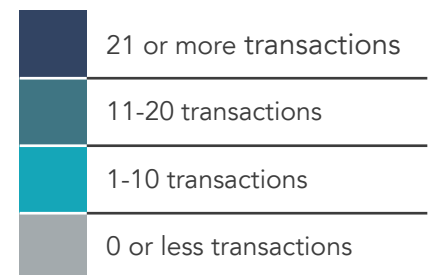
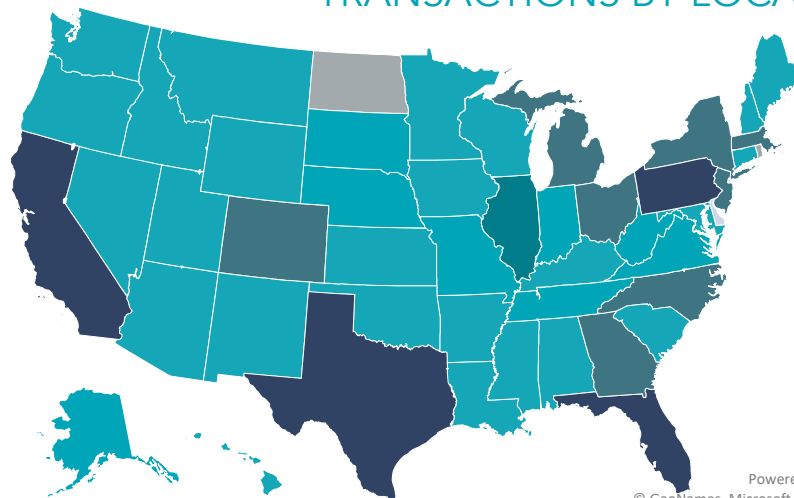
TRANSACTIONS BY SEGMENT



TRANSACTIONS BY TYPE



TRANSACTIONS BY LOCATION



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TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/ Rev	TEV/ EBITDA
12/11/2024	Patterson Companies	Patient Square Capital	Healthcare Products	3,942.07	0.6x	11.5x
12/3/2024	Kellstrom Aerospace	VSE	Industrial Products	200.00	1.1x	-
12/2/2024	Cowan Systems	Schneider National	Logistics Providers	390.00	-	-
11/4/2024	Worldpac	The Carlyle Group	Automotive	1,500.00	0.7x	15.0x
11/3/2024	Air Transport Services Group	Stonepeak Partners	Transportation	3,055.13	1.6x	6.3x
10/8/2024	Cheney Brothers	Performance Food Group	Consumer Products	2,100.00	-	-
11/4/2024	Accelerated Global Solutions	SpeedX	Logistics Providers	-	-	-

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	RECENT SUBSIDIARY ACQUISITIONS		

SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

FIRM	RECENT SUBSIDIARY ACQUISITIONS			

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.

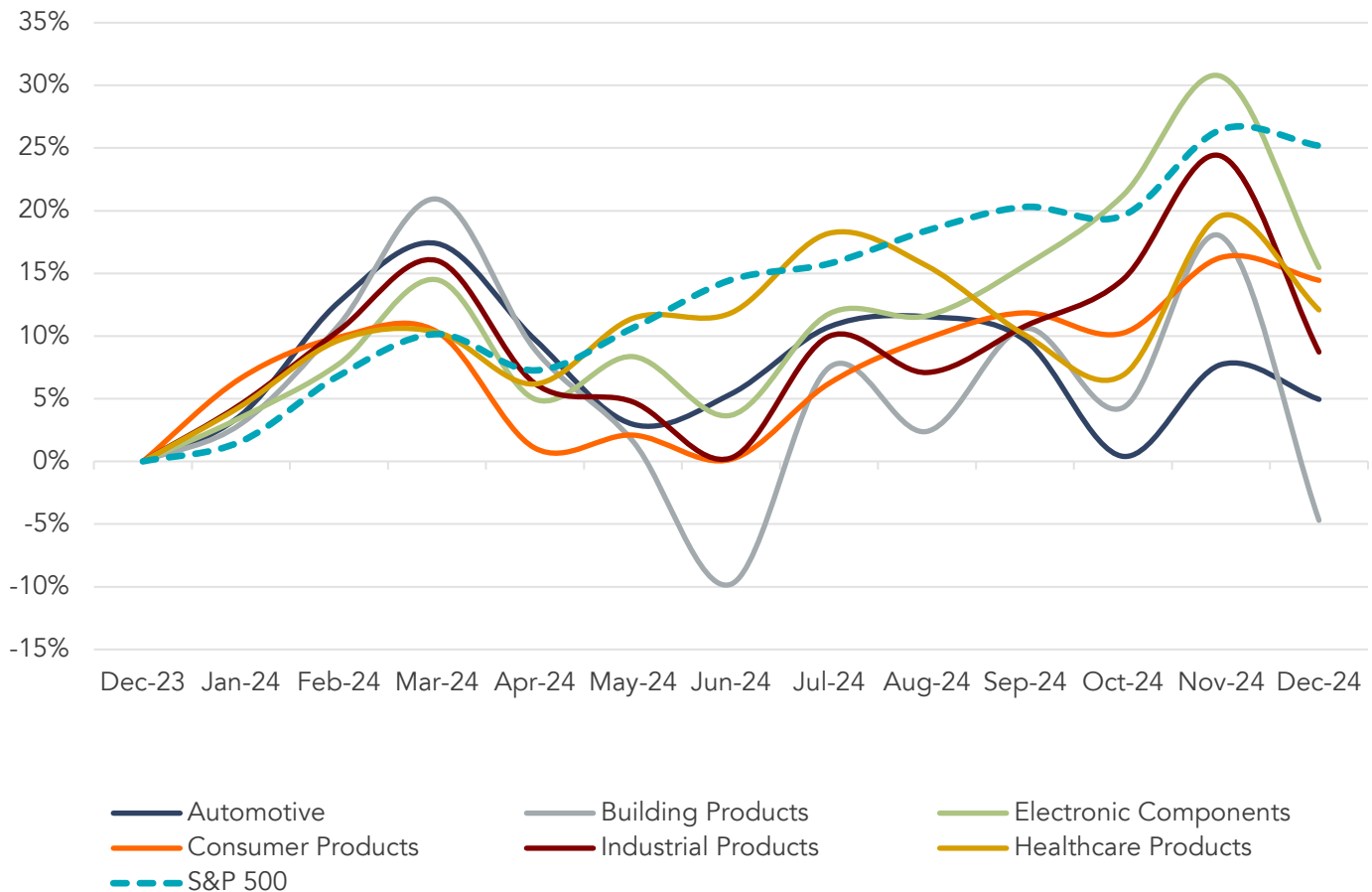


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DISTRIBUTION PUBLIC BASKET

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
AutoZone (Distributors/Wholesale)	AZO	\$ 53,736	\$ 3,202.00	24.7%	23.8%	93.7%	2.3%	23.4%	3.5x	15.1x	21.4x	3.5x	NM
Genuine Parts	GPC	16,234	116.76	(15.4%)	(15.7%)	71.0%	3.7%	8.1%	0.9x	11.2x	15.0x	0.9x	10.4x
LKQ	LKQ	9,554	36.75	(22.3%)	NM	68.5%	0.9%	11.1%	1.0x	9.3x	13.6x	1.0x	8.5x
Dorman Products	DORM	3,954	129.55	55.4%	55.3%	88.4%	5.8%	17.4%	2.3x	13.2x	21.7x	2.2x	11.6x
Segment Average				10.6%	21.2%	80.4%	3.2%	15.0%	1.9x	12.2x	17.9x	1.9x	10.2x
Segment Median				4.6%	23.8%	79.7%	3.0%	14.2%	1.7x	12.2x	18.2x	1.6x	10.4x

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	\$ 72,344	\$ 569.91	20.4%	23.1%	89.4%	17.4%	1.3%	0.2x	18.3x	29.5x	0.2x	13.0x
Alcon	ALC	42,096	85.26	9.6%	9.6%	84.5%	6.4%	NM	NM	17.6x	36.4x	NM	15.5x
Cardinal Health	CAH	28,623	118.27	15.3%	17.3%	93.7%	4.2%	1.1%	0.1x	12.1x	23.0x	0.1x	9.3x
Henry Schein	HSIC	8,628	69.20	(8.4%)	(8.6%)	83.7%	6.1%	6.3%	1.0x	16.4x	28.4x	1.0x	11.5x
Patterson Companies	PDCO	2,724	30.86	7.6%	8.5%	97.1%	2.2%	5.2%	0.5x	9.8x	18.2x	0.5x	8.5x
Owens & Minor	OMI	1,008	13.07	(32.1%)	(32.2%)	46.1%	3.8%	3.6%	0.3x	8.3x	NM	0.3x	5.3x
Segment Average				2.0%	2.9%	82.4%	6.7%	3.5%	0.4x	13.7x	27.1x	0.4x	10.5x
Segment Median				8.6%	9.0%	87.0%	5.1%	3.6%	0.3x	14.2x	28.4x	0.3x	10.4x

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
Builders Firstsource	BLDR	\$ 16,449	\$ 142.93	(13.6%)	(14.4%)	66.6%	3.0%	14.0%	1.2x	8.7x	14.0x	1.2x	8.8x
Beacon Roofing Supply	BECN	6,287	101.58	17.4%	16.7%	87.3%	5.5%	8.9%	1.0x	11.5x	17.4x	1.0x	9.9x
Boise Cascade	BCC	4,565	118.86	(7.3%)	(8.1%)	76.5%	1.8%	9.7%	0.6x	6.5x	11.6x	0.6x	6.5x
United States Lime & Minerals	USLM	3,796	132.74	188.6%	188.1%	83.2%	NM	48.7%	11.7x	24.0x	NM	NM	NM
BlueLux Holdings	BXC	856	102.16	(7.7%)	(9.8%)	75.8%	2.8%	3.8%	0.3x	8.7x	28.9x	0.3x	7.9x
Segment Average				35.5%	34.5%	77.9%	3.3%	17.0%	3.0x	11.9x	18.0x	0.8x	8.3x
Segment Median				(7.3%)	(8.1%)	76.5%	2.9%	9.7%	1.0x	8.7x	15.7x	0.8x	8.4x

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	\$ 51,332	\$ 1,054.05	29.6%	27.2%	85.9%	7.2%	16.6%	NM	19.0x	28.6x	NM	NM
Wesco International	WCC	8,867	180.96	4.3%	4.1%	83.7%	2.4%	6.9%	0.6x	9.1x	14.5x	0.6x	8.7x
Arrow Electronics	ARW	5,949	113.12	(5.6%)	(7.5%)	82.1%	(0.5%)	3.8%	0.3x	8.5x	12.6x	0.3x	6.9x
Avnet	AVT	4,549	52.32	6.4%	3.8%	88.3%	(2.5%)	3.7%	0.3x	8.8x	13.7x	0.3x	8.1x
ScanSource	SCSC	1,130	47.45	19.0%	19.8%	88.0%	6.0%	4.1%	0.4x	8.6x	15.2x	0.3x	7.7x
Richardson Electronics	RELL	202	14.03	7.9%	5.1%	90.5%	22.5%	1.8%	0.9x	NM	NM	0.7x	NM
Segment Average				10.3%	8.7%	86.4%	5.9%	6.2%	0.5x	10.8x	16.9x	0.5x	7.8x
Segment Median				7.2%	4.6%	86.9%	4.2%	3.9%	0.4x	8.8x	14.5x	0.3x	7.9x

Source: Pitchbook Financial Data and Analytics



DISTRIBUTION & LOGISTICS REPORT

DISTRIBUTION PUBLIC BASKET (CONTINUED)

FOOD AND BEVERAGE 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	\$ 37,559	\$ 76.46	2.7%	4.6%	92.2%	5.4%	5.3%	0.6x	11.9x	19.7x	0.6x	11.0x
US Foods Holding	USFD	15,714	67.46	46.7%	48.6%	92.6%	7.0%	4.0%	0.6x	13.7x	29.0x	0.5x	10.8x
Performance Food Group	PFGC	13,173	84.55	21.2%	22.3%	91.5%	10.8%	2.4%	0.3x	13.5x	31.2x	0.3x	10.1x
United Natural Foods	UNFI	1,636	27.31	65.0%	68.3%	84.8%	(0.6%)	1.1%	0.2x	15.4x	NM	0.2x	9.5x
The Chefs' Warehouse	CHEF	1,490	49.32	67.1%	67.6%	99.1%	7.8%	4.9%	0.8x	15.5x	NM	0.7x	11.9x
SpartanNash	SPTN	618	18.32	(23.8%)	(20.2%)	74.7%	2.8%	2.2%	0.2x	7.3x	13.8x	0.2x	5.8x
Segment Average				29.8%	31.8%	89.2%	5.5%	3.3%	0.4x	12.9x	23.4x	0.4x	9.8x
Segment Median				33.9%	35.4%	91.9%	6.2%	3.2%	0.4x	13.6x	24.3x	0.4x	10.4x

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
I.W. Grainger	GWW	\$ 51,332	\$ 1,054.05	29.6%	27.2%	85.9%	7.2%	16.6%	3.2x	19.0x	28.6x	2.9x	17.4x
astenal	FAST	41,196	71.91	13.2%	11.0%	84.7%	7.4%	22.6%	NM	NM	NM	NM	NM
enuine Parts	GPC	16,234	116.76	(15.4%)	(15.7%)	71.0%	3.7%	8.1%	0.9x	11.2x	15.0x	0.9x	10.4x
Iesco International	WCC	8,867	180.96	4.3%	4.1%	83.7%	2.4%	6.9%	0.6x	9.1x	14.5x	0.6x	8.7x
ISC Industrial Supply	MSM	4,174	74.69	(24.9%)	(26.2%)	71.3%	(0.6%)	11.8%	1.2x	10.5x	16.3x	1.2x	11.8x
NOW	DNOW	1,377	13.01	16.9%	14.9%	83.2%	(0.4%)	6.2%	0.5x	8.0x	7.0x	0.5x	7.1x
IRC Global	MRC	1,089	12.78	13.9%	16.1%	85.7%	0.0%	5.9%	0.5x	8.8x	14.7x	0.5x	7.8x
egment Average				5.4%	4.5%	80.8%	2.8%	11.2%	1.2x	11.1x	16.0x	1.1x	10.5x
egment Median				13.2%	11.0%	83.7%	2.4%	8.1%	0.8x	9.8x	14.9x	0.7x	9.6x

Source: Pitchbook Financial Data and Analytics

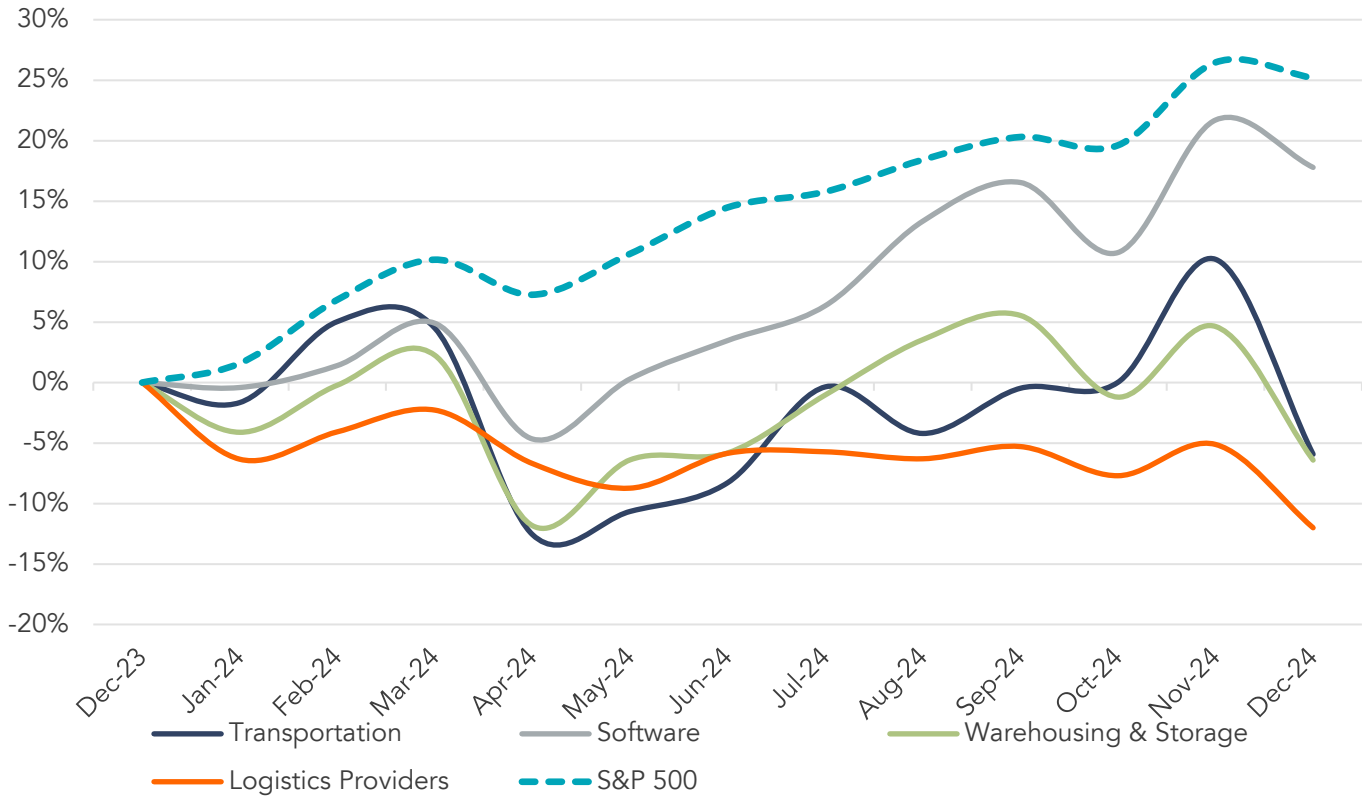


DISTRIBUTION & LOGISTICS REPORT

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 of America	UPS	\$ 107,610	\$ 126.10	(20.4%)	(19.8%)	78.1%	(2.3%)	13.0%	1.4x	10.9x	19.0x	1.4x	9.9x
FedEx	FDX	67,759	281.33	11.5%	11.2%	89.6%	2.3%	11.4%	1.1x	10.1x	18.0x	1.1x	8.7x
Old Dominion Freight Line	ODFL	37,661	176.40	(11.3%)	(13.0%)	75.6%	1.5%	33.2%	NM	NM	30.8x	NM	18.8x
J.B. Hunt Transport	JBHT	17,208	170.66	(12.7%)	(14.6%)	77.7%	1.5%	12.9%	1.5x	11.8x	31.0x	1.5x	10.7x
Saia	SAIA	12,120	455.73	6.6%	4.0%	72.5%	10.0%	22.0%	NM	NM	32.5x	3.6x	15.5x
Knight-Swift Transportation Holdings	KNX	8,587	53.04	(7.6%)	(8.0%)	87.0%	3.7%	13.3%	1.6x	11.8x	230.6x	1.5x	9.2x
Ryder System	R	6,634	156.86	39.1%	36.3%	91.3%	8.5%	22.9%	1.2x	5.3x	14.7x	1.1x	5.0x
Landstar System	LSTR	6,072	171.86	(9.3%)	(11.3%)	85.7%	4.3%	6.7%	1.2x	NM	29.5x	1.1x	17.0x
Schneider National	SNDR	5,129	29.28	16.5%	15.0%	86.4%	11.6%	10.5%	1.0x	9.2x	45.8x	0.9x	7.4x
Werner Enterprises	WERN	2,220	35.92	(14.2%)	(15.2%)	84.1%	2.1%	12.4%	0.9x	7.5x	49.2x	0.9x	6.6x
ArcBest	ARCB	2,184	93.32	(22.9%)	(22.4%)	60.8%	1.4%	9.2%	0.6x	6.1x	11.6x	0.6x	6.7x
Marten Transport	MRTN	1,271	15.61	(24.0%)	(25.6%)	74.1%	(2.8%)	15.8%	1.2x	7.7x	38.1x	1.3x	NM
Universal Logistics Holdings	ULH	1,209	45.94	61.1%	64.0%	86.2%	2.7%	17.5%	1.0x	5.9x	9.2x	1.0x	NM
Heartland Express	HTLD	881	11.22	(19.5%)	(21.3%)	78.5%	(5.0%)	16.5%	1.0x	6.0x	NM	1.0x	4.8x
PAMT	PAMT	357	16.38	(20.3%)	(21.2%)	69.1%	5.0%	11.5%	0.8x	6.6x	NM	0.7x	NM
Segment Average				(1.8%)	(2.8%)	79.8%	3.0%	15.3%	1.1x	8.2x	43.1x	1.3x	10.0x
Segment Median				(11.3%)	(13.0%)	78.5%	2.3%	13.0%	1.1x	7.6x	30.8x	1.1x	8.9x

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
PTC	PTC	\$ 22,088	\$ 183.87	9.0%	5.1%	90.5%	13.3%	31.6%	10.3x	32.7x	58.9x	9.1x	20.8x
Manhattan Associates	MANH	16,505	270.24	30.7%	25.5%	86.4%	3.9%	26.4%	15.9x	60.5x	77.0x	15.3x	45.3x
Aspen Technology	AZPN	15,789	249.63	15.1%	13.4%	98.1%	13.6%	33.5%	14.3x	42.7x	NM	12.6x	28.6x
Descartes Systems Group	DSGX	9,739	113.60	39.5%	35.1%	92.4%	12.9%	40.3%	15.1x	37.6x	71.9x	13.4x	30.3x
SPS Commerce	SPSC	6,912	183.99	(0.2%)	(5.1%)	84.1%	21.9%	23.0%	11.0x	47.7x	NM	9.0x	30.5x
Logility Supply Chain Solutions	LGTY	393	11.08	(1.5%)	(1.9%)	90.1%	3.2%	13.8%	NM	21.8x	36.9x	2.9x	20.2x
Segment Average				15.4%	12.0%	90.3%	11.5%	28.1%	13.3x	40.5x	61.2x	10.4x	29.3x
Segment Median				12.1%	9.2%	90.3%	13.1%	29.0%	14.3x	40.1x	65.4x	10.9x	29.4x

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
PACCAR	PCAR	\$ 54,538	\$ 104.02	7.5%	6.5%	82.9%	(8.9%)	19.3%	1.7x	9.0x	11.6x	1.9x	10.8x
Public Storage	PSA	52,457	299.44	(4.0%)	(1.8%)	80.9%	3.6%	70.4%	NM	19.9x	31.1x	NM	18.8x
Westinghouse Air Brake Technologies	WAB	32,589	189.59	50.6%	49.4%	91.4%	6.5%	20.3%	3.5x	17.3x	31.6x	3.3x	15.3x
Extra Space Storage	EXR	31,713	149.60	(9.0%)	(6.7%)	80.9%	3.7%	66.1%	NM	NM	39.9x	NM	19.5x
BorgWarner	BWA	6,952	31.79	(11.5%)	(11.3%)	83.2%	1.0%	12.6%	0.7x	5.5x	7.9x	0.7x	4.9x
National Storage Affiliates	NSA	2,890	37.91	(10.8%)	(8.6%)	76.7%	(2.4%)	78.2%	NM	11.9x	21.8x	NM	15.3x
Dana (Automotive)	DAN	1,676	11.56	(20.5%)	(20.9%)	77.7%	(5.5%)	6.8%	0.4x	6.4x	NM	0.5x	4.9x
Wabash National	WNC	742	17.13	(32.4%)	(33.1%)	57.0%	(8.3%)	(11.5%)	0.5x	NM	NM	0.5x	7.9x
American Axle & Manufacturing	AXL	685	5.83	(33.3%)	(33.8%)	64.9%	(3.1%)	11.2%	0.5x	4.2x	25.3x	0.5x	4.2x
Segment Average				(7.1%)	(6.7%)	77.3%	(1.5%)	30.4%	1.2x	10.6x	24.2x	1.2x	11.3x
Segment Median				(10.8%)	(8.6%)	80.9%	(2.4%)	19.3%	0.6x	9.0x	25.3x	0.6x	10.8x

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 of America	UPS	\$ 107,610	\$ 126.10	(20.4%)	(19.8%)	78.1%	(2.3%)	13.0%	1.4x	10.9x	19.0x	1.4x	9.9x
FedEx	FDX	67,759	281.33	11.5%	11.2%	89.6%	2.3%	11.4%	1.1x	10.1x	18.0x	1.1x	8.7x
Expeditors International of Washington	EXPD	15,505	110.77	(12.8%)	(12.9%)	84.2%	6.8%	10.2%	1.5x	14.6x	21.6x	1.4x	15.9x
XPO (US)	XPO	15,266	131.15	54.5%	49.7%	81.5%	2.0%	14.1%	2.4x	16.7x	NM	2.3x	14.3x
C.H. Robinson Worldwide	CHRW	12,213	103.32	18.6%	19.6%	90.0%	(0.1%)	3.9%	0.8x	20.3x	35.8x	0.8x	14.9x
Air Transport Services Group	ATSG	1,445	21.98	33.1%	24.8%	98.4%	4.7%	24.6%	1.5x	6.3x	NM	1.5x	5.4x
Forward Air	FWRD	934	32.25	(48.2%)	(48.7%)	50.1%	24.5%	(46.5%)	1.5x	NM	NM	1.1x	8.6x
Park Ohio Holdings	PKOH	369	26.27	0.7%	(2.6%)	76.1%	5.7%	7.7%	0.6x	8.0x	7.8x	0.6x	6.7x
Segment Average				4.6%	2.7%	81.0%	5.4%	4.8%	1.4x	12.4x	20.4x	1.3x	10.5x
Segment Median				6.1%	4.3%	82.8%	3.5%	10.8%	1.4x	10.9x	19.0x	1.3x	9.3x

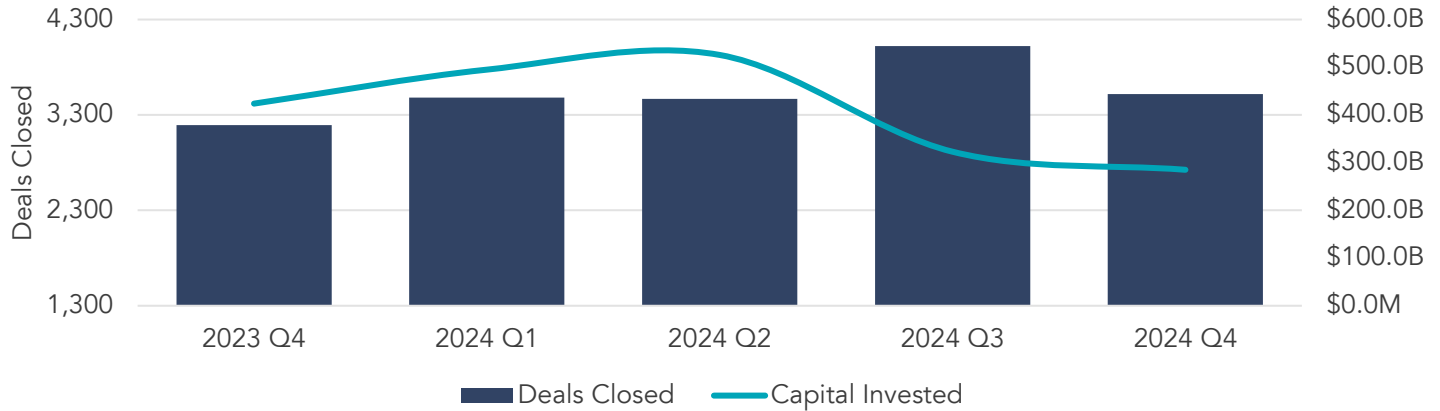
Source: Pitchbook Financial Data and Analytics



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U.S. M&A ACTIVITY SNAPSHOT

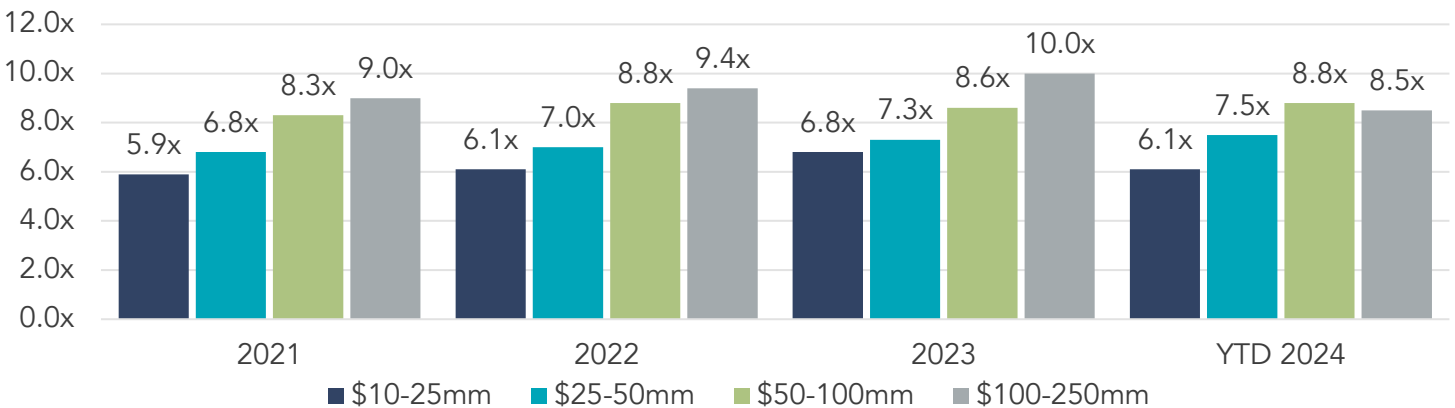
OVERALL U.S. M&A ACTIVITY



Source: PitchBook Financial Data and Analytics

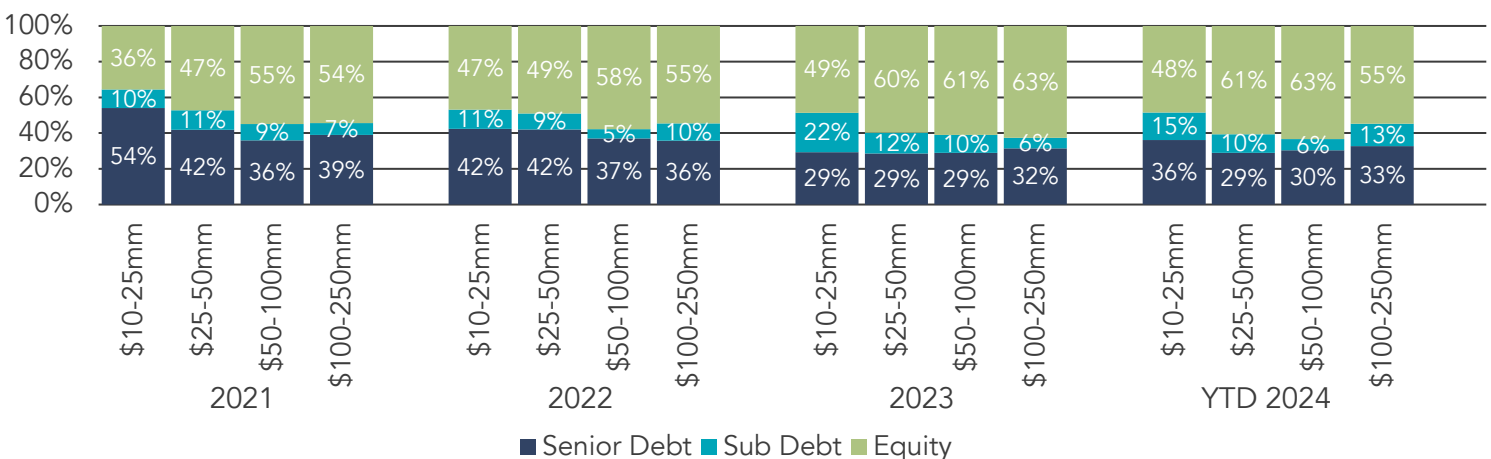
LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

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 2024.

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:

- ☐ Trucking
- ☐ Logistics Software
- ☐ Warehousing and Storage
- ☐ Logistics Providers

Our specialties in Distribution include:

- ☐ Consumer Products
- ☐ Electronic Components
- ☐ Industrial
- ☐ Healthcare

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RECENT SDR TRANSACTIONS

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

 Has been acquired by A portfolio company of SDR Ventures SELL-SIDE TRANSACTION	 Has been acquired by SDR Ventures SELL-SIDE TRANSACTION	 Has been acquired by SDR Ventures SELL-SIDE TRANSACTION	 Has been acquired by SDR Ventures SELL-SIDE TRANSACTION	 Has acquired SDR Ventures BUY-SIDE TRANSACTION	 Has been acquired by SDR Ventures SELL-SIDE TRANSACTION
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SDR SERVICE OFFERINGS



SELL-SIDE ADVISORY



PRIVATE CAPITAL FORMATION



BUY-SIDE ADVISORY



EXIT PREPARATION



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