



FREIGHT AND LOGISTICS

M&A Landscape

December 2017

Ranked #4

U.S. Middle-Market M&A
Advisor over the past 5 years¹

400+ M&A Transactions since
2011

Ranked #1

for Announced Global Fairness
Opinions in 2016²

1,000+ Transaction Opinions for
approximately **\$2 trillion** in deal
value since 2005

450+ Private Equity Groups

proactively covered by our Financial Sponsors
Group

1,600+ PEGs contacted under engagement
mandates in 2016

Powering Sound Decisions for Companies, Boards and Investors Worldwide

Duff & Phelps is the premier global valuation and corporate finance advisor with expertise in complex valuation, disputes and investigations, M&A, real estate, restructuring, and compliance and regulatory consulting. The firm's more than 2,000 employees serve a diverse range of clients from offices around the world.

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DUFF & PHELPS

1. Source: Thomson Financial Securities Data (U.S. deals < \$200M). Full years 2012 through 2016.

2. Source: Published in Thomson Reuters' "Mergers & Acquisitions Review - Full Year 2016."

The North American Freight and Logistics (“F&L”) industry has seen a significant uptick in M&A activity, already surpassing the volume of transactions completed in 2016. The rise in activity is attributable to a very active trucking M&A environment including two major deals worth over \$1 billion: the merger between trucking giants Knight Transportation, Inc. and Swift Transportation Company to form Knight-Swift Transportation Holdings Inc.; and, Harmac transportation Inc’s acquisition of Le Groupe G3 Inc., a Canadian bulk truck transportation services company.

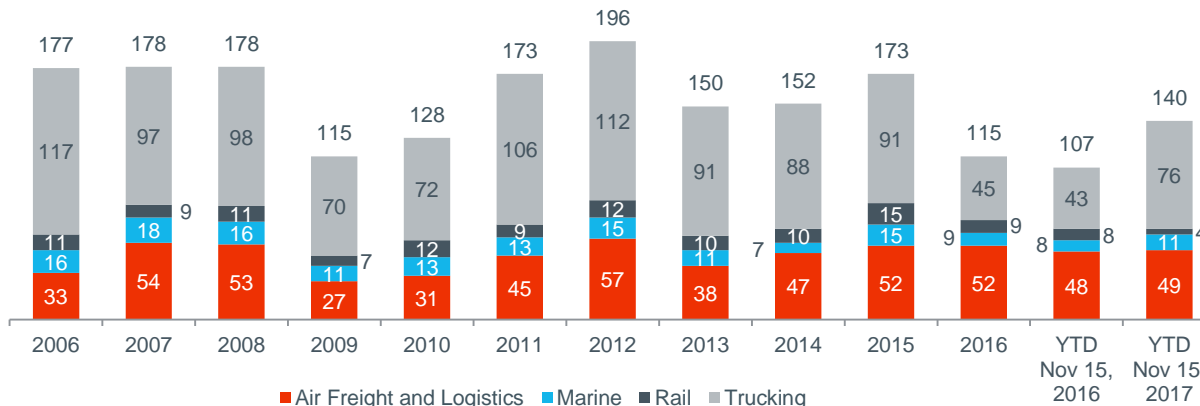
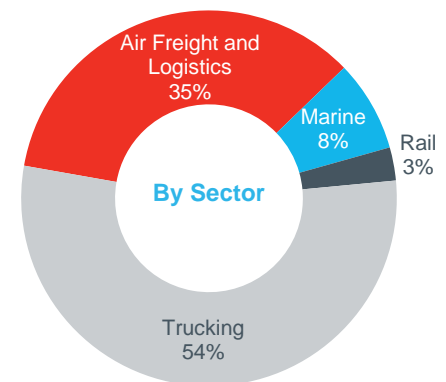
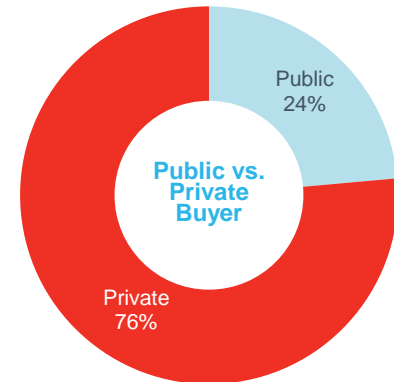
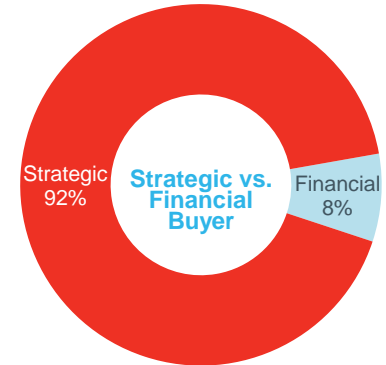
Multi-billion dollar deals have closed in the other subsectors as well, with Scorpio Tankers Inc. acquiring Navig8 Product Tankers Inc. for \$1.5 billion in the marine sub-sector. GMéxico Transportes, S.A. de C.V. completed a cross-border deal, acquiring U.S.-based Florida East Coast Holdings Corp. for \$2.7 billion.

Consolidation within the F&L industry continued with 92% of acquisitions over the year through November 15, 2017 made by strategic companies including companies primarily owned by private equity investors. With the rise in demand for specialized trucking and last-mile delivery driven by e-commerce, there will likely be further consolidation in the industry as larger players look for growth in niche delivery segments.

Of the 140 transactions completed so far in 2017, 76% were completed by privately-owned buyers while 24% were completed by publicly-traded companies. On average, public company share prices rose by 3.9% on announcement of an acquisition, indicating that “the street” continues to value and reward growth by acquisition.

Significant uncertainty regarding international trade continues as the state of the North American Free Trade Agreement continues to be in flux. Additionally, tech-based companies continue to look for ways to enter the industry. In November of this year, Tesla began to offer electric semi-trucks to businesses. Many major companies and retailers have already placed orders. We expect other tech-based companies will not be far behind in the market. With the uncertain international trade environment, demand for niche F&L capabilities, in addition to positive deal conditions such as capital availability, low interest rates, and market enthusiasm, M&A activity within the F&L sector will likely remain robust in 2018.

**By # of Closed Deals
(YTD November 15, 2017)**



Source: S&P Global Market Intelligence; CNBC

Select Recent Canadian Transactions ⁽¹⁾ ●○

Day & Ross Transportation Group, Inc. acquired REI Logistics and Korten Quality Systems, Ltd.



On November 14, Day & Ross Transportation Group, Inc. acquired REI Logistics Korten Quality Systems, Ltd. The acquisition provides an operational footprint in the United States which can leverage their combined customer relationships and capabilities to secure market growth in dedicated delivery (auto), dedicated truckload (including temperature controlled), cross dock and product sequencing (including warehousing).

Titanium Transportation Group, Inc. acquired Xpress Group



On October 2, Titanium Transportation Group, Inc. acquired Xpress Group. Significant synergies are expected to be achieved between Titanium and Xpress. In addition, Xpress's customer base complements the cross-border, full-truckload division that has been a growth focus. Pro-forma, annual revenue is expected to increase 12% to \$140 million and EBITDA⁽²⁾ is expected to increase 15% to \$15 million.

Mullen Group, Ltd. acquired RDK Transportation Co. Inc.



On September 5, Mullen Group, Ltd. acquired RDK Transportation Co. Inc. This acquisition builds on the strategy of making investments in the trucking and logistics segment that contribute to the consolidation of the flat deck and RGN (a detachable trailer bed that is lowered to create an onboarding ramp), builds on Mullen's asset light business model and benefits from the strategy of building out the company's network of new terminals.

Canada Cartage System, Ltd. acquired 1411337 Ontario, Inc. (d.b.a. Doyle Transportation)



On November 8, Canada Cartage System, Ltd. acquired Doyle Transportation. Canada Cartage has signed on all sixty former Doyle Transportation employees in order to retain and service customers across Canada and the United States. The acquisition also strengthens Canada Cartage's service to its customers in the Kitchener-Waterloo-Cambridge and Guelph areas. The deal also complements the company's other southern Ontario terminals and warehouses including London, Mississauga, Brampton and Oshawa.

Freight Brokers International Corp. acquired Consolidated Carriers, Inc.



On October 1, Freight Brokers International Corp. acquired Consolidated Carriers, Inc. As part of the agreement, the owner of Consolidated Carriers, will join FBI in a sales capacity and all of the Company's employees will work at FBI's office in Vaughan. This acquisition provides an opportunity for staff and customers to benefit from the economies of scale at FBI while maintaining relationships that were built over the years.

Milgram & Company, Ltd. was acquired by C.H. Robinson Worldwide, Inc.



On August 31, C.H. Robinson Worldwide, Inc. acquired Milgram & Company, Ltd. The acquisition continues global expansion efforts and marks Milgram's third global forwarding acquisition in the past five years. The acquisition provides another opportunity to strengthen the Company's global forwarding and customs brokerage offerings in Canada.

⁽¹⁾ Deals closed June 1 to November 15, 2017. Source: S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g. Marketwired)

⁽²⁾ EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization

Select Recent Canadian Transactions ⁽¹⁾ ○●

Metro Supply Chain Group, Inc. acquired National Fulfillment Services, Inc.



On August 1, Metro Supply Chain Group, Inc. acquired National Fulfillment Services, Inc. The acquisition is an important step in the build-out of the Company's e-commerce (B2C) services. NFS has operations on the west coast of the U.S. and now, as part of Metro, service offerings will be expanded to two Canadian centres within the year.

Jardine Transport, Ltd. acquired R.E.M. Transport, Ltd.



On July 12, Jardine Transport, Ltd. acquired all of the outstanding shares of R.E.M. Transport, Ltd. The acquisition adds scale to the Company's existing operations and increases network density, which will have an end result in improved overall efficiency.

Transport Guilbault, Inc. acquired Ideal Logistics, Inc.



On July 18, Transport Guilbault, Inc. acquired Ideal Logistics, Inc. With the purchase, Transport Guilbault added close to half a million square feet in warehousing capacity, with facilities in Quebec City and Montreal. The Company said the acquisition will allow it to increase its presence elsewhere in Canada and in the United States.

9189-7751 Quebec Inc. (d.b.a. Via Route) acquired Bleu Pelican, Inc.



On June 7, Via Route acquired Bleu Pelican, Inc. This acquisition will enhance the experience of Via Route's retail and corporate customers through improved logistics and greater vehicle selection and will also increase the Company's share of the used car sales market. An additional 19 franchise locations will now become part of the Via Route brand.

⁽¹⁾ Deals closed June 1 to November 15, 2017. Source: S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g. Marketwired)

Select North American M&A Activity⁽¹⁾ ●○○○○○

(C\$ in millions)

| Date Closed | Target | Target Loc'n | Target Business Description | Acquirer | Enterprise Value | LTM Revenue | LTM EBITDA | EV / Revenue | EBITDA Margin |
|-------------|--------------------------------|--------------|---|---|------------------|-------------|------------|--------------|---------------|
| 11/1/2017 | Indiana Transport, Inc. | U.S. | Offers trucking services for the transportation of RV travel trailers, utility trailers, boats, buses, and cars | Patrick Industries, Inc. | \$ 76.0 | | | | |
| 10/2/2017 | Xpress Group | CA | Offers freight transportation services | Titanium Transportation Group Inc. | 8.8 | | | | |
| 10/2/2017 | Enviva Port of Wilmington, LLC | U.S. | Owner and operator of a deep water marine terminal | Enviva Partners, LP | 162.6 | | | | |
| 9/15/2017 | Unitrans, Inc. | U.S. | Provider of international logistics services | Quick International Courier, Inc. | 115.8 | | | | |
| 9/8/2017 | Swift Transportation Company | U.S. | Operates as a multi-faceted transportation services company in North America | Knight Transportation, Inc. (reverse stock split) | | \$5,374.9 | \$672.1 | | 12.5% |
| 9/1/2017 | Navig8 Product Tankers Inc. | U.S. | Provides seaborne transportation of products and acquires and operates long-range tankers in the international shipping markets | Scorpio Tankers Inc. | 1,459.8 | 166.5 | 87.0 | 8.77x | 16.8x 52.3% |

⁽¹⁾ Includes transactions where financial details were disclosed. Source: S&P Global Market Intelligence for the year to November 15, 2017

Select North American M&A Activity⁽¹⁾ ●○○○○○

(C\$ in millions)

| Date Closed | Target | Target Loc'n | Target Business Description | Acquirer | Enterprise Value | LTM Revenue | LTM EBITDA | EV / Revenue EBITDA | EBITDA Margin |
|-------------|---|--------------|---|---------------------------------|------------------|-------------|------------|---------------------|---------------|
| 9/1/2017 | R & R Trucking, Inc. and TNI USA Inc. and NEI Transport LLC | U.S. | Providers of freight services and cargo transportation to the various governmental and commercial entities in North America | Daseke, Inc. | | | \$ 8.6 | | NA |
| 8/31/2017 | Milgram & Company Ltd. | CA | Provider of customs brokerage, international freight forwarding, and truck transportation services | C.H. Robinson Worldwide, Inc. | \$ 62.0 | \$ 155.3 | | 0.40x | |
| 7/21/2017 | Big Red L.T.L. Transport, Inc. | U.S. | Provider of export, freight consolidation, logistics and distribution services | Bulova Technologies Group, Inc. | 1.5 | | | | |
| 7/6/2017 | Interstate Distributor Co., Inc. | U.S. | Provider of trucking services for Fortune 500 companies and other customers in the United States, Western Canada and along the Mexican border | Heartland Express, Inc. | 146.2 | 420.5 | | 0.35x | |
| 7/1/2017 | Estenson Logistics, LLC | U.S. | Offers road transportation of freight and logistics services | Hub Group Trucking, Inc. | 370.4 | 324.9 | | 1.14x | |
| 7/1/2017 | Steelman Transportation, Inc. and Group One Inc. | U.S. | Providers of trucking and transportation services | Daseke, Inc. | | 59.8 | 9.1 | | 15.2% |

⁽¹⁾ Includes transactions where financial details were disclosed. Source: S&P Global Market Intelligence for the year to November 15, 2017

Select North American M&A Activity⁽¹⁾ ○○●○○○

(C\$ in millions)

| Date Closed | Target | Target Loc'n | Target Business Description | Acquirer | Enterprise Value | LTM Revenue | LTM EBITDA | EV / Revenue | EBITDA Margin |
|-------------|---------------------------------------|--------------|---|-----------------------------------|------------------|-------------|------------|--------------|---------------|
| 6/30/2017 | Florida East Coast Holdings Corp. | U.S. | Provides freight transportation services in the United States | GMéxico Transportes, S.A. de C.V. | \$ 2,729.3 | | | | |
| 6/16/2017 | Owen Logistics, LLC | U.S. | Offers freight transportation services by road | AlumiFuel Power Corporation | 0.1 | | | | |
| 6/15/2017 | North Star Air Ltd. | CA | Provides air transportation solutions for charter, passenger, cargo and fuel services in Northern Ontario | The North West Company Inc. | 41.2 | | | | |
| 5/31/2017 | Teekay Tankers Operations Ltd. | MH | Owens and manages a fleet of vessels and provides technical management services | Teekay Tankers Ltd. | 106.2 | | | | |
| 5/26/2017 | 9% stake in Discovery Air Inc. | CA | Operates as a specialty aviation service company in Canada, the United States, Germany, Australia, Bolivia and Chile | Clairvest Group Inc. | 243.3 | \$171.1 | \$21.8 | 1.42x | 11.2x 12.7% |
| 5/24/2017 | Diversified Distribution Systems, LLC | U.S. | Provides sourcing management, supply program management, and outbound services for retail store supply needs in Minnesota | Bunzl plc | | 416.5 | | | |

⁽¹⁾ Includes transactions where financial details were disclosed. Source: S&P Global Market Intelligence for the year to November 15, 2017

Select North American M&A Activity⁽¹⁾ ○○○●○○

(C\$ in millions)

| Date Closed | Target | Target Loc'n | Target Business Description | Acquirer | Enterprise Value | LTM Revenue | LTM EBITDA | EV / Revenue | EBITDA Margin | |
|---------------------|---|--------------|--|---|------------------|-------------|------------|--------------|---------------|------|
| 5/18/2017 | Assets of Atlantic Trucking Company, Inc., Heavy Duty Equipment Leasing, LLC, Atlantic Logistics, LLC and Transportation Holdings, Inc. | U.S. | Provider of intermodal, drayage and related services headquartered in Charleston, South Carolina | Central States Trucking Co. (subsidiary of Forward Air Corporation) | \$ 31.9 | \$ 83.1 | \$ 6.8 | 0.38x | 4.7x | 8.2% |
| 5/1/2017 | Le Groupe G3 Inc. | CA | Provides bulk truck transportation services to various destinations in eastern Canada and northeastern United States | Harmac Transportation Inc. | 1,776.9 | | | | | |
| Announced 4/19/2017 | Air Cuba Corp. | U.S. | Offers passenger and freight air transportation services | NuState Energy Holdings, Inc. | 1.3 | | | | | |
| 4/13/2017 | Door to Door Storage, Inc. | U.S. | Provides self-storage and moving services in the United States | U-Haul International, Inc. | 5.9 | | | | | |
| 4/12/2017 | United Road Towing, Inc. | U.S. | Provides towing, recovery, impound and vehicle management solutions to private and public sectors in the United States | Medley Capital Corporation; MCC Advisors LLC | 55.0 | | | | | |
| Announced 4/4/2017 | Newport Rail Loading Facility, LLC | U.S. | Provides rail loading services | Select Sands Corp. | 2.6 | | | | | |

⁽¹⁾ Includes transactions where financial details were disclosed. Source: S&P Global Market Intelligence for the year to November 15, 2017

Select North American M&A Activity⁽¹⁾ ○○○○●○

(C\$ in millions)

| Date Closed | Target | Target Loc'n | Target Business Description | Acquirer | Enterprise Value | LTM Revenue | LTM EBITDA | EV / Revenue | EV / EBITDA | EBITDA Margin |
|-------------|------------------------------------|--------------|---|--|------------------|-------------|------------|--------------|-------------|---------------|
| 4/1/2017 | Lomas Logistics Limited | CA | Provides third-party logistics solutions to clients in consumer goods, healthcare, technology, telecom and various other industries in Canada and internationally | Wheels International Inc. | \$ 7.0 | \$17.0 | \$1.9 | 0.41x | 3.7x | 11.1% |
| 3/9/2017 | Dominion Terminal Associates LLP | U.S. | Operates a coal shipping and ground storage facility | Ashland Terminal, Inc.; Contura Energy, Inc. | 69.4 | | | | | |
| 3/2/2017 | David Oppenheimer Transport, Inc. | U.S. | Provides transportation services | Grandview Brokerage Limited | 19.4 | | | | | |
| 2/28/2017 | Daseke, Inc. | U.S. | Provides open-deck specialized transportation services in North America | Hennessy Capital Acquisition Corporation II | | 872.3 | 107.1 | | | 12.3% |
| 2/2/2017 | Fusion Logistics | U.S. | Provides ground, air and ocean shipping services for small to medium-sized businesses in the United States and internationally | Worldwide Express Operations, LLC | | 234.2 | | | | |
| 2/1/2017 | Total Terminals International, LLC | U.S. | Operates marine terminals and stevedores in the United States | Terminal Investment Limited (Netherlands) B.V. | 189.0 | | | | | |

⁽¹⁾ Includes transactions where financial details were disclosed. Source: S&P Global Market Intelligence for the year to November 15, 2017

Select North American M&A Activity⁽¹⁾ ○○○○●●

(C\$ in millions)

| Date Closed | Target | Target Loc'n | Target Business Description | Acquirer | Enterprise Value | LTM Revenue | LTM EBITDA | EV / Revenue | EV / EBITDA | EBITDA Margin |
|---------------------|---|--------------|---|---|------------------|-------------|------------|--------------|-------------|---------------|
| 1/31/2017 | Palmdeal Shipping Inc. and Mondalva Shipping Inc. | U.S. | Providers of deep sea shipping services | Interocean Transportation Inc. | \$ 5.7 | | | | | |
| Announced 1/12/2017 | Dominion Terminal Associates LLP | U.S. | Operates a coal shipping and ground storage facility | Newport News Terminal Associates, LLC | 33.9 | | | | | |
| Announced 1/9/2017 | Dependable Auto Shippers, Inc., Peterbilt Truck | U.S. | Comprises a commercial truck with car carrying trailer | Bailey Truck & Trailer | 0.2 | | | | | |
| 1/5/2017 | C & S Carpet Distribution, Inc. | U.S. | Provides truckload and logistics services for carpet and floor coverings | Best Logistics Group, Inc. | | \$ 14.5 | | | | |
| 1/5/2017 | Grand Power Logistics Group Inc. | CA | Provides logistics and related services in Hong Kong, China and internationally | Mr. Tong (Ricky) Chiu and Sheng Ning (Candace) Wong | 12.8 | 60.0 | (\$2.0) | 0.21x | NM | -3.3% |
| 1/3/2017 | Flyte Tyme Worldwide Transportation | U.S. | Provider of ground transportation and black car services in the United States and internationally | Addison Lee Limited | 33.5 | 87.2 | | 0.38x | | |

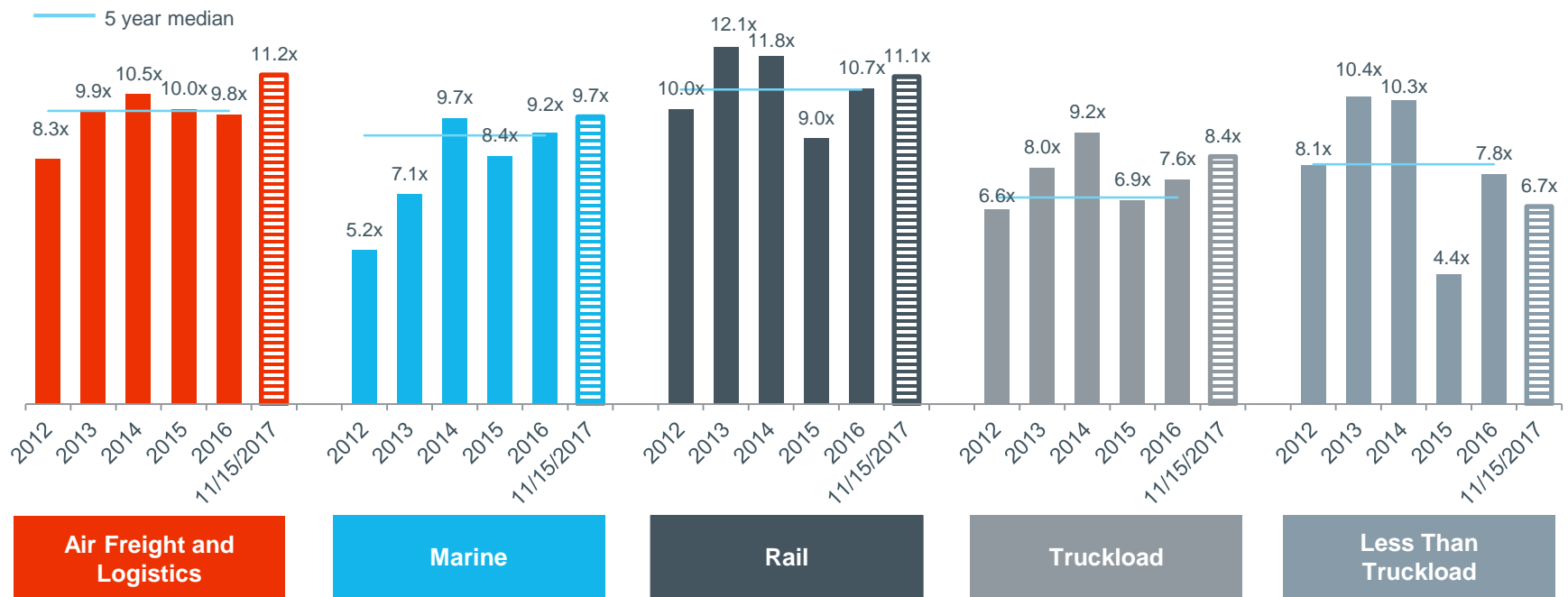
| | | | | | | |
|---------------|----------------|----------------|----------------|--------------|-------------|--------------|
| Mean | \$267.9 | \$563.9 | \$101.4 | 1.50x | 9.1x | 15.1% |
| Median | \$41.2 | \$166.5 | \$9.1 | 0.40x | 7.9x | 12.4% |

⁽¹⁾ Includes transactions where financial details were disclosed. Source: S&P Global Market Intelligence for the year to November 15, 2017

Public Company Trading Multiples

EV / LTM EBITDA Median Multiples

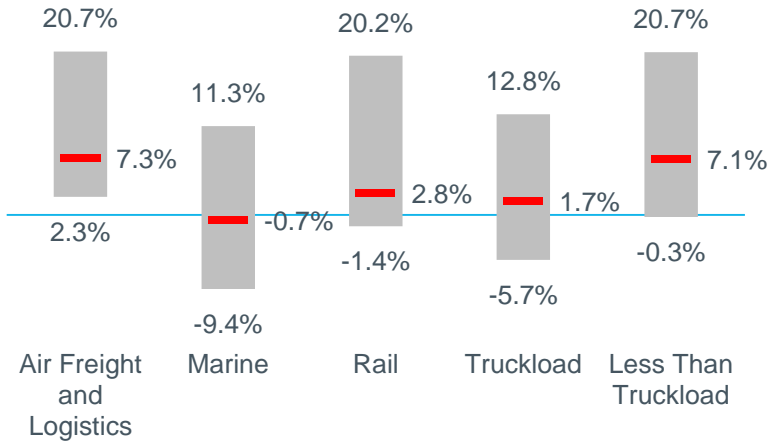
- Enterprise value to LTM EBITDA multiples for Air Freight and Logistics, Marine, Rail and Truckload were all higher compared to the median over the past five years
- Air Freight and Logistics multiples have reached a five year high at 11.2x as demand for 3rd party logistics companies continues to rise in line with consumer demand
- Marine and Rail saw a slight decrease compared to May 2017, but continue to outperform compared to the previous two years, indicating likely growth potential in these sub-industries
- Companies in the Less Than Truckload segment saw a continued decline in valuations. Although the current median multiple of 6.7x is lower than the 8.1x median multiple of the previous five years, it has increased from the low of 4.4x for 2015



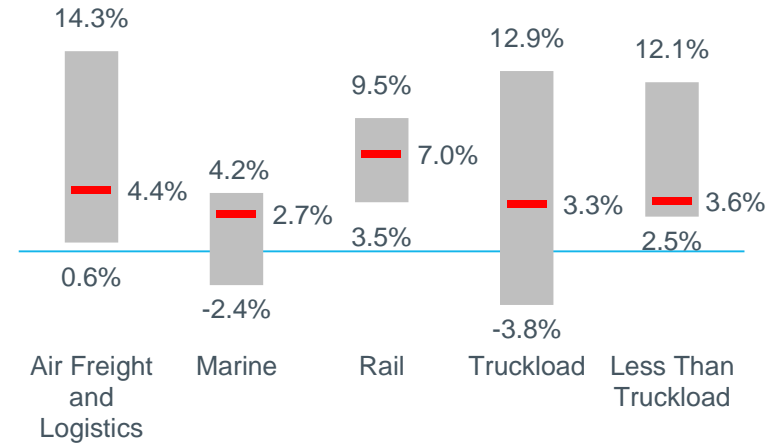
Note: Sector constituents based on selected comparable companies; certain periods exclude outliers based on Duff & Phelps' analysis; EBITDA does not reflect adjustments for extraordinary items. EV = Enterprise Value = Market Capitalization + Total Debt + Preferred Equity - Cash and Short Term Investments. LTM = last twelve months. Source: S&P Global Market Intelligence as of November 15, 2017.

Select Public Company Operating and Trading Statistics⁽¹⁾

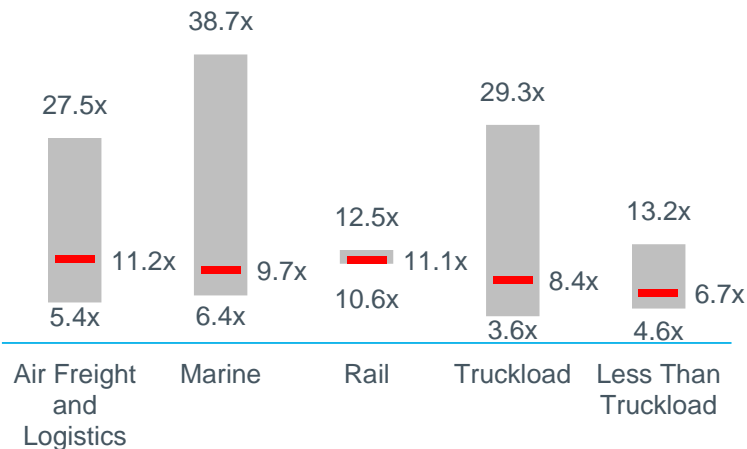
Five Year Revenue Growth Rate (CAGR)



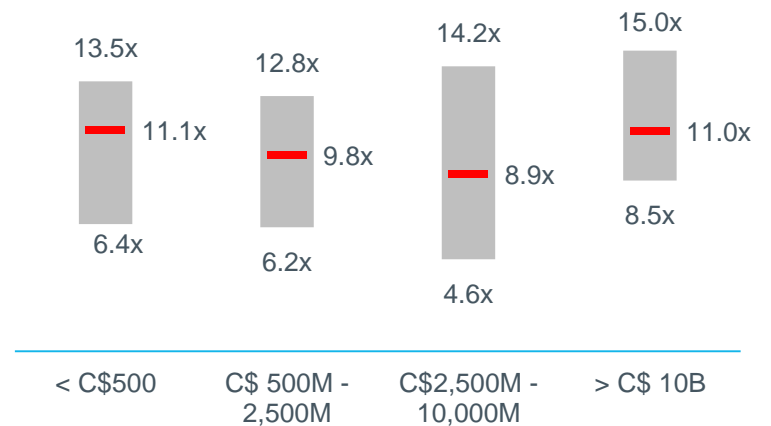
Return on Assets (LTM)



Enterprise Value / LTM EBITDA (by Sector)




Enterprise Value / LTM EBITDA (by LTM Revenue)



⁽¹⁾ The values above represent high, median and low data points for each category as of November 15, 2017. Source: S&P Global Market Intelligence as of November 15, 2017.

Public Company Trading Statistics – Air and Logistics

(C \$ in millions, except per share data)

| Company | Stock Price 11/15/2017 | % of | | Enterprise Value | Operating Metrics (LTM) | | | | | | Enterprise Value as a Multiple of | | | | | |
|--|---|-----------------|-----------------|---------------------|-------------------------|-------------|------------------|-----------------|-------------------|---------------------|-----------------------------------|--------------|--------------|--------------|--------------|-------------|
| | | 52 week High | Market Cap. | | Revenue | CAGR, 5 Yr. | EBITDA Margin | Assets | Ret. on Assets | Net Debt/ EBITDA | Revenue | | | EBITDA | | |
| | | | | | | | | | | | LTM | 2017E | 2018E | LTM | 2017E | 2018E |
| Air Freight and Logistics | | | | | | | | | | | | | | | | |
| United Parcel Service, Inc. | \$ 144.19 | 93% | \$ 124,256 | \$ 142,774 | \$ 79,960 | 3.6% | 12.3% | \$ 51,690 | 8.8% | 1.8x | 1.79x | 1.71x | 1.62x | 14.6x | 10.4x | 9.8x |
| FedEx Corporation | 273.91 | 93% | 73,450 | 88,334 | 76,395 | 7.3% | 13.5% | 61,852 | 6.9% | 1.4x | 1.16x | 1.09x | 1.03x | 8.5x | 7.8x | 7.0x |
| XPO Logistics, Inc. | 91.80 | 96% | 11,005 | 17,012 | 18,578 | 133.5% | 8.2% | 15,446 | 2.9% | 3.5x | 0.92x | 0.88x | 0.83x | 11.2x | 9.7x | 8.3x |
| C.H. Robinson Worldwide, Inc. | 102.12 | 98% | 14,236 | 15,733 | 17,904 | 5.5% | 5.8% | 5,219 | 12.1% | 1.4x | 0.88x | 0.84x | 0.79x | 15.0x | 14.4x | 13.0x |
| Expeditors International of Washington, Inc. | 75.33 | 94% | 13,387 | 12,071 | 8,326 | 2.3% | 10.8% | 3,836 | 14.3% | NA | 1.45x | 1.38x | 1.30x | 13.4x | 13.0x | 12.1x |
| Ryder System, Inc. | 99.59 | 91% | 5,273 | 12,022 | 8,898 | 2.8% | 24.9% | 14,072 | 3.0% | 3.0x | 1.35x | 1.30x | 1.24x | 5.4x | 5.3x | 5.0x |
| Atlas Air Worldwide Holdings, Inc. | 67.63 | 77% | 1,710 | 4,174 | 2,573 | 5.4% | 20.7% | 5,859 | 3.4% | 4.5x | 1.62x | 1.54x | 1.40x | 7.8x | 6.7x | 5.7x |
| Air Transport Services Group, Inc. | 28.85 | 84% | 1,706 | 2,346 | 1,209 | 9.3% | 23.9% | 1,858 | 3.7% | 2.2x | 1.94x | 1.80x | 1.57x | 8.1x | 7.0x | 5.7x |
| Hub Group, Inc. | 54.80 | 82% | 1,869 | 2,227 | 4,813 | 4.5% | 3.7% | 2,000 | 3.8% | 1.9x | 0.46x | 0.44x | 0.40x | 12.4x | 12.8x | 10.0x |
| Forward Air Corporation | 69.55 | 91% | 2,071 | 2,107 | 1,324 | 12.9% | 13.9% | 836 | 10.3% | 0.2x | 1.59x | 1.50x | 1.39x | 11.5x | 10.9x | 9.8x |
| Echo Global Logistics, Inc. | 30.59 | 83% | 854 | 1,094 | 2,253 | 20.5% | 1.8% | 1,045 | 0.6% | 5.9x | 0.49x | 0.45x | 0.41x | 27.5x | 15.5x | 12.1x |
| Cargojet Inc. |  53.54 | 98% | 716 | 1,067 | 359 | 16.8% | 22.0% | 552 | 5.0% | 4.4x | 2.97x | 2.91x | 2.78x | 13.5x | 10.3x | 9.2x |
| Radiant Logistics, Inc. | 5.70 | 67% | 280 | 331 | 975 | 20.7% | 3.5% | 369 | 3.1% | 1.5x | 0.34x | 0.31x | 0.28x | 9.8x | 7.9x | 6.8x |
| Air T, Inc. | 24.78 | 82% | 51 | 75 | 220 | 13.6% | 4.2% | 88 | 4.9% | 2.5x | 0.34x | NA | NA | 8.1x | NA | NA |
| Median | | 91% | \$ 1,970 | \$ 3,260 | \$ 3,693 | 8.3% | 11.5% | \$ 2,918 | 4.4% | 2.2x | 1.25x | 1.30x | 1.24x | 11.2x | 10.3x | 9.2x |

[Outlier, excluded]

Definitions

CAGR: Compounded Annual Growth Rate

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization. EBITDA does not reflect adjustments for extraordinary items.

Enterprise Value: Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short Term Investments

LTM: Last Twelve Months

Source: S&P Global Market Intelligence as of November 15, 2017; for definitions refer to page 15.

Public Company Trading Statistics – Marine and Rail

(C \$ in millions, except per share data)

| Company | Stock Price 11/15/2017 | % of | | Operating Metrics (LTM) | | | | | | | | Enterprise Value as a Multiple of | | | | | |
|-----------------------------------|---------------------------|-----------------|------------------|-------------------------|------------------|--------------|--------------|------------------|-------------------|---------------------|--------------|-----------------------------------|--------------|--------------|--------------|-------------|--|
| | | 52 week High | Market Cap. | Enterprise Value | Revenue | | EBITDA | | Ret. on Assets | Net Debt/ EBITDA | Revenue | | | EBITDA | | | |
| | | | | | Revenue | CAGR, 5 Yr. | Margin | Assets | | | LTM | 2017E | 2018E | LTM | 2017E | 2018E | |
| Marine Freight | | | | | | | | | | | | | | | | | |
| Kirby Corporation | \$ 79.45 | 83% | \$ 4,743 | \$ 6,061 | \$ 2,427 | -2.0% | 20.9% | \$ 6,500 | 2.7% | 2.5x | 2.50x | 2.23x | 1.74x | 12.0x | 11.8x | 9.9x | |
| Seaspan Corporation | 7.38 | 49% | 913 | 4,566 | 1,038 | 5.1% | 58.0% | 7,266 | 3.2% | 6.0x | 4.40x | 4.27x | 3.97x | 7.6x | 7.1x | 6.4x | |
| Matson, Inc. | 34.87 | 68% | 1,480 | 2,521 | 2,562 | 5.9% | 12.8% | 2,709 | 4.1% | 3.4x | 0.98x | 0.97x | 0.95x | 7.7x | 6.6x | 6.4x | |
| Costamare Inc. | 7.01 | 67% | 750 | 2,127 | 527 | 1.4% | 63.4% | 1,013 | 2.1% | 4.1x | 4.03x | 4.07x | 4.20x | 6.4x | 6.2x | 6.5x | |
| Diana Shipping Inc. | 5.02 | 63% | 533 | 1,288 | 176 | -9.4% | 4.3% | 2,128 | -2.4% | 42.5x | 7.31x | 6.54x | 4.99x | NM | NM | 11.5x | |
| Genco Shipping & Trading Limited | 13.39 | 70% | 461 | 930 | 223 | -8.2% | 10.7% | 1,895 | -2.0% | 19.1x | 4.16x | NA | NA | 38.7x | NA | NA | |
| Algoma Central Corporation | 14.31 | 100% | 557 | 772 | 431 | -5.3% | 21.3% | 1,076 | 2.7% | 2.4x | 1.79x | 1.72x | 1.68x | 8.4x | 8.6x | 6.7x | |
| Eagle Bulk Shipping Inc. | 5.66 | 42% | 398 | 717 | 255 | -1.3% | 3.9% | 1,023 | -1.7% | 31.5x | 2.81x | NA | NA | NM | NA | NA | |
| Logistec Corporation | 44.01 | 96% | 551 | 675 | 426 | 11.3% | 14.3% | 518 | 4.2% | 1.9x | 1.58x | NA | NA | 11.1x | NA | NA | |
| Pangaea Logistics Solutions Ltd. | 5.19 | 48% | 227 | 482 | 437 | NA | 9.7% | 519 | 3.0% | 4.0x | 1.10x | NA | NA | 11.4x | NA | NA | |
| Rand Logistics, Inc. | 0.83 | 22% | 15 | 331 | 143 | -6.2% | 18.8% | 345 | -0.3% | 10.8x | 2.32x | NA | NA | 12.3x | NA | NA | |
| Median | | 67% | \$ 551 | \$ 930 | \$ 431 | -1.7% | 14.3% | \$ 1,076 | 2.7% | 4.1x | 2.5x | 3.2x | 2.9x | 9.7x | 7.1x | 6.6x | |
| Rail Freight | | | | | | | | | | | | | | | | | |
| Union Pacific Corporation | \$ 147.78 | 97% | \$ 116,330 | \$ 135,356 | \$ 26,195 | 0.2% | 47.5% | \$ 71,740 | 8.6% | 1.5x | 5.17x | 4.99x | 4.78x | 10.9x | 10.6x | 9.8x | |
| Canadian National Railway Company | 101.87 | 94% | 76,005 | 86,310 | 12,973 | 5.9% | 53.4% | 37,104 | 9.5% | 1.5x | 6.65x | 6.61x | 6.30x | 12.5x | 12.4x | 11.7x | |
| CSX Corporation | 62.11 | 88% | 55,513 | 69,714 | 14,476 | -0.4% | 45.3% | 44,462 | 7.0% | 2.1x | 4.82x | 4.75x | 4.61x | 10.6x | 10.8x | 9.6x | |
| Norfolk Southern Corporation | 161.48 | 94% | 46,206 | 58,258 | 12,964 | -1.4% | 42.3% | 43,937 | 6.0% | 2.2x | 4.49x | 4.33x | 4.16x | 10.6x | 10.2x | 9.7x | |
| Canadian Pacific Railway Limited | 215.36 | 95% | 31,220 | 39,270 | 6,478 | 3.0% | 51.7% | 19,479 | 8.9% | 2.4x | 6.06x | 6.01x | 5.76x | 11.7x | 11.5x | 10.9x | |
| Kansas City Southern | 130.50 | 94% | 13,512 | 17,176 | 3,151 | 2.8% | 48.6% | 11,374 | 6.2% | 2.1x | 5.45x | 5.19x | 4.91x | 11.2x | 10.8x | 10.0x | |
| Genesee & Wyoming Inc. | 91.19 | 88% | 5,689 | 9,060 | 2,691 | 20.2% | 30.3% | 10,036 | 3.5% | 3.6x | 3.37x | 3.21x | 3.02x | 11.1x | 10.4x | 9.3x | |
| Median | | 94% | \$ 46,206 | \$ 58,258 | \$ 12,964 | 2.8% | 47.5% | \$ 37,104 | 7.0% | 2.1x | 5.17x | 4.99x | 4.78x | 11.1x | 10.8x | 9.8x | |

[Outlier, excluded]

Definitions

CAGR: Compounded Annual Growth Rate

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization. EBITDA does not reflect adjustments for extraordinary items.

Enterprise Value: Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short Term Investments

LTM: Last Twelve Months

Public Company Trading Statistics – Trucking

(C \$ in millions, except per share data)

| Company | Stock Price 11/15/2017 | % of 52 week High | Market Cap. | Enterprise Value | Operating Metrics (LTM) | | | | | | Enterprise Value as a Multiple of | | | | | |
|---|---------------------------|-------------------------|-----------------|---------------------|-------------------------|-------------|--------------|-----------------|-------------|-------------|-----------------------------------|--------------|--------------|-------------|-------------|-------------|
| | | | | | Revenue | | EBITDA | | Ret. on | Net Debt/ | Revenue | | | EBITDA | | |
| | | | | | Revenue | CAGR, 5 Yr. | Margin | Assets | Assets | EBITDA | LTM | 2017E | 2018E | LTM | 2017E | 2018E |
| Truck Load (TL) | | | | | | | | | | | | | | | | |
| J.B. Hunt Transport Services, Inc. | \$ 129.70 | 91% | \$ 14,234 | \$ 15,612 | \$ 8,650 | 7.1% | 15.1% | \$ 5,067 | 10.8% | 1.0x | 1.80x | 1.71x | 1.55x | 11.9x | 11.7x | 10.1x |
| Knight-Swift Transportation Holdings Inc. | 48.78 | 86% | 8,680 | 9,734 | 1,694 | 8.1% | 19.6% | 9,434 | 1.9% | 3.1x | 5.75x | NA | NA | 29.3x | NA | NA |
| Schneider National, Inc. | 30.67 | 85% | 5,424 | 5,678 | 5,327 | NA | 12.0% | 4,128 | 5.2% | 0.4x | 1.07x | 1.02x | 0.95x | 8.9x | 8.0x | 6.9x |
| Landstar System, Inc. | 121.41 | 93% | 5,095 | 4,915 | 4,362 | 4.3% | 7.9% | 1,579 | 12.9% | NA | 1.13x | 1.07x | 0.98x | 14.2x | 13.6x | 11.8x |
| TFI International Inc. | 30.51 | 85% | 2,745 | 4,252 | 4,696 | 8.7% | 10.8% | 3,751 | 4.6% | 3.0x | 0.91x | 0.89x | 0.87x | 8.4x | 8.1x | 7.1x |
| Werner Enterprises, Inc. | 42.98 | 90% | 3,109 | 3,191 | 2,585 | 0.3% | 16.6% | 2,203 | 4.6% | 0.2x | 1.23x | 1.19x | 1.11x | 7.4x | 6.9x | 6.1x |
| Heartland Express, Inc. | 26.31 | 82% | 2,192 | 2,126 | 727 | 1.5% | 26.5% | 997 | 4.3% | NA | 2.92x | 2.64x | 2.20x | 11.1x | 9.4x | 7.8x |
| Mullen Group Ltd. | 15.44 | 76% | 1,600 | 2,016 | 1,100 | -5.7% | 15.5% | 1,764 | 3.1% | 2.5x | 1.83x | 1.78x | 1.63x | 11.8x | 11.2x | 9.2x |
| Marten Transport, Ltd. | 23.89 | 88% | 1,302 | 1,301 | 860 | 1.8% | 19.3% | 845 | 4.6% | NA | 1.51x | 1.47x | 1.33x | 7.8x | 7.1x | 6.4x |
| Universal Logistics Holdings, Inc. | 27.40 | 94% | 778 | 1,067 | 1,458 | -1.3% | 6.8% | 755 | 3.8% | 2.9x | 0.73x | 0.69x | 0.64x | 10.8x | 10.1x | 7.6x |
| Covenant Transportation Group, Inc. | 35.87 | 92% | 656 | 926 | 866 | 1.0% | 15.0% | 813 | 2.6% | 2.1x | 1.07x | 1.03x | 0.97x | 7.2x | 6.7x | 5.7x |
| Celadon Group, Inc. | 8.56 | 69% | 237 | 715 | 1,417 | 12.8% | 8.1% | 1,319 | 0.5% | 4.5x | 0.50x | NA | NA | 6.2x | NA | NA |
| P.A.M. Transportation Services, Inc. | 42.34 | 77% | 267 | 431 | 544 | 3.1% | 11.9% | 474 | 2.1% | 2.5x | 0.79x | 0.87x | 0.77x | 6.6x | 6.1x | 5.0x |
| USA Truck, Inc. | 20.33 | 90% | 161 | 316 | 533 | -3.3% | 4.6% | 329 | -2.0% | 6.1x | 0.59x | 0.56x | 0.52x | 12.8x | 10.1x | 5.5x |
| ENTREC Corporation | 0.22 | 73% | 24 | 175 | 140 | NA | 5.1% | 231 | -3.8% | 21.0x | 1.25x | 1.18x | 1.00x | 24.4x | 16.6x | 9.4x |
| Titanium Transportation Group Inc. | 1.01 | 61% | 38 | 98 | 123 | NA | 9.9% | 113 | 0.9% | 4.9x | 0.79x | 0.77x | 0.64x | 8.0x | 7.6x | 5.5x |
| Patriot Transportation Holding, Inc. | 22.94 | 66% | 76 | 64 | 149 | NA | 11.9% | 84 | 3.3% | NA | 0.43x | NA | NA | 3.6x | NA | NA |
| Median | | 85% | \$ 1,302 | \$ 1,301 | \$ 1,100 | 1.8% | 11.9% | \$ 997 | 3.3% | 2.9x | 1.07x | 1.05x | 0.97x | 8.9x | 8.7x | 7.0x |
| Less Than Truck Load (LTL) | | | | | | | | | | | | | | | | |
| Old Dominion Freight Line, Inc. | \$ 149.85 | 95% | \$ 12,344 | \$ 12,366 | \$ 4,016 | 9.0% | 23.3% | \$ 3,695 | 12.1% | 0.0x | 3.08x | 2.90x | 2.63x | 13.2x | 12.4x | 11.0x |
| Saia, Inc. | 77.40 | 90% | 1,954 | 2,116 | 1,657 | 4.0% | 13.0% | 1,191 | 6.2% | 0.7x | 1.28x | 1.21x | 1.10x | 9.8x | 9.1x | 7.7x |
| YRC Worldwide Inc. | 13.76 | 63% | 461 | 1,458 | 6,038 | -0.3% | 5.2% | 2,127 | 3.6% | 3.1x | 0.24x | 0.23x | 0.22x | 4.6x | 4.3x | 3.6x |
| ArcBest Corporation | 40.55 | 92% | 1,040 | 1,164 | 3,505 | 7.1% | 5.5% | 1,680 | 2.5% | 0.6x | 0.33x | 0.32x | 0.30x | 6.1x | 5.9x | 4.9x |
| Roadrunner Transportation Systems, Inc. | 9.81 | 65% | 376 | 886 | 2,589 | 20.7% | 5.1% | 1,774 | 2.8% | 4.0x | 0.34x | 0.33x | 0.34x | 6.7x | 6.9x | 5.9x |
| Median | | 90% | \$ 1,040 | \$ 1,458 | \$ 3,505 | 7.1% | 5.5% | \$ 1,774 | 3.6% | 0.7x | 0.34x | 0.33x | 0.34x | 6.7x | 6.9x | 5.9x |

[Outlier, excluded]

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LTM: Last Twelve Months

Selected Duff & Phelps Freight and Logistics Experience

Financial Advisor



Valuation advisor to Canadian Pacific Railway Limited

Financial Advisor



Financial advisor to Ryder Systems, Inc.

Financial Advisor



Financial advisor to Hub Group, Inc.

Financial Advisor



Financial advisor to CEVA Holdings, LLC

Financial Advisor



Financial advisor to Con-way, Inc.

Financial Advisor



has been acquired by



Advised the Board of Directors of International Road Dynamics Inc.

Sell Side Advisor



has been acquired by



Financial advisor to Hurley Trucking

Financial Advisor



Financial Advisor to Werner Enterprises Inc.

Sell Side Advisor



has been acquired by



Financial advisor to Aero Logistics

Financial Advisor*



Financial advisor to Midland Transport Limited and Sunbury Transport Ltd.

Sell Side Advisor



has been acquired by



Financial advisor to Consolidated Freightways Corp. in connection with the sale of substantially all of the company's Canadian assets

Financial Advisor



Financial advisor to Contrans Group, Inc.

Financial Advisor



Financial advisor to Fastfrate Group, Inc.

Financial Advisor*



Financial advisor to Canadian National Railway re CN Worldwide Logistics

* Transaction completed by a Duff & Phelps professional while with another firm.

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