



TRANSPORTATION & LOGISTICS SECTOR UPDATE AND M&A TRENDS

Q2 2023

ALMA.advisors

Lack of grade-a logistics assets and increased storage demand is driving investments in the sector

Q2 market and sector overview

Macroeconomic developments

- The European Central Bank continues its rate hike cycle with **two consecutive 25bp rate hikes in Q2**, increasing interest rates to 4.0% in June 2023
- EU inflation for June 2023 has witnessed a **decrease** of 0.6% compared to May, settling to 5.5%
- ECB has **raised its inflation projections** for 2023 and 2024 due to previous upward surprises and **the eurozone's robust labour market**
- According to the eurozone PMI report, demand for goods fell sharply at the end of Q2 leading to **improved supply chain conditions** and **shortening of delivery times**

Greek transportation & logistics sector trends

Increasing development projects

- **Limited supply of first-class logistics assets** is driving new space development projects
- **Storage demand** continues to rise due to:
 - Rising e-commerce sales
 - Stock disposition planning
 - Increasing Greek exports

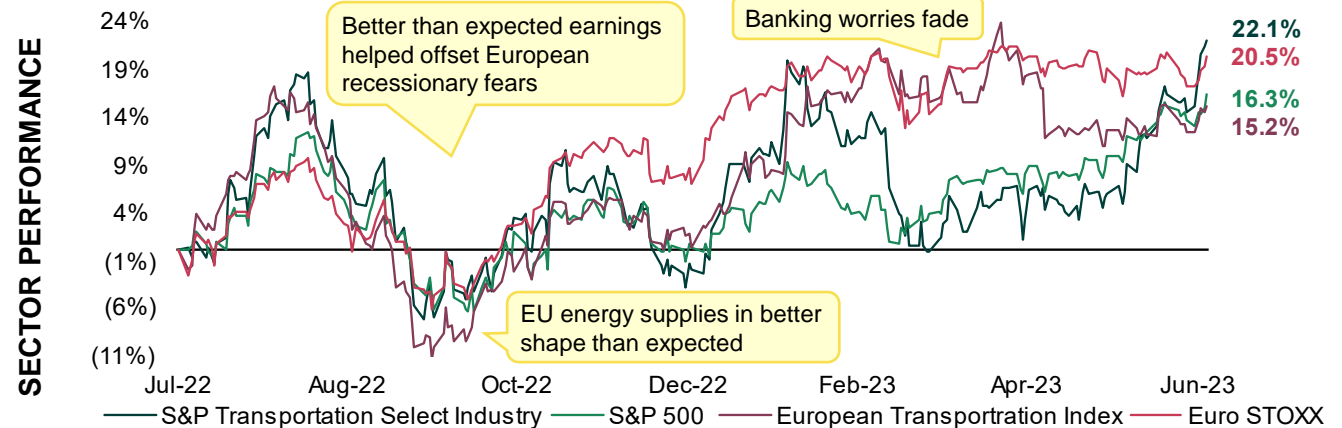
Storage facilities optimization

- The global trend for more **modern warehouses** with the adoption of **automated and robotic solutions** is penetrating Greece
- Greek logistics companies are **optimizing storage facilities** to:
 - Save space
 - Speed up operating procedures
 - Reduce errors
 - Decrease payroll

Greek logistics attract capital






- Foreign investors **continue to pour capital into the Greek logistics sector** to:
 - Exploit the country's strategic location
 - Establish Greece as a global transit hub

European and US transportation indices vs the broader market



Greek companies in the transportation & logistics sector are increasing their storage capacity

Greek transportation & logistics companies' key updates

Company	Q2 2023 key updates
 <p>SARMED logistics made perfect</p>	<ul style="list-style-type: none"> ▪ Announced three new collaborations, with PEGASOS, AG Europe Bakery and DEALS for the storage and distribution of their products ▪ Plans to strengthen its position in e-commerce logistics through the development of a new organizational unit
 <p>TRANSCOMBI EXPRESS Your Logistics Partner</p>	<ul style="list-style-type: none"> ▪ Acquired and modernized a 10,000m² storage facility in Tanagra to: <ul style="list-style-type: none"> ○ Develop its position in cold chain and pharma logistics ○ Complement its offering in the field of dry cargo storage
 <p>Contrade SHIPPING & TRANSPORT S.A.</p>	<ul style="list-style-type: none"> ▪ H.I.G Capital acquired Contrade to realize synergies with its portfolio company, Stroom Global ▪ Intends to build a unified, tri-modal supply chain logistics park in Aspropyrgos to expand its coverage and establish Greece as a modern transit hub ▪ Announced plans for further investments in transportation and logistics companies in the Balkans
 <p>BOX NOW</p>	<ul style="list-style-type: none"> ▪ Announced its collaboration with eBay to facilitate the collection and dispatch of parcels from Greek e-shops to end-users abroad: <ul style="list-style-type: none"> ○ Accept orders all over the world through eBay marketplace ○ Strengthen the extroversion of Greek e-shops
 <p>Goldair cargo sa</p>	<ul style="list-style-type: none"> ▪ Announced the expansion of its storage facilities in Athens and its logistics center in Crete by 3,000m² to facilitate the transportation of Greek products on international markets

Key takeaways

Greek logistics companies are increasing their storage capacity

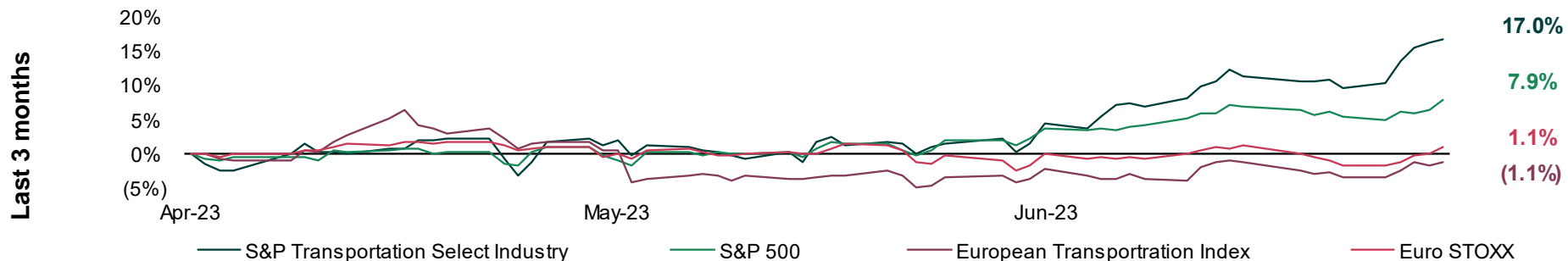
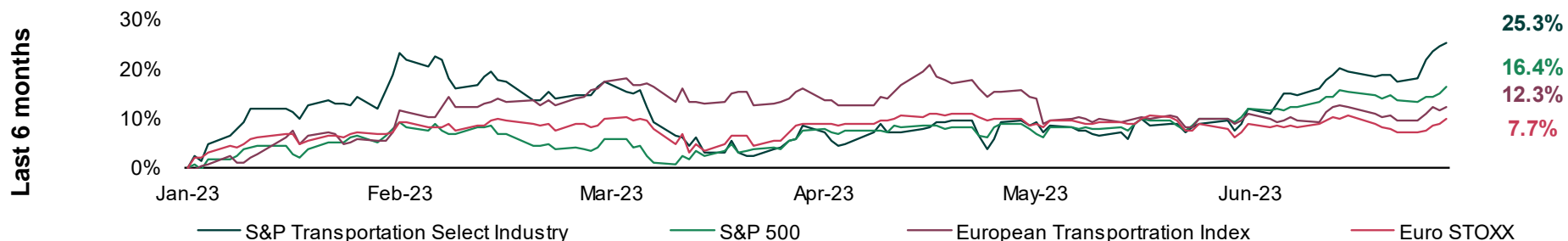
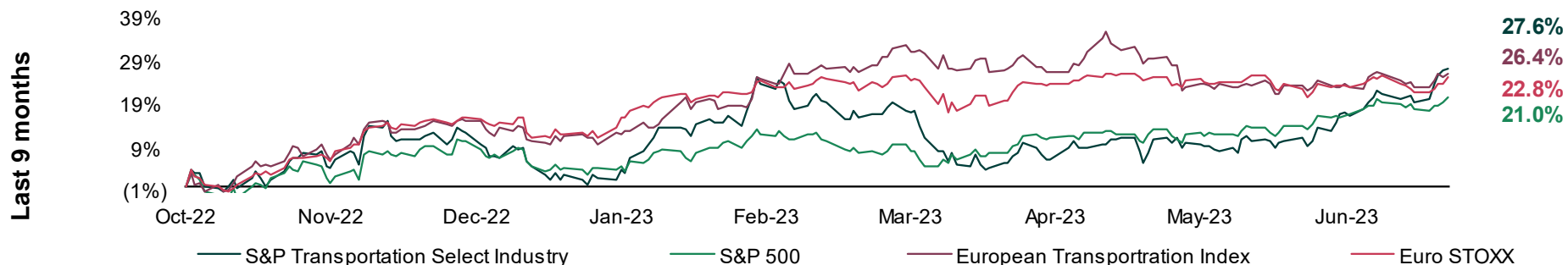
- Greek transportation and logistics companies are moving forward with their plans **to invest in new storage facilities and expand existing ones** to:
 - Strengthen their position and/or enter **new end-markets** such as cold chain and pharma logistics
 - Facilitate the **increasing storage demand** for Greek exporting products

Foreign investors continue to invest in Greek logistics companies

- International investors are **strengthening their presence** in the Greek transportation and logistics sector:
 - Benefit from Greece's location in the global supply chain network

US transportation index has outperformed the broader market in Q2 2023 while the European sector lagged

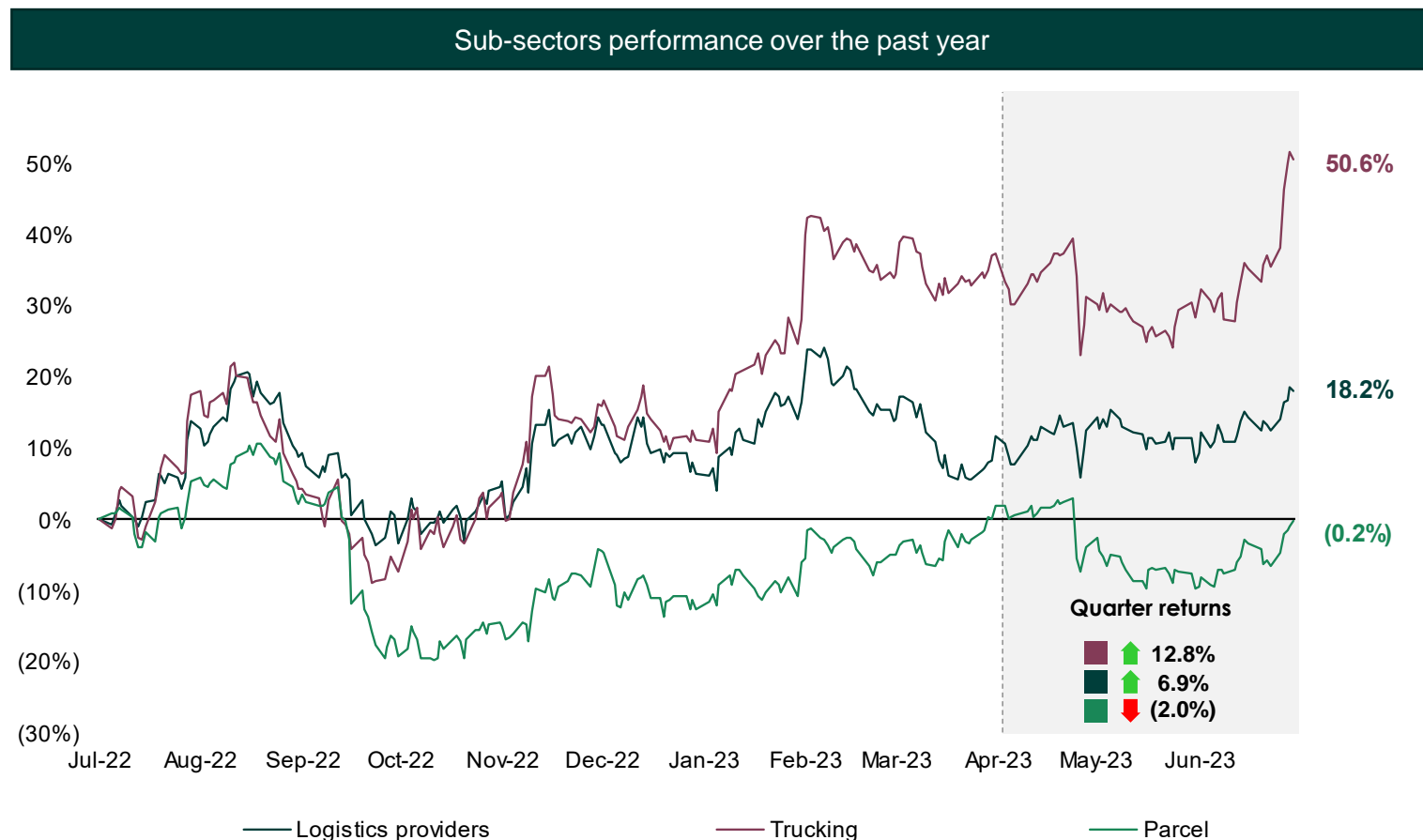
Sector performance



Trucking has outperformed the rest of the sub-sectors both over the LTM and during Q2 2023

Publicly traded companies overview per sub-sector

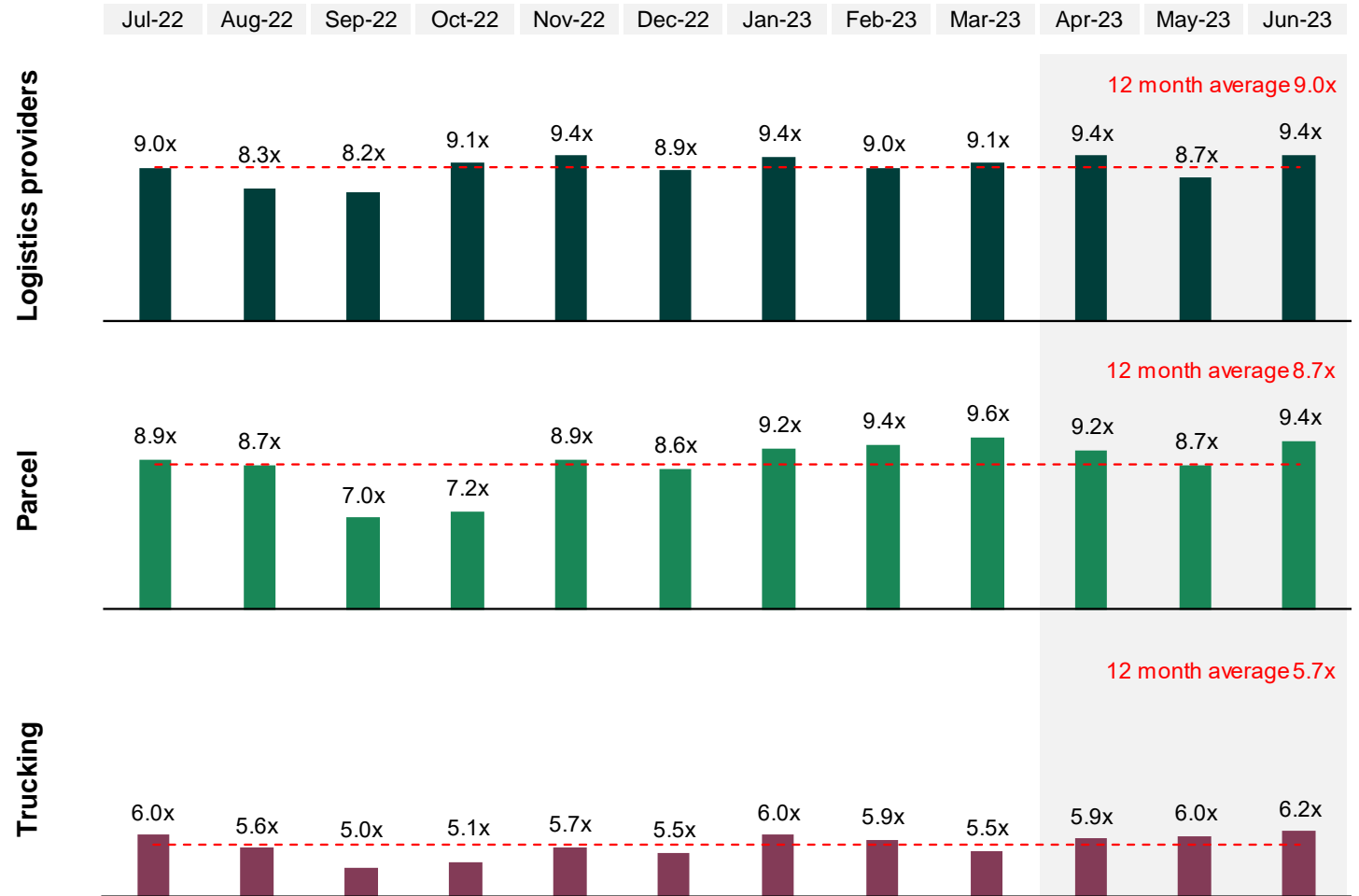
- *Trucking has witnessed the strongest returns over the LTM, recording 50.6% gains*
- *During Q2 2023, trucking and logistics providers have recorded gains of 12.8% and 6.9% respectively*
- *Strong pricing and gaining market share from smaller bankrupt peers boosted trucking companies stock returns in 2023*
- *Parcel was the only sub-sector that has underperformed both over the LTM and in Q2 2023, recording losses of 0.2% and 2.0% respectively*



Transportation & logistics sub-sectors have witnessed a positive trend from valuation perspective in Q2 2023

Median LTM EV/EBITDA multiples

- Logistics providers and trucking subsectors have witnessed an improvement in Q2 2023 multiples
- Trucking multiples have reached their highest point over the LTM, at 6.2x but remain the lowest compared to the rest of the industry
- All the industry's sub-sectors have exceeded their 12-month average multiple in Q2 2023 due to the improved sentiment in the sector



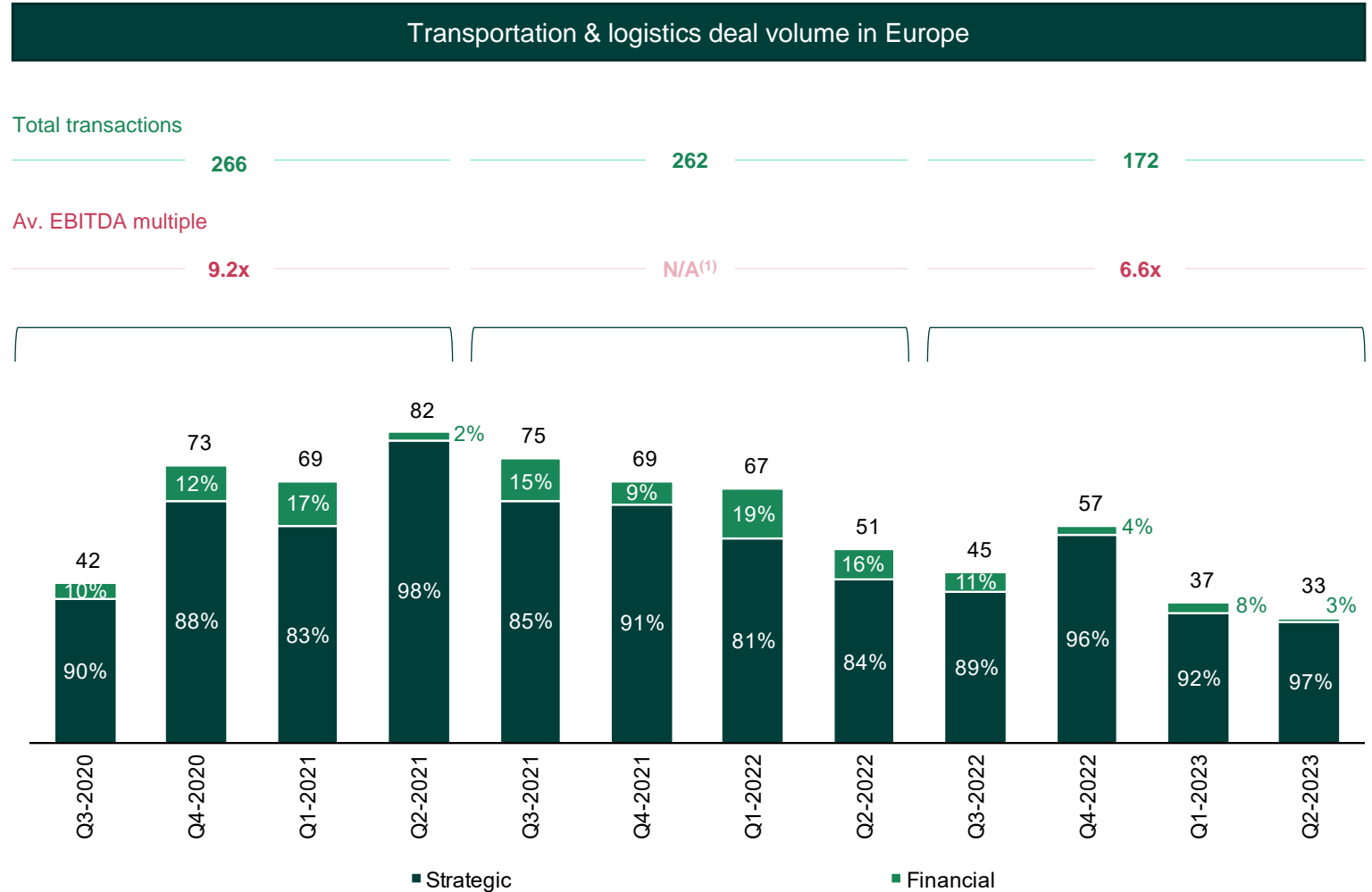
Notes: Sub-sectors index constituents can be found on pages 8-10; some historic multiples may have deviations from previous reports due to restatements or differences between preliminary and final results published; figures for the last trading day of each month

Sources: FactSet

M&A activity in the transportation & logistics sector has witnessed a minor decrease in Q2 2023

Europe M&A update

- *Macroeconomic headwinds continue to suppress both M&A activity and precedent transaction valuations in the transportation & logistics sector*
- *During Q2 2023, transactions declined by 11% recording 33 deals compared to 37 in Q1 2023*
- *M&A deal volume over the LTM has witnessed a decrease of 36% comparing Q2 2023 with Q2 of 2022*



Data as of 30/6/2023

Notes: (1) Limited data on multiples to obtain a reasonable figure

Sources: FactSet

Trading comps (1/3)

LOGISTICS PROVIDERS														
Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales 2023E	Sales Growth		EBITDA 2023E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
					2022	2023E			LTM	2023E	2024E	LTM	2023E	2024E
J.B. Hunt Transport	USA	17,198	18,293	12,023	37%	(15%)	1,692	14%	1.4x	1.5x	1.4x	9.9x	10.4x	9.5x
Expeditors	USA	16,964	15,282	10,043	16%	(38%)	1,019	11%	1.1x	1.5x	1.6x	9.5x	14.5x	15.7x
C.H. Robinson	USA	10,070	11,918	16,684	20%	(29%)	701	4%	0.6x	0.7x	0.7x	10.7x	16.5x	14.8x
GXO Logistics	USA	6,839	10,304	8,789	27%	3%	657	7%	1.2x	1.1x	1.1x	13.1x	15.4x	13.6x
Agility Warehousing	KWT	4,974	8,144	3,812	97%	42%	720	19%	2.6x	N.M.	N.M.	39.6x	N.M.	N.M.
Mainfreight	NZL	4,071	4,450	2,932	9%	(14%)	446	15%	1.4x	1.5x	1.4x	9.5x	10.1x	9.3x
Forward Air	USA	2,525	2,804	1,605	34%	(15%)	241	15%	1.6x	1.7x	1.6x	9.4x	11.3x	10.4x
Kerry Logistics	USA	2,455	2,618	4,115	42%	(19%)	391	9%	0.5x	0.6x	0.6x	4.5x	6.6x	6.0x
Hub Group	HKG	1,955	2,591	7,998	23%	(24%)	561	8%	0.3x	0.3x	0.3x	3.2x	4.0x	3.7x
Sankyu	JPN	1,860	1,808	3,754	(3%)	(9%)	381	10%	0.5x	0.5x	0.5x	4.9x	4.8x	4.6x
Jiayou International	FRA	1,667	2,721	2,780	32%	12%	414	15%	1.1x	1.0x	0.9x	7.4x	6.5x	6.1x
CTS International	CHN	1,505	1,319	2,390	(4%)	(23%)	164	7%	0.6x	0.5x	0.5x	8.7x	7.7x	6.6x
ID Logistics Group	CHN	1,385	1,228	788	34%	16%	140	18%	1.7x	1.5x	1.2x	11.5x	8.7x	6.7x
CJ Logistics	KOR	1,212	3,763	8,467	7%	(5%)	651	8%	0.4x	0.4x	0.4x	5.6x	5.7x	5.7x
Radiant Logistics	USA	293	337	994	72%	(23%)	52	5%	0.3x	0.3x	0.3x	4.5x	6.4x	6.6x
Average					29%	(9%)			1.0x	0.9x	0.9x	10.1x	9.2x	8.5x
Median					27%	(15%)			1.1x	0.8x	0.8x	9.4x	8.2x	6.6x

Trading comps (2/3)

PARCEL DELIVERY														
Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales 2023E	Sales Growth		EBITDA 2023E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
					2022	2023E			LTM	2023E	2024E	LTM	2023E	2024E
United Parcel Service	USA	141,261	156,919	86,547	12%	(6%)	13,898	16%	1.7x	1.8x	1.7x	10.8x	11.0x	10.2x
Deutsche Post	USA	57,113	87,724	80,315	0%	(2%)	9,350	12%	1.1x	1.1x	1.0x	8.1x	9.0x	8.1x
FedEx	DEU	55,423	69,842	86,968	16%	(8%)	11,148	13%	0.8x	0.8x	0.8x	5.7x	6.3x	5.9x
ZTO Express	CHN	18,780	17,998	5,334	21%	11%	1,755	33%	3.7x	3.3x	2.8x	12.7x	10.0x	8.4x
PostNL	NLD	782	1,337	3,152	(9%)	0%	247	8%	0.4x	0.4x	0.4x	N.M.	5.3x	4.2x
Average					8%	(1%)		16%	1.5x	1.5x	1.3x	9.3x	8.3x	7.4x
Median					12%	(2%)		13%	1.1x	1.1x	1.0x	9.4x	9.0x	8.1x

Trading comps (3/3)

TRUCKING														
Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales 2023E	Sales Growth		EBITDA 2023E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
					2022	2023E			LTM	2023E	2024E	LTM	2023E	2024E
DSV	DNK	42,148	45,353	23,125	29%	(27%)	3,058	13%	1.6x	2.0x	2.0x	11.8x	14.9x	14.8x
Old Dominion Freight	USA	37,162	37,040	5,171	34%	(13%)	1,699	33%	6.5x	7.0x	6.4x	19.1x	21.2x	18.8x
Knight-Swift Trans.	USA	8,327	8,308	2,430	37%	(9%)	543	22%	3.2x	3.3x	3.1x	14.3x	14.9x	13.3x
Saia	USA	8,201	9,684	6,089	39%	(14%)	1,168	21%	1.5x	1.6x	1.5x	6.5x	7.5x	6.7x
Landstar System	USA	6,341	6,133	5,075	28%	(28%)	397	8%	1.0x	1.2x	1.1x	11.8x	14.9x	14.0x
Schneider National	USA	6,265	8,982	6,759	21%	(8%)	782	12%	1.0x	1.3x	1.2x	7.7x	10.9x	9.5x
XPO	USA	4,697	4,486	5,211	32%	(17%)	761	14%	0.8x	0.8x	0.8x	5.2x	5.7x	5.2x
Werner Enterprises	USA	2,566	3,157	2,973	35%	(5%)	489	16%	1.0x	1.0x	1.0x	5.9x	6.2x	5.6x
ArcBest	USA	2,169	2,246	3,985	50%	(21%)	332	8%	0.5x	0.5x	0.5x	4.6x	6.7x	5.3x
Marten Transport	USA	1,601	1,513	1,097	46%	(9%)	218	20%	1.3x	1.3x	1.2x	7.0x	6.6x	5.9x
Heartland Express	USA	1,188	1,489	1,165	79%	26%	261	23%	1.4x	1.2x	1.2x	6.5x	5.4x	5.0x
Universal Logistics	USA	694	1,065	1,598	27%	(15%)	237	15%	0.6x	N.M.	N.M.	3.1x	N.M.	N.M.
P.A.M. Transportation	USA	541	649	794	48%	(10%)	130	17%	0.7x	0.8x	0.7x	4.2x	4.7x	4.0x
Covenant Logistics	USA	519	628	756	27%	(33%)	104	14%	0.6x	0.8x	0.8x	5.1x	5.9x	5.1x
Wincanton	GBR	365	580	1,631	1%	(3%)	127	8%	0.3x	0.4x	0.3x	3.7x	4.5x	4.4x
Yellow	USA	33	1,379	4,374	13%	(11%)	122	4%	0.3x	0.3x	0.3x	4.7x	8.1x	6.4x
Average					34%	(12%)			1.4x	1.6x	1.5x	7.6x	9.2x	8.3x
Median					33%	(12%)			1.0x	1.2x	1.1x	6.2x	6.7x	5.9x

Selected European transportation and logistics M&A transactions (1/2)⁽¹⁾

Q2 2023



<i>(Figures in €m)</i>						
Date	Target	Buyer	Transaction value	Implied EV	EV/Revenue	EV/EBITDA
Jun-2023	Logistikas	Logent	23.5	23.5	4.4x	-
Jun-2023	Uni Logistic	Wismettac Harro Foods	-	-	-	-
Jun-2023	Huet Demenagements	Demeco	-	-	-	-
Jun-2023	Les Demenageurs de la Mauldre	Demeco	-	-	-	-
Jun-2023	Maltacourt	Waterland Private Equity Investments	-	-	-	-
Jun-2023	Tuffnells Parcels Express	Shift Group	-	-	-	-
Jun-2023	Peter Holmes Haulage	I H Jordan	-	-	-	-
Jun-2023	Supplier Partner IA	SPEED Group	-	-	-	-
Jun-2023	GBN Services	Sortera Group	-	-	-	-
Jun-2023	J&M Vastgoed	Logistics Plus	-	-	-	-
Jun-2023	Crossport	Katoen Natie	-	-	-	-
Jun-2023	Thomas Smith Group	PB Group Ltd	-	-	-	-
Jun-2023	ITS - International Transport & Shipping	Geodis	-	-	-	-
Jun-2023	Sand Road Freight	Scan Global Logistics	-	-	-	-
May-2023	Parcelsea	Eesti Post	-	-	-	-
May-2023	Alex International Transport 94	Walden Group	-	-	-	-
May-2023	TRK	Masternaut Group Holdings	-	-	-	-
May-2023	Restovalor	CVE Biogaz	-	-	-	-
May-2023	B2c Payments And Logistics	Digital Technologies of Future	-	-	-	-
May-2023	Oil Monster	Slicker Recycling	-	-	-	-
May-2023	GLOBALTRUCK MANAGEMENT	Monopoly Investment	-	-	-	-
May-2023	Transports Galot	Groupe Transcan	-	-	-	-
May-2023	Budakuten i Malmö	Jetpak Malmö	2.2	2.2	1.0x	-
Apr-2023	GLOBALTRUCK MANAGEMENT	Monopoly	40.4	84.9	0.4x	7.4x
Apr-2023	EINR AS	Accenture	-	-	-	-

Notes: (1) Transactions also include non-EU European countries
Sources: FactSet

Selected European transportation and logistics M&A transactions (2/2)⁽¹⁾

Q2 2023



(Figures in €m)

Date	Target	Buyer	Transaction value	Implied EV	EV/Revenue	EV/EBITDA
Apr-2023	Alisan Logistics	PSA-BDP Turkey Supply Chain Solutions	-	-	-	-
Apr-2023	Movinga	Shift Group	-	-	-	-
Apr-2023	Lynn Star Distribution & Logistics	Turners	-	-	-	-
Apr-2023	Med Frigo, G. Poulias-S. Brakatselos	Elikonos 2 SCA SICAR; Bearonem	-	-	-	-
Apr-2023	Sivyer Logistics	Holcim	-	-	-	-
Apr-2023	D R Macleod	DFDS	-	-	-	-
Apr-2023	DHS & SPS	Eventor	-	-	-	-
Apr-2023	Trans Integral doo	Rhenus SE & Co	-	-	-	-

Notes: (1) Transactions also include non-EU European countries
Sources: FactSet

Notable transportation and logistics M&A transactions in Greece

2019 to Q2 2023



(Figures in €m)

Date	Target	Buyer	Transaction value	Implied EV	EV/Revenue	EV/EBITDA
Apr-2023	Contrade	H.I.G. Capital	-	-	-	-
Mar-2023	Med Frigo	EOS Capital; Elikonos Capital	-	-	-	-
Mar-2023	Orphee Beinoglou	H.I.G. Capital	-	-	-	-
Jul-2022	Perme Hellas	Polygreen	-	-	-	-
Jan-2022	Mantis	Ecovium	60.0	-	-	-
Jan-2022	Anchor Shipbroking	Simpson Spence Young	-	-	-	-
Apr-2021	Tenberco	Eurobank	27.1	-	-	-
Jan-2021	MAKIOS Logistics	HIG Capital	-	-	-	-
Dec-2020	Sarmed Warehouse	BriQ Properties	23.6	29.5	1.4x	10.5x
Jul-2019	Victini Logistics	Brooklane Capital	12.5	12.5	8.7x	22.7x
Nov-2019	Pearl	Ocean Rail Logistics	-	-	-	-
Dec-2018	Irina Ktimatiki	Prodea Investments	-	-	-	-

Tailored corporate finance services for the European mid-market

Our firm

Alma Advisors is an independent financial services firm serving the European mid-market. We offer corporate finance solutions to corporates, family businesses and entrepreneurs.



Nikolas Evangelou, CFA
Partner
Nikolas@almaadvisors.com
+357 99 135 137
+30 69 8687 7720



Panagiotis Georgiou, ACA
Partner
Panagiotis@almaadvisors.com
+357 99 310 705
+30 69 8418 4466

Pure Corporate Finance

- Sell-side M&A
- Buy-side M&A
- Capital raising
- Debt advisory

Mid-market focus

- Mid-market technology and traditional sectors
- Greece, Cyprus and rest of Europe

Well connected

- Private equity funds
- Venture capital funds
- Family offices
- Investment holdings
- Corporates

Global capabilities

- Part of a global professional services group:



E&G ECONOMIDES LLC

P.G. Economides & Co Ltd
CHARTERED CERTIFIED ACCOUNTANTS

Greece

15 Platia Filikis Eterias,
106 74, Athens Greece
Email: office@almaadvisors.com
Phone: +30 210 672 8868

Cyprus

17 Grigoriou Xenopoulou St.,
3106, Limassol Cyprus
Email: office@almaadvisors.com
Phone: +357 25 86 80 80

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

