

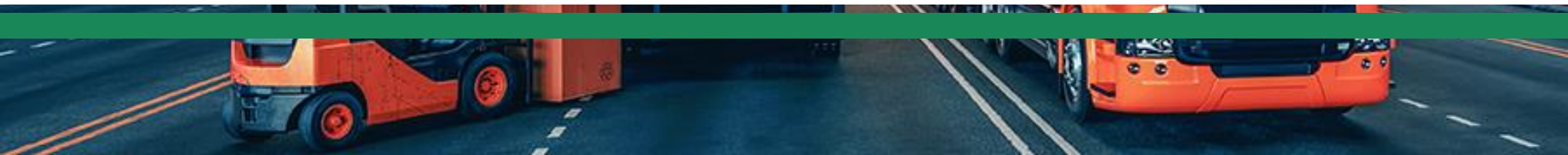


TRANSPORTATION & LOGISTICS SECTOR UPDATE

M&A REPORT

Q3 2023

ALMA.advisors



Q3 market and sector overview

Greek logistics companies are focusing on storage expansion and optimization to accommodate the modern logistical needs of the market

Macroeconomic developments

- The European Central Bank continues its rate hike cycle with **two consecutive 25bp rate hikes in Q3**, increasing interest rates to 4.5% in September 2023
- Despite the decline in the September's headline inflation to 4.3%⁽¹⁾, the ECB **raised its 2024 inflation projections** citing that inflation is expected to remain too high for too long
- Eurozone's economic growth projections have been **revised downwards for 2024** as tighter financing conditions across the globe are **dampening domestic demand** and **international trade**
- According to the eurozone PMI report, the economy has witnessed **another contraction in business activity in Q3 2023** as output volumes across both the manufacturing and service sectors were constrained by **deteriorating demand conditions**

Transportation & logistics sector trends

Greek logistics sector is growing

- Greek logistics sector continues to witness **dynamic growth** with increasing investments as companies aim to:
 - Serve the growing **domestic market**
 - Develop the country's potential as a **transit center** between Europe and Asia
- **Increasing investments** in modern logistics assets from real estate funds

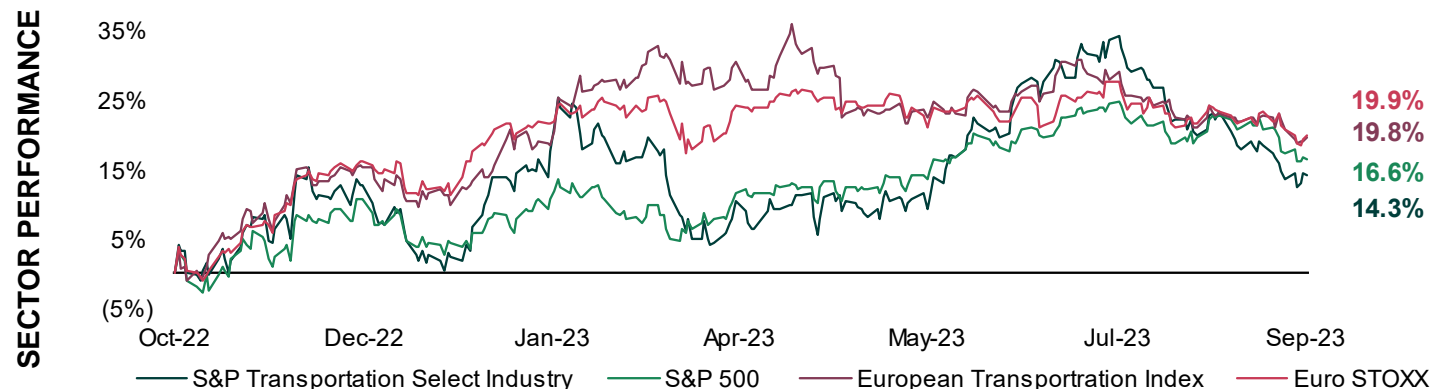
Storage expansion and optimization

- Increasing demand and **lack of modern logistics facilities** in Greece are prompting industry players to:
 - Expand their **storage capacity**
 - 80,000m² of moder logistic assets to be delivered by the end of 2023
 - Adopt **warehouse automation** and **robotic solutions**

3PL and contract logistics on the rise

- Demand for 3PL and contract logistics solutions in Greece continues to **grow substantially**
 - Highly fragmented market
- Despite the increasing demand, 3PL providers are still trying to find balance between **sustainable profitability** and **gaining market share**
- Greece is behind Wester European countries on 3PL adoption → **strong growth** over the next 5 years

European and US transportation & logistics indices vs the broader market



Data as of 30/9/2023





Notes: (1) Preliminary data for September 2023

Sources: FactSet, Eurozone PMI, ECB

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Greek transportation & logistics companies' key updates

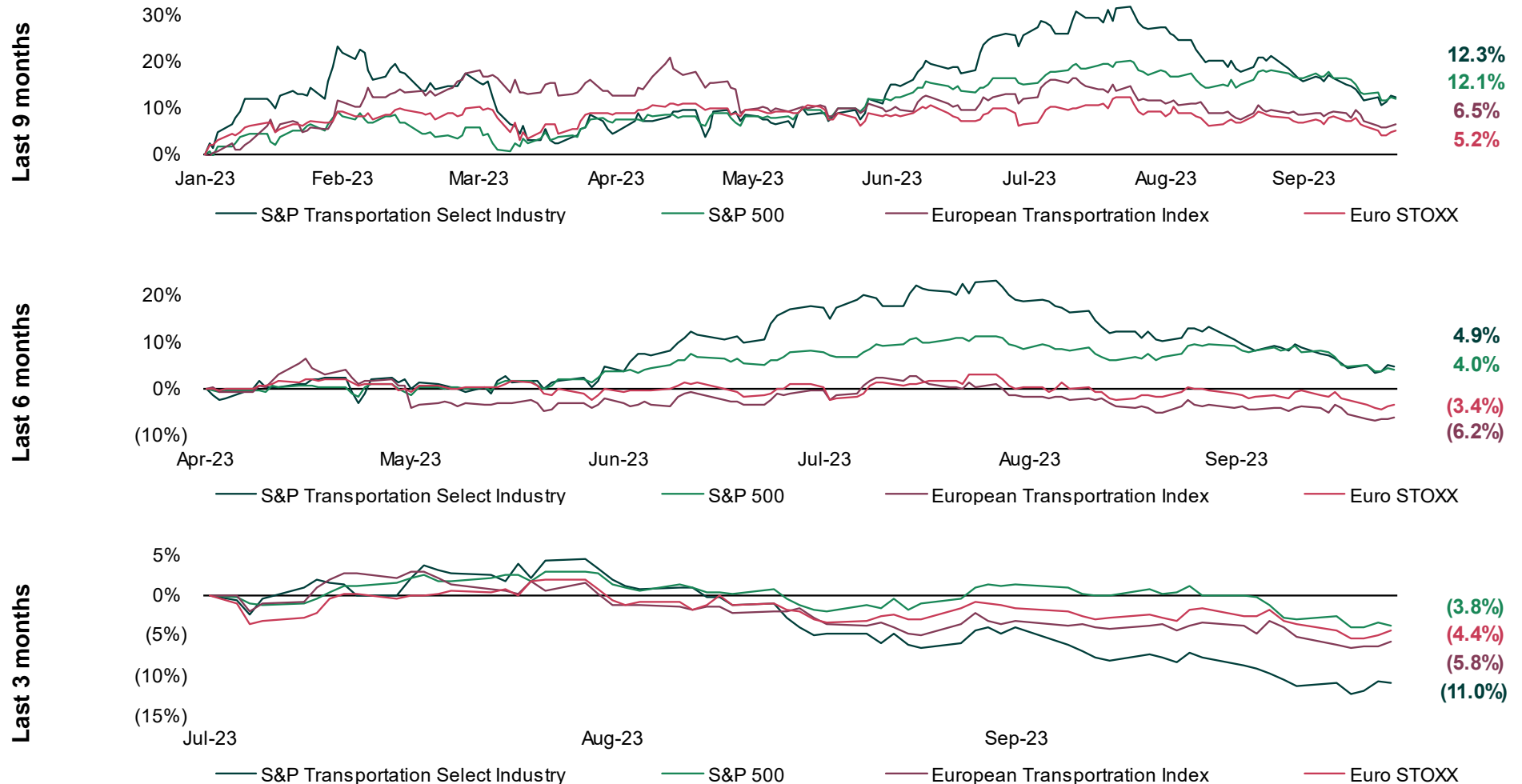
Greek companies in the transportation & logistics sector are expanding storage capacity to benefit from the increasing adoption of 3PL and contract logistics

Company	Q3 2023 key updates
 SARMED logistics made perfect	<ul style="list-style-type: none">▪ Announced the completion of its 3 state-of-the-art storage and cross docking facilities in Aspropyrgos:<ul style="list-style-type: none">○ Covered areas include 10,000m² dry cargo, 18,000m² temperature-controlled, and 10,000m² specialized e-commerce logistics warehouses○ Plan to further invest €550k to install 1,666 photovoltaic panels to reduce energy costs and carbon footprint▪ Declared two new collaborations, with Rodoula and Astor Hellas for the storage and distribution of their products
 MAKIOS LOGISTICS	<ul style="list-style-type: none">▪ Announced the completion of its 2022 investing program of €12.0m which included:<ul style="list-style-type: none">○ The expansion of its storage facilities in Gefyra and PV systems in Kalochori○ Begun the construction of its new 20,000m² storage facility in Aspropyrgos, which is expected to complete in 2023
 ORPHEE BEINOGLU TRADITION IN QUALITY SINCE 1923	<ul style="list-style-type: none">▪ Announced investments of €15.0m for 2023 and €35.0m over the next 5 years to expand its storage capabilities▪ Approved a joint loan bond of up to €61.5m, expected to be issued in 2023 to support investment plans for storage and international expansion
 stream GLOBAL	<ul style="list-style-type: none">▪ Speaking at the 6th Infrastructure and Transport Conference the Managing Director revealed the company's interest on exploring acquisition opportunities in the Balkans, Austria, Hungary and Germany

Key takeaways
<p>Greek logistics companies are expanding their storage capacity</p> <ul style="list-style-type: none">▪ Greek transportation and logistics companies continue to invest on the expansion of existing storage facilities and/or development of new ones:<ul style="list-style-type: none">○ Strengthen their position in the market and benefit from the increasing adoption of 3PL and contract logistics
<p>Industry players are looking outside Greece for further expansion</p> <ul style="list-style-type: none">▪ Large industry players are looking to expand internationally either organically or through M&A:<ul style="list-style-type: none">○ Eying opportunities in the Balkan region to expand their logistical operations

Sector performance

European and US transportation index have underperformed the broader market in Q3 2023

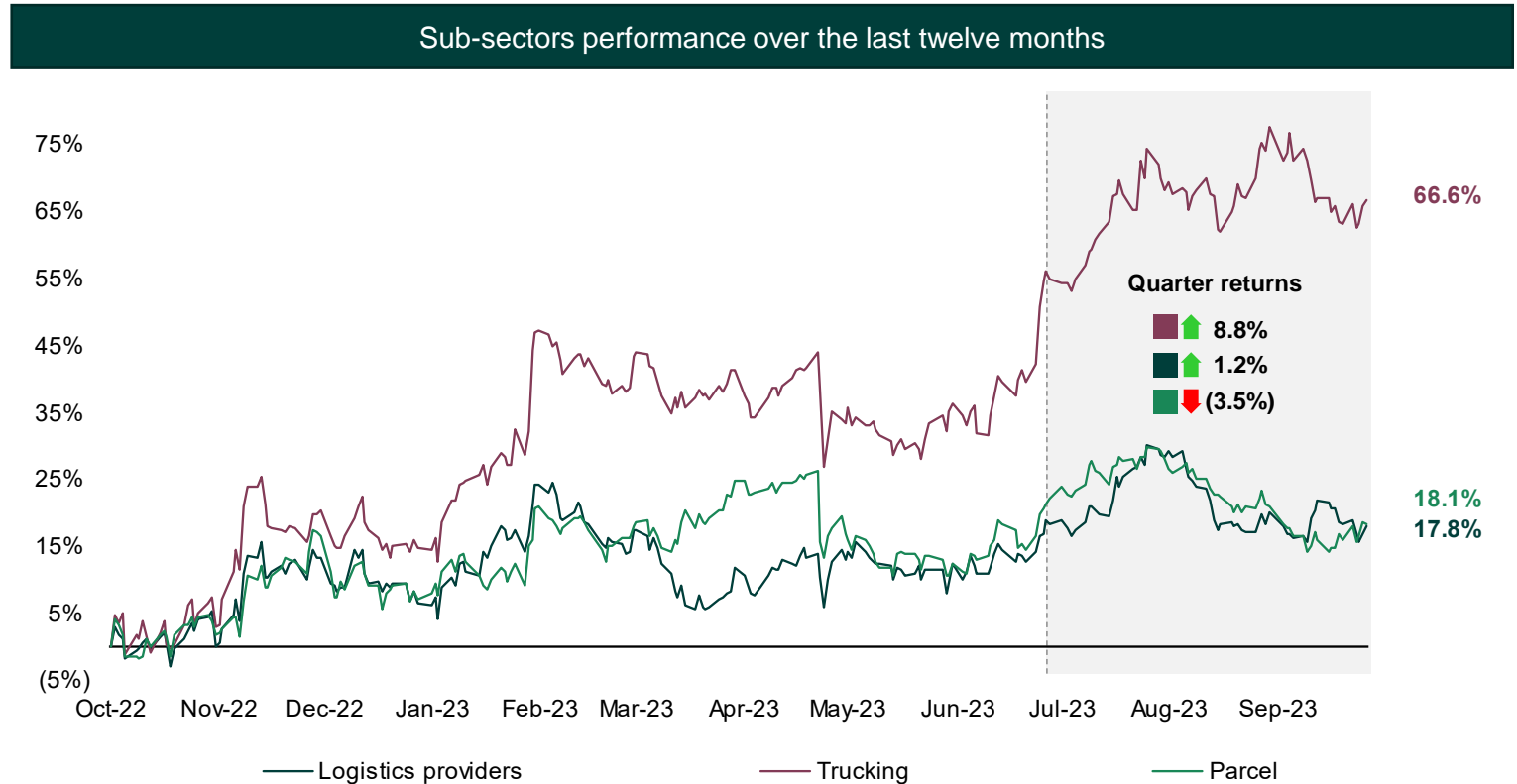


Data as of 30/9/2023
Sources: FactSet

Publicly traded companies overview per sub-sector

Trucking continues to outperform the rest of the sub-sectors both over the LTM and during Q3 2023

- *Trucking sector continues to witness the largest returns both over the LTM and during Q3 2023, recording gains of 66.6% and 8.8%, respectively*
- *The accelerated rate of bankruptcies by smaller trucking companies has bolstered the returns of well-capitalized sector consolidators*
- *Logistics providers was the only sub-sector that has witnessed losses in Q3 2023*
- *Global logistics providers are facing decreases in sale volumes*

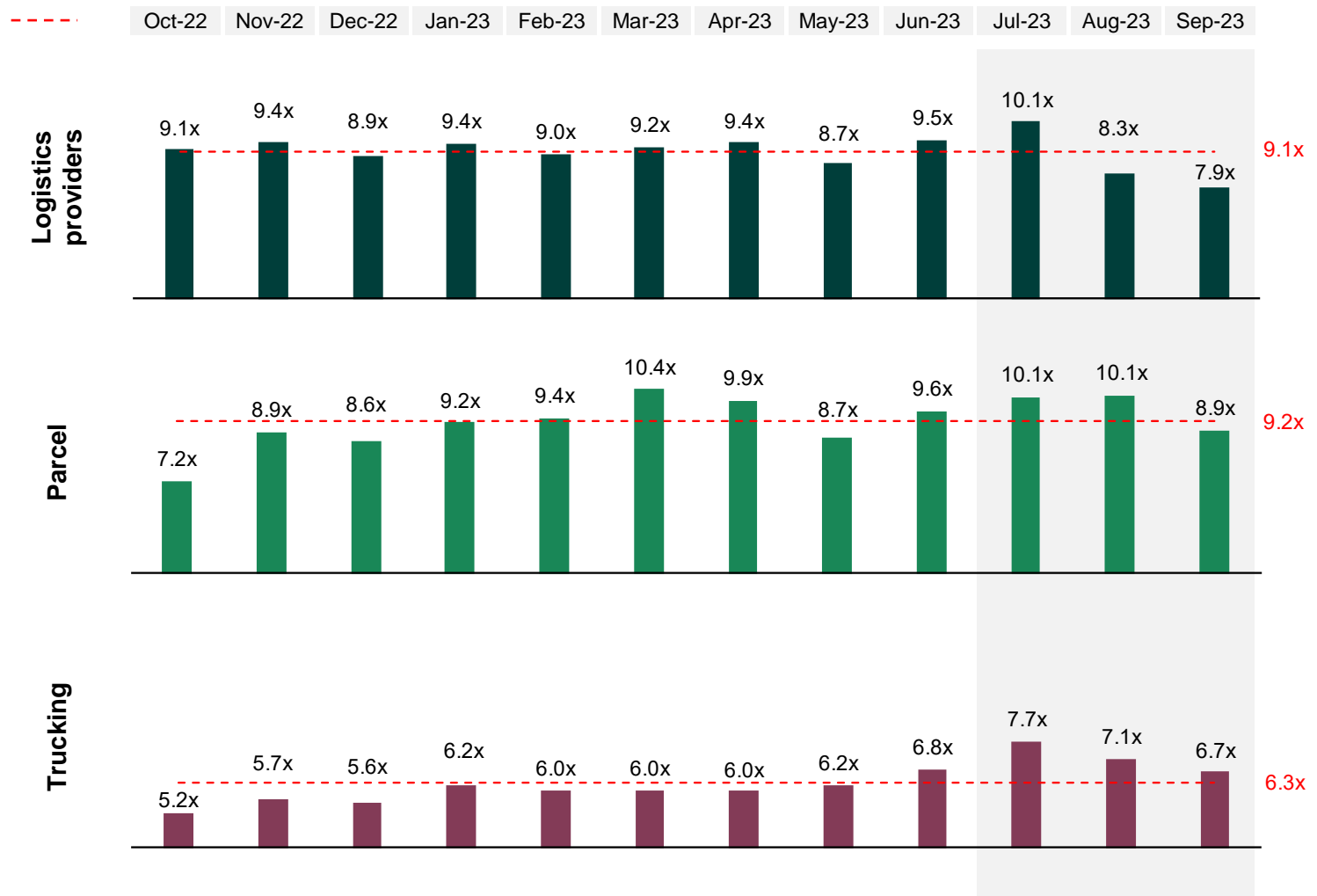


Median LTM EV/EBITDA multiples

Transportation & logistics sub-sectors have witnessed mixed trends from a valuation perspective in Q3 2023

- All transportation and logistics sub-sectors have witnessed a decline in multiples over Q3 2023
- Trucking is the only segment facing a positive trend with its Q3 2023 multiple being 6.3% higher from its 12-month average
- Logistics providers and parcel sub-sectors are facing a negative trend, with their multiples falling below their 12-month average
- Logistics providers multiple has contracted to 7.9x at the end of Q3 as the expected 2023 average decrease in sales volumes has been revised upwards

LTM average



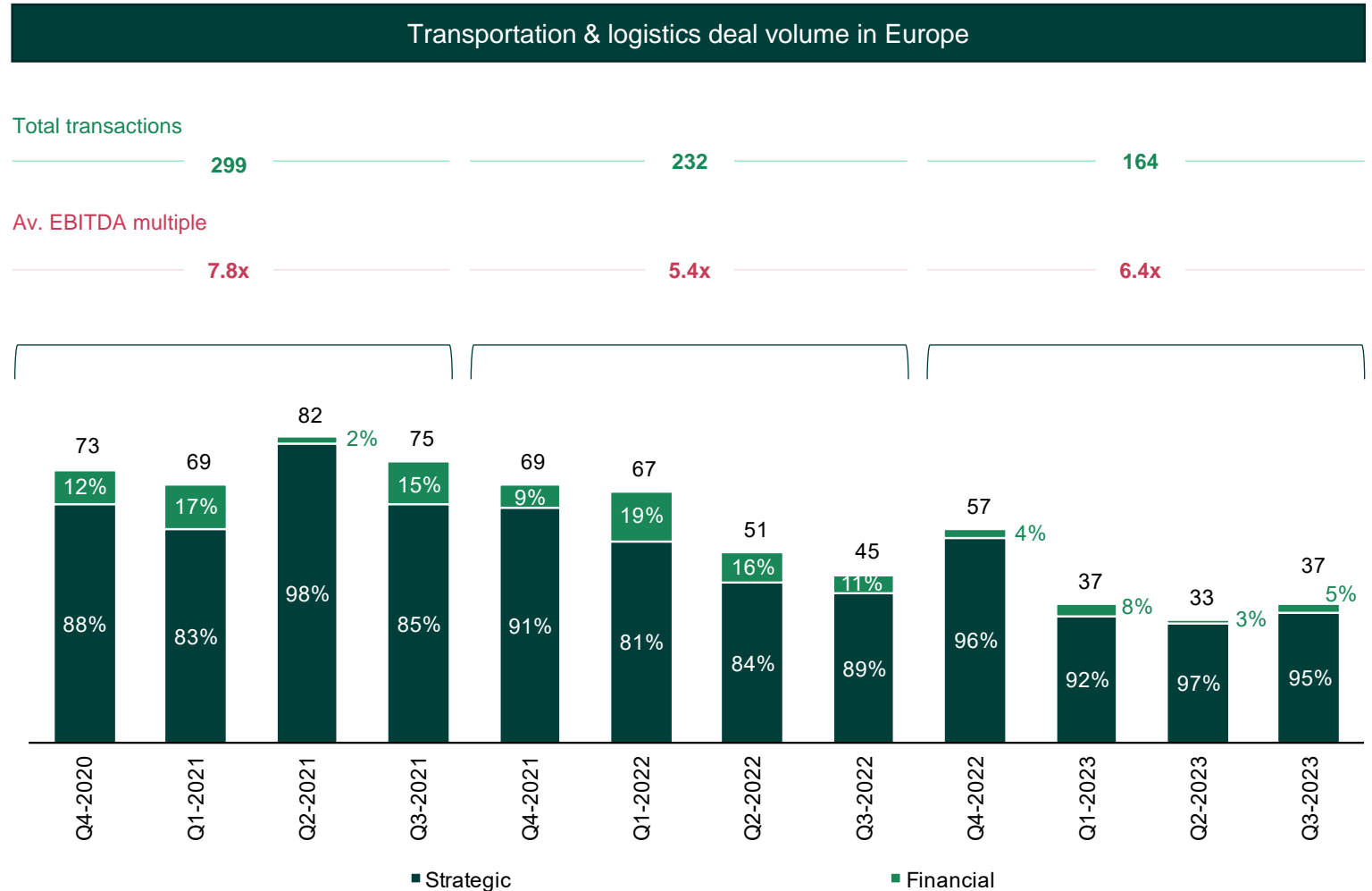
Notes: Sub-sector index constituents can be found on pages 8-10; some historic multiples may have deviations from previous reports due to restatements or differences between preliminary and final results published

Sources: FactSet

Europe M&A update

M&A activity in the transportation & logistics sector has witnessed a minor uptick in Q3 2023

- *Macroeconomic headwinds continue to keep M&A activity suppressed*
- *2022 and 2023 have been difficult periods for European transportation and logistics companies' due to decreasing volumes and pricing compared to 2021*
- *During Q3 2023, transactions increased by 12% recording 37 deals compared to 33 deals in Q2 2023*
- *With high interest rates challenging PE funds, strategic buyers have reasserted as the sector's dominant acquirers, looking for consolidation opportunities across all market segments*



Data as of 30/9/2023

Note: (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	18,401	19,455	12,114	37%	(14%)	1,729	14%	1.5x	1.6x	1.5x	10.5x	11.3x	10.2x
Expeditors	USA	16,013	14,941	9,145	16%	(44%)	1,024	11%	1.2x	1.6x	1.7x	10.6x	14.5x	15.6x
C.H. Robinson	USA	9,472	11,202	16,905	20%	(28%)	672	4%	0.6x	0.7x	0.6x	13.5x	16.6x	14.8x
GXO Logistics	USA	6,589	10,066	9,334	27%	9%	703	8%	1.1x	1.1x	1.0x	11.8x	14.4x	12.8x
Agility Warehousing	KWT	4,592	7,920	4,154	97%	55%	739	18%	2.1x	1.9x	1.8x	29.3x	10.8x	10.3x
Mainfreight	NZL	3,725	4,104	2,780	9%	(18%)	394	14%	1.3x	1.5x	1.4x	8.7x	10.4x	9.2x
Hub Group	USA	2,373	2,533	4,073	42%	(20%)	380	9%	0.6x	0.6x	0.6x	4.7x	6.7x	5.9x
Sankyu	JPN	2,021	2,089	3,657	(3%)	(11%)	371	10%	0.6x	0.6x	0.6x	5.7x	5.7x	5.5x
Forward Air Corp.	USA	1,668	1,932	1,661	34%	(12%)	229	14%	1.1x	1.2x	1.1x	7.1x	8.8x	5.6x
Jiayou International	CHN	1,624	1,478	802	34%	18%	150	19%	2.0x	1.8x	1.5x	10.5x	9.7x	7.5x
ID Logistics	FRA	1,540	2,630	2,734	32%	10%	417	15%	1.0x	1.0x	0.9x	6.6x	6.4x	5.8x
Kerry Logistics	HKG	1,526	2,338	6,299	23%	(40%)	409	6%	0.3x	0.4x	0.3x	4.8x	5.7x	4.7x
CJ Logistics Corp.	KOR	1,299	3,806	8,327	7%	(7%)	662	8%	0.5x	0.5x	0.4x	5.6x	5.7x	5.6x
CTS International	CHN	1,212	1,079	1,719	(4%)	(45%)	145	8%	0.5x	0.6x	0.5x	7.9x	7.9x	6.7x
Radiant Logistics	USA	252	286	1,018	72%	(21%)	51	5%	0.3x	0.3x	0.3x	4.8x	5.6x	7.4x
Average					29%	(11%)		11%	1.0x	1.0x	1.0x	9.5x	9.3x	8.5x
Median					27%	(14%)		10%	1.0x	1.0x	0.9x	7.9x	8.8x	7.4x

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	125,793	141,605	87,855	12%	(5%)	13,205	15%	1.6x	1.6x	1.5x	9.8x	10.7x	9.9x
FedEx	USA	62,910	91,621	84,435	0%	3%	10,060	12%	1.1x	1.1x	1.0x	8.0x	9.2x	8.2x
Deutsche Post	DEU	47,747	64,799	84,988	16%	(10%)	10,922	13%	0.7x	0.8x	0.7x	5.6x	5.9x	5.7x
ZTO Express	CHN	18,726	18,337	5,333	21%	10%	1,808	34%	3.6x	3.4x	3.0x	11.5x	10.2x	8.7x
PostNL	NLD	997	1,574	3,207	(9%)	2%	274	9%	0.5x	0.5x	0.5x	N.M.	5.6x	4.7x
Average					8%	0%		17%	1.5x	1.5x	1.4x	8.7x	8.3x	7.4x
Median					12%	2%		13%	1.1x	1.1x	1.0x	8.9x	9.2x	8.2x

Trading comps (3/3)

TRUCKING														
Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales	Sales Growth		EBITDA	EBITDA margin	EV / Sales			EV / EBITDA		
					2023E	2022			2023E	2023E	2023E	LTM	2023E	2024E
DSV	DNK	38,737	41,790	21,666	29%	(31%)	3,109	15%	1.6x	2.0x	1.9x	12.0x	13.4x	13.5x
Old Dominion Freight	USA	42,225	42,248	5,514	34%	(7%)	1,818	33%	7.5x	7.7x	6.9x	22.2x	23.4x	20.1x
Saia	USA	9,991	9,900	2,646	37%	(0%)	602	23%	3.8x	3.8x	3.4x	17.0x	16.6x	14.1x
XPO	USA	8,178	10,863	7,217	21%	(2%)	861	12%	1.3x	1.5x	1.4x	10.6x	12.5x	10.7x
Knight-Swift Transportation	USA	7,640	9,421	6,622	39%	(6%)	1,111	17%	1.5x	1.4x	1.2x	7.1x	8.5x	6.8x
Landstar System	USA	6,007	5,755	5,191	28%	(27%)	398	8%	1.0x	1.1x	1.0x	12.1x	14.5x	13.1x
Schneider National	USA	4,628	4,547	5,276	32%	(16%)	762	14%	0.8x	0.9x	0.8x	5.5x	6.0x	5.4x
Werner Enterprises	USA	2,332	2,960	3,105	35%	(1%)	482	16%	0.9x	1.0x	0.9x	5.6x	6.1x	5.4x
ArcBest	USA	2,307	2,396	4,209	50%	(17%)	307	7%	0.5x	0.6x	0.5x	6.1x	7.9x	5.7x
Marten Transport	USA	1,514	1,440	1,088	46%	(10%)	204	19%	1.2x	1.3x	1.2x	6.7x	6.8x	6.2x
Heartland Express	USA	1,096	1,386	1,184	79%	29%	247	21%	1.2x	1.2x	1.2x	5.7x	5.6x	4.9x
Universal Logistics	USA	625	1,001	1,601	27%	(15%)	225	14%	0.6x	0.6x	0.6x	3.3x	4.5x	4.0x
Covenant Logistics	USA	536	759	826	27%	(26%)	117	14%	0.7x	0.9x	0.9x	6.8x	6.5x	5.4x
P.A.M. Transportation	USA	448	533	801	48%	(9%)	110	14%	0.6x	0.7x	0.6x	3.9x	4.8x	4.3x
Wincanton	GBR	393	608	1,611	1%	(4%)	126	8%	0.4x	0.4x	0.4x	3.9x	4.8x	4.7x
Average					36%	(10%)			1.6x	1.7x	1.5x	8.6x	9.5x	8.3x
Median					34%	(9%)			1.0x	1.1x	1.0x	6.7x	6.8x	5.7x

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

Q3 2023



(Figures in €m)

Date	Target	Buyer	Transaction value	Implied EV	EV/Revenue	EV/EBITDA
Sep-2023	Circle Express	Winever Industrial Enterprises (UK)	2.4	2.4	0.8x	-
Sep-2023	E S B O Logistics Systems	Agencias Universales	-	-	-	-
Sep-2023	Nelson Distribution	Kinaxia Logistics	-	-	-	-
Sep-2023	Dillinger Hafen-Umschlags	SHS-Stahl-Holding-Saar	-	-	-	-
Sep-2023	Economic Skips	Powerday	-	-	-	-
Sep-2023	Flink	Yassir; Flink France	-	-	-	-
Sep-2023	ITS Logistics Hungary	Rhenus	-	-	-	-
Sep-2023	DX (Group)	H.I.G. European Capital Partners	437.4	437.4	0.8x	6.7x
Sep-2023	Ship Spares Logistics	Global Transport Solutions Holding	-	-	-	-
Sep-2023	LBH Group / Rotterdam	Rhenus	-	-	-	-
Aug-2023	Prigmore Haulage	Explore Transport	-	-	-	-
Aug-2023	Tramo	Nippon Express Italia	-	-	-	-
Aug-2023	Pallet Plus	Expect Distribution	-	-	-	-
Aug-2023	Kramer Holding	QTerminals	-	-	-	-
Aug-2023	ASCO Group	Endless	-	-	-	-
Aug-2023	Celeritas Transporte y Logística	Citibox Smart Services	20.0	20.0	-	-
Aug-2023	Leiv Sand Transport	Litra	-	-	-	-
Aug-2023	cargo support	proLogistik Holding	-	-	-	-
Aug-2023	Aitken & Merry Contractors	AB Transport Group	-	-	-	-
Aug-2023	Transportes el Mosca	Compañía de Distribución Integral Logista Holdir	-	-	-	-
Aug-2023	ECU Worldwide (Nordicon)	Allcargo Belgium	18.9	75.5	-	-
Aug-2023	Anymore Transport	Atitlán Grupo Empresarial	-	-	-	-
Jul-2023	Portman Logistics	Challenge-trg Group Ltd.; Praetura Ventures	-	-	-	-
Jul-2023	LogBATT	Lagermax Lagerhaus und Speditionen	-	-	-	-
Jul-2023	Menzies Distribution	Greenberg Traurig	57.4	191.3	-	-

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

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

Q3 2023



(Figures in €m)

Date	Target	Buyer	Transaction value	Implied EV	EV/Revenue	EV/EBITDA
Jul-2023	MNG Kargo Yurtici ve Yurtdisi Tasimacilik	Deutsche Post	-	-	-	-
Jul-2023	Menzies Distribution Group	InPost	57.4	191.3	-	-
Jul-2023	CBW Resources	Super Group	35.3	44.8	-	4.2x
Jul-2023	Gamma Farmaceutici	Compañía de Distribución Integral Logista Holdir	-	-	-	-
Jul-2023	Estron	DFDS	-	-	-	-
Jul-2023	L.T.L.D.	TLW Group	-	-	-	-
Jul-2023	Rusak Business Services	Customs Support Group; Castik Capital Partners	-	-	-	-
Jul-2023	Rufus Logistik	KS	-	-	-	-
Jul-2023	TSI Bortesi & C.	Trasporti Internazionali Agenzia Marittima	-	-	-	-
Jul-2023	Mannheimer Transport-Gesellschaft Bayer	Rhenus	-	-	-	-
Jul-2023	Portmann Gestion	Die Schweizerische Post	-	-	-	-
Jul-2023	John Wade (Haulage)	Ashcourt Group	-	-	-	-

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

Notable transportation & logistics M&A transactions in Greece

2019 to Q3 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	-	-	-	-

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Tailored corporate finance services for the European mid-market

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