

TRANSPORT · LOGISTICS · SUPPLY CHAIN

THIRD QUARTER

2018

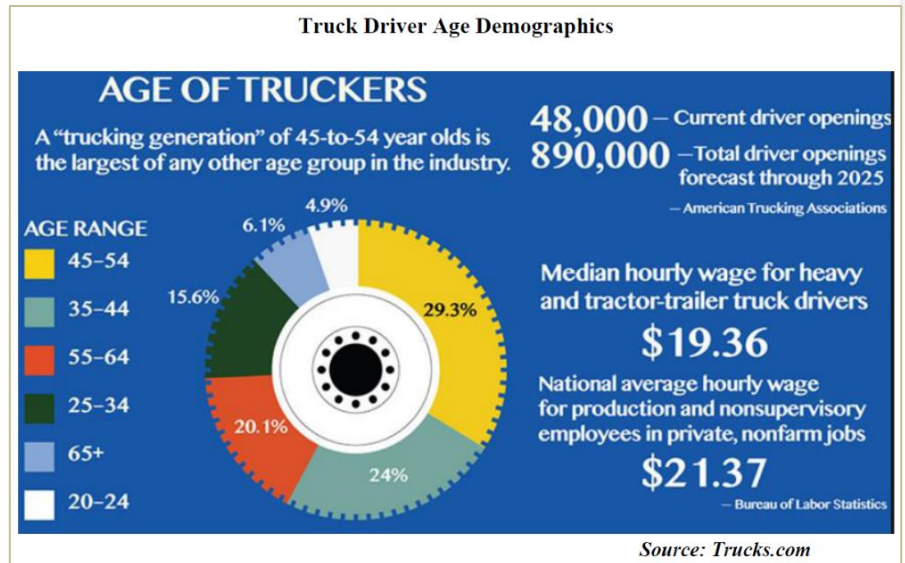
The Transport, Logistics & Supply Chain Industry Practice Group draws on the experience of CFA dealmakers, who as former business owners, CEOs, and industry professionals, have first-hand knowledge and have completed many transactions in sectors throughout the Transport, Logistics & Supply Chain category. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.

Transportation M&A

M&A activity for North American based target companies in the Transportation and Logistics sector for Q2 2018 included 50 closed deals, according to data published by industry data tracker *FactSet*.

One of the notable middle market transactions closed in July when The Jordan Co LP acquired GlobalTranz Enterprises, Inc., a portfolio company of Providence Equity Partners LLC, Susquehanna Growth Equity LLC, Volition Capital LLC and Savano Direct Capital Partners LLC, for an undisclosed amount. The acquisition expands Jordan Co's existing portfolio. GlobalTranz Enterprises is located in Scottsdale, Arizona and provides international freight forwarding services.

As the retail sector shifts more toward e-commerce, there continues to be a surging demand for truck drivers.



Transactional Overview

Notable closed lower middle market transactions for the period in the Transportation and Logistics sector include:

June 2018 - Wisetech Global Ltd acquired Pierbridge, Inc. for US\$43.8 million. Wisetech Global develops cloud-based software solutions for the international and domestic logistics industries. Pierbridge provides parcel shipping transportation management solutions. The company was founded in 2004 and is headquartered in Marlborough, MA.

June 2018 - PFL Logistics, LLC acquired JR's Expedited Freight, LLC for an undisclosed amount. PFL Logistics operates as a third-party logistics company. JR's Expedited Freight, operates as a trucking company and is based in Evansville, Indiana.



MERGERS, ACQUISITIONS, AND CAPITAL RESOURCES SINCE 1956

FOR MORE INFORMATION CONTACT

Corporate Finance Associates
24461 Ridge Route, Suite A200
Laguna Hills, CA 92653

For over 60 years CFA has been advocating on behalf of business owners. Whether you're selling, buying or recapitalizing your company, our business is your business.

info@cfaw.com
www.cfaw.com

April 2018 - PBF Logistics Products Terminals LLC, a subsidiary of PBF Logistics LP, acquired Cummins Terminal, Inc. for US\$58 million in cash. The transaction was funded by PBF Logistics' cash on hand and revolving credit facilities. The transaction enhances PBF Logistics' logistics service offerings and expands its presence. PBF Logistics Products Terminals owns and operates crude oil and petroleum refined products terminals. Cummins Terminals provides truck loading facilities. Its assets include East and West terminals consisting of two truck loading facilities with nine loading bays. The company was founded in 1967 and is headquartered in Knoxville, TN.

Selected Q3 Closed Transactions	
Target/Issuer	Buyers/Investors
BioSpeciMan Corp., Inc.	Brooks Automation, Inc.
CHS, Inc. /Council Bluffs System/	NuStar Energy LP
Pierbridge, Inc.	Wisetech Global Ltd.
Cummins Terminals, Inc.	PBF Logistics Products Terminals LLC
Aireon LLC	NATS Ltd.; NATS (Services) Ltd.
Targa Resources Corp. /Inland Marine Tank Barge Business/	Kirby Corp.
Aveda Transportation & Energy Services, Inc.	Daseke, Inc.
MXD Group, Inc.	Ryder System, Inc.

Industry Update

US trucking companies are raising wages and examining recruiting strategies to address the industry's longstanding worker shortage. A study released by the American Trucking Associations (ATA) in March 2018 shows the median annual salary for truckload drivers in the US has increased by more than \$7,000 (15%) since 2013; private fleet drivers saw their compensation increase by \$13,000 (18%) over the same period. Companies have also increased signing bonuses and benefits packages, but the industry continues to struggle with staffing levels as more of its traditional driver base reaches retirement or pursues other occupations. Historically reliant on older, white male drivers, trucking companies are beginning to target women, teenagers, and minorities to fill the gap, according to The New York Times. The Trump administration and some industry groups have proposed allowing drivers younger than 21 drive interstate freight, and executives and recruiters acknowledge that reaching underrepresented candidate pools is crucial to keeping up with rising freight demand.

US manufacturing activity, a demand indicator for cargo shipments and freight forwarding services, is expected to expand throughout 2018, according to the Institute for Supply Management. Manufacturing leaders surveyed for the group's most recent forecast expect to increase employment levels and capital expenditures during the year, and 15 of the 18 manufacturing industries predicted revenue growth in 2018. Although the sector faces challenges as the economy grows -- hiring and retaining qualified labor, passing on raw material price increases -- executives expect a 6.6% year-over-year increase in net revenue in 2018.

Industry Update

- The average US retail price for diesel and regular gas, a major operating cost for trucking fleets, rose 30% and 25.8%, respectively, in the week ending July 16, 2018, compared to the same week in 2017..
- Total US manufacturers' shipments, an indicator of the volume of goods shipped by truck, rose 7.2% year-to-date in May 2018 compared to the same period in 2017.
- Total US revenue for general freight trucking rose 6.6% in the first quarter of 2018 compared to the previous year.

Transport, Logistics and Supply Chain Practice Group is a multi-disciplinary group of investment banking advisors within Corporate Finance Associates. Collectively, the Transport, Logistics and Supply Chain Practice Group provides M&A advice to public and private companies in all sectors of the transportation, logistics and supply chain industries, including international freight forwarders, warehouse management technology and both domestic and international 3PL operations. For information on mergers, acquisitions, divestitures, recapitalizations, joint ventures or financial resources, contact your local Corporate Finance Associates office.

