



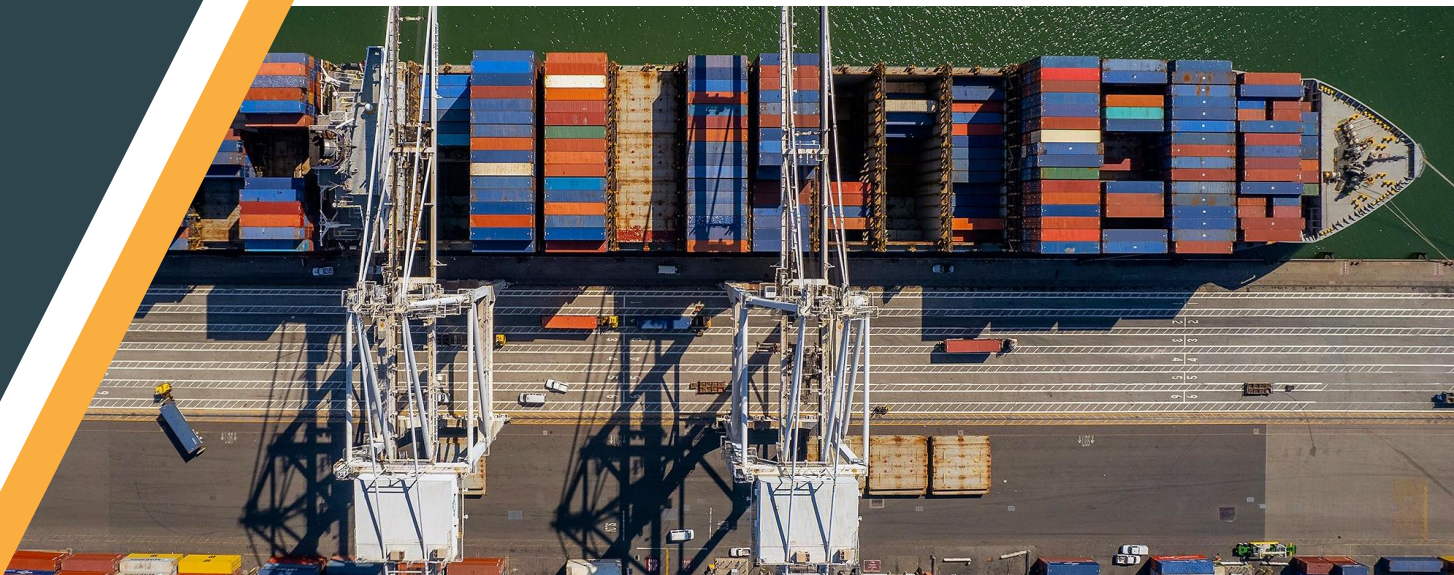
# Supply Chain & Logistics Market Update

April 2025

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## Key Themes in Supply Chain & Logistics

### What is the Impact of Potential Macro or Supply Chain Shocks?

- Trade wars and tariffs are disrupting normal buying patterns, and the efficient flow and costs of goods, potentially reinvigorating inflation
- Threat of collective bargaining action and labor supply tension
- Red Sea shipping routes remain impacted despite movement towards cease fire agreements
- In an equilibrium state, natural disasters and other shocks will have a greater impact on rates

### Will the Economy Help Fuel Substantive Freight Demand Growth?

- Real US GDP growth continues to run ahead of long-term trends, even as the stock market reacts to shifting trade policy
- Reinvigorated global corporate CapEx cycle has turned to a 'wait and see' approach
- Inflation, while persistently higher than target, has subsided
- US consumer spending on goods has remained above long-term trends
- Investment in manufacturing capacity will take time to lead to higher freight levels
- Housing market remains challenged, but Fed policy presents optimism for 2H25

### Does M&A Activity Meaningfully Rebound in 2025?

- More favorable interest rate environment but capital markets are volatile
- Favorable regulatory environment theme is cooling
- CEO confidence is declining, but still in a healthy area
- Significant dry powder inside global private equity, infrastructure, and private credit funds
- Pent up demand exists among sellers and buyers of companies
- Bid/ask spread between seller and buyer expectations remains but has narrowed significantly

### Will Freight Supply/Demand Dynamics Improve the Freight Rate Environment?

- OTR truckload rates nearly flat year-over-year, after an uptick earlier in the year
- Trucking capacity exited the market during 2024 and into 2025, but is still above pre-COVID levels
- Spread between contract and spot rates turned negative for the first time since 2022, but has since receded
- Seasonality returned to the market throughout 2024 and is expected to continue as we exit Q125



## Key Economic Demand Indicators: The Industrial Economy



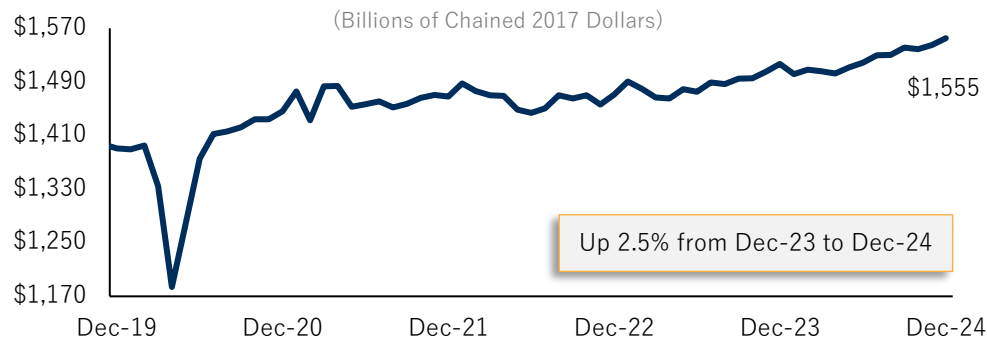
While current freight market conditions have been choppy, we are encouraged by customer sentiment, seasonal spot rate progression, the continued erosion of capacity, and early bid season activity – all of which point to a more balanced market than we have seen in roughly three years. The environment still calls for disciplined execution with little margin for error, but we anticipate 2025 will be a year of gradual recovery in market conditions that bridges to a more constructive 2026.

- Adam Miller, CEO, Knight-Swift Transportation

Source: *The Wall Street Journal*



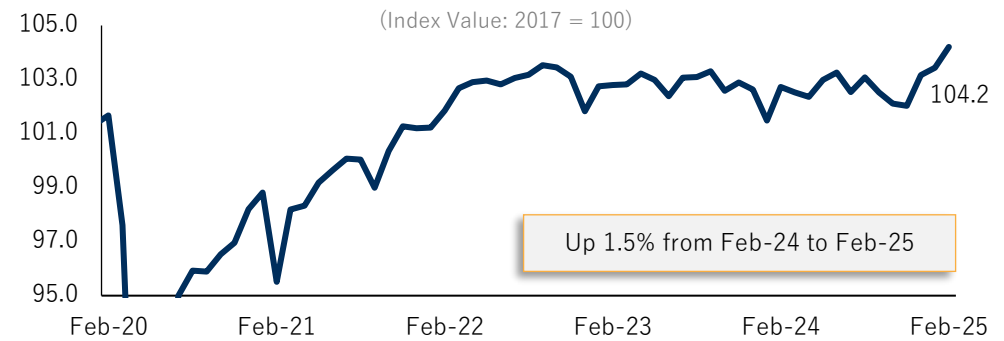
### Real Manufacturing and Trade Industries Sales



(Seasonally Adjusted)

Source: *Federal Reserve Bank of St. Louis*

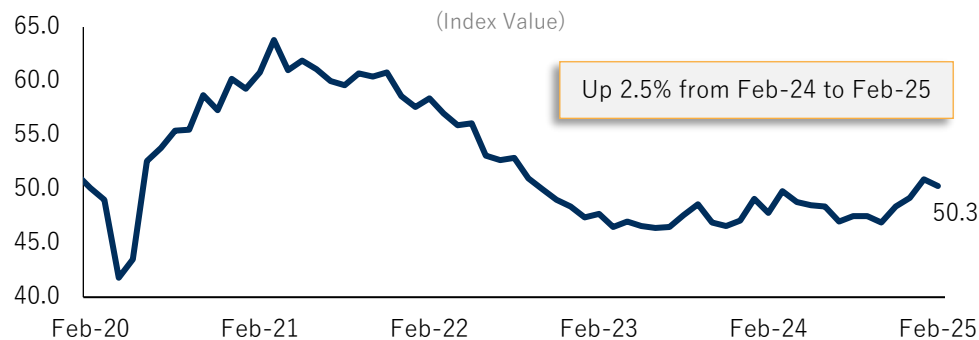
### Industrial Production: Total Index



(Seasonally Adjusted)

Source: *Federal Reserve Bank of St. Louis*

### ISM Manufacturing Index

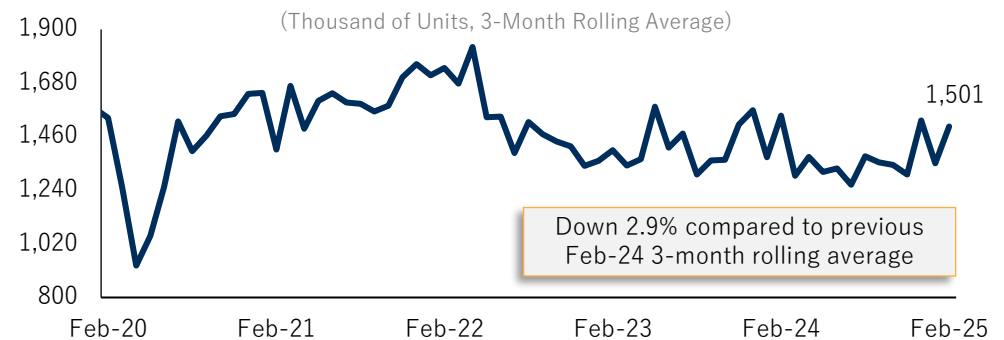


(Seasonally Adjusted)

Note: Readings above 50 indicate expansion in manufacturing activity.

Source: *Institute for Supply Management*

### Housing Units Started



(Seasonally Adjusted)

Source: *Federal Reserve Bank of St. Louis*



## Key Economic Demand Indicators: The Consumer Economy



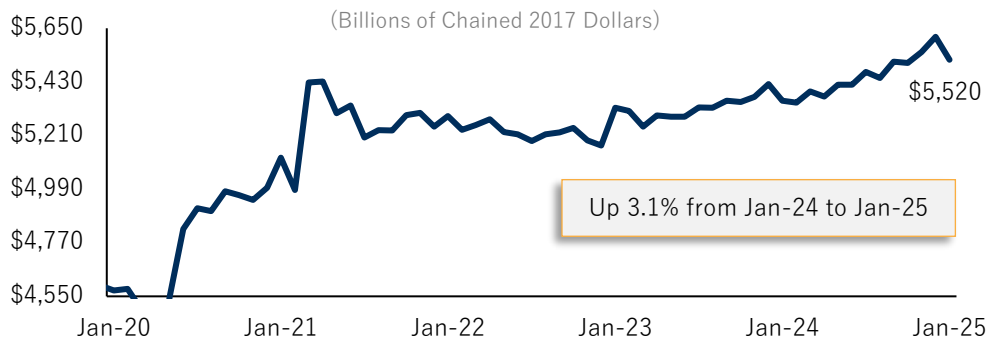
Despite low unemployment, GDP growth, and solid retail sales numbers, financial and geopolitical anxiety weigh heavily on the U.S. consumer's psyche. Their intention to pull back on nondiscretionary items like groceries underscores the price fatigue and anxiety U.S. consumers feel.

- **Stephen Rogers, Managing Director, Deloitte**

Source: [PR Newswire](#)



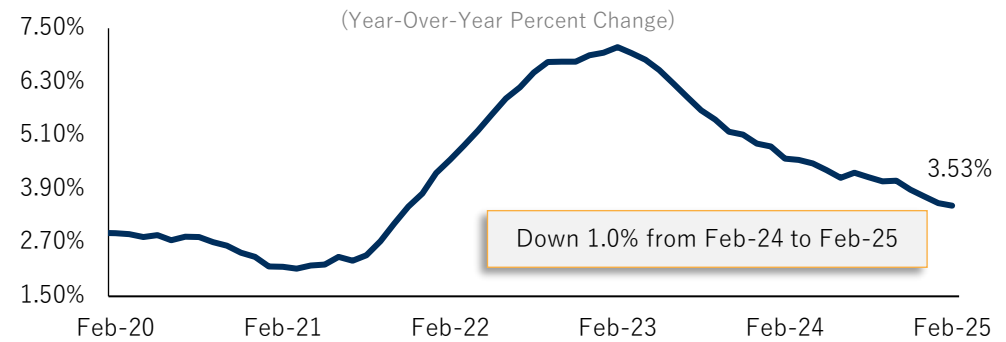
### Real Personal Consumption Expenditures: Goods



(Seasonally Adjusted)

Source: [Federal Reserve Bank of St. Louis](#)

### Median Consumer Price Index



(Seasonally Adjusted)

Source: [Federal Reserve Bank of Cleveland](#)

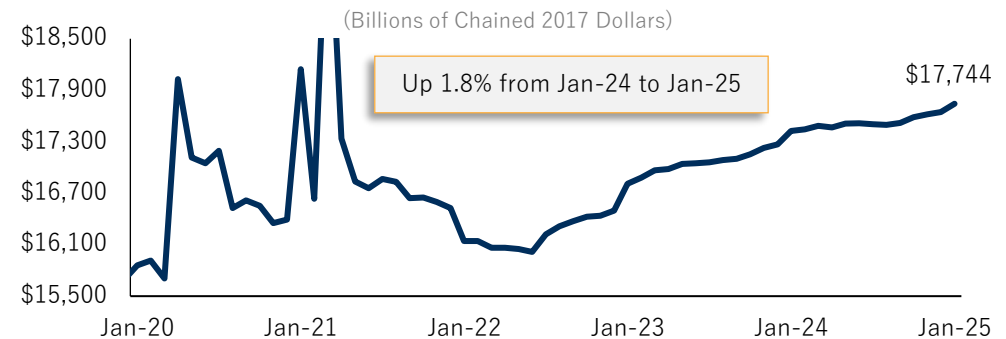
### Retail Store Sales



(Seasonally Adjusted)

Source: [US Census Bureau](#)

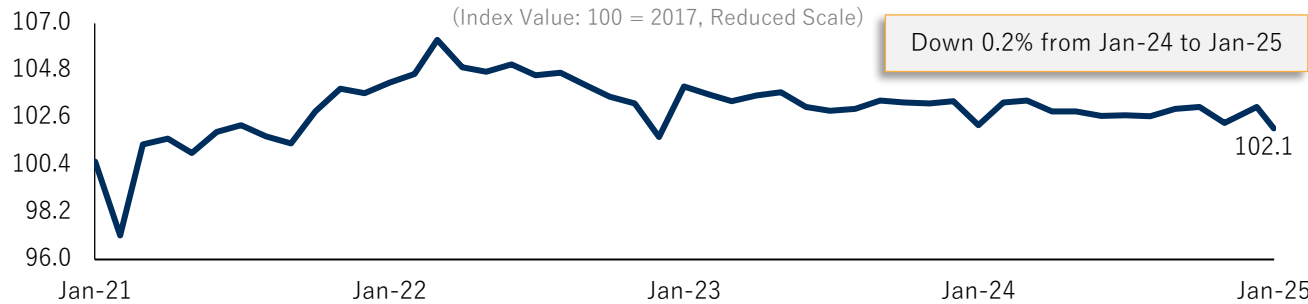
### Real Disposable Personal Income



Source: [Federal Reserve Bank of St. Louis](#)

## Key Industry Metrics

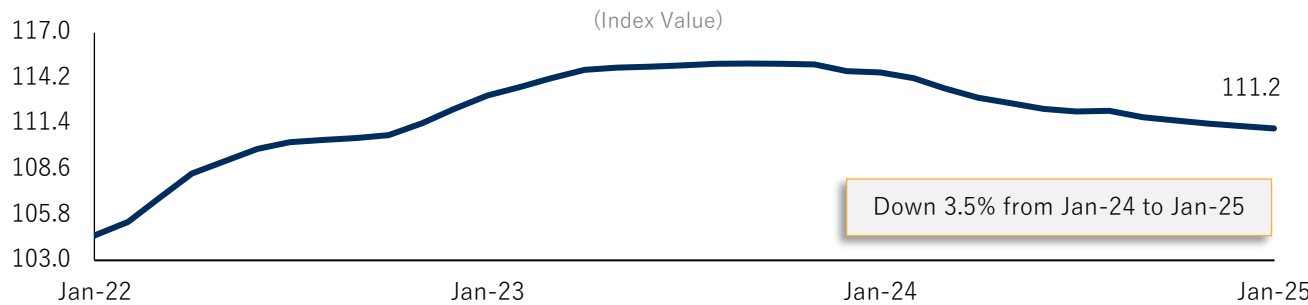
### Trucking Ton-Mile Index



(Seasonally Adjusted)

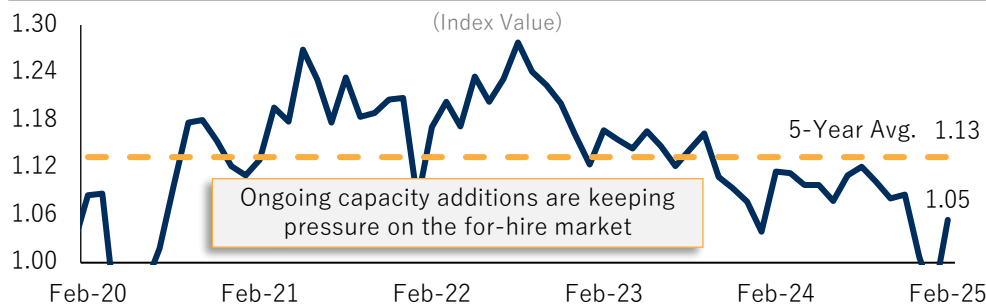
Sources: [Fed](#), [Census Bureau](#), [BEA](#), [BLS by Jason Miller, PhD](#)

### Warehouse Pricing Index (WPI)



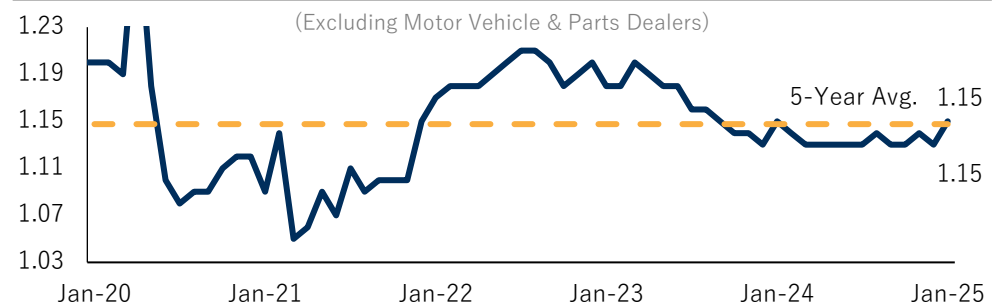
Sources: [WarehouseQuote.com](#)

### Cass Freight Index – Shipments



Sources: [Cass Information Systems, Inc](#)

### Retailers Inventory-to-Sales Ratio



(Seasonally Adjusted)

Source: [Federal Reserve Bank of St. Louis](#)

“The fate of this year’s anticipated recovery in the trucking industry, especially the dry van truckload sector, hinges on POTUS’s tariff policies. I continue to hope that we see the current tariff trajectory reversed (and rapidly), what we are seeing proposed now isn’t working.”

**- Jason Miller, Professor, MSU**

Source: [BLS by Jason Miller, PhD](#)

“While the industrial vacancy rate continues to rise, the rate of the climb is decelerating. Coupled with a renewed sense of urgency for front-loading inventory into the US, we expect a reversal of the wait-and-see approach that so many supply chain service providers experienced through 2024.”

**- Jordan Brunk, CMO, WarehouseQuote**

Source: [WarehouseQuote](#)

## U.S. Surface Ports & Imports/Exports



Trade uncertainty tops the list of concerns for large manufacturers. In Q4, 68.7% of manufacturers with 500 or more employees cite trade uncertainty (e.g., actual or proposed tariffs, trade negotiations uncertainty) as a top business challenge, up from 52.2% in Q3.

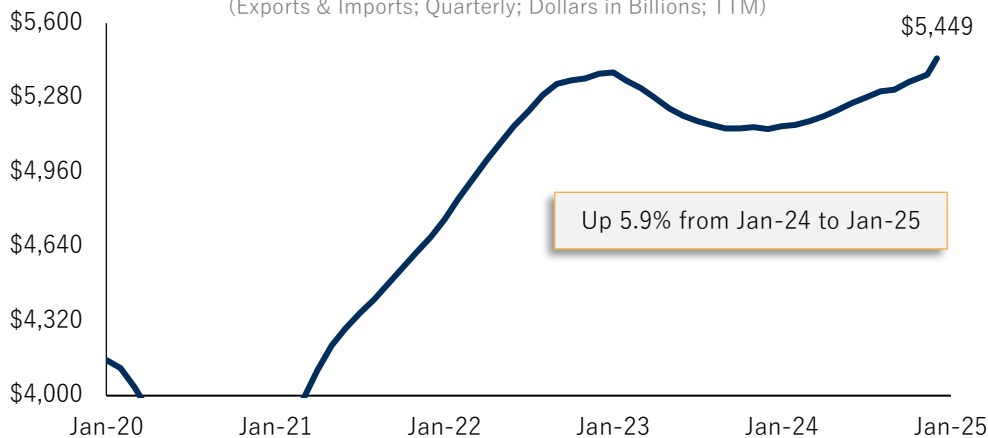
- *NAM Manufacturers' Outlook Survey*

Source: *National Association of Manufacturers*



### Real U.S. Trade in Goods

(Exports & Imports; Quarterly; Dollars in Billions; TTM)

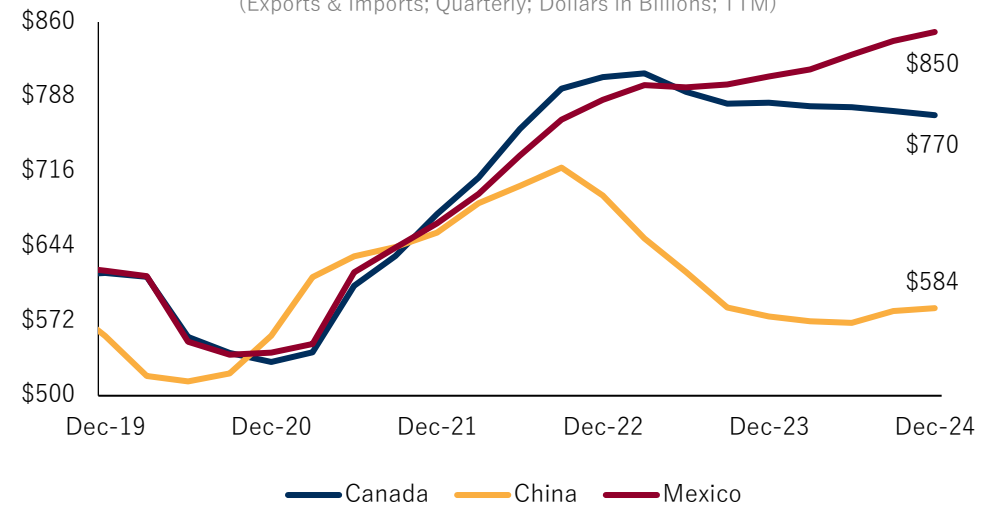


(Seasonally Adjusted)

Source: *United States Census Bureau*

### U.S. International Trade in Goods by Country

(Exports & Imports; Quarterly; Dollars in Billions; TTM)

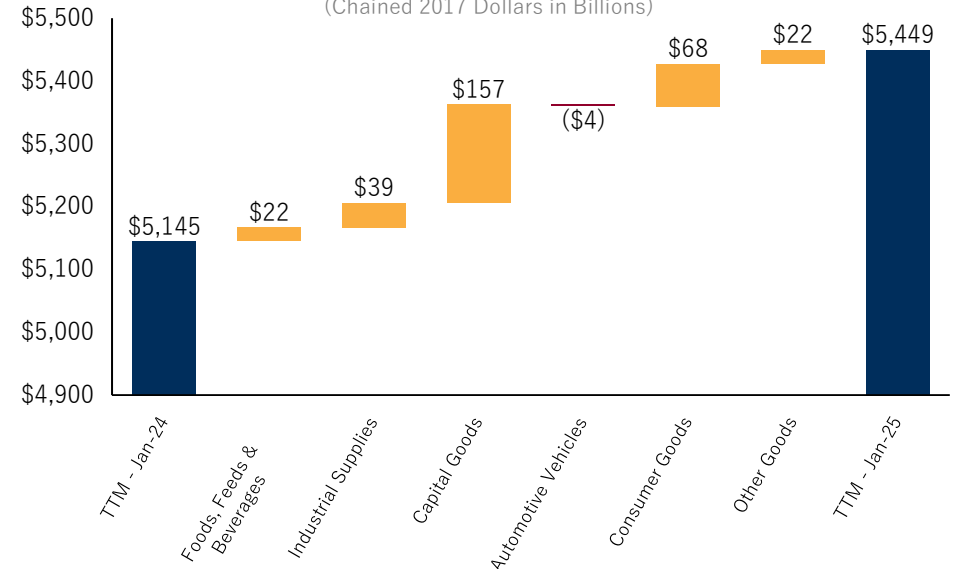


(Seasonally Adjusted)

Source: *Bureau of Economic Analysis*

### Real U.S. Trade in Goods by Principal End-Use Category

(Chained 2017 Dollars in Billions)

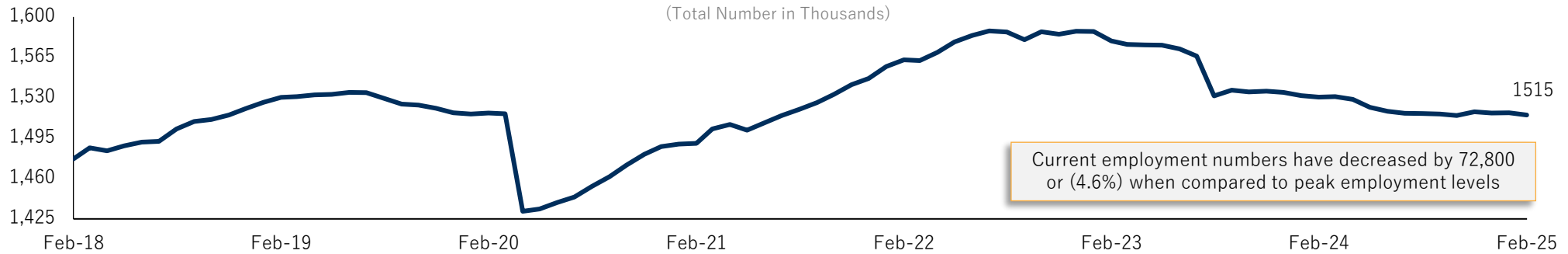


(Seasonally Adjusted)

Source: *United States Census Bureau*

## Key Trucking Capacity Indicators

### Truck Transportation Employment



(Seasonally Adjusted)

Source: [Federal Reserve Bank of St. Louis](#)

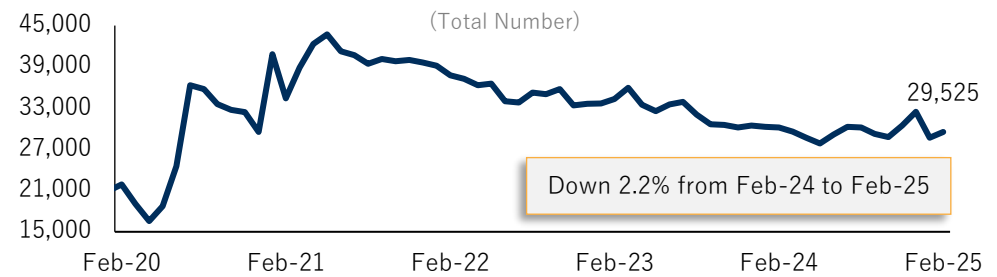
Freight shippers and brokers were eager to put February behind them, despite favorable spot rates for van and reefer freight. However, uncertainty about the economy and the artificial acceleration of freight movements ahead of tariff deadlines may lead to a flattened peak shipping season in spring and early summer.

- Ken Adamo, DAT, Chief of Analytics

Source: [DAT Freight & Analytics](#)



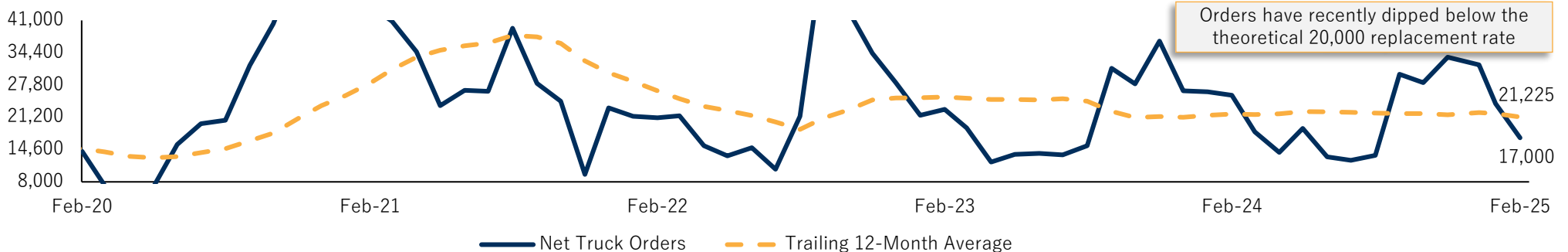
### Business Applications in Transportation & Warehousing



(Seasonally Adjusted)

Source: [Federal Reserve Bank of St. Louis](#)

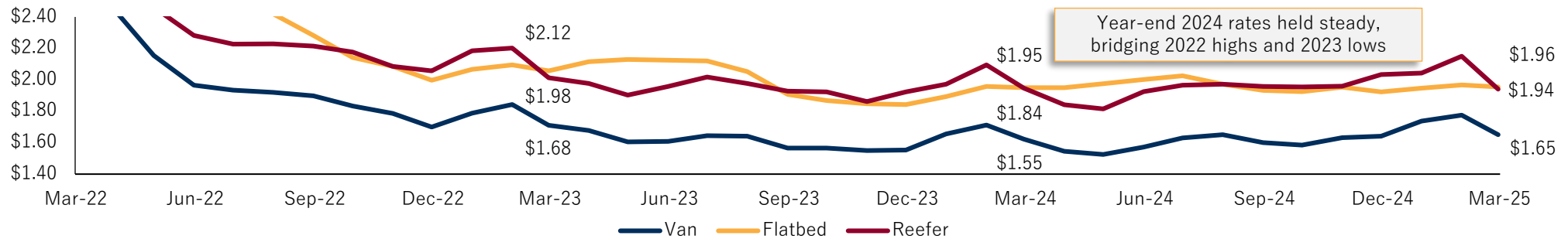
### Class 8: Net Truck Orders



Source: [FTR Transportation Intelligence](#)

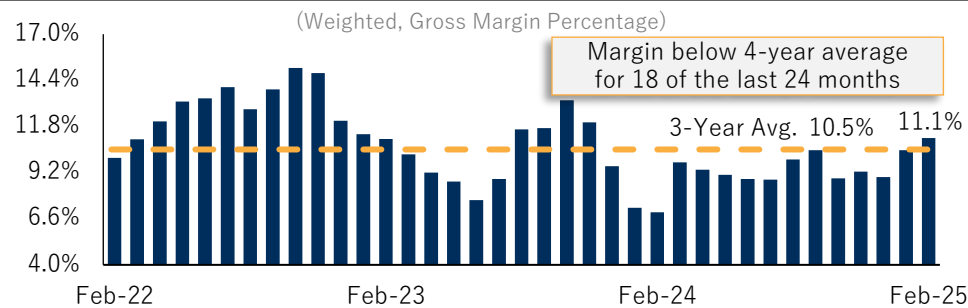
# Average Trucking Freight Rates

## National Spot Rates



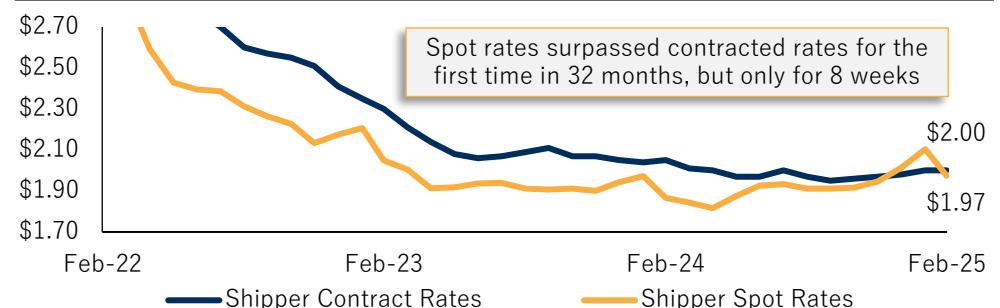
Source: *S&P Journal of Commerce*

## Truck Broker Gross Margin



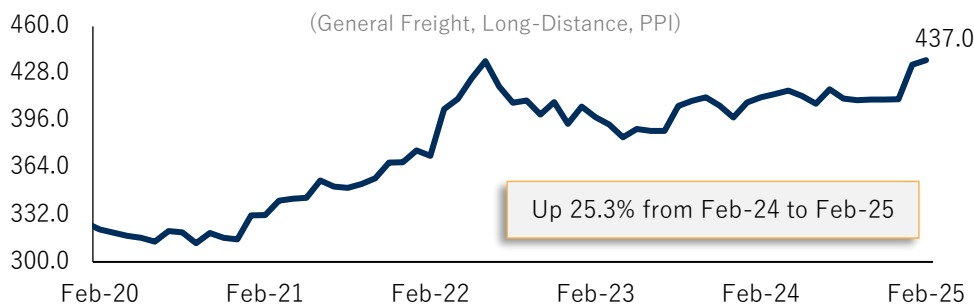
Sources: *Intrepid Research, DAT US TL Broker Spot Rates, S&P JOC TL Shipper Spot Rates*

## Shipper Contract & Spot Rates



Sources: *Intrepid Research, DAT Freight & Analytics, S&P JOC Contract TL & Spot TL Shipper Rates*

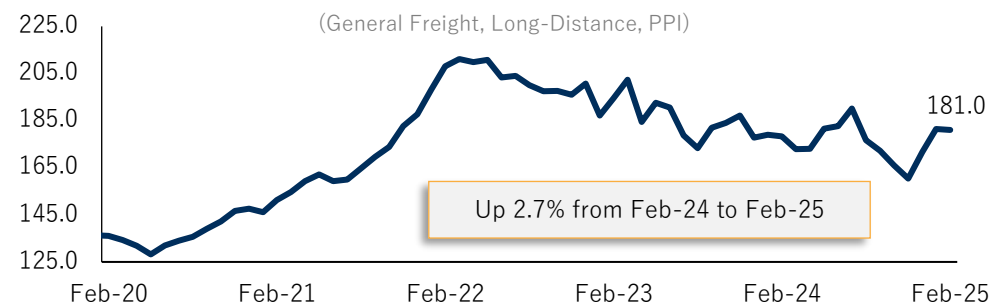
## LTL Pricing Index



Source: *Federal Reserve Bank of St. Louis*

Note: The Producer Price Index measures the average change over time in the selling prices of goods and services. It is a reliable indication of pricing but is contract-freight weighted.

## TL Pricing Index



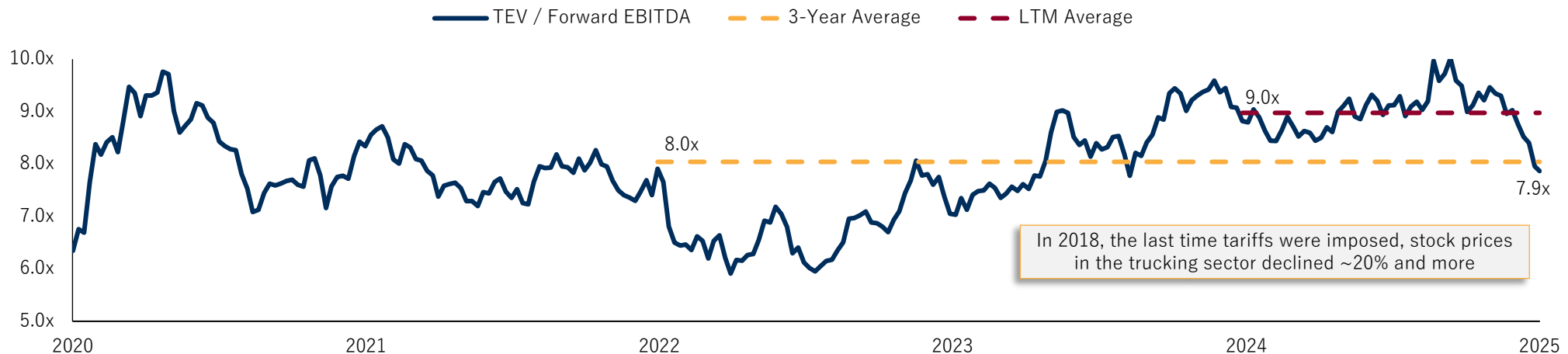
Source: *Federal Reserve Bank of St. Louis*



## Diversified Trucking Public Trading Comparables







(\$ in millions)	% of 52-Week High	Total EV	Rev Growth %	EBITDA %	2025E EV / EBITDA	EV / EBIT	Price / Earnings	FY ROIC
Company								
J.B. HUNT	72.9%	\$16,356	2.2%	13.7%	9.6x	18.1x	23.3x	6.7%
KNIGHT TRANSPORTATION  SWIFT TRANSPORTATION	70.8%	\$10,121	4.9%	16.9%	7.7x	18.4x	22.2x	0.1%
SCHNEIDER	66.8%	\$4,420	12.5%	11.7%	6.4x	17.6x	22.5x	1.5%
HI Hub Group	69.8%	\$2,741	3.4%	8.5%	7.9x	15.4x	17.3x	3.3%
WERNER ENTERPRISES	69.0%	\$2,514	1.7%	13.6%	6.0x	19.2x	26.3x	(0.0%)
MARTEN	71.0%	\$1,098	0.9%	16.3%	6.9x	26.4x	34.5x	1.0%
HORNELL EXPRESS	68.0%	\$926	(1.4%)	19.9%	4.5x	NM	NM	(3.1%)
COVENANT	72.1%	\$851	3.4%	14.0%	5.2x	10.9x	10.1x	4.2%
TITANIUM	55.5%	\$163	2.3%	9.4%	5.2x	21.3x	14.9x	(9.8%)
Mean			3.3%	13.8%	6.6x	18.4x	21.4x	0.4%
Median			2.3%	13.7%	6.4x	18.2x	22.3x	1.0%

### Comparable Company Index: TEV / Forward EBITDA

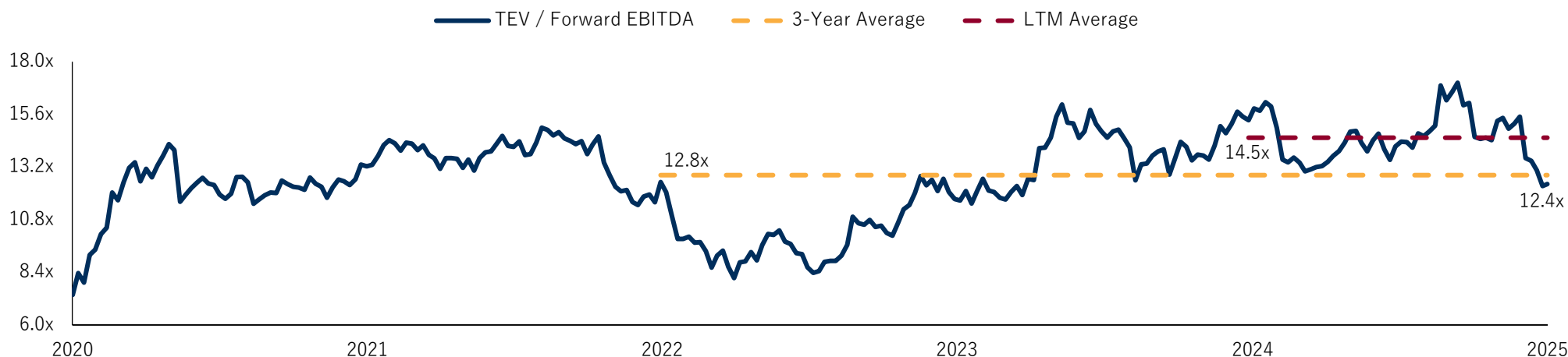


Source: S&P Capital IQ as of 03/30/2025. Note: The TEV / Forward EBITDA Index differs from the mean of the select public companies due to Capital IQ index calculations that are not disclosed. Closing stock price on 1/2/2018 compared to 12/28/2024 for constituents listed above excluding Titanium.

## LTL Selected Public Trading Comparables

(\$ in millions)	% of 52-Week High	Total EV	2025E					
Company			Rev Growth %	EBITDA %	EV / EBITDA	EV / EBIT	Price / Earnings	FY ROIC
	70.7%	\$35,098	2.1%	32.9%	18.0x	22.2x	29.4x	21.7%
	66.5%	\$16,227	2.8%	15.9%	12.3x	19.3x	26.2x	6.9%
	57.5%	\$9,839	8.8%	22.5%	12.5x	17.9x	23.6x	15.4%
	49.9%	\$9,515	2.4%	15.7%	7.0x	12.7x	13.0x	5.4%
	50.6%	\$2,755	6.8%	11.8%	8.8x	14.9x	NM	NM
	46.1%	\$1,895	2.4%	8.0%	5.5x	10.3x	11.6x	9.5%
Mean			4.2%	17.8%	10.7x	16.2x	20.7x	11.8%
Median			2.6%	15.8%	10.6x	16.4x	23.6x	9.5%

### Comparable Company Index: TEV / Forward EBITDA

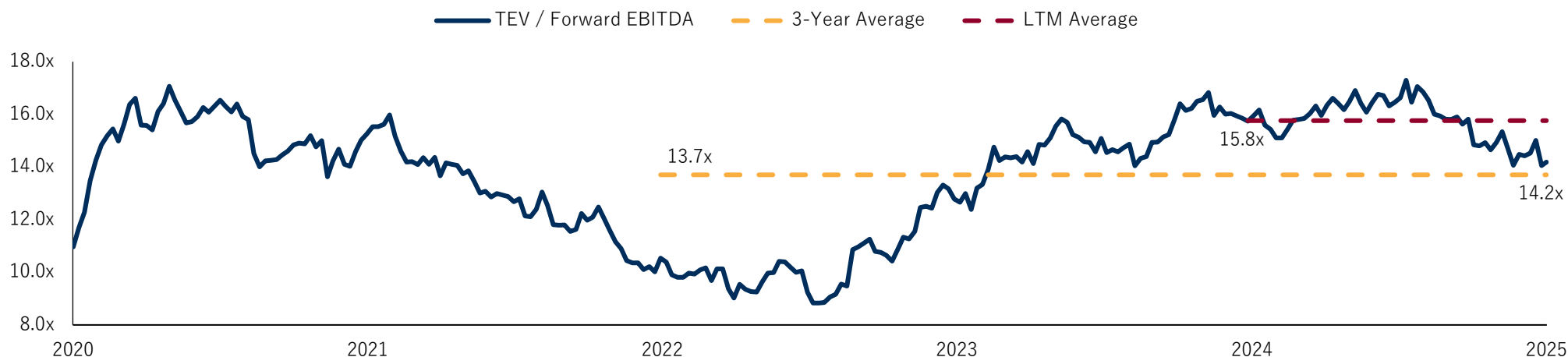


Source: S&P Capital IQ as of 03/30/2025. Note: The TEV / Forward EBITDA Index differs from the select public companies mean due to Capital IQ index calculations that are not disclosed.

## Logistics Selected Public Trading Comparables

(\$ in millions)	% of 52- Week High	Total EV	2025E					
Company			Rev Growth %	EBITDA %	EV / EBITDA	EV / EBIT	Price / Earnings	FY ROIC
Expeditors®	91.0%	\$15,950	(0.5%)	9.9%	15.2x	16.4x	21.7x	21.2%
C.H. ROBINSON	88.1%	\$13,600	0.5%	5.1%	15.0x	16.9x	20.6x	5.0%
LANDSTAR	74.9%	\$4,802	3.7%	6.6%	14.6x	17.7x	25.2x	13.0%
RXO	57.5%	\$3,709	NM	2.8%	NM	NM	NM	NM
Mullen Group	79.0%	\$1,388	5.8%	16.3%	5.8x	9.7x	9.7x	2.4%
RADIANT	77.6%	\$330	10.6%	4.3%	8.6x	17.3x	11.5x	5.1%
Mean			4.0%	7.5%	11.8x	15.6x	17.7x	9.3%
Median			3.7%	5.8%	14.6x	16.9x	20.6x	5.1%

### Comparable Company Index: TEV / Forward EBITDA

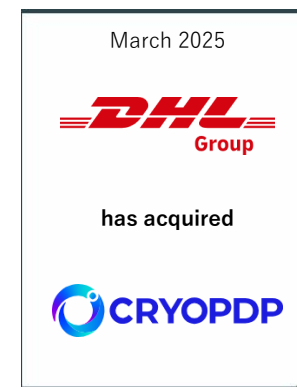
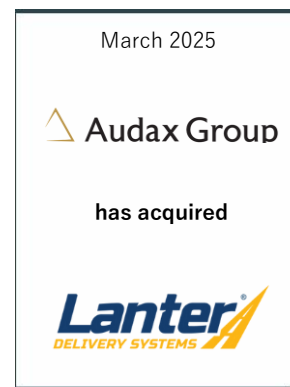


Source: S&P Capital IQ as of 03/30/2025. Note: The TEV / Forward EBITDA Index differs from the select public companies mean due to Capital IQ index calculations that are not disclosed.

## Selected Industry Transactions

### Recent Significant M&A

Date	Acquiror	Target
March 2025	Descartes	3GTMS
March 2025	Kenan Advantage Group	Evergreen Transport
March 2025	Radiant Logistics	Transcon Shipping
January 2025	Trimac	Watt & Stewart
January 2025	BlueGrace Logistics	FreightCenter
December 2024	Berkshire Partners	RJW Logistics Group
November 2024	Schneider National	Cowan Systems
November 2024	Water Street Healthcare Partners	MedSpeed
November 2024	Kuehne + Nagel	IMC Logistics
November 2024	Stonepeak Partners	Air Transport Services Group
October 2024	Körber Supply Chain	MercuryGate International
September 2024	RXO	Coyote Logistics
September 2024	DSV	DB Schenker



### General Market Commentary

- The global transportation and logistics market is poised for robust growth, expanding from \$8.5 trillion in 2024 to an anticipated \$18.6 trillion by 2034 at an 8.1% CAGR
- Diverse public sector performance, with select indices such as air and truck transportation showing resilience amid broader market challenges, underscores a dynamic valuation landscape

### Unique Market Commentary

- AI-driven route planning is revolutionizing logistics through dynamic, real-time optimization that mitigates disruptions and improves fuel efficiency
- The emergence of Mobility as a Service (MaaS) is fundamentally reshaping urban transport by converging multi-modal services and leveraging real-time data for enhanced journey planning



We still have the sense that the market is idling, and we're waiting for something to unlock momentum. Many buyers and sellers remain at odds when it comes to agreeing on a valuation. Higher rates have made financing more expensive than it was several years ago and have lowered the projected enterprise value of potential targets. Meanwhile, stock-market valuations have risen over the past year, giving sellers confidence to ask for higher prices... if sellers have the option to wait, they are...

- **Suzanne Kumar, M&A EVP, Bain & Company**

Source: *The Wall Street Journal*

**BAIN & COMPANY**



## Leadership Team - Supply Chain & Logistics


**Dave Hatch**

*Managing Director, Head of Supply Chain & Logistics*

Dave serves as a Managing Director and Head of Intrepid's Supply Chain & Logistics group. He has 20+ years of experience providing middle market companies with M&A advisory support and other capital markets solutions.

For more than a decade, Dave has focused exclusively on the transportation and logistics sector, where he has advised businesses across a broad range of sectors, including freight management, global freight, intermodal/drayage, and other specialized logistics.

Leveraging his deep transaction experience and regular dialogue with key industry constituents, Dave brings an in-depth knowledge of key market trends as well as the investment criteria and process behavior of strategic and financial buyers.

Prior to joining Intrepid, he served as co-head of William Blair's Transportation and Logistics practice and also led the Transportation and Logistics practice at Piper Sandler, where he spent 15+ years after joining as an associate in 2007.


**Mike Letsch**

*Managing Director, Supply Chain & Logistics*

Mike joined Intrepid in 2024 as a Managing Director in the Supply Chain & Logistics group. He has more than 20 years of banking experience and has focused on the transportation, logistics, and supply chain sector since 2016. His experience includes hundreds of M&A and capital raising transactions for public and private businesses. He has represented clients across a variety of industry segments, including trucking, logistics, short-line and regional railroads, warehousing, shipping, and transportation services firms including factoring and fleet leasing.

As a former CDL holder, he has a tremendous amount of respect for the owners, operators, and employees who drive the lifeblood of the US economy.

Prior to joining Intrepid, Mike was a Managing Director and Head of Transportation and Logistics at Bridgepoint Investment Banking and previously spent nearly 20 years with Bank of America where he was the transportation industry sector lead.


**Scott Chacon**

*Vice President, Supply Chain & Logistics*

Scott is a Vice President on Intrepid's Supply Chain & Logistics team. Scott has over 12 years of investment banking experience, primarily focused on middle-market mergers and acquisitions in the broader industrials space. He has transaction experience in many logistics subverticals, including truck brokerage, freight forwarding, customs brokerage, spare parts logistics, and reverse logistics. Additional industrials transaction experience includes building products distribution, bakery products distribution, vehicle electronics, specialty vehicle manufacturing, commercial furniture manufacturing, and heavy civil construction.

Prior to joining Intrepid, Scott advised middle-market clients on mergers and acquisitions transactions at Deloitte Corporate Finance, Wells Fargo Advisors, FocalPoint Partners, Wells Fargo Securities, and Barrington Associates. Scott earned a BSE from Princeton University where he was awarded a prize for innovative research and exceptional senior thesis.

Scott currently resides with his wife and two children in Los Angeles. Outside of the office, he enjoys baking and drawing Dog Man cartoons with his daughter, building Legos with his son, and playing games at the beach as a family.



## Overview of Intrepid's Supply Chain & Logistics Practice

We provide M&A and capital advisory services for companies operating across a broad range of supply chain sectors.

### Sector Expertise

- ✓ Experienced team focused on the supply chain and logistics sector
- ✓ Deep sector knowledge gained through ongoing dialogue and transaction activity
- ✓ Proven process excellence in M&A and capital markets transactions
- ✓ Extensive C-suite-level relationships providing superior access and unique, real time market insights
- ✓ Proven global strategic buyer access with key industry players
- ✓ Established relationships with financial sponsors actively investing in this sector

#### Freight Management

- ✓ Freight Brokerage
- ✓ Managed Transportation
- ✓ Air Cargo Handling
- ✓ Freight Forwarding
- ✓ Customs Brokerage



#### Asset – Based Freight

- ✓ Truckload
- ✓ LTL
- ✓ Dedicated
- ✓ Flatbed



#### Bulk Logistics

- ✓ Liquid / Dry Bulk
- ✓ Chemical
- ✓ ISO Tank



#### Infrastructure

- ✓ Chassis / Trailer Leasing
- ✓ Terminals & Storage
- ✓ Port Infrastructure
- ✓ Short Line & Regional Rail



#### Intermodal / Drayage

- ✓ Drayage
- ✓ IMC's
- ✓ Transloading



#### Warehousing / Fulfillment

- ✓ Ambient / Temp Controlled
- ✓ eCommerce Fulfillment
- ✓ Parcel / Final Mile
- ✓ LTL Consolidation



#### Specialized Logistics

- ✓ Student Transportation
- ✓ Medical / Life Sciences
- ✓ Cold Chain Logistics
- ✓ Environmental Logistics



#### Technology & Services

- ✓ Freight Software / TMS
- ✓ Fleet Management
- ✓ Automation / Robots
- ✓ Freight Audit, Bill, & Pay
- ✓ Factoring / Finance



## Deep Transaction Experience across Supply Chain & Logistics

Differentiated sector coverage, proven process excellence and trusted advisory relationships across the supply chain and logistics landscape.

 has been acquired by  Advisor to H.I.G. Capital*	 has acquired  Advisor to Charlesbank*	 In partnership with management has acquired  Advisor to Palladium Equity Partners*	 has been acquired by  Advisor to Temco Logistics*	 has been acquired by  Advisor to Harvest Partners*	 has acquired  Advisor to Ridgemont Equity Partners*
 has acquired  Advisor to JT Logistics*	 has acquired  Advisor to Knight-Swift*	 has been acquired by  Advisor to Littlejohn / Harren Equity*	 a portfolio company of Hidden Harbor Capital Partners has been acquired by  Advisor to Hidden Harbor*	 has been acquired by  Advisor to Calera Capital*	 has been acquired by  Advisor to Sterling Investment Partners*
 has been acquired by  Advisor to BBH Capital Partners*	 has acquired  Advisor to Hudson Hill*	 have been acquired by  a portfolio company of Cerberus Advisor to Mercury Air Cargo and Maytag	 has been acquired by  Advisor to Weber	 has acquired  Advisor to Ridgemont Equity Partners*	 has been acquired by  Advisor to Comvest Partners*
 has been acquired by  Advisor to AEA Investors*	 has been acquired by  Advisor to Linx Partners*	 The management team of has completed a management buyout with financing from  and  Advisor to Pacific Crane Maintenance Company, LLC	 has been acquired by  Advisor to ALC Schools, LLC	 has been acquired by  Advisor to Sunrise Transportation*	 has acquired  Advisor to Ridgemont Equity Partners*

Note: \*Indicates transactions completed by Intrepid senior bankers while at prior firms.

