



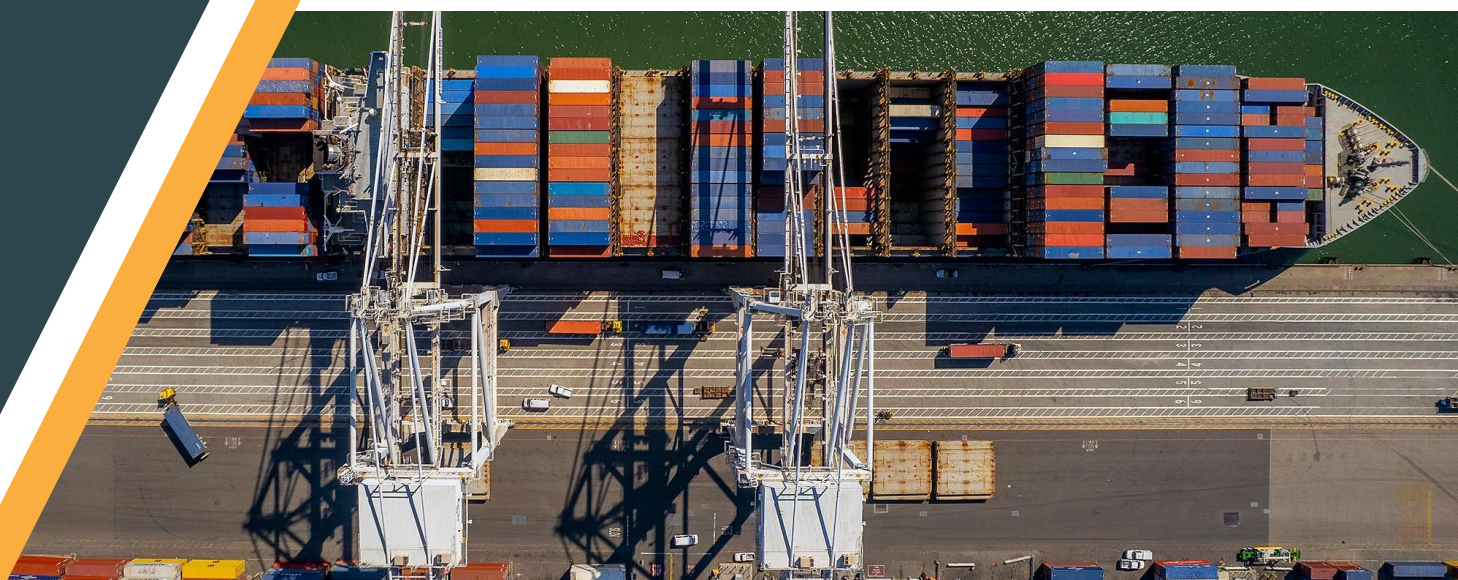
Supply Chain & Logistics Market Update

May 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 decreased in Q1 driven by shifting trade policy following eleven consecutive quarters of growth
- Multiple major domestic investments in manufacturing announced, which will take time to lead to higher freight levels; companies maintain 'wait and see' approach to CapEx as uncertainty remains around what materializes in near-term
- Consumer sentiment is down 30% since January after five months of declines, and May's reading is the second-lowest on record due to inflation and recessionary fears
- Housing market remains challenged and 2H25 optimism is cut by last two Fed meetings



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 has declined, now in wait-and-see state¹
- 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
- Many companies preparing for market without immediate launch scheduled – waiting for market uncertainty to subside

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

- OTR truckload rates nearly flat year-over-year, after a short uptick
- Trucking capacity exited the market during 2024 and into 2025, but is still at pre-COVID peak levels
- Spread between contract and spot rates turned negative for the first time since 2022, but has since receded. This is a good indication that any sustained demand increase can flip the market
- Seasonality returned to the market throughout 2024 and is expected to continue as we enter 2H25, though on an irregular time schedule to minimize tariffs amid temporary 90-day pauses given uncertainty

Key Economic Demand Indicators: The Industrial Economy



Although manufacturing continued to register only modest growth, the rate of expansion inched higher. Worse may be to come for manufacturing, however, as goods exports fell worldwide in April at a rate not seen since August 2023, and backlogs of work fell at an increased rate. This suggests that the current output was being supported by orders placed in prior months and some front-running of tariffs

- S&P Capital IQ Pro

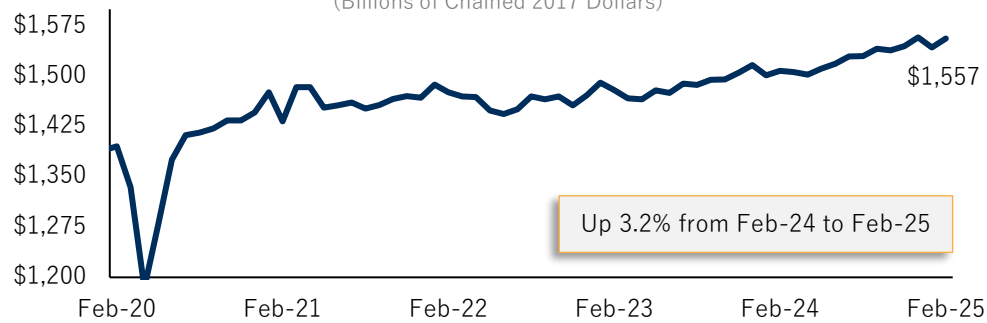
Source: S&P Capital IQ Pro - May 14, 2025

S&P Global
Market Intelligence



Real Manufacturing and Trade Industries Sales

(Billions of Chained 2017 Dollars)

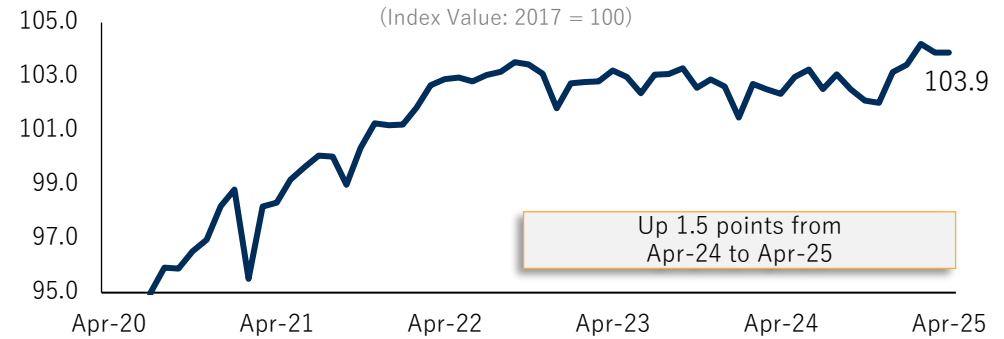


(Seasonally Adjusted)

Source: Federal Reserve Bank of St. Louis

Industrial Production: Total Index

(Index Value: 2017 = 100)

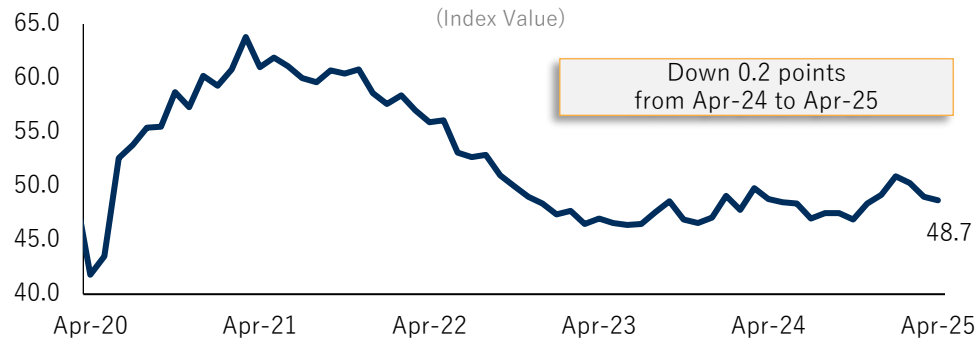


(Seasonally Adjusted)

Source: Federal Reserve Bank of St. Louis

ISM Manufacturing Index

(Index Value)



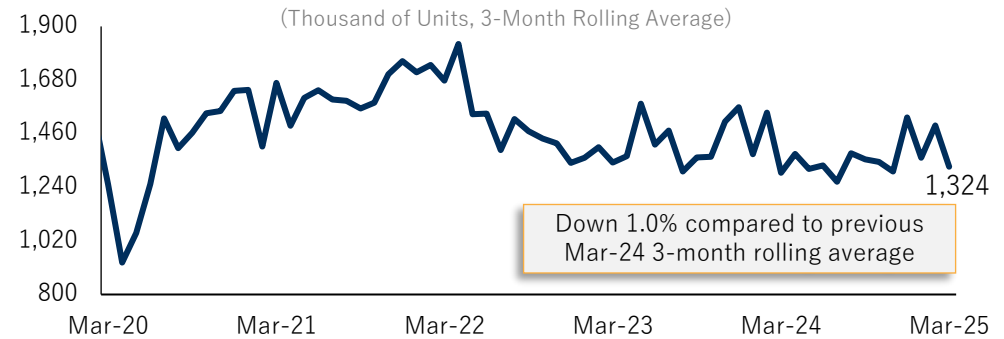
(Seasonally Adjusted)

Note: Readings above 50 indicate expansion in manufacturing activity.

Source: Institute for Supply Management

Housing Units Started

(Thousand of Units, 3-Month Rolling Average)



(Seasonally Adjusted)

Source: Federal Reserve Bank of St. Louis

Key Economic Demand Indicators: The Consumer Economy



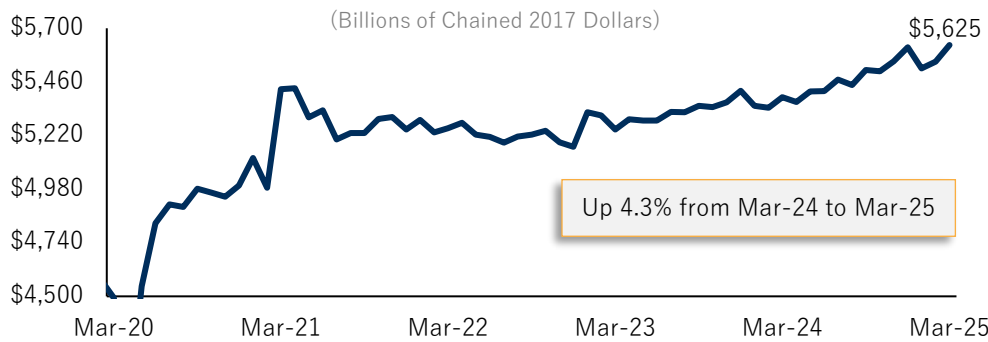
Looking forward, there is a bull case based upon generally resilient macroeconomic numbers to date, with stable demand and capacity continuing to exit the market. We do note that forward sentiment for customer freight demand and consumer health is less clear, particularly as tariff-driven uncertainty builds. As a result, the continued rising momentum on price recovery is also less certain

- **Mark Roarke, CEO, Schneider National**

Source: *Schneider National - May 1, 2025*



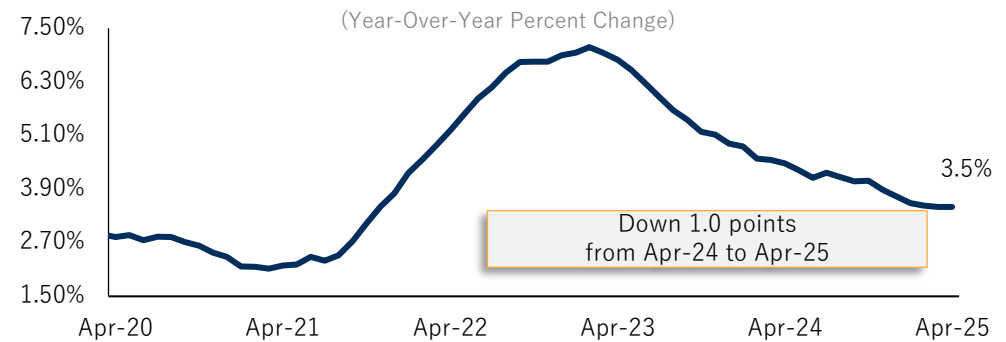
Real Personal Consumption Expenditures: Goods



(Seasonally Adjusted)

Source: *Federal Reserve Bank of St. Louis*

Median Consumer Price Index

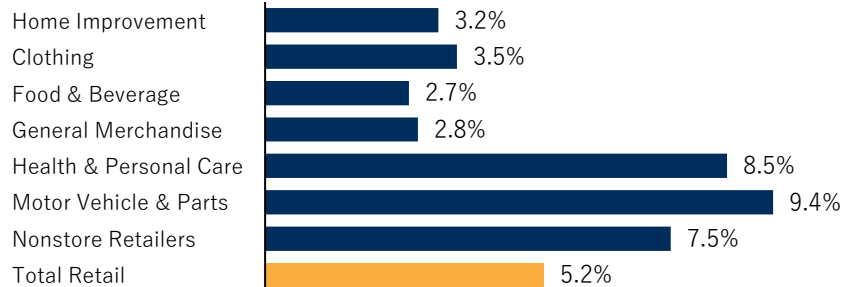


(Seasonally Adjusted)

Source: *Federal Reserve Bank of Cleveland*

Retail Store Sales

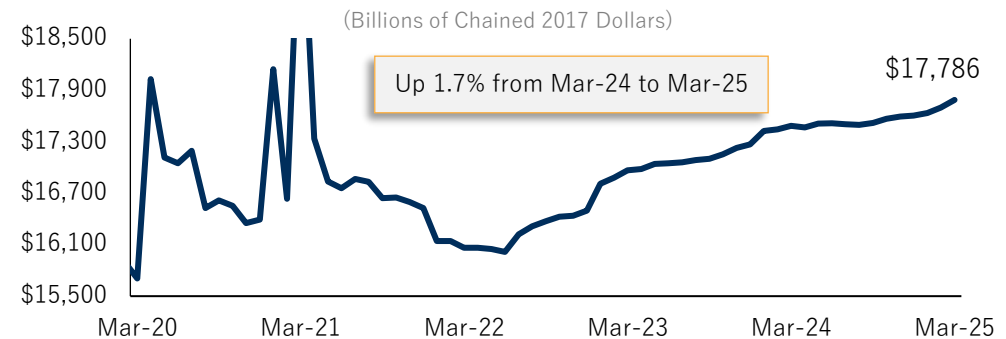
(Year-Over-Year Percent Change; April 2025)



(Seasonally Adjusted)

Source: *US Census Bureau*

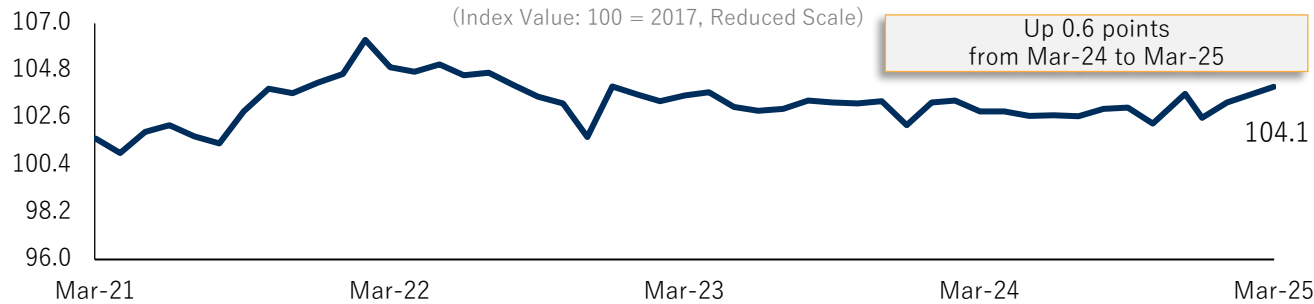
Real Disposable Personal Income



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



Big carriers, which reasonably anticipated continued import reductions and announced repositions [and] service suspensions ... will need to reverse course to take advantage of the coming import demand

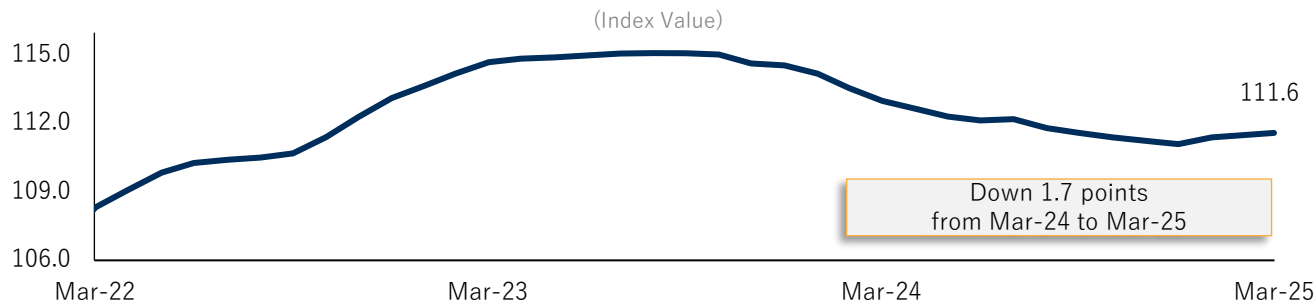
- **Peter Friedmann, JOC, Executive Director**

Source: [JOC](#) - May 14, 2025

Journal of Commerce
by S&P Global



Warehouse Pricing Index (WPI)



Sources: [WarehouseQuote.com](#)



Customers are moving quickly to manage tariff volatility with many accelerating shipments where possible. They're also rerouting volumes and have urgent demand for overflow space

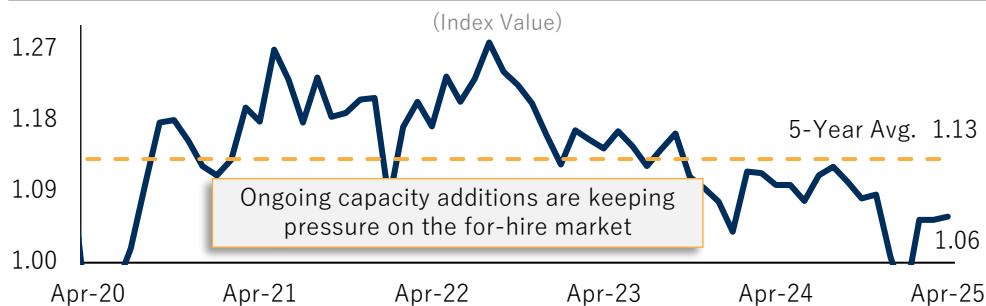
- **Timothy D. Arnt, Prologis, CFO**

Source: [Prologis](#) - April 16, 2025

PROLOGIS

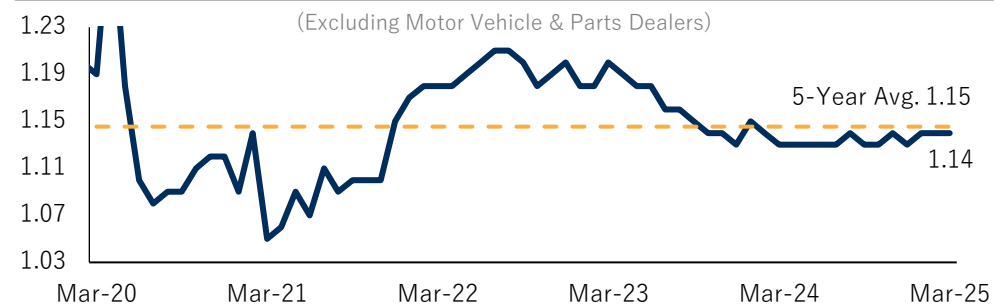


Cass Freight Index – Shipments



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

Retailers Inventory-to-Sales Ratio



(Seasonally Adjusted)

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

International Trade



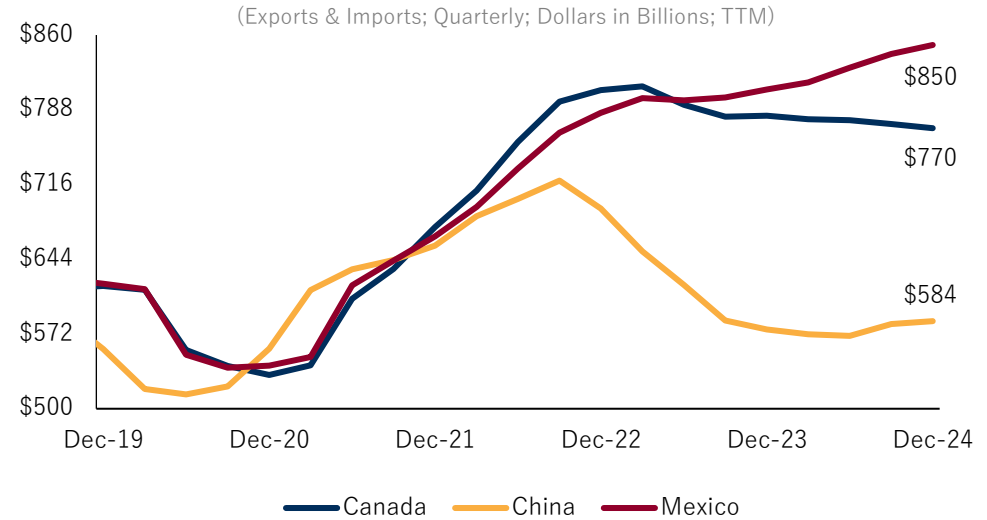
It turns out the March surge in 'consumer goods' imports was almost entirely driven by pharmaceuticals, which saw seasonally adjusted imports increase by about \$20 billion in March from February, to roughly \$50 billion in total (for March)... at 3x the normal level

- Jason Miller, MSU, Professor

Source: [LinkedIn](#) - May 14, 2025



U.S. International Trade in Goods by Country

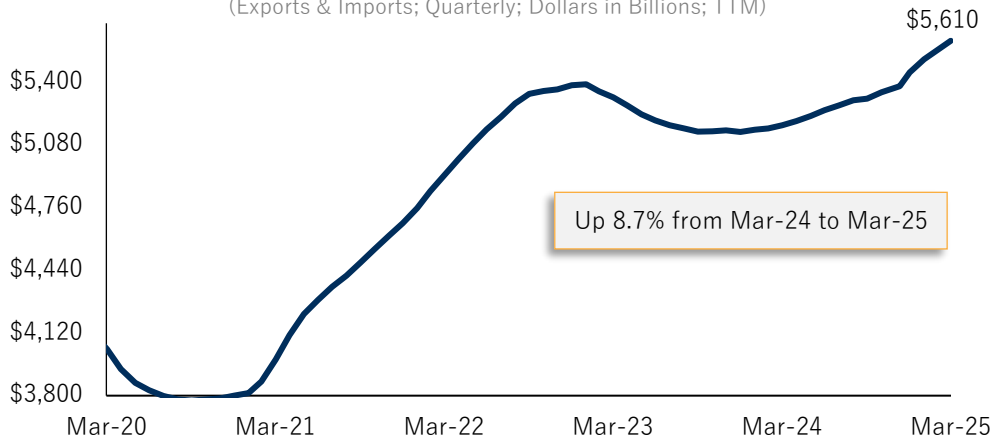


(Seasonally Adjusted)

Source: [Bureau of Economic Analysis](#)

U.S. Trade in Goods

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

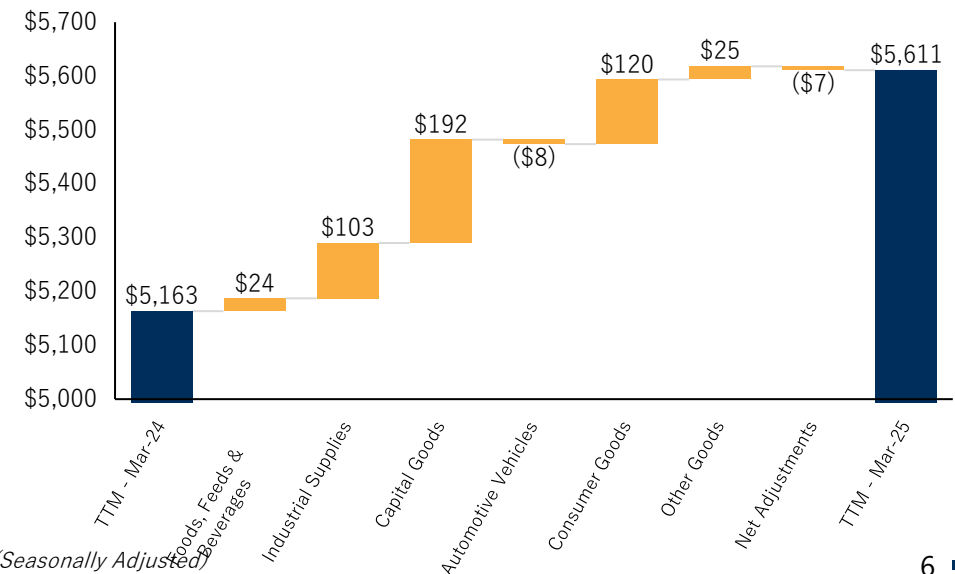


(Seasonally Adjusted)

Source: [United States Census Bureau](#)

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

(2017 Dollars in Billions)

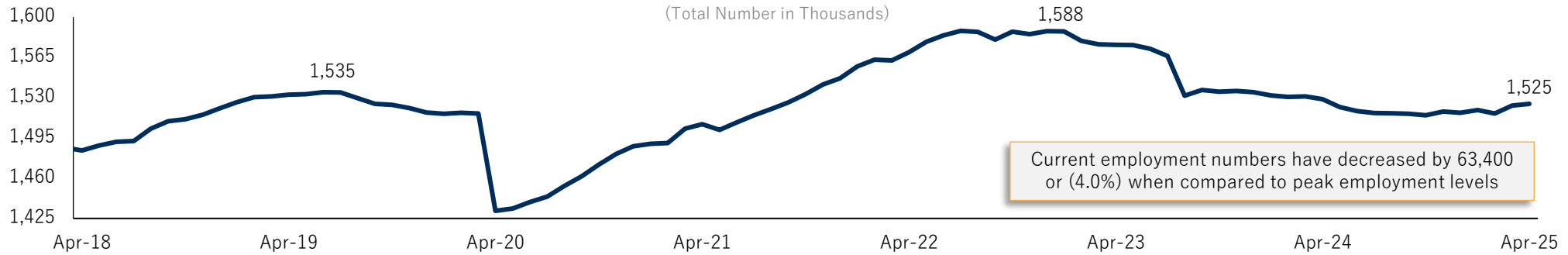


(Seasonally Adjusted)

Source: [United States Census Bureau](#)

Key Trucking Capacity Indicators

Truck Transportation Employment



(Seasonally Adjusted)

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



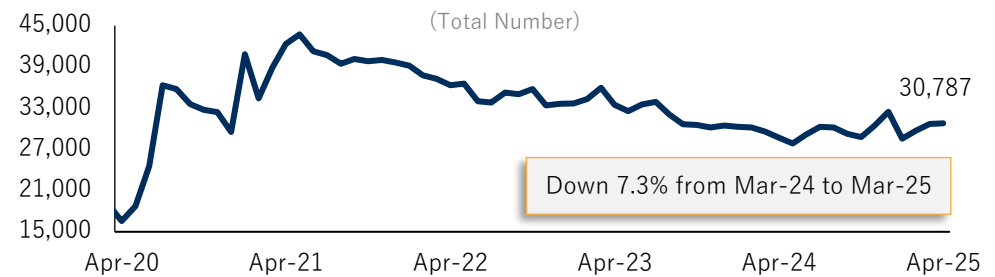
Over the next 90 days, there's clearly going to be pent up supply that sits in China that needs to be reintroduced to the supply chain and [be brought to the US]. To bring capacity back in for vessels that have been redeployed elsewhere will be more difficult

- Ken Carles van der Steene, Maersk, President North America

Source: [CNBC - May 14, 2025](#)



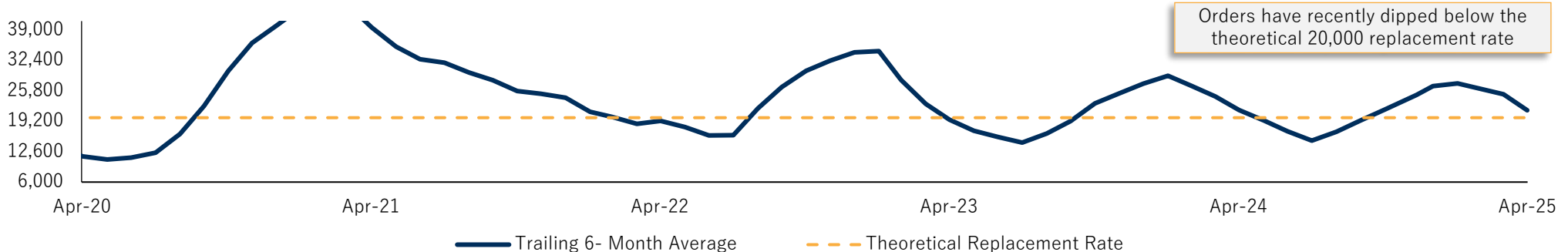
Business Applications in Transportation & Warehousing



(Seasonally Adjusted)

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

Class 8: Net Truck Orders

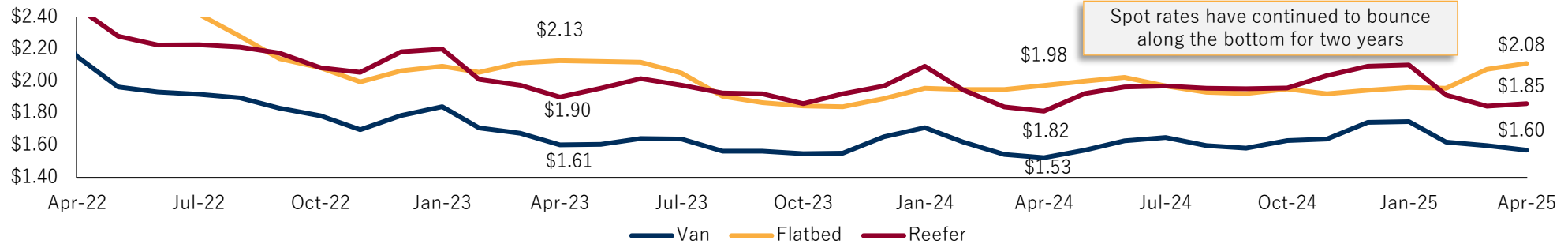


Source: [FTR Transportation Intelligence](#)

Note: Theoretical replacement rate refers to the amount of new trucks that must be purchased within a month to maintain the existing North American fleet size

Average Trucking Freight Rates

National Spot Rates



Source: *S&P Journal of Commerce*



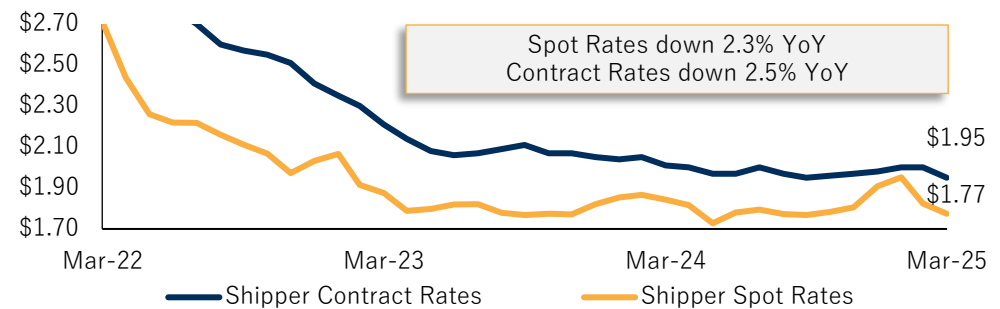
The market has not experienced sustained tightening capable of driving consistent upward pressure on transportation rates since 2022. Although there are signs that supply and demand are moving closer to equilibrium, the environment remains challenging, and carrier exits continue at elevated levels

- Zach Strickland, FreightWaves, FW Market Expert & Market Analyst

Source: *FreightWaves* – May 18, 2025

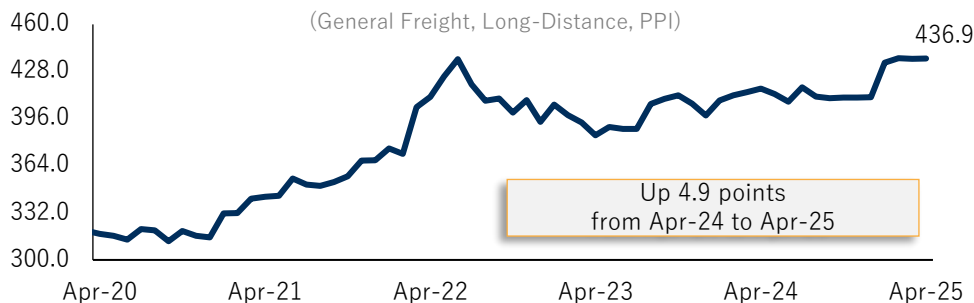


Shipper Contract & Spot Rates



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

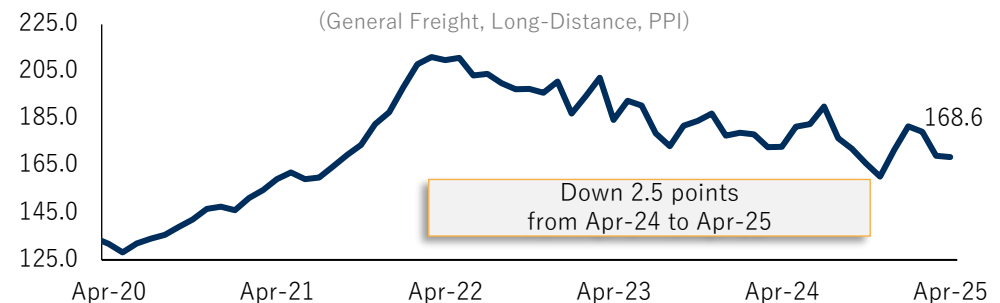
LTL Pricing Index



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 TL Public Trading Comparables

| (\$ in millions) | | 2025E | | | LTM | | FY |
|---|--|-------------|-----------|------------------|-------------------|----------|---------|
| Company | | EV / EBITDA | EV / EBIT | Price / Earnings | Operating Ratio % | EBITDA % | ROIC |
| J.B. HUNT | | 10.0x | 19.2x | 23.6x | 93.2% | 13.0% | 6.6% |
| KNIGHT TRANSPORTATION SWIFT TRANSPORTATION | | 8.6x | 23.5x | 26.3x | 96.5% | 14.1% | 0.4% |
| SCHNEIDER | | 6.7x | 20.4x | 25.8x | 96.6% | 10.7% | 1.7% |
| IHI Hub Group | | 7.6x | 15.9x | 16.9x | 96.3% | 8.6% | 3.4% |
| WERNER ENTERPRISES | | 6.7x | 37.2x | 39.7x | 98.9% | 10.7% | (0.8%) |
| MARTEN | | 7.1x | 32.2x | 38.6x | 97.7% | 14.8% | 0.3% |
| NEW ENGLAND EXPRESS | | 5.6x | NM | NM | 103.0% | 14.7% | (3.3%) |
| COVENANT | | 5.9x | 14.1x | 11.6x | 94.8% | 13.0% | 4.5% |
| TITANIUM | | 5.3x | 27.0x | NM | 98.0% | 7.6% | (11.3%) |
| Mean | | 7.1x | 23.7x | 26.1x | 97.2% | 11.9% | 0.2% |
| Median | | 6.7x | 21.9x | 25.8x | 96.6% | 13.0% | 0.4% |

Comparable Company Index: TEV / Forward EBITDA

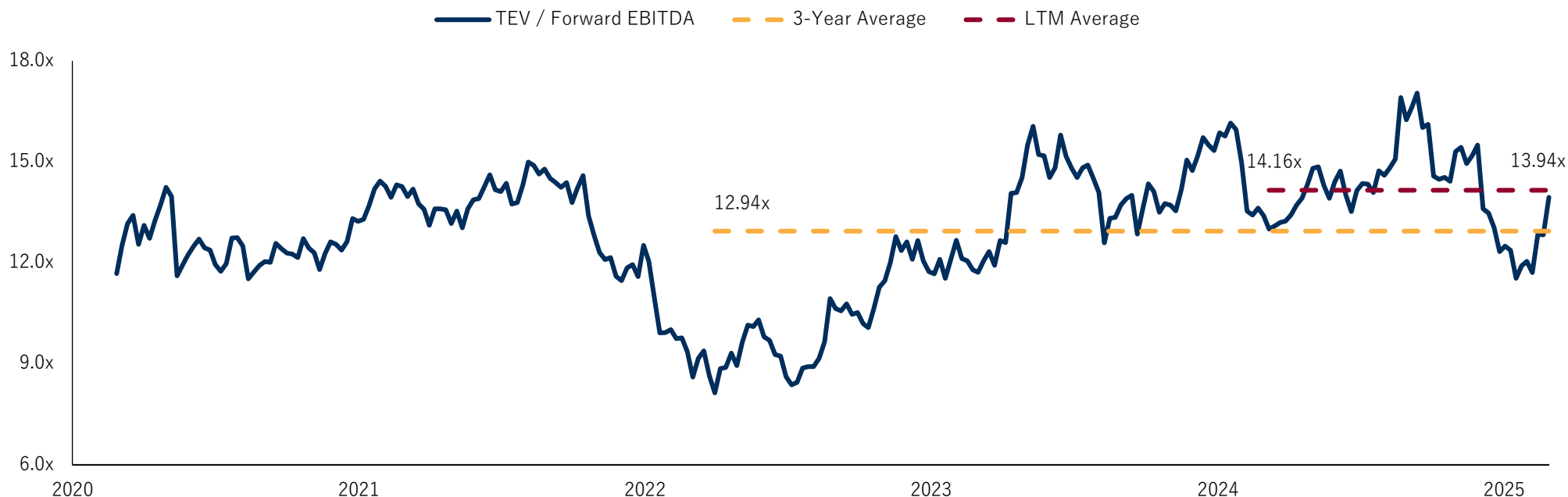


Source: S&P Capital IQ as of 05/22/2025. Note: The TEV / Forward EBITDA Index differs from the select public companies mean due to Capital IQ index calculations that are not disclosed.

LTL Public Trading Comparables

| (\$ in millions) | | 2025E | | LTM | | FY |
|------------------|-------------|-----------|------------------|-------------------|----------|---------|
| Company | EV / EBITDA | EV / EBIT | Price / Earnings | Operating Ratio % | EBITDA % | ROIC |
| | 19.2x | 24.0x | 31.2x | 73.9% | 32.2% | 21.0% |
| | 14.3x | 23.1x | 30.9x | 91.0% | 15.2% | 6.9% |
| | 12.7x | 21.6x | 26.8x | 86.5% | 20.3% | 12.8% |
| | 8.6x | 16.9x | 16.5x | 92.1% | 13.0% | 4.4% |
| | 8.7x | 17.2x | NM | 97.3% | 8.5% | (27.9%) |
| | 5.9x | 11.6x | 11.8x | 96.8% | 6.9% | 9.9% |
| Mean | 11.6x | 19.1x | 23.5x | 89.6% | 16.0% | 4.5% |
| Median | 10.7x | 19.4x | 26.8x | 91.6% | 14.1% | 8.4% |

Comparable Company Index: TEV / Forward EBITDA

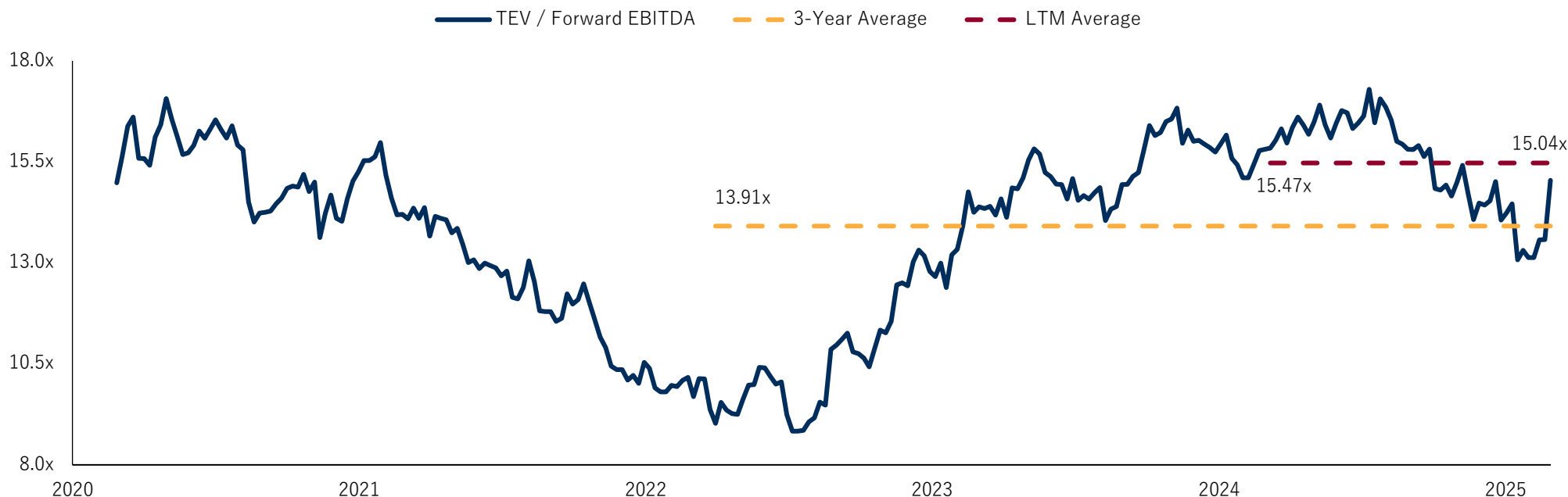


Source: S&P Capital IQ as of 05/22/2025. Note: The TEV / Forward EBITDA Index differs from the select public companies mean due to Capital IQ index calculations that are not disclosed.

Logistics Public Trading Comparables

| (\$ in millions) | | 2025E | | LTM | | FY |
|------------------|-------------|-----------|------------------|-------------------|----------|---------|
| Company | EV / EBITDA | EV / EBIT | Price / Earnings | Operating Ratio % | EBITDA % | ROIC |
| Expeditors | 14.6x | 15.6x | 22.0x | 90.1% | 10.4% | 22.7% |
| C.H. ROBINSON | 14.8x | 16.9x | 20.6x | 95.6% | 4.6% | 6.0% |
| LANDSTAR | 16.6x | 20.4x | 26.5x | 92.7% | 5.8% | 11.6% |
| RXO | 21.5x | 49.4x | 69.0x | 99.6% | 2.4% | (17.9%) |
| Mullen Group | 6.2x | 10.7x | 10.6x | 90.0% | 14.5% | 2.0% |
| RADIANT | 8.5x | 18.3x | 10.8x | 97.6% | 4.6% | 6.1% |
| Mean | 13.7x | 21.9x | 26.6x | 94.3% | 7.1% | 5.1% |
| Median | 14.7x | 17.6x | 21.3x | 94.1% | 5.2% | 6.1% |

Comparable Company Index: TEV / Forward EBITDA

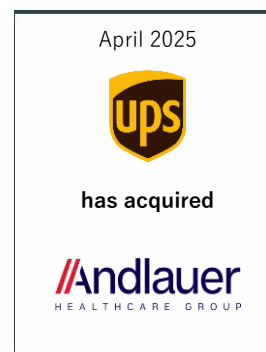


Source: S&P Capital IQ as of 05/22/2025. Note: The TEV / Forward EBITDA Index differs from the select public companies mean due to Capital IQ index calculations that are not disclosed.

Selected Industry Transactions

Recent Significant M&A

| Date | Acquiror | Target |
|---------------|----------------------------------|-------------------------|
| May 2025 | Radiant Logistics | Universal Logistics |
| May 2025 | DHL Supply Chain | IDS Fulfillment |
| April 2025 | Mullen Group | Cole Group |
| April 2025 | Proficient Auto Logistics | Brothers Auto Transport |
| April 2025 | Fitzmark | HPL & Pentonix Freight |
| 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 |



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



Sentiment was positive at the beginning of the year, as the freight cycle continued to turn and interest rates continued to decrease... However, the uncertainty created by geopolitical disruptions is posing some serious clouds on what otherwise should have been a strong year. Financial sponsors and strategics are likely to focus their efforts on setting up value protection strategies for their business and improving operational efficiencies at least until the environment normalizes

- **Andres Mendoza Pena, Kearney, Partner**

Source: *Kearney - April 24, 2025*

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

Our team leverages in-depth industry knowledge and experience combined with a diverse offering of capital solutions to serve as a value-added advisor and thought partner to companies across the supply chain and logistics universe.

In-Depth Supply Chain and Logistics Expertise

Experienced Team Focused on the Supply Chain and Logistics Sector

Deep Sector Knowledge Gained Through Ongoing Dialogue and Transaction Activity

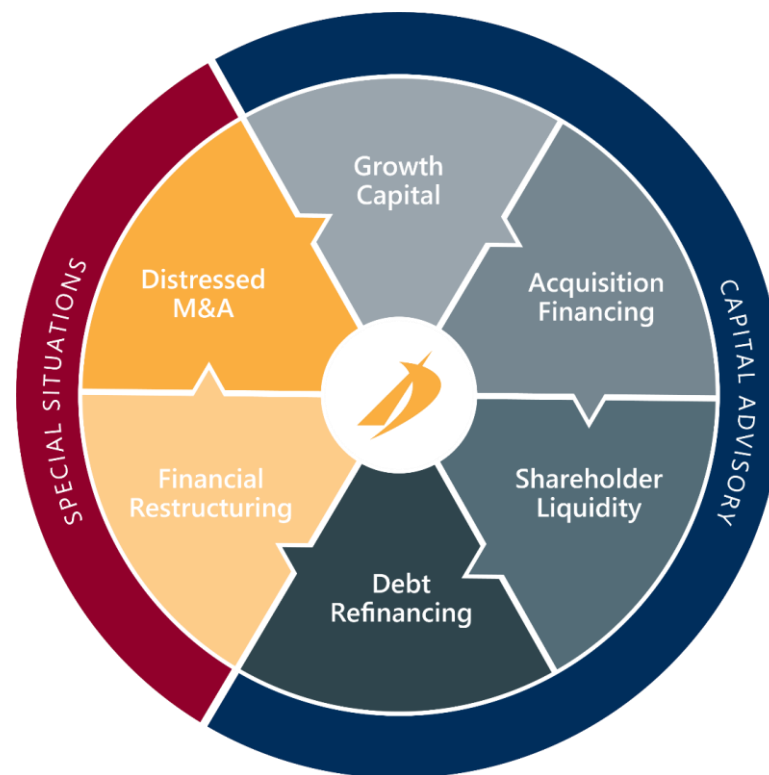
Proven Process Excellence in M&A and Capital Markets Transactions

Extensive Global Strategic Buyer Relationships Providing Superior Access and Unique, Real-Time Market Insights

Established Relationships with Financial Sponsors Actively Investing in this Sector

Experience Leading Transactions in a Broad Range of Freight Market Environments

Diverse Capital Solutions for the Middle Market



EXPERTISE SPANNING FULL CAPITAL STRUCTURE

- Senior Debt
- Junior & Mezzanine Debt
- Structured & Minority Equity
- Control Equity
- Rescue Financing

ACCESS TO ALL POOLS OF INSTITUTIONAL CAPITAL

- Commercial Banks
- Private Credit
- Hedge Funds
- Private Equity
- Strategic Investors

Supply Chain & Logistics Sector Coverage

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

Freight Management

- ✓ Freight Brokerage
- ✓ Managed Transportation
- ✓ 4PL
- ✓ Driveaway



Asset – Based Transportation

- ✓ TL, LTL, Dedicated
- ✓ Flatbed
- ✓ Auto



Bulk Logistics

- ✓ Liquid, Dry, Chemical
- ✓ Short Line & Regional Rail
- ✓ Rail Services
- ✓ Jones Act
- ✓ ISO Tank



Infrastructure

- ✓ Chassis / Trailer Leasing
- ✓ Aircraft Leasing
- ✓ Terminals & Storage
- ✓ Port Infrastructure



Global Freight

- ✓ Air Cargo Handling
- ✓ Freight Forwarding
- ✓ Customs Brokerage
- ✓ Ocean Shipping



Intermodal / Drayage

- ✓ Drayage
- ✓ IMCs
- ✓ Transloading
- ✓ Port Services



Warehousing / Fulfillment

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



Specialized Logistics

- ✓ Student Transportation
- ✓ Medical / Life Sciences
- ✓ Environmental
- ✓ Aerospace & Defense
- ✓ Entertainment
- ✓ Moving & Storage



Fleet Services

- ✓ Fleet Management
- ✓ Freight Audit, Bill, & Pay
- ✓ Factoring / Finance
- ✓ Staffing
- ✓ Spotting / Yard Management



Supply Chain Technology

- ✓ Freight Software / TMS
- ✓ Telematics
- ✓ Supply Chain Visibility
- ✓ Warehouse Automation



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* | a portfolio company of Harvest Partners has been acquired by Advisor to Harvest Partners* | has acquired Advisor to Ridgemont Equity Partners* | has been acquired by Advisor to OTR Transportation* |
| 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 Locher Evers* |
| has been acquired by Advisor to BBH Capital Partners* | has acquired Advisor to Hudson Hill* | have been acquired by Advisor to Mercury Air Cargo and Maytag | The Strongest Link has been acquired by Advisor to Weber | has acquired Advisor to Ridgemont Equity Partners* | has been acquired by Advisor to Convest Partners* | (KOSE.A000120) buyside advisory services Advisor to CJ Logistics* |
| has been acquired by Advisor to AEA Investors* | has been acquired by Advisor to Linx Partners* | has completed a management buyout with financing from 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* | has completed a dividend recapitalization with Advisor to ALC Schools, LLC |

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

