

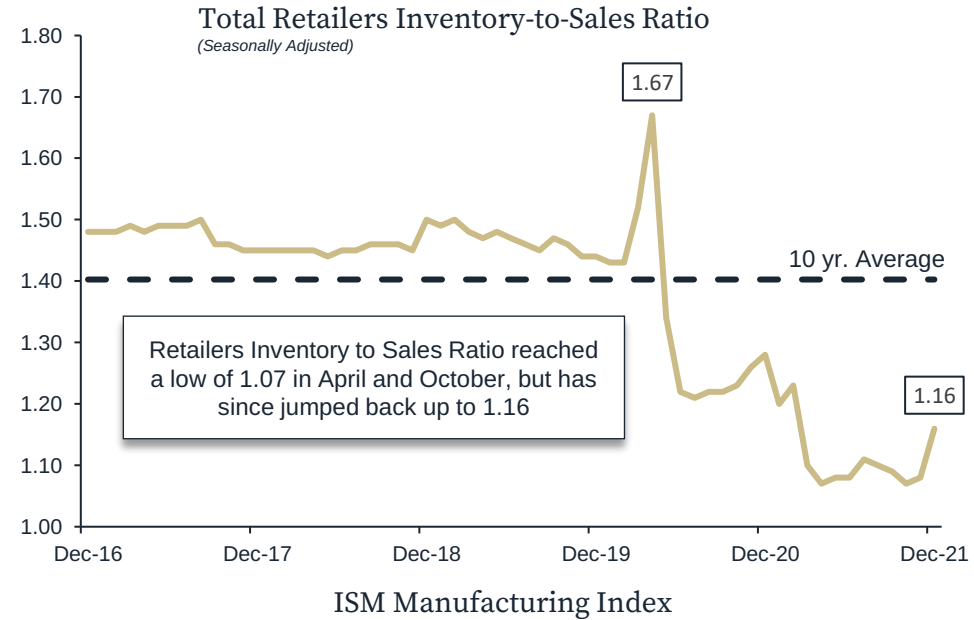


Transportation & Logistics *M&A Quarterly Update*

First Quarter 2022

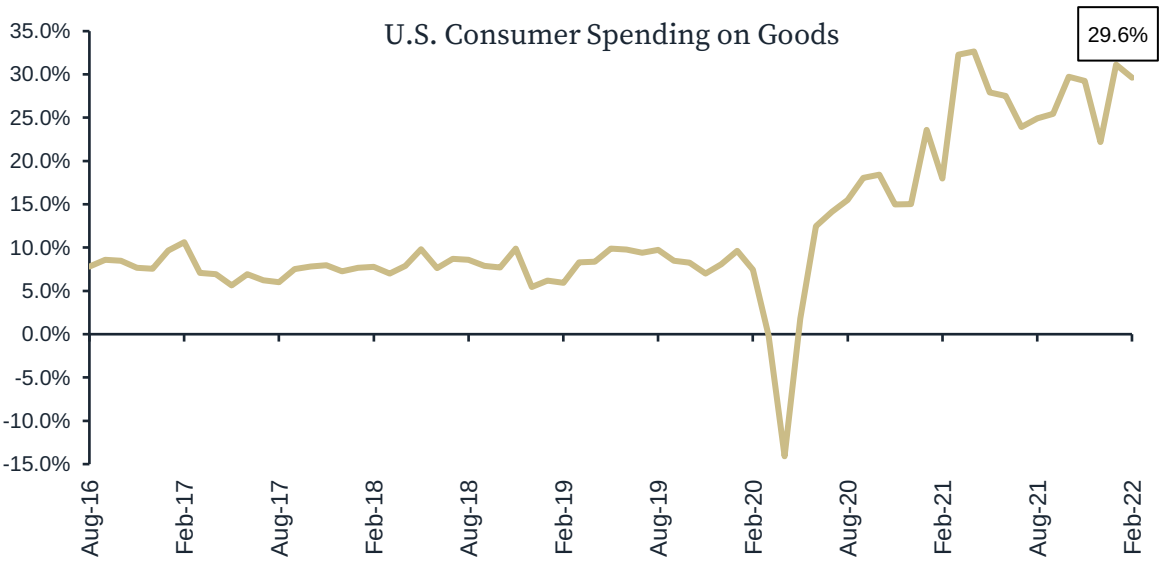
Downward Movement in Spot Rates and Increased Capacity Indicate Loosening in the Transportation Market Back to Normalized Levels

- 1 While supply chains have not fully healed, inventory levels are rising and product availability is increasing
- 2 Consumer spending on goods remains elevated, even with an increase in spending on services compared to pre-pandemic levels
- 3 Trucking spot rates are normalizing, but still remain high due to driver shortages, and continued strong demand for freight
- 4 North American industrial production and manufacturing growing but labor is a challenge for continued growth
- 5 Contraction in the transportation market does not necessarily mean a freight recession is imminent – we are seeing a move away from unsustainable supply / demand mismatch
- 6 Number of dispatchable trucks in the for-hire trucking market (trucks with a driver and available to haul a load) is up 10%
- 7 Recession fears have increased on rising inflation, fuel prices, interest rates (inverted yield curve), and lower subsidies, and have begun to impact Transportation stocks



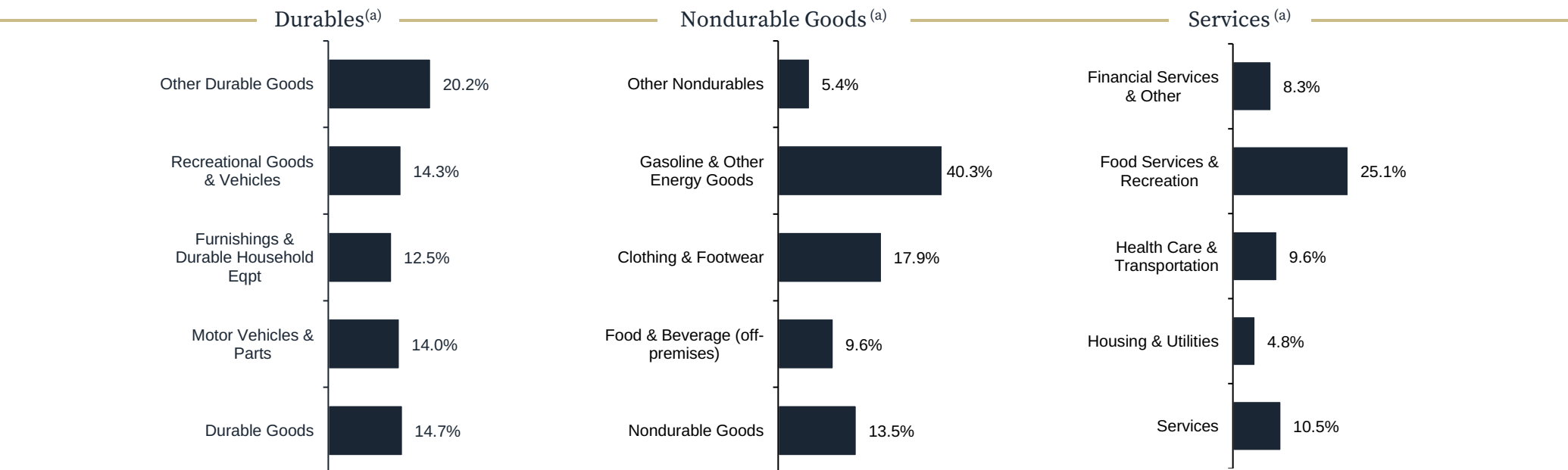
U.S. Surface Transportation Industry

Year-over-Year Consumer Spending Data



“The cost of truckload capacity ticked up in mid-December, then came in higher than expected over the holidays and January certainly isn't delivering the seasonal decline we'd see in a more typical environment. While we had been projecting spot rates to increase 4% year-over-year in 2022, our lead economist has adjusted his forecast to 6% growth.”
- Ronnie Davis, C.H. Robinson C.H. ROBINSON

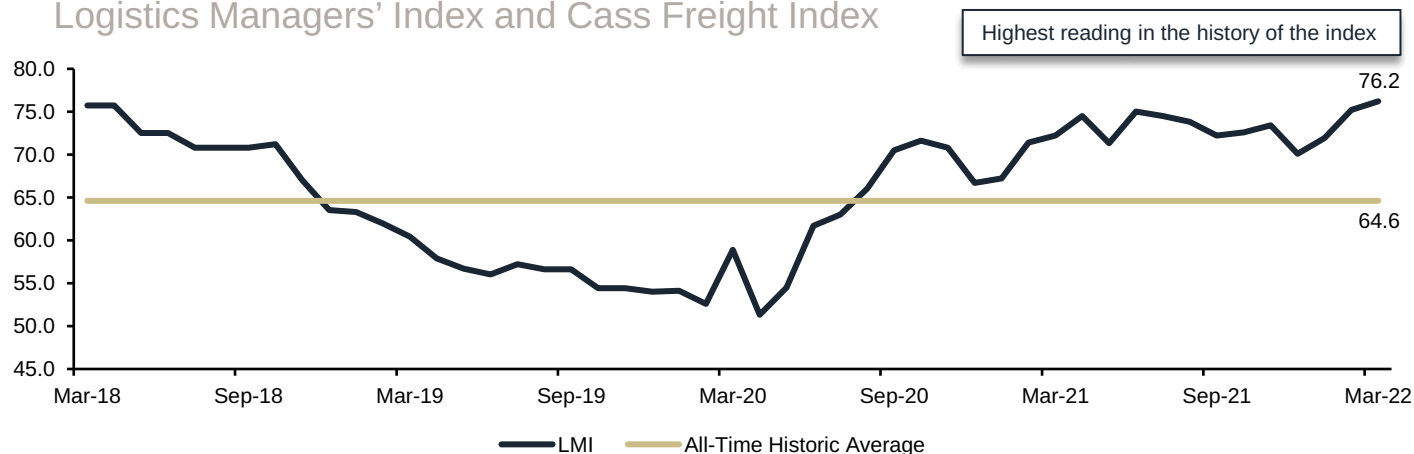
“Purchases of goods and services, adjusted for changes in prices, increased 1.5% from December, the most in 10 months ... declining Covid-19 cases and an improving labor market should support spending in the months ahead, especially for services, but inflation -- which is expected to increase further in the near term -- remains a headwind”
- Bloomberg **Bloomberg**



^(a) Reflects % Change for Q1 2022 vs Q1 2021
Sources: U.S. Bureau of Economic Analysis pulled as of March 2022, Businesswire, Bloomberg

U.S. Surface Transportation Industry

Logistics Managers' Index and Cass Freight Index



View of Warehousing

- **Warehousing Capacity** – contracting at a decreasing rate
- **Warehousing Utilization** – growing at an increasing rate
- **Warehousing Prices** – growing at an increasing rate

View of Inventory

- **Inventory Levels** – growing at a decreasing rate
- **Inventory Costs** – growing at an increasing rate

View of Transportation

- **Transportation Capacity** – growing at an increasing rate
- **Transportation Utilization** – growing at a decreasing rate
- **Transportation Prices** – growing at an increasing rate

“We probably peaked in December but for the first quarter and probably even potentially into the second quarter we're really not going to see any deterioration at all in the rate environment”

- Avery Vise, VP of Trucking Research, FTR

FTR
Transportation Intelligence

“Sky high shipping costs are expected to continue into the new year with transportation spend rising to record levels in the first quarter of 2022 due to the combination of rate increases applied by parcel and less than truckload (LTL) carriers along with ongoing strong pricing power for truckload fleets”

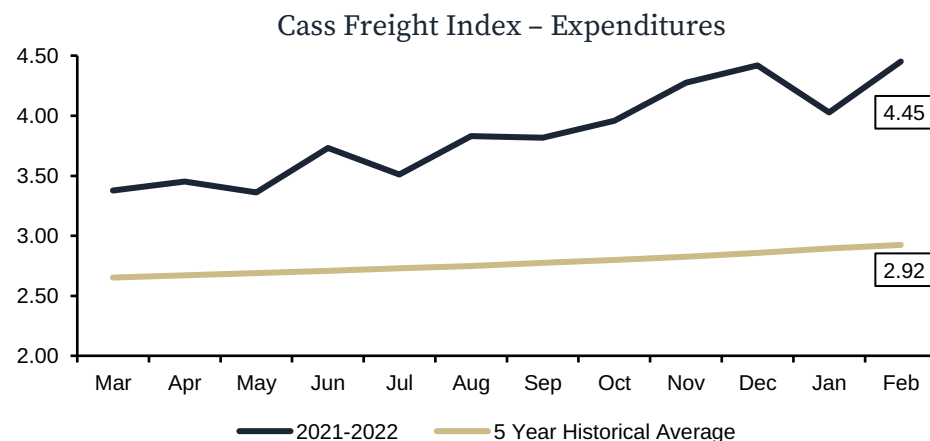
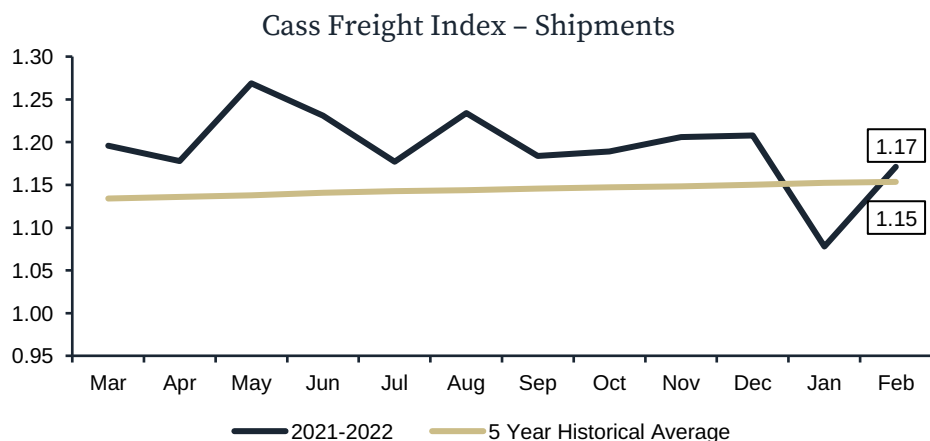
- DC Velocity

DC VELOCITY

“Businesses and the transportation industry at large are challenged by the unique market conditions, which are compounded by the material disruption of the Ukraine invasion by Russia ... today's forecasts are roughly an increase of 3–4% year over year (Y/Y) with the expected expansion of the Class 8 fleet estimated at roughly 3%”

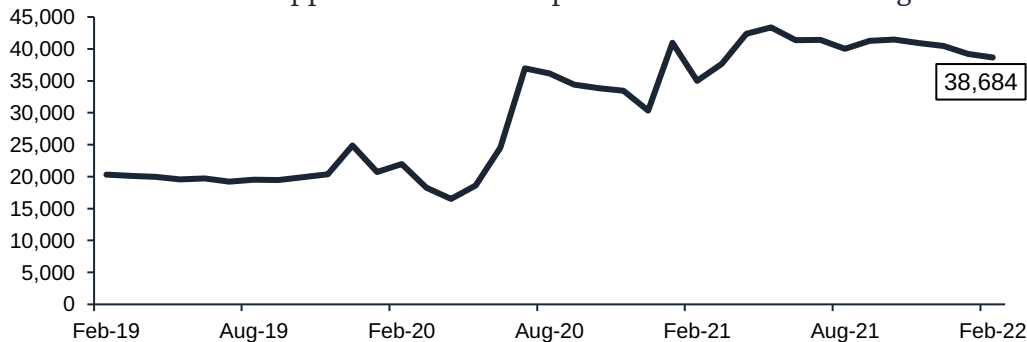
- C.H. Robinson

C.H. ROBINSON

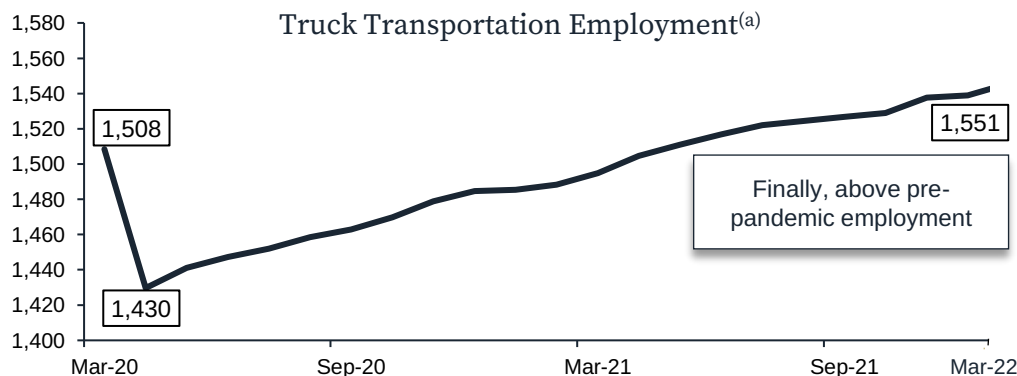


U.S. Surface Transportation Industry Capacity Trends

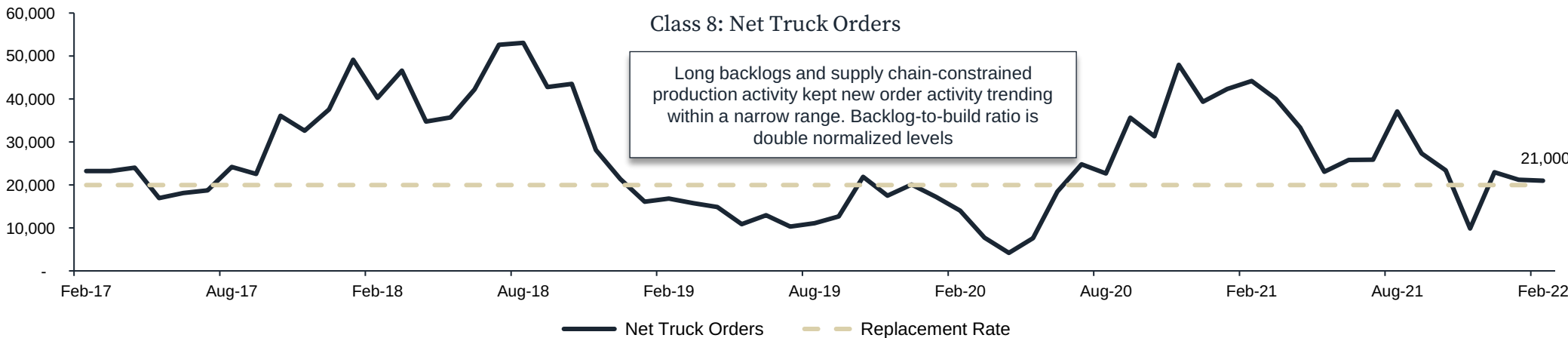
Business Applications in Transportation and Warehousing



Truck Transportation Employment^(a)



Class 8: Net Truck Orders



- The Federal Motor Carrier Safety Administration (FMCSA) indicated that more than 95,000 Drug & Alcohol violations have been recorded by the Clearinghouse since its creation in January 2020. This represents ~3.7% of the 2.6 million drivers registered in the Clearinghouse (or ~1.9% of the entire North American driver pool of ~5 million)
- Of the 87,000 drivers who were suspended with at least 1 violation, almost 70,000 have not completed the return-to-work program, fueling concerns that the current driver shortage is a structural, rather than temporary shift
- In the latest employment report from the Bureau of Labor Statistics, the number of jobs in the trucking sector increased for the seventh consecutive month in December

Drug Violations (January R12)

Actual Knowledge of Violation	2,324
Test Refusal	15,899
Positive Drug Test	97,144
Total	115,367

Alcohol Violations (January R12)

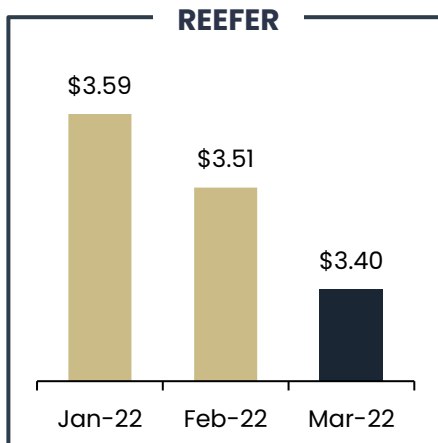
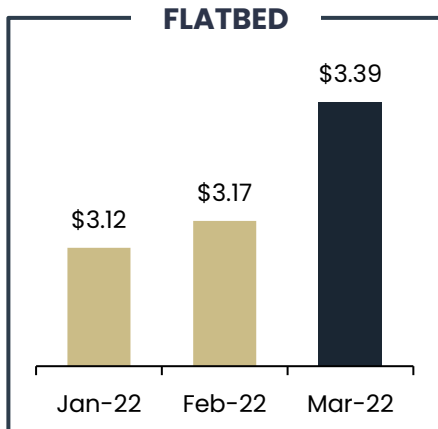
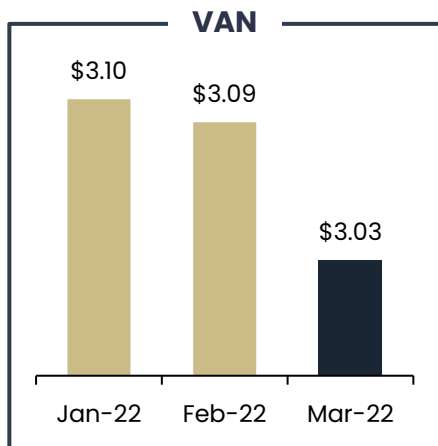
Actual Knowledge of Violation	408
Test Refusal	601
Concentration of 0.04 or Greater	1,630
Total	2,639

Q1 2022 National Average Spot Rates

Change in Spot Rate	March 2022 vs February 2022	March 2022 vs March 2021
Van	(2.5%)	14.0%
Flatbed	7.2%	22.8%
Reefer	(3.2%)	15.8%

Weekly Highlights from DAT: March 28th-April 3rd

- Spot linehaul rates have fallen in recent weeks as diesel prices continue to skyrocket
- Freight market signals have turned softer and suggest demand is waning to begin Q2 2022
- Though dry van spot rates fell \$0.05/mile, the reefer market continues to slow the fastest among all spot rates, dropping \$0.07/mile
- The flatbed market is rising as expected and linehaul spot rates are \$0.26/mile more expensive this year versus last year at the same time



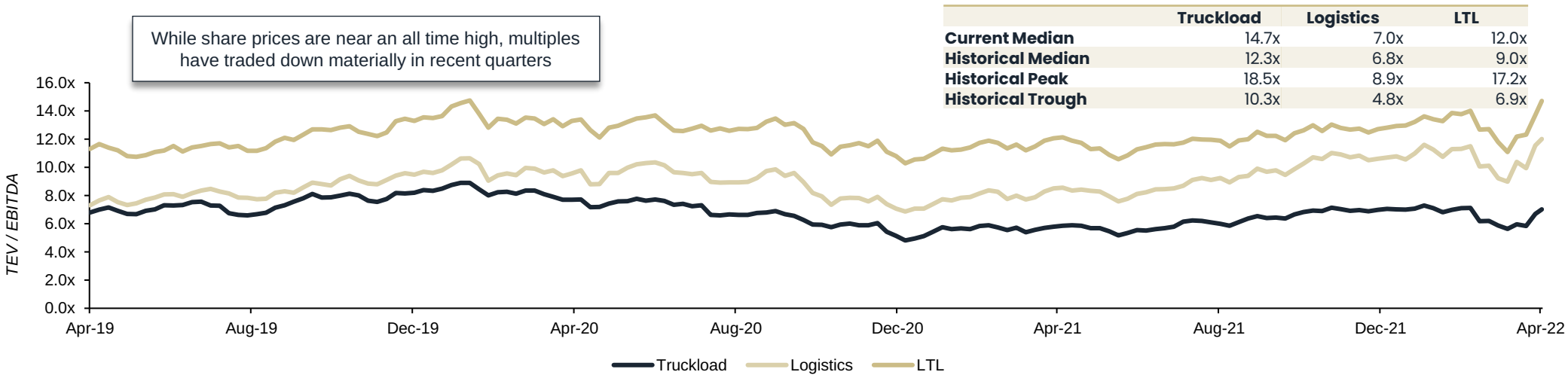
“Trucking spot rates peaked on Jan. 9, 2022 at \$3.83 per mile. The \$0.54 drop per mile is significant, but in historical context trucking spot rates are still way up – by over \$1.00 per mile”
- Craig Fuller, CEO, FreightWaves
FREIGHTWAVES

“Operating expenses of carriers are at much higher levels than before COVID. FreightWaves estimates that operating expenses for nearly all carriers have surged by as much as \$0.38 per mile over pre-COVID levels”
Craig Fuller, CEO, FreightWaves
FREIGHTWAVES

“Most transportation providers are “less stressed about peak season capacity vs demand this year” but cautioned that “extreme labor shortages / wage inflation could pressure 4Q / FY guidance and even 2022 commentary”
- Ravi Shanker, Analyst, Morgan Stanley

“Every metric Schneider uses to gauge fleet performance remains “strong” and that it is hard to observe traditional seasonal patterns as demand has been in peak mode for more than a year now”
- Mark Rourke, CEO, Schneider
SCHNEIDER

TEV / NTM EBITDA Historical Valuation Trends



Truckload Selected Public Trading Comparables

(\$mm)	Share Price as of 4/6/2022	Price as % of 52 Week High	Market Value	Enterprise Value	EV / EBITDA			21E - '23E CAGR		2022E EBITDA Margin %	Net Debt / 2022E EBITDA
Company Name					LTM EBITDA	CY 2022E	CY 2023E	Revenue	EBITDA		
Covenant Logistics	\$18.91	54.4%	\$318	\$384	2.5x	3.0x	3.3x	2.3%	(2.1%)	11.7%	0.5x
Heartland Express	\$13.05	65.0%	\$1,030	\$872	5.1x	4.5x	4.4x	0.9%	(1.5%)	31.1%	(0.8x)
Knight-Swift	\$45.92	73.7%	\$7,631	\$9,618	6.3x	5.4x	5.6x	7.2%	4.2%	24.4%	1.1x
Marten Transport	\$16.23	81.4%	\$1,349	\$1,293	6.2x	5.4x	5.2x	6.6%	5.4%	21.6%	(0.2x)
P.A.M. Transportation	\$26.74	65.4%	\$595	\$762	4.9x	4.1x	4.2x	6.4%	6.0%	23.0%	0.9x
Schneider	\$21.75	79.1%	\$3,864	\$3,915	4.7x	4.2x	4.3x	5.8%	4.4%	14.4%	0.1x
TFI	\$87.57	58.9%	\$8,061	\$12,641	9.6x	7.7x	7.1x	7.1%	11.3%	15.3%	1.5x
USA Truck	\$15.44	53.1%	\$129	\$296	3.5x	3.5x	3.6x	3.6%	7.4%	10.7%	2.0x
Xpress Enterprises	\$3.71	30.8%	\$188	\$860	4.5x	6.9x	5.8x	4.5%	7.4%	5.8%	5.4x
Werner	\$37.84	76.0%	\$2,462	\$2,900	5.4x	4.5x	4.5x	5.1%	4.0%	20.9%	0.6x
Mean					5.3x	4.9x	4.8x	4.9%	4.6%	17.9%	1.1x
Median					5.0x	4.5x	4.5x	5.4%	4.9%	18.1%	0.8x

LTL Selected Public Trading Comparables

(\$mm)	Share Price as of 4/6/2022	Price as % of 52 Week High	Market Value	Enterprise Value	EV / EBITDA			21E - '23E CAGR		2022E EBITDA Margin %	Net Debt / 2022E EBITDA
Company Name					LTM EBITDA	CY 2022E	CY 2023E	Revenue	EBITDA		
ArcBest	\$70.81	56.6%	\$1,741	\$1,954	4.6x	3.8x	3.8x	10.2%	8.5%	9.9%	0.4x
Forward Air	\$86.95	69.2%	\$2,335	\$2,618	4.1x	10.2x	9.2x	7.3%	13.6%	13.5%	1.1x
Old Dominion	\$262.56	70.3%	\$30,159	\$29,644	17.7x	14.9x	13.8x	7.8%	9.6%	32.2%	(0.3x)
Saia	\$211.50	57.9%	\$5,565	\$5,619	11.0x	9.4x	8.5x	8.3%	12.3%	22.1%	0.1x
Yellow	\$5.21	34.2%	\$268	\$1,707	7.4x	4.4x	4.3x	3.7%	14.6%	6.9%	3.7x
				Mean	9.0x	8.6x	7.9x	7.4%	11.7%	16.9%	1.0x
				Median	7.4x	9.4x	8.5x	7.8%	12.3%	13.5%	0.4x

Logistics Selected Public Trading Comparables

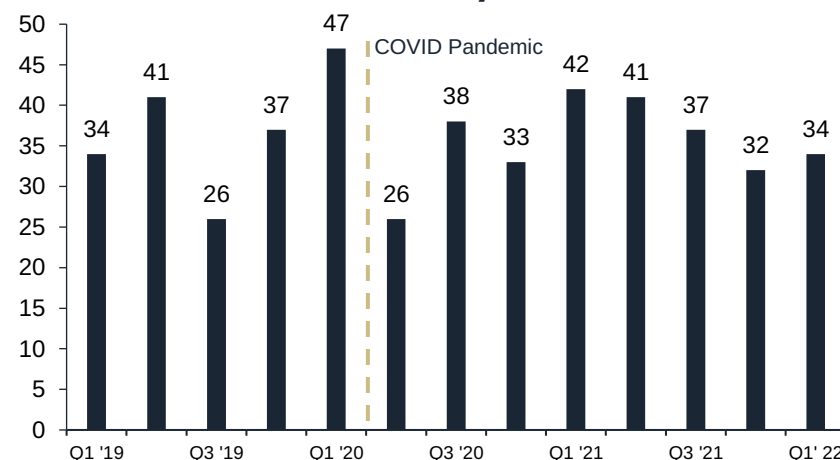
(\$mm)	Share Price as of 4/6/2022	Price as % of 52 Week High	Market Value	Enterprise Value	EV / EBITDA		21E - '23E CAGR		2022E EBITDA Margin %	Net Debt / 2022E EBITDA	
Company Name					LTM EBITDA	CY 2022E	CY 2023E	Revenue	EBITDA		
C.H. Robinson	\$99.73	88.9%	\$12,622	\$14,591	11.8x	12.2x	13.5x	(0.4%)	(3.6%)	4.9%	1.6x
Expeditors International	\$96.34	69.9%	\$16,127	\$14,870	7.1x	8.6x	10.7x	(3.6%)	(8.3%)	10.3%	(0.7x)
Landstar Systems	\$142.27	75.4%	\$5,282	\$5,261	9.5x	8.9x	10.0x	(0.2%)	(1.5%)	8.2%	(0.0x)
Universal Logistics	\$17.83	65.9%	\$478	\$994	4.6x	5.1x	4.5x	5.2%	9.6%	10.5%	2.6x
Old Dominion	\$262.56	70.3%	\$30,159	\$29,644	17.7x	14.9x	13.8x	7.8%	9.6%	32.2%	(0.3x)
				Mean	10.1x	9.9x	10.5x	1.7%	1.2%	13.2%	0.6x
				Median	9.5x	8.9x	10.7x	(0.2%)	(1.5%)	10.3%	(0.0x)

Recent Industry Transactions

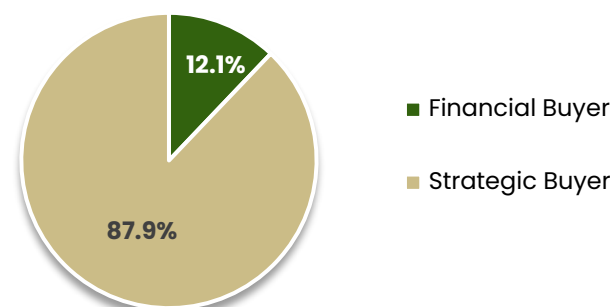
Date Announced	Target	Acquiror
3/30/2022	Assets of Art Logistics, Inc.	Nations Capital, Inc.
3/25/2022	Intermodal Business of XPS Logistics	STG Logistics, Inc
3/23/2022	Walker Crane & Rigging Corp.	US Services Group, LLC
3/14/2022	Buske Lines, Inc.	Fourshore Partners
3/1/2022	iQ Logistics Inc.	TransPro Freight Systems Ltd.
2/24/2022	Apple Bus Company, Inc.	First Student, Inc.
2/21/2022	Northwest Creek Marina	Atlantic Recreation Group
2/21/2022	P.S. Marston Associates LLC.	Brown Bear Transportation, Inc.
2/20/2022	Einstein Cycles	Independent Sponsor
2/18/2022	Power Moves Transport, Inc.	Ultrack Systems, Inc. (OTCPK:MJLB)
2/17/2022	John Christner Trucking, LLC	Hirschbach Motor Lines, Inc.
2/15/2022	RSK Transport LLC	Hazel's HotShot, Inc.
2/13/2022	Kane Logistics, Inc.	ID Logistics Group SA (ENXTPA:IDL)
2/10/2022	AAT Carriers, Inc.	Covenant Logistics Group, Inc.
2/9/2022	Pilot Freight Services, Inc.	A.P. Møller - Mærsk A/S (CPSE:MAERSK B)
2/7/2022	K-Limited Carrier, Ltd.	The Kenan Advantage Group, Inc.
2/2/2022	Heritage Truck Lines Inc.	JBT Transport Inc.
2/1/2022	Arnold Transportation Services, Inc.	Pride Group Logistics Ltd.
2/1/2022	Hutt Trucking Co.	RLS Partners LLC
2/1/2022	V. Santini, Inc.	Roadway Moving Inc.
1/30/2022	Mhart Express, Inc.	Crum Trucking, Inc.
1/20/2022	LANDMARK Student Transportation Inc.	Connor, Clark & Lunn Infrastructure Ltd.
1/19/2022	Logistic Edge, LLC	Koch Trucking, Inc.
1/18/2022	Chevine Transport LLC	Spotlight Capital Holdings, Inc. (OTCPK:SLCH)
1/13/2022	Total Transportation Services Inc	Sun Capital Partners, Inc.
1/13/2022	Blackwood Industries, Inc.	Corona Industrial S.A.S
1/13/2022	417 Bus Line, Ltd.	Roxborough Bus Lines Limited
1/11/2022	EHS Trucking Enterprises, LLC	RoadOne, Inc.
1/11/2022	Joe Moholland, Inc.	Tailored Move
1/10/2022	Sharp Transport Inc.	Christenson Transportation, Inc.
1/10/2022	Transport Laurentien Ltée	Canada Cartage System Limited
1/4/2022	Midwest Logistics Systems Ltd.	Schneider National, Inc. (NYSE:SNDR)
1/4/2022	Bert and Son's Cartage Limited	Titanium Transportation Group Inc. (TSXV:TTR)
1/3/2022	Hartt Transportation Systems, Inc.	Bison Transport Inc.

Q1 Transportation Transaction Statistics

Deal Volume by Quarter



Transactions by Acquiror Type Q1 2022



“While transportation demand is moderating, supply is growing, and costs are increasing for most carriers, we still see a window where a well operated business can raise capital or sell in 2022.”

- Mike Letsch, Transportation Co-Lead

Bridgepoint Executive Summary

- **Investment bank focused on the middle market with significant sector expertise in trucking and transportation logistics**
- Deep sector experience, completing **more than \$50 billion of transactions in the trucking, transportation and logistics space**
- Member of numerous state and national trucking associations
- Full-service investment banking capabilities spanning a market-leading leveraged finance practice, sell-side M&A, and buy-side M&A
- Tenacious, creative and results-oriented boutique investment bank focused on **impact and value creation for the companies we serve**
- Confidential, independent and unconflicted capital solutions and strategic advice

Selected Bridgepoint Transaction Experience

Currently In Market

TIA
Transportation
Intermediaries
Association

Project Rebel

Supply Chain
Consulting &
Brokerage Firm

Sole Financial Advisor

AULICK
Leasing

HAS BEEN ACQUIRED BY

TFI
International

Sole Financial Advisor

BADLANDS
TANK LINES
TEXAS

Acquisition and global
financing

Sole Financing Arranger

TWIN EAGLE™

BADLANDS
TANK LINES

Buy-side Advisory

Sole Financial Advisor

TransWood

Global Financing

Sole Financial Advisor



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Sectors of Focus



Industrials &
Transportation



Technology



Business &
IT Services



Healthcare



Consumer &
Retail

311 YEARS OF
EXPERIENCE

\$333B IN TRANSACTIONS

357 TOTAL
TRANSACTIONS