

February 2025

Boosting Value and Innovation in Transportation and Distribution via Strategic M&A



Generational Group Transportation and Distribution Update

The transportation and distribution sector is undergoing a dynamic transformation, unlocking significant opportunities for growth. With over 35 years in mergers and acquisitions, we've seen how strategic deals drive progress and reshape industries.

Recent transactions underscore the sector's resilience and adaptability. The acquisition of Dixie Cullen Interests highlights advancements in industrial storage, while Florida Temporary Traffic Control exemplifies innovation in traffic management services. Highways & Skyways of NC, with its logistics management expertise, and North Texas Trailers, a full-service dealership for utility and cargo trailers, showcase the industry's ability to meet diverse demands.

Emerging trends are shaping the future of transportation and distribution. Mobility as a Service (MaaS) integrates multiple transportation modes into seamless platforms, enhancing convenience and sustainability. Companies are increasingly adopting eco-friendly practices, including green logistics, electric vehicles (EVs), alternative fuels like LNG, and biodegradable packaging to reduce carbon footprints. Blockchain technology is revolutionizing supply chains, ensuring transparency and efficiency in processes such as documentation, payments, and last-mile delivery. Digital freight matching further simplifies logistics by connecting shippers and carriers via innovative platforms.

As firms embrace Industry 4.0 technologies and expand into emerging markets, agility will be key to navigating challenges like shifting policies and geopolitical uncertainties. These innovations provide a roadmap for companies to stay competitive and capitalize on the sector's transformative potential.

Sincerely,
Cory Strickland and Mike Meredith
Senior Managing Director, M&A
Managing Director, M&A



As a Senior Managing Director, Mr. Strickland oversees a team of M&A Advisors focusing on the lower middle market on the sell side of a transaction. Our team participates in all facets of the M&A process from valuation, preparing marketing materials, identifying prospective buyers and investors, negotiating creative structures that maximize shareholder's value as well as managing the marketing, due diligence, and legal phases to facilitate deal closings.



Mr. Meredith has undertaken numerous business valuation assignments and possesses experience in initial public offerings and capital raising initiatives for mid-sized companies. Leveraging his robust business acumen, Mr. Meredith offers tailored advice to clients, assisting them in devising and executing transition strategies aligned with their individual, business, and financial objectives.

Transportation & Distribution Overview

The industry has experienced a surge in deal valuations and growing investors' confidence, driven by supply adjustments and anticipated profitability boost.



Need for enhanced delivery and fulfillment among e-commerce companies.



Companies integrating technology in operations attract higher multiples.



Robust supply chain to strengthen capabilities and prevent disruption.

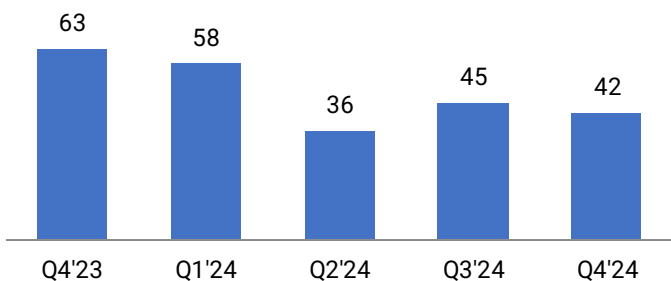


Consolidating for greater reach and achieving economies of scale.

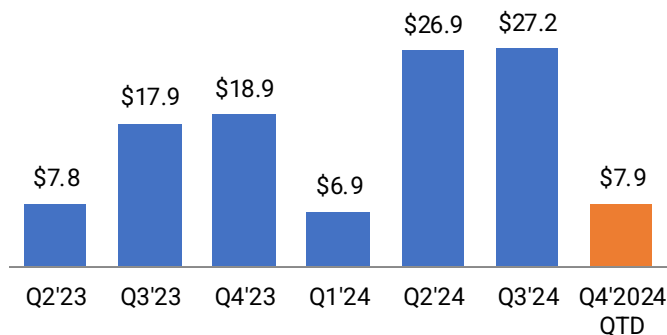
Ongoing Trend of Consolidation

The M&A landscape is hopeful with expected rebound in deal volumes with stabilized political scenario, strengthening global economy and higher infrastructure activity.

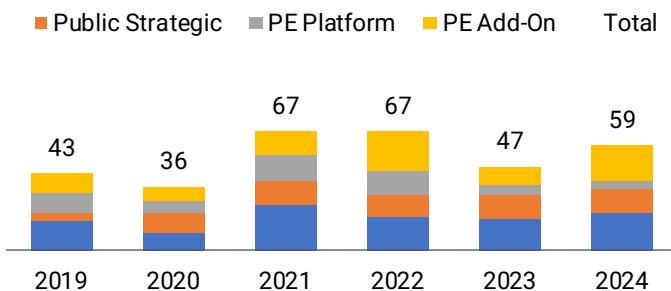
Global Transportation & Logistics M&A Deal Volume



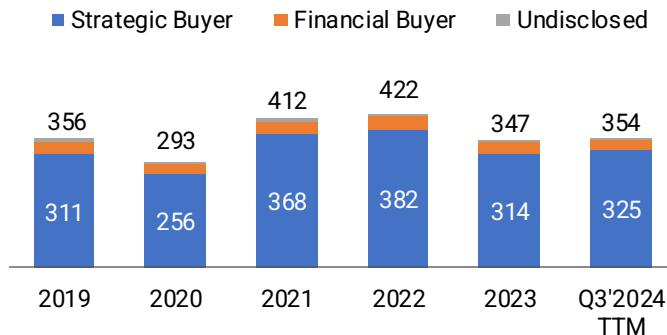
US Transportation & Logistics M&A Deal Value (\$B)⁽¹⁾



Global 3PL M&A Volume



US Distribution M&A Volume



Source: McKinsey, Capstone Partners, Corporate Finance, Industry Research

Spotlight on Significant Deals

The M&A landscape is set to bolster further with rise in activity in subsectors to geographically expand and strategically synergize.

Strategic Deals – Transportation & Distribution

 Acquired 	<ul style="list-style-type: none"> Parsec is a provider of contracted terminal management services The acquisition enhances Universal's value-added service offering and provides a meaningful presence in the rail terminal services space
 Acquired 	<ul style="list-style-type: none"> Coyote Logistics is a third-party logistics company providing services in North America The acquisition enhances RXO's market position, diversifies and expands its customer base and broadens its carrier network
 Acquired 	<ul style="list-style-type: none"> DTA specializes in designing self-propelled on-site transporters The acquisition advances Enerpac Tool Group's industrial tools portfolio with automated horizontal movement products
 Acquired 	<ul style="list-style-type: none"> Independent Truck Upfitters operates as a service body and work truck upfitter The acquisition aligns with Shyft's Specialty Vehicles infrastructure-focused strategy
 Acquired 	<ul style="list-style-type: none"> Buckshot offers trucking services for oil and gas The acquisition creates a new operating division for Enservco, allowing it to expand its customer base beyond oil and natural gas businesses
 Acquired 	<ul style="list-style-type: none"> Vircon Transport serves various industries with different transportation services The acquisition will form the basis of newly created OptiX Transport Solutions division to provide over-the-road freight solutions to the combined clientele
 Acquired 	<ul style="list-style-type: none"> Cowen Truck Line provides transportation and logistics services The acquisition is a strategic fit for Hornish Bros. as it aligns with Cowen Truck Line's job creation in Ohio and Midwest
 Acquired 	<ul style="list-style-type: none"> WOW Logistics is a logistics and supply chain services provider in North America By teaming up with I Squared, WOW can update its storage capabilities, enhance its resilience, increase efficiency, and grow its warehouse network

Source: FactSet, Industry Research; Notes: (1) Sogefi Group's Filtration Business Unit; (2) Pendragon Vehicle Management's Leasing Business ; (3) Veoneer's Active Safety business

Spotlight on Generational Deals

Generational Group powers M&A activity with high-impact deals in transportation and distribution.

Generational Deals – Transportation & Distribution

 	Acquired	<ul style="list-style-type: none"> ▪ Florida Temporary Traffic Control provides short-term traffic control services and equipment rentals to public utilities and telecommunications providers ▪ Flagger Force, a Blue Sea Capital portfolio company, provides flaggers and traffic control services
	Acquired	 <ul style="list-style-type: none"> ▪ Pro-San Maintenance Supply, Inc. distributes building maintenance products to consumers in the industry and non-industry sectors ▪ KNK Holdings Group Inc., an acquisition entity, purchases maintenance supply and other North Carolina based distribution businesses
	Acquired	 <ul style="list-style-type: none"> ▪ Delta Leasing Inc. operates a premier helicopter flight training school and provides comprehensive helicopter maintenance services ▪ Acquired by a private investor
	Acquired	 <ul style="list-style-type: none"> ▪ Integrity Corps provides full-service traffic control management, permitting, and equipment rental services ▪ AWP Safety is a leading traffic safety company in the U.S. and Canada
	Acquired	 <ul style="list-style-type: none"> ▪ Hales Engineering specializes in providing traffic engineering and transportation planning services to clients in the public and private sectors ▪ Salt Brothers Holdings, an SMB and Mid-Market company, offers accounting, IT, construction related, manufacturing, and engineering
	Acquired	 <ul style="list-style-type: none"> ▪ American Material Services provides transportation services for dry bulk and liquid bulk customers ▪ AGI International, Inc provides domestic sourcing, global sourcing, warehousing and distribution, supply chain risk mitigation, and product development
	Acquired	 <ul style="list-style-type: none"> ▪ Highways & Skyways of NC, a logistics management company, help businesses with shipping, loading dock and customer site services ▪ Givens offers solution for warehousing and distribution, transportation, packing and crating, and air freight services

Source: Generational Group

Spotlight on Generational Deals

Generational Group powers M&A activity with high-impact deals in transportation and distribution.

Generational Deals – Transportation & Distribution



- Dixie Cullen serves as temporary and long-term storage facility for large industrial equipment, machinery, and materials, with heavy lift capacity
- Briarwood Partners, a private investment firm, invests in middle-market companies across the US



- TransTech, serves as a training school and third-party CDL testing administrator
- Polar Peak Capital operates as a business's search fund, an investment vehicle, that sponsors entrepreneurs seeking to buy and grow a business



- Balar Equipment serves as a dealer of refuse truck bodies, hydraulic tools, and customized truck bodies used for street, water, and sewer maintenance
- Industrial Truck & Equipment, LLC operates primarily as a manufacturer and supplier of a wide range of industrial and material handling equipment



- Mass Lift Truck Service offers sales, service, and rentals of forklifts, pallet jacks, and related equipment
- The Cavanaugh focuses on acquiring dealers, integrators, and manufacturers of a wide array of equipment in the material handling space and on building scale



- Sauers provides snow plowing, snow and ice management and commercial landscape maintenance services
- Orion Group, a commercial facility services company, seeks to partner with leading family-owned service providers



- North Texas Trailers serves as a full-service dealership, offering sales, service, parts, and rentals for all types of utility and cargo trailers
- Ehrsam Enterprises, LLC is a Texas-based company founded on March 29, 2022, and is led by Shane Ehrsam



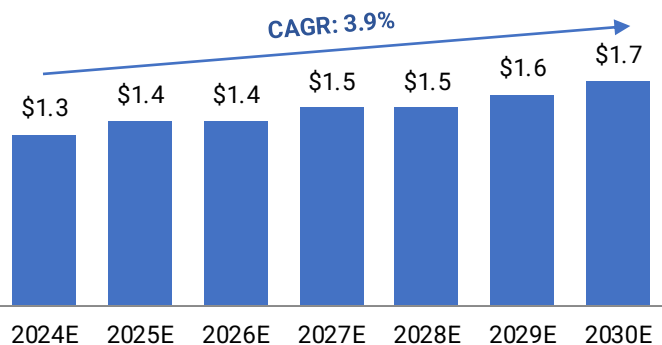
- A Cooper Logistics provides transportation and freight brokerage services
- EPES Logistics provides truckload, LTL, flatbed trucking services, freight management and cross-border freight services

Source: Generational Group

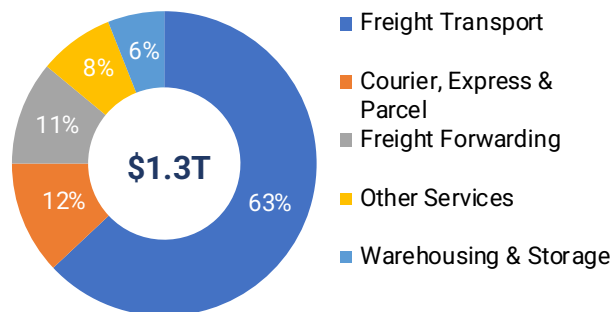
Soaring Freight & Logistics Market

The US freight & logistics market is on a growth trajectory instilled by upcoming opportunities across various segments.

US Freight & Logistics Market (\$T)



US Freight & Logistics Market By Function, 2024⁽¹⁾



Analysis of Freight & Logistics Market

The rising pharma deliveries and differentiated E-commerce activities are fueling revenue in the US freight & logistics sector.

Fastest Growing Market by Mode of Transport

4.4%
Projected CAGR, AIR, 2024-2030

In 2023, the US government announced additional \$1B for 99 airports nationwide

Largest Market by End User Segments

30.6%
Value share, Wholesale & Retail Trade, 2023

The e-commerce users are expected to drive the wholesale and retail trade segment

Largest Warehouse Market by Temperature Control

492.4%
Value share, Non-Temperature Controlled, 2023

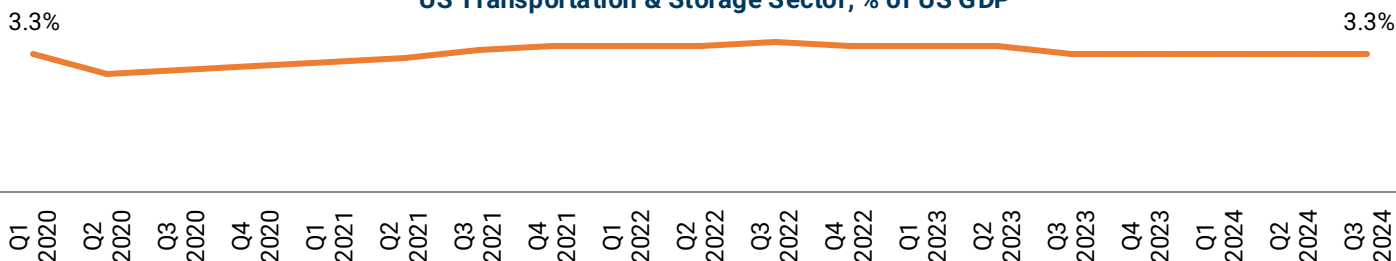
Growing e-commerce growth boosts demand, with online retailers relying on third-party warehousing

Growing Warehouse Market by Temperature Control

3.7%
Projected CAGR, of Temperature Controlled, 2024-2030

The growth in the pharmaceutical sector is driving the demand for the refrigerated warehousing

US Transportation & Storage Sector, % of US GDP

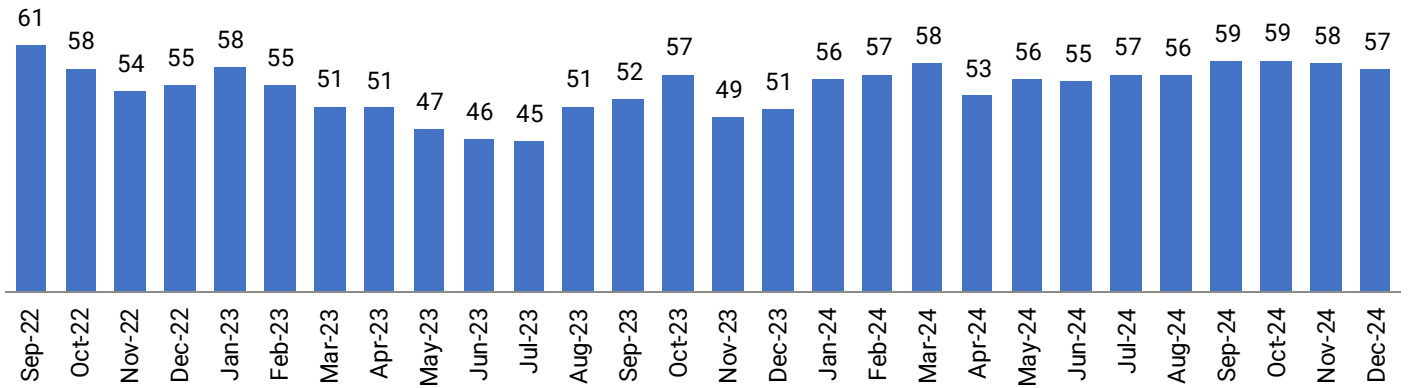


Source: Mordor Intelligence, FRED, Industry Research; Notes: (1) Represents Scaled Data

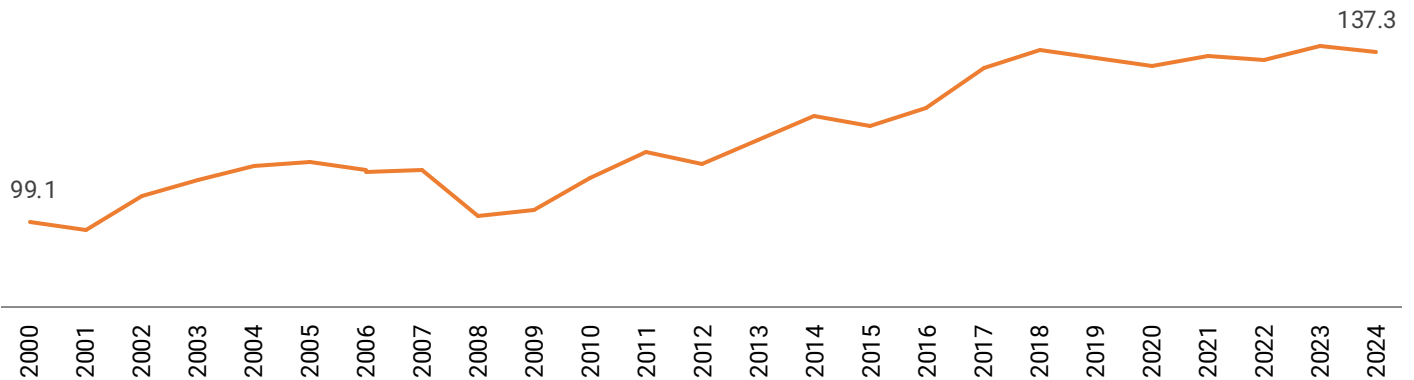
Factors Supporting Growth Momentum

The US Transportation and Distribution Industry is undergoing consistent growth perpetuated by various factors.

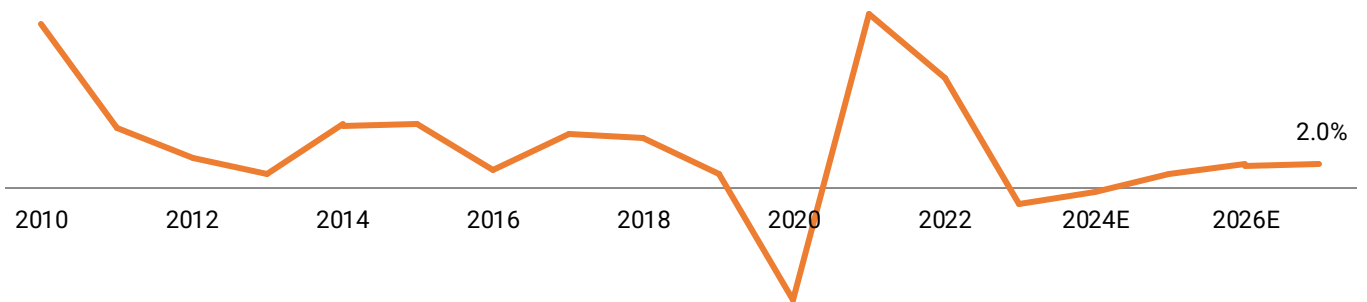
Historic Logistics Managers' Index Scores⁽¹⁾



Historic Freight Transportation Services Index⁽²⁾



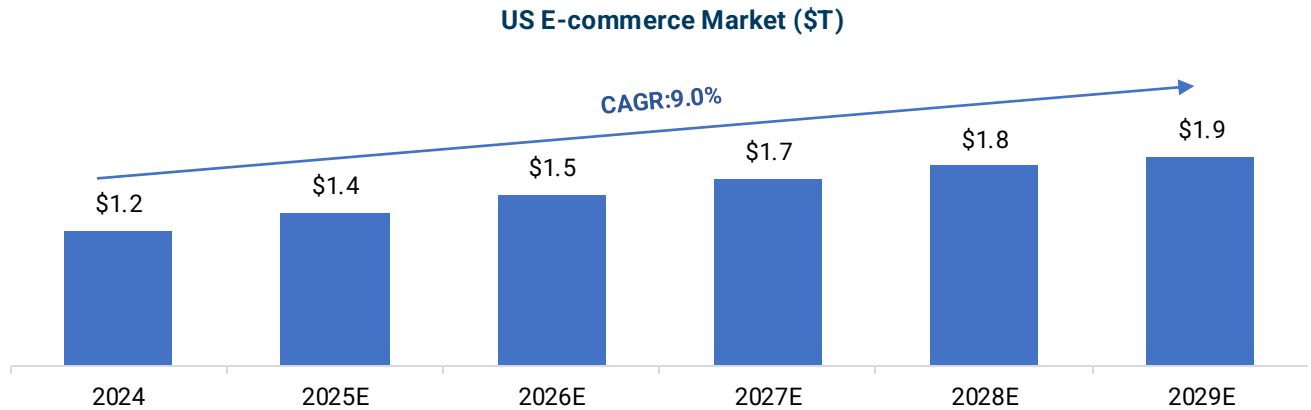
Annual Change in Imports of Trade Goods and Services (% of Change Compared to Previous Year)



Source: Statista, Industry Research; Note: (1) LMI gauges the overall health of the logistics industry; (2) Tracks the movement of freight in the US, providing insights into the demand for transportation services; Index 2000=100, Seasonally Adjusted

Key Market Dynamics

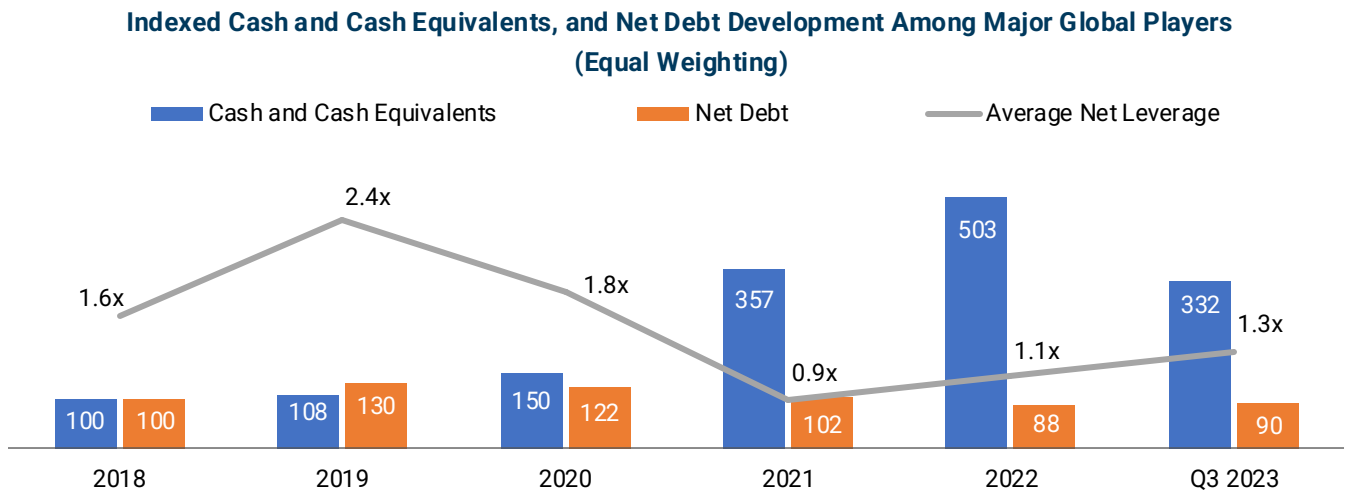
Rising consumer demand for convenience has boosted e-commerce growth, which in turn is fueling M&A.



- ✓ The synergy between the rapidly expanding e-commerce industry and the transforming logistics sector is fostering a vibrant ecosystem that propels continuous innovation and growth
- ✓ To meet consumer demands, companies are investing in quicker and more dependable delivery solutions

T&D Sector Pivotal M&A Drivers

Strong cash reserves and manageable debt levels among major global players drive M&A.



Source: Mordor Intelligence, MCF Corp Fin, Industry Research

Four Key Trends Are Driving Growth in the T&D Sector

Emphasis on Mobility as a Service (MaaS)

- Emphasizing Mobility as a Service (MaaS) integrates various transportation modes into a single platform, enhancing convenience, efficiency, and sustainability in urban mobility
- MaaS leverages data and AI to provide personalized travel experiences and valuable insights for urban planning, fostering a more accessible and inclusive transportation network

Embracing Sustainable Solutions

- The transportation sector is increasingly adopting eco-friendly practices, including green logistics solutions, electric vehicles (EVs), and alternative fuels like liquefied natural gas (LNG) for ocean freight and sustainable aviation fuel
- Further, various measures to reduce carbon footprint has led companies to opt for eco-friendly packaging materials sourced from biodegradable or recycled origins

Distributed Ledger Technologies

- Blockchain and related distributed ledger technologies offer significant benefits to transportation and logistics companies these technologies act as virtual, decentralized databases, often encrypted for security, ensuring a permanent and secure record of transactional data
- Moreover, blockchain is influencing multiple areas within transportation, such as supply chain management, documentation, payment processes, vehicle lifecycle management, and last-mile delivery

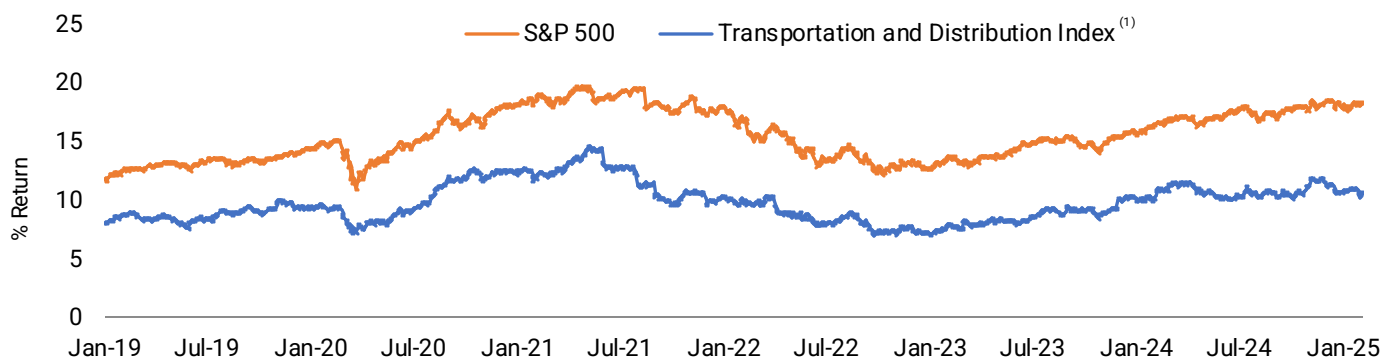
Digital Freight Matching

- Digital freight matching, also known as on-demand trucking, utilizes web and mobile technology platforms to connect shippers' available loads with carriers' available trucks
- This approach removes much of the uncertainty of traditional load and truck posting, providing shippers and brokers with access to a comprehensive marketplace of reputable carriers

Trading Performance

Public equity valuations to have a steady incline.

Historical Trading Performance, 2019 – YTD 2025⁽²⁾ (EV / LTM EBITDA)



Source: UITP, TCI Transportation, FactSet, Industry Research; Note: (1) Transportation and Distribution Sector consists of a diversified set of companies across the sector, including FedEx, United Parcel Service, Ryder System, XPO Logistics, and J.B. Hunt Transport Services; (2) As of Feb 6, 2025

Transportation and Distribution Team

[LEARN MORE](#)



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Mr. Cory Strickland currently serves as a Generational Group Senior Managing Director leading a team of M&A Advisors and working directly with private middle market business owners in developing and executing their exit strategies.



Mike Meredith

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Mr. Mike Meredith serves as a Managing Director at Generational, bringing forth over two decades of expertise in M&A. His professional focus revolves around collaborating with owners of middle-market companies to execute their transition plans effectively and maximize outcomes.



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Generational Experience You Can Trust.