

Seale & Associates

Creative Solutions. Trusted Advice.



**LOGISTICS &
TRANSPORTATION
INDUSTRY IN MEXICO**

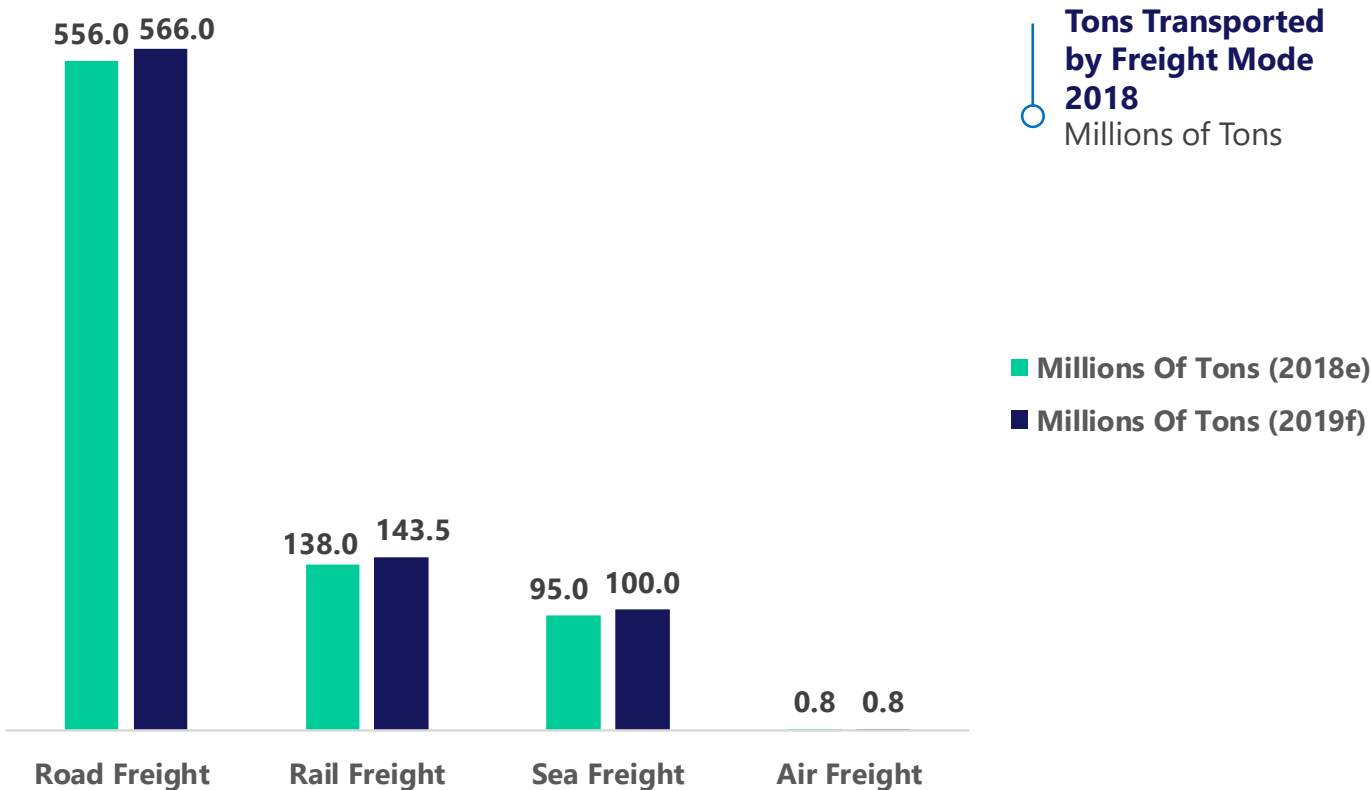
**NOVEMBER
2019**

INDUSTRY REPORT

OVERVIEW

The logistics and transportation industry in Mexico consists in the exchange of goods (manufactured, mining, oil, among others) by air, sea, road and rail.

- The logistics and transportation industry reported US\$4.3 trillion in revenue globally in 2018
- In 2018, the industry generated more than 2.3 million direct jobs through the transportation of 790 million tons of goods
- The industry in Mexico contributes 5.5% of the total GDP
- Due to trade tensions between Mexico and USA, the logistics and transportation industry growth is expected to slow down in 2019 and 2020
- The industry is expected to increase manufactured goods exports, which account for around 80% of total goods exports
- Mexico's total trade is expected to increase from US\$1.1 trillion to US\$1.4 trillion between 2019 to 2023

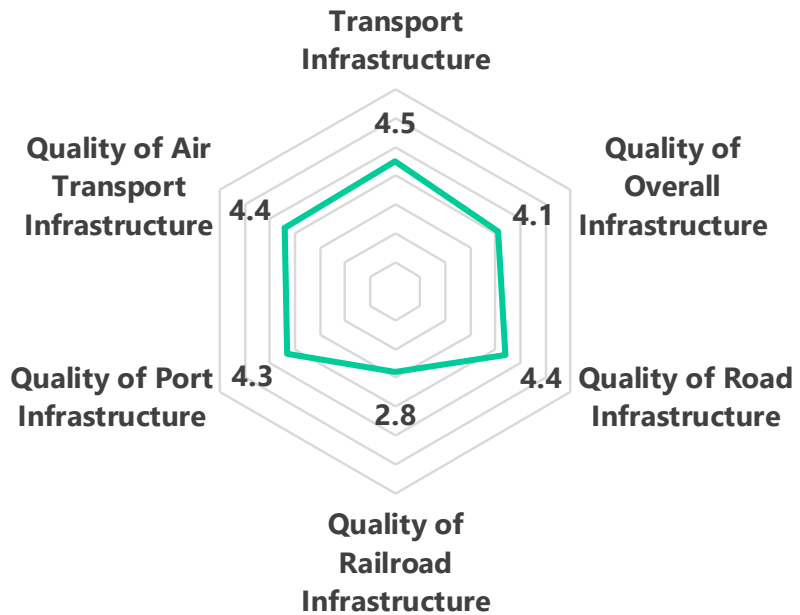


OVERVIEW

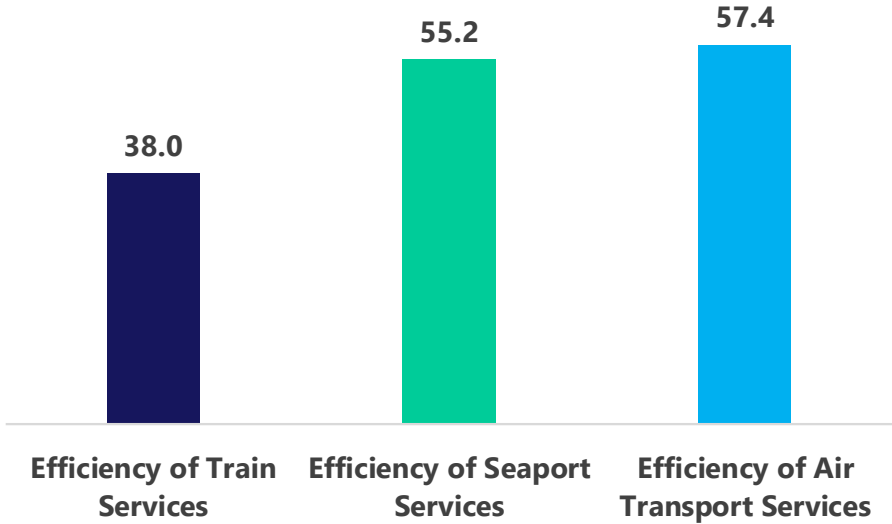
Mexico is ranked 54th out of 137 countries evaluated in the Global Competitiveness Index 2017-2018 of the World Economic Forum, which assesses the performance of countries in 12 pillars of competitiveness, including infrastructure.

- Mexico holds the 62th place regarding infrastructure quality with a rating of 4.3 out of 7
- Road and air transportation were rated highest in infrastructure quality with a 4.4 score, while rail scored the lowest with 2.8 points
- In terms of efficiency, Road connectivity was ranked best in the country with a score of 90.3 out of a 100

Rating of the Infrastructure Quality in Mexico
 1=Worst Quality
 7= Best Quality



Score of the Infrastructure Efficiency in Mexico
 1=Less Efficient
 100= Most Efficient



OVERVIEW

Total trade is expected to grow 5.5% during 2019 but to slowdown to 4.2% in 2020.

- An increase in e-commerce is expected to boost the industry growth in the mid-term, especially the road freight sector
- Private consumption will continue to play an important role in the economy and is expected to boost freight volumes
- Rail freight is well-positioned to grow due to new concessions and permits as a result from the country's Energy Reform 2013
- Due to the cancelation of the Texcoco international airport in Mexico City and the delay of Santa Lucía Airport, air freight volume growth is expected to decrease to 1.1% in 2019
- Investments in the energy sector and in the ports of Manzanillo and Veracruz are expected to encourage the use of sea freight

SWOT ANALYSIS

Strengths

- Mexico's strategic location facilitates the trade between North American and Central American markets
- 14 free trade agreements

Weaknesses

- Highly dependent of US economy
- Poor infrastructure for international standards

Opportunities

- Infrastructure investments at the seaports of Lázaro Cárdenas, Veracruz and Manzanillo

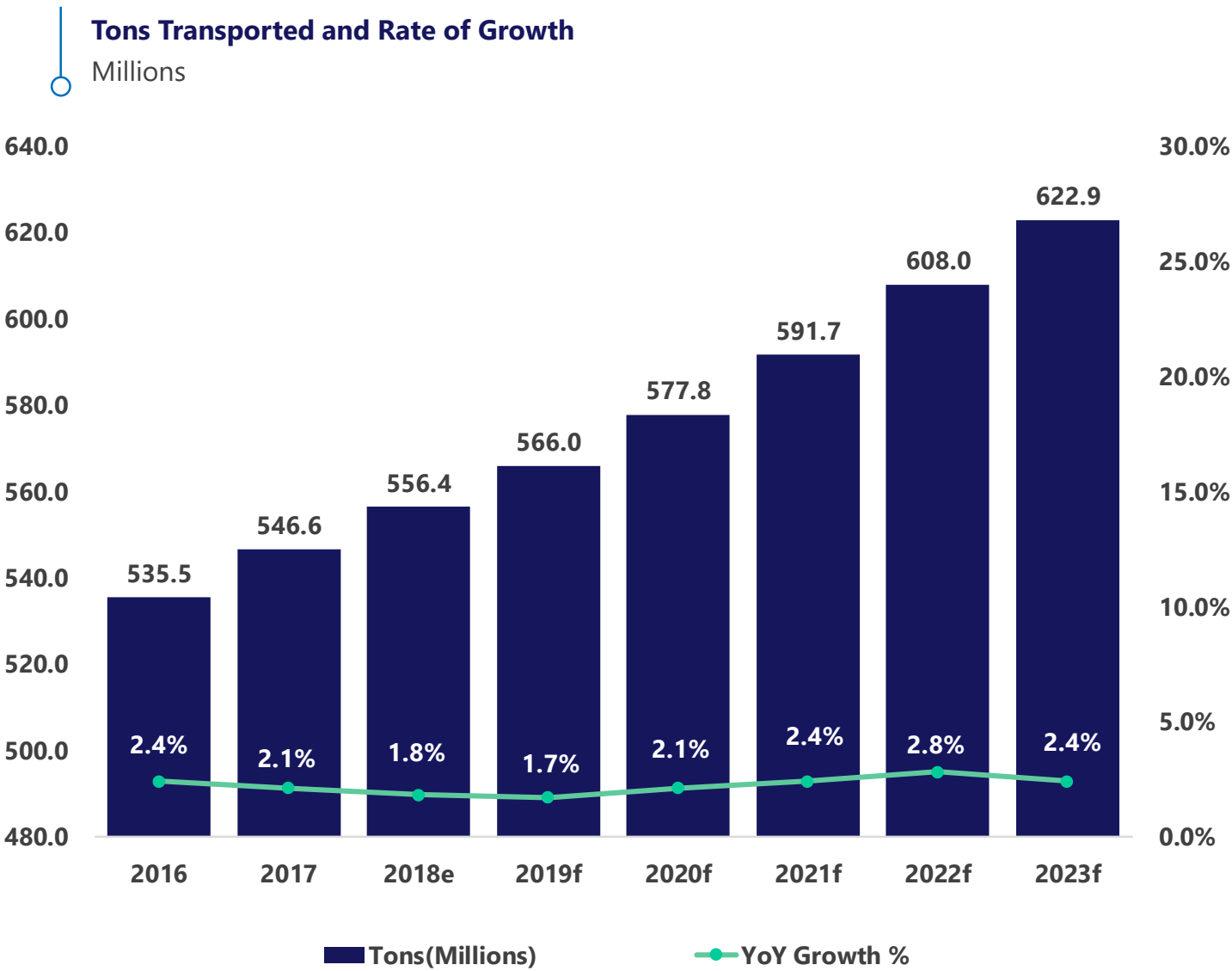
Threats

- Trade barrier threats with US and Canada continue as USMCA ratification remains pending in both countries

ROAD FREIGHT OVERVIEW

The road freight sector is the most widely used transportation method in the industry, moving 70.4% of the domestic volume with a total of 556 million tons and with a total fleet of 982,856 vehicles as of December 2018.

- A 1.7% growth in road freight is expected to reach 566 million tons in 2019. Growth for the sector is expected to average 2.3% until 2023
- Expected tonnage output of 623 million tons in 2023
- An expected boost for the sector may be the Public-Private Partnership model for road maintenance

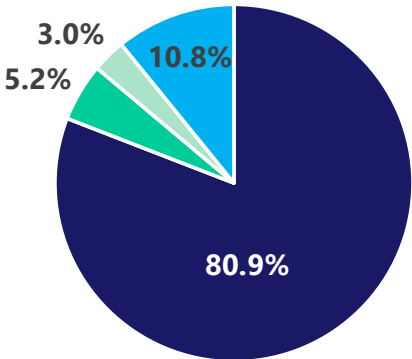
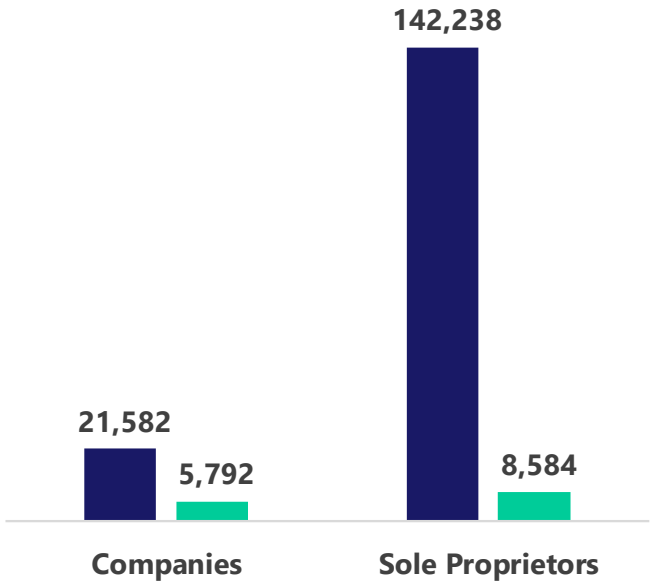


ROAD FREIGHT OVERVIEW

- There are two types of services: **general freight** (transfer of any type of goods without any specialized equipment) and **specialized freight** (transport of materials, waste, bulky objects, hazardous waste, funds and securities)
- In general freight and specialized freight, Mexico City is the entity with highest quantity of units with 193,350, followed by Nuevo León with 138,383 and Jalisco with 66,802
- The motor vehicle fleet of freight transport is divided into 3 classes: by (1) motor units (2, 3 and 4 axles trucks and 2 and 3 axle tractors), (2) by trawls (semi-trailers from 1 to 5 axes), as well as (3) by industrial cranes

Road Freight Permits by Class of Service in Registered Companies and Sole Proprietors 2018

■ General Freight
■ Specialized Freight



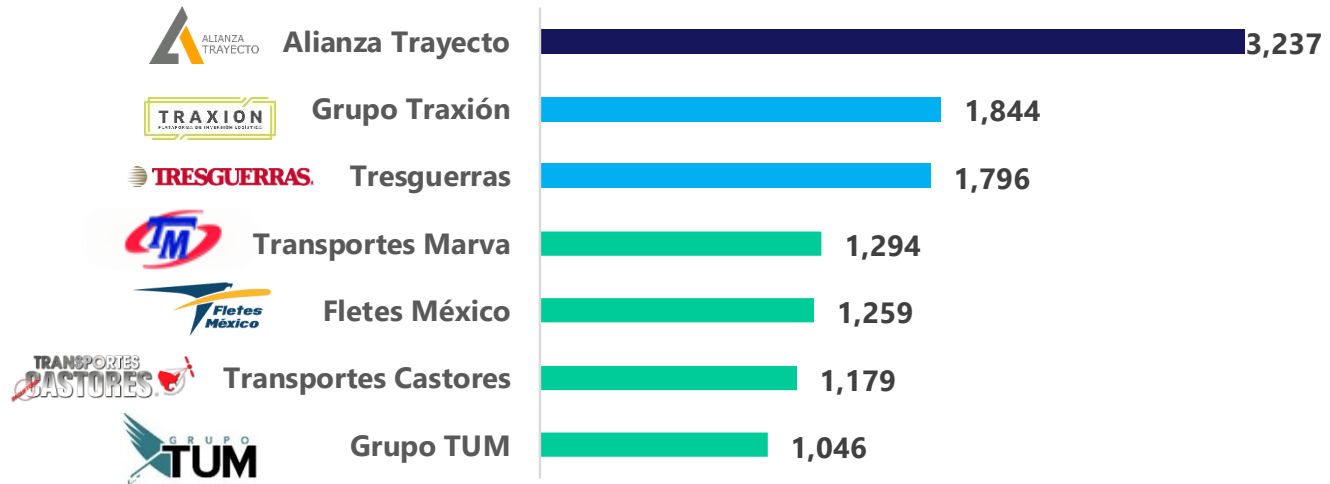
■ Hazardous materials
■ Car carriers
■ Armored trucks
■ Excess volume trucks

Distribution of Specialized Freight Trucks 2018

ROAD FREIGHT OVERVIEW

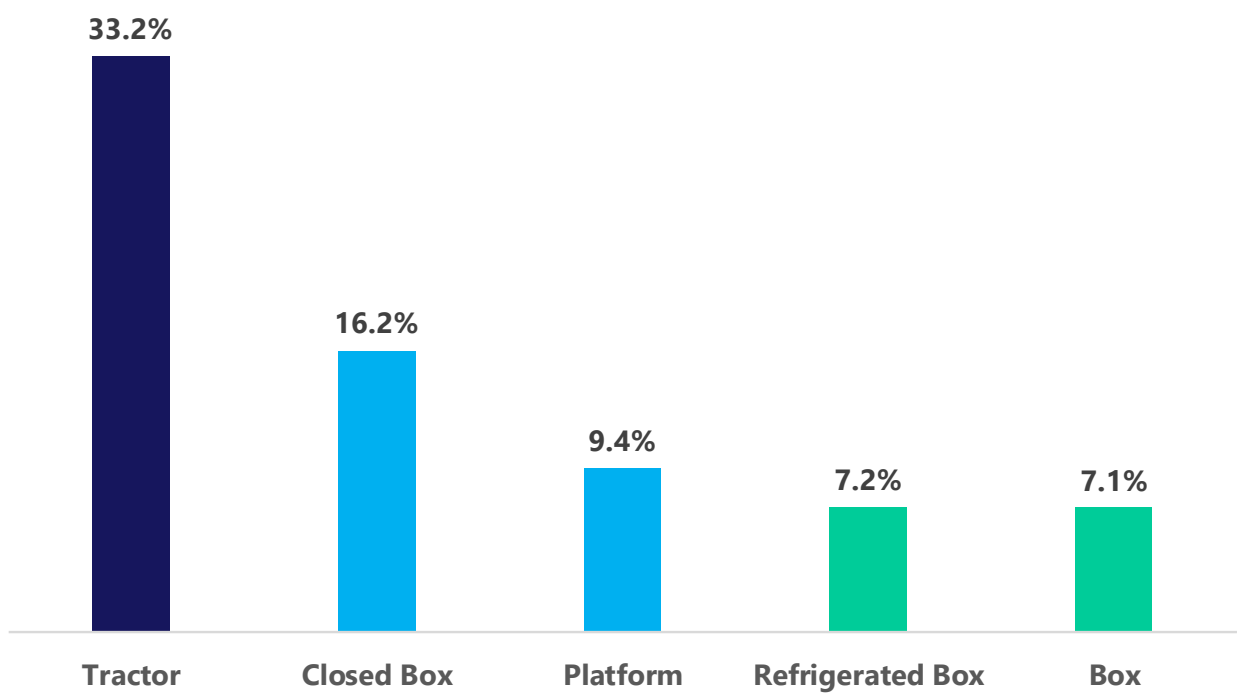
Main Players in the Road Freight Sector 2019

By Number of Tractor Units



Motor Carrier Units by Vehicle Type

As of 2018

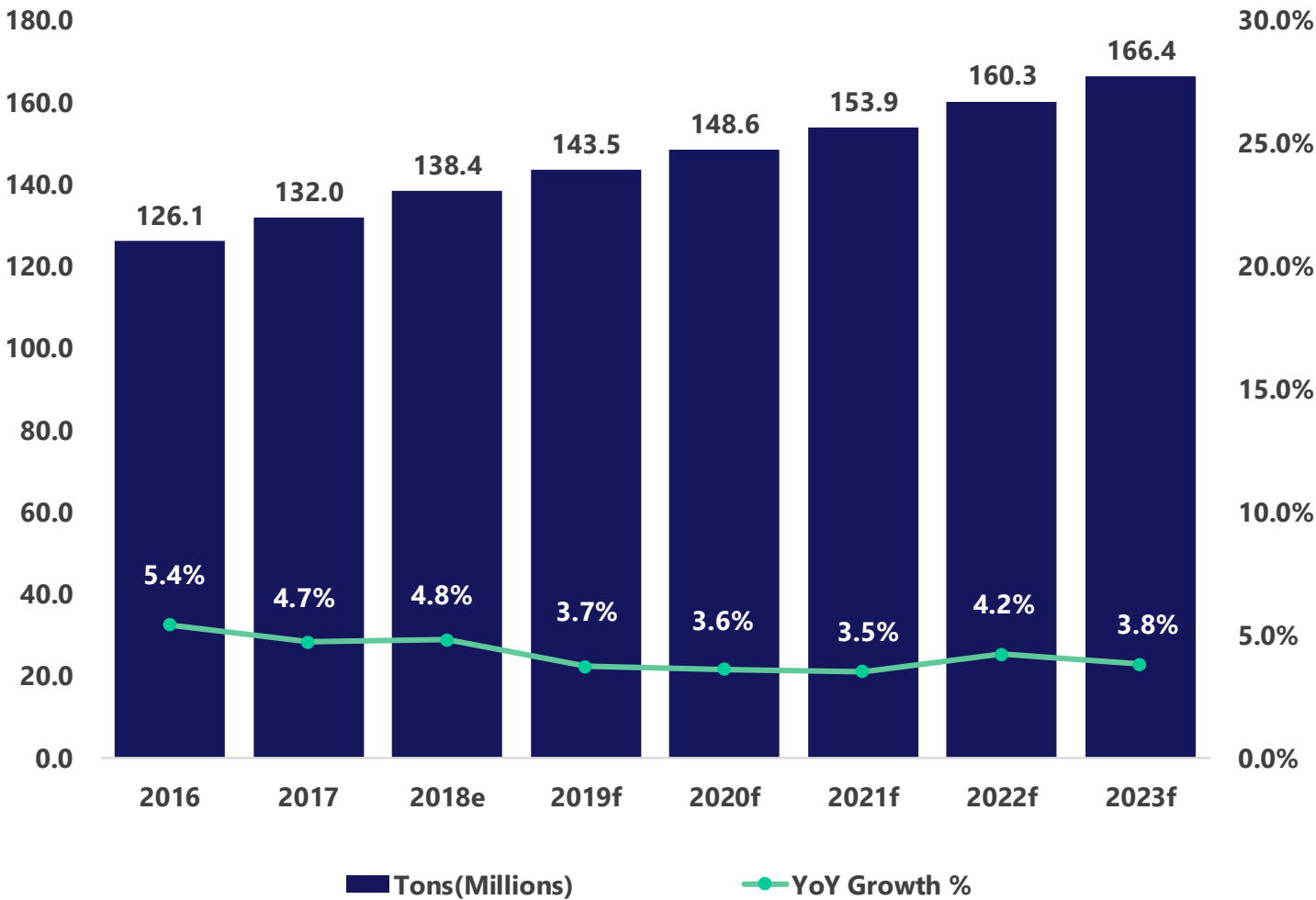


RAIL FREIGHT OVERVIEW

Rail freight transport is the second mode of freight transport in Mexico moving 17.5% of the national load, representing a total of 138 million tons in 2018.

- In 2018, Mexico reported a total length of 26,914 km of railway lines
- Freight transportation resulted in the most common use of railways in Mexico with a total of 32,286 freight cars
- Despite the short-term slowdown, medium-term growth is expected to grow by an average of 3.8% until 2023
- The National Fund for the Promotion of Tourism in Mexico launched a bid for the construction of the 1,525km of the Train Maya Project railways. It will stretch from Palenque to Cancun, and connect 5 states

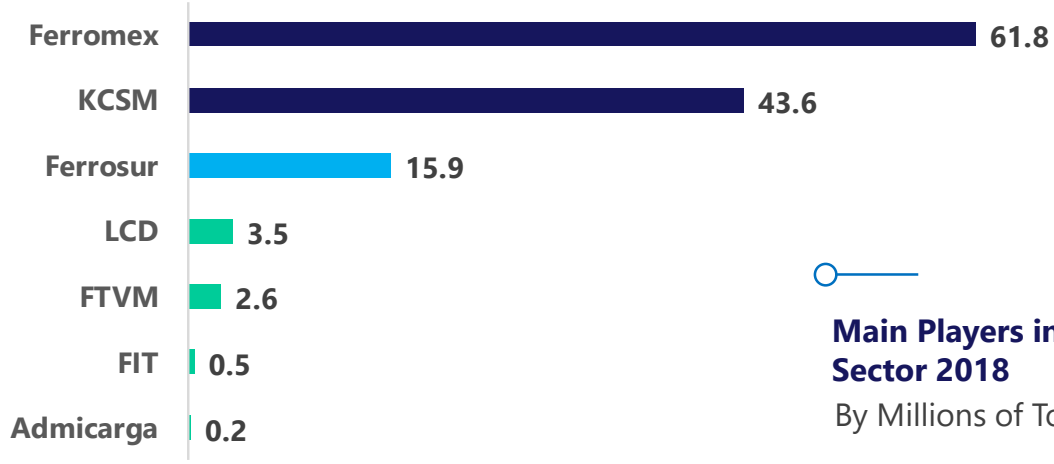
Tons Transported and Rate of Growth
Millions



RAIL FREIGHT OVERVIEW

Forecast growth is expected to slow down to 3.7% in 2019 from 4.8% in 2018.

- More than half of the railway lines have been awarded to private operators. The largest three players are Ferromex (8,121km), KCSM (4,250km), and Ferrosur (1,824km)
- Forecasted investment on railway lines for 2018 totaled US\$1.1 billion between private and public investments



Main Players in the Rail Freight Sector 2018
By Millions of Tons Transported

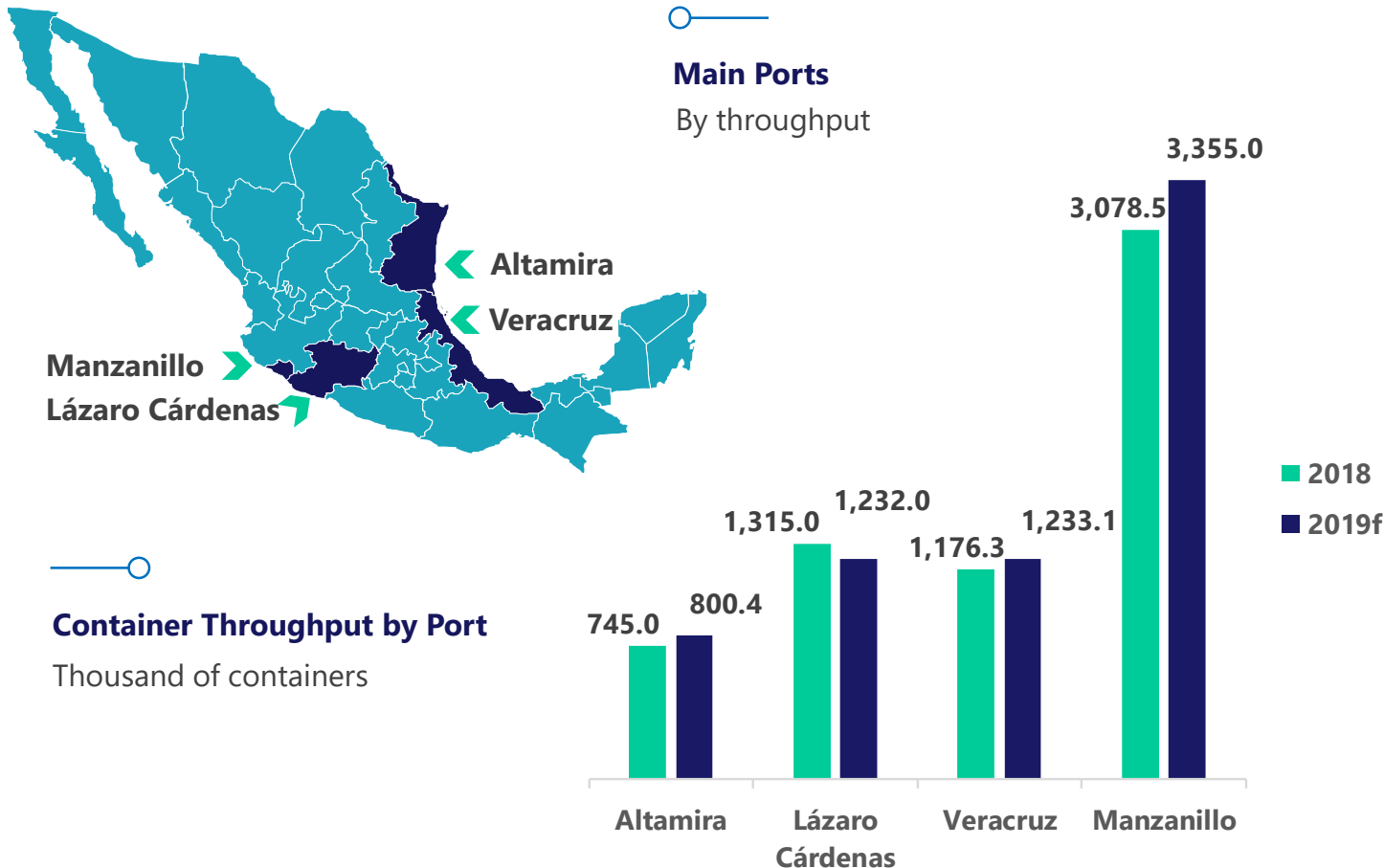
Mexican Rail System



SEA FREIGHT OVERVIEW

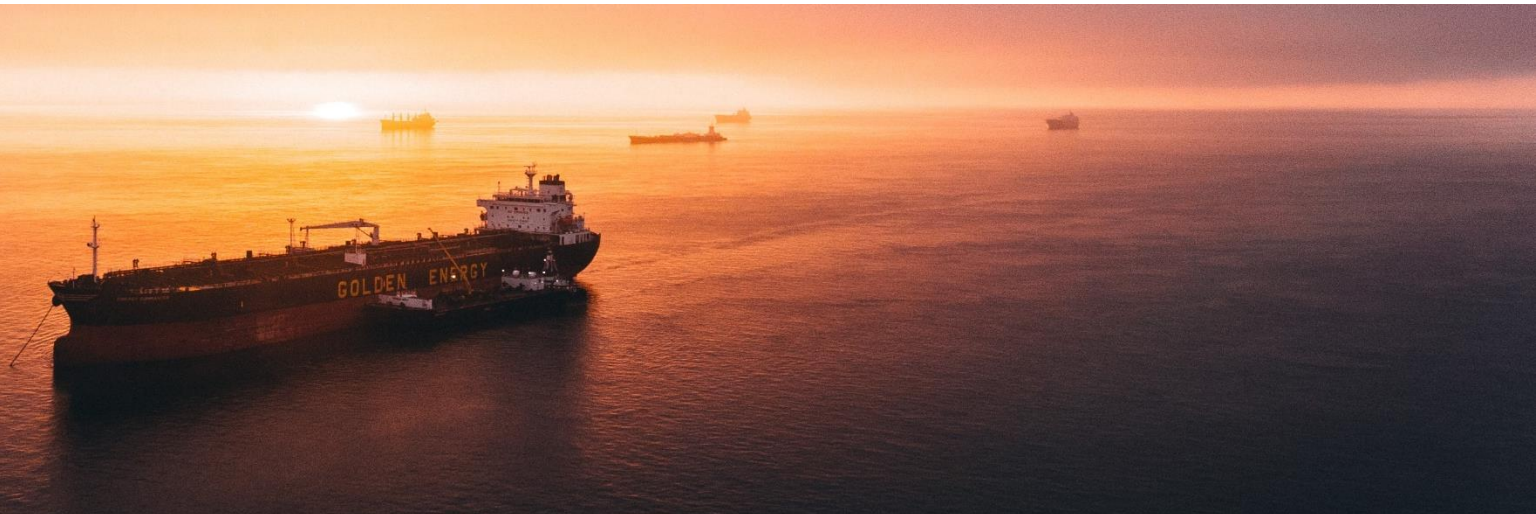
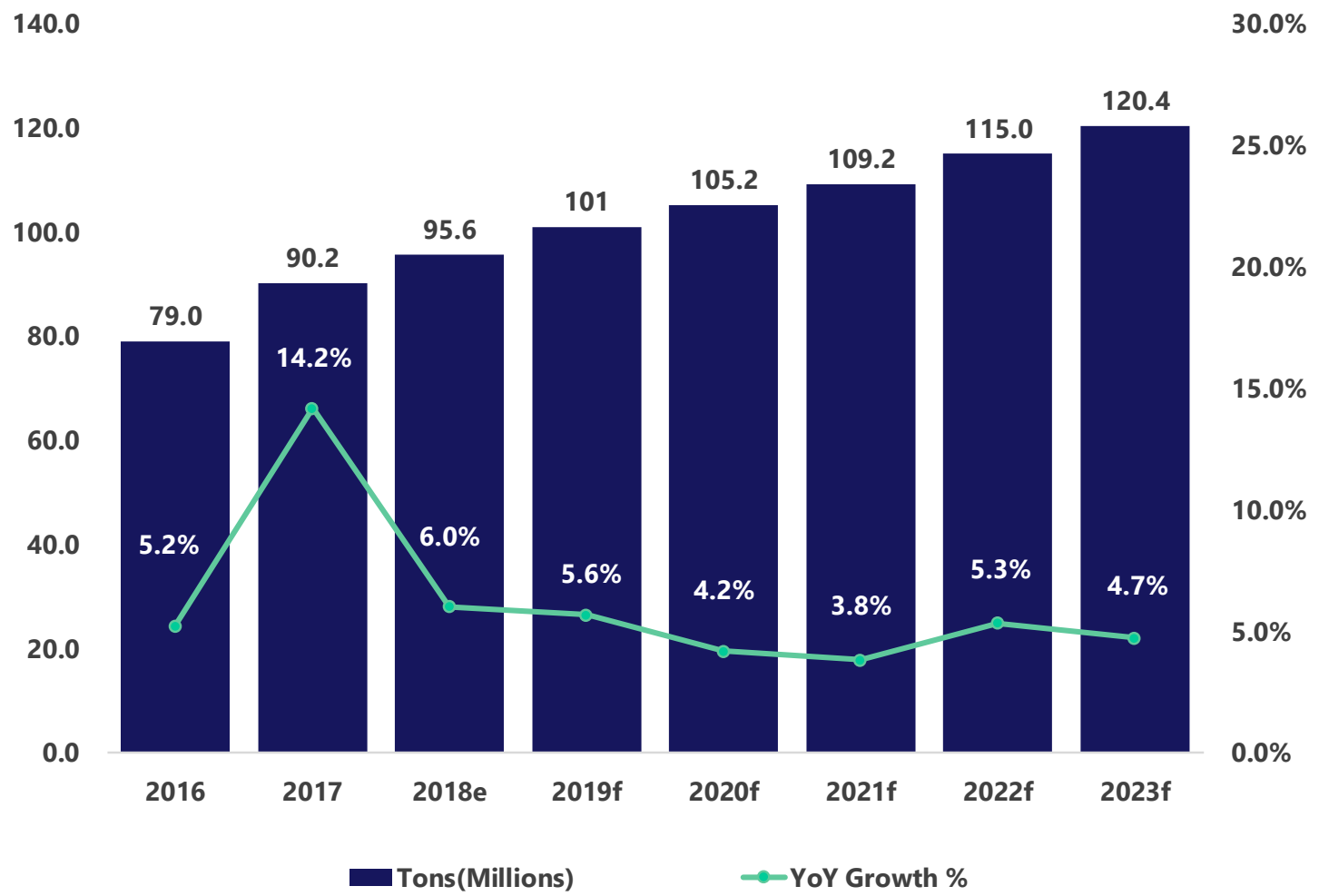
The freight shipping is the third mode of transport by tonnage, moving 12.3% of the national freight with a total of 95 million tons in 2018; an average annual 3-5% volume growth is expected for 2019-2023.

- Maritime transport is responsible for 90% of world trade
- Veracruz port will undergo an investment of US\$1.5 billion that is expected to increase its capacity from 22 million tons annually to 90 million. It is expected to overtake Manzanillo port's capacity and to report an annual average growth rate of 3.6% over 2019-2023
 - The investment is key since Veracruz port is part of main transport hubs in US East Coast, Europe, Africa, Latin America and the Caribbean
- US\$1.2 billion investment was announced for the port of Manzanillo. This expansion will be comprised of 4 new terminals: One with 1.75 million tons of extra capacity, and the other three for bulking agricultural, mineral and hydrocarbon products



SEA FREIGHT OVERVIEW

Tons Transported and Rate of Growth
Millions

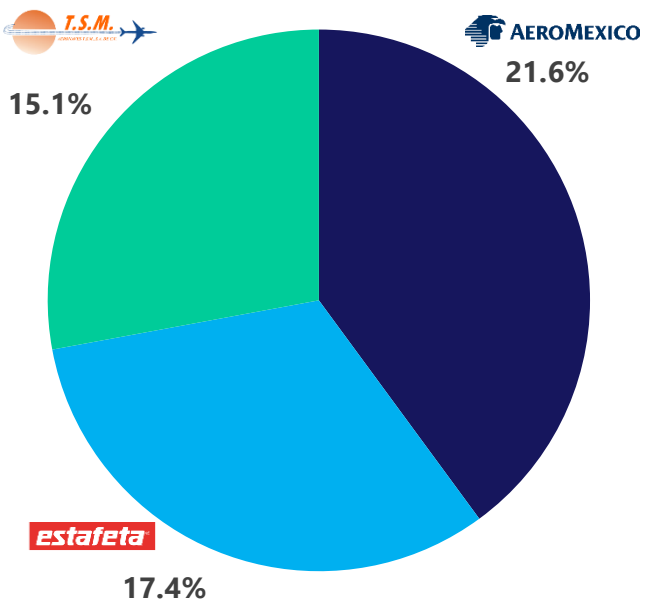


AIR FREIGHT OVERVIEW

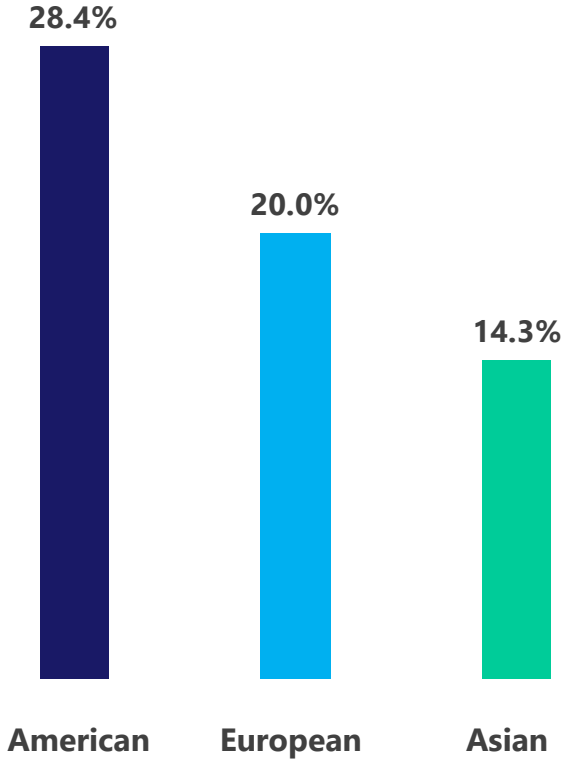
Air freight transport is the fourth mode of transport in Mexico, moving 0.1% of the national freight with a total of 830 thousand tons transported in 2018.

- Of the total transported freight, 19.0% went to a national destination and 81.0% thousand tons were international
- The three most recurred freight routes nationally were Mexico City- Guadalajara, Tijuana- Mexico City, Monterrey- Mexico. Internationally Mexico- City- Los Angeles, Mexico City Frankfurt and Los Angeles- Guadalajara were the most recurred routes
- National airlines transported 310 thousand tons, with Grupo Aeroméxico being the air freight company that transported the most with 21.6% of the total share
- Internationally, total freight volume was led by American freight companies with a 28.4% market share
- The airport in Mexico has the highest freight volume transported, followed by the airport in Guadalajara

Share of Air Freight Transported Domestically



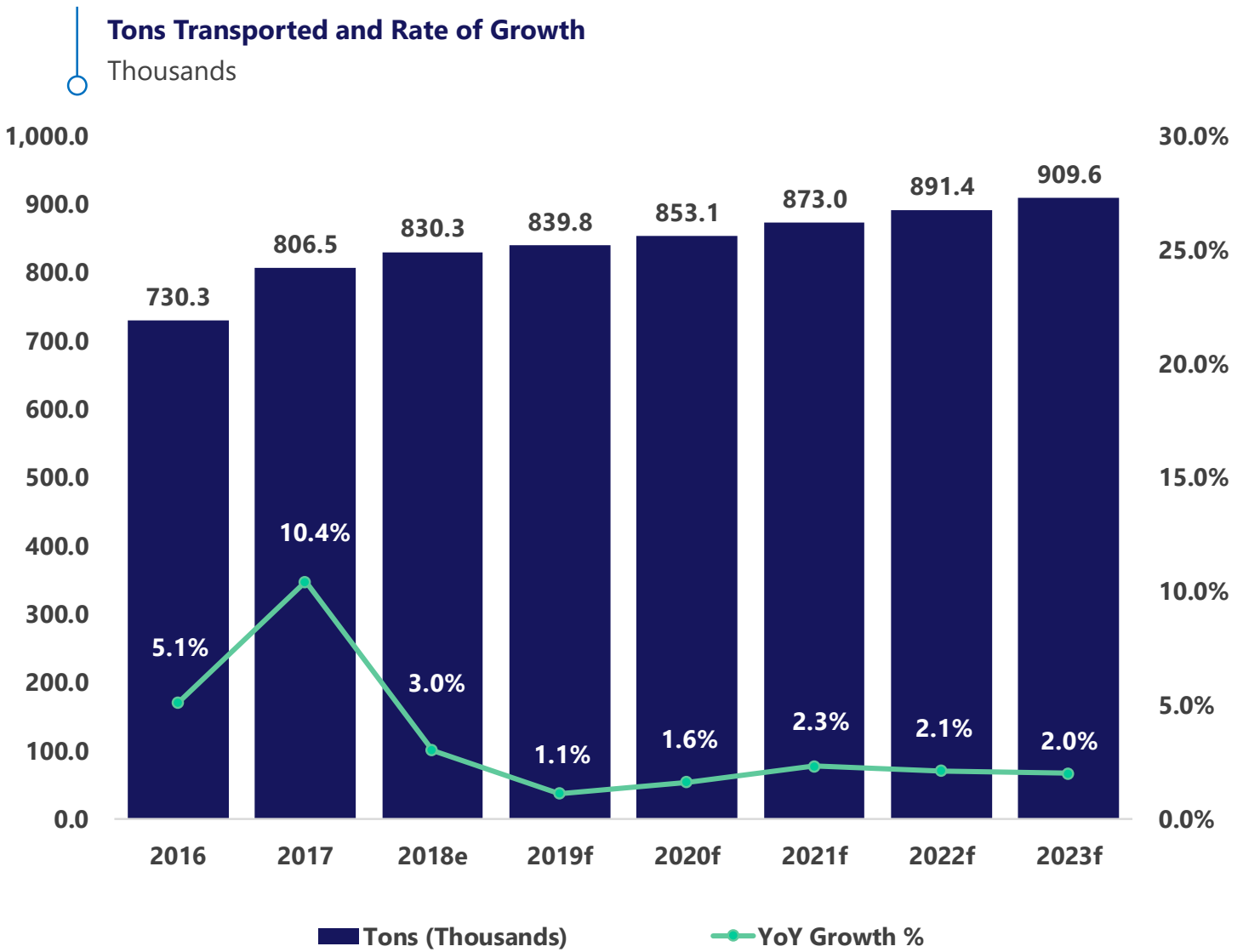
Share of Air Freight Transported Internationally



AIR FREIGHT OVERVIEW

An average annual growth of 1.8% is expected in the 2019-2023 period, making air transport the transport method with the lowest growth for the projected period with a total of 891.4 thousand tons in 2022.


- During the 2016-2018 period the sector grew at an average rate of 6.1%
- Air freight will grow 1.1% in 2019 and 1.6% in 2020



LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

CURRENT MARKET SITUATION PUBLIC COMPARABLE COMPANIES - GLOBAL

ROAD FREIGHT

Company	Country	Price 09-12-19	Sales US\$MM	EBITDA Margin	Market Cap. US\$MM	Enterprise Value	Annual Average EV / EBITDA		09-12-19	
							2016	2017	EV / EBITDA	EV / Revenue
Old Dominion Freight Line, Inc.	 USA	\$181.8	\$4,126.8	26.8%	\$14,510.3	\$14,301.6	8.9x	8.9x	12.9x	3.5x
J.B. Hunt Transport Services, Inc.	 USA	\$111.8	\$9,032.8	12.8%	\$11,914.3	\$13,254.4	9.6x	9.6x	11.5x	1.5x
Ryder System, Inc.	 USA	\$51.4	\$8,904.7	27.1%	\$7,023.6	\$13,599.7	5.0x	5.0x	6.2x	1.2x
Nippon Express Co., Ltd.	 JPN	\$62.6	\$19,771.1	6.2%	\$5,918.7	\$8,257.1	6.3x	6.3x	6.8x	0.4x
Knight-Swift Transportation Holdings Inc.	 USA	\$35.6	\$5,041.8	19.3%	\$6,081.8	\$7,145.2	8.4x	8.4x	7.3x	1.4x
Hitachi Transport System, Ltd.	 JPN	\$27.8	\$6,421.2	1.0%	\$3,123.2	\$6,399.0	6.4x	6.4x	8.8x	1.0x
CJ Logistics Corporation	 KOR	\$125.2	\$8,429.5	5.1%	\$2,273.7	\$5,688.4	15.2x	15.2x	13.2x	0.7x
TFI International Inc.	 CAN	\$32.7	\$3,924.1	14.0%	\$2,676.4	\$4,374.6	8.2x	8.2x	8.0x	1.1x
Landstar System, Inc.	 USA	\$110.6	\$4,276.8	8.5%	\$4,363.4	\$4,195.6	10.8x	10.8x	11.6x	1.0x
Grupo Traxión, S.A.B. de C.V.	 MEX	\$0.7	\$1.1	0.0%	\$366.4	\$665.4	665.4x	665.4x	5.9x	1.1x

NR: Not Relevant

Mean 9.2x 1.3x











Median 8.4x 1.1x



LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

CURRENT MARKET SITUATION PUBLIC COMPARABLE COMPANIES - GLOBAL

RAIL FREIGHT

Company	Country	Price 09-12-19	Sales US\$MM	EBITDA Margin	Market Cap. US\$MM	Enterprise Value	Annual Average EV / EBITDA		09-12-19	
							2016	2017	EV / EBITDA	EV / Revenue
Union Pacific Corporation	 USA	\$172.0	\$22,253.0	48.8%	\$119,402.4	\$145,746.4	9.0x	10.8x	13.4x	6.5x
Canadian National Railway Company	 USA	\$89.7	\$12,195.0	52.4%	\$64,186.8	\$74,778.5	11.3x	12.8x	13.0x	14.3x
CSX Corporation	 CAN	\$71.3	\$11,437.0	50.8%	\$55,422.7	\$70,169.7	7.8x	11.4x	10.8x	13.2x
Norfolk Southern Corporation	 USA	\$190.9	\$11,502.0	46.1%	\$49,784.4	\$62,009.4	8.8x	10.7x	10.8x	5.8x
Canadian Pacific Railway Limited	 CAN	\$245.4	\$5,838.0	53.8%	\$33,671.3	\$40,614.8	11.4x	11.9x	7.4x	10.8x
West Japan Railway Company	 JPN	\$87.1	\$14,379.8	24.5%	\$16,655.3	\$25,503.0	6.4x	7.1x	5.8x	6.4x
Daqin Railway Co., Ltd.	 CHN	\$152.6	\$11,173.8	31.8%	\$15,129.6	\$18,217.8	6.4x	8.3x	5.8x	6.4x
Kansas City Southern	 USA	\$1.1	\$2,830.5	48.6%	\$16,652.0	\$17,066.2	10.7x	11.1x	14.3x	7.7x
Aurizon Holdings Limited	 AUS	\$6.0	\$2,038.7	48.9%	\$9,409.7	\$9,774.3	8.6x	9.6x	14.3x	13.0x
GMéxico Transportes, S.A.B. de C.V.	 MEX	\$1.4	\$2,416.2	41.0%	\$7,674.6	\$7,674.6	0.0x	12.3x	13.2x	7.4x
NR: Not Relevant								Mean	10.9x	9.2x
								Median	11.9x	7.6x













LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

CURRENT MARKET SITUATION

PUBLIC COMPARABLE COMPANIES - GLOBAL

AIR FREIGHT

Company	Country	Price 08-12-19	Sales US\$MM	EBITDA Margin	Market Cap. US\$MM	Enterprise Value	Annual Average EV / EBITDA		08-12-19		
							2016	2017	EV / EBITDA	EV / Revenue	
United Parcel Service, Inc.	 USA	\$117.5	\$73,374.0	10.8%	\$100,819.9	\$122,774.9	10.4x	13.9x	NR	NR	
FedEx Corporation	 USA	\$156.6	\$69,689.0	7.1%	\$40,861.2	\$71,266.2	6.8x	8.4x	14.5x	1.0x	
Deutsche Post AG	 GER	\$37.7	\$69,283.6	7.1%	\$46,526.7	\$63,206.2	10.4x	10.4x	12.6x	0.9x	
Bolloré	 FRA	\$4.2	\$27,222.0	11.5%	\$12,435.4	\$39,367.4	13.2x	19.4x	12.2x	1.5x	
Financière de l'Odet SA	 FRA	\$872.9	\$27,222.1	11.5%	\$3,705.5	\$34,501.6	11.2x	15.1x	NR	NR	
S.F. Holding Co., Ltd.	 CHN	\$5.4	\$14,587.6	8.8%	\$23,804.8	\$24,690.4	20.6x	34.2x	NR	NR	
XPO Logistics, Inc.	 USA	\$82.2	\$16,901.0	9.5%	\$7,586.2	\$14,916.2	13.0x	10.0x	9.3x	0.9x	
C.H. Robinson Worldwide, Inc.	 USA	\$76.0	\$15,654.1	6.3%	\$10,281.7	\$11,422.9	11.9x	13.2x	11.5x	0.7x	
ZTO Express (Cayman) Inc.	 CHN	\$20.9	\$2,922.6	29.4%	\$16,358.3	\$14,173.3	53.2x	21.5x	16.5x	NR	
Expeditors International of Washington, Inc.	 USA	\$73.6	\$8,366.1	10.2%	\$12,525.7	\$11,687.0	10.7x	12.9x	NR	NR	
NR: Not Relevant							Mean	12.8x	1.0x		
							Median	12.4x	0.9x		













LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

CURRENT MARKET SITUATION

PUBLIC COMPARABLE COMPANIES - GLOBAL

SEA FREIGHT





Company	Country	Price 08-12-19	Sales US\$MM	EBITDA Margin	Market Cap. US\$MM	Enterprise Value	Annual Average EV / EBITDA		08-12-19		
							2016	2017	EV / EBITDA	EV / Revenue	
A.P. Møller - Mærsk A/S	 MAERSK	DEN	\$1,489.9	\$39,199.0	13.3%	\$28,944.2	\$42,185.9	4.9x	6.9x	7.8x	1.1x
Kuehne + Nagel International AG	 KUEHNE + NAGEL	SUI	\$165.1	\$21,299.1	5.8%	\$19,768.3	\$21,621.6	14.7x	16.9x	17.3x	1.0x
COSCO SHIPPING Holdings Co., Ltd.	 COSCO SHIPPING	CHN	\$0.4	\$20,890.3	8.3%	\$7,711.5	\$25,949.4	69.9x	39.2x	14.9x	1.2x
Hapag-Lloyd Aktiengesellschaft	 HAPAG-LLOYD	GER	\$80.9	\$13,645.8	11.7%	\$14,196.8	\$21,037.9	9.7x	14.2x	12.7x	1.5x
Mitsui O.S.K. Lines, Ltd.	 MITSUI O.S.K. LINES	JPN	\$27.2	\$10,995.5	10.5%	\$3,247.7	\$13,524.9	12.6x	15.2x	11.0x	1.2x
Nippon Yusen Kabushiki Kaisha	 NYK LINES	JPN	\$18.1	\$16,082.1	7.3%	\$3,055.0	\$13,031.1	7.2x	12.1x	10.1x	0.8x
MISC Berhad	 MISC	MAS	\$2.0	\$2,143.3	39.9%	\$8,943.2	\$11,134.9	8.6x	11.5x	11.7x	5.2x
Kirby Corporation	 KIRBY	USA	\$83.6	\$2,904.0	17.8%	\$5,014.0	\$6,606.0	7.6x	10.4x	12.8x	2.3x
Orient Overseas (International) Limited	 OOCL	HKG	\$6.0	\$6,758.1	9.2%	\$3,776.6	\$6,013.4	9.4x	23.7x	9.5x	0.9x
Seaspan Corporation	 SEASPAN	HKG	\$13.3	\$1,138.4	62.9%	\$2,853.6	\$7,023.6	8.0x	7.0x	9.8x	6.2x
NR: Not Relevant									Mean	12.0x	1.7x
									Median	11.7x	1.2x



LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

GLOBAL TRANSACTIONS

ROAD FREIGHT











Date	Target	Country	Description	Buyer	Size US\$MM	EV / EBITDA	EV / Revenue
Aug-19	Mills Transfer, Inc.	USA 	Dry-van truckload services	Heartland Express, Inc. (NasdaqGS:HTLD)	\$149.5	-	1.0x
Jun-19	Chalmers Limited (ASX:CHR) - (90% Stake)	AUS 	Road freight services	Qube Logistics (Aust) Pty Ltd	\$43.0	NA	1.0x
Apr-19	Kinard Trucking, Inc.	USA 	Logistics services	C.H. Robinson Worldwide, Inc. (NasdaqGS:CHRW)	\$28.0	8.6x	-
Aug-18	Auto Transportes El Bisonte	MEX 	Road freight services	Grupo Traxión, S.A.B. de C.V. (BMV:TRAXION A)	\$76.0	7.1x	1.4x
Jun-18	Sichuan Fulin Transportation Group Co., Ltd.	CHN 	Road freight services	Yongfeng Group Co., Ltd; Ningbo Taihong Enterprise Management Co., Ltd.	\$150.0	-	-
Mar-18	CM Downtown (Haulage Contractors) Ltd.	GBR 	Logistics services	EmergeVest Limited	\$104.1	-	0.6x
Jul-17	Interstate Distributor Co., Inc.	USA 	Road freight services	BCA Marketplace plc	\$117.0	-	0.3x
Apr-17	Swift Transportation Company	USA 	Road freight services	Knight Transportation, Inc.	\$2,970.6	-	-
Jul-16	Paragon Automotive	GBR 	Logistics services	BCA Marketplace plc	\$174.4	NR	0.8x
Jul-16	Span-Alaska Transportation, Inc.	USA 	Road freight services in Alaska	Matson Logistics, Inc.	\$197.6	9.4x	-
Jun-16	Palletways Group Limited	GBR 	Distribution services	Imperial Mobility International BV	\$234.7	9.9x	1.2x
Sep-15	Con-way Inc.	USA 	Road freight services	XPO Logistics, Inc.	\$3,500.4	6.2x	0.5x
NR: Not Relevant					Mean	8.2x	0.8x
NA: Not Available					Median	8.6x	0.8x



LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

GLOBAL TRANSACTIONS

RAIL FREIGHT










Date	Target	Country	Description	Buyer	Size US\$MM	EV / EBITDA	EV / Revenue
Jul-19*	Genesee & Wyoming Inc. (NYSE:GWR)	USA 	Container leasing services and logistics	Brookfield Asset Management Inc. (TSX:BAM.A)	\$6,409.1	14.1x	4.1x
Jul-18	VTG Aktiengesellschaft	DEU 	Container leasing services and logistics	Morgan Stanley Infrastructure Inc.	\$2,736.0	9.7x	3.1x
May-18	GatewayRail Freight Limited	IND 	Train freight services	Gateway Distriparks Limited	\$98.4	-	-
Dec-17	Inner Mongolia Yitai Zhundong Railway Co., Ltd.	CHN 	Train freight services	Yanzhou Coal Mining Ordos Nenghua Co., Ltd.	\$293.6	-	-
Nov-17	Public Joint Stock Company TransContainer	RUS 	Train freight services and logistics	Public Joint-Stock Company Commercial Port of Vladivostok	\$267.1	NR	NR
Mar-17	Florida East Coast Holdings Corp.	USA 	Train freight services	GMéxico Transportes, S.A.B. de C.V.	\$2,100.0	13.6x	5.2x
Feb-17	Rumo S.A.	BRA 	Train freight services	Cosan S.A.	\$90.0	NR	NR
Nov-16	TSS Cargo a.s.	CZE 	Train freight services	CEFC China Energy Company	\$276.2	-	-
Oct-16	VTG Aktiengesellschaft	DEU 	Container leasing services and logistics	Morgan Stanley Infrastructure Inc.	\$264.5	7.6x	2.4x
Aug-16	Providence and Worcester Railroad Company	USA 	Train freight services	Genesee & Wyoming Inc.	\$130.6	NR	3.5x
Mar-16	Pacific National Holdings Pty Ltd	AUS 	Railway asset management	GIC PTE, CPP, among others	\$9,552.8	12.0x	3.4x
NR: Not Relevant					Mean	11.4x	3.6x
* Announced					Median	12.0x	3.5x



LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

GLOBAL TRANSACTIONS

AIR FREIGHT











Date	Target	Country	Description	Buyer	Size US\$MM	EV / EBITDA	EV / Revenue
Jan-19	Panalpina Welttransport AG	CHE	 Air transport and logistics services	DSV A/S (CPSE:DSV)	\$4,663.0	NR	0.8x
May-18	Sichuan Yuancheng Logistics Development Co., Ltd.	CHN	 Air transport and logistics services	Ccoop Group Co., Ltd	\$678.0	-	NR
Feb-18	Sinotrans Air Transportation Development Co., Ltd.	CHN	 Air transport and logistics services	Sinotrans Limited	\$751.3	NR	1.2x
Jan-18	Hermes Logistics Package	GER	 Operates a logistics centre	Frasers Property Investments (Europe) B.V.	\$309.6	-	-
Oct-17	Dongbu Express Co., Ltd.	KOR	 Logistics services	Undisclosed Buyer	\$363.1	5.5x	0.5x
Aug-17	China Merchants Logistics Holding Co., Ltd.	CHN	 Logistics services	Sinotrans Limited	\$818.6	-	0.4x
Jan-17	Tiantian Express Co., Ltd.	CHN	 Logistics services	Jiangsu Suning Logistics Co., Ltd.	\$428.5	-	-
Dec-16	Dongbu Express Co., Ltd.	KOR	 Logistics services	Dongwon Industries Co., Ltd.	\$350.5	6.1x	0.6x
Nov-16	Shanghai Eastern Airlines Logistics Co., Ltd.	CHN	 Logistics services	Eastern Airlines Industry Investment Company Limited	\$352.7	-	0.4x
Sep-16	UK Mail Group plc	GBR	 Logistics services	Deutsche Post AG	\$331.4	13.7x	0.5x
Jul-16	Shenzhen Chiwan Petroleum Supply Base Co., Ltd.	CHN	 Logistics services	Shenzhen New Nanshan Holding (Group) Co., Ltd.	\$1,556.8	NR	NR
NR: Not Relevant					Mean	8.4x	0.6x
					Median	6.1x	0.5x

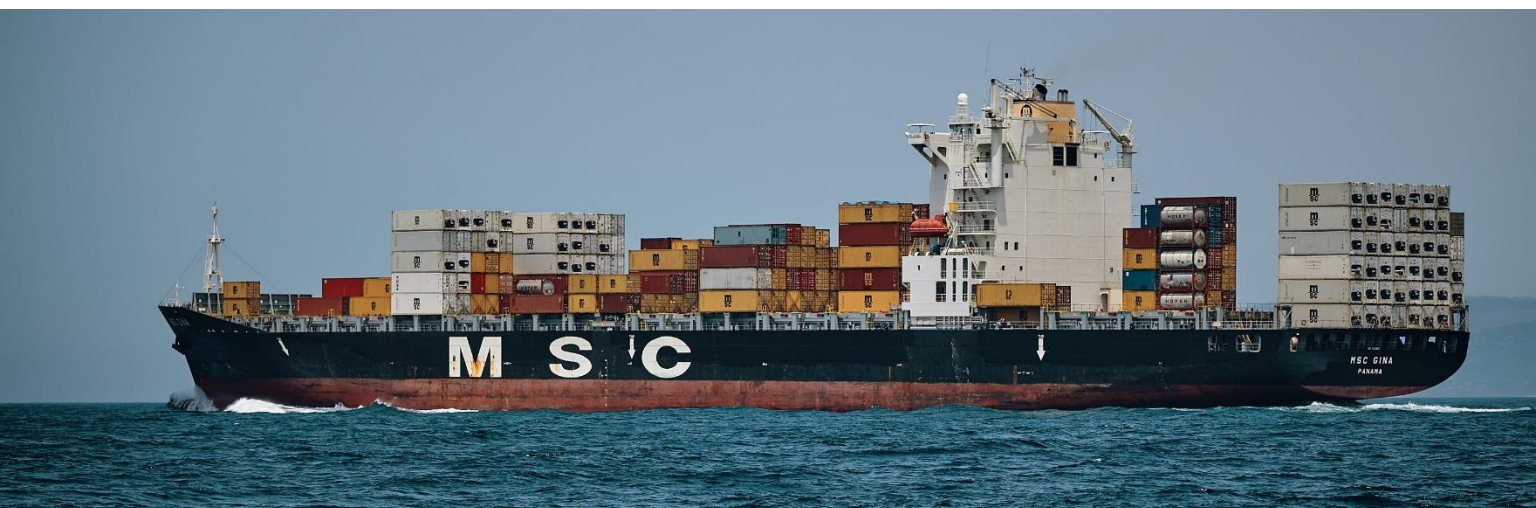


LOGISTICS & TRANSPORTATION INDUSTRY IN MEXICO

GLOBAL TRANSACTIONS

SEA FREIGHT

Date	Target	Country	Description	Buyer	Size US\$MM	EV / EBITDA	EV / Revenue	
Jun-19	Ignazio Messina & C. S.p.A (49% Stake)	ITA 	Logistics services	Marinvest S.R.L.	\$28.0	-	-	
Mar-19	Shanghai Zhenyi Enterprise Development Limited Company	CHN 	Logistics services	Milkyway Chemical Supply Chain Service Co.,Ltd (SHSE:603713)	\$21.6	-	NR	
Aug-18	Unifeeder A/S	DEN 	Logistics services	DP World Limited (nka:DP World PLC)	\$765.0	-	1.6x	
Aug-18	Eimskipafélag Íslands hf. (ICSE:EIM) - (23.5% Stake)	ISL 	Cargo shipping	Samherji hf.	\$103.0	9.7x	0.7x	
Jul-18	Orient Overseas (International) Limited	HKG 	Container logistics and transport services	The Silf Road Fund Co Ltd.	\$484.8	18.7x	1.3x	
Mar-18	Scandlines GmbH	GER 	Transport services for passengers and cargo	3i Group Plc	\$2,115.5	-	-	
Oct-17	Compañía Transmediterránea S.A.	ESP 	Cargo shipping	Anarafe, S.L.U.	\$476.8	-	1.0x	
Jul-17	Orient Overseas (International) Limited	HKG 	Container logistics and transport services	COSCO Shipping Holdings	\$10,403.0	18.7x	1.3x	
May-17	Navig8 Product Tankers Inc.	USA 	Oil ships	Scorpio Tankers Inc	\$1,204.4	18.3x	NR	
Dec16	Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft ApS & Co KG	GER 	Cargo shipping	Maersk Line A/S	\$3,932.8	-	0.6x	
May-15	Bridge Terminal Transport, Inc,	USA 	Container logistics and transport services	XPO Logistics, Inc. (NYSE:XPO)	\$100.0	8.1x	0.4x	
NR: Not Relevant						Mean	14.7x	1.0x
						Median	18.3x	1.0x



GLOBAL REPRESENTATIVE TRANSACTIONS ROAD FREIGHT

Summary	Target	Buyer
<p>On June 28, 2019, Qube Logistics (Aust) Pty Ltd, an Australian port logistics company, announced the acquisition of Chalmers Limited, an Australian road freight transport company, for US\$36.4 million representing an implied multiple of 1.0x revenue</p>		
<p>On April 10, 2017, Knight Transportation, Inc., a US freight transportation company, announced the acquisition of Swift Transportation Company, a US road freight transport company, for US\$2,970.0 million</p>		
<p>On July 18, 2016, Matson Logistics, Inc., a US-based logistics and trucking company, announced the acquisition of Span-Alaska Transportation, Inc., American trucking company in Alaska, for US\$197.0 million representing an implied multiple of 9.4x EBITDA</p>		
<p>On June 1, 2016, Imperial Mobility International BV, a Dutch logistics company, announced the acquisition of Palletways Group Limited, an English courier company, for US\$235.0 million</p>		
<p>On September 9, 2015, XPO Logistics, Inc., a US logistics firm, announced the acquisition of Con-way Inc., a freight carrier in the United States, for US\$3,500.0 million representing implied multiples of 6.2x EBITDA and 0.5x revenue</p>		

GLOBAL REPRESENTATIVE TRANSACTION ROAD FREIGHT

On June 9th, **Qube Logistics** announced the acquisition of **Chalmers Limited** for **US\$36.4 million**

The road freight market in Australia is valued at US\$32 billion

BUYER
QUBE

TARGET
Chalmers

QUBE LOGISTICS ANNOUNCED THE ACQUISITION OF CHALMERS LIMITED

QUBE is Australia's largest integrated provider of import and export logistics services

The transaction represented implied multiples of **1.0x revenue**



US\$1.1 BILLION IN REVENUE



US\$ 42.0 MILLION IN REVENUE

QUBE



OVER 6,500 EMPLOYEES

Chalmers



OVER 280 EMPLOYEES















FOUNDED IN 1989



FOUNDED IN 1882

GLOBAL REPRESENTATIVE TRANSACTIONS

RAIL FREIGHT

Summary	Target	Buyer
<p>On July 16, 2018, Morgan Stanley Infrastructure Inc., an investment fund in the United States, announced the acquisition of VTG Aktiengesellschaft, a German railway logistics company, for US\$3,360 million, representing implied multiples of 9.7x EBITDA and 3.1x revenue</p>		<p>Morgan Stanley</p>
<p>On December 1, 2017, Yanzhou Coal Mining Ordos Nenghua Co., Chinese mining and methanol distribution company, announced the acquisition of Inner Mongolia Yitai Zhudong Railway Co., Chinese railway services company, etc., for US\$294 million</p>		 <p>Yanzhou Coal Mining</p>
<p>On March 28, 2017, Grupo México Transportes, S.A. de C.V., a Mexican rail transport company, announced the acquisition of Florida East Coast Holdings Corp., a rail freight transport company in the United States, for US\$2,100 million, representing implied multiples of 13.6x EBITDA and 5.2x revenue</p>		
<p>On November 3, 2016, Beijing Municipal Road and Bridge Group Co., Chinese construction company, announced the acquisition of TSS Freight a.s., a railway transport services company in the Czech Republic, for US\$276 million</p>		<p>Beijing Municipal Road and Bridge Group Co.</p> 
<p>On March 15, 2016, CPP Investment Board, British Columbia Investment, CIC Capital Corp., GIC Pte. Ltd. and Global Infrastructure Partners, investment funds, announced the acquisition of Pacific National Holdings Pty Ltd., a rail transportation company in Australia, for US\$9,553 million, representing implied multiples of 12x EBITDA and 3.4x revenue</p>		   

GLOBAL REPRESENTATIVE TRANSACTION RAIL FREIGHT

On March 15, 2016, **CPP Investment Board**,
**British Columbia Investment, CIC Capital
Corp., GIC Pte. Ltd. and Global Infrastructure
Partners**, announced the acquisition of **Pacific
National Holdings Pty Ltd.**, for US \$ 9,553
million,

Pacific National moves
145 million tons of freight

**BRITISH COLUMBIA INVESTMENT,
CPP INVESTMENT BOARD, AMONG
OTHERS,
ANNOUNCED THE ACQUISITION OF
PACIFIC NATIONAL HOLDINGS**

TARGET

pacificnational

Pacific National is the
largest private rail
freight transport
company in Australia



Global Infrastructure
obtained a 27% stake, GIC
12%, CIC Capital 16%, CPP
33% and BCI 12%

The transaction
represented implied
multiples of 12x EBITDA
and 3.4x sales



**PRIVATE AND
PUBLIC
INVESTMENT
FUNDS IN THE US,
CHINA, CANADA Y
SINGAPUR**

pacificnational



**OPERATES +600
LOCOMOTIVES**



7,500 EMPLOYEES



FOUNDED IN 2002

GLOBAL REPRESENTATIVE TRANSACTIONS SEA FREIGHT

Summary	Target	Buyer
<p>On March 26, 2018, 3i Group plc., Hermes Investment Management Ltd. and First State Investments, private funds of the United Kingdom, announced the acquisition of Scandlines GmbH, a German freight and passenger shipping company, for US\$2,115 million</p>		  
<p>On July 9, 2017, COSCO Shipping Holdings Co., a Chinese shipping company, announced the acquisition of Orient Overseas (International) Ltd., a China-based shipping and logistics company, for US\$10,403 million, representing implied multiples of 18.1x EBITDA and 1.3x revenue</p>		
<p>On May 23, 2017, Scorpio Tankers Inc., a transportation company based in Monaco, announced the acquisition of Navig8 Product Tankers Inc., a US oil tanker company, for US\$1,204 million, representing implied multiples of 18.3. x EBITDA and 9.6x sales</p>		
<p>On December 1, 2016, Maersk Line A/S, a Danish shipping company, announced the acquisition of Hamburg Süd, a German container services company, for US\$3,933 million, representing an implied multiple of 0.6x sales</p>		 MAERSK
<p>On May 04, 2015, XPO Logistics, Inc., an American logistics and transportation company, announced the acquisition of Bridge Terminal Transport Inc., a marine container services in the U.S. and Canada, for US\$100 million, representing implied multiples of 8.1x EBITDA and 0.4x sales</p>		

GLOBAL REPRESENTATIVE TRANSACTION SEA FREIGHT

On July 9, 2017, **COSCO Shipping** announced the acquisition of **Orient Overseas**, for US\$10,403 million

OOCL had a capacity of 666 thousand containers



**COSCO SHIPPING,
ANNOUNCED THE ACQUISITION OF
ORIENT OVERSEAS**

COSCO Shipping increased its fleet to 400 vessels with a capacity of 2.9 million containers

COSCO acquired the 90.1% stake of OOCL

The transaction represented implied multiples of 1.3x sales and 18.1x EBITDA



REVENUE 2017 OF US\$429 MILLION



3^o BIGGEST CARGO SHIPPING



+21,000 EMPLOYEES



SALES OF US\$6.1 BILION



+330 OFFICES IN 70 COUNTRIES



+10,000 EMPLOYEES



GLOBAL REPRESENTATIVE TRANSACTIONS AIR FREIGHT

Summary	Target	Buyer
<p>On May 28, 2018, Ccoop Group Co., Chinese department store company, announced the acquisition of Sichuan Yuancheng Logistics Development Co., logistics company in China, for US\$678 million, representing an implied multiple of 1.9x revenue</p>	<p>Sichuan Yuancheng Logistics Development Co.</p>	
<p>On February 28, 2018, Sinotrans Limited, Chinese company for the sale of electrical products, announced the merger with Sinotrans Air Transportation Development Co., a Chinese company that provides freight air transport, acquiring the remaining 39.05% stake for US\$762 million</p>		
<p>On August 22, 2017, Sinotrans Limited, a Chinese logistics company, announced the acquisition of China Merchants Logistics Holding, a logistics-based company in China, for US\$819 million, representing an implied multiple company of 0.4x revenue</p>		
<p>On January 2, 2017, Jiangsu Suning Logistics, Chinese logistics company, announced the acquisition of Tiantian Express Co. Ltd., courier services in China, for US\$428 million</p>		<p>SUNING 苏宁易购</p>
<p>On July 1, 2016, Shenzhen New Nanshan Holding, a Chinese prefabricated buildings company, announced the acquisition of Shenzhen Chiwan Petroleum, a logistics company in China, for US\$1,557 million</p>		<p>雅致 YAHGEE</p>

GLOBAL REPRESENTATIVE TRANSACTION AIR FREIGHT

On August 22, 2017, **Sinotrans** announced the acquisition of **China Merchants Logistics Holding** for US\$819 million

The acquisition will reduce competition in the industry and will become one of the largest players in the industry in China



Sinotrans will issue 1.4 billion shares at a price of CNY\$3.78 for China Merchants

China Merchants Logistics became a subsidiary of Sinotrans

The transaction represented an implied multiple of 0.4x sales



- REVENUE OF US\$93 MILLION
- +35,000 EMPLOYEES
- FOUNEDED IN 1950



- SALES OF US\$1.9 BILLION
- REVENUE OF US\$104 MILLION
- FOUNDED IN 2000

INDUSTRY SECTOR CONSOLIDATOR

Grupo Traxión belongs to the trucking and logistics industry in Mexico, offering freight and logistics motor transport services and school and personnel transport services.

- Market Capitalization as of November 19, 2019 of MX\$7,120M
- Enterprise Value as of November 19, 2019 of MX\$12,896M
- Trading at 6.0x EBITDA and 1.1x Sales
- Annual sales of MX\$11,891M LTM

The shareholding composition of Grupo Traxión is as follows: 25% belongs to The Discovery fund, 10% Nexus Capital fund, 9% to natural persons, 44% to the public investor and 12% to other minority shareholders.

ACQUISITIONS IN 2018



It was acquired on May 17, 2018 for US\$24 million and with a debt of US\$8 million, resulting in a total value of US\$32 million. Representing implied multiples of 0.9x sales and 7.5x EBITDA



It was acquired on August 28, 2018 for US\$76 million to EMX Capital. Representing implied multiples of 1.4x sales and 7.1x EBITDA

					
+6,000 Units	+11,000 collaborators	+330,000 m ² of warehouses	National presence	+1,000 Corporate costumers	18x fleet growth in the last 6 years


GRUPO TRAXIÓN COMPANIES





REPRESENTATIVE MEXICO ENGAGEMENTS

intelectiva
has acquired

KFC Costa Rica
from



ARCACONTINENTAL
has acquired



ARCACONTINENTAL
has acquired



has merged with

a business of


FOQUE
GRUPO FOMENTO QUERETANO
merged its
beverage division
with

FEMSA


merged its
beverage division
with

FEMSA


caffenio
has partnered with

a subsidiary of
FEMSA


caffenio
has partnered with



Ragasa
Acquisition
Advisory
Services


Fonterra
Acquisition
Advisory
Services


has been acquired by
FEMSA

CORPORACION 
Corporate
Finance
Advisory
Services


GRUPO INDUSTRIAL SALTILLO
has formed a partnership in
the casting tools business
between

and

technologies



sold

to



CEMEX
has carved out and sold
its concrete pumping
assets in Mexico
to



CEMEX
has formed a
partnership to market
and develop oil storage
and distribution in
Mexico with


FEMSA
sold

to
ECOLAB



grupo protexa
Corporate
Finance
Advisory
Services


SI CELUB LUBRI TECH
has been acquired by
COLFAX


COSMOCEL
has sold
Cosmoceel Química
to

a business unit of
ICL


FORTACERO
Corporate
Finance
Advisory
Services


Pinturas Berel
Corporate
Finance
Advisory
Services


has acquired

dealers of
GRUPO FRBL


INVEKRA
Holding company of
sanfer
acquired a majority
stake in



GBM
has been acquired by





INMAGUSA
Grupo Galaz, S.A de C.V.
has been acquired by
IOCHPE - MAXION


DLG
has acquired
workshop and store in
Mexico City from
GREENBRIER RAIL SERVICES


Discovery Americas
has partnered with

Anne Sullivan


AEn
Acquisition
Advisory
Services


has sold
its sanitaryware business
ST. THOMAS CREATIONS
BATHROOMS THAT WORK BEAUTIFULLY
and
VITROMEX
to

Villeroy & Boch

Seale & Associates

Creative Solutions. Trusted Advice.

Since 1999, **Seale & Associates** has been the trusted advisor to highly respected public and private companies from around the world, with a track record of success in a diverse range of industries. Seale is an elite boutique global investment banking firm with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex dealings.

ADVISOR TO LEADING COMPANIES WORLDWIDE



CONTACT INFORMATION



950 N. Glebe Road
Suite 950
Arlington, Virginia 22203
Phone: +1 (703) 294 6770



37, Moliere
Granada
Mexico City, 11520
Phone: +52 (55) 8000 7463

Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

Washington, D.C. | Miami | Mexico City | Monterrey

Mexico Contact Information

James A. Seale

President

jseale@sealeassociates.com

Brett M. Carmel

Senior Managing Director & Co-founder

bcarmel@sealeassociates.com

Felipe Bueno Viesca

Senior Director

fbueno@sealeassociates.com

Sergio Garcia del Bosque

Managing Director

sgarcia@sealeassociates.com

Adan Sierra

Managing Director

asierra@sealeassociates.com

Carlos Hernandez

Managing Director

chernandez@sealeassociates.com

Alejandro Montemayor

Senior Associate

amontemayor@sealeassociates.com

Sofia Felix

Business Development

sfelix@sealeassociates.com

Armando Rios

Analyst

arios@sealeassociates.com

Aaron Garcia

Analyst

agarcia@sealeassociates.com

Daniel Schorn

Analyst

dschorn@sealeassociates.com

Miguel Leal

Business Development

mleal@sealeassociates.com

Alberto Lopez

Junior Analyst

alopez@sealeassociates.com

Alejandro Salinas

Junior Analyst

asalinas@sealeassociates.com

Nicolas Reynoso

Junior Analyst

nreynoso@sealeassociates.com

Hector Roman

Junior Analyst

hroman@sealeassociates.com

Martín Alcalá

Junior Analyst

malcala@sealeassociates.com

www.sealeassociates.com