



CORPORATE FINANCE
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Spring
20
23

LOGISTICS INSIGHTS

INDUSTRY UPDATE

Hamburg | Helsinki | London | Stockholm | Frankfurt



BACKGROUND

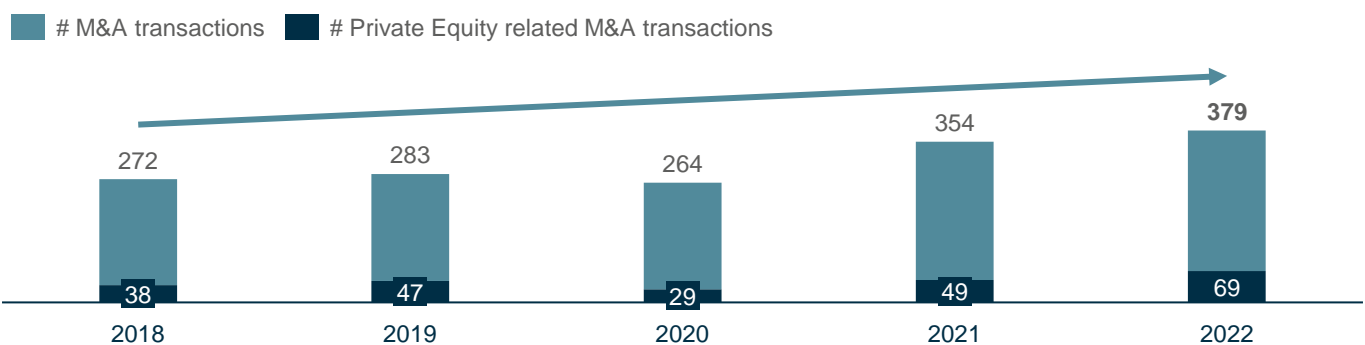
The logistics sector has seen a tremendous development over the last four years. Being considered as a commodity service for many years, logistics has experienced a strong appreciation in its value as an essential service. This appreciation is underlined by the increase in private equity related transactions. We expect this development to continue over the coming years and it is essential for each entrepreneur to understand, how to make use of this development.

The European logistics market is still characterized by a high degree of fragmentation. Over the last ten years, consolidation was primarily driven by European players building up a global footprint. The general perception of logistics was undervalued. With the disruptions in global supply chains this perception has changed significantly. Being able to offer integrated, global logistics solutions supported by a high degree of visibility is considered as an essential differentiator for successful companies. This development has not been unseen. Private equity investors have entered the market successfully and started building up European or even global logistics groups being able to compete

with the big names in the industry. Most of these cases follow a clearly defined buy-and-build strategy, creating value through the arbitration of purchase and exit multiples as well as the streamlining and integration of administrative functions.

For entrepreneurs and family businesses considering a transition in ownership, the (partial) sale to a private equity investor offers the possibility to partly exit the business and by that diversify the personal wealth allocation and simultaneously develop the company together with an investor by following a clear growth strategy.

M&A DEVELOPMENT IN THE EUROPEAN LOGISTICS MARKET FROM 2018 TO 2022⁽¹⁾





M&A STRATEGIES

Key for a successful and value maximising transaction is to understand the different strategic angles of the potential buyer universe. Strategic buyers primarily look for the potential to cross-sell its offering to more services and (adjacent) international markets or to strengthen the density of its network. Financial investors on the other side can be differentiated into private equity investors focusing in building groups with a clear USP or infrastructure investors aiming to support the growth of the company by entering organically new locations through investments into warehouses or logistic hubs. Understanding the strategic focus of the buyers helps to tailor the equity story individually and by that to maximize valuation.

BUY-AND-BUILD

The strong fragmentation of the logistics market allows for significant consolidation. Realizing an arbitrage between acquisition and exit multiples generates enormous value for the investor.

DIVERSIFICATION

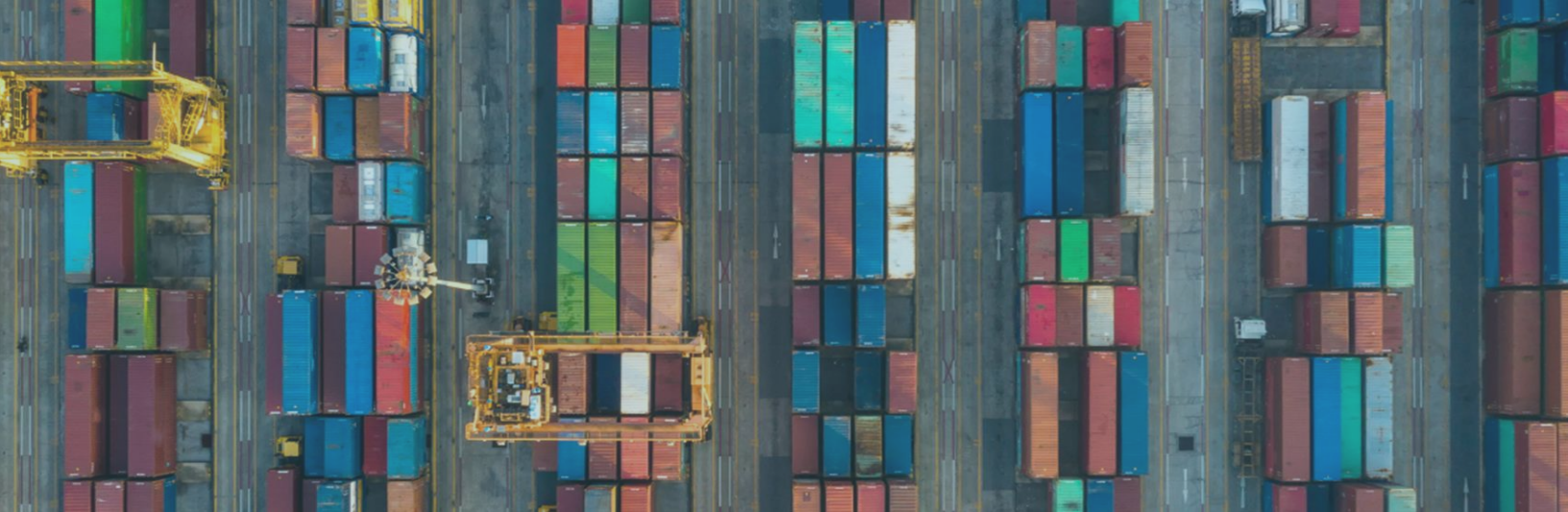
Diversifying the service offering to allow for one-stop-shop solutions and cross-selling boosted M&A activity in recent years – especially with maritime shipping businesses entering land and air-freight.

INFRASTRUCTURE-BACKED

The asset-heavy business model by growing through newly build warehouses makes the logistics market interesting to infrastructure funds, who are willing to commit capital for future investments.

NEW GEOGRAPHIES

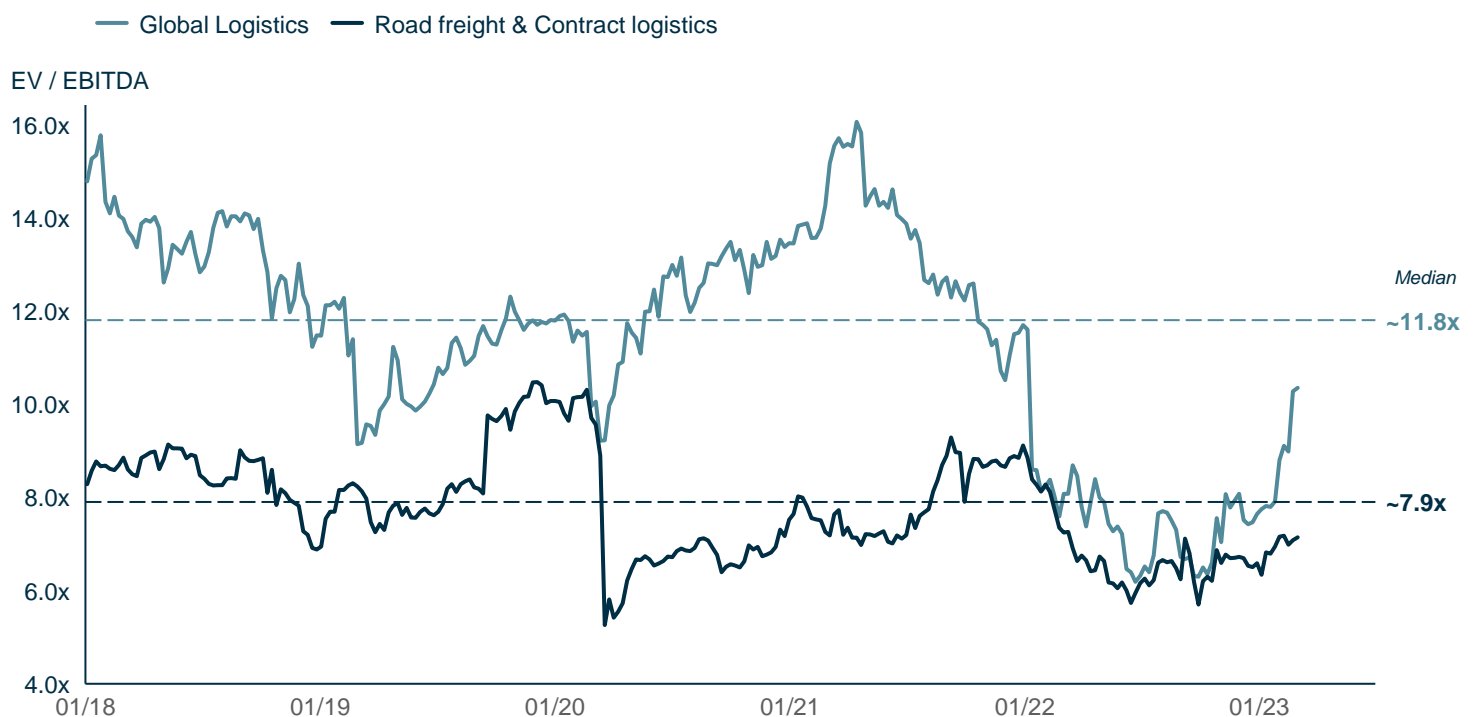
Entering new geographic markets to enhance the value chain and participate from the entire transportation journey.



VALUATION ENVIRONMENT (1/2)

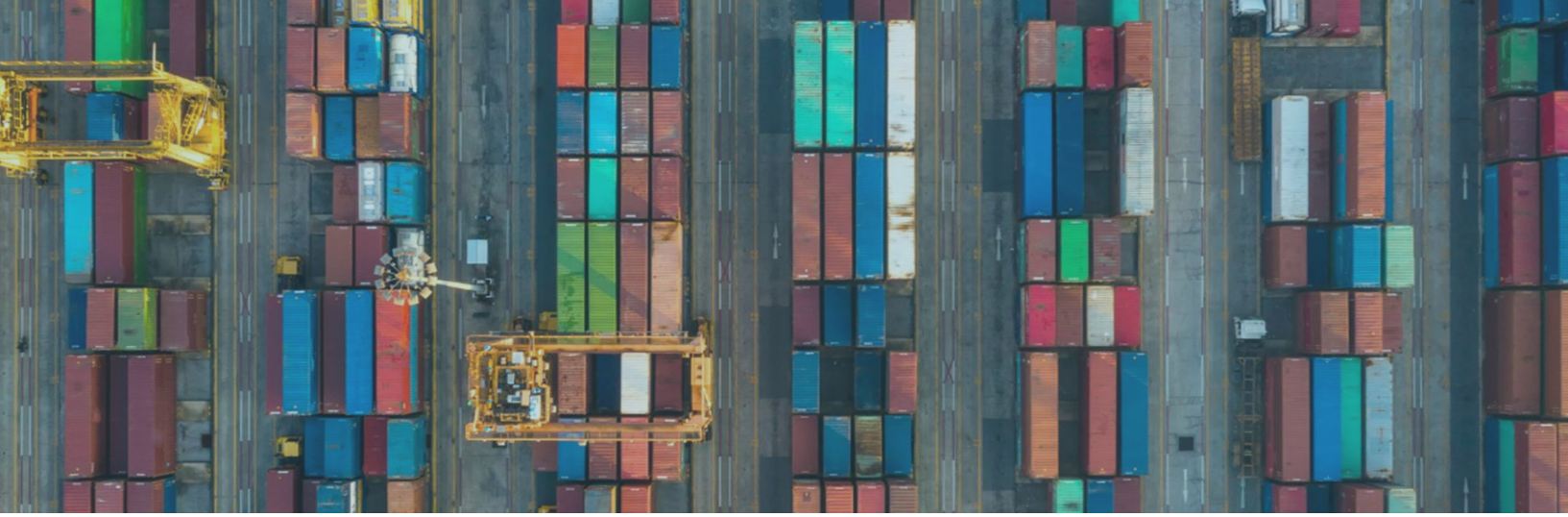
The valuation environment in the logistics sector has been very volatile over the last three years. With the market turmoil caused by Covid19 and the subsequent disruptions in the value chain, multiples have been heavily influenced by the extraordinary increase and volatility in global freight rates. With the freight rates coming back to their pre-covid level, valuations are reaching a sustainable level as well. The wider the service offering and global reach, the higher are the valuation levels. This is underlined by multiples of comparable transactions, in which deals exceeding a valuation level of EUR 1bn are fetching EV / EBITDA multiples in between 10-15x, while smaller transactions are being valued in the range of 7-10x EV / EBITDA.

SELECTED COMPARABLE PUBLICLY LISTED COMPANIES



Global logistics - Peer Group

Road freight & Contract logistics - Peer Group



VALUATION ENVIRONMENT (2/2)

COMPARABLE TRANSACTIONS IN EUROPE WITH AN ENTERPRISE VALUE OF LESS THAN EUR 1bn

Date	Target	HQ	Target Description	Acquirer	EV	Multiple		
						Revenue	EBITDA	
06/2022	USA Truck		National trucking company in the US	DB Schenker Logistics	459m	0.64x	6.3x	
11/2021	Senator International Spedition		Logistics service provider with a focus on air and sea freight	A.P. Moller - Maersk	556m	0.88x	12.9x	
01/2021	HSF Logistics Group		Logistics service provider	DFDS	296m	0.79x	6.9x	
05/2020	Imperial Shipping Services		Diversified logistics service provider	Häfen und Güterverkehr Köln	225m	0.64x	n.a.	
09/2019	Nordic Transport Group		Fast-growing logistics company	NeuroSearch	252m	0.42x	9.5x	
05/2019	Intereuropa		Logistics services in Slovenia	Posta Slovenije	100m	0.62x	7.9x	
03/2018	Traconf		Logistics specialists for the fashion industry	Nippon Express	145m	1.11x	n.a.	
Mean:							0.7x	8.7x
Median:							0.6x	7.9x

COMPARABLE TRANSACTIONS IN EUROPE WITH AN ENTERPRISE VALUE OF MORE THAN EUR 1bn

Date	Target	HQ	Target Description	Acquirer	EV	Multiple		
						Revenue	EBITDA	
02/2023	Scan Global Logistics		Freight forwarding and logistics company	CVC Advisers	1,500m	0.45x	7.2x	
03/2022	Primafrio		Leading Spanish Cool Chain Logistics Company	Apollo Global Management	1,500m	2.96x	n.a.	
08/2021	JF Hillebrand Group		World's largest wine and beverage forwarder	Deutsche Post	1,500m	1.07x	n.a.	
04/2021	Agility (Global Integrated Logistics)		Contract logistics business in the EU	DSV	4,040m	1.22x	19.0x	
02/2021	Kerry Logistics Network		Diversified logistics service provider	S.F. Holding	5,726m	1.01x	12.2x	
04/2019	Panalpina Weltransport Holding		Logistics service provider with a focus on air and sea freight	DSV	4,224m	0.78x	16.3x	
11/2018	CEVA Logistics		Diversified logistics service provider	CMA-CGM	2,537m	0.41x	15.6x	
Mean:							1.1x	14.0x
Median:							1.0x	15.6x



TRENDS IMPACTING M&A-ACTIVITY

NEAR-SHORING

Global supply chain disruptions have shown the vulnerability of a globalised world and the dependence on Asian markets. As a result, near-shoring becomes increasingly important. A strong access to the markets in CEE will be key to benefit from this development – either through own locations or supply chain networks.

ESG CONFORMITY

The increased awareness of an ESG compliant supply chain has set new requirements for logistic providers and offers opportunities and risks at the same time. Having a dense network of hubs, either through own locations or with the help of a network, as well as investments into a modern, green fleet and energy efficient warehouses will be key differentiators.

CHINA + 1

Companies shift their supply chains away from China to other countries in Southeast Asia, to diversify their supply chains and reduce their dependence on China. This trend has been driven by rising labor costs in China, increased competition, trade tensions between China and other countries, and supply chain disruptions caused by the COVID-19 pandemic.

DIGITAL TRANSPARENCY OVER THE ENTIRE PROCESS

The use of technology to increase visibility and accountability in the supply chain process involves the implementation of digital systems providing real-time data on location, status and progress of shipments, enabling all stakeholders to have a clear understanding of the delivery process to benefit customers experience, reduce risks of delays and loss, and increased efficiency and cost savings.

OUR MISSION IS TO PROVIDE HONEST AND RELATIONSHIP DRIVEN TAILORMADE M&A AND DEBT ADVISORY SERVICES

The MCF logistics team have successfully advised clients on both sell-side and buy-side transactions. As proven by our previous mandates, the team has developed sophisticated sector expertise and established an excellent logistics industry network. Our deep industry knowledge is driven by the strength of our relationships with key market players across Northern Europe and internationally, also via our partnership with D.A. Davidson in North America.

250+

TOTAL TRANSACTIONS BY TEAM

15

LOGISTICS TRANSACTIONS SINCE 2017

€4.5bn

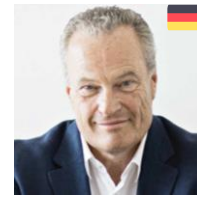
TOTAL DEAL VALUE SINCE 2017



Dr Christoph Stoecker
Partner,
Hamburg



Stefan Mattern
Partner,
Hamburg



Cornelius Geber
Senior Adviser,
Hamburg



Nils Petter Palmefors
Partner,
Stockholm



Ville Sihto
Partner,
Helsinki



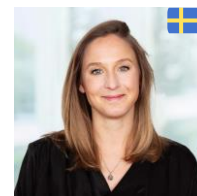
Nicolas Witt
Director,
Hamburg



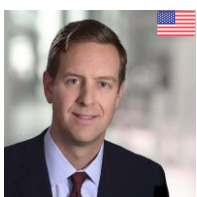
Franz Schraner
Director,
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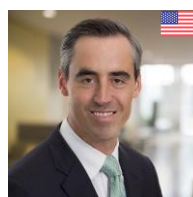
Robert Sällström
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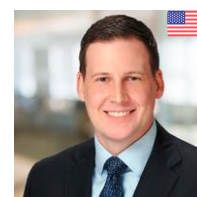
Karin Woodhouse
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Stockholm



Tim Szniewajs
Head of
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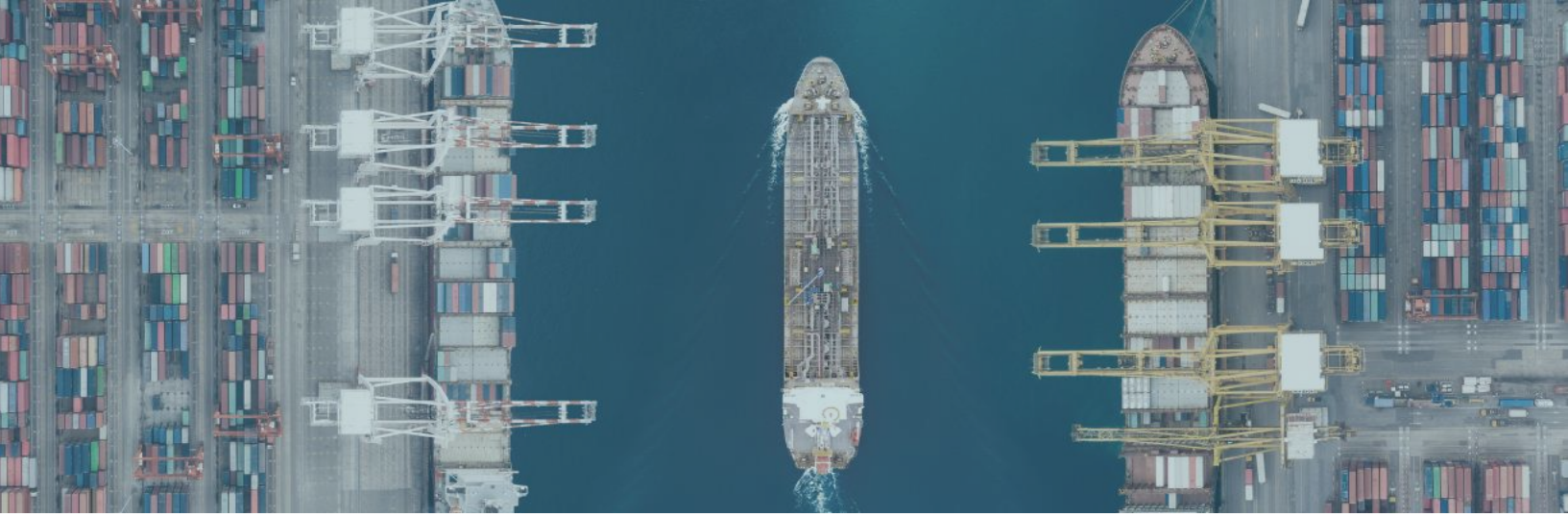


James Keckler
Managing
Director,
California




Eric Stetler
Managing
Director,
Chicago








SELECTED SECTOR EXPERTISE

DUVENBECK 

sold to


WATERLAND
PRIVATE EQUITY INVESTMENTS

SELL-SIDE ADVISOR


VR GROUP

acquired



arriva

BUY-SIDE ADVISOR



  

 **Metsä**

sold Oy Hangö
Stevedoring Ab to


 **EUROPORTS**

SELL-SIDE ADVISOR



 

TRANSCO

sold Transco Berlin
Brandenburg to



SLS
GROUP

SELL-SIDE ADVISOR



 

emz

acquired

 **Simon Hegele**
Logistik und Service

DEBT ADVISOR

PEQ PRIVATE EQUITY

Sold Veddestagruppen AB
to

 **Aditro Logistics**  **posti**

SELL-SIDE ADVISOR

 **EUROGATE**

Eurogate Essen sold its
assets to


LGI
MEMBER OF FLANDERS GROUP

SELL-SIDE ADVISOR

 **INTERSCHALT**
maritime systems

sold to

 **CARGOTEC**

SELL-SIDE ADVISOR

 **BBLOGISTICS.FI**

sold to

 **EUROPORTS**

BUY-SIDE ADVISOR



CASE STUDY | VEDDESTAGRUPPEN

THE DEAL

MCF advised PEQ on the disposal of Veddestagruppen to Aditro Logistics, Posti Group's Swedish subsidiary.

sold to

PEQ, a Swedish private equity firm, has disposed of Veddestagruppen, a leading contract logistics partner, to Aditro Logistics, a subsidiary of Posti Group. Through this transaction, Veddestagruppen will benefit from being part of a larger player within the logistics sector.

VeddestaGruppen, founded in 1992, is a contract logistics provider with approximately 300 employees, operating a stronghold in the most attractive logistics hub in central Sweden.



MCF has been an excellent adviser to us in the divestment of Veddestagruppen. MCF's engagement, transaction experience and industry knowledge ensured the successful outcome."

Greger Ericsson
CEO Veddestagruppen

TRANSACTION HIGHLIGHTS

- Strategic acquisition with potential to realise significant synergies
- Strengthened geographical presence
- Sell-side of Private Equity backed player
- Successful cross-border transaction

MCF's ROLE

- Access to financial and strategic investors through our wide network within the logistics industry
- Local presence in both Sweden and Finland
- Logistics expertise and track record of successful logistics sell side processes



CASE STUDY | DUVENBECK

THE DEAL

MCF advises Duvenbeck Group on the sale of a majority stake in the Duvenbeck Group to Waterland Private Equity

sold to

Waterland Private Equity has acquired a majority stake in the Duvenbeck Group. By joining forces, Duvenbeck will be able to accelerate its ambitious development plans by focusing on international expansion, increasing its customer offering and pursuing strategic buy-and-build opportunities.

The Duvenbeck Group, headquartered in Bocholt, is a full-service logistics provider in the areas of design, forwarding and contract logistics operating 33 locations in eight countries.



I am very grateful to have found a partner in MCF that accomplished these challenging tasks to the fullest. Moreover, they did it in a way that the entire Duvenbeck team enjoyed the collaboration."

Thomas Duvenbeck
Owner

TRANSACTION HIGHLIGHTS

- One of the largest private equity involved logistic deals in Germany
- Joining forces will accelerate Duvenbeck's development by focusing on international expansion, increasing its service offering and pursuing strategic buy-and-build opportunities

MCF's ROLE

- Facilitated the transaction through MCF's proven logistics sector expertise
- Resolve the succession of founder-managed companies towards institutional ownership
- Seamlessly execute transactions involving private equity investment firms

WE INVEST IN RELATIONSHIPS

EVERYONE'S BUSINESS JOURNEY IS DIFFERENT | WE ARE HERE TO HELP YOU TAKE THE NEXT STEP

Each business is different and so is our approach. MCF Corporate Finance is a leading corporate finance advisory firm focusing on cross-border and middle market transactions. For us, tailor-made M&A and debt advisory means that every client receives relationship-driven advice. We are open and honest, invest in relationships and value trust above everything else.

5 | EUROPEAN OFFICES
70+ | M&A PROFESSIONALS
500+ | TRANSACTIONS

OUR ADVISORY SERVICES

MERGERS & ACQUISITIONS



- COMPANY SUCCESSION
- PRIVATE EQUITY SELL-SIDE
- CORPORATE SPIN-OFFS
- BUY-SIDE ADVISORY
- M&A STRATEGY ADVISORY
- ADD-ON ACQUISITIONS
- GROWTH CAPITAL
- VENTURE CAPITAL



DEBT ADVISORY



- LEVERAGED BUYOUT FINANCINGS
- BOLT-ON ACQUISITIONS
- GROWTH FINANCING
- REFINANCING/ RECAPITALISATION
- STAPLED FINANCE
- SELL-SIDE LENDER EDUCATION
- PRIVATE PLACEMENTS
- BRIDGE FINANCING

OUR CUSTOMERS

FAMILY BUSINESSES & ENTREPRENEURS

PRIVATE EQUITY

CORPORATES

TRANSATLANTIC REACH



D.A. Davidson US Office Locations

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