

CORPORATE FINANCE
We invest in relationships



Q1
20
24

M&A LOGISTICS INSIGHTS

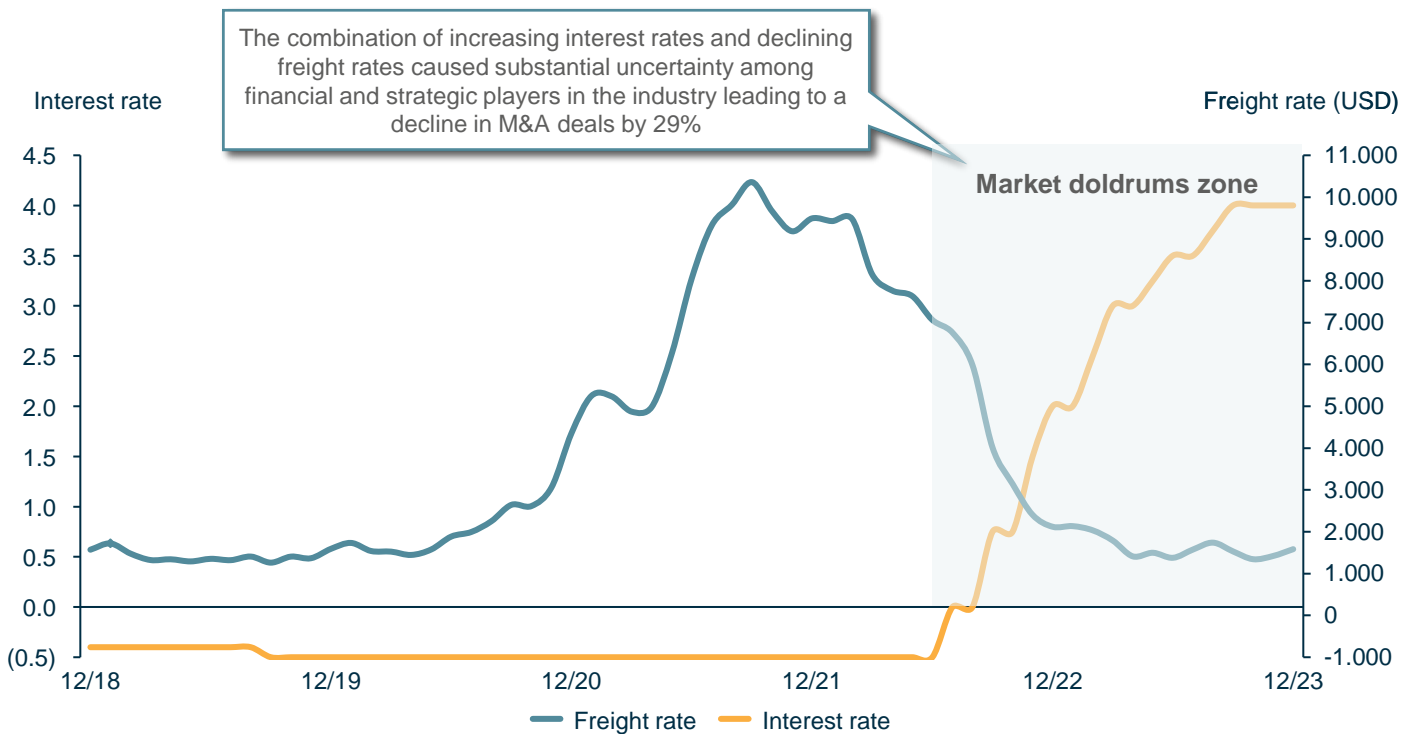
INDUSTRY UPDATE

Frankfurt | Hamburg | Helsinki | London | Stockholm

CHALLENGING M&A MARKET IN 2023 – BUT POSITIVE OUTLOOK

In our 2023 edition of M&A Logistics Insight, we forecasted the logistics market to experience further M&A consolidation driven by large cash reserves of maritime shipping companies and an increasing awareness on logistics as a key value differentiator making the industry attractive for financial investors. Partially we have been right, given landmark transactions such as the acquisition of Bollere by CMA CGM or the acquisition of Scan Global Logistics by CVC. However, the M&A dynamic has been significantly impacted by the mix of increasing interest rates, declining freight rates and geopolitical uncertainties. This led to a substantial decline in M&A activity for operating logistic companies.

CONTAINER FREIGHT RATE INDEX AND ECB INTEREST RATES



Despite a geopolitical environment that bears significant risks for global trade, such as a potential escalation of conflict in the middle-east, path-breaking elections in the US, India and the European Union and a further weakening of the Chinese economy, we expect a better year for M&A in 2024. Why this optimism? We still see record-levels of liquidity in the logistics market that will either be used for share buybacks or M&A, the ongoing DB Schenker sale will heavily impact the market dynamics and private equity sits on a massive level of dry powder to be invested. This market mix offers opportunities on the sell- as well as on the buy-side, which will be touched upon in this market report.

LANDMARK TRANSACTIONS AMIDST A DECREASE IN M&A ACTIVITY

The M&A activity in the logistics space has seen a significant decline in 2023. The aforementioned toxic mix of increasing interest rates, declining freight rates and an unstable geopolitical environment made strategic as well as financial investors more careful. However, there were still landmark transactions in the first half of 2023, such as the acquisition of Bolloré's logistics activities by CMA CGM or the acquisition of Scan Global Logistics by one of the largest private equity investors globally, CVC. In the second half of 2023, we experienced some interesting smaller acquisition from maritime giants: MSC entered the logistics space by acquiring Clasquin and even the more conservative Hapag Lloyd bought ATL Haulage, a UK-based logistics company. Furthermore, Dachser's acquisition (80% stake) of Fercam's 3PL activities and Frigoscandia as well as Geis' acquisition of Quehenberger are worth noting.

CVC

SCAN GLOBAL LOGISTICS

Date: 02/2023
EV: EUR 1,500m



Further acceleration of international growth through transformative M&A-transactions

Scan Global has acquired five companies since CVC became majority owner

CMA CGM

BOLLORE LOGISTICS

Date: 04/2023
EV: EUR 5,000m



With the acquisition of Bolloré Logistics, CMA CGM Group's logistics activities became a top five global logistics player and significantly strengthened its global logistics footprint

NEX NIPPON EXPRESS

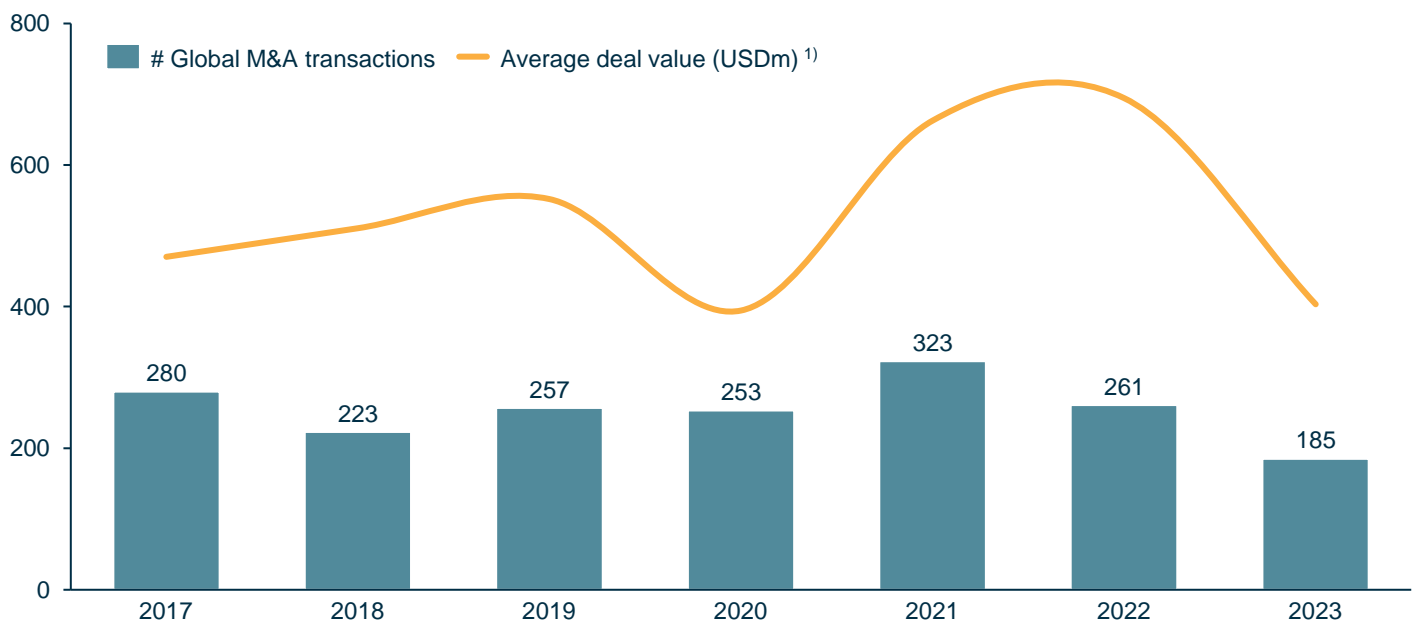
cargo-partner

Date: 05/2023
EV: EUR 1,400m



Significant synergies in global coverage, an enhanced range of services, and reinforced regional, product, and IT expertise have been achieved through this strategic move

DEVELOPMENT OF GLOBAL M&A DEALS IN THE LOGISTICS SECTOR



Notes: 1) Disclosed EV value
Sources: MCF Analysis, Mergermarket, Refinitiv

M&A ACTIVITY IN 2023 (2/2)

SELECTED RECENT EUROPEAN TRANSACTIONS

Date	Target	HQ	Description	Acquirer	EURm	
					Sales	EV
01/2024	 ATL Haulage Contractors		ATL Haulage Contractors, with a fleet of 120 owned trucks and a network of over 100 additional trucks from dedicated subcontractors was acquired by Hapag-Lloyd		n/a	n/a
12/2023	 FRIGOSCANDIA		Frigoscandia (previously owned by Private Equity firm Mutares), the Sweden-based provider of temperature-controlled logistics services was acquired by German-based haulage and freight forwarding company Dachser		300	66
12/2023	 CLASQUIN		Clasquin, a listed French air and sea freight forwarding and overseas logistics firm offering FCL shipping management sold 42% to MSC Shipping subsidiary - SAS Shipping Agencies Services		537	325
11/2023	 GTS GROUP		Global Transport Solutions, provider of marine spare-parts logistics with two different divisions: ship spare forwarding and freight forwarding was acquired by AIT Worldwide Logistics backed by US-based Private Equity firm Jordan Co		n/a	n/a
10/2023	 EURONAV		Belgium-based Euronav engaged in the transportation and storage of crude oil and petroleum products was acquired by Compagnie Maritime Belge. Valuation levels were at 4.6x sales and 6.8x EBITDA		1,173	5,404
09/2023	 DX		DX, a provider of a range of specialist delivery services to both business and residential addresses across the United Kingdom and Ireland was acquired by asset investment firm H.I.G. Valuation levels were at 0.8x sales and 6.8x EBITDA		517	436
08/2023	 FERCAM		Fercam, a logistics and transport company active in break bulk cargo, part load and full load shipments sold off its distribution and logistics division (3PL) to Dachser		400	n/a
05/2023	 cargo-partner		Austria-based Cargo-Partner offering a portfolio of worldwide transport and info-logistics services for a wide range of industries was acquired by global logistics player, Nippon Express. Valuation levels were at 0.8x sales		1,800	1,400
05/2023	 Quehenberger		Geis acquired a majority stake (66%) of Quehenberger, a full-service-logistics provider with a focus on Central- and Eastern Europe		648	n/a
04/2023	 BOLLORÉ		Bolloré Logistics, global leader in international transport & logistics was acquired by CMA-CGM. Valuation levels were at 0.7x sales and 7.0x EBITDA		7,300	5,000
02/2023	 SCAN GLOBAL LOGISTICS		Global full-service logistics provider headquartered in the Nordics, Scan Global was acquired by Private Equity firm CVC from AEA Investors on a valuation at 0.5x sales and 7.2x EBITDA		3,300	1,500

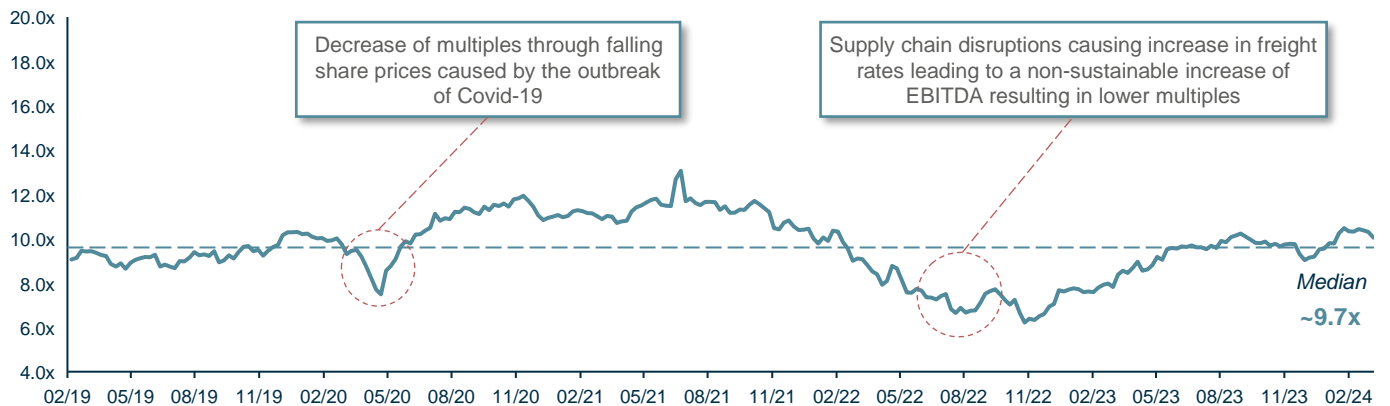
VALUATION ENVIRONMENT

PERSISTENT STABILITY IN VALUATION LEVELS

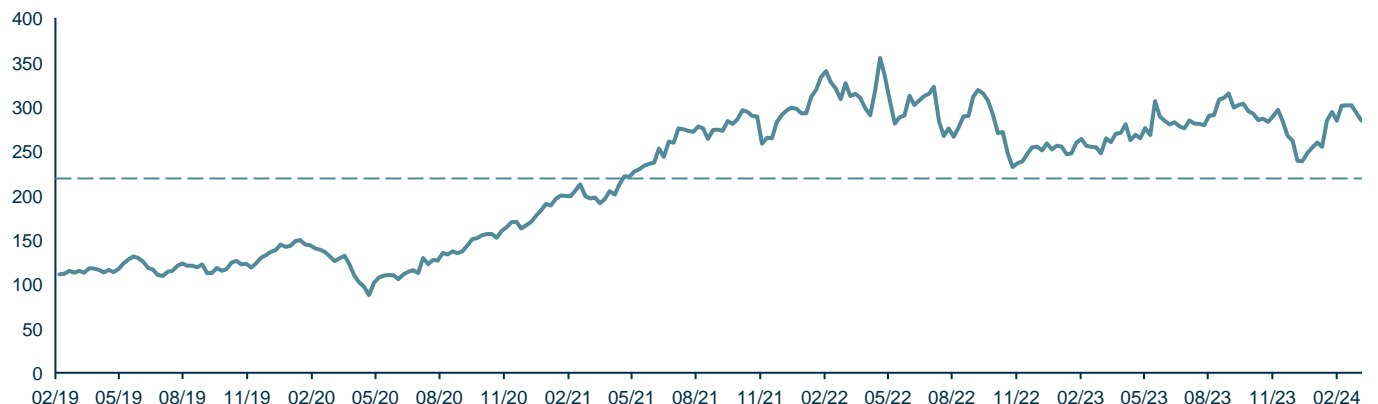
The valuation environment for logistics companies has remained stable and its current valuation level is in line with the historical average, trading at approx. 9.7x EBITDA¹⁾. The valuations for historical transactions have remained in line with expectations. For transactions exceeding a valuation level of EUR 100m to EUR 1bn, we observe valuations between 6.5 – 8.5x EBITDA as the industry average. Whether the upper or the lower end of this range is met depends significantly on the end-markets of the customers, the infrastructure base of a company as well as the proof of growth in recent years. Valuations can significantly exceed the aforementioned valuation range, in case synergies are priced-in – which most often happens in well-structured M&A processes. Thus, we observe multiples of more than 10x EBITDA (and by that in line with public valuation levels) for transactions with an enterprise value of more than 1bn valuation

SELECTED COMPARABLE PUBLICLY LISTED COMPANIES

EV / EBITDA NTM



Share Price²⁾, EUR



Notes: 1) Based on the expected EBITDA of the next twelve months (as of 29.01.2024); 2) Based on a non-weighted average share price development
Source: MCF Analysis, Capital IQ

KEY FACTORS FOR A PREMIUM VALUATION

COMPANY ATTRIBUTES

DIGITAL VALUE CHAIN

Standardised, tech-enabled processes are a key differentiator in terms of speed, reliability and transparency. Companies need to demonstrate that their supply chain processes are end-to-end automated so that processes can be replicated in new locations, increasing the chances of a successful organic growth.

ESG CONFORMITY

Decarbonisation is required by customers, regulators, investors and lenders. Today's funding and lending terms are heavily impacted by the ability to reduce the carbon footprint. The ability to proof ESG conformity is crucial for a M&A process – especially with respect to private equity and publicly listed investors.

RESILIENT ONE-STOP-SHOP

Customers require resilient global one-stop-shop solutions. Therefore, size – or alternatively, well-managed networks matter. Companies need to be able to serve their growing customer base – and in terms of 3PL solutions: dare to grow with their customers internationally.

VALUE ADD OF M&A ADVISERS

FINANCIAL ADJUSTMENTS

The valuation environment for logistics companies is very homogenous, thus it is key to adjust the financial performance in a fair manner to offer investors a sustainable valuation base that reflects the upsides of a company's historical investments.

EQUITY STORY

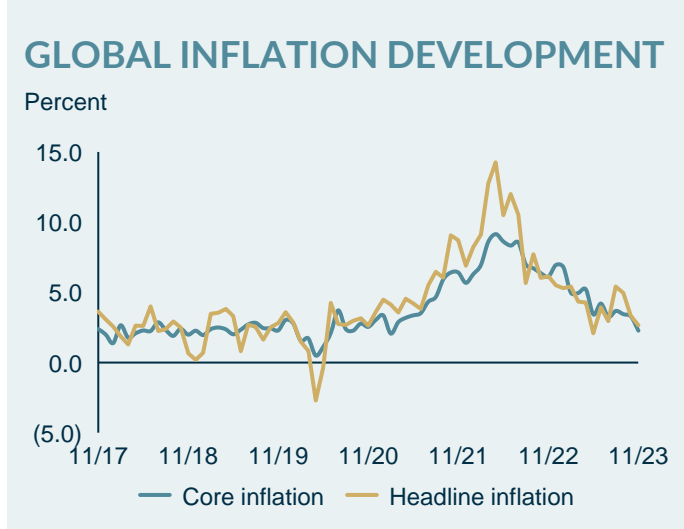
A compelling equity story highlighting the strategic value of a business and its development potential are key to differentiate a business within the highly fragmented logistics market. Without the right equity story, financial and potentially strategic investors will not engage in a structured M&A process.

STRUCTURED PROCESS

A premium valuation with priced-in synergies will more likely be achieved if the sales process is structured and allows the seller to choose between several offers. This approach does not only increase the deal likelihood but also significantly improves the negotiation position for the sell-side.

GLOBAL ECONOMIC RESILIENCE – APART FROM GERMANY

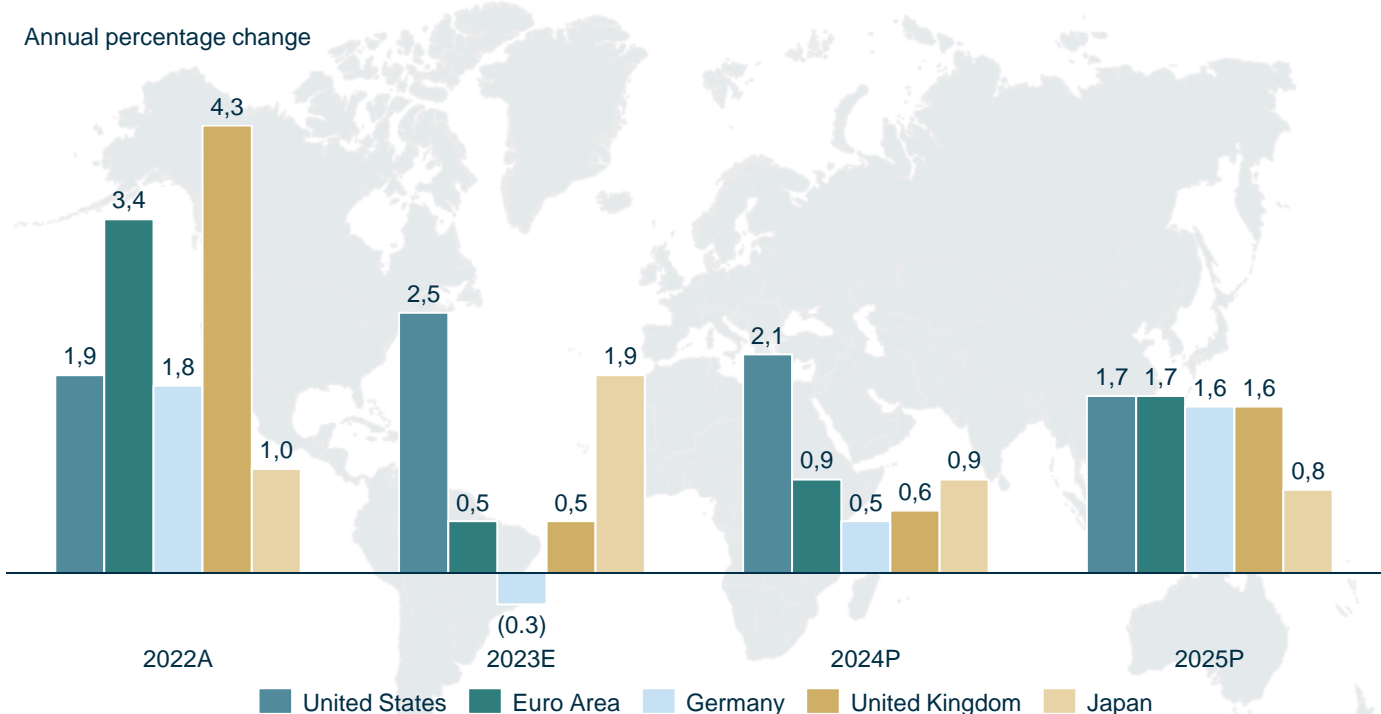
2024 could certainly have started better: with the red sea under constant attack by the Houthi rebels, global shipping companies are avoiding the area leading to increasing freight rates and challenges to global supply chains. With elections affecting 3.5bn people globally (i.e., US, India and EU) in 2024, the political risk associated to policy changes does not help. Further, the weakening of China’s economy exhausts the global growth engine of recent years.



However, global growth has demonstrated remarkable resilience, with inflation steadily decreasing. In 2023, stronger private and government spending sustained demand despite stringent monetary conditions. On the supply side, the resolution of supply chain bottlenecks, and reduced energy prices bolstered activity. International Monetary Fund projects a growth rate of 3.1 percent for the world economy in 2024, consistent with 2023. Apart from Germany, that suffers from a challenging regulatory and political environment, all major economies have experienced GDP growth.

GDP GROWTH EXPECTATIONS

Annual percentage change

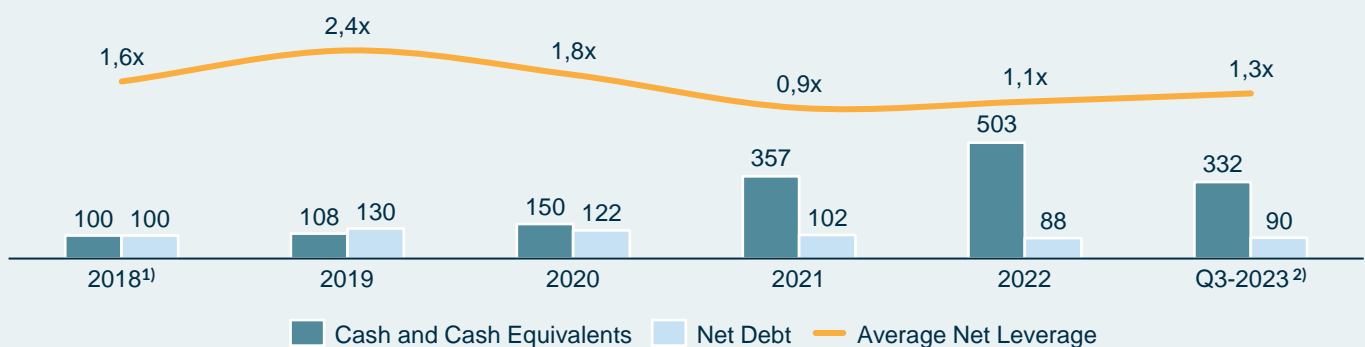


RECORD-LEVEL OF NON-ALLOCATED CAPITAL WILL DRIVE M&A

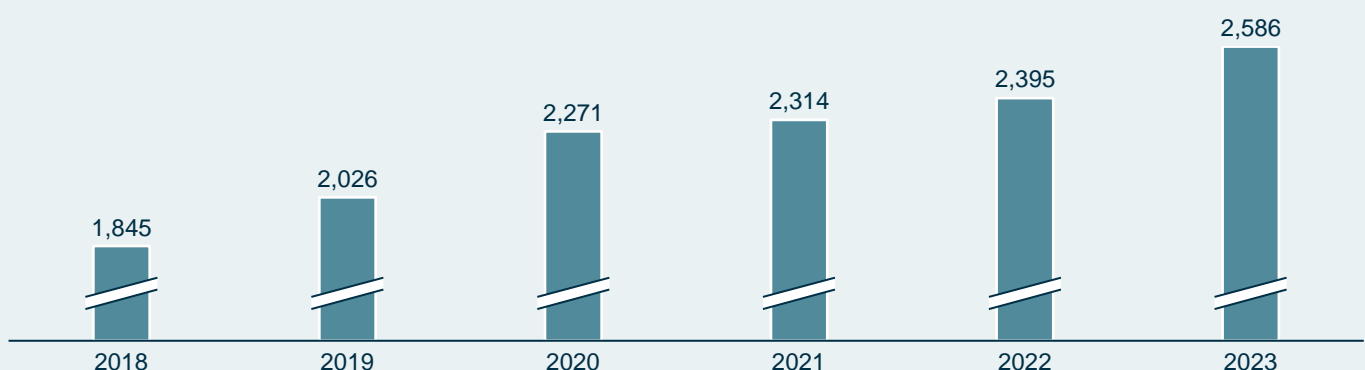
We expect that the M&A market in the logistics sector will experience a comeback in deal activity in 2024 driven by the (still) extraordinary high cash reserves of the largest strategic consolidators (+300% to Covid-19 levels) as well as the record-level of dry powder of the private equity industry (USD 2.6tn). The challenging macroeconomic environment might be an opportunity to buy into the market or gain market share at relatively lower valuation levels in the private market, which will most likely lead to an increase in M&A activity rather than share buybacks (given all-time high valuations at the stock exchange). However, scarcity assets with the right equity story will still fetch premium valuation.

We expect to observe three strategic drivers for M&A: i) sea & air freight players expanding their value chain by strengthening their road capabilities, (ii) American and Asian players trying to strengthen their European footprint – especially in UK, Benelux and Germany and (iii) private equity consolidating the market across various services and geographies to build one-stop-shop solutions.

ANALYSIS OF INDEXED CASH AND CASH EQUIVALENTS, AND NET DEBT DEVELOPMENT AMONG MAJOR PLAYERS (EQUAL WEIGHTING)



GLOBAL PRIVATE EQUITY DRY POWDER TRENDS, 2015-2023, USDbn



Notes: 1) 2018 as base year; 2) Reported figures for full-year 2023 have not been released yet
Sources: MCF Analysis, Capital IQ

OUTLOOK OF KEY STRATEGIC PLAYERS



"In the current market environment, we will keep a close eye on our costs but continue to invest in growth areas of our global business"

Tobias Meyer
CEO


Market Cap: 52,383
EV: 70,722



"We have built a strong foundation via several acquisitions – and we continue to have appetite for M&A"

Jens Bjørn Andersen
CEO

Market Cap: 34,608
EV: 38,867



"The shipping industry is unraveling the factors that caused supply-demand imbalances during the pandemic"

Jeffrey S. Musser
CEO

Market Cap: 17,237
EV: 16,205



"Despite macro uncertainty, we're performing strongly in controllable areas: new business, profits, and cash flow"

Malcolm Wilson
CEO

Market Cap: 6,129
EV: 9,421



"Strong Q3 2023 results, along with ongoing cost control and signs of volume recovery, bode well for the future"

Analyst Conference
Q3

Market Cap: 37,590
EV: 37,470



"European exports to Asia and the Middle East are rising, filling terminal yards, but yard density remains manageable"

Market Update
Dec-23

Market Cap: 22,712
EV: 31,270



"We will accelerate growth by solidifying cooperation with cargo-partner, which joined our Group through M&A"

Satoshi Horikiri
CEO

Market Cap: 4,780
EV: 6,968

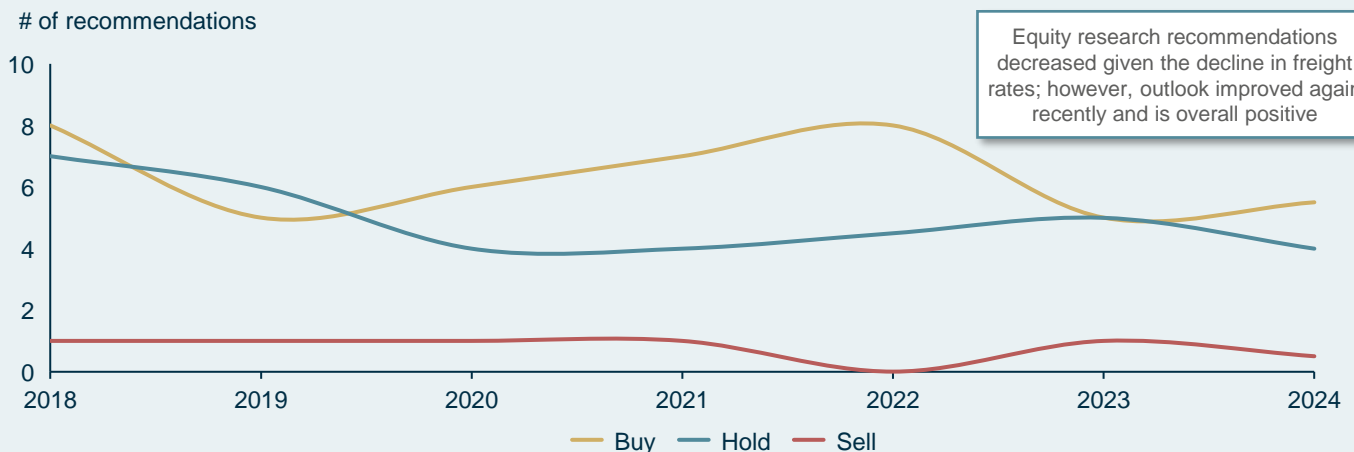


"For international and supply chain solutions, some improvement in market growth is expected later in 2024"

CAROL B. TOMÉ
CEO

Market Cap: 114,028
EV: 133,095

EQUITY RESEARCH ANALYST RECOMMENDATIONS – GLOBAL LOGISTICS¹⁾



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

The MCF logistics team has 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 Europe and internationally, and also via our partnership with D.A. Davidson in North America.

250+

TOTAL TRANSACTIONS BY TEAM

10

LOGISTICS TRANSACTIONS SINCE 2021

€6bn

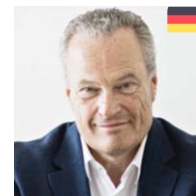
TOTAL DEAL VALUE SINCE 2021



Stefan Mattern
Managing Partner,
Hamburg



Dr Christoph Stoecker
Partner,
Hamburg



Cornelius Geber
Industry Adviser,
Hamburg



Nils Petter Palmefors
Partner,
Stockholm



Ville Sihto
Partner,
Helsinki



Ian Henderson
Partner,
London



Nicolas Witt
Director,
Hamburg



Franz Schraner
Director,
Hamburg



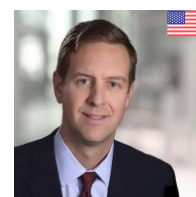
Ish Alg
Director,
London



Ludvig Ahlinder
Director,
Stockholm



Robert Sällström
Director,
Helsinki




Tim Sznewajs
Head of
Industrials,
Denver






SELECTED SECTOR EXPERTISE


BUSINESS SERVICES

 **CLAND LOGISTICS**

sold to

 **FR. MEYER'S SOHN**

SELL-SIDE ADVISER

2023 

BUSINESS SERVICES

 **EUROPORTS**


acquired a substantial part in

 **BB LOGISTICS**

BUY-SIDE ADVISER

2022 

BUSINESS SERVICES

 **TRANSCO PHARM**

sold to

 **SLS GROUP**

SELL-SIDE ADVISER

2022 

BUSINESS SERVICES

 **VeddestaGruppen**

a portfolio company of

 **PEQ PRIVATE EQUITY**

sold to

 **posti**

SELL-SIDE ADVISER

2022 

BUSINESS SERVICES

 **DUVENBECK**
THE CULTURE OF LOGISTICS

sold to

 **WATERLAND PRIVATE EQUITY INVESTMENTS**

SELL-SIDE ADVISER

2022 

BUSINESS SERVICES

 **VR GROUP**

Acquired Arriva Sweden from

 **arriva**
a DB company

BUY-SIDE ADVISER

2022 

BUSINESS SERVICES

 **MetsäBoard**

sold

 **HANGÖ STEVEDORING**

to

 **EUROPORTS**

SELL-SIDE ADVISER

2022 

BUSINESS SERVICES

 **emz**

financing of the acquisition of

 **Simon Hegele**
Logistik und Service

DEBT ADVISER

2021 

BUSINESS SERVICES

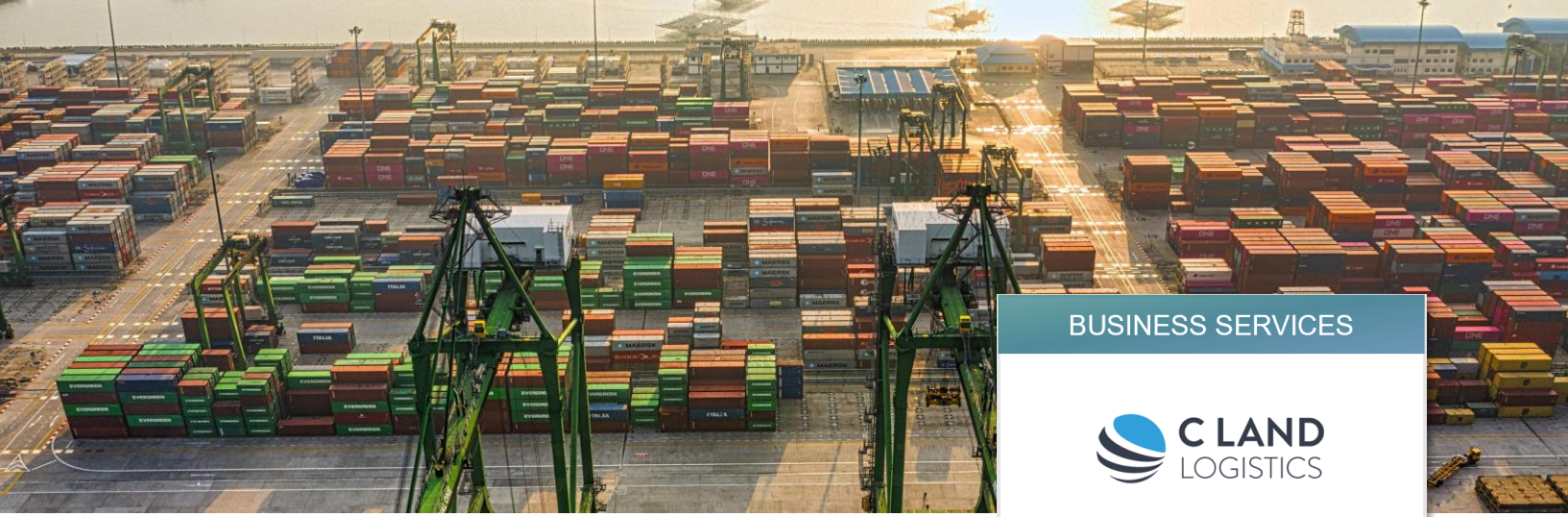
 **EUROGATE**

sold its assets to

 **LGI**
MEMBER OF ELANDERS GROUP

SELL-SIDE ADVISER

2017 



CASE STUDY | C LAND LOGISTICS

BUSINESS SERVICES



sold to



SELL-SIDE ADVISER

2023



THE DEAL

MCF advised the owners of C Land Logistics on the sale to Fr. Meyer's Sohn.

C Land is a Swedish independent freight forwarder offering ocean, air and rail freight forwarding to and from every continent in the world with a focus on routes between Sweden and Asia.

Fr. Meyer's Sohn is a family-owned global forwarding company with its roots dating back to 1897. With more than 1,000 transport and logistics specialists at more than 50 locations worldwide, Fr. Meyer's Sohn creates tailored logistics solutions for clients across all modes of transportation.



“The collaboration with MCF as advisors to navigate us through the entire sale process of C Land Logistics to Fr. Meyer's Sohn has been highly appreciated. Their commitment, international network, and extensive transaction expertise played an essential role in achieving a successful outcome.”

Jonas Olofsson
CEO

TRANSACTION HIGHLIGHTS

- Providing cross-selling opportunities and a complete range of value-added services to C Land's existing customers
- Strengthens Fr. Meyer's Sohns logistics network and position in Northern Europe

MCF's ROLE

- Structuring and management of the entire sales process in a challenging market environment for sea freight businesses
- Utilised our extensive network within the logistics industry to connect with both financial and strategic investors
- Local presence in both Sweden and Germany




CASE STUDY | DUVENBECK


THE DEAL

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


BUSINESS SERVICES

DUVENBECK 
THE CULTURE OF LOGISTICS

sold to


WATERLAND
PRIVATE EQUITY INVESTMENTS

SELL-SIDE ADVISER

2022 

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.



“During this process, the most important factors to me have been deal security, confidentiality, and an optimum deal structure with the best possible investor. 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 Europe
- 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



CASE STUDY | VEDDESTAGRUPPEN

THE DEAL

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

BUSINESS SERVICES



a portfolio company of



sold to



SELL-SIDE ADVISER

2022



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

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
1,000+	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



CONNECT WITH US



Stefan Mattern
Managing Partner, Hamburg
+49 171 5325 550
mattern@mcfcorpfin.com



Dr Christoph Stoecker
Partner, Hamburg
+49 171 3522 882
stoecker@mcfcorpfin.com



Nicolas Witt
Director, Hamburg
+49 151 5169 0510
witt@mcfcorpfin.com



Franz Schranner
Director, Hamburg
+49 151 5880 8990
schranner@mcfcorpfin.com



Nils Petter Palmefors
Partner, Stockholm
+46 70 989 0418
palmefors@mcfcorpfin.com



Ville Sihto
Partner, Helsinki
+358 40 522 7040
sihto@mcfcorpfin.com