



Q1
2025

TRANSPORTATION & LOGISTICS
Market Update

Tariff Impacts to the Transportation and Logistics (T&L) Sector



Macroeconomic Uncertainty Depresses Deal Activity

Uncertainty in trade volumes and cost structures complicates underwriting future performance, delaying processes, reducing buyer appetite or triggering repricing



Strategic Reviews of Tariff Exposure

Global strategics and private equity-backed platforms are assessing the impact of tariffs on their businesses internally and through third parties



Repositioning for Resilience Across Key Sectors

Strategic buyers are shifting their mergers and acquisitions (M&A) efforts to diversify beyond U.S.-centric logistics, targeting globally balanced assets in sub-sectors with resilient financial profiles (e.g., healthcare, e-commerce, etc.)



Shifting Trade Dynamics

Rising demand for customs expertise and Asia-ex China trade to United States / Europe trade capabilities is strengthening logistics service providers (LSPs) as global shippers are increasingly seeking to support trade lane diversification, rules-of-origin classification, Section 301 tariff exclusions and accurate trade documentation to navigate complex regulatory environments and minimize compliance risk



Emerging Opportunities from European Rearmament Plans

Increasing defense and infrastructure spending, including Germany's €500 billion fund, is expected to drive demand for LSPs across industrial contract logistics, transportation and warehousing to support expanded defense production and distribution



Trading Volatility

Fluctuating freight rates and tariff-driven trade shifts may strain capacity, disrupt supply chains and impact earnings—especially for asset-heavy operators—potentially complicating valuations and increasing reliance on structured deal elements in the near-term



Financing and Diligence Frictions

Lenders may adopt a more cautious underwriting stance, incorporating scenario analysis around tariffs and geopolitical risks, particularly for businesses with cross-border operations or supply chain exposure



Carve-Outs & Divestitures

Global logistics companies may look to spin-off or divest non-core assets or those heavily exposed to tariff risks, leading to additional M&A opportunities at attractive values



Tech-Logistics M&A

Rising demand for real-time visibility, cost modeling and automated compliance is driving adoption of transportation management services (TMS), AI-based route optimization and integrated supply chain tools

Lincoln's Perspective

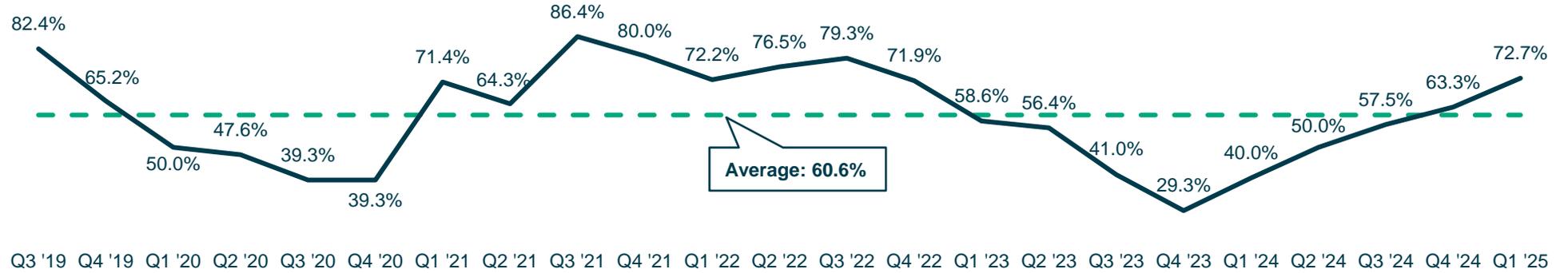
The Lincoln Private Market Index (LPMI) is the only index that tracks changes in the performance of United States and European privately held companies, primarily those owned by private equity firms in the middle market.

The sector has seen consistent increases in the number of companies reporting year-over-year (YoY), Last 12 Months (LTM) revenue and EBITDA growth since the height of the freight recession in late 2023 / early 2024.

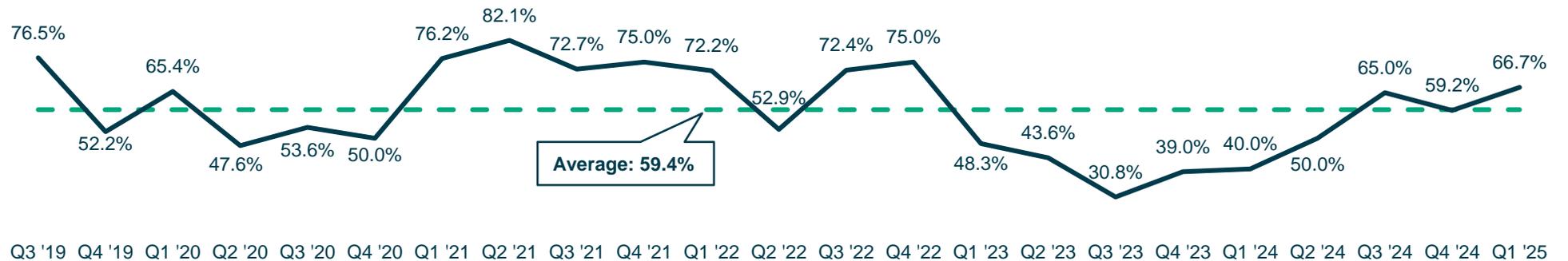
Q1 2025 statistics do not yet reflect the impact of current trade and tariff policies. Data from Q2 and Q3 2025 will be telling in assessing the impact of these policies on middle-market T&L businesses.

Proprietary Capital Markets Database: T&L Portfolio Company Performance

PERCENTAGE OF COMPANIES REPORTING YOY LTM REVENUE GROWTH



PERCENTAGE OF COMPANIES REPORTING YOY LTM ADJUSTED EBITDA GROWTH



Note: Figures presented are pro forma for acquisitions
Source: Lincoln VOG Proprietary Private Market Database

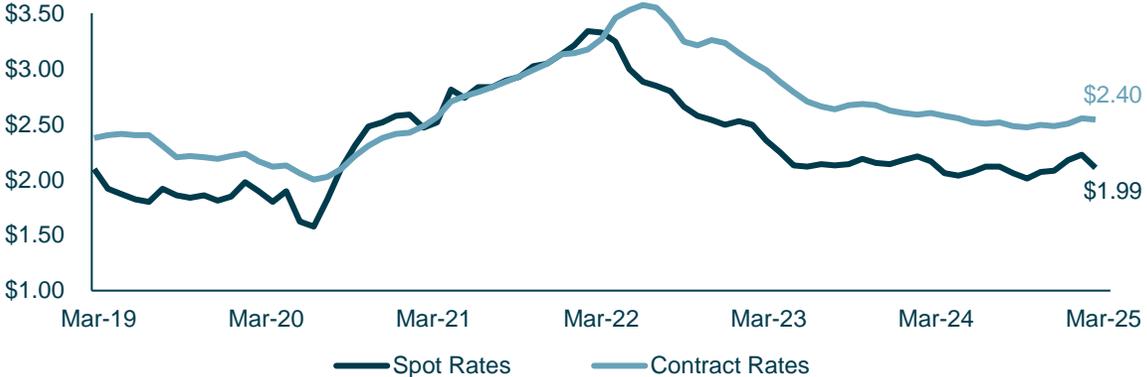
Key Industry Metrics: United States

LOGISTICS MANAGERS' INDEX (LMI)



Source: *Trading Economics*

VAN SPOT AND CONTRACT RATES



Source: *DAT Freight & Analytics*

CASS FREIGHT SHIPMENTS



(Seasonally Adjusted)

Source: *Cass Information Systems, Inc*

CASS FREIGHT EXPENDITURES

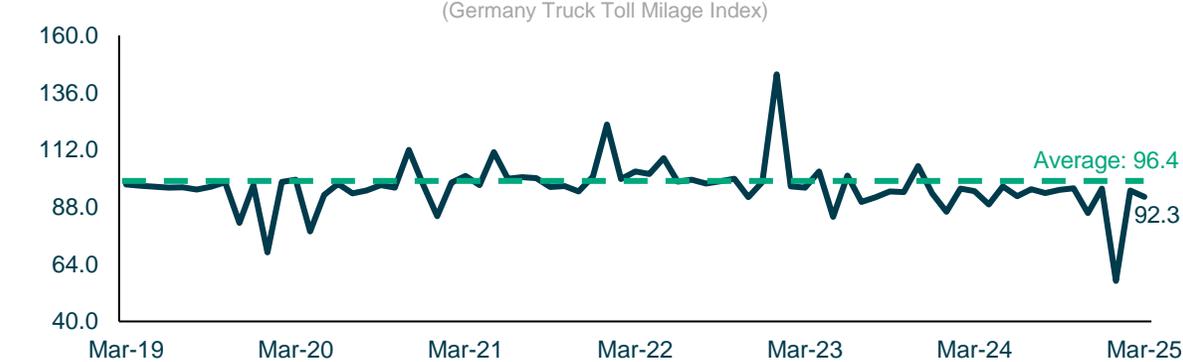


(Seasonally Adjusted)

Source: *Cass Information Systems, Inc*

Key Industry Metrics: Europe

TRUCK TOLL MILAGE DEVELOPMENT



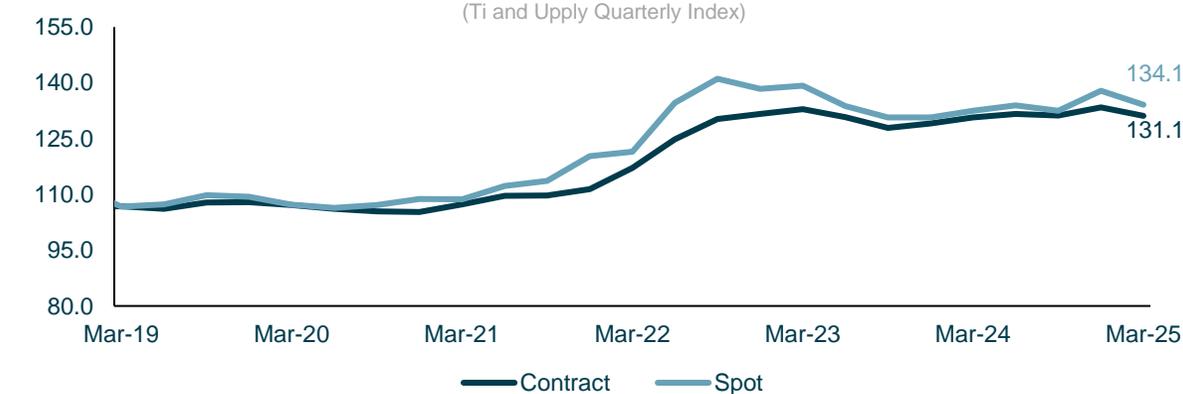
Source: [Destatis](#)

MANUFACTURING PMI



Source: [Trading Economics](#)

ROAD FREIGHT RATES



Source: [GSCI TI Dashboard](#)

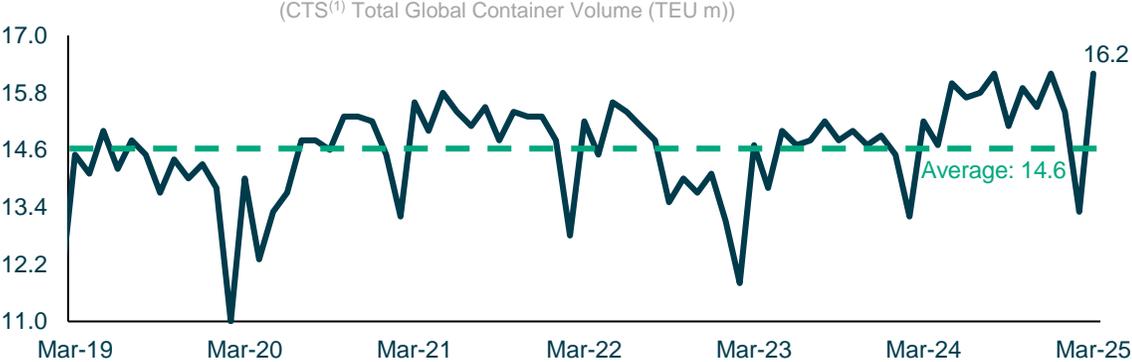
ECONOMIC SENTIMENT INDICATOR



Source: [European Commission](#)

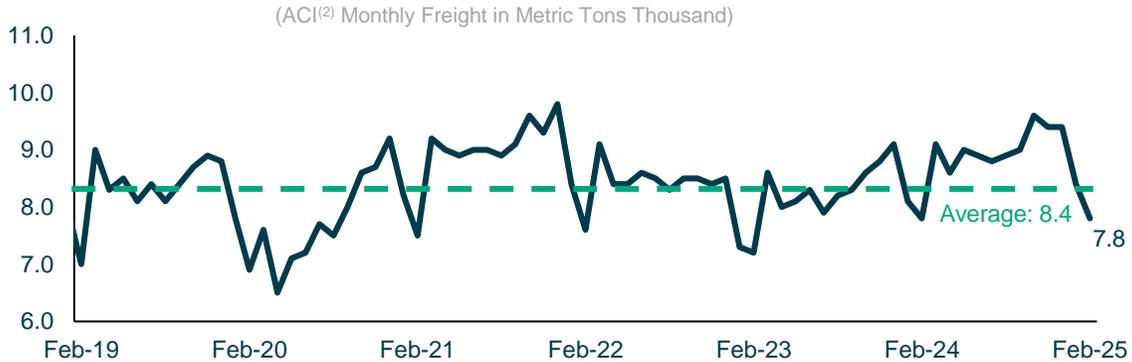
Key Industry Metrics: Global

OCEAN FREIGHT VOLUME



Source: *Bloomberg Terminal*

AIR FREIGHT VOLUME DEVELOPMENT



Source: *Bloomberg Terminal*

OCEAN FREIGHT RATES



Source: *GSCI TI Dashboard*

AIR FREIGHT RATES



Source: *Bloomberg Terminal*

(1) Container Trades Statistics
 (2) Airports Council International
 (3) Freights International Freight Index

Select Public Market Commentary



- Total revenue for Q1 2025 was reported at \$1.4 billion, up 53.3% from Q1 2024
- Strong Q1 2025 results were driven by the successful integration of Coyote and growth in last-mile and less-than-truckload operations

"In the first quarter, RXO grew less-than-truckload brokerage volume by 26% year-over-year and saw continued momentum within Last Mile, which achieved stop growth of 24% year-over-year. RXO is well-positioned for the long term because of our larger scale, exceptional service, comprehensive solutions, industry-leading innovation and deep customer relationships."

– Drew Wilkerson, CEO,
May 7th, 2025

KUEHNE+NAGEL



- Total revenue for Q1 2025 was reported at \$7.6 billion, up 15.0% from Q1 2024
- Strong Q1 2025 results were driven by increased market share in Sea and Air logistics and improved profitability at the Group level

"Kuehne+Nagel has had a strong start in the new financial year. We increased our market share, gained new customers, and also improved profitability. Despite the challenging global economic environment, the company achieved double-digit growth in net turnover. We remain well prepared and positioned to implement our strategic objectives."

– Stefan Paul, CEO,
April 29th, 2025



- Total revenue for Q1 2025 was reported at \$6.3 billion, up 8.7% from Q1 2024
- Strong Q1 2025 results were driven by improved performance in sea and air, coupled with continued commercial development through growing the customer pipeline

"I am pleased with the positive financial performance and higher earnings growth during the first quarter of 2025 despite the current market uncertainties related to global trade. Our performance confirms the strength and flexibility of our business model and our ability to support our customers' global supply chains, and we have seen continued positive contribution from our commercial focus. The completion of the Schenker transaction and the upcoming integration mark a significant milestone in our growth strategy, which, combined with our continued strong commercial focus on organic growth and a flexible business model, will support our continued performance amid volatile and uncertain market conditions."

– Jens H. Lund, Group CEO,
April 30th, 2025



- Total revenue for Q1 2025 was reported at \$3.0 billion, up 21.1% from Q1 2025
- Strong Q1 results were driven by \$228M of new business wins and a sales pipeline of \$2.5B, excluding Wincanton, which stands at its highest level in three years

"To date, we've secured over \$700 million of incremental revenue for 2025 and have an additional \$300 million already won for 2026. In a dynamic trade environment, customers need a reliable partner to help them navigate the global supply chain in a cost-effective way. GXO's market-leading technology solutions, deep operational expertise and global scale make us the partner of choice for leading brands all over the world. We're reaffirming our guidance for organic revenue growth and adjusted EBITDA for the full year 2025, as the long-term contractual nature of our business and our diverse geographical footprint enable us to manage through this dynamic macro backdrop."

– Malcolm Wilson, CEO,
May 7th, 2025



- Total revenue for Q1 2025 was reported at \$3.1 billion, up 1.0% from Q1 2024
- Strong Q1 2025 results were driven by the continued strength of its contractual business and execution of strategic initiatives

"This marks the second consecutive quarter with year-over-year earnings growth driven by the strength of our contractual businesses. We remain on track to achieve expected benefits in 2025 from strategic initiatives that are well underway. These benefits include our lease pricing initiative, savings from our multi-year maintenance initiative, realization of acquisition synergies and optimization of our omnichannel retail network. Our ability to generate ROE of 17% in the current environment continues to demonstrate consistent execution and the resilience of our transformed business model."

– Robert Sanchez, Chairman and CEO,
April 23rd, 2025

Source: Company Earnings Calls

Select Public Market Commentary (Cont.)



- Total revenue for Q1 2025 was reported at \$979 million, up 17.9% from Q1 2024
- Strong Q1 2025 results were driven by accelerated business activity in France, strong momentum and growth in the United States and Europe and continued commercial momentum

"Following on from the second half of 2024, ID Logistics recorded strong revenues growth in the first quarter of 2025. The Group continues to benefit from a diversified customer portfolio, the trust of global leaders, particularly in the consumer goods and e-commerce sectors, and a balanced business in terms of geographical exposure. Its contract logistics services are exclusively focused on domestic operations and are demonstrating good resilience against the changing global economic environment. Furthermore, the strong level of embedded growth and the sustained number of tenders should enable ID Logistics to continue its strong development in 2025."

– Eric Hémar, Chairman and CEO, April 23rd, 2025



MAERSK

- Total revenue for Q1 2025 was reported at \$13.3 billion, up 7.8% from Q1 2024
- Maersk delivered strong performance across all business segments in Q1 2025, fueled by higher freight rates, effective cost management and increased shipment volumes

"The first quarter, actually, was a continuation of the very strong demand and very robust economy we had throughout last year. And so, on that strong demand, we were able to generate these really solid results. These results were also the fruit of strong preparation for what would come ahead. We knew it was going to be bumpy, and, indeed, following April 2nd announcement, things got a bit more bumpy. The key thing for us is that as it is today, this is mostly a China-United States issue, and it has not yet contaminated any of the other trade lanes—either from other origins and destinations with the United States or China or even for what the rest of the world trades together"

– Vincent Clerc, CEO, May 8th, 2025

XPOLogistics

- Total revenue for Q1 2025 was reported at \$1.2 billion, down 4.0% from Q1 2024
- Q1 2025 results lagged prior year primarily due to lower fuel surcharge revenue in the North American LTL segment

"We carried our momentum into 2025 and delivered first quarter financial results that outperformed the industry. Company-wide, we reported adjusted EBITDA of \$278 million and adjusted diluted EPS of \$0.73, while operating more efficiently. Our plan is driving results with a long runway for margin expansion, supported by superior service and high-return investments in our network. We're executing to achieve years of outperformance, regardless of the freight market environment."

– Mario A. Harik, CEO and Director, April 30th, 2025



- Total revenue for Q1 2025 was reported at \$23.5 billion, up 2.8% from Q1 2024
- Strong Q1 2025 results culminated across each business segment, despite changes in trade policy and market uncertainty that shaped much of the quarter

"The economic environment in the first quarter of 2025 was characterized by United States customs and trade policy and general economic caution. Nevertheless, we continued the positive momentum of the previous quarters with slight revenue and earnings growth. This is also the result of our stringent cost and yield management. At the same time, we continue to invest in high-growth business areas while working on structurally improving our efficiency."

– Tobias Meyer, CEO, April 30th, 2025



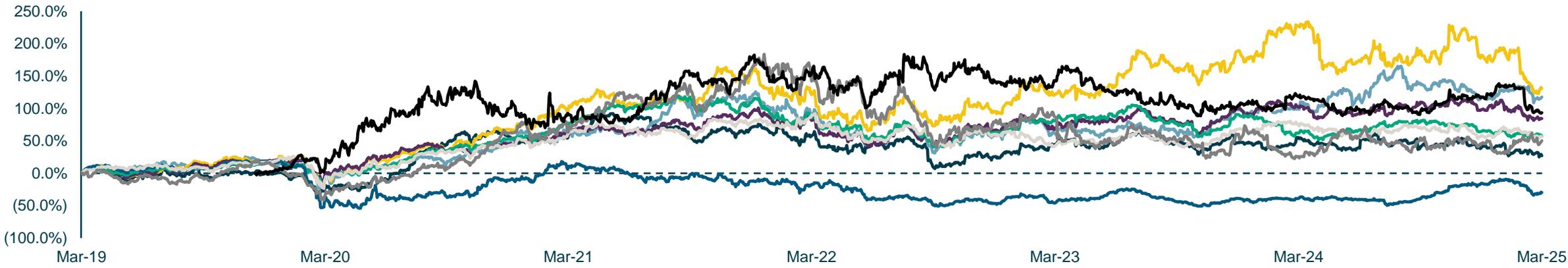
- Total revenue for Q1 2025 was reported at \$21.5 billion, down 0.7% from Q1 2024
- Q1 2025 results exceeded expectations despite top-line challenges, driven by network reconfiguration and insourcing of SurePost

"As a trusted leader in global logistics, we will leverage our integrated network and trade expertise to assist our customers as they adapt to a changing trade environment. Further, the actions we are taking to reconfigure our network and reduce cost across our business could not be timelier. The macro environment may be uncertain, but with our actions, we will emerge as an even stronger, more nimble UPS."

– Carol Tomé, CEO, January 30th, 2025

Source: Company Earnings Calls

Share Price Performance by Peer Group



Sub-Sector Performance

LTM	(17.9%)	(9.4%)	(3.0%)	(29.3%)	(8.7%)	(14.8%)	(10.2%)	19.5%	(11.3%)
L3Y	(19.3%)	(16.4%)	(15.3%)	4.5%	(1.5%)	15.1%	(17.5%)	(38.0%)	(24.0%)
L6Y	27.2%	117.5%	57.1%	131.0%	84.4%	(29.6%)	56.3%	50.2%	93.4%

Integrators	Contract Logistics	Asset-Light	LTL	TL / Specialty	Aviation	Rail	Marine	Healthcare Logistics
								 Acquired by UPS (Apr-25)

Source: Capital IQ
Note: Data as of April 1st, 2025

Public Valuation Multiples by Sub-Sector

Subsector	EV / LTM Revenue				EV / LTM EBITDA			
	2022	2023	2024	LTM Mar-25	2022	2023	2024	LTM Mar-25
Integrators	0.8x	0.9x	0.9x	0.9x	6.7x	7.8x	8.0x	7.2x
Contract Logistics	2.2x	2.1x	2.0x	1.9x	14.3x	12.9x	14.6x	9.8x
Asset-Light	1.3x	1.3x	1.3x	1.0x	7.1x	7.9x	9.7x	7.0x
LTL	0.8x	1.1x	1.0x	0.9x	7.8x	12.8x	13.6x	10.8x
TL / Specialty	1.9x	2.3x	2.2x	2.1x	10.5x	11.8x	11.0x	10.2x
Aviation	1.3x	1.0x	0.9x	0.8x	8.0x	6.5x	6.2x	5.0x
Rail	6.2x	6.3x	6.2x	5.9x	11.7x	12.3x	12.2x	11.8x
Marine	2.3x	2.3x	1.9x	2.2x	7.6x	6.8x	5.6x	6.2x
Healthcare Logistics	2.8x	2.8x	2.8x	2.6x	12.3x	11.8x	11.9x	10.3x

Lincoln Perspectives

Ahead of the recent M&A slowdown related to trade and tariff uncertainty, the T&L sector saw several noteworthy transactions such as UPS' acquisition of Andlauer, Audax's acquisition of Lanter Delivery Systems and Black Rock's acquisition of Hutchinson Ports.

Global consolidators and integrators are focusing on building end-to-end solutions with a heightened focus on contract logistics, healthcare logistics, e-commerce fulfillment and last-mile delivery.

Select Recent T&L Transactions

Date	Target	Acquiror	Subsector	Target Description
April 2025	 BORUSAN TEDARIK	 CEVA LOGISTICS	Contract Logistics	Comprehensive logistics solutions including contract logistics, FVL, FTL and LTL ground transport, as well as air and ocean freight and customs
April 2025	 Andlauer HEALTHCARE GROUP	 ups	Healthcare Logistics	Customized third-party logistics and specialized cold chain transportation solutions for the healthcare sector
April 2025	 YODEL	 InPost out of the box	Last-Mile Logistics	B2C and B2B parcel delivery services across the UK
April 2025	 Panama Canal Railway Company	 MAERSK	Rail	Rail-based freight and passenger services that connects the Atlantic and Pacific Oceans, running parallel to the Panama Canal
March 2025	 CRYOPDP	 DHL	Healthcare Logistics	Temperature-controlled logistics, specializing in life sciences and healthcare sectors
March 2025	 Lanter DELIVERY SYSTEMS	 Audax Group	Last-Mile Logistics	Overnight delivery of critical parts and daily stock orders
March 2025	 COFC Logistics	 MSC	Intermodal Logistics	Intermodal services, specializing in 53-foot container ramp-to-ramp rail transportation across the United States and Mexico
March 2025	 3G	 DESCARTES	Logistics Technology	Cloud-native transportation management software designed for shippers, third-party logistics providers and freight brokers
March 2025	 Miebach	 INVESTCORP	Supply Chain & Logistics Consulting	Supply chain and engineering consulting, specializing in designing and optimizing end-to-end supply chains

Sources: Company filings

Lincoln Perspectives

In the current environment, we expect global strategics and private equity investors to over-index towards businesses with limited tariff exposure and / or those with highly resilient financial characteristics (e.g., fixed revenue, reoccurring revenue, dynamic pricing, long-term contracts, etc.).

The tariff disruption will also drive significant M&A and consolidation opportunities as smaller players look to join larger platforms to better serve their clients while benefiting from the scale and best practices of larger, more sophisticated organizations.

Select Recent T&L Transactions (Cont.)

Date	Target	Acquiror	Subsector	Target Description
March 2025	 aramex delivery unlimited		E-Commerce Fulfillment	End-to-end logistics solutions including express delivery, e-commerce solutions and supply chain management
March 2025		 	Marine	Global port investor, developer and operator, comprising ports in 23 countries including ports running along either side of the Panama Canal
February 2025			Freight Forwarding	Freight forwarding and logistics services with expertise in semiconductor and high-tech logistics
February 2025			Freight Brokerage	Customs brokerage services including a range of international trade services
February 2025	 		Third-Party Logistics	Third-party logistics and import and export solutions across the United States
January 2025			Logistics Technology	Tech-enabled managed transportation and logistics services throughout North America
January 2025			Reverse Logistics	Returns solutions for retail e-commerce, including a reverse logistics division of Inmar Intelligence
January 2025			Third-Party Logistics	Online freight shipping services designed for efficient and reliable transportation
January 2025			Freight Forwarding	Freight forwarding services specializing in the transportation of high-value goods

Sources: Company filings

Select Transaction Experience

Contract Logistics

SOUNDCORE CAPITAL PARTNERS
has sold
CUSTOM GOODS
to
ANGELES EQUITY PARTNERS
Sell-Side

GREENBRIAR EQUITY GROUP LLC
has sold
LAZER SPOT
to
HARVEST PARTNERS
Sell-Side

Contracted / Specialty Transportation

otto group
has sold
>Agediss
to
HACKY PERRENOT
a portfolio company of
emz **SIPAREX**
Sell-Side

SAYBROOK
has sold
TISI
to
SUN CAPITAL PARTNERS, INC.
Sell-Side

Critical Parts / Premium Logistics

ORLANDO
has sold
NOX
to
STERNE
a portfolio company of
TIKHAU CAPITAL **MEANINGS**
Sell-Side

WATERLAND PREMIUM LOGISTICS GROUP
and founder have sold
Base LOGISTICS
to
staci
a portfolio company of
ARDIAN
Sell-Side

E-Commerce Fulfillment

Founding shareholder and
SCHEYBEECK
has agreed to sell a majority stake in
monta
to
DHL
Sell-Side

ENDEAVOUR
has sold
wineshipping
to
GREENBRIAR EQUITY GROUP LLC
Sell-Side

Food & Beverage Logistics

GRAYCLIFF PARTNERS
has sold
ingredients PLUS
to
ASR GROUP
Sell-Side

BRUMMER
has agreed to be sold to
DACHSER **Managed Logistics**
Sell-Side

Freight Forwarding / Freight Brokerage

Alisped **International Forwarding**
has been sold to
DELMAR
Sell-Side

McNally CAPITAL
has sold
its
to
GHK CAPITAL PARTNERS
Sell-Side

Healthcare / Pharma Logistics

Simon Hegele Healthcare Solutions
has been sold to
NEX NIPPON EXPRESS
Sell-Side

LabLogistics
a portfolio company of
Atlantic Street Capital
has received a minority investment from
LINDEN
Refinancing

Intermodal Logistics / Infrastructure

CCR
has sold
TAKE Total Airport Services
to
ALIBUR **INFRA**
a portfolio company of
Audax Private Equity **GREENBRIAR**
Sell-Side

MILTON STREET CAPITAL
has sold
AMERICAN
to
WIND POINT PARTNERS
Sell-Side

Logistics Technology

Sumeru
has sold
3G
to
DESCARTES
Sell-Side

HUDSON HILL CAPITAL
has refinanced
InXpress
Refinancing

Reverse Logistics / Aftermarket Services

40 FORTY SOLUTIONS
a portfolio company of
Audax Group
has received a growth equity investment from
SUMMIT PARTNERS
Sell-Side

MONITOR CLIPPER PARTNERS
has sold
RLG REVERSE LOGISTICS GROUP
to
Reconomy
a portfolio company of
EMK Capital
Sell-Side

Time Temperature & Security Sensitive

H2 | Equity Partners
has sold
Cadogan Tate
to
TSG CONSUMER
Sell-Side
Staple Financing

SWISS POST
has sold
SecurePost
to
LOOMIS
Sell-Side

Waste Transportation

STELLA ENVIRONMENTAL SERVICES
a portfolio company of
HIDDEN HARBOR CAPITAL
has completed a leveraged dividend recapitalization
Solvency Opinion

WARREN EQUITY PARTNERS
has completed a single asset continuation vehicle transaction involving
MERIDIAN WASTE
Fairness Opinion

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