

Trucking Industry Update

Industry Valuation Multiples Again Exceed Historical Median

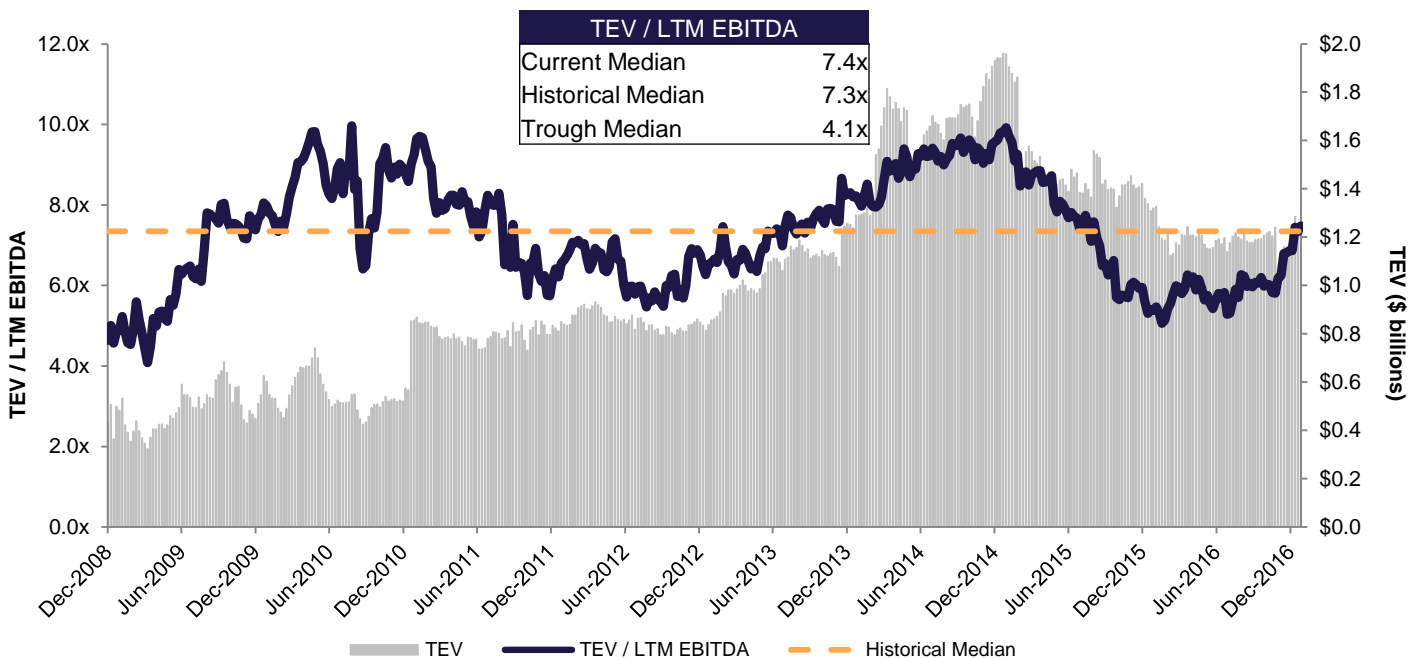
Executive Summary

- Trucking company valuation multiples are currently 7.4x, up 45.3% from the most recent cycle trough of 5.1x in January 2016; current multiples are now above the historical median for the first time since August 2015
- Industry valuations are still low historically relative to the S&P 500, trading at 63.6% of the broad market, well below the historical median of 82.8%; however, this is up from last cycle trough of 47.1% in July 2016
- The ATA tonnage index jumped 8.2% in November 2016 to 142.4; approaching the all-time high of 144.0 reached in February 2016
- WTI crude reached \$52.64 on January 17, 2017, an increase from the most recent low of \$26.19 reached in February 2016 but well below highs of \$100+ in 2014

Key Takeaways

- Trucking company valuations and earnings are highly cyclical due to the nature of the industry and general macroeconomic factors as well as specific business characteristics; cycle timing is critical to maximize transaction value
- Understanding and appropriately communicating the Company's unique business mix is critical to a successful process and value maximization
- Industry valuations slightly above historical levels for the first time in nearly 18 months; the near-term cycle window for sellers beginning to open
- Bridgepoint Merchant Banking advises trucking company owners seeking liquidity that timing is attractive to consider exploring monetization, financing and other strategic options

Trucking Valuation Cycle

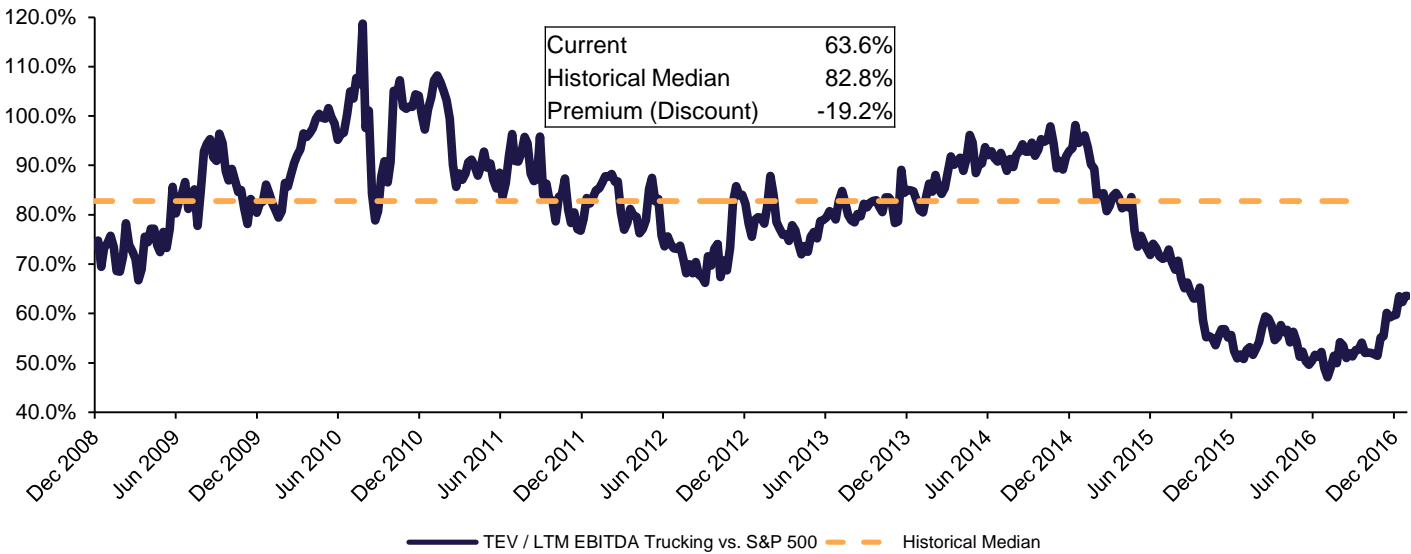


Note: Composite composed of selected public comparables as listed on page 3.

Sources: Bridgepoint Merchant Banking, Capital IQ, PitchBook

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TEV / LTM EBITDA – Trucking Sector vs. S&P 500



Key Business Considerations

Business Characteristics

- Geographic Footprint and Existing Lines**
- Customer Mix and Related End Markets**
- Fuel Cost Allocation**
- Services Provided / Type of Freight Hauled**
- Adoption of ELD Technology**
- Driver Retention and Fleet Optimization**
- Size of Fleet and Driver Type**

Framing Discussions = Maximizing Value

- Enhance acquiror footprint with new lines and / or optimize existing routes to limit / eliminate empty loads (backhaul)
- Deliver strong and diverse customer base complementary to acquiror’s existing end market exposure
- Minimize the impact of variable fuel costs to the Company’s operations (flat fee, mileage based, etc.)
- Drive synergistic value through complementary or diversifying service offerings and / or economies of scale through consolidation
- ELD will be mandated in the near-term, representing a real value-add for companies who have transitioned; potential value adjustment for non-converted companies
- Industry-wide driver shortage heightens focus on quality of drivers, driver retention rates and safety history
- Scale of operations and number of company drivers vs. independent contractors to determine strategic fit

Sources: Bridgepoint Merchant Banking, Capital IQ, PitchBook

Selected Public Comparables

(\$ in millions, except per share data)

Company Name	Country	12/30/2016 Share Price	Equity Value	Enterprise Value	P / E 2017E	TEV / Revenue			TEV / EBITDA			TEV / EBIT	
						LTM	2017E	2018E	LTM	2017E	2018E	2017E	
ArcBest Corporation	United States	\$27.65	\$708.5	\$757.9	30.8x	0.3x	0.3x	0.3x	5.7x	5.7x	4.5x	17.8x	
Celadon Group, Inc.	United States	7.15	201.7	640.2	NM	0.6x	0.6x	0.6x	6.6x	7.2x	5.9x	50.7x	
Covenant Transportation Group, Inc.	United States	19.34	351.9	570.0	21.0x	0.8x	0.9x	0.8x	4.8x	5.4x	4.9x	17.4x	
Heartland Express, Inc.	United States	20.36	1,695.7	1,595.4	30.5x	2.5x	2.6x	2.5x	8.6x	8.4x	8.3x	18.9x	
J.B. Hunt Transport Services, Inc.	United States	97.07	10,889.8	11,828.0	25.7x	1.8x	1.8x	1.7x	11.0x	11.0x	10.2x	16.5x	
Knight Transportation, Inc.	United States	33.05	2,645.1	2,695.2	27.9x	2.4x	2.4x	2.3x	10.3x	10.0x	9.4x	17.5x	
Landstar System, Inc.	United States	85.30	3,563.8	3,499.7	26.8x	1.1x	1.1x	1.1x	13.8x	13.8x	13.0x	16.0x	
Marten Transport, Ltd.	United States	23.30	758.9	767.3	22.8x	1.1x	1.2x	1.1x	5.9x	5.6x	5.4x	13.9x	
Old Dominion Freight Line, Inc.	United States	85.79	7,072.5	7,250.6	23.9x	2.4x	2.4x	2.3x	10.9x	10.7x	9.8x	14.9x	
P.A.M. Transportation Services, Inc.	United States	25.98	166.5	306.6	14.4x	0.7x	0.7x	0.7x	5.5x	5.0x	4.6x	13.4x	
Patriot Transportation Holding, Inc.	United States	21.93	72.1	66.1	-	0.6x	-	-	4.3x	-	-	-	
Roadrunner Transportation Systems, Inc.	United States	10.39	398.4	797.7	15.6x	0.4x	0.4x	0.4x	7.9x	8.3x	7.0x	13.9x	
Saia, Inc.	United States	44.15	1,105.5	1,198.9	23.2x	1.0x	1.0x	0.9x	7.8x	7.7x	6.9x	15.0x	
Swift Transportation Company	United States	24.36	3,224.6	4,345.5	19.9x	1.1x	1.1x	1.0x	7.9x	8.0x	7.4x	16.9x	
Universal Logistics Holdings, Inc.	United States	16.35	464.5	698.4	16.9x	0.6x	0.6x	0.6x	7.4x	8.0x	7.8x	13.4x	
USA Truck, Inc.	United States	8.71	69.5	220.4	NM	0.5x	0.5x	0.5x	5.9x	6.4x	5.5x	59.6x	
Werner Enterprises, Inc.	United States	26.95	1,942.0	2,078.3	25.8x	1.0x	1.0x	1.0x	6.2x	6.3x	5.9x	17.1x	
XPO Logistics, Inc.	United States	43.16	4,784.9	10,267.6	43.9x	0.7x	0.7x	0.7x	9.3x	8.3x	7.6x	17.7x	
YRC Worldwide Inc.	United States	13.28	441.8	1,205.9	21.1x	0.3x	0.3x	0.2x	4.9x	4.1x	3.7x	9.4x	
					High	43.9x	2.5x	2.6x	2.5x	13.8x	13.8x	13.0x	59.6x
					Mean	24.4x	1.1x	1.1x	1.0x	7.6x	7.8x	7.1x	20.0x
					Median	23.6x	0.8x	0.9x	0.9x	7.4x	7.8x	6.9x	16.7x
					Low	14.4x	0.3x	0.3x	0.2x	4.3x	4.1x	3.7x	9.4x

Selected Recent Industry Transactions

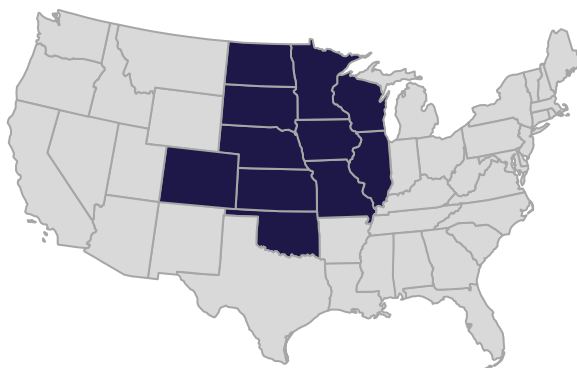
Date Announced	Target	Country	Acquiror	Country
01/17/2017	Worldwide Express Operations, LLC	United States	Ridgmont Equity Partners	United States
01/05/2017	C & S Carpet Distribution, Inc.	United States	Best Logistics Group, Inc.	United States
12/29/2016	National Fast Freight Inc.	Canada	TFI International Inc. (TSX:TFII)	Canada
12/22/2016	Blue Sky Logistics LLC and Interide Transport LC	United States	KM Capital LLC	United States
12/29/2016	National Fast Freight Inc.	Canada	TFI International Inc. (TSX:TFII)	Canada
12/15/2016	Marine Transport, Inc.	United States	Maverick USA, Inc.	United States
12/08/2016	enVista, LLC, Capacity Solutions Brokerage Division	United States	R² Freight & Logistics, Inc.	United States
12/08/2016	Best Courier and Delivery Services and JS Logistics	United States	USPack Logistics Corp.	United States
11/04/2016	Caito Food Service, Inc. and Blue Ribbon Transport	United States	SpartanNash Company (NasdaqGS:SPTN)	United States
10/31/2016	Northwest Furniture Express, Inc.	United States	SunBelt Furniture Xpress, Inc.	United States
10/27/2016	Transportation Resources, Inc.	United States	TFI International Inc. (TSX:TFII)	Canada
10/17/2016	R² Freight & Logistics, Inc.	United States	-	-
10/04/2016	Atlantic Logistics, Inc.	United States	Epes Logistics Services, Inc.	United States
10/01/2016	Sunco Carriers, Inc.	United States	KJM Capital	United States
09/19/2016	Agri-Carriers Group, Inc.	United States	The Kenan Advantage Group, Inc.	United States
09/13/2016	C & V Trucking Co Inc.	United States	RoadOne, Inc.	United States
08/29/2016	Triumph Transport, Inc. and Triumph Repair Service	United States	Central States Trucking Co.	United States
08/18/2016	Global Frozen Trucking, Inc.	United States	BT-Twiss Transport LLC	United States
08/15/2016	KFS, Inc.	United States	Business Intelligence Group, LLC	United States
08/08/2016	United Express Service, Inc	United States	NFI Global, LLC	United States
07/27/2016	Gulf Transportation Group	Canada	BT-Twiss Transport LLC	United States
07/26/2016	Apex Freight Services, Inc.	United States	Scott Logistics Corp.	United States
07/18/2016	Span-Alaska Transportation, Inc.	United States	Matson Logistics, Inc.	United States
07/06/2016	Progressive Transportation Service, Inc.	United States	IMC Companies LLC	United States
07/05/2016	Jones Motor Group, Inc.	United States	Transport Investments, Inc.	United States

Sources: Bridgepoint Merchant Banking, Capital IQ, PitchBook

About Us

- **\$41 billion in vehicular transaction experience**
- \$110+ billion of M&A and capital raising experience
- 43 completed M&A assignments spanning more than \$36 billion
- 75 completed corporate finance transactions, raising more than \$74 billion in capital
- 94+ years cumulative investment banking & private equity experience
- Principals currently sit on 11 Boards

Geographic Focus Area



Selected Vehicular Transaction Experience



USD1.2 billion
Buy-side Advisor to Asahi Tec (Chinese automotive supplier) on its acquisition of N.A. automotive supplier

Financial Advisor



USD811 million
Acquisition advisory and financing

Financial Advisor



USD5.7 billion
Buy-side Advisors to private equity consortium on its potential acquisition of Allison Transmission & related financing

Financial Advisor



USD99 million
Initial public offering

Joint Bookrunner



USD375 million
Senior secured credit facilities/senior notes

Joint Bookrunner

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