

Trucking Industry Update

Industry Valuation Multiples Rebounding

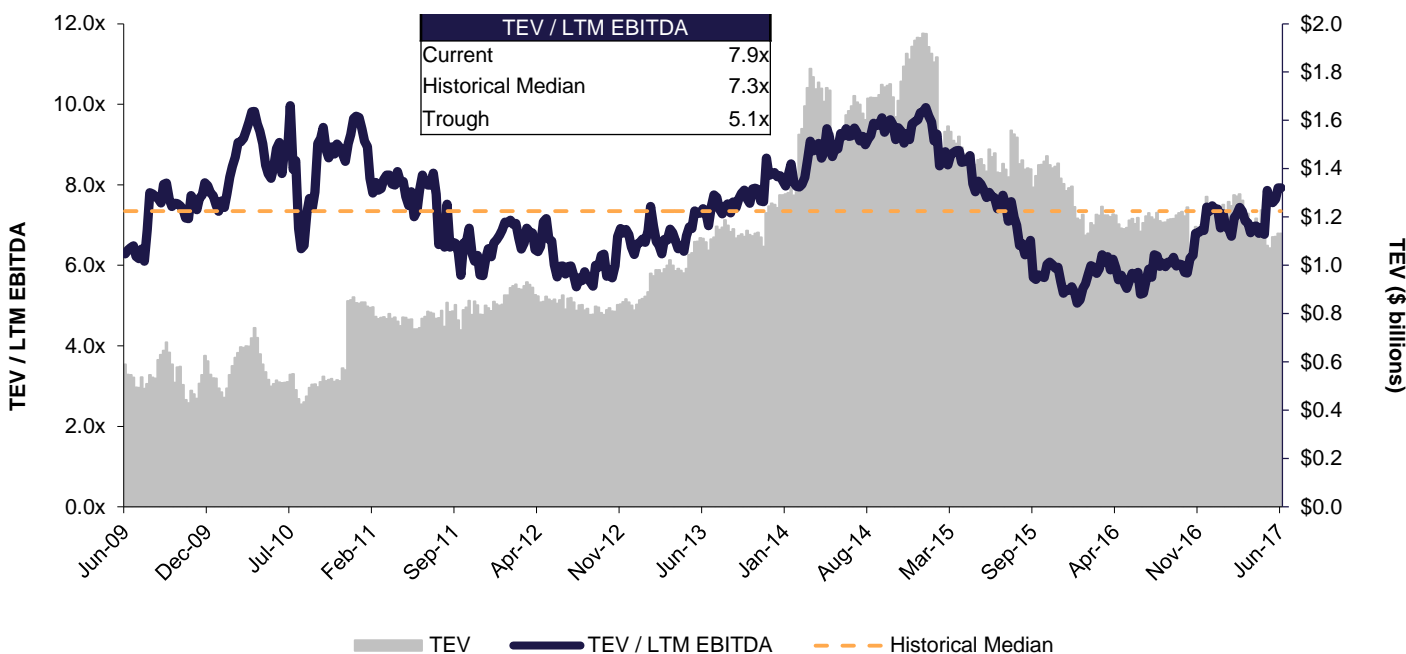
Executive Summary

- Trucking company valuation multiples are currently 7.9x, up 54.9% from the most recent cycle trough of 5.1x in January 2016; current multiples are again above the historical median
- Industry valuations are still low historically relative to the S&P 500, trading at 64.3% 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 dropped 2.5% in April 2017 to 134.0; the all-time high was 144.0 reached in February 2016
- WTI crude dropped to \$45.64 on June 8, 2017, a decrease from the most recent high of \$53.40 reached in April 2017 and 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 maintaining upward trends above historical levels for the first time in nearly 3 years; the near-term cycle window for sellers is 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

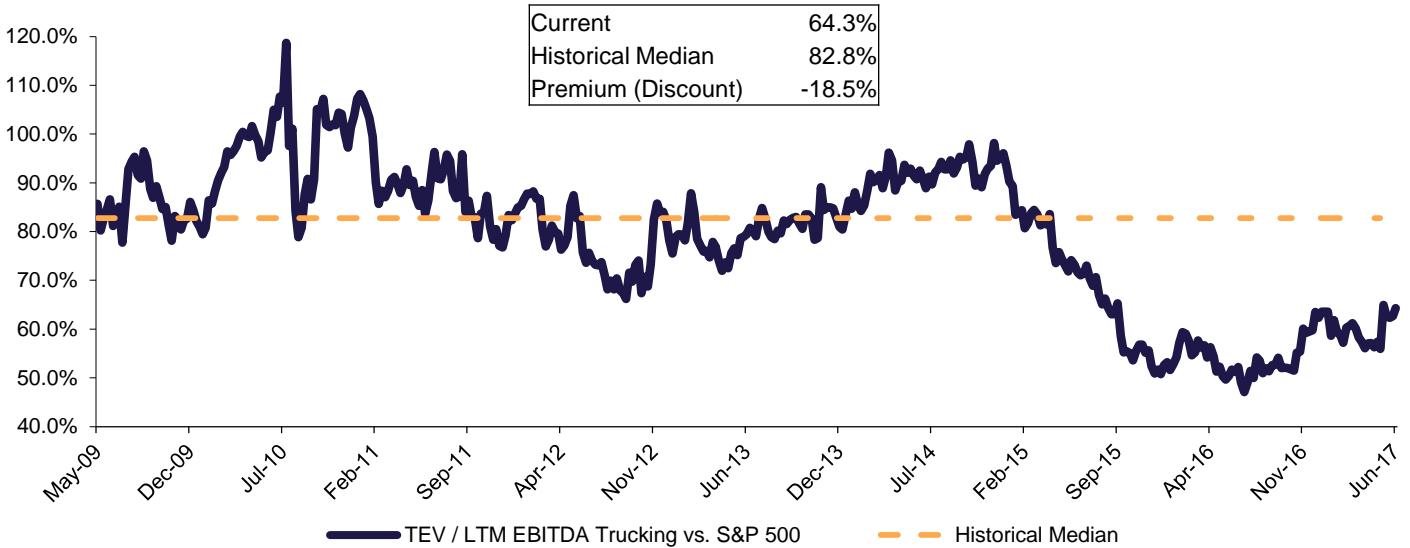


Note: Composite composed of selected public comparables as listed on page 3.

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	6/5/2017	Equity	Enterprise	P / E	TEV / Revenue			TEV / EBITDA			TEV / EBIT
		Share Price	Value	Value	2017E	LTM	2017E	2018E	LTM	2017E	2018E	2017E
ArcBest Corporation	United States	\$19.50	\$503.8	\$592.0	16.4x	0.2x	0.2x	0.2x	4.3x	3.9x	3.4x	11.0x
Celadon Group, Inc.	United States	2.10	58.2	432.5	NM	0.4x	0.4x	0.4x	5.0x	6.5x	4.6x	54.8x
Covenant Transportation Group, Inc.	United States	18.22	332.8	530.7	22.1x	0.8x	0.8x	0.7x	5.2x	4.9x	4.4x	18.1x
Heartland Express, Inc.	United States	20.01	1,666.7	1,507.5	28.7x	2.6x	2.7x	2.5x	8.7x	8.1x	7.6x	17.1x
J.B. Hunt Transport Services, Inc.	United States	86.50	9,513.5	10,455.0	21.9x	1.6x	1.5x	1.3x	9.8x	9.6x	8.6x	14.6x
Knight Transportation, Inc.	United States	34.25	2,754.4	2,711.6	33.9x	2.4x	2.4x	2.2x	11.0x	10.8x	9.4x	20.9x
Landstar System, Inc.	United States	84.55	3,544.7	3,422.5	24.0x	1.1x	1.0x	0.9x	13.1x	12.2x	11.1x	14.2x
Marten Transport, Ltd.	United States	25.50	833.5	824.5	25.2x	1.2x	1.2x	1.1x	6.4x	5.8x	5.2x	14.6x
Old Dominion Freight Line, Inc.	United States	91.38	7,533.5	7,581.0	23.1x	2.5x	2.3x	2.2x	11.0x	10.2x	9.2x	14.3x
P.A.M. Transportation Services, Inc.	United States	17.68	113.3	250.4	16.8x	0.6x	0.6x	0.5x	4.7x	4.4x	3.7x	17.6x
Patriot Transportation Holding, Inc.	United States	18.25	60.3	53.4	-	0.5x	-	-	3.5x	-	-	-
Roadrunner Transportation Systems, Inc.	United States	6.75	258.8	658.1	11.4x	0.3x	0.3x	0.3x	6.5x	6.8x	5.9x	11.2x
Saia, Inc.	United States	49.25	1,241.4	1,397.6	23.1x	1.1x	1.1x	1.0x	8.8x	8.0x	7.0x	15.4x
Swift Transportation Company	United States	24.50	3,265.4	4,206.5	25.6x	1.0x	1.0x	1.0x	8.4x	8.3x	7.1x	20.7x
Universal Logistics Holdings, Inc.	United States	14.00	398.2	636.5	16.3x	0.6x	0.5x	0.5x	7.9x	7.0x	6.4x	13.0x
USA Truck, Inc.	United States	6.79	53.9	185.7	NM	0.4x	0.4x	0.4x	8.3x	6.5x	4.6x	NM
Werner Enterprises, Inc.	United States	28.20	2,036.6	2,135.8	24.7x	1.1x	1.0x	1.0x	6.7x	6.0x	5.5x	16.0x
XPO Logistics, Inc.	United States	57.77	6,453.2	11,455.2	29.4x	0.8x	0.8x	0.7x	9.7x	8.4x	7.2x	16.1x
YRC Worldwide Inc.	United States	9.67	324.2	1,132.0	16.7x	0.2x	0.2x	0.2x	4.5x	3.9x	3.4x	8.8x
High					33.9x	2.6x	2.7x	2.5x	13.1x	12.2x	11.1x	54.8x
Mean					22.5x	1.0x	1.0x	1.0x	7.6x	7.3x	6.3x	17.5x
Median					23.1x	0.8x	0.9x	0.8x	7.9x	6.9x	6.1x	15.4x
Low					11.4x	0.2x	0.2x	0.2x	3.5x	3.9x	3.4x	8.8x

Source: Capital IQ, Bridgepoint Merchant Banking

Selected Recent Industry Transactions

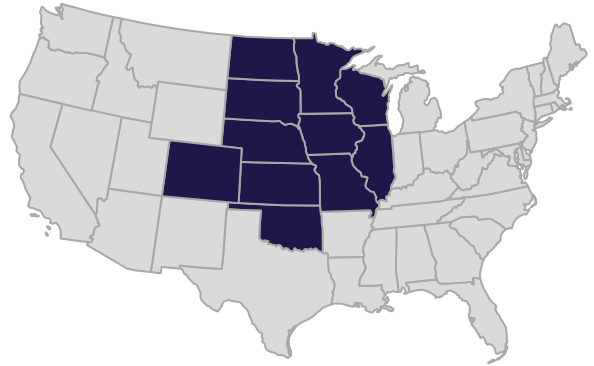
Date Announced	Target	Country	Acquiror	Country
05/25/2017	Estenson Logistics, LLC	United States	Hub Group Trucking, Inc.	United States
05/17/2017	Dependable Auto Shippers, Inc.	United States	CarsArrive Network, Inc.	United States
05/09/2017	EXTRA Express Cerritos, Inc.	United States	St. George Trucking & Warehouse Inc	United States
03/02/2017	Swift Transportation Company (NYSE:SWFT)	United States	Knight Transportation, Inc. (NYSE:KNX)	United States
02/20/2017	Daseke, Inc. (NasdaqCM:DSKE)	United States	-	United States
02/18/2017	AsepTrans, LLC	United States	Odyssey FoodTrans LLC	United States
01/20/2017	Wilson Trucking Corporation	United States	Central Freight Lines, Inc.	United States
01/17/2017	Worldwide Express Operations, LLC	United States	Ridgemont Equity Partners	United States
01/09/2017	Fusion Logistics	United States	Worldwide Express Operations, LLC	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	R ² 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	R ² 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

Sources: Bridgepoint Merchant Banking, Capital IQ, PitchBook

About Us

- **\$41 billion in vehicular transaction experience**
- \$158+ billion of M&A, capital raising, corporate finance and transaction advisory services experience
- 43 completed M&A assignments spanning more than \$36 billion
- 75 completed corporate finance transactions, raising more than \$74 billion in capital
- 51 completed advisory assignments spanning more than \$48 billion
- 117+ 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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