

Trucking Industry Update

Industry Valuation Multiples At Historical Peak

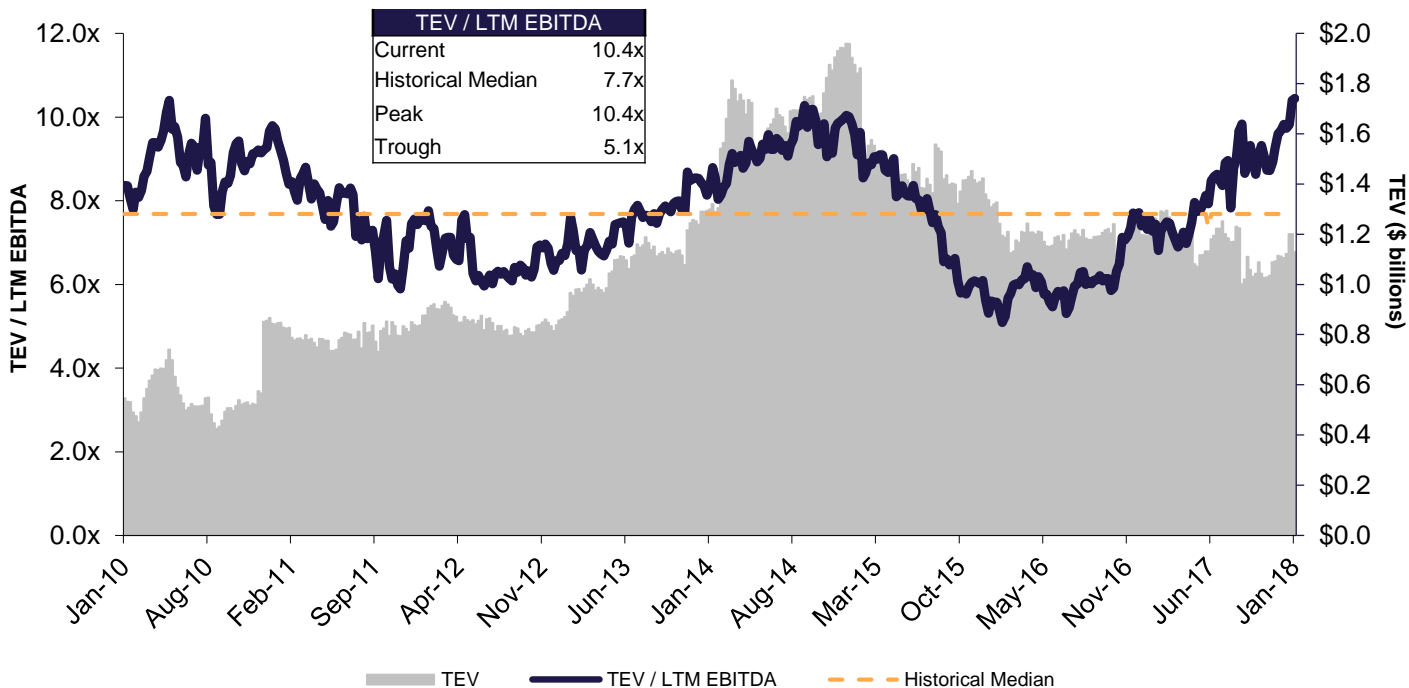
Executive Summary

- Trucking company valuation multiples are currently 10.4x, up 103.9% from the most recent cycle trough of 5.1x in January 2016; current multiples are at their highest level in 8 years
- Given the public equities markets run, industry valuations remain low historically relative to the S&P 500, trading at 77.1% of the broad market, well below the historical median of 85.1%; however, this is up from the last cycle trough of 47.1% in July 2016
- The ATA tonnage index dropped 5.7% in December 2017 to 142.9 despite 2017 as a whole up 3.9% compared to 2016; the all-time high was 151.0 reached in November 2017
- WTI crude rose to \$66.16 on January 24, 2018, an increase from the most recent low of \$42.53 reached in June 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 and there are solid industry tailwinds; 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

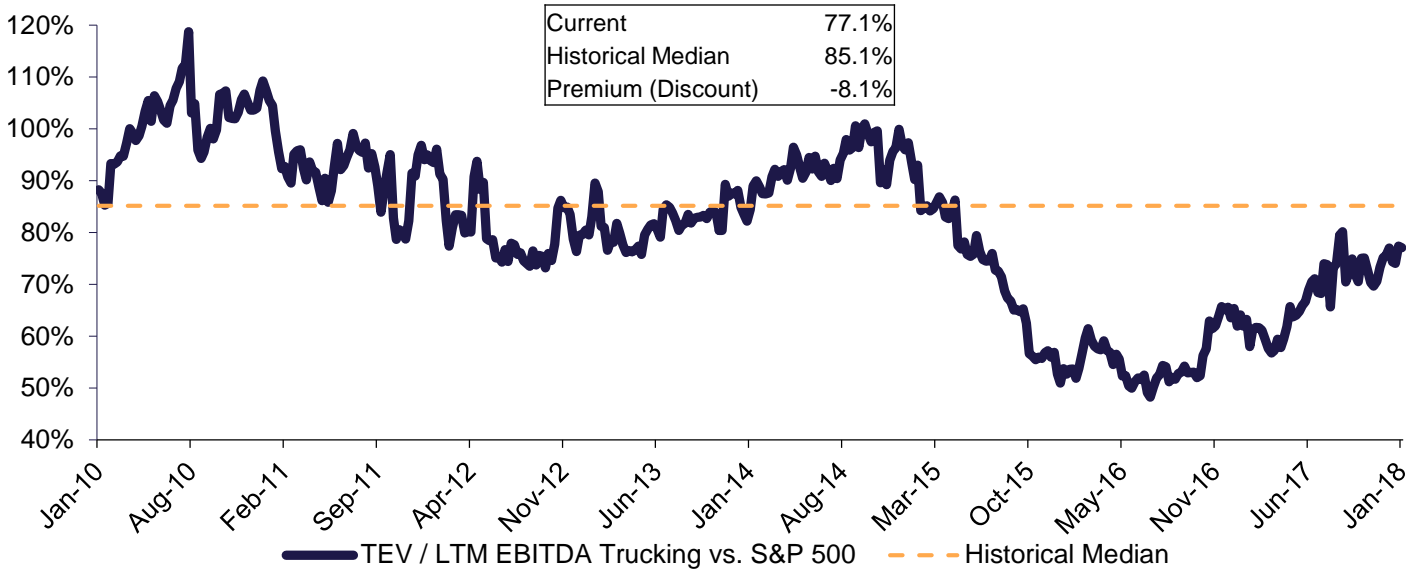


Note: Composite composed of selected public comparables as listed on page 3.

Source: Bridgepoint Merchant Banking, Capital IQ

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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
- The ELD mandate represents a real value-add for companies who have successfully transitioned and historically utilized electronic logs; potential value adjustment for non-conforming 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

Source: Bridgepoint Merchant Banking, Capital IQ

Selected Public Comparables

(\$ in millions, except per share data)

Company Name	Country	1/25/2018	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	\$37.75	\$976.8	\$1,073.9	29.6x	0.4x	0.4x	0.4x	7.0x	7.0x	5.9x	18.3x
Celadon Group, Inc.	United States	5.73	163.5	537.9	NM	0.5x	-	-	6.3x	-	-	-
Covenant Transportation Group, Inc.	United States	28.20	520.4	731.9	33.0x	1.1x	1.0x	1.0x	7.1x	6.7x	5.6x	24.2x
Heartland Express, Inc.	United States	23.36	1,968.4	1,917.1	43.2x	3.3x	3.0x	2.4x	12.5x	11.2x	9.1x	28.0x
J.B. Hunt Transport Services, Inc.	United States	124.78	13,790.5	14,861.5	23.8x	2.1x	1.8x	1.7x	14.9x	12.2x	10.9x	18.6x
Knight-Swift Transportation Holdings Inc.	United States	46.28	8,252.6	9,078.5	-	6.7x	3.7x	1.6x	34.1x	21.9x	10.1x	41.5x
Landstar System, Inc.	United States	110.80	4,664.5	4,523.9	30.3x	1.3x	1.3x	1.1x	16.4x	16.0x	14.1x	18.7x
Marten Transport, Ltd.	United States	21.65	1,185.8	1,184.7	35.1x	1.7x	1.7x	1.5x	8.9x	8.2x	7.1x	20.6x
Old Dominion Freight Line, Inc.	United States	148.02	12,216.4	12,233.3	34.1x	3.8x	3.7x	3.3x	16.4x	15.5x	13.7x	21.0x
P.A.M. Transportation Services, Inc.	United States	37.33	230.7	359.4	-	0.8x	-	-	6.9x	-	-	-
Patriot Transportation Holding, Inc.	United States	18.30	59.5	48.2	-	0.4x	-	-	4.0x	-	-	-
Roadrunner Transportation Systems, Inc.	United States	7.52	292.9	692.2	8.6x	0.4x	0.3x	0.3x	6.9x	6.5x	5.8x	10.4x
Saia, Inc.	United States	78.95	1,965.3	2,092.4	35.5x	1.6x	1.5x	1.4x	12.2x	11.5x	9.6x	21.9x
Swift Transportation Co., LLC	United States	0.00	0.0	0.0	-	-	-	-	-	-	-	-
Universal Logistics Holdings, Inc.	United States	24.60	703.6	929.6	66.6x	0.8x	-	-	11.8x	-	-	-
USA Truck, Inc.	United States	19.89	157.4	278.1	NM	0.7x	0.6x	0.6x	14.1x	10.7x	6.2x	NM
Werner Enterprises, Inc.	United States	41.65	3,034.5	3,098.8	33.7x	1.5x	1.5x	1.4x	9.0x	8.6x	7.5x	21.5x
XPO Logistics, Inc.	United States	96.74	11,579.5	16,283.2	50.2x	1.1x	1.1x	1.0x	13.4x	11.9x	10.1x	23.6x
YRC Worldwide Inc.	United States	16.95	571.8	1,352.5	269.3x	0.3x	0.3x	0.3x	5.3x	4.9x	4.0x	11.6x
High					269.3x	6.7x	3.7x	3.3x	34.1x	21.9x	14.1x	41.5x
Mean					53.3x	1.6x	1.6x	1.3x	11.5x	10.9x	8.5x	21.5x
Median					34.1x	1.1x	1.4x	1.3x	10.4x	10.9x	8.3x	21.0x
Low					8.6x	0.3x	0.3x	0.3x	4.0x	4.9x	4.0x	10.4x

Selected Recent Industry Transactions

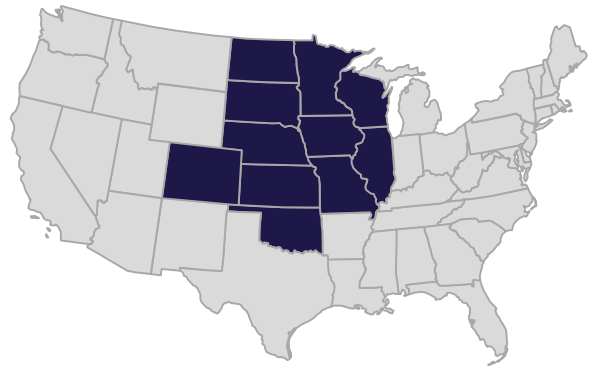
Date Announced	Target	Country	Acquiror	Country
01/12/2018	Lone Star Truck Group	United States	Tag Truck Centers	United States
01/02/2018	Washington Glass Hauler	United States	Daseke, Inc. (NasdaqCM:DSKE)	United States
12/05/2017	Tennessee Steel Haulers & Co	United States	Daseke, Inc. (NasdaqCM:DSKE)	United States
12/05/2017	The Roadmaster Group	United States	Daseke, Inc. (NasdaqCM:DSKE)	United States
12/05/2017	Moore Freight Service	United States	Daseke, Inc. (NasdaqCM:DSKE)	United States
11/01/2017	Indiana Transport, Inc.	United States	Patrick Industries, Inc.	United States
10/5/2017	Consolidated Carriers	Canada	Freight Brokers International Corp	Canada
09/18/2017	Celadon – Flatbed Division	United States	PS Logistics	United States
09/05/2017	United Road Services	United States	The Carlyle Group	United States
09/05/2017	R&R Trucking	United States	Daseke, Inc. (NasdaqCM:DSKE)	United States
07/06/2017	Interstate Distributor Co	United States	Heartland Express, Inc.	United States
07/05/2017	The Steelman Companies	United States	Daseke, Inc. (NasdaqCM:DSKE)	United States
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
05/01/2017	Big Freight Systems	United States	Daseke, Inc. (NasdaqCM:DSKE)	United States
05/01/2017	The Shilli Companies	United States	Daseke, Inc. (NasdaqCM:DSKE)	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	Initial Public Offering	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

Source: Bridgepoint Merchant Banking, Capital IQ

About Us: Combined Experience

- **\$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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The list contained herein represents selected transactions completed by Bridgepoint principals while associated with Bridgepoint Merchant Banking, as well as securities transactions on which they advised in their capacity as investment bankers registered with various broker-dealers.