

Clairfield industry snapshot

Logistics and Supply Chain Management

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■ **clairfield**



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Deal volumes fell slightly in 2023 compared to 2022

- M&A deal volumes decreased slightly in 2023, with 87 deal completions compared to 95 in 2022, representing an 8% decrease. The fall in deal volume comes as no surprise amidst inflationary pressures, high interest rates, increased labour costs and continued geo-political headwinds.
- Strategic buyer volumes slowed as businesses carefully reviewed capital allocations. We also saw a rise in distressed sales during 2023, such as the acquisition of Nelson Distribution by Kinaxia Logistics. However, the ability for acquisitions to drive scale, synergies and cost efficiencies, meant M&A strategies remained a key mitigation against margin squeezes.
- Despite the macro challenges, venture capital and private equity remained active in the space, with a particular focus on disruptive tech enabled and ESG driven businesses.
- Following a period of earnings being impacted by a number of exceptional factors, diligence on growth in future earnings remained a priority. Buyers are also pricing in the increased cost of debt which has impacted valuations.

The market has continued to undervalue logistics businesses

- 2023 saw a continuation of listed logistics businesses being taken private (e.g. Xpediator, DX Group), providing more evidence of the market significantly undervaluing the sector.
- However, the Barclays & BDO UK Logistics Confidence Index fell to its second lowest level on record in 2023. Fluctuations in volumes is a key issue impacting businesses, with cost control and efficiencies a priority to sustain margins. In a tight economy, we are seeing a return of asset light business models, allowing for greater flexibility.

Increased international appetite for UK businesses

- Despite the challenging environment, international appetite returned for UK businesses in 2023, with 48% of buyers being overseas, up from 41% in 2022.

2023 AT A GLANCE



87
No. Of Disclosed Deals



£4.4bn
Total Disclosed Deal Value

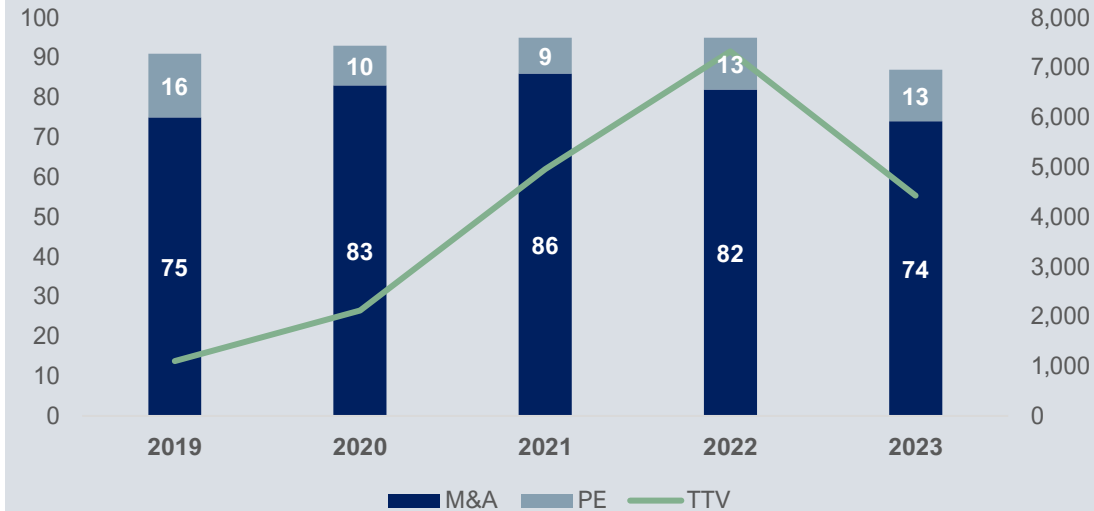


15%
Of Deals Involved PE Buyer

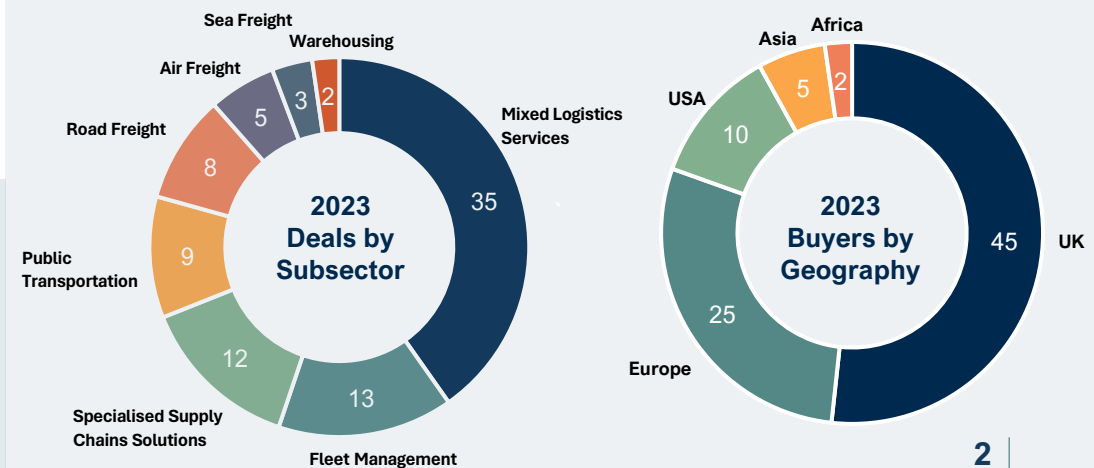


>48%
Of Deals Involved An International Buyer

M&A VOLUMES BY TYPE



DEALS BY SUBSECTOR / BUYER GEOGRAPHY - 2023



Key Transactions- 2023

STRATEGIC TRADE TRANSACTIONS

TRADE

“Strategic deal volumes slowed in 2023, however international appetite for UK businesses returned”

PRIVATE EQUITY

“2023 saw a continuation of listed business being acquired by Private Equity, providing evidence that the market is undervaluing the sector”

STRATEGIC BUYERS

Fleet Management  

Impero Jersey Corp Ltd

Have acquired

Lookers

Fleet Management 



Have acquired

Tusker.

Mixed Logistics Services  

elanders

Have acquired



Mixed Logistics Services  



SG GLOBAL

Have acquired



AMCO LOGISTICS FOR YOUR WORLD

Public Transportation  

First

Have acquired

Ensignbus

Mixed Logistics Services  



Have acquired a minority stake in



FINANCIAL BUYERS

Mixed Logistics Services  

BALTCAP

Have acquired



Mixed Logistics Services  

H. I. G.

REALTY PARTNERS

Have acquired a majority stake in



DELIVERED EXACTLY™

Public Transport  



Have acquired a majority stake in



Specialised Supply Chain Solutions 



Have acquired a stake in



Mixed Logistics Services 



Have acquired a majority stake in



Fleet Management 

EQUISTONE

Have acquired a majority stake in



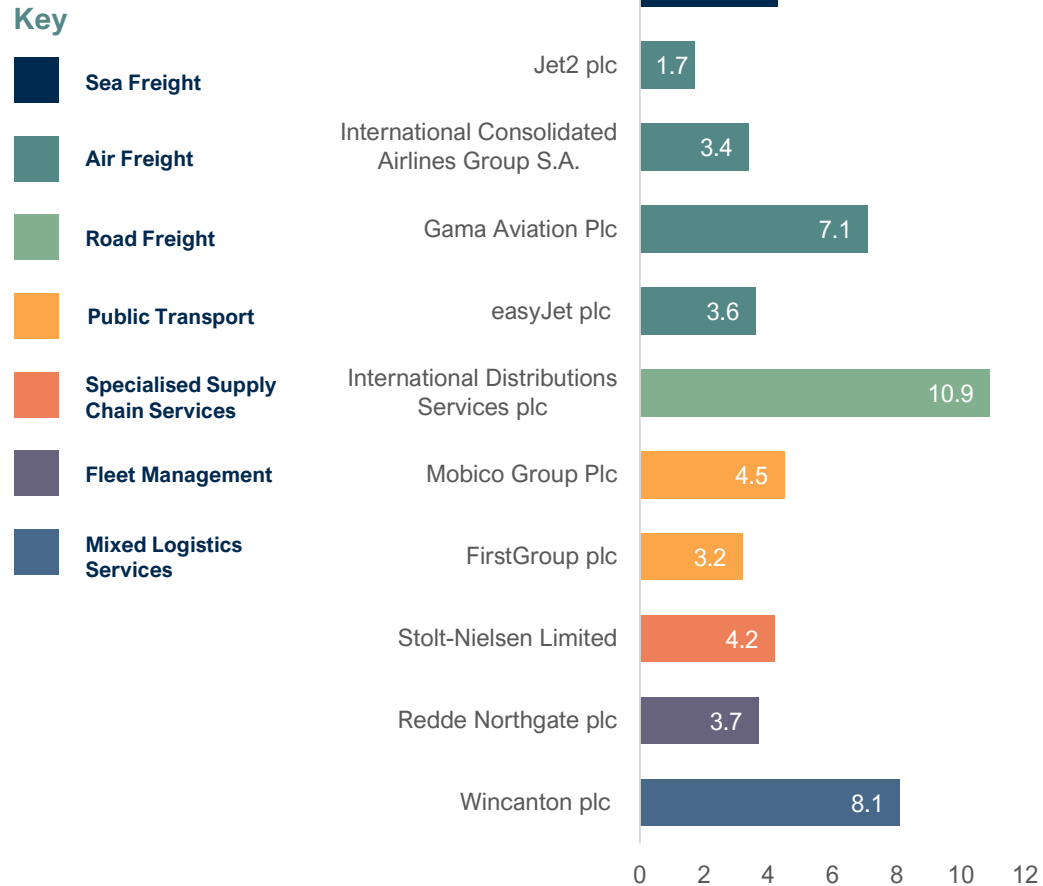
Notable trade deals in H2 2023 include:

- Impero Jersey Corp Ltd acquired Lookers plc for c. £496m, c. 4x EBITDA. Lookers plc are engaged in the sale, hire and maintenance of motor vehicles and also provide a range of fleet services including vehicle logistics and fleet management.
- Lloyds Bank Asset Finance Limited have acquired Tuskerdirect Limited, for c. £300m. Tusker a market leading UK-based vehicle management and leasing company that provides Electric Vehicles (EV) and Ultra-Low Emission Vehicles (ULEV) through salary sacrifice schemes. Tusker will continue to operate as a standalone business, alongside Lex Autolease and Black Horse.
- Elanders AB, a listed Swedish logistics company that provide print, packaging and supply chain solutions, have acquired Kammac Limited for £100m. Kammac Limited operate from 15 locations including bonded warehouses and temperature controlled environments. The acquisition will increase Elanders pallet storage capacity by 440,000 units.

Notable financial deals in H2 2023 include:

- AS BaltCap, the largest private equity fund manager in the Baltic region, acquired Xpediator Limited for c. £161m, representing c. 6.9x EBITDA. Xpediator provides freight-forwarding, logistics, and transport support solutions in the CEE and the UK under the Delamode brand. Under private ownership, the company is set to develop new products such as, such as intermodal freight and green logistics solution.
- H.I.G. Capital (“HIG”), a leading global alternative asset investment firm, has completed the public-to-private acquisition of DX Group PLC for a consideration of £307m, representing c. 6.8x EBITDA. DX are specialist “last mile” delivery solutions provider in the UK and Ireland.
- I-Squared, a Miami-based infrastructure investor, have purchased the red London bus operator, Arriva Group. Arriva is a leading provider of passenger transport across Europe. The European Commission approved the transaction in early 2024.

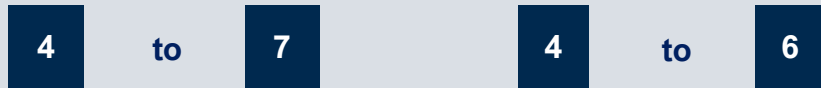
Average LTM EV/EBITDA for Listed Businesses



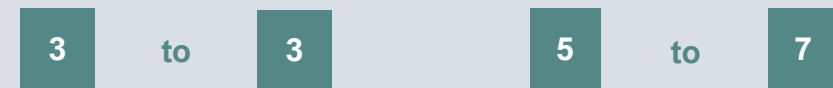
Plc Valuation Summary

- The Enterprise Value to EBITDA multiples below are the average LTM valuations for Listed Businesses in each sub-sector. A discount of 30-50% is typically applied to Plc multiples to indicate private company transaction multiples:

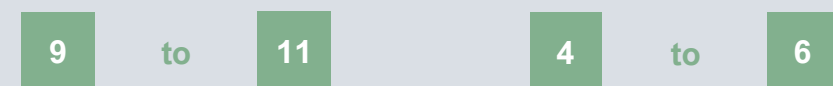
Sea Freight



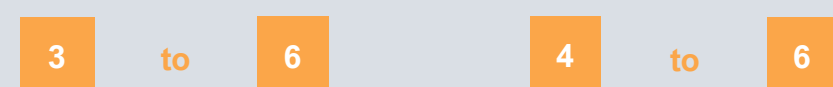
Air Freight



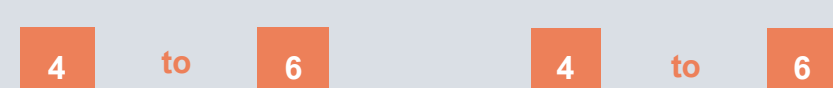
Road Freight



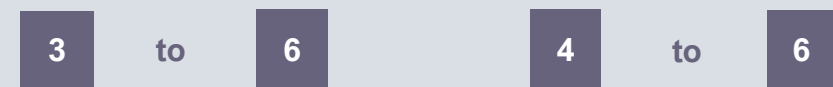
Public Transportation



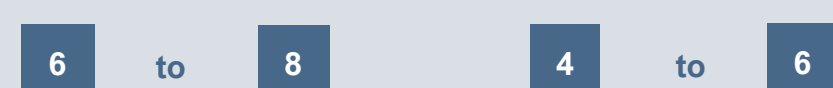
Specialised Supply Chain Solutions



Fleet Management



Mixed Logistics Services



Private Transaction Summary

- The Enterprise Value to EBITDA multiple ranges below are based on disclosed deal multiples:

A complete range of M&A services providing a wealth of experience to our clients

Mergers & Acquisitions Advisory

Strategic Advisory

Capital solutions

Headquartered in Europe with locations in every major region worldwide, we offer access to corporate businesses, investors, and key decision makers, combined with thorough understanding of local regulations and cultures.



300+ Professionals

35+ Offices globally

80% International mandates

140+ Transactions per year

Top 10 Midmarket rankings

Recent Clairfield Logistics and Supply Chain Management Transactions

<p>Mixed Logistics Services </p> <p>CARLBOM SHIPPING LTD</p> <p>was sold to</p> <p>PENTAGON</p>	<p>Specialised Supply Chain Solutions </p> <p>CUSTOMS SUPPORT</p> <p>backed by CASTIK CAPITAL</p> <p>acquired</p> <p>OCS OSBORN CUSTOMS SERVICES LTD</p>	<p>Mixed Logistics Services </p> <p>STOP:START STORAGE LOGISTICS DELIVERY</p> <p>was sold to</p> <p>storskogen</p>	<p>Specialised Supply Chain Solutions </p> <p>CUSTOMS SUPPORT</p> <p>backed by CASTIK CAPITAL</p> <p>acquired</p> <p>CUSTOMS SOLUTIONS LIMITED</p>
<p>Mixed Logistics Services </p> <p>PUMR & RYBA TRANSPORT SPEDITION</p> <p>was sold to</p> <p>CSCARGO</p>	<p>Mixed Logistics Services </p> <p>LOTAS</p> <p>sold 90% to</p> <p>compagnia ferroviaria italiana</p> <p>backed by E2i</p>	<p>Mixed Logistics Services </p> <p>Gebrüder Weiss Transport and Logistics</p> <p>acquired</p> <p>WOLF INTERNATIONAL</p>	<p>Mixed Logistics Services </p> <p>BRISBANE MARINE PILOTS PARTNER-SHIPS</p> <p>partnered with</p> <p>AURIGA</p>



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