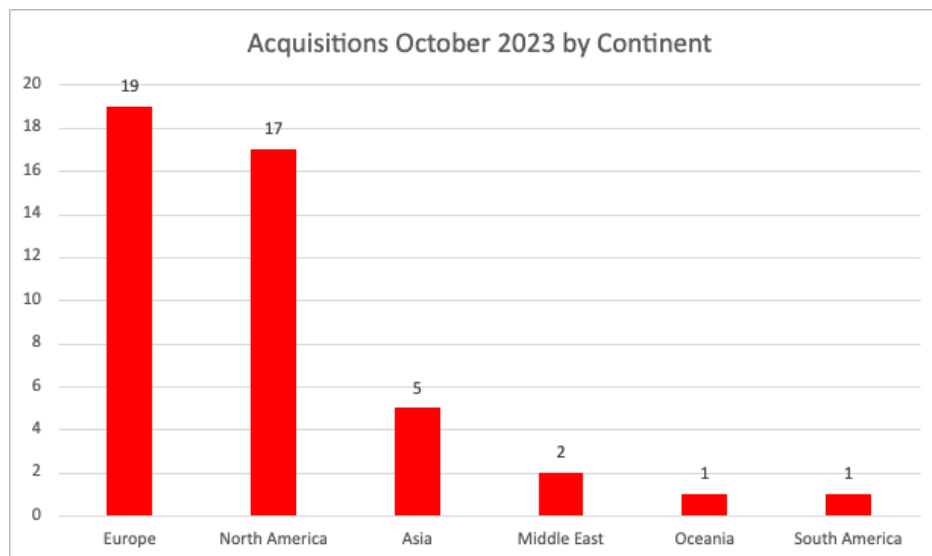


# Global Logistics M&A Recap

in partnership with  
Transport Intelligence

## October 2023 Acquisitions

Europe accounted for the largest number of acquisitions (by target location) in October 2023, with 42.2% of total M&A activity in this region. The UK accounted for the most acquisitions in Europe, with 11.1% of acquisitions, followed by The Netherlands. The United States alone accounted for 31.1% of acquisitions in October. Overall, North America and Europe combined accounted for 80% of the transaction count in October.



Regarding target services, Logistics (warehousing and distribution) was the most frequent, with 24.4% of transactions (in terms of target segment), followed by Software and Transportation.

## Analysis of M&A Activity amongst Logistics Service Providers (LSPs)

For many Logistics companies, the past three years since the beginning of the pandemic have been the most challenging. At the same time, the latter half of 2020, 2021, and much of 2022 were also the most profitable. In that period, capacity was king, and buyers were begging for asset-based businesses. That advantage changed quickly due to the great reckoning in freight rates, declining last year to below even pre-pandemic levels for some verticals. LSPs have continued to face new challenges, but the massive profitability that made the struggle worthwhile has diminished. Almost every vertical in the industry has taken a hit at some level, but trucking companies are among those that have taken the hardest blow.

Having just returned from Freightwaves' F3: Future of Freight Festival, operators' expectations for the future have a fascinating stark contrast. Some foresee the freight market declining further in 2024, while others expect a healthy recovery. Regardless of where one falls on that spectrum, October has illustrated that high-quality assets are still being acquired, and deals with sound strategic rationale will continue to get done. For example, deals in October, such as FST's acquisition of Hyway, PolyQuest's acquisition of Baker Transportation, and 3PL

Warehouse Services' acquisition of Sky Transportation, each have their unique strategic rationale. Specialized LSPs are particularly attractive as a key mitigator for market downturns and macroeconomic headwinds.

What we do know is that rates will eventually recover. Strategic buyers that recognize this will make investments that strengthen their own business now, optimize those operations, and position them to capitalize on new opportunities. Similarly, financial sponsors, especially those who have shied away from capital-intensive businesses due to the increasing cost, will want to seize that opportunity and invest in companies where they can add value. This way, the business reaps the benefits as markets improve, which is also great for sellers, allowing them to de-risk now but still have large upside on a second exit. As we approach the end of the year and start to get a better idea of what next year will look like, a substantial resurgence in buyer appetite for asset-based businesses would be logical. The greatest opportunities often present themselves when markets are down, not at their peak.

- **Marijan Ljubic, Executive Sponsor at Logisyn Advisors**

## **Analysis of M&A Activity in Digital Freight Brokerage**

Although not a direct acquisition this month, the significant news of Convoy, a major disruptor in Digital Freight brokerage, closing its operations this month directly correlates to how the tides have shifted in the sector. Given its significant investment in tech and talent in the brokerage space, Convoy's meteoric rise and its unexpected fall has caught the market's attention. They are not alone in this struggle – the sector faces significant macroeconomic headwinds with rising interest rates and tightening debt and capital markets.

This light-asset segment has seen intense proliferation and growth in the last 10-15 years. During COVID, this sector grew enormously, with robust margins, solid earnings, and widespread digitization. If you look at the last 5 years, 2019-2023, none can be compared as the market rapidly changed from pre-pandemic to COVID surge and now to sub-optimal results. The market has turned upside down with continued margin squeeze, high wage inflation, and volatile volumes. So, what does all that mean for the sector's mergers & acquisitions (M&A) activity?

Judging from recent deals like Scan Global Logistics' acquisition of ENK Logistics Group and Global Critical Logistics' acquisition of Time Frame Logistics, buyers and investors seem opportunistic, wanting to look ahead with accretive acquisitions and spearhead freight consolidation. Indications are container traffic has improved, and the market is looking more active. We are cautiously optimistic that the market is turning around with positive signals.

This is an opportunity for leadership teams to focus on adapting their business model and margin management, not just market share. At the same time, investors are balancing their investments in tech, hiring talent, and implementing strategic P&L discipline. These significant changes to the financing climate and business environment could allow freight brokers to use sector flexibility to adjust to new market conditions with the right approach, and buyers may follow suit.

- **Nikhil Sathe, Managing Director at Logisyn Advisors**

## Analysis of UPS' Acquisition of Happy Returns

Not the largest acquisition in the month, but an interesting one nonetheless. UPS acquired Happy Returns, a US-based software and reverse logistics company, from PayPal. Returns are a supply chain painpoint that many logistics companies have struggled to solve. The combination of Happy Returns' 'Return Bars' and UPS' established small package network and UPS Store locations gives US consumers more than 12,000 locations to return items – and also the potential to expand the software and processes outside of the US.

- Paul Chapman, Senior Editor at TI

## Significant Acquisitions

Deal values were not available on most acquisition news releases; however, the largest deals for October 2023 (where value was disclosed) were the following:

- **Stonepeak's acquisition of Textainer Group Holdings for \$7.4bn**
- **Blue Wolf Capital Partners' acquisition of LOGISTEC for \$1.2bn**
- **Noatum's acquisition of Sesé Auto Logistics for \$86m**

## All October Acquisitions

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|------------|--|
| 1-Oct-2023 | <b>Loadsmart Acquires NavTrac</b><br>This acquisition expands Loadsmart's solutions, increasing logistics efficiency and bringing new products to its portfolio.           |
| 2-Oct-2023 | <b>FST Logistics Acquires Hyway Trucking</b><br>Extending FST Logistics' reach and strengthening its transportation and logistics industry presence                        |
| 2-Oct-2023 | <b>Scan Global Logistics Acquires FLS in Portugal</b><br>The acquisition expands SGL's footprint on the Iberian Peninsula and enhances its defence logistics capabilities. |
| 2-Oct-2023 | <b>PolyQuest Acquires Baker Transportation</b><br>The acquisition expands PolyQuest's access to distribution networks and ports in the Southeastern United States.         |

2-Oct-2023	<b>Radiant Logistics Acquires Daleray</b> The acquisition strengthens Radiant Logistics' cruise logistics service offerings and access to distribution routes.
2-Oct-2023	<b>3PL Warehouse Services Buys Sky Transportation</b> Expanding geographic footprint, adding cross-border capabilities, enhancing customer service.
2-Oct-2023	<b>Jetpak acquires BudAB</b> The acquisition aims to enhance Jetpak's strategic position in Sweden and the Nordics.
2-Oct-2023	<b>LBC Express Holdings Inc. acquires Blue Eagle and LBC Service Ltd.</b> Expanding global revenue channels, access to labour
3-Oct-2023	<b>TPL Logistics to Acquire GEMUNSL's E-commerce Division</b> The completion of this proposed transaction is subject to company members' approval and regulatory and corporate approvals.
3-Oct-2023	<b>Noatum acquires Sesé's Finished Vehicle Logistics</b> This acquisition aligns with Noatum's strategy to provide a comprehensive solution for the automotive industry.
3-Oct-2023	<b>Mitsubishi Logistics acquires Cavalier Logistics Group</b> To expand logistics services in the United States and the UK
3-Oct-2023	<b>Rockwell Completes Acquisition of Clearpath Robotics</b> Expansion in the autonomous robotics market
3-Oct-2023	<b>Lineage acquires facilities from Burris Logistics</b> Expanding warehousing capacity, strategic location near transportation hubs, direct-to-consumer fulfillment operation enhancement
4-Oct-2023	<b>WiseTech bolsters container logistics offering through Matchbox Exchange acquisition</b> Expanding SaaS offerings, improving container utilisation, enhancing supply chain optimization
5-Oct-2023	<b>Vinted acquires Dutch delivery service Homerr</b> Expanding network of pick-up and drop-off points, deepening partnership, improving delivery solutions with less climate impact.
6-Oct-2023	<b>DHL completes MNG Kargo acquisition</b> Boost European e-commerce business, unique logistics offerings in Turkey, expected growth in Turkish e-commerce market.
9-Oct-2023	<b>Waberer's Group acquires MD International</b> To become a leading comprehensive logistics service provider in the region.
9-Oct-2023	<b>STEF Group acquires TransWest</b> Expanding services, enhancing customer needs in frozen food and international flows.
9-Oct-2023	<b>Circle Express acquired by Winever Industrial Enterprises</b> Sale due to 'very little synergy' with TVS Supply Chain Solutions core activities.

- 9-Oct-2023 **Rhenus acquires Danish transport specialist Modul Transport**  
Expanding logistics solutions, complementing existing presence, strengthening Northern Europe development
- 9-Oct-2023 **Rotom Europe acquires Lievaart-Slaghuis**  
Becoming the European market leader in the pallet sector
- 10-Oct-2023 **DHL takes complete control of Danzas AEI**  
Accelerate growth in the UAE, GCC, and Middle East region.
- 11-Oct-2023 **Constellation Cold Logistics acquires Colso Coldstorage**  
Expanding presence in Ireland and strengthening geographical position in Europe, enhancing customer base
- 11-Oct-2023 **Manuport Logistics acquires Dynasty Shipping Europe**  
Expansion in project cargo and freight services
- 11-Oct-2023 **Kenan Advantage Group acquires liquid bulk carrier Idaho Milk Transport**  
Expansion of its food products division and presence in the Pacific Northwest.
- 12-Oct-2023 **Blue Yonder to expand supply chain solutions with Doddle acquisition**  
Expanding suite of supply chain solutions, enhancing customer experience, addressing eCommerce challenges
- 12-Oct-2023 **UniSea AS to acquire Maindeck AS**  
Strengthens operational software suite for the maritime industry
- 17-Oct-2023 **Lipigas invests \$13.4M in Rocktruck to acquire a 70% stake**  
To expand client relations, embracing electromobility and international outreach.
- 19-Oct-2023 **Centurion Transport acquires ABC Transport**  
Expanding national transport network, leveraging existing operations, focus on Adelaide to Darwin operations
- 19-Oct-2023 **Tata Motors to acquire 27% Stake In Freight Tiger**  
Expanding stake in Freight Tiger, further investment provision
- 19-Oct-2023 **DP World advances vehicle container services with CFR Rinkens buyout**  
Enhancing capabilities in vehicle shipments, providing tailored solutions to automotive clients, empowering clients to address industry shifts towards electric vehicles and green energy
- 19-Oct-2023 **Modalis acquires CCFC and launches fastest intermodal wagon**  
Enhancing capabilities and launching innovative projects, significant investment program.
- 19-Oct-2023 **LOGISTEC enters agreement to be acquired by Blue Wolf Capital Partners**  
To continue growth in key segments and throughout North America.
- 20-Oct-2023 **Bullet Express logistics firm acquired in buyout**  
Private equity-backed management buyout

- 20-Oct-2023 **PGT Trucking acquires Sunbird Transport**  
To increase PGT's regional presence and furthering progressive transportation solutions.
- 22-Oct-2023 **Textainer to be acquired by Stonepeak for \$7.4bn**  
This acquisition enhances Stonepeak's position in the logistics and transportation sector.
- 23-Oct-2023 **H. Essers acquires Romano Trasporti**  
Expanding presence in Italy and strengthening pharmaceutical logistics segment.
- 23-Oct-2023 **Ryder acquires IFS to boost supply chain business**  
Accelerate growth in supply chain business.
- 25-Oct-2023 **UPS to acquire Happy Returns from PayPal**  
Expand returns footprint, enhance digital solutions for shippers and consumers
- 25-Oct-2023 **Bamboo Rose Acquires UK Supply Pilot**  
Enhances platform with supplier collaboration, supply chain visibility and ESG initiatives.
- 26-Oct-2023 **Shipsy acquires warehouse management startup Stockone**  
Expands product portfolio and offers holistic logistics management experience
- 30-Oct-2023 **Sitra Group acquires Abbey Logistics Group**  
Expands international presence.
- 31-Oct-2023 **Oakley Capital invests in logistics software business Alerce**  
Oakley's investment in Alerce reflects its strategy of partnering with founder-owned businesses to accelerate growth and facilitate international expansion.
- 31-Oct-2023 **Accenture to Acquire OnProcess Technology**  
The acquisition will enhance Accenture's supply chain capabilities, particularly in asset recovery and service supply chain management.