

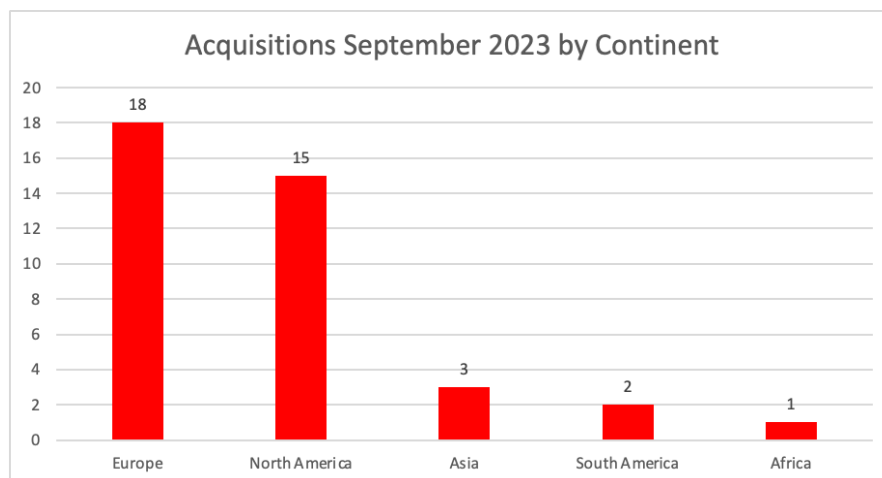
Global Logistics M&A Recap

in partnership with
Transport Intelligence

September 2023 Acquisitions

Europe accounted for the largest number of acquisitions (by target location), with 46.2% of total M&A activity made in this region.

The Netherlands was the most attractive destination for acquisitions, accounting for 12.8% of total M&A activity in September. Overall, North America and Europe accounted for most of the acquisitions in September, with a combined 84.6% of acquisitions.



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

We currently see increased sell-side activity in the small and medium-sized LSP sector. Due to the exceptional windfall experienced by most LSPs in 2021 and 2022, many business owners are now in a position where they can accelerate their exit strategies. At the same time, strategic buyers, having experienced the same recent windfall, are in a strong financial position, enabling them to execute their M&A growth strategies.

Valuations are holding strong, and although valuations are typically not being derived from 2021 and 2022 performance (as these years are outliers and generally not sustainable), we see healthy valuation expectations from both buyers and sellers, as well as a balanced supply and demand market, resulting in a valuation equilibrium. Hence deals are getting done.

On the other end of the spectrum, we see the larger LSPs continuing to increase in size, with some very active players such as CMA-CGM, Rhenus, and Scan-Global Logistics, which puts pressure on the next-tier LSPs, who are increasingly seeking needle-moving acquisition opportunities.

Financial buyers, albeit seemingly still more cautious and impacted by high-interest rates, are increasingly reentering the logistics space as the industry stabilizes and a “new normal” is taking shape in the current down-market.

Speaking of down-market, has the industry reached the bottom? The answer seems to depend on which industry gurus and newsletters you listen to. But those who believe they can time the market are likely losing out on the current M&A opportunities - both sellers and buyers.

- Mikael Olesen, Managing Director at Logisyn Advisors

Analysis of M&A Activity on the Southern Border and LATAM

The pandemic shone a bright light on the risks of a “Just In Time” supply chain as well as the reliance of too great a concentration on one foreign source, China. The response was to re-think foreign sourcing to either build greater inventories and/or diversify foreign sourcing and/or “nearshoring”. While importers have found diversifying foreign sourcing to be a slow and tedious process, Mexico’s well-established Maquiladora system has made “nearshoring” a quicker and more reliable solution. As a result, while 2023 has been a “down” year for most logistics markets in the U.S., the southern border has seen an increase in activity. As one would expect, that has led to heightened interest in southern border logistics companies.

Unlike most of the continental U.S., the southern border logistics industry is populated predominantly by local and regional companies rather than national ones. This has produced a movement towards consolidation in the southern border region. Our team has been seeing an increasing degree of interest from buyers interested in the U.S. Southern border, Mexico, and the broader LATAM region. This is reflected in September’s deal flow with the Rhenus Group making multiple acquisitions for global reach and LATAM market penetration. TECMA Customs Solutions LLC acquisition of NCH Customs Brokers is a further step in strengthening their existing cross-border Customs services on the Mexico-U.S border. Supply Chain Solutions’ acquisition of G4 Logistics is also a clear reaction to the near-shoring trend, strengthening their cross-border logistics capabilities with Mexico. We expect this consolidation trend to continue into 2024.

- Jan H. Raymond, Managing Partner at Logisyn Advisors

Analysis of M&A Activity in Logistics Tech

The most interesting logistics tech acquisition of September was Logility’s acquisition of Garvis which significantly enhances their AI-driven supply chain planning capabilities. The acquisition integrates Garvis’s strengths in demand planning, demand sensing, and causal forecasting via Generative AI into Logility’s existing solution suite. Leveraging Large Language Models, such as ChatGPT, the integrated platform captures complex relationships between external demand drivers and internal supply chain metrics. The Chat GPT technology that underlies Garvis’s solution is powerful, and it will be fascinating to watch its industrial applications in our industry evolve in the coming years.

- Max Ibata-Arens, Executive Sponsor at Logisyn Advisors

Analysis of GXO Logistics' acquisition of PFSweb

This month, GXO Logistics made significant strides in expanding its e-commerce operations with the \$181m acquisition of PFSweb, a global e-commerce fulfillment company with DCs in the US, Canada and Europe. It is the latest in a string of acquisitions in the e-commerce logistics space as major logistics players seek to acquire specialist logistics operations to meet specific fulfillment and omnichannel requirements of clients.

- Paul Chapman, Senior Editor at TI

Significant Acquisitions

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

- **MSC's proposed 49% acquisition of Hamburger Hafen und Logistik AG for \$1.4bn**
- **GXO's acquisition of PFSweb for \$181m**

All September Acquisitions

Acquisitions of companies in the Freight Forwarding segment were most common in September 2023. Including 6 acquisitions in ocean and air freight and 3 in road freight, there were 9 acquisitions of freight forwarding companies. The second most active area was acquisitions of software/technology companies, with 7 acquisitions in this domain.

1-Sep-2023	Contargo takes over HE-Logistics B.V. To expand Contargo's position in container direct trucking within the Benelux states.
4-Sep-2023	Rotom Europe Acquires Go Plastic Pallets and All Pallets To become the European leader in sustainable load carrier solutions
5-Sep-2023	Rhenus Group Acquires BLU Logistics To expand presence in the LATAM market, capitalize on nearshoring capabilities, diversify sourcing and supply chains, and accelerate further growth in global trade.
5-Sep-2023	Rhenus Group Acquires Share of LBH Group To expand and cover multiple markets as a globally oriented port agency.
5-Sep-2023	Acertus Acquires RCG Logistics

To extend product offerings, including salvage and repossession

5-Sep-2023 **Volaris Acquires RAF Technology**

To continue providing mission-critical components for postal and logistics operations

5-Sep-2023 **Ferag AG acquires dereOida**

This merger combines their expertise, providing a holistic hardware and software intralogistics solution.

5-Sep-2023 **Ever.Ag Acquires Logistics Tech Platform Roger**

The acquisition expands Ever.Ag's AgTech solutions and services portfolio.

6-Sep-2023 **Embrace acquires Core e-Business Solutions**

Expansion of group; integration with existing suite; enhancing supply chain solutions

7-Sep-2023 **Logility Acquires AI Forecasting Pioneer Garvis**

To enhance Logility's AI-driven supply chain planning capabilities.

7-Sep-2023 **Hellmann acquires Italian partner**

Strengthen presence in the Mediterranean, and complement its network in the Alpine region.

7-Sep-2023 **National Retail Federation acquires the Reverse Logistics Association**

To support sustainable practices in the retail sector and focus on reusing and recycling products, materials, and resources.

7-Sep-2023 **Bridgepoint Development Capital acquires majority stake in Groupe Sinari**

Sinari is the market leader in France and well positioned to continue consolidating

11-Sep-2023 **Kuehne + Nagel buys Kenyan freight firm**

To cement Kuehne + Nagel's air freight business in Kenya and in Africa's perishables market.

11-Sep-2023 **JustMyRoots Acquires Delivery Startup The State Plate**

Part of JustMyRoots' plans to venture into regional packaged food delivery

12-Sep-2023 **Farrow buys Link+**

To give Farrow further operational scale and client base.

12-Sep-2023 **Global Transport Solutions acquires Ship Spares Logistics**

To elevate service offerings in marine spare parts logistics.

12-Sep-2023 **Valsoft Acquires ICL Inc.**

The rationale for the acquisition is growth and resource enhancement

13-Sep-2023 **MSC Proposes Acquisition of 49% of HHLA**

To establish Hamburg as a central hub for MSC's global network

13-Sep-2023 **TFI acquires Canadian Vedder Transportation**

To become the premier Canadian provider of food-grade tank truck transportation services.

14-Sep-2023 **GXO to acquire PFSweb**

Expand GXO's e-commerce presence in North America; enter high-growth verticals

- 14-Sep-2023 **Scan Global Logistics acquired Swiss Belglobe**
Gain proximity to multinational companies, entry to Swiss market, capitalize on strong positions in Latin American and European markets
- 14-Sep-2023 **Rhenus acquires ITS Logistics Hungary**
Consolidate foothold in Central-East Europe, particularly in airfreight services.
- 14-Sep-2023 **Supply Chain Solutions acquires G4 Logistics International**
To strengthen cross-border logistics, particularly with Mexico, as part of a nearshoring trend..
- 14-Sep-2023 **ICT Group acquires Incore**
To strengthen its position in retail and logistics markets, and to expand services to other European countries.
- 14-Sep-2023 **Estes Forwarding Worldwide to acquire Superior Brokerage Services**
To expand international services into new markets, increase international capacity, and improve end-to-end supply chain solutions
- 18-Sep-2023 **DFDS acquires FRS Iberia/Maroc**
To expand DFDS' Mediterranean route network, aligning with the nearshoring of supply chains to Europe, and strengthen DFDS' presence in the ferry and transport industry DFDS' presence in the Mediterranean ferry and transport sector
- 18-Sep-2023 **J.B. Hunt To Acquire BNSF Logistics' Brokerage Operations**
Strengthen market position, capitalize on investments in technology, long-term partnership with BNSF Railway.
- 18-Sep-2023 **Mutares offer to acquire SRT Group (Stuart)**
Strengthening logistics and transport sector; entry into urban on-demand deliveries.
- 18-Sep-2023 **Rhenus Group acquired 49.99% stake in Rietlanden Terminals**
The acquisition enhances Rhenus' services portfolio in the Netherlands
- 20-Sep-2023 **UPS acquires healthcare logistics unit of Transports Chabas Santé**
This acquisition strengthens UPS Healthcare's ability to deliver pharmaceutical and biologic treatments across Europe.
- 21-Sep-2023 **BLR Logistik acquires majority stake in Standard Multimodal Logistics**
This acquisition aims to optimize routes and expand the trailer fleet.
- 22-Sep-2023 **QTerminals acquires majority stake in Kramer Holding**
The acquisition marks a significant expansion and aligns with Qatar's economic diversification goals.
- 25-Sep-2023 **Kinaxia buys Nelson Distribution**
Kinaxia Logistics acquired the trade and assets of KNP Logistics subsidiary Nelson Distribution after the group filed for administration.
- 25-Sep-2023 **FM Global Logistics buys Singapore's CAC Logistics Services**
The acquisition allows FM Global to expand its presence in Singapore.

- 25-Sep-2023 **Management buys Dublin's Toga Freight**
This move marks a transition in ownership while ensuring continuity in business operations.
- 28-Sep-2023 **UPS to Acquire MNX**
Enhances UPS' capabilities in time-critical logistics solutions, mainly in the healthcare sector.
- 28-Sep-2023 **Agunsa acquires majority stake in ESBO Logistics**
Agunsa's acquisition of a 75% stake expands its presence in Spain's logistics market.
- 28-Sep-2023 **Warehouse Services to Acquire Sky Transportation Services**
Enhances Warehouse Services' geographic footprint and US-Mexico cross-border capabilities.
- 28-Sep-2023 **TECMA Customs Solutions LLC acquires NCH Customs Brokers.**
Enhances TECMA's existing strong position on the Southern border.