



Surface Transportation Market Hot

Supply/Demand Tight, Pricing Improving, and 2018 Shaping Up to be a Good Year; Consolidation to Continue

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All relevant disclosures and certifications can be found on pages 88-92 of this report.



- I. **Stifel Transportation Group Overview**
- II. **Current and Historical Valuation** – valuations still elevated but number of Buy-rated names growing as fundamentals improve
- III. **Economic Indicators** – continued moderate growth expected for the economy, as freight traffic improving
- IV. **Volume Trends** – domestic and international volumes moving up
- V. **Industry Dynamics** – current trends vary significantly by sector
- VI. **Appendix** – operating statistics, comparative valuation matrix, disclosures



Stifel Overview

- **History**
 - Founded in 1890, publicly listed since 1986
 - Acquired Legg Mason's Capital Markets Division (2005), Ryan Beck (2007), UBS's Private Client Group¹ (2009), Thomas Weisel Partners (2010), Keefe, Bruyette & Woods (2013), Knight Capital's Bond Sales, Trading, and Research Operations (2013); Oriel Securities (2014); Stern Agee (2015); Barclays U.S. Wealth Management Unit (2015)
- **Platform**
 - \$4.1 billion market capitalization²
 - The largest U.S. equity research platform
 - National presence with over 2,200 retail brokers and \$237 billion (as of 8/3/17) in combined client assets
- **Competitive Positioning**
 - Middle-market focus
 - Research driven, industry specialist approach
 - Commitment to small/mid-cap companies
 - Independent advisor
 - No proprietary trading or prime brokerage
 - No captive private equity investing conflicts
 - Broad product portfolio
 - Equities, Fixed Income, M&A Advisory
 - Commitment to private equity and venture investors

(1) 54 branches of UBS Private Client Group

(2) As of 12/12/17



Stifel Transportation & Logistics Group



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John Larkin joined Legg Mason¹ in October 2001 to form and lead the firm's entry into the transportation markets. Mr. Larkin was recognized as an all-star analyst by Institutional Investor magazine in 2006 and as a Wall Street Journal all-star analyst for the years 2003, 2004, 2005, 2006, and 2010. In addition, he was rated as #1 by Forbes Starmine in EPS estimate accuracy in the Road & Rail Category in 2008 and as #1 stock picker in 2003 by Forbes Starmine in both the Road & Rail and the Airfreight & Logistics categories. He received additional recognition in 2004 by placing 3rd in the 2004 Forbes Starmine stock picking survey in the Road & Rail category.

From 1998 to 2001, Mr. Larkin was Chairman and Chief Executive Officer of RailWorks Corporation, a publicly traded transportation services company with revenues of \$800 million. From 1987 to 1998, Mr. Larkin was a key member of Alex. Brown and Sons' transportation team, serving as a Managing Director for the last five years. During that period, Mr. Larkin was recognized twice by The Wall Street Journal and twice by Institutional Investor magazine as an all-star analyst. From 1984 to 1987, Mr. Larkin held various positions in planning and economic analysis at CSX Transportation, Inc.

Mr. Larkin began his career in the transportation industry in 1977, serving as a Research Assistant at the Center for Transportation at the University of Texas at Austin. He joined Day & Zimmermann, Inc., as a Transportation Systems Consultant in 1979, serving until 1982. Mr. Larkin earned his Master's of Business Administration from Harvard University in 1984 and a Bachelor's degree and a Master's of Science degree in Civil Engineering from the University of Vermont and the University of Texas, respectively. Mr. Larkin is a CFA charter holder. In addition, he is a member of The Boards of Advisors for CRST International and Comcar Industries and is a member of the Baltimore CFA Society.

(1) Legg Mason's capital markets group was sold in its entirety to Stifel on December 1, 2005



Stifel Transportation & Logistics Group



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Dave Ross joined Stifel in 2005. Based out of the Miami, FL office, Mr. Ross is a Managing Director in the Transportation & Logistics sector with a focus on the International Logistics, Parcel, Leasing (Air Cargo , Truck), and LTL (less-than-truckload) industries.

His past awards include ranking #1 in stock picking multiple times in the Wall Street Journal's *Best on the Street* Analysts Survey and in Financial Times/*StarMine America's Top Analysts* report.

Before joining Stifel, Mr. Ross was an analyst with Legg Mason Capital Markets, worked briefly in the industry at RailWorks Corp., and began his career as an analyst in the global investment banking division of Deutsche Banc Alex. Brown.

Mr. Ross is a graduate of Georgetown University and a CFA charter holder. In addition, he serves on the Board of Directors for The Humane Society of Greater Miami and The Carson Scholars Fund.



Stifel Transportation & Logistics Group



Michael Baudendistel is an Analyst and Vice President at Stifel in Baltimore. He covers equipment manufacturing, leasing, and services companies primarily related to the truck and railroad transportation industries.

Prior to joining Stifel, Mr. Baudendistel assisted in the execution of M&A transactions as a Financial Analyst with Crowe Capital Markets, LLC, in Chicago. He has a total of 12 years of work experience in financial analyst positions and currently serves on the Kelley Transportation Executive Board. Mr. Baudendistel holds a B.S. from Indiana University in Accounting and Finance and is a CFA charterholder.

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Bruce Chan is an Associate Equity Research Analyst, having joined the Stifel research team in March, 2010. He covers the freight transportation industry, with a focus on the LTL, parcel, and logistics sectors, including the international freight forwarders.

Mr. Chan holds a B.S.B.A., having graduated cum laude from Georgetown University with dual majors in finance and international business. Upon completion of his studies at Georgetown, Mr. Chan earned his Juris Doctor from the University of Maryland School of Law with concentrations in corporate and securities law. He is a licensed attorney in the State of Maryland and a member of the American Bar Association. In addition, Mr. Chan serves on the Board of Stepping Stones International, a global non-profit organization supporting educational programs for children with physical and developmental disabilities. He also serves as the Chairman of the auxiliary board for the Port Discovery Children's Museum in Baltimore, and as a member of the Alumni Board of the McDonogh School, a co-educational, K-12 preparatory school in Maryland.

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Brady Cox is an Associate Equity Research Analyst, having joined the Stifel research team in June, 2013. He covers equipment manufacturing, leasing, and services companies primarily related to the truck and railroad transportation industries.

Prior to joining Stifel, Mr. Cox worked in investment operations at T. Rowe Price, working on the company's equity mutual fund products. Mr. Cox holds a B.S.B.A. from the University of South Carolina in Finance and Economics and is a CFA charterholder.



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John Engstrom is an Associate Equity Research Analyst, having joined Stifel in February, 2014. He covers transportation and logistics stocks in the Truckload, Railroad, Intermodal, Non-Asset-Based Logistics, and Barge industries.

Mr. Engstrom holds a double B.S. from Rensselaer Polytechnic Institute in Operations Research and Management Engineering. Upon completion of his studies at Rensselaer, Mr. Engstrom earned his Master's in Engineering Management from Dartmouth College and completed a concentration in financial engineering from a joint program at Duke University. Prior to joining Stifel Mr. Engstrom worked in management consulting at Oliver Wyman, advising corporate and private equity clients on strategic initiatives.

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Roxanna Islam is an Associate Equity Research Analyst, having joined Stifel in February 2015. She covers transportation and logistics stocks in the Truckload, Railroad, Intermodal, Non-Asset-Based Logistics, and Barge industries.

Ms. Islam holds a B.B.A. and a B.A. from The University of Texas at Austin in Investment Management Finance and an Interdisciplinary Arts & Sciences Honors program where she completed an honors thesis on the relationship between metaphysics and British imperialism. Prior to joining Stifel, Ms. Islam worked at Wells Fargo Advisors in several analyst roles within Product and Research, most recently as an Associate Research Analyst in Closed-End Funds and Exchange-Traded Funds where she was responsible for firm-wide buy/sell list recommendations. She is a 2017 Level III CFA candidate.



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Austin Remey is an Associate Equity Research Analyst, having joined the Stifel Transportation research team in July, 2017. He covers the freight transportation industry, with a focus on the LTL, parcel, and logistics sectors, including the international freight forwarders.

Prior to joining the Transportation team, Mr. Remey worked in Stifel's Research Marketing department, assisting our Private Wealth Management department with research-related inquiries. Mr. Remey holds a B.S., having graduated cum laude from Stetson University, where he served as a trustee for the Roland George Investment Program.



Stifel Transportation Group Overview

Stifel Transportation & Logistics Group Coverage by Market Capitalization

TRUCKLOAD

	Market Cap. (\$mm)
Larkin, Engstrom, Islam	
J.B. Hunt Transport Svcs. (JBHT)	12,214.4
Knight-Swift Transportation (KNX)	4,458.8
Landstar System (LSTR)	4,332.3
Werner Enterprises (WERN)	2,721.7
Heartland Express (HTLD)	1,884.4
Marten Transport (MRTN)	1,090.5
Universal Logistics Holdings, Inc. (ULH)	665.6
Covenant Transport (CVTI)	550.2
Daseke, Inc. (DSKE)	519.5
P.A.M. Transportation Svcs. (PTSI)	235.7
Celadon Group (CGI)	182.4
USA Truck (USAK)	144.9

LESS-THAN-TRUCKLOAD (LTL)

	Market Cap. (\$mm)
Ross, Chan	
Old Dominion Freight Line (ODFL)	10,593.4
Saia, Inc. (SAIA)	1,771.5
Forward Air Corp. (FWRD)	1,721.5
ArcBest Corporation (ARCB)	970.0
YRC Worldwide (YRCW)	446.1
Roadrunner Transportation Svcs. (RRTS)	328.5

RAILROADS

	Market Cap. (\$mm)
Larkin, Engstrom, Islam	
Union Pacific (UNP)	103,517.8
Canadian National (CNI)	60,451.4
CSX Corp. (CSX)	50,400.8
Norfolk Southern Corp. (NSC)	40,529.8
Canadian Pacific (CP)	25,733.9
Kansas City Southern (KSU)	11,677.6
Genesee & Wyoming (GWR)	4,834.2

INTERMODAL

	Market Cap. (\$mm)
Larkin, Engstrom, Islam	
J.B. Hunt Transport Svcs. (JBHT)	12,214.4
XPO Logistics, Inc. (XPO)	11,316.5
Hub Group (HUBG)	1,560.4

DOMESTIC LOGISTICS

	Market Cap. (\$mm)
Larkin, Ross, Chan, Engstrom, Islam	
C.H. Robinson Worldwide (CHRW)	12,504.1
XPO Logistics, Inc. (XPO)	11,316.5
Landstar System (LSTR)	4,332.3
Forward Air Corp. (FWRD)	1,721.5
Hub Group (HUBG)	1,560.4
Echo Global Logistics (ECHO)	740.4
Universal Logistics Holdings, Inc. (ULH)	665.6
Roadrunner Transportation Svcs. (RRTS)	328.5

INTERNATIONAL LOGISTICS

	Market Cap. (\$mm)
Ross, Chan	
Kuehne + Nagel International AG (KNIN-CH)	20,808.5
DSV A/S (DSV-DK)	14,616.8
Expeditors International (EXPD)	12,045.3
Panalpina Welttransport Holding (PWTN-CH)	3,428.6

GLOBAL INTEGRATORS

	Market Cap. (\$mm)
Ross, Chan	
United Parcel Service (UPS)	103,622.1
FedEx Corp. (FDX)	65,907.6
Deutsche Post DHL (DPW-DE)	59,567.5
BEST Inc. (BSTI)	3,558.6

AIRLINES

	Market Cap. (\$mm)
DeNardi	
Delta Air Lines (DAL)	38,229.6
Southwest Airlines (LUV)	37,638.6
American Airlines (AAL)	24,149.8
United Continental (UAL)	18,770.5
Alaska Air Group (ALK)	8,588.5
JetBlue Airways (JBLU)	6,922.8
Copa Holdings (CPA)	5,651.4
Spirit Airlines (SAVE)	3,005.9
Allegiant Travel (ALGT)	2,355.4
Hawaiian Holdings (HA)	2,101.5

PASSENGER TRANSPORTATION

	Market Cap. (\$mm)
Larkin, Engstrom, Islam	
Student Transportation Inc. (STB)	651.5

TRANSPORTATION LEASING

	Market Cap. (\$mm)
Ross, Chan (GATX Corp. covered by Baudendistel, Cox)	
Ryder System (R)	4,289.6
GATX Corp. (GATX)	2,414.7
Air Transport Services Group, Inc. (ATSG)	1,448.4
Atlas Air Worldwide Holdings, Inc. (AAWW)	1,427.3

DOMESTIC MARINE

	Market Cap. (\$mm)
Larkin, Engstrom, Islam	
Kirby Corp. (KEX)	3,452.6

MARITIME

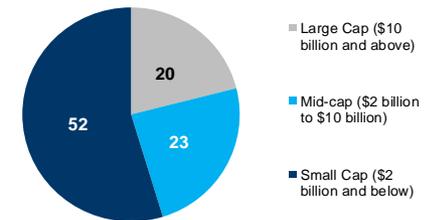
	Market Cap. (\$mm)
Nolan, Frank Galanti	
Golar LNG Limited (GLNG)	2,657.3
World Fuel Services Corporation (INT)	1,859.5
GasLog Ltd. (GLOG)	1,558.9
Teekay LNG Partners (TGP)	1,477.1
Golar LNG Partners LP (GMLP)	1,475.4
Euronav NV (EURN)	1,320.5
Matson, Inc. (MATX)	1,190.7
GasLog Partners LP (GLOP)	1,088.8
Scorpio Tankers Inc. (STNG)	992.4
SEACOR Holdings Inc. (CKH)	831.3
Star Bulk Carriers Corp. (SBLK)	762.8
Seaspac Corporation (SSW)	732.7
Costamare Inc. (CMRE)	605.0
Scorpio Bulkers Inc. (SALT)	581.0
Hoegh LNG Partners LP (HMLP)	571.0
Navigator Holdings Ltd. (NVGS)	557.2
DHT Holdings, Inc. (DHT)	535.2
Capital Product Partners LP (CPLP)	482.5
Diana Shipping Inc. (DSX)	439.4
Dynagas LNG Partners LP (DLNG)	403.6
Navios Maritime Partners LP (NMM)	347.3
Tsakos Energy Navigation LTD (TNP)	338.7
Safe Bulkers Inc. (SB)	337.1
Ardmore Shipping Corp (ASC)	261.2
Navios Maritime Acquisition Corp (NNA)	177.4
Aegean Marine Petroleum Network (ANW)	172.7
Navios Maritime Holdings Inc. (NM)	152.3

TRANSPORTATION EQUIPMENT

	Market Cap. (\$mm)
Baudendistel, Cox	
Cummins (CMI)	27,814.0
PACCAR (PCAR)	24,770.1
Thor Industries (THO)	7,825.6
WABCO (WBC)	7,551.0
Wabtec (WAB)	7,238.8
Allison Transmission (ALSN)	5,829.2
Trinity Industries (TRN)	5,405.2
Navistar (NAV)	3,967.0
Meritor (MTOR)	2,138.4
Rush Enterprises (RUSHA)	1,961.7
REV Group (REVG)	1,776.7
Winnebago (WGO)	1,677.3
Greenbrier (GBX)	1,426.6
Wabash National (WNC)	1,220.4
American Railcar Industries (ARIL)	767.9
Blue Bird (BLBD)	561.9
Freightcar America (RAIL)	206.3

Coverage by Sector:

	Total
Maritime	27
Transportation Equipment	17
Truckload	12
Airlines	10
Domestic Logistics	8
Railroad	7
Less-Than-Truckload	6
International Logistics	4
Transportation Leasing	4
Global Integrators	3
Intermodal	3
Passenger Transportation	1
Domestic Marine	1
Total	97





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Aside from Maritime, Transports Significantly Outperformed the Market in 2016. Year to Date in 2017, Many Modes are Ahead of the Market

Transportation Segment	As of 12/12/2017	2013 Return	2014 Return	2015 Return	2016 Return	2017 YTD Return	Stock Price Performance			
							(1 Mo)	(6 Mths)	(1 Yr)	10 Yr CAGR
Truckload Average		70.9%	38.5%	(31.2%)	22.5%	19.7%	(0.9%)	50.1%	13.9%	7.9%
LTL Average (ex. YRCW)		107.8%	33.5%	(38.7%)	38.8%	40.1%	2.1%	37.8%	14.3%	0.1%
Railroad Average		39.8%	18.0%	(31.0%)	24.9%	28.6%	(0.2%)	13.2%	22.8%	12.3%
Intermodal Average		24.1%	4.4%	(13.1%)	32.5%	12.1%	(0.6%)	28.9%	7.2%	9.9%
Transportation Equipment Average		44.8%	10.5%	(24.0%)	21.7%	31.2%	0.1%	13.6%	20.6%	7.4%
Transportation Leasing Average		40.7%	38.5%	(31.2%)	22.5%	19.7%	(2.8%)	7.6%	11.3%	7.1%
Global Integrators Average		55.4%	5.4%	(13.8%)	20.3%	25.0%	(2.0%)	19.6%	23.1%	5.7%
Non-Asset-Based Logistics Average		28.9%	9.5%	(18.6%)	21.0%	27.3%	(0.2%)	24.8%	22.1%	5.3%
Domestic Marine Average		60.4%	(18.6%)	(34.8%)	26.4%	(4.1%)	(3.7%)	(6.9%)	(8.1%)	2.6%
Airlines Average		80.4%	91.2%	5.2%	18.3%	(6.7%)	(0.3%)	(9.4%)	(8.7%)	15.9%
Maritime Average		62.6%	(19.1%)	(41.1%)	(6.5%)	4.2%	0.3%	1.8%	(0.8%)	(23.2%)
Transportation Coverage Average		56.0%	19.3%	(24.8%)	22.0%	17.9%	(0.7%)	16.5%	10.7%	9.7%
S&P500	2,637.0	29.6%	11.4%	(0.7%)	9.5%	17.8%	2.0%	8.4%	16.7%	6.0%

Sector averages were determined using an equal weighted average for all segments except Domestic Marine, which was determined using a market capitalization weighted average
Source: FactSet Research Systems Inc.

Current and Historical Valuation



Stifel 12-Month Target Price Matrix Sorted by Upside

(excludes Shipping & Airlines coverage)

Stifel 12-Month Target Price Matrix

Company	Ticker	Rating	Closing 12/12/2017	Earnings Per Share		P/E Multiple (1)	12-Mo. Target Price		
				CY 18E	CY 19E		Estimate	Dividend Yield	Potential Upside %
BEST Inc.	BSTI	Buy	\$ 9.38	\$ 0.09	\$ 0.38	42.0x	\$ 16	-	70.6%
Meritor (8)	MTOR	Buy	\$ 23.59	\$ 1.87	\$ 2.20	NA	\$ 31	-	31.4%
YRC Worldwide	YRCW	Buy	\$ 14.40	\$ 1.52	\$ 2.05	9.0x	\$ 18	-	25.0%
REV Group (10)	REVG	Buy	\$ 27.12	\$ 1.32	\$ 1.79	NA	\$ 33	0.7%	22.4%
Atlas Air Worldwide Holdings, Inc.	AAWW	Buy	\$ 57.00	\$ 4.90	\$ 5.78	12.0x	\$ 69	-	21.1%
Heartland Express (6)	HTLD	Buy	\$ 22.39	\$ 0.70	\$ 1.25	21.0x	\$ 27	0.4%	20.9%
Greenbrier	GBX	Buy	\$ 50.90	\$ 3.97	\$ -	15.0x	\$ 60	1.8%	19.7%
Blue Bird Corporation (2)	BLBD	Buy	\$ 18.05	\$ 1.10	\$ 1.20	NA	\$ 21	-	16.3%
Student Transportation Inc. (11)	STB	Buy	\$ 5.99	\$ 0.11	\$ 0.13	NA	\$ 6.50	7.4%	15.9%
Universal Logistics Holdings, Inc.	ULH	Buy	\$ 23.80	\$ 1.20	\$ 1.65	16.5x	\$ 27	1.2%	14.6%
J.B. Hunt Transport Svcs.	JBHT	Buy	\$ 111.24	\$ 4.55	\$ 5.55	22.5x	\$ 125	0.8%	13.2%
Trinity Industries (13)	TRN	Buy	\$ 36.88	\$ 1.25	\$ -	NA	\$ 41	1.5%	12.6%
Canadian National Railway	CNI	Hold	\$ 80.09	\$ 4.60	\$ 5.35	16.5x	\$ 88	1.6%	11.5%
Wabash National Corp.	WNC	Hold	\$ 20.01	\$ 1.70	\$ 1.70	13.0x	\$ 22	1.2%	11.2%
Echo Global Logistics	ECHO	Buy	\$ 27.90	\$ 1.05	\$ 1.40	22.0x	\$ 31	-	11.1%
Landstar System	LSTR	Buy	\$ 104.00	\$ 4.45	\$ 5.10	22.5x	\$ 115	0.4%	11.0%
Covenant Transportation Group	CVTI	Hold	\$ 28.87	\$ 1.15	\$ 1.75	18.0x	\$ 32	-	10.8%
Daseke, Inc. (3)	DSKE	Buy	\$ 13.64	\$ 0.09	\$ 0.19	NA	\$ 15	-	10.0%
USA Truck, Inc.	USAK	Buy	\$ 18.21	\$ 0.45	\$ 1.20	17.0x	\$ 20	-	9.8%
Kansas City Southern	KSU	Buy	\$ 110.30	\$ 5.90	\$ 6.55	18.0x	\$ 118	1.3%	8.3%
Navistar International (9)	NAV	Hold	\$ 41.63	\$ 1.93	\$ 3.13	NA	\$ 45	-	8.1%
Canadian Pacific Railway	CP	Buy	\$ 178.28	\$ 10.93	\$ 13.08	14.5x	\$ 190	1.0%	7.6%
Hub Group, Inc.	HUBG	Buy	\$ 46.55	\$ 2.15	\$ 2.65	19.0x	\$ 50	-	7.4%
WABCO Holdings Inc.	WBC	Buy	\$ 145.02	\$ 7.50	\$ 8.30	20.5x	\$ 154	-	6.2%
Kirby Corp. (7)	KEX	Hold	\$ 63.75	\$ 2.60	\$ 3.10	NA	\$ 67	-	5.1%
XPO Logistics, Inc. (15)	XPO	Buy	\$ 76.29	\$ 2.50	\$ 3.25	NA	\$ 80	-	4.9%
Cummins	CM	Hold	\$ 169.22	\$ 11.95	\$ 12.75	14.5x	\$ 173	2.5%	4.8%
Allison Transmission	ALSN	Hold	\$ 41.40	\$ 2.70	\$ 2.95	15.5x	\$ 42	1.4%	2.9%
PACCAR Inc.	PCAR	Hold	\$ 71.91	\$ 4.80	\$ 5.05	15.0x	\$ 72	1.4%	2.1%
CSX Corp.	CSX	Hold	\$ 56.98	\$ 2.75	\$ 3.35	17.0x	\$ 57	1.4%	1.4%

Stifel 12-Month Target Price Matrix

Company	Ticker	Rating	Closing 12/12/2017	Earnings Per Share		P/E Multiple (1)	12-Mo. Target Price		
				CY 18E	CY 19E		Estimate	Dividend Yield	Potential Upside %
Genesee & Wyoming, Inc.	GWR	Hold	\$ 77.22	\$ 3.55	\$ 4.20	18.0x	\$ 76	-	(1.6%)
Wabtec Corporation	WAB	Hold	\$ 76.73	\$ 3.95	\$ -	19.0x	\$ 75	0.6%	(1.6%)
United Parcel Service	UPS	Hold	\$ 118.16	\$ 6.43	\$ 6.80	16.5x	\$ 112	2.8%	(2.4%)
DSV A/S	DSV-DK	Hold	DKK 486.00	DKK 19.58	\$ 21.23	22.0x	DKK 467	0.4%	(3.5%)
Thor Industries (12)	THO	Hold	\$ 149.40	\$ 9.80	\$ 6.13	13.5x	\$ 142	1.0%	(4.0%)
Air Transport Services Group, Inc.	ATSG	Hold	\$ 22.99	\$ 1.13	\$ 1.30	17.0x	\$ 22	-	(4.3%)
C.H. Robinson Worldwide	CHRW	Hold	\$ 88.00	\$ 3.70	\$ 4.10	20.0x	\$ 82	2.1%	(4.7%)
Marten Transport	MRTN	Hold	\$ 20.05	\$ 0.72	\$ 0.85	22.0x	\$ 19	0.5%	(4.7%)
Werner Enterprises	WERN	Hold	\$ 38.10	\$ 1.55	\$ 1.80	20.0x	\$ 36	0.7%	(4.8%)
Expeditors International	EXPD	Hold	\$ 64.35	\$ 2.60	\$ 2.77	21.5x	\$ 60	1.3%	(5.5%)
GATX Corporation	GATX	Hold	\$ 61.37	\$ 4.15	\$ -	13.5x	\$ 56	2.7%	(6.0%)
Union Pacific Corp.	UNP	Hold	\$ 130.70	\$ 6.60	\$ 7.30	16.5x	\$ 120	2.1%	(6.1%)
Knight-Swift Transportation	KNX	Hold	\$ 42.99	\$ 1.40	\$ 1.90	21.0x	\$ 40	0.6%	(6.4%)
FedEx Corp. (4)	FDX	Hold	\$ 239.50	\$ 14.15	\$ -	15.0x	\$ 221	0.8%	(7.1%)
Kuehne+Nagel International AG	KNIN-CH	Hold	CHF 172.90	CHF 6.72	NE	23.0x	CHF 155	3.2%	(7.2%)
Ryder System	R	Hold	\$ 81.76	\$ 5.44	\$ 5.67	13.5x	\$ 73	2.3%	(8.5%)
Forward Air Corp.	FWRD	Hold	\$ 57.47	\$ 2.49	\$ 2.67	19.5x	\$ 52	1.0%	(8.5%)
American Railcar Industries	ARI	Hold	\$ 40.25	\$ 2.20	\$ -	16.0x	\$ 35	4.0%	(9.0%)
Norfolk Southern Corp.	NSC	Hold	\$ 141.46	\$ 7.15	\$ 7.85	16.0x	\$ 126	1.7%	(9.2%)
Saia, Inc.	SAIA	Hold	\$ 68.15	\$ 2.71	\$ 3.32	18.0x	\$ 60	-	(12.0%)
FreightCar America (5)	RAIL	Hold	\$ 16.56	\$ (0.95)	\$ -	NA	\$ 14	2.2%	(13.3%)
Old Dominion Freight Line	ODFL	Hold	\$ 129.07	\$ 4.93	\$ 5.54	20.0x	\$ 111	0.3%	(13.7%)
Deutsche Post DHL	DPW-DE	Hold	€ 40.02	€ 2.39	€ 2.60	14.0x	€ 33	2.6%	(14.9%)
Winnebago (14)	WGO	Hold	\$ 54.95	\$ 3.20	\$ 2.40	12.5x	\$ 45	0.7%	(17.4%)
Rush Enterprises	RUSHA	Hold	\$ 48.80	\$ 2.45	\$ 2.75	16.5x	\$ 40	-	(18.0%)
P.A.M. Transportation Services	PTSI	Hold	\$ 37.56	\$ 1.45	\$ 1.90	16.0x	\$ 30	-	(20.1%)
ArcBest Corporation	ARCB	Hold	\$ 38.55	\$ 1.83	\$ 2.08	13.0x	\$ 27	0.9%	(29.1%)
Panalpina World Transport	PWNT-CH	Sell	CHF 146.80	CHF 3.89	\$ 4.83	22.0x	CHF 98	2.6%	(30.7%)
Roadrunner Transportation Svcs.	RRTS	SU	\$ 8.43	NA	NA	NA	NA	-	NA
Celadon Group	CGI	SU	\$ 6.00	NA	NA	NA	NA	1.3%	NA

(1) Multiples listed are applied to 2019 EPS estimates unless none is established or otherwise noted

(2) Blue Bird (BLBD) target price is \$22, or 9.0x our 2018 EBITDA estimate of \$85 million

(3) Daseke, Inc. (DSKE) target price of \$15 is calculated by applying a 6.75x multiple to our 2019 EBITDA estimate of \$207 million, subtracting projected net debt of \$408 million, divided by forecasted shares outstanding at year end 2019

(4) FedEx is on May 31 fiscal year, 12-month target price of \$221 is calculated by applying a 15.0x multiple to our FY2019 EPS estimate of \$14.70

(5) Freightcar America (RAIL) target price is \$15, which reflects valuation of 0.75x tangible book

(6) Heartland Express (HTLD) target price is \$27, or 21.0x our 2019 EPS estimate of \$1.25 plus \$0.62 net cash per share (adjusted for the IDC deal)

(7) Kirby Corp. 12-month target price of \$69 is calculated by applying an 8.25x multiple to our 2019 EBITDA estimate of \$563.1 million less 2019 net debt of \$699.0 million divided by average diluted shares outstanding in 2019

(8) Meritor (MTOR) target price is \$31, or 9.0x our 2018 EBITDA estimate of \$400 million

(9) Navistar International (NAV) target price is \$45, or 11.0x our 2018 EBITDA estimate of \$780 million

(10) REV Group (REVG) target price is \$33, or 9.0x our 2019 EBITDA estimate of \$275 million

(11) Student Transportation Inc. 12-month target price is \$6.50 or 9.0x our CY2019 EBITDA of \$120, less CY2019 net debt of \$364 million for a total of \$773 million in equity value divided by 112.6 million shares

(12) Thor Industries (THO) target price is \$114, or 12.5x our FY19 EPS estimate of \$9.10

(13) Trinity (TRN) target price of \$41 is derived via our sum-of-the-parts analysis

(14) Winnebago (WGO) target price is \$45, or 12.5x our FY19 EPS estimate of \$3.60

(15) XPO Logistics 12-month target price of \$77 is calculated by applying a 7.25x multiple to our 2019 EBITDA estimate of \$1.83 billion less 2019 net debt of \$2.4 billion divided by estimated average diluted shares outstanding in 2019

Source: FactSet Research Systems, Stifel estimates; risk ratings are derived from a qualitative analysis by Stifel analysts



Current and Historical Valuation

Stifel 12-Month Target Price Matrix Grouped by Market Cap. (excludes Shipping & Airlines coverage)

Stifel 12-Month Target Price Matrix

Company	Ticker	Rating	Closing 12/12/2017	Mkt. Cap (\$mm)	Earnings Per Share		P/E Multiple (x)	12-Mo. Target Price		Potential Upside %
					CY 18E	CY 19E		Estimate	Dividend Yield	
Large cap (\$1 billion and above):										
Cummins	CM	Hold	\$ 169.22	28,342.4	\$ 11.95	\$ 12.75	14.5x	\$ 173	2.5%	4.8%
Canadian National Railway	CNI	Hold	\$ 80.09	59,605.9	\$ 4.60	\$ 5.35	16.5x	\$ 88	1.6%	11.5%
Kansas City Southern	KSU	Buy	\$ 110.30	11,455.0	\$ 5.90	\$ 6.55	18.0x	\$ 118	1.3%	8.3%
Canadian Pacific Railway	CP	Buy	\$ 178.28	26,089.0	\$ 10.93	\$ 13.08	14.5x	\$ 190	1.0%	7.6%
PACCAR Inc.	PCAR	Hold	\$ 71.91	25,224.5	\$ 4.80	\$ 5.05	15.0x	\$ 72	1.4%	1.5%
CSX Corp.	CSX	Hold	\$ 56.98	50,915.4	\$ 2.75	\$ 3.35	17.0x	\$ 57	1.4%	1.4%
United Parcel Service	UPS	Hold	\$ 118.16	101,883.9	\$ 6.43	\$ 6.80	16.5x	\$ 112	2.8%	(2.4%)
DSV A/S	DSV-DK	Hold	DKK 486.00	90,230.2	DKK 19.58	DKK 21.23	22.0x	DKK 467	0.4%	(3.5%)
Union Pacific Corp.	UNP	Hold	\$ 130.70	101,584.2	\$ 6.60	\$ 7.30	16.5x	\$ 120	2.1%	(6.1%)
C.H. Robinson Worldwide	CHRW	Hold	\$ 88.00	12,289.9	\$ 3.70	\$ 4.10	20.0x	\$ 82	2.1%	(4.7%)
Kuehne+Nagel International AG	KNXN-CH	Hold	CHF 172.90	20,642.9	CHF 6.72	NE	23.0x	CHF 155	3.2%	(7.2%)
FedEx Corp. (6)	FDX	Hold	\$ 239.50	63,982.8	\$ 14.15	\$ -	15.0x	\$ 221	0.8%	(7.1%)
Norfolk Southern Corp.	NSC	Hold	\$ 141.46	40,504.4	\$ 7.15	\$ 7.85	16.0x	\$ 126	1.7%	(9.2%)
Deutsche Post DHL	DPW-DE	Hold	€ 40.02	48,259.0	\$ 2.39	\$ 2.60	14.0x	€ 33	2.6%	(14.9%)
Mid-cap (\$2 billion to \$10 billion):										
BSTI Inc.	BSTI	Buy	\$ 9.38	2,174.0	\$ 0.09	\$ 0.38	42.0x	\$ 16	0.0%	70.6%
WABCO Holdings Inc.	WBC	Buy	\$ 145.02	7,760.2	\$ 7.50	\$ 8.30	20.5x	\$ 154	-	6.2%
Trinity Industries (13)	TRN	Buy	\$ 36.88	5,433.9	\$ 1.25	\$ -	NA	\$ 41	1.5%	12.6%
Navistar International (9)	NAV	Hold	\$ 41.63	3,934.2	\$ 1.93	\$ 3.13	NA	\$ 45	-	8.1%
J.B. Hunt Transport Svcs.	JHHT	Buy	\$ 111.24	12,215.4	\$ 4.55	\$ 5.55	22.5x	\$ 125	0.8%	13.2%
Landstar System	LSTR	Buy	\$ 104.00	4,353.6	\$ 4.45	\$ 5.10	22.5x	\$ 115	0.4%	11.0%
Allison Transmission	ALSN	Hold	\$ 41.40	5,939.8	\$ 2.70	\$ 2.95	15.5x	\$ 42	1.4%	2.9%
Kirby Corp. (7)	KEY	Hold	\$ 63.75	3,805.7	\$ 2.60	\$ 3.10	NA	\$ 67	-	5.1%
XPO Logistics, Inc. (15)	XPO	Buy	\$ 76.29	9,159.1	\$ 2.50	\$ 3.25	NA	\$ 80	-	4.9%
Wabtec Corporation	WAB	Hold	\$ 76.73	7,420.7	\$ 3.95	\$ -	19.0x	\$ 75	0.6%	(1.6%)
Genesee & Wyoming, Inc.	GWR	Hold	\$ 77.22	4,791.0	\$ 3.55	\$ 4.20	18.0x	\$ 76	-	(1.6%)
Thor Industries (10)	THO	Hold	\$ 149.40	7,912.0	\$ 9.80	\$ 6.13	13.5x	\$ 142	1.0%	(4.0%)
Expeditors International	EXPD	Hold	\$ 64.35	11,401.4	\$ 2.60	\$ 2.77	21.5x	\$ 60	1.3%	(5.5%)
Knight-Swift Transportation	KNX	Hold	\$ 42.99	7,608.5	\$ 1.40	\$ 1.90	21.0x	\$ 40	0.6%	(6.4%)
GATX Corporation	GATX	Hold	\$ 61.37	2,346.3	\$ 4.15	\$ -	13.5x	\$ 56	2.7%	(6.0%)
Ryder System	R	Hold	\$ 81.76	4,327.4	\$ 5.44	\$ 5.67	13.5x	\$ 73	2.3%	(8.5%)
Old Dominion Freight Line	ODFL	Hold	\$ 129.07	10,594.4	\$ 4.93	\$ 5.54	20.0x	\$ 111	0.0%	(13.7%)
Panalpina World Transport	PWTN-CH	Sell	CHF 146.80	3,455.9	CHF 3.89	CHF 4.83	22.0x	CHF 98	2.6%	(30.7%)

Stifel 12-Month Target Price Matrix

Company	Ticker	Rating	Closing 12/12/2017	Mkt. Cap (\$mm)	Earnings Per Share		P/E Multiple (x)	12-Mo. Target Price		Potential Upside %
					CY 18E	CY 19E		Estimate	Dividend Yield	
Small cap (\$2 billion and below):										
Meritor (8)	MTOR	Hold	\$ 23.59	2,054.8	\$ 1.87	\$ 2.20	NA	\$ 31	-	31.4%
REV Group (10)	REVG	Buy	\$ 27.12	1,744.8	\$ 1.32	\$ 1.79	NA	\$ 33	0.7%	22.4%
Atlas Air Worldwide Holdings, Inc.	AAWW	Buy	\$ 57.00	1,434.8	\$ 4.90	\$ 5.78	12.0x	\$ 69	-	21.1%
Greenbrier (7)	GBX	Buy	\$ 50.90	1,437.9	\$ 3.97	\$ -	15.0x	\$ 60	1.8%	19.7%
Heartland Express (8)	HTLD	Buy	\$ 22.39	1,861.8	\$ 0.70	\$ 1.25	21.0x	\$ 27	0.4%	20.9%
Universal Logistics Holdings, Inc.	ULH	Buy	\$ 23.80	680.9	\$ 1.20	\$ 1.65	16.5x	\$ 27	1.2%	14.6%
Blue Bird Corporation (2)	BLBD	Buy	\$ 18.05	429.7	\$ 1.10	\$ 1.20	NA	\$ 21	-	16.3%
Echo Global Logistics	ECHO	Buy	\$ 27.90	777.2	\$ 1.05	\$ 1.40	22.0x	\$ 31	-	11.1%
Daseke, Inc. (6)	DSKE	Buy	\$ 13.64	602.0	\$ 0.09	\$ 0.19	NA	\$ 15	-	10.0%
Wabash National Corp.	WNC	Hold	\$ 20.01	1,164.2	\$ 1.70	\$ 1.70	13.0x	\$ 22	0.01	11.2%
Student Transportation Inc. (11)	STB	Buy	\$ 5.99	564.5	\$ 0.11	\$ 0.13	NA	\$ 7	NM	8.5%
USA Truck, Inc.	USAK	Buy	\$ 18.21	150.0	\$ 0.45	\$ 1.20	17.0x	\$ 20	-	9.8%
Covenant Transportation Group	CVTI	Hold	\$ 28.87	528.4	\$ 1.15	\$ 1.75	18.0x	\$ 32	-	10.8%
Hub Group, Inc.	HUBG	Buy	\$ 46.55	1,598.2	\$ 2.15	\$ 2.65	19.0x	\$ 50	-	7.4%
Marten Transport (5)	MRTN	Hold	\$ 20.05	1,095.0	\$ 0.72	\$ 0.85	22.0x	\$ 19	0.5%	(4.7%)
Werner Enterprises	WERN	Hold	\$ 38.10	2,748.8	\$ 1.55	\$ 1.80	20.0x	\$ 36	0.7%	(4.8%)
Air Transport Services Group, Inc.	ATSG	Hold	\$ 22.99	1,374.0	\$ 1.13	\$ 1.30	17.0x	\$ 22	-	(4.3%)
American Railcar Industries	ARI	Hold	\$ 40.25	762.4	\$ 2.20	\$ -	16.0x	\$ 35	4.0%	(9.0%)
Rush Enterprises	RUSA	Hold	\$ 48.80	1,939.6	\$ 2.45	\$ 2.75	16.5x	\$ 40	-	(18.0%)
Forward Air Corp.	FWRD	Hold	\$ 57.47	1,720.8	\$ 2.49	\$ 2.67	19.5x	\$ 52	1.0%	(8.5%)
Saia, Inc.	SAIA	Hold	\$ 68.15	1,732.0	\$ 2.71	\$ 3.32	18.0x	\$ 60	-	(12.0%)
FreightCar America (5)	RAIL	Hold	\$ 16.56	205.2	\$ (0.95)	\$ -	NA	\$ 14	2.2%	(13.3%)
P.A.M. Transportation Services	PTSI	Hold	\$ 37.56	233.5	\$ 1.45	\$ 1.90	16.0x	\$ 30	-	(20.1%)
Winnebago (14)	WGO	Hold	\$ 54.95	1,770.1	\$ 3.20	\$ 2.40	12.5x	\$ 45	0.01	(17.4%)
ArcBest Corporation	ARCB	Hold	\$ 38.55	956.3	\$ 1.83	\$ 2.08	13.0x	\$ 27	0.9%	(29.1%)
Roadrunner Transportation Svcs.	RRTS	SU	\$ 8.43	328.8	NA	NA	NA	NA	NA	NA
Celadon Group	CGI	SU	\$ 6.00	179.7	NA	NA	NA	NA	1.3%	NA

(1) Multiples listed are applied to 2019 EPS estimates unless none is established or otherwise noted

(2) Blue Bird (BLBD) target price is \$22, or 9.0x or 2018 EBITDA estimate of \$85 million

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(7) Kirby Corp. 12-month target price of \$69 is calculated by applying an 8.25x multiple to our 2019 EBITDA estimate of \$563.1 million less 2019 net debt of \$699.0 million divided by average diluted shares outstanding in 2019

(8) Meritor (MTOR) target price is \$31, or 9.0x our 2018 EBITDA estimate of \$400 million

(9) Navistar International (NAV) target price is \$45, or 11.0x our 2018 EBITDA estimate of \$780 million

(10) REV Group (REVG) target price is \$33, or 9.0x our 2019 EBITDA estimate of \$275 million

(11) Student Transportation Inc. 12-month target price is \$6.50 or 9.0x our CY2019 EBITDA of \$120, less CY2019 net debt of \$364 million for a total of \$773 million in equity value divided by 112.6 million shares

(12) Thor Industries (THO) target price is \$114, or 12.5x our FY19 EPS estimate of \$9.10

(13) Trinity (TRN) target price of \$41 is derived via our sum-of-the-parts analysis

(14) Winnebago (WGO) target price is \$45, or 12.5x our FY19 EPS estimate of \$3.60

(15) XPO Logistics 12-month target price of \$77 is calculated by applying a 7.25x multiple to our 2019 EBITDA estimate of \$1.83 billion less 2019 net debt of \$2.4 billion divided by estimated average diluted shares outstanding in 2019

Source: FactSet Research Systems, Stifel estimates; risk ratings are derived from a qualitative analysis by Stifel analysts



Current and Historical Valuation

Stifel 12-Month Target Price Matrix Grouped by Risk Rating (excludes Shipping & Airlines coverage)

Stifel 12-Month Target Price Matrix

Company	Ticker	Rating	Closing 12/12/2017	Risk Rating	Earnings Per Share		12-Mo. Target Price			
					CY 18E	CY 19E	P/E Multiple (1)	Estimate	Dividend Yield	Potential Upside %
Low Risk:										
Canadian National Railway	CNI	Hold	\$ 80.09	Low	\$ 4.60	\$ 5.35	16.5x	\$ 88	1.6%	11.5%
Wabtec Corporation	WAB	Hold	\$ 76.73	Low	\$ 3.95	\$ -	19.0x	\$ 75	0.6%	(1.6%)
Union Pacific Corp.	UNP	Hold	\$ 130.70	Low	\$ 6.60	\$ 7.30	16.5x	\$ 120	2.1%	(6.1%)
Werner Enterprises	WERN	Hold	\$ 38.10	Low	\$ 1.55	\$ 1.80	20.0x	\$ 36	0.7%	(4.8%)
Norfolk Southern Corp.	NSC	Hold	\$ 141.46	Low	\$ 7.15	\$ 7.85	16.0x	\$ 126	1.7%	(9.2%)
Old Dominion Freight Line	ODFL	Hold	\$ 129.07	Low	\$ 4.93	\$ 5.54	20.0x	\$ 111	0.3%	(13.7%)
Low-Medium Risk:										
Heartland Express (8)	HTLD	Buy	\$ 22.39	Low-Med	\$ 0.70	\$ 1.25	21.0x	\$ 27	0.4%	20.9%
Blue Bird Corporation (2)	BLBD	Buy	\$ 18.05	Low-Med	\$ 1.10	\$ 1.20	NA	\$ 21	-	16.3%
J.B. Hunt Transport Svcs.	JHHT	Buy	\$ 111.24	Low-Med	\$ 4.55	\$ 5.55	22.5x	\$ 125	0.8%	13.2%
Landstar System	LSTR	Buy	\$ 104.00	Low-Med	\$ 4.45	\$ 5.10	22.5x	\$ 115	0.4%	11.0%
CSX Corp.	CSX	Hold	\$ 56.98	Low-Med	\$ 2.75	\$ 3.35	17.0x	\$ 57	1.4%	1.4%
United Parcel Service	UPS	Hold	\$ 118.16	Low-Med	\$ 6.43	\$ 6.80	16.5x	\$ 112	2.8%	(2.4%)
Warten Transport (8)	MRTN	Hold	\$ 20.05	Low-Med	\$ 0.72	\$ 0.85	22.0x	\$ 19	0.5%	(4.7%)
Expeditors International	EXPD	Hold	\$ 64.35	Low-Med	\$ 2.60	\$ 2.77	21.5x	\$ 60	1.3%	(5.5%)
Knight-Swift Transportation	KNX	Hold	\$ 42.99	Low-Med	\$ 1.40	\$ 1.90	21.0x	\$ 40	0.6%	(6.4%)
GATX Corporation	GATX	Hold	\$ 61.37	Low-Med	\$ 4.15	\$ -	13.5x	\$ 56	2.7%	(6.0%)
Kuehne+NageI International AG	KNIN-CH	Hold	\$ 172.90	Low-Med	\$ 6.72	NE	23.0x	\$ 155	3.2%	(7.2%)
Ryder System	R	Hold	\$ 81.76	Low-Med	\$ 5.44	\$ 5.67	13.5x	\$ 73	2.3%	(8.5%)

Stifel 12-Month Target Price Matrix

Company	Ticker	Rating	Closing 12/12/2017	Risk Rating	Earnings Per Share		12-Mo. Target Price			
					CY 18E	CY 19E	P/E Multiple (1)	Estimate	Dividend Yield	Potential Upside %
Medium Risk:										
Universal Logistics Holdings, Inc.	ULH	Buy	\$ 23.80	Medium	\$ 1.20	\$ 1.65	16.5x	\$ 27	1.2%	14.6%
WABCO Holdings Inc.	WBC	Buy	\$ 145.02	Medium	\$ 7.50	\$ 8.30	20.5x	\$ 154	-	6.2%
Cummins	CMH	Hold	\$ 169.22	Medium	\$ 11.95	\$ 12.75	14.5x	\$ 173	2.5%	4.8%
Echo Global Logistics	ECHO	Buy	\$ 27.90	Medium	\$ 1.05	\$ 1.40	22.0x	\$ 31	-	11.1%
Student Transportation Inc. (11)	STB	Buy	\$ 5.99	Medium	\$ 0.11	\$ 0.13	NA	\$ 7	NM	8.5%
Allison Transmission (2)	ALSN	Hold	\$ 41.40	Medium	\$ 2.70	\$ 2.95	15.5x	\$ 42	1.4%	2.9%
Canadian Pacific Railway	CP	Buy	\$ 178.28	Medium	\$ 10.93	\$ 13.08	14.5x	\$ 190	1.0%	7.6%
Hub Group, Inc.	HUBG	Buy	\$ 46.55	Medium	\$ 2.15	\$ 2.65	19.0x	\$ 50	-	7.4%
PACCAR Inc.	PCAR	Hold	\$ 71.91	Medium	\$ 4.80	\$ 5.05	15.0x	\$ 72	1.4%	1.5%
Kirby Corp. (7)	KEX	Hold	\$ 63.75	Medium	\$ 2.60	\$ 3.10	NA	\$ 67	-	5.1%
XPO Logistics, Inc. (15)	XPO	Buy	\$ 76.29	Medium	\$ 2.50	\$ 3.25	NA	\$ 80	-	4.9%
Genesee & Wyoming, Inc.	GWR	Hold	\$ 77.22	Medium	\$ 3.55	\$ 4.20	18.0x	\$ 76	0.0%	(1.6%)
DSV A/S	DSV-DK	Hold	DKK 486.00	Medium	DKK 19.6	DKK 21.2	22.0x	DKK 467	0.4%	(3.5%)
C.H. Robinson Worldwide	CHRW	Hold	\$ 88.00	Medium	\$ 3.70	\$ 4.10	20.0x	\$ 82	2.1%	(4.7%)
Air Transport Services Group, Inc.	ATSG	Hold	\$ 22.99	Medium	\$ 1.13	\$ 1.30	17.0x	\$ 22	-	(4.3%)
FedEx Corp. (4)	FDX	Hold	\$ 239.50	Medium	\$ 14.15	\$ -	15.0x	\$ 221	0.8%	(7.1%)
Rush Enterprises	RUSHA	Hold	\$ 48.80	Medium	\$ 2.45	\$ 2.75	16.5x	\$ 40	-	(18.0%)
Forward Air Corp.	FWRD	Hold	\$ 57.47	Medium	\$ 2.49	\$ 2.67	19.5x	\$ 52	1.0%	(8.5%)
Saia, Inc.	SAIA	Hold	\$ 68.15	Medium	\$ 2.71	\$ 3.32	18.0x	\$ 60	-	(12.0%)
Deutsche Post DHL	DPW-DE	Hold	€ 40.02	Medium	€ 2.39	€ 2.60	14.0x	€ 33	2.6%	(14.9%)
Medium-High Risk:										
Meritor (8)	MTOR	Buy	\$ 23.59	Med-High	\$ 1.87	\$ 2.20	NA	\$ 31	0.0%	31.4%
REV Group (10)	REVG	Buy	\$ 27.12	Med-High	\$ 1.32	\$ 1.79	NA	\$ 33	0.7%	22.4%
Atlas Air Worldwide Holdings, Inc.	AAWW	Buy	\$ 57.00	Med-High	\$ 4.90	\$ 5.78	12.0x	\$ 69	-	21.1%
Greenbrier (7)	GBX	Buy	\$ 50.90	Med-High	\$ 3.97	\$ -	15.0x	\$ 60	1.8%	19.7%
Trinity Industries (13)	TRN	Buy	\$ 36.88	Med-High	\$ 1.25	\$ -	NA	\$ 41	1.5%	12.6%
Daseke, Inc. (5)	DSKE	Buy	\$ 13.64	Med-High	\$ 0.09	\$ 0.19	NA	\$ 15	-	10.0%
Wabash National Corp.	WNC	Hold	\$ 20.01	Med-High	\$ 1.70	\$ 1.70	13.0x	\$ 22	1.2%	11.2%
USA Truck, Inc.	USAK	Buy	\$ 18.21	Med-High	\$ 0.45	\$ 1.20	17.0x	\$ 20	-	9.8%
Covenant Transportation Group	CVTI	Hold	\$ 28.87	Med-High	\$ 1.15	\$ 1.75	18.0x	\$ 32	-	10.8%
Kansas City Southern	KSU	Buy	\$ 110.30	Med-High	\$ 5.90	\$ 6.55	18.0x	\$ 118	1.3%	8.3%
Thor Industries (12)	THO	Hold	\$ 149.40	Med-High	\$ 9.80	\$ 6.13	13.5x	\$ 142	1.0%	(4.0%)
American Railcar Industries	ARIL	Hold	\$ 40.25	Med-High	\$ 2.20	\$ -	16.0x	\$ 35	4.0%	(9.0%)
FreightCar America (2)	RAIL	Hold	\$ 16.56	Med-High	\$ (0.95)	\$ -	NA	\$ 14	2.2%	(13.3%)
P.A.M. Transportation Services	PTSI	Hold	\$ 37.56	Med-High	\$ 1.45	\$ 1.90	16.0x	\$ 30	-	(20.1%)
Winnebago (14)	WGO	Hold	\$ 54.95	Med-High	\$ 3.20	\$ 2.40	12.5x	\$ 45	0.7%	(17.4%)
ArcBest Corporation	ARCB	Hold	\$ 38.55	Med-High	\$ 1.83	\$ 2.08	13.0x	\$ 27	0.9%	(29.1%)
Panalpina World Transport	PW/IN-CH	Sell	CHF 146.80	Med-High	CHF 3.89	CHF 4.83	22.0x	CHF 98	2.6%	(30.7%)
High Risk:										
BEST Inc.	BSTI	Buy	\$ 9.38	High	\$ 0.09	\$ 0.38	42.0x	\$ 16	-	70.6%
YRC Worldwide	YRCW	Buy	\$ 14.40	High	\$ 1.52	\$ 2.05	9.0x	\$ 18	-	25.0%
Navistar International (9)	NAV	Hold	\$ 41.63	High	\$ 1.93	\$ 3.13	NA	\$ 45	-	8.1%
Roadrunner Transportation Svcs.	RRTS	SU	\$ 8.43	High	NA	NA	NA	NA	-	NA
Celadon Group	CGI	SU	\$ 6.00	High	NA	NA	NA	NA	1.3%	NA

(1) Multiples listed are applied to 2019 EPS estimates unless none is established or otherwise noted

(2) Blue Bird (BLBD) target price is \$22, or 9.0x or 2018 EBITDA estimate of \$85 million

(3) Daseke, Inc. (DSKE) target price of \$15 is calculated by applying a 6.75x multiple to our 2019 EBITDA estimate of \$207 million, subtracting projected net debt of \$408 million, divided by forecasted shares outstanding at year end 2019

(4) FedEx is on May 31 fiscal year, 12-month target price of \$221 is calculated by applying a 15.0x multiple to our FY2019 EPS estimate of \$14.70

(5) Freightcar America (RAIL) target price is \$15, which reflects valuation of 0.75x tangible book

(6) Heartland Express (HTLD) target price is \$27, or 21.0x our 2019 EPS estimate of \$1.25 plus \$0.62 net cash per share (adjusted for the IDC deal)

(7) Kirby Corp. 12-month target price of \$69 is calculated by applying an 8.25x multiple to our 2019 EBITDA estimate of \$563.1 million less 2019 net debt of \$699.0 million divided by average diluted shares outstanding in 2019

(8) Meritor (MTOR) target price is \$31, or 9.0x our 2018 EBITDA estimate of \$400 million

(9) Navistar International (NAV) target price is \$45, or 11.0x our 2018 EBITDA estimate of \$780 million

(10) REV Group (REVG) target price is \$33, or 9.0x our 2019 EBITDA estimate of \$275 million

(11) Student Transportation Inc. 12-month target price is \$6.50 or 9.0x our CY2019 EBITDA of \$120, less CY2019 net debt of \$364 million for a total of \$773 million in equity value divided by 112.6 million shares

(12) Thor Industries (THO) target price is \$114, or 12.5x our FY19 EPS estimate of \$9.10

(13) Trinity (TRN) target price of \$41 is derived via our sum-of-the-parts analysis

(14) Winnebago (WGO) target price is \$45, or 12.5x our FY19 EPS estimate of \$3.60

(15) XPO Logistics 12-month target price of \$77 is calculated by applying a 7.25x multiple to our 2019 EBITDA estimate of \$1.83 billion less 2019 net debt of \$2.4 billion divided by estimated average diluted shares outstanding in 2019

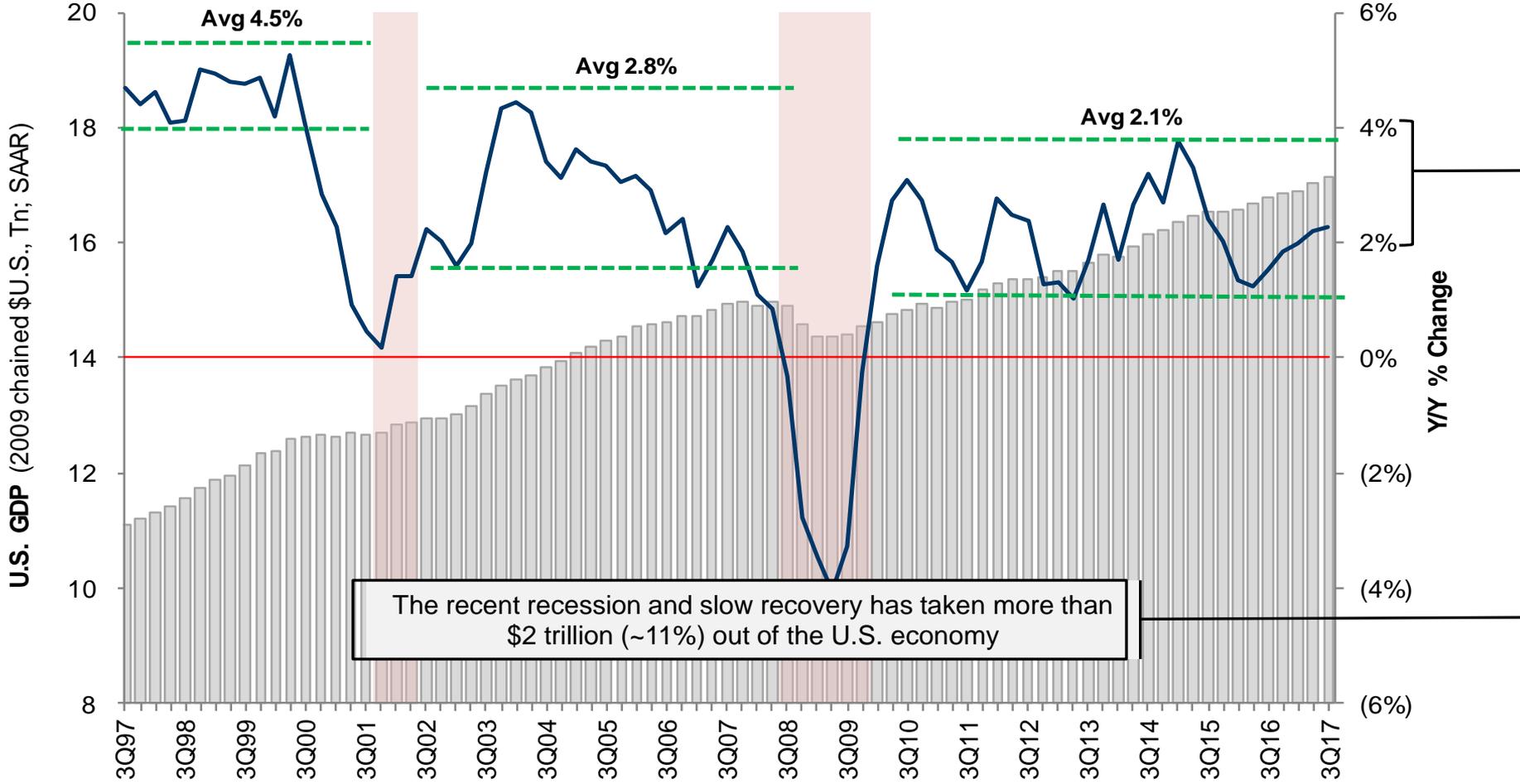
Source: FactSet Research Systems, Stifel estimates; risk ratings are derived from a qualitative analysis by Stifel analysts



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GDP Growth Strengthening into 3Q17



The recent recession and slow recovery has taken more than \$2 trillion (~11%) out of the U.S. economy

Chart displays seasonally adjusted annual data
Source: Bureau of Economic Analysis



Domestic and Global Economies Should Continue to Grow Modestly, Supported By Tailwinds That Include Energy, Manufacturing, and Housing, Among Others

Domestic Tailwinds

- Lower energy costs for consumers is leaving Americans with more disposable income (but they aren't spending the savings)
- Manufacturing Automation
- Housing Activity Recovering
- Rising Asset Prices
- Improving Trade Balance

International Tailwinds

- Proliferation of Technology
- Digitalization of Commerce
- Persistently Low Ocean Freight Rates
- Epidemics Increasingly Contained
- Declining Global Poverty Levels
- Adoption of western lifestyle and diet by many in developing countries



...But Multitudinous Headwinds, Both Domestic and International, Will Continue to Tamper Economic Growth

Domestic Headwinds

- Low Labor Participation Rate Continues
- Growing Federal Deficit
- Unwinding of Quantitative Easing
- Expanding Regulatory Burden
- Complex Tax Code and Rising Taxes
- Affordable Care Act
- Aging Infrastructure
- Demographics: Aging Population, Delayed Household Formation
- Slowdown in energy investment

International Headwinds

- Decelerating growth levels in the Eurozone, China, and Japan
- Low oil prices mean underfunded petro states
- Rising Levels of Protectionism/Nationalism
- Middle East—A veritable tinderbox?
- China—exports slowing; transition to consumption-based economy still a work in process
- Instability in certain emerging markets
- Declining birthrates among developed nations
- Rise of the Islamic State: Jihad
- Increased debt levels globally



Retail Sales Ex. Gas and Adj. for Population Growth and Inflation Has Increased 2.1% Y/Y

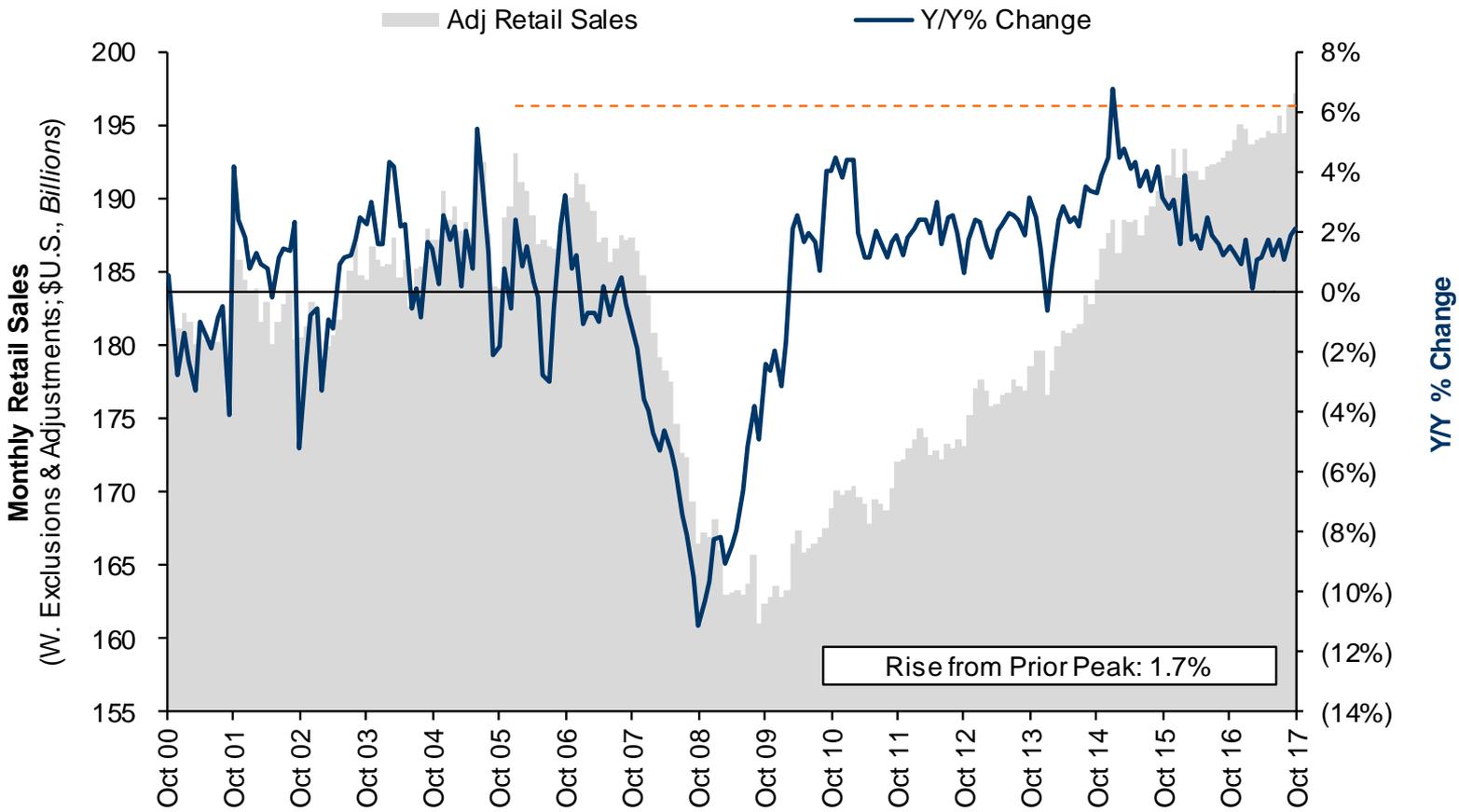
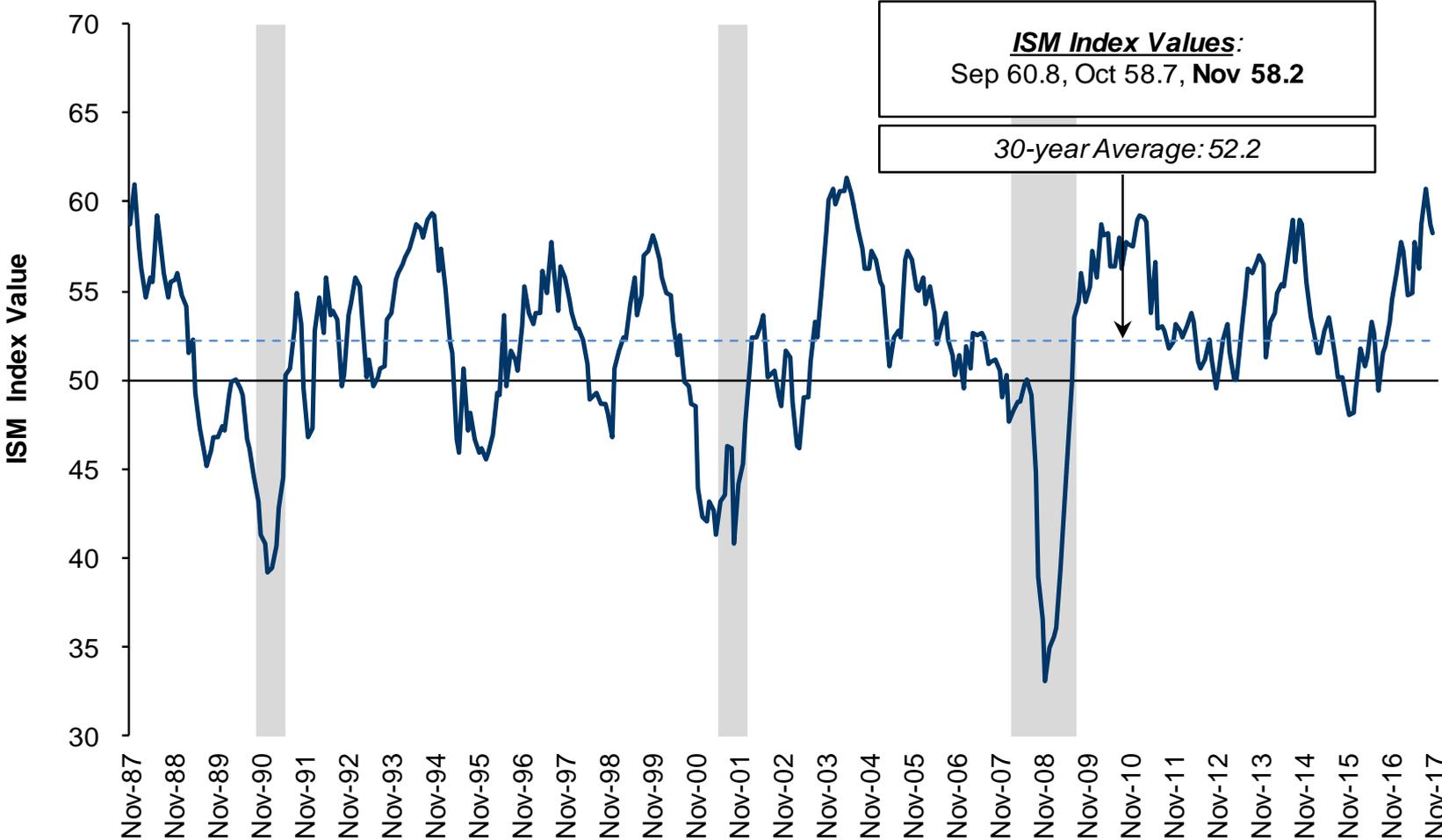


Chart displays seasonally adjusted retail sales, less gas, adjusted for inflation and population growth (1992 = 100)
 Oct-17 CPI Figure Reflects Stifel Estimates
 Source: U.S. Census Bureau; U.S. Department Of Labor - Bureau of Labor Statistics; Stifel indexing



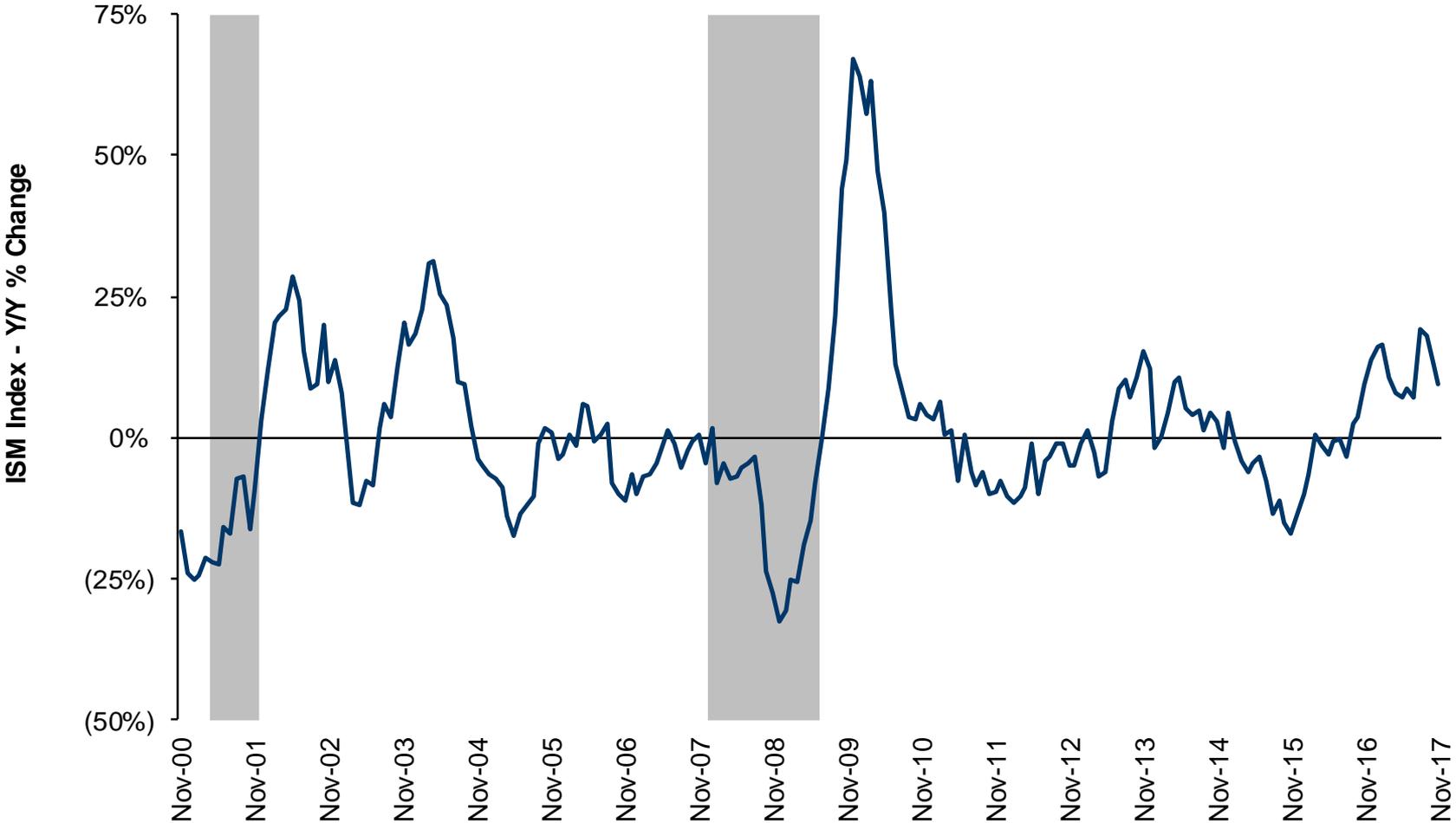
ISM Has Been Climbing Since October '16 – Closing in on a Peak?



ISM Index values over 50 indicate industrial growth while ISM Index values below 50 indicate industrial contraction.
Source: Institute for Supply Management



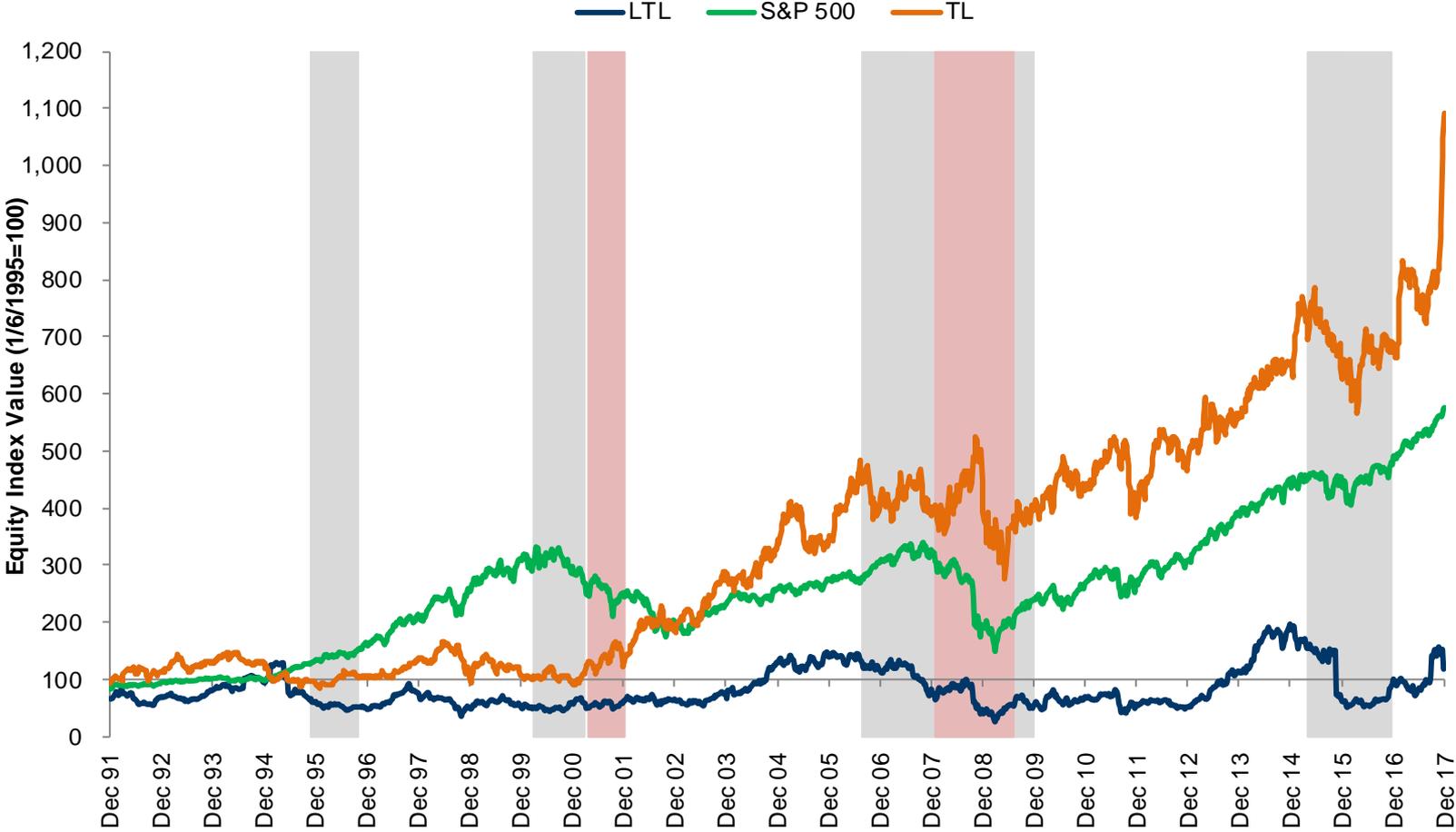
Manufacturing Activity Looks Good When Viewing ISM on y/y Basis



ISM Index values over 50 indicate industrial growth while ISM Index values below 50 indicate industrial contraction.
Source: Institute for Supply Management



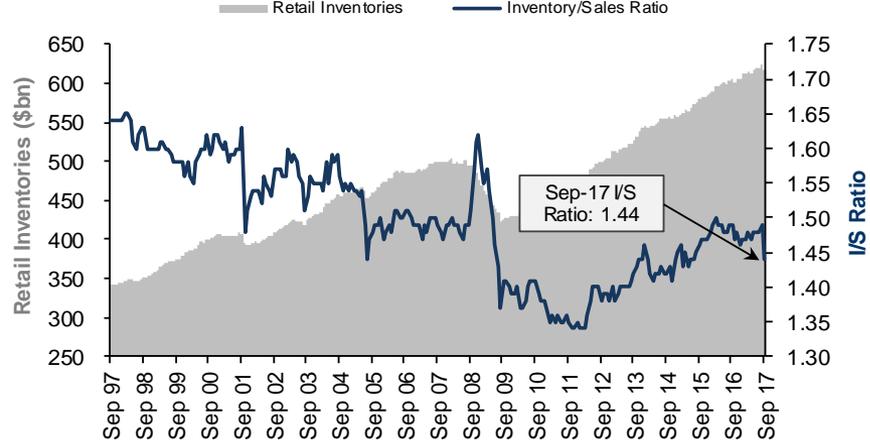
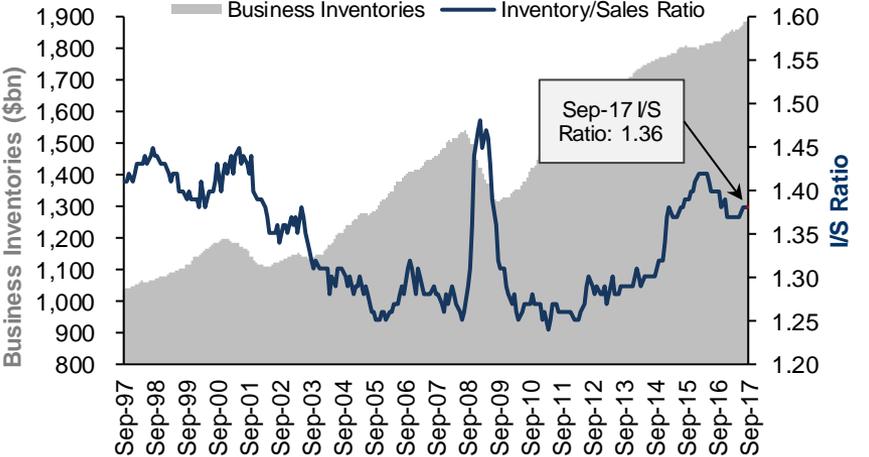
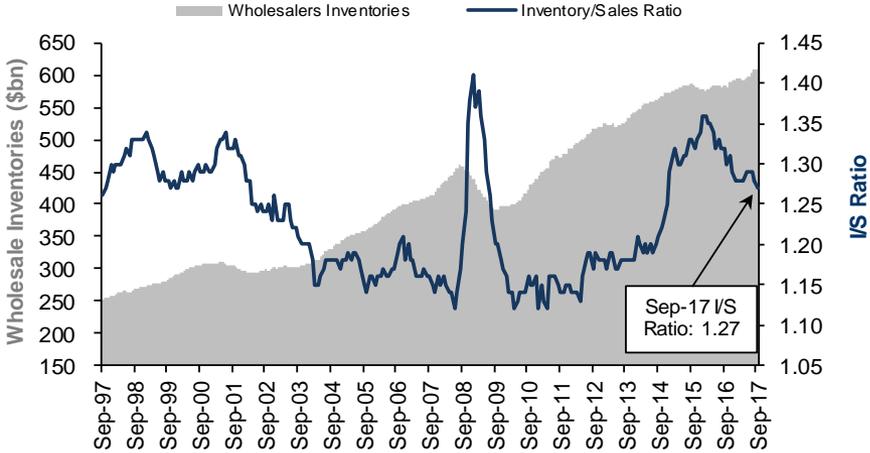
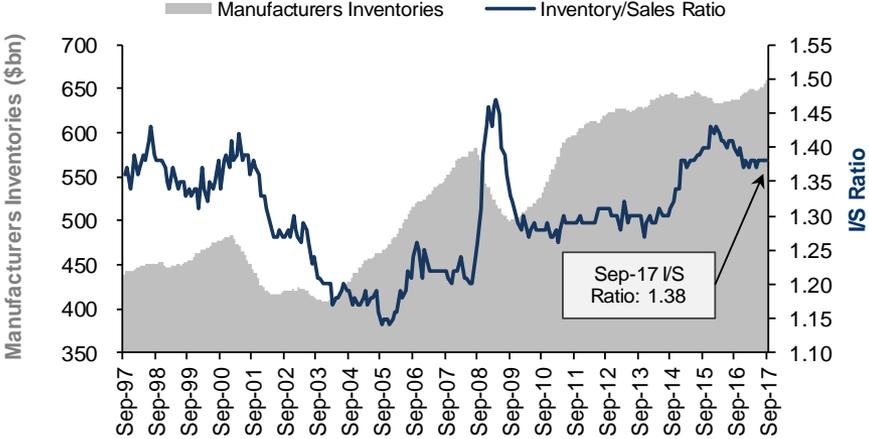
Many Economic Recessions Have Been Preceded By A Freight Recession, But Not All Freight Recessions Have Been Followed By An Economic Recession



Red-shaded regions indicate economic recession, gray-shaded regions indicate freight recession; priced as of market close 12/08/17
LTL Group includes ARCB, ODFL, RRTS, SAIA, YRCW, AIND, AFWY, CFWY, CNW, CRGO, JEV, OVNT, ROAD, USFC, VIKG, VTNC, YELL
Source: FactSet Research Systems; American Trucking Associations; National Bureau of Economic Research; Stifel Estimates



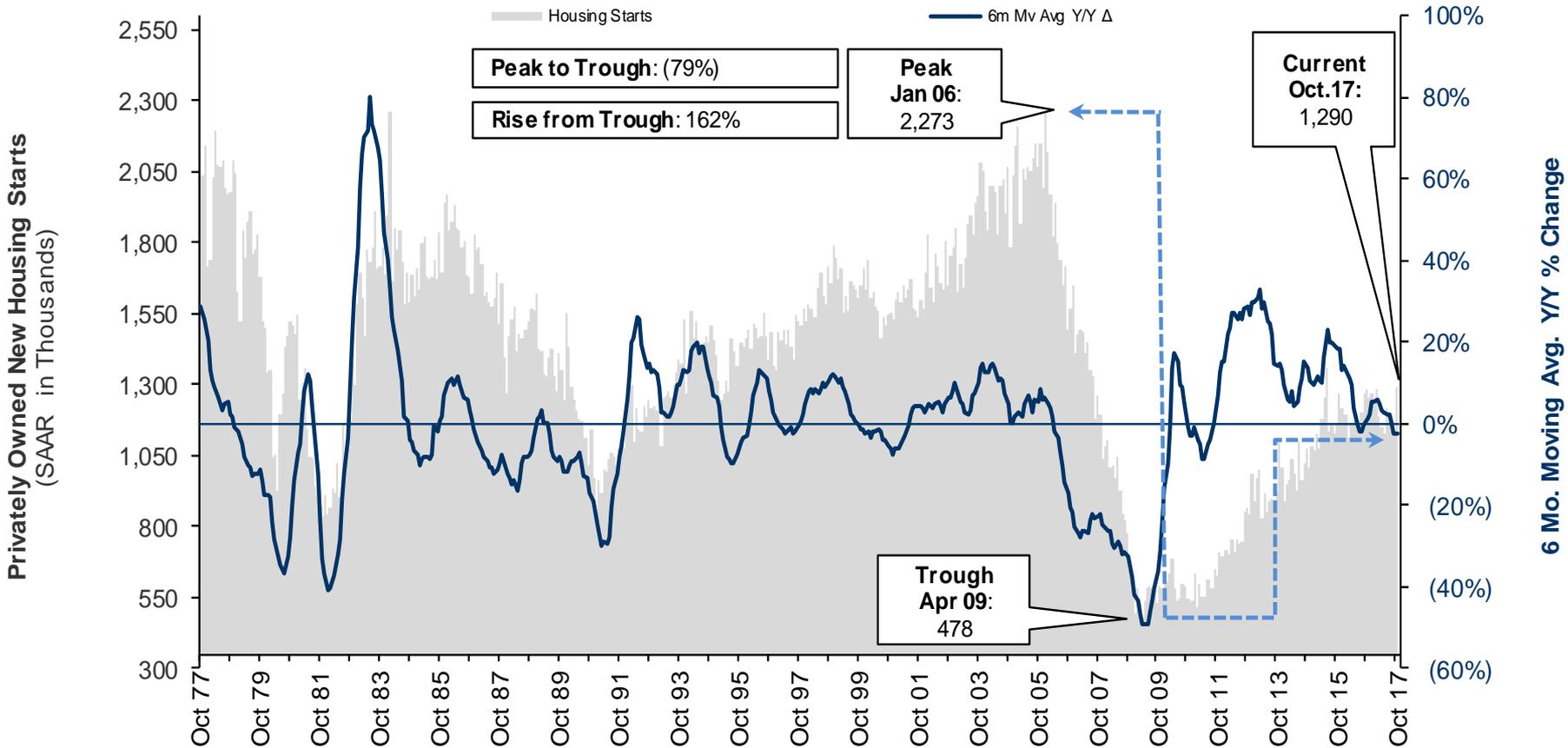
YTD Inventory/Sales Have Stayed Steady Through September



Source: U.S. Census Bureau



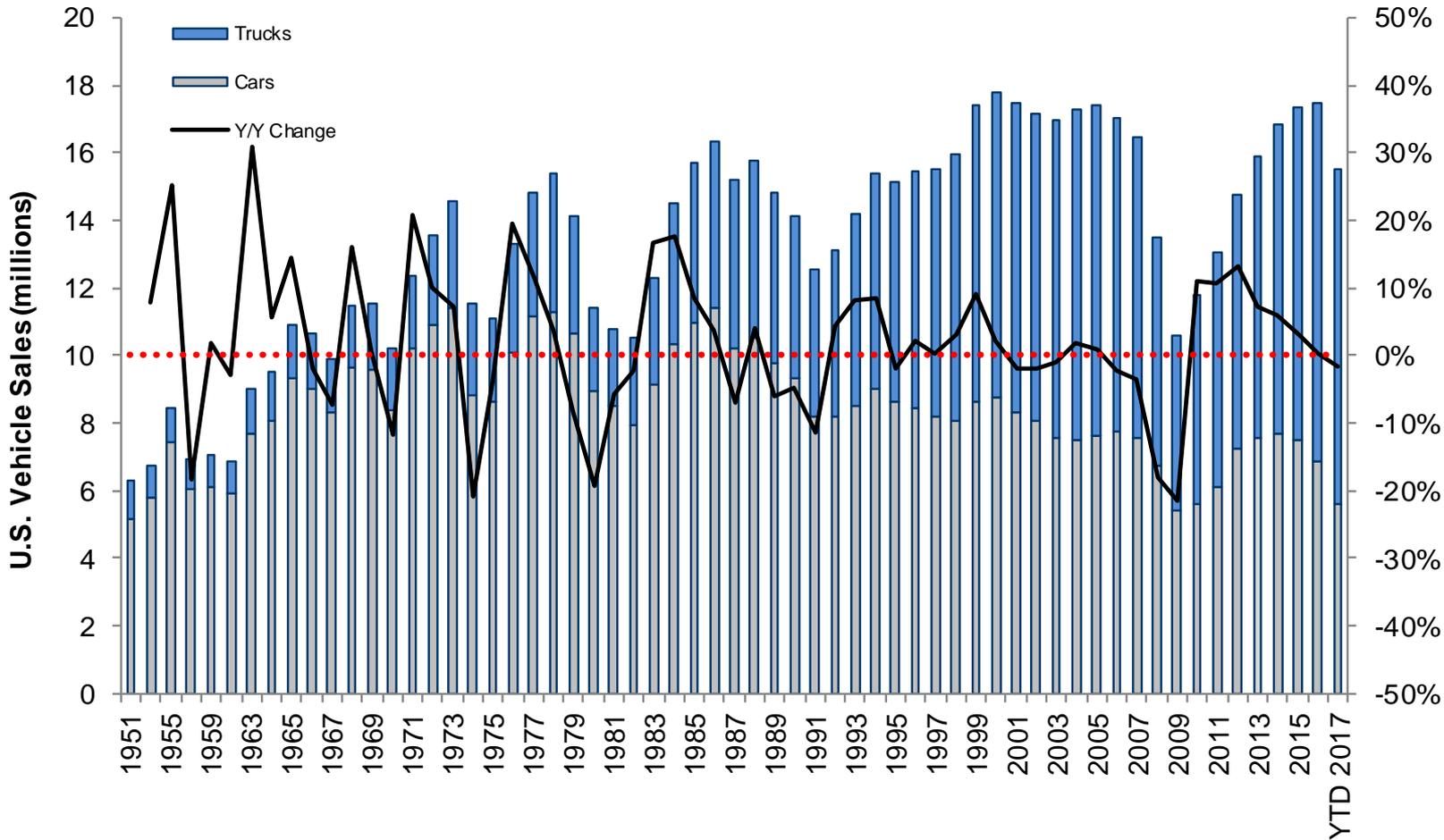
Housing Market Activity has Faded as of Late



Source: U.S. Census Bureau



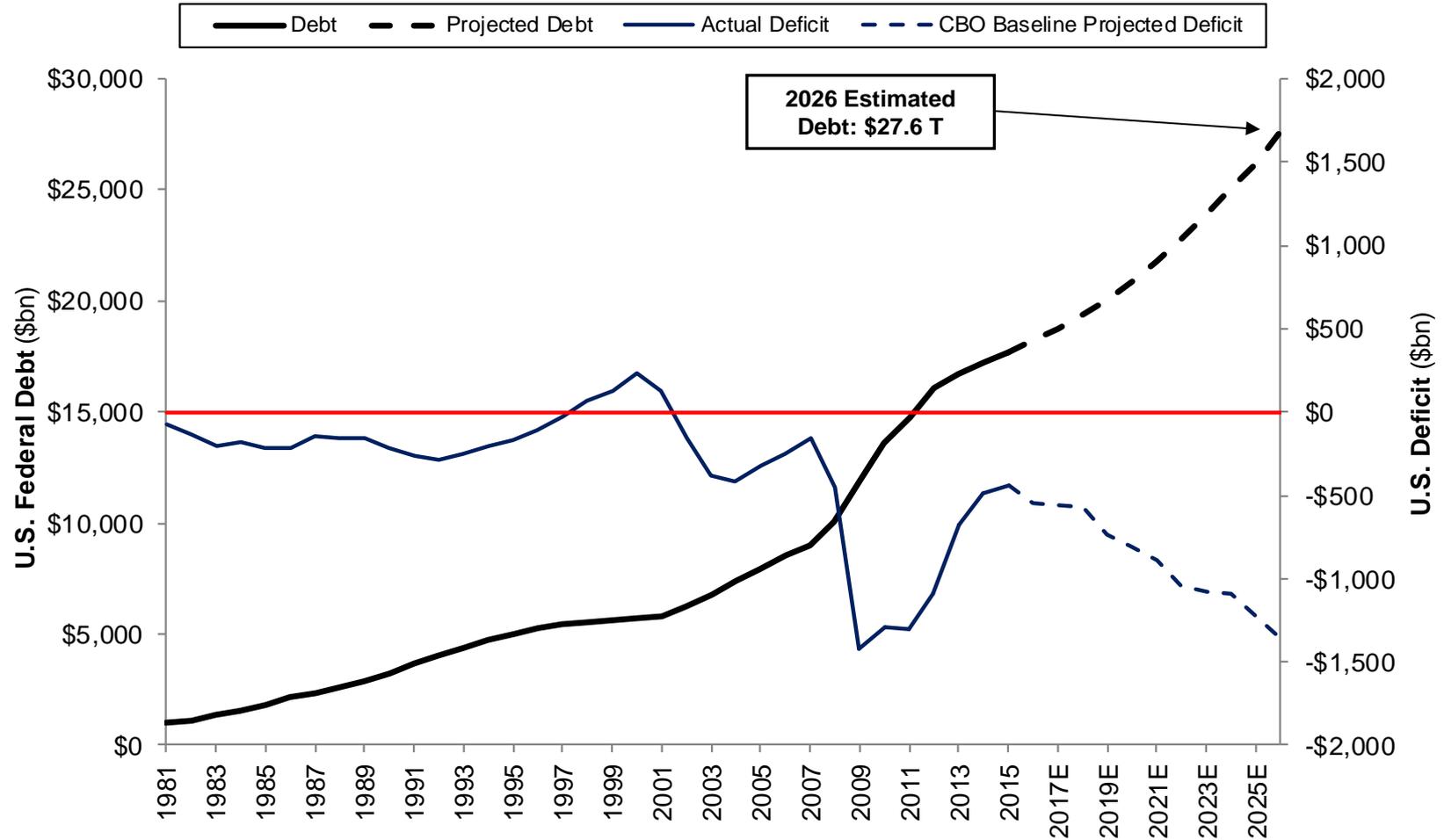
Auto Sector Growth Tapering Since 2012, Even As Fleet Age Above Average (~11.5 Years vs. 8-9 Year Historical Avg.)



YTD Sales figures are through November 2017
Source: Ward's Automotive Group



Federal Debt Approaching a Critical Level; No Credible Deficit Plan Imminent



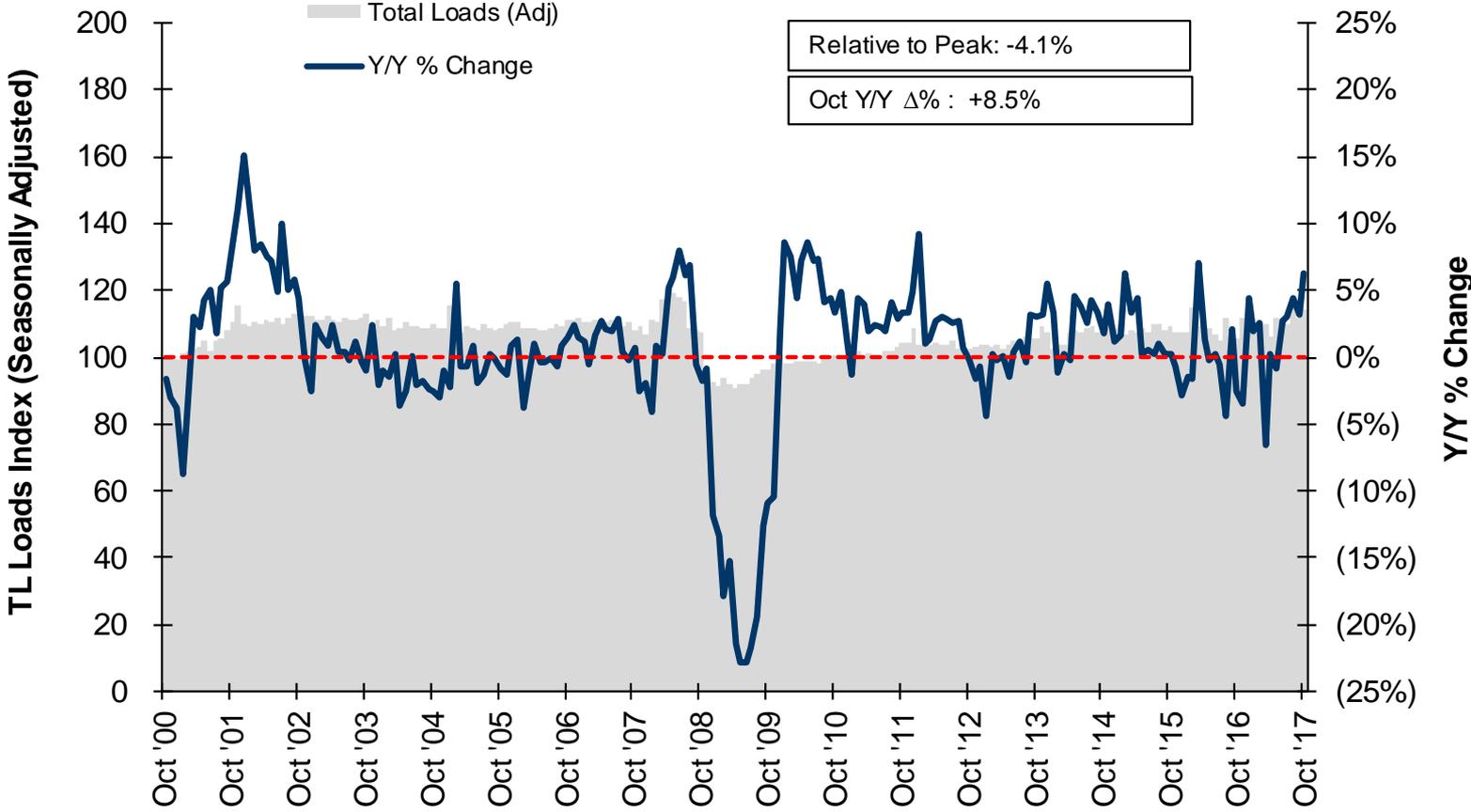
Federal Fiscal Year ends September 30 of each year, 2016 – 2026 projections are issued by the Congressional Budget Office
 Source: White House Office of Management and Budget, Treasury Direct, Bureau of Economic Analysis; Stifel estimates



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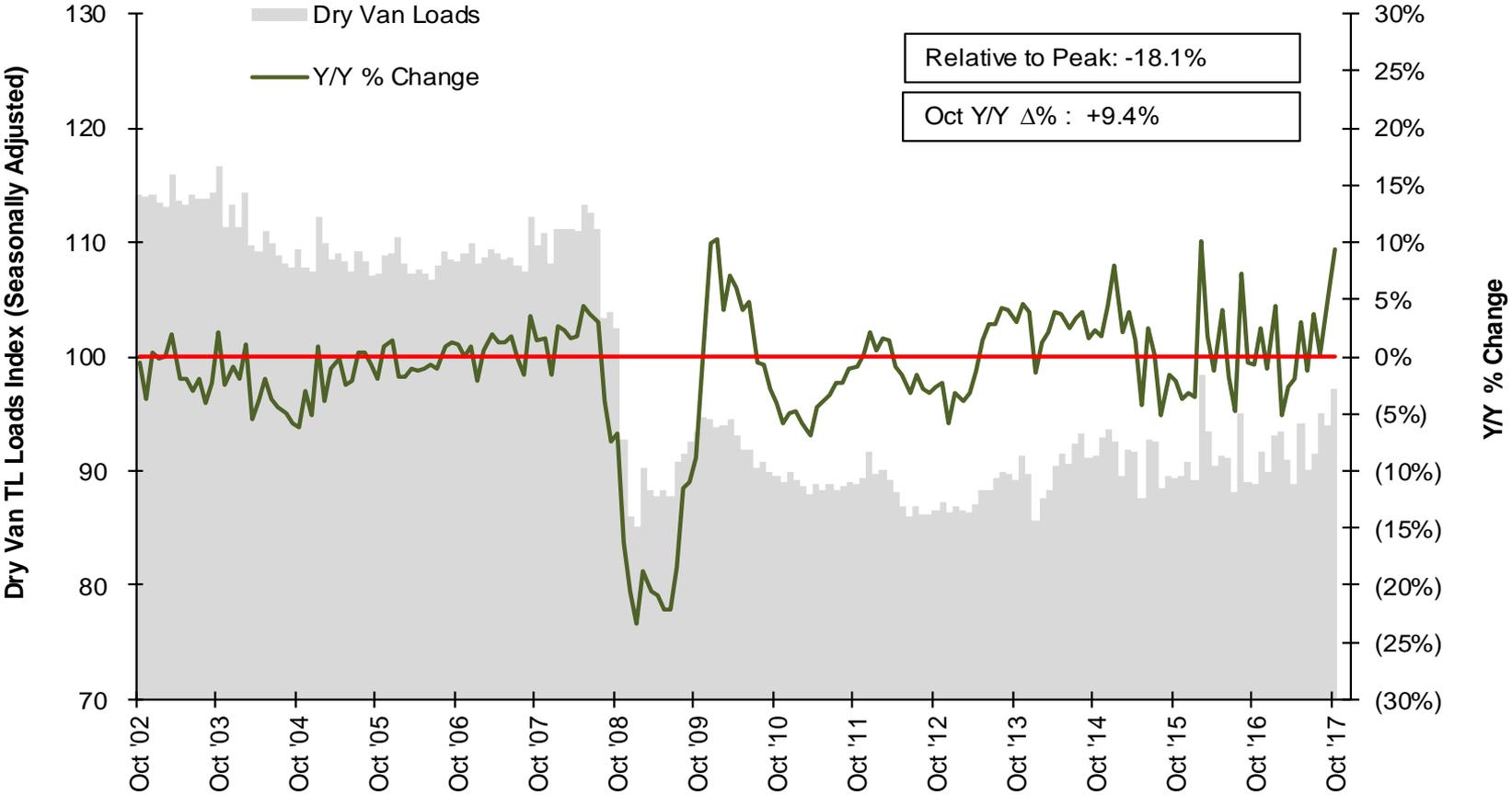
Total Truckload Loads Coming Out of Negative Territory



Source: American Trucking Associations



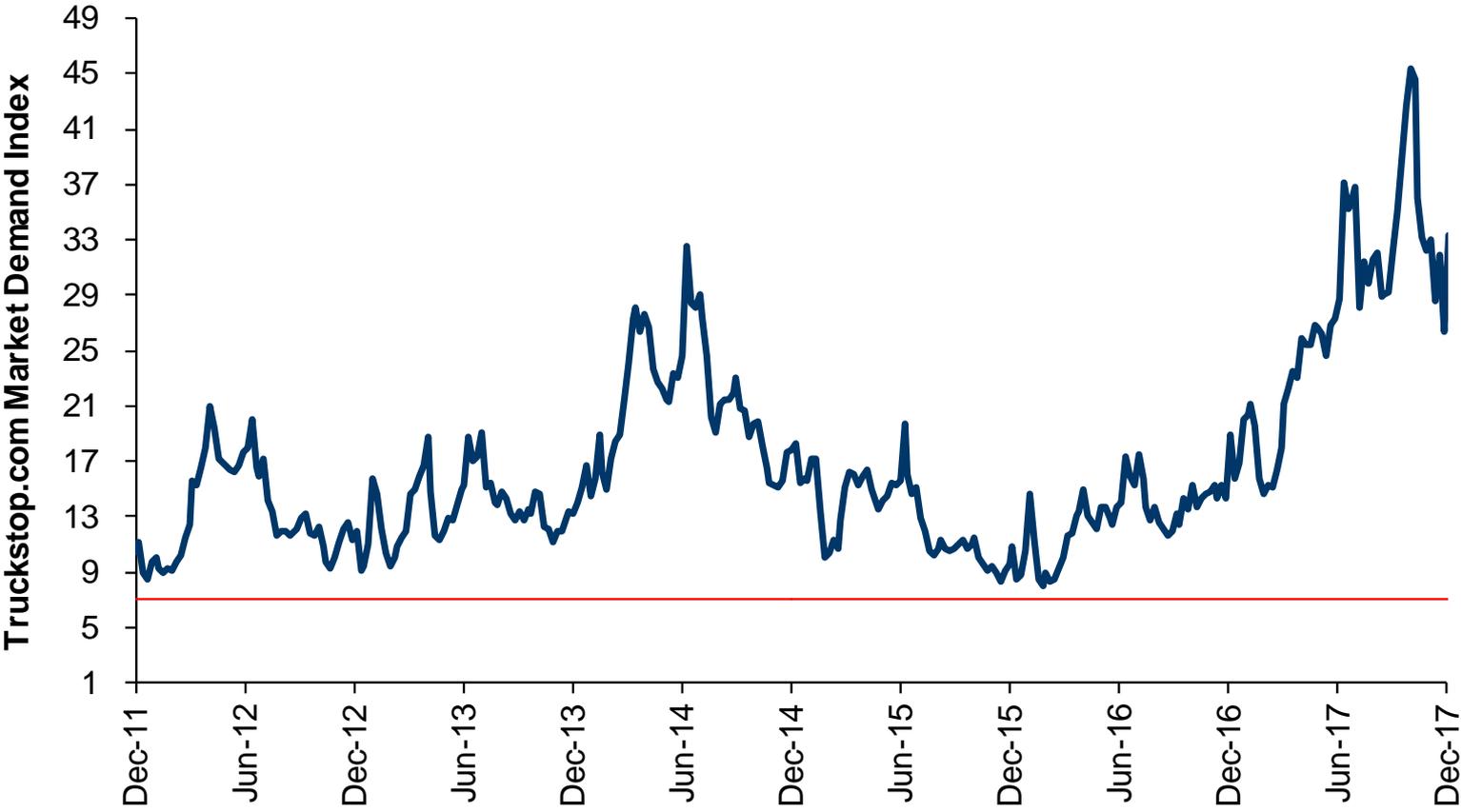
Dry Van Loads up 9.4% in October But Still Volatile



Source: American Trucking Associations



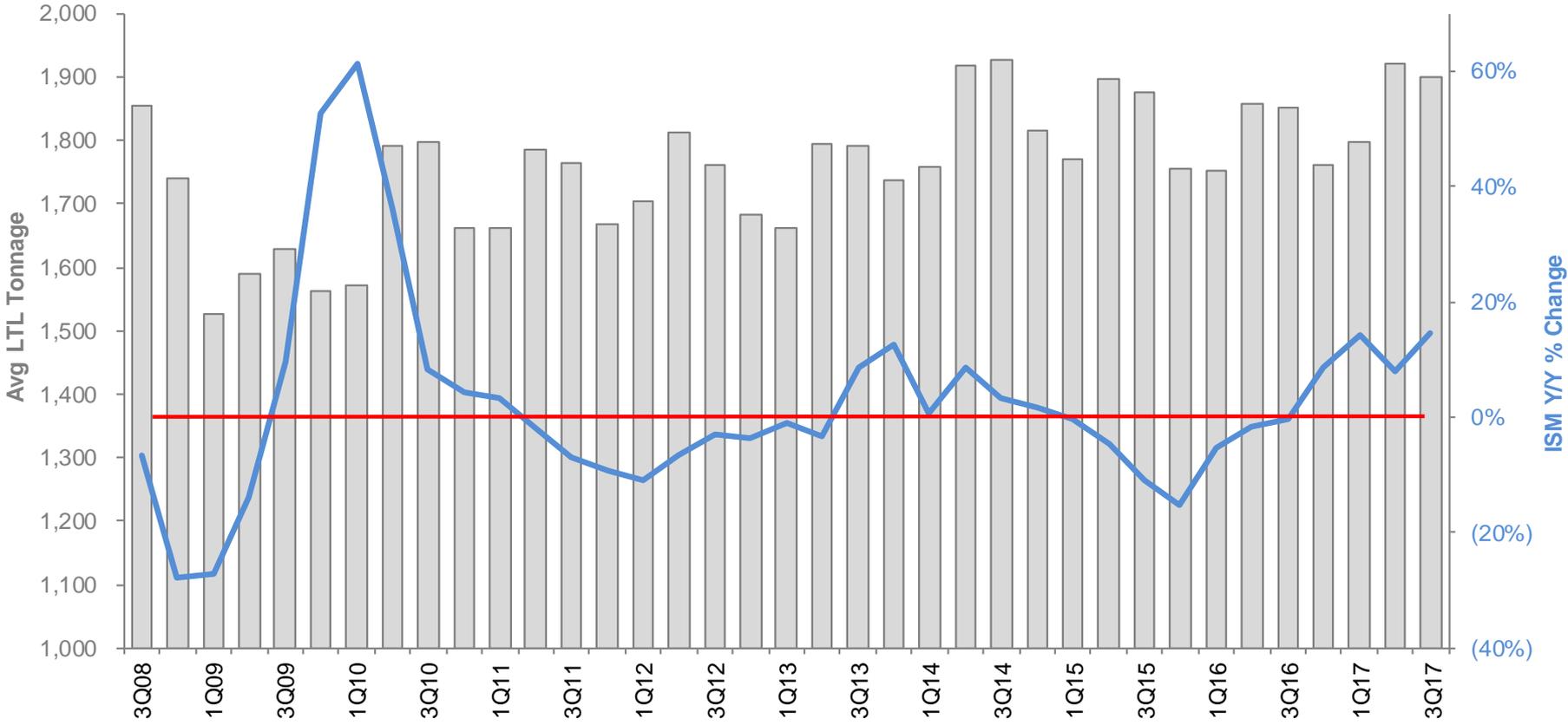
Strong Market Demand into 2H17



MDI index values below 7 indicates that the market favors brokers/shippers from a rate negotiation standpoint. MDI index values above 7 indicate that the market favors the trucker.
Source: Truckstop.com Trans4Cast



Public Carrier Tonnage & ISM Remain Strong into the Second Half of 2017

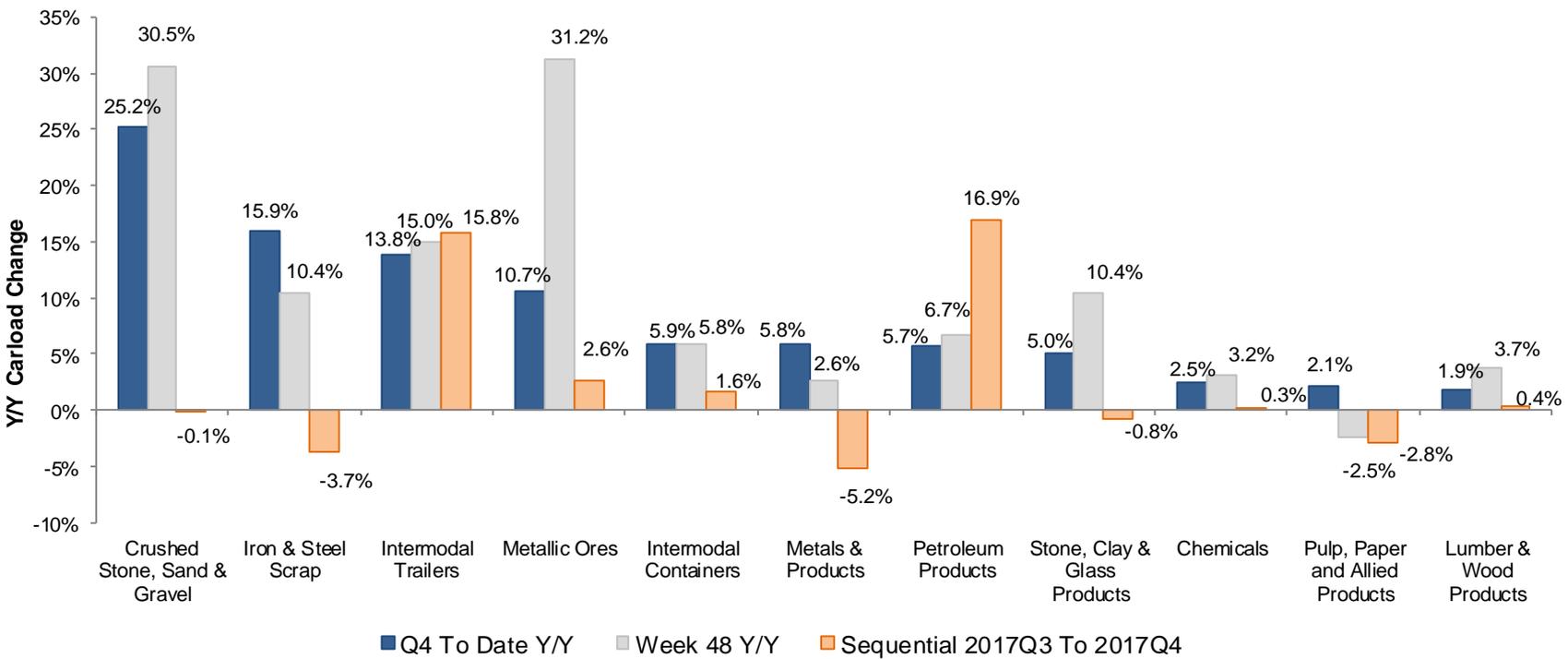


4Q16-3Q17 average tonnage growth (y/y) excludes RRTS
 Public carrier data represented reflects tonnage figures from ARCB, XPO, FDX, ODFL, RRTS, SAIA, UPS, & YRCW
 Source: Stifel LTL Op Stats



4Q Y/Y of 2017 Showed Relatively Strong Volumes from Crushed Stone, Sand & Gravel, Iron & Steel Scrap, and Gravel, Iron & Steel Scrap, and Intermodal Trailers

Percent of Total Weekly Volume												
4.0%	0.6%	3.8%	1.8%	42.8%	1.9%	3.3%	1.5%	7.5%	1.7%	1.2%		

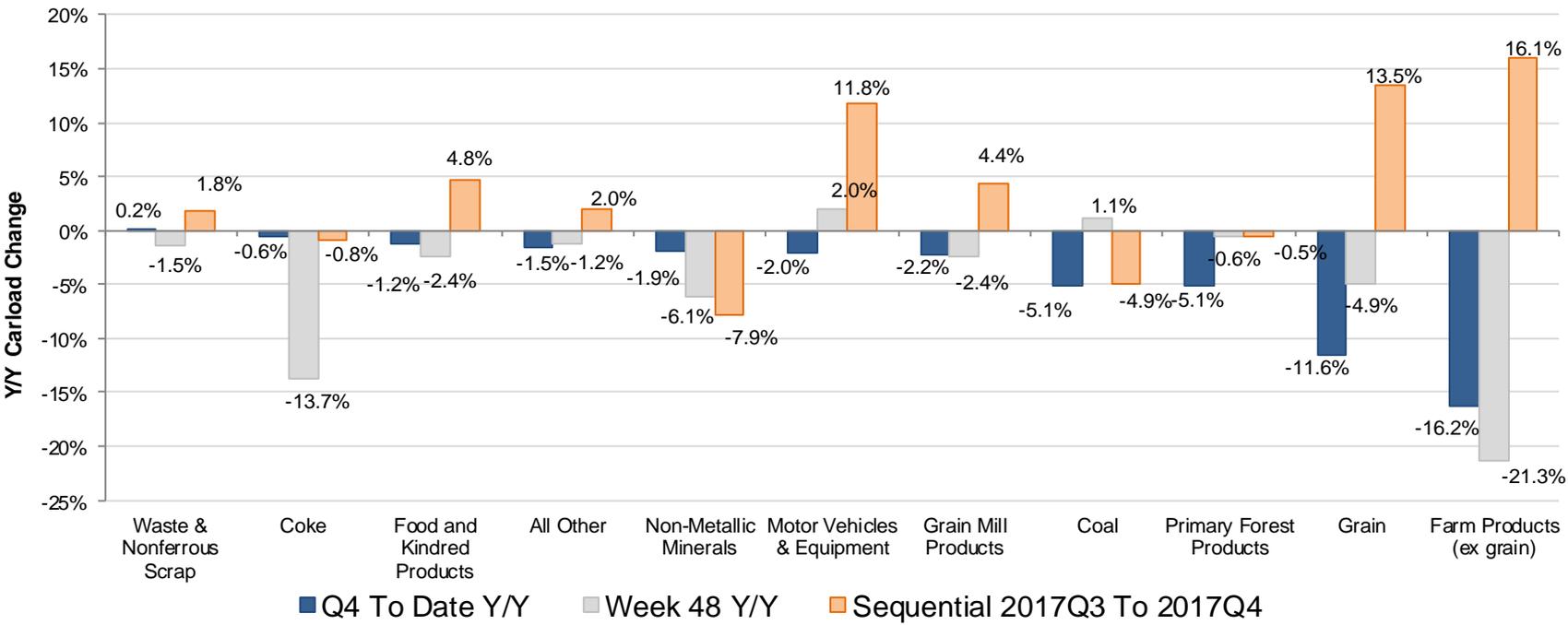


Carloads are originations for 4Q17 through December 2, 2017
Source: Association of American Railroads



4Q Y/Y Showed Weak Volumes from Farm Products, Grain, and Primary Forest Products

Percent of Total Weekly Volume											
0.6%	0.7%	1.6%	1.3%	0.7%	5.1%	1.7%	13.0%	0.3%	4.4%	0.6%	



Carloads are originations for 4Q17 through December 2, 2017
Source: Association of American Railroads



2017 YTD Carloads Have Been Positive

	2017 YTD Rail Units Y/Y % Change									
	BNSF	CNI ³	CP ³	CSX	GWR ⁴	KSU ⁵	NSC	UNP	U.S. Cl. I	All Cl. I ⁶
Coal Carloads	7.5%	(16.9%)	0.6%	5.1%	142.7%	13.3%	17.9%	6.6%	9.0%	7.1%
Grain Carloads	(2.8%)	2.2%	4.4%	(11.3%)	4.1%	(0.9%)	0.0%	(2.9%)	(3.2%)	(1.6%)
Non-Coal/Grain Carload Traffic	4.6%	9.6%	7.6%	(3.0%)	(26.0%)	7.3%	0.8%	1.6%	1.4%	3.2%
Rail Carloads¹	4.8%	6.6%	5.7%	(1.6%)	0.7%	7.1%	5.0%	2.4%	3.0%	3.7%
Intermodal Units²	6.1%	15.8%	1.7%	2.3%	(0.0%)	2.1%	5.8%	0.9%	4.0%	5.2%
Total Unit Volume	5.5%	10.5%	4.2%	0.1%	14.7%	4.9%	5.4%	1.8%	3.5%	4.4%
Estimated Ton-miles		11.1%	4.6%							
Avg. Rail Employment (U.S. Only)⁸	(1.3%)			(8.6%)			(3.7%)	(3.2%)	(3.7%)	
Avg. Velocity YTD (MPH)⁷	25.2	25.5	22.7	15.0	N/A	27.4	21.8	25.5	23.0	23.3
<i>Avg. Velocity Y/Y % Chg.</i>	(6.3%)	(6.9%)	(4.4%)	(0.2%)	N/A	(2.6%)	(7.0%)	(4.3%)	(4.1%)	(4.5%)
Avg. Terminal Dwell YTD (hours)⁷	26.9	15.8	6.5	11.3	N/A	22.6	25.0	30.0	23.2	19.7
<i>Avg. Term Dwell Y/Y % Chg.</i>	7.6%	14.7%	(1.8%)	1.3%	N/A	(0.4%)	6.1%	7.4%	4.4%	5.0%
Avg. Cars on Line YTD	239,494	145,989	76,940	141,543	N/A	53,496	183,849	297,215	183,119	162,647
<i>Avg. Cars on Line Y/Y % Chg.</i>	5.1%	2.9%	(1.2%)	N/A	N/A	4.3%	(0.8%)	2.6%	2.8%	2.2%

Data is year-to-date through the week ending December 2, 2017, except for GWR, which is through October 31, 2017.

¹ Total carloads carried (originated and received), excludes intermodal units

² Total intermodal units carried (originated and received)

³ CNI and CP are the only North American Class I railroads to report ton-miles on a weekly basis

⁴ GWR YTD total unit volumes represent same-railroad volumes (i.e., excl. acquisitions)

⁵ KSU data includes Mexican operations, KSC de Mexico

⁶ Total Class I volumes are weighted averages that include BNSF, CNI, CP, CSX, KSU, NSC, and UNP

⁷ CP re-defined terminal dwell and train speed, and are no longer directly comparable to metrics reported by other Class Is to the AAR.

⁸ STB U.S. employment data through October 31, 2017. U.S. Class I data only includes BNSF, CSX, NSC, and UNP

Source: AAR, STB, and company data



4Q17 Rail Carloads Weak on Grain

	4Q17 QTD Rail Units Y/Y % Change									
	BNSF	CNI ³	CP ³	CSX	GWR ⁴	KSU ⁵	NSC	UNP	U.S. Cl. I	All Cl. I ⁶
Coal Carloads	(10.1%)	(20.8%)	(9.4%)	1.4%	91.7%	(6.0%)	5.9%	(3.6%)	(3.9%)	(5.1%)
Grain Carloads	(7.4%)	(16.0%)	0.5%	(11.2%)	(10.2%)	(8.3%)	(18.2%)	(20.6%)	(12.9%)	(11.6%)
Non-Coal/Grain Carload Traffic	10.3%	0.4%	8.5%	(3.3%)	(21.7%)	8.1%	3.5%	5.6%	4.3%	3.9%
Rail Carloads¹	(0.4%)	(2.9%)	3.7%	(2.6%)	(2.8%)	4.1%	2.7%	1.0%	0.4%	0.1%
Intermodal Units²	6.6%	19.8%	6.5%	2.7%	2.4%	8.0%	6.7%	0.4%	4.6%	6.4%
Total Unit Volume	3.0%	6.0%	4.8%	(0.3%)	12.3%	5.8%	4.8%	0.7%	2.4%	3.0%
Estimated Ton-miles		0.4%	3.6%							
Avg. Rail Employment (U.S. Only)⁸	(2.4%)			(10.9%)			(4.2%)	(2.2%)	(4.2%)	
Avg. Velocity QTD (MPH)⁷	25.5	24.2	22.0	15.8	N/A	27.4	20.8	25.2	22.9	23.0
<i>Avg. Velocity Y/Y % Chg.</i>	<i>(1.6%)</i>	<i>(10.3%)</i>	<i>(5.5%)</i>	<i>11.0%</i>	<i>N/A</i>	<i>(2.1%)</i>	<i>(11.2%)</i>	<i>(4.8%)</i>	<i>(1.7%)</i>	<i>(3.5%)</i>
Avg. Terminal Dwell QTD (hours)⁷	25.8	17.7	6.7	10.6	N/A	23.7	26.1	31.5	23.6	20.3
<i>Avg. Term Dwell Y/Y % Chg.</i>	<i>3.0%</i>	<i>29.3%</i>	<i>10.1%</i>	<i>(4.8%)</i>	<i>N/A</i>	<i>(2.1%)</i>	<i>14.1%</i>	<i>13.0%</i>	<i>4.6%</i>	<i>8.9%</i>
Avg. Cars on Line QTD	237,863	150,659	77,680	137,968	N/A	55,059	187,133	301,435	183,892	163,971
<i>Avg. Cars on Line Y/Y % Chg.</i>	<i>2.1%</i>	<i>5.3%</i>	<i>3.0%</i>	<i>N/A</i>	<i>N/A</i>	<i>4.4%</i>	<i>3.7%</i>	<i>3.5%</i>	<i>3.4%</i>	<i>3.7%</i>

Data is quarter-to-date through the week ending December 2, 2017, except for GWR, which is through October 31, 2017.

¹Total carloads carried (originated and received), excludes intermodal units

²Total intermodal units carried (originated and received)

³CNI and CP are the only North American Class I railroads to report ton-miles on a weekly basis

⁴GWR QTD total unit volumes represent same-railroad volumes (i.e., excl. acquisitions)

⁵KSU data includes Mexican operations, KSC de Mexico

⁶Total Class I volumes are weighted averages that include BNSF, CNI, CP, CSX, KSU, NSC, and UNP

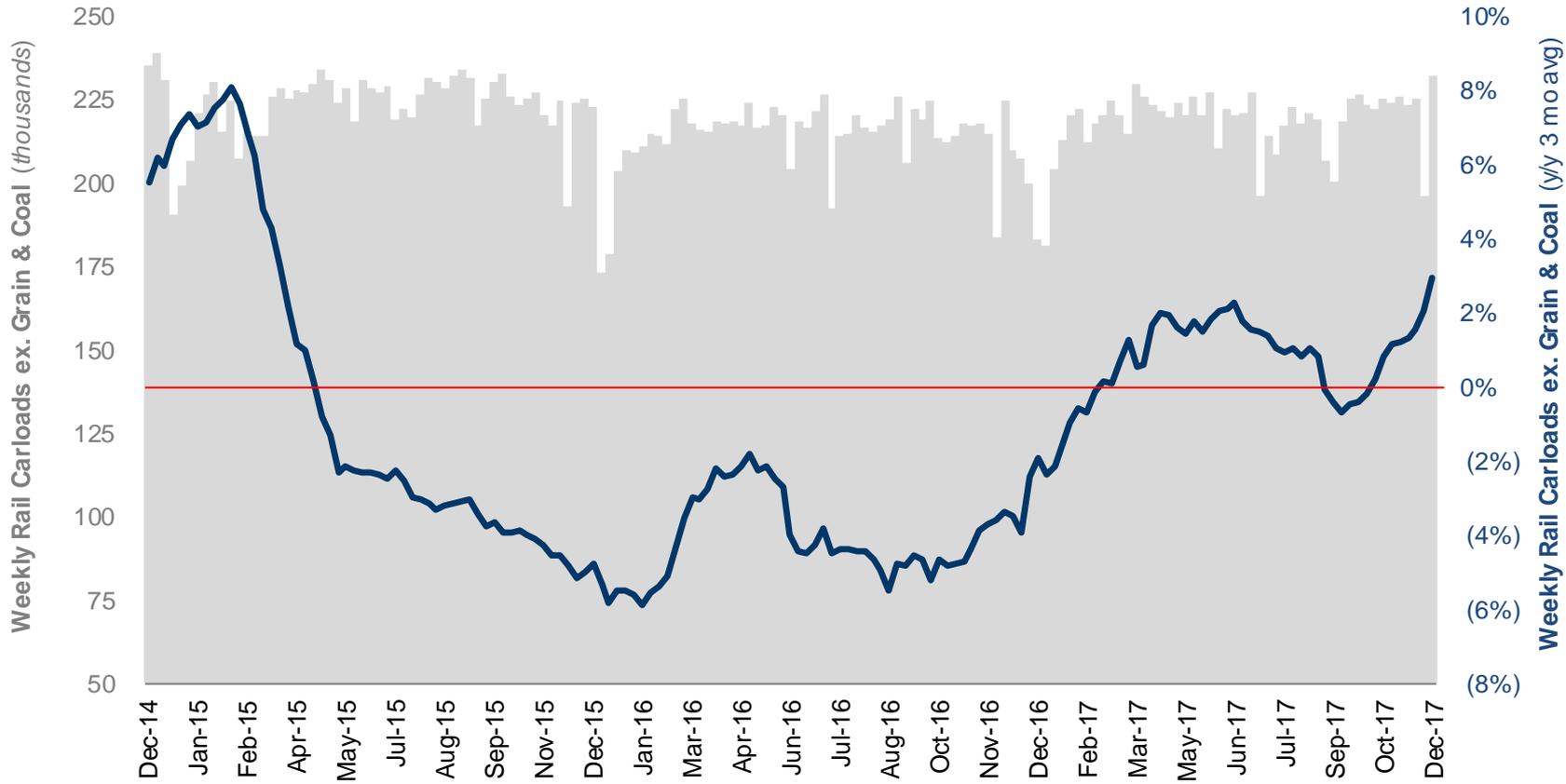
⁷CP re-defined terminal dwell and train speed, and are no longer directly comparable to metrics reported by other Class Is to the AAR.

⁸STB U.S. employment data through October 31, 2017. U.S. Class I data only includes BNSF, CSX, NSC, and UNP

Source: AAR, STB, and company data



U.S. Rail Carloads (ex. Coal & Grain) Back in Positive Territory



Carloads are originations for 4Q17 through December 02, 2017
Source: Association of American Railroads



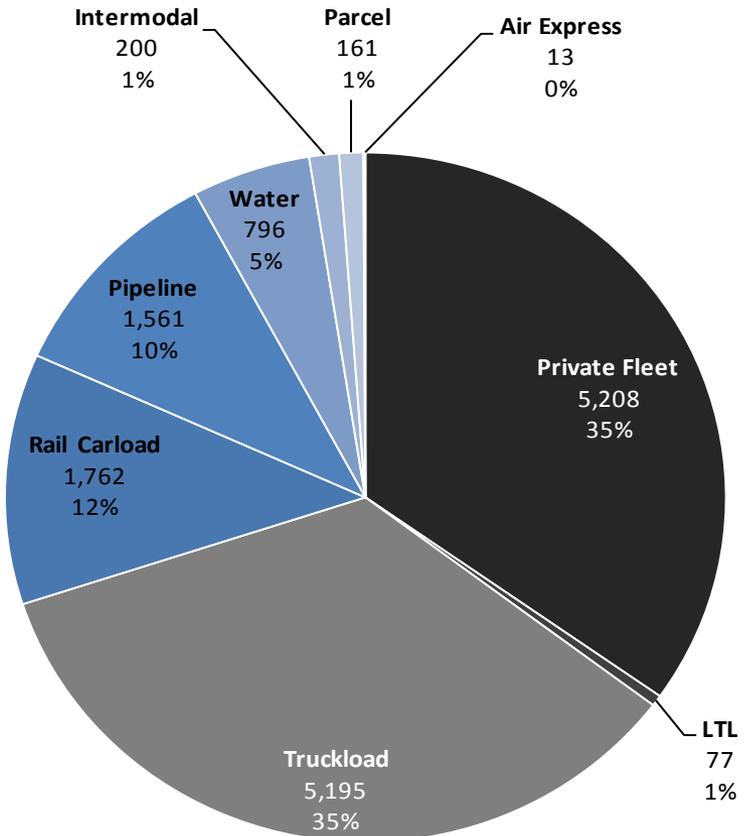
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The Trucking Sector Dominates the Domestic Freight Market

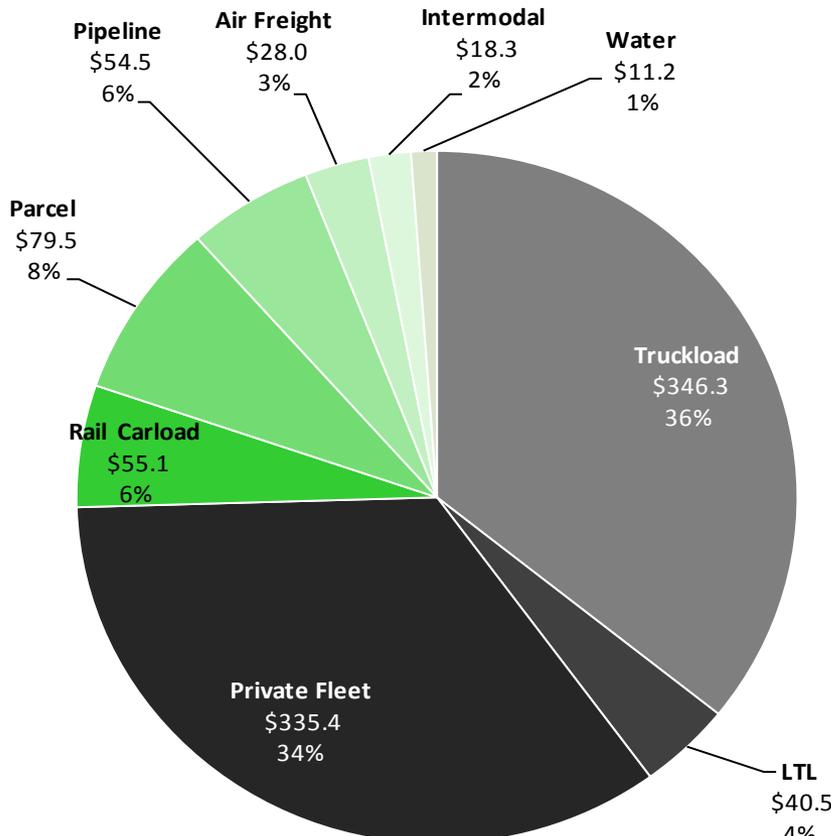
U.S. Freight Transportation Market

(15.0 Billion Tons)



U.S. Freight Transportation Market

(\$970 Billion)



Estimates are based on 2015 market data; pie charts show volume in millions of tons, and revenue in \$US, billions
Source: American Trucking Associations, Company data, Stifel estimates

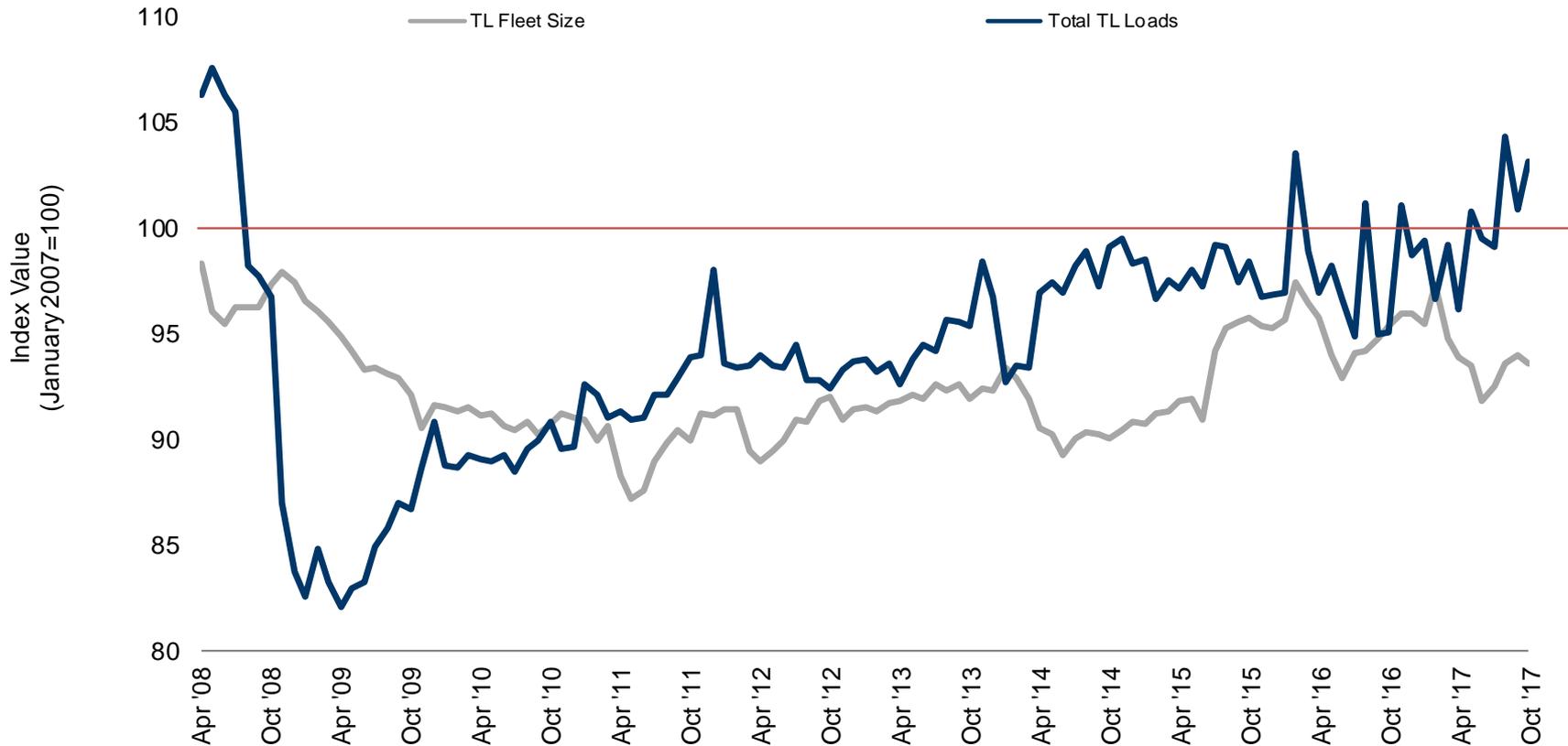


Spot market pricing improved; contract pricing environment picking up; lower fuel surcharges still positive for shippers and negative for carriers

- Pricing is not revenue per mile
- Previous capacity reductions per weak demand likely to abate with market picking up.
- Now losing more capacity due to FMCSA regulations and deteriorating driver demographics
- Shipper/carrier collaboration that had fallen to the wayside given loose supply/demand dynamics likely to reverse
- Equipment life-cycle costs rising, secondary market is still down significantly
- Rate increases likely/already occurring during negotiations in 2H17



Large Fleets Have Decreased Y/Y, And Are Still Soft, Largely Due to a Lack of Drivers; Could a Recent Decrease in the Loads Index Continue?



Source: American Trucking Associations; Large fleets assumed to be 10% of capacity



Capacity “T-Chart” Shows We’ll Likely Need More Trucks and Drivers Just to Haul the Same Amount of Freight → Rates Moving Higher Absent Demand Drop

Reducing Capacity

- CSA
- Hours-of-Service changes
- ELD mandate
- Drug testing procedure changes
- Increased enforcement of regulations
- Speed Limiter Mandate
- Health regulations (e.g., sleep apnea testing)
- Independent contractor/employee status
- Drug/alcohol database
- Increased driver training requirements
- Higher equipment costs
- Increased minimum insurance standards



Increasing Capacity

- Immigration reform
- Longer Combination vehicles (LCVs)
- Mexican trucks
- Heavier allowable gross vehicle weights
- Smaller, denser, more efficiently packaged products
- Widespread application of network optimization technology



Strong ISM Index into 4Q17 Implies Continued LTL Volume Growth Ahead

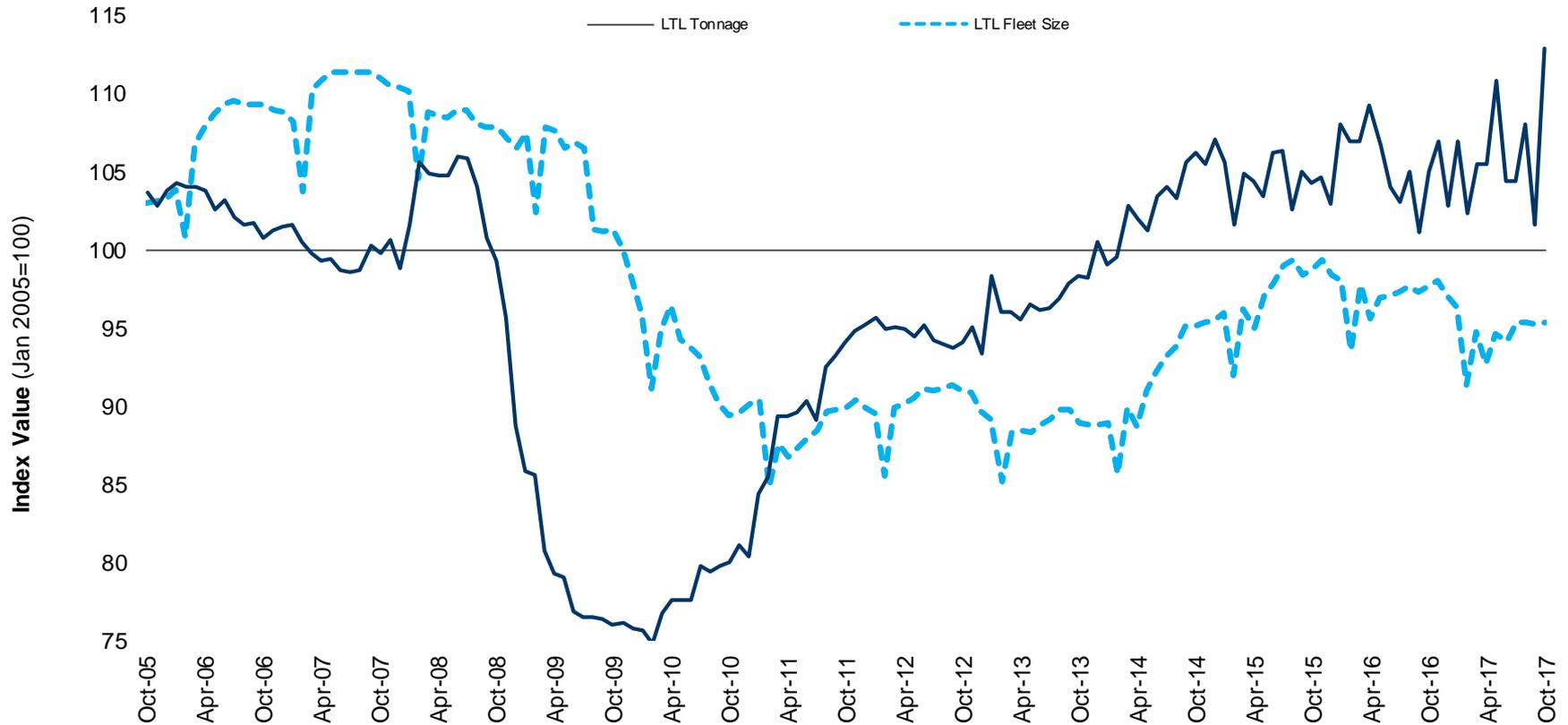
- LTL freight volumes are improving, Shipments generally continue to outpace tonnage; mix changes and e-commerce continue to alter the business.
- Pricing remains disciplined, and we expect ~3%+ through the remainder of the year on the average contract renewal
- Drivers challenging in certain markets. Pay pressure likely seen later this year.
- Teamsters contracts to come into focus – ABF’s deal expires 3/31/18, UPS Freight expires 7/31/18, and YRC’s expires 3/31/19. ABF up first.
- The presence of dimensioners on LTL docks continues to grow – dimensional pricing, “here we come!” ABF recently implemented CMC (cubic minimum charge) – others waiting to determine whether they follow suit or implement different dimensional pricing.
- LTLs should regain modal share, in our view, after years of share loss due to upcoming TL capacity constraints and e-commerce shifts in supply chains.

Industry Dynamics

Less-Than-Truckload (LTL) Sector Themes



LTL Fleet Size Following Tonnage Growth



Source: American Trucking Associations

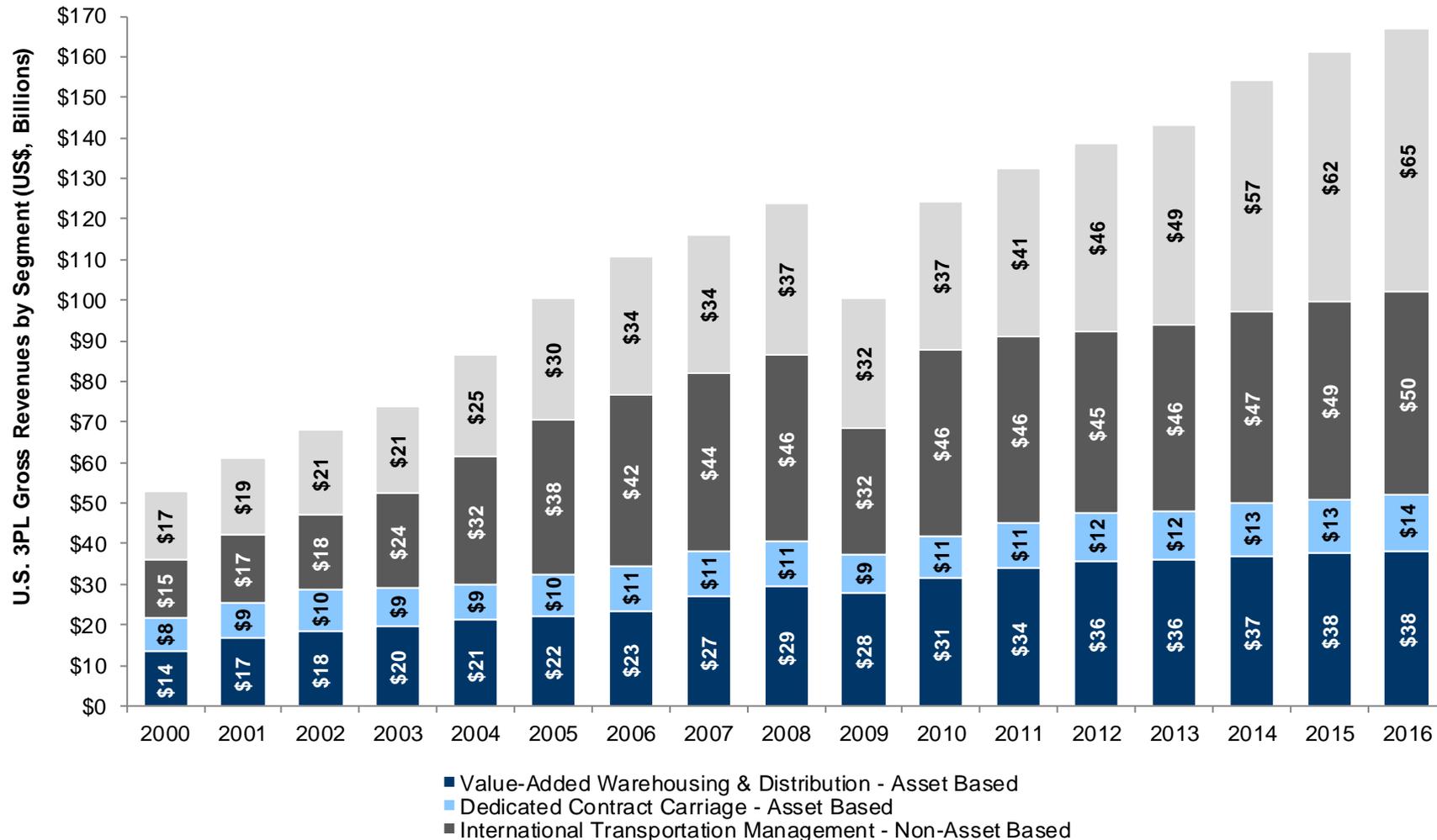


Logistics Continues to Benefit From Secular Trend Toward Outsourcing; International Volumes Growing Again

- Is truck brokerage nearing saturation/over-brokerage?
- Domestic intermodal appears to be a secular grower with barriers-to-entry that have become significant
- Global trade improving, led by airfreight
- Value-added third-party logistics system design and management constantly evolving
- M&A remains hot in the logistics space
- Global parcel carriers see growth, even as Amazon controls more B2C deliveries themselves.
- Liquid bulk barge sector; repurposed oil barges have entered the chemical segment prior to new petro-chemical capacity coming on-line



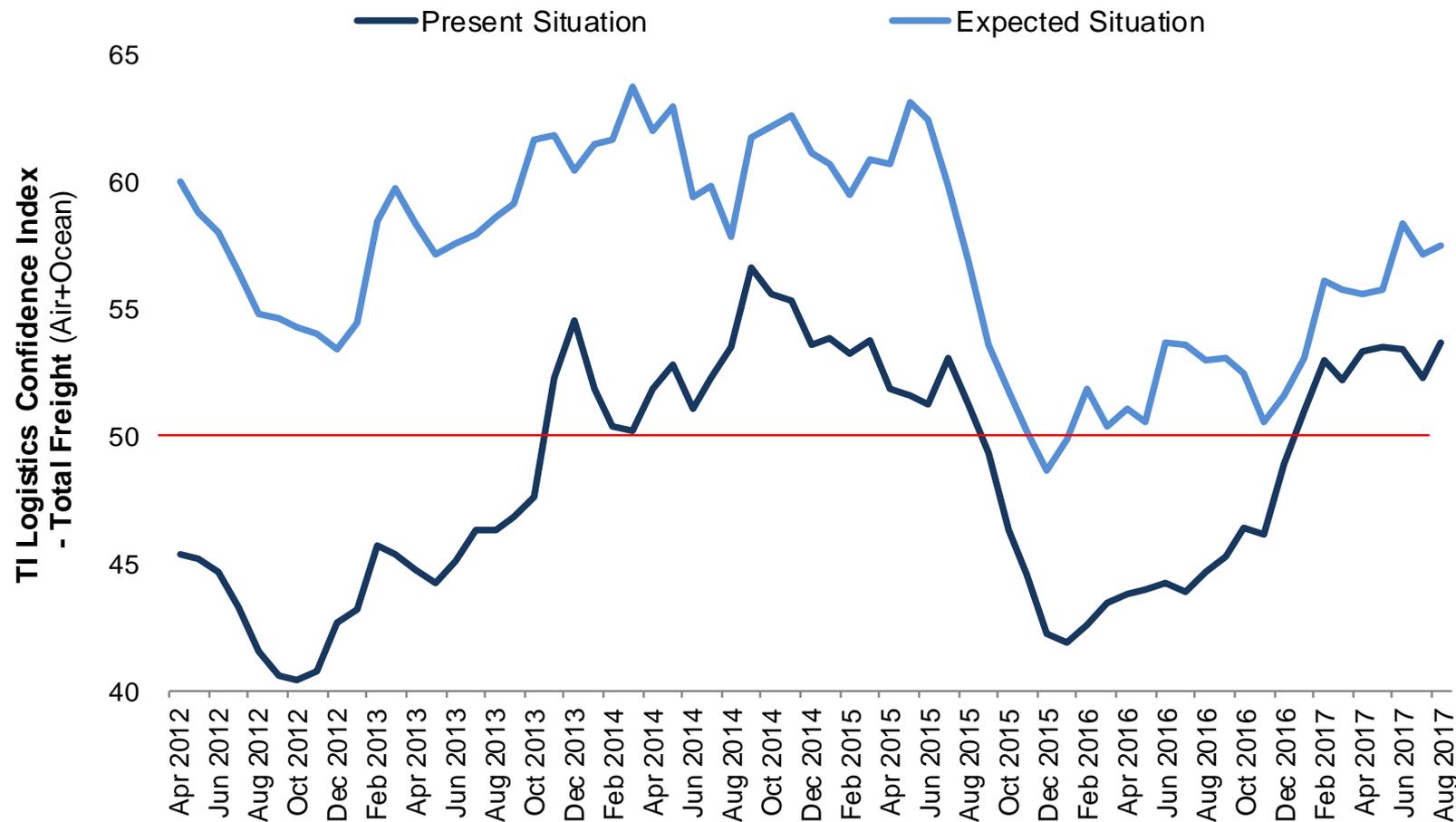
U.S. 3PL Gross Revenues Grew at a 4.2% CAGR From 2006 to 2016



Source: Armstrong & Associates ; figures in \$U.S. billions



Air & Sea Drive Strength Since December



The Transport Intelligence Logistics Confidence Index (LCI) is a survey-based indicator of air and ocean freight volumes in European-based trade lanes. Readings over 50 indicate freight levels that exceed normal seasonal expectations, while readings below 50 indicate volumes below normal seasonal expectations
 Source: Transport Intelligence Logistics Confidence Index

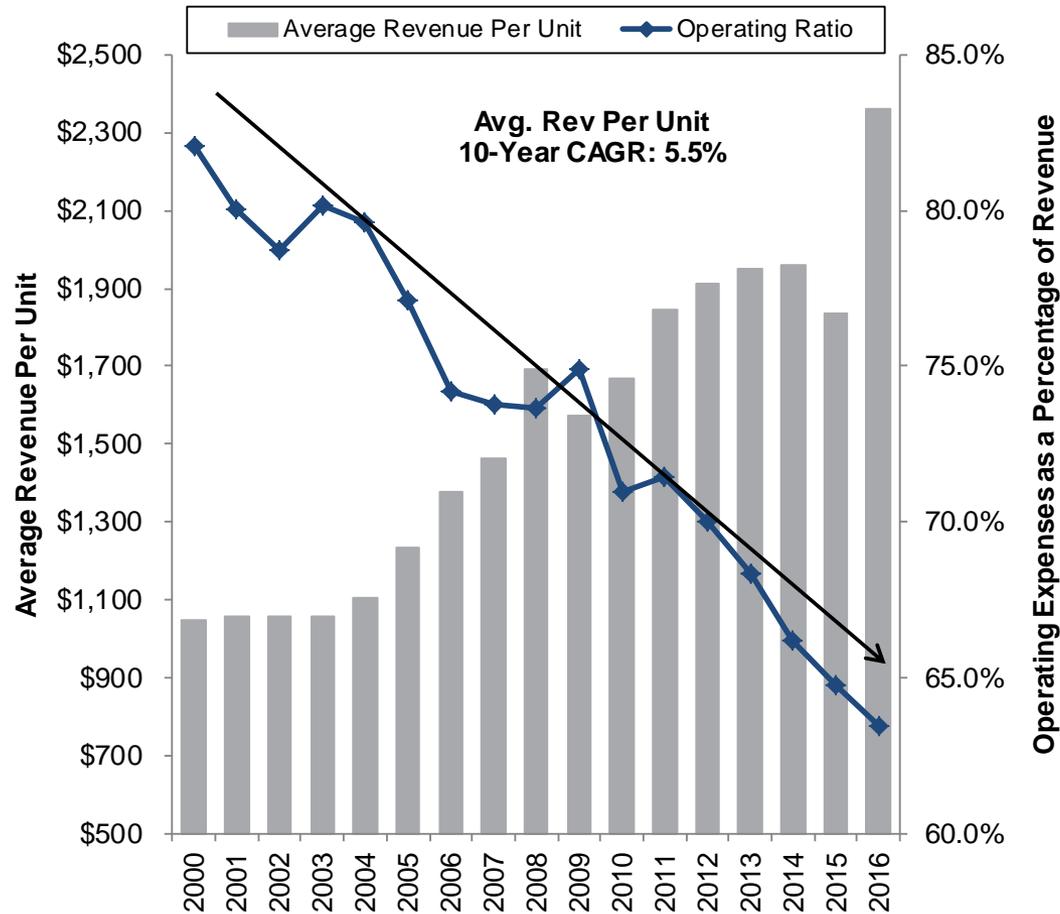


Railroads Continue to Drive Efficiency Gains; Intermodal Is Largest Driver of Continued Top-Line Growth

- Inflation plus pricing comes into question on the back of declining volumes and mediocre service; however, many customers are essentially captive shippers and thereby act as price takers
- Rails are struggling to right size their networks to reflect reduced traffic demand in order to ensure cost inflation is offset by efficiency and productivity
- Additional economic regulations still possible, but perhaps less so under a Trump administration
- Spare capacity = 10%+/- in some places; still lacking in others
- Intermodal remains in vogue despite low fuel costs and poor service
- Commodity carload business continues to change



Railroad Operating Ratios Have Seen a Continuing Decline Since 2000, Assisted by an Improved but Decelerating Pricing Beginning in 2004



Note: Revenue Per Unit includes fuel surcharge revenue
 Operating Ratio is an equal-weighted average of CNI, CP, CSX, NSC, and UNP operating ratios.
 Average Revenue Per Unit is the summation of CNI, CP, CSX, NSC, and UNP freight revenue in USD divided by the summation of their units
 Source: Association of American Railroads, Company Data

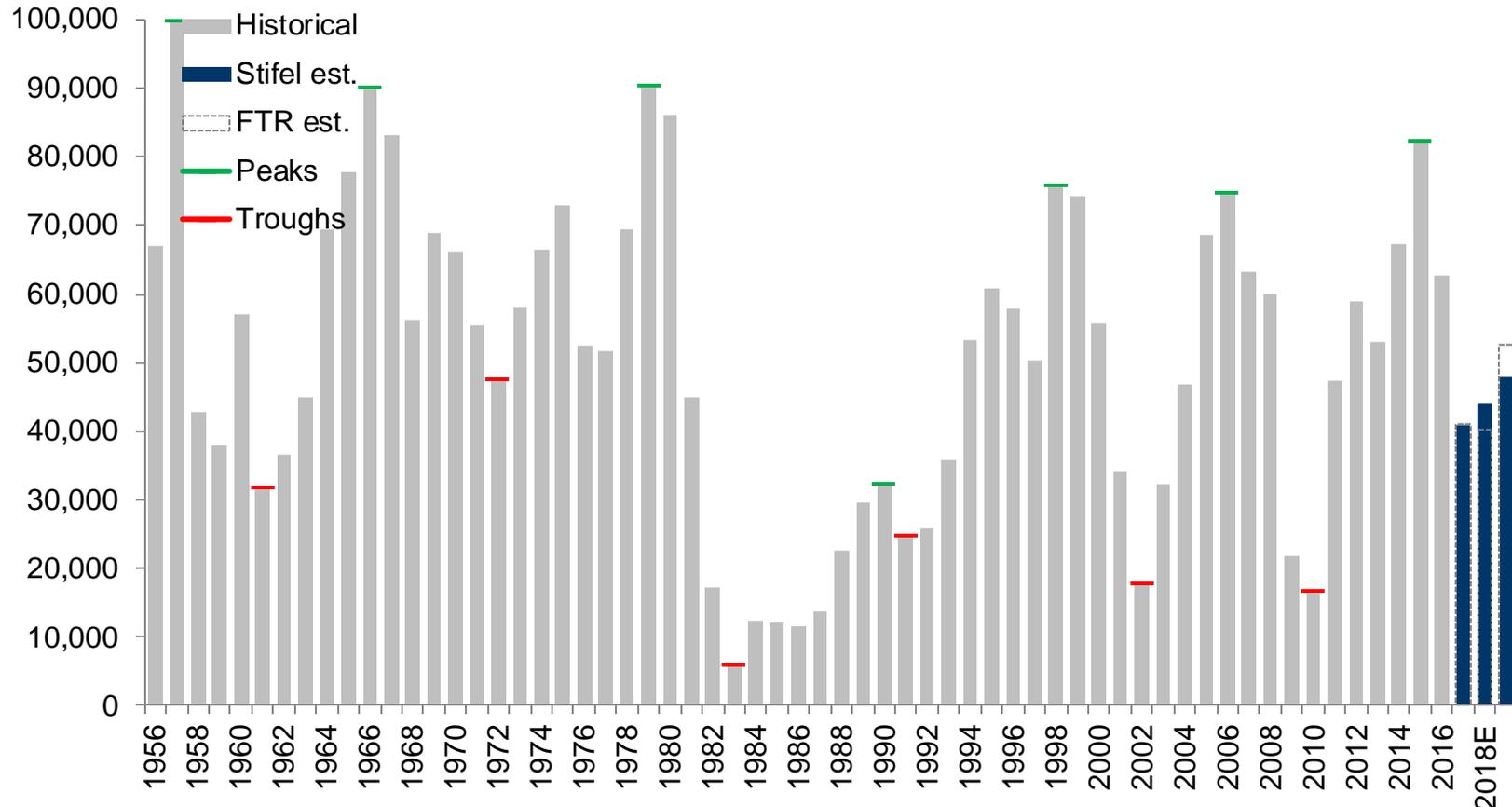


Demand Rebounding from Low Levels, Though Equipment Excesses Remain

- Quarterly railcar orders surged in 2Q17 to 17,665 units, breaking out of the 4,000-6,000 range of the last one-two years
- OEMs report that the strong 2Q demand has continued into 3Q17
- Industry backlogs remain healthy by historical standards but backlog unusually concentrated with Trinity and Greenbrier
- Excess railcars have declined from the high-20% range to the low-20% range, an improvement, but an excess equipment overhang remains in most car types
- Railcar OEMs continue to build at a fairly high volume of about 10,000 units per quarter; equipment excesses getting worked through slowly as additional newly manufactured railcars come into the market
- Increased drilling activity has caused a sudden pickup in demand for frac sand cars, which has been the primary area of demand improvement this year
- Deteriorating mix continues to hurt OEMs, as a tank-heavy delivery mix, strong pricing, and volume efficiencies all contributed to strong margins in 2015 and 2016, setting up difficult comps in 2017
- Major railcar demand turnarounds are usually driven by one or two car types; aside from the frac sand niche, what car type(s) will that be this cycle?



North American Railcar Production



Our 2017 estimate of 41,000 units is in line with FTR’s outlook, though we anticipate an increase to 44,000 units in 2018 which is above FTR’s 40,000 unit assumption

Source: FTR, Stifel estimates

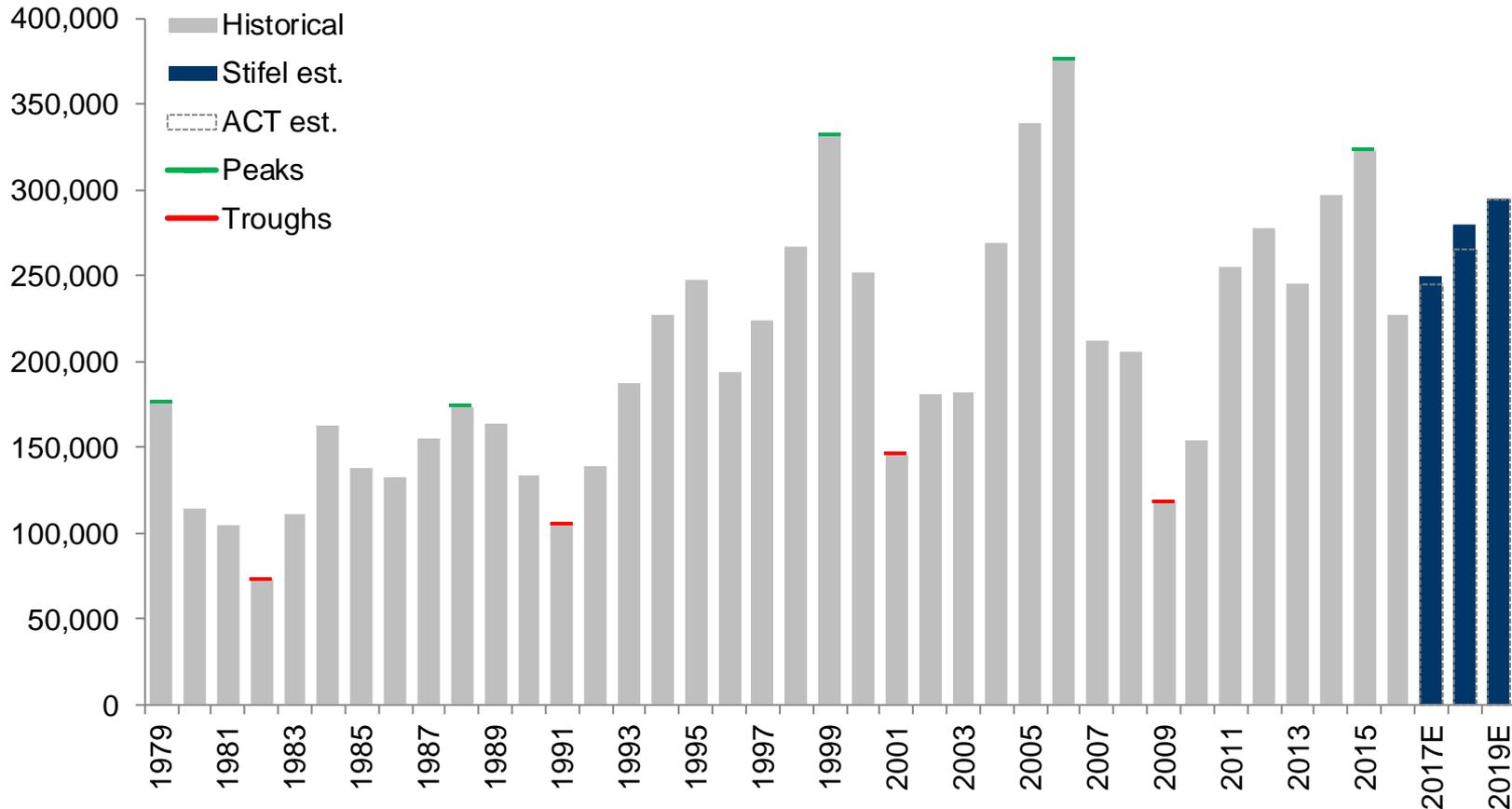


Recent North American Class 8 Orders Ahead of Trucking Fundamentals

- 2017 North American tractor production estimates have risen steadily the past several months, and now production is expected to be up 7% y/y per ACT
- While the administration has removed many regulations, ELDs are all systems go for 2017 and the drug and alcohol clearinghouse is likely in the next two years
- Contrary to historical patterns, tractor orders have picked up before an improvement in carriers' contract rates; flatbed trucking is a notable exception and has seen contract rate increases
- Class 8 inventories right-sized
- Freightliner and PACCAR drivetrains becoming more vertically integrated, while Cummins is working closer with Eaton in an attempt to stave off that threat; Navistar is again marketing an internally manufactured engine (the A26)
- Used truck prices have stabilized at a low level, to the benefit of small fleets enjoying a buyer's market
- Fracking activity has created a surge in demand for parts and service of off-highway equipment
- Global markets generally stable to up; Europe stable at a high level, China surge in 1H likely not sustainable, growth expected in India and Brazil (off a depressed level)



North American Class 8 Production



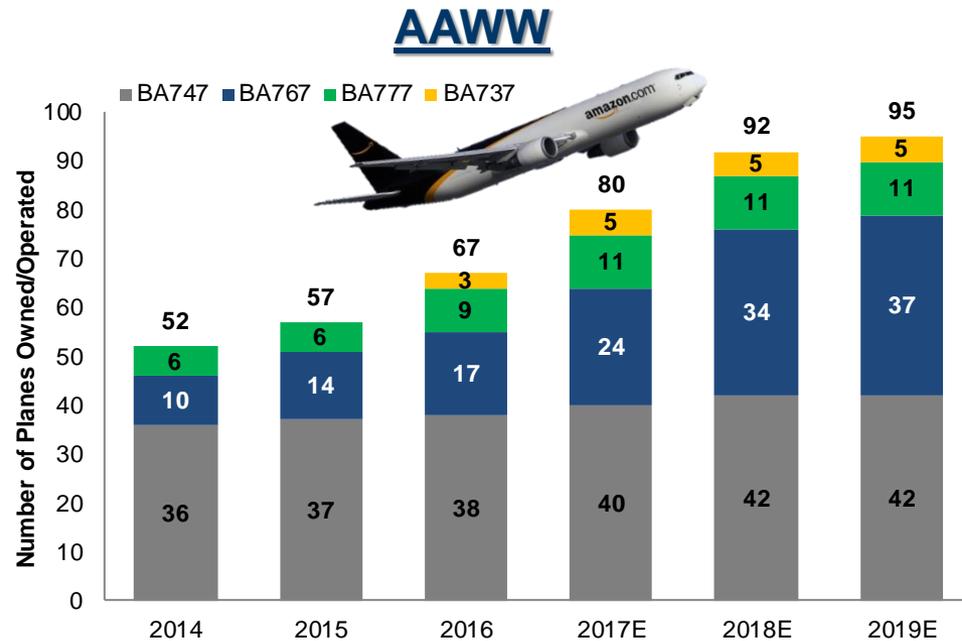
Production likely to fall slightly below replacement demand (~220,000-250,000 units) in 2017, but could again exceed it in 2019-2020

Source: ACT Research, Stifel estimates

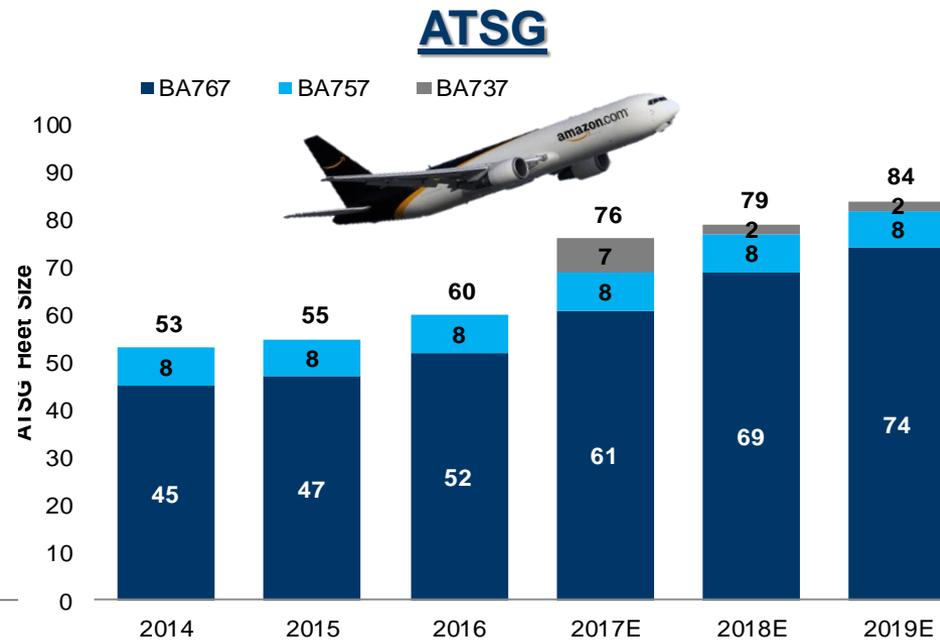


Amazon Driving Fleet Growth For ATSG & AAWW

AAWW



ATSG

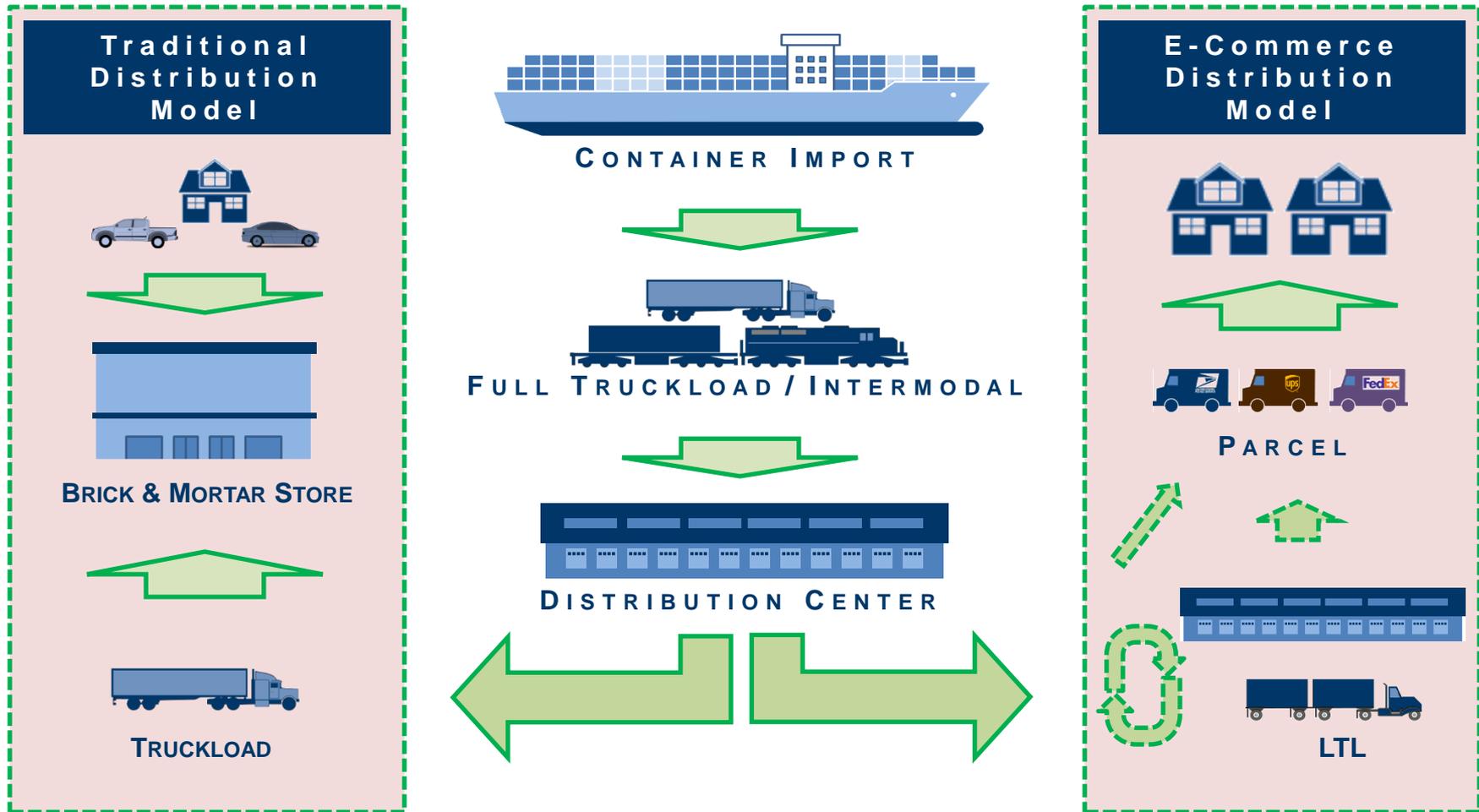


- ATSG recently delivered their final 20th BA767 to Amazon, completing their commitment to them
- AAWW has delivered 10 of 20 BA767 aircrafts to Amazon, with plans of final delivery by the end of 2018⁽¹⁾

Data sets reflect number of company-owned & operated planes.
Source: Stifel estimates, ⁽¹⁾As of 3Q17



E-commerce is changing distribution patterns and shifting modal share



Source: Stifel



- I. **Stifel Transportation Group Overview**
- II. **Current and Historical Valuation** – valuations still elevated but number of Buy-rated names growing as fundamentals improve
- III. **Economic Indicators** – continued moderate growth expected for the economy, as freight traffic improving
- IV. **Volume Trends** – domestic and international volumes moving up
- V. **Industry Dynamics** – current trends vary significantly by sector
- VI. **Appendix** – operating statistics, comparative valuation matrix, disclosures

Appendix

Transportation Coverage Operating Leverage



Most Buy-Rated Stocks We Cover Contain Operating Leverage

Current Stifel Projections (CY 2019 EPS) - Buy-Rated Names

Company	Ticker	Price 12/12/17	Modeled 2019 OR	Modeled 2019 EPS	Target P/E Multiple	Target Price	Modeled Upside Potential
Best Inc.	BSTI	\$ 9.38	97.5%	\$ 0.38	42.0x	\$ 16	70.6%
Atlas Air Worldwide Holdings, Inc.(2)	AAWW	\$ 57.00	87.4%	\$ 5.78	12.0x	\$ 69	21.1%
Heartland Express	HTLD	\$ 22.39	83.2%	\$ 1.25	21.0x	\$ 27	20.6%
Universal Logistics Holdings(1)	ULH	\$ 23.80	94.1%	\$ 1.65	16.5x	\$ 27	13.4%
J.B.Hunt Transport Services	JBHT	\$ 111.24	88.8%	\$ 5.55	22.5x	\$ 125	12.4%
Echo Global Logistics	ECHO	\$ 27.90	87.2%	\$ 1.40	22.0x	\$ 31	11.1%
Landstar System(1)	LSTR	\$ 104.00	92.6%	\$ 5.10	22.5x	\$ 115	10.6%
Daseke, Inc.	DSKE	\$ 13.64	95.0%	\$ 0.19	NA	\$ 15	10.0%
USA Truck, Inc.	USAK	\$ 18.21	96.4%	\$ 1.20	17.0x	\$ 20	9.8%
Hub Group, Inc.	HUBG	\$ 46.55	83.4%	\$ 2.65	19.0x	\$ 50	7.4%
Kansas City Southern	KSU	\$ 110.30	61.2%	\$ 6.55	18.0x	\$ 118	7.0%
Canadian Pacific Railway	CP	\$ 178.28	55.8%	\$ 13.08	14.5x	\$ 190	6.6%
XPO Logistics, Inc.	XPO	\$ 76.29	88.1%	\$ 3.25	NA	\$ 80	4.9%

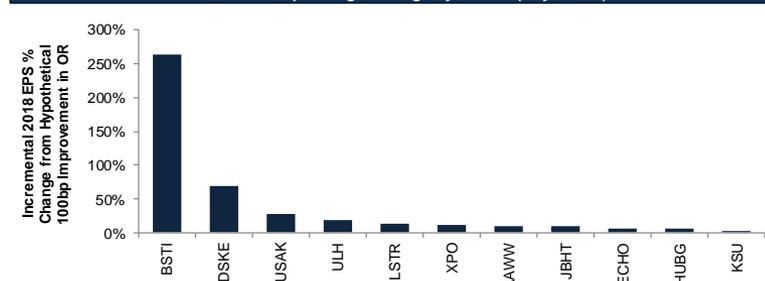
Incremental OR Sensitivity - Buy-Rated Names

Company	Ticker	Increase in 2019 EPS per 100bp Improvement in Operating Ratio	EPS % Change
Best Inc.	BSTI	\$ 1.01	264.1%
Daseke, Inc.	DSKE	\$ 0.13	69.3%
USA Truck, Inc.	USAK	\$ 0.33	27.7%
Universal Logistics Holdings(1)	ULH	\$ 0.30	18.0%
Landstar System(1)	LSTR	\$ 0.64	12.6%
XPO Logistics, Inc.	XPO	\$ 0.40	12.4%
Atlas Air Worldwide Holdings, Inc.	AAWW	\$ 0.54	9.4%
J.B.Hunt Transport Services	JBHT	\$ 0.50	9.1%
Echo Global Logistics	ECHO	\$ 0.09	6.2%
Hub Group, Inc.	HUBG	\$ 0.16	6.0%
Kansas City Southern	KSU	\$ 0.18	2.8%
Canadian Pacific Railway	CP	\$ 0.34	2.6%
Heartland Express	HTLD	\$ 0.01	1.0%

Modified for 100bp Potential Upside to Forecasted 2019 OR - Buy-Rated Names

Company	Ticker	Price 12/12/17	Hypothetical 2019 OR	Hypothetical 2019 EPS	Target P/E Multiple	Hypothetical Target Price	Hypothetical Upside Potential
Best Inc.	BSTI	\$ 9.38	96.5%	\$ 1.39	42.0x	\$ 58	518.3%
USA Truck, Inc.	USAK	\$ 18.21	95.4%	\$ 1.53	17.0x	\$ 26	42.8%
Universal Logistics Holdings(1)	ULH	\$ 23.80	93.1%	\$ 1.95	16.5x	\$ 32	34.5%
Atlas Air Worldwide Holdings, Inc.(2)	AAWW	\$ 57.00	86.4%	\$ 6.32	12.0x	\$ 76	33.3%
Landstar System(1)	LSTR	\$ 104.00	91.6%	\$ 5.74	22.5x	\$ 129	24.0%
J.B.Hunt Transport Services	JBHT	\$ 111.24	87.8%	\$ 6.05	22.5x	\$ 136	22.3%
Heartland Express	HTLD	\$ 22.39	82.2%	\$ 1.26	21.0x	\$ 27	20.6%
Echo Global Logistics	ECHO	\$ 27.90	86.2%	\$ 1.49	22.0x	\$ 33	18.3%
Hub Group, Inc.	HUBG	\$ 46.55	82.4%	\$ 2.81	19.0x	\$ 53	13.9%
Daseke, Inc.	DSKE	\$ 13.64	94.0%	\$ 0.28	NA	\$ 15	10.0%
Kansas City Southern	KSU	\$ 110.30	60.2%	\$ 6.73	18.0x	\$ 121	9.7%
Canadian Pacific Railway	CP	\$ 178.28	54.8%	\$ 13.42	14.5x	\$ 195	9.4%
XPO Logistics, Inc.	XPO	\$ 76.29	87.1%	\$ 3.65	NA	\$ 80	4.9%

Incremental Operating Leverage by Carrier (Buy-Rated)



(1) Companies with variable cost models (including LSTR and ULH) would inherently have less operating leverage than asset-backed carriers

Source: Stifel estimates

Appendix

Transportation Coverage Operating Leverage

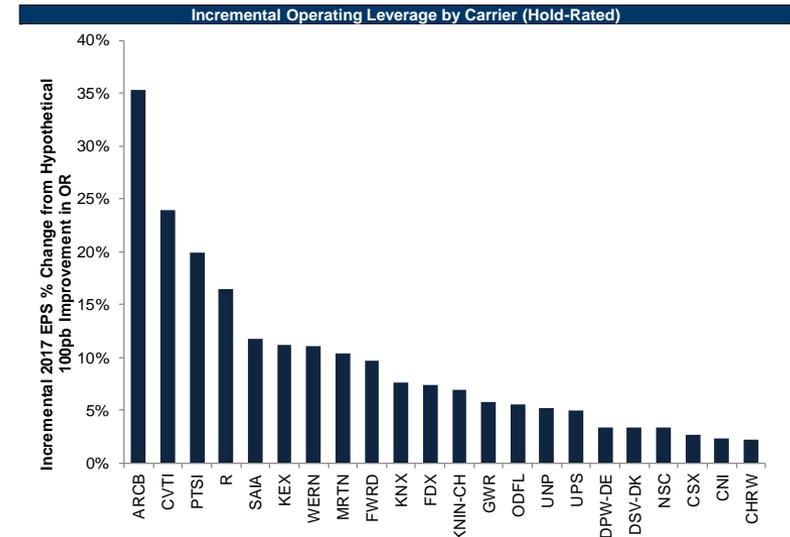


Most of Our Hold-Rated Stocks Also Contain Operating Leverage

Current Stifel Projections (CY 2019 EPS) - Hold-Rated Names							
Company	Ticker	Price 12/12/17	Modeled 2019 OR	Modeled 2019 EPS	Target P/E Multiple	Fair Value	Modeled Upside Potential
Covenant Transportation Group	CVTI	\$ 28.87	94.7%	\$ 1.75	18.0x	\$ 32	10.8%
Canadian National Railway	CNI	\$ 80.13	54.5%	\$ 5.35	16.5x	\$ 88	9.8%
Kirby Corp.	KEX	\$ 63.75	90.9%	\$ 3.10	NA	\$ 67	5.1%
CSX Corp.	CSX	\$ 56.98	57.0%	\$ 3.35	17.0x	\$ 57	0.0%
Genesee & Wyoming, Inc.	GWR	\$ 77.22	78.8%	\$ 4.20	18.0x	\$ 76	(1.6%)
DSV A/S	DSV-DK	DKK 486.00	93.5%	DKK 21.23	22.0x	DKK 467	(3.9%)
United Parcel Service	UPS	\$ 118.16	86.7%	\$ 6.80	16.5x	\$ 112	(5.2%)
Marten Transport	MRTN	\$ 20.05	90.1%	\$ 0.85	22.0x	\$ 19	(5.2%)
Werner Enterprises, Inc.	WERN	\$ 38.10	91.0%	\$ 1.80	20.0x	\$ 36	(5.5%)
Expeditors International	EXPD	\$ 64.35	89.6%	\$ 2.77	21.5x	\$ 60	(6.8%)
C.H. Robinson Worldwide	CHRW	\$ 88.00	61.5%	\$ 4.10	20.0x	\$ 82	(6.8%)
Knight-Swift Transportation	KNX	\$ 42.99	87.0%	\$ 1.90	21.0x	\$ 40	(4.9%)
FedEx Corp.(1)(2)	FDX	\$ 239.50	88.9%	\$ 14.15	15.0x	\$ 221	(7.9%)
Union Pacific	UNP	\$ 130.70	58.8%	\$ 7.30	16.5x	\$ 120	(8.2%)
Forward Air Corp.	FWRD	\$ 57.47	89.8%	\$ 2.67	19.5x	\$ 52	(9.5%)
Kuehne+Nagel International AG(2)	KNIN-CH	CHF 172.90	85.6%	CHF 6.72	23.0x	CHF 155.00	(10.4%)
Ryder System	R	\$ 81.75	91.9%	\$ 5.67	13.5x	\$ 73	(10.7%)
Norfolk Southern Corp.	NSC	\$ 141.46	66.0%	\$ 7.85	16.0x	\$ 126	(10.9%)
Saia, Inc.	SAIA	\$ 68.15	92.3%	\$ 3.32	18.0x	\$ 60	(12.0%)
Old Dominion Freight Line	ODFL	\$ 129.07	83.2%	\$ 5.54	20.0x	\$ 111	(14.0%)
Deutsche Post DHL	DPW-DE	€ 40.02	93.7%	€ 2.60	14.0x	€ 33	(17.5%)
P.A.M. Transportation Services	PTSI	\$ 37.56	96.0%	\$ 1.90	16.0x	\$ 30	(20.1%)
ArcBest Corporation	ARCB	\$ 38.55	97.2%	\$ 2.08	13.0x	\$ 27	(30.0%)

Incremental OR Sensitivity - Hold-Rated Names				
Company	Ticker	Increase in 2019 EPS per 100bp Improvement in Operating Ratio	Operating Ratio	EPS % Change
ArcBest Corporation	ARCB	\$0.73		35.3%
Covenant Transportation Group	CVTI	\$0.42		23.9%
P.A.M. Transportation Services	PTSI	\$0.38		19.8%
Ryder System	R	\$0.93		16.4%
Saia, Inc.	SAIA	\$0.39		11.8%
Kirby Corp.	KEX	\$0.35		11.1%
Werner Enterprises, Inc.	WERN	\$0.20		11.0%
Marten Transport	MRTN	\$0.09		10.4%
Forward Air Corp.	FWRD	\$0.26		9.7%
Knight-Swift Transportation	KNX	\$0.14		7.6%
FedEx Corp.(1)(2)	FDX	\$1.05		7.4%
Kuehne+Nagel International AG(2)	KNIN-CH	CHF 0.47		7.0%
Genesee & Wyoming, Inc.	GWR	\$0.24		5.8%
Old Dominion Freight Line	ODFL	\$0.30		5.5%
Union Pacific	UNP	\$0.38		5.2%
United Parcel Service	UPS	\$0.34		5.0%
Deutsche Post DHL	DPW-DE	€ 0.09		3.4%
DSV A/S	DSV-DK	DKK 0.71		3.4%
Norfolk Southern Corp.	NSC	\$0.26		3.4%
CSX Corp.	CSX	\$0.09		2.6%
Canadian National Railway	CNI	\$0.13		2.4%
C.H. Robinson Worldwide	CHRW	\$0.09		2.2%
Expeditors International	EXPD	(\$0.15)		(5.4%)

Modified for 100bp Potential Upside to Forecasted 2019 OR - Hold-Rated Names							
Company	Ticker	Price 12/12/17	Hypothetical 2019 OR	Hypothetical 2019 EPS	Target P/E Multiple	Hypothetical Fair Value	Hypothetical Upside Potential
Kirby Corp.	KEX	\$ 63.75	89.9%	\$ 3.45	NA	NA	NA
Covenant Transportation Group	CVTI	\$ 28.87	93.7%	\$ 2.17	18.0x	\$ 39	35.1%
Canadian National Railway	CNI	\$ 80.13	53.5%	\$ 5.48	16.5x	\$ 90	12.3%
Ryder System	R	\$ 81.75	90.9%	\$ 6.60	13.5x	\$ 89	8.9%
Werner Enterprises, Inc.	WERN	\$ 38.10	90.0%	\$ 2.00	20.0x	\$ 40	5.0%
Marten Transport	MRTN	\$ 20.05	89.1%	\$ 0.94	22.0x	\$ 21	4.7%
Genesee & Wyoming, Inc.	GWR	\$ 77.22	77.8%	\$ 4.44	18.0x	\$ 80	3.6%
CSX Corp.	CSX	\$ 56.98	56.0%	\$ 3.44	17.0x	\$ 58	1.8%
Knight-Swift Transportation	KNX	\$ 42.99	86.0%	\$ 2.04	21.0x	\$ 43	0.0%
United Parcel Service	UPS	\$ 118.16	85.7%	\$ 7.14	16.5x	\$ 118	(0.1%)
DSV A/S	DSV-DK	DKK 486.00	92.5%	DKK 21.94	22.0x	DKK 483	(0.6%)
Forward Air Corp.	FWRD	\$ 57.47	88.8%	\$ 2.93	19.5x	\$ 57	(0.8%)
Saia, Inc.	SAIA	\$ 68.15	91.3%	\$ 3.71	18.0x	\$ 67	(1.7%)
Union Pacific	UNP	\$ 130.70	57.8%	\$ 7.68	16.5x	\$ 127	(2.8%)
ArcBest Corporation	ARCB	\$ 38.55	96.2%	\$ 2.81	13.0x	\$ 37	(4.0%)
P.A.M. Transportation Services	PTSI	\$ 37.56	95.0%	\$ 2.28	16.0x	\$ 36	(4.2%)
C.H. Robinson Worldwide	CHRW	\$ 88.00	60.5%	\$ 4.19	20.0x	\$ 84	(4.5%)
Kuehne+Nagel International AG(2)	KNIN-CH	CHF 172.90	84.6%	CHF 7.19	23.0x	CHF 165	(4.6%)
FedEx Corp.(1)(2)	FDX	\$ 239.50	87.9%	\$ 15.20	15.0x	\$ 228	(4.8%)
Deutsche Post DHL	DPW-DE	€ 40.02	92.7%	€ 2.69	14.0x	€ 38	(5.0%)
Norfolk Southern Corp.	NSC	\$ 141.46	65.0%	\$ 8.11	16.0x	\$ 130	(8.1%)
Old Dominion Freight Line	ODFL	\$ 129.07	82.2%	\$ 5.84	20.0x	\$ 117	(9.4%)
Expeditors International	EXPD	\$ 64.35	88.6%	\$ 2.62	21.5x	\$ 56	(13.0%)



(1) FDX reports on a May 31 fiscal year basis; depicted figures are adjusted to show CY 2018 results

(2) No 2019 estimates available yet; we use 2018 estimates for these stocks

Source: Stifel estimates



Truckload Sector – 3Q17

	3Q17								
	CGI	CVTI	HTLD	JBHT	KNX	MRTN	PTSI	USAK	WERN
Freight Revenue (millions) ⁽¹⁾	NA	\$159.5	\$161.0	\$1,657.4	\$469.7	\$155.0	\$93.5	\$102.4	\$472.2
Operating ratio ⁽²⁾	NA	94.3%	96.6%	90.0%	98.8%	91.6%	96.0%	98.4%	92.4%
EPS (diluted) ⁽³⁾	NA	\$0.25	\$0.09	\$0.91	\$0.25	\$0.14	\$0.27	\$0.05	\$0.31
Revenue/Loaded Mile ⁽⁴⁾	NA	\$1.87	NA	NA	NA	\$2.04	\$1.77	\$1.86	NA
Empty Mile %	NA	9.8%	NA	16.4%	13.1%	5.8%	6.6%	12.3%	12.5%
Miles/Tractor/Week	NA	2,347	NA	1,783	NA	1,831	2,400	1,920	NA
Revenue/Tractor/Week	NA	\$3,922	NA	\$3,524	\$3,338	\$3,470	\$3,500	\$3,127	\$3,693
# of Tractors	NA	2,550	NA	2,040	4,511	2,649	1,808	1,628	7,375
# of Trailers	NA	7,114	NA	7,538	12,390	4,915	NA	NA	22,435
Trailer:Tractor Ratio	NA	2.8x	NA	3.7x	2.7x	1.9x	NA	NA	3.0x
Average age of tractor fleet	NA	2.2	2.1	NA	2.7	1.4	1.5	NA	NA
Avg. length of haul (miles)	NA	NA	NA	437	480	592	667	546	469

	YY Comps									
	CGI	CVTI	HTLD	JBHT	KNX	MRTN	PTSI	USAK	WERN	Average
Freight Revenue (millions) ⁽¹⁾	NA	7.6%	20.1%	7.7%	83.3%	-0.5%	-2.6%	8.1%	2.4%	15.8%
Operating ratio ⁽²⁾	NA	-203bp	1032bp	194bp	1318bp	115bp	147bp	-185bp	-129bp	254bp
EPS (diluted) ⁽³⁾	NA	59.3%	-36.8%	-6.0%	-13.8%	-4.6%	-48.3%	-155.4%	18.7%	-23.3%
Revenue/Loaded Mile ⁽⁴⁾	NA	4.2%	NA	NA	NA	1.5%	4.6%	7.6%	NA	4.5%
Empty Mile %	NA	-13bp	NA	29bp	70bp	-94bp	-35bp	-90bp	-7bp	-18bp
Miles/Tractor/Week	NA	-0.3%	NA	-3.3%	NA	0.3%	-3.4%	-4.1%	NA	-2.2%
Revenue/Tractor/Week	NA	4.1%	NA	1.6%	-0.2%	0.6%	-1.1%	4.3%	2.9%	1.7%
# of Tractors	NA	-1.2%	NA	-6.6%	-3.9%	-4.4%	-3.9%	-1.2%	2.8%	-2.6%
# of Trailers	NA	0.3%	NA	-0.4%	0.5%	0.7%	NA	NA	-7.5%	-1.3%
Trailer:Tractor Ratio	NA	1.6%	NA	6.5%	4.7%	5.3%	NA	NA	-10.0%	1.6%
Average age of tractor fleet	NA	29.4%	31.3%	NA	35.0%	-6.7%	NA	NA	NA	22.2%
Avg. length of haul (miles)	NA	NA	NA	-3.5%	-4.0%	-4.1%	-11.2%	-7.5%	0.2%	-5.0%

(1) TL revenue only; (2) Basis point movement in operating ratio, year-over-year. Positive numbers represent margin deterioration, while negative numbers represent margin expansion; (3) Parent Company results; (4) Excludes fuel surcharge

Source: Company data and Stifel estimates



Less-Than-Truckload (LTL) Sector – 3Q17

	3Q17								Average
	ARCB	FDX	ODFL	SAIA	UPS	XPO	YRC-F	YRC-R	
Freight revenue (millions)	\$ 517.4	\$ 1,752.0	\$ 873.0	\$ 350.1	\$ 673.0	\$ 928.5	\$ 787.8	\$ 463.5	\$ 793.2
YY % change	1.6%	5.7%	11.5%	10.6%	9.3%	5.1%	1.3%	4.5%	6.2%
Operating income (millions)	\$ 21.8	\$ 176.0	\$ 163.9	\$ 24.6	NA	\$ 113.8	\$ 20.3	\$ 21.5	\$ 77.4
YY % change	16.8%	30.4%	19.3%	8.6%	NA	3.2%	(20.1%)	(5.7%)	7.5%
Operating ratio	95.8%	90.0%	81.2%	93.0%	NA	87.7%	97.4%	95.4%	91.5%
YY bp change*	(55 bp)	(190 bp)	(121 bp)	13 bp	NA	23 bp	69 bp	50 bp	(30 bp)
Yield metrics									
Revenue/cwt (incl. fuel)	\$ 32.53	\$ 20.58	\$ 19.47	\$ 17.36	\$ 24.47	\$ 20.13	\$ 24.38	\$ 11.73	\$ 21.33
YY % change	6.6%	3.5%	3.6%	8.0%	3.6%	3.1%	3.4%	1.3%	4.1%
Revenue/cwt (ex. fuel)	NA	NA	\$ 17.31	NA	NA	\$ 17.72	\$ 21.81	\$ 10.52	\$ 16.84
YY % change		NA	2.4%	NA	NA	1.8%	2.3%	0.4%	1.7%
Revenue/shipment	\$ 389.79	\$ 241.34	\$ 307.45	\$ 194.36	\$ 259.95	\$ 275.93	\$ 296.00	\$ 176.00	\$ 267.60
YY % change	4.9%	5.3%	5.5%	8.5%	7.6%	6.9%	3.9%	4.1%	5.8%
Volume & density metrics									
Tonnage (thousands)	788.2	3,919.6	2,190.0	931.0	1,375.0	2,428.9	1,592.0	1,975.0	1,900.0
YY % change	(5.2%)	1.4%	6.9%	2.0%	5.5%	4.8%	(1.7%)	3.2%	2.1%
Shipments (thousands)	1,315.5	6,683.0	2,774.0	1,662.0	2,589.0	3,543.2	2,623.0	2,631.0	2,977.6
YY % change	(3.7%)	(0.4%)	5.0%	1.5%	1.5%	1.0%	(2.1%)	0.3%	0.4%
Avg. Weight/shipment (lbs)	1,198.4	1,173.0	1,578.9	1,120.0	1,062.2	1,371.0	1,213.9	1,501.3	1,277.3
YY % change	(1.6%)	1.8%	1.8%	0.5%	3.9%	3.7%	0.3%	2.8%	1.7%
Other									
Average length of haul (miles)	1,027.0	NA	919.0	913.0	NA	818.2	1,255.0	NA	986.4
YY % change	(1.3%)	NA	(0.6%)	15.7%	NA	(0.1%)	(1.8%)	NA	2.4%
Number of working days	62.5	65.0	63.0	63.0	63.0	62.5	62.5	62.5	63.0
YY % change	(2.3%)	0.0%	(1.6%)	(1.6%)	(1.6%)	(2.3%)	(2.3%)	(0.8%)	(1.6%)
Per day statistics									
Revenue (millions)	\$ 8.3	\$ 27.0	\$ 13.9	\$ 5.6	\$ 10.7	\$ 14.9	\$ 12.6	\$ 7.4	\$ 12.5
YY % change	4.0%	5.7%	13.3%	12.4%	11.0%	7.6%	3.7%	5.3%	7.9%
Tonnage (thousands)	12.6	60.3	34.8	14.8	21.8	38.9	25.5	31.6	30.0
YY % change	(3.0%)	1.4%	8.6%	3.6%	7.2%	7.3%	0.6%	4.0%	3.7%
Shipments (thousands)	21.0	102.8	44.0	26.4	41.1	56.7	42.0	42.1	47.0
YY % change	(1.4%)	(0.4%)	6.7%	3.1%	3.1%	3.4%	0.3%	1.1%	2.0%

* For operating ratio (OR), year-over-year change is represented as a basis point movement; positive change indicates margin deterioration, while negative change represent margin expansion.
Source: Company data and Stifel estimates



Railroad Sector – 3Q17

	3Q17					
	UNP	CSX	NSC	CNI ⁽³⁾	CP ⁽³⁾	KSU
Freight Revenue (millions)	\$5,050	\$2,743	\$2,670	\$2,577	\$1,238	\$634
Operating income (millions) ⁽¹⁾	\$2,012	\$877	\$911	\$1,167	\$552	\$234
EPS (diluted) ⁽¹⁾	\$1.50	\$0.51	\$1.75	\$1.05	\$2.32	\$1.35
Operating ratio ⁽¹⁾⁽²⁾	62.8%	68.0%	65.9%	54.7%	56.7%	64.4%
Total Units (thousands)	2,188	1,587	1,929	1,484	666	576
Freight revenue/unit	\$2,308	\$1,728	\$1,384	\$1,736	\$1,857	\$1,099
Revenue Ton-Miles (millions)	118,970	51,500	51,100	59,056	35,170	13,657
RTM per Unit	54,374	32,451	26,490	39,795	52,776	23,694
Average Employees	42,056	24,608	26,761	23,183	12,149	6,977
RTM/employee	2,829	2,093	1,909	2,547	2,895	1,957

	Y/Y Comps						
	UNP	CSX	NSC	CNI ⁽³⁾	CP ⁽³⁾	KSU	Grp Avg
Freight Revenue (millions)	4.4%	1.2%	5.8%	12.0%	6.5%	9.1%	6.5%
Operating income (millions) ⁽¹⁾	1.1%	4.3%	11.1%	8.7%	5.0%	13.6%	7.3%
EPS (diluted) ⁽¹⁾	8.7%	6.3%	12.9%	9.4%	10.5%	15.4%	10.5%
Operating ratio ⁽¹⁾⁽²⁾	126bp	-94bp	-163bp	139bp	-102bp	-156bp	-42bp
Total Units (thousands)	-0.7%	0.8%	3.6%	11.4%	2.7%	2.6%	3.4%
Freight revenue/unit	5.2%	0.4%	2.1%	0.5%	3.8%	6.3%	3.0%
Revenue Ton-Miles (millions)	1.3%	2.0%	4.9%	10.5%	3.7%	5.9%	4.7%
RTM per Unit	2.0%	1.1%	1.3%	-0.8%	1.0%	3.2%	1.3%
Average Employees	-1.6%	-9.8%	-3.8%	-4.6%	3.4%	6.4%	-1.7%
RTM/employee	3.0%	13.0%	9.1%	15.8%	0.3%	-0.5%	6.8%

(1) O.R., EPS, and Operating Income include fuel surcharge revenue, and exclude extraordinary items.

(2) Year-over-year change in operating ratios displayed in basis point movements. Positive numbers represent margin deterioration, while negative numbers represent margin expansion.

(3) CNI and CP Revenue and operating income converted into \$U.S.

Source: Company data and Stifel estimates



Freight Forwarding Sector – 3Q17

	3Q17							Average	Adj. Avg.
	CEVA	CHRW ¹	DHL ²	DSV	EXPD ¹	KNIN	PWTN ¹		
Airfreight									
Gross revenue	NA	NA	\$ 1,151.9	\$ 702.9	\$ 735.2	\$ 1,258.9	\$ 767.5	\$ 923.3	\$ 923.3
% growth ³	NA	NA	3.3%	12.2%	18.3%	25.9%	16.5%	15.2%	15.2%
Gross profit	\$ 80.7	\$ 25.5	\$ 250.2	\$ 169.5	\$ 187.6	\$ 264.9	\$ 167.6	\$ 163.7	\$ 186.8
% growth ³	6.6%	28.3%	(3.2%)	7.4%	5.8%	6.7%	8.4%	8.6%	5.3%
Gross profit margin (GP/GR)	NA	NA	19.2%	24.1%	25.5%	21.0%	21.8%	22.3%	22.3%
y/y change (bp)	NA	NA	(128bp)	(108bp)	(300bp)	(378bp)	(163bp)	(215bp)	(215bp)
Tonnage	122.9	NA	982.0	165.1	NA	391.0	249.0	382.0	382.0
Tonnage growth (y/y % Δ)	11.8%	28.0%	8.0%	11.7%	12.0%	20.7%	9.3%	14.5%	12.3%
Implied GP/ton y/y % Δ	(4.6%)	0.2%	(10.4%)	(3.9%)	(5.5%)	(11.6%)	(0.8%)	(5.2%)	(6.1%)
Ocean Freight									
Gross revenue	NA	NA	\$ 934.8	\$ 725.6	\$ 563.4	\$ 2,372.4	\$ 576.6	\$1,034.6	\$1,034.6
% growth ³	NA	NA	8.0%	6.4%	13.7%	11.8%	12.0%	10.4%	10.4%
Gross profit	\$ 54.3	\$ 81.2	\$ 196.2	\$ 177.8	\$ 152.3	\$ 380.2	\$ 113.0	\$ 165.0	\$ 179.0
% growth ³	(1.0%)	43.7%	(7.7%)	0.2%	12.4%	1.1%	(2.9%)	6.5%	0.3%
Gross profit margin (GP/GR)	NA	NA	18.6%	24.5%	27.0%	16.0%	19.6%	21.1%	21.1%
y/y change (bp)	NA	NA	(317bp)	(153bp)	(30bp)	(169bp)	(303bp)	(194bp)	(194bp)
TEUs	192.4	NA	847.0	355.3	NA	1,118.0	386.0	579.7	579.7
TEU growth (y/y % Δ)	2.8%	22.0%	8.5%	2.8%	4.0%	7.6%	1.9%	7.1%	4.6%
Implied GP/TEU y/y % Δ	(3.8%)	17.8%	(14.9%)	(2.6%)	8.1%	(6.0%)	(4.8%)	(0.9%)	(4.0%)
Freight Forwarding									
Gross revenue	\$ 840.0	\$ 552.1	\$ 2,958.3	\$ 1,428.5	\$ 1,802.2	\$ 3,631.3	\$ 1,344.1	\$1,793.8	\$2,000.7
% growth ³	8.7%	41.3%	6.0%	9.2%	15.3%	16.3%	14.6%	15.9%	11.7%
Gross profit	\$ 224.0	\$ 129.8	\$ 694.3	\$ 347.3	\$ 599.1	\$ 645.0	\$ 280.7	\$ 417.2	\$ 465.1
% growth ³	(0.9%)	39.1%	(2.5%)	3.6%	9.9%	3.3%	3.5%	8.0%	2.8%
EBIT ⁴	NA	\$ 31.1	\$ 78.7	\$ 142.6	\$ 186.9	\$ 193.2	\$ 31.5	\$ 110.7	\$ 126.6
% growth	NA	82.6%	6.3%	44.2%	11.7%	(3.1%)	(5.3%)	22.7%	10.8%
Conversion ratio (EBIT/GP) ⁴	NA	24.0%	11.3%	41.1%	31.2%	30.0%	11.2%	24.8%	25.0%
y/y change (bp)	NA	571bp	94bp	1158bp	52bp	(200bp)	(105bp)	262bp	200bp

¹ Consolidated company results include business besides air & ocean freight forwarding; ² DHL Global Forwarding; excludes Freight results; ³ Year-over-year growth figures exclude the impact of F/X currency changes

Source: Company data and Stifel estimates



Parcel Sector – 3Q17

	FDX			UPS			DHL		
	3Q17	3Q16	% change	3Q17	3Q16	% change	3Q17	3Q16	% change
<i>Revenue (millions)</i>									
Next day air ^(2,3)	\$ 2,200	\$ 2,165	1.6%	\$ 1,767	\$ 1,706	3.6%	€ 258.72	€ 234.08	10.5%
Deferred ⁽³⁾	\$ 878	\$ 810	8.4%	\$ 1,002	\$ 967	3.6%	NA	NA	NA
International	\$ 2,511	\$ 2,408	4.3%	\$ 3,364	\$ 3,024	11.2%	€ 2,815.12	€ 2,476.32	13.7%
Ground ⁽⁶⁾	\$ 4,639	\$ 4,290	8.1%	\$ 6,880	\$ 6,616	4.0%	NA	NA	NA
Total consolidated revenue	\$ 10,228	\$ 9,673	5.7%	\$ 13,013	\$ 12,313	5.7%	€ 3,073.84	€ 2,710.40	13.4%
<i>Average daily package volume (000s)</i>									
Next day air ^(2,3)	1,745	1,825	(4.4%)	1,470	1,361	8.0%	449	411	(8.5%)
Deferred ⁽³⁾	876	824	6.3%	1,240	1,260	(1.6%)	NA	NA	NA
International	754	738	2.2%	3,103	2,788	11.3%	863	771	11.9%
Ground ⁽⁶⁾	7,688	7,389	4.0%	13,175	12,743	3.4%	NA	NA	NA
<i>Average yield (revenue per piece)</i>									
Next day air ^(2,3)	\$ 19.40	\$ 18.25	6.3%	\$ 19.08	\$ 19.59	(2.6%)	€ 9.02	€ 9.41	4.3%
Deferred ⁽³⁾	\$ 15.42	\$ 15.12	2.0%	\$ 12.83	\$ 11.99	7.0%	NA	NA	NA
International ⁽⁴⁾	\$ 51.16	\$ 50.20	1.9%	\$ 16.52	\$ 16.21	1.9%	€ 52.95	€ 52.14	(1.5%)
Ground ⁽⁶⁾	\$ 8.47	\$ 8.09	4.7%	\$ 8.29	\$ 8.11	2.2%	NA	NA	NA
Consolidated operating ratio ⁽⁴⁾	92.7%	90.9%	178bp	87.3%	86.4%	89bp	89.8%	90.2%	(42bp)
Diluted EPS (continuing operations)	\$ 2.51	\$ 2.82	12.3%	\$ 1.45	\$ 1.44	(0.8%)	€ 0.51	€ 0.49	(4.8%)

(1) FedEx is on a May 31 fiscal year-end, results reflect December to February quarters vs. January to March quarters for UPS

(2) Domestic U.S.

(3) Yields for FDX are for priority international packages, as reported by the company

(4) Adjusted operating ratio; year-over-year change in operating ratios displayed in basis point movements. Positive values indicate margin deterioration, while negative values indicate margin expansion.

(5) FDX Ground results include FedEx SmartPost; UPS Ground results include UPS Sure Post, as reported

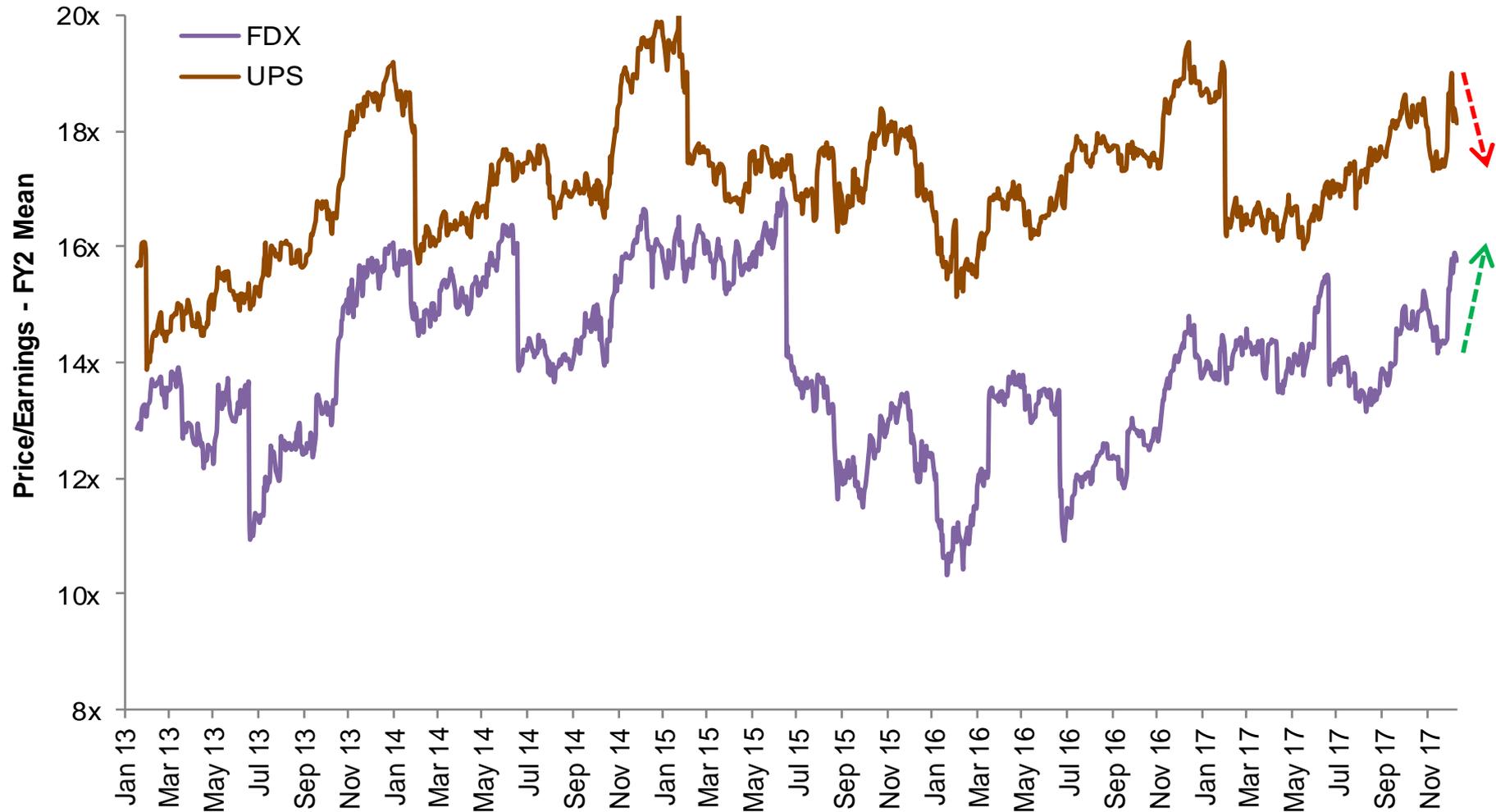
Source: Company data and Stifel estimates

Appendix

Parcel Sector Relative Valuation



Parcel Sector – FDX/UPS Valuation Gap Starting to Close



Source: FactSet Research Systems; Pricing as of 12/11/17 close

Appendix

Truckload & LTL Comparative Valuation Matrix



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Closing		Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of			Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2018E FCF Yld	
		Price 12/12/2017	Diluted S/O					Earnings per Share			Book value	TTM Revenue	2018E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)							TTM EBIT
								2016A ^(b)	2017E ^(b)	2018E ^(b)												
Truckload																						
Celadon Group (CGI)	SU	6.00	27.6	165.8	380.5	6.1	540.2	NM	NA	NA	0.5x	0.5x	NA	5.8x	5.3x	29.2x	0.5%	1.4%	1.9%	NA	1.3%	(4.6%)
Covenant Transport (CVTI)	Hold	28.87	18.4	531.9	221.3	8.3	750.2	31.4x	NM	25.1x	2.2x	1.2x	5.8x	7.2x	6.8x	29.3x	2.0%	3.0%	2.7%	NM	0.0%	3.6%
Daseke, Inc. (DSKE)	Buy	13.64	39.4	536.9	422.4	112.5	846.7	NM	NM	NM	2.1x	1.2x	5.2x	9.5x	6.7x	NM	(2.6%)	(8.6%)	2.0%	NM	0.0%	15.6%
Heartland Express (HTLD)	Buy	22.39	83.4	1,866.9	0.0	51.3	1,815.6	32.9x	NM	32.0x	3.5x	3.5x	9.0x	10.3x	10.2x	24.3x	6.5%	9.6%	9.5%	NM	0.4%	2.8%
J.B. Hunt Transport Svcs. (JBHT)	Buy	111.24	110.6	12,306.3	1,084.8	7.7	13,383.4	29.8x	30.4x	24.4x	8.4x	2.1x	11.5x	13.2x	12.9x	20.8x	10.2%	27.7%	17.0%	2.0	0.8%	2.4%
Knight-Swift Transportation (KNX)	Hold	42.99	104.6	4,494.7	484.7	136.4	5,787.1	36.7x	39.1x	30.7x	0.9x	4.7x	4.9x	25.1x	22.7x	NM	2.0%	3.1%	2.9%	2.9	0.6%	17.7%
Landstar System (LSTR)	Buy	104.00	42.2	4,391.7	151.3	249.7	4,293.2	32.0x	28.3x	23.4x	6.7x	1.2x	12.5x	15.5x	15.4x	18.1x	13.3%	26.2%	22.5%	2.4	0.4%	4.0%
Marten Transport (MRTN)	Hold	20.05	54.9	1,101.5	0.0	1.2	1,100.4	33.4x	32.3x	27.8x	2.4x	1.6x	7.0x	7.7x	7.7x	19.3x	5.0%	7.5%	7.6%	2.3	0.5%	3.9%
P.A.M. Transportation Svcs. (PTSJ)	Hold	37.56	6.4	241.1	148.2	0.2	389.1	22.2x	NM	25.9x	2.5x	1.0x	4.7x	7.4x	6.6x	NM	1.4%	5.5%	3.1%	NM	0.0%	9.6%
Schneider (SNDR)	NC	26.67	177.0	4,720.6	545.6	202.2	5,064.0	26.4x	NM	NM	2.9x	1.3x	NE	9.2x	7.9x	18.6x	4.8%	10.9%	7.9%	NM	0.0%	NE
Universal Logistics Holdings, Inc. (ULH)	Buy	23.80	28.4	677.0	243.5	2.9	917.6	28.0x	30.5x	19.8x	4.6x	0.8x	8.4x	12.7x	10.6x	NM	3.0%	11.8%	6.3%	1.5	1.2%	3.4%
USA Truck (USAK)	Buy	18.21	8.0	145.6	113.5	0.2	259.0	NM	NM	NM	2.8x	0.7x	6.1x	9.6x	8.3x	NM	(1.6%)	(8.1%)	(0.9%)	NM	0.0%	(2.3%)
Werner Enterprises (WERN)	Hold	38.10	72.6	2,765.3	75.0	10.7	2,829.5	35.0x	30.7x	24.6x	2.6x	1.5x	6.7x	8.0x	8.0x	21.2x	4.8%	8.2%	7.6%	2.7	0.6%	2.3%
Min				145.6	0.0	0.2	259.0	22.2x	28.3x	19.8x	0.5x	0.5x	4.7x	5.8x	5.3x	18.1x	(2.6%)	(8.6%)	(0.9%)	1.5	0.0%	(4.6%)
Mean				2,611.2	297.8	60.7	2,921.2	30.8x	31.9x	26.0x	3.2x	1.7x	7.4x	10.9x	9.9x	22.6x	3.8%	7.6%	6.9%	2.3	0.4%	4.9%
Mean (Asset-based TL only)				2,625.1	316.0	48.8	2,978.6	31.0x	33.1x	27.2x	2.8x	1.8x	6.8x	10.3x	9.4x	23.2x	3.0%	5.5%	5.6%	2.5	0.4%	5.1%
Median				1,101.5	221.3	8.3	1,100.4	31.7x	30.6x	25.1x	2.6x	1.2x	6.7x	9.5x	8.0x	21.0x	3.0%	7.5%	6.3%	2.3	0.4%	3.5%
Max				12,306.3	1,084.8	249.7	13,383.4	36.7x	39.1x	32.0x	8.4x	4.7x	12.5x	25.1x	22.7x	29.3x	13.3%	27.7%	22.5%	2.9	1.3%	17.7%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%
Less-Than-Truckload																						
ArcBest Corporation (ARCB)	Hold	38.55	26.4	1,017.5	263.0	109.0	1,171.4	NM	33.6x	21.1x	1.7x	0.4x	6.8x	7.3x	6.9x	22.4x	2.3%	5.0%	3.9%	3.7	0.8%	5.3%
Forward Air Corp. (FWRD)	Hold	57.47	29.9	1,720.6	40.7	12.4	1,748.9	27.6x	25.0x	23.1x	3.4x	1.7x	10.6x	9.2x	8.2x	11.6x	15.3%	20.1%	18.6%	2.3	1.0%	4.2%
Old Dominion Freight Line (ODFL)	Hold	129.07	82.4	10,632.9	95.0	78.1	10,649.8	36.3x	30.1x	26.2x	5.1x	3.3x	12.1x	14.2x	14.1x	19.5x	11.9%	17.3%	16.1%	1.7	0.3%	2.7%
Roadrunner Transportation Svcs. (RRTS)	SU	8.43	38.3	323.1	404.2	4.9	722.4	NE	NE	NE	0.5x	1.1x	NE	7.5x	6.3x	NM	1.6%	NM	3.4%	NE	0.0%	NE
Saia, Inc. (SAIA)	Hold	68.15	26.2	1,786.1	127.2	0.1	1,913.2	36.1x	31.7x	25.1x	3.4x	1.4x	8.8x	11.1x	10.7x	21.5x	6.1%	10.7%	9.3%	2.1	0.0%	(4.0%)
YRC Worldwide (YRCW)	Buy	14.40	33.5	482.7	941.5	160.8	1,263.4	22.2x	NM	9.5x	NM	0.3x	3.3x	4.8x	4.5x	11.3x	(0.6%)	2.9%	16.3%	NM	0.0%	13.0%
Min				323.1	40.7	0.1	722.4	22.2x	25.0x	9.5x	0.5x	0.3x	3.3x	4.8x	4.5x	11.3x	(0.6%)	2.9%	3.4%	1.7	0.0%	(4.0%)
Mean				2,660.5	311.9	60.9	2,911.5	30.5x	30.1x	21.0x	2.8x	1.4x	8.3x	9.0x	8.4x	17.3x	6.1%	11.2%	11.3%	2.5	0.4%	4.2%
Mean (Asset-based LTL only)				3,479.8	356.7	87.0	3,749.5	31.5x	31.8x	20.5x	3.4x	1.4x	7.8x	9.3x	9.0x	18.7x	4.9%	9.0%	11.4%	2.5	0.3%	4.3%
Median				1,369.0	195.1	45.3	1,506.1	31.8x	30.9x	23.1x	3.4x	1.3x	8.8x	8.4x	7.5x	19.5x	4.2%	10.7%	12.7%	2.2	0.2%	4.2%
Max				10,632.9	941.5	160.8	10,649.8	36.3x	33.6x	26.2x	5.1x	3.3x	12.1x	14.2x	14.1x	22.4x	15.3%	20.1%	18.6%	3.7	1.0%	13.0%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest; (b) Stifel estimates for those rated and First Call mean estimates for unrated securities; (c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation ; (d) 2017E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items; Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

Appendix

Truckload & LTL Comparative Valuation Matrix



Equity Comps - Transportation

Financial Statistics Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	TTM Revenue	EBITDA		EBIT		PBT		Effective tax rate	CY EPS			Growth Rate ^(b)	Total Equity	Tangible Equity	Total Debt	TTM CapEx ^(c)	TTM FCF ^(d)	Total Assets
			TTM	% margin	TTM	% margin	TTM	% margin		2016A ^{(a),(f)}	2017E ^{(a),(f)}	2018E ^{(a),(f)}							
Truckload																			
Celadon Group (CGI)	SU	1,065.4	93.6	8.8%	18.5	1.7%	7.4	0.7%	28.5%	0.09	NE	NE	NE	368.2	305.8	380.5	(47.8)	78.2	981.7
Covenant Transport (CVTI)	Hold	618.7	103.5	16.7%	25.6	4.1%	20.5	3.3%	38.1%	0.92	0.68	1.15	12.0%	244.4	244.4	221.3	53.3	29.8	650.3
Daseke, Inc. (DSKE)	Buy	679.2	89.1	13.1%	8.6	1.3%	(14.2)	(2.1%)	(33.9%)	(0.40)	(0.26)	0.09	20.0%	257.9	40.5	422.4	100.9	(55.3)	857.4
Heartland Express (HTLD)	Buy	516.3	175.6	34.0%	74.6	14.4%	75.5	14.6%	34.2%	0.68	0.55	0.70	7.0%	537.5	390.3	0.0	23.0	89.8	797.7
J.B. Hunt Transport Svcs. (JBHT)	Buy	6,242.5	1,017.7	16.3%	644.7	10.3%	616.4	9.9%	35.7%	3.73	3.66	4.55	15.0%	1,472.0	1,357.5	1,084.8	456.3	342.5	4,053.9
Knight-Swift Transportation (KNX)	Hold	1,226.1	230.7	18.8%	95.8	7.8%	97.0	7.9%	11.5%	1.17	1.10	1.40	13.6%	4,798.3	523.4	484.7	75.4	111.1	7,547.8
Landstar System (LSTR)	Buy	3,488.2	277.3	8.0%	237.7	6.8%	234.1	6.7%	35.1%	3.25	3.68	4.45	12.0%	654.0	614.1	151.3	16.6	134.6	1,263.3
Marten Transport (MRTN)	Hold	688.0	142.2	20.7%	57.1	8.3%	56.3	8.2%	40.5%	0.60	0.62	0.72	14.0%	461.3	461.3	0.0	112.4	11.7	676.3
P.A.M. Transportation Svcs. (PTSI)	Hold	374.4	52.5	14.0%	11.0	2.9%	8.4	2.2%	37.4%	1.69	0.90	1.45	12.0%	98.3	98.3	148.2	44.5	9.9	379.4
Schneider (SNDR)	NC	3,901.3	547.7	14.0%	272.4	7.0%	251.6	6.4%	39.5%	1.01	NE	NE	NE	1,616.8	1,452.3	545.6	307.1	146.5	3,302.8
Universal Logistics Holdings, Inc. (ULH)	Buy	1,166.7	72.3	6.2%	28.7	2.5%	21.3	1.8%	19.1%	0.85	0.78	1.20	20.0%	146.3	39.3	243.5	65.4	12.7	603.9
USA Truck (USAK)	Buy	380.1	26.9	7.1%	(2.1)	(0.5%)	(6.4)	(1.7%)	28.0%	(0.24)	(0.26)	0.45	12.0%	51.5	51.5	113.5	(7.6)	24.9	263.0
Werner Enterprises (WERN)	Hold	1,851.2	353.2	19.1%	133.7	7.2%	134.3	7.3%	37.8%	1.09	1.24	1.55	11.5%	1,050.9	1,050.9	75.0	256.7	71.5	1,762.9
Min		374.4	26.9	6.2%	(2.1)	(0.5%)	(14.2)	(2.1%)	(33.9%)	(0.40)	(0.26)	0.09	7.0%	51.5	39.3	0.0	(47.8)	(55.3)	263.0
Mean		1,707.5	244.8	15.1%	123.6	5.7%	115.6	5.0%	27.0%	1.11	1.15	1.61	13.6%	904.4	510.0	297.8	112.0	77.5	1,780.0
Mean (Asset-based TL only)		1,594.8	257.5	16.6%	121.8	5.9%	113.3	5.2%	27.0%	0.94	0.91	1.34	13.0%	996.1	543.3	316.0	124.9	78.2	1,933.9
Median		1,065.4	142.2	14.0%	57.1	6.8%	56.3	6.4%	35.1%	0.92	0.78	1.20	12.0%	461.3	390.3	221.3	65.4	71.5	857.4
Max		6,242.5	1,017.7	34.0%	644.7	14.4%	616.4	14.6%	40.5%	3.73	3.68	4.55	20.0%	4,798.3	1,452.3	1,084.8	456.3	342.5	7,547.8
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9
Less-Than-Truckload																			
ArcBest Corporation (ARCB)	Hold	2,804.0	161.3	5.8%	52.2	1.9%	50.8	1.8%	40.0%	0.93	1.15	1.83	9.0%	613.6	427.5	263.0	72.3	47.0	1,344.4
Forward Air Corp. (FWRD)	Hold	1,059.5	190.9	18.0%	150.6	14.2%	149.5	14.1%	32.9%	2.08	2.30	2.49	10.8%	505.6	197.8	40.7	36.1	77.3	669.2
Old Dominion Freight Line (ODFL)	Hold	3,212.7	748.1	23.3%	545.9	17.0%	543.3	16.9%	38.3%	3.56	4.29	4.93	17.6%	2,087.0	2,067.6	95.0	349.6	193.8	2,956.2
Roadrunner Transportation Svcs. (RRTS)	SU	671.1	95.8	14.3%	57.5	8.6%	34.7	5.2%	NM	NE	NE	NE	NE	627.0	(137.5)	404.2	26.8	51.6	1,351.3
Saia, Inc. (SAIA)	Hold	1,325.5	173.0	13.0%	89.0	6.7%	84.3	6.4%	36.2%	1.89	2.15	2.71	15.0%	531.8	507.0	127.2	159.1	(3.9)	952.7
YRC Worldwide (YRCW)	Buy	4,830.7	263.4	5.5%	112.1	2.3%	(10.7)	(0.2%)	(0.9%)	0.65	(0.11)	1.52	15.0%	(403.7)	(431.5)	941.5	79.2	2.1	1,701.6
Min		671.1	95.8	5.5%	52.2	1.9%	(10.7)	(0.2%)	(0.9%)	0.65	(0.11)	1.52	9.0%	(403.7)	(431.5)	40.7	26.8	(3.9)	669.2
Mean		2,317.2	272.1	13.3%	167.9	8.4%	142.0	7.4%	29.3%	1.82	2.20	2.70	13.5%	660.2	438.5	311.9	120.5	61.3	1,495.9
Mean (Asset-based LTL only)		3,043.2	336.4	11.9%	199.8	7.0%	166.9	6.2%	28.4%	1.76	2.19	2.75	14.1%	707.2	642.6	356.7	165.0	59.8	1,738.7
Median		2,064.7	182.0	13.7%	100.6	7.6%	67.5	5.8%	36.2%	1.89	2.23	2.49	15.0%	572.7	312.7	195.1	75.7	49.3	1,347.9
Max		4,830.7	748.1	23.3%	545.9	17.0%	543.3	16.9%	40.0%	3.56	4.29	4.93	17.6%	2,087.0	2,067.6	941.5	349.6	193.8	2,956.2
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9

TTM = "Trailing Twelve Months"; Excludes non-recurring items

(a) Stifel estimates for those rated and First Call mean estimates for unrated securities; (b) First Call mean 3-5 year growth estimates; (c) Capital Expenditures, net of sales; (d) Free Cash Flow=Cash Flow from Operating Activities - Capital Expenditures, net of sales

Source: Company data, First Call, and Stifel estimates

Appendix

Truckload & LTL Comparative Valuation Matrix



Equity Comps - Transportation

Debt Ratios

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Debt Rating S&P	Balance sheet debt						Total debt (including leases)						TTM EBITDA/ TTM Interest	TTM EBIT/ TTM Interest
			Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.	Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.		
Truckload																
Celadon Group (CGI)	SU	NA	4.1x	4.0x	2.7x	20.6x	50.8%	69.6%	3.9x	3.9x	3.2x	24.1x	54.8%	72.9%	7.1x	1.4x
Covenant Transport (CVTI)	Hold	NA	2.1x	2.1x	4.4x	8.7x	47.5%	29.4%	2.0x	2.0x	4.5x	8.9x	48.1%	29.9%	12.6x	3.1x
Daseke, Inc. (DSKE)	Buy	NA	4.7x	3.5x	NM	49.2x	62.1%	44.0%	2.3x	1.2x	-19.2x	NM	46.8%	29.7%	3.9x	0.4x
Heartland Express (HTLD)	Buy	NA	0.0x	NM	0.0x	0.0x	0.0%	0.0%	0.0x	NM	0.0x	0.0x	0.6%	0.2%	NM	NM
J.B. Hunt Transport Svcs. (JBHT)	Buy	BBB+	1.1x	1.1x	1.9x	1.7x	42.4%	8.1%	0.9x	0.9x	1.7x	1.5x	39.9%	7.3%	35.9x	22.7x
Knight-Swift Transportation (KNX)	Hold	NA	2.1x	1.5x	3.1x	5.1x	9.2%	9.7%	0.0x	NM	0.0x	0.1x	0.2%	0.2%	NM	NM
Landstar System (LSTR)	Buy	NA	0.5x	NM	0.6x	0.6x	18.8%	3.3%	0.6x	NM	0.6x	0.7x	19.1%	3.4%	NM	NM
Marten Transport (MRTN)	Hold	NA	0.0x	NM	0.0x	0.0x	0.0%	0.0%	0.0x	NM	0.0x	0.0x	0.1%	0.0%	NM	NM
P.A.M. Transportation Svcs. (PTSI)	Hold	NA	2.8x	2.8x	18.7x	13.4x	60.1%	38.1%	2.6x	2.6x	19.9x	14.3x	61.6%	39.5%	13.8x	2.9x
Schneider (SNDR)	NC	NA	1.0x	0.6x	2.3x	2.0x	25.2%	10.4%	1.9x	1.6x	5.9x	5.3x	46.9%	23.3%	28.2x	14.0x
Universal Logistics Holdings, Inc. (ULH)	Buy	NA	3.4x	3.3x	NM	8.5x	62.5%	26.5%	3.4x	3.3x	NM	10.9x	68.1%	31.6%	7.9x	3.1x
USA Truck (USAK)	Buy	NA	4.2x	4.2x	3.3x	-54.6x	68.8%	43.8%	4.2x	4.2x	4.3x	NM	74.2%	50.4%	6.9x	-0.5x
Werner Enterprises (WERN)	Hold	NA	0.2x	0.2x	0.8x	0.6x	6.7%	2.6%	0.2x	0.2x	0.8x	0.6x	6.7%	2.6%	NM	NM
Min			0.0x	0.2x	0.0x	-54.6x	0.0%	0.0%	0.0x	0.2x	-19.2x	0.0x	0.1%	0.0%		-0.5x
Mean			2.0x	2.3x	3.4x	4.3x	34.9%	22.0%	1.7x	2.2x	1.8x	6.0x	35.9%	22.4%	14.5x	5.9x
Mean (Asset-based TL only)			2.0x	2.2x	3.7x	4.2x	33.9%	23.3%	1.7x	2.1x	1.9x	6.1x	34.5%	23.3%	15.5x	6.3x
Median			2.1x	2.4x	2.3x	2.0x	42.4%	10.4%	1.9x	2.0x	1.3x	1.5x	46.8%	23.3%	10.2x	3.0x
Max			4.7x	4.2x	18.7x	49.2x	68.8%	69.6%	4.2x	4.2x	19.9x	24.1x	74.2%	72.9%	35.9x	22.7x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x
Less-Than-Truckload																
ArcBest Corporation (ARCB)	Hold	NR	1.6x	1.0x	3.0x	5.0x	30.0%	20.54%	1.8x	1.2x	3.5x	6.0x	33.9%	23.6%	35.6x	11.5x
Forward Air Corp. (FWRD)	Hold	NA	0.2x	0.1x	0.3x	0.3x	7.4%	2.3%	0.5x	0.4x	0.7x	0.7x	17.0%	5.7%	NM	NM
Old Dominion Freight Line (ODFL)	Hold	NA	0.1x	0.0x	0.2x	0.2x	4.4%	0.9%	0.2x	0.1x	0.4x	0.3x	6.4%	1.3%	NM	NM
Roadrunner Transportation Svcs. (RRTS)	SU	NA	4.2x	4.2x	5.9x	7.0x	39.2%	55.6%	4.0x	3.9x	8.0x	9.6x	46.8%	63.1%	4.2x	2.5x
Saia, Inc. (SAIA)	Hold	NA	0.7x	0.7x	9.2x	1.4x	19.3%	6.6%	1.2x	1.2x	15.9x	2.5x	29.3%	11.0%	36.4x	18.8x
YRC Worldwide (YRCW)	Buy	CCC	3.6x	3.0x	5.1x	8.4x	175.1%	66.1%	3.6x	3.1x	7.0x	11.5x	145.8%	72.7%	2.6x	1.1x
Min			0.1x	0.0x	0.2x	0.2x	4.4%	0.9%	0.2x	0.1x	0.4x	0.3x	6.4%	1.3%	2.6x	1.1x
Mean			1.8x	1.5x	3.9x	3.7x	45.9%	25.3%	1.9x	1.7x	5.9x	5.1x	46.6%	29.6%	19.7x	8.5x
Mean (Asset-based LTL only)			1.5x	1.2x	4.4x	3.8x	57.2%	23.5%	1.7x	1.4x	6.7x	5.1x	53.9%	27.2%	24.9x	10.5x
Median			1.2x	0.8x	4.0x	3.2x	24.7%	13.6%	1.5x	1.2x	5.3x	4.3x	17.3%	19.9x	7.0x	
Max			4.2x	4.2x	9.2x	8.4x	175.1%	66.1%	4.0x	3.9x	15.9x	11.5x	145.8%	72.7%	36.4x	18.8x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x

Appendix

Rail & Intermodal Comparative Valuation Matrix



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Closing		Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of				Enterprise value as a multiple of					Div. Yield	2018E FCF Yld				
		Price 12/12/2017	Diluted S/O					Earnings per Share			Book value	TTM Revenue	2018E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)	TTM EBIT			TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)
								2016A ^(b)	2017E ^(b)	2018E ^(b)												
Railroads																						
Canadian National (CNI)	Hold	80.09	757.3	60,649.1	7,949.6	83.2	68,515.5	23.2x	20.3x	17.4x	5.3x	7.0x	11.1x	13.0x	12.8x	16.0x	10.3%	25.4%	16.4%	1.9	1.6%	26.3%
Canadian Pacific (CP)	Buy	178.28	147.0	26,205.4	6,208.4	108.4	32,305.4	23.0x	20.0x	16.3x	6.2x	6.6x	10.7x	12.7x	12.5x	15.8x	8.4%	32.0%	14.6%	1.1	1.0%	4.5%
CSX Corp. (CSX)	Hold	56.98	906.0	51,623.9	11,807.0	591.0	62,839.9	32.0x	25.4x	20.7x	4.7x	5.5x	10.9x	12.7x	12.7x	17.4x	5.6%	17.3%	10.1%	2.3	1.4%	2.5%
Genesee & Wyoming (GWR)	Hold	77.22	62.5	4,824.6	2,384.7	80.3	7,272.2	21.2x	26.7x	21.8x	1.4x	3.4x	8.3x	11.0x	10.2x	17.4x	2.9%	7.0%	5.3%	1.8	0.0%	7.8%
Kansas City Southern (KSU)	Buy	110.30	104.8	11,559.9	2,634.8	88.4	14,106.3	24.6x	21.2x	18.7x	2.6x	5.6x	10.7x	11.7x	11.2x	15.9x	5.8%	11.9%	8.4%	1.3	1.3%	3.1%
Norfolk Southern Corp. (NSC)	Hold	141.46	292.2	41,335.3	9,880.0	724.0	50,491.3	25.2x	21.8x	19.8x	3.2x	4.9x	10.7x	11.5x	11.4x	15.1x	5.3%	14.7%	9.8%	2.2	1.7%	1.6%
Union Pacific (UNP)	Hold	130.70	809.1	105,747.6	16,833.0	1,847.0	120,733.6	25.7x	22.5x	19.8x	5.5x	5.8x	11.0x	12.2x	11.8x	15.5x	8.1%	23.2%	13.4%	1.6	2.0%	3.8%
Min				4,824.6	2,384.7	80.3	7,272.2	21.2x	20.0x	16.3x	1.4x	3.4x	8.3x	11.0x	10.2x	15.1x	2.9%	7.0%	5.3%	1.1	0.0%	1.6%
Mean				43,135.1	8,242.5	503.2	50,894.9	25.0x	22.6x	19.2x	4.1x	5.5x	10.5x	12.1x	11.8x	16.2x	6.6%	18.8%	11.1%	1.7	1.3%	7.1%
Mean (Class I Rails only)				49,520.2	9,218.8	573.7	58,165.3	25.6x	21.9x	18.8x	4.6x	5.9x	10.8x	12.3x	12.1x	16.0x	7.2%	20.7%	12.1%	1.7	1.5%	7.0%
Median				41,335.3	7,949.6	108.4	50,491.3	24.6x	21.8x	19.8x	4.7x	5.6x	10.7x	12.2x	11.8x	15.9x	5.8%	17.3%	10.1%	1.8	1.4%	3.8%
Max				105,747.6	16,833.0	1,847.0	120,733.6	32.0x	26.7x	21.8x	6.2x	7.0x	11.1x	13.0x	12.8x	17.4x	10.3%	32.0%	16.4%	2.3	2.0%	26.3%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%
Intermodal																						
Hub Group (HUBG)	Buy	46.55	33.4	1,557.0	287.1	18.6	1,825.5	20.4x	29.1x	21.7x	2.3x	2.5x	10.0x	17.7x	15.4x	19.9x	3.9%	8.9%	7.1%	2.2	0.0%	(5.0%)
J.B. Hunt Transport Svcs. (JBHT)	Buy	111.24	110.6	12,306.3	1,084.8	7.7	13,383.4	29.8x	30.4x	24.4x	8.4x	2.1x	11.5x	13.2x	12.9x	20.8x	10.2%	27.7%	17.0%	2.0	0.8%	2.4%
Min				1,557.0	287.1	7.7	1,825.5	20.4x	29.1x	21.7x	2.3x	2.1x	10.0x	13.2x	12.9x	19.9x	3.9%	8.9%	7.1%	2.0	0.0%	(5.0%)
Mean				13.0	685.9	13.1	7,604.4	25.1x	29.7x	23.0x	5.3x	2.3x	10.7x	15.4x	14.1x	20.3x	7.0%	18.3%	12.0%	2.1	0.4%	(1.3%)
Max				12,306.3	1,084.8	18.6	13,383.4	29.8x	30.4x	24.4x	8.4x	2.5x	11.5x	17.7x	15.4x	20.8x	10.2%	27.7%	17.0%	2.2	0.8%	2.4%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest; (b) Stifel estimates for those rated and First Call mean estimates for unrated securities; (c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation ; (d) 2017E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items; Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

Appendix

Rail & Intermodal Comparative Valuation Matrix



Equity Comps - Transportation

Financial Statistics Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	TTM Revenue	EBITDA		EBIT		PBT		Effective tax rate	CYEPS			Growth Rate ^(b)	Total Equity	Tangible Equity	Total Debt	TTM CapEx ^(c)	TTM FCF ^(d)	Total Assets
			TTM	% margin	TTM	% margin	TTM	% margin		2016A ^{(a),(f)}	2017E ^{(a),(f)}	2018E ^{(a),(f)}							
Railroads																			
Canadian National (CNI)	Hold	9,851.1	5,260.0	53.4%	4,291.8	43.6%	3,939.5	40.0%	26.1%	3.45	3.94	4.60	10.7%	11,515.3	11,316.0	7,949.6	1,773.9	2,436.6	28,323.7
Canadian Pacific (CP)	Buy	4,900.1	2,539.9	51.8%	2,044.5	41.7%	1,686.9	34.4%	26.2%	7.74	8.93	10.93	17.9%	4,248.1	4,105.3	6,208.4	328.5	830.9	14,869.5
CSX Corp. (CSX)	Hold	11,404.0	4,929.6	43.2%	3,603.6	31.6%	3,089.6	27.1%	36.9%	1.78	2.24	2.75	11.0%	10,902.0	10,902.0	11,807.0	2,270.0	1,144.0	35,573.0
Genesee & Wyoming (GWR)	Hold	2,146.2	658.8	30.7%	418.2	19.5%	317.9	14.8%	33.0%	3.65	2.89	3.55	15.0%	3,433.7	670.6	2,384.7	209.1	244.8	8,029.2
Kansas City Southern (KSU)	Buy	2,521.0	1,208.4	47.9%	888.7	35.3%	802.0	31.8%	35.0%	4.48	5.20	5.90	16.4%	4,406.4	4,406.4	2,634.8	599.1	314.2	9,100.3
Norfolk Southern Corp. (NSC)	Hold	10,372.0	4,380.0	42.2%	3,333.0	32.1%	2,876.0	27.7%	35.6%	5.62	6.50	7.15	10.0%	12,727.0	12,727.0	9,880.0	1,898.0	1,289.0	35,153.0
Union Pacific (UNP)	Hold	20,958.0	9,868.0	47.1%	7,775.0	37.1%	7,371.0	35.2%	37.9%	5.09	5.82	6.60	14.0%	19,151.0	19,151.0	16,833.0	3,280.0	4,176.0	57,397.0
	Min	2,146.2	658.8	30.7%	418.2	19.5%	317.9	14.8%	26.1%	1.78	2.24	2.75	10.0%	3,433.7	670.6	2,384.7	209.1	244.8	8,029.2
	Mean	8,878.9	4,120.7	45.2%	3,193.6	34.4%	2,869.0	30.1%	33.0%	4.54	5.07	5.93	13.6%	9,483.3	9,039.8	8,242.5	1,479.8	1,490.8	26,920.8
	Mean (Class I Rails only)	10,001.0	4,697.7	47.6%	3,656.1	36.9%	3,294.2	32.7%	33.0%	4.69	5.44	6.32	13.3%	10,491.6	10,434.6	9,218.8	1,691.6	1,698.4	30,069.4
	Median	9,851.1	4,380.0	47.1%	3,333.0	35.3%	2,876.0	31.8%	35.0%	4.48	5.20	5.90	14.0%	10,902.0	10,902.0	7,949.6	1,773.9	1,144.0	28,323.7
	Max	20,958.0	9,868.0	53.4%	7,775.0	43.6%	7,371.0	40.0%	37.9%	7.74	8.93	10.93	17.9%	19,151.0	19,151.0	16,833.0	3,280.0	4,176.0	57,397.0
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9
Intermodal																			
Hub Group (HUBG)	Buy	736.0	103.4	14.0%	91.8	12.5%	87.1	11.8%	34.7%	2.28	1.60	2.15	13.5%	667.5	243.2	287.1	83.9	26.7	1,599.9
J.B. Hunt Transport Svcs. (JBHT)	Buy	6,242.5	1,017.7	16.3%	644.7	10.3%	616.4	9.9%	35.7%	3.73	3.66	4.55	15.0%	1,472.0	1,357.5	1,084.8	456.3	342.5	4,053.9
	Min	736.0	103.4	14.0%	91.8	10.3%	87.1	9.9%	34.7%	2.28	1.60	2.15	13.5%	667.5	243.2	287.1	83.9	26.7	1,599.9
	Mean	3,489.3	560.6	15.2%	368.3	11.4%	351.7	10.9%	35.2%	3.01	2.63	3.35	14.3%	1,069.7	800.4	685.9	270.1	184.6	2,826.9
	Max	6,242.5	1,017.7	16.3%	644.7	12.5%	616.4	11.8%	35.7%	3.73	3.66	4.55	15.0%	1,472.0	1,357.5	1,084.8	456.3	342.5	4,053.9
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9

TTM = "Trailing Twelve Months"; Excludes non-recurring items

(a) Stifel estimates for those rated and First Call mean estimates for unrated securities; (b) First Call mean 3-5 year growth estimates; (c) Capital Expenditures, net of sales; (d) Free Cash Flow=Cash Flow from Operating Activities - Capital Expenditures, net of sales

Source: Company data, First Call, and Stifel estimates

Appendix

Rail & Intermodal Comparative Valuation Matrix



STIFEL

Equity Comps - Transportation

Debt Ratios

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Debt Rating S&P	Balance sheet debt						Total debt (including leases)						TTM EBITDA/ TTM Interest	TTM EBIT/ TTM Interest
			Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.	Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.		
Railroads																
Canadian National (CNI)	Hold	A	1.5x	1.5x	2.3x	1.9x	40.8%	11.6%	1.5x	1.5x	2.4x	1.9x	41.7%	12.0%	14.2x	11.6x
Canadian Pacific (CP)	Buy	BBB+	2.4x	2.4x	2.8x	3.0x	59.4%	19.2%	2.5x	2.5x	3.0x	3.2x	60.9%	20.1%	7.1x	5.7x
CSX Corp. (CSX)	Hold	BBB+	2.4x	2.3x	4.4x	3.3x	52.0%	18.6%	2.4x	2.3x	4.6x	3.4x	52.8%	19.1%	9.6x	7.0x
Genesee & Wyoming (GWR)	Hold	BB	3.6x	3.5x	5.3x	5.7x	41.0%	33.1%	3.7x	3.6x	6.3x	6.8x	45.3%	37.0%	6.5x	4.1x
Kansas City Southern (KSU)	Buy	BBB-	2.2x	2.1x	4.3x	3.0x	37.4%	18.6%	2.2x	2.2x	4.7x	3.2x	39.2%	19.7%	12.2x	8.9x
Norfolk Southern Corp. (NSC)	Hold	BBB+	2.3x	2.1x	4.0x	3.0x	43.7%	19.3%	2.3x	2.2x	4.2x	3.1x	44.8%	20.0%	7.8x	6.0x
Union Pacific (UNP)	Hold	A	1.7x	1.5x	2.6x	2.2x	46.8%	13.7%	1.8x	1.6x	2.8x	2.3x	48.7%	14.7%	24.4x	19.2x
	Min		1.5x	1.5x	2.3x	1.9x	37.4%	11.6%	1.5x	1.5x	2.4x	1.9x	39.2%	12.0%	6.5x	4.1x
	Mean		2.3x	2.2x	3.7x	3.1x	45.9%	19.1%	2.4x	2.3x	4.0x	3.4x	47.6%	20.4%	11.7x	8.9x
	Mean (Class I Rails only)		2.1x	2.0x	3.4x	2.7x	46.7%	16.8%	2.1x	2.0x	3.6x	2.9x	48.0%	17.6%	12.6x	9.7x
	Median		2.3x	2.1x	4.0x	3.0x	43.7%	18.6%	2.3x	2.2x	4.2x	3.2x	45.3%	19.7%	9.6x	7.0x
	Max		3.6x	3.5x	5.3x	5.7x	59.4%	33.1%	3.7x	3.6x	6.3x	6.8x	60.9%	37.0%	24.4x	19.2x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x
Intermodal																
Hub Group (HUBG)	Buy	NA	2.8x	2.6x	14.8x	3.1x	30.1%	15.6%	1.7x	1.5x	9.6x	2.0x	21.9%	10.8%	19.0x	16.9x
J.B. Hunt Transport Svcs. (JBHT)	Buy	BBB+	1.1x	1.1x	1.9x	1.7x	42.4%	8.1%	0.9x	0.9x	1.7x	1.5x	39.9%	7.3%	35.9x	22.7x
	Min		1.1x	1.1x	1.9x	1.7x	30.1%	8.1%	0.9x	0.9x	1.7x	1.5x	21.9%	7.3%	NM	NM
	Mean		1.9x	1.8x	8.3x	2.4x	36.3%	11.8%	1.3x	1.2x	5.7x	1.8x	30.9%	9.1%	NM	NM
	Max		2.8x	2.6x	14.8x	3.1x	42.4%	15.6%	1.7x	1.5x	9.6x	2.0x	39.9%	10.8%	NM	NM
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x

Appendix

Equipment Suppliers Comparative Valuation Matrix



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Closing		Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of				Enterprise value as a multiple of					PEG ratio ^(d)	Div. Yield	2018E FCF Yld			
		Price 12/12/2017	Diluted S/O					Earnings per Share			TTM Revenue	2018E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)	TTM EBIT	TTM ROA				TTM ROE	TTM ROIC	
								2016A ^(b)	2017E ^(b)	2018E ^(b)												Book value
Transportation Equipment Suppliers																						
Allison Transmission (ALSN)	Hold	41.40	141.8	5,868.9	2,548.0	210.0	8,206.9	31.1x	16.5x	15.3x	10.6x	3.8x	9.6x	10.2x	7.7x	13.0x	7.9%	41.9%	12.9%	2.1	1.4%	9.3%
American Railcar Industries (ARIL)	Hold	40.25	19.1	768.1	552.0	122.7	1,197.5	9.8x	19.2x	18.3x	1.4x	2.3x	8.5x	7.8x	7.9x	12.4x	3.4%	8.9%	5.5%	2.4	4.0%	(1.7%)
Blue Bird (BLBD)	Buy	18.05	29.6	533.6	151.2	62.6	622.2	18.0x	15.3x	16.4x	NM	0.6x	7.6x	8.9x	43.4x	11.3x	11.0%	NM	NM	1.9	0.0%	7.4%
Cummins (CMI)	Hold	169.22	168.2	28,463.9	2,255.0	1,444.0	31,746.7	19.9x	16.6x	14.2x	3.3x	1.7x	9.4x	10.9x	11.2x	13.5x	10.0%	20.9%	17.0%	1.5	2.6%	3.1%
Greenbrier (GBX)	Buy	50.90	28.5	1,450.8	562.6	620.4	2,104.4	10.0x	13.3x	12.8x	1.2x	1.0x	6.8x	6.5x	6.3x	8.1x	5.8%	11.2%	8.8%	1.7	1.8%	3.5%
Freightcar America (RAIL)	Hold	16.56	12.4	205.3	0.0	127.3	78.0	44.8x	NM	NM	0.8x	0.2x	NM	-14.8x	-57.8x	-5.3x	(2.1%)	(2.9%)	(2.8%)	NM	0.0%	3.5%
Meritor (MTOR)	Buy	23.59	88.6	2,089.7	1,038.0	88.0	3,090.3	14.6x	11.7x	12.6x	7.0x	0.9x	7.7x	10.7x	17.5x	14.4x	6.4%	NM	NM	1.2	0.0%	4.7%
Navistar (NAV)	Hold	41.63	98.4	4,095.3	5,220.0	973.0	8,342.3	NM	NM	21.6x	NM	1.0x	10.7x	17.6x	NM	NM	(2.4%)	2.8%	NM	NM	0.0%	(3.1%)
PACCAR (PCAR)	Hold	71.91	353.3	25,408.2	8,544.1	3,421.3	30,531.0	18.7x	17.1x	15.0x	3.2x	1.7x	9.0x	13.5x	11.1x	15.6x	6.2%	18.4%	8.5%	1.7	1.4%	2.3%
REV Group (REVG)	Buy	27.12	66.3	1,798.1	300.1	14.1	2,084.1	37.7x	24.0x	20.6x	3.3x	1.0x	9.3x	14.4x	31.5x	18.9x	5.1%	14.0%	10.0%	2.4	0.2%	7.7%
Rush Enterprises (RUSHA)	Hold	48.80	39.8	1,941.4	1,380.1	127.9	3,193.6	43.2x	22.7x	19.9x	2.1x	0.7x	15.8x	11.0x	16.7x	23.8x	2.9%	8.8%	3.8%	2.3	0.0%	(0.1%)
Thor Industries (THO)	Hold	149.40	52.7	7,872.5	90.0	151.5	7,811.1	25.7x	18.6x	15.2x	4.7x	1.0x	9.3x	10.8x	14.9x	12.4x	16.7%	28.2%	24.9%	1.9	1.0%	4.9%
Trinity Industries (TRN)	Buy	36.88	151.8	5,599.5	3,276.4	1,024.7	8,241.4	16.4x	25.6x	29.5x	1.3x	2.1x	10.4x	9.6x	16.6x	14.5x	2.5%	5.4%	4.5%	3.2	1.4%	3.5%
Wabash National (WNC)	Hold	20.01	60.1	1,202.7	552.2	153.7	1,601.2	10.8x	14.9x	11.8x	2.5x	0.9x	6.8x	8.9x	11.0x	11.1x	7.4%	17.9%	10.6%	1.5	1.2%	7.9%
WABCO (WBC)	Buy	145.02	53.8	7,801.5	1,030.2	1,030.2	8,442.4	25.0x	22.1x	19.3x	7.6x	2.7x	13.8x	15.4x	18.7x	18.9x	10.4%	36.8%	18.8%	1.8	0.0%	4.8%
Wabtec (WAB)	Hold	76.73	96.7	7,420.4	1,985.3	228.1	9,205.6	19.9x	22.0x	19.4x	2.7x	2.6x	13.9x	16.2x	23.8x	19.2x	6.4%	14.2%	10.5%	1.5	0.6%	4.5%
Winnabago (WGO)	Hold	54.95	31.6	1,735.7	274.6	35.9	1,974.4	29.0x	21.6x	17.2x	3.9x	1.3x	10.6x	12.6x	13.1x	15.8x	11.0%	20.1%	17.2%	2.7	0.7%	5.2%
Min				205.3	0.0	14.1	78.0	9.8x	11.7x	11.4x	0.8x	0.2x	6.8x	-14.8x	-57.8x	-5.3x	(2.4%)	(2.9%)	(2.8%)	1.2	0.0%	(3.1%)
Mean				6,081.0	1,750.5	604.7	7,472.6	23.0x	18.4x	17.1x	3.8x	1.5x	9.9x	10.0x	12.1x	13.7x	6.4%	17.1%	11.1%	2.0	0.9%	4.0%
Mean (Railcar OEMs only)				2,005.9	1,097.7	473.8	2,905.3	20.2x	19.3x	20.2x	1.2x	1.4x	8.6x	2.3x	-6.8x	7.4x	2.4%	5.7%	4.0%	2.4	1.8%	2.2%
Mean (Truck OEMs & suppliers only)				10,016.6	2,867.0	1,046.3	12,249.3	19.5x	16.0x	15.2x	5.6x	1.7x	9.6x	12.1x	12.8x	14.5x	6.6%	23.8%	14.1%	1.6	0.9%	4.1%
Median				3,092.5	1,095.9	181.9	4,613.5	19.9x	17.9x	16.4x	3.2x	1.0x	9.3x	10.7x	13.1x	14.4x	6.4%	16.0%	10.5%	1.9	0.7%	4.5%
Max				28,463.9	8,544.1	3,421.3	31,746.7	44.8x	25.6x	29.5x	10.6x	3.8x	15.8x	17.6x	43.4x	23.8x	16.7%	41.9%	24.9%	3.2	4.0%	9.3%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%
Transportation Leasing																						
Air Transport Services Group, Inc. (ATSG)	Hold	22.99	60.8	1,397.6	493.2	53.9	1,836.9	39.6x	25.3x	20.3x	4.8x	1.9x	5.7x	8.1x	8.1x	23.6x	(4.2%)	(18.4%)	(5.3%)	2.5	0.0%	8.9%
Atlas Air Worldwide Holdings, Inc. (AAWW)	Buy	57.00	25.3	1,439.9	2,105.3	165.3	3,380.0	12.7x	12.4x	11.6x	0.6x	1.6x	6.3x	7.3x	7.0x	11.2x	2.6%	5.8%	4.5%	0.8	0.0%	14.8%
GATX Corp. (GATX)	Hold	61.37	39.4	2,419.1	4,295.2	202.9	6,511.4	10.8x	12.7x	14.8x	1.6x	4.7x	10.8x	9.6x	9.1x	17.8x	2.9%	14.5%	6.1%	1.3	2.7%	(3.7%)
Ryder System (R)	Hold	81.76	53.3	4,357.8	5,349.2	65.3	9,641.7	15.1x	18.2x	15.0x	2.0x	1.1x	4.9x	5.6x	5.5x	20.2x	1.9%	10.0%	4.0%	1.6	2.3%	(2.7%)
Min				1,397.6	493.2	53.9	1,836.9	10.8x	12.4x	11.6x	0.6x	1.1x	4.9x	5.6x	5.5x	11.2x	-4.2%	-18.4%	-5.3%	0.8	0.0%	(3.7%)
Mean				2,403.6	3,060.7	121.8	5,342.5	19.6x	17.1x	15.4x	2.3x	2.3x	6.9x	7.7x	7.4x	18.2x	0.8%	3.0%	2.3%	1.6	1.2%	4.3%
Median				1,929.5	3,200.3	115.3	4,945.7	13.9x	15.4x	14.9x	1.8x	1.8x	6.0x	7.7x	7.5x	19.0x	2.2%	7.9%	4.2%	1.4	1.1%	3.1%
Max				4,357.8	5,349.2	202.9	9,641.7	39.6x	25.3x	20.3x	4.8x	4.7x	10.8x	9.6x	9.1x	23.6x	2.9%	14.5%	6.1%	2.5	2.7%	14.8%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest; (b) Stifel estimates for those rated and First Call mean estimates for unrated securities; (c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation; (d) 2016E P/E divided by First Call mean or Stifel estimated long-term growth rate
Excludes non-recurring items; Calculations may vary due to rounding; Source: Company data, First Call, and Stifel estimates

Appendix

Equipment Suppliers Comparative Valuation Matrix



Equity Comps - Transportation

Financial Statistics Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	TTM Revenue	EBITDA		EBIT		PBT		Effective tax rate	CYEPS			Growth Rate ^(b)	Total Equity	Tangible Equity	Total Debt	TTM CapEx ^(c)	TTM FCF ^(d)	Total Assets
			TTM	% margin	TTM	% margin	TTM	% margin		2016A ^{(a),(f)}	2017E ^{(a),(f)}	2018E ^{(a),(f)}							
Transportation Equipment Suppliers																			
Allison Transmission (ALSN)	Hold	2,142.9	804.4	37.5%	633.7	29.6%	537.7	25.1%	34.9%	1.33	2.51	2.70	8.0%	555.0	(2,561.0)	2,548.0	77.1	590.1	4,647.7
American Railcar Industries (ARII)	Hold	511.9	152.9	29.9%	96.2	18.8%	80.2	15.7%	38.4%	4.12	2.10	2.20	8.0%	558.9	551.7	552.0	103.5	19.4	1,467.8
Blue Bird (BLBD)	Buy	990.6	69.5	7.0%	55.1	5.6%	48.0	4.8%	34.3%	1.01	1.18	1.10	8.0%	(58.5)	(134.8)	151.2	9.3	38.4	295.8
Cummins (CMI)	Hold	18,455.0	2,924.0	15.8%	2,352.0	12.7%	2,277.0	12.3%	27.5%	8.52	10.21	11.95	11.0%	8,561.0	6,561.0	2,255.0	414.0	1,682.0	17,992.0
Greenbrier (GBX)	Buy	2,169.2	325.6	15.0%	260.4	12.0%	239.2	11.0%	48.8%	5.07	3.84	3.97	8.0%	1,178.9	916.9	562.6	61.9	218.5	2,397.7
Freightcar America (RAIL)	Hold	465.7	(5.3)	(1.1%)	(14.6)	(3.1%)	(14.8)	(3.2%)	51.6%	0.37	(0.91)	(0.95)	6.0%	242.8	221.2	0.0	1.2	84.5	318.5
Meritor (MTOR)	Buy	3,347.0	290.0	8.7%	215.0	6.4%	183.0	5.5%	7.1%	1.61	2.02	1.87	10.0%	297.0	(117.0)	1,038.0	93.0	83.0	2,782.0
Navistar (NAV)	Hold	8,035.0	474.0	5.9%	238.0	3.0%	(96.0)	(1.2%)	NM	(1.04)	0.14	1.93	9.0%	(4,923.0)	(5,005.0)	5,220.0	126.0	(13.0)	6,080.0
PACCAR (PCAR)	Hold	18,072.5	2,257.5	12.5%	1,955.1	10.8%	1,987.9	11.0%	30.8%	3.85	4.20	4.80	10.0%	7,935.6	7,935.6	8,544.1	375.2	1,925.6	23,103.9
REV Group (REVG)	Buy	2,128.7	144.4	6.8%	110.1	5.2%	86.2	4.1%	35.2%	0.72	1.13	1.32	10.0%	547.7	247.5	300.1	75.3	(48.5)	1,246.1
Rush Enterprises (RUSHA)	Hold	4,527.1	290.6	6.4%	134.1	3.0%	122.4	2.7%	35.6%	1.13	2.15	2.45	10.0%	934.1	643.9	1,380.1	146.0	282.9	2,759.0
Thor Industries (THO)	Hold	7,770.1	723.3	9.3%	628.9	8.1%	627.7	8.1%	32.5%	5.82	8.01	9.80	10.0%	1,684.1	1,254.2	90.0	119.3	312.2	2,710.0
Trinity Industries (TRN)	Buy	3,860.2	861.5	22.3%	568.4	14.7%	387.0	10.0%	40.2%	2.25	1.44	1.25	8.0%	4,350.1	3,579.9	3,276.4	95.1	691.2	9,564.9
Wabash National (WNC)	Hold	1,685.7	179.1	10.6%	144.1	8.5%	134.4	8.0%	34.4%	1.85	1.34	1.70	10.0%	487.7	(65.8)	552.2	8.1	125.7	1,379.1
WABCO (WBC)	Buy	3,099.9	549.2	17.7%	447.1	14.4%	422.8	13.6%	18.5%	5.80	6.55	7.50	12.0%	1,026.2	419.9	1,153.8	93.6	249.8	3,618.4
Wabtec (WAB)	Hold	3,566.2	567.7	15.9%	478.9	13.4%	393.9	11.0%	19.7%	3.85	3.49	3.95	15.0%	2,736.4	(788.8)	1,985.3	69.0	159.9	6,449.7
Winnebago (WGO)	Hold	1,547.1	157.1	10.2%	125.1	NM	108.6	7.0%	34.3%	1.89	2.55	3.20	8.0%	441.7	(29.5)	274.6	13.8	83.4	902.5
Min		465.7	(5.3)	(1.1%)	(14.6)	(3.1%)	(96.0)	(3.2%)	(17.4%)	(1.04)	(0.91)	(0.95)	6.0%	(4,923.0)	(5,005.0)	0.0	(239.0)	(48.5)	295.8
Mean		4,939.5	632.4	13.3%	490.9	10.0%	434.3	8.3%	29.8%	2.78	3.02	3.53	9.4%	1,536.3	805.3	1,750.5	91.2	399.1	5,136.3
Mean (Railcar OEMs only)		2,159.5	496.6	18.4%	362.0	13.3%	287.3	10.7%	43.9%	2.26	1.72	1.74	7.5%	1,581.7	539.3	1,596.7	58.8	396.1	4,232.2
Mean (Truck OEMs & suppliers only)		7,671.9	1,011.9	14.8%	799.2	11.5%	717.5	9.8%	19.4%	2.98	3.68	4.41	9.8%	1,879.6	1,004.2	2,867.0	118.5	667.7	8,042.6
Median		3,223.5	399.8	10.4%	249.2	8.5%	211.1	8.0%	34.3%	1.92	2.31	2.58	9.5%	746.5	333.7	1,095.9	85.1	189.2	2,770.5
Max		18,455.0	2,924.0	37.5%	2,352.0	29.6%	2,277.0	25.1%	51.6%	8.52	10.21	11.95	15.0%	8,561.0	7,935.6	8,544.1	414.0	1,925.6	23,103.9
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9
Transportation Leasing																			
Air Transport Services Group, Inc. (ATSG)	Hold	966.9	225.5	23.3%	77.8	8.0%	(52.7)	(5.4%)	(7.5%)	0.58	0.91	1.13	10.0%	292.3	247.0	493.2	107.6	13.2	1,486.9
Atlas Air Worldwide Holdings, Inc. (AAWW)	Buy	2,058.2	461.8	22.4%	301.8	14.7%	164.1	8.0%	30.3%	4.50	4.61	4.90	15.0%	2,431.4	2,322.7	2,105.3	494.7	(168.2)	4,687.3
GATX Corp. (GATX)	Hold	1,386.2	679.8	49.0%	365.8	26.4%	234.0	16.9%	12.0%	5.67	4.85	4.15	10.0%	1,470.2	1,385.6	4,295.2	408.7	195.6	7,261.9
Ryder System (R)	Hold	8,843.4	1,716.9	19.4%	477.6	5.4%	337.8	3.8%	36.7%	5.42	4.50	5.44	11.4%	2,175.1	1,788.0	5,349.2	1,349.9	232.3	11,259.0
Min		966.9	225.5	19.4%	77.8	5.4%	(52.7)	(5.4%)	(7.5%)	0.58	0.91	1.13	10.0%	292.3	247.0	493.2	107.6	(168.2)	1,486.9
Mean		3,313.7	771.0	28.6%	305.7	13.6%	170.8	5.8%	17.9%	4.04	3.72	3.91	11.6%	1,592.2	1,435.8	3,060.7	590.2	68.2	6,173.8
Median		1,722.2	570.8	22.9%	333.8	11.4%	199.1	5.9%	21.1%	4.96	4.56	4.53	10.7%	1,822.7	1,586.8	3,200.3	451.7	104.4	5,974.6
Max		8,843.4	1,716.9	49.0%	477.6	26.4%	337.8	16.9%	36.7%	5.67	4.85	5.44	15.0%	2,431.4	2,322.7	5,349.2	1,349.9	232.3	11,259.0
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9

TTM = "Trailing Twelve Months"; Excludes non-recurring items

(a) Stifel estimates for those rated and First Call mean estimates for unrated securities; (b) First Call mean 3-5 year growth estimates; (c) Capital Expenditures, net of sales; (d) Free Cash Flow=Cash Flow from Operating Activities - Capital Expenditures, net of sales

Source: Company data, First Call, and Stifel estimates

Appendix

Equipment Suppliers Comparative Valuation Matrix



Equity Comps - Transportation

Debt Ratios

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Debt Rating S&P	Balance sheet debt						Total debt (including leases)						TTM EBITDA/ TTM Interest	TTM EBIT/ TTM Interest
			Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.	Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.		
Transportation Equipment Suppliers																
Allison Transmission (ALSN)	Hold	NA	3.2x	2.9x	3.5x	4.0x	82.1%	30.3%	0.7x	0.4x	0.8x	0.9x	50.6%	8.8%	8.5x	6.7x
American Railcar Industries (ARII)	Hold	BB-	3.6x	2.8x	11.2x	5.7x	49.7%	41.8%	3.7x	2.9x	11.5x	5.9x	50.4%	42.5%	7.5x	4.7x
Blue Bird (BLBD)	Buy	NA	2.2x	1.3x	2.5x	2.7x	163.1%	22.1%	NM	37.3x	NM	NM	101.8%	86.2%	9.8x	7.8x
Cummins (CM)	Hold	A+	0.8x	0.3x	0.9x	1.0x	20.8%	7.3%	1.1x	0.6x	1.3x	1.4x	28.1%	10.5%	39.0x	31.4x
Greenbrier (GBX)	Buy	BB	1.7x	NM	2.1x	2.2x	32.3%	27.9%	1.6x	NM	2.1x	2.1x	31.8%	27.4%	13.5x	10.8x
Freightcar America (RAIL)	Hold	NA	0.0x	NM	0.0x	0.0x	0.0%	0.0%	NM	NM	-5.0x	-2.2x	11.9%	13.7%	NM	NM
Meritor (MTOR)	Buy	B+	3.6x	3.3x	5.3x	4.8x	77.8%	33.2%	10.8x	10.6x	17.0x	15.5x	91.8%	61.5%	3.5x	2.6x
Navistar (NAV)	Hold	CCC+	NM	NM	NM	NM	NM	56.0%	6.8x	4.8x	9.6x	14.0x	(211.5%)	44.9%	1.4x	0.7x
PACCAR (PCAR)	Hold	A+	3.8x	2.3x	4.5x	4.4x	51.8%	25.2%	1.5x	NM	1.8x	1.7x	29.6%	11.6%	NM	NM
REV Group (REVG)	Buy	NA	2.1x	2.0x	4.3x	2.7x	35.4%	14.3%	NM	20.4x	NM	NM	85.9%	65.0%	6.1x	4.6x
Rush Enterprises (RUSHA)	Hold	NA	4.7x	4.3x	9.5x	10.3x	59.6%	41.5%	10.8x	10.4x	23.1x	24.9x	78.2%	63.3%	24.8x	11.5x
Thor Industries (THO)	Hold	NA	0.1x	NM	0.1x	0.1x	5.1%	1.1%	4.5x	4.3x	5.5x	5.3x	66.5%	29.8%	NM	NM
Trinity Industries (TRN)	Buy	BBB-	3.8x	2.6x	4.3x	5.8x	43.0%	36.9%	10.9x	9.8x	12.5x	16.8x	68.7%	63.0%	4.9x	3.2x
Wabash National (WNC)	Hold	BB	3.1x	2.2x	3.2x	3.8x	53.1%	31.5%	5.2x	4.3x	5.5x	6.5x	65.9%	43.9%	14.1x	11.4x
WABCO (WBC)	Buy	NA	2.1x	0.2x	2.5x	2.6x	52.9%	12.9%	5.9x	4.1x	7.3x	7.5x	76.5%	30.0%	35.9x	29.2x
Wabtec (WAB)	Hold	BBB	3.5x	3.1x	4.0x	4.1x	42.0%	21.1%	11.4x	11.0x	13.3x	13.9x	70.8%	47.3%	7.1x	6.0x
Winnbago (WGO)	Hold	BB-	1.7x	1.5x	1.9x	2.2x	38.3%	13.7%	2.3x	2.1x	2.5x	2.9x	44.8%	17.1%	9.3x	7.4x
Min			0.0x	0.2x	0.0x	0.0x	0.0%	0.0%	0.7x	0.4x	-5.0x	-2.2x	(211.5%)	8.8%	1.4x	0.7x
Mean			2.5x	2.1x	3.6x	3.6x	51.0%	24.5%	5.5x	4.4x	7.0x	7.8x	45.4%	39.2%	12.7x	9.4x
Mean (Railcar OEMs only)			2.2x	2.8x	2.5x	3.0x	39.3%	23.8%	4.4x	5.1x	2.6x	4.4x	40.7%	28.3%	8.9x	6.9x
Mean (Truck OEMs & suppliers only)			2.7x	1.7x	3.1x	3.5x	56.9%	27.5%	4.7x	4.1x	5.9x	7.0x	25.8%	31.3%	15.4x	12.2x
Median			2.6x	2.2x	3.2x	3.8x	49.7%	24.5%	5.2x	4.3x	5.5x	6.2x	66.2%	40.8%	8.5x	6.7x
Max			4.7x	4.3x	11.2x	10.3x	163.1%	56.0%	11.4x	37.3x	23.1x	24.9x	101.8%	86.2%	39.0x	31.4x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x
Transportation Leasing																
Air Transport Services Group, Inc. (ATSG)	Hold	NA	2.2x	1.9x	4.2x	6.3x	62.8%	26.1%	2.4x	2.2x	4.7x	7.2x	65.7%	28.6%	15.4x	5.3x
Atlas Air Worldwide Holdings, Inc. (AAWW)	Buy	NA	4.6x	4.2x	NM	7.0x	46.4%	59.4%	4.8x	4.5x	NM	9.6x	54.3%	66.7%	5.2x	3.4x
GATX Corp. (GATX)	Hold	BBB	6.3x	6.0x	15.8x	11.7x	74.5%	64.0%	6.4x	6.1x	18.6x	13.8x	77.4%	67.6%	4.3x	2.3x
Ryder System (R)	Hold	BBB	3.1x	3.1x	14.6x	11.2x	71.1%	55.1%	3.1x	3.1x	15.2x	11.7x	72.0%	56.2%	12.3x	3.4x
Min			2.2x	1.9x	4.2x	6.3x	46.4%	26.1%	2.4x	2.2x	4.7x	7.2x	54.3%	28.6%	4.3x	2.3x
Mean			4.0x	3.8x	11.5x	9.1x	63.7%	51.1%	4.2x	4.0x	12.8x	10.6x	67.3%	54.8%	9.3x	3.6x
Median			3.8x	3.6x	14.6x	9.1x	66.9%	57.2%	4.0x	3.8x	15.2x	10.6x	68.8%	61.4%	8.8x	3.4x
Max			6.3x	6.0x	15.8x	11.7x	74.5%	64.0%	6.4x	6.1x	18.6x	13.8x	77.4%	67.6%	15.4x	5.3x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x

Capitalization of off-balance sheet leases utilizes S&P methodology

Source: Company data, Bloomberg, and Stifel estimates

Appendix

Global Integrators & Forwarding/Logistics Comparative Valuation Matrix



STIFEL

Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Closing		Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of			Enterprise value as a multiple of					ROA	ROE	ROIC	PEG ratio ^(d)	Div. Yield	2018E FCF Yld	
		Price	Diluted S/O					Earnings per Share			Book value	TTM Revenue	2018E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)							TTM EBIT
								2016A ^(b)	2017E ^(b)	2018E ^(b)												
Global Integrators																						
Deutsche Post DHL (DPW-DE)	Hold	€ 40.02	1,289.8	60,200.6	5,911.9	1,618.0	67,049.6	19.4x	17.9x	16.7x	5.0x	0.8x	11.6x	10.3x	8.9x	14.5x	9.0%	32.9%	22.7%	1.2	2.6%	4.0%
FedEx Corp. (FDX)	Hold	239.50	278.9	66,797.2	15,156.0	3,503.0	78,450.2	21.1x	20.0x	16.9x	4.0x	1.3x	8.0x	9.5x	8.8x	14.9x	6.6%	20.5%	11.6%	1.6	0.8%	4.3%
United Parcel Service (UPS)	Hold	118.16	876.0	103,508.2	18,074.0	4,461.0	117,121.2	20.5x	19.6x	18.4x	NM	1.8x	10.3x	11.1x	10.8x	14.2x	13.1%	243.4%	29.2%	1.8	2.8%	5.8%
	Min			60,200.6	5,911.9	1,618.0	67,049.6	19.4x	17.9x	16.7x	4.0x	0.8x	8.0x	9.5x	8.8x	14.2x	6.6%	20.5%	11.6%	1.2	0.8%	4.0%
	Mean			76,835.3	13,047.3	3,194.0	87,540.3	20.4x	19.2x	17.3x	4.5x	1.3x	9.9x	10.3x	9.5x	14.5x	9.6%	98.9%	21.2%	1.5	2.1%	4.7%
	Median			66,797.2	15,156.0	3,503.0	78,450.2	20.5x	19.6x	16.9x	4.5x	1.3x	10.3x	10.3x	8.9x	14.5x	9.0%	32.9%	22.7%	1.6	2.6%	4.3%
	Max			103,508.2	18,074.0	4,461.0	117,121.2	21.1x	20.0x	18.4x	5.0x	1.8x	11.6x	11.1x	10.8x	14.9x	13.1%	243.4%	29.2%	1.8	2.8%	5.8%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%
Non-Asset-Based Forwarding / Logistics																						
BEST Inc. (BSTI)	Buy	9.38	391.5	3,672.6	132.2	146.9	3,657.9	NM	NM	NM	5.9x	1.5x	12.2x	NM	NM	NM	(70.7%)	NM	151.9%	NM	0.0%	45.9%
C.H. Robinson Worldwide (CHRW)	Hold	88.00	143.5	12,630.7	1,469.0	297.3	13,802.4	24.5x	26.1x	23.8x	9.3x	6.0x	14.7x	16.4x	15.6x	18.2x	12.1%	36.2%	18.6%	2.7	2.1%	1.9%
DSV A/S (DSV-DK)	Hold	DKK 486.00	190.4	14,663.5	1,120.8	193.8	16,188.6	36.3x	26.7x	24.8x	6.9x	5.8x	17.5x	18.4x	12.1x	21.5x	9.3%	27.1%	17.5%	1.8	0.4%	4.5%
Echo Global Logistics (ECHO)	Buy	27.90	28.0	779.8	209.0	21.2	967.6	33.6x	39.3x	26.6x	2.3x	0.5x	12.8x	21.8x	20.0x	NM	2.3%	5.2%	4.4%	2.2	0.0%	2.6%
Expeditors International (EXPD)	Hold	64.35	187.2	12,047.3	0.0	1,033.4	11,042.4	27.3x	26.6x	24.8x	6.1x	4.9x	14.1x	15.3x	14.5x	16.4x	14.7%	22.6%	22.2%	2.7	1.3%	3.6%
Forward Air Corp. (FWRD)	Hold	57.47	29.9	1,720.6	40.7	12.4	1,748.9	27.6x	25.0x	23.1x	3.4x	1.7x	10.6x	9.2x	8.2x	11.6x	15.3%	20.1%	18.6%	2.3	1.0%	4.2%
Hub Group (HUBG)	Buy	46.55	33.4	1,557.0	287.1	18.6	1,825.5	20.4x	29.1x	21.7x	2.3x	2.5x	10.0x	17.7x	15.4x	19.9x	3.9%	8.9%	7.1%	2.2	0.0%	(5.0%)
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 172.90	120.0	20,748.5	33.2	603.9	20,234.9	28.9x	28.1x	25.7x	10.0x	3.0x	16.4x	18.1x	18.0x	21.9x	11.0%	35.3%	34.5%	2.8	3.2%	3.9%
Landstar System (LSTR)	Buy	104.00	42.2	4,391.7	151.3	249.7	4,293.2	32.0x	28.3x	23.4x	6.7x	1.2x	12.5x	15.5x	15.4x	18.1x	13.3%	26.2%	20.9%	2.4	0.4%	4.0%
Panalpina Welttransport Holding (PWTN-CH)	Sell	CHF 146.80	23.7	3,483.2	2.0	296.5	3,260.1	NM	NM	37.7x	5.8x	2.4x	19.2x	20.7x	20.6x	28.6x	4.6%	12.8%	12.8%	NM	2.6%	2.5%
Universal Logistics Holdings, Inc. (ULH)	Buy	23.80	28.4	677.0	243.5	2.9	917.6	28.0x	30.5x	19.8x	4.6x	0.8x	8.4x	12.7x	10.6x	NM	3.0%	11.8%	6.3%	1.5	1.2%	3.4%
XPO Logistics, Inc. (XPO)	Buy	76.29	148.8	11,355.5	4,871.3	291.4	16,764.5	NM	NM	30.5x	3.5x	1.1x	10.3x	20.8x	NM	NM	1.6%	6.1%	NM	NM	0.0%	4.6%
ZTO Express Inc. (ZTO-US)	NC	14.91	727.6	10,849.2	101.6	1,725.6	9,225.2	33.9x	NE	NE	3.7x	5.9x	NE	19.6x	16.7x	21.6x	11.8%	14.5%	13.9%	NE	0.0%	NE
	Min			677.0	0.0	2.9	917.6	20.4x	25.0x	19.8x	2.3x	0.5x	8.4x	9.2x	8.2x	11.6x	(70.7%)	5.2%	4.4%	1.5	0.0%	(5.0%)
	Mean			7,582.8	666.3	376.4	7,994.5	29.3x	28.8x	25.6x	5.4x	2.9x	13.2x	17.2x	15.2x	19.8x	2.5%	18.9%	27.4%	2.3	0.9%	6.3%
	Median			4,391.7	151.3	249.7	4,293.2	28.5x	28.1x	24.8x	5.8x	2.4x	12.7x	17.9x	15.4x	19.9x	9.3%	17.3%	18.1%	2.3	0.4%	3.8%
	Max			20,748.5	4,871.3	1,725.6	20,234.9	36.3x	39.3x	37.7x	10.0x	6.0x	19.2x	21.8x	20.6x	28.6x	15.3%	36.2%	151.9%	2.8	3.2%	45.9%
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest; (b) Stifel estimates for those rated and First Call mean estimates for unrated securities; (c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation ; (d) 2017E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items; Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

Appendix

Global Integrators & Forwarding/Logistics Comparative Valuation Matrix



Equity Comps - Transportation

Financial Statistics Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	TTM	EBITDA		EBIT		PBT		Effective tax rate	CY EPS			Growth Rate ^(b)	Total Equity	Tangible Equity	Total Debt	TTM CapEx ^(c)	TTM FCF ^(d)	Total Assets
		Revenue	TTM	% margin	TTM	% margin	TTM	% margin		2016A ^{(a),(f)}	2017E ^{(a),(f)}	2018E ^{(a),(f)}							
Global Integrators																			
Deutsche Post DHL (DPW-DE)	Hold	79,836.3	6,525.1	8.2%	4,639.6	5.8%	4,127.2	5.2%	16.6%	€ 2.06	€ 2.23	€ 2.39	15.0%	12,007.3	(507.3)	5,911.9	1,954.8	2,576.9	38,517.4
FedEx Corp. (FDX)	Hold	60,953.0	8,260.3	13.6%	5,253.3	8.6%	4,782.3	7.8%	34.1%	11.34	11.98	14.15	12.5%	16,618.0	9,236.0	15,156.0	4,810.0	(261.0)	49,350.0
United Parcel Service (UPS)	Hold	63,974.0	10,509.0	16.4%	8,258.0	12.9%	7,895.0	12.3%	33.6%	5.75	6.02	6.43	11.0%	1,539.0	(4,135.0)	18,074.0	4,748.0	780.0	41,356.0
	Min	10,918.6	480.9	4.4%	197.7	1.8%	279.5	2.6%	16.6%	0.29	0.38	2.39	11.0%	1,539.0	(4,135.0)	175.1	275.8	(261.0)	4,511.2
	Mean	53,920.5	6,443.8	10.6%	4,587.2	7.3%	4,271.0	7.0%	32.3%	4.86	5.15	7.66	13.4%	8,119.1	1,431.9	9,829.2	2,947.2	738.0	33,433.6
	Median	62,463.5	7,392.7	10.9%	4,946.4	7.2%	4,454.8	6.5%	33.9%	3.91	4.13	6.43	13.8%	7,159.6	313.3	10,533.9	3,351.4	318.0	39,936.7
	Max	79,836.3	10,509.0	16.4%	8,258.0	12.9%	7,895.0	12.3%	44.8%	11.34	11.98	14.15	15.0%	16,618.0	9,236.0	18,074.0	4,810.0	2,576.9	49,350.0
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9
Non-Asset-Based Forwarding / Logistics																			
BEST Inc. (BSTI)	Buy	2,407.9	(172.8)	(7.2%)	(222.3)	(9.2%)	(216.7)	(9.0%)	(295.4%)	(¥ 17.31)	(¥ 4.01)	¥ 0.61	30.0%	620.9	538.1	132.2	38.2	(31.4)	1,508.7
C.H. Robinson Worldwide (CHRW)	Hold	2,297.7	849.1	37.0%	757.8	33.0%	725.5	31.6%	34.6%	3.59	3.37	3.70	9.5%	1,354.9	(81.3)	1,469.0	66.7	304.2	4,175.6
DSV A/S (DSV-DK)	Hold	2,785.5	882.0	31.7%	754.2	27.1%	584.9	21.0%	8.8%	13.39	18.20	19.58	15.0%	2,111.6	(299.8)	1,120.8	(7.3)	573.2	5,713.4
Echo Global Logistics (ECHO)	Buy	1,802.2	44.3	2.5%	26.4	1.5%	19.7	1.1%	5.4%	0.83	0.71	1.05	18.0%	342.8	(85.5)	209.0	24.4	21.5	836.2
Expeditors International (EXPD)	Hold	2,239.0	721.6	32.2%	673.5	30.1%	690.3	30.8%	37.3%	2.36	2.42	2.60	10.0%	1,981.1	1,973.2	0.0	86.9	347.5	3,068.9
Forward Air Corp. (FWRD)	Hold	1,059.5	190.9	18.0%	150.6	14.2%	149.5	14.1%	32.9%	2.08	2.30	2.49	10.8%	505.6	197.8	40.7	36.1	77.3	669.2
Hub Group (HUBG)	Buy	736.0	103.4	14.0%	91.8	12.5%	87.1	11.8%	34.7%	2.28	1.60	2.15	13.5%	667.5	243.2	287.1	83.9	26.7	1,599.9
Kuehne + Nagel International AG (KNIN-CH)	Hold	6,768.3	1,122.3	16.6%	922.5	13.6%	941.4	13.9%	23.2%	CHF 5.98	CHF 6.16	CHF 6.72	10.0%	2,082.3	1,263.1	33.2	210.7	523.5	7,004.8
Landstar System (LSTR)	Buy	3,488.2	277.3	8.0%	237.7	6.8%	234.1	6.7%	35.1%	3.25	3.68	4.45	12.0%	654.0	614.1	151.3	16.6	134.6	1,263.3
Panalpina Welttransport Holding (PWTN-CH)	Sell	1,352.8	158.2	11.7%	113.9	8.4%	114.4	8.5%	32.6%	CHF 3.17	CHF 2.78	CHF 3.89	15.0%	600.1	507.9	2.0	24.2	(27.1)	1,696.7
Universal Logistics Holdings, Inc. (ULH)	Buy	1,166.7	72.3	6.2%	28.7	2.5%	21.3	1.8%	19.1%	0.85	0.78	1.20	20.0%	146.3	39.3	243.5	65.4	12.7	603.9
XPO Logistics, Inc. (XPO)	NC	14,690.2	807.5	5.5%	554.0	3.8%	298.7	2.0%	35.6%	1.01	1.88	2.50	30.6%	3,249.8	(2,707.6)	4,871.3	521.4	67.4	11,931.9
ZTO Express Inc. (ZTO-US)	NC	1,550.7	471.9	30.4%	426.6	27.5%	450.2	29.0%	31.3%	0.44	NE	NE	NE	2,925.9	2,925.9	101.6	404.0	30.6	3,459.4
	Min	736.0	(172.8)	(7.2%)	(222.3)	(9.2%)	(216.7)	(9.0%)	(295.4%)	(17.31)	(4.01)	0.61	9.5%	146.3	(2,707.6)	0.0	(7.3)	(31.4)	603.9
	Mean	3,257.3	425.2	15.9%	347.3	13.2%	315.4	12.6%	2.7%	1.69	3.32	4.25	16.2%	1,326.4	394.5	666.3	120.9	158.5	3,348.6
	Median	2,239.0	277.3	14.0%	237.7	12.5%	234.1	11.8%	32.6%	2.28	2.36	2.55	14.3%	667.5	243.2	151.3	65.4	67.4	1,696.7
	Max	14,690.2	1,122.3	37.0%	922.5	33.0%	941.4	31.6%	37.3%	13.39	18.20	19.58	30.6%	3,249.8	2,925.9	4,871.3	521.4	573.2	11,931.9
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9

TTM = "Trailing Twelve Months"; Excludes non-recurring items

(a) Stifel estimates for those rated and First Call mean estimates for unrated securities; (b) First Call mean 3-5 year growth estimates; (c) Capital Expenditures, net of sales; (d) Free Cash Flow=Cash Flow from Operating Activities - Capital Expenditures, net of sales

Source: Company data, First Call, and Stifel estimates

Appendix

Global Integrators & Forwarding/Logistics Comparative Valuation Matrix



STIFEL

Equity Comps - Transportation

Debt Ratios

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Debt Rating S&P	Balance sheet debt						Total debt (including leases)						TTM EBITDA/ TTM Interest	TTM EBIT/ TTM Interest
			Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.	Total debt/ TTM EBITDAR	Net debt/ TTM EBITDAR	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.		
Global Integrators																
Deutsche Post DHL (DPW-DE)	Hold	BBB+	0.9x	0.7x	1.3x	1.3x	33.0%	8.9%	1.5x	1.3x	2.8x	2.7x	51.3%	17.4%	12.3x	8.7x
FedEx Corp. (FDX)	Hold	BBB	1.8x	1.4x	4.4x	2.9x	47.7%	18.5%	2.8x	2.4x	8.5x	5.6x	63.8%	30.5%	17.2x	10.9x
United Parcel Service (UPS)	Hold	A+	1.7x	1.3x	3.1x	2.2x	92.2%	14.9%	1.7x	1.3x	3.2x	2.2x	92.3%	15.2%	25.4x	20.0x
	Min		0.4x	0.7x	0.9x	0.9x	7.0%	3.7%	1.5x	0.6x	2.8x	2.2x	32.5%	15.2%	-6.1x	-2.5x
	Mean		1.2x	1.1x	2.4x	1.8x	45.0%	11.5%	1.9x	1.4x	5.0x	4.0x	60.0%	20.6%	12.2x	9.3x
	Median		1.3x	1.3x	2.2x	1.7x	40.3%	11.9%	1.6x	1.3x	4.3x	4.2x	57.6%	18.5%	14.7x	9.8x
	Max		1.8x	1.4x	4.4x	2.9x	92.2%	18.5%	2.8x	2.4x	8.5x	5.6x	92.3%	30.5%	25.4x	20.0x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x
Non-Asset-Based Forwarding / Logistics																
BEST Inc. (BSTI)	Buy	NA	-0.8x	NM	-0.6x	-0.6x	17.6%	3.5%	-5.7x	-3.9x	-2.2x	-2.1x	43.2%	11.4%	NM	NM
C.H. Robinson Worldwide (CHRW)	Hold	NA	1.7x	1.4x	1.9x	1.9x	52.0%	10.4%	1.8x	1.4x	2.0x	2.1x	53.8%	11.1%	26.3x	23.5x
DSV A/S (DSV-DK)	Hold	NA	1.3x	1.1x	1.3x	1.5x	34.7%	7.1%	0.7x	0.7x	10.3x	12.1x	81.3%	38.4%	18.6x	15.9x
Echo Global Logistics (ECHO)	Buy	NA	4.7x	4.2x	10.5x	7.9x	37.9%	21.1%	5.1x	4.7x	13.1x	9.9x	43.2%	25.0%	6.6x	3.9x
Expeditors International (EXPD)	Hold	NA	0.0x	NM	0.0x	0.0x	0.0%	0.0%	0.2x	NM	0.3x	0.3x	8.6%	1.5%	NM	NM
Forward Air Corp. (FWRD)	Hold	NA	0.2x	0.1x	0.3x	0.3x	7.4%	2.3%	0.5x	0.4x	0.7x	0.7x	17.0%	5.7%	NM	NM
Hub Group (HUBG)	Buy	NA	2.8x	2.6x	14.8x	3.1x	30.1%	15.6%	1.7x	1.5x	9.6x	2.0x	21.9%	10.8%	19.0x	16.9x
Kuehne + Nagel International AG (KNIN-CH)	Hold	NA	0.0x	NM	0.0x	0.0x	1.6%	0.2%	0.0x	NM	0.0x	0.0x	0.0%	0.0%	NM	NM
Landstar System (LSTR)	Buy	NA	0.5x	NM	0.6x	0.6x	18.8%	3.3%	0.6x	NM	0.6x	0.7x	19.1%	3.4%	NM	NM
Panalpina Welttransport Holding (PWTN-CH)	Sell	NA	0.0x	NM	0.0x	0.0x	0.3%	0.1%	0.0x	NM	0.0x	0.0x	0.0%	0.0%	NM	NM
Universal Logistics Holdings, Inc. (ULH)	Buy	NA	3.4x	3.3x	NM	8.5x	62.5%	26.5%	3.4x	3.3x	NM	10.9x	68.1%	31.6%	7.9x	3.1x
XPO Logistics, Inc. (XPO)	NC	B	6.0x	5.7x	17.0x	8.8x	60.0%	30.0%	5.0x	4.8x	23.5x	12.1x	67.4%	37.1%	2.5x	1.7x
ZTO Express Inc. (ZTO-US)	NC	NA	0.2x	NM	1.5x	0.2x	3.4%	0.9%	1.8x	NM	16.1x	2.6x	27.2%	9.1%	NM	NM
	Min		-0.8x	0.1x	-0.6x	-0.6x	0.0%	0.0%	-5.7x	-3.9x	-2.2x	-2.1x	0.0%	0.0%	2.5x	1.7x
	Mean		1.5x	2.6x	3.9x	2.5x	25.1%	9.3%	1.2x	1.6x	6.2x	3.9x	34.7%	14.2%	13.5x	10.8x
	Median		0.5x	2.6x	0.9x	0.6x	18.8%	3.5%	0.7x	1.5x	1.3x	2.0x	27.2%	10.8%	13.2x	9.9x
	Max		6.0x	5.7x	17.0x	8.8x	62.5%	30.0%	5.1x	4.8x	23.5x	12.1x	81.3%	38.4%	26.3x	23.5x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x

Capitalization of off-balance sheet leases utilizes S&P methodology

Source: Company data, Bloomberg, and Stifel estimates

Appendix

Domestic Marine & Passenger Transport Comparative Valuation Matrix



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Closing		Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of				Enterprise value as a multiple of					ROA	ROE	ROIC	PEG ratio ^(d)	Div. Yield	2018E FCF Yld			
		Price 12/12/2017	Diluted S/O					Earnings per Share			Book value	TTM Revenue	2018E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)	TTM EBIT							TTM	TTM	TTM
								2016A ^(b)	2017E ^(b)	2018E ^(b)															
Domestic Marine																									
Kirby Corp. (KEX)	Hold	63.75	54.8	3,493.7	1,033.4	4.8	4,553.7	24.3x	31.6x	24.5x	1.2x	2.3x	9.2x	11.1x	8.3x	21.8x	2.4%	4.4%	3.6%	3.2	0.0%	0.5%			
Rand Logistics Inc. (RLOG)	NC	0.22	18.6	4.0	236.1	2.0	238.1	NE	NE	NE	0.3x	2.2x	NE	8.6x	8.2x	NM	(8.9%)	NM	(3.6%)	NE	0.0%	NE			
	Min			4.0	236.1	2.0	238.1	24.3x	31.6x	24.5x	0.3x	2.2x	9.2x	8.6x	8.2x	21.8x	(8.9%)	4.4%	(3.6%)	3.2	0.0%	0.5%			
	Mean			1,748.9	634.8	3.4	2,395.9	24.3x	31.6x	24.5x	0.7x	2.3x	9.2x	9.9x	8.3x	21.8x	(3.2%)	4.4%	0.0%	3.2	0.0%	0.5%			
	Max			3,493.7	1,033.4	4.8	4,553.7	24.3x	31.6x	24.5x	1.2x	2.3x	9.2x	11.1x	8.3x	21.8x	2.4%	4.4%	3.6%	3.2	0.0%	0.5%			
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%			
Passenger Transportation																									
Student Transportation Inc. (STB)	Buy	5.99	112.1	671.6	367.2	5.0	1,033.8	NM	NM	NM	6.3x	1.6x	NM	12.7x	7.2x	NM	1.7%	8.8%	4.3%	NM	7.3%	4.1%			
Stifel Transportation Average				12,272.8	2,384.2	459.7	14,344.2	25.8x	23.5x	20.8x	3.8x	2.3x	9.9x	11.5x	11.2x	17.4x	4.4%	18.0%	12.8%	2.0	1.0%	5.0%			

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest; (b) Stifel estimates for those rated and First Call mean estimates for unrated securities; (c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation ; (d) 2017E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items; Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

Appendix

Domestic Marine & Passenger Transport Comparative Valuation Matrix



Equity Comps - Transportation

Financial Statistics Matrix

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	TTM	EBITDA		EBIT		PBT		Effective tax rate	CYEPS			Growth Rate ^(b)	Total Equity	Tangible Equity	Total Debt	TTM CapEx ^(c)	TTM FCF ^(d)	Total Assets
		Revenue	TTM	% margin	TTM	% margin	TTM	% margin		2016A ^{(a),(f)}	2017E ^{(a),(f)}	2018E ^{(a),(f)}							
Domestic Marine																			
Kirby Corp. (KEX)	Hold	1,942.0	408.9	21.1%	208.8	10.8%	183.2	9.4%	37.6%	2.62	2.02	2.60	10.0%	2,872.7	1,953.4	1,033.4	195.2	141.8	5,200.4
Rand Logistics Inc. (RLOG)	NC	107.2	27.8	25.9%	1.7	1.6%	(23.6)	(22.0%)	NM	NE	NE	NE	10.0%	15.3	0.6	236.1	21.5	(29.7)	275.7
	Min	107.2	27.8	21.1%	1.7	1.6%	(23.6)	(22.0%)	37.6%	2.62	2.02	2.60	10.0%	15.3	0.6	236.1	21.5	(29.7)	275.7
	Mean	1,024.6	218.4	23.5%	105.3	6.2%	79.8	(6.3%)	37.6%	2.62	2.02	2.60	10.0%	1,444.0	977.0	634.8	108.4	56.1	2,738.1
	Max	1,942.0	408.9	25.9%	208.8	10.8%	183.2	9.4%	37.6%	2.62	2.02	2.60	10.0%	2,872.7	1,953.4	1,033.4	195.2	141.8	5,200.4
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9
Passenger Transportation																			
Student Transportation Inc. (STB)	Buy	642.6	81.6	12.7%	31.7	4.9%	17.7	2.8%	42.6%	0.04	0.10	0.11	5.0%	106.2	(97.8)	367.2	46.5	15.5	597.0
Stifel Transportation Average		6,893.1	1,199.2	17.8%	869.7	12.2%	782.0	8.9%	23.4%	2.49	3.01	3.68	12.5%	2,524.3	1,583.5	2,351.3	455.2	364.8	7,804.9

TTM = "Trailing Twelve Months"; Excludes non-recurring items

(a) Stifel estimates for those rated and First Call mean estimates for unrated securities; (b) First Call mean 3-5 year growth estimates; (c) Capital Expenditures, net of sales; (d) Free Cash Flow=Cash Flow from Operating Activities - Capital Expenditures, net of sales

Source: Company data, First Call, and Stifel estimates

Appendix

Domestic Marine & Passenger Transport Comparative Valuation Matrix



STIFEL

Equity Comps - Transportation

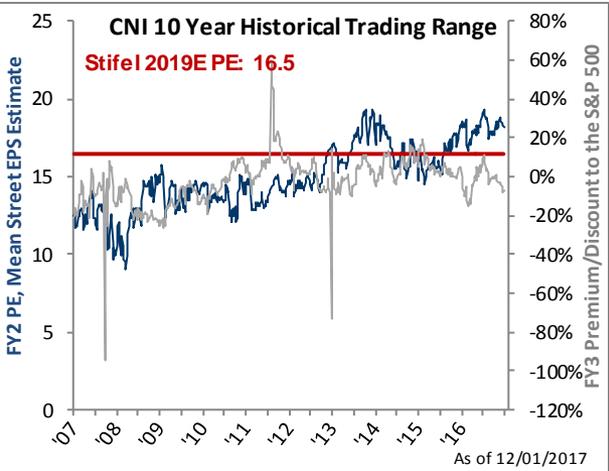
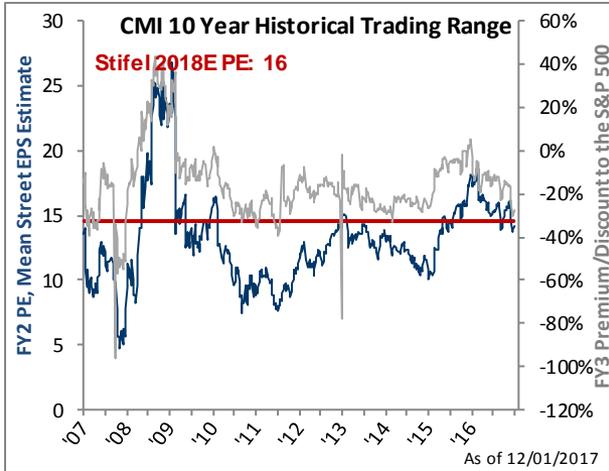
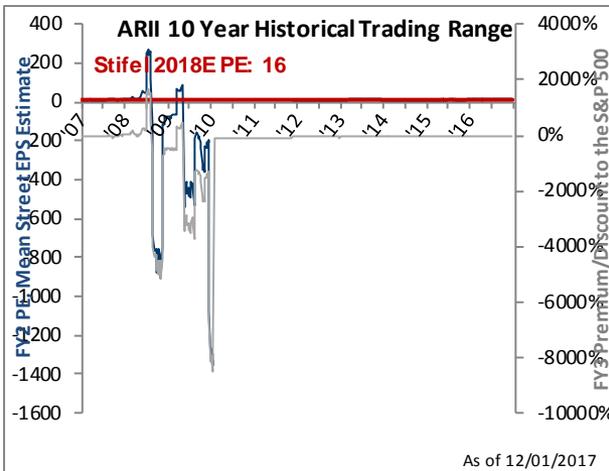
Debt Ratios

(figures in \$US millions, except per share amounts and where otherwise noted)

Company name (Ticker)	Rating	Debt Rating S&P	Balance sheet debt					Total debt (including leases)					TTM EBITDA/ TTM Interest	TTM EBIT/ TTM Interest		
			Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT	Total debt/ Total book cap.	Total debt/ Total mkt cap.	Total debt/ TTM EBITDA	Net debt/ TTM EBITDA	Total debt/ (EBITDA-CapEx)	Total debt/ TTM EBIT			Total debt/ Total book cap.	Total debt/ Total mkt cap.
Domestic Marine																
Kirby Corp. (KEX)	Hold	A-	2.5x	2.5x	4.8x	4.9x	26.5%	22.8%	1.6x	1.5x	3.8x	3.9x	22.0%	18.9%	21.8x	11.1x
Rand Logistics Inc. (RLOG)	NC	NR	8.5x	8.4x	NM	139.3x	93.9%	98.3%	8.2x	8.1x	NM	NM	93.8%	98.3%	1.1x	0.1x
	Min		2.5x	2.5x	4.8x	4.9x	26.5%	22.8%	1.6x	1.5x	3.8x	3.9x	22.0%	18.9%	1.1x	0.1x
	Mean		5.5x	5.5x	4.8x	72.1x	60.2%	60.6%	4.9x	4.8x	3.8x	3.9x	57.9%	58.6%	11.4x	5.6x
	Max		8.5x	8.4x	4.8x	139.3x	93.9%	98.3%	8.2x	8.1x	3.8x	3.9x	93.8%	98.3%	21.8x	11.1x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x
Passenger Transportation																
Student Transportation Inc. (STB)	Buy	NA	4.5x	4.4x	10.4x	11.6x	77.6%	100.0%	3.5x	3.4x	12.6x	14.0x	80.7%	100.0%	4.9x	1.9x
Stifel Transportation Average			2.2x	2.4x	4.1x	5.8x	43.5%	23.9%	2.8x	3.8x	5.5x	5.8x	45.7%	30.5%	13.1x	8.1x

Appendix

Historical FY2 Price/Earnings

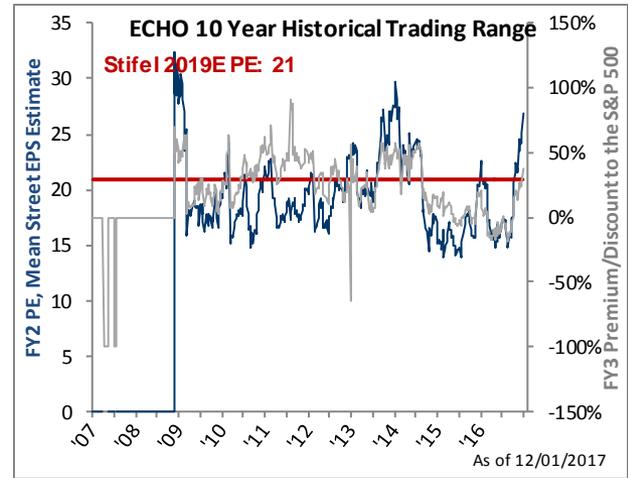
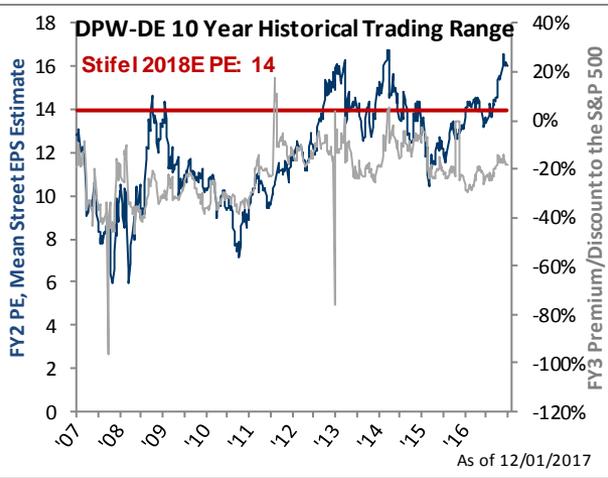
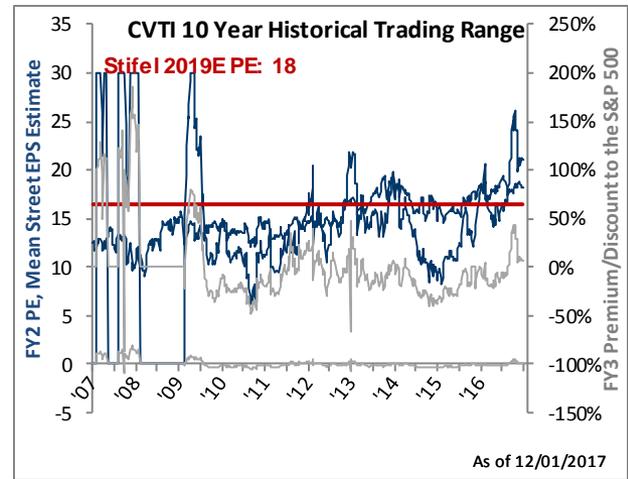


All FactSet Historical Data Current Through December 2017, All Target P/E Multiples Current to Date; outliers excluded for multiple tickers

Source: FactSet Research Systems Inc.

Appendix

Historical FY2 Price/Earnings

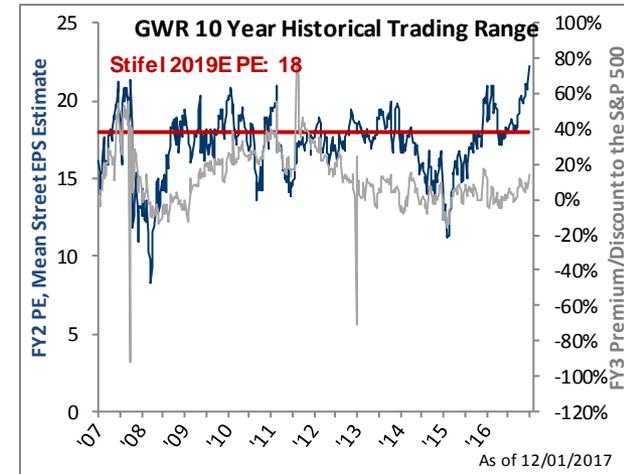
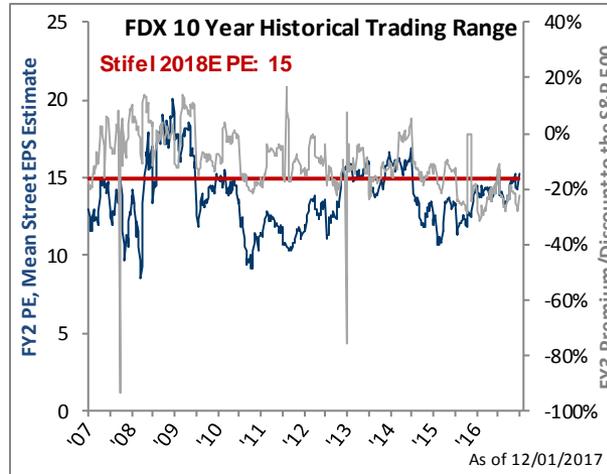


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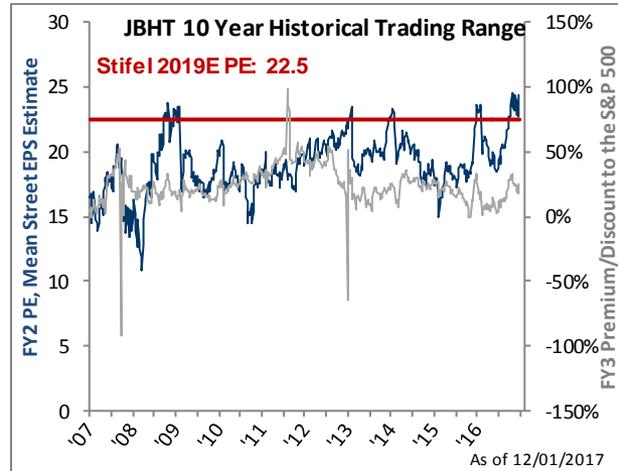


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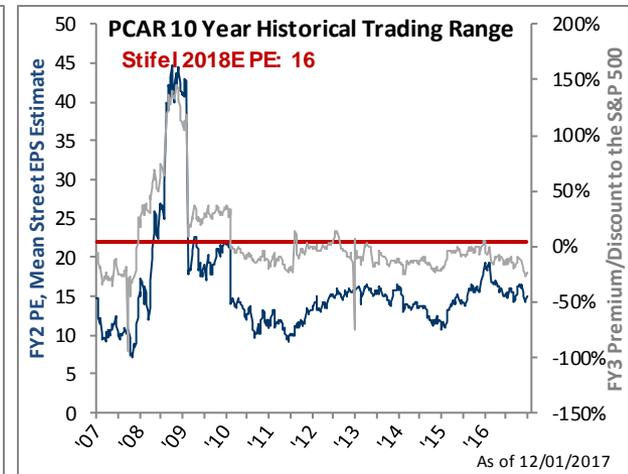
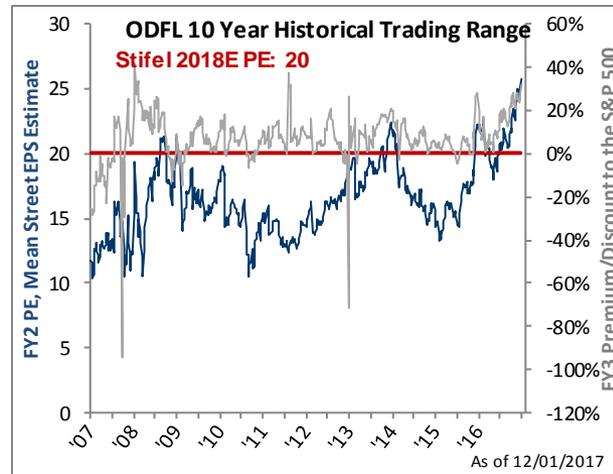
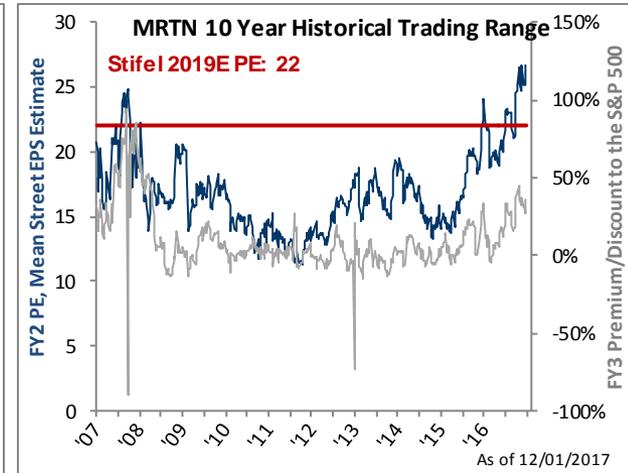
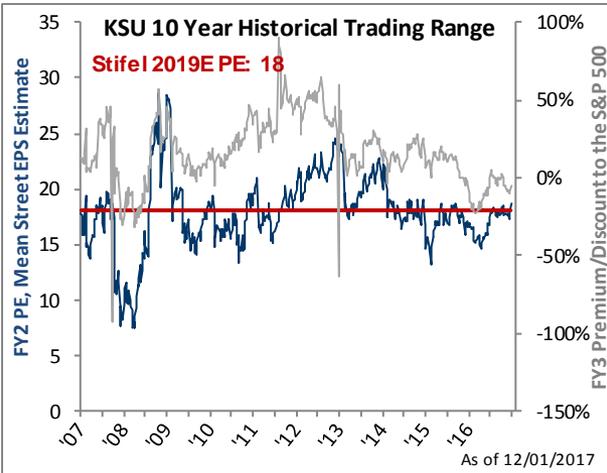


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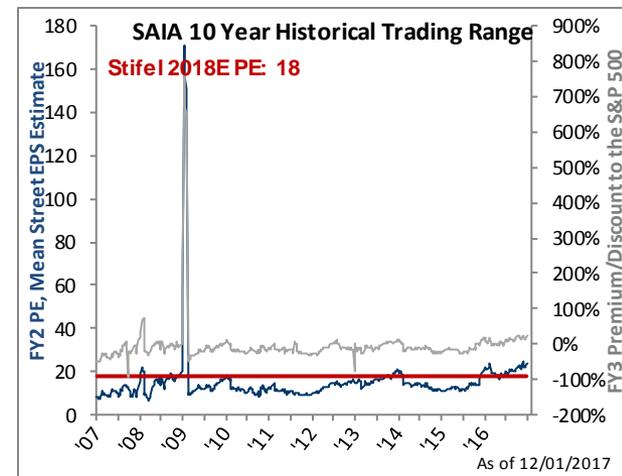
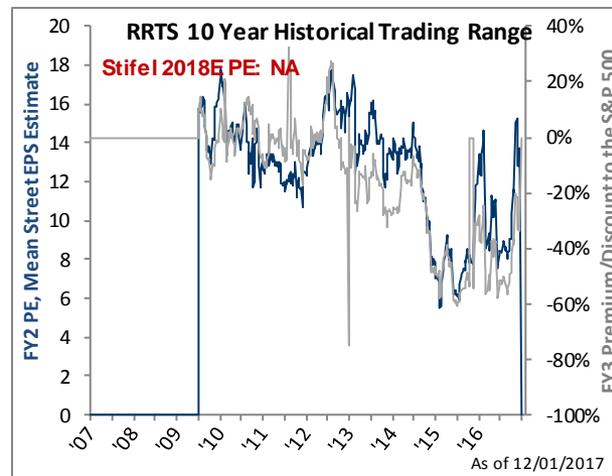
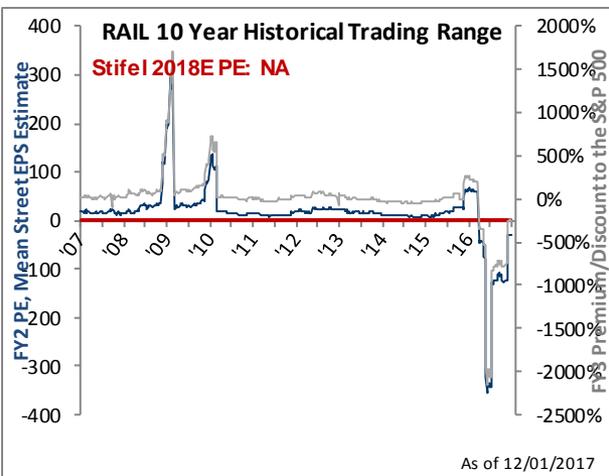
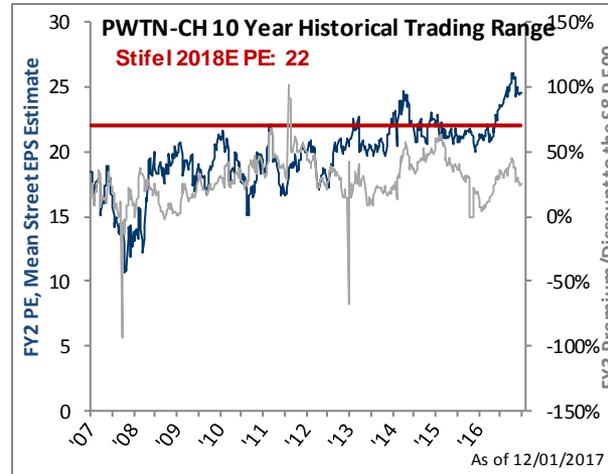
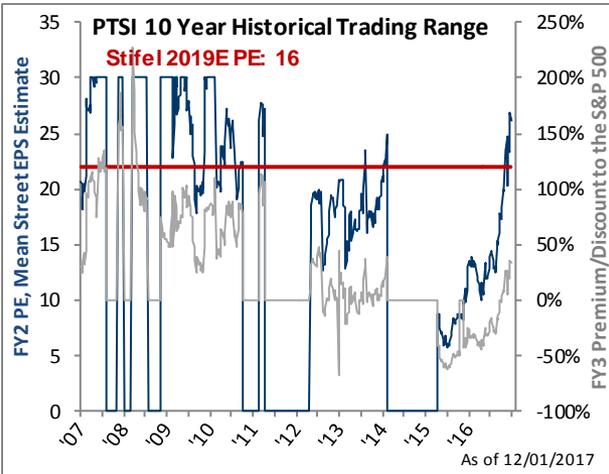


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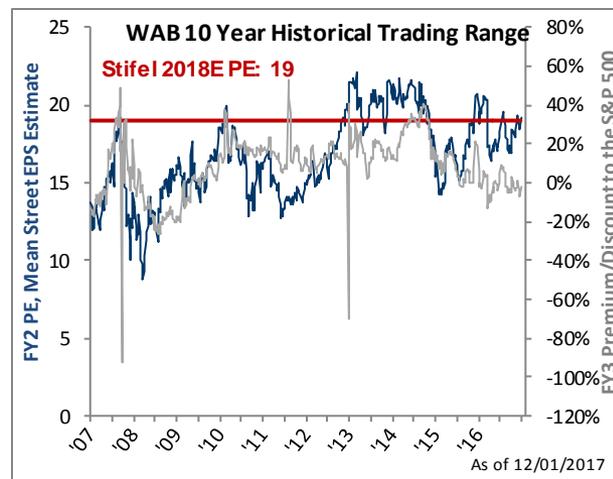
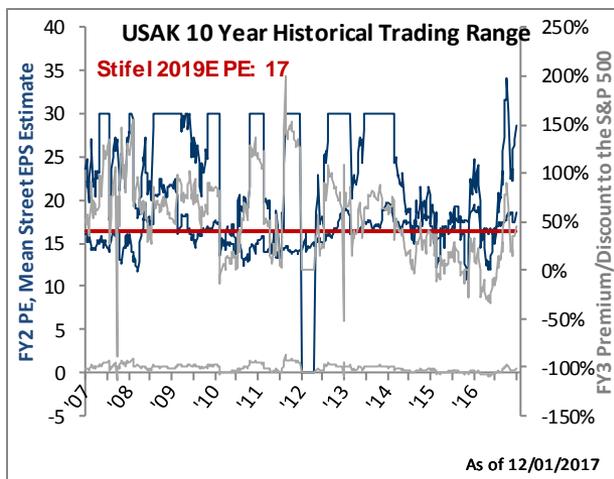
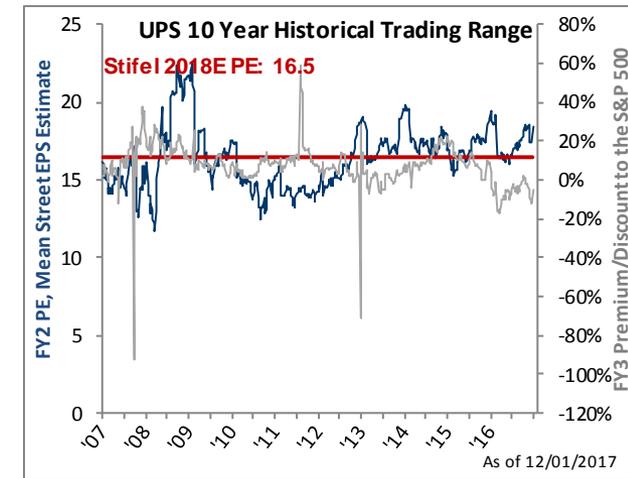
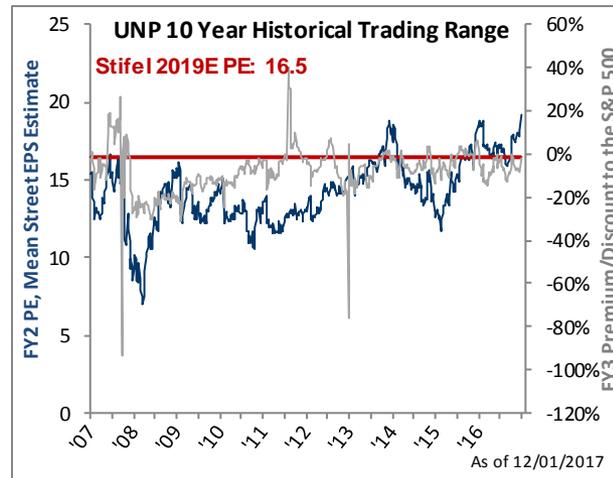


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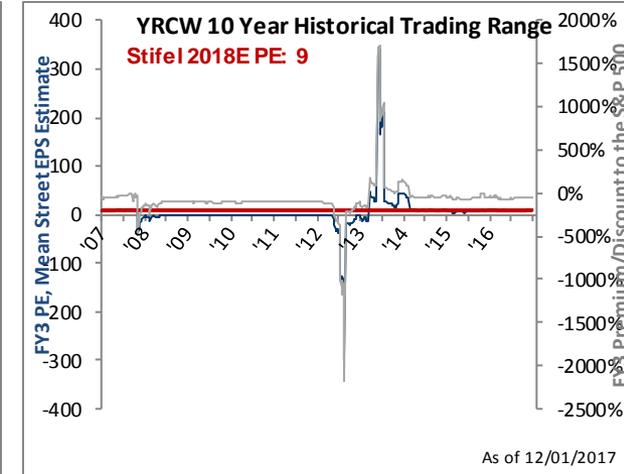
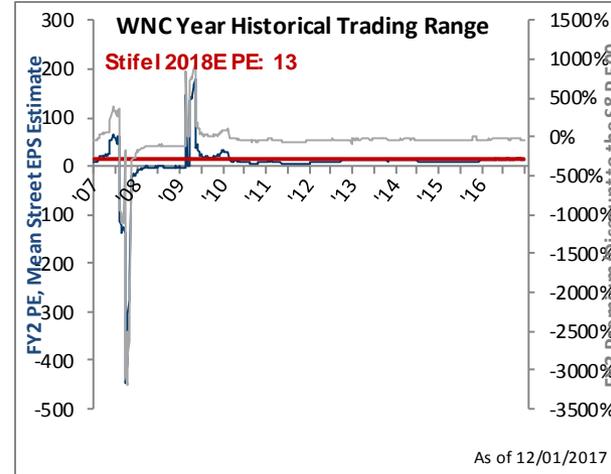


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Source: FactSet Research Systems Inc.

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Source: FactSet Research Systems Inc.

Appendix

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