



## INDUSTRY OVERVIEW

- ▶ While the Location-Based Logistics industry has been in high demand due to the expanding US economy and favorable consumer spending, the macro effect of tariffs on Chinese imports remains an unknown for the industry and will potentially weigh on inventory and supply-chain costs. In an attempt to mitigate price increases from anticipated tariffs, operators have stocked up on inventory. This has contributed to the scarcity of warehouse availability, which dipped for the 35<sup>th</sup> consecutive quarter in Q1 and remains at its lowest level since 2000, according to CBRE Group, Inc.<sup>1</sup> Amid the space shortage, 29% of Location-Based Logistics mergers and acquisitions (M&A) have been of warehouse facilities.
- ▶ In April, Amazon.com (NASDAQ:AMZN) acquired autonomous cart company Canvas Technology for an undisclosed sum. The deal builds on Amazon's acquisition of robotics company Kiva Systems (March 2012, \$775 million) and augments its automated fulfillment centers. The global warehouse robotics sector is projected to grow 12% annually to reach \$9.5 billion by 2027, according to Transparency Market Research.<sup>2</sup>

## BUYER BREAKDOWN

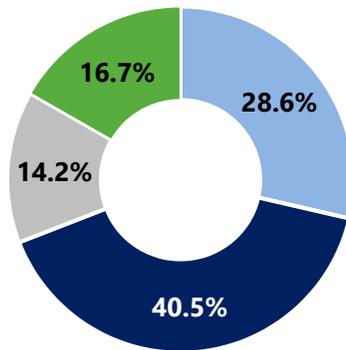
- ▶ Private companies have been the most active buyers driving 40.5% of M&A activity year-to-date (YTD) and 43.2% of activity in all 2018.
- ▶ Through mid-June, 42 transactions have been announced or closed in the Location-Based Logistics industry.

### STRATEGIC

- Public
- Private

### FINANCIAL

- Direct
- Add-on



Year-to-date (YTD) ended June 17  
 Source: Capital IQ, Pitchbook, and Capstone Headwaters Research

## NOTABLE TRANSACTIONS

- ▶ **Blackstone Real Estate to acquire Assets from Global Logistics Properties (June 2019, \$18.7 Billion)** – Blackstone has agreed to acquire 179 million square feet of urban, logistics assets from Global Logistics Properties (GLP), the second largest owner of logistics real estate in the US. The transaction is projected to close for \$18.7 billion and will nearly double Blackstone's US industrial footprint. "Logistics is our highest conviction global investment theme today and we look forward to building on our existing portfolio to meet the growing e-commerce demand," Ken Caplan, Global Co-Head of Blackstone Real Estate said in a press release.<sup>3</sup>
- ▶ **Fort Point Capital acquires Advantage Media Services, Inc. (May 2019, Undisclosed)** – Boston-based Fort Point Capital has acquired Advantage Media Services (AMS), a provider of third-party warehouse management, order management, and omnichannel fulfillment services. Terms of the deal were not disclosed. Based in Valencia, California, the company offers complex fulfillment services to consumer products companies and specializes in e-commerce fulfillment. Following the acquisition, the founders will retain a minority stake and maintain management roles.

## CAPSTONE HEADWATERS CASE STUDY

### ABOUT THE DEAL

Capstone Headwaters advised Global Transport Logistics Inc. ("GTLI") and Am Trans Expedite Inc. ("Am Trans") on their merger, funded by Hudson Hill Capital, to form Fusion Transport LLC ("Fusion"), a newly established logistics holding company. Terms of the deal are confidential. GTLI operates one of the highest performing retail vendor consolidation services in the industry with dedicated warehouses in New Jersey, Texas, and California. Am Trans –

based in Illinois – features a unique combination of proprietary network capacity and high-touch brokerage services which allows it to move challenging cargo (hot shot, expedited and oversize/overweight) in even the most capacity-constrained times, without the routine tender rejections that often plague the industry. The transaction creates an evolutionary national logistics network, focused on retail consolidation, less-than-truckload ("LTL") shipping, and multimodal transportation brokerage. The management teams of GTLI and Am Trans retained significant equity in the company and will continue in leadership roles.



## ACTIVE BUYER PROFILE

Americold Realty Trust (NYSE:COLD) operates 179 temperature-controlled warehouses in the US, Australia, New Zealand, Argentina, and Canada. During the twelve months to March 31, Americold generated \$1.6 billion in revenue with 74% driven by warehousing, 16% from third-party management, and 10% from transportation, according to its Summer 2019 Investor Presentation.<sup>4</sup> Following a \$600 million private placement in December, Americold made three acquisitions in 2019. The deals will enhance the company's integrated warehouse network, expand its relationships with customers, create opportunities for synergies, and strengthen its position as the leading global owner of temperature-controlled warehouses.

Date	Target	Target Description	EV (mm)	EV / LTM	
				R	EBITDA
05/01	Lanier Cold Storage, LLC	Includes two temperature-controlled facilities near major highways and railways in Lula and Gainesville, GA.	\$82.4	-	13.7x
04/16	Cloverleaf Cold Storage	Operates as the fifth largest temperature-controlled warehouse company in the US with 22 facilities in nine states.	\$1,241.5	7.5x	33.0x
01/31	PortFresh Holdings, LLC	Operates a temperature-controlled facility through the Port of Savannah, GA (the fourth largest port in the US).	\$35.9	-	-



## BUILT FOR THE MIDDLE MARKET



### CITATIONS

1. CBRE "US Industrial & Logistics Availability Rate Registers Slight Decline in First Quarter," <https://www.cbre.us/about/media-center/us-industrial-logistics-availability-rate-registers-slight-decline-in-first-quarter>, accessed June 21, 2019.
2. Transparency Market Research, "Warehouse Robotics Market to Grow at 12% CAGR as Industrial Automation Gains Pace," <https://www.transparencymarketresearch.com/pressrelease/warehouse-robotics-market.htm>, accessed June 21, 2019.
3. Blackstone, "Blackstone to Buy U.S. Logistics Assets from GLP for \$18.7 Billion," [https://www.blackstone.com/media/press-releases/article/blackstone-to-buy-u.s.-logistics-assets-from-glp-for-\\$18.7-billion](https://www.blackstone.com/media/press-releases/article/blackstone-to-buy-u.s.-logistics-assets-from-glp-for-$18.7-billion), accessed June 24, 2019.
4. Americold, "Investor Presentation Summer 2019," [https://s1.q4cdn.com/484064831/files/doc\\_presentations/2019/06/COLD-Investor-Presentation-Summer-2019-vFinal.pdf](https://s1.q4cdn.com/484064831/files/doc_presentations/2019/06/COLD-Investor-Presentation-Summer-2019-vFinal.pdf), accessed June 20, 2019.

**Disclosure:** This report is a periodic compilation of certain economic and corporate information, as well as completed and announced merger and acquisition activity. Information contained in this report should not be construed as a recommendation to sell or buy any security. Any reference to or omission of any reference to any company in this report should not be construed as a recommendation to buy, sell or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this report. The report is published solely for the general information of clients and friends of Capstone Headwaters. It does not take into account the particular investment objectives, financial situation or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known and unknown risks and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this report. Opinions expressed are our present opinions only and are subject to change without notice. Additional information is available upon request. The companies mentioned in this report may be clients of Capstone Headwaters. The decisions to include any company in this report is unrelated in all respects to any service that Capstone Headwaters may provide to such company. This report may not be copied or reproduced in any form, or redistributed without the prior written consent of Capstone Headwaters. The information contained herein should not be construed as legal advice.