



Seale & Associates

FLEET LEASING INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

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Introduction

We are pleased to share our Fleet Leasing Industry Multiples Valuation Update for Q3 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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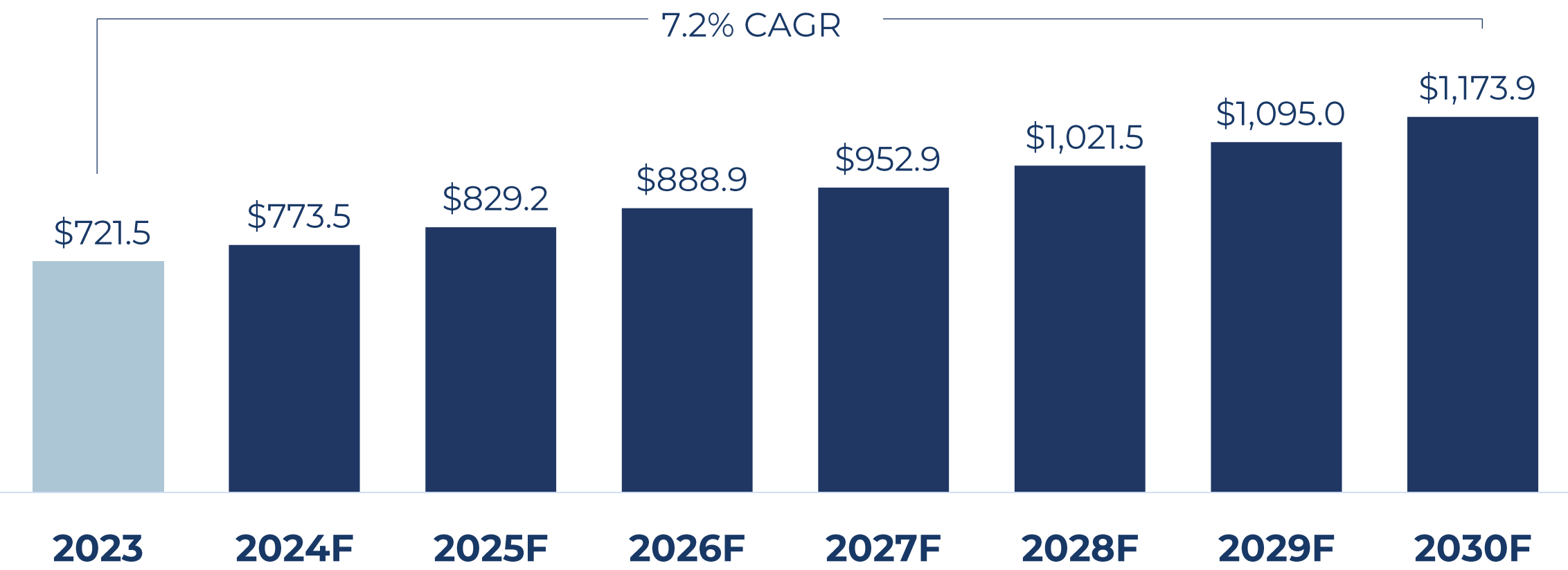
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Fleet Leasing’s Industry Overview, M&A Trends and Market Intelligence

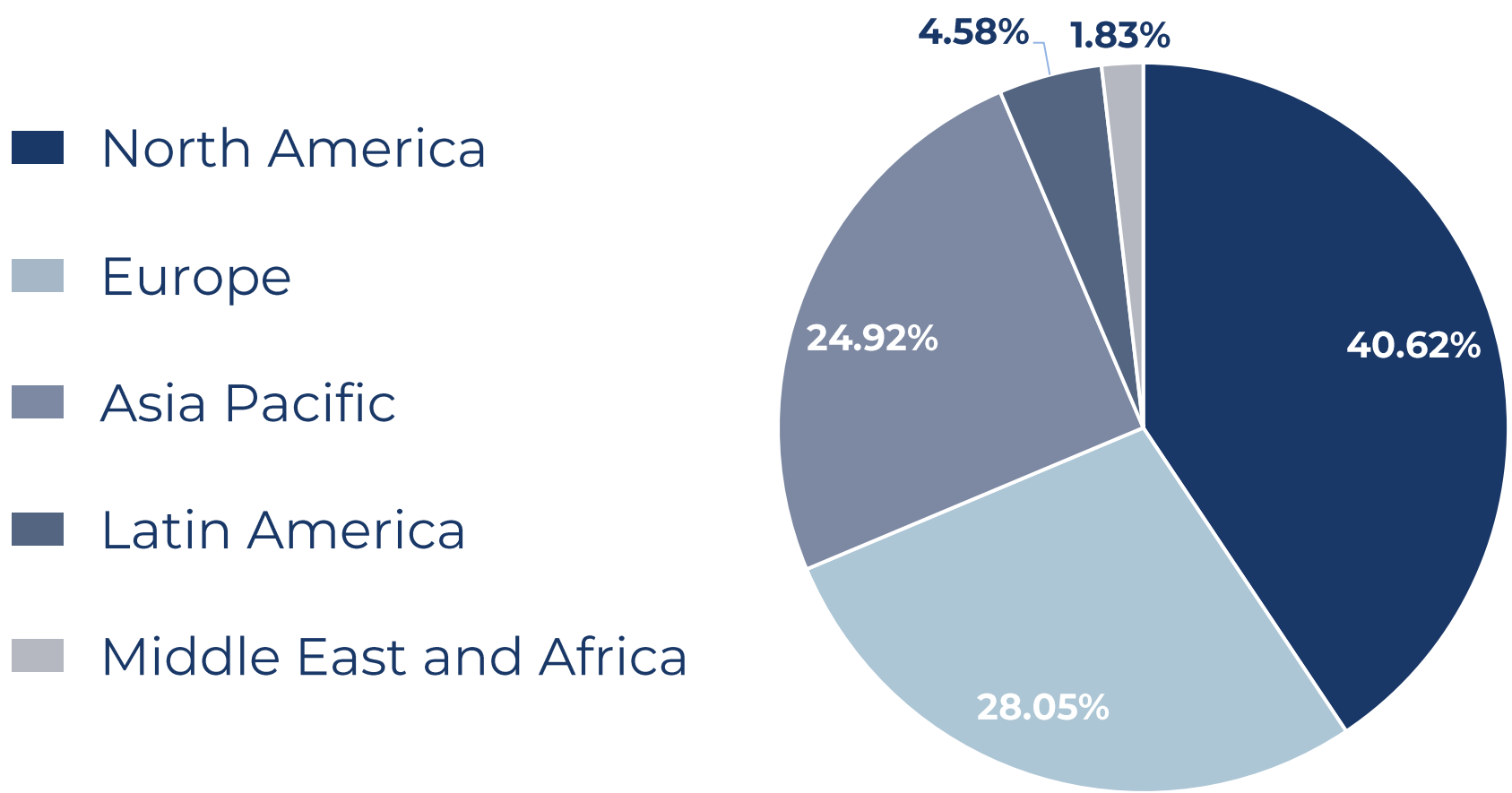
Fleet Leasing’s Industry Overview

- **Advancements in vehicle technology**, including **electric vehicles (EVs)**, connected features, and **ADAS**, Automated Driver Assistance System, are fueling growth in the leasing market. Consumers prefer leasing newer models equipped with the latest tech, which may be financially out of reach through ownership. **M&A activity** is focusing on acquiring **tech companies** to integrate these advanced features into leasing portfolios
- The growing focus on **sustainable transportation** is driving demand for **leased electric and hybrid vehicles**, prompting companies to acquire those with **EV infrastructure**. **Government incentives** and heightened **environmental awareness** are accelerating this shift, with both businesses and consumers increasingly opting for **eco-friendly leasing solutions**
- **Business fleet management**, from SMEs to large corporations, is driving leasing demand due to its **cost efficiency** and services like **fleet management**, maintenance, and **tax benefits**. Leasing companies are **consolidating** to expand service offerings and reduce operational costs through **economies of scale**
- **Digital bookings** are on the rise, with **78.0% of car rental bookings** expected to be made online by 2030. Of these, **62.0% will be directly through operators**, highlighting the shift to digital. Companies are focusing on enhancing their platforms, with **M&A deals** targeting **digital and tech companies** to improve customer experiences as consumers can now research, compare, and lease vehicles online
- The rise of **urbanization** and **Mobility-as-a-Service (MaaS)** platforms is increasing demand for **leased vehicles** in cities where car ownership is less practical. Leasing aligns with **shared mobility trends**, and companies are **acquiring MaaS providers** to capitalize on this growing sector
- Lastly, **economic downturns** present an opportunity for fleet leasing companies to offer **flexible, cost-effective solutions** as businesses seek to reduce capital expenditures. **Tighter credit markets** may drive more companies toward leasing rather than purchasing

Global Car Leasing Market Revenue (US\$B)










Automotive Fleet Leasing Market Share By Region 2023










Source: Yahoo Finance, Capital IQ, Towards Automotive Report and Other Industry Reports








Vehicle Rental - Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Alquiber Quality, S.A.		ESP	\$54	\$264	\$141	56.7%	3.9x	3.7x	3.3x	1.9x
Avis Budget Group, Inc.		USA	\$3,124	\$30,217	\$11,927	30.5%	6.5x	5.7x	8.3x	2.5x
Zigup Plc		GBR	\$1,151	\$2,145	\$2,457	24.2%	4.2x	3.8x	3.6x	0.9x
Inchcape plc		GBR	\$4,324	\$7,573	\$15,560	7.2%	9.4x	9.6x	6.8x	0.5x
Hertz Global Holdings, Inc.		USA	\$1,011	\$19,915	\$9,320	4.3%	6.2x	7.8x	49.4x	2.1x
Localiza Rent a Car S.A.		BRA	\$7,997	\$14,237	\$6,054	17.5%	16.8x	17.4x	13.5x	2.4x
Sixt SE		DEU	\$3,189	\$8,240	\$4,403	17.8%	10.3x	9.8x	10.5x	1.9x
■ Excluded from mean and median						Mean	6.7x	6.7x	7.7x	1.7x
						Median	6.5x	7.8x	8.3x	1.9x

Leasing - Global Comparable Public Companies (1/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/ EBITDA		EV/ Revenue
						2022	2023			
Air Transport Services Group, Inc.	 USA	\$1,058	\$2,728	\$2,014	25.3%	5.6x	4.5x	5.4x		1.4x
Ayvens	 FRA	\$5,765	\$44,490	\$26,844	11.2%	15.7x	14.2x	14.8x		1.7x
Cargojet Inc.	 CAN	\$1,652	\$2,170	\$665	23.2%	10.7x	8.7x	14.1x		3.3x
Chorus Aviation Inc.	 CAN	\$424	\$970	\$1,276	27.8%	8.8x	6.2x	2.7x		0.8x
FirstGroup plc	 GBR	\$1,177	\$2,728	\$6,320	15.8%	2.1x	3.6x	2.7x		0.4x
Global Ship Lease, Inc.	 GRC	\$940	\$1,406	\$702	64.8%	6.3x	3.6x	3.1x		2.0x
Mesa Air Group, Inc.	 USA	\$50	\$435	\$479	6.0%	9.3x	7.8x	15.0x		0.9x

Leasing - Global Comparable Public Companies (2/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
NS United Kaiun Kaisha, Ltd.		JPN	\$742	\$1,046	\$1,676	16.6%	4.1x	3.3x	3.8x		0.6x
PT Blue Bird Tbk		IDN	\$324	\$317	\$308	23.4%	7.3x	4.7x	4.4x		1.0x
Ryder System, Inc.		USA	\$6,311	\$14,881	\$12,226	24.3%	3.7x	3.9x	5.0x		1.2x
Touax SCA		FRA	\$36	\$452	\$219	29.2%	6.8x	6.6x	7.1x		2.1x
U-Haul Holding Company		USA	\$14,225	\$19,255	\$5,634	31.5%	6.0x	6.6x	10.9x		3.4x
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.		BRA	\$1,324	\$3,416	\$1,202	44.9%	13.0x	9.2x	6.3x		2.8x
Wisdom Marine Lines Co., Limited (Cayman)		TWN	\$1,793	\$2,915	\$594	50.1%	6.9x	6.4x	9.8x		4.9x
■ Excluded from mean and median						Mean	6.9x	5.8x	6.3x		1.7x
						Median	6.8x	6.3x	5.8x		1.5x

Fleet Leasing – Q3 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24*	Castlelake Aviation Portfolio	IRL	Avolon, Bohai Leasing subsidiary and provider of transportation and construction equipment leasing, announced the acquisition of a 118-aircraft portfolio , from Castlelake, enhancing its asset base			100.0%	\$5,000.0	-	-
Sep-24		NLD	Waterland, private equity firm, acquired a majority stake in HelloRider , provider of bicycle leasing through a well-developed platform, accelerating growth and further developing their platform		-	>50.0%	-	-	-
Sep-24*		NLD	Apollo, private equity firm, announced the acquisition of Beequip , provider of vehicle and construction equipment leasing from NIBC , aiming to meet increasing demand from SMEs and grow the company			100.0%	-	-	-
Sep-24*	Private leasing and fleet management portfolio	DNK	Jyske Finans, provider of car leasing, announced the acquisition of the private leasing and fleet management portfolio , from Opendo, expanding its position in Denmark's car and van leasing market			100.0%	-	-	-
Ago-24*		FIN	Hartwall Capital, venture capital firm, announced the acquisition of an undisclosed stake in Secto Automotive , provider of car leasing, from Sentica Partners, accelerating growth and market presence in Finland			ND	-	-	-

* Anounced transactions pending approval and other closing conditions

ND: Not Disclosed

HERTZ

TARGET
Donlen Corporation

TRANSACTION TYPE
Buy-side Advisory

INDUSTRIES
Vehicle fleet leasing and management services

GEOGRAPHY
Northbrook, IL

SITUATION

Seale & Associates, Inc. announced that it acted as financial advisor to The Hertz Corporation ("Hertz") on the acquisition of Donlen Corporation for US\$947M. This transaction was part of the overall growth strategy of Hertz to provide the most flexible transportation programs for corporate and general consumers.

SEALE & ASSOCIATES’ APPROACH

Seale professionals conducted a comprehensive evaluation of vehicle fleet companies that could potentially align with Hertz's growth strategy. After pre-qualifying each potential target, Seale began negotiations with the companies that best matched Hertz's investment criteria and strategic objectives.

OUTCOME

The process resulted in the purchase of Donlen Corporation by Hertz. Donlen, a leading provider of vehicle fleet leasing and management services.

“The acquisition of Donlen is consistent with the evolution of Hertz's asset-light, technology focused business model”

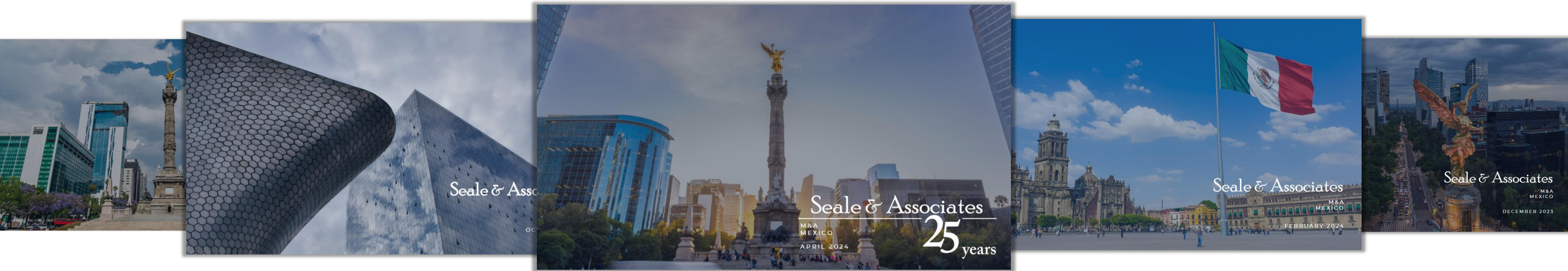


“The acquisition of Donlen is consistent with the evolution of Hertz's asset-light, technology focused business model and is part of the Company's overall growth strategy to provide the most flexible transportation programs for corporate and retail customers. Integrating Donlen into the Hertz family of products gives us a yearly and multi-year offering that complements our current core competencies of hourly, daily and monthly car sharing and car rental options and provides the Company with a more stable revenue stream and new adjacent markets to leverage our existing business model.”

Mark P. Frissora, the Chairman and CEO of Hertz

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<div><p>has been acquired by</p><div><p>HERITAGE DISTRIBUTION HOLDINGS</p></div></div>	<div><div><p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p></div><p>has sold a controlling interest to</p><div></div></div>	<div><div><p>ZN ZINC NACIONAL</p></div><p>has sold</p><div><p>GSDK</p></div><p>Zinc Oxide Corporation a subsidiary of</p><div></div></div>	<div><div><p>Electrolux PROFESSIONAL</p></div><p>has acquired</p><div><p>unified brands a DOVER company</p></div><p>from</p><div></div></div>	<div><div><p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p></div><p>has been acquired by</p><div></div></div>	<div><div><p>Oxbow</p></div><p>Oxbow's Senior Subordinated debt issued by</p><div><p>H.J. BAKER ESTABLISHED 1880</p></div><p>was refinanced by</p><div></div></div>	<div><p>has acquired</p><div></div></div>
<div><div><p>Standex</p></div><p>has sold</p><div><p>Enginetics</p></div><p>to</p><div></div></div>	<div><div><p>ITT</p></div><p>has sold</p><div><p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p></div><p>and</p><div><p>CMC Cleveland Motion Controls</p></div><p>to</p><div></div></div>	<div><div><p>Honeywell</p></div><p>has sold</p><div><p>TENSOR</p></div><p>to</p><div><p>GE Power Systems</p></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><div><p>Triumph Processing - Embee Division</p></div><p>to</p><div></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p><p>to</p><div></div></div>	<div><div><p>Rheem</p></div><p>has acquired</p><div></div></div>	<div><div><p>GRACE</p></div><p>has sold its GRACE Membranes business</p><div></div></div>
<div><div><p>convatec — forever caring —</p></div><p>has sold</p><div><p>SENSI CARE</p></div><p>and</p><div><p>ALOE VESTA™</p></div><p>to</p><div></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>MobileView</p></div><p>to</p><div><p>SAFE FLEET Driving Safety Forward™</p></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p></div><p>to</p><div></div></div>	<div><div><p>LOCKHEED MARTIN</p></div><p>has sold</p><div><p>Commercial Flight Training Business</p></div><p>to</p><div></div></div>	<div><div><p>FLOWSERVE</p></div><p>has sold</p><div><p>D&B</p></div><p>to</p><div></div></div>	<div><div><p>KBR</p></div><p>has acquired</p><div></div></div>	<div><div><p>HARRISON GYPSUM, LLC</p></div><p>has been recapitalized by</p><div></div></div>



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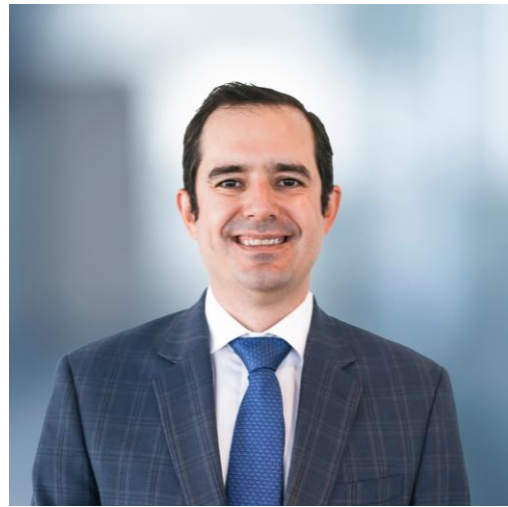


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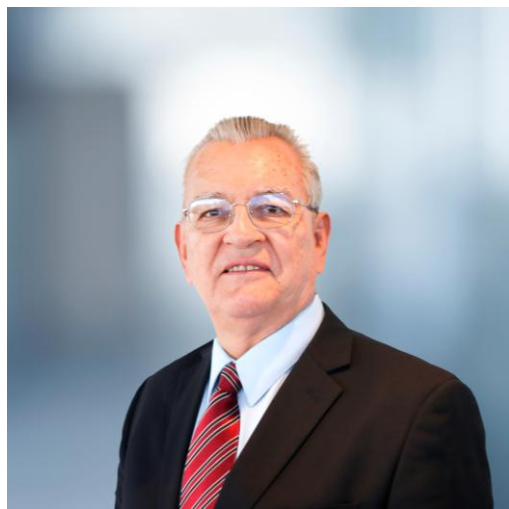


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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

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EXPERIENCE

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