



Seale & Associates

25 years

FLEET LEASING INDUSTRY
Q4 2024
VALUATION UPDATE

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Introduction

We are pleased to share our Fleet Leasing Industry Multiples Valuation Update for Q4 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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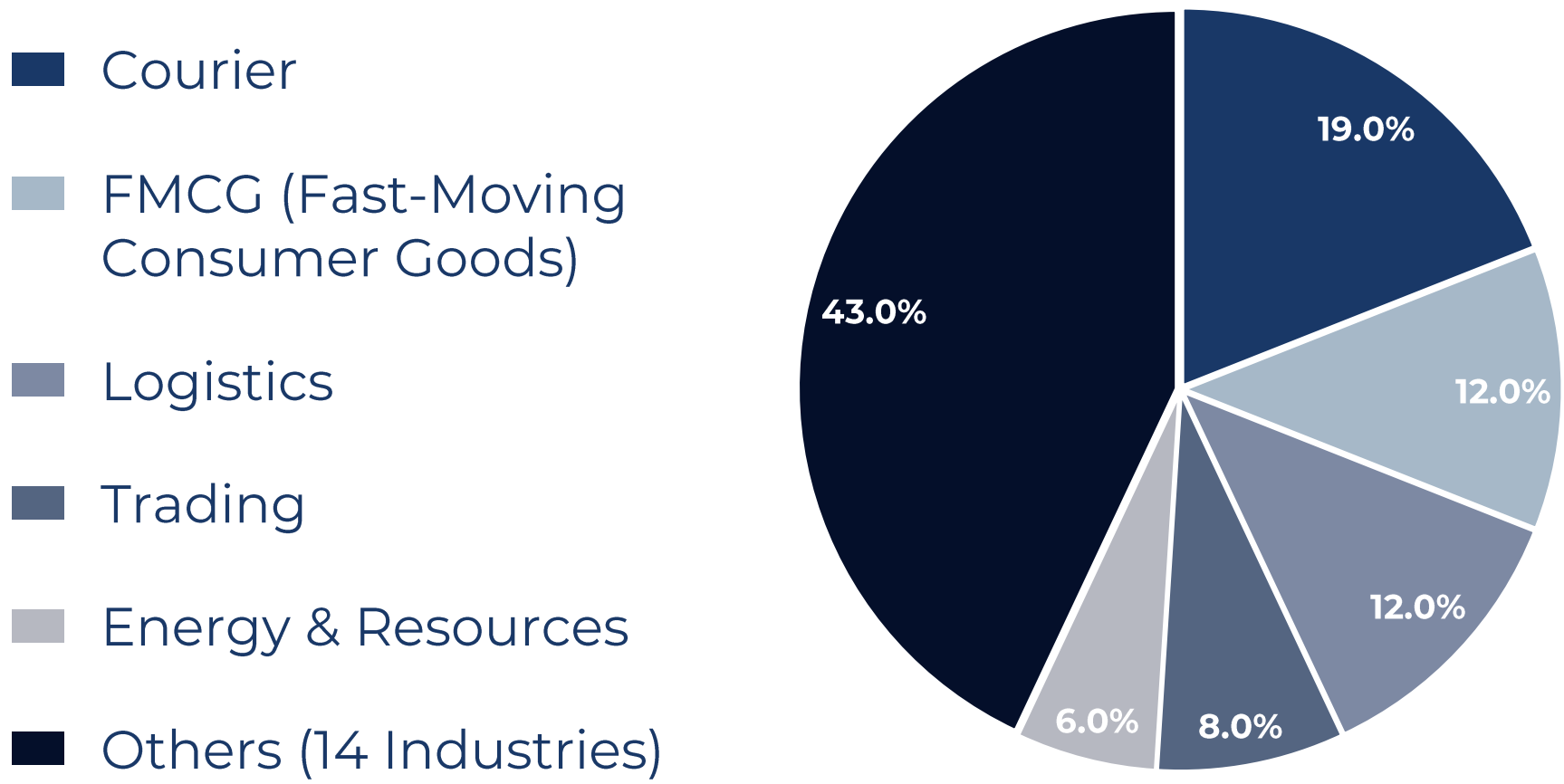
Fleet Leasing’s Industry Overview, M&A Trends and Market Intelligence

Fleet Leasing’s Industry Overview

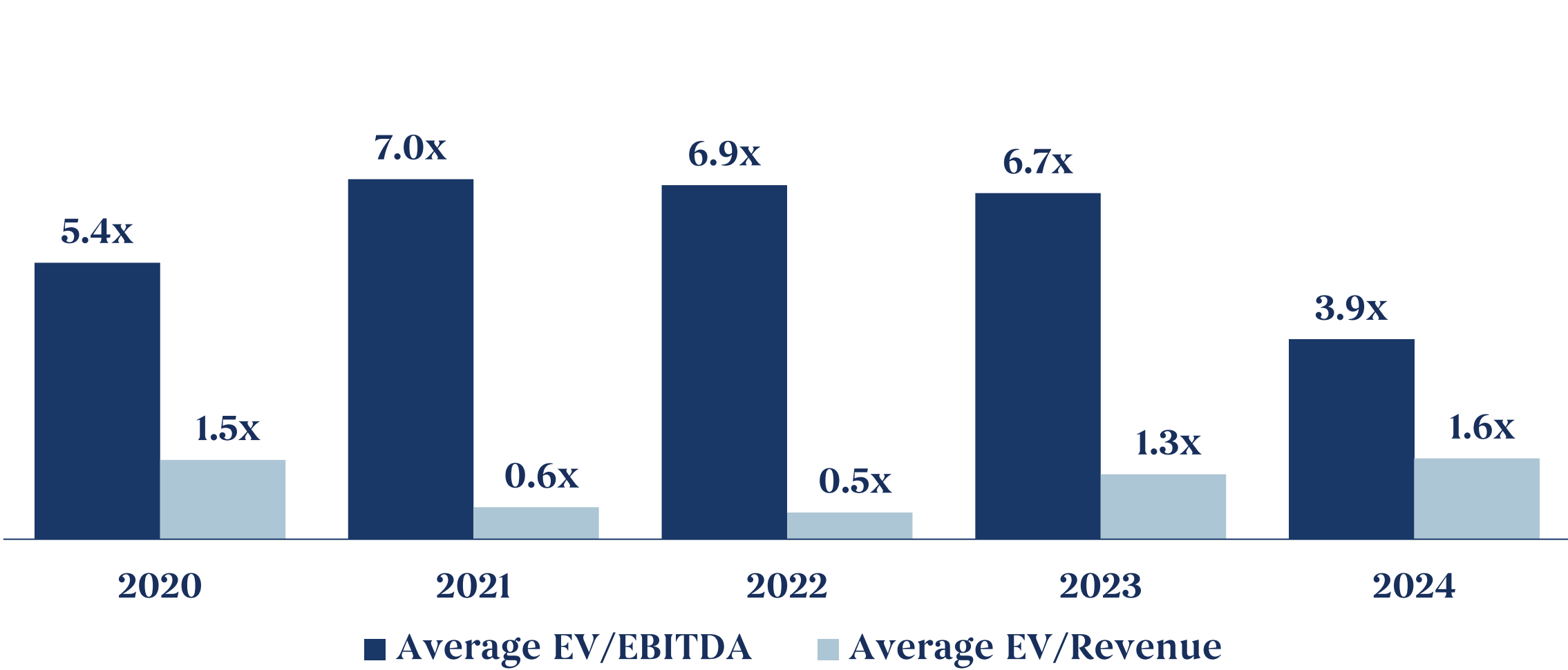
- The **global truck rental market** reached **US\$133.4B in 2024**, with an expected **7.0% annual growth rate through 2032**. This growth is driven by the **rise of e-commerce**, which has increased demand for **efficient transportation and delivery services**. As a result, **companies are turning to truck leasing solutions** to meet these needs without the long-term costs of ownership
- The **adoption of telematics solutions** has enhanced fleet management by **identifying and mitigating risky driving behaviors**, leading to **improved safety and reduced operational costs**. This trend has also fueled **M&A activity**, as companies seek to acquire firms specializing in **telematics technologies**
- The **transition to electric vehicles (EVs) is accelerating**, with **fleet EV adoption up 50.0% over the past three years**. Government incentives and stricter emissions regulations have contributed to a **45.0% reduction in operational costs** for companies integrating EVs into their fleets
- According to the **American Transportation Research Institute (ATRI)**, the **economy** was the **fleet industry's top concern** last year. The **Federal Reserve’s interest rate cut to 4.75%-5%** is a **positive driver**, making **vehicle financing more affordable**. This presents an opportunity for fleets to **invest in new vehicles, expand their operations, or upgrade existing models** within budget
- With the **freight market stabilizing in 2024**, confidence in **fleet leasing M&A activity** is **rebounding**. After a slowdown in previous years, **buyer interest and acquisition discussions are on the rise**, signaling renewed momentum in the sector
- Despite this growth, **challenges remain**, including **fluctuating fuel prices and stricter environmental regulations**. Additionally, the **depreciation of used EVs** has led companies like **Hertz to sell Tesla units directly to customers**, highlighting the need for **more effective asset management strategies**

Source: Yahoo Finance, Capital IQ, Fortune Business Insights, Element Fleet, CBInsights, AS, and other industry reports.








Leasing Fleet Breakdown by Industry in 2024










Fleet Leasing Industry M&A Average EV/EBITDA and EV/Revenue










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		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Alquiber Quality, S.A.		ESP	\$55	\$257	\$141	53.2%	3.9x	3.7x	3.4x		1.8x
Avis Budget Group, Inc.		USA	\$2,833	\$29,072	\$11,789	27.6%	6.5x	5.7x	8.9x		2.5x
Zigup Plc		GBR	\$897	\$1,877	\$2,285	24.6%	4.2x	3.8x	3.3x		0.8x
Inchcape plc		GBR	\$3,789	\$6,824	\$11,597	9.0%	9.4x	9.6x	6.6x		0.6x
Hertz Global Holdings, Inc.		USA	\$1,122	\$19,597	\$9,049	-1.2%	6.2x	7.8x	NM		2.2x
Localiza Rent a Car S.A.		BRA	\$5,522	\$10,843	\$6,026	17.1%	16.8x	17.4x	10.5x		1.8x
Sixt SE		DEU	\$3,465	\$7,545	\$4,472	16.7%	10.3x	9.8x	10.1x		1.7x
■ Excluded from mean and median						Mean	6.7x	6.7x	7.1x		1.6x
						Median	6.5x	7.8x	7.7x		1.8x














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		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Air Transport Services Group, Inc.		USA	\$1,436	\$3,015	\$1,962	25.3%	5.6x	4.5x	6.1x		1.5x
Ayvens		FRA	\$5,529	\$42,007	\$26,284	10.8%	15.7x	14.2x	14.8x		1.6x
Cargojet Inc.		CAN	\$1,189	\$1,673	\$696	22.0%	10.7x	8.7x	10.9x		2.4x
Chorus Aviation Inc.		CAN	\$434	\$939	\$976	31.7%	8.8x	6.2x	3.0x		1.0x
FirstGroup plc		GBR	\$1,204	\$2,442	\$6,075	15.7%	2.1x	3.6x	2.6x		0.4x
Global Ship Lease, Inc.		GRC	\$774	\$1,153	\$706	64.3%	6.3x	3.6x	2.5x		1.6x
Mesa Air Group, Inc.		USA	\$48	\$395	\$476	9.8%	9.3x	7.8x	8.5x		0.8x

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		Fourth Quarter Dec. 31, 2024 EV/ EBITDA EV/ Revenue	
							2022	2023		
NS United Kaiun Kaisha, Ltd.		JPN	\$608	\$871	\$1,590	15.8%	4.1x	3.3x	3.5x	0.5x
PT Blue Bird Tbk		IDN	\$242	\$251	\$291	23.4%	7.3x	4.7x	3.7x	0.9x
Ryder System, Inc.		USA	\$6,634	\$15,229	\$12,636	22.6%	3.7x	4.0x	5.3x	1.2x
Touax SCA		FRA	\$27	\$424	\$171	34.2%	6.8x	6.6x	7.3x	2.5x
U-Haul Holding Company		USA	\$12,658	\$17,883	\$5,691	29.8%	6.0x	6.6x	10.6x	3.1x
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.		BRA	\$820	\$2,661	\$760	66.6%	13.0x	9.2x	5.3x	3.5x
Wisdom Marine Lines Co., Limited (Cayman)		TWN	\$1,537	\$2,615	\$634	53.9%	6.9x	6.4x	7.7x	4.1x
■ Excluded from mean and median						Mean	6.9x	5.8x	6.3x	1.6x
						Median	6.8x	6.3x	5.8x	1.5x

Fleet Leasing – Q4 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Nov-24*		USA	Schneider , provider of transportation and logistics services, agreed to acquire Cowan Systems , contract carrier operating approximately 1,800 trucks and 7,500 trailers, complementing its organic growth success		-	100.0%	\$390.0	-	-
Nov-24	Fleet Companies	USA	Stonepeak Partners , private equity firm, acquired Fleet Companies , provider of trailer dealership and leasing, serving as the seed asset for a national trailer platform that Stonepeak plans to expand	Stonepeak	-	100.0%			
Nov-24*		THA	Itochu Corp and Premium Group Co. , Japan based holding companies agreed to acquire 33.4% of ECL , Thailand based used car leasing company, aiming to expand ECL's auto loan portfolio		-	33.4%	\$20.9	-	-
Oct-24	GRIDSERVE Car Leasing Limited	GBR	Carwow , online platform for buying and selling cars, acquired GRIDSERVE Car Leasing Limited , provider of electric vehicle (EV) leases, from Gridserve, enhancing its car leasing services			100.0%	-	-	-
Oct-24		GBR	Santander Consumer Finance , provider of financial services, acquired CLM Fleet Management , provider of fleet management, expanding its range of leasing solutions and enhancing service capabilities		-	100.0%	-	-	-
Oct-24*		CHN	Credit Agricole SA , financial services group, agreed to acquire a 50% stake of Guangzhou GAC Leasing Co. , rental company focused on passenger cars, aiming to promote the adoption of electric vehicles (EVs) in China		-	50.0%	-	-	-
Oct-24*		NLD	Volkswagen Pon Financial Services , leaser of cars and light commercial vehicles, agreed to acquire Autolease Midden Nederland , leaser of cars and light commercial vehicles, from Brubo and Wabru Holding, expanding its portfolio		Brubo Holding and Wabru Holding	100.0%	-	-	-
Oct-24		SAU	LetterOne , private equity firm acquired a stake in Dayim Middle East Holdings , Saudi Arabia based equipment and truck logistics and leasing business, aiming to fund Dayim's continued growth		-	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 1850</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 innovations in shape cutting PLASMA CUTTING INNOVATION</p></div><p>and</p><div><p>CNC 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><p>Uop</p></div><p>a subsidiary of</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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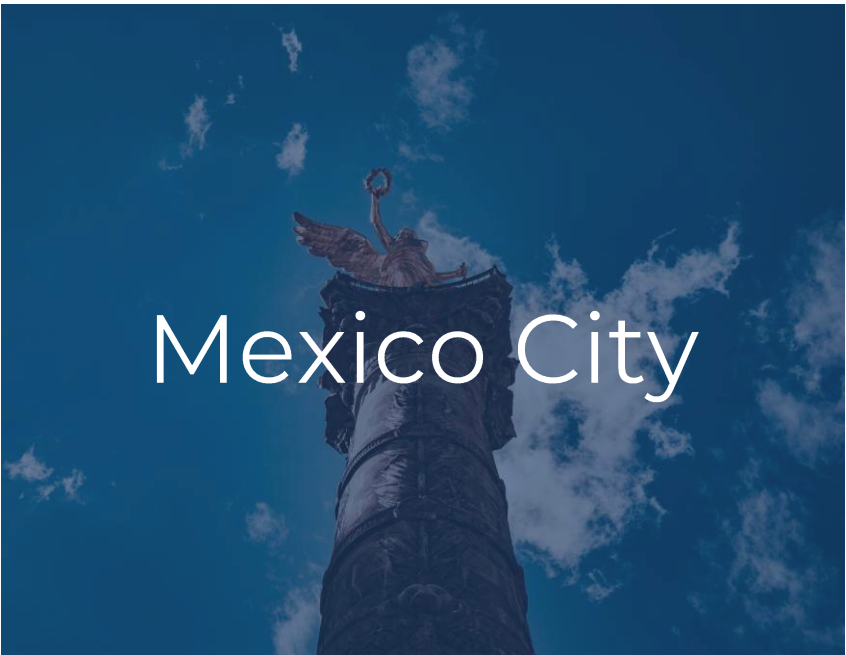
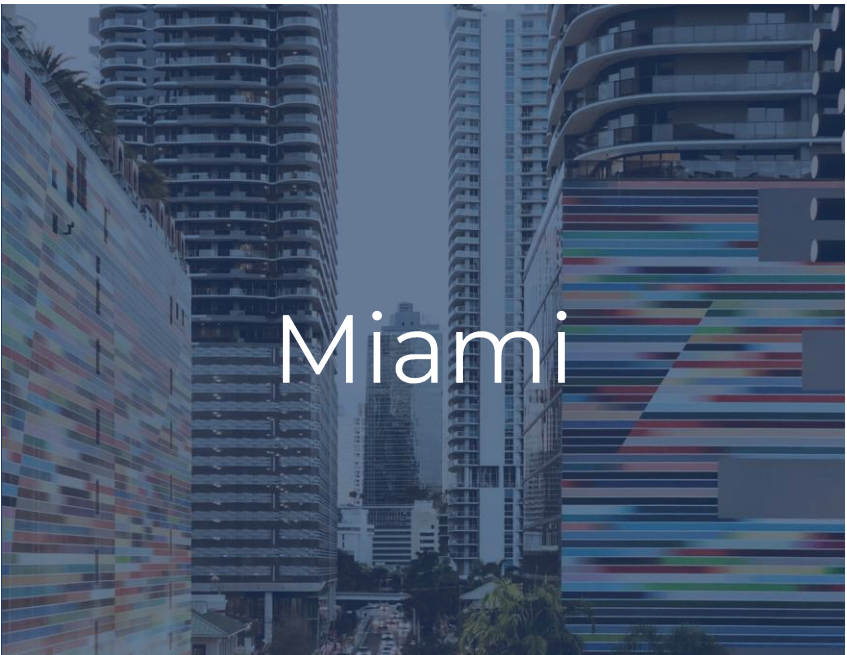


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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and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

25
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+\$50B
Closed Transactions Globally

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