



Seale & Associates

FLEET LEASING INDUSTRY
Q1 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Fleet Leasing Industry Multiples Valuation Update for Q1 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.



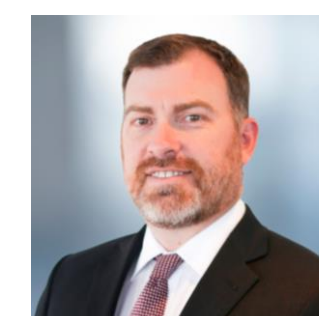
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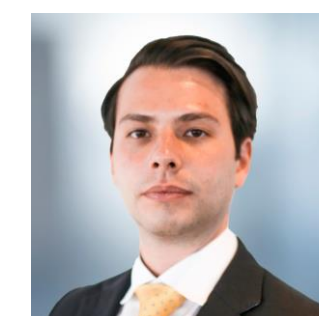
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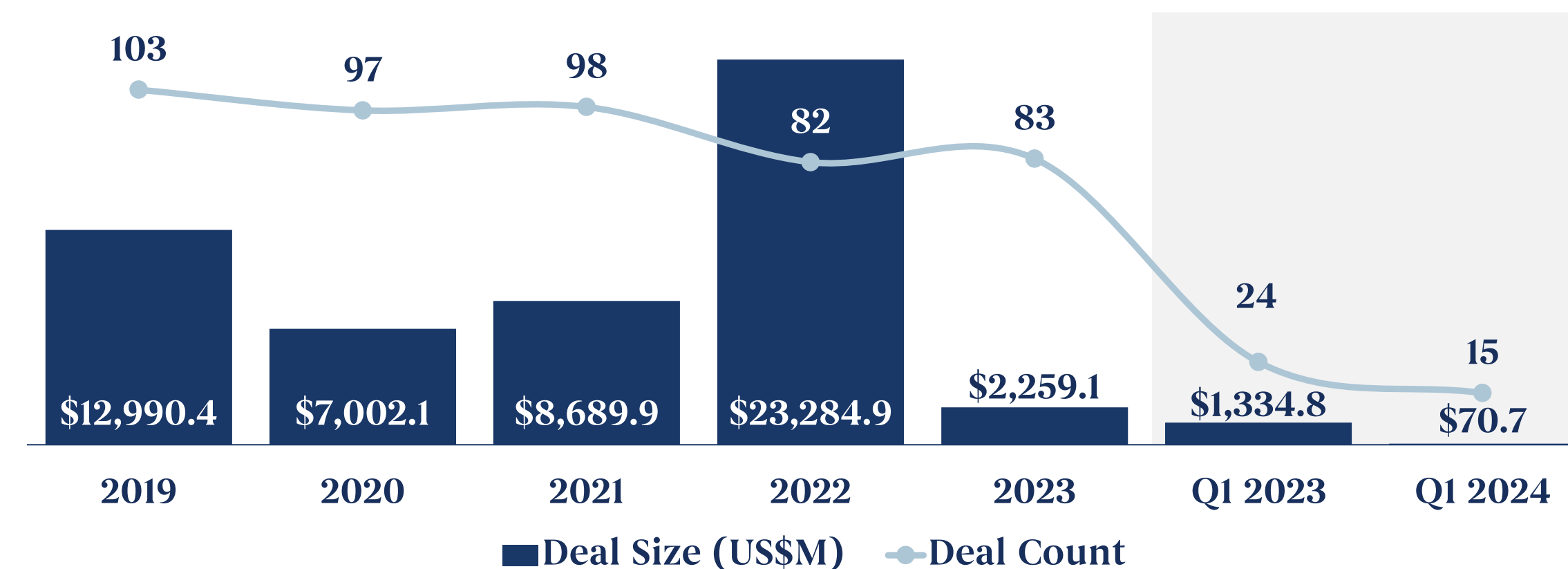
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Fleet Leasing's Industry Overview, M&A Trends and Market Intelligence

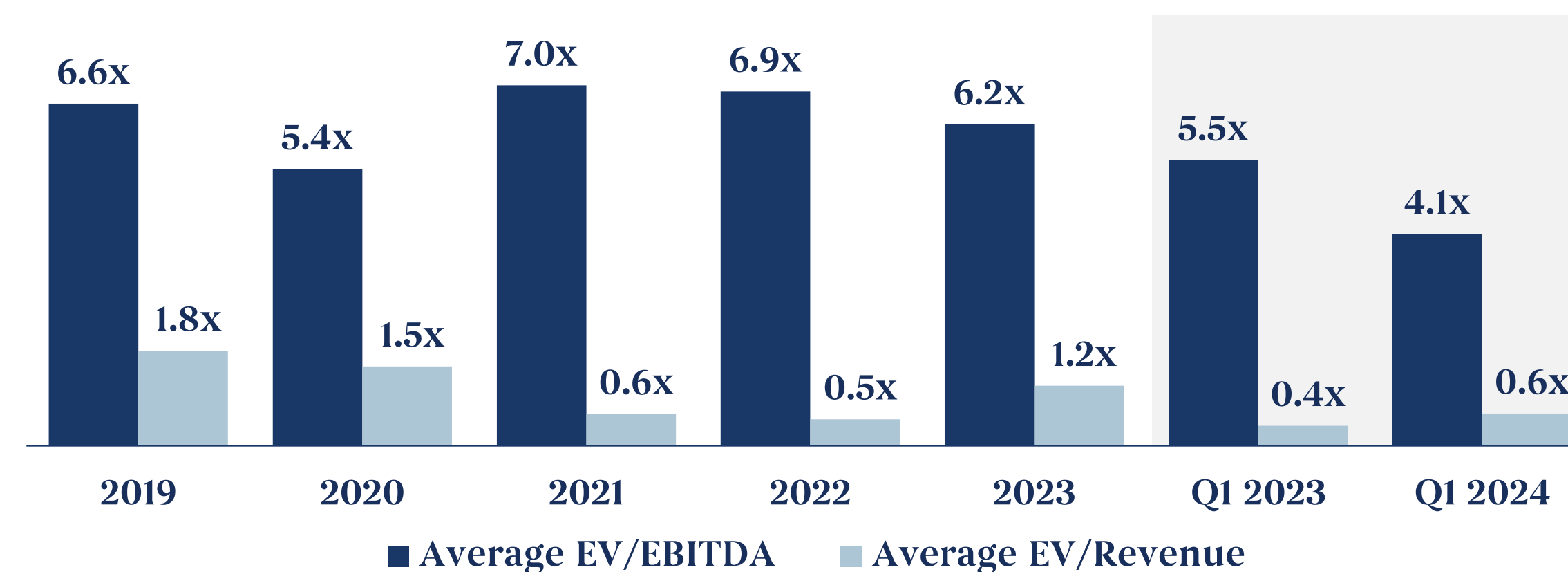
Fleet Leasing's Industry Overview

- The industry is expected to continue **evolving** into a more **IT** and **data-driven** sector. This transformation is likely to attract new entrants from the **telecom** and **tech** industries, potentially reshaping the competitive landscape
- The **EV rental market** is expected to grow from **US\$9.1B** in **2021** to **US\$20.4B** in **2027**, representing a **CAGR** of **14.4%**
- The **surge** in EV adoption is **catalyzing** an unprecedented expansion in the leased fleet sector, elevating numbers well above those recorded before the pandemic
- Fleet managers are increasingly prioritizing **sustainability**. This shift is driven by **regulatory pressures** and the broader societal **push** towards **environmental responsibility**
- **Open-ended leases** are becoming **popular** due to their flexibility and lower monthly payments, accounting for over **60.0%** of the market share in 2023
- In 2024, the integration of **AI** is set to **transform** fleet management, becoming a **crucial** component that enhances operational
- There's a **growing shift** towards **Mobility-as-a-Service**, which is expected to significantly influence fleet management. This trend includes increased **vehicle-sharing strategies**, asset rental, and a focus on **optimizing** vehicle utilization to **control** budgets and environmental impacts

Fleet Leasing Industry M&A Deal Size and Volume










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












Source: Mordor Intelligence Reports, Capital IQ, Deloitte's Report: Fleet leasing and management in North America, Global Machinery Leasing Market Report from Ashish Chauhan, Fleet News, The Business Research Company, GMI Insights, AssetWorks





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		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Alquiler Quality, S.A.		ESP	\$54	\$250	\$122	56.7%	3.9x	3.7x	3.6x	2.1x
Avis Budget Group, Inc.		USA	\$4,344	\$30,367	\$12,002	37.4%	6.5x	5.7x	6.8x	2.5x
Inchcape plc		GBR	\$3,767	\$7,578	\$14,457	7.2%	9.4x	9.6x	7.3x	0.5x
Hertz Global Holdings, Inc.		USA	\$2,390	\$19,449	\$9,404	20.0%	6.2x	7.8x	10.4x	2.1x
Localiza Rent a Car S.A.		BRA	\$11,530	\$17,941	\$6,134	20.9%	16.8x	17.4x	14.0x	2.9x
Redde Northgate plc		GBR	\$1,076	\$2,029	\$2,153	25.5%	4.2x	3.8x	3.7x	0.9x
Sixt SE		DEU	\$4,245	\$7,765	\$4,168	20.2%	10.3x	9.8x	9.2x	1.9x
■ Excluded from mean and median						Mean	6.7x	6.7x	6.8x	1.7x
						Median	6.5x	7.8x	7.3x	2.1x

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		First Quarter Mar. 31, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
Air Transport Services Group, Inc.	 USA	\$898	\$2,679	\$2,055	26.9%	5.6x	4.5x	4.9x	1.3x
ALD S.A.	 FRA	\$5,764	\$42,614	\$23,606	11.0%	15.7x	14.2x	16.4x	1.8x
Cargojet Inc.	 CAN	\$1,381	\$1,948	\$648	26.2%	10.7x	8.7x	11.5x	3.0x
Chorus Aviation Inc.	 CAN	\$307	\$1,602	\$1,250	28.6%	8.8x	6.2x	4.5x	1.3x
FirstGroup plc	 GBR	\$1,429	\$2,893	\$5,999	15.0%	2.1x	3.6x	3.2x	0.5x
Global Ship Lease, Inc.	 GRC	\$712	\$1,347	\$687	62.1%	6.3x	3.6x	3.2x	2.0x
Mesa Air Group, Inc.	 USA	\$36	\$543	\$470	7.5%	9.3x	7.8x	15.3x	1.2x
NS United Kaiun Kaisha, Ltd.	 JPN	\$718	\$1,102	\$1,541	16.2%	4.1x	3.3x	4.4x	0.7x
PT Blue Bird Tbk	 IDN	\$276	\$282	\$284	24.5%	7.3x	4.7x	4.1x	1.0x
Ryder System, Inc.	 USA	\$5,320	\$13,264	\$11,929	23.8%	3.7x	3.9x	4.7x	1.1x

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		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Touax SCA		FRA	\$34	\$419	\$211	29.6%	6.8x	6.6x	6.7x	2.0x
U-Haul Holding Company		USA	\$13,091	\$17,634	\$5,718	34.3%	6.0x	6.6x	9.0x	3.1x
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.		BRA	\$1,825	\$3,743	\$1,222	43.5%	13.0x	9.2x	7.0x	3.1x
Wisdom Marine Lines Co., Limited (Cayman)		TWN	\$1,363	\$2,519	\$577	42.9%	7.0x	6.3x	10.2x	4.4x
■ Excluded from mean and median						Mean	6.5x	5.8x	6.1x	1.9x
						Median	6.9x	6.2x	5.8x	1.6x

Fleet Leasing – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-24		FIN	Provides car rental services		-	100.0%	-	-	-
Mar-24		DEU	Owens and operates an online boat rental platform		-	100.0%	-	-	-
Mar-24	The Storage Trailer Rental Operations of BenLea Leasing Inc.	CAN	Comprises trailer rentals business			100.0%	-	-	-
Feb-24		DEU	Provides bike leasing services		-	100.0%	-	-	-
Feb-24		CAN	Provides car and truck rental services		-	100.0%	-	-	-
Jan-24		DEU	Provides car rental services, ranging from small city cars and SUVs to luxury vehicles and delivery vans		-	40.0%	-	-	-
Jan-24		DEU	Povides electric scooter rentals for local commuting		-	JV	\$65.8	-	-

ND: Not Disclosed

Selected Transactions Commentary



“This acquisition strengthens our position as one of the leading players in the car hire industry and allows us to offer even better service and choice to our customers.”

André Schleemann, CEO of MABI Mobility AB



“Their tremendous customer service and high-quality fleet align perfectly with our customer intimate value proposition. Along with our partners at Wind Point, we continue to execute our growth strategy of building the leading mobile storage services provider.”

Jonathan Brooks, CEO of Warehouse On Wheels



“I am excited about the new services and tools that we will be able to introduce to our customers. Our number one priority in completing this transaction was ensuring that our current customer base would benefit from this partnership.”










Peter Jamieson, Founder of Jamieson Car and Truck Rental



“One of the key factors in our rapid growth is our cutting-edge IT solutions, which allow us to dynamically adjust prices to demand, winning clients who are searching for deals via price aggregators. Building out our German business and pushing into new markets are at the heart of our strategy, and with Resource Partners we’ve found the ideal backer to help us bring this vision to life.”

Piotr Zięcik, CEO of Flex To Go

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Rental and Leasing Services <i>NAICS 532 – Rental and Leasing Services</i>	 2023	 \$69.2M	 \$33.3M	 15.3%	 2.5x	 37.9%	 6.7x	 9
General Rental Centers <i>NAICS 5323 – General Rental Centers</i>	2007-2023	\$29.1M	\$23.8M	10.8%	1.3x	26.1%	5.2x	7

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

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”

Hertz

has acquired

DONLEN

“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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Global M&A Representative Engagements

<p>BEIJER REF</p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p>ZN ZINC NACIONAL</p> <p>has sold</p> <p>GSDKO</p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p>Hertz</p> <p>has acquired</p>  <p>DONLEN</p>
<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <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>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop</p> <p>a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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University of Kentucky - BS in Accounting

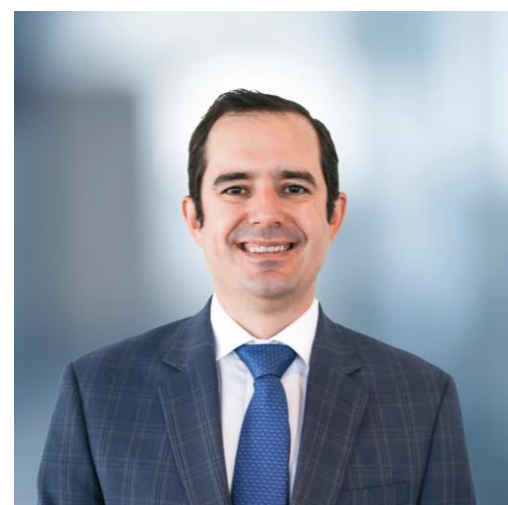


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University of Florida - BA in Political Science with High Honors

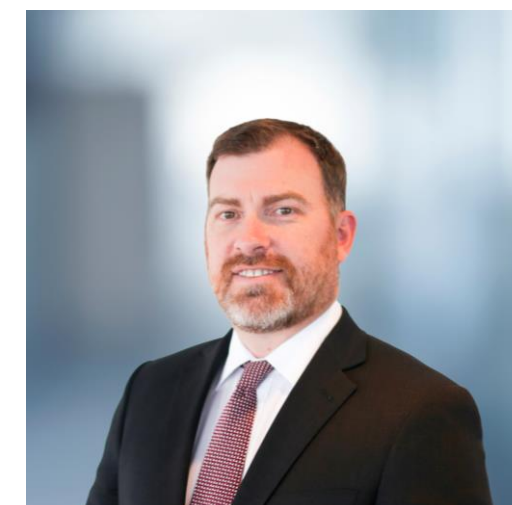


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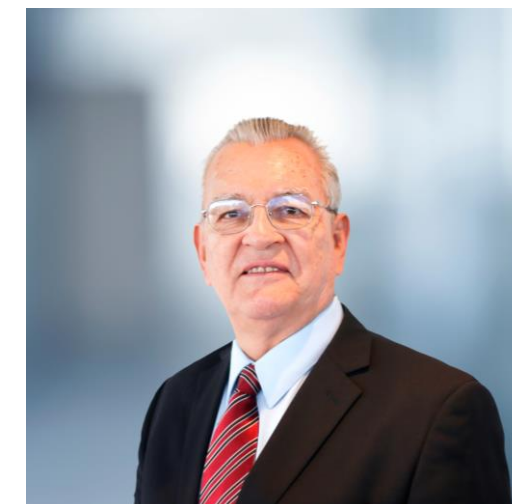


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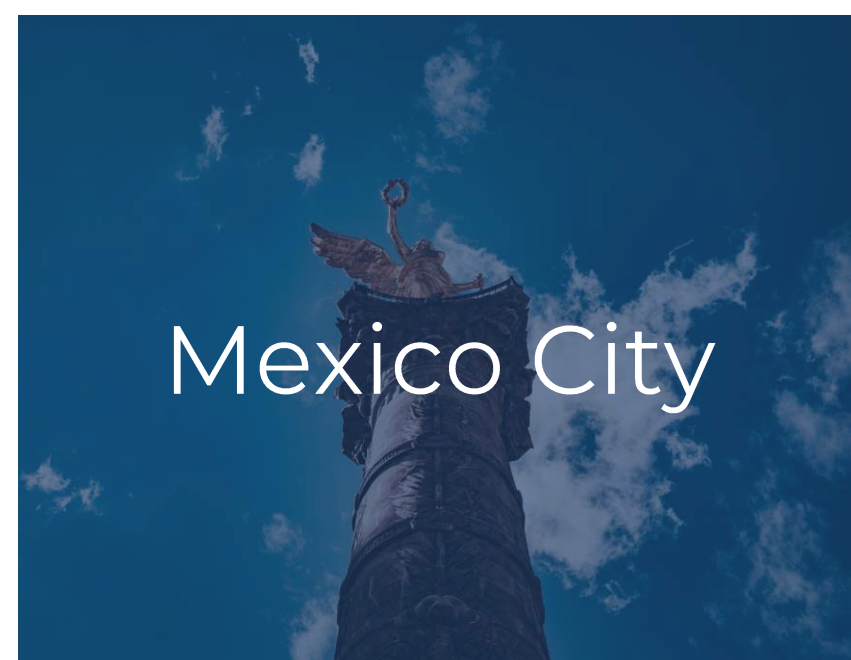
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
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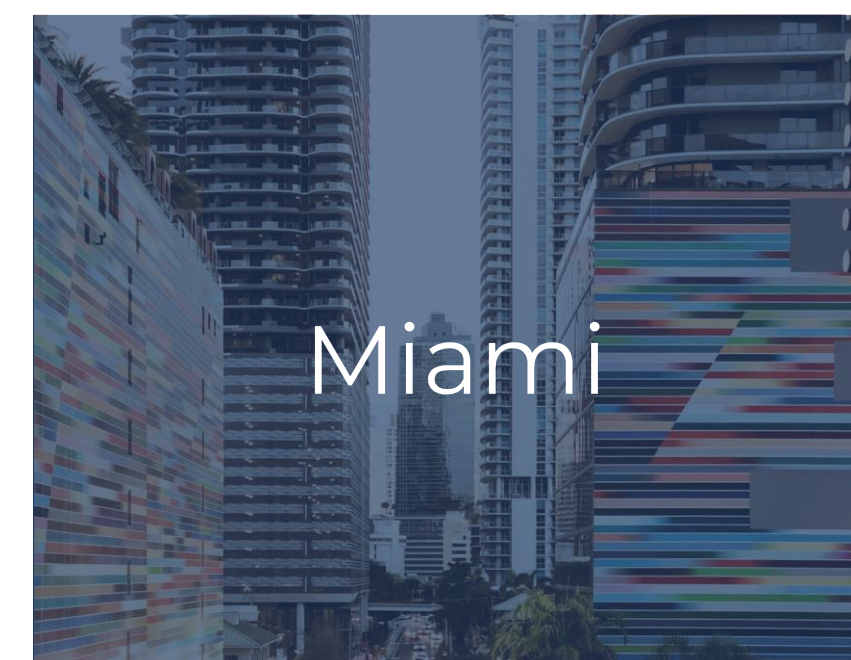
Washington D.C.



Monterrey



Mexico City



Miami



San Luis Potosi

Creative Solutions. Trusted Advice.

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

YEARS OF EXPERIENCE

\$50B+

TRANSACTIONS GLOBALLY

SERVICES AND SOLUTIONS

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Joint Ventures / Alliances

Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.



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