



Seale & Associates

FLEET LEASING INDUSTRY
Q3 2023
VALUATION UPDATE

Introduction

We are pleased to share our Fleet Leasing Industry Multiples Valuation Update for Q3 2023.

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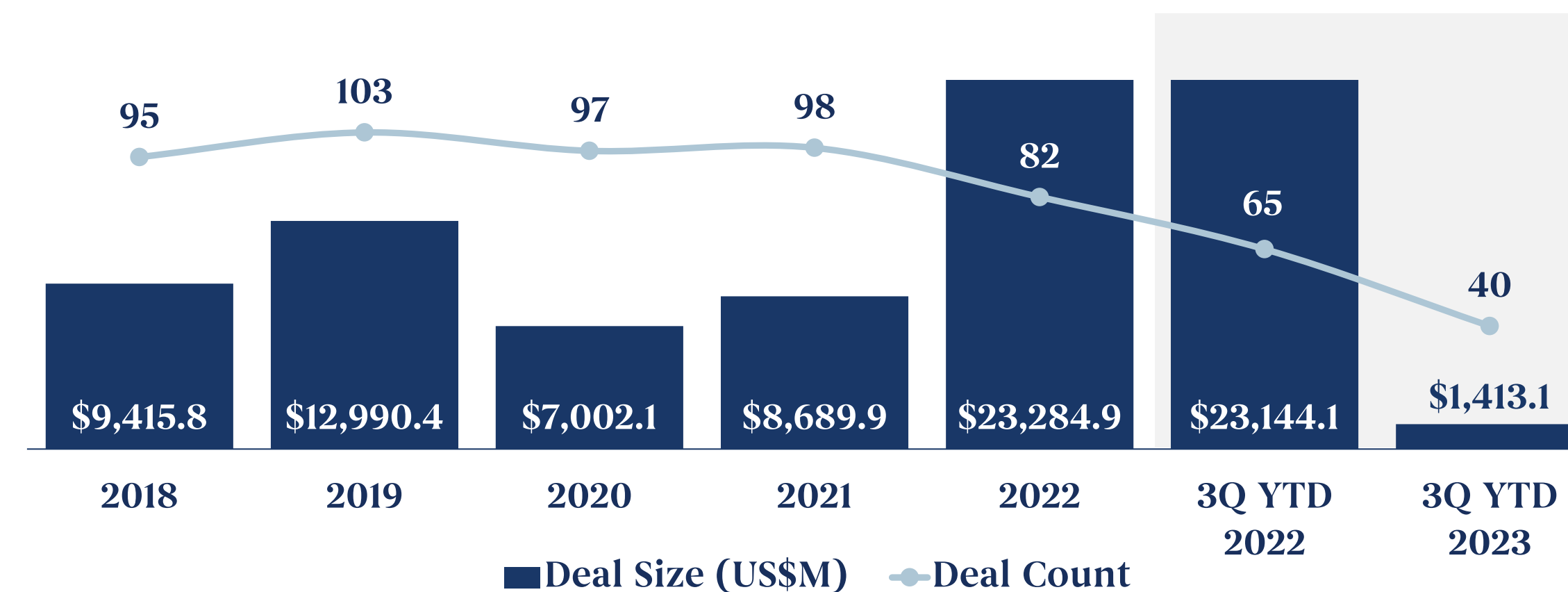
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Fleet Leasing's Industry Overview, M&A Trends and Market Intelligence

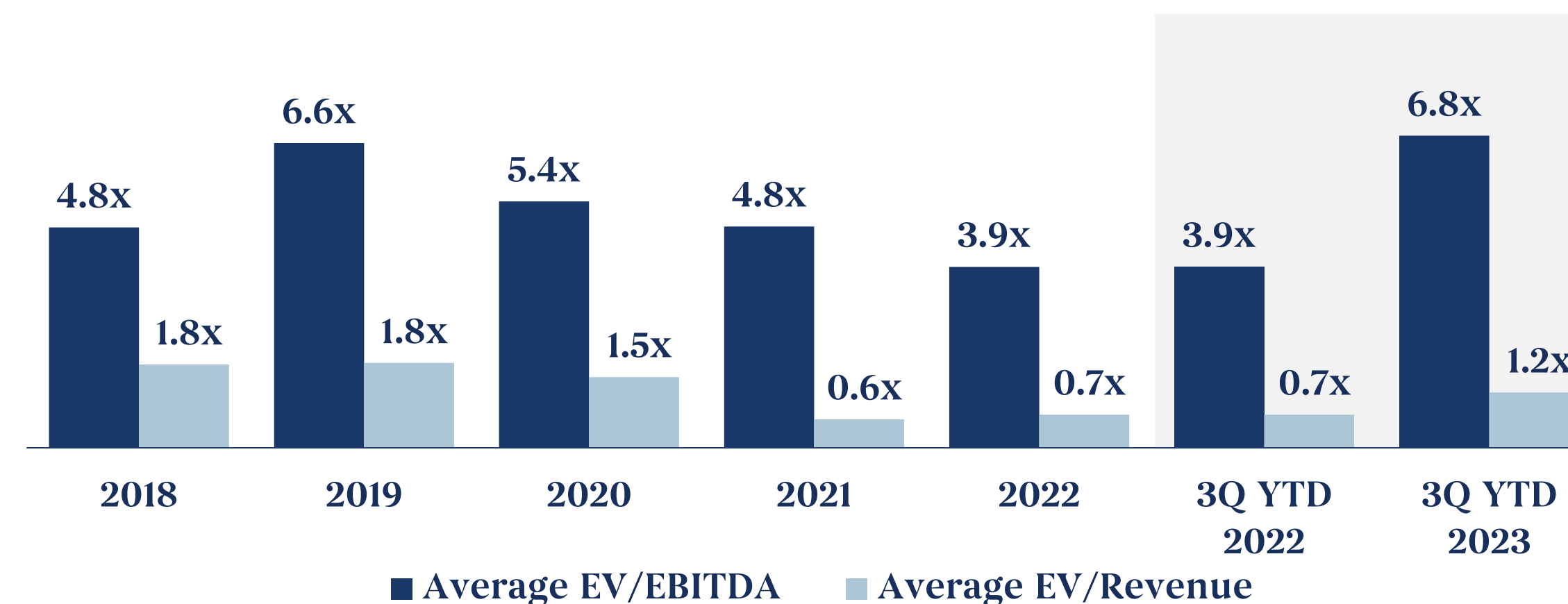
Fleet Leasing's Industry Overview

- The car rental market accounted for **2027US\$119.3B** in **2021**, and it is expected to reach **US\$223.1B** by **2027**, projecting a **CAGR** of more than **11.0%** from 2022 to 2027
- The fleet management solutions market size is estimated at **US\$24.5B** in **2023** and is expected to reach **US\$52.4B** by **2028**, growing at a **CAGR** of **16.4%** from 2023 to 2028
- The COVID-19 pandemic **hindered** the **growth** of the car rental market owing to travel **restrictions** and the **shutdown** of several tourist agencies and car rental service providers
- The **growth** of the global **machinery** and **equipment** market decreased due to the shutdown of manufacturing facilities during the pandemic, but the market is now expected to gain **momentum** as economic activities have resumed post-pandemic
- Due to the global lockdown, travel limitations, and the work-from-home culture, the **vendors** offering fleet management solutions for non-essential fleets were **affected**, as many vehicles were left idle
- Last-mentioned trend is still **prevailing**, as companies have extended the work-from-home policy, and people are avoiding ride-sharing
- The market is becoming more **IT** and **data-driven**, with increasing involvement from **tech** companies and other mobility providers, such as car rental companies and Mobility as a Service (MaaS) providers

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

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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Alquiler Quality, S.A.		ESP	\$52	\$217	\$106	56.1%	3.8x	3.9x	3.6x	2.0x
Avis Budget Group, Inc.		USA	\$6,961	\$31,455	\$12,015	42.9%	16.0x	6.5x	6.1x	2.6x
Inchcape plc		GBR	\$3,820	\$7,204	\$12,044	6.7%	13.3x	9.4x	8.9x	0.6x
Hertz Global Holdings, Inc.		USA	\$3,813	\$21,743	\$9,222	26.7%	61.5x	6.2x	8.8x	2.4x
Localiza Rent a Car S.A.		BRA	\$12,371	\$18,139	\$5,382	20.1%	23.9x	16.8x	16.8x	3.4x
Redde Northgate plc		GBR	\$941	\$1,788	\$1,949	25.7%	4.8x	4.2x	3.6x	0.9x
Sixt SE		DEU	\$3,845	\$7,355	\$3,716	20.4%	38.4x	10.3x	9.7x	2.0x
						Mean	12.4x	6.7x	6.8x	1.8x
						Median	16.0x	6.5x	8.8x	2.0x

■ Excluded from mean and median






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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Air Transport Services Group, Inc.		USA	\$1,468	\$3,002	\$2,087	31.0%	6.3x	5.6x	4.6x	1.4x
ALD S.A.		FRA	\$6,333	\$37,845	\$16,473	11.9%	29.3x	17.5x	19.3x	2.3x
Cargojet Inc.		CAN	\$1,145	\$1,676	\$682	29.8%	14.9x	10.7x	8.2x	2.5x
Chorus Aviation Inc.		CAN	\$354	\$1,771	\$1,256	25.6%	9.0x	8.8x	5.5x	1.4x
FirstGroup plc		GBR	\$1,213	\$2,783	\$5,796	15.9%	4.0x	2.1x	3.0x	0.5x
Global Ship Lease, Inc.		GBR	\$645	\$1,431	\$646	63.3%	8.3x	6.3x	3.5x	2.2x
Mesa Air Group, Inc.		USA	\$35	\$566	\$509	12.5%	6.8x	9.3x	8.9x	1.1x
NS United Kaiun Kaisha, Ltd.		JPN	\$622	\$1,045	\$1,556	19.4%	7.0x	4.1x	3.5x	0.7x
PT Blue Bird Tbk		IDN	\$340	\$335	\$279	24.9%	12.0x	7.3x	4.8x	1.2x
Ryder System, Inc.		USA	\$4,869	\$11,958	\$11,848	24.1%	4.3x	3.7x	4.2x	1.0x

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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Touax SCA	 FRA	\$36	\$414	\$218	29.0%	7.1x	6.8x	6.5x	1.9x	
U-Haul Holding Company	 USA	\$10,315	\$14,119	\$5,754	37.1%	8.9x	6.0x	6.6x	2.5x	
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	 BRA	\$2,140	\$4,051	\$1,206	40.6%	18.2x	13.0x	8.3x	3.4x	
Wisdom Marine Lines Co., Limited (Cayman)	 TWN	\$1,124	\$2,410	\$556	59.2%	14.4x	7.0x	7.3x	4.3x	
■ Excluded from mean and median						Mean	8.6x	6.5x	5.8x	1.6x
						Median	8.6x	6.9x	6.0x	1.7x

Fleet Leasing – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23		DEU	Provides car rental services			51.0%	-	-	-
Sep-23		USA	Provides trailer leasing and maintenance services			100.0%	-	-	-
Sep-23		BEL	Provides bicycle leasing services		-	100.0%	-	-	-
Sep-23		USA	Provides coach leasing and driver services for interstate transportation		-	100.0%	>\$100.0	-	-
Aug-23		USA	Provides charter bus transportation services	TKRG Holdings Inc.	-	100.0%	-	-	-
Aug-23		GBR	Operates as a car and commercial vehicle leasing broker		-	36.6%	-	-	-
Jul-23		CHE	Provides leasing and management solutions of individual vehicles as well as vehicle fleets for commercial customers			JV	-	-	-
Jul-23		GBR	Provides car and van rental services		-	ND	-	-	-
Jul-23		ITA	Provides vehicle rental services for building and industrial maintenance		-	100.0%	-	-	-

ND: Not Disclosed

Selected Transactions Commentary



“Europcar Mobility Group is well positioned to play an active role in defining new offers to make mobility services more flexible, sustainable and accessible to all. Joining forces with Euromobil makes a lot of sense and has great potential for value creation.”

Alain Favey, CEO of Europcar Mobility



“I am excited to bring those entrepreneurial skills from my original home base of North Carolina to Tennessee and work with the Nitetrain and Encore teams to create something special in the touring sector of the entertainment business.”

Amanda Stophel, President of Encore Luxury Coach Leasing



“With this new partnership, Mobilize Financial Services continues to roll out its global strategy, particularly for its subsidiary Mobilize Lease&Co, aiming for a fleet size of one million vehicles by 2030.”










Frédéric Schneider, Interim CEO of Mobilize Financial Services



“In a fragmented market, we also want to seize opportunities in terms of strategic growth operations. Our objective is to achieve an annual turnover of more than €100M within 3 years.”

Geoffroy Lambert, CEO and Co-Founder of Driiveme

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	 \$63.8M	 \$33.9M	 18.1%	 2.2x	 35.6%	 6.4x	 6
Construction, Transportation, Mining, and Forestry Machinery Rental and Leasing <i>NAICS 53241 – Construction, Transportation, Mining, and Forestry Machinery Rental and Leasing</i>	2022-2023	\$78.3M	\$26.4M	9.7%	2.9x	41.5%	7.2x	3

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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One of our core capabilities is to deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



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Representative Global Engagements

 <p>INMAGUSA Grupo Galaz, S.A de C.V.</p> <p>has been acquired by</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold its Sanitaryware business units ST. THOMAS CREATIONS and VITROMEX to </p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	  <p>acquired</p> <p>The Zinc Recycling Business of</p> 
 <p>acquired</p>  <p>Automotive dealerships from</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Kidde de Mexico, S.A. de C.V. Fire Safety Solutions Business</p> <p>to an affiliate of</p> 	 <p>has sold its concrete pumping business</p> <p>to</p> 	<p>CORPORACION</p>  <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	<p>intelectiva®</p> <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>Multiple acquisitions</p> 	 <p>has partnered with</p>  <p>a subsidiary of</p> 	 <p>has been acquired by</p> 	 <p>has merged its Beverage Division with</p> 	 <p>has merged its Beverage Division with</p> 

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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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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

YEARS OF EXPERIENCE

\$50B+

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Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

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



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