



Seale & Associates

FLEET LEASING INDUSTRY
Q4 2023
VALUATION UPDATE

25 years

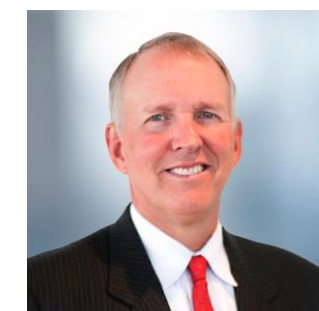
Introduction

We are pleased to share our Fleet Leasing Industry Multiples Valuation Update for Q4 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.

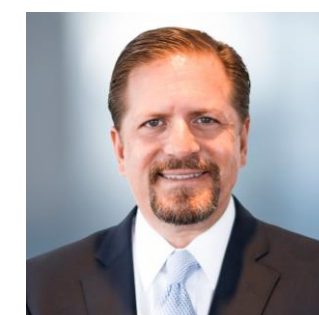
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



James A. Seale | President

jseale@sealeassociates.com



Brett M. Carmel | Senior Managing Director

bcarmel@sealeassociates.com



Robert Whitney | Managing Director

rwhitney@sealeassociates.com



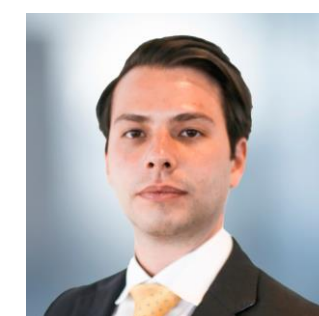
Sergio Garcia del Bosque | Managing Director

sgarcia@sealeassociates.com



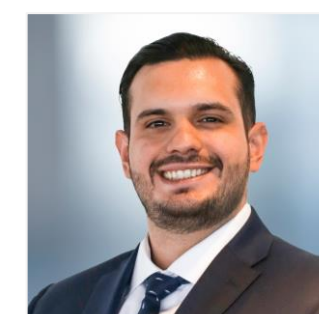
Carlos Hernández | Managing Director

chernandez@sealeassociates.com



Alejandro Montemayor | Vice President

amontemayor@sealeassociates.com



Armando Rios | Vice President

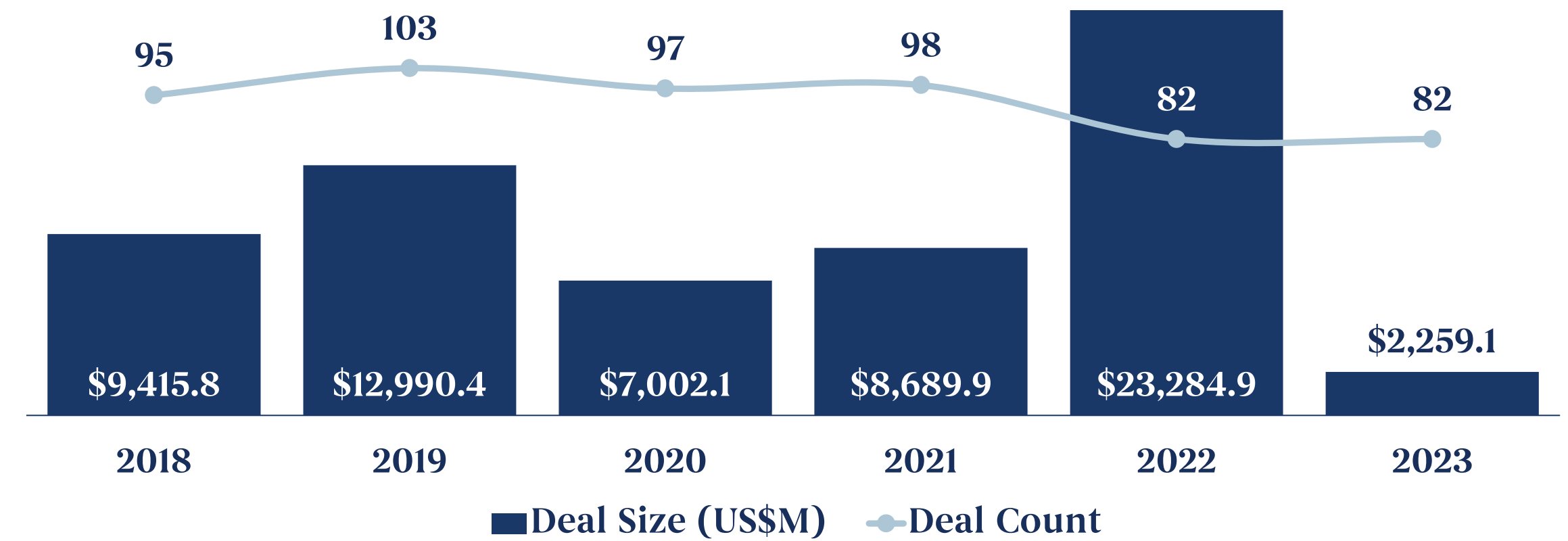
arios@sealeassociates.com

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

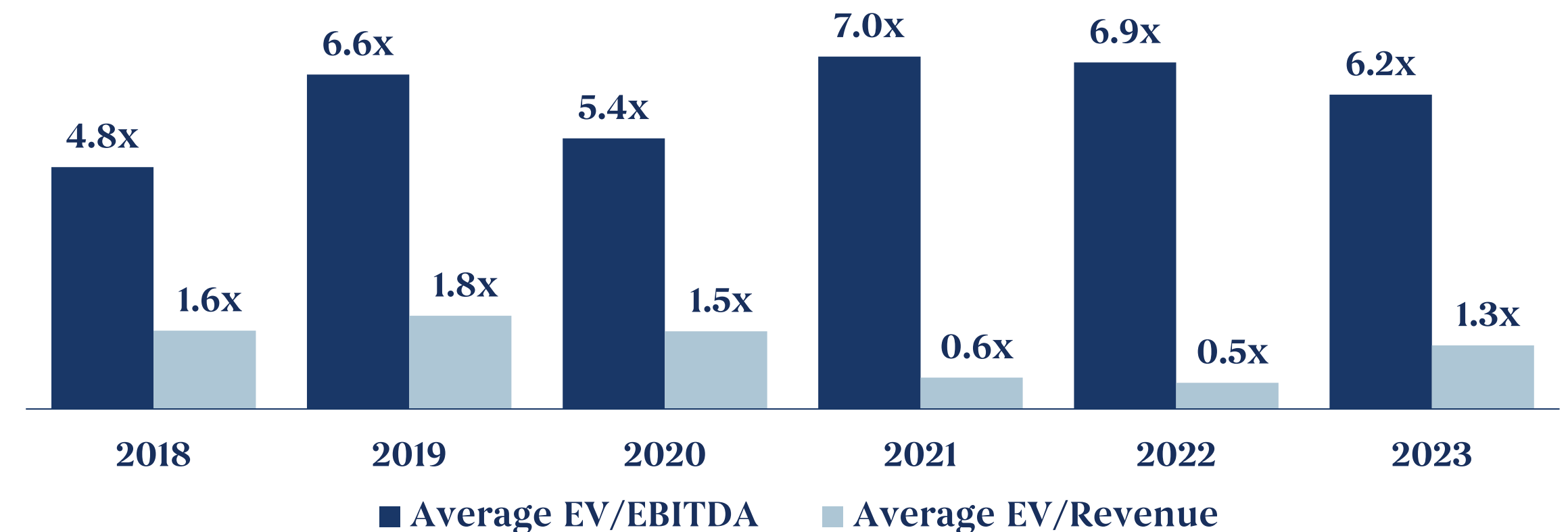
Fleet Leasing's Industry Overview

- The car rental market accounted for **US\$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**, representing a **CAGR** of **16.4%**
- 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
- The **EV rental market** is expected to grow from **US\$9.8B** in **2023** to **US\$20.1B** in **2024**, representing a **CAGR** of **15.4%**
- The **surge** in EV adoption is **catalyzing** an unprecedented expansion in the leased fleet sector, elevating numbers well above those recorded before the pandemic. This trend highlights a significant **shift** in market preferences and the growing importance of **sustainable** transportation solutions within the **leasing** industry
- **Open-ended leases** are becoming **popular** due to their flexibility and lower monthly payments, accounting for over **60%** of the market share in 2023

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

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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Alquiler Quality, S.A.		ESP	\$61	\$262	\$125	56.7%	3.8x	3.9x	3.7x	2.1x
Avis Budget Group, Inc.		USA	\$6,421	\$31,972	\$12,008	39.1%	16.0x	6.5x	6.8x	2.7x
Inchcape plc		GBR	\$3,761	\$7,294	\$14,581	5.8%	13.3x	9.4x	8.7x	0.5x
Hertz Global Holdings, Inc.		USA	\$3,198	\$20,687	\$9,371	24.4%	61.5x	6.2x	9.0x	2.2x
Localiza Rent a Car S.A.		BRA	\$13,826	\$19,967	\$5,540	21.6%	23.9x	16.8x	16.7x	3.6x
Redde Northgate plc		GBR	\$1,046	\$2,008	\$2,171	25.5%	4.8x	4.2x	3.6x	0.9x
Sixt SE		DEU	\$4,626	\$8,638	\$3,881	20.2%	38.4x	10.3x	11.0x	2.2x
						Mean	9.5x	6.7x	7.1x	1.8x
						Median	16.0x	6.5x	8.7x	2.2x

■ 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		Fourth Quarter Dec. 31, 2023	
						2021	2022	EV/EBITDA	EV/Revenue
Air Transport Services Group, Inc.	 USA	\$1,142	\$2,846	\$2,071	29.6%	6.3x	5.6x	4.6x	1.4x
ALD S.A.	 FRA	\$5,811	\$39,968	\$20,827	12.9%	23.7x	15.7x	14.9x	1.9x
Cargojet Inc.	 CAN	\$1,553	\$2,131	\$664	29.0%	14.9x	10.7x	11.1x	3.2x
Chorus Aviation Inc.	 CAN	\$394	\$1,747	\$1,273	28.5%	9.0x	8.8x	4.8x	1.4x
FirstGroup plc	 GBR	\$1,428	\$2,904	\$6,050	15.0%	4.0x	2.1x	3.2x	0.5x
Global Ship Lease, Inc.	 GBR	\$698	\$1,418	\$667	61.9%	8.3x	6.3x	3.4x	2.1x
Mesa Air Group, Inc.	 USA	\$41	\$573	\$498	12.8%	6.8x	9.3x	9.0x	1.1x
NS United Kaiun Kaisha, Ltd.	 JPN	\$802	\$1,202	\$1,607	18.5%	7.0x	4.1x	4.0x	0.7x
PT Blue Bird Tbk	 IDN	\$291	\$296	\$280	25.5%	12.0x	7.3x	4.2x	1.1x
Ryder System, Inc.	 USA	\$5,100	\$12,560	\$11,783	24.5%	4.3x	3.7x	4.3x	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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Touax SCA	 FRA	\$43	\$438	\$228	29.0%	7.1x	6.8x	6.6x	1.9x	
U-Haul Holding Company	 USA	\$13,838	\$18,007	\$5,718	35.9%	8.9x	6.0x	8.8x	3.1x	
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	 BRA	\$2,275	\$4,138	\$1,242	42.7%	18.2x	13.0x	7.8x	3.3x	
Wisdom Marine Lines Co., Limited (Cayman)	 TWN	\$1,267	\$2,550	\$546	46.1%	14.4x	7.0x	10.1x	4.7x	
						Mean	8.6x	7.0x	6.3x	2.0x
						Median	8.6x	6.9x	5.7x	1.6x

■ Excluded from mean and median

Fleet Leasing – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23		CAN	Offers equipment rental services to oil and gas companies, and offers recreational vehicles	ND	-	100.0%	-	-	-
Dec-23		GBR	Offers vehicle acquisition, accident management, car leasing and novated lease	streetfleet	-	100.0%	-	-	-
Nov-23		CAN	Offers trailer rental, heated trailers, truck loading, warehousing, and tractor rental services		-	100.0%	-	-	-
Oct-23		FRA	Offers various types of branded vehicles for long-term rental and lease via a digital platform	Crédit Mutuel Leasing	-	> 50%	-	-	-

ND: Not Disclosed

Selected Transactions Commentary



"We set out several years ago to strengthen our presence on the east coast organically, and whilst we have had great success in this regard, this will be the first of other acquisitions as we are building the economies of scale to be more aggressive in achieving our growth targets."

James Ehmann, National Manager of StreetFleet



"We are very proud of this strategic alliance, which will enable us to consolidate our leading position in LTL freight transport in Quebec. Transport Inter-Nord and Transport Guilbault are both family businesses run by third-generation descendants. We share the same values and customer service objectives."










Eric Gignac, President of Group Guilbault



"Meeting the new challenges of mobility is one of the main concerns of the customers of our banking networks. With the acquisition of Roulenloc, we are strengthening our rental offer to provide them with available vehicles and support them in their efforts to reduce CO2 emissions. Roulenloc's digital expertise will also enable us to offer direct support to new customers."

Pierre Salzman, CEO of Crédit Mutuel Leasing

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
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

Sign up for M&A insights

We 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:



Emerging industry trends

Quarterly reports covering 30+ industries

Monthly reports for the U.S., Mexico, and Colombia

Analysis of transactions and market trends

Valuable insights for industry leaders

Receive email updates with our proprietary data, reports, and insights as they're published for the industries that matter to you the most

SUBSCRIBE

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 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>



JAMES A. SEALE

President and Founder | Washington, DC

✉ [in](#) +1 (703) 623-9253

32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University
University of Virginia - JD
University of Kentucky - BS in Accounting

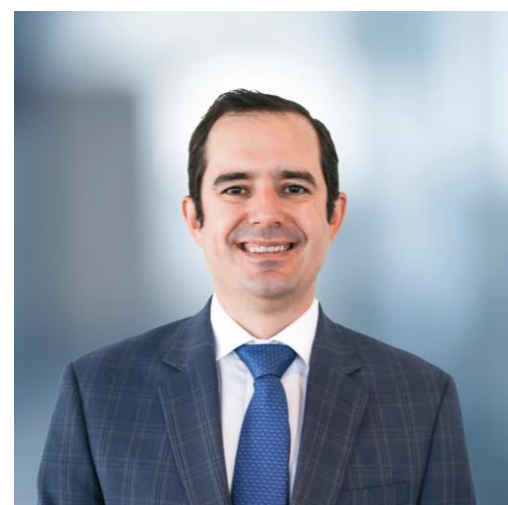


BRETT M. CARMEL

Senior Managing Director and Co-founder | Miami, FL

✉ [in](#) +1 (703) 294-6530

25+ years of global M&A experience and Professor of M&A at Johns Hopkins University
The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors

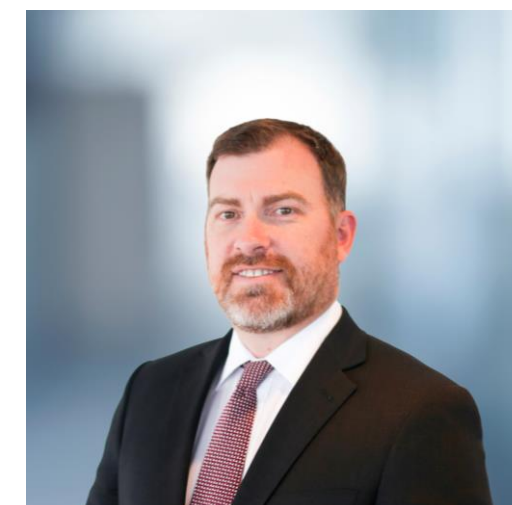


SERGIO GARCIA DEL BOSQUE

Managing Director | Mexico City, Mexico

✉ [in](#) +52 (55) 8000-7463

16+ years of global M&A experience
IPADE - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



ROBERT E. WHITNEY

Managing Director | Washington, DC

✉ [in](#) +1 (703) 801-8939

19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services
University of Richmond - BS Business Administration in Accounting

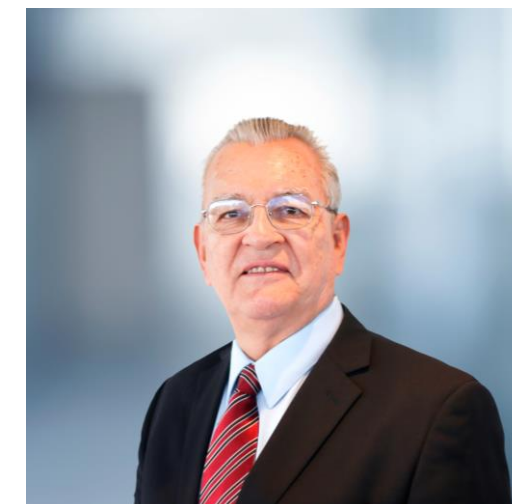


CARLOS HERNANDEZ

Managing Director | San Luis Potosi, Mexico

✉ [in](#) +1 (571) 482-3432

14+ years of global M&A experience
Columbia University - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



FELIPE BUENO

Senior Director | Monterrey, Mexico

✉ [in](#) +52 (84) 4432-4444

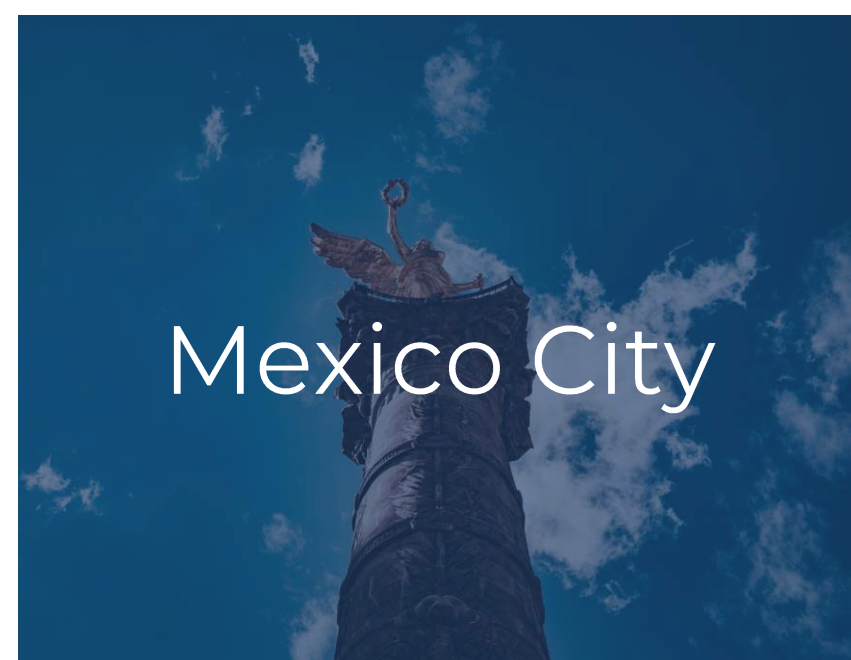
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



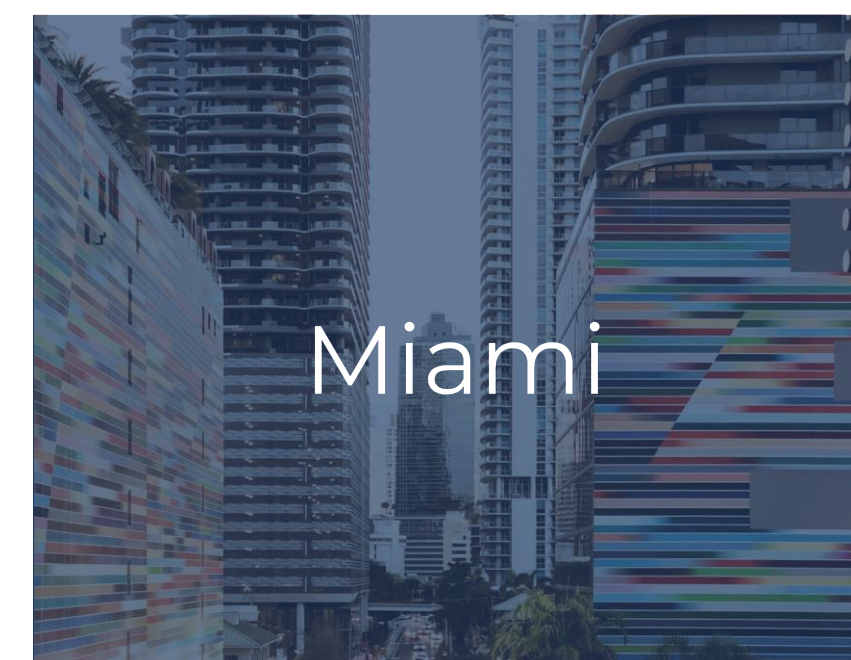
Washington D.C.



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

Mergers & Acquisitions

Divestitures

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.



Seale & Associates

Creative Solutions. Trusted Advice.