

A blue-tinted photograph of a busy street scene. In the foreground, the side of a large white truck is visible, featuring a side mirror and a door. The street has a crosswalk with white stripes. In the background, several cars are driving, and a person is walking across the crosswalk. The overall scene is slightly blurred, suggesting motion.

Seale & Associates

FLEET LEASING INDUSTRY
Q2 2023
VALUATION UPDATE

Introduction

We are pleased to share our Fleet Leasing Industry Multiples Valuation Update for Q2 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 that 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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SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Hertz

TARGET: Donlen Corporation
TRANSACTION TYPE: Buy-side Advisory
INDUSTRIES: Vehicle fleet leasing and management services
GEOGRAPHY: Northbrook, IL
SIZE: US\$947M

SITUATION

Seale & Associates, Inc. announced that it acted as financial advisor to The Hertz Corporation ("Hertz") on the acquisition of Donlen Corporation. 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.




has acquired



"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."

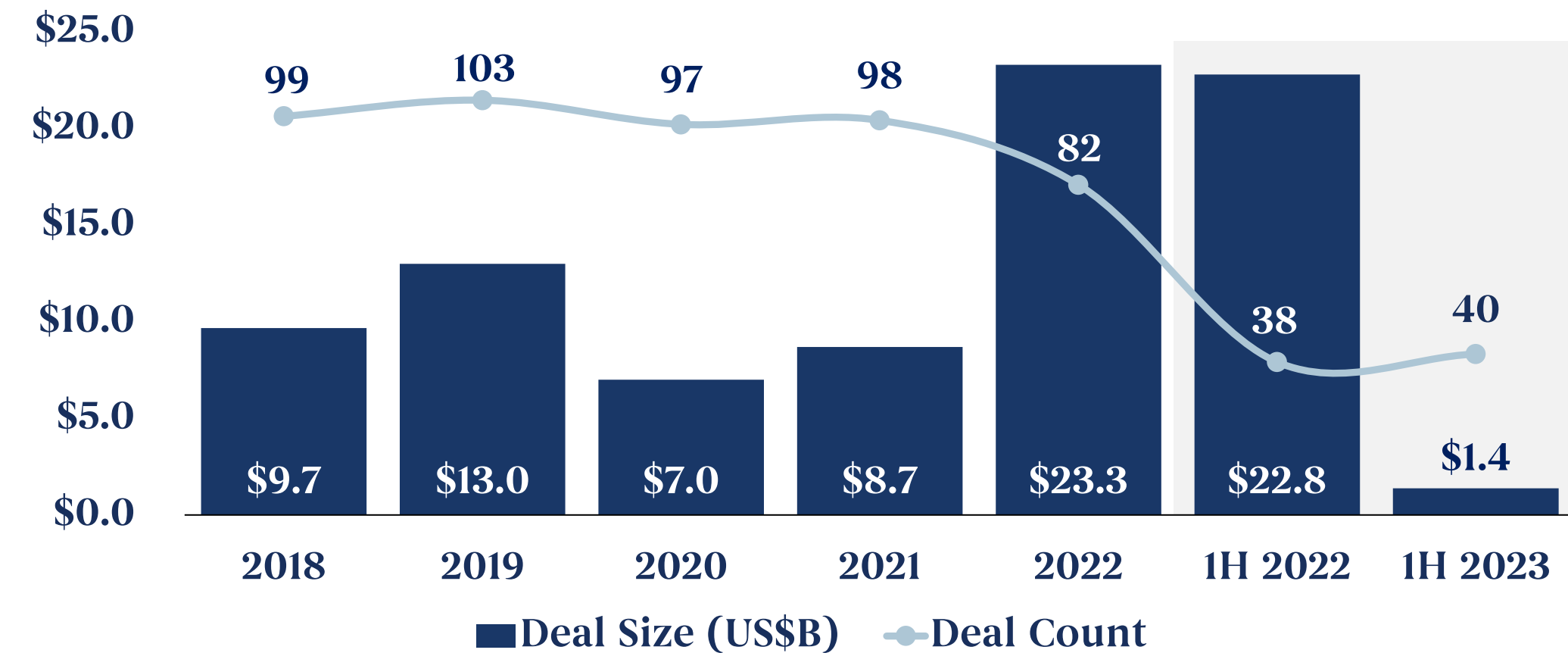
Mark P. Frissora, the Chairman and Chief Executive Officer of Hertz

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

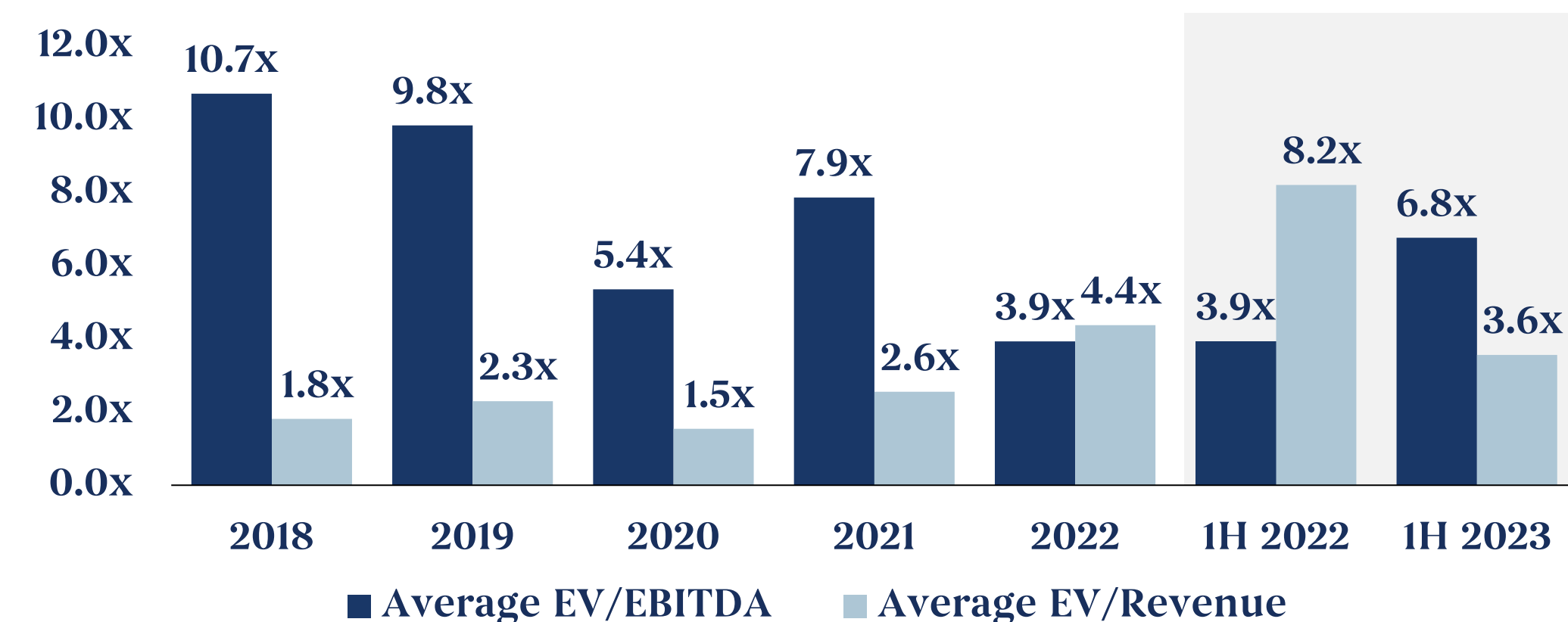
Fleet Leasing's Industry Overview

- 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, 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 fleet management solution market primarily integrates software, hardware, connectivity solutions, and network infrastructure to offer effective monitoring and reporting systems for fleet operators

Fleet Leasing's Industry M&A Deal Size and Volume











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













Sources: Mordor Intelligence Reports, Capital IQ

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		Second Quarter Jun. 30, 2023 EV/EBITDA		
						2021	2022	EV/EBITDA	EV/Revenue	
Alquiler Quality, S.A.		ESP	\$53	\$222	\$107	56.1%	3.8x	3.9x	3.6x	2.0x
Avis Budget Group, Inc.		USA	\$9,092	\$30,405	\$11,998	31.5%	16.0x	6.5x	5.5x	2.5x
EVmo, Inc.		USA	\$4	\$24	\$14	-17.3%	NM	NM	NM	1.7x
Inchcape plc		GBR	\$4,077	\$7,043	\$12,542	6.0%	13.3x	9.4x	11.0x	0.7x
Hertz Global Holdings, Inc.		USA	\$5,797	\$21,789	\$9,015	17.2%	61.5x	6.2x	7.9x	2.4x
Localiza Rent a Car S.A.		BRA	\$13,963	\$20,428	\$4,325	24.2%	23.9x	16.8x	18.0x	4.5x
Redde Northgate plc		GBR	\$1,081	\$1,922	\$1,873	24.7%	4.8x	4.2x	4.0x	1.1x
Sixt SE		DEU	\$4,932	\$7,576	\$3,478	17.7%	38.4x	10.2x	10.2x	2.2x
						Mean	16.7x	8.2x	7.0x	1.8x
						Median	14.7x	6.5x	6.7x	2.0x

■ Excluded from mean and median
NM: Not Measurable













Leasing - Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023 EV/		
						2021	2022	EBITDA	Revenue	
Air Transport Services Group, Inc.		USA	\$1,342	\$2,865	\$2,061	29.6%	6.3x	5.6x	4.4x	1.4x
ALD S.A.		FRA	\$8,736	\$30,009	\$12,388	15.7%	29.3x	17.5x	14.9x	2.4x
Cargojet Inc.		CAN	\$1,250	\$1,774	\$723	29.2%	14.9x	10.7x	8.0x	2.4x
Chorus Aviation Inc.		CAN	\$446	\$1,949	\$1,233	25.2%	9.0x	8.8x	6.1x	1.5x
FirstGroup plc		GBR	\$1,272	\$2,906	\$5,813	4.3%	4.0x	2.1x	3.0x	0.5x
Global Ship Lease, Inc.		GBR	\$689	\$1,409	\$620	64.0%	8.3x	6.3x	3.6x	2.3x
Mesa Air Group, Inc.		USA	\$104	\$675	\$529	10.8%	6.8x	9.3x	7.5x	1.3x
NS United Kaiun Kaisha, Ltd.		JPN	\$558	\$976	\$1,887	20.1%	7.0x	4.1x	2.8x	0.6x
PT Blue Bird Tbk		IDN	\$358	\$355	\$265	25.6%	12.0x	7.3x	5.2x	1.3x
Ryder System, Inc.		USA	\$3,942	\$10,722	\$11,959	21.2%	4.3x	3.7x	3.8x	0.9x










Leasing - Global Comparable Public Companies (Continued)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023 EV/EBITDA		
						2021	2022	EV/EBITDA	EV/Revenue	
Touax SCA		FRA	\$53	\$442	\$225	26.6%	7.1x	6.8x	7.0x	1.9x
U-Haul Holding Company		USA	\$10,026	\$13,964	\$5,865	35.8%	8.9x	6.0x	6.5x	2.4x
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.		BRA	\$2,555	\$4,120	\$1,116	39.2%	18.2x	13.0x	8.9x	3.5x
Wisdom Marine Lines Co., Limited (Cayman)		TWN	\$1,169	\$2,245	\$748	52.2%	14.4x	7.0x	5.3x	3.1x
■ Excluded from mean and median						Mean	9.3x	7.0x	5.6x	1.8x
						Median	8.3x	6.8x	5.3x	1.7x

Fleet Leasing – Q2 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-23	 greentomatocars	GBR	Provides car rental services with zero-emissions and low-emissions vehicles	 ADDISON LEE	-	100.0%	-	-	-
Jun-23	 PULHAM & SONS (Coaches) Ltd.	GBR	Provides passenger transport solutions and coach hire services	 GoAhead	-	100.0%	-	-	-
May-23	 AGUILAR	ESP	Provides rental services of mobile cranes, crane trucks, and transport vehicles	 AGUILAR SOLUCIONES INTEGRALES EN ELEVACION	-	100.0%	-	-	-
May-23	 ASPEN Limo Services Now a HERMES company	USA	Provides limousine transportation services	 HERMES	-	100.0%	-	-	-
Apr-23	RENTR	FRA	Provides medium and long-term vehicle rental services	 Appro auto Originateur 1 du marché automobile	-	100.0%	-	-	-
Apr-23	 Vertu Lease Cars	GBR	Provides car and van leasing services	 UK CAR LINE Vehicle Leasing	 Vertu Motors plc	100.0%	-	-	-

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 <small>NAICS 532 – Rental and Leasing Services</small>	 2023	 \$63.8M	 \$33.9M	 18.1%	 2.2x	 35.6%	 6.4x	 6
Construction, Transportation, Mining, and Forestry Machinery Rental and Leasing <small>NAICS 53241 – Construction, Transportation, Mining, and Forestry Machinery Rental and Leasing</small>	2022-2023	\$78.3M	\$26.4M	9.7%	2.9x	41.5%	7.2x	3

Source: GF Data

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.

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S U S C R I B E

Representative Global Engagements

<p>BEIJER REF</p> <p>has acquired</p> <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>Rheem</p> <p>has acquired</p> <p>HTPG</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 & Triumph Engines businesses</p> <p>to</p> <p>TGG THE GORES GROUP</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands</p> <p>from</p> <p>DOVER</p>	<p>COSMOCEL</p> <p>has partnered with</p> <p>ROVENSA — WELL-BALANCED AGRICULTURE —</p> <p>a company backed by</p> <p>Partners Group Bridgepoint</p>	<p>Hertz</p> <p>has acquired</p> <p>DONLEN</p>	<p>tyco</p> <p>has sold the North American guarding business of</p> <p>to</p> <p>GARDA</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p> <p>GE</p>	<p>United Technologies</p> <p>has sold</p> <p>FORNEY</p> <p>to</p> <p>GH GRAHAM HOLDINGS</p>	<p>Carrier</p> <p>a subsidiary of</p> <p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY and Starboard Capital Partners</p>
<p>FLOWERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>Daives Baird Pty Ltd a sister company of</p> <p>Quality Castings</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>Standex</p> <p>has sold</p> <p>JJI JAMES BURN INTERNATIONAL</p> <p>to</p> <p>Code Flower Inc.</p>	<p>GRACE</p> <p>has sold its</p> <p>GRACE Membranes Business</p> <p>Uop a subsidiary of</p> <p>Honeywell</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN FLAME CUTTING INNOVATION</p> <p>and</p> <p>CMC Cleveland Motion Controls</p> <p>to</p> <p>LINCOLN ELECTRIC</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p> <p>WM WASTE MANAGEMENT</p>	<p>Port Contractors STEVEDORING • TERMINAL OPERATIONS</p> <p>has been acquired by</p> <p>ENSTRUCTURE</p>	<p>ConvaTec</p> <p>has sold</p> <p>SENSI CARE and ALOE+VESTA</p> <p>to</p> <p>MEDLINE</p>	<p>Villeroy & Boch 1748</p> <p>has sold their</p> <p>Sanitaryware Manufacturing Plant</p> <p>to</p> <p>corona</p>	<p>ARCACONTINENTAL</p> <p>has acquired</p> <p>Multiple snack companies</p> <p>WISE WISCONSIN</p> <p>DEEP RIVER SOUTH CAROLINA</p> <p>Carolina Country Snacks</p>	<p>United Technologies</p> <p>has sold</p> <p>UNITEC ELEVATOR</p> <p>to</p> <p>PACIFIC AVENUE 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>NTA WE DELIVER HEALTH</p> <p>has been acquired by</p> <p>DHL</p>	<p>Oxbow</p> <p>has sold</p> <p>Oxbow Sulphur, Inc.</p> <p>to</p> <p>H.J. BAKER ESTABLISHED 1978</p>	<p>Wood Crafters</p> <p>has been acquired by</p> <p>Fortune Brands Home & Security</p>	<p>LESCO</p> <p>has sold</p> <p>NOVEX</p> <p>to</p> <p>KPAC Holdings, Inc. A private investment group</p>	<p>KENTZ Engineers & Constructors</p> <p>has acquired</p> <p>ALEGRO PROJECTS LIMITED</p>	<p>LOUISVILLE LADDER</p> <p>has acquired</p> <p>CENTURY 21 REALESTATE</p> <p>holding Asia Stairways</p>	<p>gcp</p> <p>has acquired</p> <p>StirlingLloyd</p>	<p>HERCULES</p> <p>has sold its</p> <p>SYCAR Resins business</p> <p>to</p> <p>National Starch & Chemical A member of the ICI Group</p>	<p>KVERNER</p> <p>has sold</p> <p>NEGRI BOSSI</p> <p>to</p> <p>Private Equity Partners</p>	<p>state WATER HEATERS</p> <p>has been acquired by</p> <p>AC Smith</p>
<p>GIS</p> <p>has sold</p> <p>VITROMEX</p> <p>to</p> <p>MOHAWK INDUSTRIES, INC.</p>	<p>intelectiva</p> <p>has acquired</p> <p>KFC</p> <p>KFC Costa Rica</p> <p>from</p> <p>QSR INTERNATIONAL</p>	<p>FANOSA</p> <p>has been acquired by</p> <p>LAMOSIA</p>	<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p> <p>Enjet AERO</p>	<p>Celanese</p> <p>has sold the</p> <p>Films Business of</p> <p>ATPlastics</p> <p>to</p> <p>bpi</p>	<p>PromaPlast</p> <p>has been acquired by</p> <p>IMCD</p>	<p>GRUPO CUPRUM</p> <p>has sold</p> <p>CUPRUM PRODUCTOS QUIMICOS</p> <p>to</p> <p>NMM</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p> <p>H.J. BAKER</p> <p>was refinanced by</p> <p>BMO</p>	<p>AXA</p> <p>has sold</p> <p>maestro health</p> <p>to</p> <p>MARPAI</p>	<p>GARWARE bestretch A Garware Holdings Company</p> <p>has acquired</p> <p>Fulflex YOUR ELASTICS EXPERT</p> <p>from</p> <p>THE MOORE COMPANY</p>	<p>CEMEX</p> <p>sold its concrete pumping business to</p> <p>PUMPING TEAM GRUPO</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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