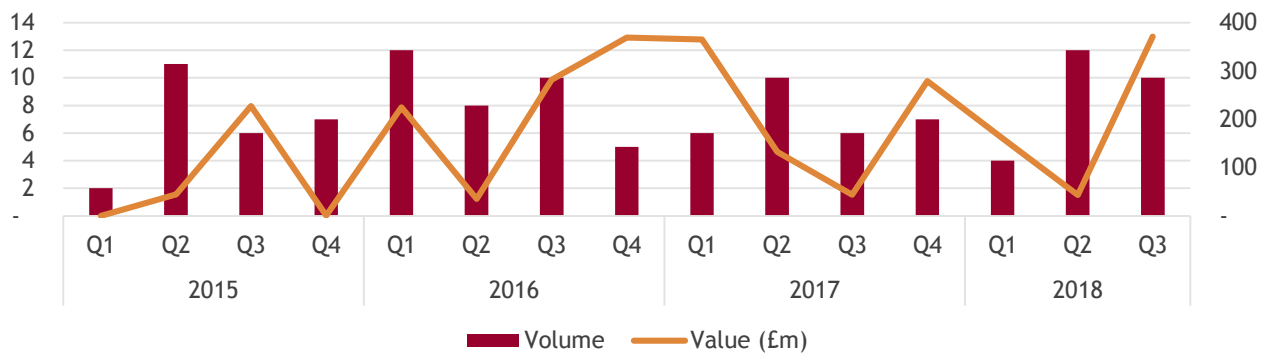


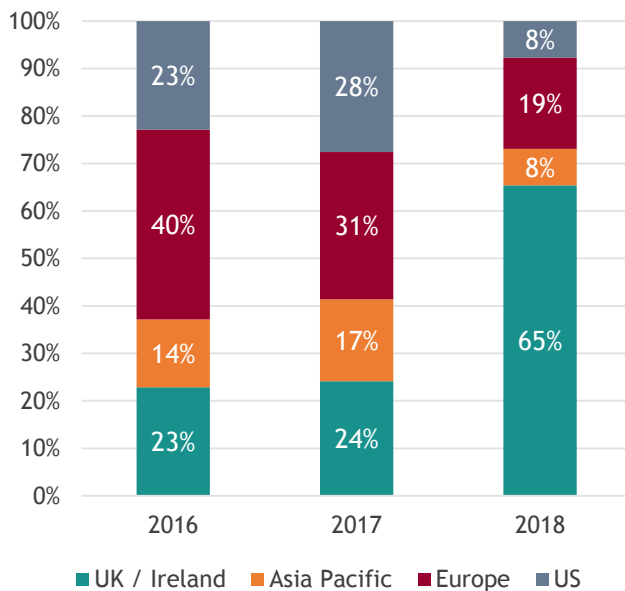
LOGISTICS & SUPPLY CHAIN MANAGEMENT

M&A Update - Q3 2018

DEAL VOLUME & VALUE 2016 - 2018 (Q3)



UK & IRELAND ACQUISITIONS BY BUYER GEOGRAPHY



UK & IRELAND TRANSACTION VOLUME BY SUBSECTOR



- Reported transaction values saw a sharp rise in Q3 to £371 million, due to a number of higher value transactions including the £214m acquisition of Dicom Transportation Group by Royal Mail plc, and the £74.5m acquisition of Menzies Distribution by Endless.
- Deal volume declined in Q3, with 10 transactions completing and a further two deals pending at the date of publication.
- 2018 has continued to see a large swing to domestic corporate investment with a reduction in European acquirers.
- Valuation metrics remained strong for strategic assets.



Selected deals in Q3 2018

£214m acquisition of Dicom Transportation Group

General Logistics Systems BV, a subsidiary of Royal Mail PLC, acquired Canadian logistics group Dicom from Wind Point Partners. Dicom offers a broad range of logistics services including parcel delivery, final mile and LTL. The acquisition comes as GLS look for growth outside of Europe.

£74.5m acquisition of Menzies Distribution by Endless

Transformational private equity firm Endless acquired the distribution business of Menzies. Menzies Distribution Ltd provides logistics and delivery solutions. The strategy for Endless is to leverage Menzies' current distribution networks and diversify away from newspaper and mail, sectors that continue to decline. John Menzies PLC will focus on growing its core aviation services businesses post transaction.

Acquisition of International Logistics Group ("ILG") by Yusen Logistics - undisclosed

BDO advised Yusen on the acquisition of ILG. Yusen is a member of the listed freight forwarding, contract logistics and transportation group ultimately listed in Japan. ILG offers bespoke fulfilment, warehousing and logistics / delivery services to clients in the UK and worldwide. The acquisition will see the Japanese group strengthen its UK position, and is expected to increase revenues in the UK by c.12%.

£12m acquisition of Import Services Limited by Xpediator PLC

BDO advised Xpediator plc on the acquisition of Import Services Limited. ISL provides contract logistics and warehousing services. The operations of Import are complimentary to those of Xpediator and the acquisition offers the acquirer c. 40,000 sqm of warehousing and significant cross selling opportunities as well as operational synergies.

£53m sale of The Pallet Network to Eddie Stobart Logistics

We commented on the pending £53m sale of TPN to Eddie Stobart in our Q2 update, but the metrics of this transaction are included in Q3.

To discuss any matters arising from this, please contact our sector team:



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