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# M&A trend in the transport and logistics industry and its implications

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1&2. M&A types per purpose and per country unit

# 1. M&A types per purpose

- Strategy upon parties

## M&A

As per the driving ideas and parties

- **Strategic Buyers**

- acquiring products or expertise,
- expanding markets, or gaining customers

- **Financial Buyers – Financial Investors**

- For the purpose of financial return,
- such as increasing operating cash flow
- either by selling the company or IPO

- **Venture Capital Firms**

- specifically target small, young companies that they believe have high growth potential

## Notable Cases



KN – APEX '21, DHL-Exel '06  
DSV – UTI, Panalpina '19, Agility '21

Blackstone – GeoYoung '19  
Hyundai investor & Mirae Asset- A  
MBK Partners – Homeplus '19  
Korean Air – Asiana in '21



Rare case in the Logistics Industry

## 2. M&A per country Division

### - DHL Supply Chain China sell off to SF Express

- Through this approximately EUR 700 million deal, Deutsche Post DHL Group and S.F. Holding enter a 10-year strategic partnership to grow supply chain operations in China
- Deutsche Post DHL Group's supply chain China business to be incorporated into S.F. Holding, and operate as a co-branded organization



M&A in  
Country Supply  
Chain  
vs  
Freight Forwarding  
Network



SF DHL Supply Chain China

## 2. M&A per country Division

- Kuehne-Nagel UK, Business Transfer to XPO



- KUEHNE + NAGEL SELLS MAJOR PART OF ITS UK CONTRACT LOGISTICS PORTFOLIO
- Kuehne + Nagel has made a definitive agreement to sell a major part of its UK contract logistics portfolio to XPO Logistics.
- The scope of the transaction includes the drinks logistics, food services and retail & technology businesses. These operations generated a turnover of approximately CHF 750 million in 2019 and are supported by 7,500 employees.

We have announced that we intend to sell part of our UK Contract Logistics operations to XPO Logistics

This includes Contract Logistics operations in:

- Drinks Logistics
- Foodservices
- Retail and Technology

KNUK Contract Logistics operations in the Aerospace, Government and Pharma operations will be retained.



Today

Kuehne + Nagel UK

11,500 Employees

Up to 6 months

Staying with



KNUK

4,000 Colleagues

Air, Sea and Overland freight forwarding

Integrated Logistics

Contract Logistics operations in the Aerospace, Government and Pharma sectors.

Transferring to

**XPO**Logistics

6,000 Colleagues + 1,500 Waitrose

Contract Logistics services in

- Drinks Logistics
- Foodservices
- Retail and Technology

Colleague T&Cs will stay the same

## 2. M&A per country Division

### - DKSH Logistics Division Sell off in 2018



- DKSH Korea Supply Chain Management holds 49,500m<sup>2</sup> of logistics center space, including three Warehouses in Gimpo(MHDC), Icheon(IMDC), and West Icheon(WIDC).
- Split Sold: MHDC terminated, IMDC to Han Express & WIDC to Pantos

Head office	Zurich, Switzerland
Founded	In 1865
Net sales	KRW 12 trillion (CHF 11 billion)
Employees	31,970
Countries	36
Business locations	825
Listing status	Listed in 2012, SIX Swiss Exchange





### 3. M&A History in global players



# The History of Deutsche Post DHL ,

## Strategic Drive to Logistics Industry by IPO



- **2000 – Deutsche Post AG goes public**
- On November 20, 2000, Deutsche Post AG goes public.
- The largest IPO of the year in Germany and the third-largest worldwide proves a resounding success.
- An initial total of 29 percent of the share capital of Deutsche Post AG is sold.
- The immense demand, as evidenced by an eight-fold oversubscription to the shares offered in the IPO, clearly demonstrate that the Group's strategy has convinced investors and the capital market alike
- Employee participation in the subscription is strong. Some 145,000 domestic employees of the Group subscribe to more than 6 percent of the total volume, thus acquiring approximately 400 million euros in share capital.
- For the time being, the IPO would crown the privatization process of the formerly government-owned company.

# The History of Deutsche Post DHL

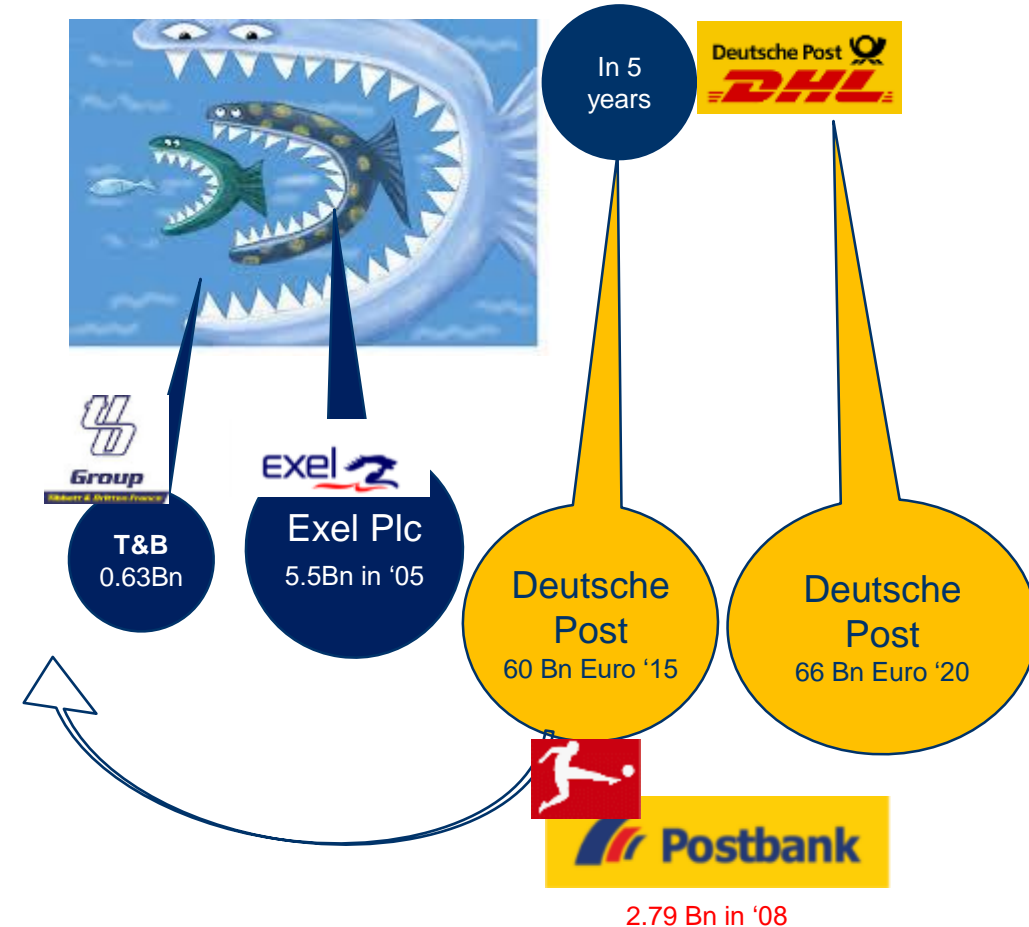
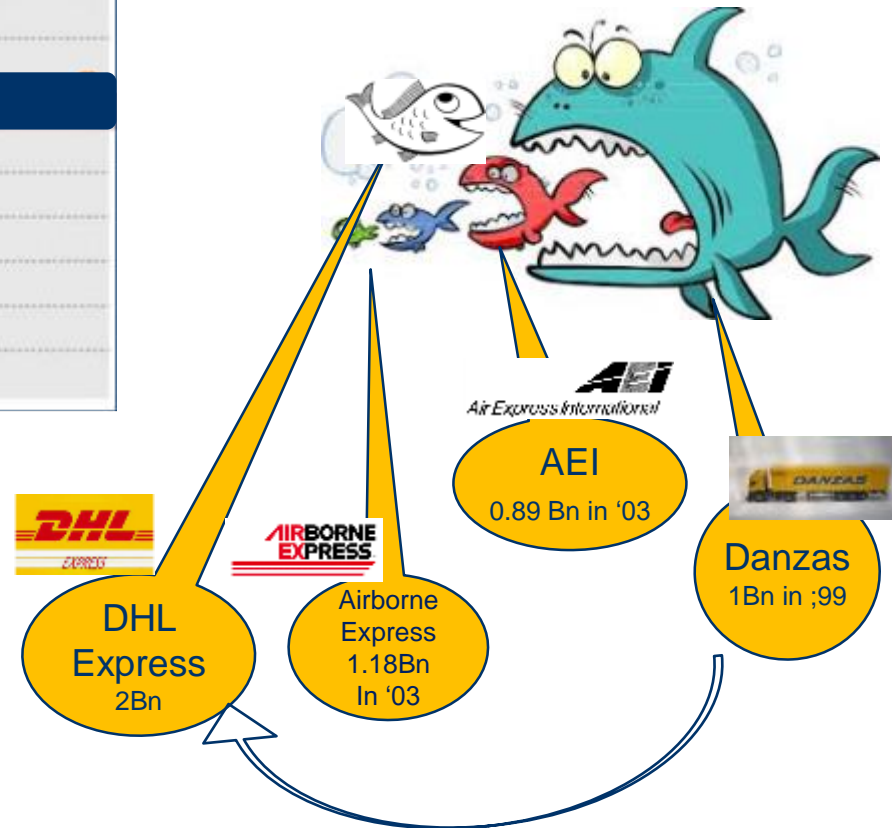


- **2002 – Deutsche Post acquires DHL**
- The partnership with DHL International, which began with the acquisition of a minority interest in 1998, is expanded and intensified in 2000.
- Negotiations were then concluded allowing Deutsche Post to establish a majority interest from January 1, 2002.
- In July 2002, DPWN acquires a 25-percent share in DHL from Lufthansa Cargo and increases its majority stake to 75 percent.
- At the time, DHL Worldwide Express had more than 71,000 employees worldwide.
- A pioneer in global express shipping, DHL's international network links over 220 countries and territories.
- DHL becomes a wholly owned subsidiary of the Group in **December 2002** after Deutsche Post AG acquires the remaining shares from two investment funds and Japan Airlines

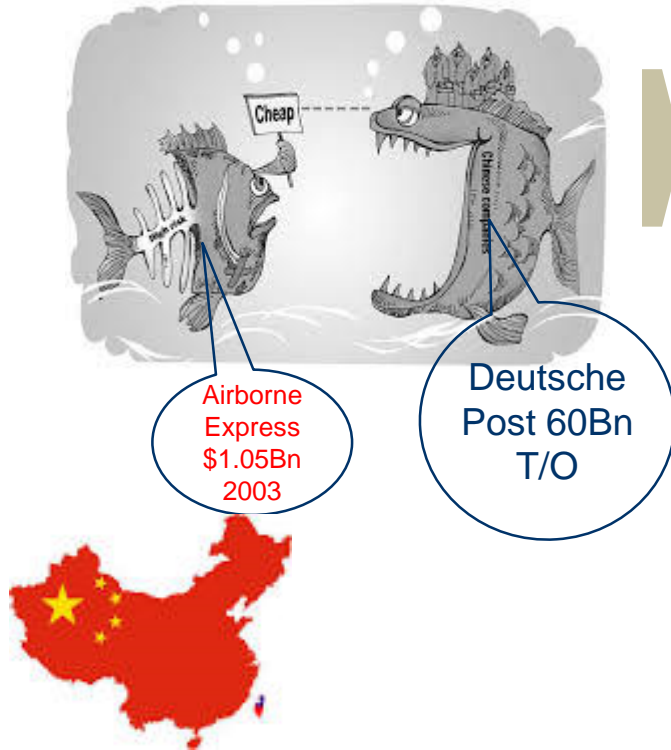
# Major M& A by DP DHL



DP DHL	
1998년	미국 물류업체 DHL의 주식 매입 시작
1999년	스위스 포워딩 업체 단자스 인수
	미국 항공운송업체 AEI 인수
	독일 금융회사 포스트뱅크 인수
2003년	미국 특송업체 에어본 인수
	중국 시노트랜스와 합작사 설립
2005년	영국 '3자물류' 업체 엑셀 인수
2006년	독일 금융서비스업체 BHW 인수
2009년	DP DHL로 물류사업분야 통합
	포스트뱅크 매각



# Bitter outcome of M&A by DP DHL



FDX/UPS 80%,  
DHL 5%, USPS 15%

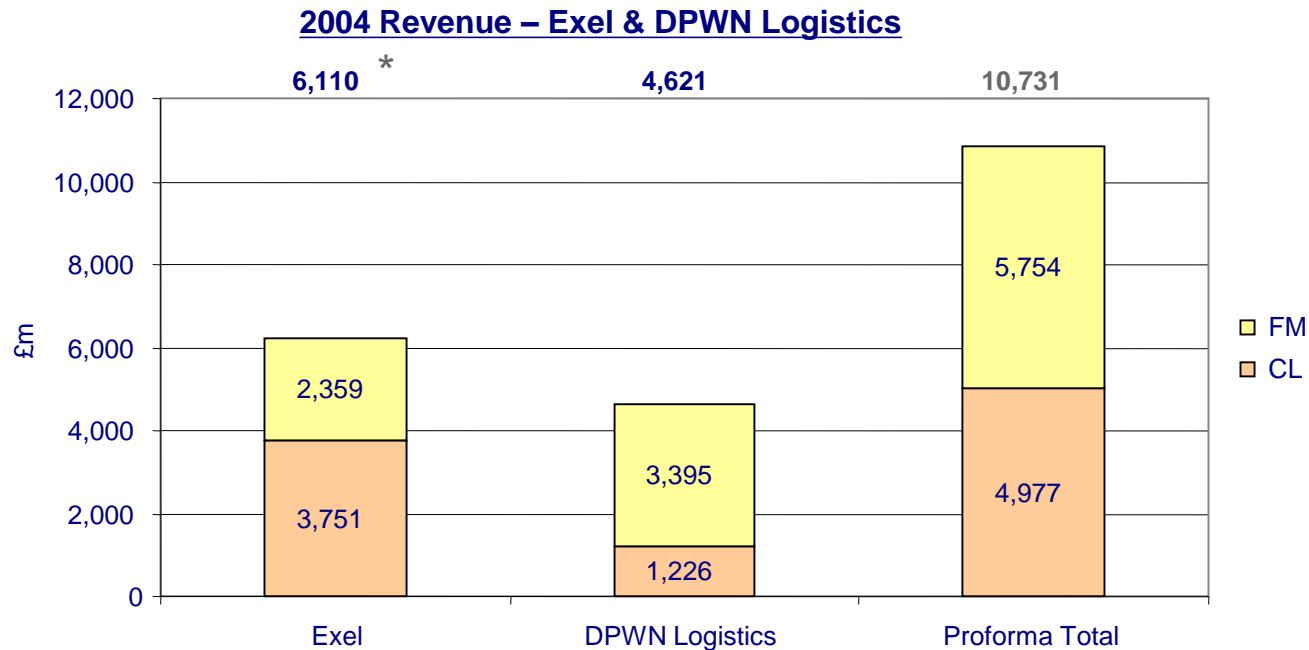
## 2008, Retreat from US Domestic market

- After five years of trying, in November DHL folded its domestic U.S. business, writing down \$3.9 billion to cover severance and restructuring costs, and pushing its parent company, Deutsche Post, to a \$1 billion loss for the year. All told, the company said, it had lost **\$10 billion** on the venture.
- firing 14,900 workers and closing three-fourths of its outlets
- DHL Express's remaining US business will focus on international deliveries, with 4000 employees and 103 outlets
- Frank Appel's decision, saying an economic decline in the US "generated considerable need for action"

## 2011, Retreat from CN Domestic market

- DHL-Sinotrans International, the German company's 50-50 venture with China's Sinotrans Air Transportation Development Co Ltd, had sold its entire domestic courier business to Uni-top, a tiny Chinese delivery company
- DHL-Sinotrans' domestic delivery segment had lost 99.2 million yuan (**\$15 million**) as of the end of 2010 since going into service in 2009
- Shunfeng, Shentong, Yuantong, Yunda, Zhongtong, and Huitong accounted for about half of China's express delivery market in 2010.

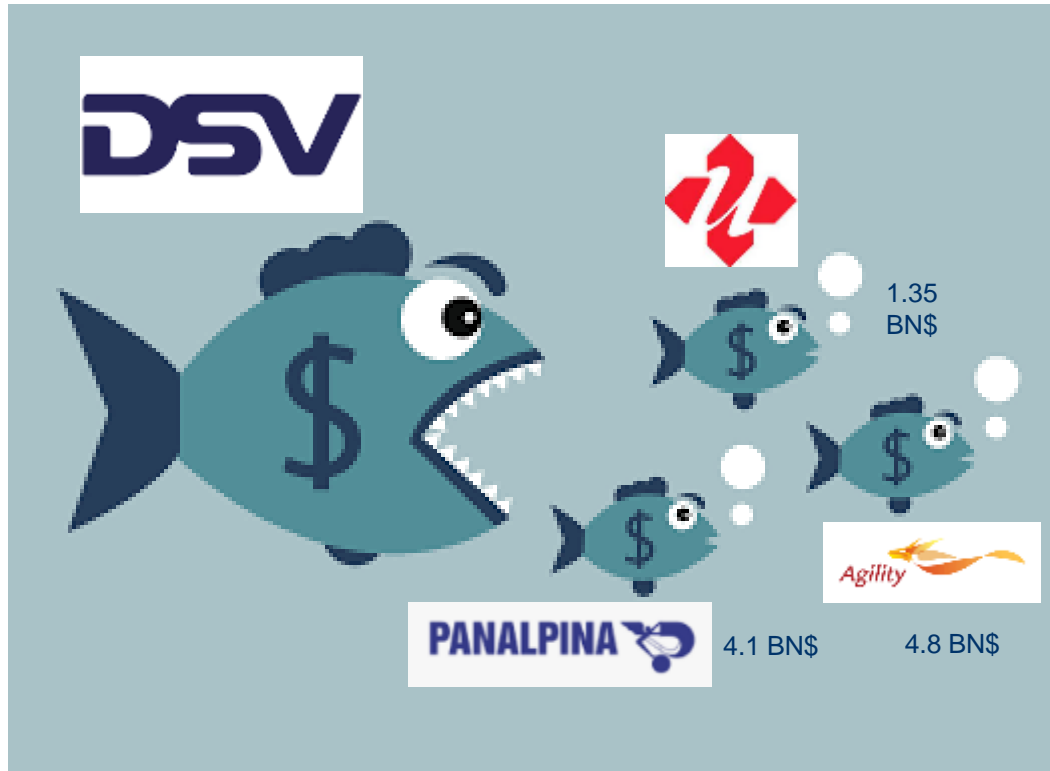
# DHL Exel Market rankings in 2004 vs DGF/DSC 2020



	Exel	DPWN Logistics	Proforma Total
CL	# 1	# 5	# 1
Airfreight	# 3	# 1	# 1
Seafreight	# 5	# 2	# 1

- ➔ DHL/Exel combined businesses would make us a clear global leader in contract logistics, air and seafreight
- ➔ DGF/DSC still Rank #1 in 2020 T/O excl. DP parcel & Express
- ➔ 2 times Growth over 15 years : 15bn US\$ vs 32bn US\$

# DSV global positioning through rapid M&A



## Consolidating global position through 3 major M&As

- **In 2016**, acquired **UTi** Worldwide Inc. strengthening our position worldwide, particularly in the US and Africa.
- **In 2019**, we joined forces with **Panalpina** Welttransport, becoming the world's fourth largest transport and logistics company
- **In 2021**, DSV acquired **Agility's** Global Integrated Logistics business (GIL), became a global top-three player within transport and logistics.



# Global to 20 3PL Rank in 2020



## Creating a global top-three company

Third-party logistics providers by 2020 revenue in USD billion



**30 - 40%**

The estimated market share of the top 20 third-party logistics providers

**4 - 5%**

The estimated market share of DSV Panalpina + GIL



# Kuehne-Nagel M&A



- Kuehne + Nagel International AG has agreed to acquire Apex International Corp. in a deal that values the freight forwarder at about \$1.5 billion
- Apex Logistics has about 1,600 employees and generates annual turnover in excess of 2.1 billion swiss francs (\$2.3 billion)
- Kuehne + Nagel's strategic M&A in Asia focused area mainly China and US trade lane with eCommerce



- MBK Partners invested about 190 billion won on three occasions in 2015, 2017, and 2018 and reportedly recovered more than 800 billion won as it sold its 62 percent stake in Apex. The company posted a money multiple of 4.5 times and an internal rate of return of 37 percent



## 4. Mega Deals in 2018/9

# Mega deals in Logistics Industries in 2018

Announce- ment	Target	Target nation	Buyer	Buyer nation	Deal status	Deal vol. (in \$bn)	Sector
Mar 18	Abertis Infraestructuras SA	ES	Abertis Infraestructuras SA SPV (50% Atlantia SpA, 30% ACS, 20% Hochtief)	ES	Completed	22.53	Passenger Ground
Aug 18	WestConnex Motorway	AU	Investor Group	AU	Completed	6.75	Passenger Ground
Jun 18	China Merchants Port Holding	HK	Shenzhen Chiwan Wharf Holdings Ltd.	CN	Pending	4.28	Shipping
Dec 18	Gatwick Airport Ltd. (50.01%)	UK	Vinci Airports SAS	FR	Pending	4.13	Passenger Air
May 18	Operating Concession of Fukuoka Airport	JP	Fukuoka International Airport Co Ltd.	JP	Pending	3.99	Passenger Air
Mar 18	4 Phil-Airport Concessions	PH	Aboitiz InfraCapital Inc	PH	Intended	2.85	Passenger Air
Feb 18	Beijing Jingbangda Trade Co	CN	Investor Group	CN	Pending	2.50	Logistics/Trucking
Feb 18	Italo SpA	IT	Global Infrastructure Partners	US	Completed	2.45	Rail
Jul 18	China Eastern Airlines (12.9%)	CN	Investor Group	CN	Pending	2.24	Passenger air
Dec 18	Travelport Worldwide	UK	Travelport Worldwide SPV Investor Group (financial investors and subsidiaries of Softbank and Google)	UK	Pending	2.09	Other
Apr 18	Man Bang Grp	CN	Investor Group (financial investors and subsidiaries of Softbank and Google)	CN	Completed	1.90	Logistics/Trucking
Dec 18	GrainCorp Ltd.	AU	Long-Term Asset Partners Pty Ltd.	AU	Pending	1.74	Logistics/Trucking
Nov 18	Capital Product Partners Tanker Business	US	DSS Holdings LP (Diamond S)	US	Pending	1.65	Shipping
Feb 18	Shenzhen Chiwan Wharf Holding	CN	Investor Group (Subsidiaries of state-owned China Merchants Group)	CN	Completed	1.48	Shipping
Jun 18	Worldwide Flight Services	FR	Cerberus Capital Management LP	US	Pending	1.39	Passenger Air
May 18	ZTO Express (10% Stake)	CN	Alibaba Group/Cianiao (Alibaba Logistics Unit)	CN	Pending	1.38	Logistics/Trucking
Mar 18	Scandlines GmbH	DE	Group of Financial Investors	UK	Pending	1.36	Shipping
Jul 18	Simply Self Storage – 2 REITS	US	NSA HHF JV LLC	US	Pending	1.33	Logistics/ Trucking
Mar 18	Aero 1 Global & International Sarl*	LUX	Atlantia SpA	IT	Pending	1.30	Rail
Apr 18	UN Ro-Ro Isletmeleri AS	TR	DFDS A/S	DK	Completed	1.17	Shipping
Oct 18	Ceva Logistics AG	CH	CMA CGM SA	FR	Pending	1.11	Logistics/ Trucking

- Total 21 megadeal cased in 2018
- Active deals in the airline, airport services, transportation, & freight forwarding services
- Also robust deals in China market
- Ceva integrated into the vertical industry

# Mega deals in Logistics Industries in 2019

Announcement	Target	Target nation	Buyer	Buyer nation	Investor type	Deal status	Deal value (in \$bn)	Sector	Asset type
Jun 19	US Logistics Assets owned by GLP Pte Ltd	US	Investor Group of Blackstone Subsidiaries	US	Financial	Completed	18.70	Logistics & Trucking	Logistics Real Estate
Oct 19	PLUS Malaysia Bhd	MY	4 Bidders, currently highest bid from Widad Business Group	MY	Strategic	Pending	9.17	Passenger Ground	Infrastructure – Road
Aug 19	E-470 Public Highway 50-year concession	US	Roadis USA Holding LLC	US	Financial	Intended	9.00	Passenger Ground	Infrastructure – Road
Jul 19	Genesee & Wyoming Inc	US	Investor Group of Brookfield Infrastructure Partners LP and GIC Pte. Ltd	BM	Financial	Completed	8.40	Rail	Operations
Jan 19	Panalpina Welttransport	CH	DSV A/S	DK	Strategic	Completed	4.66	Logistics & Trucking	Operations
May 19	WestJet Airlines Ltd	CA	Onex Corp.	CA	Financial	Completed	3.73	Passenger Air	Operations
Nov 19	Cainiao Network Tech Co Ltd (12%)	CN	Alibaba Group Holding Ltd	CN	Strategic	Completed	3.34	Logistics & Trucking	Operations
Oct 19	China Southern Airlines Co Ltd (9.9%)	CN	Investor Group	CN	Financial	Pending	2.82	Passenger Air	Operations
Nov 19	IDEAL (40%)	MX	Investor Group of two Pension Funds	CA	Financial	Intended	2.71	Passenger Ground	Infrastructure – Road
Oct 19	Red de Carreteras de Occidente (70%)	MX	Investor Group of Abertis Infraestructuras and GIC Pte. Ltd	ES	Financial	Pending	2.61	Passenger Ground	Infrastructure – Road
Aug 19	407 Etr Intl Inc	CA	Canada Pension Plan Investment Board	CA	Financial	Completed	2.45	Passenger Ground	Infrastructure – Road
Apr 19	407 Etr Intl Inc	CA	Ontario Municipal Employees Retirement System	CA	Financial	Withdrawn	2.43	Passenger Ground	Infrastructure – Road
Dec 19	Asiana Airlines Inc. (76.77%)	KR	Investor Group of Hyundai Development and Mirae Asset Daewoo	KR	Financial	Pending	2.15	Passenger Air	Operations
Sep 19	LATAM Airlines Group SA	CL	Delta Air Lines Inc.	US	Strategic	Completed	1.94	Passenger Air	Operations
Apr 19	Long Beach Container Terminal	US	Macquarie Infrastructure Partners Inc.	US	Financial	Completed	1.78	Shipping	Infrastructure – Port
Apr 19	Geo-Young Corp.	KR	Blackstone	US	Financial	Completed	1.40	Logistics & Trucking	Operations
Mar 19	DCT Gdansk SA	PL	Investor Group: PSA International, the Polish Development Fund and IFM Investors	SG	Financial	Completed	1.32	Shipping	Infrastructure – Port

- Total 29 megadeal cased in 2019
- Also Active deals in the airline, airport services, transportation, & freight forwarding services
- Korean deal; Geoyoung & Asiana

# Mega deals in Logistics Industries in 2019

Announcement	Target	Target nation	Buyer	Buyer nation	Investor type	Deal status	Deal value (in \$bn)	Sector	Asset type
Jul 19	Virgin Galactic LLC	US	Social Capital Hedosophia Holdings Corp	US	Financial	Completed	1.30	Logistics & Trucking	Operations
Apr 19	Cloverleaf Cold Storage Co Inc	US	Americold Realty Trust	US	Financial	Completed	1.24	Logistics & Trucking	Logistics Real Estate
Jun 19	SIAS SpA	IT	ASTM SpA	IT	Strategic	Pending	1.22	Passenger Ground	Infrastructure – Road
Mar 19	GMR Airports Ltd	India	Investor Group led by Tata Sons Ltd. and GIC Pte. Ltd	India	Financial	Pending	1.16	Passenger Air	Infrastructure – Airport
Oct 19	Red de Carreteras de Occidente (30%)	MX	Investor Group of Abertis Infraestructuras and GIC Pte. Ltd	ES	Financial	Intended	1.12	Passenger Ground	Infrastructure – Road
Nov 19	Air Europa Lineas Aereas SAU	ES	IB OPCO Holdings (Part of International Airlines Group)	ES	Strategic	Pending	1.12	Passenger Air	Operations
Sep 19	Mengxi-Huazhong Railway Co Ltd	CN	Investor Group of Subsidiaries from Agricultural Bank of China, ICBC, BOC and China State Railway Group	CN	Financial	Pending	1.09	Rail	Operations
Jul 19	Topaz Energy & Marine Ltd	UAE	DP World Ltd	UAE	Strategic	Completed	1.08	Shipping	Infrastructure – Road
Apr 19	Gvk Airport Holdings Pvt Ltd	IN	Investor Group of ADIA, PSP and NIIF	UAE	Financial	Pending	1.08	Passenger Air	Infrastructure – Airport
Dec 19	Apollo Maximus-Portfolio	DE	GIC Singapore	SG	Financial	Pending	1.06	Logistics & Trucking	Logistics Real Estate
Apr 19	Advanced Technologies Group	US	Investor Group of Toyota, Denso and Softbank Vision Fund	JP	Financial	Pending	1.00	Other	Operations
Feb 19	Flexport Inc	US	Investor Group of SoftBank Vision Fund, DST Global, Susa Ventures LP, Cherubic Venture Partners Inc, Founders Fund Management LLC, and SF Holding Co Ltd	UK	Financial	Pending	1.00	Logistics & Trucking	Operations



## 5. Implications of M&A Trend



# Implications of M&A trend

- M&A between companies transformed to major financial Investors;
- Regionally Asia Pacific leads the deal volumes, especially in China
- Financial Investors were active in 22 of the 29 megadeal, with a combined value of \$79.6billion in 2019
- 21 megadeals (over \$1 billion) – nine targets in Europe, six in China/HK, seven infrastructure targets in 2019, total 69bn\$ in 2018 & 29 mega deals & 92bn\$ in 2019



- Among Strategic buyers and seller, notable cases of country division sell off in trend; DHL Supply Chain Ching to SF Express, Kuehne+Nagel UK drink logistics to XPO logistics
- The pandemic accelerated the issues of the conventional logistics companies as amplified