

2025

TENNEY GROUP

ANNUAL M&A REPORT



NOTE FROM THE CEO:

No matter where you are taking your business in 2025 or how you are integrating M&A into your growth strategy, stay educated and agile. We have made this report for you. We hope our insights give you confidence around your next move – in or out of transportation and logistics. Enjoy.

S. Tenney
Spencer Tenney
CEO, Tenney Group



2024 M&A OVERVIEW + 2025 FORECAST

Despite the challenges faced in 2024, we remain optimistic about the opportunities ahead in 2025. Throughout the past year, we continued to see a significant number of transactions completed, demonstrating resilience and market adaptability. This report reflects Tenney Group's insights from 2024 and provides a forward-looking outlook for 2025. The analysis is tailored for sellers and buyers of transportation and logistics companies with annual revenues ranging from \$20M to \$300M.



Notable Deals in 2024



Lineage Acquires Coldpoint Logistics

Radiant Logistics Acquires Foundation Logistics & Services

RXO Acquires Coyote Logistics

Covenant Logistics Acquires Sims Transport Systems

TFI International Acquires Daseke

Enservco Corporation Acquires Buckshot Trucking

Ryder Systems Acquires Cardinal Logistics Management

Skywest Acquires Corporate Flight Management

Mullen Group Ltd. Acquires Containerworld Forwarding Services

***Heniff Logistics Acquires Hagen Johnson**

***Immediaship Acquires Third Coast Logistics**

***Haney & White Logistics Acquires BR Williams Trucking**

***FST Logistics Acquires Dancer Logistics**

***Trimac Acquires Watt & Stewart**

Schneider National Acquires Cowan Systems

2024 NOTABLE DEALS HEAT MAP



2024 NOTABLE DEALS

- 1

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- 2

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- 14

Trimac Acquires Watt & Stewart

KEY

 **Acquirers**

 **Acquired**

2024 M&A TAKEAWAYS

Here are 5 takeaways from 2024 M&A.

Freight recovery still recovering.

FreightWaves declared a freight recession 32 months ago. Consequently, T&L business owners who wanted and needed to transact in 2023 or 2024, never began a sale process. The supply of elite, lower middle market companies available to purchase was limited. This directly affected both M&A deal size and volume.

Specialized companies shined bright at the M&A table.

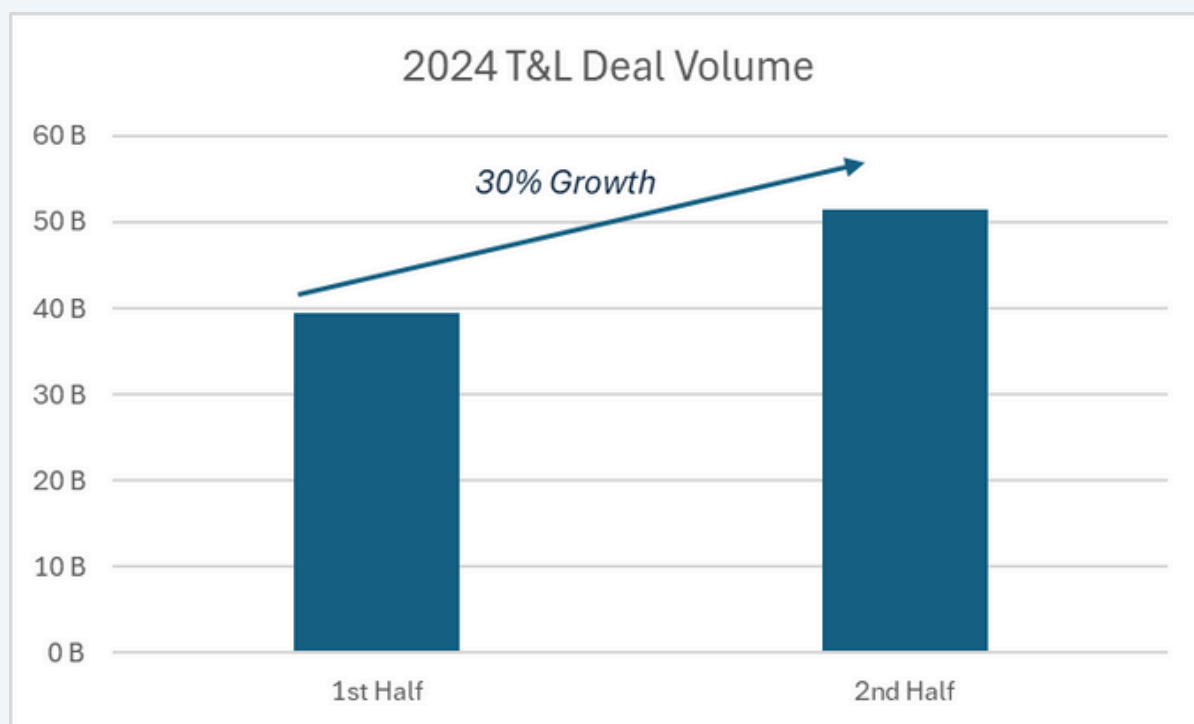
The companies that attracted the most compelling valuations and deal structures in 2024 were partly or fully insulated from the freight recession. A notable example of this was Tenney Group's recent deal with Trimac and Watt & Stewart.



2024 M&A TAKEAWAYS

2024 2nd half deal volume increases by 30%.

The first half of 2024 global T&L deal volume was 39.5 billion compared to the second half's 51.5 billion*. As the interest rates stabilized and the freight market showed signs of improvement, the M&A environment became more conducive for dealmaking. Source is S&P Capital IQ and only accounts for global transportation and logistics transactions over 50M in purchase value.



2024 M&A TAKEAWAYS

Elevated operating costs expand the buyer pool.

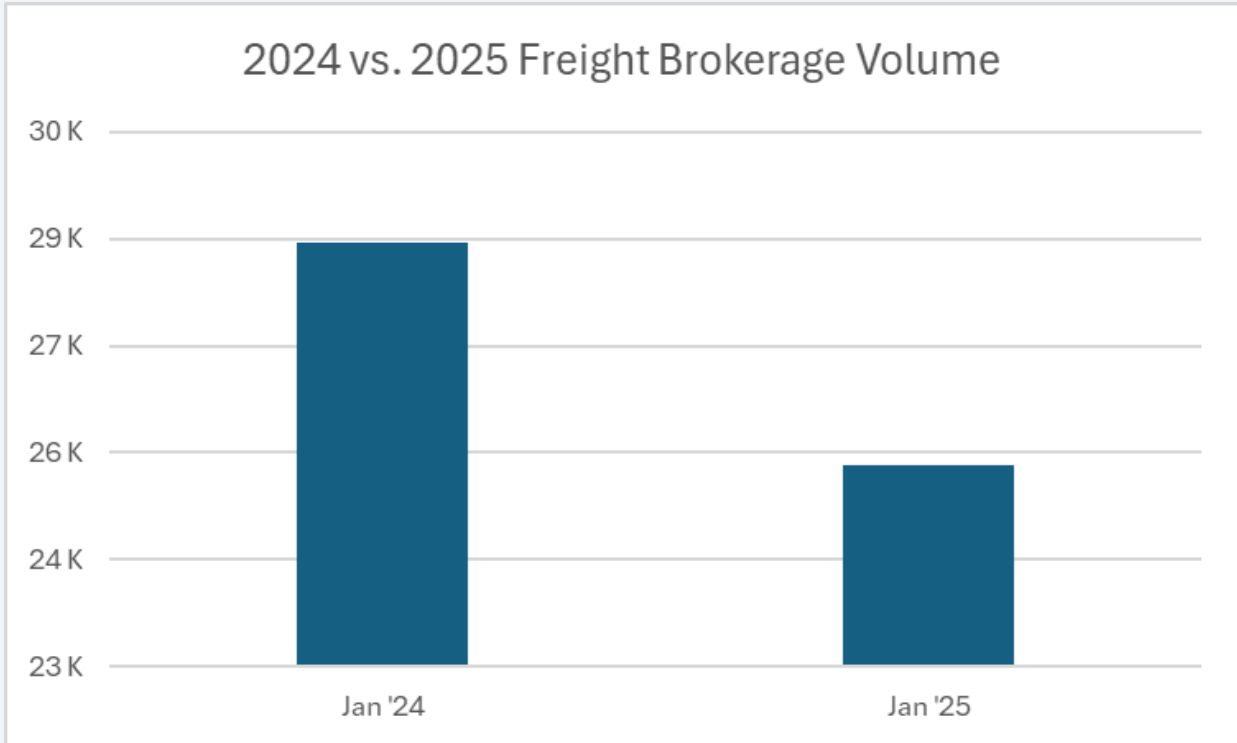
No T&L company can sustain profitability without offsetting the rising costs of doing business (fuel, insurance, labor, maintenance, equipment, etc.). In response to elevated operating costs, many T&L companies expanded their growth playbooks and became acquirers for the first time. See example of increased operating costs in the year over year labor comparison for employees in the tank/bulk space.

Tank/Bulk	2023	2024	YoY Chg.
Safety Director	85500	105000	+22.8%
Fleet Manager	77500	84000	+8.4%
Driver	76000	83700	+10.1%
Recruiter	64500	70000	+8.5%
Dispatcher	64500	69000	+7.0%
Mechanic/Technician	66000	68000	+3.0%
Log/CDL Compliance	54500	65500	+20.2%
Personnel			
Customer Service	52000	58500	+12.5%
Representative			

*Data provided by Cottingham & Butler Trucking Benchmark Survey Compensation Summary – Tank/Bulk – Kim Beck and team.

2024 M&A TAKEAWAYS

2024 closes with 3,104 fewer freight brokerages.



2024 closes with 3,104 fewer freight brokerages. As of January 2025, the total number of freight brokerages is 25,334. (Source; *Brushpass Research/Kevin Hill*) Normalizing the number of freight brokerages to pre-Covid levels is critical to improving freight rates and business valuations for freight brokerages.



2024 M&A TAKEAWAYS

2024 Final Thoughts.

2024 was a tale of two halves. After a quiet first half, deal volume ramped up steadily. We observed freight tech investment was much more disciplined than the prior three years. Though established acquirers like TFI, Ryder, & Lineage made headlines, a significant amount of capital intended for acquisitions did not find a home. Consequently, many acquirers finished 2024 well short of their growth and strategic objectives. Starting in September, we observed a pronounced shift in focus and urgency. Acquirers augmented their internal acquisition processes, used third parties to create leverage where needed, and added resources to increase the speed and probability of successful outcomes. As an example, *Trucking Dive* reported in December that *Mullen Group* budgeted \$150M specifically for acquisitions in 2025. Internally, Tenney Group received double the inquiries for buy-side advisory support in Q4 than in the two prior years combined (acquirers with 250M+ annual revenue). It will be interesting to see if the inventory of quality companies available to purchase in 2025 will match the clear escalation in buyer demand.



2025 PREDICTIONS

Here are 6 predictions from our team for 2025 M&A.

Over-optimism around “Trump Bump” will be costly for some.

Many small to mid-sized asset-based carriers that double down on the “Trump Bump” will be disappointed. Business valuations for “small” fleets will largely tie to asset value. Marginal enhancements to the freight market will not materially affect that – at least not in the way owners hope they will.

“Different” 2025 market conditions will drive M&A deal volume spike.

In the latest edition of its annual freight forecast, the American Trucking Association projected that, after two years of declines, truck volumes are expected to grow by 1.6% in 2025. According to Entrepreneur magazine, Baby Boomers own 12 million U.S. businesses. Many T&L owners in this group who postponed exiting in 2023 and 2024 will now transition ownership in 2025, increasing the supply of quality companies available for acquisition. Forbes predicts that interest rates will remain stable throughout 2025. Combined with potential improvements in the freight market, this will be a banner year for M&A.

2025 PREDICTIONS

Financial Buyers in T&L will significantly increase.

S&P Capital IQ reported that financial buyers purchased 8% of global T&L deals over \$50M in 2024. With more stable economic conditions and confidence surrounding Trump regulatory policies, Tenney Group expects that number to be 12% in 2025. Increased participation from financial buyers will increase optionality for many sellers – specifically asset light, non-asset, and freight tech owners.

Offers by Buyer Type	2020	2021	2022	2023	2024
Strategic	67.4%	63.0%	79.5%	75.0%	68.4%
PE w/o Platform	20.9%	18.5%	10.3%	15.6%	15.8%
PE W/ Platform	7.0%	14.8%	7.7%	9.4%	15.8%
Private Investor	4.7%	0.0%	2.6%	0.0%	0.0%
Private Fleet	0.0%	3.7%	0.0%	0.0%	0.0%

Stubborn recovery will push many large non-asset deals into 2026.

Many mid-size to large freight brokerages and other non-asset T&L companies (*100M+ minimum revenue*) will opt to clean up financial performance vs. exiting in 2025. Some of the expected gains will tie to freight rate improvements. Owners also expect to realize gains from recent artificial intelligence (AI) investments that take time to positively impact the P&L (*Examples: Happyrobot.ai, Fleetworks.ai, Loadpartner, etc.*).

2025 PREDICTIONS

AI drives innovation and record # of “partial” exits.

Rapid AI and other tech innovations, nuclear verdict threats, fraud, cargo theft and other challenges will prove to be too much for many carriers and freight brokerages. Passionate owners, fatigued by a near three-year freight recession, will hedge in 2025 by recapitalizing their businesses through strategic partners. This will allow them to take chips off the table while still playing an active ownership role in one of the most exciting and transformative periods in T&L history.

Specific acquirees will be big winners of 2025 M&A.

Chemical/food grade haulers, specialized brokerages, drayage companies, and final mile delivery companies, particularly those in the 5-20M EBITDA pocket, will be in high demand. Those that use 2025 as an offramp, will do so comfortably.



You don't have to face the challenges of 2025 by yourself. The journey to success may come with difficulties, but remember, you're not alone in overcoming them.

Problems We Solve.

✘ Stagnation

✘ No Clear Successor

✘ Inefficiency

✘ Navigating Due Diligence

✘ Potential Loss of Legacy

✘ Leaving Money on the Table

✔ Growth

✔ Alignment on future

✔ Proven Process

✔ Guide Seamless Close

✔ Legacy Protection + Peace of Mind

✔ The Right Deal

HOW WE SOLVE PROBLEMS IN 2025

THE TENNEY MINUTE



Our "***Problems We Solve***" Tenney Minute Shorts Series tackles the most common challenges business owners encounter when considering the sale of their business.

Each episode focuses on key pain points and provides insights into how we can help streamline the process, maximize value, and ensure a smoother transition.



CLIENT M&A INSIGHTS



Our long form ***Client M&A Insights Series***, dives into the best practices from industry peers who have gone through the process. Each episode focuses on the challenges they faced, the decisions they made, and the problems we solved to achieve their goals with the guidance of our team.



TO WORK WITH US

1

WE SET UP A CONFIDENTIAL CALL.

We establish confidentiality and coordinate an exploratory call via email.

2

WE LISTEN.

Gain clear understanding of the problem you are trying to solve (as a buyer or seller)

3

WE OFFER SOLUTIONS.

You select the best fit. You engage us or, at the very least, leave the conversation more educated about your options.

CLOSING REMARKS



Great things are ahead in 2025. This includes Tenney Group's Inaugural **Legacy Summit** for former clients May 4-6th. If you have questions about a future exit, an acquisition, or a related problem you are struggling to solve, we are here for you.

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