



IANA

**INTERMODAL ASSOCIATION
OF NORTH AMERICA**

Growing Through Acquisitions & Protecting Business Value

November 3, 2021, 3:00 PM ET

Presented by **TENNEY**
GROUP

Housekeeping

- Audience will be muted
- A question & answer session will follow the presentation
- Submit questions by clicking the Q&A icon at the bottom of your screen
- A recording of this webinar, including the slides, will be available soon



Today's Presenters



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WHY ARE WE HERE?

- **Surging expenses & pricing = flat business valuation.**
- **Driver Shortage = Fewer Reliable Growth Options**
- **70-100% of personal net worth tied up in trucking business. How can you protect it?**

GOALS FOR TODAY

DEBUNK MYTHS

SHARE BEST PRACTICES

EXAMINE CASE STUDIES

EXPLORE COST/BENEFITS

CREATE CONFIDENCE

SHARK TANK



PROFILE COMPANY FOR SALE

28M Intermodal

- 3M ADJUSTED EBITDA
- Equipment Value is 16.5M
- 20+ year old business
- Reason for selling- retirement



Ok, Sharks... Make an offer for 100% equity

- A. I will offer wholesale value of the equipment. Not a dime more.**
- B. I will offer 4x EBITDA - 3M of that will be in seller financing over 5 years.**
- C. I will offer 3x EBITDA cash.**
- D. I will offer the equipment + 15K per driver that stays for 1 year.**
- E. I want nothing to do with trucking. I am out!**

Debunking Myths

'If it's for sale, something is wrong with it'

'Going through an acquisition is too risky'

'I don't have the money to pay for an acquisition'

'I have my own problems, I don't need someone else's'

BEST PRACTICES FOR TRUCKING ACQUIRERS



Establish what you want and why



Assess your acquisition toolbox



Maximize quality at bats



Make Offers



Keep the door open

RUN



AWAY

DEAL OR NO DEAL: EXAMINING COST JUSTIFICATION/BENEFITS

What Can We Learn from How PEGS Buy?

- **Expect 15-30% ROE**
- **How much new cash flow is available?**
- **How much cushion do I need?**
- **What is the cost of not doing deal?**

DEAL OR NO DEAL: EXAMINING COST JUSTIFICATION/BENEFITS



How Does this Deal Protect Business Value?

- **Inflation of costs...define what is at stake.**
- **How does this insulate me from dilution?**
- **What future expense can be avoided?**

DEAL OR NO DEAL: EXAMINING COST JUSTIFICATION/BENEFITS



Where Does This Deal Create Business Value?

- **Reducing customer concentration.**
- **Increasing lane density/utilization.**
- **More volume = increase in multiplier.**
- **Upgrade talent/reducing dependence.**
- **Reducing driver recruitment/other costs**

Concluding Thoughts

GENERAL OVERVIEW

- *SURVIVAL IS NOT A WINNING STRATEGY*
- *PRETENDING IS NOT PRODUCING*
- *YOU CAN DO THIS!*





THANK YOU FOR YOUR TIME

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A blue Volvo truck is parked on a paved surface at a port. In the background, there is a large suspension bridge with green towers and a stack of colorful shipping containers. The sky is clear and blue.

Questions?

Enter them with the Q&A button

Thank you to Tenney Group for
sponsoring today's session.



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