Transport & Logistics Barometer

2024 full-year analysis

M&A deals, joint ventures and strategic alliances in the transport and logistics industry

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Contents

1
Summary

Summary

199 mergers and acquisitions

With 199 announced mergers and acquisitions (M&A) worth at least $50 million, global deal activity in the transport and logistics (T&L) industry recovered slightly from the low in 2023. The total deal value rose by nearly 27%, reaching $96.3 billion. This increase was attributed to the higher average deal value of $483.8 million, propelled by 21 mega deals – transactions valued at $1 billion or more – including major acquisitions like DSV's $15.8 billion announcement to acquire DB Schenker. Logistics and Trucking remained key targets, comprising 50% of deals by number and 52% by value. Infrastructure-related deals held steady, accounting for 26% of total transactions.

Dependency on China

The dependency of European countries on China is prompting shifts in the global supply chain, as businesses adopt a "China +1" strategy to diversify production and enhance resilience, especially after the pandemic and China's zero-Covid policy. Consequently, manufacturers are reducing imports from China and relocating operations to Southeast Asia, where EU imports have almost doubled from 2013 to 2023. Despite these shifts, engagement with China remains crucial due to its strategic investments in Southeast Asian port infrastructure, which are critical to the success of the Belt and Road Initiative (BRI).

M&A activity in Southeast Asia

In recent years, M&A activity in Southeast Asia's transport and logistics industry has shown remarkable development. Although M&A activity across all industries has declined, the T&L sector in that region remains stable in the face of economic challenges. Despite the overall economic growth in the region, factors such as the increasing importance of resilience and the e-commerce boom are fueling demand for logistics solutions. These developments point to a future in which investments in transport and logistics infrastructure will continue to play a central role.

Outlook

Global M&A activity is expected to trend upward in 2025, driven by improving conditions for dealmaking, including interest rate cuts and rising public company valuations. Strategic investors are focusing on growth and capability acquisition to address industry challenges, while financial investors, especially private equity firms, are poised to increase activity due to available capital and exit pressures. However, uncertainties such as trade policies, geopolitical factors, and regulation pose risks, underscoring the need for robust diligence and strategic planning.

2

Introduction

Challenging economic environment

In the first half of 2024, the global economy navigated a challenging environment of uneven growth and persistent risks. A moderate recovery was observed, with significant production increases in China, while advanced economies lagged. Global trade steadily improved throughout the year, with modest growth amid reliance on China and the USA. The WTO Trade Barometer Index rose to 102.7 in October 2024 (up from 100.6 in December 2023). Consequently, global goods trade is projected to post a 2.7% increase in 2024 according to the WTO. Inflationary pressures eased, but monetary policy remained cautious, with financial conditions staying tight and interest rates declining only gradually.

Geopolitical tensions and trade disputes caused market volatility, affecting trade and investment flows. Disruptions in the Middle East and the war in Ukraine continued to impact trade routes between Europe and Asia. The ties between the US and China and more generally between geopolitical blocks are weakening. On the contrary, several countries that are not closely aligned with either the US or China – the United Arab Emirates, India, Vietnam, Brazil, and Mexico – are growing their share in global trade, according to the DHL Global Connectedness Tracker.

All in all, 2024 presented a mix of shifting and challenging framework conditions, marked by ongoing uncertainties and varying impacts across the transport and logistics subsectors.

Sources: WTO, DHL

Air freight record volumes and resilient growth

In 2024, the air cargo sector experienced significant expansion, with global demand growing for 15 straight months by October. Cargo tonne-kilometers (CTK) saw a year-on-year increase of 12.2% year-to-date compared to 2023, setting a new record. This expansion was bolstered by Asia Pacific and North American carriers as well as robust activity on major international trade routes, such as Middle East-Europe (+15.3%), Europe-Asia (+14.3%), and Asia-North America (+8.6%).

E-commerce platforms like Shein and Temu, which deliver products directly to consumers worldwide, significantly contributed to this growth. Furthermore, the reduced reliability and capacity of ocean shipping and the resulting rise in shipping rates have led some shippers to switch from sea to air transport. These developments reflect the tight market conditions and the increase in higher-value shipments.

In response, cargo airlines have adjusted their capacities, resulting in an 8.1% increase in global available air cargo-kilometers (ACTK). Overall, this has led to a YoY increase in air cargo yields of 10.6%.

Passenger air travel returns to pre-pandemic dynamics

The passenger air subsector also experienced a strong recovery, with global revenue passenger-kilometers (RPK) hitting new records in October due to strong demand both domestically and internationally. RPK increased by 7.1% YoY, while available seat kilometers rose by 6.1% YoY, resulting in a 0.8 percentage point increase in the passenger load factor.

Domestic markets, particularly in China (+9.7% YoY), were instrumental in driving this growth, with several further key regions surpassing pre-pandemic levels. International passenger traffic grew even more pronounced at 9.5% YoY, with Europe benefiting from eased travel restrictions and Asia-Pacific seeing strong intercontinental demand. This recovery contributed to growth in the belly freight segment, as the rise in passenger flights boosted available cargo capacity.

However geopolitical disruptions continue to impact key corridors, particularly between Europe and Asia, where RPK remain 20% below 2019 levels, despite growing 20% YoY. Challenges in these regions underscore the need for operational flexibility and route diversification in the face of persistent risks. While growth rates tapered off toward the end of the year, ticket sales for Q4 suggested sustained demand, reflecting optimism for continued recovery in 2025.

Sources: IATA

Moderate growth in container shipping amid volatility

Container shipping experienced a year of moderate but uneven growth. According to the Leibniz Institute for Economic Research (RWI) and the Institute of Shipping Economics and Logistics (ISL), container shipping exhibited an upward trend in the first half of 2024, peaking in the summer before softening slightly from September onward.

While Chinese ports demonstrated strong performance in the summer, throughput declined slightly in the autumn months and fell further towards the end of the year, reflecting fluctuations in global trade volumes. The North Range Index, a key indicator of economic activity in the Eurozone, showed positive momentum for much of the year but also softened as the year closed. However, the overall growth trend remained intact, supported by increased demand for containerised goods and recovering global supply chains.

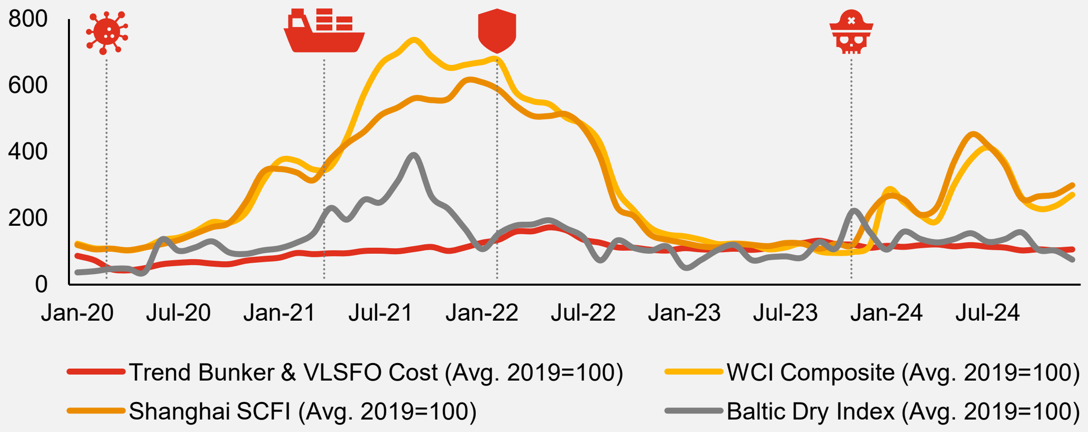
Container freight rates demonstrated significant volatility throughout the year. On the China-Northern Europe route, rates surged by mid-year before declining steadily from August onward. Similarly, global average freight rates reached this year's high in July but have been on a downward path, reaching $3,331 per 40-foot container by the end of November. Although remaining above pre-pandemic levels, it indicates normalisation after the post-pandemic boom.

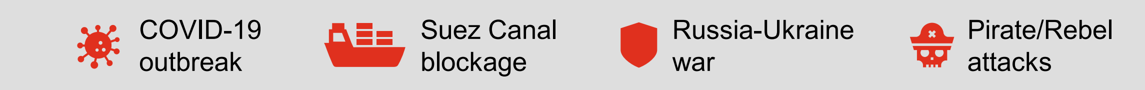
The bulk shipping sector faced persistent headwinds in 2024. The Baltic Dry Index fell by nearly 50% as of mid-December compared to the start of the year. Weak demand for bulk commodities such as coal and iron ore, combined with softer industrial output in key markets, put pressure on this segment. Despite the growth in demand in the Asia-Pacific region, the broader market struggled to maintain momentum, highlighting the sector's vulnerability to economic fluctuations and evolving energy dynamics. Geopolitical factors added further disruptions to global shipping.

The Red Sea crisis, sparked by Houthi militia attacks on merchant vessels, forced rerouting of container ships around the Cape of Good Hope, leading to longer transit times and higher costs. Shipping lines unexpectedly benefited from increased freight charges, while the Houthis profited significantly by demanding payments to allow ships to pass unimpeded. Such disruptions underscored the continued vulnerability of global shipping to regional conflicts.

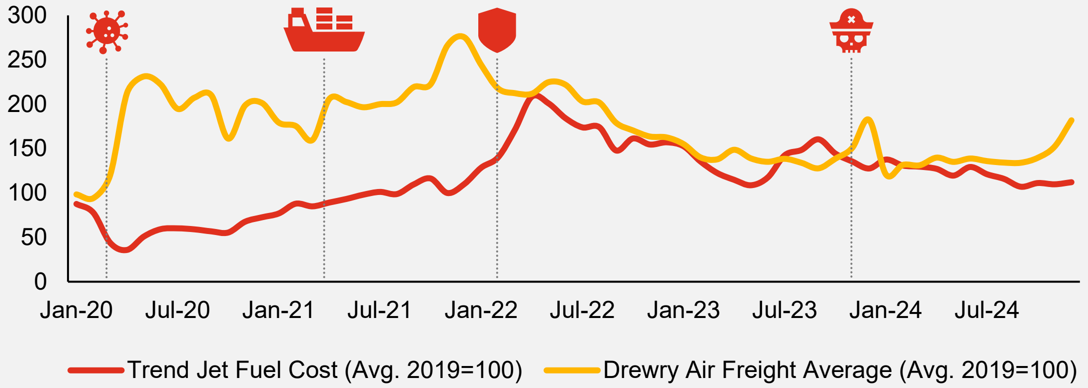
Sources: ISL/RWI, Drewry, Trading Economics

Global Marine freight rates compared to Bunker and VLSFO cost trend





Global air freight rates compared to Jet Fuel cost trend



Sources: PwC Research based on Bloomberg, Baltic Exchange, Drewry, Shanghai Shipping Exchange data. Trends in fuel costs are based on average Bunker and VLSFO as well as average Jet Kerosene prices as quoted in Singapore and Rotterdam.

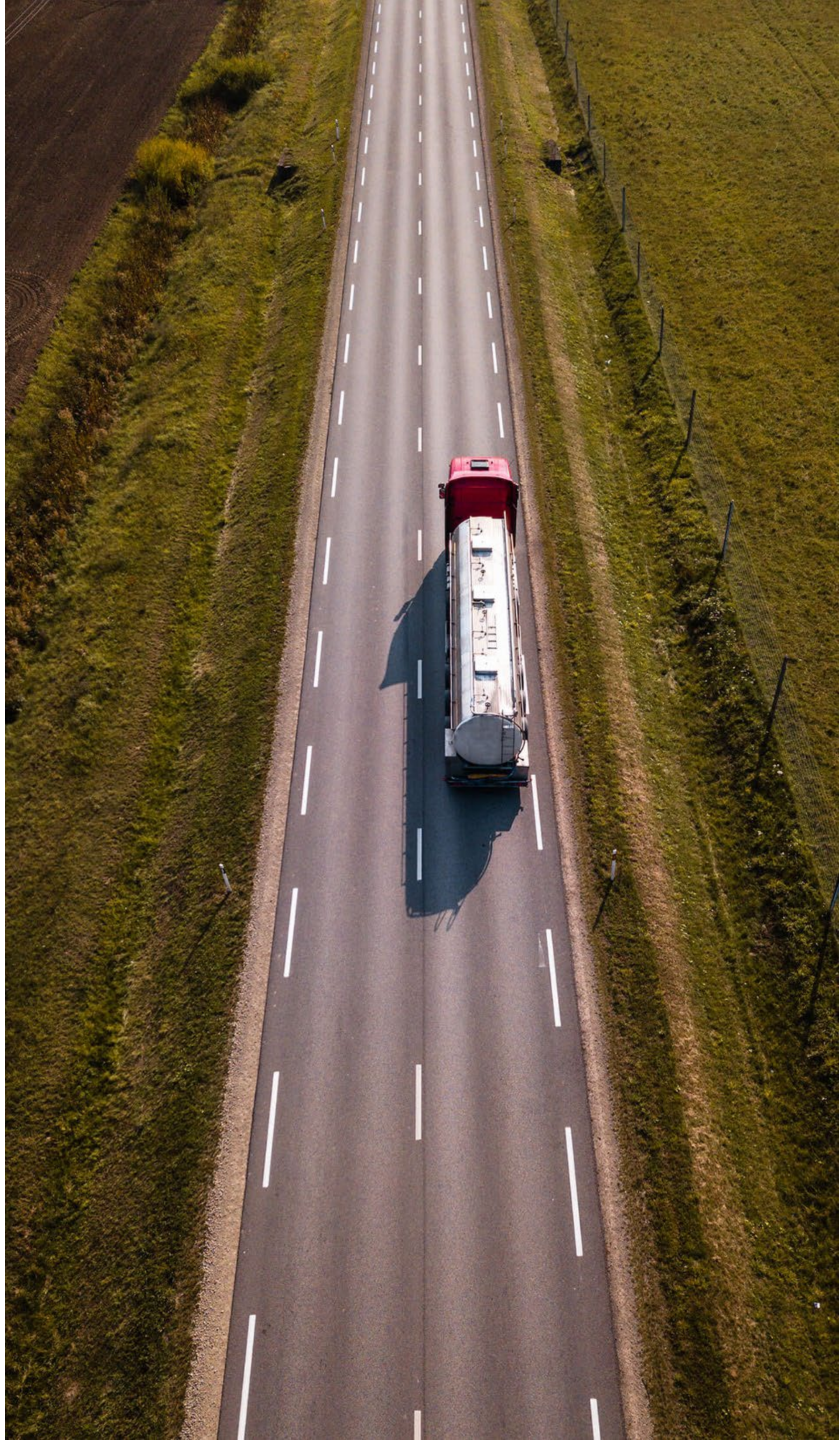
Road freight encountering challenges

In 2024, the European road freight market encountered various challenges. Early in the year, both spot and contract rates fell due to weak consumer demand, with the spot index dropping to 123.9 points and the contract index to 127.6 points, according to the IRU, Transport Intelligence and Upply. Rates remained above pre-crisis levels, driven by rising costs for labour, maintenance, insurance, and fuel. Diesel prices increased moderately, and the introduction of a CO_2 truck toll in several countries added further financial pressure.

As the year progressed, the market showed mixed trends, with the contract index slightly declining to 127.1 points while the spot index rose to 127.7 points. Consumer demand began to stabilise spot rates despite continued weak retail sales and declining industrial production. Although cost pressures persisted, the pace of increases slowed. In the summer months (Q3) contract rates remained flat, and spot rates decreased by 4.4 points from the previous quarter. The eurozone experienced declining manufacturing activity and employment. Despite reduced freight demand, rates stayed above 2021 levels due to ongoing cost increases. Regulatory changes, including the annulment of a vehicle return rule, also impacted costs. Slight improvements in consumer sentiment were noted, but economic uncertainties continued to apply upward pressure on freight rates.

Emerging trends: resilience and structural adaptation

Across the transport and logistics landscape, 2024 was marked by both resilience and adaptation to structural shifts. Simultaneously, geopolitical tensions and economic uncertainties highlighted the growing importance of diversification and agility for companies in the industry. These ongoing trends not only influenced daily operations but also played a significant role in shaping strategic decisions, particularly in terms of investments and mergers and acquisitions. In response to evolving challenges and opportunities, M&A activity has become a key strategy to accelerate growth, secure technological advancements and strengthen market positions.



Sources: IRU, Transport Intelligence, Upply

3

Deal analysis

M&A activity slightly increased

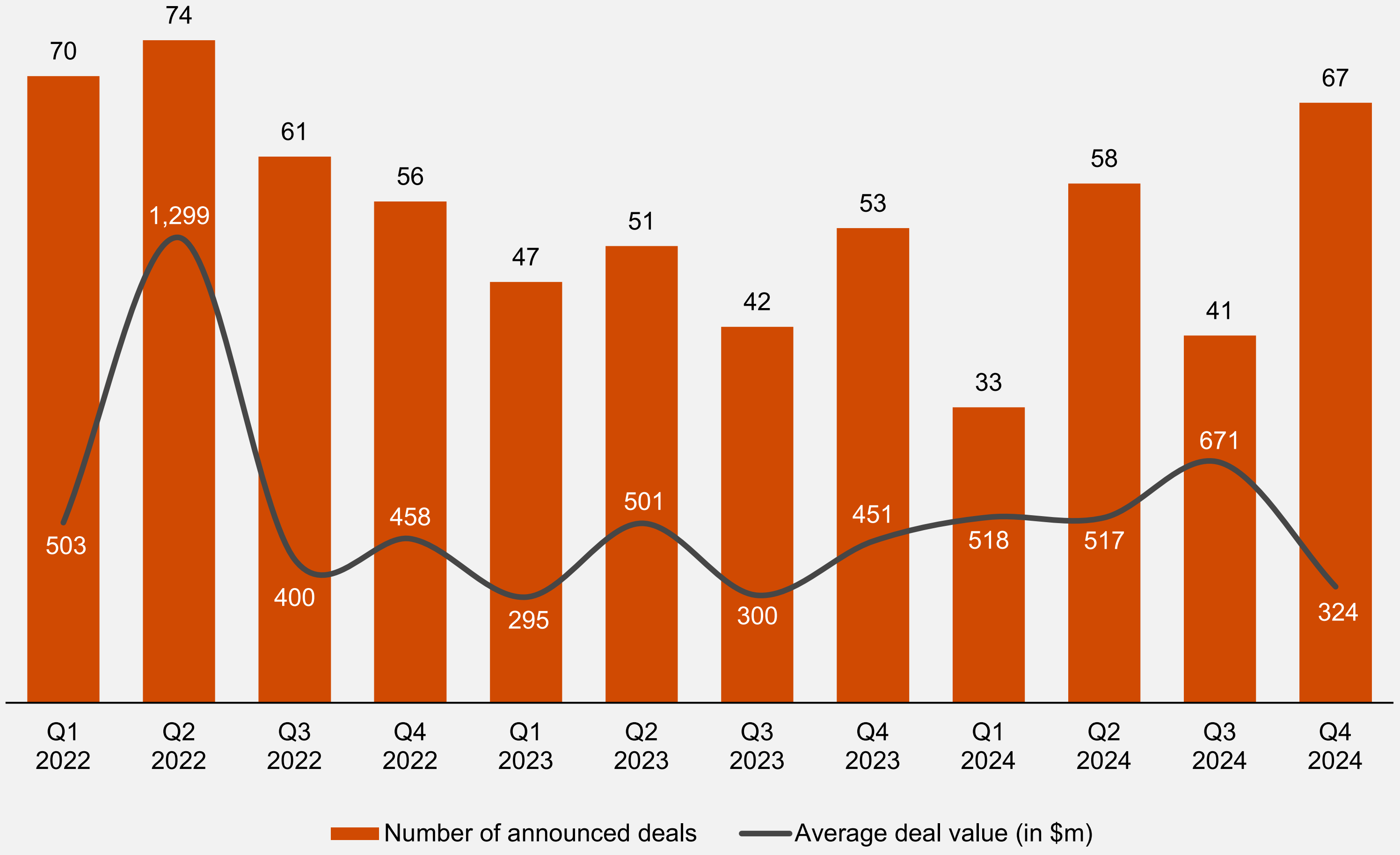
Following a ten-year low in 2023, global M&A activity in the transport and logistics industry saw a slight uptick in 2024, with 199 announced mergers and acquisitions. However, this figure remains relatively low compared to previous years.

When examining the more recent development on the timeline, a downward trend from Q2 2022 to Q1 2023 can be observed, followed by significant fluctuations from Q2 2023 onwards. After falling to a low point of 33 total announced deals in Q1 2024, deal activity temporarily picked up to 58 announced deals in Q2 2024, before declining again to 41 deals in Q3 and increasing to 67 deals in Q4 2024. The majority of these transactions are related to freight operations (70% in 2024, 63% in 2023, 62% in 2022), outlining a higher M&A-relevance than passenger transportation.

The average deal value has been consistently increasing since the third quarter of 2023, significantly influenced by notable mega deals in each period. For instance, the peak observed in Q2 2022 was primarily due to a $55 billion acquisition, in which a financial investor purchased the remaining shares of Italy-based road transportation services provider Atlantia. Between Q1 2022 and Q4 2024, there were 653 deal announcements, of which 69 (11%) were classified as megadeals, each with a transaction value exceeding $1 billion.

Deals with a value greater than $50 million

Quarterly number and total value of deals in the T&L industry



Source: PwC analysis based on LSEG

In 2024, the average deal value rose to $483.8 million, up from $393.2 million in 2023, while the total deal value climbed to $96.3 billion from $75.9 billion the previous year. This growth was propelled by 21 mega deal announcements, which accounted for roughly 55% of the total deal value in 2024, with a primary focus on Logistics and Trucking, and infrastructure.

In Q3 2024, DSV announced the acquisition of DB Schenker, a provider of long-distance freight trucking services (part of the German state-owned Deutsche Bahn AG), for $15.8 billion – the largest transaction of the year and the largest since the sale of Atlantia, announced in April 2022. The second-largest deal announcement came from the Danish Finance Ministry, which plans to acquire an additional 59.4% stake in Copenhagen Airport for $4.5 billion. Upon completion, the government will hold 98% ownership. Another pending megadeal is the $3.75 billion acquisition of the remaining 36.3% stake in Cainiao Smart Logistics Network Ltd by Alibaba Group Holding Ltd with the aim to enhance Cainiao's global network expansion.

Investors maintained a strong interest in Logistics and Trucking targets, which represented 50% of all deals (99) and accounted for 52% of the total deal value ($50.2 billion). While the number of deals in this subsector increased by about a quarter compared to the previous year (79 deals), the deal value almost doubled from $25.3 billion in 2023.

Although deal announcements in the Shipping subsector decreased, it still ranked as the second strongest subsector with 40 transactions (-11% from 2023) and a deal value of $14 billion (-15% from 2023). Interestingly, the Passenger Air subsector achieved the second highest deal value of $16.6 billion, despite having only 18 deal announcements. This high value was largely driven by several major deals involving airport targets. There were also some transactions in road infrastructure, though investment in port infrastructure was noticeably lower compared to previous years. Overall, infrastructure-related deals constituted 26% of all transactions, accounting for 30% of the total deal value, which is consistent with previous periods.

Overall, the T&L industry continues to pursue horizontal and vertical integration of targets, with the goal of diversifying operations, improving efficiency, and offering end-to-end solutions. We have thoroughly examined these trends in the mid-year edition of our Transport & Logistics Barometer 2024, as well as in earlier issues. For detailed insights into these developments, please refer to those publications.

	2018	2019	2020	2021	2022			2023			2024		
	Total	**Total**	**Total**	**Total**	1H22	2H22	**Total**	1H23	2H23	**Total**	1H24	2H24	**Total**
Number of deals	223	257	253	323	144	117	261	98	95	193	91	108	199
Total deal value ($bn)	113.8	141.9	99.8	214.1	131.3	50.0	181.3	39.4	36.5	75.9	47.0	49.2	96.3
Average deal value ($m)	510.8	552.0	394.5	662.9	911.7	427.5	694.7	402.0	384.1	393.2	516.9	455.8	483.8

Source: PwC analysis based on LSEG

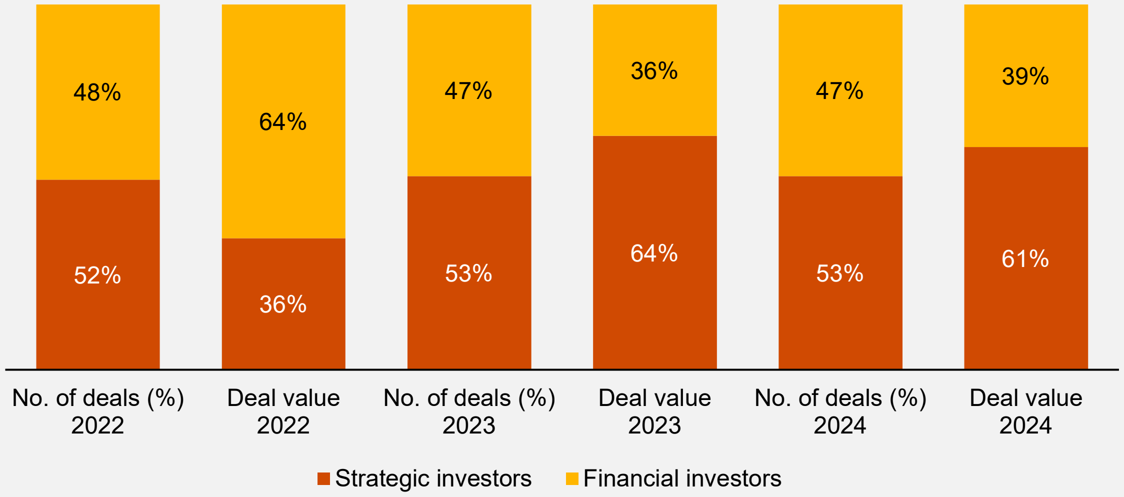
Strategic investors active in all subsectors

After a cautious 2023, financial investors appeared to regain some optimism in the first half of 2024. However, this confidence waned as the year progressed, resulting in financial investors accounting for 39% of the total deal value in 2024, up slightly from 36% in 2023. Meanwhile, they participated in 47% of all transactions, as in the previous year. Financial investors focused primarily on the Logistics and Trucking subsector, with the Passenger Air and Passenger Ground subsectors following at a considerable distance. Notable megadeals involving financial investors included the acquisition of Budapest Airport by the Hungarian State and Vinci Airport SAS in the first half of 2024 and the pending privatisation of aircraft lessor and air transport operator Air Transport Services Group (ATSG) by private equity firm Stonepeak. Announced in the second half of the year, this $1.52 billion transaction is expected to support ATSG's international growth plans in the air cargo leasing industry and expand its service offerings.

Strategic investors targeted a more diverse array of subsectors. While the highest deal value was concentrated in Logistics and Trucking, substantial investments were also made in the Passenger Air and Shipping subsectors. Notably, 31% of the deal value from strategic investors was directed toward infrastructure targets. This aligns with our earlier observations from the first half of the year, suggesting a focus on securing critical transport infrastructure and key resources, such as container terminals, to maintain distribution networks and ensure supply chain reliability. For instance, CMA CGM announced plans to initially acquire a 48% stake in the terminal operator Santos Brazil for $1.15 billion, with intentions to purchase the remaining 52% of shares. Additionally, RXO's acquisition of the asset-light freight broker Coyote Logistics from UPS, a $1 billion transaction, positions RXO as the third-largest provider of brokered transportation in North America.

Deals with a value greater than $50 million

Number and total value of deals involving financial investors



Total value ($bn)	2022 No. of deals	2022 Total value	2023 No. of deals	2023 Total value	2024 No. of deals	2024 Total value
Passenger Air	19	7.3	11	7.3	6	6.2
Passenger Ground	21	62.1	18	4.8	18	5.9
Rail	1	0.1	1	0.1	0	0.0
Logistics and Trucking	63	32.5	42	10.8	55	21.2
Shipping	12	10.0	11	3.7	12	4.0
Other	10	3.6	8	1.1	2	0.7
Total	126	115.6	91	27.7	93	38.0

Source: PwC analysis based on LSEG

Median sales multiple decreased

The overall median sales multiple weakened in the second half of the year, resulting in a figure of 1.7 for the entire year of 2024, marking a 11% decrease from 2023 (1.9). This drop is largely attributed to the normalisation of the median sales multiple in the Rail subsector. In 2023, it was inflated by a single deal where Azienda Trasporti Milanesi SpA increased its stake in railroad operator M4 SpA, which had a median sales multiple of 63.6. Additionally, slight declines were observed in the Shipping subsector and port infrastructure.

In contrast, sales multiples in the Logistics and Trucking and Passenger Air subsectors remained stable. However, there were increases in airport infrastructure (10.9 compared to 3.6 in 2023), road infrastructure (8.1 compared to 7.7 in 2023), and passenger ground (2.8 compared to 2.1 in 2023).

Source: PwC analysis based on LSEG

Europe tops in deal value

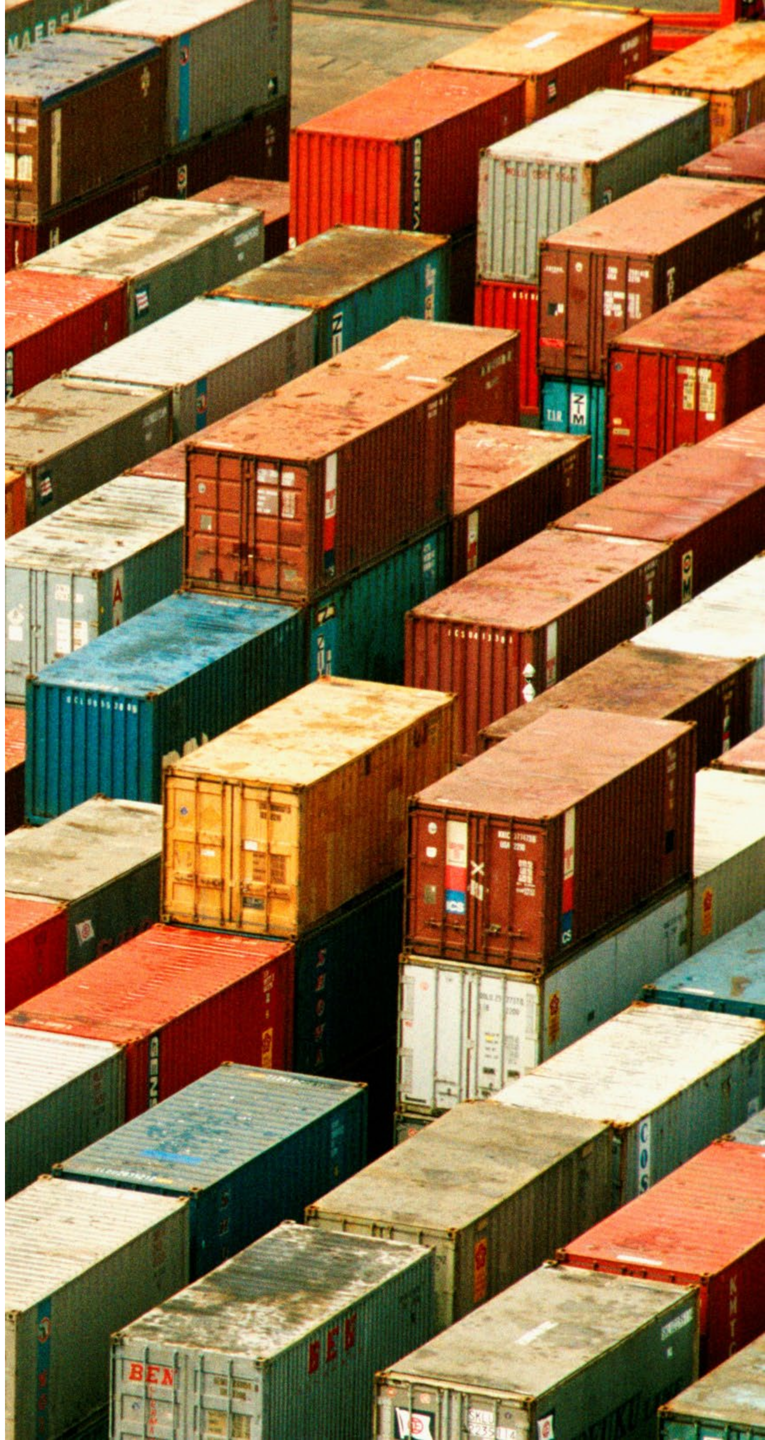
Most regions experienced stable or declining deal activity, except for Asia & Oceania, where there was an increase in the number of deals announced compared to last year (114 versus 88 in 2023) and a 90% rise in total deal value. Given the current investments, deal activities, and geopolitical dynamics, Chapter 3 will provide a detailed examination of the region, with a particular focus on China and Southeast Asia.

As in the previous year, Europe achieved the highest total deal value, reaching $51.8 billion in 2024, up from $35.4 billion in 2023. This growth was primarily driven by the pending acquisition of Schenker by DSV. While most transactions in Europe were local, 34% were either outbound or inbound deals. Inbound transactions were almost evenly split between buyers from North America and Asia & Oceania, while outbound transactions extended to all regions except Africa. In Europe, strategic investors were predominant, focusing mainly on opportunities in Logistics and Trucking, as well as in the Shipping subsector. The largest Shipping-related transaction in Europe for 2023/24 is the pending acquisition of 24 vessels (VLCC) which Norway-based Frontline Ltd intends to buy from Belgian oil-shipping firm Euronav for $2.4 billion. The largest effective maritime deal in Europe was closed in November 2024 with the acquisition of the entire share capital of Maersk Supply Service A/S, a provider of support services for water transportation (ultimately owned by AP Moller Holding A/S), by DOF Offshore Denmark APS for $1.1 billion.

Source: PwC analysis based on LSEG

Germany was involved in eight deals exceeding the $50 million mark. Notable transactions in Germany included the sale of a 49.9% minority stake in the state-owned HHLA (Hamburger Hafen und Logistik AG) to MSC for $652 million, completed in November 2024. Additionally, the US real estate investment fund manager Clarion Partners acquired a portfolio of eight modern logistics properties in Germany and the Netherlands. Another significant deal was the acquisition of Siemens Logistics – the airport logistics division of Siemens – by Vanderlande Industries, the Dutch leader in airport baggage conveyors and parcel sorting systems. Both transactions valued at approximately $300 million. On the buyer side, Germany-based AviAlliance, a prominent airport investor and operator owned by PSP Investments, one of Canada's largest pension investors, announced its intention to acquire UK airport operator AGS Airports for $1.95 billion. This transaction will result in the change of ownership for the British airports in Aberdeen, Glasgow, and Southampton, although regulatory approvals are still pending.

North America experienced a 28% reduction in the number of deals compared to 2023 and a 43% decline in total deal value. This decrease was mainly due to a drop in local deals, which still accounted for half of the transactions in the region. Local transactions primarily focused on warehousing and general trucking, with a few deals related to shipping and road infrastructure. Among the five inbound transactions, financial investors from Europe, the UAE, and one undisclosed country invested in warehousing and courier services. Additionally, French company VINCI Highways acquired US road concessions by purchasing NWP HoldCo. The 15 outbound transactions mainly targeted Logistics and Trucking in Europe, such as the acquisition of the UK-based long-distance freight trucking provider Wincanton by GXO Logistics for $954 million.

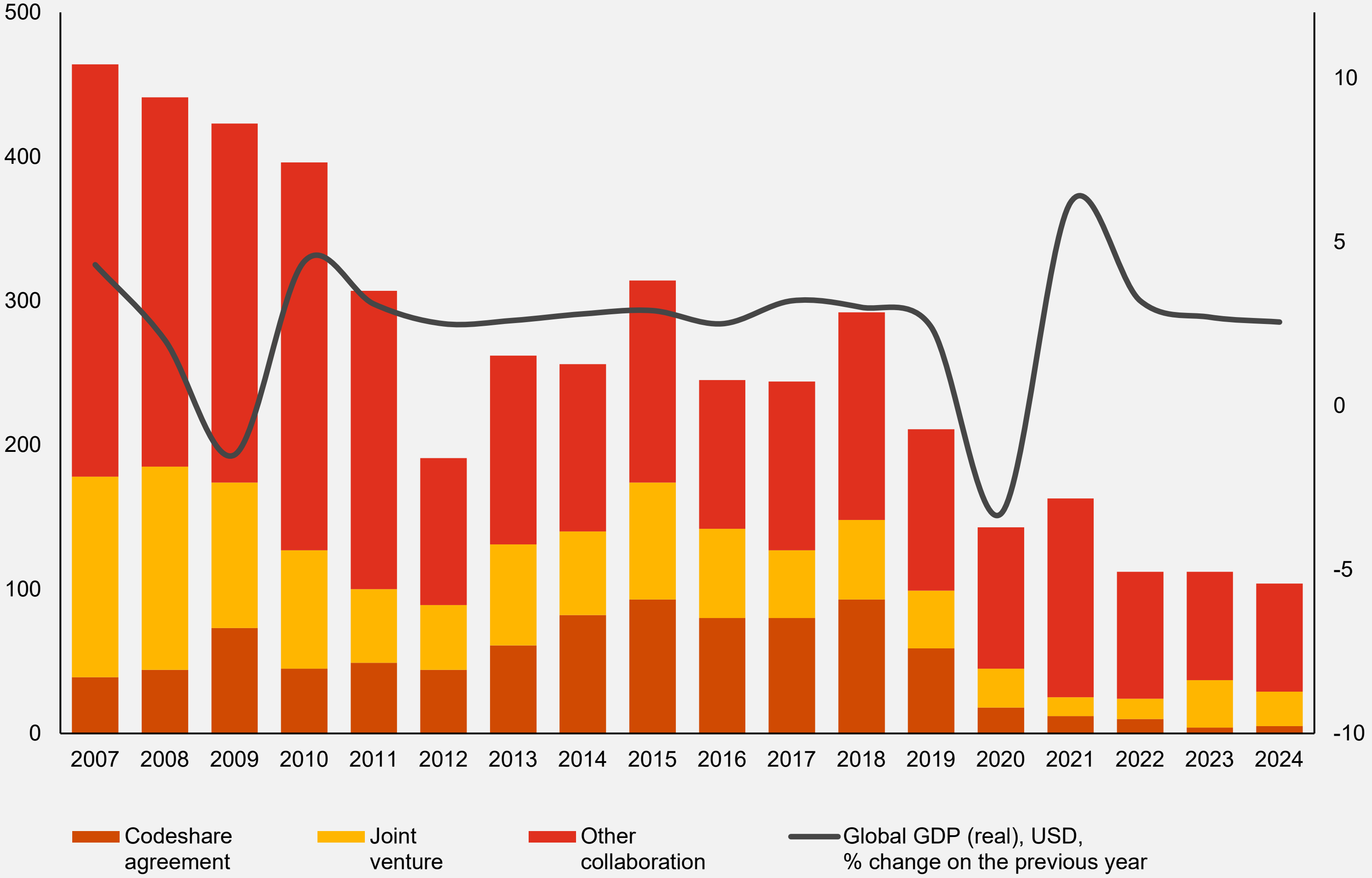


Strategic alliances with focus on digital transformation and decarbonisation

In 2024, the announcements of strategic alliances by listed companies fell slightly below the levels of the previous two years. Overall, 104 partnerships were established during the year, including 5 codeshare agreements, 24 joint ventures, and 75 other types of cooperative agreements. These strategic alliances were distributed across all T&L subsectors, with the majority focusing on freight-related activities.

In the first half of the year, the industry witnessed the announcement of several joint ventures. Notable examples include DHL Supply Chain and Aramco joining forces to create ASMO, delivering end-to-end procurement and supply chain services to the MENA region, with a focus on digital technologies like automation, collaborative robotics, AI, data analytics, and blockchain. Additionally, Abu Dhabi Ports Company PJSC partnered with Adani International Port Holding Pte Ltd and East Harbour Terminals Limited to establish East Africa Gateway Limited, which acquired a 95% stake in Tanzania International Container Terminal Services Ltd. In the second half of the year, the joint ventures continued to span all subsectors, with many companies from Asia involved, particularly China, India, and Malaysia. Several joint ventures focusing on infrastructure were announced, including one by Adani Airport Holdings. They formed a joint venture company called "Smartport City" in partnership with Indoport Logistics. The aim of this venture is to design, develop, operate, and maintain airport cargo infrastructure, including integrated warehousing and warehouse management.

T&L joint ventures and strategic alliances
(number of alliances announced and change in real global GDP)



Source: PwC analysis based on S&P Global Capital IQ and Fitch Solutions

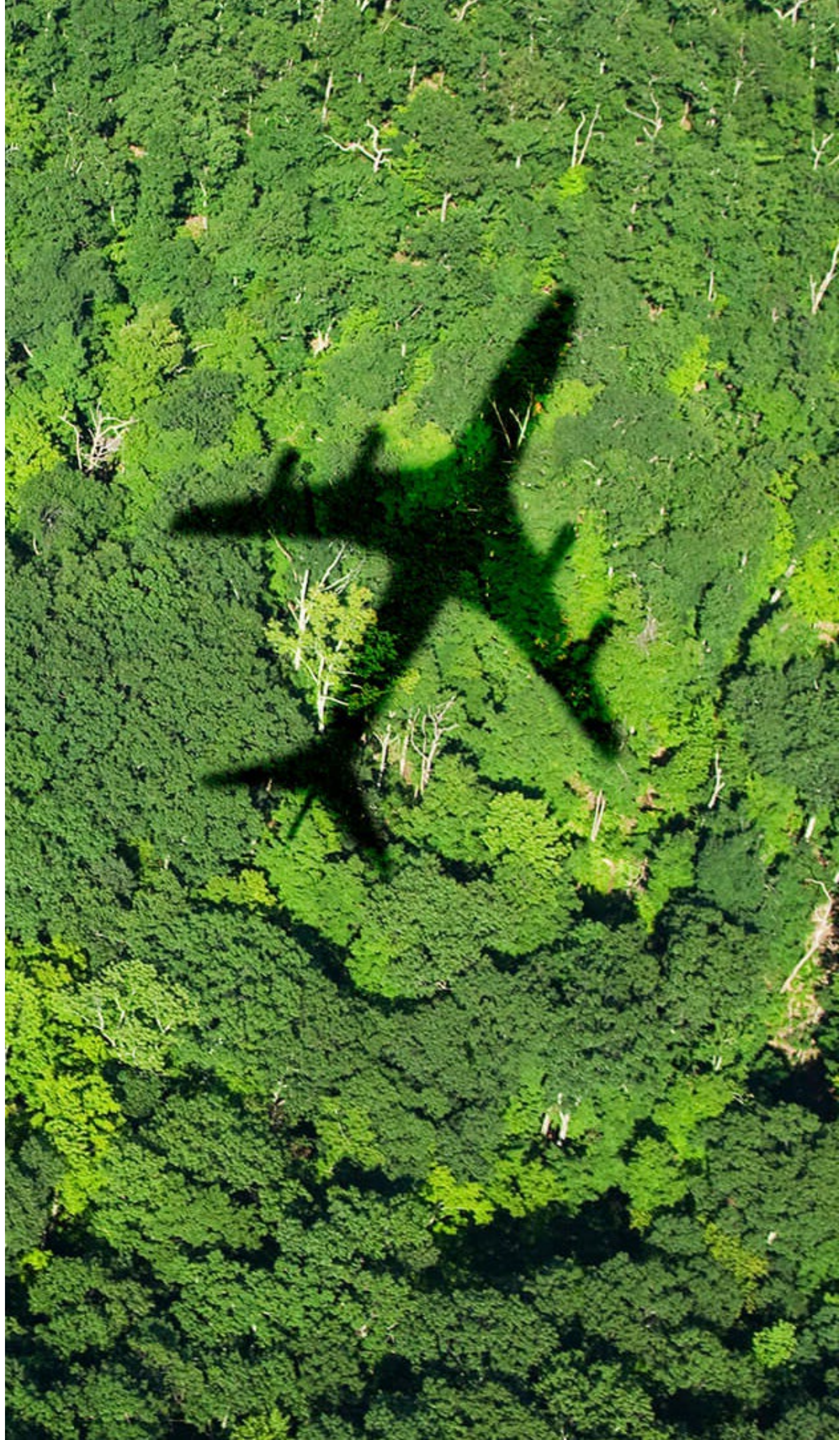
Sustainability, with a particular emphasis on decarbonisation, has been a central focus for many strategic alliances, as noted in our mid-year edition of the Transport & Logistics Barometer. Companies are collaborating in areas such as electric vehicles and charging infrastructure. For instance, Catena and Einride are partnering to install charging stations at two of Catena's strategic logistics sites along Sweden's main transport routes. Another important area is alternative fuels. KeyState Energy, CNX Resources Corp., and Pittsburgh International Airport (PIT) have announced a collaboration to develop an integrated facility on PIT property that can produce up to 68,000 metric tons of hydrogen or 70 million gallons of Sustainable Aviation Fuel (SAF) annually. Additionally, Amogy, a provider of ammonia-to-power solutions, has formed a strategic partnership with HD Korea Shipbuilding & Offshore Engineering, POSCO Holdings Inc., Seoul National University, and the American Bureau of Shipping to jointly investigate the technological feasibility of an innovative offshore ammonia cracking solution designed to provide low-cost, accessible clean hydrogen fuel. Moreover, strategic alliances are being leveraged to create innovative solutions aimed at reducing carbon emissions. For instance, IMC Logistics and Fenix Marine Services (FMS) have collaborated to launch the first entirely clean energy SmartStack. Launched in June 2024, FMS managed the segregation and stacking of containers designated for the IMC SmartStack at their terminal using their hydrogen fuel cell top-pick handler. Following this, IMC drivers collected and delivered the containers using their fleet of zero-emission vehicles.

Beyond these strategic alliances, others have been announced with a focus on digitalisation, in areas such as autonomous vehicles, real-time monitoring, robotics, or forecasting. One example is Nippon EXPRESS (NX), which has partnered with Iceland-based Controlant Inc., a provider of real-time monitoring devices for pharmaceuticals. Through this agreement, NX will be able to provide transportation services with end-to-end monitoring of cargo status, especially for pharmaceutical and healthcare products requiring strict temperature control. Another example is GXO Logistics, which has announced a new partnership with Reflex Robotics to pilot their humanoid robots for live operations, marking GXO's second Robots-as-a-Service agreement. Through this collaboration, GXO aims to validate practical use cases and ultimately deploy the robots widely across its operations, helping to ease capacity constraints and enabling team members to focus on more fulfilling roles.

There are numerous additional examples that not only drive growth but also tackle current challenges and tap into major trends. Beyond traditional M&A, strategic alliances offer a highly effective approach to achieving these goals.

The current economic and geopolitical developments have continued to impact deal activity in 2024. However, companies and even entire countries are trying to adapt and reconfigure their dependencies and supply chains. The role that China and the Southeast Asian countries play in this context is discussed in Chapter 3.

Source: PwC analysis based on S&P Global Capital IQ and Fitch Solutions



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China and the Southeast Asian region

The illusion of independence from China

The strong dependence of European countries on China has become a widely discussed issue, gaining increasing attention in the media. As a result, the global supply chain landscape is undergoing significant changes as companies seek to diversify their production capacities away from China, a strategy often referred to as "China +1." This shift is driven by the need to mitigate risks, build supply chain resilience and manage costs. The pandemic and China's zero Covid policy have highlighted the risks of relying on a single country for production or being dependent on it from a logistics point of view. In the manufacturing industry, almost one in two companies state that they intend to reduce their imports from China in the future. Southeast Asia (SEA) is emerging as a prominent hub for these relocated manufacturing activities due to lower production costs and well-established manufacturing clusters in the region. From 2013 to 2023, EU imports from SEA have increased from €82 billion (5.0% of total imports) to $158 billion (6.3% of total imports). The annual growth rate of imports from SEA of 6.8% exceeds to overall growth rate of EU imports (4.5% p.a.), which highlights the growing importance of the region.

However, despite this shift, the necessity to engage with Chinese players in SEA remains. One of the reasons is China's substantial influence over port infrastructure in Southeast Asia. Major Chinese investments include the acquisition of majority stakes in Brunei (Muara Port Project) and Myanmar (Kyaukpyu). Furthermore, Chinese state-owned enterprises (SOE) hold significant shares of up to 49% in ports in Singapore, Malaysia, Thailand as well as in several ports in Vietnam, Cambodia, Indonesia and the Philippines. The acquired port projects are often (among) the most important logistics hubs in the region (e.g. Tanjung Priok, the port of Jakarta) and bring significant influence in the respective region as being the gateways to local economies.

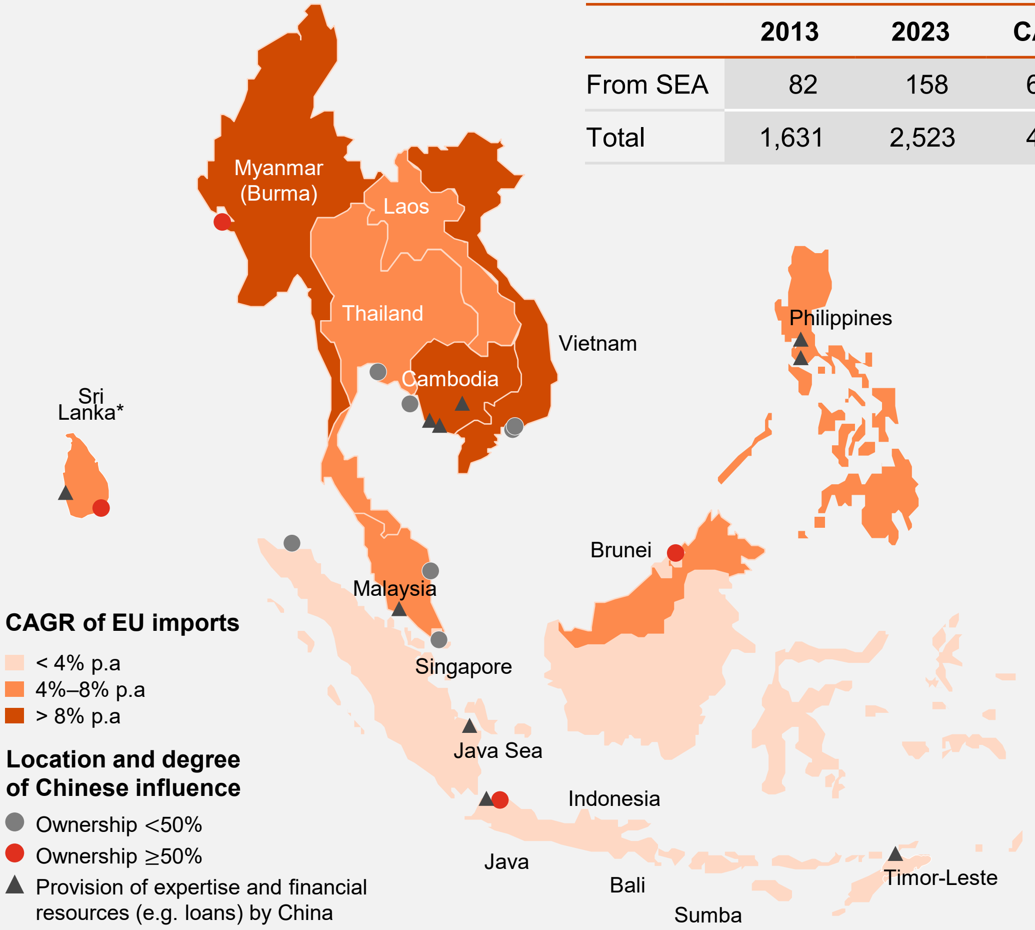
These investments are critical nodes in China's Belt and Road Initiative (BRI) which aims to connect China with Europe, Asia and Africa through a network of transport and digital infrastructures. The BRI is changing relations with countries in the Global South and has economic, social and environmental implications. Its main objectives are the expansion of regional infrastructure, the export of surplus production and the improvement of international trade relations. It outlines China's broader strategy to capitalise on the infrastructure of several countries and integrate them into its maritime network.

Sources: ifo Institut; Air Cargo Week; eurostat; McKinsey; Council on Foreign Relations; Container News

EU imports from Southeast Asian (SEA) countries 2013 vs. 2023 (change in % p.a.) and Chinese port investments in SEA

EU imports (in billion EUR)

	2013	2023	CAGR
From SEA	82	158	6.8%
Total	1,631	2,523	4.5%



Sources: eurostat; Council on Foreign Relations | *The location was shifted to the east for presentation purposes

Investments are increasing China's influence

Many countries with a low GDP rely on foreign investments to build modern port infrastructure. China appears more willing to make investments than Western investors. Through these financing agreements, China often secures long-term control over a port or parts of the infrastructure. Prominent examples outside of SEA are China's investments in Peru (Chancay) and Sri Lanka (Hambantota).

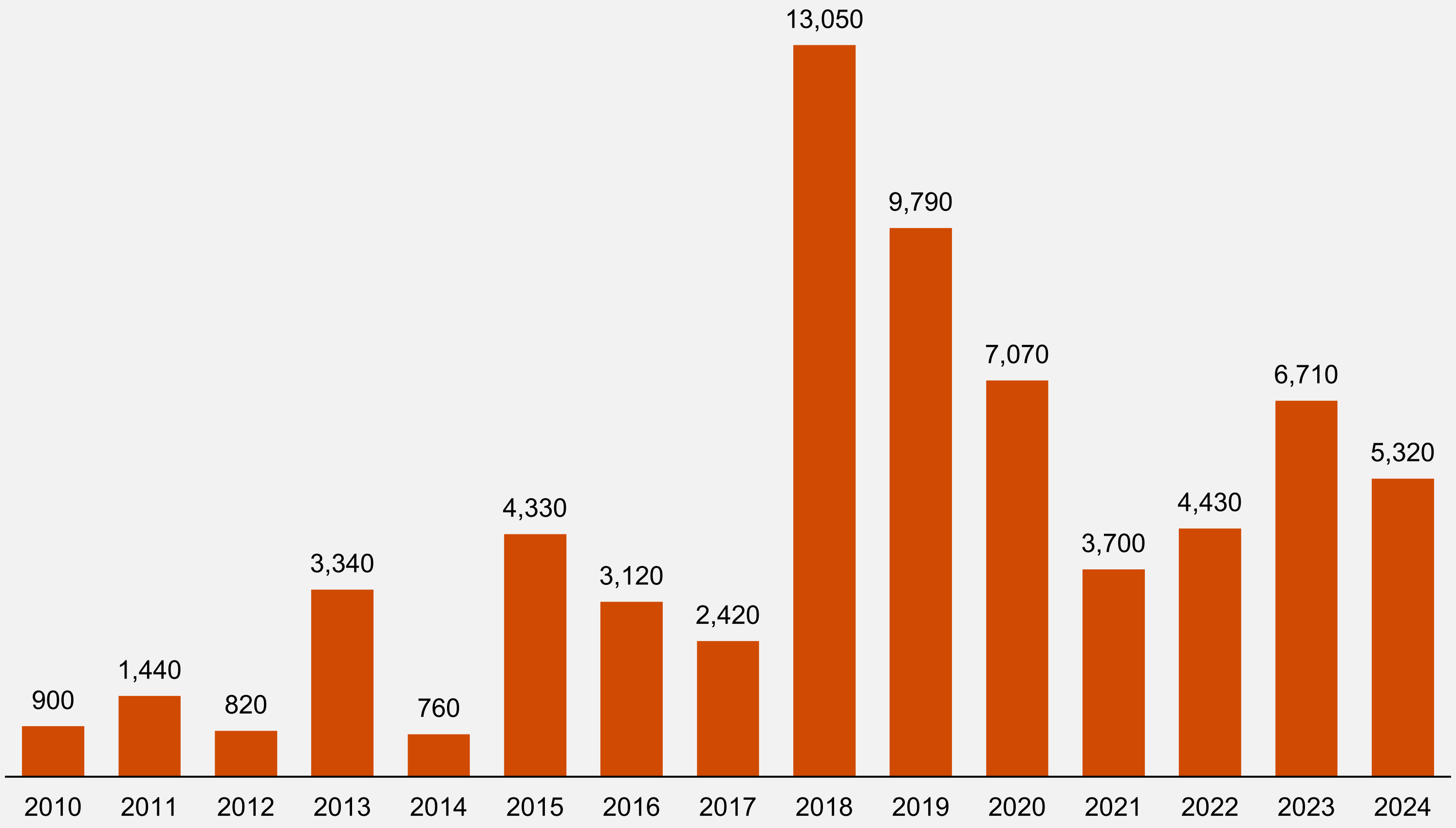
In Peru, the Chinese state-owned multinational marine transportation service conglomerate COSCO financed significant shares of the investment and secured the operating rights of the new mega-port for 30 years, contributing to modern port capacity in South America and ensuring influence for the foreseeable future.

The Hambantota port in Sri Lanka required investments of around $1.8 billion, which were mostly funded by China. As the state of Sri Lanka was unable to meet the resulting financial obligations, China forgave a share of the loan in exchange for control over the port of Hambantota for 99 years. The majority of earnings from the port operations are allocated to Chinese SOE, largely reducing the economic benefits for Sri Lanka.

A central point of criticism regarding the Belt and Road Initiative (BRI) is the tendency to prioritise oversized and deficit-laden projects, which often undermine the long-term benefits.

Sources: manager magazine; ARD; ZDF; marine forum

Chinese investments in the SEA T&L industry as part of the Belt and Road Initiative
2010–24 (in Mio. USD)



Source: American Enterprise Institute

China challenges the balance of power in SEA

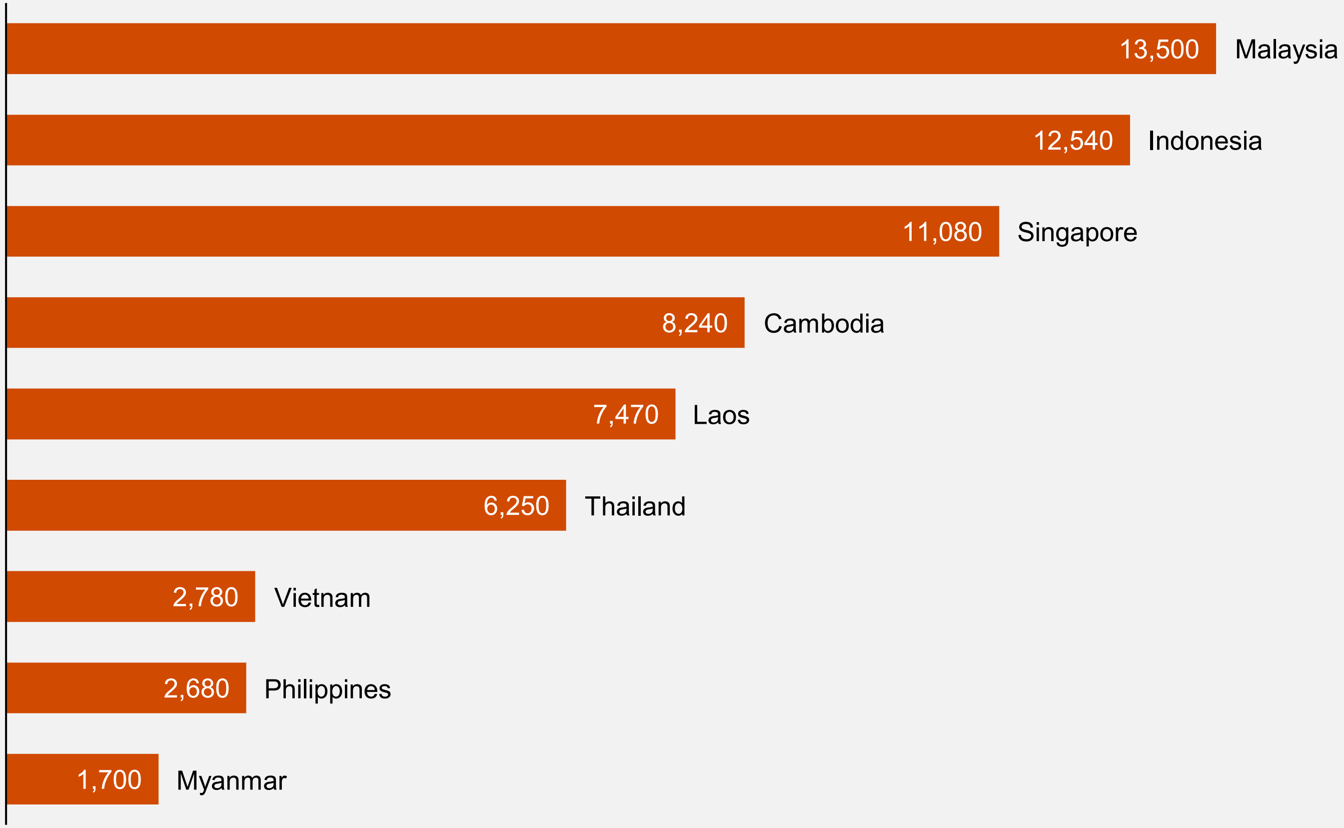
Infrastructure investments can bring significant changes in countries without sophisticated or highly centralised infrastructure. An example of this is Thailand, which has only one significant port that handles about 80% of the country's container throughput. China has acquired a 30% stake in this critical port to secure strategic influence in the region.

In addition to investing in existing infrastructure, China also expands its influence with greenfield investments. Chinese SOE currently build a new mega-port in Myanmar (Kyaukpyu) with a capacity to handle roughly 4.8m TEU. As of now, the largest port in Myanmar currently handles only about 1m TEU. This project, estimated to cost $10 billion, would far exceed the existing port infrastructure in Myanmar and significantly expand the country's logistics capacities. Kyaukpyu Port is a key project in China's BRI and is intended to provide China with direct access to the Indian Ocean, bypassing the strategically important Strait of Malacca.

In less developed countries, smaller investments can have a significant impact on future economic and geopolitical development.

Sources: The Maritime Executive; Geopoliticalmonitor; Logistics Cluster

Chinese investments in the SEA* T&L industry as part of the Belt and Road Initiative by country
2010–24 (in Mio. USD)



Source: American Enterprise Institute | * Brunei ($670m) and Timor-Leste ($290m) are not shown due to immateriality

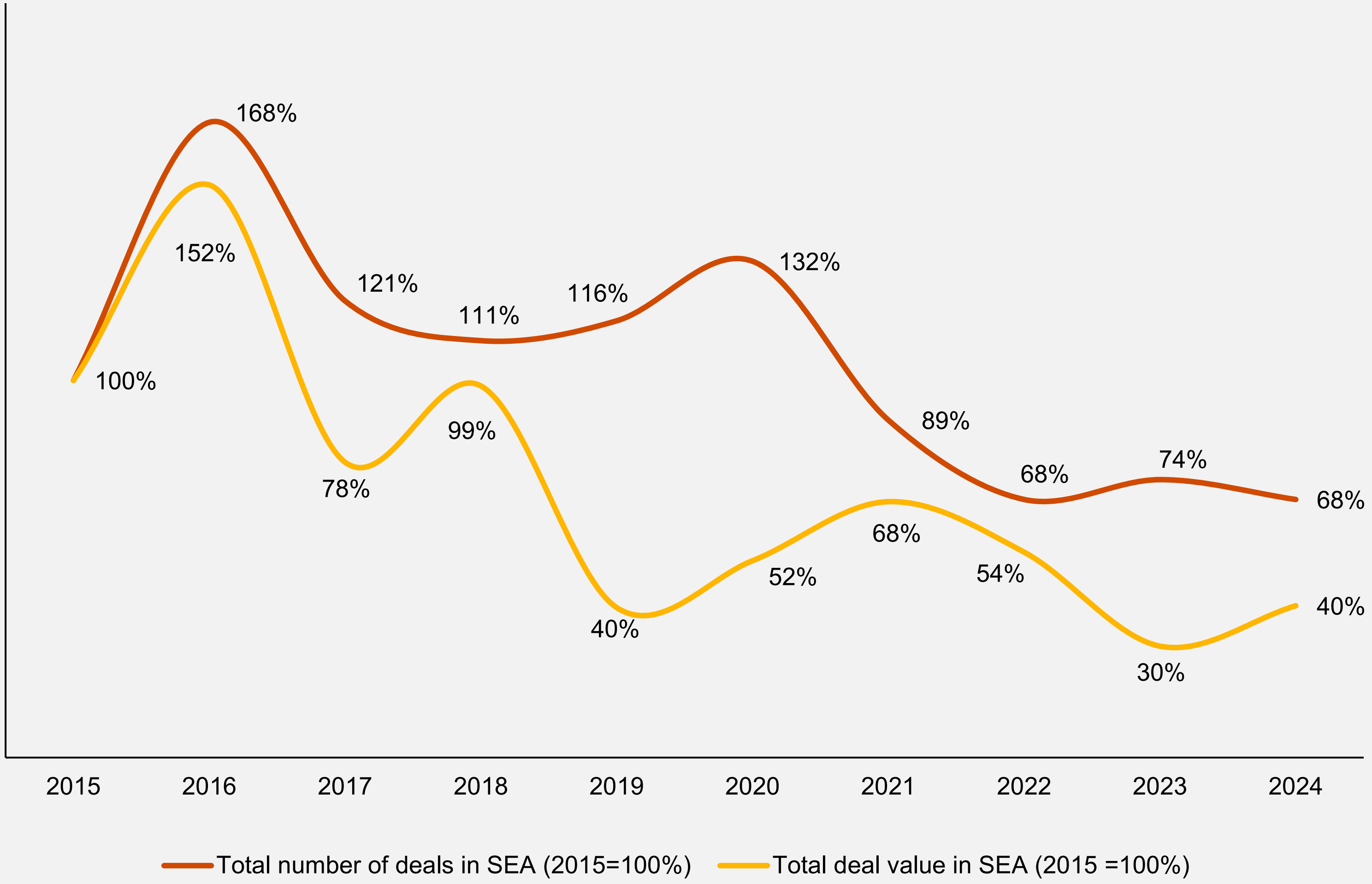
M&A activity in SEA

After reaching a temporary peak in 2020, deal activity in the Southeast Asian T&L industry showed a downward trend from 2021 to 2024. While the M&A activity across all industries in SEA fell to a 15-year low in 2024 (significantly below 2023 levels), it remained stable in the T&L industry compared to previous years and even exceeded the total deal value of the previous year by approx. 10pp. The slowdown in M&A activity in SEA is predominantly driven by economic uncertainty, high interest rate and geopolitical tensions. It is noteworthy that while the total number of effective deals in T&L has remained at approx. 70% of the 2015 level, the total deal value has plummeted to 30% in 2023. This suggests that investors are increasingly opting for smaller transactions, or that larger deals are simply not available on the market at present. The majority of the effective deals are related to trucking/warehousing and shipping, underlining the growing importance of resilience as many businesses that previously relied on just-in-time production are now maintaining higher inventory levels to buffer against supply chain disruptions. In addition, the rapid expansion of e-commerce in Southeast Asia has significantly increased the demand for logistics services, particularly trucking (covering “the last-mile”).

Why have we not seen higher M&A figures in recent years, despite the substantial investments from China as described in previous chapters? The reason lies in the types of investment which include greenfield or brownfield investments and loans. Consequently, China's influence may not be evident in the recent M&A data, yet it still exerts a significant impact on the transport infrastructure in the region and therefore on the framework conditions for logistics service providers.

Sources: LSEG; Business Law Journal; Atradius; Statista; DVZ

Development of effective T&L deals* in SEA



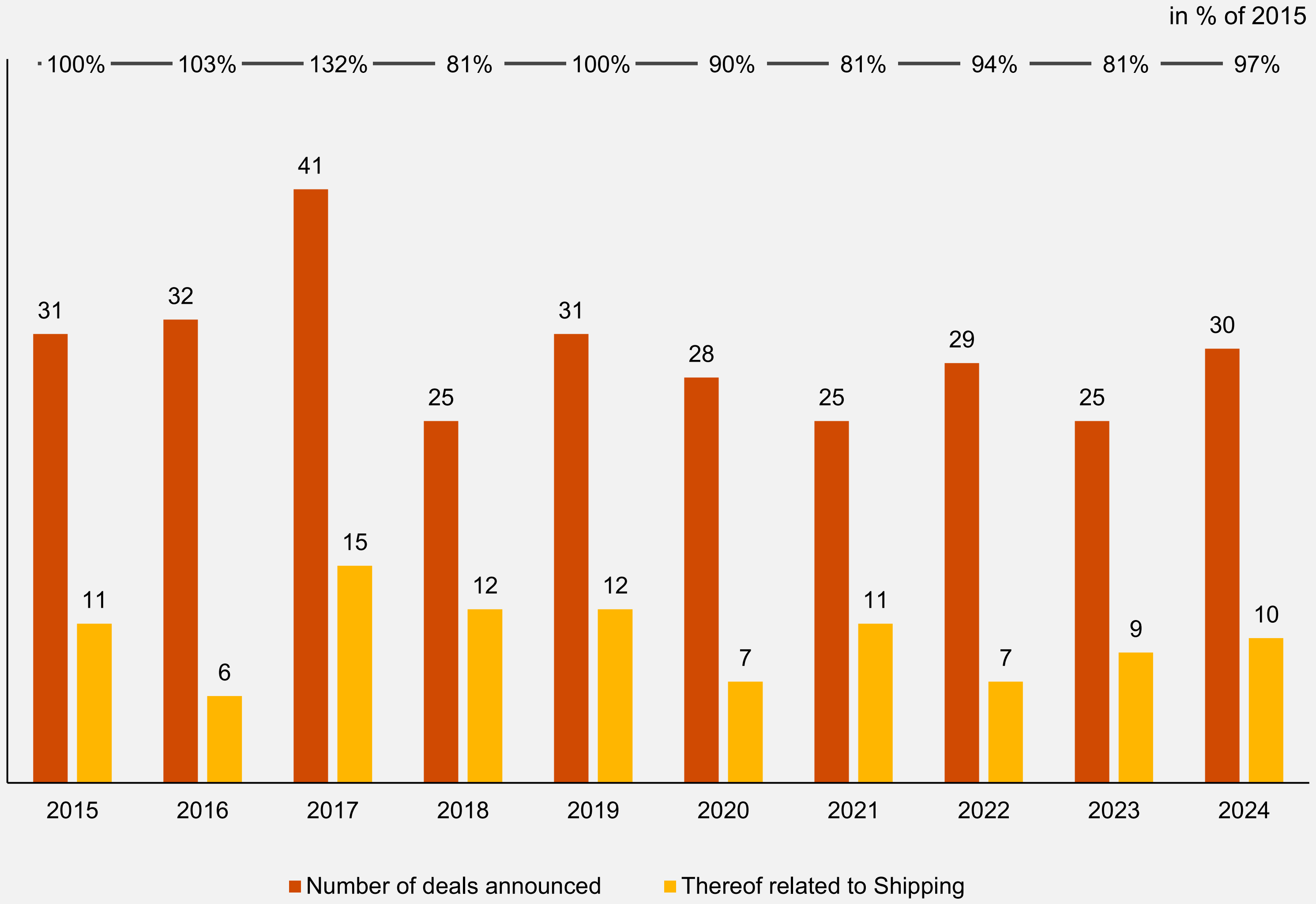
Source: PwC analysis based on LSEG | *including deals >$10m

The outlook for the SEA region assumes a slight recovery in the total number of deals as well as deal value in 2025. The need to enhance logistics infrastructure to support the "China +1" strategy partially offsets the aforementioned challenges of M&A activity. The persistent desire to invest in the logistics sector (or infrastructure) is partially reflected in the announced deals in the SEA region in recent years. While the effective deals were reduced to approx. 70%, the initially intended deals remain on a level >80% and even reached 97% of the 2015 level in 2024.

Although there have been occasional large deals in recent years, the SEA region is characterised by smaller deals due to a less consolidated infrastructure. The transaction value of the largest shipping-related transaction announced in 2024 is the intended acquisition of a minority share of Thai Laemchabang Terminal Co Ltd. for $111 million by COSCO. The majority of the recently announced shipping deals in SEA relates to Singapore, Indonesia and Malaysia and is negotiated between two domestic parties. Among the foreign investors in SEA the Chinese SOE China Merchants Port Holdings Co Ltd. plays a significant role and has announced two investments (upon completion resulting in majority ownership) in Jakarta-based deep-sea freight transportation service providers since 2023.

Sources: LSEG; Business Law Journal; Atradius; Statista; DVZ

Development of announced T&L deals* in SEA



Source: PwC analysis based on LSEG | *including deals >$10m

5

Outlook

Outlook

Following a strong fourth quarter in 2024 and a recovery beyond the ten-year low, the outlook for global M&A activity in 2025 looks more promising, with expectations of a rebound driven by improving dealmaking conditions. While global economic growth remains subdued and market uncertainty persists, interest rate cuts and increasing valuations of publicly traded companies are creating more favourable conditions for financing acquisitions.

Nevertheless, investors should remain mindful of several macroeconomic factors:

- The incoming US administration's pursuit of tariffs could negatively impact world trade as well as sea and air freight.
- Efforts to resolve geopolitical conflicts, including the Russia-Ukraine war and unrest in the Red Sea, may mitigate supply chain constraints while potentially increasing capacity.

For strategic investors, achieving growth and the pursuit of new capabilities are anticipated to be the main factors influencing M&A decisions in 2025. In this way, companies are attempting to solve pressing issues such as the truck driver shortage, overcapacity and margin pressure due to declining freight rates in (container) shipping, consolidation pressure among airlines, strategic realignment of business areas, or a focus on core business areas. At the same time, deal activity among financial investors is predicted to rise, particularly as private equity firms have significant dry powder available for investment. Additionally, some private equity funds are under pressure to exit their investments, which may lead to the sale of portfolio companies in order to return capital to their investors.

Despite the improving market conditions, uncertainty and risks persist, and their impact on deal activity in 2025 is yet to be determined. Factors such as trade policies, geopolitical developments, potential deregulation in North America, overall regulatory changes, and consumer sentiment, all play a significant role. Successfully navigating this landscape will necessitate a well-defined diligence and value creation strategy, not to mention a strong team with the right talent.

6

Appendix: deals in figures, methodology, contacts

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Megadeals = deals with a value of $1 billion or more

For comparison
H1 2024: 15 deals, $27.1bn
H2 2023: 11 deals, $20.3bn
H1 2023: 5 deals, $16.1bn

Megadeals in 2024 (1/2)

Announcement	Target	Target nation	Buyer	Buyer nation	Deal status	Deal value ($bn)	Sector
Sep-24	Schenker AG	DE	DSV A/S	DK	Pending	15.84	Logistics/Trucking
Dec-24	Copenhagen Airports A/S (59.4% stake)	DK	Danish Government / Ministry of Finance	DK	Pending	4.54	Infrastructure – Airport
Mar-24	Cainiao Smart Logistics Network Ltd	CN	Alibaba Group Holding Ltd	CN	Pending	3.75	Logistics/Trucking
Jun-24	Budapest Airport Zrt	HU	Investor Group of Hungarian state-controlled investment company Corvinus (80%) and Vinci Airports SAS (20%)	HU	Completed	3.37	Infrastructure – Airport
Apr-24	International Distributions Services PLC	UK	EP UK Bidco Ltd (Joint Venture of EP Corporate Group and J&T Capital Partners)	UK	Pending	3.23	Logistics/Trucking
May-24	Malaysia Airports Holdings Bhd	MY	Investor Group of Global Infrastructure Partners, Khaznah (Sovereign Wealth Fund of Malaysia) and a Malaysian government owned pension fund	MY	Pending	2.29	Infrastructure – Airport
Mar-24	Agility Global PLC	AE	Spin-off to shareholders of Agility Public Warehousing Company (APWC)	–	Completed	2.20	Logistics/Trucking
Nov-24	AGS Airports Ltd (owns and runs Aberdeen, Glasgow, and Southampton airports)	UK	AviAlliance GmbH (Subsidiary of Canadian state-owned Public Sector Pension Investment Board)	DE	Pending	1.95	Infrastructure – Airport
Apr-24	Blueridge Transportation Group LLC (toll road section of Texas State Highway 288)	US	Government of Texas (Department of Transportation)	US	Completed	1.73	Infrastructure – Road
Apr-24	Edinburgh Airport Ltd	UK	Vinci Airports SAS	FR	Completed	1.58	Infrastructure – Airport
Nov-24	Air Transport Services Group Inc	US	Stonepeak Partners	US	Pending	1.52	Logistics/Trucking

Source: PwC analysis, based on Refinitiv

Megadeals = deals with a value of $1 billion or more

For comparison

H1 2024: 15 deals, $27.1bn
H2 2023: 11 deals, $20.3bn
H1 2023: 5 deals, $16.1bn

Megadeals in 2024 (2/2)

Announcement	Target	Target nation	Buyer	Buyer nation	Deal status	Deal value ($bn)	Sector
Apr-24	Staci SAS	FR	Bpost SA	BE	Completed	1.41	Logistics/Trucking
Sep-24	Santos Brasil Participacoes SA (52.1% stake)	BR	CMA CGM SA	FR	Intended	1.25	Shipping
Feb-24	NWP HoldCo LLC (Northwest Parkway, 14km toll road in Denver, Colorado)	US	VINCI Highways SAS	FR	Completed	1.20	Infrastructure – Road
Sep-24	Santos Brasil Participacoes SA (47.9% stake)	BR	CMA CGM SA	FR	Pending	1.15	Shipping
Jul-24	Maersk Supply Service A/S	DK	DOF Offshore Holding Denmark ApS (DOF Group)	DK	Completed	1.11	Shipping
Jan-24	12 road projects from PNC Infratech Limited	IN	Highways Infrastructure Trust	IN	Pending	1.09	Infrastructure – Road
Feb-24	Svitzer Group A/S	DK	Maersk Shareholders via Spin-Off	DK	Completed	1.07	Shipping
Jun-24	Navig8 Topco Holdings Inc	UK	ADNOC Logistics & Services PLC	AE	Pending	1.04	Shipping
Jun-24	Coyote Logistics LLC	US	RXO Inc	US	Completed	1.03	Logistics/Trucking
May-24	PT Jasamarga Transjawa Tol	ID	Investor Group of three infrastructure investment funds	ID	Completed	1.00	Infrastructure – Road

Source: PwC analysis, based on Refinitiv

Subsector analysis

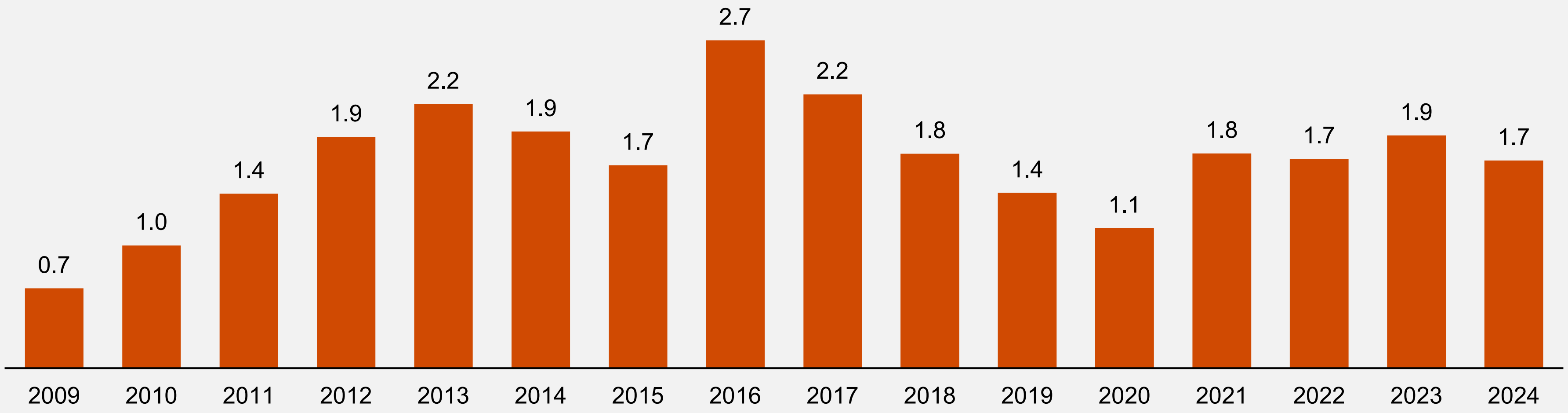
All deals (incl. infrastructure)	1H2022		2H2022		1H2023		2H2023		1H2024		2H2024	
Total value ($bn)	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value
Passenger Air	16	9.2	18	7.8	9	3.4	15	8.2	7	8.4	11	8.1
Passenger Ground	26	64.5	17	6.9	17	5.8	15	10.3	18	10.2	18	4.2
Rail	2	0.2	6	3.7	0	0.0	3	0.6	0	0.0	3	0.3
Logistics and Trucking	70	38.7	44	15.7	45	17.4	34	7.9	45	21.6	54	28.6
Shipping	21	11.5	24	12.4	22	7.5	23	8.9	20	6.3	20	7.7
Other	9	7.2	8	3.5	5	5.4	5	0.5	1	0.6	2	0.2
Total	144	131.3	117	50.0	98	39.4	95	36.5	91	47.0	108	49.2

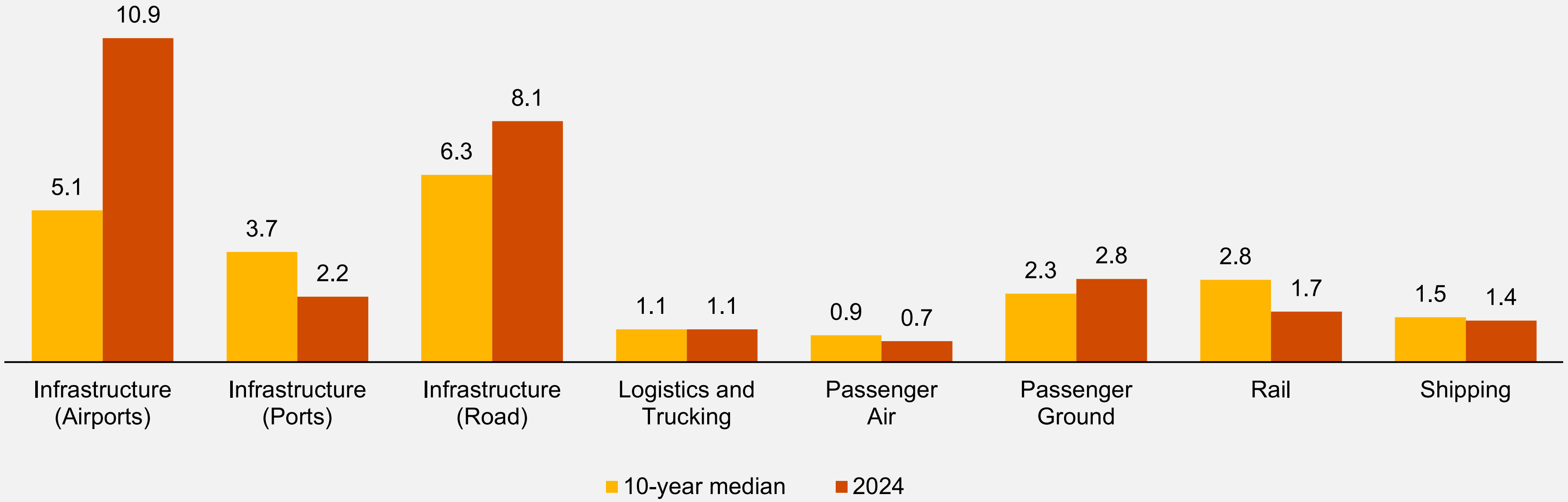
Infrastructure	1H2022		2H2022		1H2023		2H2023		1H2024		2H2024	
Total value ($bn)	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value
Infrastructure (Airports)	6	1.2	7	2.5	5	2.0	3	3.1	3	7.2	8	7.9
Infrastructure (Road)	15	59.2	14	6.6	12	4.3	11	10.0	13	8.5	12	3.0
Infrastructure (Ports)	8	6.5	12	8.8	7	2.0	8	2.0	8	1.1	7	1.2
Total (infrastructure)	29	66.9	33	17.9	24	8.3	22	15.0	24	16.9	27	12.1

Freight vs. passenger	1H2022		2H2022		1H2023		2H2023		1H2024		2H2024	
Total value ($bn)	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value	No. of deals	Total value
Freight	93	50.3	69	31.9	66	29.2	57	16.9	63	27.6	76	36.6
Passenger	51	81.0	48	18.1	32	10.2	38	19.6	28	19.4	32	12.6
Total	144	131.3	117	50.0	98	39.4	95	36.5	91	47.0	108	49.2

Source: PwC analysis based on Refinitiv. Deals with a value greater than $50 million

Median of value / sales multiples

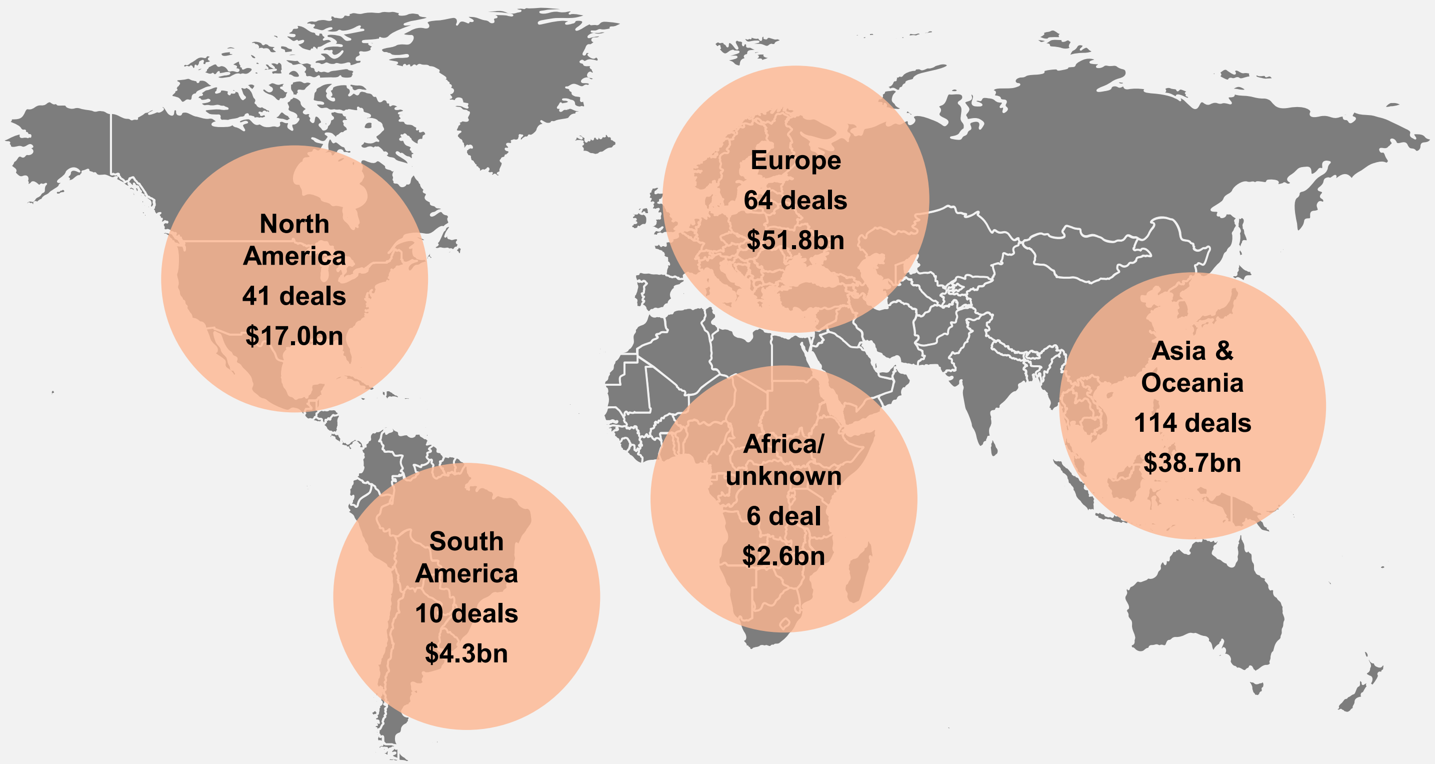




Source: PwC analysis based on Refinitiv. Deals with a value greater than $50 million

Regional distribution of deals

Europe	**No. of deals**	**Value ($bn)**	**Ø value ($m)**
Local	42	40.3	960.6
Inbound	14	5.5	392.8
Outbound	8	5.9	740.8
Total	64	51.8	809.0
Asia & Oceania			
Local	93	27.6	296.5
Inbound	13	7.2	552.9
Outbound	8	3.9	490.1
Total	114	38.7	339.3
North America			
Local	21	9.1	431.7
Inbound	5	2.2	435.2
Outbound	15	5.8	383.5
Total	41	17.0	414.5
South America			
Local	6	1.1	176.3
Inbound	4	3.3	820.1
Outbound	0	0.0	0.0
Total	10	4.3	433.8
Africa/unknown			
Local	1	0.1	77.0
Inbound	0	0.0	0.0
Outbound	5	2.5	508.7
Total	6	2.6	436.7



Local = target and buyer in the region
Inbound = target in the region, but buyer outside the region
Outbound = target outside the region, but buyer in the region

An inbound deal in one region is also an outbound deal in another. Inbound and outbound deals are, therefore, recorded twice in the list

Source: PwC analysis based on Refinitiv. Deals with a value greater than $50 million

Methodology

This report analyses the current industry environment and global transaction and strategic collaboration activities in the T&L industry.

The analysis covers all mergers, acquisitions, sales, leveraged buyouts, privatisations and acquisitions of minority interests with a transaction value greater than $50 million. All transactions announced between 1 January and 31 December 2024 have been included. Project transactions, such as public-private partnerships – which are more common than corporate transactions, especially in the field of infrastructure – do not fall within the scope of the analysis.

The data for the transaction analysis is derived from LSEG and includes all deals announced where the target company comes from one of the NAICS industries listed below. Historical data is continuously updated. The analysis included all transactions whose status at the time of analysis was “completed”, “not yet completed because of antitrust approval procedures”, “unconditional” (buyer-side conditions have been met, but the deal has not yet been completed) or “withdrawn”.

The data for the strategic collaboration analysis is based on information from S&P Global Capital IQ, covering private placements data and key strategic alliance-related developments disclosed by listed companies related to the T&L industry.

Sectors and assigned NAICS industries

Passenger Air: scheduled passenger air transportation; non-scheduled chartered passenger air transportation; air traffic control; other airport operations; other support activities for air transportation

Passenger Ground: highway, street, and bridge construction; all other specialty trade contractors; commuter rail systems; bus and other motor vehicle transit systems; other urban transit systems; inter-urban and rural bus transportation; taxi service; limousine service; school and employee bus transportation; charter bus industry; special needs transportation; all other transit and ground passenger transportation; other support activities for road transportation

Rail: line-haul railroads; short-line railroads; support activities for rail transportation

Logistics: gas distribution; freight transportation arrangement; packing and crating; all other support activities for transportation; postal service; couriers; local messengers and local delivery; general warehousing and storage; refrigerated warehousing and storage; farm product warehousing and storage; other warehousing and storage; process, physical distribution and logistics consulting services

Trucking: general freight trucking, local; general freight trucking, long-distance, truckload; general freight trucking, long distance, less than truckload; used household and office goods moving; specialised freight (except used goods) trucking, local; specialised freight (except used goods) trucking, long distance

Shipping: deep-sea freight transportation; deep-sea passenger transportation; coastal and great lakes freight transportation; coastal and great lakes passenger transportation; inland water freight transportation; inland water passenger transportation; port and harbour operations; marine cargo handling; navigational services to shipping; other support activities for water transportation; regulation and administration of transportation programs

Other: scheduled freight air transportation; non-scheduled chartered freight air transportation; other non-scheduled air transportation; mixed-mode transit systems; commercial air, rail and water transportation equipment rental and leasing; passenger car rental; passenger car leasing; truck, utility trailer and RV rental and leasing

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