

Transportation & Logistics

March 2026



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Executive Summary



The global and European transportation and logistics market entered 2026 in an uncertain environment shaped by persistent geopolitical tensions, evolving trade policies, and ongoing supply chain reconfiguration. The resulting disruption to key freight corridors and reduction in demand visibility, has created planning challenges for market participants. Additionally, the recent escalation in Middle East tensions, alongside volatility in oil prices, has further added to operational complexity across the sector.

Amid these conditions, the European market is experiencing an increasing degree of regionalisation, with a greater emphasis on intra-EU trade flows as supply chains adjust to external disruptions. The UK market is displaying increasingly stable operating conditions, underpinned by positive momentum across key macroeconomic indicators including retail sales, construction activity, and PMI. Alongside this, the broader normalisation of post-Brexit trade flows is supporting improved visibility for market participants.

As a result, across transport segments, road, rail, air cargo, and warehousing activity in the UK has recovered to, and in several cases exceeded, pre-pandemic levels. The maritime segment, however, continues to lag amid ongoing global disruptions and shifts in shipping patterns.

M&A activity in the UK remained strong in 2025, with total deal volumes at c. 60 transactions, an increase compared to 2024. However, investor behaviour has been more selective, with a focus on technology-enabled platforms, specialised logistics segments such as healthcare, pharmaceuticals, and cold storage, and supply chain management providers benefiting from increased outsourcing trends.

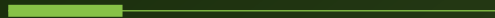
Despite improving macroeconomic conditions, the market continues to be influenced by structural and operational challenges, including driver shortages, fuel price volatility, tightening regulatory requirements, and ongoing geopolitical uncertainty.



01



Market Overview

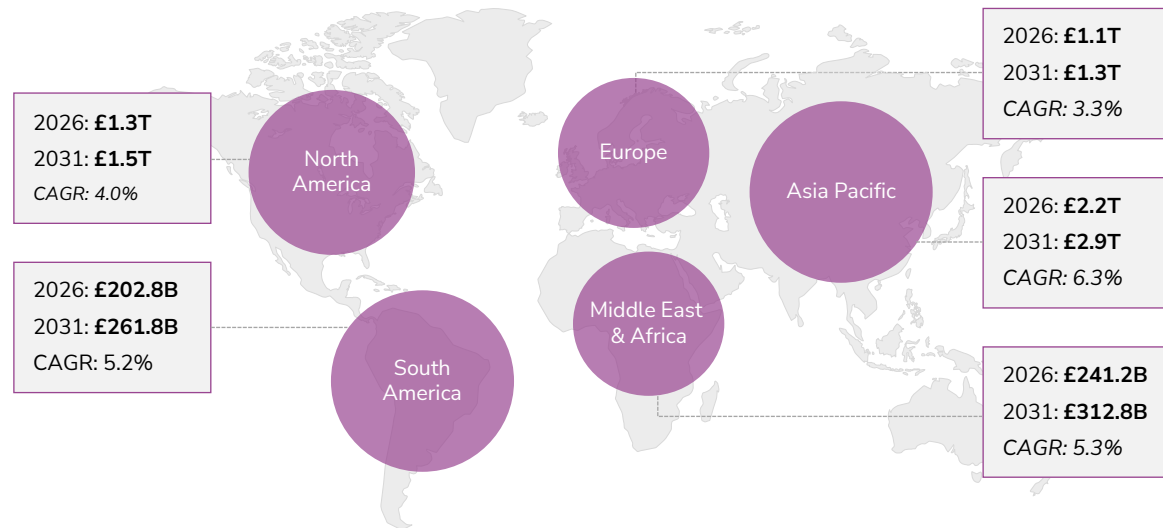


Global & European Transportation & Logistics Market

The global transportation & logistics market is largely concentrated in the Asia-Pacific region, while Europe continues to hold a significant share, accounting for approximately 20% of the market

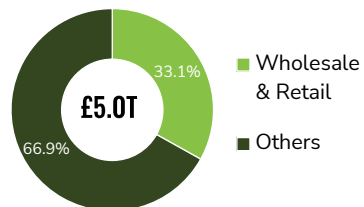
Global Market Overview¹

The Global Transportation and Logistics market is valued at £5.0T in 2026 and is expected to reach £6.4T by 2031, growing at a CAGR of 4.9%

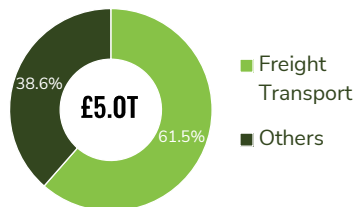


Global Market Segmentation¹

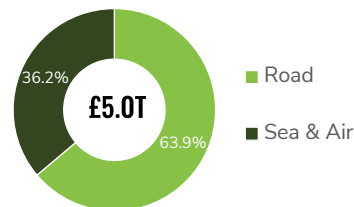
By End User



By Logistics Function



By Freight Transport Mode



Sources: Mordor Intelligence, Teleroute, Transport Intelligence
 1. USD values have been converted using a 0.75 exchange rate

European Market Overview¹

- ◇ The European Transportation and Logistics market is valued at £1.1T in 2026 and is expected to reach £1.3T by 2031, growing at a 3.3% CAGR.
- ◇ Germany, France, and the United Kingdom (UK) are the region's largest markets, with market sizes of £171.9B, £157.8B, and £109.6B, respectively.

Current Trends in the Market



Regionalisation and Digital Visibility

Amid growing global supply chain complexity, **regionalisation remains a priority**, with 64% of manufacturers having already regionalised production or actively moving it closer to end markets..



Compliance as a Strategic Capability

Trade policy and regulatory volatility are key risks for **74% of shippers**, while evolving regulations like EUDR, CBAM, and ESG are increasingly shaping competitive advantage.



Labour Shortages and Automation

Driver shortages are the top risk for 71% of carriers in 2026, while automation and efficiency-enhancing tools remain key priorities for the market.

UK Transportation & Logistics Market

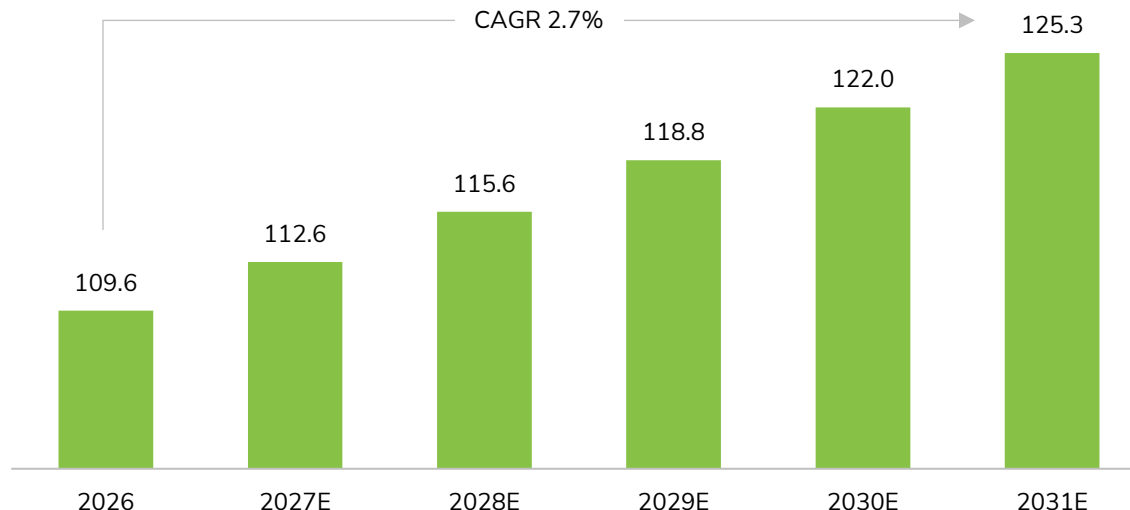
The UK Transportation & Logistics market is projected to sustain moderate growth, expanding at a CAGR of 2.7% through 2031

Overview

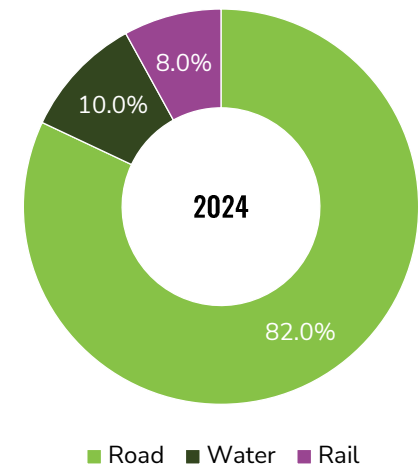
- ◇ The **UK remains a key transportation and logistics hub in Europe**, representing approximately 10% of the European market in 2026 and valued at £109.6B¹. This is underpinned by robust economic activity and the sustained movement of goods within EU trade networks.
 - **Market activity is particularly concentrated in London and the South East**, reflecting both strategic access to EU corridors and high regional population density, which drive logistics demand.
- ◇ Following the UK's exit from the EU, **trade flows have largely stabilised**, supporting a steady recovery across sectors. Additionally, **structural factors such as elevated e-commerce penetration, evolving consumer demand, and ongoing investment in logistics infrastructure** are contributing to sustained sector momentum, driving the UK market to £125.3B by 2031.

Market Size¹

£billions



Road Transportation Remains a Key Segment of the Market



Sources: Mordor Intelligence, GOV.UK

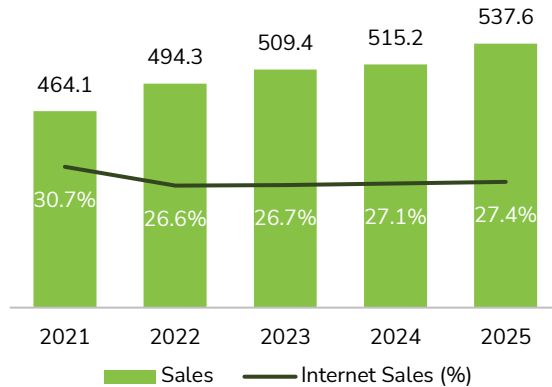
1. USD values have been converted using a 0.75 exchange rate

Macro-Economic Environment Showing Sustained Momentum

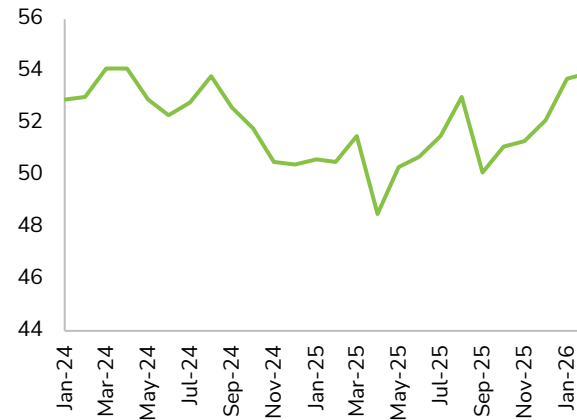
With macroeconomic conditions improving, driven by growth in retail sales, construction activity, and PMI, the UK Transport & Logistics sector is moving toward a stabilised operating environment from previously volatile conditions.

Retail Sales Gaining Momentum^{1,2}

£billions



Composite PMI Signals Expansion



Consumer & Retail Demand

The UK Transport & Logistics sector is entering a more stable macroeconomic phase, supported by easing inflation and interest rate cuts, thereby improving consumer sentiment. As a result, **retail sales have grown at the fastest annual rate in four years**, partly driven by increased discounting. As consumption strengthens, logistics demand is recovering in parallel with resilient e-commerce penetration continuing to support volumes across logistics operations.

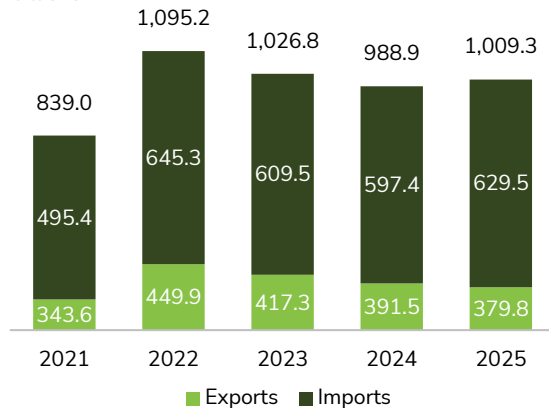


Construction Activity

The construction sector continues to expand, driven by **new industrial work**, underpinned by **public and private investment** and ongoing government infrastructure initiatives, alongside investment in AI-driven data centre development, contributing to incremental logistics demand.

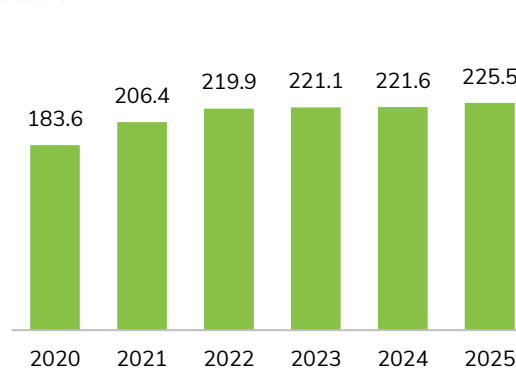
Stable Trade of Goods

£billions



Rising Construction Activity¹

£billions



UK Composite PMI

Similarly, broader economic indicators continued momentum, **with composite PMI readings remaining in expansionary territory**, supported by improving export order books; however, geopolitical activity remains a moderating factor.

Sources: Office of National Statistics, GOV.UK, S&P Global, Trading Economics, Reuters

1. Value seasonally adjusted

2. All retailing, including automotive fuel

Segment Performance Strengthens Amid Improving UK Macro Outlook

UK Transport & Logistics segments have surpassed pre-pandemic levels, with air cargo and rail exhibiting sustained momentum, road freight remaining stable amid operational challenges, while maritime freight continues to face downward pressure due to global supply chain complexities and shifting shipment patterns.

Strong Air Cargo Market

2.8M **↑ 3.7%**

Tonnage Cargo in 2025 Compared to 2019

Air cargo volumes in the UK exceeded pre-pandemic levels in 2025, driven by growth in e-commerce, pharmaceutical, and supply chain adjustments following the EU exit, maintaining demand for air freight, resulting in higher volumes across shipments.

Airport infrastructure improvements, including the second runway at Gatwick, expansion at Luton, and the confirmed third runway at Heathrow, support the sector's capacity, complementing the ongoing demand.

Road Freight Continues to Remain Stable

19.4B **↑ 1.6%**

Vehicle kms in 2024 Compared to 2019

Road freight remains the dominant segment in the UK transportation and logistics sector. Since 2020, the segment has been under pressure, affected by trade disruptions with Ireland and mainland Europe due to the EU exit, as well as volatility in the consumption market. With consumption showing renewed momentum and trade with the EU stabilising, the segment is currently experiencing improved activity.

Increasing Rail Freight

16.5M **↑ 5.1%**

net tonne kms in 2025¹ Compared to 2022¹

The UK rail freight market has seen strong growth, driven by rising construction activity and the increasing use of intermodal logistics. Government investment in rail capacity and initiatives to decarbonise transport support the segment which could expand by around 30% by 2035 if sufficient capacity is available.

Logistics Space Up-Take Shows Strong Momentum

24.5M **↑ 20%**

sq.ft. logistics space take-up in 2025² Compared to 2019²

Logistics space take-up in the UK grew 9% in 2025 compared to 2024 and was 27% higher than the 2010–2019 average for large warehouses of 100,000+ sq.ft., reflecting sustained strength in the market. This growth has been driven by the rise of 3PL providers, trends in re-shoring, and increasing outsourcing of supply chain operations amid growing complexity, which collectively continue to support strong demand for logistics space.

Sources: GOV.UK, CAA, Logistics UK, JLL, BCT News, Logically

1. Data is shown by financial year quarter: Q1 is April to June; Q2 is July to September; Q3 is October to December; and Q4 is January to March.

2. Units of 100,000 sq. ft.+

➤ Trends in the Market

Despite improved macroeconomic stability and freight volumes surpassing pre-pandemic levels, the sector remains constrained by operational hurdles stemming from demographics, geopolitical dynamics, and regulatory complexity.

➤ Driver Shortages

HGV driver shortages continue to intensify with the active workforce falling to 293.7K in 2025, down 1.9% from 2024, due to:

- ◇ Ageing workforce remains the key driver as the median driver age exceeded 55, and apprenticeship intake remained about 40% below replacement needs.
- ◇ Additionally, reduced training support, followed by the end of government initiatives such as the HGV Skills Bootcamps impacted the skill gaps.

➤ Increased Operational Costs

While the broader macro-economic environment continues to stabilise, the operational cost pressures are increasing across the UK transportation and logistics industry:

- ◇ Rising fuel costs, with UK diesel prices expected to reach £1.50/litre, directly impact margins as fuel accounts for about 30% of logistics expenses.
- ◇ Infrastructure-related freight diversion, as maintenance issues at Liverpool and the Manchester Ship Canal shift cargo onto roads, with up to 321,000 HGV trips keeping transport costs and emissions elevated.

➤ Geopolitical Risks and Challenges

Geopolitical disruptions are increasing freight costs for UK imports

- ◇ As the instability in the Middle East is leading to the diversion of the freight routes, eventually increasing the freight costs and impacting demand.
- ◇ Ongoing global trade tensions, including tariff-related uncertainty and supply chain disruptions, continue to provide limited planning visibility.

➤ Regulatory Challenges

Regulatory and policy pressures are raising costs for UK freight and logistics operators as much as 15%

- ◇ Stricter emissions requirements, as tighter HGV decarbonisation targets and the planned phase-out of new petrol and diesel trucks by 2035, increase fleet compliance costs.
- ◇ Tougher hazardous goods compliance rules, with updated ADR regulations by June 2026, introducing stricter inspections and shared liability across the logistics chain, increasing risks of delays and penalties.
- ◇ Ongoing fuel duty burdens, with fuel duties continuing to add materially to operating expenses and generating £24.3 billion for the Exchequer.

A large white diamond shape with a blue square centered on its top vertex. Inside the diamond, the number '02' is written in a large, bold, blue font.

02



M&A Landscape & Market Map

UK Transportation & Logistics M&A

The M&A landscape remains active, with buyers focusing on segments supported by market tailwinds, including supply chain services, tech-driven platforms, and regional consolidation plays.

Overview

- ◇ The M&A market remains highly active, driven primarily by strategic players seeking to build critical capabilities.
 - As a result, deal activity increased in 2025 compared to 2024, supported by improving macroeconomic stability.
- ◇ Despite operating in a complex environment, market confidence has begun to stabilise. With falling interest rates, easing inflation, ongoing technological advancements, the elevated e-commerce activity, and the availability of segment-specific targets, M&A activity is expected to further accelerate in 2026.

Current M&A Segment Themes Being Executed by Market Participants



Private equity interest in Transport & Logistics tech sector

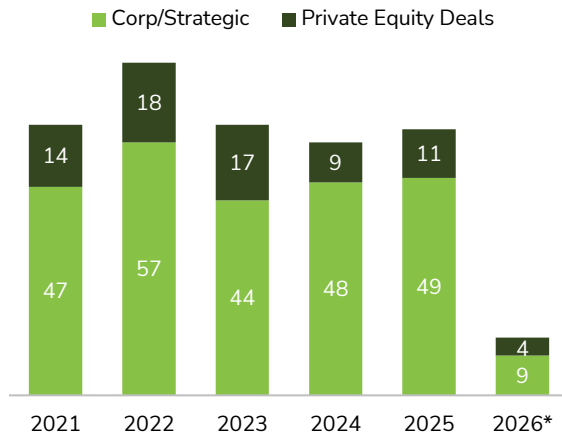


Supply chain management

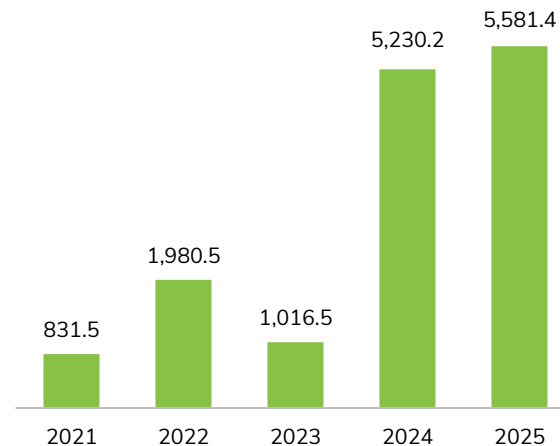


Specific logistics providers, such as healthcare, cold-storage

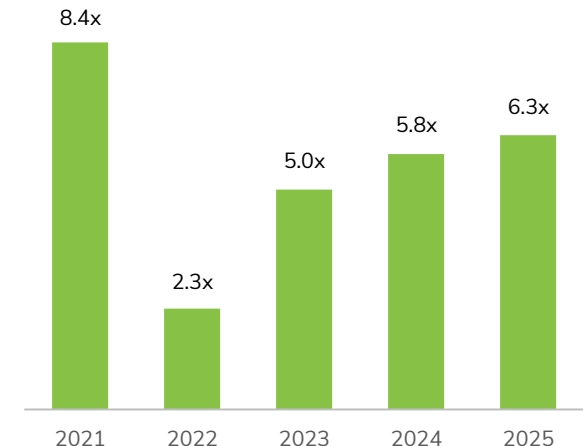
UK M&A Deal Volume



Capital Invested¹



EV/EBITDA Multiple²

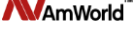


Sources: PitchBook, BDO UK, RPGCC, Ti Insights

1. Sum represents only those deals where the deal value has been disclosed.

2. EV/EBITDA multiple calculated based on deals with disclosed financial data.

UK Market M&A Deals

Date	Target	Acquirer	Implied EV	Implied EV / revenue	Implied EV / EBITDA	Description
Jun 2025	 IDS	 ep group	3,600.0	0.2x	3.4x	Provider of postal, parcel delivery, and international logistics services through its Royal Mail (UK) and GLS (Europe & US) operations.
May 2025	 SEABOURNE LOGISTICS	 Santova	15.1	0.3x	9.1x	Provider of integrated logistics services including warehousing, e-fulfilment, courier, freight, and mail solutions.
Apr 2025	 YODEL by InPost	 InPost	110.4	0.2x	-	Provider of parcel delivery and local courier services offering time-window deliveries, parcel tracking, and convenient in-store collection and return solutions.
Oct 2024	 Menzies DISTRIBUTION	 InPost	71.5	0.08x	2.3x	Provider of overnight time-critical logistics services specialising in newstrade, parcel distribution, and retail logistics for multiple sectors.
Jul 2024	 EVRI delivery made for you	 APOLLO	2,548.9	1.5x	9.4x	Provider of parcel delivery services offering courier networks, parcel shops, and lockers for convenient domestic and international shipping.
Feb 2024	 BISHOPSGATE International Logistics	 elanders	52.4	1.9x	-	Provider of logistics and delivery services including final-mile delivery, freight forwarding, data centre relocation, and specialised transport solutions.
Nov 2023	 KAMMAC	 elanders	95.9	1.2x	8.3x	Provider of third-party logistics (3PL) services including warehousing, transport, and e-commerce fulfilment solutions.
Jul 2023	 AmWorld™	 Foresight Invest Build Grow	2.7	0.2x	2.4x	Provider of logistics and courier services offering express delivery, freight transport, and supply chain solutions for global clients.
Jul 2023	 amco	 supergroup	35.8	0.5x	11.6x	Provider of logistics and warehousing services including distribution, packaging, and e-commerce fulfilment for industrial and commercial sectors.
Apr 2023	 delamode International Logistics	 BaltCap	49.2	0.1x	2.2x	Provider of integrated freight management and logistics services including forwarding, warehousing, and cross-border delivery.
Feb 2023	 DFDS	 DFDS	123.4	0.9x	5.0x	Provider of road and sea logistics services specialising in temperature-controlled and dry goods transport.
Sep 2022	 gls	M&S	254.8	0.3x	3.9x	Provider of logistics and supply chain solutions including temperature-controlled distribution and global freight management.
Aug 2022	 MENZIES aviation	 Agility	762.9	5.8x	NM	Provider of aviation and ground handling services offering cargo, fuelling, and passenger support for time-critical logistics.
Dec 2021	LANGDONS	 STEF	146.9	0.6x	2.7x	Provider of temperature-controlled logistics services specialising in domestic transport solutions for the food industry.
Sep 2021	 Cygnia	 Wincanton	32.9	0.4x	8.8x	Provider of outsourced logistics services offering integrated warehousing, distribution, contract packing, fulfilment, and freight forwarding solutions.
Jul 2021	 IDG	 culina GROUP	-	-	-	Provider of logistics and supply chain services including transport, warehousing, rail, and freight solutions in the UK.

Sources: PitchBook

UK Select Key Players

The UK Transport & Logistics sector remains highly fragmented, with rail being the only segment dominated by a few players due to licensing requirements in the region.

Multimodal



Rail Freight



Logistic Services



Road Freight



Maritime Shipping



Parcel Delivery / Courier Services



Sources: PitchBook

A large white diamond shape with a blue diamond on top. Inside the white diamond is the number 03.

03



Public Comparables

Public Comparables

Rail continues to be dominated by a handful of players with limited public listings, a pattern also observed in multimodal logistics, whereas the road segment features more smaller listed players due to regional operators.

Listed Comparable Companies		Revenue £M	Gross Margin	EBITDA £M	EBITDA Margin	Enterprise Value £M	3 Year CAGR Revenue	TTM Avg EV/Revenue	TTM Average EV / EBITDA
Road									
Aquila (Romania) (BSE: AQ)		557.1	8.1%	29.9	5.4%	389.0	14.5%	0.6x	12.0x
Waberer's International (BUD: WABERERS)		696.9	NA	115.9	16.6%	323.1	5.2%	0.4x	2.6x
Trans Polonia (WAR: TRN)		42.6	8.1%	3.3	7.9%	72.5	10.5%	0.7x	8.7x
Median								0.6x	8.7x
Rail									
Getlink (PAR: GET)		1,365.8	34.1%	541.2	39.6%	11,678.9	(0.1%)	7.9x	20.0x
PKP Cargo (WAR: PKP)		735.7	15.6%	-267.0	-36.3%	558.6	(5.5%)	0.8x	NM
OT Logistics (WAR: OTS)		56.5	6.3%	8.7	15.4%	121.8	(12.7%)	2.2x	14.2x
Median								2.2x	17.1x
Multimodal									
DSV (CSE: DSV)		28,123.7	27.3%	2,687.7	9.6%	54,787.1	(16.2%)	1.7x	17.6x
DFDS (CSE: DFDS)		3,549.4	8.7%	435.8	12.3%	2,379.7	4.7%	0.7x	5.7x
NTG Nordic Transport Group (CSE: NTG)		1,255.7	20.9%	100.2	8.0%	539.3	(4.8%)	0.5x	6.1x
Eimskipafélag Íslands (ICE: EIM)		703.7	74.6%	84.1	12.0%	442.7	(11.4%)	0.7x	6.1x
ATC Cargo (WAR: ATA)		81.2	16.9%	2.0	2.5%	7.5	1.3%	0.2x	7.0x
Median								0.7x	6.1x

Source: PitchBook

Public Comparables (Cont.)

Europe has historically been a key hub for maritime logistics and is home to several of the world's largest operators.

Listed Comparable Companies		Revenue £M	Gross Margin	EBITDA £M	EBITDA Margin	Enterprise Value £M	3 Year CAGR Revenue	TTM Avg EV/Revenue	TTM Average EV / EBITDA
Maritime									
A.P. Moller - Maersk (CSE: MAERSK B)		40,295.0	7.2%	7,773.5	19.3%	35,882.7	(19.0%)	0.8x	4.0x
Hapag-Lloyd (ETR: HLAG)		16,402.6	12.1%	3,351.1	20.4%	22,483.7	(25.9%)	1.2x	5.7x
Frontline (NYS: FRO)		1,353.9	26.5%	607.1	44.8%	7,439.5	17.6%	4.5x	10.0x
Wallenius Wilhelmsen (OSL: WAWI)		3,978.6	87.6%	1,462.4	36.8%	5,128.0	0.7%	1.1x	2.9x
Stolt-Nielsen (OSL: SNI)		2,112.9	24.6%	659.1	31.2%	3,476.1	0.7%	1.6x	5.0x
Torm (CSE: TRMD A)		1,017.1	52.5%	431.0	42.4%	2,523.7	2.1%	2.1x	4.9x
Star Bulk Carriers (NAS: SBLK)		805.5	17.7%	218.9	27.2%	2,495.8	(7.8%)	2.9x	10.6x
Capital Clean Energy Carriers (NAS: CCEC)		323.3	57.5%	267.5	82.7%	2,458.0	37.9%	8.0x	9.7x
Höegh Autoliners Management (OSL: HAUTO)		1,082.4	36.1%	517.5	47.8%	2,287.4	2.0%	1.7x	3.6x
Odffjell (OSL: ODF)		846.9	40.7%	284.7	33.6%	1,309.6	(4.1%)	1.6x	4.8x
Norden (Logistics) (CSE: DNORD)		2,373.3	5.4%	349.6	14.7%	1,175.2	(14.4%)	0.4x	2.8x
d'Amico International Shipping (MIL: DIS)		285.2	34.1%	118.6	41.6%	785.3	(0.9%)	1.9x	4.6x
Exmar (BRU: EXM)		214.4	32.6%	156.5	73.0%	665.6	47.1%	3.0x	4.1x
Klaveness Combination Carriers (OSL: KCC)		181.1	33.7%	59.1	32.6%	563.9	1.5%	2.6x	8.0x
Ardmore Shipping (NYS: ASC)		237.1	28.1%	57.8	24.4%	477.8	(6.3%)	1.6x	6.5x
Diana Shipping (NYS: DSX)		167.5	36.9%	79.4	47.4%	462.4	(12.9%)	2.7x	5.6x
James Fisher and Sons (LON: FSJ)		408.1	31.3%	111.1	27.2%	421.6	(4.3%)	0.8x	2.8x
Euroseas (NAS: ESEA)		176.5	59.5%	124.5	70.5%	384.7	6.0%	2.1x	2.9x
Seenergy Maritime (NAS: SHIP)		115.3	40.4%	49.4	42.9%	366.9	13.7%	2.9x	6.7x
Transport Trade Services (BSE: TTS)		110.5	8.0%	15.8	14.3%	206.8	(12.1%)	1.7x	11.7x
EuroDry (NAS: EDRY)		40.3	8.3%	4.8	11.9%	110.2	(8.4%)	2.6x	21.7x
Luka Ploče (ZAG: LKPC)		25.1	34.4%	8.7	34.7%	34.6	1.0%	1.6x	4.5x
Castor Maritime (NAS: CTRM)		57.8	25.7%	-10.7	-18.6%	32.3	(34.8%)	0.5x	NM
Losinjaska Plovidba Holding (ZAG: LPLH)		17.0	17.3%	3.1	18.2%	14.5	7.4%	1.1x	6.0x
Median								1.8x	4.9x

Source: PitchBook

Public Comparables (Cont.)

The shift toward outsourcing supply chain services, together with the rise in e-commerce, is making the logistics services segment highly active in the region.

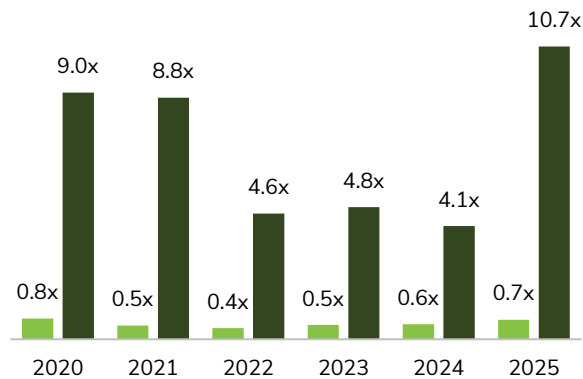
Listed Comparable Companies		Revenue £M	Gross Margin	EBITDA £M	EBITDA Margin	Enterprise Value £m	3 Year CAGR Revenue	TTM Avg EV/Revenue	TTM Average EV / EBITDA
Logistic Services									
Kuehne + Nagel (SWX: KNIN)		22,765.2	34.6%	2,102.5	9.2%	22,624.0	(18.9%)	0.9x	10.1x
ID Logistics Group (PAR: IDL)		2,953.3	49.3%	458.8	15.5%	2,942.0	14.4%	1.1x	7.2x
Hamburger Hafen and Logistik (ETR: HHFA)		1,476.8	19.0%	289.3	19.6%	2,423.7	0.3%	1.5x	7.8x
Stef (PAR: STF)		4,159.7	6.5%	363.8	8.7%	1,801.4	7.0%	0.6x	6.6x
Clarkson (LON: CKN)		648.9	94.6%	107.8	16.6%	1,010.9	4.7%	1.2x	7.1x
Logwin (ETR: TGHN)		1,253.1	10.8%	98.3	7.8%	437.3	(20.4%)	0.3x	3.9x
BLG Logistics Group (FRA: BLH)		1,009.2	18.6%	88.0	8.7%	35.3	4.1%	0.2x	2.8x
Balticon (WAR: BLT)		64.6	60.4%	4.4	6.9%	12.6	14.3%	0.2x	2.8x
Median								0.8x	6.8x
Parcel Delivery									
Poste Italiane (MIL: PST)		18,756.2	28.3%	3,162.8	16.9%	74,133.4	10.6%	2.3x	13.7x
Deutsche Post (ETR: DHL)		70,815.8	16.5%	9,408.4	13.3%	64,013.0	(5.9%)	0.8x	6.3x
InPost (AMS: INPST)		2,695.7	81.1%	768.6	28.5%	8,260.7	29.3%	2.6x	9.2x
bpost (BRU: BPOST)		3,855.8	-2.7%	473.8	12.3%	1,863.2	(0.9%)	0.5x	4.0x
Austrian Post (WBO: POST)		2,515.7	15.1%	463.3	18.4%	1,668.5	10.9%	0.6x	3.1x
PostNL Holding (AMS: PNL)		2,833.6	12.5%	207.2	7.3%	970.0	1.3%	0.3x	4.3x
Speedy (Sofia) (XBUL: SPDY)		224.2	67.6%	39.6	17.7%	441.0	14.1%	3.7x	21.0x
Median								0.8x	6.3x

Source: PitchBook

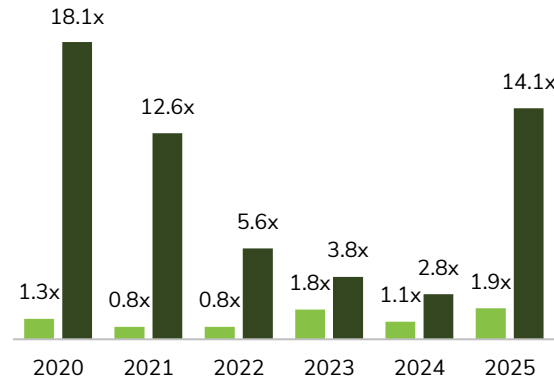
Valuation Multiples

Although revenue multiples have been broadly stable, EBITDA multiples have experienced notable volatility, driven by macroeconomic fluctuations impacting market participants

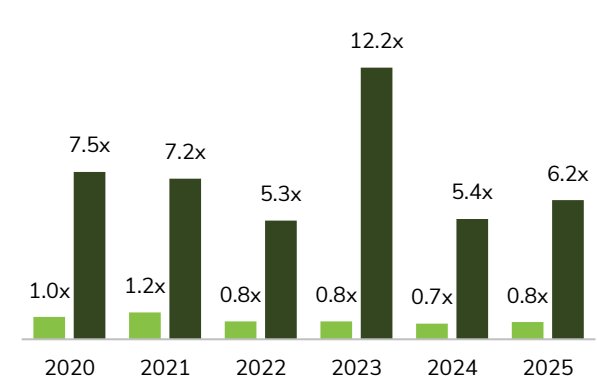
Road Freight



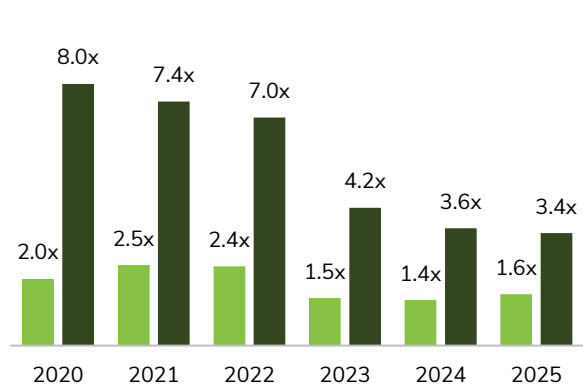
Rail Freight



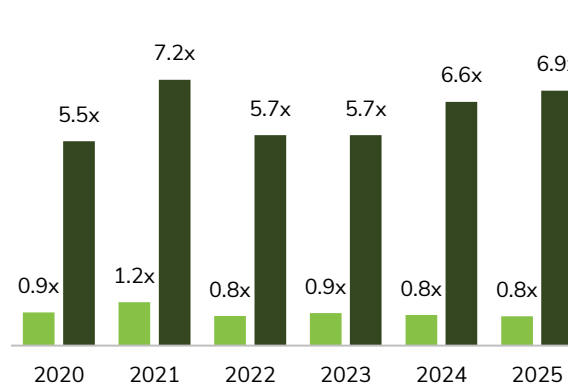
Parcel Delivery



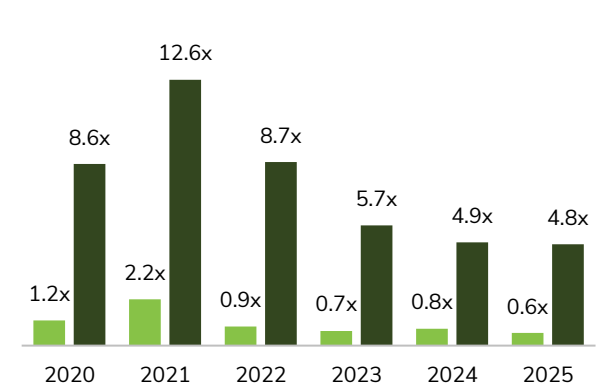
Maritime Shipping



Logistic Services



Multimodal



■ EV/Revenue ■ EV/EBITDA

Source: PitchBook

About Entrepreneurs Hub

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