COLD STORAGE M&A MARKET HEATING UP

Citizens Capital Markets

Themes Driving Cold Storage Valuations and Consolidation

Continued Supply Chain Shifts Fuel Cold Storage Demand and Investor Appetite

Supply/Demand Imbalance of Cold Storage	• The finite nature of cold storage leads to a relatively inelastic supply facing strong demand growth from shifting supply chains and consumer preferences among other factors • Cold storage providers are uniquely positioned to benefit from this supply/demand imbalance, fueling increased investor appetite in the sector as well as consolidation by the larger providers in the market
Large Food Related Businesses Prefer Fewer Providers	• Large food-related businesses including grocery chains and food service distributors prefer working with fewer providers, leading to a relative concentration of demand for top cold storage networks able to provide ease of use and reliability of service • The ability of large providers to shift with customer needs across their footprint due to their network density as well as the broad range of capabilities and services creates a competitive advantage over smaller providers
Shifting Supply Chains and Resiliency of Sector	• As consumers purchase more groceries online, furthered by the impact of COVID on purchasing preferences, distribution networks are shifting to move locations closer to suppliers and customer bases, requiring more site development in new areas • Increasing complexity and specialization requiring more from cold chain providers is becoming the norm, boosting the demand for value-added capabilities • Given the recession-resistant nature of the sector, investors view cold storage as a “safe haven” for their capital, resulting in attractive valuations
Low Cost of Capital and Investor Appetite	• The low interest rate environment and the material increase in available capital results in lower return hurdle rates for investors and therefore increases valuations • Large consolidators benefit the most from this phenomenon as they have the most readily available sources of equity and debt investors, which further accelerates M&A activity in the sector

Results in the Continued Consolidation of Cold Storage Providers at Highly Attractive Multiples

Consolidation Remains Key Theme in Cold Storage Market

No Sign of M&A Activity Slowing Down for Top Players in the Market

- The trend of consolidation in the cold storage market has accelerated in recent years, with an increasing share of U.S. capacity held by the top companies as investor interest has driven increased M&A by the major consolidators
  - An abundance of capital has caused public / private investors and lenders to materially reduce their return thresholds for this sector, which has **ultimately increased valuations to all time highs**

2010

Rank	Company	Cubic Feet (MM)
1	americold	605
2	Millard Refrigerated Services	294
3	United States Cold Storage	186
4	Preferred	170
5	Castle & Cooke Cold Storage	112
6	interstate warehousing	73
7	Burris Logistics	62
8	Nordic	60
9	Cloverleaf Cold Storage	59
10	Columbia Colstor, Inc.	51

Top 3 29% | Other Top 10 15% | Other 56%

2015

Rank	Company	Cubic Feet (MM)
1	americold	908
2	Lineage	600
3	United States Cold Storage	234
4	Preferred	213
5	interstate warehousing	82
6	Nordic	70
7	Cloverleaf Cold Storage	65
8	Burris Logistics	62
9	Henningsen Cold Storage Co.	54
10	Hanson Logistics	39

Top 3 42% | Other Top 10 14% | Other 44%

2020

Rank	Company	Cubic Feet (MM)(1)
1	Lineage	1,392
2	americold	1,226
3	United States Cold Storage	374
4	interstate warehousing	116
5	Burris Logistics	75
6	NewCold Advanced Cold Logistics	48
7	Hanson Logistics	44
8	Holt Logistics Corp.	35
9	MTC Logistics	25
10	MRS Midwest Refrigerated Services	23

Top 3 54% | Other Top 10 7% | Other 39%

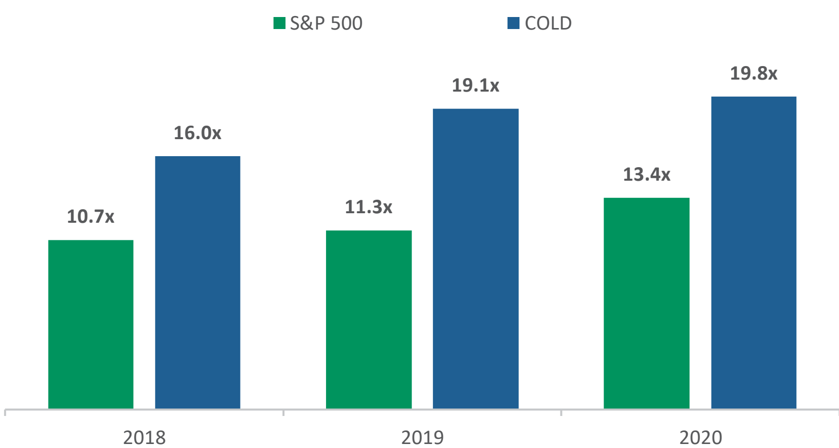
Source: Public Filings, IARW, GCCA, USDA
(1) Americold pro forma for AGRO Merchants Group, AM-C Warehouses, Hall's Warehouse and a Tampa Facility

Strong Public Investor Sentiment

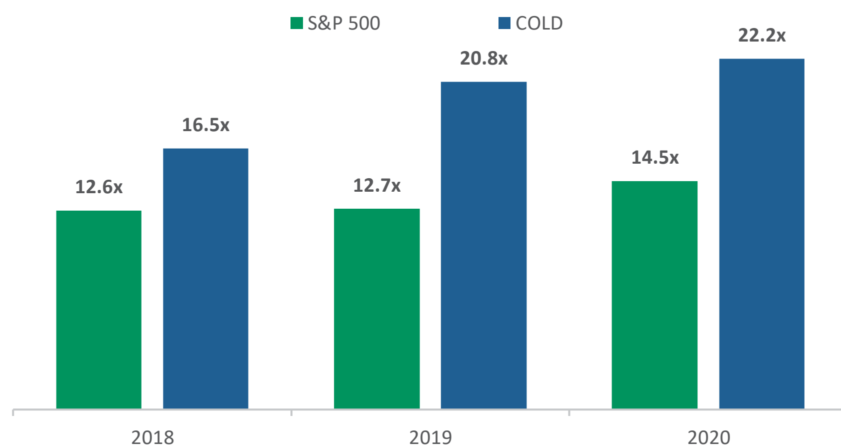
Americold Realty Trust (NYSE: COLD) Trading Levels

- Americold Realty Trust ("Americold"), one of the leading cold storage operators and consolidators, began trading publicly via an IPO in January 2018
  - Americold owns and operates cold storage facilities internationally, with 193 temperature-controlled warehouses worldwide
- Since the IPO, Americold has consistently traded at an EV/NTM EBITDA multiple in the 15.0x – 20.0x range, exhibiting strong investor sentiment for cold storage assets
- The essential nature of cold storage and shifting supply chains from COVID-19 have led to continued strong performance in the market despite broader market headwinds from the pandemic
  - As public market sentiment has remained strong, private capital continues to pursue opportunities in the cold storage market, driving acquisition multiples upward for those in the market

EV/NTM EBITDA



EV/LTM EBITDA



As COLD has scaled and investor interest in the cold storage market has increased, public trading multiples have meaningfully outpaced broader S&P 500 multiple growth

Source: Capital IQ, Public Filings
Note: Multiples adjusted for acquisition timing

Recent Cold Storage M&A Transactions

Date	Target	Acquiror	Est. Purchase Price ($ mm)	EBITDA ($ mm)	Est. Cubic Feet (mm)	Pallet Positions	# of Facilities	EV / EBITDA	$ / cubic ft (mm)	$ / pallet
Dec-20	Agro Merchants Group	Americold	1,740.0	78.0	236.0	900,000	46.0	22.3x	7.4	1,933
Dec-20	VersaCold Logistics	TorQuest Partners	-	-	123.1	-	31.0	-	-	-
Dec-20	Lyndhurst, VA Facility (Burris)	Lineage Logistics	-	-	-	-	-	-	-	-
Nov-20	Hall's Warehouse	Americold	480.0	24.0	58.0	200,000	8.0	20.0x	8.3	2,400
Sep-20	Gress Refrigerated	RLS	-	-	-	-	-	-	-	-
Aug-20	Two SFO Facilities	Provender Partners	26.0	-	6.4	-	2.0	-	4.1	-
Aug-20	Caspers Cold Storage	Americold	25.0	-	3.2	12,400	1.0	-	7.8	2,016
Aug-20	AM-C Warehouses	Americold	82.5	6.1	13.8	45,000	2.0	13.5x	6.0	1,833
Jul-20	Ontario Refrigerated	Lineage Logistics	-	-	16.0	-	4.0	-	-	-
May-20	Henningsen	Lineage Logistics	500.0	-	65.0	-	14.0	-	-	-
Jan-20	Nova Cold	Americold	253.0	15.4	23.5	81,000	3.0	16.4x	10.8	3,123
Jan-20	Newport-St. Paul	Americold	57.0	4.3	6.1	26,000	1.0	13.3x	9.3	2,192
Nov-19	MHW Group	Americold	54.0	4.2	19.0	86,000	2.0	12.8x	2.8	628
Nov-19	Emergent Cold	Lineage Logistics	-	-	-	-	-	-	-	-
Sep-19	Van Soest	Lineage Logistics	-	-	-	-	2.0	-	-	-
May-19	Cloverleaf	Americold	1,240.0	69.4	132.0	570,105	22.0	17.9x	9.4	2,175
May-19	Lanier	Americold	82.0	6.0	14.0	51,000	2.0	13.7x	5.9	1,608
Feb-19	Preferred Freezer	Lineage Logistics	-	-	-	-	-	-	-	-
Jan-19	Port Fresh	Americold	20.0	-	4.3	6,000	1.0	-	4.7	3,333
Jan-19	Ace Logistics / C&C Realty	Britton Transport	-	-	-	-	-	-	-	-
Jan-19	Zero Mountain	Cloverleaf Cold Storage	-	-	38.0	-	5.0	-	-	-
Aug-18	Orlando Facility	Mandich Group	9.6	-	5.3	-	1.0	-	1.8	-
Jul-18	Lineage Logistics (Minority Stake)	Stonepeak Partners	-	-	-	-	-	-	-	-
Average:								**15.1x**	**6.3**	**1,939**
Median:								**13.7x**	**6.0**	**1,975**

Source: Citizens Capital Markets Research, Equity Research
Note: Average and Median calculations include proprietary data not shown in output

Recent Citizens Transportation & Logistics Transactions

M&A ADVISORY

Private Warehouse Services Company

SELLSIDE ADVISOR

MANDATED

Lineage

ACQUIRED

BURRIS LOGISTICS

Lyndhurst, VA Cold Storage Facility

SELLSIDE ADVISOR

DECEMBER 2020

Private Fuel Distribution Company

BUYSIDE ADVISOR

AUGUST 2020

DEBT CAPITAL MARKETS

Private Fuel Distribution Company

SENIOR CREDIT FACILITIES

Left Lead Arranger, Joint Bookrunner, and Administrative Agent

AUGUST 2020

ENSTRUCTURE

$142,000,000

SENIOR CREDIT FACILITIES

Joint Lead Arranger and Joint Bookrunner

JULY 2020

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americold

$1,225,000,000

C$250,000,000

SENIOR CREDIT FACILITIES

Co-Documentation Agent

MARCH 2020

TRANSPORTATION IMPACT

A PORTFOLIO COMPANY OF

THE JORDAN COMPANY

$133,000,000

SENIOR CREDIT FACILITIES

Documentation Agent

MARCH 2020

DIESEL DIRECT

Supply. Delivery. Management.

$183,500,000

SENIOR CREDIT FACILITIES

Left Lead Arranger, Joint Bookrunner and Administrative Agent

FEBRUARY 2020

MODE TRANSPORTATION

A PORTFOLIO COMPANY OF

YORK CAPITAL MANAGEMENT

$130,000,000

SENIOR CREDIT FACILITY

Left Lead Arranger, Joint Bookrunner and Administrative Agent

DECEMBER 2019

USPack

A PORTFOLIO COMPANY OF

NEWSPRING

$75,000,000

SENIOR CREDIT FACILITIES

Sole Lead Arranger, Sole Bookrunner and Administrative Agent

NOVEMBER 2019

YRC Worldwide

$450,000,000

SENIOR CREDIT FACILITY

Left Lead Arranger, Bookrunner and Administrative Agent

SEPTEMBER 2019

NFI

$400,000,000

SENIOR CREDIT FACILITY

Joint Lead Arranger

JUNE 2019

GLOBALTRANZ

A PORTFOLIO COMPANY OF

PROVIDENCE EQUITY

$550,000,000

SENIOR CREDIT FACILITIES

Joint Lead Arranger, Joint Bookrunner and Syndication Agent

MAY 2019

BURRIS LOGISTICS

SENIOR CREDIT FACILITIES

Sole Lead Arranger, Sole Bookrunner, and Administrative Agent

APRIL 2019

GLOBALTRANZ

A PORTFOLIO COMPANY OF

THE JORDAN COMPANY

$399,000,000

SENIOR CREDIT FACILITIES

Joint Lead Arranger

OCTOBER 2018

Since 2018, the T&L team at Citizens has acted in an advisory capacity (DCM / M&A) on over 30 transactions.

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The Citizens Transportation & Logistics team stands ready to support companies as they consider strategic alternatives for their business and looks forward to discussing the market landscape and specific opportunities.

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