



ARMSTRONG &
ASSOCIATES, INC.

3PL VALUE CREATION NORTH AMERICA SUMMIT 2018

October 16–18, 2018 | Embassy Suites Chicago Downtown Magnificent Mile

Summit Agenda 2018

Tuesday, October 16



Finance and Investment Briefing 2018

8:00 – 9:00 a.m.

Registration and Networking Breakfast

9:00 – 9:15 a.m.

Welcome and Opening Statements

Richard D. Armstrong, Chairman and CEO, ARMSTRONG & ASSOCIATES, INC.

9:20 – 10:25 a.m.

Transportation & Logistics Market Opportunity for Consolidation and Roll Ups

This session will examine the overall strategic and equity investment trends in the market and provide insight into the factors driving the market forward. It will examine the logistics industry landscape which has attracted a high volume of M&A activity for over 10 years which is expected to continue into the foreseeable future.

- Why does the T&L space continue to attract sponsors, and new and existing strategic buyers?
- How does market fragmentation pose challenges in identifying targets, and what can buyers do to find opportunities?
- Does the mid-market segment provide a unique opportunity for consolidation to drive economies of scale?
- What are the current overall strategic and equity investment trends driving the market?
- What are the market dynamics for 2018 and beyond?

10:25 – 10:45 a.m.

Networking Break

10:45 – 11:35 a.m.

Deal Valuation and Trends – What Drives the Value of 3PL Assets?

What will shape valuations and pricing in the coming year? This session will assess the key drivers of 3PL company valuation.

- Are the multiples over-emphasized?
- How will macroeconomics impact prices?
- Too many buyers and too much money are chasing T&L non-asset/light-asset deals. Who will win?
- Has the freight brokerage business become over-commoditized? How does it impact valuations?

Tuesday, October 16 (Continued)



3PL Value Creation Summit North America 2018

11:40 a.m. – 12:30 p.m. **Strategic vs. Financial Buyers – Major Differences and Dynamics**

This session compares strategic, private equity, flexible capital, and sponsor investments in 3PL assets and each investment dynamic. There is plenty of “dry-powder” out there with sponsors and strategic buyers want to maximize synergies. We will examine the differences in approach of major investors and strategic buyers.

- What are the major differences in investment strategies and the way each values assets?
- How do buyers go about finding deals which fit their Investment Profile?
- Will the competition between various buyers send valuations for worthy “assets” into an upward spiral?
- Is investing in transportation or logistics technology an attractive investment?

12:30 – 1:40 p.m.

Group Luncheon

1:40 – 2:35 p.m.

Mid-Market Consolidation, Roll Ups and M&A

Since the mid-market presents unique challenges and opportunities within both asset-based and non-asset/light-asset T&L segments, this panel examines issues related to the less talked about mid-market segment of our industry. This panel will discuss:

- Why is the mid-market segment significant and important?
- What level of mid-market fragmentation is there in both asset/non-asset space?
- Why mid-market consolidation and roll up strategies can provide unique opportunities.
- What do sponsors think about mid-market investments?
- What are the usual challenges mid-market companies face in terms of scalability and growth?
- What the mid-market signifies about the future industry landscape.

2:35 – 3:00 p.m.

Networking Break and Private Meetings

Tuesday, October 16 (Continued)



3PL Value Creation Summit North America 2018

3:00 – 4:00 p.m.

Summarizing the M&A Landscape – New Headwinds and Tailwinds in the Industry

This session will cover the latest market intelligence and industry dynamics influencing M&A activity into 2019, including:

- Macroeconomic trends that will influence valuations and capital structure.
- Industry dynamics impacting how big strategic and financial investors will approach M&A.
- Trends and trajectory of e-commerce logistics and its impact on M&A.
- Digital brokers, a new reality, how are they impacting the industry?

4:00 p.m.

Finance and Investment Briefing Adjourns

Wednesday, October 17



3PL Value Creation Summit North America 2018

7:30 – 8:10 a.m.

Registration and Networking Breakfast

8:15 – 8:20 a.m.

Welcome and Opening Statements

Richard D. Armstrong, Chairman & CEO, ARMSTRONG & ASSOCIATES, INC.

8:20 – 9:20 a.m.

Global View and Regional Variations

This Executive-level session will discuss market trends found globally and within specific geographies. What are the global paradigms for success?

- Areas for growth
- Threshold IT and process levels
- World class operations -from China, SE Asia, the Americas and more

9:25 – 10:25 a.m.

Creating Greater Value in Value-Added Warehousing/Contract Logistics

Spurred by the changes that omni-channel, B2C e-commerce, cold chain and reverse logistics drive, value-added warehousing continues to be a growth segment for 3PL providers. How can 3PLs create more value? What will it take to succeed in this segment?

- Growth, vacancies and new construction
- Labor trends and the impact of Amazon
- Big boxes, RF and voice technology impacts
- Customer expectations, procurement involvement and cross selling
- How to address scope creep and maintain margins

10:25 – 10:45 a.m.

Networking Break

10:45 – 11:45 a.m.

International Transportation Management/Freight Forwarding

This session will explore trends in the international transportation management market and outlook over the next five years.

- Air and ocean operating model trends and opportunities
- How technology could drive growth and segment the market
- Impacts and opportunities of e-commerce on operating models and networks
- Upcoming areas of focus and big bets that service providers are making within their organizations

Wednesday, October 17 (continued)



3PL Value Creation Summit North America 2018

11:45 a.m. – 1:15 p.m.

Group Luncheon

1:15 – 2:25 p.m.

Part One: Supply Chain Innovation – Automation, Robotics, and Artificial Intelligence

Part one of our technology series addresses how automation, robotics and AI technologies are shaping the supply chain landscape.

- How is automation changing the supply chain management roadmap?
- The future of warehousing management – Does it include products like augmented reality eyewear?
- Artificial intelligence and machine learning – Is there evidence of it in the 3PL world? How will it exist in five years?

2:30 – 3:30 p.m.

Domestic Transportation Management and Dedicated Contract Carriage

This session will review growth areas for success with domestic transportation management, freight brokerage, and dedicated contract carriage.

- Cross selling VAWD and transportation management
- Electronic logging device and hours of service market impacts
- Structural changes at the major players – how important are they?

3:30 – 3:45 p.m.

Networking Break

3:45 – 4:45 p.m.

Digital Freight Matching in 2018

Digital Freight Matching has evolved since the wave of “Uber for Trucking” apps hit the market a few years ago. We’ll explore technologies that have gained traction and how they fit into the logistics landscape.

- How have Digital Freight Matching apps changed in the past few years?
- How are they evolving to meet the needs of carriers and shippers?
- What works—and what doesn’t?
- How can 3PLs take advantage of DFM technologies and best practices?

4:45 – 5:00 p.m.

Remarks by the Reception Host

5:00 – 6:00 p.m.

Summit Networking Reception

Thursday, October 18



3PL Value Creation Summit North America 2018

7:15 – 8:00 a.m.

Networking Breakfast

8:00 – 8:10 a.m.

Update and Overview

Richard D. Armstrong, Chairman & CEO, ARMSTRONG & ASSOCIATES, INC.

8:10 – 9:10 a.m.

Supply Chain Mega-Trends: Growth Areas, Emerging Markets, and Opportunities

This panel will explore how mega-trends will change future supply chain transformations.

- Big data
- To automate or not?
- E-commerce and nearshoring
- China and Mexico – trade and cross border changes
- Spare Parts Logistics, new IoT-based models and the evolution/impact of 3D printing

9:15 – 10:15 a.m.

The Future of E-Commerce Logistics

E-commerce 3PL revenues hit \$12.8 billion in 2017, with expected annual growth of 18% in the near term. It's imperative that 3PLs stay on the cutting edge of this rapidly growing opportunity.

- E-commerce retail is changing rapidly. What do emerging retail trends tell us about the future of logistics?
- What services are shippers and consumers asking for?
- As e-commerce becomes more popular in challenging categories, like groceries, pharmaceuticals, furniture, and appliances, how should 3PLs respond?
- The market presents many opportunities for 3PLs, as well as challenges and threats. How can 3PLs compete in a today's market against increasing competition from the likes of Amazon?

10:15 – 10:30 a.m.

Networking Break

Thursday, October 18 (continued)



3PL Value Creation Summit North America 2018

10:30 – 11:30 a.m.

Part Two: Supply Chain Innovation – Information Technology

Part two of our technology series addresses the proliferation of Information Technology on the supply chain landscape.

- E-commerce and consumer responsive operations – how is technology addressing challenges and opportunities?
- Buying a system versus developing a system – how to navigate the make/buy decision
- Order management, customer relationship management, and workflow technology trends

11:35 a.m. – 12:45 p.m.

3PL Market Trends and Executive Predictions

This panel is an executive-level review about ongoing 3PL market trends and 2018 predictions.

- Growth challenges and opportunities
- Factors driving operational efficiencies
- Future outlook

12:45 p.m.

Summit Adjourns