

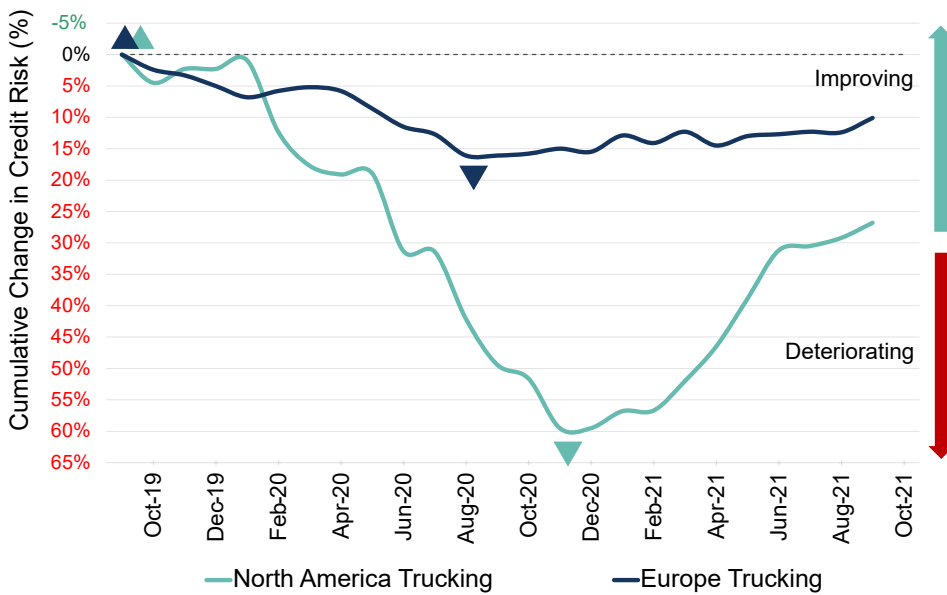
Are Trucking Companies Winning From Supply Chain Strain?

November 2021

Supply chain issues appear to be an opportunity for [some sectors](#). Freight and Logistics companies, especially in North America, have recently reported highest-ever quarterly revenue and [operating income](#).

Figure 1 outlines the credit trends for the North America and Europe Trucking sector.

Figure 1: Credit Trends, North America and Europe Trucking



Source: Credit Benchmark

North America trucking firms show a steep decline in credit risk from Jan-20 to Dec-20 but since then has shown significant recovery. The decline in Europe is very shallow, and has been on a gently improving trend since mid-2020.

Figures 2 and 3 show the change in credit distribution over the past year for North America and Europe Trucking respectively.

Figure 2: Credit Distribution, North America Trucking, Sep-20 and Sep-21

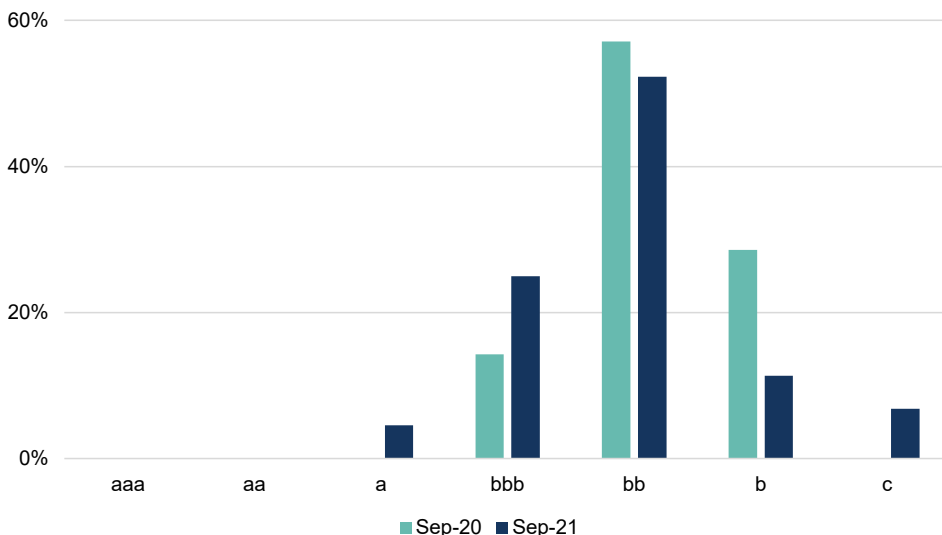
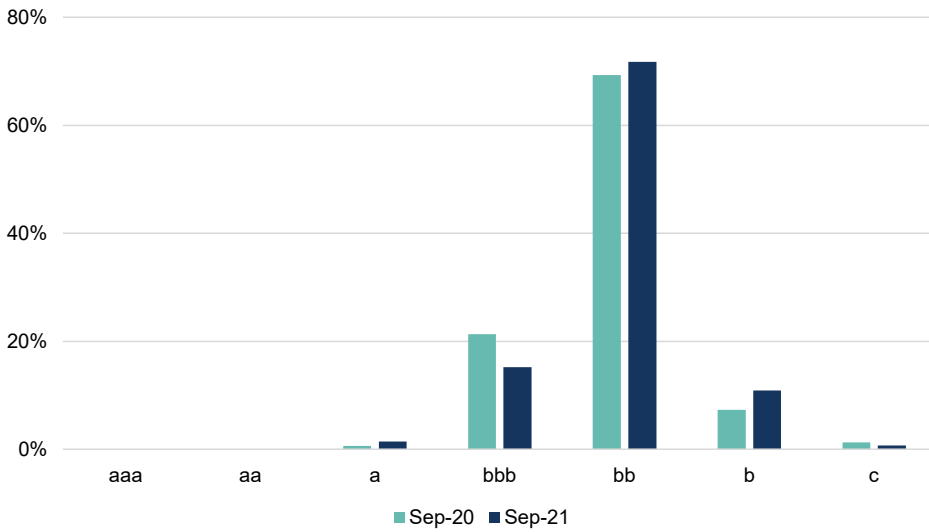


Figure 3: Credit Distribution, Europe Trucking, Sep-20 and Sep-21



Over the past year, the North American distribution has widened to include the **a** and **c** credit categories, suggesting that supply chain issues have benefited some firms and hindered others. However, the biggest shift is from the high yield **bb** and **b** credit categories to the investment grade **bbb** credit category.

Europe has seen a shift from **bbb** to the **bb** and **b** credit categories over the past year. The largest category is still **bb**, representing around 70% of the sector.

Figures 4 and 5 show detailed credit trends for two North American Trucking Companies: TForce Holdings Inc and Penske Logistica SA DE CV.

Figure 4: TForce Holdings Inc

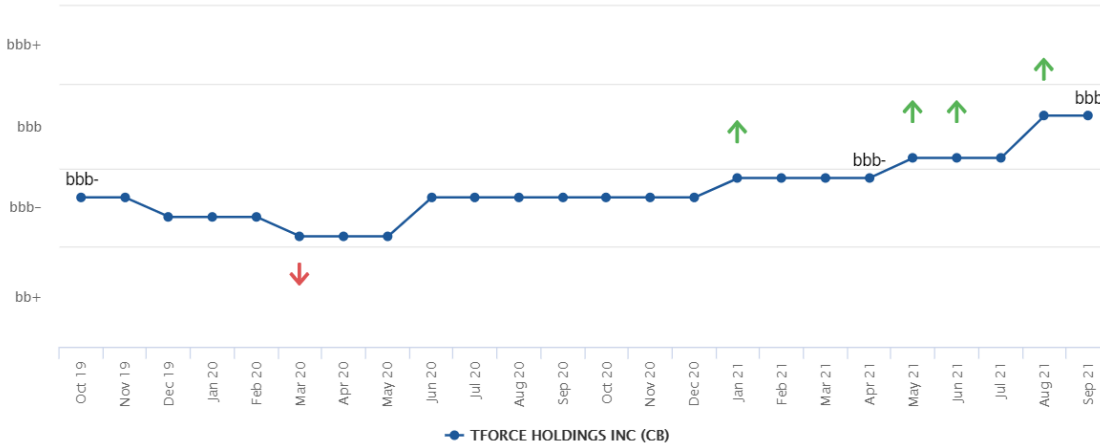
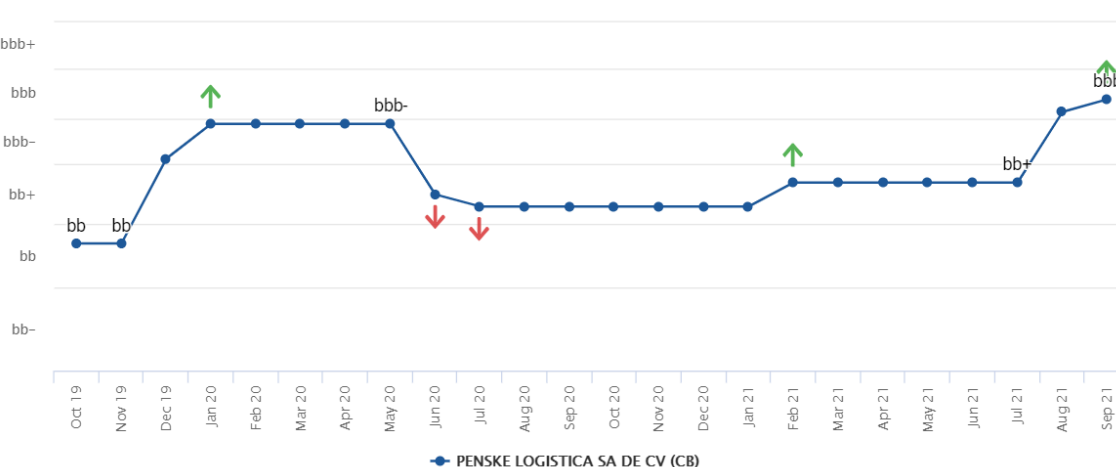


Figure 5: Penske Logistica SA DE CV



TForce Holdings has retained its investment grade status over the past two years, and is now one notch higher than it was before the pandemic started. Penske Logistica dipped into the **bb+** category and looked at risk of slipping further; but it has recovered to **bbb** in the past two months.

Figures 6 and 7 show the detailed credit trends for two European Trucking Companies: Wincanton Holdings Ltd and Woodland Logistics Ltd.

Figure 6: Wincanton Holdings Ltd

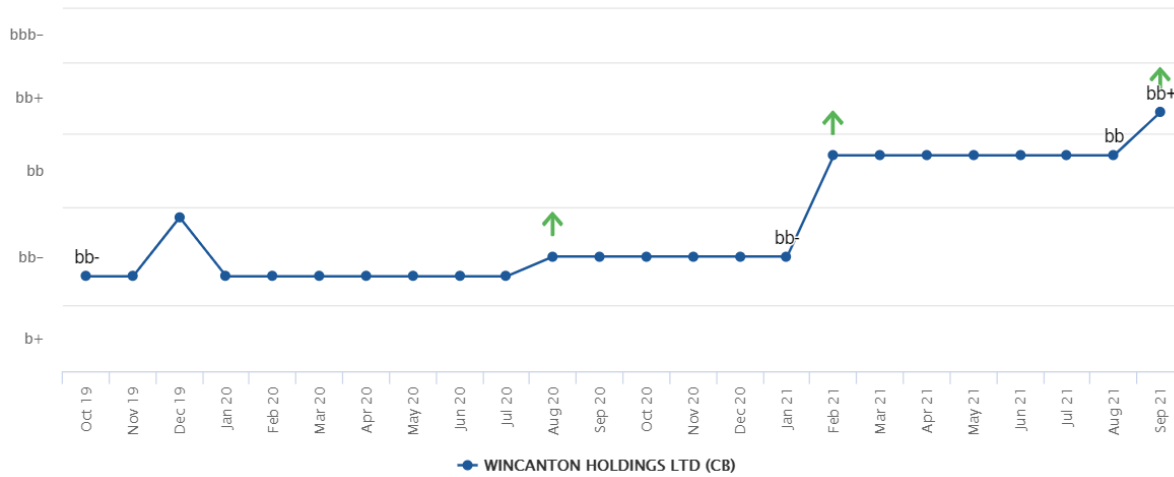
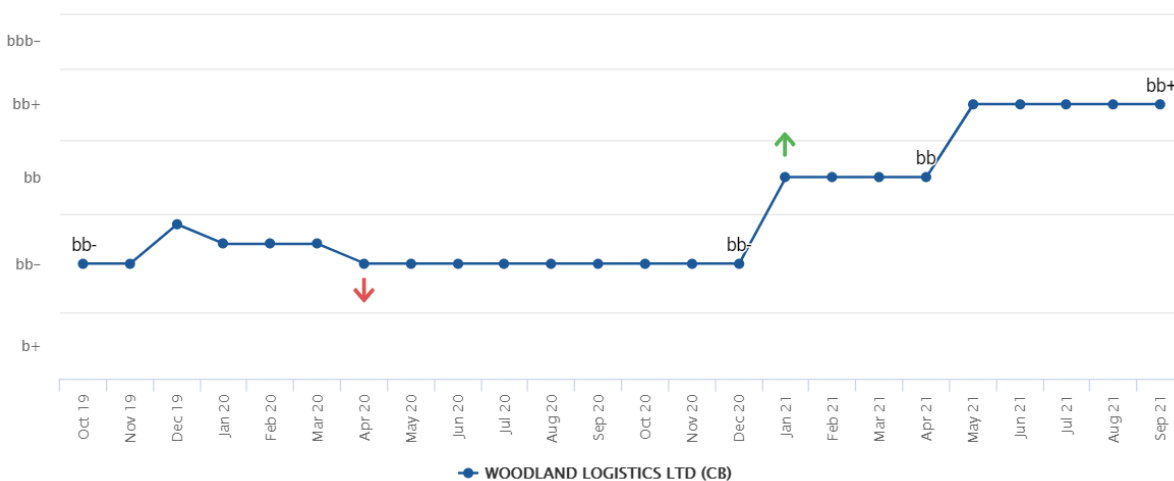


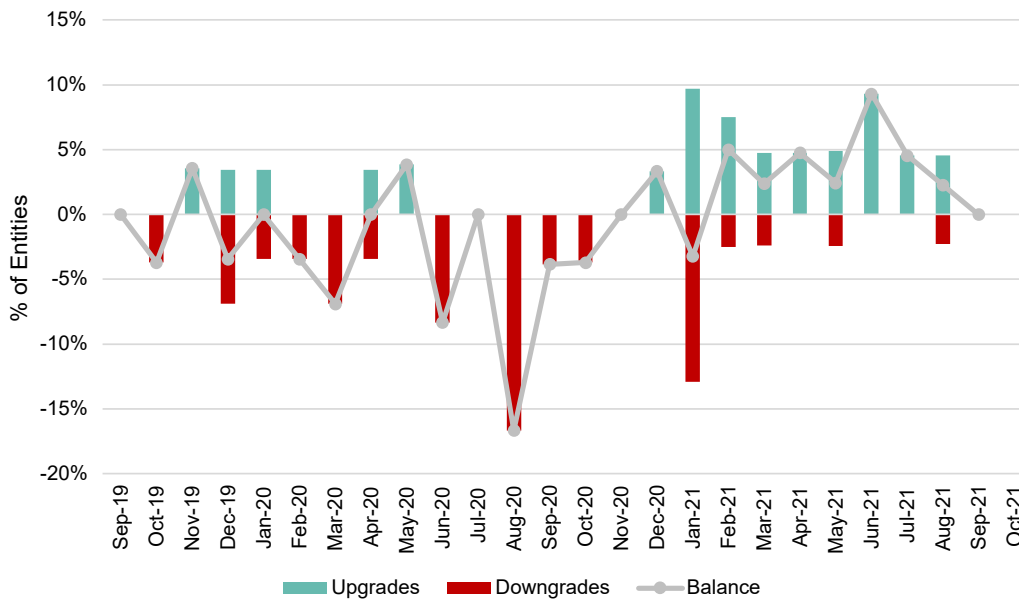
Figure 7: Woodland Logistics Ltd



Wincanton Holdings Ltd and Woodland Logistics Ltd both have consensus ratings that are higher than before the pandemic. Both show a particularly rapid improvement in the past year although neither have quite achieved investment grade yet.

Figures 8 and 9 show upgrades vs. downgrades for North America and Europe Trucking respectively.

Figure 8: Upgrades vs. Downgrades, North America, 21 credit category scale.



After a prolonged period where downgrades dominated, North America is now seeing consistently more upgrades than downgrades from Feb-21 onwards.

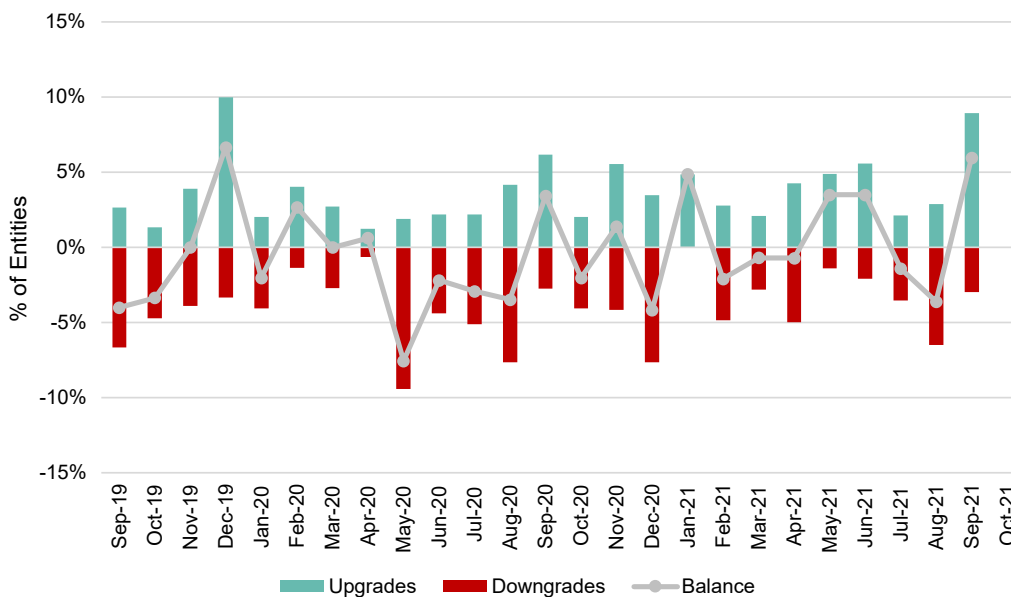


Figure 9: Upgrades vs. Downgrades, Europe, 21 credit category scale.

Europe has experienced less consistent behaviour than North America – with upgrades and downgrades occurring together and the balance often shifting between the two. The latest month shows a significant spike in upgrades.

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- Credit Risk Management
- Systematic Credit Trading
- Securities Finance
- Supply Chain Risk
- Trade Credit Insurance
- Fund Management
- Regulation, RWA & Capital
- Onboarding, KYC & Relationship Management
- Point-in-Time (PIT) Impairments
- Accounts Payable & Receivable



10 Million

Contributed Credit Risk Estimates Per Year
40 Million+ Estimates Collected Since Launch



60,000+

Entities Covered



2x

Twice Monthly Frequency



75%

Unrated by Major Credit Rating Agencies



1,100+

Aggregates



100+

Countries



75+

Months of Data



50+

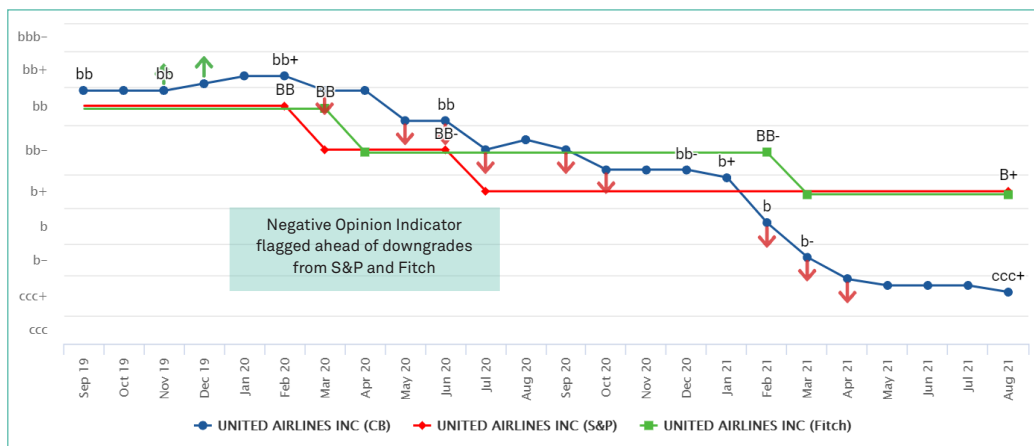
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40+

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

Real-world risk views with unparalleled consensus coverage



Credit Consensus Rating: Unique measure of creditworthiness based on the views of 40+ leading global financial institutions

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Opinion Indicator: Month over month observation-level net downgrades or upgrades

Credit Benchmark Web App: Entity-Level Data Sample

Build screener with criteria below:

- S&P Rating is **Unrated**
- Fitch Rating is **Unrated**
- CCR is **aaa**, **aa+**, **aa**, **aa-**, **a+**, **a**, **a-**, **bbb+**, **bbb**, **bbb-**

44,628 Entities found

CBID	Entity Name	Credit Consensus Rating	S&P Rating	Fitch Rating
CB0000000009	IHS GLOBAL CANADA LTD	bbb-	Unrated	Unrated
CB0000000025	GYP HOLDINGS III CORP	bb	Unrated	Unrated
CB0000000080	GESTIELLE CEDOLA DUAL BRAND	a-	Unrated	Unrated
CB0000000087	TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA	bbb+	Unrated	Unrated
CB0000000088	TECK HIGHLAND VALLEY COPPER PARTNERSHIP	bbb	Unrated	Unrated

Credit Benchmark Web App: Data Screen Sample

Data that works for you:

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

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