

# Third-Party Logistics

QUARTERLY SECTOR BRIEF | Q4 2025

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# Insights

Key themes and trends shaping the sector, notable articles, and highlights from our 2025 3PL conference



## Insights From the 2025 Harris Williams 3PL Conference

### Deal Dynamics: The Evolving M&A Landscape in 3PL

The panel discussed the 3PL sector's profound transformation and maturation over the past two decades, developing into a sophisticated sector attracting strong investor interest. [Frank Mountcastle](#), a managing director at Harris Williams, noted the C-suite's focus on supply chain resilience and the deep, broad interest from private equity as key drivers of this evolution. "I can remember when we had to educate investors about the merits of 3PL business models," says Mountcastle. "Today, those merits are well understood, with leading 3PLs being highly sought after by private equity groups."

This institutionalization has spurred a more competitive M&A dynamic, with strategic buyers, sponsor-backed strategics, and an expanding universe of financial investors all seeking best-in-class platforms. Despite these positive long-term trends, the panelists agreed that the market has recently been defined by increased buyer scrutiny.

"While the environment remains a 'prove it to me' market, high-quality, data-backed, and specialized 3PLs are positioned to command premium outcomes as M&A momentum continues to build," says [Jeff Kidd](#), a managing director at Harris Williams.

Another area where top-tier 3PLs are finding an edge is specialization. In a volatile freight market, those focused on specific, resilient end markets or complex service offerings are out-performing. "We're seeing elevated interest in specialty models serving a unique customer set, service offering, or end market," says Mountcastle. "Such businesses, like those operating in healthcare, pharma services, food and beverage, and consumer packaged goods or those catering to data centers, are often more insulated from broader market cyclicalities."

"While the 3PL market has endured a challenging period, its underlying fundamentals remain strong," says [Jason Bass](#). "Great 3PLs can be sold in almost any market, and those with a defensible niche and a proven track record of performance will continue to be well positioned to win."

### The Future of AI in Third-Party Logistics

Panelists explored tactical, real-world applications, including automating routine tasks, augmenting team capacity and speed, and freeing professionals up for higher-level tasks. Participants also shared lessons learned from AI adoption and points in the value chain where AI is underused or misunderstood.

Panelists agreed that while AI adoption has its challenges,

the technology can unlock significant opportunities for forward-thinking logistics providers to separate themselves from the competition. "A range of logistics providers see AI as a clear path to differentiation," says [Nick Petrick](#), a director at Harris Williams. "Although successful implementation is difficult, especially at scale, AI can help solve tough problems."

[READ MORE](#)

### CONTACTS



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Director



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Director



[Tyler Tripp](#)  
Director

# Key Sector Themes

Evolving market dynamics and increased supply chain complexities are heightening demand for outsourced providers who can navigate market changes and deliver a seamless transportation experience for customers.



## Nearshoring and Reshoring Trends

- › Relocating production closer to end markets (e.g., to Mexico for the U.S. market) reduces transit times and geopolitical risk. This shift increases demand for 3PLs with cross-border expertise, who become essential partners in facilitating these nearshoring moves. Additionally, reshoring manufacturing to the home country (e.g., the U.S.) necessitates rebuilding local supplier and distribution networks – a process often managed by 3PLs. As a result, domestic freight forwarders and transportation firms stand to benefit from growing reshoring interest, particularly under pro-reshoring policies like those from the Trump administration
- › Nearshoring production can also improve supply chain resilience and flexibility by shortening supplier lead times, simplifying logistics, and enabling quicker responses to demand shifts or disruptions. As companies decrease dependency on distant international sources, they gain greater control and agility over inventory and fulfillment



## Mission-Critical & High-Value Logistics

- › Providers of specialized logistics are commanding significant investor attention. While traditional niches like fine art and luxury goods remain steady, the most recent attention has been focused in the healthcare logistics vertical. In particular, sectors of the healthcare logistics market with temperature-controlled and time-sensitive attributes, such as radiopharmaceuticals and cell and gene therapies, have seen heightened interest
- › These operators build highly defensible business models based on exacting technical capabilities and regulatory compliance. The requirements for handling time-sensitive, temperature-controlled biologics foster deep, embedded relationships with pharmaceutical clients. This creates a durable competitive moat, driving consistent growth and premium valuations, even against recent rate uncertainty in the broader logistics market



## Generative AI & Automation in the Supply Chain

- › The integration of technology in logistics has evolved from predictive analytics to a new paradigm of generative AI and automation. Instead of just forecasting, generative AI is now being deployed to analyze vast, complex datasets – including historical shipments, supplier performance, and real-time network conditions – to generate optimized operational decisions in minutes, not days
- › This is complemented by the rise of Digital Twins, which are virtual replicas of physical supply chains. This technology allows operators to simulate the impact of disruptions, test new automation strategies, and optimize layouts in a risk-free environment



## Rate Environment Remains Soft

- › The market has moved past the sharp contraction of 2023 and is now in an extended correction cycle. Recovery is expected to be gradual, with forecasts calling for an upward shift in the freight rate cycle beginning in late 2025 or early 2026
- › If margins continue to be squeezed, it is likely that smaller players will have to leave the market, potentially giving brokers and carriers more pricing power and contributing to a quicker rebound in rates

# What We're Reading

The current third-party logistics sector is creating significant strategic opportunities, where market leadership will be defined by the ability to capitalize on market openings through strategic agility, geographic expansion, and improved operational reliability.

## What's Driving Transactions in Freight Transportation

– Boston Consulting Group

[READ HERE](#)

*“As market laggards feel the revenue and cost pinch, leaders can deploy mergers and acquisitions to build their position in the core, expand geographically, grow into adjacencies, and build new capabilities.”*

**Key takeaway:** The current freight transportation environment creates opportunities for private equity to target resilient assets and for corporate acquirers to pursue strategic M&A for market consolidation and capability expansion. This allows for companies to expand geographically, leading to better service for existing clients and access to new ones.

## Cass Freight Index Shows Signs of Recovery in September

– Logistics Management

[READ HERE](#)

*“Despite the chorus of trucking companies talking down the weaker-than-expected September data based on a late start to the holiday shipping season, it appears that shipments and rates were not all that bad, and a step in a positive direction.”*

**Key takeaway:** The September Cass Freight Index showed signs of a partial recovery, with both freight shipments and expenditures rising month over month and exceeding normal seasonal trends. Expenditures gathered significant momentum, surging 5.1% in September from August and pushed the annual growth rate to 2.2%.

## Q4 2025 Shipping and Logistics Outlook: Strategic Analysis for North American Trade

– Advanced Logistics Solutions

[READ HERE](#)

*“The Q4 2025 shipping and logistics landscape presents significant complexity, but organizations with strategic approaches and operational excellence can successfully navigate challenges while capitalizing on opportunities.”*

**Key takeaway:** The Q4 2025 logistics landscape is defined by a complex but navigable environment where a capacity-demand imbalance creates favorable negotiating conditions for shippers. Success for logistics organizations will depend on strategic agility, leveraging improved carrier reliability, continued investment in AI and automation, and proactive compliance to capitalize on opportunities.

## Freight Market Outlook: Q4 2025

– Taylor Logistics

[READ HERE](#)

*“Those who refine processes now, synchronizing transportation with warehouse operations, integrating data systems, and aligning with trusted 3PL partners, will enter 2026 with a stronger cost position and a more reliable network.”*

**Key takeaway:** The final quarter of 2025 suggests growing stability in the logistics market, characterized by normalized freight activity, available capacity, stable rates, and clearer planning visibility. This environment offers a strategic opportunity for shippers to shift from reactive to proactive to optimize operations and secure a strong cost position with trusted 3PL partners.

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# Sector Activity

Latest M&A activity and an update on public market trends

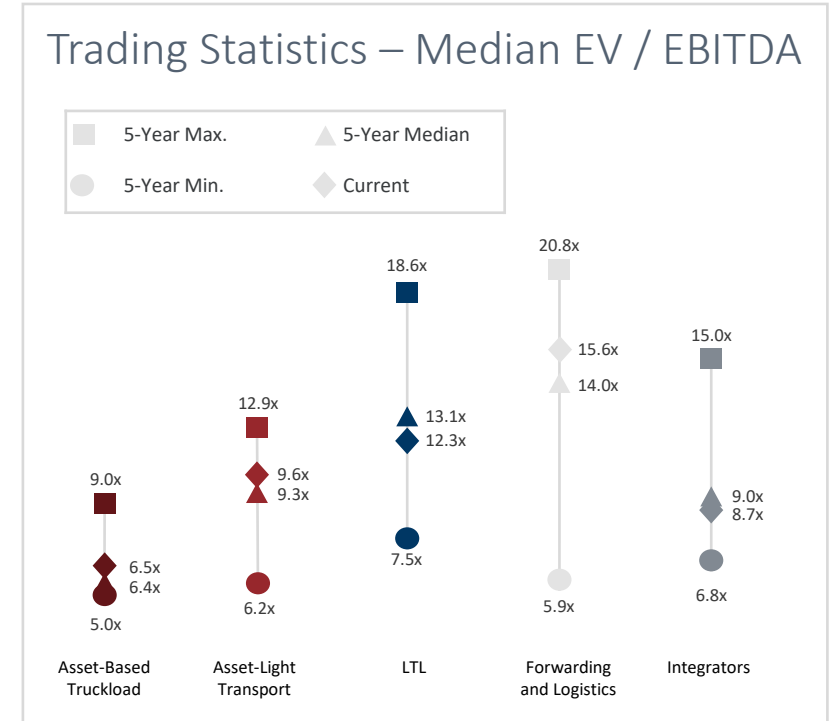
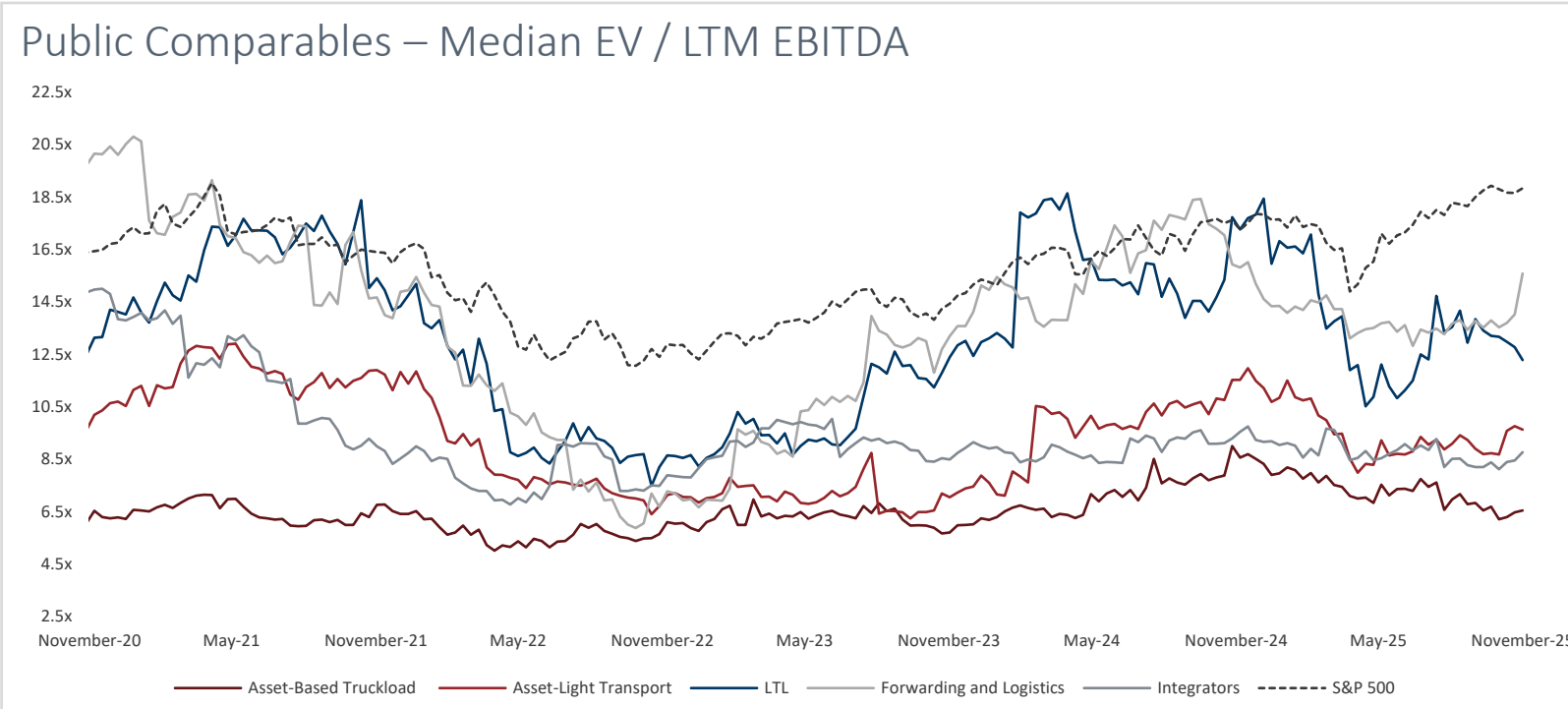


## Select Recent Public Market Commentary

Company	Key Takeaway	Presentation and Earnings Call Excerpts <sup>1</sup>
 <b>C.H. ROBINSON</b>	<ul style="list-style-type: none"> <li>› Total revenue for Q3 was reported at \$4.1B, down ~11% from Q3 2024</li> <li>› Operating expenses decreased 12.6% to \$485.2 million while personnel expenses decreased 3.4% to \$349.3 million, primarily due to the divestiture of the Europe Surface Transportation business and cost optimization efforts and productivity improvements</li> </ul>	<p>“We've made significant progress on the transformation of C.H. Robinson into the global leader in lean AI supply chains. We're redefining what a logistics company can be. And our differentiating lean AI gives us a unique opportunity to create a new era in logistics, the era of agentic supply chains. It's the next chapter in how we solve complex challenges at scale, helping our customers build supply chains that are smarter, faster, and more resilient in a world where disruption is constant and agility is essential.”</p> <p><b>Dave Bozeman, President and CEO, 10/29/2025</b></p>
	<ul style="list-style-type: none"> <li>› Total revenue for Q3 was reported at DKK 71.9B, up ~63% from Q3 2024</li> <li>› The Schenker integration is progressing faster than planned, with DSV now expecting 30% completion by year-end 2025 (vs. 15% prior) and raising its full-year synergy impact target to DKK 800M</li> </ul>	<p>“During the third quarter, we have made significant progress on the integration of Schenker, which has accelerated our synergies. This is our largest and most complex integration to date, and at this stage in the process, we are very satisfied with how it is developing. Through this integration, we are continuing to strengthen both our organization and global network to even better support our customers' supply chains. Despite tough market conditions and lower volumes in some sectors, our commercial approach is driving increased activity among our largest customers.”</p> <p><b>Jens Lund, Group CEO, 10/23/2025</b></p>
	<ul style="list-style-type: none"> <li>› Total revenue for Q3 was reported at \$3.0B, roughly flat year over year</li> <li>› Productivity and cost management efforts, including a new initiative to lower the cost to serve, are gaining momentum and more than offset inflationary headwinds, driving an 8% increase in operating income and an 18% increase in diluted EPS</li> </ul>	<p>“Throughout the year, our focus has been on three clear priorities: operational excellence, scaling into our investments and continuing to repair our margins to drive stronger financial performance. We are executing these priorities with discipline and determination, guided by a strategy designed to strengthen our competitive position and unlock long-term value for our shareholders.”</p> <p><b>Shelley Simpson, CEO, 10/15/2025</b></p>
	<ul style="list-style-type: none"> <li>› Total revenue for Q3 was reported at CHF 6.0B, down ~7% from Q3 2024</li> <li>› In response to market overcapacity and margin pressure, Kuehne + Nagel has launched a group-wide cost reduction program targeting annual savings of over CHF 200 million</li> </ul>	<p>“Despite very challenging market conditions, Kuehne + Nagel was able to gain market share through targeted investments in key areas. With the launch of group-wide cost reduction measures, we are now taking action to safeguard our cost base. Challenging external factors are forcing us to sustainably and permanently improve our efficiency and performance culture. Keeping high-quality levels of customer service remains a top priority.”</p> <p><b>Stefan Paul, CEO, 10/23/2025</b></p>
	<ul style="list-style-type: none"> <li>› Total revenue for Q3 was reported at \$3.2B, flat from Q3 2024</li> <li>› Ryder delivered its fourth consecutive quarter of EPS growth, as strength in its contractual businesses (e.g., Lease, Dedicated, Supply Chain) and progress on strategic initiatives totaling ~\$100M in expected 2025 benefits more than offset a muted environment for rental and used vehicle sales</li> </ul>	<p>“The Ryder team delivered our fourth consecutive quarter of earnings-per-share growth. The third-quarter earnings were in line with our expectations as the operating performance of our resilient contractual businesses and the benefits from our strategic initiatives more than offset headwinds from freight market conditions. The business continues to outperform prior cycles, demonstrating the impact from actions that we've taken under our balanced-growth strategy to derisk the business, increase the return profile and accelerate growth in our asset-light supply chain and dedicated businesses.”</p> <p><b>Robert Sanchez, Chairman and CEO, 10/23/2025</b></p>

# Public Market Trends

## Historical Public Comparable Valuations<sup>1</sup>



#### Asset-Based Truckload

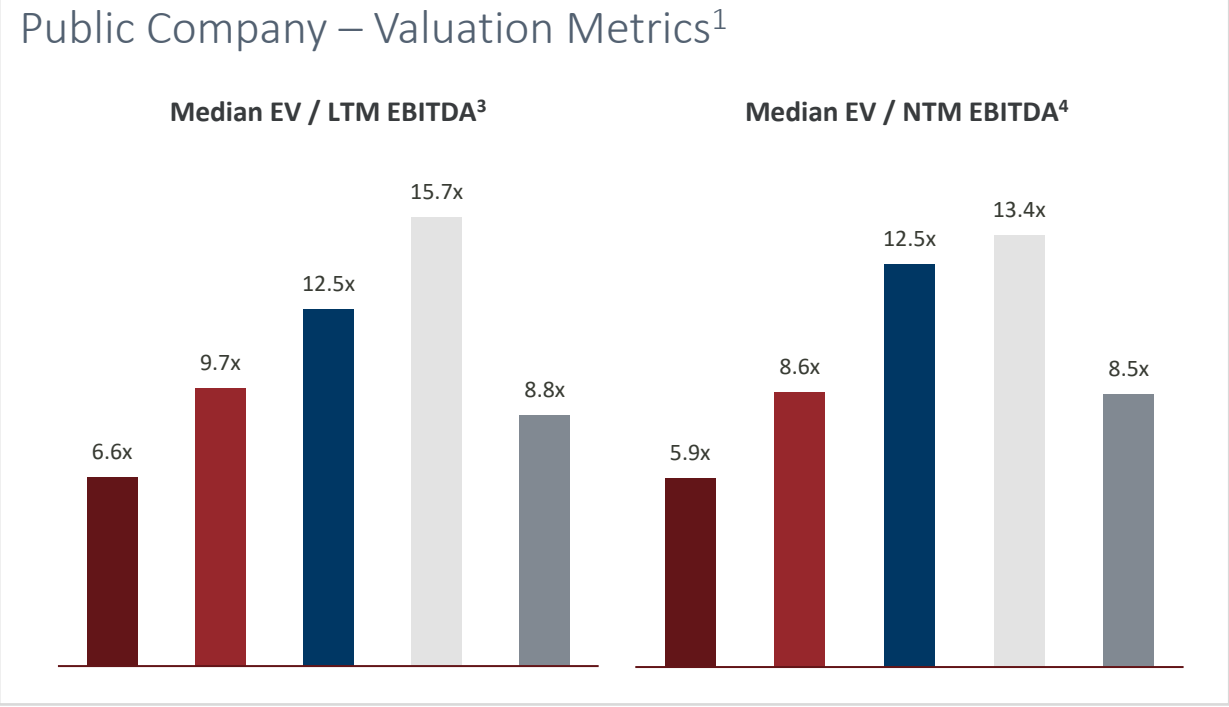
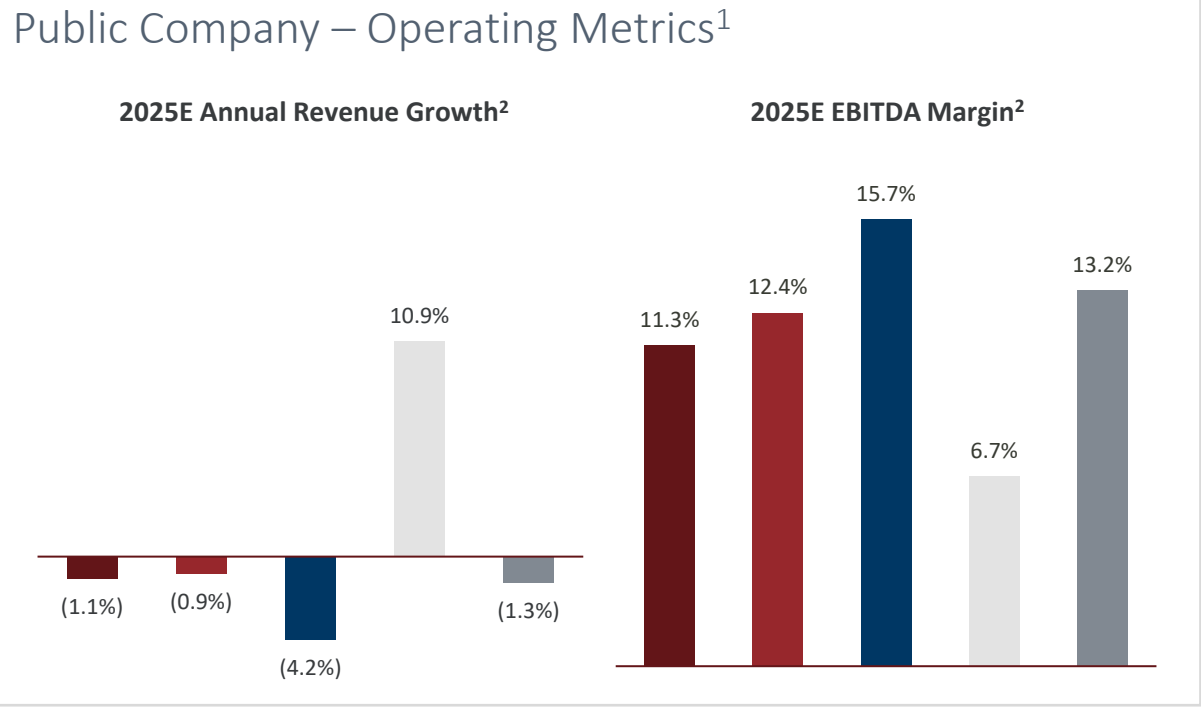
#### Asset-Light Transport

#### LTL

#### Forwarding and Logistics

#### Integrators

# Public Market Trends (Cont.)



#### Asset-Based Truckload

#### Asset-Light Transport

#### LTL

#### Forwarding and Logistics

#### Integrators

## Select Third-Party Logistics M&A Transactions

Announced Oct. 13, 2025



### NextPharma Sells Logistics arm to Cencora

- NextPharma, a leading European contract development and manufacturing organization (“CDMO”), has entered into an agreement to sell its healthcare logistics services business, NextPharma Logistics, to Cencora, a global pharmaceutical solutions organization. The divestment which is expected to be completed in Q4 2025 allows NextPharma to execute its strategic plan to become a pure-play CDMO, while NextPharma Logistics will leverage Cencora's global expertise and network for future growth.

Closed Sept. 30, 2025



### ICAT Logistics Acquires AVA Global Logistics

- Harris Williams advised Phoenix Equity Partners on its sale of AVA Global Logistics to ICAT Logistics, a portfolio company of New Atlas Capital. AVA Global Logistics coordinates the international transportation of high-value consignments, focusing on the secure transport of banknotes and precious metals while coordinating the risk management, insurance, and customs clearances for these valuables. Under Phoenix's ownership, AVA established a senior global operational team and pioneered the use of technology for customer communications, and will now partner with ICAT for its next stage of growth.

Closed Sept. 19, 2025



### BWT Logistics Acquires RAZR Logistics

- Private equity-backed 3PL BWT Logistics has acquired RAZR Logistics, a provider of contract logistics and on-demand warehousing, from its parent company, Johnson Storage and Moving. The deal, financed by Argosy Private Equity and Bluejay Capital Partners, expands BWT's dedicated logistics solutions, warehouse network capabilities, and end-to-end supply chain services. The acquisition brings over 500 of RAZR's corporate customers and adds on-demand warehousing to BWT's service offerings.

Announced Sept. 9, 2025



### DHL Agrees to Acquire SDS Rx

- DHL announced it has agreed to acquire SDS Rx, a provider of final-mile delivery and specialized healthcare transportation for long-term care facilities, specialty pharmacies, radiopharmacies, and health system networks. This strategic acquisition will expand DHL's life sciences and healthcare capabilities under its DHL Health Logistics brand, adding a final-mile network and enhancing its ability to provide integrated, time-critical solutions across the full healthcare value chain.

Closed Sept. 4, 2025

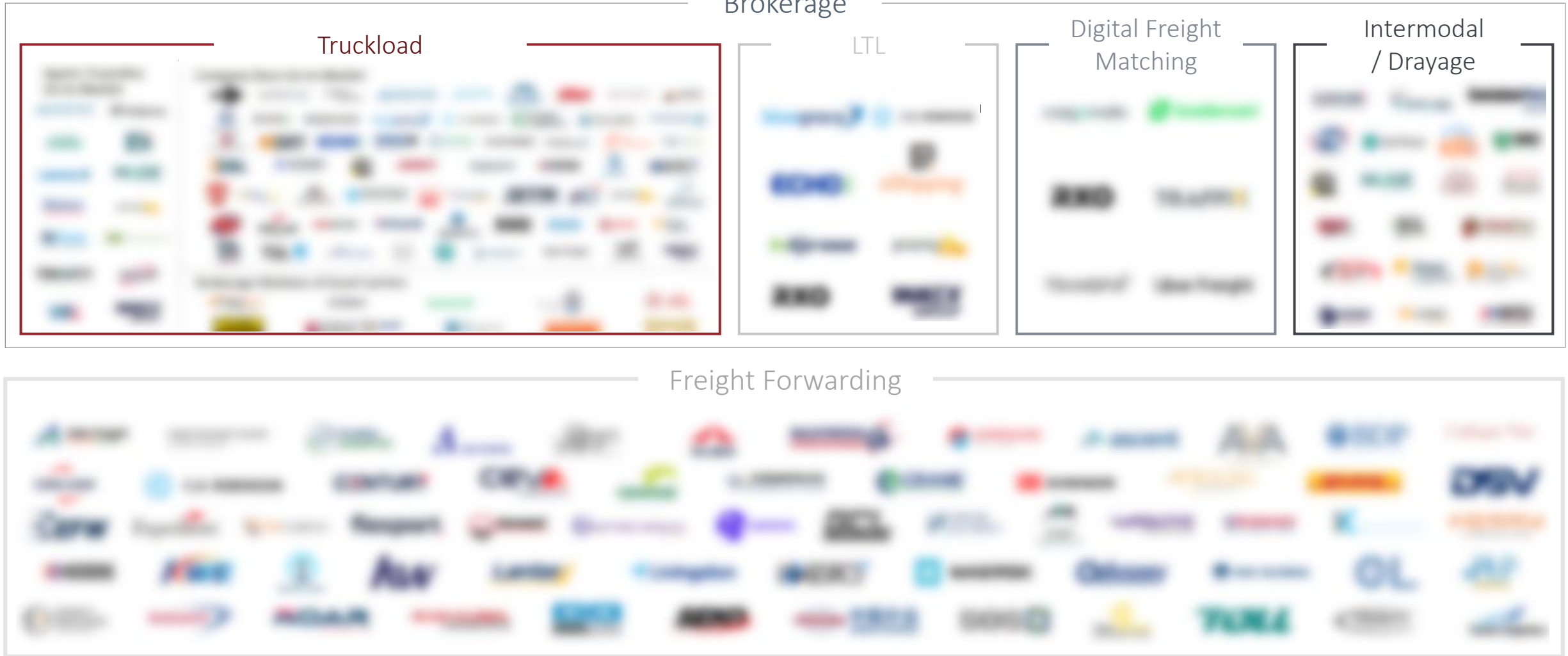


### Logistics Plus Acquires LoadDelivered Logistics

- LoadDelivered Logistics, a Chicago-based freight brokerage, has been acquired by Logistics Plus, an Erie, Pennsylvania-based full-service 3PL. The acquisition expands the transportation management offerings for both companies, combining LoadDelivered's brokerage expertise with the nearly \$1 billion global platform of Logistics Plus, which specializes in transportation, warehousing, and fulfillment services across more than 50 countries. LoadDelivered Logistics will continue to operate under its existing banner while collaborating with the Logistics Plus North American brokerage division to create a more robust and scalable platform for shippers.

# Third-Party Logistics Sector Landscape

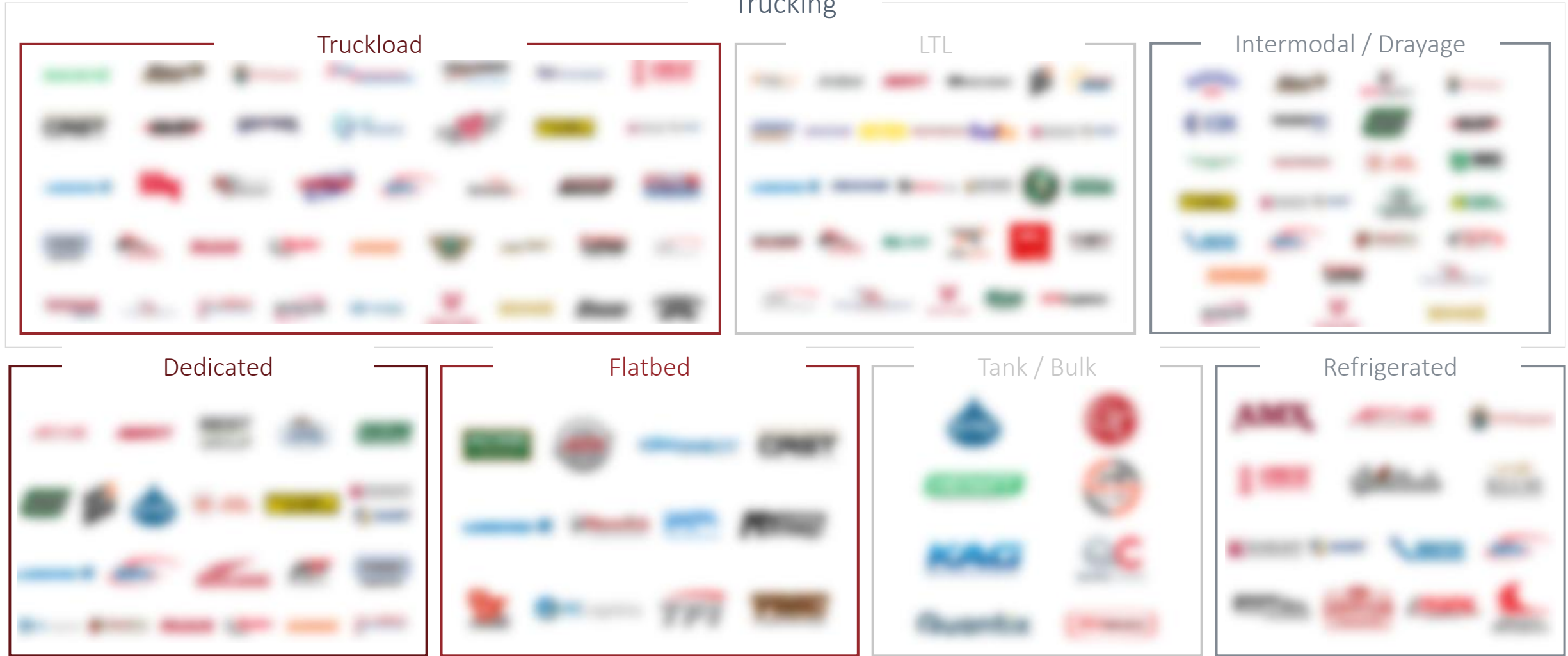
Asset-Light Brokerage and Freight Forwarding



To view the full market map, please contact [T&Linsights@harriswilliams.com](mailto:T&Linsights@harriswilliams.com)

# Third-Party Logistics Sector Landscape (Cont.)

## Asset-Oriented Providers

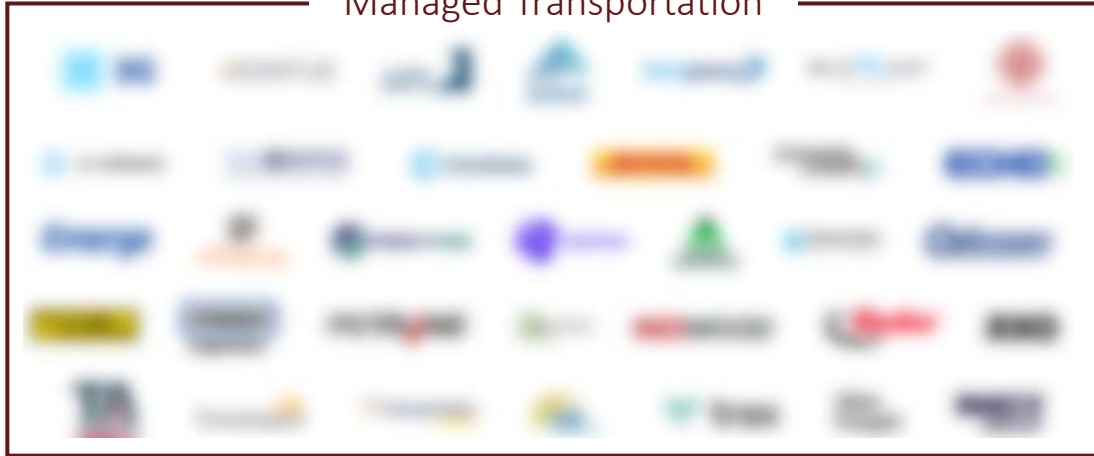


To view the full market map, please contact [T&Linsights@harriswilliams.com](mailto:T&Linsights@harriswilliams.com)

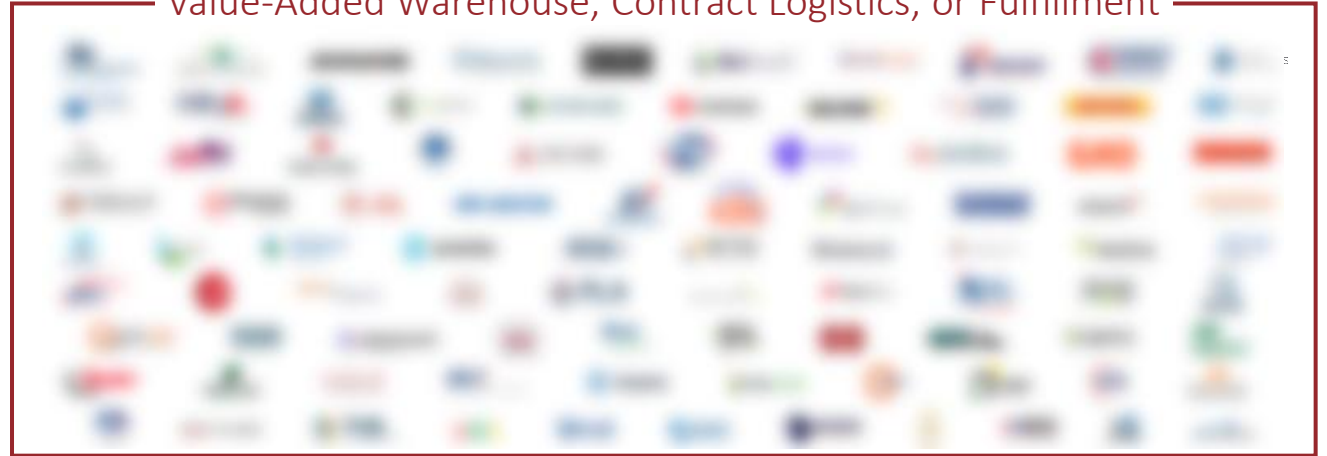
# Third-Party Logistics Sector Landscape (Cont.)

Value-Added Services

Managed Transportation



Value-Added Warehouse, Contract Logistics, or Fulfillment



Last-Mile Logistics

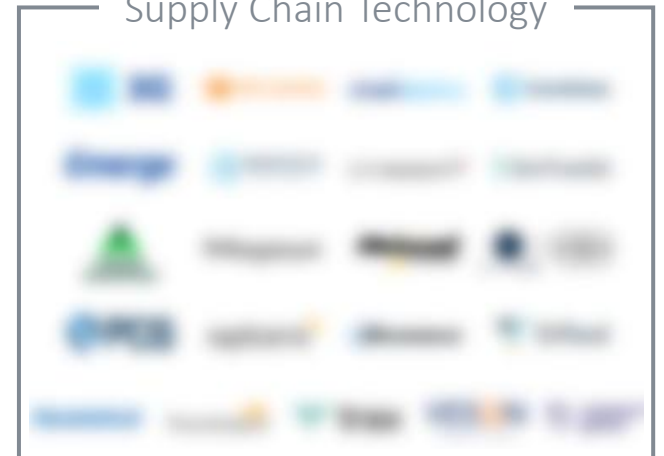
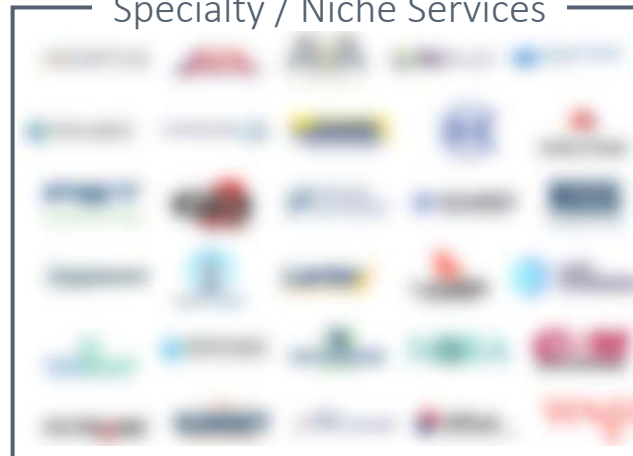
Big and Bulky

Parcel / Small Package



Specialty / Niche Services

Supply Chain Technology



To view the full market map, please contact [T&Linsights@harriswilliams.com](mailto:T&Linsights@harriswilliams.com)

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# Connect With Us

Stay in touch with our team



# Our Team



## Connect With Our Team

Learn more about our deep expertise unlocking value for great businesses in the third-party logistics sector:



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