RADIANT LOGISTICS, INC
Form 424B1
December 13, 2013
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Filed pursuant to Rule 424(b)(1)
Registration No. 333-191974

800,000 Shares

RADIANT LOGISTICS, INC.

9.75% Series A Cumulative Redeemable Perpetual Preferred Stock

(Liquidation Preference $25 per Share)

We are offering 800,000 shares of our 9.75% Series A Cumulative Redeemable Perpetual Preferred Stock, which we refer to as the Series A Preferred Shares, or the Series A Preferred Stock.

Dividends on the Series A Preferred Stock are cumulative from the date of original issue and will be payable on the 31st day of each January, July and October and on the 30th day of April commencing April 30, 2014 when, as and if declared by our board of directors. Dividends will be payable out of amounts legally available therefore at an initial rate equal to 9.75% per annum per $25.00 of stated liquidation preference per share. Before this offering, there has been no public market for the Series A Preferred Stock.

Commencing on December 20, 2018, we may redeem, at our option, the Series A Preferred Shares, in whole or in part, at a cash redemption price of $25.00 per share, plus any accrued and unpaid dividends to, but not including, the redemption date. The Series A Preferred Shares have no stated maturity, will not be subject to any sinking fund or other mandatory redemption, and will not be convertible into or exchangeable for any of our other securities.

Holders of the Series A Preferred Shares generally will have no voting rights except for limited voting rights if dividends payable on the outstanding Series A Preferred Shares are in arrears for six or more consecutive or non-consecutive quarters, and under certain other circumstances. The Series A Preferred Shares are a new issue of securities with no established trading market. We have applied to have the Series A Preferred Shares listed on the NYSE MKT Stock Market and we expect to commence trading within 30 days after the date of initial delivery of the Series A Preferred Shares.

Investing in the Series A Preferred Stock involves a high degree of risk. See Risk Factors beginning on page 23 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$ 25.00	$ 20,000,000
Underwriting Commissions paid by us	$ 1.50	$ 1,200,000
Proceeds, before expenses, to us	$ 23.50	$ 18,800,000

Delivery of the Series A Preferred Shares is expected to be made in book-entry form through the facilities of The Depository Trust Company on or about December 20, 2013. We have granted the underwriters an option for a period of 30 days to purchase an additional 120,000 of our Series A Preferred Shares. If the underwriters exercise the option in full, the total underwriting discounts payable by us will be $1,380,000, and total proceeds to us before expenses will be $21,620,000.

Sterne Agee **Janney Montgomery Scott**

Boenning & Scattergood, Inc. **National Securities Corporation**

The date of this prospectus is December 12, 2013.

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You should rely solely on the information contained in this prospectus and any related free writing prospectus issued by us and the documents incorporated by reference herein or therein. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer of the shares in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus and any related free writing prospectus issued by us, and any document incorporated by reference herein or therein is accurate only as of the date on the front cover of those documents. Our business, financial condition, results of

operations and prospects may have changed since those dates.

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PROSPECTUS SUMMARY

The following summary contains information about Radiant Logistics, Inc. and the offering of our 9.75% Series A Cumulative Redeemable Perpetual Preferred Stock, or Series A Preferred Stock. It does not contain all of the information that may be important to you in making a decision to purchase our Series A Preferred Stock. For a more complete understanding of Radiant Logistics, Inc. and the offering of our Series A Preferred Stock, we urge you to read this entire prospectus and the documents incorporated by reference carefully, including the Risk Factors sections and our financial statements and the notes to those statements incorporated by reference herein.

References in this prospectus to we , us, our, Radiant or the Company refer to Radiant Logistics, Inc., a Delaware corporation, and its consolidated subsidiaries. These subsidiaries include: Radiant Global Logistics, Inc., a Washington corporation (formerly Airgroup Corporation), or RGL; Radiant Logistics Partners LLC, a Delaware limited liability corporation, or Radiant Partners; Radiant Customs Services, Inc., a Washington corporation, or Radiant Customs; Radiant Transportation Services, Inc., a Delaware corporation (formerly Radiant Logistics Global Services, Inc.), or Radiant Transportation; Adcom Express, Inc., a Minnesota corporation, or Adcom; DBA Distribution Services, Inc., a New Jersey corporation, or DBA; and On Time Express, Inc., an Arizona corporation, or On Time.

Company Overview

We are a non-asset based transportation and logistics services company providing customers domestic and international freight forwarding services through a network of Company-owned and independent agent offices operating under the Radiant, Airgroup, Adcom, DBA and On Time network brands. We also offer an expanding array of value-added supply chain management services, including customs and property brokerage, order fulfillment, inventory management and warehousing.

Through our operating locations across North America, we offer domestic and international air, ocean and ground freight forwarding to a large and diversified account base consisting of manufacturers, distributors and retailers. Our primary business operations involve arranging the shipment, on behalf of our customers, of materials, products, equipment and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL and UPS. We provide a wide range of value-added logistics solutions to meet customers specific requirements for transportation and related services, including arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems.

Our value-added logistics solutions are provided through our multi-brand network of Company-owned and independent agent offices, using a network of independent air, ground and ocean carriers and international operating partners strategically positioned around the world. We create value for our customers and independent agents through, among other things, our customized logistics solutions, global reach, brand awareness, purchasing power, and infrastructure benefits, such as centralized back-office operations, and advanced transportation and accounting systems.

As we continue to grow and scale the business, we are developing density in our trade lanes which creates opportunities for us to more efficiently source and manage our transportation capacity. In pursuing this opportunity, we recently launched an organic initiative to offer truck brokerage capabilities through our wholly owned subsidiary, Radiant Transportation Services in an effort to internalize a portion of purchased transportation expenditures with our unaffiliated third party truck brokers and expand the margin characteristics of our existing business. Our recent acquisition of On Time was an extension of this strategy, which internalized an airport to airport line haul network that gives us greater flexibility to maximize the margin characteristics of the freight under our control.

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We generated transportation revenue of $310.8 million and net transportation revenue of $88.4 million for the year ended June 30, 2013, as compared to transportation revenue of $297.0 million and net transportation revenue of $84.7 million for the year ended June 30, 2012. We generated net income of $3.7 million for the year ended June 30, 2013, as compared to net income of $1.9 million for the year ended June 30, 2012. We generated adjusted EBITDA of $10.7 million for the year ended June 30, 2013, as compared to adjusted EBITDA of $7.5 million for the year ended June 30, 2012. See Management s Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of EBITDA and Adjusted EBITDA to net income.

We continue to reflect positive financial trends in our first quarter of fiscal year 2014 as our net income attributable to our common stockholders increased 171.0% to $1.1 million on $76.7 million of revenue, compared to net income of $0.4 million on $79.1 million of revenue for the comparable prior year period. Adjusted EBITDA for the three months ended September 30, 2013 increased 23.5% to $3,096,000 compared to adjusted EBITDA of $2,506,000 for the three months ended September 30, 2012. See Management s Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of EBITDA and Adjusted EBITDA to net income.

Competitive Strengths

As a non-asset based third-party logistics provider, we believe that we are well-positioned to provide cost-effective and efficient solutions to address the demand in the marketplace for transportation and logistics services. We believe that the most important competitive factors in our industry are quality of service, including reliability, responsiveness, expertise and convenience, scope of operations, geographic coverage, information technology and price. We believe our primary competitive advantages are as follows:

Non-asset based business model

As a non-asset based provider we do not own the transportation equipment used to transport the freight, and thus with relatively no dedicated or fixed operating costs, we are able to leverage our network of locations to offer competitive pricing and flexible solutions to our customers. Moreover, our balanced product offering provides us with revenue streams from multiple sources and enables us to retain customers even as they shift from priority to deferred shipments of their products. We believe our low capital intensity model allows us to provide low-cost solutions to our customers, operate our business with strong cash flow characteristics, and retain significant flexibility in responding to changing industries and economic conditions.

Lower-risk operation of network of independent agent offices

We derive a substantial portion of our revenue pursuant to agreements with independently-owned agent offices operating under our various brands. These arrangements afford us with a relatively low risk growth model as each individual agent office is responsible for its own sales and costs of operations. Under shared revenue arrangements with our independent agent office owners, we are responsible to provide centralized back-office infrastructure, transportation and accounting systems, billing and collection services.

Offer significant advantages to independent agent office owners

Our current network is predominantly represented by independent agent offices that rely on us for operating authority, technology, sales and marketing support, access to working capital, our carrier and international partner networks, and collective purchasing power. Through the agency relationship, the agent has the ability to focus on the operational and sales support aspects of the business without diverting costs or expertise to the structural aspect of its operations, thus, providing the agent with the regional, national and global brand recognition that they would not otherwise be able to achieve by solely serving their local market.

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Diverse customer base

We have a well-diversified customer base that includes manufacturers, distributors and retailers. As of September 30, 2013, no single customer represented more than 5% of our business and no one agency location represented more than 10% of our business, reducing risks associated with any particular industry, geographic or customer concentration.

Information technology resources

A primary component of our business strategy is the continued development of advanced information systems to provide accurate and timely information to our management, independent agents and customers. We believe that the ability to provide accurate real-time information on the status of shipments has and will become increasingly important in our industry. Our customer delivery tools enable connectivity with our customers and trading partners systems, which leads to more accurate and up-to-date information on the status of shipments. Our centralized transportation management system (rating, routing, tender and financial settlement processes) drives significant productivity improvement across our network.

Global network of transportation providers

Radiant provides worldwide supply chain services, which today include international air and ocean services that complement our domestic service offerings. These offerings include heavyweight and small package air services, providing same day (next flight out) air charters, next day a.m. / p.m., second day a.m. / p.m. as well as time definite surface transport moves. Our non-asset based business model also allows us to use commercial passenger and cargo flights. Thus, we have thousands of daily flight options to choose from, and our pickup and delivery network provides us with zip code to zip code coverage throughout North America.

Ability to leverage On Time s dedicated time definite line haul network

As we continue to grow and scale the business, we are developing density in our trade lanes which creates opportunities for us to more efficiently source and manage our transportation capacity. We believe the recent addition of On Time s dedicated line haul network will provide transportation capacity to our other operating locations across North America and serve as a catalyst for margin expansion in our existing business and a competitive differentiator in the marketplace to help us secure new customers and attract additional agent stations to our network.

Industry Overview

As business requirements for efficient and cost-effective logistics services have increased, so has the importance and complexity of effectively managing freight transportation. Businesses increasingly strive to minimize inventory levels, perform manufacturing and assembly operations in the lowest cost locations, and distribute their products in numerous global markets. As a result, companies are increasingly looking to third-party logistics providers to help them execute their supply chain strategies.

Customers have two principal third-party alternatives: a freight forwarder or a fully-integrated carrier. We operate primarily as a freight forwarder. Freight forwarders procure shipments from customers and arrange the transportation of cargo on a carrier. A freight forwarder may also arrange pick-up from the shipper to the carrier and delivery of the shipment from the carrier to the recipient. Freight forwarders often tailor shipment routing to meet the customer s price and service requirements. Fully-integrated carriers, such as FedEx Corporation, DHL Worldwide Express, Inc., and United Parcel Service, provide pickup and delivery service, primarily through their own captive fleets of trucks and aircraft. Because freight forwarders select from various transportation options in routing customer shipments, they are often able to serve customers less expensively and with greater flexibility than integrated carriers. Freight forwarders generally handle shipments of any size and offer a variety of customized shipping options.

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Most freight forwarders, including us, focus on heavier cargo and do not generally compete with integrated shippers of primarily smaller parcels. In addition to the high fixed expenses associated with owning, operating and maintaining fleets of aircraft, trucks and related equipment, integrated carriers often impose significant restrictions on delivery schedules and shipment weight, size and type. On occasion, integrated shippers serve as a source of cargo space to forwarders. Additionally, most freight forwarders do not generally compete with the major commercial airlines, which, to some extent, depend on forwarders to procure shipments and supply freight to fill cargo space on their scheduled flights.

We believe there are several factors that are increasing demand for global logistics solutions, including:

- Outsourcing of non-core activities
- Globalization of trade
- Increased need for time-definite delivery
- Consolidation of global logistics providers
- Increasing influence of e-business and the Internet

Our Growth Strategy

We provide customers with comprehensive value-added logistics solutions through domestic and international freight forwarding services offered by us through our Radiant, Airgroup, Adcom, DBA and On Time network brands. Since inception of our business in 2006, we have executed on a strategy to expand operations through a combination of organic growth and the strategic acquisition of non-asset based transportation and logistics providers meeting our acquisition criteria. We have successfully completed eight acquisitions since our initial acquisition of Airgroup in January of 2006, including:

- Automotive Services Group, expanding our services into the automotive industry, in 2007;
- Adcom Express, Inc., adding domestic agency locations, in 2008;
- DBA Distribution Services, Inc., adding two Company-owned logistics offices and agency offices, in 2011;
- ISLA International Ltd., adding a Company-owned logistics office in Laredo, Texas, providing us with bilingual expertise in both north and south bound cross-border transportation and logistics services, in 2011;

- Brunswicks Logistics, Inc., adding a strategic Company-owned location in New York-JFK, in 2012;

- Marvir Logistics, Inc., adding a Company location in Los Angeles from the conversion of a former agency location since 2006, in 2012;

- International Freight Systems of Oregon, Inc., adding a Company location in Portland, Oregon, from the conversion of a former agency location since 2007, in 2012; and

- On Time Express, Inc., adding three Company-owned offices in Phoenix, Arizona, Dallas, Texas and Atlanta, Georgia, intended to provide additional line haul and time critical logistics capabilities, in 2013

We expect to grow our business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. We will continue to make enhancements to our back office infrastructure and transportation management and accounting systems to support this growth. Our organic growth strategy will continue to focus on strengthening existing and expanding new customer relationships, while continuing our efforts on the organic build-out of our network of independent agency locations. In addition, we will also be working to drive further productivity improvements enabled through the introduction of our value added truck brokerage and customs house brokerage service capabilities and the optimization of our own transportation capacity management opportunities available through On Time s dedicated line haul network.

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Our acquisition strategy has been designed to take advantage of shifting market dynamics. The third party logistics industry continues to grow as an increasing number of businesses outsource their logistics functions to more cost effectively manage and extract value from their supply chains. The industry is positioned for further consolidation as it remains highly fragmented, and as customers are demanding the types of sophisticated and broad reaching service offerings that can more effectively be handled by larger more diverse organizations. We believe the highly fragmented composition of the marketplace, the industry participants need for capital, and their owners desire for liquidity has and will continue to produce a large number of attractive acquisition candidates. Our target acquisition candidates are generally smaller than those identified as acquisition targets of larger public companies and have limited ability to conduct their own public offerings or obtain financing that will provide them with capital for liquidity or rapid growth. We believe that many of these smaller companies are receptive to our acquisition program as a vehicle for liquidation or growth. We intend to be opportunistic in executing our acquisition strategy with a goal of expanding both our domestic and international capabilities.

Recent Developments

Acquisition of On Time Express, Inc.

On October 1, 2013, we closed the acquisition of On Time Express, Inc., or On Time, a privately-held corporation based in Phoenix, Arizona, with additional offices in the vicinity of Dallas, Texas and Atlanta, Georgia, that has developed a dedicated line haul network that it leverages in delivering customized time definite domestic and international logistics solutions to an account base that includes customers in the aviation, aerospace, plastic injection molding, medical device, furniture and automotive industries. On Time operates a non-asset based line haul network with access to a broad range of asset-based carriers that offer transportation options including 53 foot air ride dry vans, flatbeds, oversize dimensional equipment and cargo vans. On Time services over 20 airport hub locations on a daily basis, while maintaining strong margins as a result of the time-critical nature of the freight it carries and the utilization levels achieved on its routes.

It is our expectation that On Time will continue to operate as a stand-alone business unit within our various operating units and brands, support its own end customers, and provide transportation capacity to our other operating locations across North America via its dedicated line haul network with less-than-truckload, or LTL, and expedited ground service.

The purchase price of On Time was structured as $7.5 million in cash paid at closing, of which $0.5 million was held back subject to a working capital true-up 90 days after closing; 237,320 shares our common stock which were valued at $0.5 million; $2.0 million in cash payable in four quarterly installments commencing on the 90-day anniversary of the closing; and up to an additional $10.0 million in Tier-1 earn-out amounts payable over the next four years in a combination of cash and our common stock based on the future adjusted EBITDA of the acquired operation. We may, in our sole discretion, elect to satisfy up to 25% of each of the performance-based payments through the issuance of our common stock valued at the time of the payment. In addition, on November 1, 2018, we will pay an additional Tier-2 earn-out amount equal to 50% of the amount, if any, by which the cumulative adjusted EBITDA of all of the prior performance periods exceeds a base targeted amount. We may, in our sole discretion, elect to satisfy up to 50% of such additional Tier-2 payment through the issuance of our common stock valued at the time of payment.

Repayment of a Portion of the Caltius Notes

During September 2013, we repaid $2 million of indebtedness owed under the senior subordinated notes issued to Caltius. As of the date of this prospectus, approximately $8 million remained outstanding under the notes, which we intend to repay with the proceeds from this offering.

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SELECTED SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth selected summary consolidated financial data as of and for the periods indicated. The selected summary consolidated financial data as of and for each of the fiscal years ended June 30, 2013, June 30, 2012 and June 30, 2011 are derived from our audited consolidated financial statements that are included elsewhere in this prospectus.

The following selected summary consolidated financial data should be read in conjunction with our consolidated financial statements and related notes, and our Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

(In thousands, except per share data and operational data)

Income Statement Data:

	Year Ended June 30,			Three Months Ended September 30, (Unaudited)	
	2013	**2012**	**2011**	**2013**	**2012**
Revenue	$ 310,835	$ 297,003	$ 203,820	$ 76,702	$ 79,148
Cost of transportation	222,402	212,294	141,316	53,481	56,910
Net revenue	88,433	84,709	62,505	23,221	22,238
Income from operations	7,422	4,481	5,175	2,195	1,116
Other expense	1,285	927	139	434	342
Income before income tax expense	6,137	3,554	5,036	1,760	773
Net income	3,765	2,079	3,011	1,108	433
Net income attributable to non-controlling interest	108	178	159	17	30
Net income attributable to common stockholders	3,657	1,901	2,852	1,092	403
Net income per common share:					
Basic	$ 0.11	$ 0.06	$ 0.09	$ 0.03	$ .01
Diluted	$ 0.10	$ 0.05	$ 0.09	$ 0.03	$ .01

Balance Sheet Data:

	June 30,			September 30, (Unaudited)	
	2013	**2012**	**2011**	**2013**	**2012**
Cash and cash equivalents	$ 1,024	$ 67	$ 434	$ 8,795	$ 676
Total assets	83,753	84,503	56,621	88,253	87,669
Total liabilities	67,868	73,101	50,471	71,127	75,732
Total stockholders equity	15,885	11,402	6,150	17,126	11,937

Other Data:

	Year Ended June 30,			Three Months Ended September 30,	
	2013	2012	2011	2013	2012
				(Unaudited)	
Cash provided by (used for) operating activities	$ 2,899	$ 3,563	$ 2,932	$ 1,656	$ (2)
Cash used for investing activities	(2,532)	(11,528)	(5,385)	(44)	(201)
Cash provided by financing activities	591	7,598	2,205	6,158	813
EBITDA[(1)]	11,973	7,769	6,410	3,092	2,354
Adjusted EBITDA[(1)]	10,693	7,519	6,823	3,096	2,506

(1) EBITDA and Adjusted EBITDA are non-U.S. GAAP measures. EBITDA means net income before interest, income taxes, impairment, depreciation and amortization. We calculate adjusted EBITDA as EBITDA, adjusted for share-based compensation, changes in contingent consideration, gain on litigation settlement (net), lease termination costs and acquisition related costs. For a reconciliation of EBITDA and adjusted EBITDA to net income and management s reasons why we believe that the presentation of EBITDA and adjusted EBITDA provides useful information to investors, see the section appearing elsewhere in this prospectus entitled Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations.

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SELECTED UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2013 is presented as if the acquisition of On Time had occurred on September 30, 2013. The unaudited pro forma condensed combined statement of operations for the three month periods ended September 30, 2013 and September 30, 2012 are presented as if the acquisition had occurred on July 1, 2012. The unaudited pro forma condensed consolidated statement of operations for the year ended June 30, 2013 is presented as if the acquisition had occurred at July 1, 2012. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable.

The information set forth below, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, may not reflect all of the anticipated financial expenses and benefits and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had Radiant and On Time been combined during the periods presented.

The unaudited pro forma condensed consolidated financial information is based on the preliminary information available and management s preliminary valuation of the fair value of tangible and intangible assets acquired and liabilities assumed. The finalization of the Company s purchase accounting assessment may result in changes to the valuation of assets acquired and liabilities assumed, particularly in regards to infinite and finite-lived intangible assets, which could be material. The Company will finalize the purchase price allocation as soon as practicable within the measurement period in accordance with Accounting Standards Codification Topic 805 Business Combinations (ASC 805), but in no event later than one year following the transaction date.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet

	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma Adjustments	Pro Forma Total
	September 30, 2013	September 30, 2013		
Assets				
Current assets				
Cash and cash equivalents	$ 8,795	$ 41	$ (529)[(a)]	$ 1,307
			(7,000)[(i)]	
Accounts receivable, net of allowance for doubtful accounts	49,003	3,067		52,070
Current portion of employee and other receivables	322			322
Income tax receivable		127	(127)[(b)]	
Prepaid expenses and other current assets	2,727	194		2,921
Deferred tax asset	1,025	24		1,049
Total current assets	61,872	3,453	(7,656)	57,669
Furniture and equipment, net	1,204	280		1,484
Goodwill and acquired intangibles, net	24,483		15,950[(c)]	41,412
			2,499[(d)]	
			(1,520)[(e)]	
Employee and other receivables, net of current portion	57	25		82
Deferred tax asset		142	(142)[(b)]	
Deposits and other assets	637			637
Total Assets	$ 88,253	$ 3,900	$ 9,131	$ 101,284
Liabilities and Stockholders equity				
Current liabilities				
Accounts payable and accrued transportation costs	$ 33,424	$ 1,595	$	$ 35,019
Commissions payable	4,915			4,915
Other accrued costs	2,242	256		2,498
Income taxes payable	830		(127)[(b)]	703
Current portion of notes payable	767	529	(529)[(a)]	3,267
			500[(f)]	
			2,000[(g)]	
Current portion of contingent consideration	317		1,685[(h)]	2,002
Current portion of lease termination liability	303			303
Total current liabilities	42,798	2,380	3,529	48,707
Notes payable and other long-term debt, net of current portion and debt discount	23,739		250[(j)]	23,989
Contingent consideration, net of current portion	3,513		4,515	8,028

Lease termination liability, net of current portion	457			457
Deferred rent liability	578			578
Deferred tax liability	39		(142)[(b)]	2,396
			2,499[(d)]	
Other long-term liabilities	3			3
Total liabilities	71,127	2,380	10,651	84,158
Stockholders equity				
Common stock	15	1	(1)[(e)]	15
Additional paid-in capital	14,005	1,946	(1,946)[(e)]	14,005
Deferred compensation	(13)			(13)
Retained earnings (deficit)	3,035	(427)	427[(e)]	3,035
Total Radiant Logistics, Inc. stockholders equity	17,042	1,520	(1,520)	17,042
Non-controlling interest	84			84
Total stockholders equity	17,126	1,520	(1,520)	17,126
Total liabilities and stockholders equity	$ 88,253	$ 3,900	$ 9,131	$ 101,284

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Pro Forma Adjustments and Assumptions.

(a) To reflect the payoff of On Time s line of credit at acquisition.
(b) To net current and deferred tax assets and liabilities.
(c) To reflect the estimated value of goodwill and acquired intangible assets.
(d) To reflect the estimated deferred tax liability associated with the acquired intangible assets.
(e) To reflect the elimination of On Time s equity balances.
(f) To reflect the future issuance of common stock of $0.5 million as due shareholder.
(g) To reflect the issuance of $2.0 million of notes payable at closing.
(h) To reflect the estimated contingent consideration payable of $6.2 million.
(i) To reflect the initial cash payment of $7.0 million.
(j) To reflect the estimated working capital adjustment.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

Year Ended June 30, 2013

	Historical Statements			
	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma Adjustments[(a)]	Pro Forma Consolidated
Revenue	$ 310,835	$ 26,102	$	$ 336,937
Cost of transportation	222,402	19,926		242,328
Net revenues	88,433	6,176		94,609
Agent commissions	52,466			52,466
Personnel costs	16,112	1,362	(435)[(b)]	17,039
Selling, general and administrative expenses	9,770	1,774	(153)[(c)]	11,391
Depreciation and amortization	3,944	179	1,315[(d)]	5,438
Transition and lease termination costs	1,544			1,544
Change in contingent consideration	(2,825)		250[(e)]	(2,575)
Total operating expenses	81,011	3,315	977	85,303
Income from operations	7,422	2,861	(977)	9,306
Other expense (income)				
Interest income	(16)	(6)		(22)
Interest expense	2,016	67	75[(f)]	2,439
			281[(g)]	
Gain on litigation settlement, net	(368)			(368)
Other	(347)	(18)		(365)
Total other expense	1,285	43	356	1,684
Income before income tax expense	6,137	2,818	(1,333)	7,622
Income tax expense (benefit)	2,371	1,122	(487)[(h)]	3,006
Net income	3,766	1,696	(846)	4,616
Less: Net income attributable to non-controlling interest	(108)			(108)
Net income attributable to Radiant Logistics, Inc.	$ 3,658	$ 1,696	$ (846)	$ 4,508

Net income per common share basic	$ 0.11		$ 0.14
Net income per common share diluted	$ 0.10		$ 0.13
Basic weighted average common shares outstanding	33,120,767	237,320[i]	33,358,087
Diluted weighted average common shares outstanding	35,690,119	237,320[i]	35,927,439
Other Data:			
Pro Forma EBITDA			$ 15,369[j]
Pro Forma Adjusted EBITDA			14,339[j]
Pro Forma Adjusted Net Income			7,347[j]

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Pro Forma Adjustments and Assumptions

(a) Transaction costs of $66,000 were not eliminated in the presentation of the above pro forma information as they represent one-time historical costs.

(b) To eliminate non-recurring personnel costs.
(c) To reflect the estimated change in lease obligations resulting from the execution of new lease agreements.
(d) To reflect the estimated amortization of acquired identifiable intangibles.
(e) To reflect the estimated change in contingent consideration.
(f) To reflect interest expense on the $2 million of notes payable at the rate of 6.0% per annum.
(g) To reflect interest expense incurred on $7.5 million from the Bank of America Credit Facility at the rate of 3.75% per annum.
(h) To reflect income taxes at the rate of 40%.
(i) To reflect the issuance of 237,320 shares of common stock in connection with the On Time acquisition.
(j) Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income are non-GAAP measures that have been presented in order to provide useful information to investors relative to our financial performance as adjusted to reflect the acquisition of On Time as if it occurred as of the beginning of the period presented above. For a reconciliation of Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income, to Net Income, reference is made to the financial tables included within the section below entitled Reconciliation of Non-GAAP Financial Measures.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

	Three Months Ended			
	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma	
	September 30, 2013		Adjustments	Total
Revenue	$ 76,702	$ 6,724	$	$ 83,426
Cost of transportation	53,481	5,155		58,636
Net revenues	23,221	1,569		24,790
Agent commissions	13,635			13,635
Personnel costs	4,100	261		4,361
Selling, general and administrative expenses	2,656	418	(38)[a]	3,036
Depreciation and amortization	830	24	329[b]	1,183
Change in contingent consideration	(195)		63[c]	(132)
Total operating expenses	21,026	703	(354)	22,083
Income from operations	2,195	866	(354)	2,707
Other expenses	434	33	30[d]	567
			70[e]	
Income before income taxes	1,761	833	(454)	2,140
Income tax expense	652	330	(133)[f]	849
Net income	1,109	503	(321)	1,291
Less: net income attributable to non-controlling interest	(17)			(17)
Net income attributable to Radiant Logistics, Inc.	$ 1,092	$ 503	$ (321)	$ 1,274
Net income per common share basic and diluted	$ 0.03			$ 0.04
Weighted average shares outstanding:				
Basic	33,337,362		237,320[g]	33,574,682
Diluted	35,987,483		237,320[g]	36,224,803
Other Data:				
Pro Forma EBITDA				$ 3,879[h]

Pro Forma Adjusted EBITDA	3,880[h]
Pro Forma Adjusted Net Income	2,000[h]

Pro Forma Adjustments and Assumptions

(a) To reflect the change in lease obligations resulting from the execution of new lease agreements.
(b) To reflect the estimated amortization of acquired intangible assets.
(c) To reflect the estimated change in contingent consideration.
(d) To reflect interest on the $2.0 million of notes payable at 6.0% per annum.
(e) To reflect interest incurred on $7.5 million from the Bank of America Credit Facility at 3.75% per annum.
(f) To reflect income taxes at 40%.
(g) To reflect the issuance of 237,320 shares of common stock in connection with On Time the acquisition.
(h) Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income are non-GAAP measures that have been presented in order to provide useful information to investors relative to our financial performance as adjusted to reflect the acquisition of On Time as if it occurred as of the beginning of the period presented above. For a reconciliation of Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income, to Net Income, reference is made to the financial tables included within the section below entitled Reconciliation of Non-GAAP Financial Measures.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

	Three Months Ended			
	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma	
	September 30, 2012		Adjustments	Total
Revenue	$ 79,148	$ 6,897	$	$ 86,045
Cost of transportation	56,910	5,275		62,185
Net revenues	22,238	1,622		23,860
Agent commissions	13,295			13,295
Personnel costs	3,758	406		4,164
Selling, general and administrative expenses	2,900	412	(38)[a]	3,274
Depreciation and amortization	1,120	52	329[b]	1,501
Change in contingent consideration	50		63[c]	113
Total operating expenses	21,123	870	(354)	22,347
Income from operations	1,115	752	(354)	1,513
Other expenses	342	10	30[d]	452
			70[e]	
Income before income taxes	773	742	(454)	1,061
Income tax expense	340	246	(174)[f]	412