

Yellow sells 23 leased terminals to big LTL carriers for \$82.9 million



Estes has now acquired 29 Yellow terminals, including five leased facilities, while Saia and XPO have acquired 28 facilities each. Photo credit: Around the World Photos / Shutterstock.com.

William B. Cassidy, Senior Editor | Dec 21, 2023, 11:51 AM EST

Bankrupt trucking company Yellow on Wednesday said it had sold 23 leased terminal properties to six winning bidders, adding \$82.9 million to the \$1.9 billion already raised by a real estate auction.

After closing its doors July 30, Yellow is selling its 323 terminals, owned and leased, at auction. The sale is reshaping a US less-than-truckload (LTL) market upended by Yellow's collapse.

The winners in the latest auction round included big winners from the first round of property sales, namely Estes Express Lines, Saia Motor Freight Line, R+L Carriers

affiliate RAMAR, ArcBest and Knight-Swift Transportation Holdings. FedEx, the largest US trucking operator, acquired one terminal.

All of those companies are among the 10 largest US LTL service providers ranked by revenue, according to SJ Consulting Group data. That keeps the bulk of the 153 terminals Yellow has sold at auction to date within a core group of large LTL carriers, reinforcing their market dominance.

No leased terminals were acquired by Next Century Logistics, an affiliate of Jack Cooper Transport that has expressed interest in reviving some version of Yellow as a unionized carrier. Yellow rejected a “going concern” bid from the group before selling 130 properties in its first auction round.

There are still plenty of terminals for Next Century or other buyers to consider, with 118 leased properties and 46 company-owned properties remaining on the auction block. Some of Yellow’s largest terminals, including 29 sites with more than 100 terminal doors, remain to be sold.

Saia takes 11 more sites

The biggest winner in terms of terminal numbers in the second round was Saia Motor Freight, the ninth-largest US LTL provider with \$2.8 billion in revenue in 2022. Saia acquired 11 leased facilities for \$7.9 million after spending \$235.7 million to buy 17 company-owned terminals in the first round.

Saia’s daily shipment count rose more than 18% in October and November as it took in a large share of freight formerly hauled by Yellow, the Georgia-based carrier said earlier this month.

Estes Express Lines, the fourth-largest US LTL provider, spent \$35.4 million to acquire five leased properties, adding to the \$248.7 million it successfully bid in the first auction round for 24 terminals. Estes set the ground for bidding on Yellow’s assets with a \$1.525 billion stalking horse bid.

RAMAR acquired three of Yellow’s leased terminals for \$9 million, on top of the eight properties it bought for \$211.5 million in the first round. R+L Carriers is the eighth-largest US LTL provider, with \$2.9 billion in revenue in 2022, according to SJ Consulting Group.

Knight-Swift, a transportation holding company that owns two large regional carriers, AAA Cooper Transportation and Midwest Motor Express, purchased two leased properties from Yellow for \$417,150. In the first round, Knight-Swift acquired 13 company-owned properties for \$51.3 million.

ArcBest, the parent of sixth-largest LTL provider ABF Freight System, acquired one leased terminal in Bethlehem, Penn., for \$7.8 million. In the first round, ArcBest spent \$30.2 million for three facilities. ArcBest had nearly \$3 billion in LTL revenue in 2022, according to SJ Consulting Group data.

FedEx adds one terminal

FedEx was the lone newcomer among the winning bidders, spending \$22.5 million on a leased facility in Sparks, Nev. LTL provider FedEx Freight in August closed 29 terminals to lower costs and improve efficiency. At the same time, it absorbed approximately 5,000 daily shipments from Yellow.

FedEx Freight had \$9.6 billion in revenue in the fiscal year ending May 31, making it the largest US trucking company of any type.

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