

Knight-Swift acquisition expands LTL network coast to coast



DHE fills in a major part of Knight-Swift's projected nationwide LTL network. Photo credit: Dependable Supply Chain Services.

William B. Cassidy, Senior Editor | Jul 30, 2024, 4:20 PM EDT

Knight-Swift Transportation Holdings is acquiring Dependable Highway Express (DHE), a Los Angeles-based less-than-truckload (LTL) carrier that gives Knight-Swift a presence in California, Arizona and Nevada, filling a major gap in its multi-regional LTL network.

Terms of the deal, announced Tuesday, were not disclosed.

DHE ranked 33rd in the *Journal of Commerce* and SJ Consulting Group list of the Top 40 LTL carriers this year. The carrier had approximately \$122 million in revenue in the past 12 months, Knight-Swift said.

“We are excited to take the next step toward building a nationwide LTL business,” Knight-Swift CEO Adam Miller said in a statement. The addition of DHE to Knight-Swift’s portfolio of LTL carriers increases its terminal and door counts by about 10%, Miller said.

“The strategic value of acquiring a strong Southwest competitor like DHE is meaningful given the impact to our coverage area,” said Miller.

With DHE, AAA Cooper Transportation and Midwest Motor Express, Knight-Swift’s network will extend coast-to-coast. The three LTL companies combined had approximately \$1 billion in revenue in 2023, according to SJ Consulting Group.

Knight-Swift earlier this year said it planned to open 34 LTL terminals in 2024. Since its initial LTL acquisitions in 2021, Knight-Swift has opened 56 LTL terminals, Miller said during his company’s earnings call last week.

In that call, Miller expressed hope that Knight-Swift would be able to close another acquisition, completing “inorganic” as well as organic growth. In the second quarter, Knight-Swift’s LTL revenue rose 15.1% year over year, while shipments jumped 8.4%.

LA-Long Beach in play

DHE also gives Knight-Swift capacity and a real estate footprint next to the ports of Los Angeles and Long Beach, a not insignificant factor as LTL carriers continue to play a larger role in transloading containerized ocean freight for shipment inland.

DHE has been part of Dependable Supply Chain Services, a logistics and transportation company founded in 1950 with subsidiaries engaged in warehousing, international freight forwarding, freight transportation to and from Hawaii, and logistics services.

Joe Finney, chief operating officer at DHE, will become that company’s president when the acquisition is completed. Finney has been with DHE since 2013 and previously worked with logistics and trucking companies including Viking Freight System, now part of FedEx Freight.

DHE, similar to AAA Cooper and MME, will operate autonomously while integrating information systems with other Knight-Swift LTL operators. MME operates from the Pacific Northwest to the Midwest, and AAA Cooper from the Central-South to the East Coast.

The acquisition raises the ante in the race to expand LTL networks nationwide. Companies such as Estes Express Lines, Saia, XPO and Knight-Swift have been

pushing to reopen dozens of terminals acquired after the collapse of bankrupt LTL carrier Yellow.

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