

## Knight-Swift buys 10 more Yellow terminals for \$2.2 million as LTL push continues



*Knight-Swift is acquiring LTL terminals that fill gaps in its current network of about 115 facilities. Photo credit: Kingfishcafe / Shutterstock.com.*

William B. Cassidy, Senior Editor | Feb 13, 2024, 12:25 PM EST

Knight-Swift Transportation Holdings, the largest US truckload operator, is raising its stake in the less-than-truckload (LTL) game by acquiring 10 additional terminals from bankrupt Yellow for \$2.2 million.

The latest Knight-Swift terminal purchases were announced Monday in a notice filed by Yellow in the Delaware Bankruptcy Court.

The new terminals are a major building block in Knight-Swift's plans for a national LTL network. The company now has 35 terminals in various stages of procurement, development or reconditioning, including 25 terminals acquired from Yellow.

There's no doubt Knight-Swift sees lots to love in LTL. "By the end of 2025, we're [going to be] able to show you a map that makes it very clear we're a nationwide LTL network," CEO David Jackson said during a Jan. 24 earnings call with Wall Street analysts.

With its latest real-estate deals, Knight-Swift joins the largest beneficiaries of the collapse of Yellow and its terminal auction — XPO, Estes Express Lines and Saia. All have acquired more than 20 terminals from Yellow.

Knight-Swift is building the first new nationwide LTL network since Con-way Freight, now XPO, was assembled in the 1980s. The plan is to diversify its business and make it less reliant on long-haul truckload.

Knight-Swift has now spent \$53.9 million in three rounds of bidding for Yellow terminals. The acquisitions announced Monday are mainly in the West and Midwest — Missouri, Kansas, Colorado, Nebraska and Idaho, with one exception in Georgia.

The 35 terminals acquired or under development, including 10 non-Yellow properties, will be added to a network of approximately 115 LTL terminals operated by Knight-Swift subsidiaries AAA Cooper Transportation (ACT) and Midwest Motor Express (MME).

Since acquiring ACT and MME in 2021, Knight-Swift has been integrating the two autonomous companies' systems to create a single, multiregional LTL offering. That offering will look more national in a few years, Knight-Swift executives say.

The Yellow terminals "have been wonderful gifts for us," Jackson said during the late-January earnings call. If Knight-Swift had to buy land and build from the ground up, "we would have had a much more significant capital investment," he said.

## Filling the gaps

Knight-Swift's plan has been to use new terminals to fill in coverage gaps in the ACT and MME networks.

The holding company has 12 terminals under development in the Midwest, including facilities in Illinois, Indiana, Michigan and Wisconsin — areas formerly covered by Yellow subsidiary Holland. Other terminals are being prepared in the Pacific Northwest and South.

Knight-Swift opened five LTL terminals in January and said it plans to get most of the other new sites up and running again this year.

The other shoe waiting to drop is further acquisitions in the LTL sector; Knight-Swift reportedly has looked at several acquisition candidates.

“This is a multiyear plan, but it’s not as far out as you might think,” Jackson said during the earnings call. “We’re well on our way.”

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