

# Trucker Yellow Wins Reprieve on Loans

BY PAUL BERGER

Trucking company **Yellow** gained a reprieve from lenders, including requirements under a federal government loan of \$700 million in pandemic aid, as the company tries to reset its finances and restructure its operations.

Yellow, one of the country's largest trucking companies, has been seeking to refinance about \$1.3 billion in debt that must be repaid in 2024 while it seeks cooperation from the Teamsters union for structural changes aimed at better competing in a tough freight market.

Nashville, Tenn.-based Yellow, which employs 30,000 workers, recently warned it was running out of cash and earlier this year hired investment bank Ducera Partners to help refinance its debt. A Yellow official said refinancing efforts stalled in the spring when the Teamsters blocked the company's operations overhaul.

The agreements with lenders allows "the company to fo-



The company wants to refinance \$1.3 billion in debt.

cus completely on getting to the table with the International Brotherhood of Teamsters and having alignment on modernization of the company and increasing wages for union employees," said Darren Hawkins, Yellow's chief executive.

Yellow got the \$700 million federal loan as part of a 2020

Covid-19 package for private industries. The Biden administration expects the loan to be repaid by September 2024, but it waived requirements that the company maintain certain financial targets through this year's financial quarter that ended June 30, according to a Yellow filing on

Monday with the Securities and Exchange Commission.

Other lenders, led by Apollo Global Management, waived the financial requirements through Sept. 30 this year, according to the filing. That group is owed \$567 million to be repaid in June 2024.

The agreements come with oversight requirements that include requiring Yellow to file weekly liquidity reports to the lenders along with weekly consolidated operating budgets. Yellow must also maintain liquidity above \$35 million.

According to SJ Consulting, Yellow is the country's third-largest operator in the less-than-truckload business, in which carriers haul shipments from multiple customers on the same truck between factories, warehouses and retail stores.

If Yellow goes out of business, SJ Consulting President Satish Jindel said the loss of trucking capacity is likely to raise shipping prices by mid-single to low-double digits for retailers and manufacturers.

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