

UPS Acquires Freightex Ltd. To Accelerate Expansion Of U.K. And European Truckload Brokerage Business

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UPS (NYSE: UPS) today announced the purchase of Freightex, a U.K.-based asset-light provider of truckload, less-than-truckload, specialized and refrigerated over-the-road services. The acquisition immediately establishes UPS's presence in the growing U.K. and European third-party logistics (3PL) over-the-road brokerage transportation market and launches a new global and regional UPS growth platform from an established base of customers and carriers.

The transaction follows UPS's acquisition of Coyote Logistics in August 2015. Coyote is a leading truckload brokerage provider in North America. Coyote and Freightex business models are complementary and UPS expects to share the best system technologies, business processes, as well as leverage customers and carriers across the two units. Terms of the January 3rd, 2017 transaction were not disclosed.

"The U.K. and Europe are strategic 3PL freight brokerage growth markets for UPS and there is significant cross border opportunity," said Alan Gershenhorn, UPS Chief Commercial Officer. "This acquisition provides UPS customers an immediate, knowledgeable and competitive U.K. and European presence. We intend to align Freightex with Coyote for greater efficiency and continue to invest for further growth."

The European 3PL market was forecast to reach \$174 billion by the end of 2016. The

freight brokerage portion of the U.K. and total European 3PL market is growing at a faster rate than the total market and is expected to further expand as shippers and carriers further adopt the brokerage model. Brokered shipping services often provide greater efficiency brought about by higher fleet asset utilization when compared to operating dedicated fleets. More than one-half million road freight carriers currently operate in Europe, presenting significant opportunities to expand UPS's existing carrier base to create more value for customers and carriers from the advantages of higher equipment and staff utilization.

Shippers of all sizes and industries today rely on Freightex for the efficient movement and visibility of goods across the U.K. and Europe every day. Freightex also routinely handles freight from shippers who require temperature-controlled, specialized, and other types of customized equipment. The company has eight locations across the U.K. and Europe and uses an asset-light model to match customers' outgoing freight shipments with available trucking capacity in its network of carriers. UPS is among the largest multi-modal transportation companies in the world with extensive global airlines, trucking and package delivery networks. The company has operated in Europe for more than 40 years and is committed to continued expansion throughout Europe. By gaining access to UPS's global network, Freightex customers will gain the benefits of scale,

reach, and access to a broad integrated portfolio of shipping solutions for all their supply chain management and shipping needs. In turn, Freightex operations will provide UPS customers a turn-key U.K. and European solution where brokered freight movements provide the most competitive option.

“We are excited to join the UPS organization and Coyote brokerage operations,” said Tim Phillips, Freightex’s Chief Executive Officer. “UPS and Coyote have industry-leading technology, a no-excuses customer service culture, and a proven record of success. We will improve our efficiency through Coyote’s technology and use of the UPS network, while continuing to out-service the competition and provide results that customers count on us to

deliver.”

Phillips will continue to lead the Freightex business, which will operate as a wholly-owned subsidiary of UPS.

“UPS has many existing customers who will benefit from U.K. and European transportation brokerage capabilities. We will provide added value, helping customers and carriers streamline operations and have simplified visibility through the same Coyote system that they use in North America,” Gershenhorn said. “Freightex’s proven expertise and strong regional network, combined with Coyote’s technology, people, processes, and service reputation will present a best-in-class solution for customers.”

[Source: UPS](#)

