

XPO Logistics cancels break-up amid economic downturn

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XPO Logistics Inc has abandoned plans to break up the warehousing and delivery company via a sale or spin-off, it said on Friday, citing “market conditions.”

An XPO spokeswoman declined to comment beyond the Greenwich, Connecticut-based company’s brief statement in a regulatory filing.

XPO has lost more than half its market value since January as consumers and businesses cut spending in the wake of the coronavirus pandemic. The shares fell 4.45% to \$1.87 in afternoon trading.

XPO, which ships products such as exercise equipment and furniture from warehouses to consumers, had been considering selling or spinning off its logistics and transportation units. The latter accounts for the bulk of its revenue.

XPO Chief Executive Bradley Jacobs has said that selling or spinning off its businesses was the best way to maximize shareholder value.

XPO shares are trading at a significant discount to peers such as Knight-Swift Transportation Holdings Inc and FedEx Corp. Other rivals include United Parcel Service Inc, Deutsche Post’s DHL Group, and trucking firms J.B. Hunt Transport Services Inc and Werner Enterprises Inc.

(Reuters)