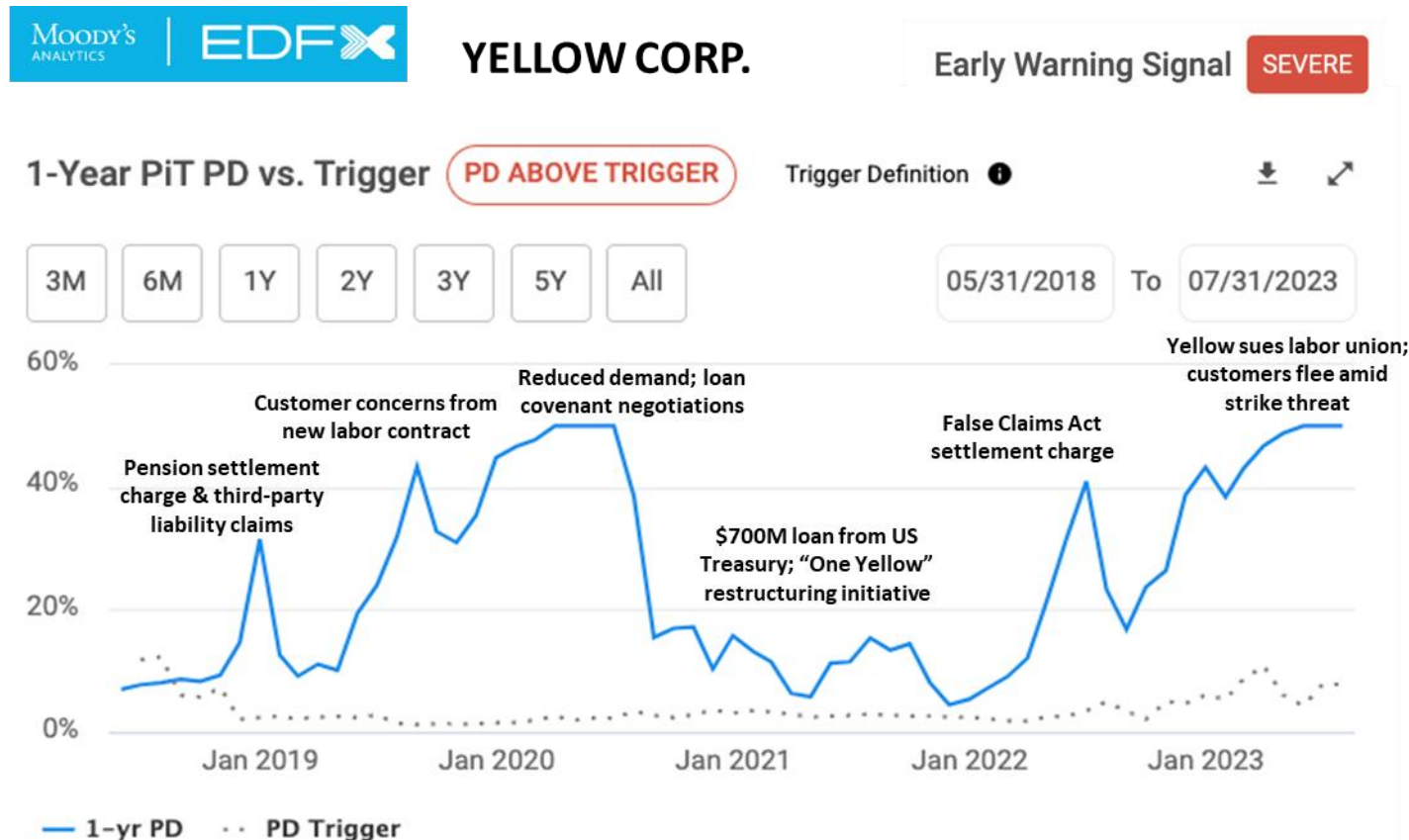


YELLOW CORPORATION'S LABOR UNION CHALLENGES AND HIGH CASH BURN RATE LEFT IT STRUGGLING TO REPAY ITS SUBSTANTIAL DEBT LOAD



Yellow Corporation is one of the largest and oldest U.S. truckers, specializing in less-than-truckload services. These services involve consolidating small shipments from numerous customers into a single truck, optimizing efficiency and cost-effectiveness. The EDF-X EWS has persistently flagged the firm as "high" and "severe" as early as August 2018. With more than two-thirds of its employees unionized, the company has suffered from repeated labor challenges, driving up their costs and turning customers away. A \$700M [loan](#) from the US government allowed the company to meet its near-term expenses during the pandemic, and the launch of the "One Yellow" modernization and restructuring [initiative](#) allowed the company to reduce redundancies in its network and cut costs. However, due to the union impeding progress in this initiative and a high cash [burn rate](#), the company found it challenging to repay its substantial outstanding debt, which is predominantly owed to the US government. Consequently, Yellow is now facing the imminent threat of bankruptcy, with the US government holding around 30% of the company's shares.