

Investors load \$500 mn into Uber's trucking business

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Uber said its freight unit which connects shippers and drivers was valued at more than \$3 billion in a new financing round

Uber on Friday said an investment group led by Greenbriar Equity is pumping \$500 million into its trucking unit.

The preferred stock financing values Uber Freight at \$3.3 billion, and comes as the San Francisco-based company's core ride-sharing service is stalled due to the pandemic.

Uber Freight matches truckers to shippers in much the way the ride service connects passengers with drivers in the so-called on-demand economy.

While Uber's ride service has suffered due to people hunkering down or being reluctant to get into cars with strangers due to Covid-19 risk, the freight unit, which launched in 2017, has grown.

"We have led the industry with technology, transforming dated and analog processes to ensure that both shippers and carriers are equipped to succeed in a rapidly changing industry," said Uber Freight chief Lior Ron.

Uber said it will retain a majority stake in Freight, using the money to expand the logistics platform and speed up [technology innovation](#).

"We are excited to support Uber Freight in the next stage of its development," said Greenbriar managing partner Michael Weiss.

"We believe that carriers and shippers will be increasingly attracted to the convenience and simplicity that Uber Freight offers in a complex marketplace."

Greenbriar has been involved in the logistics sector for decades and brings expertise that Uber Freight can tap into, Weiss added.

Uber reported a \$1.8 billion loss in the second quarter of this year as the Covid-19 pandemic caused its shared-ride business revenue to plunge.

Meanwhile, California has filed lawsuits against Uber and Lyft for alleged wage theft by misclassifying drivers as [independent contractors](#) rather than employees, in violation of a recently enacted [state law](#).

Uber, Lyft and DoorDash are backing a state ballot initiative in November's election which would classify rideshare drivers and other gig-economy workers as independent contractors, while offering certain benefits such as minimum wage, [sick leave](#) and workers' compensation.

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