

PETROLEUM PRODUCTS TRANSPORTATION: AN M&A OVERVIEW

How Buyers Evaluate Fuel-Haul
Carriers and How Owners Can Prepare

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Executive Summary



The **petroleum products transportation** sector – tank-truck carriers hauling gasoline, diesel, and related refined products from terminals and bulk plants to gas stations, commercial accounts, and fleet yards – is experiencing a steady but selective phase of consolidation. This trend is driven by the essential nature of fuel distribution, fragmentation among small and mid-sized carriers, and the need for scale to manage safety, driver constraints, and increasingly complex regulations.¹

Key Market Snapshot

- The overall U.S. tank trucking market, which includes petroleum products, chemicals, and food-grade liquids, is valued at approximately **\$61.73 billion in 2025** and is projected to grow at a **3.42% CAGR through 2030** to reach **\$73.03 billion**, with petroleum products accounting for a large share of revenue.¹
- A separate analysis focused purely on specialized tanker truck services projects the market to grow from around \$4.97 billion in 2024 to \$6.96 billion by 2035, indicating sustained demand for specialized bulk-liquid transportation services.²
- Petroleum products distribution networks rely on multiple modes (pipelines, marine, and rail), but tank trucks are the primary mode of delivering gasoline to service stations and heating oil to homes, making this “last-mile” segment operationally critical.³
- The North American fuel station market, valued at roughly \$32.38 billion in 2024, is expected to reach about \$40.28 billion by 2030 at a 3.7% CAGR, supporting continued demand for dependable fuel deliveries to retail and fleet locations.^{4,5}
- Carriers range from small local fleets to large regional operators; industry research on tank trucking highlights a competitive landscape with many smaller operators and a handful of larger players.

M&A Momentum – Why Now?

Strategic acquirers and private capital are actively evaluating petroleum products transportation businesses for three structural reasons: (1) fuel hauling is essential to keeping stations open and fleets operating; (2) compliance, training, and specialized equipment create barriers to entry; and (3) consolidation of fleets, terminals, and driver pools can yield operating leverage and more resilient networks.⁶

For business owners, this environment creates opportunities to achieve attractive valuations, particularly for companies with strong safety records, reliable driver rosters, newer fleets, and diversified, contract-backed customer relationships. At the same time, the broader trucking market is in a “cautious transition” after several years of volatility, with soft capacity and higher borrowing costs encouraging buyers to be selective and to use more structured consideration (earn-outs, seller notes, and equity rollovers) to align risk and return.⁷

Who Is This Report For?

This M&A overview is designed for owners of founder-led or multi-generational petroleum products transportation businesses that haul refined products from terminals and bulk plants to retail stations, card-lock sites, and fleet yards. It aims to distill practical guidance on valuation, buyer behavior, common deal pitfalls, and preparation steps, grounded in sector-specific dynamics and current market research.

Most of the owners we work with are not “ready to sell” immediately, but they value clarity about their options, risks, and long-term positioning. Understanding realistic valuation ranges, the relative importance of safety, fleet quality, and contract structure, and the growing use of structured consideration helps owners make informed decisions about when and how to pursue a transition.





Market Size and Scope

The petroleum products transportation niche sits within the broader U.S. tank trucking market, which plays a critical role in the movement of bulk liquids and gases across the country.¹ In this report, we focus on carriers that:

- Transport gasoline, diesel, and other refined products from refineries, marine terminals, or pipeline-fed terminals to gas stations, bulk plants, commercial accounts, and fleet yards.⁸
- Operate highway tank trucks equipped with specialized barrels for hazardous liquids, often divided into multiple compartments to carry different grades of gasoline or separate loads.³
- Provide scheduled, on-demand, or managed-inventory services to fuel retailers, distributors, and large end-users.

Key market references:

- The U.S. tank trucking market is projected to grow steadily, with petroleum products accounting for 40-50% of revenue in 2025.¹
- Tank trucking supports industries including petroleum products, chemicals, food and beverages, and industrial gases, where specialized equipment and regulatory compliance are essential.
- Fuel stations across North America rely on a combination of pipelines and trucking from terminals and bulk plants; the fuel station market's projected growth to about \$40.28 billion by 2030 indicates a continued need for reliable distribution capacity.^{4,5}

Market Characteristics

Essential “Last-Mile” Role in Fuel Distribution: Oil and refined products typically move long distances via pipelines and marine transport, but tank trucks provide the final link, delivering gasoline to service stations and heating oil to homes. Terminals and bulk plants serve as intermediate storage and redistribution nodes, supplying smaller local tank trucks that deliver to retailers and end-users.⁸

Highly Fragmented Carrier Base: The U.S. tank trucking market is characterized by a mix of large, established players and a relatively large number of smaller, regional operators, many of which are privately held. This fragmentation is particularly pronounced in local and regional petroleum products hauling, where small fleets serve defined territories and customer sets.¹

Regulation- and Safety-Intensive Business Model: Tank trucking operations must comply with federal and state transportation regulations, hazardous-materials rules, and strict safety standards, including driver training, vehicle maintenance, and incident reporting. The need for compliant operations and specialized equipment elevates the importance of safety and regulatory expertise.³

Asset- and Labor-Intensive Operations: The sector requires significant capital investment in tractors, trailers, and terminals, along with a highly trained driver workforce; industry analysis notes that driver shortages, fuel price volatility, and regulatory compliance are ongoing challenges. Operators must balance equipment utilization, driver availability, and maintenance to protect margins.

Macro and Energy-Transition Headwinds and Tailwinds: Tank trucking demand is closely tied to fuel consumption and industrial activity; while long-term decarbonization trends and growth in alternative fueling infrastructure may gradually reshape demand, these markets remain small compared to conventional

fuel networks in the near term. Over the current planning horizon, refined products distribution remains essential to the transportation economy.⁹

What's Driving M&A Activity?



Four primary forces are fueling consolidation in petroleum products transportation:

1. Generational Ownership Transition

Many tank-truck carriers serving fuel marketers, wholesalers, and retailers are founder- or family-owned businesses that have grown over decades alongside their customers. As these owners approach retirement, especially in smaller companies with limited management depth, the need to find succession solutions or liquidity events increases.⁸

Market research highlights that small and regional operators remain prevalent in the U.S. tank trucking market, creating a broad universe of potential acquisition targets as owners consider exit options. This demographic and ownership profile suggests a multi-year pipeline of owner-initiated sale processes, particularly for companies without natural successors.¹

2. Roll-Up Economics and Operational Synergies

Larger tank trucking platforms and diversified bulk-liquid carriers are actively pursuing roll-up strategies to capture scale economies and network synergies:

- **Network Density and Coverage:** Consolidating carriers in adjacent geographies can improve lane density, reduce empty miles, and provide more comprehensive coverage for national or regional customers.¹
- **Product Mix and Asset Utilization:** Combining petroleum, chemical, and food-grade fleets under one umbrella can improve asset utilization by balancing different demand cycles and customer needs.
- **Centralized Safety and Compliance:** Scaling safety, maintenance, and regulatory functions across a larger fleet can reduce per-unit overhead and strengthen compliance, a critical differentiator in hazardous-materials transport.⁶

These roll-up economics are especially compelling where small carriers lack the capital or systems to fully optimize dispatch, maintenance, and compliance, making them attractive add-on targets.

3. Strategic Supply Chain Control and Reliability

Fuel distribution networks depend on reliable, compliant, and responsive tank-truck capacity to keep terminals, bulk plants, and stations supplied. Disruptions in trucking capacity can result in station outages and operational downtime for fleets.³

As a result, large fuel marketers and wholesalers often prefer carriers with:

- Proven safety records and compliance programs.
- Sufficient fleet size to cover peak demand.
- The ability to integrate with customers' inventory management or ordering systems.

This focus on reliability and integration, rather than solely on per-mile cost, supports strategic M&A in which buyers acquire carriers to secure capacity, deepen customer relationships, and improve service levels.

4. Financial Sponsor Interest and Market Normalization

Broader trucking outlooks for 2026 point to a cautiously improving market following a period of freight softness and excess capacity, with analysts expecting gradual rate firming but not a rapid boom. Within this context, investors are gravitating toward niches that offer relatively stable, non-discretionary demand combined with identifiable operational improvement levers.^{7,10}

Market analysis emphasizes that competition in tank trucking is driven more by service quality and compliance than by price alone, which can underpin defensible margins and customer stickiness. This makes well-run petroleum products transporters increasingly attractive to financial sponsors seeking steady cash flows rather than speculative growth stories, especially when they can execute add-on acquisitions.¹

Benchmarking Your Company's Valuation



In past reports, we've explored common valuation methodologies, with EBITDA multiples typically serving as the headline yardstick. That same framework applies to petroleum products transportation, but there are some important nuances given the sector's regulatory intensity and asset base. For valuation context, petroleum products transportation most closely aligns with a subset of oil & gas and hazardous-materials trucking.

Average EBITDA Valuation Multiples for Private Petroleum Products Transportation Companies*

Company Type	\$500K-\$1M EBITDA	\$1-\$5M EBITDA	\$5-\$10M EBITDA
Local / Regional Fuel Haulers	5.0 – 6.0x	6.5 – 7.5x	7.5 – 8.5x
Multi-Terminal Fuel Hauler	5.0 – 6.0x	7.0 – 8.0x	8.0 – 9.0x
Diversified Tankers	6.0 – 7.0x	7.5 – 8.5x	8.5 – 9.5x

*Illustrative ranges synthesized from published private-company trucking multiples by subsector (notably "Oil & Gas" and "Hazardous Materials" trucking) and general freight-trucking valuation guidance, adjusted to reflect the added regulatory and safety complexity of petroleum products transportation.

Note: These multiples are meant to be illustrative and directional only and do not constitute a valuation opinion for any specific business or situation. Actual outcomes will vary based on company-specific factors such as size, growth, margins, customer concentration, cyclicalities, and deal structure; readers should treat this chart as a starting point and seek tailored advice for their situation.

Contextualizing the valuation ranges:

- A 2025 trucking-sector study of private EBITDA multiples by subsector reports that "Oil & Gas" trucking companies trade around 6.1x, 7.4x, and 8.3x EBITDA for the \$500K-\$1M, \$1-5M, and \$5-10M bands, respectively, while "Hazardous Materials" carriers trade higher at roughly 6.7x, 8.5x, and 9.5x.¹¹



- A separate freight-trucking valuation guide for private companies cites a typical EBITDA multiple range of about 3.1x-3.93x for general freight trucking, implying that specialized segments (e.g., hazmat, oil & gas) can justify higher multiples than general freight.¹²

Valuation Drivers in Fuel-Haul and Tank Trucking

While detailed private-company deal data in this sector are scarce, published analyses and industry commentary on the broader U.S. tank trucking market provide directional insight:

- **Steady Growth and Essential Demand:** The tank trucking market's projected **3.42% CAGR from 2025 to 2030**, supported by demand from petroleum products and other bulk liquids, points toward a steady rather than rapidly cyclical revenue backdrop.¹
- **Contract-Based Revenue:** Long-term contracts are common for fuel and chemical shipments, supporting stable capacity planning and creating value for carriers with strong relationships and performance histories.¹
- **Service Quality and Compliance as Differentiators:** Analyses note that competition in the tank trucking market is driven more by service quality and compliance capabilities than by price alone; this dynamic aligns valuations closely with safety records and operational performance.⁶

In practice, EBITDA multiples for petroleum products transporters are heavily influenced by:

- Scale (EBITDA size and number of terminals).
- Contract quality (length, renewal history, change-of-control provisions).
- Customer diversification (exposure to any single fuel marketer or chain).
- Fleet age and capex profile.
- Safety and environmental track record.

Because detailed transaction data for private fuel hauling companies is limited, owners should treat any ranges as directional and rely on a tailored valuation that incorporates company-specific factors.

Translating Market Signals into Valuation Expectations

Given the projected steady growth, essential demand profile, and the premium on compliance, well-run petroleum products transportation companies can expect valuation outcomes that reflect:

- A base multiple range for small to mid-sized carriers influenced by their risk profile and dependence on a few major customers.
- Potential premium multiples for larger, highly compliant platforms with newer fleets and diversified, contract-backed revenue.
- Heavier use of earn-outs and structured consideration where customer concentration, safety issues, or capex needs create uncertainty.

Owners should focus first on understanding their normalized EBITDA, exposure to key risk factors, and how their business compares qualitatively to what sophisticated buyers are seeking in this niche.

Identifying Common Pitfalls



Even in an attractive niche, several recurring pitfalls can derail deals or erode value for petroleum products transportation companies.

Driver Retention and Labor Continuity

The U.S. tank trucking market faces ongoing driver shortages, particularly for specialized tank and hazardous-materials work, with operators needing to prioritize driver retention, training, and compliance. If key drivers leave during a sale process, customer service levels and volumes can suffer, directly impacting valuation and earn-out outcomes.

Mitigation Strategies:

- Develop clear compensation frameworks, safety bonuses, and retention plans for key drivers.
- Involve drivers early in communications about a transaction to reduce uncertainty and rumors.
- Document roles, customer requirements, and operating procedures so knowledge is not concentrated in a few key individuals.

Customer Concentration and Informal Agreements

Bulk plants and local marketers frequently rely on longstanding relationships with preferred carriers; in some cases, these arrangements are based on handshake agreements or short-term contracts. This can create concentration risk when a small number of accounts account for a large share of revenue.

Mitigation Strategies:

- Identify customers representing more than 10-15% of revenue and evaluate opportunities to formalize multi-year agreements with clear service and pricing terms.
- Diversify revenue where feasible, adding accounts in adjacent territories or segments (e.g., commercial fleets, heating oil, or other refined products).
- Show historical volume and retention data to substantiate the durability of key relationships.

Safety, Environmental, and Regulatory Exposure

Tank trucking operators must maintain stringent safety standards and regulatory compliance; failure in these areas can result in fines, reputational damage, and elevated risk perceptions by buyers. Issues such as spills, repeated roadside violations, or unresolved environmental concerns at terminals can become major deal-breakers.

Mitigation Strategies:

- Conduct internal safety and environmental audits at least 6-12 months before going to market.
- Address known issues (e.g., facility drainage, spill-response training) proactively and document remediation.
- Maintain and organize records of inspections, violations, incident responses, and driver training sessions.

Fleet Age, Maintenance, and Capex

Industry research notes that tank trucking companies face challenges from fluctuating fuel prices, driver shortages, and the need for ongoing investment in equipment. Aging tractors and tanks, inconsistent maintenance documentation, or non-standard equipment can increase perceived capex needs and reduce effective transaction value.

Mitigation Strategies:

- Prepare a comprehensive inventory of equipment by age, mileage, and configuration.
- Implement and document preventive maintenance programs with clear schedules and records.
- Develop a realistic multi-year fleet replacement plan that aligns capex with expected cash flows.

Financial and Data Transparency

Smaller operators sometimes lack robust dispatch, telematics, or financial systems, making it difficult for buyers to assess route-level profitability, on-time performance, and cost structure. Limited data can lengthen diligence, raise questions, and push buyers toward more conservative structures.

Mitigation Strategies:

- Upgrade dispatch and financial reporting systems to provide route-level and customer-level reporting.
- Implement consistent coding for fuel surcharges, accessorials, and direct vs. indirect costs.
- Prepare management dashboards tracking utilization, on-time performance, and safety metrics.

Creating a 12-18 Month Preparation Plan



Owners who start preparing 12-18 months before a transaction can meaningfully improve outcomes. A structured preparation plan for petroleum products transportation businesses should focus on six core areas.

Financial Documentation

Action Items:

- ✓ Implement accrual accounting with monthly closes; clearly separate revenue components (line-haul, surcharges, accessorials) and fuel costs.
- ✓ Prepare three years of financial statements, at a minimum on a reviewed or compiled basis, plus monthly P&Ls and cash-flow statements.
- ✓ Develop a normalized EBITDA schedule adjusting for non-recurring expenses, owner compensation, and non-operating items.

Customer, Route, and Contract Mapping

Action Items:

- ✓ Create a comprehensive customer list with annual revenue, products hauled, locations served, and contract terms.



- ✓ Map key routes by terminal, region, and lane, including average volumes and margins.
- ✓ Identify and address customer concentration risks by pursuing additional accounts and formalizing long-term agreements where appropriate.
- ✓ Prepare customer retention and volume history for major accounts over the last 3-5 years.

Safety, Regulatory, and Environmental Readiness

Action Items:

- ✓ Compile safety performance data, including accidents, roadside inspections, violations, and corrective actions.
- ✓ Create documentation for driver training programs, hazardous-materials handling procedures, and incident-response protocols.
- ✓ Assess terminals and yards for environmental compliance (spill containment, stormwater management, fuel storage) and address outstanding issues.
- ✓ Organize all permits, licenses, and regulatory documents in an easily accessible format.

Fleet and Maintenance Planning

Action Items:

- ✓ Prepare a detailed fleet inventory by unit, including manufacturer, model year, mileage, configuration, and tank specifications.
- ✓ Implement or refine a preventative maintenance schedule, capturing key services and inspections in a centralized system.
- ✓ Develop a three- to five-year fleet replacement and refurbishment plan aligned with cash-flow expectations and buyer expectations around capex.
- ✓ Consider standardizing equipment specs where possible to simplify maintenance and parts inventory.

Management and Driver Bench Strength

Action Items:

- ✓ Build or formalize a management team structure (operations, safety, maintenance, finance) that can operate independently of the owner.
- ✓ Document roles, responsibilities, and succession plans, including cross-training and backup coverage.
- ✓ Develop driver recruitment and retention programs, with clear pay structures, safety incentives, and career-development opportunities.
- ✓ Capture and document key relationships between drivers/dispatchers and customers to reduce key-person risk.

Narrative & Presentation Development

Action Items:

- ✓ Prepare a clear narrative of your company's history, market position, customer base, and strategic advantages.



- ✓ Highlight the essential nature of your services, the stability of fuel demand, and the importance of safety and compliance in your operation.
- ✓ Use data to support your story: route maps, customer retention statistics, safety improvements, and fleet-age reductions.
- ✓ Identify credible growth opportunities, such as new territories, additional product lines, or deeper integration with existing customers' supply chains.

Owners who follow this preparation plan are better positioned to withstand intensive buyer diligence, justify premium valuation terms, and navigate the negotiation and integration process from a position of strength.

Key Takeaways



The petroleum products transportation sector is a **critical, specialized component of the U.S. logistics infrastructure**, responsible for the last-mile delivery of fuel from terminals and bulk plants to service stations and end-users. Market research indicates steady growth in the U.S. tank trucking market, driven by ongoing demand for petroleum products and other bulk liquids, in an environment where safety, compliance, and service quality are key differentiators.

For owners of fuel-haul businesses, the combination of fragmentation, generational transitions, and scalable operational improvements suggests a favorable backdrop for M&A, provided that companies invest early in their financial reporting, safety and environmental readiness, fleet quality, contract structure, and management depth. With a thoughtful 12–18-month preparation process and guidance from experienced legal, tax, and M&A advisors, business owners can significantly improve their odds of achieving a successful, value-maximizing transition.

About Western Commerce Group



About

Western Commerce Group is an M&A and strategic advisory firm that focuses on family-owned and privately held businesses. Since its founding in 1998, the firm has completed transactions totaling over \$13 billion and has advised 160+ clients across more than 30 U.S. states, as well as Canada and Mexico. The firm emphasizes long-term client relationships, providing trusted advisory support that aligns with clients' strategic goals and preserves the legacy of their businesses.

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