



# TURNING THE CORNER

## INVESTOR PRESENTATION

NOVEMBER 2019



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This presentation includes the presentation of Adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is not a measure of financial performance in accordance with generally accepted accounting principles and may exclude items that are significant in understanding and assessing our financial results. Therefore, this measure should not be considered in isolation or as an alternative to net income from operations, cash flows from operations, earnings per fully-diluted share or other measures of profitability, liquidity or

performance under generally accepted accounting principles. We believe our presentation of Adjusted EBITDA is useful to investors and other users as these measures represent key supplemental information our management uses to compare and evaluate our core underlying business results both on a consolidated basis and across our business segments, particularly in light of our leverage position and the capital-intensive nature of our business. Additionally, Adjusted EBITDA helps investors to understand how the company is tracking against our financial covenants in our term loan credit agreement as this measure is calculated as prescribed therein and serves as a driving component of our key financial covenants. You should be aware that this presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. Further, the way we define Adjusted EBITDA has recently changed. Adjusted EBITDA as used herein is defined as Consolidated EBITDA in our new term loan facility entered into September 11, 2019. Please refer to our most recent Form 10-Q for additional information and a copy of the new term loan. A reconciliation of this measure to the most comparable measures presented in accordance with generally accepted accounting principles has been included in this presentation.

We are North America's largest alliance of LTL regional and national networks, perfectly balanced with multi-mode freight brokerage solutions and easy-to-use technology

Our newly-ratified 5-year labor contract, enterprise network optimization strategy and introduction of HNRV Logistics provide us with a unique opportunity to make strategic investments today which position us for growth, operational improvements and increased profitability in 2020 and beyond

## Today is a new day for YRC Worldwide

**\$5.1B**

Total Revenue

**~380+**

Terminals

**~60,000**

Available assets

**~31,000**

Employees

**~90+**

Years Legacy

**~20M**

Shipments Transported Annually

Information from 2018 Form 10-K

# ROADMAP TO PROFITABILITY IMPROVEMENT



2019-2021 - On track

## CUSTOMER ENGAGEMENT & GROWTH

Anticipated growth through simplified engagement and diversified offerings for customers



SECOND HALF 2019 - Complete

## BLUEPRINT FOR CHANGE

New Term Loan provides improved capital structure. Implemented enterprise-wide sales and operational leadership structure



FIRST HALF 2019 - Complete

## LABOR CONTRACT RATIFICATION

Five-year contract with a renewed commitment to employees and union workforce. Creates a foundation for operational excellence and revenue growth



2020-2023 - On track

## SHAREHOLDER RETURN

Expected profitability improvement through network optimization and implementation of operational efficiencies from the labor contract; capital structure change



2019-2021 - On track

## NETWORK OPTIMIZATION

Identifying opportunities to optimize our four LTL networks that transport approximately 20 million shipments annually through 380+ terminals, approximately 14,000 tractors and 45,000 trailers



Executive Strategic Plan



# FOCUS AREAS FOR OUR NEXT CHAPTER

## PEOPLE & CULTURE

- Labor Agreement/Engagement
- Employee Productivity
- Recruitment & Retention
- Safety



## TERMINAL & NETWORK OPERATIONS

- Network Optimization
- Operational Efficiencies
- Equipment

## CUSTOMER ENGAGEMENT & GROWTH

- Simplified Sales Structure
- Capture New Market Opportunities through HNRV Logistics
- Technology

## SHAREHOLDER RETURN

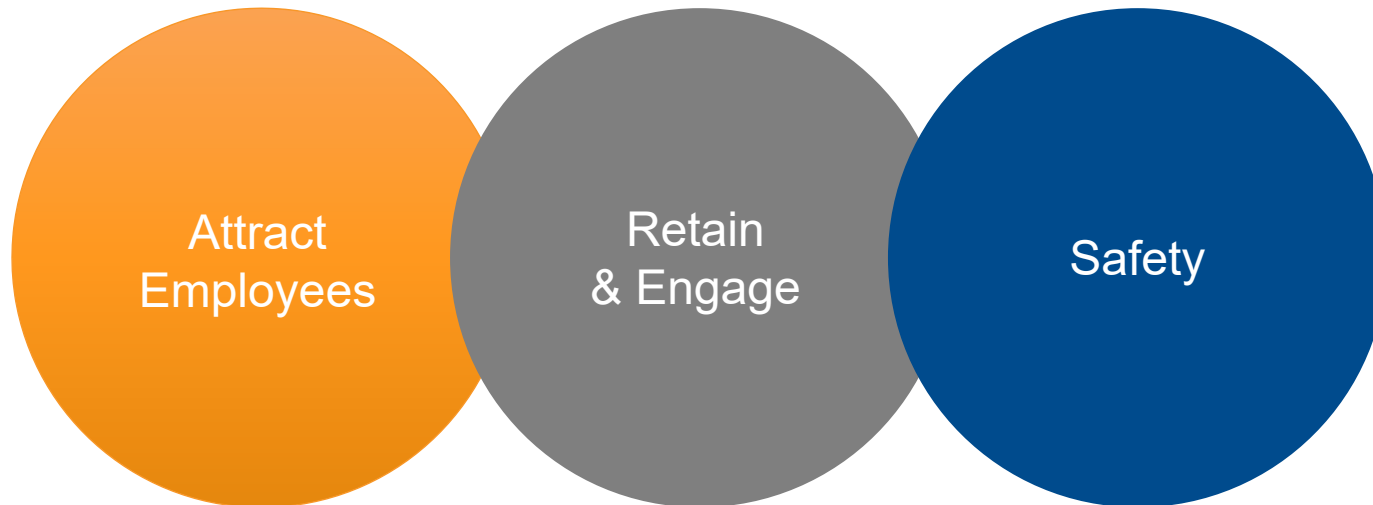
- Revenue Growth
- CapEx Investment
- Margin Expansion

Investing for our future growth



# PEOPLE & CULTURE

OUR FOCUS ON PEOPLE AND CULTURE FUELS OUR NETWORK



Competitive wage package and opportunities for career progression provides the career path and stability to attract employees

Engaged employees deliver top notch service to customers and the productivities we need to achieve our financial goals

Committed to safety of our employees and the motoring public

It all starts with people





# PEOPLE DRIVE OUR BUSINESS

## FOCUS ON HIRING AND RETAINING DRIVERS TO MITIGATE INDUSTRY-WIDE DRIVER SHORTAGE

### MARKET-COMPETITIVE WAGE & BENEFITS PACKAGE

- Total of \$4 per hour increase over the life of the contract
- Continuation of high-quality health care with lower fixed cost for the corporation
- New bonus structure

### CAREER PATH TO ATTRACT AND RETAIN EMPLOYEES

- Military veteran programs
- Tuition-free driving schools
- CDL Tuition Reimbursement
- Dock-to-driver programs allow company to develop future pool of drivers who know our network
- New city box truck program enables us to onboard drivers to operate non-CDL vehicles and convert them to CDL drivers in a progressive career path
- Addition of dock-only employees allows us to plan and source our operations with non-CDL drivers
- 17,000 active drivers with a 14-year average tenure





# DRIVEN BY SAFETY

## INTENSE FOCUS ON SAFETY TO KEEP EMPLOYEES SAFE AND ACCIDENT-FREE

### SAFETY FOCUS

- 200+ safety trainers – many peer-to-peer driver trainers
- Smith System training
- Deployment of executive safety & area safety councils
- Individual area safety plans with locally empowered safety committees
- Injury and accident avoidance focus
- Advanced collision avoidance technology
- Lane departure alert systems

### 914 Million Miles Covered in 2018

- 1,791 active accident-free 1 million mile drivers
- 624 active accident-free 2 million mile drivers
- 148 active accident-free 3 million mile drivers
- 26 active accident-free 4 million mile drivers
- 3 active accident-free 5 million mile drivers
- 1 active accident-free 6 million mile driver

Information from 2018 annual report.

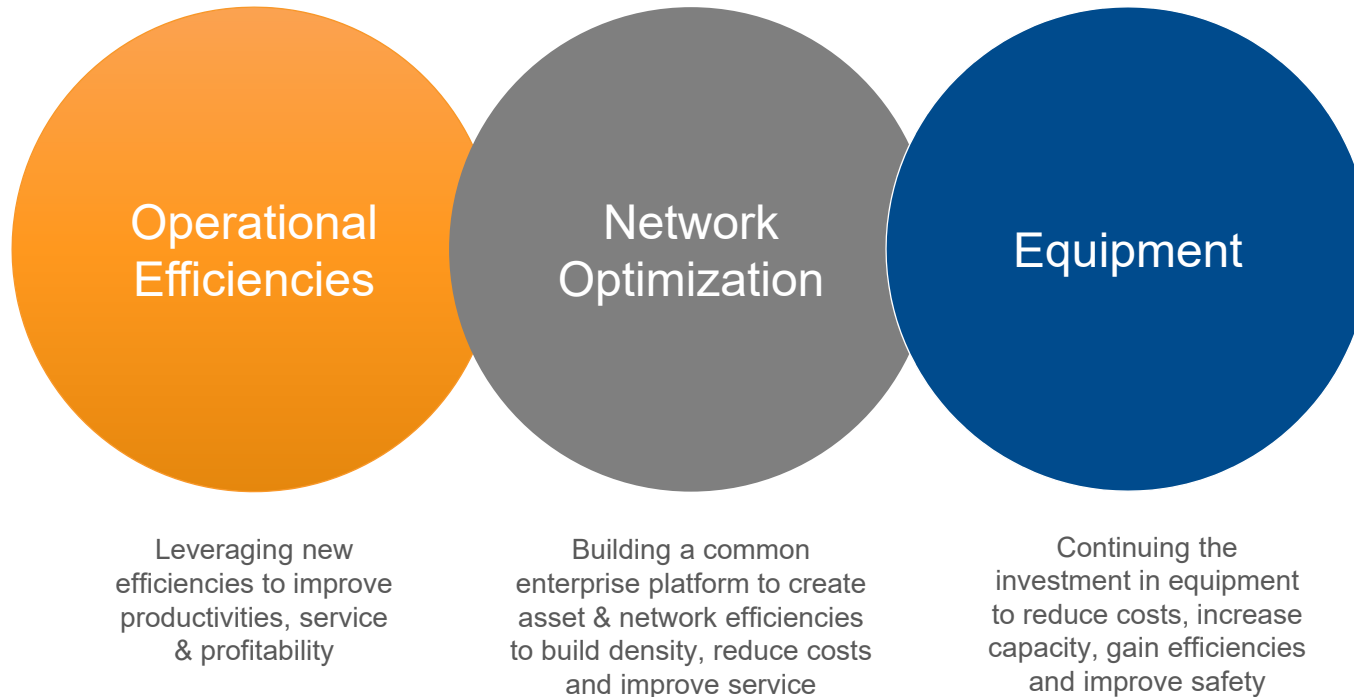






# TERMINAL & NETWORK OPERATIONS

BUILDING A NETWORK TO DRIVE FINANCIAL AND CUSTOMER GROWTH



Putting it all together



# OPERATIONAL FLEXIBILITIES CREATE MULTIPLE BENEFITS

NEW OPERATIONAL FLEXIBILITIES CREATE OPERATIONAL OPPORTUNITIES TO:

Expand revenue

Accelerate cost reductions

Improve productivity and service metrics

## NEW FLEXIBILITIES

### PURCHASED TRANSPORTATION

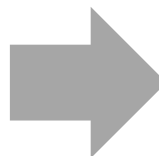
- Increased cap to 29% for YRC Freight and introduced to Holland with an 8% cap
- New flexibility to shift between road and rail carriers as needed

### BOX TRUCKS

- Allows new classification of employees who are not required to possess a CDL license to drive box trucks in our city operations

### DOCK & YARD FLEXIBILITIES

- Creates new dock-only classifications
- Affords opportunities to have work performed across classifications



## BENEFITS

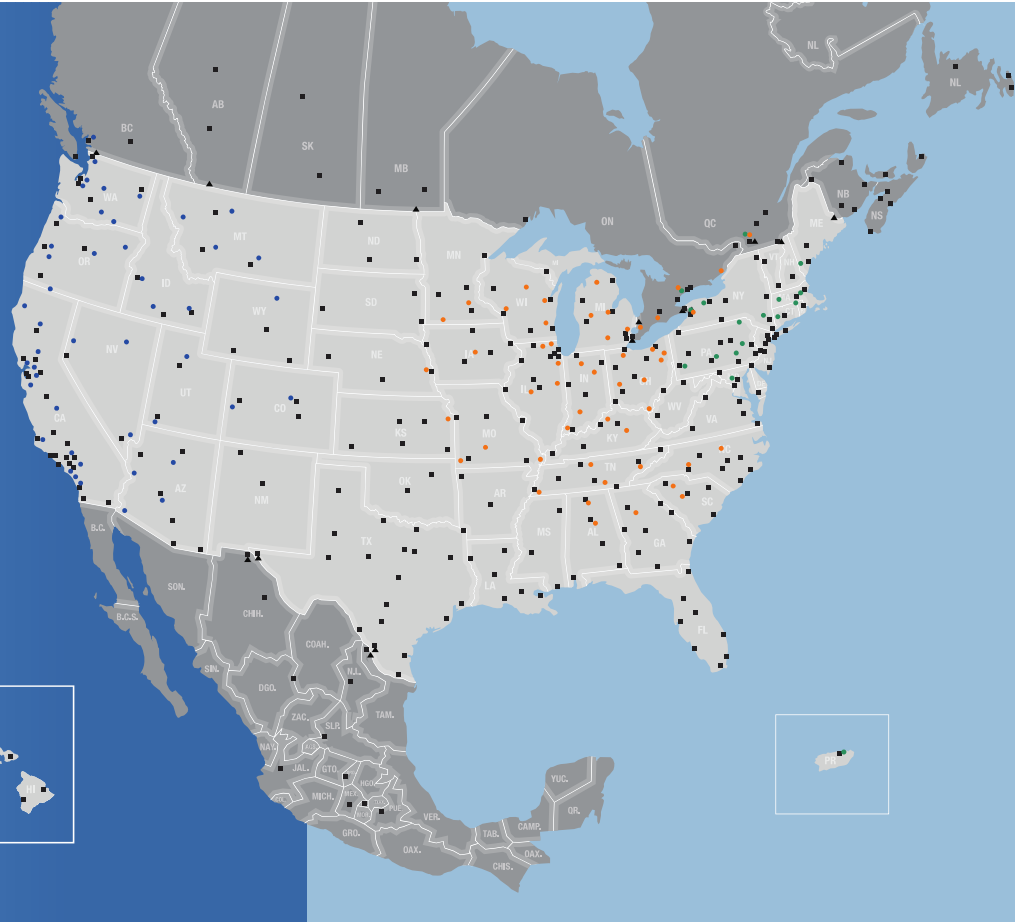
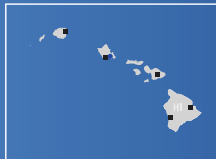
- Expansion of purchased transportation increases network capacity, expands growth opportunities, reduces capital requirements, and eliminates liability exposure
- Enhanced solution to mitigate industry-wide driver shortage due to better utilization of CDL Drivers
- Expands capacity
- Lower cost solutions than expensive local cartage
- Reduces reliance on short-term rentals



# NETWORK OPTIMIZATION

## OUR NETWORKS

- YRC Freight Service Center
- Reddaway Service Center
- New Penn Service Center
- Holland Service Center
- ▲ Border Gateways



~ 25

12 facilities consolidated on track for ~25 in 2019

~ \$25M

On track with ~\$25M estimated cash proceeds which provides additional liquidity

This initial ~25 consolidations completed in 2019 paves the way for the next ~25 to start in 2020

BUILD DENSITY

REDUCE COST REDUNDANCIES

ASSET UTILIZATION

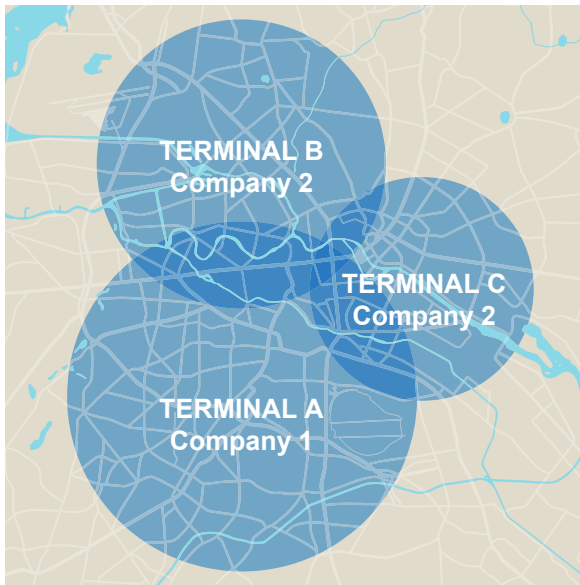
Serving our customers coast-to-coast





# A NEAR-TERM EXAMPLE OF OPTIMIZATION

## CONSOLIDATION SCENARIO



Immediate focus on gaining efficiencies and cost reductions through terminal cohabitation and consolidation

- Terminals in close proximity and with capacity are merged into one terminal
- Equipment, facility and employees are moved from B & C to generate cash proceeds and create synergies with routes, employees and equipment

## NETWORK OPTIMIZATION

6 key focus areas:

- Network Design and Facilities
- Linehaul Planning
- Routing and Interchange
- City Operations
- Dock and Yard Operations
- Visibility and Status

Optimizing the network for increased efficiencies and service



# EQUIPMENT INVESTMENT

## OUR ASSETS

YRC Freight operates a modernized national network

Holland, New Penn and Reddaway operate direct loading and quick sort networks

380+ terminals

- 21,000 doors
- 14,000 tractors
- 45,000 trailers

### Reinvesting in the business

by replenishing the fleet through a combined approach of purchasing and leasing, new equipment features and technology to improve operating costs, reduce safety risks, lower maintenance costs and provide better fuel mileage

Since 2015, taken delivery of ~5,200 tractors and ~12,100 trailers



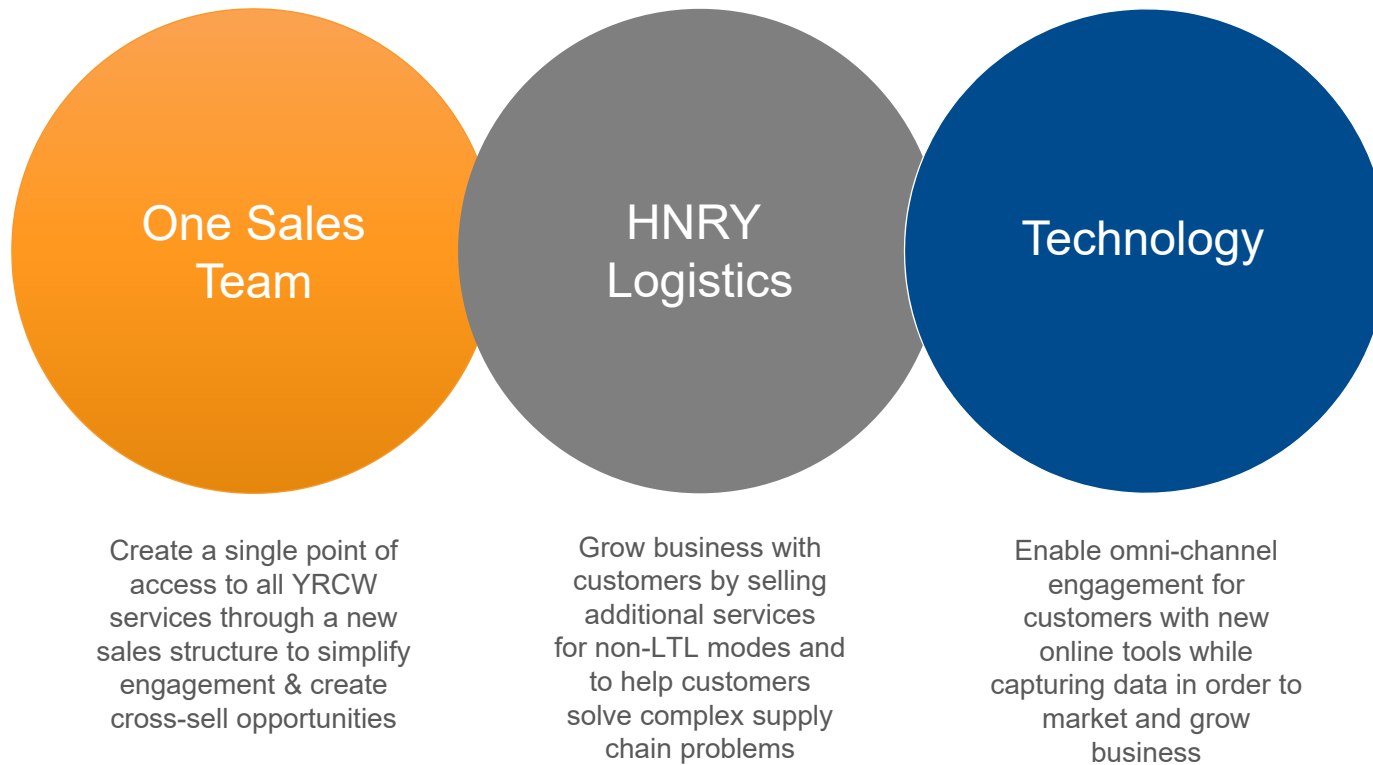
Expected investment level of approximately 6% of operating revenues in 2019





# CUSTOMER ENGAGEMENT & GROWTH

GROW REVENUE & YIELD BY DEEPENING RELATIONSHIPS WITH CUSTOMERS THROUGH SIMPLIFIED ENGAGEMENT AND DIVERSIFICATION OF SERVICES



Meeting all customers' transportation needs



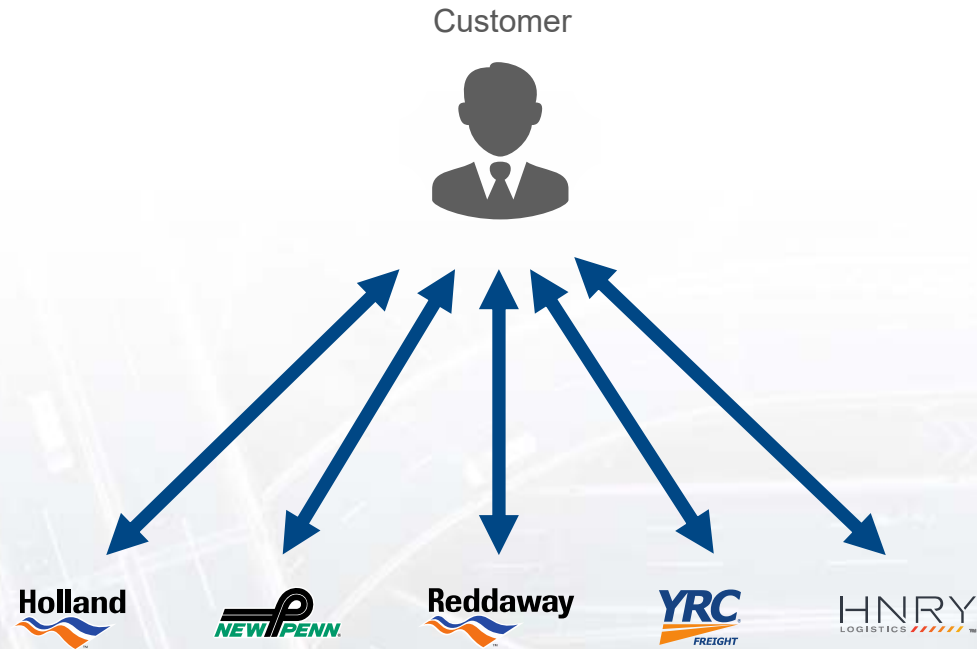


# SIMPLIFYING CUSTOMER ENGAGEMENT

## NEW SALES STRUCTURE



## PREVIOUS SALES STRUCTURE



Single point of contact



# MARKET POTENTIAL LTL AND BEYOND

TOTAL MARKET POTENTIAL:

**\$600 Billion**



TRUCKLOAD:

**\$395 Billion**



LTL:

**\$64 Billion**



REVERSE LOGISTICS & DISTRIBUTION:

**\$41 Billion**



3PL/CONTRACT LOGISTICS:

**\$86 Billion**



FINAL MILE FREIGHT:

**\$9 Billion**



EXPEDITED FREIGHT:

**\$5 Billion**



Source: American Trucking Association, Armstrong & Associates, management estimates November 2019







# SERVING CUSTOMERS BEYOND LTL

## HNRV LOGISTICS

### *TRUCKLOAD DIRECT –*

When you need a full truck, we've got one.  
Along with the power and flexibility of our full network

### *RESIDENTIAL DIRECT –*

An easy way to get larger-than-parcel items from  
warehouse or store to the customer's front door

### *ENGINEERED SOLUTIONS –*

Our project managers put together the best plan for the  
trickiest shipments

### *CONTRACT AND REVERSE LOGISTICS –*

Got freight that needs to go the other way? We make  
recalls and returns safe, reliable and cost-effective

### *EXPRESS DIRECT –*

Truck, flatbed or air, we've got the capacity you need.  
You tell us when and where, and we take it from there



HNRV Logistics  
is driving towards \$150M  
of revenue in 2019 with the  
potential of \$250M  
of revenue as early as 2020

Longer term target:  
20% of overall revenue



# IMPROVED EXPERIENCE ENABLED BY TECHNOLOGY

ONE VIEW OF CUSTOMER

EASIER ENGAGEMENT

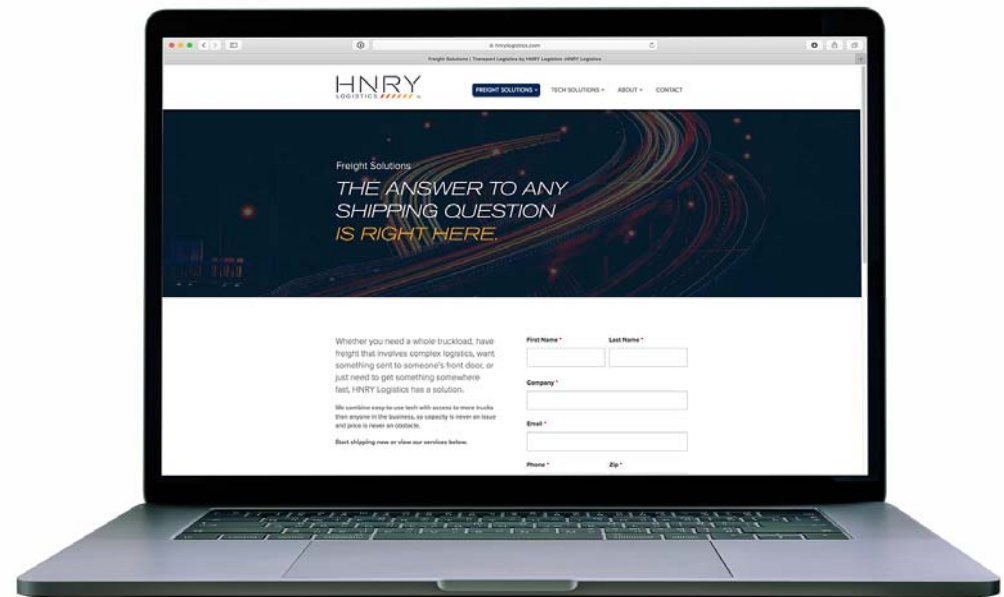
NEW CUSTOMER BASE

## TECHNOLOGY TO IMPROVE OUR NETWORK AND SERVICE

Implementing tools for continuous improvement in safety, efficiency, and productivity

- **In-Cab Safety Technology** (in service)
- **Dimensioners** (95 in service)
- **Pickup & Delivery Route Optimization Software** (implemented in 50% of freight terminals currently)
- **Pick Up & Delivery Handheld Units – Honeywell City Mobile Software** (fully implemented)
- **Integrated CRM Solution for all Sales** (first phase implemented Q1 2020)
- **Linehaul Optimization for Regionals** (full implementation expected in 1H 2020)
- **ELD Process Automation** (full compliance with ELD mandate)

## TECHNOLOGY TO MAKE IT EASIER FOR CUSTOMERS TO ENGAGE & ATTRACT NEW CUSTOMERS



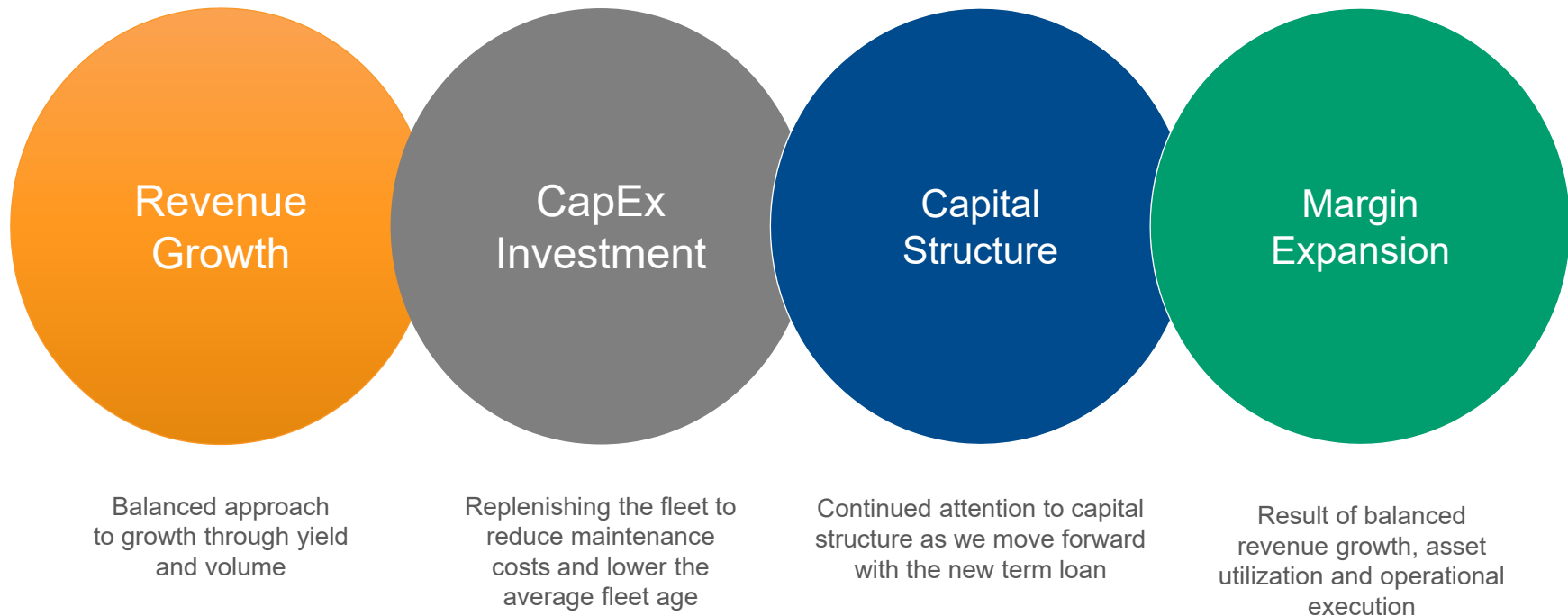
Strategically investing in technology for safety, service and sustainability





# FINANCIAL STRUCTURE

BUILD LONG-TERM SHAREHOLDER VALUE THROUGH FINANCIAL PERFORMANCE

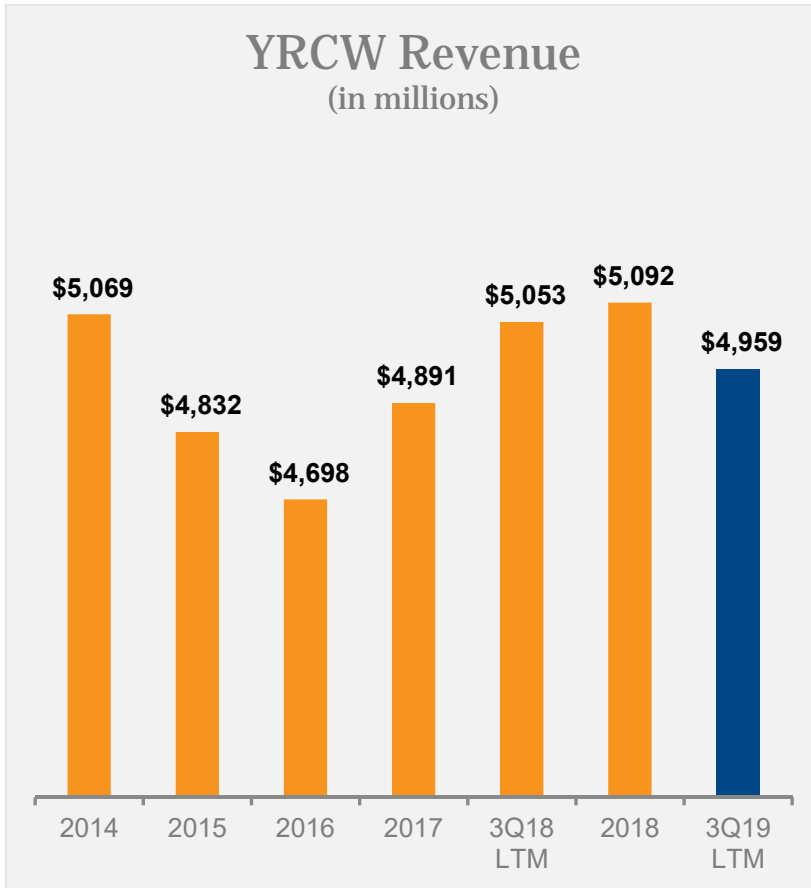


Positioned to drive improved financial performance





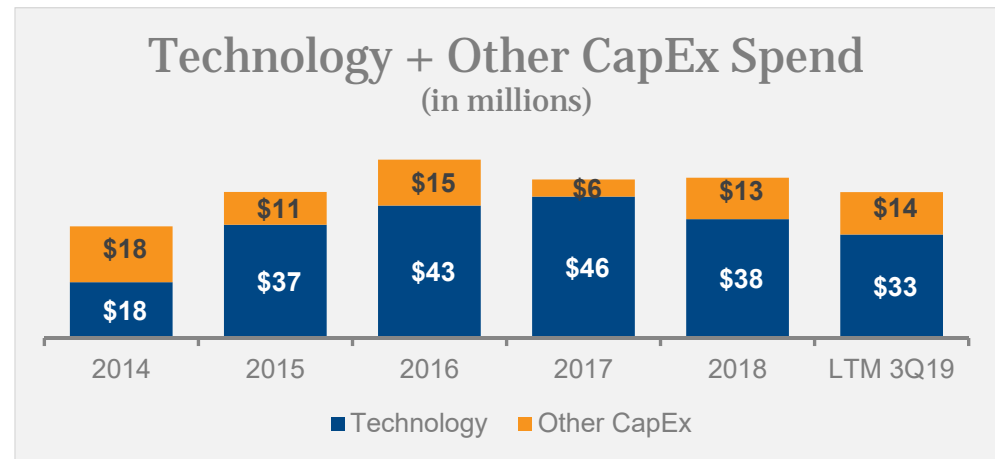
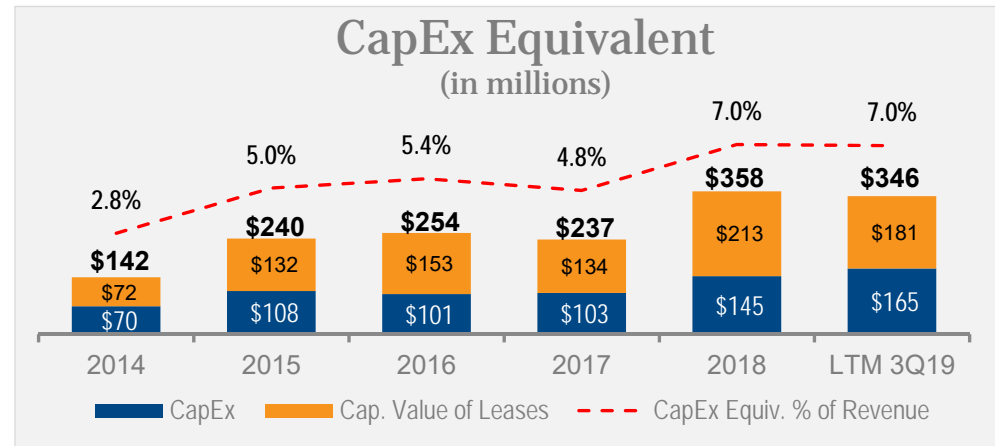
# CONSOLIDATED FINANCIAL RESULTS





# REINVESTING IN THE BUSINESS

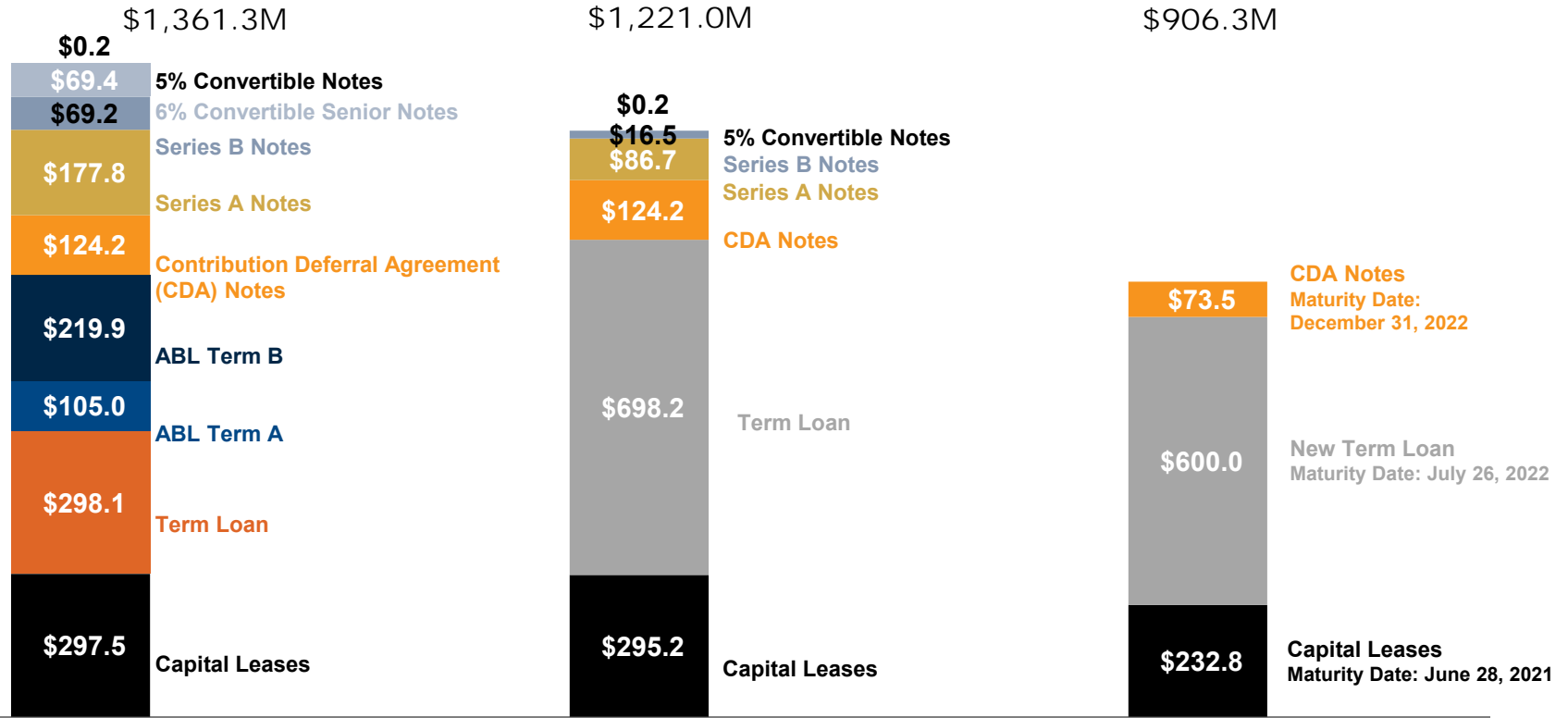
- Expected investment level of approximately 6% of operating revenues in 2019
- After nearly 10 years of under-investment, YRCW resumed equipment acquisition in 2013, ramping up in more earnest in 2015
- Through Q3 2019, 37% of the linehaul tractor fleet has been replenished since 2015
- Plans to acquire more box trucks through 2020
  - Over 250 units acquired to date





# MANAGEABLE CAPITAL STRUCTURE

(\$ in millions)



Pre-Refinancing - 12/31/13

9 Debt Facilities

Post-Refinancing - 3/31/14

6 Debt Facilities

As of 9/30/19

3 Debt Facilities

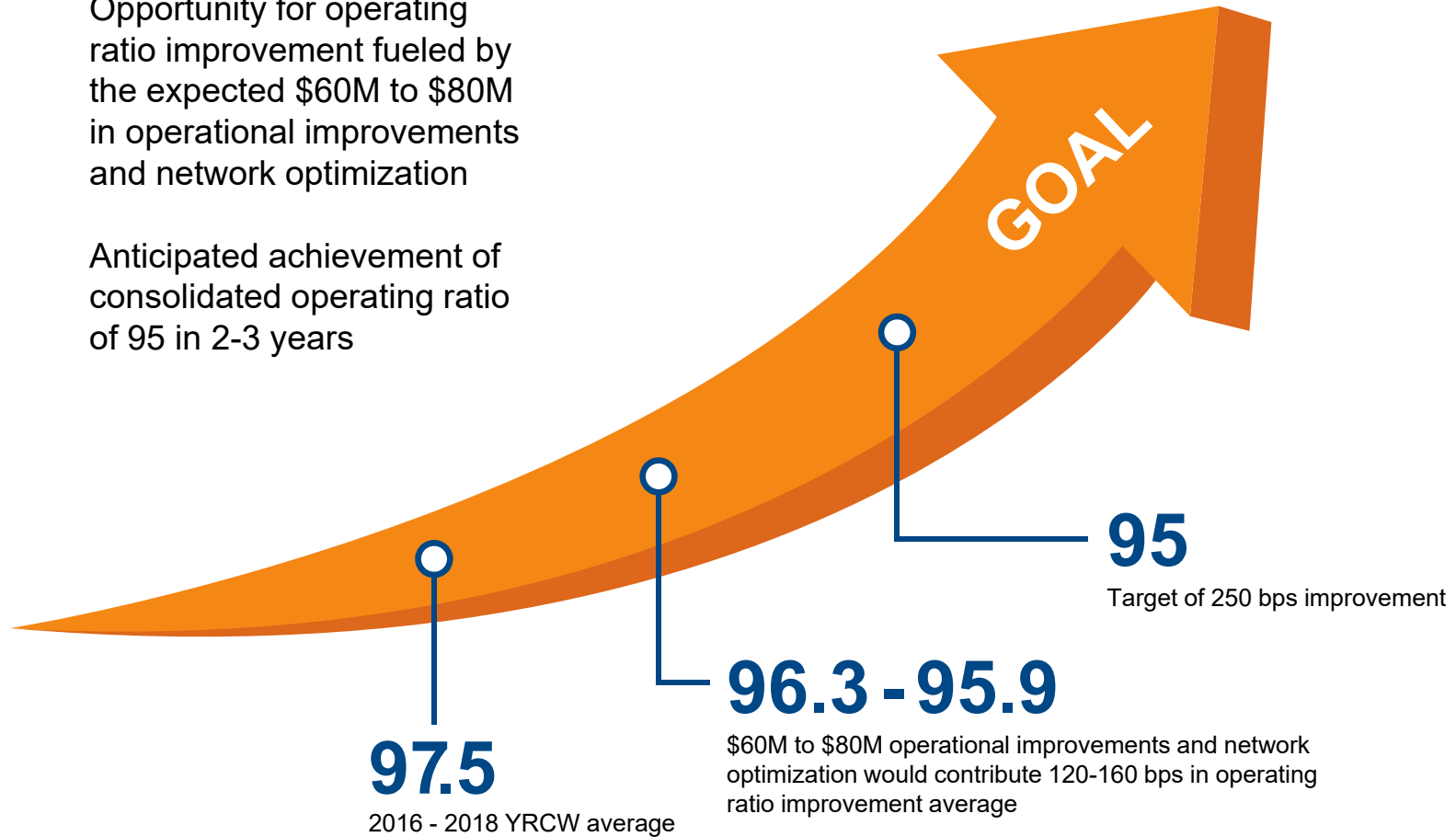
Since 2013, debt obligations reduced by \$455.0 million and cash interest payments reduced by ~\$40 million per year



# OPPORTUNITY FOR OPERATING RATIO IMPROVEMENT

Opportunity for operating ratio improvement fueled by the expected \$60M to \$80M in operational improvements and network optimization

Anticipated achievement of consolidated operating ratio of 95 in 2-3 years



# INVESTOR RELATIONS

NASDAQ:

**YRCW**

WEBSITE:

**yrcw.com**

COMPANY CONTACT:

**Eric Birge**

Vice President of Investor Relations

[investor@yrcw.com](mailto:investor@yrcw.com)







# APPENDIX

# EXPERIENCED SENIOR MANAGEMENT

MORE THAN 175 YEARS OF COMBINED INDUSTRY EXPERIENCE LEADING THE TRANSFORMATION OF YRCW		
<b>Darren Hawkins</b>	Chief Executive Officer	Returned to the Company in 2013 and served as President of YRC Freight and Chief Operating Officer of YRCW prior to being appointed Chief Executive Officer at YRCW
<b>Stephanie Fisher</b>	Chief Financial Officer	15-year veteran of the Company; prior to being named CFO, was Vice President and Controller for the Company
<b>Scott Ware</b>	Chief Network Officer	Prior to being named Chief Network Officer, was President of Holland, was Vice President of Operations and Linehaul for the Company
<b>TJ O'Connor</b>	Chief Operating Officer	Prior to being named Chief Operating Officer, was President of YRC Freight and was previously President of Reddaway
<b>Jim Fry</b>	Vice President, General Counsel & Corporate Secretary	Prior to YRCW, served as Executive Vice President, General Counsel, and Secretary for Swift Transportation Company
<b>Jason Bergman</b>	Chief Customer Officer	Prior to YRCW, served as Chief Customer Officer of Dicom Transportation
<b>Jason Ringgenberg</b>	Chief Information Officer	Prior to YRCW, served as Managing Director at Accenture in North American Freight and Logistics

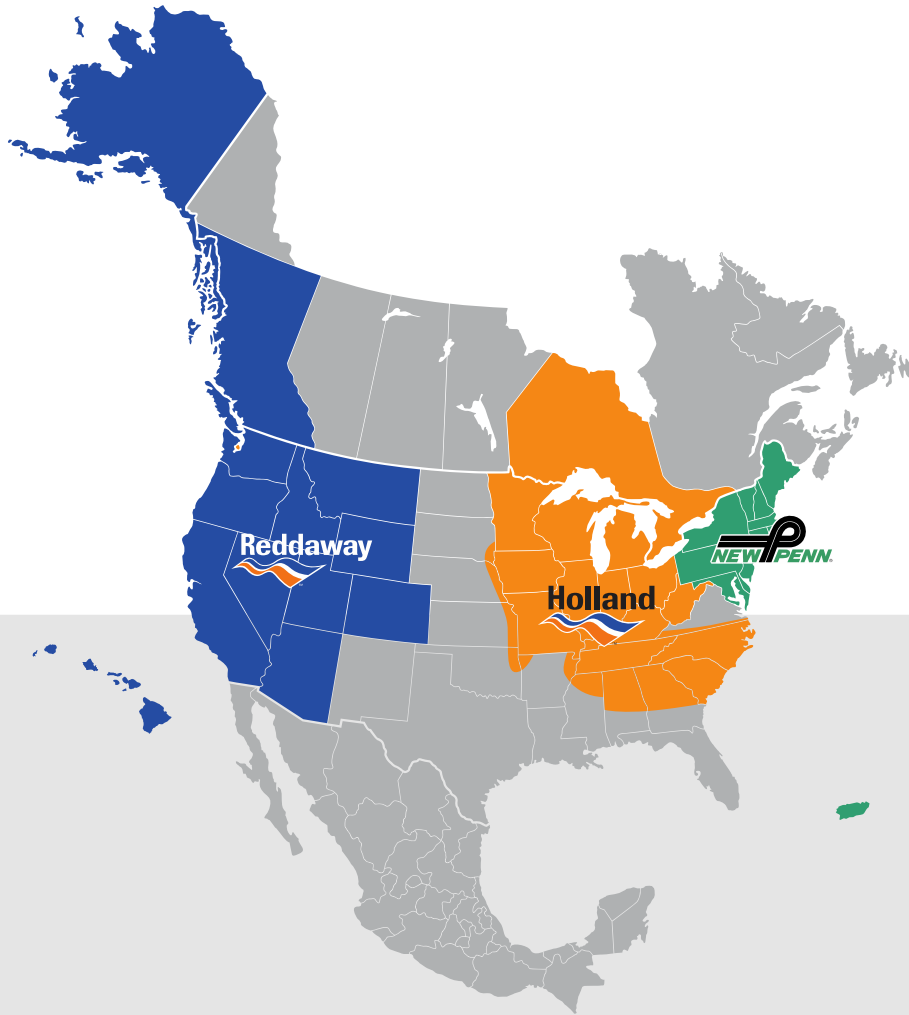
# NORTH AMERICA. DELIVERED.



YRC Freight serves manufacturing, wholesale, retail and government customers throughout North America. When customers need longer-haul LTL shipping solutions, YRC Freight is the expert

<b>LTM 3Q19 Revenue</b>	\$3.1 Billion
<b>LTM 3Q19 Adjusted EBITDA</b>	\$160 Million
<b># of Customers</b>	~ 110,000
<b># of Terminals</b>	260
<b>Average Length of Haul</b>	1,250 Miles
<b>Average Weight</b>	1,200 lbs.
<b>Average Transit</b>	3-4 Days

# REGIONAL EXPERTISE

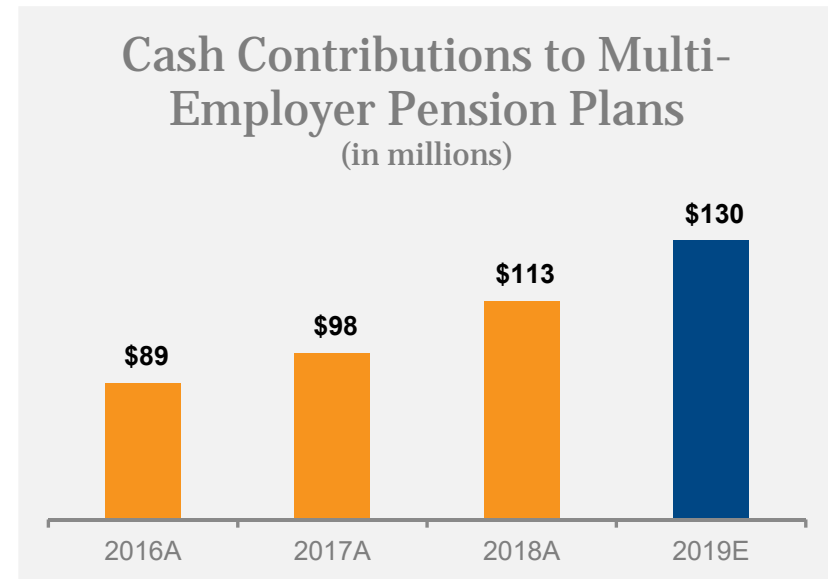


For next-day and time-sensitive services, we have three distinct regional carriers: Reddaway, Holland and New Penn. All three brands are well established in their respective regions

<b>LTM 3Q19 Revenue</b>	\$1.8 Billion
<b>LTM 3Q19 Adjusted EBITDA</b>	\$81 Million
<b># of Customers</b>	~ 125,000
<b># of Terminals</b>	124
<b>Average Length of Haul</b>	400 Miles
<b>Average Weight</b>	1,500 lbs.
<b>Average Transit</b>	> 90% 2 Days or Less

# MULTI-EMPLOYER PENSION PLANS

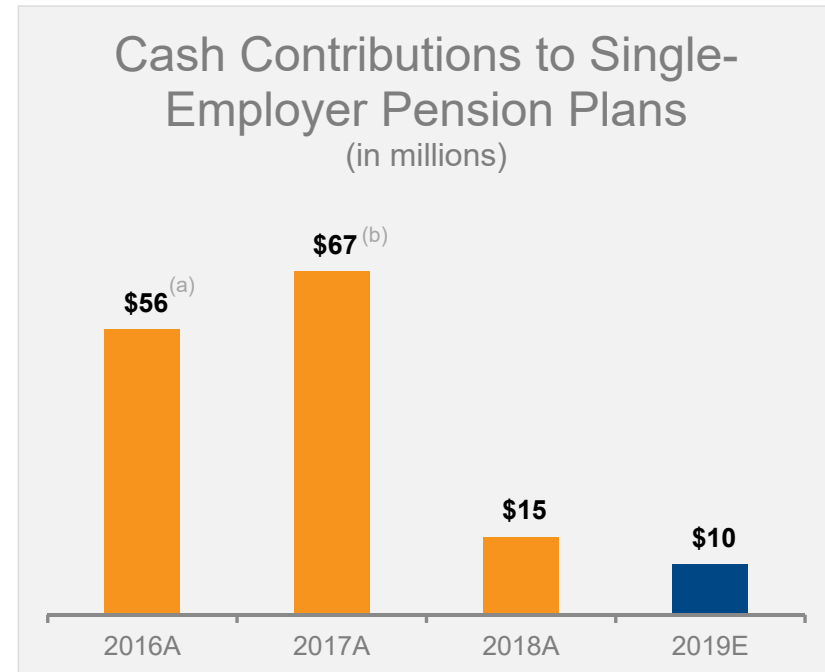
- Employees covered by collective bargaining agreements
- Required contractual contributions anticipated to be an average of \$2.63 per hour in 2019, which are comparable to rates in 2018
  - Expense included in EBITDA
  - Not impacted by changes in interest rates
- Contributions are made to 32 multi-employer pension plans with various levels of underfunding
  - Pension plans are managed by independent trustees
- If the Company were to withdraw from or there was a termination of all of the multi-employer pension plans, the Company's portion of the contingent liability would be an estimated \$9 billion
- However...YRC Worldwide has, and expects to continue, making its required contractual contributions to the multi-employer pension plans thus SIGNIFICANTLY minimizing the potential of any material contingent liability becoming due



- Other than the 12 funds in a rehabilitation plan, there are no current regulations that would change our average per hour contribution under the terms of the new Labor Agreement. The new Labor Agreement provides for contribution rate increases for certain funds, up to a capped amount. We are not aware of any regulations that would materially change the status or amount of our contingent liability. As long as we continue to pay what is contractually agreed to, there should be no issue

# SINGLE-EMPLOYER PENSION PLANS

- Certain employees not covered by collective bargaining agreements
- Plans closed to new participants effective January 1, 2004 with benefit accrual for active employees frozen effective July 1, 2008
- Future funding requirements are primarily driven by movements in plan asset returns and discount rate
- Long-term strategy is to reduce the risk of the underfunded plans
- On average, the single-employer pension expense from 2016 – 2018 was approximately \$10 million per year, excluding the expense recognition of settlements from lump sum payouts



(a) Reflects a \$12.2 million contribution due in January 2017 that was paid in December 2016

(b) Reflects a \$14.0 million contribution due in January 2018 that was paid in December 2017



# NEW CAPITAL STRUCTURE

	New Term Loan	Old Term Loan
Facility Size	\$600M	\$600M
Interest Rate	LIBOR + 7.5%	LIBOR + 8.5%
Maturity of Facility	June 2024	July 2022
Principal Payments	None, bullet payment at maturity	3.0% annual principal payments or ~\$18M, paid quarterly
Covenant	Minimum Adjusted EBITDA of \$200M	Sliding scale with implied Adjusted EBITDA of at least \$270M; leverage ratio requirement at 3.25x when terminated and would have lowered to 3.0x in 4Q19. Eventually declined to 2.50x

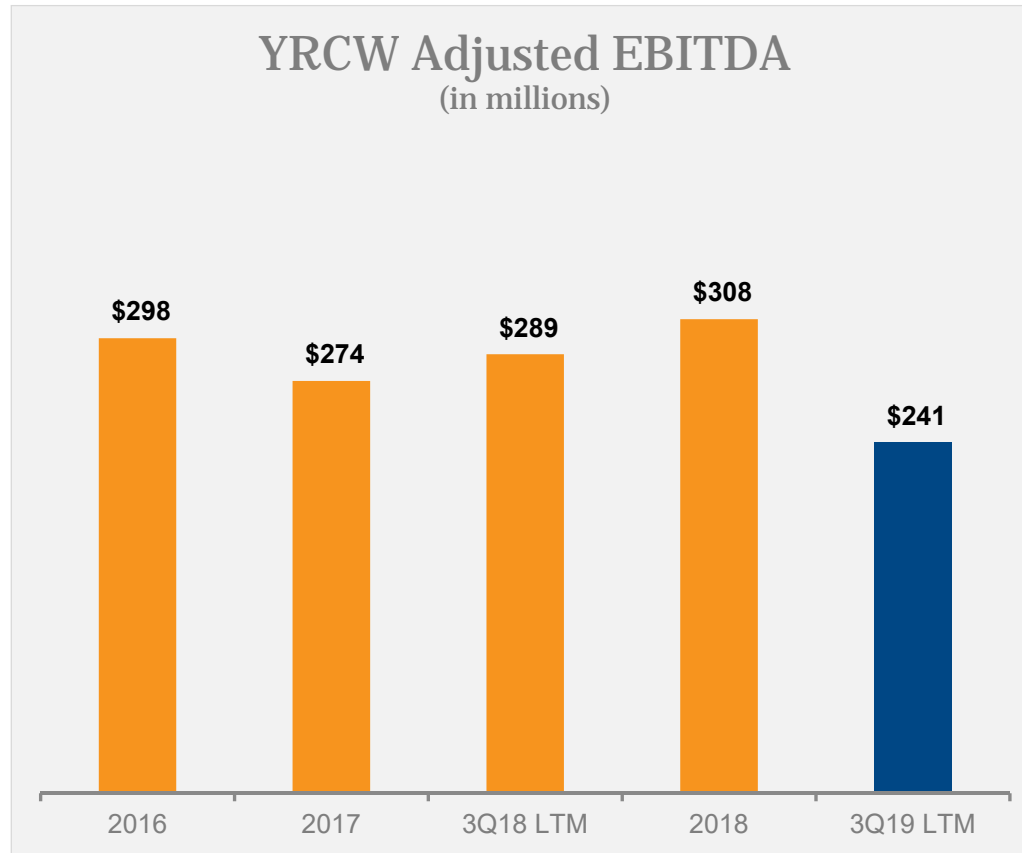
**YRCW's credit ratings as of September 30, 2019:**

Standard & Poor's Corporate Family Rating was B with Stable Outlook

Moody's Investor Service Corporate Family Rating was B2 with Stable Outlook

Cash savings provides long-term operational runway

# TERM LOAN COVENANT

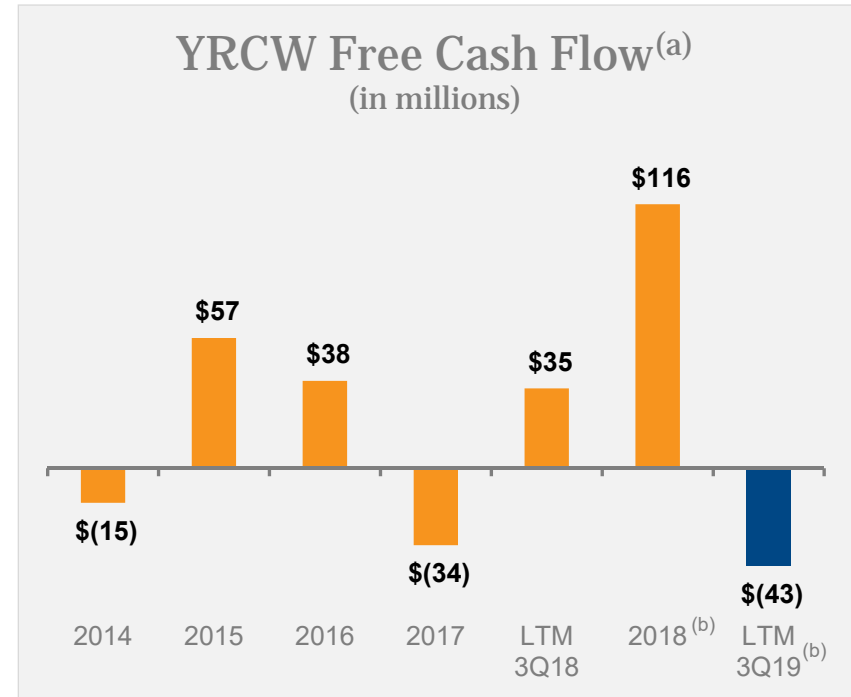
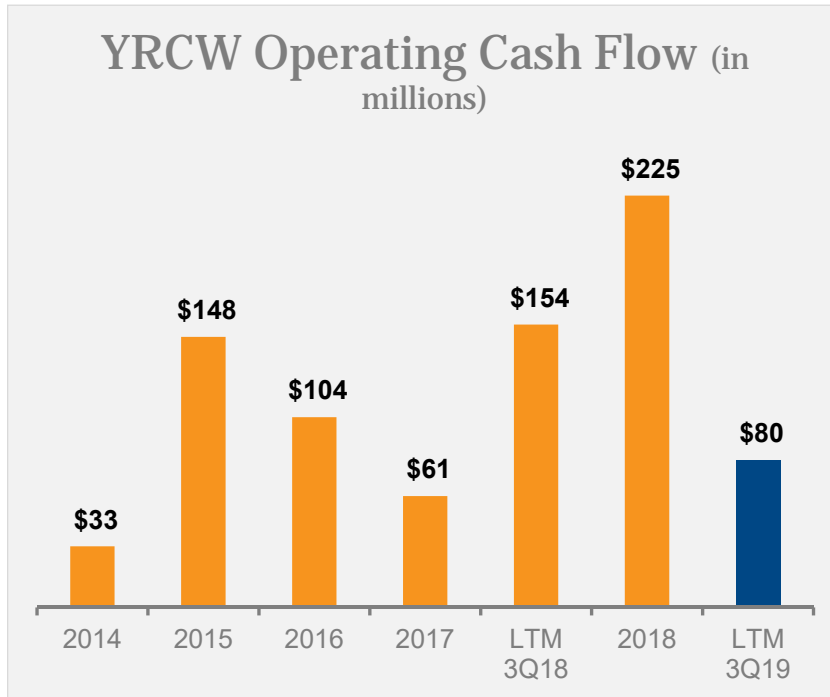


New Term Loan introduces a minimum LTM Adjusted EBITDA requirement of \$200 million

As defined under the new Term Loan, Adjusted EBITDA has been updated to reflect revised presentation



# CASH FLOW



Targeting cash proceeds from the sale of properties of approximately \$25 million

- (a) Free cash flow = operating cash flow less acquisitions of property and equipment, cash proceeds from disposals
- (b) During Q4 2018, the Company recognized cash proceeds on the sale of a terminal of approximately \$32 million

# KEY SEGMENT INFORMATION

	YRC Freight			Regional Transportation		
	3Q19	3Q18	YoY % <sup>(a)</sup>	3Q19	3Q18	YoY % <sup>(a)</sup>
Workdays	63.5	63.0		62.5	63.0	
Total LTL tonnage (in thousands)	1,230	1,270	(3.2)	1,445	1,511	(4.4)
Total LTL tonnage per day (in thousands)	19.36	20.17	(4.0)	23.12	23.98	(3.6)
Total LTL shipments (in thousands)	2,444	2,513	(2.7)	2,304	2,417	(4.7)
Total LTL shipments per day (in thousands)	38.49	39.88	(3.5)	36.86	38.36	(3.9)
Total picked up LTL revenue/cwt.	\$ 30.10	\$ 29.61	1.7	\$ 14.57	\$ 14.68	(0.8)
Total picked up LTL revenue/cwt. (excl. FSC)	\$ 26.59	\$ 25.87	2.8	\$ 12.89	\$ 12.89	0.0
Total picked up LTL revenue/shipment	\$ 303	\$ 299	1.2	\$ 183	\$ 184	(0.4)
Total picked up LTL revenue/shipment (excl. FSC)	\$ 268	\$ 262	2.3	\$ 162	\$ 161	0.3
Total LTL weight/shipment (in pounds)	1,006	1,011	(0.5)	1,254	1,250	0.3
Total tonnage (in thousands)	1,571	1,541	2.0	1,769	1,891	(6.5)
Total tonnage per day (in thousands)	24.75	24.46	1.2	28.30	30.01	(5.7)
Total shipments (in thousands)	2,483	2,547	(2.5)	2,350	2,471	(4.9)
Total shipments per day (in thousands)	39.10	40.43	(3.3)	37.61	39.22	(4.1)
Total picked up revenue/cwt.	\$ 25.29	\$ 26.11	(3.2)	\$ 12.81	\$ 12.73	0.6
Total picked up revenue/cwt. (excl. FSC)	\$ 22.41	\$ 22.85	(1.9)	\$ 11.34	\$ 11.19	1.4
Total picked up revenue/shipment	\$ 320	\$ 316	1.3	\$ 193	\$ 195	(1.0)
Total picked up revenue/shipment (excl. FSC)	\$ 284	\$ 277	2.6	\$ 171	\$ 171	(0.3)
Total weight/shipment (in pounds)	1,266	1,210	4.6	1,505	1,530	(1.7)
	YRC Freight - YoY % <sup>(a)</sup>			Regional Transportation - YoY % <sup>(a)</sup>		
	Jul-19	Aug-19	Sep-19	Jul-19	Aug-19	Sep-19
Total LTL tonnage per day	(3.3)	(3.6)	(5.3)	(1.5)	(4.4)	(4.5)
Total tonnage per day	0.9	2.5	(0.2)	(3.5)	(6.7)	(6.6)

(a) Percent change based on unrounded figures and not the rounded figures presented

# KEY SEGMENT INFORMATION

	YRC Freight			Regional Transportation		
	YTD 2019	YTD 2018	YoY % <sup>(a)</sup>	YTD 2019	YTD 2018	YoY % <sup>(a)</sup>
Workdays	190.0	190.5		189.0	190.5	
Total LTL tonnage (in thousands)	3,612	3,833	(5.8)	4,332	4,612	(6.1)
Total LTL tonnage per day (in thousands)	19.01	20.12	(5.5)	22.92	24.21	(5.3)
Total LTL shipments (in thousands)	7,216	7,558	(4.5)	6,879	7,335	(6.2)
Total LTL shipments per day (in thousands)	37.98	39.67	(4.3)	36.40	38.50	(5.5)
Total picked up LTL revenue/cwt.	\$ 30.00	\$ 28.91	3.8	\$ 14.60	\$ 14.39	1.4
Total picked up LTL revenue/cwt. (excl. FSC)	\$ 26.46	\$ 25.34	4.4	\$ 12.91	\$ 12.66	1.9
Total picked up LTL revenue/shipment	\$ 300	\$ 293	2.4	\$ 184	\$ 181	1.6
Total picked up LTL revenue/shipment (excl. FSC)	\$ 265	\$ 257	3.1	\$ 163	\$ 159	2.1
Total LTL weight/shipment (in pounds)	1,001	1,014	(1.3)	1,259	1,258	0.1
Total tonnage (in thousands)	4,567	4,663	(2.0)	5,332	5,806	(8.2)
Total tonnage per day (in thousands)	24.04	24.48	(1.8)	28.21	30.48	(7.4)
Total shipments (in thousands)	7,325	7,664	(4.4)	7,024	7,505	(6.4)
Total shipments per day (in thousands)	38.55	40.23	(4.2)	37.16	39.40	(5.7)
Total picked up revenue/cwt.	\$ 25.44	\$ 25.45	(0.0)	\$ 12.79	\$ 12.44	2.8
Total picked up revenue/cwt. (excl. FSC)	\$ 22.50	\$ 22.33	0.8	\$ 11.31	\$ 10.96	3.3
Total picked up revenue/shipment	\$ 317	\$ 310	2.5	\$ 194	\$ 193	0.9
Total picked up revenue/shipment (excl. FSC)	\$ 281	\$ 272	3.3	\$ 172	\$ 170	1.3
Total weight/shipment (in pounds)	1,247	1,217	2.5	1,518	1,547	(1.9)

(a) Percent change based on unrounded figures and not the rounded figures presented

With the launch of HNRV Logistics in late 2018, year-over-year revenue per hundredweight metrics that we have historically presented for YRC Freight, which includes the results of operations for HNRV Logistics, have been impacted by shipments over 10,000 pounds. Therefore, the Company has updated its presentation of operating metrics to separately present less-than-truckload (LTL) operating statistics, which represents shipments less than 10,000 pounds. Shipments greater than 10,000 pounds are primarily transported using third-party purchased transportation.



# EBITDA RECONCILIATION (CONSOLIDATED)

(\$ in millions)

YRCW Consolidated	2014	2015	2016	2017	2018	3Q 2018	3Q 2019	LTM 3Q 2018	LTM 3Q 2019
<b>Reconciliation of net income (loss) to adjusted EBITDA</b>									
Net income (loss)	\$ (67.7)	\$ 0.7	\$ 21.5	\$ (10.8)	\$ 20.2	\$ 2.9	\$ (16.0)	\$ (4.8)	\$ (71.2)
Interest expense, net	149.5	107.1	103.0	102.4	104.5	26.2	27.7	102.9	109.3
Income tax (benefit) expense	(16.1)	(5.1)	3.1	(7.3)	11.1	4.7	(0.5)	(5.5)	7.8
Depreciation and amortization	163.6	163.7	159.8	147.7	147.7	34.9	37.2	146.9	153.2
<b>EBITDA</b>	<b>\$ 229.3</b>	<b>\$ 266.4</b>	<b>\$ 287.4</b>	<b>\$ 232.0</b>	<b>\$ 283.5</b>	<b>\$ 68.7</b>	<b>\$ 48.4</b>	<b>\$ 239.5</b>	<b>\$ 199.1</b>
Adjustments pursuant to Term Loan Agreement:									
(Gains) losses on property disposals, net	(11.9)	1.9	(14.6)	(0.6)	(20.8)	1.9	1.0	3.7	(31.7)
Property gains on certain disposals	-	-	-	-	29.7	-	-	0.4	29.3
Noncash reserve changes	-	-	-	-	-	-	(2.0)	-	14.0
Impairment charges	-	-	-	-	-	-	-	-	8.2
Letter of credit expense	12.1	8.8	7.7	6.8	6.6	1.6	1.6	6.7	6.4
Transaction costs related to the issuances of debt	-	-	-	10.3	-	-	-	1.4	-
Permitted dispositions and other	1.8	0.4	3.0	1.2	0.3	(0.4)	0.1	0.4	(1.0)
Equity-based compensation expense	14.3	8.5	7.3	6.5	6.3	0.7	1.8	6.7	6.0
(Gain) loss on extinguishment of debt	(11.2)	0.6	-	-	-	-	11.2	-	11.2
Non-union pension settlement charge	-	28.7	-	7.6	10.9	7.2	1.7	14.8	5.4
Other, net	(6.3)	(9.6)	(3.5)	2.6	0.1	0.9	0.2	0.8	1.2
Amounts subject to 10% threshold									
Nonrecurring consulting fees	-	5.1	-	-	7.7	2.0	1.9	5.2	8.7
Restructuring charges	4.2	0.2	-	0.9	2.3	0.5	(0.2)	2.3	0.9
Amortization of ratification bonus	15.6	18.9	4.6	-	-	-	-	-	-
Nonrecurring item (vendor bankruptcy)	-	-	-	-	4.3	-	(2.5)	-	5.5
Other, net	(3.4)	3.4	5.6	6.9	6.6	1.1	2.1	7.3	8.4
<b>Adjusted EBITDA pursuant to Prior Term Loan Agreement</b>	<b>\$ 244.5</b>	<b>\$ 333.3</b>	<b>\$ 297.5</b>	<b>\$ 274.2</b>	<b>\$ 337.5</b>	<b>\$ 84.2</b>	<b>\$ 65.3</b>	<b>\$ 289.2</b>	<b>\$ 271.6</b>
Less:									
Property gains on certain disposals	-	-	-	-	(29.7)	-	-	(0.4)	(29.3)
Adjustments in excess of 10% threshold	-	-	-	-	-	-	0.6	-	(1.5)
<b>Adjusted EBITDA pursuant to New Term Loan Agreement</b>	<b>\$ 244.5</b>	<b>\$ 333.3</b>	<b>\$ 297.5</b>	<b>\$ 274.2</b>	<b>\$ 307.8</b>	<b>\$ 84.2</b>	<b>\$ 65.9</b>	<b>\$ 288.8</b>	<b>\$ 240.8</b>

The Adjusted EBITDA reconciliations presented herein (for both Consolidated and Segment Adjusted EBITDA) should be read in connection with the Company's Current Report on Form 8-K and Quarterly Form 10-Q filed on October 31, 2019, including, but not limited to, how Adjusted EBITDA is defined in those SEC filings, limitations on usefulness of non-GAAP measures such as Adjusted EBITDA, and the disclosure provided in the "Debt and Financing" footnote, as well as Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations.

# EBITDA RECONCILIATION (SEGMENT)

(\$ in millions)

YRC Freight Segment	2014	2015	2016	2017	2018	3Q 2018	3Q 2019	LTM 3Q 2018	LTM 3Q 2019
<b>Reconciliation of operating income to adjusted EBITDA</b>									
Operating income (loss)	\$ 23.2	\$ 63.3	\$ 71.8	\$ 60.7	\$ 85.0	\$ 24.7	\$ 31.6	\$ 58.7	\$ 66.9
Depreciation and amortization	98.0	93.1	90.3	84.8	82.2	18.4	21.0	82.7	86.2
(Gains) losses on property disposals, net	(15.9)	1.9	(15.7)	(2.2)	(20.3)	1.6	0.1	2.2	(28.4)
Property gains on certain disposals	-	-	-	-	29.7	-	-	0.4	29.3
Noncash reserve changes	-	-	-	-	-	-	(1.1)	-	9.2
Impairment charges	-	-	-	-	-	-	-	-	8.2
Letter of credit expense	8.3	6.1	5.0	4.3	4.2	1.0	1.0	4.1	4.1
Non-union pension and postretirement benefits	(22.7)	(16.1)	(18.6)	(11.7)	1.9	0.4	(0.1)	(1.4)	(0.1)
Other, net	(1.1)	(0.9)	(0.8)	(3.0)	0.4	-	0.4	0.3	0.5
Amounts subject to 10% threshold:									
Nonrecurring consulting fees	-	5.1	-	-	7.4	1.9	1.6	5.0	7.8
Restructuring charges	-	-	-	0.9	0.1	-	-	0.7	-
Amortization of ratification bonus	10.0	12.2	3.0	-	-	-	-	-	-
Nonrecurring item (vendor bankruptcy)	-	-	-	-	4.3	-	(2.5)	-	5.5
Other, net	-	2.5	5.1	4.0	3.2	0.6	0.3	4.5	1.5
Adjusted EBITDA pursuant to Prior Term Loan Agreement	<u>\$ 99.8</u>	<u>\$ 167.2</u>	<u>\$ 140.1</u>	<u>\$ 137.8</u>	<u>\$ 198.1</u>	<u>\$ 48.6</u>	<u>\$ 52.3</u>	<u>\$ 157.2</u>	<u>\$ 190.7</u>
Less:									
Property gains on certain disposals	-	-	-	-	(29.7)	-	-	(0.4)	(29.3)
Adjustments in excess of 10% threshold	-	-	-	-	-	-	0.5	-	(1.0)
Adjusted EBITDA pursuant to New Term Loan Agreement	<u>\$ 99.8</u>	<u>\$ 167.2</u>	<u>\$ 140.1</u>	<u>\$ 137.8</u>	<u>\$ 168.4</u>	<u>\$ 48.6</u>	<u>\$ 52.8</u>	<u>\$ 156.8</u>	<u>\$ 160.4</u>



# EBITDA RECONCILIATION (SEGMENT)

(\$ in millions)

Regional Transportation Segment	2014	2015	2016	2017	2018	3Q 2018	3Q 2019	LTM 3Q 2018	LTM 3Q 2019
<b>Reconciliation of operating income (loss) to adjusted EBITDA</b>									
Operating income (loss)	\$ 66.2	\$ 85.5	\$ 81.4	\$ 67.9	\$ 70.7	\$ 18.4	\$ (4.1)	\$ 61.7	\$ 9.4
Depreciation and amortization	65.8	70.7	69.5	62.9	65.0	16.2	15.8	63.9	65.9
(Gains) losses on property disposals, net	4.0	0.2	1.1	1.6	(0.6)	0.3	0.9	1.4	(3.3)
Property gains on certain disposals	-	-	-	-	-	-	-	-	-
Noncash reserve changes	-	-	-	-	0.7	-	(1.1)	-	4.4
Letter of credit expense	2.9	2.1	2.5	2.2	2.2	0.6	0.5	2.3	2.1
Other, net	(0.1)	(0.2)	(0.1)	-	(1.0)	-	(0.2)	-	-
Amounts subject to 10% threshold									
Nonrecurring consulting fees	-	-	-	-	0.3	-	0.3	-	0.9
Amortization of ratification bonus	5.6	6.7	1.6	-	-	-	-	-	-
Other, net	-	0.9	0.5	1.8	1.1	0.2	1.2	1.9	1.8
Adjusted EBITDA pursuant to Prior Term Loan Agreement	<u>\$ 144.4</u>	<u>\$ 165.9</u>	<u>\$ 156.5</u>	<u>\$ 136.4</u>	<u>\$ 138.4</u>	<u>\$ 35.7</u>	<u>\$ 13.3</u>	<u>\$ 131.2</u>	<u>\$ 81.2</u>
Less:									
Property gains on certain disposals	-	-	-	-	-	-	-	-	-
Adjustments in excess of 10% threshold	-	-	-	-	-	-	(0.1)	-	(0.2)
Adjusted EBITDA pursuant to New Term Loan Agreement	<u>\$ 144.4</u>	<u>\$ 165.9</u>	<u>\$ 156.5</u>	<u>\$ 136.4</u>	<u>\$ 138.4</u>	<u>\$ 35.7</u>	<u>\$ 13.2</u>	<u>\$ 131.2</u>	<u>\$ 81.0</u>



# FREE CASH FLOW RECONCILIATION

(\$ in millions)

YRCW Consolidated	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	3Q 2018	3Q 2019	LTM 3Q 2018	LTM 3Q 2019
Net Cash (used) / provided in operating activities	\$ 33.3	\$ 147.6	\$ 103.8	\$ 60.7	\$ 224.8	\$ 86.4	\$ 42.9	\$ 154.3	\$ 80.3
Acquisition of property and equipment	(69.2)	(108.0)	(100.6)	(103.3)	(145.4)	(45.9)	(40.9)	(124.9)	(164.5)
Proceeds from disposal of property and equipment	20.8	17.5	35.1	8.8	36.4	0.7	1.6	5.5	41.4
Free Cash Flow	\$ (15.1)	\$ 57.1	\$ 38.3	\$ (33.8)	\$ 115.8	\$ 41.2	\$ 3.6	\$ 34.9	\$ (42.8)

