

Yellow Corporation Investor Presentation May 2021



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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, 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 UST Credit Agreements and New Term Loan Agreement (collectively the “TL Agreements”) as this measure is calculated as prescribed therein as Consolidated EBITDA and to determine certain incentive compensation. You should be aware that this presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. For additional information on Adjusted EBITDA and the TL Agreements, refer to our quarterly reports on Form 10-Q and other reports we file with the SEC. 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 the second-largest LTL carrier and the fifth largest transportation company in North America. When you combine our regional capabilities with YRC Freight's national coverage, you get an expansive shipping footprint that only one of the largest LTL companies in North America can provide.



YELLOW

\$4.5B

2020 Revenue

~17.4M

Shipments Transported Annually

~30,000

Employees

322

Terminals

95+

Years of Experience

~13,500 / ~41,900

Tractors

Trailers



Enterprise Transformation

Roadmap to One Yellow

Simplify Sales Team

Streamline enterprise-wide sales team to provide customers a single point of contact for all brands

Realign Operational Leadership Structure

Operational realignment and reporting structure to create new efficiencies with 18 operational areas supporting the network

Holdco renamed Yellow Corporation

Formally changed the YRC Worldwide holding company name to Yellow Corporation. In anticipation of a company-wide rebrand to Yellow

Network Optimization

Integration to one network, creating a common enterprise platform to strengthen asset and network efficiencies while enhancing service in the 1, 2 & 3-day lanes nationwide

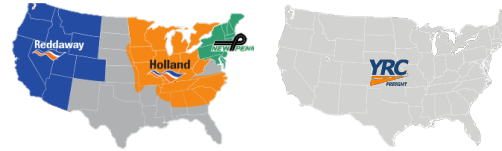
One Technology Platform

Transition operating companies to one technology platform

Super-Regional Carrier

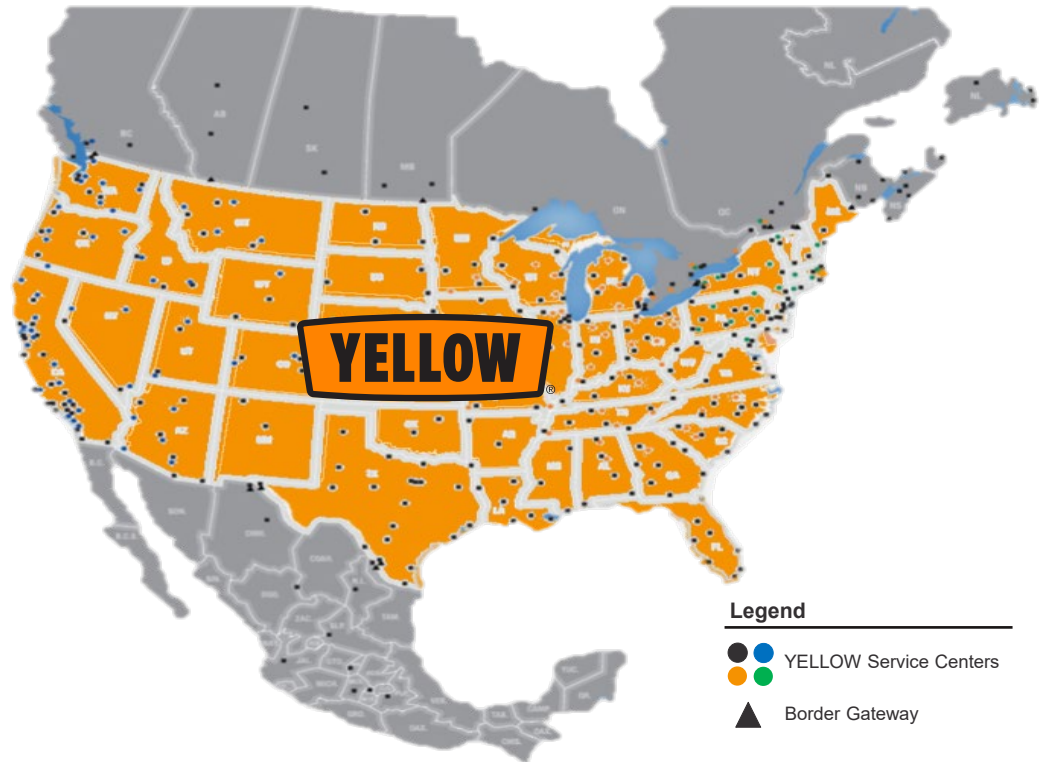
Go-to-market strategy as One Yellow in 2022. Provide customers with choice, simplicity, speed, visibility, reliability and value under one united brand

Pre-Transformation



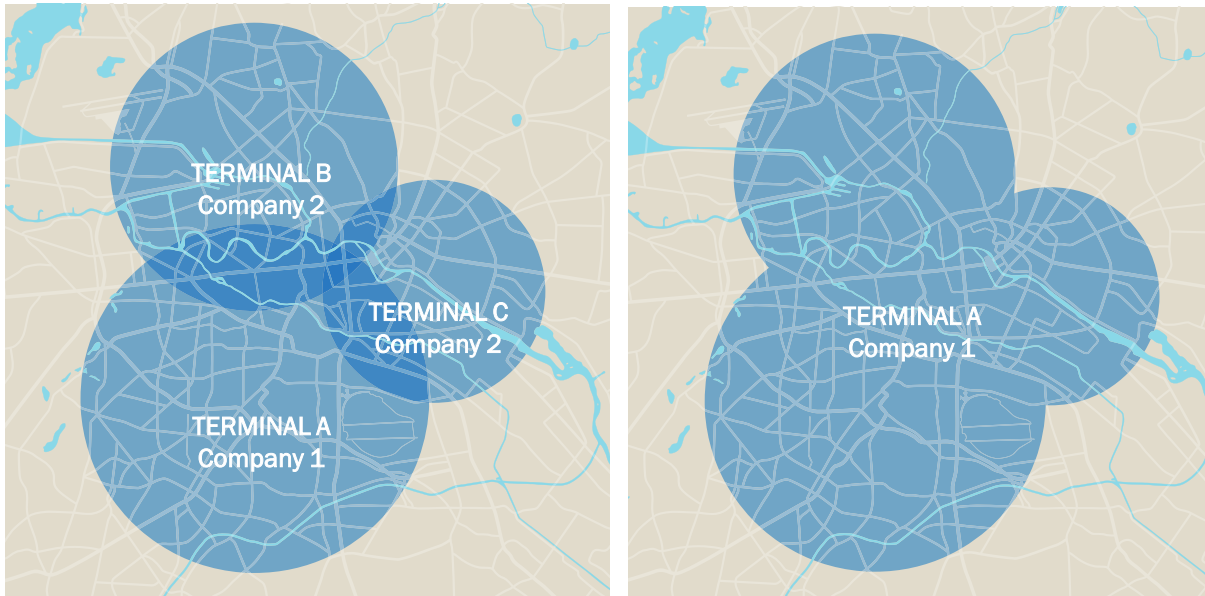
Super-Regional Carrier

Integrated nationwide LTL service



Example of Network Optimization

CONSOLIDATION SCENARIO



NETWORK OPTIMIZATION

6 key focus areas:

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

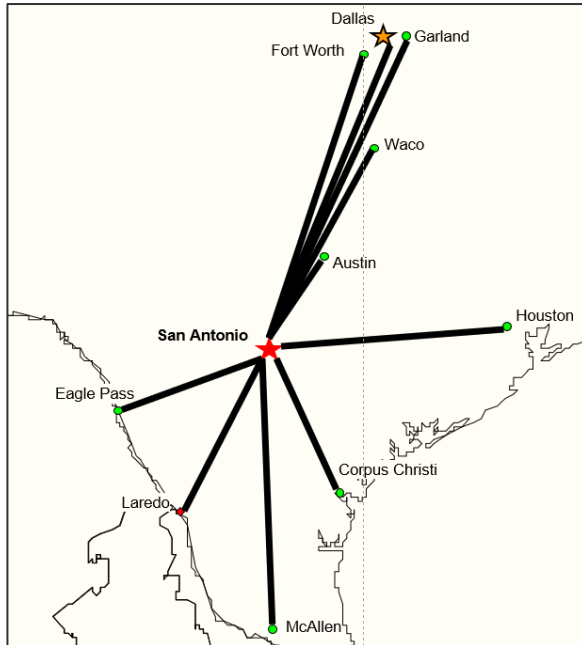
Optimizing the network for increased efficiencies and service

- Focused on gaining efficiencies and cost reductions through terminal cohabitation and consolidation
 - Divisional, regional, and area operational reporting structure for Holland, New Penn, Reddaway, and YRC Freight are combined under a single leadership team
 - 18 operational areas supporting the entire network of terminals

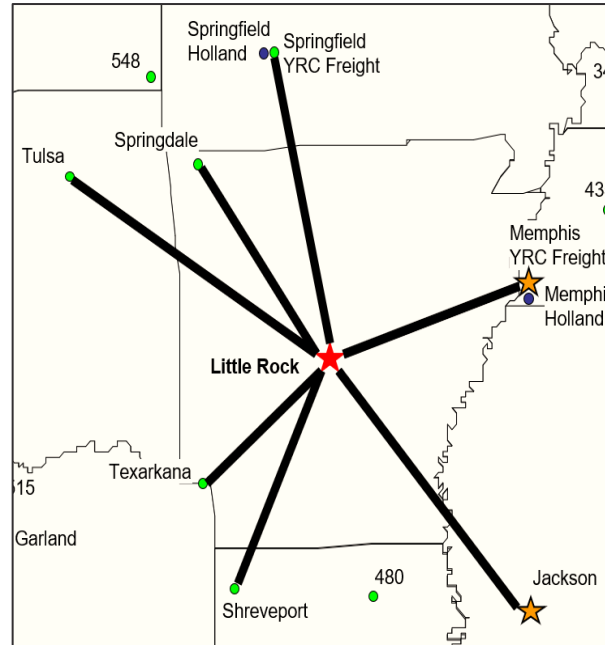


Expanded Regional Next-Day Service

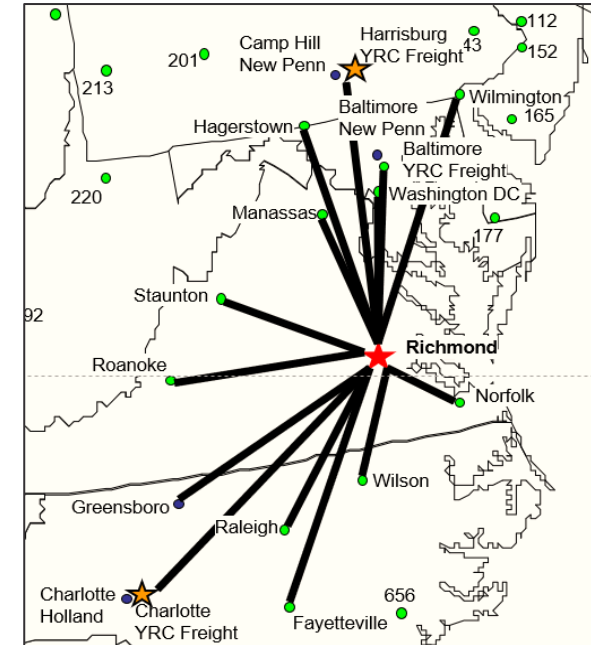
San Antonio



Little Rock



Richmond

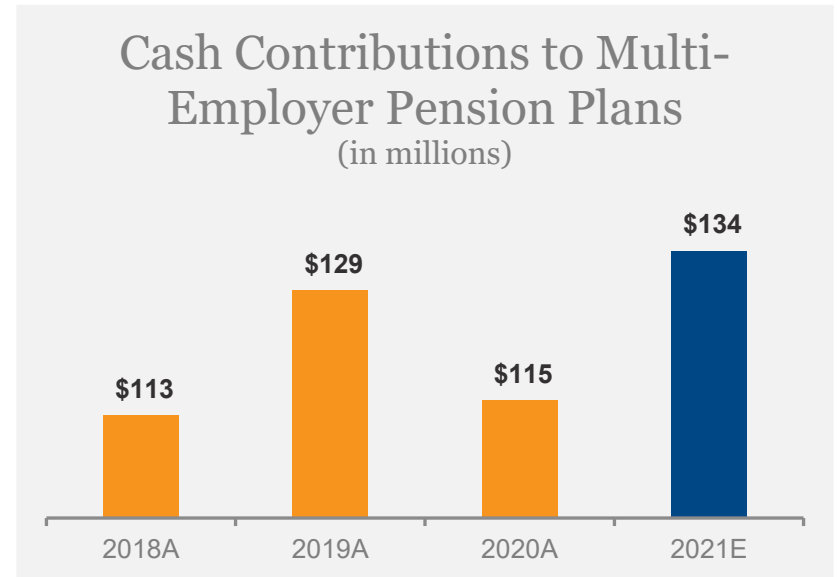


- Moving to a super-regional network includes expanding regional next-day service that leverages YRC Freight's national coverage
- Offers customers faster transit times and a more streamlined supply chain



Multi-Employer Pension Plans (Union)

- Approximately 79% of employees are represented by the IBT and covered by collective bargaining agreements
- 2021 total annual cash contributions approximately \$134 million
- Contributions made to 29 multi-employer pension plans with various levels of underfunding.
 - Multiemployer Pension plans are separate from Yellow and managed by independent trustees
- As of December 31, 2020 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 \$8 billion
- The American Rescue Plan signed into law in March 2021 will provide severely underfunded eligible multi-employer pension plans funding to cover retiree benefits until 2051 substantially mitigating the plans' unfunded liabilities
- Yellow Corporation has, and expects to continue, making its required contractual contributions to the multi-employer pension plans as agreed to in the collective bargaining agreements

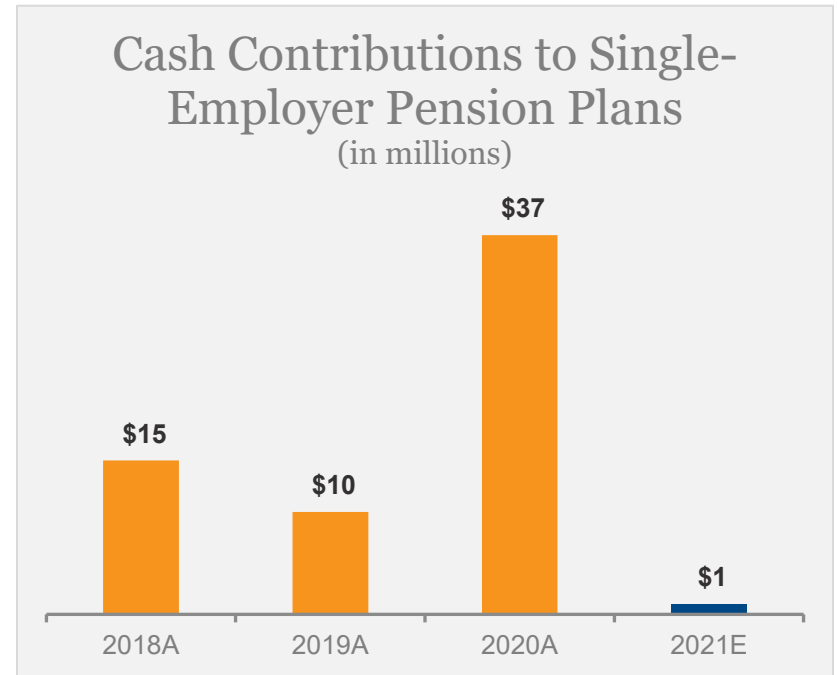


Refer to the Company's Form 10-K for further disclosures



Single-Employer Pension Plans (Non-Union)

- 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.
- As of December 31, 2020 the net funded status is fully funded, meaning aggregate fair value of the assets exceeds the aggregate projected benefit obligations
- 2021 cash contributions expected to be approximately \$1 million and no significant annual contribution expected in years thereafter

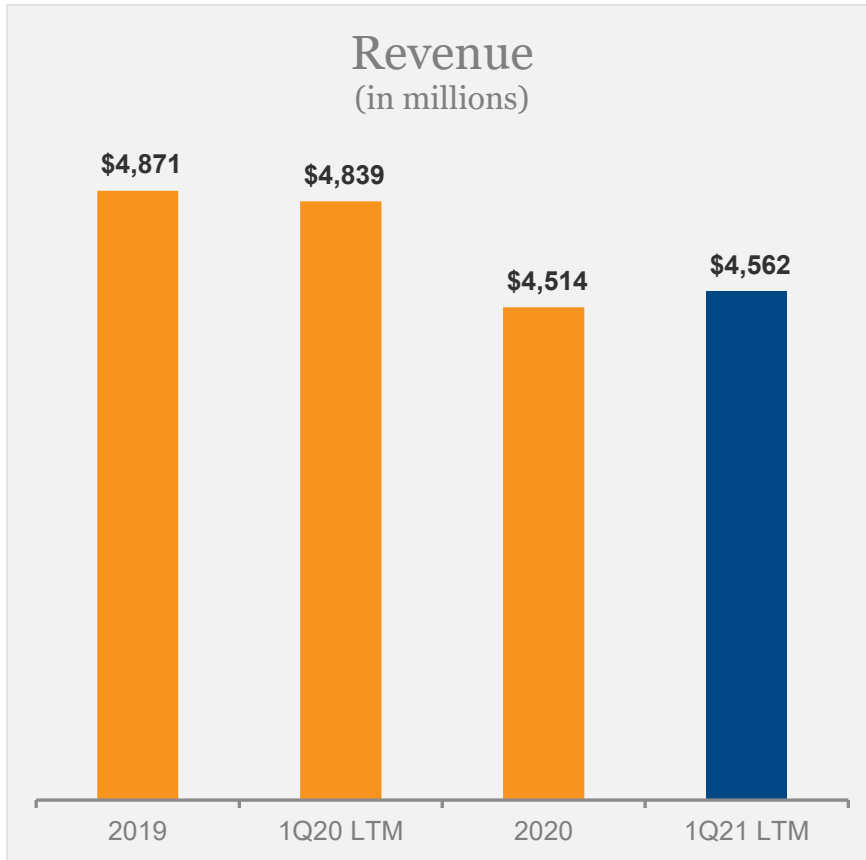


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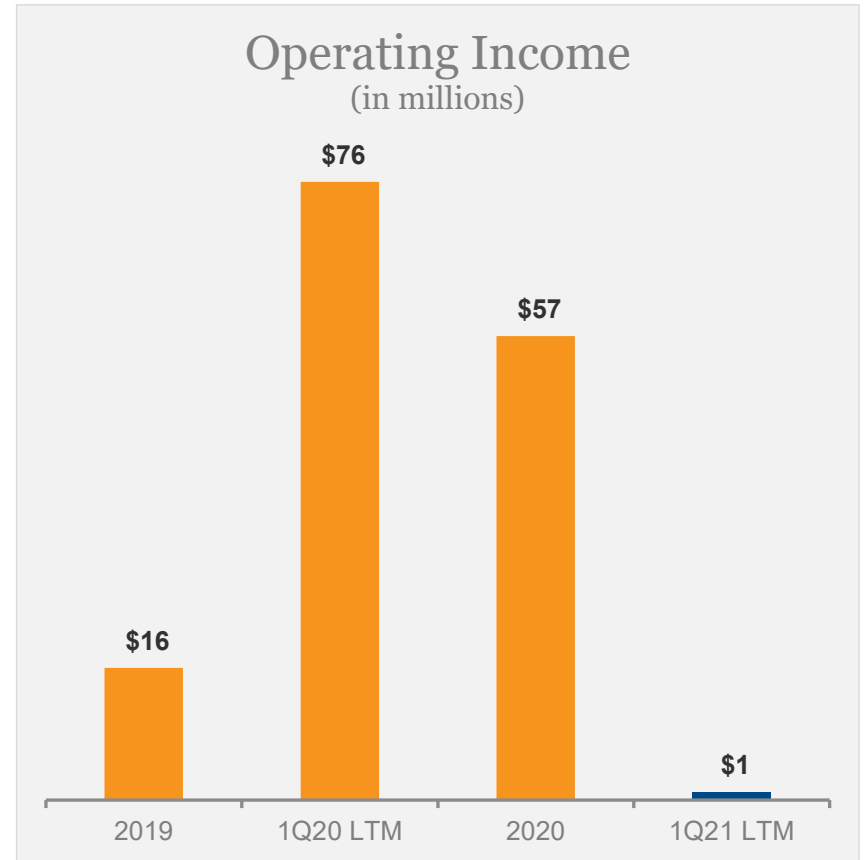


Financial Results

Revenue
(in millions)

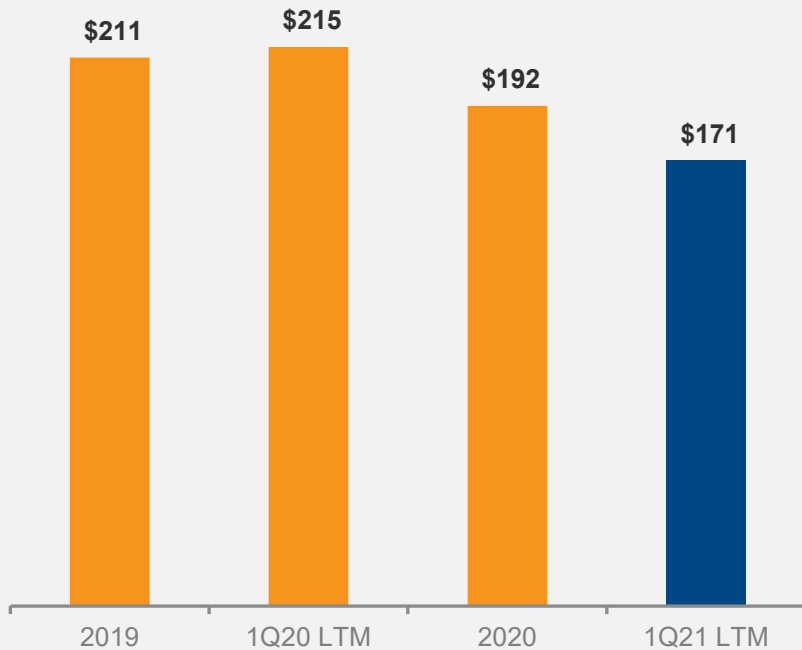


Operating Income
(in millions)

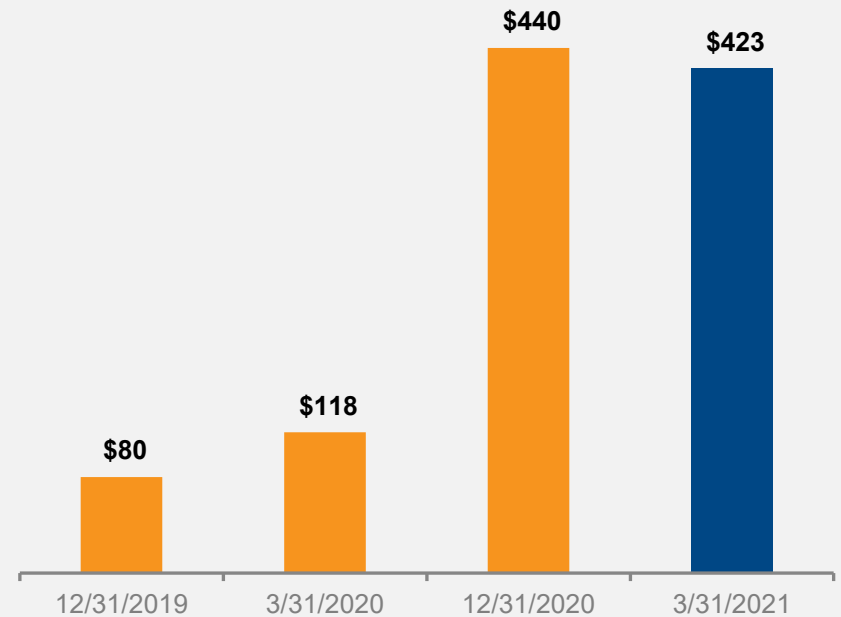


Financial Results

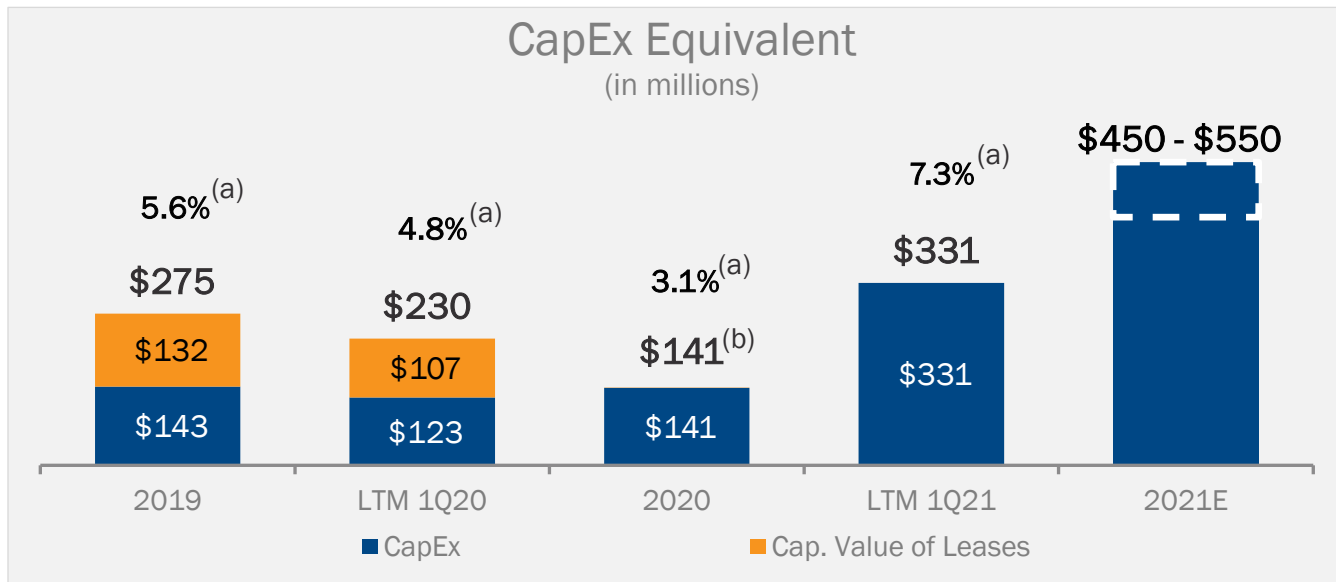
Adjusted EBITDA (in millions)



Cash and Cash Equivalents and Managed Accessibility (in millions)



Reinvesting in the Business



- 2021 CapEx plan range of \$450 million - \$550 million includes investments in tractors, trailers, technology, box trucks, containers, liftgates and other assets
- In 1Q 2021 took delivery of more than 1,100 tractors, 1,600 trailers and 140 containers
- In 2Q 2021 expected to acquire approximately 1,100 tractors, 800 trailers and 400 containers

(a) CapEx Equivalent as a percentage of revenue

(b) 2020 CapEx Equivalent includes less than \$1M of capital value of leases



CARES Act Funding

■ Equity

- U.S. Treasury received 15.94 million shares of common stock and is the Company's largest shareholder with approximately 30% of outstanding shares

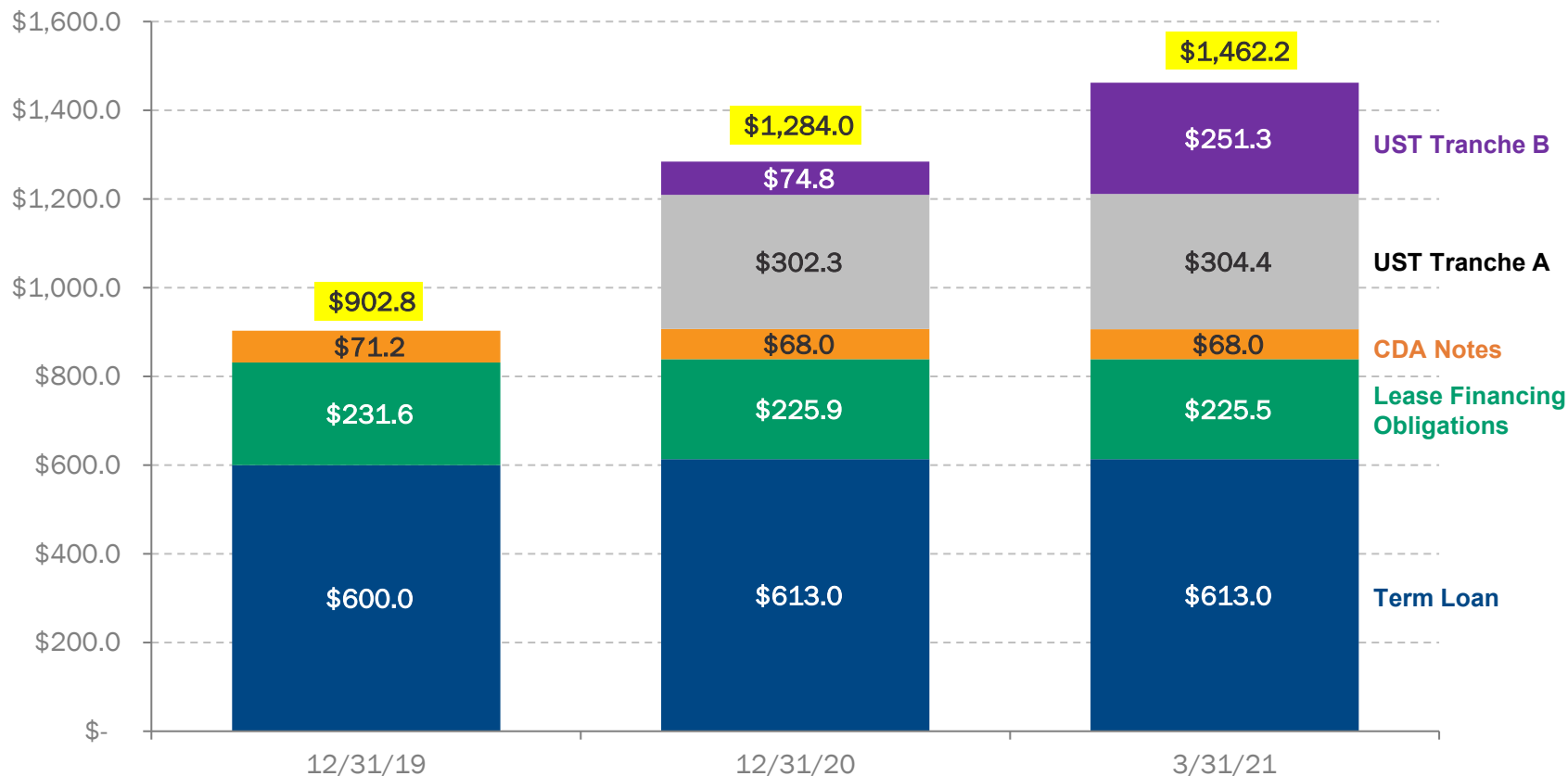
■ Debt

- U.S. Treasury loan provides two tranches totaling \$700 million in aggregate principal commitments
- **Tranche A** for \$300 million is to cover deferred short-term contractual obligations, certain other deferred obligations including pension and healthcare payments and working capital. Tranche A was fully drawn as of December 31, 2020.
- **Tranche B** for \$400 million will be used for reinvestment in tractors and trailers. A total of \$381 million of Tranche B has been drawn through April 2021. The remaining \$19 million is expected to be drawn in 2021.



Capital Structure Overview

(in millions)



- UST Tranche A carries a variable interest rate based on the Eurodollar rate, which is currently determined by the 1, 2, 3 or 6-month USD Libor with a floor of 1.0%, plus a fixed margin of 3.5%. 1.5% is paid in cash and the remainder paid-in-kind (PIK). The Tranche A balance includes \$4.4M of PIK interest as of 3/31/21.
- UST Tranche B carries a variable interest rate based on the Eurodollar rate, which is currently determined by the 1, 2, 3 or 6-month USD Libor with a floor of 1.0%, plus a fixed margin of 3.5%. All paid all in cash.
- The Term Loan carries a variable interest rate based on the Eurodollar rate, which is currently determined by the 1, 2, 3 or 6-month Libor, with a floor of 1.0%, plus a fixed margin of 7.5%. All paid in cash.



Investment Summary

- Strong industry position with one of the largest, most comprehensive logistics and LTL networks in North America with local, regional, national and international capabilities
- Multi-year enterprise transformation to One Yellow on schedule for completion in 2022, will create operational opportunities that expand revenue, accelerate cost reductions and improve productivity
- 2021 CapEx plan of \$450 million to \$550 million. Includes investments in tractors, trailers, technology, box trucks, containers, liftgates and other assets
- Reinvestment in the business expected to drive improved results and position the Company for future profitability and growth
- Experienced Senior Leadership Team and Board of Directors



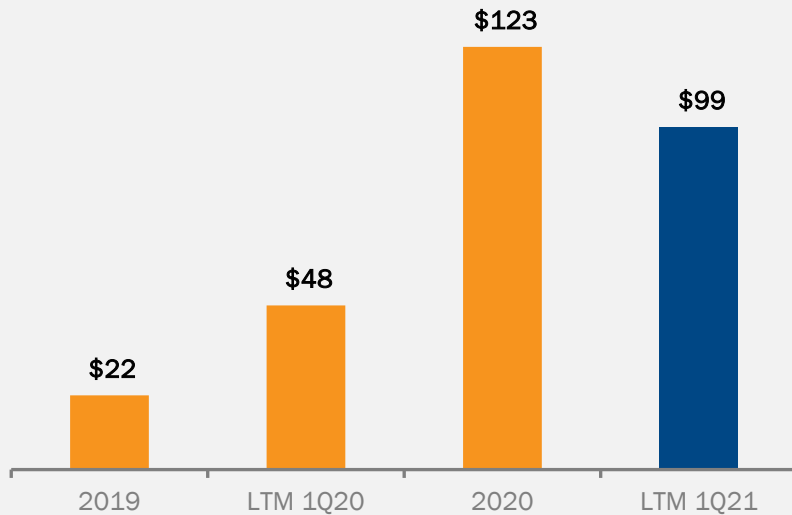


Appendix

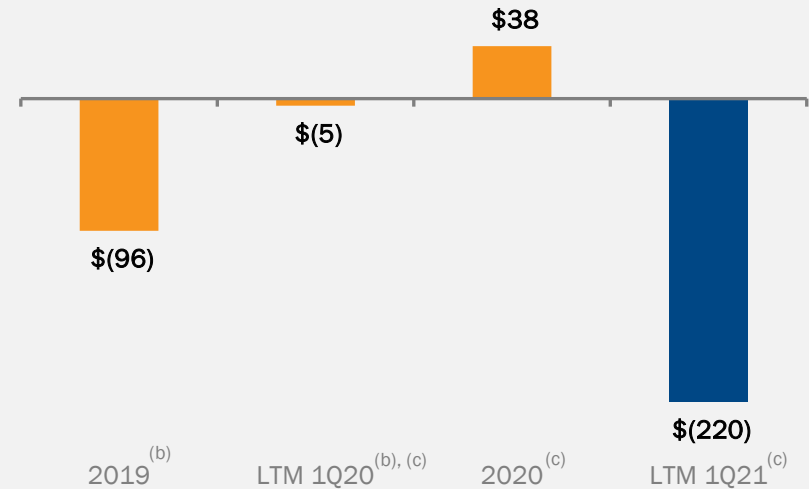


Cash Flow

Operating Cash Flow (in millions)



Free Cash Flow^(a) (in millions)



Free Cash Flow Reconciliation

Net cash provided in operating activities
Acquisition of property and equipment
Proceeds from disposal of property and equipment
Free Cash Flow

FY 2019	LTM 1Q20	FY 2020	LTM 1Q21
\$ 21.5	\$ 47.6	\$ 122.5	\$ 99.3
(143.2)	(123.0)	(140.6)	(330.6)
25.9	70.1	56.1	11.5
\$ (95.8)	\$ (5.3)	\$ 38.0	\$ (219.8)

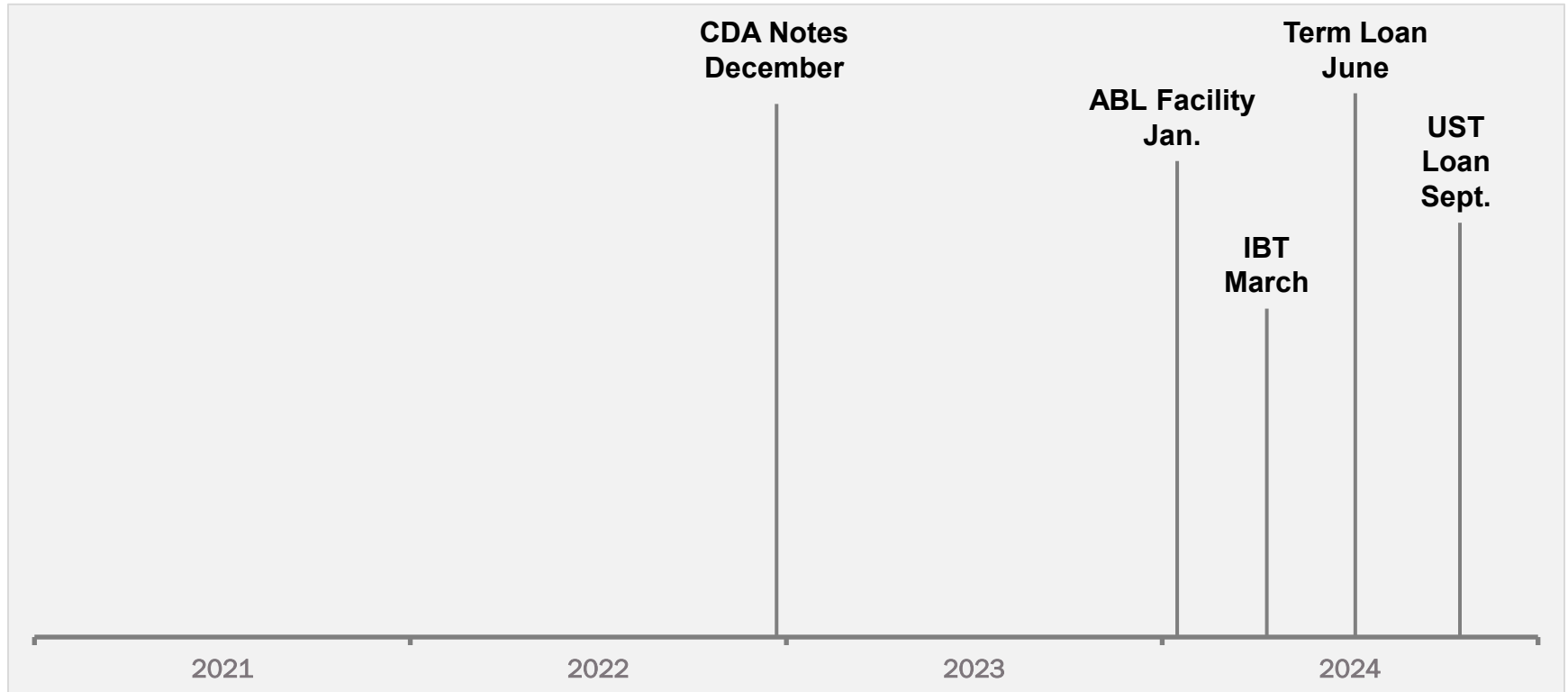
(a) Free cash flow = operating cash flow less acquisitions of property and equipment, net of cash proceeds from disposals

(b) During FY 2019, the Company recognized cash proceeds on the sale of terminals of approximately \$22 million

(c) During FY 2020, the Company recognized cash proceeds on the sale of terminals of approximately \$53 million



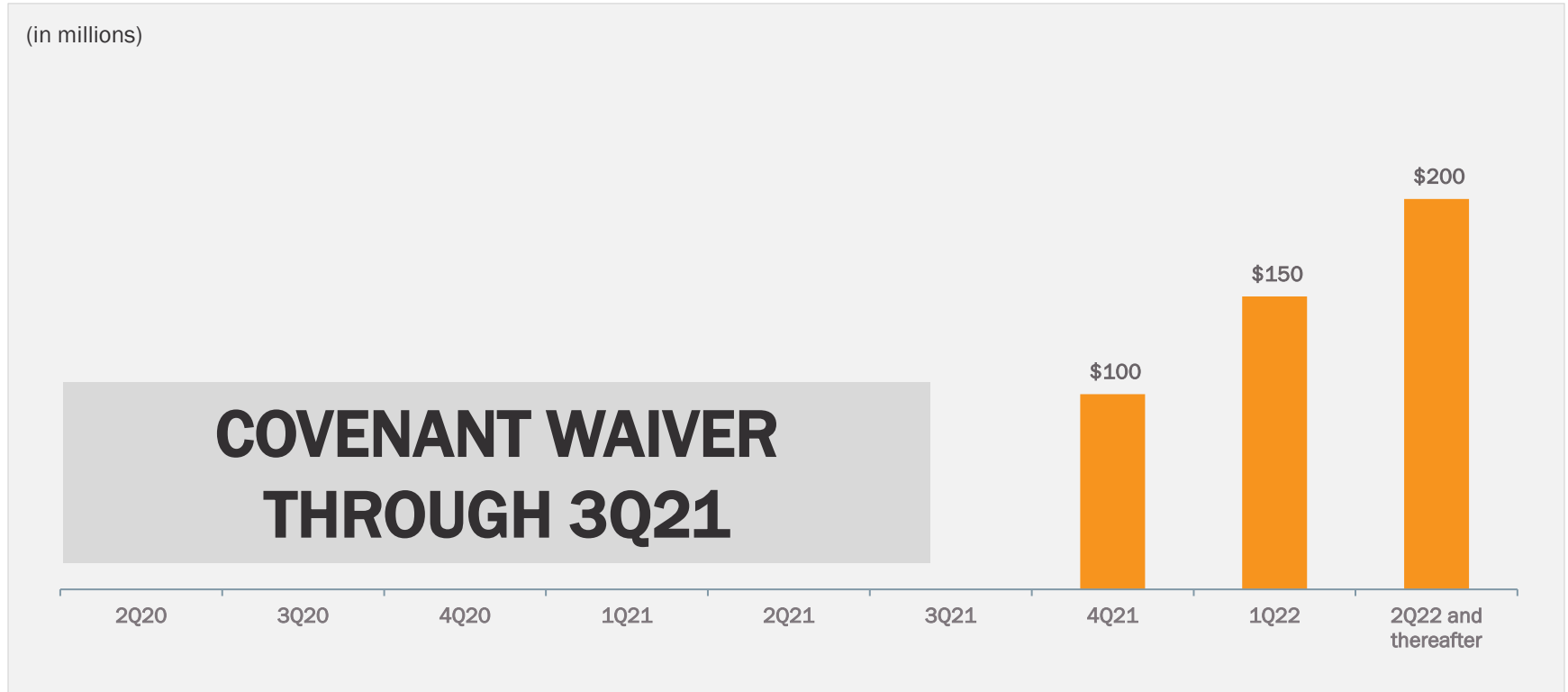
Capital Structure and Labor Timeline



Largest debt instruments and the labor agreement mature at various dates in 2024



LTM Adjusted EBITDA Covenant



Operating Statistics – First Quarter

	1Q21	1Q20	YoY % ^(a)
Workdays	63.5	65.5	
LTL tonnage (in thousands)	2,478	2,544	(2.6)
LTL tonnage per workday (in thousands)	39.02	38.85	0.5
LTL shipments (in thousands)	4,263	4,323	(1.4)
LTL shipments per workday (in thousands)	67.13	66.00	1.7
LTL picked up revenue/cwt.	\$ 22.00	\$ 20.63	6.7
LTL picked up revenue/cwt. (excl. FSC)	\$ 19.53	\$ 18.27	6.9
LTL picked up revenue/shipment	\$ 256	\$ 243	5.4
LTL picked up revenue/shipment (excl. FSC)	\$ 227	\$ 215	5.6
LTL weight/shipment (in pounds)	1,163	1,177	(1.2)
Total tonnage (in thousands)	3,216	3,234	(0.5)
Total tonnage per workday (in thousands)	50.64	49.37	2.6
Total shipments (in thousands)	4,380	4,426	(1.0)
Total shipments per workday (in thousands)	68.98	67.57	2.1
Total picked up revenue/cwt.	\$ 18.60	\$ 17.65	5.4
Total picked up revenue/cwt. (excl. FSC)	\$ 16.56	\$ 15.69	5.6
Total picked up revenue/shipment	\$ 273	\$ 258	5.9
Total picked up revenue/shipment (excl. FSC)	\$ 243	\$ 229	6.1
Total weight/shipment (in pounds)	1,468	1,461	0.5

	YoY % ^(a)		
	Jan-21	Feb-21	Mar-21
Total LTL tonnage per workday	2.5	(5.5)	3.8
Total tonnage per workday	4.4	(3.5)	6.1

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



Adjusted EBITDA Reconciliation

(in millions)

Yellow Corporation	2019	2020	1Q 2020	1Q 2021	LTM 1Q 2020	LTM 1Q 2021
Reconciliation of net income (loss) to Adjusted EBITDA						
Net income (loss)	\$ (104.0)	\$ (53.5)	\$ 4.3	\$ (63.3)	\$ (50.6)	\$ (121.1)
Interest expense, net	109.9	135.6	28.2	35.8	111.6	143.2
Income tax expense (benefit)	(4.3)	(19.6)	(0.4)	1.1	5.0	(18.1)
Depreciation and amortization	152.4	134.9	35.7	33.3	148.1	132.5
EBITDA	154.0	197.4	67.8	6.9	214.1	136.5
Adjustments for TL Agreements:						
(Gains) losses on property disposals, net	(13.7)	(45.3)	(39.3)	1.0	(54.6)	(5.0)
Non-cash reserve changes	16.1	2.9	0.3	(1.8)	16.4	0.8
Impairment charges	8.2	-	-	-	-	-
Letter of credit expense	6.5	7.3	1.6	2.1	6.5	7.8
Permitted dispositions and other	(0.9)	0.3	0.2	0.7	0.4	0.8
Equity-based compensation expense	6.3	4.7	2.0	2.1	6.0	4.8
Loss on extinguishment of debt	11.2	-	-	-	11.2	-
Non-union pension settlement charge	1.8	3.6	-	-	1.8	3.6
Other, net	2.9	3.5	(1.6)	1.0	0.2	6.1
Expense amounts subject to 10% threshold:						
COVID-19	-	3.9	0.2	-	0.2	3.7
Other, net	18.2	17.3	2.9	4.6	12.4	19.0
Adjusted EBITDA prior to 10% threshold	210.6	195.6	34.1	16.6	214.6	178.1
Adjustments pursuant to TTM calculation	-	(3.7)	-	(3.4)	-	(7.1)
Adjusted EBITDA	\$ 210.6	\$ 191.9	\$ 34.1	\$ 13.2	\$ 214.6	\$ 171.0



www.myyellow.com

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