

Yellow Corporation Investor Presentation Third Quarter 2022



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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.



Yellow At a Glance

PREMIUM LTL TRANSPORTATION & LOGISTICS SERVICES PROVIDER



**2nd
largest**

**5th
largest**

**\$5.1
billion**

**17.2
million**

~32,000

316

~14,200

~42,000

LTL Network in
North America

Trucking
Company in
North America

2021 Revenue

2021 Shipments

Employees

Terminals

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 and operational areas to support 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



One Technology Platform

Transition operating companies to one technology platform



Network Optimization

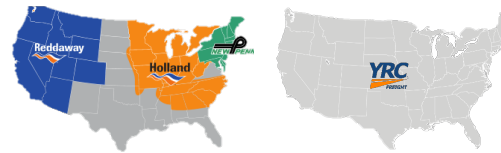
Integration to one network, creating a common enterprise platform to strengthen asset and network efficiencies while enhancing service in the 1, 2 & 3-day lanes nationwide



Super-Regional Carrier

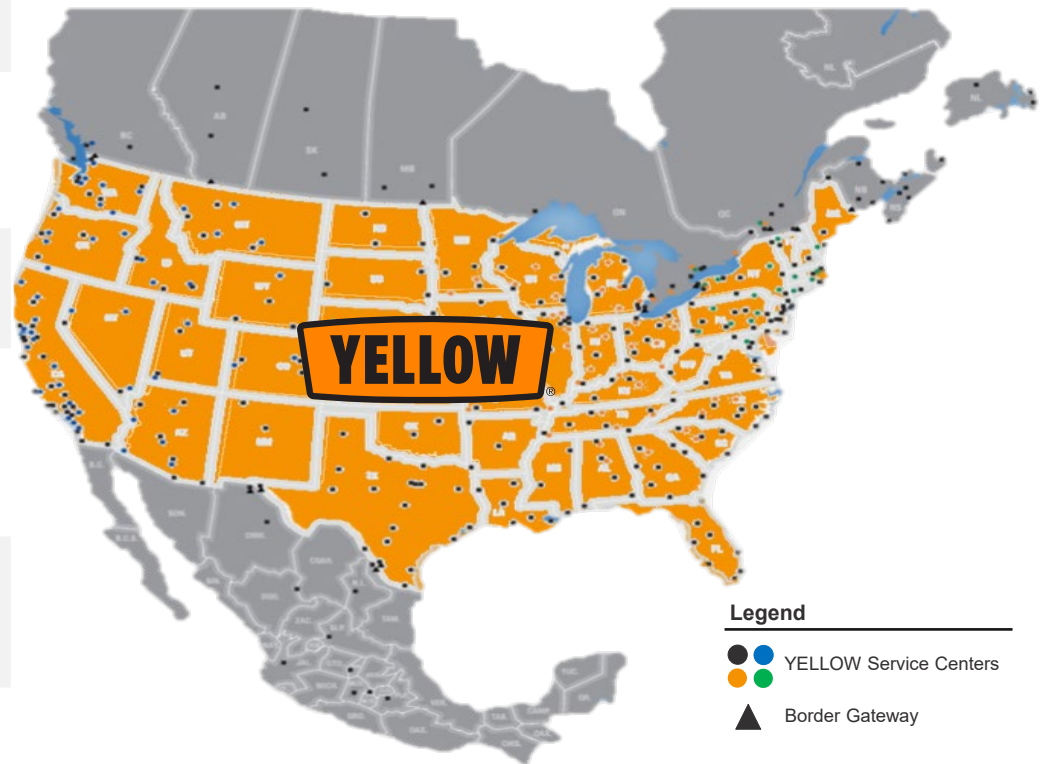
Go-to-market strategy as One Yellow. Provide customers with choice, simplicity, speed, visibility, reliability and value under one united brand

Pre-Transformation



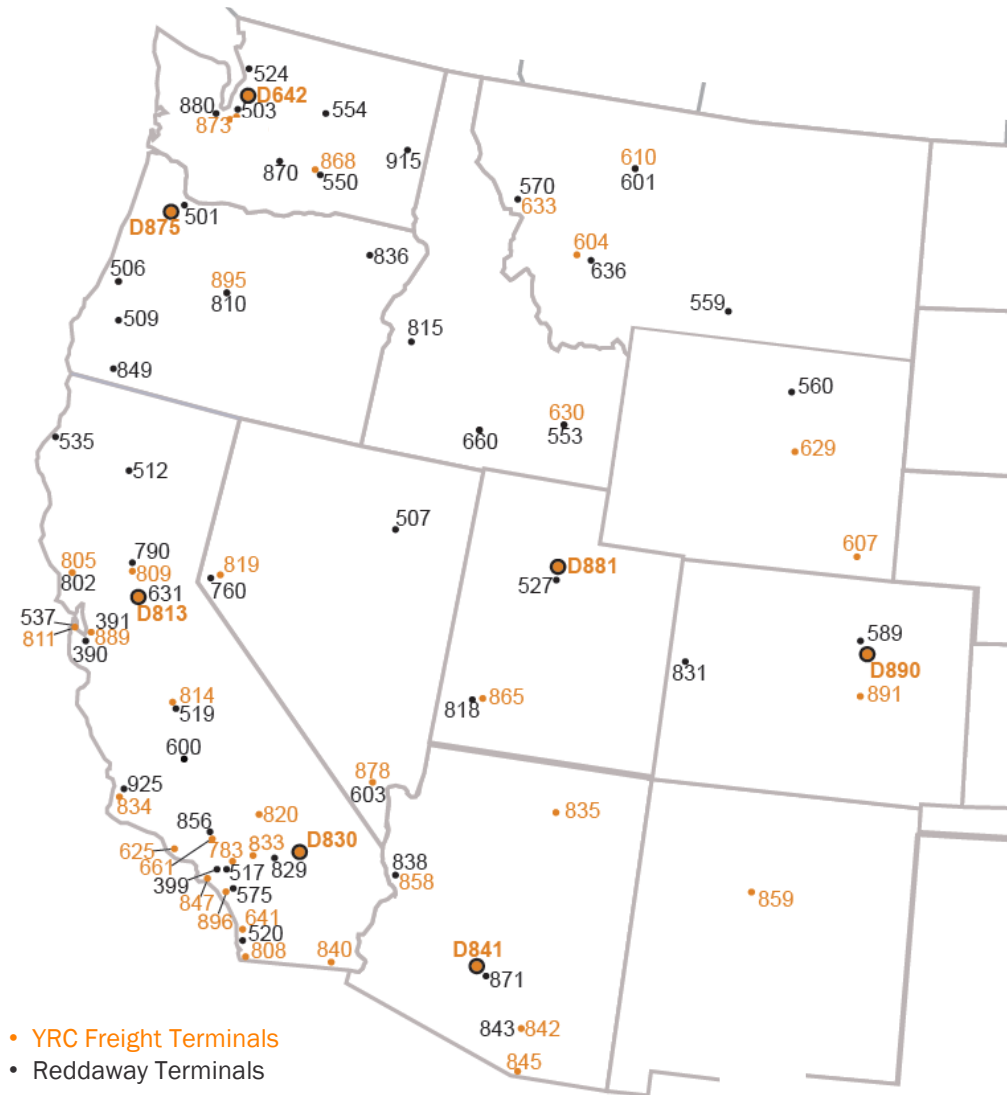
Super-Regional Carrier

Integrated nationwide LTL service



Network Optimization Phase One

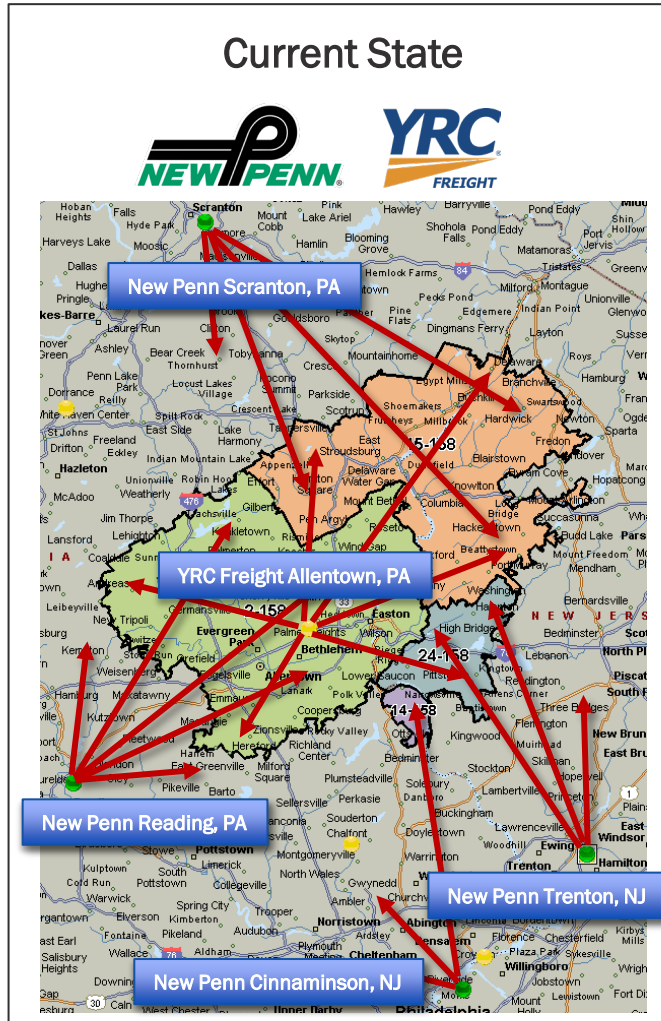
- Integrating 89 legacy YRC Freight and Reddaway terminals in the Western U.S. in phase one of the network optimization
- Phase one expected to be implemented in September and enhance service in more than 4,600 zip codes
- Will apply lessons learned during the remaining phases
- Phase two in the Northeast and Midwest and phase three in the Southeast and Central U.S.
- The transformation of the entire network expected to be completed around the end of 2022



Example of Network Optimization

Pick Up & Delivery

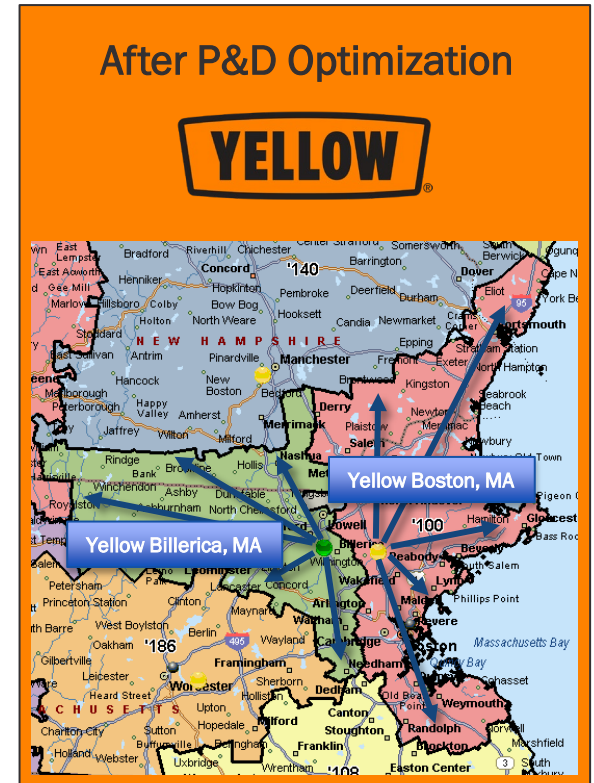
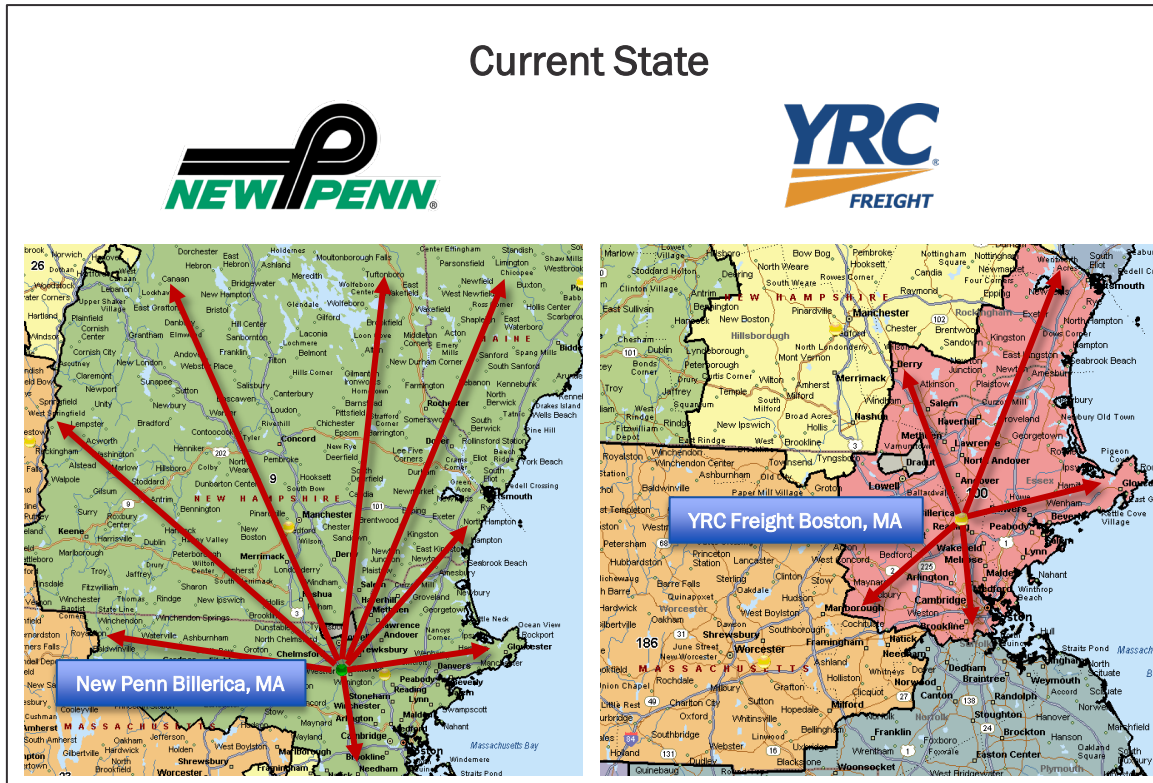
- In the Northeast, we have 60 terminal operations in the “Shared Space” between New Penn (regional service) and YRC Freight (longhaul service)
- Future state will streamline operations and reduce duplication in pickup and delivery operations
- Customer benefit is one driver can pickup and deliver both regional and longhaul shipments
- One zip code, one customer, one driver



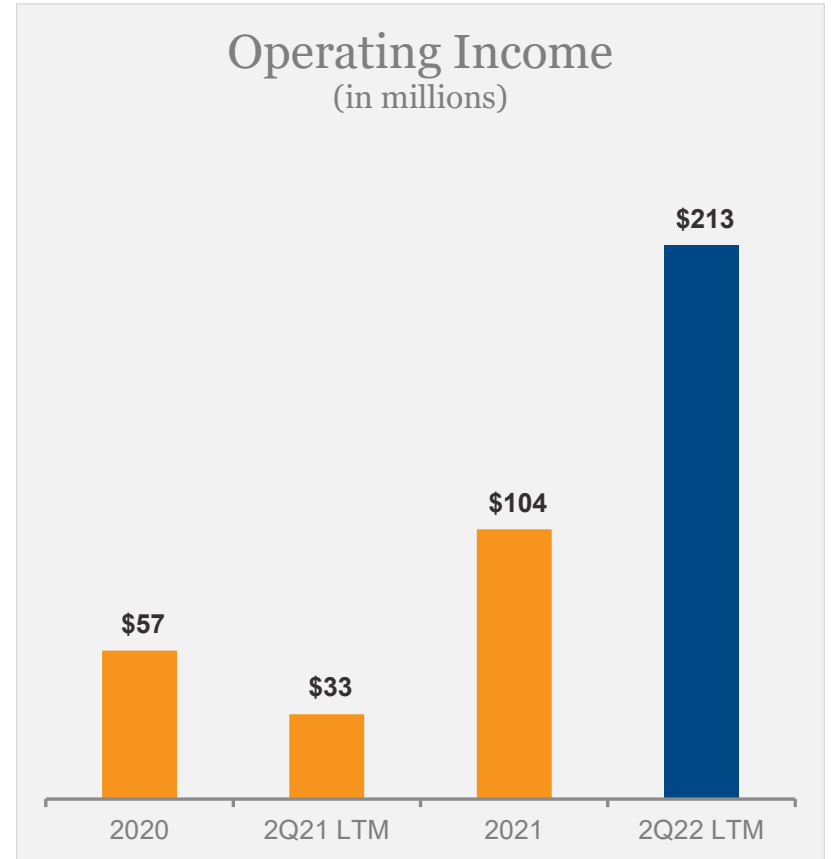
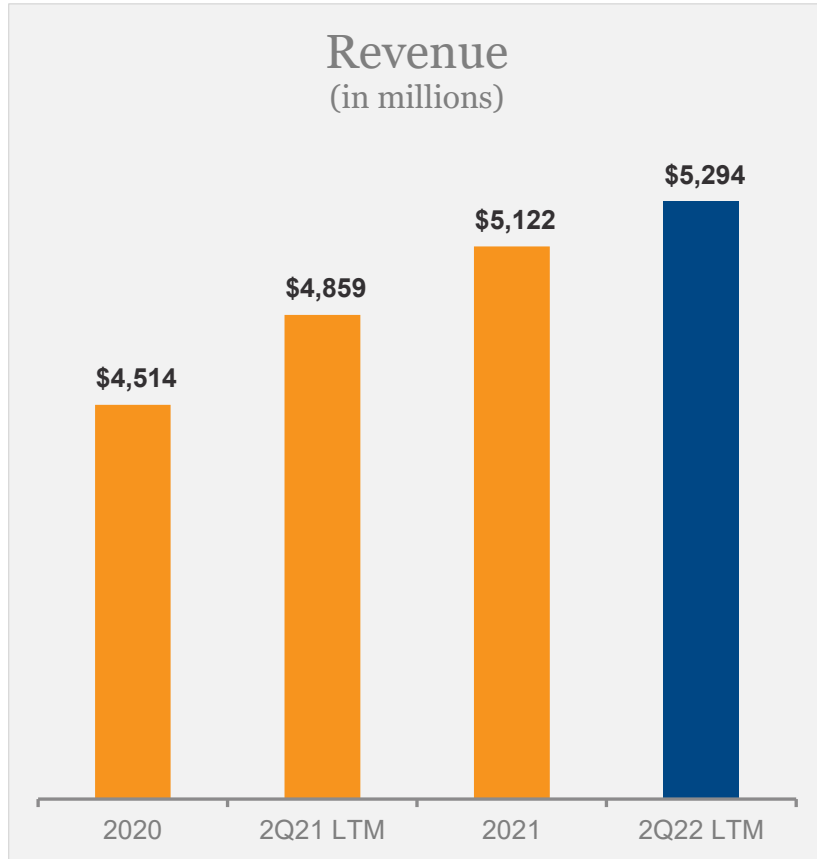
Example of Network Optimization (continued)

Pick Up & Delivery Operations near Boston, MA

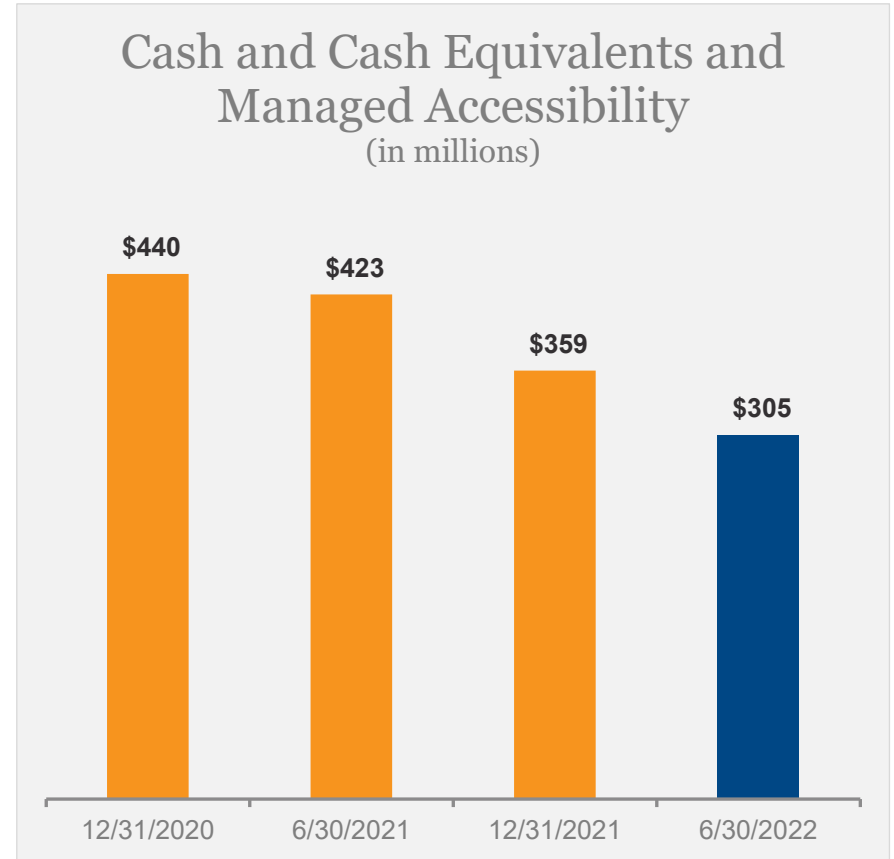
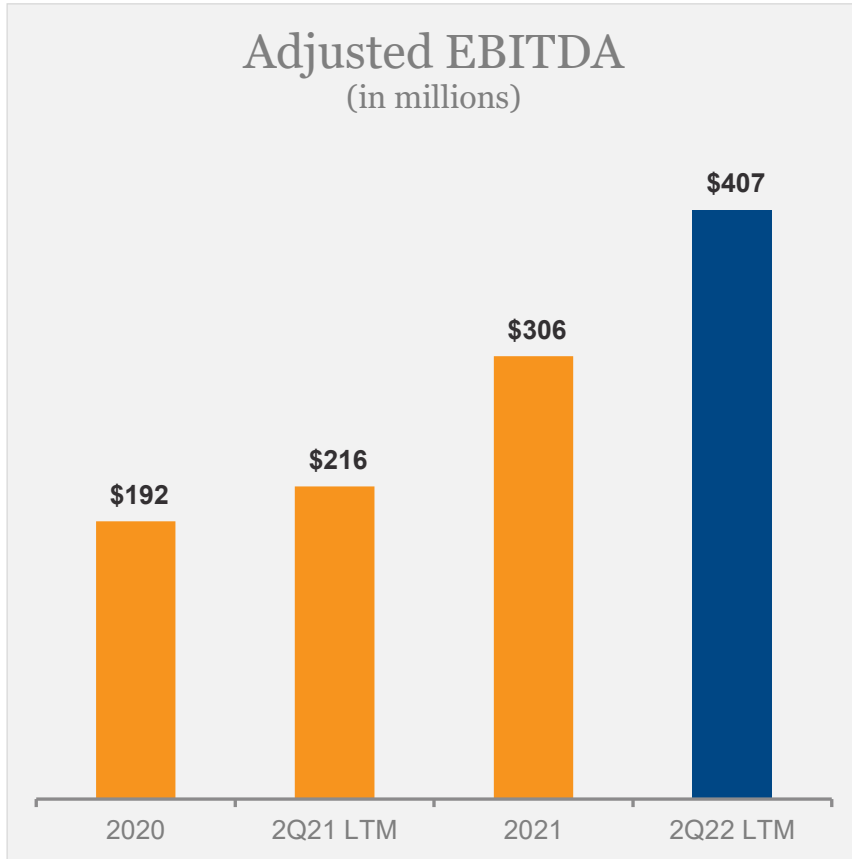
- New Penn Billerica (regional) and YRC Freight Boston (longhaul) scenario. Terminals are 11.3 miles from each other
- Once optimization is complete, efficiencies are gained through improved asset utilization and lower overall miles



Financial Results



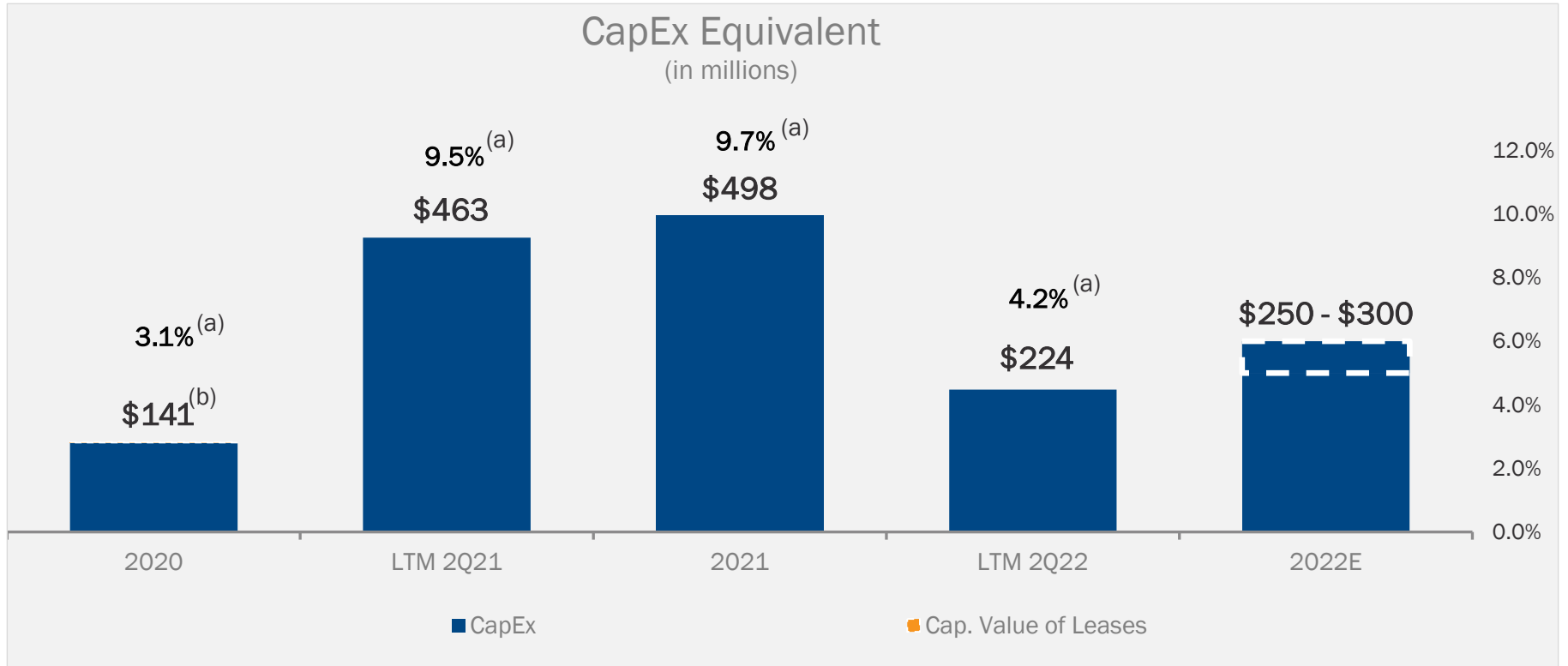
Financial Results



LTM Adjusted EBITDA covenant is \$200 million in 2Q 2022 and thereafter



Reinvesting in the Business



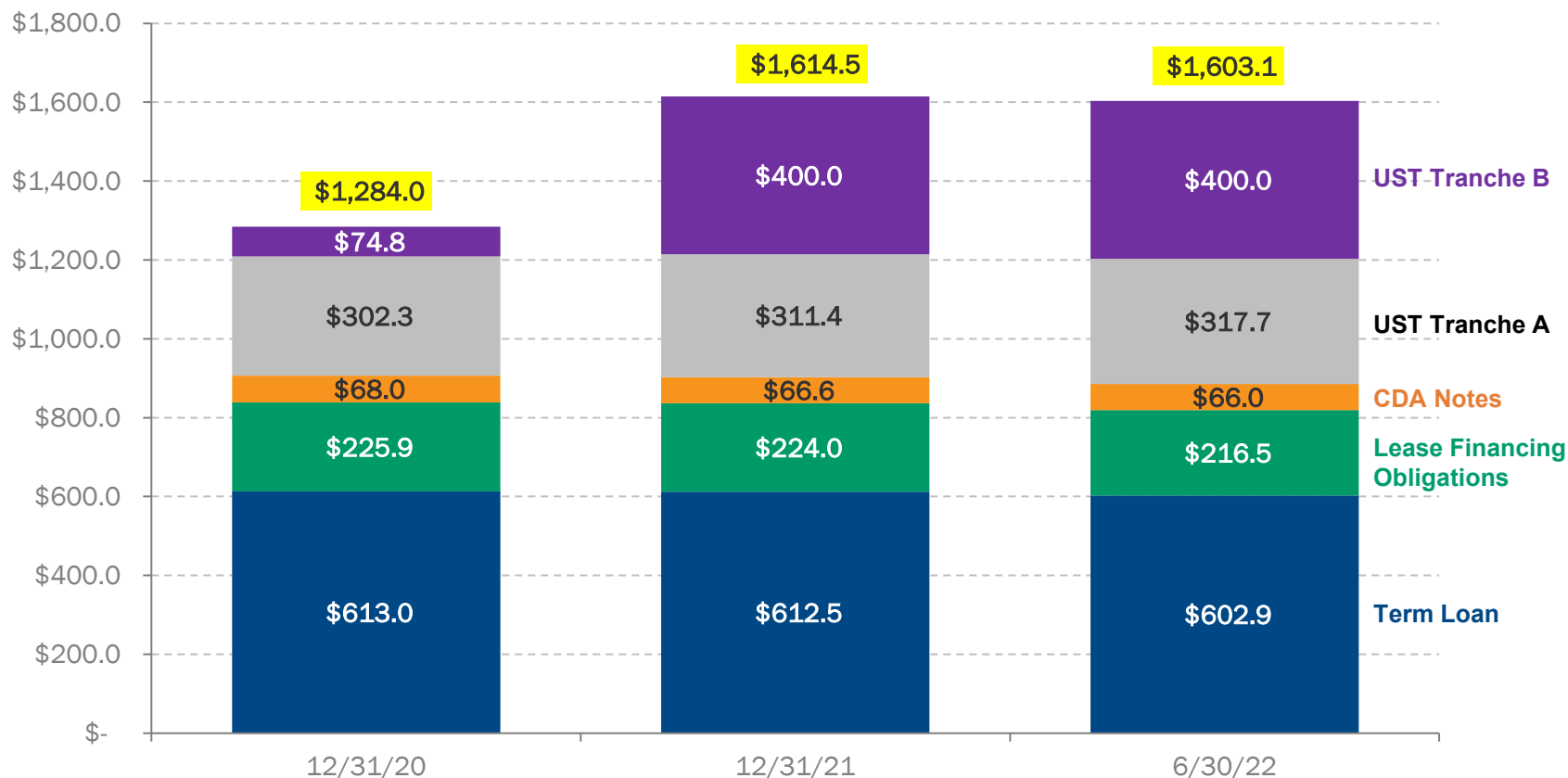
(a) CapEx Equivalent as a percentage of revenue

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



Capital Structure Overview

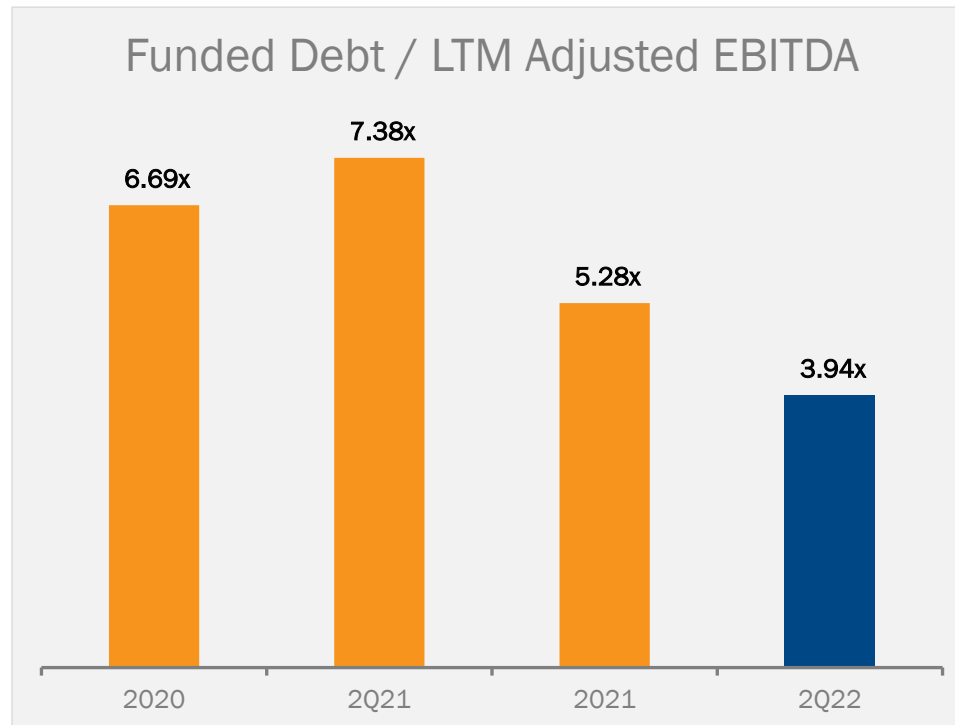
(in millions)



- 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 \$17.7M of PIK interest as of 6/30/22.
- 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 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%. If LTM Adjusted EBITDA is above \$400 million the fixed margin decreases from 7.5% to 6.5%. All paid in cash.



Leverage Ratio



Note: Funded debt balances based on par value

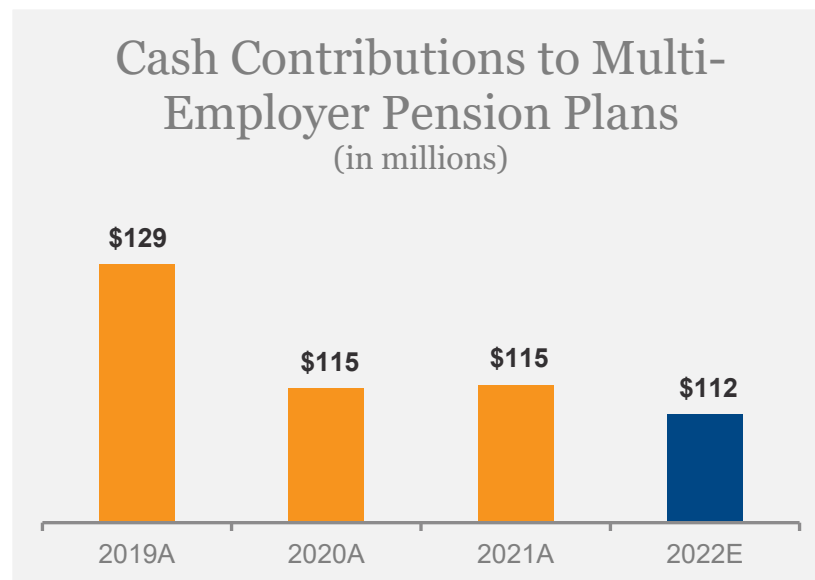
Growing into capital structure

Funded Debt / LTM Adjusted EBITDA ratio down 3.4 turns YoY



Multi-Employer Pension Plans (Union)

- Approximately 80% of employees are represented by the International Brotherhood of Teamsters and covered by collective bargaining agreements
- 2022 total annual cash contributions expected to be approximately \$112 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
- 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

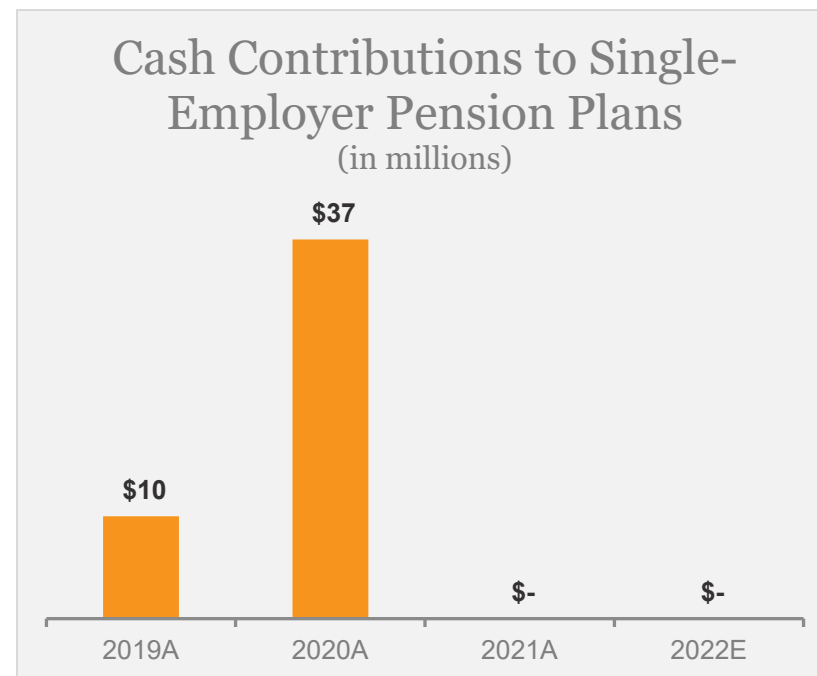


Refer to the Company's Form 10-K for further disclosures



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
- In 2021, the non-union pension plans entered into a contract for a group annuity to transfer an obligation to pay the remaining retirement benefits of approximately 3,700 plan participants, out of a total of approximately 8,500 participants, to an insurance company. The transfer included approximately \$250 million in both plan obligations and plan assets and is an important step in de-risking the balance sheet.
- 2022 cash contributions expected to be nominal and no significant annual contribution expected in years thereafter

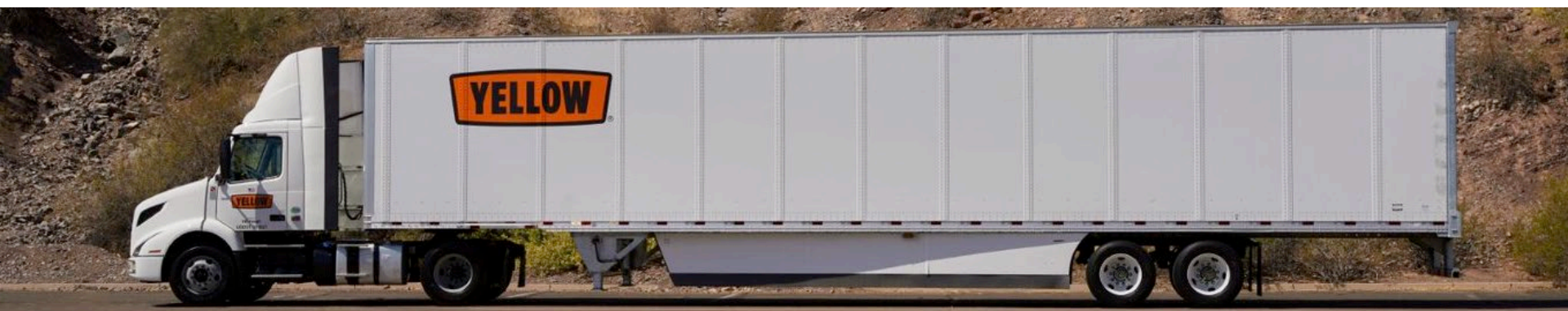


Refer to the Company's Form 10-K for further disclosures



Yellow Value Proposition

- 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 around the end of 2022, expected to create operational efficiencies that enhance customer service, improve productivity and improve financial results
- Executed one of the largest CapEx plans in Company history in 2021. Included investments in tractors, trailers, technology, box trucks, containers, liftgates and other assets. Reinvestment is expected to drive improved results and position the Company for future profitability and growth
- Led by an experienced Senior Management Team and Board of Directors

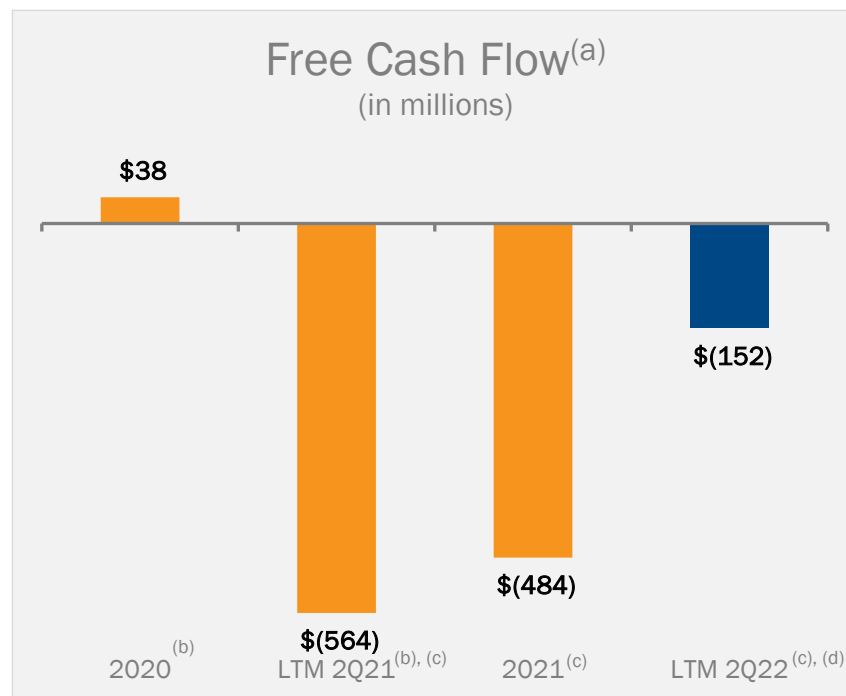
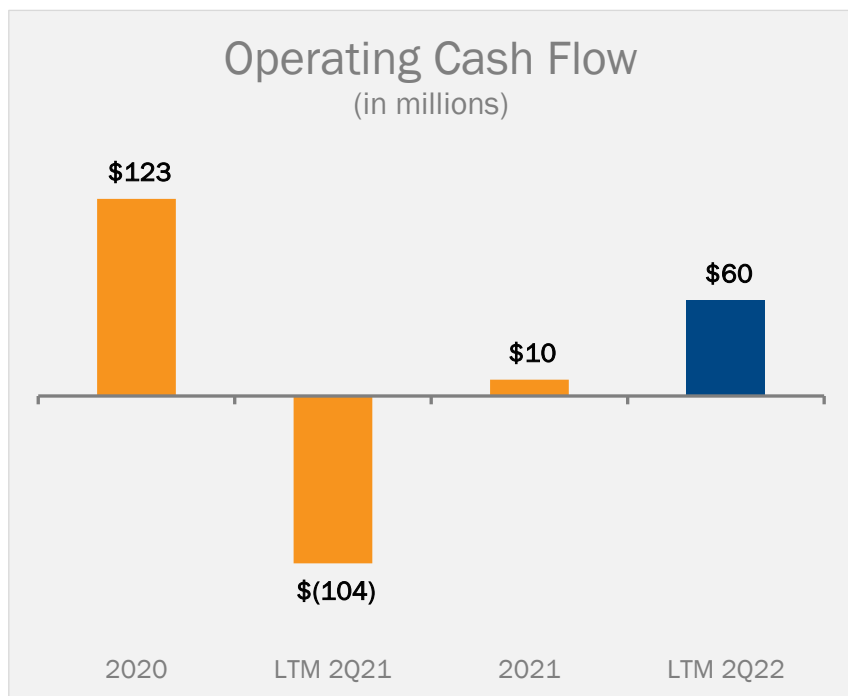




Appendix



Cash Flow



- (a) Free cash flow = operating cash flow less acquisitions of property and equipment, net of cash proceeds from disposals
- (b) During FY 2020, the Company recognized cash proceeds on the sale of terminals of approximately \$53 million
- (c) During FY 2021, the Company recognized cash proceeds on the sale of terminals of approximately \$1 million
- (d) For YTD 2Q22, the Company recognized cash proceeds on the sale of terminals of approximately \$9 million

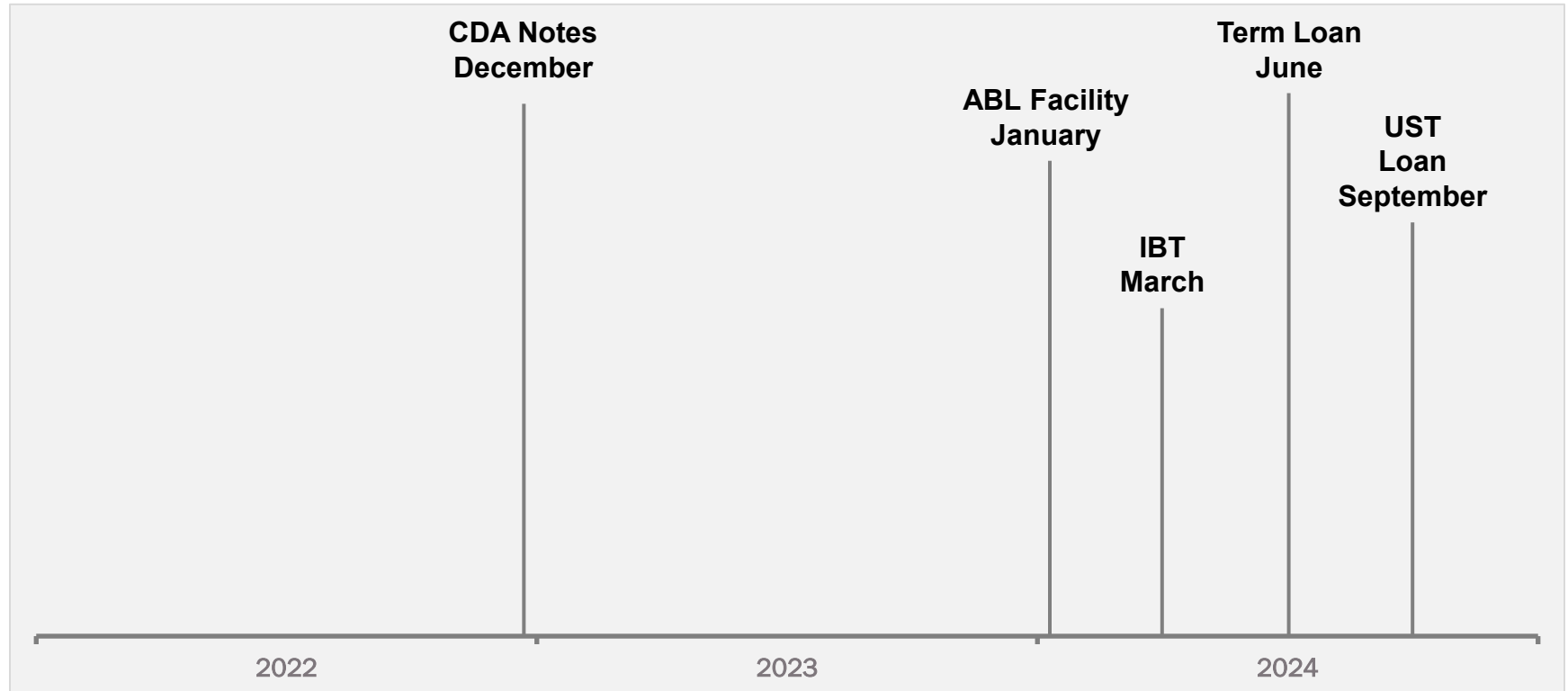
Free Cash Flow Reconciliation

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

	FY 2020	LTM 2Q21	FY 2021	LTM 2Q22
Net cash provided in operating activities	\$ 122.5	\$ (103.8)	\$ 10.2	\$ 59.5
Acquisition of property and equipment	(140.6)	(462.7)	(497.6)	(224.0)
Proceeds from disposal of property and equipment	56.1	2.6	3.6	12.4
Free Cash Flow	\$ 38.0	\$ (563.9)	\$ (483.8)	\$ (152.1)



Capital Structure and Labor Timeline



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



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 provided two tranches totaling \$700 million in aggregate principal commitments
- **Tranche A** for \$300 million covered 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 used for reinvestment in tractors and trailers. Tranche B was fully drawn as of July 31, 2021



Operating Statistics – Second Quarter

	2Q22	2Q21	YoY % ^(a)
Workdays	63.5	64.0	
LTL tonnage (in thousands)	2,082	2,511	(17.1)
LTL tonnage per workday (in thousands)	32.80	39.24	(16.4)
LTL shipments (in thousands)	3,719	4,419	(15.9)
LTL shipments per workday (in thousands)	58.56	69.05	(15.2)
LTL picked up revenue/cwt.	\$ 30.69	\$ 23.67	29.7
LTL picked up revenue/cwt. (excl. FSC)	\$ 23.88	\$ 20.70	15.3
LTL picked up revenue/shipment	\$ 344	\$ 269	27.8
LTL picked up revenue/shipment (excl. FSC)	\$ 267	\$ 235	13.7
LTL weight/shipment (in pounds)	1,120	1,137	(1.5)
Total tonnage (in thousands)	2,659	3,268	(18.6)
Total tonnage per workday (in thousands)	41.87	51.06	(18.0)
Total shipments (in thousands)	3,820	4,550	(16.0)
Total shipments per workday (in thousands)	60.16	71.10	(15.4)
Total picked up revenue/cwt.	\$ 26.35	\$ 20.01	31.7
Total picked up revenue/cwt. (excl. FSC)	\$ 20.72	\$ 17.57	17.9
Total picked up revenue/shipment	\$ 367	\$ 287	27.6
Total picked up revenue/shipment (excl. FSC)	\$ 288	\$ 252	14.3
Total weight/shipment (in pounds)	1,392	1,436	(3.1)

	YoY % ^(a)		
	Apr-22	May-22	Jun-22
LTL tonnage per workday	(17.0)	(17.2)	(15.1)
Total tonnage per workday	(17.5)	(18.2)	(18.3)

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



Operating Statistics – Second Quarter Year-To-Date

	YTD 2022	YTD 2021	YoY % ^(a)
Workdays	127.0	127.5	
LTL tonnage (in thousands)	4,062	4,989	(18.6)
LTL tonnage per workday (in thousands)	31.99	39.13	(18.3)
LTL shipments (in thousands)	7,279	8,682	(16.2)
LTL shipments per workday (in thousands)	57.32	68.10	(15.8)
LTL picked up revenue/cwt.	\$ 29.73	\$ 22.84	30.2
LTL picked up revenue/cwt. (excl. FSC)	\$ 23.86	\$ 20.12	18.6
LTL picked up revenue/shipment	\$ 332	\$ 263	26.4
LTL picked up revenue/shipment (excl. FSC)	\$ 266	\$ 231	15.1
LTL weight/shipment (in pounds)	1,116	1,149	(2.9)
Total tonnage (in thousands)	5,203	6,484	(19.8)
Total tonnage per workday (in thousands)	40.96	50.85	(19.4)
Total shipments (in thousands)	7,473	8,930	(16.3)
Total shipments per workday (in thousands)	58.85	70.04	(16.0)
Total picked up revenue/cwt.	\$ 25.50	\$ 19.31	32.1
Total picked up revenue/cwt. (excl. FSC)	\$ 20.65	\$ 17.07	21.0
Total picked up revenue/shipment	\$ 355	\$ 280	26.6
Total picked up revenue/shipment (excl. FSC)	\$ 288	\$ 248	16.0
Total weight/shipment (in pounds)	1,392	1,452	(4.1)

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



Adjusted EBITDA Reconciliation

(in millions)

Yellow Corporation	2020	2021	2Q 2021	2Q 2022	LTM 2Q 2021	LTM 2Q 2022
Reconciliation of net income (loss) to Adjusted EBITDA						
Net income (loss)	\$ (53.5)	\$ (109.1)	\$ (9.4)	\$ 60.0	\$ (93.4)	\$ (3.9)
Interest expense, net	135.6	150.4	37.6	37.9	140.6	152.6
Income tax expense (benefit)	(19.6)	3.1	0.1	1.8	(10.5)	2.9
Depreciation and amortization	134.9	143.6	35.0	35.5	133.3	146.5
EBITDA	197.4	188.0	63.3	135.2	170.0	298.1
Adjustments for TL Agreements:						
(Gains) losses on property disposals, net	(45.3)	0.7	0.3	(3.2)	1.3	(9.3)
Non-cash reserve changes	2.9	11.6	4.7	5.6	2.8	12.4
Letter of credit expense	7.3	8.5	2.1	2.2	8.3	8.6
Permitted dispositions and other	0.3	0.8	0.1	-	0.9	0.3
Equity-based compensation expense	4.7	4.4	0.6	1.0	4.2	5.0
Non-union pension settlement charge	3.6	64.7	0.3	-	3.9	64.4
Other, net	3.5	3.0	0.9	0.5	4.9	2.3
Expense amounts subject to 10% threshold:						
Department of Defense settlement charge	-	-	-	-	-	5.3
COVID-19	3.9	-	-	-	-	-
Other, net	17.3	24.3	8.3	4.6	24.5	19.6
Adjusted EBITDA prior to 10% threshold	195.6	306.0	80.6	145.9	220.8	406.7
Adjustments pursuant to TTM calculation	(3.7)	-	2.3	-	(4.8)	-
Adjusted EBITDA	\$ 191.9	\$ 306.0	\$ 82.9	\$ 145.9	\$ 216.0	\$ 406.7



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