



YRC WORLDWIDE INC.
INVESTOR PRESENTATION
NOVEMBER 2020



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

Today is a new day for YRC Worldwide

\$4.9B

2019 Total Revenue

~19M

Shipments Transported Annually

~30,000

Employees

~333

Terminals

90+

Years of experience

~14,000 / ~45,000

Tractors

Trailers

HOLDING COMPANY TO MOVE FORWARD UNDER THE HERITAGE YELLOW BRAND IN 2021



**Coming back
to move forward.**



TERMINAL & NETWORK OPERATIONS

➤ Operational realignment and new reporting structure create new efficiencies

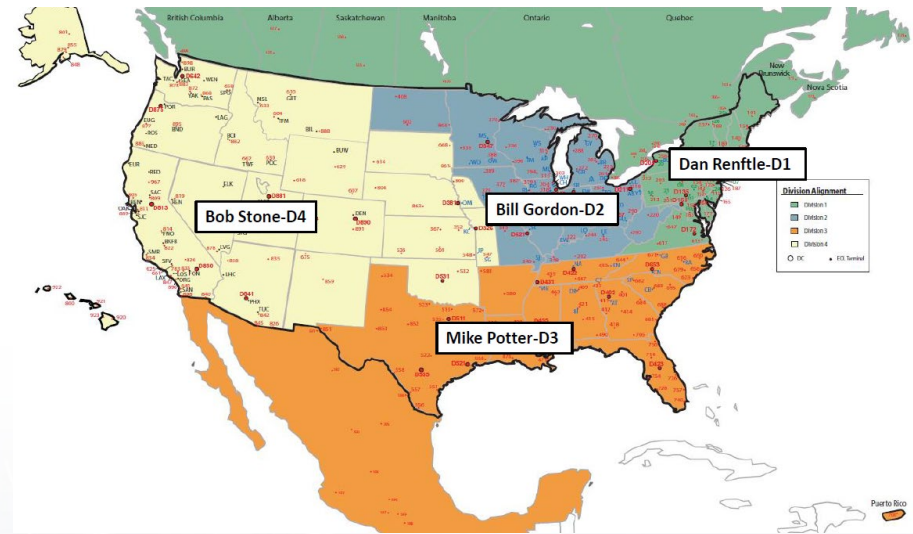
- Divisional, regional, and area operational reporting structure for Holland, New Penn, Reddaway, and YRC Freight are combined under a single leadership team
- 4 divisional and 17 operational areas supporting the entire network of terminals

➤ Enterprise-wide sales team

- Simplifying customer engagement with a single point of contact with the new enterprise-wide sales team

➤ Network optimization

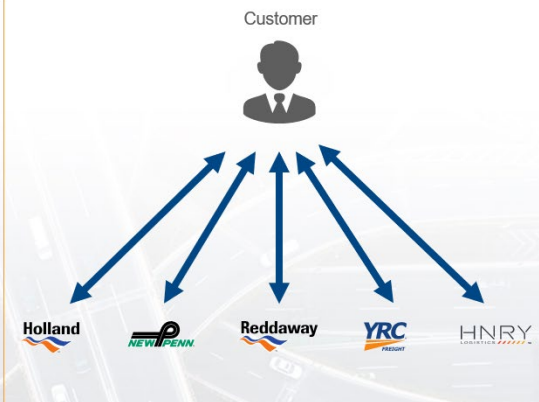
- Building a common enterprise platform to create asset & network efficiencies to build density, reduce costs and improve service



NEW SALES STRUCTURE

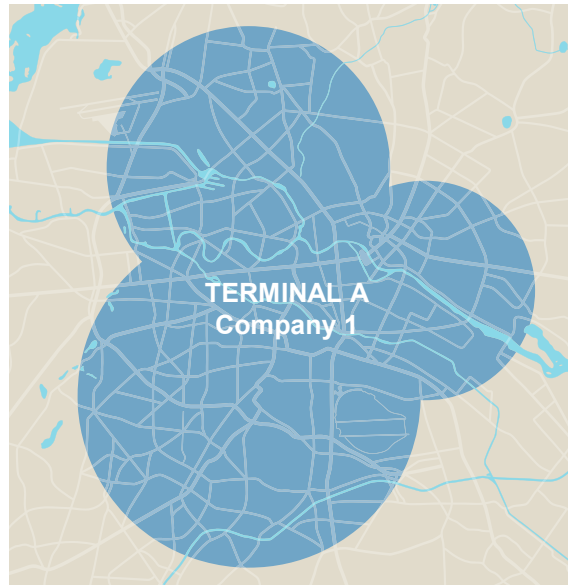
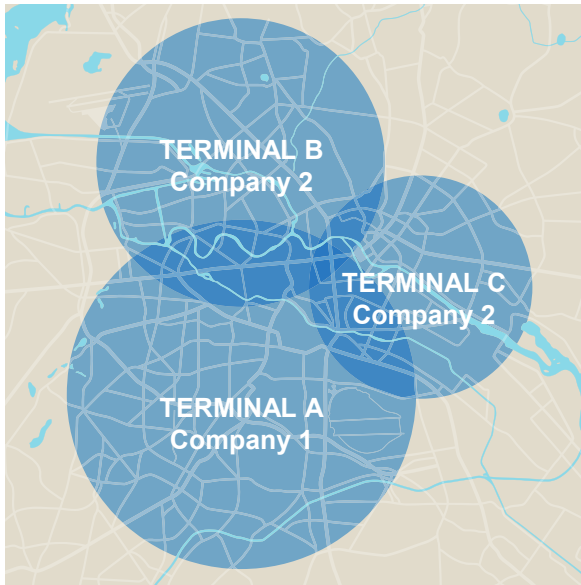


PREVIOUS SALES STRUCTURE



EXAMPLE OF NETWORK 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

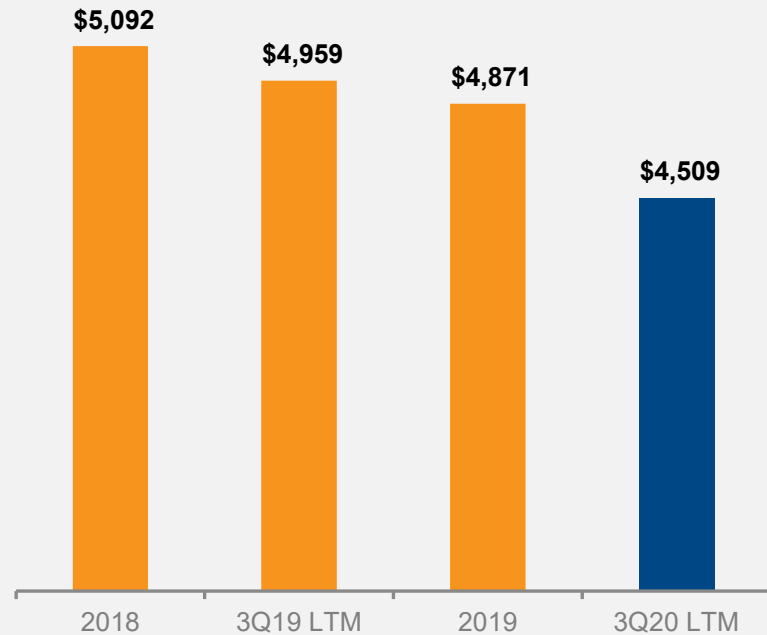
6 key focus areas:

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

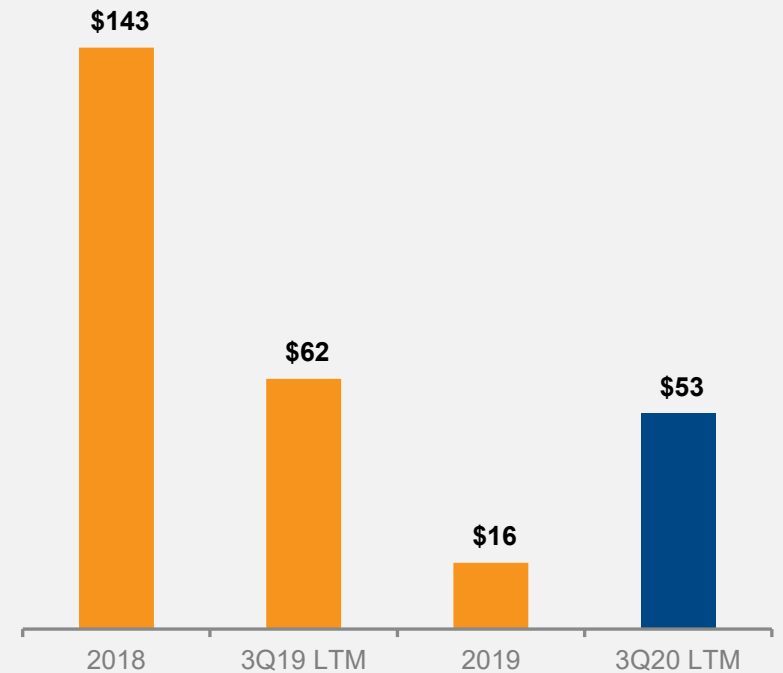
Optimizing the network for increased efficiencies and service

FINANCIAL RESULTS

Revenue (in millions)

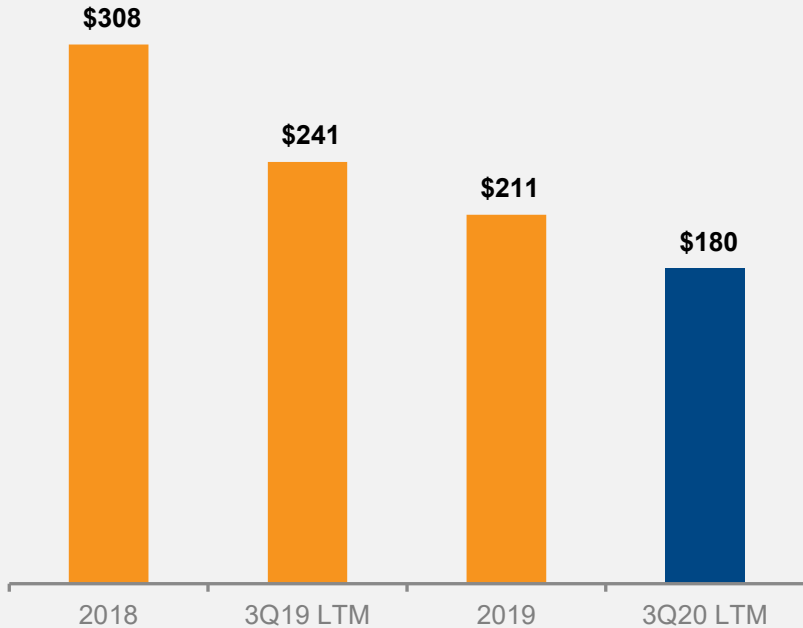


Operating Income (in millions)

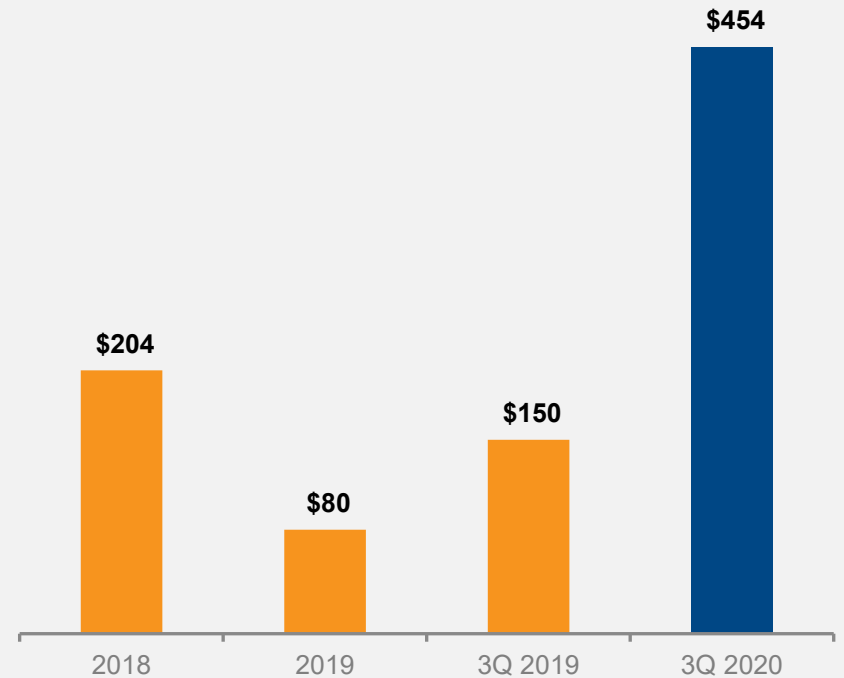


FINANCIAL RESULTS

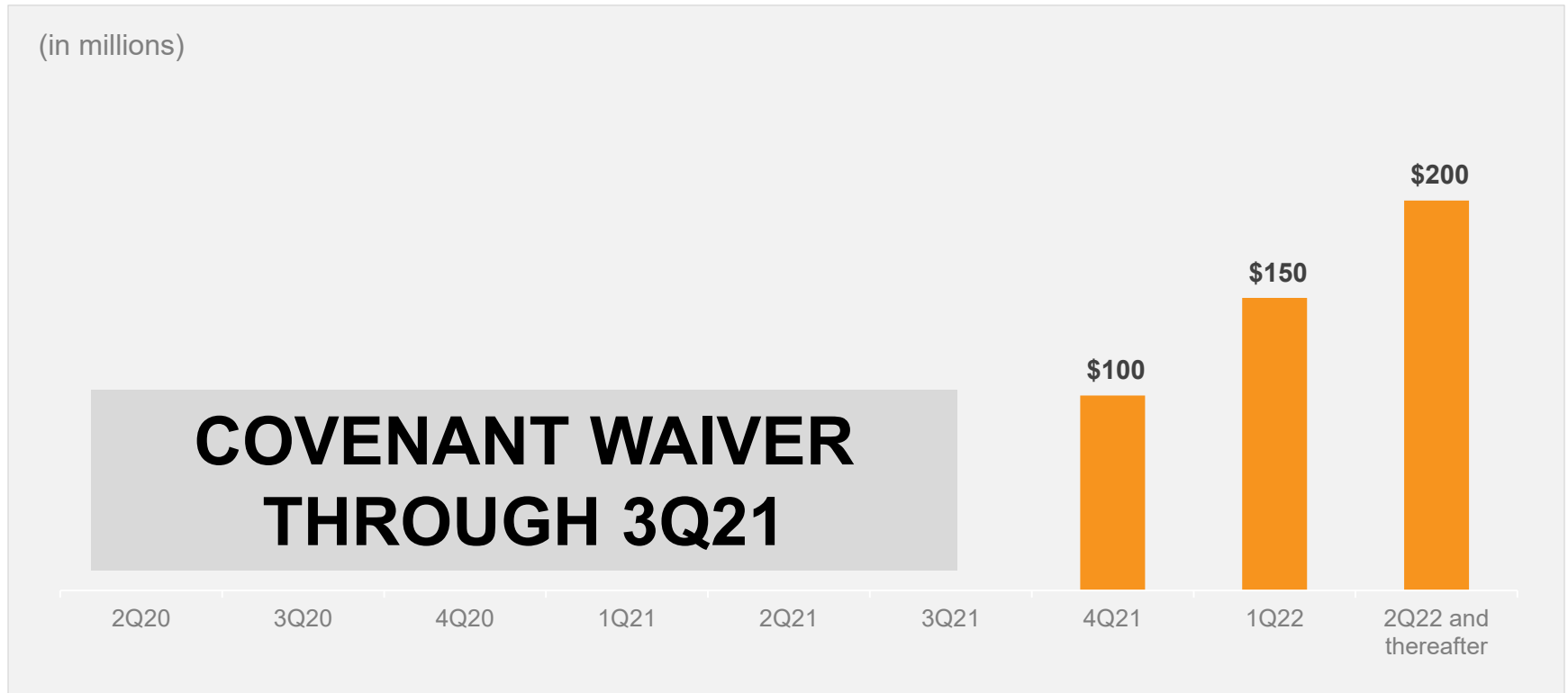
Adjusted EBITDA (in millions)



Cash and Cash Equivalents and Managed Accessibility (in millions)



LTM ADJUSTED EBITDA COVENANT



UNITED STATES TREASURY FUNDING

➤ Equity

- U.S. Treasury received 15.94 million shares of common stock and is the Companies largest shareholder at 29.6%

➤ Debt Financing

- U.S. Treasury loan provides two tranches of financing totaling \$700 million
 - Tranche A for \$300 million is to cover short-term contractual obligations, certain other obligations including pension and healthcare payments and working capital. \$245 million drawn on Tranche A as of September 30, 2020.
 - Tranche B for \$400 million will be used for reinvestment in trailers and tractors. First \$75 million of Tranche B was drawn in October 2020.

REINVESTING IN THE BUSINESS



➤ U.S. Treasury Tranche B Investments

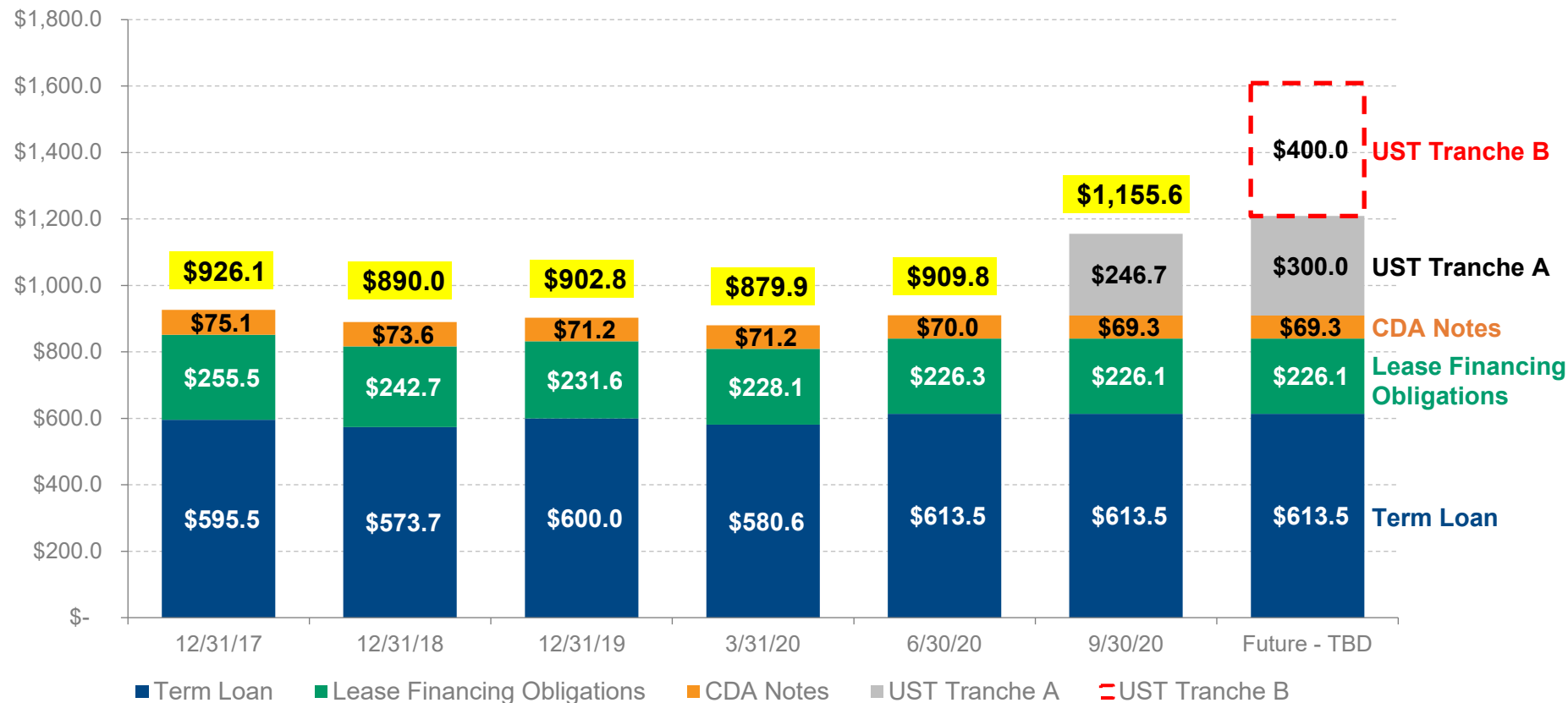
- Expected to take delivery of ~300 new tractors and ~950 new trailers during 4Q 2020

➤ Significant Additional CapEx Investments Include

- Technology
- Box trucks
- Containers
- Lift gates

CAPITAL STRUCTURE OVERVIEW

(\$ in millions)



- Tranche A of \$300M covers short-term contractual obligations and certain other obligations including pension and healthcare payments and will carry a variable interest rate, currently determined by LIBOR (subject to a floor of 1%), plus 3.5%, consisting of 1.5% cash and the remainder paid-in-kind (PIK). The UST Tranche A loan balance of \$246.7M includes \$1.7M of PIK interest as of 9/30/20.
- Tranche B of \$400M will be used for essential capital investment in trailers and tractors and is expected to carry a variable interest rate, currently determined by LIBOR (subject to a floor of 1%), plus 3.5% in cash.

CONCLUSION

- **Strong industry position, North America's largest alliance of LTL national and regional networks**
- **Experienced Senior Leadership Team and Board of Directors**
- **Network optimization initiative continues and will create operational opportunities that expand revenue, accelerate cost reductions and improve productivity**
- **Despite economic challenges created by the COVID-19 shutdowns, improved liquidity through 3Q2020**
- **CARES Act funding creates significant opportunity to replenish the fleet through purchasing**
- **Reinvestment in the business expected to drive improved results and position the Company for future profitability and growth**



APPENDIX

OPERATING STATISTICS – THIRD QUARTER

	3Q20	3Q19	YoY % ^(a)
Workdays	64.0	63.0	
Total LTL tonnage (in thousands)	2,584	2,653	(2.6)
Total LTL tonnage per day (in thousands)	40.38	42.11	(4.1)
Total LTL shipments (in thousands)	4,480	4,703	(4.7)
Total LTL shipments per day (in thousands)	70.00	74.64	(6.2)
Total picked up LTL revenue/cwt.	\$ 20.82	\$ 21.70	(4.0)
Total picked up LTL revenue/cwt. (excl. FSC)	\$ 18.90	\$ 19.16	(1.4)
Total picked up LTL revenue/shipment	\$ 240	\$ 245	(1.9)
Total picked up LTL revenue/shipment (excl. FSC)	\$ 218	\$ 216	0.8
Total LTL weight/shipment (in pounds)	1,154	1,128	2.2
Total tonnage (in thousands)	3,295	3,327	(1.0)
Total tonnage per day (in thousands)	51.49	52.81	(2.5)
Total shipments (in thousands)	4,609	4,810	(4.2)
Total shipments per day (in thousands)	72.02	76.34	(5.7)
Total picked up revenue/cwt.	\$ 17.89	\$ 18.75	(4.6)
Total picked up revenue/cwt. (excl. FSC)	\$ 16.29	\$ 16.61	(1.9)
Total picked up revenue/shipment	\$ 256	\$ 259	(1.4)
Total picked up revenue/shipment (excl. FSC)	\$ 233	\$ 230	1.3
Total weight/shipment (in pounds)	1,430	1,383	3.3

	YoY % ^(a)		
	Jul-20	Aug-20	Sep-20
Total LTL tonnage per day	(4.3)	(6.4)	(1.9)
Total tonnage per day	(2.4)	(5.2)	(0.2)

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

OPERATING STATISTICS – FIRST THREE QUARTERS

	YTD 2020	YTD 2019	YoY % ^(a)
Workdays	192.5	189.5	
Total LTL tonnage (in thousands)	7,412	7,879	(5.9)
Total LTL tonnage per day (in thousands)	38.50	41.58	(7.4)
Total LTL shipments (in thousands)	12,806	13,962	(8.3)
Total LTL shipments per day (in thousands)	66.52	73.68	(9.7)
Total picked up LTL revenue/cwt.	\$ 20.61	\$ 21.61	(4.6)
Total picked up LTL revenue/cwt. (excl. FSC)	\$ 18.55	\$ 19.05	(2.6)
Total picked up LTL revenue/shipment	\$ 239	\$ 244	(2.2)
Total picked up LTL revenue/shipment (excl. FSC)	\$ 215	\$ 215	(0.1)
Total LTL weight/shipment (in pounds)	1,158	1,129	2.6
Total tonnage (in thousands)	9,454	9,857	(4.1)
Total tonnage per day (in thousands)	49.11	52.01	(5.6)
Total shipments (in thousands)	13,158	14,270	(7.8)
Total shipments per day (in thousands)	68.35	75.30	(9.2)
Total picked up revenue/cwt.	\$ 17.66	\$ 18.71	(5.6)
Total picked up revenue/cwt. (excl. FSC)	\$ 15.95	\$ 16.55	(3.6)
Total picked up revenue/shipment	\$ 254	\$ 258	(1.8)
Total picked up revenue/shipment (excl. FSC)	\$ 229	\$ 229	0.3
Total weight/shipment (in pounds)	1,437	1,381	4.0

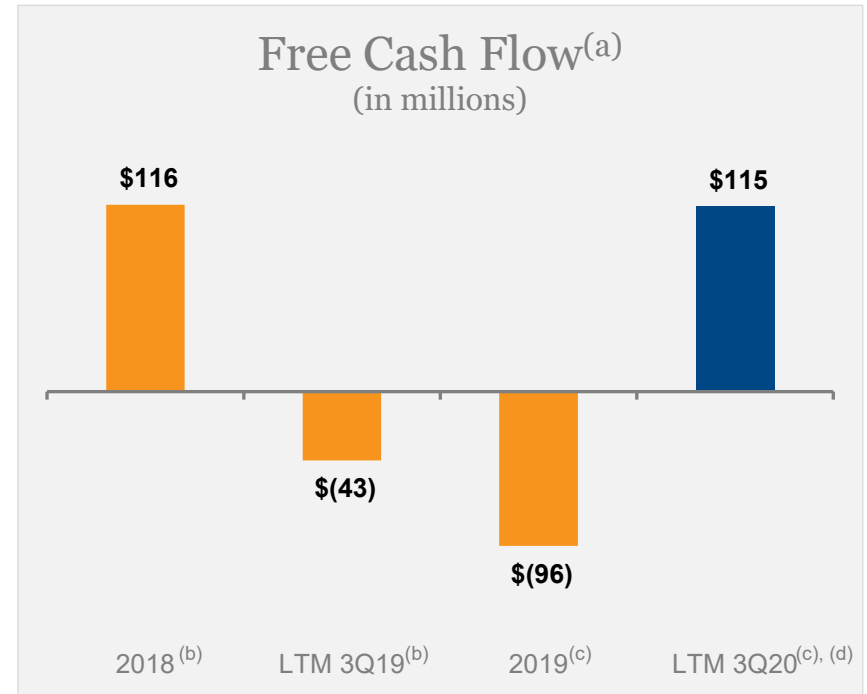
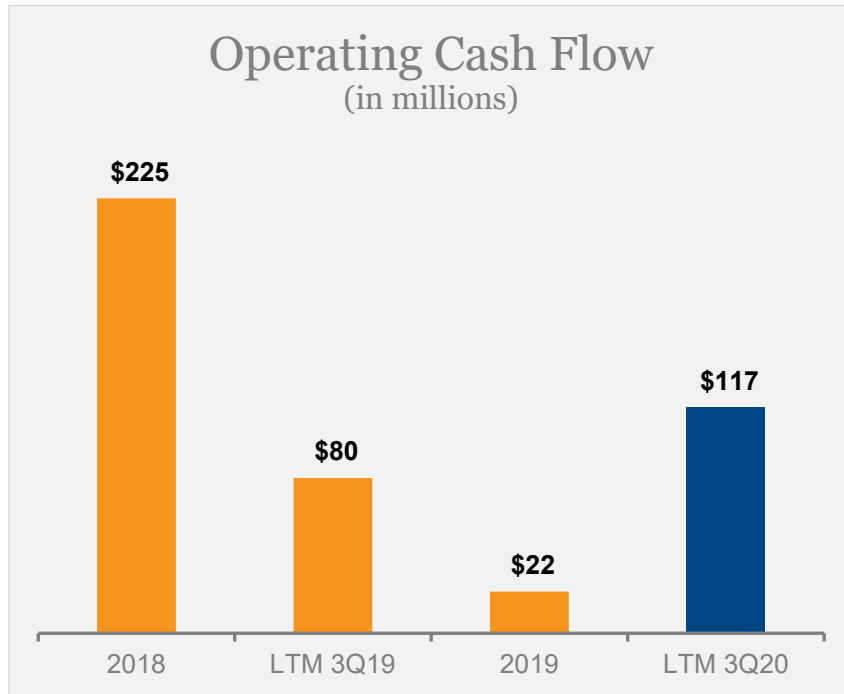
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ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

YRCW Consolidated	2018	2019	3Q 2019	3Q 2020	LTM 3Q 2019	LTM 3Q 2020
Reconciliation of net income (loss) to adjusted EBITDA						
Net income (loss)	\$ 20.2	\$ (104.0)	\$ (16.0)	\$ (2.0)	\$ (71.2)	\$ (50.1)
Interest expense, net	104.5	109.9	27.7	33.4	109.3	129.7
Income tax (benefit) expense	11.1	(4.3)	(0.5)	(10.9)	7.8	(22.0)
Depreciation and amortization	147.7	152.4	37.2	32.5	153.2	139.1
EBITDA	283.5	154.0	48.4	53.0	199.1	196.7
Adjustments pursuant to Term Loan Agreement:						
(Gains) losses on property disposals, net	(20.8)	(13.7)	1.0	-	(31.7)	(55.4)
Noncash reserve changes	-	16.1	(2.0)	-	14.0	5.1
Impairment charges	-	8.2	-	-	8.2	-
Letter of credit expense	6.6	6.5	1.6	2.0	6.4	6.9
Permitted dispositions and other	0.3	(0.9)	0.1	0.3	(1.0)	0.6
Equity-based compensation expense	6.3	6.3	1.8	1.1	6.0	5.4
Loss on extinguishment of debt	-	11.2	11.2	-	11.2	-
Non-union pension settlement charge	10.9	1.8	1.7	1.9	5.4	2.0
Other, net	0.1	2.9	0.2	1.0	1.2	2.1
Expense amounts subject to 10% threshold:						
COVID-19	-	-	-	-	-	3.9
Other, net	20.9	18.2	1.3	3.1	23.5	12.9
Adjusted EBITDA prior to 10% threshold	307.8	210.6	65.3	62.4	242.3	180.2
Adjustments pursuant to TTM calculation	-	-	0.6	(0.4)	(1.5)	(0.4)
Adjusted EBITDA	\$ 307.8	\$ 210.6	\$ 65.9	\$ 62.0	\$ 240.8	\$ 179.8

CASH FLOW



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 2018	LTM 3Q19	FY 2019	LTM 3Q20
Net cash provided in operating activities	\$ 224.8	\$ 80.3	\$ 21.5	\$ 116.6
Acquisition of property and equipment	(145.4)	(164.5)	(143.2)	(73.1)
Proceeds from disposal of property and equipment	36.4	41.4	25.9	71.3
Free Cash Flow	\$ 115.8	\$ (42.8)	\$ (95.8)	\$ 114.8

- (a) Free cash flow = operating cash flow less acquisitions of property and equipment, net of cash proceeds from disposals
 (b) During Q4 2018, the Company recognized cash proceeds on the sale of a terminal of approximately \$32 million
 (c) During Q4 2019, the Company recognized cash proceeds on the sale of terminals of approximately \$16 million
 (d) During Q1 2020, the Company recognized cash proceeds on the sale of terminals of approximately \$44 million

INVESTOR RELATIONS

NASDAQ:

WEBSITE

YRCW

YRCW.COM

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