


YRC Worldwide Inc.
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Table of Contents



I. Introduction

II. 2014 Refinancing

- A. Funded Debt Levels
- B. Timeline of Maturities

III. Overview of New Labor Agreement

IV. Financial Update – 1Q14

- A. 1Q14 YOY Volume
- B. 1Q14 YOY Yield
- C. 1Q14 Adjusted EBITDA

V. Conclusion

VI. Appendix



I. Introduction



Introduction



**YRC Worldwide is one of the largest less-than-truckload (LTL) carriers in North America
Provides broadest coverage and more service capability**



YRC Freight is comprised of the merged Yellow Transportation and Roadway. YRC Freight (YRCF) offers a range of services for the transportation of industrial, commercial and retail goods in regional, national and international markets, primarily through the operation of owned or leased equipment. YRC Freight also includes YRC Reimer, a subsidiary located in Canada that specializes in shipments into, across and out of Canada. In addition to the United States and Canada, YRC Freight also serves parts of Mexico, Puerto Rico and Guam



YRC Regional is comprised of Holland, Reddaway and New Penn. These companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the United States; Quebec, Canada; Mexico; and Puerto Rico. Approximately 98% of Regional Transportation shipments are completed in two days or less

Revenue	\$3.1B
Customers	215,000
Service Centers	267
Tractors	8,400
Trailers	32,700
Average Length of Haul	1,300 miles
Average LTL Weight/Shipment	1,000 pounds
Average days in transit	3.0-3.5 days
Total Active Employees	20,000

Revenue	\$1.8B
Customers	200,000
Service Centers	126
Tractors	6,200
Trailers	13,300
Average Length of Haul	400 miles
Average LTL Weight/Shipment	1,200 pounds
Average days in transit	1.0-1.5 days
Total Active Employees	12,000



II. Refinancing Overview

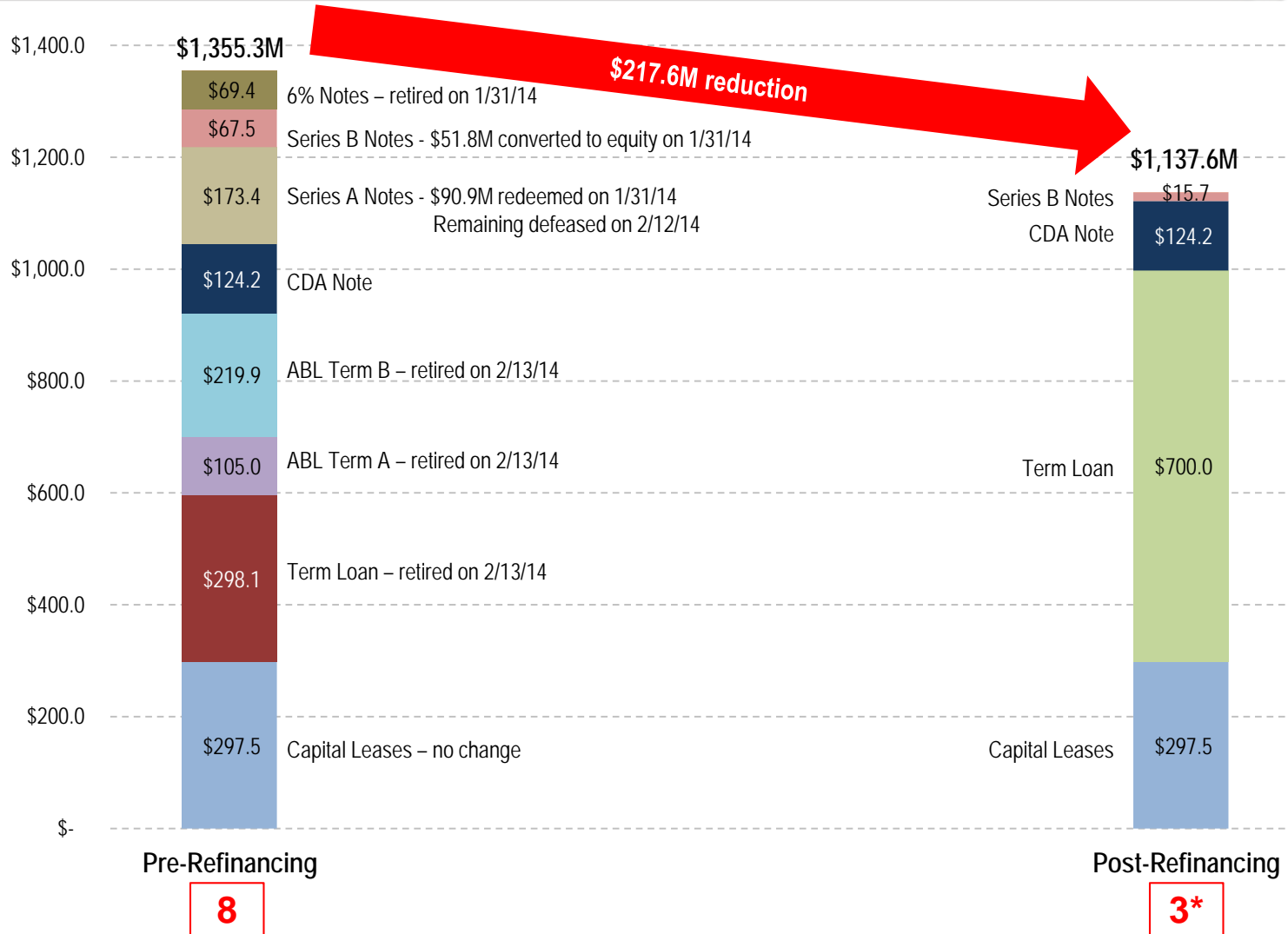


Refinancing Overview



- 2014 Refinancing
 - Establishes a 5-year runway to implement operational turnaround
 - Reduced debt by \$217.6M, improving credit profile to create opportunities for
 - Even cheaper lease financing
 - LC reductions as YRCW's bankruptcy risk profile improves
 - Creates liquidity over time
 - Cash interest and LC fee savings of \$40M-\$50M per year enabling more productive redeployment of cash
 - Mechanism now in place to release \$90M cash trapped on the Balance Sheet as A/R increases in line with growing Revenue

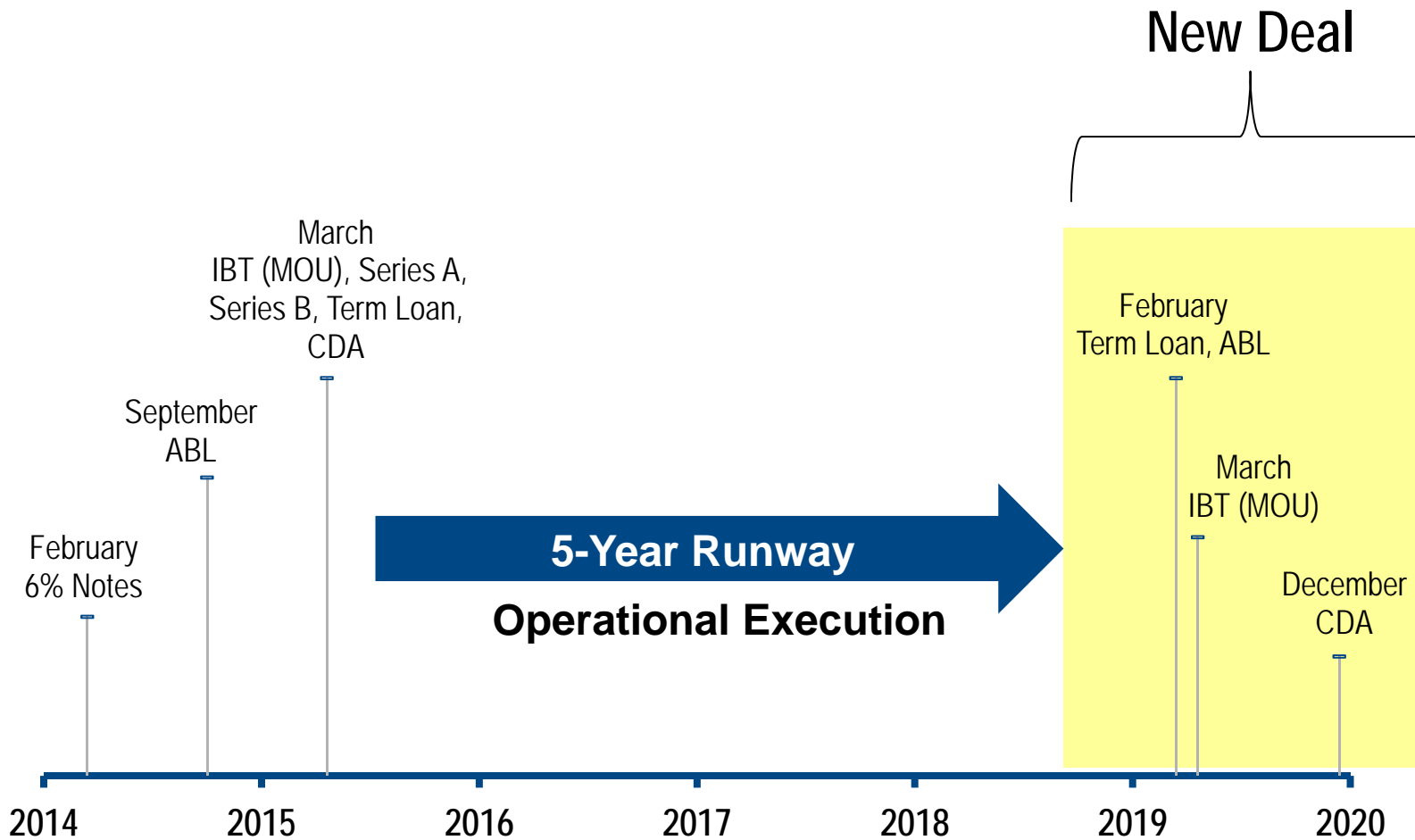
Funded Debt



Greatly simplified funded debt structure with maturities extended to 2019

* Once remaining Series B Notes are converted

Timeline of Maturities



Significant extension of debt maturities provides longer runway to execute operational turnaround



III. Overview of New Labor Agreement



Overview of New Labor Agreement



- In January 2014, the Company reached an agreement with the International Brotherhood of Teamsters (IBT) on a new labor contract.
- Opportunities for cost savings include the following changes: (i) **monetary**, (ii) **reduced absenteeism**, and (iii) **greater operational flexibility**
- Going forward, the Company will also benefit from foregone wage rate increases (and associated benefits) in 2014 and 2015, health and welfare benefit rate changes, and employee profit sharing subject to meeting targeted operating ratios in 2015 - 2018
- In exchange for foregone wage increases in 2014 and 2015, YRCW will pay a \$20 million ratification employee bonus upon effectiveness and will make a \$20 million lump sum payment in 2015

Overview of New Labor Agreement



- Additionally, the following opportunities for cost savings are included in the new agreement

Monetary cost savings

- Vacation to be paid assuming 40 hours (previously paid assuming 45 hours), reverting ratably to 45 hours between 2017 and 2018
- Non-CDL employee starting pay of \$14/hour, \$0.79/hour lower than the current starting wage, with \$1.00/hour annual progression increases
- Use of direct deposit instead of manual checks (unless state law prohibits change); administrative cost savings

Reduced absenteeism

- Puts new strict measures in place that gives YRCW ability to discipline chronically absent employees going forward
- Allow employees option during busy months to work while also receiving one week vacation pay

Operational flexibility

- Added flexibility includes:
 - Allow increase in purchased transportation to manage overflow and employee shortages
 - Allow outsourced transportation for low-density, unprofitable locations
 - Lower starting wage of clerical workers to \$14/hour



IV. 1Q14 Financial Update



Financial Update – 1Q14

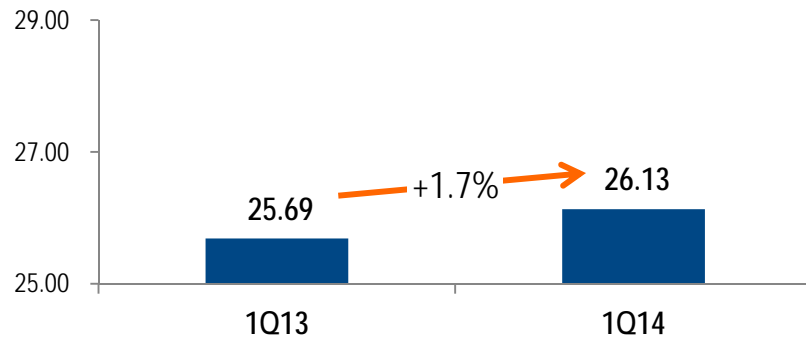


- Consolidated revenue higher year-over-year (YoY) primarily due to higher shipping volume which is partially driven by 4.5 additional work days at the Regional segment
- Consolidated EBITDA decreased to \$23.4M from \$60.7M due to unusually poor weather and distractions from the IBT negotiations and refinancing efforts, which impacted worker productivity
 - \$20M estimated weather impact to EBITDA
- Volumes and worker productivities have shown improvements in 2Q14
- The revised Memorandum of Understand (MOU) with the IBT includes opportunities for cost savings through:
 - National uniform attendance policy
 - Vacation paid based on hours worked
 - Increased usage of Purchased Transportation

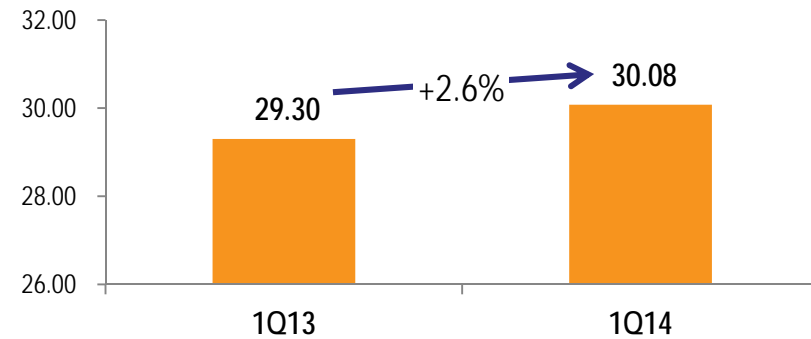
1Q14 YOY Volume – Up at YRCF and Regional



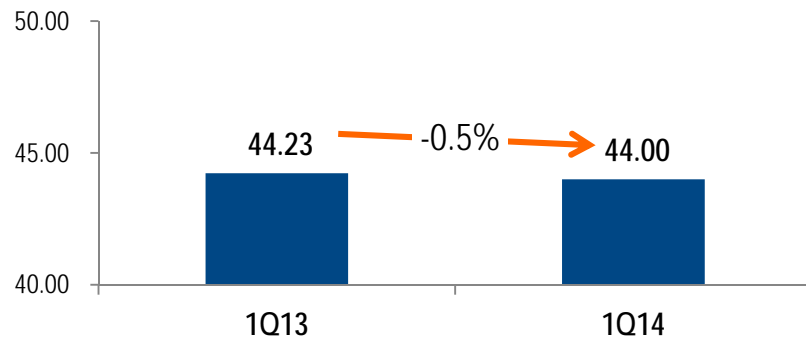
YRC Freight Tonnage per Day



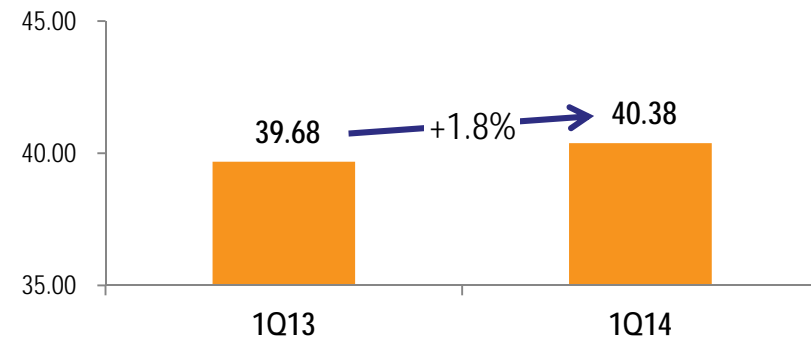
Regional Tonnage per Day



YRC Freight Shipments per Day



Regional Shipments per Day



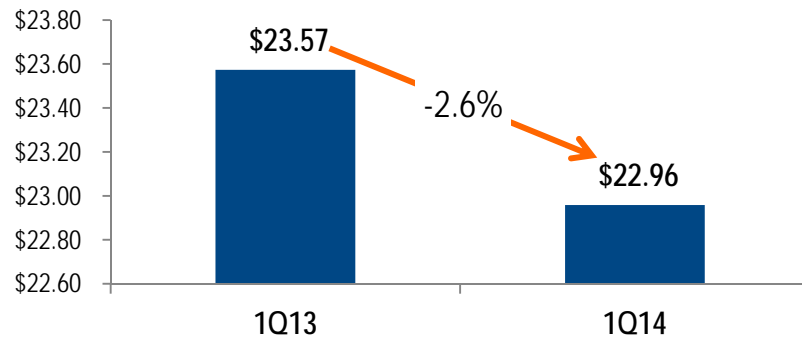
Increase driven primarily by the Regionals; slight increase at YRC Freight

Note: Percent change calculation based on unrounded figures and not the rounded figures presented.

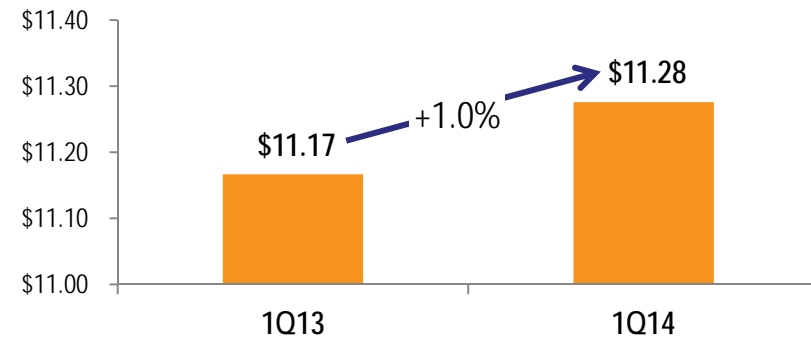
1Q14 YOY Yield



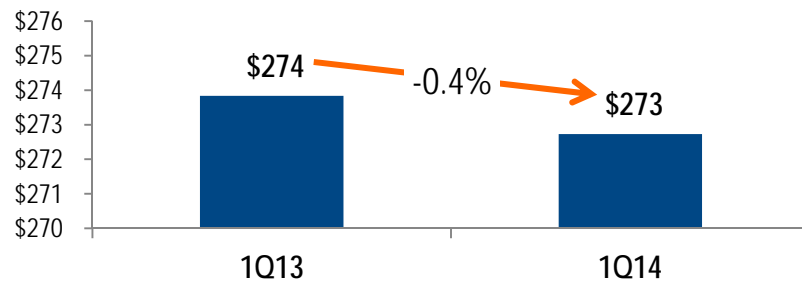
YRC Freight Revenue per cwt



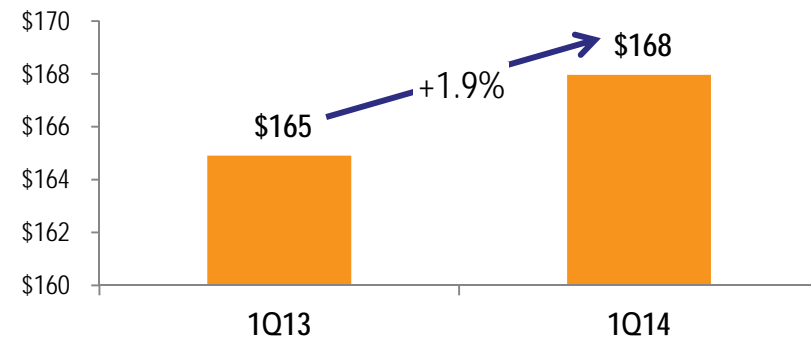
Regional Revenue per cwt



YRC Freight Revenue per Shipment



Regional Revenue per Shipment



Improved yield at the Regionals offsets decline at YRC Freight

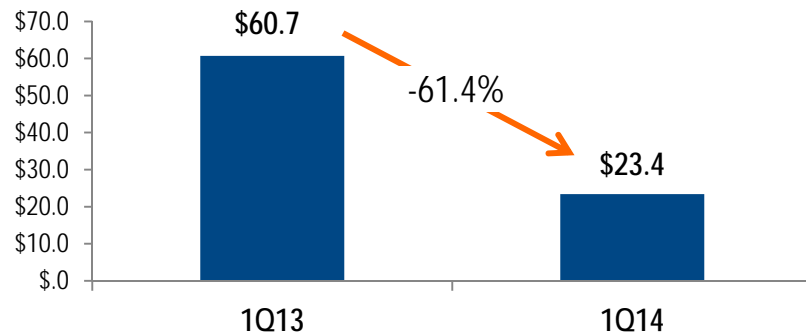
Note: Percent change calculation based on unrounded figures and not the rounded figures presented.

1Q14 Adjusted EBITDA Impacted by Weather

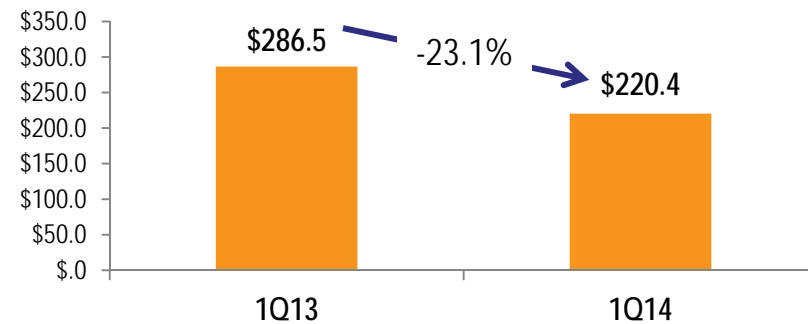


(\$ in millions)

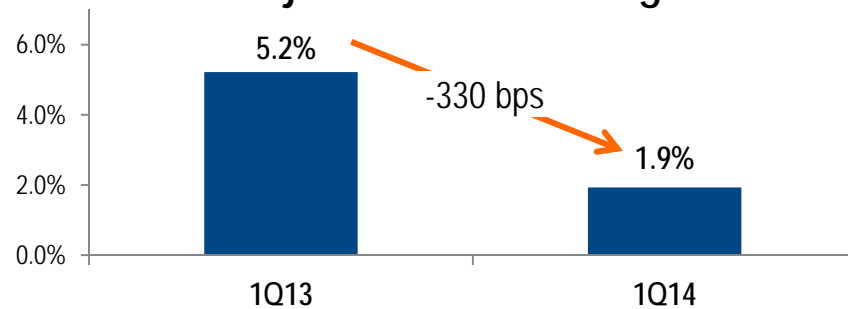
1Q Adjusted EBITDA



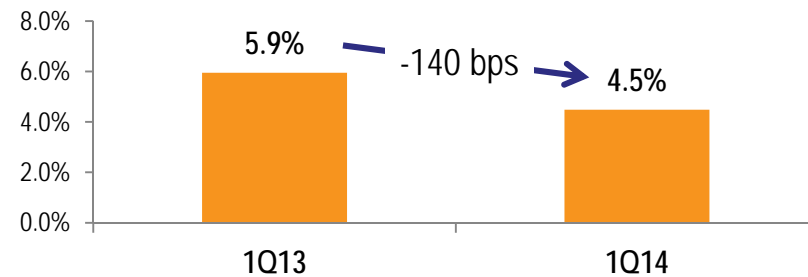
LTM Adjusted EBITDA



1Q Adjusted EBITDA Margin



LTM Adjusted EBITDA Margin



LTM Consolidated Adjusted EBITDA decreased due to unusually poor weather and distractions created by the IBT negotiations and refinancing efforts

In 2Q14, productivities have shown improvement



V. Conclusion



Conclusion



■ 2014 Refinancing

- Established a 5-year runway to implement operational turnaround
- Provided for a clean capital structure
- Reduced cash interest and LC fees by approximately \$40M-\$50M per year
- Eliminated near-term maturities
- Provides adequate liquidity to invest in CAPEX, including technology

■ 2014 Labor Agreement

- Provides for 5-year labor stability
- Creates the opportunity for substantial EBITDA growth

■ Financial Results

- 1Q14 results disappointing due to unusually poor weather and distractions from the IBT negotiations and refinancing efforts
- Volumes and worker productivities have shown improvements in 2Q14



VI. Appendix



Reconciliation of Non-GAAP Measures



Reconciliation of Operating Income to Adjusted EBITDA	1Q13	1Q14
Operating income (loss)	\$ 9.9	\$ (32.4)
Depreciation and amortization	43.6	41.0
(Gains) losses on property disposals, net	(4.5)	0.2
Letter of credit expense	8.9	5.2
Restructuring professional fees	1.3	1.1
Gain (loss) on permitted dispositions and other	0.1	0.1
Equity based compensation (benefit) expense	1.0	6.6
Other nonoperating, net	0.4	1.6
Adjusted EBITDA	<u>\$ 60.7</u>	<u>\$ 23.4</u>
Revenue	1,162.5	1,210.9
Adjusted EBITDA	60.7	23.4
Adjusted EBITDA Margin	5.2%	1.9%