

Jack Cooper Holdings Corp.

2016 Earnings Call



JACK COOPER

March 29, 2017

Safe Harbor Statement



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Non-GAAP Financial Measures

EBITDA, adjusted EBITDA and margins thereon are “non-GAAP financial measures” presented as supplemental measures of the Company’s performance. They are not presented in accordance with accounting principles generally accepted in the United States, or GAAP. The Company believes these measures provide additional meaningful information in evaluating its performance over time. However, EBITDA, adjusted EBITDA and margins thereon have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of the Company’s results as reported under GAAP. In addition, in evaluating EBITDA, adjusted EBITDA and margins thereon, you should be aware that the adjustments may vary from period to period. The Company’s presentation of these measures should not be construed as an inference that future results will be unaffected by unusual or nonrecurring items. This presentation provides a reconciliation of net loss to EBITDA and adjusted EBITDA, the most directly comparable GAAP performance measure.

2016 Operating Results Highlights



<i>(000's)</i>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>Change</u>
Consolidated Revenues (before FSC)	\$ 646,981	\$ 688,974	\$ (41,993)
Fuel surcharge	20,868	39,615	(18,747)
Consolidated Revenues (including FSC)	<u>\$ 667,849</u>	<u>\$ 728,589</u>	<u>\$ (60,740)</u>
Net loss	\$ (33,274)	\$ (69,916)	\$ 36,642
Provision for income taxes	809	1,029	(220)
Interest expense, net	46,617	46,912	(295)
Depreciation and amortization	49,277	50,941	(1,664)
EBITDA	<u>\$ 63,429</u>	<u>\$ 28,966</u>	<u>\$ 34,463</u>
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Other, net	(852)	6,923	(7,775)
Legacy workers compensation	(487)	903	(1,390)
(Gain) loss on disposal of property and equipment	1,387	2,426	(1,039)
Professional fees	5,840	960	4,880
Stock based compensation	819	906	(87)
Severance and employment agreement charges	1,720	1,513	207
Pension withdrawal liability	3,315	579	2,736
Goodwill and intangible asset impairment	-	15,352	(15,352)
Adjusted EBITDA	<u>\$ 75,171</u>	<u>\$ 58,528</u>	<u>\$ 16,643</u>
Net Earnings Margin (before FSC)	-5.1%	-10.1%	500 bp
AEBITDA Margin (before FSC)	11.6%	8.5%	312 bp

Other Updates

- Liquidity: \$71.0 million and \$69.8 million drawn on the Credit Facility with cash on hand of \$17.9 million and \$13.6 million at December 31, 2016 and February 28, 2017, respectively.
- A tentative new Master Agreement has been reached and Teamster members intend to vote by March 31, 2017.