

Jack Cooper Holdings Corp.

Third Quarter 2016 Earnings Call



JACK COOPER

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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.

Q3-2016 Operating Results Highlights



(000's)	QTD		Change	YTD		Change
	9/30/2016	9/30/2015		9/30/2016	9/30/2015	
Consolidated Revenues (before FSC)	\$ 157,391	\$ 177,883	\$ (20,492)	\$ 493,349	\$ 512,280	\$ (18,931)
Fuel surcharge	5,785	10,102	(4,317)	14,787	31,881	(17,094)
Consolidated Revenues (including FSC)	<u>\$ 163,176</u>	<u>\$ 187,985</u>	<u>\$ (24,809)</u>	<u>\$ 508,136</u>	<u>\$ 544,161</u>	<u>\$ (36,025)</u>
Net loss	\$ (8,554)	\$ (9,920)	\$ 1,366	\$ (20,826)	\$ (52,063)	\$ 31,237
Provision for income taxes	166	79	87	604	742	(138)
Interest expense, net	11,593	11,634	(41)	34,079	32,993	1,086
Depreciation and amortization	12,136	12,563	(427)	37,587	38,085	(498)
EBITDA	<u>\$ 15,341</u>	<u>\$ 14,356</u>	<u>\$ 985</u>	<u>\$ 51,444</u>	<u>\$ 19,757</u>	<u>\$ 31,687</u>
EBITDA	\$ 15,341	\$ 14,356	\$ 985	\$ 51,444	\$ 19,757	\$ 31,687
Other, net	527	3,298	(2,771)	(1,832)	5,709	(7,541)
Legacy workers compensation	-	24	(24)	-	(59)	59
(Gain) loss on disposal of property and equipment	130	430	(300)	1,558	1,731	(173)
Professional fees	70	152	(82)	144	576	(432)
Stock based compensation	212	200	12	633	694	(61)
Severance and employment agreement charges	796	231	565	1,528	410	1,118
Pension withdrawal liability	-	342	(342)	2,863	579	2,284
Goodwill and intangible asset impairment	-	-	-	-	15,352	(15,352)
Adjusted EBITDA	<u>\$ 17,076</u>	<u>\$ 19,033</u>	<u>\$ (1,957)</u>	<u>\$ 56,338</u>	<u>\$ 44,749</u>	<u>\$ 11,589</u>
Net Earnings Margin (before FSC)	-5.4%	-5.6%	14 bp	-4.2%	-10.2%	594 bp
AEBITDA Margin (before FSC)	10.8%	10.7%	15 bp	11.4%	8.7%	268 bp

Other Updates

- On September 15, 2016, members of the Teamsters voted to reject the proposed national master freight carhaul agreement.
 - Both parties have mutually agreed to keep all terms and provisions of the Master Agreement in effect until a new agreement is entered into.
- Liquidity: \$53.1 million and \$77.6 million drawn on the Credit Facility with cash on hand of \$3.8 million and \$42.0 million at September 30, 2016 and November 2, 2016, respectively.