



CreditRiskMonitor's assessment of YRC Worldwide Inc.'s ("YRC Worldwide") "high risk" status has been determined by a combination of factors:

Monthly Average FRISK® Score	Page 2
The FRISK® Score Components	3
Company Report Detail	4
FRISK® Deep Dive and Adjusted Market Cap Volatility	5
FRISK® Stress Index	6
Peer Analysis on Alternate Suppliers and Customers	7
Quarterly Performance Ratios	8
Quarterly Leverage Ratios	9
Quarterly Liquidity Ratios and Rates of Return	10
Year-Over-Year Statement of Cash Flows	11
.....	
About This Report/Contact CreditRiskMonitor	12

MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that YRC Worldwide Inc. (NASDAQ: YRCW) **has a 4 to 10 times greater risk of bankruptcy** than the average public company.

Business Name	2018				2019								
	S	O	N	D	J	F	M	A	M	J	J	A	S
YRC Worldwide Inc.	2	2	1	1	1	2	2	2	1	1	1	1	2

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. **A FRISK® score of 5 or less is an important warning sign.**

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL

YRC Worldwide Inc.

Phone: (913) 696-6100

10990 Roe Ave
OVERLAND PARK, KS 66211-1213 United States

Ticker: **YRCW**

Latest Financial Statements as of 6/30/2019

Business Summary

YRC Worldwide Inc. is a holding company. The Company, through its subsidiaries, offers its customers a range of transportation services. The Company operates through two segments: YRC Freight and Regional Transportation. The Company has less-than-truckload (LTL) networks in North America with local, regional, national and international capabilities. YRC Freight segment offers a range of services for the transportation of industrial, commercial and retail goods in national, regional and international markets, primarily through the operation of owned or leased equipment in its North American ground distribution network. It provides transportation services for various categories of goods, which include apparel, appliances, automotive parts, chemicals, food, furniture, glass, machinery, metal and metal products. The Company's Regional Transportation segment consists of USF Holland LLC (Holland), New Penn Motor Express, LLC (New Penn) and USF Reddaway Inc. (Reddaway).

(Source: 10-K)

Employees: 31,000 (as of 12/31/2018)

Incorporated: 1/28/1983

Federal Tax Id: 480948788

Credit Score History

[Why are these scores different?](#) **FRISK® Score Analysis**

Score/ Index	2018					2019							
	S	O	N	D	J	F	M	A	M	J	J	A	S
FRISK® Score*	2	2	1	1	1	2	2	2	1	1	1	1	2
DBT Index	9	9	9	9	9	9	9	9	9	9	9	9	9
Z"-Score	-3.51	-3.48			-3.38			-3.55					-3.89

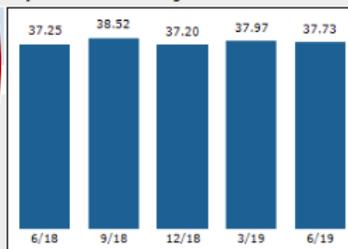
*FRISK® Scores are month-end

- Probability of bankruptcy within 12 months is 4% to 10%.
- Trade payments are prompt, "cloaking" the risk.
- Bonds are rated as non-investment grade ("junk").
- Market Capitalization has declined by 50% over the last 12 months.
- Total Liabilities are 14 times larger than Market Capitalization.
- Financial statement ratios indicate financial stress.

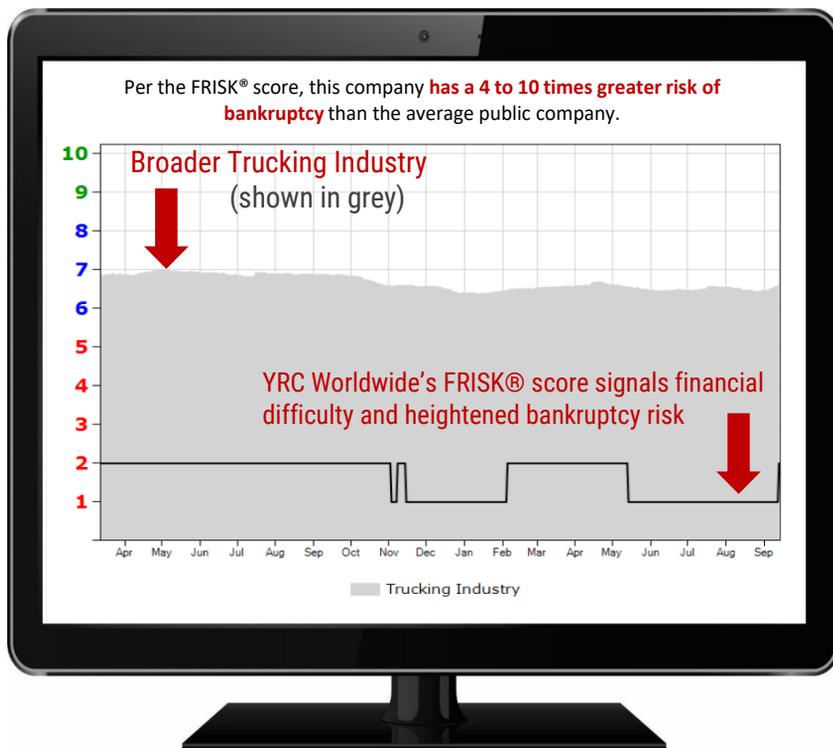
The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

Days Sales Outstanding



FRISK® DEEP DIVE



The FRISK® score relative to the Trucking industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	FRISK® score
1	Europol Intelligent Network Co Ltd	China	1
2	Ceva Group PLC	United Kingdom	2
3	US Xpress Enterprises Inc	United States	2
4	YRC Worldwide Inc.	United States	2
5	Antong Holdings Co Ltd	China	3
6	Arshiya Ltd	India	3
7	Dalmac Energy Inc	Canada	3
8	Green Cargo AB	Sweden	3
9	Jiyad Holding Co KSCP	Kuwait	3
10	Reysas Tasimacilik ve Lojistik Tert AS	Turkey	3

FRISK® Stress Index - SIC classification: Trucking, except local

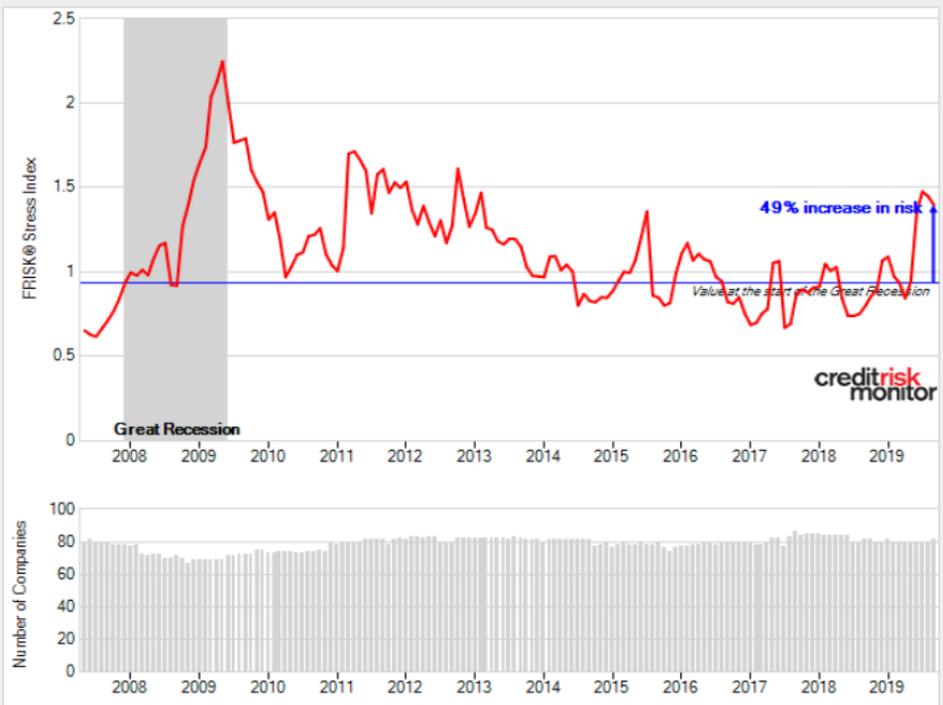
Primary industry codes only
 Primary and secondary industry codes

Businesses From: All Businesses CLEAR
 In Industry: SIC 4213: Trucking, except local
 Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months: **131**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 4213 (Trucking, except local) has increased 49% since 2007. YRC Worldwide is among the weakest names in the industry as evidenced by its FRISK® score of 2.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

SIC classification: **Trucking, except local**

Calendar Year/Quarter: **2019.2**

Businesses in Peer Group: 1047

	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	226	232	-3.89	-4,355.23	2.81	109.59
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	12	37	1,272,600	6,363	601,000	18,048,000
Gross Margin % Of Sales	178	245				
Gross Margin % Of Sales -- TTM	192	246				
SGA % Of Sales	29	246				
SGA % Of Sales -- TTM	29	247				
Operating Margin % Of Sales	210	254				
Operating Margin % Of Sales -- TTM	206	255				
EBITDA Margin Of Sales	108	117				
EBITDA Margin Of Sales -- TTM	104	124				
Net Profit Margin % Of Sales	223	254				
Net Profit Margin % Of Sales -- TTM	220	255				
Pre-tax Income % Of Sales	218	254				
Effective Tax Rate	3	247	-1.14	-441.64	4.55	316.08
Depreciation % Of Prop/Plant/Equipment	137	220	13.30	-9.70	10.09	86.67
Capital Expense % Of Prop/Plant/Equipment	85	156	13.17	0.08	10.59	562.23
Interest Coverage	97	110	1.85	-117.38	8.99	1,853.35
Interest Coverage -- TTM	103	122	2.02	-50.06	9.16	2,458.82
Liquidity ratios:						
Cash Ratio	157	237	0.16	0.00	0.32	47.12
Quick Ratio	125	234	0.90	0.06	0.96	47.13
Current Ratio	172	237	0.97	0.01	1.31	50.99
Efficiency ratios:						
Accounts Receivable Turnover	61	251				
Days Sales Outstanding	68	254				
% of Inventory Financed by Vendors		183				
% of Inventory Financed by Vendors -- TTM		194				
Inventory Turnover		210				
Inventory Turnover -- TTM		212				
Days Sales in Inventory		203				
Inventory to Working Capital		199				
Accounts Payable Turnover	22	232				
Accounts Payable Turnover -- TTM	23	234	23.12	-1.77	8.49	3,816.66
Leverage & debt coverage:						
Total Debt to Equity Ratio		216		0.00	0.53	33.30
Debt to Tangible Equity Ratio		206		0.00	0.58	38.46
Total Debt to Assets Ratio	181	223	0.45	0.00	0.26	36.36
Short-Term Debt % of Total Debt	8	218	2.16	0.00	36.01	100.00
Short-Term Debt % of Working Capital	202	218	-94.36	-4,737.47	17.56	30,628.21
Liabilities to Net Worth Ratio		221		0.01	1.06	63.20
Total Liabilities to Equity Ratio		231		0.01	0.99	37.71
TTM EBITDA to Total Debt	66	121	0.26	-38.81	0.28	153.51
Net Debt to TTM EBITDA	68	108	3.32	-17.26	2.36	31.74

Rank	Company Name	Country
1	Old Dominion Freight Line	United States
2	CHUNG LIEN TRANSPORTATION CO., LTD	Taiwan
3	Zero Co Ltd	Japan
4	Kiattana Transport PCL	Thailand
5	Kuehne und Nagel International AG	Switzerland
6	Landstar System, Inc.	United States

Rank	Company Name	Country
1	HP Viet Nam Investment JSC	Vietnam
2	Hengyang Petrochemical Logistics Ltd.	China
3	Sejoong Co Ltd	South Korea
4	PT Trimuda Nuansa Citra Tbk	Indonesia
5	Saigon Shipping JSC	Vietnam
6	Old Dominion Freight Line	United States

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

YRC Worldwide demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Net income & free cash flow turn negative

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018
Net Sales \$	\$1,272,600	\$1,182,300	\$1,247,400	\$1,303,600	\$1,326,500
% change	7.64%	-5.22%	-4.31%	-1.73%	9.22%
Gross Margin \$	\$150,300	\$128,100	\$124,500	\$143,600	\$151,300
% change	17.33%	2.89%	-13.30%	-5.09%	52.52%
% of sales	11.81%	10.83%	9.98%	11.02%	11.41%
change as % of incremental sales	24.58%	n/m	n/m	n/m	46.52%
SG&A \$	\$46,300	\$46,200	n/a	n/a	n/a
% change	0.22%	n/a	n/a	n/a	n/a
% of sales	3.64%	3.91%	n/a	n/a	n/a
change as % of incremental sales	0.11%	n/a	n/a	n/a	n/a
Operating margin \$	\$14,300	(\$31,700)	\$55,100	\$41,200	\$50,900
% change	145.11%	-157.53%	33.74%	-19.06%	1,283.72%
% of sales	1.12%	-2.68%	4.42%	3.16%	3.84%
change as % of incremental sales	50.94%	n/m	n/m	n/m	49.29%
EBITDA \$	\$52,200	\$8,200	\$92,000	\$69,100	\$87,900
% change	536.59%	-91.09%	33.14%	-21.39%	145.53%
% of sales	4.10%	0.69%	7.38%	5.30%	6.63%
change as % of incremental sales	48.73%	n/m	n/m	n/m	46.52%
EBIT \$	\$13,700	(\$31,800)	\$54,500	\$34,200	\$50,300
% change	143.08%	-158.35%	59.36%	-32.01%	2,747.37%
% of sales	1.08%	-2.69%	4.37%	2.62%	3.79%
change as % of incremental sales	50.39%	n/m	n/m	n/m	46.61%
Pre-tax income \$	(\$14,500)	(\$58,800)	\$26,400	\$7,600	\$24,800
% change	75.34%	-322.73%	247.37%	-69.35%	190.18%
% of sales	-1.14%	-4.97%	2.12%	0.58%	1.87%
change as % of incremental sales	49.06%	n/m	n/m	n/m	46.70%
Net income (loss) \$	(\$23,600)	(\$49,100)	\$17,500	\$2,900	\$14,400
% change	51.93%	-380.57%	503.45%	-79.86%	198.63%
% of sales	-1.85%	-4.15%	1.40%	0.22%	1.09%
change as % of incremental sales	28.24%	n/m	n/m	n/m	25.89%
Tax expense \$	\$9,100	(\$9,700)	\$8,900	\$4,700	\$10,400
Effective tax rate	-62.76%	16.50%	33.71%	61.84%	41.94%
Depreciation expense \$	\$38,400	\$39,800	\$37,500	\$34,900	\$37,600
% of sales	3.02%	3.37%	3.01%	2.68%	2.83%
% of capital expenses	101.05%	122.09%	70.75%	76.03%	163.48%
% of PP&E, net (annualized)	13.30%	16.33%	18.99%	17.92%	19.19%
Capital expenditures \$	\$38,000	\$32,600	\$53,000	\$45,900	\$23,000
% change	16.56%	-38.49%	15.47%	99.57%	-2.13%
% of PP&E, net (annualized)	13.17%	13.37%	26.84%	23.57%	11.74%
% of working capital (annualized)	-6,608.70%	145.62%	125.22%	102.97%	53.71%
Interest coverage ratio	1.85	0.30	3.27	2.60	3.45
% change	509.52%	-90.72%	26.03%	-24.64%	146.50%
Free cash flow \$	(\$25,800)	(\$74,300)	\$13,900	\$40,500	\$52,200
% change	65.28%	-634.53%	-65.68%	-22.41%	291.91%
Source:	10-Q 8/9/2019	10-Q 5/8/2019	10-K 2/19/2019	10-Q 11/1/2018	10-Q 8/2/2018

QUARTERLY LEVERAGE RATIOS

Negative tangible net worth suggests that the company has exhausted all of its loanable collateral

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Total debt \$	\$852,300	\$870,500	\$874,900	\$888,100	\$893,200
% change	-2.09%	-0.50%	-1.49%	-0.57%	-0.76%
Stockholders' equity \$	(\$370,100)	(\$349,500)	(\$305,500)	(\$328,800)	(\$344,100)
% change	-5.89%	-14.40%	7.09%	4.45%	5.96%
Tangible net worth \$	(\$370,100)	(\$349,500)	(\$305,500)	(\$328,800)	(\$344,100)
% change	-5.89%	-14.40%	7.09%	4.45%	12.42%
Total assets \$	\$1,907,300	\$1,928,800	\$1,617,100	\$1,657,600	\$1,644,500
% change	-1.11%	19.28%	-2.44%	0.80%	2.23%
Total debt to assets ratio	0.45	0.45	0.54	0.54	0.54
% change	-0.98%	-16.58%	0.97%	-1.34%	-2.93%
Tangible assets \$	\$1,907,300	\$1,928,800	\$1,617,100	\$1,657,600	\$1,644,500
% change	-1.11%	19.28%	-2.44%	0.80%	3.97%
Short-term debt \$	\$18,400	\$23,600	\$20,700	\$25,100	\$28,500
% change	-22.03%	14.01%	-17.53%	-11.93%	-2.73%
Short-term debt % of total debt	2.16%	2.71%	2.37%	2.83%	3.19%
% change	-20.37%	14.59%	-16.29%	-11.42%	-1.99%
Short-term debt % of working capital	-94.36%	158.39%	12.61%	14.39%	15.64%
% change	-159.57%	1,156.40%	-12.41%	-7.99%	-14.37%
Total liabilities \$	\$2,277,400	\$2,278,300	\$1,922,600	\$1,986,400	\$1,988,600
% change	-0.04%	18.50%	-3.21%	-0.11%	0.71%
Total debt to EBITDA ratio (annualized)	4.08	26.54	2.38	3.21	2.54
% change	-84.62%	1,016.33%	-26.01%	26.48%	-59.58%
Source:	10-Q	10-Q	10-K	10-Q	10-Q
			2/19/2019	11/1/2018	8/2/2018

Annualized total debt to EBITDA ratio signals that the ability to meet financial obligations is in jeopardy

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital turns negative

Eroding cash ratio

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Current assets \$	\$708,500	\$731,100	\$756,600	\$801,800	\$794,800
% change	-3.09%	-3.37%	-5.64%	0.88%	6.83%
% of short-term debt	3,850.54%	3,097.88%	3,655.07%	3,194.42%	2,788.77%
Current liabilities \$	\$728,000	\$716,200	\$592,400	\$627,400	\$612,600
% change	1.65%	20.90%	-5.58%	2.42%	4.97%
Working capital \$	(\$19,500)	\$14,900	\$164,200	\$174,400	\$182,200
% change	-230.87%	-90.93%	-5.85%	-4.28%	13.59%
% of sales (annualized)	-0.38%	0.32%	3.29%	3.34%	3.43%
Cash \$	\$117,500	\$126,600	\$227,600	\$193,200	\$158,700
% change	-7.19%	-44.38%	17.81%	21.74%	52.60%
% of short-term debt	638.59%	536.44%	1,099.52%	769.72%	556.84%
Cash ratio	0.16	0.18	0.38	0.31	0.26
% change	-8.71%	-53.98%	24.78%	18.83%	45.40%
Quick assets \$	\$656,200	\$640,200	\$697,900	\$739,900	\$712,600
% change	2.50%	-8.27%	-5.68%	3.83%	12.56%
% of short-term debt	3,566.30%	2,712.71%	3,371.50%	2,947.81%	2,500.35%
Quick ratio	0.90	0.89	1.18	1.18	1.16
% change	0.84%	-24.12%	-0.10%	1.38%	7.23%
Current ratio	0.97	1.02	1.28	1.28	1.30
% change	-4.66%	-20.08%	-0.06%	-1.50%	1.77%
Source:	10-Q 8/9/2019	10-Q 5/8/2019	10-K 2/19/2019	10-Q 11/1/2018	10-Q 8/2/2018

Insufficient returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018
Return on total assets	-1.23%	-2.77%	1.07%	0.18%	0.89%
% change	55.57%	-359.11%	508.66%	-80.16%	196.84%
Return on tangible assets	-1.23%	-2.77%	1.07%	0.18%	0.89%
% change	55.57%	-359.11%	508.66%	-80.33%	195.98%
Source:	10-Q 8/9/2019	10-Q 5/8/2019	10-K 2/19/2019	10-Q 11/1/2018	10-Q 8/2/2018

YEAR-OVER-YEAR STATEMENT OF CASH FLOWS

Negative cash from operating activities

Statement of Cash Flows - Year-over-Year - Standardized - Year to Date

(Thousands of U.S. Dollars)

Period Ended	6 mos 6/30/2019	6 mos 6/30/2018	6 mos 6/30/2017	6 mos 6/30/2016	6 mos 6/30/2015
				Restated	
				6/30/2018	
Cash Flows from Operating Activities:					
Net income	(\$72,700)	(\$200)	(\$6,300)	\$15,100	\$4,400
Depreciation/depletion	78,500	75,300	74,300	79,200	82,900
Deferred taxes	(1,600)	n/a	n/a	n/a	0
Non-cash Items	22,100	21,100	20,200	4,000	16,100
Changes in working capital	(55,800)	(24,700)	(47,500)	(50,800)	(72,300)
Total cash from operating activities	(29,500)	71,500	40,700	47,500	31,100
Cash Flows from Investing Activities:					
Capital expenditures	(70,600)	(46,500)	(39,000)	(47,300)	(42,600)
Other investing cash flow items, total	8,300	4,200	6,700	92,700	45,500
Total cash from investing activities	(62,300)	(42,300)	(32,300)	45,400	2,900
Cash Flows from Financing Activities:					
Financing cash flow items	(800)	(1,600)	(5,500)	(1,800)	0
Issuance/retirement of debt, net	(17,500)	(14,600)	(9,400)	(21,400)	(9,100)
Total cash from financing activities	(18,300)	(16,200)	(14,900)	(23,200)	(9,100)
Net change in cash	(110,100)	13,000	(6,500)	69,700	24,900
Net cash-beginning balance	227,600	145,700	275,700	173,800	171,100
Net cash-ending balance	\$117,500	\$158,700	\$269,200	\$243,500	\$196,000
Supplemental Disclosures:					
Cash interest paid	\$50,600	\$49,400	\$54,100	\$44,200	\$54,100
Cash taxes paid, supplemental	\$2,500	\$2,900	(\$3,000)	\$3,400	(\$400)
Source:	10-Q 8/9/2019	10-Q 8/2/2018	10-Q 8/2/2018	10-Q 7/28/2016	10-Q 7/30/2015

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 56,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

[Read more Bankruptcy Case Studies, High Risk Reports and other resources](#)

Contact us at:

845.230.3000

creditriskmonitor.com/contact-us