



TFI International Announces 2018 Third Quarter Results

- Record operating income for the second consecutive quarter
- Operating income up 107% over the prior year period to \$125.1 million
- Operating margin¹ up 540 basis points over the prior year period to 11.1%, driven by margin improvement in all four segments
- Fourth consecutive quarter of sequential operating margin improvement in US Truckload, reaching 7.6%
- Net cash from operating activities from continuing operations up 29% to \$166.6 million
- Raising quarterly dividend to \$0.24 from \$0.21

MONTREAL, Oct. 22, 2018 -- TFI International Inc. (TSX: TFII; OTCQX: TFIFF), a North American leader in the transportation and logistics industry, today announced its results for the third quarter ended September 30, 2018.

“Our second straight quarter of record operating results was driven by strength across all segments, reflecting our unwavering commitment to driving profitable growth and operating efficiencies,” said Alain Bédard, Chairman, President and Chief Executive Officer. “Our operating income of \$125.1 million more than doubled from a year earlier. While margins improved at all our segments, we are especially pleased with Truckload, where our operating margins reached 14.5% in Canada, and 7.6% in the US, capping four consecutive quarters of sequential improvement in the US. Equally important, our net cash from operating activities from continued operations grew nearly 30%, further enhancing our ability to create shareholder value by strategically allocating resources and capitalizing on our unique positioning within the North American transportation and logistics industry.”

Financial highlights <i>(in millions of dollars, except per share data)</i>	Quarters ended Sept. 30		Nine months ended Sept. 30	
	2018	2017	2018	2017
Total revenue	1,287.6	1,176.6	3,801.8	3,644.5
Revenue before fuel surcharge	1,127.4	1,070.6	3,345.9	3,309.3
Adjusted EBITDA ¹	190.0	128.2	505.6	383.5
Operating income	125.1	60.5	312.9	177.0
Net cash from operating activities from continuing operations	166.6	128.9	369.7	256.5
Adjusted net income ¹	94.5	48.8	235.0	137.9
Adjusted EPS - diluted ¹ (\$)	1.04	0.53	2.58	1.48
Net income	86.7	98.8	215.3	37.8
EPS - diluted (\$)	0.96	1.07	2.37	0.41
Weighted average number of shares ('000s)	87,673	89,876	88,153	90,830

¹ This is a non-IFRS measure. For a reconciliation, please refer to the “Non-IFRS Financial Measures” section below.

THIRD QUARTER RESULTS

Total revenue of \$1.29 billion was up 9%, and net of fuel surcharge, revenue of \$1.13 billion was up 5%, compared to the prior year period.

Operating income grew 107% to \$125.1 million from \$60.5 million the prior year period, driven by strong execution across the organization, increased quality of revenue, and cost efficiencies.

Net income was \$86.7 million, or \$0.96 per diluted share, as compared to net income of \$98.8 million, or \$1.07 per diluted share, the prior year period. The decline was mainly attributable to a gain on sale of property of \$59.7 million, net of tax, in Q3 2017. Adjusted net income, which excludes amortization of intangible assets related to business acquisitions, net change in the fair value of derivatives, net foreign exchange gain or loss, gain or loss on sale of property and impairment of intangible assets, net of tax, was \$94.5 million, up 93% from \$48.8 million the prior year period.

NINE-MONTH RESULTS

For the first nine months of 2018, total revenue reached \$3.80 billion, up from \$3.64 billion in the first nine months of 2017. Net of fuel surcharge, revenue reached \$3.35 billion, up from \$3.31 billion last year. Operating income totalled \$312.9 million, or 9.4% of revenue before fuel surcharge, an increase compared to \$177.0 million and 5.3% of revenue the prior year period.

Net income was \$215.3 million, or \$2.37 per diluted share, up significantly from \$37.8 million, or \$0.41 per diluted share, in the year earlier period. The increase of \$177.5 million is mainly attributable to stronger operating income and to the impairment of intangible assets of \$138.4 million, net of tax, recorded in 2017, offset by lower gain on sale of property of \$54.8 million, net of tax, recorded in 2018 compared to last year. Adjusted net income was \$235.0 million, up from \$137.9 million the prior year period.

SEGMENTED RESULTS

(in millions of

<i>dollars)</i>	Quarters ended Sept. 30		Nine months ended Sept. 30					
	2018	2017	2018	2017				
	\$	\$	\$	\$				
Revenue ¹								
Package and Courier	154.6	150.8	455.7	449.3				
Less-Than-Truckload	227.5	217.0	670.3	673.4				
Truckload	520.6	485.1	1,536.4	1,493.1				
Logistics and Last Mile	234.7	229.8	718.1	730.6				
Eliminations	(10.0)	(12.1)	(34.7)	(37.1)				
	1,127.4	1,070.6	3,345.9	3,309.3				
	\$	% of Rev. ¹	\$	% of Rev. ¹	\$	% of Rev. ¹	\$	% of Rev. ¹
Operating income (loss)								
Package and Courier	28.0	18.1%	23.6	15.6%	78.8	17.3%	65.0	14.5%
Less-Than-Truckload	25.5	11.2%	14.1	6.5%	59.4	8.9%	39.7	5.9%
Truckload	60.5	11.6%	16.7	3.5%	143.8	9.4%	55.2	3.7%
Logistics and Last Mile	16.8	7.2%	13.3	5.8%	51.6	7.2%	40.8	5.6%
Corporate	(5.6)		(7.2)		(20.7)		(23.7)	
	125.1	11.1%	60.5	5.7%	312.9	9.4%	177.0	5.3%

Note: due to rounding, totals may differ slightly from the sum.

¹ Revenue before fuel surcharge.

CASH FLOW AND FINANCIAL POSITION

Net cash from operating activities from continuing operations was \$166.6 million during the third quarter of 2018, up 29% from \$128.9 million the prior year quarter. The company returned \$23.9 million to shareholders, of which \$18.4 million was through dividends and \$5.6 million was through share repurchases. TFI International's long-term-debt-to-equity ratio stood at 0.95 as of September 30, 2018, down from 1.06 as of December 31, 2017.

In the first nine months of 2018, the net cash from operating activities from continuing operations amounted to \$369.7 million, up 44% compared to \$256.5 million in the prior year period.

The Board of Directors of TFI has approved a \$0.24 quarterly dividend, a 14% increase over its previous quarterly dividend of \$0.21 per share, effective as of the next regular dividend payment.

CONFERENCE CALL

TFI International will host a conference call on Monday, October 22, 2018 at 5:00 p.m. Eastern Time to discuss these results. Interested parties can join the call by dialling 1-877-223-4471. A recording of the call will be available until midnight, November 5, 2018, by dialing 1-800-585-8367 or 416-621-4642 and entering passcode 9585705.

ABOUT TFI INTERNATIONAL

TFI International Inc. is a North American leader in the transportation and logistics industry, operating across the United States, Canada and Mexico through its subsidiaries. TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency. TFI International companies service the following segments:

- Package and Courier;
- Less-Than-Truckload;
- Truckload;
- Logistics and Last Mile.

TFI International Inc. is publicly traded on the Toronto Stock Exchange (TSX: TFI) and the OTCQX marketplace in the U.S. (OTCQX: TFIFF). For more information, visit <http://www.tfiintl.com>.

FORWARD-LOOKING STATEMENTS

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of TFI International. These statements are based on assumptions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for TFI International's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

NON-IFRS FINANCIAL MEASURES

This press release includes references to certain non-IFRS financial measures as described below. These non-IFRS measures do not have any standardized meanings prescribed by International Financial Reporting Standards (IFRS) and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation, in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. The terms and definitions of the non-IFRS measures used in this press release and a reconciliation of each non-IFRS measure to the most directly comparable IFRS measure are provided below.

Adjusted EBITDA

Adjusted EBITDA is calculated as net income before finance income and costs, income tax expense, depreciation, amortization, gain or loss on sale of land and buildings and assets held for sale and impairment of intangible assets. Management believes adjusted EBITDA to be a useful supplemental measure. Adjusted EBITDA is provided to assist in determining the ability of the Company to generate cash from its operations.

Adjusted EBITDA <i>(unaudited, in millions of dollars)</i>	Quarters ended Sept. 30		Nine months ended Sept. 30	
	2018	2017	2018	2017
Net income	86.7	98.8	215.3	37.8
Net finance costs	16.9	16.6	48.3	47.6
Income tax expense	24.6	15.2	63.6	27.0
Depreciation of property and equipment	49.6	52.1	146.1	161.3
Amortization of intangible assets	15.3	15.6	46.6	45.3
(Gain) loss on sale of land and buildings	(0.2)	0.0	(0.2)	0.2
Gain on sale of assets held for sale	(2.9)	(70.1)	(14.1)	(78.5)
Impairment of intangible assets	-	-	-	143.0
Adjusted EBITDA	190.0	128.2	505.6	383.5

Note: due to rounding, totals may differ slightly from the sum.

Adjusted net income and adjusted earnings per share (adjusted "EPS"), basic or diluted

Adjusted net income is calculated as net income excluding amortization of intangible assets related to business acquisitions, net change in the fair value of derivatives, net foreign exchange gain or loss, gain or loss on sale of land and buildings and assets held for sale and impairment of intangible assets, net of tax. Adjusted earnings per share, basic or diluted, is calculated as adjusted net income divided by the weighted average number of common shares, basic or diluted. The Company uses adjusted net income and adjusted earnings per share to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. The Company excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring.

Adjusted net income <i>(unaudited, in millions of dollars, except per share data)</i>	Quarters		Nine months	
	ended Sept. 30	ended Sept. 30	ended Sept. 30	ended Sept. 30
	2018	2017	2018	2017
Net income	86.7	98.8	215.3	37.8
Amortization of intangible assets related to business acquisitions, net of tax	10.8	9.9	33.0	28.2
Net change in fair value of derivatives, net of tax	(0.2)	(0.5)	(0.3)	(1.2)
Net foreign exchange (gain) loss, net of tax	(0.1)	0.4	(0.7)	1.8
Gain on sale of land and buildings and assets held for sale, net of tax	(2.7)	(59.7)	(12.3)	(67.1)
Impairment of intangible assets, net of tax	-	-	-	138.4
Adjusted net income	94.5	48.8	235.0	137.9
Adjusted earnings per share - basic	1.08	0.54	2.67	1.52
Adjusted earnings per share - diluted	1.04	0.53	2.58	1.48

Note: due to rounding, totals may differ slightly from the sum.

Operating margin

Operating margin is calculated as operating income (loss) as a percentage of revenue before fuel surcharge.

Note to readers: Unaudited condensed consolidated interim financial statements and Management's Discussion & Analysis are available on TFI International's website at <http://www.tfiintl.com>.

For further information:

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