MANAGEMENT'S DISCUSSION AND ANALYSIS

For the third quarter ended

September 30, 2019

CONTENTS

GENERAL INFORMATION

The following is TFI International Inc.'s management discussion and analysis ("MD&A"). Throughout this MD&A, the terms "Company", "TFI International" and "TFI" shall mean TFI International Inc., and shall include its independent operating subsidiaries. This MD&A provides a comparison of the Company's performance for its three- and nine-month periods ended September 30, 2019 with the corresponding three- and nine-month periods ended September 30, 2018 and it reviews the Company's financial position as of September 30, 2019. It also includes a discussion of the Company's affairs up to October 24, 2019, which is the date of this MD&A. The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of September 30, 2019 and the audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2018.

In this document, all financial data are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") unless otherwise noted. All amounts are in Canadian dollars, and the term "dollar", as well as the symbols "$" and "C$", designate Canadian dollars unless otherwise indicated. Variances may exist as numbers have been rounded. This MD&A also uses non-IFRS financial measures. Refer to the section of this report entitled "Non-IFRS Financial Measures" for a complete description of these measures.

The Company's unaudited condensed consolidated interim financial statements have been approved by its Board of Directors ("Board") upon recommendation of its audit committee on October 24, 2019. Prospective data, comments and analysis are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints for maintaining the confidentiality of certain information that, if published, would probably have an adverse impact on the competitive position of the Company.

Additional information relating to the Company can be found on its website at www.tfiintl.com. The Company's continuous disclosure materials, including its annual and quarterly MD&A, annual and quarterly consolidated financial statements, annual report, annual information form, management proxy circular and the various press releases issued by the Company are also available on its website or directly through the SEDAR system at www.sedar.com.

FORWARD-LOOKING STATEMENTS

The Company may make statements in this report that reflect its current expectations regarding future results of operations, performance and achievements. These are "forward-looking" statements and reflect management's current beliefs. They are based on information currently available to management. Words such as "may", "could", "should", "would", "believe", "expect", "anticipate" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected.

The Company wishes to caution readers not to place undue reliance on any forward-looking statements which reference issues only as of the date made. The following important factors could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: the highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, fuel price variations and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, changes in governmental regulations applicable to the Company's operations, adverse weather conditions, accidents, the market for used equipment, changes in interest rates, cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers, and credit market liquidity.

The foregoing list should not be construed as exhaustive, and the Company disclaims any subsequent obligation to revise or update any previously made forward-looking statements unless required to do so by applicable securities laws. Unanticipated events are likely to occur. Readers should also refer to the section "Risks and Uncertainties" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. The Company's future financial and operating results may fluctuate as a result of these and other risk factors.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) *(in thousands of dollars, except per share data)*	**Three months ended September 30**		**Nine months ended September 30**	
	2019	2018*	**2019**	2018*
Revenue before fuel surcharge	**1,165,820**	1,127,440	**3,447,153**	3,345,918
Fuel surcharge	**138,945**	160,163	**426,224**	455,845
Total revenue	**1,304,765**	1,287,603	**3,873,377**	3,801,763
Adjusted EBITDA from continuing operations[1]	**221,565**	189,974	**646,988**	505,629
Operating income from continuing operations	**131,887**	128,223	**387,330**	327,241
Net income	**82,641**	86,713	**235,455**	215,266
Net income from continuing operations	**82,641**	86,713	**247,933**	215,266
Adjusted net income from continuing operations[1]	**88,123**	95,017	**257,220**	235,350
Net cash from continuing operating activities	**187,057**	166,557	**489,111**	369,655
Free cash flow from continuing operations[1]	**129,709**	86,287	**359,739**	235,790
Per share data				
EPS – diluted	**0.98**	0.96	**2.74**	2.37
EPS from continuing operations – diluted	**0.98**	0.96	**2.88**	2.37
Adjusted EPS from continuing operations – diluted[1]	**1.04**	1.04	**2.99**	2.58
Dividends	**0.24**	0.21	**0.48**	0.42
As a percentage of revenue before fuel surcharge				
Adjusted EBITDA margin[1]	**19.0%**	16.9%	**18.8%**	15.1%
Depreciation of property and equipment	**4.9%**	4.4%	**4.8%**	4.4%
Depreciation of right-of-use assets	**2.3%**	0.0%	**2.2%**	0.0%
Amortization of intangible assets	**1.4%**	1.4%	**1.4%**	1.4%
Operating margin[1]	**11.3%**	11.4%	**11.2%**	9.8%
Adjusted operating ratio[1]	**89.6%**	88.9%	**89.7%**	90.6%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Q3 Highlights

- Record third quarter operating income increased to $131.9 million, up 3% from the same quarter last year, driven by strong execution across the organization, increased quality of revenue, an asset-light approach, and cost efficiencies.
- Operating margin[1], a non-IFRS measure, was 11.3% relative to 11.4% in the prior year quarter.
- Net income from continuing operations of $82.6 million compares to $86.7 million in Q3 2018.
- Diluted earnings per share (diluted "EPS") from continuing operations of $0.98 compares to $0.96 in Q3 2018.
- Adjusted net income from continuing operations[1], a non-IFRS measure, of $88.1 million compares to $95.0 million in Q3 2018.
- Adjusted diluted EPS from continuing operations[1], a non-IFRS measure, of $1.04 was unchanged from Q3 2018.
- Net cash from continuing operating activities was $187.1 million, up 12% compared to $166.6 million in Q3 2018, due to stronger operating performance and the impact of the adoption of IFRS 16.
- Free cash flow[1], a non-IFRS measure, of $129.7 million, was up 50% compared to $86.3 million in Q3 2018.
- The Company's reportable segments performed as follows:
  - Package and Courier operating income increased 1% to $28.2 million;
  - Less-Than-Truckload operating income increased 2% to $25.8 million;
  - Truckload operating income increased 19% to $75.8 million;
  - Logistics and Last Mile operating income decreased 18% to $13.8 million.
- The Company returned $84.2 million to shareholders during the quarter, of which $20.0 million was through dividends and $64.1 million was through share repurchases.
- During the quarter, TFI International completed two business acquisitions, including Craler Inc. and selected assets of AT Group US Logistics, LLC, formerly known as Dicom Logistics LLC.
- On August 30, 2019, the Toronto Stock Exchange approved an amendment to the Company's normal course issuer bid ("NCIB") entitling TFI International to repurchase for cancellation up to 8,300,000 common shares until expiry on October 1, 2019. A total of 1,638,246 common shares were repurchased and cancelled during the third quarter.
- On September 17, 2019, the Board of Directors of TFI declared a quarterly dividend of $0.24. This dividend represented a 14% increase over the $0.21 quarterly dividend declared in Q3 2018.

[1] *Refer to the section "Non-IFRS financial measures".*

- On September 30, 2019, the Toronto Stock Exchange approved the renewal of the NCIB, allowing TFI International to repurchase for cancellation a maximum of 7,000,000 common shares over the twelve-month period from October 2, 2019 to October 1, 2020.
- On October 24, 2019, the Board of Directors of TFI has approved a $0.26 quarterly dividend, an 8% increase over its previous quarterly dividend of $0.24 per share, effective as of the next regular payment.

ABOUT TFI INTERNATIONAL

Services

TFI International 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 reportable segments:

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

Seasonality of operations

The activities conducted by the Company are subject to general demand for freight transportation. Historically, demand has been relatively stable with the first quarter generally the weakest. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

Human resources

As at September 30, 2019 the Company had 17,651 employees in TFI International's various business segments across North America. This compares to 17,047 employees as at September 30, 2018. The year-over-year increase of 604 is attributable to business acquisitions that added 1,403 employees offset by rationalizations affecting 799 employees mainly in the Less-Than-Truckload ("LTL") and Logistics and Last Mile segments. The Company believes that it has a relatively low turnover rate among its employees in Canada, a normal turnover rate in the U.S., and that its employee relations are very good.

Equipment

The Company has the largest trucking fleet in Canada and a significant presence in the U.S. market. As at September 30, 2019, the Company had 7,834 power units, 25,952 trailers and 9,517 independent contractors. This compares to 7,315 power units, 25,055 trailers and 8,354 independent contractors as at September 30, 2018.

Facilities

TFI International's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at September 30, 2019, the Company had 390 facilities, as compared to 369 facilities as at September 30, 2018. Of these, 254 are located in Canada, including 163 and 91, in Eastern and Western Canada, respectively. The Company also had 124 facilities in the United States and 12 facilities in Mexico. In the last twelve months, 55 facilities were added from business acquisitions and terminal consolidation decreased the total number of facilities by 34, mainly in the Truckload ("TL") and Logistics and Last Mile segments. In Q3 2019, the Company closed 9 sites.

Customers

The Company has a diverse customer base across a broad cross-section of industries with no single client accounting for more than 5% of consolidated revenue. Because of its customer diversity, as well as the wide geographic scope of the Company's service offering and the range of segments in which it operates, a downturn in the activities of individual customers or customers in a particular industry would not be expected to have a material adverse impact on operations. The Company has forged strategic partnerships with other transport companies in order to extend its service offering to customers across North America.

Revenue by Top Customers' Industry (60% of total revenue)	
Retail	26%
Manufactured Goods	16%
Food & Beverage	11%
Automotive	9%
Building Materials	8%
Metals & Mining	6%
Forest Products	5%
Energy	4%
Chemicals & Explosives	4%
Services	3%
Waste Management	2%
Maritime Containers	1%
Others	5%

(For the six-months ended June 30, 2019)

CONSOLIDATED RESULTS

This section provides general comments on the consolidated results of operations. A more detailed analysis is provided in the "Segmented results" section.

2019 business acquisitions

In line with its growth strategy, the Company has acquired eight businesses during 2019: Toronto Tank Lines ("TTL"), Schilli Corporation ("Schilli"), Les Services JAG ("JAG"), Aulick Leasing Corp. ("Aulick"), certain assets of BeavEx Incorporated ("BeavEx"), Piston Tank Corporation ("Piston"), selected assets of AT Group US Logistics, LLC ("US Logistics"), and Craler Inc. ("Craler").

On February 19, 2019, TFI International completed the acquisition of TTL. Based in Ontario, TTL specializes in the transportation and storage of food grade liquids, industrial chemicals, specialty oils and waxes throughout Canada, the United States and Mexico.

On February 22, 2019, TFI International completed the acquisition of Schilli. Based in Missouri, Schilli specializes in the transportation of dry and liquid bulk and offers dedicated fleet solutions and other value-add services throughout the Midwest, Southeast and Gulf Coast regions of the United States.

On March 19, 2019, TFI International completed the acquisition of JAG. Based in Québec, JAG provides transportation services for explosives, mining and steel products, electronics, and household goods.

On April 1, 2019, TFI International completed the acquisitions of Aulick and its affiliate ShirAul, LLC. Based in Nebraska, Aulick provides contract hauling services for aggregate materials, wood byproduct, agriculture/commodities, beets, dry bulk materials, railroad traction sand and food grade product materials through the Central and Western U.S. ShirAul designs and manufactures the exclusive Bullet™ trailer.

On April 29, 2019 TFI International completed the acquisition of BeavEx and its affiliates Guardian Medical Logistics ("GML"), JNJW Enterprises, Inc. and USXP, LLC for a cash consideration of US$7.2 million through the United States Bankruptcy Court for the District of Delaware. BeavEx primarily serves the growing final-mile delivery requirements of the financial, healthcare, retail, industrial, and manufacturing sectors, offering same-day, next-day, and on-demand home delivery services. Its logistics capabilities include final-mile, crossdocking, and distribution services. The BeavEx affiliate GML is an industry leading provider of final-mile, mission critical logistics and transportation services to the medical laboratory industry.

On June 14, 2019, TFI International completed the acquisition of Piston. Based in Missouri, Piston specializes in the transportation of viscous materials and offers a patented solution for the storage, handling, and transportation of these materials for the food and industrial products industries.

On August 7, 2019, TFI international completed the acquisition of selected assets of US Logistics. Based in Georgia, US Logistics provides medical logistics, final mile and brokerage services in select regions of the United States.

On August 22, 2019, TFI International completed the acquisition of Craler. Based in Québec, Craler provides brokerage, direct trucking and warehousing services across Canada, the United States and Mexico.

Revenue

For the three months ended September 30, 2019, total revenue reached $1,304.8 million, up 1%, or $17.2 million, from Q3 2018. The contribution from business acquisitions of $120.7 million and positive currency impact of $5.5 million were offset by decreases in fuel surcharge revenue of $30.1 million and revenue before fuel surcharge of $78.9 million, both in existing operations. The average exchange rate used to convert TFI International's revenue generated in U.S. dollars was 1.0% higher this quarter (C$1.3204) than it was for the same quarter last year (C$1.3070).

For the nine-month period ended September 30, 2019, total revenue reached $3.87 billion, up 2%, or $71.6 million, from $3.80 billion in the same period in 2018 mainly due to the contribution from business acquisitions of $309.2 million and positive currency impact of $49.8 million which were offset by decreases in fuel surcharge revenue of $57.0 million and revenue before fuel surcharge of $230.3 million, both in existing operations.

Operating expenses from continuing operations

For the three months ended September 30, 2019, the Company's operating expenses from continuing operations slightly increased by $13.5 million, to $1,172.9 million from $1,159.4 million in Q3 2018. The increase attributable to business acquisitions of $111.4 million was offset by a net decrease of $97.9 million, or 8%, in existing operating expenses. Operating improvements, better fleet utilization and lower material and services expenses as a percentage of revenue contributed to maintaining the operating expenses in the Company's existing operations below the Q3 2018 level as a percentage of total revenue.

For the three months ended September 30, 2019, material and services expenses, net of fuel surcharge, decreased by 0.8 percentage points of revenue before fuel surcharge compared to the same period last year due to lower subcontractor, rolling stock lease and fuel costs as a percentage of revenue before fuel surcharge. Mainly due to IFRS 16 adoption, equipment lease expense decreased $13.1 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these operating leases are now capitalized and depreciation expense was recorded and presented under depreciation of right-of-use assets in the income statement. Right-of-use assets depreciation on rolling stock amounted to $8.4 million for Q3 2019.

Other operating expenses, which are primarily composed of costs related to office and terminal rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses, decreased 1.4 percentage points of revenue before fuel surcharge compared to the same period last year due to lower terminal rent expenses. Due to IFRS 16 adoption, real estate lease expense decreased $21.6 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and depreciation expense was recorded and presented under depreciation of right-of-use assets in the income statement. Right-of-use assets depreciation on real estate leases amounted to $17.8 million for Q3 2019.

For the three months ended September 30, 2019, depreciation of right-of-use assets amounting to $26.4 million is mainly composed of rolling stock and real estate leases that are now treated as finance leases due to IFRS 16 adoption on January 1, 2019. As permitted with this new standard, comparative information has not been restated.

For the three-month period ended September 30, 2019, the gain on sale of assets held for sale was $10.1 million, compared to $2.9 million in Q3 2018. Four properties were disposed of for a consideration of $16.0 million.

For the nine-month period ended September 30, 2019, the Company's operating expenses from continuing operations increased by $11.5 million from $3.47 billion in 2018 to $3.49 billion in 2019. The increase is mainly attributable to business acquisitions for $272.9 million offset by a net decrease of $261.4 million primarily attributable to lower material and service expenses in the Company's existing operations as a result of lower revenue.

Operating income from continuing operations

For the three months ended September 30, 2019, TFI International's operating income from continuing operations rose by $3.7 million to $131.9 million compared to $128.2 million in the same quarter in 2018. The adoption of IFRS 16 contributed to $3.8 million to the increase. The operating margin as a percentage of revenue before fuel surcharge declined slightly, from 11.4% in Q3 2018 to 11.3% in Q3 2019. All reportable segments except for the Logistics and Last Mile segment reported margin increases. Notably, the TL segment reported a margin increase of 1.4 percentage points primarily as a result of better operating performance.

Finance income and costs

(unaudited) *(in thousands of dollars)*	**Three months ended September 30**		**Nine months ended September 30**	
Finance costs (income)	**2019**	2018	**2019**	2018
Interest expense on long-term debt	**14,662**	13,437	**43,314**	41,450
Interest expense on lease liabilities	**4,590**	-	**13,991**	-
Interest income and accretion on promissory note	**(728)**	(710)	**(2,183)**	(2,060)
Net change in fair value and accretion expense of contingent considerations	**54**	703	**191**	497
Net foreign exchange (gain) loss	**545**	(125)	**790**	(981)
Net change in fair value of foreign exchange derivatives	**-**	(85)	**-**	(299)
Net change in fair value of interest rate derivatives	**-**	(222)	**-**	(46)
Others	**2,035**	3,909	**7,196**	9,785
Net finance costs	**21,158**	16,907	**63,299**	48,346

Interest expense on lease liabilities

Following adoption of IFRS 16 Leases, the amounts previously recognized as lease expenses were replaced by the depreciation of right-of-use assets and the financing costs on the lease liabilities. As permitted with this new standard, comparative information has not been restated.

Net foreign exchange gain or loss and net investment hedge

The Company designates as a hedge a portion of its U.S. dollar denominated debt held against its net investments in U.S. operations. This accounting treatment allows the Company to offset the designated portion of foreign exchange gain (or loss) of its debt against the foreign exchange loss (or gain) of its net investments in U.S. operations and present them in other comprehensive income. Net foreign exchange gains or losses recorded in income or loss are attributable to the U.S. dollar portion of the Company's credit facility not designated as a hedge and to other financial assets and liabilities denominated in foreign currencies. For the three-month period ended September 30, 2019, a loss of $3.4 million of foreign exchange variations ($3.0 million net of tax) was recorded to other comprehensive income as net investment hedge. For the three-month period ended September 30, 2018, a gain of $5.6 million of foreign exchange variations ($4.9 million net of tax) was recorded to other comprehensive income as net investment hedge.

Net change in fair value of derivatives and cash flow hedge

The fair values of the Company's derivative financial instruments, which are used to mitigate foreign exchange and interest rate risks, are subject to market price fluctuations in foreign exchange and interest rates.

The Company designates the interest rate derivatives as a hedge of the variable interest rate instruments. Therefore, the effective portion of changes in fair value of the derivatives is recognized in other comprehensive income. For the three-month period ended September 30, 2019, the loss of $2.5 million on change in fair value of interest rate derivatives was entirely designated as cash flow hedge and recorded to other comprehensive income as a change in the fair value of the cash flow hedge (a loss of $1.8 million net of tax). For the three-month period ended September 30, 2018, $0.1 million gain on change in fair value of interest rate derivatives (nil net of tax), was designated as cash flow hedge and recorded to other comprehensive income as a change in the fair value of the cash flow hedge.

Income tax expense

For the three months ended September 30, 2019, the effective tax rate was 25.3%. The income tax expense of $28.1 million reflects a $1.5 million favourable variance versus an anticipated income tax expense of $29.6 million based on the Company's statutory tax rate of 26.7%. The favourable variance is mainly due to positive differences between the statutory rate and the effective rates in other jurisdictions of $3.7 million net of negative differences of $1.2 million for both non-deductible expenses and prior year adjustments.

For the nine-month period ended September 30, 2019, the effective tax rate was 23.4%. The income tax expense of $76.1 million reflects a $10.4 million favourable variance versus an anticipated income tax expense of $86.5 million based on the Company's statutory tax rate of 26.7%. The favourable variance is mainly due to differences between the statutory rate and the effective rates in other jurisdictions of $10.5 million and on tax exempt income of $4.4 million.

The U.S. Tax Reform Bill signed on December 22, 2017 introduced important changes to U.S. corporate income tax laws that may affect the Company's current and future years including limitations to the deduction for net interest expense incurred by U.S. corporations. Future regulations and interpretations to be issued by U.S. authorities may also impact the Company's estimates and assumptions used in calculating its income tax provisions. The timing and scope of such regulations and interpretative guidance are uncertain. Management believes that upon issuance of regulation and interpretative guidance that is expected by the end of 2019, an estimated full-year tax benefit of $8.5 million recorded as income could be reversed in Q4 2019. For the nine-month period ended September 30, 2019, this tax benefit amounted to $6.4 million. This reversal would relate to fiscal year 2019 only and should not apply to future periods.

Net loss from discontinued operations

During the nine months ended September 30, 2019, the Company recognized a net loss on an accident claim of $12.5 million, or $16.6 million net of $4.1 million of tax recovery. This claim originated from an operating entity within the discontinued rig moving operations, which were closed in 2015.

Net income and adjusted net income from continuing operations

(unaudited) *(in thousands of dollars, except per share data)*	**Three months ended September 30**		**Nine months ended September 30**	
	2019	2018	**2019**	2018
Net income	**82,641**	86,713	**235,455**	215,266
Amortization of intangible assets related to business acquisitions, net of tax	**12,015**	10,802	**35,078**	33,041
Net change in fair value and accretion expense of contingent considerations, net of tax	**40**	515	**140**	364
Net change in fair value of derivatives, net of tax	**-**	(225)	**-**	(253)
Net foreign exchange (gain) loss, net of tax	**399**	(92)	**579**	(719)
Bargain purchase gain	**-**	-	**(10,787)**	-
Gain on sale of land and buildings and assets held for sale, net of tax	**(6,972)**	(2,696)	**(15,723)**	(12,349)
Net loss from discontinued operations	**-**	-	**12,478**	-
Adjusted net income from continuing operations[1]	**88,123**	95,017	**257,220**	235,350
Adjusted EPS from continuing operations – basic[1]	**1.07**	1.08	**3.06**	2.67
Adjusted EPS from continuing operations – diluted[1]	**1.04**	1.04	**2.99**	2.58

For the three months ended September 30, 2019, TFI International's net income was $82.6 million compared to $86.7 million in Q3 2018. The decrease of $4.1 million is mainly attributable to an increase in income tax expense of $3.4 million compared to the same quarter last year. The Company's adjusted net income from continuing operations[1], a non-IFRS measure, which excludes items listed in the above table, was $88.1 million this quarter compared to $95.0 million in Q3 2018, down 7% or $6.9 million. The adjusted EPS from continuing operations, fully diluted, was stable at $1.04.

For the nine-month period ended September 30, 2019, TFI International's net income was $235.5 million compared to $215.3 million in 2018. The increase of $20.2 million is mainly attributable to stronger operating income, the $10.8 million bargain purchase gain on the BeavEx acquisition and the contribution from business acquisitions of $25.5 million net of the loss from discontinued operations of $12.5 million. The Company's adjusted net income from continuing operations was $257.2 million in 2019 compared to $235.4 in 2018, up 9% or $21.9 million. Adjusted EPS from continuing operations, fully diluted, increased by 16%, to $2.99.

[1] *Refer to the section "Non-IFRS financial measures".*

SEGMENTED RESULTS

To facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses. Note that "Total revenue" is not affected by this reallocation.

Selected segmented financial information

(unaudited) *(in thousands of dollars)*	Package and Courier	Less-Than-Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
Three months ended September 30, 2019							
Revenue before fuel surcharge[1]	**154,830**	**205,434**	**557,205**	**256,791**	**-**	**(8,440)**	**1,165,820**
% of total revenue[2]	**14%**	**18%**	**48%**	**20%**			**100%**
Adjusted EBITDA from continuing operations	**35,490**	**43,621**	**127,380**	**25,926**	**(10,852)**	**-**	**221,565**
Adjusted EBITDA margin[3]	**22.9%**	**21.2%**	**22.9%**	**10.1%**			**19.0%**
Operating income (loss)	**28,232**	**25,791**	**75,762**	**13,796**	**(11,694)**	**-**	**131,887**
Operating margin[3]	**18.2%**	**12.6%**	**13.6%**	**5.4%**			**11.3%**
Net capital expenditures[4, 5]	**4,355**	**3,257**	**50,976**	**342**	**(1,582)**		**57,348**
Three months ended September 30, 2018*							
Revenue before fuel surcharge[1]	154,571	227,514	520,647	234,700	-	(9,992)	1,127,440
% of total revenue[2]	14%	21%	46%	19%			100%
Adjusted EBITDA from continuing operations	31,155	34,322	106,625	22,865	(4,993)	-	189,974
Adjusted EBITDA margin[3]	20.2%	15.1%	20.5%	9.7%			16.9%
Operating income (loss)	27,965	25,409	63,658	16,815	(5,624)	-	128,223
Operating margin[3]	18.1%	11.2%	12.2%	7.2%			11.4%
Net capital expenditures[4, 6]	6,294	11,811	61,375	577	213		80,270
Nine months ended September 30, 2019							
Revenue before fuel surcharge[1]	**460,302**	**632,495**	**1,654,710**	**725,990**	**-**	**(26,344)**	**3,447,153**
% of total revenue[2]	**14%**	**19%**	**48%**	**19%**			**100%**
Adjusted EBITDA from continuing operations	**102,328**	**126,763**	**361,800**	**81,211**	**(25,114)**	**-**	**646,988**
Adjusted EBITDA margin[3]	**22.2%**	**20.0%**	**21.9%**	**11.2%**			**18.8%**
Operating income (loss)	**79,163**	**83,701**	**193,747**	**57,618**	**(26,899)**	**-**	**387,330**
Operating margin[3]	**17.2%**	**13.2%**	**11.7%**	**7.9%**			**11.2%**
Total assets less intangible assets	**226,099**	**518,349**	**1,610,566**	**214,194**	**56,171**		**2,625,379**
Net capital expenditures[4, 7]	**10,123**	**(445)**	**119,569**	**1,315**	**(1,190)**		**129,372**
Nine months ended September 30, 2018*							
Revenue before fuel surcharge[1]	455,723	670,326	1,536,424	718,137	-	(34,692)	3,345,918
% of total revenue[2]	14%	20%	46%	20%			100%
Adjusted EBITDA from continuing operations	88,676	84,797	281,331	69,793	(18,968)	-	505,629
Adjusted EBITDA margin[3]	19.5%	12.7%	18.3%	9.7%			15.1%
Operating income (loss)	78,805	61,671	155,441	51,641	(20,317)	-	327,241
Operating margin[3]	17.3%	9.2%	10.1%	7.2%			9.8%
Total assets less intangible assets	142,215	388,012	1,315,407	131,790	58,959		2,036,383
Net capital expenditures[4, 8]	9,428	9,396	113,590	1,753	(302)		133,865

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When the Company changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for the comparative period is recast to conform to the new structure.

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[1] *Includes intersegment revenue.*
[2] *Segment revenue including fuel and intersegment revenue to consolidated revenue including fuel and intersegment revenue.*
[3] *As a percentage of revenue before fuel surcharge.*
[4] *Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.*
[5] *Q3 2019 net capital expenditures include proceeds from the sale of property for consideration of $2.5 million in the P&C segment, of $11.9 million in the TL segment and of $1.8 million in the corporate segment.*
[6] *Q3 2018 net capital expenditures include proceeds from the sale of property for consideration of $5.5 million in the TL segment.*
[7] *Q3 YTD 2019 net capital expenditures include proceeds from the sale of property for consideration of $2.5 million in the P&C segment, of $17.2 million in the LTL segment, of $11.9 million in the TL segment and of $2.0 million in the corporate segment.*
[8] *Q3 YTD 2018 net capital expenditures include proceeds from the sale of property for consideration of $4.5 million in the LTL segment, of $21.7 million in the TL segment and of $0.8 million in the corporate segment.*

Package and Courier

(unaudited) *(in thousands of dollars)*	Three months ended September 30				Nine months ended September 30			
	2019	**%**	2018*	%	**2019**	**%**	2018*	%
Total revenue	**176,170**		178,812		**524,399**		524,128	
Fuel surcharge	**(21,340)**		(24,241)		**(64,097)**		(68,405)	
Revenue	**154,830**	**100.0%**	154,571	100.0%	**460,302**	**100.0%**	455,723	100.0%
Materials and services expenses (net of fuel surcharge)	**67,569**	**43.6%**	64,637	41.8%	**196,263**	**42.6%**	189,792	41.6%
Personnel expenses	**44,344**	**28.6%**	45,312	29.3%	**136,753**	**29.7%**	136,198	29.9%
Other operating expenses	**7,424**	**4.8%**	13,485	8.7%	**25,201**	**5.5%**	41,124	9.0%
Depreciation of property and equipment	**3,504**	**2.3%**	2,850	1.8%	**9,884**	**2.1%**	8,815	1.9%
Depreciation of right-of-use assets	**4,643**	**3.0%**	-	0.0%	**13,607**	**3.0%**	-	0.0%
Amortization of intangible assets	**310**	**0.2%**	340	0.2%	**873**	**0.2%**	1,056	0.2%
(Gain) loss on sale of rolling stock and equipment	**2**	**0.0%**	(18)	0.0%	**(242)**	**-0.1%**	(67)	0.0%
(Gain) loss on disposal of right-of-use assets	**1**	**0.0%**	-	0.0%	**(1)**	**0.0%**	-	0.0%
Gain on sale of assets held for sale	**(1,199)**	**-0.8%**	-	0.0%	**(1,199)**	**-0.3%**	-	0.0%
Operating income	**28,232**	**18.2%**	27,965	18.1%	**79,163**	**17.2%**	78,805	17.3%
Adjusted EBITDA	**35,490**	**22.9%**	31,155	20.2%	**102,328**	**22.2%**	88,676	19.5%

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Operational data *(unaudited)*	Three months ended September 30				Nine months ended September 30			
	2019	2018	Variance	%	**2019**	2018	Variance	%
Revenue per pound (including fuel)	**$0.44**	$0.45	($0.01)	-2.2%	**$0.47**	$0.46	$0.01	2.2%
Revenue per pound (excluding fuel)	**$0.39**	$0.39	$0.00	0.0%	**$0.41**	$0.40	$0.01	2.5%
Revenue per shipment (including fuel)	**$8.23**	$8.21	$0.02	0.2%	**$8.26**	$8.09	$0.17	2.1%
Tonnage (in thousands of metric tons)	**180**	180	0	0.0%	**510**	517	(7)	-1.4%
Shipments (in thousands)	**21,398**	21,770	(372)	-1.7%	**63,499**	64,759	(1,260)	-1.9%
Average weight per shipment (in lbs.)	**18.54**	18.22	0.32	1.8%	**17.70**	17.60	0.10	0.6%
Vehicle count, average	**1,001**	936	65	6.9%	**984**	958	26	2.7%
Weekly revenue per vehicle (incl. fuel, in thousands of dollars)	**$13.54**	$14.70	($1.16)	-7.9%	**$13.66**	$14.03	($0.37)	-2.6%

Revenue

For the three months ended September 30, 2019, revenue slightly increased by $0.3 million, from $154.6 million in 2018 to $154.8 million in 2019. This stability in revenue is attributable to stable tonnage and revenue per pound (excluding fuel surcharge) that were the same in 2019 vs 2018. Stability in tonnage year-over-year was the result of a 1.7% decrease in number of shipments offset by a 1.8% increase in average weight per shipment.

For the nine-month period ended September 30, 2019, revenue increased by $4.6 million, or 1%, from $455.7 million to $460.3 million.

Operating expenses

For the three months ended September 30, 2019, materials and services expenses, net of fuel surcharge revenue, increased $2.9 million or 5% due to a $2.9 million decrease in fuel surcharge revenue. Personnel expenses as a percentage of revenue decreased from 29.3% in 2018 to 28.6% in 2019, with the reduction coming in almost equal parts from direct salaries and from management, sales and office salaries. Other operating expenses decreased $6.1 million in the third quarter of 2019 mainly due to IFRS 16 adoption. Real estate lease expense decreased $5.5 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense was recorded and presented under depreciation of right-of-use assets. Right-of-use assets depreciation on equipment and real estate leases amounted to $4.6 million for Q3 2019.

For the nine-month period ended September 30, 2019, materials and services expenses, net of fuel surcharge revenue, increased $6.5 million or 3% due to a $4.6 million increase in subcontractor costs, combined with a $4.3 million decrease in fuel surcharge revenue, partially offset by a $2.1 million reduction in rolling stock lease costs partly due to IFRS 16 adoption. Personnel expenses as a percentage of revenue slightly decreased from 29.9% in 2018 to 29.7% in 2019 and that decrease is entirely coming from a reduction in direct salaries. Other operating expenses decreased $15.9 million in the first nine months of 2019 mainly due to real estate lease expense that decreased $15.9 million following IFRS 16 adoption. Right-of-use assets depreciation on equipment and real estate leases amounted to $13.6 million for the first nine months of 2019.

Gain on sale of property

For the nine-month period ending September 30, 2019, a $1.2 million gain on sale of assets held for sale was recorded in the Package and Courier segment following the sale of one property for a consideration of $2.5 million.

Operating income

Operating income for the three-months ended September 30, 2019 slightly increased by 1% or $0.3 million compared to the third quarter of 2018 and the operating margin was 18.2% in the third quarter of 2019 compared to 18.1% for the same period in 2018.

For the nine-month period ended September 30, 2019, operating margin was 17.2%, a slight decrease from 17.3% for the same period in 2018.

Less-Than-Truckload

(unaudited) *(in thousands of dollars)*	Three months ended September 30				Nine months ended September 30			
	2019	**%**	2018*	%	**2019**	**%**	2018*	%
Total revenue	**237,644**		268,231		**733,530**		785,184	
Fuel surcharge	**(32,210)**		(40,717)		**(101,035)**		(114,858)	
Revenue	**205,434**	**100.0%**	227,514	100.0%	**632,495**	**100.0%**	670,326	100.0%
Materials and services expenses (net of fuel surcharge)	**101,623**	**49.5%**	117,828	51.8%	**319,802**	**50.6%**	358,016	53.4%
Personnel expenses	**52,389**	**25.5%**	55,965	24.6%	**161,611**	**25.6%**	168,230	25.1%
Other operating expenses	**7,912**	**3.9%**	19,581	8.6%	**25,154**	**4.0%**	59,735	8.9%
Depreciation of property and equipment	**7,123**	**3.5%**	6,040	2.7%	**19,374**	**3.1%**	17,404	2.6%
Depreciation of right-of-use assets	**7,930**	**3.9%**	-	0.0%	**24,808**	**3.9%**	-	0.0%
Amortization of intangible assets	**2,777**	**1.4%**	2,812	1.2%	**8,279**	**1.3%**	8,042	1.2%
Gain on sale of rolling stock and equipment	**(109)**	**-0.1%**	(182)	-0.1%	**(483)**	**-0.1%**	(452)	-0.1%
Gain on disposal of right-of-use assets	**(2)**	**0.0%**	-	0.0%	**(352)**	**-0.1%**	-	0.0%
(Gain) loss on sale of land and buildings and assets held for sale	**-**	**0.0%**	61	0.0%	**(9,399)**	**-1.5%**	(2,320)	-0.3%
Operating income	**25,791**	**12.6%**	25,409	11.2%	**83,701**	**13.2%**	61,671	9.2%
Adjusted EBITDA	**43,621**	**21.2%**	34,322	15.1%	**126,763**	**20.0%**	84,797	12.7%

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Operational data *(unaudited)*	Three months ended September 30				Nine months ended September 30			
	2019	2018	Variance	%	**2019**	2018	Variance	%
Adjusted operating ratio	**87.4%**	88.8%			**88.3%**	91.1%		
Revenue per hundredweight (excluding fuel)	**$13.51**	$13.18	$0.33	2.5%	**$13.31**	$12.38	$0.93	7.5%
Revenue per shipment (including fuel)	**$320.28**	$316.68	$3.60	1.1%	**$318.79**	$299.69	$19.10	6.4%
Tonnage (in thousands of tons)	**760**	863	(103)	-11.9%	**2,375**	2,707	(332)	-12.3%
Shipments (in thousands)	**742**	847	(105)	-12.4%	**2,301**	2,620	(319)	-12.2%
Average weight per shipment (in lbs)	**2,049**	2,038	11	0.5%	**2,064**	2,066	(2)	-0.1%
Average length of haul (in miles)	**824**	833	(9)	-1.1%	**827**	827	0	0.0%
Vehicle count, average	**1,031**	1,081	(50)	-4.6%	**1,027**	983	53	5.4%

Revenue

For the three months ended September 30, 2019, the LTL segment's revenue was $205.4 million, a $22.1 million, or 10%, decrease when compared to the same period in 2018. The decrease in revenue is due to a 12% decrease in tonnage partially offset by a 2.5% increase in revenue per hundredweight (excluding fuel). The decrease in tonnage was the result of a 12% decrease in shipments slightly offset by a 0.5% increase in weight per average shipment. For the quarter ended September 30, 2019, the LTL segment improved its yield as reflected by the 2.5% increase in revenue per hundredweight (excluding fuel) that went from $13.18 in Q3 2018 to $13.51 in Q3 2019.

For the nine-month period ended September 30, 2019, revenue decreased $37.8 million or 6% to $632.5 million.

Operating expenses

For the three months ended September 30, 2019, materials and services expenses, net of fuel surcharge revenue, decreased $16.2 million, or 14%, due to a $17.2 million decrease in sub-contractor cost, mostly attributable to a decrease in tonnage. Following the same trend, personnel expenses decreased 6.4% year-over-year. Other operating expenses decreased $11.7 million in the third quarter of 2019, mainly due to IFRS 16 adoption. Real estate lease expense decreased $9.0 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense was recorded and presented under depreciation of right-of-use assets. Right-of-use assets depreciation on equipment and real estate leases amounted to $7.9 million for Q3 2019.

For the nine-month period ended September 30, 2019, materials and services expenses, net of fuel surcharge, decreased $38.2 million, or 11%, due to a $43.8 million reduction in subcontractor cost partially offset by a $3.2 million increase in rolling stock maintenance and repair costs. Personnel expenses as a percentage of revenue before fuel surcharge slightly increased from 25.1% in 2018 to 25.6% in 2019. Other operating expenses decreased $34.6 million when compared to the same period in 2018, mainly due to a $26.0 million decrease in real estate lease expense related to IFRS 16 adoption. Right-of-use assets depreciation on equipment and real estate leases was $24.8 million for the first nine months of 2019.

Gain on sale of property

For the nine-month period ended September 30, 2019, a $9.4 million gain on sale of assets held for sale was recorded in the LTL segment following the sale of three properties for a total consideration of $17.2 million.

Operating income

Operating income for the three months ended September 30, 2019 increased $0.4 million, or 2%, when compared to the same period in 2018. Although volume decreased 12% year over year, operating income grew through better yield and quality of revenue, continued tight asset management, cost optimisation and improvements in route density. As a percentage of revenue, operating income was 12.6% during the third quarter of 2019, a significant improvement versus 11.2% for the same period in 2018. The third quarter of 2019 adjusted operating ratio was 87.4%, a 1.4 percentage point improvement when compared to 88.8% for the same period in 2018.

For the nine-month period ended September 30, 2019, operating income increased $22.0 million to $83.7 million and the adjusted operating ratio improved 2.8 percentage points, from 91.1% in 2018 to 88.3% in 2019.

Truckload

(unaudited) *(in thousands of dollars)*	Three months ended September 30				Nine months ended September 30			
	2019	**%**	2018*	%	**2019**	**%**	2018*	%
Total revenue	**633,547**		604,759		**1,889,630**		1,778,704	
Fuel surcharge	**(76,342)**		(84,112)		**(234,920)**		(242,280)	
Revenue	**557,205**	**100.0%**	520,647	100.0%	**1,654,710**	**100.0%**	1,536,424	100.0%
Materials and services expenses (net of fuel surcharge)	**234,099**	**42.0%**	232,648	44.7%	**701,824**	**42.4%**	720,687	46.9%
Personnel expenses	**184,550**	**33.1%**	166,109	31.9%	**551,734**	**33.3%**	488,119	31.8%
Other operating expenses	**17,387**	**3.1%**	17,869	3.4%	**54,425**	**3.3%**	51,883	3.4%
Depreciation of property and equipment	**45,085**	**8.1%**	39,665	7.6%	**132,785**	**8.0%**	116,782	7.6%
Depreciation of right-of-use assets	**7,896**	**1.4%**	-	-	**22,820**	**1.4%**	-	-
Amortization of intangible assets	**7,657**	**1.4%**	6,510	1.3%	**22,240**	**1.3%**	20,736	1.3%
Gain on sale of rolling stock and equipment	**(5,932)**	**-1.1%**	(2,604)	-0.5%	**(14,747)**	**-0.9%**	(5,596)	-0.4%
Gain on disposal of right-of-use assets	**(279)**	**-0.1%**	-	-	**(326)**	**-0.0%**	-	-
Gain on sale of land and buildings and assets held for sale	**(9,020)**	**-1.6%**	(3,208)	-0.6%	**(9,792)**	**-0.6%**	(11,628)	-0.8%
Operating income	**75,762**	**13.6%**	63,658	12.2%	**193,747**	**11.7%**	155,441	10.1%
Adjusted EBITDA	**127,380**	**22.9%**	106,625	20.5%	**361,800**	**21.9%**	281,331	18.3%

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Operational data *(unaudited)* *(all Canadian dollars unless otherwise specified)*	Three months ended September 30				Nine months ended September 30			
	2019	2018	Variance	%	**2019**	2018	Variance	%
U.S. based Conventional TL								
Revenue (in thousands of U.S. dollars)	**162,377**	171,766	(9,389)	-5.5%	**490,297**	510,532	(20,235)	-4.0%
Adjusted operating ratio	**90.9%**	92.4%			**91.2%**	95.0%		
Total mileage (in thousands)	**88,636**	94,735	(6,099)	-6.4%	**267,199**	290,537	(23,338)	-8.0%
Tractor count, average	**2,942**	3,109	(167)	-5.4%	**2,970**	3,093	(123)	-4.0%
Trailer count, average	**11,028**	11,210	(182)	-1.6%	**11,008**	11,205	(197)	-1.8%
Tractor age	**1.8**	2.1	(0.3)	-14.3%	**1.8**	2.1	(0.3)	-14.3%
Trailer age	**6.8**	6.8	0.0	0.0%	**6.8**	6.8	0.0	0.0%
Number of owner operators, average	**376**	425	(49)	-11.5%	**387**	473	(86)	-18.2%
Canadian based Conventional TL								
Revenue (in thousands of dollars)	**71,299**	78,154	(6,855)	-8.8%	**226,131**	234,288	(8,157)	-3.5%
Adjusted operating ratio	**83.1%**	85.2%			**85.5%**	87.4%		
Total mileage (in thousands)	**23,019**	26,139	(3,120)	-11.9%	**74,706**	80,148	(5,442)	-6.8%
Tractor count, average	**657**	700	(43)	-6.1%	**698**	714	(16)	-2.2%
Trailer count, average	**2,824**	3,182	(358)	-11.3%	**2,903**	3,102	(199)	-6.4%
Tractor age	**2.6**	2.8	(0.2)	-7.1%	**2.6**	2.8	(0.2)	-7.1%
Trailer age	**5.5**	5.6	(0.1)	-1.8%	**5.5**	5.6	(0.1)	-1.8%
Number of owner operators, average	**348**	371	(23)	-6.2%	**351**	368	(17)	-4.6%
Specialized TL								
Revenue (in thousands of dollars)	**273,029**	220,333	52,696	23.9%	**784,955**	650,025	134,930	20.8%
Adjusted operating ratio	**87.1%**	85.6%			**88.0%**	87.5%		
Tractor count, average	**2,194**	1,439	755	52.5%	**2,066**	1,407	659	46.8%
Trailer count, average	**6,341**	4,541	1,800	39.6%	**6,104**	4,597	1,507	32.8%
Tractor age	**4.1**	3.6	0.5	13.9%	**4.1**	3.6	0.5	13.9%
Trailer age	**11.4**	10.2	1.2	11.8%	**11.4**	10.2	1.2	11.8%
Number of owner operators, average	**1,225**	1,054	171	16.2%	**1,175**	1,079	96	8.9%

Revenue

For the three months ended September 30, 2019, TL revenue increased by $36.6 million or 7%, from $520.6 million in Q3 2018 to $557.2 million mainly due to business acquisition contributions of $70.5 million and favourable currency fluctuations of $3.2 million offset by mileage and volume decreases. Average revenue per total mile for conventional TL operations increased by 0.6% in the U.S. and by 2.0% in Canada compared to Q3 2018.

As part of its asset-light strategy, the TL segment increased its brokerage revenue by 10%, to $74.6 million compared to the same quarter last year.

For the nine-month period ended September 30, 2019, TL revenue increased by $118.3 million or 8% from $1,536.4 million in 2018 to $1,654.7 million in 2019. This increase is mainly due to recent business acquisitions, which contributed $195.6 million, and favourable currency fluctuations of $29.6 million offset by decreases in fuel surcharge revenue of $29.3 million and revenue before fuel surcharge of $104.6 million, both in existing operations. On the brokerage side, revenue increased by 5% or $11.0 million while margins were steady.

Operating expenses

For the three months ended September 30, 2019, operating expenses, net of fuel surcharge, increased by $24.5 million or 5% from $457.0 million in Q3 2018 to $481.4 million in Q3 2019. The TL segment continues to improve its cost structure and increase the productivity of its assets. Material and services expenses, net of fuel surcharge, decreased by 2.7 percentage points of revenue compared to the third quarter of 2018, mainly due to IFRS 16 adoption. Equipment lease expense decreased $9.4 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense of $5.7 million was recorded and presented under depreciation of right-of-use assets in Q3 2019. Personnel expenses increased by 1.2 percentage points of revenue, mainly attributable to driver compensation adjustments in order to improve retention and attract new drivers. The Company achieved cost and efficiency improvements and continues to focus on being cost-conscious improving the efficiency and profitability of its existing fleet and network of independent contractors.

For the nine-month period ended September 30, 2019, TL operating expenses, net of fuel surcharge, increased by $80.0 million or 6% which is mainly due to business acquisitions. Excluding business acquisitions, operating expenses decreased by $97.8 million, or 7%, from $1,381.0 million in 2018 to $1,283.2 million in 2019.

Gain on sale of property

For the nine-month period ended September 30, 2019, a $9.0 million gain on sale of assets held for sale was recorded in the Truckload segment following the sale of three properties for a total consideration of $11.9 million.

Operating income

The Company's operating income in the TL segment for the three months ended September 30, 2019 reached $75.8 million, up from $63.7 million in Q3 2018. This represents an increase of 19% and is mainly due to higher revenue per mile, lower costs, and a more efficient truckload freight network. Initiatives aimed at equipment cost reductions have continued to yield positive results, including lower repair and maintenance costs due to a newer fleet. Operating margin increased to 13.6% compared to 12.2% in Q3 2018.

For the nine-month period ended September 30, 2019, the TL segment increased its operating income by $38.3 million or 25% from $155.4 million in 2018 to $193.7 million in 2019.

Logistics and Last Mile

(unaudited) *(in thousands of dollars)*	**Three months ended September 30**				**Nine months ended September 30**			
	2019	**%**	2018*	%	**2019**	**%**	2018*	%
Total revenue	**266,856**		247,255		**755,500**		753,196	
Fuel surcharge	**(10,065)**		(12,555)		**(29,510)**		(35,059)	
Revenue	**256,791**	**100,0%**	234,700	100,0%	**725,990**	**100,0%**	718,137	100,0%
Materials and services expenses (net of fuel surcharge)	**180,748**	**70,4%**	163,855	69,8%	**510,358**	**70,3%**	496,312	69,1%
Personnel expenses	**32,890**	**12,8%**	32,109	13,7%	**94,561**	**13,0%**	102,451	14,3%
Other operating expenses	**17,368**	**6,8%**	15,882	6,8%	**39,992**	**5,5%**	49,702	6,9%
Depreciation of property and equipment	**724**	**0,3%**	729	0,3%	**2,001**	**0,3%**	2,195	0,3%
Depreciation of right-of-use assets	**5,555**	**2,2%**	-	-	**15,448**	**2,1%**	-	-
Amortization of intangible assets	**5,851**	**2,3%**	5,314	2,3%	**16,931**	**2,3%**	15,950	2,2%
Bargain purchase gain	**-**	**-**	-	-	**(10,787)**	**-1,5%**	-	-
Gain on sale of rolling stock and equipment	**(82)**	**-0,0%**	(11)	-0,0%	**(49)**	**-0,0%**	(121)	-0,0%
Gain on disposal of right-of-use assets	**(59)**	**-0,0%**	-	-	**(83)**	**-0,0%**	-	-
Loss on sale of land and buildings	**-**	**-**	7	0,0%	**-**	**-**	7	0,0%
Operating income	**13,796**	**5,4%**	16,815	7,2%	**57,618**	**7,9%**	51,641	7,2%
Adjusted EBITDA	**25,926**	**10,1%**	22,865	9,7%	**81,211**	**11,2%**	69,793	9,7%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

On August 7, 2019, TFI international completed the acquisition of selected assets of US Logistics. Based in Georgia, US Logistics provides medical logistics, final mile and brokerage services in select regions of the United States.

On August 22, 2019, TFI International completed the acquisition of Craler. Based in Québec, Craler provides brokerage, direct trucking and warehousing services across Canada, the United States and Mexico.

Revenue

For the three months ended September 30, 2019, revenue increased by $22.1 million, or 9%, from $234.7 million in 2018 to $256.8 million. The increase is mainly attributable to business acquisitions of $41.4 million and a positive foreign exchange impact of $1.9 million, net of a $21.2 million decrease due to lower volumes compared to the same period in the previous year.

For the nine-month period ended September 30, 2019, revenue increased by $7.9 million, or 1%, from $718.1 million to $726.0 million. Excluding the business acquisitions, revenue decreased by 8% or $36.3 million.

Approximately 65% of the Logistics and Last Mile segment's revenue in the quarter was generated from operations in the U.S. and Mexico and approximately 35% was generated from operations in Canada.

Operating expenses

For the three months ended September 30, 2019, total operating expenses, net of fuel surcharge, increased by $25.1 million, or 12%, from $217.9 million in Q3 2018 to $243.0 million. As a percentage of revenue, materials and services expenses, net of fuel surcharge, increased by 0.6 percentage points of revenue in the third quarter of 2019 while personnel expenses decreased by 0.9 percentage points of revenue. Other operating expenses as a percentage of revenue remained steady year-over-year. Real estate lease expense decreased $5.4 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense was recorded and presented under depreciation of right-of-use assets. Right-of-use assets depreciation on equipment and real estate leases amounted to $5.6 million for Q3 2019.

For the nine-month period ended September 30, 2019, operating expenses increased $1.9 million compared to 2018, from $666.5 million to $668.4 million. This increase was mostly attributable to lower volumes offset by a foreign exchange impact.

Operating income

The Company's Canadian operations generally improved their operating income, while their US counterparts faced headwinds. Thus, operating income in the Logistics and Last Mile segment for the three-months ended September 30, 2019 decreased by 18% or $3.0 million, to $13.8 million compared to $16.8 million in the third quarter of 2018.

For the nine-month period ended September 30, 2019, the Logistics and Last Mile segment's operating margin was 7.9%, an increase from 7.2% for the same period in 2018.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

(unaudited) *(in thousands of dollars)*	**Three months ended September 30**		**Nine months ended September 30**	
	2019	2018*	**2019**	2018*
Sources of cash:				
Net cash from continuing operating activities	**187,057**	166,557	**489,111**	369,655
Proceeds from sale of property and equipment	**27,435**	23,261	**67,742**	55,590
Proceeds from sale of assets held for sale	**15,974**	4,923	**34,688**	26,444
Net variance in cash and bank indebtedness	**-**	-	**-**	3,495
Net proceeds from long-term debt	**12,545**	-	**205,192**	-
Others	**2,337**	12,354	**18,166**	16,947
Total sources	**245,348**	207,095	**814,899**	472,131
Uses of cash:				
Purchases of property and equipment	**103,346**	96,250	**224,003**	201,296
Business combinations, net of cash acquired	**20,135**	9,332	**200,772**	75,112
Net variance in cash and bank indebtedness	**9,704**	9,234	**8,775**	-
Net repayment of long-term debt	**-**	65,721	**-**	57,787
Repayment of lease liabilities	**25,613**	-	**73,360**	-
Dividends paid	**20,035**	18,374	**61,043**	55,621
Repurchase of own shares	**64,148**	5,564	**225,559**	77,731
Net cash used in discontinued operations	**-**	-	**14,461**	-
Others	**2,367**	2,620	**6,926**	4,584
Total usage	**245,348**	207,095	**814,899**	472,131

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Cash flow from continuing operating activities

For the nine-month period ended September 30, 2019, net cash from continuing operating activities increased by 32% to $489.1 million from $369.7 million in the same period of 2018. This $119.5 million increase is attributable to positive changes in cash generated from operating activities excluding non-cash operating working capital of $146.7 million, driven by stronger operating results and the replacement of lease expenses by depreciation of right-of-use assets and interest on lease liabilities as a result of the implementation of IFRS 16 Leases. IFRS 16 positively impacted cash from operating activities by a net amount of $73.4 million. The net change in non-cash working capital contributed an incremental cash amount of $30.7 million when compared to the same period in the prior year. In addition, income taxes paid negatively impacted net cash from continuing operating activities by $42.0 million, attributable to increased income tax installments required on stronger operating results and the payment of the prior year tax balances.

Cash flow used in investing activities from continuing operations

Property and equipment

The following table presents the additions of property and equipment by category for the three- and nine-month periods ended September 30, 2019 and 2018.

(unaudited) *(in thousands of dollars)*	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Additions to property and equipment:				
Purchases as stated on cash flow statements	**103,346**	96,250	**224,003**	201,296
Non-cash adjustments	**(2,589)**	12,204	**7,799**	14,603
	100,757	108,454	**231,802**	215,899
Additions by category:				
Land and buildings	**2,054**	7,853	**4,362**	11,787
Rolling stock	**94,795**	95,787	**215,421**	192,939
Equipment	**3,908**	4,814	**12,019**	11,173
	100,757	108,454	**231,802**	215,899

The Company invests in new equipment to maintain its quality of service while minimizing maintenance costs. Its capital expenditures reflect the level of reinvestment required to keep its equipment in good order and to maintain a strategic allocation of its capital resources.

In the normal course of activities, the Company constantly renews its rolling stock equipment generating regular proceeds and gain or loss on disposition. The following table indicates the proceeds and gains or losses from sale of property and equipment and assets held for sale by category for the three- and nine-month periods ended September 30, 2019 and 2018.

(unaudited) *(in thousands of dollars)*	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Proceeds by category:				
Land and buildings	**16,271**	5,504	**33,700**	27,032
Rolling stock	**27,138**	22,638	**67,632**	54,954
Equipment	**-**	42	**1,098**	48
	43,409	28,184	**102,430**	82,034
Gains (losses) by category:				
Land and buildings	**10,059**	3,140	**19,443**	14,353
Rolling stock	**6,159**	2,834	**16,516**	6,300
Equipment	**(38)**	(19)	**(208)**	(64)
	16,180	5,955	**35,751**	20,589

Business acquisitions

For the nine-month period ended September 30, 2019, cash used in business acquisitions totalled $200.8 million to acquire eight businesses. Refer to the section of this report entitled "2019 business acquisitions" and further information can be found in note 5 of the September 30, 2019 unaudited condensed consolidated interim financial statements.

Cash flow used in discontinued operations

For the nine-month periods ended September 30, 2019, discontinued operations used cash flows of $14.5 million.

Free cash flow from continuing operations

(unaudited) *(in thousands of dollars)*	Three months ended September 30		Nine months ended September 30	
	2019	2018*	**2019**	2018*
Net cash from continuing operating activities	**187,057**	166,557	**489,111**	369,655
Additions to property and equipment	**(100,757)**	(108,454)	**(231,802)**	(215,899)
Proceeds from sale of property and equipment	**27,435**	23,261	**67,742**	55,590
Proceeds from sale of assets held for sale	**15,974**	4,923	**34,688**	26,444
Free cash flow from continuing operations[1]	**129,709**	86,287	**359,739**	235,790

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

The Company's objectives when managing its cash flow from operations are to ensure proper capital investment in order to provide stability and competitiveness for its operations, to ensure sufficient liquidity to pursue its growth strategy, and to undertake selective business acquisitions within a sound capital structure and a solid financial position.

For the nine-month period ended September 30, 2019, TFI International generated free cash flow from continuing operations of $359.7 million, compared to $235.8 million in the same period of 2018, which represents a year-over-year increase of $123.9 million. This increase is mainly due to more net cash from continuing operating activities of $119.5 million.

Based on the September 30, 2019 closing share price of $39.48, the free cash flow generated by the Company in the last twelve months ($463.7 million) represented a yield of 14.3%.

Financial position

(unaudited) *(in thousands of dollars)*	**As at September 30, 2019**	As at December 31, 2018*	As at December 31, 2017*
Total assets	**4,601,460**	4,049,960	3,727,628
Long-term debt	**1,780,395**	1,584,423	1,498,396
Lease liabilities	**458,790**	-	-
Shareholders' equity	**1,486,898**	1,576,854	1,415,124

* The current period figures include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Compared to December 31, 2018, the Company's total assets and long-term debt and lease liabilities increased, mainly as a result of the implementation of IFRS 16: total assets increased by $439.4 million and lease liabilities increased by $483.5 million. Please refer to note 3 of the unaudited condensed consolidated interim financial statements for more details on IFRS 16.

As at September 30, 2019, the Company's working capital (current assets less current liabilities) was $66.4 million compared to $52.8 million as at December 31, 2018. The increase is mainly attributable to the reclassification to short term of a note receivable in the amount of $24.3 million.

Contractual obligations, commitments, contingencies and off-balance sheet arrangements

The following table indicates the Company's contractual obligations with their respective maturity dates at September 30, 2019, excluding future interest payments.

(unaudited) *(in thousands of dollars)*	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Unsecured revolving facility – *June 2023*	**945,578**	-	-	945,578	-
Unsecured term loan – *June 2021 & 2022*	**575,000**	-	575,000	-	-
Unsecured debentures – *December 2020*	**125,000**	-	125,000	-	-
Conditional sales contracts	**139,491**	42,206	64,589	32,379	317
Lease liabilities	**458,790**	98,846	153,484	92,635	113,825
Operating leases	**905**	905	-	-	-
Total contractual obligations	**2,244,764**	**141,957**	**918,073**	**1,070,592**	**114,142**

On February 1, 2019, the unsecured term loan was amended to increase the indebtedness from $500 million to $575 million. On February 11, 2019, the related incremental funds were used to reimburse a separate unsecured term loan of $75 million that was scheduled to mature in August 2019.

On February 1, 2019, the Company renegotiated the pricing grid of both its revolving credit facility and $575 million term loan. The $575 million term loan remains within the confines of the credit facility, but now has a pricing grid different than the revolving credit facility. Based on the current funded-debt-to-

[1] *Refer to the section "Non-IFRS financial measures".*

EBITDA ratio defined below, the renegotiation has no impact on the interest charged on the revolving credit facility, however it reduces the interest rate charged on the term loan by 34 basis points.

On June 27, 2019, the Company extended its existing revolving credit facility by one year, to June 2023.

On June 27, 2019, the Company extended the maturity of the $575 million unsecured term loan by one year for each tranche, with $200 million now due in June 2021 and $375 million now due in June 2022.

The following table indicates the Company's financial covenants to be maintained under its credit facility. These covenants are measured on a consolidated rolling twelve-month basis and are calculated as prescribed by the credit agreement which, among other things, requires the exclusion of the impact of the new standard IFRS 16 Leases:

Covenants	***Requirements***	***As at September 30, 2019***
Funded debt-to-EBITDA ratio [ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income tax, depreciation and amortization ("EBITDA"), including last twelve months adjusted EBITDA from business acquisitions]	< 3.50	2.29
EBITDAR-to-interest and rent ratio [ratio of EBITDAR (EBITDA before rent and including last twelve months adjusted EBITDAR from business acquisitions) to interest and net rent expenses]	> 1.75	4.94

As at September 30, 2019, the Company had $39.5 million of outstanding letters of credit ($39.4 million on December 31, 2018).

As at September 30, 2019, the Company had $66.4 million of purchase commitments and $17.4 million of purchase orders that the Company intends to enter into a lease that is expected to materialize within a year (December 31, 2018 – $51.0 million and nil, respectively).

Dividends and outstanding share data

Dividends

The Company declared $19.7 million in dividends, or $0.24 per common share, in the third quarter of 2019. On October 24, 2019, the Board of Directors approved a quarterly dividend of $0.26 per outstanding common share of the Company's capital, an 8% increase over its previous quarterly dividend, for an expected aggregate payment of $21.3 million to be paid on January 15, 2020 to shareholders of record at the close of business on December 31, 2019.

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on October 2, 2018 and expired on October 1, 2019, the Company was originally authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. During the third quarter of 2019, the Toronto Stock Exchange approved an amendment to the Company's NCIB entitling the Company to repurchase for cancellation up to 8,300,000 of its common shares until expiry on October 1, 2019. The Board of TFI International believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of TFI International's financial resources, as such action can protect and enhance shareholder value when opportunities or volatility arise. As at September 30, 2019, and since the inception of this NCIB, the Company has repurchased and cancelled 7,260,000 common shares.

For the nine-month period ended September 30, 2019, the Company repurchased 5,685,346 common shares (as compared to 2,180,348 in the same period in 2018) at a weighted average price of $39.6740 per share (as compared to $35.6512 in the same period in 2018) for a total purchase price of $225.6 million (as compared to $77.7 million in the same period in 2018).

Outstanding shares, stock options and restricted share units

A total of 81,903,603 common shares were outstanding as at September 30, 2019 (December 31, 2018 – 86,397,588). There was no significant change in the Company's outstanding share capital between September 30, 2019 and October 24, 2019.

As at September 30, 2019, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 4,712,792 (December 31, 2018 – 5,031,161) of which 3,301,458, were exercisable (December 31, 2018 – 3,863,610). On February 27, 2019, the Board of Directors approved the grant of 909,404 stock options under the Company's stock option plan. Each stock option entitles the holder to purchase one common share of the Company at an exercise price based on the closing price of the volume-weighted average trading price of the Company's shares for the last five trading days immediately preceding the effective date of the grant.

As at September 30, 2019, the number of restricted share units (''RSUs'') granted under the Company's equity incentive plan to its senior employees was 296,672 (December 31, 2018 – 147,081). On February 27, 2019, the Board of Directors approved the grant of 152,965 RSUs under the Company's equity incentive plan. The RSUs will vest in December of the second year following the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

Legal proceedings

The Company is involved in litigation arising from the ordinary course of business primarily involving claims for bodily injury and property damage. It is not feasible to predict or determine the outcome of these or similar proceedings. However, the Company believes the ultimate recovery or liability, if any, resulting from such litigation individually or in total would not materially adversely nor positively affect the Company's financial condition or performance and, if necessary, has been provided for in the financial statements.

OUTLOOK

North American economic growth has remained subdued following a lengthy expansionary period, partially due to international trade negotiations. This has created challenging conditions for the transportation and logistics industry that persisted through the third quarter of 2019, although volumes and spot rates have shown early signs of stabilization. Overall, the economy continues to expand with unemployment near multi-decade lows, and both consumer confidence and business optimism remain solid. In this mixed environment, TFI International is favorably positioned and confident it can continue to execute its own business plan, including internal initiatives designed to enhance profitability via improved efficiencies, acquisition-related synergies and cost savings.

A potential risk is further economic slowing after several years of growth, potentially caused by, among other possibilities, escalating geopolitical affairs including international trade negotiations that have already resulted in higher tariffs on shipped goods. While moderate overcapacity faced by the industry in recent quarters has shown signs of abating, any additional economic weakness could further pressure pricing. Additional risks include the possibility of more pronounced driver shortages and accompanying upward pressure on wages, and the potential for higher fuel, insurance, interest rate and other costs.

While continually monitoring macro conditions, internally TFI International seeks to generate strong free cash flow by executing on the fundamentals of the business regardless of the economic cycle. This approach includes focusing on profitable business, improving efficiency, rationalizing assets to avoid internal overcapacity, and tightly controlling costs. In addition, the Company plans to capture M&A-related operating synergies and continue its disciplined pursuit of acquisition candidates in the fragmented North American transportation and logistics market.

Overall, TFI International aims to distinguish itself by providing innovative, value-added solutions to its growing North American customer base. The Company is embracing an asset-light business model, and deploying capital toward initiatives that it believes provide strong returns and solid cash flow. In the short term, having achieved targeted leverage ratios, TFI expects to use its cash flow primarily for opportunistic share repurchases, paying shareholder dividends, and for disciplined business acquisitions.

TFI International believes it is uniquely positioned to benefit from the current dynamics in the North American freight environment, and that through adherence to its operating principles, with the same discipline and rigor that have made the Company a North American leader in the transportation and logistics industry, it will continue to create long-term shareholder value.

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

(unaudited) - (in millions of dollars, except per share data)

	Q3'19	Q2'19	Q1'19	Q4'18*	Q3'18*	Q2'18*	Q1'18*	Q4'17*
Total revenue	1,304.8	1,337.8	1,230.8	1,321.4	1,287.6	1,317.7	1,196.5	1,192.9
Adjusted EBITDA from continuing operations[1]	221.6	236.5	188.9	180.7	190.0	186.7	129.0	131.0
Operating income from continuing operations	131.9	149.2	106.3	103.3	128.2	123.6	75.4	66.1
Net income	82.6	87.7	65.1	76.7	86.7	80.4	48.2	120.2
EPS – basic	1.00	1.04	0.76	0.88	0.99	0.92	0.54	1.34
EPS – diluted	0.98	1.01	0.74	0.85	0.96	0.89	0.53	1.31
Net income from continuing operations	82.6	100.2	65.1	76.7	86.7	80.4	48.2	120.2
EPS from continuing operations – basic	1.00	1.19	0.76	0.88	0.99	0.92	0.54	1.34
EPS from continuing operations – diluted	0.98	1.16	0.74	0.85	0.96	0.89	0.53	1.31
Adjusted net income from continuing operations[1]	88.1	102.0	67.1	86.3	95.0	89.9	50.4	53.9
Adjusted EPS from continuing operations-diluted[1]	1.04	1.18	0.77	0.96	1.05	0.99	0.55	0.59

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

The differences between the quarters are mainly the result of seasonality (softer in Q1) and business acquisitions. Higher 2019 and 2018 operating income was also driven by strong execution across the organization, increased quality of revenue, cost efficiencies and improvement in the Company's U.S. TL operating segment. In 2019, higher adjusted EBITDA from continuing operations, compared to the same periods in the prior year, is partially due to the implementation of IFRS 16 as lease expense was replaced by depreciation of right-of-use assets and interests on lease liabilities. In Q4 2017, higher net income, as well as higher basic and diluted EPS, is mainly due to an income tax gain of $76.1 million as a result of U.S. tax reform.

NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS, including the following measures:

Operating expenses: Operating expenses include: a) materials and services expenses, which are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, which primarily include fuel, repairs and maintenance, vehicle leasing costs, insurance, permits and operating supplies; b) personnel expenses; c) other operating expenses are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses; d) depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets and gain or loss on the sale of rolling stock and equipment, on disposal of right-ofuse assets and on sale of land and builinds and assets held for sale; and e) bargain purchase gain.

Operating income (loss) from continuing operations: Net income or loss from continuing operations before finance income and costs and income tax expense (recovery), as stated in the unaudited condensed consolidated interim financial statements.

This MD&A includes references to certain non-IFRS financial measures as described below. These non-IFRS measures do not have any standardized meanings prescribed by 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 IFRS and non-IFRS measures used in this MD&A and a reconciliation of each non-IFRS measure to the most directly comparable IFRS measure are provided below or in the MD&A.

Adjusted net income from continuing operations: Net income or loss excluding amortization of intangible assets related to business acquisitions, net change in the fair value and accretion expense of contingent considerations, net change in the fair value of derivatives, net foreign exchange gain or loss, impairment of intangible assets, bargain purchase gain, gain or loss on sale of land and buildings, assets held for sale and intangible assets, and loss from discontinued operations, net of tax. In presenting an adjusted net income from continuing operations and adjusted EPS from continuing operations, the Company's intent is to help provide an understanding of what would have been the net income from continuing operations and earnings per share from continuing operations in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating

[1] *Refer to the section "Non-IFRS financial measures".*

perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks and non-compete agreements accounted for in business combinations and the income tax effects related to this amortization. Management also believes, in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company's ability to generate similar future cash flows. 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. See reconciliation on page 7.

Adjusted earnings per share (adjusted "EPS") from continuing operations - basic: Adjusted net income from continuing operations divided by the weighted average number of common shares.

Adjusted EPS from continuing operations - diluted: Adjusted net income from continuing operations divided by the weighted average number of diluted common shares.

Adjusted EBITDA from continuing operations: Net income or loss from continuing operations before finance income and costs, income tax expense (recovery), depreciation, amortization, impairment of intangible assets, bargain purchase gain, and gain or loss on sale of land and buildings, assets held for sale and intangible assets. **Segmented adjusted EBITDA from continuing operations** refers to operating income (loss) from continuing operations before depreciation, amortization, impairment of intangible assets, bargain purchase gain, and gain or loss on sale of land and buildings, assets held for sale and intangible assets. Management believes adjusted EBITDA from continuing operations to be a useful supplemental measure. Adjusted EBITDA from continuing operations is provided to assist in determining the ability of the Company to assess its performance.

Consolidated adjusted EBITDA from continuing operations reconciliation:

(unaudited) *(in thousands of dollars)*	**Three months ended September 30**		**Nine months ended September 30**	
	2019	2018*	**2019**	2018*
Net income from continuing operations	**82,641**	86,713	**247,933**	215,266
Net finance costs	**21,158**	16,907	**63,299**	48,346
Income tax expense	**28,088**	24,603	**76,098**	63,629
Depreciation of property and equipment	**56,576**	49,601	**164,766**	146,100
Depreciation of right-of-use assets	**26,362**	-	**76,822**	-
Amortization of intangible assets	**16,799**	15,290	**49,087**	46,641
Bargain purchase gain	**-**	-	**(10,787)**	-
Gain on sale of land and building	**(2)**	(212)	**(2)**	(212)
Gain on sale of assets held for sale	**(10,057)**	(2,928)	**(20,228)**	(14,141)
Adjusted EBITDA from continuing operations	**221,565**	189,974	**646,988**	505,629

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Segmented adjusted EBITDA from continuing operations reconciliation:

(unaudited) *(in thousands of dollars)*	**Three months ended September 30**		**Nine months ended September 30**	
	2019	2018*	**2019**	2018*
Package and Courier				
Operating income	**28,232**	27,965	**79,163**	78,805
Depreciation and amortization	**8,457**	3,190	**24,364**	9,871
Gain on sale of assets held for sale	**(1,199)**	-	**(1,199)**	-
Adjusted EBITDA	**35,490**	31,155	**102,328**	88,676
Less-Than-Truckload				
Operating income	**25,791**	25,409	**83,701**	61,671
Depreciation and amortization	**17,830**	8,852	**52,461**	25,446
Loss on sale of land and buildings	**-**	61	**-**	61
Gain on sale of assets held for sale	**-**	-	**(9,399)**	(2,381)
Adjusted EBITDA	**43,621**	34,322	**126,763**	84,797
Truckload				
Operating income	**75,762**	63,658	**193,747**	155,441
Depreciation and amortization	**60,638**	46,175	**177,845**	137,518
Gain on sale of land and buildings	**(2)**	(280)	**(2)**	(280)
Gain on sale of assets held for sale	**(9,018)**	(2,928)	**(9,790)**	(11,348)
Adjusted EBITDA	**127,380**	106,625	**361,800**	281,331

(unaudited) *(in thousands of dollars)*	Three months ended September 30		Nine months ended September 30	
	2019	2018*	**2019**	2018*
Logistics and Last Mile				
Operating income	**13,796**	16,815	**57,618**	51,641
Depreciation and amortization	**12,130**	6,043	**34,380**	18,145
Bargain purchase gain	**-**	-	**(10,787)**	-
Loss on sale of land and buildings	**-**	7	**-**	7
Adjusted EBITDA	**25,926**	22,865	**81,211**	69,793
Corporate				
Operating loss	**(11,694)**	(5,624)	**(26,899)**	(20,317)
Depreciation and amortization	**682**	631	**1,625**	1,761
(Gain) loss on sale of assets held for sale	**160**	-	**160**	(412)
Adjusted EBITDA	**(10,852)**	(4,993)	**(25,114)**	(18,968)

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Adjusted EBITDA margin from continuing operations is calculated as adjusted EBITDA from continuing operations as a percentage of revenue before fuel surcharge.

Free cash flow from continuing operations: Net cash from continuing operating activities less additions to property and equipment plus proceeds from sale of property and equipment and assets held for sale. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to meet capital requirements. See reconciliation on page 16.

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

Adjusted operating ratio from continuing operations: Operating expenses from continuing operations before impairment of intangible assets, bargain purchase gain, and gain or loss on sale of land and buildings, assets held for sale and intangible assets ("**Adjusted operating expenses**"), net of fuel surcharge revenue, divided by revenue before fuel surcharge. Although the adjusted operating ratio is not a recognized financial measure defined by IFRS, it is a widely recognized measure in the transportation industry, which the Company believes it provides a comparable benchmark for evaluating the Company's performance. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses.

Consolidated adjusted operating ratio from continuing operations reconciliation:

(unaudited) *(in thousands of dollars)*	Three months ended September 30		Nine months ended September 30	
	2019	2018*	**2019**	2018*
Operating expenses	**1,172,878**	1,159,380	**3,486,047**	3,474,522
Bargain purchase gain	**-**	-	**10,787**	-
Gain on sale of land and building	**2**	212	**2**	212
Gain on sale of assets held for sale	**10,057**	2,928	**20,228**	14,141
Adjusted operating expenses	**1,182,937**	1,162,520	**3,517,064**	3,488,875
Fuel surcharge revenue	**(138,945)**	(160,163)	**(426,224)**	(455,845)
Adjusted operating expenses, net of fuel surcharge revenue	**1,043,992**	1,002,357	**3,090,840**	3,033,030
Revenue before fuel surcharge	**1,165,820**	1,127,440	**3,447,153**	3,345,918
Adjusted operating ratio	**89.6%**	88.9%	**89.7%**	90.6%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Less-Than-Truckload and Truckload reportable segments adjusted operating ratio reconciliation and Truckload operating segments reconciliations:

(unaudited) *(in thousands of dollars)*	Three months ended September 30		Nine months ended September 30	
	2019	2018*	**2019**	2018*
Less-Than-Truckload				
Total revenue	**237,644**	268,231	**733,530**	785,184
Total operating expenses	**211,853**	242,822	**649,829**	723,513
Operating income	**25,791**	25,409	**83,701**	61,671
Operating expenses	**211,853**	242,822	**649,829**	723,513
Gain (loss) on sale of land and buildings and assets held for sale	**-**	(61)	**9,399**	2,320
Adjusted operating expenses	**211,853**	242,761	**659,228**	725,833
Fuel surcharge revenue	**(32,210)**	(40,717)	**(101,035)**	(114,858)
Adjusted operating expenses, net of fuel surcharge revenue	**179,643**	202,044	**558,193**	610,975
Revenue before fuel surcharge	**205,434**	227,514	**632,495**	670,326
Adjusted operating ratio	**87.4%**	88.8%	**88.3%**	91.1%
Truckload				
Total revenue	**633,547**	604,759	**1,889,630**	1,778,704
Total operating expenses	**557,785**	541,101	**1,695,883**	1,623,263
Operating income	**75,762**	63,658	**193,747**	155,441
Operating expenses	**557,785**	541,101	**1,695,883**	1,623,263
Gain on sale of land and buildings and assets held for sale	**9,020**	3,208	**9,792**	11,628
Adjusted operating expenses	**566,805**	544,309	**1,705,675**	1,634,891
Fuel surcharge revenue	**(76,342)**	(84,112)	**(234,920)**	(242,280)
Adjusted operating expenses, net of fuel surcharge revenue	**490,463**	460,197	**1,470,755**	1,392,611
Revenue before fuel surcharge	**557,205**	520,647	**1,654,710**	1,536,424
Adjusted operating ratio	**88.0%**	88.4%	**88.9%**	90.6%
Truckload - Revenue before fuel surcharge				
U.S. based Conventional TL	**214,318**	224,115	**651,404**	657,503
Canadian based Conventional TL	**71,299**	78,153	**226,131**	234,288
Specialized TL	**273,029**	220,333	**784,955**	650,025
Eliminations	**(1,441)**	(1,954)	**(7,780)**	(5,392)
	557,205	520,647	**1,654,710**	1,536,424
Truckload - Fuel surcharge revenue				
U.S. based Conventional TL	**36,404**	43,980	**113,589**	127,638
Canadian based Conventional TL	**9,795**	12,756	**31,840**	37,437
Specialized TL	**30,195**	27,496	**90,342**	77,649
Eliminations	**(52)**	(120)	**(851)**	(444)
	76,342	84,112	**234,920**	242,280
Truckload - Operating income				
U.S. based Conventional TL	**19,429**	17,091	**57,370**	32,807
Canadian based Conventional TL	**12,024**	11,553	**32,704**	36,621
Specialized TL	**44,308**	35,013	**103,674**	86,012
	75,761	63,657	**193,748**	155,440
U.S. based Conventional TL				
Operating expenses**	**231,294**	251,004	**707,623**	752,334
Fuel surcharge revenue	**(36,404)**	(43,980)	**(113,589)**	(127,638)
Adjusted operating expenses, net of fuel surcharge revenue	**194,890**	207,024	**594,034**	624,696
Revenue before fuel surcharge	**214,318**	224,115	**651,404**	657,503
Adjusted operating ratio	**90.9%**	92.4%	**91.2%**	95.0%

(unaudited) *(in thousands of dollars)*	**Three months ended September 30**		**Nine months ended September 30**	
	2019	2018*	**2019**	2018*
Canadian based Conventional TL				
Operating expenses**	**69,070**	79,357	**225,268**	235,102
Gain on sale of land and buildings and assets held for sale	**-**	-	**-**	7,023
Adjusted operating expenses	**69,070**	79,357	**225,268**	242,125
Fuel surcharge revenue	**(9,795)**	(12,756)	**(31,840)**	(37,437)
Adjusted operating expenses, net of fuel surcharge revenue	**59,275**	66,601	**193,428**	204,688
Revenue before fuel surcharge	**71,299**	78,153	**226,131**	234,288
Adjusted operating ratio	**83.1%**	85.2%	**85.5%**	87.4%
Specialized TL				
Operating expenses**	**258,916**	212,817	**771,624**	641,662
Gain on sale of assets held for sale	**9,020**	3,208	**9,792**	4,605
Adjusted operating expenses	**267,936**	216,025	**781,416**	646,267
Fuel surcharge revenue	**(30,195)**	(27,496)	**(90,342)**	(77,649)
Adjusted operating expenses, net of fuel surcharge revenue	**237,741**	188,529	**691,074**	568,618
Revenue before fuel surcharge	**273,029**	220,333	**784,955**	650,025
Adjusted operating ratio	**87.1%**	85.6%	**88.0%**	87.5%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

** Operating expenses excluding intra TL eliminations

RISKS AND UNCERTAINTIES

The Company's future results may be affected by a number of factors over some of which the Company has little or no control. The following issues, uncertainties and risks, among others, should be considered in evaluating the Company's business and growth outlook for which more detailed information can be found in the December 31, 2018 MD&A:

- Competition;
- Regulation;
- International Operations;
- Operating Environment and Seasonality;
- General Economic, Credit, Business and Business Conditions;
- Interest Rate Fluctuations;
- Currency Fluctuations;
- Price and Availability of Fuel;
- Insurance;
- Employee Relations;
- Drivers;
- Independent Contractors;
- Acquisitions and Integration Risks;
- Environmental Matters;
- Environmental Contamination;
- Key Personnel;
- Dependence on Third Parties;
- Loan Default;
- Credit Facilities;
- Customer and Credit Risks;
- Availability of Capital;
- Information Systems;
- Litigation;
- Internal Control

No changes during or subsequent to Q3 2019 affected the above-mentioned risk factors.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of goodwill and intangible assets and the measurement of identified assets and liabilities acquired in business combinations. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the financial statements of future periods.

CHANGES IN ACCOUNTING POLICIES

Adopted during the period

The following new standards, and amendments to standards and interpretations, are effective for the first time for interim periods beginning on or after January 1, 2019 and have been applied in preparing the unaudited condensed consolidated interim financial statements:

IFRS 16, Leases
IFRIC 23, Uncertainty over Income Tax Treatments
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
Annual Improvements to IFRS Standards (2015-2017 cycle)
Prepayment Features with Negative Compensation (Amendments to IFRS 9)

Except modifications from the adoption of IFRS 16 as reported in note 3, these new standards did not have a material impact on the Company's unaudited condensed consolidated interim financial statements.

To be adopted in future periods

The following new standards and amendments to standards are not yet effective for the year ended December 31, 2019, and have not been applied in preparing the unaudited condensed consolidated interim financial statements:

Definition of a business (Amendments to IFRS 3)

Further information can be found in note 3 of the September 30, 2019 unaudited condensed consolidated interim financial statements.

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' Regulation 52-109, the Company has filed certificates signed by the President and Chief Executive Officer ("CEO") and by the Chief Financial Officer ("CFO") that, among other things, report on:

- their responsibility for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company; and
- the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

Disclosure controls and procedures ("DC&P")

The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed DC&P, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company is made known to the CEO and CFO by others, particularly during the period in which the interim and annual filings are being prepared; and
- information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal controls over financial reporting ("ICFR")

The CEO and CFO have also designed ICFR, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design the Company's ICFR is based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework).

Changes in internal controls over financial reporting

No changes were made to the Company's ICFR during the quarter ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.