



## TFI International Announces 2019 Second Quarter Results

- Record second quarter operating results
- Record operating income from continuing operations up 21% over the prior year period to \$149 million
- Diluted EPS from continuing operations of \$1.16 compares to \$0.89 in Q2 2018, while Adjusted Diluted EPS<sup>1</sup> from continuing operations increased 19% to \$1.18
- Net cash from continuing operating activities of \$141 million<sup>2</sup>
- \$85 million returned to shareholders through dividends and share repurchases; Board authorization and approval from TSX to expand share repurchase program

MONTREAL, July 25, 2019 -- TFI International Inc. (TSX: TFII; OTCQX: TFIFF), a North American leader in the transportation and logistics industry, today announced its results for the second quarter ended June 30, 2019.

“TFI International again produced record quarterly results, continuing our strong momentum. Our consistent ability to perform even during challenging freight environments is a result of our relentless focus on profitable growth, through strong execution of business fundamentals,” said Alain Bédard, Chairman, President and Chief Executive Officer. “We produced record quarterly operating income from continuing operations, up 21% the past year, with three of our four segments generating double digit growth, and our capital allocation remains highly strategic. During the quarter we completed three attractive acquisitions while also returning \$85 million to shareholders through dividends and share repurchases, and we’re pleased to be expanding our share repurchase program. In summary, regardless of the transportation environment, our focus will remain on creating and unlocking shareholder value, and returning excess capital to shareholders whenever possible.”

<b>Financial highlights</b> <i>(in millions of dollars, except per share data)</i>	<b>Quarters ended June 30</b>		<b>Six months ended June 30</b>	
	<b>2019</b>	<b>2018<sup>2</sup></b>	<b>2019</b>	<b>2018<sup>2</sup></b>
Total revenue	<b>1,337.8</b>	1,317.7	<b>2,568.6</b>	2,514.2
Revenue before fuel surcharge	<b>1,183.9</b>	1,156.9	<b>2,281.3</b>	2,218.5
Adjusted EBITDA from continuing operations <sup>1</sup>	<b>236.5</b>	186.7	<b>425.4</b>	315.7
Operating income from continuing operations	<b>149.2</b>	123.6	<b>255.4</b>	199.0
Net cash from continuing operating activities	<b>141.4</b>	145.3	<b>302.1</b>	203.1
Adjusted net income from continuing operations <sup>1</sup>	<b>102.0</b>	89.9	<b>169.1</b>	140.3
Adjusted EPS from continuing operations - diluted <sup>1</sup> (\$)	<b>1.18</b>	0.99	<b>1.94</b>	1.54
Net income from continuing operations	<b>100.2</b>	80.4	<b>165.3</b>	128.6
EPS from continuing operations - diluted (\$)	<b>1.16</b>	0.89	<b>1.90</b>	1.42
Weighted average number of shares ('000s)	<b>84,183</b>	87,850	<b>84,676</b>	88,397

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

<sup>2</sup> 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.

### SECOND QUARTER RESULTS

Total revenue of \$1.34 billion was up 2%, and net of fuel surcharge, revenue of \$1.18 billion was also up 2%, compared to the prior year period.

Operating income from continuing operations grew 21% to \$149.2 million from \$123.6 million the prior year period, mainly driven by strong execution across the organization, increased quality of revenue, and cost efficiencies.

Net income from continuing operations was \$100.2 million, or \$1.16 per diluted share, up from net income of \$80.4 million, or \$0.89 per diluted share, the prior year period, with the increase primarily attributable to higher revenues and stronger operating margins. Adjusted net income from continuing operations, a non-IFRS measure, was \$102.0 million, or \$1.18 per diluted share, up from \$89.9 million, or \$0.99 per diluted share, the prior year period.

### SIX-MONTH RESULTS

For the first six months of 2019, total revenue reached \$2.57 billion, versus \$2.51 billion in the first six months of 2018. Net of fuel surcharge, revenue reached \$2.28 billion, as compared to \$2.22 billion last year. Operating income from continuing operations totalled \$255.4 million, or 11.2% of revenue before fuel surcharge, an increase compared to \$199.0 million and 9.0% of revenue before fuel surcharge last year.

Net income from continuing operations was \$165.3 million, or \$1.90 per diluted share, versus \$128.6 million, or \$1.42 per diluted share, a year ago. Adjusted net income was \$169.1 million compared to \$140.3 million the prior year period.

During the first half of 2019, total revenue grew for Truckload and Package and Courier, while the Less-Than-Truckload and Logistics and Last Mile segments declined 4% and 3%, respectively relative to the first half of 2018.

Operating income was higher for all segments, driven by strong operating performance in addition to the sale of three properties in Less-Than-Truckload, for total consideration of \$17.2 million, generating a gain of \$9.4 million.

## SEGMENTED RESULTS

<i>(in millions of dollars)</i>	Quarters ended June 30		Six months ended June 30	
	2019	2018 <sup>2</sup>	2019	2018 <sup>2</sup>
	\$	\$	\$	\$
Revenue <sup>1</sup>				
Package and Courier	158.5	158.8	305.5	301.2
Less-Than-Truckload	219.1	239.2	427.1	442.8
Truckload	570.4	525.1	1,097.5	1,015.8
Logistics and Last Mile	244.9	246.9	469.2	483.4
Eliminations	(9.0)	(13.1)	(17.9)	(24.7)
	<b>1,183.9</b>	<b>1,156.9</b>	<b>2,281.3</b>	<b>2,218.5</b>
	\$	\$	\$	\$
	% of Rev. <sup>1</sup>	% of Rev. <sup>1</sup>	% of Rev. <sup>1</sup>	% of Rev. <sup>1</sup>
Operating income (loss)				
Package and Courier	29.9	18.9%	30.2	19.0%
Less-Than-Truckload	30.3	13.8%	24.9	10.4%
Truckload	67.2	11.8%	55.5	10.6%
Logistics and Last Mile	28.7	11.7%	19.8	8.0%
Corporate	(6.9)	(6.8)	(15.2)	(14.7)
	<b>149.2</b>	<b>12.6%</b>	<b>123.6</b>	<b>10.7%</b>
	\$	\$	\$	\$

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

<sup>1</sup> Revenue before fuel surcharge.

<sup>2</sup> 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

Net cash from continuing operating activities was \$141.4 million during Q2 2019 relative to \$145.3 million the prior year quarter. The 3% decline was impacted by an increase in working capital of \$12.5 million relative to the prior year change, as well as an increase in income taxes paid of \$28.8 million relative to the prior year, offset by stronger operating performance and the impact of the adoption of IFRS 16. The Company returned \$85.1 million to shareholders during the year, of which \$20.3 million was through dividends and \$64.8 million was through share repurchases.

## SHARE REPURCHASE PROGRAM

TFI International also announces that the Toronto Stock Exchange has approved an amendment to TFI International's normal course issuer bid ("NCIB") as a result of which TFI International will be entitled to repurchase for cancellation up to 7,000,000 common shares until the expiry of the NCIB on October 1, 2019, representing 8.42% of TFI International's "public float" of 83,138,867 common shares as of September 25, 2018. The previous maximum under the NCIB was 6,000,000 common shares. All other terms and conditions of the NCIB remain the same.

As of June 30, 2019, TFI International had repurchased a total of 5,621,754 shares pursuant to its NCIB at a weighted average price of \$39.7213 per share. There are 83,514,153 common shares of TFI International currently issued and outstanding.

TFI International also announces that it intends to amend its previously-announced automatic share purchase plan entered into with National Bank Financial Inc., acting as TFI International's agent for the NCIB, in order to reflect the increase in the maximum number of shares that TFI International may repurchase under the NCIB. Under the automatic share purchase plan, National Bank Financial Inc. may acquire, at its discretion, shares on TFI International's behalf during its "black-out" periods, as permitted by the TSX Company Manual and the Securities Act (Québec), subject to certain parameters as to price and number of shares.

## CONFERENCE CALL

TFI International will host a conference call on Friday, July 26, 2019 at 8:30 a.m. Eastern Time to discuss these results. Interested parties can join the call by dialling 1-877-223-4471. A recording of the call will be available until midnight, August 9, 2019, by dialling 1-800-585-8367 or 416-621-4642 and entering passcode 5393856.

## ABOUT TFI INTERNATIONAL

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

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

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

## FORWARD-LOOKING STATEMENTS

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

## NON-IFRS FINANCIAL MEASURES

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

### Adjusted EBITDA from continuing operations

Adjusted EBITDA from continuing operations is calculated as net income or loss from continuing operations before finance income and costs, income tax expense, depreciation, amortization, bargain purchase gain, and gain or loss on sale of assets held for sale. 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.

<b>Adjusted EBITDA from continuing operations (unaudited, in millions of dollars)</b>	<b>Quarters ended June 30</b>		<b>Six months ended June 30</b>	
	<b>2019</b>	<b>2018<sup>1</sup></b>	<b>2019</b>	<b>2018<sup>1</sup></b>
<b>Net income from continuing operations</b>	<b>100.2</b>	80.4	<b>165.3</b>	128.6
Net finance costs	<b>21.7</b>	17.5	<b>42.1</b>	31.4
Income tax expense	<b>27.3</b>	25.7	<b>48.0</b>	39.0
Depreciation of property and equipment	<b>55.8</b>	49.1	<b>108.2</b>	96.5
Depreciation of right-of-use assets	<b>25.9</b>	-	<b>50.5</b>	-
Amortization of intangible assets	<b>16.5</b>	15.6	<b>32.3</b>	31.4
Bargain purchase gain	<b>(10.8)</b>	-	<b>(10.8)</b>	-
Gain on sale of assets held for sale	<b>(0.1)</b>	(1.7)	<b>(10.2)</b>	(11.2)
<b>Adjusted EBITDA from continuing operations</b>	<b>236.5</b>	186.7	<b>425.4</b>	315.7

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

<sup>1</sup> 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 net income from continuing operations and adjusted earnings per share from continuing operations (adjusted "EPS"), basic or diluted

Adjusted net income from continuing operations is calculated as net income 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, bargain purchase gain, gain or loss on sale of assets held for sale, and loss from discontinued operations, net of tax. Adjusted earnings per share from continuing operations, basic or diluted, is calculated as adjusted net income from continuing operations divided by the weighted average number of common shares, basic or diluted. The Company uses adjusted net income from continuing operations and adjusted earnings per share from continuing operations to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. The Company excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring.

<b>Adjusted net income from continuing operations (unaudited, in millions of dollars, except per share data)</b>	<b>Quarters ended June 30</b>		<b>Six months ended June 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Net income</b>	<b>87.7</b>	80.4	<b>152.8</b>	128.6
Amortization of intangible assets related to business acquisitions, net of tax	<b>11.8</b>	11.1	<b>23.1</b>	22.2
Net change in fair value and accretion expense of contingent considerations, net of				

tax	<b>0.0</b>	0.2	<b>0.1</b>	(0.2)
Net change in fair value of derivatives, net of tax	<b>0.0</b>	0.1	-	(0.0)
Net foreign exchange (gain) loss, net of tax	<b>0.7</b>	(0.4)	<b>0.2</b>	(0.6)
Bargain purchase gain	<b>(10.8)</b>	-	<b>(10.8)</b>	-
Gain on sale of assets held for sale, net of tax	<b>(0.0)</b>	(1.5)	<b>(8.8)</b>	(9.7)
Net loss from discontinued operations	<b>12.5</b>	-	<b>12.5</b>	-
<b>Adjusted net income from continuing operations</b>	<b>102.0</b>	89.9	<b>169.1</b>	140.3
<b>Adjusted earnings per share from continuing operations - basic</b>	<b>1.21</b>	1.02	<b>2.00</b>	1.59
<b>Adjusted earnings per share from continuing operations - diluted</b>	<b>1.18</b>	0.99	<b>1.94</b>	1.54

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

Operating margin

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

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

**For further information:**

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