



## TFI International Announces 2023 First Quarter Results

- First quarter operating income of \$166.4 million compares to \$219.8 million the same quarter last year, reflecting reduced freight volumes and non-recurring costs, including \$9.5 million in severance and early retirement buyouts in US LTL, \$7.9 million of IT and related transition expenses in US LTL and \$3.7 million of mark-to-market expense related to deferred share units. The results were also impacted by \$6.2 million unfavorable currency translation impact<sup>1</sup> relative to the same period last year and the divestiture of CFI which in the same period last year contributed \$17.4 million in operating income, the proceeds from which remain largely still to be invested.
- First quarter net income of \$111.9 million compared to \$147.7 million in Q1 2022, while adjusted net income<sup>1</sup> of \$116.5 million compared to \$157.6 million as a result of the items described above.
- First quarter diluted earnings per share (diluted "EPS") of \$1.27 compared to \$1.57 in Q1 2022, while adjusted diluted EPS<sup>1</sup> of \$1.33 compared to \$1.68.
- First quarter net cash from operating activities grew to \$232.1 million, up 69% over the prior year period and free cash flow<sup>1</sup> grew to \$195.7 million, up 113% over the prior year period
- The Board of Directors approved a \$0.35 quarterly dividend, an increase of 30%

**Montreal, Quebec, April 25, 2023** – TFI International Inc. (NYSE and TSX: TFI), a North American leader in the transportation and logistics industry, today announced its results for the first quarter ended March 31, 2023. All amounts are shown in U.S. dollars.

"We generated 69% growth in net cash from operating activities and our free cash flow more than doubled over the past year even as intensifying macro headwinds drove reduced volumes, and despite unfavorable FX fluctuations and the sale of CFI assets last summer," said Alain Bédard, Chairman, President and Chief Executive Officer. "During the quarter we remained active with our many self-help initiatives, including cost reductions through a streamlining of our workforce and the conversion of accounting and finance systems at TForce Freight. At the same time, the many talented individuals of TFI continue to push ahead every day and deliver results through adherence to our operating principles that capitalize on our business line diversity and favorable niche market positioning. We also continue to allocate capital in the interest of enhancing long-term shareholder value. TFI has remained active with opportunistic M&A, completing five acquisitions year to date, each strategically expanding our geographic reach and capabilities. Also during the quarter, our Board of Directors approved our dividend, 30% higher than a year earlier, reflecting our confidence in the long-term outlook for TFI International even as economic uncertainty persists."

<b>Financial highlights</b> <i>(in millions of U.S. dollars, except per share data)</i>	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Total revenue	1,850.2	2,191.5
Revenue before fuel surcharge	1,560.4	1,893.8
Adjusted EBITDA <sup>1</sup>	264.2	330.0
Operating income	166.4	219.8
Net cash from operating activities	232.1	137.7
Net income	111.9	147.7
EPS-diluted(\$)	1.27	1.57
Adjusted net income <sup>1</sup>	116.5	157.6
Adjusted EPS-diluted <sup>1</sup> (\$)	1.33	1.68
Weighted average number of shares ('000s)	86,582	91,970

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

**FIRST QUARTER RESULTS**

Total revenue of \$1.85 billion compared to \$2.19 billion in the prior year period and revenue before fuel surcharge of \$1.56 billion compared to \$1.89 billion in the prior year period. The decline is primarily due to the sale of CFI's Truckload, Temp Control and Mexican non-asset logistics business ("CFI") in August 2022, which had sales of \$145.5 million in Q1 2022, as well as to reduced volumes driven by weaker end market demand.

Operating income of \$166.4 million compares to \$219.8 from the prior year period. The decrease in the operating income can be attributed to overall lower revenues and volumes associated with freight as well as the divestiture of CFI of \$17.4 million and to other non-recurring costs including \$9.5 million in severance and early retirement buyouts in US LTL, \$7.9 million of IT and related transition expenses in US LTL and \$3.7 million of mark-to-market expense related to deferred share units. The year over year operating income was also impacted by a \$6.2 million unfavorable currency translation impact<sup>1</sup> relative to the same prior year period.

Net income of \$111.9 million compared to \$147.7 million in the prior year period, and net income of \$1.27 per diluted share was compared to \$1.57 in the prior year period. Adjusted net income, a non-IFRS measure, was \$116.5 million, or \$1.33 per diluted share, compared to \$157.6 million, or \$1.68 per diluted share, the prior year period. The net income was burdened by the items described in the operating income.

Total revenue declined for all segments relative to the prior year period with decreases of 10% for Package and Courier, 17% for Less-Than-Truckload, 20% for Truckload, which is due to a \$137.7 million decrease from the divestiture of CFI, and 18% for Logistics. Operating income increased in Package and Courier by 5%, and decreased by Less-Than-Truckload by 39%, for Truckload by 1% and for Logistics by 9% in the first quarter in comparison to the prior-year. Truckload operating income in the prior year period included a \$17.4 million contribution from CFI in the quarter. Operating income in the Less-Than-Truckload segment, more specifically U.S. LTL, decreased due to the lower freight volumes as well as to non-recurring costs related to exiting the transition service agreement with UPS and to severance and early retirement payouts.

**SEGMENTED RESULTS***(in million of U.S. dollars)*

	Three months ended March 31			
	2023		2022	
	\$		\$	
Revenue <sup>1</sup>				
Package and Courier	112.6		124.6	
Less-Than-Truckload	690.9		835.4	
Truckload	414.1		515.9	
Logistics	355.3		435.4	
Eliminations	(12.4)		(17.4)	
	1,560.4		1,893.8	
	\$	% of Rev. <sup>1</sup>	\$	% of Rev. <sup>1</sup>
Operating income (loss)				
Package and Courier	27.3	24.3%	26.1	20.9%
Less-Than-Truckload	57.9	8.4%	94.8	11.3%
Truckload	70.5	17.0%	71.0	13.8%
Logistics	31.7	8.9%	34.9	8.0%
Corporate	(21.1)		(7.0)	
	166.4	10.7%	219.8	11.6%

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

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

## CASH FLOW

Net cash flow from operating activities was \$232.1 million during Q1 compared to \$137.7 million the prior year. The 69% increase was due to an increase in non-cash working capital of \$187.1 million resulting from a decrease in sales, offset by an increase in income tax net payments of \$50.1 million related to prior year profits. The Company returned \$36.3 million to shareholders during the quarter, of which \$30.3 million was through dividends and \$6.0 million was through share repurchases.

On March 15, 2023, the Board of Directors of TFI International declared a quarterly dividend of \$0.35 per outstanding common share paid on April 17, 2023, representing a 30% increase over the \$0.27 quarterly dividend declared in Q1 2022. The annualized dividend represents 12.3% of the trailing twelve month free cash flow<sup>1</sup>.

## CONFERENCE CALL

TFI International will host a conference call on Wednesday, April 26, 2023 at 8:30 a.m. Eastern Time to discuss these results. Interested parties can join the call by dialing 1-877-704-4453 or 1-201-389-0920. A recording of the call will be available until 11:59 p.m. Eastern, Wednesday, April 26, 2023 by dialing 1-844-512-2921 or 1-412-317-6671 and entering passcode 13737329.

## ABOUT TFI INTERNATIONAL

TFI International Inc. is a North American leader in the transportation and logistics industry, operating across the United States and Canada 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.

TFI International Inc. is publicly traded on the New York Stock Exchange and the Toronto Stock Exchange under symbol TFI. For more information, visit [www.tfiintl.com](http://www.tfiintl.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”, “might”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, “to its knowledge”, “could”, “design”, “forecast”, “goal”, “hope”, “intend”, “likely”, “predict”, “project”, “seek”, “should”, “target”, “will”, “would” or “continue” 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, credit market liquidity, and the Company’s ability to identify, negotiate, consummate, and successfully integrate acquisitions. In addition, any material weaknesses in internal control over financial reporting that are identified, and the cost of remediation of any such material weakness and any other control deficiencies, may have adverse effects on the Company and impact future results.

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

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 the 2023 Q1 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.

## 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 as issued by the international Accounting Standards Board (IASB) 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 in the exhibits.

### Adjusted EBITDA:

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

<b>Adjusted EBITDA</b> <b>(unaudited, in millions of U.S. dollars)</b>	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Net income</b>	<b>111.9</b>	<b>147.7</b>
Net finance costs	17.1	20.2
Income tax expense	37.4	51.9
Depreciation of property and equipment	59.0	64.4
Depreciation of right-of-use assets	31.4	31.5
Amortization of intangible assets	13.6	14.3
Gain on sale of assets held for sale	(6.3)	-
<b>Adjusted EBITDA</b>	<b>264.2</b>	<b>330.0</b>

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

### Adjusted net income and adjusted earnings per share (adjusted “EPS”), basic or diluted

Adjusted net income is calculated as net income excluding amortization of intangible assets related to business acquisitions, net change in the fair value 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 land and buildings and assets held for sale, gain on sale of business and directly attributable expenses due to the disposal of the business. Adjusted earnings per share, basic or diluted, is calculated as adjusted net income divided by the weighted average number of common shares, basic or diluted. The Company uses adjusted net income and adjusted earnings per share to measure its performance from one period to the next, without the variation caused by the impact 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</b> <b>(unaudited, in millions of U.S. dollars, except per share data)</b>	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Net income</b>	<b>111.9</b>	<b>147.7</b>
Amortization of intangible assets related to business acquisitions	12.7	13.1
Net change in fair value and accretion expense of contingent considerations	0.1	(0.0)
Net foreign exchange loss (gain)	(0.3)	0.3
Gain on sale of land and buildings and assets held for sale	(6.2)	(0.0)
Tax impact of adjustments	(1.6)	(3.5)
<b>Adjusted net income</b>	<b>116.5</b>	<b>157.6</b>
<b>Adjusted earnings per share - basic</b>	<b>1.35</b>	<b>1.71</b>
<b>Adjusted earnings per share - diluted</b>	<b>1.33</b>	<b>1.68</b>

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

#### Free cash flow:

Net cash from 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.

<b>Free cash flow</b> <b>(unaudited, in millions of U.S. dollars)</b>	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Net cash from operating activities	232.1	137.7
Additions to property and equipment	(76.2)	(89.8)
Proceeds from sale of property and equipment	24.7	43.9
Proceeds from sale of assets held for sale	15.1	-
<b>Free cash flow</b>	<b>195.7</b>	<b>91.8</b>

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

#### **For further information:**

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