

Titanium Transportation Group Inc.

TSX VENTURE : [TTR](#)



November 15, 2016

Titanium Transportation Group Announces Third Quarter Results, Truck Transportation Segment Reports 40% Increase in EBITDA

BOLTON, ONTARIO--(Marketwired – November 15, 2016) - Titanium Transportation Group Inc. ("Titanium" or the "Company") (TSX VENTURE:TTR) is pleased to provide highlights of the Company's third quarter 2016 financial results.

Revenue and EBITDA Summary

- Revenue for the quarter was \$29.8 million, a 10% increase over the third quarter of 2015
- EBITDA for the quarter was \$3.2 million, a 12% increase from the third quarter of 2015
- Post synergy annual run rate revenue and EBITDA adjusted to \$120 million and \$14 million, from \$125 million and \$14.5 million, due to weaker economic conditions.

Segment Highlights

- Truck Transportation segment revenue was \$21 million, a 16% increase over the third quarter of 2015
- Truck Transportation segment EBITDA margin was 15.9%, up from 13.3% in the third quarter of 2015
- Logistics segment revenue was \$9.1 million, a 3% decrease over the third quarter of 2015
- Logistics segment EBITDA margin was 6%, down from 11.4% in the third quarter of 2015
- Results were impacted by weaker economic conditions
- Logistics segment continues to focus on its organic growth strategy

Mergers & Acquisitions Summary

- ProNorth and Windsor terminal acquisitions are fully integrated, focusing now on revenue growth
- High visibility of M&A targets, continuing to pursue accretive and synergistic acquisitions
- The Company has \$43.3 million of undrawn credit facilities
- Fully funded to execute our acquisition strategy into 2017
- Net debt² to equity of 1.3 and net debt² to EBITDA of 3.4¹

Mr. Ted Daniel, CEO of Titanium commented: "The overall economic environment remains challenging; however, we are experiencing improvements in both segments that will translate into improved profitability and significant growth in the future."

The following press release should be read in conjunction with the Company's management discussion and analysis dated November 15, 2016 ("Q3 MD&A"), audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2015 as well as the unaudited condensed consolidated interim financial statements of the Company for the third quarter ended September 30, 2016, which can be found on SEDAR at www.sedar.com. Additional information is also available on SEDAR.

¹Based on run rate EBITDA of \$14 million

²Net of finance lease receivables and assets held for sale

Conference Call

The Company will also hold a conference call for analysts and investors on Wednesday, November 16, 2016, at 8:00 a.m. Eastern Time, to discuss these results. Business media are also invited to listen to the call. Interested parties can join the call by dialing 1-877-648-7976 (North America) or 1-617-826-1698 (International). A recording of the call will be available until midnight, November 30, 2016 by dialing 1-855-859-2056 (North America) or 1-404-537-3406 (International) and entering Conference ID 95145318.

About Titanium

Titanium is a leading asset-based transportation and logistics company servicing Canada and the United States, with approximately 400 power units, over 1,300 trailers and approximately 500 employees and independent owner operators. Titanium provides truckload, dedicated, and cross-border trucking services, freight logistics, and warehousing and distribution to over 1,000 customers. Titanium is a recognized consolidator of asset-based transportation companies in Ontario, having completed eight asset-based trucking acquisitions since 2011. Titanium has also been ranked by PROFIT magazine as one of Canada's Fastest Growing Companies for eight consecutive years.

NON-IFRS FINANCIAL MEASURES

The following financial measures do not have any standardized meaning under IFRS and may not be comparable to similar measures employed by other companies:

"Earnings before interest, income taxes, depreciation and amortization" ("EBITDA") is calculated as net income before depreciation, amortization, asset impairments, gains or losses on the sale of equipment, finance income and costs, gains or losses on foreign exchange, income tax expense, transaction costs and reverse takeover costs.

"EBITDA margin" is calculated as EBITDA as a percentage of revenue before fuel surcharge.

Management of the Company believes that these financial measures are useful for investors and other readers, when used in conjunction with other IFRS financial measures, as they are measures used internally by management to evaluate performance. However, these financial measures are intended to

provide additional information and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding Titanium's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to Titanium's future outlook and anticipated events, and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving Titanium. Particularly, statements regarding future acquisitions, the availability of credit, performance, achievements, prospects or opportunities for Titanium or the industry in which it operates are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts. For greater certainty and notwithstanding the foregoing, annualized run rate total revenue and EBITDA are not presented herein as forward-looking statements. These annualized figures are based solely on historical data and are included to allow readers to understand the current size of the Company, and should not in any circumstance be construed as projections or forecasts of the Company's future performance.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this press release are dated, and relate only to events or information, as of the date of this press release. Except as specifically required by law, Titanium undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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