Titanium Transportation Group Reports Second Quarter 2018 Financial Results

Record Results in Both Trucking and Logistics, EBITDA Doubles to $6.7 Million

BOLTON, Ontario, Aug. 08, 2018 -- Titanium Transportation Group Inc. ("Titanium" or the "Company") (TSX VENTURE:TTR), a leading provider of transportation and logistics services throughout North America, today reported its financial results for the three and six month periods ended June 30, 2018. All amounts are in Canadian currency.

Q2 2018 Key Highlights

- Record quarterly consolidated revenue of $51.8 million, up 58%
- Record quarterly consolidated EBITDA of $6.7 million, doubled over Q2 2017
- Record Truck Transportation segment revenue and EBITDA of $29.7 million and $4.7 million
- Record Logistics segment revenue and EBITDA of $23.2 million and $2.5 million
- Record net income of $2.2 million and $0.06 earnings per share, double Q1 2018
- Increasing revenue run rate 6% to $180 million and EBITDA 11% to $20 million

CEO Commentary

“Titanium delivered exceptional operating performance in both the Truck Transportation and Logistics segments in the second quarter and posted a record earnings per share. The quarter also marked the third consecutive quarter of record consolidated revenue and EBITDA,” said Ted Daniel, Chief Executive Officer of Titanium Transportation Group. “We are extremely pleased with our Trucking division, where our investment in increased driver wages was more than offset by higher contract rates and volumes earlier than expected. In addition, we continue to be a carrier of choice for quality drivers and have successfully added drivers during a time of driver scarcity.”

Mr. Daniel added, “Looking ahead, we are focused on further strengthening our business through investments in custom-built technology and the best people to enhance efficiencies and organic growth. In addition, we remain disciplined buyers pursuing strategic acquisitions that can contribute meaningfully to our success and integrate with our outstanding corporate culture.”

Summary of Consolidated Financial Results

	Q2 2018	Q2 2017	% Change	YTD 2018	YTD 2017	% Change
Revenue	$51.8M	$32.8M	+58%	$97.3M	$62.6M	+55%
EBITDA	$6.7M	$3.4M	+99%	$11.7M	$6.3M	+86%
EBITDA margin	13.9%	10.9%		12.9%	10.7%	
Net income	$2.2M	$0.3M		$3.3M	$0.4M	
Net income per share - basic	$0.06	$0.01		$0.09	$0.01	

Truck Transportation Segment Highlights

- Revenue increased 38% to $29.7 million
- EBITDA increased 45% to $4.7 million
- EBITDA margin was 17.1%, an increase from 15.9%

Logistics Segment Highlights

- Revenue increased 103% to $23.2 million
- EBITDA quadrupled to $2.5 million
- EBITDA margin doubled to 11.2%

Revenue and EBITDA Run Rate

Favorable industry conditions experienced in the first half of 2018 are expected to continue in the immediate term. Based on these conditions, the Company is adjusting its revenue and EBITDA run rates upwards to $180 million and $20 million, respectively, from $170 million and $18 million previously.

Conference Call

The Company will also hold a conference call for analysts and investors on Thursday, August 9, 2018, at 8:00 a.m. Eastern Time, to discuss second quarter financial results. Business media are 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, August 23, 2018 by dialing 1-855-859-2056 (North America) or 1-404-537-3406 (International) and entering Conference ID 6592188.

About Titanium Transportation Group

Titanium is a leading asset-based transportation and logistics company servicing Canada and the United States, with approximately 450 power units, 1,500 trailers and 550 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 ten asset-based trucking acquisitions since 2011. Titanium has also been ranked by PROFIT magazine as one of Canada's Fastest Growing Companies for nine 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, accelerated customer list amortization and goodwill impairment.

"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 measurers 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 TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

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