Titanium Transportation Group Reports Strong Q3 2023 Driven by Continued Growth in Trucking Segment

- Demonstrates resilience amid challenging economic conditions marked by a 14% quarter over quarter revenue growth in the trucking segment reflecting revenue contribution from U.S. acquisition
- Completed strategic U.S. asset-based acquisition of Crane Transport (“Crane”), of Oakwood, Georgia, adding two hundred trucks, two strategically located terminals in Georgia and Alabama, and approximately US$60 million in top line annual revenue, further expanding Titanium’s North American footprint
- The Crane acquisition also complements Titanium’s ongoing expansion of its non-asset based logistics network, which included the opening of its seventh U.S. office in Jacksonville, Florida during the quarter

BOLTON, Ontario, Nov. 14, 2023 -- Titanium Transportation Group Inc. ("Titanium" or the "Company") (TSX:TTNM, OTCQX:TTNMF), is pleased to report its financial results for the three and nine-month period ended September 30, 2023. All amounts are in Canadian dollars.

Q3 2023 Financial Highlights compared with Q3 2022

- Consolidated revenue of $112.7 million, compared to $113.4 million in Q3 2022
- Consolidated EBITDA[1] of $13.5 million, compared to $15.5 million in Q3 2022
- Consolidated EBITDA Margin[1] of 13.6%, compared to 16% in Q3 2022
- Truck Transportation segment revenue of $62.4 million, compared to $54.9 million in Q3 2022
- Logistics segment revenue of $51.5 million, compared to $59.6 million in Q3 2022
- Fully diluted net income per share of $0.04, adjusted net income per share of $0.05 after normalizing for one-time items, compared to Fully diluted net income per share of $0.14 in Q3 2022.

Q3 2023 Operational Highlights

- Completed U.S.-based asset acquisition of Crane Transport, Inc., positioning the Company to enhance its service offerings with Titanium branded trucks in major U.S. transportation hubs of Georgia and Alabama.
- Announced the Company’s seventh U.S. Freight Brokerage office in Jacksonville, FL.

“During the third quarter of 2023, our industry continued to face significant headwinds including adverse economic conditions, soft demand and over-capacity,” **said Ted Daniel, Chief Executive Officer, Titanium Transportation Group**. “Despite these challenging conditions, the strength of our company was demonstrated as we reported another strong and profitable quarter highlighted by growth in revenue from our trucking segment. Furthermore, we delivered on our commitment to sustainable growth by completing the acquisition of Crane, which provides a strategic foothold for our continued U.S. expansion. With the integration of Crane well underway and a solid foundation in place Titanium is well positioned to scale for future, long-term, sustainable growth.”

Q3 YTD 2023 Financial Highlights compared with Q3 YTD 2022

- Consolidated revenue of $319.4 million, compared to $385.5 million in Q3 2022.
- EBITDA of $38.1 million, compared to $45.8 million and EBITDA Margin[1] of 13.7%, flat compared to 13.7%
- Logistics segment revenue of $160.5 million. EBITDA of $13.2 million and EBITDA Margin of 9.2%.
- Truck Transportation segment revenue of $163.2 million, a 0.2% increase over Q3 2022 YTD. EBITDA of $27.8 million with an EBITDA Margin of 20%.
- Total net income per share of $0.20 fully diluted, adjusted net income per share of $0.22 after normalizing for one-time items, compared with total net income per share of $0.45 in Q3 2022.

Summary of Q3 2023 Financial Results (in thousands $CAD)

	Q3 2023	Q3 2022	% Change		YTD 2023	YTD 2022	% Change
Consolidated Results							
Revenue	112,685	113,356	(0.6%)		319,386	385,526	(17.2%)
EBITDA[1]	13,456	15,524	(13.3%)		38,058	45,776	(16.9%)
EBITDA margin[1]	13.6%	16.0%			13.7%	13.7%	
Net Income	1,874	6,537	(71.3%)		8,831	20,082	(56.0%)
Net Income per share	0.04	0.14			0.19	0.45	
Truck Transportation							
Revenue	62,397	54,948	13.6%		163,228	162,903	0.2%
EBITDA[1]	10,120	10,429	(3.0%)		27,801	25,095	10.8%

EBITDA margin[1]	18.9%	22.9%			20.0%	18.4%	
Logistics							
Revenue	51,543	59,628	(13.6%)		160,461	226,169	(29.1%)
EBITDA[1]	4,471	5,803	(22.9%)		13,191	23,380	(43.6%)
EBITDA margin[1]	9.7%	11.0%			9.2%	11.5%	

EBITDA to Net Income (in thousands $CAD)

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Net Income	**1,874**	**6,537**	**8,831**	**20,082**
Add(deduct)				
Gain on sale of equipment	(415)	(3,344)	(3,728)	(5,839)
Finance costs	2,522	1,257	6,078	3,188
Finance income	(109)	(55)	(412)	(148)
Foreign exchange	1,507	1,429	986	1,891
Transaction costs	205	-	1,285	-
Income taxes	(520)	2,443	2,304	7,370
Operating Income	5,064	8,267	15,344	26,544
Depreciation	8,065	6,930	21,732	18,251
Amortization of intangible assets	327	327	982	981
EBITDA	**13,456**	**15,524**	**38,058**	**45,776**

Developments subsequent to Q3 2023 On October 2, 2023, the Company announced that it was recognized in The Globe and Mail's *2023 Report on Business of Canada's Top Growing Companies* for the third consecutive year. The rankings are based on the three-year revenue growth of a company, and in 2023, Titanium was ranked 226th posting growth of 197% in the last three years - up from 288th in 2022.

2023 Outlook

"Titanium's success is grounded on the strength of our people, business processes and technology. With the acquisition of Crane, as well as our new Freight Brokerage offices, we remain focused on cost control and profitability while building towards our future growth," **added Mr. Daniel.** "We anticipate macroeconomic uncertainty for the remainder of 2023, but continue to be well-positioned to weather these conditions and drive growth when the trucking cycle turns. We expect the market to improve during the second half of 2024, with reductions in supply to the freight market, enabling additional organic growth and driving value for shareholders."

2023 Guidance

Titanium's revenue guidance for 2023, assumes no change in the current economic environment, excluding the impact of any future acquisitions, and is revised to reflect current market conditions. Notwithstanding downward pressure on revenue the Company maintains its previous guidance on EBITDA Margin:

- Consolidated Revenue: $430 to $450 million
- Adjusted EBITDA Margin: 10.5% to 12.5%

Conference Call

The Company will also hold a conference call for analysts and investors with Ted Daniel, President and Chief Executive Officer on Wednesday, November 15, 2023, 2023 at 8:00 a.m. Eastern Time, to discuss these results.

Details of the conference call:

Date: Wednesday, November 15, 2023
Time: 8:00 a.m. ET
North America dial-in number: 1-888-886-7786
International dial-in number: 1-416-764-8658

A replay of the conference call can be accessed until midnight on December 6, 2023.

Details of the replay:

North America dial-in number: 1-877-674-7070
International dial-in number: 1-416-764-8692
Conference ID: 18328130

Passcode: 328130#

For more details, or visit Titanium's investor relations website at https://www.ttgi.com/investors

About Titanium

Titanium is a leading North American transportation company with asset-based trucking operations and logistics brokerages servicing Canada and the United States, with approximately 1000 power units, 3,300 trailers and 1,300 employees and independent owner operators. Titanium provides truckload, dedicated, and cross-border trucking services, logistics, and warehousing and distribution to over 1,000 customers. Titanium has established both asset-based and brokerage operations in Canada and the U.S. with eighteen (18) locations. Titanium is a recognized purchaser of asset-based trucking companies, having completed thirteen (13) transactions since 2011. Titanium ranked among top 500 companies in the inaugural Financial Times Americas' Fastest Growing Companies in 2020. The Company was ranked by Canadian Business as one of Canada's Fastest Growing Companies for eleven (11) consecutive years. For three (3) consecutive years, Titanium has also been ranked one of Canada's Top Growing Companies by the Globe and Mail's Report on Business of Canada. Titanium is currently listed on the Toronto Stock Exchange under the symbol "TTNM" and "TTNMF" on the OTCQX.

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.

"Free cash flow" is calculated as cash flow from operations plus proceeds from finance lease receivables and proceeds from disposition, less capital expenditures.

"Adjusted net income" is calculated as net income before items that are not in the normal course of business, such as accelerated customer list amortization and goodwill impairment.

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.

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.

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