Titanium Transportation Group Reports Solid Q2 2024 Revenue and Volume Growth in Both its Trucking and Logistics Segments

- Second quarter consolidated revenue increased 14.7% year-over-year, driven by growth in Truck Transportation and Logistics revenues, despite persistent market challenges impacting all motor carriers and logistics services providers.
- Revenue growth in the Truck Transportation segment was 20.7%, year-over-year, reflects revenue from our recent U.S. asset-based acquisition.
- Also, on a year-over-year basis, revenues in the Logistics sector rose by 6.6% during the second quarter.
- The Company continued to strengthen its balance sheet by divesting redundant assets and operations, as well as optimizing its fleet.

BOLTON, Ontario, Aug. 12, 2024 -- Titanium Transportation Group Inc. ("Titanium" or the "Company") (TSX:TTNM, OTCQX:TTNMF), a leading provider of transportation and logistics services throughout North America, is pleased to report its financial results for the three and six-month period ended June 30, 2024. All amounts are in Canadian currency.

Q2 2024 Financial Highlights Compared with Q2 2023

- Consolidated revenue from continuing operations of $115.1 million, compared to $100.4 million in Q2 2023
- Consolidated EBITDA[1] from continuing operations of $10.2 million, compared to $12.0 million in Q2 2023
- Consolidated EBITDA Margin[1] from continuing operations of 10.1%, compared to 13.6% in Q2 2023
- Fully diluted net income per share from continuing operations of $0.00, compared to Fully diluted net income per share of $0.07 in Q2 2023.

Q2 2024 Operational Highlights

During the first half of the year, the Company completed the sale of non-core, undeveloped land assets, in Cornwall, Ontario for gross proceeds of $4.5 million in cash, which was used to pay down debt. The Company also evaluated and rationalized operations in certain geographic areas and service offerings.

According to **Ted Daniel, Chief Executive Officer, Titanium Transportation Group**, “Market conditions remained challenging in the first half of the year, marked by persistent industry-wide pricing pressures, particularly in the full truckload segment. Despite this backdrop, we are pleased to report solid consolidated revenue growth of 14.7% over Q2 2023, driven by growth in both our trucking and logistics segments, as well as early benefits from the integration of our 2023 US acquisition (Crane Transport).

Although margin compression reflecting ongoing industry-wide pricing pressures impacted profitability, The Company’s focus for the second half of 2024 remains on leveraging our strong US-based presence in both our operating segments, streamlining operations through cost control initiatives, and prioritizing debt reduction.”

Q2 YTD 2024 Financial Highlights Compared with Q2 YTD 2023

- Consolidated revenue of $228.0 million, compared to $206.7 million in Q2 2023
- EBITDA of $19.9 million, compared to $24.6 million and EBITDA Margin[1] of 9.9%
- Logistics segment revenue of $112.4 million. EBITDA of $6.2 million and EBITDA Margin of 6.1%.
- Truck Transportation segment revenue of $116.8 million. EBITDA of $15.7 million with an EBITDA Margin of 15.6%.
- A loss of $0.04 on a fully diluted basis from total net income per share, compared with total net income per share of $0.15 at Q2 2023.

Summary of Q2 2024 Financial Results *(in thousands $CAD)*						
	Q2			**Q2 YTD**		
	2024	**2023**	**% Change**	**2024**	**2023**	**% Change**
Consolidated Results						
Revenue	115,085	100,379	14.7%	228,006	206,701	10.3%
Adjusted EBITDA[1]	10,218	12,025	(15.0%)	19,902	24,602	(19.1%)
Adjusted EBITDA margin[1]	10.1%	13.6%		9.9%	13.7%	
Adjusted Net Income	(113)	3,370	(103.4%)	(2,366)	6,957	(134.0%)
Adjusted Net Income per share	(0.00)	0.07		(0.04)	0.15	
Net Income	(2,329)	3,370	(169.1%)	(1,649)	6,957	(123.7%)
Net Income per share	(0.05)	0.07			0.15	
Truck Transportation						

Revenue	59,450	49,270	20.7%	116,801	100,831	15.8%
Adjusted EBITDA[1]	7,961	8,988	(11.4%)	15,676	17,679	(11.3%)
Adjusted EBITDA margin[1]	15.5%	21.1%		15.6%	20.7%	
Logistics						
Revenue	56,167	52,669	6.6%	112,390	108,918	3.2%
EBITDA[1]	3,135	4,116	(23.8%)	6,204	8,720	(28.9%)
EBITDA margin[1]	6.2%	8.7%		6.1%	9.0%	

EBITDA to Adjusted Net Income (in thousands $CAD)		
	Q2 2024	**Q2 2023**
Adjusted Net Income	**(113)**	**3,370**
Add(deduct)		
Gain on sale of equipment	(1,499)	(1,754)
Finance costs	3,223	1,898
Finance income	(97)	(195)
Adjusted foreign exchange	511	(771)
Transaction Costs	-	1,080
Income taxes	(650)	1,369
Operating Income	**(1,375)**	**4,997**
Depreciation	8,395	6,701
Amortization of intangible assets	448	327
EBITDA	**10,218**	**12,025**

2024 Outlook

"The prolonged freight recession continued into the second quarter of 2024," **said Mr. Daniel**, "marked by over-capacity leading to industry-wide pricing pressure. While we are beginning to see signs that market conditions are stabilizing, it is difficult to predict when end-market conditions will improve. Navigating this environment has been challenging, but we are committed to executing on our strategic growth plan and focusing on factors within our control.

"With our fleet recently renewed, eliminating the need for capital expenditures on equipment, we expect to generate substantial free cash flow over the next 24 months. We are also focused on monetizing under-performing assets, to reduce debt while distributing dividends to shareholders, meeting the growing needs of our customers, scaling for future growth and generating long-term value for shareholders," **Mr. Daniel concluded.**

2024 Guidance

Titanium's guidance for 2024, assumes continued economic headwinds and excludes the impact of any future acquisitions.

- Consolidated Revenue: $440 to $460 million
- Adjusted EBITDA Margin 8.0% to 10.0%

Conference Call

The Company will also hold a conference call for analysts and investors with Ted Daniel, President and Chief Executive Officer, Tuesday, August 13, 2024, at 8:00 a.m. Eastern Time, to discuss these results.

Details of the conference call:

Date: Tuesday, August 13, 2024
Time: 8:00 a.m. ET
North America dial-in number: 1-800-717-1738
International dial-in number: 1-289-514-5100

A replay of the conference call can be accessed until midnight on August 27, 2024:

Details of the replay:

North America dial-in number: 1-888-660-6264
International dial-in number: 1-289-819-1325
Conference ID: 26981
Passcode: 26981#

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 900 power units, 3,000 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 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 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 before items that are not in the normal course of business, such as EBITDA from discontinued operations.

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

"Adjusted net income" is calculated as net income before items that are not in the normal course of business, such as income from discontinued operations, 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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