TITANIUM Transportation Group Inc.

Titanium Transportation Group Reports Steady Q3 2024 Performance with 24% Increase in Volume in Logistics Segment

- Consolidated third quarter revenue grew by 5.1% compared to the previous year, driven by strong performance in the Logistics segment
- Logistics segment delivered volume growth of 24%, resulting in 18% growth in revenue year-over-year.
- US revenue increased 19% reflecting the company's focus on its US growth strategy (Titanium has subsequently expanded its US network, opening its 8th brokerage office in Virginia.)
- The Company continued to strengthen its capital position by divesting non-core assets and operations.
- Leveraged free cash flow from the quarter to repay $12.1 million of net debt

BOLTON, Ontario, Nov. 11, 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 nine-month period ended September 30, 2024. All amounts are in Canadian currency.

Q3 2024 Financial Highlights compared with Q3 2023

- Consolidated revenue of $118.4 million, compared to $112.7 million in Q3 2023
- Consolidated EBITDA[1] of $10.3 million, compared to $13.5 million in Q3 2023
- Consolidated EBITDA Margin[1] of 9.8%, compared to 13.6% in Q3 2023
- Repaid $10.1 million in debt and $2.0 million in finance leases in the quarter
- Fully diluted net income per share from continuing operations of ($0.01), compared to Fully diluted net income per share of $0.04 in Q3 2023.

Q3 2024 Operational Highlights

- After the end of the third quarter, the Company announced it has opened a brokerage office strategically located in Virginia Beach, VA, expanding its reach to 11 locations – eight (8) offices in the United States and 3 in Canada.

Ted Daniel, Chief Executive Officer, Titanium Transportation Group commented, "During the first three quarters of the year, Titanium remained focused on navigating a challenging freight environment and strengthening our capital position. Despite ongoing market pressures, our logistics segment delivered 24% volume growth and over 18% revenue growth in Q3 2024, reflecting modest stabilization in pricing. Economic normalization in the truck transportation industry has yet to follow. In the meantime, we proactively pursued sustainable growth opportunities and generated free cash flow to fortify our balance sheet. For the remainder of the year, we are committed to leveraging strategic investments in people and technology to position the Company for long-term value creation as soon as the market recovers."

Q3 YTD 2024 Financial Highlights compared with Q3 YTD 2023

- Consolidated revenue of $346.4 million, compared to $319.4 million in Q3 2023
- EBITDA of $30.2 million, compared to $38.1 million in the same quarter last year, and an EBITDA Margin[1] of 9.9%
- Logistics segment revenue of $173.4 million. EBITDA of $9.8 million and an EBITDA Margin of 6.3%.
- Truck Transportation segment revenue of $174.9 million. EBITDA of $23.5 million with an EBITDA Margin of 15.6%.
- A loss of $0.05 on a fully diluted basis from total net income per share from continuing operations, compared with total net income per share of $0.19 at Q3 2023.

Summary of Q3 2024 Financial Results *(in thousands $CAD)*						
	Q3 2024	**Q3 2023**	**% Change**	**YTD 2024**	**YTD 2023**	**% Change**
Consolidated Results						
Revenue	118,399	112,685	5.1%	346,405	319,386	8.5%
EBITDA[1]	10,292	13,456	(23.5%)	30,195	38,058	(20.7%)
EBITDA margin[1]	9.8%	13.6%		9.9%	13.7%	
Adjusted Net Income	(407)	1,874	(121.7%)	(3,147)	8,831	(135.6%)

Adjusted Net Income per share	(0.01)	0.04		(0.05)	0.19	
Truck Transportation						
Revenue	58,103	62,397	(6.9%)	174,905	163,228	7.2%
EBITDA[1]	7,859	10,120	(22.3%)	23,534	27,801	(15.3%)
EBITDA margin[1]	15.5%	18.9%		15.6%	20.0%	
Logistics						
Revenue	60,963	51,543	18.3%	173,353	160,461	8.0%
EBITDA[1]	3,560	4,471	(20.4%)	9,765	13,191	(25.9%)
EBITDA margin[1]	6.5%	9.7%		6.3%	9.2%	

EBITDA to Adjusted Net Income (in thousands $CAD)		
	Q3 2024	**Q3 2023**
Adjusted Net Income	**(407)**	**1,874**
Add(deduct)		
Gain on sale of equipment	324	(415)
Finance costs	2,858	2,522
Finance income	(65)	(109)
Adjusted foreign exchange	(736)	1,507
Transaction costs		205
Income taxes	(286)	(520)
Operating Income	**1,688**	**5,064**
Depreciation	8,145	8,065
Amortization of intangible assets	459	327
EBITDA	**10,292**	**13,456**

2024 Outlook

According to Ted Daniel, “The market's performance in the third quarter was in-line with expectations, driven largely by ongoing over-capacity, especially in the truckload sector. Early signs of stabilization are emerging, though freight rates remain at relatively low levels. The rebalancing of capacity continues as fleet operators recalibrate their operations. We believe this gradual reduction of excess capacity will pave the way for improved pricing in coming quarters.”

“Looking ahead, our priorities remain clear: focussing on our customers, leveraging strategic investments in our people and technology, while further fortifying our capital position to ensure sustainable growth.”

2024 Guidance

Titanium’s guidance for 2024, assumes no change in the management’s outlook of economic environment 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, November 12, 2024 at 8:00 a.m. Eastern Time, to discuss these results.

Details of the conference call:

Date: Tuesday, November 12, 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 November 26, 2024.

Details of the replay:

North America dial-in number: 1-888-660-6264
International dial-in number: 1-289-819-1325

Conference ID: 84854
Passcode: 84854#

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 850 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 four (4) 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.

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.

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

Contact Information

Titanium Transportation Group Inc.
Ted Daniel, CPA, CA
Chief Executive Officer
(905) 266-3011

ted.daniel@ttgi.com
www.ttgi.com

For Investors
James Bowen
416-519-9442
James.Bowen@loderockadvisors.com