



For Immediate Release

## TFI International Announces 2016 Fourth Quarter and Year-End Results

- Fourth quarter revenue before fuel surcharge from continuing operations up 10% to \$1.04 billion
- Operating income of \$72.1 million, or 7.0% of revenue before fuel surcharge in the fourth quarter; year-over-year improvements in most business segments
- 22% increase in adjusted net income from continuing operations\* in the fourth quarter to \$52.2 million, or \$0.56 per diluted share\*
- Solid free cash flow from continuing operations\* of \$288.3 million, or \$3.08 per share\*, for the full year; funds mainly returned to shareholders by the repurchase of common shares (\$151.2 million) and dividends (\$64.1 million)
- Approximately 50% of run-rate revenue now generated in the United States
- Revenue from e-commerce fulfillment grew 38% in Package and Courier to \$96.2 million and 15% in Truckload to \$34.7 million in the fourth quarter

\* This is a non-IFRS measure. For a reconciliation, please refer to the "Non-IFRS Measures" section below.

**Montreal, Quebec, February 16, 2017** – TFI International Inc. (TSX: TFII; OTCQX: TFIFF), formerly known as TransForce Inc. (TSX: TFI, OTCQX: TFIFF), a North American leader in the transportation and logistics industry, today announced its results for the fourth quarter and fiscal year ended December 31, 2016. In 2015, TFI International ceased its U.S. rig moving operations and completed the sale of its Waste Management segment on February 1, 2016. Results for these activities are accordingly presented as discontinued operations in the Company's financial statements.

"2016 was a transformational year for the Company. We made an important acquisition that bolstered our presence in the North American truckload market, including the growing U.S.-Mexico cross-border corridor. Reflecting our new capabilities, we closed out the year by adopting the new corporate name of TFI International Inc. Going forward, almost half our total revenue will be derived in the U.S. We also delivered on our commitment of creating value for shareholders. In addition to a 48% share price appreciation in 2016, we increased our quarterly dividend in the fourth quarter, while making diligent use of free cash flow by repurchasing shares and reimbursing debt throughout the year," said Alain Bédard, Chairman, President and Chief Executive Officer of TFI International.

Financial highlights (in millions of dollars, except per share data)	Quarters ended Dec. 31		Years ended Dec. 31	
	2016	2015	2016	2015
Total revenue from continuing operations	1,137.7	1,026.8	4,025.2	4,029.9
Revenue before fuel surcharge from continuing operations	1,036.4	938.7	3,704.5	3,630.9
Operating income from continuing operations <sup>1</sup>	72.1	66.5	258.2	276.5
Net cash from operating activities from continuing operations	109.8	136.8	337.9	358.8
Free cash flow from continuing operations <sup>2,3</sup>	98.0	125.8	288.3	291.5
Adjusted net income from continuing operations <sup>2,4</sup>	52.2	42.9	195.0	185.6
Per share – diluted <sup>5</sup> (\$)	0.56	0.43	2.04	1.82
Net income from continuing operations	46.4	40.6	157.1	145.7
Per share – diluted (\$)	0.49	0.41	1.64	1.43
Net income <sup>6</sup>	45.3	43.6	639.6	163.4
Per share – diluted (\$)	0.48	0.44	6.70	1.60
Weighted average number of shares outstanding ('000s)	91,441	97,777	93,709	100,206

<sup>1</sup> Net income from continuing operations before finance income and costs, and income tax expense.

<sup>2</sup> This is a non-IFRS measure. For a reconciliation, please refer to the "Non-IFRS Measures" section below.

<sup>3</sup> Net cash from operating activities from continuing operations, less additions to property and equipment, plus proceeds from sale of property and equipment and assets held for sale.

<sup>4</sup> Net income excluding amortization of intangible assets related to business acquisitions, net changes in the fair value of derivatives, net foreign exchange gain or loss, net income or loss from discontinued operations and items not in the Company's normal business, net of tax.

<sup>5</sup> Adjusted net income from continuing operations divided by the weighted average number of diluted common shares outstanding.

<sup>6</sup> Includes net income (loss) from discontinued operations, of which a \$490.8 million after-tax gain on the sale of the Waste Management segment recorded in the first quarter of 2016.

## FOURTH-QUARTER RESULTS

Total revenue from continuing operations reached \$1.14 billion, up 11% from last year. Net of fuel surcharge, revenue from continuing operations rose 10% to \$1.04 billion. This increase reflects business acquisitions, mainly that of XPO Logistics' North American truckload division, renamed CFI, completed on October 27, 2016. This was partially offset by lower business volume in regional Less-Than-Truckload (LTL) and existing Truckload (TL) operations, mainly resulting from the Company's decision to exit low-margin business.

Operating income from continuing operations totalled \$72.1 million, compared with \$66.5 million last year. As a percentage of revenue before fuel surcharge, operating income stood at 7.0% of revenue in the fourth quarter of 2016, versus 7.1% a year ago. The stability in operating income as a percentage of revenue reflects constant efforts to control costs, which resulted in higher margins in most business segments with the exception of the TL market where margins remain affected by difficult market conditions.

Net income from continuing operations reached \$46.4 million, or \$0.49 per diluted share, versus \$40.6 million, or \$0.41 per diluted share, a year ago. Adjusted net income from continuing operations, which excludes amortization of intangible assets related to business acquisitions, net changes in the fair value of derivatives, net foreign exchange gain or loss, and items not in the Company's normal business, net of tax, was \$52.2 million, or \$0.56 per diluted share, up 22% from \$42.9 million last year, or \$0.43 per diluted share. After taking into account net income (loss) from discontinued operations, net income amounted to \$45.3 million, or \$0.48 per diluted share, versus \$43.6 million last year, or \$0.44 per diluted share.

## YEAR-END RESULTS

For 2016, total revenue from continuing operations held steady at \$4.0 billion. Net of fuel surcharge, revenue from continuing operations rose 2% to \$3.7 billion. Operating income from continuing operations amounted to \$258.2 million, or 7.0% of revenue before fuel surcharge, compared with \$276.5 million last year, or 7.6% of revenue before fuel surcharge.

Net income from continuing operations was \$157.1 million, or \$1.64 per diluted share, versus \$145.7 million, or \$1.43 per diluted share, a year ago. Adjusted net income from continuing operations stood at \$195.0 million, or \$2.04 per diluted share, up from \$185.6 million last year, or \$1.82 per diluted share. Net income, which also includes a \$490.8 million after-tax gain on the sale of the Waste Management segment recorded in the first quarter, reached \$639.6 million, or \$6.70 per diluted share, compared with \$163.4 million last year, or \$1.60 per diluted share.

## SEGMENTED RESULTS FROM CONTINUING OPERATIONS

(in millions of dollars)	Quarters ended Dec. 31		Years ended Dec. 31					
	2016	2015	2016	2015				
	\$	\$	\$	\$				
Revenue*								
Package and Courier	349.8	340.1	1,320.9	1,249.8				
Less-Than-Truckload	177.1	188.6	714.6	762.1				
Truckload	457.9	368.7	1,489.2	1,439.2				
Logistics	65.6	59.0	236.6	249.0				
Eliminations	(13.9)	(17.7)	(56.8)	(69.3)				
<b>Total</b>	<b>1,036.4</b>	<b>938.7</b>	<b>3,704.5</b>	<b>3,630.9</b>				
	\$	% of Rev.*	\$	% of Rev.*	\$	% of Rev.*	\$	% of Rev.*
Operating Income (Loss)								
Package and Courier	33.5	9.6%	26.5	7.8%	116.8	8.8%	90.2	7.2%
Less-Than-Truckload	15.1	8.5%	10.8	5.7%	48.3	6.8%	45.8	6.0%
Truckload	28.4	6.2%	30.1	8.2%	105.7	7.1%	134.1	9.3%
Logistics	7.1	10.8%	5.3	9.0%	23.4	9.9%	27.9	11.2%
Corporate	(12.0)		(6.1)		(35.9)		(21.4)	
<b>Total</b>	<b>72.1</b>	<b>7.0%</b>	<b>66.5</b>	<b>7.1%</b>	<b>258.2</b>	<b>7.0%</b>	<b>276.5</b>	<b>7.6%</b>

Note: due to rounding, totals may differ slightly from the sum.

\* Revenue before fuel surcharge

## **FREE CASH FLOW AND FINANCIAL POSITION**

Reflecting cash generated by operating activities and the ongoing disposal of excess assets, TFI International generated free cash flow from continuing operations of \$288.3 million, or \$3.08 per share, in 2016. The Company mainly used this free cash flow to return funds to shareholders through the repurchase of 6.4 million common shares for a consideration of \$151.2 million and the payment of dividends amounting to \$64.1 million. Under its current normal course issuer bid program, TFI International can still purchase more than 5.9 million common shares until September 29, 2017.

Although business acquisitions were mainly financed through additional borrowings, TFI International maintained its strong commitment to apply excess funds to debt reimbursement. As a result, the Company's financial position remains solid with a debt-to-equity ratio of 1.09 as at December 31, 2016, down from 1.58 twelve months earlier.

## **OUTLOOK**

"We are cautiously optimistic in regards to the North American economy. Unemployment is low and consumer spending remains solid. Moreover, rising oil prices have given way to a modest rebound in the level of investment in that sector. These factors should produce a gradual recovery in freight volume and rates. In addition, our P&C operations are well positioned to benefit from the burgeoning e-commerce activity to service our growing list of customers. TFI International's growth will also stem from executing its selective acquisition strategy. We remain committed to a highly-disciplined approach of acquiring profitable and well-managed companies. Our prime targets consist of "asset-light" operations that offer synergies, reinforce existing operations and further expand our geographic footprint. We also look for specialized niche players with activities that generate higher returns and increase service offerings. Our strategic orientations are guided by an unwavering commitment to create shareholder value. This fundamental principle also drives our daily actions to maximize cash flow. In this regard, we will continue to diligently use excess funds to buy back our shares and reimburse debt," concluded Mr. Bédard.

## **CONFERENCE CALL**

TFI International will hold a conference call for analysts and portfolio managers on Thursday, February 16, 2017 at 5:00 p.m. Eastern Time, to discuss these results. Business media are also invited to listen to the call. Interested parties can join the call by dialling 1-877-223-4471. A recording of the call will be available until midnight, March 2, 2017, by dialling 1-800-585-8367 or 416-621-4642 and entering passcode 49627481.

## **ABOUT TFI INTERNATIONAL**

TFI International Inc. is a North American leader in the transportation and logistics industry, operating across the United States, Canada and Mexico through its subsidiaries. TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency. TFI International companies service the following segments:

- Package and Courier;
- Less-Than-Truckload;
- Truckload;
- Logistics.

TFI International Inc. is publicly traded on the Toronto Stock Exchange (TSX: TFI) and the OTCQX marketplace in the U.S. (OTCQX: TFIFF). For more information, visit <http://www.tfiintl.com>.

## **FORWARD-LOOKING STATEMENTS**

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of TFI International. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for TFI International's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

## **NON-IFRS MEASURES**

Adjusted net income from continuing operations, adjusted earnings from continuing operations per share, free cash flow from continuing operations and free cash flow from continuing operations per share are financial measures not prescribed by IFRS and are not likely to be comparable to similar measures presented by other issuers. Management considers these to be useful information to assist investors in evaluating the Company's profitability, liquidity and ability to generate funds to finance its operations. These measures do not have any standardized meaning under IFRS and could be calculated

differently by other companies. These measures should be considered in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS.

<b>Adjusted net income from continuing operations</b> <b>(unaudited, in thousands of dollars, except per share data)</b>	<b>Quarters ended Dec. 31</b>		<b>Years ended Dec. 31</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Net income</b>	<b>45,339</b>	43,646	<b>639,579</b>	163,437
Amortization of intangible assets related to business acquisitions, net of tax	<b>9,234</b>	7,651	<b>32,744</b>	28,785
Net change in fair value of derivatives, net of tax	<b>(2,068)</b>	(3,943)	<b>3,546</b>	9,483
Net foreign exchange loss (gain), net of tax	<b>(884)</b>	(1,568)	<b>1,546</b>	(993)
Tax on multi-jurisdiction distributions	<b>(501)</b>	140	<b>83</b>	2,575
Net loss (income) from discontinued operations	<b>1,048</b>	(3,041)	<b>(482,520)</b>	(17,705)
<b>Adjusted net income from continuing operations</b>	<b>52,168</b>	42,885	<b>194,978</b>	185,582
<b>Adjusted earnings per share from continuing operations – basic</b>	<b>0.57</b>	0.44	<b>2.08</b>	1.85
<b>Adjusted earnings per share from continuing operations – diluted</b>	<b>0.56</b>	0.43	<b>2.04</b>	1.82

<b>Free cash flow from continuing operations</b> <b>(unaudited, in thousands of dollars, except per share data)</b>	<b>Quarters ended Dec. 31</b>		<b>Years ended Dec. 31</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net cash from operating activities from continuing operations	<b>109,815</b>	136,787	<b>337,908</b>	358,845
Additions to property and equipment	<b>(31,017)</b>	(29,117)	<b>(110,560)</b>	(157,802)
Proceeds from sale of property and equipment	<b>19,240</b>	16,235	<b>60,992</b>	68,065
Proceeds from sale of assets held for sale	-	1,857	-	22,410
<b>Free cash flow from continuing operations</b>	<b>98,038</b>	125,762	<b>288,340</b>	291,518
<b>Free cash flow from continuing operations per share<sup>1</sup></b>	<b>1.07</b>	1.29	<b>3.08</b>	2.91

<sup>1</sup> Free cash flow from continuing operations divided by the weighted average number of common shares outstanding.

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**Note to readers:** Consolidated financial statements and Management's Discussion & Analysis are available on TFI International's website at <http://www.tfiintl.com>.

For further information:

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