



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the first quarter ended
March 31, 2018

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GENERAL INFORMATION

The following is TFI International Inc.'s management discussion and analysis ("MD&A"). Throughout this MD&A, the terms "Company" and "TFI International" shall mean TFI International Inc., and shall include its independent operating subsidiaries. This MD&A provides a comparison of the Company's performance for its three-month period ended March 31, 2018 with the corresponding three-month period ended March 31, 2017 and it reviews the Company's financial position as of March 31, 2018. It also includes a discussion of the Company's affairs up to April 25, 2018, which is the date of this MD&A. The MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2017.

In this document, all financial data are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in Canadian dollars, and the term "dollar", as well as the symbols "\$" and "C\$", designate Canadian dollars unless otherwise indicated. Variances may exist as numbers have been rounded. This MD&A also uses non-IFRS financial measures. Refer to the section of this report entitled "Non-IFRS Financial Measures" for a complete description of these measures.

The Company's unaudited condensed consolidated interim financial statements have been approved by its Board of Directors ("Board") upon recommendation of its audit committee on April 25, 2018. Prospective data, comments and analysis are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints for maintaining the confidentiality of certain information that, if published, would probably have an adverse impact on the competitive position of the Company.

Additional information relating to the Company can be found on its website at www.tfiintl.com. The Company's continuous disclosure materials, including its annual and quarterly MD&A, annual and quarterly consolidated financial statements, annual report, annual information form, management proxy circular and the various press releases issued by the Company are also available on its website or directly through the SEDAR system at www.sedar.com.

FORWARD-LOOKING STATEMENTS

The Company may make statements in this report that reflect its current expectations regarding future results of operations, performance and achievements. These are "forward-looking" statements and reflect management's current beliefs. They are based on information currently available to management. Words such as "may", "could", "should", "would", "believe", "expect", "anticipate" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected.

The Company wishes to caution readers not to place undue reliance on any forward-looking statements which reference issues only as of the date made. The following important factors could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: the highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, fuel price variations and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, changes in governmental regulations applicable to the Company's operations, adverse weather conditions, accidents, the market for used equipment, changes in interest rates, cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers, and credit market liquidity.

The foregoing list should not be construed as exhaustive, and the Company disclaims any obligation subsequently to revise or update any previously made forward-looking statements unless required to do so by applicable securities laws. Unanticipated events are likely to occur. Readers should also refer to the section "Risks and Uncertainties" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. The Company's future financial and operating results may fluctuate as a result of these and other risk factors.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	First quarters ended	
	2018	March 31 2017
Revenue before fuel surcharge	1,061,614	1,091,496
Fuel surcharge	134,869	112,614
Total revenue	1,196,483	1,204,110
Adjusted EBITDA ¹	128,974	109,539
Operating income ¹	65,850	42,113
Net income	48,157	14,059
Adjusted net income ¹	50,803	32,885
Net cash from operating activities from continuing operations	57,828	50,255
Free cash flow from continuing operations ¹	52,490	29,477
Per share data		
EPS – diluted	0.53	0.15
Adjusted EPS – diluted ¹	0.56	0.35
Free cash flow from continuing operations ¹	0.59	0.32
Dividends	0.21	0.19
As a percentage of revenue before fuel surcharge		
Adjusted EBITDA margin ¹	12.1%	10.0%
Depreciation of property and equipment	4.5%	4.8%
Amortization of intangible assets	1.5%	1.4%
Operating margin	6.2%	3.9%
Operating ratio ¹	93.8%	96.1%

Q1 Highlights

- Operating income increased to \$65.9 million, up 56% from the same quarter last year, driven by notable improvements in U.S. Truckload (“TL”) operations and strong performance in all other segments.
- Operating margin increased in all of the Company’s reportable segments:
 - Package and Courier operating margin increased 370 basis points to 14.5%
 - Less-Than-Truckload operating margin increased 70 basis points to 4.7%
 - Truckload operating margin increased 290 basis points to 5.9%
 - Logistics and Last Mile operating margin increased 130 basis points to 6.3%
- Net income more than doubled, increasing by \$34.1 million to \$48.2 million, compared to \$14.1 million in Q1 2017. A portion of this increase is attributable to an impairment charge of \$8.7 million, net of tax, recorded in the prior year period.
- Diluted earnings per share (diluted “EPS”) were up 253% to 53 cents, compared to 15 cents in Q1 2017.
- Adjusted net income¹, a non-IFRS measure, increased 54% to \$17.9 million as a result of higher operating margins in all segments.
- Adjusted diluted EPS¹, a non-IFRS measure, increased 60% to 56 cents from 35 cents in Q1 2017.
- The Company returned \$54.3 million to shareholders during the quarter, of which \$18.7 million was through dividends and \$35.6 million through share repurchases. The weighted average number of common shares was 3% lower in this quarter compared to the same quarter last year.
- The Company’s long-term debt remained relatively stable at \$1,507.5 million compared to December 2017.
- Effective January 1, 2018, the composition of reportable segments was modified to better reflect the nature of the Company’s operations. In particular, the Same-Day / Last Mile delivery operating companies, which were previously included in the Package and Courier operating segment, and the Logistics operating companies are now part of a new segment named Logistics and Last Mile. Comparative figures have been restated.
- On April 3, 2018, a few days after the first quarter, TFI International completed the acquisition of Normandin Transit (“Normandin”). Based in Québec, Normandin provides cross-border Less-Than-Truckload (“LTL”) and TL services.

¹ Refer to the section “Non-IFRS financial measures”.

ABOUT TFI INTERNATIONAL

Services

TFI International 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 reportable segments:

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

Seasonality of operations

The activities conducted by the Company are subject to general demand for freight transportation. Historically, demand has been relatively stable with the first quarter being generally the weakest in terms of demand. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

Human resources

The Company has 16,847 employees who work in TFI International's different business segments across North America. This compares to 17,897 employees as of March 31, 2017. The year-over-year decrease of 1,050 is attributable to rationalizations affecting 1,227 employees mainly in the LTL and TL segments offset by business acquisitions (+177). The Company believes that it has a relatively low turnover rate among its employees in Canada, a normal turnover rate in the U.S., and that its employee relations are very good.

Equipment

The Company has the largest trucking fleet in Canada and a significant presence in the U.S. market. As at March 31, 2018, the Company had 6,951 power units, 24,164 trailers and 8,583 independent contractors. This compares to 7,836 power units, 24,715 trailers and 10,055 independent contractors as at March 31, 2017. The decrease in power units are due to fleet reduction mainly in the U.S. TL businesses.

Facilities

TFI International's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at March 31, 2018, the Company had 385 facilities. Of these, 270 are located in Canada, 170 and 100, respectively, in Eastern and Western Canada. The Company also had 103 facilities in the United States and 12 facilities in Mexico. This compares to 404 facilities as at March 31, 2017. In the last twelve months, 14 facilities were added from business acquisitions and the terminal consolidation decreased the total number of facilities by 33, mainly in the TL and Logistics and Last Mile segments. In Q1 2018, the Company closed six sites.

Customers

The Company has a diverse customer base across a broad cross-section of industries with no single client accounting for more than 5% of consolidated revenue. Because of its customer diversity, as well as the wide geographic scope of the Company's service offering and the range of segments in which it operates, a downturn in the activities of individual customers or customers in a particular industry is not expected to have a material adverse impact on the operations of the Company. The Company forged strategic partnerships with other transport companies in order to extend its service offering to customers across North America.

Revenue by Top Customers' Industry (54% of total revenue)	
Retail	31%
Manufactured Goods	15%
Metals & Mining	7%
Building Materials	7%
Automotive	6%
Energy	6%
Food & Beverage	6%
Services	5%
Forest Products	4%
Chemicals & Explosives	3%
Waste Management	3%
Maritime Containers	3%
Others	4%

(As at December 31, 2017)

CONSOLIDATED RESULTS

This section provides general comments on the consolidated results of operations. A more detailed analysis is provided in the "Segmented results" section.

2018 business acquisitions

In line with the Company's growth strategy, on April 3, 2018, TFI International completed the acquisition of Normandin Transit ("Normandin"). Based in Québec, Normandin provides cross-border LTL and TL services. Concluded after the quarter, Normandin did not contribute to this quarter's results.

Revenue

For the first quarter ended March 31, 2018, total revenue reached \$1,196.5 million, a slight decrease of \$7.6 million from Q1 2017. The contribution from business acquisitions of \$26.5 million and the increase in fuel surcharge revenue of \$20.2 million were offset by revenue declines in existing operations. This reduction is partially due to a negative currency impact of \$22.0 million. The average exchange rate used to convert TFI International's revenue generated in U.S. dollars was 4.5% lower this quarter (C\$1.2647) than it was for the same quarter last year (C\$1.3238). With respect to revenue before fuel surcharge from existing operations, decreases were mainly attributable to the LTL and Logistics and Last Mile segments.

Operating expenses

For the first quarter, the Company's operating expenses decreased by \$31.4 million, or 3%, from \$1,162.0 million in Q1 2017 to \$1,130.6 million in Q1 2018. The decrease is mainly attributable to operating improvements, better fleet utilisation and lower material and services expenses, for which purchased transportation costs were 1.1% lower as a percentage of revenue compared to last year same period. Personnel expenses decreased 5% as a result of rationalization and terminal optimization achieved in the previous quarters. Other operating expenses, which are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses increased mainly as a result of the sale-and-leaseback transactions completed in 2017, which increased rent expense by \$1.9 million on a quarterly basis. Terminal closures and lower telecommunications expenses partially offset this increase.

For the three-month period ended March 31, 2018, depreciation of property and equipment decreased by \$5.0 million, or 10%, as a result of the Company's consistent focus on adjusting capacity to match fluctuations in demand and to optimize capital allocation by using more subcontractors. This quarter's decrease is mainly attributable to the net reduction of equipment (rolling stock) in the Company's U.S. TL operating segment. For the same period, intangible asset amortization increased by \$0.7 million mainly due to business acquisitions.

Operating income

For the first quarter, TFI International's operating income increased by \$23.8 million to \$65.9 million compared to \$42.1 million in 2017 and the operating margin as a percentage of revenue before fuel surcharge increased by 2.3 percentage points from 3.9% in Q1 2017 to 6.2% in Q1 2018. All reportable segments reported significant margin increases. Notably, the Package and Courier and the TL segments respectively reported margin increases of 3.7 and 2.9 percentage points.

Management's consistent focus on the quality of revenue may have slightly reduced revenue before fuel surcharge, but this strategy in conjunction with cost control benefited the Company, resulting in a significant improvement in the Company's operating ratio¹, a non-IFRS measure, reaching 93.8% in this quarter, compared to 96.1% for Q1 2017.

Gain on sale of property

The gain on sale of property, which is accounted for in gain or loss on sale of land and buildings and in gain or loss on sale of assets held for sale in the consolidated statements of income, was \$9.5 million in 2018. Five properties designated as assets held for sale were disposed in 2018 for a total consideration of \$18.8 million.

Impairment of intangible assets

For the three-month period ended March 31, 2017, the 2017 non-cash impairment charge of \$13.2 million was attributable to the Dynamex trade name.

Finance income and costs

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	First quarters ended March 31	
	2018	2017
Finance costs (income)		
Interest expense on long-term debt	13,811	14,301
Interest income and accretion on promissory note	(675)	(624)
Net foreign exchange (gain) loss	(340)	1,516
Net change in fair value of foreign exchange derivatives	(89)	(294)
Net change in fair value of interest rate derivatives	(46)	(204)
Others	1,285	694
Net finance costs	13,946	15,389

Interest expense on long-term debt

Interest expense on long-term debt for the three-month period ended March 31, 2018 decreased by \$0.5 million mainly due to lower borrowings.

Net foreign exchange gain or loss and net investment hedge

The Company designates as a hedge a portion of its U.S. dollar denominated debt held against its net investments in U.S. operations. This accounting treatment allows the Company to offset the designated portion of foreign exchange gain (or loss) of its debt against the foreign exchange loss (or gain) of its net investments in U.S. operations and present them in other comprehensive income. Net foreign exchange gains or losses recorded in income or loss are attributable to the U.S. dollar portion of the Company's credit facility not designated as a hedge and to other financial assets and liabilities denominated in foreign currencies. For the three-month period ended March 31, 2018, \$10.2 million of foreign exchange losses (\$8.9 million net of tax) was recorded to other comprehensive income as net investment hedge.

Net change in fair value of derivatives and cash flow hedge

The Company designates, as a hedge of the variable interest rate instruments, the interest rate derivatives. Therefore the effective portion of changes in fair value of the derivatives is recognized in other comprehensive income. For the three-month period ended March 31, 2018, \$3.1 million of gain on

¹ Refer to the section "Non-IFRS financial measures".

change in fair value of interest rate derivatives (\$2.3 million net of tax) was recorded to other comprehensive income as a change in the fair value of the cash flow hedge.

The Company's derivative financial instruments, which are used to mitigate foreign exchange and interest rate risks, saw their fair values increase by \$3.2 million in Q1 2018, of which \$3.1 million was designated as cash flow hedge, while in the same quarter last year their fair values increased by \$1.1 million, of which \$0.6 million was designated as cash flow hedge. The derivatives' fair values are subject to market price fluctuations in foreign exchange and interest rates.

Others

The other financial expenses mainly comprise bank charges, the net change in fair value of the Company's deferred share unit liability and net change in fair value of other financial liabilities.

Income tax expense

For the three-month period ended March 31, 2018, the effective tax rate was 21.7%. The income tax expense of \$13.3 million reflects a \$3.1 million favourable variance versus an anticipated income tax expense of \$16.4 million based on the Company's statutory tax rate of 26.7%. The favourable variance is mainly due to positive differences between the statutory rate and the effective rates in other jurisdictions of \$2.7 million and to non-taxable income which positive variance amounting to \$1.1 million is mainly attributable to capital gains on the sale of properties.

Net income and adjusted net income

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	First quarters ended March 31	
	2018	2017
Net income	48,157	14,059
Amortization of intangible assets related to business acquisitions, net of tax	11,175	9,276
Net change in fair value of derivatives, net of tax	(99)	(365)
Net foreign exchange (gain) loss, net of tax	(249)	1,111
(Gain) loss on sale of land and buildings and assets held for sale, net of tax	(8,181)	136
Impairment of intangible assets, net of tax	-	8,668
Adjusted net income¹	50,803	32,885
Adjusted EPS¹ – basic	0.57	0.36
Adjusted EPS¹ – diluted	0.56	0.35

For the three-month period ended March 31, 2018, TFI International's net income was \$48.2 million compared to \$14.1 million in Q1 2017. The increase of \$34.1 million is mainly attributable to stronger operating results and gain on sale of properties. The Company's adjusted net income¹, a non-IFRS measure, which excludes items listed in the above table, was \$50.8 million for the first quarter compared to \$32.9 million in Q1 2017, up a significant 54% or \$17.9 million. The adjusted EPS, fully diluted, increased by 60% to 56 cents.

¹ Refer to the section "Non-IFRS financial measures".

SEGMENTED RESULTS

For the purpose of this section, adjusted EBITDA refers to the same definitions as in the section "Non-IFRS financial measures" for the consolidated results. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses. Note that "Total revenue" is not affected by this reallocation.

Selected segmented financial information

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Package and Courier	Less- Than- Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
Q1 2018							
Revenue before fuel surcharge	142,387	203,567	490,667	236,565	-	(11,572)	1,061,614
% of total revenue ¹	13%	20%	47%	20%			100%
Adjusted EBITDA	23,968	17,138	74,510	21,099	(7,741)	-	128,974
Adjusted EBITDA margin ²	16.8%	8.4%	15.2%	8.9%			12.1%
Operating income (loss)	20,623	9,496	29,009	15,020	(8,298)	-	65,850
Operating margin ²	14.5%	4.7%	5.9%	6.3%			6.2%
Total assets less intangible assets	134,433	322,612	1,270,818	135,676	50,856		1,914,395
Net capital expenditures ^{3, 4}	1,075	(3,117)	7,307	643	(570)		5,338
Q1 2017*							
Revenue before fuel surcharge	145,614	224,591	489,656	245,636	-	(14,001)	1,091,496
% of total revenue ¹	13%	21%	45%	21%			100%
Adjusted EBITDA	19,511	17,202	63,858	18,156	(9,188)	-	109,539
Adjusted EBITDA margin ²	13.4%	7.7%	13.0%	7.4%			10.0%
Operating income (loss)	15,674	9,084	14,811	12,277	(9,733)	-	42,113
Operating margin ²	10.8%	4.0%	3.0%	5.0%			3.9%
Total assets less intangible assets	148,174	420,932	1,276,398	132,204	64,212		2,041,920
Net capital expenditures	2,427	227	17,722	279	123		20,778

(*) Recasted for changes in composition of reportable segments and changes in presentation (see note 3 of the unaudited condensed consolidated interim financial statements)

When the Company changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for the comparative period is recasted to conform to the new structure. Effective January 1, 2018, the composition of reportable segments was modified to better reflect the nature of the Company's operations. In particular, the Same-Day / Last Mile delivery operating companies, which were previously included in the Package and Courier operating segment, and the Logistics operating companies are now part of a new segment named Logistics and Last Mile. Also, two Logistics operations, TLS Trailer Leasing Services and Centre Mécanique Henri-Bourassa, moved respectively into the LTL and the TL segments to which they primarily render service. Comparative figures have been restated.

¹ Before eliminations, except for the total.

² As a percentage of revenue before fuel surcharge.

³ Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.

⁴ Q1 2018 net capital expenditures include proceeds from the sale of property for consideration of \$3.8 million in the LTL segment, of \$14.2 million in the TL segment and of \$0.8 million in the corporate segment.

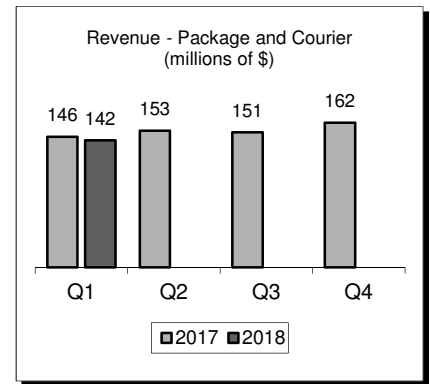
Package and Courier

<i>(unaudited) - (in thousands of dollars)</i>	First quarters ended March 31			
	2018	%	2017	%
Total revenue	163,067		162,646	
Fuel surcharge	(20,680)		(17,032)	
Revenue	142,387	100.0%	145,614	100.0%
Materials and services expenses (net of fuel surcharge)	59,306	41.7%	63,026	43.3%
Personnel expenses	44,770	31.4%	48,534	33.3%
Other operating expenses	14,376	10.1%	14,649	10.1%
Depreciation of property and equipment	2,983	2.1%	3,525	2.4%
Amortization of intangible assets	362	0.3%	312	0.2%
Gain on sale of rolling stock and equipment	(33)	0.0%	(106)	-0.1%
Operating income	20,623	14.5%	15,674	10.8%
Adjusted EBITDA	23,968	16.8%	19,511	13.4%

Effective January 1, 2018, the composition of reportable segments was modified to better reflect the nature of the Company's operations. In particular, the Same-Day / Last Mile delivery operating companies, which were previously included in the Package and Courier operating segment, and the Logistics operating companies are now part of a new segment named Logistics and Last Mile. Substantially all of the operations now remaining in the Package and Courier segment are domestic Canadian, serving international with partners.

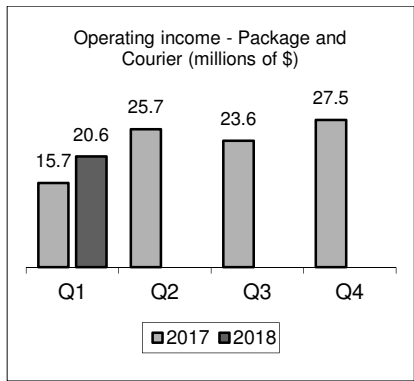
Revenue

For the quarter ended March 31, 2018, revenue decreased by \$3.2 million, or 2%, from \$145.6 million to \$142.4 million in 2018 attributable to lower volume.



Operating expenses

For the quarter ended March 31, 2018, the Package and Courier segment's operating expenses decreased by \$8.1 million, or 6%, from \$129.9 million in 2017 to \$121.8 million. The operating expenses decreased by 6% while revenue decreased 2%. This efficiency improvement was mainly attributable to the consolidation of routes and terminals. Material and services expenses, net of fuel surcharge, decreased by \$3.7 million, or 1.6 percentage points of revenue. Personnel expenses decreased by \$3.8 million, or 1.9 percentage points of revenue, as a result of benefits from previous quarters' rationalizations and \$3.1 million in employee termination costs included in last year same period.



Operating income

The Company's operating income in the Package and Courier segment for the quarter ended March 31, 2018 significantly increased by 32% or \$4.9 million compared to the first quarter of 2017, from \$15.7 million to \$20.6 million attributable to the improvements achieved in the operating expenses. For the three-month period ended March 31, 2018, the Package and Courier operating margin increased 3.7 percentage points year-over-year to 14.5%.

Less-Than-Truckload

(unaudited) - (in thousands of dollars)

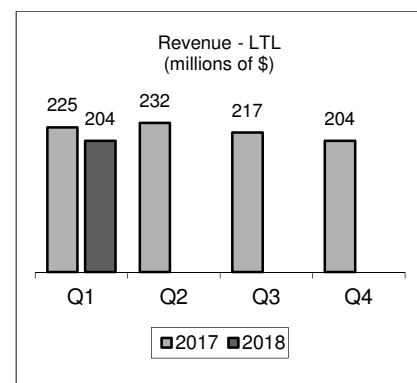
	First quarters ended March 31			
	2018	%	2017	%
Total revenue	235,801		254,105	
Fuel surcharge	(32,234)		(29,514)	
Revenue	203,567	100.0%	224,591	100.0%
Materials and services expenses (net of fuel surcharge)	115,860	56.9%	130,290	58.0%
Personnel expenses	50,833	25.0%	58,314	26.0%
Other operating expenses	19,886	9.8%	18,766	8.4%
Depreciation of property and equipment	5,199	2.6%	5,770	2.6%
Amortization of intangible assets	2,443	1.2%	2,348	1.0%
(Gain) loss on sale of rolling stock and equipment	(150)	-0.1%	19	0.0%
Operating income	9,496	4.7%	9,084	4.0%
Adjusted EBITDA	17,138	8.4%	17,202	7.7%
Gain on sale of land and buildings and assets held for sale	1,872		53	

Operational data

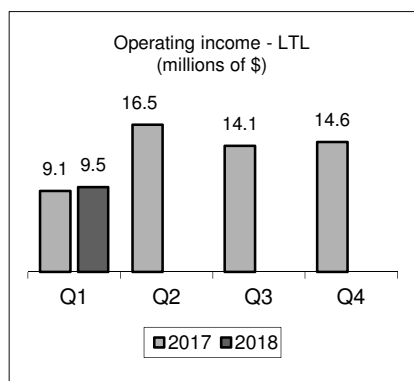
	First quarters ended March 31			
	2018	2017	Variance	%
Operating ratio	95.3%	96.0%		
Revenue per hundredweight (including fuel)	\$13.86	\$13.60	\$0.26	1.9%
Revenue per hundredweight (excluding fuel)	\$11.97	\$12.02	-\$0.05	-0.4%
Revenue per shipment (including fuel)	\$278.72	\$260.35	\$18.37	7.1%
Tonnage (in thousands of tons)	772	848	-76	-9.0%
Shipments (in thousands)	846	976	-130	-13.3%
Average weight per shipment (in lbs)	2,011	1,915	96	5.0%
Vehicle count	766	959	-193	-20.1%
Revenue per vehicle (incl. fuel, in thousands of dollars)	\$307.83	\$264.97	\$42.86	16.2%

Revenue

For the first quarter ended March 31, 2018, the LTL segment's revenue was \$203.6 million, a decrease of \$21.0 million, or 9% when compared to the same period in 2017. \$1.6 million of this revenue decrease was explained by negative currency fluctuations but the major part of the revenue decrease was a result of decreased tonnage. The 9% decrease in LTL tons in 2018 resulted from a 13% decrease in LTL shipments partially offset by a 5% increase in LTL weight per shipment. The decrease in tonnage and shipment was mostly due to the termination of unprofitable domestic Canadian shipments. The LTL segment yield as shown by total revenue per hundredweight increased by 2% to \$13.86 in 2018 compared to \$13.60 in 2017.


Operating expenses

LTL materials and services expenses (net of fuel surcharge) decreased \$14.4 million, or 11% in 2018, mostly due to a \$12.7 million reduction in sub-contractor costs and a \$2.7 million increase in fuel surcharge revenue. The reduction in sub-contractor costs was partly related to the decrease in volume but also to an improved density of routes that led to a better utilisation of owned assets. LTL personnel expenses decreased \$7.5 million, or 13% in 2018, most of it attributable to lower volume but also to better route density as shown by the reduction of personnel expense as a percentage of revenue that decreased 1%, from 26.0% of revenue in 2017 to 25.0% of revenue in 2018. LTL other operating expenses increased \$1.1 million, or 6% in 2018. This increase was mostly related to additional rent the LTL segment has incurred following a sale-and-leaseback transaction of 3 properties that occurred in October of 2017. Excluding real estate costs, LTL other operating expenses decreased \$0.1 million, or 2% year-over-year. LTL depreciation of property and equipment decreased \$0.6 million, or 10% in 2018 due primarily to the fleet reduction.


Operating income

LTL operating income for the first quarter ended March 31, 2018 increased \$0.4 million, or 5% when compared to the same period in 2017. Although volume decreased year-over-year, operating income was favorably impacted in 2018 by tight asset management, cost optimisation and continued improvement to route density. The 2018 operating ratio was 95.3%, a 0.7 percentage point improvement when compared to 96.0% in 2017.

Gain on sale of property

For the quarter ended March 31, 2018, a \$1.9 million gain on sale of assets held for sale was recorded in the LTL segment following the sale of two properties for a total consideration of \$3.8 million.

Truckload

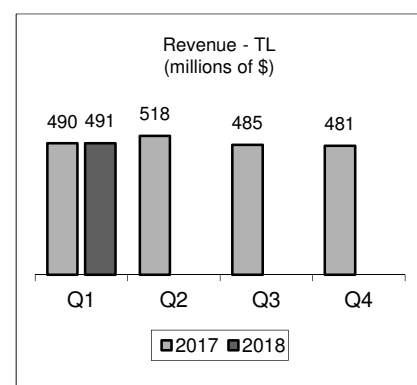
<i>(unaudited) - (in thousands of dollars)</i>	First quarters ended March 31			
	2018	%	2017	%
Total revenue	564,133		549,520	
Fuel surcharge	(73,466)		(59,864)	
Revenue	490,667	100.0%	489,656	100.0%
Materials and services expenses (net of fuel surcharge)	244,990	49.9%	250,140	51.1%
Personnel expenses	155,559	31.7%	160,292	32.7%
Other operating expenses	16,604	3.4%	17,140	3.5%
Depreciation of property and equipment	38,140	7.8%	41,665	8.5%
Amortization of intangible assets	7,361	1.5%	7,382	1.5%
Gain on sale of rolling stock and equipment	(996)	-0.2%	(1,774)	-0.4%
Operating income	29,009	5.9%	14,811	3.0%
Adjusted EBITDA	74,510	15.2%	63,858	13.0%
Gain on sale of land and buildings and assets held for sale	7,253		5	

<i>Operational data (all Canadian dollars unless otherwise specified)</i>	First quarters ended March 31			
	2018	2017	Variance	%
U.S. based Conventional TL				
Revenue (in thousands of U.S. dollars)	166,850	173,729	(6,879)	-4.0%
Operating ratio	98.3%	102.6%		
Total mileage (in thousands)	98,426	109,250	(10,824)	-9.9%
Tractor count	3,100	3,713	(613)	-16.5%
Trailer count	11,201	11,328	(127)	-1.1%
Tractor age	2.5	3.1	(0.6)	-19.4%
Trailer age	6.5	5.9	0.6	10.2%
Number of owner operators	520	678	(158)	-23.3%
Canadian based Conventional TL				
Revenue (in thousands of dollars)	73,604	75,270	(1,666)	-2.2%
Operating ratio	90.6%	94.6%		
Total mileage (in thousands)	26,142	30,809	(4,667)	-15.1%
Tractor count	703	774	(71)	-9.2%
Trailer count	3,021	3,150	(129)	-4.1%
Tractor age	3.1	2.6	0.5	19.2%
Trailer age	5.4	5.5	(0.1)	-1.8%
Number of owner operators	344	443	(99)	-22.3%
Specialized TL				
Revenue (in thousands of dollars)	207,258	184,909	22,349	12.1%
Operating ratio	91.1%	90.9%		

Revenue

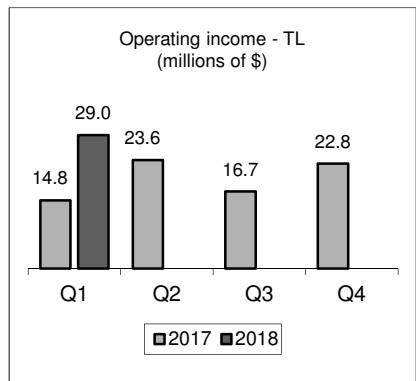
For the three-month period ended March 31, 2018, TL revenue increased by \$1.0 million or less than 1%, from \$489.7 million in Q1 2017 to \$490.7 million. The TL segment maintained its level of revenue with the contributions from business acquisitions for \$10.1 million which was offset by unfavourable currency fluctuations of \$13.9 million. Excluding business acquisitions and the negative currency impacts, TL revenue increased by \$4.8 million compared to the same quarter last year which shows some organic growth within this segment. This growth is particularly notable given the fleet was reduced by 612 owned or leased tractors and 312 owner operators, and is a result of strong pricing and increased asset utilisation.

As part of its asset-light strategy, the TL segment increased its brokerage revenue by 29%, or \$16.1 million, to \$70.6 million compared to the same quarter last year. In Q1 2018, average revenue per total mile for conventional TL operations increased 6.8% in the U.S. and 8.8% in Canada compared to the same quarter last year.


Operating expenses

Operating expenses decreased by \$13.2 million or 3% from \$474.8 million in Q1 2017 to \$461.7 million in Q1 2018 mainly from cost reduction initiatives. The TL segment is diligently working to align its cost structure to demand and this can be observed with the significant downsize of the fleet mainly in the U.S. divisions in order for the assets to be more productive. While the fleet reduction resulted in lower depreciation costs as well as lower repairs and maintenance costs, severe weather in the first quarter of 2018 resulted in an increase of accident and claim costs and weather-related maintenance costs on a per truck basis. Personnel expenses decreased 1.0 percentage point of revenue, on lower mileage and lower employee benefits costs. Although an

improvement was seen in this current quarter, the Company continues to focus on being cost-conscious and its priority remains to improve the efficiency and profitability of its existing fleet and network of independent contractors.



Operating income

The Company's operating income in the TL segment for the quarter ended March 31, 2018 approximately doubled from \$14.8 million in the prior year period to \$29.0 million, mainly due to higher revenue per mile and a more efficient truckload freight network. Initiatives aimed at equipment cost reductions have started to yield more positive results resulting in lower equipment depreciation and lower repair and maintenance costs as a percentage of revenue. For the quarter ended March 31, 2018, operating margin increased to 5.9% compared to 3.0% in 2017. The Canadian and U.S. conventional TL operations were able to significantly improve their operating ratios.

Gain on sale of assets held for sale

The Company disposed of two properties designated as assets held for sale for total consideration of \$14.2 million, contributing a gain of \$7.3 million.

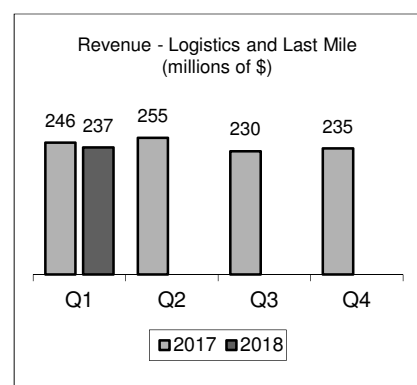
Logistics and Last Mile

(unaudited) - (in thousands of dollars)	First quarters ended March 31			
	2018	%	2017	%
Total revenue	246,492		252,564	
Fuel surcharge	(9,927)		(6,928)	
Revenue	236,565	100.0%	245,636	100.0%
Materials and services expenses (net of fuel surcharge)	163,021	68.9%	175,236	71.3%
Personnel expenses	35,662	15.1%	34,941	14.2%
Other operating expenses	16,783	7.1%	17,366	7.1%
Depreciation of property and equipment	753	0.3%	1,037	0.4%
Amortization of intangible assets	5,326	2.3%	4,842	2.0%
Gain on sale of rolling stock and equipment	-	0.0%	(63)	0.0%
Operating income	15,020	6.3%	12,277	5.0%
Adjusted EBITDA	21,099	8.9%	18,156	7.4%
Loss on sale of land and buildings	-		(49)	
Impairment of intangible assets	-		(13,211)	

Effective January 1, 2018, the composition of reportable segments was modified to better reflect the nature of the Company's operations. In particular, the Same-Day / Last Mile delivery operating companies, which were previously included in the Package and Courier operating segment, and the Logistics operating companies are now part of a new segment named Logistics and Last Mile. Approximately 58% of the new Logistics and Last Mile segment's revenues in the quarter were generated from operations in the U.S. and Mexico and approximately 42% were generated from operations in Canada.

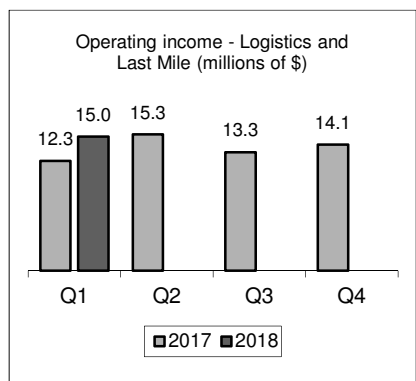
Revenue

For the quarter ended March 31, 2018, revenue decreased by \$9.0 million, or 4%, from \$245.6 million to \$236.6 million compared to the same period in the prior year. The decrease was due to loss of volume of \$14.2 million and to an unfavourable foreign exchange impact of \$6.5 million offset by business acquisitions of \$11.7 million. Part of the volume decreases relates to the loss of a U.S. e-commerce customer.



Operating expenses

For the quarter ended March 31, 2018, operating expenses decreased 5% or \$11.9 million compared to the first quarter of 2017, from \$233.4 million to \$221.5 million. This decrease was mostly attributable to the loss of volume. Materials and services expenses represented 68.9% of revenue, an improvement of 2.4 percentage points when compared to last year's same quarter, as a result of lower purchased transportation costs and, indirectly, to a better quality of revenue, which positively impacted gross margin. Personnel expenses increased by \$0.7 million and by 0.9 percentage point of revenue. The increase as a percentage of revenue was attributable to new business oriented to an employee model in Canada (as opposed to using independent contractors).



Operating income

The Company's operating income in the Logistics and Last Mile segment for the quarter ended March 31, 2018 increased 22% or \$2.7 million compared to the first quarter of 2017, from \$12.3 million to \$15.0 million. The Logistics and Last Mile segment's operating margin increased 1.3 percentage point year-over-year mainly as a result of higher quality of revenue and cost efficiency measures.

Impairment of intangible assets

In Q1 2017, TFI International rebranded the divisions Dynamex Canada, Dynamex U.S. and Hazen Final Mile into TForce Final Mile. This resulted in an impairment charge to the original trademark intangible assets related to these businesses of \$13.2 million.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	First quarters ended March 31	
	2018	2017
Sources of cash:		
Net cash from operating activities from continuing operations	57,828	50,255
Proceeds from sale of property and equipment	13,390	13,920
Proceeds from sale of assets held for sale	18,768	1,850
Net variance in cash and bank indebtedness	4,949	24,346
Net proceeds from long-term debt	-	63,929
Others	1,530	6,935
Total sources	96,465	161,235
Uses of cash:		
Purchases of property and equipment	38,008	36,548
Business combinations, net of net cash acquired	-	55,441
Net repayment of long-term debt	4,108	-
Dividends paid	18,716	17,399
Repurchase of own shares	35,633	-
Net cash used in discontinued operations	-	51,847
Total usage	96,465	161,235

Cash flow from operating activities from continuing operations

For the three-month period ended March 31, 2018, net cash from operating activities from continuing operations increased by 15% from \$50.3 million in 2017 to \$57.8 million. This \$7.5 million increase is mainly attributable to higher cash flow from operating activities from continuing operations before net change in non-cash operating working capital for \$8.1 million.

Cash flow from operating activities from discontinued operations

For the three-month period ended March 31, 2017, the discontinued operations had negative cash flow of \$51.8 million mainly attributable to the balance of income tax due on the gain on the sale of the Waste group, realized in February 2016, which was paid in January 2017.

Cash flow used in investing activities
Property and equipment

The following table presents the additions of property and equipment by category for the three-month periods ended March 31, 2018 and 2017.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	First quarters ended March 31	
	2018	2017
Additions to property and equipment:		
Purchases as stated on cash flow statements	38,008	36,548
Non-cash adjustments	(512)	-
	37,496	36,548
Additions by category:		
Land and buildings	2,393	1,260
Rolling stock	32,453	34,239
Equipment	2,650	1,049
	37,496	36,548

The Company invests in new equipment to maintain its quality of service while keeping maintenance costs low. Its capital expenditures reflect the level of reinvestment required to keep its equipment in good order as well as maintain an adequate allocation of its capital resources. In line with its asset light model, increasing the use of independent contractors to replace owned equipment is beneficial for the Company as it reduces capital needs to serve customers. The Company intends to further pursue this conversion strategy, particularly with the recent business acquisitions operating with more invested capital.

In the normal course of activities, the Company constantly renews its rolling stock equipment generating regular proceeds and gain or loss on disposition. The following table indicates the proceeds and gains or losses from sale of property and equipment and assets held for sale by category for the three-month periods ended March 31, 2018 and 2017.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	First quarters ended March 31	
	2018	2017
Proceeds by category:		
Land and buildings	18,775	2,040
Rolling stock	13,382	13,691
Equipment	1	39
	32,158	15,770
Gains (losses) by category:		
Land and buildings	9,537	9
Rolling stock	1,231	1,934
Equipment	(5)	(12)
	10,763	1,931

For the three-month period ended March 31, 2018, the Company disposed of five properties for total consideration of \$18.8 million (\$2.0 million in 2017), which generated a gain of \$9.5 million.

Business acquisitions

For the three-month period ended March 31, 2018, no business acquisitions were concluded. The cash used in business acquisitions totalled \$55.4 million in 2017.

Free cash flow from continuing operations

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	First quarters ended March 31	
	2018	2017
Net cash from operating activities from continuing operations	57,828	50,255
Additions to property and equipment	(37,496)	(36,548)
Proceeds from sale of property and equipment	13,390	13,920
Proceeds from sale of assets held for sale	18,768	1,850
Free cash flow from continuing operations¹	52,490	29,477
Free cash flow from continuing operations per share¹	0.59	0.32

The Company's objectives when managing its cash flow from operations are to ensure proper capital investment in order to provide stability and competitiveness to its operations, to ensure sufficient liquidity to pursue its growth strategy, and to undertake selective business acquisitions within a sound capital structure and a solid financial position.

For the three-month period ended March 31, 2018, TFI International generated free cash flow from continuing operations of \$52.5 million, compared to \$29.5 million in 2017, which represents a year-over-year increase of \$23.0 million. This increase is mainly due to higher proceeds from sale of assets held for sale and higher net cash from operating activities from continuing operations.

Based on the March 31, 2018 closing share price of \$33.11, the free cash flow from continuing operations generated by the Company in the last twelve months (\$399.5 million) represented a yield of 13.4%.

Financial position

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	As at March 31, 2018	As at December 31, 2017	As at December 31, 2016
Total assets	3,752,571	3,727,628	4,026,879
Long-term debt	1,507,465	1,498,396	1,584,815
Shareholders' equity	1,437,389	1,415,124	1,458,650
Debt-to-equity ratio ²	1.05	1.06	1.09
Debt-to-capitalization ratio ³	0.51	0.51	0.52

Compared to December 31, 2017, the Company's total assets, long-term debt and equity didn't have significant variances. The debt-to-equity ratio and the debt-to-capitalization ratio were similar to those of December 31, 2017. The Company's current financial position reflects an appropriate debt level to further pursue its acquisition strategy. Strict cash flow management and cash flow generated from operations have allowed the Company to pursue debt reduction when the situation has dictated.

As at March 31, 2018, the Company's working capital (current assets less current liabilities) was \$160.2 million compared to \$116.7 million as at December 31, 2017. The increase is mainly attributable to the increase of \$38.5 million of trade and other receivables as a results of higher revenue in March 2018 compared to December 2017.

Contractual obligations

The following table indicates the Company's contractual obligations with their respective maturity dates at March 31, 2018, excluding future interest payments.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Unsecured revolving facility – June 2021	700,977	-	-	700,977	-
Term loan – June 2019 & 2020	500,000	-	500,000	-	-
Unsecured debentures – December 2020	125,000	-	125,000	-	-
Term loan – August 2019	75,000	-	75,000	-	-
Finance lease liabilities	12,292	8,785	3,339	168	-
Conditional sales contracts and other long-term debt	99,296	43,365	40,278	15,653	-
Operating leases and other commitments (see commitments)	567,867	179,132	161,715	88,052	138,968
Total contractual obligations	2,080,432	231,282	905,332	804,850	138,968

As at March 31, 2018, the Company had \$41.6 million of outstanding letters of credit (\$40.1 million on December 31, 2017).

¹ Refer to the section "Non-IFRS financial measures".

² Long-term debt divided by shareholders' equity.

³ Long-term debt divided by the sum of shareholders' equity and long-term debt.

The following table indicates the Company's financial covenants to be maintained under its credit facility. These covenants are measured on a consolidated rolling twelve-month basis:

Covenants	Requirements	As at March 31, 2018
Funded debt-to-EBITDA ratio [ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income tax, depreciation and amortization ("EBITDA"), including last twelve months adjusted EBITDA from business acquisitions]	< 3.50	2.85
EBITDAR-to-interest and rent ratio [ratio of EBITDAR (EBITDA before rent and including last twelve months adjusted EBITDAR from business acquisitions) to interest and net rent expenses]	> 1.75	3.33

The Company believes it will be in compliance with these covenants for the next twelve months.

Commitments, contingencies and off-balance sheet arrangements

The following table indicates the Company's commitments with their respective terms at March 31, 2018.

(unaudited) (in thousands of dollars)	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Operating leases – rolling stock	80,641	37,322	34,763	8,556	-
Operating leases – real estate & others	431,636	86,220	126,952	79,496	138,968
Other commitments	55,590	55,590	-	-	-
Total off-balance sheet obligations	567,867	179,132	161,715	88,052	138,968

Long-term real estate leases, totalling \$431.6 million, include eleven significant real estate commitments for an aggregate value of \$244.4 million, which expire between 2024 and 2035. A total of 298 properties constitute the remaining real estate operating leases.

Dividends and outstanding share data

Dividends

The Company declared \$18.5 million in dividends, or 21 cents per common share, in the first quarter of 2018.

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on October 2, 2017 and will expire on October 1, 2018, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. The Board of TFI International believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of TFI International's financial resources, as such action can protect and enhance shareholder value when opportunities or volatility arise.

For the three-month period ended March 31, 2018, the Company repurchased 1,086,364 common shares (2017 – nil) at a price ranging from \$32.18 to \$33.47 for a total purchase price of \$35.6 million (2017 – nil).

Outstanding shares, stock options and restricted share units

A total of 88,161,691 common shares were outstanding as at March 31, 2018 (December 31, 2017 – 89,123,588). There was no significant change in the Company's outstanding share capital between March 31, 2018 and April 25, 2018.

As at March 31, 2018, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 5,965,673 (December 31, 2017 – 5,493,286) of which 4,168,789 were exercisable (December 31, 2017 – 4,169,819). On February 20, 2018, the Board of Directors approved the grant of 617,735 stock options under the Company's stock option plan. Each stock option entitles the holder to purchase one common share of the Company at an exercise price based on the closing price of the volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the effective date of the grant.

As at March 31, 2018, the number of restricted share units ("RSUs") granted under the Company's equity incentive plan to the benefit of its senior employees was 301,637 (December 31, 2017 – 206,396). On February 20, 2018, the Board of Directors approved the grant of 95,243 RSUs under the Company's equity incentive plan. The RSUs will vest in December of the second year from the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

Legal proceedings

The Company is involved in litigation arising from the ordinary course of business primarily involving claims for bodily injury and property damage. It is not feasible to predict or determine the outcome of these or similar proceedings. However, the Company believes the ultimate recovery or liability, if any, resulting from such litigation individually or in total would not materially adversely affect the Company's financial condition or performance and, if necessary, have been provided for in the financial statements.

Subsequent event

On April 3, 2018, the Group acquired Normandin Transit Inc. ("Normandin"). Based in Napierville, Quebec, Normandin focuses on the transportation of less-than-truckload and full truckload freight shipments to and from U.S. or Canadian destinations.

OUTLOOK

The North American economy has improved. Unemployment is low, consumer spending remains solid, and recent tax law changes in the United States may further stimulate the economy. These factors should continue to produce a recovery in freight rates, although the Company expects they may also further increase cost pressure.

In addition to generally improving economic conditions, key internal drivers of revenue and operating income growth consist of further efficiency improvement, asset rationalization, tight cost controls, and the execution of a disciplined acquisition strategy in the fragmented North American transportation and logistics market.

In the Package and Courier and LTL segments, TFI International's priorities remain the consolidation of its operations, administration and IT platforms for additional savings and efficiency gains. In Package and Courier, the Company will remain proactive in implementing measures to further optimize asset utilization.

In LTL, TFI International plans to remain disciplined in adapting supply to demand, as overcapacity continues to affect the industry. To this end, the Company will continue to focus on major cities, cross-border, and high-density regions to enhance value. TFI International will also leverage its capabilities in asset-light intermodal activities that generate higher returns.

In the TL divisions, Canadian performance remained strong in the first quarter, which it is expected to continue throughout the year. The freight environment in the U.S. TL market has improved, which has led to a marked increase in freight rates, and management continues to focus on improving the network efficiency in the U.S.

In Logistics and Last Mile, the outlook is favourable as retailers increasingly view last mile delivery solutions as strategic to their businesses, and e-commerce continues to increase as a share of overall retail sales.

As the Company continues to embrace an asset-light business model, capital will be increasingly deployed in initiatives that provide a better return on capital and solid cash flow. In so doing, TFI International aims to increasingly distinguish itself by providing innovative, value-added solutions to its growing North American customer base. In the short term, TFI International will use its cash flow for opportunistic share repurchases, debt reimbursement, and bolt-on, accretive acquisitions.

TFI International is well positioned to benefit from an improving freight rate environment, and management is confident that the steps it is taking will continue to grow shareholder value. The Company aims to deliver on this commitment by adhering to its operating principles and by executing its strategy with the same discipline and rigour that have made TFI International a North American leader in the transportation and logistics industry.

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

<i>(unaudited) - (in millions of dollars, except per share data)</i>								
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	Q4'16	Q3'16	Q2'16
Total revenue*	1,196.5	1,192.9	1,176.6	1,263.8	1,204.1	1,168.0	1,001.4	1,003.8
Adjusted EBITDA ¹	129.0	131.0	128.2	145.7	109.5	127.9	113.8	116.2
Operating income	65.9	66.8	60.5	74.3	42.1	69.7	69.3	71.4
Net income (loss)	48.2	120.2	98.8	(75.0)	14.1	45.3	51.5	39.1
EPS – basic	0.54	1.34	1.10	(0.82)	0.15	0.50	0.56	0.42
EPS – diluted	0.53	1.31	1.07	(0.82)	0.15	0.48	0.55	0.41
Adjusted net income ¹	50.8	54.6	48.8	56.2	32.9	50.6	53.5	53.3
Adjusted EPS - diluted ¹	0.56	0.60	0.53	0.60	0.35	0.54	0.57	0.56

(*) Recasted for changes in presentation (see note 3 of the unaudited condensed consolidated interim financial statements).

The differences between the quarters are mainly the result of seasonality (softer in Q1) and business acquisitions. In Q4 2017, higher net income, as well as higher basic and diluted EPS, is mainly due to an income tax gain for \$76.1 million as a result of the U.S. tax reform. In Q3 2017, higher net income, as well as higher basic and diluted EPS, is mainly due to gain on sale of property for \$70.1 million, \$59.7 million after-tax. In Q2 2017, the Company

¹ Refer to the section "Non-IFRS financial measures".

recorded a net loss and negative basic and diluted EPS principally due to a goodwill impairment in its U.S. TL operating segment of \$129.8 million (no tax impact on this impairment).

NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS. This MD&A includes references to certain non-IFRS financial measures as described below. These non-IFRS measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation, in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. The terms and definitions of IFRS and non-IFRS measures used in this MD&A and a reconciliation of each non-IFRS measure to the most directly comparable IFRS measure are provided below or in the MD&A.

Adjusted net income: Net income or loss excluding amortization of intangible assets related to business acquisitions, net change in the fair value of derivatives, net foreign exchange gain or loss, gain or loss on sale of land and buildings and assets held for sale and impairment of intangible assets, net of tax. In presenting an adjusted net income and adjusted EPS, the Company's intent is to help provide an understanding of what would have been the net income and earnings per share in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks and non-compete agreements accounted for in business combinations and the income tax effects related to this amortization. Management also believes, in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company's ability to generate similar future cash flows. The Company excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring. See reconciliation on page 6.

Adjusted earnings per share (adjusted "EPS") - basic: Adjusted net income divided by the weighted average number of common shares.

Adjusted EPS - diluted: Adjusted net income divided by the weighted average number of diluted common shares.

Adjusted EBITDA: Net income or loss before finance income and costs, income tax expense (recovery), depreciation, amortization, gain or loss on sale of land and buildings and assets held for sale and impairment of intangible assets. Management believes adjusted EBITDA to be a useful supplemental measure. Adjusted EBITDA is provided to assist in determining the ability of the Company to generate cash from its operations.

Adjusted EBITDA reconciliation:

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	First quarters ended March 31	
	2018	2017
Net income	48,157	14,059
Net finance costs	13,946	15,389
Income tax expense (recovery)	13,284	(537)
Depreciation of property and equipment	47,366	52,345
Amortization of intangible assets	15,758	15,081
Gain on sale of land and buildings and assets held for sale	(9,537)	(9)
Impairment of intangible assets	-	13,211
Adjusted EBITDA	128,974	109,539

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

Free cash flow from continuing operations: 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. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to meet capital requirements. See reconciliation on page 14.

Free cash flow from continuing operations per share: Free cash flow from continuing operations divided by the weighted average number of common shares.

Operating expenses: Operating expenses, as defined in the unaudited condensed consolidated interim financial statements.

Operating income (loss): Net income or loss before finance income and costs, income tax expense (recovery), gain or loss on sale of land and buildings and assets held for sale, and impairment of intangible assets, as stated in the unaudited condensed consolidated interim financial statements.

Operating margin is calculated as a percentage of revenue before fuel surcharge.

Operating ratio: Operating expenses, net of fuel surcharge revenue, divided by revenue before fuel surcharge. Although the operating ratio is not a recognized financial measure defined by IFRS, it is a widely recognized measure in the transportation industry, which the Company believes it provides a comparable benchmark for evaluating the Company's performance. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses.

Operating ratio (unaudited) (in thousands of dollars)	First quarters ended March 31	
	2018	2017
Operating expenses	1,130,633	1,161,997
Fuel surcharge revenue	(134,869)	(112,614)
Operating expenses, net of fuel surcharge revenue	995,764	1,049,383
Revenue before fuel surcharge	1,061,614	1,091,496
Operating ratio	93.8%	96.1%

RISKS AND UNCERTAINTIES

The Company's future results may be affected by a number of factors over some of which the Company has little or no control. The following issues, uncertainties and risks, among others, should be considered in evaluating the Company's business and growth outlook for which more detailed information can be found in the December 31, 2017 MD&A:

- Competition;
- Regulation;
- International Operations;
- Operating Environment;
- General Economic, Credit, Business and Regulatory Conditions;
- Interest Rate Fluctuations;
- Currency Fluctuations;
- Price and Availability of Fuel;
- Insurance;
- Employee and Company's Labour Relations;
- Drivers;
- Acquisitions and Integration Risks;
- Environmental Matters;
- Environmental Contamination;
- Key Personnel;
- Dependence on Third Parties;
- Loan Default;
- Credit Facilities;
- Customer and Credit Risks;
- Availability of Capital;
- Information Systems;
- Litigation.

No changes affected the above-mentioned risk factors.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions

affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of goodwill and intangible assets, the measurement of identified assets and liabilities acquired in business combinations, the provision for income taxes, and the self-insurance provisions. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the financial statements of future periods.

CHANGES IN ACCOUNTING POLICIES

Adopted during the period

The following new standards, and amendments to standards and interpretations, are effective for the first time for interim periods beginning on or after January 1, 2018 and have been applied in preparing the unaudited condensed consolidated interim financial statements:

- IFRS 15, Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2
- IFRIC 22, Foreign Currency Transactions and Advance Consideration
- Annual Improvements to IFRS Standards (2014-2016 cycle)

Except modifications from the adoption of IFRS 15 as reported in note 3, these new standards did not have a significant impact on the Company's unaudited condensed consolidated interim financial statements.

Management's Discussion and Analysis

To be adopted in future periods

The following new standards and amendments to standards are not yet effective for the year ended December 31, 2018, and have not been applied in preparing the unaudited condensed consolidated interim financial statements:

IFRS 16, Leases

IFRIC 23, Uncertainty over Income Tax Treatments

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

Prepayment Features with Negative Compensation (Amendments to IFRS 9)

Annual Improvements to IFRS Standards (2015-2017 cycle)

Further information can be found in note 3 of the March 31, 2018 unaudited condensed consolidated interim financial statements.

CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DC&P")

The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed DC&P, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company is made known to the CEO and CFO by others, particularly during the period in which the interim and annual filings are being prepared; and
- information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal controls over financial reporting ("ICFR")

The CEO and CFO have also designed ICFR, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design the Company's ICFR is based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework).

Changes in internal controls over financial reporting

No changes were made to the Company's ICFR during the quarter ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.