



Q3 Third Quarterly Report

Three-Month Period Ended September 30, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the third quarter ended
September 30, 2019

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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", "TFI International" and "TFI" 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- and nine-month periods ended September 30, 2019 with the corresponding three- and nine-month periods ended September 30, 2018 and it reviews the Company's financial position as of September 30, 2019. It also includes a discussion of the Company's affairs up to October 24, 2019, which is the date of this MD&A. The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of September 30, 2019 and the audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2018.

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") unless otherwise noted. 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 October 24, 2019. 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 subsequent obligation 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

(unaudited) (in thousands of dollars, except per share data)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Revenue before fuel surcharge	1,165,820	1,127,440	3,447,153	3,345,918
Fuel surcharge	138,945	160,163	426,224	455,845
Total revenue	1,304,765	1,287,603	3,873,377	3,801,763
Adjusted EBITDA from continuing operations ¹	221,565	189,974	646,988	505,629
Operating income from continuing operations	131,887	128,223	387,330	327,241
Net income	82,641	86,713	235,455	215,266
Net income from continuing operations	82,641	86,713	247,933	215,266
Adjusted net income from continuing operations ¹	88,123	95,017	257,220	235,350
Net cash from continuing operating activities	187,057	166,557	489,111	369,655
Free cash flow from continuing operations ¹	129,709	86,287	359,739	235,790
Per share data				
EPS – diluted	0.98	0.96	2.74	2.37
EPS from continuing operations – diluted	0.98	0.96	2.88	2.37
Adjusted EPS from continuing operations – diluted ¹	1.04	1.04	2.99	2.58
Dividends	0.24	0.21	0.48	0.42
As a percentage of revenue before fuel surcharge				
Adjusted EBITDA margin ¹	19.0%	16.9%	18.8%	15.1%
Depreciation of property and equipment	4.9%	4.4%	4.8%	4.4%
Depreciation of right-of-use assets	2.3%	0.0%	2.2%	0.0%
Amortization of intangible assets	1.4%	1.4%	1.4%	1.4%
Operating margin ¹	11.3%	11.4%	11.2%	9.8%
Adjusted operating ratio ¹	89.6%	88.9%	89.7%	90.6%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Q3 Highlights

- Record third quarter operating income increased to \$131.9 million, up 3% from the same quarter last year, driven by strong execution across the organization, increased quality of revenue, an asset-light approach, and cost efficiencies.
- Operating margin¹, a non-IFRS measure, was 11.3% relative to 11.4% in the prior year quarter.
- Net income from continuing operations of \$82.6 million compares to \$86.7 million in Q3 2018.
- Diluted earnings per share (diluted "EPS") from continuing operations of \$0.98 compares to \$0.96 in Q3 2018.
- Adjusted net income from continuing operations¹, a non-IFRS measure, of \$88.1 million compares to \$95.0 million in Q3 2018.
- Adjusted diluted EPS from continuing operations¹, a non-IFRS measure, of \$1.04 was unchanged from Q3 2018.
- Net cash from continuing operating activities was \$187.1 million, up 12% compared to \$166.6 million in Q3 2018, due to stronger operating performance and the impact of the adoption of IFRS 16.
- Free cash flow¹, a non-IFRS measure, of \$129.7 million, was up 50% compared to \$86.3 million in Q3 2018.
- The Company's reportable segments performed as follows:
 - Package and Courier operating income increased 1% to \$28.2 million;
 - Less-Than-Truckload operating income increased 2% to \$25.8 million;
 - Truckload operating income increased 19% to \$75.8 million;
 - Logistics and Last Mile operating income decreased 18% to \$13.8 million.
- The Company returned \$84.2 million to shareholders during the quarter, of which \$20.0 million was through dividends and \$64.1 million was through share repurchases.
- During the quarter, TFI International completed two business acquisitions, including Craler Inc. and selected assets of AT Group US Logistics, LLC, formerly known as Dicom Logistics LLC.
- On August 30, 2019, the Toronto Stock Exchange approved an amendment to the Company's normal course issuer bid ("NCIB") entitling TFI International to repurchase for cancellation up to 8,300,000 common shares until expiry on October 1, 2019. A total of 1,638,246 common shares were repurchased and cancelled during the third quarter.
- On September 17, 2019, the Board of Directors of TFI declared a quarterly dividend of \$0.24. This dividend represented a 14% increase over the \$0.21 quarterly dividend declared in Q3 2018.

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

- On September 30, 2019, the Toronto Stock Exchange approved the renewal of the NCIB, allowing TFI International to repurchase for cancellation a maximum of 7,000,000 common shares over the twelve-month period from October 2, 2019 to October 1, 2020.
- On October 24, 2019, the Board of Directors of TFI has approved a \$0.26 quarterly dividend, an 8% increase over its previous quarterly dividend of \$0.24 per share, effective as of the next regular payment.

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 generally the weakest. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

Human resources

As at September 30, 2019 the Company had 17,651 employees in TFI International's various business segments across North America. This compares to 17,047 employees as at September 30, 2018. The year-over-year increase of 604 is attributable to business acquisitions that added 1,403 employees offset by rationalizations affecting 799 employees mainly in the Less-Than-Truckload ("LTL") and Logistics and Last Mile segments. 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 September 30, 2019, the Company had 7,834 power units, 25,952 trailers and 9,517 independent contractors. This compares to 7,315 power units, 25,055 trailers and 8,354 independent contractors as at September 30, 2018.

Facilities

TFI International's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at September 30, 2019, the Company had 390 facilities, as compared to 369 facilities as at September 30, 2018. Of these, 254 are located in Canada, including 163 and 91, in Eastern and Western Canada, respectively. The Company also had 124 facilities in the United States and 12 facilities in Mexico. In the last twelve months, 55 facilities were added from business acquisitions and terminal consolidation decreased the total number of facilities by 34, mainly in the Truckload ("TL") and Logistics and Last Mile segments. In Q3 2019, the Company closed 9 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 would not be expected to have a material adverse impact on operations. The Company has forged strategic partnerships with other transport companies in order to extend its service offering to customers across North America.

Revenue by Top Customers' Industry (60% of total revenue)	
Retail	26%
Manufactured Goods	16%
Food & Beverage	11%
Automotive	9%
Building Materials	8%
Metals & Mining	6%
Forest Products	5%
Energy	4%
Chemicals & Explosives	4%
Services	3%
Waste Management	2%
Maritime Containers	1%
Others	5%

(For the six-months ended June 30, 2019)

CONSOLIDATED RESULTS

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

2019 business acquisitions

In line with its growth strategy, the Company has acquired eight businesses during 2019: Toronto Tank Lines ("TTL"), Schilli Corporation ("Schilli"), Les Services JAG ("JAG"), Aulick Leasing Corp. ("Aulick"), certain assets of BeavEx Incorporated ("BeavEx"), Piston Tank Corporation ("Piston"), selected assets of AT Group US Logistics, LLC ("US Logistics"), and Craler Inc. ("Craler").

On February 19, 2019, TFI International completed the acquisition of TTL. Based in Ontario, TTL specializes in the transportation and storage of food grade liquids, industrial chemicals, specialty oils and waxes throughout Canada, the United States and Mexico.

On February 22, 2019, TFI International completed the acquisition of Schilli. Based in Missouri, Schilli specializes in the transportation of dry and liquid bulk and offers dedicated fleet solutions and other value-add services throughout the Midwest, Southeast and Gulf Coast regions of the United States.

On March 19, 2019, TFI International completed the acquisition of JAG. Based in Québec, JAG provides transportation services for explosives, mining and steel products, electronics, and household goods.

On April 1, 2019, TFI International completed the acquisitions of Aulick and its affiliate ShirAul, LLC. Based in Nebraska, Aulick provides contract hauling services for aggregate materials, wood byproduct, agriculture/commodities, beets, dry bulk materials, railroad traction sand and food grade product materials through the Central and Western U.S. ShirAul designs and manufactures the exclusive Bullet™ trailer.

On April 29, 2019 TFI International completed the acquisition of BeavEx and its affiliates Guardian Medical Logistics ("GML"), JNJW Enterprises, Inc. and USXP, LLC for a cash consideration of US\$7.2 million through the United States Bankruptcy Court for the District of Delaware. BeavEx primarily serves the growing final-mile delivery requirements of the financial, healthcare, retail, industrial, and manufacturing sectors, offering same-day, next-day, and on-demand home delivery services. Its logistics capabilities include final-mile, crossdocking, and distribution services. The BeavEx affiliate GML is an industry leading provider of final-mile, mission critical logistics and transportation services to the medical laboratory industry.

On June 14, 2019, TFI International completed the acquisition of Piston. Based in Missouri, Piston specializes in the transportation of viscous materials and offers a patented solution for the storage, handling, and transportation of these materials for the food and industrial products industries.

On August 7, 2019, TFI international completed the acquisition of selected assets of US Logistics. Based in Georgia, US Logistics provides medical logistics, final mile and brokerage services in select regions of the United States.

On August 22, 2019, TFI International completed the acquisition of Craler. Based in Québec, Craler provides brokerage, direct trucking and warehousing services across Canada, the United States and Mexico.

Revenue

For the three months ended September 30, 2019, total revenue reached \$1,304.8 million, up 1%, or \$17.2 million, from Q3 2018. The contribution from business acquisitions of \$120.7 million and positive currency impact of \$5.5 million were offset by decreases in fuel surcharge revenue of \$30.1 million and revenue before fuel surcharge of \$78.9 million, both in existing operations. The average exchange rate used to convert TFI International's revenue generated in U.S. dollars was 1.0% higher this quarter (C\$1.3204) than it was for the same quarter last year (C\$1.3070).

For the nine-month period ended September 30, 2019, total revenue reached \$3.87 billion, up 2%, or \$71.6 million, from \$3.80 billion in the same period in 2018 mainly due to the contribution from business acquisitions of \$309.2 million and positive currency impact of \$49.8 million which were offset by decreases in fuel surcharge revenue of \$57.0 million and revenue before fuel surcharge of \$230.3 million, both in existing operations.

Operating expenses from continuing operations

For the three months ended September 30, 2019, the Company's operating expenses from continuing operations slightly increased by \$13.5 million, to \$1,172.9 million from \$1,159.4 million in Q3 2018. The increase attributable to business acquisitions of \$111.4 million was offset by a net decrease of \$97.9 million, or 8%, in existing operating expenses. Operating improvements, better fleet utilization and lower material and services expenses as a percentage of revenue contributed to maintaining the operating expenses in the Company's existing operations below the Q3 2018 level as a percentage of total revenue.

For the three months ended September 30, 2019, material and services expenses, net of fuel surcharge, decreased by 0.8 percentage points of revenue before fuel surcharge compared to the same period last year due to lower subcontractor, rolling stock lease and fuel costs as a percentage of revenue before fuel surcharge. Mainly due to IFRS 16 adoption, equipment lease expense decreased \$13.1 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these operating leases are now capitalized and depreciation expense was recorded and presented under depreciation of right-of-use assets in the income statement. Right-of-use assets depreciation on rolling stock amounted to \$8.4 million for Q3 2019.

Other operating expenses, which are primarily composed of costs related to office and terminal rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses, decreased 1.4 percentage points of revenue before fuel surcharge compared to the same period last year due to lower terminal rent expenses. Due to IFRS 16 adoption, real estate lease expense decreased \$21.6 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and depreciation expense was recorded and presented under depreciation of right-of-use assets in the income statement. Right-of-use assets depreciation on real estate leases amounted to \$17.8 million for Q3 2019.

For the three months ended September 30, 2019, depreciation of right-of-use assets amounting to \$26.4 million is mainly composed of rolling stock and real estate leases that are now treated as finance leases due to IFRS 16 adoption on January 1, 2019. As permitted with this new standard, comparative information has not been restated.

For the three-month period ended September 30, 2019, the gain on sale of assets held for sale was \$10.1 million, compared to \$2.9 million in Q3 2018. Four properties were disposed of for a consideration of \$16.0 million.

For the nine-month period ended September 30, 2019, the Company's operating expenses from continuing operations increased by \$11.5 million from \$3.47 billion in 2018 to \$3.49 billion in 2019. The increase is mainly attributable to business acquisitions for \$272.9 million offset by a net decrease of \$261.4 million primarily attributable to lower material and service expenses in the Company's existing operations as a result of lower revenue.

Operating income from continuing operations

For the three months ended September 30, 2019, TFI International's operating income from continuing operations rose by \$3.7 million to \$131.9 million compared to \$128.2 million in the same quarter in 2018. The adoption of IFRS 16 contributed to \$3.8 million to the increase. The operating margin as a percentage of revenue before fuel surcharge declined slightly, from 11.4% in Q3 2018 to 11.3% in Q3 2019. All reportable segments except for the Logistics and Last Mile segment reported margin increases. Notably, the TL segment reported a margin increase of 1.4 percentage points primarily as a result of better operating performance.

Finance income and costs

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Three months ended September 30		Nine months ended September 30	
Finance costs (income)	2019	2018	2019	2018
Interest expense on long-term debt	14,662	13,437	43,314	41,450
Interest expense on lease liabilities	4,590	-	13,991	-
Interest income and accretion on promissory note	(728)	(710)	(2,183)	(2,060)
Net change in fair value and accretion expense of contingent considerations	54	703	191	497
Net foreign exchange (gain) loss	545	(125)	790	(981)
Net change in fair value of foreign exchange derivatives	-	(85)	-	(299)
Net change in fair value of interest rate derivatives	-	(222)	-	(46)
Others	2,035	3,909	7,196	9,785
Net finance costs	21,158	16,907	63,299	48,346

Interest expense on lease liabilities

Following adoption of IFRS 16 Leases, the amounts previously recognized as lease expenses were replaced by the depreciation of right-of-use assets and the financing costs on the lease liabilities. As permitted with this new standard, comparative information has not been restated.

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 September 30, 2019, a loss of \$3.4 million of foreign exchange variations (\$3.0 million net of tax) was recorded to other comprehensive income as net investment hedge. For the three-month period ended September 30, 2018, a gain of \$5.6 million of foreign exchange variations (\$4.9 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 fair values of the Company's derivative financial instruments, which are used to mitigate foreign exchange and interest rate risks, are subject to market price fluctuations in foreign exchange and interest rates.

The Company designates the interest rate derivatives as a hedge of the variable interest rate instruments. Therefore, the effective portion of changes in fair value of the derivatives is recognized in other comprehensive income. For the three-month period ended September 30, 2019, the loss of \$2.5 million on change in fair value of interest rate derivatives was entirely designated as cash flow hedge and recorded to other comprehensive income as a change in the fair value of the cash flow hedge (a loss of \$1.8 million net of tax). For the three-month period ended September 30, 2018, \$0.1 million gain on change in fair value of interest rate derivatives (nil net of tax), was designated as cash flow hedge and recorded to other comprehensive income as a change in the fair value of the cash flow hedge.

Income tax expense

For the three months ended September 30, 2019, the effective tax rate was 25.3%. The income tax expense of \$28.1 million reflects a \$1.5 million favourable variance versus an anticipated income tax expense of \$29.6 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 \$3.7 million net of negative differences of \$1.2 million for both non-deductible expenses and prior year adjustments.

For the nine-month period ended September 30, 2019, the effective tax rate was 23.4%. The income tax expense of \$76.1 million reflects a \$10.4 million favourable variance versus an anticipated income tax expense of \$86.5 million based on the Company's statutory tax rate of 26.7%. The favourable

variance is mainly due to differences between the statutory rate and the effective rates in other jurisdictions of \$10.5 million and on tax exempt income of \$4.4 million.

The U.S. Tax Reform Bill signed on December 22, 2017 introduced important changes to U.S. corporate income tax laws that may affect the Company's current and future years including limitations to the deduction for net interest expense incurred by U.S. corporations. Future regulations and interpretations to be issued by U.S. authorities may also impact the Company's estimates and assumptions used in calculating its income tax provisions. The timing and scope of such regulations and interpretative guidance are uncertain. Management believes that upon issuance of regulation and interpretative guidance that is expected by the end of 2019, an estimated full-year tax benefit of \$8.5 million recorded as income could be reversed in Q4 2019. For the nine-month period ended September 30, 2019, this tax benefit amounted to \$6.4 million. This reversal would relate to fiscal year 2019 only and should not apply to future periods.

Net loss from discontinued operations

During the nine months ended September 30, 2019, the Company recognized a net loss on an accident claim of \$12.5 million, or \$16.6 million net of \$4.1 million of tax recovery. This claim originated from an operating entity within the discontinued rig moving operations, which were closed in 2015.

Net income and adjusted net income from continuing operations

(unaudited) (in thousands of dollars, except per share data)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Net income	82,641	86,713	235,455	215,266
Amortization of intangible assets related to business acquisitions, net of tax	12,015	10,802	35,078	33,041
Net change in fair value and accretion expense of contingent considerations, net of tax	40	515	140	364
Net change in fair value of derivatives, net of tax	-	(225)	-	(253)
Net foreign exchange (gain) loss, net of tax	399	(92)	579	(719)
Bargain purchase gain	-	-	(10,787)	-
Gain on sale of land and buildings and assets held for sale, net of tax	(6,972)	(2,696)	(15,723)	(12,349)
Net loss from discontinued operations	-	-	12,478	-
Adjusted net income from continuing operations¹	88,123	95,017	257,220	235,350
Adjusted EPS from continuing operations – basic¹	1.07	1.08	3.06	2.67
Adjusted EPS from continuing operations – diluted¹	1.04	1.04	2.99	2.58

For the three months ended September 30, 2019, TFI International's net income was \$82.6 million compared to \$86.7 million in Q3 2018. The decrease of \$4.1 million is mainly attributable to an increase in income tax expense of \$3.4 million compared to the same quarter last year. The Company's adjusted net income from continuing operations¹, a non-IFRS measure, which excludes items listed in the above table, was \$88.1 million this quarter compared to \$95.0 million in Q3 2018, down 7% or \$6.9 million. The adjusted EPS from continuing operations, fully diluted, was stable at \$1.04.

For the nine-month period ended September 30, 2019, TFI International's net income was \$235.5 million compared to \$215.3 million in 2018. The increase of \$20.2 million is mainly attributable to stronger operating income, the \$10.8 million bargain purchase gain on the BeavEx acquisition and the contribution from business acquisitions of \$25.5 million net of the loss from discontinued operations of \$12.5 million. The Company's adjusted net income from continuing operations was \$257.2 million in 2019 compared to \$235.4 in 2018, up 9% or \$21.9 million. Adjusted EPS from continuing operations, fully diluted, increased by 16%, to \$2.99.

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

SEGMENTED RESULTS

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

(unaudited) (in thousands of dollars)	Package and Courier	Less- Than- Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
Three months ended September 30, 2019							
Revenue before fuel surcharge ¹	154,830	205,434	557,205	256,791	-	(8,440)	1,165,820
% of total revenue ²	14%	18%	48%	20%			100%
Adjusted EBITDA from continuing operations	35,490	43,621	127,380	25,926	(10,852)	-	221,565
Adjusted EBITDA margin ³	22.9%	21.2%	22.9%	10.1%			19.0%
Operating income (loss)	28,232	25,791	75,762	13,796	(11,694)	-	131,887
Operating margin ³	18.2%	12.6%	13.6%	5.4%			11.3%
Net capital expenditures ^{4, 5}	4,355	3,257	50,976	342	(1,582)		57,348
Three months ended September 30, 2018*							
Revenue before fuel surcharge ¹	154,571	227,514	520,647	234,700	-	(9,992)	1,127,440
% of total revenue ²	14%	21%	46%	19%			100%
Adjusted EBITDA from continuing operations	31,155	34,322	106,625	22,865	(4,993)	-	189,974
Adjusted EBITDA margin ³	20.2%	15.1%	20.5%	9.7%			16.9%
Operating income (loss)	27,965	25,409	63,658	16,815	(5,624)	-	128,223
Operating margin ³	18.1%	11.2%	12.2%	7.2%			11.4%
Net capital expenditures ^{4, 6}	6,294	11,811	61,375	577	213		80,270
Nine months ended September 30, 2019							
Revenue before fuel surcharge ¹	460,302	632,495	1,654,710	725,990	-	(26,344)	3,447,153
% of total revenue ²	14%	19%	48%	19%			100%
Adjusted EBITDA from continuing operations	102,328	126,763	361,800	81,211	(25,114)	-	646,988
Adjusted EBITDA margin ³	22.2%	20.0%	21.9%	11.2%			18.8%
Operating income (loss)	79,163	83,701	193,747	57,618	(26,899)	-	387,330
Operating margin ³	17.2%	13.2%	11.7%	7.9%			11.2%
Total assets less intangible assets	226,099	518,349	1,610,566	214,194	56,171		2,625,379
Net capital expenditures ^{4, 7}	10,123	(445)	119,569	1,315	(1,190)		129,372
Nine months ended September 30, 2018*							
Revenue before fuel surcharge ¹	455,723	670,326	1,536,424	718,137	-	(34,692)	3,345,918
% of total revenue ²	14%	20%	46%	20%			100%
Adjusted EBITDA from continuing operations	88,676	84,797	281,331	69,793	(18,968)	-	505,629
Adjusted EBITDA margin ³	19.5%	12.7%	18.3%	9.7%			15.1%
Operating income (loss)	78,805	61,671	155,441	51,641	(20,317)	-	327,241
Operating margin ³	17.3%	9.2%	10.1%	7.2%			9.8%
Total assets less intangible assets	142,215	388,012	1,315,407	131,790	58,959		2,036,383
Net capital expenditures ^{4, 8}	9,428	9,396	113,590	1,753	(302)		133,865

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

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 recast to conform to the new structure.

¹ Includes intersegment revenue.

² Segment revenue including fuel and intersegment revenue to consolidated revenue including fuel and intersegment revenue.

³ As a percentage of revenue before fuel surcharge.

⁴ Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.

⁵ Q3 2019 net capital expenditures include proceeds from the sale of property for consideration of \$2.5 million in the P&C segment, of \$11.9 million in the TL segment and of \$1.8 million in the corporate segment.

⁶ Q3 2018 net capital expenditures include proceeds from the sale of property for consideration of \$5.5 million in the TL segment.

⁷ Q3 YTD 2019 net capital expenditures include proceeds from the sale of property for consideration of \$2.5 million in the P&C segment, of \$17.2 million in the LTL segment, of \$11.9 million in the TL segment and of \$2.0 million in the corporate segment.

⁸ Q3 YTD 2018 net capital expenditures include proceeds from the sale of property for consideration of \$4.5 million in the LTL segment, of \$21.7 million in the TL segment and of \$0.8 million in the corporate segment.

Package and Courier

(unaudited) (in thousands of dollars)	Three months ended September 30				Nine months ended September 30			
	2019	%	2018*	%	2019	%	2018*	%
Total revenue	176,170		178,812		524,399		524,128	
Fuel surcharge	(21,340)		(24,241)		(64,097)		(68,405)	
Revenue	154,830	100.0%	154,571	100.0%	460,302	100.0%	455,723	100.0%
Materials and services expenses (net of fuel surcharge)	67,569	43.6%	64,637	41.8%	196,263	42.6%	189,792	41.6%
Personnel expenses	44,344	28.6%	45,312	29.3%	136,753	29.7%	136,198	29.9%
Other operating expenses	7,424	4.8%	13,485	8.7%	25,201	5.5%	41,124	9.0%
Depreciation of property and equipment	3,504	2.3%	2,850	1.8%	9,884	2.1%	8,815	1.9%
Depreciation of right-of-use assets	4,643	3.0%	-	0.0%	13,607	3.0%	-	0.0%
Amortization of intangible assets	310	0.2%	340	0.2%	873	0.2%	1,056	0.2%
(Gain) loss on sale of rolling stock and equipment	2	0.0%	(18)	0.0%	(242)	-0.1%	(67)	0.0%
(Gain) loss on disposal of right-of-use assets	1	0.0%	-	0.0%	(1)	0.0%	-	0.0%
Gain on sale of assets held for sale	(1,199)	-0.8%	-	0.0%	(1,199)	-0.3%	-	0.0%
Operating income	28,232	18.2%	27,965	18.1%	79,163	17.2%	78,805	17.3%
Adjusted EBITDA	35,490	22.9%	31,155	20.2%	102,328	22.2%	88,676	19.5%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Operational data (unaudited)	Three months ended September 30				Nine months ended September 30			
	2019	2018	Variance	%	2019	2018	Variance	%
Revenue per pound (including fuel)	\$0.44	\$0.45	(\$0.01)	-2.2%	\$0.47	\$0.46	\$0.01	2.2%
Revenue per pound (excluding fuel)	\$0.39	\$0.39	\$0.00	0.0%	\$0.41	\$0.40	\$0.01	2.5%
Revenue per shipment (including fuel)	\$8.23	\$8.21	\$0.02	0.2%	\$8.26	\$8.09	\$0.17	2.1%
Tonnage (in thousands of metric tons)	180	180	0	0.0%	510	517	(7)	-1.4%
Shipments (in thousands)	21,398	21,770	(372)	-1.7%	63,499	64,759	(1,260)	-1.9%
Average weight per shipment (in lbs.)	18.54	18.22	0.32	1.8%	17.70	17.60	0.10	0.6%
Vehicle count, average	1,001	936	65	6.9%	984	958	26	2.7%
Weekly revenue per vehicle (incl. fuel, in thousands of dollars)	\$13.54	\$14.70	(\$1.16)	-7.9%	\$13.66	\$14.03	(\$0.37)	-2.6%

Revenue

For the three months ended September 30, 2019, revenue slightly increased by \$0.3 million, from \$154.6 million in 2018 to \$154.8 million in 2019. This stability in revenue is attributable to stable tonnage and revenue per pound (excluding fuel surcharge) that were the same in 2019 vs 2018. Stability in tonnage year-over-year was the result of a 1.7% decrease in number of shipments offset by a 1.8% increase in average weight per shipment.

For the nine-month period ended September 30, 2019, revenue increased by \$4.6 million, or 1%, from \$455.7 million to \$460.3 million.

Operating expenses

For the three months ended September 30, 2019, materials and services expenses, net of fuel surcharge revenue, increased \$2.9 million or 5% due to a \$2.9 million decrease in fuel surcharge revenue. Personnel expenses as a percentage of revenue decreased from 29.3% in 2018 to 28.6% in 2019, with the reduction coming in almost equal parts from direct salaries and from management, sales and office salaries. Other operating expenses decreased \$6.1 million in the third quarter of 2019 mainly due to IFRS 16 adoption. Real estate lease expense decreased \$5.5 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense was recorded and presented under depreciation of right-of-use assets. Right-of-use assets depreciation on equipment and real estate leases amounted to \$4.6 million for Q3 2019.

For the nine-month period ended September 30, 2019, materials and services expenses, net of fuel surcharge revenue, increased \$6.5 million or 3% due to a \$4.6 million increase in subcontractor costs, combined with a \$4.3 million decrease in fuel surcharge revenue, partially offset by a \$2.1 million reduction in rolling stock lease costs partly due to IFRS 16 adoption. Personnel expenses as a percentage of revenue slightly decreased from 29.9% in 2018 to 29.7% in 2019 and that decrease is entirely coming from a reduction in direct salaries. Other operating expenses decreased \$15.9 million in the first nine months of 2019 mainly due to real estate lease expense that decreased \$15.9 million following IFRS 16 adoption. Right-of-use assets depreciation on equipment and real estate leases amounted to \$13.6 million for the first nine months of 2019.

Gain on sale of property

For the nine-month period ending September 30, 2019, a \$1.2 million gain on sale of assets held for sale was recorded in the Package and Courier segment following the sale of one property for a consideration of \$2.5 million.

Operating income

Operating income for the three-months ended September 30, 2019 slightly increased by 1% or \$0.3 million compared to the third quarter of 2018 and the operating margin was 18.2% in the third quarter of 2019 compared to 18.1% for the same period in 2018.

For the nine-month period ended September 30, 2019, operating margin was 17.2%, a slight decrease from 17.3% for the same period in 2018.

Less-Than-Truckload

(unaudited) (in thousands of dollars)	Three months ended September 30				Nine months ended September 30			
	2019	%	2018*	%	2019	%	2018*	%
Total revenue	237,644		268,231		733,530		785,184	
Fuel surcharge	(32,210)		(40,717)		(101,035)		(114,858)	
Revenue	205,434	100.0%	227,514	100.0%	632,495	100.0%	670,326	100.0%
Materials and services expenses (net of fuel surcharge)	101,623	49.5%	117,828	51.8%	319,802	50.6%	358,016	53.4%
Personnel expenses	52,389	25.5%	55,965	24.6%	161,611	25.6%	168,230	25.1%
Other operating expenses	7,912	3.9%	19,581	8.6%	25,154	4.0%	59,735	8.9%
Depreciation of property and equipment	7,123	3.5%	6,040	2.7%	19,374	3.1%	17,404	2.6%
Depreciation of right-of-use assets	7,930	3.9%	-	0.0%	24,808	3.9%	-	0.0%
Amortization of intangible assets	2,777	1.4%	2,812	1.2%	8,279	1.3%	8,042	1.2%
Gain on sale of rolling stock and equipment	(109)	-0.1%	(182)	-0.1%	(483)	-0.1%	(452)	-0.1%
Gain on disposal of right-of-use assets	(2)	0.0%	-	0.0%	(352)	-0.1%	-	0.0%
(Gain) loss on sale of land and buildings and assets held for sale	-	0.0%	61	0.0%	(9,399)	-1.5%	(2,320)	-0.3%
Operating income	25,791	12.6%	25,409	11.2%	83,701	13.2%	61,671	9.2%
Adjusted EBITDA	43,621	21.2%	34,322	15.1%	126,763	20.0%	84,797	12.7%

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Operational data (unaudited)	Three months ended September 30				Nine months ended September 30			
	2019	2018	Variance	%	2019	2018	Variance	%
Adjusted operating ratio	87.4%	88.8%			88.3%	91.1%		
Revenue per hundredweight (excluding fuel)	\$13.51	\$13.18	\$0.33	2.5%	\$13.31	\$12.38	\$0.93	7.5%
Revenue per shipment (including fuel)	\$320.28	\$316.68	\$3.60	1.1%	\$318.79	\$299.69	\$19.10	6.4%
Tonnage (in thousands of tons)	760	863	(103)	-11.9%	2,375	2,707	(332)	-12.3%
Shipments (in thousands)	742	847	(105)	-12.4%	2,301	2,620	(319)	-12.2%
Average weight per shipment (in lbs)	2,049	2,038	11	0.5%	2,064	2,066	(2)	-0.1%
Average length of haul (in miles)	824	833	(9)	-1.1%	827	827	0	0.0%
Vehicle count, average	1,031	1,081	(50)	-4.6%	1,027	983	53	5.4%

Revenue

For the three months ended September 30, 2019, the LTL segment's revenue was \$205.4 million, a \$22.1 million, or 10%, decrease when compared to the same period in 2018. The decrease in revenue is due to a 12% decrease in tonnage partially offset by a 2.5% increase in revenue per hundredweight (excluding fuel). The decrease in tonnage was the result of a 12% decrease in shipments slightly offset by a 0.5% increase in weight per average shipment. For the quarter ended September 30, 2019, the LTL segment improved its yield as reflected by the 2.5% increase in revenue per hundredweight (excluding fuel) that went from \$13.18 in Q3 2018 to \$13.51 in Q3 2019.

For the nine-month period ended September 30, 2019, revenue decreased \$37.8 million or 6% to \$632.5 million.

Operating expenses

For the three months ended September 30, 2019, materials and services expenses, net of fuel surcharge revenue, decreased \$16.2 million, or 14%, due to a \$17.2 million decrease in sub-contractor cost, mostly attributable to a decrease in tonnage. Following the same trend, personnel expenses decreased 6.4% year-over-year. Other operating expenses decreased \$11.7 million in the third quarter of 2019, mainly due to IFRS 16 adoption. Real estate lease expense decreased \$9.0 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense was recorded and presented under depreciation of right-of-use assets. Right-of-use assets depreciation on equipment and real estate leases amounted to \$7.9 million for Q3 2019.

For the nine-month period ended September 30, 2019, materials and services expenses, net of fuel surcharge, decreased \$38.2 million, or 11%, due to a \$43.8 million reduction in subcontractor cost partially offset by a \$3.2 million increase in rolling stock maintenance and repair costs. Personnel expenses as a percentage of revenue before fuel surcharge slightly increased from 25.1% in 2018 to 25.6% in 2019. Other operating expenses decreased \$34.6 million when compared to the same period in 2018, mainly due to a \$26.0 million decrease in real estate lease expense related to IFRS 16 adoption. Right-of-use assets depreciation on equipment and real estate leases was \$24.8 million for the first nine months of 2019.

Gain on sale of property

For the nine-month period ended September 30, 2019, a \$9.4 million gain on sale of assets held for sale was recorded in the LTL segment following the sale of three properties for a total consideration of \$17.2 million.

Operating income

Operating income for the three months ended September 30, 2019 increased \$0.4 million, or 2%, when compared to the same period in 2018. Although volume decreased 12% year over year, operating income grew through better yield and quality of revenue, continued tight asset management, cost optimisation and improvements in route density. As a percentage of revenue, operating income was 12.6% during the third quarter of 2019, a significant improvement versus 11.2% for the same period in 2018. The third quarter of 2019 adjusted operating ratio was 87.4%, a 1.4 percentage point improvement when compared to 88.8% for the same period in 2018.

For the nine-month period ended September 30, 2019, operating income increased \$22.0 million to \$83.7 million and the adjusted operating ratio improved 2.8 percentage points, from 91.1% in 2018 to 88.3% in 2019.

Truckload

(unaudited) (in thousands of dollars)	Three months ended September 30				Nine months ended September 30			
	2019	%	2018*	%	2019	%	2018*	%
Total revenue	633,547		604,759		1,889,630		1,778,704	
Fuel surcharge	(76,342)		(84,112)		(234,920)		(242,280)	
Revenue	557,205	100.0%	520,647	100.0%	1,654,710	100.0%	1,536,424	100.0%
Materials and services expenses (net of fuel surcharge)	234,099	42.0%	232,648	44.7%	701,824	42.4%	720,687	46.9%
Personnel expenses	184,550	33.1%	166,109	31.9%	551,734	33.3%	488,119	31.8%
Other operating expenses	17,387	3.1%	17,869	3.4%	54,425	3.3%	51,883	3.4%
Depreciation of property and equipment	45,085	8.1%	39,665	7.6%	132,785	8.0%	116,782	7.6%
Depreciation of right-of-use assets	7,896	1.4%	-	-	22,820	1.4%	-	-
Amortization of intangible assets	7,657	1.4%	6,510	1.3%	22,240	1.3%	20,736	1.3%
Gain on sale of rolling stock and equipment	(5,932)	-1.1%	(2,604)	-0.5%	(14,747)	-0.9%	(5,596)	-0.4%
Gain on disposal of right-of-use assets	(279)	-0.1%	-	-	(326)	-0.0%	-	-
Gain on sale of land and buildings and assets held for sale	(9,020)	-1.6%	(3,208)	-0.6%	(9,792)	-0.6%	(11,628)	-0.8%
Operating income	75,762	13.6%	63,658	12.2%	193,747	11.7%	155,441	10.1%
Adjusted EBITDA	127,380	22.9%	106,625	20.5%	361,800	21.9%	281,331	18.3%

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Operational data (unaudited) (all Canadian dollars unless otherwise specified)	Three months ended September 30				Nine months ended September 30			
	2019	2018	Variance	%	2019	2018	Variance	%
U.S. based Conventional TL								
Revenue (in thousands of U.S. dollars)	162,377	171,766	(9,389)	-5.5%	490,297	510,532	(20,235)	-4.0%
Adjusted operating ratio	90.9%	92.4%			91.2%	95.0%		
Total mileage (in thousands)	88,636	94,735	(6,099)	-6.4%	267,199	290,537	(23,338)	-8.0%
Tractor count, average	2,942	3,109	(167)	-5.4%	2,970	3,093	(123)	-4.0%
Trailer count, average	11,028	11,210	(182)	-1.6%	11,008	11,205	(197)	-1.8%
Tractor age	1.8	2.1	(0.3)	-14.3%	1.8	2.1	(0.3)	-14.3%
Trailer age	6.8	6.8	0.0	0.0%	6.8	6.8	0.0	0.0%
Number of owner operators, average	376	425	(49)	-11.5%	387	473	(86)	-18.2%
Canadian based Conventional TL								
Revenue (in thousands of dollars)	71,299	78,154	(6,855)	-8.8%	226,131	234,288	(8,157)	-3.5%
Adjusted operating ratio	83.1%	85.2%			85.5%	87.4%		
Total mileage (in thousands)	23,019	26,139	(3,120)	-11.9%	74,706	80,148	(5,442)	-6.8%
Tractor count, average	657	700	(43)	-6.1%	698	714	(16)	-2.2%
Trailer count, average	2,824	3,182	(358)	-11.3%	2,903	3,102	(199)	-6.4%
Tractor age	2.6	2.8	(0.2)	-7.1%	2.6	2.8	(0.2)	-7.1%
Trailer age	5.5	5.6	(0.1)	-1.8%	5.5	5.6	(0.1)	-1.8%
Number of owner operators, average	348	371	(23)	-6.2%	351	368	(17)	-4.6%
Specialized TL								
Revenue (in thousands of dollars)	273,029	220,333	52,696	23.9%	784,955	650,025	134,930	20.8%
Adjusted operating ratio	87.1%	85.6%			88.0%	87.5%		
Tractor count, average	2,194	1,439	755	52.5%	2,066	1,407	659	46.8%
Trailer count, average	6,341	4,541	1,800	39.6%	6,104	4,597	1,507	32.8%
Tractor age	4.1	3.6	0.5	13.9%	4.1	3.6	0.5	13.9%
Trailer age	11.4	10.2	1.2	11.8%	11.4	10.2	1.2	11.8%
Number of owner operators, average	1,225	1,054	171	16.2%	1,175	1,079	96	8.9%

Revenue

For the three months ended September 30, 2019, TL revenue increased by \$36.6 million or 7%, from \$520.6 million in Q3 2018 to \$557.2 million mainly due to business acquisition contributions of \$70.5 million and favourable currency fluctuations of \$3.2 million offset by mileage and volume decreases. Average revenue per total mile for conventional TL operations increased by 0.6% in the U.S. and by 2.0% in Canada compared to Q3 2018.

As part of its asset-light strategy, the TL segment increased its brokerage revenue by 10%, to \$74.6 million compared to the same quarter last year.

For the nine-month period ended September 30, 2019, TL revenue increased by \$118.3 million or 8% from \$1,536.4 million in 2018 to \$1,654.7 million in 2019. This increase is mainly due to recent business acquisitions, which contributed \$195.6 million, and favourable currency fluctuations of \$29.6 million offset by decreases in fuel surcharge revenue of \$29.3 million and revenue before fuel surcharge of \$104.6 million, both in existing operations. On the brokerage side, revenue increased by 5% or \$11.0 million while margins were steady.

Operating expenses

For the three months ended September 30, 2019, operating expenses, net of fuel surcharge, increased by \$24.5 million or 5% from \$457.0 million in Q3 2018 to \$481.4 million in Q3 2019. The TL segment continues to improve its cost structure and increase the productivity of its assets. Material and services

expenses, net of fuel surcharge, decreased by 2.7 percentage points of revenue compared to the third quarter of 2018, mainly due to IFRS 16 adoption. Equipment lease expense decreased \$9.4 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense of \$5.7 million was recorded and presented under depreciation of right-of-use assets in Q3 2019. Personnel expenses increased by 1.2 percentage points of revenue, mainly attributable to driver compensation adjustments in order to improve retention and attract new drivers. The Company achieved cost and efficiency improvements and continues to focus on being cost-conscious improving the efficiency and profitability of its existing fleet and network of independent contractors.

For the nine-month period ended September 30, 2019, TL operating expenses, net of fuel surcharge, increased by \$80.0 million or 6% which is mainly due to business acquisitions. Excluding business acquisitions, operating expenses decreased by \$97.8 million, or 7%, from \$1,381.0 million in 2018 to \$1,283.2 million in 2019.

Gain on sale of property

For the nine-month period ended September 30, 2019, a \$9.0 million gain on sale of assets held for sale was recorded in the Truckload segment following the sale of three properties for a total consideration of \$11.9 million.

Operating income

The Company's operating income in the TL segment for the three months ended September 30, 2019 reached \$75.8 million, up from \$63.7 million in Q3 2018. This represents an increase of 19% and is mainly due to higher revenue per mile, lower costs, and a more efficient truckload freight network. Initiatives aimed at equipment cost reductions have continued to yield positive results, including lower repair and maintenance costs due to a newer fleet. Operating margin increased to 13.6% compared to 12.2% in Q3 2018.

For the nine-month period ended September 30, 2019, the TL segment increased its operating income by \$38.3 million or 25% from \$155.4 million in 2018 to \$193.7 million in 2019.

Logistics and Last Mile

(unaudited) (in thousands of dollars)	Three months ended September 30				Nine months ended September 30			
	2019	%	2018*	%	2019	%	2018*	%
Total revenue	266,856		247,255		755,500		753,196	
Fuel surcharge	(10,065)		(12,555)		(29,510)		(35,059)	
Revenue	256,791	100,0%	234,700	100,0%	725,990	100,0%	718,137	100,0%
Materials and services expenses (net of fuel surcharge)	180,748	70,4%	163,855	69,8%	510,358	70,3%	496,312	69,1%
Personnel expenses	32,890	12,8%	32,109	13,7%	94,561	13,0%	102,451	14,3%
Other operating expenses	17,368	6,8%	15,882	6,8%	39,992	5,5%	49,702	6,9%
Depreciation of property and equipment	724	0,3%	729	0,3%	2,001	0,3%	2,195	0,3%
Depreciation of right-of-use assets	5,555	2,2%	-	-	15,448	2,1%	-	-
Amortization of intangible assets	5,851	2,3%	5,314	2,3%	16,931	2,3%	15,950	2,2%
Bargain purchase gain	-	-	-	-	(10,787)	-1,5%	-	-
Gain on sale of rolling stock and equipment	(82)	-0,0%	(11)	-0,0%	(49)	-0,0%	(121)	-0,0%
Gain on disposal of right-of-use assets	(59)	-0,0%	-	-	(83)	-0,0%	-	-
Loss on sale of land and buildings	-	-	7	0,0%	-	-	7	0,0%
Operating income	13,796	5,4%	16,815	7,2%	57,618	7,9%	51,641	7,2%
Adjusted EBITDA	25,926	10,1%	22,865	9,7%	81,211	11,2%	69,793	9,7%

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On August 7, 2019, TFI international completed the acquisition of selected assets of US Logistics. Based in Georgia, US Logistics provides medical logistics, final mile and brokerage services in select regions of the United States.

On August 22, 2019, TFI International completed the acquisition of Craler. Based in Québec, Craler provides brokerage, direct trucking and warehousing services across Canada, the United States and Mexico.

Revenue

For the three months ended September 30, 2019, revenue increased by \$22.1 million, or 9%, from \$234.7 million in 2018 to \$256.8 million. The increase is mainly attributable to business acquisitions of \$41.4 million and a positive foreign exchange impact of \$1.9 million, net of a \$21.2 million decrease due to lower volumes compared to the same period in the previous year.

For the nine-month period ended September 30, 2019, revenue increased by \$7.9 million, or 1%, from \$718.1 million to \$726.0 million. Excluding the business acquisitions, revenue decreased by 8% or \$36.3 million.

Approximately 65% of the Logistics and Last Mile segment's revenue in the quarter was generated from operations in the U.S. and Mexico and approximately 35% was generated from operations in Canada.

Operating expenses

For the three months ended September 30, 2019, total operating expenses, net of fuel surcharge, increased by \$25.1 million, or 12%, from \$217.9 million in Q3 2018 to \$243.0 million. As a percentage of revenue, materials and services expenses, net of fuel surcharge, increased by 0.6 percentage points of revenue in the third quarter of 2019 while personnel expenses decreased by 0.9 percentage points of revenue. Other operating expenses as a percentage of revenue remained steady year-over-year. Real estate lease expense decreased \$5.4 million compared to Q3 2018 as, since January 1, 2019, a significant portion of these leases are now capitalized and a depreciation expense was recorded and presented under depreciation of right-of-use assets. Right-of-use assets depreciation on equipment and real estate leases amounted to \$5.6 million for Q3 2019.

For the nine-month period ended September 30, 2019, operating expenses increased \$1.9 million compared to 2018, from \$666.5 million to \$668.4 million. This increase was mostly attributable to lower volumes offset by a foreign exchange impact.

Operating income

The Company's Canadian operations generally improved their operating income, while their US counterparts faced headwinds. Thus, operating income in the Logistics and Last Mile segment for the three-months ended September 30, 2019 decreased by 18% or \$3.0 million, to \$13.8 million compared to \$16.8 million in the third quarter of 2018.

For the nine-month period ended September 30, 2019, the Logistics and Last Mile segment's operating margin was 7.9%, an increase from 7.2% for the same period in 2018.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Sources of cash:				
Net cash from continuing operating activities	187,057	166,557	489,111	369,655
Proceeds from sale of property and equipment	27,435	23,261	67,742	55,590
Proceeds from sale of assets held for sale	15,974	4,923	34,688	26,444
Net variance in cash and bank indebtedness	-	-	-	3,495
Net proceeds from long-term debt	12,545	-	205,192	-
Others	2,337	12,354	18,166	16,947
Total sources	245,348	207,095	814,899	472,131
Uses of cash:				
Purchases of property and equipment	103,346	96,250	224,003	201,296
Business combinations, net of cash acquired	20,135	9,332	200,772	75,112
Net variance in cash and bank indebtedness	9,704	9,234	8,775	-
Net repayment of long-term debt	-	65,721	-	57,787
Repayment of lease liabilities	25,613	-	73,360	-
Dividends paid	20,035	18,374	61,043	55,621
Repurchase of own shares	64,148	5,564	225,559	77,731
Net cash used in discontinued operations	-	-	14,461	-
Others	2,367	2,620	6,926	4,584
Total usage	245,348	207,095	814,899	472,131

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Cash flow from continuing operating activities

For the nine-month period ended September 30, 2019, net cash from continuing operating activities increased by 32% to \$489.1 million from \$369.7 million in the same period of 2018. This \$119.5 million increase is attributable to positive changes in cash generated from operating activities excluding non-cash operating working capital of \$146.7 million, driven by stronger operating results and the replacement of lease expenses by depreciation of right-of-use assets and interest on lease liabilities as a result of the implementation of IFRS 16 Leases. IFRS 16 positively impacted cash from operating activities by a net amount of \$73.4 million. The net change in non-cash working capital contributed an incremental cash amount of \$30.7 million when compared to the same period in the prior year. In addition, income taxes paid negatively impacted net cash from continuing operating activities by \$42.0 million, attributable to increased income tax installments required on stronger operating results and the payment of the prior year tax balances.

Cash flow used in investing activities from continuing operations

Property and equipment

The following table presents the additions of property and equipment by category for the three- and nine-month periods ended September 30, 2019 and 2018.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Additions to property and equipment:				
Purchases as stated on cash flow statements	103,346	96,250	224,003	201,296
Non-cash adjustments	(2,589)	12,204	7,799	14,603
	100,757	108,454	231,802	215,899
Additions by category:				
Land and buildings	2,054	7,853	4,362	11,787
Rolling stock	94,795	95,787	215,421	192,939
Equipment	3,908	4,814	12,019	11,173
	100,757	108,454	231,802	215,899

The Company invests in new equipment to maintain its quality of service while minimizing maintenance costs. Its capital expenditures reflect the level of reinvestment required to keep its equipment in good order and to maintain a strategic allocation of its capital resources.

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- and nine-month periods ended September 30, 2019 and 2018.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Proceeds by category:				
Land and buildings	16,271	5,504	33,700	27,032
Rolling stock	27,138	22,638	67,632	54,954
Equipment	-	42	1,098	48
	43,409	28,184	102,430	82,034
Gains (losses) by category:				
Land and buildings	10,059	3,140	19,443	14,353
Rolling stock	6,159	2,834	16,516	6,300
Equipment	(38)	(19)	(208)	(64)
	16,180	5,955	35,751	20,589

Business acquisitions

For the nine-month period ended September 30, 2019, cash used in business acquisitions totalled \$200.8 million to acquire eight businesses. Refer to the section of this report entitled "2019 business acquisitions" and further information can be found in note 5 of the September 30, 2019 unaudited condensed consolidated interim financial statements.

Cash flow used in discontinued operations

For the nine-month periods ended September 30, 2019, discontinued operations used cash flows of \$14.5 million.

Free cash flow from continuing operations

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Net cash from continuing operating activities	187,057	166,557	489,111	369,655
Additions to property and equipment	(100,757)	(108,454)	(231,802)	(215,899)
Proceeds from sale of property and equipment	27,435	23,261	67,742	55,590
Proceeds from sale of assets held for sale	15,974	4,923	34,688	26,444
Free cash flow from continuing operations¹	129,709	86,287	359,739	235,790

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

The Company's objectives when managing its cash flow from operations are to ensure proper capital investment in order to provide stability and competitiveness for 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 nine-month period ended September 30, 2019, TFI International generated free cash flow from continuing operations of \$359.7 million, compared to \$235.8 million in the same period of 2018, which represents a year-over-year increase of \$123.9 million. This increase is mainly due to more net cash from continuing operating activities of \$119.5 million.

Based on the September 30, 2019 closing share price of \$39.48, the free cash flow generated by the Company in the last twelve months (\$463.7 million) represented a yield of 14.3%.

Financial position

(unaudited) (in thousands of dollars)	As at September 30, 2019	As at December 31, 2018*	As at December 31, 2017*
Total assets	4,601,460	4,049,960	3,727,628
Long-term debt	1,780,395	1,584,423	1,498,396
Lease liabilities	458,790	-	-
Shareholders' equity	1,486,898	1,576,854	1,415,124

* The current period figures include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Compared to December 31, 2018, the Company's total assets and long-term debt and lease liabilities increased, mainly as a result of the implementation of IFRS 16: total assets increased by \$439.4 million and lease liabilities increased by \$483.5 million. Please refer to note 3 of the unaudited condensed consolidated interim financial statements for more details on IFRS 16.

As at September 30, 2019, the Company's working capital (current assets less current liabilities) was \$66.4 million compared to \$52.8 million as at December 31, 2018. The increase is mainly attributable to the reclassification to short term of a note receivable in the amount of \$24.3 million.

Contractual obligations, commitments, contingencies and off-balance sheet arrangements

The following table indicates the Company's contractual obligations with their respective maturity dates at September 30, 2019, excluding future interest payments.

(unaudited) (in thousands of dollars)	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Unsecured revolving facility – June 2023	945,578	-	-	945,578	-
Unsecured term loan – June 2021 & 2022	575,000	-	575,000	-	-
Unsecured debentures – December 2020	125,000	-	125,000	-	-
Conditional sales contracts	139,491	42,206	64,589	32,379	317
Lease liabilities	458,790	98,846	153,484	92,635	113,825
Operating leases	905	905	-	-	-
Total contractual obligations	2,244,764	141,957	918,073	1,070,592	114,142

On February 1, 2019, the unsecured term loan was amended to increase the indebtedness from \$500 million to \$575 million. On February 11, 2019, the related incremental funds were used to reimburse a separate unsecured term loan of \$75 million that was scheduled to mature in August 2019.

On February 1, 2019, the Company renegotiated the pricing grid of both its revolving credit facility and \$575 million term loan. The \$575 million term loan remains within the confines of the credit facility, but now has a pricing grid different than the revolving credit facility. Based on the current funded-debt-to-

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

EBITDA ratio defined below, the renegotiation has no impact on the interest charged on the revolving credit facility, however it reduces the interest rate charged on the term loan by 34 basis points.

On June 27, 2019, the Company extended its existing revolving credit facility by one year, to June 2023.

On June 27, 2019, the Company extended the maturity of the \$575 million unsecured term loan by one year for each tranche, with \$200 million now due in June 2021 and \$375 million now due in June 2022.

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 and are calculated as prescribed by the credit agreement which, among other things, requires the exclusion of the impact of the new standard IFRS 16 Leases:

Covenants	As at	
	Requirements	September 30, 2019
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	2.29
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	4.94

As at September 30, 2019, the Company had \$39.5 million of outstanding letters of credit (\$39.4 million on December 31, 2018).

As at September 30, 2019, the Company had \$66.4 million of purchase commitments and \$17.4 million of purchase orders that the Company intends to enter into a lease that is expected to materialize within a year (December 31, 2018 – \$51.0 million and nil, respectively).

Dividends and outstanding share data

Dividends

The Company declared \$19.7 million in dividends, or \$0.24 per common share, in the third quarter of 2019. On October 24, 2019, the Board of Directors approved a quarterly dividend of \$0.26 per outstanding common share of the Company's capital, an 8% increase over its previous quarterly dividend, for an expected aggregate payment of \$21.3 million to be paid on January 15, 2020 to shareholders of record at the close of business on December 31, 2019.

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on October 2, 2018 and expired on October 1, 2019, the Company was originally authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. During the third quarter of 2019, the Toronto Stock Exchange approved an amendment to the Company's NCIB entitling the Company to repurchase for cancellation up to 8,300,000 of its common shares until expiry on October 1, 2019. 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. As at September 30, 2019, and since the inception of this NCIB, the Company has repurchased and cancelled 7,260,000 common shares.

For the nine-month period ended September 30, 2019, the Company repurchased 5,685,346 common shares (as compared to 2,180,348 in the same period in 2018) at a weighted average price of \$39.6740 per share (as compared to \$35.6512 in the same period in 2018) for a total purchase price of \$225.6 million (as compared to \$77.7 million in the same period in 2018).

Outstanding shares, stock options and restricted share units

A total of 81,903,603 common shares were outstanding as at September 30, 2019 (December 31, 2018 – 86,397,588). There was no significant change in the Company's outstanding share capital between September 30, 2019 and October 24, 2019.

As at September 30, 2019, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 4,712,792 (December 31, 2018 – 5,031,161) of which 3,301,458, were exercisable (December 31, 2018 – 3,863,610). On February 27, 2019, the Board of Directors approved the grant of 909,404 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 September 30, 2019, the number of restricted share units ("RSUs") granted under the Company's equity incentive plan to its senior employees was 296,672 (December 31, 2018 – 147,081). On February 27, 2019, the Board of Directors approved the grant of 152,965 RSUs under the Company's equity incentive plan. The RSUs will vest in December of the second year following 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 nor positively affect the Company's financial condition or performance and, if necessary, has been provided for in the financial statements.

OUTLOOK

North American economic growth has remained subdued following a lengthy expansionary period, partially due to international trade negotiations. This has created challenging conditions for the transportation and logistics industry that persisted through the third quarter of 2019, although volumes and spot rates have shown early signs of stabilization. Overall, the economy continues to expand with unemployment near multi-decade lows, and both consumer confidence and business optimism remain solid. In this mixed environment, TFI International is favorably positioned and confident it can continue to execute its own business plan, including internal initiatives designed to enhance profitability via improved efficiencies, acquisition-related synergies and cost savings.

A potential risk is further economic slowing after several years of growth, potentially caused by, among other possibilities, escalating geopolitical affairs including international trade negotiations that have already resulted in higher tariffs on shipped goods. While moderate overcapacity faced by the industry in recent quarters has shown signs of abating, any additional economic weakness could further pressure pricing. Additional risks include the possibility of more pronounced driver shortages and accompanying upward pressure on wages, and the potential for higher fuel, insurance, interest rate and other costs.

While continually monitoring macro conditions, internally TFI International seeks to generate strong free cash flow by executing on the fundamentals of the business regardless of the economic cycle. This approach includes focusing on profitable business, improving efficiency, rationalizing assets to avoid internal overcapacity, and tightly controlling costs. In addition, the Company plans to capture M&A-related operating synergies and continue its disciplined pursuit of acquisition candidates in the fragmented North American transportation and logistics market.

Overall, TFI International aims to distinguish itself by providing innovative, value-added solutions to its growing North American customer base. The Company is embracing an asset-light business model, and deploying capital toward initiatives that it believes provide strong returns and solid cash flow. In the short term, having achieved targeted leverage ratios, TFI expects to use its cash flow primarily for opportunistic share repurchases, paying shareholder dividends, and for disciplined business acquisitions.

TFI International believes it is uniquely positioned to benefit from the current dynamics in the North American freight environment, and that through adherence to its operating principles, with the same discipline and rigor that have made the Company a North American leader in the transportation and logistics industry, it will continue to create long-term shareholder value.

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

(unaudited) - (in millions of dollars, except per share data)

	Q3'19	Q2'19	Q1'19	Q4'18*	Q3'18*	Q2'18*	Q1'18*	Q4'17*
Total revenue	1,304.8	1,337.8	1,230.8	1,321.4	1,287.6	1,317.7	1,196.5	1,192.9
Adjusted EBITDA from continuing operations ¹	221.6	236.5	188.9	180.7	190.0	186.7	129.0	131.0
Operating income from continuing operations	131.9	149.2	106.3	103.3	128.2	123.6	75.4	66.1
Net income	82.6	87.7	65.1	76.7	86.7	80.4	48.2	120.2
EPS – basic	1.00	1.04	0.76	0.88	0.99	0.92	0.54	1.34
EPS – diluted	0.98	1.01	0.74	0.85	0.96	0.89	0.53	1.31
Net income from continuing operations	82.6	100.2	65.1	76.7	86.7	80.4	48.2	120.2
EPS from continuing operations – basic	1.00	1.19	0.76	0.88	0.99	0.92	0.54	1.34
EPS from continuing operations – diluted	0.98	1.16	0.74	0.85	0.96	0.89	0.53	1.31
Adjusted net income from continuing operations ¹	88.1	102.0	67.1	86.3	95.0	89.9	50.4	53.9
Adjusted EPS from continuing operations-diluted ¹	1.04	1.18	0.77	0.96	1.05	0.99	0.55	0.59

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

The differences between the quarters are mainly the result of seasonality (softer in Q1) and business acquisitions. Higher 2019 and 2018 operating income was also driven by strong execution across the organization, increased quality of revenue, cost efficiencies and improvement in the Company's U.S. TL operating segment. In 2019, higher adjusted EBITDA from continuing operations, compared to the same periods in the prior year, is partially due to the implementation of IFRS 16 as lease expense was replaced by depreciation of right-of-use assets and interests on lease liabilities. In Q4 2017, higher net income, as well as higher basic and diluted EPS, is mainly due to an income tax gain of \$76.1 million as a result of U.S. tax reform.

NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS, including the following measures:

Operating expenses: Operating expenses include: a) materials and services expenses, which are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, which primarily include fuel, repairs and maintenance, vehicle leasing costs, insurance, permits and operating supplies; b) personnel expenses; c) other operating expenses are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses; d) depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets and gain or loss on the sale of rolling stock and equipment, on disposal of right-of-use assets and on sale of land and buildings and assets held for sale; and e) bargain purchase gain.

Operating income (loss) from continuing operations: Net income or loss from continuing operations before finance income and costs and income tax expense (recovery), as stated in the unaudited condensed consolidated interim financial statements.

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 from continuing operations: Net income or loss excluding amortization of intangible assets related to business acquisitions, net change in the fair value and accretion expense of contingent considerations, net change in the fair value of derivatives, net foreign exchange gain or loss, impairment of intangible assets, bargain purchase gain, gain or loss on sale of land and buildings, assets held for sale and intangible assets, and loss from discontinued operations, net of tax. In presenting an adjusted net income from continuing operations and adjusted EPS from continuing operations, the Company's intent is to help provide an understanding of what would have been the net income from continuing operations and earnings per share from continuing operations in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating

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

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 7.

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

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

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

Consolidated adjusted EBITDA from continuing operations reconciliation:

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Net income from continuing operations	82,641	86,713	247,933	215,266
Net finance costs	21,158	16,907	63,299	48,346
Income tax expense	28,088	24,603	76,098	63,629
Depreciation of property and equipment	56,576	49,601	164,766	146,100
Depreciation of right-of-use assets	26,362	-	76,822	-
Amortization of intangible assets	16,799	15,290	49,087	46,641
Bargain purchase gain	-	-	(10,787)	-
Gain on sale of land and building	(2)	(212)	(2)	(212)
Gain on sale of assets held for sale	(10,057)	(2,928)	(20,228)	(14,141)
Adjusted EBITDA from continuing operations	221,565	189,974	646,988	505,629

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Segmented adjusted EBITDA from continuing operations reconciliation:

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Package and Courier				
Operating income	28,232	27,965	79,163	78,805
Depreciation and amortization	8,457	3,190	24,364	9,871
Gain on sale of assets held for sale	(1,199)	-	(1,199)	-
Adjusted EBITDA	35,490	31,155	102,328	88,676
Less-Than-Truckload				
Operating income	25,791	25,409	83,701	61,671
Depreciation and amortization	17,830	8,852	52,461	25,446
Loss on sale of land and buildings	-	61	-	61
Gain on sale of assets held for sale	-	-	(9,399)	(2,381)
Adjusted EBITDA	43,621	34,322	126,763	84,797
Truckload				
Operating income	75,762	63,658	193,747	155,441
Depreciation and amortization	60,638	46,175	177,845	137,518
Gain on sale of land and buildings	(2)	(280)	(2)	(280)
Gain on sale of assets held for sale	(9,018)	(2,928)	(9,790)	(11,348)
Adjusted EBITDA	127,380	106,625	361,800	281,331

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Logistics and Last Mile				
Operating income	13,796	16,815	57,618	51,641
Depreciation and amortization	12,130	6,043	34,380	18,145
Bargain purchase gain	-	-	(10,787)	-
Loss on sale of land and buildings	-	7	-	7
Adjusted EBITDA	25,926	22,865	81,211	69,793
Corporate				
Operating loss	(11,694)	(5,624)	(26,899)	(20,317)
Depreciation and amortization	682	631	1,625	1,761
(Gain) loss on sale of assets held for sale	160	-	160	(412)
Adjusted EBITDA	(10,852)	(4,993)	(25,114)	(18,968)

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Adjusted EBITDA margin from continuing operations is calculated as adjusted EBITDA from continuing operations as a percentage of revenue before fuel surcharge.

Free cash flow from continuing operations: Net cash from continuing operating activities 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 16.

Operating margin from continuing operations is calculated as operating income (loss) from continuing operations as a percentage of revenue before fuel surcharge.

Adjusted operating ratio from continuing operations: Operating expenses from continuing operations before impairment of intangible assets, bargain purchase gain, and gain or loss on sale of land and buildings, assets held for sale and intangible assets ("**Adjusted operating expenses**"), net of fuel surcharge revenue, divided by revenue before fuel surcharge. Although the adjusted 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.

Consolidated adjusted operating ratio from continuing operations reconciliation:

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Operating expenses	1,172,878	1,159,380	3,486,047	3,474,522
Bargain purchase gain	-	-	10,787	-
Gain on sale of land and building	2	212	2	212
Gain on sale of assets held for sale	10,057	2,928	20,228	14,141
Adjusted operating expenses	1,182,937	1,162,520	3,517,064	3,488,875
Fuel surcharge revenue	(138,945)	(160,163)	(426,224)	(455,845)
Adjusted operating expenses, net of fuel surcharge revenue	1,043,992	1,002,357	3,090,840	3,033,030
Revenue before fuel surcharge	1,165,820	1,127,440	3,447,153	3,345,918
Adjusted operating ratio	89.6%	88.9%	89.7%	90.6%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

Less-Than-Truckload and Truckload reportable segments adjusted operating ratio reconciliation and Truckload operating segments reconciliations:

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Less-Than-Truckload				
Total revenue	237,644	268,231	733,530	785,184
Total operating expenses	211,853	242,822	649,829	723,513
Operating income	25,791	25,409	83,701	61,671
Operating expenses	211,853	242,822	649,829	723,513
Gain (loss) on sale of land and buildings and assets held for sale	-	(61)	9,399	2,320
Adjusted operating expenses	211,853	242,761	659,228	725,833
Fuel surcharge revenue	(32,210)	(40,717)	(101,035)	(114,858)
Adjusted operating expenses, net of fuel surcharge revenue	179,643	202,044	558,193	610,975
Revenue before fuel surcharge	205,434	227,514	632,495	670,326
Adjusted operating ratio	87.4%	88.8%	88.3%	91.1%
Truckload				
Total revenue	633,547	604,759	1,889,630	1,778,704
Total operating expenses	557,785	541,101	1,695,883	1,623,263
Operating income	75,762	63,658	193,747	155,441
Operating expenses	557,785	541,101	1,695,883	1,623,263
Gain on sale of land and buildings and assets held for sale	9,020	3,208	9,792	11,628
Adjusted operating expenses	566,805	544,309	1,705,675	1,634,891
Fuel surcharge revenue	(76,342)	(84,112)	(234,920)	(242,280)
Adjusted operating expenses, net of fuel surcharge revenue	490,463	460,197	1,470,755	1,392,611
Revenue before fuel surcharge	557,205	520,647	1,654,710	1,536,424
Adjusted operating ratio	88.0%	88.4%	88.9%	90.6%
Truckload - Revenue before fuel surcharge				
U.S. based Conventional TL	214,318	224,115	651,404	657,503
Canadian based Conventional TL	71,299	78,153	226,131	234,288
Specialized TL	273,029	220,333	784,955	650,025
Eliminations	(1,441)	(1,954)	(7,780)	(5,392)
	557,205	520,647	1,654,710	1,536,424
Truckload - Fuel surcharge revenue				
U.S. based Conventional TL	36,404	43,980	113,589	127,638
Canadian based Conventional TL	9,795	12,756	31,840	37,437
Specialized TL	30,195	27,496	90,342	77,649
Eliminations	(52)	(120)	(851)	(444)
	76,342	84,112	234,920	242,280
Truckload - Operating income				
U.S. based Conventional TL	19,429	17,091	57,370	32,807
Canadian based Conventional TL	12,024	11,553	32,704	36,621
Specialized TL	44,308	35,013	103,674	86,012
	75,761	63,657	193,748	155,440
U.S. based Conventional TL				
Operating expenses**	231,294	251,004	707,623	752,334
Fuel surcharge revenue	(36,404)	(43,980)	(113,589)	(127,638)
Adjusted operating expenses, net of fuel surcharge revenue	194,890	207,024	594,034	624,696
Revenue before fuel surcharge	214,318	224,115	651,404	657,503
Adjusted operating ratio	90.9%	92.4%	91.2%	95.0%

(unaudited) (in thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2019	2018*	2019	2018*
Canadian based Conventional TL				
Operating expenses**	69,070	79,357	225,268	235,102
Gain on sale of land and buildings and assets held for sale	-	-	-	7,023
Adjusted operating expenses	69,070	79,357	225,268	242,125
Fuel surcharge revenue	(9,795)	(12,756)	(31,840)	(37,437)
Adjusted operating expenses, net of fuel surcharge revenue	59,275	66,601	193,428	204,688
Revenue before fuel surcharge	71,299	78,153	226,131	234,288
Adjusted operating ratio	83.1%	85.2%	85.5%	87.4%
Specialized TL				
Operating expenses**	258,916	212,817	771,624	641,662
Gain on sale of assets held for sale	9,020	3,208	9,792	4,605
Adjusted operating expenses	267,936	216,025	781,416	646,267
Fuel surcharge revenue	(30,195)	(27,496)	(90,342)	(77,649)
Adjusted operating expenses, net of fuel surcharge revenue	237,741	188,529	691,074	568,618
Revenue before fuel surcharge	273,029	220,333	784,955	650,025
Adjusted operating ratio	87.1%	85.6%	88.0%	87.5%

* The current period results include the impacts from the adoption of the new IFRS 16 Leases as discussed in note 3 of the unaudited condensed consolidated interim financial statements. As is permitted with this new standard, comparative information has not been restated and, therefore, may not be comparable.

** Operating expenses excluding intra TL eliminations

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, 2018 MD&A:

- Competition;
- Regulation;
- International Operations;
- Operating Environment and Seasonality;
- General Economic, Credit, Business and Business Conditions;
- Interest Rate Fluctuations;
- Currency Fluctuations;
- Price and Availability of Fuel;
- Insurance;
- Employee Relations;
- Drivers;
- Independent Contractors;
- 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;
- Internal Control

No changes during or subsequent to Q3 2019 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 and the measurement of identified assets and liabilities acquired in business combinations. 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, 2019 and have 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)
- Annual Improvements to IFRS Standards (2015-2017 cycle)
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)

Except modifications from the adoption of IFRS 16 as reported in note 3, these new standards did not have a material impact on the Company's unaudited condensed consolidated interim financial statements.

To be adopted in future periods

The following new standards and amendments to standards are not yet effective for the year ended December 31, 2019, and have not been applied in preparing the unaudited condensed consolidated interim financial statements:

- Definition of a business (Amendments to IFRS 3)

Further information can be found in note 3 of the September 30, 2019 unaudited condensed consolidated interim financial statements.

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' Regulation 52-109, the Company has filed certificates signed by the President and Chief Executive Officer ("CEO") and by the Chief Financial Officer ("CFO") that, among other things, report on:

- their responsibility for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company; and
- the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

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 September 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the third quarter ended
September 30, 2019

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TFI International Inc.
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)**
(in thousands of Canadian dollars)

	Note	As at September 30, 2019	As at December 31, 2018
Assets			
Trade and other receivables		627,049	631,727
Inventoried supplies		15,019	12,755
Current taxes recoverable		12,942	13,015
Prepaid expenses		41,018	38,546
Derivative financial instruments	21	340	5,430
Assets held for sale		2,490	7,572
Other assets	11	24,263	-
Current assets		723,121	709,045
Property and equipment	8	1,451,940	1,396,389
Right-of-use assets	3, 9	428,891	-
Intangible assets	10	1,976,081	1,901,495
Other assets	11	11,426	33,676
Deferred tax assets		10,001	6,409
Derivative financial instruments	21	-	2,946
Non-current assets		3,878,339	3,340,915
Total assets		4,601,460	4,049,960
Liabilities			
Bank indebtedness		3,686	12,334
Trade and other payables		474,317	475,585
Current taxes payable		-	18,951
Provisions	14	34,079	25,063
Other financial liabilities		2,417	1,972
Derivative financial instruments	21	1,182	-
Long-term debt	12	42,206	122,340
Lease liabilities	3, 13	98,846	-
Current liabilities		656,733	656,245
Long-term debt	12	1,738,189	1,462,083
Lease liabilities	3, 13	359,944	-
Employee benefits		16,455	16,130
Provisions	14	29,833	42,801
Other financial liabilities		2,688	5,907
Derivative financial instruments	21	1,270	-
Deferred tax liabilities		309,450	289,940
Non-current liabilities		2,457,829	1,816,861
Total liabilities		3,114,562	2,473,106
Equity			
Share capital	15	677,913	704,510
Contributed surplus		22,144	20,448
Accumulated other comprehensive income		33,479	64,790
Retained earnings		753,362	787,106
Equity attributable to owners of the Company		1,486,898	1,576,854
Leases, contingencies, letters of credit and other commitments	22		
Total liabilities and equity		4,601,460	4,049,960

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In thousands of Canadian dollars, except per share amounts)</i>		Three months ended	Three months ended	Nine months ended	Nine months ended
	Note	Sept. 30, 2019	Sept. 30, 2018*	Sept. 30, 2019	Sept. 30, 2018*
Revenue		1,165,820	1,127,440	3,447,153	3,345,918
Fuel surcharge		138,945	160,163	426,224	455,845
Total revenue		1,304,765	1,287,603	3,873,377	3,801,763
Materials and services expenses	18	711,973	723,882	2,113,864	2,172,815
Personnel expenses		324,145	309,377	977,462	924,720
Other operating expenses		53,272	67,185	151,346	204,835
Depreciation of property and equipment		56,576	49,601	164,766	146,100
Depreciation of right-of-use assets		26,362	-	76,822	-
Amortization of intangible assets		16,799	15,290	49,087	46,641
Bargain purchase gain	5	-	-	(10,787)	-
Gain on sale of rolling stock and equipment		(6,121)	(2,815)	(15,521)	(6,236)
Gain on disposal of right-of-use assets		(69)	-	(762)	-
Gain on sale of land and buildings		(2)	(212)	(2)	(212)
Gain on sale of assets held for sale		(10,057)	(2,928)	(20,228)	(14,141)
Total operating expenses		1,172,878	1,159,380	3,486,047	3,474,522
Operating income		131,887	128,223	387,330	327,241
Finance (income) costs					
Finance income	19	(728)	(1,142)	(2,183)	(3,386)
Finance costs	19	21,886	18,049	65,482	51,732
Net finance costs		21,158	16,907	63,299	48,346
Income before income tax		110,729	111,316	324,031	278,895
Income tax expense	20	28,088	24,603	76,098	63,629
Net income from continuing operations		82,641	86,713	247,933	215,266
Net loss from discontinued operations	6	-	-	(12,478)	-
Net income for the period attributable to owners of the Company		82,641	86,713	235,455	215,266
Earnings per share attributable to owners of the Company					
Basic earnings per share	16	1.00	0.99	2.80	2.44
Diluted earnings per share	16	0.98	0.96	2.74	2.37
Earnings per share from continuing operations attributable to owners of the Company					
Basic earnings per share	16	1.00	0.99	2.95	2.44
Diluted earnings per share	16	0.98	0.96	2.88	2.37

(*) Recasted for changes in presentation

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

<i>(In thousands of Canadian dollars)</i>	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Net income for the period attributable to owners of the Company	82,641	86,713	235,455	215,266
Other comprehensive income (loss)				
Items that may be reclassified to income or loss in future periods:				
Foreign currency translation differences	14,821	(19,233)	(37,056)	37,552
Net investment hedge, net of tax	(2,954)	4,877	9,494	(10,715)
Cash flow hedge, net of tax	(1,810)	(46)	(9,612)	2,372
Items directly reclassified to retained earnings:				
Unrealized gain (loss) on investment in equity securities measured at fair value through OCI, net of tax	-	(214)	1,326	(2,989)
Other comprehensive income (loss) for the period, net of tax	10,057	(14,616)	(35,848)	26,220
Total comprehensive income for the period attributable to owners of the Company	92,698	72,097	199,607	241,486

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)
(In thousands of Canadian dollars)

	Note	Share capital	Contributed surplus	Accumulated unrealized loss on employee benefit plans	Accumulated cash flow hedge gain	Accumulated foreign currency translation differences and net investment hedge	Accumulated unrealized loss on investment in equity securities	Retained earnings	Total equity attributable to owners of the Company
Balance as at December 31, 2018		704,510	20,448	(528)	10,210	60,971	(5,863)	787,106	1,576,854
Adjustment on initial application of IFRS 16 (see note 3)		-	-	-	-	-	-	(25,678)	(25,678)
Net income for the period		-	-	-	-	-	-	235,455	235,455
Other comprehensive (loss) income for the period, net of tax		-	-	-	(9,612)	(27,562)	1,326	-	(35,848)
Realized loss on equity securities, net of tax		-	-	-	-	-	4,537	(4,537)	-
Total comprehensive (loss) income for the period		-	-	-	(9,612)	(27,562)	5,863	230,918	199,607
Share-based payment transactions	17	-	6,286	-	-	-	-	-	6,286
Stock options exercised	15, 17	19,992	(4,521)	-	-	-	-	-	15,471
Dividends to owners of the Company		-	-	-	-	-	-	(59,972)	(59,972)
Repurchase of own shares	15	(46,633)	-	-	-	-	-	(178,926)	(225,559)
Restricted share units exercised	15, 17	44	(69)	-	-	-	-	(86)	(111)
Total transactions with owners, recorded directly in equity		(26,597)	1,696	-	-	-	-	(238,984)	(263,885)
Balance as at September 30, 2019		677,913	22,144	(528)	598	33,409	-	753,362	1,486,898
Balance as at December 31, 2017		711,036	21,995	(369)	13,052	(14,324)	(1,170)	684,904	1,415,124
Net income for the period		-	-	-	-	-	-	215,266	215,266
Other comprehensive income (loss) for the period, net of tax		-	-	-	2,372	26,837	(2,989)	-	26,220
Total comprehensive income (loss) for the period		-	-	-	2,372	26,837	(2,989)	215,266	241,486
Share-based payment transactions	17	-	4,507	-	-	-	-	-	4,507
Stock options exercised	15, 17	20,772	(3,995)	-	-	-	-	-	16,777
Dividends to owners of the Company		-	-	-	-	-	-	(55,379)	(55,379)
Repurchase of own shares	15	(17,439)	-	-	-	-	-	(60,292)	(77,731)
Restricted share units exercised	15, 17	17	(34)	-	-	-	-	(27)	(44)
Total transactions with owners, recorded directly in equity		3,350	478	-	-	-	-	(115,698)	(111,870)
Balance as at September 30, 2018		714,386	22,473	(369)	15,424	12,513	(4,159)	784,472	1,544,740

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands of Canadian dollars)

		Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
	Note				
Cash flows from operating activities					
Net income for the period attributable to owners of the Company		82,641	86,713	235,455	215,266
Net loss from discontinued operations		-	-	(12,478)	-
Net income from continuing operations		82,641	86,713	247,933	215,266
Adjustments for :					
Depreciation of property and equipment		56,576	49,601	164,766	146,100
Depreciation of right-of-use assets		26,362	-	76,822	-
Amortization of intangible assets		16,799	15,290	49,087	46,641
Share-based payment transactions		2,016	1,591	6,286	4,507
Net finance costs		21,158	16,907	63,299	48,346
Income tax expense		28,088	24,603	76,098	63,629
Bargain purchase gain		-	-	(10,787)	-
Gain on sale of property and equipment		(6,123)	(3,027)	(15,523)	(6,448)
Gain on disposal of right-of-use assets		(69)	-	(762)	-
Gain on sale of assets held for sale		(10,057)	(2,928)	(20,228)	(14,141)
Provisions and employee benefits		7,693	(88)	5,584	(8,028)
		225,084	188,662	642,575	495,872
Net change in non-cash operating working capital	7	3,614	12,708	9,946	(20,759)
Cash generated from operating activities		228,698	201,370	652,521	475,113
Interest paid		(22,508)	(16,711)	(64,495)	(48,507)
Income tax paid		(19,128)	(18,102)	(98,910)	(56,951)
Net cash from continuing operating activities		187,062	166,557	489,116	369,655
Net cash used in discontinued operating activities		-	-	(14,461)	-
Net cash from operating activities		187,062	166,557	474,655	369,655
Cash flows from investing activities					
Purchases of property and equipment		(103,346)	(96,250)	(224,003)	(201,296)
Proceeds from sale of property and equipment		27,435	23,261	67,742	55,590
Proceeds from sale of assets held for sale		15,974	4,923	34,688	26,444
Purchases of intangible assets		(1,146)	(893)	(3,398)	(2,819)
Proceeds from sale of intangible assets		-	-	269	-
Business combinations, net of cash acquired		(20,135)	(9,332)	(200,772)	(75,112)
Purchases of investments		(787)	-	(787)	-
Proceeds from sale of investments		-	-	2,426	-
Others		(324)	524	(565)	170
Net cash used in continuing investing activities		(82,329)	(77,767)	(324,400)	(197,023)
Cash flows from financing activities					
(Decrease) increase in bank indebtedness		(9,704)	(9,234)	(8,775)	3,495
Proceeds from long-term debt		24,074	19,823	329,042	45,807
Repayment of long-term debt		(11,529)	(85,544)	(123,850)	(103,594)
Repayment of lease liability		(25,613)	-	(73,360)	-
Decrease in other financial liabilities		(48)	(1,721)	(2,070)	(1,721)
Dividends paid		(20,035)	(18,374)	(61,043)	(55,621)
Repurchase of own shares		(64,148)	(5,564)	(225,559)	(77,731)
Proceeds from exercise of stock options		2,337	11,830	15,471	16,777
Payment of restricted share units		(67)	(6)	(111)	(44)
Net cash used in continuing financing activities		(104,733)	(88,790)	(150,255)	(172,632)
Net change in cash and cash equivalents		-	-	-	-
Cash and cash equivalents, beginning of period		-	-	-	-
Cash and cash equivalents, end of period		-	-	-	-

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim financial statements.

1. Reporting entity

TFI International Inc. (the "Company") is incorporated under the *Canada Business Corporations Act*, and is a company domiciled in Canada. The address of the Company's registered office is 8801 Trans-Canada Highway, Suite 500, Montreal, Quebec, H4S 1Z6.

The condensed consolidated interim financial statements of the Company as at and for the three and nine months ended September 30, 2019 and 2018 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is involved in the provision of transportation and logistics services across the United States, Canada and Mexico.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Group.

Changes to the significant accounting policies due to the adoption of IFRS 16 have been made and are described in Note 3.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 24, 2019.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- investment in equity securities, derivative financial instruments and contingent considerations are measured at fair value;
- liabilities for cash-settled share-based payment arrangements are measured at fair value in accordance with IFRS 2;
- the defined benefit pension plan liability is recognized as the net total of the present value of the defined benefit obligation less the fair value of the plan assets; and
- assets and liabilities acquired in business combinations are measured at fair value at acquisition date.

c) Seasonality of interim operations

The activities conducted by the Group 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. Consequently, the results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

d) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars ("CDN\$"), which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

e) Use of estimates and judgments

The preparation of the accompanying 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, income tax provisions, the self-insurance and other provisions and contingencies. 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.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied and described in the Group's 2018 annual consolidated financial statements.

3. Significant accounting policies

The accounting policies described in the Group's 2018 annual consolidated financial statements have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated in note 3. The accounting policies have been applied consistently by Group entities.

New standards and interpretations 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, 2019 and have been applied in preparing these condensed consolidated interim financial statements:

IFRS 16, Leases: On January 13, 2016, the IASB issued IFRS 16 *Leases*. *IFRS 16 replaces IAS 17 Leases* and the related interpretations. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases but can elect to exclude those with a term of less than 12 months, or those where the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have also been impacted, including the definition of a lease. Transitional provisions have been provided. The Group's accounting policy under IFRS 16 is as follows:

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is a function of the Group's incremental borrowing rate, the nature of the underlying asset, the location of the asset and the length of the lease. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

Effective January 1, 2019, the Group adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

On the initial application, the Group has elected to apply a mixture of the two available transition options; option 1 calculates the right-of-use asset as if the standard was applied at the initial date of the lease discounted at the transition rate or option 2 where the right-of-use asset is equal to the lease liability on the date of transition; on a lease by lease basis. A right-of-use asset and a lease liability were recorded as of January 1, 2019, for all outstanding lease contracts that met the definition of a lease, with any difference recorded in retained earnings, being recognized. An additional impact of \$8.3 million on provisions and retained earnings was recognized for previously recorded straight-line rental costs under IAS 17. The Group also recognized a deferred tax liability which was recorded directly to retained earnings, and reclassified any assets recorded as finance lease from property and equipment to right-of-use assets, and the corresponding finance lease liability from long-term debt to the new lease liability presentation.

	As reported as at December 31, 2018	Adjustments	Restated balance as at January 1, 2019
Property and equipment	1,396,389	(25,687)	1,370,702
Right-of-use assets	-	465,095	465,095
Provisions (including current portion)	(67,864)	8,310	(59,554)
Long-term debt (including current portion)	(1,584,423)	9,164	(1,575,259)
Lease liability (including current portion)	-	(492,622)	(492,622)
Deferred tax liabilities	(289,940)	10,062	(279,878)
Retained earnings	(787,106)	25,678	(761,428)

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. This incremental borrowing rate was adjusted for the type of the underlying asset, the location of the underlying asset, and the length of the lease contract. At January 1, 2019 the weighted average rate used was 3.92% and the weighted average lease contract length was 7.42 years.

The Group has elected to apply the following practical expedients:

- The Group has elected to account for leases which the lease term ends within 12 months of the date of initial application as short term leases.
- The Group elected to grandfather the assessment of which transactions are leases. It applied transitional provisions of IFRS 16 only to contracts which were previously identified as leases. New definition of a lease will be applied for leases entered into after January 1, 2019.
- The Group will apply the exemption for low value items. These low value items continue to be classified as a rent expense and included as material and service expenses.

The following table reconciles the Group's operating lease obligations at December 31, 2018, as previously disclosed in the Group's audited annual consolidated financial statements, to the lease obligation recognized on initial application of IFRS 16 at January 1, 2019:

Operating lease commitment as at December 31, 2018	506,111
Finance lease liability as at December 31, 2018	9,164
Discounted using the incremental borrowing rate at January 1, 2019	(72,642)
Recognition exemption for short-term leases	(15,646)
Extension options reasonably certain to be exercised	65,635
Lease obligations recognized at January 1, 2019	492,622

IFRIC 23 Uncertainty over Income Tax Treatments: On June 7, 2017, the IASB issued IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. The Interpretation requires:

- an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The adoption of the amendments to IFRIC 23 did not have a material impact on the Group's condensed consolidated interim financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19): On February 7, 2018, the IASB issued *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)*. The amendments apply for plan amendments, curtailments or settlements that occur on or after January 1, 2019, or the date on which they are first applied. The amendments to IAS 19 clarify that:

- on amendment, curtailment or settlement of a defined benefit plan, an entity now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and
- the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan.

The adoption of the amendments to IAS 19 did not have a material impact on the Group's condensed consolidated interim financial statements.

Annual Improvements to IFRS Standards (2015-2017 cycle): On December 12, 2017, the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. The amendments are effective on or after January 1, 2019. Each of the amendments has its own specific transition requirements. Amendments were made to the following standards:

- IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* - to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business;
- IAS 12 *Income Taxes* – to clarify that all income tax consequences of dividends are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI, or equity; and
- IAS 23 *Borrowing Costs* – to clarify that specific borrowings – i.e. funds borrowed specifically to finance the construction of a qualifying asset – should be transferred to the general borrowings pool once the construction of the qualifying asset has been completed. They also clarify that an entity includes funds borrowed specifically to obtain an asset other than a qualifying asset as part of general borrowings.

The adoption of *Annual Improvements to IFRS Standards (2015-2017 cycle)* did not have a material impact on the Group's condensed consolidated interim financial statements.

Prepayment Features with Negative Compensation (Amendments to IFRS 9): In October 2017, the IASB issued *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2019. The amendments to IFRS 9 clarify that negative compensation may be regarded as reasonable compensation irrespective of the cause of early termination. Financial assets with these prepayment features are eligible to be measured at amortized cost or at fair value through other comprehensive income if they meet the other relevant requirements of IFRS 9. The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2019. The adoption of the amendments did not have a material impact on the Group's condensed consolidated interim financial statements.

New standards and interpretations not yet adopted

Definition of a business (Amendments to IFRS 3): On October 22, 2018, the IASB issued amendments to IFRS 3 *Business Combinations* that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2020. The extent of the impact of adoption of the amendments has not yet been determined and would be dependent on future transactions.

4. Segment reporting

The Group operates within the transportation and logistics industry in the United States, Canada and Mexico in different reportable segments, as described below. The reportable segments are managed independently as they require different technology and capital resources. For each of the operating segments, the Group's CEO reviews internal management reports. The following summary describes the operations in each of the Group's reportable segments:

Package and Courier:	Pickup, transport and delivery of items across North America.
Less-Than-Truckload:	Pickup, consolidation, transport and delivery of smaller loads.
Truckload ^(a) :	Full loads carried directly from the customer to the destination using a closed van or specialized equipment to meet customer's specific needs. Includes expedited transportation, flatbed, container and dedicated services.
Logistics and Last Mile:	Logistics services and last mile delivery of both small parcels and larger, heavy goods.

(a) The Truckload reporting segment represents the aggregation of the Canadian Truckload, U.S. Truckload, and Specialized Truckload operating segments. The aggregation of the segment was analyzed using management's judgment in accordance with IFRS 8. The operating segments were determined to be similar with respect to the nature of services offered and the methods used to distribute their services, additionally, they have similar economic characteristics with respect to long term expected gross margin, levels of capital invested and market place trends.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating income or loss. This measure is included in the internal management reports that are reviewed by the Group's CEO and refers to "Operating income (loss)" in the consolidated statements of income. Segment's operating income or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

TFI International Inc. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) **PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)**

	Package and Courier	Less- Than- Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
Three months ended September 30, 2019							
External revenue	153,619	203,006	553,306	255,889	-	-	1,165,820
External fuel surcharge	21,193	32,037	75,672	10,043	-	-	138,945
Inter-segment revenue and fuel surcharge	1,358	2,601	4,569	924	-	(9,452)	-
Total revenue	176,170	237,644	633,547	266,856	-	(9,452)	1,304,765
Operating income (loss)	28,232	25,791	75,762	13,796	(11,694)	-	131,887
Selected items:							
Depreciation and amortization	8,457	17,830	60,638	12,130	682	-	99,737
Gain on sale of land and buildings	-	-	2	-	-	-	2
Gain (loss) on sale of assets held for sale	1,199	-	9,018	-	(160)	-	10,057
Intangible assets	247,083	247,417	1,131,670	346,473	3,438	-	1,976,081
Total assets	473,182	765,766	2,742,236	560,667	59,609	-	4,601,460
Total liabilities	131,485	300,192	531,742	160,058	1,991,085	-	3,114,562
Additions to property and equipment	6,944	4,003	89,315	487	8	-	100,757

Three months ended September 30, 2018*

External revenue	153,163	224,489	516,301	233,487	-	-	1,127,440
External fuel surcharge	24,039	40,490	83,114	12,520	-	-	160,163
Inter-segment revenue and fuel surcharge	1,610	3,252	5,344	1,248	-	(11,454)	-
Total revenue	178,812	268,231	604,759	247,255	-	(11,454)	1,287,603
Operating income (loss)	27,965	25,409	63,658	16,815	(5,624)	-	128,223
Selected items:							
Depreciation and amortization	3,190	8,852	46,175	6,043	631	-	64,891
Gain (loss) on sale of land and buildings	-	(61)	280	(7)	-	-	212
Gain on sale of assets held for sale	-	-	2,928	-	-	-	2,928
Intangible assets	249,312	258,919	1,007,903	335,219	2,985	-	1,854,338
Total assets	391,527	646,931	2,323,310	467,009	61,944	-	3,890,721
Total liabilities	68,747	157,685	405,245	104,481	1,609,823	-	2,345,981
Additions to property and equipment	6,423	13,502	87,572	744	213	-	108,454

(*) Recasted for changes in presentation

TFI International Inc. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) **PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)**

	Package and Courier	Less- Than- Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
Nine months ended September 30, 2019							
External revenue	456,838	625,218	1,641,869	723,228	-	-	3,447,153
External fuel surcharge	63,675	100,548	232,550	29,451	-	-	426,224
Inter-segment revenue and fuel surcharge	3,886	7,764	15,211	2,821	-	(29,682)	-
Total revenue	524,399	733,530	1,889,630	755,500	-	(29,682)	3,873,377
Operating income (loss)	79,163	83,701	193,747	57,618	(26,899)	-	387,330
Depreciation and amortization	24,364	52,461	177,845	34,380	1,625	-	290,675
Gain on sale of land and buildings	-	-	2	-	-	-	2
Gain (loss) on sale of assets held for sale	1,199	9,399	9,790	-	(160)	-	20,228
Bargain purchase gain	-	-	-	10,787	-	-	10,787
Intangible assets	247,083	247,417	1,131,670	346,473	3,438	-	1,976,081
Total assets	473,182	765,766	2,742,236	560,667	59,609	-	4,601,460
Total liabilities	131,485	300,192	531,742	160,058	1,991,085	-	3,114,562
Additions to property and equipment	13,126	19,829	196,608	1,524	715	-	231,802
Nine months ended September 30, 2018*							
External revenue	451,672	660,526	1,521,711	712,009	-	-	3,345,918
External fuel surcharge	67,848	114,178	239,147	34,672	-	-	455,845
Inter-segment revenue and fuel surcharge	4,608	10,480	17,846	6,515	-	(39,449)	-
Total revenue	524,128	785,184	1,778,704	753,196	-	(39,449)	3,801,763
Operating income (loss)	78,805	61,671	155,441	51,641	(20,317)	-	327,241
Selected items:							
Depreciation and amortization	9,871	25,446	137,518	18,145	1,761	-	192,741
Gain (loss) on sale of land and buildings	-	(61)	280	(7)	-	-	212
Gain on sale of assets held for sale	-	2,381	11,348	-	412	-	14,141
Intangible assets	249,312	258,919	1,007,903	335,219	2,985	-	1,854,338
Total assets	391,527	646,931	2,323,310	467,009	61,944	-	3,890,721
Total liabilities	68,747	157,685	405,245	104,481	1,609,823	-	2,345,981
Additions to property and equipment	9,774	19,525	183,878	2,214	508	-	215,899

(*) Recasted for changes in presentation

Geographical information

Revenue is attributed to geographical locations based on the origin of service's location.

<i>Total revenue</i>	Package and Courier	Less- Than- Truckload	Truckload	Logistics and Last Mile	Eliminations	Total
Three months ended September 30, 2019						
Canada	176,170	199,288	271,453	71,627	(8,942)	709,596
United States	-	38,356	362,094	189,944	(510)	589,884
Mexico	-	-	-	5,285	-	5,285
Total	176,170	237,644	633,547	266,856	(9,452)	1,304,765

Three months ended September 30, 2018

Canada	178,812	220,964	254,520	76,458	(11,103)	719,651
United States	-	47,267	350,239	165,148	(351)	562,303
Mexico	-	-	-	5,649	-	5,649
Total	178,812	268,231	604,759	247,255	(11,454)	1,287,603

Nine months ended September 30, 2019

Canada	524,399	611,715	801,878	211,379	(28,658)	2,120,713
United States	-	121,815	1,087,752	528,661	(1,024)	1,737,204
Mexico	-	-	-	15,460	-	15,460
Total	524,399	733,530	1,889,630	755,500	(29,682)	3,873,377

Nine months ended September 30, 2018

Canada	524,128	658,237	747,912	240,205	(38,571)	2,131,911
United States	-	126,947	1,030,792	496,291	(878)	1,653,152
Mexico	-	-	-	16,700	-	16,700
Total	524,128	785,184	1,778,704	753,196	(39,449)	3,801,763

Segment assets are based on the geographical location of the assets.

	As at September 30, 2019	As at December 31, 2018
Property and equipment, right-of-use assets and intangible assets		
Canada	2,276,121	1,927,241
United States	1,558,972	1,347,574
Mexico	21,819	23,069
	3,856,912	3,297,884

5. Business combinations

a) Business combinations

In line with the Group's growth strategy, the Group acquired eight businesses during 2019, of which Schilli Corporation ("Schilli") was considered significant. These transactions were concluded in order to add density in the Group's current network and further expand value-added services.

On February 22, 2019, the Group completed the acquisition of Schilli. Based in St. Louis, Schilli specializes in the transportation of dry and liquid bulk and offers dedicated fleet solutions and other value-add services throughout the Midwest, Southeast and Gulf Coast regions of the United States. The purchase price for this business acquisition totalled \$76.6 million, which has been paid in cash. During the nine months ended September 30, 2019, Schilli contributed revenue and net income of \$51.1 million and \$2.5 million, respectively.

On April 29, 2019, the Group completed the acquisition of certain assets of BeavEx Incorporated Inc. and its affiliates Guardian Medical Logistics, JNJW Enterprises Inc. and USXP LLC (collectively "BeavEx"). The purchase price for this business acquisition totalled \$9.7 million, which has been paid in cash. The fair value of the identifiable net assets acquired, including the fair value of the customer relationships acquired, exceeded the purchase price, resulting in a bargain purchase gain of \$10.8 million in the logistics and last mile segment.

If the Group acquired the eight businesses on January 1, 2019, per management's best estimates, the revenue and net income for these entities would have been \$298.2 million and \$15.7 million, respectively. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same had the acquisitions occurred on January 1, 2019.

During 2019, transaction costs of \$0.1 million have been expensed in other operating expenses in the consolidated statements of income in relation to the above mentioned business acquisitions.

As of the reporting date, the Group had not completed the purchase price allocation over the identifiable net assets and goodwill of the 2019 acquisitions. Information to confirm fair value of certain assets and liabilities is still to be obtained for these acquisitions. As the Group obtains more information, the allocations will be completed. The table below presents the purchase price allocation based on the best information available to the Group to date.

<i>Identifiable assets acquired and liabilities assumed</i>	<i>Note</i>	Schilli	Others*	2019
Cash and cash equivalents		11,622	9,189	20,811
Trade and other receivables		7,365	36,956	44,321
Inventoried supplies and prepaid expenses		2,426	5,130	7,556
Property and equipment	8	28,484	66,162	94,646
Right-of-use assets	9	3,189	8,638	11,827
Intangible assets	10	16,936	47,082	64,018
Other assets		284	(194)	90
Trade and other payables		(3,617)	(24,911)	(28,528)
Income tax payable		(4,205)	(1,516)	(5,721)
Other non-current liabilities		(1,921)	(486)	(2,407)
Long-term debt		-	(11,505)	(11,505)
Lease liabilities	13	(3,189)	(8,638)	(11,827)
Deferred tax liabilities		(10,575)	(17,099)	(27,674)
Total identifiable net assets		46,799	108,807	155,606
Total consideration transferred		76,613	145,887	222,500
Goodwill	10	29,814	47,866	77,680
Bargain purchase gain		-	(10,787)	(10,787)
Cash		76,613	144,970	221,583
Contingent consideration		-	917	917
Total consideration transferred		76,613	145,887	222,500

(*) Includes non material adjustments to prior year acquisitions

The trade receivables comprise gross amounts due of \$41.0 million, of which \$1.0 million was expected to be uncollectible at the acquisition date.

Of the goodwill and intangible assets acquired through business combinations in 2019, \$7.4 million is deductible for tax purposes.

b) Goodwill

The goodwill is attributable mainly to the premium of an established business operation with a good reputation in the transportation industry, and the synergies expected to be achieved from integrating the acquired entity into the Group's existing business.

The goodwill arising in the above business combinations has been allocated to operating segments as indicated in the table below, which represents the lowest level at which goodwill is monitored internally.

Operating segment	Reportable segment	2019*
Specialized Truckload	Truckload	65,697
Logistics and Last Mile	Logistics and Last Mile	11,983
		77,680

(*) Includes non material adjustments to prior year acquisitions

c) Adjustment to the provisional amounts of prior year business combinations

The 2018 annual consolidated financial statements included details of the Group's business combinations and set out provisional fair values relating to the consideration paid and net assets acquired of Normandin and various non-significant acquisitions. These acquisitions were accounted for under the provisions of IFRS 3.

As required by IFRS 3, the provisional fair values have been reassessed in light of information obtained during the measurement period following the acquisition. Consequently, the fair value of certain assets acquired and liabilities assumed of Normandin and the non-significant acquisitions have been adjusted in 2019. No significant adjustments were required to the provisional fair values for these prior period business combinations.

6. Discontinued operations

In Q2 2019, the Group received an unfavorable ruling on an accident claim, resulting in a loss of \$12.5 million (\$16.6 million, net of tax of \$4.1 million). The incident occurred in an operating division which was part of the discontinued rig moving segment. The rig moving segment was classified as discontinued on September 30, 2015.

The net cash outflows from discontinued operations was \$14.5 million during the second quarter of 2019 (\$18.6 million, net of tax of \$4.1 million).

The basic loss per share for the three and nine-month periods ended September 30, 2019 from discontinued operations were nil and \$0.15, respectively. The diluted loss per share for the three and nine-month periods ended September 30, 2019 were nil and \$0.15, respectively.

7. Additional cash flow information

Net change in non-cash operating working capital

	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Trade and other receivables	14,066	6,536	40,935	(32,865)
Inventoried supplies	644	453	1,843	1,148
Prepaid expenses	3,920	6,550	303	(3,366)
Trade and other payables	(15,016)	(831)	(33,135)	14,324
	3,614	12,708	9,946	(20,759)

8. Property and equipment

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Balance at December 31, 2018	376,715	1,527,249	156,846	2,060,810
Additions through business combinations	6,375	85,881	2,390	94,646
Other additions	4,362	215,421	12,019	231,802
Disposals	(2,272)	(122,794)	(8,980)	(134,046)
Reclassification to assets held for sale	(16,394)	-	-	(16,394)
Transfer to right-of-use assets	-	(38,920)	-	(38,920)
Effect of movements in exchange rates	(2,137)	(20,460)	(52)	(22,649)
Balance at September 30, 2019	366,649	1,646,377	162,223	2,175,249
Depreciation				
Balance at December 31, 2018	76,521	486,172	101,728	664,421
Depreciation for the period	8,285	146,684	9,797	164,766
Disposals	(2,131)	(71,624)	(8,072)	(81,827)
Reclassification to assets held for sale	(7,016)	-	-	(7,016)
Transfer to right-of-use assets	-	(13,233)	-	(13,233)
Effect of movements in exchange rates	(375)	(3,689)	262	(3,802)
Balance at September 30, 2019	75,284	544,310	103,715	723,309
Net carrying amounts				
At December 31, 2018	300,194	1,041,077	55,118	1,396,389
At September 30, 2019	291,365	1,102,067	58,508	1,451,940

As at September 30, 2019, \$7.8 million is included in trade and other payables for the purchases of property and equipment (December 31, 2018 – nil).

9. Right-of-use assets

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Initial recognition of IFRS 16	565,960	130,805	1,940	698,705
Transfer from property and equipment	-	38,920	-	38,920
Other additions	13,243	26,524	420	40,187
Additions through business combinations	8,941	2,886	-	11,827
Disposals	(16,731)	(8,643)	(14)	(25,388)
Effect of movements in exchange rates	(522)	196	(6)	(332)
Balance at September 30, 2019	570,891	190,688	2,340	763,919
Depreciation				
Initial recognition of IFRS 16	207,429	51,148	720	259,297
Transfer from property and equipment	-	13,233	-	13,233
Depreciation	51,616	24,716	490	76,822
Disposals	(7,201)	(6,914)	(2)	(14,117)
Effect of movements in exchange rates	(178)	(29)	-	(207)
Balance at September 30, 2019	251,666	82,154	1,208	335,028
Net carrying amounts				
At September 30, 2019	319,225	108,534	1,132	428,891

10. Intangible assets

	Other intangible assets					
	Goodwill	Customer relationships	Trademarks	Non-compete agreements	Information technology	Total
Cost						
Balance at December 31, 2018	1,674,789	582,932	110,913	11,625	24,725	2,404,984
Additions through business combinations	77,680	62,149	1,106	713	50	141,698
Other additions	-	-	-	-	3,398	3,398
Disposals	-	(274)	-	-	-	(274)
Extinguishments	-	(1,469)	-	-	(2,372)	(3,841)
Effect of movements in exchange rates	(19,618)	(7,579)	(2,024)	(157)	(90)	(29,468)
Balance at September 30, 2019	1,732,851	635,759	109,995	12,181	25,711	2,516,497
Amortization and impairment losses						
Balance at December 31, 2018	196,420	237,682	46,602	3,614	19,171	503,489
Amortization for the period	-	40,839	4,944	1,593	1,711	49,087
Disposals	-	(5)	-	-	-	(5)
Extinguishments	-	(1,469)	-	-	(2,372)	(3,841)
Effect of movements in exchange rates	(3,930)	(3,533)	(729)	(45)	(77)	(8,314)
Balance at September 30, 2019	192,490	273,514	50,817	5,162	18,433	540,416
Net carrying amounts						
At December 31, 2018	1,478,369	345,250	64,311	8,011	5,554	1,901,495
At September 30, 2019	1,540,361	362,245	59,178	7,019	7,278	1,976,081

11. Other assets

	As at September 30, 2019	As at December 31, 2018
Promissory note	24,263	22,686
Restricted cash	4,291	4,267
Security deposits	4,043	3,445
Investments in equity securities	1,391	1,498
Other	1,701	1,780
	35,689	33,676
Presented as :		
Current other assets	24,263	-
Non-current other assets	11,426	33,676

12. Long-term debt

	As at September 30, 2019	As at December 31, 2018
Non-current liabilities		
Unsecured revolving facility	942,091	740,556
Unsecured term loans	573,922	498,805
Unsecured debentures	124,891	124,825
Conditional sales contracts	97,285	94,222
Finance lease liabilities	-	3,675
	1,738,189	1,462,083
Current liabilities		
Current portion of conditional sales contracts	42,206	41,919
Current portion of finance lease liabilities	-	5,489
Current portion of unsecured term loans	-	74,932
	42,206	122,340

The table below summarizes changes to the long-term debt:

	Note	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Balance at beginning of period		1,584,423	1,498,396
Transfer to lease liabilities		(9,164)	-
Proceeds		329,042	45,522
Business combinations	5	11,505	15,857
Repayment including deferred financing fees		(123,850)	(103,309)
Amortization of deferred financing fees		1,618	1,793
Effect of movements in exchange rates		(2,226)	2,158
Effect of movements in exchange rates - OCI		(10,953)	12,370
Other		-	285
Balance at end of period		1,780,395	1,473,072

On February 1, 2019, the \$500 million unsecured term loan was amended to increase the indebtedness to \$575 million. On February 11, 2019, the related incremental funds were used to reimburse a separate \$75 million unsecured term loan that was due to mature in August 2019. Deferred financing fees of \$0.1 million were recognized on the increase.

On February 1, 2019, the Group renegotiated the pricing grid of both its revolving credit facility and \$575 million term loan. The \$575 million term loan remains within the confines of the credit facility, but now has a pricing grid different than the revolving credit facility. Deferred financing fees of \$0.3 million were recognized on the pricing grid revision.

On June 27, 2019, the Group extended its existing revolving credit facility by one year, to June 2023. Deferred financing fees of \$0.9 million were recognized on the extension.

On June 27, 2019, the Group extended the maturity of the \$575 million unsecured term loan by one year for each tranche, \$200 million now due in June 2021 and \$375 million now due in June 2022. Deferred financing fees of \$0.4 million were recognized on the extension.

13. Lease liabilities

	As at September 30, 2019
Current portion of lease liabilities	98,846
Long-term portion of lease liabilities	359,944
	458,790

The table below summarizes changes to the lease liability:

	Note	Nine months ended September 30, 2019
Initial recognition on transition to IFRS 16 on January 1, 2019		483,458
Transfer of finance leases from long-term debt		9,164
Business combinations	5	11,827
Additions		40,187
Disposals		(12,033)
Repayment		(73,360)
Effect of movements in exchange rates		(453)
Balance at September 30, 2019		458,790

The lease liabilities include an undiscounted amount of \$58.7 million related to extension options that the Group is reasonably certain to exercise. The Group does not have a significant exposure to termination options and penalties.

The total contractual cash flow maturities of the Group's lease liabilities are as follows :

	As at September 30, 2019
Less than 1 year	114,845
Between 1 and 5 years	280,353
More than 5 years	129,274
	524,472

14. Provisions

	Self insurance	Other	Total
As at September 30, 2019			
Current provisions	30,667	3,412	34,079
Non-current provisions	21,253	8,580	29,833
	51,920	11,992	63,912
As at December 31, 2018			
Current provisions	21,761	3,302	25,063
Non-current provisions	28,382	14,419	42,801
	50,143	17,721	67,864

15. Share capital

The Company is authorized to issue an unlimited number of common shares and preferred shares, issuable in series. Both common and preferred shares are without par value. All issued shares are fully paid.

The following table summarizes the number of common shares issued:

<i>(in number of shares)</i>		Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
	Note		
Balance, beginning of period		86,397,588	89,123,588
Repurchase and cancellation of own shares		(5,685,346)	(2,180,348)
Stock options exercised	17	1,191,361	1,026,302
Balance, end of period		81,903,603	87,969,542

The following table summarizes the share capital issued and fully paid:

	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Balance, beginning of period	704,510	711,036
Repurchase and cancellation of own shares	(46,633)	(17,439)
Cash consideration of stock options exercised	15,471	16,777
Ascribed value credited to share capital on stock options exercised	4,521	3,995
Issuance of shares on settlement of RSUs	44	17
Balance, end of period	677,913	714,386

Pursuant to the normal course issuer bid ("NCIB") which began on October 2, 2018 and expiring on October 1, 2019, the Company was originally authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. During the third quarter, the Toronto Stock Exchange approved an amendment to the Company's NCIB entitling the Company to repurchase for cancellation up to 8,300,000 common shares until expiry on October 1, 2019. As at September 30, 2019, and since the inception of this NCIB, the Company has repurchased and cancelled 7,260,000 common shares.

During the nine months ended September 30, 2019, the Company repurchased 5,685,346 common shares at a price ranging from \$33.89 to \$44.00 per share for a total purchase price of \$225.6 million relating to the NCIB. During the nine months ended September 30, 2018, the Company repurchased 2,180,348 common shares at a price ranging from \$32.18 to \$40.99 per share for a total purchase price of \$77.7 million relating to a previous NCIB. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of \$178.9 million (2018 – \$60.3 million) was charged to retained earnings as share repurchase premium.

On September 30, 2019, the Toronto Stock Exchange approved the renewal of the NCIB, allowing the Company to repurchase for cancellation a maximum of 7,000,000 common shares over the twelve-month period from October 2, 2019 to October 1, 2020.

16. Earnings per share**Basic earnings per share**

The basic earnings per share and the weighted average number of common shares outstanding have been calculated as follows:

<i>(in thousands of dollars and number of shares)</i>	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Net income attributable to owners of the Company	82,641	86,713	235,455	215,266
Net income from continuing operations	82,641	86,713	247,933	215,266
Issued common shares, beginning of period	83,419,011	87,398,416	86,397,588	89,123,588
Effect of stock options exercised	80,470	381,605	689,586	338,010
Effect of repurchase of own shares	(792,266)	(107,185)	(3,074,653)	(1,308,662)
Weighted average number of common shares	82,707,215	87,672,836	84,012,521	88,152,936
Earnings per share – basic	1.00	0.99	2.80	2.44
Earnings per share from continuing operations – basic	1.00	0.99	2.95	2.44

Diluted earnings per share

The diluted earnings per share and the weighted average number of common shares outstanding after adjustment for the effects of all dilutive common shares have been calculated as follows:

<i>(in thousands of dollars and number of shares)</i>	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Net income attributable to owners of the Company	82,641	86,713	235,455	215,266
Net income from continuing operations	82,641	86,713	247,933	215,266
Weighted average number of common shares	82,707,215	87,672,836	84,012,521	88,152,936
Dilutive effect:				
Stock options and restricted share units	1,679,720	3,085,307	2,013,624	2,814,674
Weighted average number of diluted common shares	84,386,935	90,758,143	86,026,145	90,967,610
Earnings per share - diluted	0.98	0.96	2.74	2.37
Earnings per share from continuing operations - diluted	0.98	0.96	2.88	2.37

As at September 30, 2019, 906,519 stock options were excluded from the calculation of diluted earnings per share (2018 – nil) as these options were deemed to be anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock options was based on quoted market prices for the period during which the options were outstanding.

17. Share-based payment arrangements

Stock option plan (equity-settled)

The Company offers a stock option plan for the benefit of certain of its employees. The maximum number of shares that can be issued upon the exercise of options granted under the current 2012 stock option plan is 5,979,201. Each stock option entitles its holder to receive one common share upon exercise. The exercise price payable for each option is determined by the Board of Directors at the date of grant, and may not be less than the volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the grant date. The options vest in equal installments over three years and the expense is recognized following the accelerated method as each installment is fair valued separately and recorded over the respective vesting periods. The table below summarizes the changes in the outstanding stock options:

<i>(in thousands of options and in dollars)</i>	Three months ended Sept. 30, 2019		Three months ended Sept. 30, 2018		Nine months ended Sept. 30, 2019		Nine months ended Sept. 30, 2018	
	Weighted Number of options	average exercise price	Weighted Number of options	average exercise price	Weighted Number of options	average exercise price	Weighted Number of options	average exercise price
Balance, beginning of period	4,860	26.53	5,766	20.51	5,031	21.01	5,493	19.22
Granted	-	-	-	-	909	40.36	618	29.92
Exercised	(123)	19.03	(710)	16.66	(1,191)	12.99	(1,026)	16.35
Forfeited	(24)	37.84	(8)	30.07	(36)	34.96	(37)	29.77
Balance, end of period	4,713	26.66	5,048	21.03	4,713	26.66	5,048	21.03
Options exercisable, end of period					3,310	22.29	3,866	18.44

The following table summarizes information about stock options outstanding and exercisable at September 30, 2019:

<i>(in thousands of options and in dollars)</i>	Options outstanding		Options exercisable
	Number of options	Weighted average remaining contractual life (in years)	Number of options
Exercise prices			
9.46	581	0.8	581
20.18	555	0.8	555
24.93	662	2.8	662
24.64	811	3.8	811
25.14	307	1.8	307
29.92	578	5.4	184
35.02	328	4.4	210
40.36	891	6.4	-
	4,713	3.5	3,310

Of the options outstanding at September 30, 2019, a total of 3,456,077 (December 31, 2018 – 3,836,102) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in the nine months ended September 30, 2019 was \$42.04 (2018 – \$42.76).

For the three and nine months ended September 30, 2019, the Group recognized a compensation expense of \$1.1 million and \$3.4 million, respectively (2018 – \$0.8 million and \$2.4 million) with a corresponding increase to contributed surplus.

On February 27, 2019, the Board of Directors approved the grant of 909,404 stock options under the Company's stock option plan of which 562,452 were granted to key management personnel. The options vest in equal installments over three years and have a life of seven years. The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	February 27, 2019	February 20, 2018
Exercise price	\$40.36	\$29.92
Average expected option life	4.5 years	4.5 years
Risk-free interest rate	1.88%	1.83%
Expected stock price volatility	24.3%	21.92%
Average dividend yield	2.72%	2.56%
Weighted average fair value per option of options granted	\$6.74	\$4.55

Deferred share unit plan for board members (cash-settled)

The Company offers a deferred share unit ("DSU") plan for its board members. Under this plan, board members may elect to receive cash, DSUs or a combination of both for their compensation. The following table provides the number of DSUs related to this plan:

<i>(in units)</i>	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Balance, beginning of period	326,998	298,164	306,042	281,323
Board members compensation	8,637	5,305	25,824	18,576
Deferred share units redeemed	-	(9,418)	-	(9,418)
Dividends paid in units	2,006	1,488	5,774	5,058
Balance, end of period	337,641	295,539	337,641	295,539

For the three and nine months ended September 30, 2019, the Group recognized, as a result of DSUs, a compensation expense of \$0.4 million and \$1.2 million, respectively (2018 - \$0.2 million and \$0.7 million) with a corresponding increase to trade and other payables. In addition, in other finance costs, the Group recognized a mark-to-market gain on DSUs of \$0.1 million and loss of \$1.4 million for the three and nine months ended September 30, 2019, respectively (2018 – loss of \$1.9 million and 4.3 million).

As at September 30, 2019, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to \$13.3 million (December 31, 2018 - \$10.8 million).

Performance contingent restricted share unit plan (equity-settled)

The Company offers an equity incentive plan for the benefit of senior employees of the Group. The plan provides for the issuance of restricted share units ("RSUs") under conditions to be determined by the Board of Directors. 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.

On February 27, 2019, the Company granted a total of 152,965 RSUs under the Company's equity incentive plan of which 93,921 were granted to key management personnel. The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period. The fair value of the RSUs granted was \$40.36 per unit.

TFI International Inc. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) **PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)**

The table below summarizes changes to the outstanding RSUs:

<i>(in thousands of RSUs and in dollars)</i>	Three months ended Sept. 30, 2019		Three months ended Sept. 30, 2018		Nine months ended Sept. 30, 2019		Nine months ended Sept. 30, 2018	
	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price
Balance, beginning of period	300	36.23	302	28.43	147	31.84	206	27.74
Granted	-	-	-	-	153	40.36	95	29.92
Reinvested	2	36.23	2	28.43	5	35.36	5	28.29
Settled	(2)	34.59	-	-	(3)	32.42	(1)	26.63
Forfeited	(3)	38.22	(3)	27.58	(5)	35.37	(4)	28.10
Balance, end of period	297	36.22	301	28.44	297	36.22	301	28.44

The following table summarizes information about RSUs outstanding and exercisable as at September 30, 2019:

<i>(in thousands of RSUs and in dollars)</i>		RSUs outstanding	
		Number of RSUs	Remaining contractual life (in years)
Exercise prices			
29.92		89	1.3
35.02		55	0.2
40.36		153	2.3
		297	1.6

For the three and nine months ended September 30, 2019, the Group recognized, as a result of RSUs, a compensation expense of \$0.9 million and \$2.9 million, respectively (2018 - \$0.7 million and \$2.1 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at September 30, 2019, a total of 184,991 (December 31, 2018 – 87,486) are held by key management personnel.

18. Materials and services expenses

The Group's materials and services expenses are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, primarily fuel, repairs and maintenance, vehicle leasing costs (in 2018), insurance, permits and operating supplies.

	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Materials and services expenses				
Independent contractors	511,104	506,076	1,498,361	1,531,636
Vehicle operation expenses	200,869	217,806	615,503	641,179
	711,973	723,882	2,113,864	2,172,815

19. Finance income and finance costs

Recognized in income or loss:

<i>Costs (income)</i>	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Interest expense on long-term debt	14,662	13,437	43,314	41,450
Interest expense on lease liabilities	4,590	-	13,991	-
Interest income and accretion on promissory note	(728)	(710)	(2,183)	(2,060)
Net change in fair value and accretion expense of contingent considerations	54	703	191	497
Net foreign exchange (gain) loss	545	(125)	790	(981)
Net change in fair value of foreign exchange derivatives	-	(85)	-	(299)
Net change in fair value of interest rate derivatives	-	(222)	-	(46)
Other financial expenses	2,035	3,909	7,196	9,785
Net finance costs	21,158	16,907	63,299	48,346
Presented as:				
Finance income	(728)	(1,142)	(2,183)	(3,386)
Finance costs	21,886	18,049	65,482	51,732

20. Income tax expense

Income tax recognized in income or loss:

	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Current tax expense				
Current period	20,777	27,847	68,362	72,367
Adjustment for prior years	(1,522)	(3,049)	(1,522)	(3,049)
	19,255	24,798	66,840	69,318
Deferred tax expense (recovery)				
Origination and reversal of temporary differences	6,165	(3,006)	8,400	(8,243)
Variation in tax rate	(11)	40	(1,364)	(184)
Adjustment for prior years	2,679	2,771	2,222	2,738
	8,833	(195)	9,258	(5,689)
Income tax expense	28,088	24,603	76,098	63,629

Reconciliation of effective tax rate:

	Three months ended Sept. 30, 2019		Three months ended Sept. 30, 2018		Nine months ended Sept. 30, 2019		Nine months ended Sept. 30, 2018	
Income before income tax	110,732		111,316		324,034		278,895	
Income tax using the Company's statutory tax rate	26.7%	29,565	26.7%	29,721	26.7%	86,517	26.7%	74,465
Increase (decrease) resulting from:								
Rate differential between jurisdictions	(3.4%)	(3,724)	(3.2%)	(3,527)	(3.3%)	(10,545)	(3.4%)	(9,520)
Variation in tax rate	0.0%	(11)	0.0%	40	(0.4%)	(1,364)	(0.1%)	(184)
Non deductible expenses	1.1%	1,192	0.4%	492	0.8%	2,512	0.8%	2,153
Tax exempt income	(0.1%)	(136)	(1.7%)	(1,846)	(1.4%)	(4,408)	(1.1%)	(3,090)
Adjustment for prior years	1.0%	1,157	(0.2%)	(278)	0.2%	700	(0.0%)	(311)
Multi-jurisdiction tax	0.0%	45	0.0%	1	0.8%	2,686	0.0%	116
	25.3%	28,088	22.0%	24,603	23.4%	76,098	22.9%	63,629

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act ("U.S. Tax Reform"). The U.S. Tax Reform reduces the U.S. federal corporate income tax rate from 35% to 21%, effective as of January 1, 2018. The U.S. Tax Reform also allows for immediate capital expensing of new investments in certain qualified depreciable assets made after September 27, 2017, which will be phased down starting in year 2023.

The U.S. Tax Reform introduces other important changes to U.S. corporate income tax laws that may significantly affect the Group in future years including the creation of a new Base Erosion Anti-abuse Tax (BEAT) that subjects certain payments from U.S. corporations to foreign related parties to additional taxes, and limitations to the deduction for net interest expense incurred by U.S. corporations. Future regulations and interpretations to be issued by U.S. authorities may also impact the Group's estimates and assumptions used in calculating its income tax provisions.

21. Financial instruments

Derivative financial instruments designated as effective cash flow hedge instruments' fair values were as follows:

	Note	As at September 30, 2019	As at December 31, 2018
Current assets			
Interest rate derivatives	a	340	5,430
Non-current assets			
Interest rate derivatives	a	-	2,946
Current liabilities			
Interest rate derivatives	a	1,182	-
Non-current liabilities			
Interest rate derivatives	a	1,270	-

a) Interest rate risk

The Company's intention is to minimize its exposure to changes in interest rates by maintaining a significant portion of fixed-rate interest-bearing long-term debt. This is achieved by entering into interest rate swaps.

The Group's interest rate derivatives are as follows:

	As at September 30, 2019					As at December 31, 2018				
	Average	Notional	Average	Notional	Fair	Average	Notional	Average	Notional	Fair
	B.A.	Contract	Libor	Contract	value	B.A.	Contract	Libor	Contract	value
	rate	Amount	rate	Amount	CDN\$	rate	Amount	rate	Amount	CDN\$
Coverage period:										
Less than 1 year	0.99%	75,000	1.90%	293,750	(842)	0.99%	225,000	1.92%	325,000	5,430
1 to 2 years	-	-	1.92%	100,000	(635)	-	-	1.89%	237,500	1,812
2 to 3 years	-	-	1.92%	100,000	(635)	-	-	1.92%	100,000	648
3 to 4 years	-	-	-	-	-	-	-	1.92%	75,000	486
Asset (liability)					(2,112)					8,376
Presented as:										
Current assets					340					5,430
Non-current assets					-					2,946
Current liabilities					(1,182)					-
Non-current liabilities					(1,270)					-

22. Leases, contingencies, letters of credit and other commitments

a) Leases

The Group is committed to pay \$0.9 million for leases excluded from IFRS 16 through the practical expedients for short-term leases and low value items.

b) Contingencies

There are pending operational and personnel related claims against the Group. The Group has accrued \$11.8 million for claim settlements of which \$3.5 million are presented in long term provisions and \$8.3 million are presented in short term provisions on the consolidated statements of financial position (December 31, 2018 – \$10.3 million in long term provisions). In the opinion of management, these claims are adequately provided for and settlement should not have a significant impact on the Group's financial position or results of operations.

c) Letters of credit

As at September 30, 2019, the Group had \$39.5 million of outstanding letters of credit (December 31, 2018 - \$39.4 million).

d) Other commitments

As at September 30, 2019, the Group had \$66.4 million of purchase commitments (December 31, 2018 – \$51.0 million) and \$17.4 million of purchase orders the Group intends to enter into a lease that is expected to materialize within a year (December 31, 2018 – nil).

CORPORATE INFORMATION

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STOCK EXCHANGE LISTING

TFI International Inc. shares are listed on the Toronto Stock Exchange under the symbol TFII and on the OTCQX market-place in the U.S. under the symbol TFIFF.

FINANCIAL INSTITUTIONS

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Royal Bank of Canada
Bank of America Merrill Lynch
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The Bank of Nova Scotia
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