Q1 First Quarterly Report

Three-Month Period Ended March 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the first quarter ended
March 31, 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-month period ended March 31, 2019 with the corresponding three-month period ended March 31, 2018 and it reviews the Company's financial position as of March 31, 2019. It also includes a discussion of the Company's affairs up to April 23, 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 March 31, 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 April 23, 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 obligation subsequently to revise or update any previously made forward-looking statements unless required to do so by applicable securities laws. Unanticipated events are likely to occur. Readers should also refer to the section "Risks and Uncertainties" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. The Company's future financial and operating results may fluctuate as a result of these and other risk factors.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) *(in thousands of dollars, except per share data)*	**First quarters ended March 31**	
	2019	2018*
Revenue before fuel surcharge	**1,097,436**	1,061,614
Fuel surcharge	**133,381**	134,869
Total revenue	**1,230,817**	1,196,483
Adjusted EBITDA[1]	**188,894**	128,974
Operating income	**106,255**	75,387
Net income	**65,103**	48,157
Adjusted net income[1]	**67,124**	50,444
Net cash from operating activities	**160,698**	57,828
Free cash flow[1]	**142,907**	52,490
Total assets	**4,516,577**	4,049,960
Total long-term debt and lease liabilities	**2,170,578**	1,584,423
Per share data		
EPS – diluted	**0.74**	0.53
Adjusted EPS – diluted[1]	**0.77**	0.55
Dividends	**0.24**	0.21
As a percentage of revenue before fuel surcharge		
Adjusted EBITDA margin[1]	**17.2%**	12.1%
Depreciation of property and equipment	**4.8%**	4.5%
Depreciation of right-of-use assets	**2.2%**	0.0%
Amortization of intangible assets	**1.4%**	1.5%
Operating margin[1]	**9.7%**	7.1%
Adjusted operating ratio[1]	**91.2%**	93.8%

* 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.

Q1 Highlights

- Record first quarter operating results.
- Record operating income increased to $106.3 million, up 41% from the same quarter last year, driven by strong execution across the organisation, increased quality of revenue, an asset-light approach, and cost efficiencies.
- Operating margin[1], a non-IFRS measure, increased significantly to 9.7%, up 260 basis points over the 7.1% margin in the prior year quarter.
- Net income of $65.1 million increased by 35% compared to Q1 2018.
- Diluted earnings per share (diluted "EPS") increased by 40% to $0.74 as compared to $0.53 in Q1 2018.
- Adjusted net income[1], a non-IFRS measure, increased 33% to $67.1 million from $50.4 million in Q1 2018.
- Adjusted diluted EPS[1], a non-IFRS measure, increased 40% to $0.77 from $0.55 in Q1 2018.
- Net cash from operating activities increased to $160.7 million, compared to $57.8 million in Q1 2018, driven by stronger operating performance as well as the impact of the adoption of IFRS 16.
- The Company's reportable segments performed as follows:
  - Package and Courier operating income increased 2% to $21.0 million;
  - Less-Than-Truckload operating income increased 143% to $27.6 million;
  - Truckload operating income increased 40% to $50.7 million;
  - Logistics and Last Mile operating income increased 1% to $15.2 million.
- The Company returned $117.3 million to shareholders during the quarter, of which $20.7 million was through dividends and $96.6 million was through share repurchases.
- During the quarter, TFI International completed the acquisition of three specialized truckload companies: Toronto Tank Lines, Schilli Corporation and Les Services JAG.
- On March 15, 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 Q1 2018.

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

ABOUT TFI INTERNATIONAL

Services

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

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

Seasonality of operations

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

Human resources

As at March 31, 2019 the Company had 17,604 employees who worked in TFI International's different business segments across North America. This compares to 16,847 employees as of March 31, 2018. The year-over-year increase of 757 is attributable to business acquisitions that added 1,755 employees offset by rationalizations affecting 998 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 March 31, 2019, the Company had 7,878 power units, 26,207 trailers and 8,446 independent contractors. This compares to 6,951 power units, 24,164 trailers and 8,583 independent contractors as at March 31, 2018.

Facilities

TFI International's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at March 31, 2019, the Company had 386 facilities, as compared to 385 facilities as at March 31, 2018. Of these, 258 are located in Canada, including 167 and 91, respectively, in Eastern and Western Canada. The Company also had 116 facilities in the United States and 12 facilities in Mexico. In the last twelve months, 40 facilities were added from business acquisitions and the terminal consolidation decreased the total number of facilities by 39, mainly in the Truckload ("TL") and Logistics and Last Mile segments. In Q1 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 (58% of total revenue)	
Retail	30%
Manufactured Goods	14%
Automotive	8%
Metals & Mining	8%
Building Materials	7%
Food & Beverage	6%
Energy	5%
Forest Products	5%
Services	4%
Waste Management	3%
Chemicals & Explosives	3%
Maritime Containers	1%
Others	6%

(For the year ended December 31, 2018)

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 acquired three businesses during 2019: Toronto Tank Lines ("TTL"), Schilli Corporation ("Schilli") and Les Services JAG ("JAG").

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.

Revenue

For the quarter ended March 31, 2019, total revenue reached $1,230.8 million, up 3%, or $34.3 million, from Q1 2018. The contribution from business acquisitions of $80.2 million and positive currency impact of $24.6 million was offset by decreases in fuel surcharge revenue of $10.1 million and revenue before fuel surcharge of $60.4 million, both in existing operations. The average exchange rate used to convert TFI International's revenue generated in U.S. dollars was 5.1% higher this quarter (C$1.3295) than it was for the same quarter last year (C$1.2647).

Operating expenses

For the quarter ended March 31, 2019, the Company's operating expenses slightly increased by $3.5 million, to $1,124.6 million from $1,121.1 million in Q1 2018. The increase attributable to business acquisitions of $72.8 million was offset by a net decrease of $69.3 million, or 6%, in existing operations' 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 Q1 2018 level as a percentage of total revenue.

For the quarter ended March 31, 2019, material and services expenses, net of fuel surcharge, decreased by 3.8 percentage points of revenue before fuel surcharge compared to the same period last year due to lower subcontractors, rolling stock lease and accident costs as a percentage of revenue before fuel surcharge. Mainly due to IFRS 16 adoption, equipment lease expense decreased $8.7 million compared to Q1 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 $7.8 million for Q1 2019.

Personnel expenses increased by 1.0 percentage point of revenue before fuel surcharge partially attributable to adjustments to driver compensation to improve retention and attract new drivers.

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 2.0 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 $20.6 million compared to Q1 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 lease amounted to $16.6 million for Q1 2019.

For the quarter ended March 31, 2019, depreciation of right-of-use assets amounting to $24.5 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 quarter ended March 31, 2019, the gain on sale of assets held for sale was $10.1 million, compared to $9.5 million in Q1 2018. A property was disposed of for a consideration of $16.5 million, generating a gain of $9.4 million. The remaining proceeds and gain on sale of assets held for sale were related to rolling stock dispositions.

Operating income

For the quarter ended March 31, 2019, TFI International's operating income significantly increased, rising $30.9 million to $106.3 million compared to $75.4 million in the same quarter in 2018. The operating margin as a percentage of revenue before fuel surcharge increased 260 basis points from 7.1% in Q1 2018 to 9.7% in Q1 2019. The adoption of IFRS 16 did not have a significant impact on the Company's operating income as it contributed $4.0 million to the increase. All reportable segments but Package and Courier reported margin increases. Notably, the LTL and TL segments reported margin increases of 7.7 percentage points and 2.2 percentage points, respectively, primarily as a result of better operating performance. LTL also benefited from a gain on sale of a property.

Management's consistent focus on the quality of revenue in conjunction with rigorous cost control benefited the Company, resulting in a significant improvement in the Company's adjusted operating ratio[1], a non-IFRS measure, which reached 91.2% this quarter compared to 93.8% for Q1 2018.

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

Finance income and costs

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
Finance costs (income)	**2019**	2018
Interest expense on long-term debt	**14,043**	13,811
Interest expense on lease liabilities	**4,728**	-
Interest income and accretion on promissory note	**(706)**	(675)
Net change in fair value and accretion expense of contingent considerations	**83**	(490)
Net foreign exchange gain	**(728)**	(340)
Net change in fair value of foreign exchange derivatives	**(18)**	(89)
Net change in fair value of interest rate derivatives	**-**	(46)
Others	**3,062**	1,775
Net finance costs	**20,464**	13,946

Interest expense on lease liabilities

Following adoption of IFRS 16 Leases, the amount previously recognized as lease expenses was replaced by the depreciation of right-of-use assets and the lease liability financing cost. 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 March 31, 2019, a loss of $7.4 million of foreign exchange variations (loss of $6.4 million net of tax) was recorded to other comprehensive income as net investment hedge. For the three-month period ended March 31, 2018, a loss of $10.2 million of foreign exchange variations (loss of $8.9 million net of tax) was recorded to other comprehensive income as net investment hedge.

Net change in fair value of derivatives and cash flow hedge

The 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, as a hedge of the variable interest rate instruments, the interest rate derivatives. Therefore, the effective portion of changes in fair value of the derivatives is recognized in other comprehensive income. For the three-month period ended March 31, 2019, the loss of $4.7 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 ($3.4 million net of tax). For the three-month period ended March 31, 2018, of the $3.2 million gain on change in fair value of interest rate derivatives, $3.1 million ($2.3 million 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 quarter ended March 31, 2019, the effective tax rate was 24.1%. The income tax expense of $20.7 million reflects a $2.2 million favourable variance versus an anticipated income tax expense of $22.9 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 $3.0 million.

Net income and adjusted net income

(unaudited) *(in thousands of dollars, except per share data)*	First quarters ended March 31	
	2019	2018
Net income	**65,103**	48,157
Amortization of intangible assets related to business acquisitions, net of tax	**11,255**	11,175
Net change in fair value and accretion expense of contingent considerations, net of tax	**61**	(359)
Net change in fair value of derivatives, net of tax	**(13)**	(99)
Net foreign exchange gain, net of tax	**(533)**	(249)
Gain on sale of land and buildings and assets held for sale, net of tax	**(8,749)**	(8,181)
Adjusted net income[1]	**67,124**	50,444
Adjusted EPS – basic[1]	**0.79**	0.57
Adjusted EPS – diluted[1]	**0.77**	0.55

For the quarter ended March 31, 2019, TFI International's net income was $65.1 million compared to $48.2 million in Q1 2018. The increase of $16.9 million is mainly attributable to stronger operating income in Q1 2019 compared to the same quarter last year. The Company's adjusted net income[1], a non-IFRS measure, which excludes items listed in the above table, was $67.1 million this quarter compared to $50.4 million in Q1 2018, up 33% or $16.7 million.

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
Q1 2019							
Revenue before fuel surcharge[2]	**146,942**	**207,986**	**527,147**	**224,275**	**-**	**(8,914)**	**1,097,436**
% of total revenue[3]	**14%**	**19%**	**48%**	**19%**			**100%**
Adjusted EBITDA	**29,034**	**35,126**	**106,471**	**25,812**	**(7,549)**	**-**	**188,894**
Adjusted EBITDA margin[4]	**19.8%**	**16.9%**	**20.2%**	**11.5%**			**17.2%**
Operating income (loss)	**21,000**	**27,642**	**50,744**	**15,164**	**(8,295)**	**-**	**106,255**
Operating margin[4]	**14.3%**	**13.3%**	**9.6%**	**6.8%**			**9.7%**
Total assets less intangible assets	**228,399**	**554,256**	**1,536,379**	**198,303**	**55,486**		**2,572,823**
Net capital expenditures[5, 6]	**3,355**	**(10,061)**	**23,850**	**232**	**415**		**17,791**
Q1 2018*							
Revenue before fuel surcharge[2]	142,387	203,567	490,667	236,565	-	(11,572)	1,061,614
% of total revenue[3]	13%	20%	47%	20%			100%
Adjusted EBITDA	23,968	17,138	74,510	21,099	(7,741)	-	128,974
Adjusted EBITDA margin[4]	16.8%	8.4%	15.2%	8.9%			12.1%
Operating income (loss)	20,623	11,368	36,262	15,020	(7,886)	-	75,387
Operating margin[4]	14.5%	5.6%	7.4%	6.3%			7.1%
Total assets less intangible assets	134,433	322,612	1,270,818	135,676	50,856		1,914,395
Net capital expenditures[5, 7]	1,075	(3,117)	7,307	643	(570)		5,338

* 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 recasted to conform to the new structure.

1 *Refer to the section "Non-IFRS financial measures".*
2 *Includes intersegment revenue.*
3 *Segment revenue including fuel and intersegment revenue to consolidated revenue including fuel and intersegment revenue.*
4 *As a percentage of revenue before fuel surcharge.*
5 *Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.*
6 *Q1 2019 net capital expenditures include proceeds from the sale of property for consideration of $16.5 million in the LTL segment.*
7 *Q1 2018 net capital expenditures include proceeds from the sale of property for consideration of $3.8 million in the LTL segment, of $14.2 million in the TL segment and of $0.8 million in the corporate segment.*

Package and Courier

(unaudited) *(in thousands of dollars)*	First quarters ended March 31			
	2019	**%**	2018*	%
Total revenue	**166,728**		163,067	
Fuel surcharge	**(19,786)**		(20,680)	
Revenue	**146,942**	**100.0%**	142,387	100.0%
Materials and services expenses (net of fuel surcharge)	**63,533**	**43.2%**	59,306	41.7%
Personnel expenses	**45,176**	**30.7%**	44,770	31.4%
Other operating expenses	**9,389**	**6.4%**	14,376	10.1%
Depreciation of property and equipment	**3,144**	**2.1%**	2,983	2.1%
Depreciation of right-of-use assets	**4,619**	**3.1%**	-	-
Amortization of intangible assets	**271**	**0.2%**	362	0.3%
Gain on sale of rolling stock and equipment	**(189)**	**-0.1%**	(33)	-0.0%
Gain on disposal of right-of-use assets	**(1)**	**-0.0%**	-	-
Operating income	**21,000**	**14.3%**	20,623	14.5%
Adjusted EBITDA	**29,034**	**19.8%**	23,968	16.8%

* 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)*	First quarters ended March 31			
	2019	2018	Variance	%
Revenue per pound (including fuel)	**$0.48**	$0.46	$0.02	4.3%
Revenue per pound (excluding fuel)	**$0.42**	$0.40	$0.02	5.0%
Revenue per shipment (including fuel)	**$8.18**	$7.89	$0.29	3.7%
Tonnage (in thousands of metric tons)	**157**	160	(3)	-1.9%
Shipments (in thousands)	**20,393**	20,675	(282)	-1.4%
Average weight per shipment (in lbs)	**16.97**	17.06	(0.09)	-0.5%
Vehicle count, average	**986**	969	17	1.8%
Weekly revenue per vehicle (incl. fuel, in thousands of dollars)	**$13.01**	$12.94	$0.07	0.5%

Revenue

For the quarter ended March 31, 2019, revenue increased by $4.5 million, or 3%, from $142.4 million in 2018 to $146.9 million in 2019. This increase is attributable to an increase in revenue per pound (excluding fuel surcharge) partially offset by a decrease in tonnage. The decrease in tonnage was the result of a decrease in weight per shipment combined with a decrease in number of shipments.

Operating expenses

For the quarter ended March 31, 2019, materials and services expenses, net of fuel surcharge revenue, increased $4.2 million or 7% mostly due to an increase in sub-contractor costs. Other operating expenses decreased $5.0 million in the first quarter of 2019 mainly due to IFRS 16 adoption. Real estate lease expense decreased $5.3 million compared to Q1 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 Q1 2019.

Operating income

Operating income for the first quarter ended March 31, 2019 increased by 2% or $0.4 million compared to the first quarter of 2018 but the operating margin slightly decreased by 0.2 percentage points, from 14.5% in 2018 to 14.3% in 2019.

Less-Than-Truckload

(unaudited) *(in thousands of dollars)*	First quarters ended March 31			
	2019	**%**	2018*	%
Total revenue	**240,897**		235,801	
Fuel surcharge	**(32,911)**		(32,234)	
Revenue	**207,986**	**100.0%**	203,567	100.0%
Materials and services expenses (net of fuel surcharge)	**108,462**	**52.1%**	115,860	56.9%
Personnel expenses	**54,386**	**26.1%**	50,833	25.0%
Other operating expenses	**10,058**	**4.8%**	19,886	9.8%
Depreciation of property and equipment	**6,046**	**2.9%**	5,199	2.6%
Depreciation of right-of-use assets	**8,091**	**3.9%**	-	-
Amortization of intangible assets	**2,748**	**1.3%**	2,443	1.2%
Gain on sale of rolling stock and equipment	**(46)**	**-0.0%**	(150)	-0.1%
Gain on sale of assets held for sale	**(9,401)**	**-4.5%**	(1,872)	-0.9%
Operating income	**27,642**	**13.3%**	11,368	5.6%
Adjusted EBITDA	**35,126**	**16.9%**	17,138	8.4%

* 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)*	First quarters ended March 31			
	2019	2018	Variance	%
Adjusted operating ratio	**91.2%**	95.3%		
Revenue per hundredweight (including fuel)	**$14.85**	$14.05	$0.80	5.7%
Revenue per hundredweight (excluding fuel)	**$12.82**	$12.13	$0.69	5.7%
Revenue per shipment (including fuel)	**$319.92**	$278.72	$41.20	14.8%
Tonnage (in thousands of tons)	**811**	839	(28)	-3.3%
Shipments (in thousands)	**753**	846	(93)	-11.0%
Average weight per shipment (in lbs)	**2,154**	1,983	171	8.6%
Average length of haul (in miles)	**838**	827	11	1.3%
Vehicle count, average	**1,031**	766	265	34.6%
Revenue per week per vehicle (incl. fuel, in thousands of dollars)	**$17.97**	$23.68	($5.71)	-24.1%

Revenue

For the first quarter ended March 31, 2019, revenue was $208.0 million, an increase of $4.4 million, or 2% when compared to the same period in 2018. About a third of that amount is due to favorable variation of currency rate, and the rest is due to an increase in revenue per hundredweight. For the quarter ended March 31, 2019, the LTL segment improved its yield as reflected by the 5.7% increase in revenue per hundredweight that went from $12.13 in Q1 2018 to $12.82 in Q1 2019.

Operating expenses

For the first quarter ended March 31, 2019, materials and services expenses, net of fuel surcharge revenue, decreased $7.4 million, or 6%, mostly due to a $12.3 million decrease in sub-contractor cost attributable to cost savings resulting from switching freight previously given to sub-contractors to company owned equipment. This was partially offset by an increase in rolling stock maintenance and repair cost. As a consequence of the above freight transfer, personnel expenses as a percentage of revenue increased 1.1 percentage points to reach 26.1%. Other operating expenses decreased $9.8 million in the first quarter of 2019, mainly due to IFRS 16 adoption. Real estate lease expense decreased $8.6 million compared to Q1 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 $8.1 million for Q1 2019.

Gain on sale of assets held for sale

For the quarter ended March 31, 2019, a $9.4 million gain on sale of assets held for sale was recorded in the LTL segment following the sale of one property for a consideration of $16.5 million.

Operating income

Operating income for the first quarter ended March 31, 2019 increased $16.3 million, or 143% when compared to the same period in 2018. In addition to a $9.4 million gain on sale of assets held for sale, operating income was again favorably impacted in the first quarter by tight asset management, cost optimisation, a focus on more profitable freight, and continued improvements in route density.

Truckload

(unaudited) *(in thousands of dollars)*	**2019**	**%**	2018*	%
	First quarters ended March 31			
Total revenue	**600,535**		564,133	
Fuel surcharge	**(73,388)**		(73,466)	
Revenue	**527,147**	**100.0%**	490,667	100.0%
Materials and services expenses (net of fuel surcharge)	**230,891**	**43.8%**	244,990	49.9%
Personnel expenses	**176,831**	**33.5%**	155,559	31.7%
Other operating expenses	**17,158**	**3.3%**	16,604	3.4%
Depreciation of property and equipment	**42,265**	**8.0%**	38,140	7.8%
Depreciation of right-of-use assets	**7,055**	**1.3%**	-	-
Amortization of intangible assets	**7,103**	**1.3%**	7,361	1.5%
Gain on sale of rolling stock and equipment	**(4,204)**	**-0.8%**	(996)	-0.2%
Gain on sale of assets held for sale	**(696)**	**-0.1%**	(7,253)	-1.5%
Operating income	**50,744**	**9.6%**	36,262	7.4%
Adjusted EBITDA	**106,471**	**20.2%**	74,510	15.2%

* 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)* *(all Canadian dollars unless otherwise specified)*	**2019**	2018	Variance	%
	First quarters ended March 31			
U.S. based Conventional TL				
Revenue (in thousands of U.S. dollars)	**163,749**	166,850	(3,101)	-1.9%
Adjusted operating ratio	**92.4%**	98.3%		
Total mileage (in thousands)	**88,588**	98,426	(9,838)	-10.0%
Tractor count, average	**3,001**	3,100	(99)	-3.2%
Trailer count, average	**11,035**	11,201	(166)	-1.5%
Tractor age	**2.1**	2.5	(0.4)	-16.0%
Trailer age	**6.9**	6.5	0.4	6.2%
Number of owner operators, average	**398**	520	(122)	-23.5%
Canadian based Conventional TL				
Revenue (in thousands of dollars)	**77,882**	73,604	4,278	5.8%
Adjusted operating ratio	**86.2%**	90.5%		
Total mileage (in thousands)	**25,536**	26,142	(606)	-2.3%
Tractor count, average	**720**	703	17	2.4%
Trailer count, average	**2,932**	3,021	(89)	-2.9%
Tractor age	**2.5**	3.1	(0.6)	-19.4%
Trailer age	**5.6**	5.4	0.2	3.7%
Number of owner operators, average	**353**	344	9	2.6%
Specialized TL				
Revenue (in thousands of dollars)	**235,964**	207,258	28,706	13.9%
Adjusted operating ratio	**90.4%**	91.1%		
Tractor count, average	**1,771**	1,365	406	29.7%
Trailer count, average	**5,519**	4,625	894	19.3%
Tractor age	**3.7**	4.9	(1.2)	-24.5%
Trailer age	**10.0**	10.6	(0.6)	-5.7%
Number of owner operators, average	**1,192**	1,108	84	7.6%

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.

Revenue

For the quarter ended March 31, 2019, TL revenue increased by $36.4 million or 7%, from $490.7 million in Q1 2018 to $527.1 million mainly from business acquisitions' contributions of $48.8 million and due to favourable currency fluctuations of $15.3 million offset by mileage and volume decreases. Average revenue per total mile for conventional TL operations increased by 8% in the U.S. and by 4% in Canada compared to Q1 2018.

As part of its asset-light strategy, the TL segment increased its brokerage revenue by 5%, or $3.6 million, to $74.2 million compared to the same quarter last year.

Operating expenses

For the quarter ended March 31, 2019, operating expenses, net of fuel surcharge, increased by $22.0 million or 5% from $454.4 million in Q1 2018 to $476.4 million in Q1 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 $14.1 million in the first quarter of 2019, mainly due to IFRS 16 adoption. Equipment lease expense decreased $8.9 million compared to Q1 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. Personnel expenses increased by 1.8 percentage points of revenue, mainly attributable to driver compensation adjustments in order to improve retention and attract new drivers. Driver pay and retention remain challenging throughout the trucking industry and the Company is focused on cost effective methods of recruiting and retaining drivers. Cost and efficiency improvements were seen this quarter, and the Company continues to focus on being cost-conscious and its priority remains to improve the efficiency and profitability of its existing fleet and network of independent contractors. Right-of-use assets depreciation on equipment and real estate leases amounted to $7.1 million for Q1 2019.

Operating income

The Company's operating income in the TL segment for the quarter ended March 31, 2019 reached $50.7 million from $36.3 million in the prior year period. This represents an increase of 40% and is mainly due to higher revenue per mile, lower costs, more miles per tractor, and a more efficient truckload freight network. Initiatives aimed at equipment cost reductions have continued to yield positive results, including lower repairs and maintenance costs due to a newer fleet. Operating margin increased to 9.6% compared to 7.4% in Q1 2018. Individually, each TL operating segment was able to significantly improve its adjusted operating ratio.

Logistics and Last Mile

(unaudited) *(in thousands of dollars)*	First quarters ended March 31			
	2019	**%**	2018*	%
Total revenue	**232,653**		246,492	
Fuel surcharge	**(8,378)**		(9,927)	
Revenue	**224,275**	**100.0%**	236,565	100.0%
Materials and services expenses (net of fuel surcharge)	**157,800**	**70.4%**	163,021	68.9%
Personnel expenses	**30,190**	**13.5%**	35,662	15.1%
Other operating expenses	**10,452**	**4.7%**	16,783	7.1%
Depreciation of property and equipment	**623**	**0.3%**	753	0.3%
Depreciation of right-of-use assets	**4,670**	**2.1%**	-	-
Amortization of intangible assets	**5,355**	**2.4%**	5,326	2.3%
Loss on sale of rolling stock and equipment	**27**	**0.0%**	-	-
Gain on disposal of right-of-use assets	**(6)**	**-0.0%**	-	-
Operating income	**15,164**	**6.8%**	15,020	6.3%
Adjusted EBITDA	**25,812**	**11.5%**	21,099	8.9%

* 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.

Revenue

For the quarter ended March 31, 2019, revenue decreased by $12.3 million, or 5%, from $236.6 million in 2018 to $224.3 million in 2019, mainly attributable to lower volume and non-recurring business in the prior year period of $20.0 million and a positive foreign exchange impact of $7.7 million. Approximately 61% of the Logistics and Last Mile segment's revenues in the quarter was generated from operations in the U.S. and Mexico and approximately 39% was generated from operations in Canada.

Operating expenses

For the quarter ended March 31, 2019, total operating expenses, net of fuel surcharge, decreased by $12.4 million, or 6%, from $221.5 million in Q1 2018 to $209.1 million. As a percentage of revenue, materials and services expenses, net of fuel surcharge, increased by 1.5 percentage points of revenue in the first quarter of 2019 while personnel expenses decreased by 1.6 percentage points of revenue, resulting in an overall improvement, for these two items, of 0.2 percentage points of revenue. Other operating expenses as a percentage of revenue also decreased from 7.1% in 2018 to 4.7% in 2019 mainly due to IFRS 16 adoption. Real estate lease expense decreased $5.3 million compared to Q1 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 $4.7 million for Q1 2019.

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 quarter ended March 31, 2019 stayed relatively constant year-over-year compared to the first quarter of 2018, at $15.2 million compared to $15.0 million. The Logistics and Last Mile segment's operating margin increased 0.5 percentage points year-over-year mainly as a result of higher quality of revenue in Canada and cost efficiency measures across the segment as a whole.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
	2019	2018*
Sources of cash:		
Net cash from operating activities	**160,698**	57,828
Proceeds from sale of property and equipment	**16,792**	13,390
Proceeds from sale of assets held for sale	**17,593**	18,768
Net variance in cash and bank indebtedness	**-**	4,949
Net proceeds from long-term debt	**109,260**	-
Others	**4,905**	1,903
Total sources	**309,248**	96,838
Uses of cash:		
Purchases of property and equipment	**50,884**	38,008
Business combinations, net of cash acquired	**102,451**	(1,092)
Net variance in cash and bank indebtedness	**13,760**	-
Net repayment of long-term debt	**-**	4,108
Repayment of lease liabilities	**23,752**	-
Dividends paid	**20,735**	18,716
Repurchase of own shares	**96,600**	35,633
Others	**1,066**	1,465
Total usage	**309,248**	96,838

* 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 operating activities

For the three-month period ended March 31, 2019, net cash from operating activities significantly increased by 178% from $57.8 million in the same period of 2018 to $160.7 million. This $102.9 million increase is attributable to positive changes in non-cash operating working capital of $52.3 million and to higher cash flow from operating activities before net change in non-cash operating working capital of $50.6 million attributable to stronger operating results and to the replacement of lease expenses by depreciation of right-of-use assets and interests 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 $23.8 million.

Cash flow used in investing activities

Property and equipment

The following table presents the additions of property and equipment by category for the three-month periods ended March 31, 2019 and 2018.

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
	2019	2018
Additions to property and equipment:		
Purchases as stated on cash flow statements	**50,884**	38,008
Non-cash adjustments	**1,292**	(512)
	52,176	37,496
Additions by category:		
Land and buildings	**987**	2,393
Rolling stock	**47,996**	32,453
Equipment	**3,193**	2,650
	52,176	37,496

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-month periods ended March 31, 2019 and 2018.

(unaudited) ***(in thousands of dollars)***	**First quarters ended March 31**	
	2019	2018
Proceeds by category:		
Land and buildings	**16,516**	18,775
Rolling stock	**17,811**	13,382
Equipment	**58**	1
	34,385	32,158
Gains (losses) by category:		
Land and buildings	**9,412**	9,537
Rolling stock	**5,097**	1,231
Equipment	**-**	(5)
	14,509	10,763

Business acquisitions

For the three-month period ended March 31, 2019, cash used in business acquisitions totalled $102.5 million to acquire three businesses. Refer to the section of this report entitled "2019 business acquisitions" and further information can be found in note 5 of the March 31, 2019 unaudited condensed consolidated interim financial statements.

Free cash flow

(unaudited) ***(in thousands of dollars, except per share data)***	**First quarters ended March 31**	
	2019	2018*
Net cash from operating activities	**160,698**	57,828
Additions to property and equipment	**(52,176)**	(37,496)
Proceeds from sale of property and equipment	**16,792**	13,390
Proceeds from sale of assets held for sale	**17,593**	18,768
Free cash flow[1]	**142,907**	52,490

* 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 three-month period ended March 31, 2019, TFI International generated free cash flow of $142.9 million, compared to $52.5 million in the same period of 2018, which represents a year-over-year increase of $90.4 million. This increase is mainly due to higher net cash from operating activities of $102.9 million (see detail above).

Based on the March 31, 2019 closing share price of $39.47, the free cash flow generated by the Company in the last twelve months ($430.1 million) represented a yield of 12.5%.

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

Financial position

(unaudited) *(in thousands of dollars)*	**As at March 31, 2019**	As at December 31, 2018*	As at December 31, 2017*
Total assets	**4,516,577**	4,049,960	3,727,628
Long-term debt and lease liabilities	**2,170,578**	1,584,423	1,498,396
Shareholders' equity	**1,483,811**	1,576,854	1,415,124
Debt-to-equity ratio[1]	**1.46**	1.00	1.06
Debt-to-capitalization ratio[2]	**0.59**	0.50	0.51

* 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 long-term debt 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 March 31, 2019, the Company's working capital (current assets less current liabilities) was $60.2 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 $23.2 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 March 31, 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 2022*	**857,322**	-	-	857,322	-
Unsecured term loan – *June 2020 & 2021*	**575,000**	-	575,000	-	-
Unsecured debentures – *December 2020*	**125,000**	-	125,000	-	-
Conditional sales contracts	**138,628**	39,934	59,730	38,258	706
Lease liabilities	**478,750**	95,615	150,757	95,531	136,847
Operating leases	**10,320**	10,320	-	-	-
Total contractual obligations	**2,185,020**	**145,869**	**910,487**	**991,111**	**137,553**

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

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	***Requirements***	***As at March 31, 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	2.27
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	4.52

As at March 31, 2019, the Company had $37.6 million of outstanding letters of credit ($39.4 million on December 31, 2018).

As at March 31, 2019, the Company had $71.6 million of purchase commitments and $28.8 million of purchase orders 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 $20.3 million in dividends, or 24 cents per common share, in the first quarter of 2019. On April 23, 2019, the Board of Directors approved a quarterly dividend of $0.24 per outstanding common share of the Company's capital for an expected aggregate payment of $20.2 million which will be paid on July 15, 2019 to shareholders of record at the close of business on June 28, 2019.

[1] *Long-term debt and lease liabilities divided by shareholders' equity.*
[2] *Long-term debt and lease liabilities divided by the sum of shareholders' equity, long-term debt and lease liabilities.*

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on October 2, 2018 and will expire on October 1, 2019, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. The Board of TFI International believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of TFI International's financial resources, as such action can protect and enhance shareholder value when opportunities or volatility arise.

For the three-month period ended March 31, 2019, the Company repurchased 2,498,400 common shares (as compared to 1,086,364 in the same period in 2018) at a price ranging from approximately $33.89 to $41.33 per share for a total purchase price of $96.6 million (as compared to $35.6 million in the same period in 2018).

Outstanding shares, stock options and restricted share units

A total of 84,369,057 common shares were outstanding as at March 31, 2019 (December 31, 2018 – 86,397,588). There was no significant change in the Company's outstanding share capital between March 31, 2019 and April 23, 2019.

As at March 31, 2019, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 5,458,087 (December 31, 2018 – 5,031,161) of which 3,712,016 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 March 31, 2019, the number of restricted share units (''RSUs'') granted under the Company's equity incentive plan to its senior employees was 297,988 (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.

Subsequent events

On April 1, 2019, the Company completed the acquisitions of Aulick Leasing Corp. and its affiliate ShirAul, LLC. Based in Scottsbluff, 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 Central and Western U.S. ShirAul designs and manufactures the exclusive Bullet™ trailer.

On April 17, 2019, the Company announced that the United States Bankruptcy Court for the District of Delaware entered an order approving the sale of certain assets of BeavEx Incorporated, and its affiliates Guardian Medical Logistics, JNJW Enterprises, Inc. and USXP, LLC to the Company for a cash consideration of US$7.2 million. The transaction is expected to close by the end of April 2019 subject to closing conditions.

OUTLOOK

North American economic growth continues although at a slower pace than the prior year, and economic conditions remain generally supportive for the transportation and logistics industry. Unemployment is near multi-decade lows, and consumer confidence and business optimism have remained solid. Given this backdrop, the Company sees the potential for additional expansion of freight volumes and shipping rates.

Potential risks in this environment include an economic slowdown potentially caused by, among other possibilities, international trade negotiations that could result in higher tariffs and therefore slower North American business expansion. Such a slowdown would likely result in moderate overcapacity throughout the industry, which in turn could pressure pricing. The possibility of more pronounced driver shortages and accompanying upward pressure on wages is also a risk, as is the potential for increasing 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, 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.

In Package and Courier, TFI's priorities include deploying cutting-edge technology, optimizing the business mix and network, and driving efficiencies and additional savings through the consolidation of routes and terminals, administration and IT platforms. In addition, the Company intends to leverage its network to capitalize on e-commerce growth opportunities.

In Less-Than-Truckload, TFI's priorities include remaining disciplined in adapting supply to demand, emphasizing major cities, cross-border, and high-density regions to enhance value, focusing on further cost rationalization, especially for the domestic Canadian business, deploying customer-facing technology and leveraging capabilities in asset-light intermodal activities that it believes will generate higher returns.

In Truckload, TFI's priorities include remaining cost-conscious, extracting costs from both the U.S. and Specialized TL operations, and focusing on improving the efficiency and profitability of its modern fleet and network of independent contractors. TFI also notes that the expected implementation of an electronic logging device (ELD) requirement in Canada may have a similar effect on the Canadian truckload environment as it had in the U.S.

In Logistics and Last Mile, TFI's priorities include leveraging its extensive last-mile assets to capitalize on the growing importance of e-commerce which it believes plays to the Company's strengths, as both online and conventional retailers increasingly view last mile delivery solutions as strategic to their business. In addition, the Company is focused on further growing its geographic presence as non-asset-based activities are a strategic complement to conventional transportation services, and generating even better free cash flow as logistics requires less capital than other segments.

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, dividends, and business acquisitions.

TFI International believes it is uniquely positioned to benefit from the current dynamics in the North American freight environment. Management believes that 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, will continue to grow shareholder value.

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

(unaudited) - (in millions of dollars, except per share data)	Q1'19	Q4'18*	Q3'18*	Q2'18*	Q1'18*	Q4'17*	Q3'17*	Q2'17*
Total revenue	1,230.8	1,321.4	1,287.6	1,317.7	1,196.5	1,192.9	1,176.6	1,263.8
Adjusted EBITDA[1]	188.9	180.7	190.0	186.7	129.0	131.0	128.2	145.7
Operating income (loss)	106.3	103.3	128.2	123.6	75.4	66.1	130.6	(47.2)
Net income (loss)	65.1	76.7	86.7	80.4	48.2	120.2	98.8	(75.0)
EPS – basic	0.76	0.88	0.99	0.92	0.54	1.34	1.10	(0.82)
EPS – diluted	0.74	0.85	0.96	0.89	0.53	1.31	1.07	(0.82)
Adjusted net income[1]	67.1	86.3	95.0	89.9	50.4	53.9	48.9	56.4
Adjusted EPS - diluted[1]	0.77	0.96	1.05	0.99	0.55	0.59	0.53	0.61

* 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. For Q1 2019, higher Adjusted EBITDA 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. In Q3 2017, higher operating income, net income, as well as higher basic and diluted EPS, is mainly due to gain on sale of property of $70.1 million, or $59.7 million after-tax. In Q2 2017, the Company recorded an operating loss, net loss and negative basic and diluted EPS principally due to a goodwill impairment in its U.S. TL operating segment of $129.8 million (no tax impact from this impairment).

NON-IFRS FINANCIAL MEASURES

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

Operating expenses: Operating expenses included in total operating expenses caption of the consolidated statement of income.

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

Operating income (loss): Net income or loss 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: 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, and gain or loss on sale of land and buildings, assets held for sale and intangible assets, net of tax. In presenting an adjusted net income and adjusted EPS, the Company's intent is to help provide an understanding of what would have been the net income and earnings per share in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks and non-compete agreements accounted for in business combinations and the income tax effects related to this amortization. Management also believes, in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company's ability to generate similar future cash flows. The Company excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring. See reconciliation on page 7.

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

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

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

Consolidated adjusted EBITDA reconciliation:

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
	2019	2018*
Net income	**65,103**	48,157
Net finance costs	**20,464**	13,946
Income tax expense	**20,688**	13,284
Depreciation of property and equipment	**52,433**	47,366
Depreciation of right-of-use assets	**24,514**	-
Amortization of intangible assets	**15,789**	15,758
Gain on sale of assets held for sale	**(10,097)**	(9,537)
Adjusted EBITDA	**188,894**	128,974

* 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 reconciliation:

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
	2019	2018*
Package and Courier		
Operating income	**21,000**	20,623
Depreciation of property and equipment	**3,144**	2,983
Depreciation of right-of-use assets	**4,619**	-
Amortization of intangible assets	**271**	362
Adjusted EBITDA	**29,034**	23,968

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
	2019	2018*
Less-Than-Truckload		
Operating income	**27,642**	11,368
Depreciation of property and equipment	**6,046**	5,199
Depreciation of right-of-use assets	**8,091**	-
Amortization of intangible assets	**2,748**	2,443
Gain on sale of assets held for sale	**(9,401)**	(1,872)
Adjusted EBITDA	**35,126**	17,138
Truckload		
Operating income	**50,744**	36,262
Depreciation of property and equipment	**42,265**	38,140
Depreciation of right-of-use assets	**7,055**	-
Amortization of intangible assets	**7,103**	7,361
Gain on sale of assets held for sale	**(696)**	(7,253)
Adjusted EBITDA	**106,471**	74,510
Logistics and Last Mile		
Operating income	**15,164**	15,020
Depreciation of property and equipment	**623**	753
Depreciation of right-of-use assets	**4,670**	-
Amortization of intangible assets	**5,355**	5,326
Adjusted EBITDA	**25,812**	21,099
Corporate		
Operating income	**(8,295)**	(7,886)
Depreciation of property and equipment	**355**	291
Depreciation of right-of-use assets	**79**	-
Amortization of intangible assets	**312**	266
Gain on sale of assets held for sale	**-**	(412)
Adjusted EBITDA	**(7,549)**	(7,741)

* 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 is calculated as adjusted EBITDA as a percentage of revenue before fuel surcharge.

Free cash flow: Net cash from 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 13.

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

Adjusted operating ratio: Operating expenses before impairment of intangible assets 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 reconciliation:

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
	2019	2018*
Operating expenses	**1,124,562**	1,121,096
Gain on sale of assets held for sale	**10,097**	9,537
Adjusted operating expenses	**1,134,659**	1,130,633
Fuel surcharge revenue	**(133,381)**	(134,869)
Adjusted operating expenses, net of fuel surcharge revenue	**1,001,278**	995,764
Revenue before fuel surcharge	**1,097,436**	1,061,614
Adjusted operating ratio	**91.2%**	93.8%

* 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 segment adjusted operating ratio reconciliation and Truckload operating segments reconciliations:

(unaudited) *(in thousands of dollars)*	First quarters ended March 31	
	2019	2018*
Less-Than-Truckload		
Total revenue	**240,897**	235,801
Total operating expenses	**213,255**	224,433
Operating income	**27,642**	11,368
Operating expenses	**213,255**	224,433
Gain on sale of assets held for sale	**9,401**	1,872
Adjusted operating expenses	**222,656**	226,305
Fuel surcharge revenue	**(32,911)**	(32,234)
Adjusted operating expenses, net of fuel surcharge revenue	**189,745**	194,071
Revenue before fuel surcharge	**207,986**	203,567
Adjusted operating ratio	**91.2%**	95.3%
Truckload		
Total revenue	**600,535**	564,133
Total operating expenses	**549,791**	527,871
Operating income	**50,744**	36,262
Operating expenses	**549,791**	527,871
Gain on sale of assets held for sale	**696**	7,253
Adjusted operating expenses	**550,487**	535,124
Fuel surcharge revenue	**(73,388)**	(73,466)
Adjusted operating expenses, net of fuel surcharge revenue	**477,099**	461,658
Revenue before fuel surcharge	**527,147**	490,667
Adjusted operating ratio	**90.5%**	94.1%
Truckload - Revenue before fuel surcharge		
U.S. based Conventional TL	**217,606**	211,182
Canadian based Conventional TL	**77,882**	73,603
Specialized TL	**235,964**	207,258
Eliminations	**(4,305)**	(1,376)
	527,147	490,667
Truckload - Fuel surcharge revenue		
U.S. based Conventional TL	**37,318**	39,715
Canadian based Conventional TL	**10,567**	11,411
Specialized TL	**26,224**	22,494
Eliminations	**(721)**	(154)
	73,388	73,466
Truckload - Operating income		
U.S. based Conventional TL	**16,507**	3,536
Canadian based Conventional TL	**10,777**	13,979
Specialized TL	**23,460**	18,747
	50,744	36,262
U.S. based Conventional TL		
Operating expenses*	**238,417**	247,361
Fuel surcharge revenue	**(37,318)**	(39,715)
Adjusted operating expenses, net of fuel surcharge revenue	**201,099**	207,646
Revenue before fuel surcharge	**217,606**	211,182
Adjusted operating ratio	**92.4%**	98.3%

* Operating expenses excluding intra TL eliminations

(unaudited) *(in thousands of dollars)*	**First quarters ended March 31**	
	2019	2018*
Canadian based Conventional TL		
Operating expenses**	**77,672**	71,035
Gain on sale of assets held for sale	**-**	7,023
Adjusted operating expenses	**77,672**	78,058
Fuel surcharge revenue	**(10,567)**	(11,411)
Adjusted operating expenses, net of fuel surcharge revenue	**67,105**	66,647
Revenue before fuel surcharge	**77,882**	73,603
Adjusted operating ratio	**86.2%**	90.5%
Specialized TL		
Operating expenses**	**238,728**	211,005
Gain on sale of assets held for sale	**696**	230
Adjusted operating expenses	**239,424**	211,235
Fuel surcharge revenue	**(26,224)**	(22,494)
Adjusted operating expenses, net of fuel surcharge revenue	**213,200**	188,741
Revenue before fuel surcharge	**235,964**	207,258
Adjusted operating ratio	**90.4%**	91.1%

* 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 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 March 31, 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 March 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first quarter ended
March 31, 2019

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(in thousands of Canadian dollars)	Note	**As at March 31, 2019**	As at December 31, 2018
Assets			
Cash and cash equivalents		**1,169**	-
Trade and other receivables		**620,273**	631,727
Inventoried supplies		**14,315**	12,755
Current taxes recoverable		**1,326**	13,015
Prepaid expenses		**43,610**	38,546
Derivative financial instruments	20	**3,278**	5,430
Assets held for sale		**939**	7,572
Other assets	10	**23,199**	-
Current assets		**708,109**	709,045
Property and equipment	7	**1,393,958**	1,396,389
Right-of-use assets	3, 8	**450,758**	-
Intangible assets	9	**1,943,754**	1,901,495
Other assets	10	**11,698**	33,676
Deferred tax assets		**6,970**	6,409
Derivative financial instruments	20	**1,330**	2,946
Non-current assets		**3,808,468**	3,340,915
Total assets		**4,516,577**	4,049,960
Liabilities			
Bank indebtedness		**-**	12,334
Trade and other payables		**484,275**	475,585
Current taxes payable		**-**	18,951
Provisions	13	**26,088**	25,063
Other financial liabilities		**1,982**	1,972
Long-term debt	11	**39,934**	122,340
Lease liabilities	3, 12	**95,615**	-
Current liabilities		**647,894**	656,245
Long-term debt	11	**1,651,894**	1,462,083
Lease liabilities	3, 12	**383,135**	-
Employee benefits		**15,969**	16,130
Provisions	13	**37,421**	42,801
Other long-term liabilities		**5,915**	5,907
Deferred tax liabilities		**290,538**	289,940
Non-current liabilities		**2,384,872**	1,816,861
Total liabilities		**3,032,766**	2,473,106
Equity			
Share capital	14	**689,861**	704,510
Contributed surplus		**21,187**	20,448
Accumulated other comprehensive income		**42,775**	64,790
Retained earnings		**729,988**	787,106
Equity attributable to owners of the Company		**1,483,811**	1,576,854
Operating leases, contingencies, letters of credit and other commitments	21		
Subsequent events	22		
Total liabilities and equity		**4,516,577**	4,049,960

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

(In thousands of Canadian dollars, except per share amounts)

	Note	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Revenue		**1,097,436**	1,061,614
Fuel surcharge		**133,381**	134,869
Total revenue		**1,230,817**	1,196,483
Materials and services expenses	17	**678,491**	703,030
Personnel expenses		**318,683**	297,205
Other operating expenses		**49,168**	68,500
Depreciation of property and equipment	7	**52,433**	47,366
Depreciation of right-of-use assets	8	**24,514**	-
Amortization of intangible assets	9	**15,789**	15,758
Gain on sale of rolling stock and equipment		**(4,412)**	(1,226)
Gain on disposal of right-of-use assets		**(7)**	-
Gain on sale of assets held for sale		**(10,097)**	(9,537)
Total operating expenses		**1,124,562**	1,121,096
Operating income		**106,255**	75,387
Finance (income) costs			
Finance income	18	**(1,452)**	(1,640)
Finance costs	18	**21,916**	15,586
Net finance costs		**20,464**	13,946
Income before income tax		**85,791**	61,441
Income tax expense	19	**20,688**	13,284
Net income for the period attributable to owners of the Company		**65,103**	48,157
Earnings per share attributable to owners of the Company			
Basic earnings per share	15	**0.76**	0.54
Diluted earnings per share	15	**0.74**	0.53

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

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

(In thousands of Canadian dollars)	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Net income for the period attributable to owners of the Company	**65,103**	48,157
Other comprehensive income (loss)		
Items that may be reclassified to income or loss in future periods:		
Foreign currency translation differences	**(25,911)**	33,888
Net investment hedge, net of tax	**6,435**	(8,856)
Changes in fair value of cash flow hedge, net of tax	**(3,410)**	2,288
Items directly reclassified to retained earnings:		
Unrealized gain (loss) on investment in equity securities measured at fair value through OCI, net of tax	**871**	(2,204)
Other comprehensive income (loss) for the period, net of tax	**(22,015)**	25,116
Total comprehensive income for the period attributable to owners of the Company	**43,088**	73,273

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
PERIODS ENDED MARCH 31, 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		**-**	**-**	**-**	**-**	**-**	**-**	**65,103**	**65,103**
Other comprehensive income (loss) for the period, net of tax		**-**	**-**	**-**	**(3,410)**	**(19,476)**	**871**	**-**	**(22,015)**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**(3,410)**	**(19,476)**	**871**	**65,103**	**43,088**
Share-based payment transactions	16	**-**	**2,074**	**-**	**-**	**-**	**-**	**-**	**2,074**
Stock options exercised	14, 16	**5,710**	**(1,320)**	**-**	**-**	**-**	**-**	**-**	**4,390**
Dividends to owners of the Company		**-**	**-**	**-**	**-**	**-**	**-**	**(20,273)**	**(20,273)**
Repurchase of own shares	14	**(20,374)**	**-**	**-**	**-**	**-**	**-**	**(76,226)**	**(96,600)**
Restricted share units exercised	14, 16	**15**	**(15)**	**-**	**-**	**-**	**-**	**(44)**	**(44)**
Total transactions with owners, recorded directly in equity		**(14,649)**	**739**	**-**	**-**	**-**	**-**	**(96,543)**	**(110,453)**
Balance as at March 31, 2019		**689,861**	**21,187**	**(528)**	**6,800**	**41,495**	**(4,992)**	**729,988**	**1,483,811**
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		-	-	-	-	-	-	48,157	48,157
Other comprehensive income (loss) for the period, net of tax		-	-	-	2,288	25,032	(2,204)	-	25,116
Total comprehensive income (loss) for the period		-	-	-	2,288	25,032	(2,204)	48,157	73,273
Share-based payment transactions	16	-	1,271	-	-	-	-	-	1,271
Stock options exercised	14, 16	2,453	(550)	-	-	-	-	-	1,903
Dividends to owners of the Company		-	-	-	-	-	-	(18,532)	(18,532)
Repurchase of own shares	14	(8,679)	-	-	-	-	-	(26,954)	(35,633)
Restricted share units exercised	14, 16	6	(14)	-	-	-	-	(9)	(17)
Total transactions with owners, recorded directly in equity		(6,220)	707	-	-	-	-	(45,495)	(51,008)
Balance as at March 31, 2018		704,816	22,702	(369)	15,340	10,708	(3,374)	687,566	1,437,389

The notes on pages 6 to 25 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)

	Note	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Cash flows from operating activities			
Net income for the period		**65,103**	48,157
Adjustments for			
Depreciation of property and equipment		**52,433**	47,366
Depreciation of right-of-use assets		**24,514**	-
Amortization of intangible assets		**15,789**	15,758
Share-based payment transactions		**2,074**	1,271
Net finance costs		**20,464**	13,946
Income tax expense		**20,688**	13,284
Gain on sale of property and equipment		**(4,412)**	(1,226)
Gain on disposal of right-of-use assets		**(7)**	-
Gain on sale of assets held for sale		**(10,097)**	(9,537)
Provisions and employee benefits		**2,584**	(7,726)
		189,133	121,293
Net change in non-cash operating working capital	6	**24,288**	(27,962)
Cash generated from operating activities		**213,421**	93,331
Interest paid		**(21,937)**	(16,862)
Income tax paid		**(30,786)**	(18,641)
Net cash from operating activities		**160,698**	57,828
Cash flows from investing activities			
Purchases of property and equipment		**(50,884)**	(38,008)
Proceeds from sale of property and equipment		**16,792**	13,390
Proceeds from sale of assets held for sale		**17,593**	18,768
Purchases of intangible assets		**(1,022)**	(1,141)
Proceeds from sale of intangible assets		**269**	-
Business combinations, net of cash acquired	5	**(102,451)**	1,092
Others		**246**	(307)
Net cash used in investing activities		**(119,457)**	(6,206)
Cash flows from financing activities			
(Decrease) Increase in bank indebtedness		**(12,591)**	4,949
Proceeds from long-term debt	11	**207,963**	13,368
Repayment of long-term debt	11	**(98,703)**	(17,476)
Repayment of lease liability	12	**(23,752)**	-
Dividends paid		**(20,735)**	(18,716)
Repurchase of own shares		**(96,600)**	(35,633)
Proceeds from exercise of stock options		**4,390**	1,903
Repurchase of shares for exercise of restricted share units		**(44)**	(17)
Net cash used in financing activities		**(40,072)**	(51,622)
Net change in cash and cash equivalents		**1,169**	-
Cash and cash equivalents, beginning of period		**-**	-
Cash and cash equivalents, end of period		**1,169**	**-**

The notes on pages 6 to 25 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 months ended March 31, 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 April 23, 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.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

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 reclassed 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 January1, 2019.
- The Group will apply the exemption for low value items. These low value items continue to be classified as a lease expense.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

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.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

	Package and Courier	Less-Than-Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
Three months ended March 31, 2019							
External revenue	**145,793**	**205,826**	**522,454**	**223,363**	**-**	**-**	**1,097,436**
External fuel surcharge	**19,650**	**32,798**	**72,570**	**8,363**	**-**	**-**	**133,381**
Inter-segment revenue and fuel surcharge	**1,285**	**2,273**	**5,511**	**927**	**-**	**(9,996)**	**-**
Total revenue	**166,728**	**240,897**	**600,535**	**232,653**	**-**	**(9,996)**	**1,230,817**
Operating income (loss)	**21,000**	**27,642**	**50,744**	**15,164**	**(8,295)**	**-**	**106,255**
Selected items:							
Depreciation and amortization	**8,034**	**16,885**	**56,423**	**10,648**	**746**	**-**	**92,736**
Gain on sale of assets held for sale	**-**	**9,401**	**696**	**-**	**-**	**-**	**10,097**
Intangible assets	**247,249**	**252,223**	**1,121,473**	**319,461**	**3,348**	**-**	**1,943,754**
Total assets	**475,648**	**806,479**	**2,657,852**	**517,764**	**58,834**	**-**	**4,516,577**
Total liabilities	**162,588**	**358,875**	**524,198**	**168,190**	**1,818,915**	**-**	**3,032,766**
Additions to property and equipment	**3,587**	**7,222**	**40,712**	**240**	**415**	**-**	**52,176**
Three months ended March 31, 2018*							
External revenue	141,112	200,517	485,964	234,021	-	-	1,061,614
External fuel surcharge	20,514	32,000	72,604	9,751	-	-	134,869
Inter-segment revenue and fuel surcharge	1,441	3,284	5,565	2,720	-	(13,010)	-
Total revenue	163,067	235,801	564,133	246,492	-	(13,010)	1,196,483
Operating income (loss)	20,623	11,368	36,262	15,020	(7,886)	-	75,387
Selected items:							
Depreciation and amortization	3,345	7,642	45,501	6,079	557	-	63,124
Gain on sale of assets held for sale	-	1,872	7,253	-	412	-	9,537
Intangible assets	250,006	240,107	996,010	349,384	2,669	-	1,838,176
Total assets	384,439	562,719	2,266,828	485,060	53,525	-	3,752,571
Total liabilities	68,249	146,707	402,375	97,327	1,600,524	-	2,315,182
Additions to property and equipment	1,218	2,574	32,729	735	240	-	37,496

(*) Recasted for changes in presentation

Geographical information

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

Total revenue	Package and Courier	Less-Than-Truckload	Truckload	Logistics and Last Mile	Eliminations	Total
Three months ended March 31, 2019						
Canada	**166,728**	**200,495**	**254,141**	**67,723**	**(9,803)**	**679,284**
United States	**-**	**40,402**	**346,394**	**160,075**	**(193)**	**546,678**
Mexico	**-**	**-**	**-**	**4,855**	**-**	**4,855**
Total	**166,728**	**240,897**	**600,535**	**232,653**	**(9,996)**	**1,230,817**
Three months ended March 31, 2018						
Canada	163,067	202,541	233,316	79,328	(12,692)	665,560
United States	-	33,260	330,817	161,916	(318)	525,675
Mexico	-	-	-	5,248	-	5,248
Total	163,067	235,801	564,133	246,492	(13,010)	1,196,483

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

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

	As at March 31, 2019	As at December 31, 2018
Property and equipment, right-of-use assets and intangible assets		
Canada	**2,045,577**	1,927,241
United States	**1,720,198**	1,347,574
Mexico	**22,695**	23,069
	3,788,470	3,297,884

5. Business combinations

a) Business combinations

In line with the Group's growth strategy, the Group acquired three businesses during 2019, one of which 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 Corporation ("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 $81.1 million, which has been paid in cash. Schilli contributed revenue and net income of $7.9 million and $0.3 million during the quarter ended March 31, 2019, respectively.

If the Group acquired the three businesses on January 1, 2019, per management's best estimates, the revenue and net income for these entities would have been $35.1 million and $1.1 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 2018 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.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

Identifiable assets acquired and liabilities assumed	Note	**Schilli**	**Others**	**2019**
Cash and cash equivalents		11,689	1,212	**12,901**
Trade and other receivables		7,754	7,366	**15,120**
Inventoried supplies and prepaid expenses		2,766	870	**3,636**
Property and equipment	7	29,068	20,718	**49,786**
Right-of-use assets	8	3,189	6,543	**9,732**
Intangible assets	9	16,834	9,070	**25,904**
Other assets		-	23	**23**
Trade and other payables		(3,916)	(4,563)	**(8,479)**
Income tax receivable (payable)		1,615	(875)	**740**
Other non-current liabilities		(1,993)	-	**(1,993)**
Long-term debt		-	(11,144)	**(11,144)**
Lease liabilities		(3,189)	(6,543)	**(9,732)**
Deferred tax liabilities		(11,826)	(4,619)	**(16,445)**
Total identifiable net assets		51,991	18,058	**70,049**
Total consideration transferred		81,094	34,258	**115,352**
Goodwill	9	29,103	16,200	**45,303**
Cash		81,094	34,258	**115,352**
Total consideration transferred		81,094	34,258	**115,352**

The trade receivables comprise gross amounts due of $7.1 million, of which $0.1 million was expected to be uncollectible at the acquisition date.

Of the goodwill and intangible assets acquired through business combinations in 2019, nil 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	**45,303**

6. Additional cash flow information

Net change in non-cash operating working capital

	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2018
Trade and other receivables	**26,237**	(31,455)
Inventoried supplies	**206**	116
Prepaid expenses	**1,485**	(3,839)
Trade and other payables	**(3,640)**	7,216
	24,288	(27,962)

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

7. 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	3,840	45,365	581	**49,786**
Other additions	987	47,996	3,193	**52,176**
Disposals	(140)	(54,948)	(307)	**(55,395)**
Reclassification to assets held for sale	(1,021)	-	-	**(1,021)**
Transfer to right-of-use assets	-	(38,920)	-	**(38,920)**
Effect of movements in exchange rates	(1,559)	(14,121)	(20)	**(15,700)**
Balance at March 31, 2019	**378,822**	**1,512,621**	**160,293**	**2,051,736**
Depreciation				
Balance at December 31, 2018	76,521	486,172	101,728	**664,421**
Depreciation for the period	2,780	46,547	3,106	**52,433**
Disposals	(64)	(42,717)	(250)	**(43,031)**
Reclassification to assets held for sale	(158)	-	-	**(158)**
Transfer to right-of-use assets	-	(13,233)	-	**(13,233)**
Effect of movements in exchange rates	(309)	(2,516)	171	**(2,654)**
Balance at March 31, 2019	**78,770**	**474,253**	**104,755**	**657,778**
Net carrying amounts				
At December 31, 2018	300,194	1,041,077	55,118	1,396,389
At March 31, 2019	**300,052**	**1,038,368**	**55,538**	**1,393,958**

As at March 31, 2019, $1.3 million is included in trade and other payables for the purchases of property and equipment (December 31, 2018 – nil).

8. 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**
Additions through business combinations	7,115	2,617	-	**9,732**
Disposals	(319)	(103)	-	**(422)**
Transfer from property and equipment	-	38,920	-	**38,920**
Effect of movements in exchange rates	474	313	4	**791**
Balance at March 31, 2019	**573,230**	**172,552**	**1,944**	**747,726**
Depreciation				
Initial recognition of IFRS 16	207,429	51,148	720	**259,297**
Depreciation	16,560	7,780	174	**24,514**
Disposals	(228)	(13)	-	**(241)**
Transfer from property and equipment	-	13,233	-	**13,233**
Effect of movements in exchange rates	144	23	(2)	**165**
Balance at March 31, 2019	**223,905**	**72,171**	**892**	**296,968**
Net carrying amounts				
At March 31, 2019	**349,325**	**100,381**	**1,052**	**450,758**

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

9. 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	45,303	25,856	-	-	48	**71,207**
Other additions	-	-	-	-	1,022	**1,022**
Disposals	-	(274)	-	-	-	**(274)**
Effect of movements in exchange rates	(13,313)	(4,780)	(1,425)	(111)	(60)	**(19,689)**
Balance at March 31, 2019	**1,706,779**	**603,734**	**109,488**	**11,514**	**25,735**	**2,457,250**
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	-	13,156	1,555	496	582	**15,789**
Disposals	-	(5)	-	-	-	**(5)**
Effect of movements in exchange rates	(2,790)	(2,395)	(510)	(29)	(53)	**(5,777)**
Balance at March 31, 2019	**193,630**	**248,438**	**47,647**	**4,081**	**19,700**	**513,496**
Net carrying amounts						
At December 31, 2018	1,478,369	345,250	64,311	8,011	5,554	1,901,495
At March 31, 2019	**1,513,149**	**355,296**	**61,841**	**7,433**	**6,035**	**1,943,754**

10. Other assets

	As at March 31, 2019	As at December 31, 2018
Promissory note	**23,199**	22,686
Restricted cash	**4,275**	4,267
Security deposits	**3,463**	3,445
Investments in equity securities	**2,503**	1,498
Other	**1,457**	1,780
	34,897	33,676
Current other assets	**23,199**	-
Non-current other assets	**11,698**	33,676

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

11. Long-term debt

	As at March 31, 2019	As at December 31, 2018
Non-current liabilities		
Unsecured revolving facility	**854,426**	740,556
Unsecured term loans	**573,927**	498,805
Unsecured debentures	**124,847**	124,825
Conditional sales contracts	**98,694**	94,222
Finance lease liabilities	**-**	3,675
	1,651,894	1,462,083
Current liabilities		
Current portion of conditional sales contracts	**39,934**	41,919
Current portion of finance lease liabilities	**-**	5,489
Current portion of unsecured term loans	**-**	74,932
	39,934	122,340

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

	Note	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Balance at beginning of period		**1,584,423**	1,498,396
Transfer to lease liabilities		**(9,164)**	-
Proceeds		**207,963**	13,368
Business combinations	5	**11,144**	-
Repayment including deferred financing fees		**(98,703)**	(17,476)
Amortization of deferred financing fees		**575**	598
Effect of movements in exchange rates		**3,017**	2,356
Effect of movements in exchange rates - OCI		**(7,427)**	10,223
Balance at end of period		**1,691,828**	1,507,465

On February 1, 2019, the $500 million unsecured term loan was amended to increase the balance to $575 million. On February 11, 2019, the funds were used to reimburse the $75 million unsecured term loan that was due to mature in August 2019.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

12. Lease liabilities

	As at March 31, 2019	As at December 31, 2018
Current portion of lease liabilities	**95,615**	-
Long-term portion of lease liabilities	**383,135**	-
	478,750	-

The table below summarizes changes to the lease liability:

	Note	**Three months ended Mar. 31, 2019**
Initial recognition on transition to IFRS 16		**483,458**
Transfer of finance leases from long-term debt		**9,164**
Business combinations	5	**9,732**
Disposals		**(188)**
Repayment		**(23,752)**
Effect of movements in exchange rates		**336**
Balance at March 31, 2019		**478,750**

The lease liabilities include an undiscounted amount of $65.6 million related to extension options that the Group is reasonably certain to exercise. The Group does not have a significant exposure to termination options.

	As at March 31, 2019
Less than 1 year	**95,615**
Between 1 and 5 years	**246,288**
More than 5 years	**136,847**
	478,750

13. Provisions

	Self insurance	Other	**Total**
As at March 31, 2019			
Current provisions	22,756	3,332	**26,088**
Non-current provisions	30,047	7,374	**37,421**
	52,803	**10,706**	**63,509**
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

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

14. 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:

(in number of shares)	Note	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Balance, beginning of period		**86,397,588**	89,123,588
Repurchase and cancellation of own shares		**(2,498,400)**	(1,086,364)
Stock options exercised	16	**469,969**	124,467
Balance, end of period		**84,369,157**	88,161,691

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

	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2018
Balance, beginning of period	**704,510**	711,036
Repurchase and cancellation of own shares	**(20,374)**	(8,679)
Cash consideration of stock options exercised	**4,390**	1,903
Ascribed value credited to share capital on stock options exercised	**1,320**	550
Issuance of shares on settlement of RSUs	**15**	6
Balance, end of period	**689,861**	704,816

Pursuant to the normal course issuer bid ("NCIB") which began on October 2, 2018 and expiring on October 1, 2019, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. As at March 31, 2019, and since the inception of this NCIB, the Company has repurchased and cancelled 4,073,054 common shares.

During the three months ended March 31, 2019, the Company repurchased 2,498,400 common shares at a price ranging from $33.89 to $41.33 per share for a total purchase price of $96.6 million relating to the NCIB. During the three months ended March 31, 2018, the Company repurchased 1,086,364 common shares at a price ranging from $32.18 to $33.47 per share for a total purchase price of $35.6 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 $76.2 million (2018 – $27.0 million) was charged to retained earnings as share repurchase premium.

15. 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:

(in thousands of dollars and number of shares)	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Net income attributable to owners of the Company	**65,103**	48,157
Issued common shares, beginning of period	**86,397,588**	89,123,588
Effect of stock options exercised	**113,746**	80,882
Effect of repurchase of own shares	**(1,337,311)**	(254,953)
Weighted average number of common shares	**85,174,023**	88,949,517
Earnings per share – basic	**0.76**	0.54

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:

(in thousands of dollars and number of shares)	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Net income attributable to owners of the Company	**65,103**	48,157
Weighted average number of common shares	**85,174,023**	88,949,517
Dilutive effect:		
Stock options and restricted share units	**2,316,949**	2,237,323
Weighted average number of diluted common shares	**87,490,972**	91,186,840
Earnings per share - diluted	**0.74**	0.53

As at March 31, 2019, no stock options were excluded from the calculation of diluted earnings per share (2018 – 993,793 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.

16. 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:

(in thousands of options and in dollars)		**Three months ended Mar. 31, 2019**		Three months ended Mar. 31, 2018
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of period	**5,031**	**21.01**	5,493	19.22
Granted	**909**	**40.36**	618	29.92
Exercised	**(470)**	**9.34**	(124)	15.29
Forfeited	**(12)**	**29.22**	(21)	30.41
Balance, end of period	**5,458**	**25.22**	5,966	20.37
Options exercisable, end of period	**3,712**	**20.74**	4,169	17.11

The following table summarizes information about stock options outstanding and exercisable at March 31, 2019:

(in thousands of options and in dollars)	Options outstanding		Options exercisable
Exercise prices	Number of options	Weighted average remaining contractual life (in years)	Number of options
6.32	160	0.3	160
9.46	586	1.3	586
16.46	454	0.3	454
20.18	579	1.3	579
24.64	855	4.3	535
24.93	675	3.3	675
25.14	312	2.3	312
29.92	588	5.9	191
35.02	340	4.9	220
40.36	909	6.9	-
	5,458	3.6	3,712

Of the options outstanding at March 31, 2019, a total of 4,018,896 (December 31, 2018 – 4,884,447) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in the three months ended March 31, 2019 was $42.14 (2018 – $32.99).

For the three months ended March 31, 2019, the Group recognized a compensation expense of $0.9 million (2018 – $0.7 million) with a corresponding increase to contributed surplus.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

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:

(in units)	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Balance, beginning of period	**306,042**	281,323
Board members compensation	**8,591**	6,985
Dividends paid in units	**1,979**	1,774
Balance, end of period	**316,612**	290,082

For the three months ended March 31, 2019, the Group recognized, as a result of DSUs, a compensation expense of $0.4 million (2018 - $0.2 million) with a corresponding increase to trade and other payables. In addition, in other finance costs, the Group recognized a mark-to-market loss on DSUs of $1.3 million for the three months ended March 31, 2019 (2018 – loss of $0.1 million).

As at March 31, 2019, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to $12.5 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 during the period was $40.36 per unit.

The table below summarizes changes to the outstanding RSUs:

(in thousands of RSUs and in dollars)		**Three months ended Mar. 31, 2019**		Three months ended Mar. 31, 2018
	Number of RSUs	**Weighted average exercise price**	Number of RSUs	Weighted average exercise price
Balance, beginning of period	**147**	**31.84**	206	27.74
Granted	**153**	**40.36**	95	29.92
Reinvested	**1**	**31.87**	1	27.74
Settled	**(1)**	**28.10**	-	-
Forfeited	**(2)**	**36.23**	-	-
Balance, end of period	**298**	**36.20**	302	28.43

The following table summarizes information about RSUs outstanding and exercisable as at March 31, 2019:

(in thousands of RSUs and in dollars)	RSUs outstanding	
Exercise prices	Number of RSUs	Remaining contractual life (in years)
29.92	90	1.8
35.02	55	0.8
40.36	153	2.8
	298	2.1

For the three months ended March 31, 2019, the Group recognized, as a result of RSUs, a compensation expense of $1.1 million (2018 - $0.6 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at March 31, 2019, a total of 182,813 (December 31, 2018 – 87,486) are held by key management personnel.

17. 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, insurance, permits and operating supplies.

	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2018
Independent contractors	**476,966**	497,537
Vehicle operation expenses	**201,525**	205,493
	678,491	703,030

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

18. Finance income and finance costs

Recognized in income or loss:

(Income) costs	**Three months ended Mar. 31, 2019**	Three months ended Mar. 31, 2018
Interest expense on long-term debt	**14,043**	13,811
Interest expense on lease liabilities	**4,728**	-
Interest income and accretion on promissory note	**(706)**	(675)
Net change in fair value and accretion expense of contingent considerations	**83**	(490)
Net foreign exchange gain	**(728)**	(340)
Net change in fair value of foreign exchange derivatives	**(18)**	(89)
Net change in fair value of interest rate derivatives	**-**	(46)
Other financial expenses	**3,062**	1,775
Net finance costs	**20,464**	13,946
Presented as:		
Finance income	**(1,452)**	(1,640)
Finance costs	**21,916**	15,586

19. Income tax expense

Income tax recognized in income or loss:

	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2018
Current tax expense		
Current period	**23,225**	17,206
	23,225	17,206
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	**(2,542)**	(3,746)
Variation in tax rate	**(104)**	(30)
Adjustment for prior periods	**109**	(146)
	(2,537)	(3,922)
Income tax expense (recovery)	**20,688**	13,284

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

Reconciliation of effective tax rate:

		Three months ended Mar. 31, 2019		Three months ended Mar. 31, 2018
Income before income tax		**85,791**		61,441
Income tax using the Company's statutory tax rate	**26.7%**	**22,906**	26.8%	16,405
Increase (decrease) resulting from:				
Rate differential between jurisdictions	**(3.5%)**	**(2,995)**	(4.4%)	(2,734)
Variation in tax rate	**(0.1%)**	**(104)**	0.0%	(30)
Non deductible expenses	**1.1%**	**953**	1.4%	879
Tax exempt income	**(1.6%)**	**(1,409)**	(1.8%)	(1,090)
Adjustment for prior periods	**0.1%**	**109**	2.0%	(146)
Others	**1.4%**	**1,228**	0.0%	-
	24.1%	**20,688**	21.7%	13,284

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. As a result of the U.S. Tax Reform, the Group's net deferred income tax liability at December 31, 2017 decreased by $76.1 million.

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. At March 31, 2019, $2.3 million of long-term income tax payable related to repatriation tax is included in other long-term liabilities (December 31, 2018 – $2.3 million).

20. Financial instruments

Derivative financial instruments' fair values were as follows:

		Measured at fair value through income or loss		Designated as effective cash flow hedge instruments	
	Note	**As at March 31, 2019**	As at December 31, 2018	**As at March 31, 2019**	As at December 31, 2018
Current assets					
Interest rate derivatives	a	**-**	-	**3,278**	5,430
Non-current assets					
Interest rate derivatives	a	**-**	-	**1,330**	2,946

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.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2019 AND 2018 - (UNAUDITED)

The Group's interest rate derivatives are as follows:

	As at March 31, 2019					As at December 31, 2018				
	Average B.A. rate	**Notional Contract Amount CDN$**	**Average Libor rate**	**Notional Contract Amount US$**	**Fair value CDN$**	Average B.A. rate	Notional Contract Amount CDN$	Average Libor rate	Notional Contract Amount US$	Fair value CDN$
Coverage period:										
Less than 1 year	**0.99%**	**150,000**	**1.92%**	**325,000**	**3,278**	0.99%	225,000	1.92%	325,000	5,430
1 to 2 years	**-**	**-**	**1.88%**	**181,250**	**851**	-	-	1.89%	237,500	1,812
2 to 3 years	**-**	**-**	**1.92%**	**100,000**	**319**	-	-	1.92%	100,000	648
3 to 4 years	**-**	**-**	**1.92%**	**50,000**	**160**	-	-	1.92%	75,000	486
Asset					**4,608**					8,376
Presented as:										
Current assets					**3,278**					5,430
Non-current assets					**1,330**					2,946

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

a) Leases

The Group is committed to pay $10.3 million for leases excluded from IFRS 16 through the practical expedient excluding any long term leases ending in 2019.

b) Contingencies

There are pending operational and personnel related claims against the Group. The Group has accrued $10.8 million for claim settlements which are presented in long term provisions on the consolidated statements of financial position (December 31, 2018 – $10.3 million). 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 March 31, 2019, the Group had $37.6 million of outstanding letters of credit (December 31, 2018 - $39.4 million).

d) Other commitments

As at March 31, 2019, the Group had $71.6 million of purchase commitments (December 31, 2018 – $51.0 million) and $28.8 million of purchase orders the Group intends to enter into a lease that is expected to materialize within a year (December 31, 2018 – nil).

22. Subsequent events

On April 1, 2019, the Group completed the acquisition of Aulick Leasing Corp. and its affiliate company ShirAul, LLC. Based in Scottsbluff, 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 Central and Western U.S. ShirAul designs and manufactures the exclusive Bullet™ trailer. The Group paid a total cash consideration of US$40.9 million for this acquisition.

On April 17, 2019, the Group announced that the United States Bankruptcy Court for the District of Delaware entered an order approving the sale of certain assets of BeavEx Incorporated, and its affiliates Guardian Medical Logistics, JNJW Enterprises, Inc. and USXP, LLC to the Group for a cash consideration of US$7.2 million. The transaction is expected to close by the end of April 2019 subject to closing conditions.

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

FINANCIAL INSTITUTIONS

National Bank of Canada

Royal Bank of Canada

Bank of America Merrill Lynch

Bank of Montreal

The Bank of Nova Scotia

Caisse Centrale Desjardins

JP Morgan Chase Bank

Toronto Dominion Bank

Bank of Tokyo-Mitsubishi UFJ (Canada)

Canadian Imperial Bank of Commerce

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