



# The Future of Trucking

**Corporate Presentation**

March 2022

# Company Overview

## Leading Edge Technology-First Company

### Technology is transforming the industry

- Trucking (~40%), Logistics (~60%)
- HQ in Bolton, terminals in North Bay, Bracebridge, Napanee, Windsor, Belleville, Brantford, Cornwall, Charlotte, Nashville, Chicago, Denver, Atlanta

### Disruption will allow for consolidation

- FTL servicing raw materials & manufacturers; X-border and domestic (~50/50%), 800 tractors and 3,000 trailers
- Titanium has a proven M&A track record of accretive targets

## Shareholder Detail

Management & employees hold a significant number of shares showing stakeholder alignment

	Shares	Percent
Zzen Group (Trunkeast)	12,914,482	29.3%
Ted Daniel (President, CEO)	3,197,123	7.3%
<b>Major Shareholders</b>	<b>16,111,605</b>	<b>36.6%</b>
Other Institutional, Retail & Employees	27,925,908	63.4%
<b>Basic Shares Outstanding</b>	<b>44,037,513</b>	<b>100.0%</b>

## Financial Snapshot

Market Capitalization <sup>1</sup>	\$121.5 million
Enterprise Value <sup>2,3</sup>	\$204.6 million
Stock Ticker TSXV:TTR	2022 Revenue (est.) \$460.0 million
	2022 EBITDA (est.) \$40.0 million

## Share Price History



1) Based on closing share price on March 11, 2022

2) Enterprise value is defined as market capitalization plus net debt. Net debt is defined as bank indebtedness, loans payable, finance lease liabilities, net of cash, finance lease receivables and assets held for sale

## Titanium Board of Directors

# Diversified Set of Skills and Experience



**Ted Daniel, CA, CPA**  
President and Director

- Founder of Titanium with over 20 years of trucking industry experience
- 10 years experience in turnarounds and restructuring in a CFO capacity
- Chartered Accountant formerly with KPMG and SLF
- Bachelors degree in Computer Science with a minor in pure and applied mathematics, York University
- Honours Bachelors Degree in Business and Administrative Studies, York University



**Lu Galasso, B. Comm., CA, CPA**  
Chair of the Board of Directors

- More than 20 years of experience in the manufacturing sector
- Partner with the Zzen Group of Companies since 2004
- Adviser to Titanium Logistics since 2007
- Chartered Accountant formerly with KPMG and Arthur Andersen



**William (Bill) Chyfetz, B. Comm., LL.B., CA,**  
Chair of the Audit Committee

- Served as Vice President and Secretary of Progressive Waste Solutions Ltd. (TSX: BIN) and its predecessors from 2000 to 2014; also held role of General Counsel from 2000 to 2010 and Associate General Counsel from 2010 to 2014
- Obtained B. Comm from McGill University and LLB from Osgoode Hall Law School



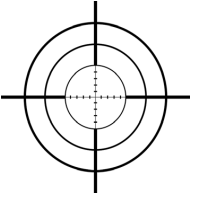
**David Bradley, MA, BA**  
Non-Executive Director

- Voice of trucking in Canada and Ontario for the better part of 3 decades until his retirement at the end of 2017 as the CEO of both the Canadian Trucking Alliance and the Ontario Trucking Association
- Responsible for leading several key industry policy initiatives including mandatory speed limiters, a universal electronic logging device (ELD) mandate and mandatory entry level training for drivers
- Management consultant with Touche Ross & Partners (1982-84) and a financial markets economist with the Bank of Nova Scotia (1984-85) prior to joining the trucking industry
- Holds an M.A. and B.A. in economics and is also a fellow of the Chartered Institute of Logistics and Transportation

# Titanium History and Geography



- 2002** ➔ Founded as a logistics broker
- 2007** ➔ Zzen Group private equity partnership
- 2011** ➔ Flexmor Industries (**\$13M** revenue)
- 2013** ➔ Flatliners Express (**\$3M** revenue)  
Gary Jackson Transport (**\$4M** revenue)  
JTS Inc. (**\$11M** revenue)
- 2014** ➔ Cain Express (**\$9M** revenue)  
Georgian Bay Transport (**\$4M** revenue)
- 2015** ➔ Commenced trading on the TSX-V  
Muskoka Transport (**\$30M** revenue)  
ProNorth Transportation (**\$10M** revenue)
- 2016** ➔ Drive Logistics (Windsor terminal)
- 2017** ➔ Xpress Group (**\$15M** revenue)
- 2019** ➔ Charlotte, NC Opens U.S. HQ
- 2020** ➔ Nashville, TN Logistics office
- 2021** ➔ Chicago, IL Logistics office  
International Truckload Services (**\$80M** revenue)  
Denver, CO Logistics office
- 2022** ➔ Bert and Son's Cartage Ltd (**\$5M** revenue)  
Atlanta, GA Logistics office



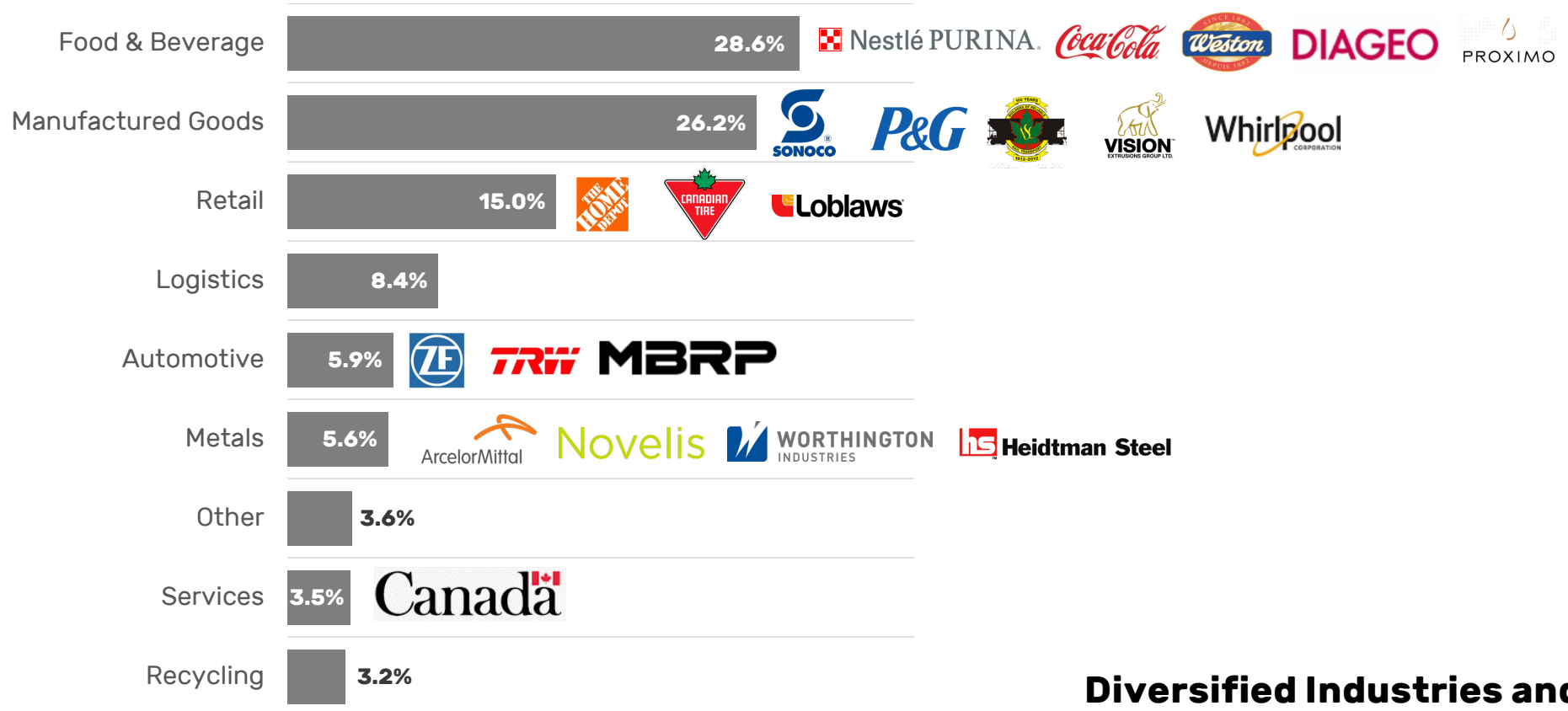
## Titanium's Largest Acquisition – Deal Breakdown

# International Truckload Services Group (“ITS”)

- Canadian based trucking company founded in 1986.
- Terminals in Belleville, Cornwall and Brantford, enhances Titanium's existing network.
- Added approximately 300 tractors and 1,600 trailers to pre-existing fleet.
- Titanium estimated to be the 15<sup>th</sup> largest transportation company in Canada. 800 tractors and 3,000 trailers.
- Acquired real estate of 28 acres in Belleville and 21 acres in Cornwall.
- Transaction adds approximately \$80 million in revenue and \$9 million in EBITDA; extract significant synergies to increase EBITDA to 15%.
- Acquired for \$59.5 million in cash considerations and assumed net debt.



# Customers and Industries



**Diversified Industries and Customer base of over 1,000**

# Investing in Future Technology

- ❖ Advanced financial analytics
- ❖ Superior asset utilization
- ❖ Predictive maintenance & safety
- ❖ Improved trip planning and logistics



## Permanent Changes – Long term

# Disruption in the Trucking Industry

### Increased Barriers to Entry

**Equipment costs rising:** new technology, Advance Driver Assistance Systems, Human Machine Interfaces, AI in trucking and logistics, **electric and autonomous technology**

**Customer demands increasing:** in technology, information, visibility, efficiencies, predictive solutions, social responsibility & diversity spend, **blockchain**

**Regulatory environment:** more difficult for smaller carriers, electronic logging devices (ELDs), mandatory driver entry-level training (MELT), drug and alcohol testing

**Insurance underwriters leaving trucking:** safety standards are more difficult to maintain, more sophisticated programs, increased cost of insurance and cost of claims

### Titanium Thrives On Disruption

**Borrowing power and superior asset utilization allows for a young fleet with the newest technology**

**Sophisticated IT/IS systems and innovative team allows for development of creative customer solutions and enhanced customer experience**

**In-depth knowledge of regulations allows for effective planning and execution of improvements**

**Strong safety record and top-quality drivers allows for superior/cost-effective insurance with minimal claims and risk; Northbridge Insurance – top 10% safest fleets in Canada, platinum status**



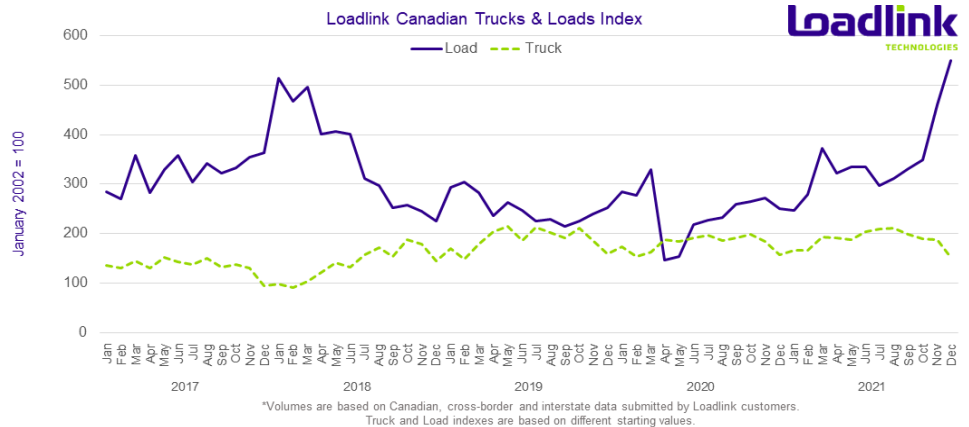
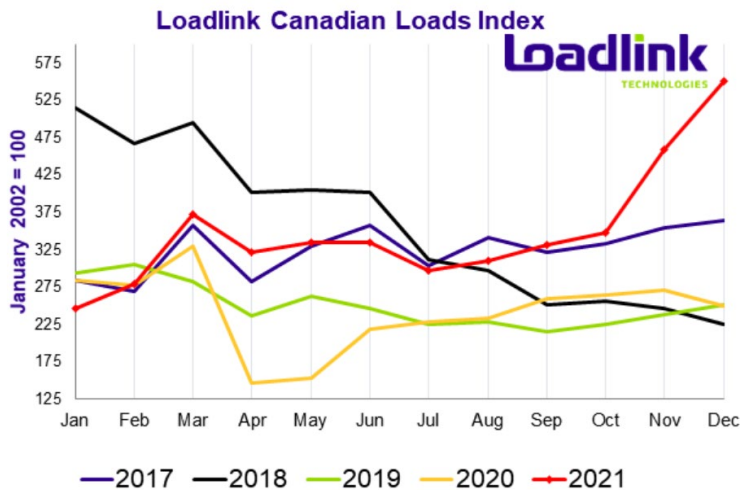
# Economic Outlook



United States ISM Purchasing Managers Index (PMI)

# Supply and Demand Environment

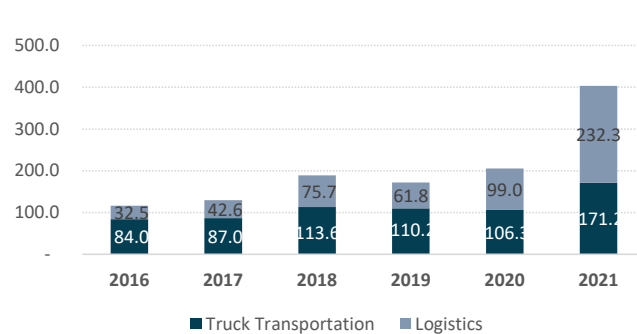
- ✓ PMI<sup>1</sup> is closely correlated with Titanium cross border demand for truckload freight, currently at 59.3
- ✓ Canadian spot market saw collapse in **Q2 2020**, recovery in **Q3/Q4 2020**, stable in **1H 2021**, growth in **2H 2021**
- ✓ Trucking volumes expected to grow at an average of **2.6%** per year to **2024**<sup>2</sup> to a total industry tonnage of **21.7 billion**
- ✓ US electronic logging device (“ELD”) mandated in **January 2018**; Canadian ELD mandate to be effective **June 2022**



1) The Institute for Supply Management's Purchasing Managers Index ("PMI") indicates whether manufacturing is expanding or contracting. Above 50 percent indicates the manufacturing economy is generally expanding.  
 2) Source: ATA Freight Transportation Forecast 2018 to 2029  
 3) TransCore

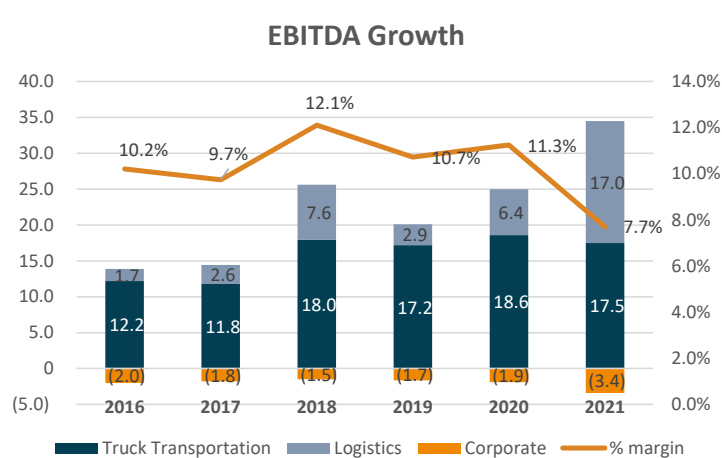
## Financial Growth

Revenue Growth  
CAGR of 28.2%



**Titanium was recognized by Growth List as one of Canada's fastest growing companies**

EBITDA Growth  
CAGR of 21.2%



EBITDA is a non-IFRS measure

## Titanium Invested When Many Carriers Divested

- Titanium invests in IT infrastructure and IS technology to allow for further efficiencies and enhanced security
- Titanium continues to develop new Microsoft Power BI tools that allow for better and faster decision making
- Titanium invests in new equipment with state of the art technology to mitigate repairs, fuel and insurance costs
- Titanium invested in BlackBerry Radar trailer tracking technology increasing equipment utilization and profitability
- Titanium has an employee & driver share purchase plan which further improves leading industry driver retention
- Titanium recognized in Financial Times' ranking of America's Fastest-Growing Companies
- Titanium recognized on the Growth 500 List by Maclean's Canadian Business for the 12<sup>th</sup> consecutive year



# Titanium American Logistics Inc.



## US Expansion - Brokerage

- Charlotte, NC (US Head Office, 2019)
- Nashville, TN (Opened Q3 2020)
- Chicago, IL (Opened Q1 2021)
- Denver, CO (Opened Q4 2021)
- Atlanta, GA (Announced Q1 2022)
- Total US customers represent 40% of consolidated business
- Brokerage allows Titanium to enter the US market with a minimal amount of capital burden
- Strategic locations will lend to Titanium's customer base and allow for the possibility of expanding an asset-based strategy
- **US\$125M revenue** in 2021
- US expectation of 10 locations by 2024

# Consolidation Opportunities

## Transportation's continuous industry evolution and transformation



Increasing barriers to entry are making it more difficult for smaller carriers to compete in **US\$750B+**<sup>1</sup> industry



**97%** of US trucking companies operate fewer than **20** trucks<sup>4</sup>



In Canada, there are over **65,000** trucking companies, **41%** are in Ontario<sup>2</sup>



Titanium has a proven track record of M&A (**12** acquisitions in **11** years)



The top **100** carriers in Canada account for only **6%** of all trucks in Canada<sup>3</sup>



Titanium is well positioned with significant available cash

- 1) Source: American Trucking Association, ground trucking
- 2) Source: Transport Canada, Transportation in Canada 2016 Comprehensive Report
- 3) Source: Transport Canada, Transportation in Canada 2016 Comprehensive Report and Today's Trucking
- 4) Source: US Department of Transportation

# Titanium Growth Strategy

## Building the next C\$1.0 Billion Revenue Company with ROIC

**Continue to invest in digital infrastructure and talent to create sustainable growth**

**Broaden customer base and geographic presence through organic and inorganic growth**

**Leverage IT/IS capabilities to remain on the leading edge of innovation**

# Investment Highlights

- ✓ Technological investments expected to drive increased market share and superior margins
- ✓ Infrastructure in place to deliver rapid growth
- ✓ Proven track record of M&A
- ✓ Solid balance sheet permits continued organic and inorganic growth
- ✓ Diversified customer base and geography
- ✓ Highly-aligned management team with significant insider ownership
- ✓ Long-term shareholder value creation through sustainable, profitable growth







[www.ttgi.com](http://www.ttgi.com)



## **Titanium Transportation Group Inc.**

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