



TFI International Inc. (TFII)

Updated July 29th, 2025, by Kody Kester

Key Metrics

Current Price:	\$93	5 Year CAGR Estimate:	14.5%	Market Cap:	\$7.7B
Fair Value Price:	\$85	5 Year Growth Estimate:	15.0%	Ex-Dividend Date:	09/29/25 ¹
% Fair Value:	109%	5 Year Valuation Multiple Estimate:	-1.8%	Dividend Payment Date:	10/14/25 ¹
Dividend Yield:	1.9%	5 Year Price Target	\$171	Years Of Dividend Growth:	10
Dividend Risk Score:	B	Sector:	Industrials	Rating:	Hold

Overview & Current Events

Formed in 1957, TFI International Inc. is a leading North American transportation and logistics company. The Canada-based company's 95-plus operating companies and over 26,000 employees provide a variety of transportation and logistics services to customers. TFII's customers operate mostly in the retail, manufactured goods, automotive, building materials, food and beverage, metals and mining, and services industries. Approximately two-thirds of the company's revenue is generated in the U.S., with the remaining third of revenue being derived in Canada. TFII is organized into the following three operating segments:

1. **Less-Than-Truckload:** The Less-Than-Truckload segment provides over-the-road and asset-light intermodal LTL services. As indicated by the name of the segment, the segment picks up, transports, and delivers smaller loads for customers. This also includes package & courier services. Through the first half of 2025, LTL accounted for the plurality (~41%) of the company's \$3.5 billion in total revenue before fuel surcharges (another ~\$500 million in YTD-Q2 2025 revenue).
2. **Truckload:** The Truckload segment offers flatbed, tank, and container services to customers. The segment also carries full loads from the customer to the destination using a closed van or specialized equipment. The TL segment made up approximately 39% of total revenue before fuel surcharges as of Q2 2025.
3. **Logistics:** The Logistics segment provides asset-light logistics services, such as freight forwarding, transportation management, and small package parcel delivery. Through the first half of 2025, this segment comprised the remaining 20% of total revenue before fuel surcharges.

On July 28th, TFII shared its earnings report for the second quarter ended June 30th, 2025. The company's total revenue decreased by 10% over the year-ago period to \$2.04 billion in the quarter. This was due to reduced volumes stemming from weaker end-market demand during the quarter. TFII's adjusted diluted EPS dropped by 21.6% year-over-year to \$1.34 for the quarter. That beat the analyst consensus by \$0.11 in the quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.31	\$1.56	\$1.64	\$2.69	\$2.96	\$3.30	\$5.23	\$8.02	\$6.18	\$5.75	\$4.85	\$9.76
DPS	\$0.52	\$0.53	\$0.61	\$0.66	\$0.74	\$0.79	\$0.92	\$1.08	\$1.40	\$1.60	\$1.80	\$2.77
Shares²	97.6	91.6	89.1	86.4	81.5	93.4	92.2	86.5	84.4	84.4	83.0	74.6

TFII has earned the reputation of being adept at acquiring businesses and realizing value from them. Since 2015, the company has completed almost 100 acquisitions, including five major deals. Since 2015, TFII has posted nearly 18% annual adjusted diluted EPS growth.

¹ Estimated based on past dividend dates.

² Share count is in millions.



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In the near term, the uncertainty surrounding President Trump’s tariffs imposed on Canada remains in place. That’s having a meaningful impact on freight volumes. We continue to think that the trade dispute between the U.S. and Canada will be resolved over the next year. As this brings more clarity, we think that freight volumes will improve. The sharper reduction in our adjusted diluted EPS prediction should lead to an even more dramatic recovery further down the road. This is why we’re anticipating 15% annual adjusted EPS growth through 2030 off our updated 2025 base projection of \$4.85.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	13.2	16.8	15.9	9.7	11.4	15.6	21.4	12.5	22.0	23.5	19.1	17.5
Avg. Yld.	3.0%	2.0%	2.3%	2.5%	2.2%	1.5%	0.9%	1.2%	1.0%	1.2%	1.9%	1.6%

In the past decade, TFII’s P/E ratio has varied from as low as the high single-digits to as high as the low 20s. Since 2015, the average P/E ratio has been just above 16. Our thesis of more bolt-on acquisitions driving future adjusted diluted EPS growth arguably remains intact over the medium term and beyond. That’s why we believe a P/E ratio splitting the difference between the five-year and 10-year average is realistic (17.5). Our downward revision of adjusted diluted EPS will pressure our fair value estimate in the immediate future, though.

Safety, Quality, Competitive Advantage, & Recession Resiliency

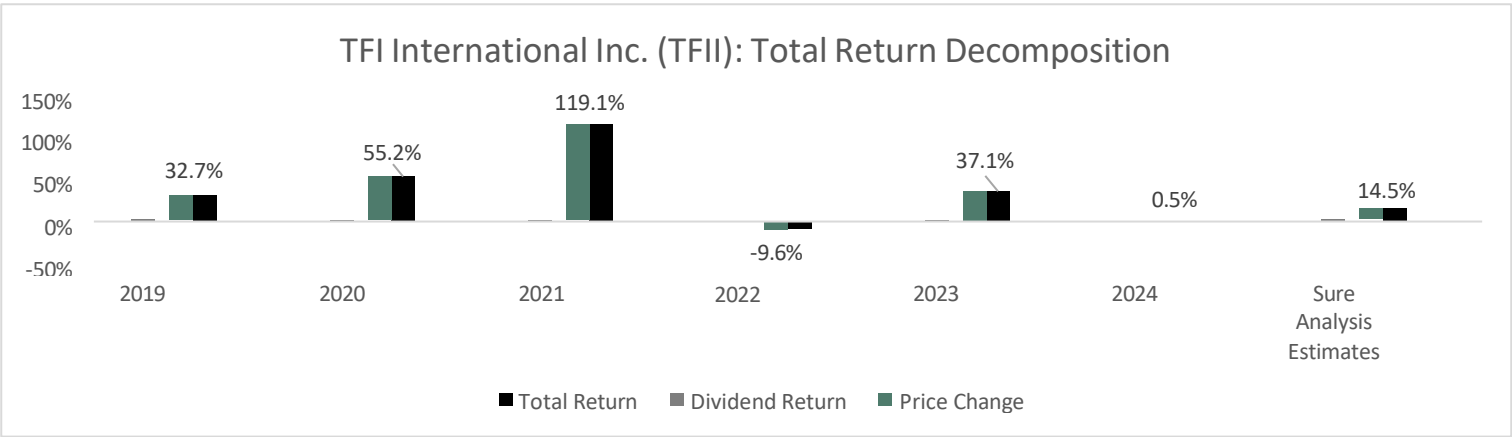
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	40%	34%	37%	25%	25%	24%	18%	13%	23%	28%	37%	28%

TFII’s array of offerings helps it to offer a full suite of transportation and logistics services. Combine that with the company’s commitment to efficiency and assisting customers in reducing their delivery costs, and this is what drives high customer satisfaction. That has led to the sizable adjusted diluted EPS compound annual growth rate discussed earlier. TFII is also a financially sound business. As of June 30th, the company’s funded debt-to-EBITDA ratio was 2.35. This is much better than the requirement of 3.5 to remain within its financial covenants under its credit facility. On the dividend front, the company’s payout ratio is positioned to register in the mid- to high-30% range for 2025.

Final Thoughts & Recommendation

TFII’s 1.9% dividend yield, 15.0% annual adjusted diluted EPS growth prospects, and 1.8% annual valuation multiple downside could produce 14.5% annual total returns through 2030. Still, shares are priced moderately above our fair value estimate. That leaves little protection against any further downside if TFII encounters any more obstacles in its road to recovery. This is why, after a 16% rally in recent months, we’re downgrading shares to a Hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,904	2,995	3,847	3,761	3,904	3,781	7,220	8,812	7,521	8,397
Gross Profit	373	378	431	531	514	573	1,148	1,573	1,265	1,251
Gross Margin	12.8%	12.6%	11.2%	14.1%	13.2%	15.2%	15.9%	17.8%	16.8%	14.9%
SG&A Exp.	13	15	16	14	16	23	104	139	85	76
D&A Exp.	127	144	215	201	296	299	393	431	442	616
Operating Profit	186	182	202	311	342	399	664	941	746	740
Operating Margi	6.4%	6.1%	5.3%	8.3%	8.8%	10.6%	9.2%	10.7%	9.9%	8.8%
Net Profit	118	476	126	214	234	276	754	823	505	386
Net Margin	4.1%	15.9%	3.3%	5.7%	6.0%	7.3%	10.4%	9.3%	6.7%	4.6%
Free Cash Flow	193	167	47	165	224	466	580	615	650	74
Income Tax	40	34	(32)	66	77	87	152	242	172	138

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,434	2,996	2,964	2,969	3,509	3,847	5,884	5,506	6,284	7,146
Cash & Equivalents	-	3	-	-	-	4	19	147	336	-
Accounts Receivabl	349	411	434	444	442	571	987	966	847	940
Inventories	5	6	7	9	11	9	24	24	24	18
Goodwill & Int.	1,126	1,468	1,457	1,394	1,505	1,748	1,793	1,592	2,019	2,623
Total Liabilities	1,699	1,911	1,839	1,813	2,350	2,059	3,573	3,043	3,692	4,473
Accounts Payable	220	237	243	247	238	328	612	499	451	431
Long-Term Debt	1,150	1,163	1,187	1,164	1,346	873	1,608	1,316	1,884	2,309
Shareholder's Equit	735	1,085	1,125	1,156	1,159	1,789	2,310	2,463	2,591	2,673
D/E Ratio	1.56	1.07	1.05	1.01	1.16	0.49	0.70	0.53	0.73	0.86

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.4%	17.5%	4.2%	7.2%	7.2%	7.5%	15.5%	14.5%	8.6%	6.3%
Return on Equity	14.5%	52.3%	11.4%	18.8%	20.2%	18.7%	36.8%	34.5%	20.0%	16.0%
ROIC	5.7%	23.0%	5.5%	9.3%	9.7%	10.7%	22.9%	21.4%	12.2%	8.2%
Shares Out.	97.6	91.6	89.1	86.4	81.5	93.4	92.2	86.5	84.4	85.2
Revenue/Share	28.47	31.35	41.46	41.42	45.73	41.58	75.74	96.57	86.40	98.56
FCF/Share	1.89	1.74	0.51	1.82	2.62	5.13	6.08	6.74	7.46	0.87

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

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