

TOROMONT

For immediate release

TOROMONT ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2024 AND QUARTERLY DIVIDEND

Toronto, Ontario (May 1, 2024) – Toromont Industries Ltd. (TSX: TIH) today reported its financial results for the first quarter ended March 31, 2024.

(\$ millions, except per share amounts)	Three months ended March 31		
	2024	2023	% change
Revenue	\$ 1,016.3	\$ 1,046.4	(3)%
Operating income	\$ 106.6	\$ 127.8	(17)%
Net earnings	\$ 83.9	\$ 96.0	(13)%
Basic earnings per share ("EPS")	\$ 1.02	\$ 1.17	(13)%

"Results for the first quarter of 2024 are reflective of the evolution toward more normalized supply and demand dynamics when compared to the market factors we experienced last year," stated Michael S. McMillan, President and Chief Executive Officer of Toromont Industries Ltd. "Overall we saw a decline in revenues year over year, however activity levels remain solid with healthy bookings and backlog across the business. The Equipment Group executed well given market dynamics and customer demand priorities. CIMCO revenue and bottom line improved for the year on good execution and higher product support activity. Across the organization, we continue to focus on our long-term investment strategies and remain committed to our operating disciplines, driving our after-market strategies and delivering customer solutions."

HIGHLIGHTS:

Consolidated Results

- Revenue decreased \$30.0 million (down 3%) to \$1.0 billion for the quarter. Revenue decreased in the Equipment Group 3% and increased at CIMCO 3% compared to Q1 of 2023. Lower revenue in the Equipment Group resulted from lower equipment deliveries, on delays in customer schedules as well as against a stronger comparable last year. Product support revenue was healthy while rental revenue declined slightly on adverse weather conditions. CIMCO's growth reflects good product support activity levels, while package revenue declined slightly on timing of construction schedules. Our increased technician labour workforce continues to support growth.

- Operating income decreased 17% in the quarter, and was 10.5% of revenue compared to 12.2% in the similar period last year. The decrease in operating income reflects the lower revenue, higher relative expenses and lower gross margins.
- For the quarter, net earnings decreased \$12.1 million or 13% to \$83.9 million, or \$1.02 EPS (basic) and \$1.01 EPS (fully diluted).
- Bookings⁽¹⁾ increased 62% compared to the similar period last year. Equipment Group bookings increased on several large orders in mining and construction. CIMCO bookings increased on solid demand for our products and services. Booking activity can be lumpy, resulting in variability quarter over quarter, reflecting market-related factors and customer buying patterns.
- Backlog⁽¹⁾ was \$1.4 billion as at March 31, 2024, compared to \$1.1 billion as at March 31, 2023, and \$1.2 billion as at December 31, 2023. Backlog remains healthy, reflecting good order intake, some deferrals or delays in construction and customer delivery schedules.

Equipment Group

- Revenue was down \$32.3 million or 3% to \$928.1 million for the quarter. New equipment sales decreased 11%, against a stronger comparable last year, coupled with some delays in customer delivery schedules and buying decisions. Rental revenue was dampened in part due to adverse weather conditions. Product support activity was healthy, with increases in both parts and service, reflecting good demand and increased technician levels.
- Operating income decreased \$24.2 million or 20% to \$98.8 million in the quarter, reflecting the lower revenue, lower gross margins and higher relative expenses. Operating income margin decreased to 10.6% versus 12.8% in the comparable period last year.
- Bookings in 2024 were \$521.6 million, a increase of \$176.1 million or 51% versus prior year, reflecting good order intake predominantly in the construction and mining sectors.
- Backlog of \$1.1 billion at the end of March 2024 was up \$144.0 million or 15% from the end of March 2023, reflecting good order intake, some delays in customer deliveries.

CIMCO

- Revenue increased \$2.2 million or 3% to \$88.2 million for the quarter on good product support activity, up 11%, with increases in both Canada and the US. Package revenue was down 7%, mainly due to delays in equipment delivery and customer schedules.

- Operating income was up \$3.0 million or 61% to \$7.8 million for the quarter, reflecting improved gross margins and higher revenue. Operating income margin increased to 8.9% (2023 was 5.6%) reflecting higher gross margins on solid execution.
- Bookings increased 156% to \$103.1 million in the first quarter of 2024. Both markets were higher, with recreational orders up 119% and industrial orders up 194%. Activity increased in both Canada (+ 14%) and the US (+167%).
- Backlog of \$323.2 million at March 31, 2024 was up \$124.1 million or 62% from last year, largely driven by an increase in the industrial market with strong order intake, along with a modest increase in the recreational market.

Financial Position

- Toromont's share price of \$130.35 at the end of March 2024, translated to market capitalization⁽¹⁾ of \$10.7 billion and total enterprise value⁽¹⁾ of \$10.4 billion.
- The Company maintained a strong financial position. Leverage as represented by the net debt to total capitalization⁽¹⁾ ratio was -14% at the end of March 2024, compared to -17% at the end of December 2023 and -1% at the end of March 2023. The change in the ratio from this time last year reflects solid cash flow from earnings.
- The Company purchased and cancelled 195,700 common shares (\$25.0 million) under the Normal Course Issuer Bid program in the three-months ended March 31, 2024.
- The Board of Directors approved a quarterly dividend of \$0.48 cents per share, payable on July 5, 2024 to shareholders on record on June 7, 2024.
- The Company's return on equity⁽¹⁾ was 22.0% at the end of March 2024, on a trailing twelve-month basis, compared to 23.1% at the end of December 2023 and 24.9% at the end of March 2023. Trailing twelve month pre-tax return on capital employed⁽¹⁾ was 29.0% at the end of March 2024, compared to 30.4% at the end of December 2023 and 32.4% at the end of March 2023.

"Historically, the first quarter experiences lower activity levels due to typical seasonality," continued Mr. McMillan. "We continue to monitor key metrics and supply-dynamics. New bookings particularly in CIMCO and our construction and mining markets were solid. As noted, our long-term focus on growth and returns means we remain committed to our operating and financial disciplines to manage our cost structure, while we invest in capacity and capabilities to provide exceptional service to our customers today and in the future."

FINANCIAL AND OPERATING RESULTS

All comparative figures in this press release are for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. All financial information presented in this press release has been prepared in accordance with International Financial Reporting Standards ("IFRS"), except as noted below, and are reported in Canadian dollars. This press release contains only selected financial and operational highlights and should be read in conjunction with Toromont's unaudited interim condensed consolidated financial statements and related notes and Management's Discussion and Analysis ("MD&A"), as at and for the three months ended March 31, 2024, which are available on SEDAR at www.sedarplus.ca and on the Company's website at www.toromont.com.

Additional information is contained in the Company's filings with Canadian securities regulators, including the 2023 Annual Report and 2024 Annual Information Form, which are available on SEDAR and the Company's website.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The Company will be holding its Annual and Special Meeting of Shareholders in a virtual-only format, via live audio webcast on Thursday, May 2, 2024, at 10:00 a.m. (EDT). Shareholders and other interested parties can attend the meeting virtually by going to <https://web.lumiagm.com/485110321> (password "toromont2024"). The meeting will also be available via live audio webcast at www.toromont.com.

QUARTERLY CONFERENCE CALL AND WEBCAST

Interested parties are invited to join the quarterly conference call with investment analysts, in listen-only mode, on Thursday, May 2, 2024 at 8:00 a.m. (EDT). The call may be accessed by telephone at 888-664-6383 (North American toll free) or 416-764-8650 (Toronto area) and quoting participant passcode 40118654. A replay of the conference call will be available until Thursday, May 9, 2024 by calling 1-888-390-0541 (North American toll free) or 416-764-8677 (Toronto area) and quoting passcode 118654. The live webcast can also be accessed at www.toromont.com.

Presentation materials to accompany the call will be available on our investor page on our website.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management believes that providing certain non-GAAP measures provides users of the Company's unaudited interim condensed consolidated financial statements and MD&A with important information regarding the operational performance and related trends of the Company's business. By considering these measures in combination with the comparable IFRS measures set out below, management believes that users are provided a better overall understanding of the Company's business and its financial performance during the relevant period than if they simply considered the IFRS measures alone.

The non-GAAP measures used by management do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Accordingly, these measures should not be considered as a substitute or alternative for net income or cash flow, in each case as determined in accordance with IFRS.

Management also uses key performance indicators to enable consistent measurement of performance across the organization. These KPIs are non-GAAP financial measures, do not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other issuers.

Gross Profit / Gross Profit Margin

Gross Profit is defined as total revenue less cost of goods sold.

Gross Profit Margin is defined as gross profit (defined above) divided by total revenue.

Operating Income / Operating Income Margin

Operating income is defined as net income from continuing operations before interest expense, interest and investment income and income taxes and is used by management to assess and evaluate the financial performance of its operating segments. Financing and related interest charges cannot be attributed to business segments on a meaningful basis that is comparable to other companies. Business segments do not correspond

to income tax jurisdictions and it is believed that the allocation of income taxes distorts the historical comparability of the performance of the business segments.

Operating income margin is defined as operating income (defined above) divided by total revenue.

(\$ thousands)	Three months ended March 31	
	2024	2023
Net income from continuing operations	\$ 83,919	\$ 96,119
<i>plus:</i> Interest expense	6,994	6,904
<i>less:</i> Interest and investment income	(15,687)	(10,348)
<i>plus:</i> Income taxes	31,359	35,139
Operating income	\$ 106,585	\$ 127,814
Total revenue	\$ 1,016,349	\$ 1,046,363
Operating income margin	10.5%	12.2%

Net Debt to Total Capitalization/Equity

Net debt to total capitalization/equity are calculated as net debt divided by total capitalization and shareholders' equity, respectively, as defined below, and are used by management as measures of the Company's financial leverage.

Net debt is calculated as long-term debt plus current portion of long-term debt less cash and cash equivalents. Total capitalization is calculated as shareholders' equity plus net debt.

The calculations are as follows:

(\$ thousands)	March 31	December 31	March 31
	2024	2023	2023
Long-term debt	\$ 647,964	\$ 647,784	\$ 647,241
<i>less:</i> Cash and cash equivalents	983,355	1,040,757	675,440
Net debt	(335,391)	(392,973)	(28,199)
Shareholders' equity	2,754,769	2,683,852	2,389,157
Total capitalization	\$ 2,419,378	\$ 2,290,879	\$ 2,360,958
Net debt to total capitalization	(14)%	(17)%	(1)%
Net debt to equity	(0.12):1	(0.15):1	(0.01):1

Market Capitalization & Total Enterprise Value

Market capitalization represents the total market value of the Company's equity. It is calculated by multiplying the closing share price of the Company's common shares by the total number of common shares outstanding.

Total enterprise value represents the total value of the Company and is often used as a more comprehensive alternative to market capitalization. It is calculated by adding debt/net debt (defined above) to market capitalization.

The calculations are as follows:

<i>(\$ thousands, except for shares and share price)</i>	March 31 2024	December 31 2023	March 31 2023
Outstanding common shares	82,213,286	82,297,341	82,360,231
<i>times: Ending share price</i>	\$ 130.35	\$ 116.10	\$ 110.93
Market capitalization	\$ 10,716,502	\$ 9,554,721	\$ 9,136,220
Long-term debt	\$ 647,964	\$ 647,784	\$ 647,241
<i>less: Cash and cash equivalents</i>	983,355	1,040,757	675,440
Net debt	\$ (335,391)	\$ (392,973)	\$ (28,199)
Total enterprise value	\$ 10,381,111	\$ 9,161,748	\$ 9,108,021

Order Bookings and Backlog

Order bookings represent the retail value of firm equipment or project orders received during a period. Backlog is defined as the retail value of equipment units ordered by customers with future delivery, and the remaining retail value of package/project orders remaining to be recognized in revenue under the percentage of completion method. Management uses order backlog as a measure of projecting future equipment and project deliveries. There are no directly comparable IFRS measures for order bookings or backlog.

Return on Capital Employed ("ROCE")

ROCE is utilized to assess both current operating performance and prospective investments. The adjusted earnings numerator used for the calculation is income before income taxes, interest expense and interest income (excluding interest on rental conversions). The denominator in the calculation is the monthly average capital employed, which is defined as net debt plus shareholders' equity, also referred to as total capitalization, adjusted for discontinued operations.

(\$ thousands)	Trailing twelve months ended		
	March 31 2024	December 31 2023	March 31 2023
Net earnings	\$ 522,627	\$ 534,712	\$ 490,671
<i>plus:</i> Interest expense	28,188	28,101	27,558
<i>less:</i> Interest and investment income	(51,383)	(46,349)	(30,108)
<i>plus:</i> Interest income – rental conversions	3,684	3,348	4,352
<i>plus:</i> Income taxes	191,111	194,849	177,439
Adjusted net earnings	\$ 694,227	\$ 714,661	\$ 669,912
Average capital employed	\$ 2,396,373	\$ 2,347,864	\$ 2,065,882
Return on capital employed	29.0%	30.4%	32.4%

Return on Equity ("ROE")

ROE is monitored to assess profitability and is calculated by dividing net earnings by opening shareholders' equity (adjusted for shares issued and shares repurchased and cancelled during the period), both calculated on a trailing twelve month period.

(\$ thousands)	Trailing twelve months ended		
	March 31 2024	December 31 2023	March 31 2023
Net earnings	\$ 522,627	\$ 534,712	\$ 490,671
Opening shareholder's equity (net of adjustments)	\$ 2,374,586	\$ 2,317,906	\$ 1,969,837
Return on equity	22.0%	23.1%	24.9%

ADVISORY

Information in this press release that is not a historical fact is "forward-looking information". Words such as "plans", "intends", "outlook", "expects", "anticipates", "estimates", "believes", "likely", "should", "could", "would", "will", "may" and similar expressions are intended to identify statements containing forward-looking information. Forward-looking information in this press release reflects current estimates, beliefs, and assumptions, which are based on Toromont's perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Toromont's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Toromont can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: business cycles, including general economic conditions in the countries in which Toromont operates; commodity price changes, including changes in the price of precious and base metals; inflationary pressures; potential risks and uncertainties relating to COVID-19 or a potential new world health issue; increased regulation of or restrictions placed on our businesses; changes in foreign exchange rates, including the Cdn\$/US\$ exchange rate; the termination of distribution or original equipment manufacturer agreements; equipment product acceptance and availability of supply, including reduction or disruption in supply or demand for our products stemming from external factors; increased competition; credit of third parties; additional costs associated with warranties and maintenance contracts; changes in interest rates; the availability and cost of financing; level and volatility of price and liquidity of Toromont's common shares; potential environmental liabilities and changes to environmental regulation; information technology failures, including data or cybersecurity breaches; failure to attract and retain key employees as well as the general workforce; damage to the reputation of Caterpillar, product quality and product safety risks which could expose Toromont to product liability claims and negative publicity; new, or changes to current, federal and provincial laws, rules and regulations including changes in infrastructure spending; any requirement to make contributions or other payments in respect of registered defined benefit pension plans or postemployment benefit plans in excess of those currently contemplated; increased insurance premiums; and risk related to integration of acquired operations including cost of integration and ability to achieve the expected benefits. Readers are cautioned that the foregoing list of factors is not exhaustive.

Any of the above mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied in the forward-looking information and statements included herein. For a further description of certain risks and uncertainties and other factors that could cause or contribute to actual results that are materially different, see the risks and uncertainties set out under the heading "Risks and Risk Management" and "Outlook" sections of Toromont's most recent annual Management Discussion and Analysis, as filed with Canadian securities regulators at www.sedarplus.ca or at our website www.toromont.com. Other factors, risks and uncertainties not presently known to Toromont or that Toromont currently believes are not material could also cause actual results or events to differ materially from those expressed or implied by statements containing forward-looking information.

Readers are cautioned not to place undue reliance on statements containing forward-looking information, which reflect Toromont's expectations only as of the date of this press release, and not to use such information for anything other than their intended purpose. Toromont disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

ABOUT TOROMONT

Toromont Industries Ltd. operates through two business segments: the Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory, spanning the Canadian provinces of Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Québec, Ontario and Manitoba, in addition to most of the territory of Nunavut. The Equipment Group includes industry-leading rental operations and a complementary material handling business. CIMCO is one of North America's leading suppliers of thermal management solutions that enable customers to reduce energy consumption and emissions, use natural refrigerants and monitor and control their operating environments autonomously. Both segments offer comprehensive product support capabilities. This press release and more information about Toromont Industries Ltd. can be found at www.toromont.com.

For more information contact:

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FOOTNOTE

- (1) These financial metrics do not have a standardized meaning under International Financial Reporting Standards (IFRS), which are also referred to herein as Generally Accepted Accounting Principles (GAAP), and may not be comparable to similar measures used by other issuers. These measurements are presented for information purposes only. The Company's Management's Discussion and Analysis (MD&A) includes additional information regarding these financial metrics, including definitions and a reconciliation to the most directly comparable GAAP measures, under the headings "Additional GAAP Measures", "Non-GAAP Measures" and "Key Performance Indicators."

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three months ended March 31	
<i>(\$ thousands, except share amount)</i>	2024	2023
Revenue	\$ 1,016,349	\$ 1,046,363
Cost of goods sold	766,175	783,250
Gross profit	250,174	263,113
Selling and administrative expenses	143,589	135,299
Operating income	106,585	127,814
Interest expense	6,994	6,904
Interest and investment income	(15,687)	(10,348)
Income before income taxes	115,278	131,258
Income taxes	31,359	35,139
Income from continuing operations	83,919	96,119
Loss from discontinued operations	—	(115)
Net earnings	\$ 83,919	\$ 96,004
Basic earnings per share		
Continuing operations	\$ 1.02	\$ 1.17
Discontinued operations	\$ —	\$ —
	\$ 1.02	\$ 1.17
Diluted earnings per share		
Continuing operations	\$ 1.01	\$ 1.16
Discontinued operations	\$ —	\$ —
	\$ 1.01	\$ 1.16
Weighted average number of shares outstanding		
Basic	82,309,309	82,333,111
Diluted	82,975,125	83,008,699