

# TOROMONT

For immediate release

## TOROMONT ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2025 AND QUARTERLY DIVIDEND

Toronto, Ontario (July 29, 2025) – Toromont Industries Ltd. (TSX: TIH) today reported its financial results for the second quarter ended June 30, 2025.

(\$ millions, except per share amounts)	Three months ended June 30			Six months ended June 30		
	2025	2024	% change	2025	2024	% change
Revenue	\$ 1,376.5	\$ 1,359.9	1 %	\$ 2,466.1	\$ 2,376.2	4 %
Operating income	\$ 170.7	\$ 177.5	(4)%	\$ 269.2	\$ 284.1	(5)%
Net earnings	\$ 124.3	\$ 135.4	(8)%	\$ 198.8	\$ 219.3	(9)%
Basic earnings per share ("EPS")	\$ 1.53	\$ 1.65	(7)%	\$ 2.45	\$ 2.67	(8)%

"Our team delivered resilient results in the second quarter while continuing to navigate macroeconomic and international trade uncertainties. Our disciplined approach remains unchanged and we continue to invest in our people and capabilities to support our customers today and into the future. Revenue increased overall, while net income was slightly lower, reflecting reduced interest income and short term non-cash costs related to the AVL acquisition," stated Michael S. McMillan, President and Chief Executive Officer of Toromont Industries Ltd. "The Equipment Group performed well with improving growth in rental and product support activity and new equipment deliveries in the construction and power segments. These were offset by lower equipment deliveries in the mining segment as expected, which tends to be more variable due to the nature of this segment. CIMCO posted higher revenue and earnings, reflecting healthy market demand and effective execution in both Canada and the US."

### HIGHLIGHTS:

#### Consolidated Results

- Revenue increased \$16.6 million or 1% in the second quarter compared to the similar period last year, with higher revenue at CIMCO up 13% and relatively unchanged revenue in the Equipment Group. CIMCO's growth reflects good package revenue and higher product support revenue in Canada and the US. The Equipment Group continued to deliver against the healthy order backlog, in addition to revenues from the acquired business. Improved rental revenue and strong product support were offset by slightly lower total equipment sales.
- Revenue increased \$89.9 million (up 4%) to \$2.5 billion for the year-to-date period. Revenue increased in both groups, with the Equipment Group up 3% and CIMCO up 11% compared to 2024. Growth reflects higher new equipment sales and solid execution against order backlog, along with the acquired business. Rental revenue improved on higher utilization in a slower market. Product support revenue increased 1% year-to-date compared to last year on growth in both Groups. We continue to recruit for our technician workforce to support our long-term strategic objectives.

- Operating income<sup>(1)</sup> decreased 4% in the quarter, as the higher revenue was more than offset by higher expenses. Operating income as a percentage of sales decreased to 12.4% from 13.1% in the prior year.
- Operating income decreased 5% in the year-to-date period, and was 10.9% of revenue compared to 12.0% in the similar period last year, reflecting lower gross margins and slightly higher expenses in the current period.
- Net interest expense increased by \$8.7 million in the quarter and \$13.7 million in the first half reflecting interest expense on the March 2025 debenture issue as well as lower interest income earned on cash on hand due to lower interest rates.
- Net earnings decreased \$11.0 million or 8% in the quarter versus a year ago to \$124.3 million. EPS was \$1.53 (basic) and \$1.52 (fully diluted), 7% lower compared to the same period last year.
- For the year-to-date period, net earnings decreased \$20.5 million or 9% to \$198.8 million compared to the similar period last year. EPS was \$2.45 (basic) and \$2.43 (fully diluted), 8% lower compared to last year.
- Bookings<sup>(1)</sup> for the second quarter increased 14% compared to last year with higher bookings at both CIMCO and the Equipment Group. On a year-to-date basis, bookings increased 1% with both groups reporting higher bookings: Equipment Group up 1% and CIMCO up 4%.
- Backlog<sup>(1)</sup> of \$1.4 billion as at June 30, 2025, was up slightly from \$1.3 billion as at June 30, 2024. Backlog remains healthy, reflecting deliveries and progress on construction schedules, good new booking activity and backlog related to the acquired business.

## Equipment Group

- Production at AVL Manufacturing Inc. ("AVL") has been expanding since the date of acquisition supporting the healthy order backlog and building demand. Hiring and development of production capacity continues at an accelerated pace. Revenues for the three and six month periods ended June 30, 2025 were \$57.0 million and \$79.0 million respectively. As part of the accounting for the acquisition, the company recognized intangible assets related to order backlog and customer relationships, both of which are amortized over time. Certain other non-cash expenses are also charged as a result of the acquisition accounting related to the commitment for purchase of the remaining shares of AVL. Non-cash expenses recognized for these items amounted to \$21.5 and \$30.0 million respectively (pre-tax basis), for the three and six months ended June 30, 2025. Net loss for AVL after consideration of amortization of intangibles recognized at acquisition was approximately \$0.03 and \$0.04 per share respectively. During the quarter the Company acquired a facility in Charlotte, North Carolina for approximately \$60.0 million to expand production capacity and serve the eastern US market. We expect the facility to begin production in Q4.
- Revenue was relatively unchanged at \$1.2 billion for the quarter. New equipment sales decreased 5%, mainly due to lower mining deliveries (against a strong comparable), partially offset by increases in construction and power systems markets, which includes the acquired business. Rental revenue increased 15%, with improved utilization and a higher RPO (rental with a purchase option) fleet. Product support revenue was also up 4% in Q2 on higher parts and service revenue.
- Revenue was up \$66.0 million or 3% to \$2.2 billion for the year-to-date period. New equipment sales increased 6% on good deliveries in the construction and power systems markets, including the acquired business, offsetting lower mining revenues which are coming off a relatively heavy investment cycle. Rental

revenue increased 13%, with similar trends as noted for the quarter above. Product support was marginally up 1%.

- Operating income decreased \$11.1 million or 7% to \$154.1 million in the second quarter, as higher expenses more than offset the higher revenue and improved gross margins.
- Operating income decreased \$21.0 million or 8% to \$243.0 million in the year-to-date period. Higher revenue was more than offset by lower gross margins and higher expenses. Operating income margin was 10.9% versus 12.2% in the comparable period last year, primarily reflecting lower gross margins and higher relative expense levels, including acquisition-related items.
- Bookings in the second quarter were \$637.8 million, an increase of 5% from the comparable period last year, as improved bookings in construction, power systems and material handling were partially offset by lower mining orders. Year-to-date bookings were \$1.1 billion, an increase of 1% from the similar period last year. Bookings increased in construction (+9%), material handling (+45%) and in power systems (+94%), reflecting strong execution and the acquired business. Mining orders were lower against a strong comparable last year (lower by 47%).
- Backlog of \$1.0 billion at the end of June 2025 was lower by \$42.4 million or 4% from the end of June 2024. Backlog includes \$246.4 million order backlog at the recently acquired company AVL. Excluding this, backlog was 28% lower compared to the same time last year, reflecting good deliveries against customer orders over the last twelve months.

## **CIMCO**

- Revenue increased \$15.7 million or 13% compared to the second quarter last year. Package revenue was higher, up 22%, with good execution on package project construction and improvements in equipment delivery schedules. Product support revenue was up 1%, reflecting good market activity in Canada supported by the increased technician workforce, offset by slightly lower US activity.
- Revenue increased \$23.8 million or 11% to \$236.2 million for the year-to-date period. Package revenue was up 20% on good execution on projects in both Canada (+10%) and the US (+48%). Product support activity increased 3%, with higher activity in both Canada and in the US reflecting good execution.
- Operating income increased \$4.4 million or 36% for the quarter, as the higher revenue and improved gross margins were partially offset by unfavourable sales mix (lower product support to total revenue) and higher expenses.
- Operating income was up \$6.1 million or 30% to \$26.2 million for the year-to-date period, reflecting similar trends as noted for the quarter. Operating income margin increased to 11.1% (2024 – 9.5%) reflecting higher gross margins again on good execution.
- Bookings increased 185% in the second quarter to \$93.0 million, and increased 4% for the year-to-date period to \$140.7 million. For the year, higher bookings in Canada, up 28%, were partially offset by lower bookings in the US, down 38%. Industrial bookings were 18% higher while recreational bookings were 10% lower. Booking activity can be variable over time based on customer decision making and construction schedules.
- Backlog of \$351.0 million as at June 30, 2025 was up \$61.3 million or 21% from June 2024. Backlog in the US was strong, up 46% from this time last year, while backlog in Canada was also up 10%.

## Financial Position

- Toromont's share price of \$122.39 at the end of June 2025, translated to a market capitalization<sup>(1)</sup> and a total enterprise value<sup>(1)</sup> of \$9.9 billion.
- The Company maintained a strong financial position. Leverage as represented by the net debt to total capitalization<sup>(1)</sup> ratio was -3% at the end of June 2025, compared to -9% at the end of December 2024 and -6% at the end of June 2024. The change in ratio from this time last year reflects continuing cash inflow from operations, more than offset by investment in working capital, capital expenditures and two business acquisitions.
- The Company purchased and cancelled 337,500 common shares for \$40.3 million under the Normal Course Issuer Bid program in the six-month ended June 30, 2025 (608,000 common shares for \$75.0 million in 2024).
- The Board of Directors approved the regular quarterly dividend of \$0.52 cents per share, payable on October 3, 2025 to shareholders on record on September 5, 2025.
- The Company's return on equity<sup>(1)</sup> was 17.6% at the end of June 2025, on a trailing twelve-month basis, compared to 19.2% at the end of December 2024 and 21.0% at the end of June 2024. Trailing twelve-month pre-tax return on capital employed<sup>(1)</sup> was 23.1% at the end of June 2025, compared to 25.7% at the end of December 2024 and 27.9% at the end of June 2024.
- Subsequent to the end of the quarter, on July 11, 2025, the Company completed the early redemption of its 10-year, 3.71% senior debentures, which were due on September 30, 2025. The 2025 debentures were redeemed at par, plus accrued and unpaid interest, for a total of approximately \$151.6 million. The redemption of the debentures was completed with cash on hand.

"We continue to monitor the economic and political environment in which we operate and focus on operating disciplines, including expense management and balance sheet optimization," stated John M. Doolittle, Executive Vice President and Chief Financial Officer of Toromont Industries Ltd. "The ongoing trade tensions create additional variability and uncertainty for every company engaged in cross border trade. Our team is engaged, monitoring and developing an appropriate action plan to navigate the potential impacts over the short and longer term when details become available. We will maintain our focus on 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. We are very aware that we are deploying capital in the business today with a long term perspective. Our stated goal of ROE exceeding 18% over a cycle remains a key priority of the company. The strong order backlog and operating disciplines, along with our strong balance sheet, position us well for the future."

## FINANCIAL AND OPERATING RESULTS

All comparative figures in this press release are for the three and six months ended June 30, 2025 compared to the three and six months ended June 30, 2024. 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 and six months ended June 30, 2025, which are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.toromont.com](http://www.toromont.com).

Additional information is contained in the Company's filings with Canadian securities regulators, including the 2024 Annual Report and 2025 Annual Information Form, which are available on SEDAR and the Company's website.

## **QUARTERLY CONFERENCE CALL AND WEBCAST**

Interested parties are invited to join the quarterly conference call with investment analysts, in listen-only mode, on Wednesday, July 30, 2025 at 8:00 a.m. (EDT). The call may be accessed by telephone at 1-888-699-1199 (North American toll free) or 416-945-7677 (Toronto area). A replay of the conference call will be available until Wednesday, August 6, 2025 by calling 1-888-660-6345 (North American toll free) or 289-819-1450 (Toronto area) and quoting passcode 80996#. The live webcast can also be accessed at [www.toromont.com](http://www.toromont.com).

Presentation materials to accompany the call will be available 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 earnings from 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		Six months ended	
	2025	June 30 2024	2025	June 30 2024
Net earnings	\$ 124,347	\$ 135,350	\$ 198,783	\$ 219,269
<i>plus:</i> Interest expense	9,887	7,044	17,333	14,038
<i>less:</i> Interest and investment income	(9,818)	(15,700)	(20,997)	(31,387)
<i>plus:</i> Income taxes	46,330	50,827	74,112	82,186
<b>Operating income</b>	<b>\$ 170,746</b>	<b>\$ 177,521</b>	<b>\$ 269,231</b>	<b>\$ 284,106</b>
Total revenue	\$ 1,376,463	\$ 1,359,869	\$ 2,466,085	\$ 2,376,218
<b>Operating income margin</b>	<b>12.4%</b>	<b>13.1%</b>	<b>10.9%</b>	<b>12.0%</b>

## Net Debt to Total Capitalization/Equity and Net Debt/Equity

Net debt to total capitalization/equity and net debt/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)	June 30 2025	December 31 2024	June 30 2024
Long-term debt	\$ 795,931	\$ 498,518	\$ 648,045
Current portion of long-term debt	149,970	149,910	—
<i>less:</i> Cash and cash equivalents	1,028,631	890,815	803,832
Net debt	(82,730)	(242,387)	(155,787)
Shareholders' equity	3,007,998	2,955,393	2,812,849
<b>Total capitalization</b>	<b>\$ 2,925,268</b>	<b>\$ 2,713,006</b>	<b>\$ 2,657,062</b>
<b>Net debt to total capitalization</b>	<b>(3)%</b>	<b>(9)%</b>	<b>(6)%</b>
<b>Net debt to equity</b>	<b>(0.03):1</b>	<b>(0.08):1</b>	<b>(0.06):1</b>

## 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>	<b>June 30 2025</b>	December 31 2024	June 30 2024
Outstanding common shares	<b>81,173,576</b>	81,300,574	81,923,581
<i>times: Ending share price</i>	<b>\$ 122.39</b>	\$ 113.64	\$ 121.13
<b>Market capitalization</b>	<b>\$ 9,934,834</b>	\$ 9,238,997	\$ 9,923,403
Long-term debt	<b>\$ 795,931</b>	\$ 498,518	\$ 648,045
Current portion of long-term debt	<b>149,970</b>	149,910	—
<i>less: Cash and cash equivalents</i>	<b>1,028,631</b>	890,815	803,832
<b>Net debt</b>	<b>\$ (82,730)</b>	\$ (242,387)	\$ (155,787)
<b>Total enterprise value</b>	<b>\$ 9,852,104</b>	\$ 8,996,610	\$ 9,767,616

## 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.

	Trailing twelve months ended		
	June 30 2025	December 31 2024	June 30 2024
<i>(\$ thousands)</i>			
Net earnings	\$ 486,030	\$ 506,516	\$ 518,940
<i>plus:</i> Interest expense	31,950	28,655	28,213
<i>less:</i> Interest and investment income	(43,247)	(53,637)	(56,266)
<i>plus:</i> Interest income – rental conversions	4,458	3,635	3,843
<i>plus:</i> Income taxes	180,564	188,638	190,860
Adjusted net earnings	\$ 659,755	\$ 673,807	\$ 685,590
Average capital employed	\$ 2,853,519	\$ 2,621,627	\$ 2,456,294
<b>Return on capital employed</b>	<b>23.1%</b>	<b>25.7%</b>	<b>27.9%</b>

## 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.

	Trailing twelve months ended		
	June 30 2025	December 31 2024	June 30 2024
<i>(\$ thousands)</i>			
Net earnings	\$ 486,030	\$ 506,516	\$ 518,940
Opening shareholder's equity (net of adjustments)	\$ 2,762,626	\$ 2,636,834	\$ 2,467,414
<b>Return on equity</b>	<b>17.6%</b>	<b>19.2%</b>	<b>21.0%</b>

## 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. Toromont's assumptions underpinning forward-looking information include but are not limited to the following: none of the risks identified below materialize; there are no unforeseen changes to economic and market conditions; and, no significant events occur outside the ordinary course of business.

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; new tariffs and counter-tariffs imposed on cross-border trade, commodity price changes, including changes in the price of precious and base metals; inflationary pressures; potential risks and uncertainties relating to 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 annual Management Discussion and Analysis dated February 11, 2025, as filed with Canadian securities regulators at [www.sedarplus.ca](http://www.sedarplus.ca) or at our website [www.toromont.com](http://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](http://www.toromont.com).

For more information contact:

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Chief Financial Officer  
Toromont Industries Ltd.  
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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		Six months ended	
		June 30		June 30
	2025	2024	2025	2024
<i>(\$ thousands, except share amount)</i>				
<b>Revenue</b>	\$ 1,376,463	\$ 1,359,869	\$ 2,466,085	\$ 2,376,218
Cost of goods sold	1,037,635	1,030,970	1,883,682	1,797,145
Gross profit	338,828	328,899	582,403	579,073
Selling and administrative expenses	168,082	151,378	313,172	294,967
<b>Operating income</b>	<b>170,746</b>	177,521	<b>269,231</b>	284,106
Interest expense	9,887	7,044	17,333	14,038
Interest and investment income	(9,818)	(15,700)	(20,997)	(31,387)
Income before income taxes	170,677	186,177	272,895	301,455
Income taxes	46,330	50,827	74,112	82,186
<b>Net earnings</b>	<b>\$ 124,347</b>	\$ 135,350	<b>\$ 198,783</b>	\$ 219,269
<b>Earnings per share</b>				
Basic	\$ 1.53	\$ 1.65	\$ 2.45	\$ 2.67
Diluted	\$ 1.52	\$ 1.64	\$ 2.43	\$ 2.65
<b>Weighted average number of shares outstanding</b>				
Basic	81,202,031	82,090,308	81,256,646	82,199,808
Diluted	81,761,304	82,727,132	81,796,042	82,816,677

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This Management's Discussion and Analysis ("MD&A") comments on the operations, performance and financial condition of Toromont Industries Ltd. ("Toromont" or the "Company") as at and for the three and six months ended June 30, 2025, compared to the preceding year. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes for the three and six months ended June 30, 2025, the annual MD&A contained in the 2024 Annual Report and the audited annual consolidated financial statements for the year ended December 31, 2024.

The unaudited interim condensed consolidated financial statements reported herein have been prepared in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and are reported in Canadian dollars. This MD&A is dated as at July 29, 2025.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's 2024 Annual Report and the 2025 Annual Information Form. These filings are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.toromont.com](http://www.toromont.com).

### **Introduction**

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 document and more information about Toromont Industries Ltd. can be found at [www.toromont.com](http://www.toromont.com).

### **Use of Non-IFRS Financial Measures**

The MD&A presents certain financial and operating performance measures that management believes provide meaningful information in assessing Toromont's underlying performance. Readers are cautioned that these measures may not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Accordingly, non-IFRS or non-Generally Accepted Accounting Principles ("GAAP") measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Definitions, reconciliations and an explanation of how the Company's non-IFRS and non-GAAP measures provide useful information to an investor are included in the "Additional GAAP Measures", "Non-GAAP Measures" and "Key Performance Indicators" sections of this report.

### **Forward-Looking Information**

Information in this MD&A 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 MD&A 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. Toromont's assumptions underpinning forward-looking information include but are not limited to the following: none of the risks identified below materialize; there are no unforeseen changes to economic and market conditions; and, no significant events occur outside the ordinary course of business.

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; new tariffs and counter-tariffs imposed on cross-border trade, commodity price changes, including changes in the price of precious and base metals; inflationary pressures; potential risks and uncertainties relating to 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 annual Management Discussion and Analysis dated February 11, 2025, as filed with Canadian securities regulators at [www.sedarplus.ca](http://www.sedarplus.ca) or at our website [www.toromont.com](http://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 MD&A, 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.

## **BUSINESS COMBINATION**

On January 31, 2025, the Company acquired 60% of the shares of AVL Manufacturing Inc. ("AVL") for consideration of \$67.5 million cash plus the issuance of 110.4 thousand Toromont shares. In addition, the Company has committed to purchase the remaining 40% at various dates through to 2031. The initial purchase price was funded with cash on hand. AVL is a leader in the design and fabrication of power generation and

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storage enclosures. AVL has operations in Hamilton, Ontario and currently serves the data centre market across eastern North America. The Company has not yet finalized its determination of fair value of the assets acquired and liabilities assumed. The acquisition, while accretive, is not expected to have an overall material impact on Toromont's combined revenue, earnings or statement of financial position in the near-term.

The acquisition was accounted for as a business combination and the results of AVL have been included in the Equipment Group from the date of acquisition. For further information, refer to note 3 "Business Combination" in the notes to the interim condensed consolidated financial statements.

Production at AVL has been expanding since the date of acquisition supporting the healthy order backlog and building demand. Hiring and development of production capacity continues at an accelerated pace. Revenues for the three and six month periods ended June 30, 2025 were \$57.0 million and \$79.0 million respectively. As part of the accounting for the acquisition, the company recognized intangible assets related to order backlog and customer relationships, both of which are amortized over time. Certain other non-cash expenses are also charged as a result of the acquisition accounting related to the commitment for purchase of the remaining shares of AVL. Non-cash expenses recognized for these items amounted to \$21.5 and \$30.0 million respectively (pre-tax basis), for the three and six months ended June 30, 2025. Net loss for AVL after consideration of amortization of intangibles recognized at acquisition was approximately \$0.03 and \$0.04 per share respectively.

During the quarter the Company acquired a facility in Charlotte, North Carolina for approximately \$60.0 million to expand production capacity and serve the eastern US market. We expect the facility to begin production in Q4.

**CONSOLIDATED OPERATING RESULTS**

(\$ thousands, except per share amounts)	Three months ended June 30				Six months ended June 30			
	2025	2024	\$ change	% change	2025	2024	\$ change	% change
<b>REVENUE</b>	<b>\$ 1,376,463</b>	\$ 1,359,869	\$ 16,594	1 %	<b>\$ 2,466,085</b>	\$ 2,376,218	\$ 89,867	4 %
Cost of goods sold	<b>1,037,635</b>	1,030,970	6,665	1 %	<b>1,883,682</b>	1,797,145	86,537	5 %
Gross profit <sup>1</sup>	<b>338,828</b>	328,899	9,929	3 %	<b>582,403</b>	579,073	3,330	1 %
Selling and administrative expenses	<b>168,082</b>	151,378	16,704	11 %	<b>313,172</b>	294,967	18,205	6 %
<b>OPERATING INCOME<sup>1</sup></b>	<b>170,746</b>	177,521	(6,775)	(4)%	<b>269,231</b>	284,106	(14,875)	(5)%
Interest expense	<b>9,887</b>	7,044	2,843	40 %	<b>17,333</b>	14,038	3,295	23 %
Interest and investment income	<b>(9,818)</b>	(15,700)	5,882	(37)%	<b>(20,997)</b>	(31,387)	10,390	(33)%
Income before income taxes	<b>170,677</b>	186,177	(15,500)	(8)%	<b>272,895</b>	301,455	(28,560)	(9)%
Income taxes	<b>46,330</b>	50,827	(4,497)	(9)%	<b>74,112</b>	82,186	(8,074)	(10)%
<b>NET EARNINGS</b>	<b>\$ 124,347</b>	\$ 135,350	\$ (11,003)	(8)%	<b>\$ 198,783</b>	\$ 219,269	\$ (20,486)	(9)%
<b>BASIC EARNINGS PER SHARE</b>	<b>\$ 1.53</b>	\$ 1.65	\$ (0.12)	(7)%	<b>\$ 2.45</b>	\$ 2.67	\$ (0.22)	(8)%
<b>KEY RATIOS:</b>								
Gross profit margin <sup>1</sup>	<b>24.6%</b>	24.2%			<b>23.6%</b>	24.4%		
Selling and administrative expenses as a % of revenue	<b>12.2%</b>	11.1%			<b>12.7%</b>	12.4%		
Operating income margin <sup>1</sup>	<b>12.4%</b>	13.1%			<b>10.9%</b>	12.0%		
Income taxes as a % of income before income taxes	<b>27.1%</b>	27.3%			<b>27.2%</b>	27.3%		

Profitability for the second quarter of 2025 was lower than the second quarter of 2024, as expected, given the current economic environment, lower interest income and AVL related expenses. As uncertain market conditions persist, end customer purchasing decisions remain cautious and activity is lower. Equipment Group performed well on the top-line, with the good equipment deliveries, including the acquired business, and improving rental utilization. Construction and power systems market activity have been good, partially offset by declines in mining, which is coming off a large capital investment cycle. CIMCO revenue increased on continuing strong demand for its products and services. Gross profit margins improved compared to prior year on improved efficiencies and better sales mix, with a higher percentage of product support revenue to total. Expense levels reflect continued support for key operational focus areas. Operating income was down 4% compared to last year, as the higher top-line revenue and improved gross margins were offset by higher expenses. Net interest expense was significantly higher than the prior period reflecting both higher interest expense as a result of a new debenture listing as well as lower interest income earned on cash on hand due to lower interest rates.

Revenue increased \$16.6 million or 1% for the quarter from the comparable period last year on higher revenue at CIMCO. Revenue in the Equipment Group was relatively unchanged as higher rental and product support activity, along with revenue from the acquired business, were largely offset by lower expected equipment deliveries in mining. CIMCO revenue increased 13% in the quarter on strong package revenue growth.

Revenue for the year-to-date period increased 4% from the comparable period last year to \$2.5 billion. Equipment Group revenue increased 3% compared to last year on higher new equipment sales, including the acquired business, and rental revenue, partially offset by lower used equipment sales. CIMCO revenue increased 11% versus last year on higher package revenue and product support activity.

<sup>1</sup> Non-IFRS financial measures/non-GAAP ratios. For further details, see the sections titled "Additional GAAP Measures", "Non-GAAP Measures" and "Key Performance Measures". Non-GAAP financial measures and non-GAAP financial ratios do not have a standardized meaning under IFRS and might not be comparable to similar financial measures presented by other issuers.

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Gross profit margin increased 40 basis points ("bps") in the quarter to 24.6% versus the comparable periods last year. Equipment Group margins increased 40 bps on improved efficiencies and a favourable sales mix (a higher proportion of product support revenue to total), partially offset by continuing lower rental margins on higher cost of fleet investment. CIMCO margins increased 60 bps in the quarter reflecting good execution in both packages and product support, slightly dampened by unfavourable sales mix (lower product support to total revenue).

Gross profit margin decreased 80 bps to 23.6% year-to-date versus the comparable period last year. Equipment Group margins decreased 90 bps in the first half, on an unfavourable sales mix and lower rental and product support margins, while equipment margins were relatively unchanged. CIMCO margins increased 70 bps year-to-date on similar reasons as for the quarter noted above.

Selling and administrative expenses increased \$16.7 million or 11% in the quarter compared to last year. Expenses at the acquired business were \$12.9 million. Excluding this, expenses increased \$3.8 million or 3%. Compensation costs were approximately \$1.6 million higher year over year, reflective of regular salary increases partially offset by lower profit sharing accruals on the lower income. Salaried headcount is largely unchanged year over year. Sales-related expenses increased \$3.0 million year over year, reflecting continued investment in resources. All other expenses such as travel, training, occupancy and information technology costs have increased on continued investment for future growth and inflationary effects. Bad debt expense decreased \$2.9 million compared to the similar period last year, with a focus on collections. Mark-to-market ("MTM") adjustments on deferred share units ("DSUs") resulted in a \$2.8 million increase in expense, as a result of the higher relative share price in the current period.

Selling and administrative expenses for the year-to-date period increased \$18.2 million or 6% compared to the similar period last year. The acquired company added \$16.9 million to expenses, including expenses related to acquisition accounting. Excluding the acquired company, selling and administrative expenses increased \$1.3 million compared to the same period last year on a good focus on cost controls. Compensation costs were largely unchanged, reflecting regular salary increases offset by lower profit sharing accruals on the lower income. Sales related expenses, including such things as advertising, promotion, travel and training, increased \$4.2 million year over year, reflecting continued investment in resources. Other expenses such as occupancy, information technology costs, professional and consulting fees, and depreciation on recent capital investments increased \$3.7 million on continued investment for future growth and inflationary effects. Allowance for doubtful accounts expense decreased \$6.7 million compared to the similar period last year, reflecting good collections and improvements on certain exposures. Mark-to-market adjustments on DSUs resulted in a \$0.5 million increase in expense, as a result of the slightly higher share price. Overall, selling and administrative expenses were 30 bps higher as a percentage of revenue (12.7% versus 12.4% last year).

Operating income decreased \$6.8 million or 4% in the quarter to \$170.7 million and decreased \$14.9 million or 5% to \$269.2 million year-to-date. Operating income as a percentage of revenue decreased 110 bps in the year-to-date period (10.9% versus 12.0% last year), primarily on the lower gross margins.

Interest expense increased \$2.8 million to \$9.9 million during the quarter and year-to-date increased \$3.3 million to \$17.3 million, reflecting the new debentures which were issued in March 2025.

Interest and investment income decreased \$5.9 million in the quarter and decreased \$10.4 million year-to-date, on lower lower interest rates.

The effective income tax rate was 27.1% in the quarter and 27.2% on a year-to-date basis, compared to 27.3% respectively for both periods in 2024.

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Net earnings decreased \$11.0 million or 8% to \$124.3 million for the quarter and decreased \$20.5 million or 9% to \$198.8 million year-to-date. Basic earnings per share ("EPS") decreased 7% to \$1.53 for the quarter and decreased 8% to \$2.45 year-to-date, reflecting the change in net earnings.

The Company reported an other comprehensive loss of \$7.3 million in the second quarter of 2025. This included an actuarial gain on post-employment benefit plans of \$2.5 million after-tax for the quarter. This gain reflects changes in the actuarial valuation, as well as changes in the fair value of pension plan assets. Other comprehensive loss also included a unfavourable net change in the fair value of cash flow hedges of \$7.9 million after tax for the quarter. These changes reflect mark-to-market differences in the value of foreign exchange derivative contracts designated as cash flow hedges and reflect underlying USD/CAD exchange rates at period end compared to contract date.

In the second quarter of 2024, other comprehensive income was \$1.8 million, which included an actuarial gain of \$1.5 million and a favourable net change in the fair value of cash flow hedges of \$0.1 million.

**BUSINESS SEGMENT OPERATING RESULTS**

The accounting policies of the segments are the same as those of the consolidated entity. Management evaluates overall business segment performance based on revenue growth, operating income relative to revenue and return on capital employed. Corporate expenses are allocated based on each segment's revenue. Interest expense and interest and investment income are not allocated.

**Equipment Group**

(\$ thousands)	Three months ended June 30				Six months ended June 30			
	2025	2024	\$ change	% change	2025	2024	\$ change	% change
Equipment sales and rentals								
New	\$ 531,809	\$ 558,755	\$ (26,946)	(5)%	\$ 942,394	\$ 889,146	\$ 53,248	6 %
Used	83,110	88,595	(5,485)	(6)%	133,520	152,417	(18,897)	(12)%
Rentals	127,477	110,521	16,956	15 %	233,867	206,375	27,492	13 %
Total equipment sales and rentals	742,396	757,871	(15,475)	(2)%	1,309,781	1,247,938	61,843	5 %
Product support	491,825	475,029	16,796	4 %	915,388	910,332	5,056	1 %
Power generation	2,315	2,749	(434)	(16)%	4,667	5,524	(857)	(16)%
<b>Total revenue</b>	<b>\$ 1,236,536</b>	<b>\$ 1,235,649</b>	<b>\$ 887</b>	<b>— %</b>	<b>\$ 2,229,836</b>	<b>\$ 2,163,794</b>	<b>\$ 66,042</b>	<b>3 %</b>
<b>Operating income</b>	<b>\$ 154,104</b>	<b>\$ 165,242</b>	<b>\$ (11,138)</b>	<b>(7)%</b>	<b>\$ 242,992</b>	<b>\$ 263,998</b>	<b>\$ (21,006)</b>	<b>(8)%</b>
<b>KEY RATIOS:</b>								
Product support revenue as a % of total revenue	39.8%	38.4%			41.1%	42.1%		
Operating income margin	12.5%	13.4%			10.9%	12.2%		
Group total revenue as a % of consolidated revenue	89.8%	90.9%			90.4%	91.1%		

The Equipment Group executed well in the second quarter, with good deliveries against order backlog, while activity levels reflect the economic environment which is impacting end customer demand. Revenue was relatively unchanged as revenue from the acquired business, along with higher rental and product support revenue was more than offset by lower equipment sales as expected in the mining segment. Operating income

declined versus the prior year, as expected, given a strong comparator which reflected market dynamics in play at that time, along with higher expenses.

Total equipment sales (new and used) decreased \$32.4 million or 5% in the quarter. New equipment sales decreased 5% in the quarter, with decreases in mining against a strong comparable, partially offset by higher power systems markets, which include revenue at the acquired business. Used equipment sales decreased 6% in the quarter, largely driven by the construction market where activity has been slower. Both rental fleet dispositions and sales of used equipment from trades and purchases have decreased, reflecting shifting supply and demand dynamics. Overall, the change in total equipment sales revenue by market segments were as follows for the quarter: construction markets up 1%, mining down 54%, power systems up 73%, and material handling up 40%.

Total equipment sales (new and used) increased \$34.4 million or 3% year-to-date, reflecting inflow and delivery of equipment against order backlog and revenue at the acquired business. New equipment sales increased 6% year-to-date, with increases in construction and power systems markets, partially offset by decreases in mining (as expected due to mining investment cycle). Used equipment sales decreased 12% year-to-date, on the same reasons as noted for the quarter. Overall, the change in total equipment sales revenue by market segments were as follows for the first six months of the year: construction markets up 2%, mining down 21%, power systems up 56%, and material handling up 21%.

Rental revenue increased \$17.0 million (+15%) in the quarter and increased \$27.5 million (+13%) year-to-date, generally reflecting the larger fleet and improved activity in certain markets, however market conditions remain soft. Revenue changed quarter-over-quarter (year-to-date) in each market as follows: heavy equipment fleet was 18% higher (+17%), light equipment fleet was 13% higher (+11%); material handling rentals was 29% higher (+20%); and power rentals was down 10% (-15%). Revenue from the RPO fleet (rent with a purchase option) increased 54% in the quarter (+52% year-to-date), reflecting a larger fleet, with \$101.4 million at June 30, 2025 versus \$64.1 million at June 30, 2024.

Product support revenue increased \$16.8 million or 4% in the quarter and increased \$5.1 million or 1% year-to-date. Parts revenue increased 3% in the quarter and decreased slightly by 1% year-to-date, on market activity and product support sales mix. Service revenue increased in both the quarter (+5%) and year-to-date (+5%) on the higher technician workforce. Product support revenue change by market in the quarter (first six months of the year) was as follows: construction markets down 2% (-2%), mining up 7% (+2%), power systems up 18% (+9%) and material handling down 9% (-8%).

Gross profit margins increased 40 bps in the quarter and decreased 90 bps year-to-date compared to the same periods last year. Equipment margins were up 40 bps in the quarter (relatively unchanged year-to-date) reflecting market dynamics in play in both periods. Rental margins were down 50 bps in the quarter (down 40 bps year-to-date) on a higher cost of fleet additions. Product support margins decreased 10 bps in the quarter (down 30 bps year-to-date) reflecting nature of work and sales mix. Sales mix was favourable in the quarter and unfavourable year-to-date, reflecting the relative proportion of product support revenue to total in each period, increasing margins 60 bps and reducing margin 20 bps respectively.

Selling and administrative expenses increased \$16.4 million or 12% in the quarter, and increased \$16.5 million or 6% for the first six months of 2025, reflecting the acquired business and continuing investment in key strategic areas. Compensation costs were higher in both periods reflecting staffing levels and regular salary increases, partially offset by lower profit sharing accruals on the lower income. Other expenses such as training, travel and occupancy costs have increased in light of sales levels, planned investment and inflation. Selling and administrative expenses were 40 basis points higher as a percentage of revenue on a year-to-date basis (12.4% versus 12.0% last year).

Operating income decreased \$11.1 million or 7% to \$154.1 million in the quarter and decreased \$21.0 million or 8% to \$243.0 million for the year-to-date, reflecting lower activity levels, margin pressures and higher expenses. The acquired business continues to increase production, however did not contribute meaningfully to operating income given expenses arising from purchase price accounting, including such items as amortization of intangibles. Operating income as a percentage of revenue was 10.9% on a year-to-date basis, reflecting the lower gross margins.

### **Bookings and Backlog**

<i>(\$ millions)</i>	<b>2025</b>	2024	\$ change	% change
Bookings – three months ended June 30	\$ <b>637.8</b>	\$ 610.0	\$ 27.8	5 %
Bookings – six months ended June 30	\$ <b>1,139.7</b>	\$ 1,131.6	\$ 8.1	1 %
Backlog – as at June 30	\$ <b>1,004.9</b>	\$ 1,047.3	\$ (42.4)	(4)%

New bookings increased \$27.8 million or 5% in the second quarter. Construction markets were higher, with bookings up 17%, reflecting more normalized supply dynamics. Power systems, which includes the acquired business, saw strong order activity, up 133% on good demand for our products. Material handling order intake was 49% higher in the quarter. Mining markets are lumpy or cyclical due to the nature of the business and were down 51% as expected from the second quarter last year which was a strong comparable.

Year-to-date bookings increased \$8.1 million or 1% to \$1.1 billion. Bookings were up in construction (+9%), power systems (+94%) and material handling (+45%). Mining bookings were lower (down 47%) against a strong comparable.

Backlog of \$1.0 billion at June 30, 2025, was down \$42.4 million or 4% from this time last year. Backlog at the recently acquired AVL operation was \$246.4 million at June 30, 2025. Excluding this, backlog was 28% lower compared to the same time last year, reflecting good deliveries against customer orders over the last twelve months, along with good new order intake over the same period. As at June 30, 2025, the composition of backlog by market was as follows: construction 25%; mining 16%; power systems 54%; and material handling 5%. Approximately 70% of the backlog is expected to be delivered over the next twelve months, however this is subject to timing of vendor supply and customer delivery schedules.

Bookings and backlog can vary significantly from period to period on large project activities (particularly in mining and power systems), the timing of orders and deliveries with customers (which are in turn reflective of economic factors and general activity levels), and the availability of equipment from either inventory or suppliers.

**CIMCO**

(\$ thousands)	Three months ended June 30				Six months ended June 30			
	2025	2024	\$ change	% change	2025	2024	\$ change	% change
Package sales	\$ 82,168	67,133	15,035	22 %	\$ 124,294	\$ 103,818	\$ 20,476	20 %
Product support	57,759	57,087	672	1 %	111,955	108,606	3,349	3 %
<b>Total revenue</b>	<b>\$ 139,927</b>	<b>\$ 124,220</b>	<b>\$ 15,707</b>	<b>13 %</b>	<b>\$ 236,249</b>	<b>\$ 212,424</b>	<b>\$ 23,825</b>	<b>11 %</b>
<b>Operating income</b>	<b>\$ 16,642</b>	<b>\$ 12,279</b>	<b>\$ 4,363</b>	<b>36 %</b>	<b>\$ 26,239</b>	<b>\$ 20,108</b>	<b>\$ 6,131</b>	<b>30 %</b>
<b>KEY RATIOS:</b>								
Product support revenue as a % of total revenue	<b>41.3%</b>	46.0%			<b>47.4%</b>	51.1%		
Operating income margin	<b>11.9%</b>	9.9%			<b>11.1%</b>	9.5%		
Group total revenue as a % of consolidated revenue	<b>10.2%</b>	9.1%			<b>9.6%</b>	8.9%		

CIMCO continued to deliver solid results in the second quarter driven by good execution in both Canada and the US, against a strong order backlog, resulting in good package revenue growth. Product support activity continued to demonstrate growth in Canada and the US, supported by the larger technician workforce. Operating income increased on the higher revenue, good execution and improved margins, partially offset by unfavourable sales mix (lower product support revenue to total revenue) and higher expenses to support activity and growth.

Package revenue was up \$15.0 million or 22% in the quarter, with an increase in the recreational market (up 84%), slightly offset by a decrease in the industrial market (down 5%). Revenue in Canada was up 8%, with recreational activity up 107%, largely offset by lower industrial revenue, down 16%. The US increased 68%, with stronger revenue in both the recreational (up 63%) and industrial (up 77%) market. Package revenue reflects the progress of project construction applying the percentage-of-completion method of accounting, and as such, introduces a degree of variability as the timing of construction schedules are largely influenced by third-party schedules (contractors and end-customers).

Year-to-date, package sales increased \$20.5 million or 20% compared to the similar period in the prior year, with increases in both the recreational market (up 52%) and industrial market (up 5%). Revenue in Canada was up 10%, with recreational revenue up 88%, partially offset by lower industrial revenue down 11%. The US increased 48%, with higher revenue in the industrial (up 98%) and recreational (up 14%) markets.

Product support revenue increased in both the second quarter (up \$0.7 million or 1%) and first six months of the year (\$3.3 million or 3%). Revenue in Canada increased 4% in the quarter and 3% year-to-date reflecting higher activity levels. In the US, revenue was down 7% for the quarter but was up 3% year-to-date, with a stronger start to the year.

Gross profit margins increased 60 bps in the quarter and 70 bps year-to-date versus the comparable periods of 2024. Package margins improved on good execution and the nature of projects in process for both periods, driving a 60 bps increase in the quarter, and a 90 bps increase year-to-date. Product support margins increased 50 bps in the quarter and 20 bps year-to-date. Improving execution and efficiency continues to be a focus. For both the quarter and year-to-date, margins were dampened somewhat by an unfavourable sales mix, resulting in a 50 bps and 40 bps reduction in gross margin respectively, on a lower proportion of product support revenue to total revenue.

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Selling and administrative expenses increased \$0.3 million or 2% in the quarter and increased \$1.7 million or 5% for the first six months of the year. Compensation costs increased reflecting higher staffing levels, annual salary increases and higher profit sharing accruals on the higher earnings. Other expenditures such as travel, training and information technology expenses increased to support activity levels. As a percentage of revenue, selling and administrative expenses decreased to 15.2% in the first six months of 2025 versus 16.2% for the similar period last year.

Operating income increased \$4.4 million or 36% for the quarter largely reflecting the higher revenue and improved gross margins. On a year-to-date basis, operating income increased \$6.1 million or 30%, reflecting similar trends as noted for the quarter. Operating income as a percentage of revenue improved to 11.1% on a year-to-date basis compared to 9.5% for the similar period last year.

**Bookings and Backlog**

<i>(\$ millions)</i>	<b>2025</b>		2024	\$ change	% change
Bookings – three months ended June 30	\$ 93.0	\$	32.6	\$ 60.4	nm
Bookings – six months ended June 30	\$ 140.7	\$	135.7	\$ 5.0	4 %
Backlog – as at June 30	\$ 351.0	\$	289.7	\$ 61.3	21 %

Bookings increased \$60.4 million or 185% to \$93.0 million in the quarter on stronger bookings in the industrial market, represented by several large projects in Canada. Industrial market bookings were up \$53.4 million (+752%), while the recreational market was up \$7.0 million (+27%). Industrial bookings were higher in Canada (+1316%), slightly offset by lower bookings in the US (-72%). Recreational bookings were up in the US (+235%), offset by lower bookings in Canada (-13%). Generally activity reflected good strategic capital investment levels, however order bookings can be lumpy reflective of timing of end-user schedules and timing of buying decisions.

On a year-to-date basis, bookings increased \$5.0 million or 4% to \$140.7 million, with stronger bookings in the industrial market, partially offset by lower bookings in the recreational market. Industrial orders were up 18%, with an increase in Canada (+92% on a strong Q2 bookings) partially offset by a decrease in the US (-81% against a strong comparable). Recreational orders decreased 10%, with a decrease in Canada (-23%), slightly offset by an increase in the US (+18%).

Backlog of \$351.0 million increased \$61.3 million or 21% compared to June 30, 2024, with higher backlog in both the recreational and industrial markets. Recreational backlog was 31% higher, reflecting a strong increase in both Canada (+13%) and in the US (+55%). Industrial backlog increased 14%, with an increase in both Canada (+9) and the US (+30%). Approximately 70% of the backlog is expected to be realized as revenue over the next twelve months, however this is subject to construction schedules.

## CONSOLIDATED FINANCIAL CONDITION

The Company maintained a strong financial position. At June 30, 2025, the ratio of net debt to total capitalization<sup>1</sup> was -3% (net cash position), compared to -9% at December 31, 2024, and -6% at June 30, 2024. Return on equity<sup>1</sup> ("ROE") was 17.6% on a trailing twelve-months basis at June 30, 2025, compared to 21.0% for the comparable period last year. Toromont's share price of \$122.39 at the end of June 2025, translated to a market capitalization<sup>1</sup> of \$9.9 billion and a total enterprise value<sup>1</sup> of \$9.9 billion.

### Non-cash Working Capital

The Company's investment in non-cash working capital was \$975.9 million at June 30, 2025. The major components, along with the changes from prior periods, are identified in the following table.

(\$ thousands)	June 30	June 30	Change		December 31	Change	
	2025	2024	\$	%	2024	\$	%
Accounts receivable	\$ 709,207	\$ 665,832	\$ 43,375	7 %	\$ 628,671	\$ 80,536	13 %
Inventories	1,213,508	1,298,728	(85,220)	(7)%	1,321,567	(108,059)	(8)%
Other current assets	24,716	18,408	6,308	34 %	22,074	2,642	12 %
Accounts payable and accrued liabilities	(578,298)	(669,389)	91,091	(14)%	(667,907)	89,609	(13)%
Provisions	(33,103)	(30,805)	(2,298)	7 %	(30,675)	(2,428)	8 %
Income tax recoverable	30,969	22,614	8,355	37 %	8,267	22,702	nm
Derivative financial instruments	(8,993)	2,938	(11,931)	nm	19,352	(28,345)	nm
Dividends payable	(42,199)	(39,319)	(2,880)	7 %	(39,127)	(3,072)	8 %
Deferred revenue and contract liabilities	(339,907)	(327,058)	(12,849)	4 %	(331,946)	(7,961)	2 %
<b>Total non-cash working capital</b>	<b>\$ 975,900</b>	<b>\$ 941,949</b>	<b>\$ 33,951</b>	<b>4 %</b>	<b>\$ 930,276</b>	<b>\$ 45,624</b>	<b>5 %</b>

Accounts receivable increased 7% from June 30, 2024, in part reflecting the 1% increase in revenue in the quarter, slower collection activity, and approximately \$48.6 million receivables from the recently acquired AVL operation. Days sales outstanding ("DSOs") increased 1 day to 42 days overall, mainly reflecting an increase in DSO at both the Equipment Group (up 2 days) and CIMCO (up 1 day). Collection activity and credit metrics are being closely monitored.

In comparison to December 31, 2024, accounts receivable increased 13%, reflecting 26% higher trailing revenue and slower collections, in addition to accounts receivable added as a result of the acquisition. DSO was 40 days at December 31, 2024.

Inventories at June 30, 2025 decreased 7% compared to June 30, 2024, with decreases in both Groups:

- Equipment Group inventories were down \$83.6 million or 7%, with lower equipment (down \$170.7 million or 22%), partly offset by higher work-in-progress (up \$43.4 million or 34%) and parts (up \$43.7 million or 13%). Equipment inventory levels were lower due to executed deliveries against order backlog and inventory reduction initiatives. Parts increased in light of activity levels, higher availability of new equipment due to improved supply chain and purchasing in light of economic uncertainty and trade tensions. Price increases and foreign exchange rates on US sourced supplies have also served to increase inventory. Work-in-process levels reflect higher activity levels.
- CIMCO inventories were down \$1.6 million or 3%, as work-in-process levels decreased \$1.8 million (down 4%), reflecting timing of project construction and product support schedules.

<sup>1</sup> Non-IFRS financial measures/non-GAAP ratios. For further details, see the sections titled "Additional GAAP Measures", "Non-GAAP Measures" and "Key Performance Measures". Non-GAAP financial measures and non-GAAP financial ratios do not have a standardized meaning under IFRS and might not be comparable to similar financial measures presented by other issuers.

Inventories at June 30, 2025 were 8% lower compared to December 31, 2024, largely due to a decrease in the Equipment Group, slightly offset by an increase at CIMCO:

- Equipment Group inventories were down \$114.4 million or 9% with lower equipment (down \$141.4 million or 19%) and parts inventories (down \$3.8 million or 1%), partially offset by an increase in work-in-process (up \$30.8 million or 22%). Inventory levels are typically lowest at the end of the year due to seasonality, with inventories building during the year in advance of the busier selling period. This pattern has been impacted in part due to timing of customer deliveries, and purchasing in light of economic uncertainty and trade tensions.
- CIMCO inventories were up \$6.4 million or 15%, predominantly driven by higher work-in-process levels (up \$6.4 million or 18%).

Other current assets are comprised of prepaid expenses and vendor deposits. These vary over time based on timing of ordering, receipt of invoice, vendor terms and payment.

Accounts payable and accrued liabilities at June 30, 2025, were 14% lower than at June 30, 2024, largely reflecting timing of purchase and payment for inventory and other suppliers, partially offset by balances at the acquired company.

In comparison to December 31, 2024, accounts payable and accrued liabilities also decreased 13%, mainly reflecting the timing of purchase and payment for inventory and other suppliers, as well as the payment of annual performance bonuses, partially offset by balances at the acquired company.

Income tax recoverable reflects the difference between tax installments and current income tax expense.

Derivative financial instruments represent the fair value of foreign exchange contracts. From time to time, Toromont enters into forward contracts and other foreign exchange hedging products to manage its exposure to changes in exchange rates related to transactions denominated in currencies other than the Canadian dollar, but does not hold or issue such financial instruments for speculative trading purposes. Fluctuations in the value of the Canadian dollar have led to a cumulative net loss of \$9.0 million as at June 30, 2025. This is not expected to affect net earnings as the unrealized loss will offset future gains on the related hedged items, either current accounts payable or future transactions.

Dividends payable increased compared to June 30 and December 31, 2024, reflecting the higher dividend rate. The dividend rate was increased 8.3% effective with the first quarter of 2025, which represented the 36th year of consecutive dividend increases.

Deferred revenue and contract liabilities represent billings to customers in excess of revenue recognized.

- In the Equipment Group, these balances arise due to: progress billings from the sale of power and energy systems; long-term product support maintenance contracts; and, customer deposits for equipment to be delivered in the future. As at June 30, 2025, these were relatively unchanged compared to June 30, 2024, as balances at the acquired company were predominantly offset by lower customer deposits reflecting delivery of equipment over the last twelve months. Compared to December 31, 2024, deferred revenue was up 2% reflecting balances at the recently acquired company of approximately \$47.3 million partially offset by lower customer deposits on order delivery.
- At CIMCO, these balances arise on progress billings from the sale of refrigeration packages and vary depending on timing of billings compared to customer's construction schedules. As at June 30, 2025, these were up 31% versus June 30, 2024, and up 13% versus December 31, 2024, reflecting in part the higher order backlog.

## **Legal and Other Contingencies**

Due to the size, complexity and nature of the Company's operations, various legal matters are pending. Exposure to these claims is mitigated through levels of insurance coverage considered appropriate by management and by active management of these matters. In the opinion of management, none of these matters will have a material effect on the Company's financial position or results of operations.

## **Normal Course Issuer Bid ("NCIB")**

The Company's NCIB program was renewed in September 2024. The current issuer bid allows the Company to purchase up to 8.2 million common shares during the 12-month period ending September 20, 2025. All shares purchased under the bid will be cancelled.

The Company purchased and cancelled 337,500 common shares for \$40.3 million (average cost of \$119.32 per share, including transaction costs) during the six months ended June 30, 2025.

The Company maintains an Automatic Share Purchase Plan ("ASPP") with a broker to enable the purchase of common shares under the NCIB during regular trading blackout periods. The volume of the purchases are determined by the broker based on share price and maximum volume parameters established by the Company prior to the commencement of each blackout period. As at June 30, 2025, an obligation for the repurchase of shares of \$30.1 million was recognized under the ASPP.

The Company purchased and cancelled 608,000 common shares for \$75.0 million (average cost of \$123.32 per share, including transaction costs) during the six months ended June 30, 2024. As at June 30, 2024, there was no obligation for the repurchase of shares under the ASPP.

## **Long-term Incentive Plan ("LTIP")**

A total of 30,394 restricted share units ("RSUs") and 80,791 performance share units ("PSUs") were outstanding under the LTIP as at June 30, 2025, including reinvested dividends.

For the second quarter ended June 30, 2025, LTIP expense of \$1.4 million (2024 – \$1.4 million) was included in selling and administrative expenses with a credit to contributed surplus. For the six months ended June 30, 2025, LTIP expense of \$2.8 million (2024 – \$2.5 million) was included in selling and administrative expenses with a credit to contributed surplus.

## **Outstanding Share Data**

As at the date of this MD&A, the Company had 81,195,606 common shares and 1,552,884 share options outstanding.

## **Dividends**

The Company declared and paid the following dividends to common shareholders during the last eight quarters.

**TOROMONT INDUSTRIES LTD.**  
**Management's Discussion and Analysis – 2025 Q2**

<b>Record Date</b>	<b>Payment Date</b>	<b>Dividend Amount per Share</b>	<b>Dividends Paid in Total (\$ millions)</b>
Sep. 8, 2023	Oct. 4, 2023	\$0.43	\$35.4
Dec. 8, 2023	Jan. 4, 2024	\$0.43	\$35.4
Mar. 8, 2024	Apr. 4, 2024	\$0.48	\$39.5
Jun. 7, 2024	Jul. 5, 2024	\$0.48	\$39.3
Sep. 6, 2024	Oct. 2, 2024	\$0.48	\$39.3
Dec. 6, 2024	Jan. 6, 2025	\$0.48	\$39.1
Mar. 7, 2025	Apr. 4, 2025	\$0.52	\$42.3
Jun. 6, 2025	Jul. 3, 2025	\$0.52	\$42.2

The Board of Directors increased the quarterly dividend by 8.3% or 4 cents per share, to 52 cents per common share on February 11, 2025.

The next dividend is payable on October 3, 2025 to shareholders on record on September 5, 2025.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Sources of Liquidity**

Toromont's liquidity requirements can be met through a variety of sources, including cash on hand, cash generated from operations, long and short-term borrowings and the issuance of common shares. Borrowings are obtained through a variety of senior debentures, notes payable and committed credit facilities.

Toromont's debt portfolio is unsecured, unsubordinated and ranks pari passu.

Effective March 21, 2025, the Company amended its existing \$500.0 million committed revolving credit facility and extended the term of the agreement to March 2030, with a syndicate of financial institutions. Debt under this facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

No amounts have been drawn on the revolving credit facility as at June 30, 2025, December 31, 2024 and June 30, 2024.

Standby letters of credit issued utilized \$43.7 million of the facility as at June 30, 2025 (December 31, 2024 – \$40.8 million; June 30, 2024 – \$39.0 million).

On March 28, 2025, the Company issued senior unsecured debentures in an aggregate principal amount of \$300.0 million (the "Debentures"). The Debentures mature in 2030 and bear interest at a rate of 3.76% per annum, payable semi-annually. The Debentures are unsecured, unsubordinated and rank pari passu with other unsecured, unsubordinated debt. The net proceeds were used to pay the principal owing on the outstanding 3.71% senior debentures due September 30, 2025 and redeemed on July 11, 2025, and for general corporate purposes.

Subsequent to the end of the quarter, on July 11, 2025, the Company completed the early redemption of its 10-year, 3.71% senior debentures, which were due on September 30, 2025. The 2025 debentures were redeemed at par, plus accrued and unpaid interest, for a total of approximately \$151.6 million. The redemption of the debentures was completed with cash on hand.

The Company expects that continued cash flows from operations, together with cash and cash equivalents on hand and currently available credit facilities will be more than sufficient to fund requirements for investments in working capital and capital assets. The Company also has a certain degree of flexibility in its operating and investing plans to mitigate fluctuations.

### Principal Components of Cash Flow

Cash from operating, investing and financing activities, as reflected in the Interim Condensed Consolidated Statements of Cash Flows, are summarized in the following table:

(\$ thousands)	Three months ended		Six months ended	
	2025	June 30 2024	2025	June 30 2024
<b>Cash and cash equivalents, beginning of period</b>	\$ 977,461	\$ 983,355	\$ 890,815	\$ 1,040,757
Cash, provided by (used in):				
<b>Operating activities</b>				
Operations	191,540	183,906	324,095	311,624
Change in non-cash working capital and other	67,223	(167,888)	(102,383)	(213,374)
Net rental fleet additions	(61,804)	(74,819)	(107,834)	(126,258)
	196,959	(58,801)	113,878	(28,008)
<b>Investing activities</b>	(86,768)	(35,854)	(147,957)	(68,589)
<b>Financing activities</b>	(57,603)	(85,026)	173,337	(140,791)
Effect of foreign exchange on cash and cash equivalents balances	(1,418)	158	(1,442)	463
<b>Increase (decrease) in cash and cash equivalents during the period</b>	\$ 51,170	\$ (179,523)	\$ 137,816	\$ (236,925)
<b>Cash and cash equivalents, end of period</b>	\$ 1,028,631	\$ 803,832	\$ 1,028,631	\$ 803,832

### Cash Flows from Operating Activities

Operating activities provided cash in the second quarter and first half of 2025. Operating activities used cash in both the second quarter and first half of 2024.

Cash generated from operations increased in both the quarter (up 4%) and on a year-to-date basis (up 4%) from the comparable periods last year, reflecting the lower net earnings more than offset by higher non-cash items, predominantly depreciation and amortization. Amortization of intangible assets acquired as part of AVL totalled \$20.4 million in the second quarter and \$28.0 million on a year-to-date basis.

Non-cash working capital and other generated cash in the second quarter of 2025, reflecting lower working capital levels on good deliveries against order backlog resulting in lower inventories. Non-cash working capital and other utilized cash in the second quarter of 2024, as working capital levels increased on higher accounts receivable balances reflecting revenue, along with increased inventory levels.

The components and changes in non-cash working capital are discussed in more detail in this MD&A under the heading "Consolidated Financial Condition".

### Cash Flows from Investing Activities

Investments in property, plant and equipment totalled \$87.1 million in the second quarter of 2025 (2024 – \$36.2 million) and related largely to:

- \$69.0 million additions for land, buildings and construction in process for new and upgraded facilities across the business (2024 – \$17.0 million). During the quarter, a facility in Charlotte, NC was purchased for approximately \$60.0 million for expansion of AVL production capacity in the US;
- \$12.3 million for normal replacement of service and delivery vehicles (2024 – \$15.0 million);
- \$1.2 million for upgrades and enhancements to information technology infrastructure and office furniture (2024 – \$1.2 million); and
- \$2.8 million for machinery and equipment replacements and upgrades (2024 – \$3.0 million).

For the year-to-date period, investments in property, plant and equipment totalled \$104.3 million (2024 – \$69.2 million). Total disposition proceeds for the first six months of 2025 were \$1.8 million (2024 – \$0.6 million).

During the first quarter, the Company used cash of \$43.5 million for the acquisition of AVL, net of cash acquired. See note 3 to the interim condensed consolidated financial statements for further information on this transaction.

### Cash Flows from Financing Activities

During the second quarter of 2025, financing activities used \$57.6 million (2024 – used \$85.0 million) in cash, major uses and sources of cash during the quarter included:

- Dividends paid to common shareholders of \$42.3 million or \$0.52 per share (2024 – \$39.5 million or \$0.48 per share);
- Net cash received on exercise of share options and settlement of RSUs and PSUs of \$2.5 million (2024 – \$7.1 million);
- Purchase of shares under the NCIB program used \$15.0 million (2024 – \$50.0 million); and,
- Lease liability payments of \$2.9 million (2024 – \$2.4 million).

For the six months ended June 30, 2025, financing activities generated \$173.3 million (2024 – used \$140.8 million) in cash, major uses and sources of cash during the period included:

- Dividends paid to common shareholders of \$81.4 million or \$1.00 per share (2024 – \$74.9 million or \$0.91 per share);
- Net cash received on exercise of share options and settlement of RSUs and PSUs of \$3.6 million (2024 – \$14.2 million);
- Issue of senior debentures generated \$300.0 million (2024 – \$nil);
- Debt issuance costs used \$3.0 million (2024 – \$0.1 million);
- Purchase of shares under the NCIB program of \$40.3 million (2024 – \$75.0 million); and,
- Lease liability payments of \$5.6 million (2024 – \$5.0 million).

## **OUTLOOK**

With a long-term focus on growth and returns, we remain dedicated to our operating and financial disciplines to ensure our costs are well managed, while we invest in capacity and capabilities to provide exceptional service to our customers.

We continue to monitor regional, national and global economic factors, in particular, inflationary pressures from price and wage increases, interest rate changes and general economic health of the industries we serve. The recent trade tensions have created additional economic turbulence for every company engaged in cross border trade. Our team is engaged, monitoring and developing an appropriate action plan to navigate the potential impacts over the short and longer term when details become available. Foreign exchange rate volatility, and a weaker Canadian dollar are also being monitored given the majority of our supply of equipment and parts is sourced in US dollars. Hedging and pricing policies should limit bottom line exposure to changing exchange rates, however the impact on the economy as whole could be a factor. The global supply chain has improved gradually.

The Equipment Group's parts and service business provides stability supported by a large and diversified installed base of equipment. The long-term outlook for infrastructure projects and other construction activity is positive across most territories although tied somewhat to the general economic climate. Mine investment and expansion will remain dependent on global economic and financial conditions. We have had several years of significant deliveries to the mining industry which has impacted sales mix, however should support product support activity in the future as the machines are utilized. Power systems, particularly prime and stand-by power generation, continues to be in demand. Our investment in an enclosure manufacturer should support our position and future growth.

Investment continues in broadening product lines and service offerings, expanding and enhancing the branch network, optimizing rental fleets, and using technologies to create efficiency and effectiveness across the organization. Integration and alignment of operating processes and systems, best practices and culture, continues across our territory. Product support technologies, such as remote diagnostics, telematics and digital information models support and expand our strategic platform.

CIMCO's installed base supports current and future operations and growth trends. CIMCO has a wide product offering using natural refrigerants including innovative CO<sub>2</sub> solutions, which remains a differentiator in the markets they serve. In industrial markets, CIMCO's proven track record and strong geographical coverage provides growth opportunities. Current backlog is supportive of future activity.

The diversity of the markets served, expanding product offering and services, strong financial position and disciplined operating culture position the Company well for continued positive results in the long term.

## **QUARTERLY RESULTS**

The following table summarizes quarterly consolidated financial data for the eight most recently completed quarters. This quarterly information is unaudited and has been prepared on the same basis as the 2024 annual audited consolidated financial statements.

**TOROMONT INDUSTRIES LTD.**  
**Management's Discussion and Analysis – 2025 Q2**

(\$ thousands, except per share amounts)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>REVENUE</b>								
Equipment Group	\$1,236,536	\$ 993,300	\$1,185,953	\$1,210,821	\$1,235,649	\$ 928,145	\$1,128,907	\$1,065,615
CIMCO	139,927	96,322	121,000	127,171	124,220	88,204	98,030	108,430
Total revenue	\$1,376,463	\$1,089,622	\$1,306,953	\$1,337,992	\$1,359,869	\$1,016,349	\$1,226,937	\$1,174,045
<b>NET EARNINGS</b>	\$ 124,347	\$ 74,436	\$ 156,296	\$ 130,951	\$ 135,350	\$ 83,919	\$ 154,052	\$ 145,619
<b>PER SHARE INFORMATION:</b>								
Basic earnings per share	\$ 1.53	\$ 0.92	\$ 1.91	\$ 1.60	\$ 1.65	\$ 1.02	\$ 1.87	\$ 1.77
Diluted earnings per share	\$ 1.52	\$ 0.91	\$ 1.90	\$ 1.59	\$ 1.64	\$ 1.01	\$ 1.86	\$ 1.76
Dividends paid per share	\$ 0.52	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.43	\$ 0.43	\$ 0.43
Weighted average common shares outstanding – basic (in thousands)	81,202	81,312	81,721	81,931	82,090	82,309	82,315	82,282

Interim period revenue and earnings historically reflect variability from quarter to quarter due to seasonality. This trend has been impacted in recent years by the pandemic and resulting impact on the economy, including global supply chains. Such factors or others may result in variations to historically experienced trends.

The Equipment Group has historically had a distinct seasonal trend in activity levels. Lower revenue is recorded during the first quarter due to winter shutdowns in the construction industry. The fourth quarter has typically been the strongest due in part to the timing of customers' capital investment decisions, delivery of equipment from suppliers for customer-specific orders and conversions of equipment on rent with a purchase option. This pattern can be impacted by the timing of significant sales to mining and other customers, resulting from the timing of mine site development and access, and construction project schedules. This trend can also be impacted during periods of equipment supply constraints from suppliers.

CIMCO has also had a distinct seasonal trend in results historically, as the timing of construction activity impacts revenue recognition under percentage-of-completion accounting. Revenue is typically lower during the first quarter as winter weather slows down construction schedules. Revenue increases in subsequent quarters as construction schedules ramp up. This trend can be impacted by governmental funding initiatives, supply constraints and the customer's timing of significant industrial projects. Sequential comparisons are also impacted by CIMCO's relatively high fixed cost structure.

Historically, inventories have increased through the year to meet the expected demand for higher deliveries in the third and fourth quarter. This trend can be impacted by equipment and parts availability. These seasonal sales trends also typically lead to accounts receivable to be at their highest level at year-end.

In 2023 and 2024, we saw gradual improvements to supply chain availability across most of our product offerings, which has effectively normalized over time.

Net earnings have generally followed the trend in revenue. Cost reduction and containment strategies continue to be a focus, however, have a delayed effect on net earnings.

Local and global economic factors, and supply chain issues have affected and may continue to impact these trends. There can be no certainty that this historical seasonal pattern will recur in the future.

## **RISKS AND RISK MANAGEMENT**

The significant risks and uncertainties affecting the Company and its business are discussed in the Company's MD&A for the year ended December 31, 2024 under "Risks and Risk Management".

## **MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES**

### **Accounting Policies**

The material accounting policies used in the preparation of the accompanying unaudited interim condensed consolidated financial statements are consistent with those used in the Company's 2024 audited annual consolidated financial statements, and described in note 2 therein, except as noted below.

Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### **Estimates**

The preparation of financial statements in conformity with IFRS requires estimates and assumptions that affect the results of operations and financial position. By their nature, these judgments are subject to an inherent degree of uncertainty and are based upon historical experience, trends in the industry and information available from outside sources. Management reviews its estimates on an ongoing basis. Different accounting policies, or changes to estimates or assumptions could potentially have a material impact, positive or negative, on Toromont's financial position and results of operations. See note 3 to the Company's 2024 audited annual consolidated financial statements, contained in the Company's 2024 Annual Report for a detailed discussion of critical accounting estimates. There have been no material changes to such critical accounting estimates during the three and six months ended June 30, 2025.

## **CONTROLS AND PROCEDURES**

### **Disclosure Controls and Procedures**

The President and Chief Executive Officer ("CEO") and Executive Vice President and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, and have designed such disclosure controls and procedures, or have caused it to be designed under their supervision, to provide reasonable assurance that material information with respect to Toromont is made known to them by others and is recorded, processed, summarized and reported within the time periods specified in securities legislation.

### **Internal Control over Financial Reporting**

The CEO and CFO, together with management, are responsible for establishing and maintaining adequate internal control over financial reporting, as defined by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, and have designed such internal control over financial reporting, or

caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

In accordance with the provisions of National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, our Chief Executive Officer and Chief Financial Officer have limited the scope of their design of our disclosure controls and procedures and internal control over financial reporting to exclude the controls, policies, and procedures of AVL, which we acquired on January 31, 2025. The acquired AVL business contributed a relatively insignificant amount of revenue and net income in the the three and six months ended June 30, 2025. Additionally, as at June 30, 2025, the total assets and total liabilities of the AVL operations represented approximately 5% and 6% of consolidated total assets and total liabilities, respectively. The design of the disclosure controls and procedures and internal control over financial reporting of the acquired AVL operations will be completed for the fourth quarter of 2025.

There have been no changes in the design of the Company's internal control over financial reporting during the three and six months ended June 30, 2025, that would materially affect, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, a projection of the evaluation of the effectiveness of internal control over financial reporting to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to the financial statement preparation and presentation. Internal controls over financial reporting may not prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

## **ADDITIONAL GAAP MEASURES**

IFRS mandates certain minimum line items for financial statements and also requires presentation of additional line items, headings and subtotals when such presentation is relevant to an understanding of the Company's financial position or performance. IFRS also requires the notes to the financial statements to provide information that is not presented elsewhere in the financial statements, but is relevant to understanding them. Such measures outside of the minimum mandated line items are considered additional GAAP measures. The Company's interim condensed consolidated financial statements and notes thereto include certain additional GAAP measures where management considers such information to be useful to the understanding of the Company's results.

### **Gross Profit**

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

## Operating Income

Operating income is defined as net earnings from 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.

(\$ thousands)	Three months ended		Six months ended	
	2025	June 30 2024	2025	June 30 2024
Net earnings	\$ 124,347	\$ 135,350	\$ 198,783	\$ 219,269
<i>plus:</i> Interest expense	9,887	7,044	17,333	14,038
<i>less:</i> Interest and investment income	(9,818)	(15,700)	(20,997)	(31,387)
<i>plus:</i> Income taxes	46,330	50,827	74,112	82,186
<b>Operating income</b>	<b>\$ 170,746</b>	<b>\$ 177,521</b>	<b>\$ 269,231</b>	<b>\$ 284,106</b>
Total revenue	\$ 1,376,463	\$ 1,359,869	\$ 2,466,085	\$ 2,376,218
<b>Operating income margin</b>	<b>12.4%</b>	<b>13.1%</b>	<b>10.9%</b>	<b>12.0%</b>

## Net Debt to Total Capitalization/Equity and Net Debt/Equity

Net debt to total capitalization/equity and net debt/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)	June 30 2025	December 31 2024	June 30 2024
Long-term debt	\$ 795,931	\$ 498,518	\$ 648,045
Current portion of long-term debt	149,970	149,910	—
<i>less:</i> Cash and cash equivalents	1,028,631	890,815	803,832
Net debt	(82,730)	(392,297)	(155,787)
Shareholders' equity	3,007,998	2,955,393	2,812,849
<b>Total capitalization</b>	<b>\$ 2,925,268</b>	<b>2,563,096</b>	<b>2,657,062</b>
<b>Net debt to total capitalization</b>	<b>(3)%</b>	<b>(15)%</b>	<b>(6)%</b>
<b>Net debt to equity</b>	<b>(0.03):1</b>	<b>(0.08):1</b>	<b>(0.06):1</b>

## NON-GAAP MEASURES

Management believes that providing certain non-GAAP measures provides users of the Company's unaudited interim condensed consolidated financial statements with important information regarding the operational

**TOROMONT INDUSTRIES LTD.**  
**Management's Discussion and Analysis – 2025 Q2**

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.

**Working Capital**

Working capital is defined as total current assets less total current liabilities. Management views working capital as a measure for assessing overall liquidity.

<i>(\$ thousands)</i>	<b>June 30 2025</b>	December 31 2024	June 30 2024
Total current assets	\$ 3,008,122	\$ 2,890,746	\$ 2,812,352
less: Total current liabilities	1,153,561	1,219,565	1,066,571
<b>Working capital</b>	<b>\$ 1,854,561</b>	<b>\$ 1,671,181</b>	<b>\$ 1,745,781</b>

**Non-Cash Working Capital**

Non-cash working capital is defined as total current assets, excluding cash and cash equivalents, less total current liabilities, excluding current portion of long-term debt, if applicable.

<i>(\$ thousands)</i>	<b>June 30 2025</b>	December 31 2024	June 30 2024
Total current assets	\$ 3,008,122	\$ 2,890,746	\$ 2,812,352
less: Cash and cash equivalents	1,028,631	890,815	803,832
	<b>1,979,491</b>	1,999,931	2,008,520
Total current liabilities	1,153,561	1,219,565	1,066,571
less: Current portion of long-term debt	149,970	149,910	—
	<b>1,003,591</b>	1,069,655	1,066,571
<b>Non-cash working capital</b>	<b>\$ 975,900</b>	<b>\$ 930,276</b>	<b>\$ 941,949</b>

**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.

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The calculations are as follows:

<i>(\$ thousands, except for shares and share price)</i>	<b>June 30 2025</b>	December 31 2024	June 30 2024
Outstanding common shares	<b>81,173,576</b>	81,300,574	81,923,581
<i>times: Ending share price</i>	<b>\$ 122.39</b>	\$ 113.64	\$ 121.13
<b>Market capitalization</b>	<b>\$ 9,934,834</b>	\$ 9,238,997	\$ 9,923,403
Long-term debt	<b>\$ 795,931</b>	\$ 498,518	\$ 648,045
Current portion of long-term debt	<b>149,970</b>	149,910	—
<i>less: Cash and cash equivalents</i>	<b>1,028,631</b>	890,815	803,832
<b>Net debt</b>	<b>\$ (82,730)</b>	\$ (242,387)	\$ (155,787)
<b>Total enterprise value</b>	<b>\$ 9,852,104</b>	\$ 8,996,610	\$ 9,767,616

**KEY PERFORMANCE INDICATORS ("KPIs")**

Management 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 Margin**

This measure is defined as gross profit (defined above) divided by total revenue.

**Operating Income Margin**

This measure is defined as operating income (defined above) divided by total revenue.

**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.

	Trailing twelve months ended		
	June 30 2025	December 31 2024	June 30 2024
<i>(\$ thousands)</i>			
Net earnings	\$ 486,030	\$ 506,516	\$ 518,940
<i>plus:</i> Interest expense	31,950	28,655	28,213
<i>less:</i> Interest and investment income	(43,247)	(53,637)	(56,266)
<i>plus:</i> Interest income – rental conversions	4,458	3,635	3,843
<i>plus:</i> Income taxes	180,564	188,638	190,860
Adjusted net earnings	\$ 659,755	\$ 673,807	\$ 685,590
Average capital employed	\$ 2,853,519	\$ 2,621,627	\$ 2,456,294
<b>Return on capital employed</b>	<b>23.1%</b>	<b>25.7%</b>	<b>27.9%</b>

### 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.

	Trailing twelve months ended		
	June 30 2025	December 31 2024	June 30 2024
<i>(\$ thousands)</i>			
Net earnings	\$ 486,030	\$ 506,516	\$ 518,940
Opening shareholder's equity (net of adjustments)	\$ 2,762,626	\$ 2,636,834	\$ 2,467,414
<b>Return on equity</b>	<b>17.6%</b>	<b>19.2%</b>	<b>21.0%</b>

**TOROMONT INDUSTRIES LTD.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)

(\$ thousands)	Note	June 30 2025	December 31 2024	June 30 2024
<b>Assets</b>				
Current assets				
Cash and cash equivalents		\$ 1,028,631	\$ 890,815	\$ 803,832
Accounts receivable		709,207	628,671	665,832
Inventories		1,213,508	1,321,567	1,298,728
Income taxes recoverable		32,060	8,267	22,614
Derivative financial instruments	7	—	19,352	2,938
Other current assets		24,716	22,074	18,408
<b>Total current assets</b>		<b>3,008,122</b>	<b>2,890,746</b>	<b>2,812,352</b>
Property, plant and equipment	4	701,909	624,552	581,293
Rental equipment	4	826,166	783,080	759,336
Other assets		112,216	99,787	95,729
Deferred tax assets		1,091	1,203	1,432
Goodwill and intangible assets	3	571,178	469,124	468,849
<b>Total assets</b>		<b>\$ 5,220,682</b>	<b>\$ 4,868,492</b>	<b>\$ 4,718,991</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable and accrued liabilities	10	\$ 620,497	\$ 707,034	\$ 708,708
Provisions		33,103	30,675	30,805
Deferred revenue and contract liabilities		339,907	331,946	327,058
Current portion of long-term debt	5, 7	149,970	149,910	—
Derivative financial instruments	7	8,993	—	—
Income taxes payable		1,091	—	—
<b>Total current liabilities</b>		<b>1,153,561</b>	<b>1,219,565</b>	<b>1,066,571</b>
Deferred revenue and contract liabilities		27,787	23,585	22,622
Long-term lease liabilities		45,508	32,487	29,198
Long-term debt	5, 7	795,931	498,518	648,045
Post-employment obligations		29,585	28,774	27,727
Other long-term liabilities	3	36,433	—	—
Deferred tax liabilities		123,879	110,170	111,979
<b>Total liabilities</b>		<b>2,212,684</b>	<b>1,913,099</b>	<b>1,906,142</b>
<b>Shareholders' equity</b>				
Share capital	6	613,395	597,976	596,045
Contributed surplus		38,534	34,293	32,427
Retained earnings		2,357,632	2,309,784	2,180,010
Accumulated other comprehensive (loss) income		(1,563)	13,340	4,367
<b>Total shareholders' equity</b>		<b>3,007,998</b>	<b>2,955,393</b>	<b>2,812,849</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 5,220,682</b>	<b>\$ 4,868,492</b>	<b>\$ 4,718,991</b>

See accompanying notes

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

(\$ thousands, except share amounts)	Note	Three months ended		Six months ended	
		2025	June 30 2024	2025	June 30 2024
<b>Revenue</b>	13	\$ 1,376,463	\$ 1,359,869	\$ 2,466,085	\$ 2,376,218
Cost of goods sold	4	1,037,635	1,030,970	1,883,682	1,797,145
Gross profit		338,828	328,899	582,403	579,073
Selling and administrative expenses		168,082	151,378	313,172	294,967
<b>Operating income</b>		170,746	177,521	269,231	284,106
Interest expense	8	9,887	7,044	17,333	14,038
Interest and investment income	8	(9,818)	(15,700)	(20,997)	(31,387)
Income before income taxes		170,677	186,177	272,895	301,455
Income taxes		46,330	50,827	74,112	82,186
<b>Net earnings</b>		\$ 124,347	\$ 135,350	\$ 198,783	\$ 219,269
<b>Earnings per share</b>					
Basic	9	\$ 1.53	\$ 1.65	\$ 2.45	\$ 2.67
Diluted	9	\$ 1.52	\$ 1.64	\$ 2.43	\$ 2.65
<b>Weighted average number of shares outstanding</b>					
Basic	9	81,202,031	82,090,308	81,256,646	82,199,808
Diluted	9	81,761,304	82,727,132	81,796,042	82,816,677

See accompanying notes

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

(\$ thousands)	Three months ended		Six months ended	
	2025	June 30 2024	2025	June 30 2024
<b>Net earnings</b>	\$ 124,347	\$ 135,350	\$ 198,783	\$ 219,269
<b>Other comprehensive (loss) income, net of income taxes:</b>				
<i>Items that may be reclassified subsequently to net earnings:</i>				
Foreign currency translation adjustments	(1,860)	273	(1,892)	891
Unrealized (losses) gains on derivatives designated as cash flow hedges	(17,342)	4,533	(18,669)	18,307
Income tax recovery (expense)	4,509	(1,179)	4,854	(4,760)
Unrealized (losses) gains on cash flow hedges, net of income taxes	(12,833)	3,354	(13,815)	13,547
Realized losses (gains) on derivatives designated as cash flow hedges	6,603	(4,414)	1,087	(5,219)
Income tax (recovery) expense	(1,717)	1,148	(283)	1,357
Realized losses (gains) on cash flow hedges, net of income taxes	4,886	(3,266)	804	(3,862)
<i>Items that will not be reclassified subsequently to net earnings:</i>				
Remeasurement gain (loss) on defined benefit plans	3,402	1,981	(798)	25,376
Income tax (expense) recovery	(902)	(526)	211	(6,725)
Remeasurement gain (loss) on defined benefit plans, net of income taxes	2,500	1,455	(587)	18,651
<b>Other comprehensive (loss) income</b>	<b>(7,307)</b>	<b>1,816</b>	<b>(15,490)</b>	<b>29,227</b>
<b>Total comprehensive income</b>	<b>\$ 117,040</b>	<b>\$ 137,166</b>	<b>\$ 183,293</b>	<b>\$ 248,496</b>

See accompanying notes

**TOROMONT INDUSTRIES LTD.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited)

(\$ thousands, except share amounts)	Share capital			Accumulated other comprehensive income (loss)				Total shareholders' equity
	Number	Amount	Contributed surplus	Retained earnings	Foreign currency translation adjustments	Cash flow hedges	Total	
<b>At January 1, 2025</b>	<b>81,300,574</b>	<b>\$ 597,976</b>	<b>\$ 34,293</b>	<b>\$ 2,309,784</b>	<b>\$ 4,988</b>	<b>\$ 8,352</b>	<b>\$ 13,340</b>	<b>\$ 2,955,393</b>
Net earnings	—	—	—	198,783	—	—	—	198,783
Other comprehensive loss	—	—	—	(587)	(1,892)	(13,011)	(14,903)	(15,490)
Total comprehensive income (loss)	—	—	—	198,196	(1,892)	(13,011)	(14,903)	183,293
Exercise of share options	88,359	6,160	(960)	—	—	—	—	5,200
Share-based compensation plans	—	—	7,816	—	—	—	—	7,816
Settlement of RSUs, PSUs & EDSUs	11,696	970	(2,615)	—	—	—	—	(1,645)
Effect of share compensation plans	100,055	7,130	4,241	—	—	—	—	11,371
Business acquisition	110,447	12,800	—	—	—	—	—	12,800
Shares purchased for cancellation	(337,500)	(2,536)	—	(37,735)	—	—	—	(40,271)
Shares repurchase commitment under NCIB	—	(1,975)	—	(28,161)	—	—	—	(30,136)
Dividends declared	—	—	—	(84,452)	—	—	—	(84,452)
<b>At June 30, 2025</b>	<b>81,173,576</b>	<b>\$ 613,395</b>	<b>\$ 38,534</b>	<b>\$ 2,357,632</b>	<b>\$ 3,096</b>	<b>\$ (4,659)</b>	<b>\$ (1,563)</b>	<b>\$ 3,007,998</b>
<b>At January 1, 2024</b>	<b>82,297,341</b>	<b>\$ 582,801</b>	<b>\$ 27,346</b>	<b>\$ 2,079,914</b>	<b>\$ 2,409</b>	<b>\$ (8,618)</b>	<b>\$ (6,209)</b>	<b>\$ 2,683,852</b>
Net earnings	—	—	—	219,269	—	—	—	219,269
Other comprehensive income	—	—	—	18,651	891	9,685	10,576	29,227
Total comprehensive income	—	—	—	237,920	891	9,685	10,576	248,496
Exercise of share options	234,240	16,811	(2,629)	—	—	—	—	14,182
Share-based compensation plans	—	—	7,710	—	—	—	—	7,710
Effect of share compensation plans	234,240	16,811	5,081	—	—	—	—	21,892
Shares purchased for cancellation	(608,000)	(3,567)	—	(58,962)	—	—	—	(62,529)
Dividends declared	—	—	—	(78,862)	—	—	—	(78,862)
<b>At June 30, 2024</b>	<b>81,923,581</b>	<b>\$ 596,045</b>	<b>\$ 32,427</b>	<b>\$ 2,180,010</b>	<b>\$ 3,300</b>	<b>\$ 1,067</b>	<b>\$ 4,367</b>	<b>\$ 2,812,849</b>

See accompanying notes

**TOROMONT INDUSTRIES LTD.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(\$ thousands)	Note	Three months ended		Six months ended	
		2025	June 30 2024	2025	June 30 2024
<b>Operating activities</b>					
Income from operations		\$ 124,347	\$ 135,350	\$ 198,783	\$ 219,269
Items not requiring cash:					
Depreciation and amortization		77,609	49,589	140,888	97,400
Share-based compensation		3,219	3,173	6,190	5,908
Post-employment obligations		801	1,254	2,026	54
Deferred income taxes		(9,573)	1,229	(13,614)	3,904
Gain on sale of rental equipment and property, plant and equipment		(4,863)	(6,689)	(10,178)	(14,911)
		<b>191,540</b>	<b>183,906</b>	<b>324,095</b>	<b>311,624</b>
Net change in non-cash working capital and other	12	67,223	(167,888)	(102,383)	(213,374)
Additions to rental equipment	4	(75,562)	(89,866)	(135,525)	(159,711)
Proceeds on disposal of rental equipment		13,758	15,047	27,691	33,453
<b>Cash provided by (used in) operating activities</b>		<b>196,959</b>	<b>(58,801)</b>	<b>113,878</b>	<b>(28,008)</b>
<b>Investing activities</b>					
Additions to property, plant and equipment	4	(87,057)	(36,224)	(104,313)	(69,165)
Proceeds on disposal of property, plant and equipment		298	403	1,842	642
Business acquisition, net of cash acquired	3	—	—	(45,450)	—
Decrease in other assets		(9)	(33)	(36)	(66)
<b>Cash used in investing activities</b>		<b>(86,768)</b>	<b>(35,854)</b>	<b>(147,957)</b>	<b>(68,589)</b>
<b>Financing activities</b>					
Issuance of long-term senior debentures	5	—	—	300,000	—
Financing fees		—	(103)	(2,996)	(103)
Dividends paid	6	(42,252)	(39,543)	(81,379)	(74,926)
Net cash received on long-term incentive plan exercise/settlements		2,536	7,050	3,555	14,182
Shares purchased for cancellation	6	(15,023)	(49,990)	(40,271)	(74,981)
Payment of lease liabilities		(2,864)	(2,440)	(5,572)	(4,963)
<b>Cash (used in) provided by financing activities</b>		<b>(57,603)</b>	<b>(85,026)</b>	<b>173,337</b>	<b>(140,791)</b>
Effect of currency translation on cash balances		(1,418)	158	(1,442)	463
Increase (decrease) in cash and cash equivalents during the period		51,170	(179,523)	137,816	(236,925)
Cash and cash equivalents, at beginning of the period		977,461	983,355	890,815	1,040,757
<b>Cash and cash equivalents, at end of the period</b>		<b>\$ 1,028,631</b>	<b>\$ 803,832</b>	<b>\$ 1,028,631</b>	<b>\$ 803,832</b>

Supplemental cash flow information (note 12)

See accompanying notes

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

## 1. DESCRIPTION OF BUSINESS

### Corporate Information

Toromont Industries Ltd. (the "Company" or "Toromont") is a limited company incorporated and domiciled in Canada whose shares are publicly traded on the Toronto Stock Exchange ("TSX") under the symbol TIH. The registered office is located at 3131 Highway 7 West, Concord, Ontario, Canada.

The Company 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.

## 2. MATERIAL ACCOUNTING POLICIES

### Basis of Preparation

#### a) Statement of Compliance

These interim condensed consolidated financial statements were prepared in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*. Accordingly, these interim condensed consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the year ended December 31, 2024.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on July 29, 2025.

#### b) Basis of Presentation

These interim condensed consolidated financial statements were prepared on a historical cost basis, except for derivative instruments that have been measured at fair value. These interim condensed consolidated financial statements are presented in Canadian dollars, which is Toromont's functional currency, and all values are rounded to the nearest thousands, except where otherwise indicated.

Certain comparative figures have been reclassified to conform to the current period's presentation.

#### c) Material Accounting Policies

The material accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2024.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### d) Use of Significant Accounting Estimates and Judgments

The preparation of interim condensed consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets, liabilities and accompanying disclosures. Significant estimates and judgments used in the preparation of these interim condensed consolidated financial statements are described in the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2024. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

## 3. BUSINESS COMBINATIONS

### AVL Manufacturing Inc. ("AVL")

On January 31, 2025, the Company acquired 60% of the shares of AVL for consideration of \$67.5 million cash plus the issuance of 110.4 thousand Toromont shares. In addition, the Company has committed to purchase the remaining 40% at various dates through to 2031. The initial purchase price was funded with cash on hand. AVL designs and fabricate power generation and storage enclosures. AVL has operations in Hamilton, Ontario and currently serves the data centre market across eastern North America. The Company has not yet finalized its determination of fair value of the assets acquired and liabilities assumed. The acquisition, while accretive, is not expected to have an overall material impact on Toromont's combined revenue, earnings or statement of financial position in the near-term.

The acquisition is accounted for as a business combination with Toromont as the acquirer of AVL. The acquisition has been accounted for using the purchase method of accounting. Results from AVL have been included in the interim condensed consolidated statements of income and interim condensed consolidated statements of comprehensive income since the date of acquisition and is included in the Equipment Group.

The following table summarizes the fair value of consideration paid on the acquisition date.

### Purchase Price

Cash consideration	\$	67,500
Issue of Toromont common shares		12,800
Future purchase commitment consideration (included in other long-term liabilities)		34,509
<b>Total</b>	<b>\$</b>	<b>114,809</b>

The purchase price allocation is preliminary and subject to adjustment on completion of the valuation process. The Company determined the preliminary fair values based on market information, independent valuations and management's estimates.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****As at and for the three and six months ended June 30, 2025**

(\$ thousands, except where otherwise indicated) (Unaudited)

Cash	\$	24,050
Accounts receivable		30,921
Inventory		5,159
Other current assets		840
Property, plant and equipment		6,468
Right-of-use asset		17,324
Intangible assets		118,694
Accounts payable and accrued liabilities		(13,951)
Warranty provision		(500)
Deferred revenue		(35,925)
Right-of-use liability		(17,382)
Other long-term liabilities		(310)
Deferred income taxes		(32,217)
Net identifiable assets		103,171
Residual purchase price allocated to goodwill		11,639
<b>Total</b>	<b>\$</b>	<b>114,810</b>

Accounts receivable represent gross contractual amounts receivable and reflect the best estimate at the acquisition date of the contractual cash flows expected to be collected.

Goodwill is attributed to the existing AVL business, the assembled workforce and the combined strategic value to the Company's growth plan. The amount assigned to goodwill is not expected to be deductible for tax purposes.

Acquisition-related costs were expensed as incurred and are included in selling and administrative expenses.

The consolidated revenues and pre-tax earnings for the six-month period ended June 30, 2025 as though the acquisition date had been January 1, 2025, would not be significantly different from those reported. These are unaudited pro forma figures and are not necessarily indicative of the combined results that would have been attained had the acquisition taken place at January 1, 2025, nor is it necessarily indicative of future results.

**Tri-City Equipment Rentals ("Tri-City")**

On September 9, 2024, the Company acquired the rental business and net operating assets of Tri-City, an industry leader in heavy equipment rentals with operations in Southwestern Ontario. The acquisition expands Toromont Cat's heavy rents business to better serve the Company's customer base.

The Company acquired the business and net operating assets of Tri-City in exchange for cash consideration of \$77.6 million, with \$73.6 million paid on closing in 2024, \$2.0 million paid in Q1 2025, and the remainder to be paid in Q3 2025. Toromont funded the transaction with cash on hand.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

### 4. PROPERTY, PLANT AND EQUIPMENT AND RENTAL EQUIPMENT

	Property, plant and equipment					Rental equipment
	Land	Buildings	Equipment	Power generation	Total	
<b>Cost</b>						
<b>January 1, 2025</b>	\$ 196,768	\$ 426,138	\$ 420,737	\$ 40,460	\$ 1,084,103	\$ 1,423,468
Additions	14,187	66,266	23,860	—	104,313	135,525
Business combination	—	2,700	3,768	—	6,468	—
Disposals	(901)	(982)	(6,877)	—	(8,760)	(47,738)
Foreign currency translation adjustments	(10)	(207)	(585)	—	(802)	—
<b>June 30, 2025</b>	\$ 210,044	\$ 493,915	\$ 440,903	\$ 40,460	\$ 1,185,322	\$ 1,511,255
<b>Accumulated depreciation</b>						
<b>January 1, 2025</b>	\$ —	\$ 164,010	\$ 256,096	\$ 39,445	\$ 459,551	\$ 640,388
Depreciation expense	—	9,295	22,035	104	31,434	74,693
Depreciation of disposals	—	(655)	(6,495)	—	(7,150)	(29,992)
Foreign currency translation adjustments	—	(48)	(374)	—	(422)	—
<b>June 30, 2025</b>	\$ —	\$ 172,602	\$ 271,262	\$ 39,549	\$ 483,413	\$ 685,089
<b>Net book value – June 30, 2025</b>	\$ 210,044	\$ 321,313	\$ 169,641	\$ 911	\$ 701,909	\$ 826,166

	Property, plant and equipment					Rental equipment
	Land	Buildings	Equipment	Power generation	Total	
<b>Cost</b>						
<b>January 1, 2024</b>	\$ 182,938	\$ 370,334	\$ 361,697	\$ 40,138	\$ 955,107	\$ 1,263,079
Additions	9,582	22,830	36,741	12	69,165	159,711
Disposals	(36)	(239)	(5,550)	—	(5,825)	(70,657)
Foreign currency translation adjustments	6	115	302	—	423	—
<b>June 30, 2024</b>	\$ 192,490	\$ 393,040	\$ 393,190	\$ 40,150	\$ 1,018,870	\$ 1,352,133
<b>Accumulated depreciation</b>						
<b>January 1, 2024</b>	\$ —	\$ 148,538	\$ 229,309	\$ 38,341	\$ 416,188	\$ 580,710
Depreciation expense	—	7,458	18,621	550	26,629	63,905
Depreciation of disposals	—	(71)	(5,410)	—	(5,481)	(51,818)
Foreign currency translation adjustments	—	27	214	—	241	—
<b>June 30, 2024</b>	\$ —	\$ 155,952	\$ 242,734	\$ 38,891	\$ 437,577	\$ 592,797
<b>Net book value – June 30, 2024</b>	\$ 192,490	\$ 237,088	\$ 150,456	\$ 1,259	\$ 581,293	\$ 759,336

During the six months ended June 30, 2025, depreciation expense of \$94.5 million was charged to cost of goods sold (2024 – \$81.1 million), and \$11.6 million was charged to selling and administrative expenses (2024 – \$9.4 million).

As at June 30, 2025, the balance of assets under construction or not yet available for use and not subject to depreciation was \$64.6 million (2024 – \$1.8 million).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

### 5. LONG-TERM DEBT

	June 30 2025	December 31 2024	June 30 2024
Senior debentures			
3.71%, \$150.0 million, due September 30, 2025 <sup>(1)</sup>	\$ 150,000	\$ 150,000	\$ 150,000
3.84%, \$500.0 million, due October 27, 2027 <sup>(1)</sup>	500,000	500,000	500,000
3.76%, \$300.0 million, due March 28, 2030 <sup>(1)</sup>	300,000	—	—
	<b>950,000</b>	650,000	650,000
Debt issuance costs, net of amortization	<b>(4,099)</b>	(1,572)	(1,955)
<b>Total long-term debt</b>	<b>\$ 945,901</b>	\$ 648,428	\$ 648,045
Less: current portion of long-term debt	<b>(149,970)</b>	(149,910)	—
<b>Non-current portion of long-term debt</b>	<b>\$ 795,931</b>	\$ 498,518	\$ 648,045

<sup>(1)</sup> Interest payable semi-annually, principal due on maturity.

Effective March 21, 2025, the Company amended its existing \$500.0 million committed revolving credit facility and extended the term of the agreement to March 2030, with a syndicate of financial institutions. Debt under this facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

No amounts have been drawn on the revolving credit facility as at June 30, 2025, December 31, 2024 and June 30, 2024.

Standby letters of credit issued utilized \$43.7 million of the facility as at June 30, 2025 (December 31, 2024 – \$40.8 million; June 30, 2024 – \$39.0 million).

On March 28, 2025, the Company issued senior unsecured debentures in an aggregate principal amount of \$300.0 million (the "Debentures"). The Debentures mature in 2030 and bear interest at a rate of 3.76% per annum, payable semi-annually. The Debentures are unsecured, unsubordinated and rank pari passu with other unsecured, unsubordinated debt.

Subsequent to the end of the quarter, on July 11, 2025, the Company completed the early redemption of its 10-year, 3.71% senior debentures, which were due on September 30, 2025. The 2025 debentures were redeemed at par, plus accrued and unpaid interest, for a total of approximately \$151.6 million. The redemption of the debentures was completed with cash on hand.

### 6. SHARE CAPITAL

#### Normal Course Issuer Bid ("NCIB")

The Company's NCIB program was renewed in September 2024. The current issuer bid allows the Company to purchase up to 8.2 million common shares during the 12-month period ending September 20, 2025. All shares purchased under the bid will be cancelled.

The Company purchased and cancelled 337,500 common shares for \$40.3 million (average cost of \$119.32 per share, including transaction costs) during the six months ended June 30, 2025.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the three and six months ended June 30, 2025**

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The Company maintains an Automatic Share Purchase Plan ("ASPP") with a broker to enable the purchase of common shares under the NCIB during regular trading blackout periods. The volume of the purchases are determined by the broker based on share price and maximum volume parameters established by the Company prior to the commencement of each blackout period. As at June 30, 2025, an obligation for the repurchase of shares of \$30.1 million was recognized under the ASPP.

The Company purchased and cancelled 608,000 common shares for \$75.0 million (average cost of \$123.32 per share, including transaction costs) during the six months ended June 30, 2024. As at June 30, 2024 there was no obligation for the repurchase of shares under the ASPP.

### Dividends Declared

Dividend	2025				2024			
	Record date	Dividend amount per share	Payment date	Total dividends declared (\$ millions)	Record date	Dividend amount per share	Payment date	Total dividends declared (\$ millions)
Quarter 1	Mar. 7, 2025	\$ 0.52	Apr. 4, 2025	\$ 42.3	Mar. 8, 2024	\$ 0.48	Apr. 4, 2024	\$ 39.5
Quarter 2	Jun. 6, 2025	0.52	Jul. 3, 2025	42.2	Jun. 7, 2024	0.48	Jul. 5, 2024	39.4
		\$ 1.04		\$ 84.5		\$ 0.96		\$ 78.9

On July 29, 2025, the Board of Directors declared a quarterly dividend of \$0.52 per common share, payable on October 3, 2025, to shareholders on record on September 5, 2025.

## 7. FINANCIAL INSTRUMENTS

### Financial Assets and Liabilities – Classification and Measurement

The following table highlights the carrying amounts and classifications of certain financial assets and liabilities:

	June 30 2025	December 31 2024	June 30 2024
<b>Other financial liabilities:</b>			
Current portion of long-term debt	\$ 149,970	\$ 149,910	—
Long-term debt	795,931	498,518	648,045
<b>Derivative financial instruments assets (liabilities), net:</b>			
Foreign exchange forward contracts	\$ (8,993)	\$ 19,352	\$ 2,938

### Fair Value of Financial Instruments

The fair value of derivative financial instruments is measured using the discounted value of the difference between the contract's value at maturity based on the contracted foreign exchange rate and the contract's value at maturity based on the comparable foreign exchange rate as at year-end under the same conditions. The financial institution's credit risk is also taken into consideration in determining fair value. The valuation is determined using Level 2 inputs, which are observable inputs or inputs that can be corroborated by observable market data for substantially the full term of the asset or liability, most significantly foreign exchange spot and forward rates.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the three and six months ended June 30, 2025**

(\$ thousands, except where otherwise indicated) (Unaudited)

The fair value and carrying value of total long-term debt were as follows:

	June 30 2025	December 31 2024	June 30 2024
<b>Total long-term debt:</b>			
Fair value	\$ 956,236	\$ 653,673	\$ 635,446
Carrying value	\$ 945,901	\$ 648,428	\$ 648,045

The fair value was determined using the discounted cash flow method, a generally accepted valuation technique. The discounted factor is based on market rates for debt with similar terms and remaining maturities, and based on Toromont's credit risk. The Company has no plans to prepay these instruments prior to maturity.

During the six months ended June 30, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

### Derivative Financial Instruments and Hedge Accounting

Foreign exchange contracts and options are transacted with financial institutions to hedge foreign-currency-denominated obligations related to purchases of inventory and sales of products. As at June 30, 2025, the Company was committed to: (i) US dollar purchase contracts with a notional amount of \$383.5 million at an average exchange rate of \$1.3826, maturing between July 2025 and June 2026; and (ii) US dollar sale contracts with a notional amount of \$33.9 million at an average exchange rate of \$1.3722, maturing between July 2025 and June 2026.

Management estimates that a loss of \$9.0 million (December 31, 2024 – gain of \$19.4 million; June 30, 2024 – gain of \$2.9 million) would be realized if the contracts were terminated on June 30, 2025. Certain of these forward contracts are designated as cash flow hedges and, accordingly, an unrealized loss of \$5.9 million (December 31, 2024 – unrealized gain of \$10.9 million; June 30, 2024 – unrealized gain of \$1.5 million) has been included in other comprehensive (loss) income. These gains and losses are not expected to affect net earnings as the amounts will be reclassified to net earnings within the next 12 months and will offset losses recorded on the underlying hedged items, namely foreign-currency-denominated accounts payable and accrued liabilities. Certain of these forward contracts are not designated as cash flow hedges but are entered into for periods consistent with foreign currency exposure of the underlying transactions. A loss of \$3.1 million (December 31, 2024 – gain of \$8.5 million; June 30, 2024 – gain of \$1.4 million) on forward contracts not designated as hedges is included in net earnings, which offsets gains recorded on the foreign-currency-denominated items, namely accounts payable and accrued liabilities.

## 8. INTEREST INCOME AND EXPENSE

The components of interest expense were as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Credit facilities	\$ 115	\$ 426	\$ 679	\$ 821
Senior debentures	9,175	6,201	15,510	12,420
Interest on lease liabilities	597	417	1,144	797
	<b>\$ 9,887</b>	<b>\$ 7,044</b>	<b>\$ 17,333</b>	<b>\$ 14,038</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**As at and for the three and six months ended June 30, 2025**  
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The components of interest and investment income were as follows:

	Three months ended		Six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Interest on conversion of rental equipment	\$ 1,221	\$ 1,290	\$ 2,800	\$ 1,977
Interest income	8,597	14,410	18,197	29,410
	<b>\$ 9,818</b>	<b>\$ 15,700</b>	<b>\$ 20,997</b>	<b>\$ 31,387</b>

## 9. EARNINGS PER SHARE

	Three months ended		Six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Net earnings available to common shareholders	\$ 124,347	\$ 135,350	\$ 198,783	\$ 219,269
Weighted average common shares outstanding	81,202,031	82,090,308	81,256,646	82,199,808
Effect of dilutive securities	559,273	636,824	539,396	616,869
Weighted average common shares outstanding – diluted	81,761,304	82,727,132	81,796,042	82,816,677
Earnings per share:				
Basic	\$ 1.53	\$ 1.65	\$ 2.45	\$ 2.67
Diluted	\$ 1.52	\$ 1.64	\$ 2.43	\$ 2.65

For both the three and six months ended June 30, 2025, 348,508 outstanding share options with an average exercise price of \$123.57 were considered anti-dilutive and were excluded from the calculations. For the comparative periods in 2024, 158,089 outstanding share options with an average exercise price of \$125.11 were considered anti-dilutive and were excluded from the calculations.

## 10. SHARE-BASED COMPENSATION

### Share Option Plan

A reconciliation of the outstanding options for the six months ended June 30, 2025 and 2024 was as follows:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, January 1	1,458,651	\$ 85.61	1,783,993	\$ 78.50
Granted	192,443	122.02	160,960	125.11
Exercised <sup>(1)</sup>	(88,359)	58.86	(234,240)	60.55
Forfeited	(9,851)	112.93	(159,080)	92.86
<b>Options outstanding, June 30</b>	<b>1,552,884</b>	<b>\$ 91.47</b>	<b>1,551,633</b>	<b>\$ 84.57</b>
<b>Options exercisable, June 30</b>	<b>944,897</b>	<b>\$ 78.63</b>	<b>833,531</b>	<b>\$ 71.36</b>

<sup>(1)</sup> The weighted average share price at the date of exercise for the six months ended June 30, 2025 was \$119.12 (2024 – \$122.71).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

The following table summarizes share options outstanding and exercisable as at June 30, 2025:

Range of exercise prices	Options outstanding			Options exercisable	
	Number	Weighted average remaining life (years)	Weighted average exercise price	Number	Weighted average exercise price
\$36.65 – \$39.79	78,500	1.0	\$ 39.43	78,500	\$ 39.43
\$53.88 – \$65.72	231,640	3.4	61.67	231,640	61.67
\$66.22 – \$72.95	394,674	4.5	70.96	313,738	70.45
\$104.91 – \$125.11	848,070	7.7	113.97	321,019	108.45
	1,552,884	5.9	\$ 91.47	944,897	\$ 78.63

The fair values of the share options granted during 2025 and 2024 were determined at the time of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2025	2024
Fair value price per option	\$ 24.52	\$ 27.86
Share price	\$ 122.02	\$ 125.11
Expected life of options (years)	5.00	5.00
Expected share price volatility	22.0%	22.0%
Expected dividend yield	1.70%	1.53%
Risk-free interest rate	2.89%	3.70%

### Deferred Share Unit ("DSU") Plans

A reconciliation of the cash-settled DSU plan for the six months ended June 30, 2025 and 2024 was as follows:

	2025		2024	
	Number of DSUs	Value	Number of DSUs	Value
Outstanding, January 1	177,706	\$ 20,266	191,320	\$ 22,133
Dividend credits	1,572	178	1,363	167
Redemptions	(1,985)	(236)	(16,321)	(2,039)
Fair market value adjustments	—	1,302	—	856
<b>Outstanding, June 30</b>	<b>177,293</b>	<b>\$ 21,510</b>	<b>176,362</b>	<b>\$ 21,117</b>

The liability for cash-settled DSUs is recorded in accounts payable and accrued liabilities.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the three and six months ended June 30, 2025**

(\$ thousands, except where otherwise indicated) (Unaudited)

A reconciliation of the outstanding units of the equity-settled DSU plan for the six months ended June 30, 2025 and 2024 was as follows:

	2025	2024
	Number of DSUs	Number of DSUs
Outstanding, January 1	62,674	33,360
Units taken or taken in lieu and dividends	22,713	21,457
Redemptions	(897)	—
Units transferred on settlement of RSUs and PSUs	13,283	—
<b>Outstanding, June 30</b>	<b>97,773</b>	<b>54,817</b>

The cost of the equity-settled DSU plan is recorded in selling and administrative expenses with a credit to contributed surplus.

### Long-term Incentive Plan ("LTIP")

A reconciliation of the outstanding units of RSUs and PSUs for the six months ended June 30, 2025 and 2024 was as follows:

	2025		2024	
	RSUs	PSUs	RSUs	PSUs
Units outstanding, January 1	27,544	73,420	14,396	56,784
Granted	9,641	30,429	7,352	28,494
Reinvested dividends	213	546	133	485
LTIP settlement	(7,002)	(21,810)	—	—
Forfeited	(2)	(1,794)	(310)	(12,899)
<b>Units outstanding, June 30</b>	<b>30,394</b>	<b>80,791</b>	<b>21,571</b>	<b>72,864</b>

LTIP expense of \$2.8 million (2024 – \$2.5 million) was included in selling and administrative expenses with a credit to contributed surplus.

For the second quarter ended June 30, 2025, LTIP expense of \$1.4 million (2024 – \$1.4 million) was included in selling and administrative expenses with a credit to contributed surplus. For the six months ended June 30, 2025, LTIP expense of \$2.8 million (2024 – \$2.5 million) was included in selling and administrative expenses with a credit to contributed surplus.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

### 11. EMPLOYEE FUTURE BENEFITS

Employee future benefits expense includes the following components:

	Three months ended		Six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Defined benefit plans	\$ 1,281	\$ 1,924	\$ 3,157	\$ 3,805
Defined contribution plans	5,336	5,108	10,402	9,855
401(k) matched saving plans	115	101	231	202
	<b>\$ 6,732</b>	<b>\$ 7,133</b>	<b>\$ 13,790</b>	<b>\$ 13,862</b>

### 12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended		Six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Net change in non-cash working capital and other:				
Accounts receivable	\$ (91,338)	\$ (129,093)	\$ (49,615)	\$ (38,589)
Inventories	179,118	(41,372)	113,218	(179,657)
Accounts payable and accrued liabilities	(11,629)	13,341	(128,066)	65,063
Provisions	2,332	982	1,928	536
Deferred revenue and contract liabilities	(8,903)	(9,789)	(23,762)	(32,942)
Income taxes	(2,689)	(2,352)	(26,563)	(29,620)
Derivative financial instruments	5,021	60	10,763	(3,797)
Other	(4,689)	335	(286)	5,632
	<b>\$ 67,223</b>	<b>\$ (167,888)</b>	<b>\$ (102,383)</b>	<b>\$ (213,374)</b>
Cash paid during the period for:				
Interest	\$ 9,605	\$ 12,388	\$ 12,388	\$ 12,388
Income taxes	\$ 58,629	\$ 51,960	\$ 116,984	\$ 107,941
Cash received during the period for:				
Interest	\$ 8,085	\$ 18,170	\$ 18,246	\$ 29,427

### 13. SEGMENTED INFORMATION

The Company has two reportable segments: the Equipment Group and CIMCO as described in note 1, each supported by the corporate office. These segments are strategic business units that offer different products and services, and each is managed separately. The corporate office provides finance, treasury, legal, human resources and other administrative support to the segments and does not meet the definition of a reportable operating segment as defined in IFRS 8 – *Operating Segments*, as it does not earn revenue.

The accounting policies of each of the reportable segments are the same as the material accounting policies described in the most recent annual audited consolidated financial statements.

Segment performance is assessed based on operating income, which is measured differently than income from operations in the interim condensed consolidated financial statements. Corporate overheads are allocated

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the three and six months ended June 30, 2025**

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to the segments based on revenue. Income taxes, interest expense, interest and investment income are managed at a consolidated level and are not allocated to the reportable operating segments. Current income taxes, deferred income taxes and certain financial assets and liabilities are not allocated to the segments as they are also managed on a consolidated level.

The aggregation of the operating segments is based on the economic characteristics of the business units. These business units are considered to have similar economic characteristics including nature of products and services, class of customers and markets served and similar distribution models.

No reportable segment is reliant on any single external customer.

The following tables set forth information by segment for the three and six months ended June 30, 2025 and 2024:

<b>Three months ended June 30</b>	<b>Equipment Group</b>		<b>CIMCO</b>		<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Equipment/package sales	\$ 614,919	\$ 647,350	\$ 82,168	\$ 67,133	\$ 697,087	\$ 714,483
Rentals	127,477	110,521	—	—	127,477	110,521
Product support	491,825	475,029	57,759	57,087	549,584	532,116
Power generation	2,315	2,749	—	—	2,315	2,749
<b>Total revenue</b>	<b>\$ 1,236,536</b>	<b>\$ 1,235,649</b>	<b>\$ 139,927</b>	<b>\$ 124,220</b>	<b>\$ 1,376,463</b>	<b>\$ 1,359,869</b>
<b>Operating income</b>	<b>\$ 154,104</b>	<b>\$ 165,242</b>	<b>\$ 16,642</b>	<b>\$ 12,279</b>	<b>\$ 170,746</b>	<b>\$ 177,521</b>
Interest expense					9,887	7,044
Interest and investment income					(9,818)	(15,700)
Income taxes					46,330	50,827
<b>Income from operations</b>					<b>\$ 124,347</b>	<b>\$ 135,350</b>

<b>Six months ended June 30</b>	<b>Equipment Group</b>		<b>CIMCO</b>		<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Equipment/package sales	\$ 1,075,914	\$ 1,041,563	\$ 124,294	\$ 103,818	\$ 1,200,208	\$ 1,145,381
Rentals	233,867	206,375	—	—	233,867	206,375
Product support	915,388	910,332	111,955	108,606	1,027,343	1,018,938
Power generation	4,667	5,524	—	—	4,667	5,524
<b>Total revenue</b>	<b>\$ 2,229,836</b>	<b>\$ 2,163,794</b>	<b>\$ 236,249</b>	<b>\$ 212,424</b>	<b>\$ 2,466,085</b>	<b>\$ 2,376,218</b>
<b>Operating income</b>	<b>\$ 242,992</b>	<b>\$ 263,998</b>	<b>\$ 26,239</b>	<b>\$ 20,108</b>	<b>\$ 269,231</b>	<b>\$ 284,106</b>
Interest expense					17,333	14,038
Interest and investment income					(20,997)	(31,387)
Income taxes					74,112	82,186
<b>Income from operations</b>					<b>\$ 198,783</b>	<b>\$ 219,269</b>

Operating income from rental operations was \$12.3 million for the three months ended June 30, 2025 (2024 – income \$14.4 million) and \$11.5 million for the six months ended June 30, 2025 (2024 – \$16.7 million).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**As at and for the three and six months ended June 30, 2025**  
(\$ thousands, except where otherwise indicated) (Unaudited)

#### **14. BUSINESS SEASONALITY**

Interim period revenue and earnings historically reflect variability from quarter to quarter due to seasonality.

The Equipment Group has historically had a distinct seasonal trend in activity levels. Lower revenue is recorded during the first quarter due to winter shutdowns in the construction industry. The fourth quarter has typically been the strongest due in part to the timing of customers' capital investment decisions, delivery of equipment from suppliers for customer-specific orders and conversions of equipment on rent with a purchase option. This pattern is impacted by the timing of significant sales to mining and other customers, resulting from the timing of mine site development and access, and construction project schedules. This trend can also be impacted during periods of equipment supply constraints from suppliers.

CIMCO has historically also had a distinct seasonal trend in results, as the timing of construction activity impacts revenue recognition under percentage-of-completion accounting. Revenue is typically lower during the first quarter as winter weather slows down construction schedules. Revenue increases in subsequent quarters as construction schedules ramp up. This trend can be impacted by governmental funding initiatives, supply constraints and the customer's timing of significant industrial projects. Sequential comparisons are also impacted by CIMCO's relatively high fixed-cost structure.

Historically, inventories have increased through the year to meet the expected demand for higher deliveries in the third and fourth quarter. This trend can be impacted by equipment and parts availability. These seasonal sales trends also typically lead to accounts receivable to be at their highest level at year-end.

Market and economic factors, local and global economic factors, and supply chain issues have affected and may continue to impact these trends. There can be no certainty that this historical seasonal pattern will recur in the future.

## **How to get in touch with us**

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## **How to reach our transfer agent and registrar**

Investors are encouraged to contact TSX Trust Company for information regarding their security holdings.

TSX Trust Company  
301-100 Adelaide Street West  
Toronto, Ontario  
M5H 4H1

Toll-Free North America: 1.800.387.0825

Local: 416.682.3860

E-mail: [shareholderinquiries@tmx.com](mailto:shareholderinquiries@tmx.com)

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

## **Common Shares**

Listed on the Toronto Stock Exchange  
Stock Symbol – TIH

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