TOROMONT

For immediate release

TOROMONT ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2025 AND QUARTERLY DIVIDEND

Toronto, Ontario (April 30, 2025) – Toromont Industries Ltd. (TSX: TIH) today reported its financial results for the first quarter ended March 31, 2025.

	Three months ended March 31		
($ millions, except per share amounts)	**2025**	2024	% change
Revenue	**$ 1,089.6**	$ 1,016.3	7 %
Operating income	**$ 98.5**	$ 106.6	(8)%
Net earnings	**$ 74.4**	$ 83.9	(11)%
Basic earnings per share ("EPS")	**$ 0.92**	$ 1.02	(10)%

"I am pleased with the performance of the team in the quarter. In a somewhat challenging market, we had consolidated revenue growth of 7% overall with growth in both the Equipment Group and CIMCO. Although we did not match our bottom-line performance from last year, due largely to business mix and lower interest income, the team managed expenses very well and enhanced our already solid financial position," stated Michael S. McMillan, President and Chief Executive Officer of Toromont Industries Ltd. "The Equipment Group executed well with improved new equipment deliveries in construction, mining and power segments. Rental markets improved slightly in the first quarter, reflecting the larger fleet. CIMCO revenue and bottom-line improvements demonstrated the team's strong execution while we continued to exercise disciplined capital management."

HIGHLIGHTS:

Consolidated Results

- Revenue increased $73.3 million (up 7%) to $1.1 billion for the quarter. Revenue increased in both groups, with the Equipment Group up 7% and CIMCO up 9% compared to 2024. Growth reflects higher new equipment sales and solid execution against order backlog. Rental revenue improved on higher utilization in a slower market, while used equipment sales were lower. Product support revenue decreased in the Equipment group with lower parts demand, which was partially offset by higher product support at CIMCO. Our moderate growth in technician labour workforce continues to reflect our long-term strategic objectives.

- Operating income decreased 8% in the quarter, and was 9.0% of revenue compared to 10.5% in the similar period last year. Although revenue was higher, lower gross margins in the Equipment Group (unfavourable sales mix and a strong comparator) and slightly higher expenses dampened results.

- For the quarter, net earnings decreased $9.5 million or 11% to $74.4 million compared to the similar period last year. EPS was $0.92 (basic) and $0.91 (fully diluted), 10% lower compared to last year.

- Bookings(1) decreased 12% compared to the similar period last year. Equipment Group bookings decreased mainly reflecting lower mining orders versus a strong comparable last year, which included several large orders. CIMCO bookings decreased reflective of the cautious tone related to economic uncertainty resulting in delays in customer buying decisions, with lower new orders in both markets and regions. Booking activity can be lumpy, resulting in variability quarter over quarter, reflecting market-related factors and customer buying patterns.

- Backlog[1] of $1.3 billion as at March 31, 2025, was down slightly from $1.4 billion as at March 31, 2024. Backlog remains healthy, reflecting deliveries and progress on construction schedules. Backlog includes a $230.0 million order book at the acquired company, which is expected to deliver over the next two years.

Equipment Group

- Revenue was up $65.2 million or 7% to $993.3 million for the quarter. New equipment sales increased 24% on good deliveries in mining and power systems. Rental activity increased 11%, with higher light equipment rentals and rentals with a purchase option. Lower used equipment sales (-21%) and product support revenues (-3%) reflect cautious end customer demand and activity levels.

- Operating income decreased $9.9 million or 10% to $88.9 million in the quarter. Higher revenue was more than offset by lower gross margins and slightly higher expenses. Operating income margin decreased to 8.9% versus 10.6% in the comparable period last year, primarily reflecting lower gross margins related to changes in sales mix.

- Bookings in the first quarter of 2025 were $501.9 million, a decrease of $19.7 million or 4% versus the prior year, reflecting lower mining orders against a strong comparable, which included several large customer orders. Power system orders were healthy and construction orders increased modestly compared to the prior period.

- Backlog of $982.0 million at the end of March 2025 was lower by $102.7 million or 9% from the end of March 2024. Backlog includes $230.0 million order backlog at the acquired company. Excluding this, backlog was 32% lower compared to the same time last year, reflecting good deliveries against customer orders over the last twelve months.

- As previously announced, 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 ($12.8 million). In addition, the Company has committed to purchase the remaining 40% at various dates through to 2031. The initial cash consideration of the purchase was funded with cash on hand. AVL is a leader in the design and fabrication of 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 balance sheet in the near-term.

CIMCO

- Revenue increased $8.1 million or 9% to $96.3 million for the quarter. Package revenue was up 15% on good execution on project construction in both Canada (+14%) and the US (+17%). Product support activity increased 5%, with higher activity in both Canada and in the US reflecting good execution.

- Operating income was up $1.8 million or 23% to $9.6 million for the quarter, reflecting improved gross margins and higher revenue. Operating income margin increased to 10.0% (2024 – 8.9%) reflecting higher gross margins again on good execution.

- Bookings decreased 54% to $47.7 million in the first quarter of 2025. Both markets and regions were lower, reflective of the lumpy nature of project bookings and the current economic uncertainty causing delays in customer buying decisions.

- Backlog of $347.7 million as at March 31, 2025 was up $24.5 million or 8% from March 2024. Backlog in the US was strong, up 54% from this time last year, while backlog in Canada was down 12%.

Financial Position

- During the quarter, and in advance of an upcoming debt maturity in September 2025, the Company issued $300 million senior debentures, maturing in 2030 and bearing interest of 3.76%.

- Toromont's share price of $112.63 at the end of March 2025, translated to a market capitalization(1) of $9.2 billion and a total enterprise value(1) of $9.1 billion.

- The Company maintained a strong financial position. Leverage as represented by the net debt to total capitalization(1) ratio was -1% at the end of March 2025, compared to -9% at the end of December 2024 and -14% at the end of March 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 204,900 common shares for $25.2 million under the Normal Course Issuer Bid program in the three-month ended March 31, 2025 (195,700 common shares for $25.0 million in 2024).

- The Board of Directors approved the regular quarterly dividend of $0.52 cents per share, payable on July 3, 2025 to shareholders on record on June 6, 2025.

- The Company's return on equity(1) was 18.5% at the end of March 2025, on a trailing twelve-month basis, compared to 19.2% at the end of December 2024 and 22.0% at the end of March 2024. Trailing twelve-month pre-tax return on capital employed(1) was 24.1% at the end of March 2025, compared to 25.7% at the end of December 2024 and 29.0% at the end of March 2024.

"We continue to be mindful of the variability due to the uncertain economic and political environment and are monitoring and focusing on controllables," stated John M. Doolittle, Executive Vice President and Chief Financial Officer of Toromont Industries Ltd. "The challenging and changing trade related announcements between the US and Canada 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. 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. The strong order backlog and improved operating disciplines, along with our strong financial position, position us well for the future."

FINANCIAL AND OPERATING RESULTS

All comparative figures in this press release are for the three months ended March 31, 2025 compared to the three months ended March 31, 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 months ended March 31, 2025, which are available on SEDAR at www.sedarplus.ca and on the Company's website at www.toromont.com.

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

ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Company will be holding its Annual General Meeting of Shareholders at the Novotel Toronto Vaughan Centre, Concord Room, 200 Bass Pro Mills Drive Vaughan, Ontario, on Thursday, May 1, 2025, at 10:00 a.m. (EDT).

For those unable to attend in-person, a recording of the meeting will be available through a link on Toromont's website at: www.toromont.com.

QUARTERLY CONFERENCE CALL AND WEBCAST

Interested parties are invited to join the quarterly conference call with investment analysts, in listen-only mode, on Thursday, May 1, 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 Thursday, May 8, 2025 by calling 1-888-660-6345 (North American toll free) or 289-819-1450 (Toronto area) and quoting passcode 68383#. The live webcast can also be accessed at 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.

	Three months ended March 31	
($ thousands)	**2025**	2024
Net earnings	**$ 74,436**	$ 83,919
plus: Interest expense	**7,446**	6,994
less: Interest and investment income	**(11,179)**	(15,687)
plus: Income taxes	**27,782**	31,359
Operating income	**$ 98,485**	$ 106,585
Total revenue	**$ 1,089,622**	$ 1,016,349
Operating income margin	**9.0%**	10.5%

Net Debt to Total Capitalization/Equity

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

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

The calculations are as follows:

($ thousands)		March 31 2025		December 31 2024		March 31 2024
Long-term debt	**$**	**795,683**	$	498,518	$	647,964
Current portion of long-term debt		**149,941**		149,910		—
less: Cash and cash equivalents		**977,461**		890,815		983,355
Net debt		**(31,837)**		(242,387)		(335,391)
Shareholders' equity		**2,972,561**		2,955,393		2,754,769
Total capitalization	**$**	**2,940,724**	$	2,713,006	$	2,419,378
Net debt to total capitalization		**(1)%**		(9)%		(14)%
Net debt to equity		**(0.01):1**		(0.08):1		(0.12):1

Market Capitalization & Total Enterprise Value

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

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

The calculations are as follows:

($ thousands, except for shares and share price)		March 31 2025		December 31 2024		March 31 2024
Outstanding common shares		**81,262,767**		81,300,574		82,213,286
times: Ending share price	**$**	**112.63**	$	113.64	$	130.35
Market capitalization	**$**	**9,152,625**	$	9,238,997	$	10,716,502
Long-term debt	**$**	**795,683**	$	498,518	$	647,964
Current portion of long-term debt		**149,941**		149,910		—
less: Cash and cash equivalents		**977,461**		890,815		983,355
Net debt	**$**	**(31,837)**	$	(242,387)	$	(335,391)
Total enterprise value	**$**	**9,120,788**	$	8,996,610	$	10,381,111

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		
($ thousands)	**March 31 2025**	December 31 2024	March 31 2024
Net earnings	**$ 497,033**	$ 506,516	$ 522,627
plus: Interest expense	**29,107**	28,655	28,188
less: Interest and investment income	**(49,129)**	(53,637)	(51,383)
plus: Interest income – rental conversions	**4,528**	3,635	3,684
plus: Income taxes	**185,061**	188,638	191,111
Adjusted net earnings	**$ 666,600**	$ 673,807	$ 694,227
Average capital employed	**$ 2,763,165**	$ 2,621,627	$ 2,396,373
Return on capital employed	**24.1%**	25.7%	29.0%

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		
($ thousands)	**March 31 2025**	December 31 2024	March 31 2024
Net earnings	**$ 497,033**	$ 506,516	$ 522,627
Opening shareholder's equity (net of adjustments)	**$ 2,689,760**	$ 2,636,834	$ 2,374,586
Return on equity	**18.5%**	19.2%	22.0%

ADVISORY

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

Numerous risks and uncertainties could cause the actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: business cycles, including general economic conditions in the countries in which Toromont operates; 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 most recent annual Management Discussion and Analysis, as filed with Canadian securities regulators at www.sedarplus.ca or at our website www.toromont.com. Other factors, risks and uncertainties not presently known to Toromont or that Toromont currently believes are not material could also cause actual results or events to differ materially from those expressed or implied by statements containing forward-looking information.

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

ABOUT TOROMONT

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

For more information contact:

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Executive Vice President and
Chief Financial Officer
Toromont Industries Ltd.
Tel: 416-514-4790

FOOTNOTE

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

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

	Three months ended March 31	
($ thousands, except share amount)	**2025**	2024
Revenue	**$ 1,089,622**	$ 1,016,349
Cost of goods sold	**846,047**	766,175
Gross profit	**243,575**	250,174
Selling and administrative expenses	**145,090**	143,589
Operating income	**98,485**	106,585
Interest expense	**7,446**	6,994
Interest and investment income	**(11,179)**	(15,687)
Income before income taxes	**102,218**	115,278
Income taxes	**27,782**	31,359
Net earnings	**$ 74,436**	$ 83,919
Earnings per share		
Basic	**$ 0.92**	$ 1.02
Diluted	**$ 0.91**	$ 1.01
Weighted average number of shares outstanding		
Basic	**81,311,867**	82,309,309
Diluted	**81,852,574**	82,975,125

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 months ended March 31, 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 months ended March 31, 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,* and are reported in Canadian dollars. The information in this MD&A is current to April 30, 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 and on the Company’s website at 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 and a reconciliations of the Company's non-IFRS or non-GAAP measures 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.

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 most recent annual Management Discussion and Analysis, as filed with Canadian securities regulators at www.sedarplus.ca or at our website www.toromont.com. Other factors, risks and uncertainties not presently known to Toromont or that Toromont currently believes are not material could also cause actual results or events to differ materially from those expressed or implied by statements containing forward-looking information.

Readers are cautioned not to place undue reliance on statements containing forward-looking information, which reflect Toromont's expectations only as of the date of this 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 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.

CONSOLIDATED OPERATING RESULTS

($ thousands, except per share amounts)		2025		2024		$ change	% change
REVENUE	**$**	**1,089,622**	$	1,016,349	$	73,273	7 %
Cost of goods sold		**846,047**		766,175		79,872	10 %
Gross profit (1)		**243,575**		250,174		(6,599)	(3)%
Selling and administrative expenses		**145,090**		143,589		1,501	1 %
OPERATING INCOME (1)		**98,485**		106,585		(8,100)	(8)%
Interest expense		**7,446**		6,994		452	6 %
Interest and investment income		**(11,179)**		(15,687)		4,508	(29)%
Income before income taxes		**102,218**		115,278		(13,060)	(11)%
Income taxes		**27,782**		31,359		(3,577)	(11)%
NET EARNINGS	**$**	**74,436**	$	83,919	$	(9,483)	(11)%
BASIC EARNINGS PER SHARE	**$**	**0.92**	$	1.02	$	(0.10)	(10)%
KEY RATIOS:							
Gross profit margin (1)		**22.4%**		24.6%			
Selling and administrative expenses as a % of revenue		**13.3%**		14.1%			
Operating income margin (1)		**9.0%**		10.5%			
Income taxes as a % of income before income taxes		**27.2%**		27.2%			

(1) Described in the sections titled "Additional GAAP Measures", "Non-GAAP Measures" and "Key Performance Measures".

Profitability for the first quarter of 2025 was lower than the first quarter of 2024, as expected, given the current economic environment. Uncertain market conditions led to cautious end customer purchasing decisions. Higher revenue was generated by both the Equipment Group and CIMCO with new equipment deliveries and execution against order backlog and project schedules. Rental revenue improved during the period, however utilization levels remained lower than prior year. Product support revenue was lower overall with an increase at CIMCO more than offset by a decrease in the Equipment Group. Gross profit margins were lower compared to prior year, in large part due to sales mix, with a lower percentage of product support revenue to total revenue. Additionally, the prior year was a stronger comparator in the Equipment Group given market dynamics in play at that time. Operating income was down 8% compared to the stronger results last year, as the higher top-line revenue was offset by lower gross margins and slightly higher expenses.

Revenue for the quarter increased 7% from the comparable period last year to $1.1 billion. Equipment Group revenue increased 7% compared to last year on higher new equipment sales and rental revenue offset by lower used equipment sales and product support activity. CIMCO revenue increased 9% versus last year, on higher package revenue and product support activity.

Gross profit margin decreased 220 basis points ("bps") to 22.4% versus 24.6% for the first quarter of last year. The Equipment Group reported lower margins in all areas, while CIMCO margins increased overall on good project execution. Sales mix was unfavourable, with a lower proportion of product support revenues to total, dampening margins by 90 bps.

Selling and administrative expenses for the quarter increased $1.5 million or 1% compared to the similar period last year. The acquired company added $4.0 million to expenses, including expenses related to acquisition accounting. Excluding the acquired company, selling and administrative expenses decreased $2.5 million or 2% from the first quarter of last year on strong focus on cost controls. Compensation costs decreased approximately $2.0 million, reflecting lower profit sharing accruals on the lower income, partially offset by regular salary increases. Sales related expenses, including such things as advertising, promotion, travel and training, increased $1.2 million year over year, reflecting the higher activity levels. Other expenses such as occupancy, information technology costs, professional and consulting fees, and depreciation on recent capital investments increased $4.4 million on continued investment for future growth and inflationary effects. Allowance for doubtful accounts expense decreased $3.8 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 $2.3 million decrease in expense, as a result of the lower share price. Overall, selling and administrative expenses were 80 bps lower as a percentage of revenue (13.3% versus 14.1% last year).

Operating income decreased $8.1 million or 8% in the quarter, as higher revenue was more than offset by lower gross margins and higher expenses. Operating income margin decreased 150 bps to 9.0%, reflecting lower gross margins, in part due to an unfavourable sales mix.

Interest expense was largely unchanged at $7.4 million, with similar average borrowings outstanding and an unused credit facility. The new debentures were issued on March 28, 2025, thus it did not have an impact on interest expense in the quarter.

Interest and investment income decreased $4.5 million or 29% in the quarter on lower average cash balances and lower interest rates.

The effective income tax rate for the quarter was unchanged from the similar period last year at 27.2%.

Net earnings for the quarter decreased $9.5 million or 11% to $74.4 million from the comparable period last year. Basic earnings per share ("EPS") decreased $0.10 or 10% to $0.92.

Other comprehensive loss of $8.2 million in the quarter (2024 – comprehensive income of $27.4 million) included an actuarial loss on post-employment benefit plans of $3.1 million (2024 – actuarial gain of $17.2 million). These losses/gains reflect actuarial changes used in the valuation, as well as changes in the fair value of pension plan assets. Other comprehensive income also included an unfavourable net change in the fair value of cash flow hedges of $5.1 million (2024 – favourable net change of $9.6 million). These changes reflect mark-to-market differences in the value of foreign exchange derivative contracts designated as cash flow hedges and are largely a function of the underlying USD/CAD exchange rates at period end compared to the contract date.

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)		**2025**		2024		$ change	% change
Equipment sales and rentals							
New	**$**	**410,585**	$	330,391	$	80,194	24 %
Used		**50,410**		63,822		(13,412)	(21)%
Rentals		**106,390**		95,854		10,536	11 %
Total equipment sales and rentals		**567,385**		490,067		77,318	16 %
Product support		**423,563**		435,303		(11,740)	(3)%
Power generation		**2,352**		2,775		(423)	(15)%
Total revenue	**$**	**993,300**	$	928,145	$	65,155	7 %
Operating income	**$**	**88,888**	$	98,756	$	(9,868)	(10)%
KEY RATIOS:							
Product support revenue as a % of total revenue		**42.6%**		46.9%			
Operating income margin		**8.9%**		10.6%			
Group total revenue as a % of consolidated revenue		**91.2%**		91.3%			

The Equipment Group continued to execute well against order backlog, however growth was constrained by the slowing economic environment affecting end customer demand. Revenue increased on solid equipment deliveries against order backlog in mining and power systems, which includes the newly acquired AVL operations (from January 31, 2025). Rental revenue improved in the quarter, while used equipment sales declined. Product support revenue decrease on lower parts activity and was partially offset by higher service activity. Operating income declined versus the prior year, as expected, given a strong comparator which reflected market dynamics in play at that time, along with an unfavourable sales mix, lower gross margins and higher expenses.

Total equipment revenue (new and used) increased $66.8 million or 17% across most market segments and regions compared to the first quarter of last year, reflecting inflow and delivery of equipment against order backlog. New equipment sales increased 24% in the period, with good increases in mining and power systems, which includes the acquired operations. Used equipment sales decreased 21%, primarily in the construction market, with lower rental fleet dispositions on fleet management decisions, and lower sales of used equipment from trades and purchases, reflecting supply and demand dynamics. The change in equipment revenue by market segment was as follows: construction +4%, mining +50%, power systems +32% and material handling +5%.

Rental revenue increased $10.5 million or 11% versus the first quarter of last year. While market conditions remain soft, revenues increased compared to the prior year reflecting a larger fleet and improved utilization in some areas. Revenue changes in each market were as follows: Light equipment rentals +8%, heavy equipment rentals +16%, power systems -20% and material handling +12%. As at March 31, 2025, the RPO fleet (rent with a purchase option) was $101.0 million versus $70.1 million at this time last year, and associated rental revenue was up 51% compared to last year.

Product support revenue decreased $11.7 million or 3% compared to the first quarter of last year with a decrease in parts (5% lower), partially offset by an increase in service (up 4%). Activity was lower across most markets and regions reflecting end user demand and activity levels. Revenue change by market was as follows: construction -3%; mining -3%; power systems unchanged; and material handling -6%.

Gross profit margin decreased 260 bps to 21.8% from 24.4% in the first quarter of last year. Sales mix was unfavourable with a higher proportion of equipment revenue to total revenue, dampening margin 110 bps. Equipment margins were 60 bps lower on cautious market conditions, Rental margins decreased 30 bps on higher recent fleet acquisition costs, in part due to a weaker Canadian dollar, and higher maintenance and repair costs. Product support margins were down 60 bps year over year.

Selling and administrative expenses were largely unchanged compared to the similar period last year. Selling and administrative expenses at the acquired company contributed $4.0 million to expenses, including expenses related to purchase price accounting. Excluding the acquired company, compensation costs were $4.6 million lower year-over-year reflecting lower DSU MTM expense, lower profit sharing accruals on the lower income, partially offset by regular salary increases. Sales-related costs increased $1.2 million, reflective of the 7% increase in revenue. Other expenses such as occupancy costs, information technology and professional and consulting fees increased $3.2 million. Allowance for doubtful accounts decreased $3.6 million, reflecting good collections and improvement in certain exposures. As a percentage of revenue, selling and administrative expenses were 90 bps lower at 12.9% in the current period versus 13.8% in the similar period last year reflecting good cost control management.

Operating income decreased $9.9 million or 10% reflecting the higher revenue, more than offset by lower gross margins. As a percentage of revenue, operating income was 170 bps lower at 8.9% versus 10.6% in the first quarter of last year.

Bookings and Backlog

($ millions)	**2025**	2024	$ change	% change
Bookings – three months ended March 31	**$ 501.9**	$ 521.6	$ (19.7)	(4)%
Backlog – as at March 31	**$ 982.0**	$ 1,084.7	$ (102.7)	(9)%

New bookings decreased $19.7 million or 4% in the first quarter of 2025, compared to the first quarter of last year. Mining orders were 41% lower than last year on a strong comparable which included several large customer orders. Construction and material handling bookings increased 1% and 39% respectively. Power systems orders increased 48%, on good market activity along with the acquired business.

Backlog of $982.0 million at March 31, 2025, included approximately $230.0 million acquired with AVL, for delivery over the next two years. Excluding this, backlog was 32% 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 March 31, 2025, the composition of backlog by market was as follows: construction 28%; mining 14%; power systems 54%; and material handling 4%. Approximately 80% 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)		2025		2024		$ change	% change
Package sales	**$**	**42,126**	$	36,685	$	5,441	15 %
Product support		**54,196**		51,519		2,677	5 %
Total revenue	**$**	**96,322**	$	88,204	$	8,118	9 %
Operating income	**$**	**9,597**	$	7,829	$	1,768	23 %
KEY RATIOS:							
Product support revenue as a % of total revenue		**56.3%**		58.4%			
Operating income margin		**10.0%**		8.9%			
Group total revenue as a % of consolidated revenue		**8.8%**		8.7%			

CIMCO had a solid start to the year 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 the US and Canada, supported by the larger technician workforce. Operating income increased on the higher revenue and good execution, partially offset by unfavourable sales mix (lower product support revenue to total revenue) and higher expenses to support activity and growth.

Package sales increased $5.4 million or 15% versus the first quarter of last year, with an increase in the industrial market, slightly offset by a decrease in the recreational market. Industrial revenue was up 24%, largely driven by higher activity and improved execution and delivery in the US (+121%) and relatively unchanged activity in Canada. Recreational revenue decreased 6%, as higher revenue in Canada (+58%) was more than offset by lower activity in the US (-86%). Package revenue reflects the progress of construction applying the percentage-of-completion method of accounting. This introduces a degree of variability as the timing of construction schedules are largely under the control of third parties (contractors and end-customers).

Product support revenue increased $2.7 million or 5% versus the first quarter of last year on higher activity levels in both Canada (up 2%) and in the US (up 15%). Activity levels continued to improve on good customer demand and the increased technician base.

Gross profit margin increased 100 basis points versus the first quarter of last year to 27.8%. Package margins increased 160 bps on good execution and the nature of projects in process. Product support margins decreased 40 bps on the profile of activity. An unfavourable sales mix, with a lower proportion of product support to total revenue, dampened margins by 20 bps.

Selling and administrative expenses increased $1.3 million or 8% versus the first quarter of last year. Compensation costs increased $0.3 million reflecting staff levels, annual salary increases and higher profit sharing accruals on the higher earnings. Other expenditures such as travel, training and occupancy expenses increased $1.0 million to support activity and staffing levels. As a percentage of revenue, selling and administrative expenses improved to 17.8% in the first quarter of 2025 versus 17.9% in the first quarter of last year.

Operating income increased by $1.8 million or 23% in the first quarter of 2025, reflecting improved gross margins and higher revenue. Operating income as a percentage of revenue increased 110 bps to 10.0% compared to the first quarter of last year.

Bookings and Backlog

($ millions)	2025	2024	$ change	% change
Bookings – three months ended March 31	**$ 47.7**	$ 103.1	$ (55.4)	(54)%
Backlog – as at March 31	**$ 347.7**	$ 323.2	$ 24.5	8 %

Bookings decreased $55.4 million or 54% to $47.7 million in the first quarter of 2025, against a strong comparator in the prior year. Recreational bookings decreased 32% and industrial bookings were down 70%, with lower orders in both Canada and the US. Generally, activity is continuing, with good strategic capital investment levels, however the current economic uncertainty has delayed customer buying decisions. Order bookings can be lumpy reflective of timing of end-user schedules and timing of buying decisions.

Backlog of $347.7 million increased $24.5 million or 8% compared to 2024, with higher backlog in the recreational market, offset by lower activity in the industrial market. Recreational backlog was up 45%, reflecting a strong increase in both Canada (+36%) and in the US (+53%). Industrial backlog decreased 16%, with a decrease in Canada (-31%, against a strong comparator), partially offset by an increase in the US (+55%). Approximately 75% 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 March 31, 2025, the ratio of net debt to total capitalization[1] was -1% (net cash position), compared to -9% at December 31, 2024, and -14% at March 31, 2024.

Non-cash Working Capital

The Company's investment in non-cash working capital was $1.1 billion at March 31, 2025. The major components, along with the changes from prior periods, are identified in the following table.

	March 31	March 31	**Change**		December 31	**Change**	
($ thousands)	**2025**	2024	**$**	**%**	2024	**$**	**%**
Accounts receivable	**$ 617,869**	$ 536,739	$ 81,130	15 %	$ 628,671	$ (10,802)	(2)%
Inventories	**1,392,626**	1,257,356	135,270	11 %	1,321,567	71,059	5 %
Other current assets	**19,410**	18,658	752	4 %	22,074	(2,664)	(12)%
Accounts payable and accrued liabilities	**(560,526)**	(656,423)	95,897	(15)%	(667,907)	107,381	(16)%
Provisions	**(30,271)**	(29,823)	(448)	2 %	(30,675)	404	(1)%
Income tax recoverable	**28,280**	20,262	8,018	40 %	8,267	20,013	nm
Derivative financial instruments	**6,766**	2,880	3,886	nm	19,352	(12,586)	(65)%
Dividends payable	**(42,253)**	(39,543)	(2,710)	7 %	(39,127)	(3,126)	8 %
Deferred revenue and contract liabilities	**(352,689)**	(337,881)	(14,808)	4 %	(331,946)	(20,743)	6 %
Total non-cash working capital	**$ 1,079,212**	$ 772,225	$ 306,987	40 %	$ 930,276	$ 148,936	16 %

Accounts receivable increased 15% from March 31, 2024, in part reflecting the 7% increase in revenue in the quarter, good collection activity, and approximately $44.0 million receivables at the acquired AVL operation. Days sales outstanding ("DSOs") increased 1 day to 42 days overall, mainly reflecting an increase in DSO at CIMCO, up 10 days, while the Equipment Group remained unchanged. Collection activity and credit metrics are being closely monitored, especially given the current economic environment.

In comparison to December 31, 2024, accounts receivable decreased 2%, reflecting 17% lower trailing revenue and slower collections, partially offset by accounts receivable added as a result of the acquisition. DSO was 40 days at December 31, 2024.

Inventories at March 31, 2025 increased 11% compared to March 31, 2024, mainly representing an increase in the Equipment Group, while CIMCO remained relatively unchanged:

- Equipment Group inventories were up $139.3 million or 12%, with increased equipment (up $38.4 million or 5%), work-in-progress (up $45.0 million or 36%), and parts (up $56.0 million or 17%). Inventory levels of equipment and 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 relatively unchanged, up $0.1 million, as higher work-in-process levels increased $0.5 million (up 1%), reflecting timing of project construction and product support schedules, were largely offset by lower parts inventory levels down $0.4 million reflecting timing of inventory utilization on jobs.

Inventories at March 31, 2025 were 5% higher compared to December 31, 2024, with increases in both Groups:

- Equipment Group inventories were up $65.8 million or 5% with increases in equipment (up $34.5 million or 5%), work-in-process (up $28.8 million or 21%), and parts inventories (up $2.5 million or 1%). 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, and in part reflecting purchasing in light of economic uncertainty and trade tensions.
- CIMCO inventories were up $9.5 million or 23%, predominantly driven by higher work-in-process levels (up $9.9 million or 27%), slightly offset by lower parts inventories (down $0.4 million or 8%) reflecting similar reasons as the quarter.

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 March 31, 2025, were 15% lower than at March 31, 2024, largely reflecting timing of purchase and payment for inventory and other suppliers.

In comparison to December 31, 2024, accounts payable and accrued liabilities decreased 16%, 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. Fluctuations in the value of the Canadian dollar have led to a cumulative net gain of $6.8 million as at March 31, 2025. This is not expected to affect net earnings as the unrealized gains will offset future losses on the related hedged items, either current accounts payable or future transactions.

Dividends payable increased compared to March 31 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 March 31, 2025, these were down 4% versus March 31, 2024, on lower customer deposits reflecting delivery of equipment over the last 12 months. Compared to December 31, 2024, deferred revenue was down 1% reflecting lower customer deposits on order delivery. Deferred revenue balance includes approximately $47.0 million at the acquired company.
- 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 March 31, 2025, these were up 43% versus March 31, 2024, and up 34% 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 204,900 common shares for $25.2 million (average cost of $123.22 per share, including transaction costs) during the three months ended March 31, 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.

The Company purchased and cancelled 195,700 common shares for $25.0 million (average cost of $127.70 per share, including transaction costs) during the three months ended March 31, 2024.

As at March 31, 2025 and 2024, there were no obligations for the repurchase of shares under the ASPP.

Long-term Incentive Plan ("LTIP")

A total of 30,299 restricted share units ("RSUs") and 81,657 performance share units ("PSUs") were outstanding under the LTIP as at March 31, 2025, including reinvested dividends. During the three months ended March 31, 2025, the Company settled 28,812 units in exchange for 11,280 common shares issued from treasury, 13,283 equity-settled DSUs, and 4,249 units were settled at their cash value as payment for tax withholding related to the settlement of the awards.

For the three months ended March 31, 2025, LTIP expense of $1.4 million (2024 – $1.1 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 81,262,767 common shares and 1,600,517 share options outstanding.

Dividends

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

Record Date	Payment Date	Dividend Amount per Share	Dividends Paid in Total ($ millions)
Jun. 9, 2023	Jul. 5, 2023	$0.43	$35.6
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

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 July 3, 2025 to shareholders on record on June 6, 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 March 31, 2025, December 31, 2024 and March 31, 2024.

Standby letters of credit issued utilized $43.7 million of the facility as at March 31, 2025 (December 31, 2024 – $40.8 million; March 31, 2024 – $39.1 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. Toromont intends to use the net proceeds to pay the principal owing on the outstanding 3.71% senior debentures due September 30, 2025, and for general corporate purposes.

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:

	Three months ended March 31	
($ thousands)	**2025**	2024
Cash and cash equivalents, beginning of period	**$ 890,815**	$ 1,040,757
Cash, provided by (used in):		
Operating activities		
Operations	**132,555**	127,718
Change in non-cash working capital and other	**(169,606)**	(45,486)
Net rental fleet additions	**(46,030)**	(51,439)
	(83,081)	30,793
Investing activities	**(61,189)**	(32,735)
Financing activities	**230,940**	(55,765)
Effect of foreign exchange on cash and cash equivalents balances	**(24)**	305
Increase (decrease) in cash and cash equivalents during the period	**$ 86,646**	$ (57,402)
Cash and cash equivalents, end of period	**$ 977,461**	$ 983,355

Cash Flows from Operating Activities

Operating activities utilized cash in the first quarter of 2025 and provided cash in the comparable period last year.

Cash generated from operations increased 4% from the comparable period last year reflecting the lower net earnings more than offset by higher non-cash items, predominantly depreciation and amortization.

Non-cash working capital and other used cash in the first quarter of 2025, reflecting higher working capital levels building in advance of the order backlog and in light of uncertain economic conditions and lower accounts payable (on the timing of payments to suppliers). Non-cash working capital and other also used cash in similar period last year on similar reasons. Non-cash working capital and other used more cash in the first quarter of 2025 compared to the similar period last year, in light of the relative opening working capital positions for each period.

Cash used for net rental fleet additions (purchases less proceeds of dispositions) decreased by $5.4 million in the first quarter of 2025 compared to the similar period last year. The Company continued to invest in both the heavy and light equipment rental fleets across Eastern Canada reflective of long-term growth strategies, although at lower rates than in the comparative period. Dispositions were lower year over year reflecting demand and fleet management decisions.

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

During the 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.

Investments in property, plant and equipment totalled $17.3 million in the first quarter of 2025 (2024 – $32.9 million) and related largely to:

- $11.5 million additions for land, buildings and construction in process for new and upgraded facilities across the business (2024 – $15.4 million);
- $5.3 million for normal replacement of service and delivery vehicles (2024 – $14.6 million);
- $0.4 million for upgrades and enhancements to information technology infrastructure and office furniture (2024 – $0.5 million); and
- $1.9 million for machinery and equipment replacements and upgrades (2024 – $2.5 million).

Cash Flows from Financing Activities

During the first quarter of 2025, financing activities generated $230.9 million (2024 – used $55.8 million) in cash, major uses and sources of cash during the quarter included:

- Dividends paid to common shareholders of $39.1 million or $0.52 per share (2024 – $35.4 million or $0.43 per share);
- Net cash received on exercise of share options and settlement of RSUs and PSUs of $1.0 million (2024 – $7.1 million);
- Issue of senior debentures generated $300.0 million (2024 – $nil);
- Debt issuance costs used $3.0 million (2024 – $nil);
- Purchase of shares under the NCIB program used $25.2 million (2024 – $25.0 million); and,
- Lease liability payments of $2.7 million (2024 – $2.5 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 in this market.

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_2 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. Data reflects results including discontinued operations, unless otherwise noted.

($ thousands, except per share amounts)	**Q1 2025**	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
REVENUE								
Equipment Group	**$ 993,300**	$1,185,953	$1,210,821	$1,235,649	$ 928,145	$1,128,907	$1,065,615	$1,070,194
CIMCO	**96,322**	121,000	127,171	124,220	88,204	98,030	108,430	104,762
Total revenue	**$1,089,622**	$1,306,953	$1,337,992	$1,359,869	$1,016,349	$1,226,937	$1,174,045	$1,174,956
NET EARNINGS	**$ 74,436**	$ 156,296	$ 130,951	$ 135,350	$ 83,919	$ 154,052	$ 145,619	$ 139,037
PER SHARE INFORMATION:								
Basic earnings per share	**$ 0.92**	$ 1.91	$ 1.60	$ 1.65	$ 1.02	$ 1.87	$ 1.77	$ 1.69
Diluted earnings per share	**$ 0.91**	$ 1.90	$ 1.59	$ 1.64	$ 1.01	$ 1.86	$ 1.76	$ 1.68
Dividends paid per share	**$ 0.48**	$ 0.48	$ 0.48	$ 0.48	$ 0.43	$ 0.43	$ 0.43	$ 0.43
Weighted average common shares outstanding – basic (in thousands)	**81,312**	81,721	81,931	82,090	82,309	82,315	82,282	82,294

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, although constraints in some areas still exist.

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. There have been no material changes to the critical accounting estimates as described in note 3 to the Company's 2024 audited annual consolidated financial statements, contained in the Company's 2024 Annual Report.

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 three months ended March 31, 2025. Additionally, as at March 31, 2025, the total assets and total liabilities of the acquired AVL operations each represented approximately 9% 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 months ended March 31, 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.

	Three months ended March 31	
($ thousands)	**2025**	2024
Net earnings	**$ 74,436**	$ 83,919
plus: Interest expense	**7,446**	6,994
less: Interest and investment income	**(11,179)**	(15,687)
plus: Income taxes	**27,782**	31,359
Operating income	**$ 98,485**	$ 106,585
Total revenue	**$ 1,089,622**	$ 1,016,349
Operating income margin	**9.0%**	10.5%

Net Debt to Total Capitalization/Equity

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

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

The calculations are as follows:

($ thousands)	**March 31 2025**	December 31 2024	March 31 2024
Long-term debt	**$ 795,683**	$ 498,518	$ 647,964
Current portion of long-term debt	**149,941**	149,910	—
less: Cash and cash equivalents	**977,461**	890,815	983,355
Net debt	**(31,837)**	(392,297)	(335,391)
Shareholders' equity	**2,972,561**	2,955,393	2,754,769
Total capitalization	**$ 2,940,724**	2,563,096	2,419,378
Net debt to total capitalization	**(1)%**	(15)%	(14)%
Net debt to equity	**(0.01):1**	(0.08):1	(0.12):1

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 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.

($ thousands)	**March 31 2025**	December 31 2024	March 31 2024
Total current assets	**$ 3,043,402**	$ 2,890,746	$ 2,821,696
less: Total current liabilities	**1,136,670**	1,219,565	1,066,116
Working capital	**$ 1,906,732**	$ 1,671,181	$ 1,755,580

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.

($ thousands)	**March 31 2025**	December 31 2024	March 31 2024
Total current assets	**$ 3,043,402**	$ 2,890,746	$ 2,821,696
less: Cash and cash equivalents	**977,461**	890,815	983,355
	2,065,941	1,999,931	1,838,341
Total current liabilities	**1,136,670**	1,219,565	1,066,116
less: Current portion of long-term debt	**149,941**	149,910	—
	986,729	1,069,655	1,066,116
Non-cash working capital	**$ 1,079,212**	$ 930,276	$ 772,225

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:

($ thousands, except for shares and share price)		**March 31 2025**		December 31 2024		March 31 2024
Outstanding common shares		**81,262,767**		81,300,574		82,213,286
times: Ending share price	**$**	**112.63**	$	113.64	$	130.35
Market capitalization	**$**	**9,152,625**	$	9,238,997	$	10,716,502
Long-term debt	**$**	**795,683**	$	498,518	$	647,964
Current portion of long-term debt		**149,941**		149,910		—
less: Cash and cash equivalents		**977,461**		890,815		983,355
Net debt	**$**	**(31,837)**	$	(242,387)	$	(335,391)
Total enterprise value	**$**	**9,120,788**	$	8,996,610	$	10,381,111

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		
	March 31	December 31	March 31
($ thousands)	**2025**	2024	2024
Net earnings	**$ 497,033**	$ 506,516	$ 522,627
plus: Interest expense	**29,107**	28,655	28,188
less: Interest and investment income	**(49,129)**	(53,637)	(51,383)
plus: Interest income – rental conversions	**4,528**	3,635	3,684
plus: Income taxes	**185,061**	188,638	191,111
Adjusted net earnings	**$ 666,600**	$ 673,807	$ 694,227
Average capital employed	**$ 2,763,165**	$ 2,621,627	$ 2,396,373
Return on capital employed	**24.1%**	25.7%	29.0%

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		
	March 31	December 31	March 31
($ thousands)	**2025**	2024	2024
Net earnings	**$ 497,033**	$ 506,516	$ 522,627
Opening shareholder's equity (net of adjustments)	**$ 2,689,760**	$ 2,636,834	$ 2,374,586
Return on equity	**18.5%**	19.2%	22.0%

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

($ thousands)	Note	**March 31 2025**	December 31 2024	March 31 2024
Assets				
Current assets				
Cash and cash equivalents		**$ 977,461**	$ 890,815	$ 983,355
Accounts receivable		**617,869**	628,671	536,739
Inventories		**1,392,626**	1,321,567	1,257,356
Income taxes recoverable		**29,270**	8,267	22,708
Derivative financial instruments	7	**6,766**	19,352	2,880
Other current assets		**19,410**	22,074	18,658
Total current assets		**3,043,402**	2,890,746	2,821,696
Property, plant and equipment	4	**631,199**	624,552	558,811
Rental equipment	4	**797,655**	783,080	710,589
Other assets		**111,532**	99,787	93,933
Deferred tax assets		**1,208**	1,203	1,379
Goodwill and intangible assets	3	**591,550**	469,124	469,468
Total assets		**$ 5,176,546**	$ 4,868,492	$ 4,655,876
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	10	**$ 602,779**	$ 707,034	$ 695,966
Provisions		**30,271**	30,675	29,823
Deferred revenue and contract liabilities		**352,689**	331,946	337,881
Current portion of long-term debt	5, 7	**149,941**	149,910	—
Income taxes payable		**990**	—	2,446
Total current liabilities		**1,136,670**	1,219,565	1,066,116
Deferred revenue and contract liabilities		**23,908**	23,585	21,588
Long-term lease liabilities		**46,435**	32,487	27,239
Long-term debt	5, 7	**795,683**	498,518	647,964
Post-employment obligations		**30,138**	28,774	28,060
Other long-term liabilities	3	**35,692**	—	—
Deferred tax liabilities		**135,459**	110,170	110,140
Total liabilities		**2,203,985**	1,913,099	1,901,107
Shareholders' equity				
Share capital	6	**613,260**	597,976	590,616
Contributed surplus		**35,887**	34,293	30,601
Retained earnings		**2,315,170**	2,309,784	2,129,546
Accumulated other comprehensive income		**8,244**	13,340	4,006
Total shareholders' equity		**2,972,561**	2,955,393	2,754,769
Total liabilities and shareholders' equity		**$ 5,176,546**	$ 4,868,492	$ 4,655,876

See accompanying notes

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

($ thousands, except share amounts)	Note	Three months ended March 31 2025	2024
Revenue	13	**$ 1,089,622**	$ 1,016,349
Cost of goods sold	4	**846,047**	766,175
Gross profit		**243,575**	250,174
Selling and administrative expenses		**145,090**	143,589
Operating income		**98,485**	106,585
Interest expense	8	**7,446**	6,994
Interest and investment income	8	**(11,179)**	(15,687)
Income before income taxes		**102,218**	115,278
Income taxes		**27,782**	31,359
Net earnings		**$ 74,436**	$ 83,919
Earnings per share			
Basic	9	**$ 0.92**	$ 1.02
Diluted	9	**$ 0.91**	$ 1.01
Weighted average number of shares outstanding			
Basic	9	**81,311,867**	82,309,309
Diluted	9	**81,852,574**	82,975,125

See accompanying notes

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

	Three months ended March 31	
($ thousands)	**2025**	2024
Net earnings	**$ 74,436**	$ 83,919
Other comprehensive (loss) income, net of income taxes:		
Items that may be reclassified subsequently to net earnings:		
Foreign currency translation adjustments	**(32)**	618
Unrealized (losses) gains on derivatives designated as cash flow hedges	**(1,327)**	13,774
Income tax recovery (expense)	**345**	(3,581)
Unrealized (losses) gains on cash flow hedges, net of income taxes	**(982)**	10,193
Realized gains on derivatives designated as cash flow hedges	**(5,516)**	(805)
Income tax expense	**1,434**	209
Realized gains on cash flow hedges, net of income taxes	**(4,082)**	(596)
Items that will not be reclassified subsequently to net earnings:		
Remeasurement (loss) gain on defined benefit plans	**(4,200)**	23,395
Income tax recovery (expense)	**1,113**	(6,199)
Remeasurement (loss) gain on defined benefit plans, net of income taxes	**(3,087)**	17,196
Other comprehensive (loss) income	**(8,183)**	27,411
Total comprehensive income	**$ 66,253**	$ 111,330

See accompanying notes

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

	Share capital				Accumulated other comprehensive income (loss)			
($ thousands, except share amounts)	Number	Amount	Contributed surplus	Retained earnings	Foreign currency translation adjustments	Cash flow hedges	Total	Total shareholders' equity
At January 1, 2025	**81,300,574**	**$ 597,976**	**$ 34,293**	**$ 2,309,784**	**$ 4,988**	**$ 8,352**	**$ 13,340**	**$ 2,955,393**
Net earnings	—	—	—	**74,436**	—	—	—	**74,436**
Other comprehensive loss	—	—	—	**(3,087)**	**(32)**	**(5,064)**	**(5,096)**	**(8,183)**
Total comprehensive income (loss)	—	—	—	**71,349**	**(32)**	**(5,064)**	**(5,096)**	**66,253**
Exercise of share options	**45,366**	**3,107**	**(498)**	—	—	—	—	**2,609**
Share-based compensation plans	—	—	**4,597**	—	—	—	—	**4,597**
Settlement of RSUs and PSUs	**11,280**	**915**	**(2,505)**	—	—	—	—	**(1,590)**
Effect of share compensation plans	**56,646**	**4,022**	**1,594**	—	—	—	—	**5,616**
Business acquisition	**110,447**	**12,800**	—	—	—	—	—	**12,800**
Shares purchased for cancellation	**(204,900)**	**(1,538)**	—	**(23,710)**	—	—	—	**(25,248)**
Dividends declared	—	—	—	**(42,253)**	—	—	—	**(42,253)**
At March 31, 2025	**81,262,767**	**$ 613,260**	**$ 35,887**	**$ 2,315,170**	**$ 4,956**	**$ 3,288**	**$ 8,244**	**$ 2,972,561**
At January 1, 2024	82,297,341	$ 582,801	$ 27,346	$ 2,079,914	$ 2,409	$ (8,618)	$ (6,209)	$ 2,683,852
Net earnings	—	—	—	83,919	—	—	—	83,919
Other comprehensive income	—	—	—	17,196	618	9,597	10,215	27,411
Total comprehensive income	—	—	—	101,115	618	9,597	10,215	111,330
Exercise of share options	111,645	8,414	(1,282)	—	—	—	—	7,132
Share-based compensation plans	—	—	4,537	—	—	—	—	4,537
Effect of share compensation plans	111,645	8,414	3,255	—	—	—	—	11,669
Shares purchased for cancellation	(195,700)	(599)	—	(11,940)	—	—	—	(12,539)
Dividends declared	—	—	—	(39,543)	—	—	—	(39,543)
At March 31, 2024	82,213,286	$ 590,616	$ 30,601	$ 2,129,546	$ 3,027	$ 979	$ 4,006	$ 2,754,769

See accompanying notes

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

		Three months ended March 31	
($ thousands)	Note	**2025**	2024
Operating activities			
Income from operations		**$ 74,436**	$ 83,919
Items not requiring cash:			
Depreciation and amortization		**63,279**	47,811
Share-based compensation		**2,971**	2,735
Post-employment obligations		**1,225**	(1,200)
Deferred income taxes		**(4,041)**	2,675
Gain on sale of rental equipment and property, plant and equipment		**(5,315)**	(8,222)
		132,555	127,718
Net change in non-cash working capital and other	12	**(169,606)**	(45,486)
Additions to rental equipment	4	**(59,963)**	(69,845)
Proceeds on disposal of rental equipment		**13,933**	18,406
Cash (used in) provided by operating activities		**(83,081)**	30,793
Investing activities			
Additions to property, plant and equipment	4	**(17,256)**	(32,941)
Proceeds on disposal of property, plant and equipment		**1,544**	239
Business acquisition, net of cash acquired	3	**(45,450)**	—
Increase in other assets		**(27)**	(33)
Cash used in investing activities		**(61,189)**	(32,735)
Financing activities			
Issue of long-term senior debentures	5	**300,000**	—
Financing fees		**(2,996)**	—
Dividends paid	6	**(39,127)**	(35,383)
Net cash received on long-term incentive plan exercise/settlements		**1,019**	7,132
Shares purchased for cancellation	6	**(25,248)**	(24,991)
Payment of lease liabilities		**(2,708)**	(2,523)
Cash provided by (used in) financing activities		**230,940**	(55,765)
Effect of currency translation on cash balances		**(24)**	305
Increase (decrease) in cash and cash equivalents during the period		**86,646**	(57,402)
Cash and cash equivalents, at beginning of the period		**890,815**	1,040,757
Cash and cash equivalents, at end of the period		**$ 977,461**	$ 983,355

Supplemental cash flow information (note 12)

See accompanying notes

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 April 30, 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.

($ 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 Judgements

The preparation of interim condensed consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgements, 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 judgements 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 is a leader in the design and fabrication of 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		**34,509**
Total	**$**	**114,809**

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.

($ 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
Intangibles	118,694
Accounts payable and accrued liabilities	(14,451)
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
Total	**$ 114,810**

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 revenue and net income for the two-month period ended March 31, 2025 were not significant.

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.

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

4. PROPERTY, PLANT AND EQUIPMENT AND RENTAL EQUIPMENT

	Property, plant and equipment					
	Land	**Buildings**	**Equipment**	**Power generation**	**Total**	**Rental equipment**
Cost						
January 1, 2025	**$ 196,768**	**$ 426,138**	**$ 420,737**	**$ 40,460**	**$ 1,084,103**	**$ 1,423,468**
Additions	3,380	6,635	7,241	—	17,256	59,963
Business combination	—	2,700	3,768	—	6,468	—
Disposals	(901)	(937)	(3,006)	—	(4,844)	(24,763)
Foreign currency translation adjustments	—	(4)	(10)	—	(14)	—
March 31, 2025	**$ 199,247**	**$ 434,532**	**$ 428,730**	**$ 40,460**	**$ 1,102,969**	**$ 1,458,668**
Accumulated depreciation						
January 1, 2025	**$ —**	**$ 164,010**	**$ 256,096**	**$ 39,445**	**$ 459,551**	**$ 640,388**
Depreciation expense	—	4,549	10,896	75	15,520	36,777
Depreciation of disposals	—	(611)	(2,683)	—	(3,294)	(16,152)
Foreign currency translation adjustments	—	(1)	(6)	—	(7)	—
March 31, 2025	**$ —**	**$ 167,947**	**$ 264,303**	**$ 39,520**	**$ 471,770**	**$ 661,013**
Net book value ─ March 31, 2025	**$ 199,247**	**$ 266,585**	**$ 164,427**	**$ 940**	**$ 631,199**	**$ 797,655**

	Property, plant and equipment					
	Land	**Buildings**	**Equipment**	**Power generation**	**Total**	**Rental equipment**
Cost						
January 1, 2024	$ 182,938	$ 370,334	$ 361,697	$ 40,138	$ 955,107	$ 1,263,079
Additions	4,249	11,143	17,549	—	32,941	69,845
Disposals	—	—	(2,857)	—	(2,857)	(39,834)
Foreign currency translation adjustments	4	81	216	—	301	—
March 31, 2024	$ 187,191	$ 381,558	$ 376,605	$ 40,138	$ 985,492	$ 1,293,090
Accumulated depreciation						
January 1, 2024	$ —	$ 148,538	$ 229,309	$ 38,341	$ 416,188	$ 580,710
Depreciation expense	—	3,723	9,160	275	13,158	31,223
Depreciation of disposals	—	—	(2,835)	—	(2,835)	(29,432)
Foreign currency translation adjustments	—	19	151	—	170	—
March 31, 2024	$ —	$ 152,280	$ 235,785	$ 38,616	$ 426,681	$ 582,501
Net book value ─ March 31, 2024	$ 187,191	$ 229,278	$ 140,820	$ 1,522	$ 558,811	$ 710,589

During the three months ended March 31, 2025, depreciation expense of $46.7 million was charged to cost of goods sold (2024 –$39.8 million), and $5.6 million was charged to selling and administrative expenses (2024 – $4.6 million).

As at March 31, 2025, the balance of assets under construction and not subject to depreciation was $13.9 million (2024 – $44.4 million).

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

5. LONG-TERM DEBT

	March 31 2025	December 31 2024	March 31 2024
Senior debentures			
3.71%, $150.0 million, due September 30, 2025 [1]	**$ 150,000**	$ 150,000	$ 150,000
3.84%, $500.0 million, due October 27, 2027 [1]	**500,000**	500,000	500,000
3.76%, $300.0 million, due October 27, 2030 [1]	**300,000**	—	—
	950,000	650,000	650,000
Debt issuance costs, net of amortization	**(4,376)**	(1,572)	(2,036)
Total long-term debt	**$ 945,624**	$ 648,428	$ 647,964
Less: current portion of long-term debt	**(149,941)**	(149,910)	—
Non-current portion of long-term debt	**$ 795,683**	$ 498,518	$ 647,964

[1] 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 March 31, 2025, December 31, 2024 and March 31, 2024.

Standby letters of credit issued utilized $43.7 million of the facility as at March 31, 2025 (December 31, 2024 – $40.8 million; March 31, 2024 – $39.1 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.

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 204,900 common shares for $25.2 million (average cost of $123.22 per share, including transaction costs) during the three months ended March 31, 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.

The Company purchased and cancelled 195,700 common shares for $25.0 million (average cost of $127.70 per share, including transaction costs) during the three months ended March 31, 2024.

As at March 31, 2025 and 2024 there were no obligations for the repurchase of shares under the ASPP.

Dividends Declared

	2025				2024			
Dividend	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

On April 30, 2025, the Board of Directors declared a quarterly dividend of $0.52 per common share, payable on July 3, 2025, to shareholders on record on June 6, 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:

	March 31 2025	December 31 2024	March 31 2024
Other financial liabilities:			
Current portion of long-term debt	$ 149,941	$ 149,910	$ —
Long-term debt	795,683	498,518	647,964
Derivative financial instruments assets (liabilities), net:			
Foreign exchange forward contracts	$ 6,766	$ 19,352	$ 2,880

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.

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

	March 31 2025	December 31 2024	March 31 2024
Total long-term debt:			
Fair value	$ 958,911	$ 653,673	$ 633,975
Carrying value	$ 950,000	$ 650,000	$ 650,000

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

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 three months ended March 31, 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 March 31, 2025, the Company was committed to: (i) US dollar purchase contracts with a notional amount of $402.0 million at an average exchange rate of $1.4121, maturing between April 2025 and March 2026; and (ii) US dollar sale contracts with a notional amount of $37.5 million at an average exchange rate of $1.4131, maturing between April 2025 and March 2026.

Management estimates that a gain of $6.8 million (December 31, 2024 – gain of $19.4 million; March 31, 2024 – gain of $2.9 million) would be realized if the contracts were terminated on March 31, 2025. Certain of these forward contracts are designated as cash flow hedges and, accordingly, an unrealized gain of $4.1 million (December 31, 2024 – unrealized gain of $10.9 million; March 31, 2024 – unrealized gain of $1.5 million) has been included in other comprehensive (loss) income. These gains 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 gain of $2.7 million (December 31, 2024 – gain of $8.5 million; March 31, 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 March 31	
	2025	2024
Credit facilities	**$ 564**	$ 395
Senior debentures	**6,335**	6,219
Interest on lease liabilities	**547**	380
	$ 7,446	$ 6,994

The components of interest and investment income were as follows:

	Three months ended March 31	
	2025	2024
Interest on conversion of rental equipment	**$ 1,579**	$ 687
Interest income	**9,600**	15,000
	$ 11,179	$ 15,687

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

9. EARNINGS PER SHARE

	Three months ended March 31	
	2025	2024
Net earnings available to common shareholders	**$ 74,436**	$ 83,919
Weighted average common shares outstanding	**81,311,867**	82,309,309
Effect of dilutive securities	**540,707**	665,816
Weighted average common shares outstanding – diluted	**81,852,574**	82,975,125
Earnings per share:		
Basic	**$ 0.92**	$ 1.02
Diluted	**$ 0.91**	$ 1.01

For the three months ended March 31, 2025, 348,508 outstanding share options with an average exercise price of $123.57 were considered anti-dilutive (exercise price in excess of average market price) and were excluded from the calculation.

For the comparative period in 2024, 158,137 outstanding share options with an average exercise price of $125.11 were considered anti-dilutive and were excluded from the calculation.

10. SHARE-BASED COMPENSATION

Share Option Plan

A reconciliation of the outstanding options for the three months ended March 31, 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**	158,137	125.11
Exercised [1]	**(45,366)**	**57.50**	(111,645)	63.88
Forfeited	**(5,211)**	**107.56**	(143,724)	92.23
Options outstanding, March 31	**1,600,517**	**$ 90.71**	1,686,761	$ 82.66
Options exercisable, March 31	**931,299**	**$ 76.19**	898,252	$ 67.31

[1] The weighted average share price at the date of exercise for the three months ended March 31, 2025 was $119.36 (2024 – $124.74).

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

The following table summarizes share options outstanding and exercisable as at March 31, 2025:

	Options outstanding			Options exercisable	
Range of exercise prices	**Number**	**Weighted average remaining life (years)**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
$36.65 – $39.79	**99,700**	**1.0**	**$ 38.88**	**99,700**	**$ 38.88**
$53.88 – $65.72	**236,040**	**3.7**	**61.74**	**236,040**	**61.74**
$66.22 – $72.95	**404,004**	**4.8**	**70.99**	**323,068**	**70.50**
$104.91 – $125.11	**860,773**	**8.0**	**113.92**	**272,491**	**109.09**
	1,600,517	**6.1**	**$ 90.71**	**931,299**	**$ 76.19**

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 three months ended March 31, 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	**750**	**85**	715	82
Redemptions	**—**	**—**	(16,321)	(2,039)
Fair market value adjustments	**—**	**47**	—	2,369
Outstanding, March 31	**178,456**	**$ 20,398**	175,714	$ 22,545

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

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

A reconciliation of the outstanding units of the equity-settled DSU plan for the three months ended March 31, 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	17,759	17,812
Units transferred on settlement of RSUs and PSUs	13,283	—
Outstanding, March 31	93,716	51,172

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 three months ended March 31, 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	7,071	28,146
Reinvested dividends	118	310	54	213
LTIP settlement	(7,002)	(21,810)	—	—
Forfeited	(2)	(692)	—	(11,028)
Units outstanding, March 31	30,299	81,657	21,521	74,115

LTIP expense of $1.4 million (2024 – $1.1 million) was included in selling and administrative expenses with a credit to contributed surplus.

11. EMPLOYEE FUTURE BENEFITS

Employee future benefits expense includes the following components:

	Three months ended March 31	
	2025	2024
Defined benefit plans	$ 1,876	$ 1,881
Defined contribution plans	5,066	4,747
401(k) matched saving plans	116	101
	$ 7,058	$ 6,729

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

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31	
	2025	2024
Net change in non-cash working capital and other:		
Accounts receivable	**$ 41,723**	$ 90,504
Inventories	**(65,900)**	(138,285)
Accounts payable and accrued liabilities	**(116,437)**	51,722
Provisions	**(404)**	(446)
Deferred revenue and contract liabilities	**(14,859)**	(23,153)
Income taxes	**(23,874)**	(27,268)
Derivative financial instruments	**5,742**	(3,857)
Other	**4,403**	5,297
	$ (169,606)	$ (45,486)
Cash paid during the period for:		
Interest	**$ 2,783**	$ —
Income taxes	**$ 58,355**	$ 55,981
Cash received during the period for:		
Interest	**$ 10,161**	$ 11,257

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 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.

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

The following tables set forth information by segment for the three months ended March 31, 2025 and 2024:

	Equipment Group		CIMCO		Consolidated	
Three months ended March 31	**2025**	2024	**2025**	2024	**2025**	2024
Equipment/package sales	**$ 460,995**	$ 394,213	**$ 42,126**	$ 36,685	**$ 503,121**	$ 430,898
Rentals	**106,390**	95,854	**—**	—	**106,390**	95,854
Product support	**423,563**	435,303	**54,196**	51,519	**477,759**	486,822
Power generation	**2,352**	2,775	**—**	—	**2,352**	2,775
Total revenue	**$ 993,300**	$ 928,145	**$ 96,322**	$ 88,204	**$ 1,089,622**	$ 1,016,349
Operating income	**$ 88,888**	$ 98,756	**$ 9,597**	$ 7,829	**$ 98,485**	$ 106,585
Interest expense					**7,446**	6,994
Interest and investment income					**(11,179)**	(15,687)
Income taxes					**27,782**	31,359
Income from operations					**$ 74,436**	$ 83,919

Operating loss from rental operations for the three months ended March 31, 2025 was $0.7 million (2024 – operating income $2.3 million).

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.

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