

### Finning reports Q1 2020 results

**Vancouver, B.C.** – Finning International Inc. (TSX: FTT) (“Finning” or the “Company” or “we”, “our” or “us”) reported first quarter 2020 results today. All monetary amounts are in Canadian dollars unless otherwise stated.

#### HIGHLIGHTS

All comparisons are to Q1 2019 results unless indicated otherwise.

- Despite lower revenue in Q1 2020, EBITDA<sup>(2)</sup> was \$170 million and EPS<sup>(2)</sup> was \$0.33, growing 5% and 9%, respectively compared to Q1 2019 adjusted results, reflecting improved execution in South America, the resiliency of our product support business, and reduced SG&A<sup>(2)</sup> costs.
- Product support revenue was up 4% compared to Q1 2019, driven by a 23% increase in product support revenue in South America from improved execution in Chilean mining operations.
- South America’s Q1 2020 EBIT<sup>(2)</sup> and EBITDA as a percentage of net revenue<sup>(1)(3)</sup> were 7.8% and 12.4%, respectively, reflecting strong product support growth and reduced SG&A costs.
- Canada benefited from a reduced cost base and resilient product support volumes, delivering improved profitability compared to Q1 2019 on lower revenue. Q1 2020 EBIT and EBITDA as a percentage of net revenue were 7.9% and 13.7%, respectively.
- Free cash flow<sup>(3)</sup> was a use of cash of \$50 million, about \$300 million lower use of cash compared to Q1 2019, reflecting improved inventory management.

“I am proud of how the Finning team is managing through these challenging times as we continue to serve our customers and keep our employees safe,” said Scott Thomson, president and CEO of Finning International. “Our Total Incident Frequency rate decreased by 36%, and our customer loyalty scores increased by 6% in Q1 2020 compared to Q1 2019, both remarkable improvements achieved by our employees under challenging circumstances. We have taken decisive measures to protect the interests of all our stakeholders and further strengthen our financial position as we navigate through the COVID-19 impacts and volatility in commodity prices. I am confident that our resilient business model, improving execution, financial flexibility, and cost and capital discipline will serve us well in the current environment and position us for opportunities that lie ahead.”

“Our global teams have responded very quickly and effectively as the crisis has unfolded. Robust continuity plans are in place, capital investments are being minimized, salary and work week flexibility measures are in place, and our supply chain is operating with minimal disruption. Our investments in digital and omni-channel technologies are playing a key role in minimizing customer disruption, and we are effectively scaling these platforms for accelerating adoption rates.”

Thomson added: “COVID-19 had an impact on our business beginning in Q1 2020. The impact on the UK & Ireland operations started earlier than in Canada or South America. The most significant impacts on our operations from COVID-19 disruptions in Q1 2020 included delayed equipment deliveries in all regions, lower parts sales in the construction sector and lower rental utilization in March in all regions, reduced productivity at our component repair facilities and lower labour recovery at our branches due to shift separation and distancing measures, temporary closure of certain facilities in South America, and additional allowances for doubtful accounts related to an increase in customer credit risk.”

“Looking ahead, the ultimate impact of COVID-19 is difficult to predict as it will depend heavily on the duration of social distancing and quarantine requirements,” said Thomson “The timing and pace of macroeconomic and commodity market recovery, from the effects of both COVID-19 and low commodity prices, are unclear. We expect the impacts of these factors on our second quarter results will be material. In each of our regions, our customers have been reducing capital spending and implementing cost containment measures and business continuity protocols with a range of impacts on activity levels. Since the middle of March, some of our customers have scaled back or, in some cases, suspended operations to comply with requirements and recommendations of governments and health authorities and, in the case of the oil sands, in the face of infrastructure constraints. In each of our regions, our extensive connected asset data shows a decline in machine utilization hours in construction sectors starting in mid-March. While per unit operating hours in mining

remain high, we are seeing an increase in parked trucks and support equipment. Our consolidated net revenue in April was down approximately 15% from average monthly net revenue earned in the first quarter of 2020.”

“We will continue to control what we can and match our capital investments and cost base to activity levels and accelerate cost reductions where necessary. Our goal is to position ourselves for productivity, profitability and ROIC improvement in a recovering market. In the near term, our top priorities remain the safety of our employees and maintaining our strong liquidity position,” Thomson concluded.

## Q1 2020 FINANCIAL SUMMARY

All comparisons are to Q1 2019 results unless indicated otherwise.

| <b>Quarterly Overview</b><br><i>\$ millions, except per share amounts</i>           | <b>Q1 2020</b>             | Q1 2019     | % change |
|---|----------------------------|-------------|----------|
| Revenue   | <b>1,558</b>               | 1,810       | (14)     |
| Net revenue <sup>(3)</sup>  | <b>1,439</b>               | 1,719       | (16)     |
| EBIT<br><i>EBIT as a percentage of net revenue</i>                                  | <b>94</b><br><b>6.6%</b>   | 62<br>3.6%  | 53       |
| EBITDA <sup>(3)</sup><br><i>EBITDA as a percentage of net revenue<sup>(3)</sup></i> | <b>170</b><br><b>11.8%</b> | 134<br>7.8% | 27       |
| Net income  | <b>54</b>                  | 28          | 94       |
| EPS   | <b>0.33</b>                | 0.17        | 95       |
| Free cash flow  | <b>(50)</b>                | (347)       | 86       |

| <b>Q1 2020 EBITDA and EBIT by Operation</b><br><i>\$ millions, except per share amounts</i> | Canada       | South America | UK & Ireland | Corporate & Other | Finning Total | EPS  |
|---|--------------|---------------|--------------|-------------------|---------------|------|
| EBITDA / EPS  | 103          | 60            | 11           | (4)               | 170           | 0.33 |
| EBIT  | 60           | 38            | 1            | (5)               | 94            |      |
| <i>EBITDA as a percentage of net revenue</i>  | <i>13.7%</i> | <i>12.4%</i>  | <i>5.2%</i>  | -                 | <i>11.8%</i>  |      |
| <i>EBIT as a percentage of net revenue</i>  | <i>7.9%</i>  | <i>7.8%</i>   | <i>0.5%</i>  | -                 | <i>6.6%</i>   |      |

| <b>Q1 2019 EBITDA and EBIT by Operation</b><br><i>\$ millions, except per share amounts</i> | Canada       | South America | UK & Ireland | Corporate & Other | Finning Total | EPS  |
|---|--------------|---------------|--------------|-------------------|---------------|------|
| EBITDA / EPS  | 93           | 26            | 22           | (7)               | 134           | 0.17 |
| Severance and restructuring costs   | 17           | 8             | -            | -                 | 25            | 0.11 |
| 4Refuel acquisition costs   | -            | -             | -            | 4                 | 4             | 0.02 |
| Adjusted EBITDA <sup>(3)(4)</sup> / Adjusted EPS <sup>(3)(4)</sup>                          | 110          | 34            | 22           | (3)               | 163           | 0.30 |
| Adjusted EBIT <sup>(3)(4)</sup>   | 67           | 14            | 13           | (3)               | 91            |      |
| <i>Adjusted EBITDA as a percentage of net revenue<sup>(3)(4)</sup></i>                      | <i>12.1%</i> | <i>6.7%</i>   | <i>7.3%</i>  | -                 | <i>9.4%</i>   |      |
| <i>Adjusted EBIT as a percentage of net revenue<sup>(3)(4)</sup></i>                        | <i>7.4%</i>  | <i>2.7%</i>   | <i>4.4%</i>  | -                 | <i>5.3%</i>   |      |

- Q1 2020 net revenue was down 16% mostly due to a 47% decrease in new equipment sales, reflecting challenging conditions across all regions and market sectors. Product support revenue was up 4%, driven by the recovery of product support volumes from improved execution in Chilean mining operations since the launch of the ERP<sup>(2)</sup> system in Q4 2018 (parts flow was restored by the end of Q1 2019).
- Gross profit declined by 3%. Gross profit as a percentage of net revenue<sup>(3)</sup> increased by 410 basis points to 29.1%, driven by a significant shift in revenue mix to product support, which comprised 65% of total net revenue in Q1 2020 compared to 52% in Q1 2019.

- SG&A decreased by 5%, driven by lower variable costs, lower long-term incentive plan costs, and the benefit of measures taken in 2019 to reduce the cost to serve. SG&A costs were down in all operations compared to Q1 2019.
- EBITDA increased by 5% from Adjusted EBITDA in Q1 2019 despite lower revenue, driven by improved operating performance in South America.
- EPS was \$0.33 compared to Adjusted EPS of \$0.30 in Q1 2019. Improved results in South America, driven by product support growth, were partly offset by lower earnings in the UK and Canada due to reduced revenues.

| <b>Invested Capital<sup>(3)</sup> and ROIC<sup>(2)(3)</sup></b>         | <b>Q1 2020</b> | <b>Q1 2019</b> | <b>Q4 2019</b> |
|---|----------------|----------------|----------------|
| <b>Invested capital</b> ( <i>\$ millions</i> )                          |                |                |                |
| Consolidated  | <b>3,883</b>   | 3,753          | 3,591          |
| Canada  | <b>2,093</b>   | 2,148          | 2,026          |
| South America (US dollars)  | <b>937</b>     | 930            | 918            |
| UK & Ireland (UK pound sterling)  | <b>243</b>     | 207            | 210            |
| <b>Invested capital turnover<sup>(3)</sup></b> ( <i>times</i> )         | <b>1.83</b>    | 2.06           | 1.92           |
| <b>Working capital<sup>(3)</sup> to net revenue ratio<sup>(3)</sup></b> | <b>28.9%</b>   | 26.7%          | 27.8%          |
| <b>Inventory turns (dealership)<sup>(3)</sup></b> ( <i>times</i> )      | <b>2.25</b>    | 2.46           | 2.53           |
| <b>Adjusted ROIC<sup>(3)(4)</sup></b> (%)                               |                |                |                |
| Consolidated  | <b>12.0</b>    | 12.5           | 12.0           |
| Canada  | <b>14.2</b>    | 15.5           | 14.4           |
| South America   | <b>12.2</b>    | 9.2            | 10.5           |
| UK & Ireland  | <b>8.4</b>     | 14.8           | 12.1           |

- Excluding the impact of foreign exchange, invested capital increased by approximately \$50 million from Q1 2019 due to lower accounts payable, which were offset by a reduction in inventory. Excluding the impact of foreign exchange, inventory was down by about \$250 million compared to Q1 2019.

## Q1 2020 HIGHLIGHTS BY OPERATION

All comparisons are to Q1 2019 results unless indicated otherwise. All numbers are in functional currency: Canada – Canadian dollar; South America – US dollar; UK & Ireland – UK pound sterling (GBP).

### Canada

- Net revenue decreased by 17%, driven by a 41% decline in new equipment sales. Market conditions across all sectors in Western Canada were challenging primarily due to lower oil and other commodity prices, and reduced construction activity, particularly in Alberta. Product support revenue declined by 6% reflecting significantly weaker customer demand in construction, coal mining, and forestry. Mining product support revenue was slightly higher compared to Q1 2019. Used equipment and rental markets were also soft in Western Canada in Q1 2020, with revenues from these lines of business declining by 30% and 16%, respectively.
- EBITDA decreased by 6% while EBITDA as a percentage of net revenue improved by 160 basis points to 13.7%, when compared to Adjusted EBITDA in Q1 2019, primarily driven by a higher proportion of product support in the revenue mix and lower SG&A costs.
- The Canadian operations generated positive free cash flow in Q1 2020 due to effective inventory management and \$14 million positive free cash flow contribution from 4Refuel.

### South America

- Net revenue decreased by 7% as higher product support revenue was more than offset by lower new equipment sales. Product support revenue increased by 23% driven by the recovery of parts volumes from improved execution in Chilean mining operations. New equipment sales were down 56% mostly due to a significant decline in construction activity in Chile, which was impacted by social instability early in the year and the resulting

devaluation of the Chilean peso, as well as COVID-19 disruptions beginning in March. Other factors contributing to a decrease in new equipment sales year over year were deliveries of large mining equipment in Chile in Q1 2019 and the broad industry contraction in Argentina from economic downturn and a government imposed lockdown to stop the spread of COVID-19 in Q1 2020.

- An increase in EBITDA and EBITDA as a percentage of net revenue compared to Q1 2019 was driven by higher gross profit from a shift in revenue mix to product support and lower SG&A costs, both in absolute dollars and as a percentage of net revenue. The Company continued to improve its operating performance in Chile in Q1 2020 and remained profitable in Argentina despite challenging market conditions.

### ***United Kingdom & Ireland***

- Net revenue decreased by 32% with new equipment sales down 47% due to timing of power systems project deliveries in the data center and electricity capacity markets and lower activity in the construction sector. Product support revenue decreased by 4%. Construction equipment markets were significantly weaker compared to Q1 2019 as the uncertainty related to Brexit and slower economic growth in the UK at the beginning of the year was compounded by the government imposed lockdowns and other measures to stop the spread of COVID-19 in March.
- A decline in EBITDA and EBITDA as a percentage of net revenue from Q1 2019 was driven by significantly lower revenue, reduced labour recovery, and the fixed nature of most SG&A costs.

## **CORPORATE AND BUSINESS DEVELOPMENTS**

### **Expanded Committed Credit Facility**

On April 17, 2020, we announced that we secured an additional \$500 million committed revolving credit facility, which further improves our financial flexibility and liquidity. This facility has a term of two years, can be used for general corporate purposes, and has substantially the same terms and conditions as our existing \$1.3 billion committed global credit facility, which matures in 2024. At March 31, 2020, we had less than \$300 million drawn on our \$1.3 billion global credit facility and we now have more than \$1.5 billion of remaining committed capacity.

### **Dividend**

The Board of Directors has approved a quarterly dividend of \$0.205 per share, payable on June 4, 2020 to shareholders of record on May 21, 2020. This dividend will be considered an eligible dividend for Canadian income tax purposes.

### **Renewal of Share Repurchase Program**

We have received approval from the Toronto Stock Exchange ("TSX") to renew our normal course issuer bid ("NCIB") to purchase for cancellation up to 8,000,000 of our common shares, representing approximately 4.9% of the total common shares issued and outstanding of 162,103,503 common shares as at May 1, 2020.

The NCIB, which will begin on May 11, 2020 and end no later than May 10, 2021, will be conducted through the facilities of the TSX or other Canadian marketplaces or alternative trading systems, if eligible, and will conform to their rules and regulations.

Our Board of Directors believes that, from time to time, our purchase of our common shares represents a desirable use of our available cash to increase shareholder value. However, our primary near-term objective is to prioritize capital allocation toward debt repayment and meeting our dividend commitment.

The average daily trading volume of Finning's common shares over the six month period ending April 30, 2020, as calculated in accordance with TSX rules, was 439,377 common shares. Consequently, under TSX rules, we will be allowed to purchase daily, through the facilities of the TSX, a maximum of 109,844 common shares representing 25% of such average daily trading volume, subject to certain exceptions for block purchases. All shares purchased pursuant to the normal course issuer bid will be cancelled.

Purchases under the NCIB will be made by means of open market transactions or such other means as the TSX may permit. The price to be paid by us for any common share will be the market price at the time of acquisition, plus brokerage fees, or such other price as the TSX may permit.

Under the current NCIB, which will expire on May 10, 2020, we obtained approval to purchase up to 6,000,000 common shares. We purchased and cancelled 1,215,617 common shares under the current NCIB on the open market through the facilities of the TSX and other Canadian exchanges at a cost ranging from \$12.14 to \$22.20 per share and an average cost of \$19.25 per share (excluding commissions).

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

*\$ millions, except per share amounts*

|  | Three months ended Mar 31 |                     |                         |
|--|---------------------------|---------------------|-------------------------|
|  | 2020                      | 2019                | % change<br>fav (unfav) |
| New equipment  | 353                       | 664                 | (47)                    |
| Used equipment   | 68                        | 81                  | (17)                    |
| Equipment rental   | 53                        | 58                  | (8)                     |
| Product support  | 934                       | 896                 | 4                       |
| Net fuel and other   | 31                        | 20                  | 55                      |
| Net revenue  | 1,439                     | 1,719               | (16)                    |
| Gross profit   | 418                       | 430                 | (3)                     |
| <i>Gross profit as a percentage of net revenue</i>           | 29.1%                     | 25.0%               |                         |
| SG&A   | (325)                     | (343)               | 5                       |
| <i>SG&amp;A as a percentage of net revenue<sup>(3)</sup></i> | (22.6)%                   | (20.0)%             |                         |
| Equity earnings of joint ventures                            | 1                         | 4                   | (71)%                   |
| Other expenses   | -                         | (29)                |                         |
| EBIT   | 94                        | 62                  | 53                      |
| <i>EBIT as a percentage of net revenue</i>                   | 6.6%                      | 3.6%                |                         |
| Adjusted EBIT  | 94                        | 91                  | 4                       |
| <i>Adjusted EBIT as a percentage of net revenue</i>          | 6.6%                      | 5.3%                |                         |
| Net income   | 54                        | 28                  | 94                      |
| Basic EPS  | 0.33                      | 0.17                | 95                      |
| Adjusted EPS   | 0.33                      | 0.30                | 9                       |
| EBITDA   | 170                       | 134                 | 27                      |
| <i>EBITDA as a percentage of net revenue</i>                 | 11.8%                     | 7.8%                |                         |
| Adjusted EBITDA  | 170                       | 163                 | 5                       |
| <i>Adjusted EBITDA as a percentage of net revenue</i>        | 11.8%                     | 9.4%                |                         |
| Free cash flow   | (50)                      | (347)               | 86                      |
|  | <b>Mar 31, 2020</b>       | <b>Dec 31, 2019</b> |                         |
| Invested capital   | 3,883                     | 3,591               |                         |
| Invested capital turnover (times)                            | 1.83                      | 1.92                |                         |
| Net debt to Adjusted EBITDA ratio <sup>(3)(4)</sup>          | 2.2                       | 2.0                 |                         |
| ROIC   | 11.9%                     | 11.2%               |                         |
| Adjusted ROIC  | 12.0%                     | 12.0%               |                         |

To access Finning's complete Q1 2020 results in PDF, please visit our website at [https://www.finning.com/en\\_CA/company/investors.html](https://www.finning.com/en_CA/company/investors.html)

## **Q1 2020 INVESTOR CALL**

The Company will hold an investor call on May 5, 2020 at 10:00 am Eastern Time. Dial-in numbers: 1-800-319-4610 (Canada and US), 1-416-915-3239 (Toronto area), 1-604-638-5340 (international). The call will be webcast live and archived for three months at [https://www.finning.com/en\\_CA/company/investors.html](https://www.finning.com/en_CA/company/investors.html).

## **ABOUT FINNING**

Finning International Inc. (TSX: FTT) is the world's largest Caterpillar equipment dealer delivering unrivalled service to customers for over 87 years. Finning sells, rents, and provides parts and service for equipment and engines to help customers maximize productivity. Headquartered in Vancouver, B.C., the Company operates in Western Canada, Chile, Argentina, Bolivia, the United Kingdom and Ireland.

## **CONTACT INFORMATION**

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## **FOOTNOTES**

- (1) Following the acquisition of 4Refuel, management views total revenue less cost of fuel (net revenue) as more representative in assessing the performance of the business as the cost of fuel is fully passed through to the customer and is not in the Company's control. The Company's results and non-GAAP financial measures, including key performance indicators and ratios, previously reported or calculated using total revenue or sales are now reported or calculated using net revenue. For South American and UK & Ireland operations, net revenue is the same as total revenue.
- (2) Earnings Before Finance Costs and Income Taxes (EBIT); Basic Earnings per Share (EPS); Earnings Before Finance Costs, Income Taxes, Depreciation and Amortization (EBITDA); Selling, General & Administrative Expenses (SG&A); Return on Invested Capital (ROIC); Enterprise Resource Planning (ERP).
- (3) These financial metrics, referred to as "non-GAAP financial measures", 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 therefore may not be comparable to similar measures presented by other issuers. For additional information regarding these financial metrics, including definitions and reconciliations from each of these non-GAAP financial measures to their most directly comparable measure under GAAP, where available, see the heading "Description of Non-GAAP Financial Measures and Reconciliations" in the Company's Q1 2020 management discussion and analysis (MD&A). Management believes that providing certain non-GAAP financial measures provide users of the Company's MD&A and 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 financial measures (where available) set out in the MD&A, 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 financial measures alone.
- (4) Certain 2019 financial metrics were impacted by significant items management does not consider indicative of operational and financial trends either by nature or amount; these significant items are described on pages 5 and 29-30 of the MD&A. The financial metrics that have been adjusted to take into account these items are referred to as "Adjusted" metrics.

## FORWARD-LOOKING STATEMENTS CAUTION

This news release contains statements about our business outlook, objectives, plans, strategic priorities and other statements that are not historical facts. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements may include terminology such as aim, anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, project, seek, should, strategy, strive, target, and will, and variations of such terminology. Forward-looking statements in this news release include, but are not limited to, statements: that our resilient business model, improving execution, financial flexibility, and cost and capital discipline will serve us well in the current environment and position us for opportunities that lie ahead; that we are effectively scaling our digital and omni-channel technologies for accelerating adoption rates; that the impacts of COVID-19 and low commodity prices on our second quarter results will be material; that we continue to control what we can and match our capital investments and cost base to activity levels and accelerate cost reductions where necessary; about our goal to be positioned for productivity, profitability and ROIC improvement in a recovering market; about the Canadian income tax treatment of the quarterly dividend; about the purchase of up to 8,000,000 of our common shares pursuant to an NCIB, the facilities and terms under which the NCIB will be operated and our belief that, from time to time, the purchase of our common shares represents a desirable use of our available cash to increase shareholder value; and our primary near-term objective to prioritize capital allocation toward debt repayment and meeting our dividend commitment. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws.

Unless we indicate otherwise, forward-looking statements in this news release reflect our expectations at the date in this news release. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties and are based on a number of assumptions. This gives rise to the possibility that actual results could differ materially from the expectations expressed in or implied by such forward-looking statements and that our business outlook, objectives, plans, strategic priorities and other statements that are not historical facts may not be achieved. As a result, we cannot guarantee that any forward-looking statement will materialize. Factors that could cause actual results or events to differ materially from those expressed in or implied by these forward-looking statements include: the impact and duration of the COVID-19 pandemic and measures taken by governments and businesses in response; general economic and market conditions and economic and market conditions in the regions where we operate; foreign exchange rates; commodity prices; the level of customer confidence and spending, and the demand for, and prices of, our products and services; our ability to maintain our relationship with Caterpillar; our dependence on the continued market acceptance of our products, including Caterpillar products, and the timely supply of parts and equipment; our ability to continue to sustainably reduce costs and improve productivity and operational efficiencies while continuing to maintain customer service; our ability to manage cost pressures as growth in revenue occurs; our ability to negotiate satisfactory purchase or investment terms and prices, obtain necessary regulatory or other approvals, and secure financing on attractive terms or at all; our ability to manage our growth strategy effectively; our ability to effectively price and manage long-term product support contracts with our customers; our ability to reduce costs in response to slowing activity levels; our ability to attract sufficient skilled labour resources as market conditions, business strategy or technologies change; our ability to negotiate and renew collective bargaining agreements with satisfactory terms for our employees and us; the intensity of competitive activity; our ability to raise the capital needed to implement our business plan; regulatory initiatives or proceedings, litigation and changes in laws or regulations; stock market volatility; changes in political and economic environments; the occurrence of natural disasters, pandemic outbreaks, geo-political events, acts of terrorism, social unrest or similar disruptions; fluctuations in defined benefit pension plan contributions and related pension expenses; the availability of insurance at commercially reasonable rates and whether the amount of insurance coverage will be adequate to cover all liability or loss incurred by us; the potential of warranty claims being greater than we anticipate; the integrity, reliability and availability of, and benefits from, information technology and the data processed by that technology; and our ability to protect ourselves from cybersecurity threats or incidents. Forward-looking statements are provided in this news release for the purpose of giving information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

Forward-looking statements made in this news release are based on a number of assumptions that we believed were reasonable on the day they were made, including but not limited to (i) that we will be able to successfully manage our business through the current challenging times involving the effects of the COVID-19 response and low commodity prices; (ii) that we will maintain improved execution in South America and a lower cost base in Canada; (iii) that general economic and market conditions will improve; (iv) that the level of customer confidence and spending, and the demand for, and prices of, our products and services will be maintained; (v) our ability to successfully execute our plans and intentions; (v)

our ability to attract and retain skilled staff; (vi) market competition; (vii) the products and technology offered by our competitors; and (viii) that our current good relationships with Caterpillar, our suppliers, service providers and other third parties will be maintained. Some of the assumptions, risks, and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this news release are discussed in Section 4 of the our current AIF, in the annual MD&A for the financial risks, and in the most recent quarterly MD&A for updated risks related to the COVID-19 pandemic.

We caution readers that the risks described in the AIF and in the annual and most recent quarterly MD&A are not the only ones that could impact the Company. We cannot accurately predict the full impact that COVID-19 will have on our business, results of operations, financial condition or the demand for our services, due in part to the uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the steps our customers and suppliers may take in current circumstances, including slowing or halting operations, the duration of travel and quarantine restrictions imposed by governments of affected countries and other steps that may be taken by such governments to respond to the pandemic. Additional risks and uncertainties not currently known to us or that are currently deemed to be immaterial may also have a material adverse effect on our business, financial condition, or results of operation.