

Finning reports Q2 2021 results and increases dividend

Vancouver, B.C. – Finning International Inc. (TSX: FTT) (“Finning”, “the Company”, “we”, “our” or “us”) reported second quarter 2021 results today. All monetary amounts are in Canadian dollars unless otherwise stated.

HIGHLIGHTS

All comparisons are to Q2 2020 results unless indicated otherwise.

- Q2 2021 EPS⁽¹⁾ of \$0.56 per share was a record second quarter EPS performance.
- Q2 2021 revenue of \$1.8 billion and net revenue⁽²⁾ of \$1.7 billion were up 30% and 28%, respectively, from Q2 2020 which was impacted by COVID-19-related reduction in market activity. Compared to Q1 2021, net revenue was up 16%, driven by strong recovery in new equipment demand in all regions and market sectors.
- Q2 2021 SG&A⁽¹⁾ as a percentage of net revenue⁽²⁾ was 18.3%, reflecting savings from our 2020 cost reduction program and continued productivity initiatives to further reduce fixed costs. Compared to Q2 2020, SG&A was up 2% on a 28% increase in net revenue.
- All regions delivered a strong quarter, demonstrating operating leverage in a recovering market. Q2 2021 EBIT⁽¹⁾ as a percentage of net revenue⁽²⁾ was 9.3% in Canada, 9.8% in South America, and 5.3% in the UK & Ireland, representing a step-up in profitability levels for all regions.
- Adjusted ROIC⁽¹⁾⁽²⁾⁽³⁾ of 13.3% was up 370 basis points from Q4 2020 with a significant increase in all regions driven by improved profitability and higher invested capital turnover⁽²⁾. In South America, Adjusted ROIC was 17.2% reflecting both improved profitability and significantly improved invested capital turnover.
- Consolidated equipment backlog⁽²⁾ at June 30, 2021 increased to \$1.4 billion from \$1.2 billion at March 31, 2021, with order intake⁽²⁾ in Canada and South America outpacing deliveries in Q2 2021.
- Annualized dividend was raised by approximately 10% to \$0.90 per share, reflecting our improved mid-cycle earnings capacity. This marks our 20th consecutive year of dividend increases.

“We are pleased with our strong execution and results in the second quarter. With a reduced cost base and more efficient operations and supply chain, we are confident in our improved earnings capacity, which puts us firmly on track to achieve the mid-cycle targets we set out during our Investor Day in June. Our outlook remains positive as the global economy recovers in 2021 and beyond. We are excited about the next phase of growth and our earnings potential as we continue to execute on our strategic plan to accelerate product support revenue growth, further reduce costs, and re-invest free cash flow⁽²⁾ to compound our earnings,” said Scott Thomson, president and CEO of Finning International.

Q2 2021 FINANCIAL SUMMARY

Quarterly Overview <i>\$ millions, except per share amounts</i>	Q2 2021	Q2 2020	% change
Revenue	1,845	1,419	30
Net revenue	1,705	1,335	28
EBIT	137	52	164
<i>EBIT as a percentage of net revenue</i>	8.0%	3.9%	
EBITDA ⁽¹⁾⁽²⁾	215	130	65
<i>EBITDA as a percentage of net revenue⁽²⁾</i>	12.6%	9.7%	
Net income	91	18	390
EPS	0.56	0.12	390
Free cash flow	(4)	312	n/m ⁽¹⁾

Q2 2021 EBIT and EBITDA by Operation <i>\$ millions, except per share amounts</i>	Canada	South America	UK & Ireland	Corporate & Other	Finning Total	EPS
EBIT / EPS	82	51	17	(13)	137	0.56
<i>EBIT as a percentage of net revenue</i>	9.3%	9.8%	5.3%	n/m	8.0%	
EBITDA	129	71	27	(12)	215	
<i>EBITDA as a percentage of net revenue</i>	14.7%	13.7%	8.5%	n/m	12.6%	

Q2 2020 EBIT and EBITDA by Operation <i>\$ millions, except per share amounts</i>	Canada	South America	UK & Ireland	Corporate & Other	Finning Total	EPS
EBIT / EPS	63	2	(5)	(8)	52	0.12
CEWS support	(60)	-	-	(4)	(64)	(0.30)
Severance costs	20	17	4	1	42	0.20
Facilities restructuring costs and impairment losses	5	4	-	-	9	0.04
Adjusted EBIT ⁽²⁾⁽³⁾ / Adjusted EPS ⁽²⁾⁽³⁾	28	23	(1)	(11)	39	0.06
<i>Adjusted EBIT as a percentage of net revenue⁽²⁾⁽³⁾</i>	4.0%	5.1%	(1.0%)	n/m	2.9%	
Adjusted EBITDA ⁽²⁾⁽³⁾	75	45	8	(11)	117	
<i>Adjusted EBITDA as a percentage of net revenue⁽²⁾⁽³⁾</i>	10.6%	9.8%	4.9%	n/m	8.8%	

Q2 2021 INVESTED CAPITAL⁽²⁾ AND ROIC⁽²⁾ SUMMARY

All comparisons are to Q4 2020 results unless indicated otherwise.

- Excluding the impact of foreign exchange, invested capital increased by \$244 million from December 31, 2020 driven primarily by higher inventory to capture market recovery and deliver on the growing equipment backlog.
- Inventory turns⁽²⁾ increased to 2.84 from 2.79 in Q4 2020 despite 11% higher inventory. Working capital to net revenue ratio⁽²⁾ of 24.0% was the lowest since 2012, down by 430 basis points from Q4 2020, reflecting improved supply chain efficiencies and working capital⁽²⁾ management.
- Adjusted ROIC of 13.3% was up 370 basis points from Q4 2020 with a significant increase in all regions driven by improved profitability and higher invested capital turnover in a recovering market.

Invested Capital and ROIC	Q2 2021	Q4 2020
Invested capital (<i>\$ millions</i>)		
Consolidated	3,277	3,067
Canada	1,861	1,819
South America (US dollars)	854	731
UK & Ireland (UK pound sterling)	209	188
Invested capital turnover (<i>times</i>)	1.93	1.68
Working capital to net revenue ratio	24.0%	28.3%
Inventory (<i>\$ millions</i>)	1,643	1,477
Inventory turns (dealership) (<i>times</i>)	2.84	2.79
Adjusted ROIC (%)		
Consolidated	13.3	9.6
Canada	14.0	10.5
South America	17.2	12.9
UK & Ireland	12.9	5.5

Q2 2021 HIGHLIGHTS BY OPERATION

All comparisons are to Q2 2020 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 increased by 25% from Q2 2020 and by 14% from Q1 2021 driven by strong demand for new construction equipment in a recovering market and higher product support activity. Net revenues were still 18% below Q2 2019, with lower revenues in all lines of business, except used equipment sales.
- Product support revenue was up 18% from Q2 2020. Compared to Q1 2021, product support was up 4%, driven by improved demand in all sectors and growth in construction rebuilds. We continue to hire technicians to support increasing service volumes, with about 30 technicians added in Q2 2021 to our RRR (response, repair, rebuild) locations.
- SG&A was up 3% from Q2 2020 on a 25% increase in net revenue, reflecting savings from 2020 cost reduction program and ongoing improvements in employee and facility productivity. Our lower cost base in a recovering market drove a significant improvement in profitability - EBIT as a percentage of net revenue was 9.3% in Q2 2021.

South America

- Net revenue was up 23% from Q2 2020 and up 9% from Q1 2021 driven by market recovery across all sectors.
- New equipment sales were up 48% from Q2 2020 and up 14% from Q1 2021, driven by improved market activity, mostly in construction. Demand for new equipment continued to grow in Q2 2021 with a backlog building in both mining and construction. Our backlog in South America includes a recently awarded order for Caterpillar support equipment from Codelco's Andina mine, valued at US\$40 million, for delivery in the first half of 2022. In addition, we will be providing 27 Caterpillar R3000H underground loaders to Codelco's Chuquicamata mine, with 10 of these machines included in our Q2 backlog.
- Product support revenue in Q2 2021 increased by 16% year over year and by 8% from Q1 2021. Chilean mining customers have been lifting COVID-19 restrictions and returning to normal operations, driving higher parts and service revenues. Product support activity in construction also improved in Q2 2021 with the easing of pandemic protocols in both Chile and Argentina.

- SG&A was comparable to Q2 2020 on 23% higher net revenues. EBIT as a percentage of net revenue was 9.8%, the highest quarterly profitability since Q2 2015, driven by improved execution to capture market recovery and a lower cost base.

United Kingdom & Ireland

- Net revenue nearly doubled year over year and was up by about 50% from Q1 2021, driven by equipment deliveries to HS2 customers, power systems project deliveries to data centre customers, and a widespread demand recovery in construction, including general infrastructure, quarrying, and demolition.
- Product support revenue was up 37% year over year and up 5% compared to Q1 2021 with significantly improved activity in all sectors.
- EBIT as a percentage of net revenue was 5.3% demonstrating operating leverage on strong revenue growth.

Q2 2021 MARKET UPDATE AND BUSINESS OUTLOOK

The discussion of our expectations relating to the market and business outlook in this section is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the heading “Forward-Looking Information Caution” at the end of this news release. Actual outcomes and results may vary significantly.

Canada

A strong outlook for copper, other base metals, and precious metals is expected to support increased mining activity in Western Canada, including the development of greenfield projects in the Golden Triangle of British Columbia. We are actively quoting on multiple requests for proposals for mining equipment and product support in hard rock mining.

In the oil sands, our customers are focused on improving production efficiency, reducing costs, and lowering emissions. We expect a continued incremental increase in oil sands production to be driven by debottlenecking, improved bitumen recovery, and enhanced mine productivity. Sustained strong oil prices, increased production profiles, and an aging equipment population are expected to support stable product support activity in the oil sands. Oil sands customers remain disciplined on capital expenditures, which is expected to drive increased demand for rebuilds and rental equipment. We have recently seen a strong uptick in rebuild quotation activity in the oil sands.

The large and aging mining equipment population in Western Canada is expected to drive opportunities for future fleet renewals, rebuilds, and autonomy conversions, as well as continued demand for product support. We are well positioned to help our mining customers reduce cost per ton and improve operating efficiencies with Caterpillar’s Autonomous Haulage System and the technology solutions we provide through our Integrated Knowledge Centre. We expect about 10% of the Caterpillar ultra-class and large mining truck population in Western Canada to be autonomous by the end of 2021.

The federal and provincial governments’ fiscal stimulus programs are expected to have a positive impact on construction activity. Significant private sector investment in LNG and power projects is expected to continue to drive demand for equipment, product support, heavy rentals, and prime and standby electric power generation. We are seeing an increase in construction order intake and improved utilization of construction and heavy rental equipment.

We continue to drive our strategy to capture product support market share in construction by leveraging our digital platform, CUBIQ, and offering compelling customer value propositions, including a broader scope of Customer Value Agreements and flexible options for construction rebuilds.

South America

We continue to monitor the political and economic reform process in Chile leading to the general elections in November 2021 and the review of the mining royalty proposal. We remain constructive about copper mining growth in Chile, and our outlook assumes a moderate increase in mining royalties. While we believe that Chile will remain a competitive copper producer globally, we recognize that current political and economic uncertainty will continue to impact our customers’ investment decisions, particularly as they relate to further greenfield and expansion projects, until the situation resolves. In

the near term, we expect mining customers to resume major maintenance work as COVID-19 restrictions are gradually lifted. As the existing mines ramp up production to take advantage of the current strong copper price, we expect mining product support revenue to continue recovering in the second half of 2021.

We are seeing an increase in construction activity and order intake in Chile. Our outlook for the Chilean construction industry remains strong, driven by improved demand for mining infrastructure and the government's investment in public works.

In Argentina, we expect improved activity in construction and oil and gas, and stable activity in gold mining to continue in the near term. Given the fiscal and currency challenges, the overall business environment in Argentina remains difficult, and we are actively managing key risks, including ARS devaluation.

UK & Ireland

The outlook for general construction equipment markets in the UK has strengthened, driven by optimism about economic recovery and a ramp-up of HS2 construction activity. We started to deliver machines to HS2 customers in Q2 2021, and our backlog at June 30, 2021 includes £54 million of equipment orders related to HS2. We are well-positioned to capture a large share of opportunities for the remainder of HS2 Phase 1 and have started to quote for 2022 HS2 orders. Recent commentary from the UK government on Phase 2 is encouraging and would provide additional upside to longer-term construction activity levels in the UK.

Strong demand for our power systems solutions, particularly in the data centre market, is expected to continue. Over the next 5 years, cloud data centre capacity is projected to grow at a significant rate in the UK and Irish markets. With our growing market share and a solid track record of project execution, we are well positioned to capture opportunities related to this growth. We have a strong backlog of power systems projects, with deliveries planned for the second half of 2021 and in 2022.

Driving Improved Earnings Capacity

Our positive outlook for the remainder of 2021 is underpinned by our growing backlog and the market recovery gaining momentum in all of our regions. We continue to expect our 2021 net revenue to remain below 2019 levels.

We continue to actively manage supply chain constraints by taking appropriate mitigation steps in collaboration with Caterpillar and our customers. While the lead times for some products have extended due to strong demand recovery, we do not expect the present supply chain challenges to materially impact large project deliveries in our backlog. We have improved our supply chain capabilities, including visibility and planning with Caterpillar. We are actively sourcing used equipment and offering equipment rebuilds and rental purchase options to meet customers' needs in a tight supply environment.

Our goal is to proactively manage our business through the cycle to grow and compound our earnings at each successive mid-cycle point. As we look forward, we expect the next twelve months to approximate a mid-cycle market. From Q3 2021 to Q2 2022, we expect our net revenue to be in the range of \$7.1 billion to \$7.5 billion, driven in part by about 8% growth in product support revenue. Over this period, we expect to achieve our target of SG&A as a percent of net revenue of 17%, deliver annual EPS above \$2.00 per share, and demonstrate significant improvement in consolidated ROIC to more than 15%.

We expect to deliver strong annual free cash flow in 2021. However, the amount will depend on our backlog build and delivery schedule, and may impact our 2021 EBITDA to free cash flow conversion⁽²⁾, which we had previously projected to be modestly below 50% for the year. We are making strategic capital investments in our Canadian facilities network and our digital capabilities and expect our net capital expenditures and net rental fleet additions to be in the \$170 million to \$210 million range in 2021.

CORPORATE AND BUSINESS DEVELOPMENTS

Dividend

The Board of Directors has approved an approximately 10% increase in the quarterly dividend to \$0.225 per share from \$0.205 per share, payable on September 2, 2021 to shareholders of record on August 19, 2021. This dividend will be considered an eligible dividend for Canadian income tax purposes.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

<i>\$ millions, except per share amounts</i>	Three months ended June 30		
	2021	2020	% change fav (unfav)
New equipment	593	382	55
Used equipment	99	64	56
Equipment rental	54	41	30
Product support	927	820	13
Net fuel and other	32	28	15
Net revenue	1,705	1,335	28
Gross profit	449	344	30
<i>Gross profit as a percentage of net revenue⁽²⁾</i>	26.3%	25.7%	
SG&A	(313)	(306)	(2)
<i>SG&A as a percentage of net revenue</i>	(18.3)%	(22.9)%	
Equity earnings of joint ventures	1	1	
Other income	-	64	
Other expenses	-	(51)	
EBIT	137	52	164
<i>EBIT as a percentage of net revenue</i>	8.0%	3.9%	
Adjusted EBIT	137	39	252
<i>Adjusted EBIT as a percentage of net revenue</i>	8.0%	2.9%	
Net income	91	18	390
Basic EPS	0.56	0.12	390
Adjusted EPS	0.56	0.06	827
EBITDA	215	130	65
<i>EBITDA as a percentage of net revenue</i>	12.6%	9.7%	
Adjusted EBITDA	215	117	83
<i>Adjusted EBITDA as a percentage of net revenue</i>	12.6%	8.8%	
Free cash flow	(4)	312	n/m
	Jun 30, 2021	Dec 31, 2020	
Invested capital	3,277	3,067	
Invested capital turnover (times)	1.93	1.68	
Net debt to EBITDA ratio ⁽²⁾	1.3	1.2	
Net debt to Adjusted EBITDA ratio ⁽²⁾⁽³⁾	1.4	1.4	
ROIC	15.3%	11.4%	
Adjusted ROIC	13.3%	9.6%	

To access Finning's complete Q2 2021 results, please visit our website at https://www.finning.com/en_CA/company/investors.html

Q2 2021 INVESTOR CALL

The Company will hold an investor call on August 4, 2021 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 investor call will be webcast live and archived for three months. The webcast and accompanying presentation can be accessed at https://www.finning.com/en_CA/company/investors.html.

ABOUT FINNING

Finning International Inc. (TSX: FTT) is the world's largest Caterpillar dealer delivering unrivalled service to customers since 1933. We provide Caterpillar equipment, parts, services, and performance solutions in Western Canada, Chile, Argentina, Bolivia, the United Kingdom, and Ireland.

CONTACT INFORMATION

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FOOTNOTES

- (1) 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); not meaningful (n/m).
- (2) 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 Q2 2021 management discussion and analysis (MD&A). Management believes that providing certain non-GAAP financial measures provides 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.
- (3) Certain 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, 11, 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 INFORMATION CAUTION

This news release contains information that is forward-looking. Information is forward-looking when we use what we know and expect today to give information about the future. In particular, the discussion under the heading “Q2 2021 Market Update and Business Outlook” section of this news release is forward-looking information and is subject to this disclaimer including the assumptions and material risk factors referred to below. Forward-looking information in this news release includes, but is not limited to, the following: that we are firmly on track to achieve the mid-cycle targets we set out during our Investor Day in June (assume our improved earnings capacity can be sustained); our positive outlook (assumes the global economy will continue to recover in 2021 and beyond); our strategic plan to accelerate product support revenue growth, further reduce costs, and re-invest free cash flow to compound our earnings; that we will be providing 27 Caterpillar R3000H underground loaders to Codelco’s Chuquicamata mine; expected increased mining activity in Western Canada (assumes continued strength in copper, other base metals and precious metals); an expected continued incremental increase in oil sands production (assumes debottlenecking, improved bitumen recover and enhanced mine productivity) and stable product support activity in the oil sands (assumes sustained strong oil prices and increased production profiles); increased demand for rebuilds and rental equipment in the oil sands (assumes oil sands customers will continue their discipline on capital expenditures); opportunities for future fleet renewals, rebuilds, and autonomy conversions and continued demand for product support in the Western Canada market; the expectation that about 10% of the Caterpillar ultra-class and large mining truck population in Western Canada will be autonomous by the end of 2021; the expected positive impact from federal and provincial fiscal stimulus programs; our constructive outlook for copper mining growth in Chile (assuming a moderate increase in mining royalties) our belief that Chile will remain a competitive copper producer globally; the continued impact of political and economic uncertainty in Chile on our customers’ investment decisions; our expectation that mining customers will resume major maintenance work as COVID-19 restrictions are gradually lifted; our expectation that product support revenue will continue recovering in the second half of 2021; our outlook for the Chilean construction industry, driven by improved demand for mining infrastructure and the government’s investment in public works; our expectation that improved activity in construction and oil and gas, and stable activity in gold mining will continue in the near term in Argentina and our view that the overall business environment in Argentina remains difficult; our strengthened outlook for the UK and Irish general construction equipment market (assumes economic recovery and a ramp-up of HS2 construction activity) and that we are well-positioned to capture a large share of opportunities for the remainder of HS2 Phase 1; expected continued strong demand for our power systems solutions (assumes significant growth in cloud data centre capacity in the UK and Irish markets over the next 5 years) and our ability to capture opportunities related to that growth; our positive outlook for the remainder of 2021 (assumes market recovery will continue to gain momentum in all our regions); our expectation that 2021 net revenue will remain below 2019 levels, that present supply chain challenges will not materially impact large project deliveries in our backlog (assumes our active management of supply chain constraints and related mitigating steps will be effective); our expectation that the next twelve months will approximate a mid-cycle market; our expectation that from Q3 2021 to Q2 2022 we will deliver net revenue in the range of \$7.1 billion to \$7.5 billion (assumes we can deliver 8% growth in product support revenue), achieve our target SG&A as a percent of net revenue of 17%, deliver annual EPS above \$2.00 per share, and demonstrate significant improvement in consolidated ROIC to more than 15%; our expected financial results for 2021, including strong annual free cash flow (actual free cash flow will depend on our backlog build and deliveries and 2021 EBITDA to free cash flow conversion therefore may not meet our previous projection of modestly below 50%); that our net capital expenditures and net rental fleet additions will be in the \$170 to \$210 million range; and the Canadian income tax treatment of the quarterly dividend. All such forward-looking information is provided pursuant to the ‘safe harbour’ provisions of applicable Canadian securities laws.

Unless we indicate otherwise, forward-looking information in this news release reflects 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 information, whether as a result of new information, future events, or otherwise.

Forward-looking information, by its very nature, is subject to numerous risks and uncertainties and is 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 information and that our business outlook, objectives, plans, strategic priorities and other information that is not historical fact may not be achieved. As a result, we cannot guarantee that any forward-looking information will materialize. Factors that could cause actual results or events to differ materially from those expressed in or implied by this forward-looking information 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 impact of changes in the UK’s trade relationship with the European Union as a result of Brexit; 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 drive continuous cost efficiency in a recovering market; 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 maintain a safe and healthy work environment across all regions; 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 in the regions where we carry on business; our ability to respond to climate change-related risks; 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 that we incur; 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 our business from cybersecurity threats or incidents, and with respect to our normal course issuer bid, our share price from time to time and our decisions about use of capital. Forward-looking information is 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 information for any other purpose.

Forward-looking information provided in this news release is based on a number of assumptions that we believed were reasonable on the day the information was given, including but not limited to the specific assumptions stated above; 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 and/or volatile commodity prices and successfully implement our COVID-19 risk management plans; an undisrupted market recovery, for example, undisrupted by COVID-19 impacts, commodity price volatility or social unrest; the successful execution of our profitability drivers; that increased maintenance work by mining customers following the lessening of COVID-19 restrictions and protocols will continue; that our cost actions to drive earnings capacity in a recovery can be sustained; that commodity prices will remain at constructive levels; that our customers will not curtail their activities; that general economic and market conditions will improve; that the level of customer confidence and spending, and the demand for, and prices of, our products and services will be maintained; that present supply chain challenges will not materially impact large project deliveries in our backlog; our ability to successfully execute our plans and intentions; our ability to attract and retain skilled staff; market competition will remain at similar levels; the products and technology offered by our competitors will be as expected; that identified opportunities for growth will result in revenue; that we have sufficient liquidity to meet operational needs; consistent and stable legislation in the various countries in which we operate; no disruptive changes in the technology environment and that our current good relationships with Caterpillar, our customers and our suppliers, service providers and other third parties will be maintained; sustainment of strengthened oil prices and the Alberta government will not re-impose production curtailments; quoting activity for requests for proposals for equipment and product support is reflective of opportunities; that there will be a moderate increase in mining royalties in Chile; and strong recoveries particularly in Chile and the UK. Some of the assumptions, risks, and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this news release are discussed in our current AIF and in our annual and most recent quarterly MD&A for the financial risks, including for updated risks related to the COVID-19 pandemic.

We caution readers that the risks described in our AIF and in our 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 and other steps that may be taken by 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.