MANAGEMENT'S DISCUSSION AND ANALYSIS

November 6, 2023

This ***MD&A*** should be read in conjunction with our ***Interim Financial Statements*** and the accompanying notes thereto for the three and nine months ended September 30, 2023, which have been prepared in accordance with ***IAS*** 34, *Interim Financial Reporting,* and our ***Annual Financial Statements*** and the accompanying notes thereto for the year ended December 31, 2022. In this MD&A, unless context otherwise requires, the terms we, us, our, and ***Finning*** refer to Finning International Inc. and/or its subsidiaries. All dollar amounts presented in this MD&A are expressed in ***CAD***, unless otherwise stated. Additional information relating to Finning, including our ***AIF*** and annual MD&A, can be found under our profile on the ***SEDAR+*** website at www.sedarplus.ca and in the investors section of our website at www.finning.com.

A glossary of defined terms is included on page 33. The first time a defined term is used in this MD&A, it is shown in bold italics.

Overview

($ millions, except per share amounts)	**3 months ended September 30** **2023**	2022	% change ***fav (unfav)***	**9 months ended September 30** **2023**	2022	% change fav (unfav)
Revenue	**2,704**	2,384	13%	**7,863**	6,626	19%
Net revenue [(1)]	**2,437**	2,107	16%	**7,140**	5,847	22%
Gross profit	**660**	577	14%	**1,936**	1,595	21%
SG&A	**(412)**	(353)	(17)%	**(1,234)**	(1,042)	(18)%
Equity earnings of joint ventures	**4**	—		**8**	1	
Other income	**—**	—		**41**	—	
Other expenses	**—**	—		**(18)**	—	
EBIT	**252**	224	12%	**733**	554	32%
Net income attributable to shareholders of Finning	**156**	149	4%	**438**	367	19%
EPS	**1.07**	0.97	9%	**2.95**	2.36	25%
Free cash flow [(2)]	**—**	(57)	100%	**(214)**	(502)	57%
Adjusted EBIT [(2)(3)]	**252**	224	12%	**710**	554	28%
Adjusted EPS [(1)(3)]	**1.07**	0.97	9%	**2.95**	2.36	25%
Gross profit as a percentage of net revenue [(1)]	***27.1%***	*27.4%*		***27.1%***	*27.3%*	
SG&A as a percentage of net revenue [(1)]	***(16.9)%***	*(16.7)%*		***(17.3)%***	*(17.8)%*	
EBIT as a percentage of net revenue [(1)]	***10.3%***	*10.7%*		***10.3%***	*9.5%*	
Adjusted EBIT as a percentage of net revenue [(1)(3)]	***10.3%***	*10.7%*		***9.9%***	*9.5%*	
*Adjusted **ROIC** [(1)(3)]*	***20.2%***	*18.3%*		***20.2%***	*18.3%*	

(1) See "Description of ***Specified Financial Measures*** and Reconciliations" in this MD&A.

(2) These are non-***GAAP*** financial measures. See "Description of Specified Financial Measures and Reconciliations" in this MD&A.

(3) Reported financial measures may be impacted by significant items described on pages 8 and 23 - 25 of this MD&A. Financial measures that have been adjusted to take these items into account are referred to as "Adjusted measures". See "Description of Specified Financial Measures and Reconciliations" in this MD&A.

Highlights

- Q3 2023 revenue was $2.7 billion. Net revenue in Q3 2023 of $2.4 billion was up 16% from Q3 2022, primarily driven by higher new equipment and product support revenues in Canada and South America.
- Gross profit in Q3 2023 was up 14% from Q3 2022 and gross profit as a percentage of net revenue of 27.1% was 30 basis points lower than Q3 2022. Compared to the prior year period, Q3 2023 SG&A was 17% higher and SG&A as a percentage of net revenue of 16.9% increased slightly.
- Q3 2023 EBIT was $252 million and EBIT as a percentage of net revenue was 10.3%. Q3 2023 EBIT was up 12% and EBIT as a percentage of net revenue was down slightly from Q3 2022 due to a higher proportion of large mining equipment sales in the revenue mix. Q3 2023 EBIT as a percentage of net revenue was 10.8% in Canada, 12.3% in South America, and 5.9% in the ***UK*** & Ireland.
- Q3 2023 EPS of $1.07 was up 9% from Q3 2022 EPS of $0.97, driven by revenue growth and strong operating margins partially offset by higher finance costs.
- Q3 2023 free cash flow was at break even compared to a use of cash of $57 million in the same prior year period, reflecting strong collections due to significant equipment backlog deliveries in the current quarter. Q3 2023 net debt to Adjusted ***EBITDA*** [1][2] was 1.8 times which was comparable to Q3 2022.
- September 30, 2023 Adjusted ROIC of 20.2% increased 190 basis points from Adjusted ROIC at September 30, 2022 and increased 150 basis points from Adjusted ROIC at December 31, 2022, led by South America. Invested capital turnover was 2.08 times, up from 1.96 times in Q3 2022.
- Consolidated equipment backlog [1] was $2.3 billion at September 30, 2023 compared to $2.4 billion at June 30, 2023. Higher equipment backlog in South America, driven by significant mining orders, was offset by lower backlog in Canada due to strong deliveries, and lower backlog in the UK & Ireland.

(1) See “Description of Specified Financial Measures and Reconciliations” in this MD&A.

(2) Reported financial measures may be impacted by significant items described on pages 23 - 25 of this MD&A. Financial measures that have been adjusted to take these items into account are referred to as “Adjusted measures”. See “Description of Specified Financial Measures and Reconciliations” in this MD&A.

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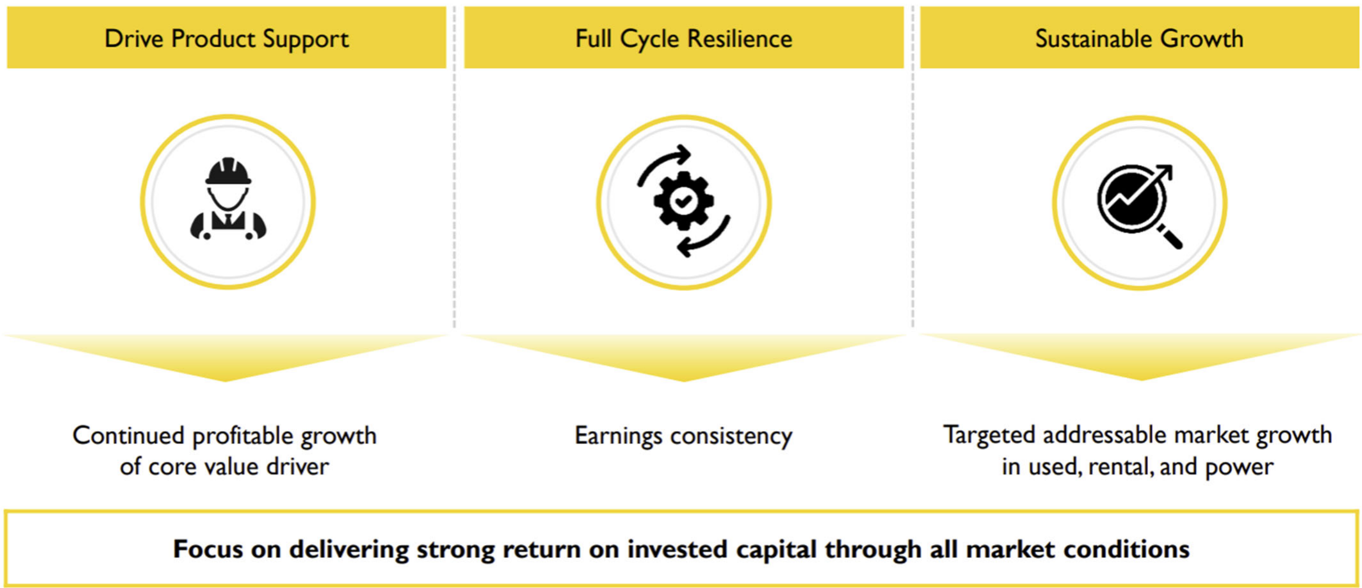
Strategic Priorities

Our refreshed strategy, announced at our 2023 Investor Day, builds on our success and focuses on the following priorities: drive product support, full-cycle resilience, and sustainable growth.

Our people – our biggest competitive advantage

We are committed to providing a safe, secure, and prosperous place to work, and empowering our people to make decisions which build long-term customer loyalty.



Driving product support remains our primary strategic objective. Product support is instrumental to building customer loyalty through greater integration and performance. It is our key value driver and remains by far our largest opportunity for resilient, profitable growth. We are working to capture an even greater share of product support across the full asset life cycle through further growth in customer value agreements, expanding our rebuild business, and continuing to strategically grow our equipment population.

Full cycle resilience will enable us to deliver more reliable and consistent earnings through all market conditions. We are continuing to optimize and variabilize our cost structure, including by building more contracted revenue than contracted costs. We are prioritizing initiatives that increase our invested capital velocity while concurrently improving customer service levels.

We are building a sustainable growth platform from our core business and expanding our addressable market in used equipment, rental, and power systems. These segments are resilient and strategically important, and growing them will increase our equipment population and help us drive additional product support growth.

Our growth objectives are supported by strong megatrends, including the energy transition, connectivity and automation, and the asset sharing economy. At Finning, we are optimally positioned to benefit from these megatrends. Our integrated go-forward strategy is focused on generating long-term value for our customers, employees, and shareholders.

Sustainability

We are committed to sustainability at Finning. Agreements with utility providers in our regions put us well on track to meet our commitment to reduce our absolute ***GHG*** emissions by 40% by 2027 from our 2017 baseline. We are also focused on working with our customers to help them decarbonize their operations. This is our priority and our largest opportunity to reduce GHG emissions across the value chain. Transitioning to cleaner sources of energy will take time, and the pace of progress will be different across geographies and applications. Whether it’s optimizing fuel usage through data and digital tools or switching to lower carbon fuel sources, including ***CNG***, ***RNG***, and renewable diesel, we are supporting our customers on their individual GHG reduction journeys. For more information, please review our Sustainability Report, which can be found in the sustainability section of www.finning.com.

Quarterly Key Performance Measures

We utilize the following ***KPI***s to enable consistent measurement of performance across the organization. KPIs may be impacted by significant items described on pages 23 - 25 of this MD&A. KPIs that have been adjusted to take these items into account are referred to as "Adjusted measures".

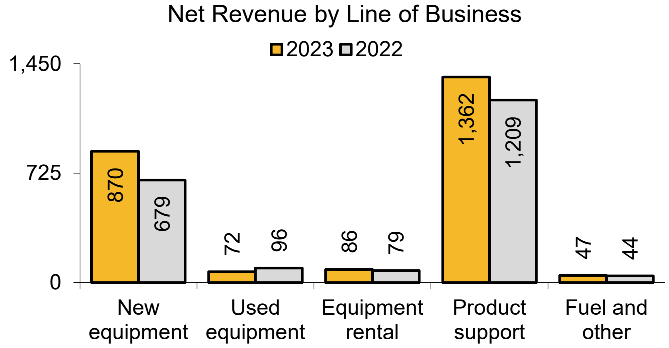
	2023			2022				2021	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
EBIT ($ millions)	**252**	242	239	214	224	190	140	157	150
Adjusted EBIT ($ millions)	**252**	242	216	214	224	190	140	157	150
EBIT as a % of net revenue									
Consolidated	**10.3%**	9.4%	11.2%	9.0%	10.7%	9.4%	8.1%	8.9%	8.6%
Canada	**10.8%**	9.9%	11.0%	11.0%	11.7%	10.0%	9.1%	10.1%	10.4%
South America	**12.3%**	12.1%	10.5%	11.4%	12.3%	10.1%	11.4%	10.1%	9.2%
UK & Ireland	**5.9%**	5.5%	5.1%	4.4%	6.2%	6.4%	5.0%	4.3%	5.6%
Adjusted EBIT as a % of net revenue									
Consolidated	**10.3%**	9.4%	10.1%	9.0%	10.7%	9.4%	8.1%	8.9%	8.6%
Canada	**10.8%**	9.9%	11.3%	11.0%	11.7%	10.0%	9.1%	10.1%	10.4%
South America	**12.3%**	12.1%	11.5%	11.4%	12.3%	10.1%	11.4%	10.1%	9.2%
UK & Ireland	**5.9%**	5.5%	5.7%	4.4%	6.2%	6.4%	5.0%	4.3%	5.6%
EPS	**1.07**	1.00	0.89	0.89	0.97	0.80	0.59	0.66	0.61
Adjusted EPS	**1.07**	1.00	0.89	0.89	0.97	0.80	0.59	0.66	0.61
Invested capital (1) ($ millions)	**4,897**	4,630	4,545	4,170	4,358	4,076	3,777	3,326	3,335
ROIC (1) (%)									
Consolidated	**20.7%**	20.8%	20.2%	18.7%	18.3%	17.5%	17.0%	16.8%	15.6%
Canada	**19.8%**	20.1%	19.4%	18.7%	18.2%	17.4%	17.4%	17.5%	16.5%
South America	**27.1%**	25.9%	24.0%	24.5%	22.7%	22.3%	21.7%	20.3%	19.0%
UK & Ireland	**13.7%**	15.5%	17.0%	17.0%	16.6%	16.2%	15.7%	14.8%	14.9%
Adjusted ROIC									
Consolidated	**20.2%**	20.2%	19.7%	18.7%	18.3%	17.5%	17.0%	16.4%	14.7%
Canada	**19.9%**	20.2%	19.6%	18.7%	18.2%	17.4%	17.4%	16.9%	15.3%
South America	**27.6%**	26.4%	24.6%	24.5%	22.7%	22.3%	21.7%	20.3%	19.0%
UK & Ireland	**14.1%**	15.9%	17.4%	17.0%	16.6%	16.2%	15.7%	14.8%	14.9%
Invested capital turnover (1) (times)	**2.08**	2.07	2.01	2.01	1.96	2.00	2.03	2.04	2.01
Inventory ($ millions)	**2,919**	2,764	2,710	2,461	2,526	2,228	2,101	1,687	1,627
Inventory turns (dealership) (1) (times)	**2.58**	2.49	2.51	2.61	2.52	2.50	2.66	3.09	3.09
Working capital to net revenue (1)	**27.6%**	27.5%	28.0%	27.4%	27.1%	25.1%	23.8%	22.9%	23.0%
Free cash flow ($ millions)	**—**	31	(245)	332	(57)	(142)	(303)	148	176
Net debt to Adjusted EBITDA ratio (times)	**1.8**	1.8	1.7	1.6	1.8	1.8	1.6	1.1	1.3

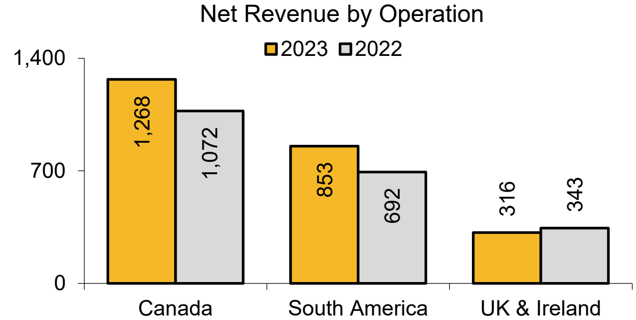
(1) See "Description of Specified Financial Measures and Reconciliations" in this MD&A.

Third Quarter Results

Revenue

Net Revenue by Line of Business and by Operation
3 months ended September 30
($ millions)



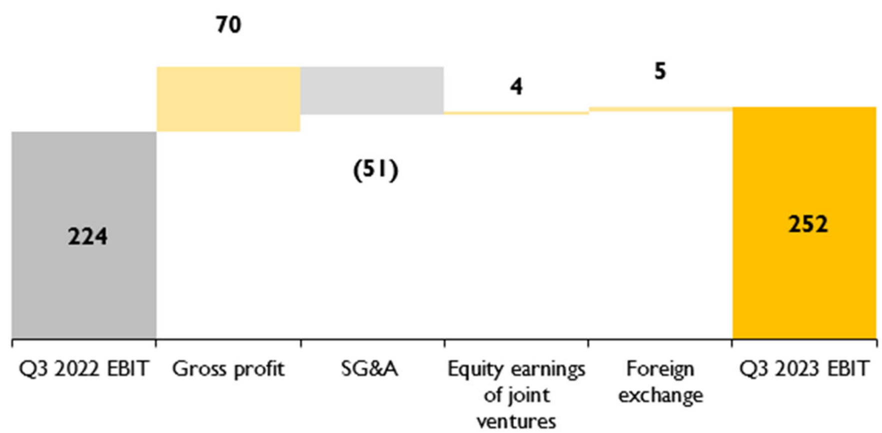


Q3 2023 revenue was $2.7 billion. Net revenue of $2.4 billion in the third quarter of 2023 was up 16% from Q3 2022, primarily driven by strong new equipment and product support revenues. In addition, the weaker CAD relative to the ***GBP*** and ***USD*** on average in Q3 2023 compared to Q3 2022 had a favourable foreign currency translation impact of approximately $50 million on net revenue in our UK & Ireland and South American operations.

Q3 2023 new equipment revenue was 28% higher than the same prior year period led by demand in the mining sectors in Canada and South America. Equipment backlog of $2.3 billion at September 30, 2023 was down 5% from June 30, 2023. The decline in backlog in Canada and the UK & Ireland was partially offset by an increase in South America.

Product support revenue in Q3 2023 was up 13% from the same prior year period, higher in all of our regions, led by the mining sectors of South America and Canada.

EBIT

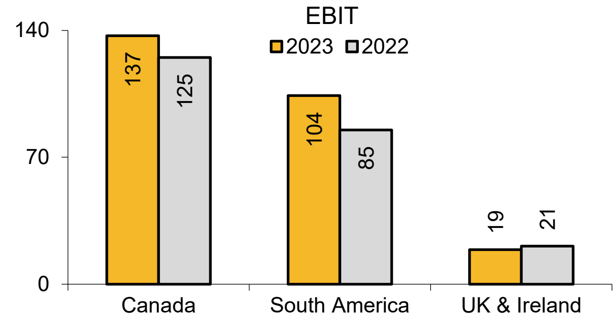


Q3 2023 gross profit of $660 million was 14% higher than the same period in the prior year. Overall gross profit as a percentage of net revenue of 27.1% in Q3 2023 was down slightly from Q3 2022, mainly due to a higher proportion of new equipment in the revenue mix.

SG&A in Q3 2023 of $412 million was 17% higher than the same period in the prior year. The increase in SG&A was driven primarily by higher people-related and variable costs to support revenue growth as well as higher facility costs. SG&A as a percentage of net revenue in Q3 2023 was 16.9%, up slightly from the same prior year period.

Q3 2023 EBIT was $252 million, up from $224 million in the same prior year period. Q3 2023 EBIT as a percentage of net revenue was 10.3%, down 40 basis points from Q3 2022, primarily due to a higher proportion of large mining equipment sales in the revenue mix.

EBIT by Operation [1]
3 months ended September 30
($ millions)



(1) Excluding Other operations

Finance Costs

Finance costs in Q3 2023 of $40 million were higher than the $23 million in Q3 2022 due to higher interest rates and an increase in average net debt levels.

Provision for Income Taxes

The effective income tax rate in Q3 2023 was 27.1% compared to 26.0% in Q3 2022.

We expect our effective tax rate generally to be within the 25%-30% range on an annual basis. The rate may fluctuate from period to period as a result of changes in relative income from the various jurisdictions in which we carry on business, sources of income, changes in the estimation of tax reserves, outcomes of any tax audits, or changes in tax rates and tax legislation.

Net Income Attributable to Shareholders of Finning and EPS

Q3 2023 net income attributable to shareholders of Finning was $156 million, an increase of 4% from Q3 2022. Q3 2023 EPS was $1.07, an increase from EPS of $0.97 in Q3 2022, driven primarily by higher revenues and strong operating margins, partially offset by higher finance costs.

Adjusted Measures

Reported financial measures may be impacted by significant items we do not consider indicative of operational and financial trends either by nature or amount. We exclude these significant items when evaluating the operational performance and related trends of our business. Financial measures that have been adjusted to take into account these significant items are referred to as "Adjusted measures". Adjusted measures are considered non-GAAP financial measures, do not have a standardized meaning under ***IFRS***, and therefore may not be comparable to similar measures presented by other issuers. For additional information regarding these financial measures, including definitions and reconciliations from each of these Adjusted measures to their most directly comparable measure under GAAP, where available, see "Description of Specified Financial Measures and Reconciliations" on pages 22 - 28 of this MD&A.

Year-to-date 2023 significant items:

There were no significant items identified by management for adjustment in the three months ended September 30, 2023. In Q1 2023, we executed various transactions to simplify and adjust our organizational structure. We wound up two wholly owned subsidiaries, recapitalized and repatriated $170 million of profits from our South American operations, and incurred severance costs in each region as we reduced corporate overhead costs and simplified our operating model. As a result of these activities, our year-to-date 2023 financial results were impacted by significant items that we do not consider indicative of operational and financial trends:

- Net foreign currency translation gain and income tax expense were reclassified to net income on the wind up of foreign subsidiaries;
- Withholding tax payable related to the repatriation of profits; and,
- Severance costs incurred in all of our operations.

The significant items are noted below together with a reconciliation of the Adjusted measures to their most directly comparable ***GAAP financial measures***:

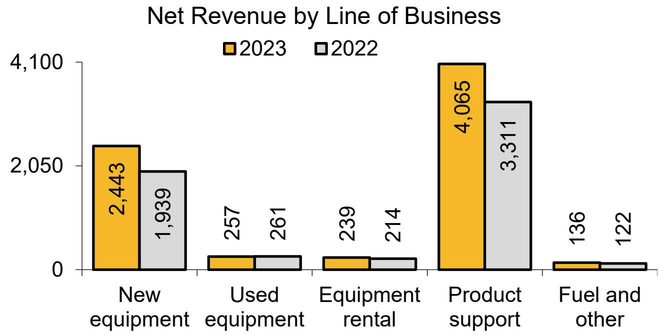
9 months ended September 30, 2023 ($ millions, except for per share amounts)	EBIT Canada	 South America	 UK & Ireland	 Other	 *Consol*	EPS Consol
EBIT and EPS	**399**	**282**	**52**	**—**	**733**	**2.95**
Significant items:						
Gain on wind up of foreign subsidiaries	**—**	**—**	**—**	**(41)**	**(41)**	**(0.21)**
Severance costs	**4**	**7**	**2**	**5**	**18**	**0.09**
Withholding tax on repatriation of profits	**—**	**—**	**—**	**—**	**—**	**0.12**
Adjusted EBIT and Adjusted EPS	**403**	**289**	**54**	**(36)**	**710**	**2.95**

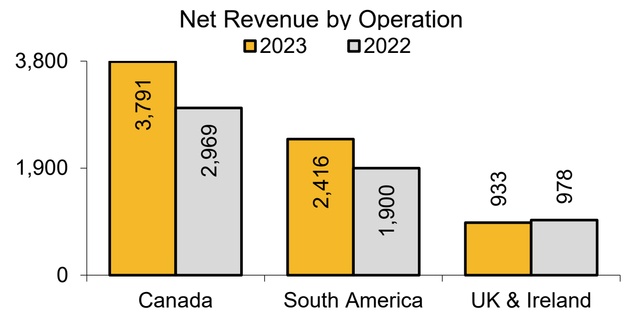
There were no significant items identified by management for adjustment in the three and nine months ended September 30, 2022.

Year-to-Date Results

Revenue

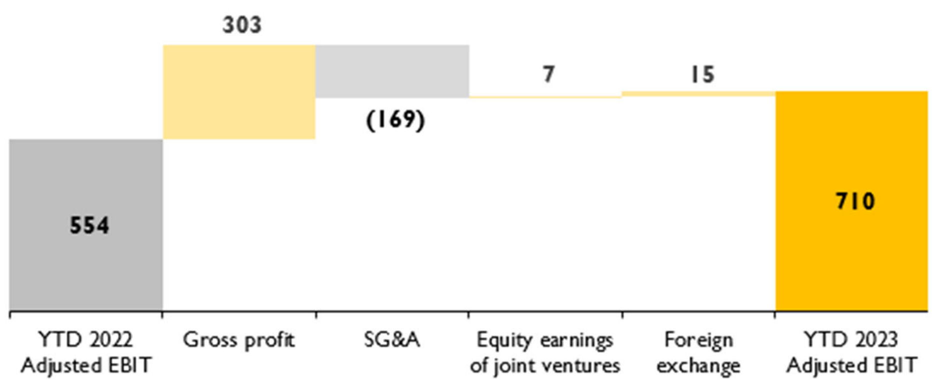
Net Revenue by Line of Business and by Operation
9 months ended September 30
($ millions)





Revenue was $7.9 billion in the nine months ended September 30, 2023. Net revenue of $7.1 billion increased 22% from the same period last year, up in all market sectors in Canada and South America. Product support revenue in the nine months ended September 30, 2023 was 23% higher than the first nine months of 2022, due to improved activity across all our operations. New equipment revenue in the nine months ended September 30, 2023 was up 26% from the prior year period, primarily driven by growth in all market sectors in Canada and South America partially offset by lower new equipment sales in the construction sector in UK & Ireland. In addition, the weaker CAD relative to the USD and GBP on average in the first nine months of 2023 compared to the same period in 2022 had a favourable foreign currency translation impact of approximately $150 million on net revenue in our South American and UK & Ireland operations.

EBIT

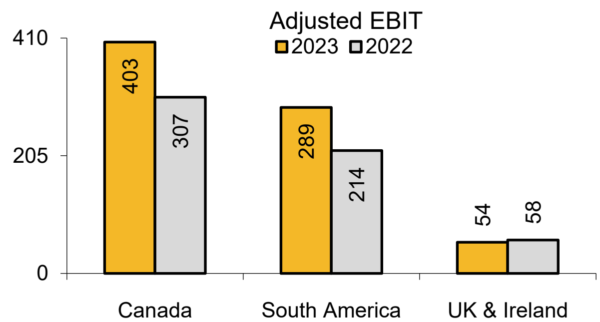


Gross profit in the first nine months of 2023 of $1.9 billion was 21% higher than the comparative prior year period. Overall gross profit as a percentage of net revenue of 27.1% was down slightly from the first nine months of 2022.

SG&A in the first nine months of 2023 was $1.2 billion, 18% higher than the same prior year period on 22% net revenue growth. The increase in SG&A was mainly from higher people-related and variable costs to support revenue growth as well as higher facility costs. In addition, ***LTIP*** expense in the first nine months of 2023 was $20 million higher than the same prior year period, mainly in our Other operations. For the first nine months of 2023, SG&A as a percentage of net revenue of 17.3% was 50 basis points lower than the same prior year period, reflecting an improvement in Canada and South America and the leverage of fixed costs on significant revenue growth. This was partially offset by higher SG&A as a percentage of net revenue in UK & Ireland, mainly driven by a higher proportion of product support revenue which is more SG&A-intensive.

EBIT was $733 million and EBIT as a percentage of net revenue was 10.3% in the first nine months of 2023. Excluding significant items not considered indicative of financial and operational trends as described on page 8, Adjusted EBIT for the first nine months of 2023 was $710 million and Adjusted EBIT as a percentage of net revenue was 9.9%, an improvement from $554 million and 9.5%, respectively, in the first nine months of 2022.

Adjusted EBIT by Operation [(1)]
9 months ended September 30
($ millions)



(1) Excluding Other operations

Finance Costs

Finance costs for the nine months ended September 30, 2023 of $117 million were higher than the $62 million in the same period in 2022 due to higher interest rates and an increase in average net debt levels.

Provision for Income Taxes

The effective income tax rate for the first nine months of 2023 was 29.2% and included the impact of various transactions undertaken to simplify and adjust our organizational structure in Q1 2023. Excluding these significant items, the effective income tax rate would have been 26.5% in the first nine months of 2023 compared to 25.8% in the same prior year period.

Net Income Attributable to Shareholders of Finning and EPS

In the first nine months of 2023, net income attributable to shareholders of Finning was $438 million compared to $367 million in the first nine months of 2022. EPS and Adjusted EPS for the nine months ended September 30, 2023 were $2.95, a significant increase from EPS of $2.36 earned in the comparable period in 2022. The improvement in earnings in the first nine months of 2023 reflects higher revenues as well as operating leverage in Canada and South America, partially offset by higher LTIP and finance costs.

Selected Key Performance Measures – Balance Sheet

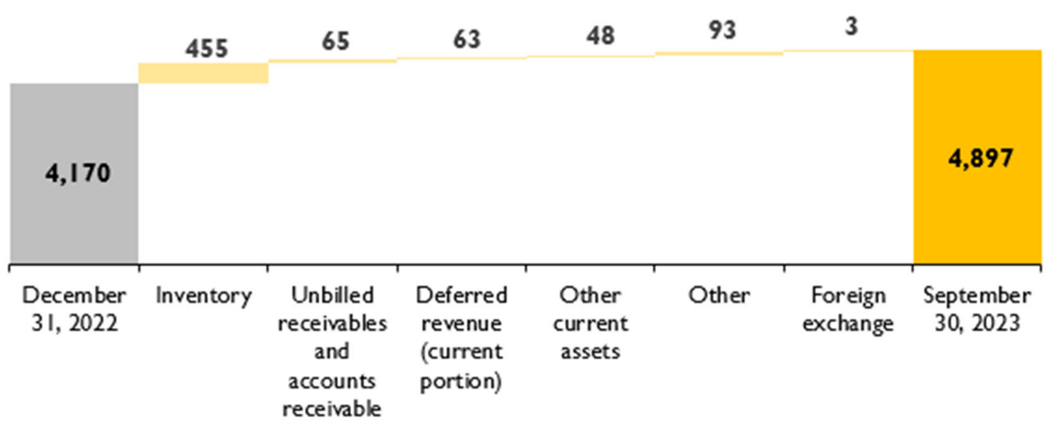
($ millions, unless otherwise stated)	September 30, 2023	December 31, 2022
Invested capital		
Consolidated	**4,897**	4,170
Canada	**2,826**	2,447
South America	**1,479**	1,281
UK & Ireland	**558**	428
South America (USD)	***1,094***	*946*
UK & Ireland (GBP)	***338***	*262*
Adjusted ROIC		
Consolidated	**20.2%**	18.7%
Canada	**19.9%**	18.7%
South America	**27.6%**	24.5%
UK & Ireland	**14.1%**	17.0%
Invested capital turnover (times)		
Consolidated	**2.08**	2.01
Canada	**1.87**	1.77
South America	**2.33**	2.16
UK & Ireland	**2.65**	3.09
Inventory turns (dealership) (times)	**2.58**	2.61
Working capital to net revenue	**27.6%**	27.4%

Compared to December 31, 2022:

Consolidated invested capital increased $727 million from December 31, 2022 to September 30, 2023. The weaker CAD relative to the GBP was partially offset by the slightly stronger CAD relative to the USD compared to December 31, 2022 and did not have a significant impact on consolidated invested capital.

The increase in consolidated invested capital from December 31, 2022 to September 30, 2023 reflects:

- higher inventory in all regions, especially new and used equipment in Canada and new equipment in UK & Ireland, as well as higher parts and supplies inventory in South America, driven by higher demand for equipment and product support;
- an increase in unbilled receivables in South America and accounts receivable in Canada, driven by an increase in demand and activity;



- a decrease in deferred revenue in Canada, mainly due to an increase in product support contracts activity; and,
- an increase in other current assets, primarily in South America.

On a consolidated basis, Adjusted ROIC of 20.2% at September 30, 2023 improved 150 basis points from Adjusted ROIC at December 31, 2022. Consolidated invested capital turnover of 2.08 at September 30, 2023 was higher than 2.01 at December 31, 2022. The improvements over the same prior year period are the result of higher revenue and improved profitability in South America and Canada outpacing the increase in average invested capital levels.

Inventory turns (dealership) at September 30, 2023 were slightly lower than December 31, 2022, driven by UK & Ireland partially offset by Canada and South America, mainly due to higher inventory levels to deliver strong equipment backlog.

Working capital to net revenue of 27.6% at September 30, 2023 was comparable to December 31, 2022 due to higher average working capital balances, including an investment in inventory, mostly offset by net revenue growth over the last twelve months.

Results by Reportable Segment

We operate primarily in one principal business: the sale, service, and rental of heavy equipment, engines, and related products in various markets on three continents. Our reportable segments are Canada, South America, UK & Ireland, and Other.

The table below provides details of net revenue by lines of business and results by operation.

3 months ended September 30, 2023 ($ millions)	**Canada**	**South America**	**UK & Ireland**	**Other**	**Consol**	**Net Revenue % [(1)]**
New equipment	**407**	**288**	**175**	**—**	**870**	**36%**
Used equipment	**45**	**13**	**14**	**—**	**72**	**3%**
Equipment rental	**55**	**19**	**12**	**—**	**86**	**3%**
Product support	**714**	**533**	**115**	**—**	**1,362**	**56%**
Fuel and other	**47**	**—**	**—**	**—**	**47**	**2%**
Net revenue	**1,268**	**853**	**316**	**—**	**2,437**	**100%**
Operating costs	**(1,084)**	**(717)**	**(287)**	**(7)**	**(2,095)**	
Depreciation and amortization	**(51)**	**(32)**	**(10)**	**(1)**	**(94)**	
Equity earnings	**4**	**—**	**—**	**—**	**4**	
EBIT	**137**	**104**	**19**	**(8)**	**252**	
Net revenue percentage by operation	**52%**	**35%**	**13%**	**—**	**100%**	
EBIT as a % of net revenue	***10.8%***	***12.3%***	***5.9%***		***10.3%***	

3 months ended September 30, 2022 ($ millions)	Canada	South America	UK & Ireland	Other	Consol	Net Revenue %
New equipment	259	204	216	—	679	32%
Used equipment	69	10	17	—	96	5%
Equipment rental	53	15	11	—	79	4%
Product support	647	463	99	—	1,209	57%
Fuel and other	44	—	—	—	44	2%
Net revenue	1,072	692	343	—	2,107	100%
Operating costs	(900)	(582)	(311)	(6)	(1,799)	
Depreciation and amortization	(47)	(25)	(11)	(1)	(84)	
EBIT	125	85	21	(7)	224	
Net revenue percentage by operation	51%	33%	16%	—	100%	
EBIT as a % of net revenue	*11.7%*	*12.3%*	*6.2%*		*10.7%*	

(1) See “Description of Specified Financial Measures and Reconciliations” in this MD&A.

9 months ended September 30, 2023 ($ millions)	**Canada**	**South America**	**UK & Ireland**	**Other**	**Consol**	**Net Revenue %**
New equipment	**1,146**	**782**	**515**	**—**	**2,443**	**34%**
Used equipment	**177**	**33**	**47**	**—**	**257**	**4%**
Equipment rental	**148**	**57**	**34**	**—**	**239**	**3%**
Product support	**2,184**	**1,544**	**337**	**—**	**4,065**	**57%**
Fuel and other	**136**	**—**	**—**	**—**	**136**	**2%**
Net revenue	**3,791**	**2,416**	**933**	**—**	**7,140**	**100%**
Operating costs	**(3,245)**	**(2,034)**	**(847)**	**(32)**	**(6,158)**	
Depreciation and amortization	**(151)**	**(93)**	**(32)**	**(4)**	**(280)**	
Equity earnings	**8**	**—**	**—**	**—**	**8**	
Other income	**—**	**—**	**—**	**41**	**41**	
Other expenses	**(4)**	**(7)**	**(2)**	**(5)**	**(18)**	
EBIT	**399**	**282**	**52**	**—**	**733**	
Net revenue percentage by operation	**53%**	**34%**	**13%**	**—**	**100%**	
Adjusted EBIT	**403**	**289**	**54**	**(36)**	**710**	
EBIT as a % of net revenue	***10.5%***	***11.7%***	***5.5%***		***10.3%***	
Adjusted EBIT as a % of net revenue	***10.6%***	***12.0%***	***5.7%***		***9.9%***	

9 months ended September 30, 2022 ($ millions)	Canada	South America	UK & Ireland	Other	Consol	Net Revenue %
New equipment	693	613	633	—	1,939	33%
Used equipment	197	28	36	—	261	4%
Equipment rental	138	43	33	—	214	4%
Product support	1,819	1,216	276	—	3,311	57%
Fuel and other	122	—	—	—	122	2%
Net revenue	2,969	1,900	978	—	5,847	100%
Operating costs	(2,522)	(1,615)	(889)	(22)	(5,048)	
Depreciation and amortization	(141)	(71)	(31)	(3)	(246)	
Equity earnings	1	—	—	—	1	
EBIT	307	214	58	(25)	554	
Net revenue percentage by operation	51%	32%	17%	—	100%	
EBIT as a % of net revenue	*10.3%*	*11.3%*	*6.0%*		*9.5%*	

Canada Operations

Third Quarter Overview

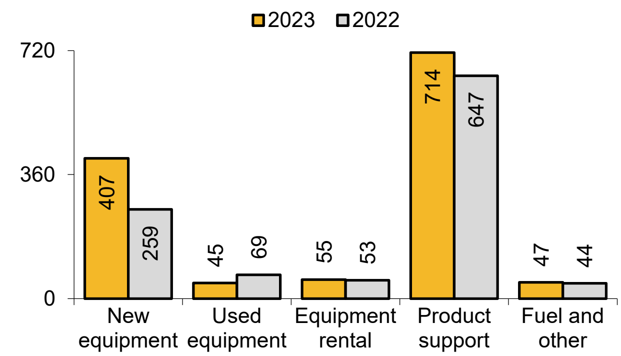
Q3 2023 net revenue was 18% higher than Q3 2022, driven by higher new equipment and product support revenue, mainly in the mining sector.

Q3 2023 new equipment revenue was 57% higher than Q3 2022, led by mining deliveries to oil sands customers, project activity in the power systems sector, and construction growth across most industries. Equipment backlog at September 30, 2023 continues to be at strong levels, although lower than at June 30, 2023 due to deliveries outpacing order intake.

Product support revenue in Q3 2023 was up 10% compared to the same prior year period, driven by strong mining activity.

Used equipment revenue decreased by 34% due to sales of used mining trucks in Q3 2022 and softer market conditions this year.

Net Revenue by Line of Business
Canada Operations
3 months ended September 30
($ millions)



Gross profit in Q3 2023 increased from the same period in the prior year due to the strong execution of our strategy to grow the installed equipment base and product support revenue. Overall gross profit as a percentage of net revenue in Q3 2023 decreased from Q3 2022 reflecting a higher proportion of new equipment in the revenue mix (Q3 2023: 32% compared with Q3 2022: 24%).

Q3 2023 SG&A was up from the comparable prior year period primarily due to variable costs, including people-related costs, to support volume growth across most lines of business. Q3 2023 SG&A as a percentage of net revenue was comparable to the same prior year period.

Q3 2023 EBIT was $137 million, up 10% from the same prior year period, primarily driven by higher volumes across most lines of business. Q3 2023 EBIT as a percentage of net revenue of 10.8% was down from Q3 2022, primarily due to a higher proportion of large mining equipment sales in the revenue mix.

Discussion of our Canadian operation's year-to-date results is included in the Year-to-Date Results section of this MD&A on pages 9 - 10.

South America Operations

The weaker CAD relative to the USD on average in Q3 2023 compared to Q3 2022 had a favourable foreign currency translation impact on Q3 2023 net revenue of approximately $20 million and did not have a significant impact at the EBIT level.

All $ figures in this section are in CAD as this is our reporting currency. All variances and ratios in this section are based on the functional currency of our South American operations, which is the USD.

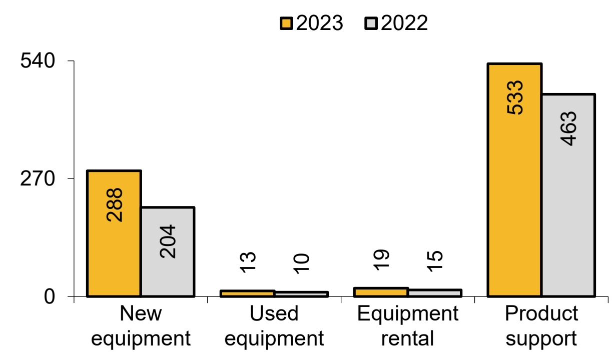
Third Quarter Overview

Q3 2023 net revenue was 20% higher than Q3 2022, driven by higher net revenue in all lines of business, primarily new equipment and product support.

New equipment revenue in Q3 2023 was up 37% from the same prior year period in all market sectors, led by mining deliveries in Chile. Equipment backlog at September 30, 2023 was higher than June 30, 2023 due to strong order intake from mining customers outpacing deliveries.

Product support revenue in Q3 2023 increased 12% from Q3 2022, up in all market sectors but largely driven by demand for component exchanges, equipment overhauls, and fleet maintenance in the mining sector, and higher volumes from new mining product support contracts.

Net Revenue by Line of Business
South America Operations
3 months ended September 30
($ millions)



Gross profit in Q3 2023 increased from the same period in the prior year, driven mainly by higher volumes. Gross profit as a percentage of net revenue in Q3 2023 was lower than Q3 2022 due to lower product support and new equipment margins and a higher proportion of new equipment sales in the revenue mix (Q3 2023: 34% compared with Q3 2022: 30%).

Q3 2023 SG&A was up from Q3 2022 primarily due to higher people-related, variable, and facility costs to support higher volumes. Q3 2023 SG&A as a percentage of net revenue was lower than Q3 2022, mainly due to improved operating leverage on strong revenue growth.

Q3 2023 EBIT improved 20% from Q3 2022, consistent with revenue growth. Q3 2023 EBIT as a percentage of net revenue of 12.3% was comparable with Q3 2022, with an improvement in SG&A as a percentage of net revenue offsetting lower gross profit as a percentage of net revenue.

Discussion of our South American operation's year-to-date results is included in the Year-to-Date Results section of this MD&A on pages 9 - 10. The weaker CAD relative to the USD on average in the nine months ended 2023 compared to 2022 had a favourable foreign currency translation impact on year-to-date 2023 net revenue of approximately $110 million and approximately $15 million at the EBIT level.

UK & Ireland Operations

The weaker CAD relative to the GBP on average in Q3 2023 compared to Q3 2022 had a favourable foreign currency translation impact on Q3 2023 net revenue of approximately $30 million and was not significant at the EBIT level.

All $ figures in this section are in CAD as this is our reporting currency. All variances and ratios in this section are based on the functional currency of our UK & Ireland operations, which is the GBP.

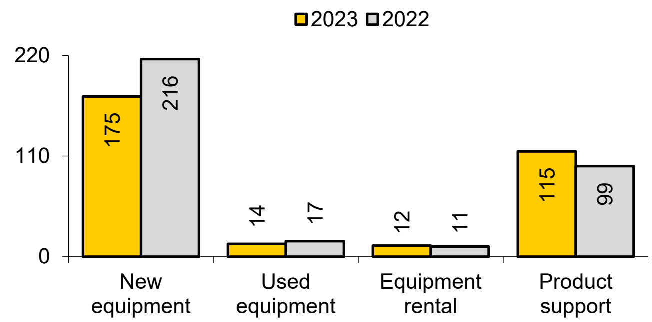
Third Quarter Overview

Third quarter 2023 net revenue was down 17% from the same period in 2022. The decrease in Q3 2023 was primarily due to lower new equipment revenue partially offset by higher product support revenue.

New equipment revenue was 26% lower year over year primarily in the construction sector partially offset by higher revenue in the power systems sector. Construction sales in Q3 2022 benefited from ***HS2*** deliveries. Equipment backlog at September 30, 2023 was down from June 30, 2023 due to deliveries outpacing order intake, mainly in the power systems and construction sectors.

Q3 2023 product support revenue increased 6% from the same prior year period, driven by strong customer activity and equipment utilization in the power systems sector.

Net Revenue by Line of Business
UK & Ireland Operations
3 months ended September 30
($ millions)



Gross profit in Q3 2023 and overall gross profit as a percentage of net revenue in Q3 2023 were up from Q3 2022 due to a higher proportion of product support in the revenue mix (Q3 2023: 36% compared with Q3 2022: 29%) and improved product support and new equipment margins.

SG&A in Q3 2023 was up compared to the prior year period driven by product support revenue growth which is more SG&A-intensive as well as inflationary increases.

Q3 2023 EBIT was 21% lower than Q3 2022 primarily due to lower volumes and higher SG&A. Q3 2023 EBIT as a percentage of net revenue was 5.9%, down slightly from Q3 2022.

Discussion of our UK & Ireland operation's year-to-date results is included in the Year-to-Date Results section of this MD&A on pages 9 - 10. The weaker CAD relative to the GBP on average in the nine months ended 2023 compared to 2022 had a favourable foreign currency translation impact on year-to-date 2023 net revenue of approximately $40 million and was not significant at the EBIT level.

Other Operations

Our Other operations includes corporate operating costs.

Q3 2023 EBIT loss was $8 million, comparable to Q3 2022 EBIT loss of $7 million in Q3 2022.

Discussion of year-to-date results is included in the Year-to-Date Results section of this MD&A on pages 9 - 10.

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 Disclaimer" beginning on page 30 of this MD&A. Actual outcomes and results may vary significantly.

Canada Operations

Our outlook for Western Canada is positive and reflects broad-based strength across our diverse markets.

As the completion of major pipelines creates additional capacity to move heavy oil and liquefied natural gas to end markets, we expect to see increased activity in the energy sector to grow production. Our mining and energy customers are steadily increasing their investment to renew, maintain, and rebuild aging fleets.

In the oil sands, based on customer commitments and discussions, we anticipate strong demand for product support, including component remanufacturing and rebuilds.

We expect ongoing commitment from federal and provincial governments to infrastructure development to support activity in the construction sector. In addition, growing demand for reliable, efficient, and sustainable electric power solutions across communities in Western Canada creates opportunities for our power systems business.

South America Operations

In Chile, our strong outlook is underpinned by growing demand for copper and improving political clarity. We are encouraged by the recent government approvals of large-scale brownfield expansions and increasing customer confidence to invest in brownfield and greenfield projects. Mining activity remains high, driving strong demand for equipment, product support, and technology solutions.

In the construction sector, we continue to see healthy demand from large contractors supporting mining operations, and we expect infrastructure construction in Chile to remain stable.

In the power systems sector, activity remains strong in the industrial and data centre markets, and we are well positioned to benefit from growing demand for electric power solutions.

High inflation, currency restrictions, and new import regulations are expected to continue impacting our business in Argentina. With the Presidential election process concluding in November, we expect volatility to continue in an already challenging fiscal, regulatory, and currency environment. We continue to actively manage and mitigate these risks, however, the prolonged import and currency restrictions associated with the election process increase our risk and likelihood of losses and negative tax impacts in the fourth quarter.

UK & Ireland Operations

In the construction sector, product support activity is expected to remain resilient, driven by steady machine utilization and growing contribution from ***Hydraquip***. With deliveries to HS2 completed, we continue to expect lower construction sales in the UK in 2023 compared to 2022.

We expect continued strong demand for our UK & Ireland power systems business for both primary and backup power generation, including in the data centre market and short-term capacity power for utilities and other applications.

Executing Well and Building on Positive Momentum

Looking ahead, we are building capabilities and empowering our people to drive customer loyalty and execute on the strategic priorities we outlined at our 2023 Investor Day: drive product support, full-cycle resilience, and sustainable growth.

To support growth in the business and our strategic priorities, we now expect our 2023 net capital expenditures and net rental fleet additions to be approximately $300 million, above the previously communicated range of $190 million to $240 million. An increase in expenditures is primarily attributable to higher reinvestment in rental fleet, strategic investments in mining trucks, and the timing of certain facility disposals.

Liquidity and Capital Resources

We assess liquidity in terms of our ability to generate sufficient cash flow, along with other sources of liquidity including cash and borrowings, to fund operations and growth. Liquidity is affected by operating, investing, and financing activities.

Cash flows provided by (used in) each of these activities and free cash flow were as follows:

	3 months ended September 30		9 months ended September 30	
($ millions)	**2023**	2022	**2023**	2022
Operating activities	**37**	(24)	**(63)**	(409)
Investing activities	**(49)**	(42)	**(176)**	(189)
Financing activities	**88**	(40)	**136**	147
Operating activities	**37**	(24)	**(63)**	(409)
Additions to property, plant, and equipment and intangible assets	**(50)**	(33)	**(169)**	(93)
Proceeds on disposal of property, plant, and equipment	**13**	—	**18**	—
Free cash flow	**—**	(57)	**(214)**	(502)

The most significant contributors to the changes in cash flows for 2023 over 2022 were as follows (all events described were in the current period, unless otherwise stated):

	Quarter over Quarter	Year-to-date over Year-to-date
Free cash flow	• higher collections from increased revenues in Canada and South America; partially offset by, • lower collections in UK & Ireland from lower new equipment sales; and, • higher spend on inventory and other supplier payments to support increased demand, mainly in Canada	• higher collections from increased revenues in Canada and South America; partially offset by, • higher spend on inventory to support increased demand in Canada and South America; • higher payroll and other supplier payments in Canada and South America; and, • $58 million higher net spend for property, plant, and equipment and $47 million higher net spend for rental fleet and rental equipment with purchase options
Investing activities (excluding net spend on property, plant, and equipment)	• Q3 2023 net spend was comparable to Q3 2022	• $13 million consideration paid for acquisitions, primarily made in a prior year; and, • $100 million net cash consideration paid in 2022 to acquire Hydraquip and other businesses in Canada and the UK & Ireland
Financing activities	• $209 million provided by short-term borrowings compared to $37 million in Q3 2022; and, • $43 million higher repurchases of common shares	• $348 million cash provided by long-term borrowings; • $66 million lower repayment of long-term borrowings; partially offset by, • $332 million lower cash provided by short-term borrowings; and, • $86 million higher repurchases of common shares

Capital resources and management

Our cash and cash equivalents balance at September 30, 2023 was $168 million (December 31, 2022: $288 million). In May 2023, we issued $350 million of 4.445% senior unsecured notes due May 16, 2028 and we settled £70 million of 3.40% senior notes which were due on May 22, 2023. At September 30, 2023, to complement internally generated funds from operating and investing activities, we had approximately $2.6 billion in unsecured committed and uncommitted credit facilities. Included in this amount is a committed sustainability-linked revolving credit facility totaling $1.3 billion with various Canadian and global financial institutions which is set to mature in September 2026 and an additional $300 million committed revolving credit facility which was previously set to mature in October 2023 and has been extended to October 2024. At September 30, 2023, approximately $370 million was available collectively under these committed revolving credit facilities. We are subject to certain covenants under our committed revolving credit facilities and were in compliance with these covenants at September 30, 2023.

We continuously monitor actual and forecasted cash flows, manage the maturity profiles of our financial liabilities, and maintain committed and uncommitted credit facilities. We believe that based on cash on hand, available credit facilities, and the discretionary nature of certain cash flows, such as rental and capital expenditures, we have sufficient liquidity to meet operational needs.

Finning is rated [(1)] by both ***DBRS*** and ***S&P***:

	Long-term debt		Short-term debt	
	Sep 30, 2023	Dec 31, 2022	**Sep 30, 2023**	Dec 31, 2022
DBRS	BBB (high)	BBB (high)	R-2 (high)	R-2 (high)
S&P	BBB+	BBB+	***n/a***	n/a

In April 2023, DBRS affirmed our BBB (high) long-term rating and R-2 (high) commercial paper rating both with stable trends. In May 2023, S&P affirmed our BBB+ long-term rating with stable outlook.

During the nine months ended September 30, 2023, we repurchased 5,967,044 common shares for cancellation for $227 million, at an average cost of $38.12 per share, through our ***NCIB*** [(2)]. During the nine months ended September 30, 2022, we repurchased 4,649,748 common shares for cancellation for $149 million, at an average cost of $32.04 per share.

In connection with our NCIB, we implemented an automatic share purchase plan with a designated broker to enable share repurchases for cancellation during selected blackout periods. At September 30, 2023, we recorded an obligation of $6 million for the repurchase of shares from October 2, 2023 to November 7, 2023, under this automatic share purchase plan.

Net Debt to Adjusted EBITDA

We monitor net debt to Adjusted EBITDA to assess our operating leverage and ability to repay debt. This ratio approximates the length of time, in years, that it would take us to repay our debt, with net debt and Adjusted EBITDA held constant.

	Finning long-term target	Sep 30, 2023	Dec 31, 2022
Net debt to Adjusted EBITDA ratio (times)	**< 3.0**	**1.8**	1.6

(1) A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

(2) A copy of the NCIB notice is available on request directed to the Corporate Secretary, 19100 94 Avenue, Surrey, BC V4N 5C3.

Accounting Policies and Pronouncements

New Accounting Pronouncements

The adoption of recent amendments to accounting standards had no impact on our financial statements. For more details on new standards and amendments to IFRS that were effective January 1, 2023 as well as future accounting pronouncements and effective dates, please refer to note 1 of our Interim Financial Statements.

Risk Factors and Management

We are exposed to market, credit, liquidity, and other risks in the normal course of our business activities. Our ***ERM*** process is designed to ensure that such risks are identified, managed, and reported. This framework assists us in managing business activities and risks across the organization to achieve our strategic objectives.

We maintain a strong risk management culture to protect and enhance shareholder value. On a quarterly basis, ***Board*** level committees review our business risk assessment and the management of key business risks, any changes to key risk exposures, and the steps taken to monitor and control such exposures, and report their review to the Board. The Board reviews all material risks on an annual basis. The Board also reviews the adequacy of disclosures of key risks in our AIF, MD&A, and financial statements on a quarterly and annual basis. All key financial risks are disclosed in our annual MD&A and other key business risks are disclosed in our AIF.

Foreign Exchange Risk

Key exchange rates that impacted our results were as follows:

Exchange rate	September 30			December 31		3 months ended September 30 – average			9 months ended September 30 – average		
	2023	2022	Change	2022	Change	**2023**	2022	Change	**2023**	2022	Change
USD/CAD	**1.3520**	1.3707	1%	1.3544	0%	**1.3414**	1.3056	(3)%	**1.3456**	1.2828	(5)%
GBP/CAD	**1.6510**	1.5098	(9)%	1.6322	(1)%	**1.6978**	1.5354	(11)%	**1.6744**	1.6117	(4)%
USD/***CLP***	**895.60**	966.00	7%	855.86	(5)%	**852.83**	924.87	8%	**820.62**	856.83	4%
USD/***ARS***	**349.95**	147.07	(138)%	177.16	(98)%	**309.62**	135.58	(128)%	**235.11**	119.05	(97)%

The impact of foreign exchange due to fluctuations in the value of CAD relative to USD, GBP, CLP, and ARS is expected to continue to affect our results.

Outstanding Share Data

October 31, 2023	
Common shares outstanding	145,164,759
Options outstanding	1,191,037

Controls and Procedures Certification

Disclosure Controls and Procedures

We are responsible for establishing and maintaining a system of controls and procedures over the public disclosure of our financial and non-financial information. Such controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the ***CEO*** and ***CFO***, on a timely basis so that appropriate decisions can be made regarding public disclosure.

The CEO and the CFO, together with other members of management, have designed our disclosure controls and procedures in order to provide reasonable assurance that material information relating to Finning and its consolidated subsidiaries is made known to them in a timely manner.

We have a Corporate Disclosure Policy and a Disclosure Committee in place to mitigate risks associated with the disclosure of inaccurate or incomplete information, or failure to disclose required information.

- The Corporate Disclosure Policy sets out accountabilities, authorized spokespersons, and our approach to the determination, preparation, and dissemination of material information. The policy also defines restrictions on insider trading and the handling of confidential information.
- The Disclosure Committee, consisting of senior management, including legal counsel, reviews all financial information prepared for communication to the public to ensure it meets all regulatory requirements. The Disclosure Committee is responsible for raising any outstanding issues it believes require the attention or approval of the ***Audit Committee*** prior to recommending disclosure, subject to legal requirements applicable to disclosure of material information.

Internal Control over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting. We have designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. There has been no change in the design of our internal controls over financial reporting during the three months ended September 30, 2023 that would materially affect, or is reasonably likely to materially affect, our internal control over financial reporting.

Regular involvement of our internal audit function and quarterly reporting to the Audit Committee assist in providing reasonable assurance that the objectives of the control system are met. While our officers have designed our disclosure controls and procedures and internal control over financial reporting to provide reasonable assurance that the objectives of the control systems are met, they are aware that these controls and procedures 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.

Description of Specified Financial Measures and Reconciliations

Specified Financial Measures

We believe that certain specified financial measures, including non-GAAP financial measures, provide users of our MD&A and consolidated financial statements with important information regarding the operational performance and related trends of our business. The specified financial measures we use do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers. Accordingly, specified financial measures should not be considered as a substitute or alternative for financial measures determined in accordance with GAAP (GAAP financial measures). By considering these specified financial measures in combination with the comparable GAAP financial measures (where available) we believe that users are provided a better overall understanding of our business and financial performance during the relevant period than if they simply considered the GAAP financial measures alone.

We use KPIs to consistently measure performance against our priorities across the organization. Some of our KPIs are specified financial measures.

There may be significant items that we do not consider indicative of our operational and financial trends, either by nature or amount. We exclude these items when evaluating our operating financial performance. These items may not be non-recurring, but we believe that excluding these significant items from GAAP financial measures provides a better understanding of our financial performance when considered in conjunction with the GAAP financial measures. Financial measures that have been adjusted to take these significant items into account are referred to as “Adjusted measures”. Adjusted measures are specified financial measures and are intended to provide additional information to readers of the MD&A.

Descriptions and components of the specified financial measures we use in this MD&A are set out below. Where applicable, quantitative reconciliations from certain specified financial measures to their most directly comparable GAAP financial measures (specified, defined, or determined under GAAP and used in our consolidated financial statements) are also set out below.

Adjusted EPS

Adjusted EPS excludes the after-tax per share impact of significant items that we do not consider to be indicative of operational and financial trends either by nature or amount to provide a better overall understanding of our underlying business performance. The tax impact of each significant item is calculated by applying the relevant applicable tax rate for the jurisdiction in which the significant item occurred. The after-tax per share impact of significant items is calculated by dividing the after-tax amount of significant items by the weighted average number of common shares outstanding during the period.

A reconciliation between EPS (the most directly comparable GAAP financial measure) and Adjusted EPS can be found on page 24 of this MD&A.

Adjusted EBIT and Adjusted EBITDA

Adjusted EBIT and Adjusted EBITDA exclude items that we do not consider to be indicative of operational and financial trends, either by nature or amount, to provide a better overall understanding of our underlying business performance.

Adjusted EBITDA is calculated by adding depreciation and amortization to Adjusted EBIT.

The most directly comparable GAAP financial measure to Adjusted EBITDA and Adjusted EBIT is EBIT.

Significant items identified by management that affected our results were as follows:

- In Q1 2023, we executed various transactions to simplify and adjust our organizational structure. We wound up two wholly owned subsidiaries, recapitalized and repatriated $170 million of profits from our South American operations, and incurred severance costs in each region as we reduced corporate overhead costs and simplified our operating model. As a result of these activities, our Q1 2023 financial results were impacted by significant items that we do not consider indicative of operational and financial trends:
  - Net foreign currency translation gain and income tax expense were reclassified to net income on the wind up of foreign subsidiaries;
  - Withholding tax payable related to the repatriation of profits; and,
  - Severance costs incurred in all of our operations.
- Finning qualified for and recorded a benefit from Q2 2020 to Q1 2021 related to ***CEWS***, which was introduced by the Government of Canada in response to the ***COVID-19*** pandemic for eligible entities that met specific criteria.
- In December 2020, the shareholders of ***Energyst***, which included Finning, decided to restructure the company. A plan was put in place to sell any remaining assets and wind up Energyst, with net proceeds from the sale to be distributed to Energyst's shareholders. In Q1 2021, we recorded a return on our investment in Energyst.

A reconciliation from EBIT to Adjusted EBIT and Adjusted EBITDA for our consolidated operations is as follows:

3 months ended		**2023**				2022				2021	2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
EBIT	**252**	242	239	214	224	190	140	157	150	137	108	108
Significant items:												
Gain on wind up of foreign subsidiaries	**—**	—	(41)	—	—	—	—	—	—	—	—	—
Severance costs	**—**	—	18	—	—	—	—	—	—	—	—	—
CEWS support	**—**	—	—	—	—	—	—	—	—	—	(10)	(14)
Return on Energyst investment	**—**	—	—	—	—	—	—	—	—	—	(5)	—
Adjusted EBIT	**252**	242	216	214	224	190	140	157	150	137	93	94
Depreciation and amortization	**94**	94	92	87	84	81	81	84	80	78	77	77
Adjusted EBITDA [1]	**346**	336	308	301	308	271	221	241	230	215	170	171

(1) These are non-GAAP financial measures. See "Description of Specified Financial Measures and Reconciliations" in this MD&A.

The impact on provision for income taxes of the significant items was as follows:

3 months ended	2023			2022				2021	
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Significant items:									
Gain on wind up of foreign subsidiaries	**—**	—	9	—	—	—	—	—	—
Severance costs	**—**	—	(5)	—	—	—	—	—	—
Withholding tax on repatriation of profits	**—**	—	19	—	—	—	—	—	—
Provision for income taxes on the significant items	**—**	—	23	—	—	—	—	—	—

A reconciliation from EPS to Adjusted EPS for our consolidated operations is as follows:

3 months ended	2023			2022				2021	
($)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EPS [(1)]	**1.07**	1.00	0.89	0.89	0.97	0.80	0.59	0.66	0.61
Significant items:									
Gain on wind up of foreign subsidiaries	**—**	—	(0.21)	—	—	—	—	—	—
Severance costs	**—**	—	0.09	—	—	—	—	—	—
Withholding tax on repatriation of profits	**—**	—	0.12	—	—	—	—	—	—
Adjusted EPS	**1.07**	1.00	0.89	0.89	0.97	0.80	0.59	0.66	0.61

(1) The per share impact for each quarter has been calculated using the weighted average number of common shares outstanding during the respective quarters; therefore, quarterly amounts may not add to the annual or year-to-date total.

A reconciliation from EBIT to Adjusted EBIT for our Canadian operations is as follows:

3 months ended	2023			2022				2021				2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
EBIT	**137**	136	126	128	125	102	80	92	84	82	69	72
Significant items:												
Severance costs	**—**	—	4	—	—	—	—	—	—	—	—	—
CEWS support	**—**	—	—	—	—	—	—	—	—	—	(10)	(13)
Adjusted EBIT	**137**	136	130	128	125	102	80	92	84	82	59	59

A reconciliation from EBIT to Adjusted EBIT for our South American operations is as follows:

3 months ended	2023			2022				2021				2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
EBIT	**104**	104	74	96	85	64	65	59	58	51	41	41
Significant item:												
Severance costs	**—**	—	7	—	—	—	—	—	—	—	—	—
Adjusted EBIT	**104**	104	81	96	85	64	65	59	58	51	41	41

A reconciliation from EBIT to Adjusted EBIT for our UK & Ireland operations is as follows:

3 months ended			**2023**				2022				2021	2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
EBIT	**19**	18	15	16	21	23	14	12	17	17	7	11
Significant item:												
Severance costs	**—**	—	2	—	—	—	—	—	—	—	—	—
Adjusted EBIT	**19**	18	17	16	21	23	14	12	17	17	7	11

A reconciliation from EBIT to Adjusted EBIT for our Other operations is as follows:

3 months ended			**2023**				2022				2021	2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
EBIT	**(8)**	(16)	24	(26)	(7)	1	(19)	(6)	(9)	(13)	(9)	(16)
Significant items:												
Gain on wind up of foreign subsidiaries	**—**	—	(41)	—	—	—	—	—	—	—	—	—
Severance costs	**—**	—	5	—	—	—	—	—	—	—	—	—
Return on Energyst investment	**—**	—	—	—	—	—	—	—	—	—	(5)	—
CEWS support	**—**	—	—	—	—	—	—	—	—	—	—	(1)
Adjusted EBIT	**(8)**	(16)	(12)	(26)	(7)	1	(19)	(6)	(9)	(13)	(14)	(17)

Equipment Backlog

Equipment backlog is defined as the retail value of new equipment units ordered by customers for future deliveries. We use equipment backlog as a measure of projecting future new equipment deliveries. There is no directly comparable GAAP financial measure for equipment backlog.

Free Cash Flow

Free cash flow is defined as cash flow provided by or used in operating activities less net additions to property, plant, and equipment and intangible assets, as disclosed in our financial statements. We use free cash flow to assess cash operating performance, including working capital efficiency. Consistent positive free cash flow generation enables us to re-invest capital to grow our business and return capital to shareholders. A reconciliation from cash flow used in or provided by operating activities to free cash flow is as follows:

3 months ended			**2023**				2022		2021
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Cash flow provided by (used in) operating activities	**37**	66	(166)	410	(24)	(112)	(273)	193	212
Additions to property, plant, and equipment and intangible assets	**(50)**	(40)	(79)	(78)	(33)	(30)	(30)	(45)	(38)
Proceeds on disposal of property, plant, and equipment	**13**	5	—	—	—	—	—	—	2
Free cash flow	**—**	31	(245)	332	(57)	(142)	(303)	148	176

Inventory Turns (Dealership)

Inventory turns (dealership) is the number of times our dealership inventory is sold and replaced over a period. We use inventory turns (dealership) to measure asset utilization. Inventory turns (dealership) is calculated as annualized cost of sales (excluding cost of sales related to the mobile refuelling operations) for the last six months divided by average inventory (excluding inventory related to the mobile refuelling operations), based on an average of the last two quarters. Cost of sales related to the dealership and inventory related to the dealership are calculated as follows:

3 months ended			**2023**				2022			2021
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Cost of sales	**2,044**	2,125	1,758	2,025	1,807	1,761	1,463	1,465	1,443	1,396
Cost of sales related to the mobile refuelling operations	**(283)**	(237)	(253)	(302)	(293)	(300)	(231)	(190)	(170)	(153)
Cost of sales related to the dealership [(1)]	**1,761**	1,888	1,505	1,723	1,514	1,461	1,232	1,275	1,273	1,243

			2023				2022			2021
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Inventory	**2,919**	2,764	2,710	2,461	2,526	2,228	2,101	1,687	1,627	1,643
Inventory related to the mobile refuelling operations	**(17)**	(14)	(12)	(12)	(12)	(13)	(11)	(9)	(6)	(3)
Inventory related to the dealership [(1)]	**2,902**	2,750	2,698	2,449	2,514	2,215	2,090	1,678	1,621	1,640

Invested Capital

Invested capital is calculated as net debt plus total equity. Invested capital is also calculated as total assets less total liabilities, excluding net debt. Net debt is calculated as short-term and long-term debt, net of cash and cash equivalents. We use invested capital as a measure of the total cash investment made in Finning and each reportable segment. Invested capital is used in a number of different measurements (ROIC, Adjusted ROIC, invested capital turnover) to assess financial performance against other companies and between reportable segments. Invested capital is calculated as follows:

			2023				2022				2021	2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Cash and cash equivalents	**(168)**	(74)	(129)	(288)	(120)	(170)	(295)	(502)	(518)	(378)	(469)	(539)
Short-term debt	**1,372**	1,142	1,266	1,068	1,087	992	804	374	419	114	103	92
Long-term debt												
Current	**203**	199	253	114	106	110	63	190	191	386	326	201
Non-current	**955**	949	675	815	836	807	909	921	923	903	973	1,107
Net debt [(1)]	**2,362**	2,216	2,065	1,709	1,909	1,739	1,481	983	1,015	1,025	933	861
Total equity	**2,535**	2,414	2,480	2,461	2,449	2,337	2,296	2,343	2,320	2,252	2,244	2,206
Invested capital	**4,897**	4,630	4,545	4,170	4,358	4,076	3,777	3,326	3,335	3,277	3,177	3,067

Invested Capital Turnover

We use invested capital turnover to measure capital efficiency. Invested capital turnover is calculated as net revenue for the last twelve months divided by average invested capital of the last four quarters.

(1) These are non-GAAP financial measures. See “Description of Specified Financial Measures and Reconciliations” in this MD&A.

Net Debt to Adjusted EBITDA Ratio

This ratio is calculated as net debt divided by Adjusted EBITDA for the last twelve months. We use this ratio to assess operating leverage and ability to repay debt. This ratio approximates the length of time, in years, that it would take us to repay debt, with net debt and Adjusted EBITDA held constant.

Net Revenue, Gross Profit as a % of Net Revenue, SG&A as a % of Net Revenue, EBIT as a % of Net Revenue, Net Revenue by Line of Business as a % of Net Revenue, and Net Revenue by Operation as a % of Net Revenue

Net revenue is defined as total revenue less the cost of fuel related to the mobile refuelling operations in our Canadian operations. As these fuel costs are pass-through in nature for this business, we view net revenue as more representative than revenue in assessing the performance of the business because the rack price for the cost of fuel is fully passed through to the customer and is not in our control. For our South American and UK & Ireland operations, net revenue is the same as total revenue.

We use these specified financial measures to assess and evaluate the financial performance or profitability of our reportable segments. We may also calculate EBIT as a % of net revenue using Adjusted EBIT to exclude significant items we do not consider to be indicative of operational and financial trends either by nature or amount to provide a better overall understanding of our underlying business performance.

The ratios are calculated, respectively, as gross profit divided by net revenue, SG&A divided by net revenue, EBIT divided by net revenue, net revenue by line of business divided by net revenue, and net revenue by operation divided by net revenue. The most directly comparable GAAP financial measure to net revenue is total revenue. Net revenue is calculated as follows:

3 months ended			**2023**				2022				2021	2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Total revenue	**2,704**	2,779	2,380	2,653	2,384	2,289	1,953	1,949	1,904	1,845	1,596	1,666
Cost of fuel	**(267)**	(220)	(236)	(285)	(277)	(285)	(217)	(175)	(156)	(140)	(127)	(115)
Net revenue	**2,437**	2,559	2,144	2,368	2,107	2,004	1,736	1,774	1,748	1,705	1,469	1,551

ROIC and Adjusted ROIC

ROIC is defined as EBIT for the last twelve months divided by average invested capital of the last four quarters, expressed as a percentage. We view ROIC as a useful measure for capital allocation decisions that drive profitable growth and attractive returns to shareholders. We also calculate Adjusted ROIC using Adjusted EBIT to exclude significant items that we do not consider to be indicative of operational and financial trends either by nature or amount to provide a better overall understanding of our underlying business performance.

Working Capital & Working Capital to Net Revenue Ratio

Working capital is defined as total current assets (excluding cash and cash equivalents) less total current liabilities (excluding short-term debt and current portion of long-term debt). We view working capital as a measure for assessing overall liquidity. The working capital to net revenue ratio is calculated as average working capital of the last four quarters, divided by net revenue for the last twelve months. We use this KPI to assess the efficiency in our use of working capital to generate net revenue. Working capital is calculated as follows:

	2023			2022				2021				2020
($ millions)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Total current assets	**5,217**	4,985	4,974	4,781	4,652	4,098	4,030	3,619	3,620	3,416	3,319	3,214
Cash and cash equivalents	**(168)**	(74)	(129)	(288)	(120)	(170)	(295)	(502)	(518)	(378)	(469)	(539)
Total current assets in working capital	**5,049**	4,911	4,845	4,493	4,532	3,928	3,735	3,117	3,102	3,038	2,850	2,675
Total current liabilities	**3,690**	3,569	3,763	3,401	3,196	2,789	2,647	2,155	2,156	1,942	1,817	1,623
Short-term debt	**(1,372)**	(1,142)	(1,266)	(1,068)	(1,087)	(992)	(804)	(374)	(419)	(114)	(103)	(92)
Current portion of long-term debt	**(203)**	(199)	(253)	(114)	(106)	(110)	(63)	(190)	(191)	(386)	(326)	(201)
Total current liabilities in working capital	**2,115**	2,228	2,244	2,219	2,003	1,687	1,780	1,591	1,546	1,442	1,388	1,330
Working capital [(1)]	**2,934**	2,683	2,601	2,274	2,529	2,241	1,955	1,526	1,556	1,596	1,462	1,345

(1) These are non-GAAP financial measures. See "Description of Specified Financial Measures and Reconciliations" in this MD&A.

Selected Quarterly Information

($ millions, except for share, per share, and option amounts)	2023			2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue								
Canada	**1,535**	1,593	1,386	1,452	1,349	1,298	1,101	1,089
South America	**853**	856	707	840	692	637	571	582
UK & Ireland [1]	**316**	330	287	361	343	354	281	278
Total revenue	**2,704**	2,779	2,380	2,653	2,384	2,289	1,953	1,949
Net income attributable to shareholders of Finning [1][2]	**156**	148	134	136	149	126	92	104
Earnings per share [1][2]								
EPS	**1.07**	1.00	0.89	0.89	0.97	0.80	0.59	0.66
Diluted earnings per share	**1.06**	1.00	0.89	0.89	0.97	0.80	0.59	0.65
Total assets [1]	**7,738**	7,508	7,512	7,269	7,024	6,470	6,402	5,971
Long-term debt								
Current	**203**	199	253	114	106	110	63	190
Non-current	**955**	949	675	815	836	807	909	921
Total long-term debt [3]	**1,158**	1,148	928	929	942	917	972	1,111
Cash dividends paid per common share	**25.0¢**	25.0¢	23.6¢	23.6¢	23.6¢	23.6¢	22.5¢	22.5¢
Common shares outstanding (000's)	**145,256**	146,704	149,584	151,041	153,248	154,272	156,249	157,808
Options outstanding (000's)	**1,191**	1,240	1,281	1,567	1,796	1,789	1,545	1,773

(1) In March 2022, we acquired Hydraquip in our UK & Ireland reportable segment. The results of operations and financial position of this acquired business have been included in the figures since the date of acquisition.

(2) These reported financial measures in Q1 2023 have been impacted by significant items management does not consider indicative of operational and financial trends either by nature of amount. These significant items are summarized on pages 23 - 25 of this MD&A.

(3) In October 2022, we secured an additional $300 million committed revolving credit facility which was previously set to mature in October 2023 and has been extended to October 2024.

In May 2023, we issued $350 million of 4.445% senior unsecured notes due May 16, 2028.

In May 2023, we settled our 3.40% £70 million senior notes which were due May 22, 2023.

In the three months ended December 31, 2022, we settled $15 million notional value of our 2.626% $200 million note due August 14, 2026, on the secondary market.

In April 2022, we settled our 4.18% USD $50 million note which was due April 3, 2022.

In January 2022, we settled our 3.98% USD $100 million note which was due January 19, 2022.

Forward-Looking Information Disclaimer

This report contains information about our business outlook, objectives, plans, strategic priorities and other information that is not historical fact. Information is forward-looking when we use what we know and expect today to give information about the future. Forward-looking information 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. All forward-looking information in this MD&A is subject to this disclaimer including the assumptions and material risk factors discussed and referred to below. Forward-looking information in this report also includes, but is not limited to, the following: our expectation that our effective tax rate generally be within the 25-30% range on an annual basis; our expectation that the impact of foreign exchange due to fluctuations in the value of CAD relative to USD, GBP, CLP, and ARS will continue to affect our results; our ability to execute on our strategic priorities; our expectations of our growth objectives continuing to be supported by strong megatrends, energy transition, connectivity and automation, and the asset sharing economy; the expected transition to cleaner sources of energy; all information in the section entitled "Market Update and Business Outlook" starting on page 17 of this MD&A, including for our Canada operations: our outlook for Western Canada being positive and reflecting broad-based strength across our diverse markets; our expectation for increased activity in the energy sector to grow production (based on assumptions of additional capacity created by the completion of major pipelines); our expectation for mining and energy customers steadily increasing their investment to renew, maintain, and rebuild aging fleets; in the oil sands, our expectation for strong demand for product support, including component remanufacturing and rebuilds; our expectation of ongoing commitment from federal and provincial governments to infrastructure development to support activity in the construction sector; our expectations for growing demand for reliable, efficient, and sustainable electric power solutions across communities in Western Canada; for our South America operations: in Chile, our strong outlook based on growing demand for copper and improving political clarity (and based on assumptions of continued strong mining activity driving demand for equipment, product support and technology solutions, that government approvals of large-scale brownfield expansions will result in projects proceeding as anticipated, and increasing customer confidence to invest in brownfield and greenfield projects); our expectation that infrastructure construction in Chile will remain stable (based on assumptions of continued strong demand from large contractors supporting mining operations); in the power systems sector, activity remaining strong in the industrial and data centre markets, and that we are well positioned to benefit from growing demand for electric power solutions; in Argentina, our expectation that high inflation, currency restrictions and new import regulations will continue impacting our business; our expectation for volatility to continue in an already challenging fiscal, regulatory, and currency environment, and our belief that, while we continue to actively manage and mitigate these risks, the prolonged import and currency restrictions associated with the Argentina election process increases our risk and likelihood of losses and negative tax impacts in the fourth quarter (based on assumptions of continued volatility from the Presidential election process, foreign exchange and potential Argentine peso devaluation); for our UK & Ireland operations: in the construction sector, our expectation that product support activity will remain resilient, driven by steady machine utilization and growing contribution from Hydraquip; our continued expectation of lower construction sales in the UK in 2023 compared to 2022 (based on deliveries to HS2 being completed); our expectation of continued strong demand for our UK & Ireland power systems business for both primary and backup power generation, including in the data centre market and short-term capacity power for utilities and other applications; and overall: our expectation of continued momentum in our business supported by robust customer activity across our diverse end markets, healthy equipment backlog, and strong service levels; our belief that Canada is well positioned for steady growth and that our business in the UK & Ireland is resilient and continues to share practices to drive innovation and efficiency within our company; our expectation for our 2023 net capital expenditures and net rental fleet additions to be approximately $300 million, above the previously communicated range of $190 million to $240 million, primarily due to higher reinvestment in rental fleet, strategic investments in mining trucks and the timing of certain facility disposals; and that we will have sufficient liquidity to meet operational needs (based on cash on hand, available credit facilities and the discretionary nature of certain cash flows, such as rental and capital expenditures).

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 report reflects our expectations at the date of this MD&A. 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 specific factors stated above; the impact and duration of, and our ability to respond to and manage, high inflation, increasing interest rates, supply chain challenges, and the impacts of the Russia-Ukraine war; general economic and market conditions, including increasing inflationary cost pressure, and economic and market conditions in the regions where we operate; perspectives of renewed investments in the oil and gas and mining projects in Argentina; government approvals of large-scale brownfield expansions; support and commitment by Canadian federal and provincial governments in infrastructure development; the constitutional reform process and proposed tax reform bill in Chile; foreign exchange rates; commodity prices; interest rates; 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 effectively integrate and realize expected synergies from businesses that we acquire; our ability to deliver our equipment backlog; 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 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; business disruption resulting from business process change, systems change and organizational change; regulatory initiatives or proceedings, litigation and changes in laws, regulations or policies, including with respect to environmental protection and/or energy transition; 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 availability of carbon neutral technology or renewable power; the cost of climate change initiatives; the occurrence of one or more natural disasters, pandemic outbreaks, geo-political events, acts of terrorism, social unrest or similar disruptions; 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; and 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.

Forward-looking information is provided in this report to give information about our current expectations and plans and allow 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 report 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 volatile commodity prices, high inflation, increasing interest rates, supply chain challenges and the impacts of the Russia-Ukraine war, and successfully execute our strategies to win customers, achieve full cycle resilience (based on assumptions that steps to reduce corporate overhead, drive productivity and optimize working capital while supporting strong business growth will be successful and sustainable) and continue business momentum (based on assumptions that we will be able to continue to source and hire technicians, build capabilities and capacity and successfully and sustainably improve workshop efficiencies); that commodity prices will remain at constructive levels; that our customers will not curtail their activities; that general economic and market conditions will continue to be strong; that the level of customer confidence and spending, and the demand for, and prices of, our products and services will be maintained; that support and demand for renewable energy will continue to grow; that present supply chain and inflationary challenges will not materially impact large project deliveries in our equipment backlog; our ability to successfully execute our plans and intentions, including our strategic priorities as outlined at our 2023 Investor Day; that we will successfully execute initiatives to reduce our GHG emissions and to support our customers on their individual GHG reduction pathways; 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; 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; our current good relationships with Caterpillar, our customers and our suppliers, service providers and other third parties will be maintained and that Caterpillar and such other suppliers will deliver quality, competitive products with supply chain continuity; sustainment of strengthened oil prices and the Alberta government will not re-impose production curtailments; completion of major pipelines and the resulting increased activity in the energy sector; that demand for sustainable electric power solutions in Western Canada will continue to grow; quoting activity for requests for proposals for equipment and product support is reflective of opportunities; and strong recoveries in the regions that we operate.

Some of the assumptions, risks, and other factors that could cause results to differ materially from those expressed in the forward-looking information contained in this report are discussed in our current AIF and in our annual and most recent quarterly MD&A for the financial risks. We caution readers that the risks described in the annual and most recent quarterly MD&A and in the AIF are not the only ones that could impact us. 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.

Except as otherwise indicated, forward-looking information does not reflect the potential impact of any non-recurring or other unusual items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date of this report. The financial impact of these transactions and non-recurring and other unusual items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same manner we present known risks affecting our business.

Glossary of Defined Terms

AIF	Annual Information Form
Annual Financial Statements	Annual consolidated financial statements
ARS	Argentine Peso
Audit Committee	Audit Committee of the Board of Directors of Finning
Board	Board of Directors of Finning
CAD	Canadian dollar
CEO	Chief Executive Officer
CEWS	Canadian Emergency Wage Subsidy
CFO	Chief Financial Officer
CLP	Chilean Peso
CNG	Compressed natural gas
Consol	Consolidated
COVID-19	Novel Coronavirus
DBRS	Dominion Bond Rating Service
EBIT	Earnings (loss) before finance costs and income tax
EBITDA	Earnings (loss) before finance costs, income tax, depreciation, and amortization
Energyst	Energyst B.V.
EPS	Basic earnings per share
ERM	Enterprise risk management
fav	Favourable
Finning	Finning International Inc.
GAAP	Generally accepted accounting principles
GAAP financial measures	A financial measure determined in accordance with GAAP
GBP	UK pound sterling
GHG	Greenhouse gas
HS2	High Speed 2, a planned high-speed railway in the UK the first phase of which is planned to connect London to Birmingham
Hydraquip	Hydraquip Hose Ltd. & Hydraulics and Hoses Direct Ltd.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Interim Financial Statements	Condensed interim consolidated financial statements
KPI	Key performance indicator
LTIP	Long-term incentive plan (also referred to as share-based payment)
MD&A	Management's Discussion and Analysis
n/a	not applicable
NCIB	Normal course issuer bid
RNG	Renewable natural gas
ROIC	Return on invested capital
S&P	Standard and Poor's
SEDAR+	System for Electronic Document Analysis +
SG&A	Selling, general, and administrative costs
Specified Financial Measures	As defined in National Instruments 52-112
UK	United Kingdom
unfav	Unfavourable
USD	US dollar