MANAGEMENT'S DISCUSSION AND ANALYSIS

August 8, 2023

This ***MD&A*** should be read in conjunction with our ***Interim Financial Statements*** and the accompanying notes thereto for the three and six months ended June 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.sedar.com and in the investors section of our website at www.finning.com.

A glossary of defined terms is included on page 32. 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 June 30 2023	2022	% change *fav (unfav)*	6 months ended June 30 2023	2022	% change fav (unfav)
Revenue	**2,779**	2,289	21%	**5,159**	4,242	22%
Net revenue [1]	**2,559**	2,004	28%	**4,703**	3,740	26%
Gross profit	**654**	528	24%	**1,276**	1,018	25%
SG&A	**(415)**	(338)	(23)%	**(822)**	(689)	(19)%
Equity earnings of joint ventures	**3**	—		**4**	1	
Other income	**—**	—		**41**	—	
Other expenses	**—**	—		**(18)**	—	
EBIT	**242**	190	28%	**481**	330	46%
Net income attributable to shareholders of Finning	**148**	126	18%	**282**	218	30%
EPS	**1.00**	0.80	24%	**1.89**	1.39	36%
Free cash flow [2]	**31**	(142)	122%	**(214)**	(445)	52%
Adjusted EBIT [2][3]	**242**	190	28%	**458**	330	39%
Adjusted EPS [1][3]	**1.00**	0.80	24%	**1.89**	1.39	36%
Gross profit as a percentage of net revenue [1]	***25.6%***	*26.3%*		***27.1%***	*27.2%*	
SG&A as a percentage of net revenue [1]	***(16.2)%***	*(16.9)%*		***(17.5)%***	*(18.4)%*	
EBIT as a percentage of net revenue [1]	***9.4%***	*9.4%*		***10.2%***	*8.8%*	
Adjusted EBIT as a percentage of net revenue [1][3]	***9.4%***	*9.4%*		***9.7%***	*8.8%*	
*Adjusted **ROIC*** [1][3]	***20.2%***	*17.5%*		***20.2%***	*17.5%*	

(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 7 and 22 - 24 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

- Q2 2023 revenue was $2.8 billion. Net revenue in Q2 2023 of $2.6 billion was up 28% from Q2 2022, with higher net revenue in all lines of business. This growth was primarily driven by product support revenue which increased 30% from Q2 2022 and equipment deliveries to the mining and power systems sectors.
- Gross profit in Q2 2023 was up 24% and gross profit as a percentage of net revenue of 25.6% was 70 basis points lower than Q2 2022. Compared to the prior year period, Q2 2023 SG&A increased 23% and SG&A as a percentage of net revenue of 16.2% decreased 70 basis points, mainly in Canada. Over the last twelve months ended June 30, 2023, SG&A as a percentage of net revenue was 17.3%.
- Q2 2023 EBIT was $242 million, up 28% from Q2 2022. Q2 2023 EBIT as a percentage of net revenue was 9.9% in Canada, 12.1% in South America, and 5.5% in ***UK*** & Ireland.
- Q2 2023 EPS of $1.00 was up 24% from Q2 2022 EPS of $0.80, driven by significant revenue growth and strong operating margins, partially offset by higher ***LTIP*** and finance costs.
- Q2 2023 free cash flow was $31 million compared to a use of cash of $142 million in the same prior year period, reflecting significant equipment backlog deliveries in the current quarter. Q2 2023 net debt to Adjusted ***EBITDA*** [(1)(2)] was 1.8 times which was comparable to Q2 2022.
- June 30, 2023 Adjusted ROIC was an all-time high of 20.2%, an increase of 270 basis points from Adjusted ROIC at June 30, 2022 and an increase of 150 basis points from Adjusted ROIC at December 31, 2022.
- Consolidated equipment backlog [(1)] was $2.4 billion at June 30, 2023 compared to $2.7 billion at March 31, 2023 and $2.5 billion at December 31, 2022. The decline in the current quarter reflects strong deliveries in Q2 2023 which were up 40% from Q1 2023 and outpaced order intake in South America and 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 22 - 24 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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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 22 - 24 of this MD&A. KPIs that have been adjusted to take these items into account are referred to as “Adjusted measures”.

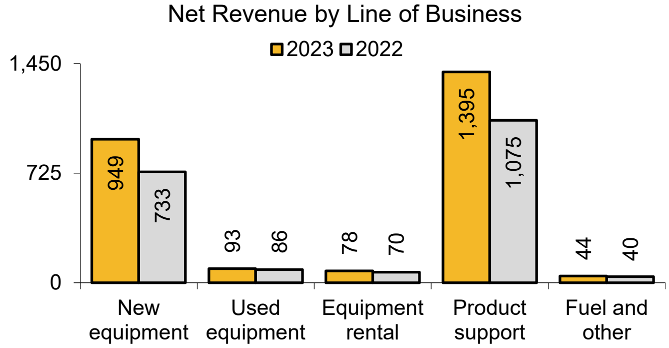
	2023		2022				2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
EBIT ($ millions)	**242**	239	214	224	190	140	157	150	137
Adjusted EBIT ($ millions)	**242**	216	214	224	190	140	157	150	137
EBIT as a % of net revenue									
Consolidated	**9.4%**	11.2%	9.0%	10.7%	9.4%	8.1%	8.9%	8.6%	8.0%
Canada	**9.9%**	11.0%	11.0%	11.7%	10.0%	9.1%	10.1%	10.4%	9.3%
South America	**12.1%**	10.5%	11.4%	12.3%	10.1%	11.4%	10.1%	9.2%	9.8%
UK & Ireland	**5.5%**	5.1%	4.4%	6.2%	6.4%	5.0%	4.3%	5.6%	5.3%
Adjusted EBIT as a % of net revenue									
Consolidated	**9.4%**	10.1%	9.0%	10.7%	9.4%	8.1%	8.9%	8.6%	8.0%
Canada	**9.9%**	11.3%	11.0%	11.7%	10.0%	9.1%	10.1%	10.4%	9.3%
South America	**12.1%**	11.5%	11.4%	12.3%	10.1%	11.4%	10.1%	9.2%	9.8%
UK & Ireland	**5.5%**	5.7%	4.4%	6.2%	6.4%	5.0%	4.3%	5.6%	5.3%
EPS	**1.00**	0.89	0.89	0.97	0.80	0.59	0.66	0.61	0.56
Adjusted EPS	**1.00**	0.89	0.89	0.97	0.80	0.59	0.66	0.61	0.56
Invested capital [1] ($ millions)	**4,630**	4,545	4,170	4,358	4,076	3,777	3,326	3,335	3,277
ROIC [1] (%)									
Consolidated	**20.8%**	20.2%	18.7%	18.3%	17.5%	17.0%	16.8%	15.6%	15.3%
Canada	**20.1%**	19.4%	18.7%	18.2%	17.4%	17.4%	17.5%	16.5%	17.0%
South America	**25.9%**	24.0%	24.5%	22.7%	22.3%	21.7%	20.3%	19.0%	17.2%
UK & Ireland	**15.5%**	17.0%	17.0%	16.6%	16.2%	15.7%	14.8%	14.9%	12.9%
Adjusted ROIC									
Consolidated	**20.2%**	19.7%	18.7%	18.3%	17.5%	17.0%	16.4%	14.7%	13.3%
Canada	**20.2%**	19.6%	18.7%	18.2%	17.4%	17.4%	16.9%	15.3%	14.0%
South America	**26.4%**	24.6%	24.5%	22.7%	22.3%	21.7%	20.3%	19.0%	17.2%
UK & Ireland	**15.9%**	17.4%	17.0%	16.6%	16.2%	15.7%	14.8%	14.9%	12.9%
Invested capital turnover [1] (times)	**2.07**	2.01	2.01	1.96	2.00	2.03	2.04	2.01	1.93
Inventory ($ millions)	**2,764**	2,710	2,461	2,526	2,228	2,101	1,687	1,627	1,643
Inventory turns (dealership) [1] (times)	**2.49**	2.51	2.61	2.52	2.50	2.66	3.09	3.09	2.84
Working capital to net revenue [1]	**27.5%**	28.0%	27.4%	27.1%	25.1%	23.8%	22.9%	23.0%	24.0%
Free cash flow ($ millions)	**31**	(245)	332	(57)	(142)	(303)	148	176	(4)
Net debt to Adjusted EBITDA ratio [1][2] (times)	**1.8**	1.7	1.6	1.8	1.8	1.6	1.1	1.3	1.4

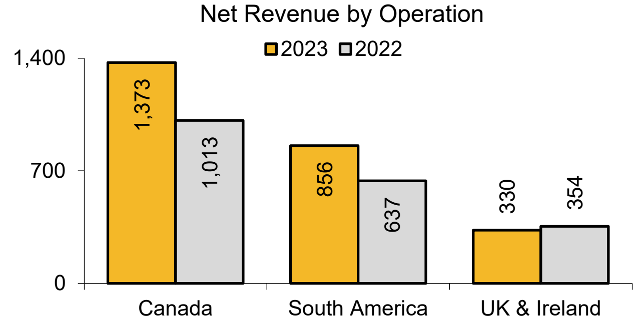
(1) See “Description of Specified Financial Measures and Reconciliations” in this MD&A.

Second Quarter Results

Revenue

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



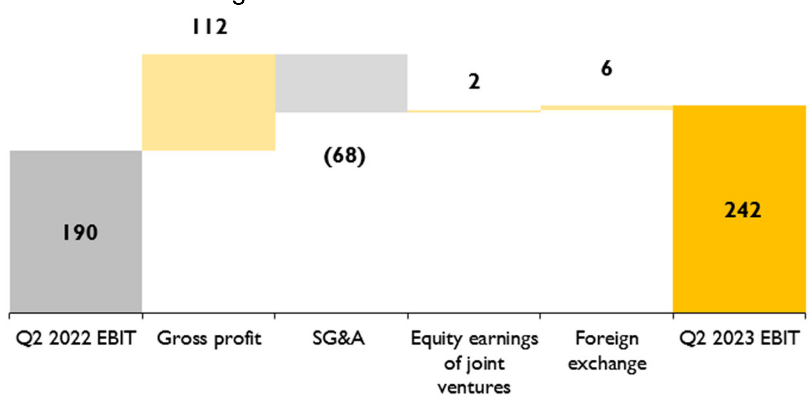


Q2 2023 revenue was $2.8 billion. Net revenue of $2.6 billion in the second quarter of 2023 was up 28% from Q2 2022, primarily driven by strong product support and new equipment revenue.

Product support revenue in Q2 2023 was up 30% from the same prior year period, higher in all of our regions, mainly in the mining sectors of South America and Canada.

Q2 2023 new equipment revenue was 29% higher than the same prior year period mainly due to demand in all market segments in Canada. Equipment backlog of $2.4 billion at June 30, 2023 was down 9% from March 31, 2023 as deliveries exceeded order intake. Q2 2023 deliveries were very strong and 40% higher than Q1 2023, up in all market sectors across all of our regions. Q2 2023 equipment backlog in Canada was higher than Q1 2023, driven by 23% higher order intake in the mining sector which exceeded strong deliveries.

EBIT

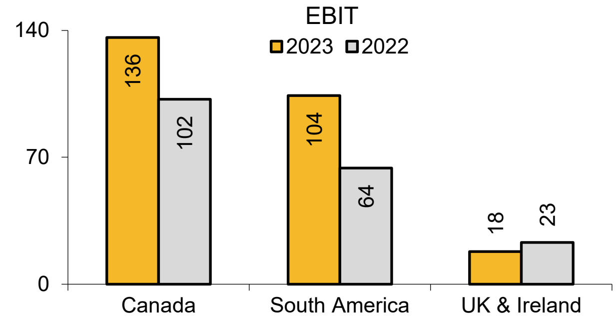


Q2 2023 gross profit of $654 million was 24% higher than the same period in the prior year. Overall gross profit as a percentage of net revenue of 25.6% in Q2 2023 was down 70 basis points from Q2 2022, largely driven by lower equipment gross profit margins in Canada due to a higher level of mining equipment in the revenue mix.

SG&A in Q2 2023 of $415 million was 23% higher than the same period in the prior year. The increase in SG&A was driven primarily by $25 million higher LTIP expense and higher people-related and variable costs to support revenue growth in Q2 2023 compared to Q2 2022. SG&A as a percentage of net revenue in Q2 2023 was 16.2%, a 70 basis point improvement over the same prior year period, reflecting improved productivity and leverage of fixed costs on a higher revenue base.

Q2 2023 EBIT was $242 million, higher than EBIT of $190 million in Q2 2022. EBIT as a percentage of net revenue in Q2 2023 of 9.4% was consistent with Q2 2022.

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



(1) Excluding Other operations

Finance Costs

Finance costs in Q2 2023 of $42 million were significantly higher than the $21 million in Q2 2022 due to higher interest rates and an increase in average net debt levels.

Provision for Income Taxes

The effective income tax rate in Q2 2023 of 26.0% was comparable to 26.3% in Q2 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

Q2 2023 net income attributable to shareholders of Finning was $148 million, an increase of 18% from Q2 2022. Q2 2023 EPS was $1.00, a significant increase from EPS of $0.80 in Q2 2022, driven primarily by higher revenues and strong operating margins, partially offset by higher LTIP and 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 21 - 27 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 June 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***:

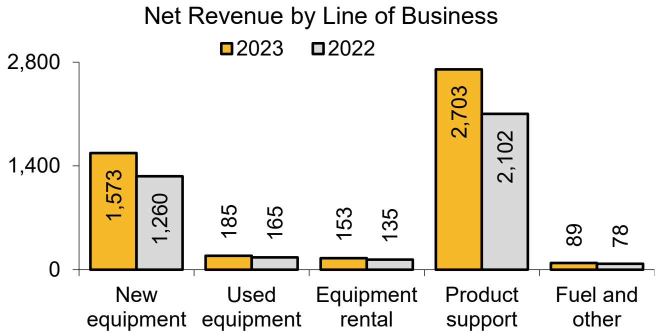
6 months ended June 30, 2023 ($ millions, except for per share amounts)	**EBIT**					**EPS**
	Canada	**South America**	**UK & Ireland**	**Other**	***Consol***	**Consol**
EBIT and EPS	**262**	**178**	**33**	**8**	**481**	**1.89**
Significant items:						
Gain on wind up of foreign subsidiaries	**—**	**—**	**—**	**(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	**266**	**185**	**35**	**(28)**	**458**	**1.89**

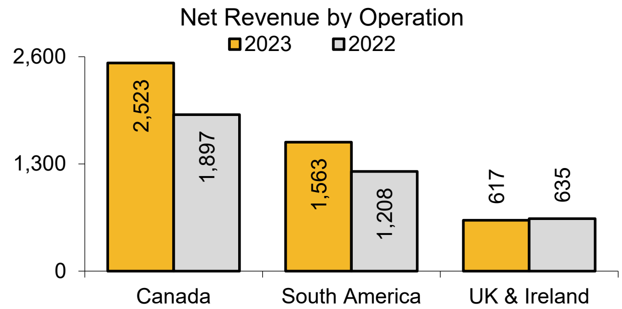
There were no significant items identified by management for adjustment in the six months ended June 30, 2022.

Year-to-Date Results

Revenue

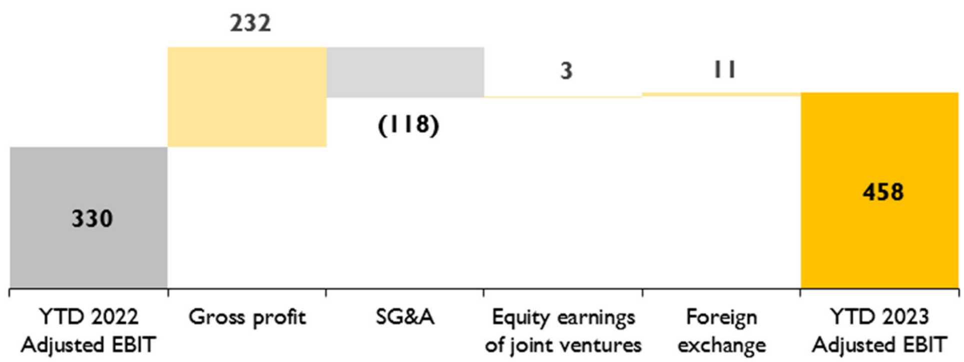
Net Revenue by Line of Business and by Operation
6 months ended June 30
($ millions)





Revenue was $5.2 billion in the six months ended June 30, 2023. Net revenue of $4.7 billion increased 26% from the same period last year, up in Canada and South America, higher in all market sectors. Product support revenue in the six months ended June 30, 2023 was 29% higher than the first six months of 2022, due to improved activity across all our operations. New equipment revenue in the six months ended June 30, 2023 was up 25% from the prior year period, primarily driven by growth in all market sectors in Canada.

EBIT



Gross profit in the first six months of 2023 of $1.3 billion was 25% higher than the comparative prior year period. Overall gross profit as a percentage of net revenue of 27.1% was comparable to the first six months of 2022.

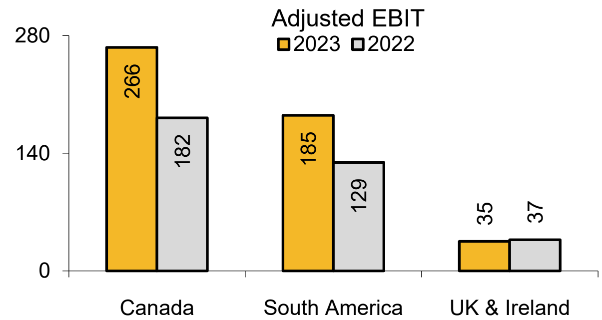
SG&A in the first six months of 2023 was $822 million, 19% higher than the same prior year period on 26% net revenue growth. The increase in SG&A was mainly from higher people and variable costs to support revenue growth as well as higher LTIP expense. In the first six months of 2023, LTIP was $12 million higher than the same prior year period, mainly in our Other operations. For the first six months of 2023, SG&A as a percentage of net revenue of 17.5% was 90 basis points lower than the same prior year period, reflecting an improvement in Canada and the leverage of fixed costs on significant revenue growth. This was partially offset by lower 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 $481 million and EBIT as a percentage of net revenue was 10.2% in the first six months of 2023. Excluding significant items not considered indicative of financial and operational trends as described on page 7, Adjusted EBIT for the first six months of 2023 was $458 million and Adjusted EBIT as a percentage of net revenue was 9.7%, an improvement from $330 million and 8.8%, respectively, in the first six months of 2022.

Finance Costs

Finance costs for the six months ended June 30, 2023 of $77 million were significantly higher than the $39 million in the same period in 2022 due to higher interest rates and an increase in average net debt levels.

Adjusted EBIT by Operation [1]
6 months ended June 30
($ millions)



(1) Excluding Other operations

Provision for Income Taxes

The effective income tax rate for the first six months of 2023 was 30.4% 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 26.1% in the first six months of 2023, which is comparable to 25.6% in the same prior year period.

Net Income Attributable to Shareholders of Finning and EPS

In the first six months of 2023, net income attributable to shareholders of Finning was $282 million compared to $218 million in the first six months of 2022. EPS and Adjusted EPS for the six months ended June 30, 2023 were $1.89, a significant increase from EPS of $1.39 earned in the comparable period in 2022. The improvement in earnings in the first six 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

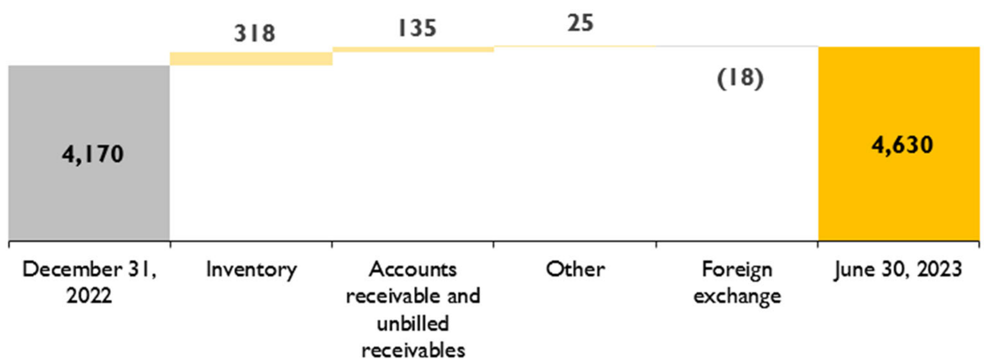
($ millions, unless otherwise stated)	June 30, 2023	December 31, 2022
Invested capital		
Consolidated	**4,630**	4,170
Canada	**2,681**	2,447
South America	**1,428**	1,281
UK & Ireland	**510**	428
*South America **(USD)***	***1,079***	*946*
*UK & Ireland **(GBP)***	***303***	*262*
Adjusted ROIC		
Consolidated	**20.2%**	18.7%
Canada	**20.2%**	18.7%
South America	**26.4%**	24.5%
UK & Ireland	**15.9%**	17.0%
Invested capital turnover (times)		
Consolidated	**2.07**	2.01
Canada	**1.86**	1.77
South America	**2.23**	2.16
UK & Ireland	**2.94**	3.09
Inventory turns (dealership) (times)	**2.49**	2.61
Working capital to net revenue	**27.5%**	27.4%

Compared to December 31, 2022:

The $460 million increase in consolidated invested capital from December 31, 2022 to June 30, 2023 includes a foreign exchange impact of $18 million in translating the invested capital balances of our South American and UK & Ireland operations. The foreign exchange impact was primarily the result of the 2% stronger CAD relative to the USD partially offset by the 3% weaker CAD relative to the GBP compared to December 31, 2022.

Excluding the impact of foreign exchange, consolidated invested capital increased by $478 million from December 31, 2022 to June 30, 2023 reflecting:

- higher inventory in all regions, especially new equipment, as well as an increase in parts and supplies and service inventory driven by product support demand; and,
- an increase in accounts receivable and unbilled receivables in all operations, driven by an increase in demand and activity.



On a consolidated basis, Adjusted ROIC at June 30, 2023 improved 150 basis points from Adjusted ROIC at December 31, 2022. Consolidated invested capital turnover of 2.07 at June 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 June 30, 2023 were lower than December 31, 2022, driven by UK & Ireland and South America partially offset by Canada, mainly due to higher inventory levels to deliver strong equipment backlog.

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

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 June 30, 2023 ($ millions)	**Canada**	**South America**	**UK & Ireland**	**Other**	**Consol**	**Net Revenue % [1]**
New equipment	**458**	**300**	**191**	**—**	**949**	**37%**
Used equipment	**68**	**9**	**16**	**—**	**93**	**4%**
Equipment rental	**46**	**21**	**11**	**—**	**78**	**3%**
Product support	**757**	**526**	**112**	**—**	**1,395**	**54%**
Fuel and other	**44**	**—**	**—**	**—**	**44**	**2%**
Net revenue	**1,373**	**856**	**330**	**—**	**2,559**	**100%**
Operating costs	**(1,190)**	**(722)**	**(300)**	**(14)**	**(2,226)**	
Depreciation and amortization	**(50)**	**(30)**	**(12)**	**(2)**	**(94)**	
Equity earnings	**3**	**—**	**—**	**—**	**3**	
EBIT	**136**	**104**	**18**	**(16)**	**242**	
Net revenue percentage by operation	**54%**	**33%**	**13%**	**—**	**100%**	
EBIT as a % of net revenue	***9.9%***	***12.1%***	***5.5%***		***9.4%***	

3 months ended June 30, 2022 ($ millions)	Canada	South America	UK & Ireland	Other	Consol	Net Revenue %
New equipment	249	242	242	—	733	37%
Used equipment	71	8	7	—	86	4%
Equipment rental	45	14	11	—	70	3%
Product support	608	373	94	—	1,075	54%
Fuel and other	40	—	—	—	40	2%
Net revenue	1,013	637	354	—	2,004	100%
Operating costs	(864)	(550)	(321)	2	(1,733)	
Depreciation and amortization	(47)	(23)	(10)	(1)	(81)	
EBIT	102	64	23	1	190	
Net revenue percentage by operation	50%	32%	18%	—	100%	
EBIT as a % of net revenue	*10.0%*	*10.1%*	*6.4%*		*9.4%*	

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

6 months ended June 30, 2023 ($ millions)	**Canada**	**South America**	**UK & Ireland**	**Other**	**Consol**	**Net Revenue %**
New equipment	**739**	**494**	**340**	**—**	**1,573**	**33%**
Used equipment	**132**	**20**	**33**	**—**	**185**	**4%**
Equipment rental	**93**	**38**	**22**	**—**	**153**	**3%**
Product support	**1,470**	**1,011**	**222**	**—**	**2,703**	**58%**
Fuel and other	**89**	**—**	**—**	**—**	**89**	**2%**
Net revenue	**2,523**	**1,563**	**617**	**—**	**4,703**	**100%**
Operating costs	**(2,161)**	**(1,317)**	**(560)**	**(25)**	**(4,063)**	
Depreciation and amortization	**(100)**	**(61)**	**(22)**	**(3)**	**(186)**	
Equity earnings	**4**	**—**	**—**	**—**	**4**	
Other income	**—**	**—**	**—**	**41**	**41**	
Other expenses	**(4)**	**(7)**	**(2)**	**(5)**	**(18)**	
EBIT	**262**	**178**	**33**	**8**	**481**	
Net revenue percentage by operation	**54%**	**33%**	**13%**	**—**	**100%**	
Adjusted EBIT	**266**	**185**	**35**	**(28)**	**458**	
EBIT as a % of net revenue	***10.4%***	***11.4%***	***5.3%***		***10.2%***	
Adjusted EBIT as a % of net revenue	***10.5%***	***11.8%***	***5.6%***		***9.7%***	

6 months ended June 30, 2022 ($ millions)	Canada	South America	UK & Ireland	Other	Consol	Net Revenue %
New equipment	434	409	417	—	1,260	34%
Used equipment	128	18	19	—	165	4%
Equipment rental	85	28	22	—	135	4%
Product support	1,172	753	177	—	2,102	56%
Fuel and other	78	—	—	—	78	2%
Net revenue	1,897	1,208	635	—	3,740	100%
Operating costs	(1,622)	(1,033)	(578)	(16)	(3,249)	
Depreciation and amortization	(94)	(46)	(20)	(2)	(162)	
Equity earnings	1	—	—	—	1	
EBIT	182	129	37	(18)	330	
Net revenue percentage by operation	51%	32%	17%	—	100%	
EBIT as a % of net revenue	*9.6%*	*10.7%*	*5.8%*		*8.8%*	

Canada Operations

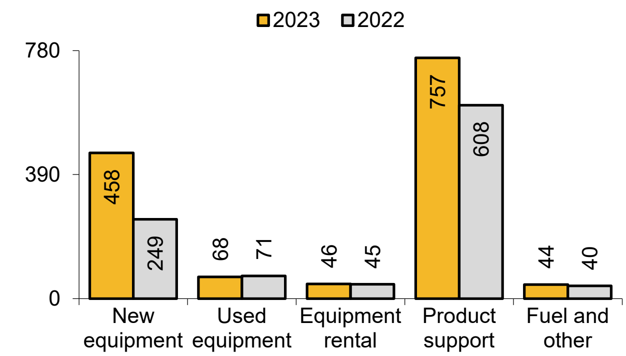
Second Quarter Overview

Q2 2023 net revenue was 36% higher than Q2 2022, driven by higher new equipment and product support revenue, up in all market sectors.

Q2 2023 new equipment revenue was 84% higher than Q2 2022, driven by growth in all market sectors, with significant deliveries to oil sands customers and in the construction sector. Equipment backlog at June 30, 2023 was up slightly from March 31, 2023, driven by robust order intake outpacing strong deliveries, mainly in the mining sector.

Product support revenue in Q2 2023 was up 24% compared to the same prior year period, up in all market sectors, primarily in mining.

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



Gross profit in Q2 2023 increased from the same period in the prior year due to higher volumes. Overall gross profit as a percentage of net revenue in Q2 2023 decreased from Q2 2022 reflecting a higher proportion of new equipment in the revenue mix (Q2 2023: 33% compared with Q2 2022: 25%) as well as lower new equipment gross margins due to a higher proportion of lower margin mining new equipment in the revenue mix.

Q2 2023 SG&A was up 13% on 36% net revenue growth. SG&A was higher than the comparable prior year period primarily due to higher people-related and variable costs to support volume growth across most lines of business. Q2 2023 SG&A as a percentage of net revenue decreased significantly from the same prior year period reflecting leverage of fixed costs on strong revenue growth.

Q2 2023 EBIT was $136 million, up 33% from the same prior year period, driven by broad-based strength and higher volumes across most lines of business. Q2 2023 EBIT as a percentage of net revenue of 9.9% was comparable to Q2 2022, primarily due to a higher proportion of mining new equipment sales in the revenue mix.

Other Developments

On May 26 2023, Finning (Canada)'s hourly employees represented by IAMAW Local 692 voted in support of a new collective agreement. IAMAW Local 692 represents approximately 840 hourly employees in British Columbia and the Yukon Territories. The new three-year collective agreement will expire on April 14, 2026.

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 8 - 9.

South America Operations

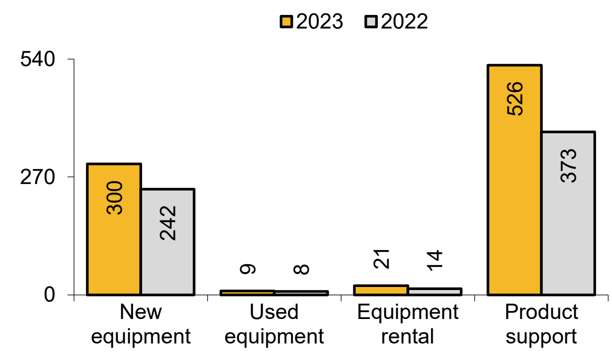
The weaker CAD relative to the USD on average in Q2 2023 compared to Q2 2022 had a favourable foreign currency translation impact on Q2 2023 net revenue of approximately $40 million and $5 million at the EBIT level.

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.

Second Quarter Overview

Q2 2023 net revenue was 28% higher than Q2 2022, driven by higher net revenue in all lines of business, primarily product support.

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



Product support revenue in Q2 2023 increased 34% from Q2 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.

New equipment revenue in Q2 2023 was up 18% from the same prior year period, mostly due to higher sales to large contractors supporting mining operations. Equipment backlog at June 30, 2023 was lower than March 31, 2023 due to strong deliveries outpacing order intake, mainly to mining customers.

Gross profit in Q2 2023 increased from the same period in the prior year, driven mainly by higher volumes. Gross profit as a percentage of net revenue in Q2 2023 was higher than Q2 2022 mainly due to a higher proportion of product support in the revenue mix (Q2 2023: 61% compared with Q2 2022: 59%).

Q2 2023 SG&A was up from Q2 2022 primarily due to higher people-related and facility costs to support higher volumes. Q2 2023 SG&A as a percentage of net revenue was lower than Q2 2022, mainly due to improved operating leverage on strong revenue growth despite a higher proportion of product support revenue which is more SG&A-intensive.

Q2 2023 EBIT improved 53% from Q2 2022, higher than revenue growth. Q2 2023 EBIT as a percentage of net revenue of 12.1% was higher than in Q2 2022, due to improvements in SG&A as a percentage of net revenue and gross profit as a percentage of net revenue.

Other Developments

In June and July 2023, approximately 1,100 employees in our Chilean operations represented by three unions have voted in support of new collective agreements. The new three-year collective agreements will expire in the second half of 2026.

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 8 - 9. The weaker CAD relative to the USD on average in the six months ended 2023 compared to 2022 had a favourable foreign currency translation impact on year-to-date 2023 net revenue of approximately $90 million and $10 million at the EBIT level.

UK & Ireland Operations

The weaker CAD relative to the GBP on average in Q2 2023 compared to Q2 2022 did not have a significant impact on Q2 2023 net revenue or EBIT.

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.

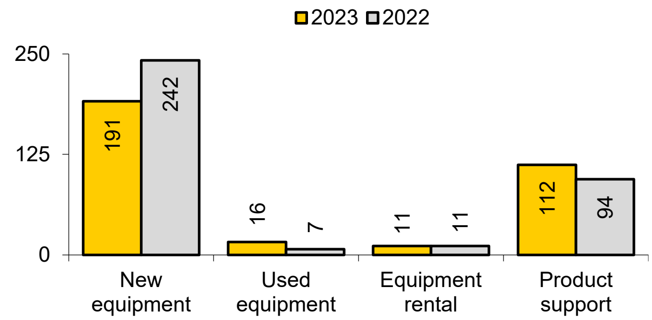
Second Quarter Overview

Second quarter 2023 net revenue was down 11% from the same period in 2022. The decrease in Q2 2023 was primarily due to lower new equipment revenue in the construction market sector partially offset by higher product support revenue.

New equipment revenue was 25% lower year over year. In Q2 2022, ***HS2*** deliveries drove record new equipment sales. Equipment backlog at June 30, 2023 was down from March 31, 2023 due to deliveries outpacing order intake, mainly in the construction and power systems sectors.

Q2 2023 product support revenue increased 14% from the same prior year period, driven by strong customer activity and equipment utilization in the power systems and construction sectors.

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



Q2 2023 used equipment revenue more than doubled from Q2 2022 due to higher customer demand.

Gross profit in Q2 2023 and overall gross profit as a percentage of net revenue in Q2 2023 were up from Q2 2022 due to a higher proportion of product support in the revenue mix (Q2 2023: 34% compared with Q2 2022: 26%).

SG&A in Q2 2023 was up compared to the prior year period primarily due to higher people-related, utilities, and variable costs to support product support revenue growth as well as inflationary increases.

Q2 2023 EBIT was 24% lower than Q2 2022 primarily due to lower volumes and higher SG&A. Q2 2022 HS2 sales drove record EBIT (in functional currency). Q2 2023 EBIT as a percentage of net revenue was a solid 5.5%, reflecting continued focus on growing our product support business.

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 8 - 9. The weaker CAD relative to the GBP on average in the six months ended 2023 compared to 2022 did not have a significant foreign currency translation impact on net revenue or at the EBIT level.

Other Operations

Our Other operations includes corporate operating costs.

Q2 2023 EBIT loss was $16 million compared to Q2 2022 EBIT of $1 million primarily due to an LTIP expense in Q2 2023 compared to an LTIP recovery in Q2 2022.

Discussion of year-to-date results is included in the Year-to-Date Results section of this MD&A on pages 8 - 9.

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 29 of this MD&A. Actual outcomes and results may vary significantly.

Canada Operations

Our outlook for Western Canada is positive, supported by healthy order activity, record equipment backlog, and continued strong demand for product support across all sectors.

In the mining and energy sectors, constructive commodity prices and improved customer capital budgets are driving investment in renewal of aging fleets and growing demand for product support, including component remanufacturing and equipment rebuilds. In the oil and gas sector, customer activity remains strong and high utilization of drilling and well servicing equipment is driving demand for maintenance and rebuilds.

In the construction sector, federal and provincial governments’ infrastructure programs and private sector investments support healthy demand for construction equipment, rentals, and prime and standby electric power generation.

South America Operations

Our outlook for Chile mining remains strong, supported 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 into brownfield and greenfield projects. We are seeing robust quoting activity, and we have received significant orders from our mining customers after June 30 which will be added to our equipment backlog in Q3 2023. We also expect continued strong demand for mining product support and technology solutions.

About half our construction business in Chile is related to the mining sector where we continue to see strong demand from large contractors supporting mining operations. We expect infrastructure construction activity in Chile to remain stable.

In the power systems sector, order activity remains strong. We are well positioned to benefit from future opportunities in the growing data centre market.

In Argentina, activity in construction, oil and gas, and mining is expected to remain stable. However, high inflation, currency restrictions, and new import regulations are expected to continue impacting our business in Argentina. With the election process beginning in August and 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.

UK & Ireland Operations

In the construction sector, order activity remains stable and demand for equipment has been resilient. Construction order intake was up 60% from Q1 2023. With deliveries to HS2 largely completed, we continue to expect lower construction new equipment sales in the UK in 2023 compared to 2022. Demand for product support is expected to remain strong, driven by high machine utilization across construction markets and growing contribution from ***Hydraquip***.

We expect continued strong demand for our power systems business in the UK & Ireland, including in the data centre market. We have a significant backlog of power systems projects for delivery in 2023 and 2024.

Executing Well and Building on Positive Momentum

Customer activity levels in our regions remain robust, and our outlook is positive. We expect continued momentum in our business to be underpinned by strong equipment backlog and service levels, as well as successful execution of our product support growth strategy, including very strong rebuild activity. Our equipment backlog for delivery in 2024 continues to grow and now stands at $0.9 billion. All our operations are hiring technicians and building capabilities and capacity to continue delivering the best service to our customers and capturing market share.

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

	3 months ended June 30		**6 months ended June 30**	
($ millions)	**2023**	2022	**2023**	2022
Operating activities	**66**	(112)	**(100)**	(385)
Investing activities	**(46)**	(30)	**(127)**	(147)
Financing activities	**(40)**	(10)	**48**	187
Operating activities	**66**	(112)	**(100)**	(385)
Additions to property, plant, and equipment and intangible assets	**(40)**	(30)	**(119)**	(60)
Proceeds on disposal of property, plant, and equipment	**5**	—	**5**	—
Free cash flow	**31**	(142)	**(214)**	(445)

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 over Year
Free cash flow	• higher collections from increased revenues in South America and Canada; 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 South America and 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 other supplier payments in South America; and, • approximately $55 million higher net spend for property plant, and equipment
Investing activities (excluding net spend on property, plant, and equipment)	• $11 million payment of deferred and contingent consideration related to acquisitions made in a prior year	• $13 million payment of deferred and contingent consideration related to acquisitions made in a prior year; and, • $84 million net cash consideration paid to acquire Hydraquip by our UK & Ireland operations in 2022
Financing activities	• $97 million repayment of short-term borrowings compared to $170 million provided by short term borrowings in Q2 2022; • $230 million cash provided by long-term borrowings compared to repayment of $63 million in Q2 2022; and, • approximately $50 million higher repurchases of common shares	• approximately $500 million lower cash provided by short-term borrowings; • $226 million cash provided by long-term borrowings compared to repayment of $188 million in 2022; and, • approximately $40 million higher repurchases of common shares

Capital resources and management

Our cash and cash equivalents balance at June 30, 2023 was $74 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 June 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 is set to mature in October 2023. At June 30, 2023, approximately $500 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 June 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	
	Jun 30, 2023	Dec 31, 2022	**Jun 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+ rating with stable outlook.

During the six months ended June 30, 2023, we repurchased 4,500,000 common shares for cancellation for $165 million, at an average cost of $36.77 per share, through our ***NCIB*** [(2)]. During the six months ended June 30, 2022, we repurchased 3,625,448 common shares for cancellation for $123 million, at an average cost of $33.89 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 June 30, 2023, we recorded an obligation of $45 million for the repurchase of shares from July 4, 2023 to August 9, 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	**Jun 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 the new standard 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	**June 30**			**December 31**		**3 months ended June 30 – average**			**6 months ended June 30 – average**		
	2023	2022	Change	2022	Change	**2023**	2022	Change	**2023**	2022	Change
USD/CAD	**1.3240**	1.2886	(3)%	1.3544	2%	**1.3428**	1.2768	(5)%	**1.3477**	1.2715	(6)%
GBP/CAD	**1.6817**	1.5668	(7)%	1.6322	(3)%	**1.6816**	1.6023	(5)%	**1.6628**	1.6495	(1)%
USD/***CLP***	**801.66**	932.08	14%	855.86	6%	**800.98**	843.55	5%	**805.71**	825.89	2%
USD/***ARS***	**256.70**	125.23	(105)%	177.16	(45)%	**231.91**	117.92	(97)%	**210.32**	112.09	(88)%

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

July 31, 2023	
Common shares outstanding	145,991,533
Options outstanding	1,221,583

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 June 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 23 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)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EBIT	**242**	239	214	224	190	140	157	150	137	108	108	138
Significant items:												
Gain on wind up of foreign subsidiaries	**—**	(41)	—	—	—	—	—	—	—	—	—	—
Severance costs	**—**	18	—	—	—	—	—	—	—	—	—	—
CEWS support	**—**	—	—	—	—	—	—	—	—	(10)	(14)	(37)
Return on Energyst investment	**—**	—	—	—	—	—	—	—	—	(5)	—	—
Adjusted EBIT	**242**	216	214	224	190	140	157	150	137	93	94	101
Depreciation and amortization	**94**	92	87	84	81	81	84	80	78	77	77	77
Adjusted EBITDA (1)	**336**	308	301	308	271	221	241	230	215	170	171	178

(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)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 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		
($)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
EPS (1)	**1.00**	0.89	0.89	0.97	0.80	0.59	0.66	0.61	0.56
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	**1.00**	0.89	0.89	0.97	0.80	0.59	0.66	0.61	0.56

(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)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EBIT	**136**	126	128	125	102	80	92	84	82	69	72	93
Significant items:												
Severance costs	**—**	4	—	—	—	—	—	—	—	—	—	—
CEWS support	**—**	—	—	—	—	—	—	—	—	(10)	(13)	(35)
Adjusted EBIT	**136**	130	128	125	102	80	92	84	82	59	59	58

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

3 months ended	**2023**		2022				2021				2020	
($ millions)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EBIT	**104**	74	96	85	64	65	59	58	51	41	41	40
Significant item:												
Severance costs	**—**	7	—	—	—	—	—	—	—	—	—	—
Adjusted EBIT	**104**	81	96	85	64	65	59	58	51	41	41	40

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

3 months ended	2023		2022				2021				2020	
($ millions)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EBIT	**18**	15	16	21	23	14	12	17	17	7	11	9
Significant item:												
Severance costs	**—**	2	—	—	—	—	—	—	—	—	—	—
Adjusted EBIT	**18**	17	16	21	23	14	12	17	17	7	11	9

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

3 months ended	2023		2022				2021				2020	
($ millions)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EBIT	**(16)**	24	(26)	(7)	1	(19)	(6)	(9)	(13)	(9)	(16)	(4)
Significant items:												
Gain on wind up of foreign subsidiaries	**—**	(41)	—	—	—	—	—	—	—	—	—	—
Severance costs	**—**	5	—	—	—	—	—	—	—	—	—	—
Return on Energyst investment	**—**	—	—	—	—	—	—	—	—	(5)	—	—
CEWS support	**—**	—	—	—	—	—	—	—	—	—	(1)	(2)
Adjusted EBIT	**(16)**	(12)	(26)	(7)	1	(19)	(6)	(9)	(13)	(14)	(17)	(6)

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)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Cash flow provided by (used in) operating activities	**66**	(166)	410	(24)	(112)	(273)	193	212	8
Additions to property, plant, and equipment and intangible assets	**(40)**	(79)	(78)	(33)	(30)	(30)	(45)	(38)	(17)
Proceeds on disposal of property, plant, and equipment	**5**	—	—	—	—	—	—	2	5
Free cash flow	**31**	(245)	332	(57)	(142)	(303)	148	176	(4)

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 fuel inventory), 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)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Cost of sales	**2,125**	1,758	2,025	1,807	1,761	1,463	1,465	1,443	1,396	1,189
Cost of sales related to mobile refuelling operations	**(237)**	(253)	(302)	(293)	(300)	(231)	(190)	(170)	(153)	(140)
Cost of sales related to the dealership [(1)]	**1,888**	1,505	1,723	1,514	1,461	1,232	1,275	1,273	1,243	1,049

	2023		2022				2021			
($ millions)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Inventory	**2,764**	2,710	2,461	2,526	2,228	2,101	1,687	1,627	1,643	1,593
Fuel inventory	**(14)**	(12)	(12)	(12)	(13)	(11)	(9)	(6)	(3)	(3)
Inventory related to the dealership [(1)]	**2,750**	2,698	2,449	2,514	2,215	2,090	1,678	1,621	1,640	1,590

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)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Cash and cash equivalents	**(74)**	(129)	(288)	(120)	(170)	(295)	(502)	(518)	(378)	(469)	(539)	(453)
Short-term debt	**1,142**	1,266	1,068	1,087	992	804	374	419	114	103	92	217
Long-term debt												
Current	**199**	253	114	106	110	63	190	191	386	326	201	200
Non-current	**949**	675	815	836	807	909	921	923	903	973	1,107	1,136
Net debt [(1)]	**2,216**	2,065	1,709	1,909	1,739	1,481	983	1,015	1,025	933	861	1,100
Total equity	**2,414**	2,480	2,461	2,449	2,337	2,296	2,343	2,320	2,252	2,244	2,206	2,184
Invested capital	**4,630**	4,545	4,170	4,358	4,076	3,777	3,326	3,335	3,277	3,177	3,067	3,284

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)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Total revenue	**2,779**	2,380	2,653	2,384	2,289	1,953	1,949	1,904	1,845	1,596	1,666	1,553
Cost of fuel	**(220)**	(236)	(285)	(277)	(285)	(217)	(175)	(156)	(140)	(127)	(115)	(110)
Net revenue	**2,559**	2,144	2,368	2,107	2,004	1,736	1,774	1,748	1,705	1,469	1,551	1,443

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)	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Total current assets	**4,985**	4,974	4,781	4,652	4,098	4,030	3,619	3,620	3,416	3,319	3,214	3,261
Cash and cash equivalents	**(74)**	(129)	(288)	(120)	(170)	(295)	(502)	(518)	(378)	(469)	(539)	(453)
Total current assets in working capital	**4,911**	4,845	4,493	4,532	3,928	3,735	3,117	3,102	3,038	2,850	2,675	2,808
Total current liabilities	**3,569**	3,763	3,401	3,196	2,789	2,647	2,155	2,156	1,942	1,817	1,623	1,717
Short-term debt	**(1,142)**	(1,266)	(1,068)	(1,087)	(992)	(804)	(374)	(419)	(114)	(103)	(92)	(217)
Current portion of long-term debt	**(199)**	(253)	(114)	(106)	(110)	(63)	(190)	(191)	(386)	(326)	(201)	(200)
Total current liabilities in working capital	**2,228**	2,244	2,219	2,003	1,687	1,780	1,591	1,546	1,442	1,388	1,330	1,300
Working capital [(1)]	**2,683**	2,601	2,274	2,529	2,241	1,955	1,526	1,556	1,596	1,462	1,345	1,508

(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 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3
Revenue								
Canada	**1,593**	1,386	1,452	1,349	1,298	1,101	1,089	961
South America	**856**	707	840	692	637	571	582	638
UK & Ireland (1)	**330**	287	361	343	354	281	278	305
Total revenue	**2,779**	2,380	2,653	2,384	2,289	1,953	1,949	1,904
Net income attributable to shareholders of Finning (1)(2)	**148**	134	136	149	126	92	104	99
Earnings per share (1)(2)								
EPS	**1.00**	0.89	0.89	0.97	0.80	0.59	0.66	0.61
Diluted earnings per share	**1.00**	0.89	0.89	0.97	0.80	0.59	0.65	0.61
Total assets (1)	**7,508**	7,512	7,269	7,024	6,470	6,402	5,971	5,936
Long-term debt								
Current	**199**	253	114	106	110	63	190	191
Non-current	**949**	675	815	836	807	909	921	923
Total long-term debt (3)	**1,148**	928	929	942	917	972	1,111	1,114
Cash dividends paid per common share	**25.0¢**	23.6¢	23.6¢	23.6¢	23.6¢	22.5¢	22.5¢	22.5¢
Common shares outstanding (000's)	**146,704**	149,584	151,041	153,248	154,272	156,249	157,808	159,659
Options outstanding (000's)	**1,240**	1,281	1,567	1,796	1,789	1,545	1,773	1,926

(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 22 - 24 of this MD&A.

(3) 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 October 2022, we secured an additional $300 million committed revolving credit facility. This facility has a one-year term and can be used for general corporate purposes.

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.

In September 2021, we secured sustainability-linked terms for our $1.3 billion committed revolving credit facility. We also extended the term of the credit facility from a maturity date of December 2024 to September 2026.

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; all information in the section entitled "Market Update and Business Outlook" starting on page 16 of this MD&A, including for our Canada operations: our positive outlook for Western Canada (based on our healthy order activity and record equipment backlog (and our ability and timing to deliver our equipment backlog) and on assumptions in the mining and energy sectors of constructive commodity prices and improved customer capital budgets driving investment in renewal of aging fleets and growing demand for product support, including component remanufacturing and equipment rebuilds, assumptions in the oil and gas sector of continued strong customer activity and high utilization of drilling and well servicing equipment driving demand for maintenance and rebuilds, and assumptions in the construction sector of federal and provincial governments' infrastructure programs and private sector investments in infrastructure and power projects); for our South America operations: our strong outlook for Chile mining (based on assumptions of continued growth in demand for copper, improving political clarity, government approvals of large-scale brownfield expansions (which assumes approved projects will proceed as anticipated), and increasing customer confidence to invest), the significant orders from our mining customers will be added to our equipment backlog in Q3 2023, our expectation for continued strong demand for mining product support and technology solutions, our expectation for infrastructure construction activity in Chile to remain stable (based on assumptions of continued strong demand from large contractors supporting mining operations), our belief that we are well positioned to benefit from future opportunities in the growing data centre market (based on assumptions of strong order activity); and for Argentina, our expectation for activity in construction, oil and gas, and mining to remain stable (based on assumptions that our customers will be able to manage through the challenging fiscal, regulatory, and currency environment), and the expected continued impact of high inflation, currency restrictions, and new import regulations on our business and the continued volatility from the upcoming election process; for our UK & Ireland operations: our expectation for lower construction new equipment sales in 2023 (based on deliveries to HS2 being largely completed), our expectation of continued strong demand for product support (based on assumptions of continued high machine utilization rates across construction markets and growing contribution from Hydraquip) and that demand for our power systems business will remain strong, and the strength of our backlog of power systems projects for delivery in 2023 and 2024; and overall: our positive outlook and expectation of continued momentum in our business (based on assumptions of our strong equipment backlog and service levels, and successful execution of our product support growth strategy, including very strong rebuild activity), continuing growth in our equipment backlog for delivery in 2024 (assumes supply chain continuity and that supply chain and inflationary challenges will not materially impact orders and deliveries), and our expectations for hiring technicians and building capabilities and capacity to continue delivering the best service to our customers and capturing market share; 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; the outcome and impact of the upcoming election cycle in Argentina; government approvals of large-scale brownfield expansions; 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; that we will successfully execute initiatives to reduce our GHG emissions; 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; 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
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
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
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