

**Finning reports Q3 2024 results**

**Vancouver, B.C.** – Finning International Inc. (TSX: FTT) (“Finning”, the “Company”, “we”, “our” or “us”) reported third quarter 2024 results today. All monetary amounts are in Canadian dollars unless otherwise stated.

**HIGHLIGHTS**

All comparisons are to Q3 2023 results unless indicated otherwise.

- Q3 2024 free cash flow <sup>(3)</sup> of \$346 million, up from Q3 2023 driven by invested capital velocity improvement. In the last twelve months, we have generated cumulative free cash flow of \$746 million.
- Q3 2024 revenue of \$2.8 billion and net revenue <sup>(2)</sup> of \$2.5 billion were up 5% and 4%, respectively. New equipment revenue was up 7% and product support revenue was up 2%.
- Q3 2024 EBIT <sup>(1)</sup> was \$170 million and EBIT as a percentage of net revenue <sup>(2)</sup> was 6.7%. Excluding an estimated loss for receivables from a customer placed into receivership as well as severance costs across our regions (further described on page 9), Adjusted EBIT <sup>(3)(4)</sup> was \$203 million.
- Adjusted EBIT as a percentage of net revenue <sup>(2)(4)</sup> was 8.0%, down 230 basis points from Q3 2023 EBIT as a percentage of net revenue, primarily due to lower margins in our Canadian business.
- Adjusted EBIT as a percentage of net revenue was 10.9% in South America, 6.3% in the UK & Ireland and 7.5% in Canada.
- Q3 2024 Adjusted EPS <sup>(1)(2)(4)</sup> was \$0.93, down 13% from Q3 2023 EPS.
- Equipment backlog <sup>(2)</sup> of \$2.3 billion at September 30, 2024 was up 4% from June 30, 2024 reflecting strong order intake from mining and power systems customers.

“Our results in the third quarter were different by region and reflect the advantage of our diversified business. We had strong growth in South America, resilient profitability in the UK & Ireland, excellent free cash flow in all regions and our backlog remains healthy. Deliberate actions to generate strong cash flow coupled with tougher market dynamics resulted in more challenging margin performance in our Canadian business. We are focused on cost control to drive improved profitability going forward,” said Kevin Parkes, President and CEO.

“One year on from our Investor Day in Chile our product support growth overall is positive, and our working capital velocity is gaining momentum. We have acted to further align our cost base, maintain the quality of our inventory, and announced succession in our leadership team. We are all focused on driving the execution of our strategy.”

“Our strategy is focused on maximizing product support, continuously improving our cost and capital position to drive full-cycle resilience and growing prudently in used, rental and power – all with the objective of achieving a sustainably higher ROIC going forward,” said Mr. Parkes.

### Q3 2024 FINANCIAL SUMMARY

(\$ millions, except per share amounts)	3 months ended September 30		
	2024	2023 (Restated)	% change fav <sup>(1)</sup> (unfav) <sup>(1)</sup>
New equipment	933	870	7%
Used equipment	89	72	24%
Equipment rental	76	86	(12)%
Product support	1,388	1,362	2%
Net fuel and other	53	47	13%
Net revenue	2,539	2,437	4%
Gross profit	615	640	(4)%
<i>Gross profit as a percentage of net revenue<sup>(2)</sup></i>	<b>24.2%</b>	26.3%	
SG&A <sup>(1)</sup>	(426)	(392)	(9)%
<i>SG&amp;A as a percentage of net revenue<sup>(2)</sup></i>	<b>(16.8)%</b>	(16.1)%	
Equity earnings of joint ventures	—	4	
Other expenses	(19)	—	
EBIT	170	252	(33)%
<i>EBIT as a percentage of net revenue</i>	<b>6.7%</b>	10.3%	
Adjusted EBIT	203	252	(19)%
<i>Adjusted EBIT as a percentage of net revenue</i>	<b>8.0%</b>	10.3%	
Net income attributable to shareholders of Finning	103	156	(33)%
EPS	0.75	1.07	(30)%
Adjusted EPS	0.93	1.07	(13)%
Free cash flow	346	—	n/m <sup>(1)</sup>

Q3 2024 EBIT by Operation (\$ millions, except per share amounts)	Canada	South America	UK & Ireland	Other	Finning Total	EPS
EBIT / EPS	71	101	16	(18)	170	0.75
Severance costs	9	3	4	3	19	0.10
Estimated loss for a customer receivable	14	—	—	—	14	0.08
Adjusted EBIT / Adjusted EPS	94	104	20	(15)	203	0.93
<i>EBIT as a percentage of net revenue</i>	<b>5.6%</b>	10.6%	4.9%	n/m	6.7%	
<i>Adjusted EBIT as a percentage of net revenue</i>	<b>7.5%</b>	10.9%	6.3%	n/m	8.0%	

Q3 2023 EBIT by Operation (\$ millions, except per share amounts)	Canada	South America	UK & Ireland	Other	Finning Total	EPS
EBIT / EPS	137	104	19	(8)	252	1.07
<i>EBIT as a percentage of net revenue</i>	10.8%	12.3%	5.9%	n/m	10.3%	

## QUARTERLY KEY PERFORMANCE MEASURES

	2024 (Restated) <sup>(a)</sup>			2023 (Restated) <sup>(a)(b)</sup>				2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
EBIT (\$ millions)	<b>170</b>	228	202	177	252	242	239	214	224
Adjusted EBIT (\$ millions)	<b>203</b>	228	202	232	252	242	216	214	224
EBIT as a % of net revenue									
Consolidated	<b>6.7%</b>	8.6%	8.7%	7.4%	10.3%	9.4%	11.2%	9.0%	10.7%
Canada	<b>5.6%</b>	9.2%	8.9%	9.3%	10.8%	9.9%	11.0%	11.0%	11.7%
South America	<b>10.6%</b>	10.4%	11.0%	6.7%	12.3%	12.1%	10.5%	11.4%	12.3%
UK & Ireland	<b>4.9%</b>	4.6%	4.5%	1.8%	5.9%	5.5%	5.1%	4.4%	6.2%
Adjusted EBIT as a % of net revenue									
Consolidated	<b>8.0%</b>	8.6%	8.7%	9.6%	10.3%	9.4%	10.1%	9.0%	10.7%
Canada	<b>7.5%</b>	9.2%	8.9%	9.7%	10.8%	9.9%	11.3%	11.0%	11.7%
South America	<b>10.9%</b>	10.4%	11.0%	12.6%	12.3%	12.1%	11.5%	11.4%	12.3%
UK & Ireland	<b>6.3%</b>	4.6%	4.5%	2.7%	5.9%	5.5%	5.7%	4.4%	6.2%
EPS	<b>0.75</b>	1.02	0.84	0.59	1.07	1.00	0.89	0.89	0.97
Adjusted EPS	<b>0.93</b>	1.02	0.84	0.96	1.07	1.00	0.89	0.89	0.97
Invested capital <sup>(2)</sup> (\$ millions)	<b>4,774</b>	4,969	5,128	4,765	4,897	4,630	4,545	4,170	4,358
ROIC <sup>(2)</sup> (%)									
Consolidated	<b>15.8%</b>	17.4%	18.0%	19.3%	20.7%	20.8%	20.2%	18.7%	18.3%
Canada	<b>14.6%</b>	16.8%	17.4%	18.6%	19.8%	20.1%	19.4%	18.7%	18.2%
South America	<b>23.1%</b>	23.3%	24.2%	23.8%	27.1%	25.9%	24.0%	24.5%	22.7%
UK & Ireland	<b>10.0%</b>	10.4%	10.9%	11.3%	13.7%	15.5%	17.0%	17.0%	16.6%
Adjusted ROIC <sup>(2)(4)</sup>									
Consolidated	<b>17.6%</b>	18.5%	19.1%	20.0%	20.2%	20.2%	19.7%	18.7%	18.3%
Canada	<b>15.5%</b>	16.9%	17.6%	19.0%	19.9%	20.2%	19.6%	18.7%	18.2%
South America	<b>26.5%</b>	26.5%	27.4%	27.6%	27.6%	26.4%	24.6%	24.5%	22.7%
UK & Ireland	<b>11.5%</b>	11.0%	11.5%	12.3%	14.1%	15.9%	17.4%	17.0%	16.6%
Invested capital turnover <sup>(2)</sup> (times)	<b>2.02</b>	1.99	2.00	2.03	2.08	2.07	2.01	2.01	1.96
Inventory (\$ millions)	<b>2,881</b>	2,974	3,073	2,844	2,919	2,764	2,710	2,461	2,526
Inventory turns (dealership) <sup>(2)</sup> (times)	<b>2.67</b>	2.46	2.36	2.47	2.61	2.52	2.52	2.61	2.52
Working capital to net revenue <sup>(2)</sup>	<b>28.9%</b>	29.5%	29.0%	28.4%	27.3%	27.3%	27.8%	27.4%	27.1%
Free cash flow (\$ millions)	<b>346</b>	330	(210)	280	—	31	(245)	332	(57)
Net debt to Adjusted EBITDA <sup>(1)</sup> ratio <sup>(2)(4)</sup> (times)	<b>1.7</b>	1.8	1.9	1.7	1.8	1.8	1.7	1.6	1.8

(a) Following a detailed review of our remanufacturing business in Canada, we determined that the correct classification of certain costs in SG&A should be cost of sales. Effective Q3 2024, the comparative figures for 2023 and Q1 2024 and Q2 2024 include an immaterial adjustment for a change in classification of certain expenses. For more information on the impact to financial statements, please refer to note 11 of our condensed interim consolidated financial statements.

(b) Comparative results for 2023 have been restated for our adoption of the amendments to IAS 1, *Presentation of Financial Statements* effective for the financial year beginning January 1, 2024.

### Q3 2024 HIGHLIGHTS BY OPERATION

All comparisons are to Q3 2023 results unless indicated otherwise. All numbers, except ROIC, are in functional currency: Canada – Canadian dollar; South America – US dollar (USD); UK & Ireland – UK pound sterling (GBP). These variances and ratios for South America and UK & Ireland exclude the foreign currency translation impact from the CAD relative to the USD and GBP, respectively, and are therefore considered to be specified financial measures. We believe the variances and ratios in functional currency provide meaningful information about operational performance of the reporting segment.

#### South America Operations

- Net revenue increased 10%, up in all lines of business except rental. New equipment revenue was up 14%, primarily driven by deliveries to mining customers and mining contractors, while used equipment was up 68% on strong demand from construction customers.
- Product support revenue was up 7%, driven by strong demand from mining customers and mining contractors as well as oil and gas customers. Service revenue was up in all market sectors, despite a weaker CLP <sup>(1)</sup>, and reflects strong technician headcount growth. Excluding the impact of a weaker CLP on service revenue, product support revenue would have been 8% higher compared to Q3 2023.
- Excluding the significant item described on page 9, Adjusted EBIT decreased 3% from Q3 2023 EBIT, due to a higher mix of new and used equipment revenue as well as a higher mix of mining equipment sales. SG&A was higher, primarily due to CAD \$11 million of costs owing as a result of re-entering the official exchange market in Argentina. Adjusted EBIT as a % of net revenue was 10.9%, down 140 basis points from Q3 2023 EBIT as a % of net revenue.
- Our effective income tax rate was lower year over year, primarily due to unrecognized losses utilized in Argentina. The benefit from the utilization of the losses offsets a large portion of the SG&A due to the cost of acquiring USD and re-entering the official exchange market in Argentina.
- Our Argentina operations were profitable in the quarter, and we continue to manage the business to keep our risk low.
- In October, we received an order from a global mining company for ultra-class haul trucks for approximately CAD \$250 million.

#### Canada Operations

- Net revenue decreased 1%, primarily due to lower product support revenues and lower rental utilization, partially offset by increased new equipment deliveries. New equipment deliveries included a large proportion of mining rental equipment with purchase option (RPO) conversions.
- Product support revenue was down 3%, reflecting mixed activity levels in the mining sector and a slower recovery of activity by customers in the construction sector.
- In June 2024, Victoria Gold, a mining customer, experienced a heap leach pad landslide failure at their Eagle Gold mine site in the Yukon. In Q3 2024, this customer was placed in receivership on application by the Yukon government. We recorded an estimated loss for receivables of \$14 million. This customer had previously been a consistent consumer of the Company's products and services until this event occurred. We do not expect any material business from this mine in the near to medium term.
- We incurred \$9 million of severance costs in the quarter in our Canadian business. These costs relate to headcount reductions to simplify and streamline our operations, primarily in information technology and supply chain functions. We also streamlined our remanufacturing operations and have reclassified certain costs in SG&A as cost of sales.
- To manage our inventory health, we took action to improve invested capital by selling \$150 million of inventory at low margins.

- Excluding the significant items described on page 9 and above, Adjusted EBIT decreased 31% from Q3 2023 EBIT. Adjusted EBIT as a percentage of net revenue of 7.5% was down 330 basis points from Q3 2023 EBIT as a percentage of net revenue. Low Adjusted EBIT as a percentage of net revenue was driven by factors including a high proportion of new equipment sales in mining, used equipment pricing was lower as we managed our inventory levels, and the rental equipment market remained challenged as fleet utilization was below what would be expected in a normalized environment. A lower product support mix and smaller sized equipment rebuild activity also impacted Adjusted EBIT.
- Excluding the estimated loss for receivables described on page 9 and above, SG&A was lower by 2%, reflecting a focus on cost containment.
- In October, we received equipment orders from a mining contractor and a uranium producer totalling approximately \$90 million, including ultra class trucks and underground mining equipment.

### **UK & Ireland Operations**

- Net revenue decreased 1%, with new equipment sales down 3% due to slower demand from certain industrial customers, while used equipment sales were up 49%, mainly from increased volumes in construction.
- Product support revenue was down 2% from Q3 2023, reflecting lower activity levels relative to a record in Q3 2023, which had strong activity in the power sector. Relative to Q2 2024, product support revenues were up 3% as machine hours trended slightly higher.
- Excluding the significant item described on page 9, Adjusted EBIT as a percentage of net revenue was 6.3%, up 40 basis points, driven by a focus on cost control, with SG&A down 10% from Q3 2023.

### **Corporate and Other Items**

- Adjusted EBIT loss for Corporate was \$15 million, higher than an EBIT loss of \$8 million in Q3 2023, and included higher LTIP costs.
- We incurred \$3 million of corporate level severance costs related to the restructuring, consolidation and simplification of corporate functions. Headcount reductions and consolidation efforts focused on non-revenue generating positions, including information technology and supply chain roles as well as some financial support functions as we simplify our business activities.
- The Board of Directors has approved a quarterly dividend of \$0.275 per share, payable on December 12, 2024, to shareholders of record on November 28, 2024. This dividend will be considered an eligible dividend for Canadian income tax purposes.
- We repurchased 2.4 million shares in Q3 2024 at an average cost of \$40.10, representing 1.7% of our public float.

## **MARKET UPDATE AND BUSINESS OUTLOOK**

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

### **South America Operations**

In Chile, our outlook is underpinned by growing global demand for copper, strong copper prices, capital deployment into large-scale brownfield expansions, and customer confidence to invest in brownfield and greenfield projects. We are seeing a broad-based level of quoting, tender, and award activity for mining equipment, product support, and technology solutions. While activity levels and outlook remain positive, we also expect a more challenging environment in attracting and retaining qualified labour.

In the Chilean construction sector, we continue to see demand from large contractors supporting mining operations, and we expect infrastructure construction activity to remain steady. In the power systems sector, activity remains strong in the industrial and data centre markets, driving growing demand for electric power solutions.

In Argentina, steps are being taken by the new government to address the fiscal imbalances in the country with the goal of ultimately stabilizing inflation and opening the economy for free import and export of goods in the long-term. However, devaluing the currency, containing public spending, reducing subsidies, and lowering spending on public works are driving continued challenging market and operating conditions. We are actively monitoring the new rules and policies. While we anticipate near-term pockets of strong activity in the oil & gas sector, and the new government programs are helping drive large-scale investment by global miners, we continue to take a low-risk approach in Argentina.

### **Canada Operations**

Our outlook for Western Canada is mixed. We expect continued spending discipline from our large customers as they work to achieve operating cost targets and in some cases fund and integrate acquisitions. Certain oil sands customers continue to optimize mine plans, adjust scopes of contractor work and defer maintenance spending. Going forward, we expect these customers to deploy capital to renew, maintain, and rebuild aging fleets. Based on customer commitments and discussions, we anticipate more consistent demand for product support, including component remanufacturing and rebuilds.

We expect ongoing commitments from federal and provincial governments as well as private sector projects for infrastructure development to support activity in the construction sector, but we expect these projects will take time to advance. In addition, growing demand for reliable, efficient, and sustainable electric power solutions across communities in Western Canada creates opportunities for our power systems business.

With a slower market environment, we are focused on managing our cost and working capital levels and continue to see additional opportunities to unlock invested capital in the near term.

We expect headwinds in the used and rental markets to continue following a period of strong sector activity and limited equipment supply. We saw pricing and utilization in these markets begin to normalize through the quarter but expect the normalization period to last for the next several quarters. While new equipment pricing has remained relatively stable, we expect a high proportion of mining deliveries in Q4 2024.

### **UK & Ireland Operations**

With low GDP<sup>(1)</sup> growth projected in the UK to continue, we expect demand in the construction sector to remain soft. We expect a growing contribution from used equipment and power systems as we continue to execute on our strategy. In power systems, quoting activity remains strong, driven by healthy demand for primary and backup power generation, particularly in the data centre market. We expect our product support business in the UK & Ireland to remain resilient.

## **Sustaining a Higher Level of Return on Invested Capital**

To support our strategy and to continue the simplification of our organization and empowerment of our regional teams, we are further reducing our SG&A to ensure resilience and continued demonstration of our improved earnings capacity. Our continued resilience journey includes a reduced number of senior management and an overall reduced proportion of non-revenue generating employee base. The headcount reductions related to the severance costs incurred in the quarter are expected to result in lower annual SG&A in 2025 by approximately \$25 million and serve to offset lower near-term margins and reposition the business for future operating leverage. We are also optimizing our UK pension, which is expected to complete in Q4. This improves our UK & Ireland ROIC by approximately 260 basis points and our consolidated ROIC by approximately 30 basis points as well as reduces our ongoing SG&A in the UK.

Since last year, our product support growth rates in Canada and the UK & Ireland have remained lower than expected due to slower infrastructure spending and extended deferral of mining equipment maintenance work in Canada, and lower activity levels in the UK & Ireland given a more challenging growth environment. In South America, we remain optimistic for strong product support growth. As our product support growth rates for the last year have been below our expectations, we are withdrawing our product support growth targets to the end of 2025, as outlined at our 2023 Investor Day. We will continue to focus on maximizing product support growth as a key strategic value driver going forward. We remain committed to improving our invested capital, cost base and inventory velocity targets as well as making progress to achieve our consolidated Adjusted ROIC within our range of 18% - 25% in all market conditions.

We believe the results this quarter in Canada are largely transitory in nature and will start to improve as we move through the balance of the year and into 2025. We are well positioned to continue to execute on our strategy to maximize product support, continuously improve our cost and capital position to drive full cycle resilience and grow prudently in used, rental and power – all with the objective of achieving a sustainably higher Adjusted ROIC going forward.

To access Finning's complete Q3 2024 results, please visit our website at [https://www.finning.com/en\\_CA/company/investors.html](https://www.finning.com/en_CA/company/investors.html)

### **Q3 2024 INVESTOR CALL**

We will hold an investor call on November 13, 2024 at 10:00 am Eastern Time. Dial-in numbers: 1-844-763-8274 (Canada and US toll free), 1-412-717-9224 (international toll). The investor call will be webcast live and archived for three months. The webcast and accompanying presentation can be accessed at [https://www.finning.com/en\\_CA/company/investors.html](https://www.finning.com/en_CA/company/investors.html)

### **ABOUT FINNING**

Finning is the world's largest Caterpillar dealer, delivering unrivalled service to customers for over 90 years. Headquartered in Surrey, British Columbia, we provide Caterpillar equipment, parts, services, and performance solutions in Western Canada, Chile, Argentina, Bolivia, the United Kingdom, and Ireland.

### **CONTACT INFORMATION**

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## **Description of Specified Financial Measures and Reconciliations**

### **Specified Financial Measures**

We believe that certain specified financial measures, including non-GAAP<sup>(1)</sup> financial measures, provide users of our Earnings Release 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 Earnings Release.

Descriptions and components of the specified financial measures we use in this Earnings Release 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 10 of this Earnings Release.

### **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:

- Severance costs related to the workforce reduction in each of our operations.
- Our Canadian operations recorded an estimated loss for receivables from Victoria Gold, a mining customer that was placed into receivership following a landslide at its mine.
- On December 13, 2023, the newly-elected Argentine government devalued the ARS <sup>(1)</sup> official exchange rate by 118% from 366.5 ARS to 800 ARS for USD 1. As a result of prolonged government currency restrictions, including no material access to USD starting in late August 2023, our ARS exposure increased and during this period economic hedges were not available. As a result of the growth in our ARS exposure and the significant devaluation of the ARS in the fourth quarter, our South American operations incurred a foreign exchange loss of \$56 million which exceeds the typical foreign exchange impact in the region.
- We began to implement our invested capital improvement plan as outlined at our 2023 Investor Day, which targets selling and optimizing real estate and exiting low-ROIC activities. In Q4 2023:
  - Our South American operations sold a property in Chile and recorded a gain of \$13 million on the sale; and,
  - Following an evaluation of the business needs of our operations and related intangible assets, several software and technology assets have been or will be decommissioned, and as a result, we derecognized previously capitalized costs of \$12 million.
- 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.

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

3 months ended (\$ millions)	2024				2023				2022			2021
	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	170	228	202	177	252	242	239	214	224	190	140	157
Significant items:												
Severance costs	19	—	—	—	—	—	18	—	—	—	—	—
Estimated loss for a customer receivable	14	—	—	—	—	—	—	—	—	—	—	—
Foreign exchange and tax impact of devaluation of ARS	—	—	—	56	—	—	—	—	—	—	—	—
Gain on sale of property, plant, and equipment	—	—	—	(13)	—	—	—	—	—	—	—	—
Write-off of intangible assets	—	—	—	12	—	—	—	—	—	—	—	—
Gain on wind up of foreign subsidiaries	—	—	—	—	—	—	(41)	—	—	—	—	—
Adjusted EBIT	203	228	202	232	252	242	216	214	224	190	140	157
Depreciation and amortization	100	98	99	99	94	94	92	87	84	81	81	84
Adjusted EBITDA <sup>(3)(4)</sup>	303	326	301	331	346	336	308	301	308	271	221	241

The income tax impact of the significant items was as follows:

3 months ended (\$ millions)	2024				2023			2022	
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Significant items:									
Severance costs	(4)	—	—	—	—	—	(5)	—	—
Estimated loss for a customer receivable	(4)	—	—	—	—	—	—	—	—
Foreign exchange and tax impact of devaluation of ARS	—	—	—	(3)	—	—	—	—	—
Gain on sale of property, plant, and equipment	—	—	—	4	—	—	—	—	—
Write-off of intangible assets	—	—	—	(3)	—	—	—	—	—
Gain on wind up of foreign subsidiaries	—	—	—	—	—	—	9	—	—
Withholding tax on repatriation of profits	—	—	—	—	—	—	19	—	—
(Recovery of) provision for income taxes on the significant items	(8)	—	—	(2)	—	—	23	—	—

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

3 months ended (\$)	2024				2023			2022	
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EPS <sup>(a)</sup>	0.75	1.02	0.84	0.59	1.07	1.00	0.89	0.89	0.97
Significant items:									
Severance costs	0.10	—	—	—	—	—	0.09	—	—
Estimated loss for a customer receivable	0.08	—	—	—	—	—	—	—	—
Foreign exchange and tax impact of devaluation of ARS	—	—	—	0.37	—	—	—	—	—
Gain on sale of property, plant, and equipment	—	—	—	(0.06)	—	—	—	—	—
Write-off of intangible assets	—	—	—	0.06	—	—	—	—	—
Gain on wind up of foreign subsidiaries	—	—	—	—	—	—	(0.21)	—	—
Withholding tax on repatriation of profits	—	—	—	—	—	—	0.12	—	—
Adjusted EPS <sup>(a)</sup>	0.93	1.02	0.84	0.96	1.07	1.00	0.89	0.89	0.97

<sup>(a)</sup> 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 (\$ millions)	2024				2023				2022			2021
	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	71	131	112	117	137	136	126	128	125	102	80	92
Significant items:												
Estimated loss for a customer receivable	14	—	—	—	—	—	—	—	—	—	—	—
Severance costs	9	—	—	—	—	—	4	—	—	—	—	—
Write-off of intangible assets	—	—	—	5	—	—	—	—	—	—	—	—
Adjusted EBIT	94	131	112	122	137	136	130	128	125	102	80	92

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

3 months ended (\$ millions)	2024				2023				2022				2021
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31
EBIT	101	93	84	55	104	104	74	96	85	64	65	59	59
Significant items:													
Severance costs	3	—	—	—	—	—	7	—	—	—	—	—	—
Foreign exchange and tax impact of devaluation of ARS	—	—	—	56	—	—	—	—	—	—	—	—	—
Gain on sale of property, plant, and equipment	—	—	—	(13)	—	—	—	—	—	—	—	—	—
Write-off of intangible assets	—	—	—	4	—	—	—	—	—	—	—	—	—
Adjusted EBIT	104	93	84	102	104	104	81	96	85	64	65	59	59

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

3 months ended (\$ millions)	2024				2023				2022				2021
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31
EBIT	16	15	14	6	19	18	15	16	21	23	14	12	12
Significant items:													
Severance costs	4	—	—	—	—	—	2	—	—	—	—	—	—
Write-off of intangible assets	—	—	—	3	—	—	—	—	—	—	—	—	—
Adjusted EBIT	20	15	14	9	19	18	17	16	21	23	14	12	12

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

3 months ended (\$ millions)	2024				2023				2022				2021
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31
EBIT	(18)	(11)	(8)	(1)	(8)	(16)	24	(26)	(7)	1	(19)	(6)	(6)
Significant items:													
Severance costs	3	—	—	—	—	—	5	—	—	—	—	—	—
Gain on wind up of foreign subsidiaries	—	—	—	—	—	—	(41)	—	—	—	—	—	—
Adjusted EBIT	(15)	(11)	(8)	(1)	(8)	(16)	(12)	(26)	(7)	1	(19)	(6)	(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 (\$ millions)	2024				2023				2022
	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	383	364	(177)	291	37	66	(166)	410	(24)
Additions to property, plant, and equipment and intangible assets	(38)	(34)	(37)	(51)	(50)	(40)	(79)	(78)	(33)
Proceeds on disposal of property, plant, and equipment	1	—	4	40	13	5	—	—	—
Free cash flow	346	330	(210)	280	—	31	(245)	332	(57)

## 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 (\$ millions)	2024 (Restated) <sup>(a)</sup>				2023 (Restated) <sup>(a)</sup>				2022	
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Cost of sales	2,214	2,285	1,987	2,042	2,064	2,142	1,775	2,025	1,807	1,761
Cost of sales related to the mobile refuelling operations	(308)	(292)	(269)	(278)	(283)	(237)	(253)	(302)	(293)	(300)
Cost of sales related to the dealership <sup>(3)</sup>	1,906	1,993	1,718	1,764	1,781	1,905	1,522	1,723	1,514	1,461

(\$ millions)	2024				2023				2022	
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Inventory	2,881	2,974	3,073	2,844	2,919	2,764	2,710	2,461	2,526	2,228
Inventory related to the mobile refuelling operations	(8)	(11)	(9)	(12)	(17)	(14)	(12)	(12)	(12)	(13)
Inventory related to the dealership <sup>(3)</sup>	2,873	2,963	3,064	2,832	2,902	2,750	2,698	2,449	2,514	2,215

<sup>(a)</sup> Following a detailed review of our remanufacturing business in Canada, we determined that the correct classification of certain costs in SG&A should be cost of sales. The comparative figures for 2023 and Q1 2024 and Q2 2024 include an immaterial adjustment for a change in classification of certain expenses. For more information on the impact to financial statements, please refer to note 11 of our condensed interim consolidated financial statements.

## 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:

(\$ millions)	2024				2023				2022		2021	
	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	(298)	(233)	(215)	(152)	(168)	(74)	(129)	(288)	(120)	(170)	(295)	(502)
Short-term debt	1,103	1,234	1,322	1,239	1,372	1,142	1,266	1,068	1,087	992	804	374
Long-term debt												
Current	—	—	68	199	203	199	253	114	106	110	63	190
Non-current	1,378	1,378	1,379	949	955	949	675	815	836	807	909	921
Net debt <sup>(3)</sup>	2,183	2,379	2,554	2,235	2,362	2,216	2,065	1,709	1,909	1,739	1,481	983
Total equity	2,591	2,590	2,574	2,530	2,535	2,414	2,480	2,461	2,449	2,337	2,296	2,343
Invested capital	4,774	4,969	5,128	4,765	4,897	4,630	4,545	4,170	4,358	4,076	3,777	3,326

## 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.

## Net Debt to Adjusted EBITDA Ratio

This ratio is calculated as net debt at the reporting date 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, and EBIT 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, and EBIT 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 (\$ millions)	2024				2023				2022		2021	
	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	2,829	2,920	2,584	2,664	2,704	2,779	2,380	2,653	2,384	2,289	1,953	1,949
Cost of fuel	(290)	(274)	(252)	(261)	(267)	(220)	(236)	(285)	(277)	(285)	(217)	(175)
Net revenue	2,539	2,646	2,332	2,403	2,437	2,559	2,144	2,368	2,107	2,004	1,736	1,774

## 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:

(\$ millions)	2024				2023				2022		2021	
	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	<b>5,355</b>	5,431	5,432	4,930	5,217	4,985	4,974	4,781	4,652	4,098	4,030	3,619
Cash and cash equivalents	<b>(298)</b>	(233)	(215)	(152)	(168)	(74)	(129)	(288)	(120)	(170)	(295)	(502)
Total current assets in working capital	<b>5,057</b>	5,198	5,217	4,778	5,049	4,911	4,845	4,493	4,532	3,928	3,735	3,117
Total current liabilities <sup>(a)</sup>	<b>3,383</b>	3,503	3,561	3,516	3,722	3,600	3,788	3,401	3,196	2,789	2,647	2,155
Short-term debt	<b>(1,103)</b>	(1,234)	(1,322)	(1,239)	(1,372)	(1,142)	(1,266)	(1,068)	(1,087)	(992)	(804)	(374)
Current portion of long-term debt	<b>—</b>	—	(68)	(199)	(203)	(199)	(253)	(114)	(106)	(110)	(63)	(190)
Total current liabilities in working capital <sup>(a)</sup>	<b>2,280</b>	2,269	2,171	2,078	2,147	2,259	2,269	2,219	2,003	1,687	1,780	1,591
Working capital <sup>(a)(3)</sup>	<b>2,777</b>	2,929	3,046	2,700	2,902	2,652	2,576	2,274	2,529	2,241	1,955	1,526

<sup>(a)</sup> Comparative results for 2023 have been restated for our adoption of the amendments to IAS 1, *Presentation of Financial Statements* effective for the financial year beginning January 1, 2024.

## FOOTNOTES

- (1) Earnings Before Finance Costs and Income Taxes (EBIT); Basic Earnings per Share (EPS); Earnings Before Finance Costs, Income Taxes, Depreciation and Amortization (EBITDA); Selling, General & Administrative Expenses (SG&A); Return on Invested Capital (ROIC); favourable (fav); unfavourable (unfav); not meaningful (n/m); generally accepted accounting principles (GAAP); Chilean peso (CLP); Argentine peso (ARS); gross domestic product (GDP).
- (2) See “Description of Specified Financial Measures and Reconciliations” on page 8 of this Earnings Release.
- (3) These are non-GAAP financial measures. See “Description of Specified Financial Measures and Reconciliations” on page 8 of this Earnings Release.
- (4) Certain financial measures were impacted by significant items management does not consider indicative of operational and financial trends either by nature or amount; these significant items are described starting on page 9 of this Earnings Release. The financial measures that have been adjusted to take these items into account are referred to as “Adjusted” measures.

## Forward-Looking Information Disclaimer

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This news release contains information that is forward-looking. Information is forward-looking when we use what we know and expect today to give information about the future. All forward-looking information in this news release is subject to this disclaimer including the assumptions and material risk factors referred to below. Forward-looking information in this news release includes, but is not limited to, the following: our continued efforts to implement our strategy to maximize product support, continuously improve our cost and capital position to drive full-cycle resilience and growing prudently in used, rental and power, all with the objective of achieving a sustainably higher ROIC going forward; all information in the section entitled “Market Update and Business Outlook”, including for our South America operations: our outlook based on growing global demand for copper, strong copper prices, capital deployment into large-scale brownfield expansions and customer confidence to invest in brownfield and greenfield projects; our expectation of a broad-based level of quoting, tender and award activity for mining equipment, product support and technology solutions; our expectation of a more challenging environment in attracting and retaining qualified labour; our expectation that infrastructure construction in Chile will remain steady (based on assumptions of continued demand from large contractors supporting mining operations); in the power systems sector, our expectation regarding growing demand for electric power solutions from strong activity in the industrial and data centre markets; in Argentina, our expected continued low-risk approach in Argentina; our expectation that steps are being taken by the new government to address the fiscal imbalances in the country with the goal of ultimately stabilizing inflation and opening the economy for free import and export of goods in the long-term; our expectation that devaluing the currency, containing public spending, reducing subsidies, and lowering spending on public works will continue to drive challenging market and operating conditions; continued monitoring of new rules and policies; our expectation that there will be near-term pockets of strong activity in the oil & gas sector, and our expectation that new government programs are helping drive large-scale investment by global miners; for our Canada operations: our outlook for Western Canada being mixed; our expectation of continued spending discipline from our large customers (based on assumptions of achieving operating cost targets and in some cases, funding and integrating acquisitions); our expectation that certain oil sands customers will deploy capital to renew, maintain and rebuild aging fleets (based on assumptions of optimized mine plans, scopes of contractor work and maintenance spending); our expectation for more consistent demand for product support, including component remanufacturing and rebuilds; our expectation regarding ongoing commitments from federal and provincial governments, as well as private sector projects, for infrastructure development to support activity in the construction sector; our expectation that these infrastructure development activities will take time to advance; our expectations of growing demand for reliable, efficient and sustainable electric power solutions across communities in Western Canada creating opportunities for our power systems business; our expectations of headwinds in the used and rental markets to continue (based on assumptions of pricing and utilization starting to normalize and that the normalization period will last for the next several quarters); our expectation of a high proportion of mining deliveries in Q4 2024; our focus on managing our cost and working capital levels and continuing to see additional opportunities to unlock invested capital in the near term; for our UK & Ireland operations: our expectation for demand in the construction sector to remain soft; our expectation of a growing contribution from used equipment and power systems as we continue to execute on our strategy; in power systems, our expectation of continued strong quoting activity (based on assumptions of healthy demand for primary and backup power generation, particularly in the data centre market); our expectation of our product support business to remain resilient; and overall: our plan to further reduce our SG&A to ensure resilience and continued demonstration of our improved earnings capacity; our expectation for a reduced number of senior management and reduced proportion of non-revenue generating employees; our expectation that the headcount reductions related to the severance costs incurred in Q3 2024 will result in lower annual SG&A in 2025 by approximately \$25 million and serve to offset lower near-term margins and reposition the business for future operating leverage; our expectation that the optimization of our UK pension will be completed in Q4 and will improve our UK & Ireland ROIC by approximately 260 basis points, our consolidated ROIC by approximately 30 basis points, as well as reduce our ongoing SG&A in the UK; our continued optimism for strong product support growth in South America; our continued focus on maximizing product support growth as a key strategic value driver going forward; our commitment to improving our invested capital, cost base and inventory velocity targets as well as making progress to achieve our consolidated adjusted ROIC within our range of 18% to 25% in all market conditions; our expectation that the results this quarter in Canada are largely transitory in nature and will start to improve as we move through the balance of the year and into 2025; our expectation that we are well positioned to continue to execute on our strategy to maximize product support, continuously improve our cost and capital position to drive full cycle resilience and grow prudently in used, rental and power, all with the objective of achieving a sustainably higher adjusted ROIC going forward; and the Canadian income tax treatment of the quarterly dividend. All such forward-looking information is provided pursuant to the ‘safe harbour’ provisions of applicable Canadian securities laws.

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

Forward-looking information, by its very nature, is subject to numerous risks and uncertainties and is based on a number of assumptions. This gives rise to the possibility that actual results could differ materially from the expectations expressed in or implied by such forward-looking information and that our business outlook, objectives, plans, strategic priorities and other information that is not historical fact may not be achieved. As a result, we cannot guarantee that any forward-looking information will materialize.

Factors that could cause actual results or events to differ materially from those expressed in or implied by this forward-looking information include: the specific factors stated above; the impact and duration of, and our ability to respond to and manage, high inflation, changing interest rates, and supply chain challenges; general economic and market conditions, including increasing inflationary cost pressure, and economic and market conditions in the regions where we operate; perspectives of investments in the oil and gas and mining projects in Argentina; capital deployment into large-scale brownfield expansions; support and commitment by Canadian federal and provincial governments in infrastructure development; 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, and the timely supply of parts and equipment; our ability to continue to 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; 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 news release 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 news release is based on a number of assumptions that we believed were reasonable on the day the information was given, including but not limited to: the specific assumptions and expectations stated above; that we will be able to successfully manage our business through volatile commodity prices, high inflation, changing interest rates, and supply chain challenges, and successfully execute our strategies to win customers, achieve full cycle resilience and continue business momentum; 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 supportive; 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; 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 our customers and 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 oil prices; timing of completion of major pipelines and the expected activity in the energy sector; that demand for reliable and sustainable electric power solutions in Western Canada will continue to create opportunities for our power systems business; that maximizing product support will positively affect our strategic priorities going forward; quoting activity for requests for proposals for equipment and

product support is reflective of opportunities; and market recoveries in the regions that we operate. Some of the assumptions, risks, and other factors, which could cause results to differ materially from those expressed in the forward-looking information contained in this news release, are discussed in our current AIF and in our annual and most recent quarterly MD&A for the financial risks. 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 news release. 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 way we present known risks affecting our business.