

Finning reports Q1 2025 results, record equipment backlog

Vancouver, B.C. – Finning International Inc. (TSX: FTT) (“Finning”, the “Company”, “we”, “our” or “us”) reported first quarter 2025 results today. All monetary amounts are in Canadian dollars unless otherwise stated.

HIGHLIGHTS

All comparisons are to Q1 2024 results unless indicated otherwise.

- Q1 2025 revenue of \$2.8 billion and net revenue ⁽²⁾ of \$2.5 billion were up 9% and 7%, respectively, driven by a 7% increase in new equipment revenue and an 11% increase in product support revenue.
- Q1 2025 EPS ⁽¹⁾ of \$0.77 included a \$0.22 per share impairment loss related to certain non-core assets. Excluding the impairment loss, Adjusted EPS ⁽²⁾⁽⁴⁾ of \$0.99 was up 18% compared to Q1 2024.
- Q1 2025 EBIT ⁽¹⁾ was \$168 million. Excluding the impairment loss related to certain non-core assets, Q1 2025 Adjusted EBIT ⁽³⁾⁽⁴⁾ was up 6% to \$213 million. Adjusted EBIT as a percentage of net revenue ⁽²⁾⁽⁴⁾ was 8.5%, down 20 basis points from Q1 2024 EBIT as a percentage of net revenue ⁽²⁾.
- Q1 2025 Adjusted EBIT as a percentage of net revenue was 10.6% in South America, 8.7% in Canada and 4.7% in the UK & Ireland.
- Q1 2025 free cash flow generation was \$135 million compared to a use of cash of \$210 million in Q1 2024, driven by higher inventory turns (dealership) and reduced working capital to net revenue.
- Equipment backlog ⁽²⁾ of \$2.8 billion at March 31, 2025 is an all-time high and was up 9% from December 31, 2024, primarily due to multiple large mining equipment orders in Canada.
- Subsequent to quarter end and as previously announced on May 8, 2025, Finning entered into a definitive agreement to sell 4Refuel to an affiliate of H.I.G. Capital (“H.I.G.”) for an implied transaction value of up to approximately \$450 million.
- Separately, and also as previously announced on May 8, 2025, Finning and the other shareholders of Compression Technology Corporation (“ComTech”) entered into a series of agreements to sell ComTech to a third party for an aggregate purchase price of \$40 million.

“Our team delivered another excellent quarter. We are driving value through the execution of our investor day strategy with increasing impact. Over the last twelve-month period, we have continued our growth with \$10.3 billion of net revenue including 5% product support growth, demonstrated resilience by generating over \$1.2 billion of free cash flow and reducing SG&A as a percentage of net revenue to 16.2%, while also sustainably growing our used and power businesses” said Kevin Parkes, President and CEO.

“Our strong start to 2025 comes at a very important time, with double digit product support growth and record backlog levels in Q1 being an excellent platform to demonstrate our improved resilience and earnings capacity in 2025. We won important business with data center customers in the UK and Ireland and mining customers in Canada, and our backlog now includes over 100 ultra class trucks across Canada and South America. We increased our inventory balances in Q1 to support our backlog as well as solid quoting activity in each region.”

“Building upon our momentum from 2024, we have accelerated the delivery of our invested capital improvement plans which resulted in the \$450 million sale of 4Refuel and healthy first quarter free cash flow reflecting improved working capital velocity. We continue our strong commitment to returning capital to shareholders and our board approved an increase in our quarterly dividend by 10%, marking our 24th consecutive year of growth.”

“We remain steadfast in our commitment to executing our strategy to maximize product support, drive full-cycle resilience and grow our used, rental and power businesses to improve our return on invested capital,” said Mr. Parkes.

Q1 2025 FINANCIAL SUMMARY

(\$ millions, except per share amounts)	3 months ended March 31		
	2025	2024 (Restated)	% change fav ⁽¹⁾ (unfav) ⁽¹⁾
New equipment	835	779	7%
Used equipment	100	136	(27)%
Equipment rental	72	74	(2)%
Product support	1,441	1,297	11%
Net fuel and other	53	46	14%
Net revenue	2,501	2,332	7%
Gross profit	624	597	5%
<i>Gross profit as a percentage of net revenue⁽²⁾</i>	24.9%	25.6%	
SG&A ⁽¹⁾	(410)	(395)	(4)%
<i>SG&A as a percentage of net revenue⁽²⁾</i>	(16.4)%	(16.9)%	
Equity loss of joint ventures	(1)	—	
Other expense	(45)	—	
EBIT	168	202	(17)%
<i>EBIT as a percentage of net revenue</i>	6.7%	8.7%	
Adjusted EBIT	213	202	6%
<i>Adjusted EBIT as a percentage of net revenue</i>	8.5%	8.7%	
Net income attributable to shareholders of Finning	104	121	(13)%
EPS	0.77	0.84	(8)%
Adjusted EPS	0.99	0.84	18%
Free cash flow	135	(210)	n/m ⁽¹⁾

Q1 2025 EBIT by Operation (\$ millions, except per share amounts)	Canada	South America	UK & Ireland	Other	Finning Total	EPS
EBIT / EPS	64	101	14	(11)	168	0.77
Impairment loss related to ComTech	45	—	—	—	45	0.22
Adjusted EBIT / Adjusted EPS	109	101	14	(11)	213	0.99
<i>Adjusted EBIT as a percentage of net revenue</i>	8.7%	10.6%	4.7%	<i>n/m</i>	8.5%	

Q1 2024 EBIT by Operation (\$ millions, except per share amounts)	Canada	South America	UK & Ireland	Other	Finning Total	EPS
EBIT / EPS	112	84	14	(8)	202	0.84
<i>EBIT as a percentage of net revenue</i>	8.9%	11.0%	4.5%	<i>n/m</i>	8.7%	

QUARTERLY KEY PERFORMANCE MEASURES

	2025		2024 (Restated) ^(a)			2023 (Restated) ^{(a)(b)}			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
EBIT (\$ millions)	168	223	170	228	202	177	252	242	239
Adjusted EBIT (\$ millions)	213	223	203	228	202	232	252	242	216
EBIT as a % of net revenue									
Consolidated	6.7%	8.7%	6.7%	8.6%	8.7%	7.4%	10.3%	9.4%	11.2%
Canada	5.1%	8.1%	5.6%	9.2%	8.9%	9.3%	10.8%	9.9%	11.0%
South America	10.6%	10.9%	10.6%	10.4%	11.0%	6.7%	12.3%	12.1%	10.5%
UK & Ireland	4.7%	5.8%	4.9%	4.6%	4.5%	1.8%	5.9%	5.5%	5.1%
Adjusted EBIT as a % of net revenue									
Consolidated	8.5%	8.7%	8.0%	8.6%	8.7%	9.6%	10.3%	9.4%	10.1%
Canada	8.7%	8.1%	7.5%	9.2%	8.9%	9.7%	10.8%	9.9%	11.3%
South America	10.6%	10.9%	10.9%	10.4%	11.0%	12.6%	12.3%	12.1%	11.5%
UK & Ireland	4.7%	5.8%	6.3%	4.6%	4.5%	2.7%	5.9%	5.5%	5.7%
EPS	0.77	1.02	0.75	1.02	0.84	0.59	1.07	1.00	0.89
Adjusted EPS	0.99	1.02	0.93	1.02	0.84	0.96	1.07	1.00	0.89
Invested capital ⁽²⁾ (\$ millions)	4,578	4,566	4,774	4,969	5,128	4,765	4,897	4,630	4,545
ROIC ⁽¹⁾⁽²⁾ (%)									
Consolidated	16.7%	16.9%	15.8%	17.4%	18.0%	19.3%	20.7%	20.8%	20.2%
Canada	13.2%	14.3%	14.6%	16.8%	17.4%	18.6%	19.8%	20.1%	19.4%
South America	26.1%	25.7%	23.1%	23.3%	24.2%	23.8%	27.1%	25.9%	24.0%
UK & Ireland	15.9%	14.0%	10.0%	10.4%	10.9%	11.3%	13.7%	15.5%	17.0%
Adjusted ROIC ⁽²⁾⁽⁴⁾									
Consolidated	18.4%	17.6%	17.6%	18.5%	19.1%	20.0%	20.2%	20.2%	19.7%
Canada	15.7%	15.1%	15.5%	16.9%	17.6%	19.0%	19.9%	20.2%	19.6%
South America	26.3%	25.9%	26.5%	26.5%	27.4%	27.6%	27.6%	26.4%	24.6%
UK & Ireland	16.9%	15.0%	11.5%	11.0%	11.5%	12.3%	14.1%	15.9%	17.4%
Invested capital turnover ⁽²⁾ (times)	2.17	2.08	2.02	1.99	2.00	2.03	2.08	2.07	2.01
Inventory (\$ millions)	2,914	2,646	2,881	2,974	3,073	2,844	2,919	2,764	2,710
Inventory turns (dealership) ⁽²⁾ (times)	2.73	2.78	2.67	2.46	2.36	2.47	2.61	2.52	2.52
Working capital to net revenue ⁽²⁾	26.5%	28.1%	28.9%	29.5%	29.0%	28.4%	27.3%	27.3%	27.8%
Free cash flow (\$ millions)	135	399	346	330	(210)	280	—	31	(245)
Net debt to Adjusted EBITDA ratio ⁽¹⁾⁽²⁾⁽⁴⁾ (times)	1.5	1.5	1.7	1.8	1.9	1.7	1.8	1.8	1.7

(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 9 of our Interim Financial Statements⁽¹⁾.

(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.

Q1 2025 HIGHLIGHTS BY OPERATION

All comparisons are to Q1 2024 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 17%, driven by new equipment deliveries and strong product support growth in the mining segment.
- New equipment revenue was up 42%, up in all market sectors, led by construction and mining.
- Product support revenue was up 6%, driven by strong demand from mining customers in Chile.
- EBIT was up 13% and EBIT as a percentage of net revenue of 10.6% was down 40 basis points, reflecting a higher proportion of new equipment sales. SG&A was comparable to Q1 2024.
- The current backlog in South America includes 64 ultra class mining trucks.

Canada Operations

- Net revenue was comparable to Q1 2024. Lower new and used equipment revenues were offset by higher product support revenues.
- Product support revenue was up 10%, reflecting higher spending by mining customers and strong activity levels in the power sector related to oil & gas activity.
- Adjusted EBIT decreased 3% from Q1 2024 EBIT. Adjusted EBIT as a percentage of net revenue of 8.7% was down 20 basis points from Q1 2024 EBIT as a percentage of net revenue. The decrease in EBIT as a percentage of net revenue was primarily due to lower product support margins driven by sales mix and costs to fulfill accelerated demand. SG&A was 2% higher compared to Q1 2024 reflecting a mix shift to higher product support revenue which is more SG&A intensive.
- The current backlog in Canada includes 38 ultra class mining trucks.
- During the first quarter, we performed a review and determined that the operations of ComTech, a company of which we owned a 54.5% controlling ownership interest, no longer represented a core part of our business. In line with the value of the announced transaction, we recorded an impairment loss of \$45 million, of which \$29 million after-tax was attributable to the shareholders of Finning.

UK & Ireland Operations

- Net revenue decreased 8%, due primarily to lower new equipment sales in power systems due to project timing and used equipment sales, partially offset by higher construction new equipment sales and product support activity.
- Product support revenue was up 4% from higher activity levels in the power systems sector.
- EBIT was down 3% and EBIT as a percentage of net revenue of 4.7% was up 20 basis points, reflecting a higher proportion of product support revenues and strong cost control. SG&A was down 5% compared to Q1 2024.

Corporate and Other Items

- EBIT loss for Corporate was \$11 million, higher than an EBIT loss of \$8 million in Q1 2024, due to higher incentive plan compensation expenses.
- The Board of Directors has approved a 10% increase in the quarterly dividend to \$0.3025 per share, payable on June 12, 2025, to shareholders of record on May 29, 2025. This dividend will be considered an eligible dividend for Canadian income tax purposes.
- In Q1 2025, we repurchased 1.4 million shares at an average cost of \$41.51 per share, representing approximately 1% of our public float.

Renewal of Share Repurchase Program

We have received approval from the Toronto Stock Exchange ("TSX") to renew our normal course issuer bid ("NCIB") to purchase for cancellation up to 13,300,000 of our common shares, representing 9.9% of the public float of 134,329,475 common shares as at May 2, 2025. As at May 2, 2025, Finning had a total of 134,569,536 common shares issued and outstanding.

The NCIB, which will begin on May 15, 2025 and end no later than May 14, 2026, will be conducted through the facilities of the TSX or other Canadian alternative trading systems, if eligible, and will conform to their rules and regulations.

Our Board of Directors believes that, from time to time, the purchase by Finning of its common shares represents a desirable use of its available cash to increase shareholder value.

The average daily trading volume of our common shares over the six-month period ending April 30, 2025, as calculated in accordance with TSX rules, was 452,429 common shares. Consequently, under TSX rules, we will be allowed to purchase daily, through the facilities of the TSX, a maximum of 113,107 common shares representing 25% of such average daily trading volume, subject to certain exceptions for block purchases. All shares purchased pursuant to the normal course issuer bid will be cancelled.

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

In connection with the NCIB, we will enter into an automatic share purchase plan ("ASPP") with a designated broker. The ASPP will allow for the purchase of shares under the NCIB at times when we would ordinarily not be permitted to purchase shares due to regulatory restrictions and customary self-imposed blackout restrictions.

The ASPP will provide a set of standard instructions to the designated broker to make purchases under the NCIB in accordance with the limits and other terms set out in the ASPP. The designated broker will determine the timing of these purchases in its sole discretion based on purchasing parameters set by us and subject to the rules of the TSX, applicable securities laws, and the terms of the ASPP. The ASPP has been pre-cleared by the TSX and will be implemented as of May 15, 2025. All purchases made under the ASPP will be included in computing the number of shares purchased and cancelled by us under the NCIB. Outside of pre-determined blackout periods, shares may be purchased under the NCIB based on management's discretion, in compliance with TSX rules, and applicable securities laws.

Under the current NCIB, which expires on May 12, 2025, we obtained approval to purchase up to 14,000,000 common shares. As of May 2, 2025, we purchased and cancelled 7,626,395 common shares under the current NCIB on the open market through the facilities of the TSX and other alternative Canadian trading systems at a volume weighted average price paid of \$39.64 per common share (excluding commissions and taxes).

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.

Global Trade

Recent changing tariff related announcements by the US, Canada and other countries globally has introduced a higher level of uncertainty, cost and complexity to operating for many businesses. To date, the direct impact of announced and implemented tariffs to Finning has been limited and largely centered on our Canadian operations. The indirect impact through reduced economic activity, changes to inflation as well as deferred, delayed or cancelled investment decisions across our customer base remains unknown and difficult to predict. We have not yet seen major shifts in customer purchasing decisions, major supply chain changes or changes in the competitive dynamics in the markets we serve as a result of the global tariff landscape, however we remain cautious given the evolution of announcements over the past several months.

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 labour environment including higher compensation and union agreement payments in upcoming union negotiations.

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, we continue to take a low-risk approach, while at the same time, we are positioning our business to capture opportunities, particularly in the oil & gas and mining sectors. The operating environment remains dynamic, and we continue to closely monitor the government’s new rules and policies, some of which are helping drive large-scale investment. The recent lifting of currency controls adds an element of optimism for improving activity levels.

Canada Operations

Our outlook for Western Canada is mixed. With new election results, we expect a focus on increasing infrastructure spend, removing interprovincial trade barriers and promoting growth in the energy sector. 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. We see a growing demand for reliable, efficient, and sustainable electric power solutions across communities in Western Canada that creates opportunities for our power systems business. We expect our mining customers to deploy capital to renew, maintain, and rebuild aging fleets.

With a more uncertain market environment in the near term, we are focused on building our resilience by managing our cost and working capital. We also continue to assess and execute opportunities to optimize low-ROIC activities. We anticipate leveraging the structural changes and overhead reductions strategy demonstrated in our UK operations.

UK & Ireland Operations

With low GDP ⁽¹⁾ 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.

Corporate Development

We expect the sale of 4Refuel to close in the third quarter of 2025 and the sale of ComTech to close in the second quarter of 2025. In the year ended December 31, 2024, 4Refuel and our interest in ComTech generated in aggregate over \$190 million of net revenue, incurred \$85 million of SG&A, and generated \$37 million of EBIT. The net proceeds of the transactions are expected to be used to repurchase shares under our NCIB, subject to market conditions, to pay down our credit facility, and for general corporate purposes. We expect these transactions and planned share repurchases to be accretive to earnings per share.

As we progress through 2025, we remain focused on the steady execution of our strategic plan: maximize product support, continuously improve our cost and capital position to drive full-cycle resilience and grow prudently in used, rental and power.

To access Finning's complete Q1 2025 results, please visit our website at https://www.finning.com/en_CA/company/investors.html

Q1 2025 INVESTOR CALL

We will hold an investor call on May 13, 2025 at 10:00 am Eastern Time. Dial-in numbers: 1-833-752-3398 (Canada and US toll free), 1-647-846-2852 (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

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.

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Description of Specified Financial Measures and Reconciliations

Specified Financial Measures

We believe that certain specified financial measures, including non-GAAP⁽¹⁾ 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 11 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:

- In Q1 2025, we performed a review and determined that the operations of ComTech no longer represented a core part of our business. We recorded an impairment loss of \$45 million, of which \$29 million after-tax was attributable to the shareholders of Finning, representing a write-down of assets.
- In Q3 2024, we recorded severance costs related to the headcount reductions and consolidation efforts focused on non-revenue generating positions, including selected technology and supply chain roles as well as some financial support functions as we simplify our business activities in each of our operations.
- In Q3 2024, 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 ⁽¹⁾ 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 our operations.

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

3 months ended (\$ millions)	2025				2024				2023				2022
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Jun 30
EBIT	168	223	170	228	202	177	252	242	239	214	224	190	
Significant items:													
Impairment loss related to ComTech	45	—	—	—	—	—	—	—	—	—	—	—	—
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	213	223	203	228	202	232	252	242	216	214	224	190	
Depreciation and amortization	100	95	100	98	99	99	94	94	92	87	84	81	
Adjusted EBITDA ⁽³⁾⁽⁴⁾	313	318	303	326	301	331	346	336	308	301	308	271	

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

3 months ended (\$ millions)	2025				2024				2023				
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Significant items:													
Impairment loss related to ComTech	(2)	—	—	—	—	—	—	—	—	—	—	—	—
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	(2)	—	(8)	—	—	—	—	(2)	—	—	—	—	23

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

3 months ended (\$)	2025				2024				2023
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
EPS ^(a)	0.77	1.02	0.75	1.02	0.84	0.59	1.07	1.00	0.89
Significant items:									
Impairment loss related to ComTech	0.22	—	—	—	—	—	—	—	—
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 ^(a)	0.99	1.02	0.93	1.02	0.84	0.96	1.07	1.00	0.89

^(a) 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)	2025				2024				2023				2022
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Jun 30
EBIT	64	101	71	131	112	117	137	136	126	128	125	102	
Significant items:													
Impairment loss related to ComTech	45	—	—	—	—	—	—	—	—	—	—	—	—
Estimated loss for a customer receivable	—	—	14	—	—	—	—	—	—	—	—	—	—
Severance costs	—	—	9	—	—	—	—	—	4	—	—	—	—
Write-off of intangible assets	—	—	—	—	—	5	—	—	—	—	—	—	—
Adjusted EBIT	109	101	94	131	112	122	137	136	130	128	125	102	

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

3 months ended (\$ millions)	2025				2024				2023				2022	
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Dec 31	Jun 30
EBIT	101	103	101	93	84	55	104	104	74	96	85	64		
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	101	103	104	93	84	102	104	104	81	96	85	64		

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

3 months ended (\$ millions)	2025				2024				2023				2022	
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Dec 31	Jun 30
EBIT	14	22	16	15	14	6	19	18	15	16	21	23		
Significant items:														
Severance costs	—	—	4	—	—	—	—	—	2	—	—	—		
Write-off of intangible assets	—	—	—	—	—	3	—	—	—	—	—	—		
Adjusted EBIT	14	22	20	15	14	9	19	18	17	16	21	23		

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

3 months ended (\$ millions)	2025				2024				2023				2022	
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Dec 31	Jun 30
EBIT	(11)	(3)	(18)	(11)	(8)	(1)	(8)	(16)	24	(26)	(7)	1		
Significant items:														
Severance costs	—	—	3	—	—	—	—	—	5	—	—	—		
Gain on wind up of foreign subsidiaries	—	—	—	—	—	—	—	—	(41)	—	—	—		
Adjusted EBIT	(11)	(3)	(15)	(11)	(8)	(1)	(8)	(16)	(12)	(26)	(7)	1		

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, repay debt, 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)	2025				2024				2023
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Cash flow provided by (used in) operating activities	149	441	383	364	(177)	291	37	66	(166)
Additions to property, plant, and equipment and intangible assets	(26)	(44)	(38)	(34)	(37)	(51)	(50)	(40)	(79)
Proceeds on disposal of property, plant, and equipment	12	2	1	—	4	40	13	5	—
Free cash flow	135	399	346	330	(210)	280	—	31	(245)

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)	2025	2024 (Restated) ^(a)				2023 (Restated) ^(a)				2022
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Cost of sales	2,194	2,242	2,214	2,285	1,987	2,042	2,064	2,142	1,775	2,025
Cost of sales (mobile refuelling operations)	(336)	(313)	(308)	(292)	(269)	(278)	(283)	(237)	(253)	(302)
Cost of sales (dealership) ⁽³⁾	1,858	1,929	1,906	1,993	1,718	1,764	1,781	1,905	1,522	1,723

(\$ millions)	2025	2024				2023				2022
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Inventory	2,914	2,646	2,881	2,974	3,073	2,844	2,919	2,764	2,710	2,461
Inventory (mobile refuelling operations)	(6)	(8)	(8)	(11)	(9)	(12)	(17)	(14)	(12)	(12)
Inventory (dealership) ⁽³⁾	2,908	2,638	2,873	2,963	3,064	2,832	2,902	2,750	2,698	2,449

^(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 9 of our Interim 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)	2025				2024				2023				2022			
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Cash and cash equivalents	(433)	(316)	(298)	(233)	(215)	(152)	(168)	(74)	(129)	(288)	(120)	(170)				
Short-term debt	939	844	1,103	1,234	1,322	1,239	1,372	1,142	1,266	1,068	1,087	992				
Long-term debt																
Current	6	6	—	—	68	199	203	199	253	114	106	110				
Non-current	1,390	1,390	1,378	1,378	1,379	949	955	949	675	815	836	807				
Net debt ⁽³⁾	1,902	1,924	2,183	2,379	2,554	2,235	2,362	2,216	2,065	1,709	1,909	1,739				
Total equity	2,676	2,642	2,591	2,590	2,574	2,530	2,535	2,414	2,480	2,461	2,449	2,337				
Invested capital	4,578	4,566	4,774	4,969	5,128	4,765	4,897	4,630	4,545	4,170	4,358	4,076				

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)	2025				2024				2023				2022			
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Total revenue	2,818	2,873	2,829	2,920	2,584	2,664	2,704	2,779	2,380	2,653	2,384	2,289				
Cost of fuel	(317)	(294)	(290)	(274)	(252)	(261)	(267)	(220)	(236)	(285)	(277)	(285)				
Net revenue	2,501	2,579	2,539	2,646	2,332	2,403	2,437	2,559	2,144	2,368	2,107	2,004				

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)	2025				2024				2023				2022			
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Total current assets	5,575	5,206	5,355	5,431	5,432	4,930	5,217	4,985	4,974	4,781	4,652	4,098				
Cash and cash equivalents	(433)	(316)	(298)	(233)	(215)	(152)	(168)	(74)	(129)	(288)	(120)	(170)				
Total current assets in working capital	5,142	4,890	5,057	5,198	5,217	4,778	5,049	4,911	4,845	4,493	4,532	3,928				
Total current liabilities ^(a)	3,487	3,150	3,383	3,503	3,561	3,516	3,722	3,600	3,788	3,401	3,196	2,789				
Short-term debt	(939)	(844)	(1,103)	(1,234)	(1,322)	(1,239)	(1,372)	(1,142)	(1,266)	(1,068)	(1,087)	(992)				
Current portion of long-term debt	(6)	(6)	—	—	(68)	(199)	(203)	(199)	(253)	(114)	(106)	(110)				
Total current liabilities in working capital ^(a)	2,542	2,300	2,280	2,269	2,171	2,078	2,147	2,259	2,269	2,219	2,003	1,687				
Working capital ^{(a)(3)}	2,600	2,590	2,777	2,929	3,046	2,700	2,902	2,652	2,576	2,274	2,529	2,241				

^(a) 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) Argentine peso (ARS); Condensed interim consolidated financial statements (Interim Financial Statements); Earnings Before Finance Costs and Income Taxes (EBIT); Earnings Before Finance Costs, Income Taxes, Depreciation and Amortization (EBITDA); Basic Earnings per Share (EPS); favourable (fav); generally accepted accounting principles (GAAP); gross domestic product (GDP); not meaningful (n/m); Return on Invested Capital (ROIC); Selling, General & Administrative Expenses (SG&A); unfavourable (unfav).
- (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 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

Forward-looking information in this news release includes, but is not limited to, the following: our continued efforts on mitigating market uncertainty and risks and building resiliency in our operations; our continued efforts to execute our strategy to maximize product support, drive full-cycle resilience and grow our used, rental and power business to improve our ROIC; the renewal of our NCIB and expected terms and timing thereof; our belief that the purchase by Finning of its common shares under our NCIB represents a desirable use of its available cash to increase shareholder value; our expectation that we will enter into an ASPP and the expected terms thereof; our belief that our double digit product support growth and record backlog levels in Q1 are an excellent platform to demonstrate our improved resilience and earnings capacity through 2025; our continued strong commitment to returning capital to shareholders; all information in the section entitled “Market Update and Business Outlook”, including for our South America operations: our outlook for Chile 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 labour environment including higher compensation and union agreement payments in upcoming union negotiations; 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 while at the same time, positioning our business to capture opportunities, particularly in the oil & gas and mining sectors; our assumption that some of the Argentina government’s new rules and policies are helping drive large-scale investment; our expectation of improving activity levels in Argentina (based on the recent lifting of current controls) that the recent lifting of currency controls adds an element of optimism for improving activity levels; for our Canada operations: our outlook for Western Canada being mixed; that, based on the election, we expect a focus on increasing infrastructure spend, removing interprovincial trade barriers and promoting growth in the energy sector; 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 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 expectation for our mining customers to deploy capital to renew, maintain, and rebuild aging fleets; our focus on building our resilience by managing our cost and working capital (based on assumptions of a more uncertain market environment in the near-term); our expectation to continue to assess and execute opportunities to optimize low-ROIC activities; and our expectation for leveraging the structural changes and overhead reductions strategy demonstrated in our UK operations; for our UK & Ireland operations: our expectation for demand in the construction sector to remain soft (based on assumptions that low GDP growth projected in the UK will continue); 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 belief that recent changing tariff related announcements by the US, Canada and other countries globally has introduced a higher level of uncertainty, cost and complexity to operating for many businesses; and the anticipated impact of announced and implemented tariffs, including our belief that the indirect impact of announced and implemented tariffs through reduced economic activity, changes to inflation as well as deferred, delayed or cancelled investment decisions across our customer base remains unknown and difficult to predict; our continued focus on steady execution of our strategic plan to maximize product support, continuously improve our cost and capital position to drive full cycle resilience and grow prudently in used, rental and power markets; our expectation that consistent execution, despite macroeconomic and market uncertainties, will enable us to meet our objective of achieving a sustainably higher Adjusted ROIC; the anticipated completion of the sale of 4Refuel in the third quarter of 2025 or at all; the anticipated closing of the separate ComTech transaction in the second quarter of 2025 or at all; the expected use of net proceeds from the sales of 4Refuel and ComTech and that these transactions and planned share repurchases will be accretive to earnings per share; 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, geopolitical and trade uncertainty, changing tariffs and 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 access capital markets for additional debt or equity, to finance future growth and to refinance outstanding debt obligations, on terms that are acceptable will be dependent upon prevailing market conditions, as well as our financial condition; 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, environmental disclosures 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; 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 tariffs and 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 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, commitments and obligations; consistent and stable legislation in the various countries in which we operate; no disruptive changes in the technology environment; our current good relationship with Caterpillar, 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; 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.