



NEWS RELEASE

May 8, 2025

Finning to sell 4Refuel

Vancouver, B.C. - Finning International Inc. (TSX: FTT) (“Finning” or the “Company” or “we”, “our” or “us”) announced today that we have entered into a definitive agreement to sell 100% of our mobile on-site refueling business, operating through our subsidiaries 4Refuel Holdings Limited, Midnight Holding, Inc., and their respective affiliates (collectively “4Refuel”), to affiliates of H.I.G. Capital (“H.I.G.”) for a total purchase price of up to \$400 million, subject to customary closing adjustments (the “Transaction”). Including leases and other indebtedness of approximately \$50 million, the total implied transaction value is approximately \$450 million.

4Refuel is a leading North American mobile on-site liquid refueling company providing on-site wheel-to-wheel and bulk fuel delivery through a workforce of approximately 650 employees, serving customers in the transportation, construction, waste management, food & beverage, and other critical industries.

“We would like to extend our gratitude to all of the 4Refuel employees for their contribution, dedication and consistently strong execution. The decision to sell 4Refuel was carefully considered as we evaluated our strategic direction, core dealership operations, and return on invested capital objectives. We believe H.I.G. is the right partner to support 4Refuel’s long-term growth and we wish the 4Refuel team success in the future,” said Kevin Parkes, President and CEO of Finning.

“Since we acquired the business in 2019, 4Refuel has generated strong growth and returns for our shareholders, including delivering significant free cash flow. This transaction represents another successful example of executing our invested capital improvement plan to unlock more than \$450 million of invested capital as outlined at our Investor Day in 2023.”

“This transaction will allow us to simplify our operations and focus on i) maximizing product support; ii) generating improved and more resilient earnings by lowering our annual SG&A; and iii) creating sustainable growth around our core dealership operations,” said Parkes.

Under the terms of the Transaction, Finning will receive consideration of approximately \$400 million, of which \$330 million will be payable in cash upon closing, subject to customary closing adjustments, and includes a \$50 million note receivable and up to \$20 million of contingent consideration that is payable over 2 years, subject to the achievement of certain financial performance metrics. The purchaser is expected to assume lease liabilities and other indebtedness of approximately \$50 million.

The net proceeds of the Transaction are expected to be used to repurchase shares under our normal course issuer bid, subject to market conditions, to pay down our credit facility, and to reinvest into our core dealership operations. We expect the Transaction and planned share repurchases to be accretive to earnings per share.

The Finning Board of Directors has approved the Transaction. The Transaction is anticipated to close in the third quarter of 2025, subject to customary closing conditions, including all necessary regulatory approvals.

Separately, Finning and the other shareholders of Compression Technology Corporation (“ComTech”) have entered into a series of agreements to sell ComTech to a third party for a total implied transaction value of \$40 million (including leases and indebtedness), subject to customary closing adjustments. Closing of this transaction is anticipated in the second quarter of 2025, subject to customary closing conditions. During the first quarter, we performed a review and determined that the operations of ComTech no longer represented a core part of our business. In the three months ended March 31, 2025, in line with the implied transaction value, we recorded an impairment loss of \$45 million, of which \$29 million after-tax was attributable to the shareholders of Finning.

In the year ended December 31, 2024, 4Refuel and our 54.5% interest in ComTech generated in aggregate over \$190 million of net revenue, incurred \$85 million of SG&A, and generated \$72 million of EBITDA ⁽¹⁾, and \$37 million of EBIT.

Borden Ladner Gervais LLP acted as legal counsel to Finning on the sale of both 4Refuel and ComTech and CIBC Capital Markets acted as financial advisor to Finning on the sale of 4Refuel.

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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Footnotes

- (1) This is a non-GAAP financial measure and does not have a standardized meaning prescribed by GAAP (generally accepted accounting principles) and therefore may not be comparable to similar measures presented by other issuers. This measure should not be considered a substitute or alternative for financial measures determined in accordance with GAAP. EBITDA is defined as earnings before finance costs, income taxes, depreciation, and amortization and is utilized by management to assess and evaluate the financial performance of its operating segments. Management believes that EBITDA improves comparability between periods by eliminating the impact of finance costs, income taxes, depreciation, and amortization. EBITDA is also commonly regarded as an indirect measure of operating cash flow, a significant indicator of success for many businesses and is a common valuation metric. EBITDA is calculated by adding depreciation and amortization to EBIT. The most comparable GAAP financial measure to EBITDA is EBIT.

Forward-Looking Information Disclaimer

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: the anticipated completion of the Transaction in the third quarter of 2025 or at all; the potential to receive up to \$20 million in contingent consideration over 2 years; that we expect to use the net proceeds of the Transaction to repurchase shares under our normal course issuer bid, subject to market conditions, to pay down our credit facility, and to reinvest in our core dealership operations; the expectation that the Transaction and planned share repurchases will be accretive to earnings per share; our belief that the transaction will allow us to simplify our operations and focus on maximizing product support, generating improved and more resilient earnings by lowering our SG&A, and creating sustainable growth around our core dealership operations; the expectation for the purchaser in the Transaction to assume lease liabilities and other indebtedness of approximately \$50 million; and the anticipated closing of the separate ComTech transaction in the second quarter of 2025 or at all. All such forward-looking statements are made 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. 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 statements made in this news release are based on a number of assumptions that Finning believed were reasonable on the day Finning made the forward-looking statements. 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 Annual Information Form (AIF) and in our annual MD&A for the financial risks. We caution readers that the risks described in the annual 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.