

Finning reports Q4 and Annual 2025 results

Vancouver, B.C. – Finning International Inc. (TSX: FTT) (“Finning”, the “Company”, “we”, “our” or “us”) reported fourth quarter and annual 2025 results today. All monetary amounts are in Canadian dollars unless otherwise stated and all financial information in this earnings release represents the results from continuing operations, unless otherwise noted. ⁽¹⁾

HIGHLIGHTS

All comparisons are to Q4 2024 results unless indicated otherwise.

- Revenue of \$2.7 billion was up 6%, with growth in all regions. Annual revenue of \$10.6 billion was up 7% from 2024.
- Product support revenue increased 8% to \$1.5 billion with continued strong mining activity. Q4 2025 was the 7th quarter in a row of year-over-year product support growth.
- New equipment sales increased 9% to \$1.0 billion. Equipment backlog ⁽³⁾ grew to a new record level of \$3.1 billion at December 31, 2025, which included strong order intake in Canada across all market sectors.
- SG&A ⁽²⁾ margin ⁽³⁾ was 15.4%, and included \$21 million of long-term incentive plan (“LTIP”) expense primarily due to strong fourth quarter share price performance, relative to a \$3 million LTIP recovery in the prior year. This LTIP expense had an approximately 80 basis point impact to SG&A margin.
- EBIT ⁽²⁾ was \$187 million and Adjusted EBIT ⁽⁴⁾⁽⁵⁾ was \$209 million, which excluded the impact of a \$22 million write-off of certain information technology assets to align with Caterpillar’s digital and technology strategy.
- Adjusted EBIT margin ⁽³⁾⁽⁵⁾ was 7.8%, down 60 basis points from Q4 2024 EBIT margin ⁽³⁾. Adjusted EBIT margin was 10.4% in South America, 8.1% in Canada, and 4.6% in the UK & Ireland.
- Q4 2025 Adjusted EPS ⁽²⁾⁽³⁾⁽⁵⁾ of \$1.00 was up 3% from Q4 2024 EPS from continuing operations of \$0.97. LTIP expense had a \$0.12 impact to EPS in Q4 2025, relative to a \$0.02 benefit in Q4 2024.
- Adjusted ROIC ⁽²⁾ from continuing operations ⁽³⁾⁽⁵⁾ was 19.2%, up 130 basis points from December 31, 2024.
- Q4 2025 free cash flow from continuing operations ⁽⁴⁾ was \$642 million. Net debt to Adjusted EBITDA ⁽²⁾⁽³⁾⁽⁵⁾ at December 31, 2025 was 1.2 times, down from 1.7 times at December 31, 2024.

“2025 was a very strong year for our company. We have grown our business, and improved both our resilience and Adjusted ROIC while generating strong free cash flow and creating value for our shareholders through earnings growth, lower share count, and reduction in net debt. Our performance is a result of focused execution by our employees, and I would like to thank them for their unwavering commitment to each other, our customers and partners” said Kevin Parkes, President and CEO.

“Our earnings capacity has been significantly transformed, and we are more resilient in all market conditions. Product support revenue is approaching \$6 billion annually while reducing SG&A margin to 15% in 2025. Our new equipment revenues reached an all-time high of \$3.9 billion this year, while at the same time, backlog is at an all-time high of \$3.1 billion, both of which provide a solid foundation for future product support opportunities. Our mining and power & energy end markets remain robust, despite relatively low oil and gas prices, and we are optimistic that the market for construction equipment will start to improve in 2026 as the political environment and economic outlook for infrastructure development improves across our regions.”

“We have delivered strong results since we updated our strategic objectives at our Investor Day in 2023 and we have more opportunities to continue executing this strategy to maximize product support, drive full-cycle resilience and grow our used, rental and power & energy businesses to improve our return on invested capital. We are excited about growth opportunities supported by our constructive end markets and continued execution of our strategy,” said Mr. Parkes.

Q4 2025 FINANCIAL SUMMARY

(\$ millions, except per share amounts)	3 months ended December 31			Years ended		
	2025	2024 (Restated)	% change fav ⁽²⁾ (unfav) ⁽²⁾	2025	2024 (Restated)	% change fav (unfav)
New equipment	1,000	921	9%	3,863	3,612	7%
Used equipment	105	136	(23)%	487	507	(4)%
Equipment rental	77	75	2%	301	295	2%
Product support	1,507	1,394	8%	5,934	5,480	8%
Other	1	2	(48)%	6	9	(30)%
Revenue	2,690	2,528	6%	10,591	9,903	7%
Gross profit	617	599	3%	2,444	2,357	4%
Gross profit margin ⁽³⁾	23.0%	23.7%		23.1%	23.8%	
SG&A	(413)	(391)	(6)%	(1,585)	(1,560)	(2)%
SG&A margin	(15.4)%	(15.5)%		(15.0)%	(15.8)%	
Equity earnings of joint ventures	5	4		10	9	
Other expenses	(22)	—		(34)	(19)	
EBIT	187	212	(12)%	835	787	6%
EBIT margin	6.9%	8.4%		7.9%	7.9%	
Adjusted EBIT	209	212	(2)%	869	820	6%
Adjusted EBIT margin	7.8%	8.4%		8.2%	8.3%	
Net income from continuing operations	115	133	(14)%	523	482	9%
EPS	0.88	0.97	(9)%	3.93	3.43	14%
Adjusted EPS	1.00	0.97	3%	4.12	3.61	14%
Free cash flow from continuing operations	642	399	61%	546	828	(33)%

Q4 2025 EBIT by Operation (\$ millions, except per share amounts)	Canada	South America	UK & Ireland	Other	Finning Total	EPS
EBIT / EPS	98	98	17	(26)	187	0.88
Write-off of intangible assets	5	5	3	9	22	0.12
Adjusted EBIT / Adjusted EPS	103	103	20	(17)	209	1.00
Adjusted EBIT margin	8.1%	10.4%	4.6%	n/m ⁽²⁾	7.8%	

Q4 2024 EBIT by Operation (\$ millions, except per share amounts)	Canada	South America	UK & Ireland	Other	Finning Total	EPS
EBIT / EPS	90	103	22	(3)	212	0.97
EBIT margin	7.5%	10.9%	5.8%	n/m	8.4%	

QUARTERLY KEY PERFORMANCE MEASURES FROM CONTINUING OPERATIONS

	2025 (Restated) ⁽¹⁾								2023
	2025 (Restated) ⁽¹⁾				2024 (Restated) ^{(1)(a)}				(Restated)
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4 ^{(1)(a)}
EBIT (\$ millions)	187	240	203	205	212	160	220	195	168
Adjusted EBIT (\$ millions)	209	240	215	205	212	193	220	195	223
EBIT margin									
Consolidated	6.9%	8.5%	7.8%	8.4%	8.4%	6.4%	8.5%	8.5%	7.2%
Canada	7.7%	8.7%	8.5%	8.4%	7.5%	5.0%	8.9%	8.7%	8.9%
South America	9.9%	9.7%	10.1%	10.6%	10.9%	10.6%	10.4%	11.0%	6.7%
UK & Ireland	4.0%	6.5%	5.2%	4.7%	5.8%	4.9%	4.6%	4.5%	1.8%
Adjusted EBIT margin									
Consolidated	7.8%	8.5%	8.3%	8.4%	8.4%	7.8%	8.5%	8.5%	9.5%
Canada	8.1%	8.7%	9.4%	8.4%	7.5%	6.9%	8.9%	8.7%	9.4%
South America	10.4%	9.7%	10.1%	10.6%	10.9%	10.9%	10.4%	11.0%	12.6%
UK & Ireland	4.6%	6.5%	5.2%	4.7%	5.8%	6.3%	4.6%	4.5%	2.7%
EPS	0.88	1.17	0.94	0.95	0.97	0.69	0.97	0.81	0.55
Adjusted EPS	1.00	1.17	1.01	0.95	0.97	0.88	0.97	0.81	0.92
Invested capital from continuing operations ⁽⁴⁾ (\$ millions)	4,313	4,876	4,580	4,333	4,275	4,495	4,683	4,843	4,473
Adjusted ROIC from continuing operations									
Consolidated	19.2%	19.3%	18.7%	18.7%	17.9%	18.0%	19.0%	19.7%	20.7%
Canada	18.2%	17.6%	16.3%	15.9%	15.4%	15.9%	17.7%	18.5%	20.1%
South America	24.5%	24.6%	25.9%	26.3%	25.9%	26.5%	26.5%	27.4%	27.6%
UK & Ireland	20.1%	20.2%	18.4%	16.9%	15.0%	11.5%	11.0%	11.5%	12.3%
Invested capital turnover from continuing operations ⁽³⁾ (times)	2.34	2.31	2.28	2.26	2.16	2.10	2.07	2.09	2.12
Free cash flow from continuing operations (\$ millions)	642	(56)	(164)	124	399	330	323	(224)	260
Net debt to Adjusted EBITDA ratio from continuing operations (times)	1.2	1.7	1.6	1.6	1.7	1.9	1.9	2.0	1.8

^(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.

For annual key performance measures, refer to page 6 of the 2025 Annual MD&A ⁽²⁾.

Q4 2025 HIGHLIGHTS BY OPERATION

All comparisons are to Q4 2024 results unless indicated otherwise. All numbers, except ROIC from continuing operations, 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

- Revenue increased 5%, including a 4% increase in new equipment revenue, driven by strong growth in the construction and power & energy sectors, partially offset by lower mining sector sales.
- Product support revenue was up 5% from strong construction sector activity in Chile.
- Adjusted EBIT was comparable to Q4 2024 EBIT. Adjusted EBIT margin of 10.4% was down 50 basis points from Q4 2024 EBIT margin, reflecting lower product support margins.
- Adjusted ROIC from continuing operations was 24.5%.

Canada Operations

- Revenue increased 5%, including a 2% increase in new equipment revenue with strong sales across the construction sector. Rental revenues were up 10%, on improved construction market conditions.
- Product support revenue was up 12%, primarily reflecting strong demand from mining customers.
- Adjusted EBIT increased 14% from Q4 2024 EBIT. Adjusted EBIT margin of 8.1% was up 60 basis points from Q4 2024 EBIT margin, driven by a higher proportion of product support revenue and improved SG&A margin.
- Adjusted ROIC from continuing operations was 18.2%, up 280 basis points on improved invested capital turns and profitability.

UK & Ireland Operations

- Revenue increased 14%, driven by a 21% increase in new equipment primarily from strong project deliveries in the power & energy sector, and a 25% increase in used equipment in the construction sector.
- Adjusted EBIT was down 10% from Q4 2024 EBIT. Adjusted EBIT margin of 4.6% was down 120 basis points from Q4 2024 EBIT margin, driven primarily by a higher proportion of new equipment revenue.
- Adjusted ROIC from continuing operations was 20.1%, up 510 basis points primarily reflecting the optimization of pension assets.

Corporate and Other Items

- Adjusted EBIT loss for Corporate was \$17 million, higher than the EBIT loss of \$3 million in Q4 2024 driven by higher LTIP expense.
- The Board of Directors has approved a quarterly dividend of \$0.3025 per share, payable on March 12, 2026, to shareholders of record on February 26, 2026. This dividend will be considered an eligible dividend for Canadian income tax purposes.
- In 2025, we repurchased 5.3 million shares at an average cost of \$54.33 per share, representing approximately 3.9% 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. In the near term, we expect some moderation in activity levels as customers adjust their mine plans and existing equipment fleets. We also continue to expect some challenges in the labour market as the demand for skilled labour remains high.

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 & energy sector, activity remains strong in the industrial and data centre markets, driving growing demand for electric power solutions.

In Argentina, we are carefully 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 rules and policies, some of which are helping drive large-scale investment. We have recently seen an increase in quoting activity for equipment and expect activity levels to improve in the coming years, subject to an improving investment environment.

Canada Operations

Our outlook for Western Canada is improving. We are encouraged by announcements regarding the potential to accelerate resource development and infrastructure project activity, but we remain cautious with respect to the timing and magnitude of such potential activity.

We expect steady activity levels in our mining business as customers renew, maintain and rebuild aging equipment. In the power & energy sector, activity remains steady in the oil and gas market, with longer term potential in the data centre market. Construction sector activity, including resource development and infrastructure project activity, is moderate but showing signs of potential for increased activity.

We remain focused on building resilience by managing our cost and invested capital levels. We are also continuing to leverage the structural changes and overhead reductions strategy demonstrated in our UK & Ireland operations to continue driving productivity improvements.

UK & Ireland Operations

With low GDP ⁽²⁾ growth projected in the UK to continue, we expect demand in the construction sector to remain soft. We expect a growing contribution from power & energy as we continue to execute our strategy. In power & energy, 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 stable.

Global Trade

Ongoing 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 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 year.

Strategy and Capital Expenditure Update

We plan to continue to execute our strategy in 2026: maximize product support, improve our cost and capital position to drive full-cycle resilience, and grow prudently in used, rental and power & energy. Consistent execution will enable us to continue to meet our objective of achieving a sustainably higher Adjusted ROIC in the range of 18-25% in all market conditions.

We expect our 2026 net capital and net rental fleet expenditures to be greater than \$350 million. Following a slower than expected construction market in Canada in 2024 and 2025, we expect to build our rental fleet to capture opportunities as the market improves. We also expect to make selected investments in our capacity and capabilities, such as improving our warehouse operations in Edmonton, and focused investments in South America and the UK & Ireland to better serve our customers.

To access Finning's complete Q4 2025 results, please visit our website at https://www.finning.com/en_CA/company/investors.html

Q4 2025 INVESTOR CALL

We will hold an investor call on February 11, 2026, 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⁽²⁾ 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 from continuing operations were as follows:

- In Q4 2025, following an evaluation of the business needs of our operations, including an alignment with Caterpillar's digital and technology strategy, several technology assets have been or are being decommissioned; as a result, we derecognized previously capitalized costs.
- In Q2 2025, we recorded severance costs for headcount reductions related to consolidation efforts and changes to our organizational structure focused on non-revenue generating positions, primarily in selected back office and technology roles.
- 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 worked to 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 then newly-elected Argentine government devalued the ARS ⁽²⁾ 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 had been or were planned to 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 (Restated) (\$ millions)	2025				2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
EBIT ⁽¹⁾	187	240	203	205	212	160	220	195	168	246	235	233
Significant items:												
Write-off of intangible assets	22	—	—	—	—	—	—	—	12	—	—	—
Severance costs	—	—	12	—	—	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)	—	—	—
Gain on wind up of foreign subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(41)
Adjusted EBIT ⁽¹⁾	209	240	215	205	212	193	220	195	223	246	235	210
Depreciation and amortization ⁽¹⁾	94	95	95	90	86	91	89	90	90	86	86	84
Adjusted EBITDA ⁽¹⁾⁽⁴⁾⁽⁵⁾	303	335	310	295	298	284	309	285	313	332	321	294

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

3 months ended (\$ millions)	2025				2024				2023
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Significant items:									
Write-off of intangible assets	(6)	—	—	—	—	—	—	—	(3)
Severance costs	—	—	(3)	—	—	(4)	—	—	—
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
(Recovery of) provision for taxes on the significant items	(6)	—	(3)	—	—	(8)	—	—	1

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

3 months ended (Restated) (\$)	2025				2024				2023
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
EPS ^{(1)(a)}	0.88	1.17	0.94	0.95	0.97	0.69	0.97	0.81	0.55
Significant items:									
Write-off of intangible assets	0.12	—	—	—	—	—	—	—	0.06
Severance costs	—	—	0.07	—	—	0.11	—	—	—
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)
Adjusted EPS ^{(1)(a)}	1.00	1.17	1.01	0.95	0.97	0.88	0.97	0.81	0.92

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

3 months ended (Restated) (\$ millions)	2025				2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
EBIT ⁽¹⁾	98	117	114	101	90	61	123	105	108	131	129	120
Significant items:												
Write-off of intangible assets	5	—	—	—	—	—	—	—	5	—	—	—
Severance costs	—	—	11	—	—	9	—	—	—	—	—	4
Estimated loss for a customer receivable	—	—	—	—	—	14	—	—	—	—	—	—
Adjusted EBIT ⁽¹⁾	103	117	125	101	90	84	123	105	113	131	129	124

^(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 South American operations is as follows:

3 months ended (\$ millions)	2025				2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
EBIT	98	109	96	101	103	101	93	84	55	104	104	74
Significant items:												
Write-off of intangible assets	5	—	—	—	—	—	—	—	4	—	—	—
Severance costs	—	—	—	—	—	3	—	—	—	—	—	7
Foreign exchange and tax impact of devaluation of ARS	—	—	—	—	—	—	—	—	56	—	—	—
Gain on sale of property, plant, and equipment	—	—	—	—	—	—	—	—	(13)	—	—	—
Adjusted EBIT	103	109	96	101	103	104	93	84	102	104	104	81

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

3 months ended (\$ millions)	2025				2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
EBIT	17	24	17	14	22	16	15	14	6	19	18	15
Significant items:												
Write-off of intangible assets	3	—	—	—	—	—	—	—	3	—	—	—
Severance costs	—	—	—	—	—	4	—	—	—	—	—	2
Adjusted EBIT	20	24	17	14	22	20	15	14	9	19	18	17

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

3 months ended (\$ millions)	2025				2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
EBIT	(26)	(10)	(24)	(11)	(3)	(18)	(11)	(8)	(1)	(8)	(16)	24
Significant items:												
Write-off of intangible assets	9	—	—	—	—	—	—	—	—	—	—	—
Severance costs	—	—	1	—	—	3	—	—	—	—	—	5
Gain on wind up of foreign subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(41)
Adjusted EBIT	(17)	(10)	(23)	(11)	(3)	(15)	(11)	(8)	(1)	(8)	(16)	(12)

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 from Continuing Operations

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. Free cash flow from continuing operations excludes free cash flow from discontinued operations. We use free cash flow from continuing operations to assess cash operating performance, including working capital efficiency. 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 from continuing operations is as follows:

3 months ended (\$ millions)	2025				2024				2023
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Cash flow (used in) provided by operating activities	724	(58)	(127)	149	441	383	364	(177)	291
Additions to property, plant, and equipment and intangible assets	(93)	(59)	(30)	(26)	(44)	(38)	(34)	(37)	(51)
Proceeds on disposal of property, plant, and equipment	11	61	14	12	2	1	—	4	40
Less free cash flow from discontinued operations ⁽⁴⁾	—	—	(21)	(11)	—	(16)	(7)	(14)	(20)
Free cash flow from continuing operations	642	(56)	(164)	124	399	330	323	(224)	260

Invested Capital from Continuing Operations

Invested capital is defined 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 from continuing operations as a measure of the total cash investment made in Finning and each reportable segment. Invested capital from continuing operations is used in a number of different measurements (ROIC from continuing operations, Adjusted ROIC from continuing operations, invested capital turnover from continuing operations) to assess financial performance against other companies and between reportable segments. Invested capital from continuing operations is calculated as follows:

(\$ millions)	2025				2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Cash and cash equivalents	(369)	(312)	(431)	(433)	(316)	(298)	(233)	(215)	(152)	(168)	(74)	(129)
Short-term debt	518	1,022	944	939	844	1,103	1,234	1,322	1,239	1,372	1,142	1,266
Long-term debt												
Current	180	181	—	6	6	—	—	68	199	203	199	253
Non-current	1,196	1,200	1,375	1,390	1,390	1,378	1,378	1,379	949	955	949	675
Net debt ⁽⁴⁾	1,525	2,091	1,888	1,902	1,924	2,183	2,379	2,554	2,235	2,362	2,216	2,065
Total equity	2,788	2,785	2,692	2,676	2,642	2,591	2,590	2,574	2,530	2,535	2,414	2,480
Invested capital ⁽³⁾	4,313	4,876	4,580	4,578	4,566	4,774	4,969	5,128	4,765	4,897	4,630	4,545
Less invested capital from discontinued operations ⁽⁴⁾	—	—	—	(245)	(291)	(279)	(286)	(285)	(292)	(305)	(296)	(294)
Invested capital from continuing operations	4,313	4,876	4,580	4,333	4,275	4,495	4,683	4,843	4,473	4,592	4,334	4,251

Invested Capital Turnover from Continuing Operations

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

Net Debt to Adjusted EBITDA Ratio from Continuing Operations

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. This ratio is calculated as net debt from continuing operations at the reporting date divided by Adjusted EBITDA for the last twelve months. Net debt from continuing operations is calculated as follows:

(\$ millions)	2025				2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Net debt	1,525	2,091	1,888	1,902	1,924	2,183	2,379	2,554	2,235	2,362	2,216	2,065
Less net debt from discontinued operations ⁽⁴⁾	—	—	—	39	31	35	5	(1)	(11)	(30)	(26)	(29)
Net debt from continuing operations ⁽⁴⁾	1,525	2,091	1,888	1,941	1,955	2,218	2,384	2,553	2,224	2,332	2,190	2,036

Gross Profit Margin, SG&A Margin, and EBIT Margin

We use these specified financial measures to assess and evaluate the financial performance or profitability of our reportable segments. We may also calculate EBIT margin 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 revenue, SG&A divided by revenue, and EBIT divided by revenue.

Adjusted ROIC from Continuing Operations

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 also calculate Adjusted ROIC from continuing operations 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 and invested capital from continuing operations. We use Adjusted ROIC from continuing operations as a useful measure for capital allocation decisions that drive profitable growth and attractive returns to shareholders.

FOOTNOTES

- (1) We sold our interests in ComTech ⁽²⁾ and 4Refuel ⁽²⁾ on May 15, 2025 and June 30, 2025, respectively. The results of operations of ComTech and 4Refuel up to their respective sale dates have been restated as discontinued operations. Effective Q2 2025, the comparative figures have been restated to exclude the results of discontinued operations. For more information on the impact to the financial statements, please refer to Note 3 of our Annual Financial Statements ⁽²⁾.
- (2) 4Refuel Holdings Limited, Midnight Holding Inc., and their respective affiliates (collectively “4Refuel”); Audited annual consolidated financial statements (Annual Financial Statements); Argentine peso (ARS); Compression Technology Corporation (ComTech); Earnings Before Finance Costs and Income Taxes (from continuing operations) (EBIT); Earnings Before Finance Costs, Income Taxes, Depreciation and Amortization (from continuing operations) (EBITDA); Basic Earnings per Share from continuing operations (EPS); favourable (fav); generally accepted accounting principles (GAAP); gross domestic product (GDP); Management’s Discussion and Analysis (MD&A); not meaningful (n/m); Return on Invested Capital (ROIC); Selling, General & Administrative Expenses (SG&A); unfavourable (unfav).
- (3) See “Description of Specified Financial Measures and Reconciliations” on page 7 of this Earnings Release.
- (4) These are non-GAAP financial measures. See “Description of Specified Financial Measures and Reconciliations” on page 7 of this Earnings Release.
- (5) 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 8 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 belief that our earning capacity has been significantly transformed, and that we are more resilient in all market conditions; our expectation that record new equipment revenues and equipment backlog in 2025 provide a solid foundation for future product support opportunities; despite relatively low oil and gas prices, our belief that mining and power & energy end markets remain robust; our optimism that the market for construction equipment will start to improve in 2026 as the political environment and economic outlook for infrastructure development improves across our regions; our expectation of more opportunities to continue executing our strategic objectives (as set out at our 2023 Investor Day) to maximize product support, drive full-cycle resilience and grow our used, rental and power & energy business to improve our ROIC; our excitement regarding our expected growth opportunities supported by our constructive end markets and continued execution of our strategy; 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 in the near term of some moderation in activity levels as customers adjust their mine plans and existing equipment fleets; our continued expectation of some challenges in the labour market as the demand for skilled labour remains high; 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 & energy sector, our expectation regarding growing demand for electric power solutions from strong activity in the industrial and data centre markets; in Argentina, our belief that the operating environment remains dynamic and our careful business positioning to capture opportunities, particularly in the oil & gas and mining sectors; our continued monitoring of rules and policies, some of which are helping drive large-scale investment; and our expectation that activity levels will improve in the coming years, subject to an improving investment environment; for our Canada operations: our outlook for Western Canada improving; our expectations regarding the potential to accelerate resource development and infrastructure project activity and our cautious approach with respect to timing and magnitude of such potential activity; our expectation of steady activity levels in our mining business as customers renew, maintain and rebuild aging equipment; our belief that in the power & energy sector, activity remains steady in the oil and gas market, with longer term potential in the data centre market; our belief that construction sector activity, including resource development and infrastructure project activity, is moderate but showing signs of potential for increased activity; our continued focus on building our resilience by managing our cost and invested capital levels; and our expectation for leveraging the structural changes and overhead reductions strategy demonstrated in our UK & Ireland operations to continue driving productivity improvements; 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); our expectation of a growing contribution from power & energy as we continue to execute our strategy; in power & energy, 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 stable; for global trade: our belief that ongoing 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; 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; and our expectation of remaining cautious given the evolution of announcements over the past year; and overall: our expectation to continue to execute our strategy in 2026 to maximize product support, improve our cost and capital position to drive full-cycle resilience, and grow prudently in used, rental and power & energy; our expectation that consistent execution will enable us to continue to meet our objective of achieving a sustainably higher Adjusted ROIC in the range of 18-25% in all market conditions; our expectation that our 2026 net capital and net rental fleet expenditures will be greater than \$350 million and that we will build our rental fleet to capture opportunities as the market improves; and our expectation of making selected investments in our capacity and capabilities, such as improving our warehouse operations in Edmonton and focused investments in South America and the UK & Ireland to better serve our customers; 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; 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 maximizing product support growth 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.