

TOROMONT

July 28, 2015

Toromont Announces Results for the Second Quarter of 2015 and Regular Quarterly Dividend

TOROMONT (NYSE:TO) (Toronto, July 28, 2015) – Toromont Industries Ltd. (TSX:TOI) reported its financial results for the second quarter ended June 30, 2015.

Three months ended June 30 Six months ended June 30

Millions, except per share

Account	2015	2014	% change	2015	2014	% change
Revenue	\$ 484.5	\$ 435.6	11%	\$ 824.7	\$ 727.3	12%
Operating income	\$ 51.7	\$ 28.9	79%	\$ 85.5	\$ 41.5	106%
Net earnings	\$ 36.4	\$ 28.9	26%	\$ 56.5	\$ 47.4	19%
Earnings per share – basic	\$ 0.47	\$ 0.37	27%	\$ 0.73	\$ 0.62	18%

"In a relatively competitive market environment, we delivered strong results in the second quarter," said Scott J. McDermott, President and Chief Executive Officer of Toromont Industries Ltd. "The Equipment Group experienced an active construction market combined with very strong product support growth. At CMCO, customer construction schedules ramped up and led to good project activity while product support sales continued its upward trend."

Highlights:

Equipment Group revenue increased 16% to \$427.6 million in the second quarter on strong equipment sales, product support and rentals. Operating income(1) increased 27% compared to last year, reflecting the higher revenue and relative contribution from product support.

Equipment Group revenue were up 14% to \$734.3 million year-to-date mainly on higher equipment sales and product support revenue. Equipment sales were up 14% to \$491.0 million or 14% largely due to good construction, power systems and agriculture deliveries, offset by reduced mining sales. Product support revenue increased to a new high for the first six months of the year on strong parts and services growth.

Equipment Group backlog(1) were \$190.0 million at June 30, 2015 compared to \$102.0 million at December 31, 2014 and \$184.1 million (including the \$41.0 million order delivered in Q1 2015) at this time last year. Substantially all of the backlog is expected to be delivered this year. Backlog(1) increased \$1 in the quarter to \$274.0 million and 9% year-to-date to \$418.0 million against strong levels in the prior year.

CMCO revenue increased 21% to \$97.0 million on good package sales and continued product support growth. Operating income increased 104% reflecting the higher revenue and improved project execution and was 6.4% as a percentage of revenue.

CMCO revenue were up \$4 to \$100.5 million year-to-date, after a slower than usual start to the year. Product support revenue increased \$4 to \$49.3 million and surpassed the previous record set last year. Operating income margin(1) was 12 basis points higher than last year.

CMCO backlog in the quarter were up 17% with increase across both major segments in Canada and the US. Year-to-date backlog increased \$4 mainly on good recreational activity in Canada and the US. Backlog of \$79.0 million at June 30, 2015 were up from \$67.0 million at December 31, 2014 and \$70.0 million at June 30, 2014. Substantially all of the backlog is expected to revenue over the remainder of the year.

Net earnings increased 24% in the quarter to \$34.4 million and 19% to \$64.5 million year-to-date largely due to the higher revenue, improved gross profit margin(1) and relatively lower expense ratio.

Earnings per share (basic) increased 27% to \$0.50 in the quarter to \$0.47 and 18% to \$0.73 year-to-date, both records for the respective periods.

Toromont's financial position remains strong. Net debt to total capitalization(1) was just 37%, well within stated capital targets.

The Board of Directors announced the regular quarterly dividend of 17 cents per common share, payable October 1, 2015 on shareholders of record on September 11, 2015. The regular quarterly dividend was previously increased 18% to 17 cents per share effective with the dividend paid April 1, 2015.

"In the Equipment Group, construction activity has been healthy and the roster of projects is expected to continue. However, heightened competitive conditions, a tight pricing environment, challenges within the mining industry, stagnant economic growth and a weaker Canadian dollar are all expected to impact customers," continued Mr. McDermott. "We were encouraged by CMCO's results for the quarter after a slower than normal start to the year. Product support revenues were strong in both the US and Canada and remains a strategic focus."

Quarterly Results Materials

The complete second quarter report for 2015, including MDA and unaudited interim condensed consolidated financial statements, is available on our website at www.toromont.com

Quarterly Conference Call and Webcast
Interested parties are invited to join the quarterly conference call with investment analysts, in both-only mode, on Wednesday, July 29, 2015 at 8:00 a.m. (ET). The call may be accessed by telephone at 1-800-395-4959 (toll free) or 416-340-8527 (Toronto area). A replay of the conference call will be available until Wednesday, August 12, 2015 by calling 1-800-408-3053 or 905-694-9461 and quoting passcode 207020.

Both the live webcast and the replay of the quarterly conference call can be accessed at www.toromont.com

Advisory
Information in this press release that is not a historical fact is "forward-looking information." Words such as "plans," "intends," "expects," "anticipates," "estimates," "believes," "may," "should," "could," "will," "may" and similar expressions are intended to identify statements concerning forward-looking information. Forward-looking information in this press release is based on current objectives, strategies, expectations and assumptions which management considers appropriate and reasonable at the time including, but not limited to, general economic and industry growth rates, commodity prices, currency exchange and interest rates, competitive intensity and availability and regulatory approvals.
By nature, forward-looking information is subject to risks and uncertainties which may be beyond the ability of Toromont to control or predict. The actual results, performance or achievements of Toromont could differ materially from those expressed or implied by forward-looking information. Factors that could cause actual results, performance, achievements or events to differ from current expectations include, among others, risks and uncertainties related to business cycles, including general economic conditions in the countries in which Toromont operates, commodity price changes, including changes in the price of iron ore and base metals, changes in foreign exchange rates, including the CAD/USD exchange rate, the termination of distribution or original equipment manufacturer agreements, equipment product acceptance and availability of supply, increased competition, results of third parties, additional costs associated with warranties and maintenance contracts, changes in interest rates, the availability of financing, and environmental regulation.
Any of above mentioned risks and uncertainties could cause a material change to actual results that are reasonably expected or implied in the forward-looking information and statements included in this press release. For a further description of certain risks and uncertainties and other factors that could cause or contribute to actual results that are materially different, see the risks and uncertainties set out in the "Risks and Risk Management" and "Outlook" sections of Toromont's most recent annual or interim Management Discussion and Analysis, as filed with Canadian securities regulators at www.toromont.com and may also be found at www.toromont.com. Other factors, risks and uncertainties not presently known to Toromont or that Toromont currently believes are not material could also cause actual results or events to differ materially from those expressed or implied by statements concerning forward-looking information.

Readers are cautioned not to place undue reliance on statements concerning forward-looking information that are included in this press release, which are made as of the date of this press release, and not to use such information for anything other than their intended purpose. Toromont disclaims any obligation or intention to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

About Toromont
Toromont Industries Ltd. operates through two business segments: The Equipment Group and CMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory in addition to industry leading rental operations and a growing agricultural equipment business. CMCO is a market leader in the design, engineering, fabrication and installation of industrial and recreational refrigeration systems. Both segments offer comprehensive product support capabilities. This press release and more information about Toromont Industries Ltd. can be found at www.toromont.com

FOOTNOTES
(1) These financial metrics do not have a standardized meaning under International Financial Reporting Standards, which are also referred to as Generally Accepted Accounting Principles (GAAP), and may not be comparable to similar measures used by other issuers. The Company's Manager's Discussion and Analysis (MDA) includes additional information regarding these financial metrics, including definitions, under the heading "Description of Non-GAAP and Additional GAAP Measures."

TOROMONT INDUSTRIES LTD.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

(Unaudited)

Three months ended June 30 Six months ended June 30

(In thousands, except share amounts)

Account	2015	2014	2015	2014
Revenue	\$ 484,533	\$ 435,559	\$ 824,729	\$ 727,307
Cost of goods sold	370,518	320,226	624,610	554,264
Gross profit	114,015	95,334	200,119	173,043
Selling and administrative expenses	42,314	35,415	119,526	101,564
Operating income	51,699	39,919	80,593	64,479
Interest expense	1,970	2,072	4,385	4,157
Interest and investment income	(485)	(894)	(1,625)	(1,962)
Income before income taxes	59,244	36,943	74,583	58,360
Income taxes	14,823	5,884	21,961	16,794
Net earnings	\$ 36,395	\$ 28,853	\$ 56,512	\$ 47,488

Earnings per share						
Basic	\$	0.47	\$	0.37	\$	0.42
Diluted	\$	0.46	\$	0.37	\$	0.42

Weighted average						
number of shares						
outstanding						
Basic		77,424,546		77,331,951		77,520,792
Diluted		78,394,181		77,716,339		78,294,921

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