



For immediate release

TOROMONT ANNOUNCES 2017 RESULTS AND INCREASE IN QUARTERLY DIVIDEND

Toronto, Ontario (February 22, 2018) - Toromont Industries Ltd. (TSX: TIH) today reported financial results for the three months and year ended December 31, 2017.

<i>millions, except per share amounts</i>	Three months ended December 31			Years ended December 31		
	2017	2016	% change	2017	2016	% change
Revenues	\$ 822.8	\$ 492.2	67%	\$ 2,350.2	\$ 1,912.0	23%
Operating income	\$ 86.6	\$ 62.9	38%	\$ 249.6	\$ 216.6	15%
Net earnings	\$ 59.1	\$ 45.5	30%	\$ 176.0	\$ 155.7	13%
Basic earnings per share ("EPS")	\$ 0.73	\$ 0.58	26%	\$ 2.22	\$ 1.99	12%

"Toromont delivered strong results for the fourth quarter and full year of 2017, with solid organic growth in the Equipment Group and CIMCO, coupled with two months of operations at our acquired businesses," said Scott J. Medhurst, President and Chief Executive Officer of Toromont Industries Ltd. "The Equipment Group executed well and CIMCO had another record year, a testament to the team's dedication and commitment to excellence during a period of elevated focus on completing the Hewitt acquisition. Entering 2018 the Company, supported by a strong balance sheet, is well positioned to continue to build value for shareholders."

Considering the Company's solid financial position and positive long-term outlook, the Board of Directors today increased the quarterly dividend by 21% to 23 cents per share. The next dividend is payable April 2, 2018 to shareholders of record at the close of business on March 9, 2018. Toromont has paid dividends every year since 1968 and this is the 29th consecutive year of dividend increases.

Highlights:

- Acquisition of the Hewitt Group of Companies
 - The Company completed the acquisition of businesses and net operating on October 27, 2017 for a total purchase price of \$1.02 billion. The acquired businesses will be referred to as Toromont Quebec/Maritimes ("Toromont QM") for the remainder of this document.
 - The acquisition strengthens Toromont's position and provides significant opportunity for profitable growth and expanded market diversification. Our total customer offering in the key mining, construction and power systems markets along with our product and service expertise positions Toromont well for continued delivery of consistent returns to our stakeholders.
 - Toromont became the authorized Caterpillar dealer for Quebec, Western Labrador and the Maritimes; the Caterpillar lift truck dealer for Quebec and most of Ontario and the

MaK engine dealer for Quebec, the Maritimes and the eastern seaboard of the United States from Maine to Virginia.

- Consolidated Results – strong revenue and earnings growth
 - Net earnings for 2017 were \$176.0 million (\$2.22 EPS) up 13% from last year. Excluding the full impact of Toromont QM for the two months¹ and a gain on internally-developed software recorded in 2016, net earnings increased 16% over last year while EPS increased 15%. Both Groups contributed to solid year-over-year growth on higher revenues and good overall execution.
 - Net earnings for the fourth quarter were \$59.1 million (\$0.73 EPS) up 30% over last year. Excluding the items noted above, net earnings increased 25% while EPS increased 21%.
- Equipment Group – good organic growth reflecting solid strategic execution
 - Revenues were up 25% or \$400.3 million in the year to \$2.03 billion. Toromont QM contributed \$242.6 million for the two months. In the legacy operations, equipment sales into mining, power systems and agriculture markets increased while construction markets declined slightly. All rental revenue streams increased, reflecting the Company's focus on growing the fleet to address demand in this important segment. Product support growth continued with increases in both parts and service. Operating income⁽²⁾ was up \$24.0 million or 13% after excluding the contribution from Toromont QM and acquisition-related expenses in 2017, together with a gain on sale of internally-developed software recorded in 2016.
 - For the fourth quarter, revenues were up 73% or \$307.2 million to \$726.0 million for similar reasons outlined above for the full year. Excluding the contribution from Toromont QM, operating income increased 20% and was 14.1% as a percentage of revenues (60 basis points higher than last year).
 - Bookings⁽²⁾ in 2017 of \$1.0 billion were up 24% over last year and included \$86.3 million from Toromont QM. Excluding Toromont QM, fourth quarter bookings were \$17.7 million or 8% higher than last year with increases in construction, power systems and agriculture orders, partially offset by lower mining orders. Backlogs⁽²⁾ increased to \$327.0 million from \$147.0 million at the end of 2016 and included \$128.3 million at Toromont QM. Most of the orders in backlog are expected to be delivered in 2018.

¹ Pre-tax income at Toromont QM for the two months since acquisition was \$10.2 million and included \$2.8 million of amortization related to intangible assets acquired as part of the transaction. Pre-tax direct transaction costs for advisory and other consulting services were \$3.4 million for the three months ended December 31, 2017 and \$6.0 million for the year ended December 31, 2017. Pre-tax interest expense increased approximately \$4.5 million as a result of the debenture offerings and amendments to the credit facility to partially fund the transaction.

- CIMCO – record results on good execution in a tight pricing environment
 - Revenues increased 13% or \$37.8 million in the year to \$318.2 million. Package sales were strong in Canada and the US. Product support grew in Canada and was relatively unchanged in the US. Operating income margin⁽²⁾ increased 210 basis points to 9.4% reflecting higher revenues and gross profit margins together with a lower expense ratio.
 - For the fourth quarter, revenues increased 32% to \$96.8 million as a result of the same factors identified for the year above. Operating income margin increased 300 basis points to 11.5%.
 - Bookings increased 31% to \$233.0 million for the year, surpassing the previous all-time high set last year. Fourth quarter bookings were down 37% to \$26.0 million against a tough prior year comparator. Backlogs of \$134.0 million at December 31, 2017 were up 35% from 2016. Substantially all of the backlog is expected to be realized as revenue in 2018.
- Financial Position – remains strong
 - Toromont continued to produce superior shareholder returns, delivering increased dividends, a 19.3% return on opening shareholders' equity⁽²⁾ and a 21.5% pre-tax return on capital employed⁽²⁾.
 - Toromont's share price of \$55.10 at the end of 2017, translates to a market capitalization⁽²⁾ of \$4.5 billion, a 34% increase from the beginning of the year. Toromont's total enterprise value⁽²⁾ of \$5.2 billion at December 31, 2017, increased 58% year-over-year.
 - The Company maintained a strong financial position. Leverage, as represented by the net debt to total capitalization⁽²⁾ ratio at December 31, 2017 was 40%.

"We are encouraged by the long-term outlook for infrastructure spending across all territories from both the provincial and federal governments. Momentum is strong in the mining sectors that we serve. CIMCO continues to experience significant positive momentum. Growing CIMCO's technician base and market presence in the US remains a priority," continued Mr. Medhurst. "Integration and transition efforts at Toromont QM are well underway, with the primary focus on safety of our people and customer deliverables. Effective execution will be required to realize on the significant potential of a combined presence in key Canadian economic sectors. Across the enterprise, good bookings and backlog levels, together with the long-term product support growth trends and the diversity of markets in the new and significantly expanded territory, provide substantial opportunities for continued success."

Financial and Operating Results

All comparative figures in this press release are for the fourth quarter and fiscal year ended December 31, 2017 compared to the fourth quarter and fiscal year ended December 31, 2016. All financial information presented in this press release has been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. This press release contains only selected financial and operational highlights and should be read in conjunction with Toromont's audited consolidated financial statements and related notes and Management's Discussion and Analysis ("MD&A") for the three and twelve month period ended December 31, 2017, which are available on SEDAR at www.sedar.com and on the Company's website at www.toromont.com. The Company's audited consolidated financial statements and MD&A contain detailed information about Toromont's financial position, results, liquidity and capital resources, strategy, plans and outlook, which investors are encouraged to read carefully.

Quarterly Conference Call and Webcast

Interested parties are invited to join the quarterly conference call with investment analysts, in listen-only mode, on Friday, February 23, 2018 at 8:00 a.m. (ET). The call may be accessed by telephone at 1-800-377-0758 (toll free) or 416-340-2218 (Toronto area). A replay of the conference call will be available until Friday, March 2, 2018 by calling 1-800-408-3053 or 905-694-9451 and quoting passcode 7328399#.

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", "outlook", "expects", "anticipates", "estimates", "believes", "likely", "should", "could", "will", "may" and similar expressions are intended to identify statements containing forward-looking information. Forward-looking information in this press release reflect current estimates, beliefs, and assumptions, which are based on Toromont's perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Toromont's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Toromont can give no assurance that such estimates, beliefs and assumptions will prove to be correct. This press release also contains forward-looking statements about the recently acquired businesses of Hewitt.

Numerous risks and uncertainties could cause the actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: business cycles, including general economic conditions in the countries in which Toromont operates; commodity price changes, including changes in the price of precious and base metals; changes in foreign exchange rates, including the Cdn\$/US\$ exchange rate; the termination of distribution or original equipment manufacturer agreements; equipment product acceptance and availability of supply; increased competition; credit of third parties; additional costs associated with warranties and maintenance contracts; changes in interest rates; the availability of financing; potential environmental liabilities of the acquired

businesses and changes to environmental regulation; failure to attract and retain key employees; damage to the reputation of Caterpillar, product quality and product safety risks which could expose Toromont to product liability claims and negative publicity; new, or changes to current, federal and provincial laws, rules and regulations including changes in infrastructure spending; and any requirement of Toromont to make contributions to the registered funded defined benefit pension plans, postemployment benefits plan or the multi-employer pension plan obligations in which it participates in and acquired from Hewitt thereunder in excess of those currently contemplated. Risks and uncertainties related to the acquisition of the Hewitt operations could also cause the actual results to differ materially from the estimates beliefs and assumptions expressed or implied in the forward-looking statements, including but not limited to: changes in consumer and business confidence as a result of the change in ownership; the potential for liabilities assumed in the acquisition to exceed our estimates or for material undiscovered liabilities in the Hewitt business; the potential for third parties to terminate or alter their agreements or relationships with Toromont as a result of the acquisition; and risks related to integration of Hewitt operations with those of Toromont including cost of integration and ability to achieve the expected benefits. Readers are cautioned that the foregoing list of factors is not exhaustive.

Any of the above mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed 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 the Management Discussion and Analysis available on SEDAR at www.sedar.com and our website 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 containing forward-looking information.

Readers are cautioned not to place undue reliance on statements containing forward-looking information, which reflect Toromont's expectations only 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 to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

About Toromont

Toromont Industries Ltd. operates through two business segments: the Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory - spanning the Canadian provinces of Newfoundland & Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Québec, Ontario and Manitoba, in addition to most of the territory of Nunavut. The Group includes industry leading rental operations, a complementary material handling business and an agricultural equipment business. CIMCO 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.

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FOOTNOTES

- ⁽²⁾ These financial metrics do not have a standardized meaning under International Financial Reporting Standards (IFRS), which are also referred to herein as Generally Accepted Accounting Principles (GAAP), and may not be comparable to similar measures used by other issuers. These measurements are presented for information purposes only. The Company's Management's Discussion and Analysis (MD&A) includes additional information regarding these financial metrics, including definitions and a reconciliation to the most directly comparable GAAP measures, under the headings "Additional GAAP Measures", "Non-GAAP Measures" and "Key Performance Indicators."