



November 7, 2016

Toromont Announces Results for the Third Quarter of 2016 and Quarterly Dividend

TORONTO, ONTARIO -- (Marketwired) -- 11/07/16 -- Toromont Industries Ltd. (TSX:TIH) reported its financial results for the third quarter ended September 30, 2016.

<i>millions, except per share amounts</i>	<i>Three months ended</i>			<i>Nine months ended</i>		
	<i>September 30</i>			<i>September 30</i>		
	2016	2015	% change	2016	2015	% change
Revenues	\$ 498.3	\$ 505.6	(1%)	\$ 1,386.6	\$ 1,330.3	4%
Operating income	\$ 66.0	\$ 62.3	6%	\$ 153.7	\$ 142.8	8%
Net earnings	\$ 47.6	\$ 44.7	7%	\$ 110.2	\$ 101.3	9%
Basic earnings per share ("EPS")	\$ 0.61	\$ 0.58	5%	\$ 1.41	\$ 1.30	8%

"Toromont's results for the third quarter reflect a steady operational focus, which contributed to growth in year-to-date revenues and earnings despite challenging markets," said Scott J. Medhurst, President and Chief Executive Officer of Toromont Industries Ltd. "Equipment Group market conditions remain soft with competitive pricing, including rental rates, dampening profitability. Product support continues to provide strong support for the overall business. We are very pleased with CIMCO's significant growth in revenue, both in Canada and in the US. Our balance sheet continued to strengthen and is well-positioned for future growth initiatives."

Highlights:

- Equipment Group - lower results on soft market conditions.
 - Revenues decreased 7% to \$410.3 million in the quarter on lower new equipment sales, partially offset by higher used equipment revenues and product support. Operating income increased by \$1.5 million (3%) in the third quarter versus a year ago. In the third quarter, Toromont sold its licences related to internally-developed software modules, designed to work with dealer-based systems (DBS). The pre-tax gain on this sale was \$4.9 million (\$0.05 basic EPS).
 - Revenues were up 1% to \$1.2 billion year-to-date with product support growth offsetting lower equipment sales and rentals. Equipment sales decreased \$23.5 million or 4% with substantial decreases in construction and mining. Product support increased \$43.4 million or 11% on strong parts sales into construction and mining markets. Operating income increased 5% year-to-date in 2016.
 - Bookings¹ increased 3% in the quarter to \$181.0 million on strong mining and power systems orders which served to offset lower construction and agriculture orders. Year-to-date, bookings were down 4% with decreases across all market segments except mining and agriculture. Backlogs¹ were \$121.0 million at September 30, 2016 compared to \$92.0 million at December 31, 2015 and \$131.0 million at this time last year. Approximately two-thirds of the backlog is expected to be delivered this year.
- CIMCO - record results in both Canada and the US.
 - Revenues increased 33% to \$87.9 million in the quarter on record package sales and product support revenues. Operating income increased 35% to \$8.4 million and was 9.6% as a percentage of revenues.
 - Revenues were up 24% to \$207.0 million year-to-date. Package sales increased 37% to \$118.5 million and product support revenues increased 10% to \$88.5 million with growth in both Canada and the US. Operating income margin was 120 basis points higher than last year at 6.9%.
 - Bookings were down 43% in the quarter to \$24.0 million with decreases in both Canada and the US. Year-to-date, bookings were up 32% with good growth in the US and Canada. Backlogs of \$102.0 million at September 30, 2016 were up from \$88.0 million at December 31, 2015 and \$86.0 million at this time last year. Approximately 40% of the backlog is expected to be delivered over the remainder of this year.
- Net earnings increased 7% in the quarter to \$47.6 million and 9% year-to-date to \$110.2 million largely due to continued product support contribution from both groups and strong package volume growth at CIMCO. Net income

was also lifted by the previously described gain on sale of internally-developed software.

- EPS increased 5% or \$0.03 in the quarter to \$0.61 and 8% or \$0.11 to \$1.41 year-to-date.
- Toromont's financial position remains strong. Net debt to total capitalization¹ was 5%. Our balance sheet strength supports the pursuit of growth opportunities.
- The Board of Directors announced a quarterly dividend of 18 cents per common share, payable January 3, 2017 to shareholders of record on December 9, 2016. The quarterly dividend was previously increased 6% to 18 cents per share effective with the dividend paid April 1, 2016. This represented the 27th consecutive year of dividend increases.

"We are encouraged by the long-term outlook for infrastructure spending, however our visibility to projects initiated to-date does not point to increased investment in the near-term. Our Equipment Group customers have been restrained with their capital spending pending project clarity, contributing to the softness in many of the markets we serve. Performance at CIMCO was terrific and has led to strong package sales and product support growth in both the US and Canada," continued Mr. Medhurst. "Our strong product support growth, diverse products and sound financial position provides financial and operational stability and opportunities for further growth."

Quarterly Results Materials

The complete third quarter report for 2016, including MD&A 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 listen-only mode, on Tuesday, November 8, 2016 at 8:00 a.m. (ET). The call may be accessed by telephone at 1-866-225-6564 (toll free) or 416-340-2220 (Toronto area). A replay of the conference call will be available until Tuesday, November 22, 2016 by calling 1-800-408-3053 or 905-694-9451 and quoting passcode 4134321.

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 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 shareholder and regulatory approvals.

By its 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 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; and, environmental regulation.

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 Toromont's most recent annual or interim Management Discussion and Analysis, as filed with Canadian securities regulators at www.sedar.com or 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 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 CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory in addition to industry leading rental operations and an expanding 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.

FOOTNOTES

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

TOROMONT INDUSTRIES LTD.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

(Unaudited)

(\$ thousands, except share amounts)	Three months ended		Nine months ended	
	September 30		September 30	
	2016	2015	2016	2015
Revenues	\$ 498,258	\$ 505,553	\$ 1,386,630	\$ 1,330,282
Cost of goods sold	371,946	381,604	1,048,192	1,006,214
Gross profit	126,312	123,949	338,438	324,068
Selling and administrative expenses	65,213	61,605	189,702	181,231
Gain on sale of internally-developed software	(4,939)	-	(4,939)	-
Operating income	66,038	62,344	153,675	142,837
Interest expense	1,796	2,347	5,389	6,432
Interest and investment income	(422)	(653)	(2,629)	(2,278)
Income before income taxes	64,664	60,650	150,915	138,683
Income taxes	17,021	15,920	40,696	37,421
Net earnings	\$ 47,643	\$ 44,730	\$ 110,219	\$ 101,262
Earnings per share				
Basic	\$ 0.61	\$ 0.58	\$ 1.41	\$ 1.30
Diluted	\$ 0.60	\$ 0.57	\$ 1.40	\$ 1.29
Weighted average number of shares outstanding				
Basic	78,211,460	77,773,042	78,055,416	77,606,112
Diluted	78,885,895	78,534,161	78,603,177	78,280,421

Toromont Industries Ltd.
 Scott J. Medhurst
 President and Chief Executive Officer
 (416) 667-5588

Toromont Industries Ltd.
 Paul R. Jewer
 Executive Vice President and Chief Financial Officer
 (416) 514-4790

Source: Toromont Industries Ltd.

News Provided by Acquire Media