

TOROMONT

For immediate release

TOROMONT ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2020 AND QUARTERLY DIVIDEND

Toronto, Ontario (April 30, 2020) - Toromont Industries Ltd. (TSX: TIH) reported its financial results for the first quarter ended March 31, 2020

<i>millions, except per share amounts</i>	Three months ended March 31		
	2020	2019	% change
Revenues	\$ 715.5	\$ 700.0	2%
Operating income	\$ 55.2	\$ 58.8	(6%)
Net earnings	\$ 37.4	\$ 39.3	(5%)
Basic earnings per share ("EPS")	\$ 0.46	\$ 0.48	(4%)

“The recent outbreak of COVID-19 puts us in an unprecedented environment. While Toromont’s businesses have, to date, been declared essential services in all jurisdictions in which we operate, we are not insulated from the broader economic, financial and market impacts,” said Scott J. Medhurst, President and Chief Executive Officer of Toromont Industries Ltd. “We experienced lower earnings in the quarter and reduced activity. Actions have been taken and are on-going across three areas of focus: protecting our employees, serving our customers’ needs and protecting our business for the future. We appreciate our entire team’s effort and commitment to support our customers during this challenging time.”

“Results in the quarter were dampened by higher expense levels compared to revenue growth,” continued Mr. Medhurst. “The first quarter of the year is typically softer, given seasonality and the impact of winter weather conditions in most segments of our business. This was exacerbated towards the end of the quarter with reductions in activity, most notably mine and construction shutdowns.”

Highlights:

Consolidated results

- Revenues increased 2% in the quarter versus last year, however this was dampened by the onset of COVID-19 in the latter part of the quarter. Product support and rental revenues were trending 5% and 7% higher respectively through February, but reduced activity in March largely offset this growth. It is difficult to quantify the impact of COVID-19 on equipment revenues.
- Operating income was 6% lower on reduced gross margins (tight pricing and lower rental fleet utilization) combined with increased expense associated with fleet investment strategy and an increase in the allowance for doubtful accounts.

- Backlogs were \$567.0 million at March 31, 2020, compared to \$544.9 million at March 31, 2019, with a new record set at CIMCO.
- Net earnings decreased \$1.9 million or 5% in the quarter versus a year ago to \$37.4 million or \$0.46 EPS.

Equipment Group

- Revenues were up \$23.9 million or 4% to \$657.8 million for the quarter on strong used equipment sales and product support growth.
- Operating income⁽¹⁾ was down \$2.6 million or 5% reflecting lower margins and higher expense levels.
- Bookings⁽¹⁾ in the first quarter of \$337.7 million were 15% higher. Construction orders, power systems and material handling were higher while mining and agricultural orders were lower than the comparable period last year.
- Backlogs⁽¹⁾ of \$353.1 million at the end of March 2020 were down \$42.0 million or 11% from the end of March 2019. Inventory levels and equipment availability factored into the decrease. Substantially all of the backlog is expected to be delivered this year.

CIMCO

- Revenues of \$57.7 million decreased \$8.4 million or 13% compared to the first quarter last year. Record package sales for the first quarter last year did not repeat, project construction work was slower to start in the quarter, however booking activity and backlogs were very strong.
- Operating income of \$0.2 million reflects the lower sales in addition to higher allowance for doubtful accounts.
- Bookings were up \$42.5 million or 61% to a record of \$112.2 million, on several large industrial orders received in Canada.
- Backlogs of \$213.9 million were up \$64.1 million, setting a new record. Approximately 70% of the backlog is estimated to be realized as revenue this year, however this is subject to construction schedules.

Financial Position

- Toromont's share price of \$61.65 at the end of March 2020, translated to a market capitalization⁽¹⁾ of \$5.1 billion and a total enterprise value⁽¹⁾ of \$5.4 billion.
- The Company maintained a very strong financial position. Leverage as represented by the net debt to total capitalization⁽¹⁾ ratio was 18% at the end March 2020, compared to 15% at the end of December 2019 and 26% at the end of March 2019.

- The Board of Directors announced a quarterly dividend of 31 cents per common share, payable on July 3, 2020 to shareholders on record on June 9, 2020. The quarterly dividend was previously increased 14.8% to 31 cents per share effective with the dividend paid April 2, 2020.
- The Company's return on opening shareholders' equity⁽¹⁾ was 21.2% at the end of March 2020, on a trailing twelve-month basis, compared to 21.4% at the end of December 2019 and 22.5% at the end of March 2019. Trailing twelve month pre-tax return on capital employed⁽¹⁾ was 22.0% at the end of March 2020, compared to 22.9% at the end of December 2019 and 22.4% at the end of March 2019.
- On April 17, 2020, Toromont closed a \$250 million one-year syndicated facility on substantially similar terms to the existing revolving credit facility, to provide additional liquidity in this era of economic uncertainty. This brings total bank lines to \$750 million.

"As governments around the world enact measures to combat the spread of COVID-19, we are proud to take part as an essential service. Toromont's businesses serve critical, essential services including but not limited to food production, storage and distribution networks, power generation including back-up power, critical infrastructure, transportation and emergency response," continued Mr. Medhurst. "A Critical Incident Executive Response Team was activated at an early stage and focuses on developing plans, assessing developments and responding appropriately. The collective management and leadership teams continue to monitor the situation closely and are implementing responsible measures to manage and protect the long-term health of the business, including voluntary compensation reductions by the executive team and the Board of Directors. The diversity of our geographical landscape and markets served, extensive product and service offerings and financial strength together with a disciplined operating culture, position us well to weather this situation for the long term."

"On a different note, the entire Toromont team extends its congratulations to Caterpillar, which celebrated its 95th anniversary in April 2020," said Mr. Medhurst. "We are proud to be your partner and representative in Eastern Canada."

Annual Meeting of Shareholders

The Company will be holding its Annual Meeting of Shareholders in a virtual-only format, via live audio webcast on Friday, May 1, 2020, at 10:00 a.m. (ET). Shareholders and other interested parties can attend the Annual Shareholders' Meeting virtually by going to <https://web.lumiagm.com/154118689> (password "toromont2020"). The meeting will also be available via live audio webcast at www.toromont.com.

Financial and Operating Results

All comparative figures in this press release are for the first quarter ended March 31, 2020 compared to the first quarter ended March 31, 2019. 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 unaudited interim condensed consolidated financial statements and related notes and Management's Discussion

and Analysis ("MD&A"), as at and for the three months ended March 31, 2020, which are available on SEDAR at www.sedar.com and on the Company's website at www.toromont.com. Additional information is contained in the Company's filings with Canadian securities regulators, including the 2019 Annual Report and 2020 Annual Information Form, also available on SEDAR and the Company's website.

Quarterly Conference Call and Webcast

Interested parties are invited to join the quarterly conference call with investment analysts, in listen-only mode, on Friday, May 1, 2020 at 8:00 a.m. (ET). The call may be accessed by telephone at 1-800-898-3989 (toll free) or 416-406-0743 (Toronto area). A replay of the conference call will be available until Friday, May 8, 2020 by calling 1-800-408-3053 or 905-694-9451 and quoting passcode 6797299.

Presentation materials to accompany the call will be available on our investor page on our website (<http://investor.toromont.com/events/event-details/conference-call-first-quarter-2020-results>).

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 reflects 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.

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; potential risks and uncertainties relating to the novel COVID-19 global pandemic, including an economic downturn, reduction or disruption in supply or demand for our products and services, or adverse impacts on our workforce, capital resources, or share trading price or liquidity; increased regulation of or restrictions placed on our businesses as a result of COVID-19; 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; 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 and acquired in excess of those currently contemplated; and increased insurance premiums. 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 Toromont's most recent annual Management Discussion and Analysis, as filed with Canadian securities regulators at www.sedar.com or at our website 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

- 1 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."

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS
(Unaudited)

(\$ thousands, except share amounts)	Three months ended March 31	
	2020	2019
Revenues	\$ 715,459	\$ 699,974
Cost of goods sold	544,601	529,313
Gross profit	170,858	170,661
Selling and administrative expenses	115,617	111,878
Operating income	55,241	58,783
Interest expense	6,931	6,919
Interest and investment income	(2,726)	(2,572)
Income before income taxes	51,036	54,436
Income taxes	13,640	15,175
Net earnings	\$ 37,396	\$ 39,261
Earnings per share		
Basic	\$ 0.46	\$ 0.48
Diluted	\$ 0.45	\$ 0.48
Weighted average number of shares outstanding		
Basic	82,015,440	81,326,182
Diluted	82,548,816	82,001,203