



For immediate release

TOROMONT ANNOUNCES 2019 RESULTS AND QUARTERLY DIVIDEND

Toronto, Ontario (February 11, 2020) - Toromont Industries Ltd. (TSX: TIH) today reported financial results for the three months and year ended December 31, 2019.

<i>millions, except per share amounts</i>	Three months ended December 31			Years ended December 31		
	2019	2018	% change	2019	2018	% change
Revenues	\$ 1,025.2	\$ 966.0	6%	\$ 3,678.7	\$ 3,504.2	5%
Operating income	\$ 128.2	\$ 121.6	5%	\$ 412.5	\$ 369.6	12%
Net earnings	\$ 90.5	\$ 84.9	7%	\$ 286.8	\$ 252.0	14%
Basic earnings per share ("EPS")	\$ 1.10	\$ 1.04	6%	\$ 3.52	\$ 3.10	14%

"Toromont delivered solid results in the fourth quarter and full year of 2019," said Scott J. Medhurst, President and Chief Executive Officer of Toromont Industries Ltd. "The Equipment Group recorded growth across its expanded territory. Reflecting on the substantial acquisition completed in late 2017, we are pleased with our progress to date in integration of operations and the benefits achieved, as we leverage best practices and operational efficiencies. The process is on going. CIMCO continued to grow its product support business which contributed positively to the bottom line."

Considering the Company's solid financial position and positive long-term outlook, the Board of Directors today increased the quarterly dividend by 14.8% to 31 cents per share. The next dividend is payable April 2, 2020 to shareholders on record at the close of business on March 9, 2020. Toromont has paid dividends every year since 1968 and this is the 31st consecutive year of dividend increases.

Highlights:

Consolidated results

- Net earnings in 2019 were \$286.8 million, up 14% from 2018, with basic EPS (earnings per share) also 14% higher to \$3.52. Revenue growth and mix, expense control and lower interest costs on reduced debt levels contributed to the improved results.
- Net earnings for the fourth quarter were \$90.5 million, up 7% from 2018; basic EPS up 6% to \$1.10.

Equipment Group

- Revenues were up \$182.9 million to \$3.3 billion for the year on growth in product support, rentals and used equipment sales. New equipment sales were unchanged from 2018, which included large mining deliveries.

- Operating income⁽¹⁾ increased \$35.2 million (10%) for the year, and was up 50 basis points (“bps”) as a percentage of revenues (11.5% versus 11.0%).
- For the fourth quarter, revenues were up \$59.3 million (7%) to \$933.1 million, with increases across all revenue streams except used equipment sales which were relatively unchanged.
- Operating income was up \$2.0 million (2%) in the quarter but was 60 bps lower as a percentage of revenues at 12.6%.
- Bookings⁽¹⁾ in 2019 decreased \$68.5 million (4%) to \$1.5 billion, with increases in construction orders more than offset by declines in mining and power. Fourth quarter bookings were down 2% (\$7.9 million) to \$415.1 million, on increases in power systems and material handling lift truck orders. Backlogs⁽¹⁾ decreased \$69.5 million (20%) to \$272.3 million, most of which is expected to be delivered in 2020.

CIMCO

- Revenues for the year decreased \$8.4 million (2%) to \$334.8 million. Recreational markets were strong in Canada and the US and served to partially offset weaker industrial markets. Product support revenues increased in Canada and the US.
- Operating income was up by \$7.7 million (37%) in 2019, reflecting a one-time charge last year, which did not repeat, and improved project gross margins on better execution in 2019. Operating income margin⁽¹⁾ was 8.5% versus 6.0% last year.
- For the fourth quarter, revenues of \$92.1 million were largely unchanged from the record last year.
- Operating income increased \$4.6 million (78%) in the quarter versus last year as the one-time item noted above and improved gross margins were partially offset by higher expense levels.
- Bookings of \$193.6 million for the year were up \$8.9 million (5%) with higher recreational orders offsetting lower industrial orders. Fourth quarter bookings were also up (\$7.5 million or 20%) but with higher industrial orders and lower recreational orders. Backlogs of \$122.5 million at December 31, 2019 were up \$9.8 million (9%), substantially all of which is expected to be realized as revenue in 2020.

Financial Position

- Toromont continued to produce strong shareholder returns, delivering increased dividends, a 21.4% return on opening shareholders’ equity⁽¹⁾ and a 22.9% pre-tax return on capital employed⁽¹⁾.
- Toromont’s share price of \$70.59 at the end of 2019, translates to a market capitalization⁽¹⁾ of \$5.8 billion and a total enterprise value⁽¹⁾ of \$6.1 billion.

- The Company maintained a very strong financial position. Leverage, as represented by the net debt to total capitalization⁽¹⁾ ratio decreased to 15% at the end of December 31, 2019 from 18% at the end of December 31, 2018.

“Infrastructure projects and broader construction activity offer growth in equipment sales, product support and rentals for our Equipment Group,” continued Mr. Medhurst. “Opportunities exist for equipment supply into the mining sector, especially in support of the replacement and expansion requirements at existing mine sites. Overall, we are very pleased with the progress achieved so far on the transition and integration fronts and remain cautiously optimistic about the significant potential which lies ahead. CIMCO continues to grow its product support, reflecting its strong presence and solid reputation as a leader in the key markets it serves.”

Financial and Operating Results

All comparative figures in this press release are for the fourth quarter and fiscal year ended December 31, 2019 compared to the fourth quarter and fiscal year ended December 31, 2018. 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 year ended December 31, 2019, 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 Wednesday, February 12, 2020 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), no passcode is required. A replay of the conference call will be available until Wednesday, February 19, 2020 by calling 1-800-408-3053 or 905-694-9451 (Toronto area) and quoting passcode 9231627# to listen.

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; 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 its registered funded defined benefit pension plans, post-employment benefits plan or the multi-employer pension plan obligations in excess of those currently contemplated. 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 MD&A, 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 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."