

Q4 2021 Results

February 10, 2022

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Advisory

Information contained herein 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 herein 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 material may also contain 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 and changes to environmental regulation; information technology failures, including data or cyber security breaches; 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 to make contributions to registered defined benefit pension plans or postemployment benefit plans in excess of those currently contemplated; and ability to secure insurance coverage and cost of premiums. Readers are cautioned that the foregoing list of factors is not exhaustive.

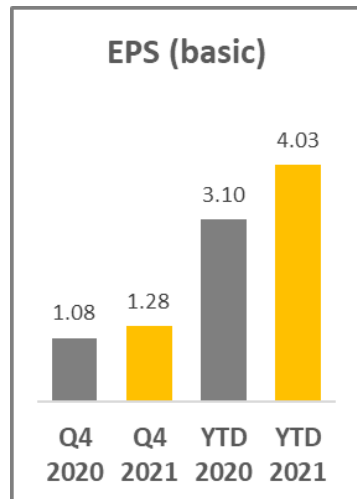
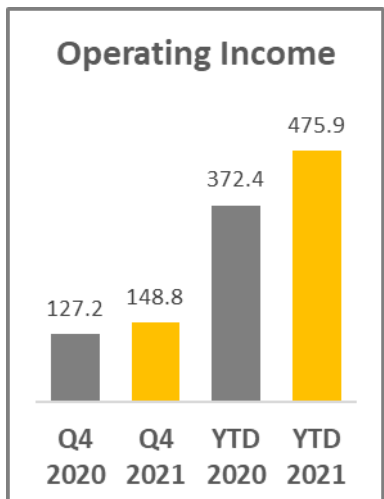
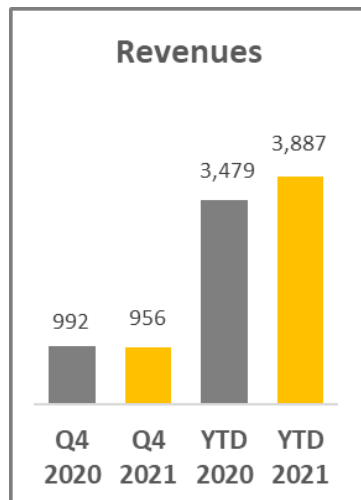
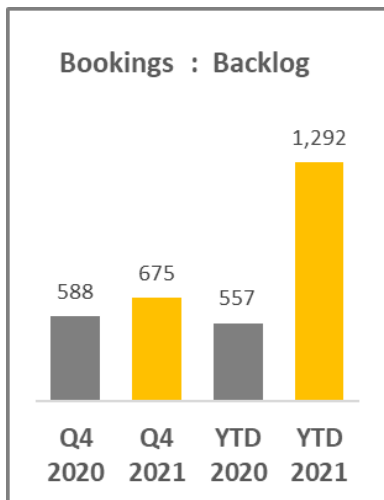
Any of the above mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied in the forward-looking information and statements included herein. For a further description of certain risks and uncertainties and other factors 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.

Q4 Highlights

- **Solid activity levels** in end markets
 - **Equipment Group** – **strong prime product deliveries**, also reflected some shifts in customer buying patterns; **rental and product support** improved with activity levels & utilization
 - **CIMCO** – strong package deliveries as industrial projects progressed; recreational markets improving
- **Operational leverage & efficiencies** contributing to the bottom line
- **Order bookings up 15% & backlog up 132% Y/Y**
- **Financial position remains strong** - ample liquidity to support customer requirements & growth opportunities
- **Cautious tone remains** – COVID-19 & macro factors influencing buying patterns, delivery schedules & supply chains
- **Team** continues to execute safely, demonstrate their resiliency & dedication to support our customers

Financial Summary

Financial Data in \$ million, EPS in \$ per share



- **Healthy Backlogs** - Equipment Group up 203% and CIMCO lower 13%
- **Total Revenues** down 4% in the QTR; up 12% full year
- **Product support and rental revenues** up reflecting activity levels & utilization rates
- **Expenses** were up 3% in the QTR and 7% for the year
 - Spending increasing to support volume growth
 - Certain items impact comparability – CEWS, MTM on DSUs, pension settlement & real estate related transactions
- **Operating Income** up 17% in Q4; 28% for the year
- **Net Earnings** up 19% in Q4 and 31% Y/Y
- **EPS** up 19% in Q4 and 30% Y/Y

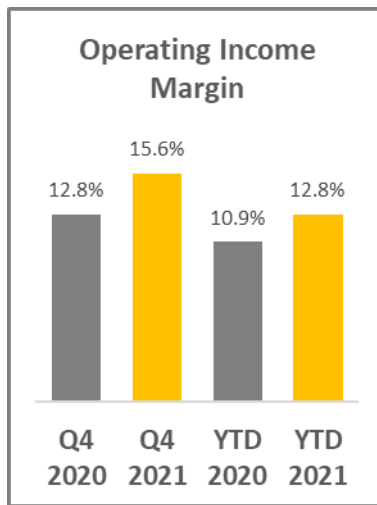
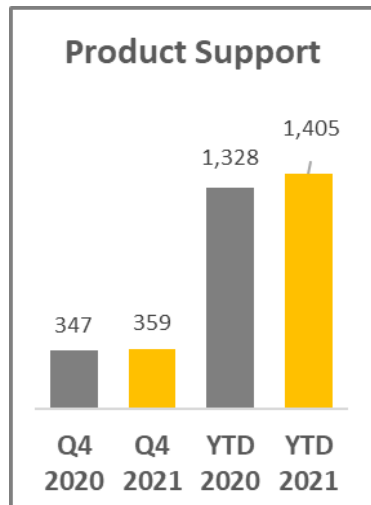
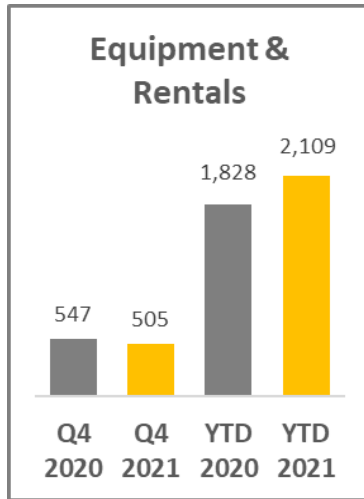
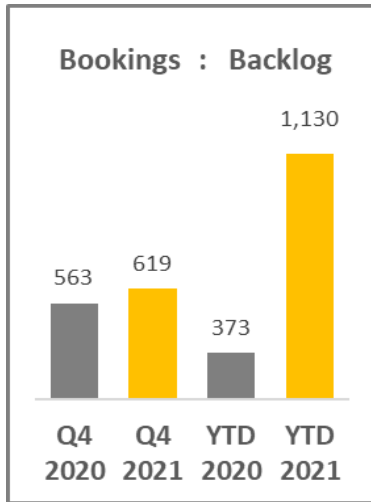
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Equipment Group

Financial Data in \$ million



- **COVID-19 & Macro Factors** affecting seasonality, supply chain, delivery schedules and buying patterns
- **Bookings & Backlog** supportive with improvement across virtually all market segments
- **Revenues** – New & Used lower, Rental & Product Support improved Q/Q; overall up 11% Y/Y
- **Expenses** pacing well (up 2%) supporting growth when one-time gains/expenses excluded – mainly pension settlement, CEWS (2020), real estate transactions
- **Operating Income** improved on gross profit operating leverage with solid execution, fleet utilization

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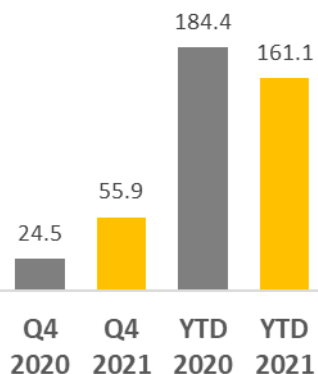
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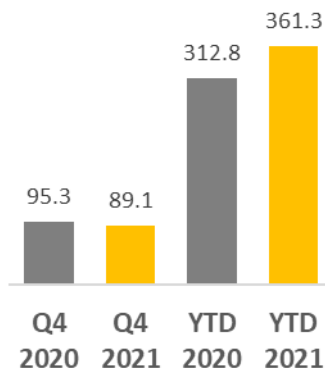
CIMCO

Financial Data in \$ million

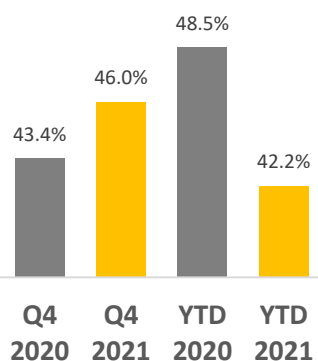
Bookings : Backlog



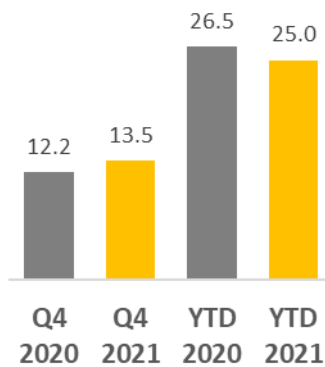
Revenues



Prod Support % Revenue



Operating Income



- COVID19 affecting schedules, however performance can vary Q/Q due to timing of large construction of projects
- **Revenues Y/Y up 15%** reflecting industrial projects (large orders received in 2020 completing)
- **Product Support** sales relatively flat Y/Y; with Recreational activity improving as the QTR progressed
- **Expense** increase relates mainly to support growth (salaries, facilities), allowances and subsidy in 2020
- **Operating Income** reflects improved package margins, favourable PS mix partly offset by expenses
- **Bookings** increasing as recreational markets being to open; industrial maintains reasonable pace

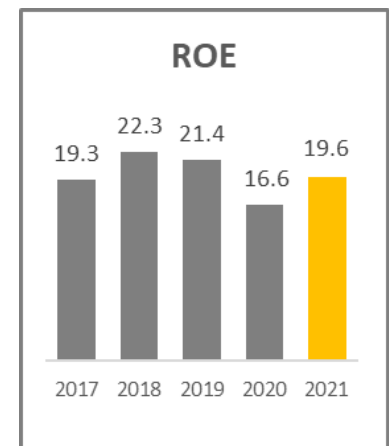
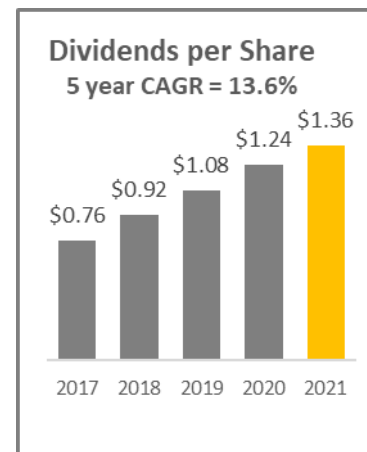
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Financial Highlights

- **Working Capital** – reflecting Teams focus on capital discipline and effective actions to proactively manage to activity levels and underlying demand
 - **AR** - DSO reduced 5 days Y/Y
 - **Inventories** – lower reflective of sales activity and tight supply chain
- **Strong financial position** with **\$917 million** cash on hand, \$471 million in additional liquidity available through existing Credit Facilities
- **Net Debt to Total Capitalization** ratio of **-16%**
- **NCIB initiated in Q3 2021**, repurchased and retired 470,600 shares (~\$50 million)
- **Quarterly dividend** increase by 11.4% to \$0.39 cents per share
 - Paying dividends since 1968
 - 33rd consecutive year of increases
- **ROE improved to 19.6%**, 5 year average of 19.8%



Key Takeaways Leading into 2022

- Expecting the business environment to remain fluid, **key factors to monitor**:
 - Changing status of the pandemic and response required
 - Health of the supply chain
 - Inflationary & macro-economic pressures
- **Our focus areas** going forward:
 - Continue to protect our employees
 - Serve and support our customer requirements
 - Protect our business for the future (leveraging the learnings from the last two years)
- **Backlogs** are well positioned, but subject to global supply chain challenges, including vendor production
- **Technician hiring** remains a key priority and is essential to support the growing demand for our product support and project construction business
- **Financially, we are well positioned** with ample sources of liquidity and ability to invest in organic growth initiatives and opportunities
- **Thank-you** to our customers, our people, our supply partners and our shareholders for your continued support

2022 Schedule

All dates and times are preliminary and subject to change

Quarter	Release Date <i>After market close</i>	Investor Call Date	Investor Call Time <i>Eastern</i>
Q1 2022	April 27, 2022	April 28, 2022	8:00 AM
Q2 2022	July 26, 2022	July 27, 2022	8:00 AM
Q3 2022	November 1, 2022	November 2, 2022	8:00 AM
Q4 2022	February 14, 2023	February 15, 2023	8:00 AM

Other Events and Filings	Date	Time
2022 Management Proxy Circular	March 28, 2022	EOD
2022 Annual General Meeting	April 28, 2022	10:00 AM EST

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Thank You
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Stay Safe

Q4 2022 Results Conference Call
February 10, 2022

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